



**Financial Results for the Fiscal Year
Ended March 31, 2016
and
Financial Forecasts for the Fiscal Year
Ending March 31, 2017**

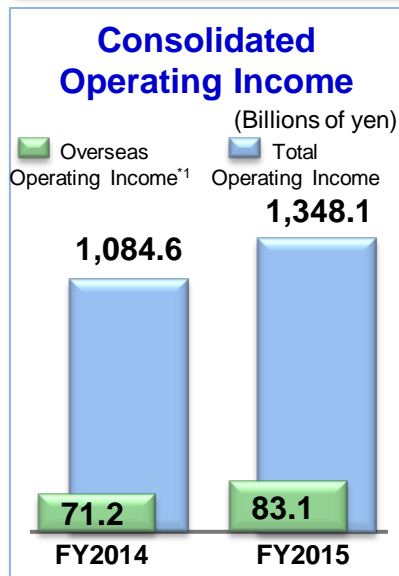
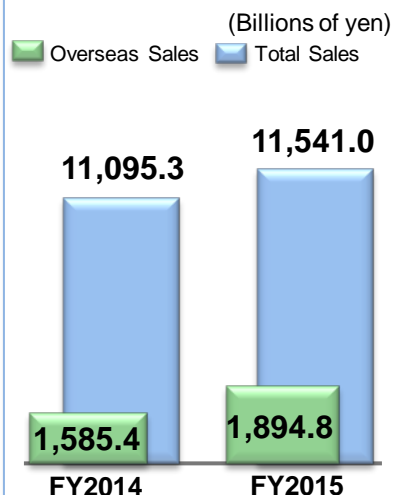
May 13, 2016

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

* "E" in this material represents that the figure is a plan or projection for operation.

** "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.

Consolidated Operating Revenues



Both Operating Revenues and Operating Income increased to record levels, Operating Income recovered to ¥1,300.0 billion levels for the first time in eight years and Net Income reached record levels

Expansion of global cloud services

- Cross-selling order volume: Approximately US\$440 million (+ US\$240 million dollars increase year-on-year)
- Overseas Sales: +¥309.4 billion increase year-on-year
- Overseas Operating Income*1: +¥11.8 billion increase year-on-year

Enhanced Operating Revenues from network services

➢ Expansion of NTT's user base

- 70.96 million mobile phone subscribers (net increase of 4.37 million subscribers) including 29.70 million new billing plan subscribers (net increase of 11.88 million subscribers)
- 19.26 million FTTH subscribers (net increase of 0.54 million subscribers) including 4.69 million subscribers to the "Hikari Collaboration Model" (net increase of 0.82 million new subscribers and 3.6 million subscribers who switched subscriptions from FLET'S Hikari to the Hikari Collaboration Model)

➢ Growing number of Wi-Fi area owners*2: 393 (+ 232 increase year-on-year)

Shareholders returns

- Completed ¥93.6 billion of share buybacks
- Dividends of ¥110 per share for FY2015, a ¥20 increase year-on-year

*1 Operating Income excludes M&A-related temporary expenses, such as depreciation costs of intangible fixed assets.

*2 Total number of large-scale corporate or local government customers. Excludes small-scale restaurants, etc.

- Operating Revenues increased for the sixth consecutive year, spurred by the continued growth of its overseas businesses
- Operating Income increased, spurred by improvements in capital expenditures in the domestic fixed-line and mobile communications segments
- Net Income reached record levels, spurred by the increase in operating revenue
- EPS was ¥350.34, a significant increase year-on-year due to Net Income reaching record levels

(Billions of yen)

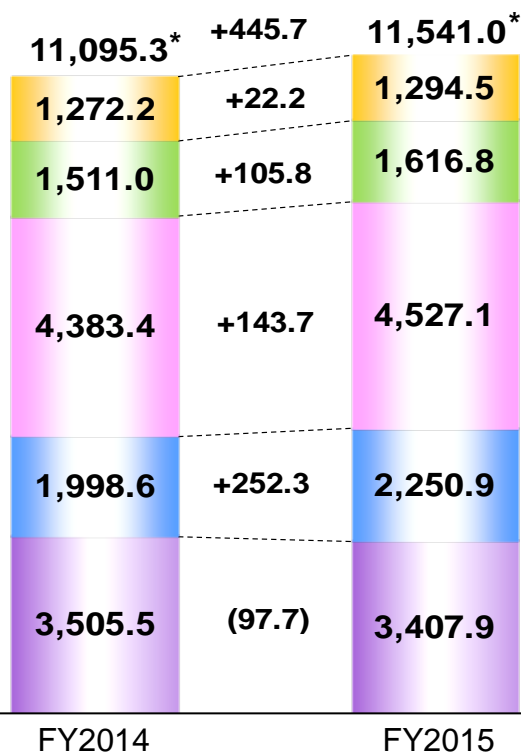
	FY2015				FY2014	FY2015 Forecasts
		Change year-on-year	[%]	Change from the Revised Forecasts		
Operating Revenues	11,541.0	+445.7	+4.0%	+141.0	11,095.3	11,400.0
Operating Expenses	10,192.8	+182.1	+1.8%	+42.8	10,010.8	10,150.0
Operating Income	1,348.1	+263.6	+24.3%	+98.1	1,084.6	1,250.0
Net Income*	737.7	+219.7	+42.4%	+82.7	518.1	655.0
EPS (yen)	350.34	+113.49	+47.9%	+39.34	236.85	311.00

* Net income represents net income attributable to NTT, excluding noncontrolling interests.

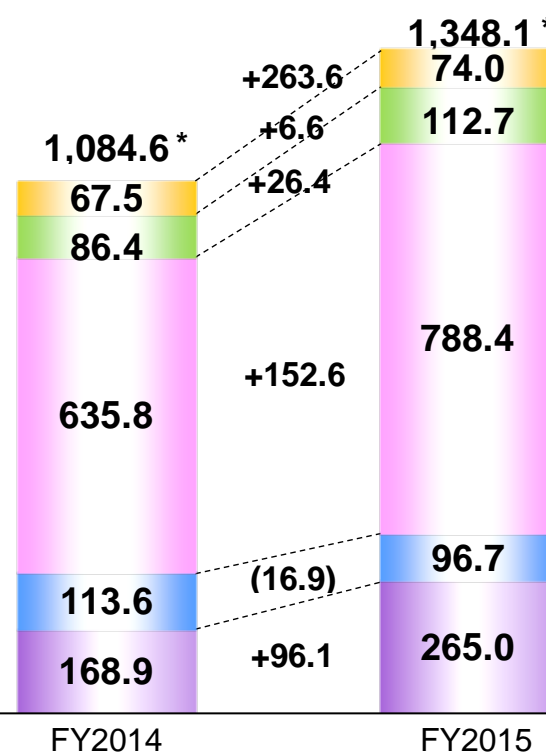
FY2015 Contributing Factors by Segment

- Regional communications business:** Operating Income increased and Operating Revenues decreased as a result of a reduction of marketing costs as well as improved capital investment efficiency.
- Long distance and international communications business:** Operating Revenues increased due to the growth in overseas businesses and Operating Income decreased due to anticipatory investments in growing segments.
- Mobile communications business:** Operating Revenues increased due to increases in revenues associated with mobile communication services and operations in the “Smart Life” business and the improvements of capital investment and cost efficiencies, which also resulted in a decrease in Operation Income.
- Data communication business:** Operating Income and Operating Revenues increased due to increased sales, as well as reduction in unprofitable Transactions.

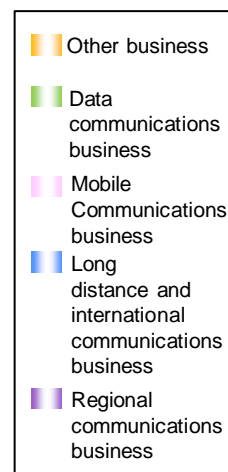
Operating Revenues



Operating Income



(Billions of yen)



*Includes adjustments such as elimination

Financial Results for the Fiscal Year Ended March 31, 2016
and Financial Forecasts for the Fiscal Year Ending March 31, 2017

FY2016 Forecast Summary

- Operating Revenues are expected to increase as a result of the growth in overseas businesses due to the effect of the exchange rate, to reach ¥11,450 billion
- Operating Income is expected to reach ¥1,430 billion as a result of the steady growth of mobile communication business
- Net Income is expected to reach ¥750 million, due to an increase in Operating Income

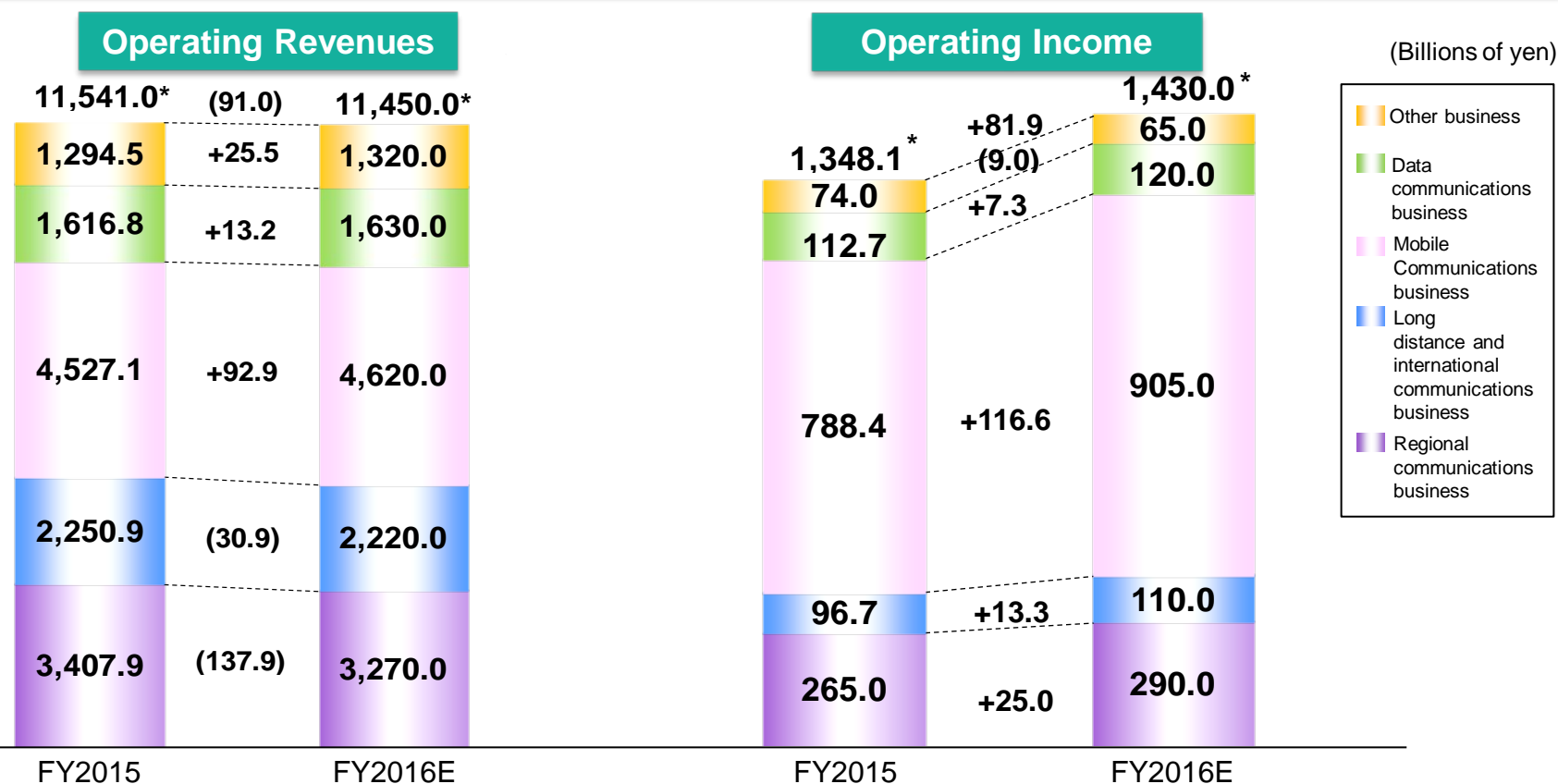
(Billions of yen)

	FY2015	FY2016 Forecasts		
			Change year-on-year	[%]
Operating Revenues	11,541.0	11,450.0	(91.0)	(0.8)%
Operating Expenses	10,192.8	10,020.0	(172.8)	(1.7)%
Operating Income	1,348.1	1,430.0	+81.9	+6.1%
Net Income	737.7	750.0	+12.3	+1.7%
EPS (yen)	350.34	363.00	+12.66	+3.6%

* Net income represents net income attributable to NTT, excluding noncontrolling interests.

FY2016 Forecast Summary by Segment

- Regional communications business:** Operating Revenues are expected to decrease and Operating Income is expected to increase, as a result of a reduction of marketing costs as well as improved capital investment efficiency.
- Long distance and international communications business:** Although Operating Revenues are expected to decrease due to the effect of the exchange rate, Operating Income is expected to increase due to the steady growth of overseas business from NTT's data business and IT outsourcing business.
- Mobile communications business:** Operating Revenues and Operating Income are both expected to increase due to increased revenues from mobile communication services, "Smart Life" business areas, "docomo Hikari" and and cost reductions.
- Data communications business:** Operating Income and Operating Revenues are expected to increase due to increased sales and a reduction in unprofitable transactions.

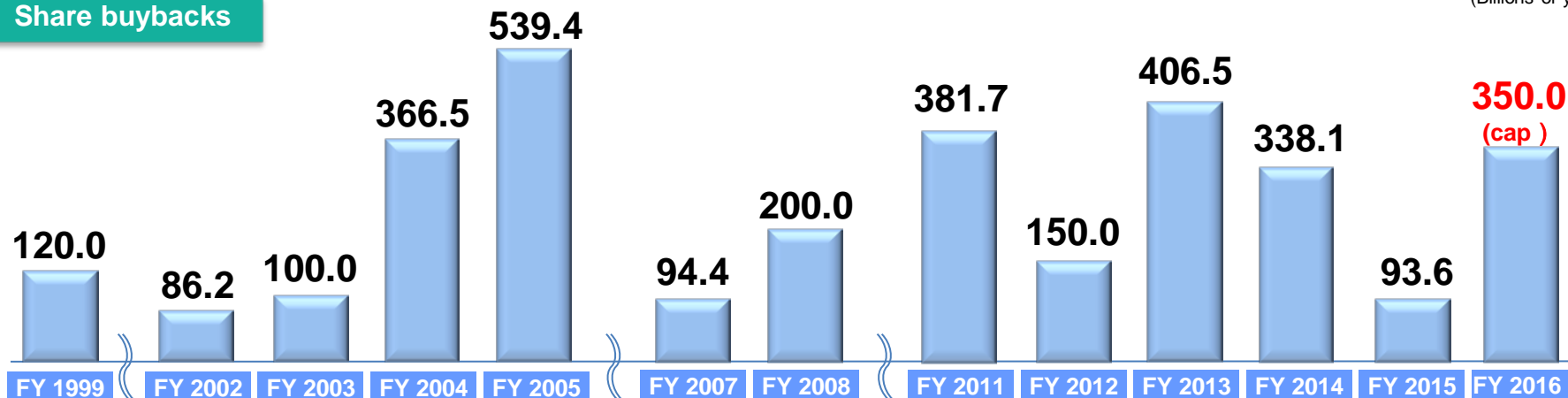


*Includes adjustments such as elimination
Financial Results for the Fiscal Year Ended March 31, 2016
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- Share buybacks: Plan to complete ¥350.0 billion of share buybacks from the Japanese government in FY2016
- Dividends: Dividends of ¥120 per share for FY2016, a ¥10 increase for the interim dividend

Share buybacks

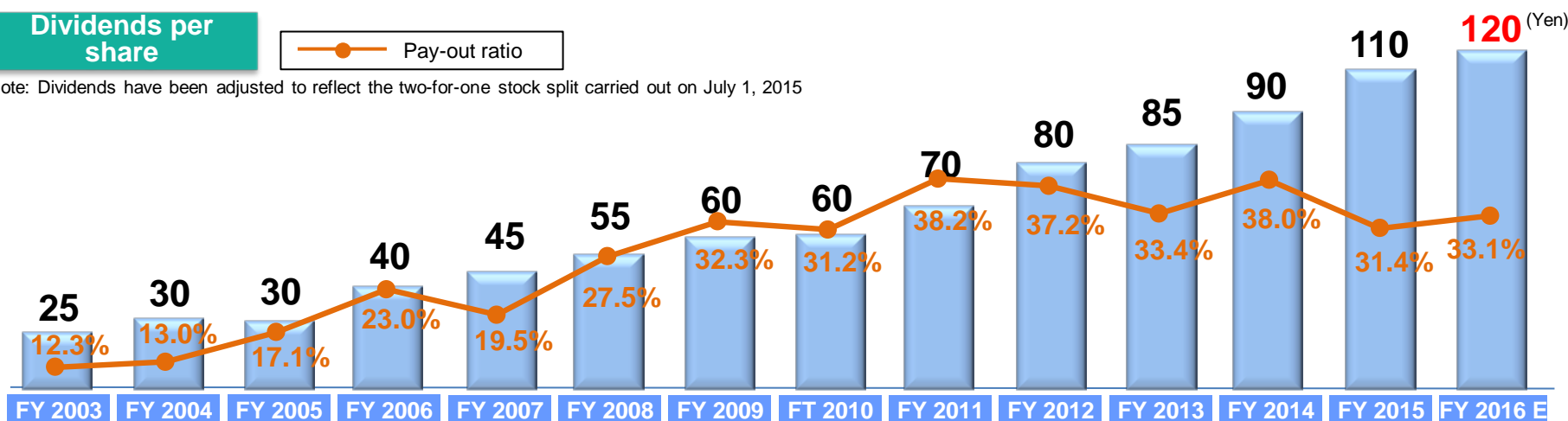
(Billions of yen)



Dividends per share

Pay-out ratio

Note: Dividends have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015



NTT executed the following changes in anticipation of the planned adoption of IFRS (beginning from the fiscal year ending March 31, 2019)

Change in Depreciation Method

- ◆ **In light of the globalization of its business operations and its consideration of adopting IFRS, NTT changed its method for calculating depreciation of property, plant, and equipment (*) from the declining-balance method to the straight-line method of depreciation**

*Excluding assets that already employ the straight-line method of depreciation.

- Effect of accounting change for the fiscal year ending March 31, 2017: 480 billion yen

◆ **Implement measures to remove facilities and to minimize future costs**

- Effect of accounting change for the fiscal year ending March 31, 2017: 460 billion yen

NTT is considering delisting from the New York Stock Exchange and deregistering from SEC when IFRS is expected to be adopted (around April 2018)

Revision of Medium-Term Financial Targets (FY2017)

EPS Growth

At least 350 yen



At least 400 yen

Revision

Overseas Sales/ Operating Income*

\$ 22B / \$ 1.5B

No
change

Streamlining Capital Investment

(Domestic Network Business**)

At least 200 billion yen

(compared to FY2014)

No
change

Cost Reductions***

(in fixed-line/mobile access networks)

At least 600 billion yen



At least 800 billion yen

(compared to FY2014)

Revision

* Operating Income excludes M&A-related temporary expenses, such as depreciation costs of intangible fixed assets

** Excludes NTT Com's data centers and certain other assets

*** Does not reflect the impact of the change in depreciation method

“Vitalization of Local Economies” and
Creating a B2B2X Business Model
～Smart Sports and Smart Community～
by NTT Group

**Fan/
Supporter
Spectators**

Sponsors

**Event
Organizers**

**Local
Community**
(such as local
shopping districts)



Nack5 STADIUM OMIYA
(Omiya Ardiya Home Stadium)

Game Day/Outside of the Game
(Children's Lessons, Local Events, etc.)

Information Services

**Fan
Services**

Virtual Reality
**VR Children's Lessons,
Mileage Points, etc.**

**Video
Services**

3D
**3D, multi-angle, player-
following, etc.**

e-Commerce

EC Services

**Customer referrals with
local shopping districts,
etc.**

**Information
Infrastructure**

Customer Relationship Management

**CRM
Infrastructure**

**Points, coupons,
payments, etc.**

**High-density Wi-Fi, Wi-Fi Multicast,
etc.**

The Open (U.K.)

Ball flight distance and trajectory;
Tweet map (worldwide)



Tour de France (France)

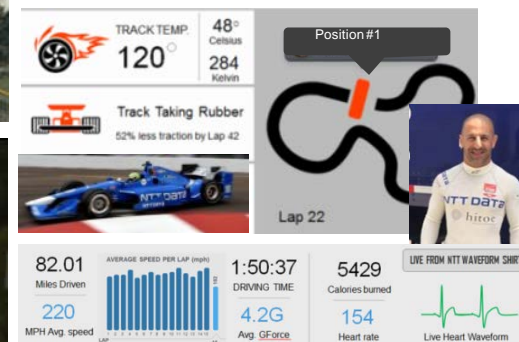
Racer position, speed, and time behind; combination of data and video

※ At Six Day London (a popular European track cycling event), monitoring of wheel speed and heart rate as well



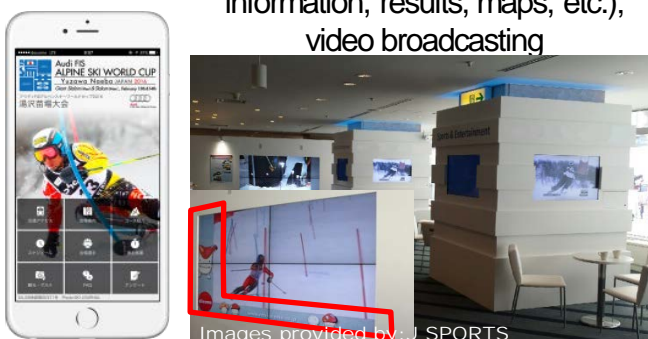
Indy 500 (U.S.)

Driving status and racers' vital signs



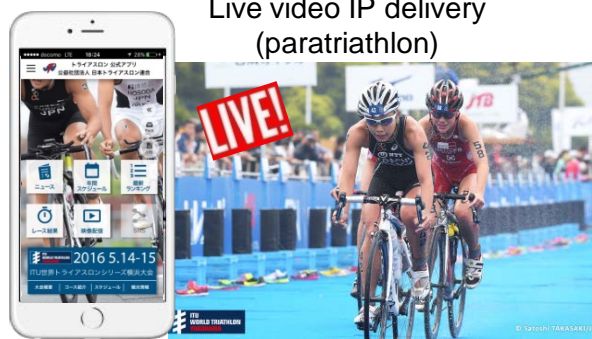
Alpine Ski World Cup (Naeba)

Official tournament app (athlete information, results, maps, etc.); video broadcasting



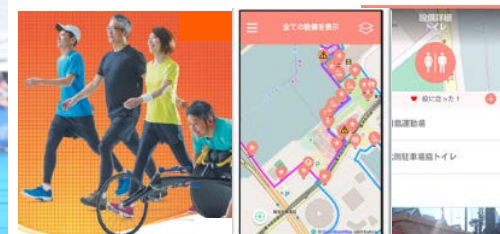
World Triathlon Series (Yokohama)

Official triathlon app; Live video IP delivery (paratriathlon)



Japan Walk (Tokyo)

Universal design information (Web app) provision





■ Challenge to Create a New Form of Kabuki Performance

Production with the immersive telepresence technology

“Kirari!” developed by NTT’s R&D center

- **Cloning Technique**, in which “**Object Extraction Technology**” allows a 3D image of Shido Nakamura to appear in another location
- Performance by “**Virtual Speakers**,” which make it seem like Hatsune Miku is right in front of you

■ Effort to Expand Ways to Enjoy Kabuki

- Distribute paper craft from “Kirari!” for Mobile to enjoy 3-dimensional Hatsune Miku objects
- Provide commentary to smartphones of audience members via the “**Smartphone Screen Synchronous Distribution System**” (NTT Comware)



Digital Marketing

~Multilingual Support, Tourist Information, Navigation, Digital Coupons, Wi-Fi One Certification, Etc.~

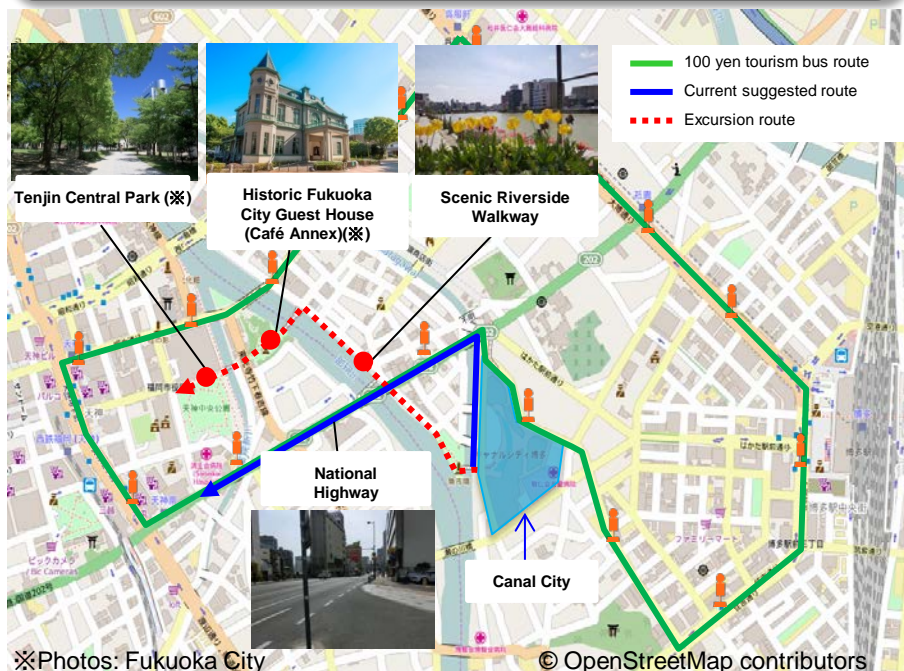
Increase Tourists' Satisfaction



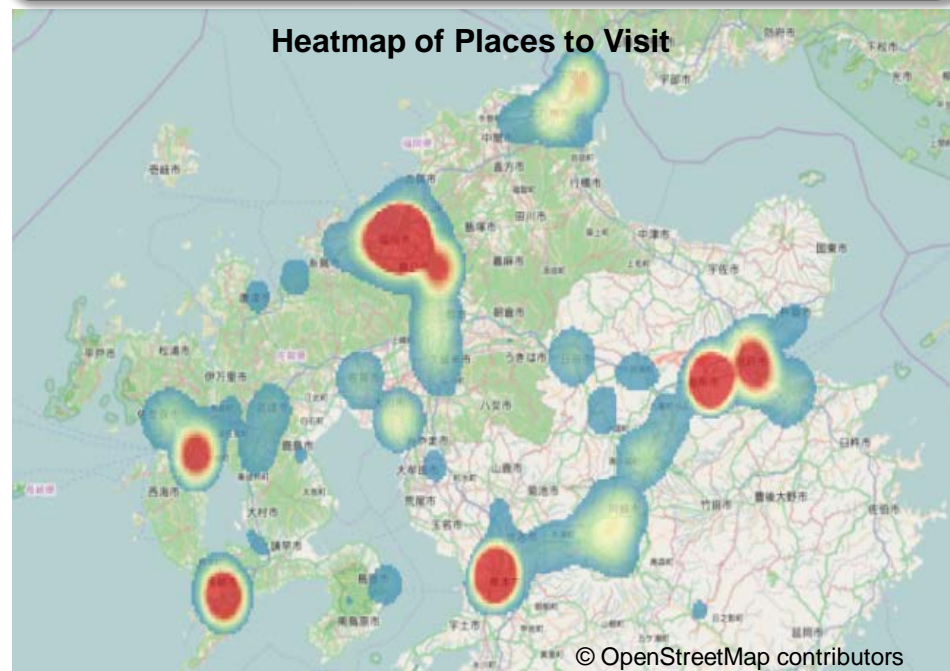
Vitalization of Local Communities and Economies

CASE: Fukuoka City to Whole Kyushu Area

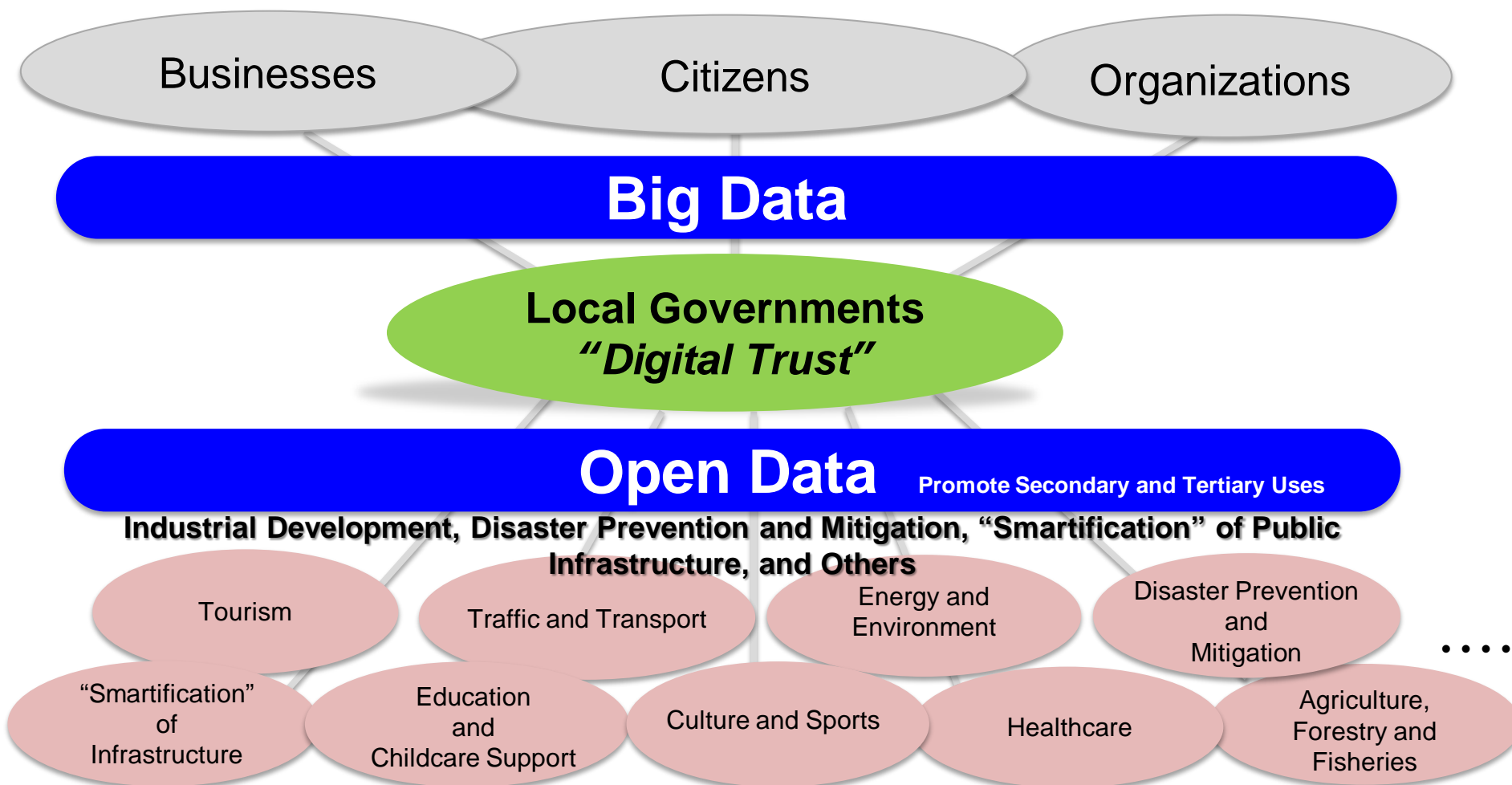
Proposed Excursion Route Based on Behavior Analysis



Ability to see Wi-Fi Hotspots



Promote coordination of administrative services and social infrastructure with **local governments** as the hubs, and contribute to the **resolution of social and economic issues** of local regions (including local economic regions)



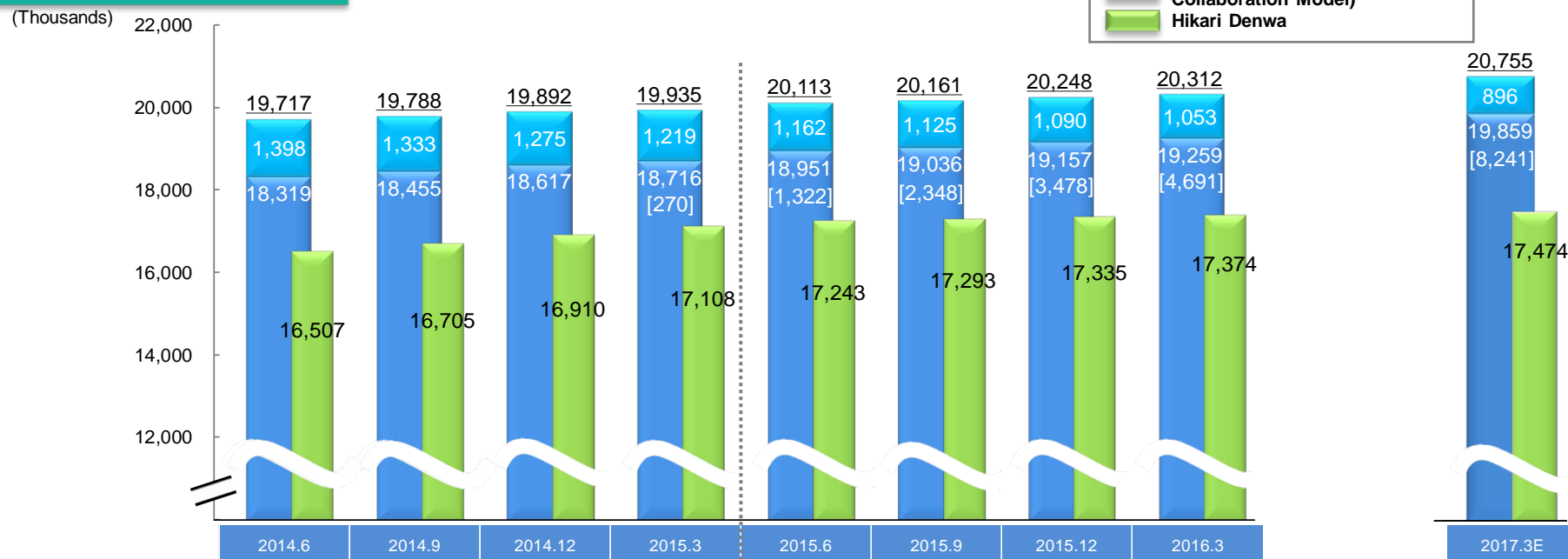


Establish Kei Nishikori as an icon for 2020

Progress of Broadband Services

Number of Subscribers for Fixed Broadband Services

Number of subscribers *1*2



Changes from the preceding quarter

		FY2014				FY2015					(Thousands)
		4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	FY2015	FY2016E
FLET'S Hikari *1		269	136	162	99	235	85	121	102	543	600
	Number of opened *3 connections	879	683	684	720	810	559	580	669	2,619	2,600
FLET'S ADSL		(85)	(65)	(58)	(56)	(58)	(37)	(35)	(37)	(167)	(157)
Hikari Denwa *4 *5		251	199	204	198	135	50	42	39	267	100

*1 Number of FLET'S Hikari (including Hikari Collaboration Model) subscribers includes B FLET'S, FLET'S Hikari Next, FLET'S Hikari Light, FLET'S Hikari Light Plus, and FLET'S Hikari WiFi Access provided by NTT East, B FLET'S, FLET'S Hikari Premium, FLET'S Hikari Mytown, FLET'S Hikari Next, FLET'S Hikari Light and FLET'S Hikari WiFi Access provided by NTT West, and wholesale services (Hikari Collaboration Model) provided by both NTT East and NTT West.

*2 Figures in [] represent the number of subscribers to "Hikari Collaboration Model," the wholesale provision of services by NTT East and NTT West to service providers.

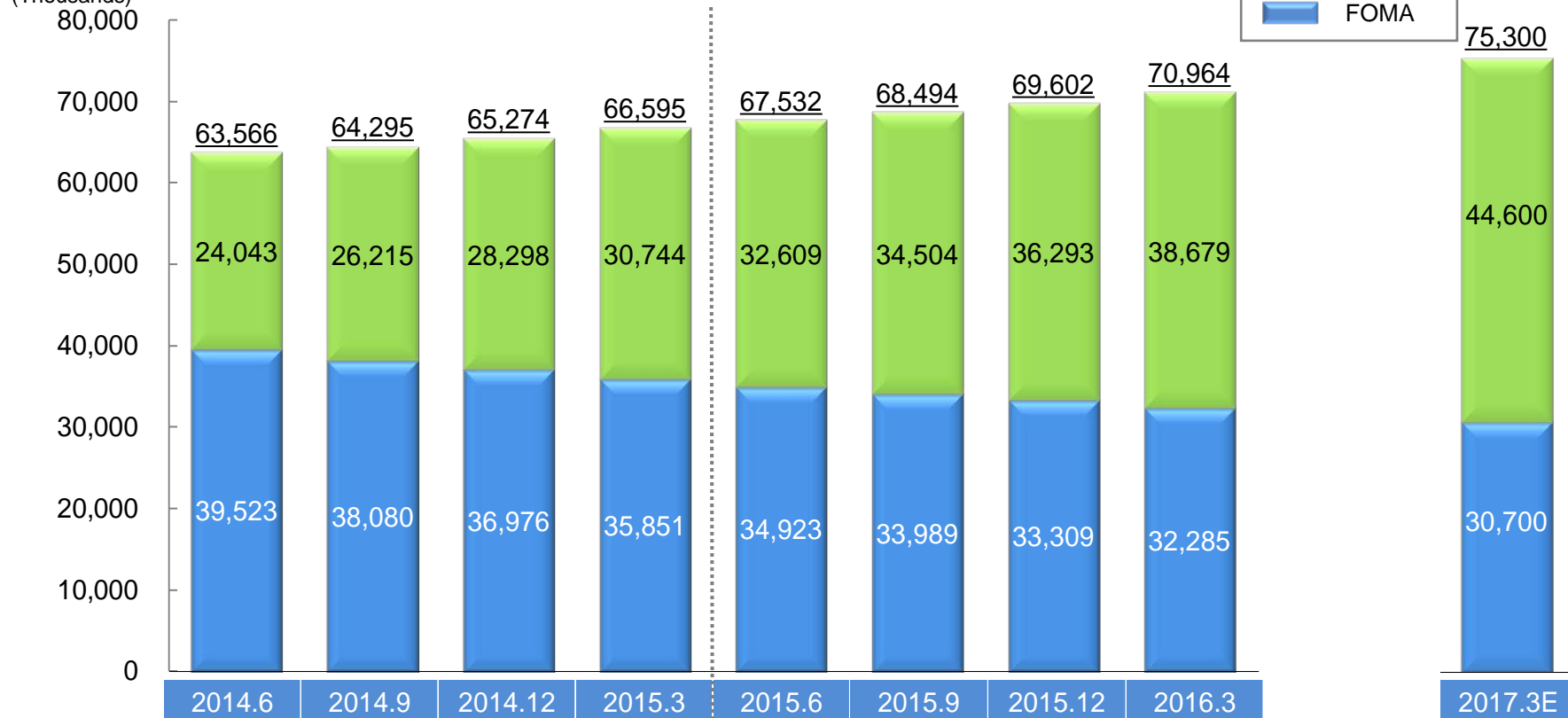
*3 Number of opened connections excludes openings as a result of relocations.

*4 Numbers for Hikari Denwa include wholesale services provided to service providers by NTT East and NTT West.

*5 Numbers of Hikari Denwa subscribers are presented in thousands of channels.

Number of subscribers *

(Thousands)

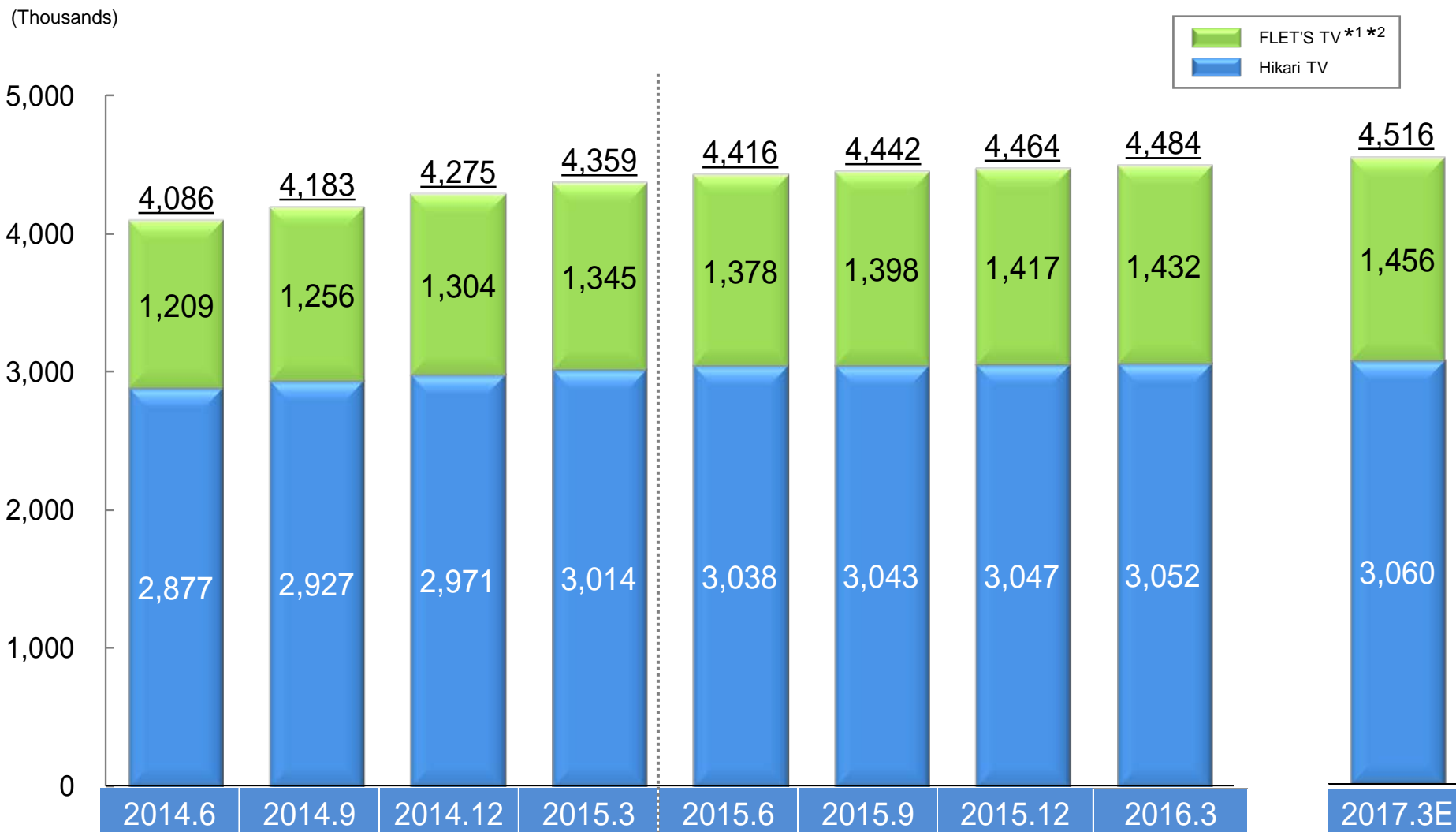


Changes from the preceding quarter

(Thousands)

	FY2014				FY2015				FY2015	FY2016E
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3		
LTE('Xi')+FOMA	461	729	979	1,322	936	962	1,108	1,362	4,368	4,400

* The number of FOMA subscribers includes communications module service subscribers



*1 "FLET'S TV" requires a subscription to "FLET'S TV Transmission Services" provided by NTT East and NTT West, and a subscription to SKY Perfect JSAT's "SKY Perfect JSAT Facility Use Services" broadcast service.

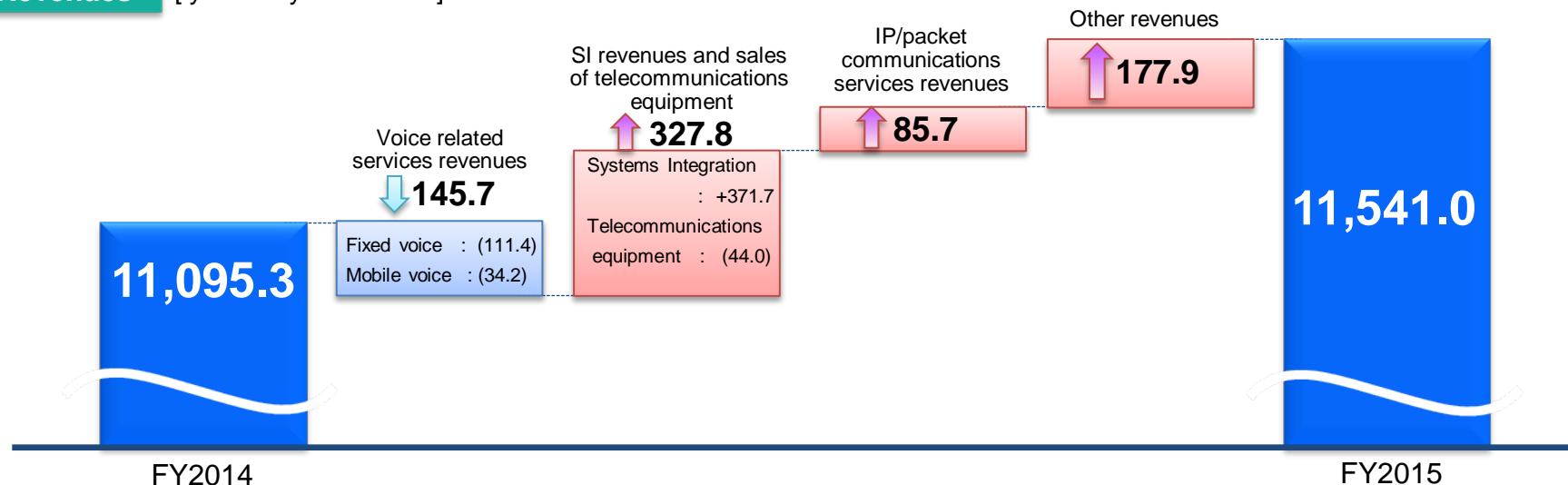
*2 Numbers of subscribers to "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

Financial Information

Operating Revenues

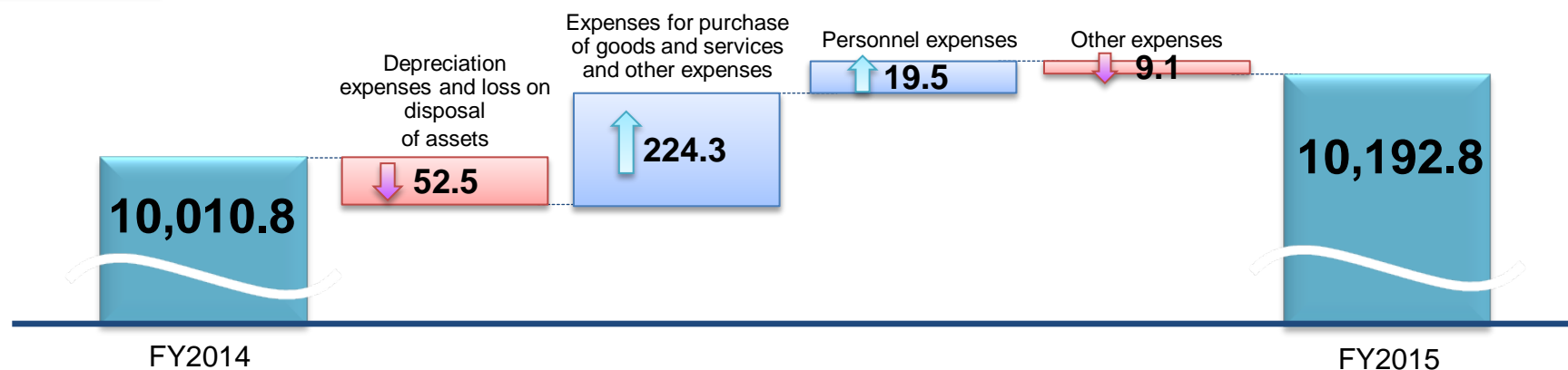
[year-on-year: +445.7]

(Billions of yen)



Operating Expenses

[year-on-year: +182.1]



March 31, 2015

March 31, 2016

(Billions of yen)

20,702.4

21,035.9

Assets	Liabilities		Assets	Liabilities
20,702.4	9,624.3		21,035.9 [+333.5]	9,750.8 [+126.4]
Cash and Cash Equivalents 849.2	Interest-Bearing Debt 4,406.7		Cash and Cash Equivalents 1,088.3 [+239.1]	Interest-Bearing Debt 4,163.3 [(243.4)]
Depreciable Assets (property, plant and equipment) 8,097.7	Liability for Employees' Retirement Benefits 1,388.0		Depreciable Assets (property, plant and equipment) 7,896.5 [(201.2)]	Liability for Employees' Retirement Benefits 1,688.6 [+300.6]
Deferred Income Taxes 809.3	Other 28.3		Deferred Income Taxes 1,007.0 [+197.7]	Other 45.1 [+16.8]
	Equity 11,049.8			Equity 11,240.1 [+190.3]
	Accumulated Other Comprehensive Income 268.2			Accumulated Other Comprehensive Income (57.1) [(325.3)]
	Treasury Stock (497.7)			Treasury Stock (0.9) [+496.8]

Details of Consolidated Cash Flows

Cash flows from
operating
activities
(A)

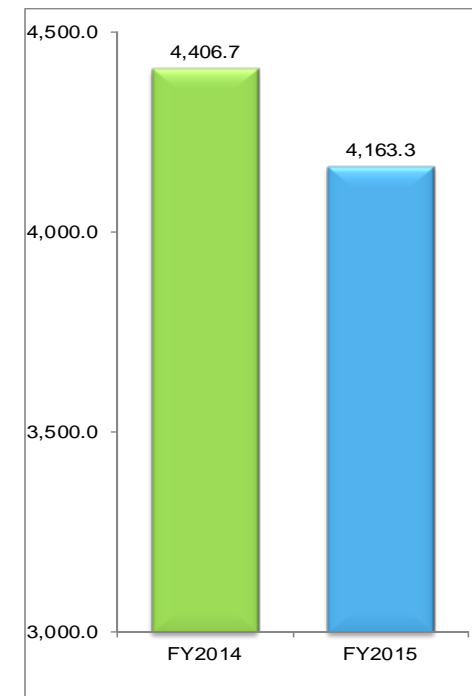
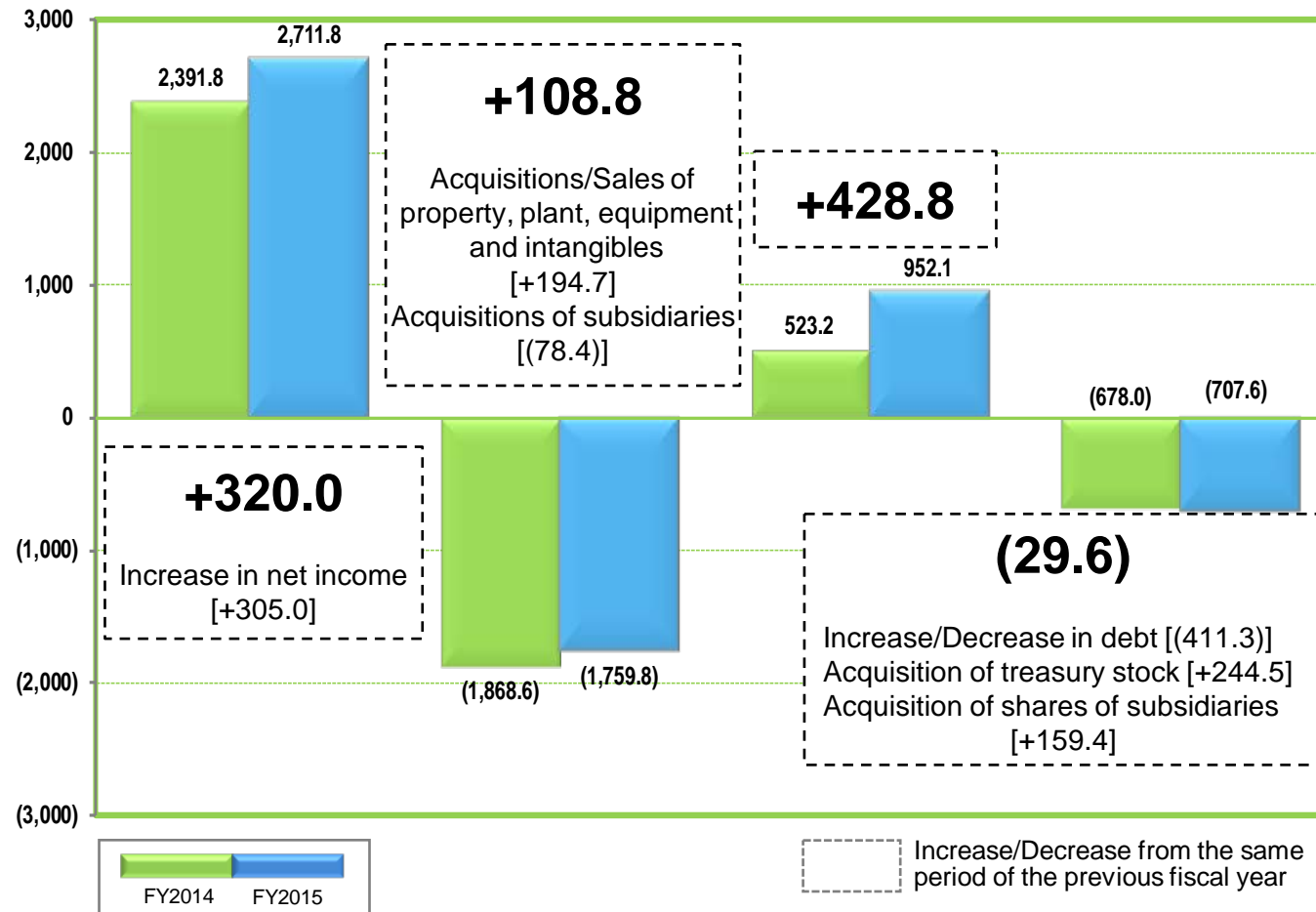
Cash flows from
investing
activities
(B)

FCF
(A) + (B)

Cash flows from
financing
activities

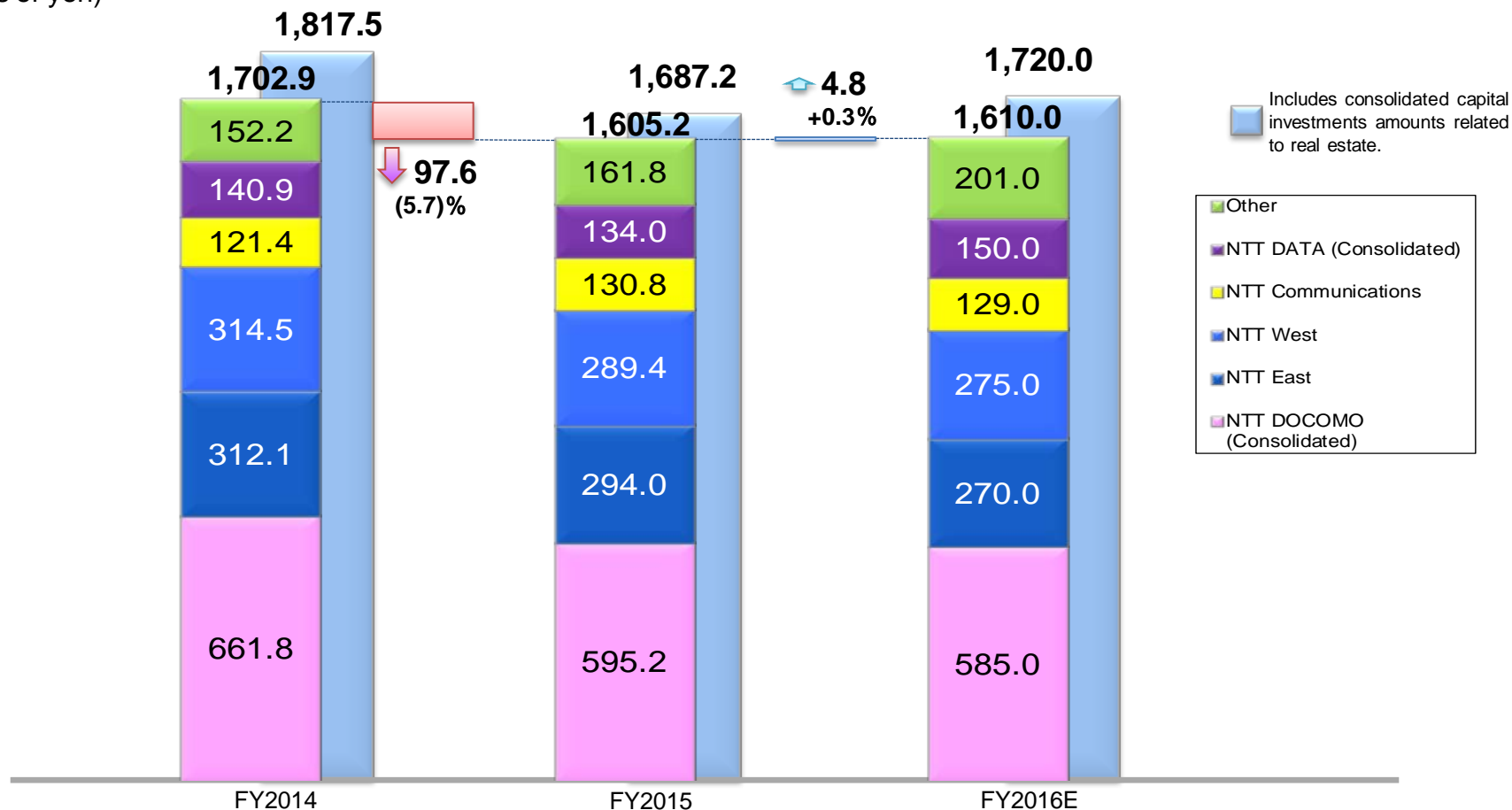
Interest-bearing debt

(Billions of yen)



Capital Investment

(Billions of yen)



Capex to Sales

Capex to Sales *
(including real estate)

15.6%

16.4%

14.2%

14.6%

* Includes investments related to real estate and solar power generation operations.