

Financial Results Release

For the Year Ended March 31, 2015

May 15, 2015

[U.S. GAAP]

Name of registrant :Nippon Telegraph and Telephone Corporation (“NTT”) / URL <http://www.ntt.co.jp/ir/>
 Code No. :9432
 Stock exchanges on which the Company's shares are listed :Tokyo
 Representative :Hiroo Unoura, President and Chief Executive Officer
 Contact :Yasutake Horinouchi, Head of IR, Finance and Accounting Department / TEL +81-3-6838-5481
 Scheduled date of the ordinary general meeting of shareholders:June 26, 2015
 Scheduled date of dividend payments :June 29, 2015
 Scheduled filing date of securities report :June 30, 2015
 Supplemental material on financial results :Yes
 Presentation on financial results :Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Year Ended March 31, 2015 (April 1, 2014 - March 31, 2015)

Amounts are rounded to nearest million yen.

(1) Consolidated Results of Operations

(Millions of yen)

	Operating Revenues		Operating Income		Income (Loss) before Income Taxes		Net Income (Loss) Attributable to NTT	
Year ended March 31, 2015	11,095,317	1.6%	1,084,566	(10.6)%	1,066,629	(17.6)%	518,066	(11.5)%
Year ended March 31, 2014	10,925,174	2.1%	1,213,653	1.0%	1,294,195	8.1%	585,473	12.2%

Note: Percentages above represent changes from the previous year.

	Basic Earnings (Loss) per Share	Diluted Earnings per Share Attributable to NTT	ROE (Ratio of Net Income to Shareholders' Equity)	ROA (Ratio of Income (Loss) before Income Taxes to Total Assets)	Operating Income Margin (Ratio of Operating Income to Operating Revenues)
Year ended March 31, 2015	473.69 (yen)	- (yen)	6.0%	5.2%	9.8%
Year ended March 31, 2014	509.21 (yen)	- (yen)	7.0%	6.5%	11.1%

Notes: Comprehensive income (loss) attributable to NTT: For the year ended March 31, 2015: 691,332 million yen ((20.8)%
 For the year ended March 31, 2014: 873,371 million yen (27.2%)

Equity in earnings (losses) of affiliated companies: For the year ended March 31, 2015: 5,889 million yen
 For the year ended March 31, 2014: (50,792) million yen

(2) Consolidated Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Total Equity (Net Assets)	Shareholders' Equity	Equity Ratio (Ratio of Shareholders' Equity to Total Assets)	Shareholders' Equity per Share
March 31, 2015	20,702,427	11,049,810	8,681,860	41.9%	8,201.27 (yen)
March 31, 2014	20,284,949	10,924,806	8,511,354	42.0%	7,667.57 (yen)

(3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year ended March 31, 2015	2,391,812	(1,868,579)	(678,008)	849,174
Year ended March 31, 2014	2,727,904	(2,106,806)	(622,440)	984,463

2. Dividends

	Dividends per Share					Total Annual Dividends	Payout Ratio (Consolidated)	Ratio of Dividends to Shareholders' Equity (Consolidated)
	End of the First Quarter	End of the Second Quarter	End of the Third Quarter	Year-end	Total			
Year ended March 31, 2014	—	80.00 (yen)	—	90.00 (yen)	170.00 (yen)	191,249 (millions of yen)	33.4 %	2.3 %
Year ended March 31, 2015	—	90.00 (yen)	—	90.00 (yen)	180.00 (yen)	195,140 (millions of yen)	38.0 %	2.3 %
Year ending March 31, 2016 (Forecasts)	—	100.00 (yen)	—	100.00 (yen)	200.00 (yen)	—	33.6 %	—

Note: NTT authorized a two-for-one stock split of its common stock, with an effective date of July 1, 2015, at a meeting of its board of directors held on May 15, 2015. The year-end dividend forecast for the year ending March 31, 2016 does not reflect the impact of the stock split. The total year-end dividend forecast for the year ending March 31, 2016, taking the stock split into account, is 100 yen.

3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of yen)

	Operating Revenues		Operating Income		Income before Income Taxes		Net Income Attributable to NTT		Basic Earnings per Share Attributable to NTT	
Year ending March 31, 2016	11,350,000	2.3 %	1,200,000	10.6 %	1,180,000	10.6%	630,000	21.6 %	595.00 (yen)	

Notes: 1. Percentages above represent changes from the previous year.

2. The forecast for basic earnings per share attributable to NTT for the year ending March 31, 2016 does not reflect the impact of the two-for-one stock split of NTT's common stock, with an effective date of July 1, 2015. The forecast for basic earnings per share attributable to NTT for the year ending March 31, 2016, taking the stock split into account, is 297.50 yen.

***Notes**

- (1) Change in reporting entities (change in significant consolidated subsidiaries): Yes
Eliminations: One company (NTT DATA International Services, Inc.)
- (2) Change of accounting policy
- i. Change due to revision of accounting standards and other regulations: None
- ii. Other change: None
- (3) Number of shares outstanding (common stock)
- i. Number of shares outstanding (including treasury stock) at end of year:
- March 31, 2015: 1,136,697,235 shares
March 31, 2014: 1,136,697,235 shares
- ii. Number of shares of treasury stock at end of year:
- March 31, 2015: 78,097,606 shares
March 31, 2014: 26,650,807 shares
- iii. Weighted average number of shares outstanding:
- For the year ended March 31, 2015: 1,093,680,009 shares
For the year ended March 31, 2014: 1,149,758,214 shares

(Reference) Non-Consolidated Financial Results

For the Year Ended March 31, 2015

[Japanese GAAP]

1. Non-consolidated Financial Results for the Year Ended March 31, 2015 (April 1, 2014 - March 31, 2015)

Amounts are rounded off per 1 million yen.

(1) Non-consolidated Results of Operations (Millions of yen, except per share amounts)

	Operating Revenues	Operating Income	Recurring Profit	Net Income
Year ended March 31, 2015	411,828 (4.4)%	273,969 (3.4)%	272,393 (1.8)%	556,578 99.3%
Year ended March 31, 2014	430,843 (0.4)%	283,530 1.8%	277,322 1.1%	279,224 2.8%

Note: Percentages above represent changes from the previous year.

	Earnings per Share	Diluted Earnings per Share
Year ended March 31, 2015	508.90 (yen)	- (yen)
Year ended March 31, 2014	242.86 (yen)	- (yen)

(2) Non-consolidated Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Equity Ratio (Ratio of Shareholders' Equity to Total Assets)	Net Assets per Share
March 31, 2015	7,027,374	4,345,475	61.8%	4,104.93 (yen)
March 31, 2014	7,302,096	4,329,004	59.3%	3,899.84 (yen)

(Reference) Shareholders' equity: For the year ended March 31, 2015: 4,345,475 million yen
For the year ended March 31, 2014: 4,329,004 million yen

2. Non-consolidated Financial Results Forecasts for the Year Ending March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of yen, except per share amounts)

	Operating Revenues	Operating Income	Recurring Profit	Net Income	Earnings per Share
Year ending March 31, 2016	427,000 3.7%	291,000 6.2%	287,000 5.4%	288,000 (48.3)%	272.00(yen)

Notes: 1. Percentages above represent changes from the previous year.

2. The forecast for earnings per share for the year ending March 31, 2016 does not reflect the impact of the two-for-one stock split of NTT's common stock, with an effective date of July 1, 2015. The forecast for earnings per share for the year ending March 31, 2016, taking the stock split into account, is 136.00 yen.

* Presentation on the status of audit process:

This financial results release is not subject to the audit process as required by the Financial Instruments and Exchange Act of Japan. As of the date when this financial results release was issued, the audit process on financial statements as required by the Financial Instruments and Exchange Act was still ongoing.

* Explanation for financial results forecasts and other notes:

With regard to the assumptions and other related matters concerning the above estimated results, please refer to page 44.

As NTT evaluates its business performance on an annual basis, prospects on a semi-annual basis are not provided.

NTT authorized a two-for-one stock split of its common stock, with an effective date of July 1, 2015, at a meeting of its board of directors held on May 15, 2015.

On Friday, May 15, 2015, NTT will hold a presentation on its financial results for institutional investors and analysts. Shortly thereafter, NTT plans to post on its website explanatory details, along with the materials used at the presentation.

1. BUSINESS RESULTS

(1) Analysis Concerning Business Results

Overview of Consolidated Business Results (April 1, 2014 – March 31, 2015)

			(Billions of yen)	
	Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Change	Percent Change
Operating revenues	10,925.2	11,095.3	170.1	1.6%
Operating expenses	9,711.5	10,010.8	299.2	3.1%
Operating income	1,213.7	1,084.6	(129.1)	(10.6)%
Income before income taxes	1,294.2	1,066.6	(227.6)	(17.6)%
Net income attributable to NTT	585.5	518.1	(67.4)	(11.5)%

In the fiscal year ended March 31, 2015, while the economies of Europe and certain emerging countries weakened, the U.S. economy remained stable, leading to a gradual recovery of the global economy. The Japanese economy grew steadily overall, despite decreases in consumer spending levels and other areas due to the increase in the consumption tax rate enacted in April 2014.

In the information and telecommunications market, the use of devices such as smartphones, tablets and similar devices that use fiber-optic services, LTE services, Wi-Fi and other broadband services has increased, and the use of social media and cloud services has continued to expand. There has also been a worldwide trend in both developed and developing countries of various new participants entering the market alongside telecommunications companies, and rapid growth in the variety and sophistication of services available.

In light of these circumstances, NTT Group worked to expand its global cloud services and strengthen its network service competitiveness in line with its Medium-Term Management Strategy adopted in November 2012, entitled “Towards the Next Stage.”

- Expansion of Global Cloud Services

NTT Group worked to expand its provision of global cloud services by taking advantage of its strengths as a corporate group to provide comprehensive cloud services from the information and telecommunications platforms stage, such as data centers and the IP backbone, to the ICT management and applications stage.

To reinforce the structure by which it provides global cloud services, NTT Group acquired the following subsidiaries: ICT solutions provider Nexus IS, Inc. (headquartered in the United States), technology consulting service provider Oakton Limited (headquartered in Australia), cloud service solutions provider Symphony Management Consulting, LLC (headquartered in the United States), and security solutions provider InfoTrust AG (headquartered in Switzerland). NTT Group also entered into a stock purchase agreement to acquire a majority of the outstanding shares of Lux e-shelter 1 S.a.r.l. (headquartered in Luxembourg), a provider of data center services in Germany and elsewhere in Europe.

In order to meet the increasing global demand for data center services, NTT Group aimed to strengthen its provision of data center services overseas in Cyberjaya, Malaysia while also expanding its data center facilities in Mumbai, the commercial center of India. In Japan, NTT Group continued to provide services from Shinagawa, which is readily accessible from business districts in the Tokyo metropolitan area. NTT Group also began construction on another data center in Osaka in anticipation of growing demand, including demand for back-up sites outside of the Tokyo metropolitan area.

As a result of the combined initiatives of a number of NTT Group companies, NTT Group obtained orders from organizations such as HM Treasury (the United Kingdom government’s economic and finance ministry), to provide services to coordinate a number of suppliers, cloud-hosting services, and application management services. NTT Group companies also developed an enterprise resource planning (“ERP”) system and began providing operation and maintenance services for the German automaker Daimler AG. In addition, NTT Group began providing All Nippon Airways Co., Ltd. (“ANA”) with services for a unified voice service to be utilized in all of their worldwide locations.

- Strengthening Network Service Competitiveness

In the fixed-line communications field, in order to encourage a variety of service providers from a wide range of industries to use Hikari access infrastructure services and to stimulate the ICT market through new channels of value creation, NTT Group began offering the “Hikari Collaboration Model,” the world’s first wholesale provision of fiber access services to various service providers. The introduction of the “Hikari Collaboration Model” has allowed a variety of businesses to begin providing their own services using this model.

In the mobile communications field, NTT Group unveiled “Kake-hodai & Pake-aeru”, a new billing plan tailored to suit a customer’s stage of life that offers more affordable rates to long-term users, and the number of subscriptions reached 17.83 million as of March 31, 2015. In addition, NTT Group launched the “docomo Hikari Pack,” a new customer-friendly rate package that provides a discount by combining the fiber-optic broadband service “docomo Hikari,” which utilizes the “Hikari Collaboration Model,” with smartphones or mobile phones. NTT Group also launched the LTE-based voice communications service “VoLTE,” which provides reliable and high-sound quality calls compared to conventional voice calling services.

NTT Group also strengthened its efforts to cut costs in its fixed-line and mobile communications services. Specifically, NTT Group has worked to further enhance efficiency through cutting the cost of laying optical transmission lines by increasing construction projects that do not require the dispatch of NTT employees and working to further improve the efficiency of its maintenance and operations business, while also introducing high-performance equipment and making effective use of its existing equipment in order to further improve equipment efficiency. Furthermore, on the basis of the “Hikari Collaboration Model” and other factors, NTT Group continued to streamline costs associated with marketing.

- Promoting Corporate Social Responsibility (CSR)

In order to contribute to the sustainable development of society, NTT Group companies undertook a range of activities and engaged in proactive information disclosure with the aim of meeting the quantitative indicators of the eight Priority Activities of the “NTT Group CSR Priority Activities” plan, which were established in accordance with the “NTT Group CSR Charter.”

As a result of NTT Group’s initiatives to reduce greenhouse gases utilizing ICT as a means of “creating a low-carbon society,” NTT Group was recognized by the Carbon Disclosure Project (CDP), the world’s largest program for the evaluation of companies in the context of climate change issues, as one of the leading companies in Japan for disclosure of the status of its corporate response and other climate change disclosure and achieved a position in the Climate Disclosure Leadership Index (CDLI) for the second consecutive year. NTT Group was also the first Japanese telecommunications provider to be selected to the Climate Performance Leadership Index (CPLI) in recognition of its distinguished performance in addressing climate change issues.

NTT Group continued to promote initiatives aimed at “securing high-level stability and reliability in key infrastructure,” by reexamining the hypothetical consequences of natural disasters such as major earthquakes on potentially afflicted areas, and implementing strategies to mitigate such consequences. In this context, NTT Group formulated group-wide measures to address and manage long-term electrical failures while also collaborating with local governments and other relevant entities in carrying out disaster preparedness drills. In addition, NTT Group initiated its “Mobile ICT Unit,” which enables telephone calls and data transmissions by immediately securing Wi-Fi areas in a very short timeframe in evacuation zones in the event of large and complex emergencies. NTT Group also participated in field trials for this unit in the typhoon-afflicted areas of Cebu in the Philippines.

In response to increasing investor demands for information regarding NTT Group’s efforts with respect to the environment, society and governance, NTT Group issued an “Integrated Report” with the aim of supplementing the information included in the non-financial sections of its Annual Report.

In light of the foregoing and other similar endeavors, NTT Group was selected as one of the Asia-Pacific Region index companies of the Dow Jones Sustainability Index (DJSI), a global index for socially responsible investing.

As a result of the above efforts, NTT Group’s consolidated operating revenues for the fiscal year ended March 31, 2015 were 11,095.3 billion yen (an increase of 1.6% from the previous fiscal year). Consolidated operating expenses were 10,010.8 billion yen (an increase of 3.1% from the previous fiscal year). As a result, consolidated operating income was 1,084.6 billion yen (a decrease of 10.6% from the previous fiscal year), consolidated income before income taxes was 1,066.6 billion yen (a decrease of 17.6% from the previous fiscal year), and consolidated net income attributable to NTT was 518.1 billion yen (a decrease of 11.5% from the previous fiscal year).

The forecast for the fiscal year ending March 31, 2016 is as follows: operating revenues of 11,350.0 billion yen (an increase of 2.3% year-over-year), operating income of 1,200.0 billion yen (an increase of 10.6% year-over-year), income before income taxes of 1,180.0 billion yen (an increase of 10.6% year-over-year), and net income attributable to NTT of 630.0 billion yen (an increase of 21.6% year-over-year).

Note: The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States.

The business results for NTT (Holding Company) and each of its business segments for the consolidated fiscal year ended March 31, 2015 are as follows.

Nippon Telegraph and Telephone Corporation (Holding Company)

Overview of Non-consolidated Business Results (April 1, 2014 – March 31, 2015)

(Billions of yen)

	Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Change	Percent Change
Operating revenues	430.8	411.8	(19.0)	(4.4)%
Operating expenses	147.3	137.8	(9.4)	(6.4)%
Operating income	283.5	273.9	(9.5)	(3.4)%
Recurring profit	277.3	272.3	(4.9)	(1.8)%
Net income	279.2	556.5	277.3	99.3%

In its capacity as the holding company of the NTT Group companies, during the past fiscal year, NTT continued working to formulate group-wide strategies and redistribute managerial resources in line with changes in the business environment. NTT also conducted fundamental research and development and provided the results to each group company for their broader dissemination, while planning and promoting the commercialization of fundamental technologies. Furthermore, NTT exercised its voting and other shareholder rights at the general shareholders' meetings of each group company.

During fiscal 2014, NTT repurchased 51,000,000 shares of its common stock for an aggregate of 338.1 billion yen pursuant to a resolution passed at its board of directors' meeting held on November 7, 2014.

NTT plans to set its annual dividends at 180 yen per share for the fiscal year ended March 31, 2015.

[1] Provision of Advice and Intermediary Services to Group Companies

NTT continues to provide appropriate and timely advice and intermediary services to group companies to facilitate the performance of their business activities in accordance with group policies and objectives.

Specifically, NTT provided advice and intermediary services aimed at expanding its provision of global cloud services and strengthening its network service competitiveness pursuant to its Medium-Term Management Strategy "Towards the Next Stage." As compensation for these services, NTT received 18.5 billion yen in group management and administration revenues for the fiscal year ended March 31, 2015 (a very slight increase from the previous fiscal year).

[2] Fundamental Research & Development Activities

Pursuant to its Medium-Term Management Strategy "Towards the Next Stage," NTT has undertaken research and development on fundamental technologies that contribute to the provision of flexible, quick and efficient cloud services as well as cost-effective network services in order to continue being its customers' service provider of choice as a "Value Partner." NTT worked to achieve technological development based on a variety of market demands and aimed to accelerate the creation of new value by collaborating with other companies through promoting open innovation. In addition, NTT participated in research focused on business collaboration activities with growth potential and carried out research on cutting-edge technologies in anticipation of future market trends. NTT also formulated business plans through its "General Production System" to promptly commercialize the results of its research and development in light of technological and business plan developments by observing market trends.

- Research & Development Contributing to the Provision of Flexible, Quick and Efficient Cloud Services
 - By participating as Asia's only Gold Member in the "Cloud Foundry Foundation," an open-source development community that builds cloud computing platforms, NTT strengthened its application development capabilities for cloud services.
 - NTT provided technical support for the launch of services that enable users to easily expand their storage capacity through the open-source storage platform software "Sheepdog," which was developed by NTT and is widely used throughout the world.

- Research & Development Contributing to Cost-Optimized Network Services

- In order to achieve cost-optimized network services through network simplification, NTT developed technologies that integrate fixed-line telephone networks with the Internet as well as technologies that integrate the multistage configuration of networks.
- In order to enable the flexible and rapid development and addition of functionality to networks, NTT developed a controller and software switch that can run on a general-purpose server using virtualization technology, and opened these products to the public as open source.
- In order to distribute large capacity and high-speed content in a flexible and cost-effective manner, NTT promoted research and development on 400 Gbps optical transmission technology, the world's fastest-level transmission speed, and is working toward its objective of making the technology commercially viable.

- Promoting Open Innovation

- NTT significantly contributed to the commercialization of physical training support services utilizing the advanced nanofiber material "hitoe," jointly developed with Toray Industries, Inc., a fabric coated with a conductive resin which, when worn, can acquire the wearer's biometric information such as heart rate and electrocardiogram waveform.
- During the 2014 FIFA World Cup Brazil, NTT significantly contributed to the provision of ultra-realistic live video coverage by providing stable and reliable IP transmission technologies between Brazil and Japan for public viewing in ultra-high definition 8K resolution, sponsored by Japan Broadcasting Corporation.
- In partnership with DWANGO Co., Ltd., NTT created and contributed to commercializing technologies that enable an immersive visual experience through the high-quality distribution of images from omni-directional cameras installed in live performance venues.
- NTT developed a "Compact Intelligent Microphone" that enables high-quality calls and highly accurate voice recognition even in extremely loud environments exceeding 100 dB. Through the "Social Infrastructure x ICT" research and development collaboration initiative with Mitsubishi Heavy Industries, Ltd., NTT conducted tests to enable accurate communication in factories.

- Research & Development in Anticipation of Collaborative Business Expansion

- NTT developed a technology that accurately recognizes the identity of, and searches for and displays the information of, a subject photographed from any angle. By holding a device, such as a smartphone, against a sign or building, the technology provides tourist navigation services designed for specific users and circumstances.
- NTT developed an audio processing software technology that delivers dynamic sounds from sporting events to television viewers by extracting clear sounds from the competition that are often obscured by the cheers of spectators.
- In an effort to encourage the growth of the provision of services creating a highly immersive visual experience through ultra-high definition images with 4K resolution, NTT developed the world's first LSI that is compatible with the latest international video coding standard and which enables the transmission of high-quality visual material.
- In order to enable subscribers to reliably and securely use ICT services, NTT assisted in organizing programs to improve the training of cybersecurity specialists. In addition, NTT also prepared to sponsor a course at Waseda University on "Cyber-attack and Cyber-defense Technologies" to contribute to Japan's cybersecurity training.

- Promoting Advanced Research

- NTT participated in the National Institute of Informatics' artificial intelligence project, "Can a Robot Get Into the University of Tokyo?," for the first time and was in charge of the English department. By applying its language and knowledge processing technologies developed over the years, NTT robots succeeded in achieving higher marks than the average test-taker on the practice exams for the National Center Test for University Admissions conducted by Yoyogi Seminar, a private cram school to prepare students for university entrance examinations.
- NTT developed "HenGenTou" (Deformation Lamps), which is a light projection technology based on research on human sensory information processing by projecting patterns of light on static objects to produce impressions of realistic movements.
- With the aim of further speeding up and reducing energy consumption of information and communications technologies, NTT developed the world's first Hikari random access memory (RAM) with a speed exceeding 100b, which makes it possible to process information without converting high-speed light signals into electrical signals.

As a result of these research and development activities, NTT's total expenditures on research and development during the fiscal year ended March 31, 2015 totaled 110.0 billion yen (a decrease of 8.2% from the previous fiscal year), and NTT received basic research and development revenues of 106.4 billion yen (a decrease of 7.0% from the previous fiscal year) as compensation for these research and development activities.

[3] Share Ownership and Exercise of Voting Rights

NTT exercises its rights as a shareholder based on the principle that each group company should conduct its business activities in line with NTT Group's policies and objectives, while maintaining its independence and autonomy. When exercising voting rights as a shareholder at the general shareholders' meetings of each group company during the fiscal year ended March 31, 2015, NTT determined that the business practices, financial conditions, retained earnings, and other conditions during the previous fiscal year (the fiscal year ended March 31, 2014) were appropriate and, accordingly, NTT voted to approve the disposition of unappropriated retained earnings based on proposals from each group company as well as the election of directors and other matters. As a result, NTT received 276.8 billion yen in dividends (a decrease of 3.9% from the previous fiscal year).

NTT recorded a special profit of 299.2 billion yen after selling 176,991,100 of its shares in NTT DOCOMO Inc. following NTT DOCOMO's announcement of its decision to repurchase 206,489,675 shares of its common stock.

As a result of the above, NTT's operating revenues for the fiscal year ended March 31, 2015 were 411.8 billion yen (a decrease of 4.4% from the previous fiscal year), recurring profit was 272.3 billion yen (a decrease of 1.8% from the previous fiscal year), and net income was 556.5 billion yen (an increase of 99.3% from the previous fiscal year).

Regional Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2014 – March 31, 2015)

(Billions of yen)

	Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Change	Percent Change
Operating revenues	3,572.3	3,505.5	(66.8)	(1.9)%
Operating expenses	3,445.1	3,336.7	(108.4)	(3.1)%
Operating income	127.2	168.9	41.6	32.7%

Number of Subscriptions

(Thousands of subscriptions)

	As of March 31, 2014	As of March 31, 2015	Change	Percent Change
FLET'S Hikari	18,050	18,716	665	3.7%
NTT East	10,187	10,403	215	2.1%
NTT West	7,863	8,313	450	5.7%
Hikari Denwa	16,256	17,108	852	5.2%
NTT East	8,694	9,032	337	3.9%
NTT West	7,562	8,076	515	6.8%

Notes:

- Number of "FLET'S Hikari" subscribers includes subscribers to "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light" and "FLET'S Hikari WiFi Access" provided by NTT East, and subscribers to "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.
- The figures for Hikari Denwa indicate the number of channels (in thousands).
- "FLET'S Hikari" and "Hikari Denwa" include wholesale services provided to service providers by NTT East and NTT West.

NTT East and NTT West, NTT's main subsidiaries in the regional communications business segment, worked to secure solid revenue streams by collaborating with other business operators, expanding their respective FLET'S Hikari service offerings, promoting fiber-optic and IP-related services through the expansion of opportunities for use of Wi-Fi-based Hikari, and by launching the "Hikari Collaboration Model," which provides wholesale Hikari services to a variety of businesses. The main initiatives are as follows.

[1] Number of Subscriptions for Major Services

- FLET'S Hikari: 18.72 million subscriptions (an increase of 0.67 million subscriptions from the previous fiscal year)
- Hikari Denwa: 17.11 million channels (an increase of 0.85 million channels from the previous fiscal year)
- FLET'S TV: 1.34 million subscriptions (an increase of 0.18 million subscriptions from the previous fiscal year)

(Note): "FLET'S Hikari," "Hikari Denwa" and "FLET'S TV" include wholesale services provided to service providers by NTT East and NTT West.

[2] Promotion of Fiber-optic and IP Services

Major Services Launched in the Fiscal Year

Service or Product	Description
Hikari Collaboration Model (NTT East, NTT West)	A service that provides wholesale NTT East and NTT West Hikari access services to a variety of service providers.
O2O Cloud Service (NTT East)	A Wi-Fi-based application service aimed at businesses in the restaurant, retail and other similar industries.
Office Anshin Pack (NTT West)	A service that provides detailed ICT support for small and medium-sized enterprises (SMEs) as an IT helpdesk for offices.
Giga Raku Wi-Fi (NTT East)	A service for SMEs that is designed to serve unique Wi-Fi environments through a pre-determined menu plan and that aims to provide both Wi-Fi access point equipment and support for their installation and operation.
Omoide Album on FLET'S (NTT West)	A service that allows users to view photos and videos via the Internet on computers and other devices by enabling users to digitalize photos and videotapes and store them on the cloud.

Major Collaborative Projects Entered into During the Fiscal Year

Business Partner	Description
Japan Airlines Co., Ltd. (NTT East)	Provided customers who purchased JAL tickets departing from overseas locations to Japan with IDs and passwords through JAL's overseas domains to enable 14 days of free Wi-Fi access through "Hikari Station" Wi-Fi hotspots.
DAIICHIKOSHO CO., LTD. (NTT West)	Launched the "Hikari Karaoke BOX+ @DAM" service, which uses the "Hikari BOX+" digital media player offered by NTT West to provide in-home access to the same "LIVE DAM" karaoke music tracks that DAIICHIKOSHO CO., LTD. provides to karaoke companies.

[3] Improving Customer Service

- Subscriptions to "Remote Support Service," which provides remote responses to a broad range of customer inquiries concerning all aspects of broadband services, reached 4.51 million.* (NTT East/NTT West)
*This includes subscriptions to wholesale services provided to service providers by NTT East and NTT West.
- Subscriptions to the "FLET'S Hikari Members Club" (for NTT East) and "CLUB NTT-West" (for NTT West) membership privilege programs, which offer special content and points based on monthly usage, reached a total of 10.76 million.

As a result of the above, and despite an increase in IP/packet communications revenues and other revenue increases, consolidated operating revenues in the regional communications business segment for the fiscal year ended March 31, 2015 declined to 3,505.5 billion yen (a decrease of 1.9% from the previous fiscal year) due to a decrease in fixed voice-related revenues resulting from the decline in fixed-line telephone subscriptions. On the other hand, due to a decrease in personnel expenses and improved efficiency in operating expenses, among other factors, consolidated operating expenses decreased to 3,336.7 billion yen in the fiscal year ended March 31, 2015 (a decrease of 3.1% from the previous fiscal year). As a result, consolidated operating income increased to 168.9 billion yen (an increase of 32.7% from the previous fiscal year).

Long-distance and International Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2014 – March 31, 2015)

(Billions of yen)

	Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Change	Percent Change
Operating revenues	1,809.9	1,998.6	188.7	10.4%
Operating expenses	1,682.4	1,885.1	202.6	12.0%
Operating income	127.5	113.6	(13.9)	(10.9)%

Pursuant to its “Vision 2015” business strategy, NTT Communications, NTT’s main subsidiary in the long-distance and international communications business segment, worked to become the optimal business partner that global customers choose to work with and a true leading global player (Global ICT Partner). For corporate clients, NTT Communications worked to provide seamless ICT solutions unique to telecommunication providers that not only provide cloud services but also combine networks, security, applications, and managed ICT services. For individual customers, NTT Communications worked to provide more convenient applications and rich content, enabling new lifestyles. The main initiatives are as follows.

[1] Number of Subscriptions for Major Services

- Hikari TV: 3.01 million subscriptions (an increase of 0.19 million subscriptions from the previous fiscal year)
- OCN: 8.28 million subscriptions (an increase of 0.13 million subscriptions from the previous fiscal year)
- Plala: 2.96 million subscriptions (a decrease of 0.01 million subscriptions from the previous fiscal year)

[2] Development of Global Business

Strengthening of Systems for Service Provision

- With regard to its “Nexcenter™” data center services, NTT Communications commenced operations at its Malaysia Cyberjaya 4 Data Center. In addition, NTT Communications began construction of the India Mumbai 5 Data Center, the Osaka 5 Data Center and the Virginia Ashburn 2 (VA2) Data Center facilities. Furthermore, NTT Communications entered into a stock purchase agreement to acquire a majority of the outstanding shares of Lux e-shelter 1 S.a.r.l. (headquartered in Luxembourg), a provider of data center services in Germany and elsewhere throughout Europe, and took other actions to substantially strengthen its data center bases.
- In order to strengthen its total security services, which support global businesses from their establishment of information security management initiatives to their introduction of countermeasures and operations, and to further establish its infrastructure in the Germany, Switzerland, and Austria region, NTT Communications acquired InfoTrust AG (headquartered in Switzerland), which has a client base of multinational corporations in Switzerland.

Network Expansion

- To meet the demand for high-quality, highly reliable IP backbones, NTT Communications established new connection points as part of its Global Internet Access service “Global IP Network” in Boston, United States, and Bangkok, Thailand.

[3] Development of Services for Corporate Customers

Main Services Launched in the Fiscal Year

Service	Description
Arcstar Contact Center	A cloud service that enables an increase or decrease in the number of operators and flexible changes to functions used at contact centers that conduct customer service business operations.
Arcstar Universal One Advanced Option Virtual Appliance Type	An optional service that provides cloud-based network functions such as firewalls and application acceleration that previously required the installation of dedicated on-premise equipment.
Global Management One	A service that provides a centralized portal for and the operation and management of all ICT environments, including NTT Communications Group services (ranging from networks to cloud platforms and applications), customers' on-premise equipment and other companies' services, with globally uniform specifications and quality.

[4] Development of Services for Individual Customers

Main Services Launched in the Fiscal Year

Service	Description
OCN Hikari	A service that enables the integrated use of optical broadband services and the Internet connection service "OCN" by using the "Hikari Collaboration Model" provided by NTT East and NTT West.

As a result of the above, and despite a decline in domestic fixed voice-related revenues, consolidated operating revenues in the long-distance and international communications business segment for the fiscal year ended March 31, 2015 increased to 1,998.6 billion yen (an increase of 10.4% from the previous fiscal year) due to an increase in system integration revenues primarily resulting from the expansion of overseas consolidated subsidiaries. On the other hand, consolidated operating expenses for the fiscal year ended March 31, 2015 increased to 1,885.1 billion yen (an increase of 12.0% from the previous fiscal year) due to factors such as an increase in revenue-linked expenses. As a result, consolidated operating income decreased to 113.6 billion yen (a decrease of 10.9% from the previous fiscal year).

Mobile Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2014 – March 31, 2015)

(Billions of yen)

	Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Change	Percent Change
Operating revenues	4,461.2	4,383.4	(77.8)	(1.7)%
Operating expenses	3,644.0	3,747.6	103.7	2.8%
Operating income	817.2	635.8	(181.5)	(22.2)%

Number of Subscriptions

(Thousands of subscriptions)

	As of March 31, 2014	As of March 31, 2015	Change	Percent Change
Mobile phone services	63,105	66,595	3,490	5.5%
LTE (“Xi” services)	21,965	30,744	8,779	40.0%
FOMA services	41,140	35,851	(5,289)	(12.9)%
sp-mode services	23,781	28,160	4,379	18.4%
i-mode services	26,415	22,338	(4,077)	(15.4)%

Notes:

- Number of subscriptions to mobile phone services, LTE (“Xi”) and “FOMA” services includes communication module service subscriptions.
- Effective March 3, 2008, the use of the “2-in-1” service, in principle, requires a “FOMA” subscription; the number of mobile phone service subscriptions and the number of “FOMA” service subscriptions include such “FOMA” subscriptions.

NTT DOCOMO, NTT’s major subsidiary in the mobile communications business segment, undertook various initiatives to reinforce its competitiveness in the mobile area, including the launch of a new billing plan, the enhancement of networks using LTE services and the introduction of highly functional and appealing devices. In addition, in the Smart Life area, NTT DOCOMO promoted its expansion of new services to support Smart Life for its customers by further enhancing dmarket, through collaboration and partnerships with a variety of vendors, and through other initiatives. NTT DOCOMO also launched the fiber-optic broadband services “docomo Hikari” and “docomo Hikari Pack” in March 2015. The main initiatives are as follows.

[1] Number of Subscriptions to Main Services

In order to meet the diverse needs of its customers, NTT DOCOMO endeavored to enhance its product lineup, including its smartphone and tablet devices, wearable devices, Wi-Fi devices, and other offerings.

- Number of mobile phone service subscriptions: 66.6 million (an increase of 3.49 million subscriptions from the previous fiscal year)
(Included in the above) LTE (“Xi” service) subscriptions: 30.74 million (an increase of 8.78 million subscriptions from the previous fiscal year)
(Included in the above) FOMA service subscriptions: 35.85 million (a decrease of 5.29 million subscriptions from the previous fiscal year)
- (Note) Number of subscriptions to mobile phone services, LTE (“Xi”) and “FOMA” services includes communication module service subscriptions.

Main Services Launched in the Fiscal Year

Service, etc.	Description
Kake-hodai & Pake-aeru	A new billing plan comprising four main components: “Kake-hodai” (a flat-rate domestic voice calling plan), “Share Pack” (a packet data quota-sharing plan among family members), “Zutto DOCOMO Wari” (a discount service favoring long-term users with graduated discounts based on length of subscription) and “U25 Ouen Wari” (a service providing helpful discounts to users of age 25 or younger)
ddelivery	A service that delivers take-out and household groceries.
dmagazine	A service that provides unlimited access to electronic magazines at a fixed rate.
docomo Hikari	
“docomo Hikari” Standalone Type	A fiber-optic broadband service utilizing the “Hikari Collaboration Model” provided by NTT East and NTT West.
ISP Rate Inclusive Type	An inclusive service comprising fiber-optic broadband service utilizing the “Hikari Collaboration Model” provided by NTT East and NTT West, and Internet connection service.
docomo Hikari Pack	A discount service that provides “docomo Hikari” and smartphone/cellphone services at discounted rates by combining the rate of “docomo Hikari” with “Kake-hodai & Pake-aeru.”

[2] Expansion of Service Area

- In order to provide even wider service areas, NTT DOCOMO increased the number of LTE base stations nationwide from 55,300 to 97,400. In addition, in order to promote further increases in speed, NTT DOCOMO increased the number of LTE base stations that can support maximum download speeds of over 100Mbps from 3,500 to 57,700.
- NTT DOCOMO launched “VoLTE,” an LTE-based voice communications service which provides reliable and high-sound quality calls compared to conventional voice calling services. In addition, NTT DOCOMO began providing “PREMIUM 4G™,” a service that delivers download speeds of up to 225Mbps using the next-generation LTE-Advanced system.

[3] Efforts in the Smart Life Area

- In conjunction with runtastic GmbH (headquartered in Austria), NTT DOCOMO jointly developed and launched “Runtastic for docomo,” a new training support service that uses a wearable measurement device made from the “hitoe” fabric, which measures and manages users’ heart rate, electrocardiograph and other bodily data, in conjunction with a dedicated application.
- NTT DOCOMO entered into an agreement with Tesla Motors, Inc. (headquartered in the United States) to provide an in-vehicle information/communication platform and data connectivity for Tesla Model S electric vehicles marketed in Japan.

As a result of the above, despite expansion in the Smart Life business and in other areas, consolidated operating revenues for the mobile communications business segment for the fiscal year ended March 31, 2015 decreased to 4,383.4 billion yen (a decrease of 1.7% from the previous fiscal year) due to, among other factors, a decline in mobile voice revenues, primarily as a result of the impact of the “Monthly Support” discount program and the new “Kake-hodai & Pake-aeru” billing plan. Further, despite the promotion of cost optimization, consolidated operating expenses for the fiscal year ended March 31, 2015 increased to 3,747.6 billion yen (an increase of 2.8% from the previous fiscal year) due to, among other factors, the cost of mobile handsets and other revenue-linked expenses. As a result, consolidated operating income decreased to 635.8 billion yen (a decrease of 22.2% from the previous fiscal year).

Data Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2014 – March 31, 2015)

(Billions of yen)

	Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Change	Percent Change
Operating revenues	1,343.9	1,511.0	167.2	12.4%
Operating expenses	1,275.9	1,424.7	148.7	11.7%
Operating income	67.9	86.4	18.4	27.2%

NTT DATA has evolved into a corporate group that efficiently provides a wide range of ICT services on a global scale, and is working to achieve its business goals of “Global Top 5 (Revenue over 1,500 billion yen)” and “EPS (Earnings Per Share) of 200 yen.” NTT DATA’s Medium-Term Management Plan for the fiscal year ended March 31, 2013 through the fiscal year ending March 31, 2016 has the following focus areas: “Expansion of new fields and reinforcement of product competitiveness,” “Expansion, enhancement and reinforcement of global business” and “Pursuit of overall optimization.” The main initiatives are as follows.

[1] Management Policies

- Targeting the costs required for management operations, NTT DATA worked steadily toward the reorganization and integration of divisions and mobilization and optimized allocation of management resources, beginning with standardization, improvement of efficiency and consolidation of its business.

[2] Status of Business Activity Measures

- NTT DATA concluded a multi-year agreement with Daimler AG, the German automobile manufacturer, and began providing services as a strategic partner for the maintenance and operation of its global enterprise resource planning (“ERP”) system and for the development of additional systems.
- NTT DATA received an order from the government of Myanmar to develop a trade processing and customs clearing systems, utilizing NTT DATA’s expertise in domestic trade processing and customs clearing systems, as part of the initiative to export Japanese infrastructure solutions.
- With regard to the digital archiving work contracted with the Vatican Apostolic Library, NTT DATA digitalized the Library’s valuable manuscripts and made them available for viewing by the public on the Library’s website.
- NTT DATA, in partnership with Tokyo Electric Power Co., Inc. (TEPCO), promoted a series of services that utilize the Smart Meter operations management system developed by TEPCO. In addition, NTT DATA received an order from the Organization for Cross-Regional Coordination of Transmission Operators, Japan for a “switching support system” aimed at promoting the organization’s electric power system reform.

Main Services Launched in the Fiscal Year

Service	Description
BizXaaS Omnichannel	A cloud service that enables centralized management of product information, customer information, inventory information, and information on orders received, which had previously been managed separately on e-commerce sites or at actual store locations.

As a result of the above, consolidated operating revenues from the data communications business segment for the fiscal year ended March 31, 2015 increased to 1,511.0 billion yen (an increase of 12.4% from the previous fiscal year) due to, among other things, an increase in overseas consolidated subsidiaries, cultivation of new customers, and expansion of the scale of systems for existing customers. On the other hand, despite a decrease in unprofitable transactions, consolidated operating expenses increased to 1,424.7 billion yen (an increase of 11.7% from the previous fiscal year) due to an increase in revenue-linked expenses. As a result, consolidated operating income increased to 86.4 billion yen (an increase of 27.2% from the previous fiscal year).

Other Business Segment

Overview of Business Results by Business Segment (April 1, 2014 – March 31, 2015)

(Billions of yen)

	Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Change	Percent Change
Operating revenues	1,328.5	1,272.2	(56.3)	(4.2)%
Operating expenses	1,272.4	1,204.8	(67.7)	(5.3)%
Operating income	56.1	67.5	11.4	20.3%

In the other business segment, due to decreased revenues in the real estate and systems development businesses, consolidated operating revenues for the fiscal year ended March 31, 2015 decreased to 1,272.2 billion yen (a decrease of 4.2% from the previous fiscal year). On the other hand, consolidated operating expenses for the fiscal year ended March 31, 2015 decreased to 1,204.8 billion yen (a decrease of 5.3% from the previous fiscal year) due to, among other things, a decrease in revenue-linked expenses. As a result, consolidated operating income increased to 67.5 billion yen (an increase of 20.3% from the previous fiscal year).

(2) Analysis of Financial Position

Net cash provided by operating activities for the fiscal year ended March 31, 2015 decreased 336.1 billion yen (12.3%) from the previous fiscal year to 2,391.8 billion yen. This decrease was due to, among other factors, a decrease in operating income as well as the effect of bank holidays.

Net cash used in investing activities decreased 238.2 billion yen (11.3%) from the previous fiscal year to 1,868.6 billion yen. This decrease was due to, among other factors, decreases in capital investments and in payments for the purchase of non-current investments and other such investments.

Net cash used in financing activities increased 55.6 billion yen (8.9%) from the previous fiscal year to 678.0 billion yen. This increase was due to, among other factors, an increase in the payments for the acquisition of subsidiaries' shares, which offset a decrease in stock repurchases and an increase in borrowings.

As a result of the above, NTT Group's consolidated cash and cash equivalents as of March 31, 2015 totaled 849.2 billion yen, a decrease of 135.3 billion yen (13.7%) from the end of the previous fiscal year.

	(Billions of yen)			
	Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)	Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Change	Percent Change
Cash flows provided by operating activities	2,727.9	2,391.8	(336.1)	(12.3)%
Cash flows used in investing activities	(2,106.8)	(1,868.6)	238.2	11.3%
Cash flows used in financing activities	(622.4)	(678.0)	(55.6)	(8.9)%
Cash and cash equivalents at the end of year	984.5	849.2	(135.3)	(13.7)%

(3) Basic Policy Concerning Profit Distribution: Dividends in the Current Term and Next Term

In addition to increasing corporate value over the medium- and long-term, NTT has identified the return of profits to shareholders as an important management goal. In determining the level of dividends, NTT, while giving consideration to stability and sustainability, takes into account a full range of factors, including business performance, financial standing and dividend payout ratio.

NTT is planning to distribute dividends of 180 yen per share for the current annual period, comprising a 90-yen end-of-term dividend and a 90-yen interim dividend. For the next annual period, dividends are planned to be 200 yen for the full year.

While maintaining a good financial standing and as part of a capital policy to improve capital efficiency, NTT intends to use internal funds for investments in new business opportunities.

Note: NTT authorized a two-for-one stock split of its common stock, with an effective date of July 1, 2015, at a meeting of its board of directors held on May 15, 2015. The dividend forecast for the next annual period described above does not reflect the impact of the stock split. The dividend forecast for the next annual period, taking the stock split into account, is 100 yen per share for the full year.

2. STATUS OF THE NTT CORPORATE GROUP

NTT Group consists of NTT (Holding Company), its 917 subsidiaries and 121 affiliated companies (as of March 31, 2015). The principal businesses of NTT Group are its regional communications business, long-distance and international communications business, mobile communications business, and data communications business.

The principal elements of NTT Group's businesses and the main consolidated subsidiaries in each business are as follows.

Among NTT's main consolidated subsidiaries, NTT DOCOMO, INC. (NTT DOCOMO), NTT DATA CORPORATION (NTT DATA), NTT URBAN DEVELOPMENT CORPORATION (NTTUD) and XNET Corporation are listed on the First Section of the Tokyo Stock Exchange, NJK Corporation is listed on the Second Section of the Tokyo Stock Exchange and NTT DATA INTRAMART CORPORATION is listed on the Tokyo Stock Exchange Mothers.

(1) Regional Communications Business

The principal elements in this business are intra-prefectural communications services and related ancillary services pertaining to domestic communications services.

The consolidated subsidiaries in the regional communications business are NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (NTT East), NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (NTT West), NTT EAST-MINAMIKANTO CORPORATION(*1), NTT-ME CORPORATION, NTT INFRASTRUCTURE NETWORK CORPORATION, NTT EAST SERVICE CORPORATION, NTT BUSINESS SOLUTIONS CORPORATION, NTT NEOMEIT CORPORATION, NTT MARKETING ACT CORPORATION, NTT FIELDTECHNO CORPORATION, NTT DIRECTORY SERVICES Co., NTT Printing Corporation(*2), TelWel East Japan Corporation, NTT Solco Corporation, NTT CARD SOLUTION CORP., NTT EAST PROPERTIES, INC., NTT SOLMARE CORPORATION, NTT WEST ASSET PLANNING CORPORATION, TelWel West Nippon Corporation, and 35 other companies.

(2) Long-distance and International Communications Business

The principal elements in this business are inter-prefectural communications services, international communications services, solution services and related services thereof.

The consolidated subsidiaries in the long-distance and international communications business are NTT COMMUNICATIONS CORPORATION (NTT Communications), Dimension Data Holdings plc (Dimension Data), NTT PC Communications Incorporated, NTT Plala Inc., NTT Resonant Inc., NTT America, Inc., NTT EUROPE LTD., NTT AUSTRALIA PTY. LTD., Verio Inc.(*3), NTT Com Security AG, Virtela Technology Services Incorporated, RagingWire Data Centers, Inc., RW Holdco Inc., RW Midco Inc., Arkadin International SAS, GYRON INTERNET LIMITED, NETMAGIC SOLUTIONS PRIVATE LIMITED, NETMAGIC IT SERVICES PRIVATE LIMITED, Spectrum Holdings Inc., Dimension Data Commerce Centre Limited, Dimension Data (U.S.) II, Inc., Dimension Data (U.S.) Inc., Dimension Data North America, Inc., Dimension Data International Limited, Dimension Data Holdings Nederland B.V., Solutionary, Inc., NTT Innovation Institute, Inc., and 323 other companies.

(3) Mobile Communications Business

The principal elements in this business are mobile telephone services and related services.

The consolidated subsidiaries in the mobile communications business are NTT DOCOMO, DOCOMO CS, Inc. (*4), DOCOMO Support, Inc., DOCOMO Systems, Inc., DOCOMO Technology, Inc., DOCOMO Guam Holdings, Inc., MCV Guam Holding Corp., D2C Inc., mmbi, Inc., OAK LAWN MARKETING, INC., Tower Records Japan Inc., NTT DOCOMO Ventures, Inc., ABC Cooking Studio Co.,Ltd(*5), Radishbo-ya Co., Ltd., DOCOMO ANIME STORE, INC., DOCOMO Deutschland GmbH, Buongiorno S.p.A., net mobile AG, DOCOMO interTouch Pte. Ltd., DOCOMO Capital, Inc., and 154 other companies.

(4) Data Communications Business

The principal elements in this business are systems integration services and network system services.

The consolidated subsidiaries in the data communications business are NTT DATA, NTT DATA i CORPORATION, NTT DATA KANSAI CORPORATION, XNET Corporation, Japan Information Processing Service Co., Ltd., NTT DATA INTRAMART CORPORATION, JSOL CORPORATION, NJK Corporation, NTT DATA CUSTOMER SERVICE CORPORATION, NTT DATA SYSTEM TECHNOLOGIES INC., NTT Data International L.L.C., NTT DATA EUROPE GmbH & CO. KG, itelligence AG, NTT DATA Deutschland GmbH, NTT DATA, Inc., NTT DATA ITALIA S.P.A., NTT DATA EMEA LTD., NTT DATA Enterprise Services Holding, Inc., NTT DATA ASIA PACIFIC PTE. LTD., EVERIS PARTICIPACIONES, S.L.U., and 233 other companies.

(5) Other Business

The principal elements in this business are the real estate business, financing business, construction and electricity business, system development business and advanced technology development business.

Other consolidated subsidiaries of NTT are NTTUD, UD EUROPE LIMITED, NTT FINANCE CORPORATION, NTT FACILITIES, INC., NTT COMWARE CORPORATION, NTT ADVANCED TECHNOLOGY CORPORATION, NTT Electronics Corporation, NTT Software Corporation, NTT ADVERTISING, INC., InfoCom Research, Inc., NTT Human Solutions Corporation, NTT LEARNING SYSTEMS CORPORATION, NTT BUSINESS ASSOCIE Corporation, NTT LOGISCO Inc., NTT Broadband Platform, Inc., and 71 other companies.

*1: NTT EAST-TOKYO CORPORATION changed its name to NTT EAST-MINAMI KANTO CORPORATION on July 1, 2014.

*2: NTT Quaris Corporation changed its name to NTT Printing Corporation on October 1, 2014.

*3: Verio Inc. merged into NTT America, Inc. on April 1, 2015.

*4: DOCOMO Engineering Inc. changed its name to DOCOMO CS, Inc. on July 1, 2014.

*5: ABC HOLDINGS Co.,Ltd. merged into ABC Cooking Studio Co.,Ltd on January 1, 2015.

A group organizational chart appears on the following page.

ORGANIZATIONAL CHART OF THE NTT GROUP

Customer

NTT GROUP

< Regional Communications Business >

NTT East
NTT West

<Regional Communications Support Group>

- Regional Communications Related Businesses
- NTT EAST-MINAMIKANTO CORPORATION
- NTT-ME CORPORATION
- NTT INFRASTRUCTURE NETWORK CORPORATION
- NTT EAST SERVICE CORPORATION
- NTT BUSINESS SOLUTIONS CORPORATION
- NTT NEOMBIT CORPORATION
- NTT MARKETING ACT CORPORATION
- NTT FIELD TECHNO CORPORATION
- Others
- NTT DIRECTORY SERVICES Co.
- NTT Printing Corporation
- TelWel East Japan Corporation
- NTT Solco Corporation
- NTT CAPD SOLUTION CORP.
- NTT EAST PROPERTIES, INC.
- NTT SOLMARE CORPORATION
- NTT WEST ASSET PLANNING CORPORATION
- TelWel West Nippon Corporation and others

< Long-distance and International Communications Business >

NTT Communications
Dimension Data

<Long-distance and International Communications Support Group>

- Internet and International Communications Related Businesses
- NTT PC Communications Incorporated
- NTT Pliala Inc.
- NTT Resonant Inc.
- NTT America Inc.
- NTT EUROPE LTD
- NTT AUSTRALIA PTY. LTD.
- Vero Inc.
- NTT Com Security AG
- Virtela Technology Services Incorporated
- Raging Wire Data Centers, Inc.
- RW Midco Inc.
- Arcadin International SAS
- GYRON/INTERNET LIMITED
- NETMAGIC SOLUTIONS PRIVATE LIMITED
- NETMAGIC IT SERVICES PRIVATE LIMITED
- Spectrum Holdings Inc.
- Dimension Data Commerce Centre Limited
- Dimension Data (U.S.) II, Inc.
- Dimension Data (U.S.) Inc.
- Dimension Data North America, Inc.
- Dimension Data International Limited
- Dimension Data Holdings/Nederland B.V.
- Solutionary, Inc.
- NTT Innovation Institute, Inc. and others

< Mobile Communications Business >

NTT DOCOMO

<Mobile Communications Support Group>

- Mobile Communications Related Businesses
- DOCOMO CS, Inc.
- DOCOMO Support, Inc.
- DOCOMO Systems, Inc.
- DOCOMO Technology, Inc.
- DOCOMO Guam Holdings, Inc.
- MCV Guam Holding Corp.
- Others
- DTC Inc.
- zambi Inc.
- OAK LAWN MARKETING, INC.
- Tower Records Japan Inc.
- NTT DOCOMO Ventures, Inc.
- ABC Cooking Studio Co. Ltd
- Radisho-ya Co. Ltd.
- DOCOMO ANIME STORE, INC.
- DOCOMO Deutschland GmbH
- Buongiorno S.p.A.
- net mobile AG
- DOCOMO interTouch Pte. Ltd.
- DOCOMO Capital, Inc. and others

< Data Communications Business >

NTT DATA

<Data Communications Support Group>

- System Integration Related Businesses
- NTT DATA I CORPORATION
- NTT DATA KANSAI CORPORATION
- XNET Corporation
- Japan Information Processing Service Co. Ltd.
- NTT DATA INTRAMART CORPORATION
- ISOL CORPORATION
- NTT DATA CUSTOMER SERVICE CORPORATION
- NIK Corporation
- NTT DATA SYSTEM TECHNOLOGIES INC.
- OAK LAWN MARKETING, INC.
- NTT Data International I.L.C.
- NTT DATA EUROPE GmbH & CO. KG
- intelligence AG
- NTT DATA Deutschland GmbH
- NTT DATA ITALIA S.P.A.
- NTT DATA EMEA LTD.
- NTT DATA Enterprise Services Holding Inc.
- NTT DATA ASIA PACIFIC PTE. LTD.
- EVERIS PARTICIPACIONES, S.L.U. and others

< Other Business >

- Real Estate Business
- NTT UD
- UD EUROPE LIMITED
- Financing Business
- NTT FINANCE CORPORATION
- Construction & Electricity Business
- NTT FACILITIES, INC.
- System development Business
- NTT COMWARE CORPORATION
- Advanced Technology Development Businesses
- NTT ADVANCED TECHNOLOGY CORPORATION
- NTT Electronics Corporation
- NTT Software Corporation
- Others
- NTT ADVERTISING, INC.
- InfoCom Research, Inc.
- NTT Human Solutions Corporation
- NTT LEARNING SYSTEMS CORPORATION
- NTT BUSINESS ASSOCIATE Corporation
- NTT LOGISCO Inc.
- NTT Broadband Platform, Inc. and others

NIPPON TELEGRAPH AND TELEPHONE CORPORATION

3. BUSINESS OPERATION POLICY

(1) Basic Business Operation Policy

For over 100 years, NTT Group has been the mainstay behind the growth and development of Japanese telecommunications; this track record, the confidence that comes with it, and one of the world's leading R&D capabilities serve as the foundation from which we will "continue to provide safe and secure services, and continue to always earn the trust of our customers and stakeholders." In order to do so, we will fulfill the legal responsibilities and social mission demanded of each of our businesses in a market environment characterized by intense competition, and at the same time move proactively to develop our businesses to meet the needs of the diversifying and expanding ICT industry. Our aim is for sustainable development backed always by a high level of trust from both our customers and our shareholders.

(2) Medium-Term Management Objectives and Issues Facing the Corporate Group

In furtherance of this basic business operation policy, in November 2012, NTT Group formulated its Medium-Term Strategy, entitled "Towards the Next Stage," in order to respond to globalization of the market and the development of cloud services. In May 2015, NTT Group formulated a new Medium-Term Strategy, entitled "Towards the Next Stage 2.0," in order to further accelerate its group-wide efforts to become a "Value Partner" that customers continue to select, which motivated NTT Group's adoption of its initial "Towards the Next Stage" strategy. For additional details, please refer to the new Medium-Term Strategy, "Towards the Next Stage 2.0," which was announced on the same day as this filing.

4. BASIC APPROACH TO THE SELECTION OF ACCOUNTING STANDARDS

NTT Group is considering adopting International Financial Reporting Standards ("IFRS") beginning with the three months ending June 30, 2018 in order to, among other things, improve the international comparability of its financial information in the capital markets and increase the efficiency of its financial reporting.

5. CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BALANCE SHEETS

	Millions of yen		
	March 31, 2014	March 31, 2015	Increase (Decrease)
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 984,463	¥ 849,174	¥ (135,289)
Short-term investments	38,949	36,342	(2,607)
Notes and accounts receivable, trade	2,509,030	2,663,012	153,982
Allowance for doubtful accounts	(46,893)	(43,230)	3,663
Accounts receivable, other	345,197	408,051	62,854
Inventories	415,309	390,523	(24,786)
Prepaid expenses and other current assets	394,294	434,023	39,729
Deferred income taxes	220,662	219,333	(1,329)
Total current assets	4,861,011	4,957,228	96,217
Property, plant and equipment:			
Telecommunications equipment	12,959,564	12,592,070	(367,494)
Telecommunications service lines	15,408,604	15,647,879	239,275
Buildings and structures	6,060,129	6,107,299	47,170
Machinery, vessels and tools	1,949,903	1,995,879	45,976
Land	1,238,742	1,299,072	60,330
Construction in progress	359,014	404,698	45,684
	37,975,956	38,046,897	70,941
Accumulated depreciation	(28,136,268)	(28,245,427)	(109,159)
Net property, plant and equipment	9,839,688	9,801,470	(38,218)
Investments and other assets:			
Investments in affiliated companies	521,634	542,247	20,613
Marketable securities and other investments	407,766	515,580	107,814
Goodwill	1,086,636	1,186,161	99,525
Software	1,309,912	1,247,956	(61,956)
Other intangible assets	401,194	413,552	12,358
Other assets	1,195,608	1,448,296	252,688
Deferred income taxes	661,500	589,937	(71,563)
Total investments and other assets	5,584,250	5,943,729	359,479
Total assets	¥ 20,284,949	¥ 20,702,427	¥ 417,478

	Millions of yen		
	March 31, 2014	March 31, 2015	Increase (Decrease)
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	¥ 269,444	¥ 330,423	¥ 60,979
Current portion of long-term debt	425,351	370,279	(55,072)
Accounts payable, trade	1,540,249	1,579,572	39,323
Current portion of obligations under capital leases	16,929	20,604	3,675
Accrued payroll	448,061	429,440	(18,621)
Accrued taxes on income	256,994	124,861	(132,133)
Accrued consumption tax	47,376	148,168	100,792
Advances received	266,743	243,263	(23,480)
Other	405,677	475,078	69,401
Total current liabilities	3,676,824	3,721,688	44,864
Long-term liabilities:			
Long-term debt (excluding current portion)	3,483,673	3,688,825	205,152
Obligations under capital leases (excluding current portion)	35,951	34,382	(1,569)
Liability for employees' retirement benefits	1,327,873	1,387,962	60,089
Accrued liabilities for point programs	130,466	108,099	(22,367)
Deferred income taxes	233,151	196,853	(36,298)
Other	446,293	486,536	40,243
Total long-term liabilities	5,657,407	5,902,657	245,250
Redeemable noncontrolling interests	25,912	28,272	2,360
Equity:			
NTT shareholders' equity			
Common stock, no par value	937,950	937,950	-
Additional paid-in capital	2,827,010	2,846,723	19,713
Retained earnings	4,808,361	5,126,657	318,296
Accumulated other comprehensive income (loss)	94,966	268,232	173,266
Treasury stock, at cost	(156,933)	(497,702)	(340,769)
Total NTT shareholders' equity	8,511,354	8,681,860	170,506
Noncontrolling interests	2,413,452	2,367,950	(45,502)
Total equity	10,924,806	11,049,810	125,004
Total liabilities and equity	¥ 20,284,949	¥ 20,702,427	¥ 417,478

(2) CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31

Consolidated Statements of Income

	Millions of yen		
	2014	2015	Increase (Decrease)
Operating revenues:			
Fixed voice related services	¥ 1,578,941	¥ 1,441,383	¥ (137,558)
Mobile voice related services	1,052,622	872,062	(180,560)
IP / packet communications services	3,711,866	3,672,157	(39,709)
Sale of telecommunications equipment	969,664	996,996	27,332
System integration	2,275,034	2,691,766	416,732
Other	1,337,047	1,420,953	83,906
	10,925,174	11,095,317	170,143
Operating expenses:			
Cost of services (excluding items shown separately below)	2,360,916	2,434,870	73,954
Cost of equipment sold (excluding items shown separately below)	885,288	948,903	63,615
Cost of system integration (excluding items shown separately below)	1,643,988	1,900,319	256,331
Depreciation and amortization	1,880,293	1,827,998	(52,295)
Impairment losses	5,738	38,739	33,001
Selling, general and administrative expenses	2,929,111	2,856,458	(72,653)
Goodwill and other intangible asset impairments	6,187	3,464	(2,723)
	9,711,521	10,010,751	299,230
Operating income	1,213,653	1,084,566	(129,087)
Other income (expenses):			
Interest and amortization of bond discounts and issue costs	(47,684)	(44,016)	3,668
Interest income	17,632	18,398	766
Other, net	110,594	7,681	(102,913)
	80,542	(17,937)	(98,479)
Income before income taxes and equity in earnings (losses) of affiliated companies	1,294,195	1,066,629	(227,566)
Income tax expense (benefit):			
Current	483,113	364,845	(118,268)
Deferred	3,433	32,504	29,071
	486,546	397,349	(89,197)
Income before equity in earnings (losses) of affiliated companies	807,649	669,280	(138,369)
Equity in earnings (losses) of affiliated companies	(50,792)	5,889	56,681
Net income	756,857	675,169	(81,688)
Less – Net income attributable to noncontrolling interests	171,384	157,103	(14,281)
Net income attributable to NTT	¥ 585,473	¥ 518,066	¥ (67,407)
Per share of common stock:			
Weighted average number of shares outstanding (Shares)	1,149,758,214	1,093,680,009	
Net income attributable to NTT (Yen)	¥ 509.21	¥ 473.69	

Consolidated Statements of Comprehensive Income

	Millions of yen		
	2014	2015	Increase (Decrease)
Net income	¥ 756,857	¥ 675,169	¥ (81,688)
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities	16,057	76,308	60,251
Unrealized gain (loss) on derivative instruments	(4,895)	2,903	7,798
Foreign currency translation adjustments	156,471	129,863	(26,608)
Pension liability adjustments	163,241	16,370	(146,871)
Total other comprehensive income (loss)	330,874	225,444	(105,430)
Total comprehensive income (loss)	1,087,731	900,613	(187,118)
Less – Comprehensive income attributable to noncontrolling interests	214,360	209,281	(5,079)
Total comprehensive income (loss) attributable to NTT	¥ 873,371	¥ 691,332	¥ (182,039)

(3) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2014

	Millions of yen							
	NTT shareholders' equity					Total	Noncontrolling interests	Total Equity
Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost				
At beginning of year	¥ 937,950	¥ 2,827,612	¥ 5,227,268	¥ (192,932)	¥ (568,459)	¥ 8,231,439	¥ 2,290,564	¥ 10,522,003
Net income			585,473			585,473	171,384	756,857
Other comprehensive income (loss)				287,898		287,898	42,976	330,874
Cash dividends			(186,174)			(186,174)	(96,203)	(282,377)
Changes in NTT's ownership interest in subsidiaries		(1,069)				(1,069)	4,731	3,662
Stock compensation transactions		467				467		467
Acquisition of treasury stock					(406,696)	(406,696)		(406,696)
Resale of treasury stock		3			13	16		16
Cancellation of treasury stock		(3)	(818,206)		818,209	-		-
At end of year	¥ 937,950	¥ 2,827,010	¥ 4,808,361	¥ 94,966	¥ (156,933)	¥ 8,511,354	¥ 2,413,452	¥ 10,924,806

YEAR ENDED MARCH 31, 2015

	Millions of yen							
	NTT shareholders' equity					Total	Noncontrolling interests	Total Equity
Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost				
At beginning of year	¥ 937,950	¥ 2,827,010	¥ 4,808,361	¥ 94,966	¥ (156,933)	¥ 8,511,354	¥ 2,413,452	¥ 10,924,806
Net income			518,066			518,066	156,013	674,079
Other comprehensive income (loss)				173,266		173,266	50,943	224,209
Cash dividends			(199,770)			(199,770)	(96,100)	(295,870)
Changes in NTT's ownership interest in subsidiaries		17,421				17,421	(156,358)	(138,937)
Stock compensation transactions		2,292				2,292		2,292
Acquisition of treasury stock					(340,781)	(340,781)		(340,781)
Resale of treasury stock					12	12		12
At end of year	¥ 937,950	¥ 2,846,723	¥ 5,126,657	¥ 268,232	¥ (497,702)	¥ 8,681,860	¥ 2,367,950	¥ 11,049,810

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED MARCH 31

	Millions of yen		
	2014	2015	Increase (Decrease)
Cash flows from operating activities:			
Net income	¥ 756,857	¥ 675,169	¥ (81,688)
Adjustments to reconcile net income to net cash provided by operating activities -			
Depreciation and amortization	1,880,293	1,827,998	(52,295)
Impairment losses	5,738	38,739	33,001
Deferred taxes	3,433	32,504	29,071
Goodwill and other intangible asset impairments	6,187	3,464	(2,723)
Losses on disposals of property, plant and equipment	98,317	104,718	6,401
Gains on sales of property, plant and equipment	(33,119)	(34,191)	(1,072)
Gains resulting from the exchange of rights	(59,996)	-	59,996
Equity in (earnings) losses of affiliated companies	50,792	(5,889)	(56,681)
(Increase) decrease in notes and accounts receivable, trade	17,415	(126,476)	(143,891)
(Increase) decrease in inventories	(68,776)	(12,044)	56,732
(Increase) decrease in other current assets	(16,658)	(86,809)	(70,151)
Increase (decrease) in accounts payable, trade and accrued payroll	66,032	(21,538)	(87,570)
Increase (decrease) in accrued consumption tax	(11,621)	99,661	111,282
Increase (decrease) in advances received	37,691	(32,481)	(70,172)
Increase (decrease) in accrued taxes on income	20,909	(133,894)	(154,803)
Increase (decrease) in other current liabilities	(20,351)	60,141	80,492
Increase (decrease) in liability for employees' retirement benefits	42,964	38,753	(4,211)
Increase (decrease) in other long-term liabilities	(33,122)	2,588	35,710
Other	(15,081)	(38,601)	(23,520)
Net cash provided by operating activities	¥ 2,727,904	¥ 2,391,812	¥ (336,092)

	Millions of yen		
	2014	2015	Increase (Decrease)
Cash flows from investing activities:			
Payments for property, plant and equipment	¥(1,486,651)	¥(1,444,917)	¥41,734
Payments for intangibles	(416,583)	(358,209)	58,374
Proceeds from sales of property, plant and equipment	50,625	54,424	3,799
Payments for purchases of non-current investments	(50,517)	(31,097)	19,420
Proceeds from sales and redemptions of non-current investments	15,444	27,478	12,034
Acquisitions of subsidiaries, net of cash acquired	(211,195)	(42,217)	168,978
Payments for purchases of short-term investments	(60,485)	(61,364)	(879)
Proceeds from redemptions of short-term investments	92,396	70,644	(21,752)
Other	(39,840)	(83,321)	(43,481)
Net cash used in investing activities	(2,106,806)	(1,868,579)	238,227
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	637,253	615,353	(21,900)
Payments for settlement of long-term debt	(735,894)	(496,729)	239,165
Proceeds from issuance of short-term debt	4,872,714	5,931,664	1,058,950
Payments for settlement of short-term debt	(4,713,795)	(5,889,243)	(1,175,448)
Dividends paid	(186,174)	(199,770)	(13,596)
Proceeds from sale of (payments for acquisition of) treasury stock, net	(406,680)	(338,399)	68,281
Acquisitions of shares of subsidiaries from noncontrolling interests	(5,834)	(175,088)	(169,254)
Other	(84,030)	(125,796)	(41,766)
Net cash used in financing activities	(622,440)	(678,008)	(55,568)
Effect of exchange rate changes on cash and cash equivalents	24,372	19,486	(4,886)
Net increase (decrease) in cash and cash equivalents	23,030	(135,289)	(158,319)
Cash and cash equivalents at beginning of year	961,433	984,463	23,030
Cash and cash equivalents at end of year	¥984,463	¥849,174	¥(135,289)
Cash paid during the year for:			
Interest	¥48,836	¥44,795	¥(4,041)
Income taxes, net	462,349	543,354	81,005
Noncash investing and financing activities:			
Capital lease obligations incurred during the year	14,933	20,987	6,054
Cancellation of treasury stock	818,209	-	(818,209)
Assets acquired through exchange of rights	62,221	-	(62,221)
Assets acquired through exchange of buildings	-	18,719	18,719

(5) Going Concern Assumption

None

(6) Significant Matters Serving as a Basis for the Preparation of Consolidated Financial Statements

The consolidated financial statements of NTT have been prepared in conformity with accounting principles generally accepted in the United States of America (Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), etc.).

Principal Accounting Policies, etc.

Marketable Securities

ASC320, "Investments - Debt and Equity Securities" applies.

Inventories

Inventories are stated at the lower of cost or market. The cost of telecommunications equipment to be sold is determined by the first-in first-out method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed principally using the declining-balance method with the exception of buildings, for which the straight-line method is used.

Goodwill, Software and Other Intangible Assets

ASC350, "Intangibles - Goodwill and Other" applies.

Liability for Employees' Retirement Benefits

ASC715, "Compensation - Retirement Benefits" applies.

Derivative Financial Instruments

ASC815, "Derivatives and Hedging" applies.

Income Taxes

Income taxes are computed based on income before income taxes in the consolidated statements of income. According to the asset and liability approach, the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities and of operating loss carryforwards are recognized as deferred tax assets or liabilities.

(7) Change in Significant Matters Serving as a Basis for the Preparation of Consolidated Financial Statements

Change in accounting estimate

Effective July 1, 2014, NTT Group revised its estimate of the expected useful life of a part of the software for telecommunications network and internal-use software based on the actual utilization of the software to reflect an extended expected useful life of up to 7 years. This modification complies with ASC Topic 250, Accounting Changes and Error Corrections, and will be applied prospectively as a change in accounting estimates.

The financial impact from this change in accounting estimate on "Income before income taxes and equity in earnings (losses) of affiliated companies," "Net income attributable to NTT" and "Per share of common stock" of "Net income attributable to NTT" for the fiscal year ended March 31, 2015 is ¥ 51,307 million, ¥ 21,754 million, and ¥ 19.89, respectively.

(8) Business Segments

1. Operating revenues

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Regional communications business			
External customers	3,129,362	3,032,292	(97,070)
Intersegment	442,948	473,227	30,279
Total	3,572,310	3,505,519	(66,791)
Long-distance and international communications business			
External customers	1,713,439	1,906,784	193,345
Intersegment	96,463	91,857	(4,606)
Total	1,809,902	1,998,641	188,739
Mobile communications business			
External customers	4,422,614	4,340,317	(82,297)
Intersegment	38,589	43,080	4,491
Total	4,461,203	4,383,397	(77,806)
Data communications business			
External customers	1,221,481	1,401,348	179,867
Intersegment	122,374	109,671	(12,703)
Total	1,343,855	1,511,019	167,164
Other			
External customers	438,278	414,576	(23,702)
Intersegment	890,248	857,664	(32,584)
Total	1,328,526	1,272,240	(56,286)
Elimination	(1,590,622)	(1,575,499)	15,123
Consolidated total	10,925,174	11,095,317	170,143

2. Segment profit

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Segment profit			
Regional communications business	127,240	168,860	41,620
Long-distance and international communications business	127,476	113,568	(13,908)
Mobile communications business	817,230	635,751	(181,479)
Data communications business	67,916	86,361	18,445
Other	56,098	67,481	11,383
Total segment profit	1,195,960	1,072,021	(123,939)
Elimination	17,693	12,545	(5,148)
Consolidated total	1,213,653	1,084,566	(129,087)

3. Segment assets

(Millions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
Segment assets			
Regional communications business	7,162,076	7,041,285	(120,791)
Long-distance and international communications business	2,314,780	2,609,666	294,886
Mobile communications business	7,676,820	7,326,360	(350,460)
Data communications business	1,774,562	1,930,349	155,787
Other	10,664,076	10,589,357	(74,719)
Total segment assets	29,592,314	29,497,017	(95,297)
Elimination	(9,307,365)	(8,794,590)	512,775
Consolidated total	20,284,949	20,702,427	417,478

4. Other significant items

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Depreciation and amortization			
Regional communications business	751,906	734,518	(17,388)
Long-distance and international communications business	149,734	162,610	12,876
Mobile communications business	719,132	663,344	(55,788)
Data communications business	135,358	148,927	13,569
Other	118,415	113,814	(4,601)
Total segment	1,874,545	1,823,213	(51,332)
Elimination	5,748	4,785	(963)
Consolidated total	1,880,293	1,827,998	(52,295)

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Capital investments for segment assets (*)			
Regional communications business	722,829	666,164	(56,665)
Long-distance and international communications business	168,413	198,112	29,699
Mobile communications business	703,124	661,765	(41,359)
Data communications business	147,725	140,900	(6,825)
Other	150,672	150,582	(90)
Consolidated total	1,892,763	1,817,523	(75,240)

(*) The figures for capital investments are the accrual-based amounts required for acquisition of property, plant and equipment, and intangibles. The differences from the figures for "Payments for property, plant and equipment" and "Payments for intangibles" in the consolidated statements of cash flows are as follows:

	Millions of yen		
	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Payments for property, plant and equipment	1,486,651	1,444,917	(41,734)
Payments for intangibles	416,583	358,209	(58,374)
Total	1,903,234	1,803,126	(100,108)
Difference from the total of capital investments	10,471	(14,397)	(24,868)

(9) Employees' Retirement Benefits

Retirement Benefits and Contract-type Corporate Pension Plan

1. Benefit obligations (Millions of yen)

	March 31, 2014	March 31, 2015
Benefit obligation, end of year	(1,903,160)	(1,879,969)
Fair value of plan assets, end of year	1,130,188	1,122,736
Under funded status	(772,972)	(757,233)

The following table provides the amounts recognized in the consolidated balance sheets:

(Millions of yen)

	March 31, 2014	March 31, 2015
Liability for employees' retirement benefits	(831,192)	(869,635)
Other assets	58,220	112,402
Accumulated other comprehensive loss (income)	189,737	162,053
Net amount recognized	(583,235)	(595,180)

The following table provides the amounts recognized as accumulated other comprehensive loss (income):

(Millions of yen)

	March 31, 2014	March 31, 2015
Net actuarial loss	193,727	164,108
Transition obligation	609	453
Prior service cost	(4,599)	(2,508)
Total	189,737	162,053

2. Cost for employees' retirement benefits

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Service cost	72,631	65,160
Interest cost on projected benefit obligation	30,021	25,510
Expected return on plan assets	(22,069)	(22,027)
Net amortization	3,864	2,151
Curtailement gain from the change in pension plans	(12,966)	-
Total	71,481	70,794

3. Assumptions in determination of benefit obligations and costs

		Year ended March 31, 2014	Year ended March 31, 2015
Discount rate	Projected benefit obligation	1.4%	1.0%
	Net pension cost	1.5%	1.4%
Rate of compensation increase		2.4-4.0%	2.4-4.0%
Expected long-term return on plan assets		2.0%	2.0%

Defined Contribution Pension Plan

NTT and certain subsidiaries recorded 18,082 million yen of retirement benefit expenses related to NTT Group's defined contribution benefit plan in the fiscal year ended March 31, 2015.

The NTT Kigyou-Nenkin-Kikin (NTT Corporate Defined Benefit Pension Plan)

1. Benefit obligations (Millions of yen)

	March 31, 2014	March 31, 2015
Benefit obligation, end of year	(1,553,265)	(1,683,431)
Fair value of plan assets, end of year	1,056,584	1,165,104
Under funded status	(496,681)	(518,327)

The following table provides the amounts recognized in the consolidated balance sheets:

(Millions of yen)

	March 31, 2014	March 31, 2015
Liability for employees' retirement benefits	(496,681)	(518,327)
Accumulated other comprehensive loss (income)	23,188	28,015
Net amount recognized	(473,493)	(490,312)

The following table provides the amounts recognized as accumulated other comprehensive loss (income):

(Millions of yen)

	March 31, 2014	March 31, 2015
Net actuarial loss	95,549	93,281
Prior service cost	(72,361)	(65,266)
Total	23,188	28,015

2. Cost for employees' retirement benefits (Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Service cost	39,098	37,281
Interest cost on projected benefit obligation	22,961	21,278
Expected return on plan assets	(23,871)	(25,825)
Net amortization	9,753	(1,704)
Employee contributions	(3,557)	(3,753)
Total	44,384	27,277

3. Assumptions in determination of benefit obligations and costs

		Year ended March 31, 2014	Year ended March 31, 2015
Discount rate	Projected benefit obligation	1.4%	1.0%
	Net pension cost	1.5%	1.4%
Rate of compensation increase		3.4%	3.4%
Expected long-term return on plan assets		2.5%	2.5%

(10) Investment Property

1. Investment Property

NTT Group maintains investment properties including office buildings.

2. Fair Value of Investment Property

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Amount included in the consolidated balance sheets ⁽¹⁾		
Balance at beginning of year	832,372	899,877
Increase (Decrease)	67,505	85,864
Balance at end of year	899,877	985,741
Fair value at end of year ⁽²⁾	1,524,282	1,718,560

(1) "Amount included in the consolidated balance sheets" represents the original acquisition cost reduced by the accumulated depreciation amount and the accumulated impairment loss.

(2) "Fair value at end of year" is calculated primarily through real estate appraisal standards.

(11) Additional Information

The Change in Corporate Tax Rates

Following the enactment of the Act for the Partial Revision of the Income Tax Act and the Act for the Partial Revision of the Local Tax Act on March 31, 2015, the corporate tax rates have been changed for fiscal years that began on or after April 1, 2015. Due to the change in the enacted tax rates, the statutory effective tax rate to be used for the calculation of deferred tax assets and liabilities decreased and as a result, when compared with the effective tax rate applied before this revision, deferred tax assets(net) decreased ¥54,357 million and current net income attributable to NTT decreased ¥47,841 million.

Impairment of Multimedia Broadcasting Business for Mobile Devices Assets

For the fiscal year ended March 31, 2015, NTT DOCOMO Group failed to meet the projected revenues from the multimedia broadcasting business for mobile devices due to new competition in content and services provided through smart phones, resulting in a significant increase in uncertainty over the likelihood of future significant improvement of the profitability of the multimedia broadcasting business of NTT DOCOMO's Smart Life business segment. As a result, NTT DOCOMO evaluated the recoverability for its long-lived assets, including property, plant and equipment and intangible assets, of the multimedia broadcasting business for the fiscal year ended March 31, 2015.

As the estimated undiscounted future cash flows generated by such long-lived assets were less than their carrying amounts, the carrying amounts of such long-lived assets were reduced to fair value. NTT DOCOMO estimated the fair value of the assets based on observable market transactions involving sales of comparable assets. Consequently, NTT Group recorded a non-cash impairment loss of ¥30,161 million as "Impairment loss" in the consolidated statements of income, which included an impairment loss for the intangible assets of ¥6,365 million.

Lux e-shelter 1 S.a.r.l. (“e-shelter”) Stock Acquisition

NTT Communications resolved to acquire 86.7% of the outstanding shares of German data center services provider e-shelter at the board of directors' meeting convened on March 2, 2015, and entered into a stock purchase agreement with e-shelter's shareholders on the same day. Pursuant to the terms of the agreement, NTT Communications plans to consummate the acquisition during the fiscal year ending March 31, 2016. The effectiveness of the agreement is contingent upon, among other things, approval of the German and Austrian antitrust regulatory authorities, German foreign exchange and foreign trade regulators, and the completion of legal proceedings.

(12) Subsequent Events

Stock Split

On May 15, 2015, the board of directors resolved that NTT Group will implement a stock split as follows:

1. Objective of the Stock Split

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.

2. Outline of Stock Split

(1) Method of stock split

The record date for the stock split will be June 30, 2015. Each share of common stock held by shareholders as of the record date will be split into two.

(2) Increase in number of shares as a result of stock split

Number of shares outstanding prior to stock split: 1,136,697,235 shares
Increase in number of shares as a result of stock split: 1,136,697,235 shares
Number of shares outstanding after stock split: 2,273,394,470 shares
Number of shares authorized to be issued after stock split: 6,192,920,900 shares

(3) Stock split schedule

Public notice date of the record date: June 15, 2015
Record date: June 30, 2015
Effective date: July 1, 2015

3. Effects per share of common stock

Per share information for the previous fiscal year and the current fiscal year, assuming the stock split had been carried out at the beginning of the previous fiscal year, is as follows:

	Year ended March 31, 2014	Year ended March 31, 2015
Weighted average number of shares outstanding (excluding treasury stock)	2,299,516,428 shares	2,187,360,018 shares
Net income per share attributable to NTT	254.61 yen	236.85 yen
Dividends	85.00 yen	90.00 yen

	Year ended March 31, 2014	Year ended March 31, 2015
Number of shares outstanding (excluding treasury stock)	2,220,092,856 shares	2,117,199,258 shares
Shareholders' Equity per Share	3,833.78 yen	4,100.63 yen

6. NON-CONSOLIDATED FINANCIAL STATEMENTS

(1) NON-CONSOLIDATED BALANCE SHEETS

(Based on accounting principles generally accepted in Japan)

	Millions of yen	
	March 31, 2014	March 31, 2015
ASSETS		
Current assets:		
Cash and bank deposits	10,308	8,052
Accounts receivable, trade	2,695	1,503
Supplies	220	189
Advance payment	828	866
Deferred income taxes	789	957
Short-term loans receivable	290,523	296,784
Accounts receivable, other	67,730	93,480
Subsidiary deposits	2,340	4
Other	5,705	4,419
Total current assets	381,143	406,257
Fixed assets:		
Property, plant and equipment		
Buildings	110,612	105,758
Structures	4,589	4,378
Machinery, equipment and vehicles	419	380
Tools, furniture and fixtures	17,048	15,478
Land	31,320	31,350
Lease assets	412	373
Construction in progress	1,658	1,411
Total property, plant and equipment	166,062	159,131
Intangible fixed assets	37,520	25,840
Investments and other assets		
Investment securities	15,756	12,769
Investments in subsidiaries and affiliated companies	5,094,091	5,093,735
Other securities of subsidiaries and affiliated companies	8,869	8,805
Contributions to affiliated companies	146	135
Long-term loans receivable to subsidiaries	1,579,922	1,303,142
Prepaid pension costs	1,962	1,959
Deferred income taxes	15,104	14,022
Other	1,515	1,575
Total investments and other assets	6,717,369	6,436,145
Total fixed assets	6,920,952	6,621,117
TOTAL ASSETS	7,302,096	7,027,374

Millions of yen

	March 31, 2014	March 31, 2015
LIABILITIES		
Current liabilities:		
Accounts payable, trade	249	137
Current portion of corporate bonds	139,998	149,995
Current portion of long-term borrowings	138,150	55,180
Current portion of long-term borrowings from subsidiaries	-	240,000
Short-term borrowings	150,000	46,000
Lease obligations	42	43
Accounts payable, other	21,476	19,339
Accrued expenses	7,071	6,799
Accrued taxes on income	13,077	1,033
Advances received	141	824
Deposits received	263	641
Deposits received from subsidiaries	82,698	51,617
Unearned revenues	1	1
Other	34,003	0
Total current liabilities	587,173	571,612
Long-term liabilities:		
Corporate bonds	1,006,277	856,341
Long-term borrowings	1,104,380	1,218,600
Long-term borrowings from subsidiaries	240,000	-
Lease obligations	749	711
Liability for employees' retirement benefits	32,773	30,634
Asset retirement obligations	1,390	1,385
Other	347	2,613
Total long-term liabilities	2,385,918	2,110,286
TOTAL LIABILITIES	2,973,091	2,681,899
NET ASSETS		
Shareholders' equity:		
Common stock	937,950	937,950
Capital surplus		
Additional paid-in capital	2,672,826	2,672,826
Other capital surplus	-	0
Total capital surplus	2,672,826	2,672,826
Earned surplus		
Legal reserve	135,333	135,333
Other earned surplus		
Other reserve	531,000	-
Accumulated earned surplus	207,372	1,097,546
Total earned surplus	873,705	1,232,879
Treasury stock	(156,932)	(497,702)
Total shareholders' equity	4,327,549	4,345,954
Unrealized gains (losses), translation adjustments, and others:		
Net unrealized gains (losses) on securities	1,455	(478)
Total unrealized gains (losses), translation adjustments, and others	1,455	(478)
TOTAL NET ASSETS	4,329,004	4,345,475
TOTAL LIABILITIES AND NET ASSETS	7,302,096	7,027,374

(2) NON-CONSOLIDATED STATEMENTS OF INCOME
YEAR ENDED MARCH 31
(Based on accounting principles generally accepted in Japan)

	Millions of yen	
	2014	2015
Operating revenues:		
Dividends received	288,155	276,812
Revenues from group management	18,499	18,500
Revenues from basic R&D	114,499	106,499
Other services	9,687	10,015
Total operating revenues	430,843	411,828
Operating expenses:		
Administration	21,629	20,686
Experiments and research	86,949	81,485
Depreciation and amortization	35,083	31,947
Retirement of fixed assets	1,056	965
Miscellaneous taxes	2,594	2,774
Total operating expenses	147,313	137,859
Operating income	283,530	273,969
Non-operating revenues:		
Interest income	21,366	18,419
Lease and rental income	11,163	10,627
Miscellaneous income	1,393	4,939
Total non-operating revenues	33,924	33,985
Non-operating expenses:		
Interest expenses	14,969	14,015
Corporate bond interest expenses	15,597	14,005
Lease and rental expenses	5,633	5,102
Miscellaneous expenses	3,931	2,437
Total non-operating expenses	40,131	35,561
Recurring profit	277,322	272,393
Special profits:		
Gains on sales of investments in subsidiary	-	299,280
Total special profits	-	299,280
Special losses:		
Write-off of investments in subsidiaries	-	2,257
Total special losses	-	2,257
Income before income taxes	277,322	569,416
Corporation, inhabitant and enterprise taxes	(1,977)	11,825
Deferred tax expenses (benefits)	75	1,012
Total income taxes	(1,902)	12,838
Net income	279,224	556,578

(3) NON-CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY AND OTHER NET ASSETS

(Based on accounting principles generally accepted in Japan)

YEAR ENDED MARCH 31, 2014

	Millions of yen								
	NTT shareholders' equity								
	Common stock	Capital surplus			Legal reserve	Earned surplus			Total earned surplus
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other reserve	Accumulated earned surplus		
At beginning of year	¥ 937,950	¥ 2,672,826	¥ -	¥ 2,672,826	¥ 135,333	¥ 531,000	¥ 932,528	¥ 1,598,861	
Net change during the annual period									
Cash dividends							(186,174)	(186,174)	
Net income							279,224	279,224	
Payments to acquire treasury stock									
Resale of treasury stock			2	2					
Cancellation of treasury stock			(2)	(2)			(818,206)	(818,206)	
Others, net									
Total net change during the annual period	-	-	-	-	-	-	(725,156)	(725,156)	
At end of year	¥ 937,950	¥ 2,672,826	¥ -	¥ 2,672,826	¥ 135,333	¥ 531,000	¥ 207,372	¥ 873,705	

	Millions of yen				
	NTT shareholders' equity		Unrealized gains (losses), translation adjustments, and others		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities	Total unrealized gains (losses), translation adjustments, and others	
At beginning of year	¥ (568,458)	¥ 4,641,179	¥ (7)	¥ (7)	¥ 4,641,171
Net change during the annual period					
Cash dividends		(186,174)			(186,174)
Net income		279,224			279,224
Payments to acquire treasury stock	(406,696)	(406,696)			(406,696)
Resale of treasury stock	13	15			15
Cancellation of treasury stock	818,209	-			-
Others, net			1,462	1,462	1,462
Total net change during the annual period	411,526	(313,629)	1,462	1,462	(312,167)
At end of year	¥ (156,932)	¥ 4,327,549	¥ 1,455	¥ 1,455	¥ 4,329,004

YEAR ENDED MARCH 31, 2015

	Millions of yen							
	NTT shareholders' equity							
	Common stock	Capital surplus			Legal reserve	Earned surplus		
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other reserve	Accumulated earned surplus	Total earned surplus
At beginning of year	¥ 937,950	¥ 2,672,826	¥ -	¥ 2,672,826	¥ 135,333	¥ 531,000	¥ 207,372	¥ 873,705
Cumulative effect of changes in accounting policies							2,365	2,365
Current balance reflecting changes in accounting policies	937,950	2,672,826	-	2,672,826	135,333	531,000	209,737	876,071
Net change during the annual period								
Cash dividends							(199,769)	(199,769)
Net income							556,578	556,578
Return of other reserve						(531,000)	531,000	-
Payments to acquire treasury stock								
Resale of treasury stock			0	0				
Others, net								
Total net change during the annual period	-	-	0	0	-	(531,000)	887,808	356,808
At end of year	¥ 937,950	¥ 2,672,826	¥ 0	¥ 2,672,826	¥ 135,333	¥ -	¥ 1,097,546	¥ 1,232,879

	Millions of yen				
	NTT shareholders' equity		Unrealized gains (losses), translation adjustments, and others		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities	Total unrealized gains (losses), translation adjustments, and others	
At beginning of year	¥ (156,932)	¥ 4,327,549	¥ 1,455	¥ 1,455	¥ 4,329,004
Cumulative effect of changes in accounting policies		2,365			2,365
Current balance reflecting changes in accounting policies	(156,932)	4,329,914	1,455	1,455	4,331,370
Net change during the annual period					
Cash dividends		(199,769)			(199,769)
Net income		556,578			556,578
Return of other reserve		-			-
Payments to acquire treasury stock	(340,781)	(340,781)			(340,781)
Resale of treasury stock	12	12			12
Others, net			(1,934)	(1,934)	(1,934)
Total net change during the annual period	(340,769)	16,039	(1,934)	(1,934)	14,105
At end of year	¥ (497,702)	¥ 4,345,954	¥ (478)	¥ (478)	¥ 4,345,475

(4) NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED MARCH 31

(Based on accounting principles generally accepted in Japan)

	Millions of yen	
	2014	2015
Cash flows from operating activities:		
Income before income taxes	277,322	569,416
Depreciation and amortization	37,583	34,329
Loss on disposal of property, plant and equipment	741	720
Dividends received	(288,155)	(276,812)
Gains on sale of investment in subsidiary	-	(299,280)
Write-off of investments in subsidiaries	-	2,257
Increase (decrease) in liability for employees' retirement benefits	915	(2,139)
(Increase) decrease in accounts receivable	1,878	9,891
Increase (decrease) in accounts payable and accrued expenses	(1,720)	(3,398)
Increase (decrease) in accrued consumption tax	(201)	2,303
(Increase) decrease in other current assets	(2,387)	(839)
Increase (decrease) in deposits received from subsidiaries	(6,678)	(31,080)
Other	11,070	16,115
Sub-total	30,368	21,484
Interest and dividends received	310,612	295,612
Interest paid	(31,541)	(28,137)
Income taxes received (paid)	(4,771)	(58,560)
Net cash provided by operating activities	304,668	230,399
Cash flows from investing activities:		
Payments for property, plant and equipment	(27,192)	(17,953)
Payments for purchase of investment securities	(28,938)	(3,832)
Proceeds from sale of investment in subsidiary	-	299,999
Payments for long-term loans	(280,000)	(70,000)
Proceeds from long-term loans receivable	353,800	339,750
Other	27	1,261
Net cash provided by investing activities	17,696	549,225
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	320,950	221,000
Payments for settlement of long-term debt	(343,300)	(329,750)
Net increase (decrease) in short-term borrowings	183,971	(138,025)
Payments for settlement of lease obligations	(44)	(43)
Dividends paid	(186,174)	(199,769)
Proceeds from sale of (payments for acquisition of) treasury stock, net	(406,680)	(338,398)
Net cash used in financing activities	(431,277)	(784,987)
Effect of exchange rate changes on cash and cash equivalents	80	0
Net increase (decrease) in cash and cash equivalents	(108,832)	(5,362)
Cash and cash equivalents at beginning of year	123,856	15,023
Cash and cash equivalents at end of year	15,023	9,661

7. OTHER

CHANGES IN BOARD OF DIRECTORS

Scheduled appointment date: June 26, 2015

(1)Candidate for Member of the Board

Takashi Hiroi (Senior Vice President of Finance and Accounting)

(2)Candidate scheduled to take office as Executive Vice President

Akira Shimada (Member of the Board)

(3) New Executive Positions and Organizational Responsibilities

Scheduled appointment date: June 26, 2015

New Position(s) and Organizational Responsibilities	Name	Current Position(s) and Organizational Responsibilities
Executive Vice President Senior Vice President of General Affairs	Akira Shimada	Member of the Board Senior Vice President of General Affairs
Member of the Board Senior Vice President of Finance and Accounting	Takashi Hiroi	Senior Vice President of Finance and Accounting

[Note]

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.

NTT's Shares and Shareholders (as of March 31, 2015)

1. Classification of Shareholders

Details	NTT's Shares and Shareholders (1 unit = 100 shares)							Shares Representing Less Than One Unit	
	Government and Public Bodies	Financial Institutions	Securities Firms	Other Domestic Corporations	Foreign Corporations, etc.		Domestic Individuals, etc.		Total
					Non-Individuals	Individuals			
Total Holders	4	247	58	6,024	1,225	818	742,213	750,589	--
Total Shares (Units)	3,690,733	1,727,255	130,657	136,177	3,120,701	4,862	2,541,534	11,351,919	1,505,335
%	32.51	15.22	1.15	1.20	27.49	0.04	22.39	100.00	--

Notes:

- (1) "Domestic Individuals, etc." includes 780,979 units of treasury stock, and "Shares Representing Less Than One Unit" includes 6 shares of treasury stock. 78,097,906 shares of treasury stock are recorded in the shareholders' register; the actual number of treasury stock shares at the end of March 31, 2015 was 78,097,606.
- (2) "Other Domestic Corporations" includes 147 units under the name of the Japan Securities Depository Center, and "Shares Representing Less Than One Unit" includes 72 shares under the name of the Japan Securities Depository Center.
- (3) The number of shareholders who only own shares representing less than one unit is 186,622.

2. Classification by Number of Shares

Details	NTT's Shares and Shareholders (1 unit = 100 shares)								Shares Representing Less Than One Unit
	At Least 1,000 Units	At Least 500 Units	At Least 100 Units	At Least 50 Units	At Least 10 Units	At Least 5 Units	At Least 1 Unit	Total	
Number of Holders	388	149	780	829	20,093	47,505	680,845	750,589	--
%	0.05	0.02	0.10	0.11	2.68	6.33	90.71	100.00	--
Total Shares (Units)	9,392,898	100,961	164,458	53,660	307,649	288,158	1,044,135	11,351,919	1,505,335
%	82.74	0.89	1.45	0.47	2.71	2.54	9.20	100.00	--

Notes:

- (1) "At Least 1,000 Units" includes 780,979 units of treasury stock, and "Shares Representing Less Than One Unit" includes 6 shares of treasury stock.
- (2) "At Least 100 Units" includes 147 units under the name of the Japan Securities Depository Center, and "Shares Representing Less Than One Unit" includes 72 shares under the name of the Japan Securities Depository Center.

3. Principal Shareholders

Name	Shareholdings (in thousands of shares)	Percentage of Total Shares Issued (%)
The Minister of Finance	369,062	32.47
Japan Trustee Services Bank, Ltd. (Trust Account)	36,602	3.22
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,248	2.66
Moxley and Co LLC	15,407	1.36
State Street Bank and Trust Company	12,597	1.11
JP Morgan Chase Bank 385632	10,241	0.90
Japan Trustee Services Bank, Ltd. (Trust Account 9)	9,998	0.88
NTT Employee Share-Holding Association	9,140	0.80
The Bank of New York Mellon SA/NV 10	8,840	0.78
State Street Bank and Trust Company 505202	8,396	0.74
Total	510,536	44.91

Note: The Company's holdings of treasury stock (78,097,606 shares) are not included in the above table.