

Financial Results Release

For the Nine Months Ended December 31, 2015

February 5, 2016

[U.S. GAAP]

Name of registrant : Nippon Telegraph and Telephone Corporation (“NTT”)
 Code No. : 9432 (URL <http://www.ntt.co.jp/ir/>)
 Stock exchanges on which the Company's shares are listed : Tokyo
 Representative : Hiroo Unoura, President and Chief Executive Officer
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 Scheduled filing date of quarterly securities report : February 8, 2016
 Scheduled date of dividend payments : -
 Supplemental material on quarterly results : Yes
 Presentation on quarterly results : Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2015 (April 1, 2015 - December 31, 2015)

Amounts are rounded off to the nearest million yen.

(1) Consolidated Results of Operations

(Millions of yen)

	Operating Revenues		Operating Income		Income before Income Taxes		Net Income Attributable to NTT	
Nine months ended December 31, 2015	8,495,360	3.8%	1,126,582	23.7%	1,121,168	23.2%	604,064	34.3%
Nine months ended December 31, 2014	8,182,527	2.0%	910,947	(7.5)%	910,182	(11.1)%	449,941	(7.1)%

Note: Percentages above represent changes from the corresponding period of the previous fiscal year.

	Basic Earnings per Share Attributable to NTT	Diluted Earnings per Share Attributable to NTT
Nine months ended December 31, 2015	286.43 (yen)	— (yen)
Nine months ended December 31, 2014	203.85 (yen)	— (yen)

Notes: 1. Comprehensive income (loss) attributable to NTT: For the nine months ended December 31, 2015: 523,808 million yen 3.2%

For the nine months ended December 31, 2014: 507,664 million yen (23.7)%

2. NTT conducted a two-for-one stock split of its common stock, with an effective date of July 1, 2015. The figures for Basic Earnings per Share Attributable to NTT have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

(2) Consolidated Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Total Equity	NTT Shareholders' Equity	Equity Ratio (Ratio of NTT Shareholders' Equity to Total Assets)	NTT Shareholders' Equity per Share
December 31, 2015	20,749,384	11,347,597	8,904,105	42.9%	4,247.84 (yen)
March 31, 2015	20,702,427	11,049,810	8,681,860	41.9%	4,100.63 (yen)

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of July 1, 2015. The figures for NTT Shareholders' Equity per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

2. Dividends

	Annual Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
Year Ended March 31, 2015	-	90.00 (yen)	-	90.00 (yen)	180.00 (yen)
Year Ending March 31, 2016	-	50.00 (yen)	-	-	-
Year Ending March 31, 2016 (Forecasts)	-	-	-	60.00 (yen)	110.00 (yen)

Notes: 1. Change in dividend forecasts during the nine months ended December 31, 2015: Yes

2. The figures for Year Ending March 31, 2016 and Year Ending March 31, 2016 (Forecasts) reflect the impact of NTT's two-for-one stock split of common stock, with an effective date of July 1, 2015.

3. Consolidated Financial Results Forecasts for the Fiscal 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	11,400,000	2.7%	1,250,000	15.3%	1,220,000	14.4%	655,000	26.4%	311.00	(yen)

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

2. Change in consolidated financial results forecasts for the fiscal year ending March 31, 2016 during the nine months ended December 31, 2015: None

3. The figure for Basic Earnings per Share Attributable to NTT reflects the impact of NTT's two-for-one stock split of common stock, with an effective date of July 1, 2015.

***Notes:**

- (1) Change in significant consolidated subsidiaries during the nine months ended December 31, 2015 that resulted in changes in the scope of consolidation: Yes
Eliminations: One company (Verio Inc.)
(For further details, please see “Others” on page 8.)
- (2) Adoption of accounting which is simplified or exceptional for quarterly consolidated financial statements: None
- (3) Change of accounting policy
 - i. Change due to revision of accounting standards and other regulations: None
 - ii. Other change: Yes
(For further details, please see “Others” on page 8.)
- (4) Number of shares outstanding (common stock)

i. Number of shares outstanding (including treasury stock):

December 31, 2015	: 2,096,394,470 shares
March 31, 2015	: 2,273,394,470 shares

ii. Number of shares of treasury stock:

December 31, 2015	: 246,849 shares
March 31, 2015	: 156,195,212 shares

iii. Weighted average number of shares outstanding:

For the nine months ended December 31, 2015	: 2,108,972,712 shares
For the nine months ended December 31, 2014	: 2,207,243,808 shares

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of July 1, 2015. The figures for “Number of shares outstanding (common stock)” have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

* Presentation on the status of quarterly review process:

This earnings release is not subject to the quarterly review process as required by the Financial Instruments and Exchange Act of Japan. As of the date of issuance of this earnings release, the review process on quarterly financial statements required by the Financial Instruments and Exchange Act is still ongoing.

* Explanation of earnings forecasts and other notes:

Forward-looking statements in this earnings release, such as forecasts of results of operations, are based on the information currently available to NTT and certain assumptions that we regard as reasonable and therefore actual results may differ materially from those contained in or suggested by any forward-looking statements. With regard to the assumptions and other related matters concerning forecasts for the fiscal year ending March 31, 2016, please refer to pages 7 and 23.

On Friday, February 5, 2016, 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. Qualitative Information

(1) Qualitative Information Relating to Consolidated Business Results

i. Consolidated results

Nine-Month Period Ended December 31, 2015 (April 1, 2015 – December 31, 2015)

	(Billions of yen)			
	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Change	Percent Change
Operating revenues	8,182.5	8,495.4	312.8	3.8 %
Operating expenses	7,271.6	7,368.8	97.2	1.3 %
Operating income	910.9	1,126.6	215.6	23.7 %
Income before income taxes and equity in earnings (losses) of affiliated companies	910.2	1,121.2	211.0	23.2 %
Net income attributable to NTT	449.9	604.1	154.1	34.3 %

During the nine months ended December 31, 2015, NTT adopted and announced its Medium-Term Management Strategy, entitled “Towards the Next Stage 2.0,” in May, and implemented measures to embark on a profit growth track by accelerating its self-transformation towards becoming a “Value Partner.”

<Efforts to Expand NTT’s Global Business and Increase Profit Generation>

NTT Group seeks to expand and establish its global business as a cornerstone of its business operations and to accelerate profit generation through the following initiatives.

Specifically, NTT Group promoted cross-selling through collaboration among its group companies, including businesses related to global networks, cloud migration, and IT outsourcing. Additionally, in response to the market demands for outsourcing data centers in Asia where many global companies are entering the market, NTT Group began providing services at the Financial Data Center Tower 2 (FDC2) in Hong Kong, Data Center 5 in Mumbai, India, and Thailand Bangkok 2 Data Center in Thailand.

Furthermore, each NTT Group Company has been resolutely engaged in optimizing services and operations and reducing procurement costs by continuously implementing cost reduction measures.

In addition, in order to support the above measures, NTT Group aims to strengthen its group governance and risk management by increasing the transparency of information regarding group management, further unifying group accounting standards and practices, bolstering cash management, and advancing initiatives that involve overseas subsidiaries.

<Efforts to Optimize Domestic Network Businesses and Enhance Profitability>

NTT Group aimed to enhance the profitability of its domestic network businesses by optimizing capital investments and reducing costs. With regard to optimizing capital investments, NTT Group worked to improve the efficiency of its facility use and reduce procurement costs, in addition to simplifying and streamlining its network systems. A project team formed in July is in the process of reviewing various topics and initiatives aimed at generating profits.

In addition, in the regional communications business segment, NTT Group has been promoting the “Hikari Collaboration Model,” for which the number of service subscriptions has exceeded 3.4 million. In the mobile communications business segment, NTT Group has continued to promote the new “Kake-hodai & Pake-aeru” billing plan, which now has more than 26 million subscribers. In an effort to strengthen profitability, NTT Group launched a new loyalty program known as “d POINT” in December, which enables customers to earn and use points at certain locations including convenience stores operated by Lawson and McDonald’s stores. In conjunction with these initiatives, NTT Group has been working to reduce costs, including the monitoring of its marketing costs.

<Efforts to Achieve Sustainable Growth >

The Japanese government has been developing and implementing a variety of policies centered on the 2020 Tokyo Olympic and Paralympic Games and the Japanese government’s “Vitalization of Local Economies” initiative. NTT Group plans to make use of these opportunities to accelerate migration to the B2B2X model and strengthen measures aimed at creating services that will become the standards of the next generation.

In particular, in order to contribute to the vitalization of local economies, NTT Group entered into a business alliance with Hitachi, Ltd. to develop services utilizing ICT aimed at assisting the development of and maintaining a safe, secure, comfortable and efficient urban infrastructure.

As a result of these efforts, NTT Group's consolidated operating revenues for the nine months ended December 31, 2015 were ¥8,495.4 billion (an increase of 3.8% from the same period of the previous fiscal year), consolidated operating expenses were ¥7,368.8 billion (an increase of 1.3% from the same period of the previous fiscal year), consolidated operating income was ¥1,126.6 billion (an increase of 23.7% from the same period of the previous fiscal year), consolidated income before income taxes and equity in earnings (losses) of affiliated companies was ¥1,121.2 billion (an increase of 23.2% from the same period of the previous fiscal year), and net income attributable to NTT was ¥604.1 billion (an increase of 34.3% from the same period of the previous fiscal year).

Notes: (1) The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States.

(2) NTT, NTT East, NTT West, NTT Communications, and NTT DOCOMO are Gold Partners (Telecommunications Services) for the Tokyo 2020 Olympic and Paralympic Games.

ii. Segment results

Results by business segment are as follows.

Regional Communications Business Segment

Nine-Month Period Ended December 31, 2015 (April 1, 2015 – December 31, 2015)

	(Billions of yen)			
	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Change	Percent Change
Operating revenues	2,579.2	2,520.2	(58.9)	(2.3)%
Operating expenses	2,447.7	2,288.1	(159.6)	(6.5)%
Operating income	131.5	232.2	100.7	76.6 %

Operating revenues in the regional communications business segment for the nine-month period ended December 31, 2015 decreased 2.3% from the same period of the previous fiscal year to ¥2,520.2 billion due to, among other things, a decrease in fixed voice-related revenues resulting from the decline in fixed-line telephone subscriptions, which was partially offset by an increase in IP/packet communications revenues. On the other hand, operating expenses for the nine-month period ended December 31, 2015 decreased 6.5% from the same period of the previous fiscal year to ¥2,288.1 billion due to efforts to streamline operating expenses, particularly with respect to sales-related expenses in connection with the expansion of the "Hikari Collaboration Model," among other factors. As a result, segment operating income for the nine-month period ended December 31, 2015 increased 76.6% from the same period of the previous fiscal year to ¥232.2 billion.

Number of subscriptions

	(Thousands of subscriptions)			
	As of March 31, 2015	As of December 31, 2015	Change	Percent Change
FLET'S Hikari (including Hikari Collaboration Model) ⁽¹⁾	18,716	19,157	442	2.4 %
NTT East	10,403	10,582	179	1.7 %
NTT West	8,313	8,576	263	3.2 %
Hikari Collaboration Model	270	3,478	3,208	1,186.0 %
NTT East	190	2,350	2,160	1,135.5 %
NTT West	80	1,128	1,047	1,305.9 %
Hikari Denwa ⁽²⁾	17,108	17,335	227	1.3 %
NTT East	9,032	9,089	57	0.6 %
NTT West	8,076	8,246	170	2.1 %

Notes:

(1) Number of FLET'S Hikari (including Hikari Collaboration Model) 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, 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, and subscribers to the "Hikari Collaboration Model," the wholesale provision of services by NTT East and NTT West to service providers.

(2) Figures for "Hikari Denwa" indicate the number of channels (in thousands), and include wholesale services provided by NTT East and NTT West to service providers.

Long Distance and International Communications Business Segment

Nine-Month Period Ended December 31, 2015 (April 1, 2015 – December 31, 2015)

(Billions of yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Change	Percent Change
Operating revenues	1,447.3	1,675.5	228.1	15.8 %
Operating expenses	1,359.4	1,593.2	233.8	17.2 %
Operating income	88.0	82.2	(5.7)	(6.5)%

Operating revenues in the long distance and international communications business segment for the nine-month period ended December 31, 2015 increased 15.8% from the same period of the previous fiscal year to ¥1,675.5 billion. This increase was due to, among other things, an increase in system integration revenues of NTT's overseas subsidiaries, partially offset by a decrease in domestic fixed voice-related revenues. On the other hand, despite cost reduction efforts, operating expenses for the nine-month period ended December 31, 2015 increased 17.2% from the same period of the previous fiscal year to ¥1,593.2 billion due to, among other things, an increase in revenue-linked expenses. As a result, segment operating income for the nine-month period ended December 31, 2015 decreased 6.5% from the same period of the previous fiscal year to ¥82.2 billion.

Mobile Communications Business Segment

Nine-Month Period Ended December 31, 2015 (April 1, 2015 – December 31, 2015)

(Billions of yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Change	Percent Change
Operating revenues	3,326.8	3,383.5	56.7	1.7 %
Operating expenses	2,741.9	2,700.5	(41.4)	(1.5)%
Operating income	584.9	683.0	98.2	16.8 %

Despite a decline in mobile voice-related revenues as a result of the impact of “Monthly Support” discount programs, operating revenues for the mobile communications business segment for the nine-month period ended December 31, 2015 increased 1.7% from the same period of the previous fiscal year to ¥3,383.5 billion due to an increase in IP/packet communications revenues from the rise in smartphone use as well as the strong demand for tablets and other products purchased as a second mobile device for individual use, and an increase in revenues from “dmarket” services and from the Smart Life area, among other things. Despite an increase in revenue-linked expenses in the Smart Life area, operating expenses for the nine-month period ended December 31, 2015 decreased 1.5% from the same period of the previous fiscal year to ¥2,700.5 billion due to efforts to streamline costs associated with sales and network systems. As a result, segment operating income for the nine-month period ended December 31, 2015 increased 16.8% from the same period of the previous fiscal year to ¥683.0 billion.

Number of subscriptions

(Thousands of subscriptions)

	As of March 31, 2015	As of December 31, 2015	Change	Percent Change
Mobile phone services	66,595	69,602	3,006	4.5 %
New billing plan	17,827	26,519	8,693	48.8 %
LTE(Xi) services	30,744	36,293	5,548	18.0 %
FOMA services	35,851	33,309	(2,542)	(7.1)%

Notes:

- (1) The number of Mobile phone services subscribers (including LTE (Xi) and FOMA services) includes subscriptions to communication module services.
- (2) Effective March 3, 2008, FOMA services became mandatory for subscription to “2in1” services. Such FOMA service subscriptions to “2in1” services are included in the number of Mobile phone services subscribers and also in the number of FOMA service subscribers.

Data Communications Business Segment

Nine-Month Period Ended December 31, 2015 (April 1, 2015 – December 31, 2015)

(Billions of yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Change	Percent Change
Operating revenues	1,066.4	1,147.8	81.3	7.6 %
Operating expenses	1,009.7	1,073.8	64.0	6.3 %
Operating income	56.7	74.0	17.3	30.5 %

Operating revenues in the data communications business segment for the nine-month period ended December 31, 2015 increased 7.6% from the same period of the previous fiscal year to ¥1,147.8 billion due to, among other things, the expansion of its business for financial companies and an increase in subsidiary business operations. On the other hand, operating expenses for the nine-month period ended December 31, 2015 increased 6.3% from the same period of the previous fiscal year to ¥1,073.8 billion due to, among other things, an increase in revenue-linked expenses. As a result, segment operating income for the nine-month period ended December 31, 2015 increased 30.5% from the same period of the previous fiscal year to ¥74.0 billion.

Other Business Segment

Nine-Month Period Ended December 31, 2015 (April 1, 2015 – December 31, 2015)

(Billions of yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Change	Percent Change
Operating revenues	894.1	872.7	(21.3)	(2.4)%
Operating expenses	853.8	826.6	(27.2)	(3.2)%
Operating income	40.3	46.2	5.9	14.5 %

Operating revenues in the other business segment for the nine-month period ended December 31, 2015 decreased 2.4% from the same period of the previous fiscal year to ¥872.7 billion. On the other hand, operating expenses for the nine-month period ended December 31, 2015 decreased 3.2% from the same period of the previous fiscal year to ¥826.6 billion as a result of a decrease in revenue-linked expenses as well as cost reduction measures. As a result, segment operating income for the nine-month period ended December 31, 2015 increased 14.5% from the same period of the previous fiscal year to ¥46.2 billion.

(2) Qualitative Information Relating to Consolidated Financial Position

Net cash provided by operating activities for the nine-month period ended December 31, 2015 increased ¥272.3 billion (19.5%) from the same period of the previous fiscal year to ¥1,672.1 billion. This increase was due to, among other factors, an increase in operating income.

Net cash used in investing activities decreased ¥119.6 billion (8.2%) from the same period of the previous fiscal year to ¥1,333.4 billion. This decrease was due to, among other factors, a decrease in capital investments and other such investments partially offset by an increase in payments for the purchase of non-current investments.

Net cash used in financing activities increased ¥425.8 billion (1,520.9%) from the same period of the previous fiscal year to ¥453.8 billion. This increase was due to, among other factors, a decrease in proceeds from borrowings, partially offset by a decrease in stock repurchases.

As a result of the above, NTT Group's consolidated cash and cash equivalents as of December 31, 2015 totaled ¥734.5 billion, a decrease of ¥114.7 billion (13.5%) from the end of the previous fiscal year.

	(Billions of yen)			
	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Change	Percent Change
Cash flows provided by operating activities	1,399.7	1,672.1	272.3	19.5 %
Cash flows used in investing activities	(1,453.0)	(1,333.4)	119.6	8.2 %
Cash flows used in financing activities	(28.0)	(453.8)	(425.8)	(1,520.9) %

(3) Qualitative Information Relating to Consolidated Results Forecasts

There are no changes to the consolidated results forecasts for the fiscal year ending March 31, 2016 announced on November 6, 2015. For the assumptions used in the consolidated results forecasts and other related matters, please see page 23.

2. OTHERS

- (1) Change in significant consolidated subsidiaries during the nine months ended December 31, 2015 that resulted in changes in the scope of consolidation: Yes

NTT's specified subsidiary, Verio Inc., was merged into NTT America, Inc., another NTT subsidiary, on April 1, 2015. As a result, Verio Inc. ceased to be a specified subsidiary of NTT, and was excluded from the scope of NTT's consolidated subsidiaries beginning with the nine months ended December 31, 2015.

- (2) Adoption of accounting which is simplified or exceptional for quarterly consolidated financial statements: None

- (3) Change of accounting policy: Yes

Change in Fiscal Year End of Certain Subsidiaries

As of April 1, 2015, certain of NTT's consolidated subsidiaries changed their fiscal year ends from December 31 to March 31, thereby eliminating a three-month discrepancy between their fiscal year ends and NTT's fiscal year end in NTT's quarterly financial statements. The elimination of this discrepancy was applied as a change in accounting policy. NTT did not make any retrospective adjustments to its financial statements as these changes did not have a material impact on the consolidated financial statements for the nine months ended December 31, 2014 or the year ended March 31, 2015. As a result of this change, NTT's retained earnings have increased by ¥700 million, and its accumulated other comprehensive income (loss), noncontrolling interests and redeemable noncontrolling interests have decreased by ¥9,702 million, ¥595 million and ¥419 million, respectively, in each case as of the beginning of the current fiscal year. In addition, the change in cash and cash equivalents resulting from this change in fiscal year end is presented in the consolidated statements of cash flows under "Increase (decrease) in cash and cash equivalents due to change in fiscal year end of consolidated subsidiaries."

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen		
	March 31, 2015	December 31, 2015	Increase (Decrease)
ASSETS			
Current assets:			
Cash and cash equivalents	¥849,174	¥734,471	¥(114,703)
Short-term investments	36,342	32,448	(3,894)
Notes and accounts receivable, trade	2,663,012	2,794,775	131,763
Allowance for doubtful accounts	(43,230)	(48,456)	(5,226)
Accounts receivable, other	408,051	429,183	21,132
Inventories	390,523	485,847	95,324
Prepaid expenses and other current assets	434,023	515,293	81,270
Deferred income taxes	219,333	221,485	2,152
Total current assets	4,957,228	5,165,046	207,818
Property, plant and equipment:			
Telecommunications equipment	12,592,070	12,240,421	(351,649)
Telecommunications service lines	15,647,879	15,779,920	132,041
Buildings and structures	6,107,299	6,162,316	55,017
Machinery, vessels and tools	1,995,879	2,043,484	47,605
Land	1,299,072	1,289,202	(9,870)
Construction in progress	404,698	401,741	(2,957)
	38,046,897	37,917,084	(129,813)
Accumulated depreciation	(28,245,427)	(28,375,143)	(129,716)
Net property, plant and equipment	9,801,470	9,541,941	(259,529)
Investments and other assets:			
Investments in affiliated companies	542,247	519,201	(23,046)
Marketable securities and other investments	515,580	494,257	(21,323)
Goodwill	1,186,161	1,260,318	74,157
Software	1,247,956	1,195,746	(52,210)
Other intangible assets	413,552	413,454	(98)
Other assets	1,448,296	1,516,881	68,585
Deferred income taxes	589,937	642,540	52,603
Total investments and other assets	5,943,729	6,042,397	98,668
Total assets	¥20,702,427	¥20,749,384	¥46,957

	Millions of yen		
	March 31, 2015	December 31, 2015	Increase (Decrease)
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	¥330,423	¥233,304	¥(97,119)
Current portion of long-term debt	370,279	321,763	(48,516)
Accounts payable, trade	1,579,572	1,189,650	(389,922)
Current portion of obligations under capital leases	20,604	18,195	(2,409)
Accrued payroll	429,440	387,043	(42,397)
Accrued taxes on income	124,861	184,196	59,335
Accrued consumption tax	148,168	105,614	(42,554)
Advances received	243,263	290,083	46,820
Other	475,078	595,738	120,660
Total current liabilities	3,721,688	3,325,586	(396,102)
Long-term liabilities:			
Long-term debt (excluding current portion)	3,688,825	3,788,633	99,808
Obligations under capital leases (excluding current portion)	34,382	28,028	(6,354)
Liability for employees' retirement benefits	1,387,962	1,433,607	45,645
Accrued liabilities for point programs	108,099	95,243	(12,856)
Deferred income taxes	196,853	199,916	3,063
Other	486,536	480,792	(5,744)
Total long-term liabilities	5,902,657	6,026,219	123,562
Redeemable noncontrolling interests	28,272	49,982	21,710
Equity:			
NTT shareholders' equity			
Common stock, no par value	937,950	937,950	—
Additional paid-in capital	2,846,723	2,848,148	1,425
Retained earnings	5,126,657	4,940,573	(186,084)
Accumulated other comprehensive income (loss)	268,232	178,274	(89,958)
Treasury stock, at cost	(497,702)	(840)	496,862
Total NTT shareholders' equity	8,681,860	8,904,105	222,245
Noncontrolling interests	2,367,950	2,443,492	75,542
Total equity	11,049,810	11,347,597	297,787
Total liabilities and equity	¥20,702,427	¥20,749,384	¥46,957

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

NINE-MONTH PERIOD ENDED DECEMBER 31

Consolidated Statements of Income

	Millions of yen		
	2014	2015	Increase (Decrease)
Operating revenues:			
Fixed voice related services	¥1,087,270	¥994,477	¥(92,793)
Mobile voice related services	660,586	624,583	(36,003)
IP / packet communications services	2,750,096	2,819,532	69,436
Sale of telecommunications equipment	794,443	725,765	(68,678)
System integration	1,893,468	2,212,240	318,772
Other	996,664	1,118,763	122,099
	8,182,527	8,495,360	312,833
Operating expenses:			
Cost of services (excluding items shown separately below)	1,736,079	1,733,371	(2,708)
Cost of equipment sold (excluding items shown separately below)	706,803	699,493	(7,310)
Cost of system integration (excluding items shown separately below)	1,323,731	1,577,673	253,942
Depreciation and amortization	1,365,268	1,317,130	(48,138)
Impairment loss	1,604	6,001	4,397
Selling, general and administrative expenses	2,138,095	2,035,110	(102,985)
	7,271,580	7,368,778	97,198
Operating income	910,947	1,126,582	215,635
Other income (expenses):			
Interest and amortization of bond discounts and issue costs	(33,155)	(32,759)	396
Interest income	13,821	13,253	(568)
Other, net	18,569	14,092	(4,477)
	(765)	(5,414)	(4,649)
Income before income taxes and equity in earnings (losses) of affiliated companies	910,182	1,121,168	210,986
Income tax expense (benefit):			
Current	298,193	361,071	62,878
Deferred	17,544	(44,969)	(62,513)
	315,737	316,102	365
Income before equity in earnings (losses) of affiliated companies	594,445	805,066	210,621
Equity in earnings (losses) of affiliated companies	3,635	6,160	2,525
Net income	598,080	811,226	213,146
Less – Net income attributable to noncontrolling interests	148,139	207,162	59,023
Net income attributable to NTT	¥449,941	¥604,064	¥154,123
Per share of common stock*:			
Weighted average number of shares outstanding (Shares)	2,207,243,808	2,108,972,712	
Net income attributable to NTT (Yen)	¥203.85	¥286.43	

* "Per share of common stock" figures for the nine months ended December 31, 2014 and 2015 have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015.

Consolidated Statements of Comprehensive Income

	Millions of yen		
	2014	2015	Increase (Decrease)
Net income	¥598,080	¥811,226	¥213,146
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities	60,413	(21,679)	(82,092)
Unrealized gain (loss) on derivative instruments	(301)	(2,714)	(2,413)
Foreign currency translation adjustments	33,626	(70,289)	(103,915)
Pension liability adjustments	(2,552)	796	3,348
Total other comprehensive income (loss)	91,186	(93,886)	(185,072)
Total comprehensive income (loss)	689,266	717,340	28,074
Less – Comprehensive income attributable to noncontrolling interests	181,602	193,532	11,930
Total comprehensive income (loss) attributable to NTT	¥507,664	¥523,808	¥16,144

THREE-MONTH PERIOD ENDED DECEMBER 31

Consolidated Statements of Income

	Millions of yen		
	2014	2015	Increase (Decrease)
Operating revenues:			
Fixed voice related services	¥356,893	¥326,908	¥(29,985)
Mobile voice related services	214,127	216,851	2,724
IP / packet communications services	911,726	944,229	32,503
Sale of telecommunications equipment	309,118	261,967	(47,151)
System integration	663,850	774,941	111,091
Other	353,145	381,506	28,361
	2,808,859	2,906,402	97,543
Operating expenses:			
Cost of services (excluding items shown separately below)	572,454	584,265	11,811
Cost of equipment sold (excluding items shown separately below)	280,122	268,380	(11,742)
Cost of system integration (excluding items shown separately below)	458,389	543,197	84,808
Depreciation and amortization	454,164	445,491	(8,673)
Impairment loss	1,394	2,370	976
Selling, general and administrative expenses	722,313	669,581	(52,732)
	2,488,836	2,513,284	24,448
Operating income	320,023	393,118	73,095
Other income (expenses):			
Interest and amortization of bond discounts and issue costs	(10,569)	(10,695)	(126)
Interest income	4,695	4,516	(179)
Other, net	3,876	16,810	12,934
	(1,998)	10,631	12,629
Income before income taxes and equity in earnings (losses) of affiliated companies	318,025	403,749	85,724
Income tax expense (benefit):			
Current	104,222	121,805	17,583
Deferred	3,018	(33,008)	(36,026)
	107,240	88,797	(18,443)
Income before equity in earnings (losses) of affiliated companies	210,785	314,952	104,167
Equity in earnings (losses) of affiliated companies	1,177	(1,352)	(2,529)
Net income	211,962	313,600	101,638
Less – Net income attributable to noncontrolling interests	52,353	86,855	34,502
Net income attributable to NTT	¥159,609	¥226,745	¥67,136
Per share of common stock*:			
Weighted average number of shares outstanding (Shares)	2,182,969,862	2,096,267,098	
Net income attributable to NTT (Yen)	¥73.12	¥108.17	

* "Per share of common stock" figures for the three months ended December 31, 2014 and 2015 have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015.

Consolidated Statements of Comprehensive Income

	Millions of yen		
	2014	2015	Increase (Decrease)
Net income	¥211,962	¥313,600	¥101,638
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities	50,947	2,477	(48,470)
Unrealized gain (loss) on derivative instruments	(12)	(1,865)	(1,853)
Foreign currency translation adjustments	68,741	(38,129)	(106,870)
Pension liability adjustments	(1,457)	(311)	1,146
Total other comprehensive income (loss)	118,219	(37,828)	(156,047)
Total comprehensive income (loss)	330,181	275,772	(54,409)
Less – Comprehensive income attributable to noncontrolling interests	84,768	80,919	(3,849)
Total comprehensive income (loss) attributable to NTT	¥245,413	¥194,853	¥(50,560)

(3) Consolidated Statements of Cash Flows

NINE-MONTH PERIOD ENDED DECEMBER 31

	Millions of yen		
	2014	2015	Increase (Decrease)
Cash flows from operating activities:			
Net income	¥598,080	¥811,226	¥213,146
Adjustments to reconcile net income to net cash provided by operating activities -			
Depreciation and amortization	1,365,268	1,317,130	(48,138)
Impairment loss	1,604	6,001	4,397
Deferred taxes	17,544	(44,969)	(62,513)
Losses on disposals of property, plant and equipment	63,765	51,667	(12,098)
Equity in (earnings) losses of affiliated companies	(3,635)	(6,160)	(2,525)
(Increase) decrease in notes and accounts receivable, trade	(179,956)	(124,105)	55,851
(Increase) decrease in inventories	(54,726)	(109,244)	(54,518)
(Increase) decrease in other current assets	(138,769)	(82,661)	56,108
Increase (decrease) in accounts payable, trade and accrued payroll	(210,285)	(272,498)	(62,213)
Increase (decrease) in accrued consumption tax	92,034	(42,449)	(134,483)
Increase (decrease) in advances received	(18,128)	46,444	64,572
Increase (decrease) in accrued taxes on income	(180,154)	59,632	239,786
Increase (decrease) in other current liabilities	28,246	41,649	13,403
Increase (decrease) in liability for employees' retirement benefits	37,028	45,775	8,747
Increase (decrease) in other long-term liabilities	18,490	(13,680)	(32,170)
Other	(36,677)	(11,697)	24,980
Net cash provided by operating activities	¥1,399,729	¥1,672,061	¥272,332

	Millions of yen		
	2014	2015	Increase (Decrease)
Cash flows from investing activities:			
Payments for property, plant and equipment	¥(1,108,674)	¥(935,828)	¥172,846
Payments for intangibles	(260,862)	(267,884)	(7,022)
Proceeds from sales of property, plant and equipment	19,097	37,295	18,198
Payments for purchases of non-current investments	(18,824)	(41,404)	(22,580)
Proceeds from sales and redemptions of non-current investments	17,897	46,312	28,415
Acquisitions of subsidiaries, net of cash acquired	(21,949)	(119,632)	(97,683)
Payments for purchases of short-term investments	(55,937)	(18,380)	37,557
Proceeds from redemptions of short-term investments	38,802	17,542	(21,260)
Other	(62,580)	(51,453)	11,127
Net cash used in investing activities	(1,453,030)	(1,333,432)	119,598
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	457,143	365,932	(91,211)
Payments for settlement of long-term debt	(334,309)	(371,625)	(37,316)
Proceeds from issuance of short-term debt	4,646,133	3,512,490	(1,133,643)
Payments for settlement of short-term debt	(4,167,653)	(3,609,513)	558,140
Dividends paid	(199,769)	(200,182)	(413)
Proceeds from sale of (payments for acquisition of) treasury stock, net	(256,797)	(93,871)	162,926
Acquisitions of shares of subsidiaries from noncontrolling interests	(70,798)	(7,710)	63,088
Other	(101,947)	(49,313)	52,634
Net cash used in financing activities	(27,997)	(453,792)	(425,795)
Effect of exchange rate changes on cash and cash equivalents	2,631	(1,568)	(4,199)
Net increase (decrease) in cash and cash equivalents	(78,667)	(116,731)	(38,064)
Cash and cash equivalents at beginning of period	984,463	849,174	(135,289)
Increase (decrease) in cash and cash equivalents due to change in fiscal year end of consolidated subsidiaries	—	2,028	2,028
Cash and cash equivalents at end of period	¥905,796	¥734,471	¥(171,325)
Cash paid during the period for:			
Interest	¥32,446	¥32,592	¥146
Income taxes, net	¥532,984	¥270,332	¥(262,652)

(4) Going Concern Assumption

None

(5) Business Segments

NINE-MONTH PERIOD ENDED DECEMBER 31

1. Operating revenues (Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)
Regional communications business			
External customers	¥2,232,967	¥2,154,156	¥(78,811)
Intersegment	346,208	366,079	19,871
Total	2,579,175	2,520,235	(58,940)
Long distance and international communications business			
External customers	1,382,470	1,612,558	230,088
Intersegment	64,878	62,892	(1,986)
Total	1,447,348	1,675,450	228,102
Mobile communications business			
External customers	3,294,675	3,350,876	56,201
Intersegment	32,105	32,625	520
Total	3,326,780	3,383,501	56,721
Data communications business			
External customers	995,658	1,076,347	80,689
Intersegment	70,789	71,441	652
Total	1,066,447	1,147,788	81,341
Other business			
External customers	276,757	301,423	24,666
Intersegment	617,325	571,319	(46,006)
Total	894,082	872,742	(21,340)
Elimination	(1,131,305)	(1,104,356)	26,949
Consolidated total	¥8,182,527	¥8,495,360	¥312,833

2. Segment profit (Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)
Segment profit			
Regional communications business	¥131,482	¥232,179	¥100,697
Long distance and international communications business	87,954	82,225	(5,729)
Mobile communications business	584,858	683,021	98,163
Data communications business	56,715	74,032	17,317
Other business	40,302	46,164	5,862
Total segment profit	901,311	1,117,621	216,310
Elimination	9,636	8,961	(675)
Consolidated total	¥910,947	¥1,126,582	¥215,635

THREE-MONTH PERIOD ENDED DECEMBER 31

1. Operating revenues

(Millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015	Increase (Decrease)
Regional communications business			
External customers	¥747,032	¥713,006	¥(34,026)
Intersegment	117,715	126,659	8,944
Total	864,747	839,665	(25,082)
Long distance and international communications business			
External customers	474,170	555,991	81,821
Intersegment	23,193	22,219	(974)
Total	497,363	578,210	80,847
Mobile communications business			
External customers	1,141,218	1,157,153	15,935
Intersegment	12,586	11,320	(1,266)
Total	1,153,804	1,168,473	14,669
Data communications business			
External customers	350,248	375,703	25,455
Intersegment	20,625	26,372	5,747
Total	370,873	402,075	31,202
Other business			
External customers	96,191	104,549	8,358
Intersegment	206,310	200,433	(5,877)
Total	302,501	304,982	2,481
Elimination	(380,429)	(387,003)	(6,574)
Consolidated total	¥2,808,859	¥2,906,402	¥97,543

2. Segment profit

(Millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015	Increase (Decrease)
Segment profit			
Regional communications business	¥53,214	¥77,568	¥24,354
Long distance and international communications business	31,561	34,625	3,064
Mobile communications business	187,061	221,855	34,794
Data communications business	29,172	35,847	6,675
Other business	17,247	18,529	1,282
Total segment profit	318,255	388,424	70,169
Elimination	1,768	4,694	2,926
Consolidated total	¥320,023	¥393,118	¥73,095

(6) NTT Shareholders' Equity

1. Dividends

Cash dividends paid during the nine months ended December 31, 2015 were as follows:

Resolution	The shareholders' meeting on June 26, 2015
Class of shares	Common stock
Source of dividends	Retained earnings
Total cash dividends paid	¥95,274 million
Cash dividends per share	¥90
Record date	March 31, 2015
Date of payment	June 29, 2015

Resolution	The board of directors' meeting on November 6, 2015
Class of shares	Common stock
Source of dividends	Retained earnings
Total cash dividends declared	¥104,908 million
Cash dividends per share*	¥50
Record date	September 30, 2015
Date of payment	December 7, 2015

* "Cash dividends per share" figure based on the resolution adopted at the board of directors' meeting on November 6, 2015 reflects the impact of NTT's two-for-one stock split of common stock, with an effective date of July 1, 2015.

2. Treasury stock

On August 5, 2015, the board of directors of NTT resolved that NTT may acquire up to 21 million shares of its outstanding common stock for an amount in total not exceeding ¥100 billion from August 6, 2015 through October 30, 2015. Based on this resolution, NTT repurchased 21 million shares of its common stock for a total purchase price of ¥93,589 million between August 2015 and October 2015, and concluded the repurchase of its common stock authorized by this board of directors' resolution.

On November 6, 2015, the board of directors resolved that NTT may cancel 177 million shares currently held as treasury stock on November 13, 2015, and as a result of such cancellation conducted on November 13, 2015, additional paid-in capital decreased by ¥6 million, and retained earnings decreased by ¥590,681 million.

(7) Subsequent Events

On January 29, 2016, the board of directors of NTT DOCOMO resolved that NTT DOCOMO may repurchase up to 220 million shares of its outstanding common stock for an amount in total not exceeding ¥500 billion between February 1, 2016 and December 31, 2016.

On February 5, 2016, the board of directors of NTT DOCOMO resolved to launch a tender offer to repurchase up to 137,578,616 shares of its outstanding common stock between February 8, 2016 and March 7, 2016. On the same day, NTT's board of directors resolved that NTT may participate in the tender offer to sell 117,924,500 shares of its current holdings of NTT DOCOMO's common stock. If NTT DOCOMO's stock repurchase results in a change in NTT's equity stake in NTT DOCOMO, NTT expects to record the transaction as a capital transaction for accounting purposes.

4. (Reference)

NON-CONSOLIDATED FINANCIAL STATEMENTS

(1) Non-Consolidated Balance Sheets

(Based on accounting principles generally accepted in Japan)

	Millions of yen	
	March 31, 2015	December 31, 2015
ASSETS		
Current assets:		
Cash and bank deposits	8,052	994
Accounts receivable, trade	1,503	692
Supplies	189	255
Subsidiary deposits	4	—
Other	396,507	305,774
Total current assets	406,257	307,717
Fixed assets:		
Property, plant and equipment	159,131	152,478
Intangible fixed assets	25,840	15,774
Investments and other assets		
Investments in subsidiaries and affiliated companies	5,093,735	5,093,016
Long-term loans receivable to subsidiaries	1,303,142	1,358,216
Other	39,267	39,680
Total investments and other assets	6,436,145	6,490,914
Total fixed assets	6,621,117	6,659,167
TOTAL ASSETS	7,027,374	6,966,884

- Notes: 1. The above non-consolidated quarterly financial statements are exempt from auditor review for purposes of legal disclosure.
2. The above non-consolidated quarterly financial statements are prepared based on the “Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements.”

(Reference)

	Millions of yen	
	March 31, 2015	December 31, 2015
LIABILITIES		
Current liabilities:		
Accounts payable, trade	137	52
Current portion of corporate bonds	149,995	70,000
Current portion of long-term borrowings	55,180	66,080
Current portion of long-term borrowings from subsidiaries	240,000	160,000
Short-term borrowings	46,000	73,306
Accrued taxes on income	1,033	12,817
Deposits received from subsidiaries	51,617	49,154
Other	27,648	27,187
Total current liabilities	571,612	458,597
Long-term liabilities:		
Corporate bonds	856,341	786,379
Long-term borrowings	1,218,600	1,293,674
Long-term borrowings from subsidiaries	—	50,000
Liability for employees' retirement benefits	30,634	31,600
Asset retirement obligations	1,385	1,398
Other	3,324	3,212
Total long-term liabilities	2,110,286	2,166,265
TOTAL LIABILITIES	2,681,899	2,624,862
NET ASSETS		
Shareholders' equity:		
Common stock	937,950	937,950
Capital surplus	2,672,826	2,672,826
Earned surplus	1,232,879	732,470
Treasury stock	(497,702)	(839)
Total shareholders' equity	4,345,954	4,342,406
Unrealized gains (losses), translation adjustments, and others:		
Net unrealized gains (losses) on securities	(478)	(384)
Total unrealized gains (losses), translation adjustments, and others	(478)	(384)
TOTAL NET ASSETS	4,345,475	4,342,021
TOTAL LIABILITIES AND NET ASSETS	7,027,374	6,966,884

Notes: 1. The above non-consolidated quarterly financial statements are exempt from auditor review for purposes of legal disclosure.
2. The above non-consolidated quarterly financial statements are prepared based on the "Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements."

(Reference)

(2) Non-Consolidated Statements of Income

NINE-MONTH PERIOD ENDED DECEMBER 31

(Based on accounting principles generally accepted in Japan)

	Millions of yen	
	2014	2015
Operating revenues	372,149	386,749
Operating expenses	95,312	93,074
Operating income	276,837	293,675
Non-operating revenues:		
Interest income	14,165	11,702
Lease and rental income	7,981	7,894
Miscellaneous income	676	890
Total non-operating revenues	22,823	20,487
Non-operating expenses:		
Interest expenses	10,688	9,594
Corporate bond interest expenses	10,705	9,358
Miscellaneous expenses	4,648	4,008
Total non-operating expenses	26,041	22,960
Recurring profit	273,619	291,202
Special profits	299,280	—
Income before income taxes	572,899	291,202
Income taxes	11,644	748
Net income	561,255	290,454

(Reference) Major components of operating revenues

Dividends received	272,159	288,733
Revenues from group management	13,876	13,876
Revenues from basic R&D	79,874	76,499

Notes: 1. The above non-consolidated quarterly financial statements are exempt from auditor review for purposes of legal disclosure.

2. The above non-consolidated quarterly financial statements are prepared based on the “Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements.”

[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 December 31, 2015)

1. Classification of Shareholders

Details	NTT's Shares and Shareholders (1 unit = 100 shares)							Total	Shares Representing Less Than One Unit
	Government and Public Bodies	Financial Institutions	Securities Firms	Other Domestic Corporations	Foreign Corporations, etc.		Domestic Individuals, etc.		
					Non-Individuals	Individuals			
Total Holders	4	246	64	5,807	1,354	780	708,041	716,296	--
Total Shares (Units)	7,381,455	3,543,960	100,072	256,852	6,372,152	8,951	3,273,295	20,936,737	2,720,770
%	35.26	16.93	0.48	1.23	30.44	0.04	15.63	100.00	--

Notes: (1) "Domestic Individuals, etc." includes 2,474 units of treasury stock, and "Shares Representing Less Than One Unit" includes 49 shares of treasury stock. 247,449 shares of treasury stock are recorded in the shareholders' register; the actual number of treasury stock shares at the end of December 31, 2015 was 246,849.

(2) "Other Domestic Corporations" includes 295 units under the name of the Japan Securities Depository Center, and "Shares Representing Less Than One Unit" includes 44 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 186,742.

2. Classification by Number of Shares

Details	NTT's Shares and Shareholders (1 unit = 100 shares)							Total	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		
Number of Holders	581	217	1,311	2,095	60,540	85,606	565,946	716,296	--
%	0.08	0.03	0.18	0.29	8.45	11.95	79.01	100.00	--
Total Shares (Units)	17,454,485	153,633	260,711	135,409	962,048	567,383	1,403,068	20,936,737	2,720,770
%	83.37	0.73	1.25	0.65	4.60	2.71	6.70	100.00	--

Notes: (1) "At Least 1,000 Units" includes 2,474 units of treasury stock, and "Shares Representing Less Than One Unit" includes 49 shares of treasury stock.

(2) "At Least 100 Units" includes 295 units under the name of the Japan Securities Depository Center, and "Shares Representing Less Than One Unit" includes 44 shares under the name of the Japan Securities Depository Center.

3. Principal Shareholders

Name	Share holdings (in thousands of shares)	Percentage of Total Shares Issued (%)
The Minister of Finance	738,124	35.21
Japan Trustee Services Bank, Ltd. (Trust Account)	83,908	4.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	61,034	2.91
Moxley and Co LLC	29,876	1.43
Japan Trustee Services Bank, Ltd. (Trust Account 9)	26,224	1.25
State Street Bank and Trust Company	22,556	1.08
JP Morgan Chase Bank 385632	20,397	0.97
State Street Bank and Trust Company 505202	17,500	0.83
NTT Employee Share-Holding Association	15,801	0.75
Japan Trustee Services Bank, Ltd. (Trust Account 1)	15,641	0.75
Total	1,031,065	49.18

Note: Percentage of Total Shares Issued includes treasury stock (247,449 shares).