



Financial Results
for the Fiscal Year Ended March 31, 2021
and
Financial Forecasts
for the Fiscal Year Ending March 31, 2022

May 12, 2021

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.

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Response to Recent Occurrence

Regarding the recent occurrence in which members of management dined with ministry officials, we sincerely apologize for causing great inconvenience and concern to our customers, our shareholders and all related parties.

■ Current Status

- On March 9, NTT established a Special Investigations Committee, including external experts, and an investigation to clarify facts and other matters related to the occurrence is being conducted by the committee
- The recent occurrence was a result of a lack of awareness of members of management, and NTT deeply regrets that members of management, who should set an example to employees, have caused such a situation
- Going forward, in order to strictly prevent a reoccurrence of such an occurrence and to regain the trust of our customers, shareholders and all related parties, NTT will undertake a review of its internal rules and will implement thorough initiatives to prevent any reoccurrence
- Further initiatives will be announced in the future after the Special Investigations Committee presents the results of its investigation

Overview of FY2020 Consolidated Results

FY2020 Consolidated Results Highlights



- Operating Revenues, Operating Income and Profit all increased
- Operating Revenues and Profit set new record highs

Status of Consolidated Results

● Operating Revenues:	¥11,944.0B	<+¥44.6B [+0.4%] year-on-year>
● Operating Income:	¥1,671.4B	<+¥109.2B [+7.0%] year-on-year>
● Profit ⁽¹⁾ :	¥916.2B	<+¥60.9B [+7.1%] year-on-year>
● Overseas Sales ⁽²⁾ :	\$18.6B	<\$(0.81)B [(4.1)%] year-on-year>
● Overseas Operating Income Margin ⁽²⁾ :	3.0%	<+0.6pt year-on-year>

(1) Profit presented above represents the profit attributable to NTT, excluding noncontrolling interests.

(2) Includes results from the global holding company, its subsidiaries and its affiliates. Overseas Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

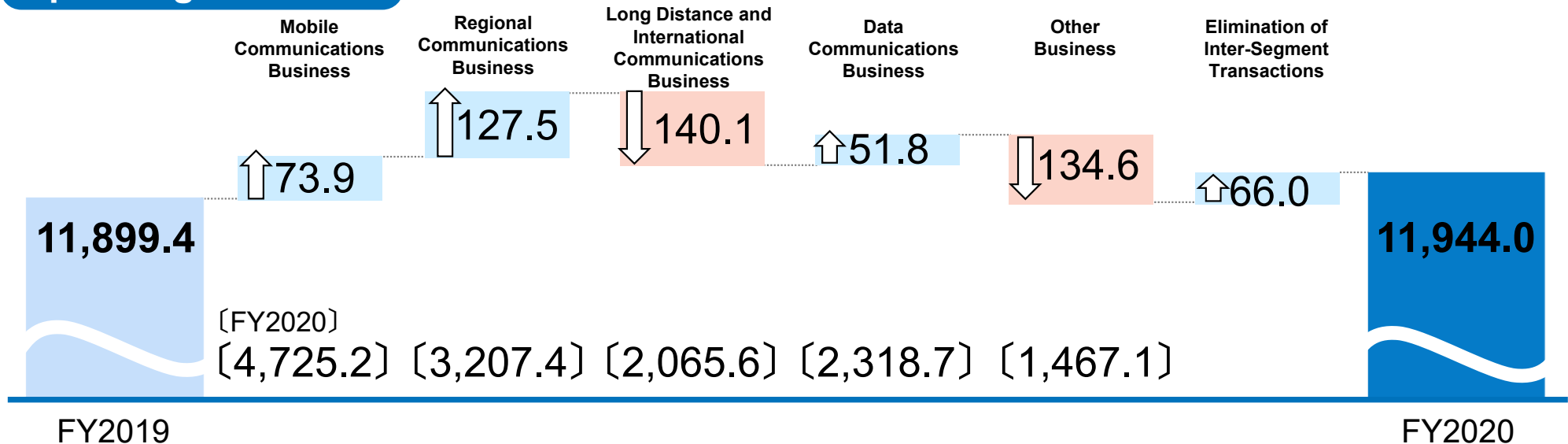
Contributing Factors by Segment for FY2020



(Billions of yen)

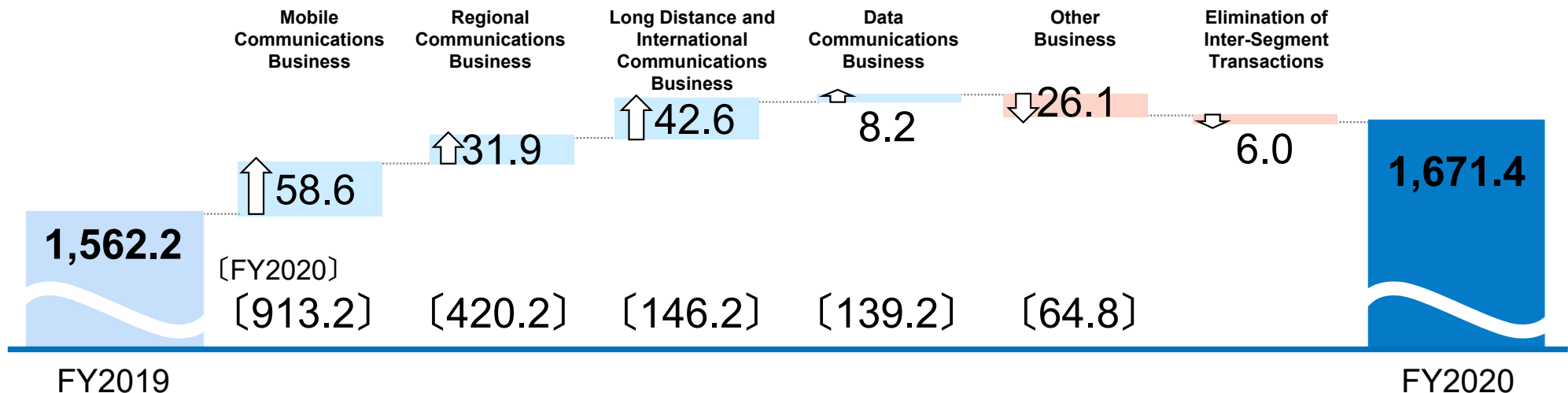
Operating Revenues

[Year-on-year: +44.6]



Operating Income

[Year-on-year: +109.2]



FY2021 Results Forecast

FY2021 Forecast Summary



- Operating Revenues, Operating Income and Profit will all increase
- Operating Revenues, Operating Income and Profit are each expected to reach record high levels

Consolidated Revenues and Income Plan

	FY2020 Results	FY2021 Forecast	Year-on-Year
Operating Revenues	¥11,944.0B	¥12,000.0B	+¥56.0B
Operating Income	¥1,671.4B	¥1,730.0B	+¥58.6B
Profit ⁽¹⁾	¥916.2B	¥1,085.0B	+¥168.8B
EPS	¥248	¥300	+¥52

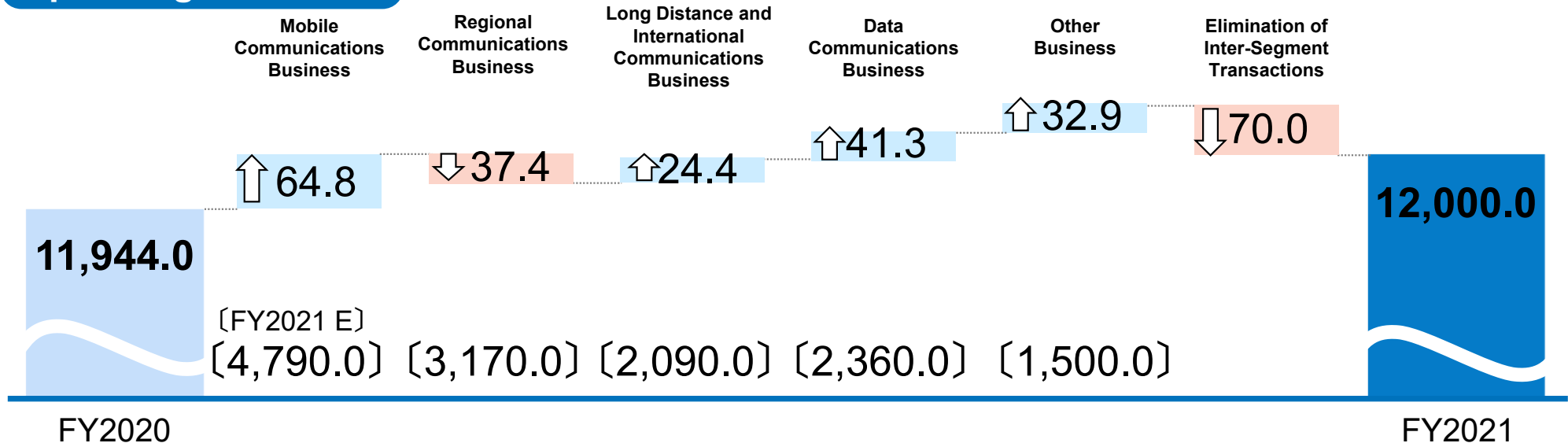
(1) Profit represents profit attributable to NTT, excluding noncontrolling interests.

FY2021 Forecast Summary by Segment

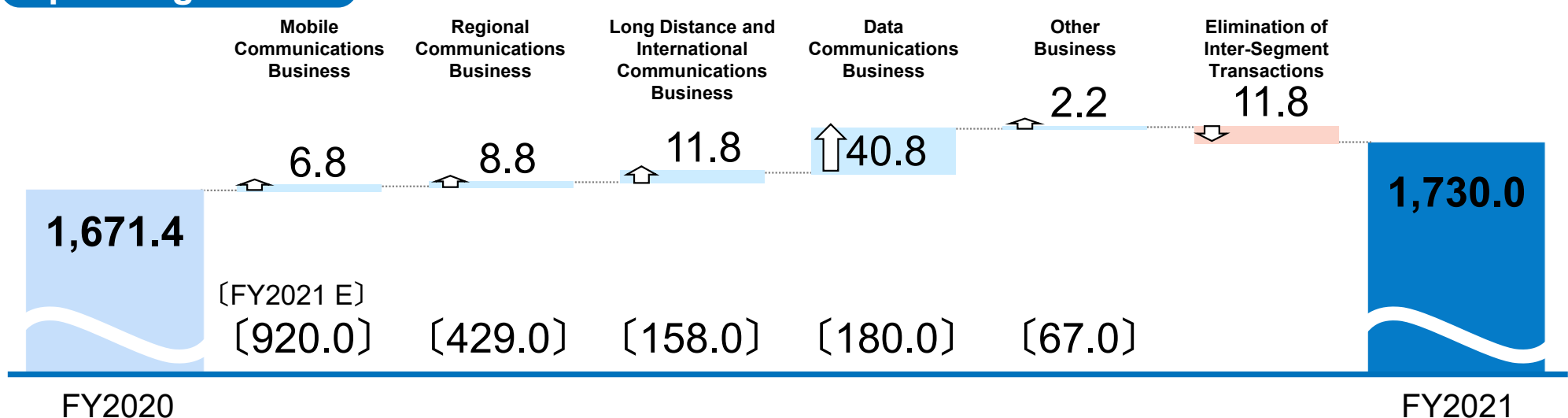


(Billions of yen)

Operating Revenues [Year-on-year: +56.0]



Operating Income [Year-on-year: +58.6]



Overview of Medium-Term Financial Targets



	FY2020 Results	FY2021 Forecasts	Year-on-Year	Target (Target Fiscal Year) <announced November 8, 2018>
EPS	¥248	¥300	+¥52	Approx. ¥320 (FY2023)
Overseas Sales ⁽¹⁾	\$ 18.6B	\$ 19.0B	+ \$ 0.4B	\$ 25B (FY2023)
Overseas Operating Income Margin ⁽¹⁾	3.0%	6.0%	+3.0pt	7% (FY2023)
Cost Reductions ⁽²⁾	¥(670.0)B	¥(840.0)B	¥(170.0)B	at least ¥(800.0)B (FY2023)
ROIC	7.2%	7.4%	+0.2pt	8% (FY2023)
Capex to Sales ⁽³⁾	13.6%	13.5%	▲0.1pt	13.5% or less (FY2021)

(1) Includes results from the global holding company, its subsidiaries and its affiliates.

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

(2) In fixed-line/mobile access networks. Figures above show cumulative reductions since FY2017.

(3) Domestic network business (excludes NTT Communications' data centers and certain other items).

Items with positive progress are shown in green, and items that are expected to meet the medium-term financial targets during the current fiscal year are shown in white text.

Topics

Enhance and Globalize R&D (1/2)



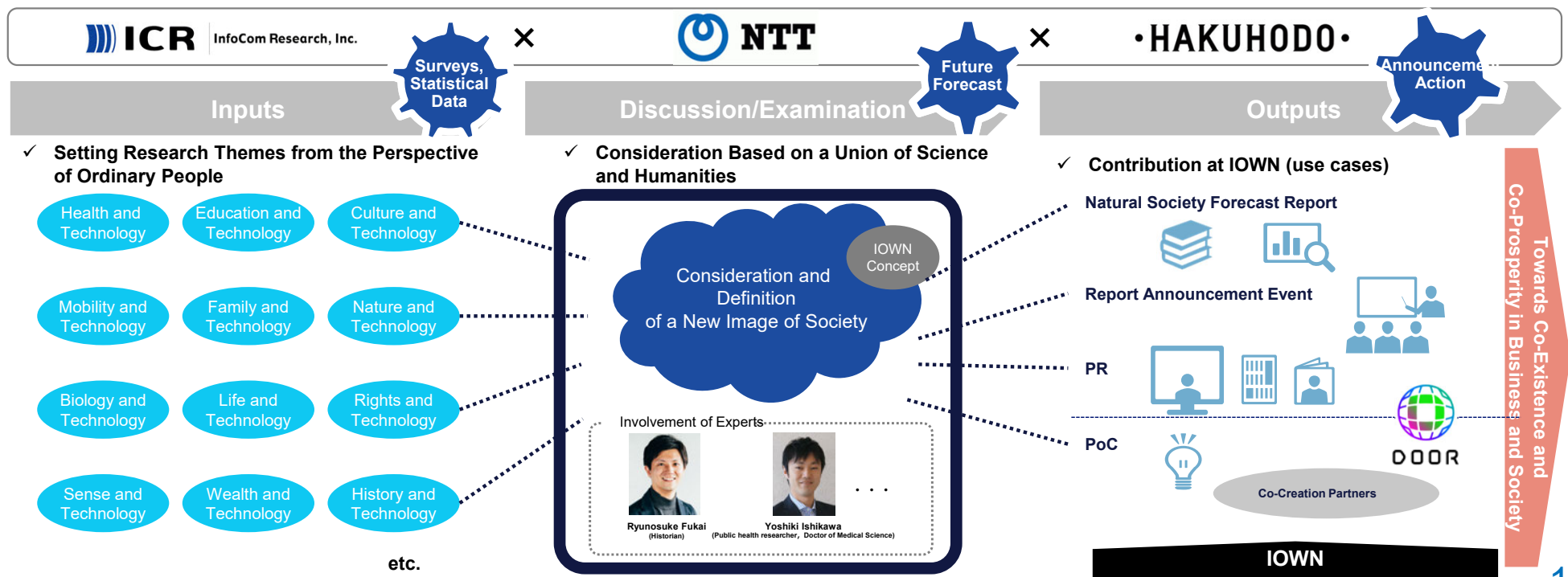
- **“IOWN Integrated Innovation Center” to be established in July 2021**
 - **Strengthen collaboration between NTT’s fundamental R&D and development capabilities of global vendors**
 - **Accelerate the following initiatives using photonics-electronics convergence technologies**
 - ✓ **Development of “photonic disaggregated computing infrastructure”**
 - ✓ **Integration of “mobile and fixed” and “network and computing”**
 - **Hidehiro Tsukano (Corporate Adviser, NTT Advanced Technology Corporation) will be appointed as Head of the IOWN Integrated Innovation Center**

- **Expansion of “R&D Into New Areas”**
(Investment in FY2021: approx. ¥500.0B in scope)

Enhance and Globalize R&D (2/2)

■ Lab Concept of Aiming for a Natural World (scheduled to be launched in May)

- Translate and spread a new image of society created by the IOWN concept into information that can be felt by ordinary people at an individual level
- Take initiative to gain the world's approval, with the aim of achieving co-existence and co-prosperity in business and society
 - ✓ “Setting research themes” from the perspective of ordinary people, “discussion with experts” on the basis of surveys and statistical data and defining and spreading “the specific form of the future and areas for IOWN to contribute”
 - ✓ Co-creation project with Professor Deguchi of Kyoto University*



■ Enhancement of Governance

- **Activation of the Board of Directors**
 - ✓ **Introduced the outside member of the board/executive officer system to major subsidiaries**
(NTT East, NTT West, NTT Com and NTT Urban Solutions; scheduled to be implemented from June 2021)
- **Review of Executive Compensation**
 - ✓ **Expanded the scope of performance-based compensation from 30% to 50%, and introduced a new stock compensation system that better reflects medium- and long-term results**
(scheduled to be introduced from July 2021)

■ Launch New Services

<Expanding the work that can be done remotely>

- ① **“COTOHA® Call Center,” a cloud-based contact center service that enables remote work** (NTT Com, from March 31, 2021)
 - ✓ Easy and inexpensive implementation possible for medium and small-sized enterprises
- ② **“Flexible Remote Access,” which enables secure access to work systems and ICT services from anywhere** (NTT Com, from April 23, 2021)
 - ✓ Enables a smooth response by providing optimal communication settings from remote environments
 - ✓ Enables secure access that is compatible with zero-trust networks

Overview of Medium-Term Management Strategy Initiatives

Overview since February 2021

Promote B2B2X Model	- Number of B2B2X Projects: 104 (+91)* - Established a new DX company with Mitsubishi Corporation, and will launch services beginning with the food products distribution field (scheduled to be established in FY2021) - Established EARTHBRAIN Ltd., with Komatsu and others to promote DX in the construction industry (NTT DOCOMO; commencing business operations in July)
Roll Out 5th-Generation Wireless System	- Launched “ahamo” (with monthly fees of ¥2,970 (including tax)) (NTT DOCOMO, from March) - Launched the new rate plan for “OCN Mobile ONE” (NTT Com, from April)
Provide Personal Services	- Launched the new “LAUGH&PEACE MOTHER” education x entertainment service (from March) - Launched the “kikito” device rental service (NTT DOCOMO, from April) - Reached agreement on a capital and business alliance with Medley Inc., beginning with online medicine (NTT DOCOMO, April) - Reached agreement on a business alliance with Mitsubishi UFJ Bank to provide digital financial services (NTT DOCOMO, May)
Enhance Competitiveness in Global Business	- Reached an agreement to provide a service that monitors and improves congestion in real-time at a commercial facility in Chicago, U.S. (March) - Entered into an MOU with NSW, Australia to realize a safe and smart city (March) - Establishing a local corporation in Israel for the purpose of creating new business (scheduled for July)
Enhance and Globalize R&D	Reached an agreement with Fujitsu on a strategic alliance to drive “Realization of a Sustainable Digital Society” (April)
Create New Lines of Business	- Reached agreement on urban development policy for the Uchisaiwai-cho 1-chome area (NTT Urban Development, others; March) - Reached an agreement with Mansai Nomura (Mansaku no Kai) for a partnership to achieve the DX of Kyogen (NTT West, March) - Introduced green power, including Japan’s first** off-site PPA, at certain Seven & i Holdings stores (NTT Anode Energy, NTT Com; from April) - Began joint web-based reception with Tokyo Gas for buried materials surveys and construction attendance (NTT East, NTT Infranet; from May)
Promote ESG Management	Launched initiatives with KDDI related to employment support for the “Employment Ice Age Generation” (First Term: from February; Second Term: from April)

* Information as of March 31, 2021. Information in parentheses indicates changes from the time of announcement of the medium-term management strategy (October 2018).

** According to NTT Anode Energy though interviews, etc. with RTS Corporation.

Dividends

- **Aggregate annual dividends for FY2021 are expected to increase to ¥110 per share, an increase of ¥5 from FY2020**
- **Dividends are expected to increase for the 11th consecutive year since FY2011**

Completion of Share Buybacks

- **Share Buybacks: Completed share buybacks of ¥250.0 billion (93,906,900 shares) as authorized at the meeting of the board of directors held on November 6, 2020 (February 22, 2021)**

Appendix

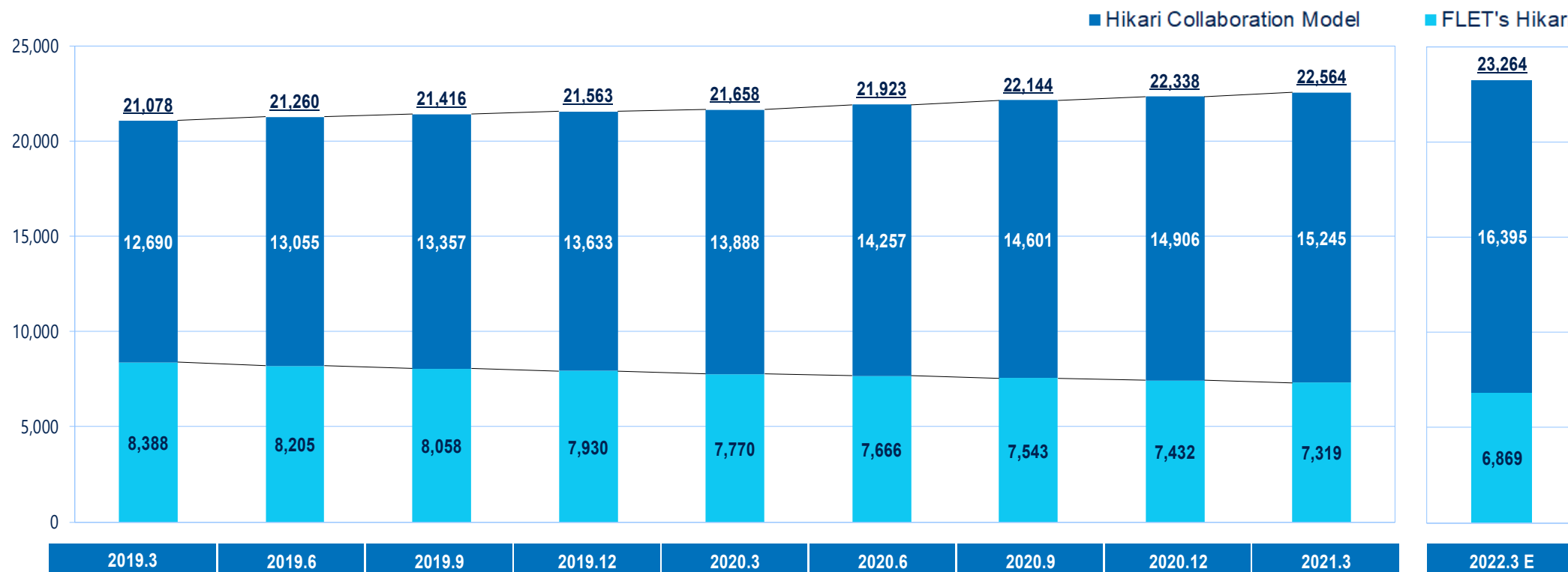
Broadband Services

Fixed-Line Broadband Services Subscriptions



Number of Subscriptions

(Thousands)



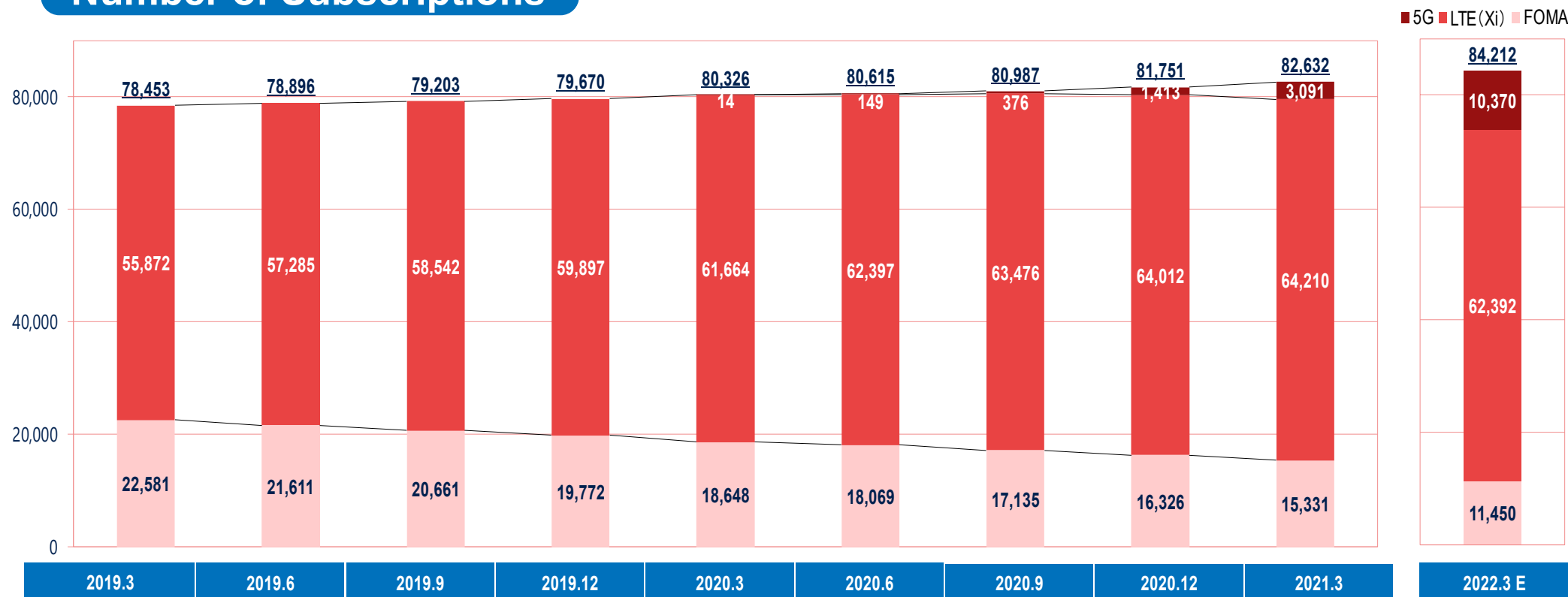
Net Increase

	2019 4-6	2019 7-9	2019 10-12	2020 1-3	2020 4-6	2020 7-9	2020 10-12	2021 1-3	2021 4 - 2022 3 E
Total	+182	+156	+148	+95	+266	+221	+194	+226	+700
Hikari Collaboration Model	+365	+302	+276	+255	+369	+344	+305	+339	+1,150
FLET'S Hikari	▲183	▲146	▲128	▲161	▲104	▲123	▲111	▲113	▲450
	+580				+906				
	+1,198				+1,357				
	▲618				▲451				

Mobile Communications Services Subscriptions

(Thousands)

Number of Subscriptions



Net Increase

	2019 4-6	2019 7-9	2019 10-12	2020 1-3	2020 4-6	2020 7-9	2020 10-12	2021 1-3	2021 4 - 2022 3 E
5G+LTE(Xi)+ FOMA	+443	+307	+467	+656	+289	+372	+764	+881	+1,580
	+1,873				+2,306				

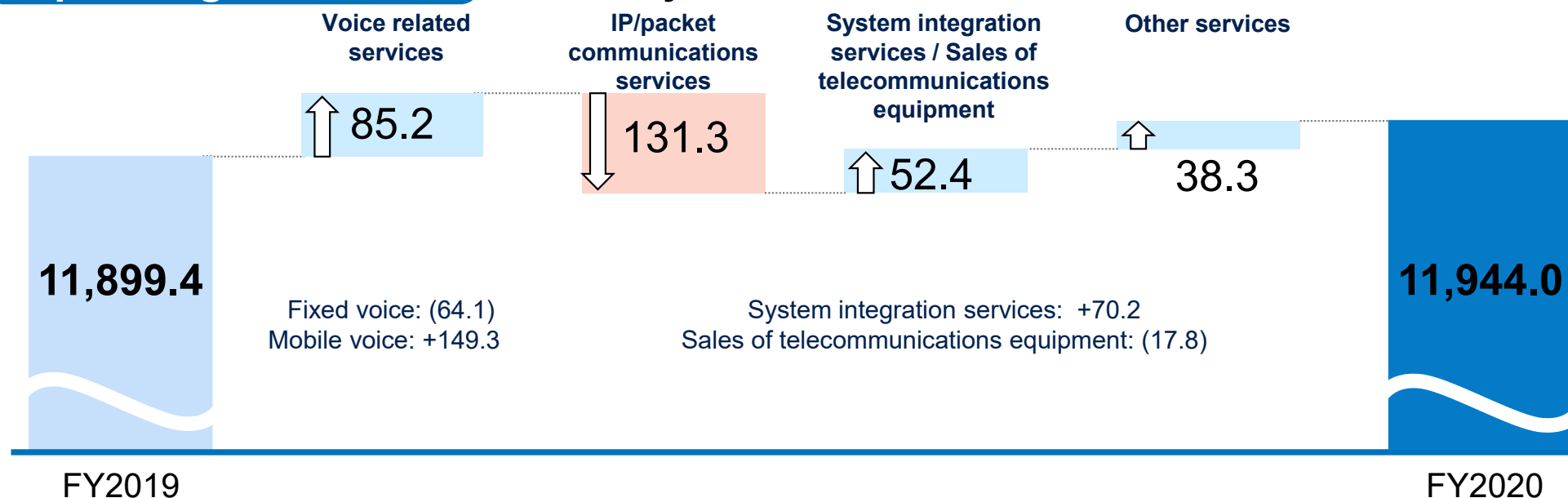
Financial Information

Details of Consolidated Statement of Income

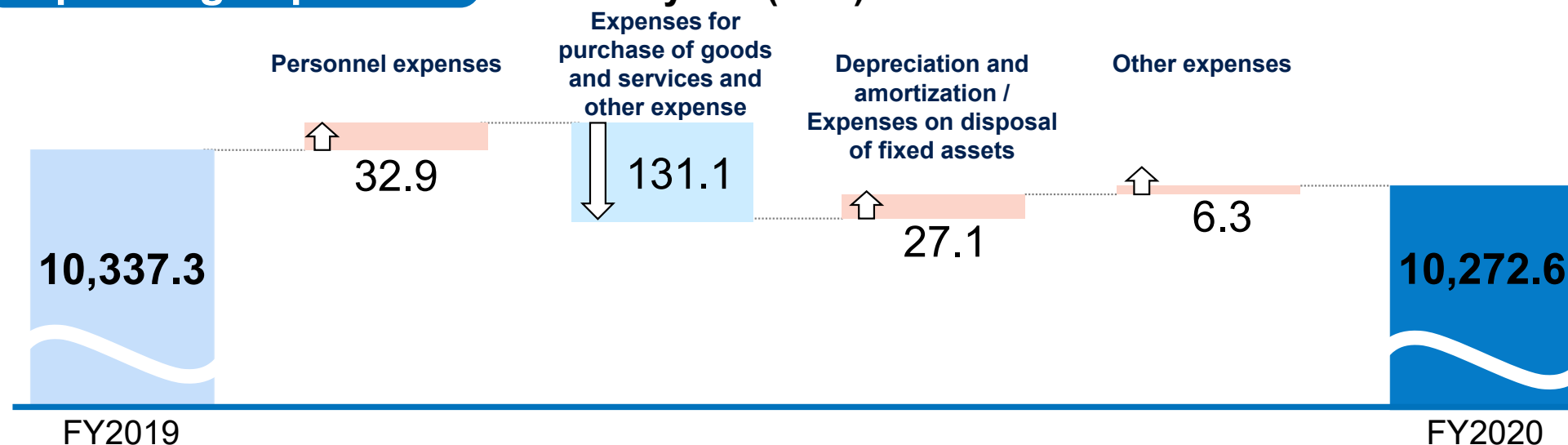


(Billions of yen)

Operating Revenues <Year-on-year: +44.6>



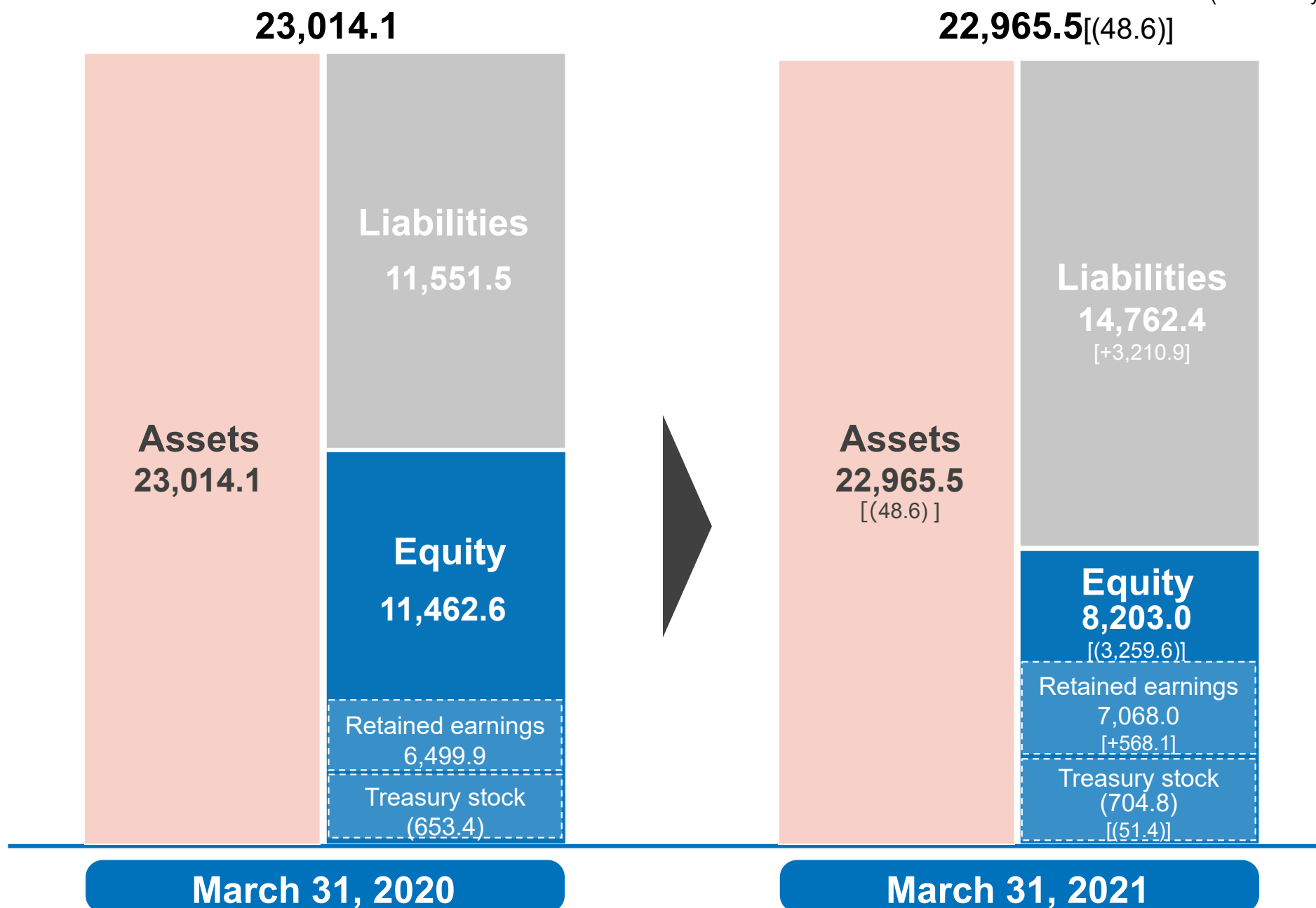
Operating Expenses <Year-on-year: (64.7)>



Details of Consolidated Balance Sheet



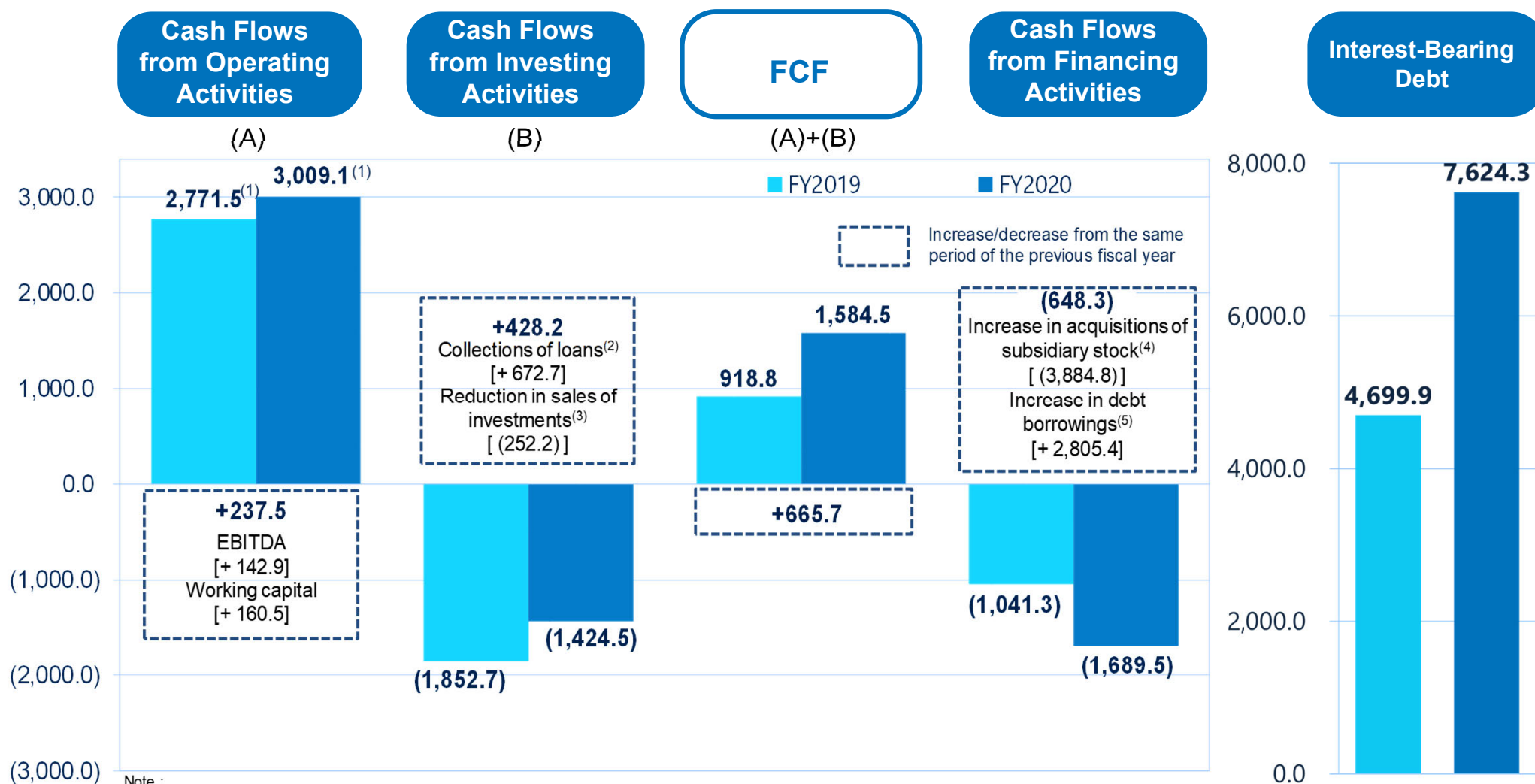
(Billions of yen)



Details of Consolidated Cash Flows



(Billions of yen)



Note :

(1) Excludes the impact of non-business days (Operating CF including the effect of non-business days was ¥2,995.2 billion for FY2019 and ¥3,009.1 billion for FY2020).

(2) The amount of collections of loans in FY2020 was ¥672.7 billion (collections of short-term loans from NTT·TC Lease Co.).

(3) The amount of sales of investments in FY2019 was ¥294.2 billion (including the sale of Mitsui Sumitomo Card Co. Ltd., among others).

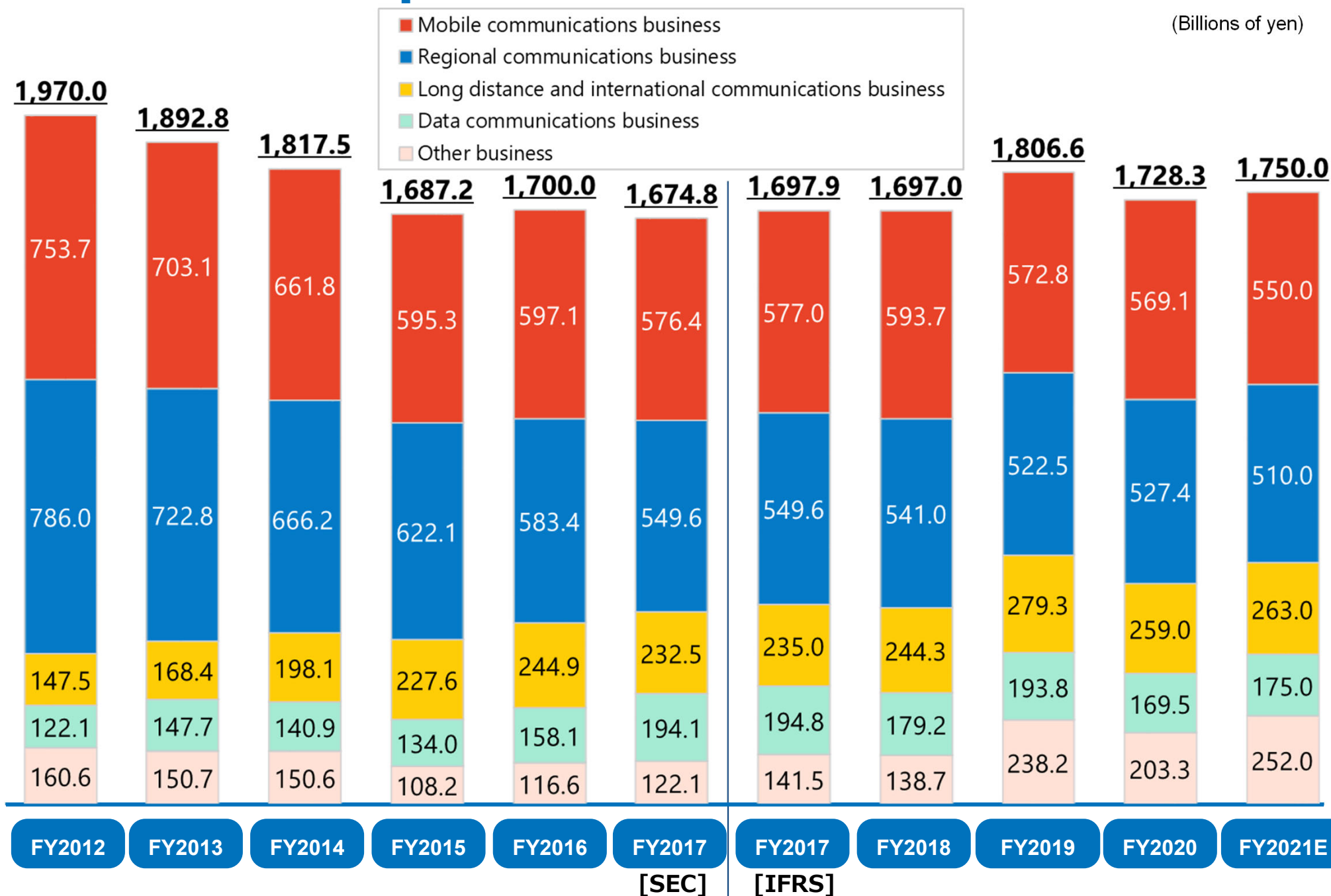
(4) The amount of acquisitions of subsidiary stock in FY2020 was ¥4,249.4 billion.

(5) The amount of increase in debt borrowings in FY2020 was ¥3,315.3 billion.

Details of Capital Investment



(Billions of yen)



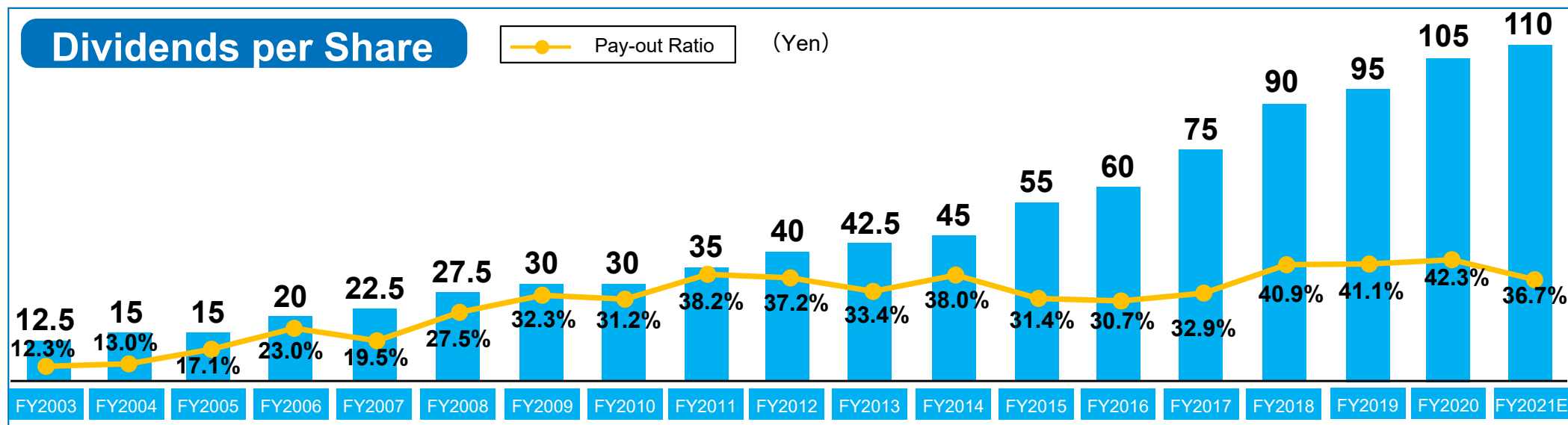
Shareholder Returns



Dividends per Share

—●— Pay-out Ratio

(Yen)

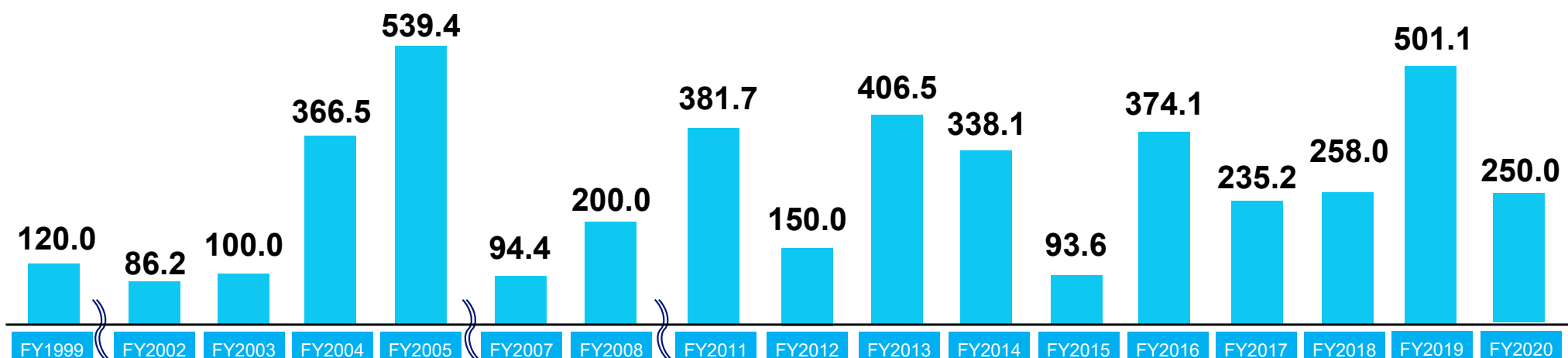


Note 1: Dividend-per-share amounts have been adjusted to reflect the 100-for-one stock split carried out on January 4, 2009, the two-for-one stock split carried out on July 1, 2015 and the two-for-one stock split carried out on January 1, 2020.

Note 2: U.S. GAAP was applied for periods up to and including FY2017, and IFRS has been applied for periods from and including FY2018.

Share Buybacks

(Billions of yen)



Your Value Partner