

Financial Results for the Nine Months Ended December 31, 2017

February 9, 2018



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.

- **Highlights**
- **Contributing Factors by Segment**
- **Topics**
- **(Reference) Major B2B2X Initiatives**
- **(Reference) NTT R&D Forum 2018**
- **(Reference) Mobile World Congress 2018
– A Group Exhibition On Display**
- **Appendix**

- Both Operating Revenues and Operating Income increased.
- Financial results are steadily progressing in line with the annual plan.

Status of Consolidated Financial Results

- Operating Revenues : ¥8,722.0 billion (increase of ¥361.5 billion [4.3%] year-on-year)
 - Operating Income : ¥1,319.6 billion (increase of ¥1.0 billion [0.1%] year-on-year)
 - Net Income ^{*1} : ¥736.6 billion (increase of ¥67.9 billion [10.1%] year-on-year)
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- Overseas Sales : \$14.45 billion (increase of \$2.26 billion [18.6%] year-on-year)
 - Cross-Selling Order Volume : \$0.66 billion
 - Overseas Operating Income ^{*2} : \$0.78 billion (increase of \$0.24 billion [43.5%] year-on-year)

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

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

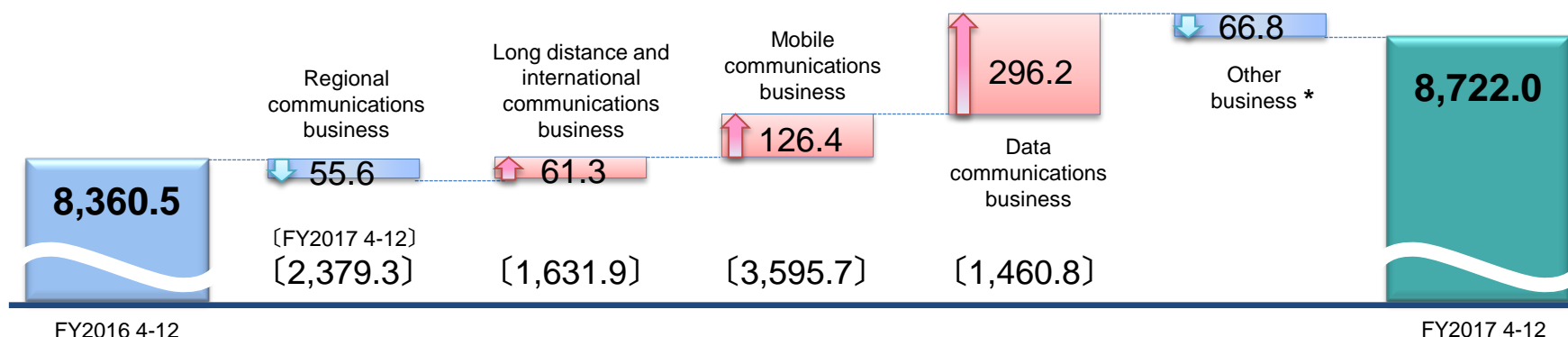
Contributing Factors by Segment

- Increase in Operating Revenues and Operating Income in the Long Distance and International Communications business and the Data Communications business segment.

Operating Revenues

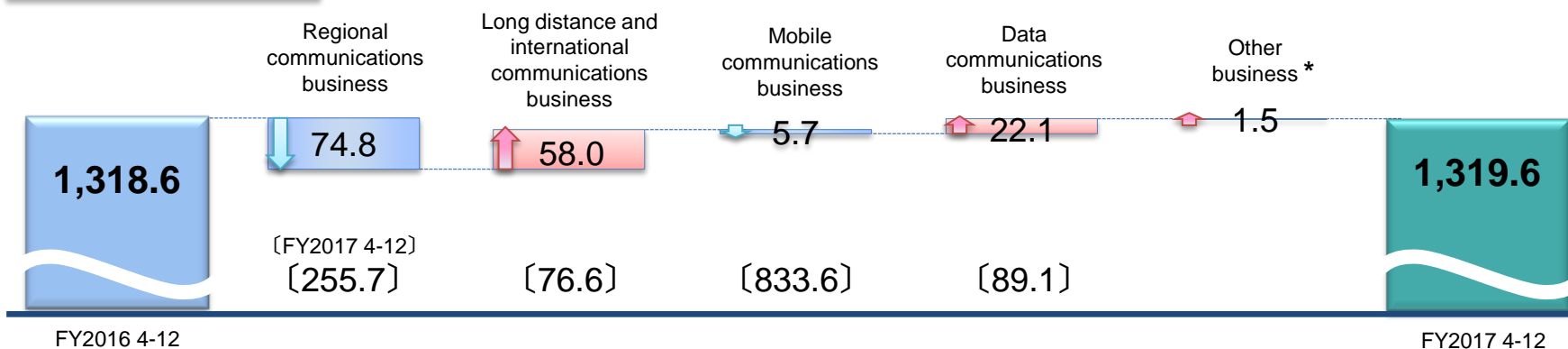
(Year-on-year: +361.5)

(Billions of yen)



Operating Income

(Year-on-year: +1.0)



*Includes adjustments such as elimination

Increased Profitability of Network Services

➤ Expansion of NTT's User Base

- **Mobile Subscriptions: 75.68 million mobile subscriptions (net increase of 0.80 million)**
(Included in the above) Kake-hodai & Pake-aeru: 40.60 million subscriptions (net increase of 3.53 million)
- **FTTH Subscriptions: 20.46 million subscribers (net increase of 0.40 million)**
(Included in the above) Hikari Collaboration: 10.66 million (net increase of 1.91 million)
- **Growing number of Wi-Fi area owners*: 681 (net increase of 124)**

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

Promotion of the B2B2X Model

- Continued to expand collaboration efforts with corporations and local governments by supporting their digital transformation in various fields, such as sports, transportation and manufacturing in an effort towards creating new value and solving social issues and challenges

Expansion of Global Cloud Services

- Acquisition of Secure-24, a provider of managed services in the U.S.















Shareholder returns

- Completed share buybacks on December 8, 2017: ¥150.0 billion
- Aggregate amount of FY2017 share buybacks: ¥193.2 billion

Progress of “Tokyo 2020 Medal Project: Towards an Innovative Future for All”

- Number of used mobile phones and other devices collected (as of the end of December 2017): approximately 2.40 million devices

(Reference) Major B2B2X Initiatives in FY2017 3Q

		<p>Oct.</p>	<p>Demonstrated a pleasant flight experience by monitoring babies' conditions through the utilization of hitoe® (Established “Airplane without crying babies!?” project)</p>
		<p>Oct.</p>	<p>Began the commercial provision of the FIELD system through the utilization of edge computing</p>
		<p>Oct.</p>	<p>Contributed to the further development of Sapporo by carrying out automated driving on public roads in central city areas</p>
		<p>Oct.</p>	<p>Demonstrated power-saving efforts in agriculture and water environments through the utilization of corevo®</p>
		<p>Nov.</p>	<p>Produced a new Kabuki experience through the utilization of Kirari! by enabling two actors to perform together through virtual reality (connected Ponto-cho and Miyakawa-cho in the performance of “Miyako Musubi Yume-no Renjishi”)</p>
		<p>Nov.</p>	<p>Initiated collaborative experiments on athletes' performance and brain information processing</p>
		<p>Nov.</p>	<p>Began demonstrations that predict the flow of people through the utilization of AI and control air conditioning using optimal device control technology</p>

■ “NTT R&D Forum” (on an invitation basis only)

Date and Time Thursday, February 22, 2018 and
Friday, February 23, 2018
10:00 – 17:00

Place NTT Musashino R&D Center
Tokyo, Japan

Exhibits

Introduce the latest research findings, including research efforts on the B2B2X model, in each of the categories of Media & UI, corevo, IoT, Network and Security, and Basic Research

- (e.g.)
- New value creation utilizing corevo (AI)
 - IoT utilizing edge computing
 - Immersive Telepresence Technology—Kirari! (enabling ultra-high presence experiences)
 - Security technologies for industrial control systems, etc.
 - Quantum Neural Network (QNN)



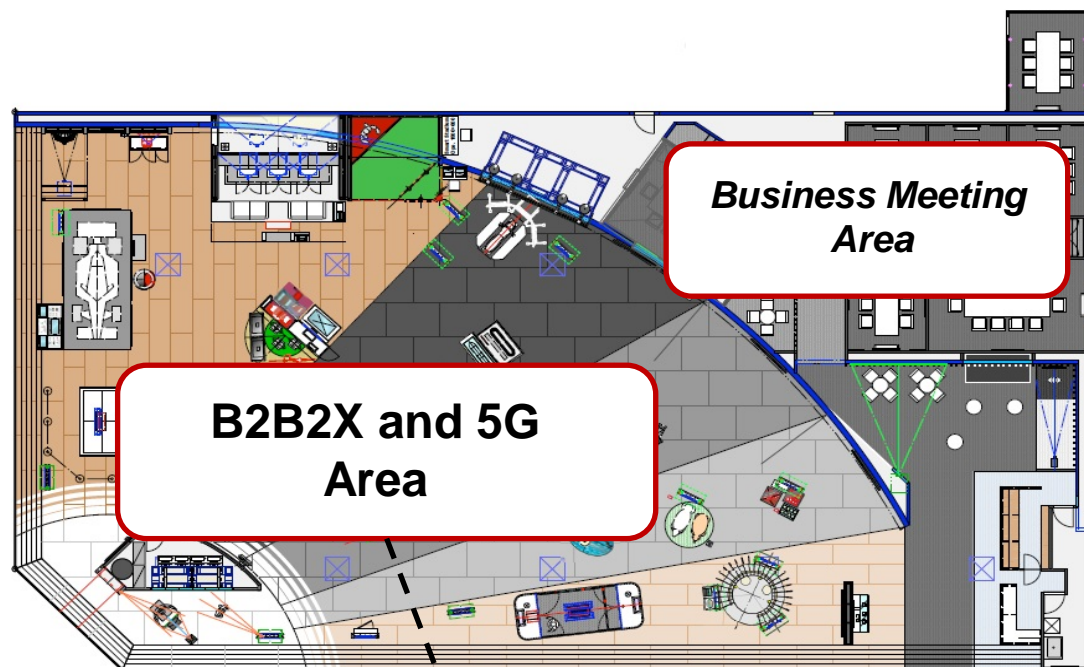
**Digital Technologies
for a Brighter Future**



(Reference) Mobile World Congress 2018

– A Group Exhibition On Display

- Display leading and advanced B2B2X business models utilizing AI, IoT and 5G
- Through the exhibition, NTT aims to introduce new value created in collaboration with a wide range of partners in various business sectors



MWC 2018 Overview



Duration

Monday, February 26, 2018
– Thursday, March 1, 2018
(four days)

Venue

Barcelona, Spain

Number of companies holding
exhibitions* 2,300

*Based on 2017 data

The exhibition area will be displayed in 5 zones

- | | |
|--------------------------|------------------------|
| (1) Sport & Culture | (4) Agriculture |
| (2) Mobility & Logistics | (5) Life & Environment |
| (3) Manufacturing | |

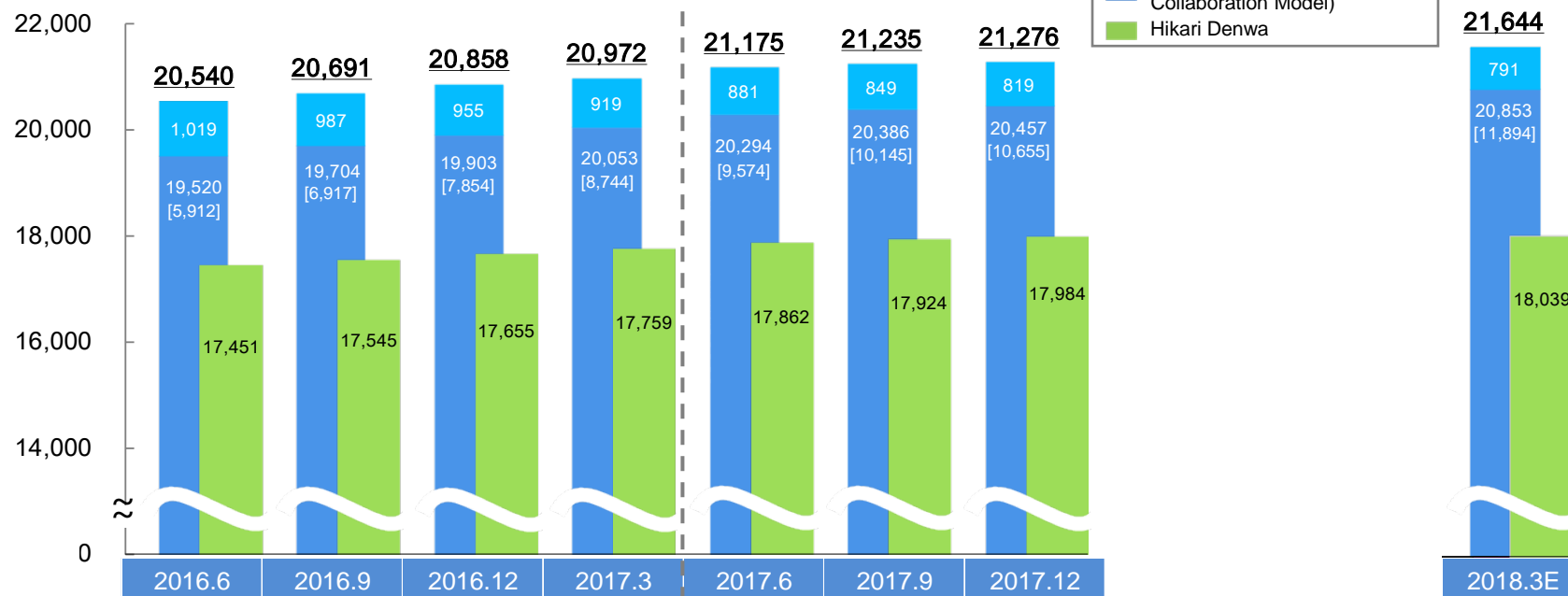
Appendix

Progress of Broadband Services

Number of Subscribers for Fixed Broadband Services



Number of Subscribers *1 *2 (Thousands)



Changes from the Preceding Quarter (Thousands)

		FY2016				FY2017				FY2016	FY2017E
		4-6	7-9	10-12	1-3	4-6	7-9	10-12	4-12		
FLET'S Hikari	*1	261	183	199	150	241	92	72	404	794	800
Opened connections	*3	786	649	672	750	851	627	625	2,103	2,857	2,900
FLET'S ADSL		(34)	(32)	(32)	(36)	(38)	(32)	(31)	(100)	(134)	(128)
Hikari Denwa	*4 *5	77	93	111	104	104	62	59	225	385	280

*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 Mytown 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.

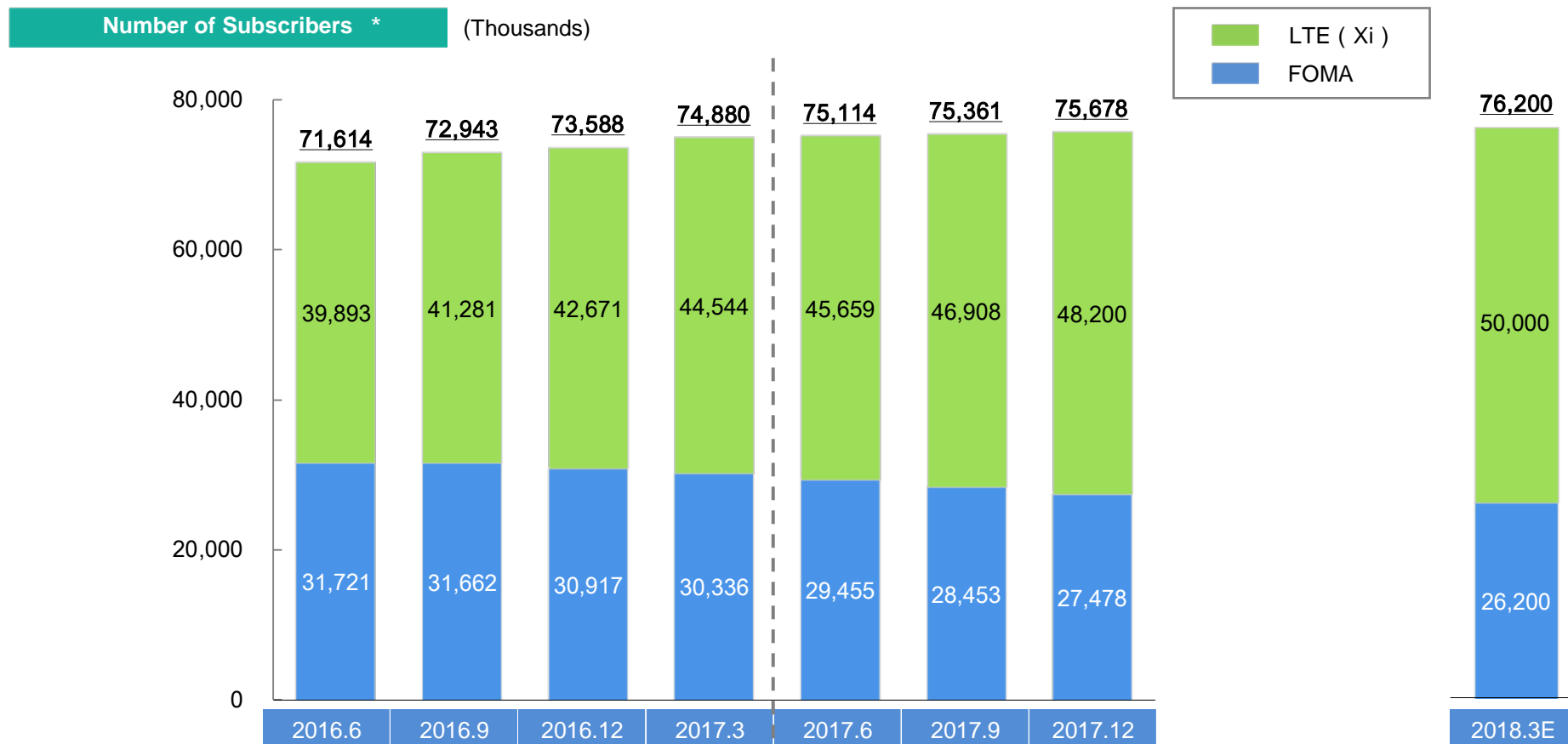
*2 Figures in [] represent the number of subscribers to "Hikari Collaboration Model," the wholesale provision of services by NTT East and NTT West to service providers.

*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.

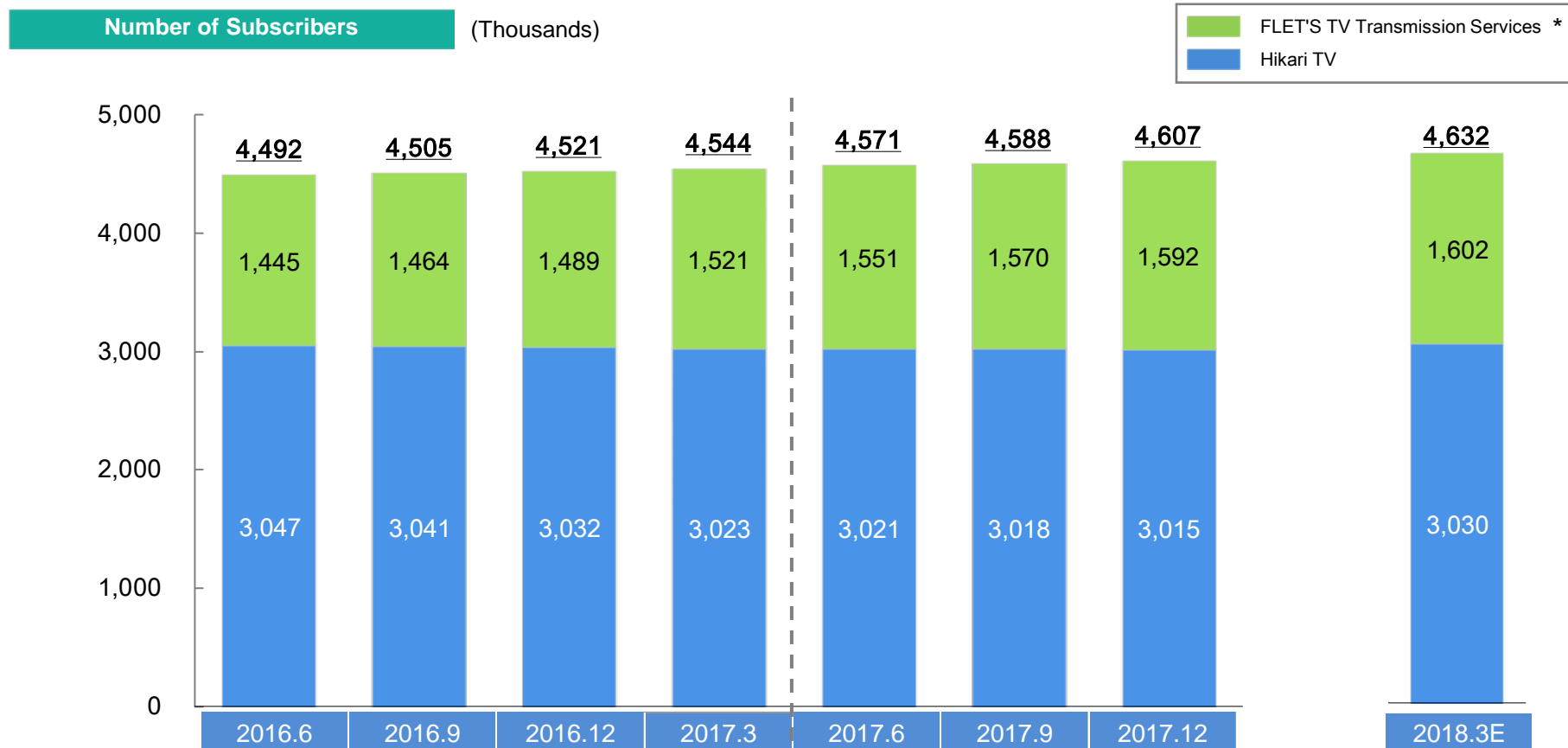
Number of Subscribers for Mobile Broadband Services



Changes from the Preceding Quarter (Thousands)										
	FY2016				FY2017				FY2016	FY2017E
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	4-12		
LTE(Xi)+FOMA	650	1,330	645	1,292	234	247	317	799	3,916	1,300

* Number of subscribers for Mobile Broadband Services includes Communications Module Service subscribers

Number of Subscribers for Video Services



* Number of subscribers to FLET'S TV Transmission Services includes wholesale services provided to service providers by NTT East and NTT West.

Financial Information

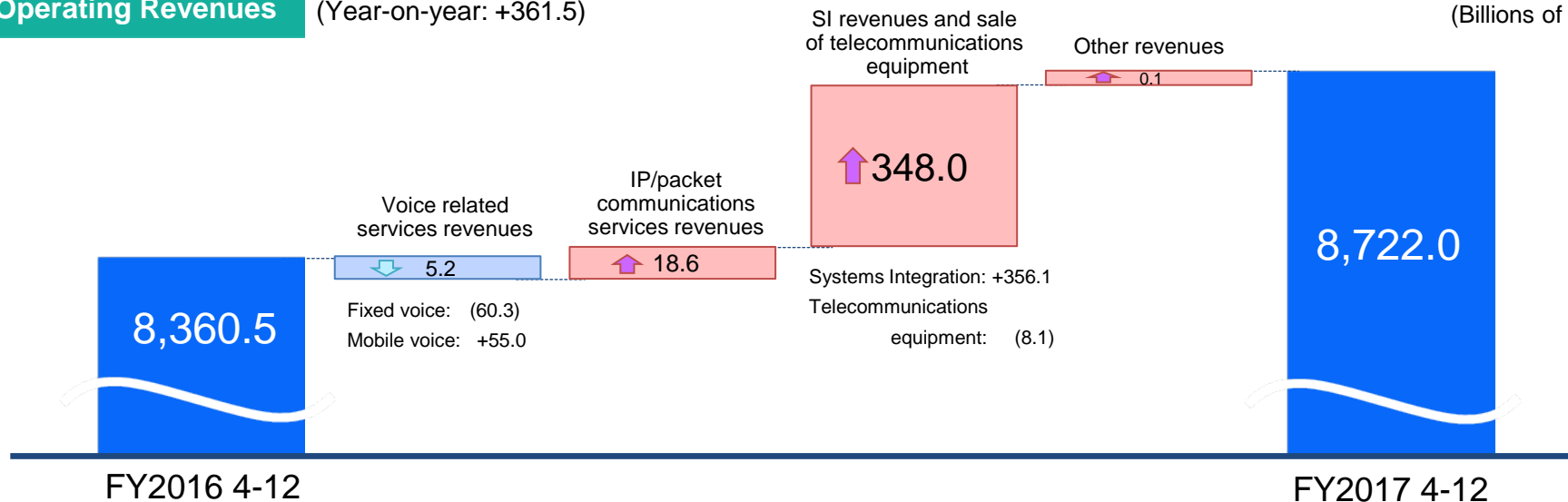
Details of Consolidated Statement of Income



Operating Revenues

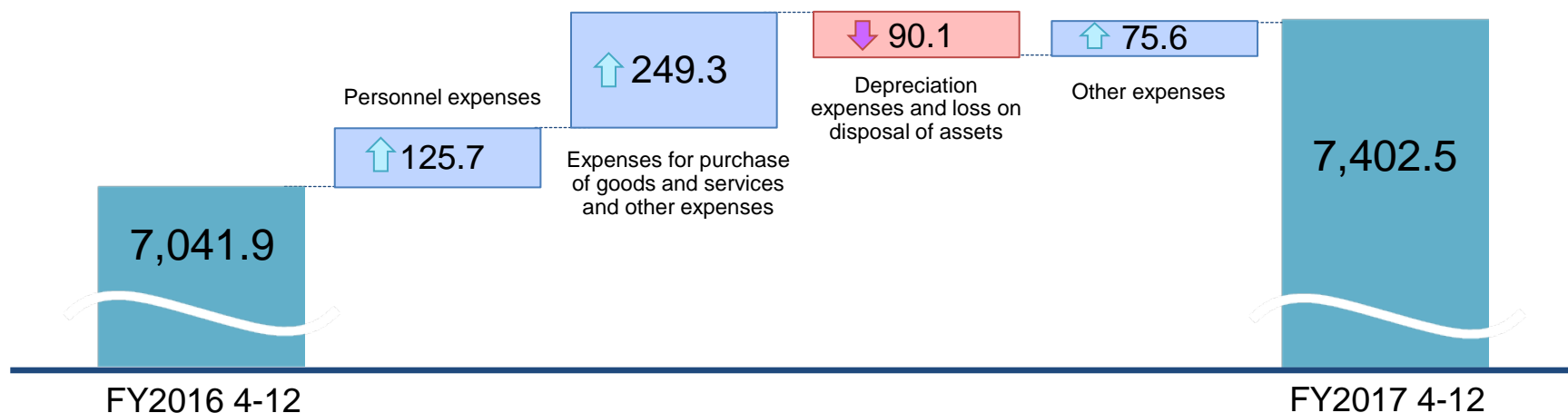
(Year-on-year: +361.5)

(Billions of yen)



Operating Expenses

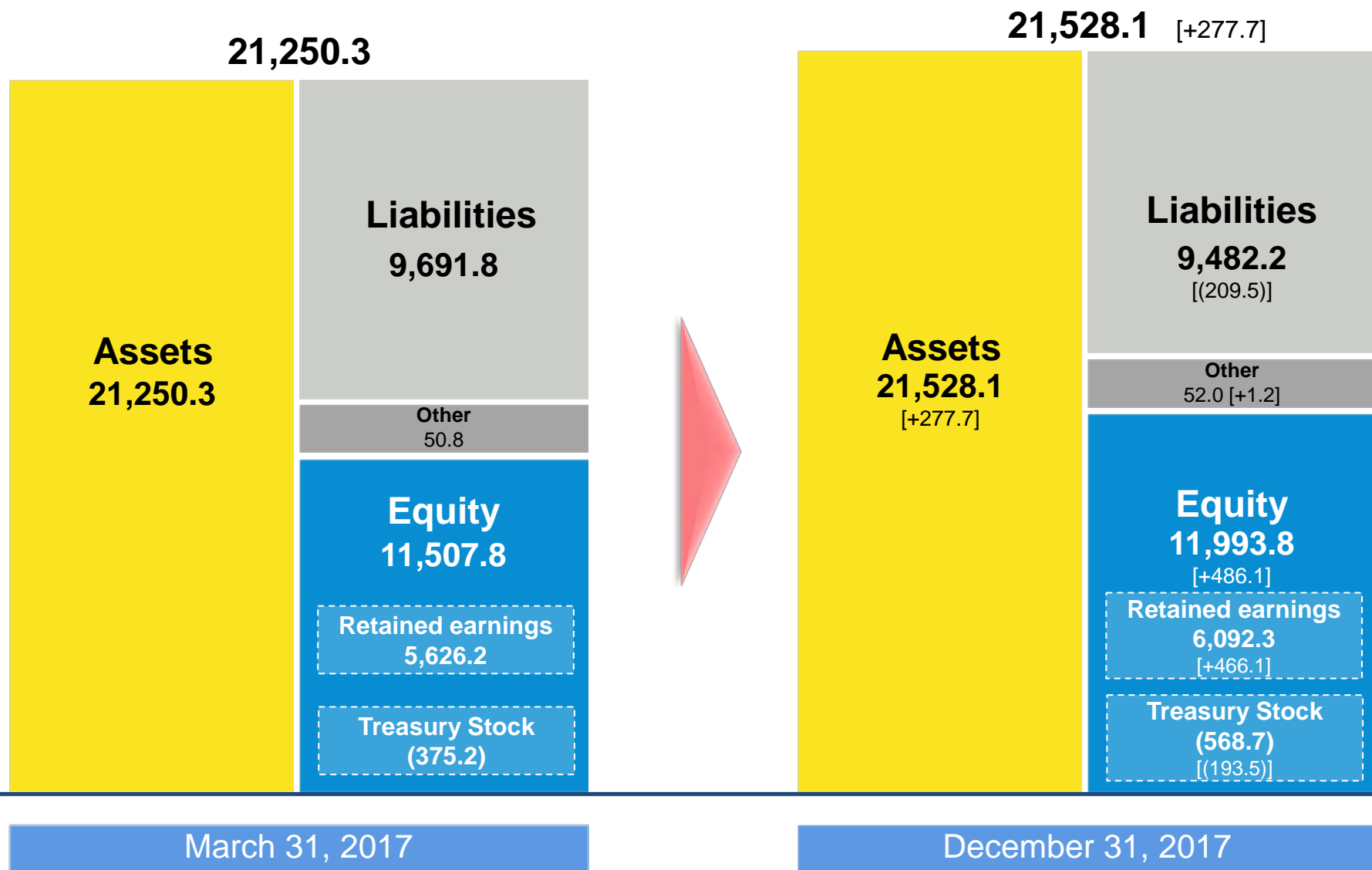
(Year-on-year: +360.5)



Details of Consolidated Balance Sheet



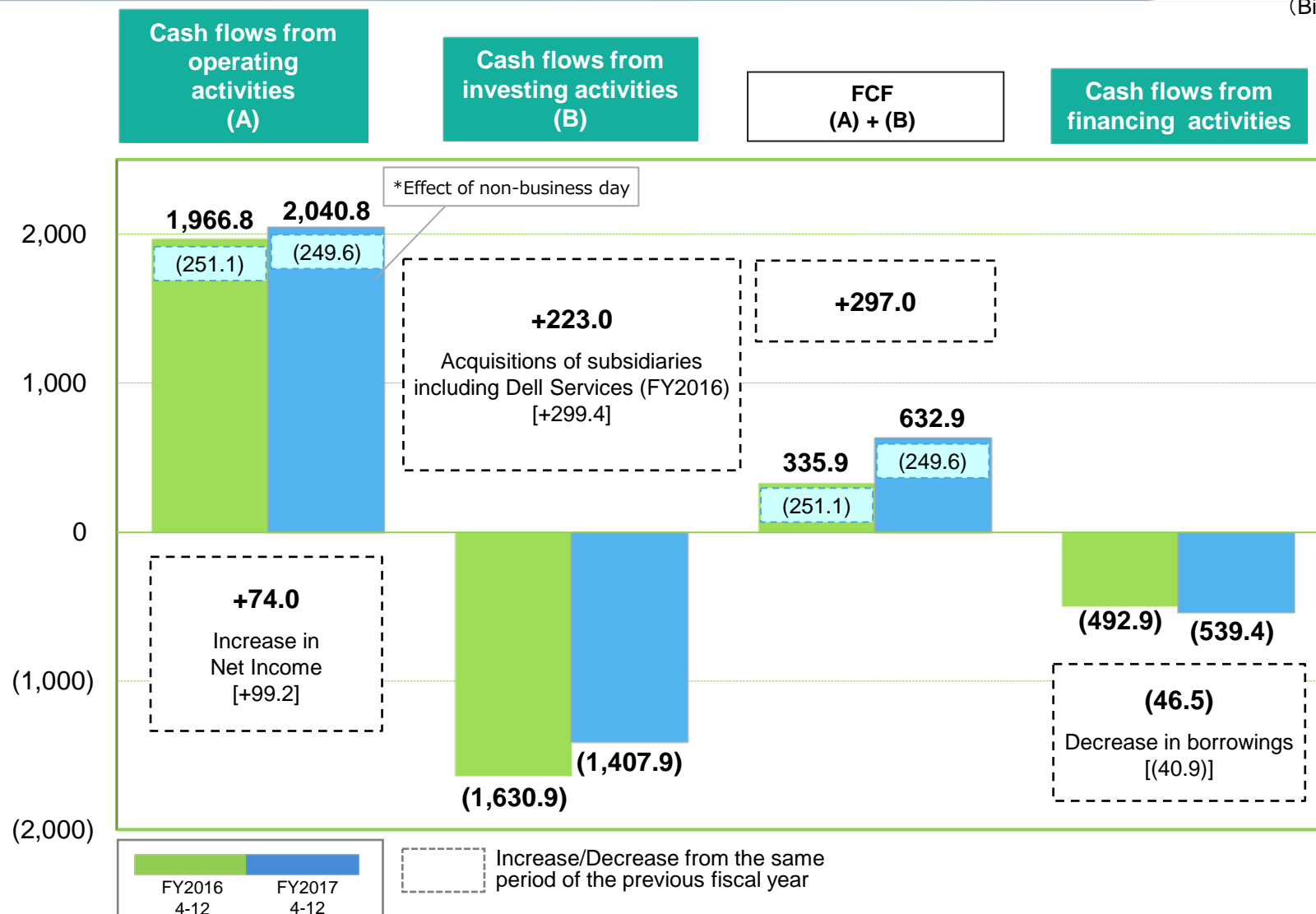
(Billions of yen)



Details of Consolidated Cash Flows



(Billions of yen)

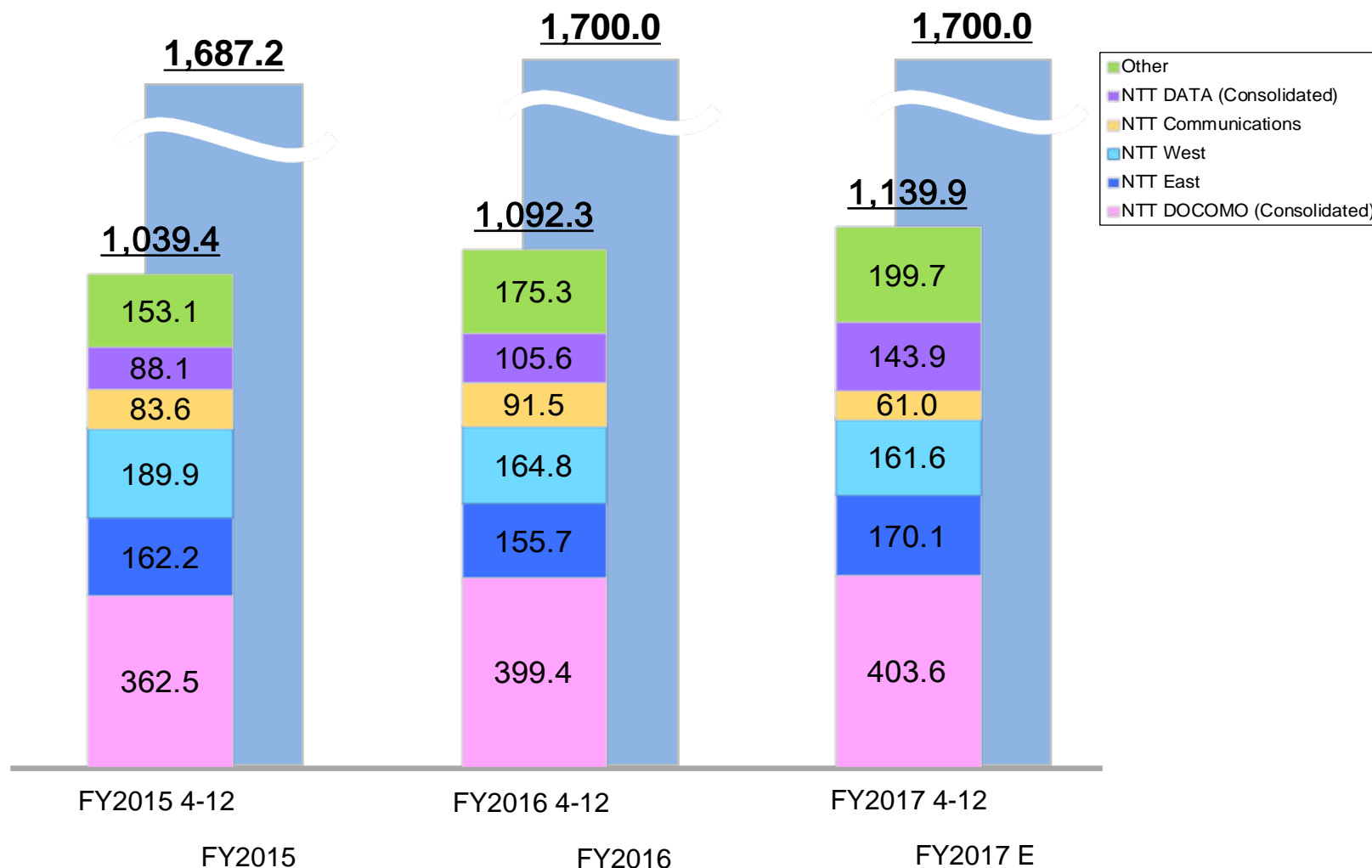


* The effect of the last day of the nine-month period ended December 31, 2016 and 2017 having been a non-business day, resulting in the increase in accounts receivable because of the due date of a portion of accounts receivable being, instead of the last day of the period, the first business day of the following month.

Including the effect above, Cash flows from operating activities were 1,715.8 billion yen for the nine-month period ended December 31, 2016 and 1,791.2 billion yen for the nine-month period ended December 31, 2017, and the FCF amounts were 84.9 billion yen and 383.3 billion yen, respectively.

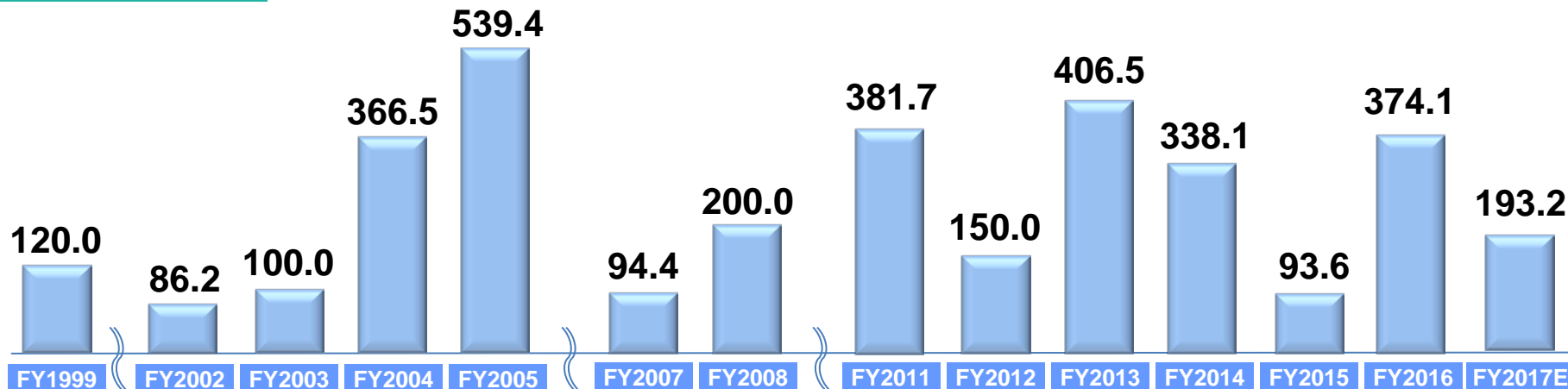
(Billions of yen)

Capital Investment



Share Buybacks

(Billions of yen)



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

