Offering Circular

NTT Finance Corporation

(incorporated with limited liability under the laws of Japan)

U.S.$10,000,000,000

Euro medium term note programme

Under the Euro Medium Term Note Programme described in this Offering Circular (the "Programme"), NTT Finance Corporation (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue euro medium term notes (the "Notes"). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$10,000,000,000 (or the equivalent in other currencies).

Application has been made to the Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to deal in and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST (the "Official List"). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, its respective subsidiaries, its respective affiliates (if any), the Programme or the Notes.

Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, each Series (as defined below) of Notes will be set forth in final terms prepared by, or on behalf of, the Issuer (the "Final Terms") which, with respect to Notes listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Series. However, unlisted Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the SGX-ST (or any other stock exchange).

Each Series (as defined in "Overview of the Programme—Method of Issue") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "temporary Global Note") or a permanent global note in bearer form (each a "permanent Global Note"). Notes in registered form will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Global Notes and Certificates may be deposited on the issue date with a common depositary on behalf of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") (the "Common Depositary"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular.

The Programme has been rated A- by S&P Global Ratings Japan Inc. and A3 by Moody's Japan K.K. (in each case except in relation to certain market-linked Notes such as credit-linked Notes and equity-linked Notes issued under the Programme). Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger for the Programme

J.P. Morgan

Dealers

Barclays
BofA Securities
Crédit Agricole CIB
Goldman Sachs International
Mizuho
Nomura
BNP PARIBAS
Citigroup
Daiwa Capital Markets
J.P. Morgan
Morgan Stanley
SMBC NIKKO

The date of this Offering Circular is 8 December 2025

This Offering Circular has been prepared for the purpose of giving information with regard to the Issuer and its subsidiaries and affiliates taken as a whole and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in "Overview of the Programme"). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States of America, Japan, the United Kingdom (the "UK"), the European Economic Area (the "EEA"), Hong Kong and Singapore (see "Subscription and Sale").

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law; or (ii) a customer within the meaning of the provisions of the

Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law (the "UK Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET—The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET—The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948) (as amended) (the "FIEA") and will be subject to the Special Taxation Measures Act of Japan (Law No. 26 of 1957) (as amended) (the "Special Taxation Measures Act").

BY PURCHASING THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS, FOR JAPANESE TAX PURPOSES, A GROSS RECIPIENT (AS DEFINED IN "SUBSCRIPTION AND SALE").

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the FSMA with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with.

For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "Subscription and Sale".

Each prospective investor who places an order for the Notes consents to the disclosure by the Dealers to the Issuer of the prospective investor's identity, the details of such order and the actual amount of Notes subscribed, if any.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes. This Offering Circular may only be used for the purposes for which it has been published.

The Arranger and the Dealers have not independently verified the information contained in this Offering Circular. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in "Overview of the Programme— Method of Issue"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time and must be brought to an end after a limited period. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "yen" and "¥" are to Japanese yen, to "U.S. dollars", "USD", "U.S.$" and "$" are to United States dollars, to "euro", "Euro" and "€" are to the lawful currency of those members of the European Union which are participating in the European Economic and Monetary Union pursuant to the Treaty on European Union, to "GBP" and "£" are to United Kingdom pounds sterling, to "S$" are to Singapore dollars, to "HKD" are to the lawful currency of the Hong Kong Special Administrative Region, and to "Renminbi", "RMB" and "CNY" are to the lawful currency of the People's Republic of China.

In this Offering Circular, when information has been extracted from the Issuer's financial statements and is presented in millions or billions of yen, amounts of less than one million or one billion, as the case may be, have been truncated unless otherwise specified. With respect to information extracted from the financial statements of NTT (as defined below) presented in millions or billions of yen in the section "NTT Group," amounts of less than one million or one billion, as the case may be, have been rounded unless otherwise specified. In this Offering Circular, where information is presented as percentages, amounts less than one-tenth of one percent or one-hundredth of one percent, as the case may be, have been rounded unless otherwise specified. In some cases the figures in tables may have been truncated or rounded so that the total figures may differ slightly from the aggregate of the individual figures in the relevant table.

References in this Offering Circular to the "Issuer" includes the Issuer's consolidated subsidiaries and affiliates accounted for by the equity method where the context so permits. References to the financial figures of the Issuer are on a consolidated basis unless otherwise specified.

References in this Offering Circular to the "NTT Group" are to NTT, Inc. and its consolidated subsidiaries and affiliates accounted for by the equity method, taken as a whole, and to "NTT" are to NTT, Inc.

Effective 1 July 2025, NTT changed its corporate name from NIPPON TELEGRAPH AND TELEPHONE CORPORATION to NTT, Inc. and the group companies NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION and NTT COMMUNICATIONS CORPORATION changed their corporate names to NTT EAST, Inc., NTT WEST, Inc. and NTT DOCOMO BUSINESS, Inc., respectively.

References to the former name of any of these entities is to be understood to refer to the corresponding newly named entity and vice versa.

Supplemental offering circular

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Offering Circular which is capable of affecting the assessment of any rights attaching to the Notes and/or is necessary for the purpose of allowing an investor to make an assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare and publish an amendment or supplement to this Offering Circular or prepare a replacement Offering Circular for use in connection with any subsequent offering of the Notes.

Documents incorporated by reference

This Offering Circular should be read and construed in conjunction with (a) the Final Terms relating to any Notes, (b) any unaudited interim or audited annual consolidated financial statements of the Issuer published through the SGX-ST subsequently to this Offering Circular from time to time, and (c) any amendment or supplement to the Offering Circular, which, in each case, shall be incorporated in, and form part of, this Offering Circular and which shall modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Such documents will be available free of charge from the Luxembourg office of State Street Bank International GmbH, Luxembourg Branch at 1B, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg. Copies of any unaudited interim or audited annual consolidated financial statements of the Issuer deemed to be incorporated by reference in this Offering Circular under (b) above may be obtained without charge from the website of the SGX-ST (https://www.sgx.com/).

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Summary of the Issuer

The Issuer is a wholly-owned finance subsidiary of NTT, Inc. ("NTT") which was formerly known as NIPPON TELEGRAPH AND TELEPHONE CORPORATION.

The "NTT Group", consisting of NTT as the holding company and its consolidated subsidiaries and affiliates accounted for by the equity method, taken as a whole, except as otherwise expressly stated or as the context requires, is a leading provider of comprehensive ICT (Information and Communication Technology) and system integration solutions globally, with operations in more than 190 countries. The NTT Group is also one of Japan's largest telecommunications providers, offering a wide range of high-quality mobile and fixed-line telecommunications services and products to consumers and enterprises domestically. In addition, certain of NTT Group companies and affiliates engage in real estate development and urban renewal, clean power development and financial services, among other businesses.

As the sole finance subsidiary within the NTT Group, the Issuer has a strong business foundation occupying a central role in the provision of financing solutions to companies within the NTT Group, and of cash management, accounting and tax and billing and collection services to companies within the NTT Group. In addition, the Issuer is engaged in providing finance and accounting-related services to third parties.

In the years ended 31 March 2024 and 2025, the Issuer had consolidated revenue of ¥301,767 million and ¥322,813 million, respectively, and consolidated profit attributable to owners of parent of ¥13,221 million and ¥10,707 million, respectively. In the six months ended 30 September 2024 and 2025, the Issuer had consolidated revenue of ¥169,846 million and ¥169,746 million, respectively, and consolidated profit attributable to owners of parent of ¥6,366 million and ¥5,275 million, respectively.

Overview of the programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of a particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this overview. The Issuer may agree with any Dealer that the Notes may be issued in a form other than that contemplated in "Terms and Conditions of the Notes" herein, in which event (in the case of listed Notes only) a supplement to this Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Terms and Conditions of the Notes do not provide for any redemption rights, acceleration or substitution of the Note obligations in the event of a change of control in relation to the Issuer.

Issuer:	NTT Finance Corporation (Legal Entity Identifier: 3538007PR116187GD960)
Description:	Euro Medium Term Note Programme
Size:	Up to U.S.$10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any time. Under the Dealer Agreement, the aggregate nominal amount of Notes outstanding under the Programme may be increased, subject to the satisfaction of certain conditions set out therein
Arranger:	JPMorgan Securities Japan Co., Ltd.
Dealers:	Barclays Bank PLC BNP PARIBAS Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Daiwa Capital Markets Europe Limited Goldman Sachs International J.P. Morgan Securities plc Merrill Lynch International Mizuho International plc Mizuho Securities Asia Limited Morgan Stanley & Co. International plc Nomura International plc SMBC Bank International plc The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent, Principal Paying Agent, Registrar and Transfer Agent:	State Street Bank International GmbH, Luxembourg Branch
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more

issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "Final Terms").

Issue Price: . . . . . Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Use of Proceeds: . . . . . Notes may be issued as Green Bonds or otherwise. The relevant Final Terms will specify whether a particular Tranche of Notes will be issued as Green Bonds. The net proceeds from the issue of each Tranche of Notes which are not issued as Green Bonds will be applied by the Issuer for general corporate purposes, or as otherwise stated in the relevant Final Terms.

An amount equal to the net proceeds from the issue of each Tranche of Notes which are issued as Green Bonds will be applied by the Issuer to make loans to the NTT Group to finance or refinance, in whole or in part, new or existing projects that meet one or more of the eligibility criteria as defined in the Green Finance Framework (see "Use of Proceeds").

Form of Notes: . . . . . The Notes may be issued in bearer form ("Bearer Notes") or registered form ("Registered Notes"). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "—Selling Restrictions" below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates".

Clearing Systems: . . . . . Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

Initial Delivery of Notes: . . . . . On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Certificate representing Registered Notes, as the case may be, may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be

credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies: . . . . . Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

Maturities: . . . . . Subject to compliance with all relevant laws, regulations and directives applicable to the relevant specified currency, any maturity as may be agreed between the Issuer and the relevant Dealer as indicated in the applicable Final Terms.

Specified Denomination: . . . . . Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that, unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).

If, in respect of any issue of Notes, more than one Specified Denomination is provided, Specified Denominations in respect of such issue shall only be in integral multiples of the lowest Specified Denomination.

Fixed Rate Notes: . . . . . Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes: . . . Floating Rate Notes will bear interest determined separately for each Series as follows:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or the 2021 ISDA Definitions, in each case, as published by the International Swaps and Derivatives Association, Inc.; or

(ii) by reference to a benchmark specified in the relevant Final Terms, as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes: . . . . Zero Coupon Notes (as defined in "Terms and Conditions of the Notes") may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes: . . . Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in "Terms and Conditions of the Notes") will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Final Terms.

Index Linked Notes: . . . . Payments of principal in respect of Index Linked Redemption Notes (as defined in "Terms and Conditions of the Notes") or of interest in respect of Index Linked Interest Notes (as defined in "Terms and Conditions of the Notes") will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.

Interest Periods and Interest Rates: . . . . . The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Redemption: . . . . . The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Redemption by Instalments: . . . . . The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Other Notes: . . . . . Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and the supplementary offering circular.

Optional Redemption: . . . . . The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

Early Redemption: . . . . . Except as provided in "—Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes—Redemption, Purchase and Options".

Status of the Notes: . . . . The Notes will constitute unsubordinated and unsecured obligations of the Issuer all as described in "Terms and Conditions of the Notes—Status".

The Notes do not benefit from any guarantee or credit support from NTT or any other member of the NTT Group.

Negative Pledge: . . . . . See "Terms and Conditions of the Notes—Negative Pledge".

Cross Default: . . . . . See "Terms and Conditions of the Notes—Events of Default".

Ratings: . . . . . The Programme has been rated A- by S&P Global Ratings Japan Inc. and A3 by Moody's Japan K.K. (in each case except in relation to certain market-linked Notes such as credit-linked Notes and equity-linked Notes issued under the Programme). Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms and will not necessarily be the same as the rating assigned to the Programme. A rating is not a

recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Withholding Tax: . . . . . All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Japan, unless the withholding is required by law. In such event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, subject to customary exceptions (including the ICMA Standard EU Tax exemption Tax Language), all as described in "Terms and Conditions of the Notes—Taxation".

Governing Law: . . . . . English.

Listing: . . . . . Application has been made to the SGX-ST for permission to deal in, and for quotation of, any Notes to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST.

As specified in the relevant Final Terms, a Series of Notes may be unlisted. Any application for the listing of Notes on the SGX-ST will be made separately with respect to each such issue of Notes.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or the equivalent in other currencies).

Selling Restrictions: . . . . The United States of America, Japan, the United Kingdom, the European Economic Area, Hong Kong and Singapore. See "Subscription and Sale".

Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) (the "D Rules") unless (i) the relevant Final Terms states that Bearer Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "C Rules") or (ii) Bearer Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which such Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Risk factors

Prospective investors should consider carefully the risks set forth below and the other information contained in this Offering Circular prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below are not the only risks the Issuer faces. However, the Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.

Risks related to the Issuer's business

Reliance on the NTT Group

As the sole finance arm of the NTT Group, the Issuer is substantially reliant on the NTT Group for a significant part of its existing business as well as for new business generation. In particular, in its Billing Business the Issuer generates revenue primarily through commissions received from NTT Group companies for assuming their receivables from customers, and in its Accounting/Finance Business, the Issuer provides interest-bearing loans, cash management and other finance and accounting services to NTT Group companies. In addition, a substantial part of the revenue from the Credit Card Business consists of commissions received from NTT Group companies for processing payment of telecommunication charges made through credit cards. For the fiscal year ended 31 March 2025, the Issuer derived a substantial majority of its revenue from NTT Group companies, including 36.9% of its revenue from NTT DOCOMO, INC. ("NTT DOCOMO"). Furthermore, as of 31 March 2025, 98.5% of the Issuer's operating assets, which it defines as the total of trade accounts receivable (net of allowance for doubtful receivables) and investments in venture businesses were loans to NTT and other operating companies of the NTT Group.

Accordingly, any change in conditions adversely affecting the NTT Group as a whole or any of its significant companies could have a significant impact on the Issuer's business and results of operations.

In its finance business, the Issuer provides debt financing to companies within the NTT Group and generally engages in and manages all debt financing from external financial institutions as well as the capital markets for the NTT Group. Because the Issuer uses the proceeds from such debt financing to provide financing to companies in the NTT Group, it has substantial exposure to the credit risk of the other NTT Group companies. As of 31 March 2025, almost all of the Issuer's total trade accounts receivable (loans) comprised loans to NTT Group companies, which primarily included loans to NTT (accounting for 53.8% of the Issuer's total trade accounts receivable (loans)), a significant portion of which were incurred in connection with the financing of NTT's acquisition of the remaining public shares of NTT DOCOMO in December 2020, March 2021 and July 2021. Furthermore, on 26 June 2025, NTT completed a tender offer to acquire the outstanding public shares of NTT DATA Group Corporation that it did not already own for ¥1,347 billion. As a result of this transaction, NTT increased its ratio of voting rights in NTT DATA Group Corporation to 81.75% compared to 57.7% as of 31 March 2025, and subsequently acquired the remaining minority stake through a share consolidation squeeze-out in September 2025 with certain remaining settlement procedures with respect to fractional shares expected to be completed around or after late December 2025. In connection with this transaction, the Issuer engaged in a number of financing transactions, including bridge financing arrangements with several Japanese financial institutions, and used the proceeds from such transactions to provide a

loan to NTT in the same amount. Accordingly, any factors that could adversely affect the NTT Group's business would also be likely to adversely affect NTT Group's credit risk, which in turn could expose the Issuer to losses to the extent that any of the relevant companies experience difficulty in repaying the loans, increases in allowances for doubtful receivables or defaults by such companies on their loans. Any of the foregoing may in turn cause the Issuer to experience difficulty in repaying its third-party borrowings, including Notes issued under the Programme, and performing its other obligations to third parties, which could have a material and adverse effect on its business, financial condition and results of operations and the business, financial condition and results of operations of the NTT Group as a whole.

In March 2009, the Issuer received an equity injection of ¥19,994 million from NTT in response to incurring significant losses during that fiscal year. In addition, as of 31 March 2025, NTT fully and unconditionally guaranteed the Issuer's outstanding notes in a total amount of $5.5 billion, €1.0 billion and ¥900 billion. There is, however, no other guarantee or keepwell arrangement in place between the Issuer and NTT or any other member of the NTT Group in relation to supporting it financially. There is no assurance that NTT or any other member of the NTT Group will provide such support to the Issuer in the future.

In addition, to the extent that NTT has indebtedness that is senior to the Issuer's loans to NTT in terms of priority, payment of such senior indebtedness would have priority over the Issuer's loans to NTT. For example, under the Act on Nippon Telegraph and Telephone Corporation, etc. of Japan (Act No. 85 of 1984, as amended) (the "NTT Act"), holders of debt securities issued by NTT which are classified as "*shasai*" under the meaning of the NTT Act have the preferential right (*ippan-tanpo*) to be paid prior to other unsecured indebtedness of NTT, including its indebtedness to the Issuer. As of 31 March 2025 NTT had no such "*shasai*" debt securities outstanding.

As a consequence of the Issuer's history and positioning within the NTT Group, all of the Issuer's current directors and a significant proportion of its current managers have in the past worked for, and some directors are currently senior managers at, other companies within the NTT Group. Furthermore, although the Issuer has an agreement in place with NTT in relation to its management as part of the NTT Group, with the aim of maximising the corporate value of each NTT Group company while respecting each NTT Group company's autonomy and independence, such agreement may not ensure that it is operated independently from the interests of the NTT Group as a whole or other NTT Group companies.

NTT currently holds all of the Issuer's outstanding voting rights and has the ability to control its management as sole shareholder. While the Issuer expects NTT to respect the Issuer's autonomy and independence as a company, NTT is nonetheless in a position to take actions that may be in the interest of the NTT Group but not necessarily in the Issuer's best interest on a standalone basis.

Risks relating to customer experience

The Issuer's Billing Business is responsible for billing and collection services primarily in relation to charges for the communication services provided by certain NTT Group companies, while the Issuer also provides various payment services including credit settlement services and other payment solutions to customers. The Issuer's ability to maintain and grow its business depends on its capacity to adapt to evolving customer preferences, technological developments, and regulatory changes in the billing and payment services industry. If the Issuer fails to respond appropriately to changes in customer expectations regarding service quality, convenience, security, or digital capabilities, or if it is unable to deliver services that meet evolving market standards, this may have a significant impact on the Issuer's results of operations and financial condition.

Interest rate risk

The Issuer funds its loans and other forms of financing to the NTT Group companies primarily through borrowings from financial institutions or funds raised from the capital markets. As a result, interest-bearing debt accounts for a high proportion of the Issuer's balance sheet, and any change in prevailing interest rates may have a significant impact on the Issuer's funding costs.

The Issuer seeks to minimise interest rate risks by means of asset-liability management (ALM) techniques for matching the interest basis and maturities of its financial assets and liabilities and by monitoring its exposure by performing gap analysis and interest sensibility analysis. In addition, the Issuer uses interest rate swaps to hedge a portion of its interest rate risks. Nonetheless, the Issuer remains exposed to interest rate risk, and any sudden fluctuation in interest rates may have a significant impact on the Issuer's results of operations.

Funding risk

In order to address fluctuations in the financial markets, the Issuer evaluates various means of capital procurement in order not to be over-reliant on any one particular lender or funding method. As at 31 March 2025, the Issuer had outstanding loan balances with 98 banks and other financial institutions. In addition, the Issuer also raises funds through issuances of bonds and commercial paper and acceptance of cash deposits from NTT and other NTT Group companies.

There can be no assurance that the Issuer will always be able to raise funds or refinance its existing debt at the time that it requires, or under terms favourable to it. Any change in, or disruption to, market conditions may have a significant impact on the Issuer's business and results of operations.

Credit risk

In transactions that involve credit risk, the Issuer examines the credit status of counterparties and monitors them individually in order to ensure sound management. However, the Issuer's business performance may be affected by economic trends and changes in the business conditions of its counterparties.

In its Billing Business, the Issuer is exposed to credit risks on the portfolio of receivables transferred to it from the relevant NTT Group entities. The Issuer is paid a fee on accepting the transfer of such receivables, whose calculation is tied to the expected credit costs on such portfolio estimated based on the historical rate of loss in the recent past. Any sudden increase in defaults may therefore cause the Issuer's actual credit costs to exceed estimates, which may adversely affect the Issuer's results of operations.

In its Credit Card Business, the Issuer records in each year an allowance for doubtful receivables based on the historical rate of defaults. However, if the actual rate of defaults rapidly increases, the Issuer's results of operations may be adversely affected.

Exchange rate risk

The Issuer holds assets denominated in foreign currencies as operating assets. While the Issuer aims to manage its exposure to exchange rate fluctuations by matching the amounts of its foreign currency denominated assets with its foreign currency denominated borrowings in each individual transaction where possible or practicable and makes use of currency swaps for hedging purposes, any exchange rate fluctuation may nonetheless have an impact on the Issuer's results of operations.

Investment risk

In the Issuer's investment business, the Issuer makes investments in venture capital companies. The return on and the value of these investments, which may be affected by the success of the investees' business, general conditions in the equity markets and various other factors, may have a significant impact on the Issuer's results of operations.

Risk of changes in laws and regulations

The Issuer's businesses are subject to a number of rules and regulations in Japan and overseas. In addition, parts of the Issuer's business are particularly susceptible to changes in applicable accounting and tax regimes. These and other rules and regulations applicable to the Issuer may be subject to changes in the future. Circumstances arising from future amendments to these rules and regulations, or changes to the interpretation thereof, may adversely affect the Issuer's results of operations. If the Issuer should violate such laws, significant sanctions may be imposed on the Issuer, which would have a significant detrimental impact on the Issuer's reputation and may adversely affect its financial condition and results of operations.

System risks

The Issuer relies on IT systems to provide financial and settlement services to its customers. To ensure the integrity of the IT systems used by the Issuer for its operations, the Issuer has adopted multiple safety measures, including installing equipment in quake-resistant buildings, adopting countermeasures against unauthorised accesses and retaining IT professionals to provide prompt response to system interruptions. In particular, the Issuer's Billing Business, in which large volumes of data are processed each year, is equipped with sophisticated systems to accurately and effectively execute billing and collection operations.

The Issuer believes that it maintains secure and reliable information and technology systems. However, despite all the measures adopted by the Issuer, services provided by the Issuer may still be interrupted by the occurrence of any single or a combination of incidents including hardware or software system failures, hacking incidents, human error, electricity blackouts, delays in development or malfunctions in critical IT systems, each of which may adversely impact the Issuer's information and technology systems and, in turn, the Issuer's financial condition and results of operations.

Risks relating to the Issuer's Credit Card Business

In its role as payment processor and merchant acquirer for NTT Group customer telecommunications invoices paid with credit cards, merchant acquirer to third parties, and the provider of the payment processing service PaySol, the Issuer is exposed to various risks.

In its role as payment processor and merchant acquirer for NTT Group customer telecommunications invoices paid with credit cards, which accounted for 90.7% of the Issuer's Credit Card Business's revenue for the fiscal year ended 31 March 2025 due to inter-segment transfers from its Billing Business, the Issuer is required to pay interchange fees set by the payment networks of invoiced customers' credit cards. From time to time, the payment networks may increase the interchange fees and other fees that they charge. At their sole discretion, other credit card issuers have the right to pass any increases in interchange and other fees on to the Issuer, and they have consistently done so in the past. Under the contracts into which the Issuer enters, it is generally permitted to, and in the past has been able to, pass these fee increases along to its merchants, including the NTT Group operating companies, through corresponding increases in its processing fees. However, if the Issuer is unable to pass through these and other fees in the future, or if the relevant NTT Group companies and other merchants' businesses are adversely affected by such fee increases, it could have a material adverse effect on its business, financial condition, and results of operations.

In addition, while the Issuer ended service for NTT Finance Biz cards on 31 March 2025, the Issuer has certain legacy risk associated with the business as some of the revolving loans remain outstanding, and the Issuer continues to face the risk that its customers will not repay their balances on time or at all. A customer's ability and willingness to repay the Issuer can be adversely affected by decreases in their income or increases in their payment obligations to other lenders, whether as a result of higher debt levels or rising interest rates, by rising levels of inflation, or by restricted availability of credit generally and the Issuer may fail to quickly identify

and reduce its exposure to customers that are likely to default on their payment obligations by closing the relevant account in a timely fashion.

Risk relating to the introduction of digital and other technological developments

The Issuer's industry is subject to rapid and significant technological changes, and its ability to meet customers' needs and expectations is key to maintaining and growing revenue and earnings. The Issuer expects digital technologies to have a significant impact on the billing, payment, credit card and accounting industries over time. Businesses and consumers expect robust digital experiences from their financial services providers. The ability for customers to make payments, access their accounts, and conduct financial transactions using digital technology, including mobile applications, is an important aspect of the financial services industry, and financial institutions are rapidly introducing new digital and other technology-driven products and services that aim to offer a better customer experience and reduce costs. The Issuer's continued success depends, in part, upon its ability to address the needs of its customers by using digital technology to provide products and services that meet their expectations. The development and launch of new digital products and services depend in large part on the Issuer's capacity to invest in and build the technology platforms that can enable them, in a cost-effective and timely manner. Any failure to develop and provide products and services using existing and new digital technology in a cost-effective and timely manner may adversely affect the Issuer's results of operations and financial condition.

Reliance on third parties to provide products and services

The Issuer relies on a variety of third parties to provide various services and products that are critical to operating its businesses. For example, individual customers of NTT Group services such as mobile phone services of NTT DOCOMO and fixed-line telecommunication services of NTT East and NTT West (each as defined in "NTT Finance Corporation—Overview") may pay their outstanding balances through in-person transactions at convenience stores, by credit card, or through online or in-person retail banking services. A disruption or impairment in the ability of the relevant third parties to facilitate payments to the Issuer, or to provide the services or systems it utilises for its business operations, could materially and adversely affect its business, financial condition, and results of operations. Also, the Issuer relies on certain licensed third-party intellectual property in connection with its businesses. If it is unable to continue to license critical third-party intellectual property on commercially acceptable terms or at all, it may not be able to provide certain services to its customers.

In addition, the Issuer's Credit Card Business acquires merchants for the MasterCard and Visa networks. Such card payment networks set rules for participating in their networks, and such rules are established and changed from time to time by each network as they may determine in their sole discretion and with or without advance notice to their participants. Failure to comply in a timely manner with rule changes could result in fines, penalties, or reputational damage, and changes in the rules of these networks, or the way they are implemented, could increase the Issuer's cost of doing business or limit its ability to provide transaction processing services to or through its clients.

The Issuer does not have direct operational or financial control over these key service providers, and there can be no assurance that such service providers will continue to provide services on attractive terms in the future, if at all. Moreover, the Issuer's service providers and their ability to supply it with required services, or its ability to purchase them, may be negatively affected by political, economic or other outside factors, including continuing uncertainty about or further negative developments involving global trade or security policy. In particular, economic disincentives to global trade may materially increase the costs of key service providers who may struggle to absorb such costs, especially over the long term, potentially leading to supply disruptions or cost pass-throughs to the Issuer. Any inability to continue to maintain relationships with the Issuer's service providers, suppliers, and other third parties on which it relies, or any

interruption or decline in the quality of their services or products, could have a material adverse effect on its business, financial condition, and results of operations.

Risks concerning the handling of confidential information

The Issuer handles a large amount of confidential information, including personal information data relating to its customers. In order to protect such personal information, in accordance with the Act on the Protection of Personal Information (Law No. 57 of 2003, as amended), the Issuer and each member of the Issuer employs security measures such as limiting access to the confidential information and maintaining records of who may have accessed the confidential information, employing identity-verification procedures, providing training to relevant employees and ensuring oversight of subcontractors. However, despite such measures, in the event of any information leakage or misuse of confidential information, the Issuer's reputation may be damaged, which may adversely affect the Issuer's financial condition and results of operations.

Risks concerning unforeseen events

The Issuer's operations may be subject to unforeseen natural disasters such as earthquakes, tsunami, typhoons and floods, deliberate acts of sabotage or human error, pandemics (including recurrence of COVID-19), epidemics or other events outside of the Issuer's control. Any of these events may cause damage or operational interruptions or otherwise adversely affect the Issuer's business. Although the Issuer has in place business contingency plans in anticipation of such problems, there can be no assurance as to whether the procedures will be sufficient to cover all possible scenarios.

The outlook for the economy in Japan and globally is highly uncertain and could be adversely affected by a range of economic, social and geopolitical developments. With respect to Japan, the economic environment continues to be challenging due to a number of other factors, including longer-term challenges surrounding the impact of unfavourable demographic trends such as the declining birth rate and the decline and aging of the overall population. With respect to the Japanese and global economy more generally, changes or proposed changes in the U.S. or other countries' trade policies that result in higher tariffs, restrictions and other economic disincentives to international trade may increase the costs or uncertainty of cross-border trade for the Issuer or its customers, and could negatively impact the Issuer or its customers' financial condition. This may result in further global economic consequences, including but not limited to the possibility of diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in inflation rates and uncertainty about economic and political stability. The Japanese economy may also be affected by factors such as the continued volatility in the value of the Japanese yen against other major currencies. The global economy is also subject to a number of potential challenges and uncertainties, including the ongoing conflict between Russia and Ukraine. The United States, Japan and other countries have imposed and may further impose sanctions on Russia, and as a retaliatory measure Russia has imposed and may further impose its own sanctions or launch cyberattacks against the government, infrastructure or businesses in the United States, Japan or other countries perceived to be unfriendly or adversarial. Additional challenges and uncertainties include the potential escalation of geopolitical risks associated with the Middle East (including the ongoing military conflict between Israel and certain militant groups), North Korea and Taiwan as well as the general economic slowdown and downturn in the real estate market in China. Any economic volatility, whether actual or perceived, in or affecting any of the Issuer's major operating markets or the global economy due to any of the foregoing factors or otherwise, whether widespread or localised, may reduce demand for its services and adversely affect its business, financial condition and results of operations.

Additionally, the prices of energy and commodities have remained at heightened levels, and credit and financial markets have experienced volatility and disruptions due to the current conflict between Ukraine and Russia. Any of the foregoing consequences, including those not yet

predictable, may cause the Issuer's business, financial condition and results of operations to be adversely affected.

Human resource risk

The Issuer's businesses require considerable investments in human resources and the retention of qualified personnel in order to successfully expand its business. If the Issuer cannot develop, hire or retain the necessary qualified personnel, the Issuer's business activities, financial condition and results of operations may be adversely affected.

Reputation and communication risks

The Issuer's reputation and business relationships depend on maintaining effective communication with customers, stakeholders, and the public. The Issuer's reputation may be adversely affected by various factors, including negative publicity or misinformation regarding the Issuer or the NTT Group that spreads through the Internet, including social media, inadequate or delayed responses to service disruptions or other operational issues, data security incidents, or the dissemination of inaccurate information about the Issuer's services or financial condition. Any damage to the Issuer's reputation or brand image may have a significant impact on the Issuer's business, financial condition and results of operations.

Other risks

The Issuer is subject to other risks, such as the insolvency of the Issuer's business partners or outsourced service providers, geopolitical crises, administrative errors arising from human errors, fraud or misconduct within the Issuer or reputational damage resulting therefrom. The occurrence of any such events may have an adverse effect on the Issuer's financial condition and results of operation.

Risks related to the Notes

Notes constitute obligations of solely the Issuer

The Notes will constitute unsubordinated and unsecured obligations of the Issuer. The Notes do not benefit from any guarantee or other credit support from NTT or any other member of the NTT Group.

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index linked Notes and dual currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, the Issuer may issue

Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Variable redemption Notes

The Issuer may issue Notes where the final redemption amount payable in respect of such Notes is variable and as a result the redemption proceeds may be less than the nominal amount of the Notes, irrespective of the credit rating or repayment ability of the Issuer.

Partly paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Fixed/floating rate Notes

Fixed/floating rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes, since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the fixed/floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Floating rate Notes and benchmarks

Reference rates and indices, including interest rate benchmarks, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to

how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

Under the current terms and conditions for floating rate Notes, where a Screen Rate Determination is specified as the manner in which the rate of interest is to be determined, the terms and conditions of the Notes provide that if the relevant screen rate is permanently discontinued and a successor or replacement is not available, the rate of interest for the floating rate Notes will be determined by reference to the prior interest period, which may result in Notes linked to, or referencing a screen rate performing differently (including paying a lower rate of interest) than they would do if such screen rate were to continue to apply in its current form, or result in the effective application of a fixed rate to the floating rate Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Modification and waivers and substitution

The Conditions and the Agency Agreement (as defined in the Conditions) contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Issuer may, without the consent of Noteholders, substitute another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 11(c) of the Terms and Conditions of the Notes.

Change of law

The Conditions are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Delisting

The Issuer will use its best endeavours to maintain the listing on the SGX-ST of all Notes which are intended to be so listed, except where (a) the Issuer, after using all reasonable endeavours, is unable to comply with the requirements for maintaining such listing, or (b) the maintenance of such listing is agreed by all Permanent Dealers to have become unduly onerous. In such circumstances, the Issuer will be entitled to delist any Notes from the SGX-ST and will use its best endeavours to seek an alternative listing for the Notes on a major stock exchange elsewhere.

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and

more price volatility than conventional debt securities. A lack of liquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Considerations relating to the use of proceeds from Notes which are issued as Green Bonds

Under this Programme, the Issuer may decide that a particular Tranche of Notes is to be issued as Green Bonds. Various standards exist and there is currently no single consensus on what precise attributes are required for a particular project to be defined as 'green', 'social' or 'sustainable', and therefore no assurance can be provided to investors that the Eligible Projects (as defined in "Use of Proceeds") will at any time meet all investor expectations. Although the Green Finance Framework (as defined in "Use of Proceeds—Green Finance Framework") under which Green Bonds are to be issued is intended to, and has been certified to, align with the Green Bond Principles 2021 published by the International Capital Market Association, the Green Bond Guidelines 2020 published by the Ministry of the Environment of Japan, the Green Loan Principles 2021 published by the Loan Market Association, the Asia-Pacific Loan Market Association and the Loan Syndications and Trading Association and the Green Loan and Sustainability Linked Loan Guidelines 2020 published by the Ministry of the Environment of Japan, and will be developed in accordance with the relevant standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and operation of the Eligible Projects. Further, although the Issuer may agree at the time of issue of Green Bonds to certain reporting obligations and use of proceeds, it would not be an event of default under the Green Bonds if the Issuer or the NTT

Group were to fail to comply with such obligations. The examples of Eligible Projects provided in "Use of Proceeds—Green Finance Framework" are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by the Issuer during the terms of the Green Bonds. Any failure to use the net proceeds from the Green Bonds on Eligible Projects or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to the Green Bonds may affect the value of the Green Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green-related assets.

In addition, no representation or assurance is being given that the intended use of proceeds of any Notes to be issued as Green Bonds or, in the event that such Notes are listed or admitted to trading on any dedicated "green", "environmental" or other equivalently-labelled segment of any stock exchange or securities market, such listing or admission satisfies any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Arranger or any Dealer or any other person that any such listing or admission to trading will be obtained in respect of any Notes to be issued as Green Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of such Notes.

Definitive Notes

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding. If the Noteholder requires a definitive Note for such holding, a Noteholder would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Terms and conditions of the Notes

The following is the text of the terms and conditions that, save for paragraphs in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued pursuant to an amended and restated agency agreement (as amended, restated or supplemented as at the Issue Date, the "Agency Agreement") dated 8 December 2025 between NTT Finance Corporation (the "Issuer"), State Street Bank International GmbH, Luxembourg Branch as fiscal agent and paying agent and the other agents named in it and with the benefit of a deed of covenant (as amended, restated or supplemented as at the Issue Date, the "Deed of Covenant") dated 22 June 2016 executed by the Issuer in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Fiscal Agent", the "Paying Agents" (which expression shall include the Fiscal Agent), the "Registrar", the "Transfer Agents" and the "Calculation Agent(s)". The Noteholders (as defined below), the holders of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the receipts for the payment of instalments of principal (the "Receipts") relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these terms and conditions (the "Conditions"), "Tranche" means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection free of charge at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 Form, denomination and title

The Notes are issued in bearer form ("Bearer Notes") or in registered form ("Registered Notes"), in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept

by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No exchange of notes and transfers of registered notes

(a) No Exchange of Notes:

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes:

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes:

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates:

Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as

defined in Condition 6(e)) and/or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition (d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) Transfer Free of Charge:

Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) Closed Periods:

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3 Status

The Notes, the Receipts and Coupons constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Notes, the Receipts and Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

4 Negative pledge

(a) The Issuer will not, so long as any of the Notes remains outstanding (as defined in the Agency Agreement), create or permit to exist any mortgage, charge, pledge or other security interest upon the whole or any part of its property, assets or revenues, present or future, to secure (i) any External Indebtedness issued by it or (ii) any guarantee or indemnity or other obligation in respect of External Indebtedness issued by it without in any such case at the same time securing the Notes equally and rateably with such External Indebtedness or securing the Notes by such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

(b) For the purposes of this Condition and Condition 10, the expression "External Indebtedness" means any indebtedness in the form of or represented by bonds, notes, debentures or other securities which:

(i) either:

(a) are, or may at the option of the person entitled thereto be or become, denominated or payable in, or by reference to, a currency or currencies other than yen; or

(b) are denominated or payable in yen and more than 50 per cent. of the aggregate principal or face amount of which is initially distributed by or with the authorisation of the Issuer outside Japan; and

(ii) are, or are capable of being, quoted, listed or ordinarily traded on any stock exchange or on any over-the-counter securities market.

5 Interest and other calculations

(a) Interest on Fixed Rate Notes:

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) Interest on Floating Rate Notes and Index Linked Notes:

(i) Interest Payment Dates:

Each Floating Rate Note and Index Linked Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention:

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes:

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest

Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) if the relevant Final Terms specifies either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(a) the Floating Rate Option (as defined in the applicable ISDA Definitions) is as specified in the relevant Final Terms

(b) the Designated Maturity (as defined in the applicable ISDA Definitions), if applicable, is a period specified in the relevant Final Terms and

(c) the relevant Reset Date (as defined in the applicable ISDA Definitions) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

(d) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the applicable ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:

(I) Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms, then (a) Compounding with Lookback is the Overnight Rate Compounding Method (as defined in the relevant ISDA Definitions) and (b) Lookback is the number of Applicable Business Days (as defined in the applicable ISDA Definitions) specified in the relevant Final Terms;

(II) Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms, then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the applicable ISDA Definitions) specified in the relevant Final Terms, and (c) Observation Period Shift Additional Business Days (as defined in the applicable ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(III) Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms, then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lookout is the number of Lockout Period Business Days (as defined in the applicable ISDA Definitions) specified in the relevant Final Terms, and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(e) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the applicable ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the applicable ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the applicable ISDA Definitions) are the days, if applicable, specified in the relevant Final Terms;

(f) references in the applicable ISDA Definitions to:

(I) "Confirmation" shall be deemed to be references to the relevant Final Terms;

(II) "Calculation Period" shall be deemed to be references to the relevant Interest Accrual Period;

(III) "Termination Date" shall be deemed to be references to the Maturity Date;

(IV) "Effective Date" shall be deemed to be references to the Interest Commencement Date;

(V) "Floating Rate Day Count Fraction" shall be deemed to be references to the Day Count Fraction; and

(VI) "Payment Date" shall be deemed to be references to the relevant Interest Payment Date; and

(y) if the relevant Final Terms specify "2021 ISDA Definitions" as the applicable ISDA Definitions:

(a) Administrator/Benchmark Event shall be disapplied;

(b) Section 2.3.6 (Consequences of an Unscheduled Holiday) of the 2021 ISDA Definitions shall not apply;

(c) "Floating Rate Matrix" shall be deemed to be references to the latest available version of the "2021 ISDA Interest Rate Derivatives Definitions Floating Rate Matrix" published by ISDA as at the Issue Date; and

(d) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "Temporary Non-Publication – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(I) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(II) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below,

the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the applicable inter-bank market or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, the applicable inter-bank market provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) Rate of Interest for Index Linked Notes:

The Rate of Interest in respect of Index Linked Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.

(c) Zero Coupon Notes:

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) Dual Currency Notes:

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

(e) Partly Paid Notes:

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.

(f) Accrual of Interest:

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, and Rounding:

(i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country or countries (in the case of euro) of such currency.

(h) Calculations:

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:

The Calculation Agent shall as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) Definitions:

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means:

(i) in the case of a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

(ii) in the case of euro, a day on which T2 is open for the settlement of payments in euro (a "TARGET Business Day") and/or

(iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong and/or

(iv) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "Calculation Period"):

(i) if "Actual/Actual" or "Actual/Actual—ISDA" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "Actual/365 (Fixed)" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365

(iii) if "Actual/365 (Sterling)" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366

(iv) if "Actual/360" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 360

(v) if "30/360", "360/360" or "Bond Basis" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30

(vi) if "30E/360" or "Eurobond Basis" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30

(vii) if "30E/360 (ISDA)" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30

(viii) if "Actual/Actual-ICMA" is specified in the relevant Final Terms,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date

"Determination Date" means the date(s) specified as such hereon or, if none are so specified, each Interest Payment Date

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

"Interest Amount" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the Final Terms

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the Final Terms

"ISDA Definitions" means (i) if "2006 ISDA Definitions" is specified in the relevant Final Terms, the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., ("ISDA"), as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if "2021 ISDA Definitions" is specified in the relevant Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon

"Reference Banks" means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

"Reference Rate" means the rate specified as such hereon

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms

"Specified Currency" means the currency specified as such in the Final Terms or, if none is specified, the currency in which the Notes are denominated

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor system.

(k) Calculation Agent:

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, purchase and options

(a) Redemption by Instalments and Final Redemption:

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) Early Redemption:

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the Final Terms.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the

Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the Final Terms.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the Final Terms.

(c) Redemption for Taxation Reasons:

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

(d) Redemption at the Option of the Issuer:

If Call Option is specified as being applicable hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem all or, if so provided, some, of the Notes on any Optional Redemption Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount specified in the relevant Final Terms and no greater than the Maximum Redemption Amount specified in the Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) Redemption at the Option of Noteholders:

If Put Option is specified as being applicable in the Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified in the Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Partly Paid Notes:

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the Final Terms.

(g) Purchases:

The Issuer and any subsidiary of the Issuer may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) Cancellation:

All Notes purchased by or on behalf of the Issuer or any subsidiary of the Issuer may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and talons

(a) Bearer Notes:

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of

payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be:

(i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and

(ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this paragraph, "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(b) Registered Notes:

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business (i) on the fifteenth day before the due date for payment thereof or (ii) in the case of Renminbi, on the fifth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note shall be made:

(A) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank;

(B) in the case of Renminbi, by transfer to the registered account of the Noteholder. In this Condition 7(b), "registered account" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(c) Payments in the United States:

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments Subject to Laws:

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in

Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

(e) Appointment of Agents:

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent having specified offices in one major European city, (vi) a Paying Agent having a specified office in Singapore so long as any Notes are listed on the Singapore Exchange Securities Trading Limited and the rules of that exchange so require and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) Unmatured Coupons and Receipts and unexchanged Talons:

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), those Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons:

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Non-Business Days:

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" hereon and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(i) (in the case of a payment in euro) which is a TARGET Business Day; or

(ii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

8 Taxation

All payments of principal of and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made without withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Japan or any authority thereof or therein having power to tax (the "Japanese Taxes"), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts ("Additional Amounts") as will result in the receipt by or on behalf of the holders of such amounts as would have been received by them had no such deduction or withholding been required, except that no Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) to, or to a third party on behalf of, a holder who is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Japanese Taxes in respect of such Note,

Receipt or Coupon by reason of its (i) having some connection with Japan other than the mere holding of such Note, Receipt or Coupon or (ii) being a person having a special relationship with the Issuer as described in Article 6, paragraph 4 of the Special Taxation Measures Law of Japan (the "Special Taxation Measures Law") (any such person being hereinafter referred to as a "specially-related person of the Issuer"); or

(b) to, or to a third party on behalf of, a holder who would otherwise be exempt from any such withholding or deduction but who fails to comply with any applicable requirement to provide Interest Recipient Information (as defined below) or to submit a Written Application for Tax Exemption (as defined below) to a Paying Agent to whom the relevant Note, Receipt or Coupon is presented, or whose Interest Recipient Information is not duly communicated through the Participant (as defined below) and the relevant international clearing organisation to such Paying Agent; or

(c) to, or to a third party on behalf of, a holder who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for a Designated Financial Institution (as defined below) which complies with the requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption); or

(d) where such Note, Receipt or Coupon is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of the Note, Receipt or Coupon would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such 30-day period; or

(e) where the amount of interest on such Note, Receipt or Coupon is to be calculated by reference to certain indices (as prescribed by the cabinet order under Article 6, paragraph 4 of the Special Taxation Measures Law) relating to the Issuer or any specially related person of the Issuer; or

(f) any combination of the above;

Where a Note, Receipt or Coupon is held through a participant of an international clearing organisation or a financial intermediary (each, a "Participant"), in order to receive payments free of withholding or deduction by the Issuer for, or on account of, Japanese Taxes, if the relevant holder is (A) an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or (B) a Japanese financial institution or financial instruments business operator falling under certain categories prescribed by the cabinet order under Article 6, paragraph 11 of the Special Taxation Measures Law (a "Designated Financial Institution"), such holder shall, at the time of entrusting such Participant with the custody of the relevant Note, Receipt or Coupon, provide certain information prescribed by the Special Taxation Measures Law and the cabinet order and other regulations thereunder to enable the Participant to establish that such holder is exempted from the requirement for Japanese Taxes to be withheld or deducted (the "Interest Recipient Information") and advise the Participant if the holder ceases to be so exempted (including the case in which a holder who is an individual non-resident of Japan or a non-Japanese corporation becomes a specially-related person of the Issuer).

Where a Note, Receipt or Coupon is not held by a Participant, in order to receive payments free of withholding or deduction by the Issuer for, or on account of, Japanese Taxes, if the relevant holder is (A) an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or (B) a Designated Financial Institution, such holder shall, prior to each receipt of interest, submit to the relevant Paying Agent a written application for tax exemption (*hikazei tekiyo shinkokusho*) (a "Written Application for Tax Exemption") in a form obtainable from the Paying Agent stating, inter alia, the name and address of the holder, the title of the Note, Receipt or Coupon, the relevant Interest Payment Date, the amount of interest and the fact that the holder is qualified to submit the Written Application for Tax Exemption, together with documentary evidence regarding its identity and residence.

Any reference in this Note or any Coupon to principal or interest shall be deemed also to refer to any additional amount which may be payable under this Condition.

As used in these Conditions, "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition.

9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any one or more of the following events shall have occurred and be continuing:

(a) a default is made in the payment of any interest in respect of any Note when and as the same ought to be paid in accordance therewith and for 30 days thereafter; or

(b) a default is made in the payment of the principal in respect of any Note when and as the same ought to be paid in accordance therewith and for 15 days thereafter; or

(c) a default is made in the performance or observance by the Issuer of any other obligation under any Note and (except where such failure is not capable of remedy, when no such notice shall be required) such default shall continue for 60 days after written notice requiring such default to be remedied shall have been given to the Issuer by the holders of not less than 10 per cent. in aggregate principal amount of the Notes for the time being outstanding; or

(d) (i) any obligation to repay indebtedness for borrowed money by the Issuer exceeding in the aggregate U.S.$10,000,000 (or its equivalent in any other relevant currency or currencies) is accelerated as a result of a default by any person or any event treated in effect as a default or

(ii) the Issuer defaults in the repayment or discharge of any obligation or indebtedness for borrowed money exceeding in the aggregate U.S.$10,000,000 (or its equivalent in any other relevant currency or currencies) when due or at the expiration of any grace period originally applicable thereto; or

(iii) the Issuer shall have failed to pay when properly called upon to do so or at the expiration of any grace period originally applicable thereto any guarantee and/or indemnity exceeding in the aggregate U.S.$10,000,000 (or its equivalent in any other relevant currency or currencies) contracted by it in respect of any obligation or indebtedness for borrowed money in accordance with the terms of any such guarantee and such acceleration is not rescinded or annulled or such default or failure to pay is not remedied within 60 days after written notice thereof shall have been given to the Issuer by the holders of not less than 10 per cent. in aggregate principal amount of the Notes for the time being outstanding; or

(e) a resolution is passed or an order of a court of competent jurisdiction is made that the Issuer be wound up, liquidated or dissolved otherwise than for the purpose of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms whereof have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders, provided that no such approval shall be required if (i) the terms of the consolidation, amalgamation, merger or reconstruction provide that the obligations of the Issuer under the Notes are assumed by a successor corporation of the Issuer which succeeds to rights and assets of the Issuer substantially proportionate to the obligations and liabilities of the Issuer which it assumes and that the successor corporation does not assume any other substantial obligations or liabilities without succeeding to other rights and assets in approximately the same proportion as aforesaid and (ii) the consolidation, amalgamation, merger or reconstruction does not have a materially adverse effect on the Noteholders or any substantial portion of them; or

(f) a final and non-appealable decree or order that can not be discharged or stayed shall have been entered by a court having jurisdiction, adjudging the issuer bankrupt or insolvent or subject to commencement of reorganisation, rehabilitation or special liquidation procedures or adjustment under any applicable bankruptcy, composition, reorganisation or insolvency law; or

(g) steps are taken to enforce any security or a distress, execution or seizure before judgement is levied or enforced upon or sued out against the whole or a substantial part of the property of the Issuer and is not discharged within 60 days thereof; or

(h) the Issuer stops payment (within the meaning of Japanese or any other applicable bankruptcy law) or (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in sub-paragraph (d) above) ceases or through an official action of the Board of Directors of the Issuer threatens to cease to carry on business or is unable to pay its debts as and when they fall due,

the holder for the time being of this Note may give notice to the Fiscal Agent that this Note is immediately repayable, whereupon this Note shall become immediately repayable at its Early Redemption Amount together with interest accrued to (but excluding) the date of actual repayment, unless prior to the time when the Fiscal Agent receives such notice all events of default provided for herein in respect of the Notes shall have been cured.

11 Meeting of noteholders, modifications and substitution

(a) Meetings of Noteholders:

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to

vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify (otherwise than in accordance with its terms) or cancel the Deed of Covenant, in which case the necessary quorum shall be two or more persons holding or representing not less than two-thirds or at any adjourned meeting not less than one-third in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) Modification of Agency Agreement:

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

(c) Substitution:

The Issuer or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons any company that has succeeded to substantially all the rights, obligations and assets of the Issuer or any such previous substituted company (the "Substitute"), provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll, to be substantially in the relevant form scheduled to the Agency Agreement as Schedule 8 (the "Deed Poll"), and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant (as the case maybe) and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect, (iii) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (iv) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm or lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (c) and the other matters specified in the Deed Poll and (v) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in

relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents. References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Deed Poll.

12 Replacement of notes, certificates, receipts, coupons and talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) (so that for the avoidance of doubt, references in the Conditions of such Notes to "Issue Date" shall be to the first issue date of the Notes) and so that such further issue shall be consolidated and form a single series with the Notes. In such case the expressions "Notes" and "Coupons" in these Conditions and the Agency Agreement shall, unless the context otherwise requires, include any further securities issued pursuant to this Condition and forming a single series with the Notes and the Coupons appertaining thereto.

14 Notices

Notices to the holders of Bearer Notes will be published in a leading daily newspaper of general circulation in London (expected to be the Financial Times) (or in such other manner that complies with the rules and regulations of any stock exchange on which the Notes are, for the time being, admitted to listing, trading and/or quotation or other applicable authority to which it is subject). If at any time publication in such a newspaper is not practicable, notices will be published in such other newspaper or newspapers as the Issuer and the Fiscal Agent shall agree. Notices will be deemed to have been given on the date of the such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

15 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

16 Governing law and jurisdiction

(a) Governing Law:

The Agency Agreement, the Notes, the Receipts, the Coupons, and the Talons and any noncontractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with English law.

(b) Jurisdiction:

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Service of Process:

The Issuer irrevocably appoints Hackwood Secretaries Limited of One Silk Street, London EC2Y 8HQ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

Summary of provisions relating to the Notes while in global form

1 Initial issue of Notes

Global Notes and Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the "Common Depositary").

Upon the initial deposit of a Global Note with the Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of accountholders with clearing systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system ("Alternative Clearing System") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Overview of the Programme—Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

3.2 Permanent global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

(i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Permanent global certificates

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

(i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) if principal in respect of any Notes is not paid when due; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial exchange of permanent global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in

an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Offering Circular, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange date

"Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

For the purpose of any payments made in respect of a Global Note or Global Certificate, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h) (Non-Business Days).

So long as the Notes are represented by a Global Note or Global Certificate, the calculation of interest will be made in respect of the total aggregate amount of the Notes represented by the Global Note or Global Certificate.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or the relevant Alternative Clearing System (as the case may be).

4.7 Noteholders' options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

4.8 Events of default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by

stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on 22 June 2016 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.9 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

5 Partly paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

6 Electronic consent and written resolution

While any Global Note is held on behalf of, or any Certificate is registered in the name of any nominee for, a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (an "Electronic Consent" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Receipts, Coupons and Talons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a resolution in writing has been validly passed for the purposes of Condition 11, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by accountholders in the clearing system with entitlements to such Global Note or Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer obtained commercially reasonable evidence to ascertain the validity of such

holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "commercially reasonable evidence" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Use of proceeds

The relevant Final Terms will specify whether a particular Tranche of Notes will be issued as Green Bonds. The net proceeds from the issue of each Tranche of Notes which are not issued as Green Bonds will be applied by the Issuer for general corporate purposes, or as otherwise stated in the relevant Final Terms.

An amount equal to the net proceeds from the issue of each Tranche of Notes which are issued as Green Bonds will be applied by the Issuer to make loans to the NTT Group to finance or refinance, in whole or in part, new or existing projects that meet one or more of the eligibility criteria (the "Eligibility Criteria") as defined in the Green Finance Framework (the "Eligible Projects"). The look-back period for refinancing operating expenditure will be limited to three years on or prior to the date of issuance. Allocations to research and development will be limited to no more than 20% of the total allocations on the net proceeds.

Green Finance Framework

The NTT Group established its NTT Group Green Finance Framework (the "Green Finance Framework") in June 2022. The Green Finance Framework aligns with the Green Bond Principles ("GBP") 2021 published by the International Capital Market Association ("ICMA"), the Green Bond Guidelines 2020 published by the Ministry of the Environment of Japan, the Green Loan Principles ("GLP") 2021 published by the Loan Market Association ("LMA"), the Asia-Pacific Loan Market Association ("APLMA") and the Loan Syndications and Trading Association ("LSTA") and the Green Loan and Sustainability Linked Loan Guidelines 2020 published by the Ministry of the Environment of Japan.

Eligibility Criteria for Eligible Projects

The Eligibility Criteria for Eligible Projects under the NTT Group Green Finance Framework to which proceeds may be allocated are as follows:

(1) *5G-related investment*

Investments in the development, refurbishment and operation of base stations for building 5G networks that meet the following criteria:

- installation of 5G base stations that can save power compared to existing base stations (including "Green 5G" related investment);
- development of base stations that can save standby power by automatically shifting to sleep mode at night and during low traffic periods, and introduction of such technology to commercial base stations.

With respect to "Green 5G" related investment, NTT DOCOMO will strive to reduce greenhouse gas emissions through the use of renewable energy sources, such as green base stations that utilise solar power generation systems, and solar power plants (Corporate PPA) that have been installed exclusively for NTT DOCOMO. PPA stands for Power Purchase Agreement, an agreement under which a customer (NTT DOCOMO) purchases renewable energy power from a power producer for a long period of time.

(2) *FTTH-related investment*

Investments in the installation and operation of an optical fiber network ("FTTH", or Fiber to the Home).

(3) *Research and development for the realisation of the IOWN concept*

Research and development to pursue the IOWN concept and achieve drastically high efficiency and power savings through the "fusion of mobile and fixed" and "fusion of

networks and computing". IOWN is short for Innovative Optical and Wireless Network, and refers to an innovative network and information processing platform featuring ultra-high capacity, ultra-low power consumption and ultra-low latency, built around a breakthrough photonic technology, optimising the individual with the whole based on all kinds of information and creating a society open to diversity. Example Projects include:

- photonics in the connection between substrates in endpoint devices such as terminals and computers; and
- research and development of "optical disaggregated computing" architecture, which is expected to significantly reduce power consumption through photonic connections (opticalisation in large-scale integration (LSI)) in signal transmission between chips on a substrate, with the aim of commercialisation by 2030.

(4) *Highly energy efficient and power-saving data centre*

Investments in the construction, refurbishment, acquisition and operation of data centres that meet the following criteria and improve power efficiency and reduce environmental impact of business operations:

- PUE (Power Usage Effectiveness) under 1.5.

(5) *Green Buildings*

Investments and expenditures for the construction, modification and acquisition of properties that were confirmed to meet any of the following eligibility criteria, and properties that are planned to satisfy such criteria in the future.

- LEED-BD+C (Building Design and Construction) or LEED-O+M (Building Operations and Maintenance) certified: Platinum, Gold or Silver
- CASBEE building (New, existing or modified) or CASBEE real estate (including CASBEE by local governments) evaluation/certification: S, A or B+
- BELS (Building-Housing Energy-efficiency Labelling System): Three stars or above
- DBJ Green Building Certificate: Three stars or above
- Power-saving evaluation based on the Tokyo Building Environment Plan: AAA for both thermal insulation property of building and power-saving property of facility system

(6) *Renewable Energy*

Expenditures on or investment in the construction, refurbishment, acquisition and operation for the following NTT Group's renewable energy projects:

- Wind power generation projects: Any project with output of 10,000 kW or more shall have already completed the environment assessment defined by the Environmental Impact Assessment Law of Japan. Any project with output of less than 10,000 kW shall undergo an environment assessment as required. Where an environmental impact assessment is required to be processed by a local government of the area where operations are conducted, such assessment shall be properly executed.
- Solar photovoltaic generation projects: Any project with an installed capacity of 40 MW or more shall have already completed the environment assessment defined by the Environmental Impact Assessment Law of Japan. Any project with an installed capacity of less than 40 MW shall undergo an environment assessment as required. Where an environmental impact assessment is required to be processed by a local government of the area where operations are conducted, such assessment shall be properly executed.

- Geothermal power generation projects: CO2 emissions shall be 100g CO2/kWh or less. Any project with output of 10,000 kW or more shall have already completed the environment assessment defined by the Environmental Impact Assessment Law of Japan. Any project with output of less than 10,000 kW shall undergo an environment assessment as required. Where an environmental impact assessment is required to be processed by a local government of the area where operations are conducted, such assessment shall be properly executed.
- Biomass power generation projects: Fuel to be used shall be waste-derived (excluding palm oil waste). Where an environmental impact assessment is required to be processed by a local government of the area where operations are conducted, such assessment shall be properly executed.
- Hydroelectric power generation projects: The project shall be a run-of-river type without artificial reservoir or low storage capacity. Where an environmental impact assessment is required to be processed by a local government of the area where operations are conducted, such assessment shall be properly executed.

Process for Project Evaluation and Selection

Projects that may be financed and/or refinanced by the Green Bonds will be identified by the NTT Group operating company that executes each Eligible Project based on the aforementioned eligibility criteria. Evaluation and selection of Eligible Projects will be done by way of discussion and consideration of the conformity to the NTT Group Global Sustainability Charter, a basic guideline for the NTT Group, by the Group Treasury Department of the Issuer's Finance and Accounting Business Headquarters and by NTT. The director in charge of the Group Treasury Department of the Issuer's Finance and Accounting Business Headquarters will make the final decision.

In the selection of target projects, the NTT Group will confirm whether the eligibility criteria have been met and whether the mitigation of environmental and social risks has been considered as follows:

- Conformity to environmental laws, regulations, etc., required by the central and local governments of the area where the operation site is located, and implementation of environmental impact surveys;
- Provision of a thorough explanation of business to local communities;
- Implementation of proper toxic waste handling in accordance with laws related to waste treatment and cleaning, as well as proper storage, management, and safe and adequate disposal of equipment that uses or is contaminated by PCB in compliance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Waste of Japan; and
- Execution of risk evaluations of suppliers based on the NTT Group Guidelines for Sustainability in Supply Chain. Requesting of suppliers' compliance with the NTT Group Green Procurement Standards.

Management of Proceeds

The Group Treasury Department of the Issuer's Finance and Accounting Business Headquarters, which is responsible for the group finance function of the NTT Group, centrally controls the proceeds of notes issued based on this Green Finance Framework and confirms the status of proceeds allocation to the Eligible Projects at the operating companies executing Eligible Projects. The Issuer's Finance and Accounting Department manages the proceeds and allocates proceeds using an internal control system, and tracks the funds every quarter. Until allocation, the equivalent amount of the proceeds is managed as cash or cash equivalent. The allocation is planned to be completed within 24 months from the date of issuance of the relevant notes.

Reporting

Allocation reporting

Until proceeds are fully allocated, the NTT Group will annually report on the status of allocation on the NTT Group website and/or integrated report.

The NTT Group plans to report the following items where feasible:

- The status of allocation of the proceeds amount to Eligible Projects;
- Overview of Eligible Projects funded (including the age of the assets and remaining useful life);
- The amount allocated to Eligible Projects and the unallocated amount;
- The percentage of financing and refinancing; and
- Where there is an unallocated portion, the planned allocation policy.

The first report on the allocation status of proceeds is scheduled to be provided within a year from the issuance of the relevant notes. Should a significant change occur in the status of the fund following allocation of proceeds, such change will be disclosed.

In addition, when refinancing an asset that needs to be maintained over a long period of time through the issuance of multiple notes, the elapsed life, remaining useful life and refinancing amount of the asset will be disclosed at the time of issuance.

Impact Reporting

As long as the notes issued under the Green Finance Framework remain outstanding, the NTT Group will annually report on the environmental impact from the allocation.

The following items will be reported individually and as a category total.

- 5G-related investment
  - Number of 5G base stations installed
- FTTH-related investment
  - Number of subscribers (units)
- Research and development for realisation of the IOWN concept
  - The intended effects
  - The progress of R&D
- Highly energy efficient and power-saving data centre
  - Volume of CO2 emissions (t-CO2)
- Green buildings
  - Property name of the green building, obtained certification level, and the timing of acquisition and reacquisition
  - Volume of CO2 emissions (t-CO2)
- Renewable energy
  - Power generation capacity/actual volume (GWh)
  - Volume of CO2 emissions reduced (t-CO2)

Further Information

Sustainalytics, an external consultant, has issued a publicly available opinion (the "Second Party Opinion") that the Green Finance Framework is consistent with the GBP 2021 published by ICMA, the Green Bond Guidelines 2020 published by the Ministry of the Environment of Japan, the GLP 2021 published by the LMA, the APLMA and the LSTA, and the Green Loan and Sustainability Linked Loan Guidelines 2020 published by the Ministry of the Environment of Japan.

Neither the Green Finance Framework, the Second Party Opinion nor any report concerning the external review is incorporated by reference into this Offering Circular.

The Green Finance Framework may be updated from time to time, including in response to further advances and developments in the Green Bond Principles, or other applicable industry or government guidelines establishing best practices for green bond market.

None of the Arranger or the Dealers accepts any responsibility for any social or environmental assessment of any Notes issued as Green Bonds or makes any representation or warranty or assurance as to whether an amount equal to the net proceeds from such Notes will be used for Eligible Projects or such Notes will meet investor expectations or requirements regarding such "green" or similar labels.

NTT Finance Corporation

Overview

The Issuer is a wholly-owned finance subsidiary of NTT. As the sole finance subsidiary within the NTT Group, the Issuer has a strong business foundation occupying a central role in the provision of financing solutions to companies within the NTT Group, and of cash management, accounting and tax and billing and collection services to companies within the NTT Group. In addition, the Issuer is engaged in providing finance and accounting-related services to third parties.

The Issuer was established in 1985 under the name of NTT Leasing Co., Ltd. as a subsidiary of NTT to engage in the leasing of telecommunication equipment sold by NTT Group companies. In 2004, the Issuer became a subsidiary of NTT and other companies of the NTT Group as part of a strategy by the NTT Group to facilitate the efficient use of financial resources and strengthen the financial infrastructure within the NTT Group. In 2005, the Issuer merged with NTT FINANCE JAPAN CO., LTD., which until that time had undertaken the role of raising funds for, and lending on to, NTT's subsidiaries and affiliates, except for NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (currently NTT EAST, Inc.) ("NTT East"), NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (currently NTT WEST, Inc.) ("NTT West") and NTT COMMUNICATIONS CORPORATION (currently NTT DOCOMO BUSINESS, Inc.) ("NTT Communications"). In July 2006, the Issuer changed its corporate name to NTT FINANCE CORPORATION.

Effective on 1 July 2020, the Issuer spun off its leasing business and a substantial part of its international business to NTT TC Leasing Co., Ltd. ("NTT TC Leasing"), and sold 50% of the shares of NTT TC Leasing to Tokyo Century Corporation ("Tokyo Century"), and has since focused mainly on providing services to companies of the NTT Group. As a result of this transaction, the Issuer's business segments were restructured to Billing Business, Credit Card Business and Finance Business beginning from the three-month period ended 30 June 2021. In addition, in September 2020, the Issuer became a wholly-owned subsidiary of NTT. In July 2021, the accounting business of NTT Business Associe Corporation ("NTT Business Associe") (which was subsequently integrated with NTT Learning Systems Corporation to form NTT ExCPartner Corporation) was transferred to the Issuer. As a result, the Issuer renamed its Finance Business segment as its Accounting/Finance Business segment beginning from the three-month period ended 30 September 2021.

In the years ended 31 March 2024 and 2025, the Issuer had consolidated revenue of ¥301,767 million and ¥322,813 million, respectively, and consolidated profit attributable to owners of parent of ¥13,221 million and ¥10,707 million, respectively. In the six months ended 30 September 2024 and 2025, the Issuer had consolidated revenue of ¥169,846 million and ¥169,746 million, respectively, and consolidated profit attributable to owners of parent of ¥6,366 million and ¥5,275 million, respectively.

Strengths

Strong Business Foundation and Positioning as the NTT Group's Sole Finance Subsidiary

The Issuer is the sole finance subsidiary of the NTT Group, a leader in the telecommunications and ICT fields both in Japan and globally, and the largest provider of telecommunications and ICT services in Japan in terms of operation revenues in the fiscal year ended 31 March 2025. The Issuer raises capital through diverse methods for the NTT Group in a centralised manner to ensure a stable supply of funds for NTT Group companies, as well as providing advanced financing solutions for both NTT Group companies and third-party customers. The Issuer's comprehensive and centralised advanced financial solutions include billing and collection services in its Billing business and credit card services in its Credit Card business, and also include accounting and other financial services business in its Accounting/Finance business. Accordingly, the Issuer performs a variety of critical functions and has a solid business foundation as a comprehensive payment and financial platform for the NTT Group.

Close Integration with the NTT Group Provides Access to Strong Sources of Cash and Contributes to Creditworthiness

In light of its close integration with the NTT Group and primary responsibility for its financing functions, the Issuer believes it is in a position equivalent to the "Finance Department" for the entire NTT Group and has been a wholly owned subsidiary of NTT from September 2020. The Issuer took over the accounting and tax businesses of other group companies in 2021 and subsequently completed the centralisation of the NTT Group's finance operations into its business. This role provides the Issuer with centralised access to the group's cash. Through its billing and collection services, the Issuer assumes customer receivables for telecommunications and other services provided by the group, which provides it with direct access to cash flows from the group's customers. The Issuer also has access to group surplus cash through its cash management systems for lending funds and holding surplus cash within the group. In addition, the Issuer has taken over the accounting business from NTT Business Associe, leveraging a high level of accounting expertise in order to support the settlement of accounts of the NTT Group companies and work to improve the efficiency and quality of financial operations as the financial manager of the NTT Group as a whole.

The Issuer believes that its close integration with the NTT Group's businesses and centralised access to the group's cash flows contribute to its strong financial position and creditworthiness. The Issuer believes that the NTT Group has a strong ability to generate stable and significant cash flows, supported by its strong performance and positioning in a wide range of markets.

The Issuer has received long-term issuer credit ratings of A- from S&P Global Ratings Japan Inc., A3 from Moody's Japan K.K., AAA from Japan Credit Rating Agency, Ltd. and AA+ from Rating and Investment Information, Inc. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. S&P Global Ratings Japan Inc., Moody's Japan K.K. and Japan Credit Rating Agency, Ltd. have provided the same ratings to both the Issuer and NTT, which the Issuer believes shows the important role and central functions it plays within the NTT Group.

Strong Balance Sheet and Financial Position

A substantial majority of the Issuer's assets consists of loans to NTT Group companies, which it believes contributes to maintaining a strong and stable financial condition both for the Issuer and the NTT Group more generally. The Issuer believes that its group loan counterparties have excellent creditworthiness and access to cash flows.

In addition, in July 2020, the Issuer spun off its leasing business and a substantial part of its international business to a newly established company, NTT TC Leasing, with it retaining 10% of the company's shares. The Issuer believes that the spin-off has helped improve the stability of its business by reducing its exposure to the volatility associated with the spun-off businesses.

Strategy

Further Improve the Efficiency of the NTT Group's Finance Operations

The Issuer and the NTT Group aim to realise more efficient finance operations by leveraging close integration with the group as its sole finance subsidiary. Specifically, the Issuer believes that its further integration with the NTT Group will be beneficial in the following ways:

- *Optimisation of surplus cash.* In addition to raising capital through diverse methods, the Issuer will continue to consolidate the NTT Group's surplus cash. Its central position enables it to continually use such cash in an optimal manner by making loans to NTT Group companies and reducing interest-bearing debt as a whole.
- *Finance cost reduction.* The Issuer will further aim to lower financing costs and foster sophistication of its financial services by leveraging both the scale of the group's operations as it further integrates its business with the group, as well as its financial position and reputation in the capital markets.

- *Enhance administrative efficiencies.* The Issuer will aim to increase efficiency by reducing the administrative burden for the group's other companies and reducing the costs of raising capital through the effective operation of its centralised finance operations.

Enhance Billing and Payment Solutions through Digital Transformation ("DX")

Through further enhancement and expansion of its billing and payment solutions, the Issuer intends to contribute not only to streamlining the billing and payment operations of NTT Group companies, but also to improving its productivity and the productivity of the NTT Group as a whole. To improve both the efficiency and quality of its solutions, in addition to establishing a new shared billing system for the NTT Group, the Issuer will accelerate DX by expanding the functions of its web billing platform, further digitising invoices and expanding AI customer support. To meet the increasingly diverse billing needs of businesses and other organisations, the Issuer will expand its billing solution services such as "Billing One," "Rakuraku Cloud Payment Service" and "PaySol" in collaboration with its customers. For more information on these services, see "—Operations—Billing Business".

Maintain and Enhance Financial Soundness by Improved Cash Generation, Including from Increased Investment in Growth Areas

Building on the NTT Group's stable and strong cash flow generated through its robust businesses and financial base, the Issuer seeks to further strengthen its and the group's financial position by supporting the NTT Group's investments, including in growth areas. Under its medium-term management strategy "New Value Creation & Sustainability 2027 Powered by IOWN" announced in May 2023, the NTT Group seeks to expand its business based on themes of new value creation and global sustainability. In particular, the NTT Group aims to expand its cash-generating capabilities by making significant investments in growth areas, generally consisting of IOWN, digital/data centres, power/energy, Smart Life (which comprises NTT DOCOMO's non-telecommunications businesses), real estate and AI/robots over the five years ending 31 March 2028, as well as in existing areas (which are NTT DOCOMO's consumer telecommunications businesses and the businesses of NTT East and NTT West). On 26 June 2025, NTT completed a tender offer to acquire the outstanding public shares of NTT DATA Group Corporation that it did not already own for ¥1,347 billion. Through this tender offer and subsequent acquisition of the remaining minority stake through a share consolidation squeeze-out in September 2025 with certain remaining settlement procedures with respect to fractional shares, NTT aims to accelerate the group's growth and achieve greater operational efficiency and strategic consistency among group companies. The Issuer plans to provide financing to the NTT Group to support its investments in growth areas as described above, thus supporting profit growth in the medium term. At the same time, in the medium term the NTT Group is also aiming to return to its financial condition before the NTT DATA Group Corporation tender offer, by leveraging the enhanced cash flow generating capabilities of the NTT Group while balancing investments in growth areas and shareholder returns.

Further Promote ESG Initiatives

As part of the NTT Group's commitment to corporate and social responsibility, the Issuer and the NTT Group will further promote the group's environmental, social and governance ("ESG") initiatives. In particular, the Issuer aims to align its operations with the NTT Group Global Sustainability Charter, established in November 2021 and amended in April 2024, to realise a sustainable society. The charter addresses nine challenges and 18 specific business activities in three broad themes (1) ensuring the positive co-existence of nature and humanity (addressing environmental challenges), (2) improving prosperity for all people and cultures (addressing social issues) and (3) maximising well-being for all (addressing human rights, diversity & inclusion). By promoting the IOWN concept, which is based on high ethical standards and advanced technology and innovation, the NTT Group is working towards such three themes. Through these initiatives, NTT Group will simultaneously achieve both corporate growth and the resolution of social issues, contributing to the achievement of a sustainable society.

As the sole finance subsidiary within the NTT Group, through a basic policy of contributing to the realisation of a sustainable society, the Issuer is working on various sustainability activities through business activities such as billing solutions, credit cards, and financial services. Furthermore, the Issuer endeavours to create a work environment that is comfortable for under-represented groups, such as women, people with disabilities, and LGBTQ employees, as well as those who require childcare or nursing care support. The Issuer has formulated the following action plan with the aim of creating a workplace environment in which employees can balance work and family commitments and in which women can play an active role:

- keeping total annual working hours 1,750 hours or less by 2025,
- ensuring that the ratio of male employees taking childcare leave remains at 100% or above by 2025 (calculated in accordance with the methodology prescribed by Article 71-6(2) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991, as amended)),
- increasing the ratio of female managers to at least 15% by 2025.

The NTT Group's ESG initiatives will also be driven by the principles set forth in "NTT Green Innovation toward 2040", a new environmental energy vision formulated by the NTT Group in September 2021 that simultaneously aims to address environmental issues and improve economic growth through reduction of the environmental impact of business activities and the creation of breakthrough innovations. Accordingly, the NTT Group seeks to implement initiatives to reduce greenhouse gas emissions, primarily through expanding the use of renewable energy and reducing electricity consumption through the introduction of IOWN optical network and computing technologies. In particular, the NTT Group aims to reach carbon neutrality by the fiscal year ending 31 March 2041, with an 80% group-wide reduction in greenhouse gas emissions (compared to the fiscal year ended 31 March 2014) and carbon neutrality in its mobile and data centre businesses targeted as soon as the fiscal year ending 31 March 2031.

Operations

With the development of NTT Group's global operations, the Issuer has been actively promoting its global operations to enhance the support base for the NTT Group. The Issuer classifies its businesses into the following three reportable segments: (i) Billing Business, (ii) Credit Card Business and (iii) Accounting/Finance business.

The following table sets forth the revenue from external customers and segment profit for each of the business segments for the years ended 31 March 2024 and 2025, and for the six months ended 30 September 2024 and 2025.

	Year ended 31 March							
	2024				2025			
	(millions of yen)							
	Segment revenue	Inter-segment elimination	Revenue from external customers	Segment profit	Segment revenue	Inter-segment elimination	Revenue from external customers	Segment profit
Billing	¥180,230	—	¥180,230	¥ 4,857	¥172,736	—	¥172,736	¥ 4,400
Credit card	62,255	(55,911)	6,344	4,208	67,105	(60,890)	6,214	4,412
Accounting/ Finance	112,992	(18)	112,973	15,541	142,492	(11)	142,481	13,651
Other[2]	2,218	—	2,218	41	1,470	(90)	1,380	103
Total	¥357,697	¥(55,930)	¥301,767	¥24,648	¥383,805	¥(60,991)	¥322,813	¥22,567

	Six months ended 30 September							
	2024				2025			
	(millions of yen)							
	Segment revenue	Inter-segment elimination	Revenue from external customers	Segment profit	Segment revenue	Inter-segment elimination	Revenue from external customers	Segment profit
Billing	¥ 94,047	—	¥ 94,047	¥ 4,385	¥ 83,559	—	¥ 83,559	¥ 6,630
Credit card	32,796	(29,685)	3,110	2,291	34,798	(31,925)	2,872	2,333
Accounting/ Finance	71,714	(2)	71,711	8,030	83,250	(2)	83,248	6,871
Other[2]	1,017	(41)	975	45	113	(47)	66	0
Total	¥199,576	¥(29,730)	¥169,846	¥14,752	¥201,721	¥(31,975)	¥169,746	¥15,835

Notes:

(1) Segment profit is based on the operating income of each business segment and is before allocation of company-wide expenses.

(2) "Other" represents the business not attributable to reportable segments and mainly includes revenue and profit arising from services under a common operation services agreement and system services agreement which are transitional service agreements between NTT TC Leasing and the Issuer.

Billing Business

In the Billing Business segment, the Issuer provides billing and collection services primarily in relation to charges for the communications services provided by NTT DOCOMO, NTT East, NTT West and NTT DOCOMO BUSINESS, Inc. The Issuer purchases accounts receivable of these NTT Group companies, and it receives commissions in connection with the transfer of these accounts receivable calculated based on the estimated credit risk associated with such receivables and a certain premium to compensate it for providing billing and collection services.

The Issuer offers a number of services to customers to improve the billing experience including the following:

- *Invoice consolidation*. To provide more user-friendly services to customers and improve and streamline the billing and collection operations, the Issuer offers a bill consolidation service that enables customers to choose to have separate invoices from the above NTT Group entities consolidated in a single invoice. Customers may also choose to consolidate the invoices for certain utility payments, Internet access charges, newspaper subscription fees, fees for the reception of public broadcasting and other services with the invoices of the above NTT Group entities, to the extent the provider of such services has entered into an appropriate arrangement with the Issuer.
- *Web billing.* The Issuer provides a convenient web billing system that allows customers to access billing information for NTT Group services, manage payment options, print invoices and other documents and set up email notifications.
- *"Billing One" service.* The Issuer's "Billing One" service is a service for corporate clients that allows them to consolidate all their communications service charges from NTT Group companies and other communications companies into a single invoice, which can reduce the burden of managing payments for multiple services. This service also provides tools that enable clients to analyse and search the details of their charges for these services and automatically categorise charges by department or other division within their organisation. Clients can download data from this service for use in their accounting systems, which can help clients increase efficiency in recording costs in their accounting records.

The Issuer aims to increase user adoption of these consolidation services, while at the same time seeking to streamline operational costs relating to billing and collection in order to establish a stable and efficient business foundation.

The Issuer also offers billing and collection services to business clients outside the NTT Group. The Issuer's business clients provide it with billing information for their users, and the Issuer issues a

consolidated invoice to users including charges for the Issuer's clients' services together with charges for using NTT Group services. In addition, the Issuer also offers a cloud-based billing and collection platform called "Rakuraku Cloud Payment Service" that allows businesses to easily manage user information and submit the relevant billing information to the Issuer for processing. Furthermore, the Issuer offers "Rakuraku Cloud Electronic Document Management System by ClimberCloud" to handle bookkeeping information, allowing for reduced printing and storage costs and supporting digital transformation of back-office operations.

For the year ended 31 March 2025, the aggregate amount of receivables processed through the Billing Business amounted to ¥6,412,522 million, an increase of 1.8% from the preceding year

Revenue for the Issuer's Billing Business segment for the year ended 31 March 2025 was ¥172,736 million, a decrease of 4.2% from the preceding year.

For the year ended 31 March 2025 segment profit was ¥4,400 million, a decrease of 9.4% from the preceding year.

Credit Card Business

In its Credit Card Business segment, the Issuer provided credit settlement services, sales financing and consumer loans and facilitate payment of telecommunications bills through credit cards issued to corporate customers. However, the Issuer ended service of all its NTT Finance Biz cards as of 31 March 2025. Revenue for this segment consists primarily of commissions the Issuer receives from other NTT Group companies in respect of credit card payments of invoices by customers of the NTT Group's telecommunications services, which are first recorded in the Billing Business segment and then transferred to the Credit Card Business segment. Such commissions accounted for 90.7% of the segment's revenue for the fiscal year ended 31 March 2025.

The Issuer also received interchange fees set by the MasterCard and Visa networks as a card issuer, merchant commissions when it acts as a merchant acquirer, processing fees when it acts separately as a payment processor, and cardholder fees and interest on sales financing and consumer loans. After 31 March 2025, following the termination of service for NTT Finance Biz cards, the Issuer no longer receive interchange fees and cardholder fees but does receive interest on sales financing and customer loans still outstanding.

The Issuer's primary customer-facing products in this segment are as follows:

- *NTT Finance Biz cards.* For small- and medium-sized businesses and sole proprietorship customers, the Issuer offered the NTT Finance Biz regular card, which had no annual fee, and the NTT Finance Biz gold card, which offered more premium features such as airport lounge access for a low annual fee. Its NTT Finance Biz cards also featured an online statement editing service that makes it possible to divide card statements between business and personal transactions. The Issuer ended service of all NTT Finance Biz cards as of 31 March 2025.
- *Card settlement solution service "PaySol"*. For businesses, especially those that periodically bill their customers such as insurers or subscription services, the Issuer provides the high-quality card payment solution service "PaySol" that complies with the Instalment Sales Act of Japan and international brand rules, simplifying their compliance with industry regulations regarding transaction authorisation, customer data storage and security. The Issuer's proprietary system safely manages credit card data while also enabling speedy processing, even for vast quantities of transactions.

For the year ended 31 March 2025, the total transaction volume in the Issuer's Credit Card Business segment was ¥4,134,807 million, an increase of 6.6% from the preceding year.

Revenue for the Issuer's Credit Card Business segment for the year ended 31 March 2025 was ¥67,105 million, an increase of 7.8% from the preceding year. This was due primarily to an increase in the volume of telecommunication charges and other charges and an increase in commissions it received for its PaySol service.

Segment profit (before allocation of company-wide expenses) for the Issuer's Credit Card Business segment for the year ended 31 March 2025 was ¥4,412 million, an increase of 4.8% from the preceding year.

Accounting/Finance Business

In the Accounting/Finance Business segment, the Issuer provides loans, cash management and other financial services for the NTT Group, and engages in certain investment business. It also provides accounting, consulting, tax and training services for NTT Group companies and third parties.

To improve fund management and operational efficiency of the NTT Group and to reduce finance costs, the debt financing function of the NTT Group has been centralised to the Issuer and the Issuer is, in principle, in charge of all debt financing from external financial institutions as well as from the capital markets as the sole benchmark issuer within the NTT Group. As of 31 March 2025, the Issuer had trade accounts receivable (loans) of ¥9,269,201 million, almost all of which was pursuant to loans to NTT Group companies. This amount primarily consists of loans to NTT. Prior to the completion of NTT's tender offer for the outstanding shares of NTT DATA Group Corporation, the Issuer made drawdowns of a total of ¥1,347 billion from bridge loan facility agreements, and provided a loan of the same amount to NTT on the same day to finance its purchase of such shares. The interest rate for the loans to NTT Group companies is calculated by adding a target margin rate set by NTT Group to the finance cost the Issuer incurred to procure funds. As the target margin rate is set by taking into consideration the optimal balance between the benefit on NTT Group companies from stable and low cost funding and profit for the Issuer in terms of sustainable operation of its business.

The Issuer provides cash management services to the NTT Group in Japan and globally, closely integrating it with the NTT Group's operating companies through intra-group loans and deposits received. The Issuer maintains its Cash Management System (CMS) with respect to the NTT Group's domestic businesses, including NTT, and the Issuer's Global Cash Management System (GCMS) with respect to the NTT Group's businesses outside Japan.

Revenue for the Accounting/Finance business segment for the year ended 31 March 2025 was ¥142,492 million, an increase of 26.1% from the preceding year.

Segment profit (before allocation of company-wide expenses) for the year ended 31 March 2025 was ¥13,651 million, a decrease of 12.2% year on year.

Other

The Issuer classifies certain of its revenue and its associated expenses as "other" as they are not attributable to any reportable segments. For the fiscal years ended 31 March 2024 and 2025, this mainly consisted of revenue and profit arising from a common operation services agreement and system services agreement which are transitional service agreements entered into between NTT TC Leasing and the Issuer.

Risk management

Interest rate risk management

The Issuer seeks to minimise interest rate risks by matching the basis rates and maturities of financial assets and liabilities through ALM techniques and monitoring the results of gap analysis and interest rate sensitivity analysis. The results are reported at the Corporate Management Committee every quarter. In addition, the Issuer uses interest rate swaps to hedge a portion of its interest rate risks.

Share capital

As at 31 March 2025, the Issuer had 51,960 shares of common stock in issue (including 595 shares held by the Issuer in treasury). The Issuer is an unlisted company and all of its outstanding shares

of common stock are currently held by NTT. Any transfer of the Issuer's share will require approval by its Board of Directors. The Issuer does not have any other classes of shares outstanding.

Management

The following are the directors and audit & supervisory board members of the Issuer as at the date of this Offering Circular:

Name	Title
Shozo Ito	President
Takashi Nakamura	Senior Executive Vice President
Masahiro Abe	Senior Executive Vice President
Katsuya Maeda	Executive Vice President
Masaya Fujimoto	Senior Vice President
Seiichi Hashimoto	Senior Vice President
Keiichi Enomoto	Senior Vice President
Katsuyuki Isomura	Senior Vice President
Toshikazu Nishimura	Senior Vice President
Kiyoshi Kawabe	Senior Vice President
Kentaro Arima	Senior Vice President
Satoshi Takekawa(1)	Senior Vice President (part time)
Tsukasa Komeda	Audit & Supervisory Board Member
Yutaka Arai	Audit & Supervisory Board Member
Shinya Yumoto(2)	Audit & Supervisory Board Member (part time)

Notes:

(1) Satoshi Takekawa also serves as Manager of Finance Department of NTT.

(2) Shinya Yumoto also serves as Manager of Corporate Planning Department of NTT.

As of the date of this Offering Circular, the Issuer's Board of Directors consists of 12 members. The Board of Directors generally meets monthly to report and decide on material issues relating to the management of the Issuer. A Corporate Management Committee attended by full-time directors and one audit & supervisory board member is generally held weekly for the purpose of making important business decisions. The Corporate Management Committee also oversees the audit policy, results of audits and other important matters relating to the Issuer's audit. Further, Strategic Technology Investment Meetings are held to discuss investments in venture companies and the risks relating thereto.

The audit & supervisory board members are responsible for auditing the execution by the directors of their duties and are required to attend meetings of the board of directors. The audit & supervisory board members carry out their duties in collaboration with the audit & supervisory board of NTT.

Subsidiaries and affiliates

The following table sets forth the Issuer's consolidated subsidiaries and affiliates accounted for by the equity method as at 31 March 2025:

Name	Location of principal office	Capital	Main business	Percentage held by the Issuer
Consolidated subsidiaries				
NTT Finance Americas Inc.	Delaware, U.S.A.	U.S.$17,050 thousand	Lease & financing business to overseas NTT Group	100.00%
NTT Finance Germany GmbH	Düsseldorf, Germany	€25 thousand	Lease & financing business to overseas NTT Group	100.00%
NTT Finance UK Limited	London, U.K.	£3,500 thousand	Lease & financing business to overseas NTT Group	100.00%
NTT Finance Israel L.P.	British Virgin Islands	U.S.$10,000 thousand	Venture capital business in Israel	100.00%
Affiliates accounted for by the equity method				
Cosmos Posts and Telecommunications International Leasing Co., Ltd.	Beijing, China	U.S.$21,556 thousand	Leasing business in China	42.50%
NTT Global Data Centers Corporation	Chiyoda-ku Tokyo	¥9,350 million	Overseas data centre business	10.00%
NTT TC Leasing Co., Ltd.	Minato-ku, Tokyo	¥10,000 million	Lease & financing business	10.00%

NTT Group

As the sole finance subsidiary of the NTT Group, the Issuer engages in significant transactions with the NTT Group across its businesses, including extending loans to NTT Group companies, purchasing and servicing accounts receivables from NTT Group companies and other transactions. Due to its extensive relationships with the NTT Group and exposure to the NTT Group's businesses, the Issuer has included certain information about the NTT Group that it believes may be useful in assessing its business and exposure to the NTT Group.

Financial information with respect to the NTT Group included in this Offering Circular is derived from financial statements that have been prepared in accordance with International Financial Reporting Standards ("IFRS") not included in this Offering Circular, whereas financial information with respect to the Issuer included in this Offering Circular is derived from financial statements that have been prepared in accordance with Generally Accepted Accounting Principles in Japan ("Japanese GAAP"). Financial figures prepared in accordance with Japanese GAAP may not be comparable to financial figures prepared in accordance with IFRS.

Notes issued under the Programme will constitute unsubordinated and unsecured obligations solely of the Issuer. The Notes do not benefit from any guarantee or other credit support from NTT or any other member of the NTT Group. Accordingly, prospective investors should not place undue reliance on the information set forth below.

Overview

The NTT Group is a leading provider of comprehensive ICT and system integration solutions globally, with operations in more than 190 countries. The NTT Group is also one of Japan's largest telecommunications providers, offering a wide range of high-quality mobile and fixed-line telecommunications services and products to consumers and enterprises domestically. In addition, certain of NTT Group companies and affiliates engage in real estate development and urban renewal, clean power development and financial services, among other businesses.

The four business segments of the NTT Group are summarised as follows:

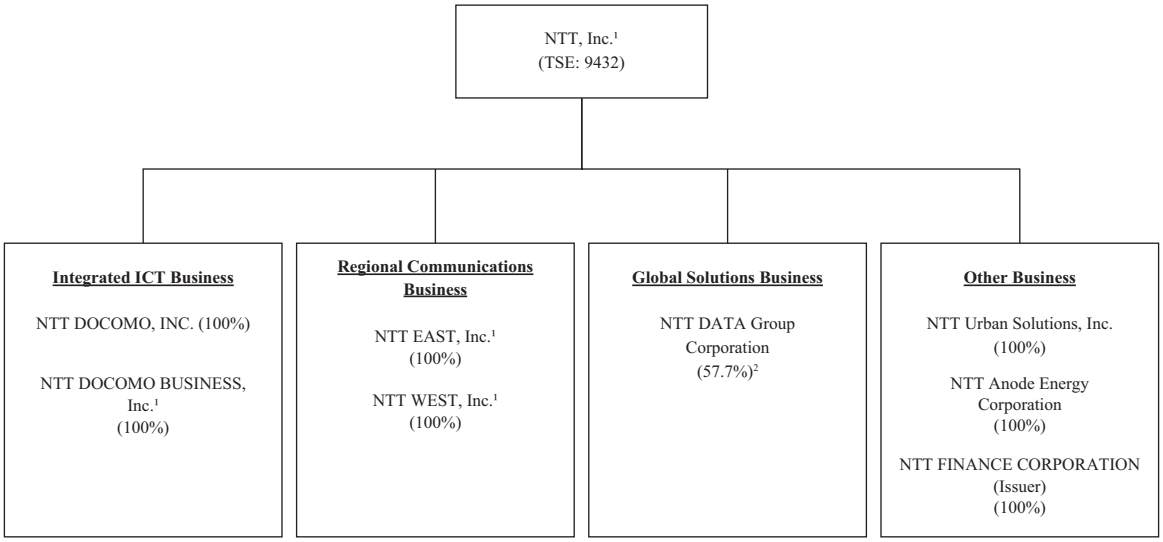
- *Integrated ICT.* In the Integrated ICT Business segment, the NTT Group offers mobile phone services, domestic inter-prefectural communications services, international communications services, solutions services, system development services and related services conducted through NTT DOCOMO and other subsidiaries. The Integrated ICT Business segment had segment operating revenues of ¥5,908 billion (excluding inter-segment transactions) and segment operating profit of ¥1,021 billion (including inter-segment transactions) for the year ended 31 March 2025, which accounted for 43.1% of the total segment operating revenues of the NTT Group and 61.9% of the total segment operating profit of the NTT Group for the fiscal year.
- *Regional Communications.* The principal services in the Regional Communications Business segment are domestic intra-prefectural communication services and related ancillary services conducted by NTT East and NTT West and other subsidiaries. The Regional Communications Business segment had segment operating revenues of ¥2,453 billion (excluding inter-segment transactions) and segment operating profit of ¥295 billion (including inter-segment transactions) for the year ended 31 March 2025, which accounted for 17.9% of the total segment operating revenues of the NTT Group and 17.9% of the total segment operating profit of the NTT Group for the fiscal year.
- *Global Solutions.* The Global Solutions Business segment comprises system integration services, network system services, cloud services, global data centre services and related services by NTT DATA Group Corporation, NTT DATA, Inc. and other subsidiaries. The Global Solutions Business segment had segment operating revenues of ¥4,426 billion (excluding inter-segment transactions) and segment operating profit of ¥324 billion (including inter-segment transactions) for the year ended 31 March 2025, which accounted for 32.3% of the total

segment operating revenues of the NTT Group and 19.6% of the total segment operating profit of the NTT Group for the fiscal year.

- *Other.* The Other Business segment principally comprises real estate business, energy business and the Issuer's own businesses (the Issuer's billing business, credit card business and accounting and finance business). The businesses other than those of the Issuer are conducted through NTT Urban Solutions, Inc., NTT Anode Energy Corporation and other subsidiaries. The Other Business segment had segment operating revenues of ¥918 billion (excluding inter-segment transactions) and segment operating profit of ¥56 billion (including inter-segment transactions) for the year ended 31 March 2025, which accounted for 6.7% of the total segment operating revenues of the NTT Group and 3.4% of the total segment operating profit of the NTT Group for the fiscal year.

NTT Group Structure, History and International Business Restructuring

The following chart is a simplified summary of the corporate structure of NTT Group as of 31 March 2025. The percentages shown in parentheses indicate the direct and indirect percentage of the total voting shares held by NTT. The following chart does not include all of NTT's subsidiaries.



Note:

(1) Effective 1 July 2025, NTT changed its corporate name from NIPPON TELEGRAPH AND TELEPHONE CORPORATION to NTT, Inc. and the group companies NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION and NTT COMMUNICATIONS CORPORATION changed their corporate names to NTT EAST, Inc., NTT WEST, Inc., and NTT DOCOMO BUSINESS, Inc., respectively.

(2) As of 31 March 2025, NTT held 57.7% of NTT DATA Group Corporation, which is the holding company for NTT DATA JAPAN CORPORATION and NTT DATA, Inc. On 26 June 2025, NTT completed a tender offer to acquire the outstanding public shares of NTT DATA Group Corporation that it did not already own for ¥1,347 billion. As a result of this transaction, NTT increased its ratio of voting rights in NTT DATA Group Corporation to 81.75% compared to 57.7% as of 31 March 2025, and subsequently acquired the remaining minority stake through a share consolidation squeeze-out in September 2025 with certain remaining settlement procedures with respect to fractional shares expected to be completed around or after late December 2025.

(3) On 17 July 2025, NTT DOCOMO completed the tender offer for SBI Sumishin Net Bank, Ltd. As a result of this transaction followed by a share consolidation and other related procedures implemented by SBI Sumishin Net Bank, Ltd., it became a consolidated subsidiary of NTT on 1 October 2025.

NTT Group began business operations in August 1952 as NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION, a government monopoly owning and operating Japan's telecommunications infrastructure. NTT Group was privatised as NIPPON TELEGRAPH AND TELEPHONE CORPORATION in April 1985 pursuant to the NTT Act, which requires the government of Japan to own at least one-third of its issued shares. In 1987, NTT completed its initial public offering and was listed on the Tokyo Stock Exchange and other stock exchanges in Japan. NTT Group continued to own and operate Japan's fixed-line telecommunications infrastructure after its privatisation and the NTT Act obligated NTT Group to maintain fixed-line telephone service throughout the country.

NTT was reorganised as a holding company in July 1999 through amendments to the NTT Act, and the group's intra-prefectural communications services were transferred to NTT East and NTT West and the group's inter-prefectural communications services were transferred to NTT Communications (currently NTT DOCOMO BUSINESS, Inc.). The amended NTT Act requires that NTT own all of the shares issued by NTT East and NTT West, to ensure appropriate and reliable provision of telecommunications services by these companies, and to engage in research activities relating to telecommunications technologies that form the foundation for telecommunications in Japan. The NTT Act also requires NTT East and NTT West to manage regional telecommunications businesses as joint-stock companies, to ensure fixed-line telephone service, public telephones and emergency call services provided throughout Japan including its remote islands and villages, subject to amendments to the NTT Act and the Telecommunications Business Act of Japan (Act No. 86 of 1984, as amended), the effective date of which is not yet determined, and the Telecommunications Business Act of Japan requires NTT East and NTT West to lease their unused optical fibre to other carriers at regulated rates.

In December 2020, NTT completed the acquisition of the shares of NTT DOCOMO that it did not already own through a tender offer and subsequent a statutory demand for share cash out and NTT DOCOMO became a wholly-owned subsidiary of the NTT Group. The total purchase price for the shares of NTT DOCOMO acquired in the tender offer and the subsequent share cash out was ¥4,253 billion.

In May 2022, NTT announced a plan to restructure its international businesses for business customers that had been separately conducted by NTT DATA Corporation, NTT, Inc., which changed its name to NTT DATA, Inc. as of 1 October 2022, and NTT Ltd. Under this business restructuring, effective from 1 October 2022, (i) NTT, Inc. distributed all shares it holds of NTT DATA Corporation to NTT, as a result of which NTT DATA Corporation became a direct subsidiary of NTT, (ii) NTT DATA Corporation transferred its global business to NTT, Inc. by an absorption-type company split, and (iii) NTT transferred a portion of the shares it holds of NTT, Inc. to NTT DATA Corporation, as a result of which NTT owns 45% of the shares of NTT, Inc. and NTT DATA Corporation owns the other 55% of the shares. After this restructuring, NTT also acquired 49,672,800 shares of NTT DATA Corporation through market transactions. Further, NTT DATA Corporation established a new domestic operating company, and the domestic business previously operated by NTT DATA Corporation was transferred to such new operating company, NTT DATA JAPAN CORPORATION, on 1 July 2023, upon which NTT DATA Corporation changed its name to NTT DATA Group Corporation. As a result of this restructuring, NTT DATA Group Corporation became a holding company under which the overseas business is operated by NTT DATA, Inc. and its subsidiary, NTT Ltd., and the domestic business is operated by NTT DATA JAPAN CORPORATION.

Effective 1 July 2025, NTT changed its corporate name from NIPPON TELEGRAPH AND TELEPHONE CORPORATION to NTT, Inc. as part of a corporate renewal. The group companies NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION and NTT COMMUNICATIONS CORPORATION also changed their corporate names to NTT EAST, Inc., NTT WEST, Inc. and NTT DOCOMO BUSINESS, Inc., respectively. Also in May 2025, the board of NTT DATA Group Corporation announced it would transfer six data centres to a real estate investment trust that was planned to go public on the SGX-ST to increase the monetisation potential of such real estate holdings. Such real estate investment trust went public on the SGX-ST in July 2025. Additionally, NTT announced on 29 May 2025, its intent to invest ¥110.8 billion in SBI Holdings to collaborate at a group level on addressing customers' needs through innovative services. On the same date, NTT DOCOMO announced a tender offer for SBI Sumishin Net Bank, Ltd., with the aim of entering the banking industry. Further, on 26 June 2025, aiming to enhance the competitiveness of its IT-driven businesses, NTT completed a tender offer to acquire the outstanding public shares of NTT DATA Group Corporation that it did not already own for ¥1,347 billion. As a result of this transaction, NTT increased its ratio of voting rights in NTT DATA Group Corporation to 81.75% compared to 57.7% as of 31 March 2025, and subsequently acquired the remaining minority stake through a share consolidation squeeze-out in September 2025 with certain remaining settlement

procedures with respect to fractional shares expected to be completed around or after late December 2025. On 17 July 2025, NTT DOCOMO completed the tender offer for SBI Sumishin Net Bank, Ltd. As a result of this transaction followed by a share consolidation and other related procedures implemented by SBI Sumishin Net Bank, Ltd., it became a consolidated subsidiary of NTT on 1 October 2025.

Medium-term Management Strategy

In May 2023, the NTT Group renewed its medium-term management strategy, which builds on the previous medium-term management plan and aims at pursuing its fundamental principle "Innovating a Sustainable Future for People and Planet". The new medium-term strategy has three main pillars and related initiatives, as follows:

- NTT as a Creator of New Value and Accelerator of a Global Sustainable Society
  - (i) IOWN-Driven Creation of New Value
  - (ii) Data-Driven Creation of New Value
  - (iii) Achievement of a Circular Economy Society
  - (iv) *Further* Strengthening of *Business Foundations*
- Upgrading the Customer Experience (CX)
  - (i) Fusion of Research and Development with a Market-Focused Strategy
  - (ii) Strengthening of Services that Emphasise Customer Experience (CX)
- Improving the Employee Experience (EX)
  - (i) Open and Innovative Corporate Culture
  - (ii) Support Career Growth
  - (iii) Global Benefits for Employees and their Families

Taxation

Japan

The following description of Japanese taxation (limited to national taxes) applies to interest and the Profit from Redemption (as defined below) with respect to the Notes that will be issued by the Issuer outside Japan and the interest on which will be payable outside Japan, as well as certain aspects of capital gains, inheritance and gift taxes. It does not address the tax treatment of the original issue discount of the Notes that fall under "discounted bonds" as prescribed by the Special Taxation Measures Act. It is not intended to be exhaustive, and it is recommended that Noteholders and/or Couponholders consult their tax advisers as to their exact tax position.

Interest and Profit from Redemption

Interest payments on the Notes will be subject to Japanese withholding tax unless the holder establishes that the Notes is held by or for the account of a holder that is (a) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, paragraph 4 of the Special Taxation Measures Act (any such person hereinafter referred to as a "specially-related person of the Issuer"), (b) a designated Japanese financial institution described in Article 6, paragraph 11 of the Special Taxation Measures Act which complies with the Japanese tax exemption requirements, or (c) a public corporation, a financial institution, a financial instruments business operator or certain other entity (which has complied with the Japanese tax exemption requirements) which has received such payments through its payment handling agent in Japan as provided in Article 3-3 paragraph 6 of the Special Taxation Measures Act.

If a beneficial owner of any Notes is an individual non-resident of Japan or a non-Japanese corporation that in either case is not a specially-related person of the Issuer, payment of interest on such Notes outside Japan by the Issuer or the Paying Agent to such beneficial owner will not be subject to Japanese withholding tax, provided that such beneficial owner complies with certain requirements, inter alia:

(a) if such Notes are held through any of certain participants in an international clearing organisation, such as Euroclear and Clearstream, Luxembourg, or through any of certain financial intermediaries, in each case as prescribed by the Special Taxation Measures Act (each such participant or financial intermediary being referred to as a "Participant"), the requirement to provide certain information prescribed by the Special Taxation Measures Act to enable the Participant to establish that the beneficial owner is exempt from the requirement for Japanese tax to be withheld or deducted; and

(b) if such Notes are held not through a Participant, the requirement to submit to the Paying Agent a claim for exemption from withholding tax (*hikazei tekiyo shinkokusho*), together with certain documentary evidence, at or prior to each receipt of interest.

Even if a beneficial owner of any Notes is an individual non-resident of Japan or a non-Japanese corporation that in either case is not a specially-related person of the Issuer and has complied with the requirements described above, payment of interest on the Notes, however, will be subject to Japanese income or corporation taxes (including, where applicable, special taxes for reconstruction) payable otherwise than by way of withholding if such beneficial owner has a permanent establishment in Japan through which it conducts business and payment of such interest is attributable to such permanent establishment.

The above-described exemption from Japanese income tax with respect to interest on the Notes will not be applicable to any Notes on which interest is calculated based on any of certain indices, including the amount of profits or assets of the Issuer or a specially-related person of the Issuer, as described in Article 6, paragraph 4 of the Special Taxation Measures Act and the Cabinet Order relating to that paragraph.

The following legend will appear on the Temporary Global Notes, the Permanent Global Notes, the Global Certificates, the Certificates, the Bearer Notes, the Coupons, the Receipts and the Talons:

INTEREST PAYMENTS ON THIS SECURITY WILL BE SUBJECT TO JAPANESE WITHHOLDING TAX UNLESS THE HOLDER ESTABLISHES THAT THE SECURITY IS HELD BY OR FOR THE ACCOUNT OF A HOLDER THAT IS (A) FOR JAPANESE TAX PURPOSES, NEITHER (X) AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION, NOR (Y) AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER AS DESCRIBED IN ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES ACT OF JAPAN (A "SPECIALLY-RELATED PERSON OF THE ISSUER"), (B) A DESIGNATED JAPANESE FINANCIAL INSTITUTION DESCRIBED IN ARTICLE 6, PARAGRAPH 11 OF THE SPECIAL TAXATION MEASURES ACT OF JAPAN WHICH COMPLIES WITH THE JAPANESE TAX EXEMPTION REQUIREMENTS, OR (C) A PUBLIC CORPORATION, A FINANCIAL INSTITUTION, A FINANCIAL INSTRUMENTS BUSINESS OPERATOR OR CERTAIN OTHER ENTITY (WHICH HAS COMPLIED WITH THE JAPANESE TAX EXEMPTION REQUIREMENTS) WHICH HAS RECEIVED SUCH PAYMENTS THROUGH ITS PAYMENT HANDLING AGENT IN JAPAN AS PROVIDED IN ARTICLE 3-3 PARAGRAPH 6 OF THE SPECIAL TAXATION MEASURES ACT OF JAPAN.

INTEREST PAYMENTS ON THIS SECURITY TO AN INDIVIDUAL RESIDENT OF JAPAN, TO A JAPANESE CORPORATION, OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IS A SPECIALLY-RELATED PERSON OF THE ISSUER (EXCEPT FOR THE DESIGNATED JAPANESE FINANCIAL INSTITUTION AND THE PUBLIC CORPORATION, THE FINANCIAL INSTITUTION, THE FINANCIAL INSTRUMENTS BUSINESS OPERATOR AND CERTAIN OTHER ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH) WILL BE SUBJECT TO DEDUCTION IN RESPECT OF JAPANESE INCOME TAX AT A RATE OF 15 PER CENT. (FOR THE PERIOD TO AND INCLUDING 31 DECEMBER 2037, AN ADDITIONAL 0.315 PER CENT. IS ADDED THERETO AS SPECIAL INCOME TAX FOR RECONSTRUCTION) OF THE AMOUNT OF SUCH INTEREST.

If the recipient of any difference between the acquisition price of Notes and the amount which the holder receives upon redemption of such Notes, defined in Article 41-13 and Article 67-17 of the Special Taxation Measures Act as profit from redemption (the "Profit from Redemption "), is an individual non-resident of Japan or a non-Japanese corporation with no permanent establishment in Japan that in either case is not a specially-related person of the Issuer, no Japanese income or corporation taxes will be payable with respect to the Profit from Redemption. If the receipt of the Profit from Redemption is attributable to a permanent establishment maintained in Japan by an individual non-resident of Japan or a non-Japanese corporation through which such individual non-resident of Japan or non-Japanese corporation conducts business, however, the Profit from Redemption will be subject to Japanese income or corporation taxes (including, where applicable, special taxes for reconstruction).

Capital gains, inheritance and gift taxes

Gains derived from the sale of Notes by an individual non-resident of Japan or a non-Japanese corporation with no permanent establishment in Japan in general will not be subject to Japanese income or corporation taxes. Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired Notes as a legatee, heir or donee. No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable in Japan by the Noteholders in connection with the issue of the Notes.

FATCA withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Japan) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

Subscription and sale

Summary of dealer agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 8 December 2025 (as amended, restated or supplemented at any time, the "Dealer Agreement") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally or severally but not jointly underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling restrictions

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("Regulation S").

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations thereunder. The applicable Final Terms will identify whether the D Rules or the C Rules apply or whether TEFRA is not applicable.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the

offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation, and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each Dealer has further represented and agreed that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the FIEA and are subject to the Special Taxation Measures Act. Each of the Dealers has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any person resident in Japan for the purposes of the FIEA (including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws or regulations of Japan.

In addition, the Notes will be subject to the Special Taxation Measures Act. Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it (i) has not, directly or indirectly, offered or sold any of the Notes to, or for the benefit of, any person other than a Gross Recipient (as defined below), and (ii) will not, directly or indirectly, offer or sell any of the Notes, as part of the distribution by such Dealer at any time to, or for the benefit of, any person other than a Gross Recipient. A "Gross Recipient" as used herein means (a) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, paragraph (4) of the Special Taxation Measures Act, (b) a Japanese financial institution, designated in Article 3-2-2 paragraph (29) of the Cabinet Order relating to the Special Taxation Measures Act (Cabinet Order No. 43 of 1957, as amended) that will hold the Notes for its own proprietary account, or (c) any other excluded category of individuals, corporations or other entities under the Special Taxation Measures Act.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Instruments which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") other than (a) to "professional investors" as defined in the SFO of Hong Kong and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to

be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Form of final terms

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated [●]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the NTT Finance Corporation U.S.$10,000,000,000 Euro medium term note programme

Part A—Contractual terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [●] [and the supplemental Offering Circular dated [●]]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Offering Circular dated [original date] [and the supplemental Offering Circular dated [•]]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [•]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] [and the supplemental Offering Circular dated [•]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [original date] and [current date] [and the supplemental Offering Circulars dated [•] and [•]].

PROHIBITION OF SALES TO RETAIL INVESTORS—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of

Regulation (EU) No 600/2014 as it forms part of domestic law; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET—Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET—Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a "distributor")/ distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Note Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

1	Issuer:	NTT Finance Corporation
2	[(i)] Series Number:	[●]
	[(ii) Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]	[●]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount of Notes:	
	[(i)] Series:	[●]
	[(ii) Tranche:	[●]]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date] (in the case of fungible issues only, if applicable)]*

6	(i)	Specified Denominations*:	[●] *Note – where multiple denominations are being used the following sample wording should be followed:* [€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]
	(ii)	Calculation Amount	[●]
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*Specify*/Issue Date/Not applicable]
8		Maturity Date:	*[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9		Interest Basis:	[[●] per cent. Fixed Rate] [[specify Relevant Rate] +/– [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other *(specify)*] (further particulars specified below)
10		Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]
11		Change of Interest or Redemption/ Payment Basis:	*[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
12		Put/Call Options:	[Put Option] [Call Option] [(further particulars specified below)]
13	(i)	Status of the Notes:	Senior
	(ii)	Date of board approval for issuance of Notes obtained:	[●]
14		Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15		**Fixed Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]

* Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted].
(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
(iv)	Broken Amount(s):	[●] per Calculation Amount [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Date(s) to which they relate*]
(v)	Day Count Fraction (Condition 5(j)):	[30/360 /Actual/Actual–[ICMA/ISDA]/other]
(vi)	Determination Date(s) (Conditions 5(i)):	[●] *[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*.†
(vii)	Other terms relating to the method of:	[Note Applicable/*give details*]
16	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Interest Period(s):	[●]
(ii)	Specified Interest Payment Dates:	[●]
(iii)	Interest Period Date:	[●] *[Not applicable unless different from Interest Payment Date]*
(iv)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/other (*give details*)]
(v)	Business Centre(s) (Condition 5(j)):	[●]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	[●]
(viii)	Screen Rate Determination (Condition 5(b)(iii)(B)):	
	• Reference Rate:	[●]
	• Interest Determination Date(s):	[●]
	• Relevant Screen Page:	[●]
	• Relevant Time:	[●]
(ix)	ISDA Determination (Condition 5(b)(iii)(A)):	
	• ISDA Definitions:	[2006 ISDA Definitions]/[2021 ISDA Definitions]
	• Floating Rate Option:	[●]

† *Only to be completed for an issue where Day Count Fraction is Actual/Actual-ICMA.

	• Designated Maturity:	[●]
	• Reset Date:	[●]
	• Compounding:	[Applicable/Not Applicable]
	Compounding Method:	[Compounding with Lookback Lookback: [●] Applicable Business Days]] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout Lockout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]]
	• Index Provisions:	[Applicable/Not Applicable]
	Index Method:	[Compounded Index Method with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
(x)	Margin(s):	[+/–] [●] per cent. per annum
(xi)	Minimum Rate of Interest:	[●] per cent. per annum
(xii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiii)	Day Count Fraction (Condition 5(j)):	[●]
(xiv)	Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
17	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Amortisation Yield (Condition 6(b)):	[●]
(ii)	Day Count Fraction (Condition 5(j)):	[●]
(iii)	Any other formula/basis of determining amount payable:	[●]
18	**Index Linked Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Index/Formula/other variable:	[*Give or annex details*]
(ii)	Calculation Agent responsible for calculating the interest due:	[●]
(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impracticable or otherwise disrupted:	[●]
(iv)	Interest Period(s):	[●]

(v)	Specified Interest Payment Dates:	[●]
(vi)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/other (*give details*)]
(vii)	Business Centre(s) (Condition 5(j)):	[●]
(viii)	Minimum Rate of Interest:	[●] per cent. per annum
(ix)	Maximum Rate of Interest:	[●]per cent. per annum
(x)	Day Count Fraction (Condition 5(j)):	[●]
19	**Dual Currency Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Rate of Exchange/Method of calculating Rate of Exchange:	[*Give details*]
(ii)	Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[●]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

20	**Call Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) per Calculation Amount Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(iii)	If redeemable in part:	[●]
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
(iv)	Notice period:	[●]
21	**Put Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) per Calculation Amount Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(iii)	Notice period:	[●]

22	**Final Redemption Amount of each Note**	[●] per Calculation Amount
23	**Early Redemption Amount of each Note** Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	**Form of Notes**	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] Registered Notes: [Global Note (U.S.$/€ [●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/other]]
25	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	[Not Applicable/*Give details*] *(Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(v) and 18(vii) relate)*
26	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No] (*If yes, give details*)
27	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*]
28	Details relating to instalment Notes:	[Not Applicable/*give details*]
29	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to this Final Terms] apply]
30	Consolidation provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to this Final Terms] apply]

31	Other terms or special conditions:‡	[Not Applicable/*give details*]

DISTRIBUTION

32	(i) If syndicated, names of Managers: (ii) Stabilising Manager (if any):	[Not Applicable/*give names*] [Not Applicable/*give names*]
33	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
34	Additional selling restrictions:	[Not Applicable/*give details*]

Purpose of final terms

These Final Terms comprises the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the U.S.$10,000,000,000 Euro Medium Term Note Programme of NTT Finance Corporation.

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading.

Signed on behalf of the Issuer:

By _____

Duly authorised

‡ If full terms and conditions are to be used, please add the following here: "The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Prospectus for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary."

The first set of bracketed words is to be deleted where there is a permanent Global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the final terms.

Part B – Other information

1 Listing

(i) Listing:	[The Singapore Exchange Securities Trading Limited/ other (*specify*)/None]
(ii) Admission to trading:	[Application has been made for the Notes to be admitted to trading on [●] with effect from [●].] [Not Applicable.]

2 Ratings

Ratings:	The Notes to be issued have been rated: [S&P: [●]] [Moody's: [●]] [[Other]: [●]] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

3 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

[(i) Reasons for the offer	[●] (See *["Use of Proceeds"] wording in Prospectus—if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*
[(ii)] Estimated net proceeds:	[●] *(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

4 [*Index Linked or other variable-linked Notes only* – PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/ formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.

5 [*Dual* Currency *Notes only* – PERFORMANCE OF RATE[S] OF EXCHANGE

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]

6 Operational Information

ISIN Code:	[●]
Common Code:	[●]
[Classification of Financial Instruments (CFI):	[●]]
[Financial Instruments Short Name (FISN):	[●]]
Legal Entity Identifier:	3538007PR116187GD960
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/give name(s) and number(s) [and address(es)]]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]

7 General

Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable]

General information

(1) Application has been made to the SGX-ST for permission to deal in, and for quotation of, any Notes to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes if traded, will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). So long as any Notes are listed on the SGX-ST and the rules of SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, if any of the Global Notes representing such Notes is exchanged for definitive Notes, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

(2) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer on 29 September 2025.

(3) There has been no significant change in the financial or trading position of the Issuer, whether on a non-consolidated or consolidated basis, since 31 March 2025 nor material adverse change in the prospects of the Issuer, whether on a non-consolidated or consolidated basis, since 31 March 2025.

(4) Neither the Issuer nor any of its subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Circular which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer, whether on a non-consolidated or consolidated basis.

(5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, Receipts, Coupons or Talons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition redemption or payment of principal in respect of Bearer Notes, Receipts, Coupons or Talons.

(6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

(7) The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

(8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

(9) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent:

(i) the Issuer's Articles of Incorporation in Japanese;

(ii) the Agency Agreement and any amendments and supplements thereto (which includes the forms of the Global Notes, the Certificates, the definitive Notes, the Coupons, the Receipts and the Talons);

(iii) the Deed of Covenant and any amendments and supplements thereto;

(iv) the consolidated financial statements of the Issuer with the audit reports of KPMG AZSA LLC for the financial years ended 31 March 2024 and 2025;

(v) each Final Terms (save that Final Terms relating to a Note which is not listed will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity); and

(vi) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular and any documents incorporated by reference herein.

(10) KPMG AZSA LLC of AZSA Center Building, 1-2, Tsukudo-cho, Shinjuku-ku, Tokyo 162-8551 (independent public accountants) have (i) audited the consolidated financial statements of the Issuer for the financial years ended 31 March 2024 and 2025, and (ii) reviewed the unaudited interim consolidated financial statements of the Issuer for the six-month period ended 30 September 2025.

(11) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, and/or its affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially any Notes to be offered under the Programme. Any such short positions could adversely affect future trading prices of the Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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Independent Auditor's Report

To the Board of Directors of NTT FINANCE CORPORATION:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of NTT FINANCE CORPORATION ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2025 and 2024, the consolidated statements of income and comprehensive income, changes in net assets and cash flows for the years then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

A Key Audit Matter

A Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Appropriateness of the historical rate of credit losses for general receivables	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group as of March 31, 2025, billing receivables of ¥98,384 million ($658,000 thousand) were recognized related to telecommunication service charges transferred from NTT Group companies. In addition, as described in Note "2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, s. Significant Accounting Estimates" to the consolidated financial statements, allowance for doubtful receivables related to billing receivables of ¥27,908 million ($186,653 thousand) was provided mostly for general receivables. The Company recognizes allowance for doubtful receivables for general receivables based on the historical rate of credit losses to cover probable losses on collection. The historical rate of credit losses is calculated based on the historical credit losses for each number of elapsed months of billing receivables according to the management's judgment that probable credit losses approximate the historical credit losses. In addition, given the significant amounts of general receivables, the appropriateness of the historical rate of credit losses may have a significant effect on the determination of allowance for doubtful receivables for general receivables. We, therefore, determined that our assessment of the appropriateness of the historical rate of credit losses for general receivables was the most significant in our audit of the consolidated financial statements for this fiscal year, and accordingly, a key audit matter.	The primary procedures we performed to assess the appropriateness of the historical rate of credit losses for general receivables included the following: (1) Internal control testing We tested the design and operating effectiveness of certain of the Company's internal controls relevant to calculating the historical rate of credit losses. In this assessment, we focused our testing on the internal controls relevant to the accuracy of the aggregation of general receivables and historical credit losses and the calculation of the historical rate of credit losses. (2) Assessment of the appropriateness of the historical rate of credit losses for general receivables We inquired of the management regarding the basis for the judgment that probable credit losses approximate the historical credit losses. In addition, we assessed the reasonableness of the management's judgment by comparing the amounts recognized as allowance for doubtful receivables in the prior years with the corresponding actual amounts of credit losses and examining the causes of any variances between them.

Other Information

The other information comprises the information included in the disclosure documents that contain or accompany the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We do not perform any work on the other information as we determine such information does not exist.

Responsibilities of Management and Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with corporate auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 75 million yen and 32 million yen, respectively. Such fees for the previous year are 82 million yen and 10 million yen, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the 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

Shinichiro Tozuka
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 12, 2025

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Consolidated Balance Sheets
March 31, 2025 and 2024

ASSETS	Millions of Yen 2025	Millions of Yen 2024	Thousands of U.S. Dollars (Note 1) 2025
CURRENT ASSETS:			
Cash and cash equivalents	¥ 263,129	¥ 203,247	$ 1,759,831
Trade accounts receivable:			
Loans (Notes 11 and 17)	9,269,201	9,157,878	61,993,051
Credit cards	47,947	52,870	320,677
Billing (Notes 14 and 17)	98,384	264,771	658,000
Allowance for doubtful receivables	(28,350)	(40,027)	(189,609)
Investments in venture businesses (Notes 3 and 11)	9,901	8,698	66,221
Others (Note 14)	74,007	62,997	494,970
Total current assets	9,734,221	9,710,435	65,103,142
PROPERTY AND EQUIPMENT, NET (Note 4):	7,194	5,707	48,119
INTANGIBLE ASSETS—Assets held for own use	6,444	6,419	43,098
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3, 5 and 11)	18,583	17,681	124,286
Defined benefit asset (Note 7)	2,429	2,670	16,249
Deferred tax assets (Note 9)	6,611	12,059	44,215
Others (Notes 5 and 11)	8,181	7,113	54,720
Allowance for doubtful receivables	(538)	(475)	(3,598)
Total investments and other assets	35,267	39,049	235,873
DEFERRED ASSETS			
Deferred charges	7,643	6,509	51,119
Total deferred assets	7,643	6,509	51,119
TOTAL ASSETS	¥ 9,790,772	¥ 9,768,120	$ 65,481,354

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
CURRENT LIABILITIES:			
Short-term bank loans (Note 6)	¥ 216,028	¥ 341,721	$ 1,444,815
Current portion of long-term borrowings (Notes 6 and 11)	591,546	403,972	3,956,303
Current portion of bonds (Notes 6 and 11)	452,438	336,172	3,025,939
Commercial papers (Note 6)	1,225,816	1,037,428	8,198,346
Lease obligations (Note 6)	8	4	57
Accounts payable - other (Note 17)	445,522	431,972	2,979,686
Accrued income taxes (Note 9)	104	5,966	698
Deposits received (Notes 6 and 17)	550,334	1,294,173	3,680,676
Deposits received from shareholders, directors or employees	19	118	128
Asset retirement obligations	81	-	548
Others	26,891	21,257	179,853
Total current liabilities	3,508,794	3,872,786	23,467,055
LONG-TERM LIABILITIES:			
Bonds (Notes 6 and 11)	3,562,023	3,079,876	23,823,059
Long-term borrowings (Notes 6 and 11)	2,573,976	2,699,677	17,214,928
Lease obligations (Note 6)	28	2	188
Provision for loss on system use agreements	701	1,577	4,688
Defined benefit liability (Note 7)	10,224	15,434	68,379
Asset retirement obligations	1,171	1,323	7,835
Others	34,766	510	232,518
Total long-term liabilities	6,182,891	5,798,401	41,351,598
Total liabilities	9,691,685	9,671,188	64,818,653
NET ASSETS:			
Shareholders' equity (Notes 8 and 18):			
Common stock—authorized, 80,000 shares; issued, 51,960 shares in 2025 and 2024	16,770	16,770	112,165
Capital surplus	15,950	15,950	106,677
Retained earnings	55,748	52,891	372,846
Treasury stock; 595 shares in 2025 and 2024	(1,126)	(1,126)	(7,537)
Total shareholders' equity	87,342	84,486	584,152
Accumulated other comprehensive income:			
Unrealized gain/(loss) on available-for-sale securities	2,548	2,803	17,042
Deferred gain/(loss) on hedges (Note 12)	(93)	(120)	(623)
Foreign currency translation adjustments	4,526	4,406	30,273
Remeasurements of defined benefit plans	4,762	5,355	31,855
Total accumulated other comprehensive income	11,744	12,445	78,547
Total net assets	99,086	96,931	662,700
TOTAL LIABILITIES AND NET ASSETS	¥ 9,790,772	¥ 9,768,120	$ 65,481,354

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Consolidated Statements of Income
Years Ended March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
REVENUE (Note 16):	¥ 322,813	¥ 301,767	$ 2,158,997
COST OF SALES	209,895	173,902	1,403,793
Gross profit/(loss)	112,918	127,865	755,204
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	99,009	111,437	662,184
Operating income/(loss) (Note 16)	13,908	16,427	93,019
OTHER INCOME:			
Interest income	0	0	0
Dividend income	19	23	132
Share of profit of equity-accounted investees	1,603	1,679	10,721
Foreign exchange gain	-	2,146	-
Settlement fee received	177	-	1,185
Others	52	75	351
Total other income	1,852	3,925	12,391
OTHER EXPENSES:			
Interest expense	705	72	4,718
Foreign exchange loss	170	-	1,140
Loss on retirement of assets held for own use	112	63	754
Others	94	17	629
Total other expenses	1,082	153	7,242
EXTRAORDINARY LOSSES:			
Loss on termination of card business service	207	926	1,388
Loss on valuation of investment securities	145	-	971
Expenses associated with renewal of core accounting system	-	448	-
Provision reserve for loss on system use agreements	-	504	-
Total extraordinary losses	352	1,878	2,359
PROFIT/(LOSS) BEFORE INCOME TAXES	14,325	18,319	95,809
INCOME TAXES (Note 9):			
Current	(2,080)	8,199	(13,915)
Deferred	5,698	(3,101)	38,113
Total income taxes	¥ 3,618	¥ 5,098	$ 24,197

(Continued)

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Consolidated Statements of Income
Years Ended March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
PROFIT/(LOSS)	¥ 10,707	¥ 13,221	$ 71,611
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	¥ 10,707	¥ 13,221	$ 71,611

	Yen		U.S. Dollars (Note 1)
	2025	2024	2025
PER SHARE OF COMMON STOCK (Note 18):			
Weighted average number of shares outstanding	51,365	51,365	
Basic earnings per share	¥ 208,457.55	¥ 257,402.93	$ 1,394.18
Cash dividends applicable to the year (Note 8)	131,419.00	152,855.00	878.94

See notes to consolidated financial statements.

(Concluded)

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Consolidated Statements of Comprehensive Income
Years Ended March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
PROFIT/(LOSS)	¥ 10,707	¥ 13,221	$ 71,611
OTHER COMPREHENSIVE INCOME (Note 15):			
Unrealized gain/(loss) on available-for-sale securities	(126)	372	(844)
Deferred gain/(loss) on hedges	27	(120)	181
Foreign currency translation adjustments	(154)	1,954	(1,030)
Remeasurements of defined benefit plans	(691)	1,438	(4,625)
Share of other comprehensive income of affiliates accounted for using equity method	243	309	1,630
Total other comprehensive income	(701)	3,955	(4,688)
COMPREHENSIVE INCOME	¥ 10,006	¥ 17,176	$ 66,923
Comprehensive income attributable to:			
Owners of parent	¥ 10,006	¥ 17,176	$ 66,923

See notes to consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Consolidated statements of changes in equity
Years Ended March 31, 2025 and 2024

Millions of Yen

	Number of Shares of Common Stock Outstanding	Shareholders' Equity					Accumulated Other Comprehensive Income					
		Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Unrealized Gain/(Loss) on Available-for-Sale Securities	Deferred Gain/ (Loss) on Hedges	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Total Net Assets
BALANCE, April 1, 2023	51,365	¥ 16,770	¥ 15,950	¥ 46,993	¥(1,126)	¥ 78,588	¥ 2,374	¥ -	¥ 2,203	¥ 3,912	¥ 8,490	¥ 87,078
Cash dividends, ¥142,106.00 per share (Note 8)				(7,323)		(7,323)						(7,323)
Profit attributable to owners of parent				13,221		13,221						13,221
Net changes of items other than shareholders' equity							429	(120)	2,202	1,443	3,955	3,955
BALANCE, March 31, 2024	51,365	¥ 16,770	¥ 15,950	¥ 52,891	¥(1,126)	¥ 84,486	¥ 2,803	¥(120)	¥ 4,406	¥ 5,355	¥ 12,445	¥ 96,931
Cash dividends, ¥152,855.00 per share (Note 8)				(7,851)		(7,851)						(7,851)
Profit attributable to owners of parent				10,707		10,707						10,707
Net changes of items other than shareholders' equity							(255)	27	120	(592)	(701)	(701)
BALANCE, March 31, 2025	51,365	¥ 16,770	¥ 15,950	¥ 55,748	¥(1,126)	¥ 87,342	¥ 2,548	¥ (93)	¥ 4,526	¥ 4,762	¥ 11,744	¥ 99,086

Thousands of U.S. Dollars (Note 1)

	Shareholders' Equity					Accumulated Other Comprehensive Income					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Unrealized Gain/(Loss) on Available-for-Sale Securities	Deferred Gain/ (Loss) on Hedges	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Total Net Assets
BALANCE, April 1, 2024	$ 112,165	$ 106,677	$ 353,745	$(7,537)	$ 565,051	$ 18,751	$(804)	$ 29,468	$ 35,820	$ 83,236	$ 648,287
Cash dividends, $1,022.30 per share (Note 8)			(52,510)		(52,510)						(52,510)
Profit attributable to owners of parent			71,611		71,611						71,611
Net changes of items other than shareholders' equity						(1,709)	181	804	(3,965)	(4,688)	(4,688)
BALANCE, March 31, 2025	$ 112,165	$ 106,677	$ 372,846	$(7,537)	$ 584,152	$ 17,042	$(623)	$ 30,273	$ 31,855	$ 78,547	$ 662,700

See notes to consolidated financial statements.

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
OPERATING ACTIVITIES:			
Profit/(loss) before income taxes	¥ 14,325	¥ 18,319	$ 95,809
Adjustments to reconcile profit before income taxes to net cash provided by/(used in) operating activities:			
Depreciation of assets held for own use	2,913	3,743	19,483
(Gain)/loss on retirement of assets held for own use	128	58	856
(Increase)/decrease in defined benefit asset	(331)	(217)	(2,215)
Increase/(decrease) in defined benefit liability	(5,547)	(1,190)	(37,099)
Increase/(decrease) in allowance for doubtful receivables	(11,614)	18,963	(77,676)
Increase/(decrease) in provision for loss on system use agreements	(876)	(175)	(5,858)
Interest and dividend income	(19)	(23)	(132)
Financing costs and interest expense	111,078	77,549	742,898
Foreign exchange (gain)/loss	(43,695)	96,667	(292,236)
Share of (profit)/loss of equity-accounted investees	(1,603)	(1,679)	(10,721)
(Gain)/loss on valuation of investment securities	145	-	971
(Gain)/loss on sales of investment securities	-	(6)	-
Bond issuance costs	2,212	1,880	14,795
(Increase)/decrease in lease receivables and investments in leases	657	575	4,398
(Increase)/decrease in trade accounts receivable - loans	(110,928)	(357,434)	(741,897)
(Increase)/decrease in trade accounts receivable - credit cards	4,922	6,425	32,923
(Increase)/decrease in trade accounts receivable - billing	166,386	(170,857)	1,112,807
(Increase)/decrease in investments in venture businesses	(1,417)	(1,396)	(9,481)
Increase/(decrease) in accounts payable - other	12,817	3,088	85,725
Increase/(decrease) in deposits received - billing	82,995	(85,976)	555,080
Other—net	(5,219)	10,857	(34,906)
Subtotal	217,330	(380,827)	1,453,522
Interest and dividend income received	773	661	5,172
Interest expense paid	(72,989)	(48,216)	(488,158)
Income taxes refund/(paid)	(10,309)	(1,885)	(68,950)
Net cash provided by/(used in) operating activities	¥ 134,805	¥ (430,267)	$ 901,585

(Continued)

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
INVESTING ACTIVITIES:			
Proceeds from sale and redemption of investment securities	-	6	-
Payments for purchases of shares of affiliates	(420)	-	(2,808)
Proceeds from sales of shares of affiliates	-	2	-
Payments for purchases of assets held for own use	(5,273)	(3,553)	(35,266)
Proceeds from sales of assets held for own use	1,082	-	7,238
Other—net	(143)	(417)	(962)
Net cash provided by/(used in) investing activities	(4,754)	(3,963)	(31,799)
FINANCING ACTIVITIES:			
Increase/(decrease) in short-term bank loans	(125,163)	(84,449)	(837,103)
Increase/(decrease) in commercial papers	183,816	307,706	1,229,378
Increase in long-term borrowings	472,863	284,078	3,162,542
Repayments of long-term borrowings	(405,861)	(99,474)	(2,714,428)
Proceeds from issuance of bonds	948,692	712,320	6,344,918
Redemption of bonds	(336,238)	(330,128)	(2,248,788)
Cash dividends paid	(7,851)	(7,299)	(52,510)
Increase/(decrease) in deposits received	(826,860)	(435,124)	(5,530,098)
Proceeds from long-term deposits received	34,400	-	230,069
Other—net	(5)	(4)	(34)
Net cash provided by/(used in) financing activities	(62,208)	347,624	(416,054)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	(7,958)	(171)	(53,230)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	59,882	(86,778)	400,500
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	203,247	290,025	1,359,330
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 263,129	¥ 203,247	$ 1,759,831

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION OF 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 (the "Companies Act"), 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 consolidated financial statements have been compiled from the 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 consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications have been made to the prior year's consolidated financial statements to bring them into conformity with the current year's presentation.

The accompanying 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 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 ¥149.52 to $1.00, the approximate rate of exchange at March 31, 2025, and then the translated amounts have been rounded down to the nearest thousand. As a result, the totals shown in the accompanying 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation—Entities over which the Company has, directly or indirectly, a controlling financial interest are fully consolidated, and entities over which the Company has the ability to exercise significant influence are accounted for by the equity method.

The consolidated financial statements as of March 31, 2025 include the accounts of the Company and its 4 significant subsidiaries, such as NTT Finance Americas Inc. (together, the "Group").

Investments in 3 affiliates are accounted for by the equity method.

Investment in 5 non-consolidated subsidiaries are stated at cost and are excluded from the scope of applying the equity method of accounting due to their immaterial effect to the consolidated financial statements even if the equity method of accounting had been applied.

The fiscal year-end of 1 consolidated subsidiary, NTT Finance Israel L.P., is December 31. Pro forma financial statements as of March 31 are prepared in a manner that is substantially same as the fiscal year-end financial statements and used for consolidation. The fiscal year-end of other consolidated subsidiaries are the same as the balance sheet date.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. Cash Equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are not exposed to significant risk of changes in value. All cash equivalents mature or become due within three months from the date of acquisition.

c. Securities, Investment Securities and Investments in Venture Businesses—Securities, investment securities and investments in venture businesses are classified and accounted for, depending on management's intent, as follows: (i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost, (ii) available-for-sale securities, except for equity securities without market price, are stated at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets. Costs of securities sold are determined by the moving-average method and (iii) equity securities without market price are stated at cost determined by the moving-average method.

d. Property and Equipment—Property and equipment are stated at cost less accumulated depreciation. Depreciation of assets held for own use is computed using the straight-line method. The range of useful lives is principally from 7 to 15 years for buildings and facilities attached to buildings, and from 2 to 20 years for furniture and fixtures.

e. Intangible Assets—Assets held for own use are stated at cost less accumulated amortization, which is calculated by the straight-line method. Software for internal use is amortized using the straight-line method over an estimated useful life of 5 to 7 years.

f. Long-Lived Assets—The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss is measured at the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

g. Bond Issuance Costs—Bond issuance costs were amortized using the interest method over the bond redemption period.

h. Allowance for Doubtful Receivables—Allowance for doubtful receivables is provided for at an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables such as due from debtors likely to become bankrupt and/or from debtors in bankruptcy and reorganization based on the examination on their financial conditions and the amount calculated based on the historical rate of losses for the other regular receivables.

i. Provision for Loss on System Use Agreements—Provision for loss on system use agreements is recognized based on the estimated loss amount as of the balance sheet date to provide for the loss associated with unavoidable expenses incurring for remaining periods of system use agreements related to the telephone fee combined services.

j. Retirement Benefit Plans—The Company has funded and unfunded defined benefit plans. In determining retirement benefit obligations, the benefit formula basis is used for the method of attributing expected benefit to periods. Past service costs are amortized by the straight-line method over the average remaining years of service of the employees when such past service costs occur. Actuarial gains or losses are amortized by the straight-line method over periods based on the average remaining years of service of the employees in the fiscal year when such gains or losses occur, commencing from the following fiscal year.

k. Asset Retirement Obligations—Asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized in the period when a reasonable estimate of the asset retirement obligation can be made.

Upon initial recognition of liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

l. Revenue Recognition on Finance Lease Transactions—Revenues from finance lease contracts and corresponding costs are recognized at the time of actual collection of the payments.

m. Revenue Arising from Contracts with Customers—Major contents of performance obligations relating to revenue arising from contracts with customers of the Group and timing of the satisfaction of performance obligations (timing of revenue recognition) are as follows:

(a) Billing business

The Group is contracted for billing and collection for telecommunication services mainly for NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT COMMUNICATIONS CORPORATION and NTT DOCOMO, Inc. Revenue is recognized in the amount, which the Group expects to be entitled in exchange for the transfer of service when the Group collected such telecommunication service charges as the performance obligation is determined to be satisfied at that time, in the amount to which the Group expects to be entitled in exchange for the transfer of goods or services.

(b) Credit card business

The Group provides services relating to credit card settlement processing systems mainly to member stores. The performance obligation is determined to be satisfied over time as the customers receive benefit of facilitation of settlement through continuous usage of the credit card settlement solutions of the Group. Revenue is recognized in the amount to which the Group expects to be entitled in exchange for the transfer of service.

(c) Accounting and finance business

The Group provides, maintains, and operates the uniform accounting system functions mainly to NTT Group companies. The performance obligation is determined to be satisfied over time as the customers receive benefit of improvements in operational efficiency and quality through stable system provided by the Group. Revenue is recognized in the amount to which the Group expects to be entitled in exchange for the transfer of service.

n. Income Taxes—Provision for income taxes is computed based on taxable income and charged to income on an accrual basis. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

o. Foreign Currency Transactions—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by foreign exchange forward contracts.

p. Foreign Currency Financial Statements—Assets and liabilities of major foreign subsidiaries are translated into Japanese yen at the exchange rates at the balance sheet date, and income and expenses of these subsidiaries are translated into Japanese yen using the average exchange rates during the year. Differences arising from such translation are shown as foreign currency translation adjustments in a separate component of net assets.

q. Derivatives and Hedge Accounting—All derivatives, except for certain contracts described below, are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income. For derivatives which qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until the gains or losses on the corresponding hedged items are recognized in income.

Assets and liabilities denominated in foreign currencies and hedged by foreign exchange forward contracts which meet specific matching criteria are translated at the foreign exchange rate stipulated in the contracts. Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at fair value, but the net amount to be paid or received under the swap agreements are recognized and included in cost of sales.

r. Per Share Information—Basic earnings per share is computed by dividing profit attributable to owners of parent by the weighted-average number of common shares outstanding for the period.

Diluted earnings per share reflects the potential dilution that could occur if stock acquisition rights were exercised into common stock. Diluted earnings per share of common stock assumes full exercise of the outstanding stock acquisition rights at the beginning of the year (or at the time of grant).

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

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the respective year.

s. Significant Accounting Estimates

Accounting estimates recognized in the consolidated financial statements for the year ended March 31, 2025 could have a significant impact on the consolidated financial statements for the year ending March 31, 2026. The significant item of these estimates is allowance for doubtful receivables related to billing receivables provided mostly for general receivables. The detail of those estimate items are as follows:

(a) Amounts recognized in the years ended March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Allowance for doubtful billing receivables	¥ 27,908	¥ 39,296	$ 186,653

(b) Information regarding the significant accounting estimates of the identified items

Allowance for doubtful billing receivables is recognized based on the historical rate of losses for the other regular billing receivables. The historical rate of credit losses is calculated based on the historical credit losses for each number of elapsed months of billing receivables according to the management's judgement that probable credit losses approximate the historical credit losses.

In addition, given the significant amounts of general receivables, the appropriateness of the historical rate of credit losses may have a significant effect on the determination of allowance for doubtful receivables for general receivables.

Since the respective estimates can be affected by the future events such as changes in uncertain economic conditions, the estimates could have a significant impact on the business results in the following fiscal year ending March 31, 2026 in case the actual defaults on billing receivables will differ from the estimates.

t. Changes in Accounting Policies

Application of the Accounting Standard for Current Income Taxes

From the beginning of the year ended 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 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 year ended March 31, 2025. This change in accounting policies was applied retrospectively and has no impact on the consolidated financial statements for the year ended March 31, 2024.

u. Accounting Standards Issued but not yet Applied

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

(a) Overview

As part of its efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ reviewed the Accounting Standard for Leases to recognize assets and liabilities for all leases held by a lessee, with international accounting standards taken into consideration. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of IFRS 16 that is based on the single accounting model. The revision aims to be simple and highly convenient, and to make it unnecessary to revise non-consolidated financial statements that apply IFRS 16 in the Accounting Standard for Leases, etc.

Regarding the method for allocating the lease expenses in the lessee's accounting treatment, using the same approach as IFRS 16, a single accounting model is applied

for recording the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.

(b) Scheduled date of application
The above standard and guidance are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

(c) Effects of application of the standards, etc.
The effects of the application on the consolidated financial statements are currently being assessed.

- Practical Guidelines on the Accounting for Financial Instruments (ASBJ Transferred Guidance No. 9, March 11, 2025)

(a) Overview
Under the revised practical guidelines, investors in certain qualifying partnerships or similar entities are allowed to measure at fair value all equity securities without market price (excluding the investors' shares in subsidiaries and affiliates) included in the constituent assets of such partnerships or entities, and to use them as the basis for their accounting treatment.

(b) Scheduled date of application
The scheduled date of application has not yet been determined.

(c) Effects of application of the standards, etc.
The effects of the application on the consolidated financial statements are currently being assessed.

3. SECURITIES, INVESTMENT SECURITIES AND INVESTMENTS IN VENTURE BUSINESSES

Acquisition cost and fair value of available-for-sale securities as of March 31, 2025 and 2024 are as follows:

	Millions of Yen		
	2025		
	Fair Value	Acquisition Cost/ Amortized Cost	Difference
Securities with fair values exceeding acquisition costs or amortized costs:			
Equity securities	¥ 3,188	¥ 355	¥ 2,832
Sub-total	3,188	355	2,832
Securities with fair values not exceeding acquisition costs or amortized costs:	-	-	-
Total	¥ 3,188	¥ 355	¥ 2,832

	Thousands of U.S. Dollars		
	2025		
	Fair Value	Acquisition Cost/ Amortized Cost	Difference
Securities with fair values exceeding acquisition costs or amortized costs:			
Equity securities	$ 21,323	$ 2,376	$ 18,947
Sub-total	21,323	2,376	18,947
Securities with fair values not exceeding acquisition costs or amortized costs:	-	-	-
Total	$ 21,323	$ 2,376	$ 18,947

	Millions of Yen		
	2024		
	Fair Value	Acquisition Cost/ Amortized Cost	Difference
Securities with fair values exceeding acquisition costs or amortized costs:			
Equity securities	¥ 3,520	¥ 357	¥ 3,162
Sub-total	3,520	357	3,162
Securities with fair values not exceeding acquisition costs or amortized costs:	-	-	-
Total	¥ 3,520	¥ 357	¥ 3,162

As of March 31, 2025 and 2024, unlisted equity securities of ¥3,345 million ($22,372 thousand) and ¥2,862 million and investments in partnerships of ¥4,245 million ($28,396 thousand) and ¥3,289 million are excluded from the above table because they do not have readily determinable market values.

Securities sold during the years ended March 31, 2025 and 2024 are as follows:

	Millions of Yen		
	2025		
	Sales Amounts	Gain on Sale	Loss on Sale
Available-for-sale equity securities	¥ 152	¥ 119	¥ -

	Thousands of U.S. Dollars		
	2025		
	Sales Amounts	Gain on Sale	Loss on Sale
Available-for-sale equity securities	$ 1,020	$ 798	$ -

	Millions of Yen		
	2024		
	Sales Amounts	Gain on Sale	Loss on Sale
Available-for-sale equity securities	¥ 113	¥ 96	¥ -

If the fair value of a security other than an equity security without market price as of a fiscal year-end declines 50% or more from its acquisition cost, the difference between the fair value and the acquisition cost is recognized as loss on impairment.

In addition, if the fair value of a security as of a fiscal year-end declines 30% to 50% from its acquisition cost, the necessary amount based on the consideration of the recoverability is recognized as loss on impairment.

Losses on impairment of available-for-sale securities for the years ended March 31, 2025 and 2024 were ¥167 million ($1,122 thousand) and nil, respectively.

4. PROPERTY AND EQUIPMENT, NET

Accumulated depreciation of assets held for own use as of March 31, 2025 and 2024 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Assets held for own use	¥ 5,419	¥ 5,438	$ 36,243

5. INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES

Investments in non-consolidated subsidiaries and affiliates as of March 31, 2025 and 2024 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Investment securities	¥ 17,705	¥ 16,706	$ 118,415
Other under investments and other assets	3,853	3,338	25,772

Investment securities include investments in jointly controlled entities in the amount of ¥15,841 million ($105,945 thousand) and ¥15,205 million for the years ended March 31, 2025 and 2024, respectively.

Other under investments and other assets includes investments in silent partnerships. Silent partnerships are Japanese bilateral contracts governed by the Commercial Code of Japan between silent partners and an operator.

Under a silent partnership agreement, silent partners provide funds for partnership business and are entitled to be allocated all profits or losses arising from the business. However, the silent partners do not have any interest or right to the assets of the partnership business. Also, the silent partners have no authority, control over, or interest in the partnership business except participating in the allocated profits or losses.

The operator operates the partnership business for the benefit of the silent partners and makes distributions of profits and losses to the silent partners in accordance with the partnership agreement.

6. SHORT-TERM AND LONG-TERM DEBT

Short-term and long-term debts as of March 31, 2025 and 2024 consisted of the following:

	Interest Rate (%) (Notes a, b, c and d)	Millions of Yen		Thousands of U.S. Dollars
		2025	2024	2025
Short-term debt:				
Short-term bank loans	3.912	¥ 216,028	¥ 341,721	$ 1,444,815
Commercial papers	3.094	1,225,816	1,037,428	8,198,346
Short-term borrowings		1,441,845	1,379,149	9,643,161
Lease obligations, current portion	-	8	4	57
Deposits received from NTT Group companies, including current portion of long-term deposits received from NTT Group companies	0.632	430,330	1,222,540	2,878,077
Long-term debt:				
Long-term borrowings	1.424%	3,165,522	3,103,650	21,171,232
Unsecured bonds	0.001 – 5.136	3,997,978	3,376,594	26,738,756
Bonds issued under Euro Medium Term Note Program	0.332 – 1.302	16,483	39,455	110,243
Sub-total		7,179,985	6,519,699	48,020,231
Less current portion	1.934%	1,043,985	740,145	6,982,243
Long-term debt		6,136,000	5,779,554	41,037,988
Lease obligations, excluding current portion	-	28	2	188

Notes:
a. Interest rate represents a weighted-average rate of interest on the outstanding balance of debt (excluding bonds and finance lease obligations) as of March 31, 2025.
b. Interest rate for unsecured bonds represents the range of annual coupon rates rounded down to the nearest hundredth percent.
c. Interest rate for bonds issued under Euro Medium Term Note Program represents the range of annual coupon rates rounded down to the nearest hundredth percent.
d. Interest rate for finance lease obligations is not disclosed since lease obligations are recorded on the consolidated balance sheets in the amount not deducting the amount equivalent to interest that is included in the total lease payment.

The annual maturities of long-term borrowings, bonds payable, and lease obligations over 1 year through 5 years as of March 31, 2025 are summarized as follows:

	Millions of Yen			
March 31, 2025	Due after 1 Year through 2 Years	Due after 2 Years through 3 Years	Due after 3 Years through 4 Years	Due after 4 Years through 5 Years
Long-term borrowings	¥ 615,062	¥ 529,501	¥ 536,384	¥ 684,828
Bonds payable	548,300	415,715	482,829	533,769
Lease obligations	8	7	7	6

March 31, 2025	Thousands of U.S. Dollars Due after 1 Year through 2 Years	Due after 2 Years through 3 Years	Due after 3 Years through 4 Years	Due after 4 Years through 5 Years
Long-term borrowings	$ 4,113,580	$ 3,541,342	$ 3,587,372	$ 4,580,176
Bonds payable	3,667,067	2,780,335	3,229,196	3,569,889
Lease obligations	53	47	47	40

7. RETIREMENT BENEFITS

(1) Overview of Retirement Benefit Plans

The Company has funded and unfunded defined benefit plans (mainly NTT corporate pension fund plan, contract-type corporate pension plan and lump-sum payment plan) and defined contribution plans. The defined benefit corporate pension plans, all of which are funded, provide lump-sum or pension benefits based on salaries and the length of service. The lump-sum payment plan, which is unfunded, provides lump-sum benefits based on salaries and the length of service.

Contribution to the contract-type corporate pension plan made on or after April 1, 2014 has been transferred to a defined contribution pension plan.

(2) Defined Benefit Plans

(a) Reconciliation between retirement benefit obligations at beginning and end of year

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Retirement benefit obligations at beginning of year	¥ 37,809	¥ 39,851	$ 252,871
Current service costs	780	1,088	5,219
Interest costs	476	519	3,186
Actuarial gains and losses arising during year	(737)	(1,152)	(4,929)
Retirement benefits paid	(2,646)	(2,849)	(17,701)
Succession due to transfer	(6,328)	351	(42,322)
Retirement benefit obligations at end of year	¥ 29,354	¥ 37,809	$ 196,324

(b) Reconciliation between plan assets at beginning and end of year

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Plan assets at beginning of year	¥ 25,045	¥ 23,606	$ 167,507
Expected return on plan assets	402	414	2,695
Actuarial gains and losses arising during year	(962)	1,446	(6,435)
Contribution from employer	204	303	1,369
Retirement benefits paid	(832)	(776)	(5,566)
Succession due to transfer	(2,289)	63	(15,309)
Other	(9)	(12)	(66)
Plan assets at end of year	¥ 21,559	¥ 25,045	$ 144,193

(c) Reconciliation between retirement benefit obligations and plan assets and defined benefit liability and defined benefit asset on the consolidated balance sheets

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Retirement benefit obligations of funded plans	¥ 21,782	¥ 25,848	$ 145,681
Plan assets	(21,559)	(25,045)	(144,193)
	222	803	1,487
Retirement benefit obligations of unfunded plans	7,572	11,960	50,642
Net balance of liability and asset recorded on the consolidated balance sheet	7,794	12,763	52,130
Defined benefit liability	10,224	15,434	68,379
Defined benefit asset	(2,429)	(2,670)	(16,249)
Net balance of liability and asset recorded on the consolidated balance sheet	¥ 7,794	¥ 12,763	$ 52,130

(d) Profit and loss related to retirement benefits

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Current service costs	¥ 780	¥ 1,088	$ 5,219
Interest costs	476	519	3,186
Expected return on plan assets	(402)	(414)	(2,695)
Amortization of actuarial gains and losses	(671)	(476)	(4,493)
Amortization of past service costs	(12)	(48)	(81)
Retirement benefit costs on defined benefit plans	¥ 169	¥ 668	$ 1,135

(e) Remeasurements of defined benefit plans recorded in other comprehensive income

Breakdown of items recorded as remeasurements of defined benefit plans, before tax, recorded in other comprehensive income is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Past service costs	¥ (12)	¥ (48)	$ (81)
Actuarial gains and losses	(897)	2,122	(5,999)
Total	¥ (909)	¥ 2,073	$ (6,081)

(f) Remeasurements of defined benefit plans recorded in accumulated other comprehensive income

Breakdown of items recorded as remeasurements of defined benefit plans, before tax, included in accumulated other comprehensive income is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Unrecognized past service costs	¥ 38	¥ 50	$ 257
Unrecognized actuarial gains and losses	6,752	7,649	45,161
Total	¥ 6,791	¥ 7,700	$ 45,419

(g) Breakdown of plan assets

Percentage to total plan assets by main category is as follows:

	2025	2024
Cash and cash equivalents	3.20%	2.23%
Debt securities	38.14	39.51
Equity securities	10.74	11.82
Beneficiary certificates of securities investment trust	17.93	17.75
Jointly managed money trust	12.03	11.82
General account of life insurance	12.12	12.56
Other	5.84	4.31
Total	100.00%	100.00%

(h) Determination of long-term expected rate of return

In determining long-term expected rate of return on plan assets, the Company considers current and future plan asset portfolio, and expected return and risks based on the analysis of past yields on various long-term investments.

(i) Actuarial assumptions

	2025	2024
Actuarial assumptions at end of year:		
Discount rate	2.0 - 2.5%	0.9 - 1.6%
Long-term expected rate of return:		
NTT corporate pension fund	2.5%	2.5%
Contract-type corporate pension	1.0%	1.0%

(3) Defined Contribution Plans

The required contributions to the defined contribution plans of the Company amounted to ¥212 million ($1,423 thousand) and ¥204 million, for the years ended March 31, 2025 and 2024, respectively.

8. NET ASSETS

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.

Semiannual 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 years ended March 31, 2025 and 2024:

(1) Dividends paid in cash

Year Ended March 31, 2025

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
Annual shareholders' meeting held on June 14, 2024	Common stock	¥ 7,851	$ 52,510	¥152,855.00	$ 1,022.30	March 31, 2024	June 17, 2024

Year Ended March 31, 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
Annual shareholders' meeting held on June 16, 2023	Common stock	¥ 7,299	$ 48,818	¥142,106.00	$950.41	March 31, 2023	June 19, 2023

(2) Dividends paid other than in cash

No dividends other than in cash were paid during the year ended March 31, 2025.

Year Ended March 31, 2024

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
Extraordinary shareholders' meeting held on April 21, 2023	Common stock	Available-for-sale securities	¥24	$160	¥ -	$-	April 21, 2023	May 12, 2023

(3) Dividends that belong to the current consolidated reporting year but become effective in the subsequent consolidated reporting year

Year Ended March 31, 2026

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
Annual shareholders' meeting held on June 13, 2025	Common stock	¥ 6,750	$ 45,146	¥131,419.00	$878.94	March 31, 2025	June 16, 2025

9. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes. Foreign subsidiaries are subject to income taxes of the countries in which they operate.

The tax effects of significant temporary differences which resulted in net deferred tax assets as of March 31, 2025 and 2024 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Deferred tax assets:			
Accrued retirement benefits	¥ 2,815	¥ 4,657	$ 18,833
Allowance for doubtful receivables	3,475	7,672	23,246
Accrued bonuses	448	365	2,996
Accrued enterprise taxes	-	369	-
Accounts payable - other	217	390	1,455
Loss on valuation of investment securities	548	466	3,669
Tax loss carryforward	806	-	5,393
Provision for loss on system use agreements, etc.	289	482	1,938
Asset retirement obligations	394	405	2,641
Others	666	620	4,458
Sub-total	9,663	15,429	64,633
Valuation allowance for tax loss carryforwards (Note)	-	-	-
Valuation allowance for total deductible temporary differences, etc.	(1,060)	(888)	(7,089)
Sub-total	(1,060)	(888)	(7,089)
Total deferred tax assets	8,603	14,540	57,543
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	(1,259)	(1,299)	(8,425)
Others	(732)	(1,181)	(4,902)
Total deferred tax liabilities	(1,992)	(2,481)	(13,327)
Net deferred tax assets	¥ 6,611	¥ 12,059	$ 44,215

Note: Tax loss carryforwards and deferred tax assets by expiration date as of March 31, 2025 and 2024

	Millions of Yen						
March 31, 2025	Due in 1 Year or Less	Due after 1 Year through 2 Years	Due after 2 Years through 3 Years	Due after 3 Years through 4 Years	Due after 4 Years through 5 Years	Due after 5 Years	Total
Tax loss carryforwards (Note a)	¥ -	¥ -	¥ -	¥ -	¥ -	¥ 806	¥ 806
Valuation allowance	-	-	-	-	-	-	-
Deferred tax assets (Note b)	-	-	-	-	-	806	806

	Millions of Yen						
March 31, 2025	Due in 1 Year or Less	Due after 1 Year through 2 Years	Due after 2 Years through 3 Years	Due after 3 Years through 4 Years	Due after 4 Years through 5 Years	Due after 5 Years	Total
Tax loss carryforwards (Note a)	$ -	$ -	$ -	$ -	$ -	$ 5,393	$ 5,393
Valuation allowance	-	-	-	-	-	-	-
Deferred tax assets (Note b)	-	-	-	-	-	5,393	5,393

Notes: a. The amounts of tax loss carryforwards are calculated using the statutory tax rate.

b. Deferred tax assets relating to tax loss carryforwards are assessed as recoverable after estimating the future taxable income.

There is no applicable information to disclose for the year ended March 31, 2024.

Reconciliation between the statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2025 and 2024 is as follows:

	2025	2024
Statutory tax rate	30.6%	30.6%
Permanent non-taxable differences, such as dividend income	(1.4)	(1.0)
Income taxes of overseas branches	1.1	0.7
Tax on undistributed profits for a family corporation	-	1.2
Per capita inhabitant tax	0.4	0.3
Changes in valuation allowance	0.2	0.3
Difference in tax rates of consolidated subsidiaries	(2.1)	(1.8)
Share of profit of equity-accounted investees	(3.4)	(2.8)
Upward adjustment of deferred tax assets at end of year due to tax rate change	(1.0)	-
Others	0.9	0.3
Actual effective tax rate	25.3%	27.8%

The Company and some of its domestic subsidiaries have applied the group tax sharing system. Corporate and local taxes and tax effect accounting are accounted for and disclosed in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021).

Following the enactment of the "Act on Partial Revision of the Income Tax Act, etc." (Act No. 13, 2025) by the Diet on March 31, 2025, the special defense corporation tax will be imposed from the fiscal years beginning on or after April 1, 2026. In accordance with the Act, the statutory tax rate, which is used to measure deferred tax assets and deferred tax liabilities, will increase from 30.6% to 31.5% for temporary differences that are expected to be eliminated during the fiscal year beginning on after April 1, 2026. Due to this change in the tax rate, the amount of deferred tax assets after deducting the amount of deferred tax liabilities increased ¥144 million ($963 thousand), deferred income taxes decreased ¥148 million ($990 thousand), and unrealized gain/(loss) on available-for-sale securities decreased ¥4 million ($27 thousand).

10. LEASES

Lease transactions as lessee

Future minimum lease payments under non-cancelable operating leases are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Due in 1 year or less	¥ 600	¥ 581	$ 4,015
Due after 1 year	749	186	5,009
Total	¥ 1,349	¥ 768	$ 9,025

11. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group Policy for Financial Instruments

The Group mainly engages in financial businesses such as loans to domestic and overseas NTT Group companies. In order to cover funds necessary for these businesses, the Group raises funds through bank borrowings, issuance of corporate bonds and commercial papers, and acceptance of excess funds from NTT Group companies. The Group periodically adjusts the balance between short-term and long-term products, taking market conditions into account, and intends to further diversify its financing methods and counterparties and obtains credit facilities from various financial institutions.

In order to quickly respond to changes in financial markets, the Group aims to optimize the relationship between sources and uses of funds, taking into account market trends in various interest rates and foreign exchange rates and implementing appropriate asset liability management ("ALM"). In line with this goal, the Group has various derivative transactions only for hedging purposes and not for trading purposes.

(2) Nature and Extent of Risks Arising from Financial Instruments

Loans receivable held by the Group are exposed to credit loss due to counterparties' default and fluctuations in interest rates.

Investments in venture businesses and investment securities mainly consist of equity securities. These securities are held for capital gain or to promote business relationships, which are exposed to credit risk of issuers, interest rate risk and market risk, respectively.

Bank borrowings, corporate bonds and commercial papers are exposed to liquidity risk, i.e., the risk the Group cannot meet its contractual obligations in full on maturity dates for such reasons as the Group would be unable to access financial markets under certain circumstances. Furthermore, the Group uses funds based on variable rates, which are exposed to risk resulting from fluctuations in interest rates. In order to avoid such risk, the Group uses interest rate swaps for certain financing transactions.

Assets and liabilities denominated in foreign currencies are exposed to foreign currency risk. The Group manages each transaction to mitigate such risk by matching the amount of cash flows attributed to these assets and liabilities or by using currency swap contracts and forward foreign exchange contracts.

The Group uses hedging derivatives such as interest rate swaps, currency swaps and foreign exchange forward contracts. Moreover, credit derivatives could be used to avoid credit risk of assets held by the Group, if appropriate. Hedging derivatives are exposed to risk associated with fluctuations in market prices and risk attributable to counterparties' default, but the Group considers that market risk and credit risk are extremely low because fair value of such derivatives is highly correlated with that of hedged item and the counterparty is limited to creditworthy financial institutions with limited risk of default.

(3) Risk Management for Financial Instruments

Credit risk management

The Group manages credit risk in accordance with internal rules. For each credit transaction, the Group implements such procedures as performing ex-ante evaluation

and ex-post monitoring and reevaluation of customer credit, securing collateral or guarantees, and addressing troubled receivables, if any.

Liquidity risk management on financing

The Group manages its liquidity risk, taking market conditions into account, by adjusting the balance of financial products between long-term and short-term on a regular basis, using the ALM technique, by diversifying financing methods and counterparties and by obtaining credit facilities from various financial institutions.

Market risk management

Risks of interest rate fluctuations
The Group comprehensively monitors interest rates and terms of financial assets and liabilities on a continual basis, using the ALM technique and performing gap analysis and sensitivity analysis.

Risks of exchange rate fluctuations
Each transaction denominated in foreign currency is managed to avoid foreign currency risk by matching the amount of cash flows attributed to these assets and liabilities or by using currency swap contracts and forward foreign exchange contracts.

Risks of price fluctuations
Investment securities, which are exposed to risk of price fluctuations, are managed through periodic monitoring of their fair values and the financial positions of issuers.

Quantitative information on market risk
Loans receivable, long-term borrowings, corporate bonds and interest rate swaps are exposed to interest rate risk.

Effects of interest rate fluctuations on these financial instruments, which are measured based on the maximum interest rate change observed during a certain period after the zero-interest-rate policy ended, are used in quantitative analysis for managing interest rate risk. In measuring the effects, financial instruments subject to this analysis are classified into two kinds: those with fixed rates and with variable rates. Each of them is further broken down by maturity in order to apply relevant interest rate change corresponding to maturity. Increase in interest rate by one basis point (0.01%) as of March 31, 2025 and 2024 is estimated to decrease market value of the Group's net financial assets by ¥68 million ($459 thousand) and ¥75 million, respectively, keeping all other parameters fixed. This analysis does not consider correlation between interest rate and other parameters.

Management of derivative transactions

The Group enters into derivative transactions in accordance with its internal "Derivative Transaction Rule," which stipulates purposes of use, authorization and management thereof in order to hedge risks such as fluctuation risks in interest rates and foreign currency exchange rates.

Moreover, the status of derivative transactions is reported to the Executive Committee periodically.

(4) Fair Values of Financial Instruments

Measurement of fair values of financial instruments reflects certain variable factors. The resulting fair values may differ if different assumptions are applied. Carrying amount of derivative transactions in the following table does not represent market risk.

(5) Fair value of financial instruments and breakdown by level of fair values

The carrying amounts of financial instruments presented in the consolidated balance sheets, their fair values and the differences and their breakdown by the level of fair values as of March 31, 2025 and 2024 are as follows. Equity securities without market price and investments in partnerships are not included in the following table; information on such instruments is presented in the table (b) below.

Fair values of financial instruments are categorized into following three levels depending on observability and materiality of inputs used for the measurement of fair values.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

If multiple inputs that have significant impact on the fair value measurement are used, the fair value is categorized in the level of the lowest level input used in the fair value measurement.

(a) Financial assets and liabilities whose fair values are presented as carrying amounts in the consolidated balance sheets

	Millions of Yen			
	Carrying Amount			
March 31, 2025	Level 1	Level 2	Level 3	Total
Investments in venture businesses and investment securities:				
Available-for-sale securities				
Equity securities	¥ 3,188	¥ -	¥ -	¥ 3,188
Debt securities	-	-	-	-
Other securities	-	-	-	-
Total assets	¥ 3,188	¥ -	¥ -	¥ 3,188
Derivative transactions (Notes a and b):				
Currency related	¥ -	¥ -	¥ -	¥ -
Interest related	-	(179)	-	(179)
Total derivative transactions	¥ -	¥ (179)	¥ -	¥ (179)

March 31, 2025	Thousands of U.S. Dollars Carrying Amount Level 1	Level 2	Level 3	Total
Investments in venture businesses and investment securities:				
Available-for-sale securities				
Equity securities	$ 21,323	$ -	$ -	$ 21,323
Debt securities	-	-	-	-
Other securities	-	-	-	-
Total assets	$ 21,323	$ -	$ -	$ 21,323
Derivative transactions (Notes a and b):				
Currency related	$ -	$ -	$ -	$ -
Interest related	-	(1,198)	-	(1,198)
Total derivative transactions	$ -	$ (1,198)	$ -	$ (1,198)

March 31, 2024	Millions of Yen Carrying Amount Level 1	Level 2	Level 3	Total
Investments in venture businesses and investment securities:				
Available-for-sale securities				
Equity securities	¥ 3,520	¥ -	¥ -	¥ 3,520
Debt securities	-	-	-	-
Other securities	-	-	-	-
Total assets	¥ 3,520	¥ -	¥ -	¥ 3,520
Derivative transactions (Notes a and b):				
Currency related	¥ -	¥ -	¥ -	¥ -
Interest related	-	(140)	-	(140)
Total derivative transactions	¥ -	¥ (140)	¥ -	¥ (140)

Notes: a. Receivables and payables arising from derivative transactions are presented on a net basis.

b. Fair value of derivative transactions arising from interest rate swaps for which deferral hedge accounting is applied.

(b) Financial assets and liabilities whose carrying amounts in the consolidated balance sheets are not based on fair values

Disclosure of "Cash and Cash Equivalents," "Credit Card Receivables," "Billing Receivables," "Short-term Bank Loans," "Commercial Papers," "Accounts Payable - Other," "Accrued income taxes," "Deposits Received," and "Deposits Received from Shareholders, Directors or Employees" are omitted since their carrying amounts approximate their fair values because of their short maturities.

	Millions of Yen					
	Fair Value				Carrying Amount	Difference
March 31, 2025	Level 1	Level 2	Level 3	Total		
Loans receivable	¥ -	¥ -	¥ 9,112,375	¥ 9,112,375	¥ 9,269,201	¥ (156,825)
Total assets	¥ -	¥ -	¥ 9,112,375	¥ 9,112,375	¥ 9,269,201	¥ (156,825)
Bonds payable	¥ -	¥ 4,171,827	¥ -	¥ 4,171,827	¥ 4,014,462	¥ 157,365
Long-term borrowings	-	3,109,829	-	3,109,829	3,165,522	(55,693)
Total liabilities	¥ -	¥ 7,281,656	¥ -	¥ 7,281,656	¥ 7,179,985	¥ 101,671
Derivative transactions (Notes a and b):						
Interest related	¥ -	¥ 279,492	¥ -	¥ 279,492	¥ -	¥ 279,492
Currency related	-	(691)	-	(691)	-	(691)
Total derivative transactions	¥ -	¥ 278,800	¥ -	¥ 278,800	¥ -	¥ 278,800

	Thousands of U.S. Dollars					
	Fair Value				Carrying Amount	Difference
March 31, 2025	Level 1	Level 2	Level 3	Total		
Loans receivable	$ -	$ -	$60,944,194	$ 60,944,194	$ 61,993,051	$ (1,048,857)
Total assets	$ -	$ -	$60,944,194	$ 60,944,194	$ 61,993,051	$ (1,048,857)
Bonds payable	$ -	$ 27,901,468	$ -	$ 27,901,468	$ 26,848,999	$ 1,052,468
Long-term borrowings	-	20,798,749	-	20,798,749	21,171,232	(372,482)
Total liabilities	$ -	$ 48,700,217	$ -	$ 48,700,217	$ 48,020,231	$ 679,986
Derivative transactions (Notes a and b):						
Interest related	$ -	$ 1,869,261	$ -	$ 1,869,261	$ -	$ 1,869,261
Currency related	-	(4,624)	-	(4,624)	-	(4,624)
Total derivative transactions	$ -	$ 1,864,637	$ -	$ 1,864,637	$ -	$ 1,864,637

	Millions of Yen					
	Fair Value				Carrying Amount	Difference
March 31, 2024	Level 1	Level 2	Level 3	Total		
Loans receivable	¥ -	¥ -	¥ 9,070,447	¥ 9,070,447	¥ 9,157,878	¥ (87,430)
Total assets	¥ -	¥ -	¥ 9,070,447	¥ 9,070,447	¥ 9,157,878	¥ (87,430)
Bonds payable	¥ -	¥ 3,635,941	¥ -	¥ 3,635,941	¥ 3,416,049	¥ 219,891
Long-term borrowings	-	3,088,696	-	3,088,696	3,103,650	(14,953)
Total liabilities	¥ -	¥ 6,724,637	¥ -	¥ 6,724,637	¥ 6,519,699	¥ 204,938
Derivative transactions (Notes a and b):						
Interest related	¥ -	¥ 268,232	¥ -	¥ 268,232	¥ -	¥ 268,232
Currency related	-	768	-	768	-	768
Total derivative transactions	¥ -	¥ 269,001	¥ -	¥ 269,001	¥ -	¥ 269,001

Notes: a. Receivables and payables arising from derivative transactions are presented on a net basis.
b. Fair value of derivative transactions arising from interest rate swaps that meet specific matching criteria and foreign exchange forward contracts which meet specific matching criteria for which hedge accounting is applied.

Assets

Loans Receivable

The carrying amounts of loans with variable interest rates approximate their fair values because such loans reflect market rates in the short term and credit conditions of counterparties do not significantly change after the loan executions. The fair value of loans with fixed interest rates is calculated by discounting contractual cash flows using interest rates currently available to the Group for similar transactions. The fair values of loans are categorized in Level 3 as credit risk information used for the measurement of their fair values are unobservable inputs.

Investments in Venture Businesses and Investment Securities

The fair values of listed stocks are determined based on quoted market prices and categorized in Level 1, and the fair values of debt securities are generally valued at the market quotes obtained from financial institutions, which are estimated taking into account relevant factors such as fluctuations in interest rates, credit rating, remaining maturity and the fair value of underlying assets in case of asset-backed securities and categorized in Level 2.

The Group does not hold trading purpose securities and held-to-maturity debt securities as of March 31, 2025 and 2024. The information on available-for-sale securities as of March 31, 2025 and 2024 is as follows:

Acquisition cost or amortized cost, fair value and difference by types of available-for-sale securities as of March 31, 2025 and 2024 are as follows. Total sales amount and gain on sale of available-for-sale securities for the year ended March 31, 2025 were ¥152 million ($1,020 thousand) and ¥119 million ($798 thousand), respectively. Total sales amount and gain on sale of available-for-sale securities for the year ended March 31, 2024 were ¥113 million and ¥96 million, respectively.

	Millions of Yen		
	2025		
	Acquisition Cost/ Amortized Cost	Fair Value	Difference
Securities with fair values exceeding acquisition costs or amortized costs:			
Equity securities	¥ 355	¥ 3,188	¥ 2,832
Sub-total	355	3,188	2,832
Securities with fair values not exceeding acquisition costs or amortized costs:	-	-	-
Total	¥ 355	¥ 3,188	¥ 2,832

	Thousands of U.S. Dollars		
	2025		
	Acquisition Cost/ Amortized Cost	Fair Value	Difference
Securities with fair values exceeding acquisition costs or amortized costs:			
Equity securities	$ 2,376	$ 21,323	$ 18,947
Sub-total	2,376	21,323	18,947
Securities with fair values not exceeding acquisition costs or amortized costs:	-	-	-
Total	$ 2,376	$ 21,323	$ 18,947

	Millions of Yen		
	2024		
	Acquisition Cost/ Amortized Cost	Fair Value	Difference
Securities with fair values exceeding acquisition costs or amortized costs:			
Equity securities	¥ 357	¥ 3,520	¥ 3,162
Sub-total	357	3,520	3,162
Securities with fair values not exceeding acquisition costs or amortized costs:	-	-	-
Total	¥ 357	¥ 3,520	¥ 3,162

There were no securities for which the holding purpose had been changed during the years ended March 31, 2025 and 2024.

Liabilities

Bonds Payable

The fair value of bonds is estimated based on the Reference Statistical Prices for OTC Bond Transactions and categorized in Level 2.

Long-term Borrowings

The carrying amounts of borrowings with variable interest rates approximate their fair values because such borrowings reflect market rates in the short term and credit condition of the Company does not significantly change after the borrowing executions. The fair values of borrowings with fixed interest rates are calculated by discounting contractual cash flows using interest rates currently available to the Group for similar transactions. These transactions are categorized in Level 2.

Derivative Transactions

The information on derivative transactions is presented in Note 12. DERIVATIVES.

Carrying amounts of equity securities without market price and investments in partnerships as of March 31, 2025 and 2024 are summarized as follows. These instruments are excluded from investments in venture businesses and investment securities in the above tables.

		Carrying Amount		
		Millions of Yen		Thousands of U.S. Dollars
Classification	Type	2025	2024	2025
Investments in affiliates	Unlisted equity securities	¥ 17,705	¥ 16,706	$ 118,415
Available-for-sale securities	Unlisted equity securities	3,345	2,862	22,372
	Investments in partnerships	4,245	3,289	28,396
	Total available-for-sale securities	¥ 7,590	¥ 6,152	$ 50,768

(6) Maturity Analysis for Monetary Claims

	Millions of Yen					
March 31, 2025	Due in 1 Year or Less	Due after 1 Year through 2 Years	Due after 2 Years through 3 Years	Due after 3 Years through 4 Years	Due after 4 Years through 5 Years	Due after 5 Years
Loans receivable	¥ 2,648,085	¥1,255,334	¥1,339,630	¥ 932,200	¥1,274,596	¥ 1,819,353

	Thousands of U.S. Dollars					
March 31, 2025	Due in 1 Year or Less	Due after 1 Year through 2 Years	Due after 2 Years through 3 Years	Due after 3 Years through 4 Years	Due after 4 Years through 5 Years	Due after 5 Years
Loans receivable	$17,710,576	$8,395,763	$8,959,542	$6,234,619	$8,524,587	$12,167,960

	Millions of Yen					
March 31, 2024	Due in 1 Year or Less	Due after 1 Year through 2 Years	Due after 2 Years through 3 Years	Due after 3 Years through 4 Years	Due after 4 Years through 5 Years	Due after 5 Years
Loans receivable	¥ 2,859,222	¥1,013,202	¥1,213,065	¥1,207,955	¥ 839,241	¥ 2,025,191

(7) Maturity Analysis for Bonds Payable, Long-term Borrowings and Other Debts

The information on maturity analysis for bonds payable, long-term borrowings and other debts is presented in Note 6. SHORT-TERM AND LONG-TERM DEBT.

12. DERIVATIVES

The fair value of interest rate swaps and currency swaps are measured by discounting future cash flows to the present value using observable market condition such as swap rates and exchange rates and categorized in Level 2.

Derivative instruments which qualify as hedging instruments as of March 31, 2025 and 2024 are summarized as follows.

		Millions of Yen		
		Contract Amount		
	Hedged Item	Total	Due after 1 Year	Fair Value
March 31, 2025				
Interest rate swaps (Note a)				
(Pay fixed rate, receive variable rate)	Long-term borrowings	¥ 46,351	¥ -	¥ (179)
Interest rate swaps (Note b)				
(Pay fixed rate, receive variable rate)	Long-term borrowings	213,609	191,977	(691)
Currency swaps (Note c)				
(Pay fixed rate, receive variable rate)	Long-term borrowings	47,417	26,490	2,966
(Pay fixed rate, receive fixed rate)	Bonds payable	1,321,750	1,156,575	275,204
Foreign exchange forward contracts				
(Buy U.S. Dollars)		241,539	-	(6,024)
(Buy Euro)	Commercial paper	273,685	-	7,345
Total		¥ 2,144,353	¥ 1,375,042	¥ 278,621

		Thousands of U.S. Dollars		
March 31, 2025				
Interest rate swaps (Note a)				
(Pay fixed rate, receive variable rate)	Long-term borrowings	$ 310,000	$ -	$ (1,198)
Interest rate swaps (Note b)				
(Pay fixed rate, receive variable rate)	Long-term borrowings	1,428,634	1,283,956	(4,624)
Currency swaps (Note c)				
(Pay fixed rate, receive variable rate)	Long-term borrowings	317,131	177,168	19,842
(Pay fixed rate, receive fixed rate)	Bonds payable	8,839,956	7,735,254	1,840,589
Foreign exchange forward contracts				
(Buy U.S. Dollars)	Commercial paper	1,615,432	-	(40,294)
(Buy Euro)		1,830,427	-	49,124
Total		$ 14,341,583	$ 9,196,380	$ 1,863,438

		Millions of Yen		
March 31, 2024				
Interest rate swaps (Note a)				
(Pay fixed rate, receive variable rate)	Long-term borrowings	¥ 46,937	¥ 46,937	¥ (140)
Interest rate swaps (Note b)				
(Pay fixed rate, receive variable rate)	Long-term borrowings	22,503	22,503	768
Currency swaps (Note c)				
(Pay fixed rate, receive variable rate)	Long-term borrowings	47,417	47,417	3,813
(Pay fixed rate, receive fixed rate)	Bonds payable	1,384,454	1,186,169	262,054
Foreign exchange forward contracts				
(Buy Euro)	Commercial paper	257,904	-	2,364
Total		¥ 1,759,217	¥ 1,303,027	¥ 268,861

Notes: a. Deferral hedge accounting is applied to these contracts.
b. These contracts are not remeasured at market value, but the net amount to be paid or received under the swap agreements are recognized and included in cost of sales.
c. Hedged items are translated at the foreign exchange rates stipulated in the contracts, and gains or losses on swap transactions are deferred until the gains or losses on the corresponding hedged items are recognized in income.

13. COMMITMENTS AND CONTINGENCIES

As of March 31, 2025 and 2024, the Group had the following contingent liabilities:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Guarantees in the ordinary course of business	¥ 41,069	¥ 62,424	$ 274,678
Unexecuted loan commitments (Note)	6,142,220	5,426,246	41,079,593

Note: The Group enters into loan commitment agreements with customers. As of March 31, 2025 and 2024, loan commitments given to customers were ¥7,783,710 million ($52,057,987 thousand) and ¥7,466,198 million, of which ¥1,641,489 million ($10,978,394 thousand) and ¥2,039,952 million had been executed, respectively.

These credit lines are not necessarily executed to the maximum amount, because these agreements contain a clause to reject the loans or to lower the credit lines if there are reasonable grounds.

14. REVENUE ARISING FROM CONTRACTS WITH CUSTOMERS

The information on breakdown of revenue arising from contracts with customers is presented in Note 16. SEGMENT INFORMATION. The Group's accounting policy on revenue arising from contracts with customers is presented in Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, n. Revenue Arising from Contracts with Customers.

As of March 31, 2025 and 2024, the Group had the following receivables arising from contracts with customers:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Billing receivables	¥ 6,566	¥ 6,330	$ 43,916
Current assets – Other	556	365	3,723
Receivables arising from contracts with customers	¥ 7,123	¥ 6,695	$ 47,640

Disclosures about total amount allocated to the remaining performance obligations and the period in which related revenue recognition is expected are omitted, as initially scheduled contract period with customers of the Group is within one year.

15. COMPREHENSIVE INCOME

Reclassification adjustments and related income taxes and income tax effect on other comprehensive income for the years ended March 31, 2025 and 2024 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Unrealized gain/(loss) on available-for-sale securities:			
Gains/(losses) arising during the year	¥ (248)	¥ 427	$ (1,661)
Reclassification adjustments	82	109	552
Amount before income taxes and income tax effect	(165)	536	(1,108)
Income taxes and income tax effect	39	(164)	264
Unrealized gain/(loss) on available-for-sale securities	(126)	372	(844)
Deferred gain/(loss) on hedges:			
Gains/(losses) arising during the year	14	(39)	100
Reclassification adjustments	19	(112)	129
Amount before income taxes and income tax effect	34	(152)	229
Income taxes and income tax effect	(7)	31	(48)
Deferred gain/(loss) on hedges	27	(120)	181
Foreign currency translation adjustments:			
Gains/(losses) arising during the year	(154)	1,954	(1,030)
Reclassification adjustments	-	-	-
Foreign currency translation adjustments	(154)	1,954	(1,030)
Remeasurements of defined benefit plans:			
Gains/(losses) arising during the year	(225)	2,598	(1,505)
Reclassification adjustments	(684)	(524)	(4,575)
Amount before income taxes and income tax effect	(909)	2,073	(6,081)
Income taxes and income tax effect	217	(635)	1,456
Remeasurements of defined benefit plans	(691)	1,438	(4,625)
Share of other comprehensive income of affiliates accounted for using equity method:			
Gains/(losses) arising during the year	243	309	1,630
Total other comprehensive income	¥ (701)	¥ 3,955	$ (4,688)

16. SEGMENT INFORMATION

Description of reportable segments

Reportable segments of the Group are defined as components of the Group whose financial information is separately available and evaluated periodically by the Board of Directors in order to determine the allocation of resources and assess business performance.

The Group is engaged in business activities mainly comprising financial settlement services. The reportable segments of the Group are composed of three segments: "Billing business," "Credit card business" and "Accounting and finance business."

"Billing business" includes billing and collection services for telecommunication service charges. "Credit card business" includes credit card settlement solutions and consumer loans. "Accounting and finance business" includes accounting and settlement services for NTT Group companies, loans for domestic and overseas NTT Group companies and investment services.

Method of measurement for the amounts of revenue, profit (loss), assets, and other items for each reportable segment

The accounting policies of the reportable segments are consistent to the description of the summary of significant accounting policies (see Note 2). The segment profit is based on the operating income of each reportable segment. The amounts of intersegment revenue and transfers are determined based on terms and conditions of general business practice reflecting the market prices.

The amounts of segment assets are not disclosed since the assets have not been allocated to the reportable segments after the absorption-type company split during the second quarter of the year ended March 31, 2021 where the rights and obligations of leasing business and part of international business of the Company were assumed by NTT TC Leasing Co., Ltd.

Information about revenue, profit (loss), assets and other items by reportable segment

The following tables represent information about revenue and profit by reportable segment for the years ended March 31, 2025 and 2024.

	Millions of Yen				
	2025				
	Reportable Segment				
	Billing	Credit Card	Accounting and Finance	Other (Note)	Total
Revenue:					
Revenue arising from contracts with customers	¥ 38,226	¥ 528	¥ 14,681	¥ 1,380	¥ 54,817
Other revenue	134,510	5,686	127,799	-	267,996
Revenue from external customers	172,736	6,214	142,481	1,380	322,813
Intersegment revenue or transfers	-	60,890	11	90	60,991
Total	¥ 172,736	¥ 67,105	¥ 142,492	¥ 1,470	¥ 383,805
Segment profit	¥ 4,400	¥ 4,412	¥ 13,651	¥ 103	¥ 22,567

	Thousands of U.S. Dollars				
	2025				
	Reportable Segment				
	Billing	Credit Card	Accounting and Finance	Other (Note)	Total
Revenue:					
Revenue arising from contracts with customers	$ 255,660	$ 3,535	$ 98,192	$ 9,231	$ 366,620
Other revenue	899,616	38,028	854,732	-	1,792,377
Revenue from external customers	1,155,276	41,564	952,925	9,231	2,158,997
Intersegment revenue or transfers	-	407,238	74	604	407,918
Total	$ 1,155,276	$ 448,802	$ 952,999	$ 9,836	$ 2,566,915
Segment profit	$ 29,427	$ 29,509	$ 91,301	$ 692	$ 150,931

	Millions of Yen				
	2024				
	Reportable Segment				
	Billing	Credit Card	Accounting and Finance	Other (Note)	Total
Revenue:					
Revenue arising from contracts with customers	¥ 37,771	¥ 527	¥ 14,890	¥ 2,218	¥ 55,408
Other revenue	142,459	5,816	98,083	-	246,358
Revenue from external customers	180,230	6,344	112,973	2,218	301,767
Intersegment revenue or transfers	-	55,911	18	-	55,930
Total	¥ 180,230	¥ 62,255	¥ 112,992	¥ 2,218	¥ 357,697
Segment profit	¥ 4,857	¥ 4,208	¥ 15,541	¥ 41	¥ 24,648

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 consolidated statements of income and main details of these differences

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Revenue:			
Reportable segments total	¥ 382,334	¥ 355,478	$ 2,557,079
Segment "Other"	1,470	2,218	9,836
Intersegment eliminations	(60,991)	(55,930)	(407,918)
Revenue in the consolidated statements of income	¥ 322,813	¥ 301,767	$ 2,158,997
Segment profit:			
Reportable segments total	¥ 22,463	¥ 24,606	$ 150,238
Segment "Other"	103	41	692
Corporate expenses (Note)	(8,658)	(8,221)	(57,911)
Operating income in the consolidated statements of income	¥ 13,908	¥ 16,427	$ 93,019

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

Related information

Information about revenue from external customers by product and service for the years ended March 31, 2025 and 2024 is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Revenue from external customers:			
Accounting and Finance	¥ 143,861	¥ 115,192	$ 962,156
Credit Card	6,214	6,344	41,564
Billing	172,736	180,230	1,155,276
Total	¥ 322,813	¥ 301,767	$ 2,158,997

Information about revenue by geographical area for the years ended March 31, 2025 and 2024 is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Revenue:			
Japan	¥ 234,925	¥ 230,970	$ 1,571,197
Overseas:			
Asia	3,653	2,819	24,434
North America	4,739	6,347	31,696
Europe	77,535	60,025	518,563
Other	1,959	1,604	13,105
Total	87,887	70,797	587,799
Consolidated total	¥ 322,813	¥ 301,767	$ 2,158,997

Notes: a. Revenue is classified by country or region based on the location of customers.
b. Revenue in the United Kingdom of ¥74,653 million ($499,288 thousand) and ¥57,103 million is included in Europe for the years ended March 31, 2025 and 2024, respectively.

Disclosures on information about property and equipment by geographical area for the years ended March 31, 2025 and 2024 are omitted, as property and equipment in Japan exceeds 90% of consolidated property and equipment.

Information about revenue by major customer for the year ended March 31, 2025 is as follows:

	Revenue		
	Millions of Yen	Thousands of U.S. Dollars	Related Segments
NTT DOCOMO, INC.	¥ 119,117	$ 796,668	Billing and Accounting and Finance
NTT Limited	74,090	495,519	Accounting and Finance
NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION	29,469	197,093	Billing and Accounting and Finance
NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION	27,250	182,256	Billing and Accounting and Finance

Information about revenue by major customer for the year ended March 31, 2024 is as follows:

	Revenue	
	Millions of Yen	Related Segments
NTT DOCOMO, INC.	¥ 121,259	Billing and Accounting and Finance
NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION	31,093	Billing and Accounting and Finance
NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION	28,198	Billing and Accounting and Finance

Loss on impairment of long-lived assets by reportable segment

For the years ended March 31, 2025 and 2024, there is no applicable information to disclose.

Goodwill by reportable segment

Disclosures on information about goodwill by reportable segment are omitted, as there is no applicable information to disclose.

17. RELATED PARTY TRANSACTIONS

Transactions and account balances of the Group with Nippon Telegraph and Telephone Corporation ("NTT"), which has 100% ownership share in the Company as of and for the years ended March 31, 2025 and 2024 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Transactions:			
Execution of loans	¥ 5,105,423	¥ 5,645,014	$ 34,145,419
Debt guarantee granted (Note)	2,412,590	1,741,630	16,135,567
Account balances:			
Loans receivable	4,984,575	5,679,567	33,337,179

Note: Debt guarantee is granted in connection with the issuance of bonds by the Company. No guarantee charge is paid for the debt guarantee.

In addition to the above, the Group enters into several other transactions with related parties that are companies under common control. Specifically, significant transactions and related account balances with 8 other NTT Group companies as of and for the years ended March 31, 2025 and 2024 are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Transactions:			
Execution of loans	¥ 3,463,666	¥ 2,096,451	$ 23,165,239
Acceptance of excess funds	-	317,963	-
Transactions related to transferred receivables	6,404,211	6,291,058	42,831,806
Billing-related revenue	161,612	169,593	1,080,872
Receipt of interest	48,348	23,612	323,359
Account balances:			
Billing receivables	22,129	23,221	148,003
Accounts payable - other	413,352	400,964	2,764,531
Deposits received	98,324	834,472	657,603
Loans receivable	3,127,703	2,430,584	20,918,295

18. PER SHARE INFORMATION

Net assets per share is as follows:

	Yen		U.S. Dollars
	2025	2024	2025
Net assets per share	¥ 1,929,075.29	¥ 1,887,120.87	$ 12,901.79

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

	Yen		U.S. Dollars
	2025	2024	2025
Basic earnings per share	¥ 208,457.55	¥ 257,402.93	$ 1,394.18

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Basis for calculation:			
Profit/(loss) attributable to owners of parent	¥ 10,707	¥ 13,221	$71,611
Amount not attributable to common shareholders	-	-	-
Profit/(loss) attributable to owners of parent related to common stock	10,707	13,221	71,611
Weighted - average number of shares outstanding	51,365	51,365	

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

19. SUBSEQUENT EVENTS

There is no applicable information to disclose.

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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, 2025 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, 2025, 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 in Japan (including those that are relevant to audits of the financial statements of public interest entities), 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, 2025 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

Shinichiro Tozuka
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
December 2, 2025

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Balance Sheets
September 30, 2025 as compared with March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	September 30, 2025	March 31, 2025	September 30, 2025
CURRENT ASSETS:			
Cash and deposits (Note 11)	¥ 456,431	¥ 263,129	$ 3,065,768
Trade accounts receivable:			
Loans (Note 3)	12,897,341	9,269,201	86,629,109
Credit cards	45,862	47,947	308,047
Billing	95,065	98,384	638,536
Allowance for doubtful receivables	(17,647)	(28,350)	(118,533)
Investments in venture businesses (Note 6)	10,818	9,901	72,668
Securities (Notes 6 and 11)	380,000	-	2,552,391
Short-term loans (Notes 3 and 11)	1,649,212	-	11,077,461
Others	104,595	74,007	702,549
Total current assets	15,621,680	9,734,221	104,927,998
PROPERTY AND EQUIPMENT, NET:	8,291	7,194	55,690
INTANGIBLE ASSETS—Assets held for own use	9,171	6,444	61,602
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 6)	17,807	18,583	119,606
Others	16,911	17,222	113,588
Allowance for doubtful receivables	(716)	(538)	(4,813)
Total investments and other assets	34,001	35,267	228,381
DEFERRED ASSETS			
Deferred charges	18,372	7,643	123,404
Total deferred assets	18,372	7,643	123,404
TOTAL ASSETS	¥ 15,691,516	¥ 9,790,772	$ 105,397,077

See notes to interim consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30, 2025	March 31, 2025	September 30, 2025
CURRENT LIABILITIES:			
Short-term bank loans	¥ 639,506	¥ 216,028	$ 4,295,450
Current portion of long-term borrowings	373,752	591,546	2,510,424
Current portion of bonds (Note 8)	911,493	452,438	6,122,336
Commercial papers	1,931,589	1,225,816	12,974,136
Lease obligations	8	8	56
Accounts payable - other	453,661	445,522	3,047,163
Accrued income taxes	1,495	104	10,041
Deposits received	516,727	550,334	3,470,767
Deposits received from shareholders, directors or employees (Note 4)	1,570,534	19	10,548,999
Asset retirement obligations	38	81	258
Others	67,048	26,891	450,355
Total current liabilities	6,465,857	3,508,794	43,429,991
LONG-TERM LIABILITIES:			
Bonds (Note 8)	5,773,674	3,562,023	38,780,722
Long-term borrowings	3,307,295	2,573,976	22,214,506
Lease obligations	23	28	160
Provision for loss on system use agreements	430	701	2,888
Defined benefit liability	10,808	10,224	72,596
Asset retirement obligations	1,223	1,171	8,218
Others	34,712	34,766	233,160
Total long-term liabilities	9,128,168	6,182,891	61,312,254
Total liabilities	15,594,025	9,691,685	104,742,245
NET ASSETS:			
Shareholders' equity (Note 7):			
Common stock—authorized, 80,000 shares; issued, 51,960 shares as of September 30 and March 31, 2025	16,770	16,770	112,647
Capital surplus	15,950	15,950	107,136
Retained earnings	54,273	55,748	364,543
Treasury stock; 595 shares as of September 30 and March 31, 2025	(1,126)	(1,126)	(7,569)
Total shareholders' equity	85,867	87,342	576,757
Accumulated other comprehensive income:			
Unrealized gain/(loss) on available-for-sale securities	2,659	2,548	17,861
Deferred gain/(loss) on hedges	-	(93)	-
Foreign currency translation adjustments	4,392	4,526	29,502
Remeasurements of defined benefit plans	4,572	4,762	30,710
Total accumulated other comprehensive income	11,623	11,744	78,074
Total net assets	97,491	99,086	654,831
TOTAL LIABILITIES AND NET ASSETS	¥ 15,691,516	¥ 9,790,772	$ 105,397,077

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Income
Six-Month Periods Ended September 30, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2025	2024	2025
REVENUE (Notes 12 and 13):	¥ 169,746	¥ 169,846	$ 1,140,155
COST OF SALES	117,226	103,386	787,391
Gross profit/(loss)	52,519	66,459	352,764
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	41,411	55,825	278,156
Operating income/(loss) (Note 13)	11,107	10,633	74,608
OTHER INCOME:			
Interest income	2,383	-	16,009
Dividend income	21	16	141
Share of profit of equity-accounted investees	750	709	5,042
Others	57	11	385
Total other income	3,212	737	21,578
OTHER EXPENSES:			
Interest expense	5,689	385	38,212
Foreign exchange loss	1,648	1,602	11,075
Others	69	55	467
Total other expenses	7,407	2,043	49,755
EXTRAORDINARY INCOME:			
Gain on sales of investment securities	903	-	6,069
Gain on termination of card business service (Note 5)	35	-	235
Total extraordinary income	938	-	6,305
EXTRAORDINARY LOSSES:			
Loss on valuation of investment securities	-	145	-
Loss on termination of card business service (Note 5)	145	90	979
Total extraordinary losses	145	235	979
PROFIT/(LOSS) BEFORE INCOME TAXES	7,705	9,092	51,757
INCOME TAXES	2,430	2,726	16,322
PROFIT/(LOSS)	5,275	6,366	35,434
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	¥ 5,275	¥ 6,366	$ 35,434

	Yen		U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2025	2024	2025
PER SHARE OF COMMON STOCK (Note 14):			
Weighted average number of shares outstanding	51,365	51,365	
Basic earnings per share	¥ 102,707.05	¥ 123,950.40	$ 689.86

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, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2025	2024	2025
PROFIT/(LOSS)	¥ 5,275	¥ 6,366	$ 35,434
OTHER COMPREHENSIVE INCOME:			
Unrealized gain/(loss) on available-for-sale securities	81	(497)	544
Deferred gain/(loss) on hedges	93	(115)	625
Foreign currency translation adjustments	115	(904)	775
Remeasurements of defined benefit plans	(186)	(237)	(1,250)
Share of other comprehensive income of affiliates accounted for using equity method	(224)	308	(1,506)
Total other comprehensive income	(120)	(1,445)	(811)
COMPREHENSIVE INCOME	¥ 5,154	¥ 4,920	$ 34,623
Comprehensive income attributable to:			
Owners of parent	¥ 5,154	¥ 4,920	$ 34,623
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, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2025	2024	2025
OPERATING ACTIVITIES:			
Profit/(loss) before income taxes	¥ 7,705	¥ 9,092	$ 51,757
Adjustments to reconcile profit before income taxes to net cash provided by/(used in) operating activities:			
Depreciation of assets held for own use	1,431	1,560	9,617
(Gain)/loss on retirement of assets held for own use	69	41	469
(Increase)/decrease in defined benefit asset	(121)	(180)	(813)
Increase/(decrease) in defined benefit liability	448	(3,868)	3,009
Increase/(decrease) in allowance for doubtful receivables	(10,524)	239	(70,691)
Increase/(decrease) in provision for loss on system use agreements	(271)	(404)	(1,820)
Interest and dividend income	(2,404)	(16)	(16,150)
Financing costs and interest expense	72,377	54,966	486,143
Foreign exchange (gain)/loss	(6,067)	(99,042)	(40,756)
Share of (profit)/loss of equity-accounted investees	(750)	(709)	(5,042)
(Gain)/loss on valuation of investment securities	-	145	-
(Gain)/loss on sales of investment securities	(903)	-	(6,069)
Bond issuance costs	1,578	1,069	10,599
(Increase)/decrease in lease receivables and investments in leases	333	331	2,242
(Increase)/decrease in trade accounts receivable - loans	(3,618,120)	245,482	(24,302,263)
(Increase)/decrease in trade accounts receivable - credit cards	2,085	1,960	14,008
(Increase)/decrease in trade accounts receivable - billing	3,318	149,064	22,292
(Increase)/decrease in investments in venture businesses	(371)	(906)	(2,492)
Increase/(decrease) in accounts payable - other	8,204	10,754	55,110
Increase/(decrease) in deposits received - billing	(906)	77,178	(6,087)
Others—net	(26,747)	(30,894)	(179,658)
Subtotal	(3,569,635)	415,864	(23,976,595)
Interest and dividend income received	3,065	770	20,591
Interest expense paid	(19,782)	(29,306)	(132,874)
Income taxes refund/(paid)	5,711	(6,923)	38,361
Net cash provided by/(used in) operating activities	¥ (3,580,640)	¥ 380,404	$ (24,050,516)

(Continued)

NTT FINANCE CORPORATION and Consolidated Subsidiaries

Interim Consolidated Statements of Cash Flows
Six-Month Periods Ended September 30, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2025	2024	2025
INVESTING ACTIVITIES:			
Proceeds from sale and redemption of investment securities	1,299	-	8,730
Payments for purchases of shares of affiliates	-	(420)	-
Payments for purchases of assets held for own use	(5,719)	(1,971)	(38,418)
Others—net	(680)	(57)	(4,572)
Net cash provided by/(used in) investing activities	(5,100)	(2,448)	(34,259)
FINANCING ACTIVITIES:			
Increase/(decrease) in short-term bank loans	422,506	(170,365)	2,837,899
Increase/(decrease) in commercial papers	696,468	287,801	4,678,051
Increase in long-term borrowings	1,301,278	119,830	8,740,455
Repayments of long-term borrowings	(788,443)	(208,646)	(5,295,834)
Proceeds from issuance of bonds	2,719,523	664,378	18,266,547
Redemption of bonds	(69,245)	(94,357)	(465,106)
Cash dividends paid	(6,750)	(7,851)	(45,340)
Increase/(decrease) in deposits received	1,536,384	(821,276)	10,319,618
Proceeds from long-term deposits received	-	34,400	-
Others—net	(4)	(2)	(30)
Net cash provided by/(used in) financing activities	5,811,718	(196,088)	39,036,260
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	(3,462)	(11,419)	(23,258)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,222,514	170,447	14,928,224
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	263,129	203,247	1,767,396
CASH AND CASH EQUIVALENTS, END OF PERIOD (Note 11)	¥ 2,485,644	¥ 373,694	$ 16,695,621

See 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 (the "Companies Act") 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 ¥148.88 to $1.00, the approximate rate of exchange at September 30, 2025, 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, 2025.

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, 2025 are as follows. The amounts below are based on the non-consolidated financial statements of the Company:

	Millions of Yen		Thousands of U.S. Dollars
	September 30, 2025	March 31, 2025	September 30, 2025
Bankrupt or de facto bankrupt loans (Note a)	¥ -	¥ 5	$ -
Doubtful loans (Note b)	-	79	-
Delinquent loans contractually past due three months or more (Note c)	-	-	-
Restructured loans (Note d)	-	42	-
Normal loans (Note e)	14,859,465	9,966,890	99,808,341

Notes:
a. 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.
b. 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."
c. 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."
d. 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."
e. 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. DEPOSITS RECEIVED FROM SHAREHOLDERS, DIRECTORS OR EMPLOYEES

Deposits received from shareholders, directors or employees are primarily deposits from the parent company and relate to funds received that are expected to be repaid within a short period.

5. GAIN/LOSS ON TERMINATION OF CARD BUSINESS SERVICE

Revenue generated from termination of the NTT Group Card service was recorded as gain on termination of card business service under extraordinary income. Expenses incurred due to termination of the NTT Group Card service were recorded as loss on termination of card business service under extraordinary losses.

6. SECURITIES, INVESTMENT SECURITIES AND INVESTMENTS IN VENTURE BUSINESSES

Disclosures are omitted since securities, investment securities and investments in venture businesses are not critical to the business operation of the Company and its subsidiaries (the "Group").

7. NET ASSETS

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, 2025 and 2024:

Dividends paid in cash

Six-Month Period Ended September 30, 2025								
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 13, 2025	Common stock	¥ 6,750	$ 45,340	¥ 131,419	$ 882.72	March 31, 2025	June 16, 2025	Retained earnings

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	$ 52,736	¥ 152,855	$ 1,026.70	March 31, 2024	June 17, 2024	Retained earnings

8. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The amounts of financial instruments including carrying amounts on the accompanying interim consolidated balance sheets as of September 30, 2025 are critical to the business operation of the Group and do change significantly compared to those as of March 31, 2025. However, disclosures are omitted, except for bonds payable, as the differences between the carrying amounts and their fair values are immaterial both as of September 30, 2025 and as of March 31, 2025.

	Millions of Yen		
September 30, 2025	Carrying Amount	Fair Value	Difference
Bonds payable	¥ 6,685,167	¥ 6,976,971	¥ 291,803

	Thousands of U.S. Dollars		
September 30, 2025	Carrying Amount	Fair Value	Difference
Bonds payable	$ 44,903,059	$ 46,863,054	$ 1,959,994

	Millions of Yen		
March 31, 2025	Carrying Amount	Fair Value	Difference
Bonds payable	¥ 4,014,462	¥ 4,171,827	¥ 157,365

9. DERIVATIVES

Disclosures are omitted since hedge accounting has been applied to all derivative transactions as of September 30, 2025.

10. COMMITMENTS AND CONTINGENCIES

As of September 30 and March 31, 2025, the Group had the following contingent liabilities:

	Millions of Yen		Thousands of U.S. Dollars
	September 30, 2025	March 31, 2025	September 30, 2025
Guarantees in the ordinary course of business	¥ 49,291	¥ 41,069	$ 331,080

11. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2025	2024	2025
Cash and deposits	¥ 456,431	¥ 373,694	$ 3,065,768
Securities (negotiable certificates of deposit maturing within three months)	380,000	-	2,552,391
Short-term loans (repurchase agreements maturing within three months)	1,649,212	-	11,077,461
Total	¥ 2,485,644	¥ 373,694	$ 16,695,621

Securities and short-term loans are both held for short-term investment purposes. Securities consist of negotiable certificates of deposit with a deposit period of three months or less, and short-term loans consist of loans made under repurchase agreements.

12. REVENUE ARISING FROM CONTRACTS WITH CUSTOMERS

The information on breakdown of revenue arising from contracts with customers is presented in Note 13. SEGMENT INFORMATION.

13. 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, 2025 and 2024.

	Millions of Yen				
	Six-Month Period Ended September 30, 2025				
	Reportable Segment				
	Billing	Credit Card	Accounting and Finance	Other (Note)	Total
Revenue:					
Revenue arising from contracts with customers	¥ 21,796	¥ 211	¥ 7,136	¥ 66	¥ 29,209
Other revenue	61,763	2,661	76,111	-	140,536
Revenue from external customers	83,559	2,872	83,248	66	169,746
Intersegment revenue or transfers	-	31,925	2	47	31,975
Total	¥ 83,559	¥ 34,798	¥ 83,250	¥ 113	¥ 201,721
Segment profit	¥ 6,630	¥ 2,333	¥ 6,871	¥ 0	¥ 15,835

	Thousands of U.S. Dollars				
	Six-Month Period Ended September 30, 2025				
	Reportable Segment				
	Billing	Credit Card	Accounting and Finance	Other (Note)	Total
Revenue:					
Revenue arising from contracts with customers	$ 146,400	$ 1,419	$ 47,931	$ 443	$ 196,195
Other revenue	414,853	17,876	511,230	-	943,960
Revenue from external customers	561,253	19,296	559,162	443	1,140,155
Intersegment revenue or transfers	-	214,436	19	317	214,773
Total	$ 561,253	$ 233,732	$ 559,181	$ 761	$ 1,354,929
Segment profit	$ 44,534	$ 15,671	$ 46,152	$ 4	$ 106,362

	Millions of Yen				
	Six-Month Period Ended September 30, 2024				
	Reportable Segment				
	Billing	Credit Card	Accounting and Finance	Other (Note)	Total
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

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
	2025	2024	2025
Segment profit:			
Reportable segments total	¥ 15,834	¥ 14,707	$ 106,358
Segment "Other"	0	45	4
Corporate expenses (Note)	(4,727)	(4,118)	(31,754)
Operating income in the interim consolidated statements of income	¥ 11,107	¥ 10,633	$ 74,608

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, 2025 and 2024, 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, 2025 and 2024, there is no applicable information to disclose.

Significant gain on bargain purchase by reportable segment

For the six-month periods ended September 30, 2025 and 2024, there is no applicable information to disclose.

14. 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
	2025	2024	2025
Basic earnings per share	¥ 102,707.05	¥ 123,950.40	$ 689.86

	Millions of Yen		Thousands of U.S. Dollars
	Six-Month Period Ended September 30		Six-Month Period Ended September 30
	2025	2024	2025
Basis for calculation:			
Profit/(loss) attributable to owners of parent	¥ 5,275	¥ 6,366	$ 35,434
Amount not attributable to common shareholders	-	-	-
Profit/(loss) attributable to owners of parent related to common stock	5,275	6,366	35,434
Weighted-average number of shares outstanding	51,365	51,365	

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

15. SUBSEQUENT EVENTS

There is no applicable information to disclose.

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