



**Financial Results for the Nine Months
Ended December 31, 2016**

February 10, 2017

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.

* "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.

*** "3Q" in this material represents the 9-month period beginning on April 1 and ending on December 31.

Consolidated Results of Operations

- **Operating Revenues** : ¥8,360.5 billion
(¥134.9 billion [1.6%] decrease year-on-year)
- **Operating Income** : ¥1,318.6 billion
(¥192.0 billion [17.0%] increase year-on-year)
- **Net Income ^{*1}** : ¥668.7 billion
(¥64.7 billion [10.7%] increase year-on-year)

Overseas Results of Operations

- **Overseas Sales:**
 - Yen-based : ¥1,312.5 billion (¥110.2 billion [7.7%] decrease year-on-year)
 - US dollar-based : US\$12.18 billion (US\$0.43 billion [3.6%] increase year-on-year)
- **Overseas Operating Income^{*2}:**
 - Yen-based : ¥58.9 billion (¥4.5 billion [7.1%] decrease year-on-year)
 - US dollar-based : US\$0.55 billion (US\$0.02 billion [4.4%] increase year-on-year)

^{*1} Net income represents net income attributable to NTT, excluding noncontrolling interests.

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

^{*3} In this document, unless otherwise noted, listed numbers are totals for the nine months (from April 1 to December 31).

Expansion of Global Cloud Services

➤ Cross-selling Order Volume : US\$0.82 billion

Enhanced Operating Revenues from Network Services

➤ Expansion of NTT's user base

- 73.59 million mobile phone subscribers (net increase of 2.62 million subscribers), including 35.20 million subscribers to “Kake-hodai & Pake-aeru” (net increase of 5.49 million subscribers)
- 19.90 million FTTH subscribers (net increase of 0.64 million subscribers), including 7.85 million subscribers to the “Hikari Collaboration Model” (opened connections of 3.61 million subscribers (1.40 million new subscribers and 2.20 million subscribers who switched subscriptions from FLET'S Hikari to the Hikari Collaboration Model))

➤ Growing number of Wi-Fi area owners*1: 494

(+101 increase compared to end of FY2015)

*1 Total number of large-scale corporate or local government customers. Excludes small-scale restaurants, etc.

Shareholder Returns

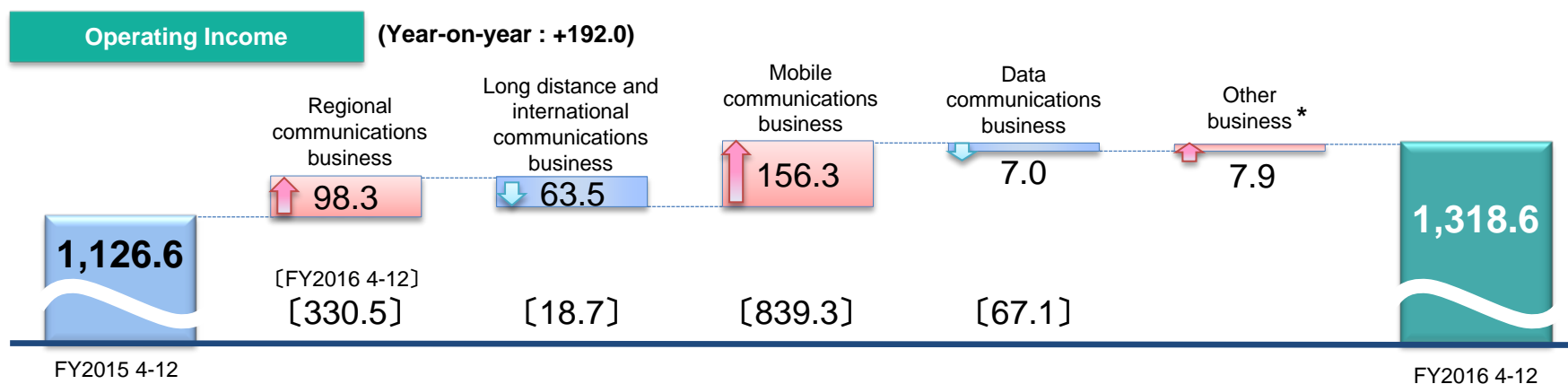
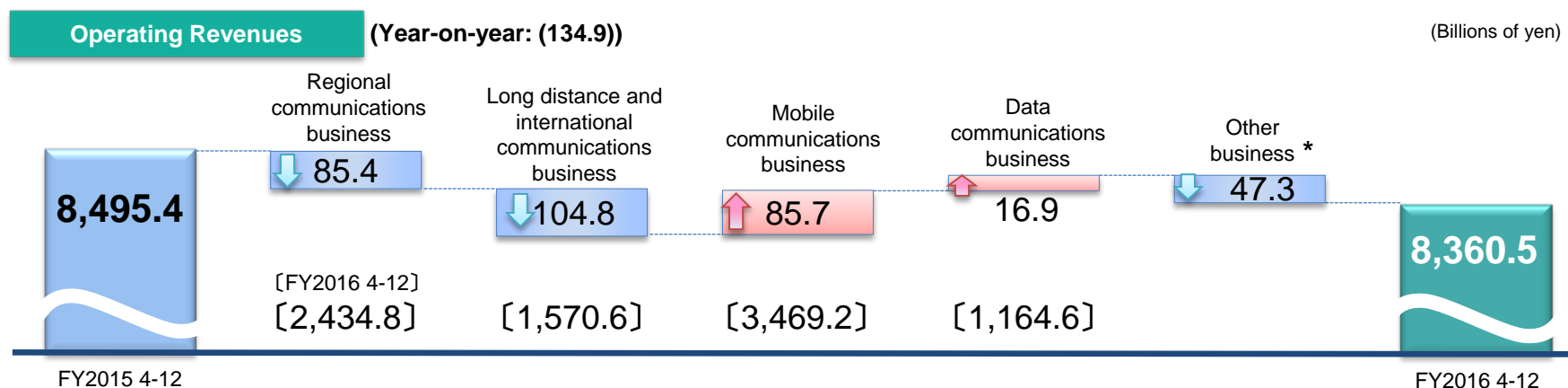
➤ Share buybacks (acquired in and after December 2016 ^{*2}) : ¥50 billion acquired as of the end of January 2017

*2 Aggregate amount: up to ¥150 billion; Total number of shares : up to 33 million shares; Period: December 13, 2016 ~ June 30, 2017

➤ Aggregate amount of FY2016 share buybacks: ¥ 317.4 billion as of the end of January 2017 (¥277.8 billion as of the end of December 2016)

FY2016 Contributing Factors by Segment

- Regional communications business: Operating income increased due to a reduction in the level of decreasing revenues from fixed voice services and cost efficiency improvement, among other things.
- Long distance and international communications business: Operating revenues decreased due to the impact of exchange rate fluctuations on NTT's overseas businesses; operating income decreased due to impairment losses and other temporary expenses.
- Mobile communications business: Operating income increased due to an increase of revenues in the mobile communications and "Smart Life" areas and cost efficiency improvement.
- Data communications business: Operating income decreased due to temporary M&A-related expenses; sales increased due to overseas organic growth, among other things.

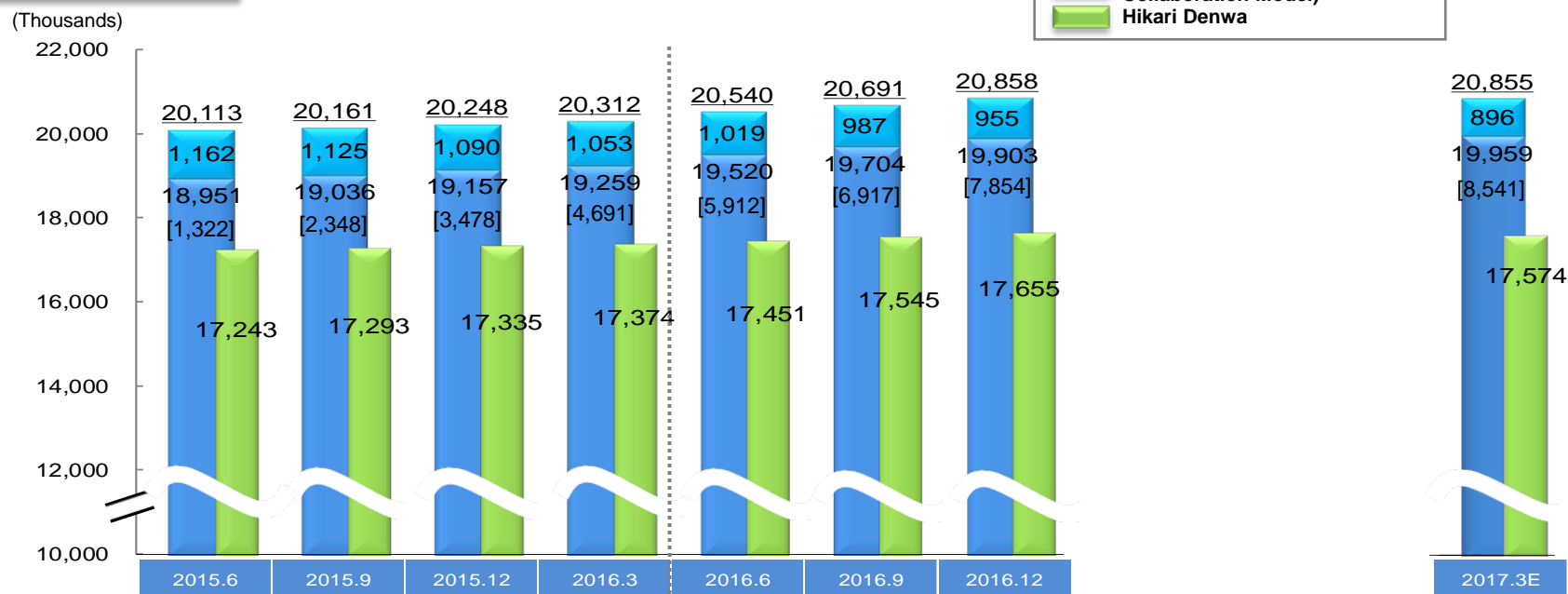


*Includes adjustments such as elimination

Progress of Broadband Services

Number of Subscribers for Fixed Broadband Services

Number of Subscribers *1*2



Changes from the Preceding Quarter

		FY2015				FY2016				FY2015	FY2016E
		4-6	7-9	10-12	1-3	4-6	7-9	10-12	4-12		
FLET'S Hikari	*1	235	85	121	102	261	183	199	644	543	700
	Number of opened connections *3	810	559	580	669	786	649	672	2,107	2,619	2,700
FLET'S ADSL		(58)	(37)	(35)	(37)	(34)	(32)	(32)	(98)	(167)	(157)
Hikari Denwa		135	50	42	39	77	93	111	281	267	200

*1 Number of FLET'S Hikari (including Hikari Collaboration Model) subscribers 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, 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 wholesale services (Hikari Collaboration Model) provided by both NTT East and NTT West.

*2 Figures in [] represent the number of subscribers to "Hikari Collaboration Model," the wholesale provision of services by NTT East and NTT West to service providers.

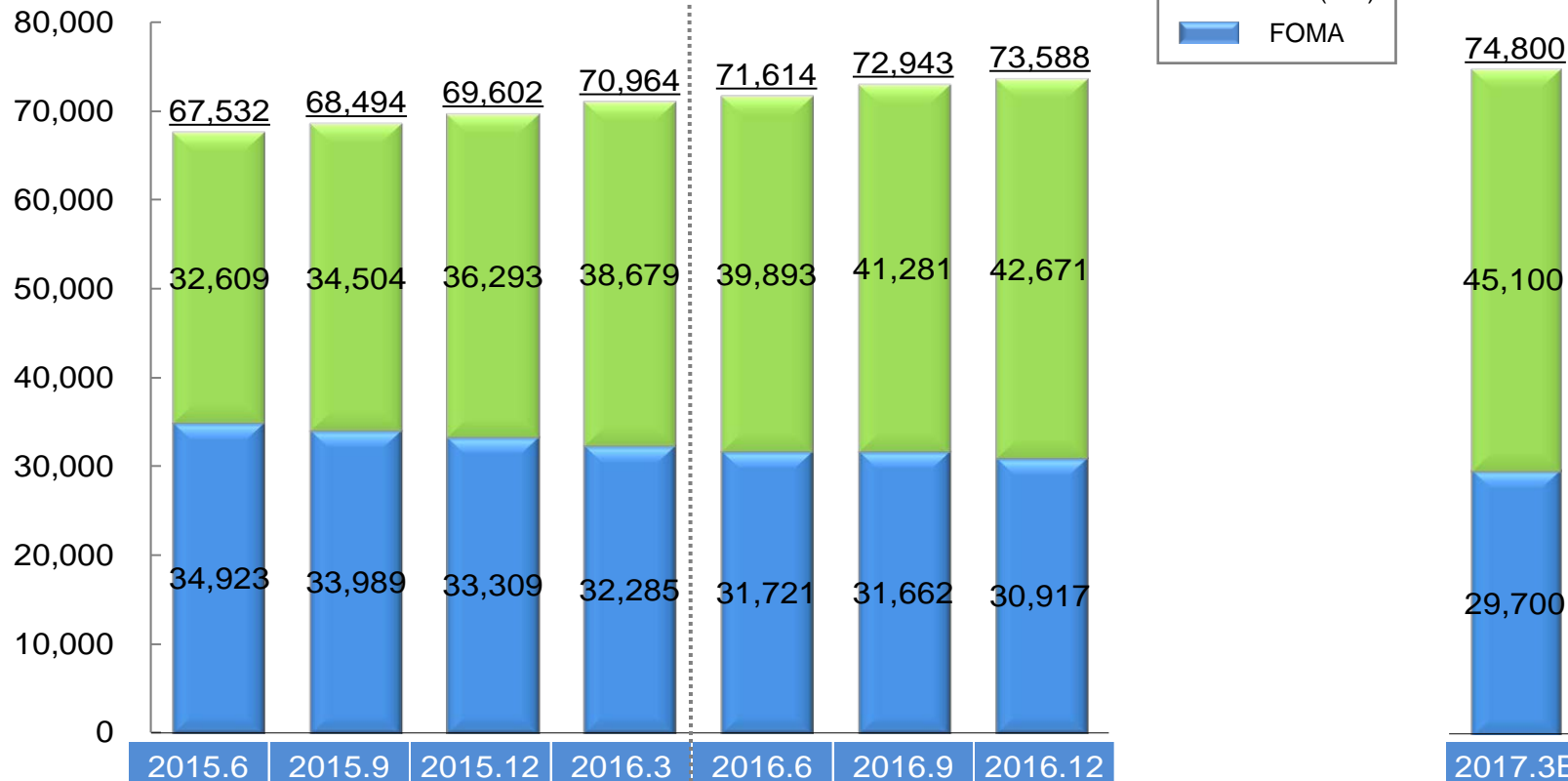
*3 Number of opened connections excludes openings as a result of relocations.

*4 Numbers for Hikari Denwa include wholesale services provided to service providers by NTT East and NTT West.

*5 Numbers of Hikari Denwa subscribers are presented in thousands of channels.

Number of Subscribers *

(Thousands)



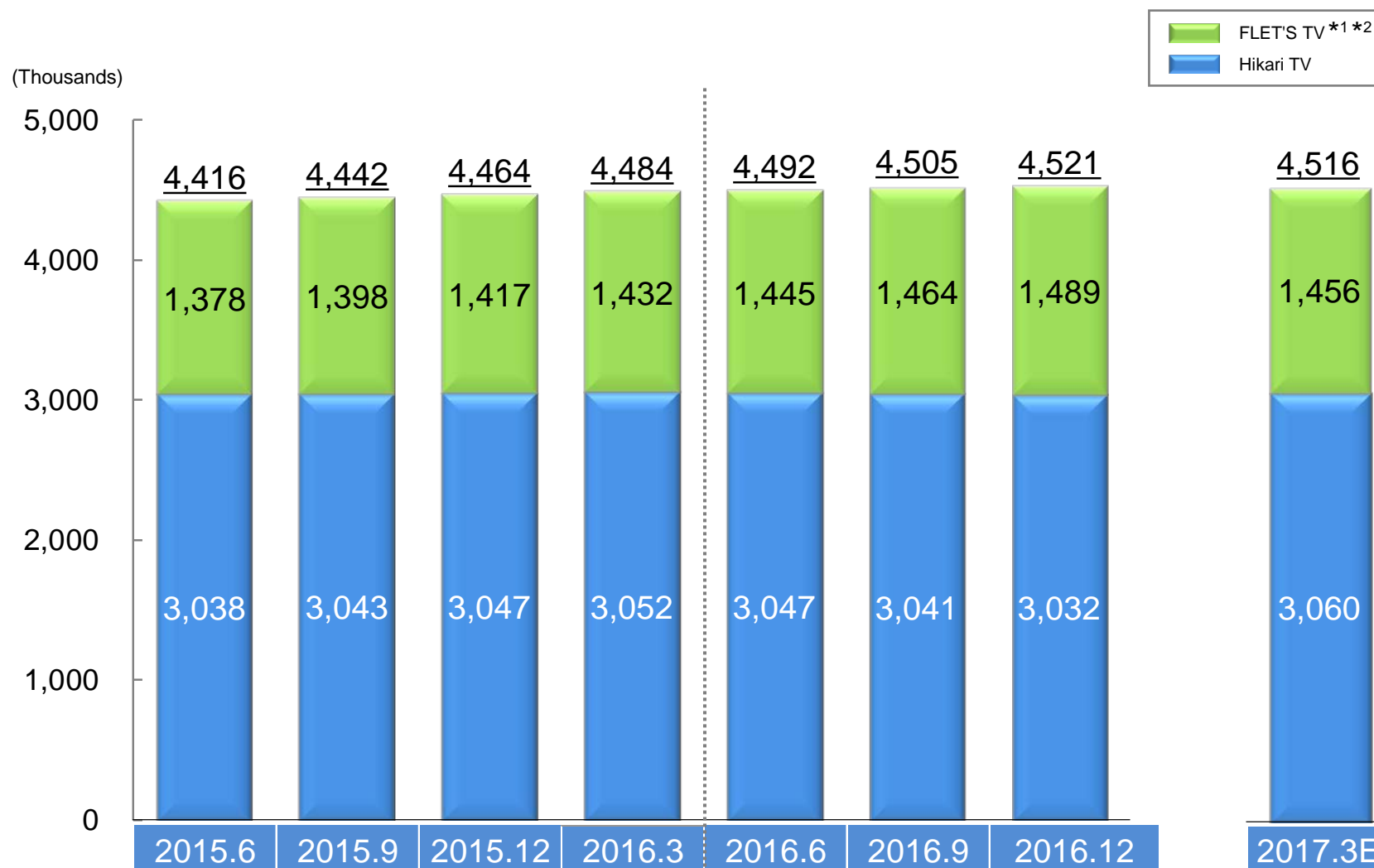
Changes from the Preceding Quarter

	FY2015				FY2016				FY2015	FY2016E
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	4-12		
LTE("Xi")+FOMA	936	962	1,108	1,362	650	1,330	645	2,624	4,368	3,800

(Thousands)

* The number of subscribers for Mobile Broadband Services includes communications module service subscribers

Number of Subscribers for Video Services



*1 "FLET'S TV" requires a subscription to "FLET'S TV Transmission Services" provided by NTT East and NTT West, and a subscription to SKY Perfect JSAT's "SKY Perfect JSAT Facility Use Services" broadcast service.

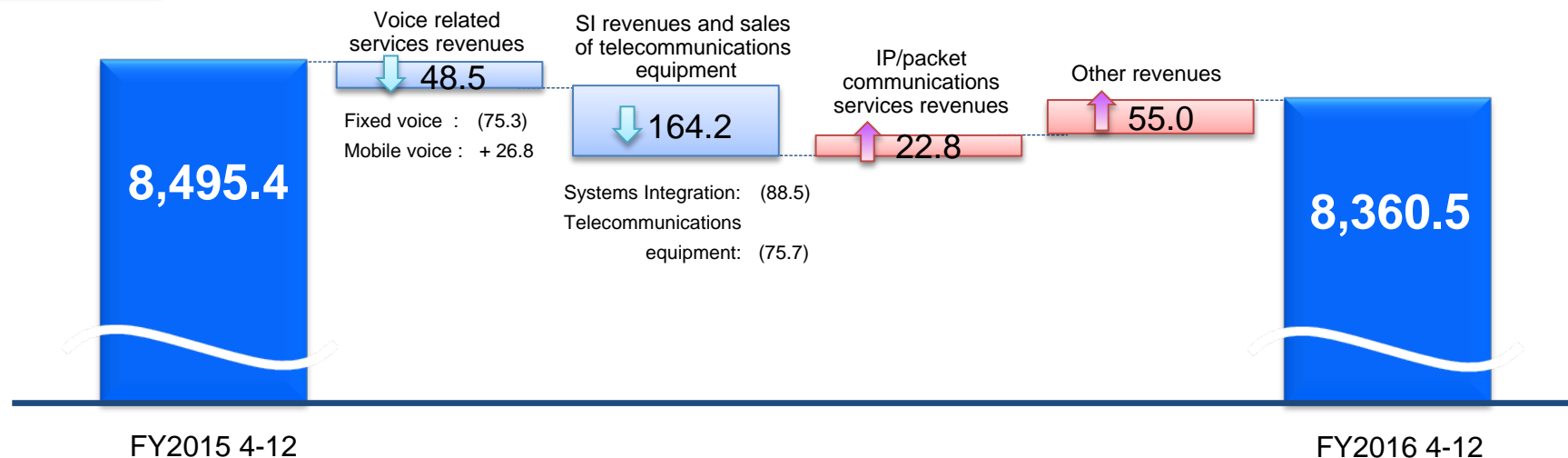
*2 Numbers of subscribers to "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

Financial Information

Operating Revenues

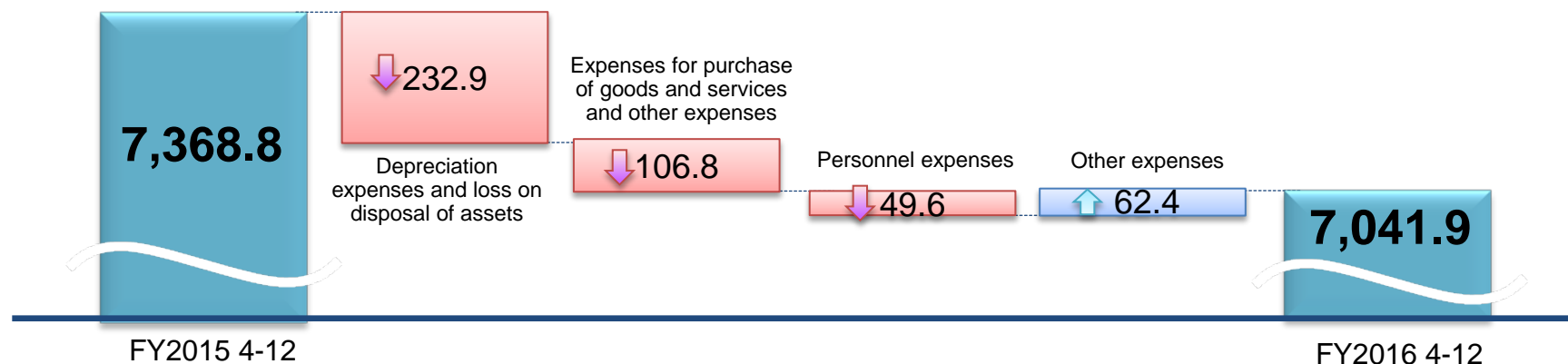
(Year-on-year: (134.9))

(Billions of yen)



Operating Expenses

(Year-on-year: (326.8))



March 31, 2016

December 31, 2016

(Billions of yen)

21,035.9

21,024.2

Assets	Liabilities	Assets	Liabilities
21,035.9	9,750.8	21,024.2	9,689.0
Cash and Cash Equivalents 1,088.3	Interest-Bearing Debt 4,163.3	Cash and Cash Equivalents 664.8	Interest-Bearing Debt 4,497.1
Current Assets (except Cash and Cash Equivalents) 4,338.7	Accounts payable, trade 1,572.8	[(11.7)]	[(423.4)]
Depreciable Assets (property, plant and equipment) 7,896.5	Other 45.1	Current Assets (except Cash and Cash Equivalents) 4,694.7	Accounts payable, trade 1,220.2
	Equity 11,240.1	[(+356.0)]	[(352.6)]
	Retained earnings 5,074.2	Depreciable Assets (property, plant and equipment) 7,817.5	Other 56.7
	Treasury Stock (0.9)	[(79.0)]	[+11.6]
			Equity 11,278.5
			[+38.5]
			Retained earnings 5,494.8
			[+420.5]
			Treasury Stock (278.8)
			[(278.0)]

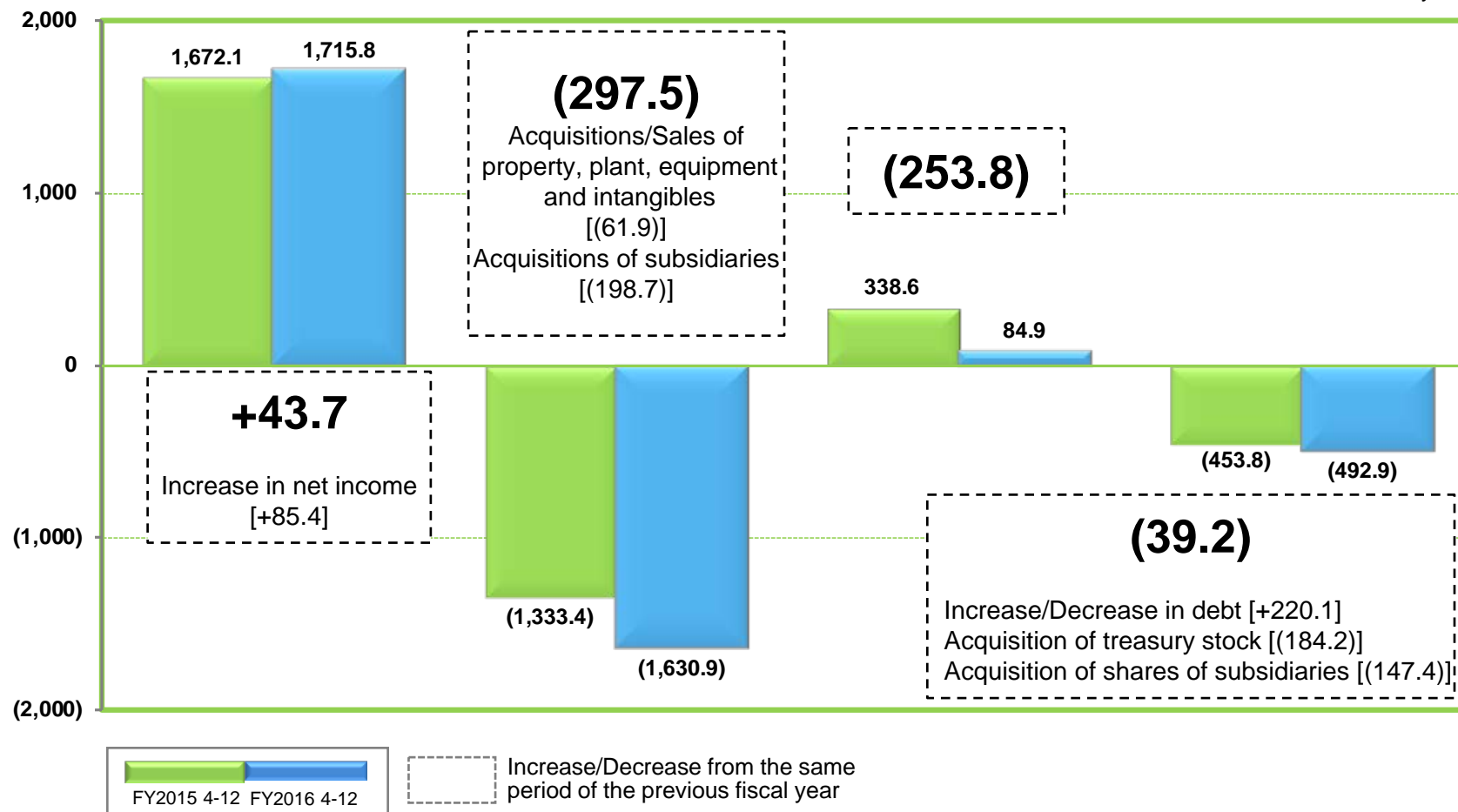
Cash flows from
operating
activities
(A)

Cash flows from
investing
activities
(B)

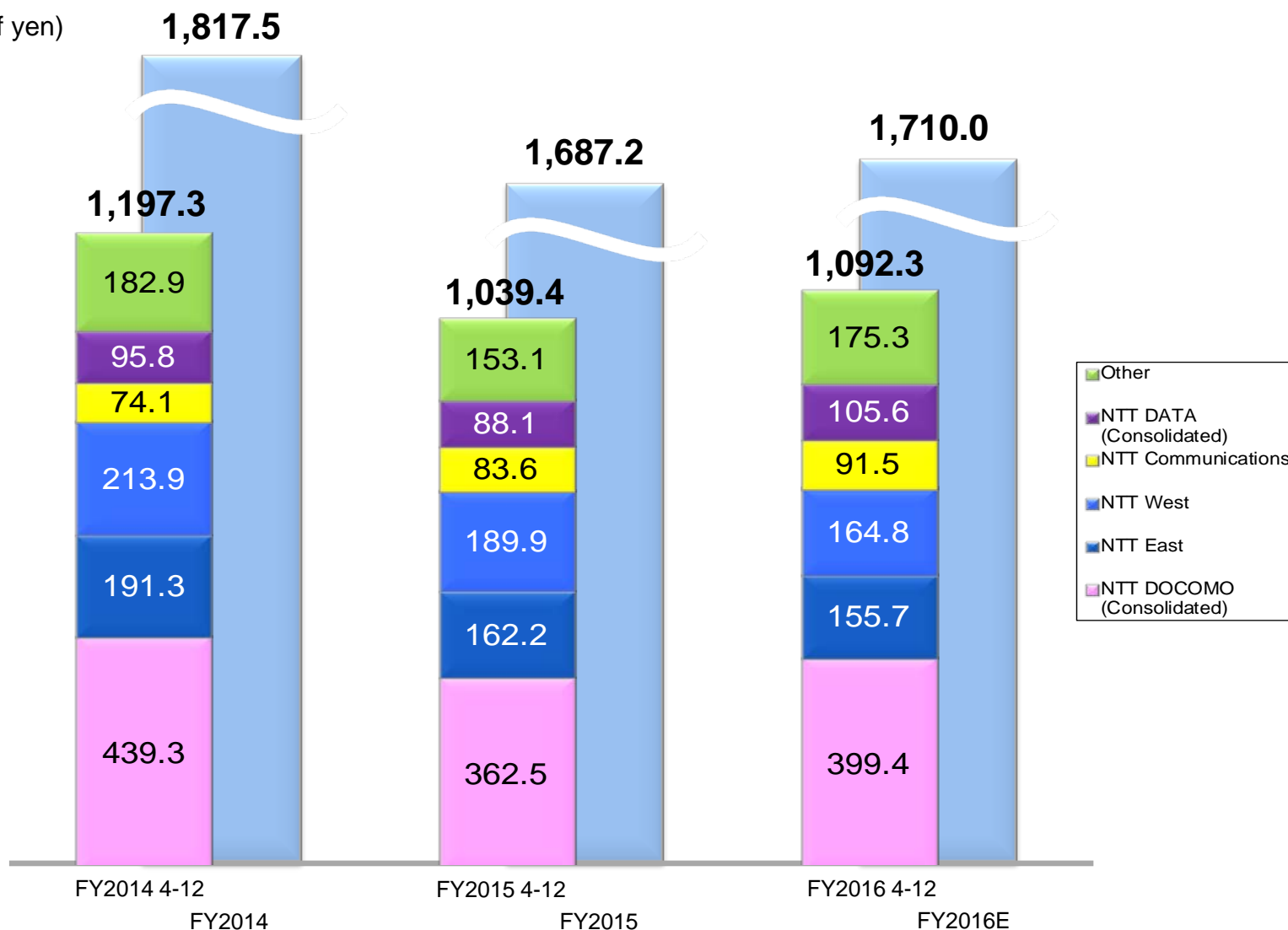
FCF
(A) + (B)

Cash flows from
financing
activities

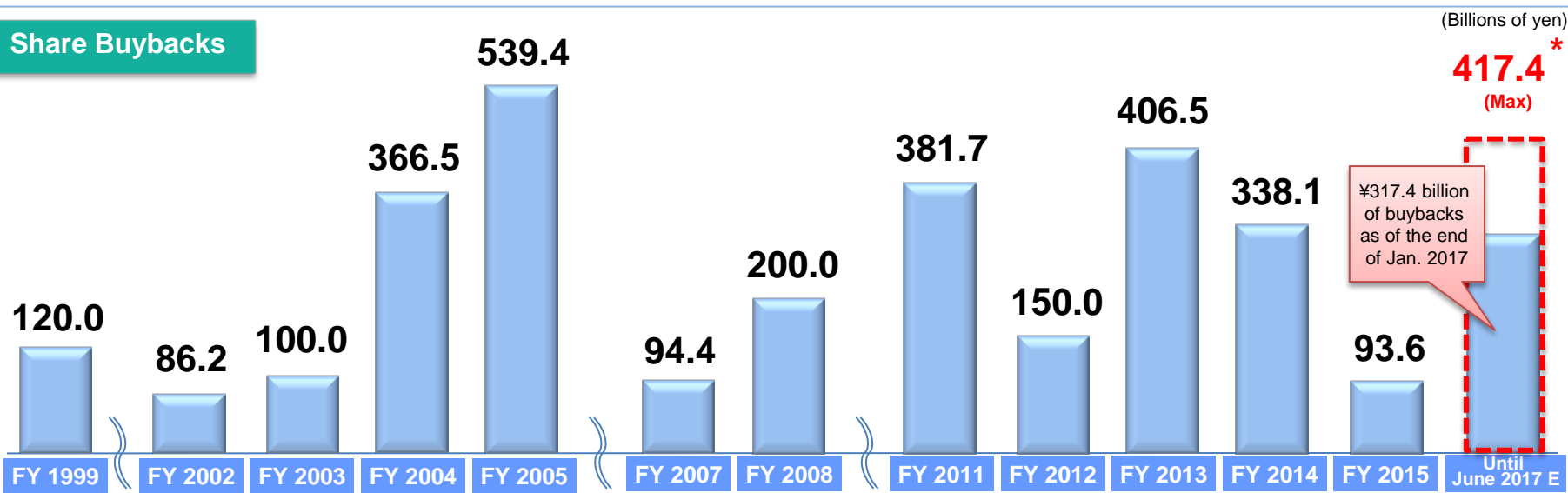
(Billions of yen)



(Billions of yen)



Share Buybacks



* On December 12, 2016, NTT resolved to acquire up to ¥150 billion in share buybacks. Period of buybacks: December 13, 2016 through June 30, 2017

Dividends per Share

Pay-out ratio

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

