

Supplementary Data for the Nine Months Ended December 31, 2016

Contents

	pages
1. Financial Results Summary (Consolidated)	1
2. Financial Results (Business Segments)	2
3. Financial Results (Holding Company and Subsidiaries)	3-5
4. Operating Data	6-8

The projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained 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 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.

1. Financial Results Summary (Consolidated)

(Billions of yen)

	A		B		C	
	Nine Months Ended December 31, 2015		Nine Months Ended December 31, 2016		Year Ending March 31, 2017 (Forecast) ⁽²⁾	
			Change B-A		Progress B/C	
Consolidated (US GAAP)						
Operating Revenues	8,495.4	8,360.5	(134.9)	73.3%	11,410.0	
Fixed Voice Related Services	994.5	919.2	(75.3)	-	-	
Mobile Voice Related Services	624.6	651.4	26.8	-	-	
IP/Packet Communications Services	2,819.5	2,842.4	22.8	-	-	
Sales of Telecommunications Equipment	725.8	650.1	(75.7)	-	-	
System Integration	2,212.2	2,123.7	(88.5)	-	-	
Other	1,118.8	1,173.7	55.0	-	-	
Operating Expenses	7,368.8	7,041.9	(326.8)	70.8%	9,940.0	
Cost of Services (excluding items shown separately below)	1,733.4	1,751.4	18.0	-	-	
Cost of Equipment Sold (excluding items shown separately below)	699.5	654.8	(44.7)	-	-	
Cost of System Integration (excluding items shown separately below)	1,577.7	1,496.6	(81.1)	-	-	
Depreciation and Amortization	1,317.1	1,082.9	(234.2)	-	-	
Impairment Losses	6.0	66.0	60.0	-	-	
Goodwill	-	53.3	53.3	-	-	
Other	6.0	12.7	6.7	-	-	
Selling, General and Administrative Expenses	2,035.1	1,990.3	(44.8)	-	-	
Operating Income	1,126.6	1,318.6	192.0	89.7%	1,470.0	
Income Before Income Taxes	1,121.2	1,307.2	186.0	90.8%	1,440.0	
Net Income Attributable to NTT	604.1	668.7	64.7	86.8%	770.0	
<i>(Ref.) Details of "Cost of Services," "Cost of Equipment Sold," "Cost of System Integration" and "Selling, General and Administrative Expenses"</i>						
Personnel	1,724.5	1,674.9	(49.6)	-	-	
Cost of Services and Equipment Sold, and Selling, General and Administrative Expenses	4,054.5	3,947.8	(106.8)	-	-	
Loss on Disposal of Property, Plant and Equipment	98.9	100.2	1.3	-	-	
Other Expenses	167.8	170.3	2.5	-	-	
Total	6,045.6	5,893.1	(152.6)	-	-	
EBITDA and EBITDA Margin with Reconciliation						
EBITDA (a+b)	2,495.4	2,453.8	(41.6)	79.0%	3,108.0	
a Operating Income	1,126.6	1,318.6	192.0	89.7%	1,470.0	
b Depreciation and Amortization, and Loss on Disposal of Property, Plant and Equipment	1,368.8	1,135.2	(233.5)	69.3%	1,638.0	
EBITDA Margin [(c/d)X100]	29.4%	29.3%	(0.0)points	-	27.2%	
c EBITDA (a+b)	2,495.4	2,453.8	(41.6)	79.0%	3,108.0	
d Operating Revenues	8,495.4	8,360.5	(134.9)	73.3%	11,410.0	
Capital Investment⁽¹⁾						
Capital Investment	1,039.4	1,092.3	52.9	63.9%	1,710.0	
Regional communications business	369.2	345.6	(23.6)	58.9%	587.0	
Long distance and international communications business	154.9	168.3	13.4	69.0%	244.0	
Mobile communications business	362.5	399.4	36.9	68.3%	585.0	
Data communications business	88.1	105.6	17.5	69.0%	153.0	
Other business	64.7	73.3	8.6	52.0%	141.0	
(Ref.) Core Group Companies						
NTT (Holding Company)	6.6	7.6	1.0	42.4%	18.0	
NTT East	162.2	155.7	(6.5)	57.7%	270.0	
NTT West	189.9	164.8	(25.1)	59.9%	275.0	
NTT Communications	83.6	91.5	7.8	71.0%	129.0	
NTT DOCOMO (Consolidated)	362.5	399.4	37.0	68.3%	585.0	
NTT DATA (Consolidated)	88.1	105.6	17.4	69.0%	153.0	
Interest-Bearing Liabilities						
	As of March 31, 2016	As of December 31, 2016	As of March 31, 2017 (Forecast) ⁽²⁾			
Interest-Bearing Liabilities	4,163.3	4,497.1	4,300.0			

Notes: (1) Capital Investment figures for domestic access network businesses for "A. Nine Months Ended December 31, 2015", "B. Nine Months Ended December 31, 2016" and "C. Year Ending March 31, 2017 (Forecast)" are 789.4 billion yen, 800.8 billion yen and 1,253.0 billion yen respectively.

(2) Forecasts for the year ending March 31, 2017 have not been changed from those announced in the financial results for the six months ended September 30, 2016.

2. Financial Results (Business Segments)

(Billions of yen)

	A		B		C
	Nine Months Ended December 31, 2015		Nine Months Ended December 31, 2016		Year Ending March 31, 2017 (Forecast) ⁽²⁾
				<i>Change</i> <i>B-A</i>	<i>Progress</i> <i>B/C</i>
Business segments ⁽¹⁾					
Regional communications business					
Operating Revenues	2,520.2	2,434.8	(85.4)	74.2%	3,280.0
Operating Expenses	2,288.1	2,104.4	(183.7)	71.1%	2,960.0
Operating Income	232.2	330.5	98.3	103.3%	320.0
Long distance and international communications business					
Operating Revenues	1,675.5	1,570.6	(104.8)	72.7%	2,160.0
Operating Expenses	1,593.2	1,551.9	(41.3)	75.3%	2,060.0
Operating Income	82.2	18.7	(63.5)	18.7%	100.0
Mobile communications business					
Operating Revenues	3,383.5	3,469.2	85.7	75.3%	4,610.0
Operating Expenses	2,700.5	2,629.9	(70.6)	71.6%	3,675.0
Operating Income	683.0	839.3	156.3	89.8%	935.0
Data communications business					
Operating Revenues	1,147.8	1,164.6	16.9	70.6%	1,650.0
Operating Expenses	1,073.8	1,097.6	23.8	70.8%	1,550.0
Operating Income	74.0	67.1	(7.0)	67.1%	100.0
Other business					
Operating Revenues	872.7	889.9	17.2	67.4%	1,320.0
Operating Expenses	826.6	830.6	4.0	66.2%	1,255.0
Operating Income	46.2	59.3	13.1	91.2%	65.0

Notes: (1) Figures for each segment include inter-segment transactions.

(2) Forecasts for the year ending March 31, 2017 have not been changed from those announced in the financial results for the six months ended September 30, 2016.

3. Financial Results (Holding Company and Subsidiaries)

(Billions of yen)

	A		B		C	[Ref.]
	Nine Months Ended December 31, 2015		Nine Months Ended December 31, 2016		Year Ending March 31, 2017 (Forecast)	Year Ending March 31, 2017 (Forecast when previous 2Q results were announced)
			Change B-A	Progress B/C		
NTT (Holding Company) (JPN GAAP)						
Operating Revenues	386.7	440.6	53.8	92.8%	475.0	475.0
Operating Expenses	93.0	91.3	(1.7)	68.2%	134.0	134.0
Operating Income	293.6	349.2	55.5	102.4%	341.0	341.0
Non-Operating Revenues	20.4	18.1	(2.3)	72.4%	25.0	25.0
Non-Operating Expenses	22.9	21.3	(1.6)	73.6%	29.0	29.0
Recurring Profit	291.2	345.9	54.7	102.7%	337.0	337.0
Net Income	290.4	297.0	6.5	102.4%	290.0	317.0
NTT East (JPN GAAP)						
Operating Revenues	1,287.0	1,236.6	(50.3)	74.8%	1,653.0	1,653.0
Voice Transmission Services (excluding IP) ⁽¹⁾	324.6	300.6	(23.9)	76.5%	393.0	393.0
IP Services	646.0	637.5	(8.4)	76.0%	839.0	839.0
Leased Circuit (excluding IP)	79.8	70.6	(9.1)	72.9%	97.0	97.0
Other	143.9	140.3	(3.5)	70.3%	324.0	324.0
Supplementary Business	92.5	87.4	(5.1)			
Operating Expenses	1,135.0	1,062.9	(72.0)	71.9%	1,478.0	1,478.0
Personnel	72.2	70.5	(1.6)	74.3%	95.0	95.0
Cost of Services and Equipment Sold, and Selling, General and Administrative Expenses	721.8	691.4	(30.3)	71.7%	964.0	964.0
Depreciation and Amortization	259.9	220.8	(39.1)	74.9%	295.0	295.0
Loss on Disposal of Property, Plant and Equipment	26.6	24.3	(2.2)	47.8%	51.0	51.0
Taxes and Public Dues	54.3	55.6	1.3	76.3%	73.0	73.0
Operating Income	152.0	173.7	21.6	99.3%	175.0	175.0
Non-Operating Revenues	12.8	19.4	6.5	108.1%	18.0	18.0
Non-Operating Expenses	4.2	3.7	(0.5)	74.9%	5.0	5.0
Recurring Profit	160.6	189.4	28.7	100.8%	188.0	188.0
Net Income	113.1	136.5	23.3	105.0%	130.0	130.0
NTT West (JPN GAAP)						
Operating Revenues	1,129.1	1,093.2	(35.9)	73.8%	1,481.0	1,481.0
Voice Transmission Services (excluding IP) ⁽¹⁾	325.4	300.6	(24.8)	76.3%	394.0	394.0
IP Services	526.8	523.2	(3.5)	75.3%	695.0	695.0
Leased Circuit (excluding IP)	71.2	65.1	(6.0)	77.6%	84.0	84.0
Other	106.5	104.8	(1.7)	66.3%	308.0	308.0
Supplementary Business	99.1	99.3	0.2			
Operating Expenses	1,061.3	995.9	(65.3)	71.3%	1,396.0	1,396.0
Personnel	67.2	60.3	(6.9)	74.5%	81.0	81.0
Cost of Services and Equipment Sold, and Selling, General and Administrative Expenses	674.0	640.9	(33.0)	71.1%	902.0	902.0
Depreciation and Amortization	239.3	215.4	(23.9)	74.5%	289.0	289.0
Loss on Disposal of Property, Plant and Equipment	31.1	29.1	(2.0)	51.1%	57.0	57.0
Taxes and Public Dues	49.5	50.0	0.5	74.7%	67.0	67.0
Operating Income	67.7	97.2	29.4	114.4%	85.0	85.0
Non-Operating Revenues	4.0	2.2	(1.7)	37.5%	6.0	6.0
Non-Operating Expenses	8.8	5.6	(3.2)	51.0%	11.0	11.0
Recurring Profit	62.9	93.9	30.9	117.4%	80.0	80.0
Net Income	45.9	63.6	17.6	122.4%	52.0	52.0

Note: (1) Operating Revenues from Voice Transmission Services (excluding IP) of NTT East and NTT West for the nine months ended December 31, 2016 include monthly charges, call charges and interconnection charges of 226.8 billion yen, 20.1 billion yen and 34.9 billion yen for NTT East, and 225.6 billion yen, 18.8 billion yen and 38.0 billion yen for NTT West, respectively.

3. Financial Results (Holding Company and Subsidiaries)

(Billions of yen)

	A	B		C		C
	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2016		Year Ending March 31, 2017 (Forecast)		Year Ending March 31, 2017 (Forecast when previous 2Q results were announced)
			<i>Change</i> B-A	<i>Progress</i> B/C		
NTT Communications (JPN GAAP)						
Operating Revenues ⁽¹⁾	668.2	674.1	5.9	73.3%	920.0	920.0
Cloud Computing Platforms	51.2	52.4	1.1	62.4%	84.0	84.0
Data Networks	275.5	286.3	10.7	75.0%	382.0	382.0
Voice Communications	195.8	190.1	(5.6)	77.3%	246.0	246.0
Applications & Content	28.8	28.0	(0.7)	73.8%	38.0	38.0
Solution Services	105.1	105.9	0.7	68.8%	154.0	154.0
Others	11.6	11.3	(0.2)	70.8%	16.0	16.0
Operating Expenses	601.4	601.0	(0.3)	72.2%	832.0	832.0
Personnel	57.1	57.2	0.0	73.4%	78.0	78.0
Cost of Services, Cost of Equipment Sold, and Selling, General and Administrative Expenses	301.0	284.8	(16.2)	72.2%	628.0	628.0
Communication Network Charges	153.0	168.6	15.6			
Depreciation and Amortization	78.6	77.4	(1.2)	73.7%	105.0	105.0
Loss on Disposal of Property, Plant and Equipment	1.9	2.5	0.6	36.4%	7.0	7.0
Taxes and Public Dues	9.5	10.2	0.7	73.5%	14.0	14.0
Operating Income	66.7	73.0	6.3	83.1%	88.0	88.0
Non-Operating Revenues	22.1	17.1	(5.0)	78.0%	22.0	22.0
Non-Operating Expenses	5.8	5.3	(0.5)	66.6%	8.0	8.0
Recurring Profit	83.0	84.9	1.8	83.3%	102.0	102.0
Net Income	59.1	61.3	2.1	85.3%	72.0	72.0
Dimension Data (IFRS) ⁽²⁾⁽³⁾						
Operating Revenues	700.5	601.7	(98.8)	74.3%	810.0	835.0
Operating Expenses	698.2	611.5	(86.7)	74.6%	820.0	831.0
Operating Income ⁽⁴⁾	2.3	(9.9)	(12.1)	-	(10.0)	4.0
Net Income Attributable to Dimension Data	(1.5)	(26.5)	(25.0)	-	-	-

Notes: (1) The following are the main services included in each line item:
- Cloud Computing Platforms: "Data center services" and "Cloud Services (Enterprise Cloud, etc.)"
- Data Networks: "Closed network services (Arcstar Universal One, etc.)" and "Open network service (OCN, etc.)"
- Voice Communications: "Telephone services" and "VoIP services (050 plus, etc.)"
- Applications & Content: "Application services (Mail services, etc.)"
- Solution Services: "System integration services"

(2) Because Dimension Data's statements of income from January 1 to December 31 are consolidated into NTT's consolidated statements of income from April 1 to March 31, Dimension Data's financial results for the nine months ended September 30, 2015 are stated under "A. Nine Months Ended December 31, 2015," its financial results for the nine months ended September 30, 2016 are stated under "B. Nine Months Ended December 31, 2016" and its forecasts for the twelve months ended December 31, 2016 are stated under "C. Year Ending March 31, 2017."

(3) The conversion rate used for Dimension Data figures for the nine months ended December 31, 2016 is USD1.00 = JPY108.57

(4) Operating Income for the nine months ended December 31, 2016 under US GAAP was (17.8) billion yen.
This figure does not include Goodwill Impairment Losses because of the recorded period difference noted in (2) above.

3. Financial Results (Holding Company and Subsidiaries)

(Billions of yen)

	A		B		C
	Nine Months Ended December 31, 2015		Nine Months Ended December 31, 2016		Year Ending March 31, 2017 (Forecast) ⁽¹⁾
			Change B-A	Progress B/C	
NTT DOCOMO Consolidated (US GAAP)					
Operating Revenues	3,383.5	3,469.6	86.1	75.3%	4,610.0
Telecommunications Services	2,099.6	2,225.2	125.6	74.4%	2,989.0
Mobile Communications Services	2,070.2	2,129.1	59.0	74.7%	2,850.0
Voice Revenues	633.4	660.2	26.8	75.2%	878.0
Packet Communications Revenues	1,436.7	1,468.9	32.2	74.5%	1,972.0
Optical-fiber broadband services and other telecommunications services	29.5	96.1	66.6	69.1%	139.0
Equipment Sales	657.8	586.3	(71.5)	81.2%	722.0
Other Operating Revenues	626.0	658.1	32.1	73.2%	899.0
Operating Expenses	2,698.0	2,627.3	(70.7)	71.6%	3,670.0
Personnel	216.4	217.3	0.9	74.7%	291.0
Cost of Services, Cost of Equipment Sold, and Selling, General and Administrative Expenses	1,754.7	1,754.8	0.1	71.2%	2,463.0
Depreciation and Amortization	457.1	334.4	(122.7)	74.5%	449.0
Loss on Disposal of Property, Plant and Equipment	34.7	41.3	6.5	49.2%	84.0
Communication Network Charges	204.7	247.6	42.9	72.4%	342.0
Taxes and Public Dues	30.3	31.8	1.5	77.7%	41.0
Operating Income	685.5	842.3	156.8	89.6%	940.0
Non-Operating Income (Loss)	(8.1)	3.8	12.0	-	(4.0)
Income Before Income Taxes	677.4	846.2	168.8	90.4%	936.0
Net Income Attributable to NTT DOCOMO	492.4	589.4	97.0	90.0%	655.0
NTT DATA Consolidated (JPN GAAP)					
Operating Revenues	1,145.3	1,180.8	35.5	70.7%	1,670.0
Public & Social Infrastructure	277.5	296.3	18.8	69.6%	426.0
Financial	372.7	370.7	(1.9)	71.3%	520.0
Enterprise & Solutions	280.6	304.0	23.3	74.9%	406.0
Global	382.6	396.7	14.1	69.7%	569.0
Elimination or Corporate	(168.1)	(186.9)	(18.7)	74.5%	(251.0)
Cost of Sales	862.3	874.9	12.6	69.8%	1,253.0
Gross Profit	282.9	305.8	22.9	73.4%	417.0
Selling, General and Administrative Expenses	218.6	231.3	12.6	74.2%	312.0
Operating Income	64.2	74.5	10.2	71.0%	105.0
Non-Operating Income (Loss)	(3.3)	(1.3)	1.9	19.9%	(7.0)
Recurring Profit	60.9	73.1	12.1	74.6%	98.0
Net Income Attributable to Owners of Parent	43.9	45.0	1.1	92.0%	49.0

Note: (1) Forecasts for the year ending March 31, 2017 have not been changed from those announced in the financial results for the six months ended September 30, 2016.

4. Operating Data (Number of Subscribers)

Number of Subscribers

(in thousands except for Public Telephones)

	A		B		C		D		E	
	As of		As of		As of		As of		As of	
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016	March 31, 2017 (Forecast) ⁽⁹⁾	March 31, 2017 (Forecast) ⁽⁹⁾	March 31, 2017 (Forecast) ⁽⁹⁾
							F		G	
							Change	Progress	Change	
							D-A	F/G	E-A	
Telephone Subscriber Lines ⁽¹⁾	19,943	19,671	19,413	19,117	(826)	74.4%	18,833	(1,110)		
NTT East	9,875	9,740	9,617	9,471	(404)	93.9%	9,445	(430)		
NTT West	10,068	9,931	9,796	9,647	(422)	62.0%	9,388	(680)		
INS-Net ⁽²⁾	2,776	2,719	2,661	2,602	(174)	71.0%	2,531	(245)		
NTT East	1,414	1,384	1,356	1,325	(89)	74.2%	1,294	(120)		
NTT West	1,361	1,334	1,305	1,276	(85)	67.8%	1,236	(125)		
Telephone Subscriber Lines + INS-Net	22,718	22,390	22,074	21,719	(999)	73.8%	21,363	(1,355)		
NTT East	11,289	11,125	10,973	10,796	(493)	89.6%	10,739	(550)		
NTT West	11,429	11,265	11,102	10,923	(506)	62.9%	10,624	(805)		
Public Telephones	171,179	168,673	166,120	163,921	(7,258)	84.5%	162,589	(8,590)		
NTT East	78,199	76,511	74,846	73,357	(4,842)	69.2%	71,199	(7,000)		
NTT West	92,980	92,162	91,274	90,564	(2,416)	151.9%	91,390	(1,590)		
FLET'S ISDN	85	83	81	79	(6)	105.7%	79	(6)		
NTT East	37	36	35	34	(3)	282.0%	36	(1)		
NTT West	48	47	46	45	(4)	70.4%	43	(5)		
FLET'S ADSL	1,053	1,019	987	955	(98)	62.4%	896	(157)		
NTT East	475	459	444	428	(47)	78.6%	415	(60)		
NTT West	577	560	543	527	(51)	52.4%	480	(97)		
FLET'S Hikari (including Hikari Collaboration Model) ⁽³⁾⁽⁴⁾⁽⁵⁾	19,259	19,520	19,704	19,903	644	92.0%	19,959	700		
NTT East	10,666	10,839	10,958	11,078	411	102.8%	11,066	400		
NTT West	8,593	8,681	8,746	8,825	233	77.5%	8,893	300		
(incl.) Hikari Collaboration Model	4,691	5,912	6,917	7,854	3,163	82.2%	8,541	3,850		
NTT East	3,077	3,781	4,337	4,846	1,769	82.3%	5,227	2,150		
NTT West	1,615	2,131	2,580	3,008	1,394	82.0%	3,315	1,700		
Hikari Denwa ⁽⁶⁾	17,374	17,451	17,545	17,655	281	140.5%	17,574	200		
NTT East	9,123	9,180	9,242	9,311	189	94.3%	9,323	200		
NTT West	8,252	8,271	8,302	8,344	92	-	8,252	-		
Conventional Leased Circuit Services	232	231	229	227	(6)	71.3%	224	(8)		
NTT East	113	112	111	110	(3)	77.8%	109	(4)		
NTT West	120	118	118	117	(3)	64.8%	116	(4)		
High Speed Digital Services	115	114	112	110	(5)	33.4%	99	(16)		
NTT East	59	58	57	56	(3)	62.8%	54	(5)		
NTT West	56	56	55	54	(2)	20.1%	45	(11)		
NTT Group Major ISPs ⁽⁷⁾	11,411	11,360	11,328	11,303	(108)	74.7%	11,266	(145)		
(incl.) OCN	8,046	7,969	7,905	7,847	(199)	86.9%	7,817	(229)		
(incl.) Plala	3,005	3,024	3,047	3,075	70	128.1%	3,060	55		
Hikari TV	3,052	3,047	3,041	3,032	(20)	-	3,060	8		
FLET'S TV Transmission Services ⁽⁶⁾	1,432	1,445	1,464	1,489	57	239.2%	1,456	24		
NTT East	910	917	926	939	29	288.6%	920	10		
NTT West	522	528	538	551	29	204.0%	536	14		
Mobile Telecommunications Services ⁽⁸⁾	70,964	71,614	72,943	73,588	2,624	68.4%	74,800	3,836		
(incl.) "Kake-hodai & Pake-aeru" billing plan	29,704	31,586	33,416	35,198	5,494	-	-	-		
Telecommunications Services (LTE (Xi))	38,679	39,893	41,281	42,671	3,992	62.2%	45,100	6,421		
Telecommunications Services (FOMA (3G))	32,285	31,721	31,662	30,917	(1,368)	52.9%	29,700	(2,585)		
sp-mode	32,463	33,082	33,809	34,749	2,286	66.5%	35,900	3,437		
i-mode	18,770	18,136	17,416	16,503	(2,267)	67.3%	15,400	(3,370)		

Notes: (1) Number of Telephone Subscriber Lines is the total of individual lines and central station lines (Subscriber Telephone Light Plan is included).

(2) "INS-Net" includes "INS-Net 64" and "INS-Net 1500." In terms of number of channels, transmission rate, and line use rate (base rate), "INS-Net 1500" is in all cases roughly ten times greater than "INS-Net 64." For this reason, one "INS-Net 1500" subscription is calculated as ten "INS-Net 64" subscriptions (including subscriptions to the "INS-Net 64 Lite Plan").

(3) Number of "FLET'S Hikari (including Hikari Collaboration Model)" subscribers includes subscribers to "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" 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 to service providers by NTT East and NTT West.

(4) The comparative results for the nine months ended December 31, 2016 compared to the year ended March 31, 2016 for "FLET'S Hikari (including Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West were 1,217 thousand lines and 890 thousand lines, respectively, for a total of 2,107 thousand lines; the numbers of new subscribers (excluding switchover lines) for the "Hikari Collaboration Model" for NTT East and NTT West were 826 thousand lines and 579 thousand lines, respectively, for a total of 1,405 thousand lines; and the numbers of switchover lines for NTT East and NTT West were 1,229 thousand lines and 974 thousand lines, respectively, for a total of 2,203 thousand lines.

(5) The comparative forecast "As of March 31, 2017" for the year ending March 31, 2017 compared to the results for the year ended March 31, 2016 for "FLET'S Hikari (including Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West are expected to be 1,550 thousand lines and 1,150 thousand lines, respectively, for a total of 2,700 thousand lines; the numbers of new subscribers (excluding switchover lines) for the "Hikari Collaboration Model" for NTT East and NTT West are expected to be 1,000 thousand lines and 700 thousand lines, respectively, for a total of 1,700 thousand lines; and the numbers of switchover lines for NTT East and NTT West are expected to be 1,500 thousand lines and 1,200 thousand lines, respectively, for a total of 2,700 thousand lines.

(6) Numbers of subscribers for "Hikari Denwa" and "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

(7) "NTT Group Major ISPs" includes "WAKWAK" and "InfoSphere," in addition to "OCN" and "Plala."

(8) Number of Mobile Telecommunications Services (including "Telecommunications Services (LTE (Xi))" and "Telecommunications Services (FOMA (3G))") includes Communication Module Services.

(9) Forecasts for the year ending March 31, 2017 have not been changed from those announced in the financial results for the six months ended September 30, 2016.

4. Operating Data (ARPU)

Average Monthly Revenue per Unit (ARPU)

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to each designated service on a per user basis. In the case of NTT Group's fixed-line business, ARPU is calculated by dividing revenue items included in the operating revenues of NTT Group's regional communications business segment, that is, fixed-line (telephone subscriber lines and INS-NET) and FLET'S Hikari, by the number of active subscribers to the relevant services.

In the case of NTT Group's mobile communications business, ARPU is calculated by dividing revenue items included in operating revenues from its mobile communications business segment, such as revenues from LTE("Xi") mobile phone services, FOMA mobile phone services and "docomo Hikari" services, that are incurred consistently each month, by the number of active users to the relevant services. The calculation of these figures excludes revenues that are not representative of monthly average usage, such as telecommunications equipment sales, activation fees and universal service charges.

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

						(Yen)	
	Three Months Ended June 30, 2016 (From April to June 2016)	Three Months Ended September 30, 2016 (From July to September 2016)	Three Months Ended December 31, 2016 (From October to December 2016)	Nine Months Ended December 31, 2015 (From April to December 2015)	Nine Months Ended December 31, 2016 (From April to December 2016)	Year Ended March 31, 2016	Year Ending March 31, 2017 (Forecast) ⁽¹⁰⁾
NTT East ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾							
Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines)	2,620	2,620	2,620	2,660	2,620	2,650	2,600
FLET'S Hikari ARPU ⁽⁶⁾	5,340	5,280	5,230	5,550	5,280	5,510	5,270
Basic Monthly Charge	3,750	3,720	3,690	3,850	3,710	3,830	3,700
Optional Services	1,590	1,560	1,540	1,700	1,570	1,680	1,570
NTT West ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾							
Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines)	2,580	2,580	2,580	2,610	2,580	2,610	2,570
FLET'S Hikari ARPU ⁽⁶⁾	5,350	5,300	5,260	5,500	5,310	5,470	5,250
Basic Monthly Charge	3,640	3,620	3,590	3,740	3,620	3,720	3,580
Optional Services	1,710	1,680	1,670	1,760	1,690	1,750	1,670
NTT DOCOMO ⁽⁷⁾⁽⁸⁾⁽⁹⁾							
Aggregate ARPU	4,330	4,420	4,450	4,140	4,400	4,170	4,430
Voice ARPU (LTE("Xi")+FOMA)	1,240	1,250	1,280	1,200	1,250	1,210	1,250
Data ARPU	3,090	3,170	3,170	2,940	3,150	2,960	3,180
Packet ARPU (LTE("Xi")+FOMA)	2,960	2,990	2,960	2,900	2,970	2,910	2,980
"docomo Hikari" ARPU	130	180	210	40	180	50	200

Notes: (1) We compute the following two categories of ARPU for business conducted by each of NTT East and NTT West.

- Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines): Calculated based on revenues from monthly charges and call charges for Telephone Subscriber Lines and INS-NET Subscriber Lines, which are included in operating revenues from Voice Transmission Services (excluding IP Services), and revenues from "FLET'S ADSL" and "FLET'S ISDN," which are included in operating revenues from IP Services.

- FLET'S Hikari ARPU: Calculated based on revenues from "FLET'S Hikari" (including "FLET'S Hikari" optional services), which are included in operating revenues from IP Services, revenues from monthly charges, call charges and connection device charges for "Hikari Denwa," and revenues from "FLET'S Hikari" optional services, which are included in Supplementary Business revenues.

- "FLET'S Hikari" includes "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" and "FLET'S Hikari WiFi Access" provided by NTT East, and "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. In addition, "FLET'S Hikari" also includes the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.

- "FLET'S Hikari" Optional Services includes wholesale services provided to service providers by NTT East and NTT West.

(2) Revenues from interconnection charges are excluded from the calculation of Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines) and FLET'S Hikari ARPU.

(3) Numbers of active subscribers used in the ARPU calculation of NTT East and NTT West are as below.

- Quarterly Results: Sum of number of active subscribers* for each month in the relevant quarter
- Nine-month Results (from April to December): Sum of number of active users* for each month from April to December
- FY Results: Sum of number of active subscribers* for each month from April to March
- FY Forecast: Sum of number of active subscribers* for each month from April to September and sum of the average expected active number of subscribers from October to March ((number of subscribers at September 30, 2016 + number of expected subscribers at March 31, 2017)/2)x6

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

(4) For purposes of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), the number of subscribers is determined based on the number of subscriptions for fixed-line services (Telephone Subscriber Lines + INS-NET Subscriber Lines).

(5) In terms of number of channels, transmission rate, and line use rate (base rate), INS-Net 1500 is in all cases roughly ten times greater than INS-Net 64. For this reason, for the purpose of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), one INS-Net 1500 subscription is calculated as ten INS-Net 64 subscriptions.

(6) For purposes of calculating FLET'S Hikari ARPU, the number of subscribers is determined based on the number of FLET'S Hikari subscribers, which includes subscribers to "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" 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 the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.

(7) The following is the formula we use to compute ARPU for NTT DOCOMO.

- Aggregate ARPU = Voice ARPU + Packet ARPU + "docomo Hikari" ARPU
- Data ARPU = Packet ARPU + "docomo Hikari" ARPU
- Voice ARPU: Voice ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users
- Packet ARPU: Packet ARPU Related Revenues (basic monthly charges, packet communication charges) / No. of active users
- "docomo Hikari" ARPU: "docomo Hikari" ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users

(8) Numbers of active users used in the ARPU calculation of NTT DOCOMO are as below.

- Quarterly Results: Sum of number of active users* for each month in the relevant quarter
- Nine-month Results (from April to December): Sum of number of active users* for each month from April to December
- FY Results/FY Forecast: Sum of number of active users*/expected number of active users* for each month from April to March

*active users = (number of users at end of previous month + number of users at end of current month)/2

(9) The number of "users" used to calculate ARPU is the total number of subscriptions, excluding the subscriptions listed below:

- a. Subscriptions to communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs); and
- b. Data Plan subscriptions which the customer contracting for such subscription in his/her name also has a subscription for "Xi" services in his/her name.

Note that revenues from communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs) are not included in ARPU calculations.

(10) Forecasts for the year ending March 31, 2017 have not been changed from those announced in the financial results for the six months ended September 30, 2016.

4. Operating Data (Number of Employees)

Number of Employees				(Persons)
	A As of December 31, 2015	B As of December 31, 2016	C As of March 31, 2017 (Forecast) ⁽²⁾	
			<u>Change</u> <u>B-A</u>	
NTT Consolidated ⁽¹⁾	249,650	280,600	30,950	271,600
Regional communications business	72,500	73,700	1,200	62,250
Long distance and international communications business	44,200	44,050	(150)	44,600
Mobile communications business	26,700	27,400	700	26,900
Data communications business	80,600	109,950	29,350	113,050
Other business	25,650	25,500	(150)	24,800
Core Group Companies ⁽¹⁾				
NTT (Holding Company)	2,800	2,750	(50)	2,750
NTT East	5,150	4,950	(200)	4,750
NTT West	4,600	4,450	(150)	4,400
NTT Communications	6,550	6,450	(100)	6,350
NTT DOCOMO (Consolidated)	26,700	27,400	700	26,900
NTT DATA (Consolidated)	80,600	109,950	29,350	113,050

Notes: (1) Starting from the nine-month period ended December 31, 2016, "Number of Employees" includes employees whose contracts were changed from fixed-term contracts to open-ended contracts.

(2) Forecasts for the year ending March 31, 2017 have not been changed from those announced in the financial results for the six months ended September 30, 2016.