

May 13, 2016

FOR IMMEDIATE RELEASE

Financial Results for Fiscal Year Ended March 31, 2016

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the fiscal year ended March 31, 2016 are presented in the following attachments.

(Attachments)

1. Summary of Results for the Fiscal Year Ended March 31, 2016
2. Non-Consolidated Comparative Balance Sheets
3. Non-Consolidated Comparative Statements of Income
4. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
5. Business Results (Non-Consolidated Operating Revenues)
6. Non-Consolidated Comparative Statements of Cash Flows
7. Changes in Board of Directors

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1. Summary of Results for the Fiscal Year Ended March 31, 2016

The information and communications market is undergoing structural changes beyond the existing framework, including a further shift to broadband services and globalization, fixed-mobile convergence, IoT expansion (*1) and cloud computing development (*2), penetration of high-speed wireless and Wi-Fi compatible devices (*3) such as smartphones and tablet devices, and widespread use of applications that enable free phone calls and messaging.

The regional telecommunications market environment is also changing dramatically, with intensifying competition in broadband access facilities and services centered around the shift to fiber-optic access. In addition, new services that leverage a variety of wireless devices are also expanding, which in turn leads to diversification in the way that customers are using these devices, and offloading (*4) needs are increasing due to the expansion of the volume of data communications..

Amid such a difficult and volatile business environment, as a carrier with an important leadership role in the information and communications industry, NTT East has endeavored to be thorough in its compliance regime and to abide by the requirements of fair competition. At the same time, NTT East has aimed to secure a stable and solid foundation for its business, and to ensure its reliability as a social infrastructure, including the provision of high-quality, stable universal services, construction of a communications network that is resilient against disasters, and prompt restoration of services in case of large-scale natural disasters and other calamities.

NTT East has also endeavored to enhance the broadband network environment and further expanding fiber-optic access by offering services and products that leverage the advantages of the next-generation network ("NGN"), as well as offering customer-friendly pricing options with long-term appeal.

1. Efforts to Promote Fiber Optic and IP Services

Amid intensifying competition with respect to broadband services, NTT East launched new services and the "Hikari Collaboration Model" to expand and continue using "FLET'S Hikari" (*5) and to meet customers' needs.

- i. As opportunities for customers to use more communications increased in response to recent increased availability of video contents and proliferation of cloud services, on March 1, 2016, NTT East began offering a new "FLET'S Hikari" service named "FLET'S Hikari Lightplus" with a two-phase fixed fee rate and substantially more usage allowance compared to the existing "FLET'S Hikari Light".

In addition, in order for customers to use "FLET'S Hikari" with even more peace

of mind, NTT East launched a compensation service on January 20, 2016 named “Naoseru” for equipment connected to “FLET’S Hikari” that covers equipment failures and broken equipment.

Furthermore, in an effort to have more customers utilize “FLET’S Hikari,” NTT East implemented discount programs for new subscribers, called “Giga Push! Discount” and “Lighter than FLET’S Hikari Light! Discount”.

- ii. NTT East has been working to create new demand and to improve customer retention by supporting and actively developing new business partners for its “Hikari Collaboration Model”, in which businesses receiving fiber-optic access services (FLET’S Hikari) from NTT East combine their own services with fiber-optic access services to create and provide their own new service. NTT East has also been working to promote early stable operations and increased efficiency of related operations.

“Hikari Collaboration Model” enables business partners to easily provide fiber-optic access services to their customers under their own brand. Over 300 businesses in a variety of industries are currently utilizing and providing those services. The number of subscribers to fiber-optic access service (“Hikari Collaboration Model”) exceeded 3 million in March 2016.

An example of “Hikari Collaboration Model” usage includes IIDA CABLE TELEVISION Co., Ltd, being able to provide broadcasting services to the entire coverage area in Iida city and Shimoina county in Nagano prefecture by utilizing the fiber-optic access services provided by Hikari Collaboration business partners or NTT East.

In addition, IIDA CABLE TELEVISION Co., Ltd. has decided to collaborate with NTT East in order to enhance their services to customers and to promote vitalization of the region by utilizing the fiber-optic access services.

NTT East is committed to contributing to the promotion of ICT utilization in various fields and to widely provide added value to customers to whom it could not previously provide full coverage on its own by collaborating with business partners in various industries.

2. Initiatives Relating to the Solutions Business

In order to support its regional customers through the promotion of ICT utilization, NTT East carried out business operations for its corporate customers providing industry-specific solutions that take into account each industry’s characteristics and trends.

- i. On December 21, 2015, NTT East launched an Ethernet-based communications service for corporate customers, "Business Ether PREMIER", offering quality equivalent to a conventional dedicated line which offers guaranteed bandwidth, high reliability, and low lag at a reasonable rate.

In addition, NTT East began offering "Giga Raku Signage" on September 1, 2015. "Giga Raku Signage" is a cloud-based signage service aimed at smooth information sharing within the office as well as between different locations by centrally managing and delivering information through cloud utilization. It also began offering a cloud-type PBX service, "Hikari Cloud PBX", on January 21, 2016. This service enables the use of internal telephone lines free of charge on a wide range of devices including smart phones regardless of the location, in addition to internal call functions offered on communication devices such as conventional PBX and business telephones.

In terms of industry-specific services, NTT East started offering "Omakase Kyoshitsu" in the education field on April 27, 2015. This cloud-based service provides learning support applications that are to be utilized in lessons using tablets and electronic blackboards. It also began providing a cloud-based learning platform service "Hikari Cloud Smart Study" on November 13, 2015, providing a one-stop service that offers tools required for online learning at supplementary schools, cram schools, schools and further education centers.

Furthermore, on November 13, 2015, NTT East launched a cloud-based video delivery platform service, "Hikari Cloud Smart Video", for pharmaceutical and financial industry customers in response to information delivery and sharing needs between doctors and its customers.

Furthermore, in response to the increased number of foreign visitors to Japan, local governments and shopping streets hope to be among the first to install public Wi-Fi (City Wi-Fi) at tourist spots. In order to meet those needs, NTT East installed City Wi-Fi and provided maintenance and operational support by utilizing its regionally-based operating structure.

For small- to medium-sized enterprises (SMEs), NTT East started offering "MS Office Online on Azukeru" on April 25, 2015 as an optional service of "FLET'S Azukeru". This service enables frequently used "Word", "Excel[®]", and "PowerPoint[®]" documents to be edited directly on "FLET'S Azukeru". In addition, NTT East began offering its "Smart Device Management" service, which enables cloud-based management of tablets and smartphone device information and control of various functions, as a new part of "Office Marugoto Support" on April 7, 2015, as well as the "αUC" cloud service that helps achieve work efficiency by utilizing smartphones on December 16, 2015.

- ii. NTT East started offering "Omakase My Number Pack" on September 30, 2015 as a product supporting the Social Security and Tax Number System. This pack enables one-stop collection and management of Individual Number-related information in one place by combining and providing a wide range of its services and collaborating with other companies.

As an example of collaboration with other companies in connection with the introduction of the Social Security and Tax Number System, NTT East has decided to support security measures for SMEs' Individual Number(social security and tax number) by offering its security service with and combining it with the information security insurance provided by Tokio Marine & Nichido Fire Insurance Co., Ltd..

In addition, NTT East launched a function that automatically collects access records of data files stored online,"FLET'S Azukeru PRO Plan," on August 6, 2015, allowing users to manage their Individual Number information online. Further, in response to increased security awareness through corporate activities for the Social Security and Tax Number System and customer requests for a lower service rate, "Office Marugoto Support (IT support)" was renewed on March 7, 2016 and is now offered with enhanced security functions and at a lower monthly fee.

3. Status of Business Operation Structure

NTT East is in the process of transforming its business structure from a consumer-focused business structure to one that focuses on its business and Hikari Collaboration segments. NTT East proactively transferred staff members from the consumer business segment to the target areas, strengthened its measures to approach customers with which it had few opportunities to interact (ICT Concierge), and proactively worked to prepare a system that can develop and support business partners using the Hikari Collaboration Model.

In addition, NTT East worked to improve the efficiency of its access-related facility operations by conducting a review of its facility maintenance area and separating its operation into blocks.

4. Corporate Social Responsibility Activities

NTT East considers Corporate Social Responsibility ("CSR") activities to be one of the most important pillars of the management of the company, and recognizes that it is the social responsibility of a company to contribute to the environmentally friendly, healthy and sustainable development of society.

NTT East has directed its efforts as follows: (i) ensuring a high degree of stability

and reliability of vital infrastructure that is indispensable to the general public; (ii) complying with laws and regulations, including those that ensure fair competition, protect personal information, make accurate representations in advertising, and regulate the dispatch of workers; and (iii) providing information and communications services that contribute to the reduction of the environmental impact of society as a whole, as well as taking measures to reduce its environmental impact by, among other things, reducing its consumption of energy, resources and electricity.

In addition, to meet the communication needs in the case of an emergency or disaster, NTT East installed emergency public telephones (emergency use public telephones) at temporary shelters designated by the prefectural governor in accordance with regulations and in urban areas at bases for those having difficulties going home. A total of 31,000 units have been installed as of the end of the current fiscal year, increasing by 6,000 units from last year.

Having clearly defined the “Shape the NTT East Group is Aiming For,” NTT East has made an effort to realize CSR activities befitting its position as the responsible company in the information and communications industry, such as working to widen the reach of the “NTT Group CSR Charter” (enacted in June 2006) and striving to set up specific practices for the PDCA cycle based on “KPIs” (*6) established for each important theme of CSR activities.

Examples of activities conducted to support restoration of disaster-affected areas include prioritizing the procurement of agricultural produce from disaster-affected areas and serving at employee cafeterias, participating in the "Fukushima Himawari Foster Parent Project" in which participants grow and send sunflower seeds to create jobs and for use as bio-diesel in Fukushima, and carrying out tree planting activities to create new disaster-prevention forests on the coastline of Higashi Matsushima-shi in Miyagi prefecture where the land remains vacant due to the tsunami. In addition, to promote and strengthen sports activities among disabled individuals, NTT East donated some of the proceeds from the telegraphic product "Calligraphy Art telegraph (Dream and Connect)" to the Japan Sports Association for the Disabled.

Furthermore, NTT East proactively endeavored to disclose relevant information to its stakeholders by issuing the “NTT East Group CSR Report 2015”.

5. Financial Standing

As a result of these measures and cost reduction efforts, operating revenues totaled 1,722.3 billion yen (a decrease of 2.4% year on year), operating income totaled 161.8 billion yen (an increase of 47.3% year on year), ordinary income was 173.4 billion yen (an increase of 42.1% year on year), and net income totaled 118.7 billion yen (an increase of 70.7% year on year).

- *1: An abbreviation for Internet of Things. A concept in which things that were not connected to the Internet before can now be connected to the Internet.
- *2: A form of service providing software and hardware via a network that can be utilized as needed without the purchase (ownership) of software and hardware, such as a server.
- *3: An abbreviation for Wireless Fidelity. This is a brand name for certifying that the wireless LAN equipment has the compatibility to connect faultlessly with other equipment. This term is now used to describe the wireless LAN environment itself in which Wi-Fi-compatible equipment interacts with each other.
- *4: Dispersing the load in order to eliminate reduction in transmission speed or connection difficulties that arise due to an increase in the transmission volume.
- *5: A collective name for "FLET'S Hikari Next", "B FLET'S", "FLET'S Hikari Light", "FLET'S Hikari Lightplus" and "FLET'S Hikari Wi-Fi Access"(including"Hikari Collaboration Model").
- *6: An abbreviation for Key Performance Indicator. Key indicators for evaluating performance. This is a quantitative indicator that measures the degree to which goals have been achieved.

2. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | March 31, 2015 | March 31, 2016 | Increase (Decrease) |
|--|------------------|------------------|------------------------|
| ASSETS | | | |
| Fixed assets: | | | |
| Fixed assets - telecommunications businesses | | | |
| Property, plant and equipment | | | |
| Machinery and equipment | 434,518 | 395,419 | (39,098) |
| Antenna facilities | 3,948 | 3,791 | (156) |
| Terminal equipment | 37,569 | 31,807 | (5,762) |
| Local line facilities | 854,162 | 835,446 | (18,715) |
| Long-distance line facilities | 3,683 | 3,353 | (330) |
| Engineering facilities | 602,828 | 595,052 | (7,775) |
| Submarine line facilities | 1,119 | 872 | (247) |
| Buildings | 423,373 | 420,792 | (2,581) |
| Structures | 16,938 | 16,964 | 26 |
| Other machinery and equipment | 3,400 | 3,254 | (146) |
| Vehicles and vessels | 307 | 528 | 220 |
| Tools, furniture and fixtures | 42,826 | 44,458 | 1,632 |
| Land | 193,047 | 197,315 | 4,267 |
| Lease assets | 608 | 750 | 142 |
| Construction in progress | 27,975 | 17,626 | (10,349) |
| Total property, plant and equipment | 2,646,308 | 2,567,433 | (78,874) |
| Intangible fixed assets | 84,496 | 84,019 | (477) |
| Total fixed assets - telecommunications businesses | 2,730,805 | 2,651,453 | (79,351) |
| Investments and other assets | | | |
| Investment securities | 11,815 | 13,016 | 1,200 |
| Investments in subsidiaries and affiliated companies | 47,543 | 46,622 | (920) |
| Other investments in subsidiaries and affiliated companies | 3,800 | 3,712 | (88) |
| Investment in capital | 273 | 473 | 200 |
| Long-term prepaid expenses | 4,042 | 3,707 | (335) |
| Prepaid pension costs | 9,167 | 3,975 | (5,192) |
| Deferred income taxes | 117,889 | 112,097 | (5,792) |
| Other investments and assets | 4,047 | 3,899 | (147) |
| Allowance for doubtful accounts | (956) | (913) | 42 |
| Total investments and other assets | 197,623 | 186,589 | (11,033) |
| Total fixed assets | 2,928,428 | 2,838,043 | (90,384) |
| Current assets: | | | |
| Cash and bank deposits | 21,980 | 8,675 | (13,305) |
| Notes receivable | 15 | - | (15) |
| Accounts receivable, trade | 236,984 | 224,181 | (12,802) |
| Accounts receivable, other | 118,510 | 117,104 | (1,405) |
| Supplies | 33,633 | 26,221 | (7,411) |
| Advance payments | 2,332 | 1,771 | (560) |
| Prepaid expenses | 7,460 | 7,814 | 353 |
| Deferred income taxes | 6,986 | 7,178 | 192 |
| Deposits | 114,736 | 196,532 | 81,795 |
| Other current assets | 10,186 | 10,939 | 753 |
| Allowance for doubtful accounts | (544) | (442) | 102 |
| Total current assets | 552,283 | 599,977 | 47,694 |
| TOTAL ASSETS | 3,480,711 | 3,438,021 | (42,690) |

(Millions of yen)

| | March 31, 2015 | March 31, 2016 | Increase (Decrease) |
|--|------------------|------------------|------------------------|
| LIABILITIES | | | |
| Long-term liabilities: | | | |
| Long-term borrowings from parent company | 430,955 | 365,835 | (65,120) |
| Lease obligations | 1,185 | 1,410 | 224 |
| Liability for employees' retirement benefits | 232,618 | 235,919 | 3,300 |
| Reserve for point services | 9,724 | 8,574 | (1,149) |
| Reserve for unused telephone cards | 9,686 | 8,671 | (1,015) |
| Allowance for environmental measures | 7,748 | 5,289 | (2,459) |
| Asset retirement obligations | 1,119 | 1,092 | (26) |
| Other long-term liabilities | 8,292 | 21,682 | 13,390 |
| Total long-term liabilities | 701,330 | 648,475 | (52,855) |
| Current liabilities: | | | |
| Current portion of long-term borrowings from parent company | 66,220 | 65,120 | (1,100) |
| Accounts payable, trade | 85,478 | 85,229 | (249) |
| Lease obligations | 400 | 417 | 16 |
| Accounts payable, other | 175,324 | 198,765 | 23,441 |
| Accrued expenses | 14,688 | 14,953 | 264 |
| Accrued taxes on income | 10,713 | 11,793 | 1,079 |
| Advances received | 5,348 | 7,657 | 2,308 |
| Deposits received | 205,477 | 203,983 | (1,493) |
| Unearned revenues | 181 | 106 | (75) |
| Allowance for environmental measures | 3,147 | 2,601 | (545) |
| Other current liabilities | 2,462 | 2,880 | 418 |
| Total current liabilities | 569,443 | 593,508 | 24,064 |
| TOTAL LIABILITIES | 1,270,773 | 1,241,983 | (28,790) |
| NET ASSETS | | | |
| Shareholders' equity: | | | |
| Common stock | 335,000 | 335,000 | - |
| Capital surplus | | | |
| Additional paid-in capital | 1,499,726 | 1,499,726 | - |
| Total capital surplus | 1,499,726 | 1,499,726 | - |
| Earned surplus | | | |
| Other earned surplus | | | |
| Reserve for special depreciation | 2,241 | 1,657 | (583) |
| Reserve for reduction entry | 12,890 | 13,197 | 307 |
| Accumulated earned surplus | 356,773 | 342,336 | (14,437) |
| Total earned surplus | 371,905 | 357,191 | (14,713) |
| Total shareholders' equity | 2,206,632 | 2,191,918 | (14,713) |
| Unrealized gains (losses), translation adjustments, and others: | | | |
| Net unrealized gains (losses) on securities | 3,305 | 4,119 | 813 |
| Total unrealized gains (losses), translation adjustments, and others | 3,305 | 4,119 | 813 |
| TOTAL NET ASSETS | 2,209,938 | 2,196,037 | (13,900) |
| TOTAL LIABILITIES AND NET ASSETS | 3,480,711 | 3,438,021 | (42,690) |

3. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) |
|---|------------------------------|------------------------------|------------------------|
| Telecommunications businesses: | | | |
| Operating revenues | 1,625,057 | 1,585,580 | (39,476) |
| Operating expenses | | | |
| Business expenses | 393,958 | 335,475 | (58,483) |
| Operations | 8,917 | 8,189 | (727) |
| Maintenance expenses | 400,322 | 391,871 | (8,450) |
| Overhead expenses | 94,826 | 92,269 | (2,556) |
| Administration | 87,240 | 84,482 | (2,757) |
| Experiment and research | 41,542 | 39,696 | (1,845) |
| Depreciation and amortization | 357,159 | 337,474 | (19,685) |
| Retirement of fixed assets | 46,910 | 54,569 | 7,659 |
| Access charges | 29,402 | 28,289 | (1,113) |
| Miscellaneous taxes | 72,886 | 72,455 | (430) |
| Total operating expenses | 1,533,165 | 1,444,775 | (88,389) |
| Operating income from telecommunications businesses | 91,891 | 140,804 | 48,913 |
| Supplementary businesses: | | | |
| Operating revenues | 140,365 | 136,726 | (3,638) |
| Operating expenses | 122,414 | 115,702 | (6,712) |
| Operating income from supplementary businesses | 17,950 | 21,024 | 3,073 |
| Operating income | 109,841 | 161,828 | 51,986 |
| Non-operating revenues: | | | |
| Interest income | 76 | 138 | 61 |
| Interest on securities | 0 | - | (0) |
| Dividends received | 6,400 | 3,169 | (3,230) |
| Gains on sales of fixed assets | 9,565 | 7,789 | (1,776) |
| Miscellaneous income | 7,660 | 6,415 | (1,245) |
| Total non-operating revenues | 23,704 | 17,512 | (6,191) |
| Non-operating expenses: | | | |
| Interest expenses | 5,852 | 4,987 | (865) |
| Miscellaneous expenses | 5,651 | 914 | (4,737) |
| Total non-operating expenses | 11,504 | 5,901 | (5,603) |
| Recurring profit | 122,041 | 173,439 | 51,398 |
| Special losses: | | | |
| Loss on transfer of business | - | 3,758 | 3,758 |
| Provision for allowance for environmental measures | 7,930 | - | (7,930) |
| Total special losses | 7,930 | 3,758 | (4,171) |
| Income before income taxes | 114,111 | 169,681 | 55,569 |
| Corporation, inhabitant, and enterprise taxes | 35,511 | 45,582 | 10,071 |
| Deferred tax expenses (benefits) | 9,027 | 5,312 | (3,715) |
| Net income | 69,571 | 118,786 | 49,214 |

4. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets

(Based on accounting principles generally accepted in Japan)

Year ended March 31, 2015

(Millions of yen)

| | Shareholders' equity | | | | | | | | Unrealized gains (losses), translation adjustments, and others | | Total net assets |
|---|----------------------|----------------------------|-----------------------|----------------------------------|-----------------------------|----------------------------|----------------------|----------------------------|--|--|------------------|
| | Common stock | Capital surplus | | Earned surplus | | | | Total shareholders' equity | Net unrealized gains (losses) on securities | Total unrealized gains (losses), translation adjustments, and others | |
| | | Additional paid-in capital | Total capital surplus | Other earned surplus | | | Total earned surplus | | | | |
| | | | | Reserve for special depreciation | Reserve for reduction entry | Accumulated earned surplus | | | | | |
| April 1, 2014 | 335,000 | 1,499,726 | 1,499,726 | 2,648 | 11,405 | 319,686 | 333,740 | 2,168,467 | 787 | 787 | 2,169,255 |
| Cumulative effect of changes in accounting policies | | | | | | 2,092 | 2,092 | 2,092 | | | 2,092 |
| Current balance reflecting changes in accounting policies | 335,000 | 1,499,726 | 1,499,726 | 2,648 | 11,405 | 321,778 | 335,833 | 2,170,560 | 787 | 787 | 2,171,347 |
| Net change during the annual period | | | | | | | | | | | |
| Cash dividends | | | | | | (33,500) | (33,500) | (33,500) | | | (33,500) |
| Net income | | | | | | 69,571 | 69,571 | 69,571 | | | 69,571 |
| Provision of reserve for special depreciation | | | | 206 | | (206) | - | - | | | - |
| Return of reserve for special depreciation | | | | (613) | | 613 | - | - | | | - |
| Provision of reserve for reduction entry | | | | | 1,487 | (1,487) | - | - | | | - |
| Return of reserve for reduction entry | | | | | (3) | 3 | - | - | | | - |
| Others, net | | | | | | | | | 2,518 | 2,518 | 2,518 |
| Total net change during the annual period | - | - | - | (407) | 1,484 | 34,994 | 36,071 | 36,071 | 2,518 | 2,518 | 38,590 |
| March 31, 2015 | 335,000 | 1,499,726 | 1,499,726 | 2,241 | 12,890 | 356,773 | 371,905 | 2,206,632 | 3,305 | 3,305 | 2,209,938 |

Year ended March 31, 2016

(Millions of yen)

| | Shareholders' equity | | | | | | | | Unrealized gains (losses), translation adjustments, and others | | Total net assets |
|---|----------------------|----------------------------|-----------------------|----------------------------------|-----------------------------|----------------------------|----------------------|----------------------------|--|--|------------------|
| | Common stock | Capital surplus | | Earned surplus | | | | Total shareholders' equity | Net unrealized gains (losses) on securities | Total unrealized gains (losses), translation adjustments, and others | |
| | | Additional paid-in capital | Total capital surplus | Other earned surplus | | | Total earned surplus | | | | |
| | | | | Reserve for special depreciation | Reserve for reduction entry | Accumulated earned surplus | | | | | |
| April 1, 2015 | 335,000 | 1,499,726 | 1,499,726 | 2,241 | 12,890 | 356,773 | 371,905 | 2,206,632 | 3,305 | 3,305 | 2,209,938 |
| Net change during the annual period | | | | | | | | | | | |
| Cash dividends | | | | | | (133,500) | (133,500) | (133,500) | | | (133,500) |
| Net income | | | | | | 118,786 | 118,786 | 118,786 | | | 118,786 |
| Provision of reserve for special depreciation | | | | 67 | | (67) | - | - | | | - |
| Return of reserve for special depreciation | | | | (651) | | 651 | - | - | | | - |
| Provision of reserve for reduction entry | | | | | 307 | (307) | - | - | | | - |
| Others, net | | | | | | | | | 813 | 813 | 813 |
| Total net change during the annual period | - | - | - | (583) | 307 | (14,437) | (14,713) | (14,713) | 813 | 813 | (13,900) |
| March 31, 2016 | 335,000 | 1,499,726 | 1,499,726 | 1,657 | 13,197 | 342,336 | 357,191 | 2,191,918 | 4,119 | 4,119 | 2,196,037 |

5. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) | Percent Increase (Decrease) |
|--|------------------------------|------------------------------|------------------------|-----------------------------------|
| Voice transmission services revenues (excluding IP services revenues) | 468,529 | 427,802 | (40,727) | (8.7) |
| Monthly charge revenues* | 346,421 | 321,137 | (25,283) | (7.3) |
| Call rates revenues* | 35,542 | 30,319 | (5,223) | (14.7) |
| Interconnection call revenues* | 55,061 | 51,118 | (3,942) | (7.2) |
| IP services revenues | 844,470 | 855,444 | 10,974 | 1.3 |
| Leased circuit services revenues (excluding IP services revenues) | 111,986 | 103,761 | (8,224) | (7.3) |
| Telegram services revenues | 14,063 | 12,812 | (1,251) | (8.9) |
| Other telecommunications services revenues | 186,007 | 185,759 | (248) | (0.1) |
| Telecommunications total revenues | 1,625,057 | 1,585,580 | (39,476) | (2.4) |
| Supplementary business total revenues | 140,365 | 136,726 | (3,638) | (2.6) |
| Total operating revenues | 1,765,422 | 1,722,307 | (43,115) | (2.4) |

*Partial listing only

6. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) |
|---|------------------------------|------------------------------|------------------------|
| Cash flows from operating activities: | | | |
| Income before income taxes | 114,111 | 169,681 | 55,569 |
| Depreciation and amortization | 362,499 | 342,744 | (19,754) |
| Loss on disposal of property, plant and equipment | 19,276 | 20,330 | 1,054 |
| Increase (decrease) in liability for employees' retirement benefits | 1,290 | 3,300 | 2,010 |
| (Increase) decrease in accounts receivable | (2,387) | 14,232 | 16,619 |
| (Increase) decrease in inventories | (2,715) | 4,671 | 7,387 |
| Increase (decrease) in accounts payable and accrued expenses | (58,409) | 19,826 | 78,235 |
| Increase (decrease) in accrued consumption tax | 12,053 | (5,860) | (17,914) |
| Other | 87,582 | 15,479 | (72,102) |
| Sub-total | 533,301 | 584,406 | 51,105 |
| Interest and dividends received | 6,477 | 3,276 | (3,201) |
| Interest paid | (6,154) | (4,997) | 1,157 |
| Income taxes received (paid) | (24,302) | (36,236) | (11,934) |
| Net cash provided by (used in) operating activities | 509,321 | 546,449 | 37,127 |
| Cash flows from investing activities: | | | |
| Payments for property, plant and equipment | (293,760) | (288,142) | 5,617 |
| Proceeds from sale of property, plant and equipment | 11,861 | 8,886 | (2,974) |
| Payments for purchase of investment securities | (248) | (385) | (137) |
| Proceeds from sale of investment securities | 389 | 1,429 | 1,040 |
| Other | 398 | 633 | 234 |
| Net cash provided by (used in) investing activities | (281,359) | (277,578) | 3,780 |
| Cash flows from financing activities: | | | |
| Payments for settlement of long-term debt | (179,020) | (66,220) | 112,800 |
| Payments for settlement of lease obligations | (555) | (541) | 13 |
| Dividends paid | (33,500) | (133,500) | (100,000) |
| Net cash provided by (used in) financing activities | (213,075) | (200,261) | 12,813 |
| Net increase (decrease) in cash and cash equivalents | 14,887 | 68,609 | 53,722 |
| Cash and cash equivalents at beginning of year | 123,785 | 138,672 | 14,887 |
| Cash and cash equivalents at end of year | 138,672 | 207,281 | 68,609 |

7. CHANGES IN BOARD OF DIRECTORS

Scheduled Appointment or Resignation Date: June 17, 2016

(1) Candidates for Senior Vice President

| | |
|------------------|--|
| Hiroshi Nakamura | (Senior Manager, New Business Development Headquarters) |
| Akira Sakakibara | (Executive Manager, General Affairs and Personnel Department; General Manager, Medical and Health Administration Center) |
| Hideyuki Noike | (General Manager, Hokkaido Division; General Manager, Hokkaido Branch, Hokkaido Division) |
| Kanae Takahashi | (Head of Internal Control Office, NIPPON TELEGRAPH AND TELEPHONE CORPORATION) |
| Eiichi Sakamoto | (Senior Vice President, Managing Director of Corporate Marketing Strategy Department, NTT DOCOMO, INC.) |

(2) Senior Vice Presidents Scheduled to Resign from Office

| | |
|-------------------|--|
| Hiroshi Nakagawa | (Representative Director and Senior Executive Vice President; scheduled to take office at NTT URBAN DEVELOPMENT CORPORATION) |
| Yasuhiro Yamamoto | (Senior Vice President; scheduled to take office at MIRAIT Holdings Corporation) |
| Sumito Kasai | (Senior Vice President; scheduled to take office at Nippon COMSYS Corporation) |
| Yuichi Kouyama | (Senior Vice President; scheduled to take office at KYOWA EXEO CORPORATION) |
| Hiroshi Tsujigami | (Senior Vice President; scheduled to take office at NTT DOCOMO, INC.) |

(3) Candidates for Executive Officers

1 Candidate scheduled to be re-elected as President

| | |
|-------------------|-------------|
| Masayuki Yamamura | (President) |
|-------------------|-------------|

2 Candidates scheduled to take office as Senior Executive Vice Presidents, Representative Directors

| | |
|--------------|---|
| Fukuzo Inoue | (Executive Vice President, Representative Director) |
| Motoyuki Ii | (Executive Vice President, Representative Director) |

3 Candidate scheduled to take office as Executive Vice President

| | |
|----------------|-------------------------|
| Hideo Fujimoto | (Senior Vice President) |
|----------------|-------------------------|

(4) New Executive Positions and Organizational Responsibilities

Scheduled appointment date: June 17, 2016

| New Position(s) and Organizational Responsibilities | Name | Current Position(s) and Organizational Responsibilities |
|--|--------------|---|
| Senior Executive Vice President, Representative Director; Senior Executive Manager, New Business Development Headquarters | Fukuzo Inoue | Executive Vice President, Representative Director; Senior Executive Manager, New Business Development Headquarters |

in charge of risk management; in charge of corporate strategy planning; in charge of general affairs and personnel; in charge of finance

Senior Executive Vice President, Representative Director; Senior Executive Manager, Corporate Sales Promotion Headquarters

Motoyuki Ii

Executive Vice President, Representative Director; Senior Executive Manager, Corporate Sales Promotion Headquarters

Executive Vice President; Senior Executive Manager, Network Business Headquarters; in charge of IT innovation; in charge of interconnection promotion; in charge of procurement and supply; in charge of Tohoku future network design and reconstruction; Head of Plant Department established pursuant to the Regulations for Enforcement of the Telecommunications Business Law; in charge of information management pursuant to the Regulations for Enforcement of the Telecommunications Business Law

Hideo Fujimoto

Senior Vice President; Senior Executive Manager, Network Business Headquarters; in charge of interconnection promotion; in charge of procurement and supply; in charge of Tohoku future network design and reconstruction; Head of Plant Department established pursuant to the Regulations for Enforcement of the Telecommunications Business Law; in charge of information management pursuant to the Regulations for Enforcement of the Telecommunications Business Law

Senior Vice President; General Manager, Miyagi Division; General Manager, Miyagi Branch, Miyagi Division; Executive Manager, Tohoku Future Network Design and Reconstruction Office

Motoyasu Shibata

Senior Vice President; General Manager, Miyagi Division; General Manager, Miyagi Branch, Miyagi Division; Executive Manager, Tohoku Future Network Design and Reconstruction Office

Senior Vice President; Senior Executive Manager, Sales Promotion Headquarters; Executive Manager, Sales Department, Sales Promotion Headquarters

Masao Seki

Senior Vice President; Senior Executive Manager, Sales Promotion Headquarters; Executive Manager, Sales Department, Sales Promotion Headquarters

Senior Vice President; Executive Manager, Corporate Strategy Planning Department; in charge of information security

Shinji Yano

Senior Vice President; Executive Manager, Corporate Strategy Planning Department; in charge of information security

Senior Vice President; Executive Manager, Plant Planning Department, Network Business Headquarters; in charge of 2020 project

Naoki Shibutani

Senior Vice President; Executive Manager, Plant Planning Department, Network Business Headquarters; in charge of 2020 project

Senior Vice President; General Manager, Tokyo Division

Kenji Asano

Senior Vice President; General Manager, Tokyo Division

Senior Vice President; Executive Manager, Service Operation Department, Network Business Headquarters; Executive Manager, Engineering Department, Network Business Headquarters

Hiroshi Tanabe

Senior Vice President; Executive Manager, Service Operation Department, Network Business Headquarters; Executive Manager, Engineering Department, Network Business Headquarters

Senior Vice President;
Deputy Senior Executive Manager, Corporate
Sales Promotion Headquarters; Executive
Manager, Office Users Business Department,
Corporate Sales Promotion Headquarters

Kiyoshi Harada

Senior Vice President;
General Manager, Kanagawa Division;
General Manager, Kanagawa Branch,
Kanagawa Division

Senior Vice President;
Deputy Senior Executive Manager, New
Business Development Headquarters;
Executive Manager, First Group, New
Business Development Headquarters;

Hiroshi Nakamura

Senior Vice President;
General Manager, Saitama Division; General
Manager, Saitama Branch, Saitama Division

Akira Sakakibara

Senior Vice President;
General Manager, Hokkaido Division; General
Manager, Hokkaido Branch, Hokkaido
Division

Hideyuki Noiike

Senior Vice President;
General Manager, Kanagawa Division;
General Manager, Kanagawa Branch,
Kanagawa Division

Kanae Takahashi

Senior Vice President

Eiichi Sakamoto

Note: Eiichi Sakamoto who is a candidate for the Company will take office as a Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION on June 24, 2016 , and also will take office as a Senior Vice President of the Company.

May 13, 2016

FOR IMMEDIATE RELEASE

Financial Results for Fiscal Year Ended March 31, 2016

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the fiscal year ended March 31, 2016 are presented in the following attachments.

(Attachments)

1. Summary of Results for Fiscal Year Ended March 31, 2016
2. Non-Consolidated Comparative Balance Sheets
3. Non-Consolidated Comparative Statements of Income
4. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
5. Business Results (Non-Consolidated Operating Revenues)
6. Non-Consolidated Comparative Statements of Cash Flows
7. Changes in Board of Directors

For inquiries, please contact:

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1. Summary of Results for the Fiscal Year Ended March 31, 2016

Information and communications services are expected to make significant contributions to invigorating and increasing the efficiency of social and economic activities, improving lifestyle convenience and vitalizing local economies. Accordingly, the government and the private sector are working in partnership to achieve the development of a ubiquitous broadband network society in which there is an advanced level of utilization of information communication technology (“ICT”). Moreover, the information and telecommunications market is undergoing structural changes as a result of the shift to broadband and globalization, as well as the spread of smart devices and social media, leading to increasingly sophisticated and diversified needs and patterns of usage. There has also been an increase in the utilization of IoT and Big Data as well as an expansion of platform services and cloud services. Regional telecommunications markets are also undergoing significant changes due to competition between the providers of fiber-optic access services and cable television-based broadband services, competition between the various services made available by faster mobile connections, the convergence of fixed and mobile services and of telecommunications and broadcasting, and the convergence of services through the use of a diverse range of wireless devices.

Within this challenging and dramatically changing business environment, NTT West strove to ensure its reliability and public utilization in the information and communications market by, for example, promoting the smooth migration to optical, IP-based networks and enhancing the fiber-optic access network that is the base of broadband services, while continuing to provide and maintain high-quality, stable universal services.

NTT West also aimed to realize a broadband and ubiquitous network environment that enables customers to connect “anytime, anywhere, and with anyone or anything” “in comfort, safety, and with peace of mind,” and to provide various reasonably priced services that match each customer's patterns of usage.

① Efforts to Promote Fiber-optic and IP services

NTT West worked to provide a more comfortable, safer, and more secure next-generation network (NGN) to promote its fiber-optic and IP services. NTT West was committed to expanding the use of optical services (including the Hikari Collaboration Model) by creating new lifestyles through the creation and launch of new services that make use of fiber-optic access lines, such as Hikari Denwa and video distribution services, and by collaborating with other businesses. NTT West also strove to realize a broadband and ubiquitous network environment, including by expanding Wi-Fi platforms.

For "Hikari services," with respect to the "Hikari Collaboration Model," the wholesale provision of “FLET’S Hikari” and other services to various service providers, NTT West worked to proactively cultivate new service providers and to increase new demand through support activities. As a result, this business model has attracted over 200 wide-ranging businesses as providers, with

the number of subscriptions exceeding 1.5 million lines as of March 2016. Furthermore, with regards to "FLET'S Hikari," NTT West made efforts to expand its services aimed at retaining its customers, by launching new web movie promotions for the SOHO market and making improvements to the membership program, "CLUB NTT-West." As a result, "Hikari services" as a whole exceeded 8.5 million subscriber lines as of March 2016.

In the area of Wi-Fi services, as with the previous fiscal year, NTT West worked to expand the coverage area for "DoSPOT," a Wi-Fi service developed for retail stores provided by NTT MEDIA SUPPLY CO., LTD., and to improve the seamless connectivity environment offered through the "Japan Connected-Free Wi-Fi" application designed by NTT Broadband Platform, Inc. for foreign visitors to Japan. In addition, NTT West worked to expand its Wi-Fi platform by entering into comprehensive collaboration agreements with local governments, as a sign of alliances with such local governments, with respect to public free Wi-Fi, and by promoting the development of Wi-Fi environments.

② Initiatives in the Solutions Business

NTT West proactively offered alliance and solution proposals to companies and local governments, and has been deploying "Smart Hikari Solutions" to satisfy regional customers' needs through the utilization of ICT. Some of the new service developments through alliances included the commencement of measures towards supporting the Social Security and Tax Number System in partnership with Tokio Marine & Nichido Fire Insurance Co., Ltd. and NTT East, the first of its kind in Japan. In addition, NTT West installed information and communications platforms and public wireless LAN services for the government of Inecho in Kyoto prefecture, with whom NTT West has entered into a comprehensive partnership agreement. Through many other similar partnership agreements with other local governments, NTT West has continued to work towards promoting "Smart Hikari Town" to create a convenient and comfortable environment that utilizes ICT.

In terms of new services, NTT West worked to improve its services, including ensuring the same bandwidth to "Business Ether Wide" as a leased line, and newly adding the "Certificate Issuance Services" to "Biz Hikari Cloud". "Certificate Issuance Services" enable users to apply for various certificates online such as graduation (planned) certificates and to print them out at convenience stores.

For small to medium enterprise customers, NTT West launched a new type of business phone, "Smart Netcommunity αA1 (Standard Type)," which can operate in conjunction with cloud services and revolutionizes conventional work styles by increasing the efficiency of communications through the utilization of smartphones and tablets. In addition, NTT West launched its "Office On-Site Support Services" to provide finely-tailored services to cover the ICT support needs of its customers. Further, NTT West worked to improve its services by launching its "UTM Support Service" in response to the increase in demand for information security triggered by the introduction of the Social Security and Tax Number System.

③ Status of Business Operation Structure

In terms of its business operating structure, in July 2015, NTT West created the "Alliance Business Headquarters" in order to provide broadband services that are even more comfortable, safe and secure via the B2B2X model through provision of the Hikari Collaboration Model, alliance strategies, new service development and the creation of business models. As for the business market, NTT West also created an "Advanced Solutions Sales Department," which specializes in cloud services for universities, banks and local governments, within the Corporate Business Headquarters in order to strengthen its ability to provide highly specialized, sophisticated and advanced solutions tailored to customers' industries and needs.

In the area of facility maintenance, NTT West worked to enhance its disaster preparedness framework by conducting disaster exercises designed to simulate events in the event of a large earthquake along the Nankai Trough, setting installation standards for special public Wi-Fi services for temporary shelters in emergency situations, as well as conducting practical exercises aimed at maintaining and enhancing service quality and strengthening IP service operations. NTT West also implemented measures to prevent accidents involving facilities, such as planned facility inspections, with the goal of eliminating third-party accidents caused by fallen lines. To prevent site accidents involving physical injury, NTT West worked to expand its safety measures by establishing a timeframe for improving safety promotion initiatives.

As part of its comprehensive cost control efforts to maintain profitable operations, NTT West worked to further enhance the efficiency of fiber-optic service installations, including reducing material costs by utilizing terminal equipment and streamlining procurement operations for materials, increasing construction projects that do not require the dispatch of NTT West employees, reducing the number of back orders resulting from emergency pipe work and improving the delivery date on orders for "Business Ether Wide."

④ Corporate Social Responsibility ("CSR") Activities

In the area of CSR promotion, the "NTT Group CSR Charter" (adopted in June 2006) provides that, as responsible members of the information and communication industry, NTT Group companies will provide services of the highest quality and reliability and contribute to the development of a safe, secure and prosperous society in which people, society and the earth are connected through communications. Based on the NTT Group CSR Charter, NTT West established three core CSR principles – "thorough compliance," "development of a safe and secure society" and "creation of value through business activities" – as well as a "visualization" benchmark. Each NTT West employee takes part in CSR activities, including working to maintain legal compliance, providing safe and reliable communication services, and reducing the burden on the environment.

To ensure "thorough compliance," NTT West Group has focused on promoting group-wide initiatives in five high-risk areas that have the potential to erode consumer trust in NTT West group companies, namely eradicating "on-the-job misconduct," "driving while under the influence" and

“power harassment,” as well as promoting “thorough management of customers’ information” and observing “respect for human rights.” In conjunction with these initiatives, NTT West also worked to improve the “Corporate Culture” to “create a positive workplace with open communication” thereby working to ensure even greater employee awareness.

Based on the “Green NTT West Strategy” established in June 2012, in order to “achieve its environmental grand design,” NTT West has been working to decrease its environmental burden by decreasing power usage, the amount of its paper uses, and the volume of its waste products. In addition, NTT West also contributed to protecting the earth's environment by undertaking community-based activities centered around tree-planting and plant growing, grass-cutting and cleaning activities pursuant to the “NTT West Midori Ippai Project” in order to “promote biodiversity preservation activities.”

NTT West has been promoting its group-wide CSR activities and enhancing its environmental management while instilling the principles of the NTT Group CSR Charter. NTT West also issued the “NTT West Group Environmental Report 2015” and the “NTT West Group Environmental Report 2015” to proactively disclose relevant information to its stakeholders.

⑤ Financial Standing

As a result of these efforts during the fiscal year ended March 31, 2016, operating revenues totaled 1,528 billion yen (a decrease of 2.9% from the previous fiscal year), operating income was 74.0 billion yen (an increase of 107.6% from the previous fiscal year), income before income taxes was 67.1 billion yen (an increase of 132.8% from the previous fiscal year), and net profit totaled 72.4 billion yen (a decrease of 420.2% from the previous fiscal year).

2. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | March 31, 2015 | March 31, 2016 | Increase (Decrease) |
|--|------------------|------------------|------------------------|
| ASSETS | | | |
| Fixed assets: | | | |
| Fixed assets - telecommunications businesses | | | |
| Property, plant and equipment | | | |
| Machinery and equipment | 407,805 | 371,004 | (36,800) |
| Antenna facilities | 6,061 | 6,224 | 163 |
| Terminal equipment | 17,786 | 17,166 | (620) |
| Local line facilities | 981,834 | 993,040 | 11,206 |
| Long-distance line facilities | 2,201 | 2,138 | (62) |
| Engineering facilities | 541,617 | 530,501 | (11,116) |
| Submarine line facilities | 4,094 | 3,587 | (506) |
| Buildings | 344,165 | 327,911 | (16,253) |
| Structures | 13,751 | 13,445 | (305) |
| Other machinery and equipment | 1,294 | 1,359 | 64 |
| Vehicles and vessels | 283 | 371 | 88 |
| Tools, furniture and fixtures | 31,014 | 31,513 | 498 |
| Land | 173,308 | 173,841 | 533 |
| Lease assets | 165 | 165 | (0) |
| Construction in progress | 25,780 | 18,488 | (7,291) |
| Total property, plant and equipment | 2,551,165 | 2,490,761 | (60,403) |
| Intangible fixed assets | 68,950 | 65,914 | (3,036) |
| Total fixed assets - telecommunications businesses | 2,620,116 | 2,556,676 | (63,440) |
| Investments and other assets | | | |
| Investment securities | 5,204 | 4,994 | (210) |
| Investments in subsidiaries and affiliated companies | 39,373 | 38,481 | (891) |
| Investment in capital | 447 | 637 | 189 |
| Long-term prepaid expenses | 3,537 | 3,411 | (125) |
| Prepaid pension costs | 2,605 | - | (2,605) |
| Deferred income taxes | 91,750 | 116,066 | 24,315 |
| Other investments and assets | 6,944 | 6,660 | (284) |
| Allowance for doubtful accounts | (652) | (638) | 14 |
| Total investments and other assets | 149,211 | 169,613 | 20,402 |
| Total fixed assets | 2,769,327 | 2,726,289 | (43,037) |
| Current assets: | | | |
| Cash and bank deposits | 26,533 | 21,765 | (4,767) |
| Notes receivable | 6 | - | (6) |
| Accounts receivable, trade | 198,729 | 201,155 | 2,425 |
| Accounts receivable, other | 97,738 | 89,674 | (8,063) |
| Securities | 6 | 6 | - |
| Supplies | 33,580 | 34,656 | 1,075 |
| Advance payments | 4,750 | 3,867 | (882) |
| Prepaid expenses | 6,345 | 6,281 | (64) |
| Deferred income taxes | 3,024 | 5,543 | 2,518 |
| Deposits | 64,002 | 50,000 | (14,002) |
| Other current assets | 9,210 | 8,537 | (672) |
| Allowance for doubtful accounts | (597) | (514) | 83 |
| Total current assets | 443,329 | 420,973 | (22,355) |
| TOTAL ASSETS | 3,212,656 | 3,147,263 | (65,393) |

(Millions of yen)

| | March 31, 2015 | March 31, 2016 | Increase (Decrease) |
|--|------------------|------------------|------------------------|
| LIABILITIES | | | |
| Long-term liabilities: | | | |
| Long-term borrowings from parent company | 778,827 | 651,707 | (127,120) |
| Lease obligations | 693 | 706 | 12 |
| Liability for employees' retirement benefits | 229,952 | 233,574 | 3,621 |
| Reserve for point services | 7,571 | 4,672 | (2,899) |
| Reserve for unused telephone cards | 9,160 | 8,200 | (960) |
| Allowance for environmental measures | 10,794 | 9,074 | (1,720) |
| Asset retirement obligations | 345 | 361 | 15 |
| Other long-term liabilities | 5,698 | 4,837 | (860) |
| Total long-term liabilities | 1,043,045 | 913,134 | (129,911) |
| Current liabilities: | | | |
| Current portion of long-term borrowings from parent company | 175,600 | 127,120 | (48,480) |
| Accounts payable, trade | 74,063 | 70,067 | (3,995) |
| Short-term borrowings | 75,000 | 142,465 | 67,465 |
| Lease obligations | 199 | 198 | (0) |
| Accounts payable, other | 179,243 | 178,421 | (821) |
| Accrued expenses | 13,813 | 14,368 | 554 |
| Accrued taxes on income | 1,082 | 8,102 | 7,019 |
| Advances received | 4,021 | 2,814 | (1,206) |
| Deposits received | 141,105 | 129,490 | (11,615) |
| Unearned revenues | 57 | 16 | (40) |
| Allowance for environmental measures | 3,356 | 2,467 | (888) |
| Other current liabilities | 3,342 | 2,631 | (711) |
| Total current liabilities | 670,885 | 678,163 | 7,278 |
| TOTAL LIABILITIES | 1,713,930 | 1,591,297 | (122,632) |
| NET ASSETS | | | |
| Shareholders' equity: | | | |
| Common stock | 312,000 | 312,000 | - |
| Capital surplus | | | |
| Additional paid-in capital | 1,170,054 | 1,170,054 | - |
| Total capital surplus | 1,170,054 | 1,170,054 | - |
| Earned surplus | | | |
| Other earned surplus | | | |
| Accumulated earned surplus | 15,934 | 73,358 | 57,424 |
| Total earned surplus | 15,934 | 73,358 | 57,424 |
| Total shareholders' equity | 1,497,988 | 1,555,412 | 57,424 |
| Unrealized gains (losses), translation adjustments, and others: | | | |
| Net unrealized gains (losses) on securities | 738 | 553 | (185) |
| Total unrealized gains (losses), translation adjustments, and others | 738 | 553 | (185) |
| TOTAL NET ASSETS | 1,498,726 | 1,555,965 | 57,239 |
| TOTAL LIABILITIES AND NET ASSETS | 3,212,656 | 3,147,263 | (65,393) |

3. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) |
|---|------------------------------|------------------------------|------------------------|
| Telecommunications businesses: | | | |
| Operating revenues | 1,415,321 | 1,372,571 | (42,749) |
| Operating expenses | | | |
| Business expenses | 377,656 | 323,076 | (54,579) |
| Operations | 11,119 | 10,176 | (943) |
| Maintenance expenses | 356,374 | 347,429 | (8,945) |
| Overhead expenses | 63,231 | 60,167 | (3,063) |
| Administration | 78,582 | 72,246 | (6,336) |
| Experiment and research | 41,642 | 39,522 | (2,120) |
| Depreciation and amortization | 324,144 | 313,724 | (10,419) |
| Retirement of fixed assets | 48,470 | 55,995 | 7,524 |
| Access charges | 25,686 | 25,485 | (200) |
| Miscellaneous taxes | 65,937 | 65,116 | (821) |
| Total operating expenses | 1,392,847 | 1,312,941 | (79,905) |
| Operating income from telecommunications businesses | 22,473 | 59,630 | 37,156 |
| Supplementary businesses: | | | |
| Operating revenues | 158,892 | 155,452 | (3,440) |
| Operating expenses | 145,692 | 141,010 | (4,681) |
| Operating income from supplementary businesses | 13,200 | 14,442 | 1,241 |
| Operating income | 35,674 | 74,072 | 38,398 |
| Non-operating revenues: | | | |
| Interest income | 5 | 2 | (3) |
| Interest on securities | 0 | 1 | 0 |
| Dividends received | 1,355 | 1,568 | 212 |
| Gains on sales of fixed assets | 2,531 | 1,698 | (832) |
| Miscellaneous income | 2,123 | 2,504 | 381 |
| Total non-operating revenues | 6,015 | 5,775 | (240) |
| Non-operating expenses: | | | |
| Interest expenses | 11,461 | 9,410 | (2,051) |
| Miscellaneous expenses | 1,390 | 3,290 | 1,900 |
| Total non-operating expenses | 12,851 | 12,701 | (150) |
| Recurring profit | 28,838 | 67,146 | 38,308 |
| Special losses: | | | |
| Provision for allowance for environmental measures | 7,972 | - | (7,972) |
| Total special losses | 7,972 | - | (7,972) |
| Income before income taxes | 20,865 | 67,146 | 46,281 |
| Corporation, inhabitant, and enterprise taxes | 5,457 | 21,449 | 15,992 |
| Deferred tax expenses (benefits) | 1,486 | (26,727) | (28,214) |
| Net income | 13,921 | 72,425 | 58,503 |

4. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets

(Based on accounting principles generally accepted in Japan)

Year ended March 31, 2015

(Millions of yen)

Year ended March 31, 2015

(millions of yen)

| | Shareholders' equity | | | | | | Unrealized gains (losses), translation adjustments, and others | | Total net assets |
|---|----------------------|----------------------------|-----------------------|----------------------------|----------------------|----------------------------|--|--|------------------|
| | Common stock | Capital surplus | | Earned surplus | | Total shareholders' equity | Net unrealized gains (losses) on securities | Total unrealized gains (losses), translation adjustments, and others | |
| | | Additional paid-in capital | Total capital surplus | Other earned surplus | Total earned surplus | | | | |
| | | | | Accumulated earned surplus | | | | | |
| April 1, 2014 | 312,000 | 1,170,054 | 1,170,054 | 19,272 | 19,272 | 1,501,326 | 415 | 415 | 1,501,742 |
| Cumulative effect of changes in accounting policies | | | | 1,740 | 1,740 | 1,740 | | | 1,740 |
| Current balance reflecting changes in accounting policies | 312,000 | 1,170,054 | 1,170,054 | 21,013 | 21,013 | 1,503,067 | 415 | 415 | 1,503,482 |
| Net change during the annual period | | | | | | | | | |
| Cash dividends | | | | (19,000) | (19,000) | (19,000) | | | (19,000) |
| Net income | | | | 13,921 | 13,921 | 13,921 | | | 13,921 |
| Others, net | | | | | | | 322 | 322 | 322 |
| Total net change during the annual period | - | - | - | (5,079) | (5,079) | (5,079) | 322 | 322 | (4,756) |
| March 31, 2015 | 312,000 | 1,170,054 | 1,170,054 | 15,934 | 15,934 | 1,497,988 | 738 | 738 | 1,498,726 |

Year ended March 31, 2016

(Millions of yen)

Year ended March 31, 2016

(millions of yen)

| | Shareholders' equity | | | | | | Unrealized gains (losses), translation adjustments, and others | | Total net assets |
|---|----------------------|----------------------------|-----------------------|----------------------------|----------------------|----------------------------|--|--|------------------|
| | Common stock | Capital surplus | | Earned surplus | | Total shareholders' equity | Net unrealized gains (losses) on securities | Total unrealized gains (losses), translation adjustments, and others | |
| | | Additional paid-in capital | Total capital surplus | Other earned surplus | Total earned surplus | | | | |
| | | | | Accumulated earned surplus | | | | | |
| April 1, 2015 | 312,000 | 1,170,054 | 1,170,054 | 15,934 | 15,934 | 1,497,988 | 738 | 738 | 1,498,726 |
| Net change during the annual period | | | | | | | | | |
| Cash dividends | | | | (15,000) | (15,000) | (15,000) | | | (15,000) |
| Net income | | | | 72,425 | 72,425 | 72,425 | | | 72,425 |
| Others, net | | | | | | | (185) | (185) | (185) |
| Total net change during the annual period | - | - | - | 57,424 | 57,424 | 57,424 | (185) | (185) | 57,239 |
| March 31, 2016 | 312,000 | 1,170,054 | 1,170,054 | 73,358 | 73,358 | 1,555,412 | 553 | 553 | 1,555,965 |

5. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) | Percent Increase (Decrease) |
|--|------------------------------|------------------------------|------------------------|-----------------------------------|
| Voice transmission services revenues (excluding IP services revenues) | 472,572 | 428,645 | (43,926) | (9.3) |
| Monthly charge revenues* | 347,759 | 319,687 | (28,071) | (8.1) |
| Call rates revenues* | 33,194 | 28,259 | (4,935) | (14.9) |
| Interconnection call revenues* | 61,333 | 55,840 | (5,492) | (9.0) |
| IP services revenues | 686,194 | 702,712 | 16,518 | 2.4 |
| Leased circuit services revenues (excluding IP services revenues) | 103,035 | 93,383 | (9,652) | (9.4) |
| Telegram services revenues | 15,455 | 14,088 | (1,367) | (8.8) |
| Other telecommunications services revenues | 138,062 | 133,741 | (4,321) | (3.1) |
| Telecommunications total revenues | 1,415,321 | 1,372,571 | (42,749) | (3.0) |
| Supplementary business total revenues | 158,892 | 155,452 | (3,440) | (2.2) |
| Total operating revenues | 1,574,213 | 1,528,023 | (46,189) | (2.9) |

*Partial listing only

6. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) |
|---|------------------------------|------------------------------|------------------------|
| Cash flows from operating activities: | | | |
| Income before income taxes | 20,865 | 67,146 | 46,281 |
| Depreciation and amortization | 327,648 | 317,082 | (10,565) |
| Loss on disposal of property, plant and equipment | 20,091 | 26,641 | 6,549 |
| Increase (decrease) in liability for employees' retirement benefits | 1,615 | 3,621 | 2,006 |
| (Increase) decrease in accounts receivable | 1,859 | 5,852 | 3,992 |
| (Increase) decrease in inventories | (1,722) | (902) | 819 |
| Increase (decrease) in accounts payable and accrued expenses | (5,271) | (8,759) | (3,488) |
| Increase (decrease) in accrued consumption tax | 9,098 | (4,085) | (13,183) |
| Other | 43,010 | (5,957) | (48,968) |
| Sub-total | 417,194 | 400,637 | (16,556) |
| Interest and dividends received | 1,362 | 1,571 | 209 |
| Interest paid | (11,549) | (9,477) | 2,071 |
| Income taxes received (paid) | (3,745) | (5,528) | (1,782) |
| Net cash provided by (used in) operating activities | 403,260 | 387,203 | (16,057) |
| Cash flows from investing activities: | | | |
| Payments for property, plant and equipment | (303,015) | (284,746) | 18,268 |
| Proceeds from sale of property, plant and equipment | 5,483 | 2,275 | (3,208) |
| Payments for purchase of investment securities | (198) | (865) | (667) |
| Proceeds from sale of investment securities | 21 | 462 | 440 |
| Other | 335 | 265 | (70) |
| Net cash provided by (used in) investing activities | (297,372) | (282,607) | 14,764 |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of long-term debt | 70,000 | - | (70,000) |
| Payments for settlement of long-term debt | (157,370) | (175,600) | (18,230) |
| Net increase (decrease) in short-term borrowings | 2,990 | 67,462 | 64,472 |
| Payments for settlement of lease obligations | (493) | (227) | 266 |
| Dividends paid | (19,000) | (15,000) | 3,999 |
| Net cash provided by (used in) financing activities | (103,873) | (123,365) | (19,491) |
| Net increase (decrease) in cash and cash equivalents | 2,015 | (18,769) | (20,784) |
| Cash and cash equivalents at beginning of year | 88,520 | 90,535 | 2,015 |
| Cash and cash equivalents at end of year | 90,535 | 71,765 | (18,769) |

7. CHANGES IN BOARD OF DIRECTORS

Scheduled appointment date: June 17, 2016

(1) Candidates for Members of the Board

| | |
|--------------------|--|
| Naoki Yamamoto | (Senior Executive Manager, Marketing Headquarters) |
| Takafumi Sakaguchi | (Senior Manager of Personnel Department (NTT NEOMEIT CORPORATION)) |

(2) Members of the Board scheduled to resign from office

| | |
|------------------------|---|
| Toshihiko Kumamoto | (Senior Executive Vice President, Representative Director; scheduled to take office at Seibu Electric Industry Co., Ltd.) |
| Masaharu Higashitamori | (Member of the Board; scheduled to take office at NTT FINANCE CORPORATION) |
| Shuji Oota | (Member of the Board; scheduled to take office at NTT Travel Service Co., Ltd.) |

(3) Candidates for Executive Officers

1 Candidate scheduled to be re-elected as President

| | |
|-----------------|-------------|
| Kazutoshi Murao | (President) |
|-----------------|-------------|

2 Candidates scheduled to take office as Senior Executive Vice President, Representative Director

| | |
|------------------|---|
| Shinji Oota | (Executive Vice President, Representative Director) |
| Yoshihiro Kuroda | (Executive Vice President) |

(4) New Executive Positions and Organizational Responsibilities

Scheduled appointment date: June 17, 2016

| New Position(s) and Organizational Responsibilities | Name | Current Position(s) and Organizational Responsibilities |
|--|-------------|---|
| Senior Executive Vice President, Representative Director; Senior Executive Manager, Alliance Business Headquarters; Executive Manager, Business Design Department, Alliance Business Headquarters; Executive Manager, Hikari Collaboration Department, Alliance Business Headquarters; Senior Executive Manager, Marketing Headquarters; In charge of Corporate Business Headquarters; In charge of Corporate Strategy Planning Department; In charge of Accounts and Finance Department; | Shinji Oota | Executive Vice President, Representative Director; Senior Executive Manager, Alliance Business Headquarters; Executive Manager, Business Design Department, Alliance Business Headquarters; In charge of Corporate Business Headquarters; In charge of Marketing Headquarters |

In charge of Personnel Department;
In charge of General Affairs Department;
In charge of Compliance and CSR

Senior Executive Vice President,
Representative Director;
Senior Executive Manager, Plant
Headquarters;
Executive Manager, Network Department,
Plant Headquarters;
In charge of Technology Innovation
Department

Yoshihiro Kuroda

Executive Vice President;
Senior Executive Manager, Plant
Headquarters;
Executive Manager, Network
Department, Plant Headquarters;
In charge of Technology Innovation
Department

Member of the Board;
Senior Executive Manager, Corporate
Business Headquarters

Kazunari Furugen

Member of the Board;
Senior Executive Manager, Corporate
Business Headquarters

Member of the Board;
Executive Manager, Corporate Strategy
Planning Department;
Executive Manager, Accounts and
Finance Department;
In charge of Information Security
Department

Shozo Ito

Member of the Board;
Executive Manager, Corporate Strategy
Planning Department;
Executive Manager, Accounts and
Finance Department;
In charge of Information Security
Department

Member of the Board;
Executive Manager of Service
Management Department, Plant
Headquarters

Yasushi Tohtake

Member of the Board;
Executive Manager of Service
Management Department, Plant
Headquarters

Member of the Board;
Senior Executive Manager, Kansai
Regional Headquarters;
General Manager, Osaka Branch

Mikihiro Kitamura

Member of the Board;
Senior Executive Manager, Kansai
Regional Headquarters;
General Manager, Osaka Branch

Member of the Board;
Executive Manager, Technology
Innovation Department

Katsuya Uema

Member of the Board;
Executive Manager, Technology
Innovation Department

Member of the Board;
Executive Manager, Personnel
Department

Kou Ikeda

Member of the Board;
Executive Manager, Personnel
Department

Member of the Board;
General Manager, Kyusyu Division
General Manager, Fukuoka Branch

Ichiro Uehara

Member of the Board;
General Manager, Kyusyu Division
General Manager, Fukuoka Branch

Member of the Board

Teruyuki Kishimoto

Member of the Board

Member of the Board
General Manager, Tokai Division
General Manager, Nagoya Branch

Naoki Yamamoto

Member of the Board

Takafumi Sakaguchi

Member of the Board

Akira Shimada

Member of the Board

Note: Teruyuki Kishimoto, who is a candidate for Member of the Board of the Company, will continue to execute his duties as a President and Representative Member of the Board of NTT FIELDTECHNO CORPORATION.

Takafumi Sakaguchi, who is also a candidate for Member of the Board of the Company, will continue to execute his duties as a President and Representative Member of the Board of NTT NEOMEIT CORPORATION.

May 13, 2016

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for Fiscal Year Ended March 31, 2016

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the fiscal year ended March 31, 2016. Please see the following attachments for further details:

- I. Results for Fiscal Year Ended March 31, 2016
- II. Financial Results of NTT Communications Group
- III. Non-Consolidated Comparative Balance Sheets
- IV. Non-Consolidated Comparative Statements of Income
- V. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
- VI. Business Results (Non-Consolidated Operating Revenues)
- VII. Non-Consolidated Comparative Statements of Cash Flows
- VIII. Changes in NTT Communications Directors (Subject to Shareholders' Approval)

#

About NTT Communications Corporation

NTT Communications provides consultancy, architecture, security and cloud services to optimize the information and communications technology (ICT) environments of enterprises. These offerings are backed by the company's worldwide infrastructure, including the leading global tier-1 IP network, the Arcstar Universal One™ VPN network reaching 196 countries/regions, and 140 secure data centers worldwide. NTT Communications' solutions leverage the global resources of NTT Group companies including Dimension Data, NTT DOCOMO and NTT DATA.

www.ntt.com | [Twitter@NTT Communications](https://twitter.com/NTT_Communications) | [Facebook@NTT Communications](https://facebook.com/NTT_Communications) | [LinkedIn@NTT](https://linkedin.com/company/NTT)

For more information

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I. Results for the Fiscal Year Ended March 31, 2016

1. Background

Against a background of uncertainty in the global economy due to factors such as slowing growth in emerging countries, many companies around the world are taking a proactive business approach and focusing on activities to further strengthen their competitiveness, such as entering new markets and investing in growth markets. The ICT market is undergoing drastic structural change globally, with competition becoming fiercer and more diverse. Leveraging technologies such as layered software-defined networking, virtualization and automation, companies are integrating business divisions that transcend layers, are revolutionizing their business processes through M2M technology and IoT, and business divisions within companies are increasingly making their own IT purchase decisions.

2. Business Strategies

NTT Com continues to offer solutions centered on seamless global services such as cloud, colocation, network, applications, security and managed ICT services. During the fiscal year ended March 31, 2016, NTT Com helped an increasing number of customers expand their business and implement management reforms. In addition, NTT Com designated increasing its global market share as a goal for the year, and worked to improve its service functions and expand its areas of coverage. To strengthen its competitiveness, NTT Com focused on achieving more seamless global processes in the area of services, sales, operations and management.

During the fiscal year ended March 31, 2016, NTT Communications Group increased its revenues and enjoyed continued growth in new business areas, particularly in cloud-related services. As a result, in an analyst report that evaluates IT vendors on a worldwide basis, NTT Com was named to the top “Leader” position in the global network business field for the third year in a row. Furthermore, NTT Com was named to the “Leader” position for the first time in an assessment of cloud business operators in the Asia-Pacific region

Specific measures taken by type of service were as follows:

- **Cloud Computing Platforms**

As an enhancement to its “Enterprise Cloud” solution, a cloud service for corporate customers offered in 14 locations in 11 countries across the world, in April 2015 NTT Com launched its “Oracle Database Enterprise Edition RAC (Real Application Clusters)” service. NTT Com is the first Japanese cloud business operator to provide such a service.

In addition, in March 2016 NTT Com significantly upgraded its Enterprise Cloud service, launching the new version in Japan and the U.K., with key features including the bundled provision of:

- an exclusive hosted private cloud;
- shared cloud for enterprises;
- a seamless hybrid cloud environment;
- free and seamless connectivity between cloud platforms; and
- a cloud management platform that enables efficient operation management and governance.

By offering a hybrid cloud solution, including bare-metal servers, and a comprehensive cloud management platform that unifies control of both Enterprise Cloud and third-party providers' clouds, NTT Com is enhancing its cloud environments, helping customers streamline their business operations, and reducing their costs. In this way, NTT Com has leveraged digital transformation to drive innovation in its customers' business environments.

NTT Com additionally commenced delivery of its Nexcenter data center service in the following locations:

- CA3 Data Center in Sacramento, U.S.A (April 2015);
- Mumbai 5 Data Center in India (October 2015);
- Bangkok 2 Data Center in Thailand (December, 2015);
- Hong Kong Financial Data Center – Phase 2 (December 2015); and
- Osaka 5 Data Center in Japan (January 2016).

NTT Com also commenced construction of its Dallas Texas 1 Data Center (TX1) in the U.S.A. in September 2015. NTT Com further expanded the number of its data center locations by acquiring Lux e-shelter 1 S.a.r.l., a data center business operator in Germany, in June 2015, and PT Cyber CSF, the largest data center business operator in Indonesia, in October 2015.

- Data Networks

In the enterprise services area, in August 2015 NTT Com commenced delivery of its "Multi-Cloud Connect" solution, a secure data network service offered via the corporate VPN service "Arcstar Universal One," and via cloud services such as "Microsoft Azure" and "Amazon Web Service." Multi-Cloud Connect became compatible with Microsoft Office 365 in February 2016. NTT Com is working to expand the areas of coverage and increase the number of connection service menus.

As an enhancement to its "Arcstar Universal One" solution, in September 2015 NTT Com commenced the offering of its "Arcstar Universal One Ethernet Leased Line Flexible-Ethernet Option" service, allowing customers to quickly and easily control bandwidth and routing using SDN technology, and helping them to achieve more agile business development processes.

To meet the demand for strengthened security in corporate environments, NTT Com significantly enhanced its OCN DDoS defense orchestrator service, which protects networks against DDoS attacks. These enhancements are in line with new guidelines set by the Financial Services Agency of Japan, and have allowed a greater number of financial institutions and EC business operators and others to access internet services more securely.

For its individual customers, NTT Com launched service counters offering same-day delivery of "SIM Card for Voice & Data," a special SIM card for LTE compatible mobile data communications. These delivery counters have been gradually rolled out nationwide starting May 2015. For users of NTT Com's 050 plus and Mypocket applications, in July 2015 NTT Com introduced a "count-free function" whereby any charges incurred during the downloading or uploading of data via those applications are waived. In addition, in February 2016 NTT Com started offering users of the internet service provider OCN a free malware blocker service which prevents customers from inadvertently divulging personal information, the first internet service provider in Japan to offer such a service.

- Voice Communications

To further enhance its “Arcstar UCaaS”, unified-communication cloud service, NTT Com commenced delivery of its “Arcstar UCaaS Microsoft ® Type” service in April 2015, complementing the existing “Arcstar UCaaS Cisco Type” service. The services were made compatible with other business software applications, such as Office 365, meeting a wide range of customer needs.

In January 2016, NTT Com further enhanced the functionality of its “Arcstar Conferencing,” a teleconference service, allowing customers to conduct teleconferences via the internet and video conferences via VPN connections.

In the IP telephony field, in August 2015 NTT Com expanded its business model by launching at a wholesale level “050IP telephone apps” utilizing NTT Com’s IP telephony platforms. This enables Mobile Virtual Network operators providing “Kakuyasu Smart Phones” and cable TV operators to provide affordable IP telephony services to users of NTT Com services.

In the area of voice application services, in July 2015 NTT Com launched “Bestie Box,” a new group communication application leveraging its SkyWay platform and deploying WebRTC technology, allowing users to enjoy various group activities.

- Applications and Content

In April 2015, NTT Com conducted a full-fledged launch of “ID Federation,” a single sign-on service for enterprises, and made it compatible with over 1,600 business applications including Microsoft Office 365, Salesforce, Box content management and Google applications. After an initial launch in Japan, the service was additionally rolled out in Singapore and Thailand in October 2015, and will gradually become available in other countries and regions.

NTT Com has also expanded the coverage area of Enterprise Mail, an enterprise cloud e-mail service. Having already launched the service in Singapore, Malaysia and Vietnam, NTT Com extended delivery to Thailand and Indonesia in June 2015.

In the field of enterprise storage, NTT Com and Box Inc. jointly developed “Box over VPN,” allowing customers to use Box’s content platform on NTT Com’s VPN. The service was launched in March 2016.

- Solutions

NTT Com enhanced its ICT service Global Management One, expanding the range of managed services to meet the needs of its users, both amongst Japanese companies and globally. As an example, in October 2015, NTT Com launched Managed Oracle, allowing Global Management One to connect with Enterprise Cloud to facilitate the monitoring and backup of Oracle databases. Further, with the aim of further expanding into the application field and accelerating its global expansion, NTT Com announced the acquisition of Atlas Information Technology, S.A., a company delivering various kinds of managed cloud and applications services primarily in Europe, allowing it to further improve the added value of the Global Management One service. In February 2016, NTT Com announced that it would also actively expand availability of the service in North America and Asia-Pacific.

Through collaboration with leading Japanese and U.S.-based security companies, NTT Com has enhanced its Wide Angle security service by offering expanded web application firewall functionality, through improved communication interruption functionality in response to targeted cyber-attacks and through the addition of software-based security appliances

that can be deployed on customer companies' private clouds and cloud providers' platforms. NTT Com has additionally leveraged developments in the field of Artificial Intelligence (machine learning) to strengthen detection and analysis of cyber-attacks on enterprises' ICT environments. With new threats evolving in cyber space on a daily basis, the need for responsive high-quality security services continues to grow. NTT Com has accordingly transferred ownership of NTT Com Security AG to Nippon Telegraph and Telephone Corporation; this will allow more focused development of new specialized security technologies, strengthen capacity to make efficient and effective investments and improve the competitiveness of the security business, across the entire NTT Group.

- Others

NTT Com has continued to expand the range of services, control functions and information available on the NTT Communications Business Portal solution. Approximately 13,000 customer companies have used the portal.

As an enhancement to the NTT Communications API Gateway, in April 2015, NTT Com launched the NTT Communications Developers Portal, which enables users to simultaneously see the specification, operational status and sample codes for NTT Com's APIs.

NTT Com additionally established its IoT Office in August 2015, aimed at providing customers with secure IoT solutions that leverage the company's global network, cloud infrastructure and data centers, and which deploy IoT technology to help improve corporate clients' productivity and facilitate their new business development. The IoT Office has developed various IoT solutions-based services and promoted partnerships with application platform businesses and device businesses.

NTT Com has strengthened its consultative selling capabilities, whereby its account managers and sales persons meet with C-level executives to contribute directly to their management innovations. Furthermore, by improving NTT Com's own business processes to strengthen its sales functions and by reviewing its internal systems in line with those changes, NTT Com has created an environment where account managers and sales persons can focus on proactive customer engagement, instead of spending time on delivery and support issues.

In the field of operations, NTT Com has moved to standardize building facilities, delivery processes, maintenance procedures and operations as part of its changes to strengthening its sales functions. In addition, NTT Com has established an environment where staff responsible for those areas can concentrate on improving customer satisfaction. NTT Com has also taken measures to improve service stability by conducting comprehensive inspections and overhauls based on reliability guidelines and information transmission regulations.

In order to promote seamless global management, NTT Com has implemented a globally standardized ERP system across each NTT Com group company. NTT Com is also aiming to strengthen its procurement capabilities through the use of standardized procurement guidelines in its overseas offices and the centralization of its major group companies' procurement in Japan.

In the field of CSR activities, NTT Com has implemented various environmental protection measures, such as reducing electricity consumption through improvements in air conditioning systems and further expansion in the use of the automatic air conditioning system "Smart DASH" in data centers and communications facilities.

NTT Com established an Information Security Department in October 2015, whose mission is to deliver total solutions for information security and cyber security, including CSIRT (Computer Security Incident Response Team) functionality, further strengthening the management of its own overall security.

In addition, NTT Com has been actively promoting a highly productive ICT-enabled workplace environment for its own employees that allows them to adopt flexible working practices, achieve an improved work/life balance and thereby achieve their full potential, regardless of age, gender, nationality, religion or physical ability. Based on the NTT Group's gender equality plan targeting a doubling of the percentage of women managers to 8.9% in 2020, NTT Com additionally continues to support the career development of female employees and the appointment of female managers, as well as actively hiring more female employees. NTT Com was certified by the Ministry of Economy, Trade and Industry in 2015 as one of the "New Top 100 Companies Managing with Diversity," following an evaluation of global human resources development and other activities.

3. Operating Results

As a whole, NTT Communications Group's consolidated operating revenues increased for the third consecutive fiscal year, increasing 55.8 billion yen (+4.4%) over the prior fiscal year to reach 1319.1 billion yen, owing to strong results in overseas subsidiaries, among other factors. However, operating income decreased 1.6 billion yen (-1.4%) compared to the prior fiscal year to 118.2 billion yen.

Although revenues from NTT Com's cloud computing platforms increased 5.0 billion yen (+7.8%) over the prior fiscal year to 70.0 billion yen, revenues from applications and content increased 0.2 billion yen (+0.7%) to 38.7 billion yen, solution business revenues increased 12.5 billion yen (+8.4%) to 162.3 billion yen, data network revenues decreased by 0.9 billion yen (-0.3%) compared to the prior fiscal year to 369.8 billion yen and voice communications revenues decreased 9.5 billion yen (-3.6%) to 260.3 billion yen. As a result, NTT Communications' total non-consolidated operating revenues increased, for the first increase in eight years, to 8.3 billion yen (+0.9%) over the prior fiscal year to 918.3 billion yen.

As a result of increased telecommunication equipment expenses and the launch of Hikari Collaboration Model services, total operating expenses increased 10.3 billion yen (+1.3%) compared to the prior fiscal year to 827.1 billion yen.

As a result of the above, operating income decreased 1.9 billion yen (-2.1%) compared to the prior fiscal year to 91.1 billion yen, and net income decreased by 4.9 billion yen (- 6.5%) to 72.3 billion yen.

II. Financial Results of NTT Communications Group

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) | Percent Increase (Decrease) |
|--------------------|------------------------------|------------------------------|------------------------|-----------------------------------|
| Operating revenues | 1,263,357 | 1,319,113 | 55,756 | 4.4 |
| Operating expenses | 1,143,538 | 1,200,915 | 57,377 | 5.0 |
| Operating income | 119,819 | 118,198 | (1,621) | (1.4) |

III. Non-Consolidated Comparative Balance Sheets
(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | March 31, 2015 | March 31, 2016 | Increase (Decrease) |
|--|------------------|------------------|------------------------|
| ASSETS | | | |
| Fixed assets: | | | |
| Fixed assets - telecommunications businesses | | | |
| Property, plant and equipment | | | |
| Machinery and equipment | 139,814 | 134,315 | (5,498) |
| Antenna facilities | 1,565 | 1,707 | 142 |
| Terminal equipment | 892 | 1,397 | 505 |
| Local line facilities | 730 | 730 | 0 |
| Long-distance line facilities | 6,089 | 5,759 | (330) |
| Engineering facilities | 52,008 | 51,789 | (218) |
| Submarine line facilities | 13,354 | 13,408 | 53 |
| Buildings | 181,117 | 199,178 | 18,061 |
| Structures | 3,216 | 3,030 | (186) |
| Other machinery and equipment | 120 | 112 | (7) |
| Vehicles and vessels | 83 | 82 | (1) |
| Tools, furniture and fixtures | 35,460 | 37,805 | 2,345 |
| Land | 45,231 | 45,241 | 10 |
| Lease assets | 8,102 | 5,060 | (3,042) |
| Construction in progress | 29,415 | 28,085 | (1,330) |
| Total property, plant and equipment | 517,203 | 527,706 | 10,502 |
| Intangible fixed assets | 92,130 | 101,766 | 9,635 |
| Total fixed assets - telecommunications businesses | 609,333 | 629,472 | 20,138 |
| Investments and other assets | | | |
| Investment securities | 191,569 | 135,291 | (56,278) |
| Investments in subsidiaries and affiliated companies | 290,139 | 381,949 | 91,809 |
| Other investments in subsidiaries and affiliated companies | 1,092 | 1,500 | 408 |
| Investment in capital | 150 | 359 | 209 |
| Contributions to affiliated companies | 2,226 | 2,049 | (177) |
| Long-term loans receivable to subsidiaries | 1,725 | 1,725 | - |
| Long-term prepaid expenses | 3,030 | 3,483 | 453 |
| Prepaid pension costs | 6,029 | 6,235 | 205 |
| Deferred income taxes | - | 6,217 | 6,217 |
| Submarine line use rights | 14,233 | 17,088 | 2,854 |
| Other investments and assets | 15,389 | 14,624 | (764) |
| Allowance for doubtful accounts | (190) | (207) | (17) |
| Total investments and other assets | 525,395 | 570,316 | 44,921 |
| Total fixed assets | 1,134,729 | 1,199,789 | 65,059 |
| Current assets: | | | |
| Cash and bank deposits | 8,244 | 12,607 | 4,363 |
| Notes receivable | 22 | - | (22) |
| Accounts receivable, trade | 174,341 | 179,839 | 5,497 |
| Accounts receivable, other | 49,686 | 47,624 | (2,061) |
| Lease investment assets | 147 | 117 | (30) |
| Supplies | 9,185 | 9,806 | 620 |
| Advance payments | 1,587 | 3,700 | 2,113 |
| Prepaid expenses | 5,639 | 6,469 | 829 |
| Deferred income taxes | 3,423 | 3,694 | 270 |
| Deposits paid to parent company | 1,506 | 4,054 | 2,547 |
| Other current assets | 41,603 | 29,214 | (12,388) |
| Allowance for doubtful accounts | (1,151) | (1,017) | 134 |
| Total current assets | 294,234 | 296,110 | 1,876 |
| TOTAL ASSETS | 1,428,963 | 1,495,899 | 66,935 |

(Millions of yen)

| | March 31, 2015 | March 31, 2016 | Increase (Decrease) |
|--|------------------|------------------|------------------------|
| LIABILITIES | | | |
| Long-term liabilities: | | | |
| Long-term borrowings from parent company and subsidiary | 93,360 | 199,504 | 106,144 |
| Lease obligations | 5,751 | 5,183 | (567) |
| Deferred tax liabilities | 10,001 | - | (10,001) |
| Liability for employees' retirement benefits | 85,581 | 86,722 | 1,140 |
| Reserve for point services | 857 | 547 | (309) |
| Reserve for unused telephone cards | 4,053 | 3,628 | (424) |
| Asset retirement obligations | 1,555 | 3,296 | 1,741 |
| Other long-term liabilities | 5,998 | 5,170 | (828) |
| Total long-term liabilities | 207,159 | 304,053 | 96,893 |
| Current liabilities: | | | |
| Current portion of long-term borrowings from parent company | 53,360 | 43,360 | (10,000) |
| Accounts payable, trade | 29,085 | 31,894 | 2,809 |
| Short-term borrowings | 11,254 | 7,766 | (3,488) |
| Lease obligations | 7,249 | 3,222 | (4,027) |
| Accounts payable, other | 149,542 | 151,623 | 2,080 |
| Accrued expenses | 4,792 | 5,002 | 210 |
| Accrued taxes on income | 3,358 | 6,968 | 3,609 |
| Advances received | 3,817 | 3,790 | (27) |
| Deposits received | 27,754 | 14,150 | (13,603) |
| Unearned revenues | 160 | 150 | (10) |
| Allowance for losses on construction | 770 | 13 | (756) |
| Asset retirement obligations | 45 | - | (45) |
| Other current liabilities | 728 | 1,363 | 635 |
| Total current liabilities | 291,920 | 269,307 | (22,612) |
| TOTAL LIABILITIES | 499,079 | 573,360 | 74,281 |
| NET ASSETS | | | |
| Shareholders' equity: | | | |
| Common stock | 211,763 | 211,763 | - |
| Capital surplus | | | |
| Additional paid-in capital | 131,615 | 131,615 | - |
| Total capital surplus | 131,615 | 131,615 | - |
| Earned surplus | | | |
| Other earned surplus | | | |
| Reserve for reduction entry | 6,517 | 7,228 | 710 |
| Accumulated earned surplus | 481,672 | 510,207 | 28,534 |
| Total earned surplus | 488,190 | 517,436 | 29,245 |
| Total shareholders' equity | 831,569 | 860,815 | 29,245 |
| Unrealized gains (losses), translation adjustments, and others: | | | |
| Net unrealized gains (losses) on securities | 98,314 | 61,723 | (36,590) |
| Total unrealized gains (losses), translation adjustments, and others | 98,314 | 61,723 | (36,590) |
| TOTAL NET ASSETS | 929,884 | 922,538 | (7,345) |
| TOTAL LIABILITIES AND NET ASSETS | 1,428,963 | 1,495,899 | 66,935 |

IV. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) |
|---|------------------------------|------------------------------|------------------------|
| Telecommunications businesses: | | | |
| Operating revenues | 699,158 | 691,290 | (7,868) |
| Operating expenses | | | |
| Business expenses | 167,737 | 156,429 | (11,308) |
| Maintenance expenses | 78,352 | 74,197 | (4,155) |
| Overhead expenses | 11,549 | 11,373 | (175) |
| Administration | 69,111 | 66,380 | (2,731) |
| Experiment and research | 12,490 | 11,665 | (825) |
| Depreciation and amortization | 89,190 | 89,545 | 355 |
| Retirement of fixed assets | 4,232 | 5,195 | 962 |
| Access charges | 174,092 | 187,152 | 13,060 |
| Miscellaneous taxes | 10,437 | 11,153 | 716 |
| Total operating expenses | 617,194 | 613,093 | (4,100) |
| Operating income from telecommunications businesses | 81,964 | 78,196 | (3,767) |
| Supplementary businesses: | | | |
| Operating revenues | 210,807 | 227,018 | 16,211 |
| Operating expenses | 199,636 | 214,072 | 14,435 |
| Operating income from supplementary businesses | 11,170 | 12,946 | 1,775 |
| Operating income | 93,135 | 91,143 | (1,992) |
| Non-operating revenues: | | | |
| Interest income | 221 | 272 | 50 |
| Interest on securities | 0 | 0 | (0) |
| Dividends received | 16,972 | 12,486 | (4,485) |
| Lease and rental income | 11,989 | 11,581 | (407) |
| Miscellaneous income | 994 | 2,822 | 1,828 |
| Total non-operating revenues | 30,178 | 27,163 | (3,014) |
| Non-operating expenses: | | | |
| Interest expenses | 1,591 | 1,514 | (76) |
| Lease and rental expenses | 5,933 | 5,551 | (382) |
| Miscellaneous expenses | 895 | 1,034 | 139 |
| Total non-operating expenses | 8,420 | 8,100 | (319) |
| Recurring profit | 114,893 | 110,206 | (4,687) |
| Special losses: | | | |
| Write-off of investments in affiliated companies | 7,853 | 5,847 | (2,006) |
| Total special losses | 7,853 | 5,847 | (2,006) |
| Income before income taxes | 107,040 | 104,359 | (2,681) |
| Corporation, inhabitant, and enterprise taxes | 27,687 | 29,003 | 1,316 |
| Deferred tax expenses (benefits) | 2,054 | 3,042 | 988 |
| Net income | 77,299 | 72,312 | (4,986) |

V. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets

(Based on accounting principles generally accepted in Japan)

Year ended March 31, 2015

(Millions of yen)

| | Shareholders' equity | | | | | | | | Unrealized gains (losses), translation adjustments, and others | | Total net assets |
|--|----------------------|----------------------------|-----------------------|--|-----------------------------|----------------------------|----------------------|----------------------------|--|--|------------------|
| | Common stock | Capital surplus | | Earned surplus | | | | Total shareholders' equity | Net unrealized gains (losses) on securities | Total unrealized gains (losses), translation adjustments, and others | |
| | | Additional paid-in capital | Total capital surplus | Other earned surplus | | | Total earned surplus | | | | |
| | | | | Reserve for special account for property replacement | Reserve for reduction entry | Accumulated earned surplus | | | | | |
| April 1, 2014 | 211,763 | 131,615 | 131,615 | 8,344 | 4,102 | 434,116 | 446,563 | 789,942 | 74,404 | 74,404 | 864,347 |
| Cumulative effect of changes in accounting policies | | | | | | 1,828 | 1,828 | 1,828 | | | 1,828 |
| Current balance reflecting changes in accounting policies | 211,763 | 131,615 | 131,615 | 8,344 | 4,102 | 435,944 | 448,391 | 791,771 | 74,404 | 74,404 | 866,175 |
| Net change during the annual period | | | | | | | | | | | |
| Cash dividends | | | | | | (37,500) | (37,500) | (37,500) | | | (37,500) |
| Net income | | | | | | 77,299 | 77,299 | 77,299 | | | 77,299 |
| Return of reserve for special account for property replacement | | | | (8,344) | | 8,344 | - | - | | | - |
| Provision of reserve for reduction entry | | | | | 2,433 | (2,433) | - | - | | | - |
| Return of reserve for reduction entry | | | | | (19) | 19 | - | - | | | - |
| Others, net | | | | | | | | | 23,909 | 23,909 | 23,909 |
| Total net change during the annual period | - | - | - | (8,344) | 2,414 | 45,727 | 39,798 | 39,798 | 23,909 | 23,909 | 63,708 |
| March 31, 2015 | 211,763 | 131,615 | 131,615 | - | 6,517 | 481,672 | 488,190 | 831,569 | 98,314 | 98,314 | 929,884 |

Year ended March 31, 2016

(Millions of yen)

| | Shareholders' equity | | | | | | | | Unrealized gains (losses), translation adjustments, and others | | Total net assets |
|---|----------------------|----------------------------|-----------------------|--|-----------------------------|----------------------------|----------------------|----------------------------|--|--|------------------|
| | Common stock | Capital surplus | | Earned surplus | | | | Total shareholders' equity | Net unrealized gains (losses) on securities | Total unrealized gains (losses), translation adjustments, and others | |
| | | Additional paid-in capital | Total capital surplus | Other earned surplus | | | Total earned surplus | | | | |
| | | | | Reserve for special account for property replacement | Reserve for reduction entry | Accumulated earned surplus | | | | | |
| April 1, 2015 | 211,763 | 131,615 | 131,615 | - | 6,517 | 481,672 | 488,190 | 831,569 | 98,314 | 98,314 | 929,884 |
| Net change during the annual period | | | | | | | | | | | |
| Cash dividends | | | | | | (43,067) | (43,067) | (43,067) | | | (43,067) |
| Net income | | | | | | 72,312 | 72,312 | 72,312 | | | 72,312 |
| Provision of reserve for reduction entry | | | | | 727 | (727) | - | - | | | - |
| Return of reserve for reduction entry | | | | | (17) | 17 | - | - | | | - |
| Others, net | | | | | | | | | (36,590) | (36,590) | (36,590) |
| Total net change during the annual period | - | - | - | - | 710 | 28,534 | 29,245 | 29,245 | (36,590) | (36,590) | (7,345) |
| March 31, 2016 | 211,763 | 131,615 | 131,615 | - | 7,228 | 510,207 | 517,436 | 860,815 | 61,723 | 61,723 | 922,538 |

VI. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) | Percent Increase (Decrease) |
|---------------------------|------------------------------|------------------------------|------------------------|-----------------------------------|
| Cloud Computing Platforms | 64,986 | 70,029 | 5,043 | 7.8 |
| Data Networks | 370,831 | 369,871 | (959) | (0.3) |
| Voice Communications | 269,916 | 260,329 | (9,587) | (3.6) |
| Applications & Content | 38,476 | 38,729 | 252 | 0.7 |
| Solution Services | 149,832 | 162,352 | 12,520 | 8.4 |
| Others | 15,922 | 16,997 | 1,074 | 6.7 |
| Total operating revenues | 909,966 | 918,309 | 8,342 | 0.9 |

VII. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | Increase (Decrease) |
|---|------------------------------|------------------------------|------------------------|
| Cash flows from operating activities: | | | |
| Income before income taxes | 107,040 | 104,359 | (2,681) |
| Depreciation and amortization | 104,488 | 106,837 | 2,349 |
| Loss on disposal of property, plant and equipment | 2,770 | 4,075 | 1,305 |
| Gains on sales of fixed assets | (48) | (3) | 44 |
| Increase (decrease) in allowance for doubtful accounts | (458) | (117) | 340 |
| Increase (decrease) in liability for employees' retirement benefits | (1,251) | 1,140 | 2,391 |
| Write-off of investments in affiliated companies | 7,853 | 5,847 | (2,006) |
| (Increase) decrease in accounts receivable | (10,770) | (3,413) | 7,356 |
| (Increase) decrease in inventories | (1,260) | (3,015) | (1,754) |
| Increase (decrease) in accounts payable and accrued expenses | 2,616 | 432 | (2,183) |
| Increase (decrease) in accrued consumption tax | 4,014 | (4,850) | (8,865) |
| Other | (14,309) | (23,183) | (8,873) |
| Sub-total | 200,685 | 188,108 | (12,577) |
| Interest and dividends received | 17,195 | 12,752 | (4,442) |
| Interest paid | (1,592) | (1,418) | 173 |
| Income taxes received (paid) | (46,096) | (22,436) | 23,659 |
| Net cash provided by (used in) operating activities | 170,191 | 177,004 | 6,813 |
| Cash flows from investing activities: | | | |
| Payments for property, plant and equipment | (119,652) | (124,453) | (4,800) |
| Proceeds from sale of property, plant and equipment | 118 | 18 | (100) |
| Payments for purchase of investment securities | (22,668) | (105,792) | (83,123) |
| Proceeds from sale of investment securities | 532 | 152 | (379) |
| Payments for long-term loans | - | (5,852) | (5,852) |
| Other | (26) | (1,720) | (1,693) |
| Net cash provided by (used in) investing activities | (141,697) | (237,648) | (95,950) |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of long-term debt | - | 149,857 | 149,857 |
| Payments for settlement of long-term debt | (3,360) | (53,360) | (50,000) |
| Net increase (decrease) in short-term borrowings | 2,518 | (2,647) | (5,165) |
| Payments for settlement of lease obligations | (4,070) | (7,470) | (3,400) |
| Dividends paid | (37,500) | (36,001) | 1,499 |
| Net cash provided by (used in) financing activities | (42,413) | 50,378 | 92,791 |
| Effect of exchange rate changes on cash and cash equivalents | 3,389 | (2,147) | (5,536) |
| Net increase (decrease) in cash and cash equivalents | (10,530) | (12,412) | (1,881) |
| Cash and cash equivalents at beginning of year | 54,573 | 44,042 | (10,530) |
| Cash and cash equivalents at end of year | 44,042 | 31,630 | (12,412) |

**VIII. Changes in NTT Communications Directors
(Subject to Shareholders' Approval)**

1. Candidates scheduled to take office as Directors

| | |
|--------------------|---------------------------------------|
| Hidemune Sugahara | Head of Applications and Content |
| Tetsutaro Nakamura | Head of Finance |
| Takanobu Maeda | President & CEO, NTT Com Asia Limited |

2. Candidate scheduled to take office as Statutory Auditor

| | |
|-----------------|---|
| Satoshi Shinoda | Executive Vice President, NTT URBAN DEVELOPMENT CORPORATION |
|-----------------|---|

3. Directors scheduled to resign

| | |
|------------------|--|
| Kazuhiko Aramoto | Executive Vice President (scheduled to transfer to NTT Com Engineering Corporation) |
| Akihiko Higashi | Senior Vice President (scheduled to transfer to NTT LOGISCO Inc.) |
| Motoo Tanaka | Senior Vice President (scheduled to transfer to NTT PC Communications Incorporated) |

4. Statutory Auditor scheduled to resign

| | |
|-------------|-------------------|
| Akio Oshima | Statutory Auditor |
|-------------|-------------------|

5. Candidates scheduled to take office as Representative Directors

i. Candidate scheduled to be re-elected as President and CEO

| | |
|---------------|-------------------|
| Tetsuya Shoji | President and CEO |
|---------------|-------------------|

ii. Candidates scheduled to be re-elected as Senior Executive Vice Presidents

| | |
|-------------------|---------------------------------|
| Tetsuya Funabashi | Senior Executive Vice President |
| Katsumi Nakata | Senior Executive Vice President |

iii. Candidates scheduled to be re-elected as Executive Vice Presidents

| | |
|---------------|--------------------------|
| Toru Maruoka | Executive Vice President |
| Eiichi Tanaka | Executive Vice President |

6. New Executive Positions and Organizational Responsibilities

| New Position(s) and Organizational Responsibilities | Name | Current Position(s) and Organizational Responsibilities |
|--|---------------------|--|
| Senior Executive Vice President In charge of technology In charge of operations In charge of information security In charge of corporate | Tetsuya Funabashi | Senior Executive Vice President In charge of technology In charge of operations In charge of information security In charge of corporate |
| Senior Executive Vice President In charge of sales In charge of global business | Katsumi Nakata | Senior Executive Vice President In charge of sales In charge of global business Head of Global Business |
| Executive Vice President Head of Voice and Video | Toru Maruoka | Executive Vice President Head of Voice and Video |
| Executive Vice President In charge of CSR | Eiichi Tanaka | Executive Vice President In charge of CSR |
| Senior Vice President President and CEO of NTT America, Inc. | Kazuhiro Gomi | Senior Vice President President and CEO of NTT America, Inc. |
| Senior Vice President Head of Fourth Sales Division | Denji Sakurai | Senior Vice President Head of Fourth Sales Division |
| Senior Vice President Head of Network Services | Takashi Ooi | Senior Vice President Head of Network Services |
| Senior Vice President Head of Cloud Services | Masaaki Moribayashi | Senior Vice President Managing Director of NTT Europe Ltd. |
| Senior Vice President Head of Third Sales Division | Ken Kusunoki | Senior Vice President Head of Third Sales Division |
| Senior Vice President Head of Customer Services | Hiroatsu Matsumoto | Senior Vice President Head of Customer Services |
| Senior Vice President Head of Second Sales Division | Hidemune Sugahara | Head of Applications and Content |
| Senior Vice President Head of West Japan Sales Division | Tetsutaro Nakamura | Head of Finance |
| Senior Vice President Head of Global Business | Takanobu Maeda | President & CEO, NTT Com Asia Limited |
| Senior Vice President NTT Communications Corporate Advisor | Akira Arima | Senior Vice President NTT Communications Corporate Advisor |
| Senior Vice President | Masanori Ozawa | Senior Vice President |

(Notes) • Among the Directors scheduled to resign from office, Kazuhiko Aramoto will resign on June 14, 2016, Motoo Tanaka will resign on June 15, 2016, and Akihiko Higashi will resign at the close of the 17th Annual General Shareholders' Meeting (to be held on June 17, 2016).

- The Statutory Auditor scheduled to resign from office will resign on June 21, 2016.
- The new candidate for Statutory Auditor, Satoshi Shinoda, is a candidate for Outside Statutory Auditor.
- The new candidate for Statutory Auditor is scheduled to take office on June 22, 2016.