



# IR Presentation

This document is a translation of the Japanese original. The Japanese original is authoritative.

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 Securities Report and in any other materials publicly disclosed by NTT on its website.

- \* "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 three-month period beginning on April 1 and ending on June 30, "2Q" represents the six-month period beginning on April 1 and ending on September 30, "3Q" represents the nine-month period beginning on April 1 and ending on December 31, and "4Q" represents the twelve-month period beginning on April 1 and ending on March 31.

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# **Overview of Consolidated Results for FY2020.1Q and FY2020 Forecast**

- Operating Revenues and Operating Income decreased as a result of the impact of COVID-19, among other factors

## Status of Consolidated Results

● Operating Revenues:	¥2,766.5B	< (¥149.0B) [ (5.1%) ]	year-on-year >
● Operating Income:	¥497.6B	< (¥7.6B) [ (1.5%) ]	year-on-year >
● Profit*:	¥272.6B	< (¥7.9B) [ (2.8%) ]	year-on-year >
<hr/>			
● Overseas Sales**:	\$4.4B	< (\$0.38B) [ (8.0%) ]	year-on-year >
● Overseas Operating Income Margin** :	2.2%	< +0.6 pt	year-on-year >

\* Profit presented above represents the profit attributable to NTT, excluding noncontrolling interests.

\*\* Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

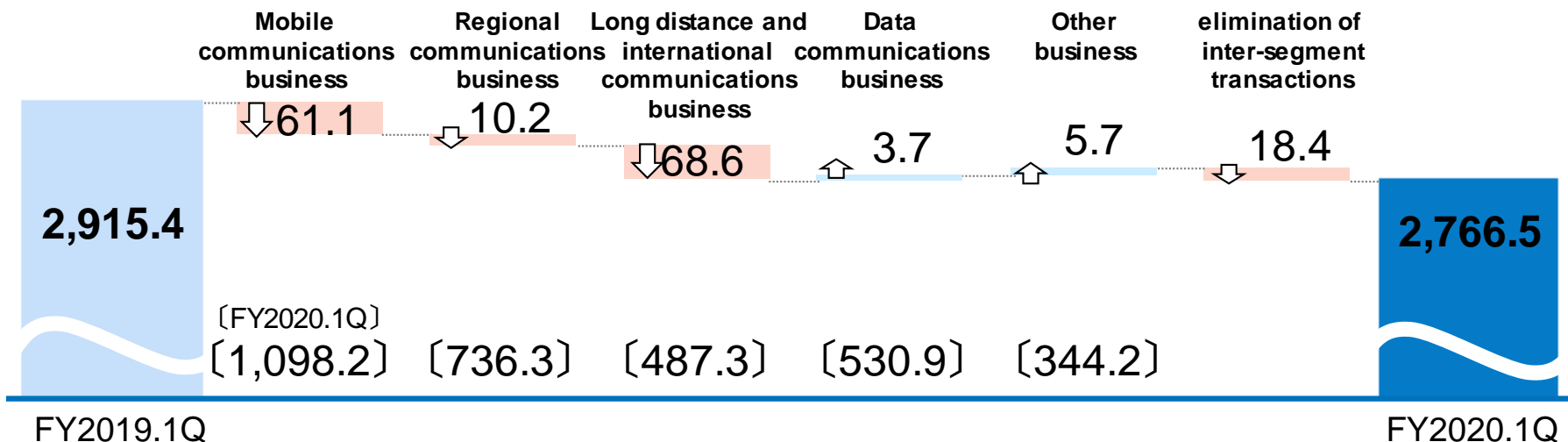
# Contributing Factors by Segment for FY2020.1Q



(Billions of yen)

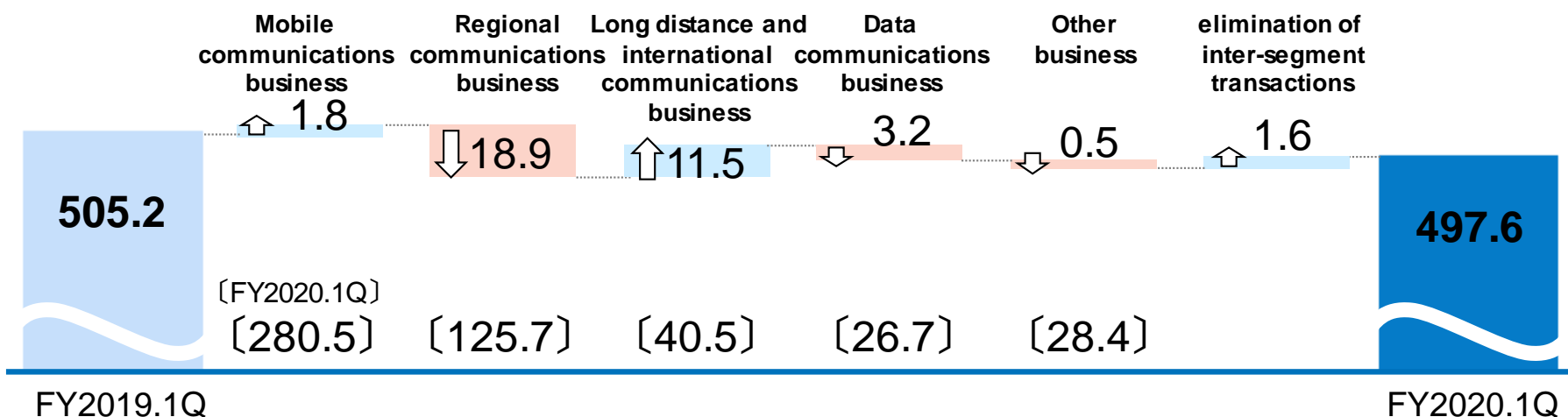
## Operating Revenues

<Year-on-year:(149.0)>



## Operating Income

<Year-on-year:(7.6)>



# Overview of FY2020 Financial Forecasts



- **The impact of COVID-19 is expected to be a decrease in Operating Revenues of approximately ¥350.0 billion and a decrease in Operating Income of approximately ¥70.0 billion, based on the following assumptions:**
  - ◆ **In Japan, without taking into account any re-issuances of state of emergency declarations, economic activity is expected to gradually recover following the lifting of the state of emergency in May**
  - ◆ **While recovery is expected to gradually occur overseas as well, the recovery is expected to be slower than in Japan, particularly in Europe and in the United States**
  
- **As a result:**
  - **Operating Revenues are expected to decrease significantly, by approximately ¥400.0 billion, compared to FY2019**
  - **Operating Income and Operating Profit will increase compared to FY2019, covered by approximately ¥80.0 billion of reductions in capital investments, and approximately ¥100.0 billion of cost reductions**

# FY2020 Forecast Summary



## Plan for Consolidated Revenues and Income

	FY2019 Result	FY2020 Forecast	Year-on- Year	COVID-19 Impact
Operating Revenues	¥11,899.4B	¥11,500.0B	(¥399.4B)	(¥350.0B) [ Domestic: (¥180.0B) Overseas: (¥170.0B) ]
Operating Income	¥1,562.2B	¥1,590.0B	+ ¥27.8B	(¥70.0B) [ Domestic: (¥45.0B) Overseas: (¥25.0B) ]
Profit*	¥855.3B	¥860.0B	+ ¥4.7B	
EPS**	¥231	¥231	+ ¥0	

\* Profit represents profit attributable to NTT, excluding noncontrolling interests.

\*\* Amounts have been adjusted to reflect the two-for-one stock split authorized by the board of directors on November 5, 2019, with an effective date of January 1, 2020.



# FY2020 Financial Forecast Summary (by Company)



	Operating Revenues	Year-on-Year	Operating Income	Year-on-Year
<b>NTT DOCOMO</b>	<b>¥4,570.0B</b>	<b>(¥81.3B)</b>	<b>¥880.0B</b>	<b>+ ¥25.4B</b>
<b>NTT East</b>	<b>¥1,689.0B</b>	<b>+ ¥11.9B</b>	<b>¥260.0B</b>	<b>+ ¥4.0B</b>
<b>NTT West</b>	<b>¥1,438.0B</b>	<b>+ ¥3.7B</b>	<b>¥148.0B</b>	<b>+ ¥15.8B</b>
<b>Long Distance and International Communications Segment</b>	<b>¥2,114.0B</b>	<b>(¥91.8B)</b>	<b>¥124.0B</b>	<b>+ ¥20.4B</b>
<b>NTT Communications</b>	<b>¥1,037.0B</b>	<b>-</b>	<b>¥119.0B</b>	<b>-</b>
<b>NTT Ltd.</b>	<b>¥1,130.0B</b>	<b>-</b>	<b>¥5.0B</b>	<b>-</b>
<b>NTT DATA</b>	<b>¥2,170.0B</b>	<b>(¥96.8B)</b>	<b>¥120.0B</b>	<b>(¥10.9B)</b>
<b>NTT Urban Solutions</b>	<b>¥456.0B</b>	<b>+ ¥30.0B</b>	<b>¥43.0B</b>	<b>(¥5.7B)</b>

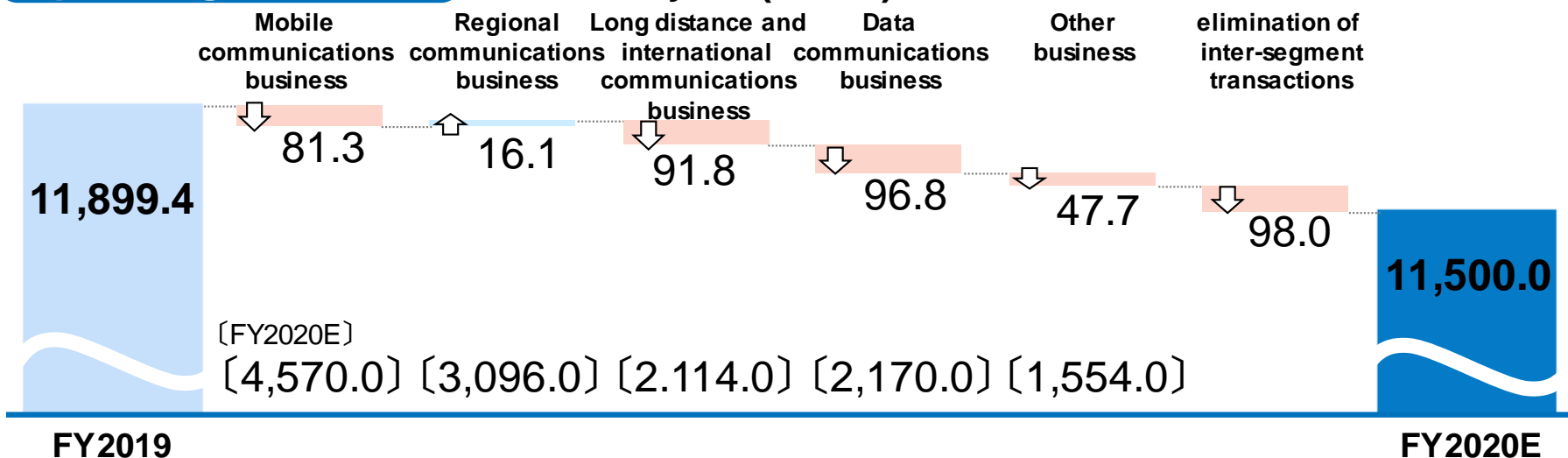
# FY2020 Forecast Summary by Segment



(Billions of yen)

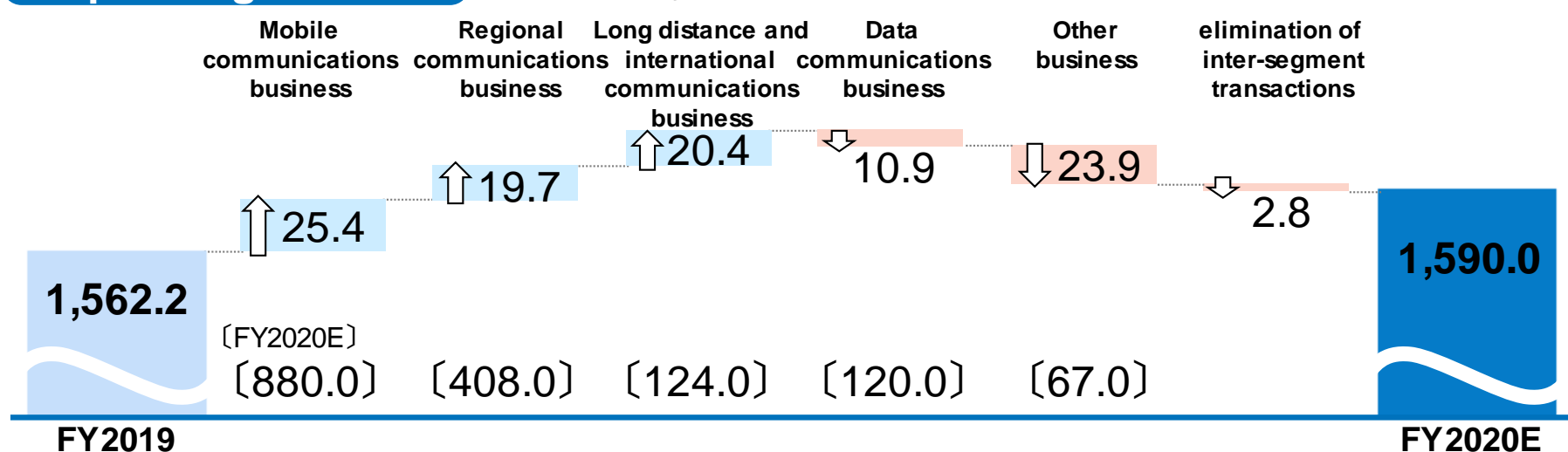
## Operating Revenues

<Year-on-year:(399.4)>



## Operating Income

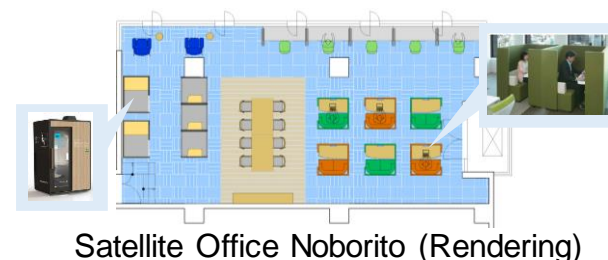
<Year-on-year: + 27.8>



# Initiatives in Response to COVID-19

## ■ Improved treatment and environments to support telework-centered work styles

- Rate of working from home\* is 55% (as of July 31, 2020)
- Introduction of “Remote Work Allowance,” “Commuting Cost Reimbursements (Abolition of Commuter Pass),” and “Super Flex-time System” (scheduled to be launched in October 2020)
- Expansion of satellite offices that utilize station facilities (beginning in about September 2020)
- Built work-from-home environments for contact center operators (beginning in July 2020)
- Provide troubleshooting videos and visual tools that aid in self-diagnosis and recovery, and reduce on-site work dispatches (beginning in July 2020)
- Introduction of no-contact installation methods for in-home fiber optic construction work (beginning in October 2020)
- Start of reception by people with physical disabilities through the “Orihime-D” remote-controlled robot (beginning in July 2020)



\* Actual value, excluding organizations involved in non-clerical work

\*\* ONE CONTACT : NTT Group's integrated business brand for BPO, BPR and CX innovation, centered on contact centers

## ■ Launch of new services for a remote world

～First wave of new service strategy (further enhancing the service lineup in the future)～

### ① **“NeWork” online workspace** (NTT Com, launching for free\* beginning at the end of August 2020)

- ✓ Provides safe and secure web conferencing
- ✓ Reproduces virtual office spaces  
(such as casual conversation function that feels like having a little chat)
- ✓ Can also be used for creating meeting records and translation\*\*

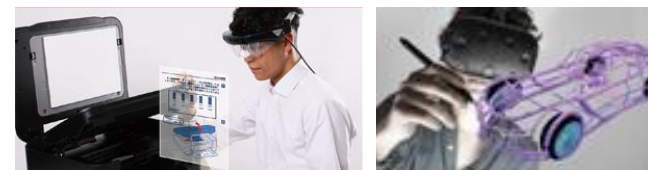


### ② **“ELGANA” business chat** (NTT Neomeit, launched in April 2020 and currently in service)

- ✓ Extensive enterprise security functions
- ✓ Planned to be linked to “NeWork” web conferencing service
- ✓ Currently offering up to three months’ free trial

### ③ **“AceReal for docomo” and “Virtual Design Atelier”** which support remote work (NTT DOCOMO, launched in June 2020\*\*\* and currently in service)

- ✓ Enables precise instructions to be given to a work site from a remote environment



\* In the future, it is planned that additional functions will be added and a higher-functionality version will be offered for a fee

\*\* Functions for creating meeting records and for translation are provided for a fee

\*\*\* “AceReal for docomo” launched in July 2020

## ④ **“Smart Government Platform NaNaTsu”**

(NTT Data, launching free trials beginning in August 2020, with planned commercial launch beginning in October 2020)

- ✓ Automation of over 100 government work processes within the fiscal year through shared RPA/AI-OCR, including expenditure and revenue management processes and tax-related processes, such as hometown taxes  
(Special Cash Payment support service that has been provided free of charge since May is being utilized at over 200 organizations)

## ⑤ **“WindowTalk,” which enables conversation through glass or acrylic screens**

(commercialization scheduled in 2020)

- ✓ Allows for communication through closed windows to reduce the risk of infection



## ⑥ **Crowd density detection and thermal scanning using “Smart City Solutions”**

(NTT, Inc., launched in Las Vegas beginning in August 2020)

- ✓ Crowd warning alerts and predictions, body temperature detection and other functions using video analysis

## ⑦ **“jibo” interactive robot**

(NTT Disruption, proof-of-concept in English launched in March 2020)

- ✓ Business transformation by AI digital companion for healthcare, telemedical verticals, and public welfare sector



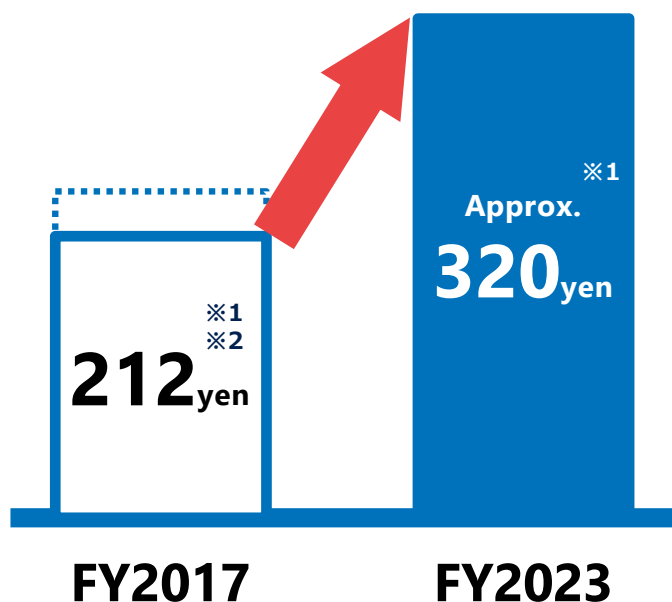
# NTT Group Medium-Term Management Strategy

# Medium-Term Targets



## EPS Growth

**+50%**



## Financial Targets

<b>EPS Growth</b>	<b>+50%</b> <sup>※2</sup>	<b>Target FY2023</b> (vs. FY2017)
<b>Overseas Sales / Overseas Operating Income Margin</b> <sup>※3</sup>	<b>\$25B / 7%</b>	<b>FY2023</b>
<b>Cost Reductions</b> (in fixed-line/mobile access networks)	<b>At least ¥800B</b>	<b>FY2023</b> (vs. FY2017)
<b>ROIC</b>	<b>8%</b>	<b>FY2023</b>
<b>Capex to Sales</b> (Domestic Network Business <sup>※4</sup> )	<b>13.5% or less</b>	<b>FY2021</b>

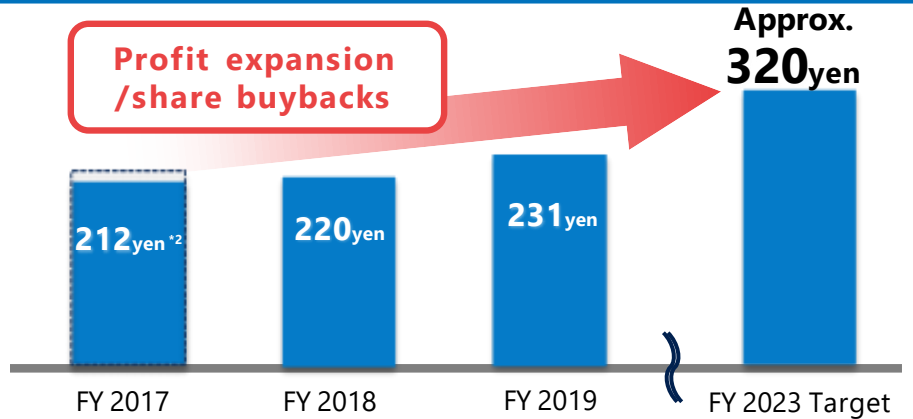
※1 : EPS amounts reflect the two-for-one stock split with an effective date of January 1, 2020. ※2 : Excludes the effects of the arbitration award received from Tata Sons Limited. ※3 : Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets. ※4 : Excludes NTT communications' data centers and certain other assets.



# Transition of Medium-Term Targets

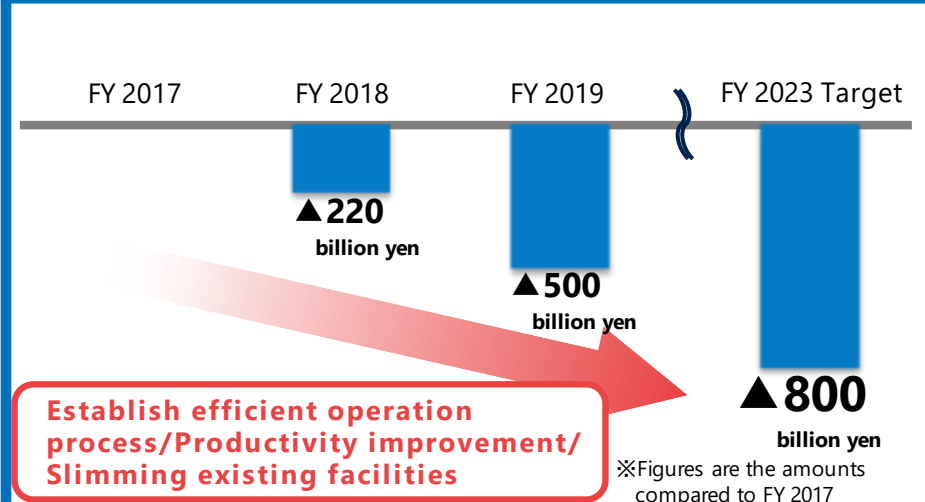


## EPS Growth <sup>\*1</sup>

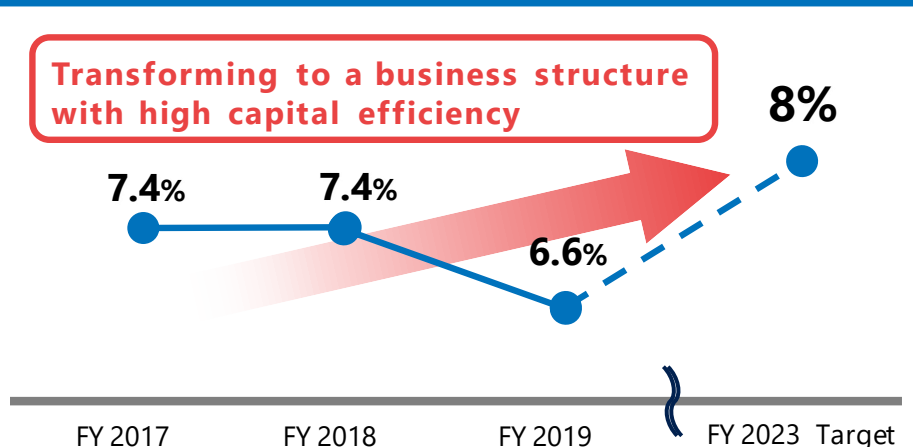


<sup>\*1</sup> EPS amounts reflect the two-for-one stock split with an effective date of January 1, 2020.  
<sup>\*2</sup> Excludes the effects of the arbitration award received from Tata Sons Limited.

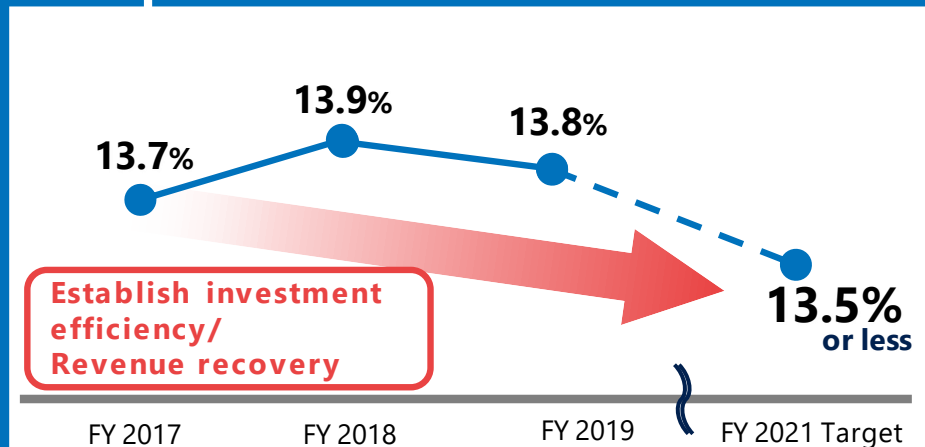
## Cost Reductions (in fixed-line/mobile access networks)



## ROIC



## Capex to Sales (Domestic Network Business) <sup>\*1</sup>



<sup>\*1</sup> : Excludes NTT communications' data centers and certain other assets.

# Overview of Medium-Term Management Strategy Initiatives

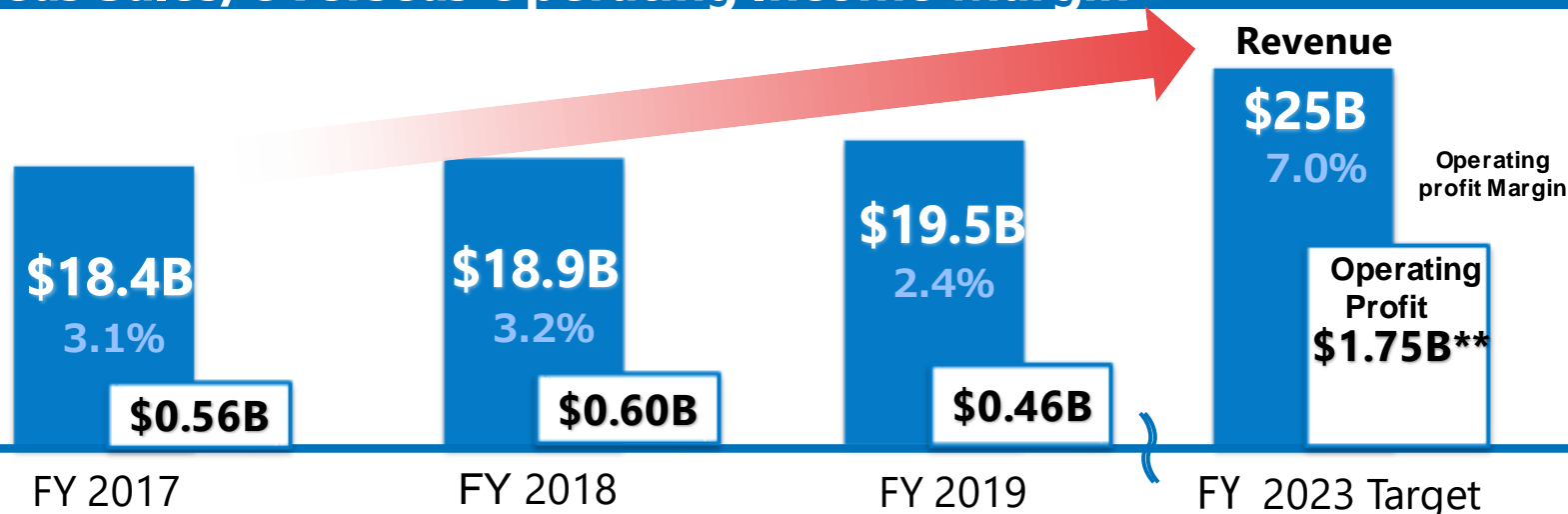
<b>Roll Out 5th-Generation Wireless System</b>	<ul style="list-style-type: none"><li>• <b>Completed buildout of stations to all prefectures and administrative divisions in Japan (as of June 30, 2020)</b></li></ul>
<b>Enhance and Globalize R&amp;D</b>	<ul style="list-style-type: none"><li>• <b>In collaboration with NEC, will achieve a “new made-in-Japan” by driving openness and creating innovative technologies and products (June 25, 2020)</b></li></ul>
<b>Create New Lines of Business</b>	<ul style="list-style-type: none"><li>• <b>In collaboration with Mitsubishi Corporation, promoted renewable energy generation business and energy management business that combines EVs and storage batteries (June 30, 2020)</b></li><li>• <b>Expanded renewable energy through participation in geothermal generation (July 31, 2020)</b></li></ul>
<b>Contribute to Vitalization of Regional Societies and Economies</b>	<ul style="list-style-type: none"><li>• <b>Launch of communications fraud prevention service that utilizes AI (scheduled for November 2020)</b></li></ul>
<b>Promote ESG Management</b>	<ul style="list-style-type: none"><li>• <b>Issued NTT Group green bonds (June 25, 2020)</b></li></ul>

# Global Business

# Global Business Overview



## Overseas Sales/Overseas Operating Income Margin\*



\* Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

\*\* Estimated value of \$ 25B multiplied by 7%

## Revenue\* (USD, FY2018) and Employee by Region (excl. Japan)

	TOTAL	AMERICAS	EMEA	APAC※2
Revenue	\$ 19.5B	\$ 6.7B	\$ 7.7B	\$ 5.0B
No. of employee	135,000	38,000	50,000	47,000

\* Including results from the global holding company, its subsidiaries and its affiliates.

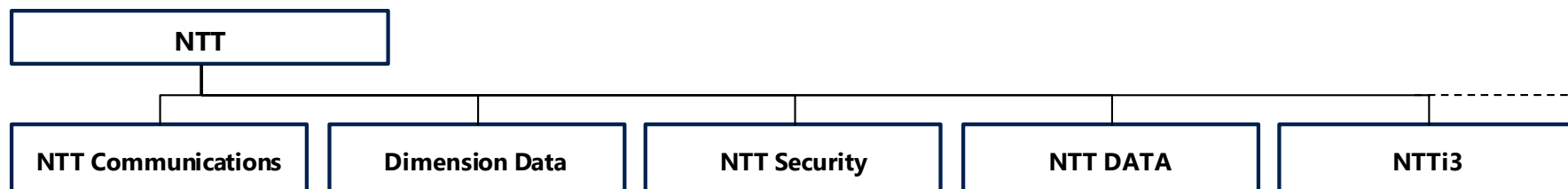
\*\* Exclude Japan

# Enhance Competitiveness in Global Business (1)

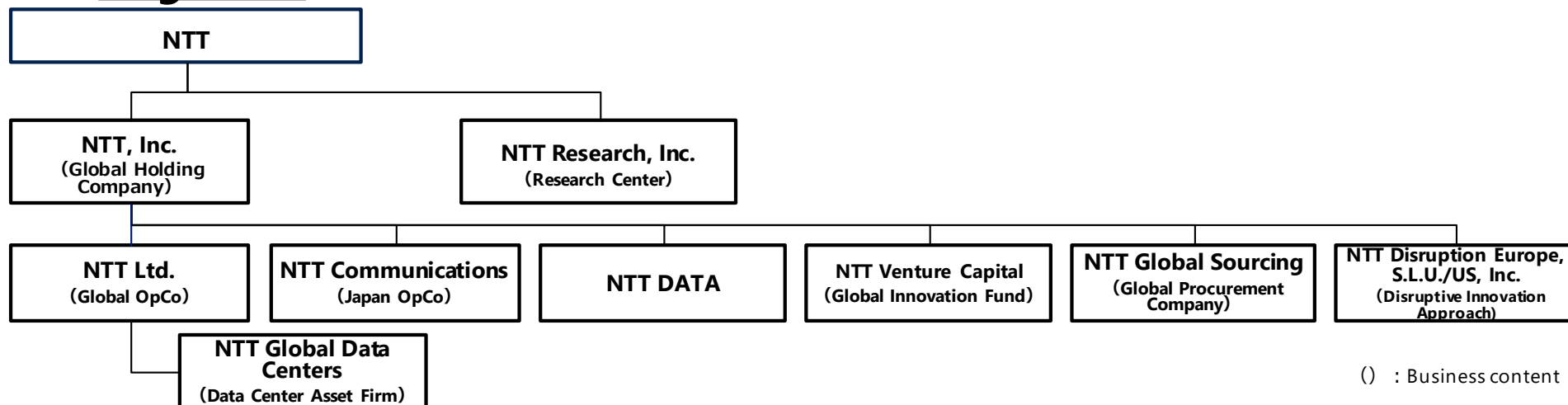


- We established a new global holding company under NTT Corporation by the third quarter of the fiscal year ending March 31, 2019.
- And NTT Communications, Dimension Data, NTT DATA, NTT Security, and NTTi3 will be transferred to NTT, Inc. and will align together under its new leadership.
- While making NTT Group more competitive and profitable, our global governance will also benefit from embracing and integrating our people's diverse talents, skills, and management experience in global markets.
- We'll also intensify our R&D activities in global markets by using a global network of experts from advanced academic research institutions and venture-capital communities around the world.

## Previous



## Aug. 2018



() : Business content

# Enhance Competitiveness in Global Business (2)



## "One NTT" Global Growth Strategy

Deliver High Value Solutions

Create New Innovative Solutions

### Business Modernization

Industry Advisory Expertise Drives Outcome-Based Solutions

Financial Services

Automotive /Manufacturing

Healthcare

Communications /Media

Public Sector

...

Accelerate IT-as-a-Service with Software-Defined Technologies

Managed Infrastructure

Cybersecurity Services

Cognitive Foundation

Global Edge Services

...

Data Center Asset Firm

Improve Efficiency of Data Center Business

NTT Global Procurement Company

Global Procurement Excellence

Integrated Capabilities  
(Enabling a Smart World)

### Disruptive Innovation

Global Innovation Fund

Invest in the Next Innovative Technology Frontier

Venture Ecosystem

Digital Startups

Disruptive Innovation Approach

Co-Create with Clients using Advanced Technologies

Industry Specialized

Business Function

Smart World

Technology-Led

e.g. AI, Robotics, Edge Computing

Research Center (Outside of Japan)

Invent World-Leading Innovative Technologies

Global Talent Development

One NTT

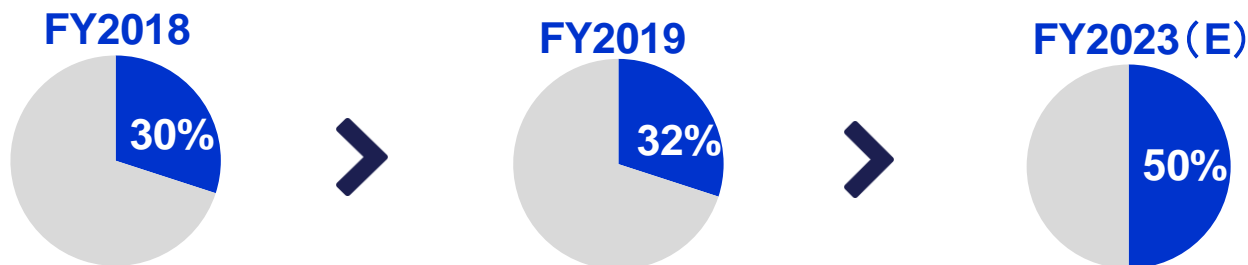
Global Branding

# Structural Reform of NTT Ltd.



- **Promoted integration at NTT Ltd. since its establishment in July 2019**
- **Promoting structural reforms to realize business shift to attractive markets centered on managed IT services**
  - Streamlining business operations
    - Optimization by consolidating operations and overlaps
    - Launching a shared service center, automating internal processes, unifying systems
  - Strengthening competitiveness
    - Supporting customers' digital transformation with consulting as a starting point
    - Focus on secure and reliable hybrid cloud-enabled business by utilizing partnering with Microsoft
    - Expanding solutions that meet emerging needs by utilizing communication technologies and collaboration tools

<Ratio of attractive markets to revenue>



# Smart City Project (Las Vegas City)

**Pain Point of the City:**  
**Requirements:**

**To reduce "Response Time"**

① **Reactive actions:**

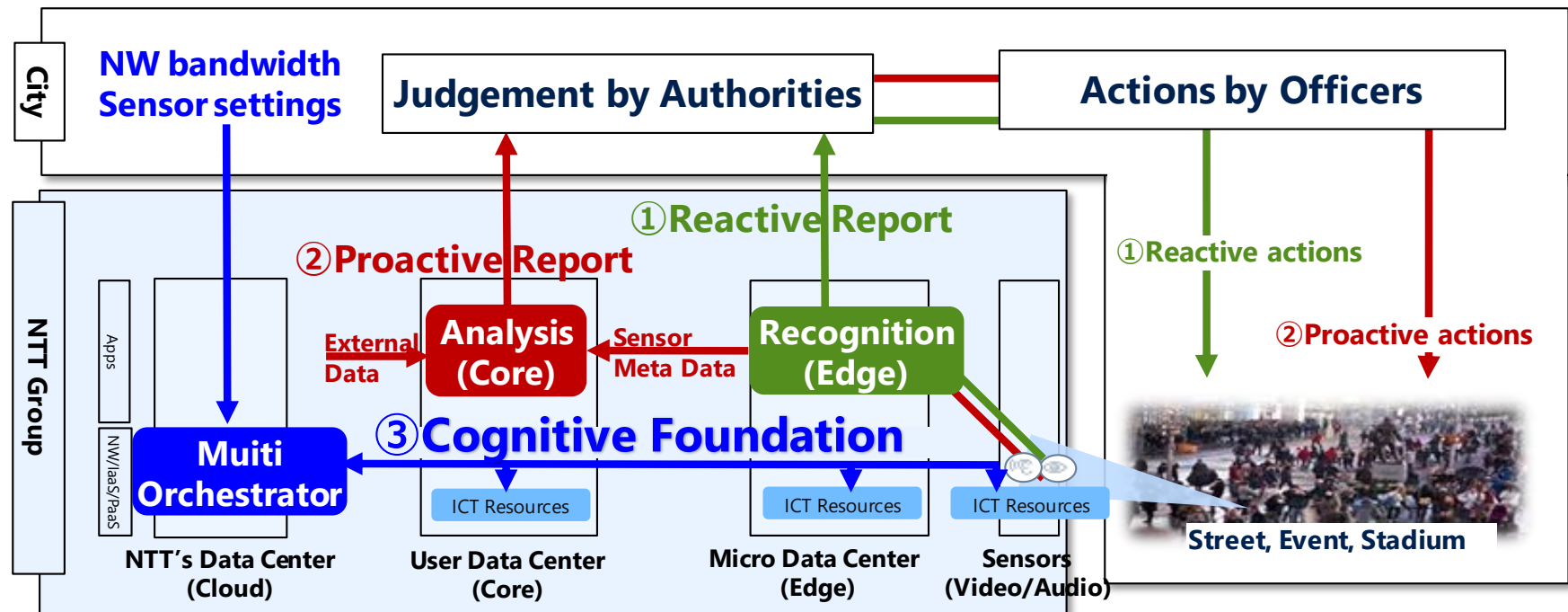
**Notify "What is going on ? "**

② **Proactive actions:**

**Notify "What is going to happen next ? "**

③ **Flexible ICT :**

**Deploy ICT resources ASAP**



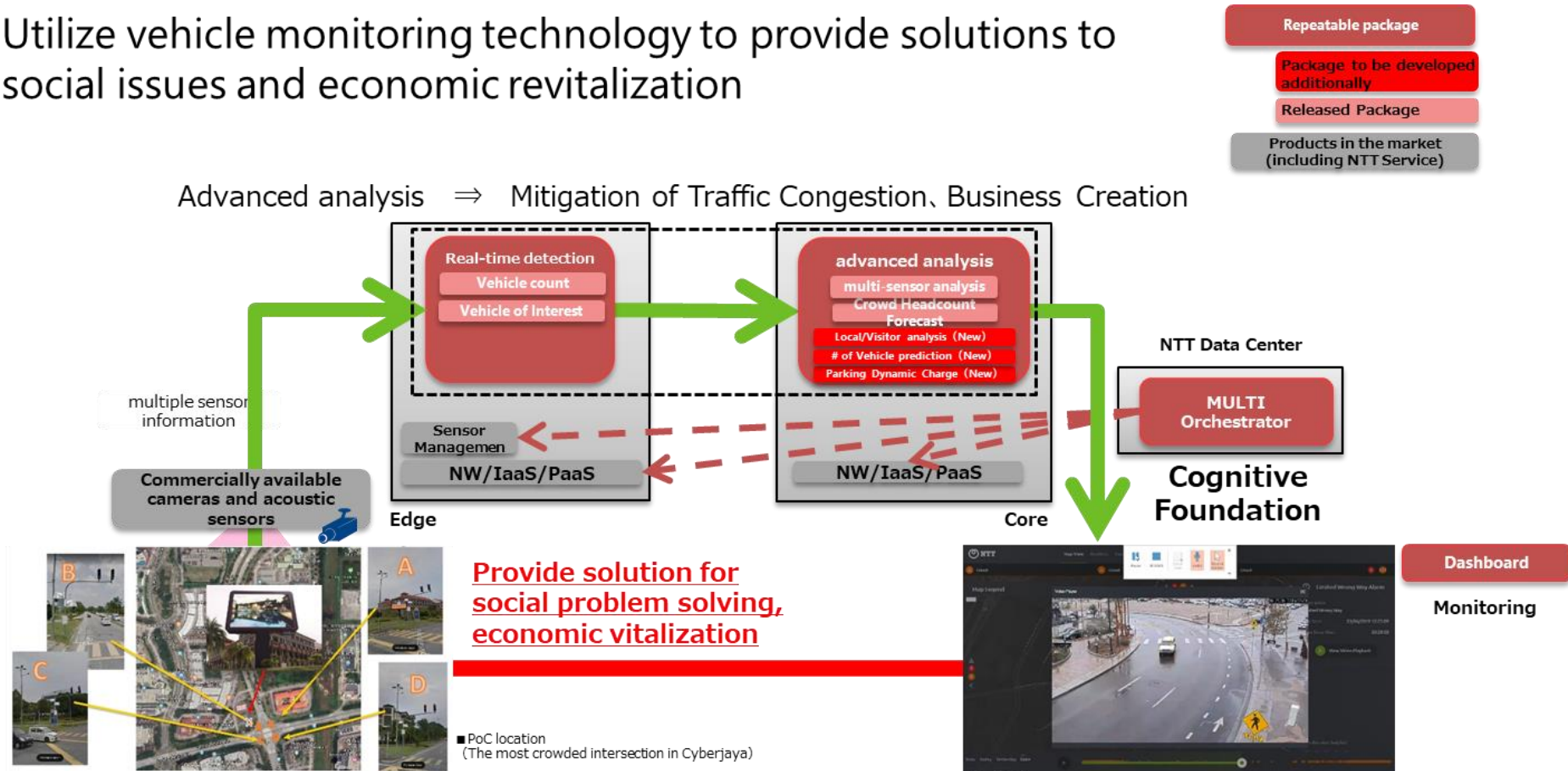


# Smart City Project (Malaysia)



Utilize vehicle monitoring technology to provide solutions to social issues and economic revitalization

Advanced analysis ⇒ Mitigation of Traffic Congestion, Business Creation



# Mobile Communication Business

# NTT DOCOMO FY2020 Principal Actions



## Further reinforcement of customer base

- Further refine customers' experience at shopfront and online, and enhance the attractiveness of "d POINT" program.
- Compelling rate plans and early roll out of 5G coverage.

## Full-scale execution of a business foundation centered on our membership base

- Build strong customer touchpoints for members and advance digital marketing.
- Reinforce growth areas, e.g., finance/payment, marketing solutions, etc.

## New value creation for the 5G era

- Full-scale deployment of new solutions through co-creation with partners.
- Deliver new sensory services and experiences primarily through video.

## Structural reform underpinning the new era

- Improve efficiency of operational processes through DX and reallocate resources to growth areas.
- Streamline business operations by stepping up efforts for 3G subscriber migration.

# NTT DOCOMO New Rate Plans (1)



**Simple rate structure  
providing choice from only two plans**

**To start from Jun. 1, 2019**

## “Gigaho”

By applying “Gigaho Wari”,

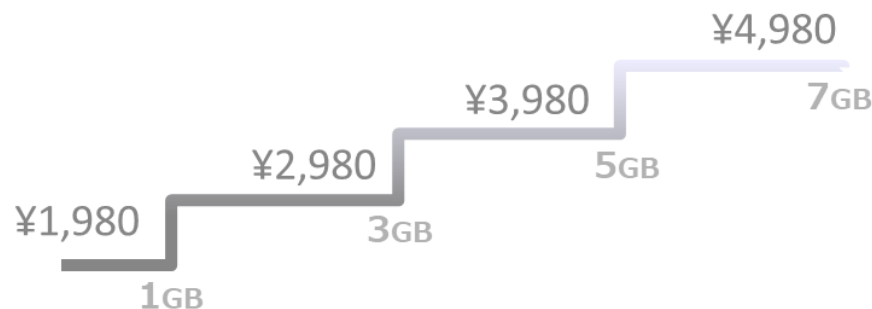
**¥4,980**

for up to 6 months



## “Gigalight”

from **¥1,980**



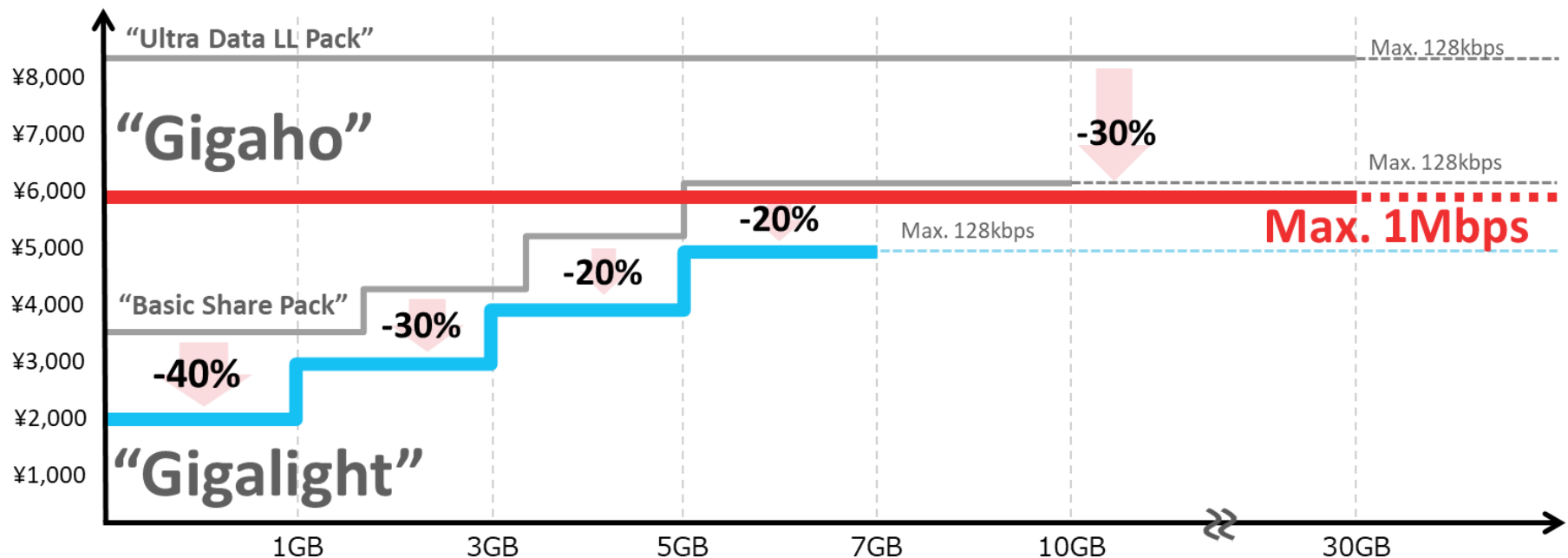
- ◆ Applied with “Minna DOCOMO Wari (3 or more lines).” Contingent on 2-year subscription (automatic contract renewal with cancellation fee for early termination). Voice communication charge not included.
- ◆ “Gigaho Wari” will be offered to subscription applications submitted by Sept. 30, 2019.

# NTT DOCOMO New Rate Plans (2)

## Comparison with Existing Rates



**Up to 40% rate reduction.**



- ◆ Contingent on 2-year subscription (automatic contract renewal with cancellation fee for early termination). Voice communication charge not included.
- ◆ "Gigaho" and "Gigalight" rates represent the amount after applying "Minna DOCOMO Wari (3 lines or more)".
- ◆ Existing plan assumes the use of "Simple Plan," "ISP" and "Zutto DOCOMO Wari Plus (Platinum Stage)".
- ◆ "Basic Share Pack" rates represent the rate per one user in the case where data allowance is shared by three family members.

## No. of applications: Topped 17 million

»5G ギガホ

»5G ギガライト

ギガホ

ギガライト

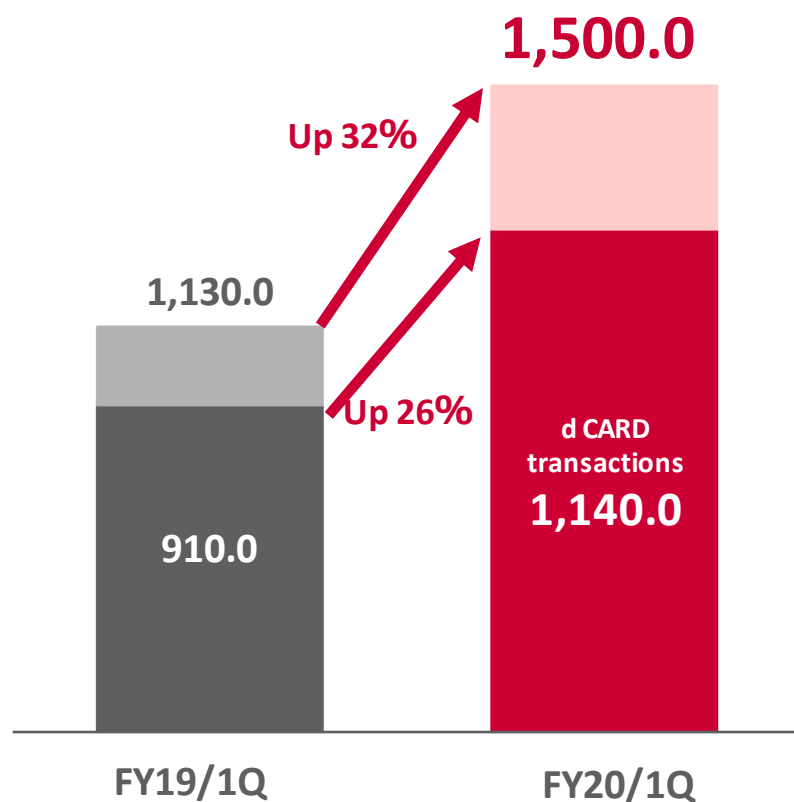
Mar. 31  
16.51 mil



- ◆ New rate plans represent “Gigaho,” “5G Gigaho,” “Gigalight,” “5G Gigalight,” “Keitai Plan,” “Kids Keitai Plan,” “Data Plus” and “5G Data Plus.”
- ◆ No. of new rate plan applications topped 17 million on Apr. 17, 2020.

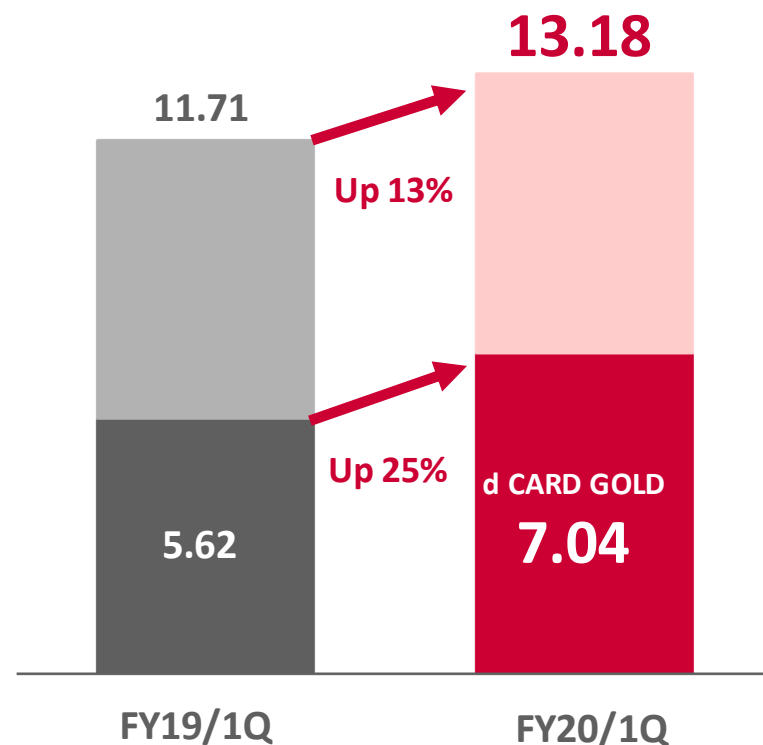
## Finance/Payment Transactions handled

(Billions of yen)



## “d CARD” members Topped 13 million

(Million members)



- ◆ The amount of transactions handled represent the cumulative amount for FY20/1Q, which includes the transactions handled with "d CARD", "iD", "d Payment", "direct carrier billing" and "DOCOMO Mobile Payment Service," etc.
- ◆ The following changes have been made in association with the integration of "d CARD mini" into "d Payment" service on Nov. 19, 2019: (i) Transactions handled with "d CARD mini" were excluded from the amount of transactions handled with "d CARD" and recorded as "d Payment" transactions; and (ii) "d CARD mini" members were excluded from "d CARD" members.

# NTT DOCOMO Actions for 5G



## Create new value and promote solution of social issues

Launched March 25, 2020

Planned actions for FY20

### Network

Started in 150 locations across Japan with 500 base stations



Promotion of O-RAN  
Deployment of millimeter wave

### Device

Total 7 models  
(6 smartphones, 1 data device)



Increase variety of compatible devices  
(Rollout of standard models)

### Service

Started offering 7 services that take advantage of 5G's unique properties



Pursuit of new experience and sensory services, e.g., music, gaming, video, sports, etc.

### Solution

Started offering "22 solutions" and "docomo Open Innovation Cloud"



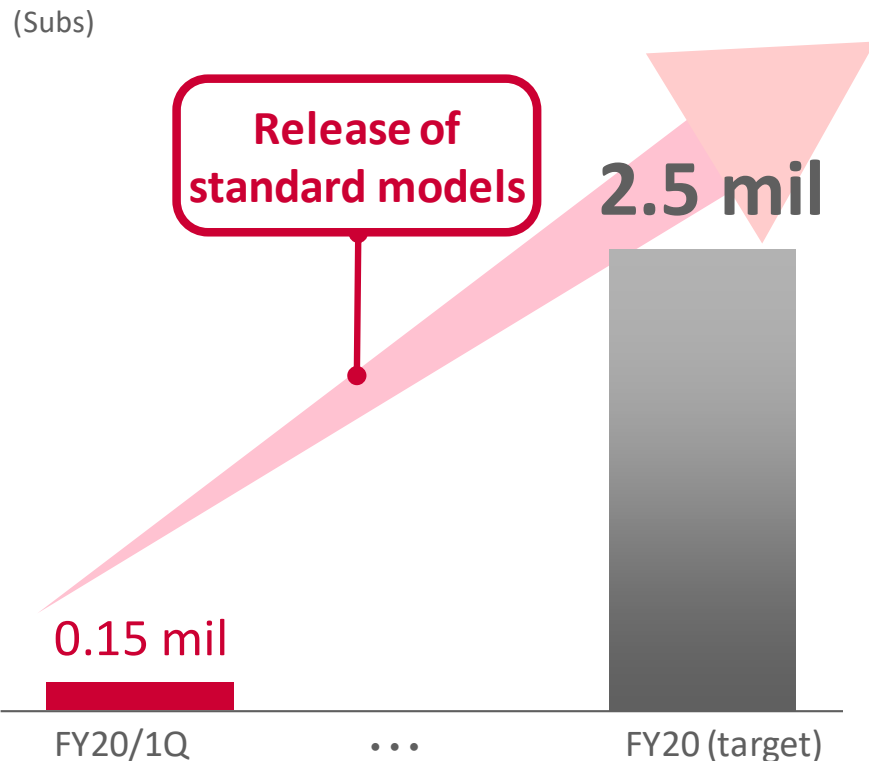
Value creation suited to remote-work society (medical/education/manufacturing, etc.)

◆ O-RAN Alliance (Open Radio Access Network Alliance): An international standardization organization established with the goal of making 5G and other next-generation radio access networks more scalable, open and intelligent.

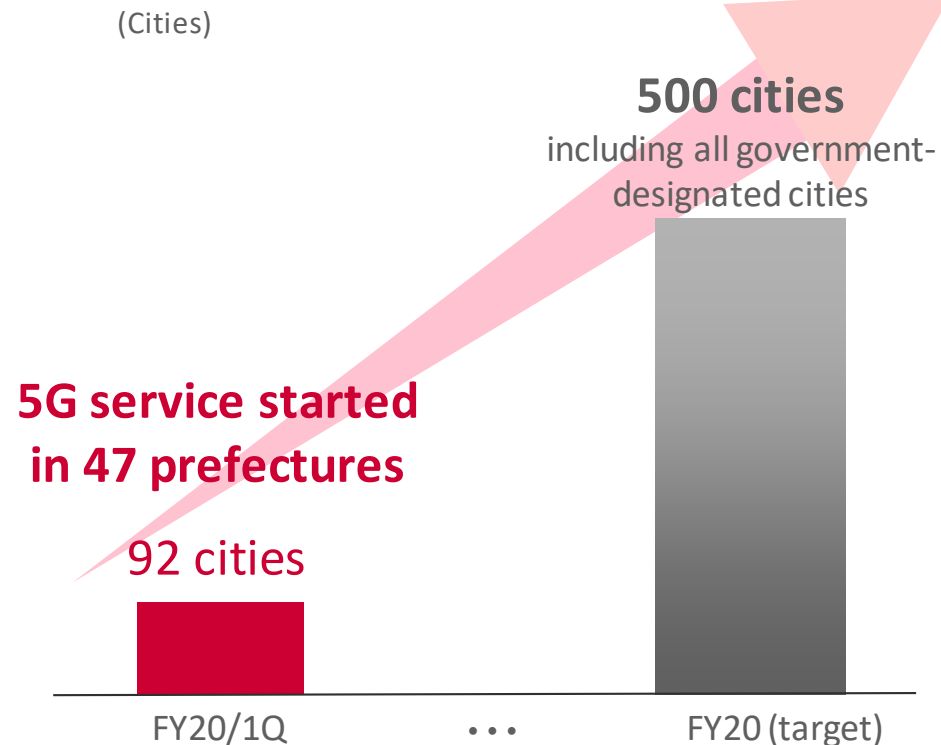


## Making steady progress toward full-year target

### 5G subscriptions



### 5G coverage



## Expand initiatives for delivery of 5G era services

Introduced 5G “multi-streaming function” on “Hikari TV for docomo”



Main view screen

Multi-streaming view screen

© Les Films du Cap ©BBC (c)ORF/Ali Schafner  
© Igo & Shogi Channel (C) Hiroshi Kaneko

“Shintaikan Live CONNECT”  
Southern All Stars Special Live 2020



## Accelerate joint initiative with new partners

Creation of new experienced value inside and outside stadiums and arenas



- ◆ Agreement to explore cooperation in digital services for Hanshin Koshien Stadium and Hanshin Tigers (Jun. 18)
- ◆ Conclusion of capital alliance agreement and official sponsor agreement with Kawasaki Brave Thunders (Jun. 29)

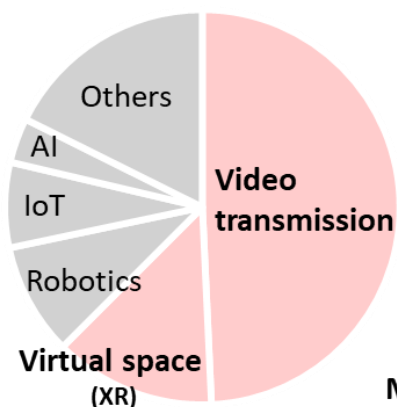
Future communication experience  
in 5G areas



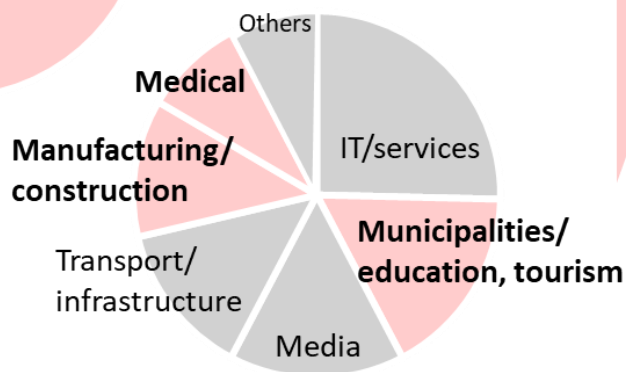
JR Takanawa Gateway Station

## Solve social issues based on strong demand identified through 5G pre-commercial service

### Solution technologies



### Industry sectors



### High-resolution video transmission solution

Secure environment/High-resolution video transmission



- Remote education using multi-angle video
- Remote medical treatment support using high-resolution video

### Virtual space/XR solutions

Remote operational support suited for remote-style society



- Remote tourism support using AR
- Joint designing of industrial products

◆ Analysis result of 5G pre-commercial service use cases provided from Sept. 2019

## Expand high-security, low-latency solutions to deliver “5G x DX”

### Launch of “Cloud Direct”

High security

Installed inside carrier network

Carrier network



Low latency

Shortened transmission distance  
(Shortest path routing)



【Examples of compatible solutions】

High-resolution  
video transmission

Smart-telecaster  
Zao-SH



Streamways



Virtual space/XR

AceReal  
for docomo



Virtual Design  
Atelier



# NTT DOCOMO Termination of FOMA (3G) Service



## Terminate 3G service on Mar. 31, 2026



◆ Stop accepting new applications for 3G after Mar. 31, 2020



◆ Terminate service on Mar. 31, 2026

**PREMIUM  
4G**



◆ Max. download speed of 1,576Mbps to be offered from winter 2019

**»5G**



**Commercial launch in spring 2020**

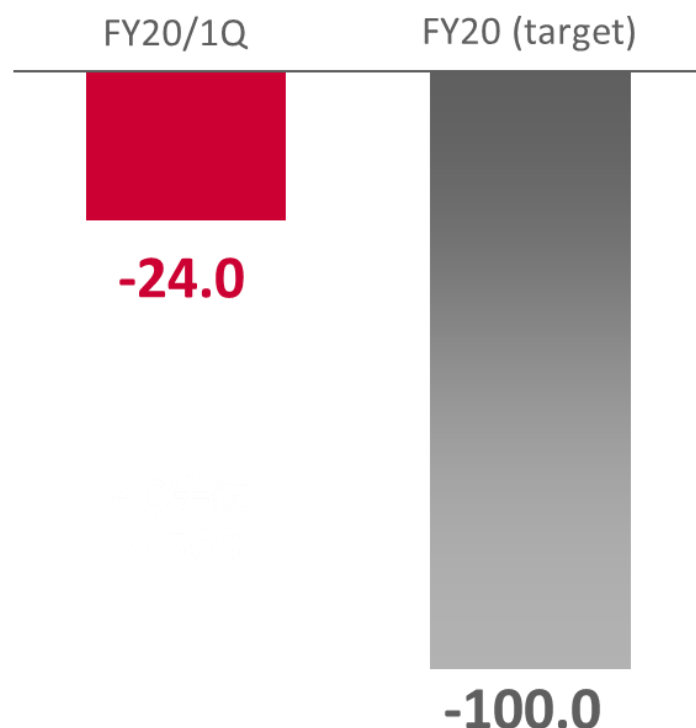


◆ Acceptance of new applications for FOMA Voice Plans and i-mode has been finished on Sept. 30, 2019. Acceptance of new applications for all FOMA billing plans including FOMA Data Plans and Ubiquitous Plans, etc. will be finished on Mar. 31, 2020.

# NTT DOCOMO Cost Efficiency Improvement



(Billions of yen)



## Focus areas

- ◆ **Marketing**  
Promotion of DX, sales promotion measures, after-sales support, etc.
- ◆ **Network**  
Equipment integration, outsourcing cost, etc.
- ◆ **Other**  
R&D, information systems, etc.

◆ The amount of cost efficiency improvement above indicates the cost reduction compared to the previous fiscal year.

# Fixed-line Communication Business



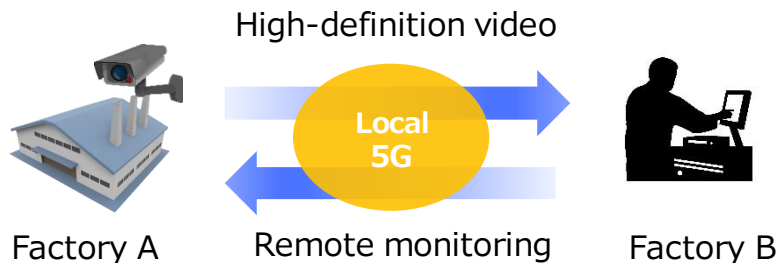
# Local 5G utilization example



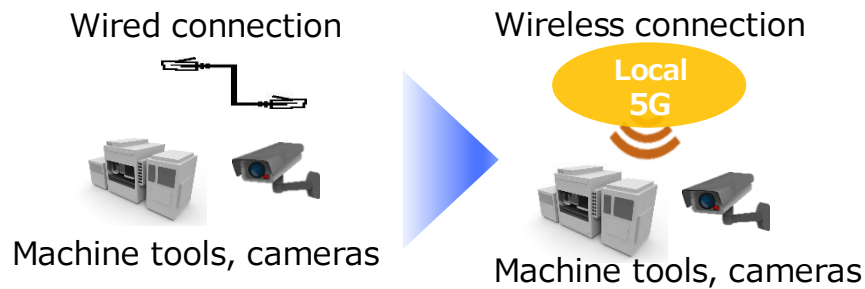
- Realizing the improvement of the manufacturing site by remote monitoring, etc. by utilizing local 5G, eliminates labor shortage and improves productivity .(Collaboration agreement with Yamaguchi Prefecture and joint experimental agreement with Hibiki Seiki Co., Ltd. April 4, 2020)
- Going forward, we will proactively expand the use cases of smart factories such as remote control to other fields and contribute to solving social issues in a new remote society.



## Remote monitoring with high-definition video



## Wireless connection of factory equipment



**Providing new value by utilizing the characteristics of local 5G in a new lifestyle**

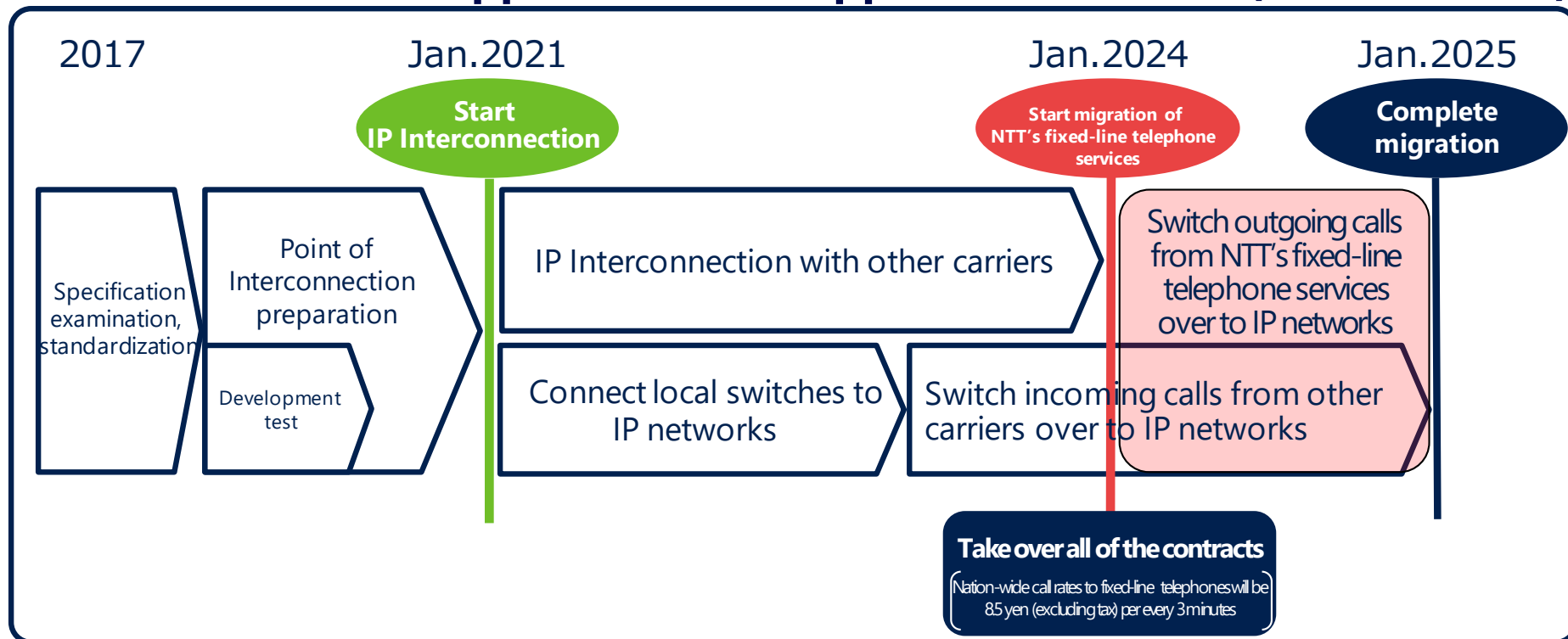


# Migrate PSTN to IP Networks



## Simplify services and networks with IP networks

- Nation-wide call rates to fixed-line telephones will be 8.5 yen per every 3 minutes (from January 2024)
- Migrate tandem/signal transfer switches to IP, and connect to other carriers through IP (scheduled completion by January 2025)
- Continue use of copper lines and copper line terminals (local switches)

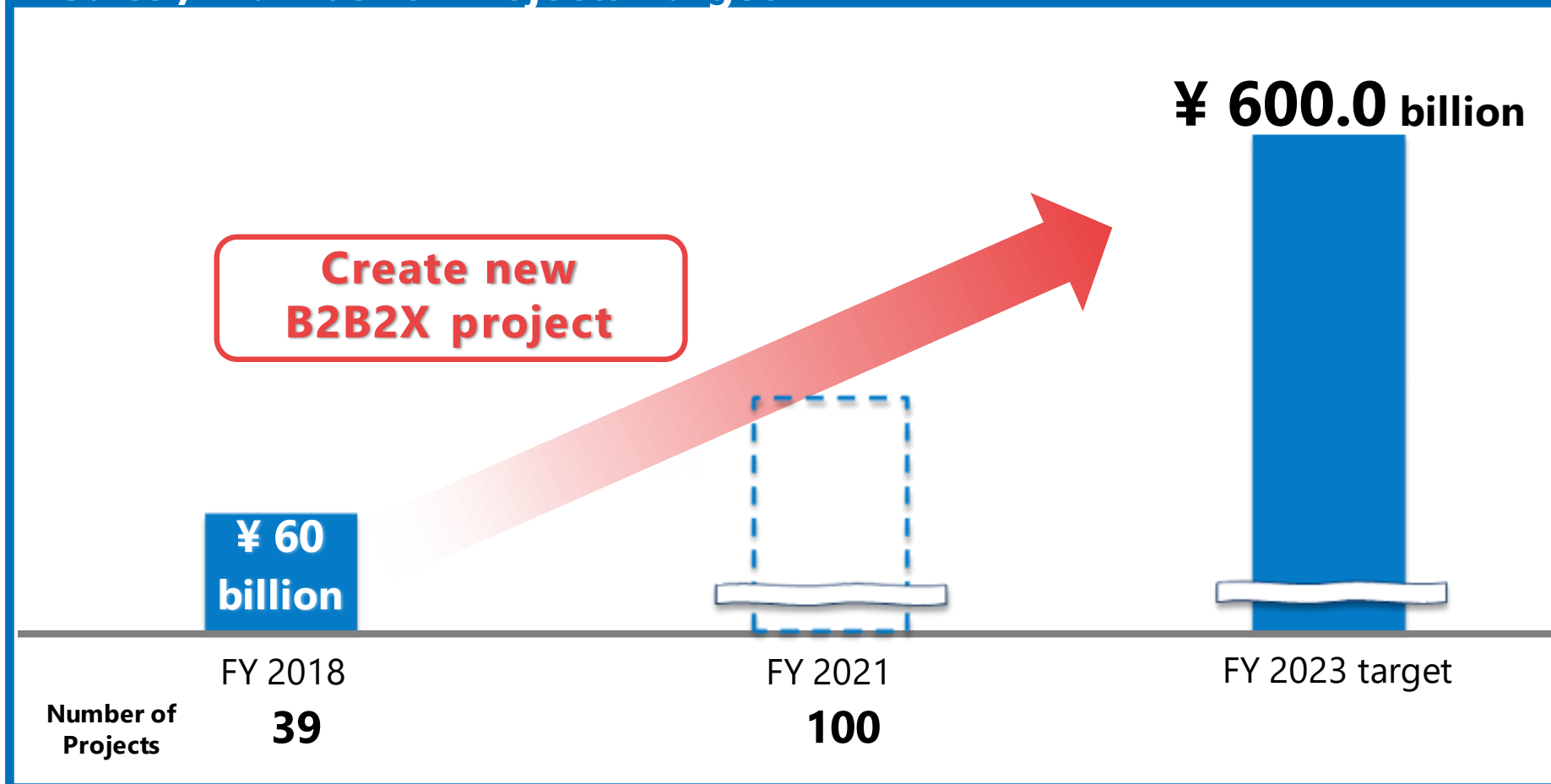


# Other Businesses

# Promote B2B2X Model

- Number of B2B2X Projects: 74 (as of the end of June. 2020)
- Set B2B2X Sales Target: ¥600.0 billion (for FY2023)

## Sales / Number of Projects Target



# Business Partnership to Pursue “Industrial Digital Transformation(DX)” with Mitsubishi Corporation



Objectives of business partnership:  
Pursuing DX through cross-industry collaboration

- Collaborate Mitsubishi Corporation’s industry knowledge with technologies of NTT Group
- Expand its expertise, developed know-how and pursue DX across the industry



Industries and Companies



Society and Citizens



Digital and ICT



**Digital platform to support Smart Life & Businesses**

# *Partnership for the realization of a smart city*

**TOYOTA**



## **Basic concept of smart city platform**

- **Social infrastructure for urban development, cooperation of urban functions, and sophistication**
- **A platform that continues to evolve**
- Providing API to service networks and devices
- Collaborate with other cities, refer to the government's urban OS architecture

# Sustainable Cities Partnership Program

-Future Urban Solutions initiative-



Changing “scenery” by community engagement  
Maximize well-being of the community and residence



## Promotion of efficient asset management

### ● Promotion of efficient asset management

- **Collaboration with Tokyo Century Corporation (“TC”) on leasing and new fields (NTT Finance)**
  - ✓ **Transfer leasing business (assets: ¥1.3 trillion; liabilities: ¥1.2 trillion) to a JV\* with TC (with the JV to be accounted for under the equity method) (launch operations on July 1, 2020)**

\* The name of the JV will be NTT TC Leasing CO., Ltd (Chairman: Akihiko Okada; President: Akihiro Naruse)

- ✓ **Acquire 10% of TC stock**
- **Improve liquidity of receivables (NTT DOCOMO)**
  - ✓ **Securitize growing credit receivables**
  - ✓ **Securitaization of 50 billion yen d-card debt at the end of March 2020  
And gradually increase scale**



**Through the above measures, further increase growth investments and capacity for shareholder returns**

# Create New Lines of Business



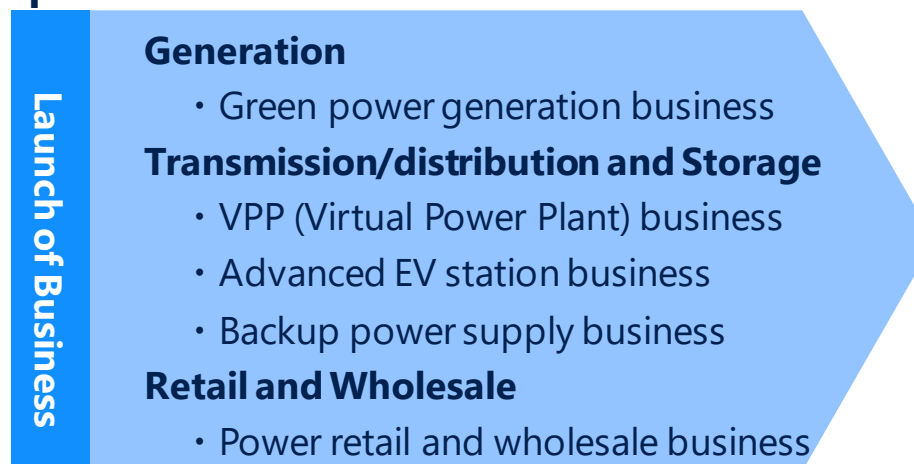
## Promotion of Smart Energy Business

- Acquisition of ENNET Corporation (May 10, 2019)
- Establishment of “NTT Anode Energy” (June 3, 2019)
- Reorganized ENNET and NTT Smile Energy as a member of the NTT Anode Energy Group (October 2019)
- Launched practical testing of DC power transmission in properties owned by NTT (NTT Anode Energy, March 2020)

June 2019



September 2019



**FY2025  
(Target)**

**Sales  
Volume of  
¥600.0  
Billion※**

※ Sales volume related to NTT Group energy related businesses



## Medical Science Business

- **Healthcare Management Support through Big Data**
  - **Established “NTT Life Science” (February 3, 2020)**
    - ✓ **Launched the “Genovision” corporate wellness support service at April, 2020, and about 2000 NTT Group employees took the genetic test (at August 11, 2020)**
    - ✓ **This fall, we will start offering a lifestyle improvement support menu that takes into account the individual constitution and disease risk.**
  - **Jointly opened the Project Division of Genomic Medicine and Disease Prevention with the University of Tokyo (July 1, 2019)**
  - **Established the Bio-Medical Informatics Research Center at NTT Laboratories (July 1, 2019)**
- **Contribute to the Improvement of Medicine by Utilizing Medical Information**
  - **Established “Prime Research Institute for Medical RWD, Inc.” (PRiME-R) as a joint venture with Kyoto University (February 3, 2020)**
    - ✓ **Develop a structured and standardized database with information from the clinical input stage in oncology and other fields, to support various kinds of clinical work and the analysis of clinical information**

# Shareholder Returns/ ESG

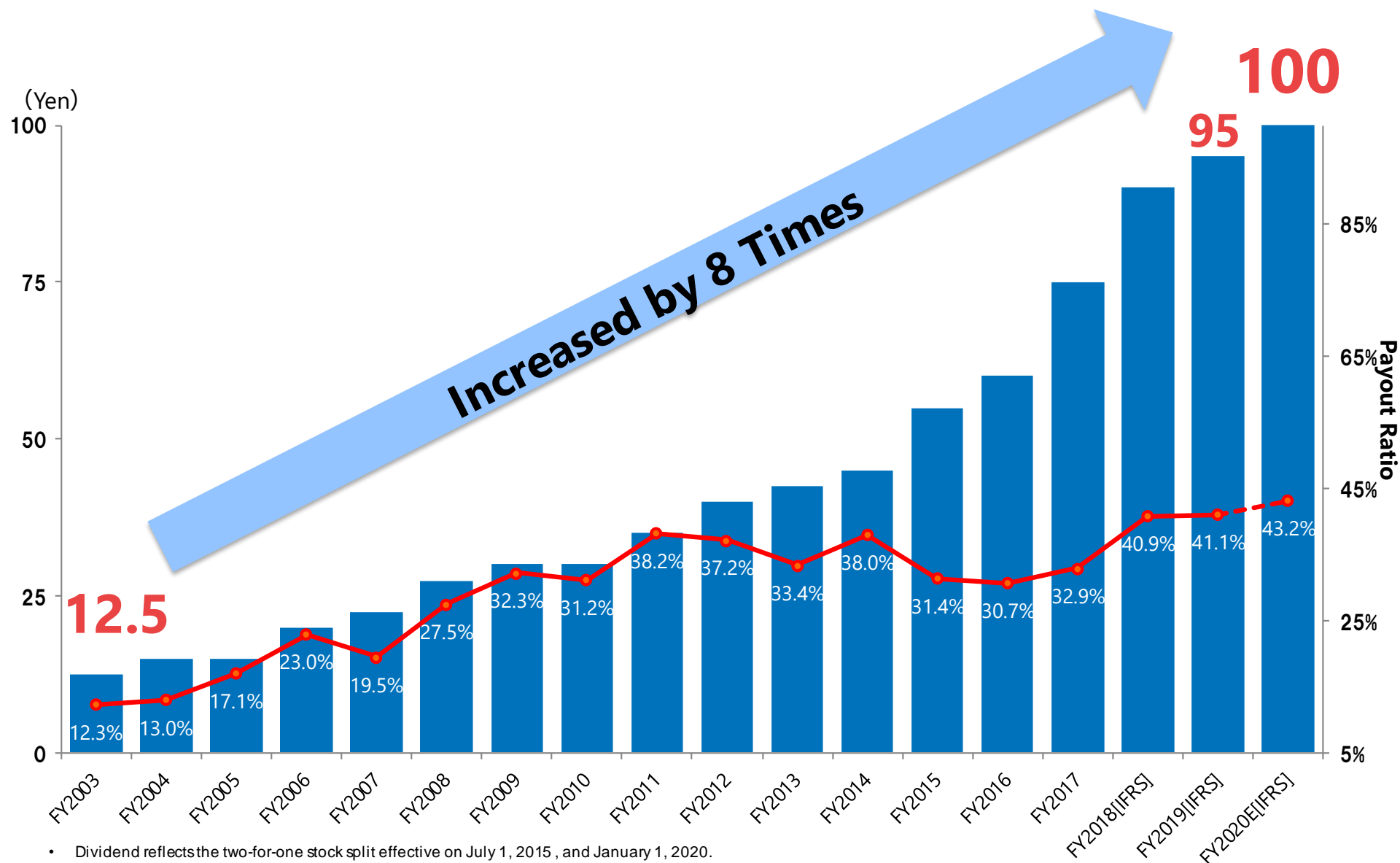
## ◆ Dividend Policy

- **Basic policy is steady dividend increases**

## ◆ Share Buybacks

- **Carry out buybacks flexibly to improve capital efficiency**

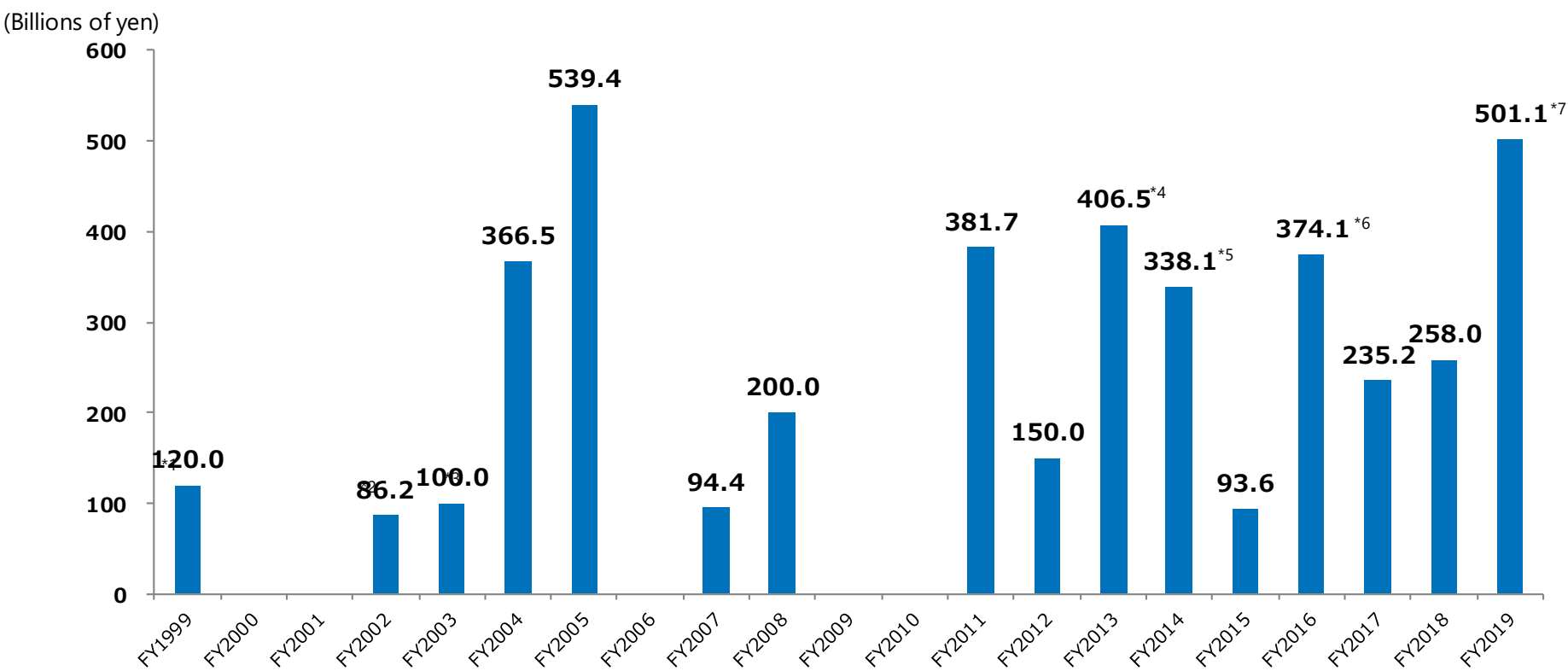
# Changes in Dividend



- Dividend reflects the two-for-one stock split effective on July 1, 2015, and January 1, 2020.
- FY2003-FY2017, financial statements are prepared in accordance with U.S. GAAP.

# Record of Share Buybacks

**Approx. 4 Trillion Yen in Buybacks**



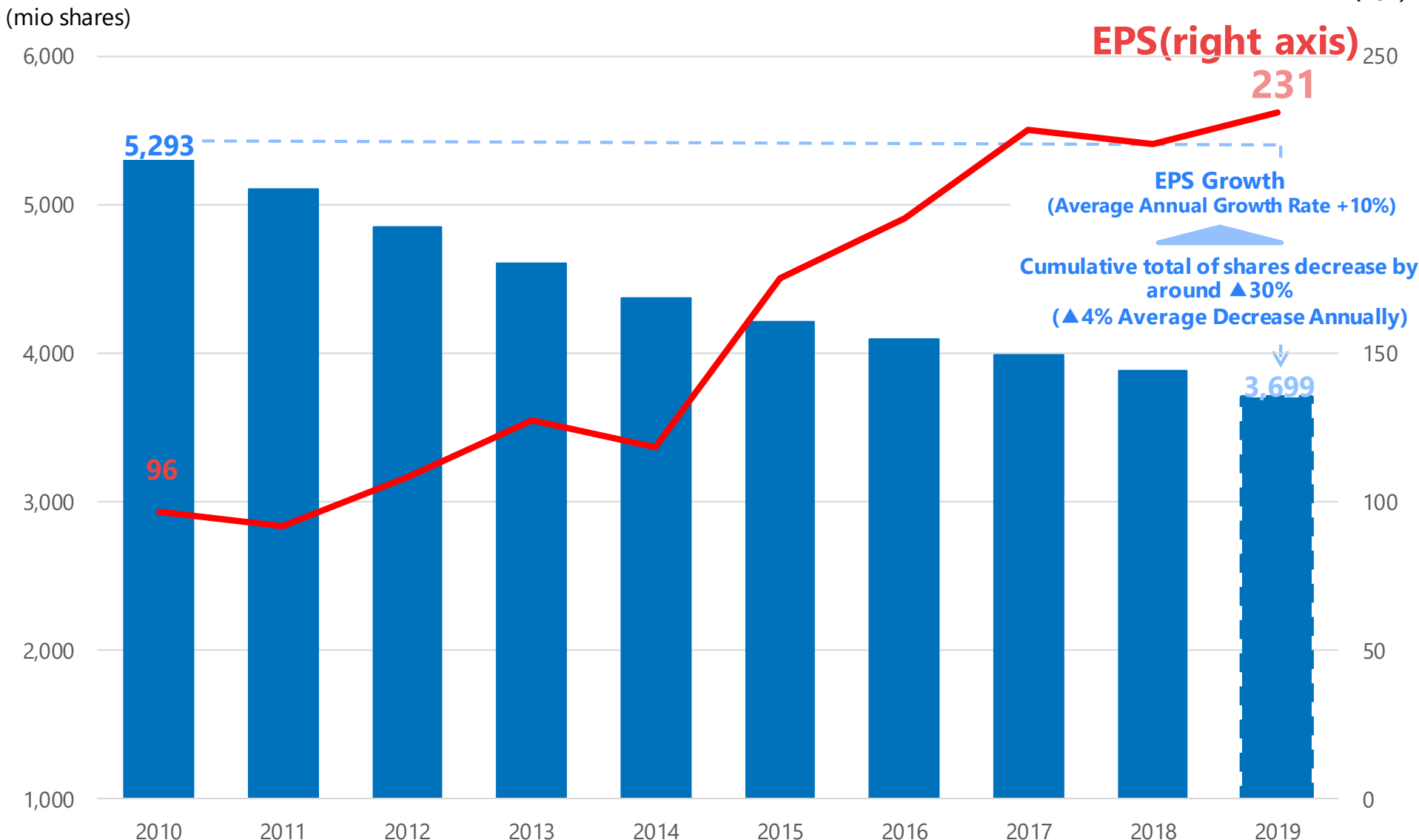
(Fiscal Year)

\*1:Market 48.0 billion yen, Gov't 72.0 billion yen \*2:Market 46.6 billion yen, Gov't 39.6 billion yen \*3:Market 54.1 billion yen, Gov't 45.9 billion yen

\*4:Market 253.2 billion yen, Gov't 153.3 billion yen \*5:Market 101.2 billion yen, Gov't 236.9 billion yen \*6:Market 106.9 billion yen, Gov't 267.2 billion yen

\*7:Market 251.6 billion yen, Gov't 249.5 billion yen

# Changes of EPS and Outstanding Shares



(Note1) Outstanding Shares : Average number of shares outstanding, excluding own shares

(Note2) This chart reflects the two-for-one stock split effective on July 1, 2015 , and January 1, 2020.

# Promote ESG Management (1)

## Environment

- Reduce environmental impact
- Leverage ICT to contribute to the environment

etc.

## Social

- Promote diversity
- Protect personal information
- Support customers in reinforcing information security
- Strengthen disaster countermeasures

etc.

## Governance

- Enhance structure on the basis of the intent of Japan's Corporate Governance Code
- Strengthen global corporate governance

etc.



- ◆ Capture business opportunities
- ◆ Minimize business risks



**Ongoing  
improvements of  
corporate value**

# Promote ESG Management (2)



## Environment and Energy Vision: Zero Environmental Impact

Contribute to the reduction of the environmental impact of customers, companies and society

### ■ Promotion of renewable energy

- Aim To increase the proportion of our renewable energy usage to 30% or higher by FY2030
- Participate in climate change initiatives (SBT\*), support TCFD\*\*, and issue green bonds

### ■ Reduction of societal environmental load through ICT technologies

- Promotion of teleworking
- Develop “Connected Value Chains” (digitization of transactions, etc.)
- Reduction of the use of plastic, promotion of recycling
- Promotion of thermal insulation/power generation glass using photovoltaic technology\*\*\*

### ■ Development of innovative environment and energy technologies

- Establish the Space Environment and Energy Laboratories (July 2020)
- First private Japanese company to have a Long Term Non-Commercial Cooperation Agreement with the ITER Organization\*\*\*\*

### ■ Realization of extremely low power consumption (IOWN initiative)

- Signed Collaboration Agreement with Intel

\* Science Based Targets \*\* Task Force on Climate-related Financial Disclosures \*\*\* Signed exclusive sales contract with inQs \*\*\*\* The ITER International Fusion Energy Organization



# Promote ESG Management (3)

## Strengthening of corporate governance

(Adoption an executive officer system , Independent outside director ratio 50%)

- In order to further strengthen our governance, which contributes to increasing corporate value, we have decided to adopt an executive officer system and clearly segregating management-related decision-making and supervisory functions from business execution functions.
- The size of the Board of Directors is optimized to further invigorate strategic discussions at our Board of Directors, and the ratio of independent outside directors increased to 50%.

### 【 Old Structure 】

Members of the Board [Internal]	<u>11</u> ( <u>1</u> ) : 63%
Members of the Board [Outside]	<u>4</u> ( <u>1</u> ) : 27%
<b>Total</b>	<b><u>15</u> (<u>2</u>)</b>

Audit & Supervisory Board Members [Internal]	<u>2</u> ( <u>1</u> )
Audit & Supervisory Board Members [Outside]	<u>3</u> ( <u>1</u> )
<b>Total</b>	<b><u>5</u> (<u>2</u>)</b>

### 【New Structure】

Members of the Board [Internal]	<u>4</u> ( <u>0</u> ) : 50%
Members of the Board [Outside]	<u>4</u> ( <u>1</u> ) : 50%
<b>Total</b>	<b><u>8</u> (<u>1</u>)</b>

Audit & Supervisory Board Members [Internal]	<u>2</u> ( <u>1</u> )
Audit & Supervisory Board Members [Outside]	<u>3</u> ( <u>1</u> )
<b>Total</b>	<b><u>5</u> (<u>2</u>)</b>

Note1 : Numbers in parentheses above indicate the number of female Members of the Board/Audit & Supervisory Board Members

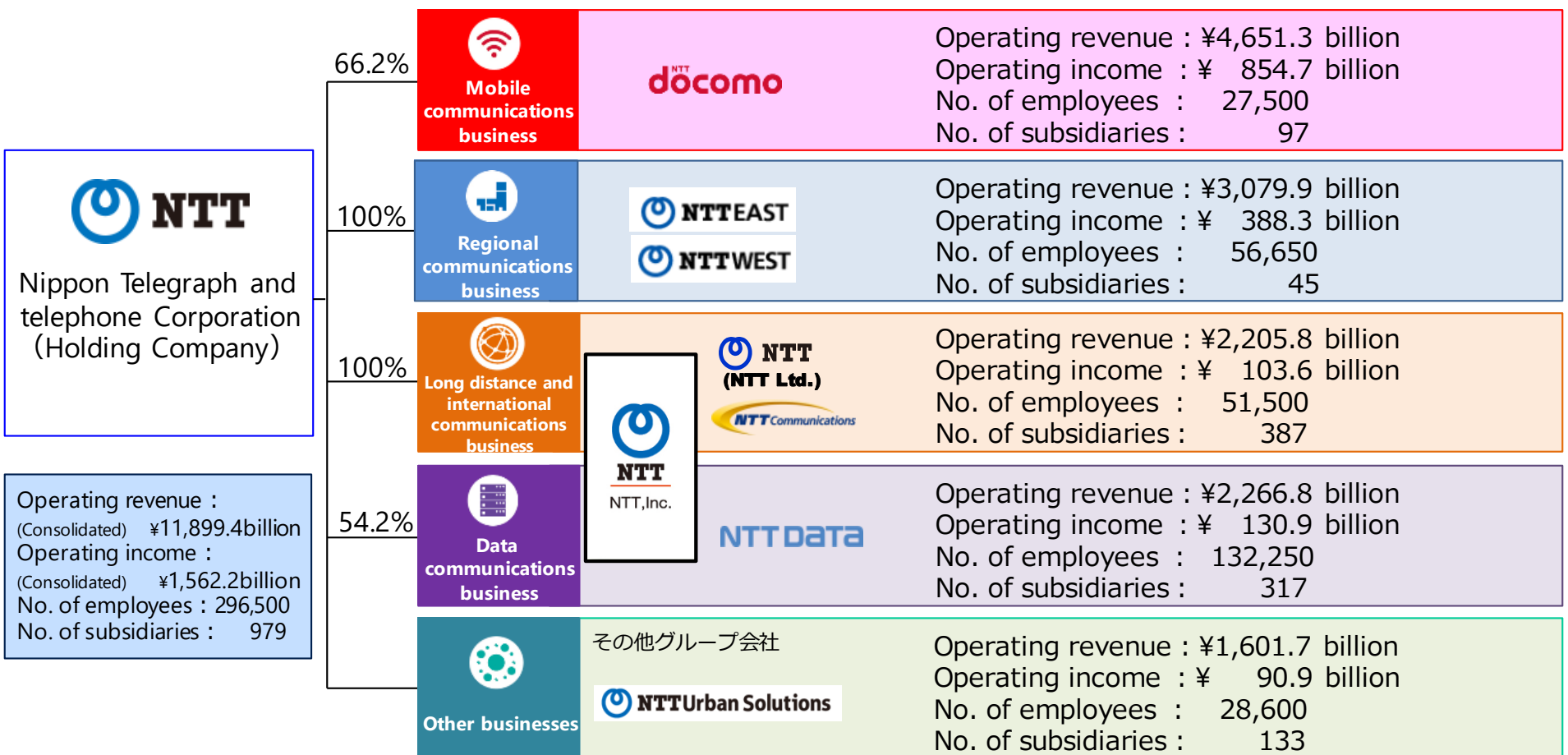
Note2 : The ratio is the ratio of internal directors and outside directors on the board of directors.

# Financial Data, etc.

# NTT Group Formation

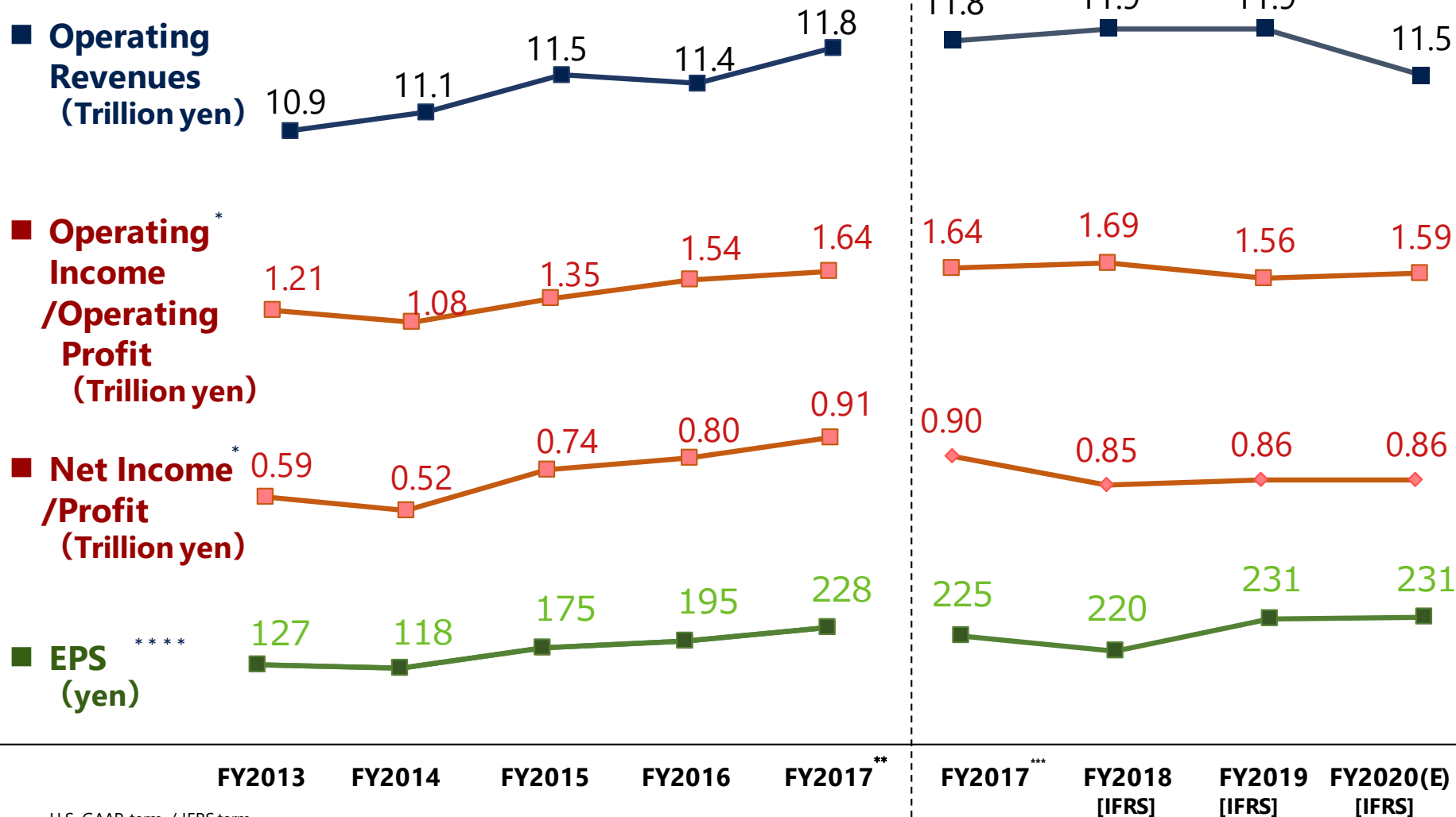


Voting rights to major subsidiaries  
(As of March 31, 2020)



- Fiscal year ended March 2020. Operating revenue and operating income of each segment include inter-segment transactions.
- No. of employees and subsidiaries are as of the end of March 2020.
- No/ of employees are the number of employees excluding employees whose contracts were changed from fixed-term contracts to open-ended contracts.

# Trend in Consolidated Financial Results© NTT



\* U.S. GAAP term / IFRS term.

\*\* Excluding the effects of the arbitration award received from Tata Sons Limited, net income is expected to be 860 billion yen, EPS is 215 yen.

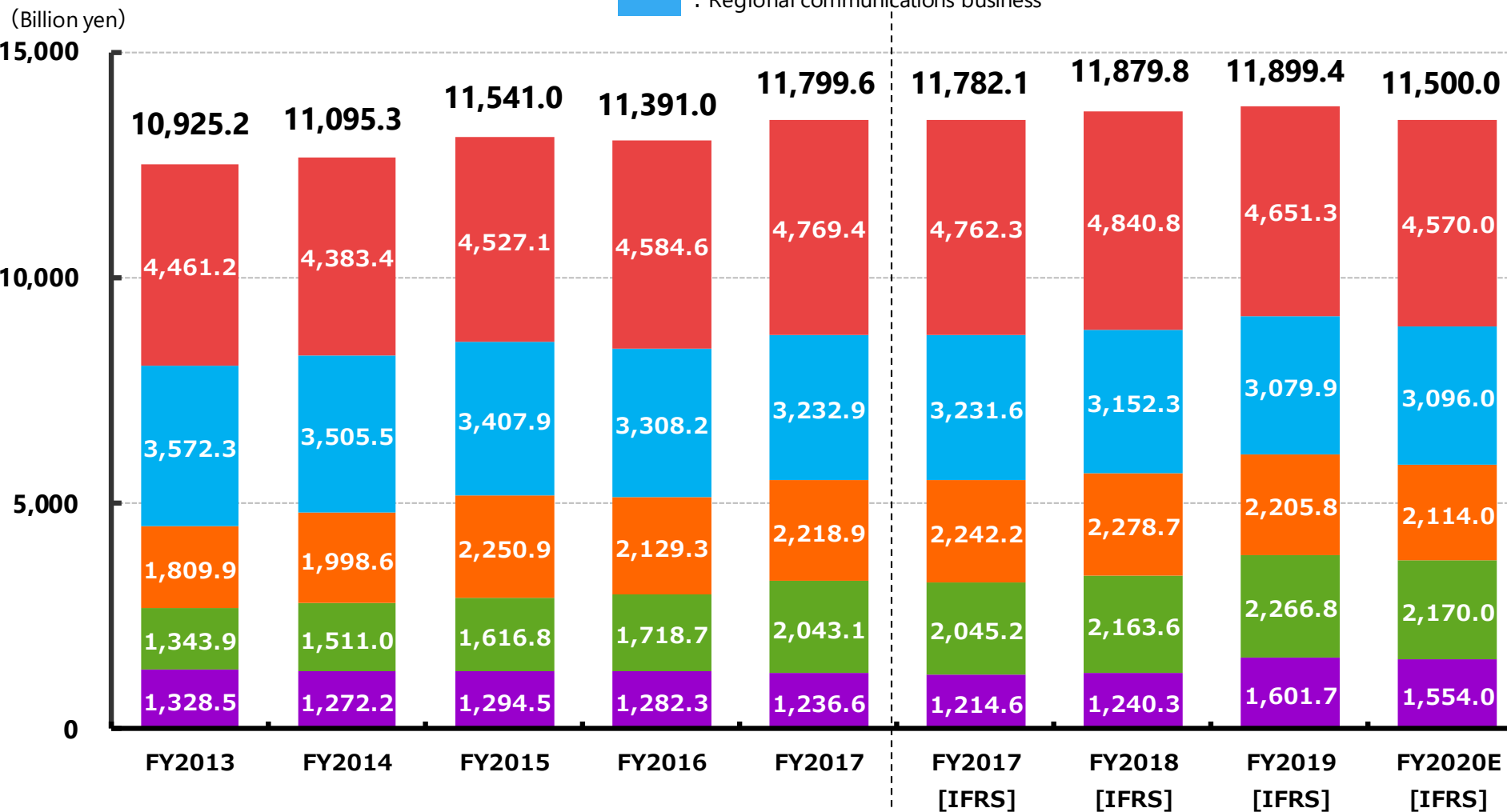
\*\*\* Excluding the effects of the arbitration award received from Tata Sons Limited, profit is expected to be 848 billion yen, EPS is 212 yen.

\*\*\*\* EPS amounts reflect the two-for-one stock split effective on July 1, 2015, and January 1, 2020.

# Changes in Consolidated Operating Revenues

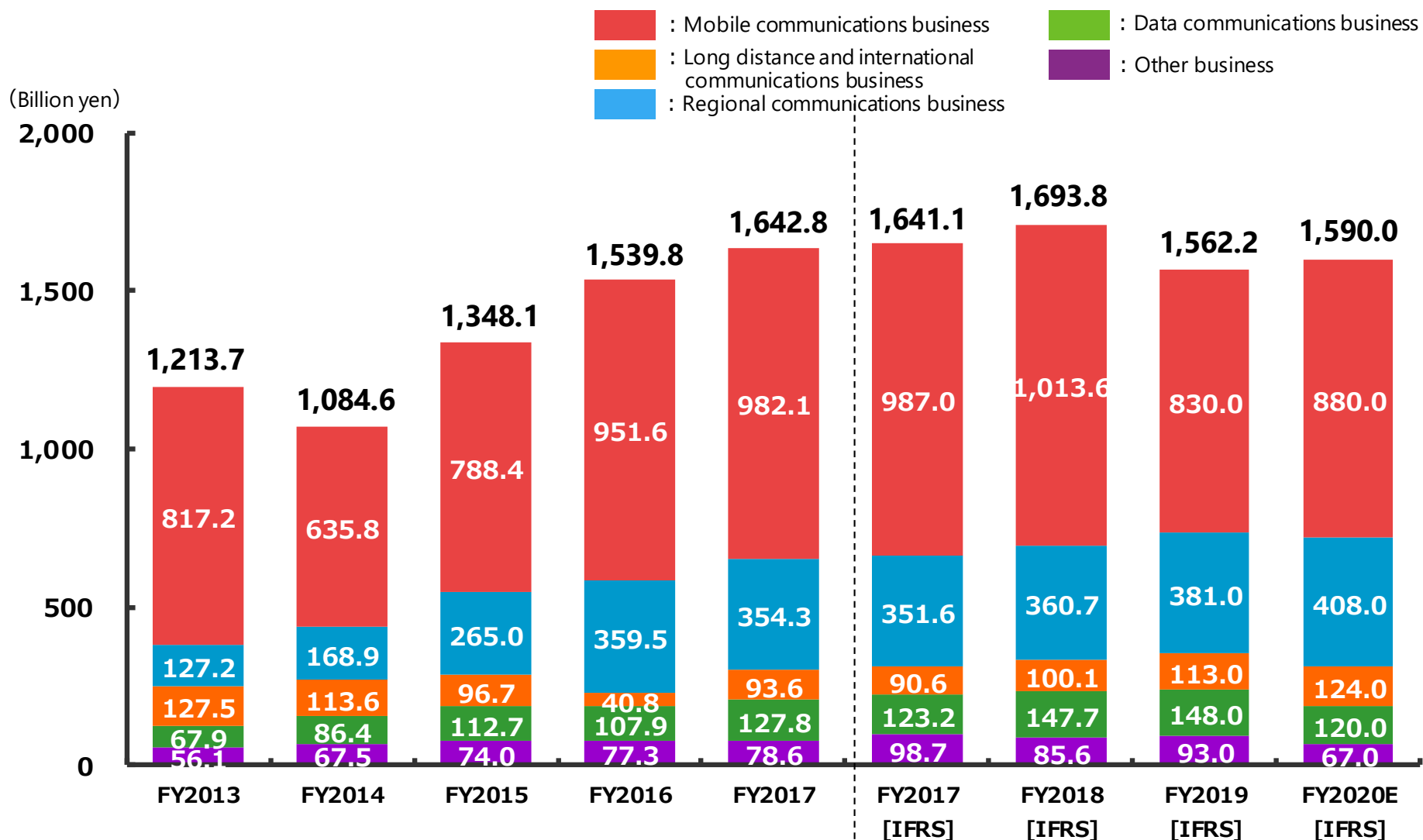


- : Mobile communications business
- : Data communications business
- : Long distance and international communications business
- : Other business
- : Regional communications business



\* Business segment operating revenues include inter-segment transactions

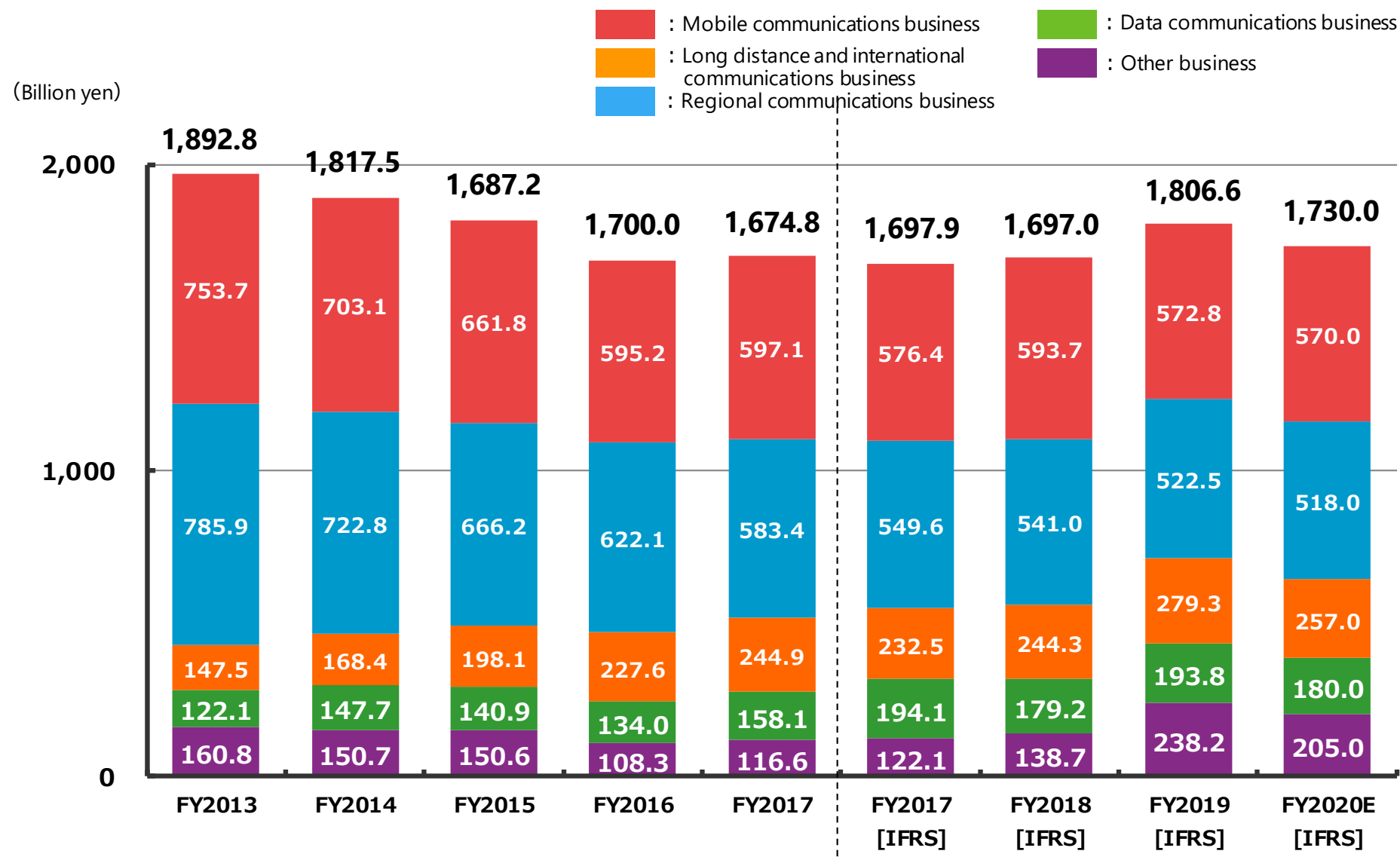
# Changes in Consolidated Operating Income NTT



\* Business segment operating income include inter-segment transactions

\* Based on IFRS results which have not been audited, and are provided for reference only.

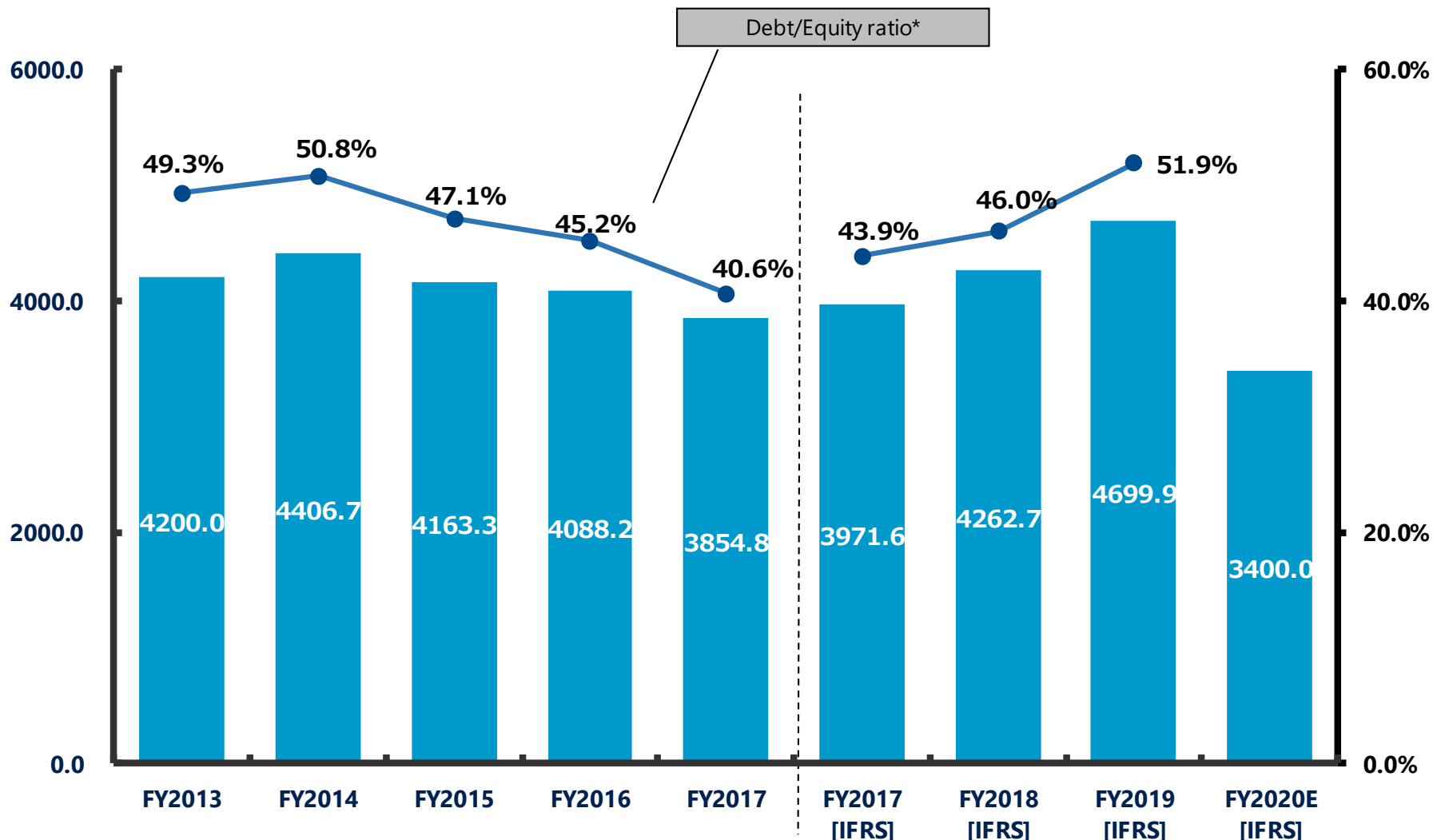
# Changes in CAPEX



# Changes in Interest-bearing Debt



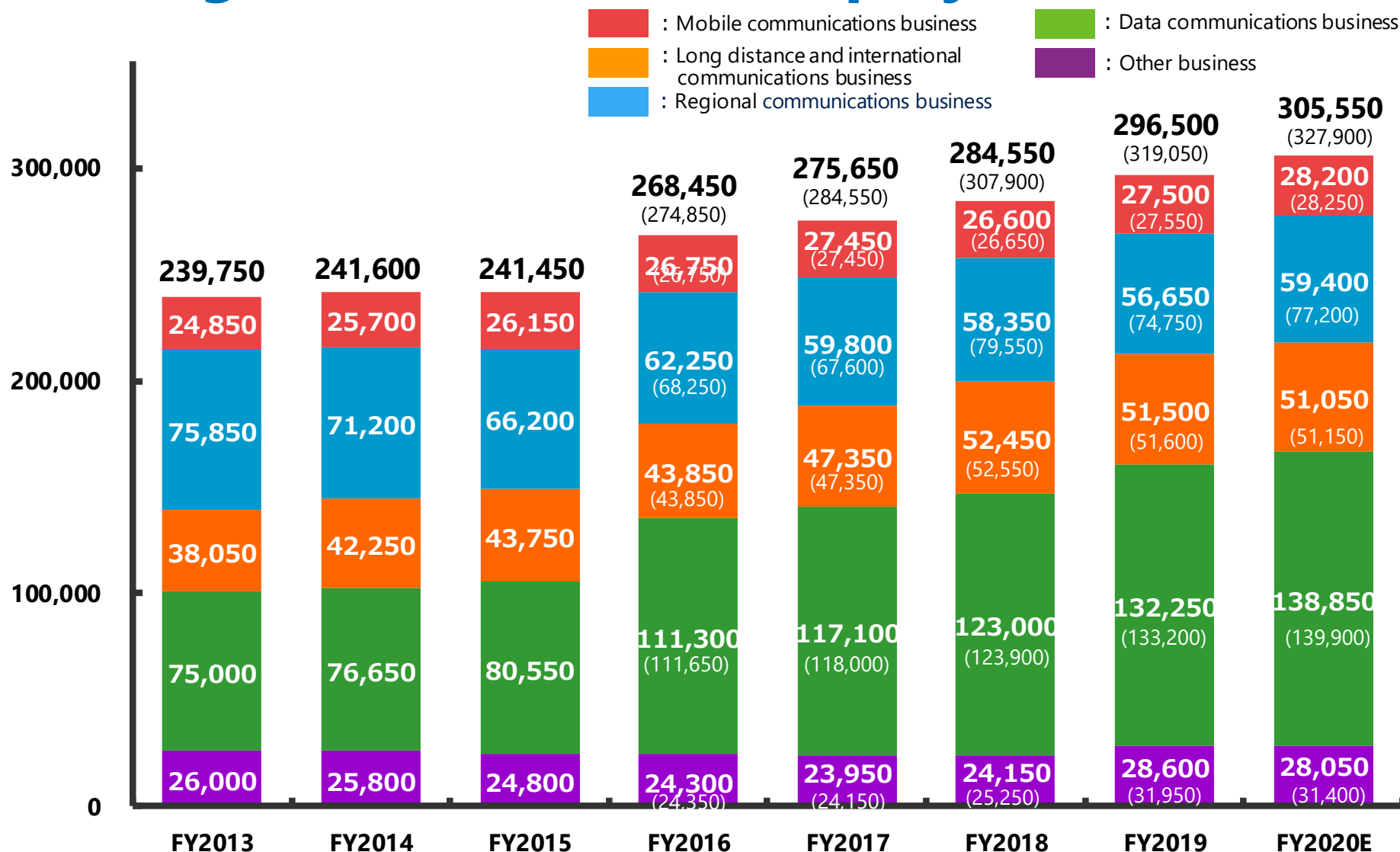
(Billion yen)



\* Debt Equity ratio = Interest-bearing debt / Shareholders' equity x 100

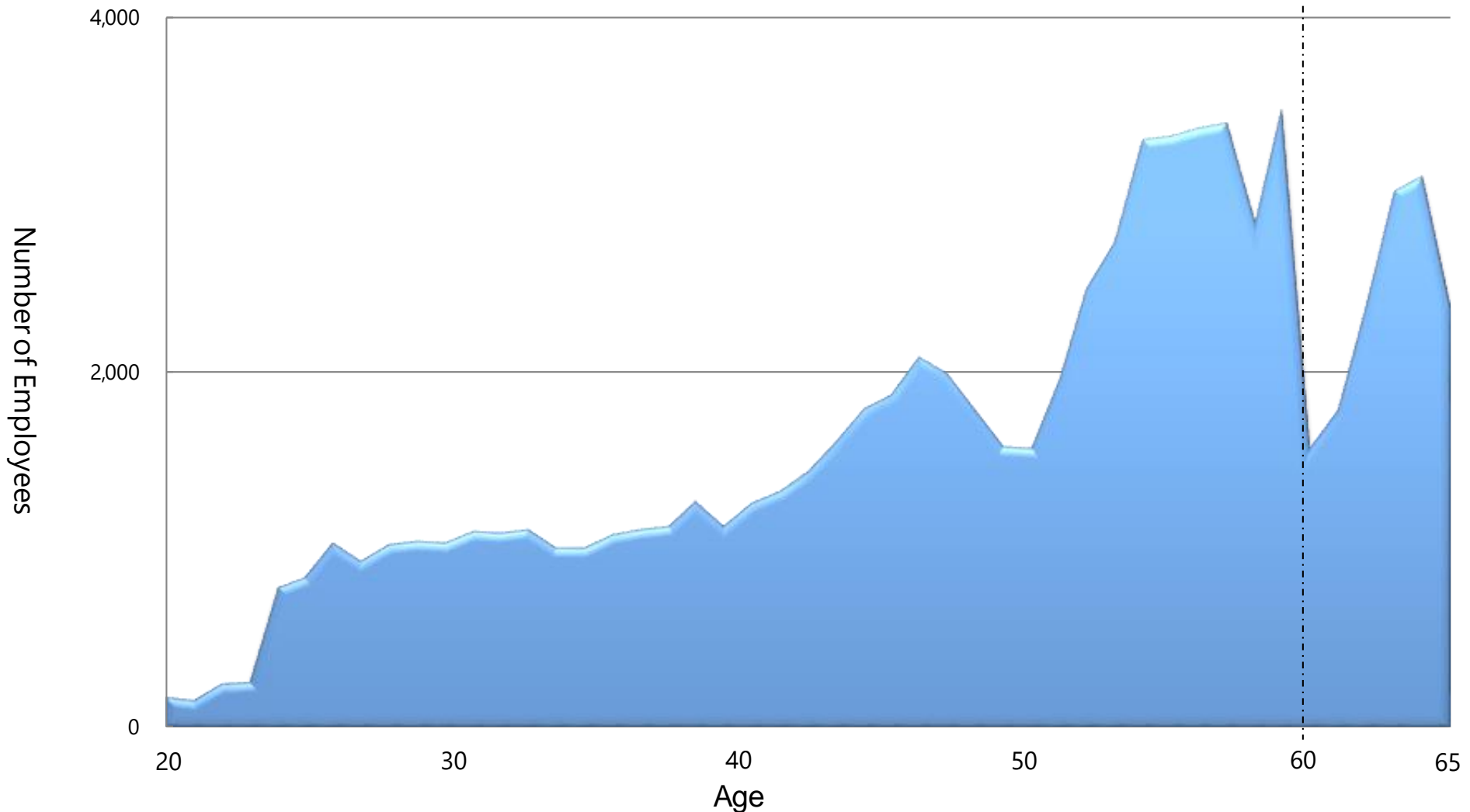


# Changes in Number of Employees



- Starting from FY2016, the figures in parentheses are the number of employees including employees whose contracts were changed from fixed-term contracts to open-ended contracts.
- Past figures have been retroactively revised as a result of expanding the scope of the personnel counted at certain overseas subsidiaries in Long distance and international communications business segment. (FY2017: +2,000 persons, FY2018: +4,550 persons)

# Age Distribution of Employees at NTT East, NTT West and “Outsourcing Companies” (As of March 31, 2020)

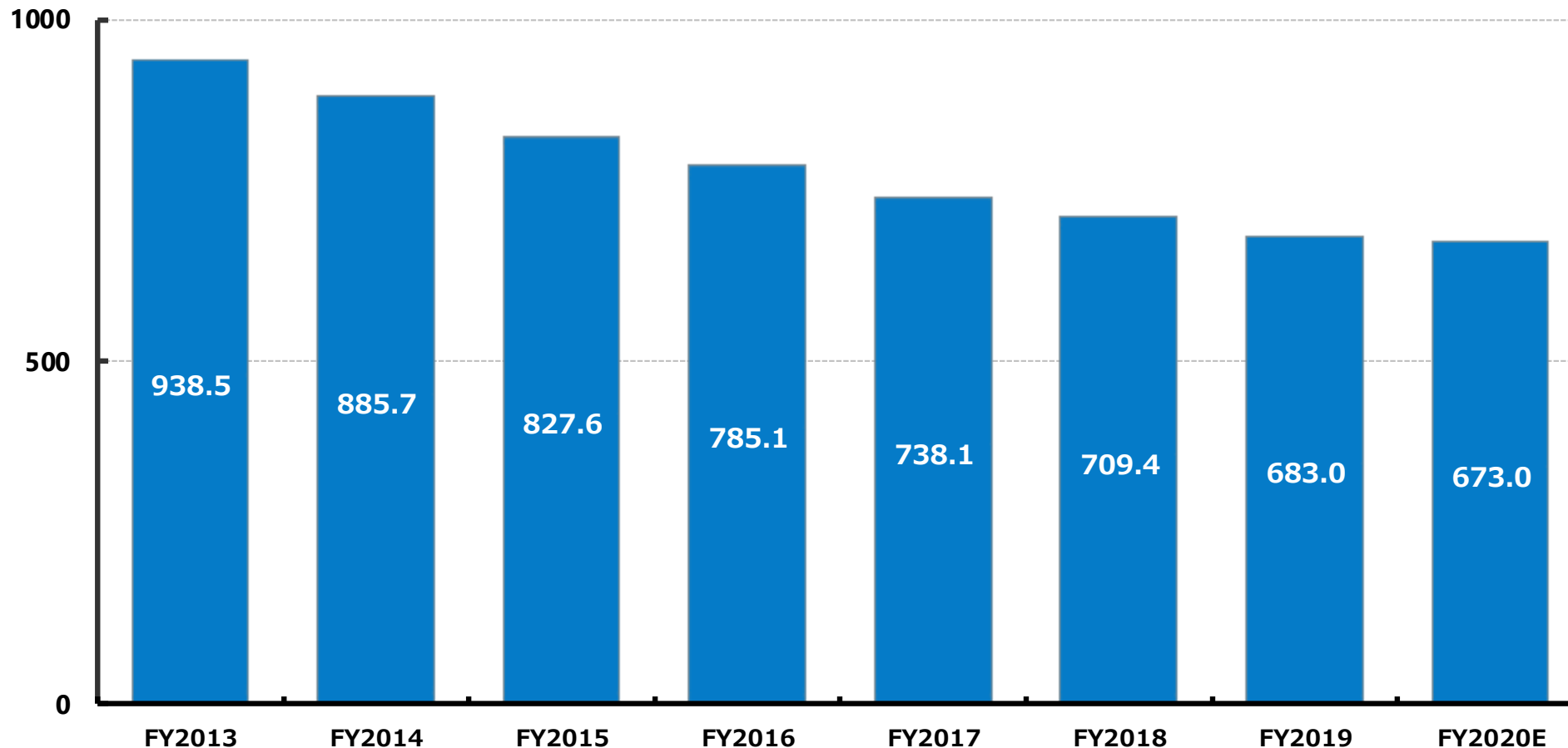


\* Figures for East Outsourcing Companies include employees from the consolidated regional outsourcing companies (NTT EAST-MINAMIKANTO and others), NTT-ME and NTT EAST SERVICE, while figures for West Outsourcing Companies include NTT BUSINESS SOLUTIONS, NTT MARKETING ACT, NTT NEOMEIT, NTT FIELDTECHNO and NTT BUSINESS ASSOCIE WEST. Figures for those companies include the number of more than 60-year-old contracted employees.

# Changes in Personnel expenses (NTT East Group, NTT West Group)



(Billion yen)



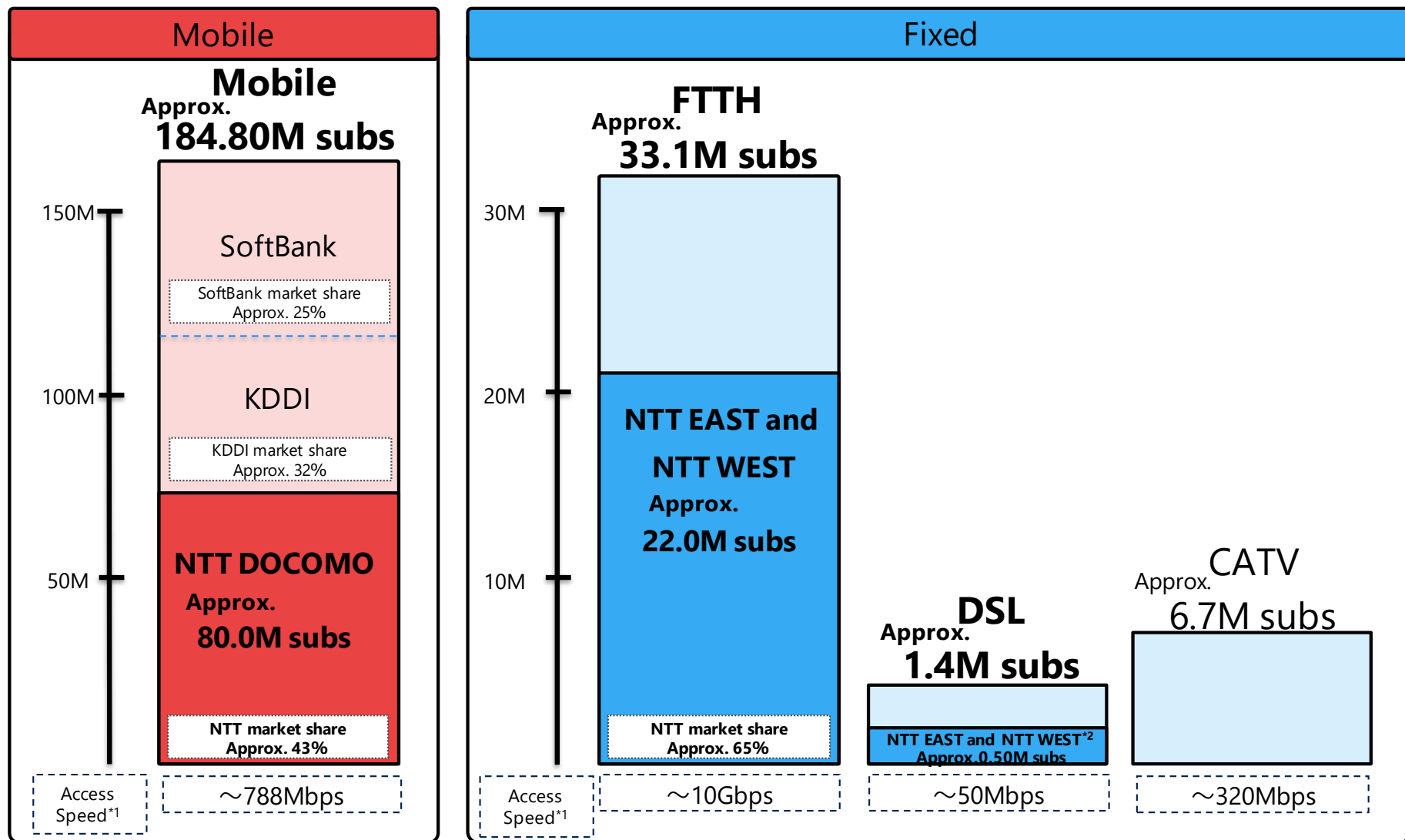
\* The scope of aggregation for each of the figures are not audited and are provided for reference only.

(FY2011~FY2016 : U.S. GAAP-based figure, FY2017~FY2019E : International Financial Reporting Standards (IFRS) -based figure)

NTT East Group : The figures presented for NTT East group is internal management figures after eliminating internal transactions between NTT East and its subsidiaries.

NTT West Group : The figures presented for NTT West group is internal management figures after eliminating internal transactions between NTT West and its subsidiaries.

# Broadband Access Services in Japan



\*1 Figures for access speed are the speeds of typical commercial services, and are the maximum values of the best-effort traffic.

\*2 Stopped accepting applications from July 1, 2016.

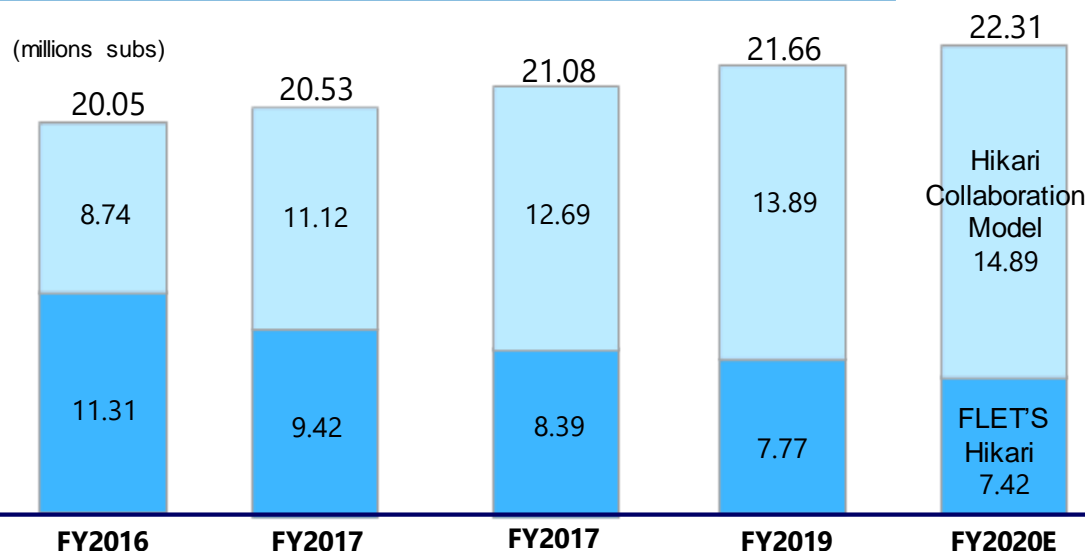
(Source) MIC data (As of the end of March 2020)

# Fixed Broadband Business

# FTTH Subscriptions



## FTTH Subscriptions (Sum of NTT East and NTT West)

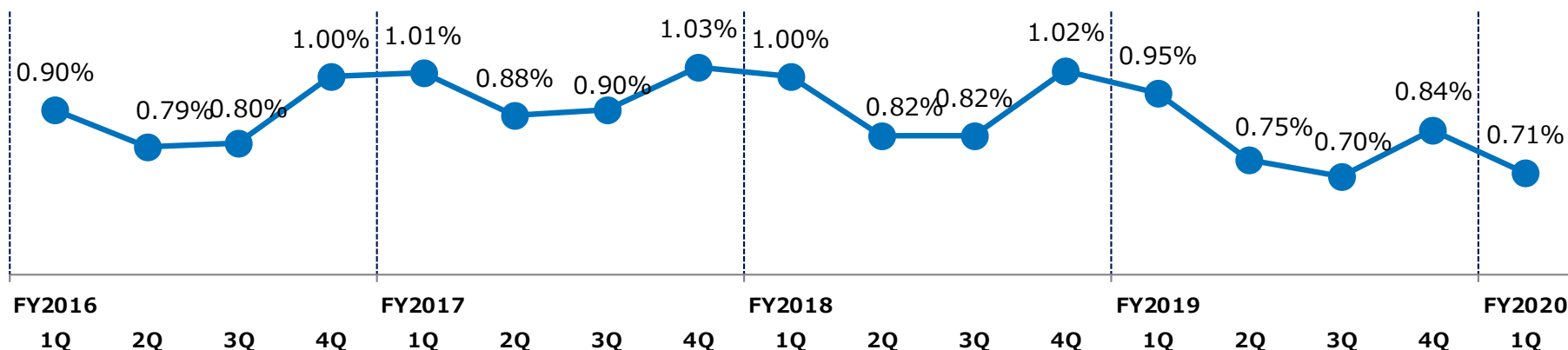


Reference:

## FY2019 Breakdown of FTTH Subscriptions (millions subs)

		FY2020
Total FTTH Service: Change from preceding Fiscal Year		+0.65
Hikari Collaboration Model	(1) Number of opened connections	+2.45
	Number of switchover lines	+0.55
	(2) Number of cancellations	(1.45)
	Net Increase (1)+(2)	+1.00
FLET'S Hikari	(1) Number of opened connections	+0.75
	(2) Number of cancellations	(1.10)
	Number of switchover lines	(0.55)
	Net Increase (1)+(2)	(0.35)

## FTTH Churn Rate\* (Sum of NTT EAST and NTT WEST)



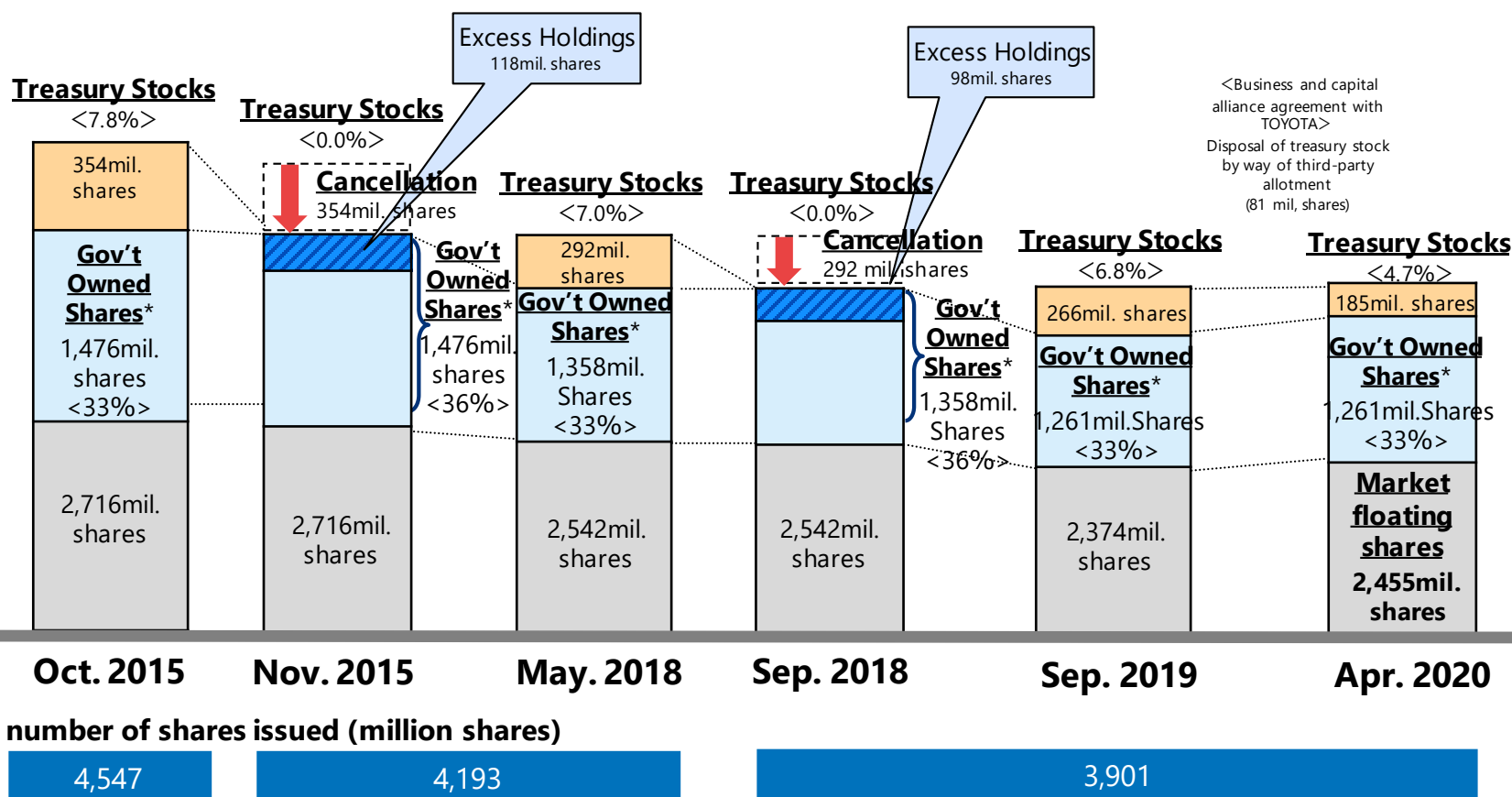
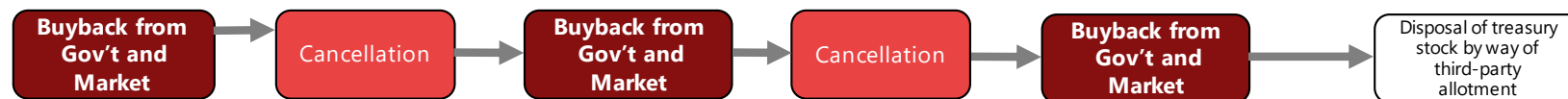
\* "Sum of number of churn for each month of each quarter"/"Sum of number of active subscribers\*\* for each month of each quarter"

\*\* Active subscribers = (number of subscribers at end of previous month + number of subscribers at the end of the current month) / 2

# Share Buybacks and Cancellation



<> : share holding ratio



Number of shares reflect the two-for-one stock split effective on January 1, 2020.

\* Mandatory (minimum) number of shares to be held by the Government under the NTT Act = (total number of shares issued – 60 million shares issued at the IPO in 2000) × 1/3  
(The number of shares issued after the initial listing are not to be included in the calculations. (NTT Act, supplementary provision 13))

***Your Value Partner***