

Financial Results for the Six Months Ended September 30, 2017

November 10, 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.

*** "2Q" in this material represents the 6-month period beginning on April 1 and ending on September 30.

- **Highlights**
- **Topics**
- **Contributing Factors by Segment**
- **Financial Results Forecast**
- **Progress toward Medium-Term Financial Targets**
- **Strengthen NTT's Global Business**
- **(Reference) Major B2B2X Initiatives**
- **(Reference) "Tokyo 2020 Medal Project: Towards an Innovative Future for All"**
- **Appendix**

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

Status of Consolidated Financial Results

- Operating Revenues : ¥5,664.8 billion (increase of ¥140.5 billion [2.5%] year-on-year)
 - Operating Income : ¥975.2 billion (increase of ¥48.7 billion [5.3%] year-on-year)
 - Net Income ^{*1} : ¥527.5 billion (increase of ¥51.4 billion [10.8%] year-on-year)
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- Overseas Sales : \$9.33 billion (increase of \$1.35 billion [16.9%] year-on-year)
 - Cross-Selling Order Volume : \$0.28 billion
 - Overseas Operating Income ^{*2} : \$0.50 billion (increase of \$0.16 billion [47.1%] year-on-year)

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

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

Increased Profitability of Network Services

➤ Expansion of NTT's User Base

- **Mobile Subscriptions: 75.36 million mobile subscriptions (net increase of 0.48 million)**
(Included in the above) Kake-hodai & Pake-aeru: 39.62 million subscriptions (net increase of 2.55 million)
 - **FTTH Subscriptions: 20.39 million subscribers (net increase of 0.33 million)**
(Included in the above) Hikari Collaboration: 10.15 million (net increase of 1.40 million)
- **Growing number of Wi-Fi area owners*: 642 (net increase of 85)**

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

Promotion of the B2B2X Model

- Expand collaboration efforts with corporations and local governments in various fields, such as sports, transportation and manufacturing in an effort towards creating new value and solving social issues and challenges

Shareholder returns

- Share buybacks (acquired in October 2017): ¥60.3 billion

* Aggregate amount: Up to ¥150 billion; Total number of shares: Up to 30 million shares; Period: September 26, 2017 to March 31, 2018

- Aggregate amount of FY2017 share buybacks: ¥103.5 billion as of the end of October 2017

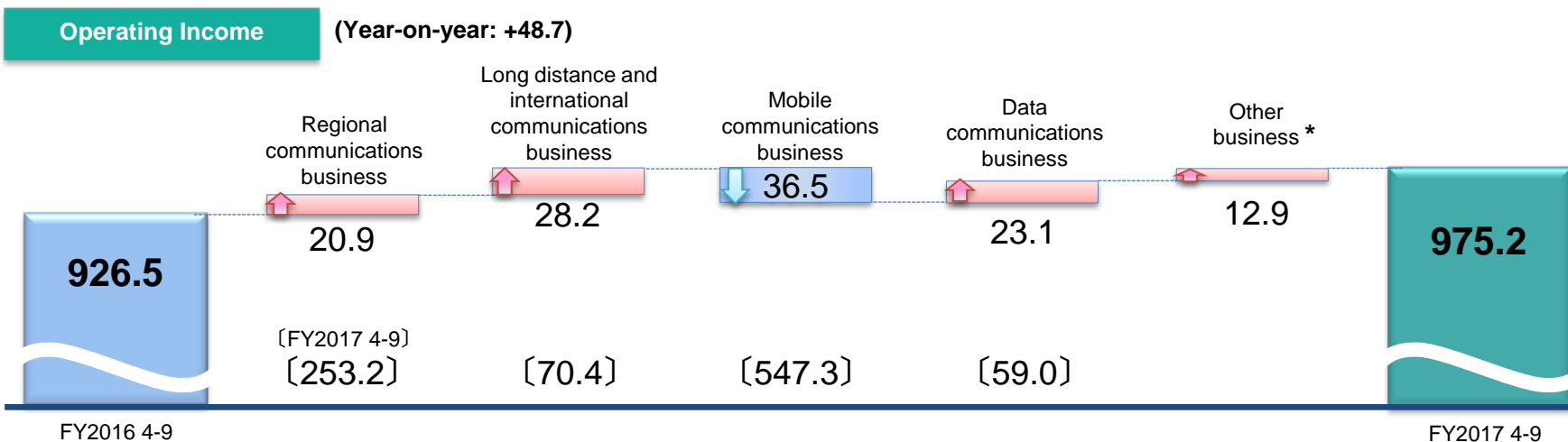
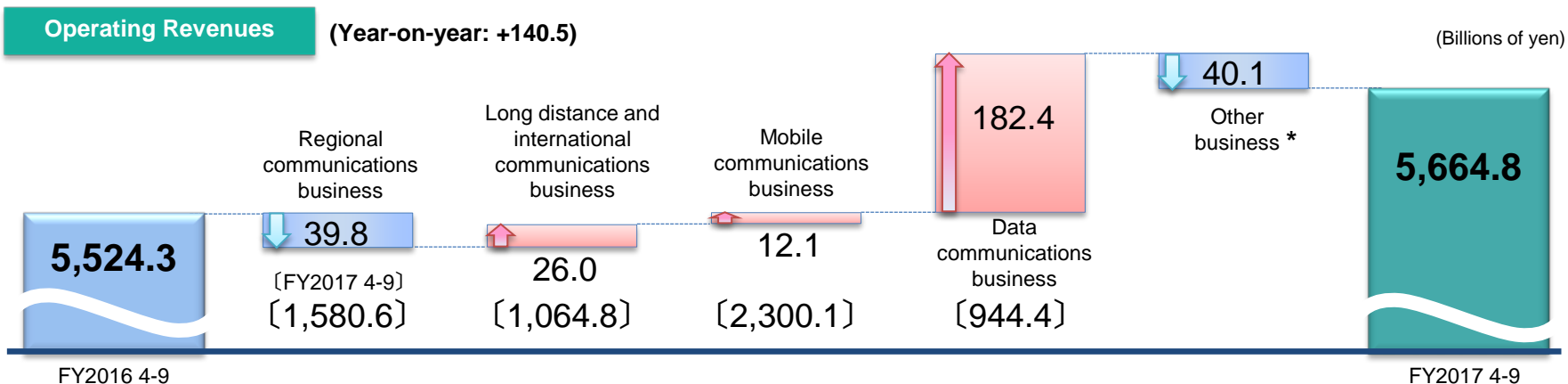
Progress of

“Tokyo 2020 Medal Project: Towards an Innovative Future for All”

- Number of used mobile phones and other devices collected (as of the end of September 2017): approximately 1.54 million devices
- Expected to reach over 2 million devices through November 2017

Contributing Factors by Segment

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



*Includes adjustments such as elimination

- Operating Revenues and Operating Income remain unchanged from the Initial Forecast.

Plan for Consolidated Revenues and Income

	Initial Forecast (announced on May 15, 2017)	Financial Results Forecast (announced on November 10, 2017)
Operating Revenues	¥11,750.0 billion	¥11,750.0 billion
Operating Income	¥1,590.0 billion	¥1,590.0 billion
Net Income*4	¥830.0 billion	¥880.0 billion*1 [¥830.0 billion]
EPS	¥414	¥440*2 [¥416*3]

*1 Includes the effects of the arbitration award received from Tata Sons Limited

*2 Includes the effects of the arbitration award received from Tata Sons Limited as well as share buybacks announced on September 25, 2017

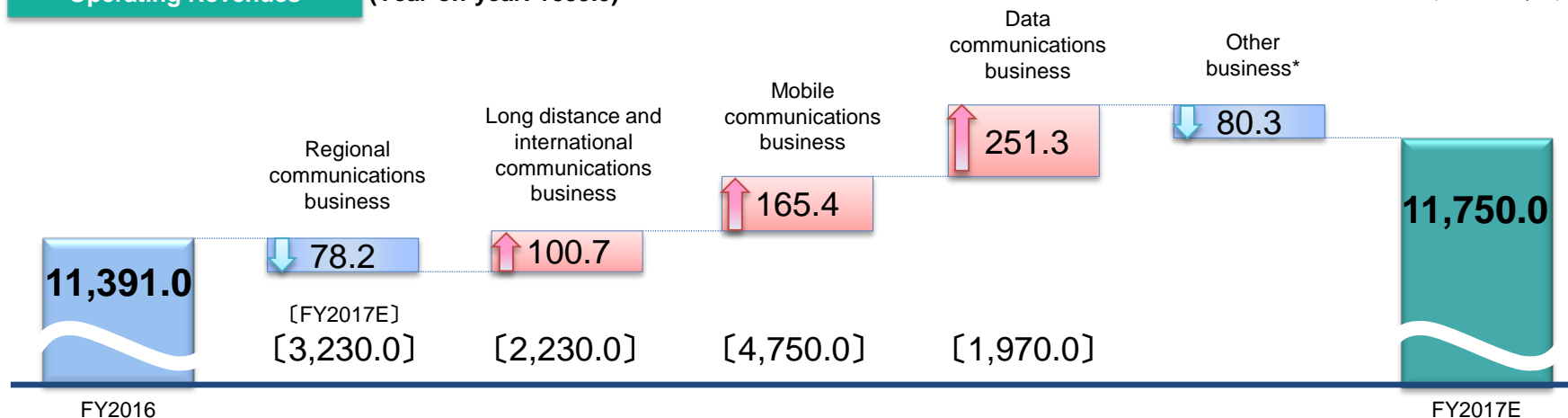
*3 Includes the effects of share buybacks announced on September 25, 2017

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

Operating Revenues

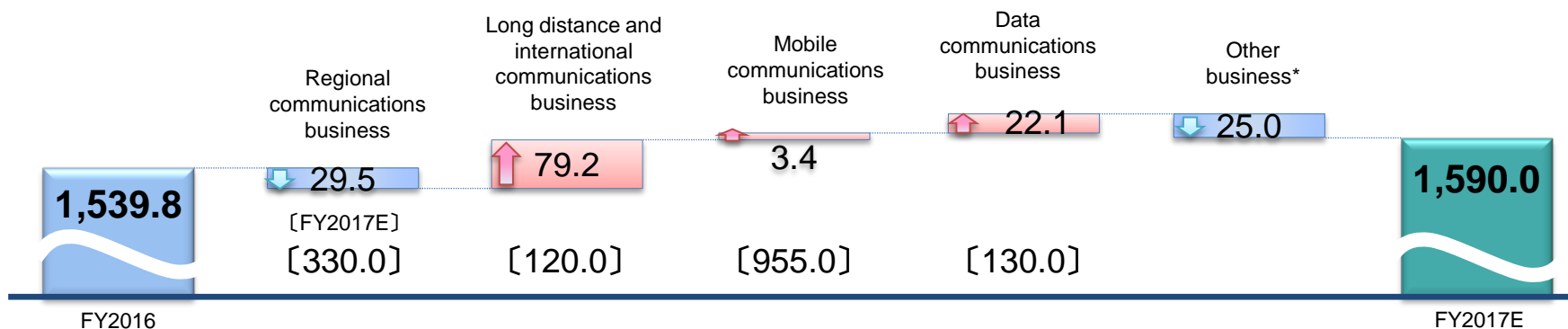
(Year-on-year: +359.0)

(Billions of yen)



Operating Income

(Year-on-year: +50.2)



*Includes adjustments such as elimination

FY2017.2Q Financial Results

FY2017 Medium Term Targets

Streamlining Capital Investment
(Domestic Network Business*¹)
[compared to FY2014]

¥110.1 billion

At least ¥200 billion

Cost Reductions*²
(in fixed-line/mobile access networks)
[compared to FY2014]

¥713.0 billion

At least ¥800 billion

Overseas Sales/Operating Income*³

\$9.3 billion/\$0.5 billion
[FY2017 Forecast]
[\$19.6 billion/\$1.2 billion]

\$22 billion/\$1.5 billion

EPS Growth

[FY2017 Forecast]

¥440*⁴
[**¥416*⁵**]

At least ¥400

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

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

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

*4 Includes the effects of the arbitration award received from Tata Sons Limited as well as share buybacks announced on September 25, 2017.

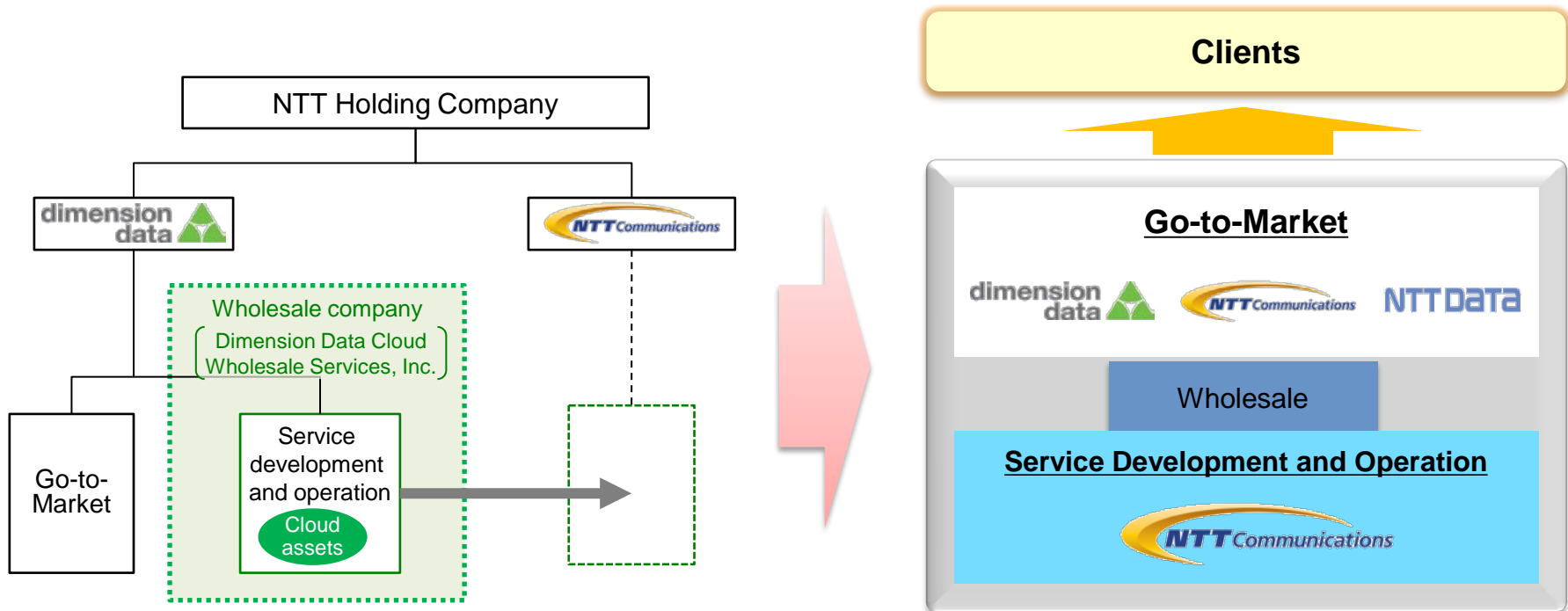
*5 Includes the effects of share buybacks announced on September 25, 2017.















Strengthen NTT's Global Business

(Bringing together cloud IaaS capabilities)



- Strengthen competitiveness by bringing together cloud IaaS capabilities and development capabilities of NTT Communications and Dimension Data.
- Establish a wholesale company of cloud IaaS under Dimension Data to prepare for transfer of assets and personnel, and then transfer the company to NTT Communications around March 2018.
- NTT Communications to handle development and operation of cloud IaaS and leverage Go-to-Market capabilities of NTT Communications, Dimension Data and other NTT Group companies.

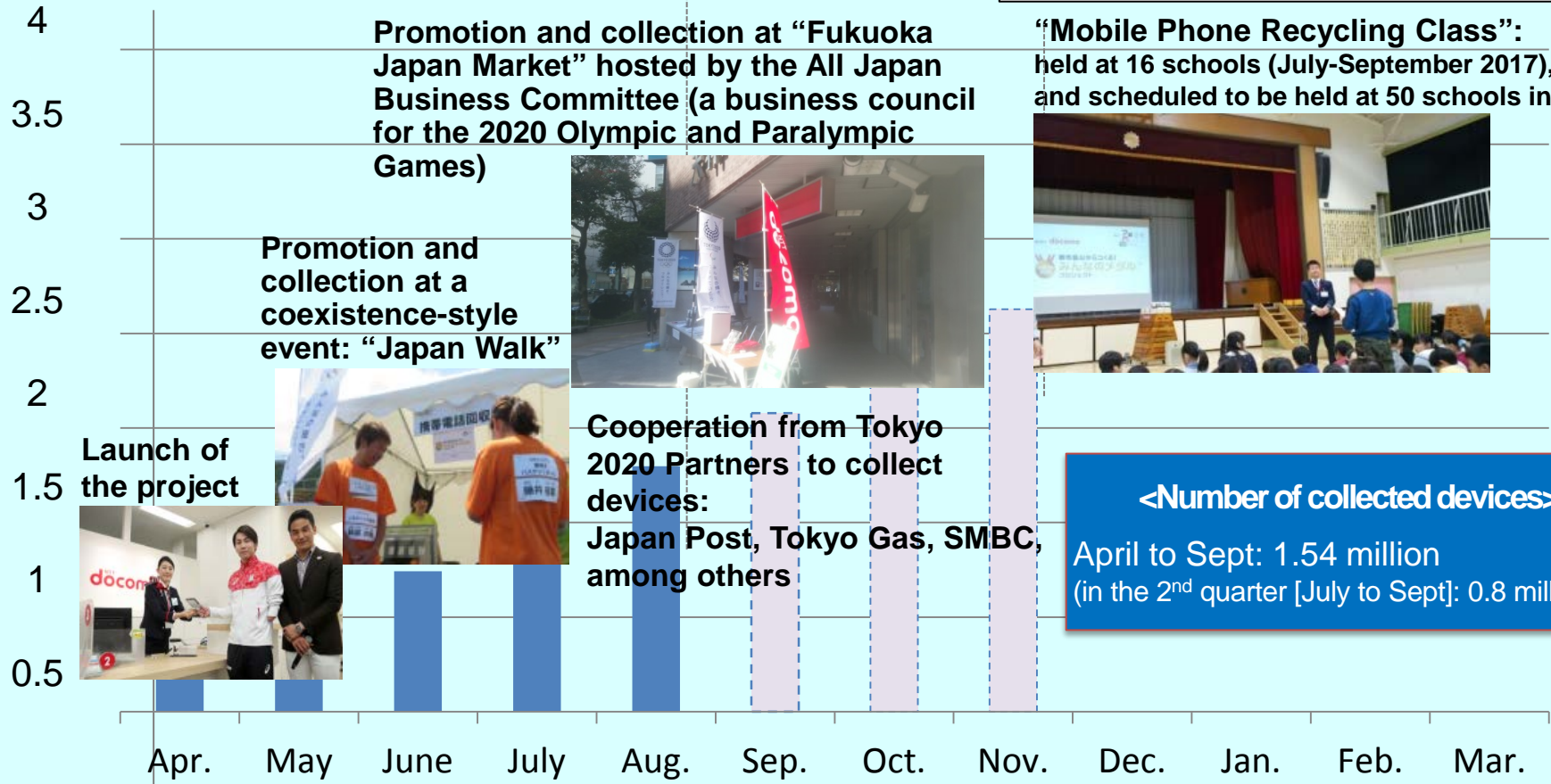


Entertainment		Apr.	Produced a new Kabuki experience by utilizing NTT's Immersive Telepresence Technology called "Kirari!®"
Sports		Apr.	Enhanced racing drivers' performance by measuring their biological information during races
Sports		May	Demonstrated an advanced sports-viewing experience by tracking and transmitting location data of athletes in real time
Cities		June	Enhanced attractiveness of cities through the use of AI on Big Data consisting of the flow of people and weather, among others
Sports		July	Provided an advanced sports-viewing experience through Smart Stadium that utilizes high density Wi-Fi
Aviation		Aug.	Upgraded the information universal design of airports by utilizing the NTT Group AI technology "corevo®"
Auto		Aug.	Initiated consortium formation for the network and computing infrastructure of automotive Big Data
Sports		Sept.	Enabled highly immersive public viewing by utilizing the live video transferring service
Transport		Sept.	Optimized vessel operations by applying edge computing to IoT in vessel shipping
Robots		Sept.	Provided assistance for an exhibition utilizing the Human Support Robot (HSR) with corevo®
Factories		Sept.	Reproduced techniques of a skilled worker through corevo® in order to create a sophisticated next-generation industry complex
Aviation		Oct.	Demonstrated a pleasant flight experience by measuring babies' heart rates and enabling the visualization of changes in their conditions
Manufacturing		Oct.	Began the commercial provision of the FIELD system through the utilization of edge computing
Auto		Oct.	Contributed to the further development of Sapporo by carrying out automated driving on public roads in central city areas

(Million devices)

August: above 1 million devices

November: expected to reach over 2 million devices



Promotion and collection at “Fukuoka Japan Market” hosted by the All Japan Business Committee (a business council for the 2020 Olympic and Paralympic Games)



Promotion and collection at a coexistence-style event: “Japan Walk”



Launch of the project



Cooperation from Tokyo 2020 Partners to collect devices: Japan Post, Tokyo Gas, SMBC, among others

“Mobile Phone Recycling Class”: held at 16 schools (July-September 2017), and scheduled to be held at 50 schools in FY2017



<Number of collected devices>
 April to Sept: 1.54 million
 (in the 2nd quarter [July to Sept]: 0.8 million)



This project makes Tokyo 2020 a first in the history of the Olympics and Paralympics by involving citizens in the collection of consumer electronics such as used mobile phones for the purpose of manufacturing all 5,000 medals from the extracted metals. Sponsor: The Tokyo 2020 Organising Committee; Business partners: NTT DOCOMO, the Japan Environmental Sanitation Center, the Ministry of Environment, and Tokyo Metropolitan Government

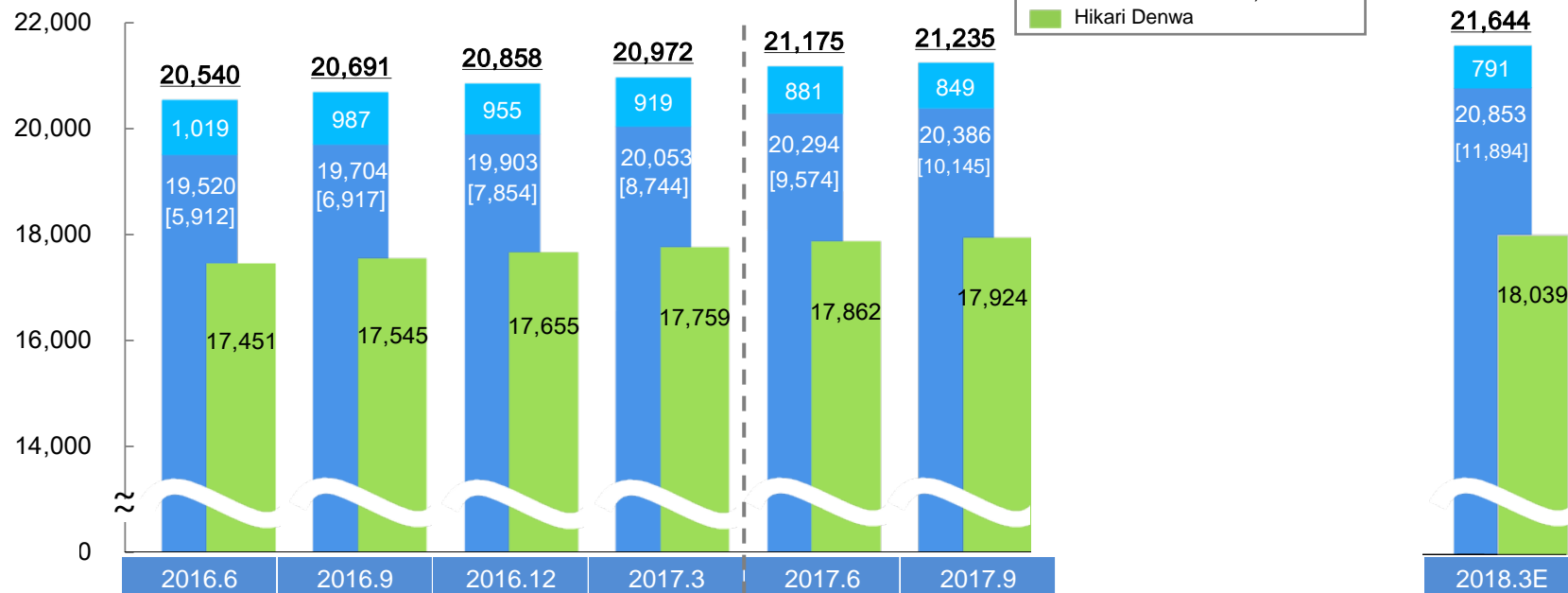
Appendix

Progress of Broadband Services

Number of Subscribers for Fixed Broadband Services



Number of Subscribers *1 *2 (Thousands)



Changes from the Preceding Quarter (Thousands)

	FY2016				FY2017			FY2016	FY2017E
	4-6	7-9	10-12	1-3	4-6	7-9	4-9		
FLET'S Hikari *1	261	183	199	150	241	92	333	794	800
Opened connections *3	786	649	672	750	851	627	1,478	2,857	2,900
FLET'S ADSL	(34)	(32)	(32)	(36)	(38)	(32)	(70)	(134)	(128)
Hikari Denwa *4 *5	77	93	111	104	104	62	165	385	280

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

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

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

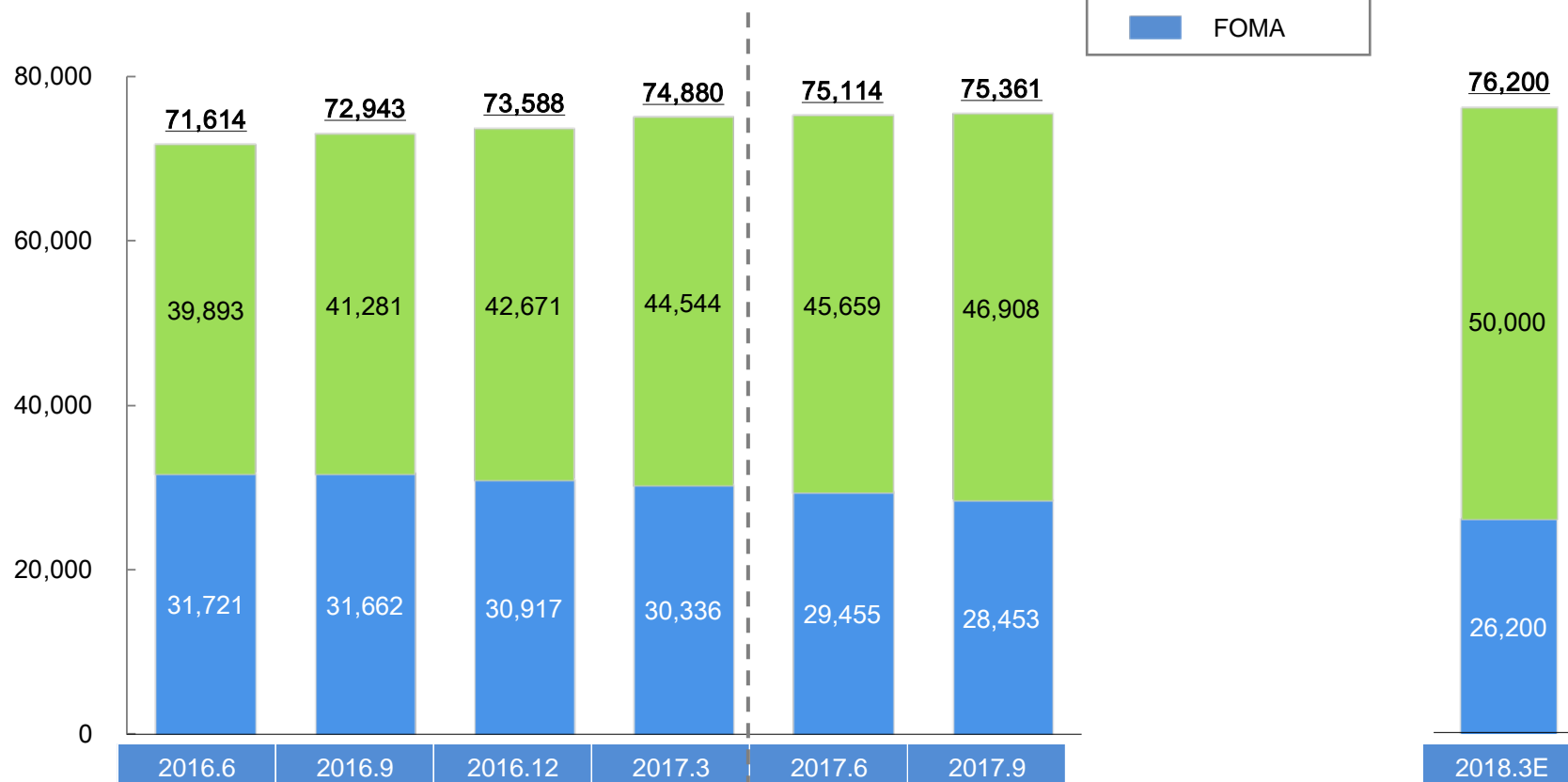
*4 Numbers for Hikari Denwa include wholesale services provided to service providers by NTT East and NTT West.

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

Number of Subscribers for Mobile Broadband Services



Number of Subscribers * (Thousands)

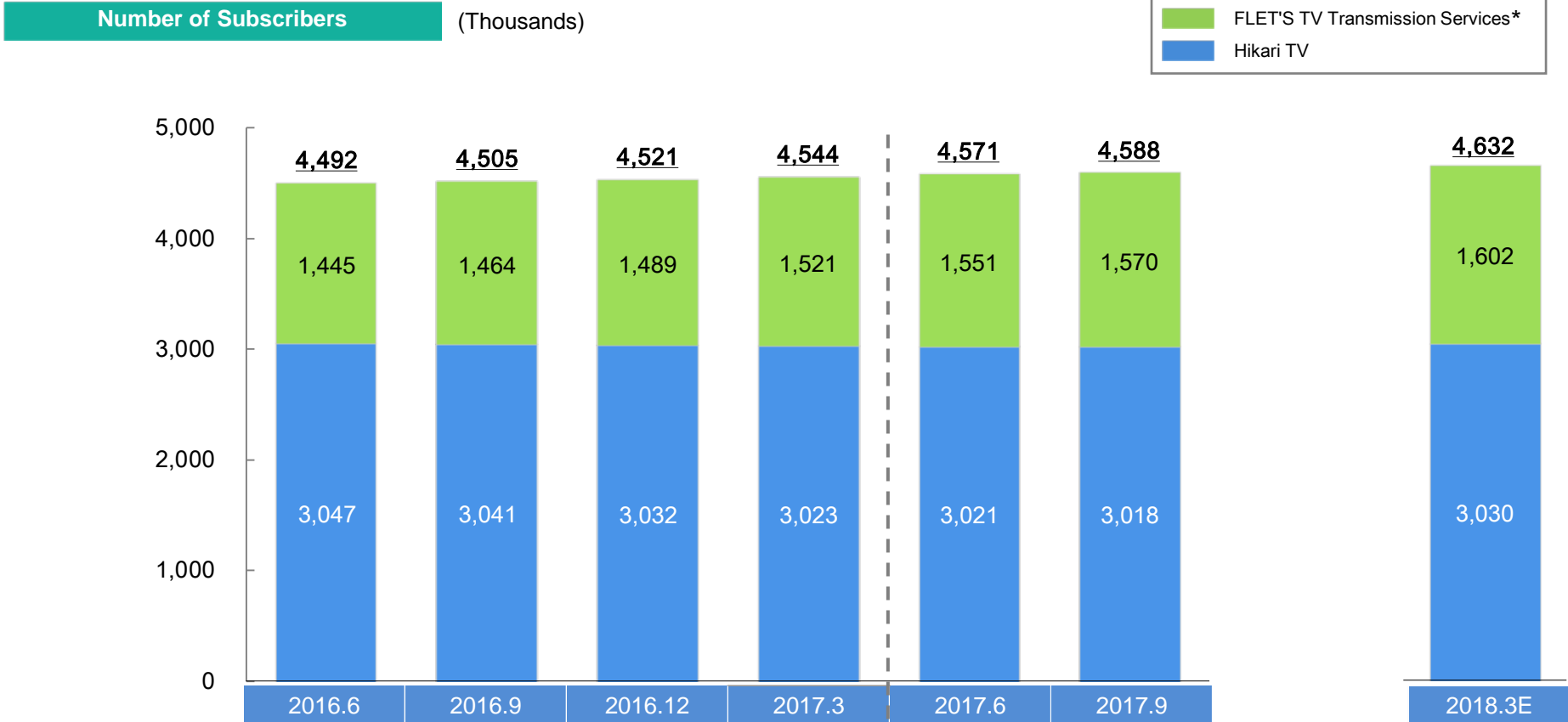


Changes from the Preceding Quarter (Thousands)

	FY2016				FY2017			FY2016	FY2017E
	4-6	7-9	10-12	1-3	4-6	7-9	4-9		
LTE(Xi)+FOMA	650	1,330	645	1,292	234	247	481	3,916	1,300

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

Number of Subscribers for Video Services



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

Financial Information

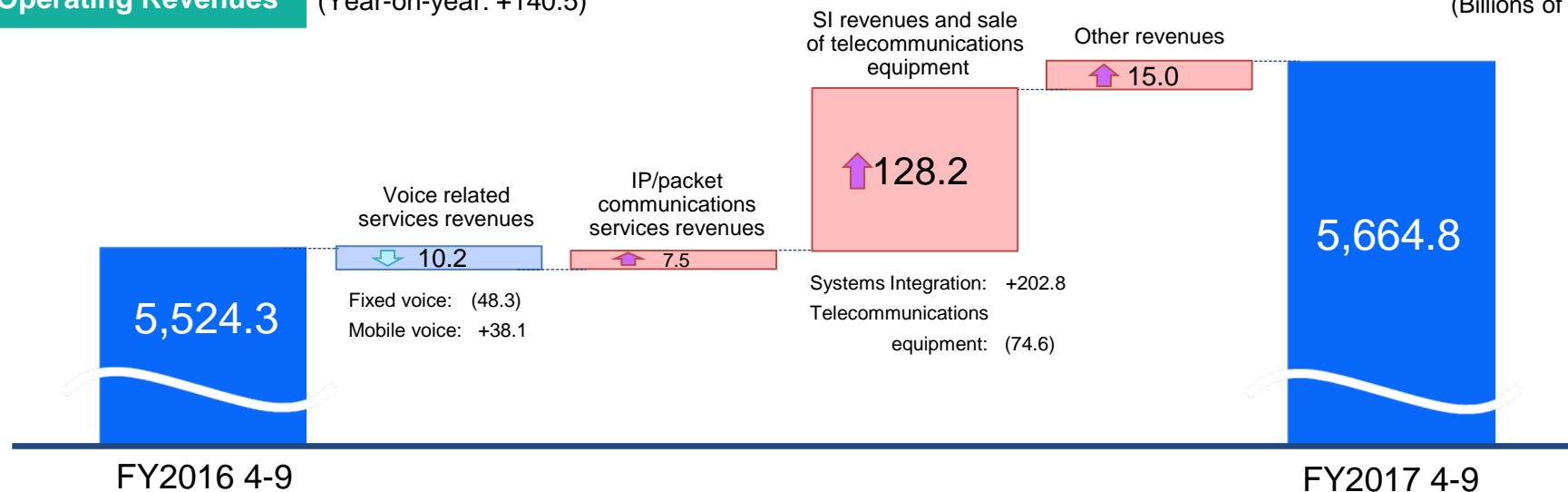
Details of Consolidated Statement of Income



Operating Revenues

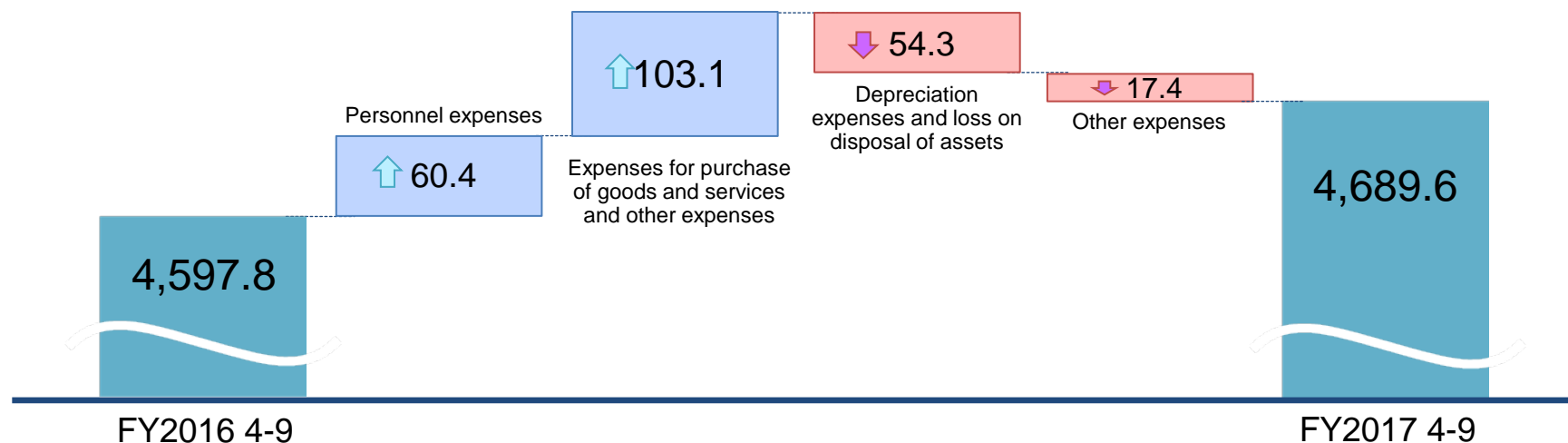
(Year-on-year: +140.5)

(Billions of yen)



Operating Expenses

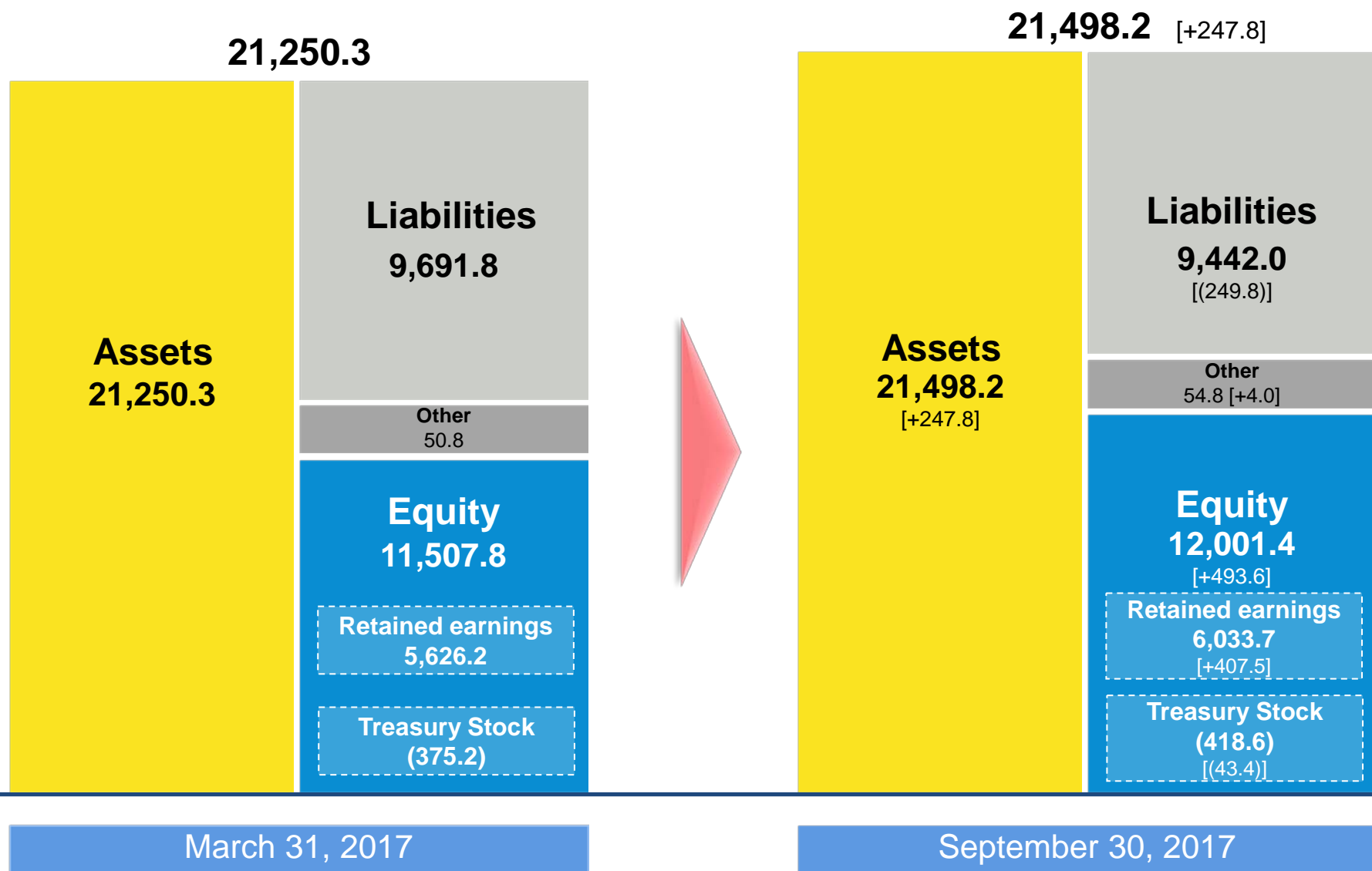
(Year-on-year: +91.8)



Details of Consolidated Balance Sheet



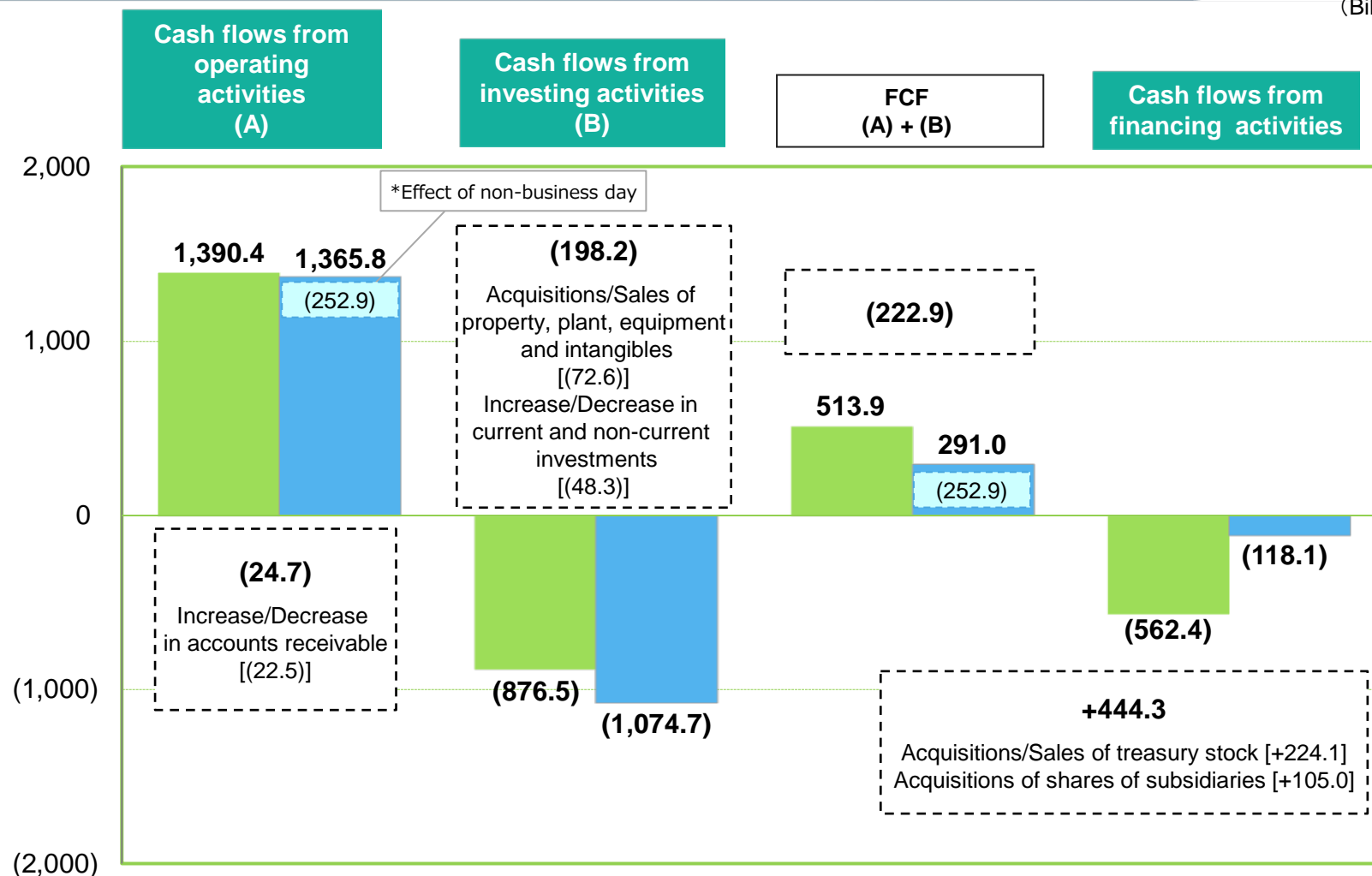
(Billions of yen)



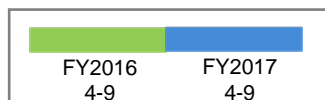
Details of Consolidated Cash Flows



(Billions of yen)



* The effect of the last day of the six-month period ended September 30, 2017 having been a non-business day, resulting in the increase in accounts receivable because of the due date of a portion of accounts receivable being, instead of the last day of the period, the first business day of the following month. Cash flows from operating activities and the FCF amount including the effect were 1,112.9 billion yen and 38.2 billion yen, respectively.



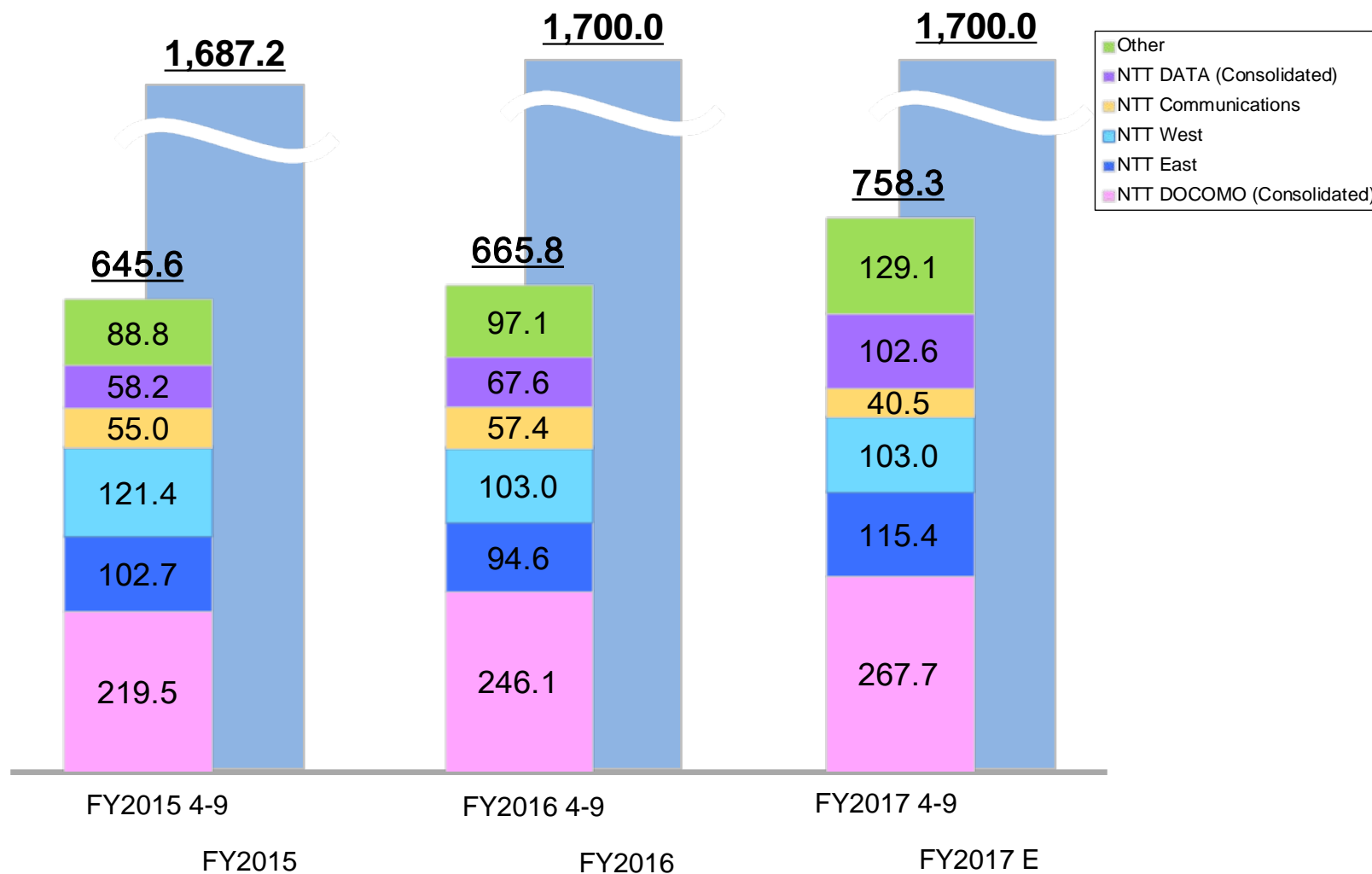
⎓ Increase/Decrease from the same period of the previous fiscal year

Details of Capital Investment



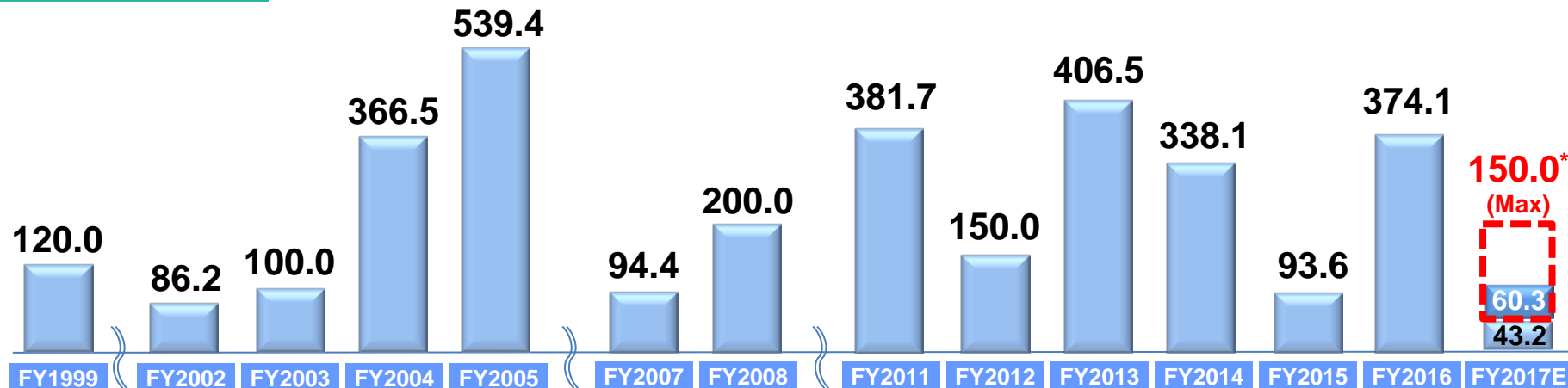
(Billions of yen)

Capital Investment



Share Buybacks

(Billions of yen)



*On September 25, 2017 NTT resolved to acquire up to ¥150 billion in share buybacks. Period of buybacks: September 26, 2017 through March 31, 2018

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

