



**Financial Results for the Fiscal Year  
Ended March 31, 2015  
and  
Financial Forecasts for the Fiscal Year  
Ending March 31, 2016**

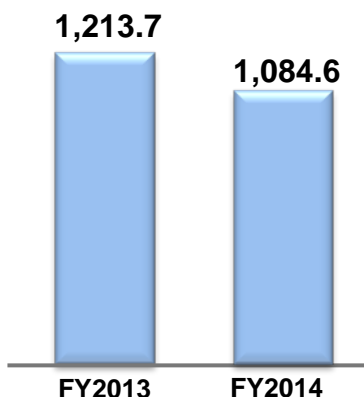
May 15, 2015

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.

- \* "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.

## Operating Income

(Billions of yen)



- **Operating Revenues increased for the fifth consecutive year; Operating Income decreased**

## ● Expansion of global cloud services

- Promoting M&A
  - NTT Communications acquired e-shelter, a Europe-based data center provider
- Cross-selling order volume was approximately US\$200 million
- Overseas sales increased to ¥1,585.4 billion (a ¥389.4 billion increase year-on-year)
- Percentage of corporate sales represented by overseas sales: 44%

## ● Enhanced competitiveness of network services

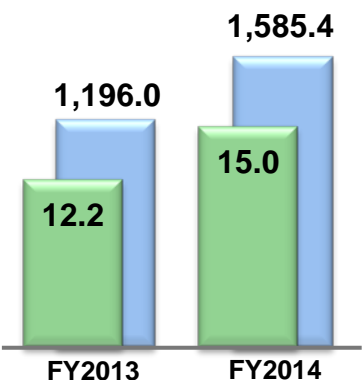
- Expansion of NTT's user base
  - 17.83 million new billing plan subscribers
  - 66.60 million mobile phone subscribers (net increase of 3.49 million subscribers)
  - 18.72 million FLET'S Hikari subscribers (net increase of 0.67 million subscribers), including 0.27 million subscribers to the "Hikari Collaboration Model"
  - Number of subscribers to Hikari TV and FLET'S TV: 4.36 million (net increase of 0.37 million subscribers)
- Fixed-line and mobile access cost reductions
  - Reduction of ¥239.0 billion year-over-year, and a total ¥651.0 billion in reductions compared to FY2011
- Capex to Sales
  - 15.6% as a result of enhanced efficiency in capital investments

## ● Shareholder returns

- Completed ¥338.1 billion of share buybacks (mainly from the Japanese government)
- Dividends of ¥180 per share for FY2014, a ¥10 increase year-on-year

## Overseas Sales

■ Overseas Sales in billions of yen  
■ Overseas Sales in billions of USD



- Operating Revenues increased, spurred by the continued growth of our overseas businesses
- Operating Income decreased due to a decrease in income in the Mobile communications segment, despite increased revenues in other segments; fell short of the FY2014 Forecast by ¥10.4 billion
- Earnings Per Share (EPS) was ¥473.69, a 29.2% increase compared to FY2011

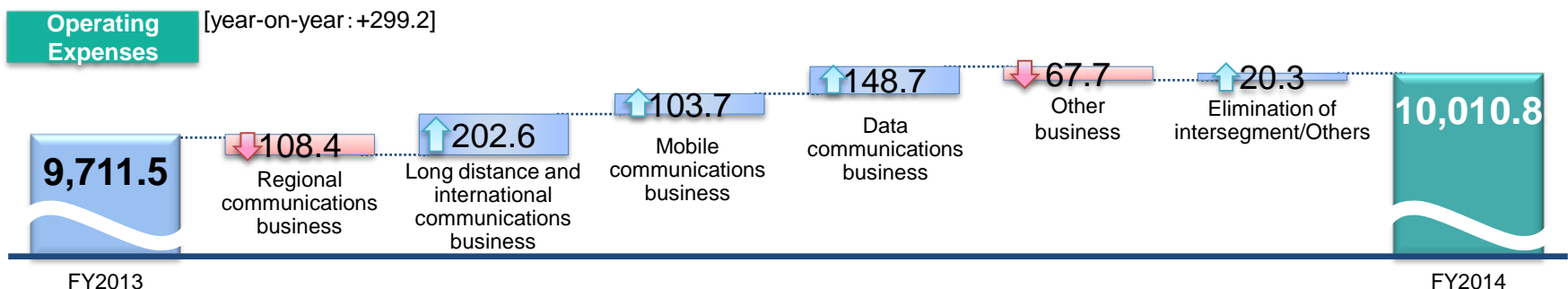
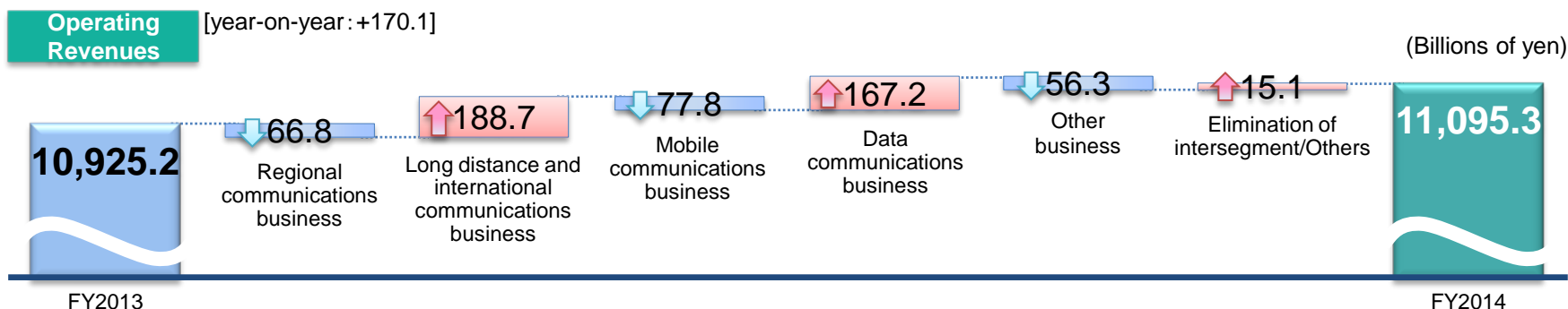
	FY2014				FY2013	FY2014 Forecasts
		Change year-on-year	[%]	Change from the Revised Forecasts		
Operating Revenues	11,095.3	+170.1	+1.6%	+85.3	10,925.2	11,010.0
Operating Expenses	10,010.8	+299.2	+3.1%	+95.8	9,711.5	9,915.0
Operating Income	1,084.6	(129.1)	(10.6)%	(10.4)	1,213.7	1,095.0
Net Income*	518.1	(67.4)	(11.5)%	(10.9)	585.5	529.0
EPS (yen)	473.69	(35.52)	(7.0)%	(5.31)	509.21	479.00

\* Net Income represents net income attributable to NTT, excluding noncontrolling interests.

# FY2014 Contributing Factors by Segment



- Regional communications business: Operating Income increased as a result of vastly improved operational efficiency as well as the reduction of marketing costs.
- Long distance and international communications business: Although intensifying domestic competition led to a decrease in Operating Income, overseas businesses experienced steady growth.
- Mobile communications business: Operating Revenues decreased due to the increased impact of “Monthly Support” discount programs and the effect of new rate plans, which also resulted in a decrease in Operating Income.
- Data communications business: Operating Income increased due to an improvement in gross margins resulting from increased sales, as well as a reduction in unprofitable transactions, among other factors.



**Operating Income** [year-on-year: (129.1)]

Segment	Change (Billions of yen)
Regional communications business	+41.6
Long-distance and international communications business	-13.9
Mobile communications business	-181.5
Data communications business	+18.4
Other business	+11.4
Elimination of intersegment/ Others	-5.1
<b>FY2013 Total</b>	<b>1,213.7</b>
<b>FY2014 Total</b>	<b>1,084.6</b>

# FY2015 Forecast Summary

- Operating Revenues are expected to increase for the sixth consecutive year, to reach a record ¥11,350.0 billion
- Operating Income is expected to recover and reach ¥1,200.0 billion, a ¥115.4 billion increase year-over-year
- EPS is expected to reach ¥595, a 62.3% increase compared to FY2011

(Billions of yen)

	FY2014	FY2015 Forecasts		
			Change year-on-year	[%]
Operating Revenues	11,095.3	11,350.0	+254.7	+2.3%
Operating Expenses	10,010.8	10,150.0	+139.2	+1.4%
Operating Income	1,084.6	1,200.0	+115.4	+10.6%
Net Income	518.1	630.0	+111.9	+21.6%
EPS (yen)	473.69	595.00	+121.31	+25.6%

※Net income represents net income attributable to NTT, excluding noncontrolling interests.

# FY2015 Forecast Summary by Segment



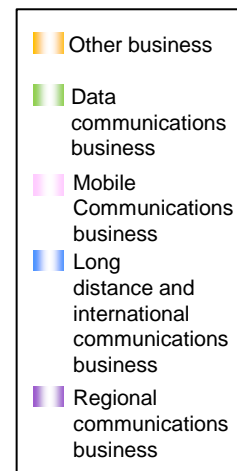
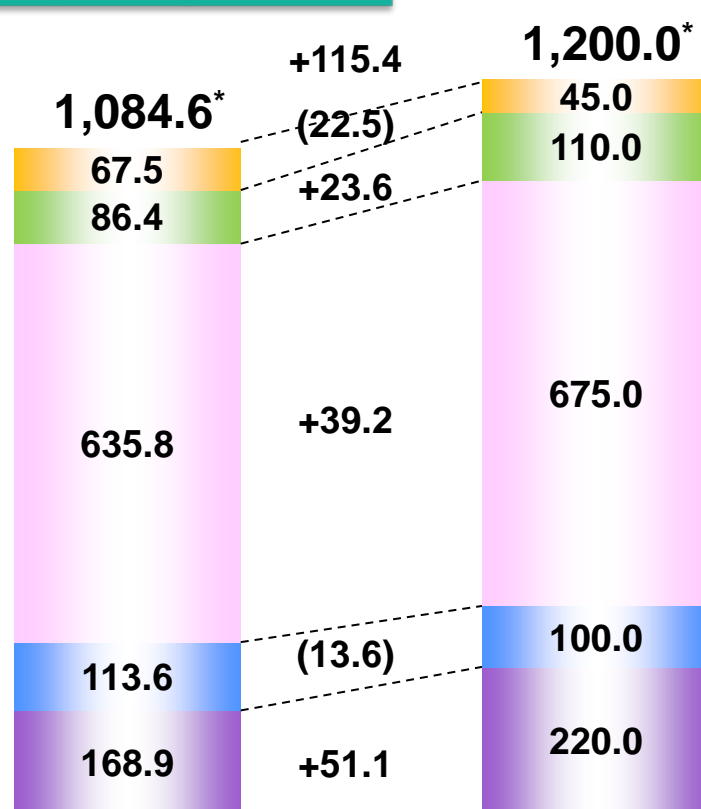
- Regional communications business: Operating Income is expected to increase due to, among other factors, decreased marketing costs as the “Hikari Collaboration Model” becomes fully established, despite an expected continued decrease in Operating Revenues
- Long distance and international communications business: Although intensifying domestic competition is expected to lead to a decrease in Operating Income, Operating Revenues are expected to increase due to the steady growth of overseas businesses.
- Mobile communications business: Operating Revenues and Operating Income are both expected to increase due to a softening of the adverse impact of the new billing plans, increased revenues from the “docomo Hikari” and “Smart Life” business areas, and cost reductions.
- Data communications business: Operating Income and Operating Revenues are expected to increase due to an improvement in gross margins resulting from increased sales and a reduction in unprofitable transactions, among other factors.

(Billion yen)

## Operating Revenue



## Operating Income



FY2014

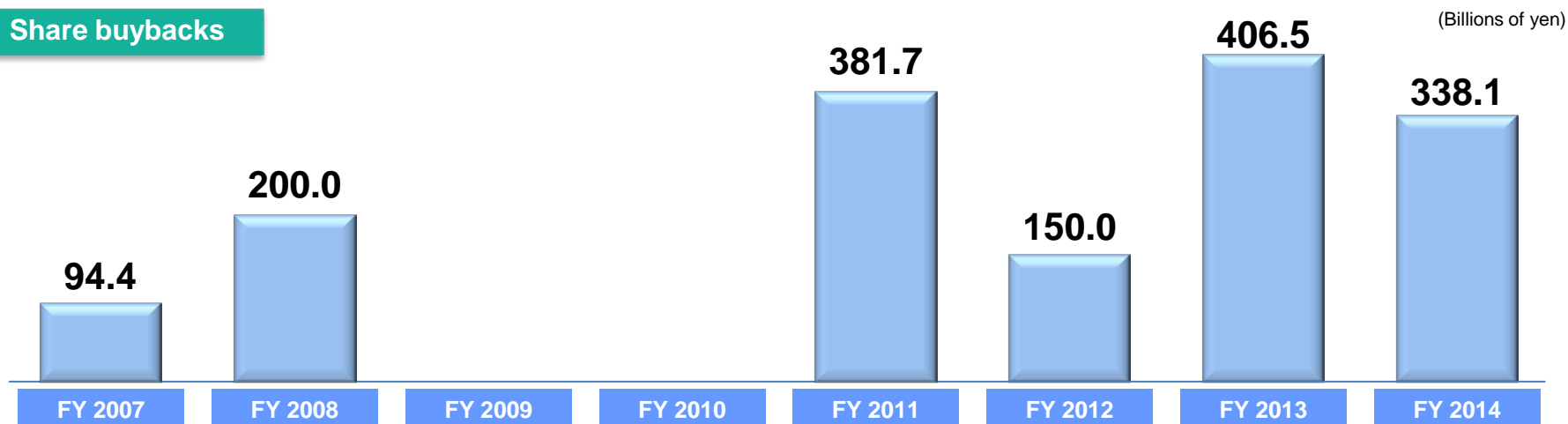
FY2015E

FY2014

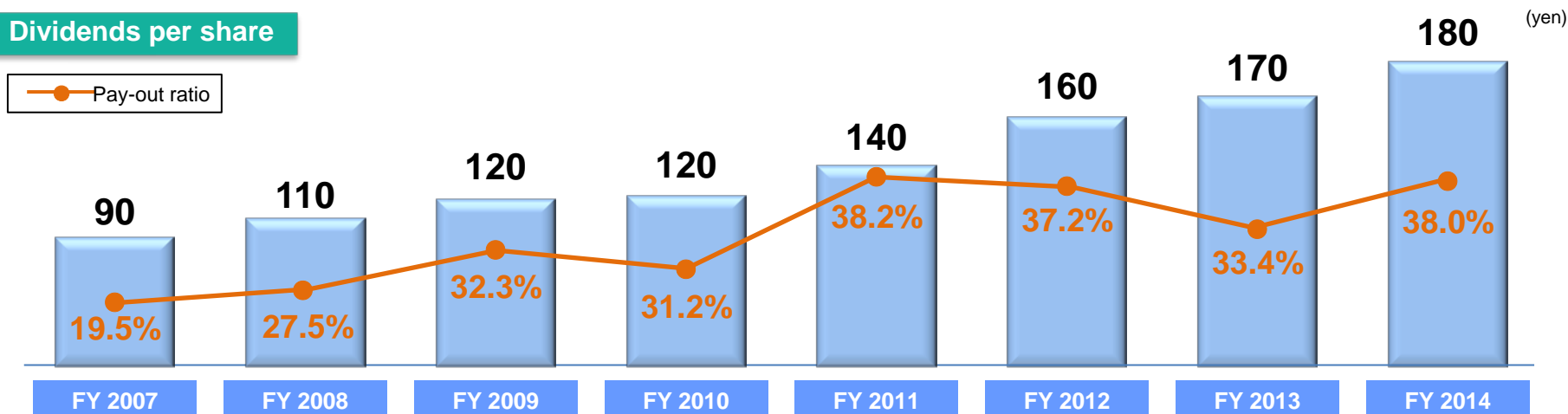
FY2015E

- Share buybacks: Completed ¥338.1 billion of share buybacks (mainly from the Japanese government) in FY2014
- Dividends: Dividends of ¥180 per share for FY2014, a ¥10 increase year-on-year


## Share buybacks



## Dividends per share





 **Dividends:** Dividends of ¥200 per share planned for FY2015, a ¥10 increase in interim and year-end dividends and a ¥20 increase in total from FY2014.

 **Two-for-one stock split of NTT's common stock:**

The objective of the two-for-one stock split\* is to lower NTT's minimum investment cost per unit, thereby improving the investment environment for its shares and expanding its investor base.

\* Effective date: July 1, 2015

Note 1: The dividend forecasts for the fiscal year ending March 31, 2016, taking the stock split into account, are as follows:

Interim dividends are ¥50 per share,

Year-end dividends are ¥50 per share,

Annual Dividends (total of the above two items) are ¥100 per share.

Note 2: EPS for the fiscal year ending March 31, 2016, taking the stock split into account, is expected to be ¥297.50.

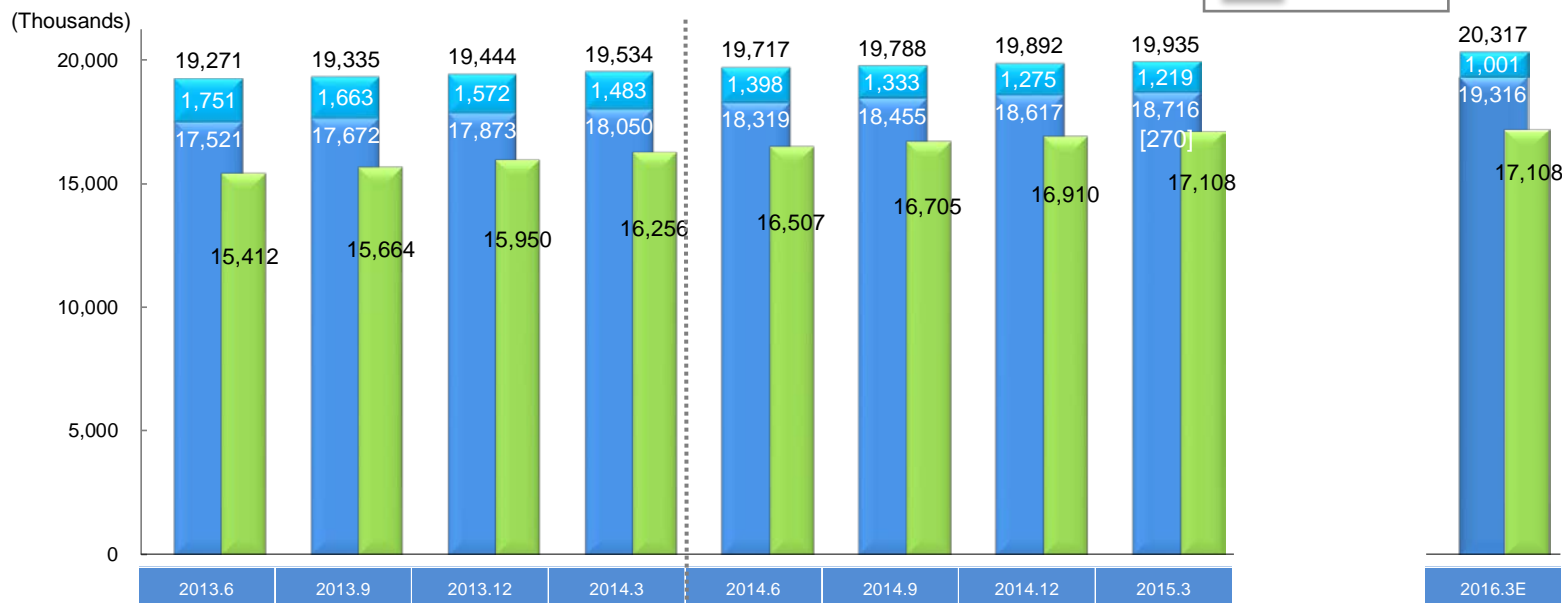
## Progress of Broadband Services

---

# Number of Subscribers for Fixed Broadband Services



## Number of subscribers \*1\*2



## Changes from the preceding quarter

	FY2013				FY2014				FY2014	FY2015E
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3		
FLET'S Hikari*1	220	152	200	178	269	136	162	99	665	600
Number of opened connections*3	870	707	743	811	879	683	684	720	2,966	2,750
FLET'S ADSL	(98)	(88)	(91)	(89)	(85)	(65)	(58)	(56)	(264)	(218)
Hikari Denwa*4*5	242	252	287	305	251	199	204	198	852	0

\*1 Number of FLET'S Hikari subscribers includes B FLET'S, FLET'S Hikari Next, FLET'S Hikari Light and FLET'S Hikari WiFi Access provided by NTT East, B FLET'S, FLET'S Hikari Premium, FLET'S Hikari Mytown, FLET'S Hikari Next, FLET'S Hikari Light and FLET'S Hikari WiFi Access provided by NTT West, and wholesale Hikari Access (Hikari Collaboration Model) FTTH (fiber-to-the-home) access services provided to service providers by NTT East and NTT West.

\*2 Figures in [ ] represent FTTH access services which NTT East and NTT West provide to service providers.

\*3 Number of opened connections excludes openings due to relocations.

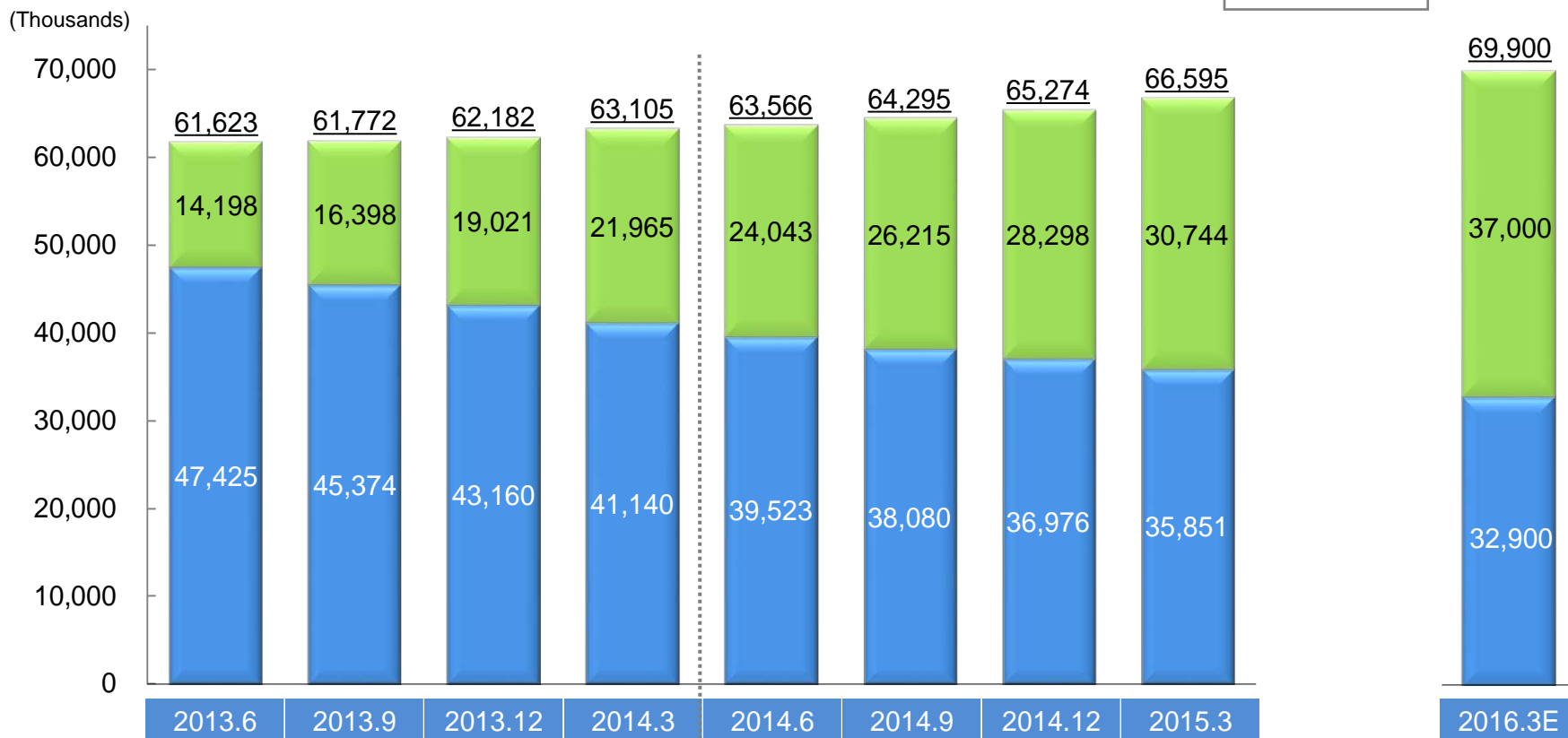
\*4 Numbers for Hikari Denwa include wholesale services provided to service providers by NTT East and NTT West.

\*5 Numbers of Hikari Denwa subscribers are presented in thousands of channels.

# Number of Subscribers for Mobile Broadband Services



## Number of subscribers\*



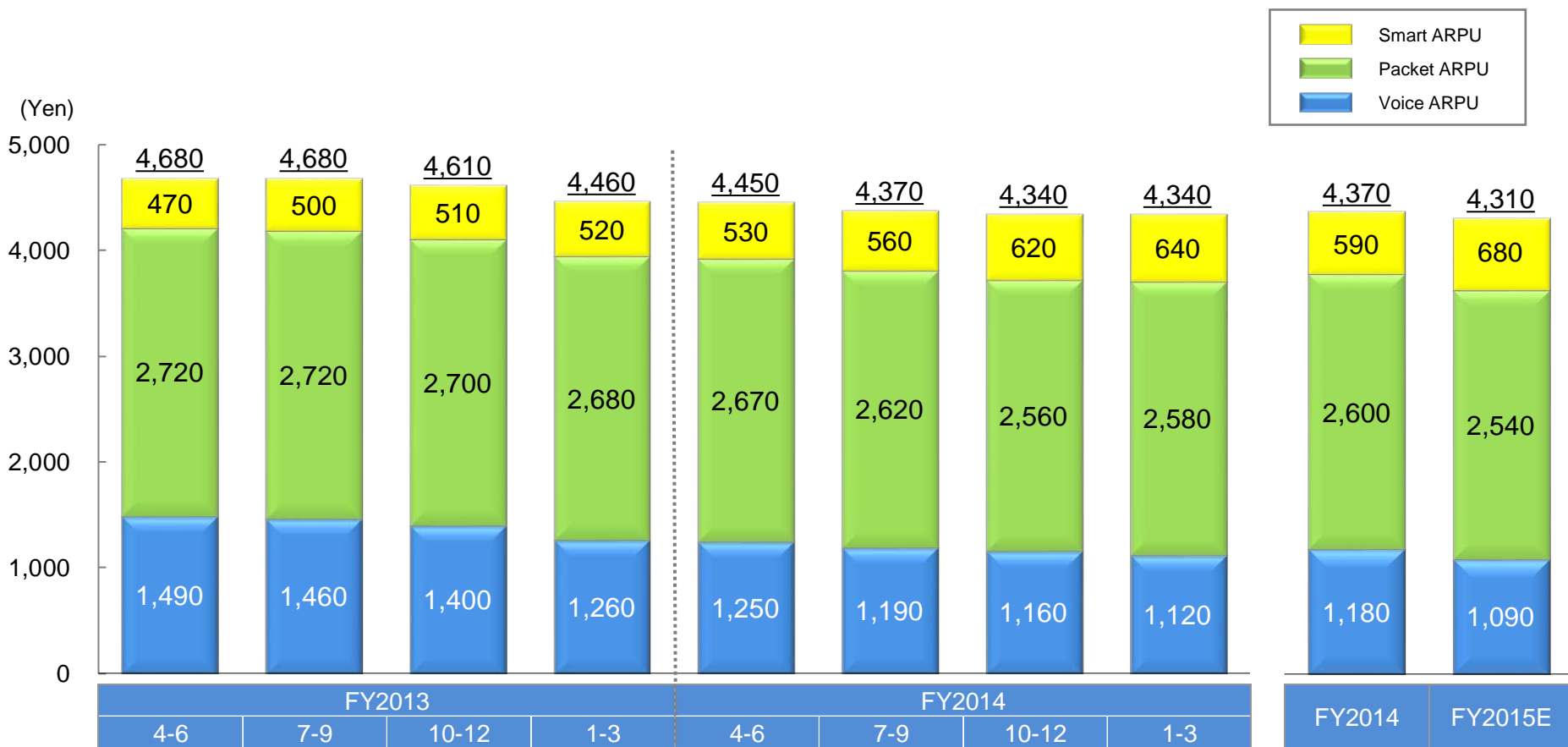
## Changes from the preceding quarter

	FY2013				FY2014				FY2014	FY2015E
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3		
LTE("Xi")+FOMA	87	149	410	924	461	729	979	1,322	3,490	3,300

(Thousands)

\* The number of FOMA subscribers includes communications module service subscribers

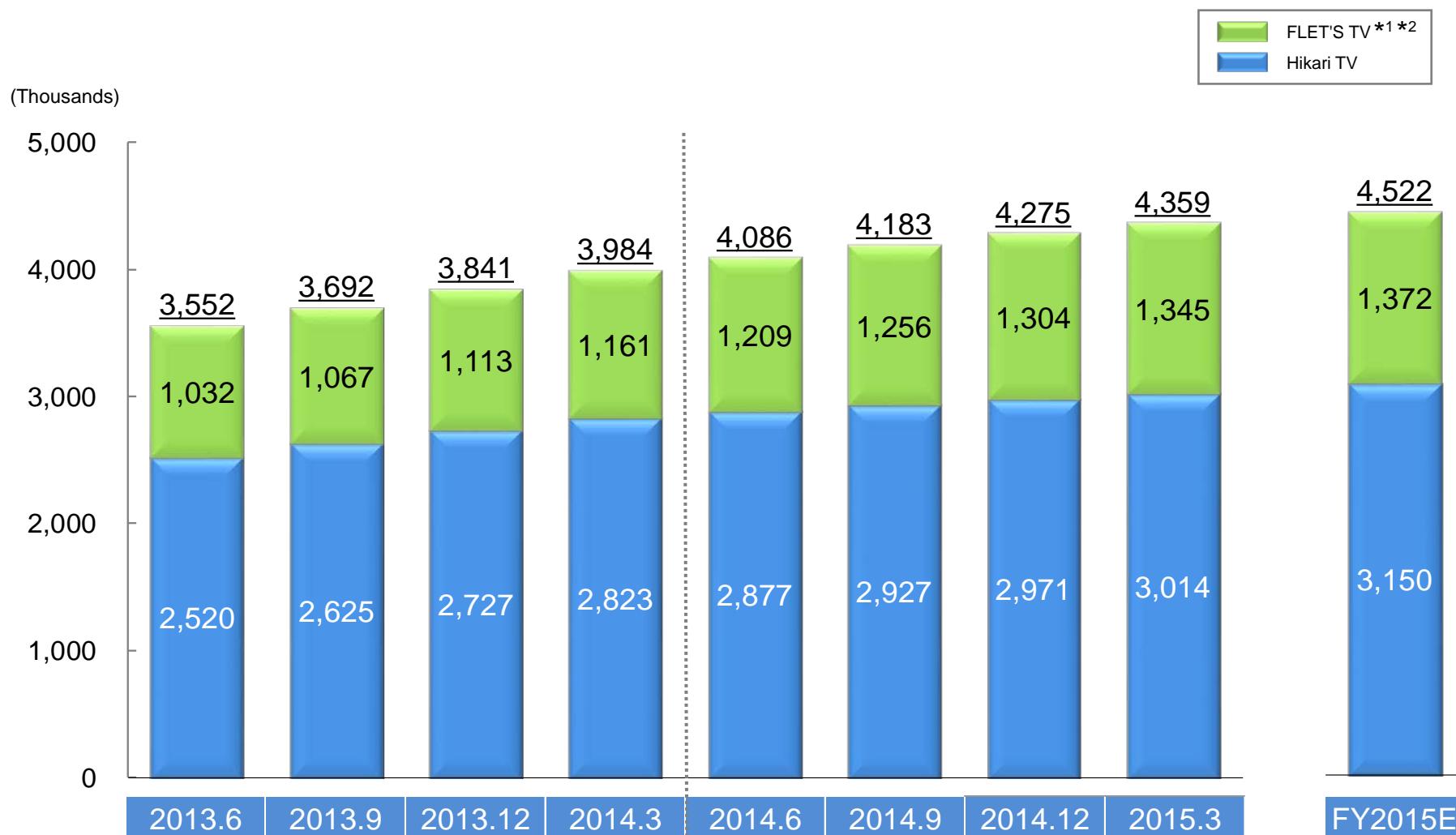
# ARPU of Mobile Broadband Services (LTE("Xi"), FOMA)\*



\* NTT DOCOMO's ARPU calculation methods have been changed from the second quarter of the fiscal year ending March 31, 2015. Accordingly, the ARPU data for the results for the three months ended Jun. 30, 2013 (from Apr. to Jun., 2013), the three months ended Sep. 30, 2013 (from Jul. to Sep., 2013), the three months ended Dec. 31, 2013 (from Oct. to Dec., 2013), the three months ended Mar. 31, 2014 (from Jan. to Mar., 2014), the year ended Mar. 31, 2014 and the three months ended Jun. 30, 2014 (from Apr. to Jun., 2014) presented above have also been changed.

Please see page 17 regarding the calculation of ARPU.

# Number of Subscribers for Video Services



\*1 "FLET'S TV" requires a subscription to "FLET'S TV Transmission Services," provided by NTT East and NTT West, and a subscription to SKY Perfect JSAT's "SKY Perfect JSAT Facility Use Services" broadcast service.

\*2 Numbers of subscribers for "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

## Financial Information

---

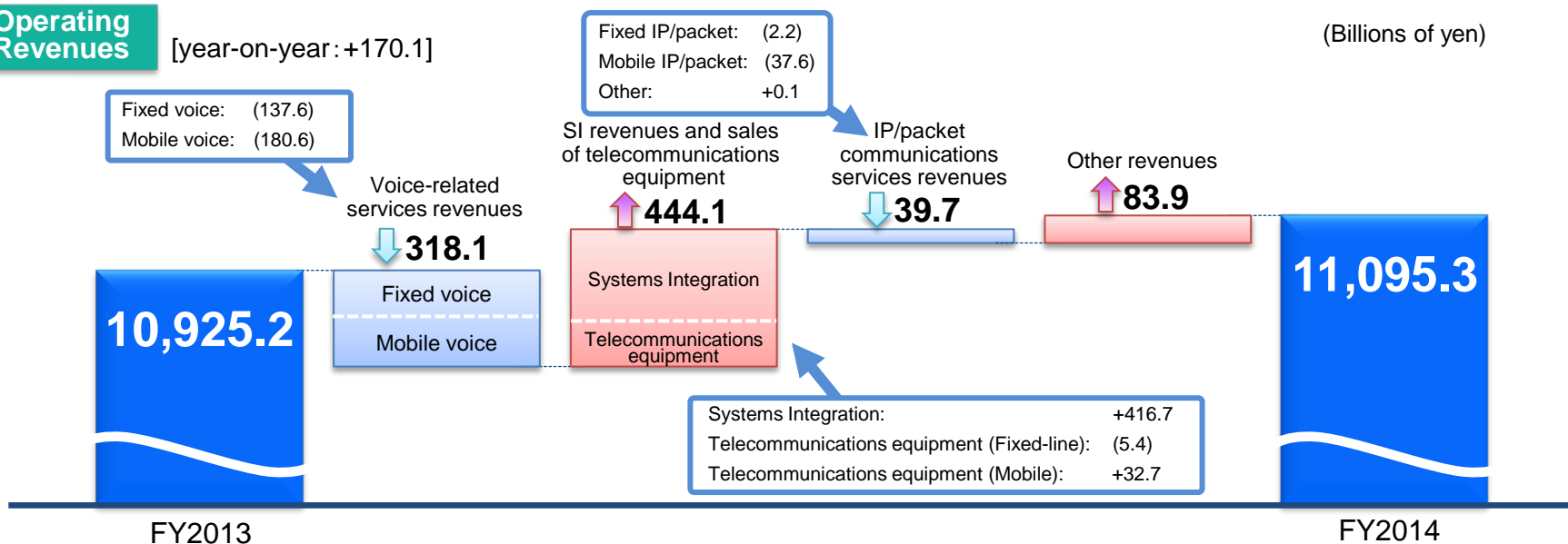
# Details of Consolidated Statement of Income



## Operating Revenues

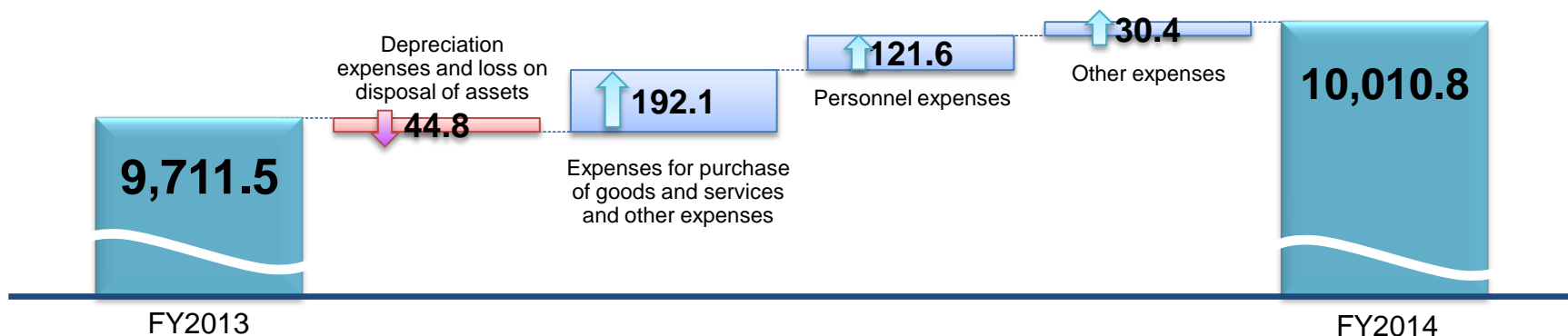
[year-on-year: +170.1]

(Billions of yen)



## Operating Expenses

[year-on-year: +299.2]





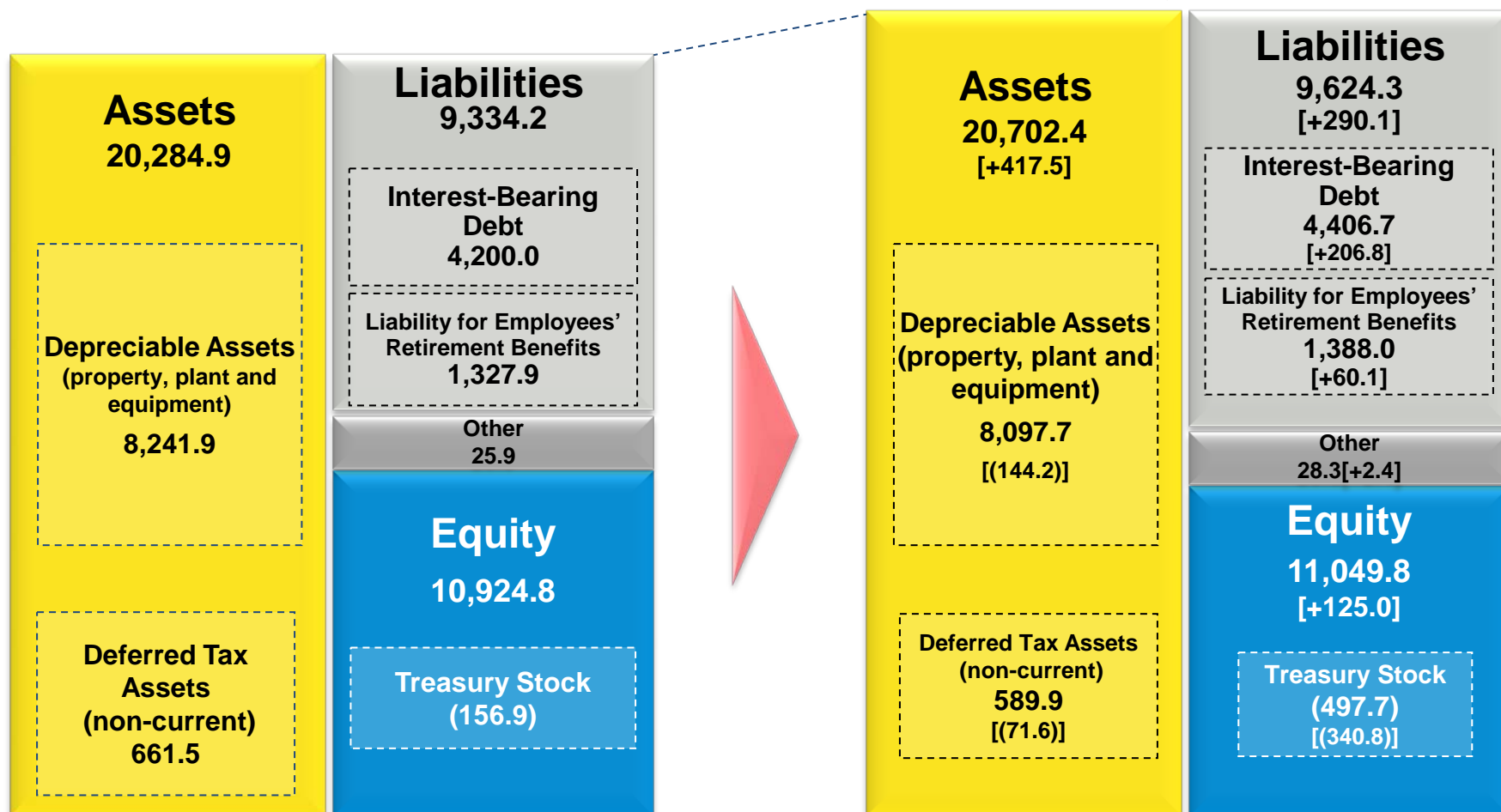
March 31, 2014

March 31, 2015

(Billions of yen)

20,284.9

20,702.4



# Details of Consolidated Cash Flows

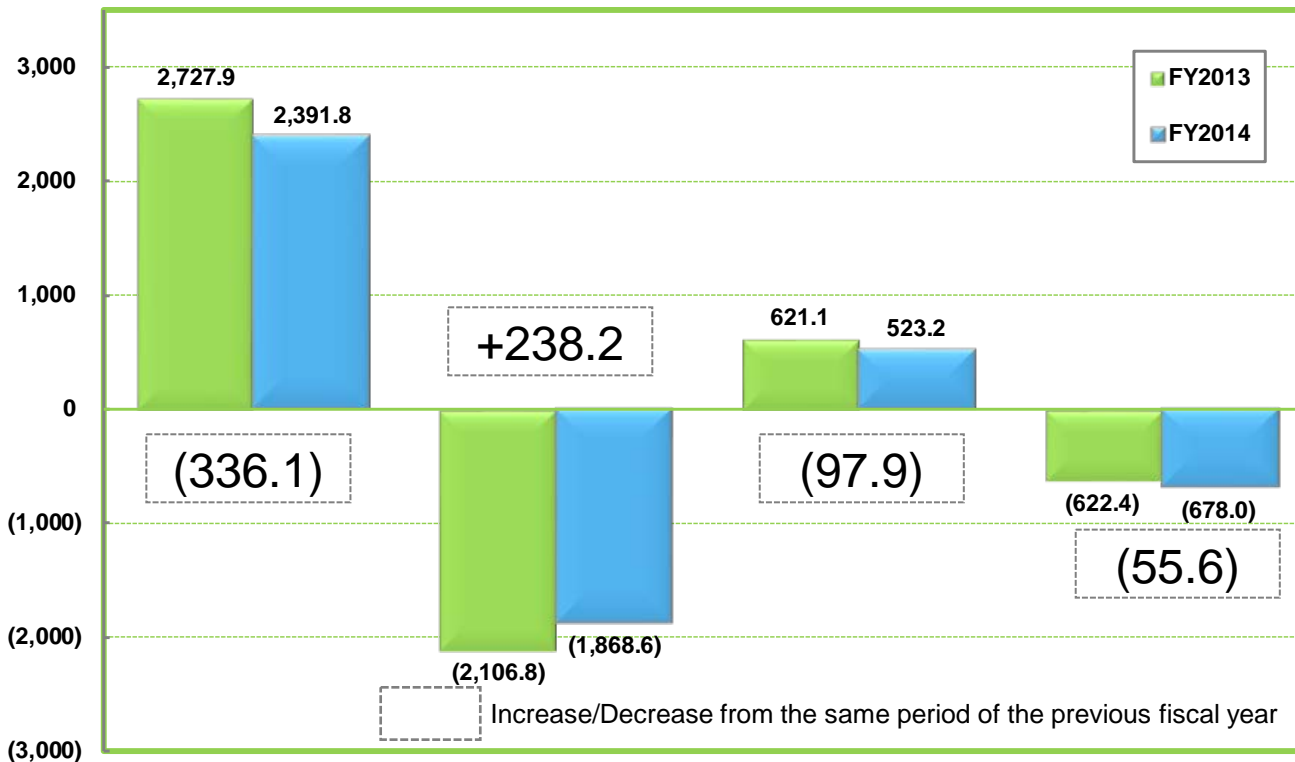
Cash flows from operating activities (A)

Cash flows from investing activities (B)

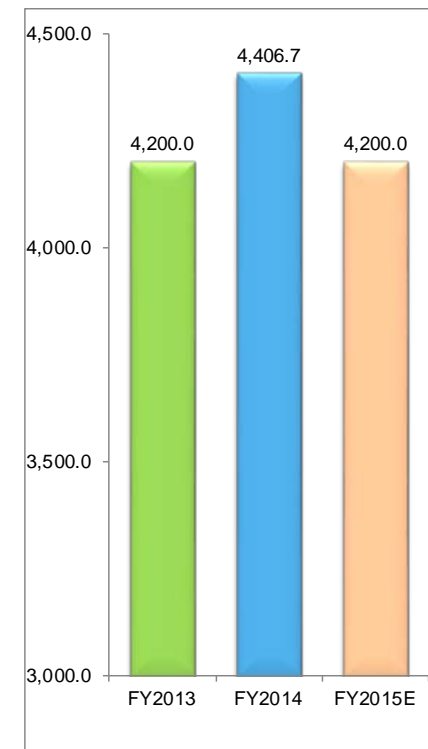
FCF (A) + (B)

Cash flows from financing activities

Interest-bearing debt

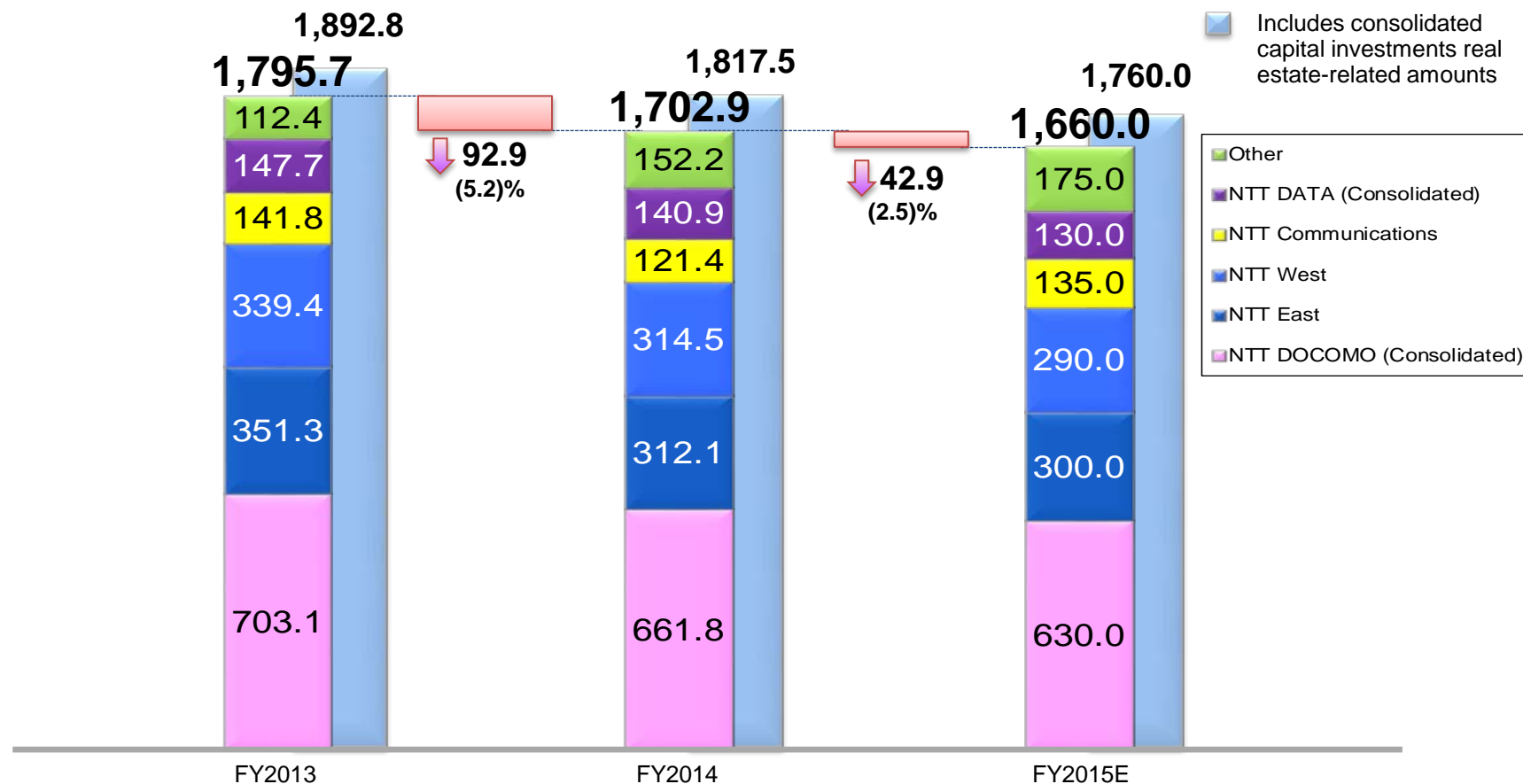


(Billions of yen)



(Billions of yen)

## Capital Investment



## Capex to Sales Ratio

### Capex to Sales

\* (includes real estate-related amounts) **17.3%**

**16.7%**

**15.6%**

**14.9%**

**16.4%**

**15.5%**

\* Amounts include sales and investments related to real estate and solar power generation operations

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to each designated service on a per user basis. In the case of NTT Group's mobile communications business, ARPU is calculated by dividing revenue items included in operating revenues from its mobile communications business segment, such as revenues from FOMA mobile phone services and Xi mobile phone services, that are incurred consistently each month (i.e., basic monthly charges and voice/packet transmission charges), by the number of Active Subscribers to the relevant services. The calculation of these figures excludes revenues that are not representative of monthly average usage, such as telecommunications equipment sales, activation fees and universal service charges.

NTT believes that its ARPU figures calculated in this way provide useful information regarding the monthly average usage of its subscribers. The revenue items included in the numerators of NTT Group's ARPU figures are based on its financial results comprising its U.S. GAAP results of operations.

For a complete discussion on the calculation of ARPU, please see the "Supplementary Data for the Annual Results for the Fiscal Year Ended March 31, 2015."

Notes:

(1) The following is the formula we use to compute ARPU for mobile business conducted by NTT DOCOMO.

- Mobile Aggregate ARPU ("LTE('Xi')"+"FOMA") = Voice ARPU ("LTE('Xi')"+"FOMA") + Packet ARPU ("LTE('Xi')"+"FOMA") + Smart ARPU ("LTE('Xi')"+"FOMA").
  - NTT DOCOMO's Voice ARPU ("LTE('Xi')"+"FOMA") is based on operating revenues related to voice services, such as basic monthly charges and voice communication charges attributable to our "FOMA" and "LTE('Xi')" services, and Packet ARPU ("LTE('Xi')"+"FOMA") is based on operating revenues related to packet services, such as flat monthly fees and packet communication charges attributable to "FOMA" and "LTE('Xi')" services, and Smart ARPU ("LTE('Xi')"+"FOMA") is based on operating revenues from a part of Other Operating Revenues attributable to "FOMA" and "LTE('Xi')" wireless communications services (revenues from content, collection of charges, mobile phone insurance service, advertising and others).

(2) NTT DOCOMO's ARPU calculation does not include subscriptions for and revenues from communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs).

(3) Number of active subscribers used in the ARPU calculation of NTT DOCOMO are as below.

1Q Results: Sum of number of active subscribers\*\* for each month from April to June.

2Q Results: Sum of number of active subscribers\*\* for each month from July to September.

3Q Results: Sum of number of active subscribers\*\* for each month from October to December.

4Q Results: Sum of number of active subscribers\*\* for each month from January to March.

FY Results/FY Forecast: Sum of number of active subscribers\*\*/ expected number of active subscribers\*\* for each month from April to March.

\*\* Active subscribers = (number of subscribers at end of previous month + number of subscribers at end of the current month)/2