

Business Operation Plan for the Fiscal Year Ending March 31, 2018



March 1, 2017

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

for the Fiscal Year Ending March 31, 2018

- Pursuant to NTT Group's Medium-Term Management Strategy entitled, "Towards the Next Stage 2.0," which was amended in 2015, each NTT Group company will continuously aim to become a "Value Partner" that customers continue to select and strive to create various services and business opportunities.
In addition, NTT will also work to increase corporate value by actively expanding its global business, among others, and engaging in management directed at the development of NTT Group as a whole.
- For the fiscal year ending March 31, 2018, NTT will aim to continuously grow its businesses through collaborations with business partners in a variety of industrial fields, while supporting the creation of new services and business opportunities, while also promoting the shift to a B2B2X model.
In addition to building an advanced broadband network and creating a variety of services, NTT will engage in research and development activities that will produce the technology and human capital to support a new business model by sustaining and strengthening open innovation.

2. Capital Investment Plan



(Billions of yen)

	FY2016 Forecast (as of March 1, 2017)	FY2017 Plan	
			Change from Previous Fiscal Year
R&D Facilities	14.0 [—]	15.0	+1.0
Other Facilities	3.0 [(1.0)]	3.0	—
Total	17.0 [(1.0)]	18.0	+1.0

Note: Figures in brackets [] represent the change from the forecast made in the business results announced on February 10, 2017.

3. Revenues and Expense Plan and Planned Sources and Applications of Funds



○ Revenues and Expense Plan

(Billions of yen)

	FY2016 Forecast (as of March 1, 2017)	FY2017 Plan	Change from Previous Fiscal Year
Operating Revenues	475.0 [—]	610.0	+135.0
Revenues from Group management and other sources	21.0 [—]	21.0	—
Revenues from basic R&D	100.0 [—]	95.0	(5.0)
Revenues from transfer of research results and other sources	4.0 [—]	4.0	—
Revenues from commissioned research	6.0 [—]	7.0	+1.0
Dividends received	344.0 [—]	483.0	+139.0
Operating Expenses	134.0 [—]	130.0	(4.0)
Operating Income	341.0 [—]	480.0	+139.0
Recurring Profit	337.0 [—]	477.0	+140.0

Note: Figures in brackets [] represent the change from the forecast made in the business results announced on February 10, 2017.

○ Planned Sources and Applications of Funds

(Billions of yen)

	FY2017 Plan
Sources	869.0 [60.0]
Applications	869.0 [357.0]

Note: Figures in brackets [] represent the amount of long-term loans and bonds.

The forward-looking statements and projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT in light of information currently available to it regarding NTT and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

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

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