



November 20, 2000

FOR IMMEDIATE RELEASE**NTT Announces Results from First-Half of Fiscal Year
Ending March 31, 2001****1. STATUS OF THE CORPORATE GROUP**

The principal businesses of the NTT Group (NTT and its affiliates) cover regional, long-distance and international communications services, mobile communication services, and data communication services.

The business results of consolidated subsidiaries and their respective positions in the NTT Group are as follows:

(1) Regional Communications Businesses

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

(Consolidated Subsidiaries)

Nippon Telegraph and Telephone East Corporation (NTT East), Nippon Telegraph and Telephone West Corporation (NTT West).

(2) Long-Distance and International Communications Businesses

The principal elements in this business consist of inter-prefectural communications services, international communications services and ancillary services pertaining to international communications services.

(Consolidated Subsidiaries)

NTT Communications Corporation, NTT America, Inc., NTT Rocky, Inc., NTTA&T Investment, Inc., ntt.com, inc., TELETECHNO, Inc., Milletechno, Inc., NTTA&A Investment, Inc., NTT MULTIMEDIA COMMUNICATIONS LABORATORIES, Inc., Autoweb Communications, Inc., NTT AUSTRALIA PTY. Ltd., NTT Worldwide Telecommunications Corporation, NTT EUROPE LTD., NTT MSC SDN. BHD., NTT SINGAPORE PTE. LTD., NTT (HONG KONG) LIMITED, NTT Taiwan Ltd., NTT Korea Co., Ltd., NTT do Brazil Participações Ltda.

(3) Mobile Communications Businesses

The principal elements in this business consist of mobile telephone services, car telephone services, PHS services, paging services and related ancillary services.

(Consolidated Subsidiaries)

NTT DoCoMo, Inc., NTT DoCoMo Hokkaido, Inc., NTT DoCoMo Tohoku, Inc., NTT DoCoMo Tokai, Inc., NTT DoCoMo Hokuriku, Inc., NTT DoCoMo Kansai, Inc., NTT DoCoMo Chugoku, Inc., NTT DoCoMo Shikoku, Inc., NTT DoCoMo Kyushu, Inc.

(4) Data Communication Businesses

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

(Consolidated Subsidiary)

NTT Data Corporation

(5) Other Businesses

Nippon Telegraph and Telephone Corporation

(Consolidated Subsidiaries)

- Other Affiliates of the Holding Company

NTT Power and Building Facilities Inc., NTT Urban Development Co., NTT Comware Corporation, NTT Leasing Co., Ltd., NTT Auto Leasing Co., Ltd., NTT Finance Japan Co., Ltd., NTT Software Corporation., NTT Electronics Corporation, NTT Advanced Technology Corporation, NTT IT Corporation.

- Regional Communications Businesses Support Group

NTT-ME Hokkaido Co., Ltd., NTT-ME Tohoku Co., Ltd., NTT-ME Corporation, NTT-ME Tokai Co., Ltd., NTT-ME Hokuriku Co., Ltd., NTT-ME Kansai Co., Ltd., NTT-ME Chugoku Co., Ltd., NTT-ME Shikoku Co., Ltd., NTT-ME Kyushu Co., Ltd., NTT-Do Inc., NTT Directory Services Co., NTT Teleca Corporation.

- Long-Distance and International Businesses Support Group

Verio Inc., NTT World Engineering Marine Corporation, and other 22 companies.

[Group organizational chart appears on the following page.](#)

2. BUSINESS OPERATION POLICY

(1) Basic Business Operation Policy

The NTT Group is actively pursuing the development of new businesses as part of our efforts toward transformation into a "Global Information Sharing Corporate Group." Specific activities include: (1) further upgrading our network-based "information communication businesses", especially by improving our fiber optic access and other networks, and developing the information sharing markets including platforms, contents, and terminals; (2) undertaking worldwide information sharing businesses by providing comprehensive and seamless services in fixed, mobile, and data and IP formats; and (3) fully utilizing the advantages of assigning R&D functions to the holding company and other synergy effects to maximize the value of the entire Group and the development of its businesses. Each of the member companies of the NTT Group is committed to pursuing greater management efficiency while acting independently to take the initiative in developing new business opportunities, and thus making an active contribution to advancing Japan's "IT revolution" and to reinforcing the nation's international competitiveness.

(2) Basic Principle concerning Profit Allocation

NTT believes it is very important for it to reinforce its financial standing and to serve the best interests of shareholders over the long run. As such, NTT has adopted as its basic principle the payment of appropriate dividends while acting to secure necessary levels of internal reserves.

Such internal reserves will be utilized to reinforce NTT's financial standing.

3. BUSINESS RESULTS

(1) First-Half Results for Fiscal Year Ending March 31, 2001

During the six-month period under review, severe conditions persisted in the Japanese economy. There were, however, continuing signs of a gradual improvement toward a self-sustaining economic recovery, especially in the corporate sector.

In the telecommunications markets, the numbers of Internet users and mobile telephone subscribers continued to increase, and the movement toward competition within a single global market accelerated with further globalization and the ongoing advance of seamless services.

In this rapidly changing business environment, NTT Group companies actively promoted the global information sharing businesses and worked toward the development of diversified services available at inexpensive rate.

Pursuant to these developments, NTT's first-half business results for the fiscal year ending March 31, 2001 were as follows. Consolidated operating revenue amounted to 5,485.8 billion yen (up 9.5% from the same period of the previous year), consolidated recurring profit amounted to 551.0 billion yen (up 11.9% from the same period of the previous year), and consolidated net profit reached 175.3 billion yen (down 27.1% from the same period of the previous year).

With respect to cash flow activities during the period under review, NTT obtained from its operating activities cash in the amount of 1,370.5 billion yen, spent 2,671.0 billion yen on investment activities, and obtained 672.8 billion yen from financing activities. As a result of these activities, NTT had cash and cash equivalents in the amount of 526.3 billion yen at the end of the period.

In accordance with basic profit-allocation principle presented above, for the period under review NTT will be distributing an interim cash dividend of 2,500 yen per share of common stock.

The business results of the principal member companies of the NTT Group during the period under review are as follows:

- [*Nippon Telegraph and Telephone Corporation \(Holding Company\)*](#)

- [*Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation*](#)

- [*NTT Communications Corporation*](#)

- [NTT Data Corporation](#)

- [NTT DoCoMo, Inc.](#)

(2) Projections for Fiscal Year Ending March 31, 2001

During the second half of fiscal year ending March 31, 2001, the Japanese economy is expected to gradually improve as household income has stopped declining and corporate capital investment is recovering.

In the information communications sector, the intensification of competition is projected to spur further industry restructuring and service diversification.

In this business environment, the NTT Group aims to provide a full line of low-priced fiber optic access, DSL, ISDN, and other services. The NTT Group is moving forward with its research and development efforts to create revolutionary applications that capitalize on the unique characteristics of fiber optics, and to develop the telecommunications technologies and information sharing platform technologies required to support this. The entire NTT Group is also addressing the reallocation of personnel and other cost reduction measures at NTT East and NTT West toward solidifying the management foundations of both regional operating companies as quickly as possible.

The projections for the full fiscal year ending March 31, 2001 are as follows. Consolidated operating revenues are projected to reach 11,323.0 billion yen (up 8.7% from the previous year). Consolidated recurring profit is projected to total 747.0 billion yen (down 9.5% from the previous year), while consolidated net profit is projected to reach 186.0 billion yen.

For the fiscal year ending March 31, 2001, we expect to offer common dividends of 5,000 yen per share.

In accordance with the resolutions passed at the NTT Board of Directors meetings held on September 29, 2000 and October 23, 2000, NTT implemented a capital increase via a public stock offering of 300,000 new shares on November 10, 2000.

Attachment

- [Attachment 1](#)
[NIPPON TELEGRAPH AND TELEPHONE CORPORATION CONSOLIDATED BALANCE SHEET](#)
- [Attachment 2](#)
[NIPPON TELEGRAPH AND TELEPHONE CORPORATION CONSOLIDATED STATEMENT OF INCOME](#)
- [Attachment 3](#)
[NIPPON TELEGRAPH AND TELEPHONE CORPORATION CONSOLIDATED STATEMENT OF CASH FLOWS](#)

- [Attachment 4](#)
[NIPPON TELEGRAPH AND TELEPHONE CORPORATION NON-CONSOLIDATED BALANCE SHEET](#)

- [Attachment 5](#)
[NIPPON TELEGRAPH AND TELEPHONE CORPORATION NON-CONSOLIDATED STATEMENT OF INCOME](#)

- [Attachment 6](#)
[NTT's Shares and Shareholders \(as of September 30, 2000\)](#)

[Consolidated Statement of Income](#)

- [\[Results of Operations\]](#)
- [\[Operating Performance of NTT and Subsidiaries\]](#)
- [\[Projection for Consolidated Operating Performance for Fiscal Year Ending March 31, 2001\]](#)
- [<Reference>](#)

[First-Half Results for Fiscal Year Ending March 31, 2001 \(Non-Consolidated\)](#)

- [\[Results of Operations\]](#)
- [\[Projection for Fiscal Year Ending March 31, 2001\]](#)

[\(Reference\)Non-Consolidated Statement of Income](#)
[Figures Based on Former Single-Company System\(Pre-Reorganization System\)](#)

- [\[Results of Operations\]](#)
- [\[Projection for Fiscal Year Ending March 31, 2001\]](#)
- [\[Breakdown of Operating Revenues and Operating Expenses\]](#)
- [\[Assets, Liabilities and Shareholders' Equity\]](#)
- [\[Reference\]](#)

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