



Financial Results for the Three Months Ended June 30, 2018

August 7, 2018

This document is a translation of the Japanese original. The Japanese original is authoritative.

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 Securities Report and in any other materials publicly disclosed by NTT on its website.

- * "E" in this material represents that the figure is a plan or projection for operation.
- ** "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.
- *** "1Q" in this material represents the three-month period beginning on April 1 and ending on June 30, "2Q" represents the six-month period beginning on April 1 and ending on September 30, "3Q" represents the nine-month period beginning on April 1 and ending on December 31, and "4Q" represents the twelve-month period beginning on April 1 and ending on March 31.

Table of Contents

- **Overview of Consolidated Results**
 - **Status of Consolidated Results for FY2018.1Q**
 - **Contributing Factors by Segment for FY2018.1Q**
- **Towards New Mid-Term Management Strategies**
 - **Outline of New Mid-Term Management Strategies**
 - **Enhance Competitiveness in Global Business**
 - **Other Initiatives**
 - **Promote B2B2X Model**
 - **Drive Digital Self-Transformation in Domestic Business**
- **Appendix**



Overview of Consolidated Results

Status of Consolidated Results for FY2018.1Q

- Both Operating Revenues and Operating Income increased
- Smooth start for the annual plan

Status of Consolidated Financial Results

● Operating Revenues:	¥2,852.7B	(+¥44.0B [+1.6%] year-on-year)
● Operating Income:	¥537.2B	(+¥12.6B [+2.4%] year-on-year)
● Profit ^{※1} :	¥289.7B	(+¥0.5B [+0.2%] year-on-year)
<hr/>		
● Overseas Sales:	\$4.97B	(+\$0.33B [+7.2%] year-on-year)
• Cross-Selling Order Volume :	\$0.21B	
● Overseas Operating Income ^{※2} :	\$0.27B	(+\$0.03B [+11.4%] year-on-year)

※1 Profit presented above represents the profit attributable to NTT, excluding non-controlling interests.

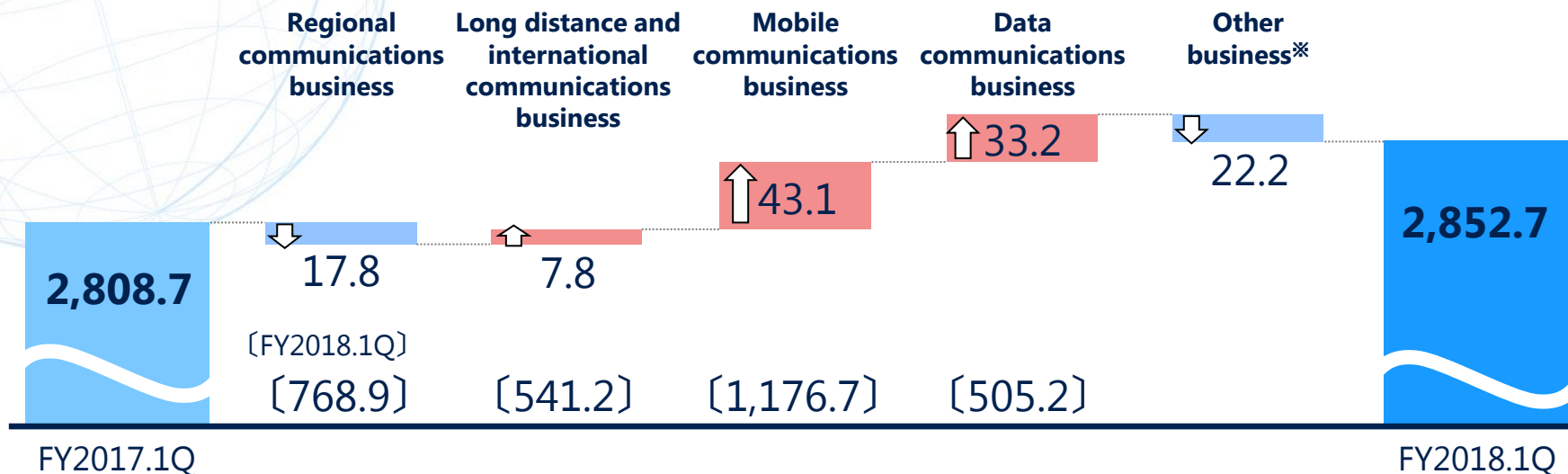
※2 Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

Contributing Factors by Segment for FY2018.1Q

(Billions of yen)

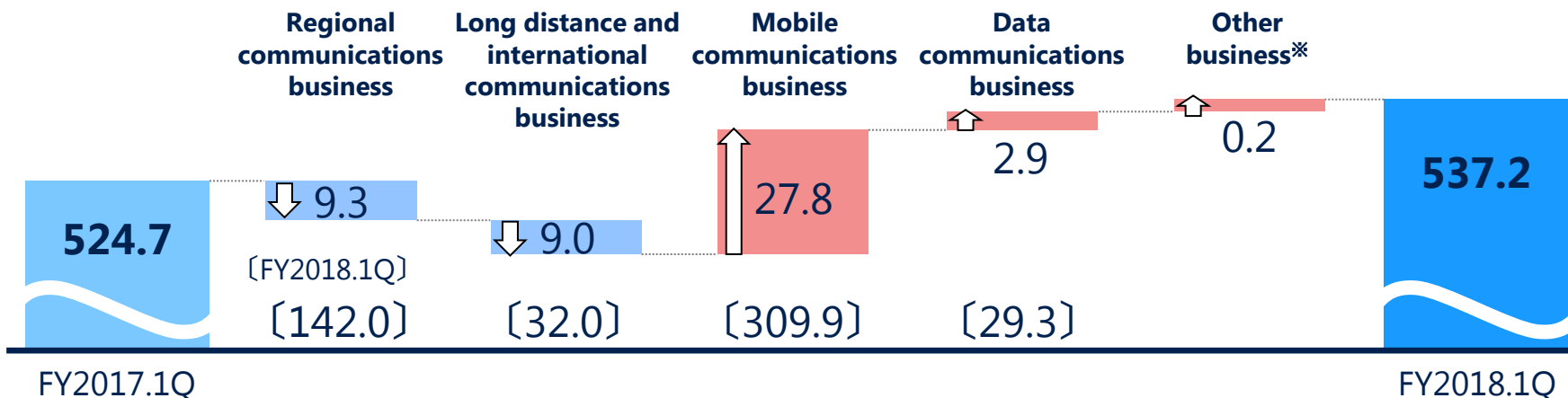
Operating Revenues

(Year-on-year: +44.0)



Operating Income

(Year-on-year: +12.6)



*Includes adjustments such as elimination of inter-segment transactions.



Towards New Mid-Term Management Strategies

Outline of New Mid-Term Management Strategies **NTT**

Support our customers' Digital Transformation

- **Promote B2B2X model** for new value creation
- Rollout 5th-Generation Wireless System
- Provide personal services to support individuals' lifestyle changes

Accelerate our own Digital Transformation

- **Enhance competitiveness in global business**
- **Drive digital self-transformation in domestic business**

Leverage talent, technologies, and assets

- Reinforce and globalize R&D
- Create new lines of business (Real estate, Electric power)

Promote ESG management, and enhance the returns to shareholders to improve corporate value

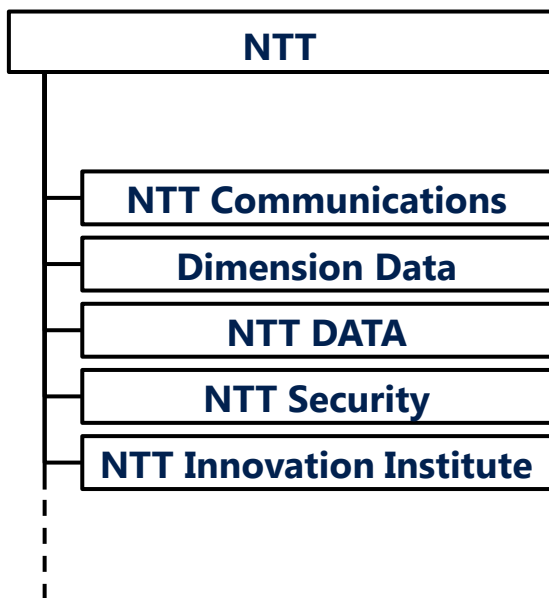
Enhance Competitiveness in Global Business

(1) Establish a New Holding Company Focused on Global Business

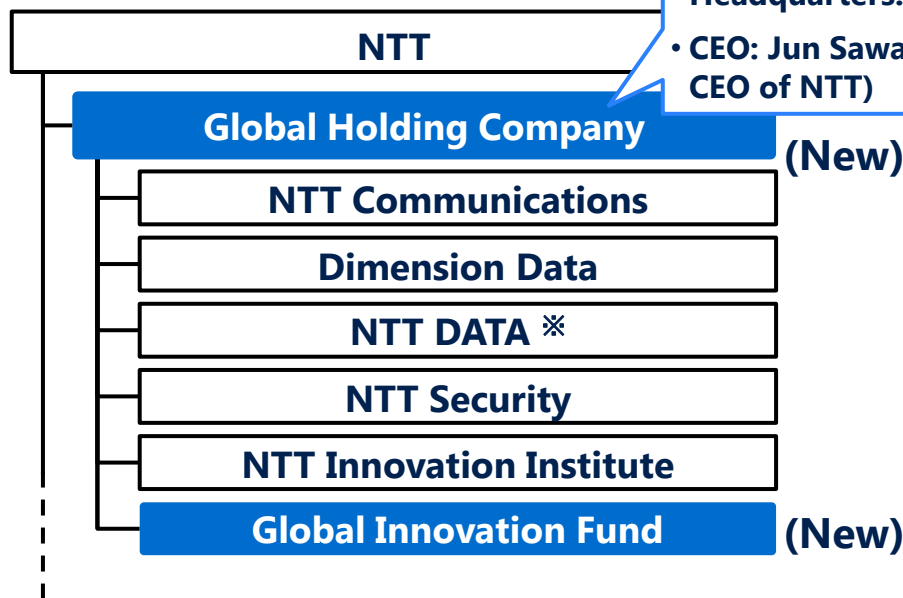
New steps to make NTT more competitive and profitable in the global market

- We will establish a new global holding company under NTT and transfer NTT Communications, Dimension Data, NTT DATA, NTT Security and NTT Innovation Institute by FY2018.3Q
- We will consider integrating these businesses (except NTT DATA) into two new businesses by FY2019.2Q; one will look after our global business, and the other will cater to our domestic business in Japan

Current Status



Status in FY2018.3Q



- Name: NTT, Inc.
- Headquarters: Tokyo, Japan
- CEO: Jun Sawada (President and CEO of NTT)

※NTT DATA will continue to collaborate with other companies in the Group while retaining its present management structure, status as a listed company, and brand

(2) Establish a Global Innovation Fund

- **With this new fund, we will activate investment in high-growth areas such as digital technology**
- **We will intensify our R&D activities in global markets by using a global network of experts from advanced academic research institutions and venture-capital communities around the world**
 - **Fund Name: NTT Venture Capital, L.P.**
 - **Location: The United States of America**
 - **Fund Size: Up to U.S.\$500 million**

Promote B2B2X Model

- Signed the “Agreement for Comprehensive Collaboration for Realizing a Super-Smart Society by Utilizing Public and Private Data” with Yokohama and Yokohama City University (July 31, 2018)

Drive Digital Self-Transformation in Domestic Business

- Appointed Chief Digital Officers within NTT Group (August 1, 2018)
 - Will work to further enhance the efficiency of business processes and to provide new value-added services
- Establish IT Strategy Office at the NTT Head Office (scheduled for September 1, 2018)
 - Will further enhance IT strategy and IT governance for NTT Group, boosting Digital Transformation within NTT Group



Appendix

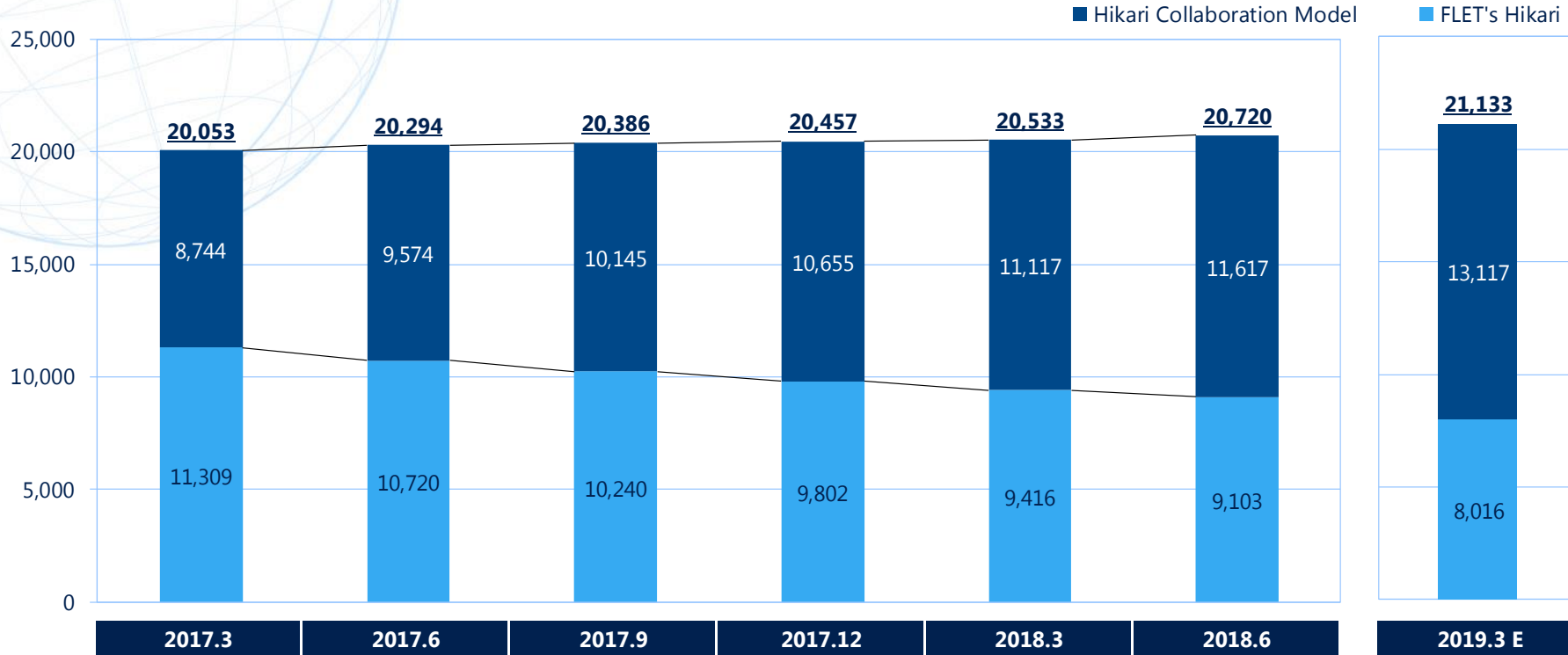


Broadband Services

Fixed-Line Broadband Services Subscriptions



Number of Subscriptions



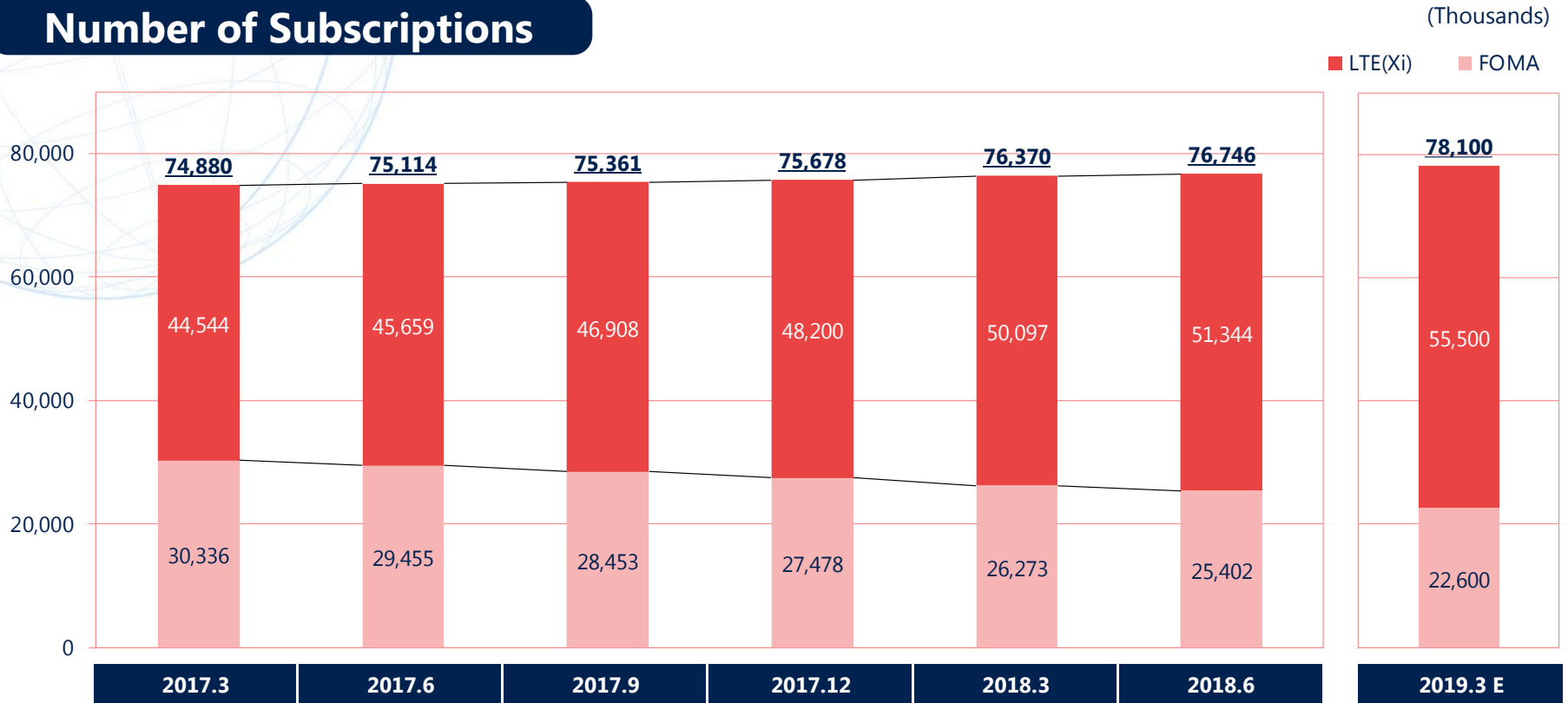
Net Increase

	2017 4-6	2017 7-9	2017 10-12	2018 1-3	2018 4-6	2018 4 - 2019 3 E
Total	+241	+92	+72	+75	+187	+600
		+480				
Hikari Collaboration Model	+830	+571	+510	+462	+500	+2,000
		+2,373				
FLET'S Hikari	(589)	(480)	(438)	(387)	(313)	(1,400)
		(1,894)				

Mobile Communications Services Subscriptions



Number of Subscriptions



Net Increase

	2017 4-6	2017 7-9	2017 10-12	2018 1-3	2018 4-6	2018 4 - 2019 3 E
LTE(Xi)+ FOMA	+234	+247	+317	+692	+376	+1,700
	+1,491					



Financial Information

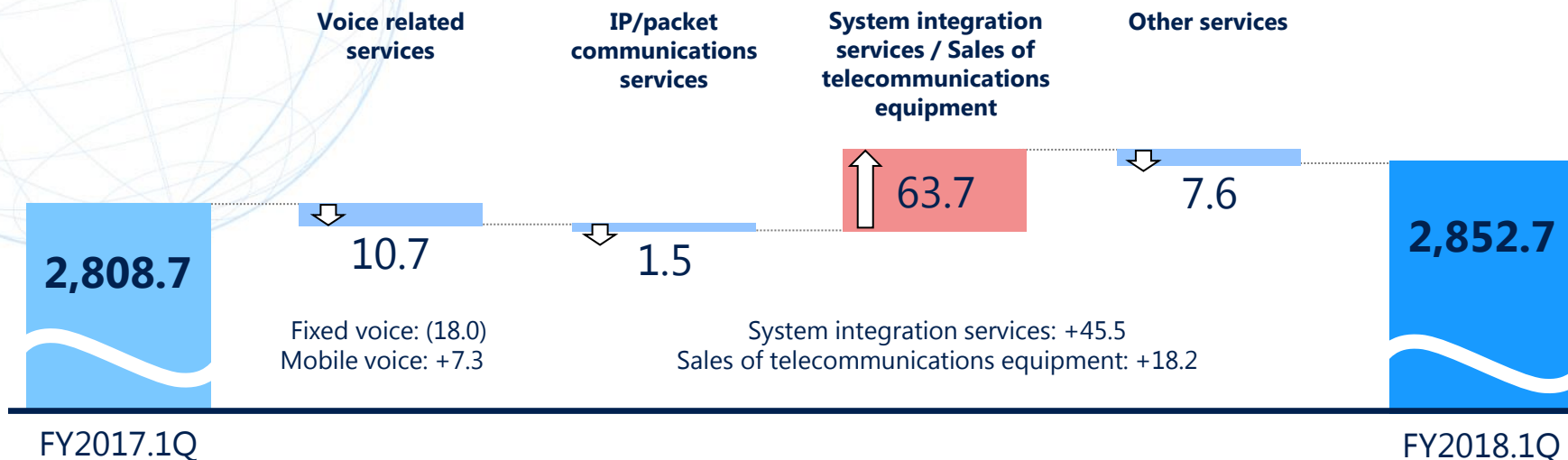
Details of Consolidated Statement of Income



(Billions of yen)

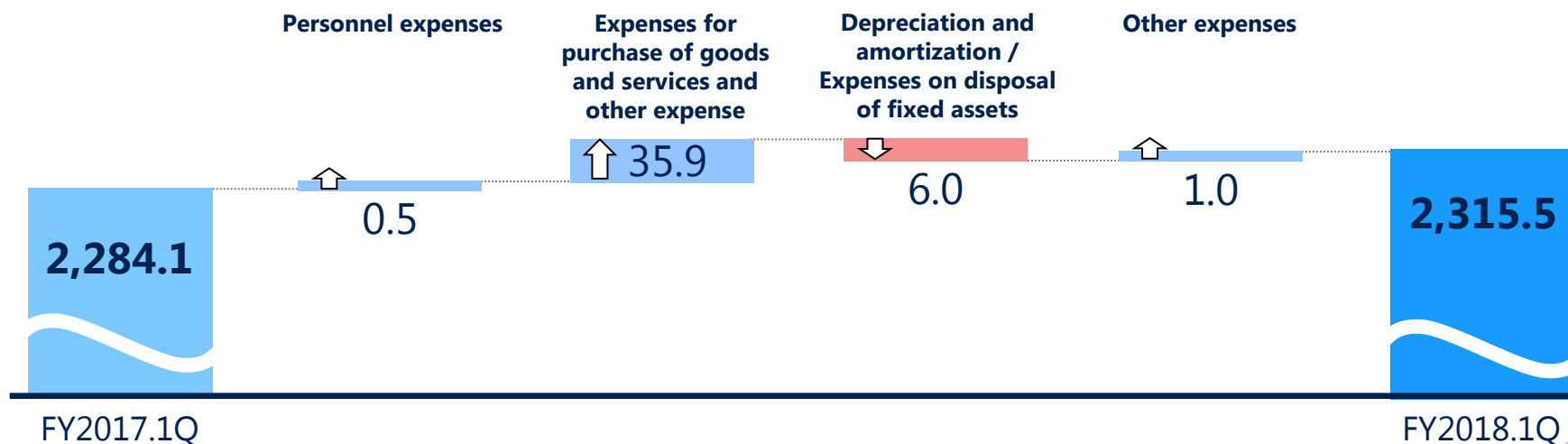
Operating Revenues

(Year-on-year: +44.0)



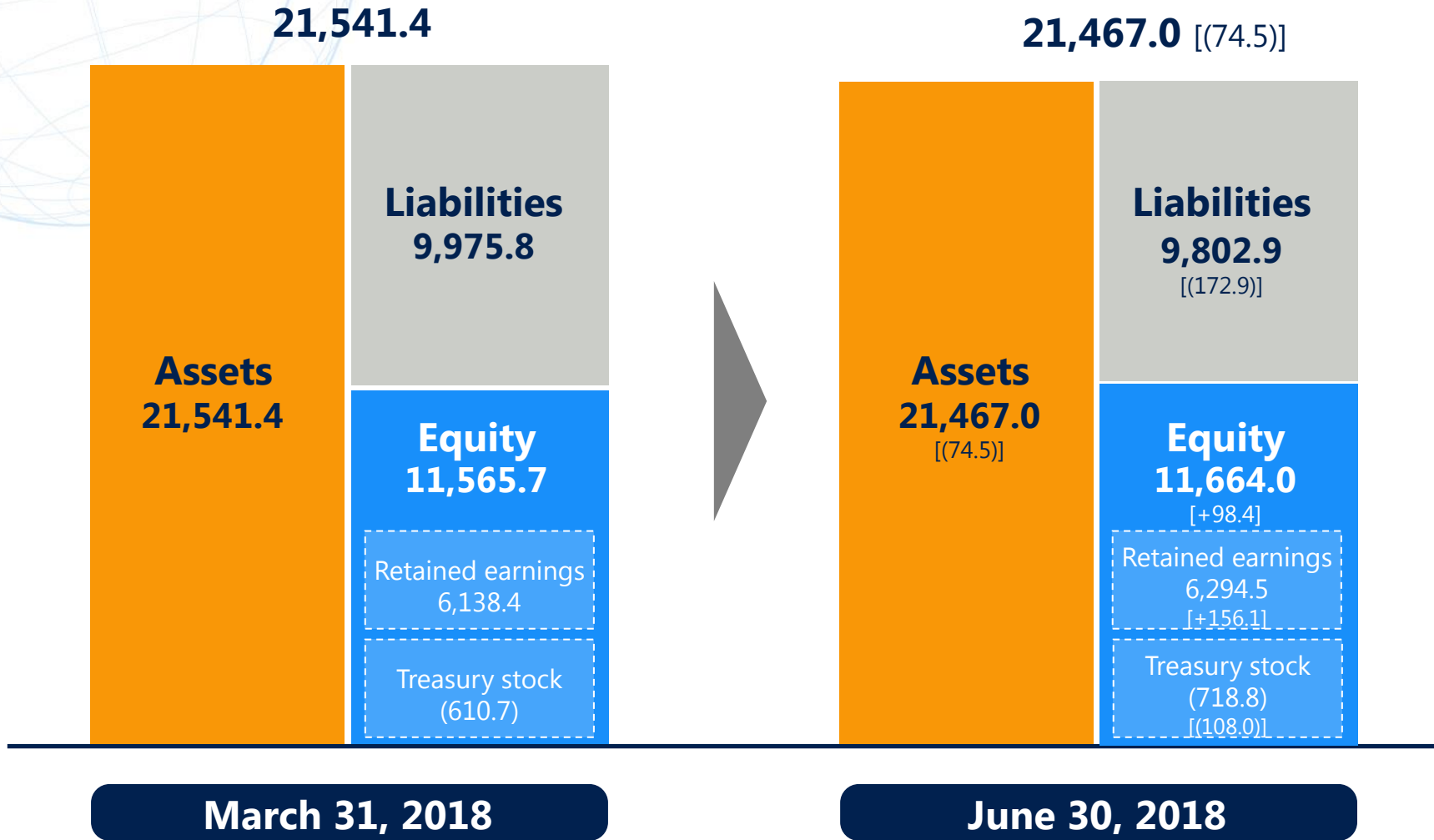
Operating Expenses

(Year-on-year: +31.4)



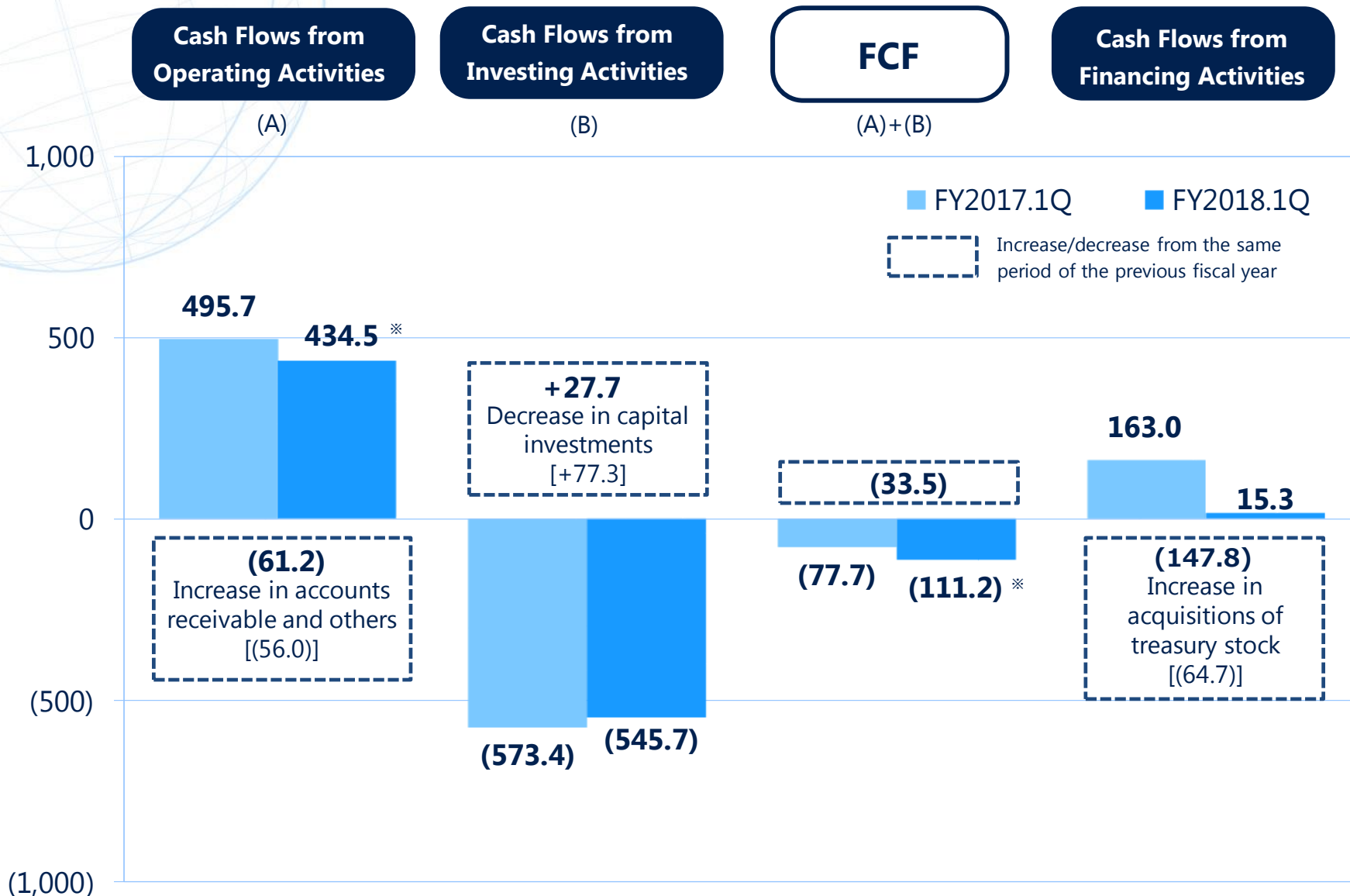
Details of Consolidated Balance Sheet

(Billions of yen)



Details of Consolidated Cash Flows

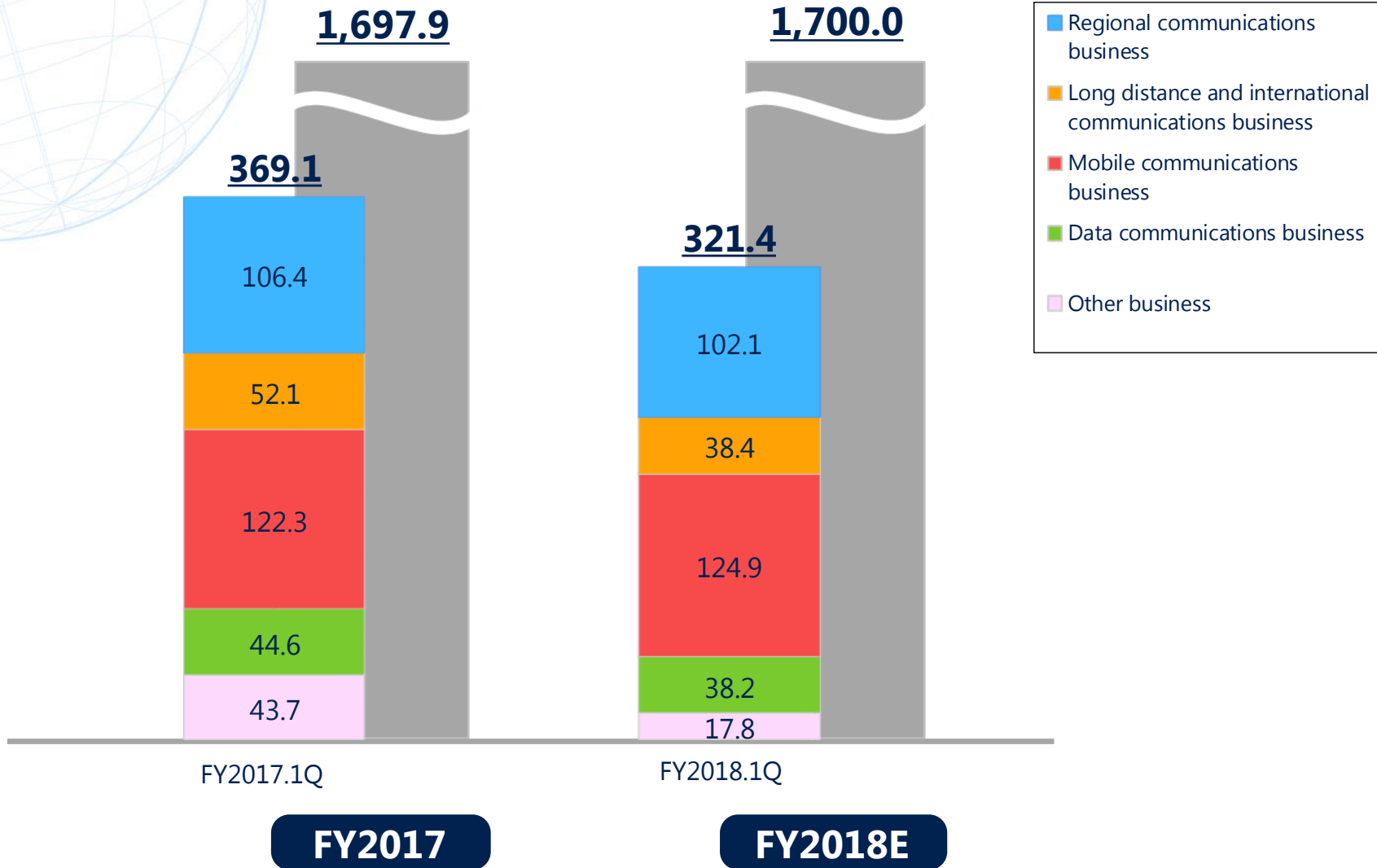
(Billions of yen)



*Amount excluding the effect of the last day of FY2017 and FY2018.1Q having been non-business days.

Details of Capital Investment

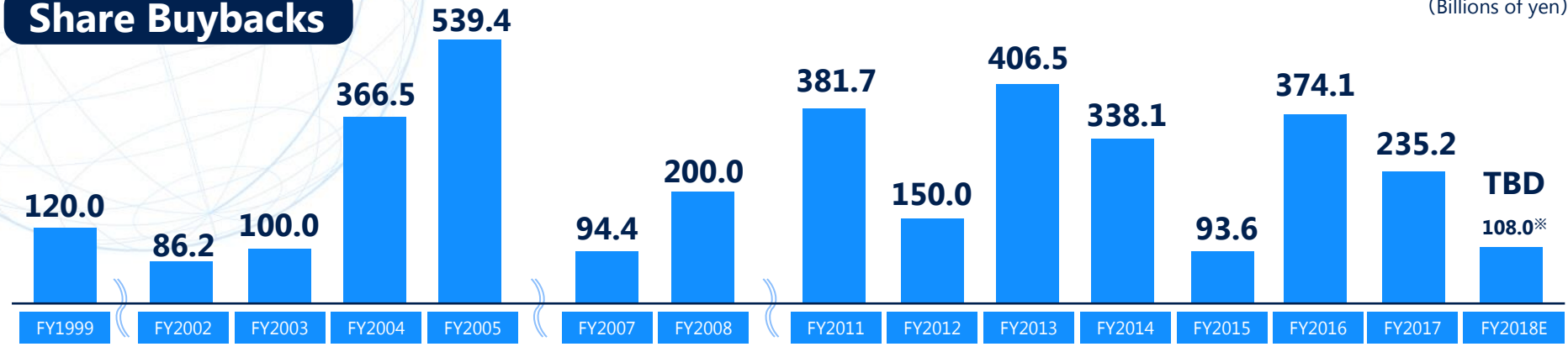
(Billions of yen)



Shareholder Returns

Share Buybacks

(Billions of yen)



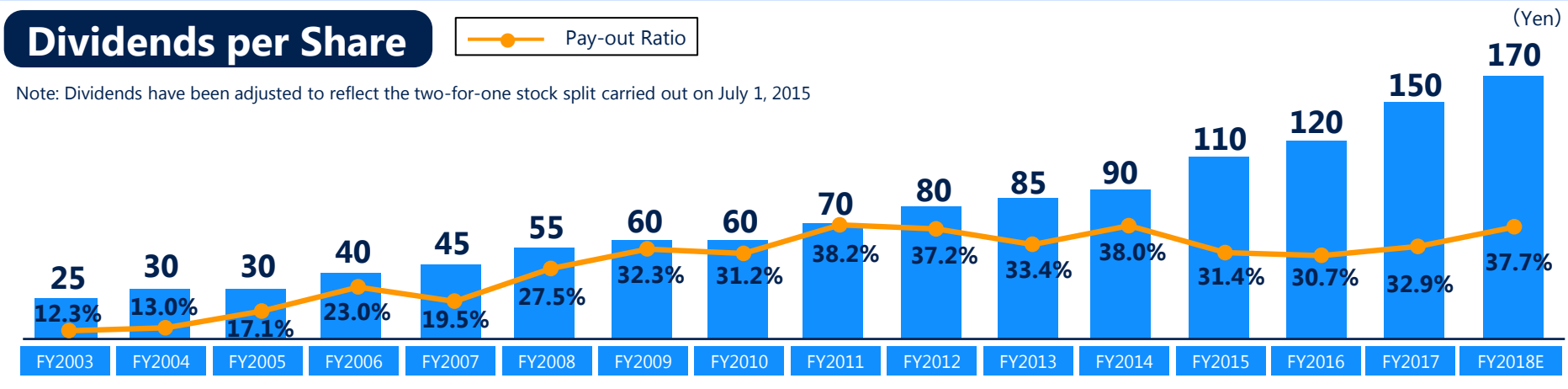
※As of June 30, 2018

Dividends per Share

Pay-out Ratio

(Yen)

Note: Dividends have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015





Your Value Partner