



**Financial Results for the Six Months
Ended September 30, 2016**

November 11, 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.

*** "2Q" in this material represents the 6-month period beginning on April 1 and ending on September 30.

Consolidated Results of Operations

- **Operating Revenues** : **¥5,524.3 billion**
(¥64.6 billion [1.2%] decrease year-on-year)
- **Operating Income** : **¥926.5 billion**
(¥193.0 billion [26.3%] increase year-on-year)
- **Net Income ^{*1}** : **¥476.1 billion**
(¥98.8 billion [26.2%] increase year-on-year)

Overseas Results of Operations

- **Overseas Sales :**
 - Yen-based** : **¥868.4 billion** (¥61.2 billion [6.6%] decrease year-on-year)
 - US dollar-based** : **US\$7.98 billion** (US\$0.25 billion [3.2%] increase year-on-year)
- **Overseas Operating Income^{*2} :**
 - Yen-based** : **¥36.9 billion** (¥1.8 billion [4.7%] decrease year-on-year)
 - US dollar-based** : **US\$0.34 billion** (US\$0.02 billion [5.3%] increase year-on-year)

^{*1} Net income represents net income attributable to NTT, excluding noncontrolling interests.

^{*2} Operating Income excludes M&A-related temporary expenses, such as depreciation costs of intangible fixed assets.

^{*3} In this document, unless otherwise noted, listed numbers are totals for the first half of the fiscal year (from April 1 to September 30).

Expansion of Global Cloud Services

➤ **Cross-selling Order Volume : US\$0.73 billion**

Enhanced Operating Revenues from Network Services

➤ **Expansion of NTT's user base**

- 72.94 million mobile phone subscribers (net increase of 1.98 million subscribers), including 33.42 million subscribers to “Take-hodai & Pake-aeru” (net increase of 3.71 million subscribers)
- 19.70 million FTTH subscribers (net increase of 0.44 million subscribers), including 6.92 million subscribers to the “Hikari Collaboration Model” (opened connections of 2.50 million subscribers (0.95 million new subscribers and 1.54 million subscribers who switched subscriptions from FLET'S Hikari to the Hikari Collaboration Model))

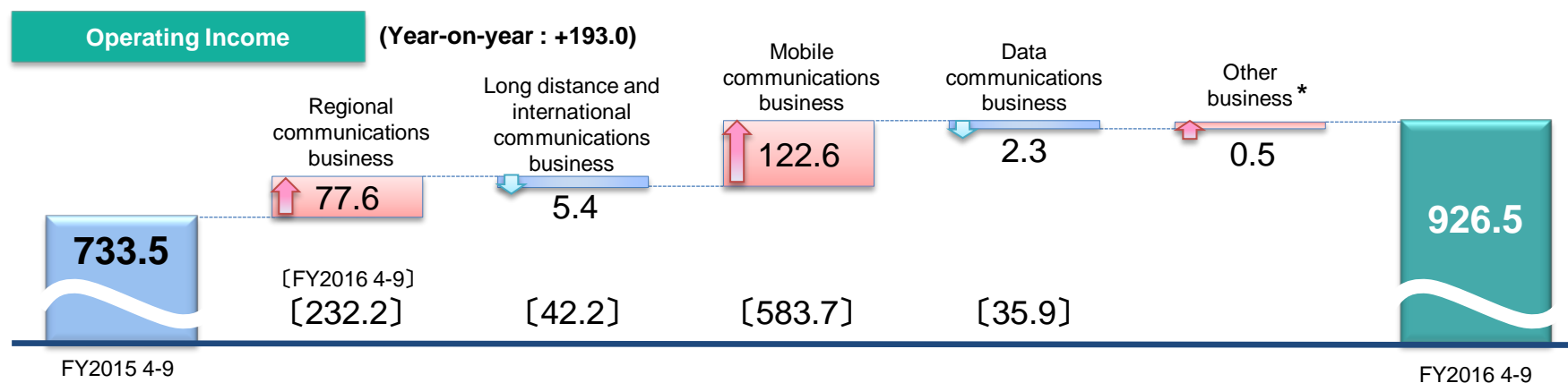
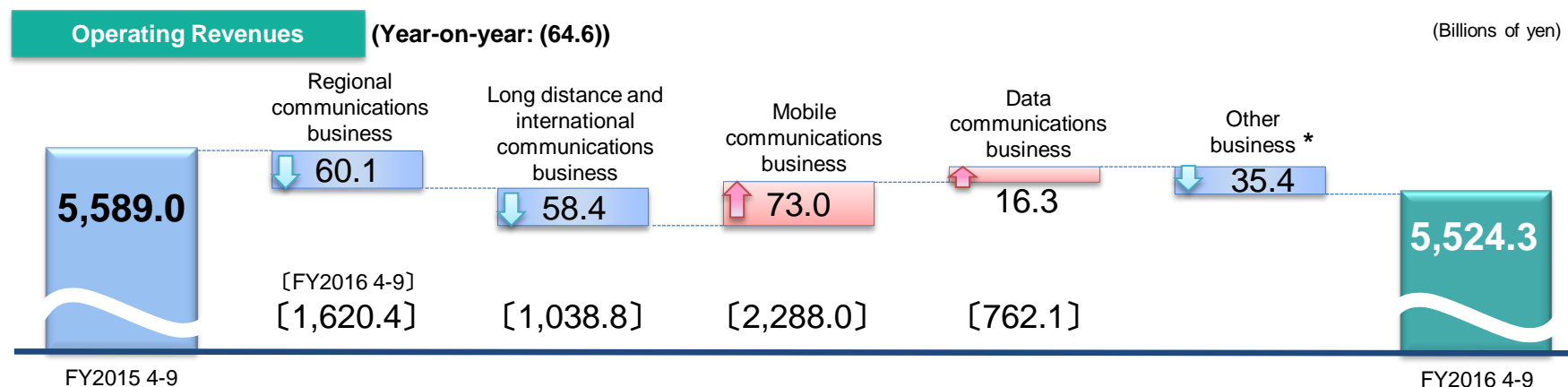
➤ **Growing number of Wi-Fi area owners*: 488**

(+95 increase compared to end of FY2015)

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

FY2016 Contributing Factors by Segment

- Regional communications business: Operating income increased due to an improvement in balance between revenues and expenses resulting from a shift to the Hikari Collaboration Model, among other factors.
- Long distance and international communications business: Operating income decreased due to impairment loss and other temporary expenses; subsidiary growth and cost efficiency improvement continued to make progress.
- Mobile communications business: Operating income increased due to an increase of revenues in the mobile communications and “Smart Life” areas and cost efficiency improvement.
- Data communications business: Operating income decreased due to temporary M&A-related expenses; sales increased and cost rate improved.



*Includes adjustments such as elimination

Consolidated Revenues and Income Plan

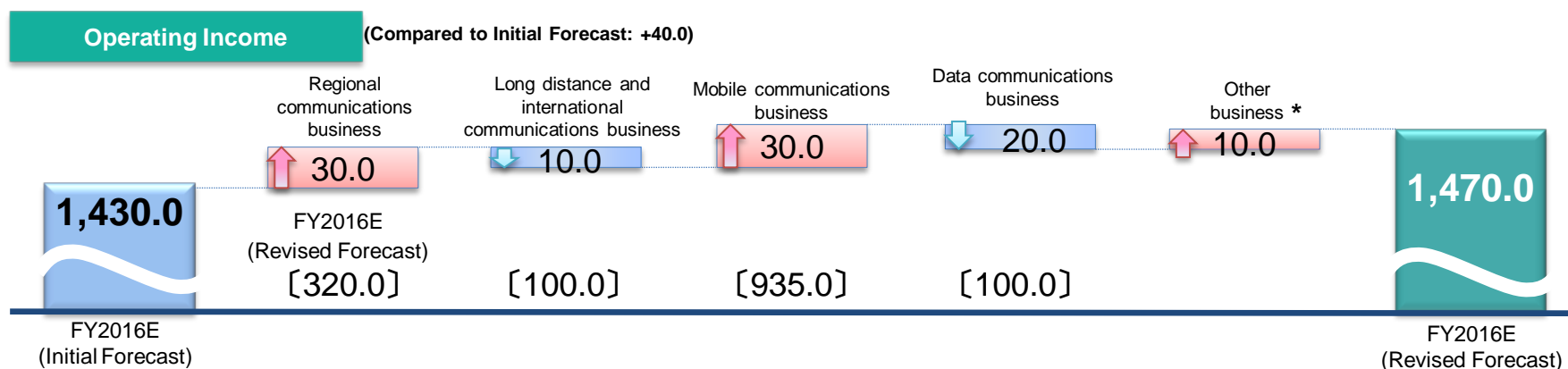
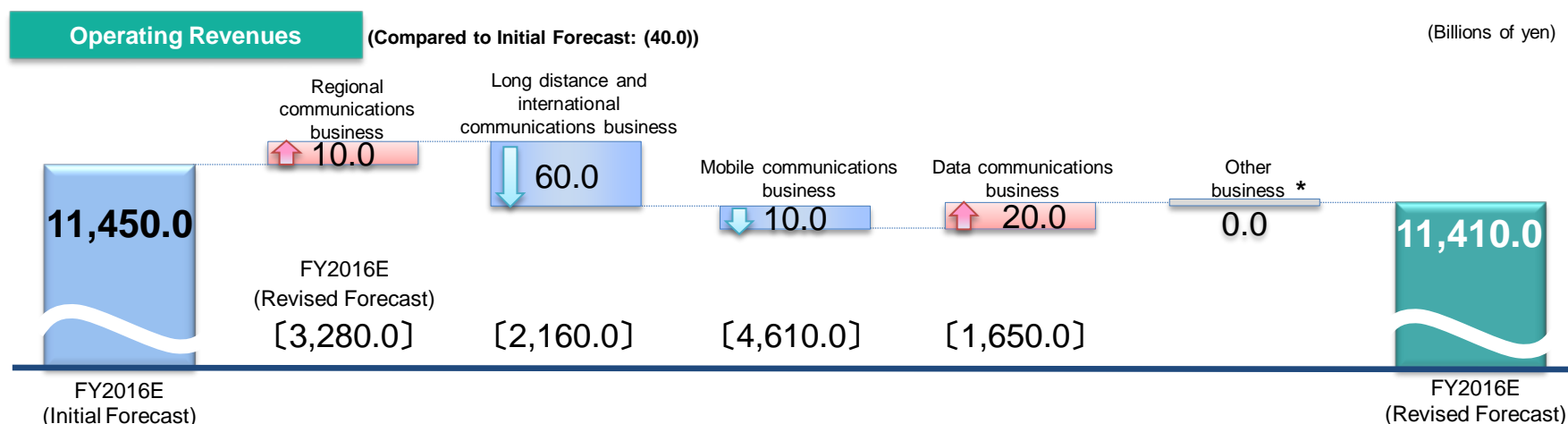
- **Operating Revenues** : **¥11,410.0 billion**
(¥40.0 billion decrease from initial forecast)
- **Operating Income** : **¥1,470.0 billion**
(¥40.0 billion increase from initial forecast)
- **Net Income*** : **¥770.0 billion**
(¥20.0 billion increase from initial forecast)

- **EPS (FY2016)** : **¥376**
(¥13 increase from initial forecast)

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

FY2016 Forecast Summary by Segment (compared to Initial Forecasts)

- Regional communications business: Operating income is expected to increase due to cost efficiency improvement.
- Long distance and international communications business: Operating income is expected to decrease due to impairment loss and other temporary expenses; subsidiary growth and cost efficiency improvement are expected to continue to make progress.
- Mobile communications business: Operating income is expected to increase due to increased revenues in mobile communications and further cost efficiency improvement.
- Data communications business: Operating income is expected to decrease due to temporary M&A-related expenses; sales are expected to increase.



*Includes adjustments such as elimination

Progress on
Medium-Term Management Strategy
“Towards the Next Stage 2.0”

**Results
Forecasts**
(FY2016 ending March 31, 2017)

**Medium Term
Targets**
(FY2017 ending March 31, 2018)

EPS Growth

¥376

At least ¥400

Original target at the announcement
of "2.0" (May 2015):

At least ¥350

(¥1.4 trillion in consolidated profits)

Streamlining Capital Investment
(Domestic Network Business*)
[compared to FY2014]

¥150 billion

At least ¥200 billion

Cost Reductions**
(in fixed-line/mobile access networks)
[compared to FY2014]

¥650 billion

At least ¥800 billion

Original target at the announcement
of "2.0" (May 2015):

At least ¥600 billion

Overseas Sales/Operating Income***

\$17.6B/\$0.9B

\$22B/\$1.5B

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

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

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

Accomplishments of Working Group Initiatives

Sales/Marketing

■ Enhanced sales capabilities to promote customers' digital transformation

**Organized GTM*
account support team
across NTT Group**

* Go-to-market

**Established sales
collaboration platform**

Achieved record TCV
of cross-selling
in first half of FY2016**

** Total contract value

Service/Operation

■ Enriched NTT Group's total value proposition

**Established
NTT Security
to strengthen service
capabilities**

**Packaged services across
OpCo's to deliver stronger
joint value proposition for
customers (e.g. networks
and data centers)**

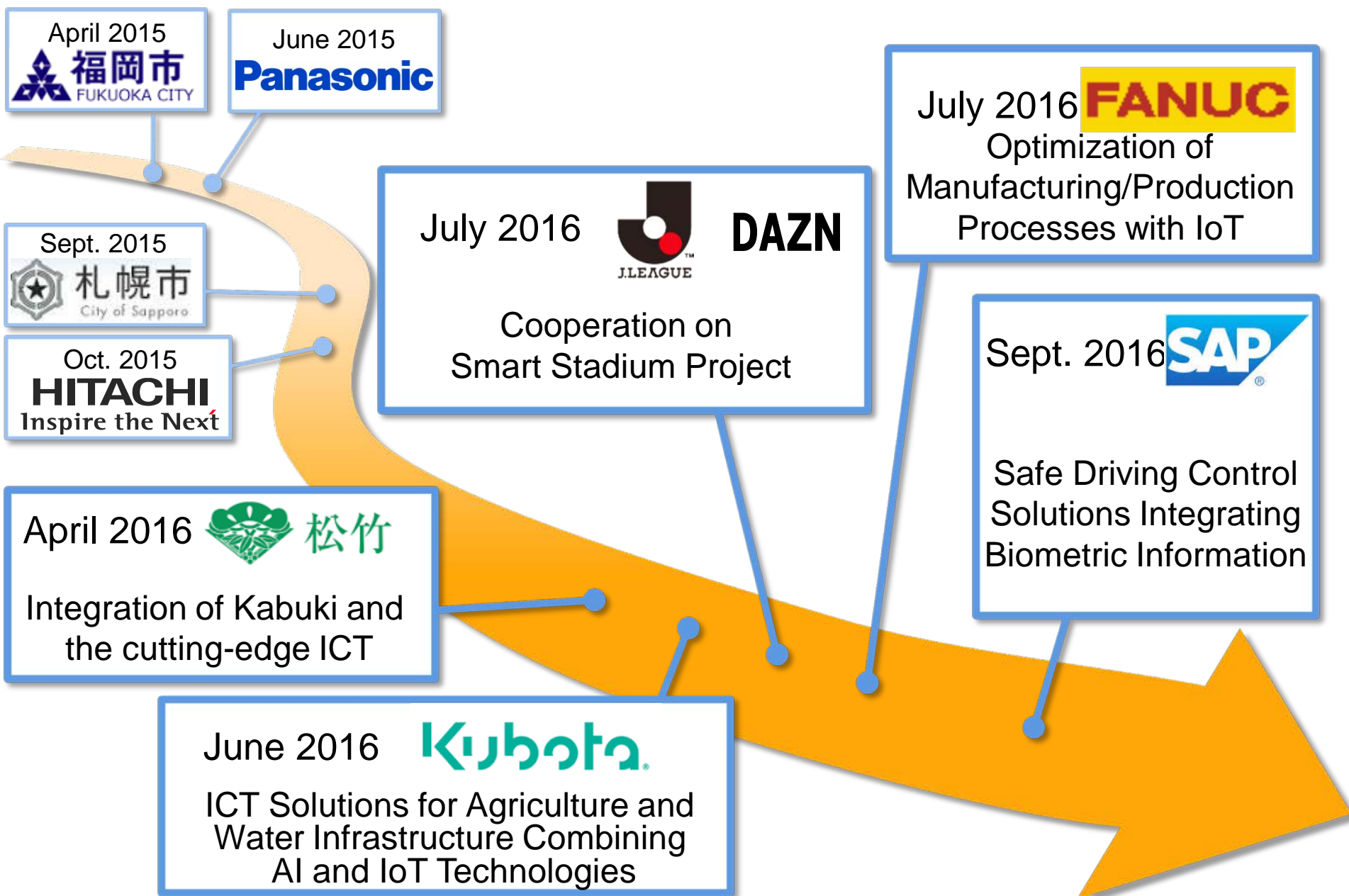
- Accelerate an aligned Group-wide cloud strategy
- Coordinate delivery processes for common services across OpCo's

Procurements

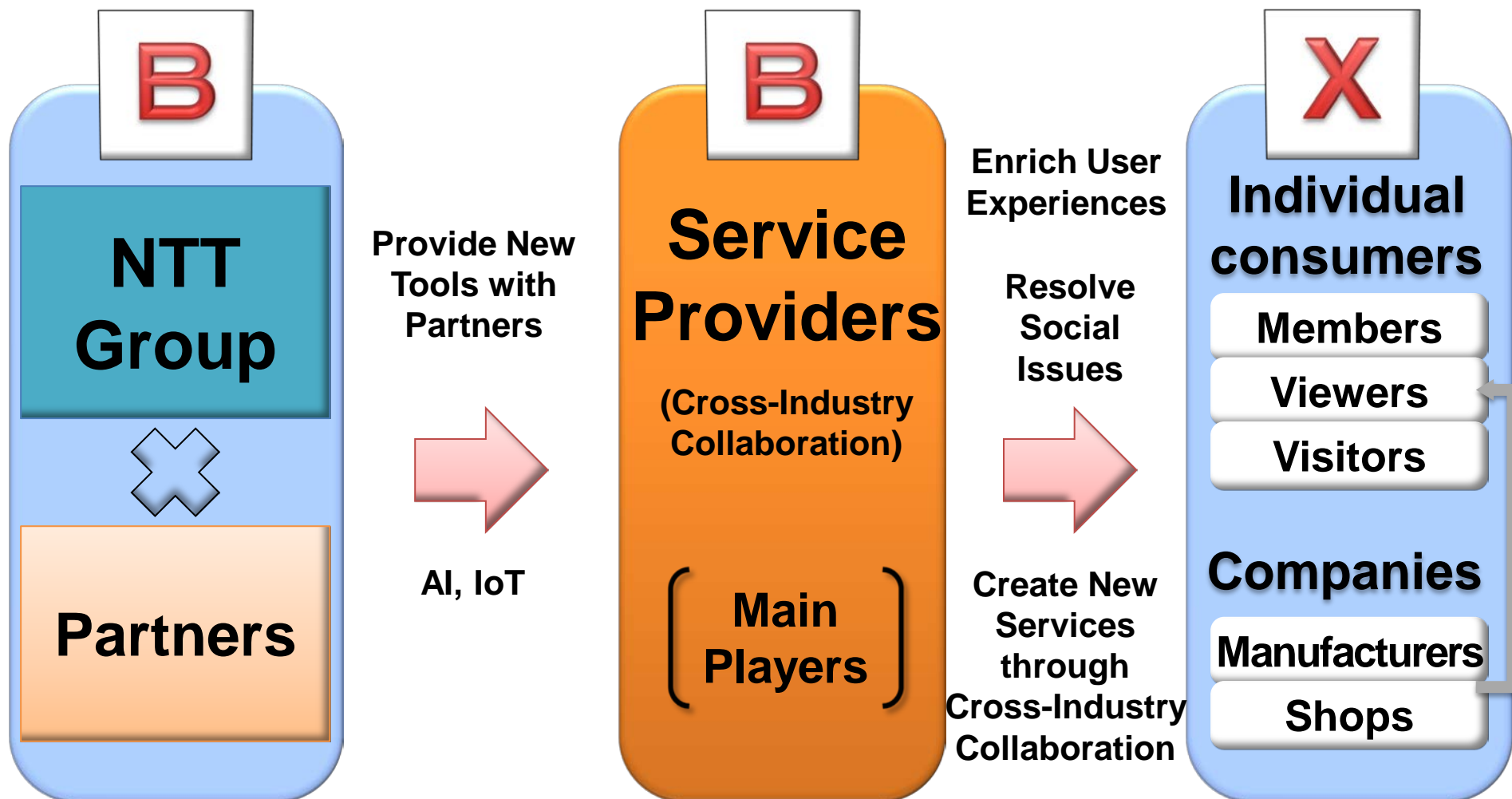
■ Reduced costs by leveraging NTT Group's total purchase volume

**Refined common
specifications**

**Leveraged volume to
obtain better discounts**



- Support business model transformation for service providers to create new value, which leads to lifestyle transformations of service users



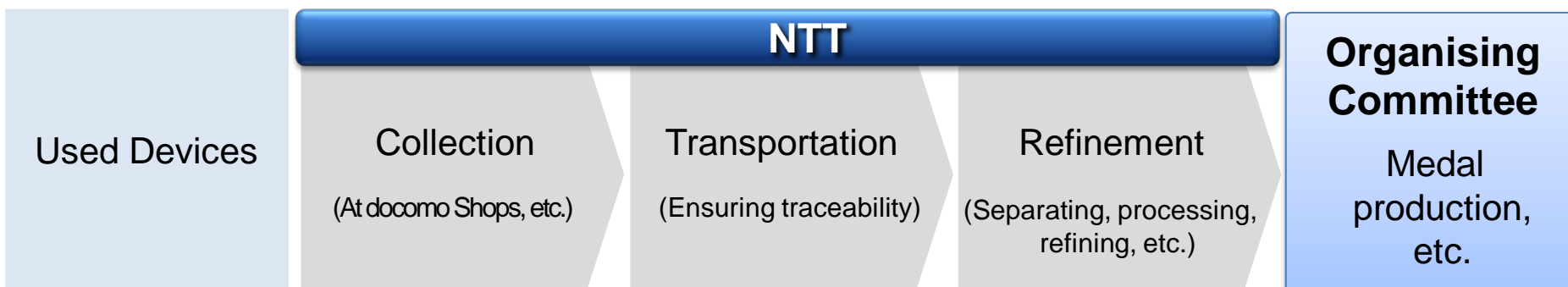
- Making Medals from “Urban Mines” through Public Participation -

- As a Gold Partner* of the Tokyo 2020 Olympic and Paralympic Games (“Tokyo 2020”), in order to contribute to the Tokyo 2020 legacy, NTT proposes the “Public Participation Medal Making Plan,” which promotes the creation of environment-friendly society through the recycling of rare resources (“urban mines”) and growing levels of environmental awareness.

* NTT is the Tokyo 2020 Gold Partner(Telecommunications Services).

- The Tokyo Organising Committee of the Olympic and Paralympic Games plans to collect old mobile phones, smartphones and tablets from people nationwide to make gold, silver and bronze medals for Tokyo 2020.
- Under a mutual agreement with the Organising Committee, NTT will collect those devices across Japan through NTT DOCOMO’s existing collection channels (such as docomo Shops), will facilitate the transportation and refining of such devices, and will deliver the material of medals to the Organising Committee.

(Note) NTT DOCOMO has been recycling devices on a consistent basis through its 2,400 stores nationwide.

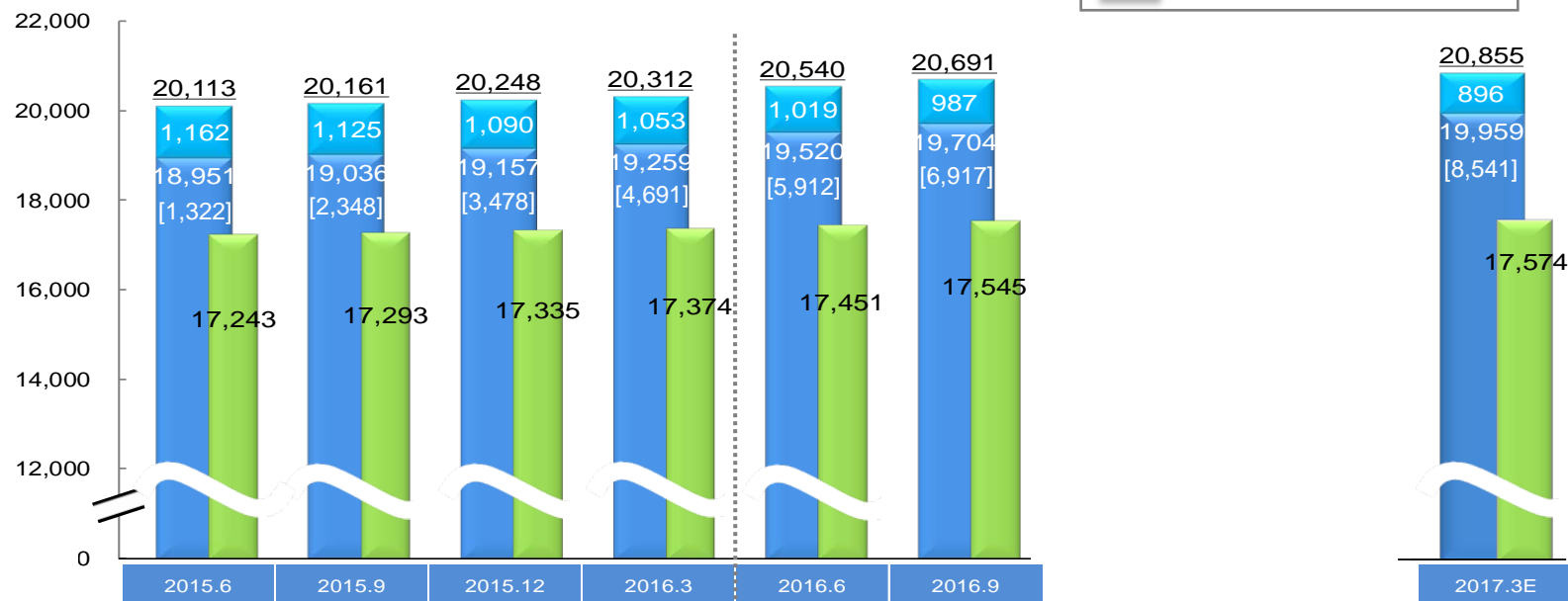


Progress of Broadband Services

Number of Subscribers for Fixed Broadband Services

Number of Subscribers *1*2

(Thousands)



Changes from the Preceding Quarter

		FY2015				FY2016			FY2015	FY2016E
		4-6	7-9	10-12	1-3	4-6	7-9	4-9		
FLET'S Hikari *1		235	85	121	102	261	183	445	543	700
	Number of opened connections *3	810	559	580	669	786	649	1,435	2,619	2,700
FLET'S ADSL		(58)	(37)	(35)	(37)	(34)	(32)	(66)	(167)	(157)
Hikari Denwa *4 *5		135	50	42	39	77	93	170	267	200

*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 Lightplus, 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)

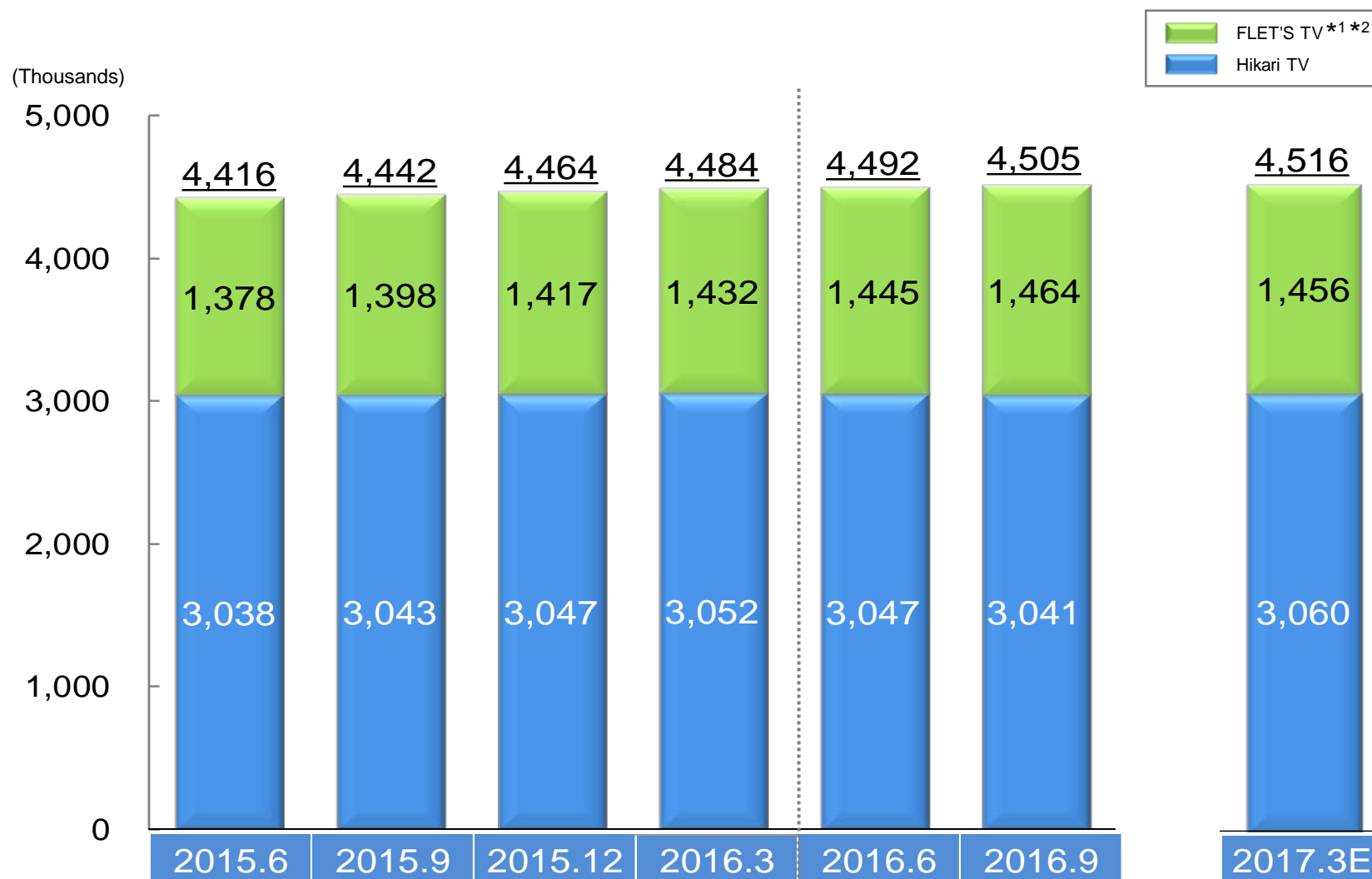


Changes from the Preceding Quarter

	FY2015				FY2016			FY2015	FY2016E
	4-6	7-9	10-12	1-3	4-6	7-9	4-9		
LTE("Xi")+FOMA	936	962	1,108	1,362	650	1,330	1,980	4,368	3,800

(Thousands)

* The number of subscribers for Mobile Broadband Services 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.

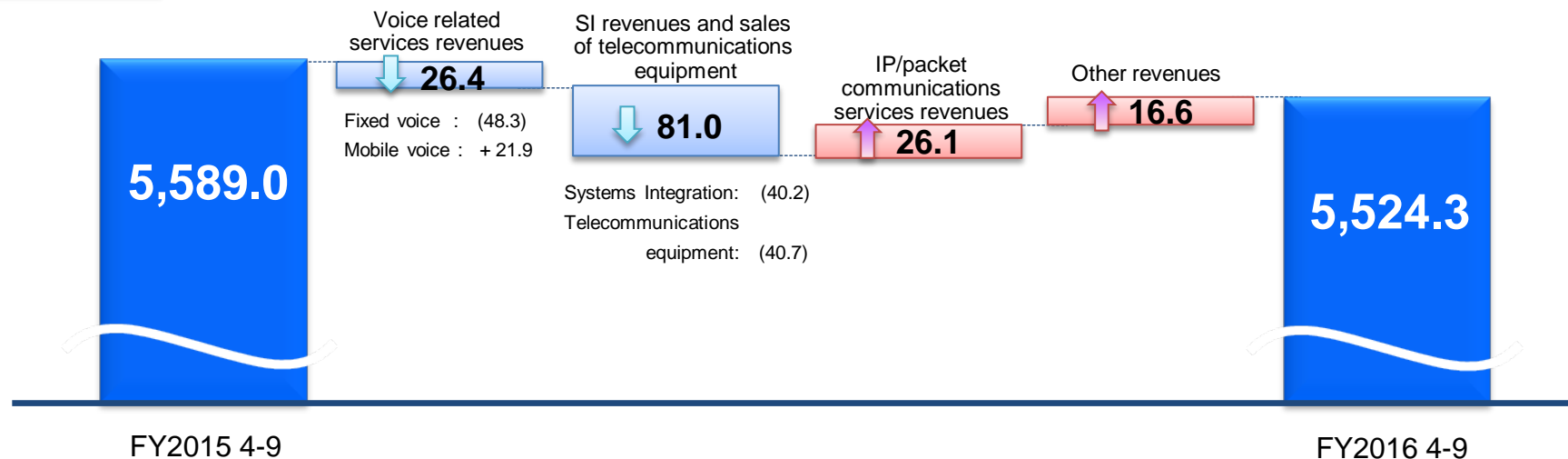
*2 Numbers of subscribers to "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

Financial Information

Operating Revenues

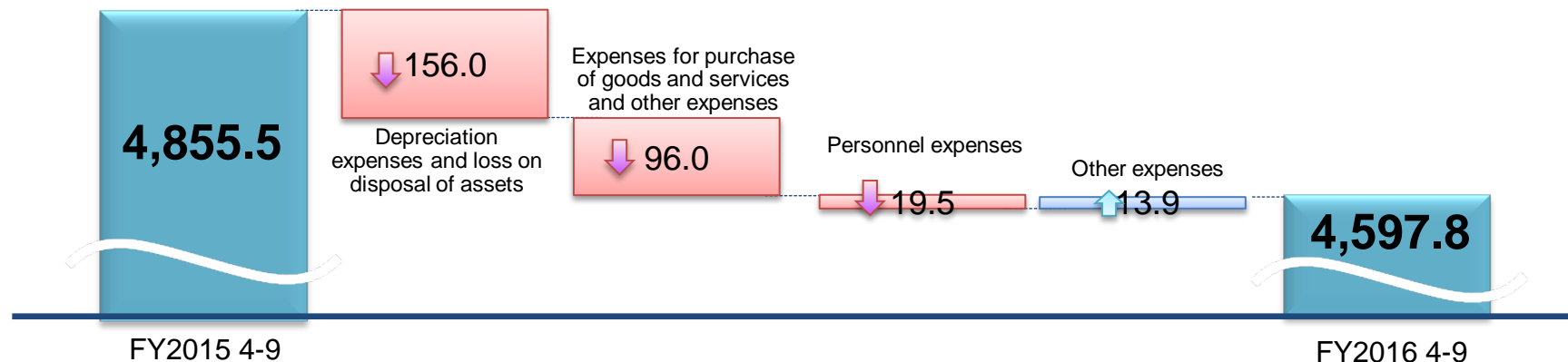
(Year-on-year: (64.6))

(Billions of yen)



Operating Expenses

(Year-on-year: (257.7))



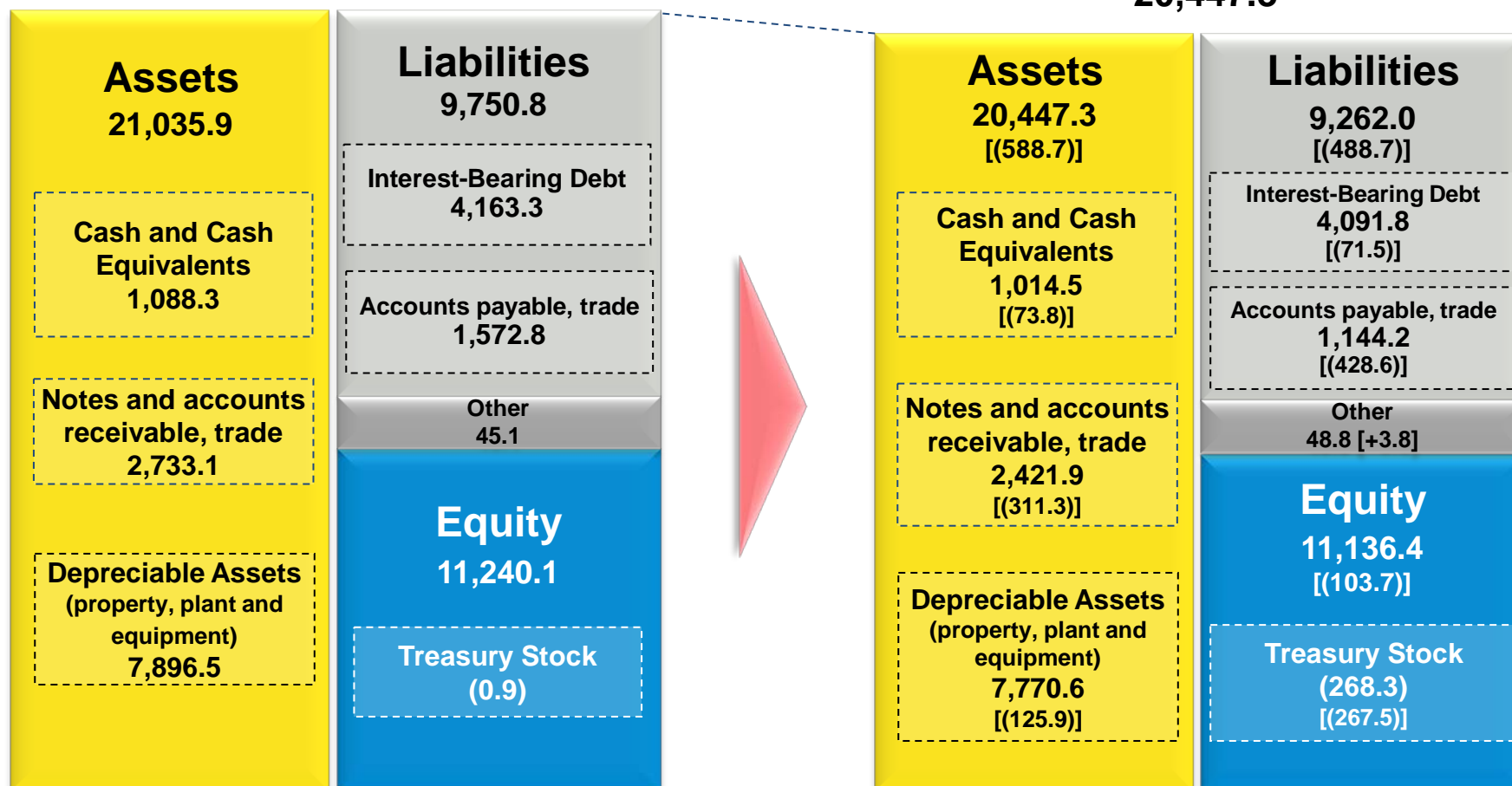
March 31, 2016

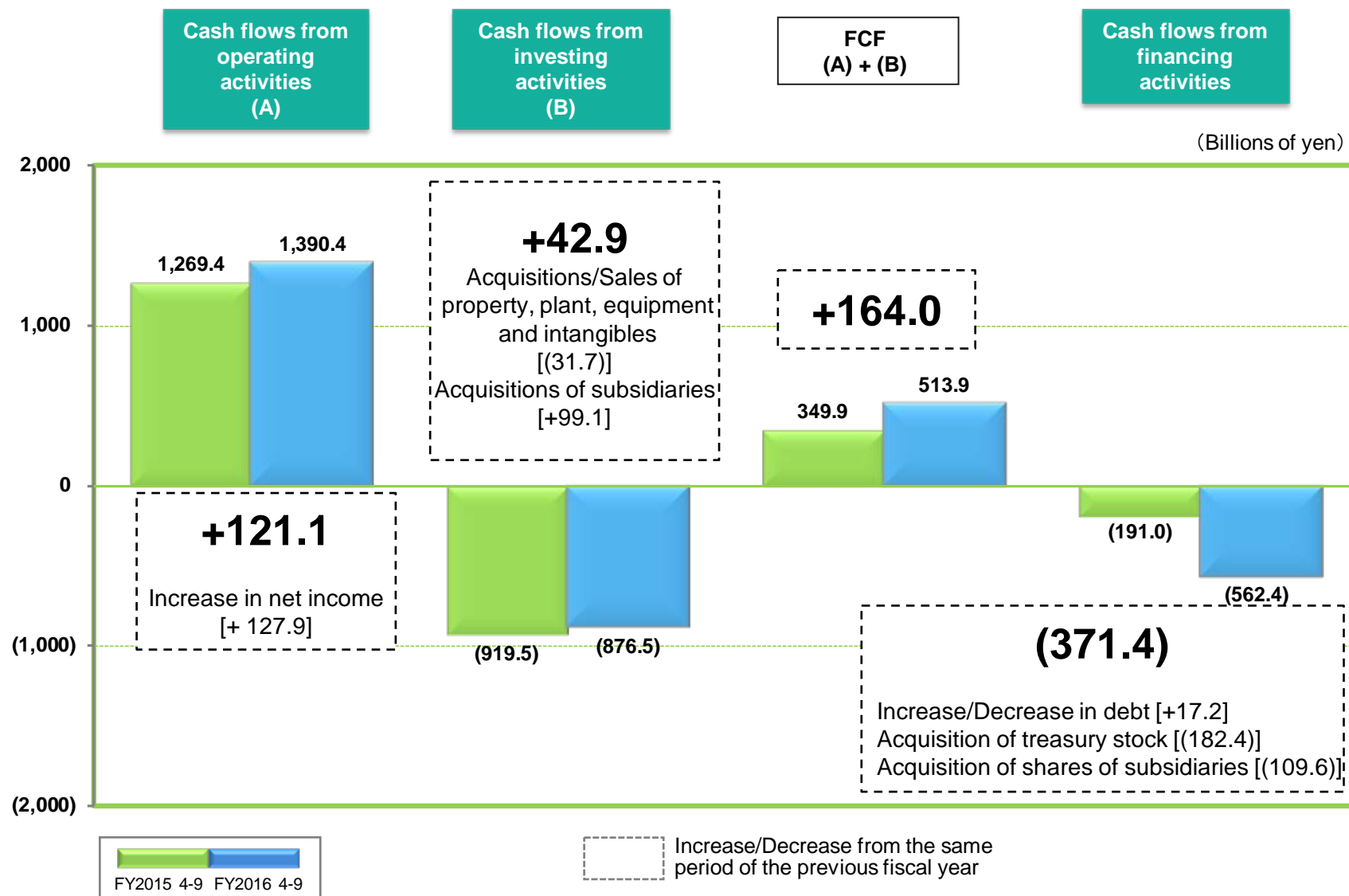
September 30, 2016

(Billions of yen)

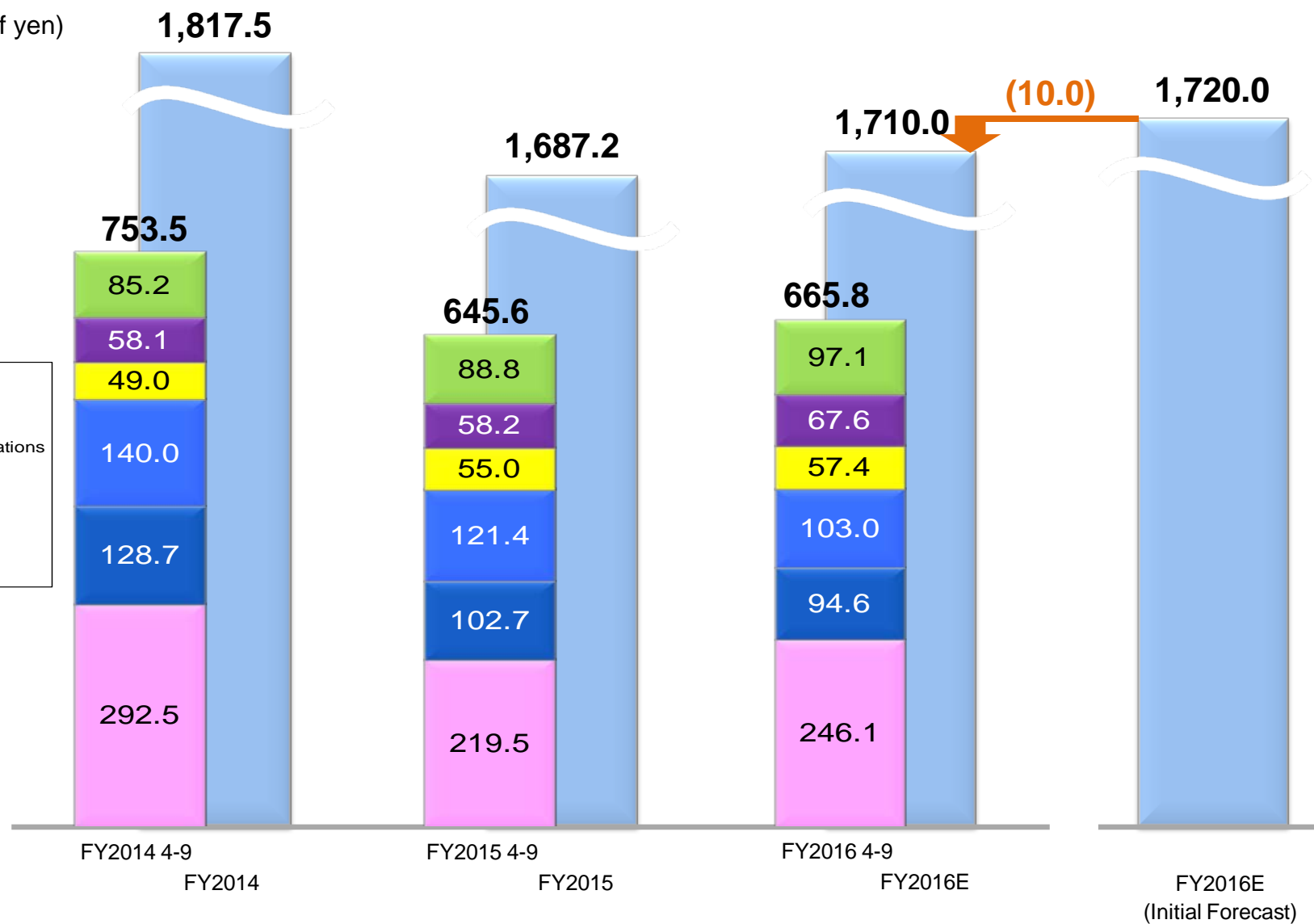
21,035.9

20,447.3



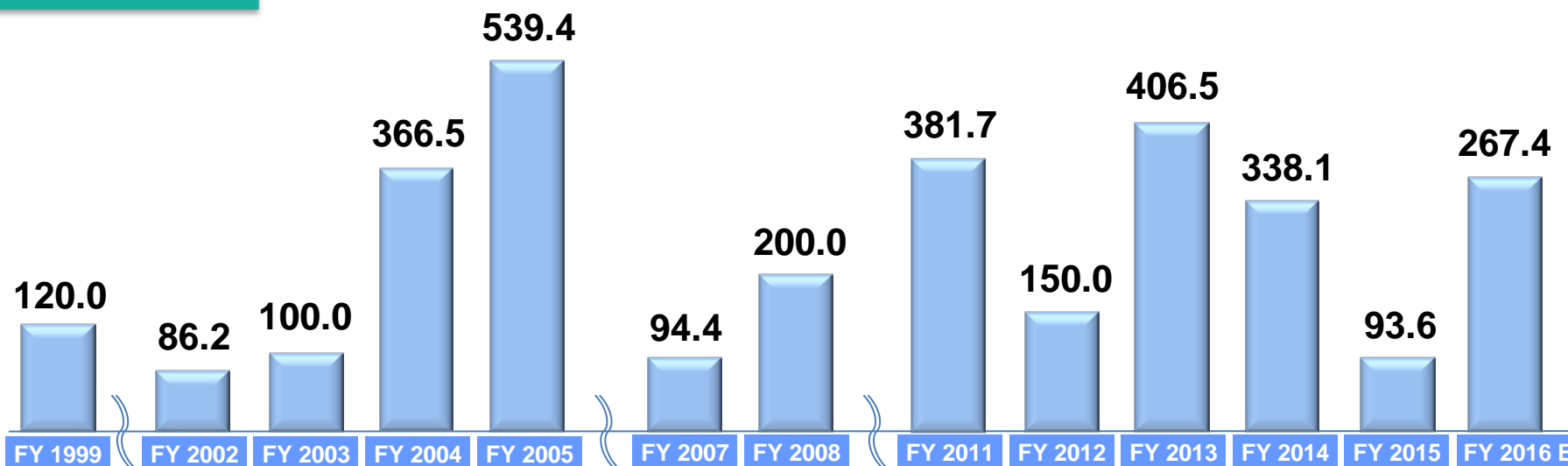


(Billions of yen)



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

