

Financial Results
for the Fiscal Year Ended March 31, 2019
and
Financial Forecasts
for the Fiscal Year Ending March 31, 2020

May 10, 2019

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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Overview of FY2018 Consolidated Results

FY2018 Consolidated Results Highlights

- Both Operating Revenues and Operating Income increased to record levels

Status of Consolidated Results

● Operating Revenues:	¥11,879.8B	[+¥97.7B [+0.8%] year-on-year]
● Operating Income:	¥1,693.8B	[+¥52.7B [+3.2%] year-on-year]
● Profit ^{※1} :	¥854.6B	[(¥43.3B) [(4.8%)] year-on-year]
[excluding Tata impact ^{※2}] :		[+¥6.7B [+0.8%] year-on-year]
● EPS:	¥440	[(¥10) [(2.1%)] year-on-year]
[excluding Tata impact ^{※2}] :		[+¥15 [+3.6%] year-on-year]
● Overseas Sales ^{※3} :	\$18.9B	[+\$0.6B [+3.0%] year-on-year]
● Overseas Operating Income Margin ^{※3} :	3.2%	[+0.1pt year-on-year]

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

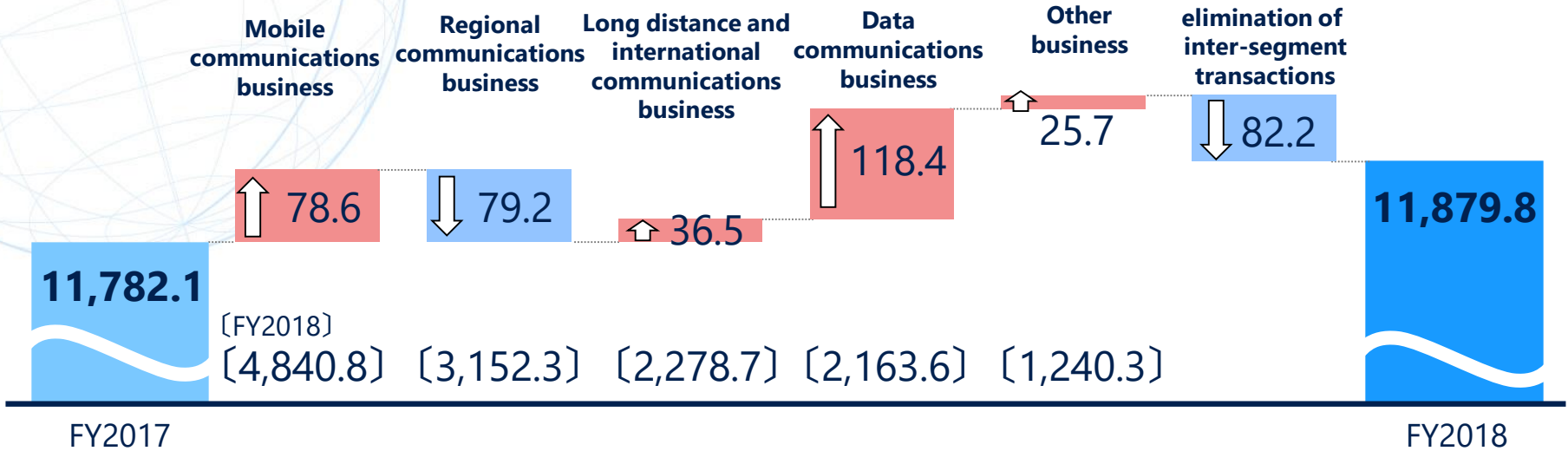
※2 The effects of the arbitration award received from Tata Sons Limited.

※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.

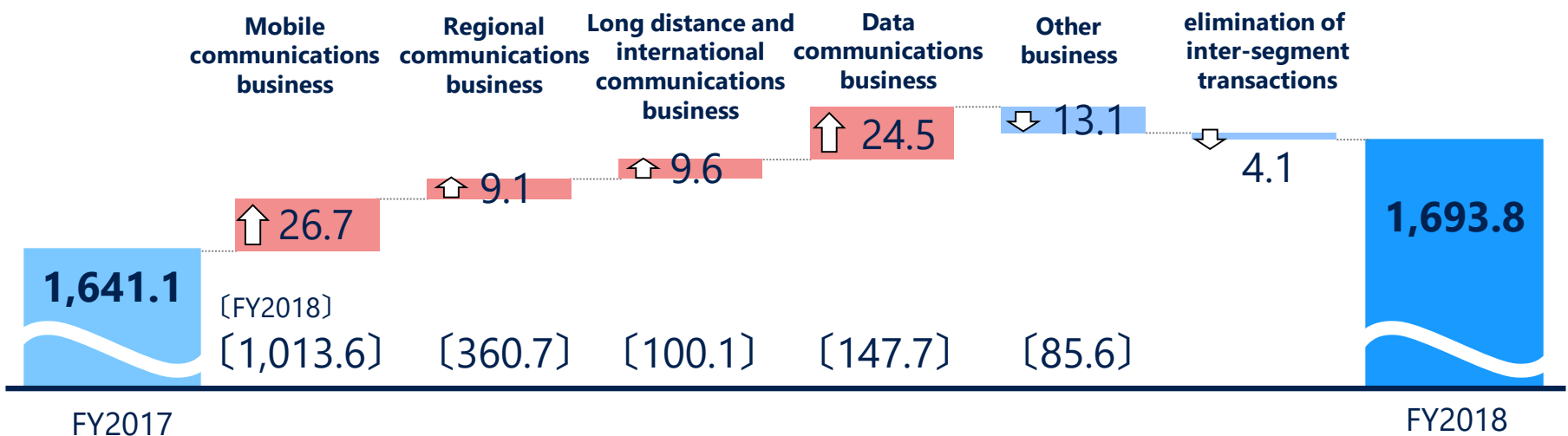
FY2018 Contributing Factors by Segment

(Billions of yen)

Operating Revenues 【Year-on-year: +97.7】



Operating Income 【Year-on-year: +52.7】





FY2019 Results Forecast

FY2019 Forecast Summary

- Operating Revenues and Operating Income will decrease
- Profit and EPS will increase over the previous year

Plan for Consolidated Revenues and Income

	FY2018 Result	FY2019 Forecast	Year-on-Year
Operating Revenues	¥11,879.8B	¥11,830.0B	(¥49.8B)
Operating Income	¥1,693.8B	¥1,550.0B	(¥143.8B)
Profit*	¥854.6B	¥855.0B	+¥0.4B
EPS	¥440	¥456	+¥16

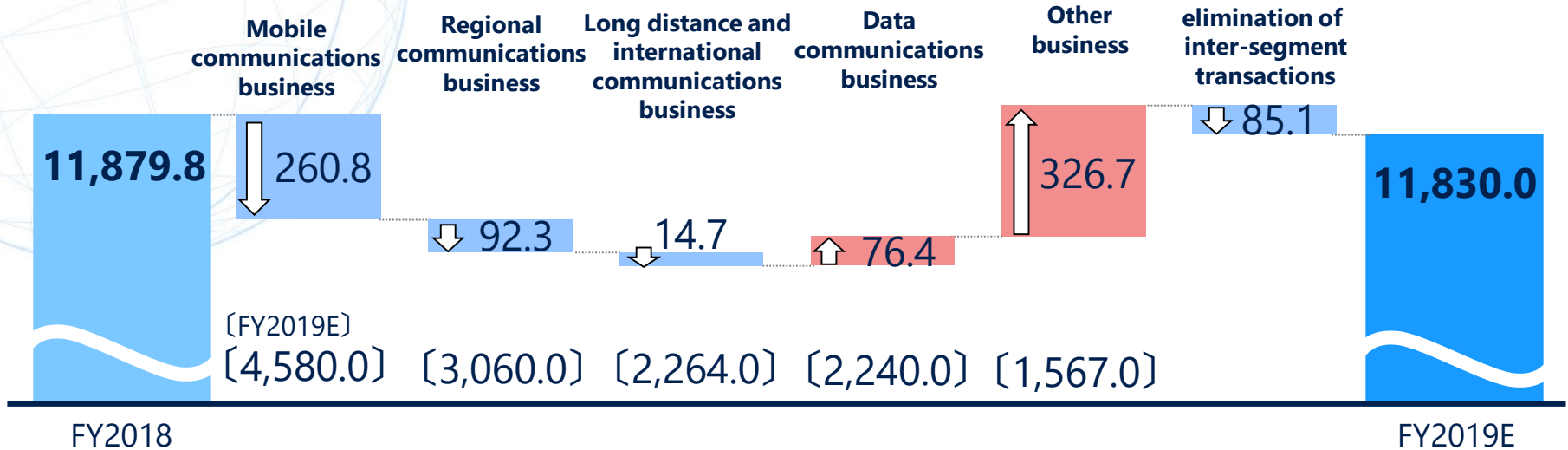
*Profit represents profit attributable to NTT, excluding noncontrolling interests.

FY2019 Forecast Summary by Segment

Operating Revenues

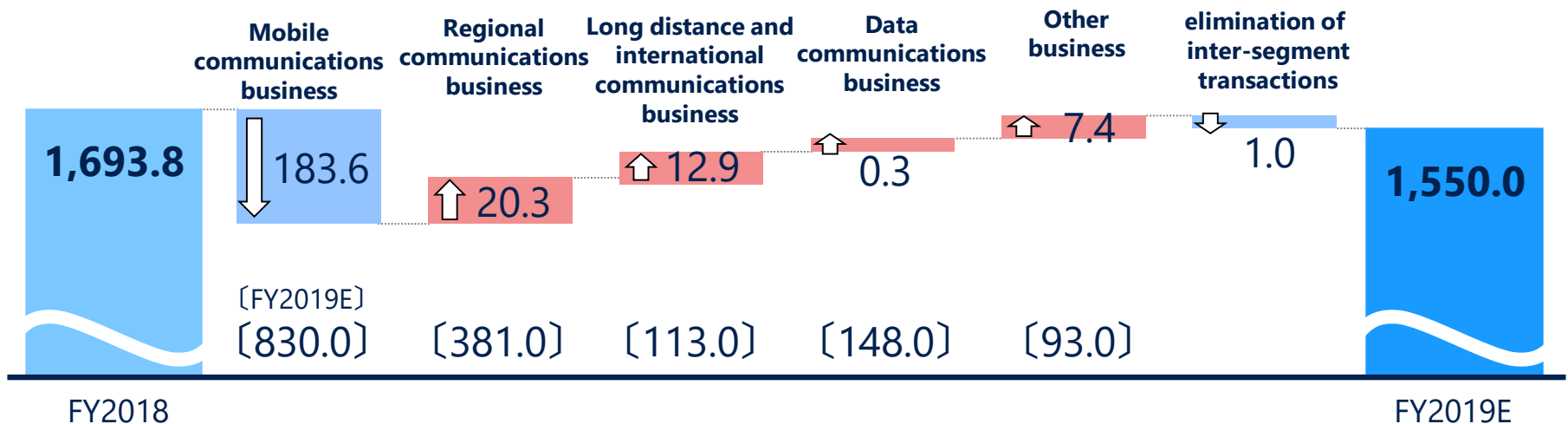
【Year-on-year:(49.8)】

(Billions of yen)



Operating Income

【Year-on-year:(143.8)】





Topics

Overview of Medium-Term Management Strategy Initiatives

~Support Our Customers' Digital Transformations~

1. Promote B2B2X Model

- Number of B2B2X Projects: 39 (as of end of FY2018), to expand to 100 (by FY2021)
- Set B2B2X Sales Target: ¥600.0 billion (for FY2023)

2. Roll Out 5th-Generation Wireless System

- Develop 5G infrastructure for 97.0% meshes^{※1} within 5 years
- Approximately 2,500 companies/organizations are participating in the Open Partner Program^{※2}
- MY NETWORK KOUSOUTM ^{※3} (April 2019)

3. Provide Personal Services

- NTT DOCOMO's simple and great value rate plan (starting from June 2019)
- Established a new company with Yoshimoto Kogyo Co., Ltd. and Cool Japan Fund Inc. to distribute educational "learn while playing" content both domestically and abroad (April 2019)

※1 Approximately 10 square kilometers of secondary mesh (from the Geospatial Information Authority of Japan).

※2 As of March 31, 2019.

※3 "MY NETWORK KOUSOU" is a trademark of NTT DOCOMO, Inc.

~Accelerate Our Own Digital Transformation~

4. Enhance Competitiveness in Global Business

- Clarify the global management structure of the global operating company in July 2019 [Refer to page 13]
- Launched “NTT Global Data Center”, a jointly owned investment company of NTT Group (April 2019)

5. Drive Self-Digital Transformation in Domestic Business

- Promote Connected Value Chain logistics system, and reduce logistics costs by introducing group-shared transportation and warehouse optimization (starting from FY2020)

6. Migrate PSTN to IP Networks

- Currently conducting development and testing in preparation for launching IP connections in January 2021

~Leverage Talent, Technologies, and Assets~

7. Enhance and Globalize R&D

- Established the “NTT Research, Inc.” foreign research institution (April 2019)
- Published “NTT Technology Report for Smart World: What’s IOWN?” (May 2019)

8. Create New Lines of Business (Real estate, etc.)

- Set a medium-term vision for urban solutions business: ¥600.0 billion sales volume (FY2025)
- Establish “NTT Anode Energy” (planned for June 2019) and acquired ENNET Corporation (May 2019) in order to promote our smart energy business [Refer to page 14]
- Acquire NTT InfraNet through a holding company to advance the digitalization of spatial information, with an emphasis on social infrastructure (planned July 2019)
- Establish “NTT Life Science” to advance medical science business utilizing genome technology (planned for July 2019) [Refer to page 15]

9. Contribute to Vitalization of Regional Societies and Economies

- Set specific policies for vitalization of local economies by NTT East and NTT West
- Conduct AI testing for effective responses against special fraud (planned for FY2019.2Q)

10. Disaster Countermeasures

- Start AI-utilizing failure prediction in order to strengthen initial disaster responses (planned for June 2019)
- English language support for information transmissions at the time of disasters by NTT East, NTT West and NTT DOCOMO (April 2019)

Enhance Competitiveness in Global Business

Establishment of the new Global Operating company

- The overseas businesses of NTT Communications, Dimension Data and NTT Security will be integrated to create a new NTT-branded global operating company (NTT Ltd.) starting July 2019.
- The new operating company will transform to deliver Global Managed IT Services as our core value to clients within two years.

■ Legal Name : NTT Ltd.

■ Head Office : London, UK

■ Brand Name :  **NTT**

■ CEO : Jason Goodall (TBC)

■ Revenue^{※1} : US \$11Billion^{※2}

■ Employees^{※1} : 40,000^{※2}

■ Location^{※1} : 57 countries

※1: Based of FY2018 result ※2: approximately

■ Board Members (TBC)

Tsunehisa Okuno

Executive Vice President, Head of Global Business, NTT

Jason Goodall

Group Chief Executive Officer, Dimension Data

Masaaki Moribayashi

Senior Executive Vice President, NTT Communications

David Sherriffs

Chief Financial Officer, Dimension Data

Rory Scott

Independent Non-executive Director, Dimension Data

Vab Goel

General Partner, NTT Venture Capital

NOTE: The name of domestic (Japan) operating company will be NTT Communications

Create New Lines of Business

~Smart Energy Business~

Establishment of Energy Business Promotion Company

- In order to establish and launch a smart energy business, will establish "NTT Anode Energy" (planned for June 3, 2019)

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

FY2025
(Target)

Sales
Volume of
¥600.0
Billion*

Acquisition of ENNET Corporation

- NTT purchased private placement of shares conducted by ENNET (May 10, 2019)

* Sales volume related to NTT Group energy related businesses

Create New Lines of Business

~Medical Science Business~

Healthcare Management Support through Big Data

- Leverage NTT Group's data analysis and security technology to establish a healthcare recommendation business that contributes to health promotion

Achieve Well-Being

Employees of businesses that promote corporate wellness

Offer Recommendations through Medical Institutions
(Improvements tailored to each individual's constitution)

Research institutes
Venture funds
and others

Provide healthcare information through data analysis

Healthcare Data

Genome Data

Health and Behavioral Data

ICT

(Big Data analysis
AI technology
Security)

Alliance Partners



NTT Life Science (New company)

Strengthen Corporate Governance

Improve the Presence of Outside and Female Members of the Board

- From the perspective of strengthening the supervisory function of the Board of Directors and improving corporate governance, and at the same time promoting diversity, we will increase the number of outside Members of the Board by two members and newly appoint two female Members of the Board

(Proposal for the Annual General Meeting of Shareholders scheduled for June 25)

【Current】

Members of the Board [Internal]	<u>10</u> (0)
Members of the Board [Outside]	<u>2</u> (0)
Total	<u>12</u> (0)

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>11</u> (1)
Members of the Board [Outside]	<u>4</u> (1)
Total	<u>15</u> (2)

Audit & Supervisory Board Members [Internal]	2 (1)
Audit & Supervisory Board Members [Outside]	3 (1)
Total	5 (2)

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

Dividends

- **Aggregate annual dividends for FY2019 expected to increase to ¥190 per share (an increase of ¥10 from FY2018)**

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 53,000,000 shares**
 - **Buyback Period: From May 13, 2019 to July 31, 2019**



Appendix



Broadband Services

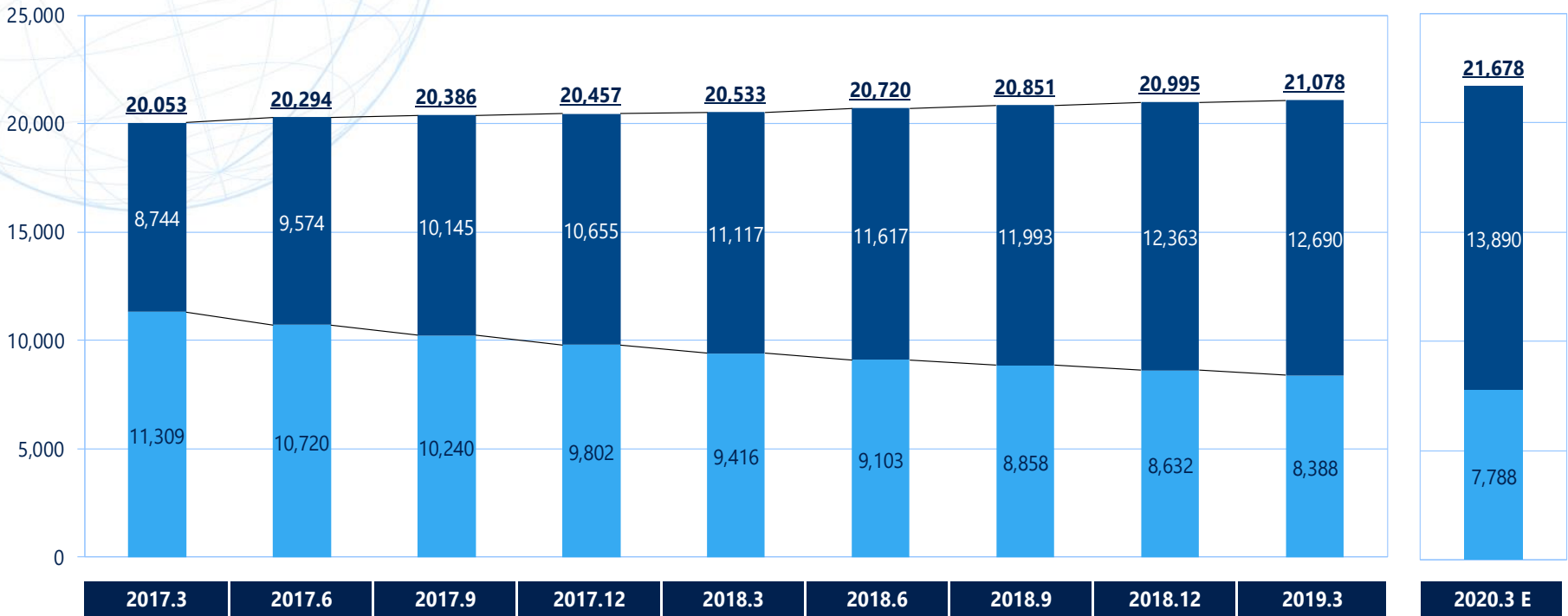
Fixed-Line Broadband Services Subscriptions



Number of Subscriptions

(Thousands)

■ Hikari Collaboration Model ■ FLET'S Hikari



Net Increase

	2017 4-6	2017 7-9	2017 10-12	2018 1-3	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4 - 2020 3 E
Total	+241	+92	+72	+75	+187	+131	+144	+83	+600
Hikari Collaboration Model	+830	+571	+510	+462	+500	+376	+370	+327	+1,200
FLET'S Hikari	▲589	▲480	▲438	▲387	▲313	▲245	▲226	▲244	▲600
		+2,373				+1,573			
		▲1,894				▲1,028			

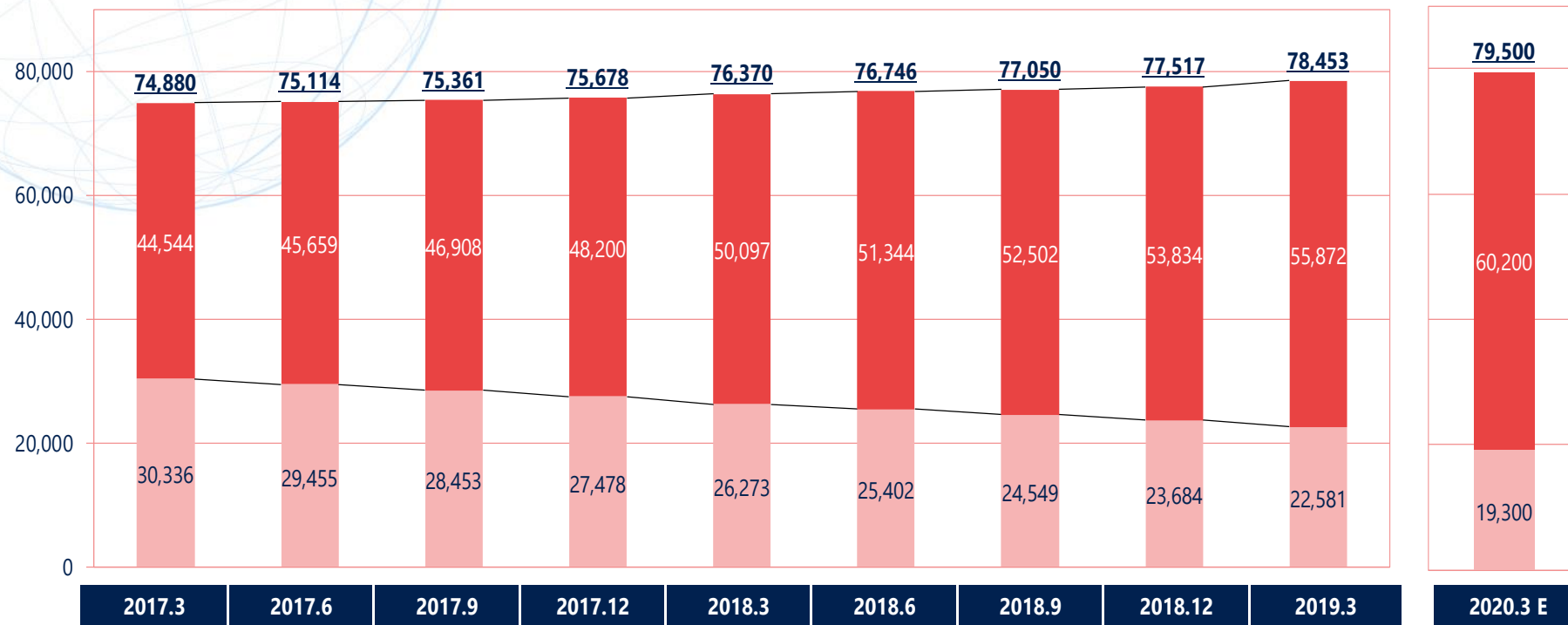
Mobile Communications Services Subscriptions



Number of Subscriptions

(Thousands)

■ LTE (Xi) ■ FOMA



Net Increase

	2017 4-6	2017 7-9	2017 10-12	2018 1-3	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4 - 2020 3 E
LTE(Xi) + FOMA	+234	+247	+317	+692	+376	+304	+467	+935	+1,050
	+1,491			+2,083					



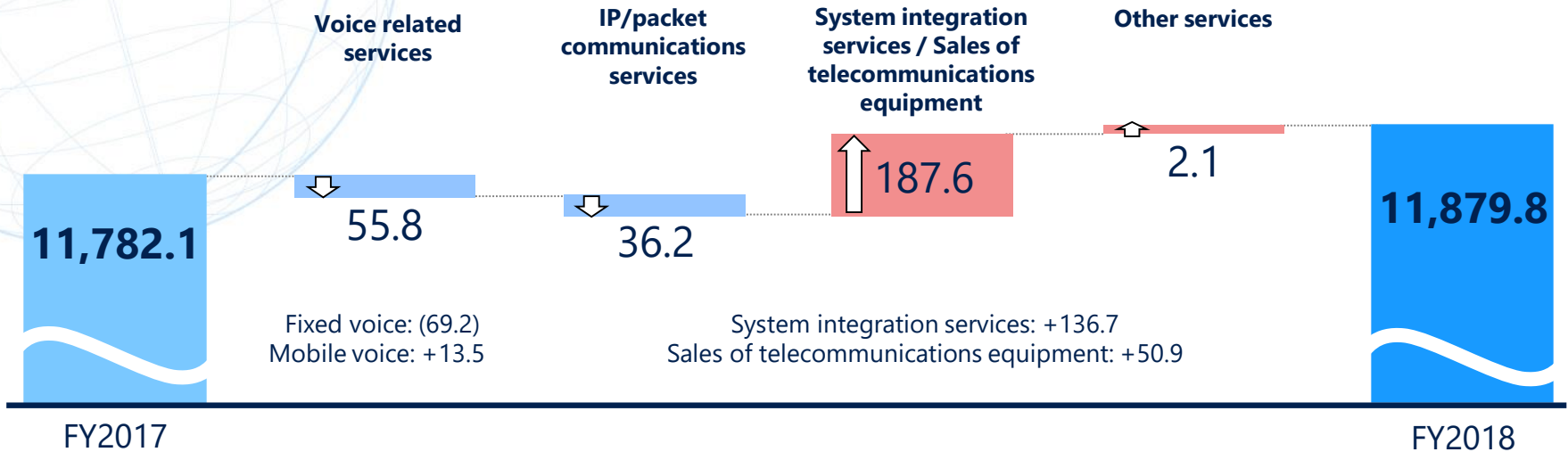
Financial Information

Details of Consolidated Statement of Income

(Billions of yen)

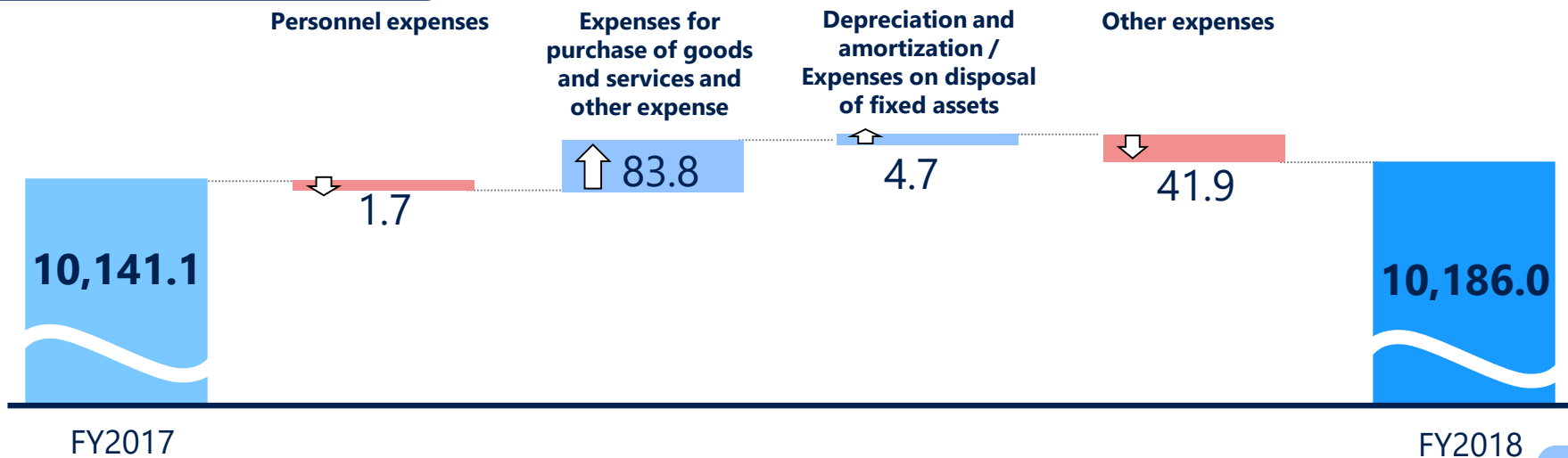
Operating Revenues

[Year-on-year: +97.7]



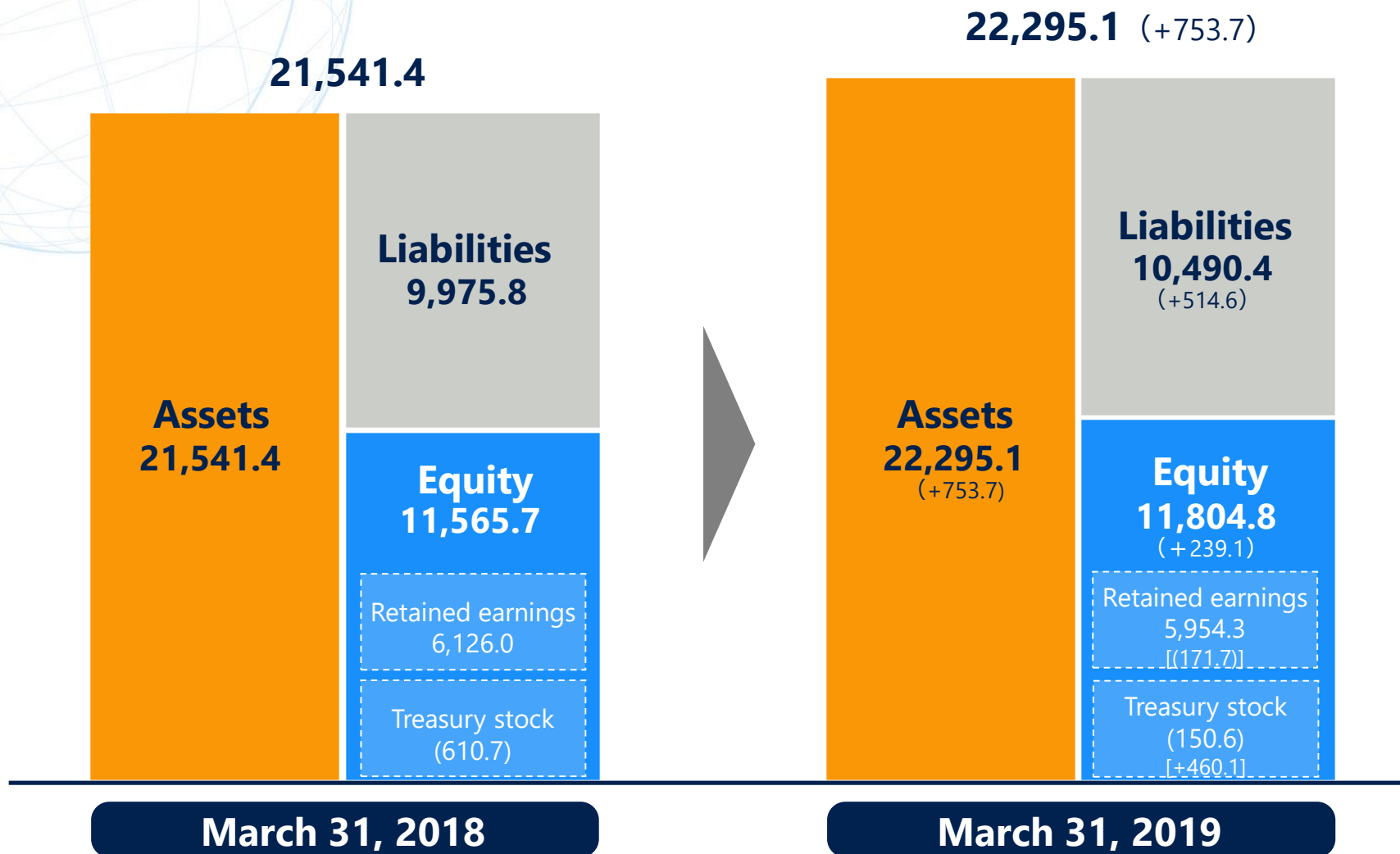
Operating Expenses

[Year-on-year: +44.9]



Details of Consolidated Balance Sheet

(Billions of yen)



Details of Consolidated Cash Flows

(Billions of yen)

Cash Flows from Operating Activities

(A)

Cash Flows from Investing Activities

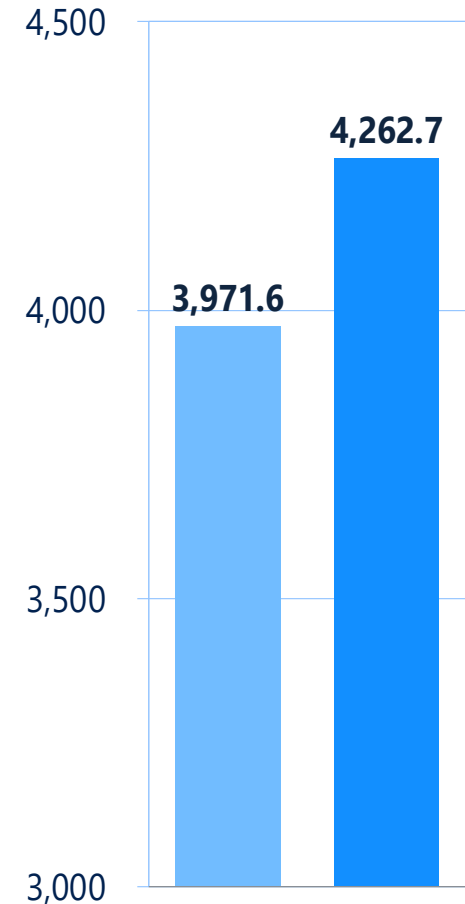
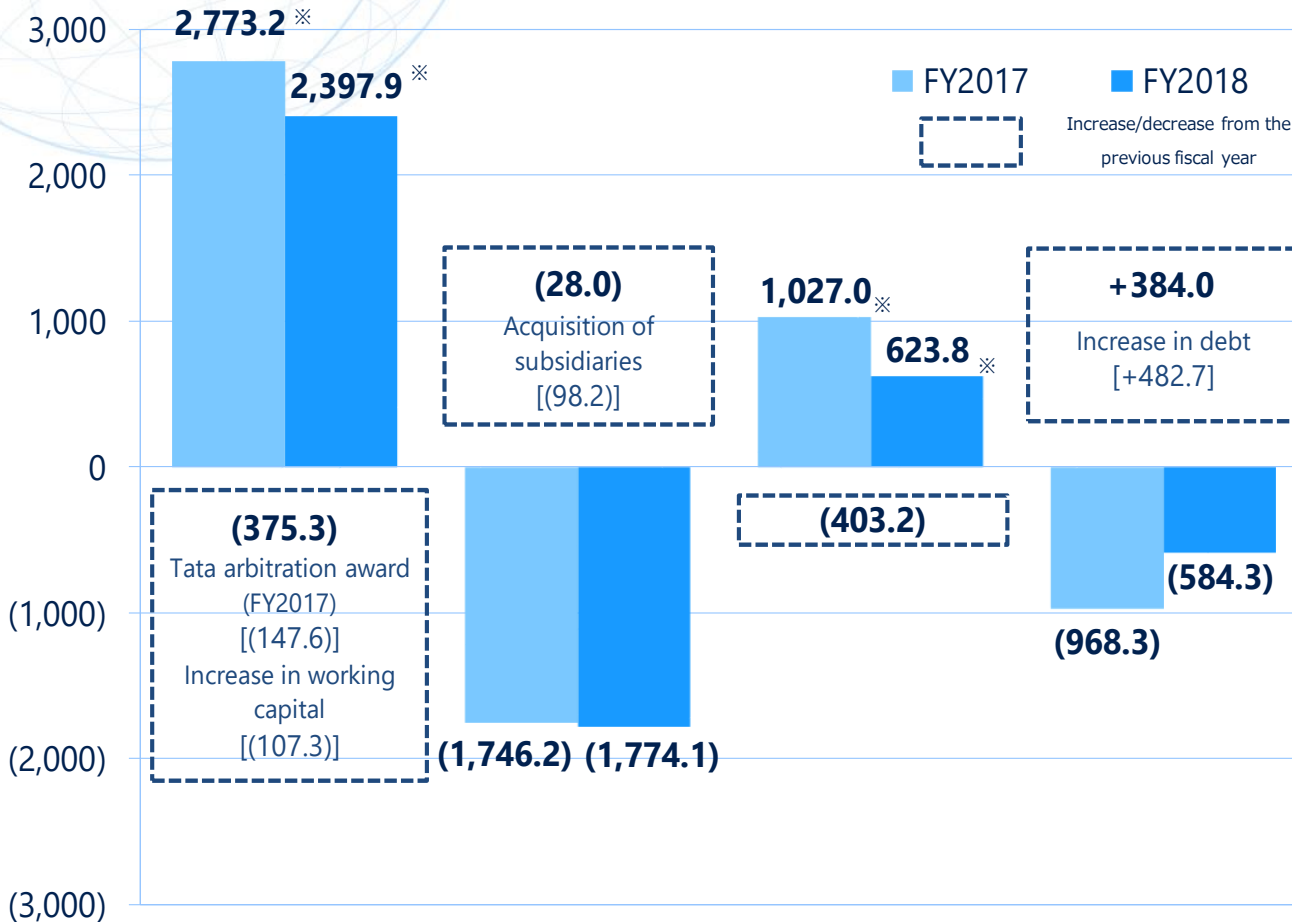
(B)

FCF

(A)+(B)

Cash Flows from Financing Activities

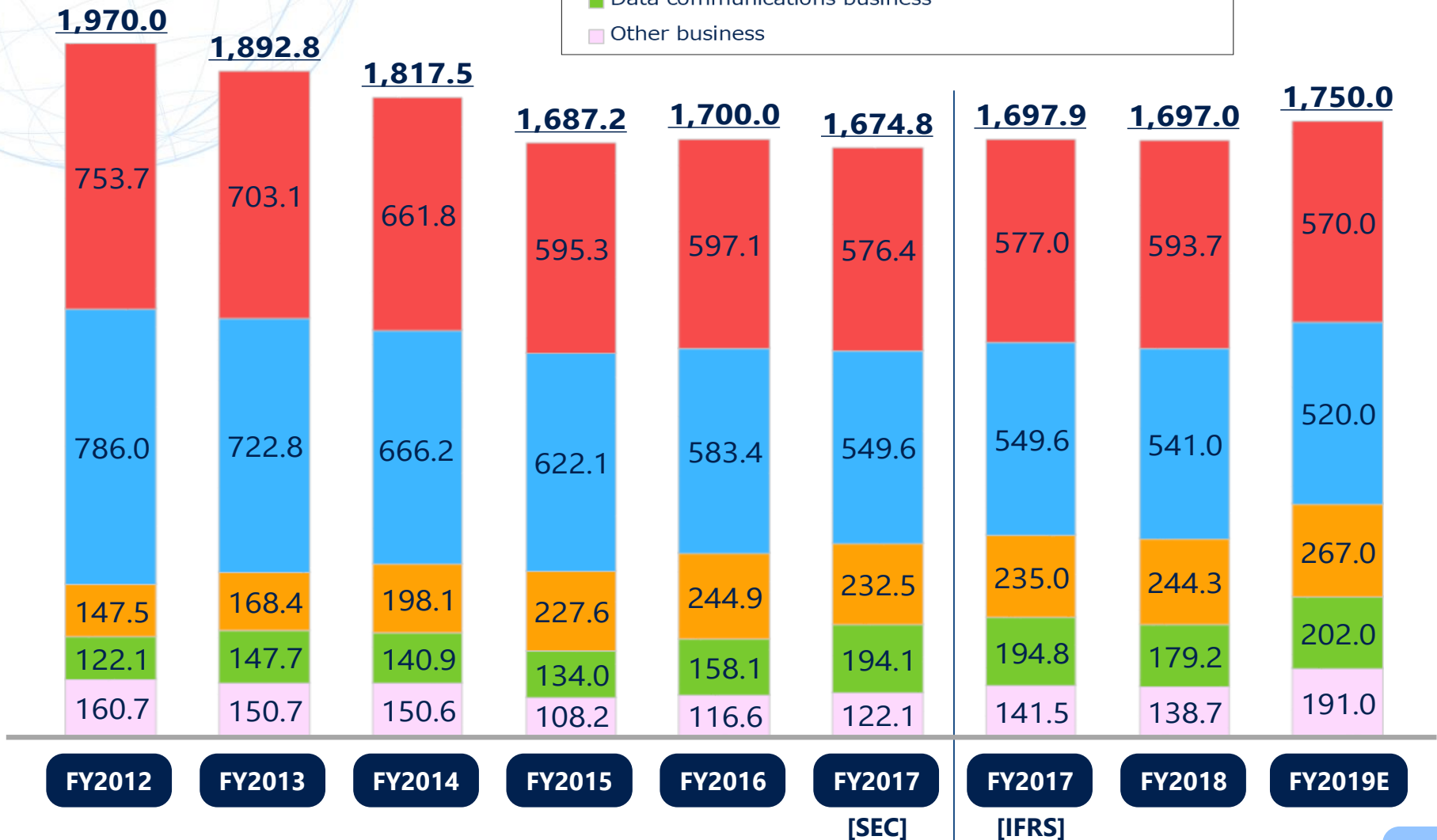
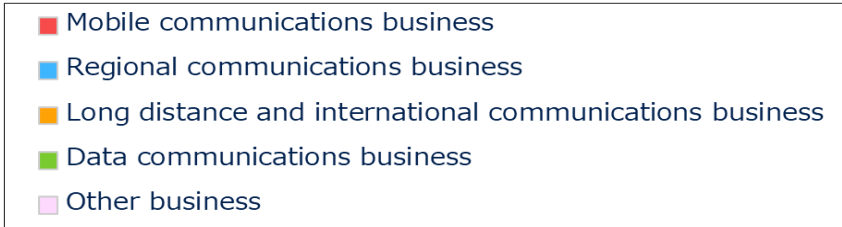
Interest-Bearing Debt



*Amounts excluding the impact of the last days of FY2017 and FY2018 having been non-business days.

Details of Capital Investment

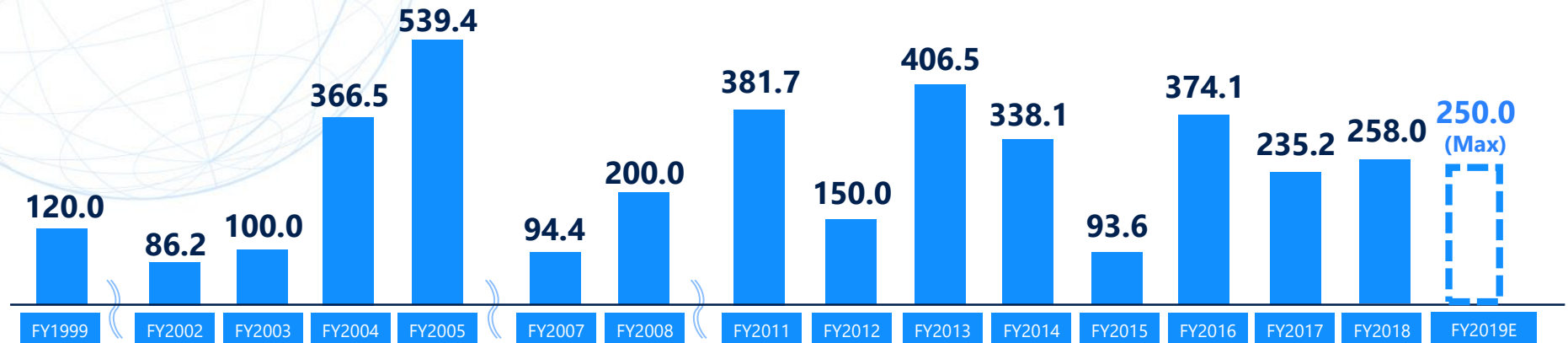
(Billions of yen)



Shareholder Returns

Share Buybacks

(Billions of yen)

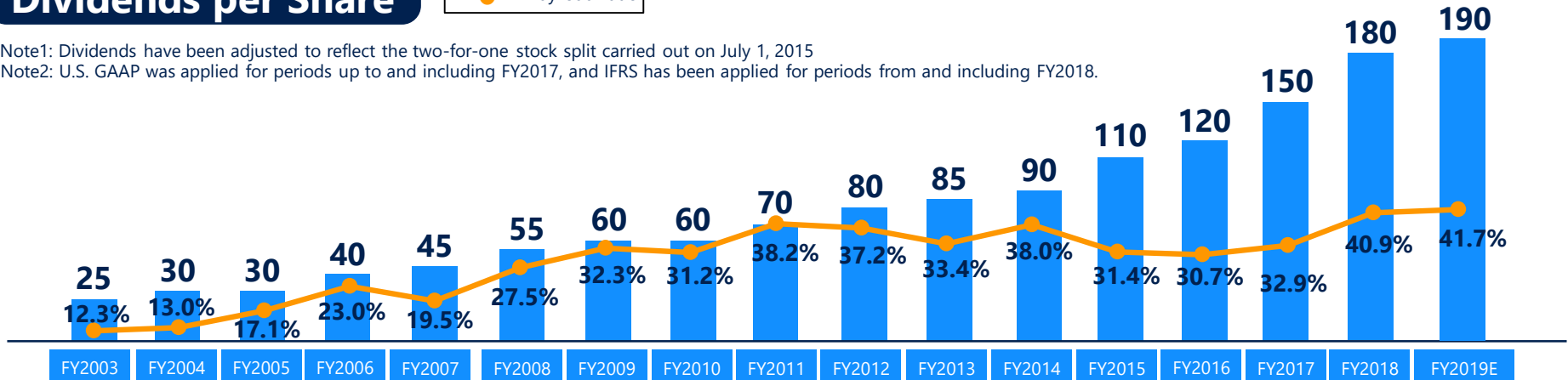


Dividends per Share

Pay-out Ratio

(Yen)

Note1: Dividends have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015
 Note2: U.S. GAAP was applied for periods up to and including FY2017, and IFRS has been applied for periods from and including FY2018.





Your Value Partner