

# Financial Results Release

For the Nine Months Ended December 31, 2014

February 6, 2015

[U.S. GAAP]

Name of registrant : Nippon Telegraph and Telephone Corporation (“NTT”)  
 Code No. : 9432 (URL <http://www.ntt.co.jp/ir/>)  
 Stock exchanges on which the Company's shares are listed : Tokyo  
 Representative : Hiroo Unoura, President and Chief Executive Officer  
 Contact : Yasutake Horinouchi, Head of IR, Finance and Accounting Department / TEL +81-3-6838-5481  
 Scheduled filing date of quarterly securities report : February 9, 2015  
 Scheduled date of dividend payments : -  
 Supplemental material on quarterly results : Yes  
 Presentation on quarterly results : Yes (for institutional investors and analysts)

## 1. Consolidated Financial Results for the Nine Months Ended December 31, 2014 (April 1, 2014 - December 31, 2014)

Amounts are rounded off to the nearest million yen.

### (1) Consolidated Results of Operations

(Millions of yen)

	Operating Revenues		Operating Income		Income before Income Taxes		Net Income Attributable to NTT	
Nine months ended December 31, 2014	8,182,527	2.0%	910,947	(7.5)%	910,182	(11.1)%	449,941	(7.1)%
Nine months ended December 31, 2013	8,025,184	1.3%	985,120	(0.8)%	1,024,103	3.9%	484,304	8.4%

Note: Percentages above represent changes from the corresponding period of the previous fiscal year.

	Basic Earnings per Share Attributable to NTT	Diluted Earnings per Share Attributable to NTT
Nine months ended December 31, 2014	407.69 (yen)	— (yen)
Nine months ended December 31, 2013	418.78 (yen)	— (yen)

Notes: Comprehensive income (loss) attributable to NTT: For the nine months ended December 31, 2014: 507,664 million yen (23.7)%

For the nine months ended December 31, 2013: 665,709 million yen 35.9%

### (2) Consolidated Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Total Equity	NTT Shareholders' Equity	Equity Ratio (Ratio of NTT Shareholders' Equity to Total Assets)	NTT Shareholders' Equity per Share
December 31, 2014	20,642,277	10,999,979	8,578,734	41.6%	8,014.20 (yen)
March 31, 2014	20,284,949	10,924,806	8,511,354	42.0%	7,667.57 (yen)

## 2. Dividends

	Annual Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
Year Ended March 31, 2014	-	80.00 (yen)	-	90.00 (yen)	170.00 (yen)
Year Ending March 31, 2015	-	90.00 (yen)	-	-	-
Year Ending March 31, 2015 (Forecasts)	-	-	-	90.00 (yen)	180.00 (yen)

Note: Change in dividend forecasts during the nine months ended December 31, 2014: None

## 3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2015 (April 1, 2014 - March 31, 2015)

(Millions of yen)

	Operating Revenues		Operating Income		Income before Income Taxes		Net Income Attributable to NTT		Basic Earnings per Share Attributable to NTT	
Year Ending March 31, 2015	11,010,000	0.8%	1,095,000	(9.8)%	1,075,000	(16.9)%	529,000	(9.6)%	479.00	(yen)

Notes: 1. Percentages above represent changes from the previous fiscal year.

2. Change in consolidated financial results forecasts for the fiscal year ending March 31, 2015 during the nine months ended December 31, 2014: None

**\*Notes:**

- (1) Change in significant consolidated subsidiaries during the nine months ended December 31, 2014 that resulted in changes in the scope of consolidation: None
- (2) Adoption of accounting which is simplified or exceptional for quarterly consolidated financial statements: None
- (3) Change of accounting policy
  - i. Change due to revision of accounting standards and other regulations: None
  - ii. Other change: None(For further details, please see “Others” on page 9.)
- (4) Number of shares outstanding (common stock)

i. Number of shares outstanding (including treasury stock):

December 31, 2014	: 1,136,697,235 shares
March 31, 2014	: 1,136,697,235 shares

ii. Number of shares of treasury stock:

December 31, 2014	: 66,255,902 shares
March 31, 2014	: 26,650,807 shares

iii. Weighted average number of shares outstanding:

For the nine months ended December 31, 2014	: 1,103,621,904 shares
For the nine months ended December 31, 2013	: 1,156,476,181 shares

\* The forecast for “Basic Earnings per Share Attributable to NTT” for the fiscal year ending March 31, 2015 is based on the assumption that NTT will repurchase 51 million shares or 350 billion yen of shares from November 10, 2014 through June 30, 2015, as resolved at the board of directors’ meeting held on November 7, 2014 authorizing repurchases up to these amounts, and retain these as treasury stock.

\* Presentation on the status of quarterly review process:

This earnings release is not subject to the quarterly review process as required by the Financial Instruments and Exchange Act of Japan. As of the date of issuance of this earnings release, the review process on quarterly financial statements required by the Financial Instruments and Exchange Act is still ongoing.

\* Explanation of earnings forecasts and other notes:

Forward-looking statements in this earnings release, such as forecasts of results of operations, are based on the information currently available to NTT and certain assumptions that we regard as reasonable and therefore actual results may differ materially from those contained in or suggested by any forward-looking statements. With regard to the assumptions and other related matters concerning forecasts for the fiscal year ending March 31, 2015, please refer to pages 8 and 24.

On Friday, February 6, 2015, NTT will hold a presentation on its financial results for institutional investors and analysts. Shortly thereafter, NTT plans to post on its website explanatory details, along with the materials used at the presentation.

## **1. Qualitative Information**

### **(1) Qualitative Information Relating to Consolidated Business Results**

#### **i. Consolidated results**

Nine-Month Period Ended December 31, 2014 (April 1, 2014 – December 31, 2014)

	(Billions of yen)			
	<b>Nine Months Ended December 31, 2013</b>	<b>Nine Months Ended December 31, 2014</b>	<b>Change</b>	<b>Percent Change</b>
Operating revenues	8,025.2	8,182.5	157.3	2.0%
Operating expenses	7,040.1	7,271.6	231.5	3.3%
Operating income	985.1	910.9	(74.2)	(7.5)%
Income before income taxes and equity in earnings (losses) of affiliated companies	1,024.1	910.2	(113.9)	(11.1)%
Net income attributable to NTT	484.3	449.9	(34.4)	(7.1)%

During the nine months ended December 31, 2014, pursuant to its Medium-Term Management Strategy, adopted in November 2012, entitled “Towards the Next Stage,” NTT worked to expand its global cloud services and to strengthen its network service competitiveness in order to become a “Value Partner” that customers continue to select.

#### **Expansion of Global Cloud Services:**

NTT Group worked to expand its provision of global cloud services by taking advantage of its strengths as a corporate group to provide comprehensive cloud services from the information and telecommunications platforms stage, such as data centers and the IP backbone, to the information and communication technology (ICT) management and applications stage.

Specifically, in order to further promote its cloud business in the United States, NTT Group acquired 100% of the outstanding shares of U.S.-based Symphony Management Consulting, LLC, which has strengths in the cloud solutions business.

Furthermore, NTT Group commenced operations at its “Shanghai Pudong Data Center,” which will not only serve as a major center for colocation services in China, but also as a primary base for cloud services.

#### **Strengthening Network Service Competitiveness:**

In the fixed-line communications field, NTT Group continued to work to increase the number of new subscribers and improve long-term customer retention for its “FLET’S Hikari” services. In addition, NTT Group continued to move ahead with its “Hikari Collaboration Model,” the wholesaling of fiber-optic access services, and announced in January 2015 that it will begin providing services in February 2015.

In the mobile communications field, “Kake-hodai & Pake-aeru,” a new billing plan tailored to suit a customer’s stage of life that offer more affordable rates to long-term users, exceeded 13 million subscriptions. Further, NTT Group launched the sale of smartphones and other devices equipped with call functionality for VoLTE\*<sup>1</sup> call services, and also announced the development of a data communications handset compatible with “LTE-Advanced,” a mobile communication standard capable of high-speed transmissions of up to 225 Mbps. NTT Group also commenced sales of the “iPad Air 2”<sup>\*2</sup> and “iPad mini 3.”<sup>\*2</sup> In addition, NTT Group announced in January 2015 that it would begin accepting pre-orders in February 2015 for both its “Docomo Hikari” broadband service, which utilizes the “Hikari Collaboration Model,” and “Docomo Hikari Pack,” which provides “Docomo Hikari” in combination with mobile phone service at a reasonable price, and will commence these services in March 2015.

To cut costs in fixed-line and mobile communications services, NTT Group worked to further enhance infrastructure efficiency by introducing high-performance equipment and by making effective use of existing facilities, while cutting the cost of laying optical transmission lines by increasing construction projects that do not require the dispatch of NTT employees and working to further improve the efficiency of its maintenance and operations business.

NTT also entered into a partnership agreement with the Tokyo Organizing Committee of the Olympic and Paralympic Games in January 2015 relating to athletes representing Japan in the Olympics and Paralympics. The agreement has a six-year term, including the Tokyo 2020 Olympics and Paralympics. With this agreement, NTT became the first “Gold Partner,” the highest tier of the domestic corporate sponsorship program.

As a result of these efforts, NTT Group’s consolidated operating revenues for the nine months ended December 31, 2014 were ¥8,182.5 billion (an increase of 2.0% from the same period of the previous fiscal year) and consolidated operating expenses were ¥7,271.6 billion (an increase of 3.3% from the same period of the previous fiscal year). Consolidated operating income was ¥910.9 billion (a decrease of 7.5% from the same period of the previous fiscal year), consolidated income before income taxes and equity in earnings (losses) of affiliated companies was ¥910.2 billion (a decrease of 11.1% from the same period of the previous fiscal year), and net income attributable to NTT was ¥449.9 billion (a decrease of 7.1% from the same period of the previous fiscal year).

Note: The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States.

- (\*1) Abbreviation for Voice over LTE, a call service that provides reliable and high-sound quality calls over NTT’s “Xi” service (LTE service) network.
- (\*2) TM and © 2015 Apple Inc. All rights reserved. iPad is a trademark of Apple Inc., registered in the United States and other countries.

## ii. Segment results

Results by business segment are as follows.

### Regional Communications Business Segment

Nine-Month Period Ended December 31, 2014 (April 1, 2014 – December 31, 2014)

	(Billions of yen)			
	Nine Months Ended December 31, 2013	Nine Months Ended December 31, 2014	Change	Percent Change
Operating revenues	2,626.4	2,579.2	(47.2)	(1.8)%
Operating expenses	2,525.9	2,447.7	(78.2)	(3.1)%
Operating income	100.5	131.5	31.0	30.9%

Operating revenues in the regional communications business segment for the nine-month period ended December 31, 2014 decreased 1.8% from the same period of the previous fiscal year to ¥2,579.2 billion due to, among other things, a decrease in fixed voice-related revenues resulting from the decline in fixed-line telephone subscriptions, which was partially offset by an increase in IP/packet communications revenues. On the other hand, operating expenses fell by 3.1% from the same period of the previous fiscal year to ¥2,447.7 billion due to, among other factors, a decrease in personnel expenses and efforts to streamline operating expenses. As a result, segment operating income increased 30.9% from the same period of the previous fiscal year to ¥131.5 billion.

Number of subscriptions

	(Thousands of subscriptions)			
	As of March 31, 2014	As of December 31, 2014	Change	Percent Change
FLET'S Hikari <sup>(1)</sup>	18,050	18,617	567	3.1%
NTT East	10,187	10,397	210	2.1%
NTT West	7,863	8,220	357	4.5%
Hikari Denwa <sup>(2)</sup>	16,256	16,910	654	4.0%
NTT East	8,694	8,963	269	3.1%
NTT West	7,562	7,947	385	5.1%

Notes:

(1) "FLET'S Hikari" includes "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light" and "FLET'S Hikari WiFi Access" provided by NTT East and "B FLET'S," "FLET'S Hikari Premium," "FLET'S Hikari Mytown," "FLET'S Hikari Next," "FLET'S Hikari Light" and "FLET'S Hikari WiFi Access" provided by NTT West.

(2) The figures for Hikari Denwa indicate the number of channels (in thousands).

## Long Distance and International Communications Business Segment

Nine-Month Period Ended December 31, 2014 (April 1, 2014 – December 31, 2014)

(Billions of yen)

	<b>Nine Months Ended December 31, 2013</b>	<b>Nine Months Ended December 31, 2014</b>	<b>Change</b>	<b>Percent Change</b>
Operating revenues	1,312.7	1,447.3	134.7	10.3%
Operating expenses	1,212.3	1,359.4	147.1	12.1%
Operating income	100.4	88.0	(12.5)	(12.4)%

Operating revenues in the long-distance and international communications business segment for the nine-month period ended December 31, 2014 increased 10.3% from the same period of the previous fiscal year to ¥1,447.3 billion. This increase was due to, among other things, an increase in system integration revenues associated with an increase in the number of overseas consolidated subsidiaries, partially offset by a decrease in domestic fixed voice-related revenues. Operating expenses increased 12.1% from the same period of the previous fiscal year to ¥1,359.4 billion due to, among other things, an increase in revenue-linked expenses. As a result, segment operating income for the nine-month period ended December 31, 2014 decreased 12.4% from the same period of the previous fiscal year to ¥88.0 billion.

## Mobile Communications Business Segment

Nine-Month Period Ended December 31, 2014 (April 1, 2014 – December 31, 2014)

(Billions of yen)

	<b>Nine Months Ended December 31, 2013</b>	<b>Nine Months Ended December 31, 2014</b>	<b>Change</b>	<b>Percent Change</b>
Operating revenues	3,363.6	3,326.8	(36.8)	(1.1)%
Operating expenses	2,677.8	2,741.9	64.1	2.4%
Operating income	685.7	584.9	(100.9)	(14.7)%

Despite an increase in revenues associated with NTT Group's expanding "Smart Life" business, operating revenues for the mobile communications business segment for the nine-month period ended December 31, 2014 decreased 1.1% from the same period of the previous fiscal year to ¥3,326.8 billion due to, among other things, a decline in mobile voice-related revenues resulting from the impact of its "Monthly Support" discount programs and the new "Kake-hodai & Pake-aeru" billing plan. Further, despite the implementation of measures to reduce costs through structural changes, operating expenses for the nine-month period ended December 31, 2014 increased 2.4% from the same period of the previous fiscal year to ¥2,741.9 billion due to increases in cost of equipment sold and in revenue-linked expenses. As a result, segment operating income for the nine-month period ended December 31, 2014 decreased 14.7% from the same period of the previous fiscal year to ¥584.9 billion.

Number of subscriptions

(Thousands of subscriptions)

	<b>As of March 31, 2014</b>	<b>As of December 31, 2014</b>	<b>Change</b>	<b>Percent Change</b>
Mobile phone services	63,105	65,274	2,169	3.4%
Xi	21,965	28,298	6,332	28.8%
FOMA	41,140	36,976	(4,164)	(10.1)%
sp-mode	23,781	26,746	2,964	12.5%
i-mode	26,415	23,396	(3,019)	(11.4)%

Notes:

(1) Numbers for Mobile phone services subscribers (including Xi and FOMA subscribers) include communication module service subscribers.

(2) Effective March 3, 2008, FOMA services became mandatory for subscription to "2in1" services. Such FOMA service subscriptions to "2in1" services are included in the number of FOMA service subscribers and, as a result, are also included in the number of Mobile phone services subscribers.

## Data Communications Business Segment

Nine-Month Period Ended December 31, 2014 (April 1, 2014 – December 31, 2014)

(Billions of yen)

	<b>Nine Months Ended December 31, 2013</b>	<b>Nine Months Ended December 31, 2014</b>	<b>Change</b>	<b>Percent Change</b>
Operating revenues	943.1	1,066.4	123.4	13.1%
Operating expenses	908.2	1,009.7	101.5	11.2%
Operating income	34.9	56.7	21.9	62.7%

Operating revenues in the data communications business segment for the nine-month period ended December 31, 2014 increased 13.1% from the same period of the previous fiscal year to ¥1,066.4 billion due to, among other things, an increase in the number of overseas consolidated subsidiaries, the cultivation of new customers and an increase in revenues resulting from the expansion of systems for existing customers. On the other hand, operating expenses for the nine-month period ended December 31, 2014 rose 11.2% from the same period of the previous fiscal year to ¥1,009.7 billion due to, among other things, an increase in revenue-linked expenses, despite a reduction in unprofitable transactions. As a result, segment operating income for the nine-month period ended December 31, 2014 increased 62.7% from the same period of the previous fiscal year to ¥56.7 billion.

## Other Business Segment

Nine-Month Period Ended December 31, 2014 (April 1, 2014 – December 31, 2014)

(Billions of yen)

	<b>Nine Months Ended December 31, 2013</b>	<b>Nine Months Ended December 31, 2014</b>	<b>Change</b>	<b>Percent Change</b>
Operating revenues	936.4	894.1	(42.3)	(4.5)%
Operating expenses	884.8	853.8	(31.0)	(3.5)%
Operating income	51.6	40.3	(11.3)	(21.9)%

Operating revenues in the other business segment for the nine-month period ended December 31, 2014 decreased 4.5% from the same period of the previous fiscal year to ¥894.1 billion due to, among other things, decreased revenues in NTT's real estate and systems development businesses. On the other hand, operating expenses for the nine-month period ended December 31, 2014 decreased 3.5% from the same period of the previous fiscal year to ¥853.8 billion due to, among other things, a decrease in revenue-linked expenses in NTT's real estate business. As a result, segment operating income for the nine-month period ended December 31, 2014 decreased 21.9% from the same period of the previous fiscal year to ¥40.3 billion.

## **(2) Qualitative Information Relating to Consolidated Financial Position**

Net cash provided by operating activities for the nine-month period ended December 31, 2014 decreased ¥223.2 billion (13.8%) from the same period of the previous fiscal year to ¥1,399.7 billion. This decrease was due to, among other factors, a decrease in operating income as well as the effect of bank holidays.

Net cash used in investing activities decreased ¥79.7 billion (5.2%) from the same period of the previous fiscal year to ¥1,453.0 billion. This decrease was due to, among other factors, a decrease in capital investments and in payments for the purchase of non-current investments and other such investments.

Net cash used in financing activities decreased ¥60.9 billion (68.5%) from the same period of the previous fiscal year to ¥28.0 billion. This decrease was due to, among other factors, an increase in borrowings, which offset an increase in the payment of cash dividends.

As a result of the above, NTT Group's consolidated cash and cash equivalents as of December 31, 2014 totaled ¥905.8 billion, a decrease of ¥78.7 billion (8.0%) from the end of the previous fiscal year.

	(Billions of yen)			
	Nine Months Ended December 31, 2013	Nine Months Ended December 31, 2014	Change	Percent Change
Cash flows provided by operating activities	1,623.0	1,399.7	(223.2)	(13.8)%
Cash flows used in investing activities	(1,532.7)	(1,453.0)	79.7	5.2%
Cash flows used in financing activities	(88.9)	(28.0)	60.9	68.5%

## **(3) Qualitative Information Relating to Consolidated Results Forecasts**

There are no changes to the consolidated results forecasts for the fiscal year ending March 31, 2015 announced on November 7, 2014. For the assumptions used in the consolidated results forecasts and other related matters, please see page 24.



## **2. OTHERS**

- (1) Change in significant consolidated subsidiaries during the nine months ended December 31, 2014 that resulted in changes in the scope of consolidation: None
- (2) Adoption of accounting which is simplified or exceptional for quarterly consolidated financial statements: None
- (3) Change of accounting policy: None

### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### (1) Consolidated Balance Sheets

	Millions of yen		
	March 31, 2014	December 31, 2014	Increase (Decrease)
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 984,463	¥ 905,796	¥ (78,667)
Short-term investments	38,949	59,973	21,024
Notes and accounts receivable, trade	2,509,030	2,701,280	192,250
Allowance for doubtful accounts	(46,893)	(48,390)	(1,497)
Accounts receivable, other	345,197	413,843	68,646
Inventories	415,309	446,148	30,839
Prepaid expenses and other current assets	394,294	464,930	70,636
Deferred income taxes	220,662	198,671	(21,991)
Total current assets	4,861,011	5,142,251	281,240
<b>Property, plant and equipment:</b>			
Telecommunications equipment	12,959,564	12,807,435	(152,129)
Telecommunications service lines	15,408,604	15,567,610	159,006
Buildings and structures	6,060,129	6,101,812	41,683
Machinery, vessels and tools	1,949,903	1,981,584	31,681
Land	1,238,742	1,287,071	48,329
Construction in progress	359,014	381,988	22,974
	37,975,956	38,127,500	151,544
Accumulated depreciation	(28,136,268)	(28,402,801)	(266,533)
Net property, plant and equipment	9,839,688	9,724,699	(114,989)
<b>Investments and other assets:</b>			
Investments in affiliated companies	521,634	521,328	(306)
Marketable securities and other investments	407,766	496,816	89,050
Goodwill	1,086,636	1,132,968	46,332
Software	1,309,912	1,245,843	(64,069)
Other intangible assets	401,194	380,456	(20,738)
Other assets	1,195,608	1,358,164	162,556
Deferred income taxes	661,500	639,752	(21,748)
Total investments and other assets	5,584,250	5,775,327	191,077
Total assets	¥ 20,284,949	¥ 20,642,277	¥ 357,328

	Millions of yen		
	March 31, 2014	December 31, 2014	Increase (Decrease)
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities:</b>			
Short-term borrowings	¥ 269,444	¥ 760,434	¥ 490,990
Current portion of long-term debt	425,351	418,767	(6,584)
Accounts payable, trade	1,540,249	1,249,304	(290,945)
Current portion of obligations under capital leases	16,929	17,437	508
Accrued payroll	448,061	381,663	(66,398)
Accrued taxes on income	256,994	77,195	(179,799)
Accrued consumption tax	47,376	139,748	92,372
Advances received	266,743	251,460	(15,283)
Other	405,677	444,652	38,975
Total current liabilities	3,676,824	3,740,660	63,836
<b>Long-term liabilities:</b>			
Long-term debt (excluding current portion)	3,483,673	3,653,675	170,002
Obligations under capital leases (excluding current portion)	35,951	34,422	(1,529)
Liability for employees' retirement benefits	1,327,873	1,365,851	37,978
Accrued liabilities for point programs	130,466	112,584	(17,882)
Deferred income taxes	233,151	217,189	(15,962)
Other	446,293	491,317	45,024
Total long-term liabilities	5,657,407	5,875,038	217,631
<b>Redeemable noncontrolling interests</b>	25,912	26,600	688
<b>Equity:</b>			
NTT shareholders' equity			
Common stock, no par value	937,950	937,950	—
Additional paid-in capital	2,827,010	2,845,824	18,814
Retained earnings	4,808,361	5,058,382	250,021
Accumulated other comprehensive income (loss)	94,966	152,689	57,723
Treasury stock, at cost	(156,933)	(416,111)	(259,178)
Total NTT shareholders' equity	8,511,354	8,578,734	67,380
Noncontrolling interests	2,413,452	2,421,245	7,793
Total equity	10,924,806	10,999,979	75,173
Total liabilities and equity	¥ 20,284,949	¥ 20,642,277	¥ 357,328

## **(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**

NINE-MONTH PERIOD ENDED DECEMBER 31

### **Consolidated Statements of Income**

	Millions of yen		
	2013	2014	Increase (Decrease)
<b>Operating revenues:</b>			
Fixed voice related services	¥ 1,184,765	¥ 1,087,270	¥ (97,495)
Mobile voice related services	789,546	660,586	(128,960)
IP / packet communications services	2,789,563	2,750,096	(39,467)
Sale of telecommunications equipment	740,095	794,443	54,348
System integration	1,585,561	1,893,468	307,907
Other	935,654	996,664	61,010
	8,025,184	8,182,527	157,343
<b>Operating expenses:</b>			
Cost of services (excluding items shown separately below)	1,720,380	1,736,079	15,699
Cost of equipment sold (excluding items shown separately below)	646,856	706,803	59,947
Cost of system integration (excluding items shown separately below)	1,147,150	1,323,731	176,581
Depreciation and amortization	1,394,935	1,365,268	(29,667)
Impairment loss	166	1,604	1,438
Selling, general and administrative expenses	2,127,588	2,138,095	10,507
Goodwill and other intangible asset impairments	2,989	-	(2,989)
	7,040,064	7,271,580	231,516
<b>Operating income</b>	985,120	910,947	(74,173)
<b>Other income (expenses):</b>			
Interest and amortization of bond discounts and issue costs	(36,944)	(33,155)	3,789
Interest income	13,221	13,821	600
Other, net	62,706	18,569	(44,137)
	38,983	(765)	(39,748)
<b>Income before income taxes and equity in earnings (losses) of affiliated companies</b>	1,024,103	910,182	(113,921)
<b>Income tax expense (benefit):</b>			
Current	389,174	298,193	(90,981)
Deferred	(6,527)	17,544	24,071
	382,647	315,737	(66,910)
<b>Income before equity in earnings (losses) of affiliated companies</b>	641,456	594,445	(47,011)
Equity in earnings (losses) of affiliated companies	(2,833)	3,635	6,468
<b>Net income</b>	638,623	598,080	(40,543)
Less – Net income attributable to noncontrolling interests	154,319	148,139	(6,180)
<b>Net income attributable to NTT</b>	¥ 484,304	¥ 449,941	¥ (34,363)
<b>Per share of common stock:</b>			
Weighted average number of shares outstanding (Shares)	1,156,476,181	1,103,621,904	
Net income attributable to NTT (Yen)	¥ 418.78	¥ 407.69	

### **Consolidated Statements of Comprehensive Income**

	Millions of yen		
	2013	2014	Increase (Decrease)
Net income	¥ 638,623	¥ 598,080	¥ (40,543)
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities	28,200	60,413	32,213
Unrealized gain (loss) on derivative instruments	(2,540)	(301)	2,239
Foreign currency translation adjustments	83,928	33,626	(50,302)
Pension liability adjustments	100,677	(2,552)	(103,229)
Total other comprehensive income (loss)	210,265	91,186	(119,079)
<b>Total comprehensive income (loss)</b>	848,888	689,266	(159,622)
Less – Comprehensive income attributable to noncontrolling interests	183,179	181,602	(1,577)
<b>Total comprehensive income (loss) attributable to NTT</b>	¥ 665,709	¥ 507,664	¥ (158,045)

THREE-MONTH PERIOD ENDED DECEMBER 31

**Consolidated Statements of Income**

	Millions of yen		
	2013	2014	Increase (Decrease)
<b>Operating revenues:</b>			
Fixed voice related services	¥ 390,283	¥ 356,893	¥ (33,390)
Mobile voice related services	254,497	214,127	(40,370)
IP / packet communications services	925,755	911,726	(14,029)
Sale of telecommunications equipment	297,866	309,118	11,252
System integration	556,434	663,850	107,416
Other	334,279	353,145	18,866
	2,759,114	2,808,859	49,745
<b>Operating expenses:</b>			
Cost of services (excluding items shown separately below)	571,178	572,454	1,276
Cost of equipment sold (excluding items shown separately below)	276,160	280,122	3,962
Cost of system integration (excluding items shown separately below)	410,510	458,389	47,879
Depreciation and amortization	475,815	454,164	(21,651)
Impairment loss	4	1,394	1,390
Selling, general and administrative expenses	693,354	722,313	28,959
	2,427,021	2,488,836	61,815
<b>Operating income</b>	332,093	320,023	(12,070)
<b>Other income (expenses):</b>			
Interest and amortization of bond discounts and issue costs	(12,187)	(10,569)	1,618
Interest income	4,449	4,695	246
Other, net	23,970	3,876	(20,094)
	16,232	(1,998)	(18,230)
<b>Income before income taxes and equity in earnings (losses) of affiliated companies</b>	348,325	318,025	(30,300)
<b>Income tax expense (benefit):</b>			
Current	123,311	104,222	(19,089)
Deferred	1,442	3,018	1,576
	124,753	107,240	(17,513)
<b>Income before equity in earnings (losses) of affiliated companies</b>	223,572	210,785	(12,787)
Equity in earnings (losses) of affiliated companies	(8,947)	1,177	10,124
<b>Net income</b>	214,625	211,962	(2,663)
Less – Net income attributable to noncontrolling interests	53,861	52,353	(1,508)
<b>Net income attributable to NTT</b>	¥ 160,764	¥ 159,609	¥ (1,155)
<b>Per share of common stock:</b>			
Weighted average number of shares outstanding (Shares)	1,137,382,961	1,091,484,931	
Net income attributable to NTT (Yen)	¥ 141.35	¥ 146.23	

**Consolidated Statements of Comprehensive Income**

	Millions of yen		
	2013	2014	Increase (Decrease)
Net income	¥ 214,625	¥ 211,962	¥ (2,663)
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities	11,023	50,947	39,924
Unrealized gain (loss) on derivative instruments	929	(12)	(941)
Foreign currency translation adjustments	13,088	68,741	55,653
Pension liability adjustments	94,649	(1,457)	(96,106)
Total other comprehensive income (loss)	119,689	118,219	(1,470)
<b>Total comprehensive income (loss)</b>	334,314	330,181	(4,133)
Less – Comprehensive income attributable to noncontrolling interests	67,249	84,768	17,519
<b>Total comprehensive income (loss) attributable to NTT</b>	¥ 267,065	¥ 245,413	¥ (21,652)

**(3) Consolidated Statements of Cash Flows**

NINE-MONTH PERIOD ENDED DECEMBER 31

	Millions of yen		Increase (Decrease)
	2013	2014	
<b>Cash flows from operating activities:</b>			
Net income	¥ 638,623	¥ 598,080	¥ (40,543)
Adjustments to reconcile net income to net cash provided by operating activities -			
Depreciation and amortization	1,394,935	1,365,268	(29,667)
Impairment loss	166	1,604	1,438
Deferred taxes	(6,527)	17,544	24,071
Goodwill and other intangible asset impairments	2,989	-	(2,989)
Losses on disposal of property, plant and equipment	63,781	63,765	(16)
Equity in (earnings) losses of affiliated companies	2,833	(3,635)	(6,468)
(Increase) decrease in notes and accounts receivable, trade	17,052	(179,956)	(197,008)
(Increase) decrease in inventories	(126,609)	(54,726)	71,883
(Increase) decrease in other current assets	(91,842)	(138,769)	(46,927)
Increase (decrease) in accounts payable, trade and accrued payroll	(250,095)	(210,285)	39,810
Increase (decrease) in accrued consumption tax	3,257	92,034	88,777
Increase (decrease) in advances received	3,861	(18,128)	(21,989)
Increase (decrease) in accrued taxes on income	(67,341)	(180,154)	(112,813)
Increase (decrease) in other current liabilities	18,127	28,246	10,119
Increase (decrease) in liability for employees' retirement benefits	51,638	37,028	(14,610)
Increase (decrease) in other long-term liabilities	9,724	18,490	8,766
Other	(41,599)	(36,677)	4,922
Net cash provided by operating activities	¥ 1,622,973	¥ 1,399,729	¥ (223,244)

	Millions of yen		
	2013	2014	Increase (Decrease)
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment	¥ (1,161,716)	¥ (1,108,674)	¥ 53,042
Payments for intangibles	(310,707)	(260,862)	49,845
Proceeds from sales of property, plant and equipment	40,694	19,097	(21,597)
Payments for purchase of non-current investments	(40,885)	(18,824)	22,061
Proceeds from sales and redemptions of non-current investments	12,788	17,897	5,109
Acquisitions of subsidiaries, net of cash acquired	(55,459)	(21,949)	33,510
Payments for purchases of short-term investments	(50,004)	(55,937)	(5,933)
Proceeds from redemptions of short-term investments	72,643	38,802	(33,841)
Other	(40,103)	(62,580)	(22,477)
Net cash used in investing activities	(1,532,749)	(1,453,030)	79,719
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of long-term debt	404,980	457,143	52,163
Payments for settlement of long-term debt	(582,565)	(334,309)	248,256
Proceeds from issuance of short-term debt	4,865,207	4,646,133	(219,074)
Payments for settlement of short-term debt	(4,255,747)	(4,167,653)	88,094
Dividends paid	(186,174)	(199,769)	(13,595)
Proceeds from sale of (payments for acquisition of) treasury stock, net	(250,130)	(256,797)	(6,667)
Acquisition of treasury stock by subsidiaries	(5,215)	(70,798)	(65,583)
Other	(79,277)	(101,947)	(22,670)
Net cash used in financing activities	(88,921)	(27,997)	60,924
Effect of exchange rate changes on cash and cash equivalents	10,918	2,631	(8,287)
Net increase (decrease) in cash and cash equivalents	12,221	(78,667)	(90,888)
Cash and cash equivalents at beginning of period	961,433	984,463	23,030
Cash and cash equivalents at end of period	¥ 973,654	¥ 905,796	¥ (67,858)
<b>Cash paid during the period for:</b>			
Interest	¥ 37,430	¥ 32,446	¥ (4,984)
Income taxes, net	¥ 458,349	¥ 532,984	¥ 74,635

#### **(4) Going Concern Assumption**

None

#### **(5) Change in Accounting Estimate**

Effective July 1, 2014, NTT Group revised its estimate of the expected useful life of a part of the software for telecommunications network and internal-use software based on the actual utilization of the software to reflect an extended expected useful life of up to 7 years. This modification complies with FASB Accounting Standards Codification Topic 250, Accounting Changes and Error Corrections, and will be applied prospectively as a change in accounting estimate. The financial impact from this change in accounting estimate on "Income before income taxes and equity in earnings (losses) of affiliated companies," "Net income attributable to NTT" and "Per share of common stock" of "Net income attributable to NTT" is ¥35,505 million, ¥15,040 million, and ¥13.63, respectively, for the nine months ended December 31, 2014, and ¥17,057 million, ¥7,145 million, and ¥6.55, respectively, for the three months ended December 31, 2014.



## **(6) Business Segments**

### **NINE-MONTH PERIOD ENDED DECEMBER 31**

#### 1. Operating revenues (Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Increase (Decrease)
Regional communications business			
External customers	2,304,623	2,232,967	(71,656)
Intersegment	321,751	346,208	24,457
Total	2,626,374	2,579,175	(47,199)
Long distance and international communications business			
External customers	1,241,488	1,382,470	140,982
Intersegment	71,181	64,878	(6,303)
Total	1,312,669	1,447,348	134,679
Mobile communications business			
External customers	3,332,676	3,294,675	(38,001)
Intersegment	30,888	32,105	1,217
Total	3,363,564	3,326,780	(36,784)
Data communications business			
External customers	853,675	995,658	141,983
Intersegment	89,379	70,789	(18,590)
Total	943,054	1,066,447	123,393
Other business			
External customers	292,722	276,757	(15,965)
Intersegment	643,709	617,325	(26,384)
Total	936,431	894,082	(42,349)
Elimination	(1,156,908)	(1,131,305)	25,603
Consolidated total	8,025,184	8,182,527	157,343

#### 2. Segment profit (Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Increase (Decrease)
Segment profit			
Regional communications business	100,453	131,482	31,029
Long distance and international communications business	100,419	87,954	(12,465)
Mobile communications business	685,723	584,858	(100,865)
Data communications business	34,856	56,715	21,859
Other business	51,633	40,302	(11,331)
Total segment profit	973,084	901,311	(71,773)
Elimination	12,036	9,636	(2,400)
Consolidated total	985,120	910,947	(74,173)

**THREE-MONTH PERIOD ENDED DECEMBER 31**

## 1. Operating revenues

(Millions of yen)

	Three months ended December 31, 2013	Three months ended December 31, 2014	Increase (Decrease)
Regional communications business			
External customers	766,214	747,032	(19,182)
Intersegment	111,008	117,715	6,707
Total	877,222	864,747	(12,475)
Long distance and international communications business			
External customers	426,007	474,170	48,163
Intersegment	22,763	23,193	430
Total	448,770	497,363	48,593
Mobile communications business			
External customers	1,153,619	1,141,218	(12,401)
Intersegment	10,974	12,586	1,612
Total	1,164,593	1,153,804	(10,789)
Data communications business			
External customers	298,610	350,248	51,638
Intersegment	30,557	20,625	(9,932)
Total	329,167	370,873	41,706
Other business			
External customers	114,664	96,191	(18,473)
Intersegment	219,134	206,310	(12,824)
Total	333,798	302,501	(31,297)
Elimination	(394,436)	(380,429)	14,007
Consolidated total	2,759,114	2,808,859	49,745

## 2. Segment profit

(Millions of yen)

	Three months ended December 31, 2013	Three months ended December 31, 2014	Increase (Decrease)
Segment profit			
Regional communications business	24,836	53,214	28,378
Long distance and international communications business	38,934	31,561	(7,373)
Mobile communications business	215,103	187,061	(28,042)
Data communications business	28,425	29,172	747
Other business	21,178	17,247	(3,931)
Total segment profit	328,476	318,255	(10,221)
Elimination	3,617	1,768	(1,849)
Consolidated total	332,093	320,023	(12,070)

## **(7) NTT Shareholders' Equity**

### **1. Dividends**

#### Cash dividends paid

Resolution	The shareholders' meeting on June 26, 2014
Class of shares	Common stock
Source of dividends	Retained earnings
Total cash dividends paid	¥ 99,904 million
Cash dividends per share	¥ 90
Record date	March 31, 2014
Date of payment	June 27, 2014

Resolution	The Board of Directors' meeting on November 7, 2014
Class of shares	Common stock
Source of dividends	Retained earnings
Total cash dividends paid	¥ 99,866 million
Cash dividends per share	¥ 90
Record date	September 30, 2014
Date of payment	December 8, 2014

### **2. Treasury stock**

On May 13, 2014, the board of directors of NTT resolved that NTT may acquire up to 44 million shares of its outstanding common stock for an amount in total not exceeding ¥ 250 billion from July 1, 2014 through March 31, 2015.

On November 7, 2014, the board of directors revised its resolution above and resolved that NTT may acquire up to 51 million shares of its outstanding common stock for an amount in total not exceeding ¥ 350 billion from November 10, 2014 through June 30, 2015. Based on this resolution, NTT repurchased 38,000,000 shares of its common stock at a price of ¥ 249,166 million and 1,168,100 shares of its common stock at a price of ¥ 7,429 million on November 14, 2014 and November 28, 2014, respectively, using ToSTNeT-3.

NTT also repurchased 4,619,100 shares of its common stock for a total purchase price of ¥ 29,614 million in January 2015.

## **(8) Subsequent Events**

### **Tata Teleservices Limited**

Tata Teleservices Limited ("TTSL") is a telecommunications operator in India and a privately held company.

As of December 31, 2013 and 2014, NTT DOCOMO held via NTT DOCOMO approximately 26.5% of the outstanding common shares of TTSL and has accounted for the investment under the equity method.

Under the shareholders agreement (the "Agreement") entered into among TTSL, Tata Sons Limited ("Tata Sons"), the parent company of TTSL, and NTT DOCOMO, when NTT DOCOMO entered into a business alliance with TTSL in March 2009, NTT DOCOMO shall have certain shareholder rights including the right to require Tata Sons to find a suitable buyer for NTT DOCOMO's entire stake (1,248,974,378 shares, or approximately 26.5% of outstanding shares) in TTSL for 50% of NTT DOCOMO's acquisition price, which amounts to 72.5 billion Indian rupees (or ¥138.5 billion\*) or at fair value, whichever is higher, in the event that TTSL fails to achieve certain specified performance targets by March 31, 2014. The right became exercisable on May 30, 2014, and NTT DOCOMO exercised the right on July 7, 2014.

The obligation of Tata Sons under the Agreement was not fulfilled, although NTT DOCOMO repeatedly held discussions with Tata Sons in regards to the sale of its entire stake in TTSL, pursuant to the Agreement. Accordingly, NTT DOCOMO submitted its request for arbitration to the London Court of International Arbitration on January 3, 2015.

The sale of NTT DOCOMO's stake in TTSL has not been completed as Tata Sons has not fulfilled its obligation, and thus NTT DOCOMO has not accounted for the sales transaction for the year ending March 31, 2015. NTT DOCOMO continues to account for the investment in TTSL under the equity method as NTT DOCOMO continues to hold approximately 26.5% of the outstanding voting shares of TTSL and have representation on the board of directors of TTSL even after submitting the request for arbitration. The financial effect of this matter cannot be estimated at this time due to the aforementioned uncertainties surrounding this investment. NTT DOCOMO may recognize a gain or loss upon disposition of its TTSL shares or in the event that it becomes probable that the likelihood of the transaction as described above will not be carried out.

\*1 rupee = ¥1.91 as of December 30, 2014

### **NTT DOCOMO's repurchase of its common stock**

On October 31, 2014, the board of directors of NTT DOCOMO resolved that NTT DOCOMO may repurchase up to 138,469,879 shares of its outstanding common stock for an amount in total not exceeding ¥192,306 million between November 1, 2014 and March 31, 2015.

Based on this resolution, in January 2015, NTT DOCOMO repurchased a total of 13,300,000 shares of its common stock for an aggregate of ¥25,312 million. Due to NTT DOCOMO's additional repurchase transactions, NTT's ownership interest in NTT DOCOMO further increased from 65.8% to 66.0%. NTT expects to recognize the difference between the consideration paid to the non-controlling interest holders and the decrease in the carrying value of such non-controlling interests resulting from this transaction as an adjustment to "Additional paid-in capital" in the consolidated balance sheet as of March 31, 2015.

### **NTT's repurchase of its common stock**

Please see note 7 for details.

#### **4. (Reference)**

### **NON-CONSOLIDATED FINANCIAL STATEMENTS**

#### **(1) Non-Consolidated Balance Sheets**

(Based on accounting principles generally accepted in Japan)

	Millions of yen	
	March 31, 2014	December 31, 2014
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and bank deposits	10,308	12,054
Accounts receivable, trade	2,695	759
Supplies	220	216
Subsidiary deposits	2,340	2,384
Other	365,577	378,139
Total current assets	381,143	393,553
<b>Fixed assets:</b>		
Property, plant and equipment	166,062	157,824
Intangible fixed assets	37,520	26,792
Investments and other assets		
Investments in subsidiaries and affiliated companies	5,094,091	5,095,527
Long-term loans receivable to subsidiaries	1,579,922	1,442,022
Other	43,355	42,018
Total investments and other assets	6,717,369	6,579,568
Total fixed assets	6,920,952	6,764,185
<b>TOTAL ASSETS</b>	<b>7,302,096</b>	<b>7,157,739</b>

Notes: 1. The above non-consolidated quarterly financial statements are exempt from auditor review for purposes of legal disclosure.  
2. The above non-consolidated quarterly financial statements are prepared based on the "Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements."

**(Reference)**

	Millions of yen	
	March 31, 2014	December 31, 2014
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable, trade	249	26
Current portion of corporate bonds	139,998	149,993
Current portion of long-term borrowings	138,150	56,950
Current portion of long-term borrowings from subsidiaries	-	80,000
Short-term borrowings	150,000	-
Accrued taxes on income	13,077	951
Deposit received from subsidiaries	82,698	43,124
Other	62,999	85,614
Total current liabilities	587,173	416,660
<b>Long-term liabilities:</b>		
Corporate bonds	1,006,277	856,329
Long-term borrowings	1,104,380	1,257,480
Long-term borrowings from subsidiaries	240,000	160,000
Liability for employees' retirement benefits	32,773	31,028
Asset retirement obligations	1,390	1,378
Other	1,096	3,356
Total long-term liabilities	2,385,918	2,309,572
<b>TOTAL LIABILITIES</b>	<b>2,973,091</b>	<b>2,726,233</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	937,950	937,950
Capital surplus	2,672,826	2,672,826
Earned surplus	873,705	1,237,556
Treasury stock	(156,932)	(416,110)
Total shareholders' equity	4,327,549	4,432,222
<b>Unrealized gains (losses), translation adjustments, and others:</b>		
Net unrealized gains (losses) on securities	1,455	(716)
Total unrealized gains (losses), translation adjustments, and others	1,455	(716)
<b>TOTAL NET ASSETS</b>	<b>4,329,004</b>	<b>4,431,505</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>7,302,096</b>	<b>7,157,739</b>

Notes: 1. The above non-consolidated quarterly financial statements are exempt from auditor review for purposes of legal disclosure.  
2. The above non-consolidated quarterly financial statements are prepared based on the "Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements."

(Reference)

**(2) Non-Consolidated Statements of Income**

NINE-MONTH PERIOD ENDED DECEMBER 31

(Based on accounting principles generally accepted in Japan)

	Millions of yen	
	2013	2014
<b>Operating revenues</b>	389,265	372,149
<b>Operating expenses</b>	100,206	95,312
<b>Operating income</b>	289,058	276,837
<b>Non-operating revenues:</b>		
Interest income	16,351	14,165
Lease and rental income	8,428	7,981
Miscellaneous income	961	676
Total non-operating revenues	25,740	22,823
<b>Non-operating expenses:</b>		
Interest expenses	11,423	10,688
Corporate bond interest expenses	11,842	10,705
Miscellaneous expenses	7,744	4,648
Total non-operating expenses	31,010	26,041
<b>Recurring profit</b>	283,789	273,619
<b>Special profits</b>	-	299,280
<b>Income before income taxes</b>	283,789	572,899
Income taxes	883	11,644
<b>Net income</b>	282,905	561,255

(Reference) Major components of operating revenues

Dividends received	284,394	272,159
Revenues from group management	13,875	13,876
Revenues from basic R&D	85,874	79,874

Notes: 1. The above non-consolidated quarterly financial statements are exempt from auditor review for purposes of legal disclosure.  
2. The above non-consolidated quarterly financial statements are prepared based on the "Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements."

[Note]

The forward-looking statements and projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT in light of information currently available to it regarding NTT and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.



**NTT's Shares and Shareholders (as of December 31, 2014)****1. Classification of Shareholders**

Details	NTT's Shares and Shareholders (1 unit = 100 shares)								Shares Representing Less Than One Unit
	Government and Public Bodies	Financial Institutions	Securities Firms	Other Domestic Corporations	Foreign Corporations, etc. Non-Individuals	Individuals	Domestic Individuals, etc.	Total	
Total Holders	4	253	80	6,208	1,248	837	763,664	772,294	--
Total Shares (Units)	3,690,741	1,645,964	75,135	143,728	3,290,854	5,058	2,500,306	11,351,786	1,518,635
%	32.51	14.50	0.66	1.27	28.99	0.04	22.03	100.00	--

- Notes: (1) "Domestic Individuals, etc." includes 662,562 units of treasury stock, and "Shares Representing Less Than One Unit" includes 2 shares of treasury stock. 66,256,202 shares of treasury stock are recorded in the shareholders' register; the actual number of treasury stock shares at the end of December 31, 2014 was 66,255,902.
- (2) "Other Domestic Corporations" includes 147 units under the name of the Japan Securities Depository Center, and "Shares Representing Less Than One Unit" includes 72 shares under the name of the Japan Securities Depository Center.
- (3) The number of shareholders who only own shares representing less than one unit is 186,334.

**2. Classification by Number of Shares**

Details	NTT's Shares and Shareholders (1 unit = 100 shares)								Shares Representing Less Than One Unit
	At Least 1,000 Units	At Least 500 Units	At Least 100 Units	At Least 50 Units	At Least 10 Units	At Least 5 Units	At Least 1 Unit	Total	
Number of Holders	405	162	828	906	21,372	49,829	698,792	772,294	--
%	0.05	0.02	0.11	0.12	2.77	6.45	90.48	100.00	--
Total Shares (Units)	9,300,223	111,993	174,908	58,845	328,396	302,602	1,074,819	11,351,786	1,518,635
%	81.93	0.99	1.54	0.52	2.89	2.67	9.47	100.00	--

- Notes: (1) "At Least 1,000 Units" includes 662,562 units of treasury stock, and "Shares Representing Less Than One Unit" includes 2 shares of treasury stock.
- (2) "At Least 100 Units" includes 147 units under the name of the Japan Securities Depository Center, and "Shares Representing Less Than One Unit" includes 72 shares under the name of the Japan Securities Depository Center.

**3. Principal Shareholders**

Name	Shareholdings (in thousands of shares)	Percentage of Total Shares Issued (%)
The Minister of Finance	369,063	32.47
Japan Trustee Services Bank, Ltd. (Trust Account)	34,911	3.07
The Master Trust Bank of Japan, Ltd. (Trust Account)	29,319	2.58
Moxley and Co LLC	17,655	1.55
State Street Bank and Trust Company	11,477	1.01
JP Morgan Chase Bank 385632	9,943	0.87
NTT Employee Share-Holding Association	9,241	0.81
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8,774	0.77
The Bank of New York Mellon SA/NV 10	8,231	0.72
Japan Trustee Services Bank, Ltd. (Trust Account 5)	8,037	0.71
Total	506,656	44.57

Note: The Company's holdings of treasury stock (66,255,902 shares) are not included in the above table.