

August 7, 2018

Company Name: Nippon Telegraph and Telephone Corporation
Representative: Jun Sawada, President and Chief Executive Officer
(Code No.: 9432, First Section of Tokyo Stock Exchange)

NOTICE REGARDING INITIATIVES FOR THE FURTHER GROWTH OF NTT GROUP'S GLOBAL BUSINESS

Nippon Telegraph and Telephone Corporation (“NTT”) hereby announces that, at a meeting of its Board of Directors held today, NTT resolved to promote the following initiatives together with changes in its subsidiary companies in order to become more competitive and profitable in the global market, as further described below.

1. Background of Initiatives

Since 2010, the NTT Group operating companies of NTT Communications Corporation (“NTT Communications”), Dimension Data Holdings plc (“Dimension Data”), NTT DATA Corporation (“NTT DATA”) and NTT Security Corporation (“NTT Security”) have continued to evolve and grow their respective capabilities, and NTT has also been driving collaboration across those operating companies. To date, NTT Group’s activities have resulted in collective revenue outside of Japan of U.S.\$20 billion.

At the same time, however, the global competitive environment is rapidly changing. There has been rapid progress in technological innovation, disruption of business models, aggressive expansion by a wide variety of competitors, and an increase in clients’ demand for digital transformation. There is also a heightened sense of necessity at NTT Group to create new value throughout the whole group and to increase its presence in the global market.

2. Future Initiatives

(1) Establish a New Holding Company Focused on Global Business

By the third quarter of the fiscal year ending March 31, 2019, NTT will utilize an existing indirect wholly owned subsidiary to establish a global holding company under its umbrella. This new entity will be called “NTT, Inc.,” and Jun Sawada, the current CEO and President of NTT, will also serve as CEO of NTT, Inc. NTT will then transfer NTT Communications, Dimension Data, NTT DATA, NTT Security and NTT Innovation Institute, Inc. (“NTTi3”) under NTT, Inc. and will align under its leadership.

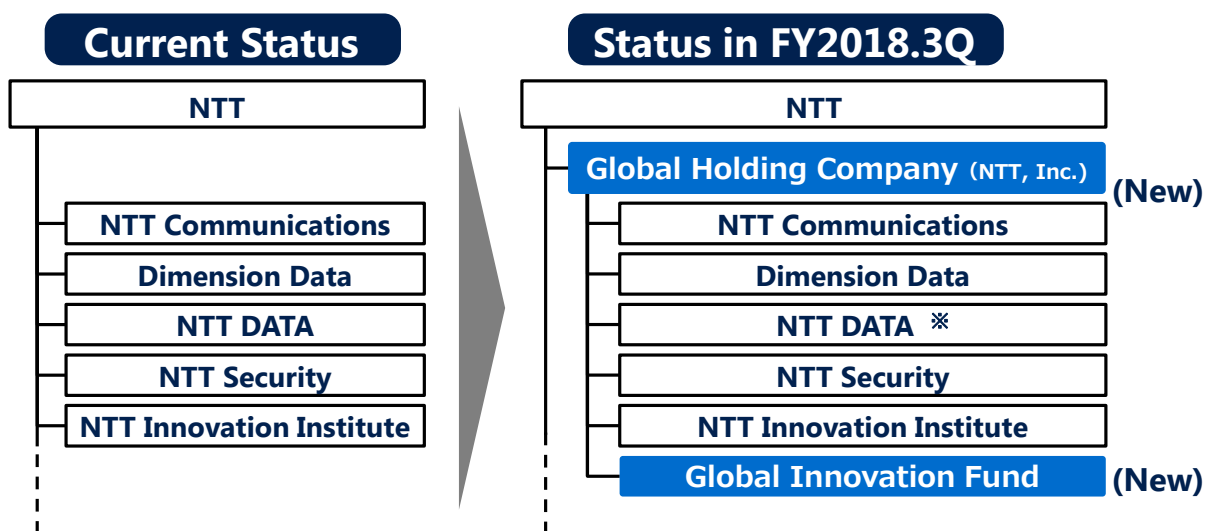
At the same time, NTT intends to become more competitive and profitable in the global market by strengthening its global corporate governance and embracing and integrating the diverse talents, skills and management expertise in global markets of its personnel. Furthermore, NTT is considering integrating the four companies of NTT Communications, Dimension Data, NTT Security and NTTi3 (excluding the NTT DATA group) into two new businesses by the second quarter of the fiscal year ending March 31, 2020: one business will look after NTT’s global business, and the other will cater to NTT’s domestic business in Japan.

NTT DATA will continue to collaborate with other companies in the Group while retaining its present management structure, status as a listed company, management autonomy and brand.

(2) Expanding NTT’s Global R&D Capability

Further steps for NTT will include creating a new global innovation fund, NTT Venture Capital, L.P.⁽¹⁾, that will help NTT to evolve its global innovation. With this new fund, NTT will activate investment in high-growth areas such as digital technology. In addition, NTT will seek to intensify its R&D activities in global markets by utilizing its existing global network of experts from advanced academic research institutions and venture-capital communities around the world.

Conceptual Diagram of Future Initiatives



※NTT DATA will continue to collaborate with other companies in the Group while retaining its present management structure, status as a listed company, and brand.

3. Overview of Global Holding Company

NTT will transfer its existing indirect wholly owned subsidiary under NTT and rename it to NTT, Inc., and will then transfer shares it currently holds of NTT Communications, Dimension Data, NTT DATA, NTT Security and NTTi3 to NTT, Inc. through contributions-in-kind. The following overview is current as of August 7, 2018.

(1) Company Name	<i>NTT Kabushikigaisha</i> (English name: NTT, Inc.)
(2) Company Headquarters	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Representative Title/Name	Representative Director and Chief Executive Officer (CEO) Jun Sawada
(4) Business Operations	Governance, strategy planning and policy promotion for the global business of NTT Group
(5) Capitalization	¥3.0 million (after transfer of subsidiaries in the third quarter of the fiscal year ending March 31, 2019: ¥600.0 billion)
(6) Date of Establishment	July 5, 2006 (date of establishment of indirect wholly owned subsidiary of NTT)
	※ NTT, Inc. will commence business operations as a global holding company in the third quarter of the fiscal year ending March 31, 2019.
(7) Major Shareholders and Shareholding Percentage	Nippon Telegraph and Telephone Corporation: 100%

* As NTT, Inc. has not commenced business operations as a global holding company, the financial condition and results of operation of the company for the past three years have been omitted.

Notes:

(1) Overview of NTT Venture Capital, L.P. (Global Innovation Fund)

(1) Fund Name	NTT Venture Capital, L.P.
(2) Location	United States of America

(3) Scope	Up to U.S.\$500 million (anticipated)
(4) Investment Policy	Investments with a primary focus on high-growth technology areas such as digital technology

4. Overview of Major Companies Scheduled to be Transferred from Direct to Indirect Subsidiaries

- Overview of NTT Communications

(1) Company Name	NTT Communications Corporation
(2) Company Headquarters	1-6, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Representative Title/Name	Representative Director and President Tetsuya Shoji
(4) Business Operations	Provision of inter-prefectural and international communications services and internet-related services
(5) Capitalization	¥230.9 billion
(6) Date of Establishment	July 1, 1999
(7) Major Shareholders and Shareholding Percentage	Nippon Telegraph and Telephone Corporation: 100%

- Overview of Dimension Data Holdings

(1) Company Name	Dimension Data Holdings plc
(2) Company Headquarters	Building 2, Waterfront Business Park, Fleet, Hampshire, England, United Kingdom
(3) Representative Title/Name	CEO Jason Goodall
(4) Business Operations	Support for IT systems, including infrastructure development and maintenance, for corporate customers
(5) Capitalization	U.S.\$889 million
(6) Year of Establishment	1983
(7) Major Shareholders and Shareholding Percentage	Nippon Telegraph and Telephone Corporation: 100%

- Overview of NTT DATA

(1) Company Name	NTT DATA Corporation
(2) Company Headquarters	3-3, Toyosu 3-chome, Kōtō-ku, Tokyo, Japan
(3) Representative Title/Name	Representative Director and President Yo Honma
(4) Business Operations	Provision of data communications services and network system services
(5) Capitalization	¥142.5 billion
(6) Date of Establishment	May 23, 1988
(7) Major Shareholders and Shareholding Percentage	Nippon Telegraph and Telephone Corporation: 54.2%

5. Schedule

- (1) Resolution of the Board of Directors to establish a global holding company and to transfer subsidiaries: August 7, 2018
- (2) Contribution-in-kind in subsidiary stock to global holding company: the third quarter of the fiscal year ending March 31, 2019 (scheduled)

6. Future Guidance

The impact of these developments on NTT's consolidated business results for the fiscal year ending March 31, 2019 will be minor, as they are changes among NTT's consolidated subsidiaries.

(Reference) Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2019 (as Announced on May 11, 2018) and Consolidated Results for the Fiscal Year Ended March 31, 2018

	(Millions of yen)		
	Revenues	Operating Income	Net Income Attributable to NTT
Forecast for the Fiscal Year Ending March 31, 2019	11,830,000	1,690,000	880,000
Results for the Fiscal Year Ended March 31, 2018	11,799,587	1,642,843	909,695

For further inquiries, please contact:
Takumi Matsumoto or Takayuki Kimura
Investor Relations Office
Finance and Accounting Department
Nippon Telegraph and Telephone Corporation
TEL: +81-3-6838-5481