



**Financial Results for the Fiscal Year
Ended March 31, 2017
And
Financial Forecasts for the Fiscal Year
Ending March 31, 2018**

May 15, 2017

The forward-looking statements and projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT in light of information currently available to it regarding NTT and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

- * "E" in this material represents that the figure is a plan or projection for operation.
- ** "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.

- Ø **Fiscal Year ended March 31, 2017**
 - § **Summary of Consolidated Financial Results**
 - § **Topics**
 - § **Contributing Factors by Segment**
 - § **Progress toward Medium-Term Financial Targets**
 - § **Strengthening NTT's Global Business**
- Ø **Fiscal Year ending March 31, 2018**
 - § **Forecast Summary**
 - § **Forecast Summary by Segment**
- Ø **Shareholder Returns**
- Ø **(Reference) Major B2B2X Initiatives**
- Ø **(Reference) Major R&D Initiatives**
- Ø **Appendix**

- n **Operating Income increased by ¥191.6 billion [14.2%]**
- n **Net Income reached new record levels**
- n **EPS increased by ¥41 to ¥391**

Status of Consolidated Financial Results

- ∅ **Operating Revenues: ¥11,391.0 billion (decrease of ¥150.0 billion [(1.3)%] year-on-year)**
- ∅ **Operating Income : ¥1,539.8 billion (increase of ¥191.6 billion [14.2%] year-on-year)**
- ∅ **Net Income* : ¥800.1 billion (increase of ¥62.4 billion [8.5%] year-on-year)**
- ∅ **EPS : ¥390.94 (increase of ¥40.60 [11.6%] year-on-year)**

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

Increased Profitability of Network Services

Expansion of NTT's User Base

- **Mobile Subscriptions: 74.88 million mobile subscriptions (net increase of 3.92 million)**
(Included in the above) Kake-hodai & Pake-aeru: 37.07 million subscriptions (net increase of 7.36 million)
- **FTTH Subscriptions: 20.05 million subscribers (net increase of 0.79 million)**
(Included in the above) Hikari Collaboration: 8.74 million (4.74 million opened connections (1.93 million new subscribers and 2.82 million subscribers who switched subscriptions from FLET'S Hikari)
- Ø **Growing number of Wi-Fi area owners*: 557 (increase of 164 year-on-year)**

Expansion of Global Cloud Services

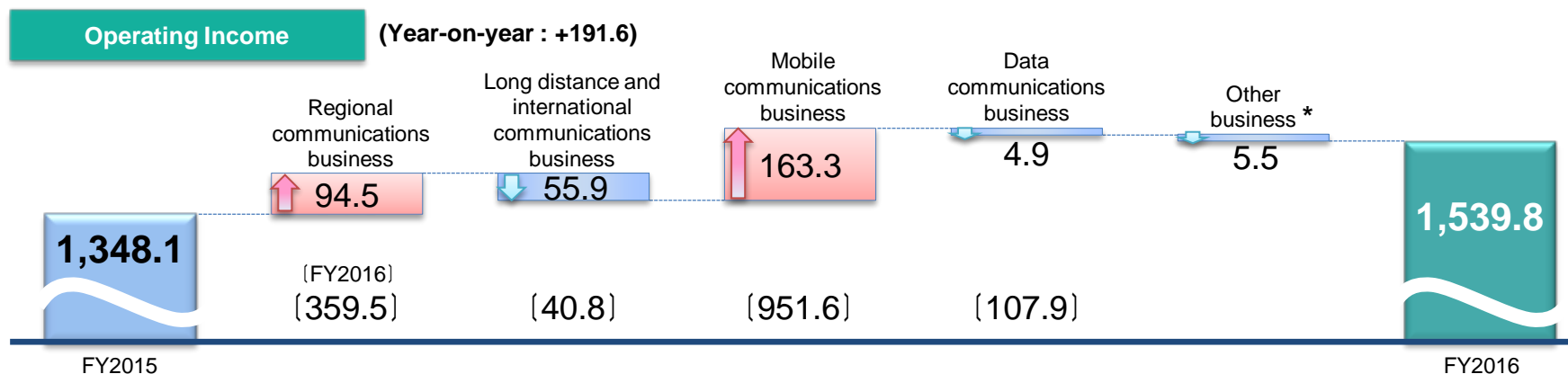
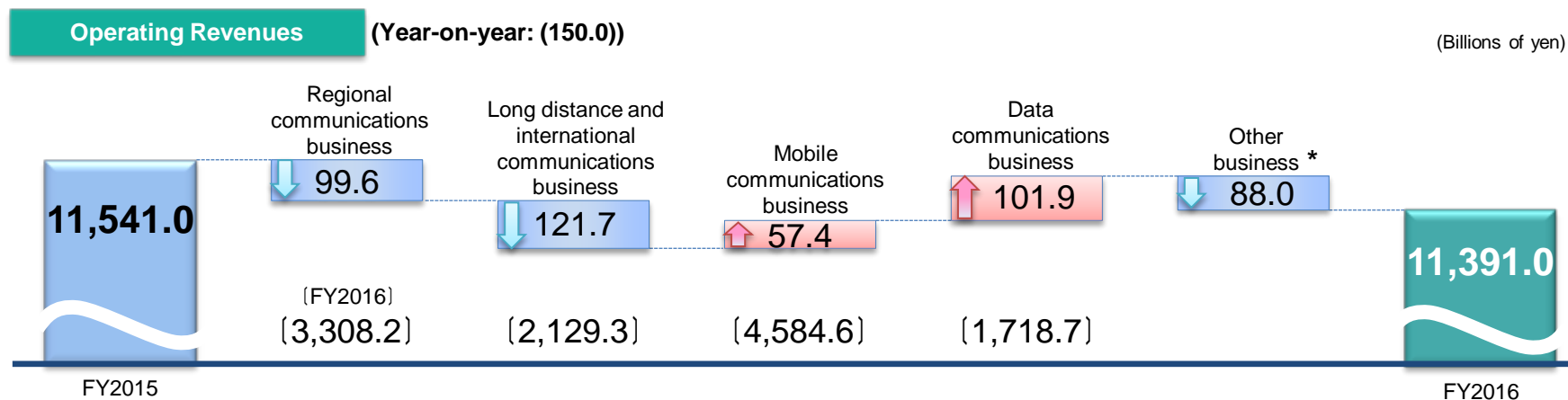
- Ø **Cross-Selling Order Volume: US\$940 million**

Promotion of the B2B2X Model

- Ø **Expanded the scope of collaboration with other companies and local governments through the use of NTT Group's latest cutting-edge technology in the fields of sports, traditional entertainment, manufacturing industry, connected cars, etc.**

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

Significant increase in Operating Income in the Regional communications business and Mobile communications business



*Includes adjustments such as elimination

Results
(FY2016)

**Medium Term
Targets**
(FY2017E)

EPS Growth

¥390.94

At least ¥400

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

¥136.4 billion

At least ¥200 billion

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

¥654.0 billion

At least ¥800 billion

Overseas Sales/Operating Income***

\$16.9B/\$0.8B

\$22B/\$1.5B

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

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

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

FY2016 Initiatives

∅ Go-To-Market

- Achieved record TCV* of cross-selling
- Organized Go-to-Market account support team across NTT Group
- Established sales collaboration platform

*Total Contract Value

∅ Services / Operations

- Established and launched NTT Security
- Offered packaged services and improved service collaboration across NTT Group companies

∅ Procurement

- Reduced costs by refining common specifications and leveraging volume to obtain better discounts

FY2017 Initiatives

- **Integrate management of the cloud IaaS platforms of NTT Com and Dimension Data to strengthen cloud offerings (Wholesale from NTT Com to Dimension Data)**

<Purpose>

- Secure, compliant enterprise-grade clouds
- Combination of public and private clouds for clients' mission-critical IT systems
- Open cloud platform to support clients' digital business with the latest innovation
- Hybrid IT managed services across full-stack IT

- **Strengthen coordination of delivery processes across NTT Group companies**

- **Accelerate global account activities to win large-scale deals**

- n **Operating Income** expected to increase by ¥50.2 billion [3.3%] to **¥1,590.0 billion**
- n **Operating Revenues, Operating Income and Net Income** expected to reach record levels
- n **EPS** expected to reach medium-term financial target (at least ¥400)

Plan for Consolidated Revenues and Income

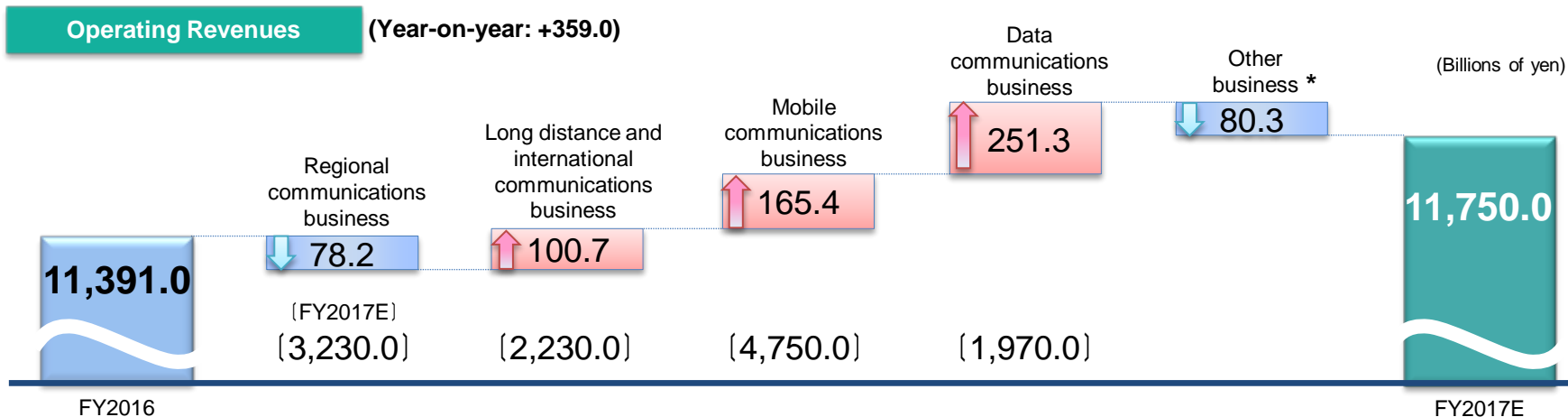
- ∅ **Operating Revenues**: ¥11,750.0 billion (increase of ¥359.0 billion [3.2%] year-on-year)
- ∅ **Operating Income** : ¥1,590.0 billion (increase of ¥50.2 billion [3.3%] year-on-year)
- ∅ **Net Income*** : ¥830.0 billion (increase of ¥29.9 billion [3.7%] year-on-year)
- ∅ **EPS** : ¥414.00 (increase of ¥23.06 [5.9%] year-on-year)

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

n Increase in both Operating Revenues and Operating Income in the Long distance and international communications business, Data communications business and Mobile communications business

Operating Revenues

(Year-on-year: +359.0)

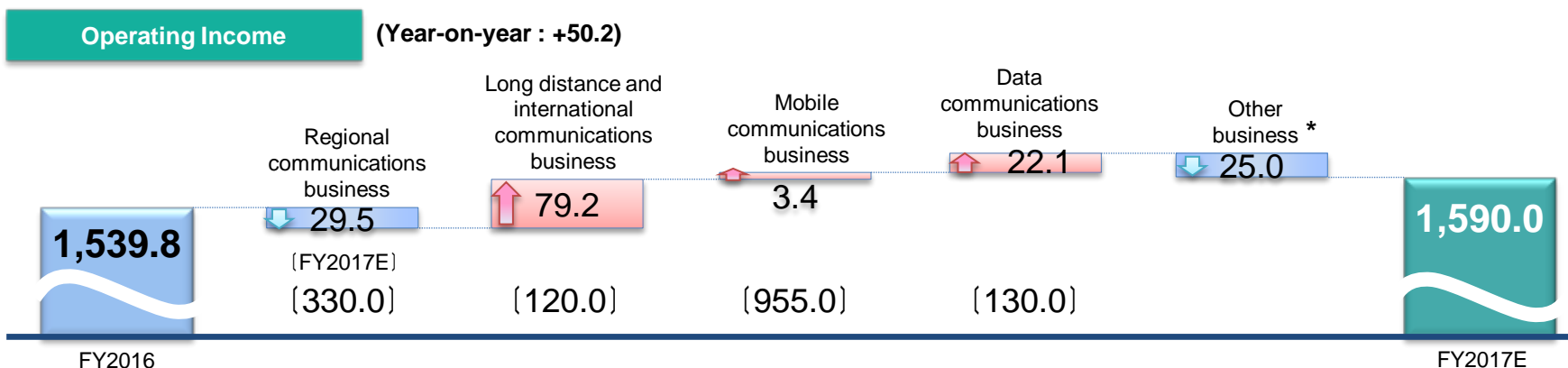


FY2016

FY2017E

Operating Income

(Year-on-year : +50.2)



FY2016

FY2017E

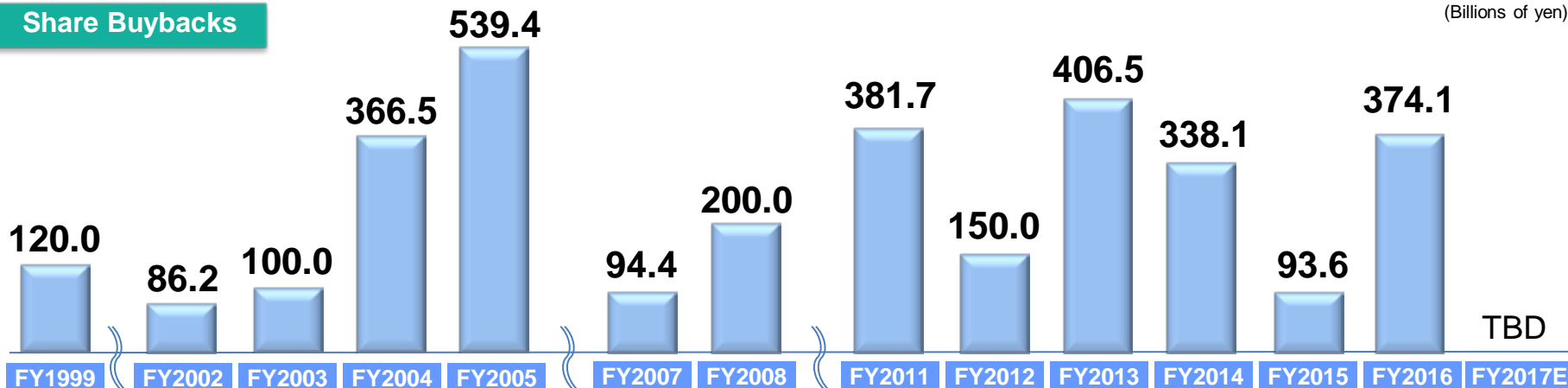
*Includes adjustments such as elimination

n Share Buybacks: Completed ¥374.1 billion of share buybacks from the government and on the open market during FY2016 (and completed ¥43.2 billion of share buybacks on the open market in April 2017)

n Dividends: Increase total annual dividend per share for FY2017 by ¥30 over the previous year to ¥150

Share Buybacks

(Billions of yen)

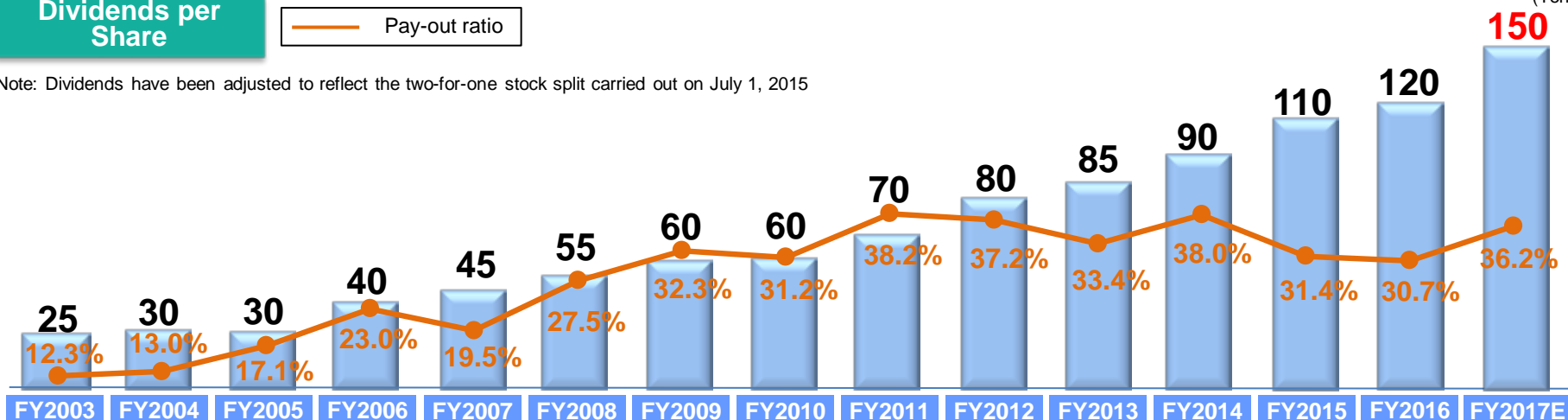


Dividends per Share

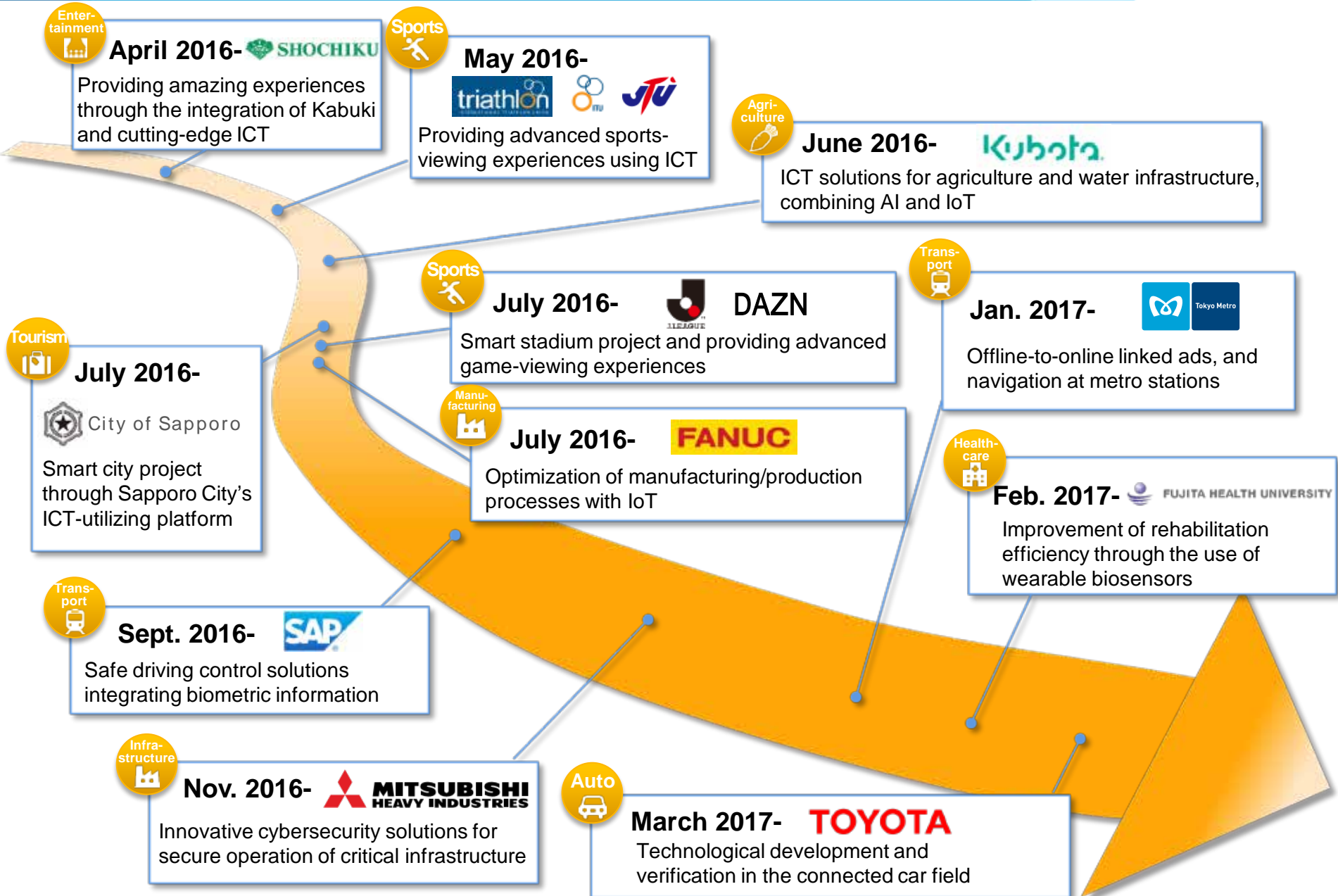
— Pay-out ratio

(Yen)

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



(Reference) Major B2B2X Initiatives in FY2016



Dialogue Technology Catching the World's Attention

- Showcased "Natural Conversation among Multiple Persons and Robots" and other technology at SXSW2017 (3/10-19 in Austin, U.S.A.)

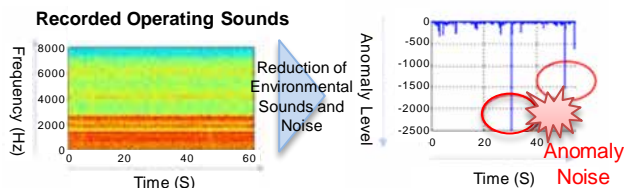


Android (Osaka University) x Discussion Dialogue (NTT)

Front-page news in USA TODAY and local newspapers

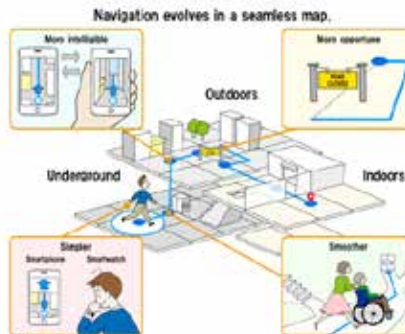
The World's Best Sound-Processing Technology

- Provided Hitachi Zosen with "Anomaly Noise Detection Technology" that objectively visualizes and analyzes the characteristics of both normal operating sounds and anomaly noises of manufacturing machines



Diversity Navigation

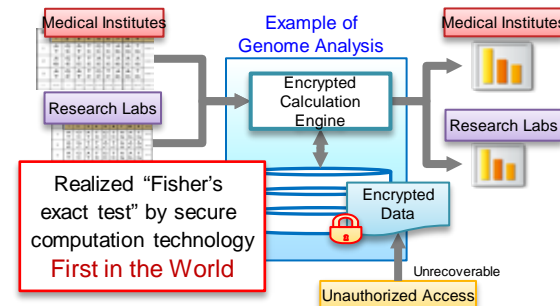
- Developed "MaPiece" technology, which easily collects accessibility information, as well as "2.5D map representation technology," which realizes easy-to-understand 3D map displays



Support convenient and safe mobility of different types of people (seniors, people with baby strollers, foreign visitors, and others)

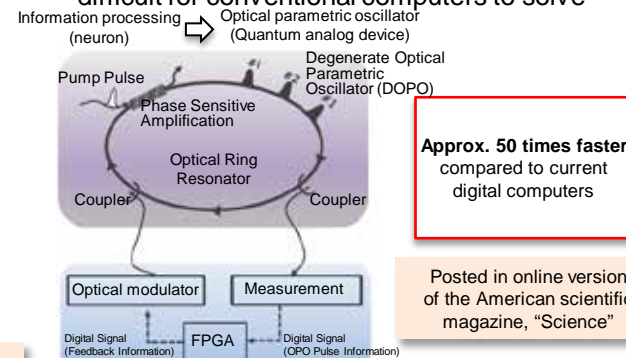
World-Leading Security Technology

- Developed "Secure Computation Technology," which enables the accurate analysis of encrypted genome information, the most sensitive personal information, between multiple institutes together, without decrypting the data



Non-Conventional Computer

- Developed "Quantum Neural Network," a new computer based on quantum optical technology. The use of quantum properties of optical signals enables us to find solutions to combinatorial optimization problems, which are extremely difficult for conventional computers to solve



Communication (Synaptic connection) → FPGA Measurement Feedback Circuit (Legacy digital device)

Virtual Reality Baseball Coaching System

- Developed a coaching system for professional baseball players using "athlete first-person vision synthesis technology," which enables players to experience simulations of pitches with immersive reality, and carried out practice testing with Tohoku Rakuten Golden Eagles (commercial launch in 2017)



Appendix

Progress of Broadband Services

Number of Subscribers for Fixed Broadband Services



Number of Subscribers *1*2

(Thousands)



Changes from the Preceding Quarter

	FY2015				FY2016				FY2016	FY2017E
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3		
FLET'S Hikari *1	235	85	121	102	261	183	199	150	794	800
Number of opened connections *3	810	559	580	669	786	649	672	750	2,857	2,900
FLET'S ADSL	(58)	(37)	(35)	(37)	(34)	(32)	(32)	(36)	(134)	(128)
Hikari Denwa *4 *5	135	50	42	39	77	93	111	104	385	229

*1 Number of FLET'S Hikari (including Hikari Collaboration Model) subscribers includes B FLET'S, FLET'S Hikari Next, FLET'S Hikari Light, FLET'S Hikari Lightplus, and FLET'S Hikari WiFi Access provided by NTT East, B FLET'S, FLET'S Hikari Premium, FLET'S Hikari Mytown, FLET'S Hikari Next, FLET'S Hikari Light and FLET'S Hikari WiFi Access provided by NTT West, and wholesale services (Hikari Collaboration Model) provided by both NTT East and NTT West.

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

*3 Number of opened connections excludes openings as a result of relocations.

*4 Numbers for Hikari Denwa include wholesale services provided to service providers by NTT East and NTT West.

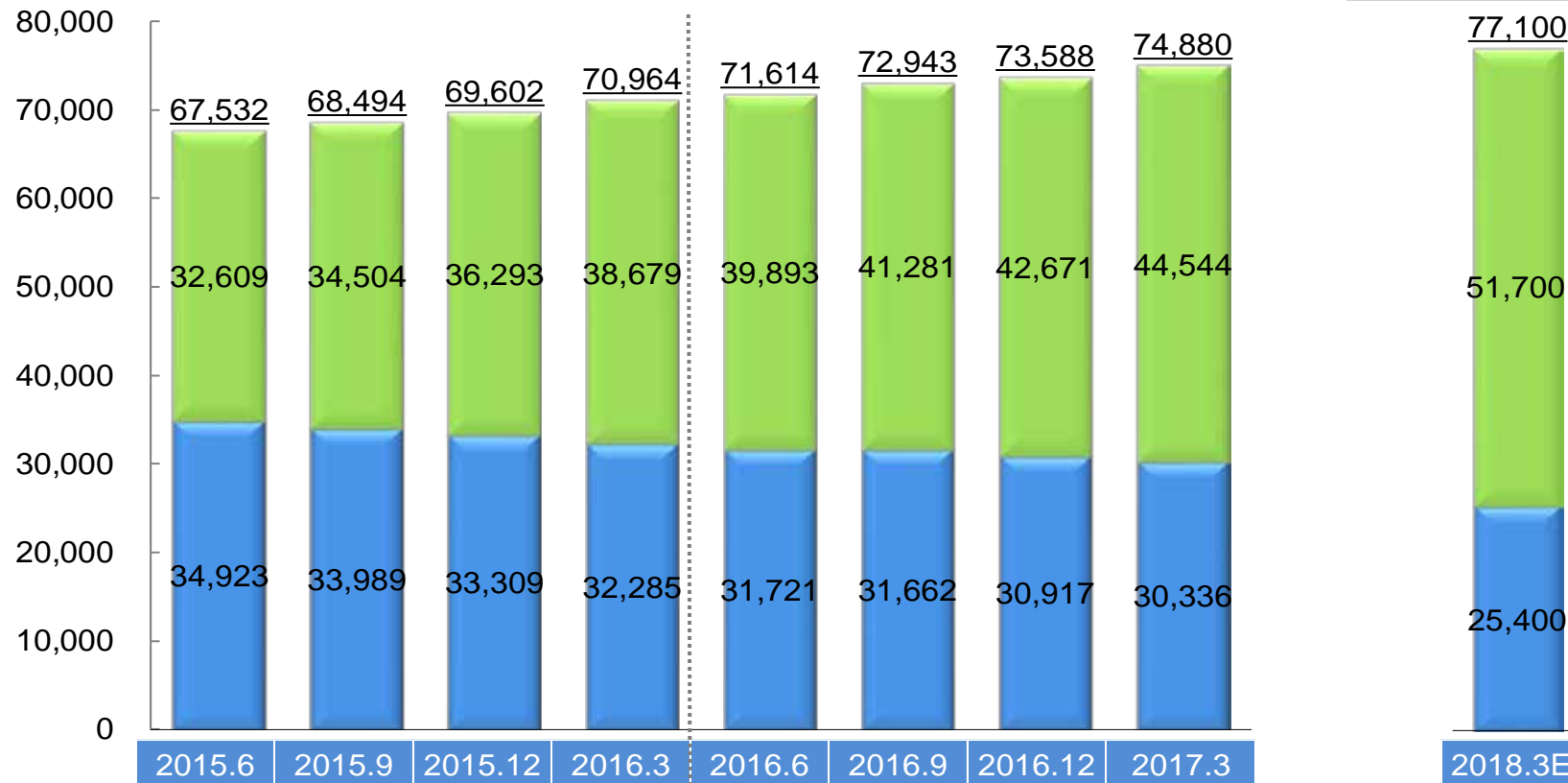
*5 Numbers of Hikari Denwa subscribers are presented in thousands of channels.

Number of Subscribers for Mobile Broadband Services



Number of Subscribers*

(Thousands)



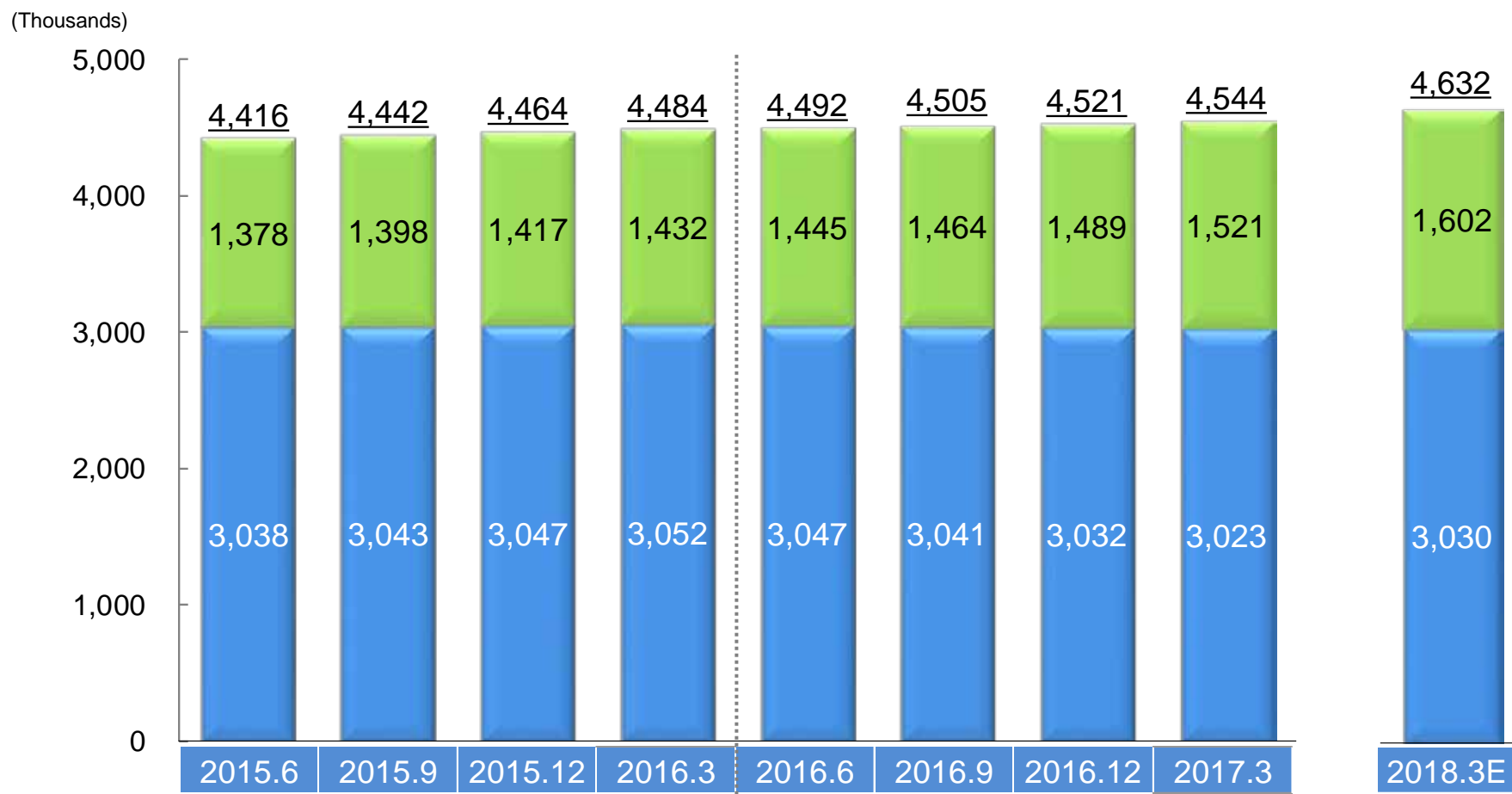
Changes from the Preceding Quarter

	FY2015				FY2016				FY2016	FY2017E
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3		
LTE("Xi")+FOMA	936	962	1,108	1,362	650	1,330	645	1,292	3,916	2,200

(Thousands)

* The number of subscribers for Mobile Broadband Services includes communications module service subscribers

Number of Subscribers for Video Services



*1 "FLET'S TV" requires a subscription to "FLET'S TV Transmission Services" provided by NTT East and NTT West, and a subscription to SKY Perfect JSAT's "SKY Perfect JSAT Facility Use Services" broadcast service.

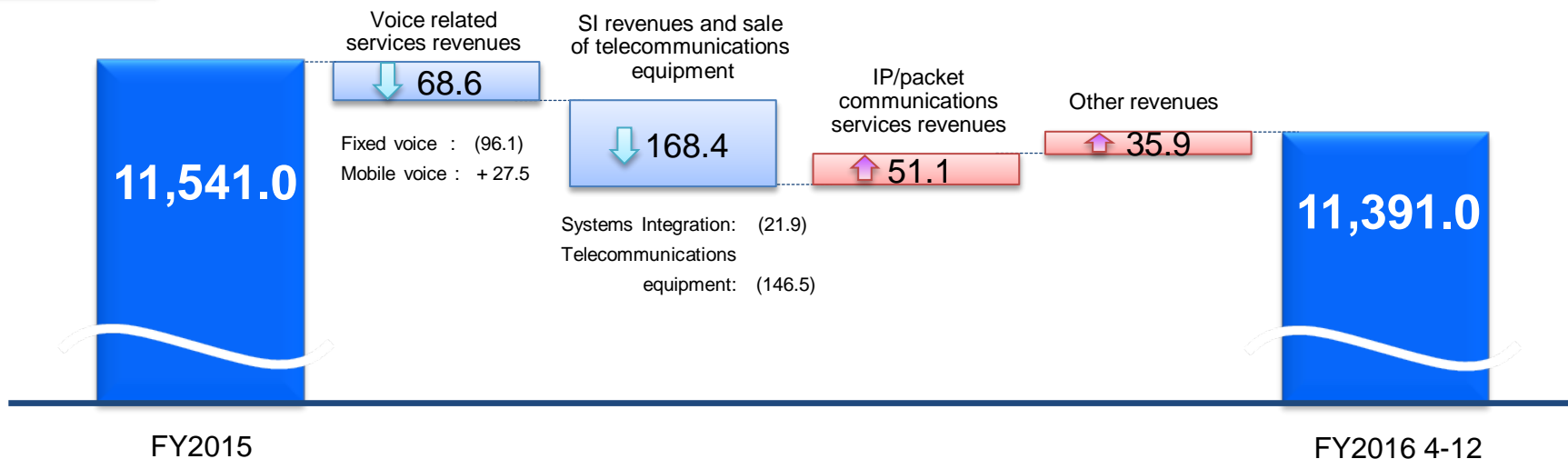
*2 Numbers of subscribers to "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

Financial Information

Operating Revenues

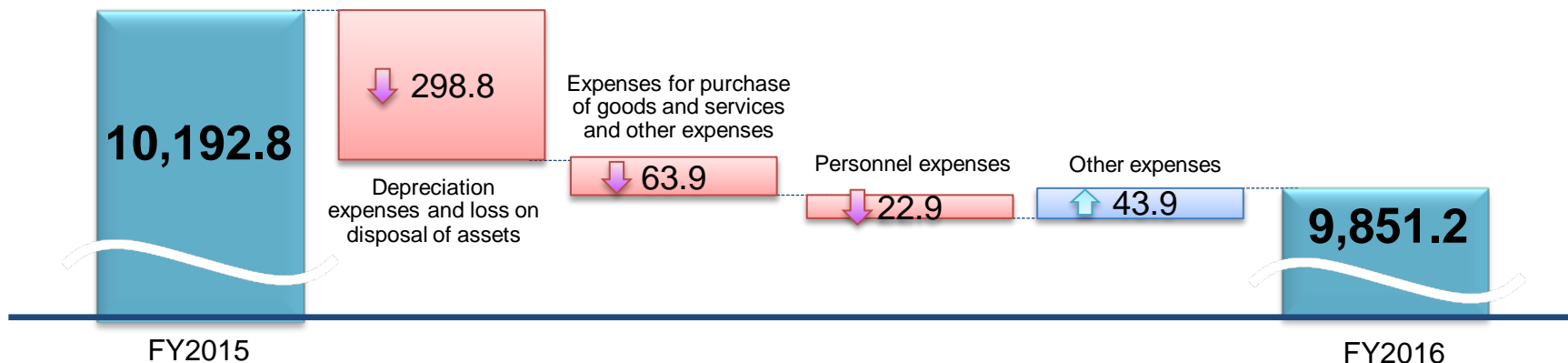
(Year-on-year: (150.0))

(Billions of yen)



Operating Expenses

(Year-on-year: (341.6))



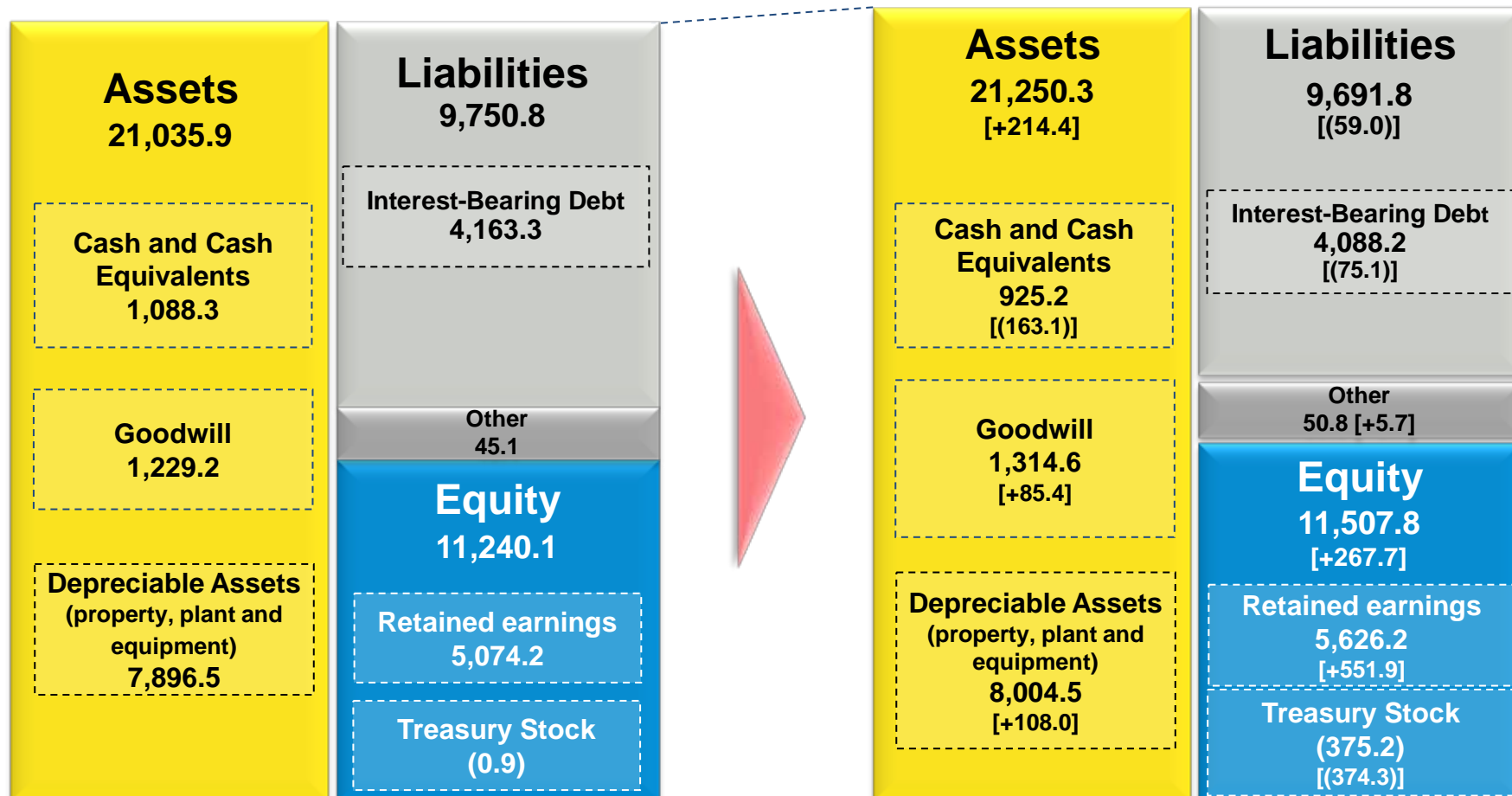
March 31, 2016

March 31, 2017

(Billions of yen)

21,035.9

21,250.3



Details of Consolidated Cash Flows



(Billions of yen)

