

Business Operation Plan for the Fiscal Year Ending March 31, 2016



February 27, 2015

1. Basic Concepts of the Business Operation Plan **NTT**

for the Fiscal Year Ending March 31, 2016

- Pursuant to NTT Group’s “Towards the Next Stage” strategy announced in 2012, each NTT Group company, including the regional companies, will create a variety of services and business opportunities as a “Value Partner” that customers continue to select. NTT will also work to increase corporate value by actively expanding its global business and engaging in management directed at the development of NTT Group as a whole.
- In the management of its business operations for the fiscal year ending March 31, 2016, NTT will aim to grow its businesses by expanding new businesses of each NTT Group company and strengthening the profitability of its network services, while striving for business growth by supporting the creation of new services through the Hikari Collaboration Model. In addition to building an advanced broadband network and creating a variety of services, NTT will engage in research and development activities that will strengthen open innovation and generate the technology and human capital to support a new business model.

2. Revenues and Expense Plan



(Billions of yen)

	FY2014 forecast*	FY2015 plan	
			Change from previous fiscal year
Operating Revenues	412.0 [±0]	417.0	5.0
Revenues from Group management and other sources	19.0 [±0]	19.0	±0
Revenues from basic R&D	106.0 [±0]	102.0	(4.0)
Revenues from transfer of research results and other sources	5.0 [±0]	5.0	±0
Revenues from commissioned research	7.0 [±0]	8.0	+1.0
Dividends received	275.0 [±0]	283.0	+8.0
Operating Expenses	140.0 [±0]	136.0	(4.0)
Operating Income	272.0 [±0]	281.0	+9.0
Other Income (Expenses)	(4.0) [±0]	(4.0)	±0
Recurring Profit	268.0 [±0]	277.0	+9.0

*Figures in brackets [] represent the change from the original forecast.
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3. Capital Investment Plan and Planned Sources and Applications of Funds



○ Capital Investment Plan

(Billions of yen)

	FY2014 revised forecast*	FY2015 plan	
			Change from previous fiscal year
R&D Facilities	18.0 [(1.0)]	18.0	±0
Other Facilities	3.0 [±0]	3.0	±0
Total	21.0 [(1.0)]	21.0	±0

* Figures in brackets [] represent the change from the original forecast.

○ Planned Sources and Applications of Funds

(Billions of yen)

	FY2015 plan
Sources	985.0
Long-term loans and bonds	283.0
Applications	985.0
Long-term loans and bonds	438.0

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 Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

Accounting policies used to determine the figures in this presentation are consistent with those used to prepare financial statements in accordance with accounting principles generally accepted in Japan.

- “FY” in this material indicates the fiscal year ending March 31 of the succeeding year.