



Financial Results for the Nine Months Ended December 31, 2019

February 6, 2020

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.
- *** "3Q" in this material represents the nine-month period beginning on April 1 and ending on December 31.

- **Overview of Consolidated Results**
 - **Status of Consolidated Results for FY2019.3Q**
 - **Contributing Factors by Segment for FY2019.3Q**
- **Topics**
- **Appendix**



Overview of Consolidated Results

Status of Consolidated Results for FY2019.3Q

- Operating Revenues increased and Operating Income decreased
- Operating Revenues reached record third-quarter levels

Status of Consolidated Results

● Operating Revenues:	¥8,862.7B	< +¥67.5B [+0.8%] year-on-year >
● Operating Income:	¥1,450.4B	< (¥76.7B) [(5.0%)] year-on-year >
● Profit*:	¥796.9B	< +¥4.8B [+0.6%] year-on-year >
<hr/>		
● Overseas Sales**:	\$14.7B	< +\$0.7B [+4.8%] year-on-year >
● Overseas Operating Income Margin** :	2.5%	< (0.6 pt) year-on-year >

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

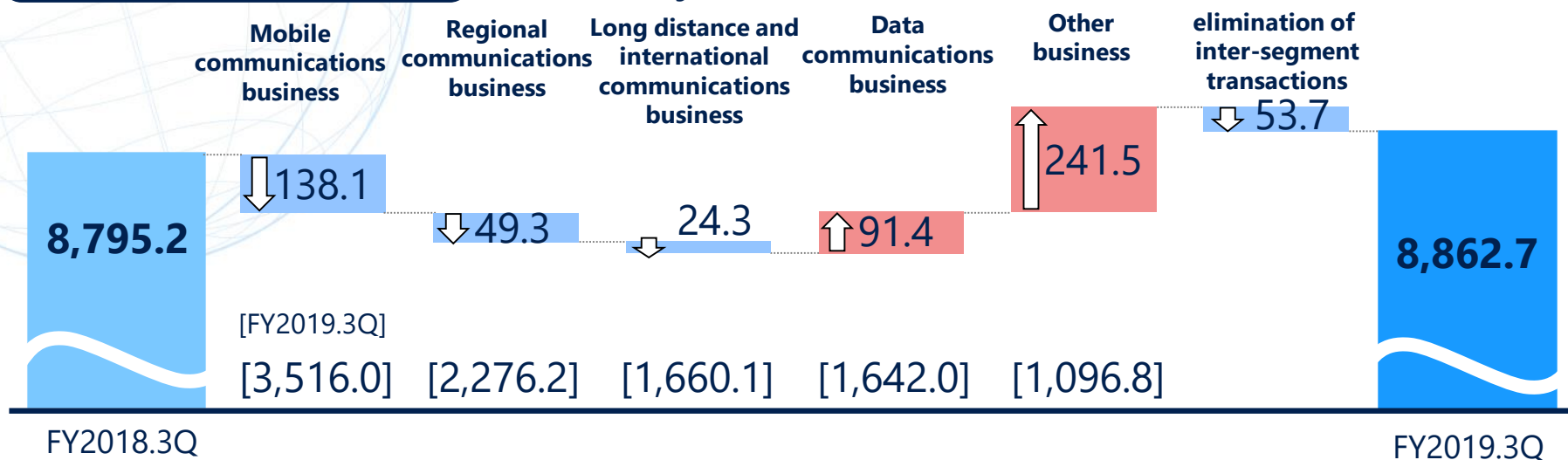
** Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

Contributing Factors by Segment for FY2019.3Q

Operating Revenues

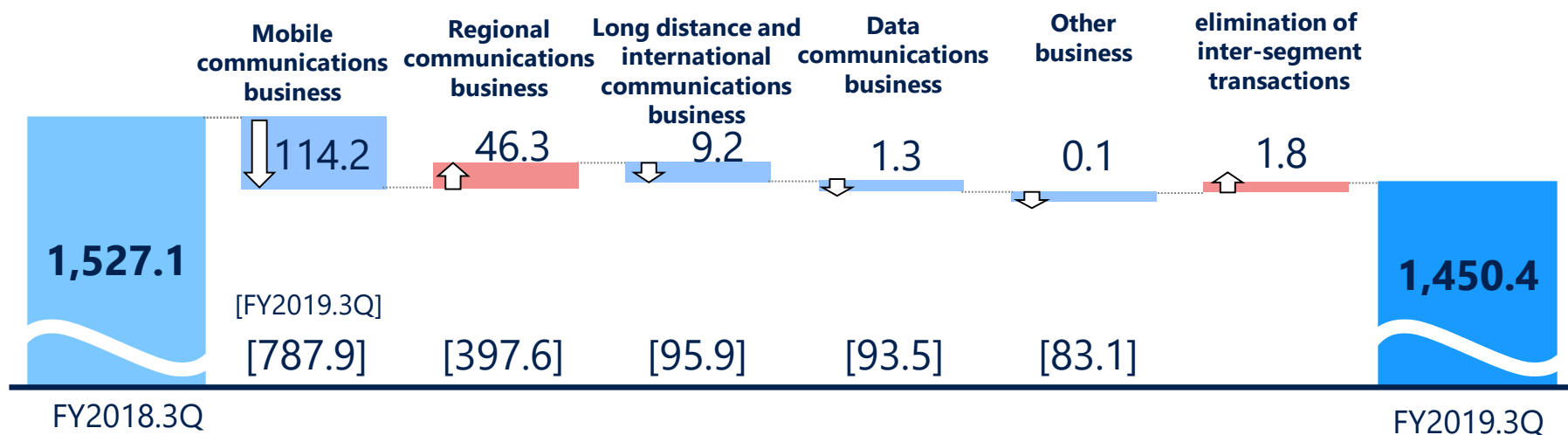
<Year-on-year: +67.5>

(Billions of yen)



Operating Income

<Year-on-year: (76.7)>





Topics

Create New Lines of Business (1 of 2)

- **Promotion of efficient asset management**
 - **Collaboration with Tokyo Century Corporation ("TC") on leasing and new fields (NTT Finance)**
 - ✓ **Transfer leasing business (assets: ¥1.3 trillion; liabilities: ¥1.2 trillion) to a JV* with TC (with the JV to be accounted for under the equity method) (expected to launch operations on July 1, 2020)**
 - * The name of the JV will be NTT TC Leasing CO., Ltd (Chairman: Akihiko Okada; President: Akihiro Naruse)
 - ✓ **Acquire 10% of TC stock**
 - **Improve liquidity of receivables (NTT DOCOMO)**
 - ✓ **Securitize growing credit receivables**
 - ✓ **Start in March and gradually increase scale**



Through the above measures, further increase growth investments and capacity for shareholder returns

Promote B2B2X Model

- **Business partnership with Mitsubishi Corporation to pursue industrial DX (December 20, 2019)**
 - **Aiming to establish an “Industrial DX Platform” that leverages the strengths of both companies, will promote DX across food and industrial materials fields and resolve social issues**
 - **In order to strengthen location information services as one of its core functions, co-invest in HERE, a global service provider in the same field***

* Plan to acquire a 30% of HERE (HERE International B.V., based in the Netherlands) through a jointly formed holding company established with a 50% investment from each company

- **Strategic alliance with Microsoft (December 10, 2019)**
 - **Formation of a Global Digital Fabric**
 - **Development of digital enterprise solutions**
 - **Exploration to enable IOWN* concept**

* IOWN (Innovative Optical and Wireless Network)

Enhance Competitiveness in Global Business

- Expands Smart City solutions implemented for the City of Las Vegas
- **Vehicle monitoring in Cyberjaya, Malaysia***
(NTT Ltd. and others, from February 2020)
 - ✓ Vehicle counting and specific vehicle monitoring at intersections
 - ✓ Reduction of traffic jams, detection of stolen cars, and creation of businesses in the neighborhood
- **Campus solutions at Denenchofufutaba Gakuen**
(NTT DATA and others, from February 2020)
 - ✓ Safety status monitoring at a cross walk in the campus
 - ✓ Enhanced safety of school by new Smart Campus solutions



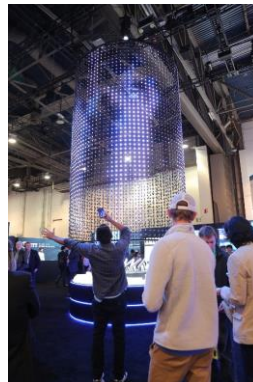
* This project is implemented as part of the Japanese Ministry of Internal Affairs and Communications' FY 2019 project "Research on Smart City Model for Solving Social Problems in Malaysia"

Enhance and Globalize R&D

- **First Exhibit at CES2020 (January 7-10, 2020)**
 - Exhibited basic technologies and use cases to realize the IOWN concept on the theme of “Beyond The Internet”
 - Over 10,000 customers visited the NTT booth
 - NTT-related videos viewed over 25 million times worldwide



Panoramic view



Experiential fountain



IOWN R&D LAB
“Artificial photosynthesis”
“Submerged ultrasonic MIMO technology”

Create New Lines of Business (2 of 2)

- **Contribute to the Improvement of Medicine by Utilizing Medical Information**
 - **Established “Prime Research Institute for Medical RWD, Inc.” (PRiME-R) as a joint venture with Kyoto University (February 3, 2020)**
 - ✓ **Develop a structured and standardized database with information from the clinical input stage in oncology and other fields, to support various kinds of clinical work and the analysis of clinical information**

Contribute to Vitalization of Regional Societies and Economies

- **Established a New esports Company**
 - **Established “NTTe-Sports” with the aim of contributing to local communities through ICT×esports (NTT East and others, January 31, 2020)**
- **Initiatives for Local 5G**
 - **At each NTT Group company, co-create use-cases with partners and conduct testing (including companies and universities) (NTT East, NTT West and NTT Communications, from February 2020)**

Promote Diversity and Inclusion

- **Joined “The Valuable 500” initiative to promote Disability Inclusion (December 19, 2019)**
- **Will conduct a trial of the robot “OriHime-D” remotely controlled by people with physical disabilities at the NTT reception (from February 20, 2020)**



Trial image
(OriHime-D)



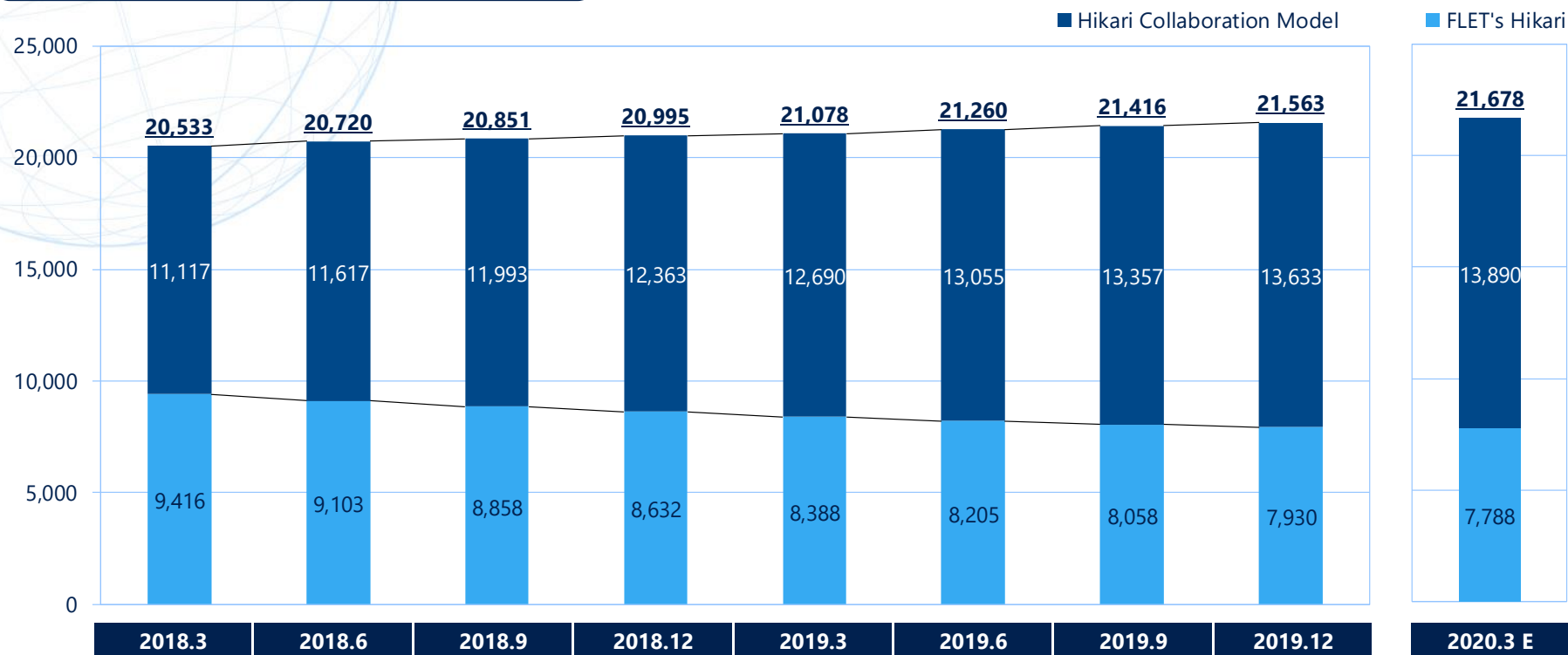
Appendix



Broadband Services

Fixed-Line Broadband Services Subscriptions

Number of Subscriptions

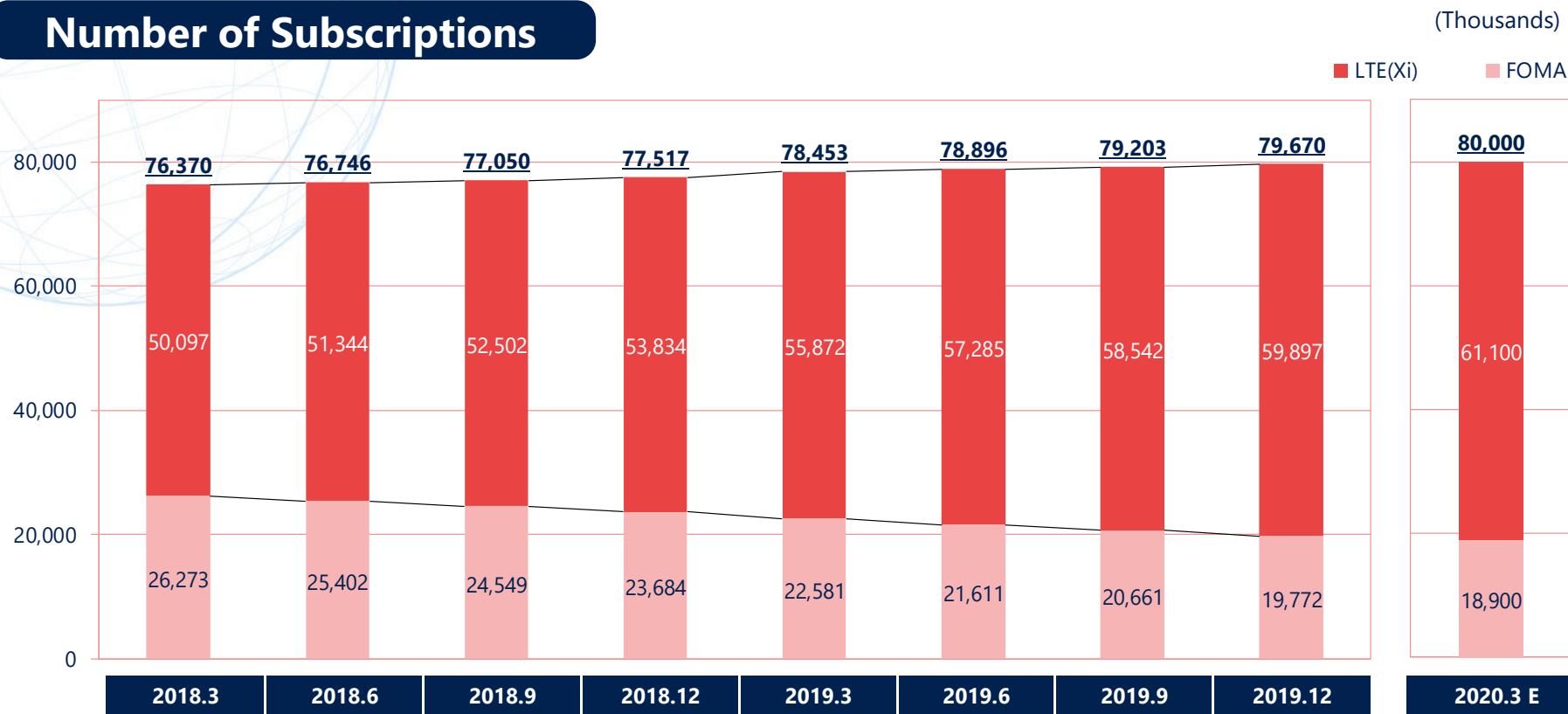


Net Increase

	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4-6	2019 7-9	2019 10-12	2019 4 - 2020 3 E
Total	+187	+131	+144	+83	+182	+156	+148	+600
Hikari Collaboration	+500	+376	+370	+327	+365	+302	+276	+1,200
FLET'S Hikari	(313)	(245)	(226)	(244)	(183)	(146)	(128)	(600)
	+545				+486			
	+1,573				+943			
	(1,028)				(457)			

Mobile Communications Services Subscriptions

Number of Subscriptions



Net Increase

	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4-6	2019 7-9	2019 10-12	2019 4 - 2020 3 E
LTE(Xi)+ FOMA	+376	+304	+467	+935	+443	+307	+467	+1,500
	+2,083			+1,217				



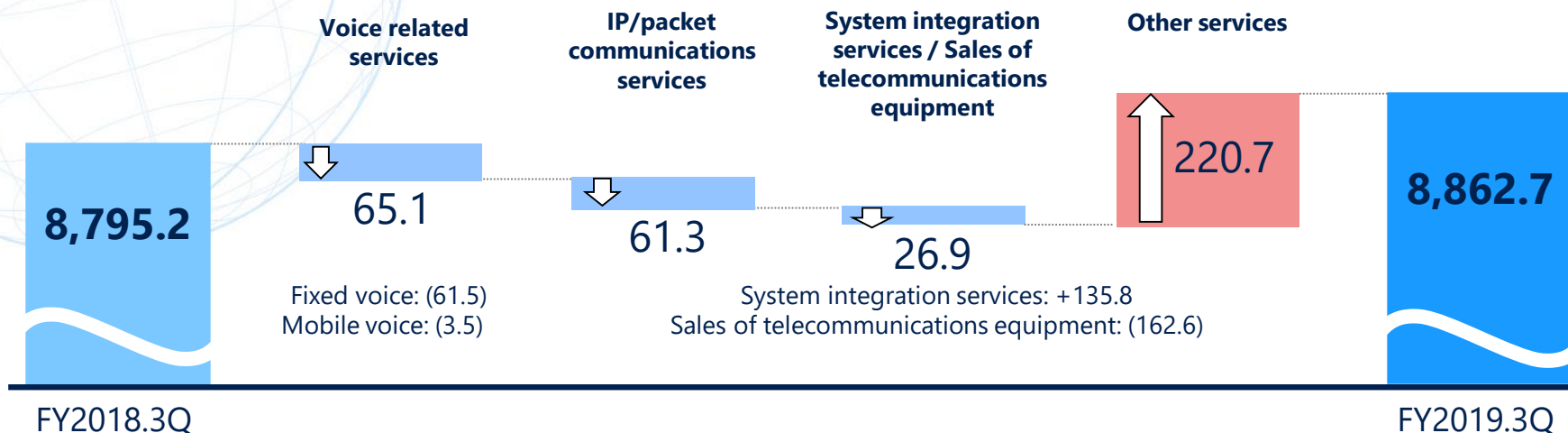
Financial Information

Details of Consolidated Statement of Income

(Billions of yen)

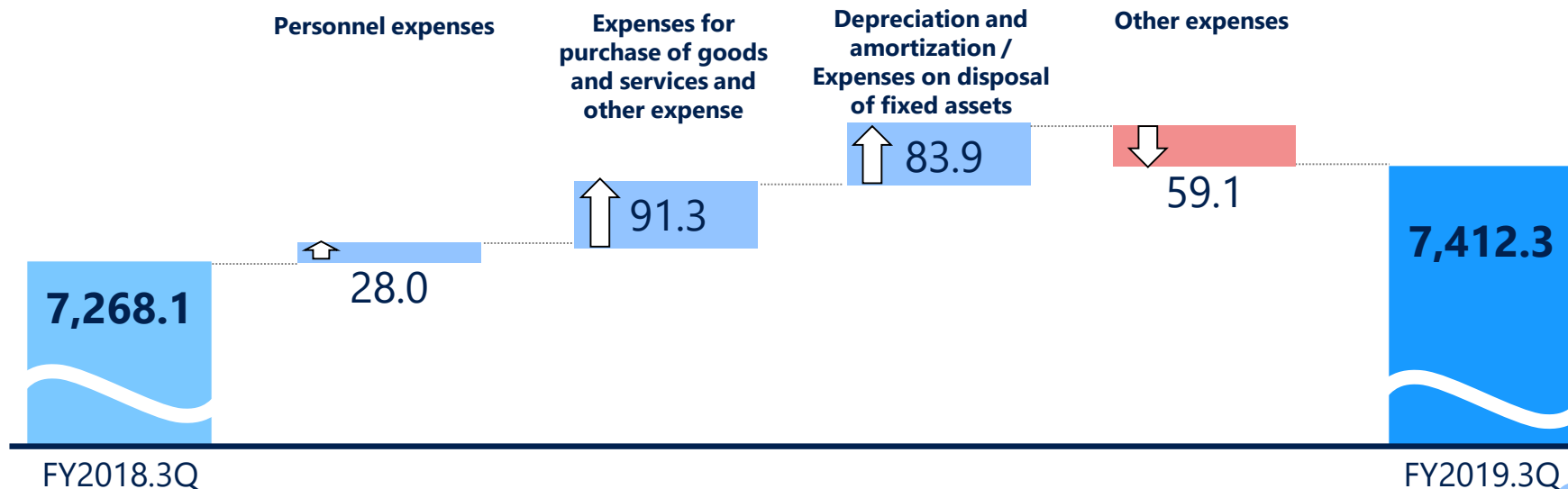
Operating Revenues

<Year-on-year: +67.5>



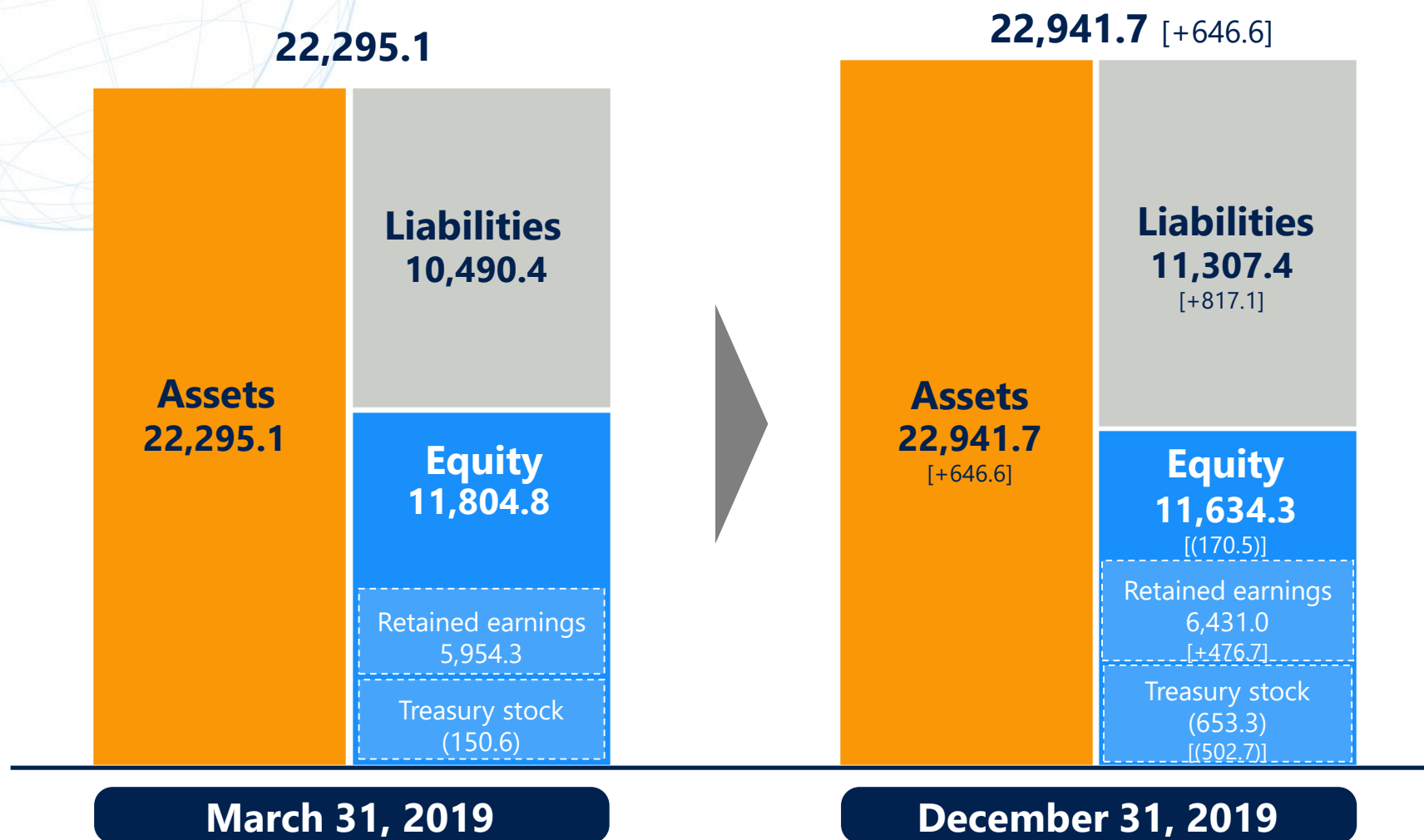
Operating Expenses

<Year-on-year: +144.2>



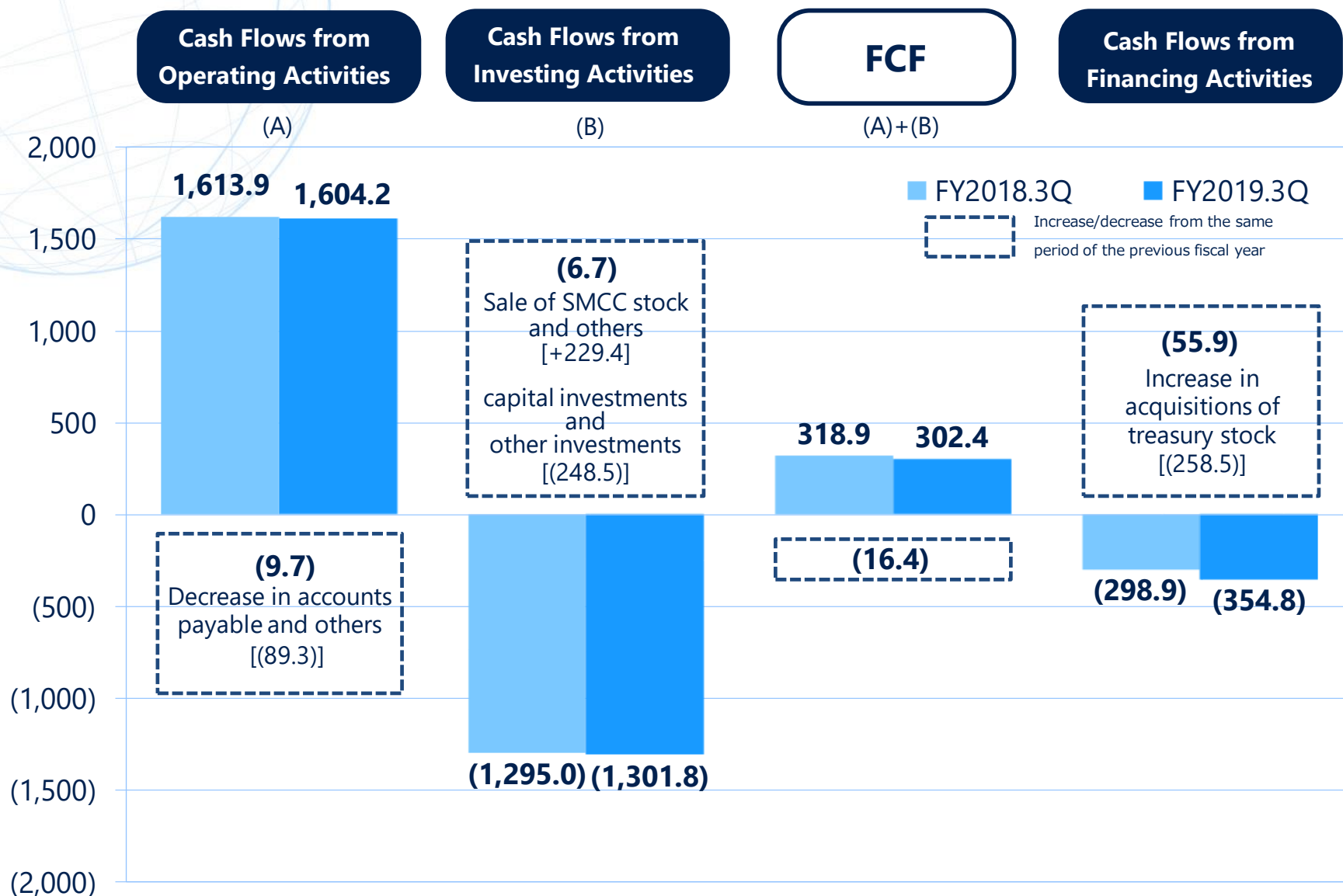
Details of Consolidated Balance Sheet

(Billions of yen)



Details of Consolidated Cash Flows

(Billions of yen)

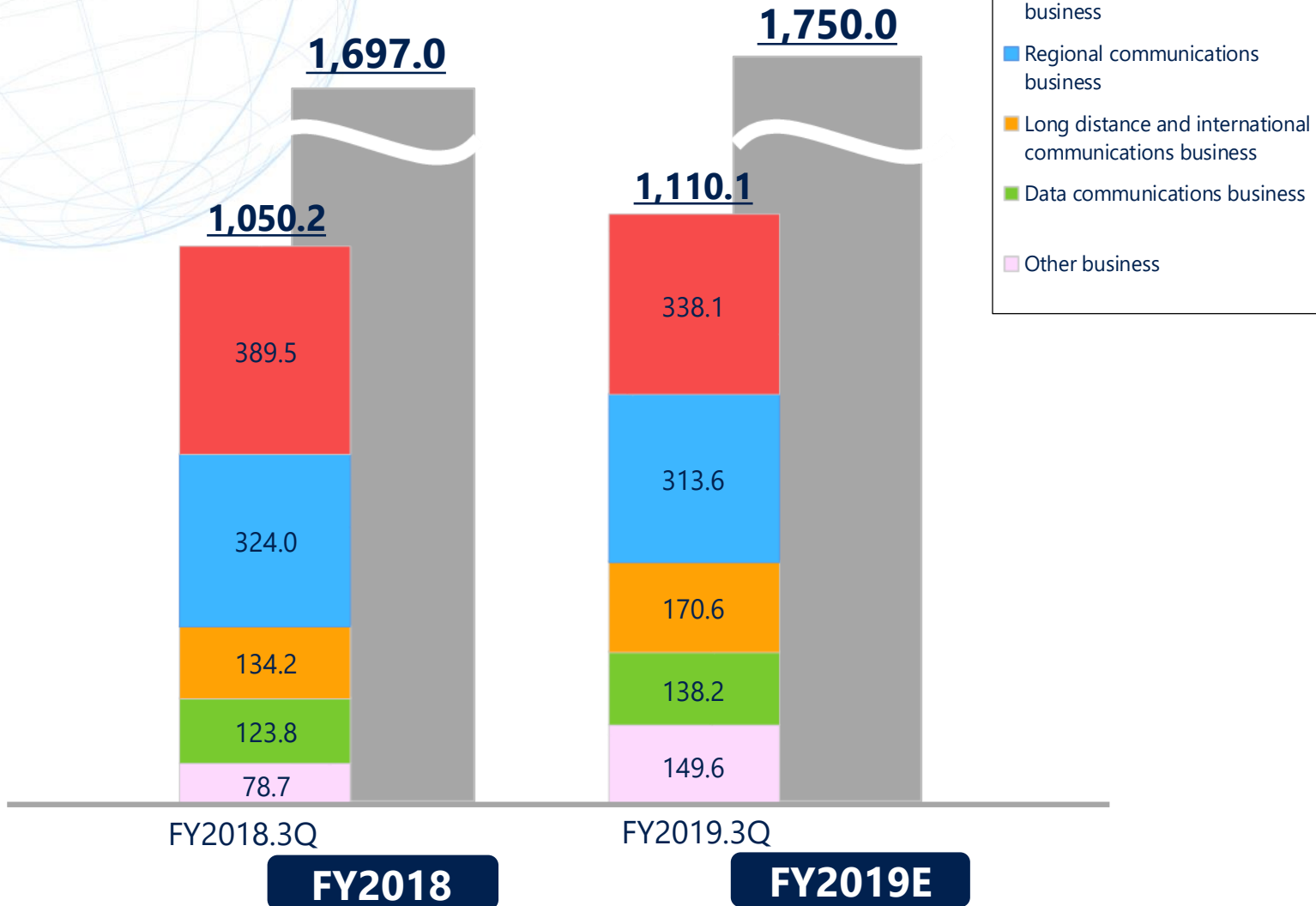


Note1: Amount excluding the impact of the last day of FY2018.3Q and FY2019.3Q having been non-business days.

Note2: Amount excluding the impact on cash flows from operating and financing activities caused by the adoption of IFRS 16 (Leases) beginning in FY2019.

Details of Capital Investment

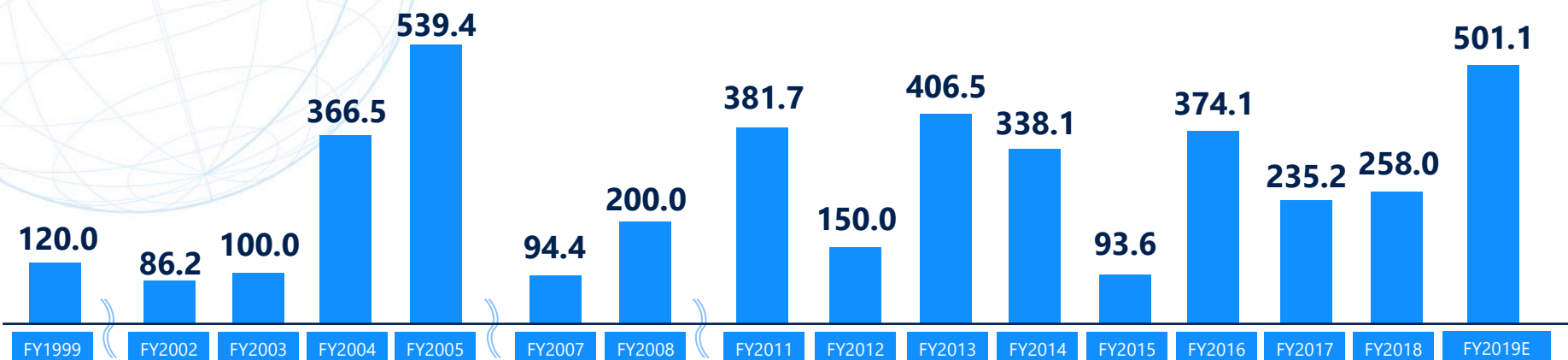
(Billions of yen)



Shareholder Returns

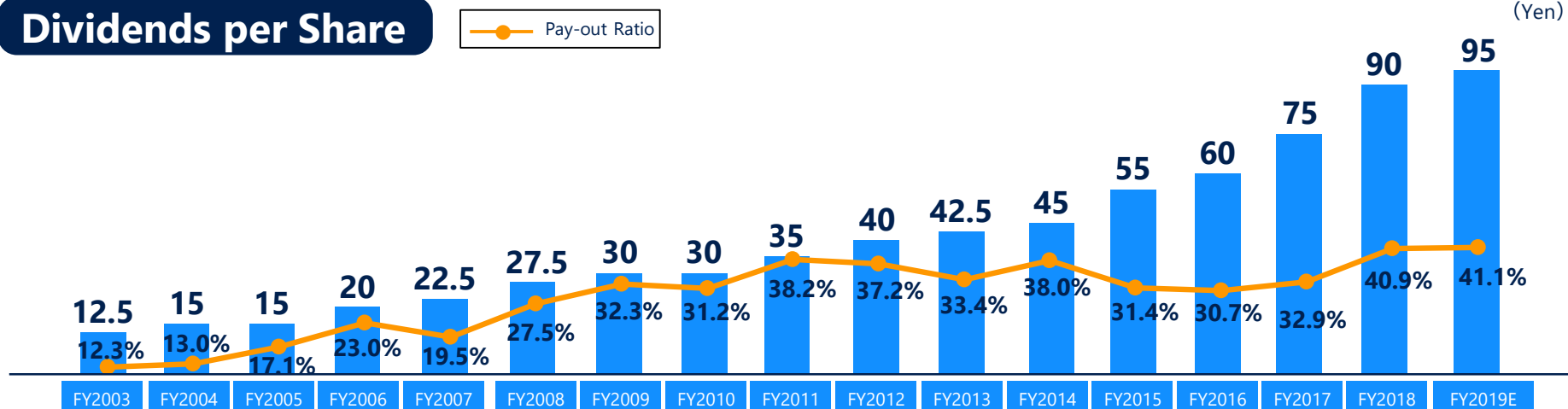
Share Buybacks

(Billions of yen)



Dividends per Share

(Yen)



Note1: Dividends have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015 and January 1, 2020.

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