

Financial Results Release

May 15, 2020

For the Year Ended March 31, 2020

[IFRS]

Name of registrant : Nippon Telegraph and Telephone Corporation ("NTT") / URL <https://www.ntt.co.jp/ir/>
 Code No. : 9432
 Stock exchanges on which the Company's shares are listed : Tokyo
 Representative : Jun Sawada, President and Chief Executive Officer
 Contact : Natsuko Fujiki, Head of IR, Finance and Accounting Department
 URL https://www.ntt.co.jp/ir/form_e/ref_contact.html
 Scheduled date of the ordinary general meeting of shareholders : June 23, 2020
 Scheduled date of dividend payments : June 24, 2020
 Scheduled filing date of securities report : June 24, 2020
 Supplemental material on financial results : Yes
 Presentation on financial results : Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Year Ended March 31, 2020 (April 1, 2019 - March 31, 2020)

Amounts are rounded to the nearest million yen.

(1) Consolidated Results of Operations

(Millions of yen)

| | Operating Revenues | | Operating Profit | | Profit before Taxes | | Profit Attributable to NTT | |
|---------------------------|--------------------|------|------------------|--------|---------------------|--------|----------------------------|--------|
| Year Ended March 31, 2020 | 11,899,415 | 0.2% | 1,562,151 | (7.8)% | 1,570,141 | (6.1)% | 855,306 | 0.1% |
| Year Ended March 31, 2019 | 11,879,842 | 0.8% | 1,693,833 | 3.2% | 1,671,861 | (3.9)% | 854,561 | (4.8)% |

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

2. Comprehensive income (loss) attributable to NTT: For the year ended March 31, 2020: 743,451 million yen ((10.0)%)
 For the year ended March 31, 2019: 826,154 million yen ((13.1)%)

| | Basic Earnings per Share Attributable to NTT | Diluted Earnings per Share Attributable to NTT | ROE (Ratio of Profit Attributable to NTT) | ROA (Ratio of Profit before Taxes to Total Assets) | Operating Profit Margin (Ratio of Operating Profit to Operating Revenues) |
|---------------------------|--|--|---|--|---|
| Year Ended March 31, 2020 | 231.21 (yen) | - (yen) | 9.3% | 6.9% | 13.1% |
| Year Ended March 31, 2019 | 220.13 (yen) | - (yen) | 9.3% | 7.6% | 14.3% |

(Reference) Equity in earnings (losses) of affiliated companies: For the year ended March 31, 2020: 11,257 million yen

For the year ended March 31, 2019: (10,075) million yen

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. The figures for Basic Earnings per Share Attributable to NTT have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

(2) Consolidated Financial Position

(Millions of yen, except equity ratio and per share amounts)

| | Total Assets | Total Equity (Net Assets) | Shareholders' Equity | Equity Ratio (Ratio of Shareholders' Equity to Total Assets) | Shareholders' Equity per Share |
|----------------|--------------|---------------------------|----------------------|--|--------------------------------|
| March 31, 2020 | 23,014,133 | 11,462,627 | 9,061,103 | 39.4% | 2,492.60 (yen) |
| March 31, 2019 | 22,295,146 | 11,804,790 | 9,264,913 | 41.6% | 2,416.01 (yen) |

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. The figures for Shareholders' Equity per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

(3) Consolidated Cash Flows

(Millions of yen)

| | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at End of Year |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Year ended March 31, 2020 | 2,995,211 | (1,852,727) | (1,041,261) | 1,033,574 |
| Year ended March 31, 2019 | 2,406,157 | (1,774,136) | (584,266) | 946,134 |

2. Dividends

| | Annual Dividends | | | | | Total Annual Dividends | Payout Ratio (Consolidated) | Ratio of Dividends to Shareholders' Equity (Consolidated) |
|--|--------------------------|---------------------------|--------------------------|-------------|--------------|--------------------------------------|-----------------------------|---|
| | End of the first quarter | End of the second quarter | End of the third quarter | Year-end | Total | | | |
| Year Ended March 31, 2019 | - | 85.00 (yen) | - | 95.00 (yen) | 180.00 (yen) | 347,927 ^(millions of yen) | 40.9 % | 3.8 % |
| Year Ending March 31, 2020 | - | 95.00 (yen) | - | 47.50 (yen) | - (yen) | 345,345 ^(millions of yen) | 41.1 % | 3.8 % |
| Year Ending March 31, 2021 (Forecasts) | - | 50.00 (yen) | - | 50.00 (yen) | 100.00 (yen) | - | - % | - |

Notes: 1. NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. The year-end dividend amount presented for the year ended March 31, 2020 and the dividend forecast amount presented for the year ending March 31, 2021 reflect the impact of the stock split. The dividend amounts presented for the year ended March 31, 2019 and for the end of the second quarter of the year ended March 31, 2020 reflect actual dividend amounts without reflecting the impact of the stock split. The total annual dividend for the year ended March 31, 2020 has not been presented, as the dividend amounts from the end of the second quarter (on a pre-stock split basis) and from year-end (on a post-stock split basis) cannot be directly aggregated.
 2. Please refer to 3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021) for the reason why Payout Ratio (Consolidated) for Year Ending March 31, 2021 (forecasts) is "-".

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

With respect to the Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021, NTT anticipates that new SI orders and sales of various types of services will be affected by the impact of the COVID-19 outbreak. However, because we cannot predict the termination of the outbreak or the arrival of a second wave and cannot reasonably estimate the amount of the impact of COVID-19, we have decided to postpone making financial forecasts for the fiscal year ending March 31, 2021 at this time. NTT intends to promptly announce its financial forecasts as soon as it is possible to reasonably estimate the amount of the impact.

***Notes:**

- (1) Change in significant consolidated subsidiaries during the fiscal year ended March 31, 2020 that resulted in changes in the scope of consolidation: Yes
Newly added: One company (NTT Ltd.)
- (2) Change of accounting policy and accounting estimates
 - i. Changes in accounting policy required by IFRS: Yes
 - ii. Changes other than (i): None
 - iii. Changes in accounting estimates: Yes
- (3) Number of shares outstanding (common stock)
 - i. Number of shares outstanding (including treasury stock):

| | |
|----------------|------------------------|
| March 31, 2020 | : 3,900,788,940 shares |
| March 31, 2019 | : 3,900,788,940 shares |
 - ii. Number of shares of treasury stock:

| | |
|----------------|----------------------|
| March 31, 2020 | : 265,592,712 shares |
| March 31, 2019 | : 65,995,492 shares |
 - iii. Weighted average number of shares outstanding:

| | |
|-----------------------------------|------------------------|
| For the Year Ended March 31, 2020 | : 3,699,278,775 shares |
| For the Year Ended March 31, 2019 | : 3,882,137,457 shares |

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. The figures for Number of shares outstanding (common stock) have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

(Reference) Non-Consolidated Financial Results

For the Year Ended March 31, 2020

[Japanese GAAP]

1. Non-consolidated Financial Results for the Year Ended March 31, 2020 (April 1, 2019 - March 31, 2020)

Amounts are rounded off per 1 million yen.

(1) Non-consolidated Results of Operations

(Millions of yen, except per share amounts)

| | Operating Revenues | Operating Income | Recurring Profit | Net Income |
|---------------------------|--------------------|------------------|------------------|-----------------|
| Year ended March 31, 2020 | 649,740 (13.5)% | 510,317 (16.9)% | 508,877 (17.0)% | 480,768 (59.7)% |
| Year ended March 31, 2019 | 750,740 13.2% | 613,833 15.7% | 612,862 16.0% | 1,192,784 64.5% |

Note: Percentages above represent changes from the previous year.

| | Earnings per Share | Diluted Earnings per Share |
|---------------------------|--------------------|----------------------------|
| Year ended March 31, 2020 | 129.96 (yen) | - (yen) |
| Year ended March 31, 2019 | 307.25 (yen) | - (yen) |

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. The figures for Earnings per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

(2) Non-consolidated Financial Position

(Millions of yen, except per share amounts)

| | Total Assets | Net Assets | Equity Ratio (Ratio of Shareholders' Equity to Total Assets) | Net Assets per Share |
|----------------|--------------|------------|---|----------------------|
| March 31, 2020 | 6,834,082 | 4,845,259 | 70.9% | 1,332.87 (yen) |
| March 31, 2019 | 7,098,890 | 5,222,248 | 73.6% | 1,361.81 (yen) |

(Reference) Shareholders' equity: For the year ended March 31, 2020: 4,845,259 million yen

For the year ended March 31, 2019: 5,222,248 million yen

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. The figures for Net Assets per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

2. Non-consolidated Financial Forecasts for the Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

With respect to the Non-consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021, NTT has decided not to disclose such forecasts at this time because it is not possible to reasonably calculate the impact of the COVID-19 pandemic. NTT intends to promptly announce its financial forecasts as soon as it is possible to reasonably estimate the amount of the impact of the COVID-19 pandemic.

* This Financial Results Release is not subject to review by a certified public accountant or audit firm.

* Explanation of financial results forecasts and other notes:

This document is a translation of the authoritative Japanese original. The assumptions for the financial forecasts and cautionary matters to consider in using such financial forecasts are as follows. 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, and other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein.

On Friday, May 15, 2020, NTT will hold a presentation on its financial results for institutional investors and analysts. Shortly thereafter, NTT plans to post on its website explanatory details, along with the materials used at the presentation.