

Financial Results for the Three Months Ended June 30, 2017

August 4, 2017



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.

*** "1Q" in this material represents the 3-month period beginning on April 1 and ending on June 30.

- **Highlights**
- **Topics**
- **Contributing Factors by Segment**
- **“Tokyo 2020 Medal Project:
Towards an Innovative Future for All”**

- **Appendix**

- Both Operating Revenues and Operating Income increased.
- Financial results are steadily progressing in line with the annual plan.

Status of Consolidated Financial Results

- Operating Revenues : ¥2,809.8 billion (increase of ¥93.0 billion [3.4%] year-on-year)
 - Operating Income : ¥491.6 billion (increase of ¥4.2 billion [0.9%] year-on-year)
 - Net Income ^{*1} : ¥271.5 billion (increase of ¥27.8 billion [11.4%] year-on-year)
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- Overseas Sales : \$4.6 billion (increase of \$0.8 billion [21.2%] year-on-year)
 - Overseas Operating Income ^{*2} : \$0.19 billion (increase of \$0.06 billion [43.1%] 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.

Increased Profitability of Network Services

➤ Expansion of NTT's User Base

- **Mobile Subscriptions: 75.11 million mobile subscriptions (net increase of 0.23 million)**
(Included in the above) Kake-hodai & Pake-aeru: 38.34 million subscriptions (net increase of 1.28 million)
 - **FTTH Subscriptions: 20.29 million subscribers (net increase of 0.24 million)**
(Included in the above) Hikari Collaboration: 9.57 million (net increase of 0.83 million)
- **Growing number of Wi-Fi area owners*1: 612 (net increase of 55)**
- **Cost reductions (fixed/mobile access lines) : Reduction of ¥682.0 billion (total*2)
(reduction of ¥28.0 billion for this quarter)**

Promotion of the B2B2X Model

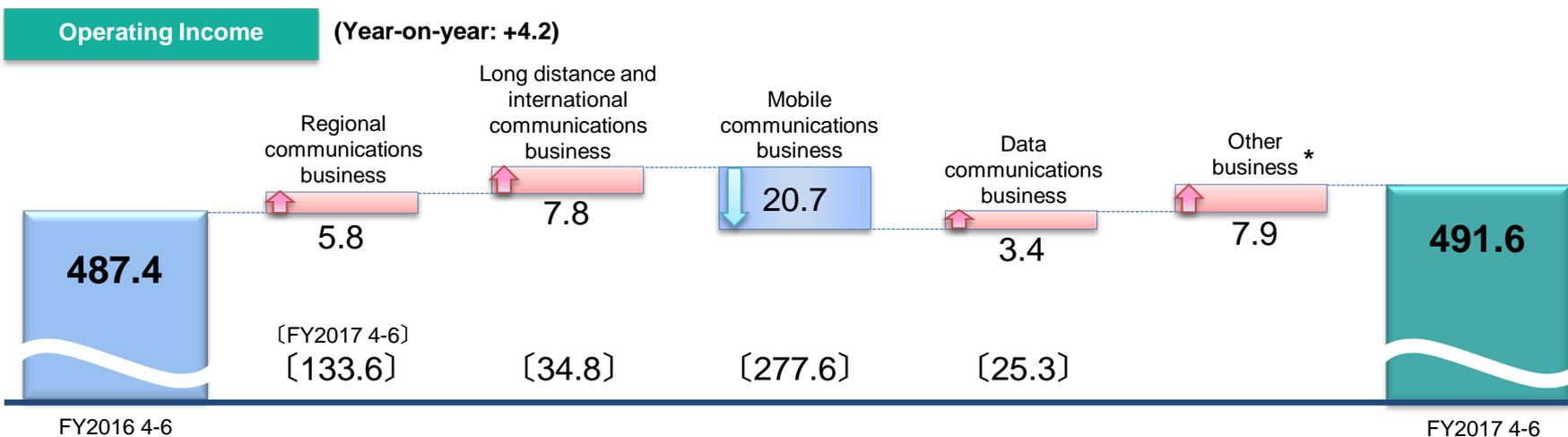
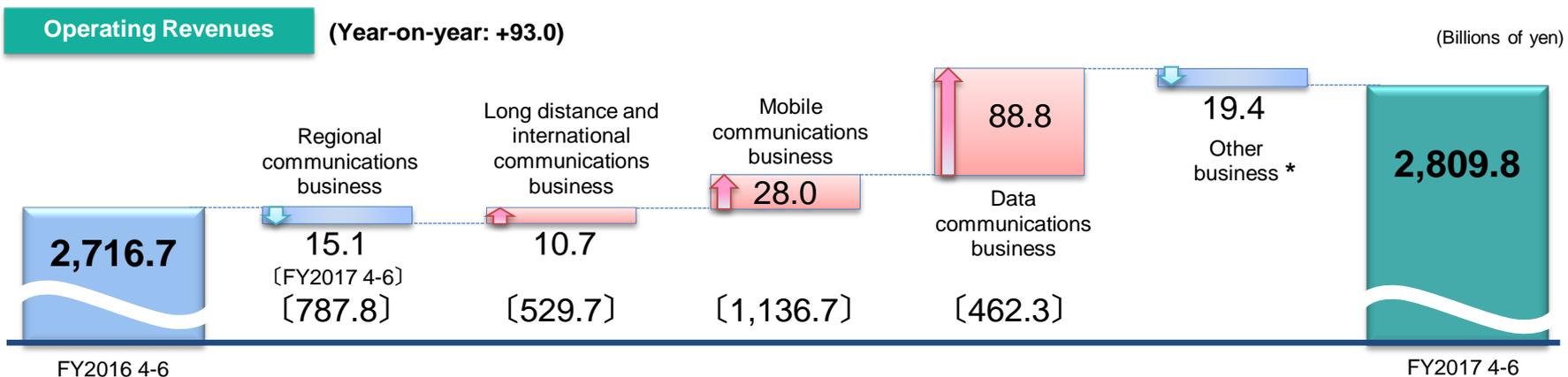
- **Each NTT Group company has been expanding its joint demonstration experiments and collaborations with other companies through the use of AI, Big Data and IoT in various fields, such as sports and agriculture.**

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

*2 Compared to FY2014.

Contributing Factors by Segment

- Increase in Operating Revenues and Operating Income in the Long Distance and International Communications business and the Data Communications business segment.



*Includes adjustments such as elimination



In the first public participation project of its kind in the history of the Olympic and Paralympic Games, medals for the Olympic and Paralympic Games Tokyo 2020 will be made from used mobile phones and other devices and small household appliances.

Sponsor : The Tokyo Organising Committee of the Olympic and Paralympic Games
 Collaborators: NTT DOCOMO, Japan Environmental Sanitation Center, Ministry of the Environment, and the Tokyo Metropolitan Government

Initiatives by NTT DOCOMO and NTT

➤ April 2017: Begin the Project

- Began collecting devices from NTT DOCOMO's nationwide stores (approx. 2,400 stores)
 - * April 1: Tokyo Organising Committee of the Olympic and Paralympic Games launch event at the Tokyo Station/Otemachi DOCOMO shops

Special guests: Takeshi Matsuda
 (Olympics – Swimming/Medalist for three consecutive Olympic games)
 Takuro Yamada
 (Paralympics – Swimming/Medalist at the Rio Olympic games)

➤ Collect devices from corporations and conduct promotion and collection activities at various events

- Expand collections primarily from Olympic/Paralympic partners
- Participate in events such as the Tokyo 2020 Approval Program (Ex.) “Japan Walk in SENDAI” and “GOLD SPORT DAY 2017”

➤ Establish a “Mobile Phone Recycling Class” (July 2017-)

- Targeting primary school students: a joint exercise for all 6th-graders within a school
 - * Introduce the project, explain the recycling of mobile phones, collect mobile phones that are no longer used from children’s homes, etc.

➤ Recycled 740,000 units in the first quarter of FY2017



Project Poster



Mobile Phone Recycling Class

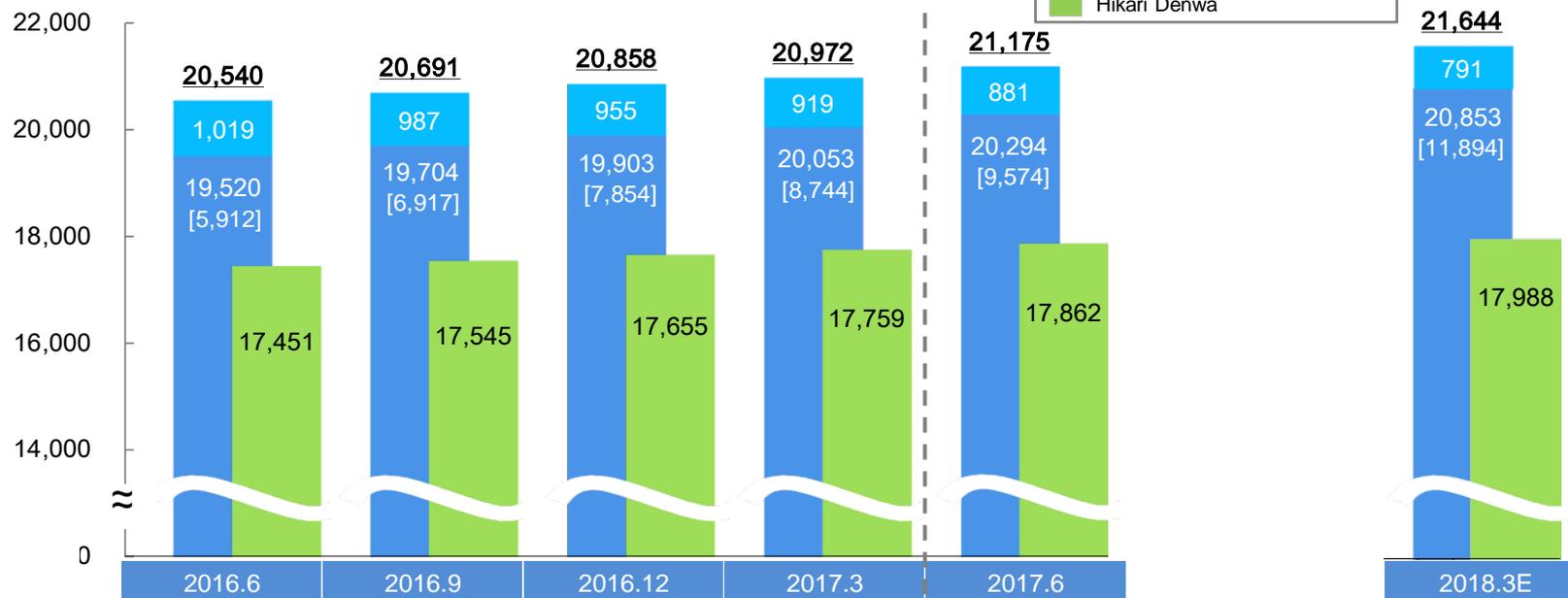
Appendix

Progress of Broadband Services

Number of Subscribers for Fixed Broadband Services



Number of Subscribers *1 *2 (Thousands)



Changes from the Preceding Quarter (Thousands)

		FY2016				FY2017	FY2016	FY2017E
		4-6	7-9	10-12	1-3	4-6		
FLET'S Hikari	*1	261	183	199	150	241	794	800
Opened connections	*3	786	649	672	750	851	2,857	2,900
FLET'S ADSL		(34)	(32)	(32)	(36)	(38)	(134)	(128)
Hikari Denwa	*4 *5	77	93	111	104	104	385	229

*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 Mytown 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.

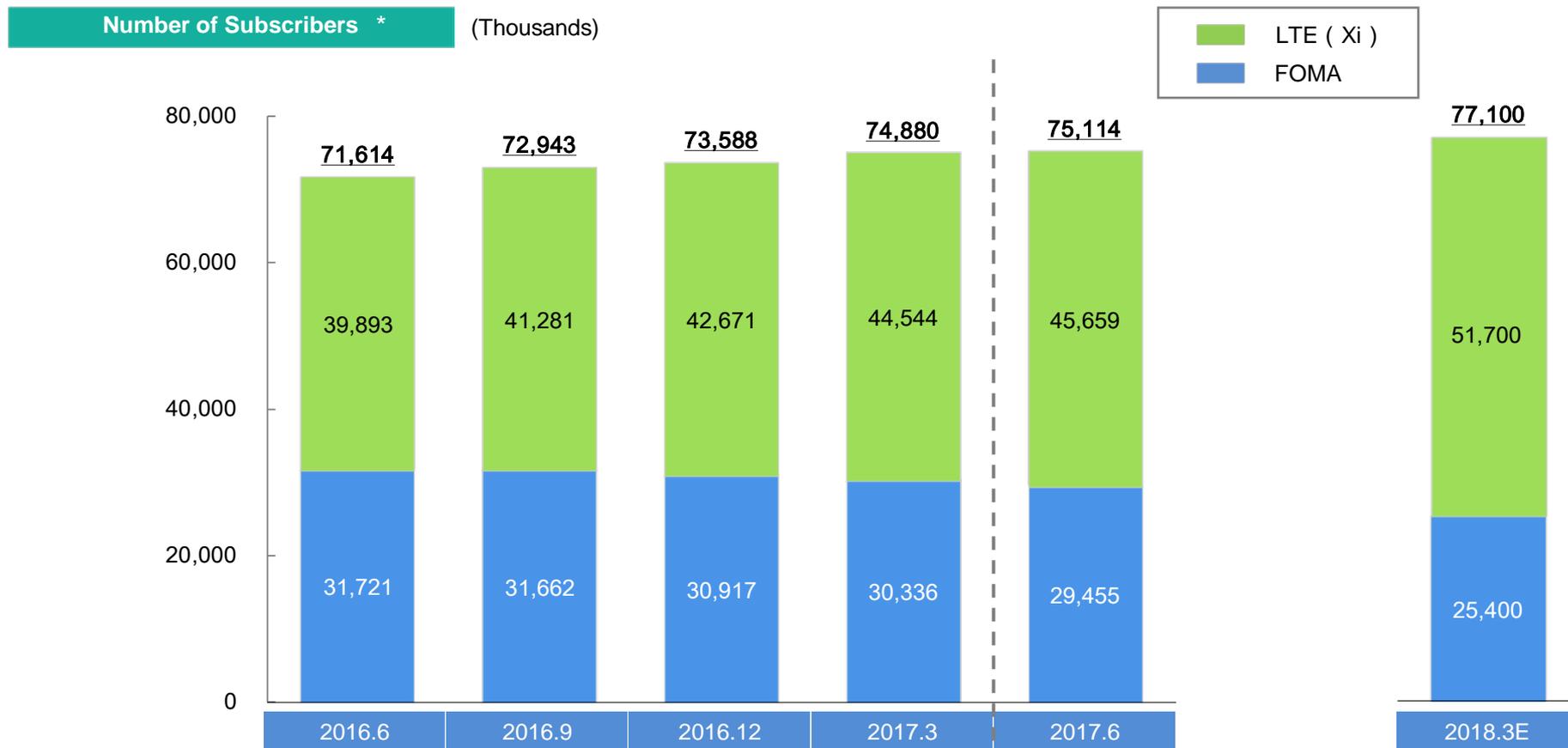
*2 Figures in [] represent the number of subscribers to "Hikari Collaboration Model," the wholesale provision of services by NTT East and NTT West to service providers.

*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 for Mobile Broadband Services

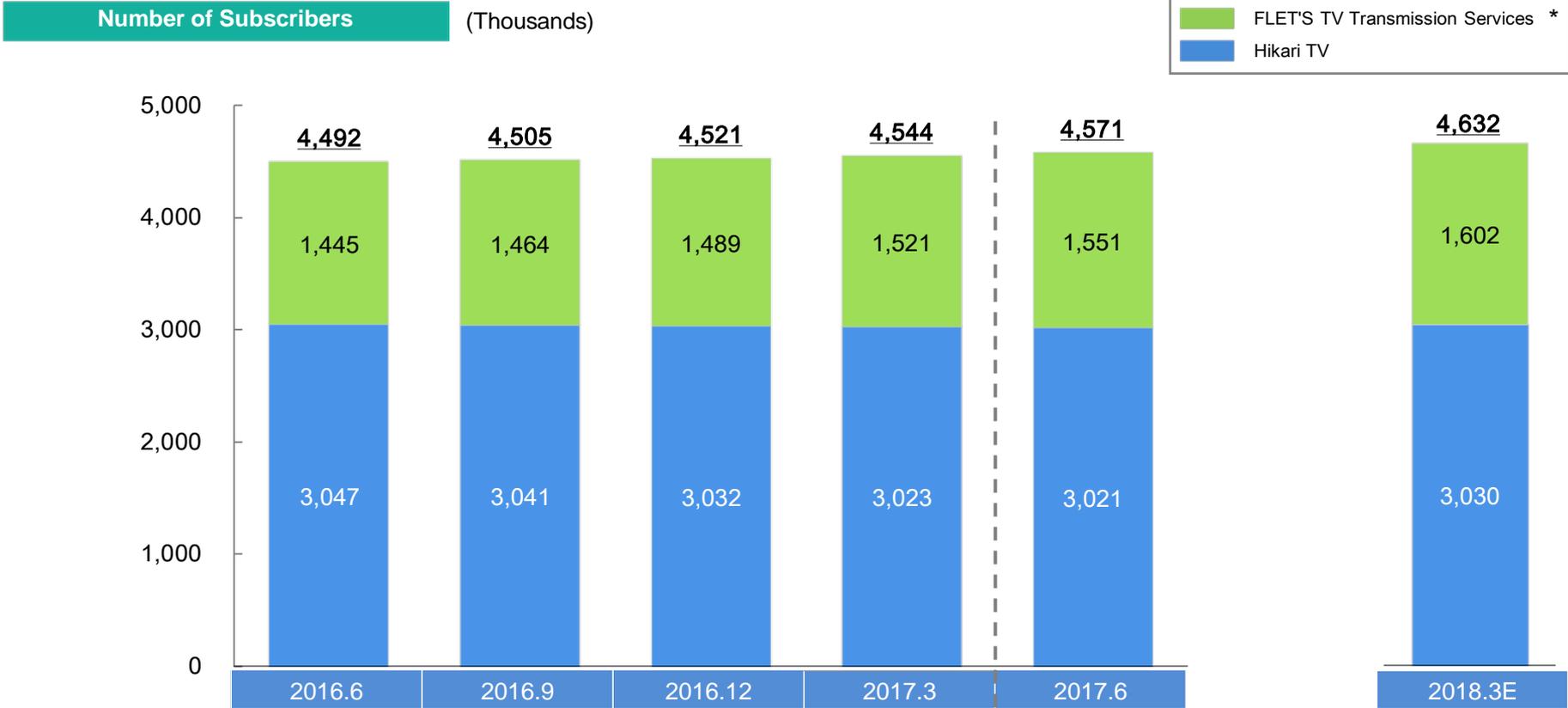


Changes from the Preceding Quarter (Thousands)

	FY2016				FY2017	FY2016	FY2017E
	4-6	7-9	10-12	1-3	4-6		
LTE(Xi)+FOMA	650	1,330	645	1,292	234	3,916	2,200

* Number of subscribers for Mobile Broadband Services includes Communications Module Service subscribers

Number of Subscribers for Video Services



* Number of subscribers to FLET'S TV Transmission Services includes wholesale services provided to service providers by NTT East and NTT West.

Financial Information

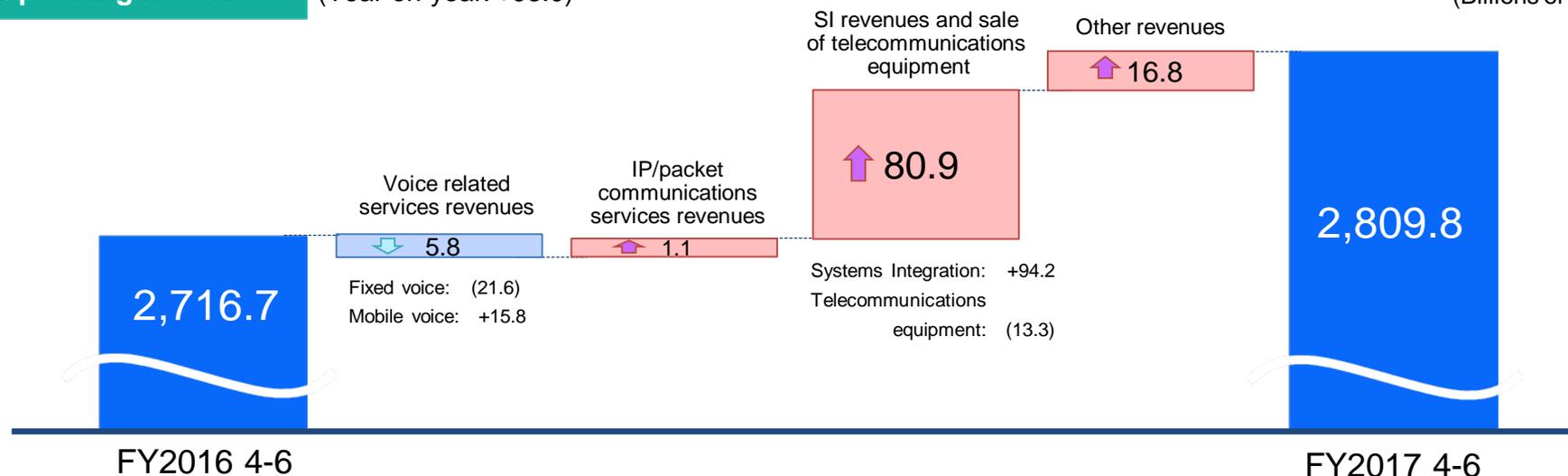
Details of Consolidated Statement of Income



Operating Revenues

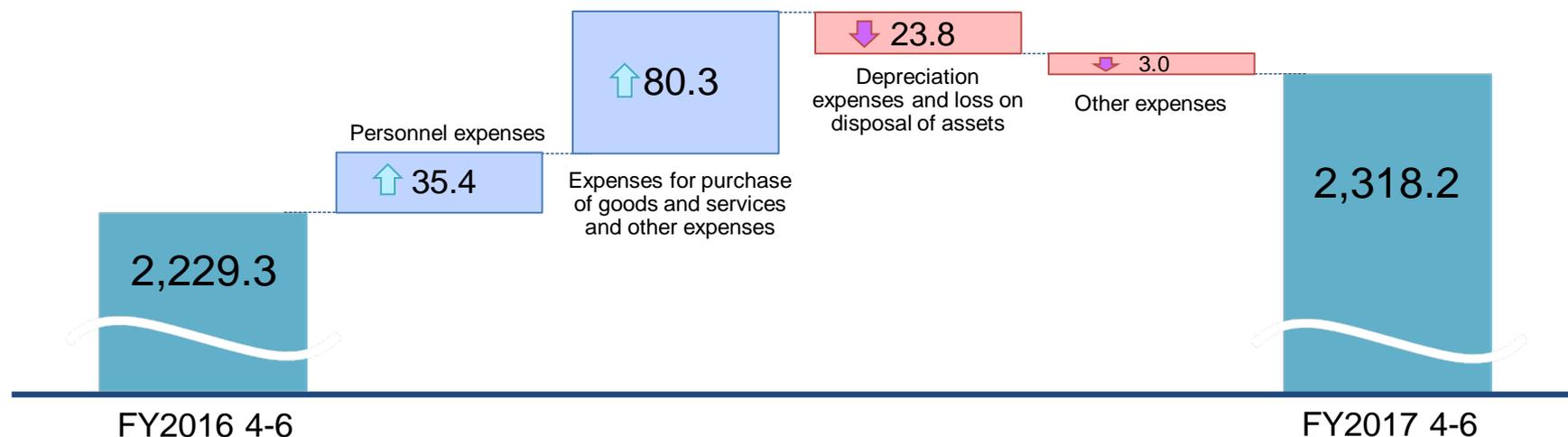
(Year-on-year: +93.0)

(Billions of yen)



Operating Expenses

(Year-on-year: +88.8)

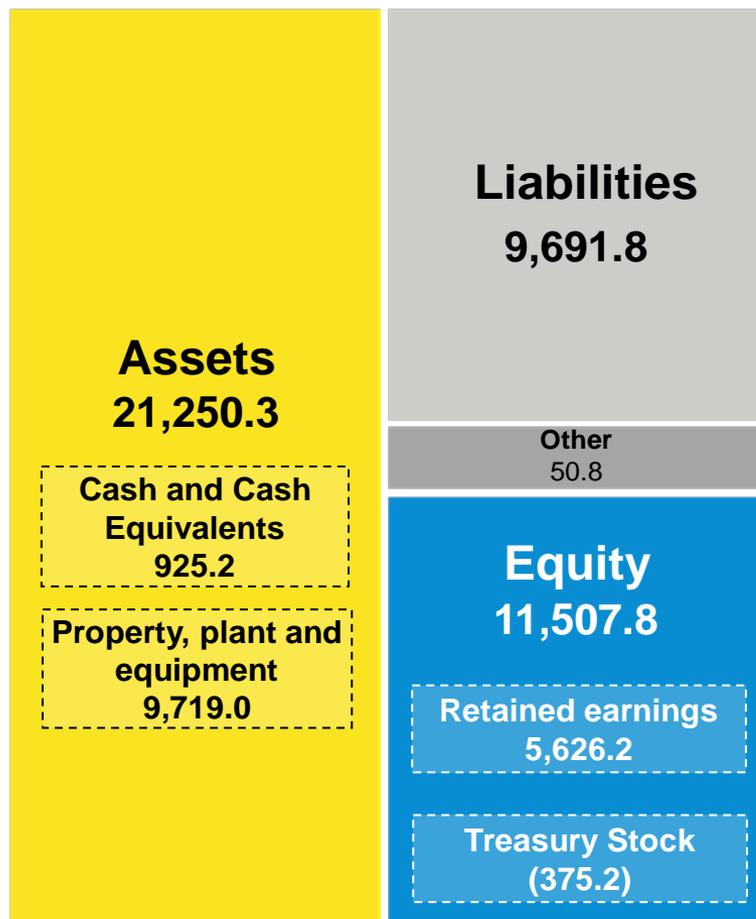


Details of Consolidated Balance Sheet



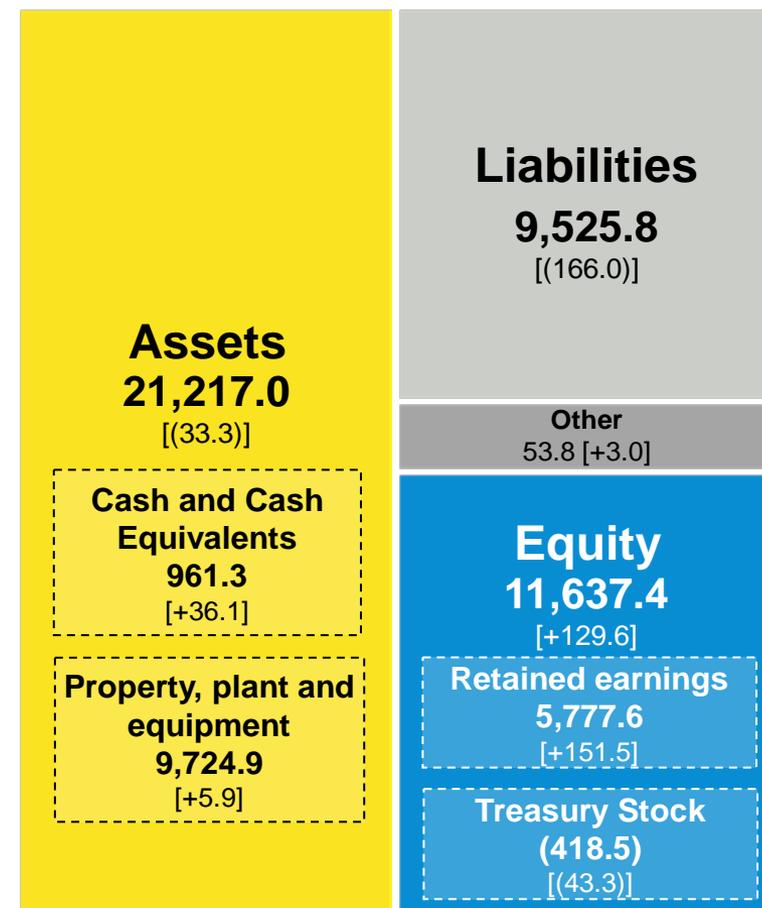
(Billions of yen)

21,250.3



March 31, 2017

21,217.0 [(33.3)]

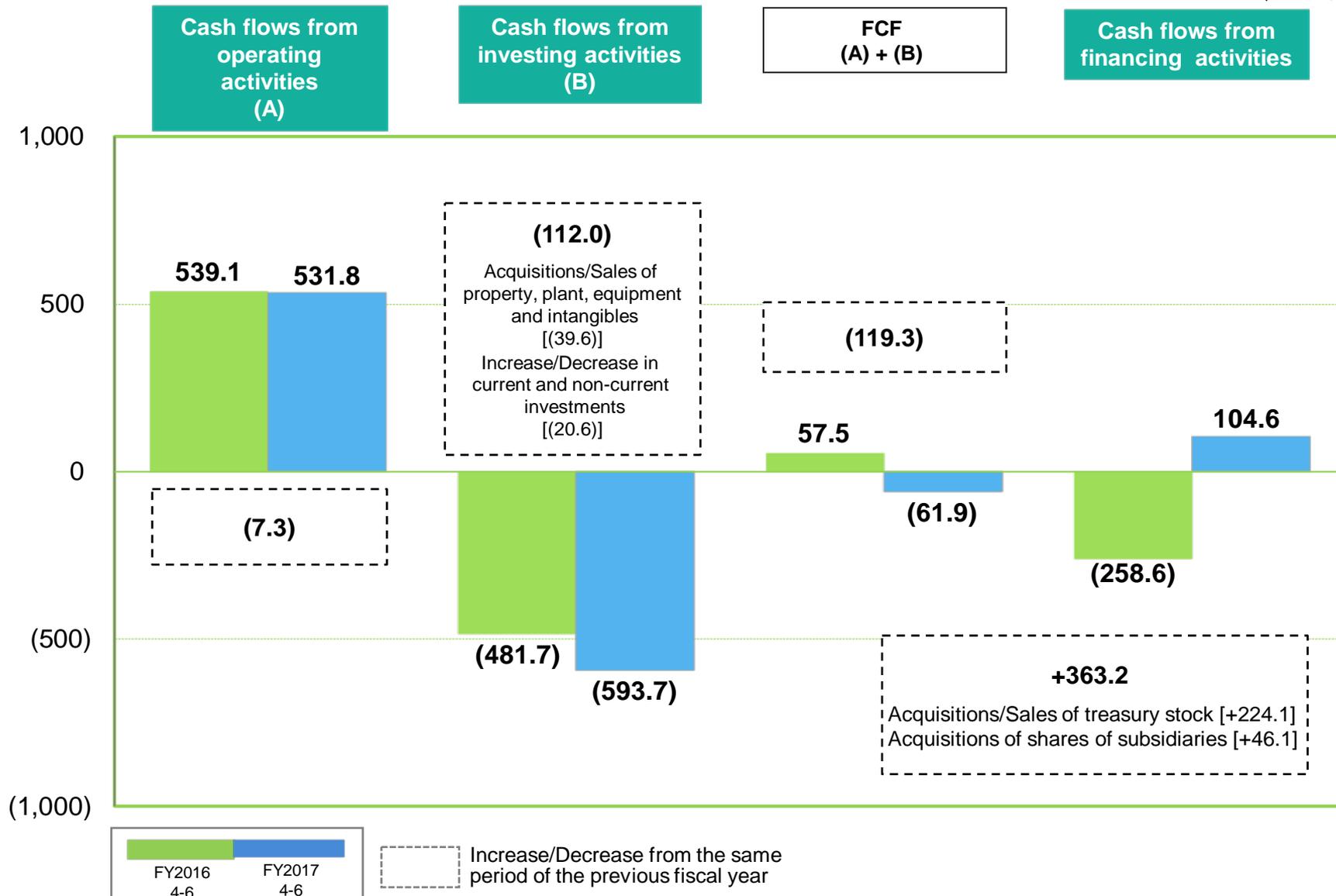


June 30, 2017

Details of Consolidated Cash Flows



(Billions of yen)

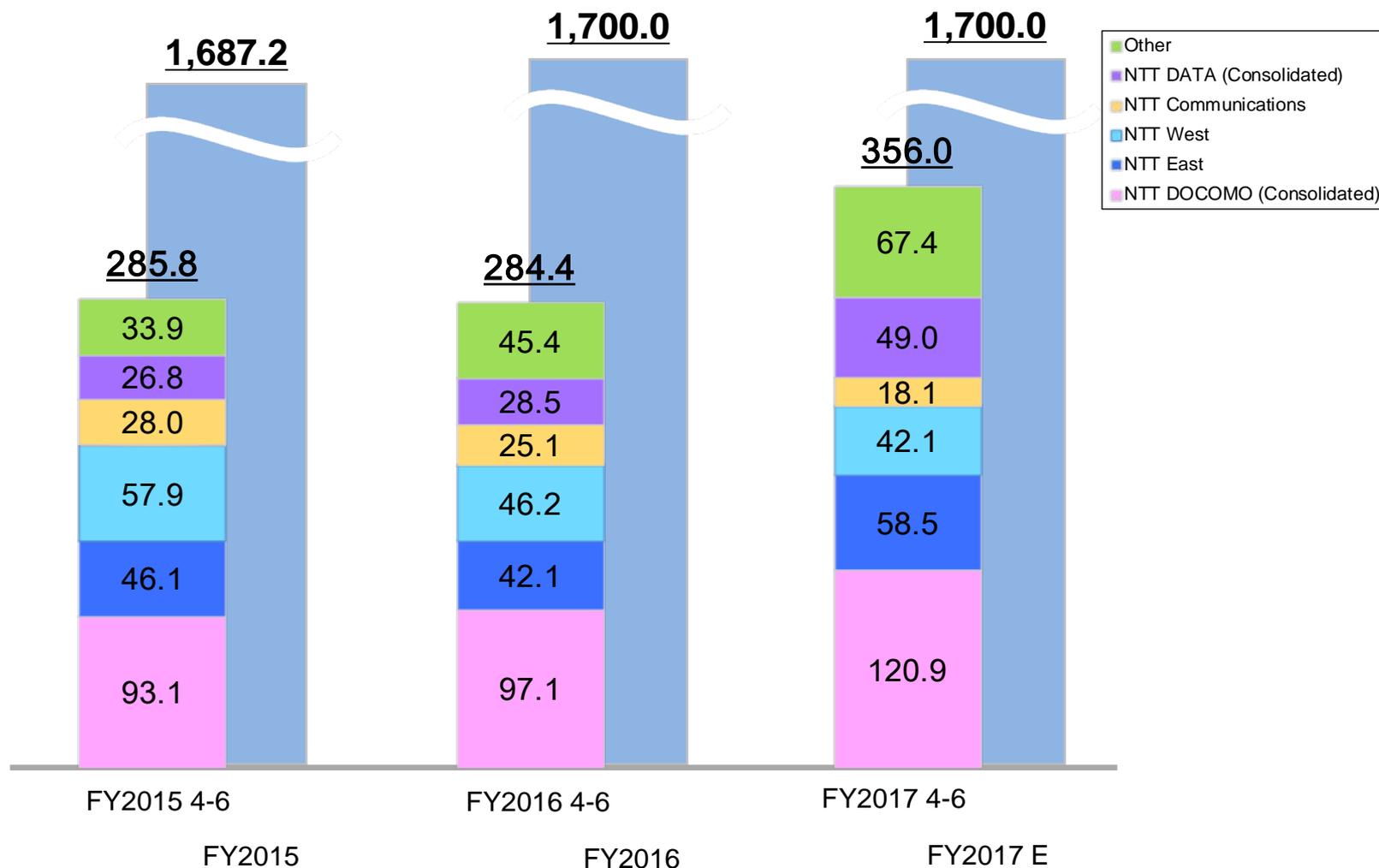


Details of Capital Investment



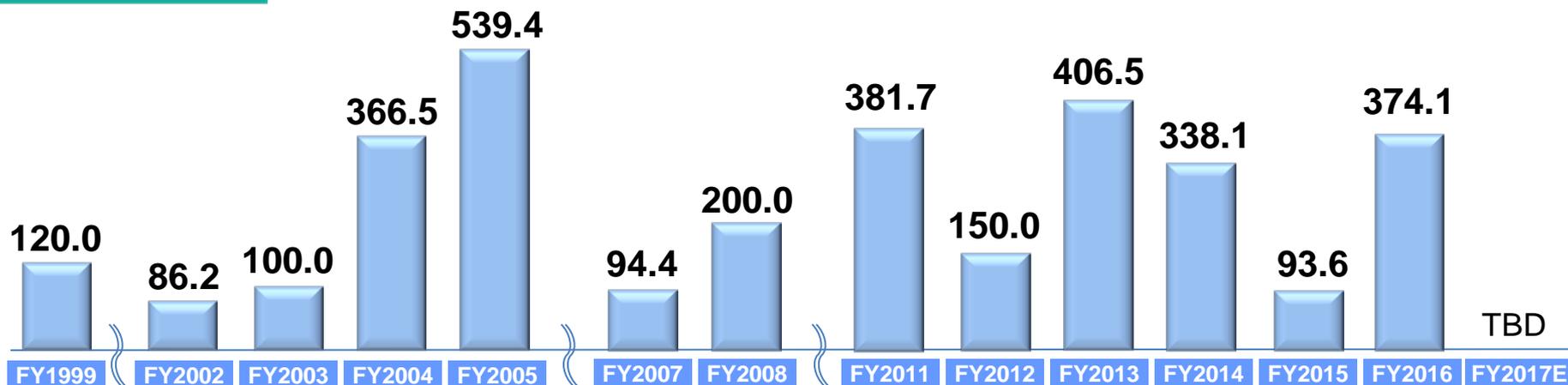
(Billions of yen)

Capital Investment



Share Buybacks

(Billions of yen)



Dividends per Share

Pay-out ratio

(Yen)

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

