



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 FY2020.2Q and FY2020 Forecast

2020.2Q Financial Results – Key Points (1)



- FY2020 2Q operating revenues decreased, while operating income increased. As a result of the impact of COVID-19 and other factors, operating revenues decreased by 178.2 billion yen (a decrease of 3.0%) from the previous year, but due to an increase in operating income at NTT DOCOMO's Smart Life business, improved overseas earnings and other factors, operating income shifted from a decrease of 7.6 billion (a decrease of 1.5%) in FY2020 1Q to an increase of 25.8 billion yen (an increase of 2.6%) in FY2020 2Q.
- In order to enhance shareholder returns, our board of directors resolved to buy back shares in an amount up to 250.0 billion yen.

Q : Please discuss the impact of COVID-19 on FY2020 2Q and the expected outlook for the future.

A : In FY2020 2Q, as a result of decreases in overseas SI revenues and in revenues from device sales and overseas roaming charges at NTT DOCOMO, among other factors, there was a negative impact of approximately 130.0 billion yen on operating revenues and approximately 20.0 billion yen on operating income. For the fiscal year, our initial forecasts of a decrease in operating revenues of 350.0 billion yen and a decrease in operating income of 70.0 billion yen remain unchanged, based on the anticipated significant negative impact of COVID-19 on overseas SI projects in the second half of the fiscal year and the occurrence of second waves of COVID-19, especially in Europe and the United States. We will work to mitigate the negative impact by rapidly seizing upon changes in the market environment and changing them into business chances, such as by increasing sales under our new service brand, "Remote World," which provides customers with appropriate services for both during and after the COVID-19 pandemic.

Q : In 2Q, overseas operating income margin was 2.9%. Please discuss how NTT plan to work towards achieving the medium-term financial target of 7%.

A : We will continue the structural reforms focused on NTT Ltd. and NTT Data, accelerate the pace of profit improvement, and continue to work towards achieving our medium-term financial target. NTT Ltd. is already realizing the effects of the structural reforms implemented in the last fiscal year, is already advancing its shift to high value-added services and will continue to accelerate this shift in the future.

In addition to the structural reforms in Europe that NTT Data has been implementing since the last fiscal year, it will conduct structural reforms in North America as well and continue to strengthen its digital project support capabilities. Looking ahead to times after COVID-19, we will work to increase our profits by acquiring digital projects, which are increasing worldwide.

2020.2Q Financial Results – Key Points (2)

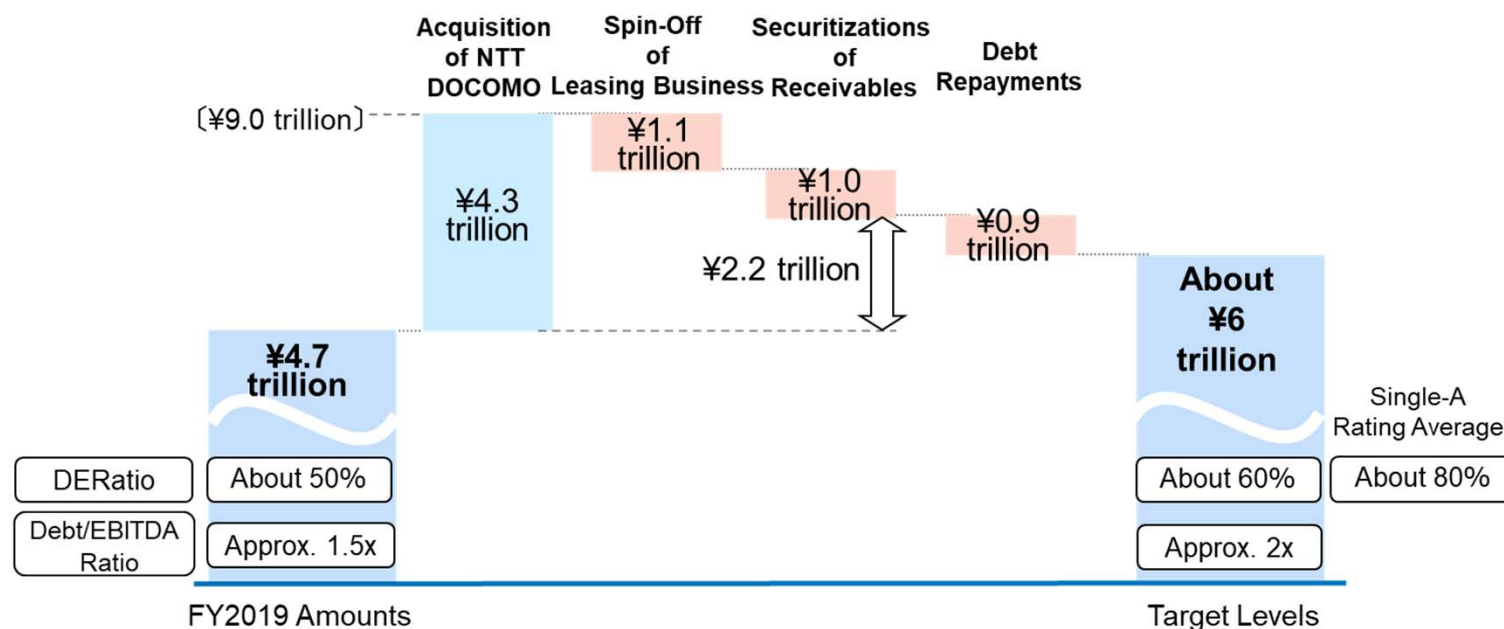


Q : As a result of the transaction to make NTT DOCOMO a wholly owned subsidiary, indebtedness will significantly increase. Will you continue dividend increases and share buybacks next year and thereafter?

A : In order to enhance shareholder returns, our board of directors has just resolved to buy back shares in an amount up to 250.0 billion yen. With respect to shareholder returns, our basic policy of increasing dividends on a continuous basis and buying back shares flexibly will remain unchanged.

Although our level of indebtedness will temporarily increase as a result of the transaction to make NTT DOCOMO a wholly owned subsidiary, we will reduce our indebtedness through the spin-off of our leasing business and through securitizations of receivables. As before, we will use free cashflows in order to continue to enhance shareholder returns and make investments for further growth, and also plan to repay debt (0.9 trillion) in the next several years down to our targeted debt level of 6.0 trillion yen (a level of approximately 2x EBITDA).

Medium-Term Debt Levels



■ Operating Revenues declined, while Operating Income increased

Status of Consolidated Results

● Operating Revenues:	¥5,711.4B	<(¥178.2B) [(3.0%)] year-on-year >
● Operating Income:	¥1,008.6B	< +¥25.8B [+2.6%] year-on-year >
● Profit*:	¥541.5B	< (¥6.2B) [(1.1%)] year-on-year >
<hr/>		
● Overseas Sales**:	\$9.1B	< (\$0.72B) [(7.3%)] year-on-year >
● Overseas Operating Income Margin** :	2.9%	< +0.7pt 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.

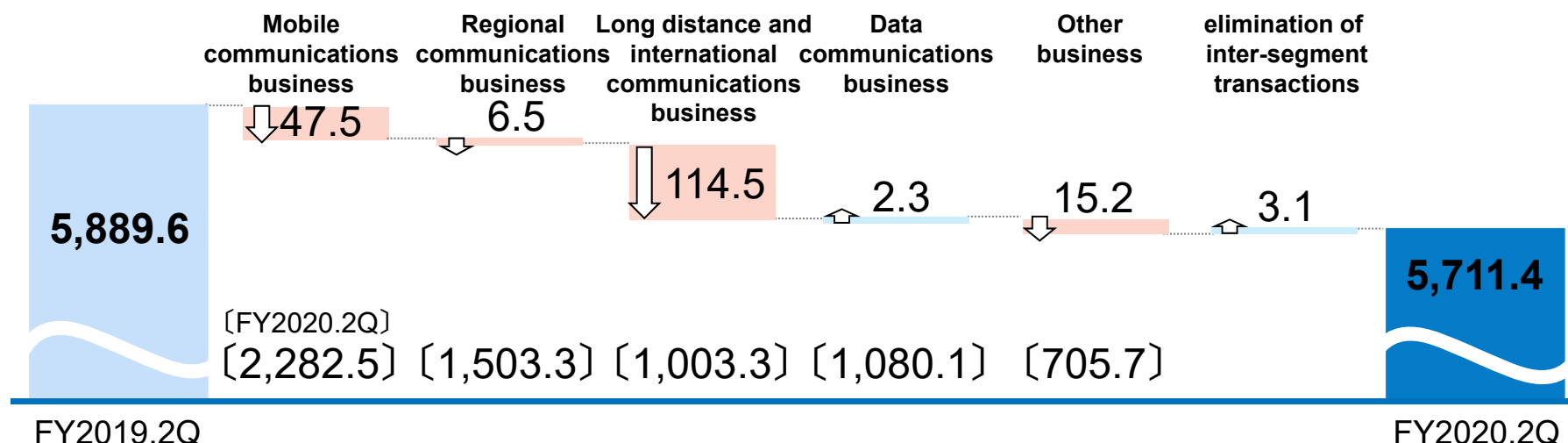
Contributing Factors by Segment for FY2020.2Q



Operating Revenues

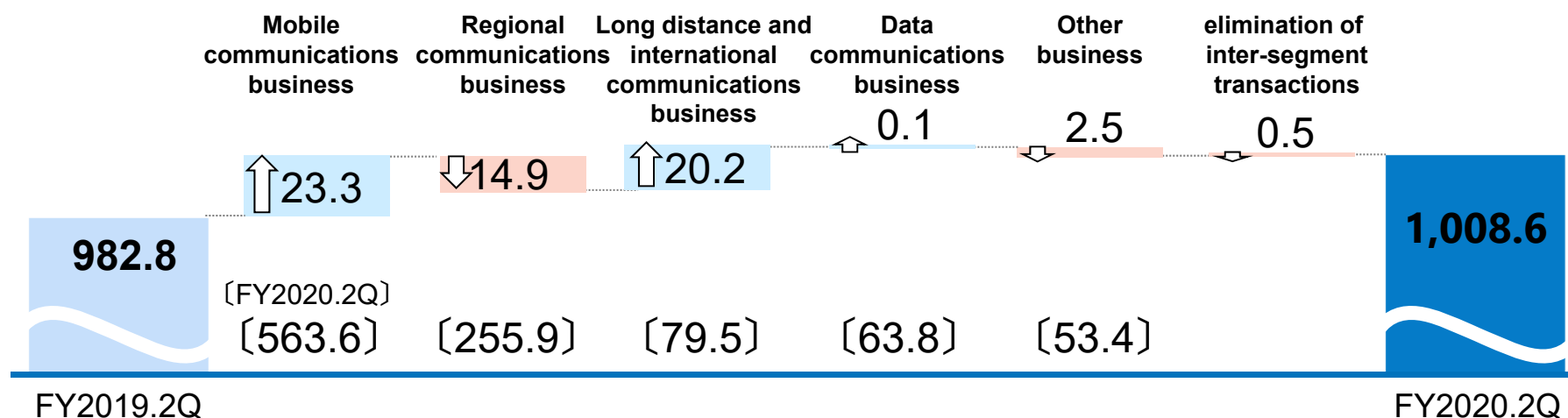
<Year-on-year:(178.2)>

(Billions of yen)



Operating Income

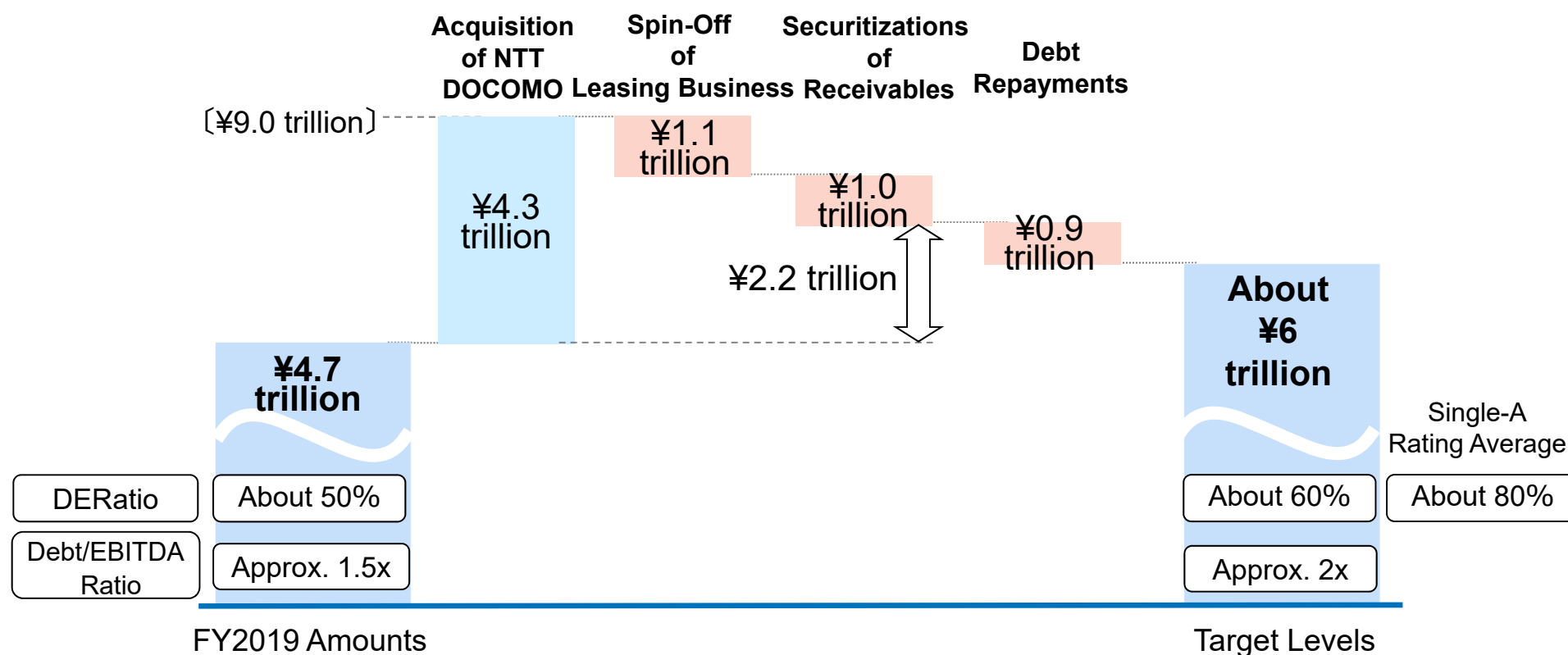
<Year-on-year: +25.8>



Medium-Term Debt Levels



- Targeted debt levels are ¥6 trillion; includes the spin-off of the leasing business, securitizations of receivables and debt repayments of ¥0.9 trillion.
- Debt will be repaid while maintaining the same shareholder returns as before.
- No goodwill will be generated by the transaction to make NTT DOCOMO a wholly owned subsidiary.



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	¥232	+ ¥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
NTT DOCOMO	¥4,570.0B	(¥81.3B)	¥880.0B	+ ¥25.4B
NTT East	¥1,689.0B	+ ¥11.9B	¥260.0B	+ ¥4.0B
NTT West	¥1,438.0B	+ ¥3.7B	¥148.0B	+ ¥15.8B
Long Distance and International Communications Segment	¥2,114.0B	(¥91.8B)	¥124.0B	+ ¥20.4B
NTT Communications	¥1,037.0B	-	¥119.0B	-
NTT Ltd.	¥1,130.0B	-	¥5.0B	-
NTT DATA	¥2,170.0B	(¥96.8B)	¥120.0B	(¥10.9B)
NTT Urban Solutions	¥456.0B	+ ¥30.0B	¥43.0B	(¥5.7B)

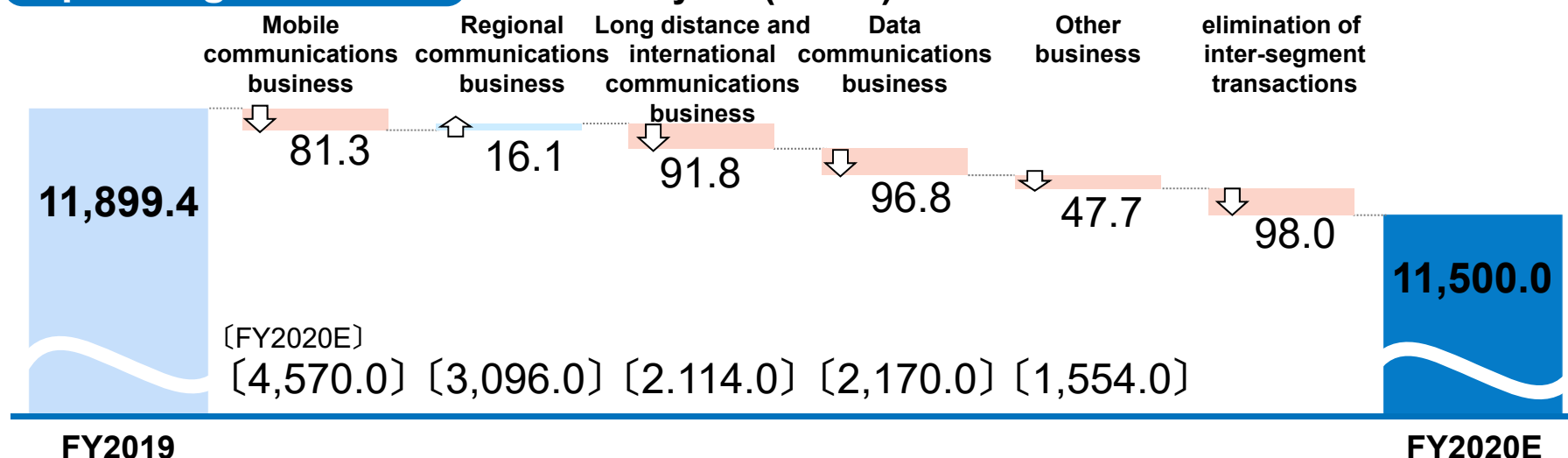
FY2020 Forecast Summary by Segment



(Billions of yen)

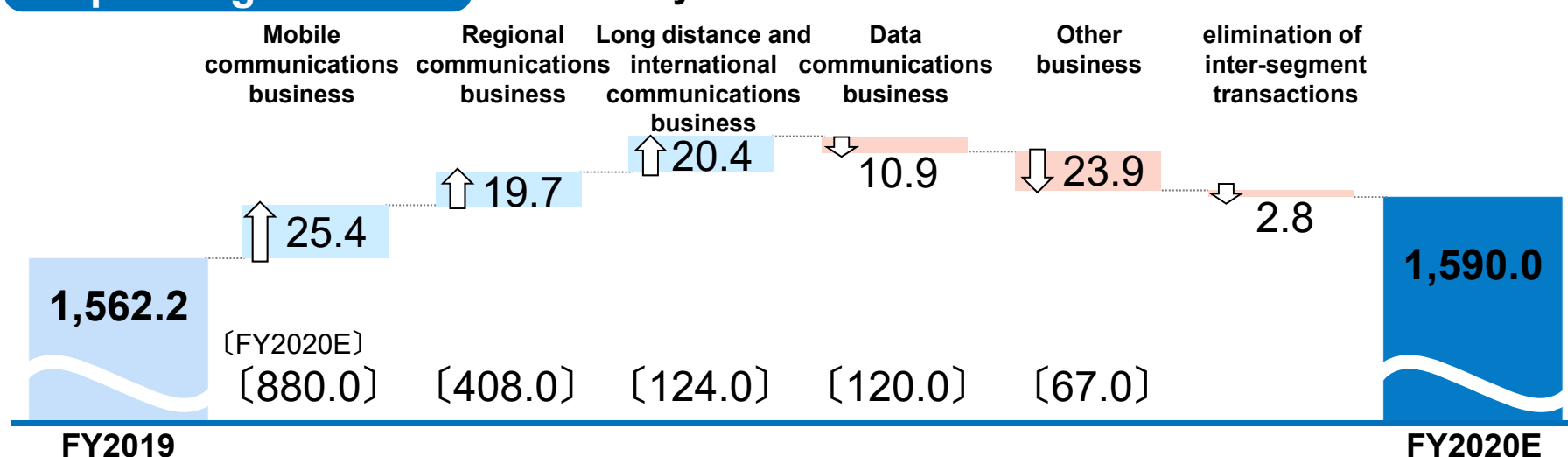
Operating Revenues

<Year-on-year:(399.4)>



Operating Income

<Year-on-year: +27.8>



Topics

Initiatives to Create a Remote World (1/4)

■ Created the new service brand, “Remote World”

In order to provide customers with appropriate services both during and after COVID-19, we have created a lineup of services under a new service brand



Remote World

Achieving a new space beyond face-to-face

- A world where productivity can improve and innovation can thrive wherever one is, without feeling isolation or other kinds of stress
- A world where everyone can safely and securely work smoothly or receive a fulfilling education, even remotely

✓ Achieve added value through the new remote setup from users' perspective

Past (“Real” > “Remote”)

Meetings at the office + (online meetings)

Classes at school + (online classes)

⋮

Future (“Remote” ≥ “Real”)

Online meetings that are smooth and lead to improved productivity, even at home

Online classes that have been individually optimized for each student

⋮

Initiatives to Create a Remote World (2/4)



■ Launch of new services

<Expanding the work that can be done remotely>

① “OriHime” remote-controlled avatar robot

(Entered into a capital alliance with Ory Laboratories on October 15, 2020)

- ✓ Four people who have physical disabilities or who have difficulty going outside remotely operate the robots and communicate with guests who visit NTT reception, and lead them to reception rooms
- ✓ There are plans for future service collaborations with group companies



② “Comme@customer support” remote screen sharing tool

(NTT-AT; launched full-scale sales in July 2020)

- ✓ When providing explanations over the phone is difficult, can provide support through simple operations from a website (without a dedicated application) using video, screen sharing, chat and other functions



Initiatives to Create a Remote World (3/4)



<Evolution of communication>

③ “elgana” business chat

(NTT Neomeit; new plan added in October 2020)

- ✓ Launched a free plan that allows chat talk for an unlimited number of IDs, and without ads displayed



elgana

④ “SwipeVideo” free-viewpoint video solution

(NTT DOCOMO; service scheduled to be launched in November 2020)

- ✓ Offers a new viewing experience in the entertainment, sports and education fields
- ✓ Viewpoints can be switched by swiping on smartphone screens



Initiatives to Create a Remote World (4/4)



<Improved productivity through the shift to online>

⑤ “Smart Me™” digital employee ID

(NTT Com; launched in September 2020)

- ✓ Employees can enter and exit rooms just by waving their hands with their smartphones kept in their pockets
- ✓ Physical cards will become unnecessary, which will also reduce the work required for card management



⑥ “SmartGo™ Staple” DX for expense and transportation fare reimbursements

(NTT Com, launched in September 2020)

- ✓ Reimbursements for transportation fares are automatically submitted by Mobile Suica just by passing through the ticket gate
- ✓ By using a prepaid corporate card, management of reimbursements and original receipts will also become unnecessary



⑦ “BConnection Digital Trade” digitalization service for B2B transactions

(NTT Com, launched in October 2020)

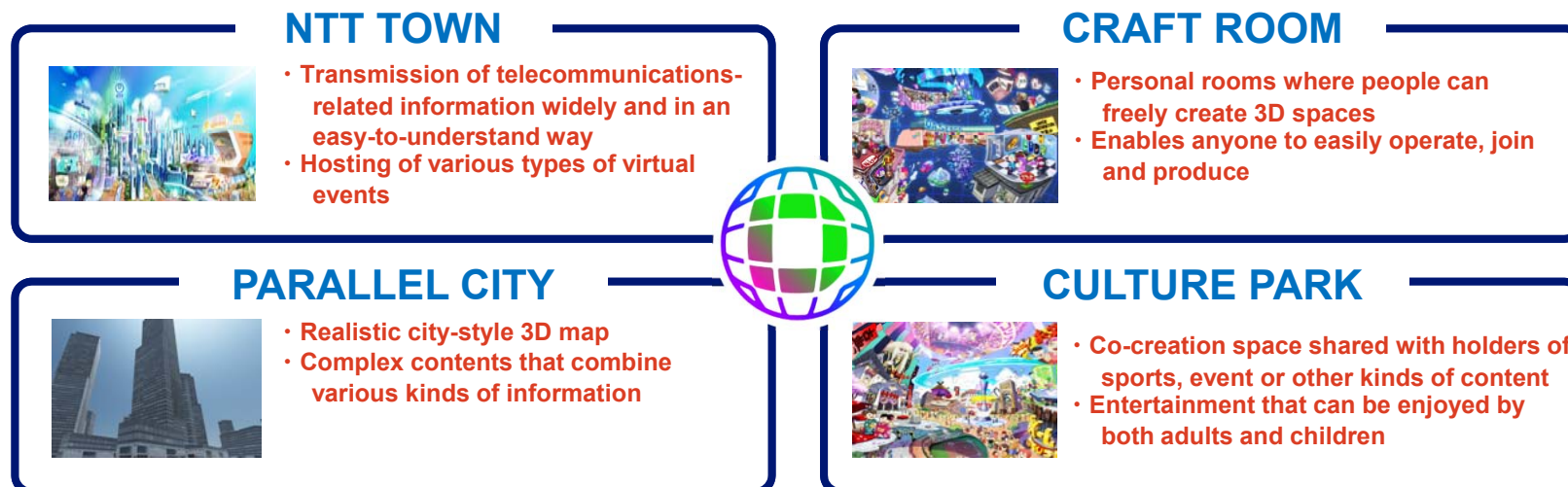
- ✓ Digitalizes estimates, orders and invoices between buyers and suppliers
- ✓ Free to use for suppliers (excluding certain options)

We will continue to expand the lineup of the new service brand going forward by adding a variety of services

Launched “DOOR” 3D Owned Media



- For the worldview and contributions to social issues that NTT strives for, DOOR will disseminate information in a way unique to 3D spaces that will inspire people to feel wonder and excitement together
- Exemplifies a worldview of the Remote World that balances both maintaining social distancing and stimulating economic activity
 - ✓ Will launch on November 17 in connection with hosting the NTT R&D Forum 2020 Connect event
 - ✓ Web-based and easy-to-access, with multi-device compatibility
 - ✓ Four area configurations and contents that support business and personal uses

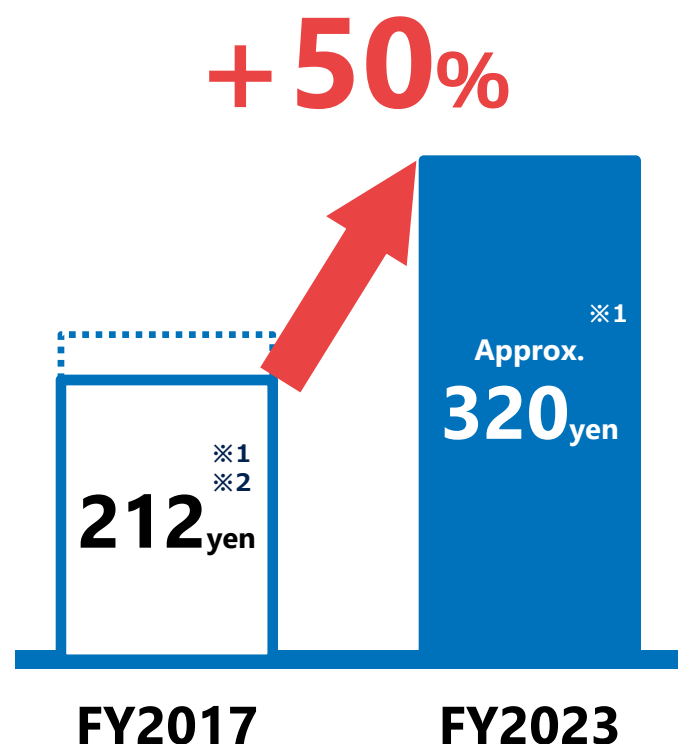


NTT Group Medium-Term Management Strategy

Medium-Term Targets



EPS Growth



Financial Targets

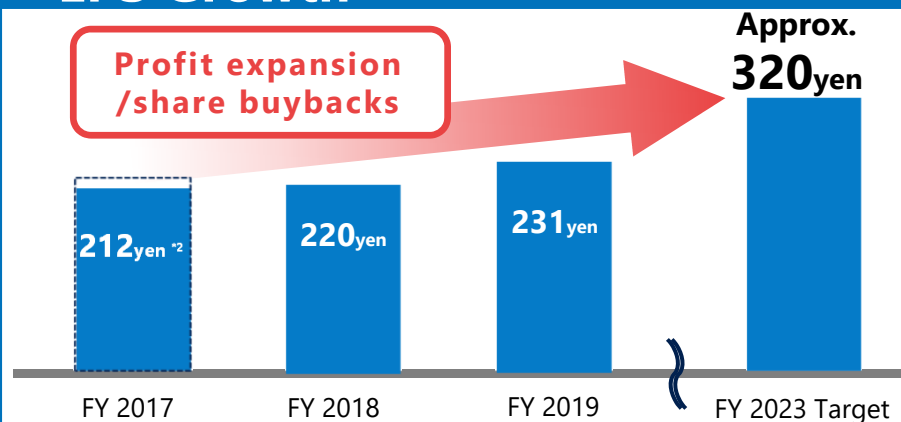
EPS Growth	+ 50% ※2	Target FY2023 (vs. FY2017)
Overseas Sales / Overseas Operating Income Margin ※3	\$25B / 7%	FY2023
Cost Reductions (in fixed-line/mobile access networks)	At least ¥800B	FY2023 (vs. FY2017)
ROIC	8%	FY2023
Capex to Sales (Domestic Network Business※4)	13.5% or less	FY2021

※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 ^{*1}

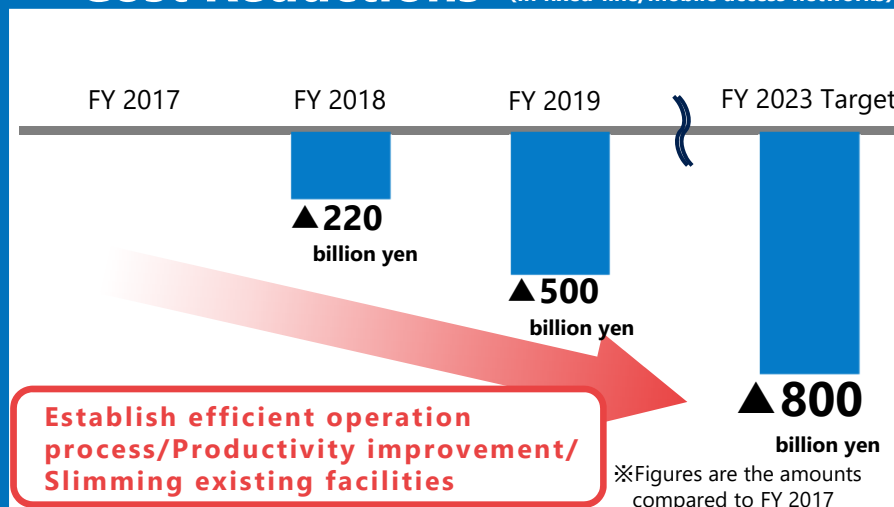


^{*1} EPS amounts reflect the two-for-one stock split with an effective date of January 1, 2020.

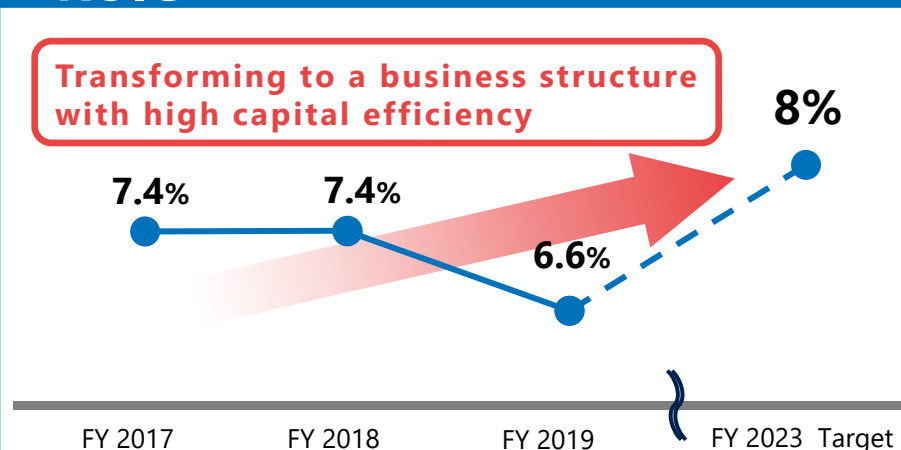
^{*2} Excludes the effects of the arbitration award received from Tata Sons Limited.

Cost Reductions

(in fixed-line/mobile access networks)

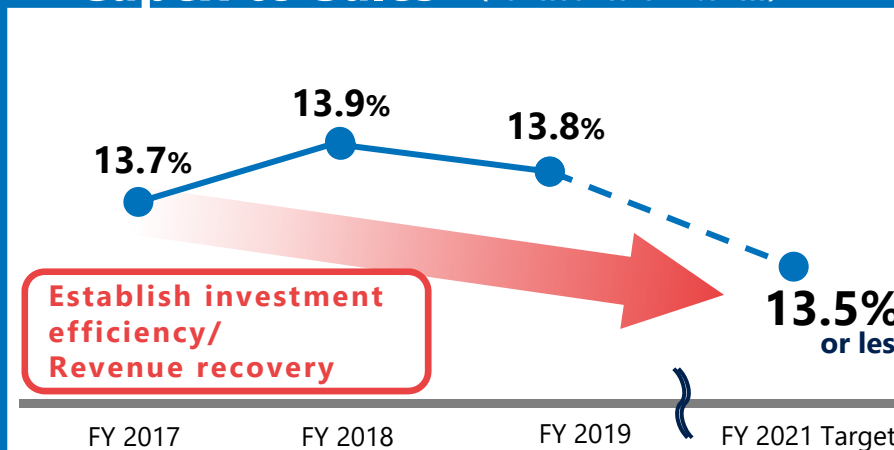


ROIC



Capex to Sales

(Domestic Network Business) ^{*1}



^{*1} : Excludes NTT communications' data centers and certain other assets.

Overview of Medium-Term Management Strategy Initiatives

Progress of the medium-term management strategy accelerated by the transaction to make NTT DOCOMO a wholly owned subsidiary

Promote B2B2X Model	<ul style="list-style-type: none"> Number of B2B2X Projects: 88 (+75)*
Roll Out 5th-Generation Wireless System	<ul style="list-style-type: none"> Launched 5G services using millimeter wave (NTT DOCOMO, September 23, 2020)
Provide Personal Services	<ul style="list-style-type: none"> Established a new company with ITOCHU, FamilyMart and CyberAgent for an advertising business that utilizes purchase data (NTT DOCOMO, expected to launch operations in December 2020)
Create New Lines of Business	<ul style="list-style-type: none"> Entered into wind power generation business (NTT Anode Energy, September 7, 2020)
Effective Use of Assets	<ul style="list-style-type: none"> Further progressed the conversion of station facilities into satellite offices; starting with Noborito in October 2020, our goal is to open 10 offices during FY2020 and 50 offices during FY2021
Contribute to Vitalization of Regional Societies and Economies	<ul style="list-style-type: none"> Entered into a tripartite partnership agreement with the City of Yokosuka for regional revitalization utilizing ICT and new sports (NTT East and NTTe-Sports, October 21, 2020) Entered into an industry/academia/government/finance collaboration agreement relating to the regional revitalization of and the resolution of regional issues in the City of Nagasaki (NTT West and NTT Urban Solutions, October 28, 2020)
Promote ESG Management	<ul style="list-style-type: none"> Entered into a “social contribution cooperation agreement to resolve social issues” with KDDI (September 11, 2020) Entered into a capital and business alliance with Ory Laboratories (October 15, 2020) Received SBT** initiative approval of NTT's reduction targets (October 30, 2020) Entered into a cooperation agreement in research to prove the scientific and technical feasibility of the fusion energy with National Institutes for Quantum and Radiological Science and Technology (November 6, 2020)

* Information as of September 30, 2020. Information in parentheses indicates changes from the time of announcement of the medium-term management strategy (October 2018)

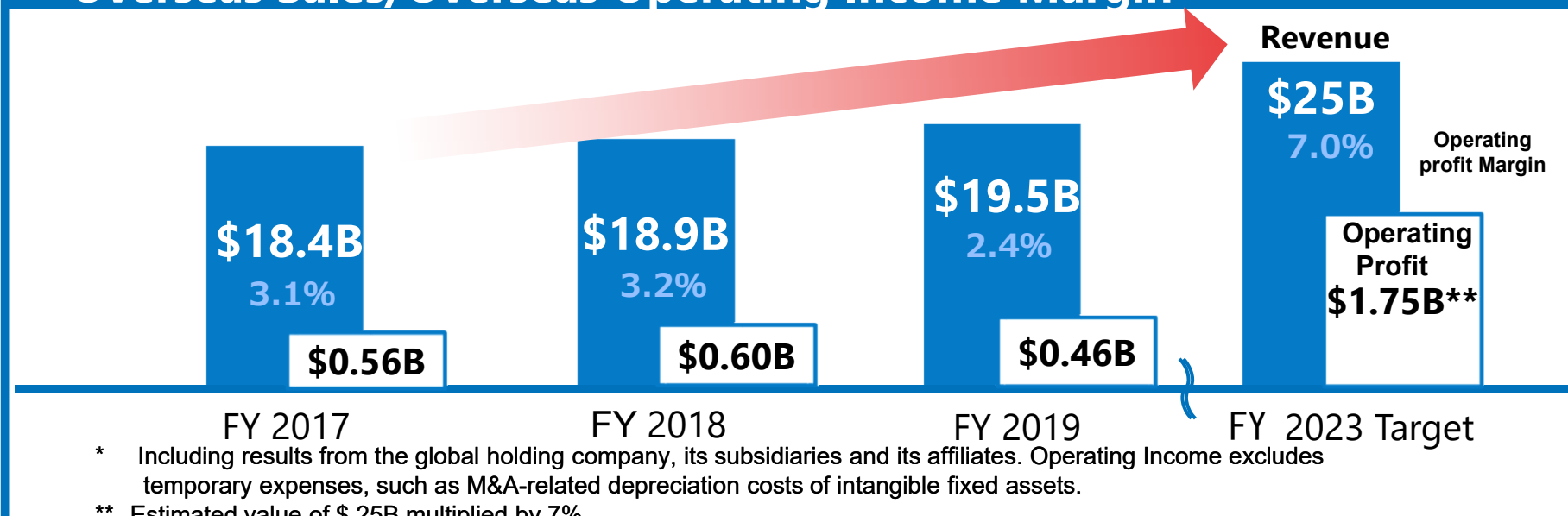
** Science Based Targets

Global Business

Global Business Overview



Overseas Sales/Overseas Operating Income Margin*



Revenue* (USD, FY2019) 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.

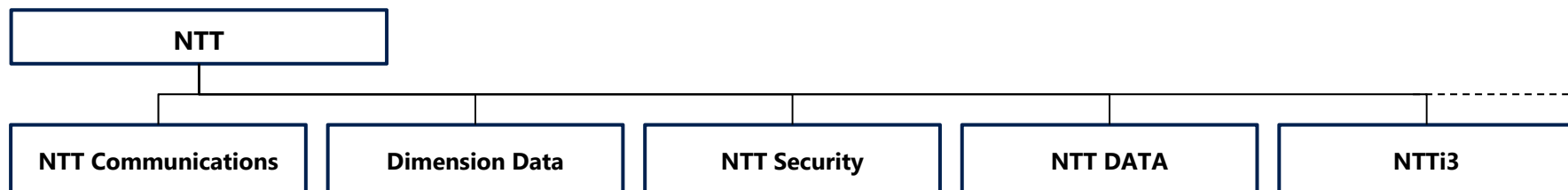
** Exclude Japan

Enhance Competitiveness in Global Business (1)

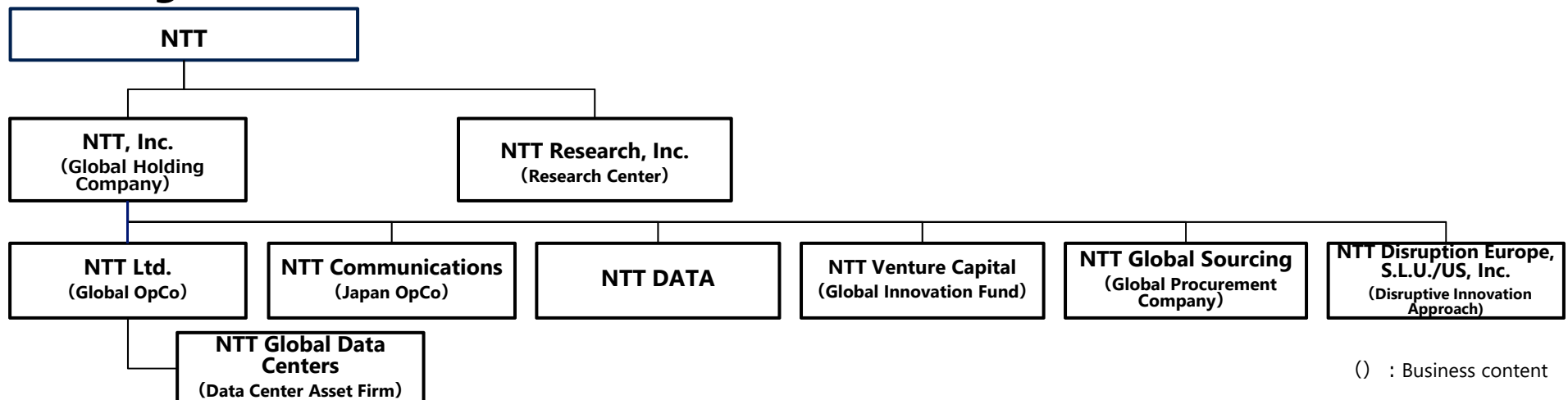


- We established a new global holding company under NTT Corporation by the third quarter of the fiscal year ending March 31, 2019.
- And NTT Communications, Dimension Data, NTT DATA, NTT Security, and NTTi3 will be transferred to NTT, Inc. and will align together under its new leadership.
- While making 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

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)

Create New Innovative Solutions

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

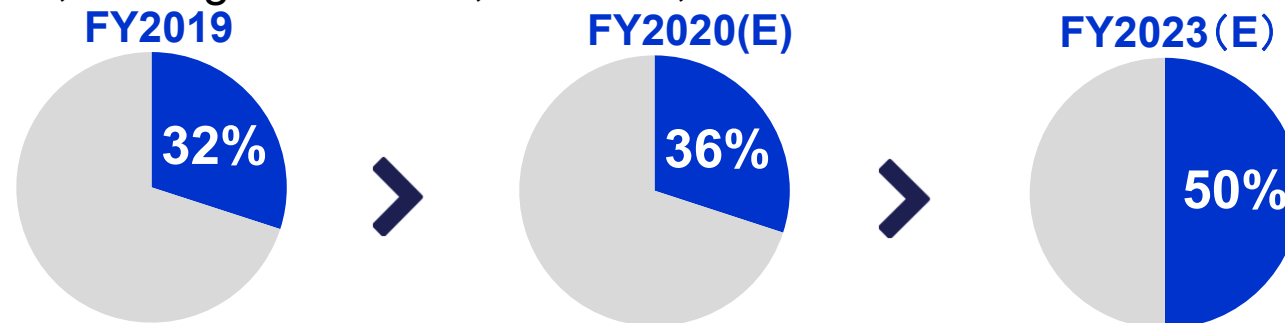
Structural Reform of NTT Ltd.



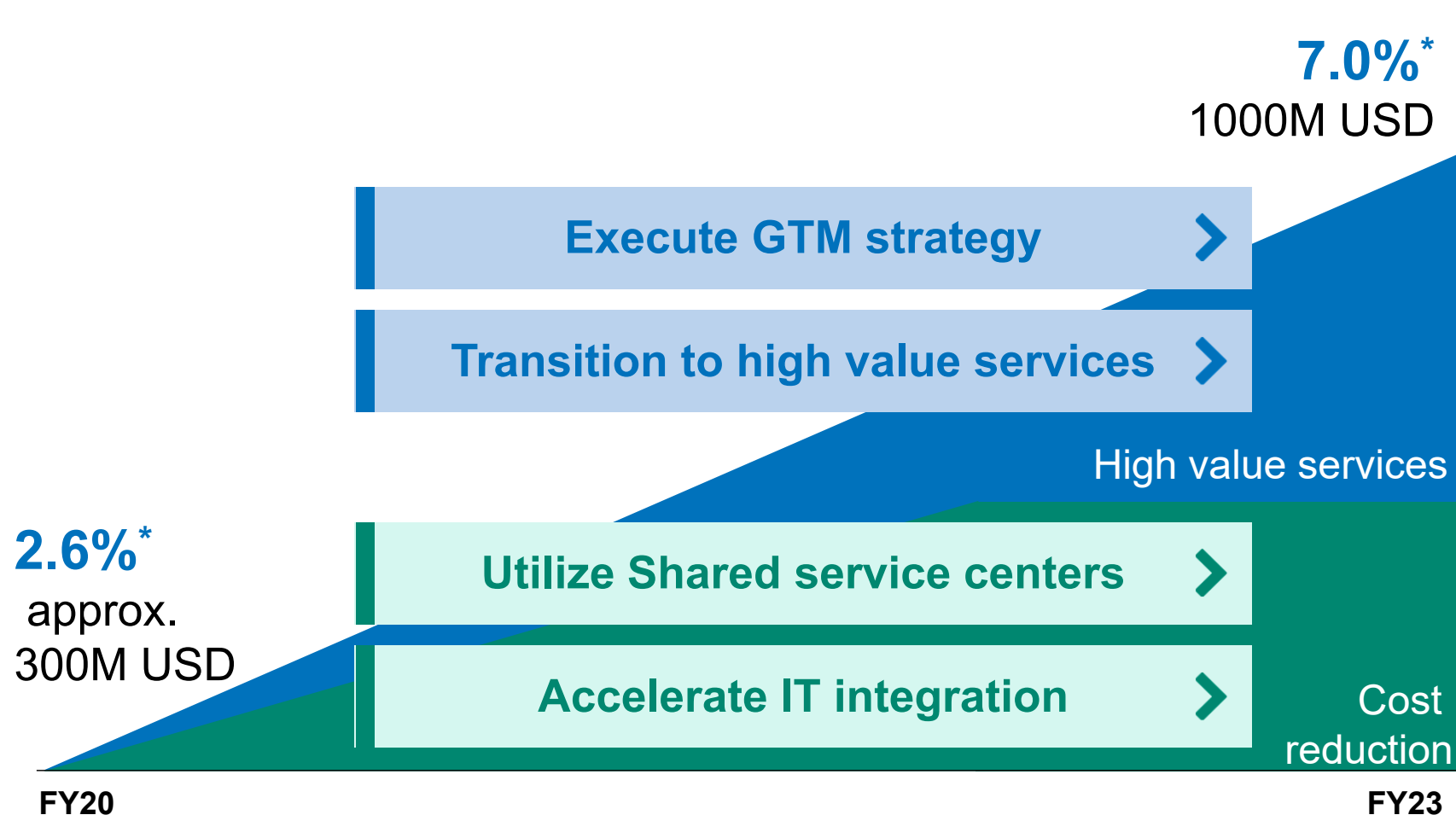
- Promoted integration at NTT Ltd. since its establishment in July 2019
- Promoting structural reforms to realize business shift to attractive markets centered on managed IT services
 - Streamlining business operations
 - Optimization by consolidating operations and overlaps
 - Launching a shared service 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 >

Data center, Managed services, Network, Cloud Communications etc



NTT Ltd. Road to FY23



[* Based on 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.

Smart City Project (Las Vegas City)



Pain Point of the City:
Requirements:

To reduce "Response Time"

① **Reactive actions:**

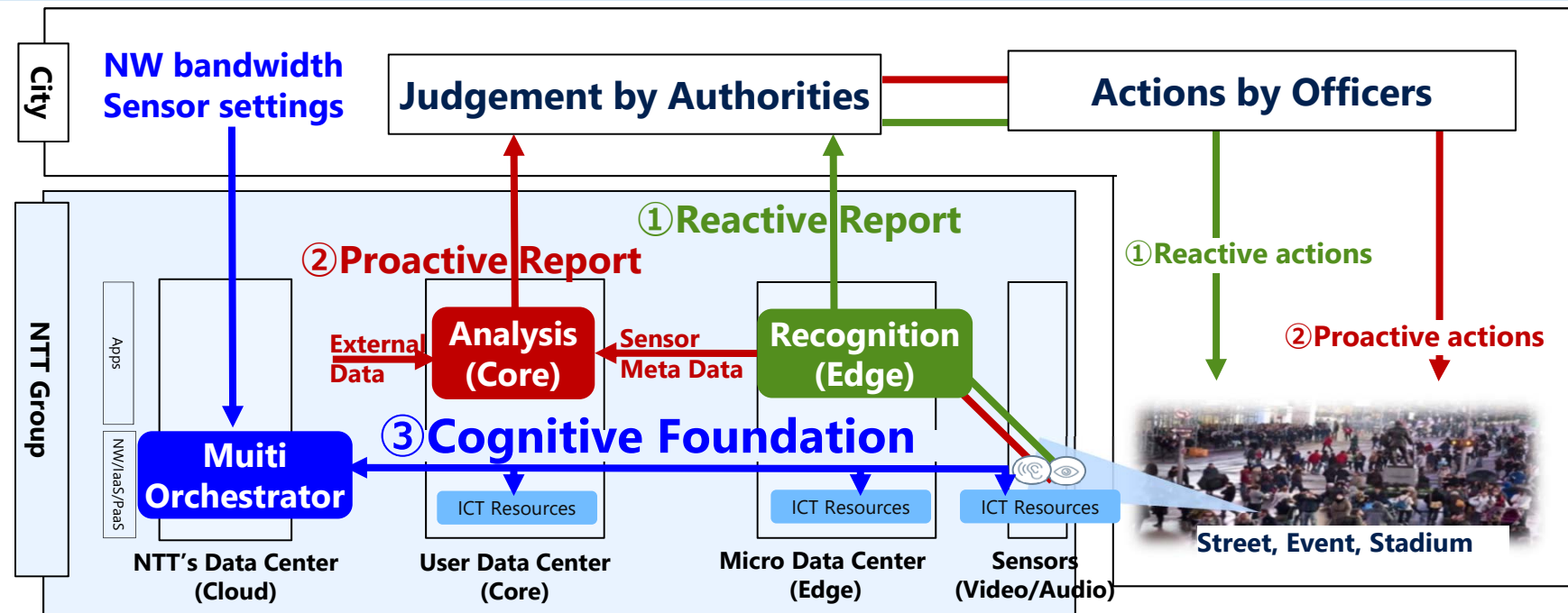
Notify "What is going on ? "

② **Proactive actions:**

Notify "What is going to happen next ? "

③ **Flexible ICT :**

Deploy ICT resources ASAP



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



Simple rate structure
providing choice from only two plans

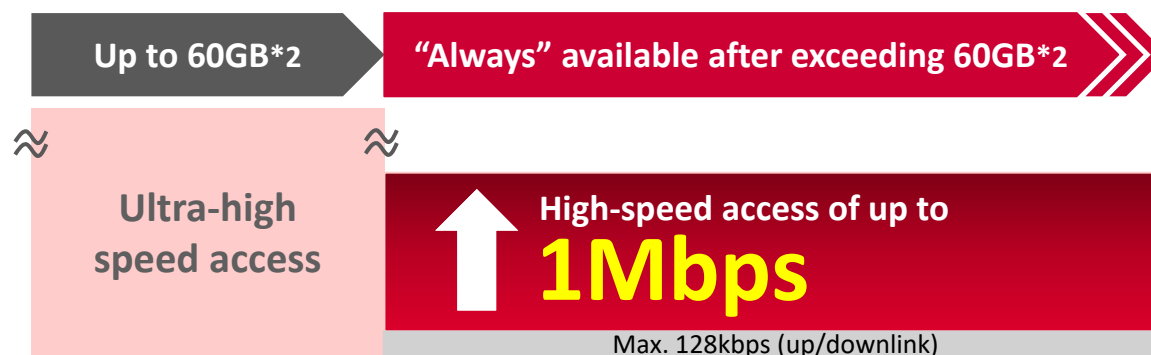
To start from Jun. 1, 2019

“Gigaho”

By applying “Gigaho Wari”,*1

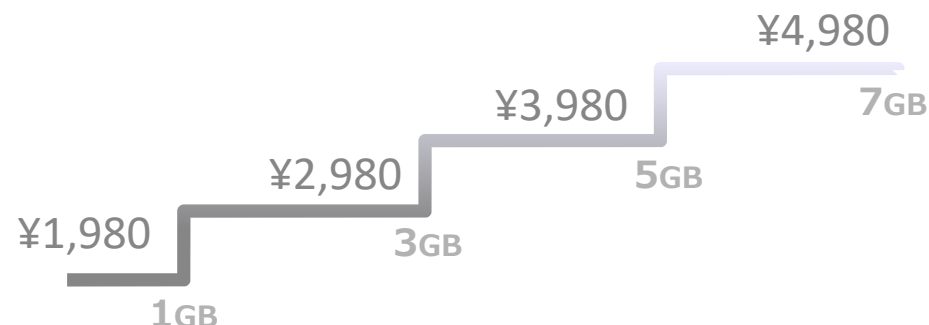
¥4,980

for up to 6 months



“Gigalight”

from **¥1,980**



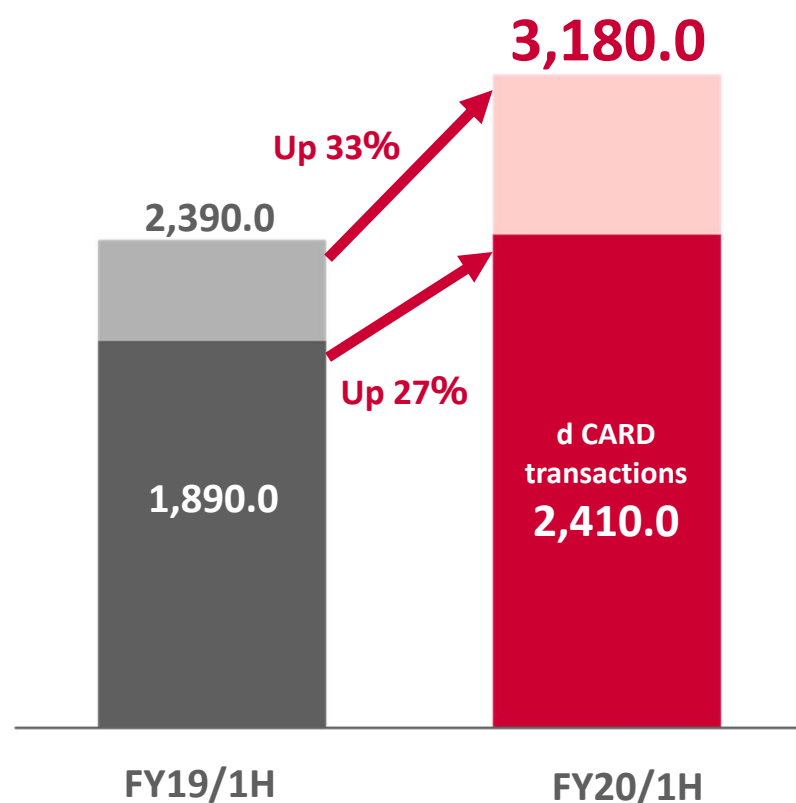
- Applied with “Minna DOCOMO Wari (3 or more lines).” Contingent on 2-year subscription (automatic contract renewal with cancellation fee for early termination). Voice communication charge not included.

*1 “Gigaho-wari” is undecided at the end

*2 For those who have subscribed to “Gigaho 2 (started on October 1, 2019)”, the amount of data that can be used each month has been increased by 30GB, and the end of the term is undecided.

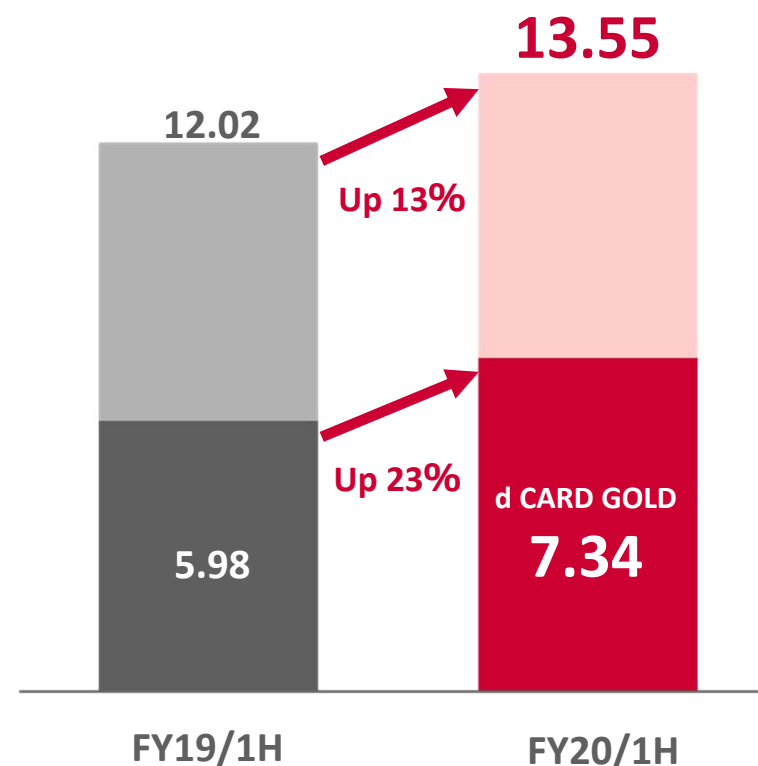
Finance/Payment Transactions handled

(Billions of yen)



"d CARD" members

(Million members)



- ◆ The amount of transactions handled represent the cumulative amount for FY20/1H, 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"

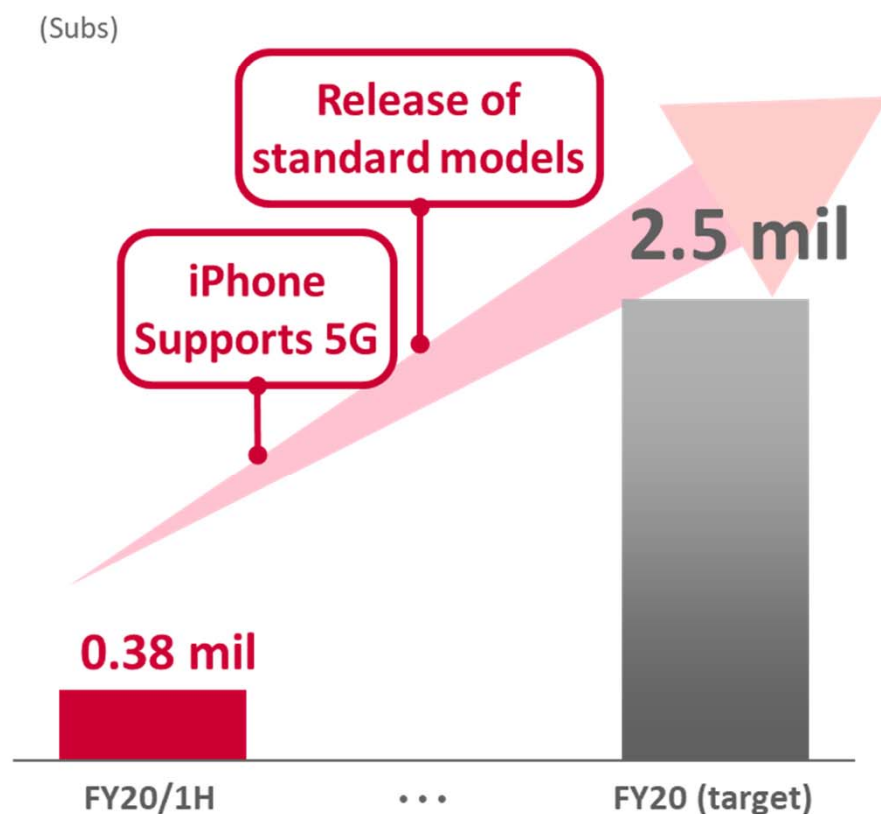
Value creation suited to remote-work society (medical/education/manufacturing, etc.)

◆ 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.

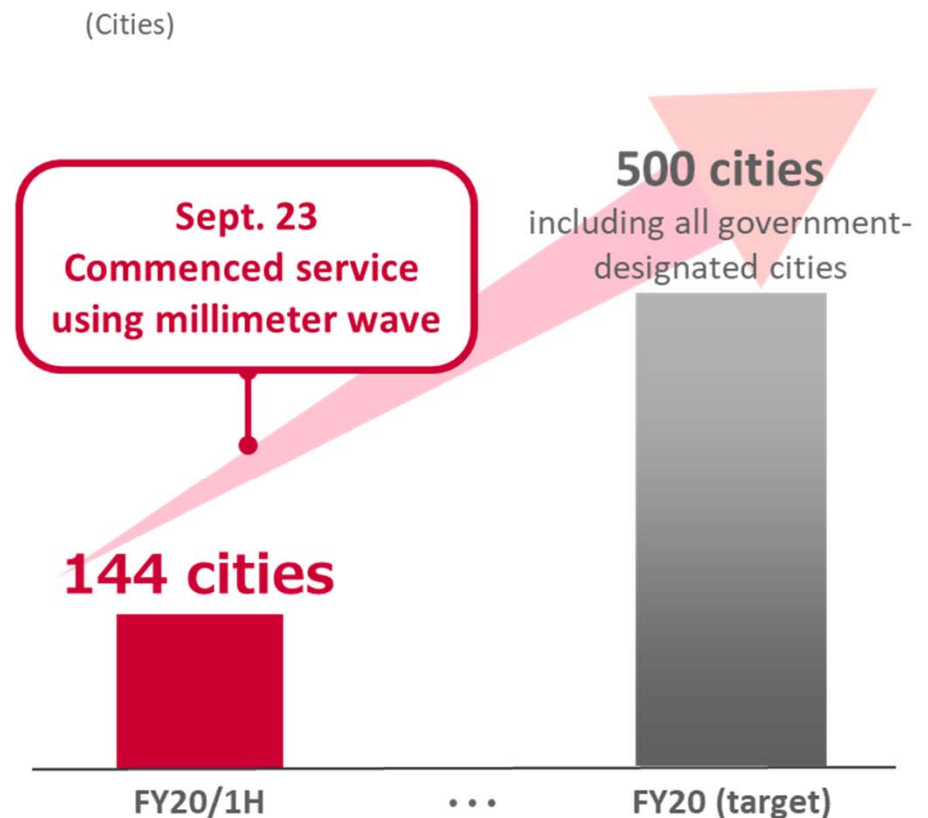
NTT DOCOMO 5G Subscriptions/Coverage NTT

Making steady progress toward full-year target

5G subscriptions



5G coverage



Expanded realms of service deployment

Viewing support service at J.LEAGUE soccer matches

Multi-angle viewing and provision of statistical data



Kashima Antlers
(Sept. 27)

© KASHIMA ANTLEERS

New entertainment leveraging latest digital technologies

MR-based entertainment with new sensory experience



Digital experience
commercial facility
Haneda Dejima
(from Sept. 19)

Distribution via "Shintaikan Live CONNECT"

TIG LIVE-enabled live performance distribution



Ko Shibasaki
(Aug. 5)



Tokyo Joypolis
(from Oct. 1)

© TM & © TOHO CO., LTD.

Started offering 5 new solutions

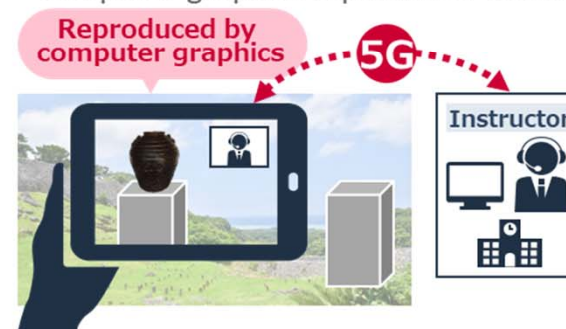
newme

Remote communication via avatar robots



AR-based remote communication system

Interactive communication using high-resolution computer graphics reproduced in AR



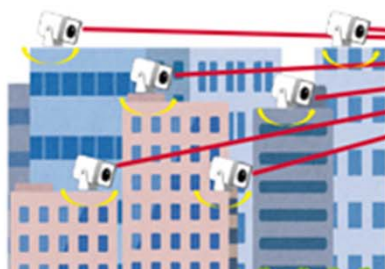
Smart street light

Help develop safe, secure and vibrant communities using cameras and signages



Fairyview

Solution providing bird's-eye view of entire area combining multiple camera feeds



Free View Point Tube

Next-generation streaming enabling free viewpoint viewing of human movement



Support for promotion of “GIGA School” program. Utilization support at municipalities.

Support for “GIGA School” program

Providing support to municipalities across Japan



Support for utilization of ICT in education at Kumamoto City

Creating an ICT environment introducing a total of
65,000 units of tablet devices
(Provision of LTE access, iPad and peripheral devices, software for
class/learning support)

Utilization and operational support



Online classes during school
closure due to COVID-19

Co-sponsorship of
Kumamoto Education Week 2020



◆ Co-sponsorship of Kumamoto Education Week 2020 : Scheduled for Nov. 8-15, 2020

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

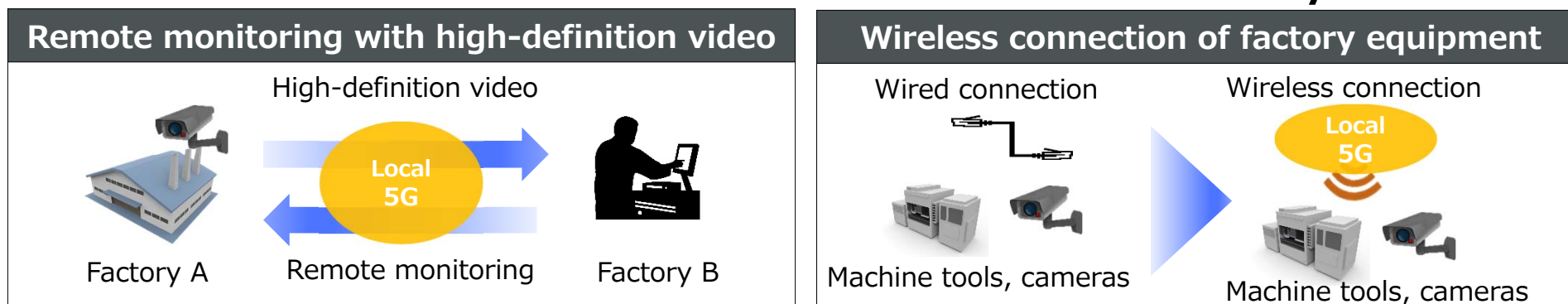


- Realizing the improvement of the manufacturing site by remote monitoring, etc. by utilizing local 5G, eliminates labor shortage and improves productivity .(Collaboration agreement with Yamaguchi Prefecture and joint experimental agreement with Hibiki Seiki Co., Ltd. April 4, 2020)
- Going forward, 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.



Between factories

In the factory



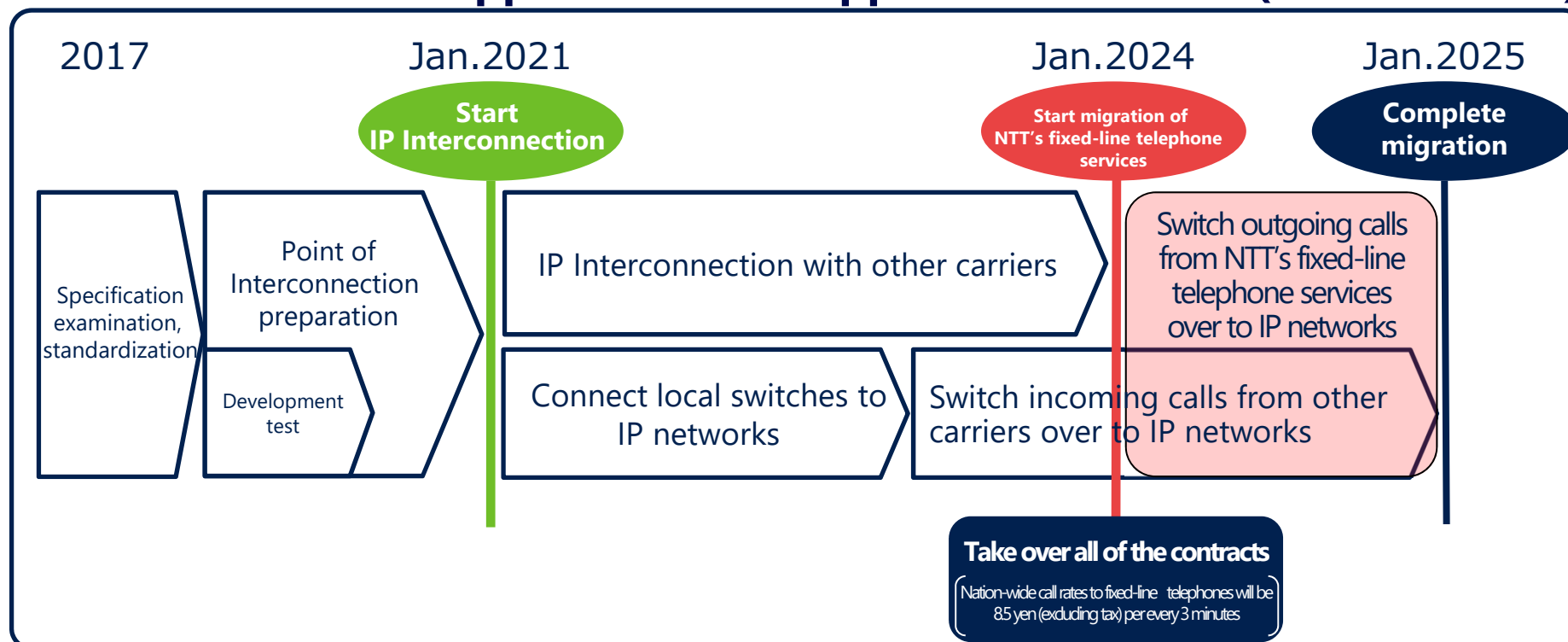
Providing new value by utilizing the characteristics of local 5G in a new lifestyle

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)

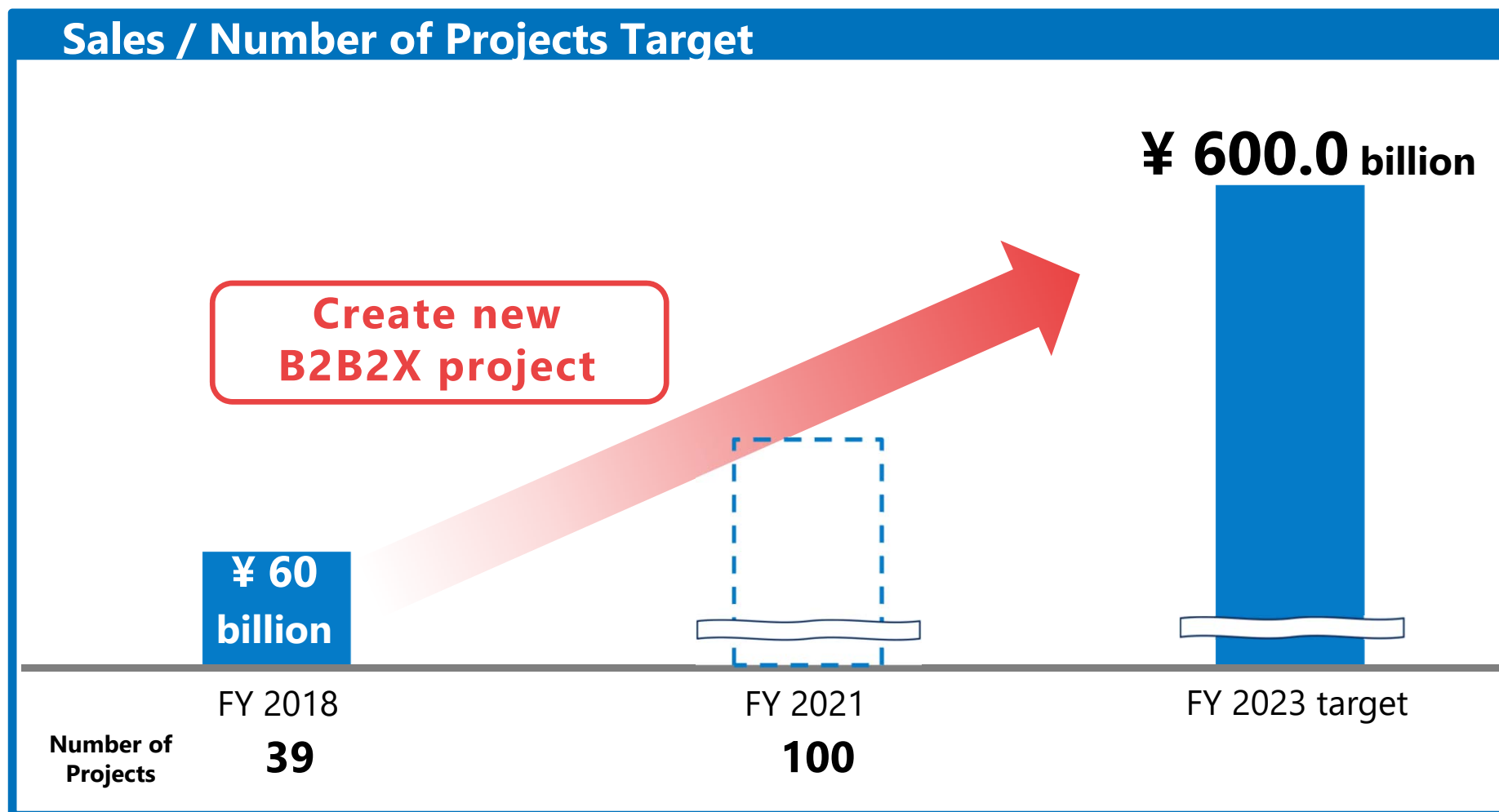


Other Businesses

Promote B2B2X Model



- Number of B2B2X Projects: 88 (as of the end of September 2020)
- Set B2B2X Sales Target: ¥600.0 billion (for FY2023)



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

Create New Lines of Business



**FY2025
(Target)**

Promotion of Smart Energy Business

- Establishment of “NTT Anode Energy” (June 3, 2019)
- Efforts to popularize and expand the use of renewable energy (Capital tie-up with Furusato netsu-den Corporation (September 2020 : Geothermal) ,Capital and business alliance with Forest Energy Inc. (September 2020 : Biomass) , Joint business management with Tokyo Century Corporation (October 2020 : Solar power) etc)

June 2019

Company Formation

Applications and filings to launch business

September 2019

Launch of Business

Generation

- Green power generation business

Transmission/distribution and Storage

- VPP (Virtual Power Plant) business
- Advanced EV station business
- Backup power supply business

Retail and Wholesale

- Power retail and wholesale business

**Sales
Volume of
¥600.0
Billion※**

※ Sales volume related to NTT Group energy related businesses

R&D

Worldwide promotion of research and development



Road to IOWN

(1) Wireless

- Expanding wireless coverage and increasing capacity
- 6G strategy

(2) All-Photonics Network (APN)

- LSI serving as a key to the APN

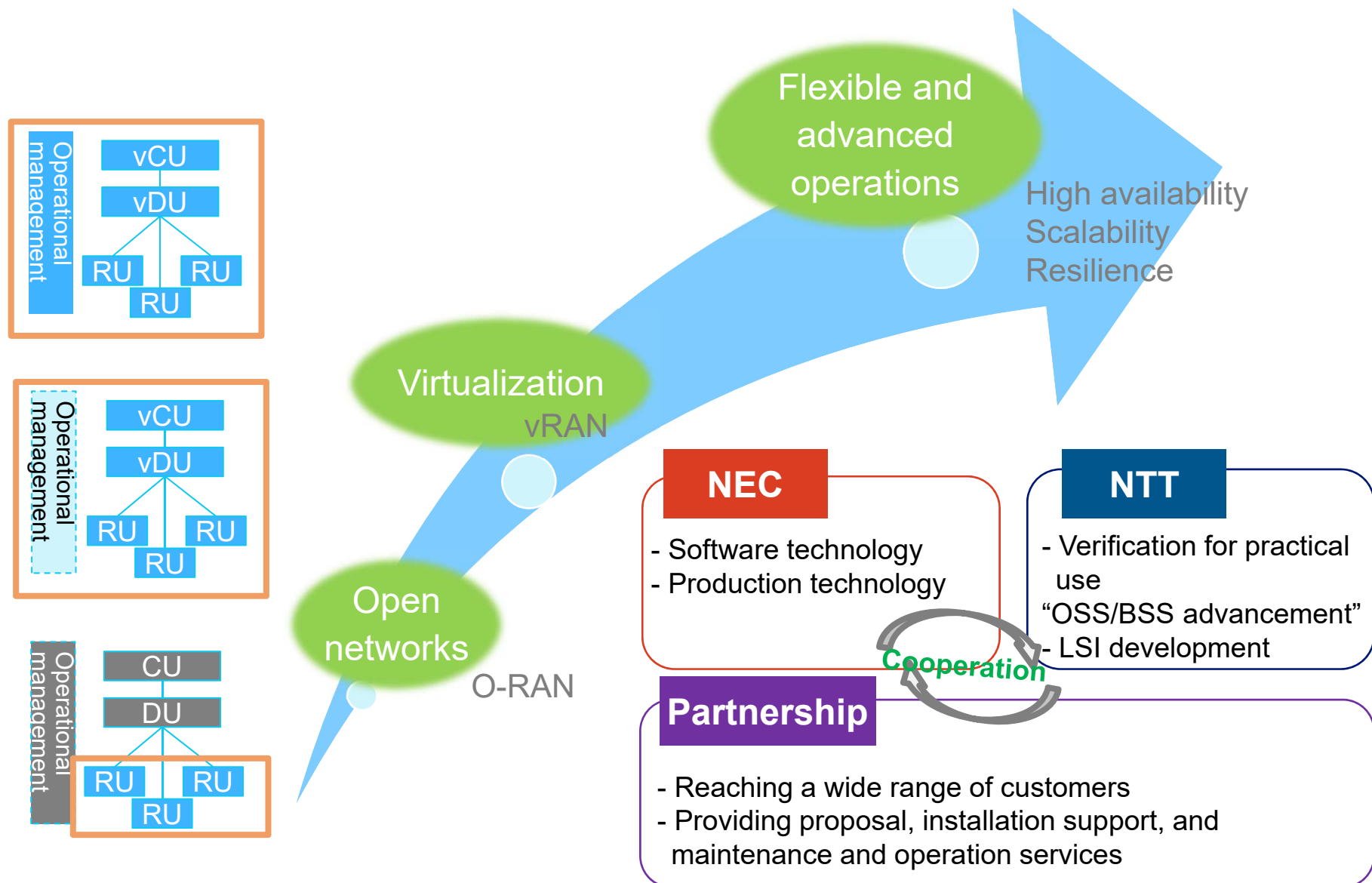
(4) Disaggregated Computing / OS

(3) Digital Twin Computing (DTC)

- 4D digital platform™
- Digital twin devices

Cognitive Foundation

Open access networks (O-RAN plus vRAN)



Shareholder Returns/ ESG

◆ Dividend Policy

- Basic policy is steady dividend increases

◆ Share Buybacks

- Carry out buybacks flexibly to improve capital efficiency

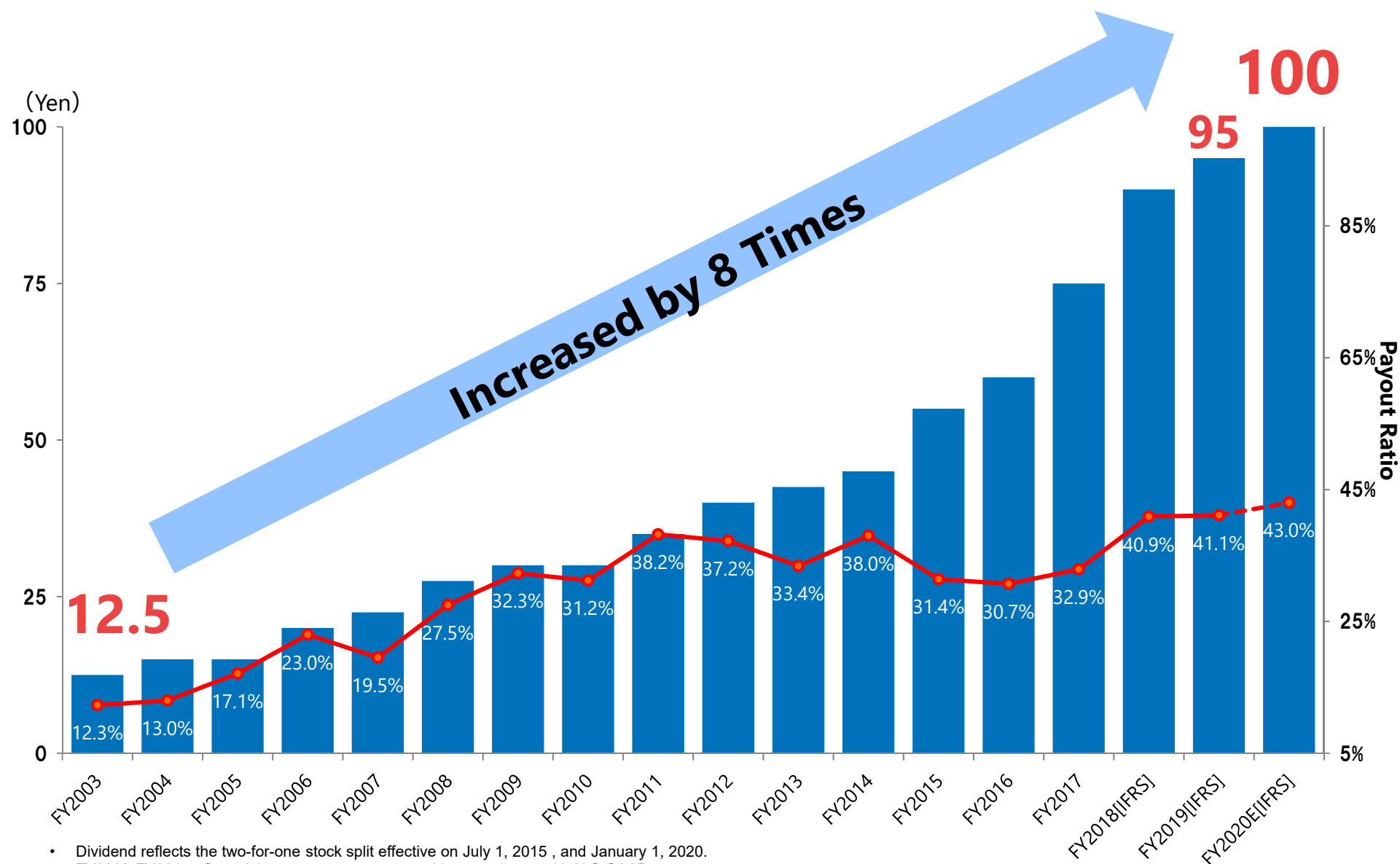
Shareholder Returns (2)



Share Buybacks

- **Resolved to buy back shares in order to improve capital efficiency and enhance shareholder returns**
- **Details of Share Buybacks**
 - **Aggregate Amount: Up to ¥250.0 billion**
 - **Aggregate Number of Shares: Up to 120,000,000 shares**
 - **Buyback Period: From November 11, 2020 to March 31, 2021**
- **Based on the above, the FY2020 EPS target has been revised from ¥231 to ¥232 (an increase of ¥1)**

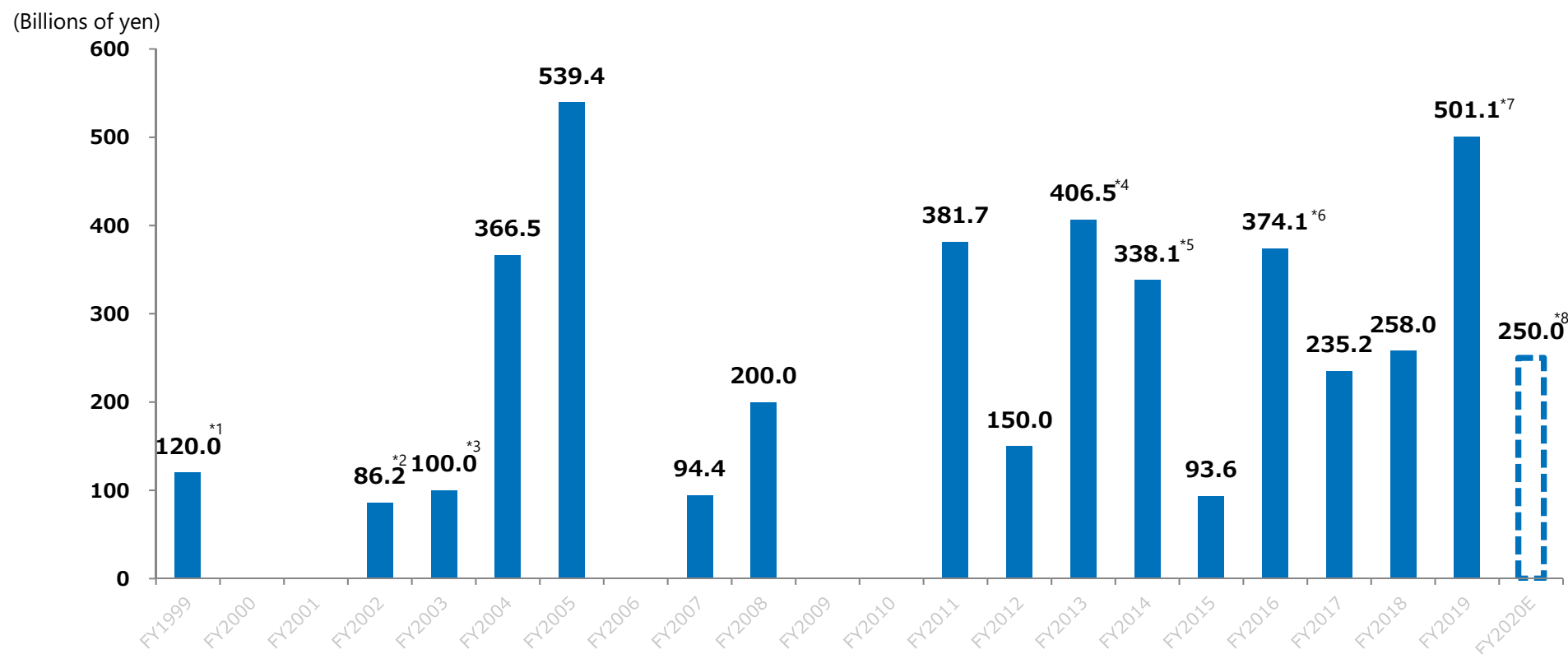
Changes in Dividend



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

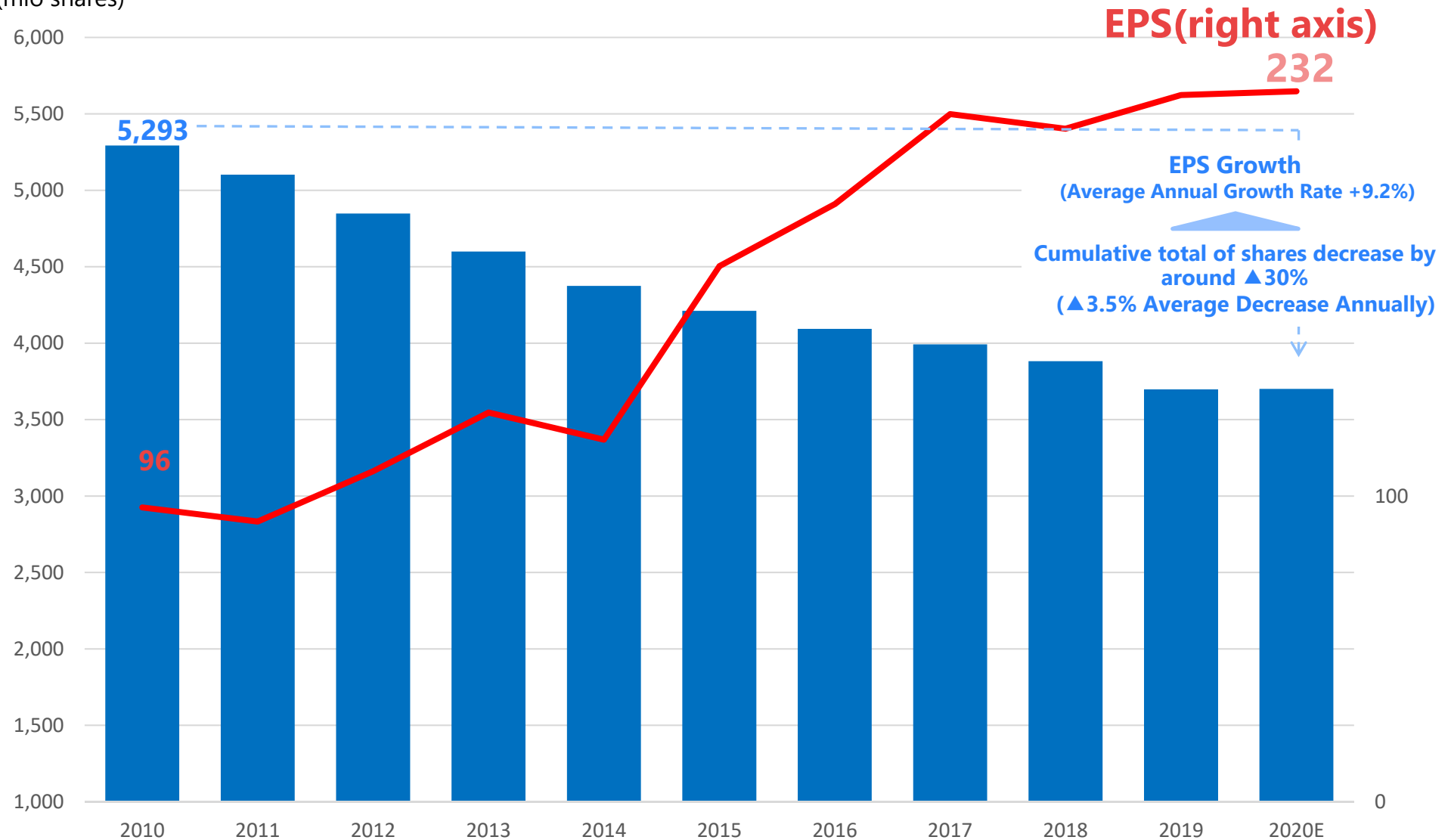
^{*7}:Market 251.6 billion yen, Gov't 249.5 billion yen

^{*8}:On November 6, 2020, the Board of NTT resolved to buy back shares in an amount up to ¥250.0 billion. Buyback Period: From November 11, 2020 to March 31, 2021.

Changes of EPS and Outstanding Shares



(mio 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
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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> (1) : 63%
Members of the Board [Outside]	<u>4</u> (1) : 27%
Total	<u>15</u> (2)
Audit & Supervisory Board Members [Internal]	2 (1)
Audit & Supervisory Board Members [Outside]	3 (1)
Total	5 (2)

【New Structure】

Members of the Board [Internal]	<u>4</u> (0) : 50%
Members of the Board [Outside]	<u>4</u> (1) : 50%
Total	<u>8</u> (1)
Audit & Supervisory Board Members [Internal]	2 (1)
Audit & Supervisory Board Members [Outside]	3 (1)
Total	5 (2)

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

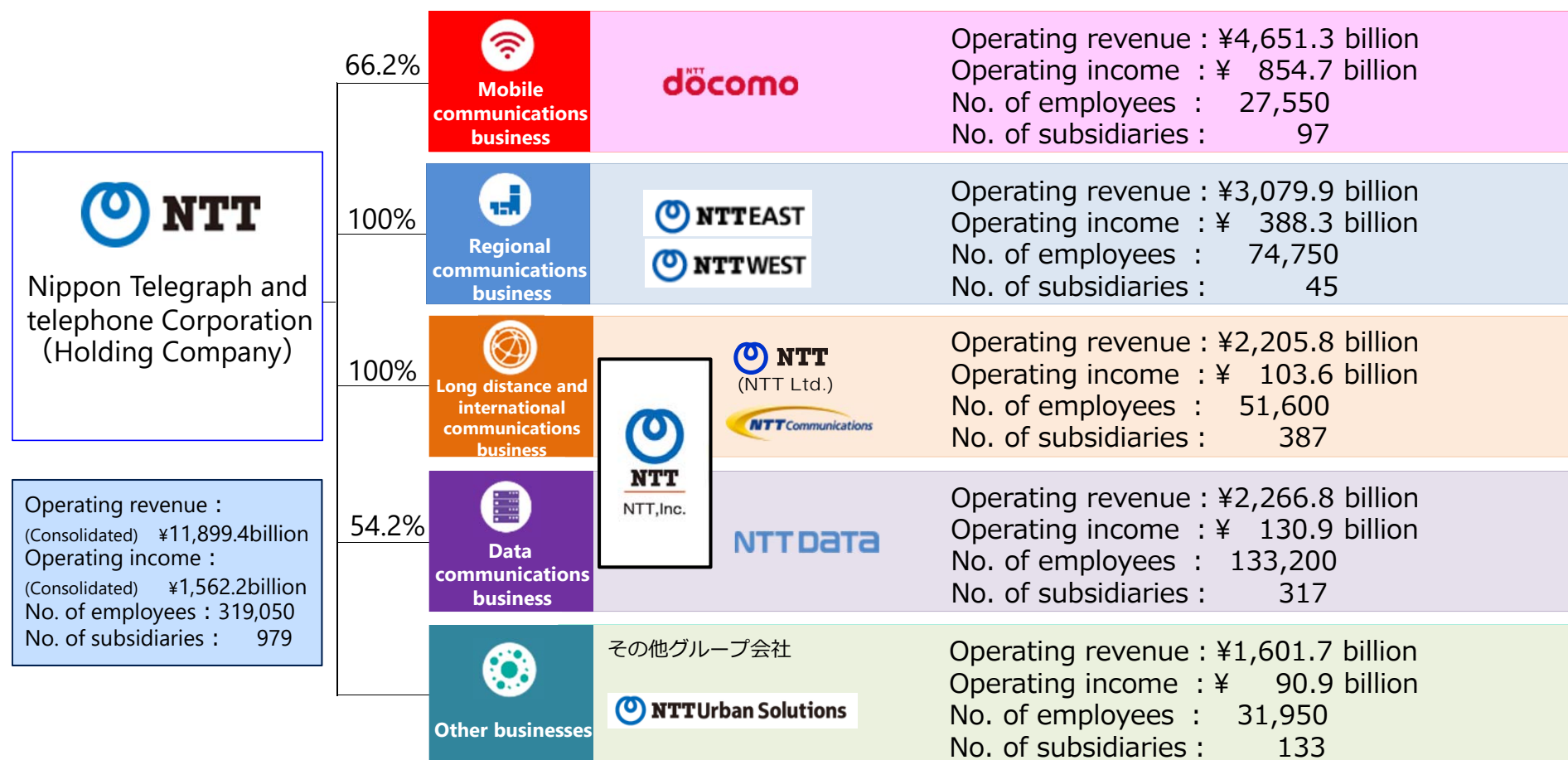
Note2 : The ratio is the ratio of internal directors and outside directors on the board of directors.

Financial Data, etc.

NTT Group Formation

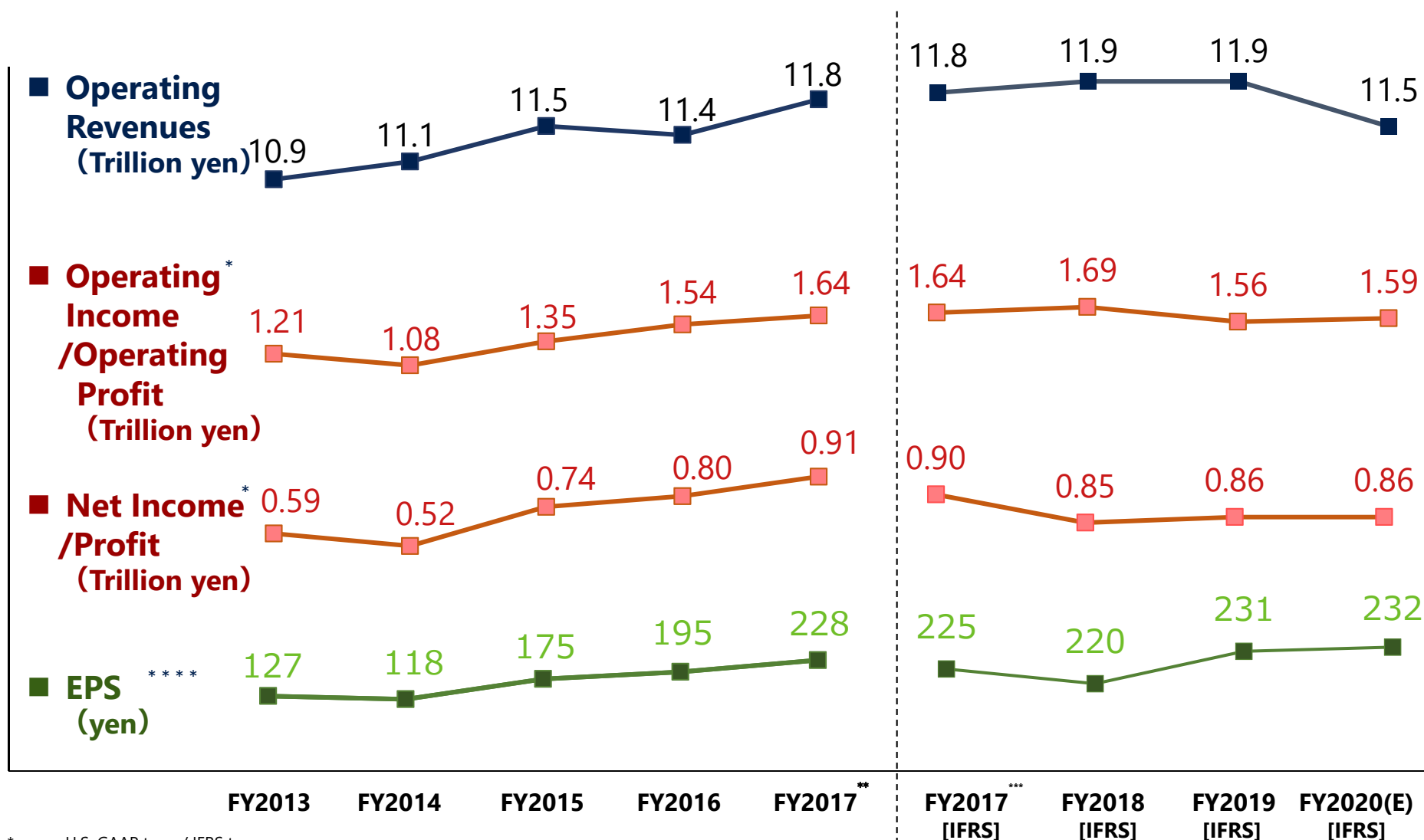


Voting rights to major subsidiaries
(As of March 31, 2020)



- 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



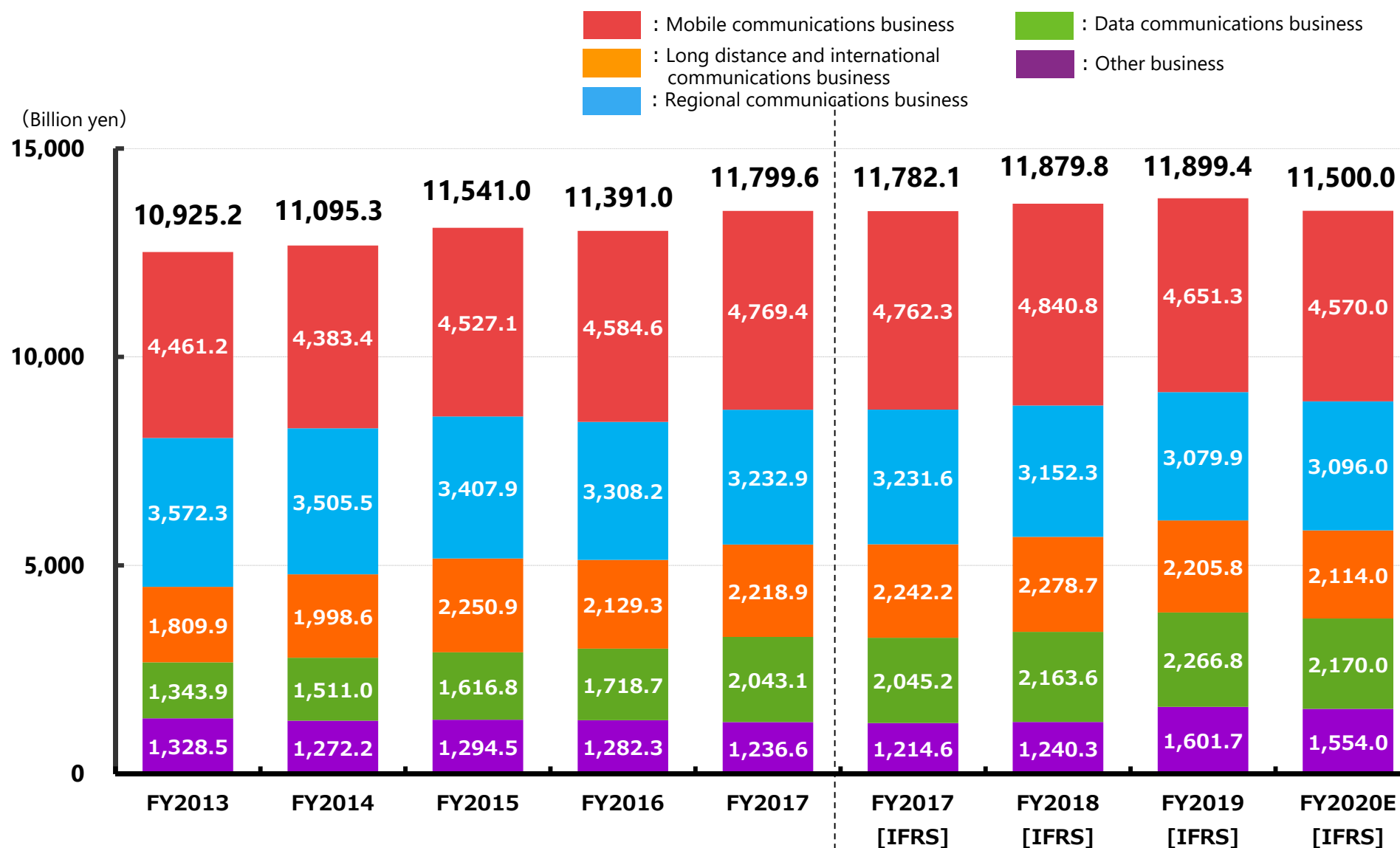
* U.S. GAAP term / IFRS term.

** 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.

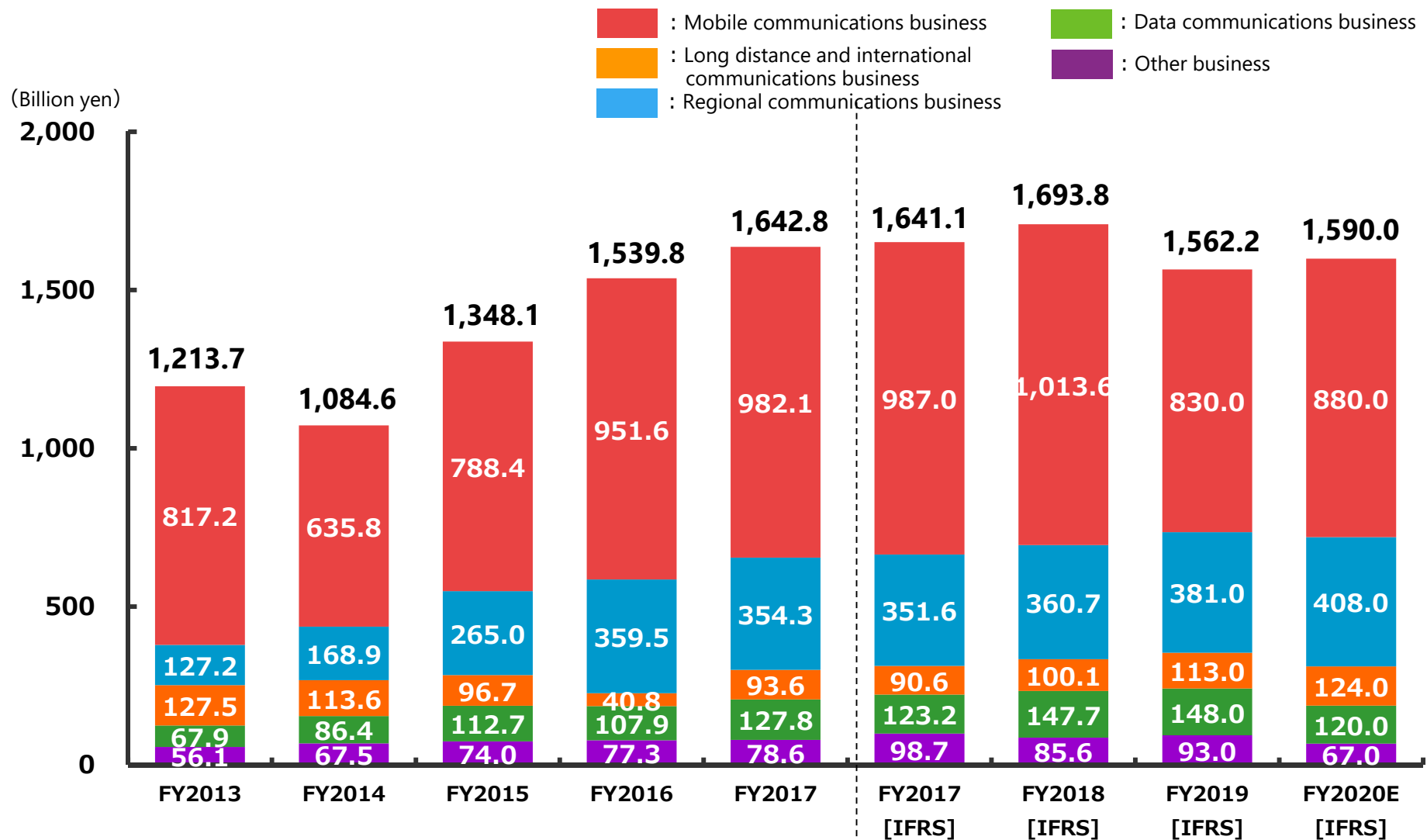
**** EPS amounts reflect the two-for-one stock split effective on July 1, 2015, and January 1, 2020.

Changes in Consolidated Operating Revenues



* Business segment operating revenues include inter-segment transactions

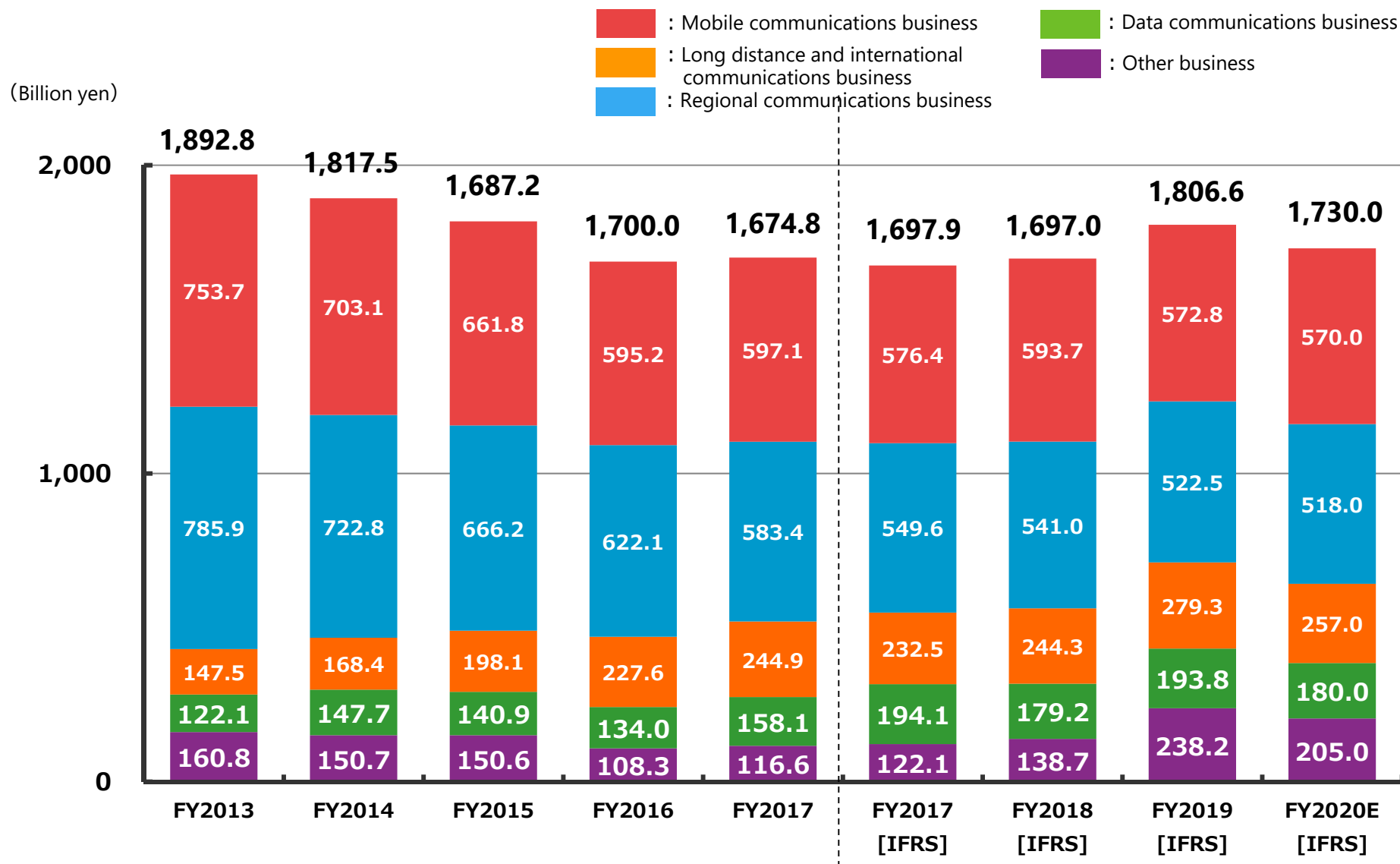
Changes in Consolidated Operating Income NTT



* Business segment operating income include inter-segment transactions

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

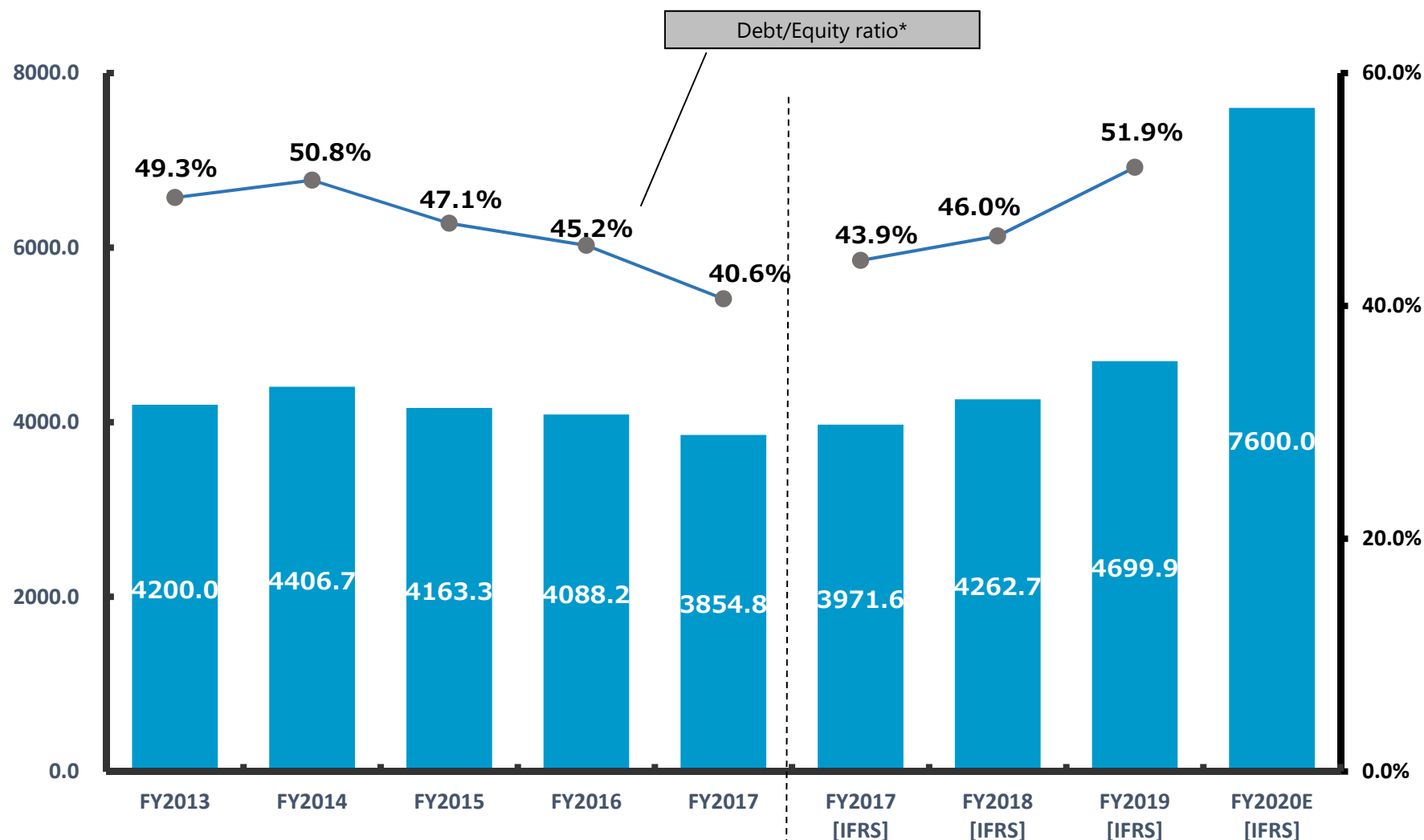
Changes in CAPEX



Changes in Interest-bearing Debt

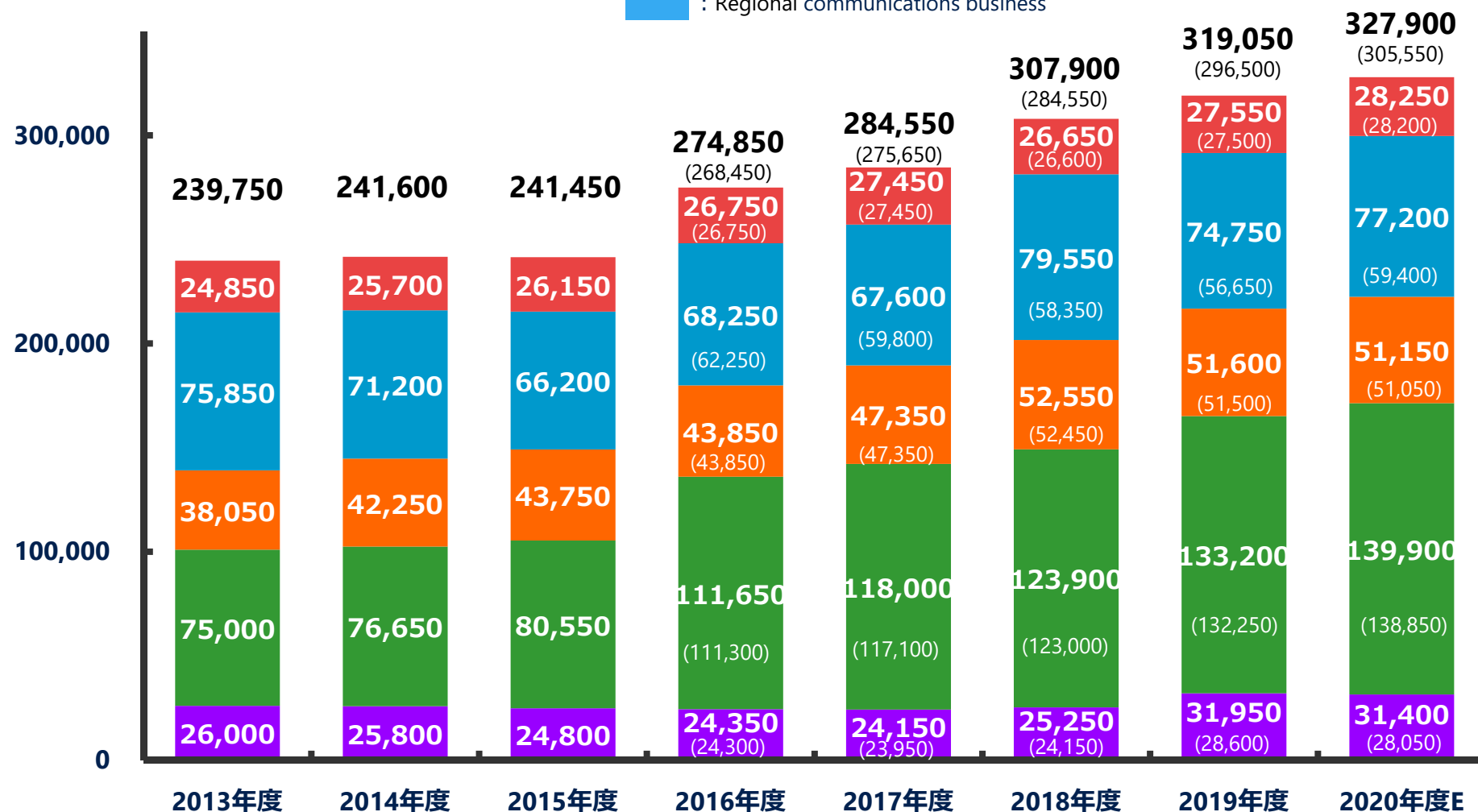


(Billion yen)



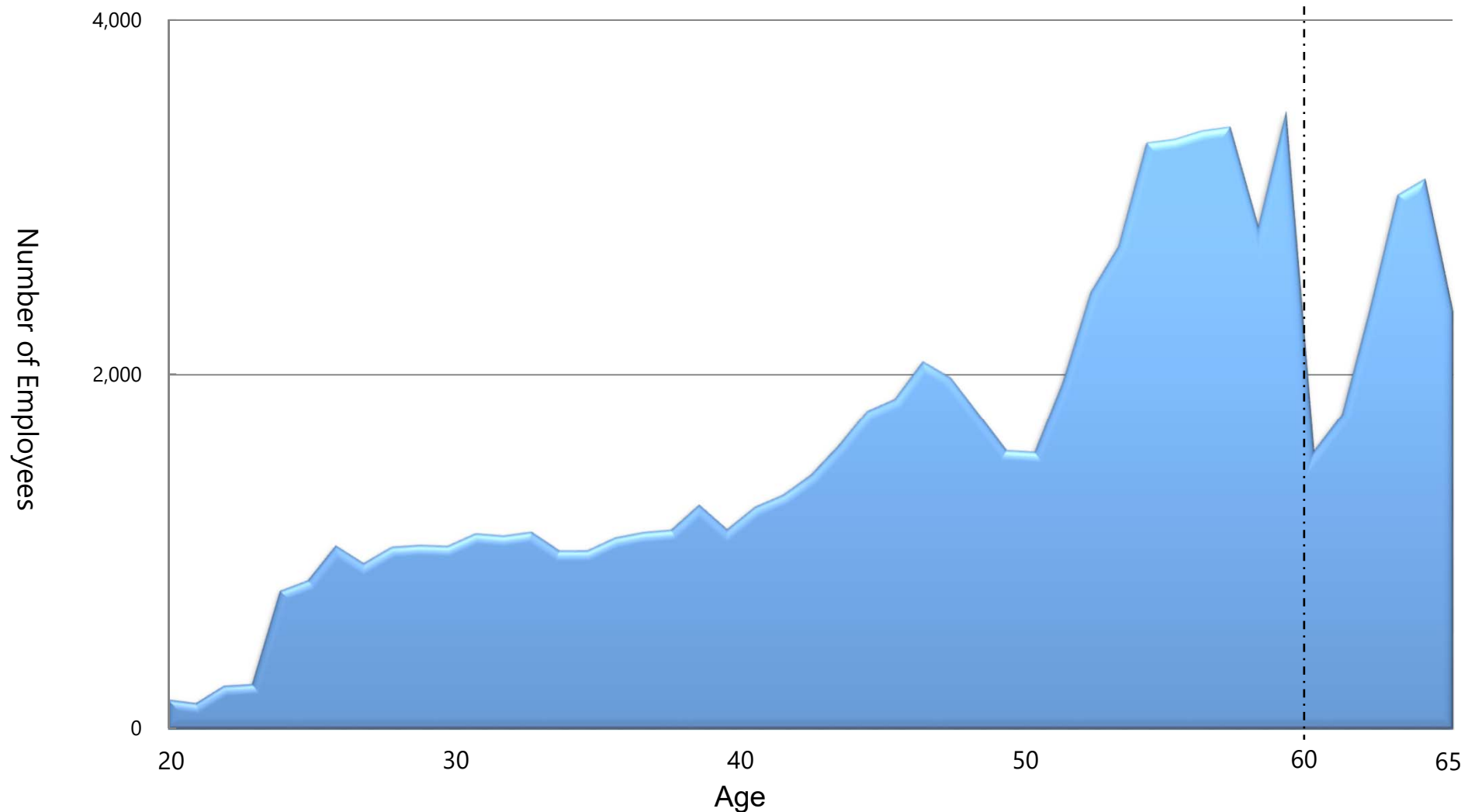
* Debt Equity ratio = Interest-bearing debt / Shareholders' equity x 100

Changes in Number of Employees



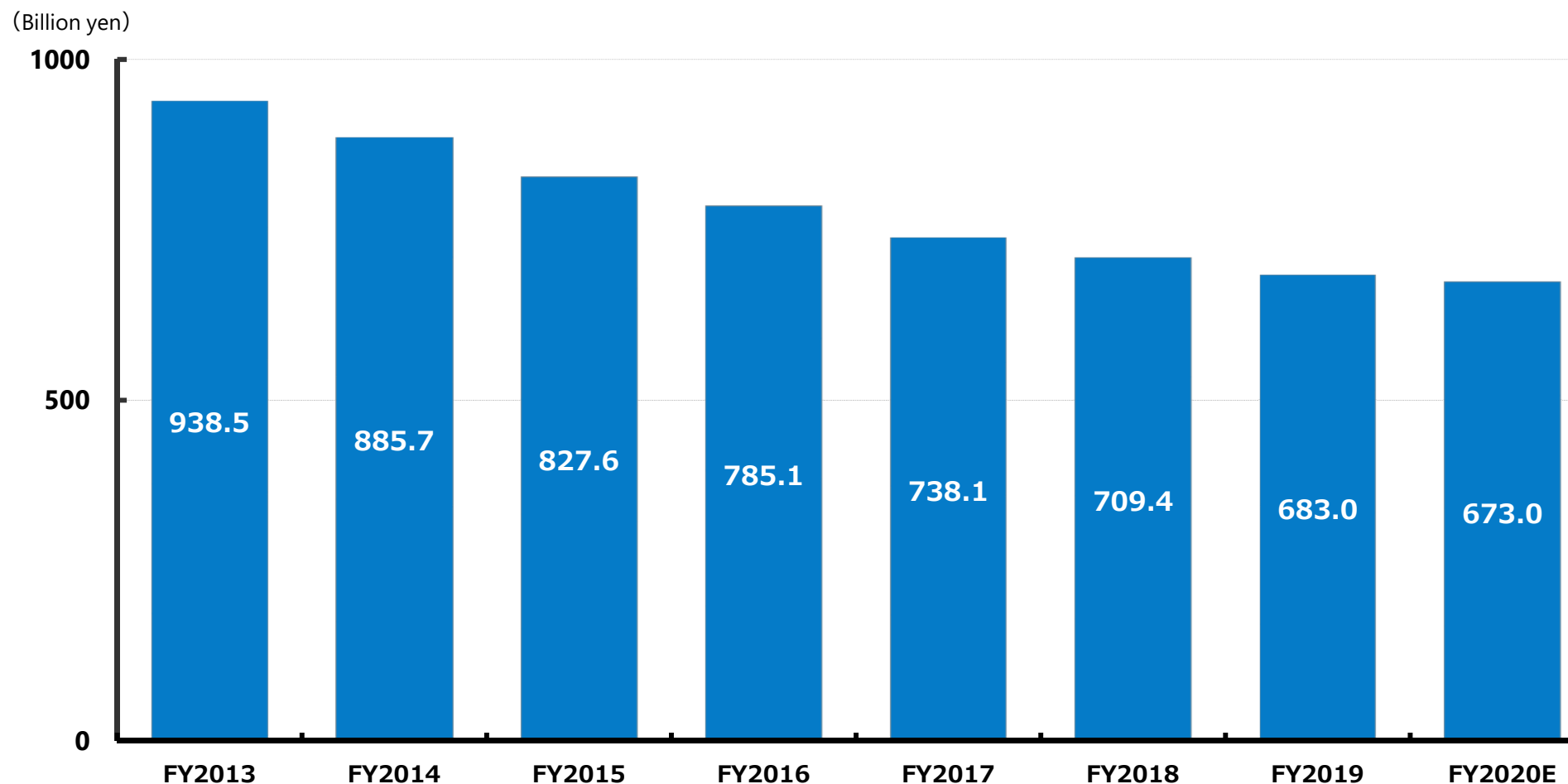
- Starting from FY2016, the figures in parentheses are the number of employees that does not including employees whose contracts were changed from fixed-term contracts to open-ended contracts.
- Past figures have been retroactively revised as a result of expanding the scope of the personnel counted at 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)

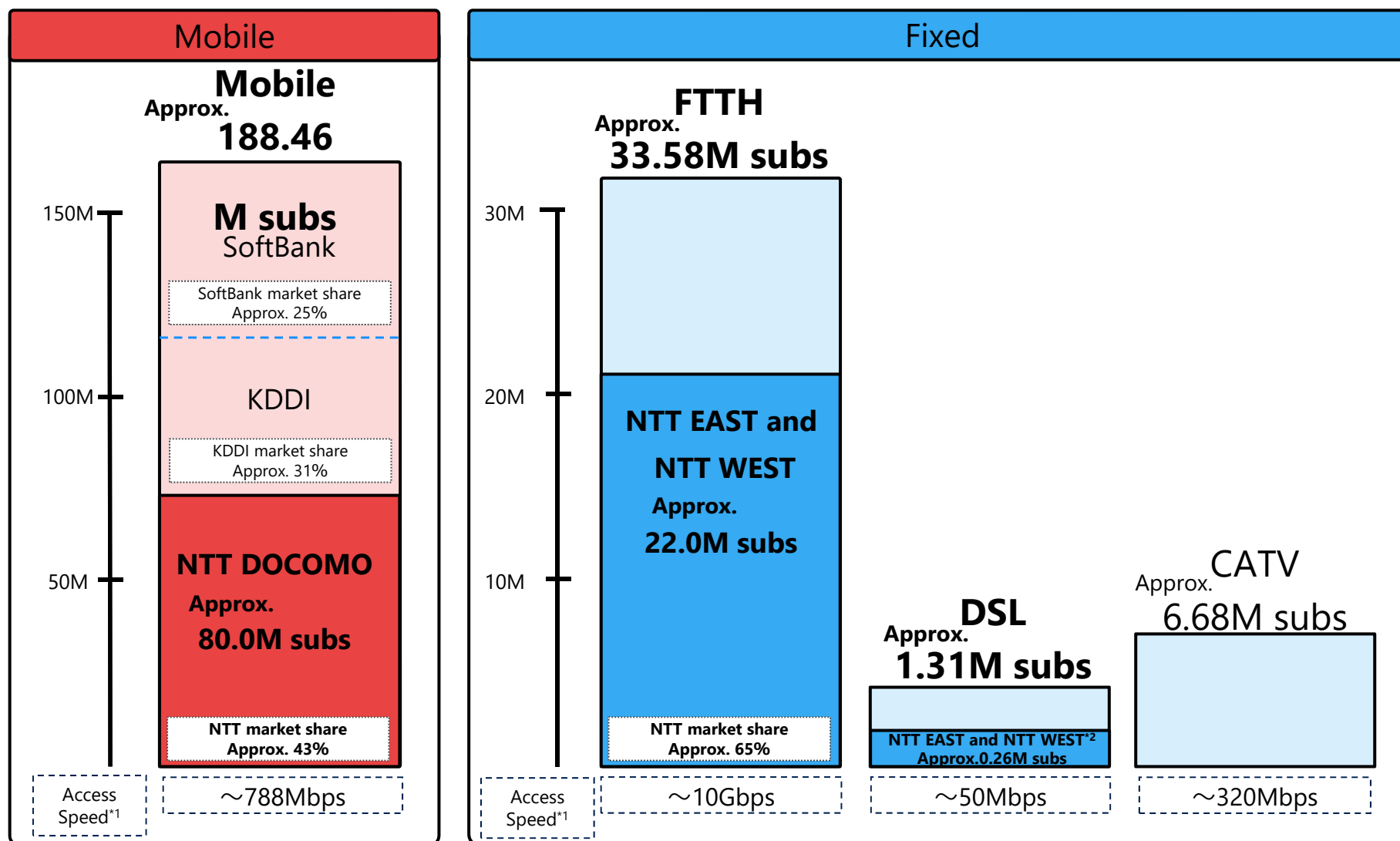


* The scope of aggregation for each of the figures are not audited and are provided for reference only.
(FY2011~FY2016 : U.S. GAAP-based figure, FY2017~FY2019E : International Financial Reporting Standards (IFRS) -based figure)

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.

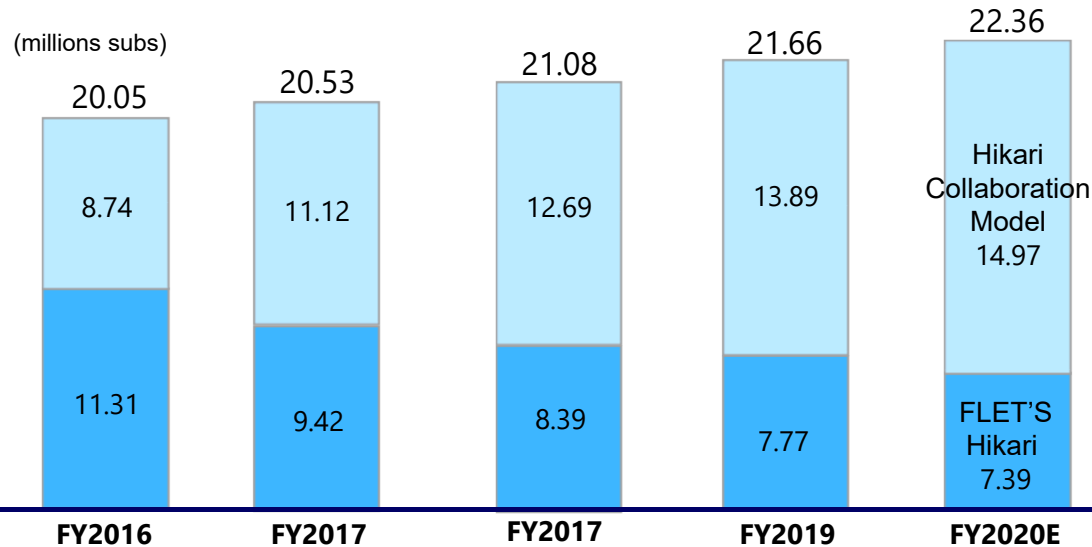
(Source) MIC data (As of the end of June 2020)

Fixed Broadband Business

FTTH Subscriptions



FTTH Subscriptions (Sum of NTT East and NTT West)

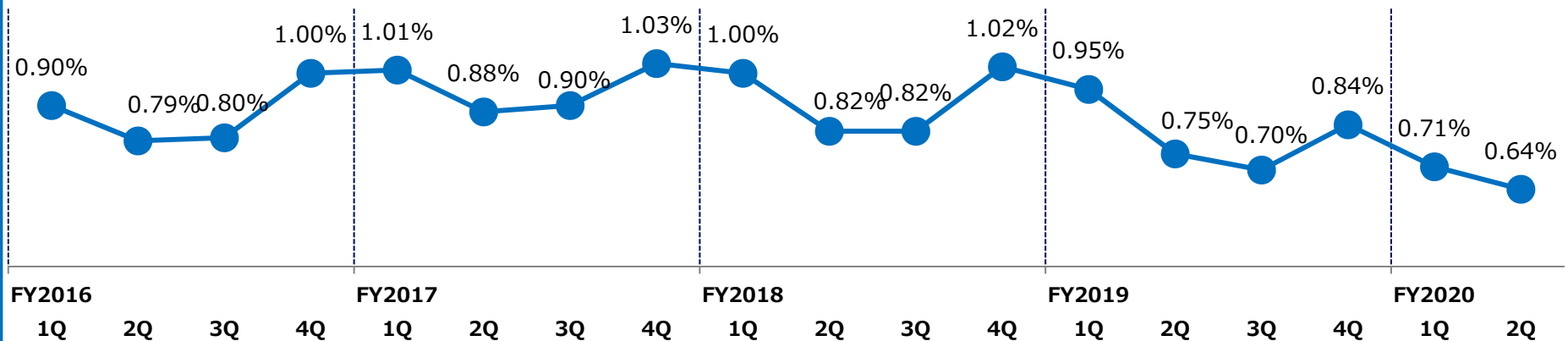


Reference:

FY2019 Breakdown of FTTH Subscriptions (millions subs)

		FY2020
Total FTTH Service:		
Change from preceding Fiscal Year		+0.70
Hikari Collaboration Model	(1) Number of opened connections	+2.46
	Number of switchover lines	+0.55
	(2) Number of cancellations	(1.38)
	Net Increase (1)+(2)	+1.08
FLET'S Hikari	(1) Number of opened connections	+0.76
	Number of switchover lines	(0.55)
	(2) Number of cancellations	(1.14)
	Net Increase (1)+(2)	(0.38)

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



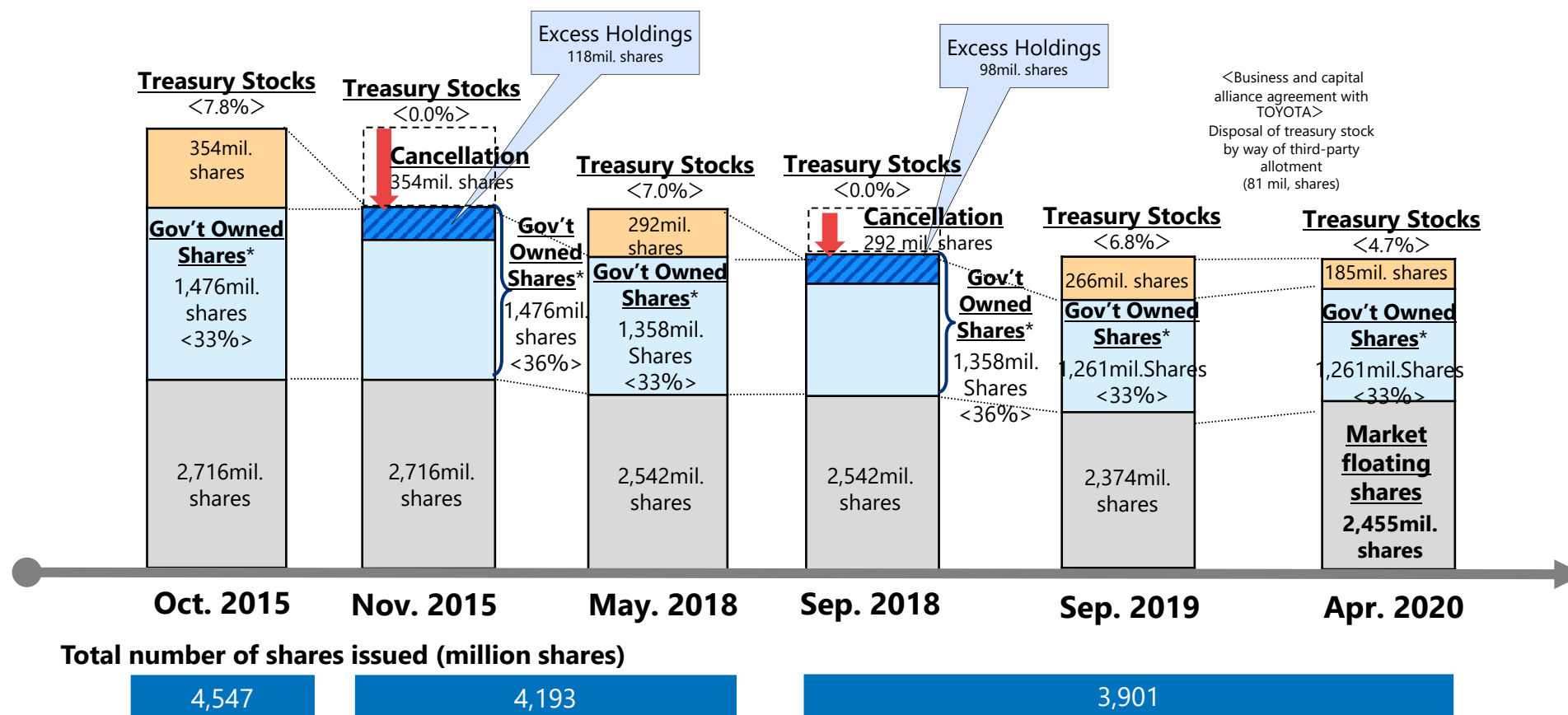
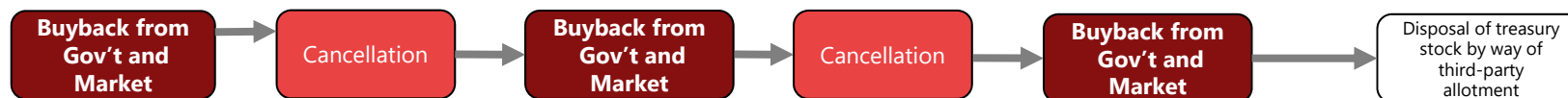
* "Sum of number of churn for each month of each quarter"/"Sum of number of active subscribers** for each month of each quarter"

** 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



Attachment

Transaction to Make NTT DOCOMO a Wholly Owned Subsidiary

September 29, 2020

Background



Changes surrounding the telecommunications market environment

Integration of fixed-line and mobile communications

Multifaceted, multilayered market competition that transcends the level of communications

Changes in social trends

**Remote world
(decentralized society)**

New Glocalism



Dynamic changes in the environment at the global level

Toward NTT's Medium-Term Growth and Development ①



◆ Goals Being Pursued

- ① **Development and offering of new services for a remote world**
- ② **Centralization of resources and promotion of DX**
- ③ **Promotion of research and development on a global scale**
- ④ **Strengthening of new types of businesses, including the Smart Life business**

Toward NTT's Medium-Term Growth and Development ②



In order to pursue our goals,

**It is essential to strategically leverage
resources and assets across the group and
accelerate decision-making**

Toward NTT's Medium-Term Growth and Development ③



◆ Transaction to Make NTT DOCOMO a Wholly Owned Subsidiary

Objective

- **Improved competitiveness of, and growth of, NTT DOCOMO**
NTT DOCOMO can utilize the capabilities of NTT Communications and NTT Comware and promote new services/solutions and the development of 6G-focused communications infrastructure that integrates mobile and fixed-line services, to evolve into a comprehensive ICT company that also provides upper-layer services
- **Growth of NTT Group as a whole**

Primary Initiatives



① Strengthening corporate sales capabilities

- ✓ Creating services that integrate mobile and fixed-line services
- ✓ Creating integrated solutions through the combination of clouds and data

② Strengthening service creation capabilities

- ✓ Strengthening the smart life business and creating new businesses by collaborating with partners
- ✓ Strengthening software development capabilities and improving user experience

③ Strengthening cost competitiveness

- ✓ Optimizing resources and assets related to networks, buildings, IT infrastructure, etc.

④ Strengthening R&D capabilities

- ✓ 6G-generation core network that spans mobile and fixed-line services
- ✓ Realization of the IOWN concept
- ✓ Research and development related to O-RAN + v RAN

Social Contributions through Initiatives



① Enhancing the international competitiveness of Japanese industry

- ✓ Development and production of telecommunications equipment, software and services that will be used around the world
- ✓ Contribution to international standards for telecommunications

② Resolving social issues

- ✓ Popularization of digitization and promotion of smart technology systems
- ✓ Revitalization of local communities and regional economies

③ Maintaining a reliable and secure communication infrastructure

- ✓ Improvement of business continuity, strengthening of telecommunications resilience in the event of a disaster and strengthening of cybersecurity

④ Achieving the development of the telecommunications industry and services that provide high levels of customer satisfaction

- ✓ Provision of services and rates that are more user-friendly and affordable

Overview of Transaction to Make NTT DOCOMO a Wholly Owned Subsidiary



■ Implement a Tender Offer for NTT DOCOMO Shares

<Overview of the Tender Offer>

Tender Offer Period	September 30 (Wednesday) to November 16 (Monday)
Tender Offer Price	¥3,900 per share
Shares to be Purchased	1,090,896,056 shares

- **If all※ of NTT DOCOMO 's shares cannot be acquired through the Tender Offer, NTT intends to separately conduct a series of procedures to make NTT DOCOMO a wholly owned subsidiary**

※ Excluding shares owned by NTT and treasury shares owned by NTT DOCOMO

◆ Financing

- ✓ Tender Offer will be financed through a bridge loan
- ✓ Bridge loan is planned to eventually be taken out with domestic bonds, foreign bonds, bank loans or other forms of financing
- ✓ No stock issuances will be conducted
- ✓ Securitization of receivables and asset sales are also under consideration

◆ Financial Policy

- ✓ Aim to further improve cash flow generation ability through this initiative
- ✓ Preserve financial stability by steadily reducing level of indebtedness, which will temporarily increase (reduction of financial leverage)
- ✓ Shareholder returns policy will remain unchanged (fundamental policy of implementing steady dividend increases; flexibly carry out share buybacks)

Management System after the Transaction NTT

- While not yet determined at this point in time, after making NTT DOCOMO a wholly owned subsidiary, NTT intends to consider strengthening coordination throughout the group through measures such as transferring NTT Communications and NTT Comware to NTT DOCOMO
- There are no plans to make NTT DATA a wholly owned subsidiary

Your Value Partner

The tender offer for which this Statement is being submitted (the “Tender Offer”) will be conducted in compliance with the procedures and information disclosure standards set out in the Act, but those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the Tender Offer is not subject to Section 13(e) or Section 14(d) of the United States Securities Exchange Act of 1934 (as amended, the “United States Securities Exchange Act of 1934”) or the rules set out thereunder, and the Tender Offer will not be conducted in line with those procedures or standards. All of the financial data included in this Statement and the reference documents thereof do not conform to accounting standards in the United States and may not be equivalent to the financial statements of a company in the United States. Further, Nippon Telegraph and Telephone Corporation (“the Offeror”) and NTT DOCOMO, INC. (“the Target”) are companies that have been established outside of the United States and some or all of the directors of the Offeror and the Target reside outside of the United States, so it may be difficult to exercise any rights or make any claims under the federal securities laws of the United States. It also may be impossible to bring an action against a company that is based outside of the United States or its directors in a court outside of the United States on the grounds of a violation of the federal securities laws of the United States. There is also no guarantee that a company that is based outside of the United States or its subsidiaries or affiliates may be compelled to submit themselves to the jurisdiction of a United States court.

Unless otherwise provided, all of the procedures concerning the Tender Offer will be conducted in the Japanese language. All or some of the documents related to the Tender Offer are prepared in the English language, and if there is a discrepancy between that English language document and the corresponding Japanese language document, the Japanese language document will prevail.

Statements that constitute forward-looking statements are included in statements in this Statement and the reference documents thereof. There may be a significant difference between actual results and the express or implied predictions, etc. made as such forward-looking statements due to known or unknown risks, uncertainties, and other factors. None of the Offeror, the Target, and their affiliates guarantees that any express or implied prediction, etc. made as such a forward-looking statement will ultimately be correct. Such forward-looking statements in this Statement and the reference documents thereof have been prepared based on information that is available to the Offeror as of the date of this Statement, and unless required by applicable laws or regulations or the rules of a financial instruments exchange, none of the Offeror, the Target, and any of their affiliates has an obligation to update or correct those statements in order to reflect future events or circumstances.

Before the commencement of the Tender Offer or during the purchase period of the Tender Offer (the “Tender Offer Period”), financial advisors of the Offeror and the Target and the tender offer agent (including their affiliates) might purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of common stocks of the Target on their own account and the account of their client to the extent permitted by Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations in the scope of their ordinary business and in accordance with the requirements of Rule 14e-5(b) of the United States Securities Exchange Act of 1934. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on a website of the person that conducted that purchase (or by another disclosure method).

Frequently Asked Questions



Q1: Please discuss the purpose and anticipated effects of the transaction to make NTT DOCOMO a wholly owned subsidiary.

A: The purpose is to enhance and improve the competitiveness of NTT DOCOMO and the growth of the group as a whole. By utilizing the capabilities of NTT Communications, NTT Comware and other companies, we intend to strengthen corporate sales capabilities, service creation capabilities, cost competitiveness and R&D capabilities. In addition, we hope to promote 6G-focused communications infrastructure through integrated mobile and fixed-line services and to cause NTT DOCOMO to evolve into a comprehensive ICT company that also provides upper-layer services.

Q2: What specific initiatives are being considered? (updated November 24)

A: Creating new services and solutions that integrate mobile and fixed-line services; collaborating with our partners to strengthen our Smart Life business and create new businesses; optimizing our resources and assets, including our networks, buildings and IT infrastructure to strengthen our cost competitiveness; and advancing our R&D on 6G-generation core networks, the IOWN concept and O-RAN + v RAN.

Q3: How was the tender offer purchase price determined?

A: The tender offer purchase price was determined in light of discussions and negotiations with NTT DOCOMO and upon comprehensive consideration of such factors as the results of share valuation reports and fairness opinions from independent third party valuation agencies, examples of premiums that have been provided in past tender offers that were similar to the current tender offer, and trends in the market price of NTT DOCOMO's stock. We believe that the level of the tender offer purchase price is appropriate.

Q4: Please discuss your views with respect to returns on investment. (updated November 24)

A: Through the transaction to make NTT DOCOMO a wholly owned subsidiary, our ownership ratio of NTT DOCOMO will increase from 66.21%※ to 100%, and accordingly, NTT's consolidated net income will increase by approximately ¥200.0 billion (calculated on the basis of results and the ownership ratio for the fiscal year ended March 31, 2020). Furthermore, cash flows are expected to improve as NTT DOCOMO's dividends to minority shareholders and approximately ¥130.0 billion per year of cash outflows out of the group (calculated on the basis of results and the ownership ratio for the fiscal year ended March 31, 2020) will no longer be paid.

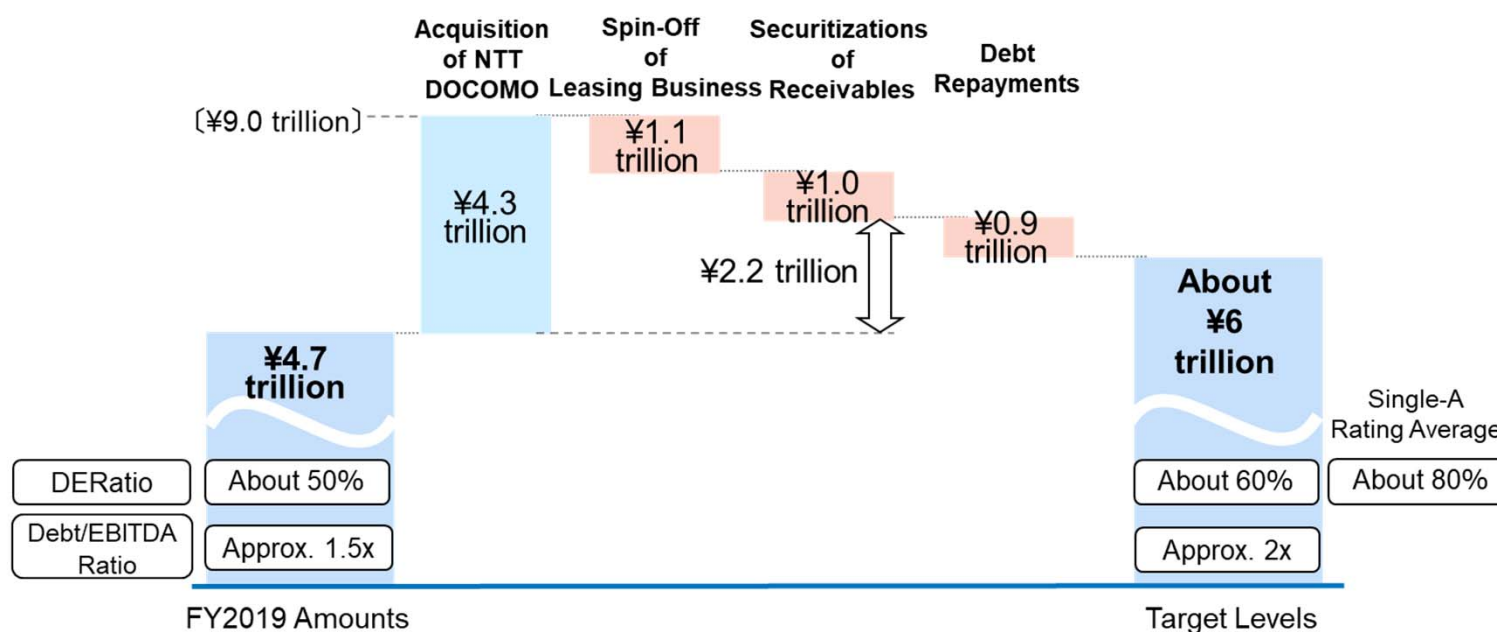
In addition, an increase in profit of approximately ¥200.0 billion for the year would yield a return on investment of approximately 4.7%, but we intend that the transaction will result in improved returns through the effect of utilizing the capabilities of other NTT Group companies and by accelerating cost reductions.

※ "Ownership ratio" means a ratio of a number of shares to the number of NTT DOCOMO's stock (3,228,629,256 shares) calculated by deducting the number of the treasury shares owned by NTT DOCOMO as of June 30, 2020 (150 shares) from the total number of issued shares of NTT DOCOMO as of June 30, 2020.

Q5: In order to finance the implementation of the tender offer, the company's level of indebtedness will increase. What are the company's plans for this going forward? (updated November 24)

A: Although our level of indebtedness will temporarily increase as a result of the tender offer, based on the stable profitability and cash flow generation of the group as a whole, we will maintain a policy of preserving financial stability by reducing our financial leverage. Specifically, while the transaction will require approximately ¥4.3 trillion of capital, we plan to reduce our indebtedness through the spin-off of our leasing business (for approximately ¥1.1 trillion) and securitizations of receivables (for approximately ¥1.0 trillion). As before, we will use free cashflows in order to continue to enhance shareholder returns and make investments for further growth, and also plan to repay debt (¥0.9 trillion) in the next several years down to our targeted debt level of ¥6.0 trillion (a level of approximately 2x EBITDA).

Medium-Term Debt Levels



Q6: Please discuss your views with respect to rating levels. (updated November 24)

A: With respect to ratings, given the stable profitability and cash flow generation ability of the group as a whole, we plan to maintain our financial stability by reducing our financial leverage, and stably maintain a single-A rating.

Upon completion of the tender offer (as of November 17, 2020), we had ratings of AAA from JCR, A from S&P and A1 from Moody's, maintaining a single-A rating.

Q7: Is there any connection between discussions to reduce mobile phone charges and this transaction to make NTT DOCOMO a wholly owned subsidiary?

A: The transaction to make NTT DOCOMO a wholly owned subsidiary started to be considered in mid-April 2020 as a way to optimize the allocation of management resources of the group as a whole and to accelerate the development of a rapid decision-making framework, and there is no direct connection between current discussions to reduce mobile phone charges and the tender offer.

The purpose of these measures is to aim for improved competitiveness and growth of NTT DOCOMO, which will lead to a strengthened financial base of NTT DOCOMO and, as a result, may also be seen as having a positive effect on the realization of price reductions. However, in order to have customers continue to choose NTT DOCOMO, it is important to work to provide further improved services and lower prices going forward, and this fundamental idea remains unchanged both before and after the transaction to make NTT DOCOMO a wholly owned subsidiary.

Q8: Will this transaction generate “goodwill”?

A: This transaction will not generate “goodwill.” Given that this is an acquisition of minority interests in a company (NTT DOCOMO) that was already a subsidiary, the return of investments from minority shareholders will be accounted for as a reversal of “non-controlling interests” (approximately ¥1.8 trillion) with respect to the capital portion and a reversal of “additional paid-in capital/retained earnings” with respect to the premium.

Q9: Please discuss the effect of the transaction to make NTT DOCOMO a wholly owned subsidiary on each financial target. Will there be a revision of the financial targets in the Medium-Term Management Strategy? (updated November 24)

A: Taking into consideration only the effect of an increase in profits proportionate to the acquired minority interest (approximately ¥200.0 billion, calculated on the basis of results and ownership ratios for the fiscal year ended March 31, 2020), we would anticipate:

- EPS: approx. + ¥50 (increase in profit; calculated on the basis of results, ownership ratios and share amounts for the fiscal year ended

- March 31, 2020) ※ FY2019 Results: ¥231

- ROIC: No effect (no change in operating income; increase in debt offset by decrease in capital) ※ FY2019 Results: 6.6%

- ROE: approx. +4% (increase in profit; decrease in capital) ※ FY2019 Results: 9.3%

With respect to future results, in addition to the effects of an increase in profits as described above, our goals in making NTT DOCOMO a wholly owned subsidiary are the improvement of NTT DOCOMO's competitiveness and growth and the growth of the group as a whole. However, we will again aim to provide specific guidance regarding the medium-term impact at the time of our announcement of financial results for the fiscal year ending March 31, 2021 (in approximately May 2021).

Q10: Will there be any change with respect to your approach to shareholder returns? (updated November 24)

A: In order to improve shareholder returns, we expect to increase our aggregate annual dividends for the 2020 fiscal year by ¥5, to a total of ¥100.

In addition, our board of directors recently resolved (November 6, 2020) to conduct share buybacks of ¥250.0 billion. With respect to shareholder returns, our fundamental policy of implementing steady dividend increases and flexibly carrying out share buybacks will remain unchanged.

Q11: What was the result of the tender offer? (updated November 24)

A: In the tender offer, the total number of tendered shares was 815,015,044 shares. As this increased NTT's share ownership level to 91.46%, we will conduct a demand for sale for the remaining shares.