

# **NTT Limited**

Company Registration No. 12035182

Annual report and financial statements

for the period from 5 June 2019 (the date of incorporation) to 31 March 2020



## **NTT Limited**

Company registration number: 12035182

### **Company information**

#### **Directors**

Abhijit Dubey	(Appointed 1 April 2021)
Vaibhav Goel	
Jason Goodall	
Akitoshi Hattori	
Masaaki Moribayashi	
Roderick Scott	(resigned 20 May 2021)
Tsunehisa Okuno	
Ryujiro Nemoto	(Alternate Director for Tsunehisa Okuno)
David Sherriffs	(resigned as an executive director 30 September 2020, reappointed as Non-Executive Director 1 April 2021)

#### **Registered Office**

4<sup>th</sup> Floor, Verde Building  
10 Bressenden Place  
London  
SW1E 5DH  
England & Wales

#### **Country of incorporation**

United Kingdom

#### **Company registration number**

12035182

#### **Presentation currency**

United States Dollar (USD)

#### **Auditor**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

# **NTT Limited**

Company registration number: 12035182

## **Annual Financial Statements**

*for the period ended 31 March 2020*

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## **Directors' report**

*for the period ended 31 March 2020*

The Directors present their annual report and the financial statements of NTT Limited ("the company") for the period ended 31 March 2020. The directors have taken advantage of the small companies' exemption provided by 414B of the Companies Act 2006 and have not prepared a Strategic Report.

### **Directors**

The following directors were all appointed on 27 June 2019 and served throughout the period up to the date of this report:

Jason Goodall  
David Sherriffs  
Masaaki Moribayashi  
Roderick Scott  
Tsunehisa Okuno  
Vaibhav Goel

Akitoshi Hattori was appointed as Alternate Director to Tsunehisa Okuno from 14 August 2019, until 2 July 2020, when he was replaced by Ryujiro Nemoto. On 8 July 2020 Akitoshi Hattori was appointed as a director of the company in his own right. Abhijit Dubey was appointed as a director on 1 April 2021. Roderick Scott resigned on 20 May 2021 and David Sherriffs resigned as an executive director on 30 September 2020 and was reappointed as a non-executive director on 1 April 2021.

### **Company Secretary**

Judith Duck was formally appointed company secretary on 27 June 2019.

### **Principal activity**

The company is the holding company for the NTT Limited group, a world-leading global technology services provider that brings together the capabilities of various companies, including Dimension Data, NTT Communications and NTT Security. The company is incorporated in the United Kingdom and was formed on 5 June 2019. No changes are expected in the activities of the company in the forthcoming year.

### **Review of business development and financial position**

The loss for the period was \$271.5 million.

Shareholders equity as at the reporting date amounted to \$8.0 billion.

### **Future developments**

No changes in the NTT group are envisaged in the foreseeable future that may affect the company.

### **Proposed dividend**

The directors do not recommend the payment of a dividend.

# NTT Limited

## **Directors' report (continued)**

*for the period ended 31 March 2020*

### **Political contributions**

There have been no political contributions during the period.

### **Directors' interests**

The directors who held office at 31 March 2020 have no direct or indirect interest in the share capital of the company.

### **Financial risk management objectives and policies**

The directors have evaluated the risks facing the company and have adopted a risk management policy, which seeks to mitigate the risks in a cost-effective manner.

### **Disclosure of information to auditor**

The directors at the date of approval of this report confirm that:

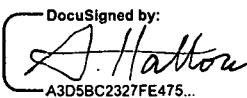
- so far as they are aware there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Auditor**

KPMG LLP are the independent auditors at the date of signing these financial statements.

On behalf of the Board

DocuSigned by:  
  
A3D5BC2327FE475...

Akitoshi Hattori

Director

Date: 17 June 2021

### **Registered Office**

4<sup>th</sup> Floor, Verde Building  
10 Bressenden Place  
London  
SW1E 5DH  
England & Wales

## **NTT Limited**

### **Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent Auditor's report to the members of NTT Limited**

### **Opinion**

We have audited the financial statements of NTT Limited ("the company") for the period ended 31 March 2020 which comprise the Profit and loss account and other comprehensive income, Balance Sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analyzed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


#### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Natalia Bottomley (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
 15 Canada Square  
 London E14 5GL  
 United Kingdom  
 17 June 2021

# NTT Limited

## Profit and loss account and other comprehensive income for the period ended 31 March 2020

	Notes	2020 \$'000
Administrative expenses	2	(145)
<b>Operating losses</b>		<b>(145)</b>
Finance costs	3	(4 919)
Finance income	4	1 193
Other gains and losses	5	(267 652)
<b>Loss before taxation</b>		<b>(271 523)</b>
Tax	6	—
<b>Loss for the financial period</b>		<b>(271 523)</b>
Other comprehensive income		—
<b>Total comprehensive loss for the period</b>		<b>(271 523)</b>

All the company's activities are derived from continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

# NTT Limited

## Balance Sheet

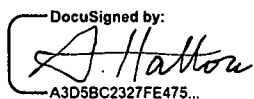
as at 31 March 2020

	Notes	2020 \$'000	2020 \$'000
<b>Non-current assets</b>			
Investment in subsidiaries	7		8 264 545
Investment in associates	7		8 311
Other investments	8		—
			<u>8 272 856</u>
<b>Current assets</b>			
Intercompany loans receivable	9	<u>469 322</u>	
		<u>469 322</u>	
<b>Creditors liabilities</b>			
Loans and other payables	10	(258 519)	
Derivative financial instruments		(757)	
Tax payable		(5 205)	
Bank overdraft		<u>(703)</u>	
		<u>(265 184)</u>	
<b>Net current assets</b>			<u>204 138</u>
<b>Total assets less current liabilities</b>			<u>8 476 994</u>
<b>Amounts owing to external related parties: amounts falling due after more than one year</b>	11		<u>(461 325)</u>
<b>Net assets</b>			<u><u>8 015 669</u></u>
<b>Capital and reserves</b>			
Share capital	12		9
Share premium	12		8 287 183
Profit and loss account			<u>(271 523)</u>
<b>Shareholders' equity</b>			<u><u>8 015 669</u></u>

The notes on pages 11 to 18 form part of these financial statements.

These financial statements of NTT Limited, registration number 12035182 were approved by the Board of Directors on 11 June 2021. The directors have taken advantage of the small companies' exemption provided by 414B of the Companies Act 2006.

Signed on behalf of the Board of Directors

DocuSigned by:  
  
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Akitoshi Hattori  
 Director  
 17 June 2021

## NTT Limited

### Statement of changes in equity for the period ended 31 March 2020

	Share capital \$'000	Share premium \$'000	Profit and loss account \$'000	Total equity \$'000
As at 5 June 2019 (the date of incorporation)	—	—	—	—
Issue of shares on establishment of the company	9	8 287 183	—	8 287 192
Total comprehensive loss for the period	—	—	(271 523)	(271 523)
<b>As at 31 March 2020</b>	<b>9</b>	<b>8 287 183</b>	<b>(271 523)</b>	<b>8 015 669</b>

The notes on pages 11 to 18 form part of these financial statements.

# NTT Limited

## Notes to the financial statements *for the period ended 31 March 2020*

### 1 SIGNIFICANT ACCOUNTING POLICIES

NTT Limited (the "company") is a company privately incorporated and domiciled in England in the United Kingdom.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to financial statements, except as noted below. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

#### **Basis of preparation**

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirements to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, including the July 2017 amendments.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- Cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of Key Management Personnel.
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;

The financial statements have been prepared on the historical cost basis except for derivatives which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

These financial statements are presented in United States Dollar (USD) which is the company's functional currency.

The company's ultimate parent undertaking, Nippon Telegraph and Telephone Corporation includes the company in its consolidated financial statements. The consolidated financial statements of Nippon Telegraph and Telephone Corporation are prepared in accordance with the International Financial Reporting Standards and are available to the public. They may be obtained from Otemachi First Square, East Tower, 5-1, Otemachi 1-Chome, Chiyoda-ku, Tokyo 100-8116, Japan.

#### **Investment in subsidiaries**

The investments in subsidiaries are held at cost in the company's balance sheet. Their value is reviewed annually by the directors and provision is made for any impairment identified.

# NTT Limited

## Notes to the financial statements (continued)

*for the period ended 31 March 2020*

### 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Going concern

The World Health Organization declared a pandemic on the 11 March 2020. The company is closely monitoring the fast-moving global spread of Covid-19 and taking prudent steps to mitigate any potential impacts to the health and safety of employees, customers and suppliers and to the successful operation of our business.

The company has assessed the principal risks and other matters, including the impact of the COVID-19 pandemic on its operations, at the reporting date and at the date of approval of the financial statements.

The company is the group cash pool leader and is in the process of becoming the guarantor for the amounts drawn down under the cash pooling facility which is available across a number of its subsidiaries.

Nippon Telegraph and Telephone Corporation, its ultimate parent entity, has indicated its intention to continue to make available such funds as are needed by the company for at least the next twelve months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Having considered the risks and its related impact on the business the directors confirm that they are satisfied that the company will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. The financial statements have been prepared on a going concern basis.

#### Foreign currencies

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

# NTT Limited

## Notes to the financial statements (continued)

*for the period ended 31 March 2020*

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Taxation (continued)**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### **Trade and other debtors**

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. A provision is made when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Trade and other creditors**

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### **Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

# NTT Limited

## Notes to the financial statements (continued) for the period ended 31 March 2020

### 2. Operating losses

	2020 \$'000
Included in operating losses is the following:	
Audit fees	(99)
The company had no employees.	

### 3. Finance costs

Interest paid on shareholder loans	(3 234)
Interest paid on intercompany loans	(1 437)
Net foreign exchange loss	(248)
	<u>(4 919)</u>

### 4. Finance income

Interest received on intercompany loans	<u>1 193</u>
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### 5. Other gains and losses

Stamp duty on issue of shares	(573)
Impairment of investment in subsidiaries *	(261 892)
Real Estate Transfer Tax (RETT) on e-Shelter **	(5 187)
	<u>(267 652)</u>

\* Refer to Note 7 for details on impairment of investment in subsidiaries.

\*\* The RETT is German Real Estate Transfer Tax that is payable due to the change in ownership of E-Shelter in Germany.

### 6. Taxation: Analysis of charge in period

	2020 \$'000
UK corporation tax	—
Tax charge on loss on ordinary activities	<u>—</u>

The tax assessed loss for the period is less than the average standard rate of corporation tax in the UK of 19%. The difference is explained below:

Loss on ordinary activities before taxation	<u>(271 523)</u>
Tax credit at 19% thereon	(51 589)
Effects of:	
Expenses not deductible	50 853
Current period losses for which no deferred tax asset was recognised	<u>736</u>
Tax charge for the period	<u>—</u>

A reduction in the main rate of UK corporation tax to 17% with effect from 1 April 2020 was enacted in the Finance (No2) Act 2016 on 6 September 2016. However in the UK budget on 11 March 2020, it was announced that the cut in the tax rate to 17% will not occur and the UK Corporation Tax Rate will instead remain at 19%.

# NTT Limited

## Notes to the financial statements (continued)

for the period ended 31 March 2020

### 7. Investment in subsidiaries and associates

	2020 \$'000
Opening balance	—
Formation of NTT Limited and transfer of subsidiaries	8 526 437
Impairment	<u>(261 892)</u>
Closing net book value of investments in subsidiaries	<u>8 264 545</u>

On 1 July 2019 the company acquired a total of 29 subsidiaries and 1 associate from NTT Communications Corporation and NTT, Inc. these subsidiaries being the global operations of NTT Communications, Dimension Data and NTT Security. They were transferred at book value.

8 917 ordinary shares were issued to NTT, Inc (refer to note 12) and the balance was attributed to share premium.

Valuations were performed and the following investments were impaired:

NTT Security Corporation	(48 952)
NTT Cloud Infrastructure Services, Inc	<u>(212 940)</u>
Total impairment	<u>(261 892)</u>

#### NTT Security Corporation

During the financial year, ongoing investment and lack of scale resulted in an increase in net debt thereby negatively impacting equity value. The recoverable amount of the investment has been determined by valuing NTT Security Corporation and its recently acquired subsidiary, WhiteHat, on a value-in-use basis. This results in a total equity value of USD 218.9m.

The valuations for the NTT Security Corporation group were prepared using 8-year forecasts with cash flows after year 8 extrapolated using terminal growth rates of approximately 1.85%. The 8-year forecasts take into account maximum revenue growths ranging from 18.3% to 34.3%, and maximum EBITDA margins of between 14.4% and 24.9%. Post-tax discount rates of between 12.6% and 13.0% were used in the impairment tests, and these were calculated based on inputs such as: the United States 20 year government bond yield; country risk premiums based on data published by Professor Aswath Damodaran; size premium based on the Duff & Phelps 2018 handbook.

#### NTT Cloud Infrastructure Services, Inc

During the financial year, ongoing investment and lack of scale resulted in an increase in net debt thereby negatively impacting equity value.

The recoverable amount of the investment has been determined on a value-in-use basis using an 9-year forecast with cash flows after year 9 extrapolated using a terminal growth rate of 1.9%. This results in an equity value of USD 142.4m. The 9-year forecast has been prepared to take into account average revenue growth of 35.1% over the forecast period, with significant revenue growth in the short-term as scale is expected to increase, and EBITDA margins that grow to 37.1% in year 9. A post-tax discount rate of 9.5% was used in the impairment test, and this is calculated based on inputs such as: the United States 20 year government bond yield; country risk premiums based on data published by Professor Aswath Damodaran; size premium based on the Duff & Phelps 2018 handbook.

# NTT Limited

## Notes to the financial statements (continued) for the period ended 31 March 2020

### 7. Investment in subsidiaries and associates (continued)

Details of the company's principal subsidiaries and associates are as follows:

Name of subsidiary	% holding	Jurisdiction of Incorporation	2020 \$'000
Dimension Data Holdings Limited	100	United Kingdom	2 834 262
Netmagic Solution Private Limited	100	India	416 595
NTT America, Inc	100	United States	2 305 723
NTT Australia Solutions Pty Ltd	100	Australia	17 872
NTT Cloud Communications International Holdings SAS.	100	France	576 554
NTT Cloud Infrastructure Services, Inc	100	United States	142 403
NTT Com ICT Solutions (Australia) Pty Ltd	100	Australia	-
NTT Communications India Private Limited	100	India	9 080
NTT Communications Russia LLC	99.9	Russian Federation	2 363
NTT Communications (Vietnam) Limited	100	Vietnam	5 010
NTT EUROPE LTD.	100	United Kingdom	89 278
NTT Global Data Centers EMEA Administration GmbH	100	Germany	60
NTT Global Data Centers EMEA UK Limited	100	United Kingdom	206 132
NTT Global Data Centers EMEA S.a.r.l.	100	Luxembourg	852 670
NTT Global Data Centers Corporation	50	Japan	41 474
NTT Global Data Centers (Thailand) Limited	100	Thailand	9 598
NTT Korea Co., Ltd	100	Korea, Republic of	4 743
NTT Managed Services EMEA S.A.U.	100	Spain	56 033
NTT MSC SDN. BHD	100	Malaysia	54 214
NTT Myanmar Co., Ltd	100	Myanmar	5 078
NTT Security Corporation	100	Japan	218 926
NTT Singapore Digital Business Solutions Pte. Ltd.	100	Singapore	21 877
NTT Singapore Pte. Ltd.	100	Singapore	112 695
NTT (Thailand) Limited	100	Thailand	8 672
NTT Taiwan Ltd.	100	Taiwan	8 213
NTT Ltd Japan Corporation	100	Japan	10 024
PCI-J KK	100	Japan	8 264
PT. NTT Indonesia	65	Indonesia	4 436
PT. NTT Global Data Centers Indonesia	44.06	Indonesia	105 919
Transatel SAS	80.7	France	136 377
<b>Investment in subsidiary total</b>			<b>8 264 545</b>
<b>Name of associate</b>			
Global Data Service Joint Stock Company	41.36	Vietnam	8 311
<b>Investment in associate total</b>			<b>8 311</b>

### 8. Other investments

Under the contribution agreement dated 1 July 2019 NTT Limited received 7,880,000 shares, being 11.76% of the share capital, for 1 JPY in Australia-Japan Cable Holdings Limited, incorporated in Bermuda.

# NTT Limited

## Notes to the financial statements (continued)

for the period ended 31 March 2020

### 9. Intercompany loans receivable

	2020 \$'000
NTT Australia Solutions Pty Ltd	32 978
NTT Cloud Infrastructure, Inc.	96 822
NTT Global Data Centers EMEA UK Limited	23 564
NTT Global Data Centers EMEA GmbH	264 636
NTT Netherlands Holdings B.V.	1 322
NTT Global Data Centers Americas, Inc.	50 000
	<u>469 322</u>

All the loans are interest bearing and repayable on demand.

### 10. Loans and other payables

	2020 \$'000
<i>Amounts due to group companies</i>	<u>258 469</u>
Dimension Data Holdings Limited	111 519
NTT Europe Ltd	2 503
NTT America, Inc	75 495
Arkadin SAS	48 786
NTT Managed Services Americas, LLC	20 166
<i>Accruals</i>	50
	<u>258 519</u>

All the amounts due to group companies are interest bearing and repayable on demand.

### 11. Amounts owing to external related parties

	2020 \$'000
NTT Finance Corporation <sup>(1)</sup>	260 635
NTT Finance UK Limited <sup>(2)</sup>	200 690
	<u>461 325</u>

<sup>(1)</sup> The loan bears interest at LIBOR plus 87 bps and is repayable in October 2024.

<sup>(2)</sup> The loan bears interest at LIBOR plus 92 and is repayable in March 2025.

### 12. Share capital

	2020 \$
<i>Allotted, called up and paid</i>	
8 917 ordinary shares of \$1 each	<u>8 917</u>
	<u>\$'000</u>
Share premium	<u>8 287 183</u>

The share premium came about on 1 July when NTT Limited issued 8 917 ordinary shares to NTT, Inc in exchange for 29 subsidiaries and an associate, the difference between the ordinary shares issued and the book value of the companies transferred was attributed to share premium.

# NTT Limited

## Notes to the financial statements (continued) for the period ended 31 March 2020

### 13. Directors' Remuneration

None of the Directors received any remuneration in respect of their services to the company during the period. The company considers that there is no practicable method to allocate a portion of the emoluments the Directors receive from their respective group company employer for any qualifying services in respect of the company, as these are considered to be incidental and part of the Directors overall management responsibilities within the group.

### 14. Related party disclosures

Nippon Telegraph and Telephone Corporation, a company incorporated in Japan and registered at Otemachi First Square, East Tower, 5-1, Otemachi 1-Chome, Chiyoda-ku, Tokyo 100-8116, Japan is the parent undertaking of the largest group which includes the company and for which consolidated financial statements are prepared.

Copies of the group financial statements of Nippon Telegraph and Telephone Corporation are available from the Head Office at Otemachi First Square, East Tower, 5-1, Otemachi 1-Chome, Chiyoda-ku, Tokyo 100-8116, Japan.

The company, in the ordinary course of business, received and provided intercompany loans from subsidiaries and shareholders within the NTT Limited group. For details on intercompany and shareholder loans, refer to note 9 - 10.

### 15. Subsequent events

On 18 July 2019 NTT Limited Japan Corporation acquired shares in NTT Global Data Centers EMEA S.a.r.l (formerly Lux-e-shelter 1 S.a.r.l). On 25 June 2020 NTT Limited Japan Corporation transferred the shares to NTT Limited for \$232 million as a dividend in specie.

Effective 15 December 2020 NTT Limited made a cash contribution of \$354 million in exchange for 3,543 shares in NTT America Inc to enable NTT America Inc to undertake the America restructuring.

There were no other material subsequent events that need to be adjusted or disclosed in the financial statements.

### 16. Accounting estimates and judgements

In the process of applying the company's accounting policies, management is required to make estimates and assumptions that affect the reported amounts of income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Management uses all available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, and any subsequent changes are accounted for with an effect in income at the time such information becomes available.

#### *Impairment of loans and investments*

All loans and investments are assessed for impairment. An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss in other gains and losses.