

# **Financial Results for the Fiscal Year Ended March 31, 2019 (20<sup>th</sup> Term)**

May 10, 2019

Nippon Telegraph and Telephone East Corporation  
("NTT East")

# 1. Financial Results for the Fiscal Year Ended March 31, 2019

- Operating revenues decreased 46.2 billion yen from the previous fiscal year to 1,740.6 billion yen  
Operating profit increased 9.9 billion yen from the previous fiscal year to 242.7 billion yen  
As a result, both revenues and profits increased over the previous fiscal year
- Net increase in FLET'S Hikari subscriptions of 70,000 from the previous year to 390,000

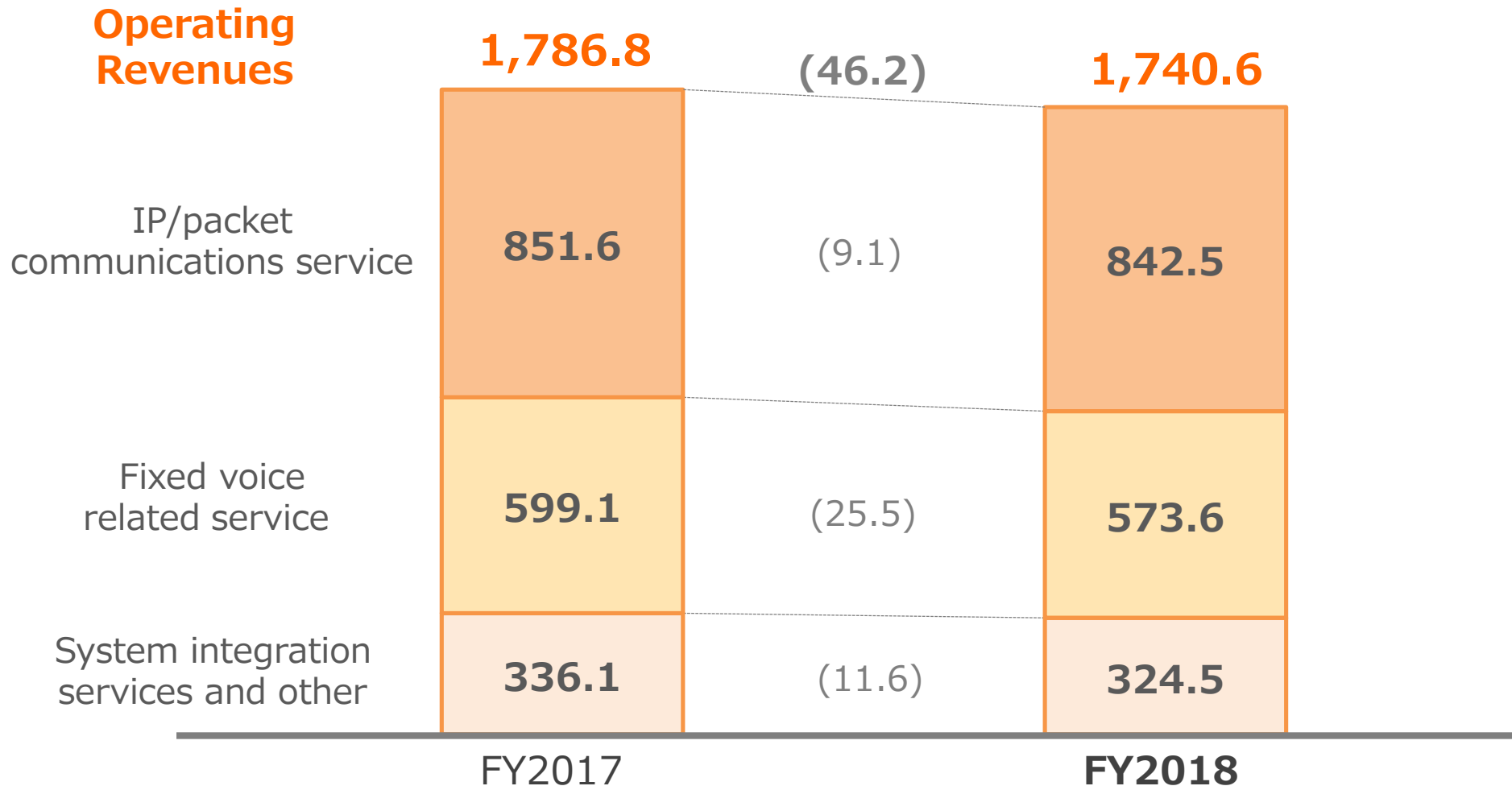
(Unit: Billions of yen, except FLET'S Hikari Subscriptions)

| IFRS<br>(Consolidated)                          | FY2017  | <b>FY2018</b>  | Increase<br>(Decrease) | Change<br>(%) |
|---|---------|----------------|------------------------|---------------|
| Operating Revenues                              | 1,786.8 | <b>1,740.6</b> | (46.2)                 | (2.6%)        |
| Operating Expenses                              | 1,554.1 | <b>1,498.0</b> | (56.1)                 | (3.6%)        |
| Operating Profit                                | 232.7   | <b>242.7</b>   | + 9.9                  | + 4.3%        |
| Profit Attributable<br>to NTT East              | 162.4   | <b>166.0</b>   | + 3.6                  | + 2.2%        |
| Net increase in FLET'S<br>Hikari Subscriptions* | 32      | <b>39</b>      | + 7                    | + 22.4%       |
| Capital Investment                              | 268.6   | <b>274.1</b>   | + 5.4                  | + 2.0%        |

\* Unit: 10,000 subscriptions. Figures for FLET'S Hikari include subscriptions under the Hikari Collaboration Model.

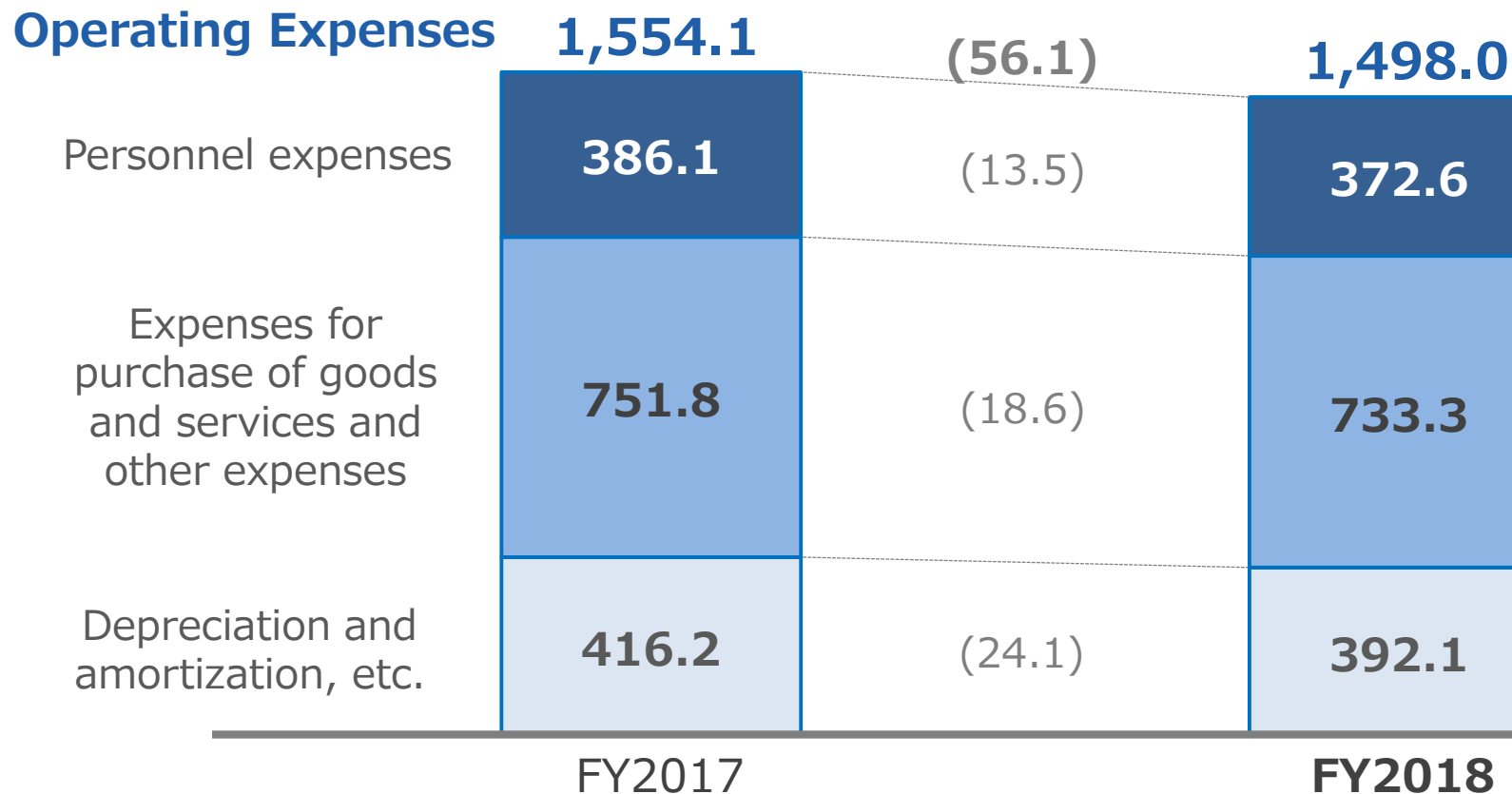
## 2. Changes in Operating Revenues

(Unit: Billions of yen)



### 3. Changes in Operating Expenses & Operating Income

(Unit: Billions of yen)



## 4. Forecast for FY2019

- Operating Revenues are expected to decrease 69.6 billion yen year-on-year to 1,671.0 billion yen.
- Operating Profit is expected to increase 10.4 billion yen year-on-year to 253.0 billion yen, due to the expected decrease in revenues being offset by a decrease in expenses.
- Profit Attributable to NTT East is expected to reach 175.0 billion yen.

| IFRS<br>(Consolidated)                          |                                      | FY2018<br>Results | FY2019<br>Forecasts | Increase<br>(Decrease) | Change (%) |
|---|--------------------------------------|-------------------|---------------------|------------------------|------------|
| Operating Revenues                              | Billions of<br>yen                   | 1,740.6           | <b>1,671.0</b>      | (69.6)                 | (4.0)%     |
| Operating Profit                                |                                      | 242.7             | <b>253.0</b>        | + 10.4                 | + 4.3%     |
| Profit Attributable<br>to NTT East              |                                      | 166.0             | <b>175.0</b>        | + 9.0                  | + 5.4%     |
| Net Increase in FLET'S<br>Hikari Subscriptions* | Ten<br>thousands of<br>subscriptions | 39                | <b>40</b>           | + 1                    | + 2.8%     |
| Capital Investment                              | Billions of<br>yen                   | 274.1             | <b>265.0</b>        | (9.1)                  | (3.3%)     |

\* Figures for FLET'S Hikari include subscriptions under the Hikari Collaboration Model.

# 5. Revitalization of Regional Economies (1)

## Providing Secure and Highly Reliable Information Communication Services

### I . Establishing high speed broadband networks which connect regions

- Achieve the implementation of regional edge computing and build a high-volume transmission infrastructure to accommodate increased traffic



### II . Making entire areas broadband-connected and diversifying access services

- Expand the Hikari coverage area by collaborating with local government organizations
- Improve the quality of access services for businesses
- Offer solutions leveraging wireless technology (Wi-Fi, LPWA, Local 5G)



### III . Offering ICT Services that support customers' digital transformation

- Provide one-stop services (Access Service x IoT/AI x support) that relieve the shortage of workers
- Establish a new "Digital Transformation Headquarters" in order to strengthen support for customers' DX (planned for July 2019)

## Expanding Business Areas to Revitalize Regional Economies

### IV . Leveraging company assets

- Promote open innovation in collaboration with local universities, governments and businesses
- Support services that support local communities (respond to outsourcing needs)



### V Trying to make local areas more attractive for new businesses to create jobs

- Preserve local legacies (traditional techniques/crafts), revitalize towns through e-Sports, and commercialize agriculture x ICT

## 6. Revitalization of Regional Economies (2)

### Develop “Food/Agriculture x ICT” Business

#### ■ Implement IoT in Agriculture

- “Agri-Innovation Lab @ Yamanashi” collaborative project with the region (“Advanced IoT Project,” sponsored by the Ministry of Economy, Trade and Industry and others, and award-winner for revitalization of regional economies)

#### ■ Provide Food and Agriculture Solutions

- Digitalization solutions for food hygiene management corresponding to HACCP
- Utilize ICT to provide solutions for environmental control and yield forecasting in next-generation horticultural facilities, contributing to improvements in agricultural productivity

### Preserve Local Techniques/Cultural Assets

#### ■ Visualization of the Sake Production Process

- Install a temperature sensor for manufacturing processes, and collect and analyze data in the cloud in order to stabilize quality and work toward the transfer of skilled techniques  
(June 2018 in Kumagaya in Saitama Prefecture; October 2018 in Osaki in Miyagi Prefecture)

#### ■ Preservation of Pottery and Other Cultural Assets

- Digitalization of experts’ know-how gained through years of experience and insight, and digitally archive local cultural assets  
(April 2019 in Fujigawa in Yamanashi Prefecture)

### Town Revitalization Leveraging ICT

#### ■ Promote Smart Cities by Collaborating with Local Governments

- Started demonstration tests aimed at sustainable town renewal through the implementation of ICT  
(March 2019 in Kisarazu in Chiba Prefecture)

#### ■ Town Revitalization through e-Sports

- Provide ICT environments when events are hosted, in addition to support for event planning and management

### Support the DX of Small and Medium Enterprise Customers

#### ■ Automation and Visualization of Work Sites through IoT

- Started demonstration tests that used wearable devices for the visualization of the activities of warehouse workers and for health management (January 2018)
- Launched an IoT package for factories that uses cameras and sensors to visualize the operating status of manufacturing machinery (November 2018)

#### ■ Optimize Office Work by Leveraging ICT

- Started offering “AI Reading/Omakase RPA”, which automates tasks from completing handwritten forms to system inputs, increasing office productivity (January 2019)

### Leveraging Company Assets


#### ■ Smart Innovation Lab Using Communications Buildings

- Established a lab for business co-creation, equipped with GPU servers and collaborative work spaces, in the Tokyo Kuramae Building (June 2018), and expanded to Sapporo and Sendai
- In Sendai, in addition to building redevelopment, created an environment where “knowledge” and “talent” from industry/academia/government can come together, and promoted open innovation in the region

#### ■ BPO Utilizing Group Assets

- Promoted BPO to maintain local social infrastructure and services for local people by leveraging communications buildings and assets including technology, know-how and personnel





The forward-looking statements and projected figures concerning the future performance of NTT East, its parent company (NTT) and their respective 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 East in light of information currently available to it regarding NTT East, 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 East, NTT and their respective 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.



## CHANGES IN BOARD OF DIRECTORS (NTT East)

Scheduled appointment date: June 21, 2019

(1) Candidates for Senior Vice President

Tamaki Endo (Senior Manager, New Business Development Headquarters)

Junya Inoue (Executive Manager, Tokyo Olympic & Paralympic Promotion Office)

Masahiro Takizawa (Executive Manager, Marketing Strategy Office, Corporate Strategy Planning Department)

Astuhiko Fuseya (Nippon Telegraph and Telephone Corporation, Vice President of General Affairs Department)

(2) Candidate for Audit & Supervisory Board Member

Masaharu Higashitamori (NTT FINANCE CORPORATION, Executive Vice President)

(3) Senior Vice Presidents scheduled to resign from office

Senior Vice President      Kiyoshi Harada (scheduled to take office at NTT FINANCE CORPORATION)

Senior Vice President      Hideyuki Noike (scheduled to take office at Nippon COMSYS Corporation)

Senior Vice President      Kanae Takahashi (scheduled to take office at NTT INFRASTRUCTURE NETWORK CORPORATION)

Senior Vice President      Takashi Torigoe (scheduled to take office at NTT LEARNING SYSTEMS CORPORATION)

(4) Audit & Supervisory Board Member scheduled to resign from office

Corporate Auditor      Wataru Kagawa

(5) New Executive Positions and Organizational Responsibilities

Scheduled appointment date: June 21, 2019

| New Position(s) and Organizational Responsibilities  | Name              | Current Position(s) and Organizational Responsibilities  |
|--|-------------------|--|
| Senior Vice President;<br>General Manager, Tokyo Business Division   | Koji Nakae        | Senior Vice President;<br>Deputy Senior Executive Manager,<br>Business Innovation Headquarters   |
| Senior Vice President;<br>Deputy Senior Executive Manager,<br>Business Innovation Headquarters;<br>Executive Manager,<br>Value Create Department,<br>Business Innovation Headquarters                | Naotaka Kamiya    | Senior Vice President;<br>Executive Manager,<br>Customer Relations Department,<br>Business Innovation Headquarters   |
| Senior Vice President;<br>Executive Manager,<br>Plant Planning Department,<br>Network Business Headquarters;<br>Executive Manager,<br>Service Operation Department,<br>Network Business Headquarters | Riaki Hoshino     | Senior Vice President;<br>Executive Manager,<br>Plant Planning Department,<br>Network Business Headquarters;<br>Executive Manager,<br>Service Operation Department,<br>Network Business Headquarters;<br>In charge of 2020 Preparation |
| Senior Vice President;<br>Deputy Senior Executive Manager,<br>Business Innovation Headquarters   | Tamaki Endo       |  |
| Senior Vice President;<br>Executive Manager,<br>Tokyo Olympic & Paralympic Promotion Office  | Junya Inoue       |  |
| Senior Vice President;<br>Executive Manager,<br>Marketing Strategy Office,<br>Corporate Strategy Planning Department   | Masahiro Takizawa |  |
| Senior Vice President;<br>Senior Executive Manager,<br>Sales Promotion Headquarters;<br>Executive Manager,<br>Business Promotion Department,<br>Sales Promotion Headquarters                         | Atsuhiko Fuseya   |  |

| New Position(s) and Organizational Responsibilities  | Name             | Current Position(s) and Organizational Responsibilities<br>(as of June 20, 2019)  |
|--|------------------|---|
| Senior Executive Vice President,<br>Representative Director;<br>Senior Executive Manager,<br>New Business Development Headquarters;<br>Senior Executive Manager,<br>Digital Transformation Headquarters;<br>In charge of:<br>Risk Management;<br>Corporate Strategy Planning;<br>Information Security  | Naoki Shibutani  | Senior Executive Vice President,<br>Representative Director;<br>Senior Executive Manager,<br>New Business Development Headquarters;<br>In charge of:<br>Risk Management;<br>Corporate Strategy Planning;<br>Information Security;<br>IT Innovation  |
| Executive Vice President;<br>Senior Executive Manager,<br>Network Business Headquarters;<br>Executive Manager, Engineering Department,<br>Network Business Headquarters;<br>In charge of:<br>Interconnection Promotion;<br>Tohoku Future Network Design<br>and Reconstruction<br>Head of Plant pursuant to Ordinance<br>for Enforcement of the<br>Telecommunications Business Act;<br>Responsible for Information<br>Management pursuant to Ordinance<br>for Enforcement of the<br>Telecommunications Business Act | Hiroshi Tanabe   | Executive Vice President;<br>Senior Executive Manager,<br>Network Business Headquarters;<br>Executive Manager, Engineering Department,<br>Network Business Headquarters;<br>In charge of:<br>Interconnection Promotion;<br>Procurement and Supply;<br>Tohoku Future Network Design<br>and Reconstruction<br>Head of Plant pursuant to Ordinance<br>for Enforcement of the<br>Telecommunications Business Act;<br>Responsible for Information<br>Management pursuant to Ordinance<br>for Enforcement of the<br>Telecommunications Business Act |
| Senior Vice President;<br>Deputy Senior Executive Manager,<br>Digital Transformation Headquarters;<br>Executive Manager,<br>Digital Innovation Department,<br>Digital Transformation Headquarters;<br>Executive Manager,<br>Planning Department<br>Digital Transformation Headquarters   | Takaya Kitaguchi | Senior Vice President;<br>Executive Manager,<br>IT Innovation Department  |
| Senior Vice President;<br>Executive Manager,<br>Plant Planning Department,<br>Network Business Headquarters  | Riaki Hoshino    | Senior Vice President;<br>Executive Manager,<br>Plant Planning Department,<br>Network Business Headquarters;<br>Executive Manager,<br>Service Operation Department,<br>Network Business Headquarters  |

Notes: Masaharu Higashitamori, who is expected to be appointed as an Audit & Supervisory Board Member, and Kiyoshi Kobayashi, who is expected to be re-elected as an Audit & Supervisory Board Member, are candidates to be outside Audit & Supervisory Board Members.

The Senior Vice Presidents scheduled to resign from office are expected to resign at the conclusion of the 20th Annual General Shareholders' Meeting (to be held on June 21, 2019).

# Financial Results for the Fiscal Year Ended March 31, 2019 (20<sup>th</sup> Term)

Mitsuyoshi Kobayashi, President  
Nippon Telegraph and Telephone West Corporation  
("NTT West")

# FY2018 Financial Results and FY2019 Forecast

- FY2018 operating income was 118.3 billion yen (an increase of 10.0 billion yen year-on-year)
  - FY2019 operating income is expected to increase 9.7 billion yen to 128.0 billion
- Operating revenues will steadily expand in growth areas such as SI and new areas

(Unit : Billions of yen, Ten thousand contracts)

|                                       | FY2017<br>Results | FY2018<br>Results | Year-on-year<br>Change | FY2019<br>Forecast | Year-on-year<br>Change |
|---------------------------------------|-------------------|-------------------|------------------------|--------------------|------------------------|
| Operating Revenues                    | 1,494.0           | 1,462.3           | (31.7)                 | 1,420.0            | (42.3)                 |
| SI・New Areas,<br>etc. *1              | 220.5             | 235.0             | +14.4                  | 250.0              | +15.0                  |
| Operating Profit                      | 119.4             | 118.3             | (1.0)                  | 128.0              | +9.7                   |
| Profit Attributable<br>to NTT West *2 | 80.0              | 80.7              | +0.6                   | 87.0               | +6.3                   |
| Capital Investments                   | 281.0             | 266.9             | (14.1)                 | 255.0              | (11.9)                 |
| Fiber Optic Services<br>Contracts     | 904               | 920               | +16                    | 940                | +20                    |

\*1 Total figure of "System Integration Revenues" and "Other Operating Revenues".

\*2 Represents profit attributable to NTT West (after deducting income attributable to non-controlling interests).

- NTT West Group contributes to the development of society as a **pioneer** (like vitamins for regional societies) that **uses ICT to solve various issues** brought about by changes in the environment surrounding society. We will continue to transform ourselves into a company that is **loved and trusted by local communities**, and contribute to the achievement of SDGs.





Provide services (“vitamins”) to resolve various social issues with local governments, companies and organizations

Maintenance of Social Infrastructure



Operational Reforms



Revitalize Industry



Measures for the Aging Population



...

**Regional Revitalization Solutions  
(Vitamins for Regional Societies)**

- Various BPO Services
- Shared Use-Type Services

**Collaboration**  
Joint Operation  
and  
Commercialization

Local Companies, etc.

Universities



Chambers of Commerce,  
Local Industrial Organizations

Regional Banks,  
Credit Unions



Local Start-up Companies

Etc.

Talent, Assets, Finance and Technologies

Talent, Assets, Finance and Technologies

**NTTWEST**

ICT Solutions

Onsite, Remote  
Support

Security

Contact Centers

Back Office,  
Shared Services

⋮

Community  
Based Sales

Community  
Based Supports

High Quality  
Network  
Infrastructure

Advanced  
Technologies



## Infrastructure Management

- ✓ Maintenance and management of aging social infrastructure



## Revitalization of Local Companies

- ✓ Creation of new industries, workstyle reform, and strengthening of their financial base



## Tourism

- ✓ Exploring local tourism resources and attraction of tourists



## Agriculture

- ✓ Eliminating the shortage of labor and manpower due to the aging of farmers



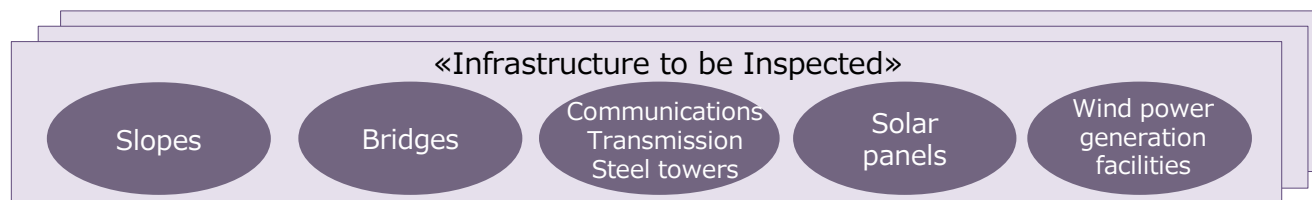
## Safe and Secure Society

- ✓ Reducing fiscal burden of social security accompanying the aging population

# Issues faced by regional societies



- Establish drone-based infrastructure inspection service company
- We will work together with partners and others on issues in order to maintain an efficient social infrastructure





- Entry into cooperative agreements with regional financial institutions that take advantage of the characteristics of their business fields
- Contribute to the development of local economies by solving various management issues, including operational efficiency at local companies

Initiatives with Bank of Nagoya (Entry into Cooperation Agreement in Mar. 2019)

### Revitalizing Local Communities

Realization of the  
Nagoya Megalopolis

Industrial  
Innovation and  
Creation

Preparations for  
Disaster Prevention  
and Environment

Global  
Development



Partners with strong  
community-based customer  
contact bases and  
consulting capabilities,  
centered on financial  
services

Problem  
Solving and  
Consulting

### Sustainable Development of Local Industries

Sales channel development

Cost reductions

Business optimization

Workstyle reform 

Security measures

Offering  
of ICT/BPO  
packages



ICT Solutions

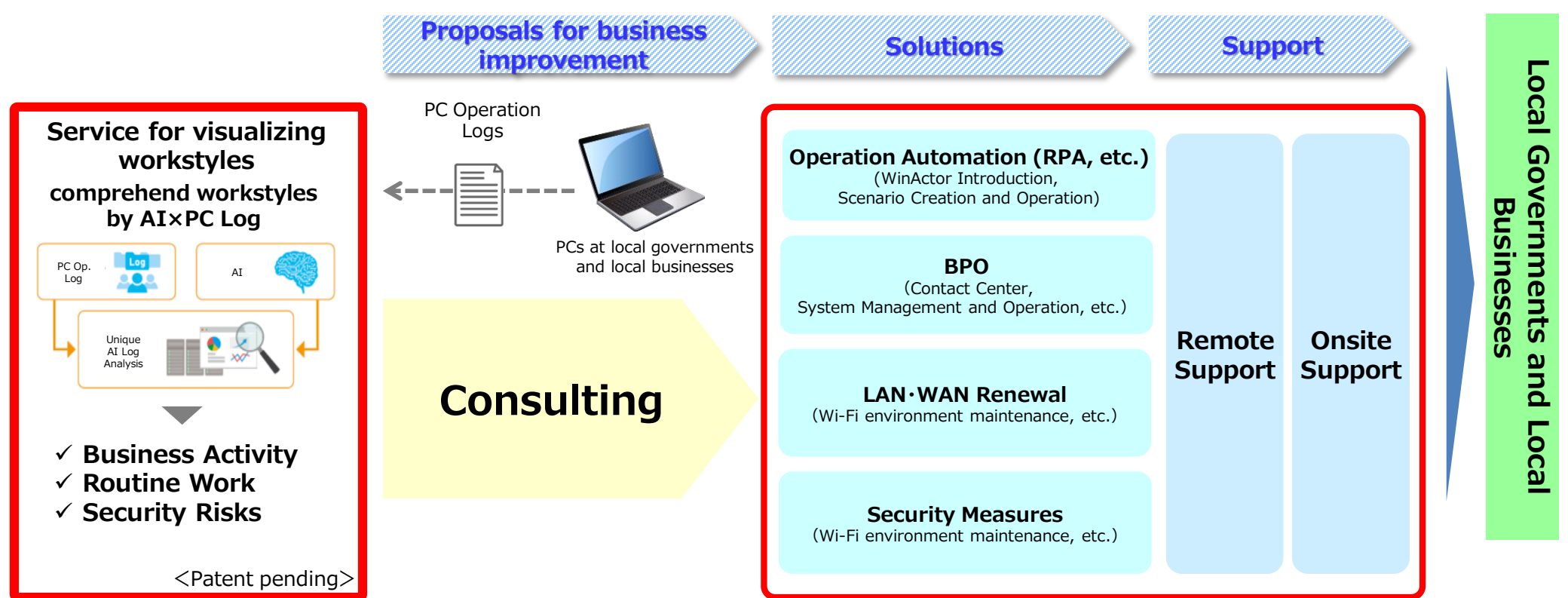
Onsite/Remote  
Support

Security

Contact Centers

Back Office/Shares  
Services

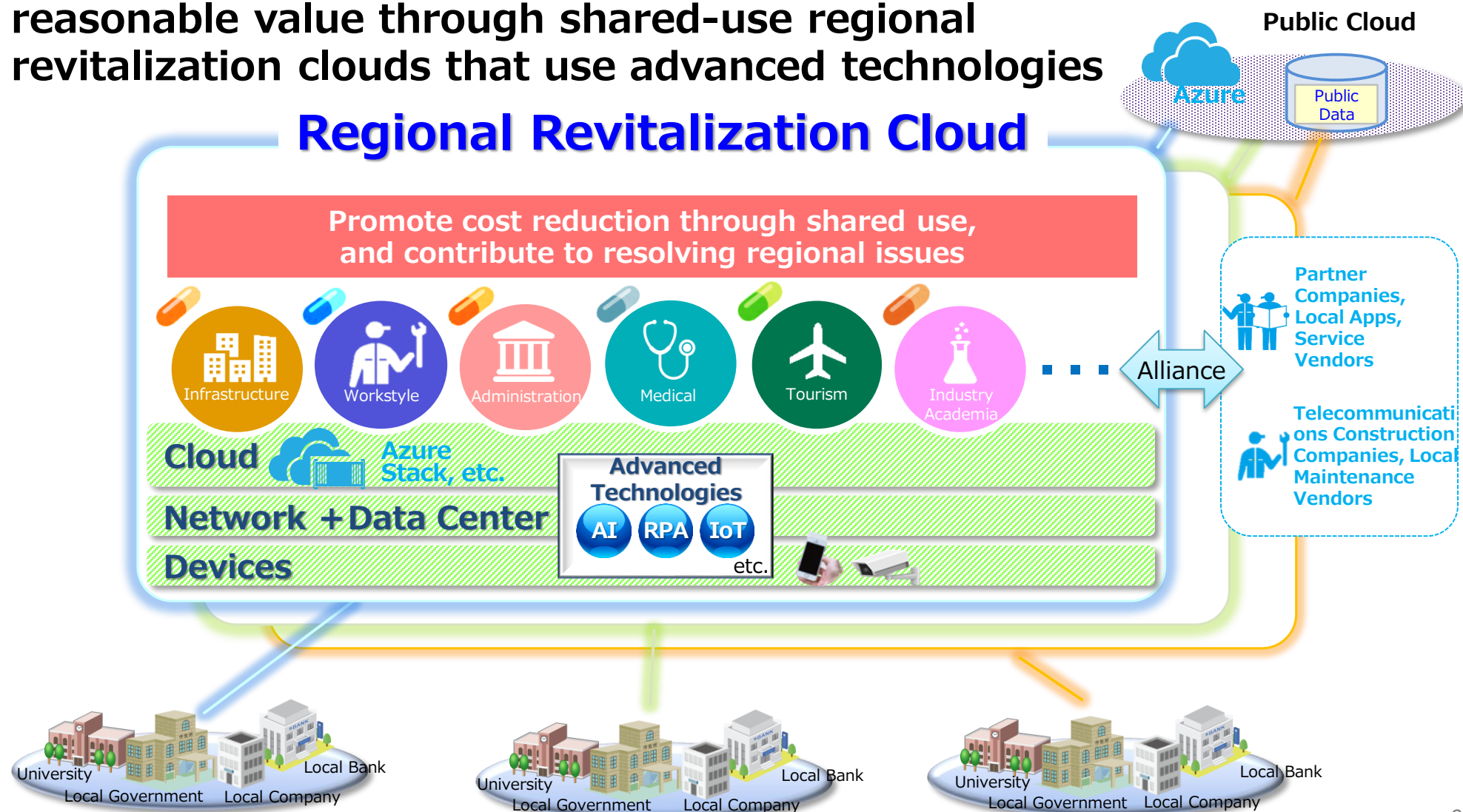
Provide services for workstyle reforms, from consulting to post-implementation support, utilizing a propriety AI analysis and work visualization service





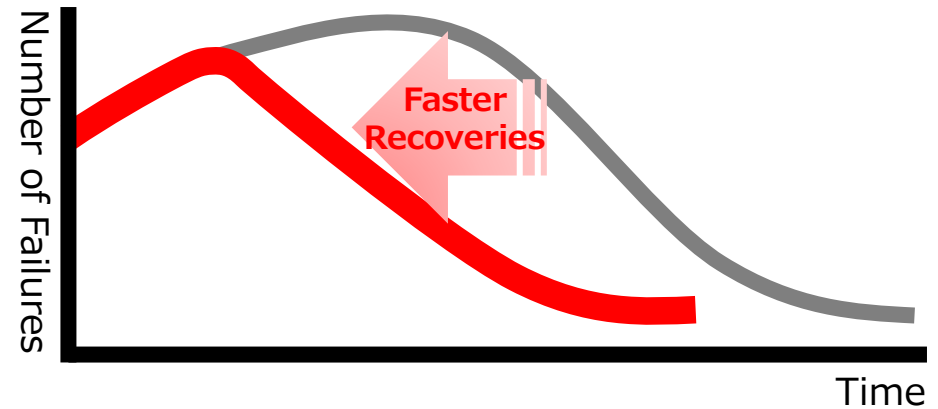
Establish services (regional vitamins) in each region together with regional partners, and offer the services safely, securely and at reasonable value through shared-use regional revitalization clouds that use advanced technologies

## Regional Revitalization Cloud



## Predictions of Disaster Scale in Each Area from Big Data

- Rapid determination of obstructions, and construction of framework
  - Proactive prediction of failures



- Make recovery faster through collaborations with local governments
  - Work support for restoration of communications facilities
  - Rapid elimination of road obstacles

Entered into a cooperation agreement with Wakayama Prefecture, the first specific agreement in western Japan

# Collaboration





**N**ext society

**T**hinking

**T**ogether

**W**ith ICT

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These projections and estimates may be affected by the future business operations of NTT West, NTT and their respective 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.

## CHANGES IN BOARD OF DIRECTORS (NTT West)

Scheduled appointment date: June 21, 2019

(1) Candidates for Member of the Board

Masaki Sumitani (Executive Manager, General Affairs Department)

Hidenori Kigami (Executive Manager, Corporate Strategy Planning Department)

Takahumi Makiuchi (Nippon Telegraph and Telephone Corporation, Vice President of General Affairs Department) (scheduled appointment date: June 27, 2019)

(2) Candidate for Audit & Supervisory Board Member

Megumi Irie (DOCOMO CS, Inc., Member of the Board, Executive Vice President)

(3) Members of the Board scheduled to resign from office

Senior Executive Vice President, Representative Director      Yoshihiro Kuroda (scheduled to take office at NTT INFRASTRUCTURE NETWORK CORPORATION)

Executive Vice President      Yasushi Tohtake (scheduled to take office at MIRAIT Holdings Corporation)

Member of the Board      Kou Ikeda (scheduled to take office at NTT Urban Solutions, Inc.)

(4) Audit & Supervisory Board Member scheduled to resign from office

Kimiko Ohga

(5) Candidates for Executive Officer and Representative Director

Candidate scheduled to take office as Senior Executive Vice President, Representative Director

Member of the Board      Ichiro Uehara      (scheduled appointment date: July 1, 2019)

Candidate scheduled to take office as Executive Vice President

Member of the Board      Teruyuki Kishimoto

Notes: Yoshihiro Kuroda is scheduled to resign from office as a member of the Board on June 30, 2019.

Megumi Irie is a candidate for outside Audit & Supervisory Board Member.

(6) New Executive Positions and Organizational Responsibilities

Scheduled appointment date: June 21, 2019

| New Position(s) and Organizational Responsibilities   | Name               | Current Position(s) and Organizational Responsibilities<br>(as of June 20, 2019)                                    |
|---|--------------------|---|
| Executive Vice President;<br>Executive Manager, Network<br>Department, Plant Headquarters   | Teruyuki Kishimoto | Member of the Board;<br>Senior Executive Manager,<br>Kansai Regional Headquarters;<br>General Manager, Osaka Branch |
| Member of the Board;<br>Senior Executive Manager,<br>Kansai Regional Headquarters;<br>General Manager, Osaka Branch                   | Keiji Ueyama       | Member of the Board   |
| Member of the Board;<br>Executive Manager,<br>Personnel Department  | Masaki Sumitani    |   |
| Member of the Board;<br>Executive Manager,<br>Corporate Strategy Planning Department;<br>In charge of Information Security Department | Hidenori Kigami    |   |

Notes: Keiji Ueyama is scheduled to resign as President and Representative Director of NTT-Neomeit on June 20, 2019.

Teruyuki Kishimoto is expected to be appointed as President and Representative Director of NTT-Neomeit.

Scheduled appointment date: June 27, 2019

| New Position(s) and Organizational Responsibilities   | Name              | Current Position(s) and Organizational Responsibilities<br>(as of June 20, 2019) |
|---|-------------------|--|
| Member of the Board;<br>Deputy Senior Executive Manager,<br>Corporate Business Headquarters | Takahumi Makiuchi |  |

Scheduled appointment date: July 1, 2019

| New Position(s) and Organizational Responsibilities   | Name               | Current Position(s) and Organizational Responsibilities<br>(as of June 30, 2019)  |
|---|--------------------|---|
| Senior Executive Vice President,<br>Representative Director;<br>Senior Executive Manager,<br>Alliance Business Headquarters;<br>In charge of:<br>Business Design Department;<br>Corporate Strategy Planning Department;<br>Accounts and Finance Department;<br>Personnel Department;<br>General Affairs Department;<br>Compliance and CSR | Shozo Ito          | Senior Executive Vice President,<br>Representative Director;<br>Senior Executive Manager,<br>Alliance Business Headquarters;<br>In charge of:<br>Sales Promotion Department;<br>Corporate Strategy Planning Department;<br>Accounts and Finance Department;<br>Personnel Department;<br>General Affairs Department;<br>Compliance and CSR |
| Senior Executive Vice President,<br>Representative Director;<br>Senior Executive Manager,<br>Corporate Business Headquarters  | Ichiro Uehara      | Member of the Board;<br>Senior Executive Manager,<br>Corporate Business Headquarters  |
| Executive Vice President;<br>Executive Manager,<br>Plant Headquarters;<br>Network Department, Plant Headquarters;<br>In charge of:<br>Digital Transformation Promotion<br>Headquarters  | Teruyuki Kishimoto | Executive Vice President;<br>Executive Manager, Network Department,<br>Plant Headquarters   |
| Member of the Board;<br>Executive Manager,<br>Digital Transformation Promotion<br>Headquarters;<br>Digital Transformation Promotion<br>Department   | Takashi Inomata    | Member of the Board   |

Notes: Takashi Inomata is scheduled to resign as President and Representative Director of NTT FIELDTECHNO CORPORATION on June 30, 2019.

Takafumi Sakaguchi is expected to be appointed as President and Representative Director of NTT FIELDTECHNO CORPORATION.

## (Reference) Expected New Executive Positions and Organizational Responsibilities

As of July 1, 2019

| New Position(s) and Organizational Responsibilities   | Name                 |
|---|----------------------|
| President, Representative Director  | Mitsuyoshi Kobayashi |
| Senior Executive Vice President,<br>Representative Director;<br>Senior Executive Manager,<br>Alliance Business Headquarters;<br>In charge of:<br>Business Design Department;<br>Corporate Strategy Planning Department;<br>Accounts and Finance Department;<br>Personnel Department;<br>General Affairs Department;<br>Compliance and CSR | Shozo Ito            |
| Senior Executive Vice President,<br>Representative Director;<br>Senior Executive Manager,<br>Corporate Business Headquarters  | Ichiro Uehara        |
| Executive Vice President;<br>Executive Manager,<br>Plant Headquarters;<br>Network Department, Plant Headquarters<br>In charge of:<br>Digital Transformation Promotion<br>Headquarters   | Teruyuki Kishimoto   |
| Member of the Board;<br>Senior Executive Manager, Tokai Business<br>Headquarters; General Manager, Nagoya<br>Branch   | Naoki Yamamoto       |
| Member of the Board;<br>Executive Manager, Service Management<br>Department, Plant Headquarters   | Takafumi Sakaguchi   |
| Member of the Board;<br>Senior Executive Manager, Chugoku<br>Regional Headquarters; General Manager,<br>Hiroshima Branch  | Kousuke Nagano       |
| Member of the Board;<br>Executive Manager, Fiber Access<br>Collaboration Department, Alliance Business<br>Headquarters  | Kunihiro Yamada      |
| Member of the Board;<br>Senior Executive Manager,<br>Kansai Regional Headquarters;<br>General Manager, Osaka Branch   | Keiji Ueyama         |

|   |                   |
|---|-------------------|
| Member of the Board;<br><br>Senior Executive Manager, Kyusyu Regional<br>Headquarters; General Manager, Fukuoka<br>Branch                             | Masanori Ozawa    |
| Member of the Board;<br><br>Executive Manager, Accounts and Finance<br>Department   | Tsukasa Komeda    |
| Member of the Board;<br><br>Executive Manager,<br>Digital Transformation Promotion<br>Headquarters;<br>Digital Transformation Promotion<br>Department | Takashi Inomata   |
| Member of the Board;<br><br>Executive Manager,<br>Personnel Department  | Masaki Sumitani   |
| Member of the Board;<br><br>Executive Manager,<br>Corporate Strategy Planning Department;<br>In charge of Information Security Department             | Hidenori Kigami   |
| Member of the Board;<br><br>Deputy Senior Executive Manager,<br>Corporate Business Headquarters   | Takahumi Makiuchi |
| Member of the Board   | Ryota Kitamura    |
| Audit & Supervisory Board Member  | Mamoru Murai      |
| Audit & Supervisory Board Member  | Syunichi Okazaki  |
| Audit & Supervisory Board Member  | Megumi Irie       |

Notes: Ichiro Uehara is expected to continue to execute his duties as President and Representative Director of NTT Business Solutions.

Teruyuki Kishimoto is expected to be appointed as President and Representative Director of NTT-Neomeit on June 21, 2019.

Takafumi Sakaguchi is expected to be appointed as President and Representative Director of NTT FIELDTECHNO CORPORATION on July 1, 2019.

Takashi Inomata is CDO (Chief Digital Officer).



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

May 10, 2019  
NTT Communications Corporation

# NTT Com Group Financial Results

Operating Revenues increased from the previous year to 1,392.0 billion yen.  
Operating Income increased from the previous year to 132.1 billion yen.

(Billions of yen)

|  |                                   | FY2017<br>Financial<br>Results (A) | FY2018<br>Financial<br>Results (B) | Amount<br>Change<br>(B) - (A) | % Change<br>%(A)→(B) |
|--|-----------------------------------|------------------------------------|------------------------------------|-------------------------------|----------------------|
| <b>NTT Com Group Operating Revenues</b>            |                                   | <b>1,333.5</b>                     | <b>1,392.0</b>                     | <b>+58.5</b>                  | <b>+4.4%</b>         |
|  | <b>Cloud Computing Platforms</b>  | <b>185.3</b>                       | <b>207.5</b>                       | <b>+22.3</b>                  | <b>+12.0%</b>        |
|  | <b>Data Networks</b>              | <b>480.8</b>                       | <b>487.9</b>                       | <b>+7.1</b>                   | <b>+1.5%</b>         |
|  | <b>Voice Communications</b>       | <b>276.3</b>                       | <b>266.6</b>                       | <b>(9.7)</b>                  | <b>(3.5%)</b>        |
|  | <b>Applications &amp; Content</b> | <b>125.8</b>                       | <b>134.5</b>                       | <b>+8.7</b>                   | <b>+6.9%</b>         |
|  | <b>Solution Services</b>          | <b>238.0</b>                       | <b>266.2</b>                       | <b>+28.3</b>                  | <b>+11.9%</b>        |
|  | <b>Other</b>                      | <b>27.3</b>                        | <b>29.2</b>                        | <b>+1.9</b>                   | <b>+6.9%</b>         |
| <b>(Included in the Above)<br/>Global Business</b> |                                   | <b>334.3</b>                       | <b>371.9</b>                       | <b>+37.6</b>                  | <b>+11.2%</b>        |
| <b>NTT Com Group Operating Income</b>              |                                   | <b>118.5</b>                       | <b>132.1</b>                       | <b>+13.7</b>                  | <b>+11.5%</b>        |

# NTT Com Group Forecasts

Operating Revenues will achieve 1,350.0 billion yen.  
Operating Income will increase from the previous year to 136.0 billion yen.

(Billions of yen)

|   |  | FY2018<br>Financial<br>Results (A) | FY2019<br>Forecast (B) | Amount<br>Change<br>(B) - (A) |
|---|--|------------------------------------|------------------------|-------------------------------|
| <b>NTT Com Group Operating Revenues</b> |  | <b>1,392.0</b>                     | <b>1,350.0</b>         | <b>(42.0)</b>                 |
|   | <b>Cloud Computing Platforms</b>                   | <b>207.5</b>                       | <b>235.0</b>           | <b>+27.5</b>                  |
|   | <b>Data Networks</b>                               | <b>487.9</b>                       | <b>478.0</b>           | <b>(9.9)</b>                  |
|   | <b>Voice Communications</b>                        | <b>266.6</b>                       | <b>257.0</b>           | <b>(9.6)</b>                  |
|   | <b>Applications &amp; Content</b>                  | <b>134.5</b>                       | <b>86.0</b>            | <b>(48.5)</b>                 |
|   | <b>Solution Services</b>                           | <b>266.2</b>                       | <b>273.0</b>           | <b>+6.8</b>                   |
|   | <b>Other</b>                                       | <b>29.2</b>                        | <b>21.0</b>            | <b>(8.2)</b>                  |
|   | <b>(Included in the Above)<br/>Global Business</b> | <b>371.9</b>                       | <b>412.0</b>           | <b>+40.1</b>                  |
| <b>NTT Com Group Operating Income</b>   |  | <b>132.1</b>                       | <b>136.0</b>           | <b>+3.9</b>                   |

# Initiatives for FY2019

## Enhance our services to support data utilization

### Services to help customers achieve DX

#### COTOHA



Trans-  
lator



Chat-  
bot



Virtual  
Assistant



Audio  
mining



Meeting  
Assist

#### Services supporting subscription business



Billing  
control



Distribution  
control

#### Data management services/features



Data platform  
management



EiPaaS



Data analyzing AI/natural  
language processing AI



Data  
security



Container/  
apps delivery

### Infrastructure services to underpin data utilization

#### ICT infrastructure



Colocation



Private cloud



Public cloud



Interconnect



Wi-Fi



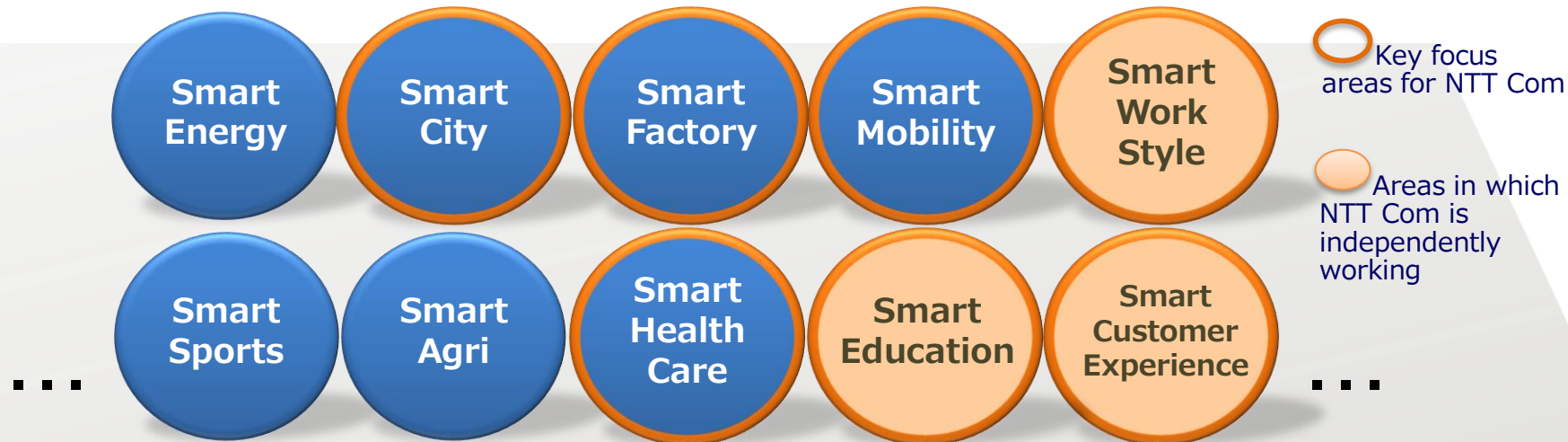
eSIM

Managed/  
Security  
services

# Initiatives for FY2019

## NTT Communications' Efforts to Realize Smart World

- Contributing to NTT Group's Smart World and development of new fields
- Contributing to Smart World Development by Utilizing NTT Group Resources



### Data Utilization Services



Services to help customers achieve DX



Infrastructure services to underpin data utilization



Managed/  
Security  
services

**NTT Communications will continue to offer solutions to customers' business challenges by driving our business transformations and by leveraging advanced technologies such as "NTT Research, Inc." and "Disruptive Innovation Approach" as a DX Enabler™.**

### **① Japan Business Operations**

- **The name of the Japanese operating company will be "NTT Communications".**
- **Continue to provide support for global business, overseas expansion and other areas for Japanese MNCs.**

### **② Overseas Business Operations**

- **"NTT Ltd. " will provide detailed and integrated support for customers in overseas markets, serving as a driving force for business growth.**



May 10, 2019

## **Changes in NTT Communications Directors (Subject to Shareholders' Approval)**

### 1. Candidates scheduled to take office as Directors

|                   |   |
|-------------------|---|
| Hidemune Sugahara | President & CEO of NTT Com Solutions Corporation  |
| Tomohiro Ando     | Advisor of Mitsubishi UFJ Trust and Banking Corporation   |
| Kazuhiko Nakayama | Head of Finance   |
| Toshio Kanai      | Vice President of Technology Planning Department,<br>NIPPON TELEGRAPH AND TELEPHONE CORPORATION |
| Katsushige Kojima | Deputy Senior Vice President of Fourth Sales Division   |
| Shuji Inaba       | Head of Corporate Planning  |
| Masayuki Oikawa   | Head of Systems   |
| Kenichiro Iida    | Head of Cloud Services  |

### 2. Candidates scheduled to take office as Statutory Auditors

|                |  |
|----------------|--|
| Shigeru Toyoda | Vice President and Representative Director of Hibiya Engineering, Ltd. |
| Ikuo Izutsu    | Executive Vice President of DOCOMO Technology, Inc.                    |

### 3. Directors scheduled to resign

|                 |  |
|-----------------|--|
| Eiichi Tanaka   | Executive Vice President   |
| Denji Sakurai   | Executive Vice President<br>(scheduled to transfer to NTT Com Solutions Corporation) |
| Kazuhiro Gomi   | Senior Vice President  |
| Ken Kusunoki    | Senior Vice President<br>(scheduled to transfer to NTT Resonant Incorporated)        |
| Atsuhiro Fuseya | Senior Vice President  |

### 4. Statutory Auditors scheduled to resign

|                   |                   |
|-------------------|-------------------|
| Satoshi Shinoda   | Statutory Auditor |
| Nobuhiro Takeuchi | Statutory Auditor |

### 5. Candidates scheduled to take office as Representative Directors

- i. Candidate scheduled to take office as Executive Vice President, Representative Director  
Hidemune Sugahara President & CEO of NTT Com Solutions Corporation
- ii. Candidate scheduled to take office as Executive Vice President  
Tomohiro Ando Advisor of Mitsubishi UFJ Trust and Banking Corporation

### 6. New Executive Positions and Organizational Responsibilities

| Name         | New Position(s) and Organizational Responsibilities   | Current Position(s) and Organizational Responsibilities   |
|--------------|---|---|
| Toru Maruoka | Senior Executive Vice President<br>In charge of Sales<br>In charge of Corporate<br>In charge of Global Business<br>In charge of 2020 Project<br>In charge of Digital Transformation | Senior Executive Vice President<br>In charge of Sales<br>In charge of Corporate<br>In charge of 2020 Project<br>In charge of Digital Transformation |



|                     |  |   |
|---------------------|--|---|
| Masaaki Moribayashi | Senior Executive Vice President  | Senior Executive Vice President<br>In charge of Technology<br>In charge of Services<br>In charge of Operations<br>In charge of Information Security<br>In charge of Global Business |
| Hidemune Sugahara   | Executive Vice President<br>In charge of Technology<br>In charge of Services<br>In charge of Operations<br>In charge of Information Security |   |
| Tomohiro Ando       | Executive Vice President<br>In charge of CSR   |   |
| Yoichiro Takaya     | Senior Vice President<br>Head of Third Sales Division  | Senior Vice President<br>Head of Fifth Sales Division   |
| Kazuhiko Nakayama   | Senior Vice President<br>Head of Finance   | Head of Finance   |
| Toshio Kanai        | Duputy Senior Vice President of ICT<br>Consulting Division   | Vice President of Technology Planning<br>Department, NIPPON TELEGRAPH<br>AND TELEPHONE CORPORATION  |
| Katsushige Kojima   | Senior Vice President<br>Head of Fourth Sales Division   | Deputy Senior Vice President of Fourth<br>Sales Division  |
| Shuji Inaba         | Senior Vice President<br>Head of Corporate Planning  | Head of Corporate Planning  |
| Masayuki Oikawa     | Senior Vice President<br>Head of Systems   | Head of Systems   |
| Kenichiro Iida      | Senior Vice President<br>Head of Cloud Services  | Head of Cloud Services  |

- Notes:
- Among the Directors scheduled to resign from office, Ken Kusunoki is expected to resign on June 13, 2019, Denji Sakurai is expected to resign on June 19, 2019, and Eiichi Tanaka, Kazuhiro Gomi and Atsuhiro Fuseya are expected to resign at the close of the 20th Annual General Shareholders' Meeting (to be held on June 21, 2019).
  - Yoichiro Takaya is expected to be appointed as Head of Third Sales Division on June 13, 2019.
  - Katsushige Kojima is expected to be appointed as Head of Fourth Sales Division on June 19, 2019.
  - Masaaki Moribayashi is expected to concurrently serve on the board of directors for NTT Ltd. on July 1, 2019.
  - Takanobu Maeda, Naoki Kajita and Kenichiro Iida are expected to resign on June 30, 2019 and to be scheduled to take office at NTT Ltd. on July 1, 2019.