



Financial Results for the Fiscal Year Ended March 31, 2020

May 15, 2020

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.

Table of Contents

➤ Overview of FY2019 Consolidated Results

- FY2019 Consolidated Results Highlights
- FY2019 Contributing Factors by Segment

➤ Topics

➤ Appendix



Overview of FY2019 Consolidated Results

FY2019 Consolidated Results Highlights

- Operating Revenues and Profit increased
- Operating Revenues reached record levels

Status of Consolidated Results

● Operating Revenues:	¥11,899.4B	< +¥19.6B [+0.2%] year-on-year >
● Operating Income:	¥1,562.2B	< (¥131.7B) [(7.8%)] year-on-year >
● Profit*:	¥855.3B	< +¥0.7B [+0.1%] year-on-year >
● EPS**:	¥231	< +¥11 [+5.0%] year-on-year >
● Overseas Sales***:	\$19.5B	< +\$0.5B [+2.9%] year-on-year >
● Overseas Operating Income Margin*** :	2.4%	< (0.8pt) year-on-year >

* Profit presented above represents the profit attributable to NTT, excluding noncontrolling interests.

** EPS amounts reflect the two-for-one stock split with an effective date of January 1, 2020 as approved by the Board of Directors on November 5, 2019.

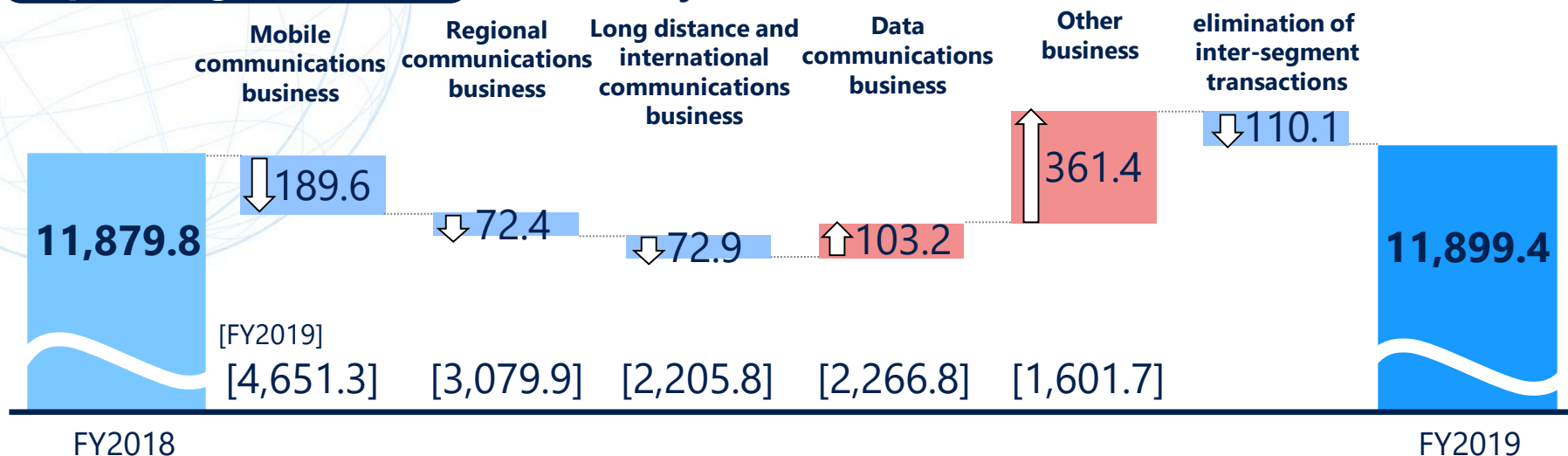
*** Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

FY2019 Contributing Factors by Segment

Operating Revenues

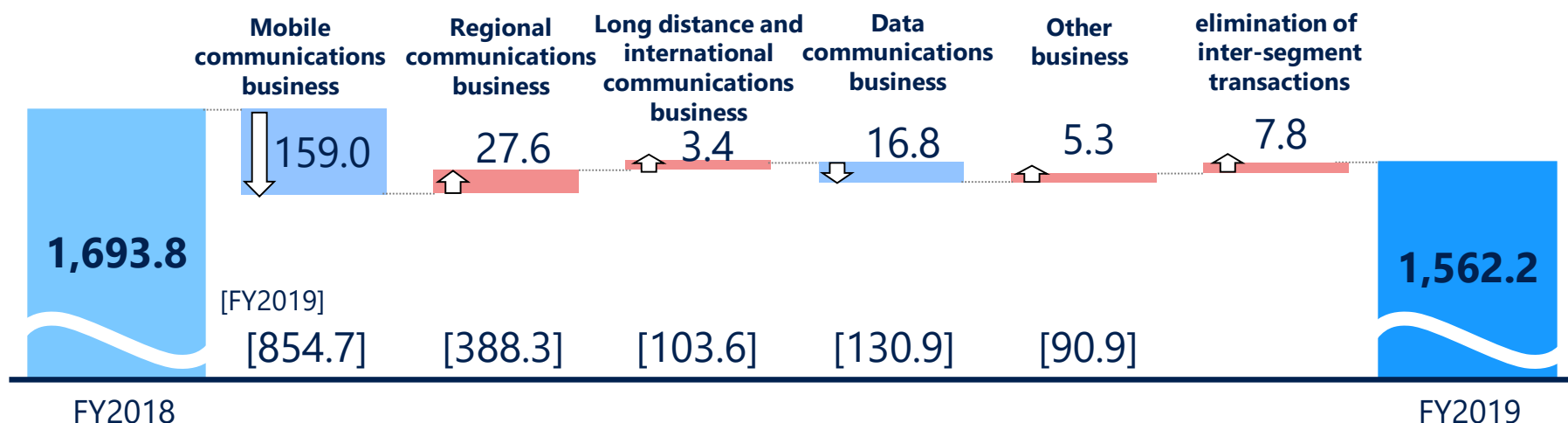
<Year-on-year: +19.6>

(Billions of yen)



Operating Income

<Year-on-year: (131.7)>



- **We anticipate that new SI orders and sales of various types of services will be affected by the impact of the COVID-19 pandemic.**
- **However, because we cannot predict the termination of the pandemic or the arrival of a second wave and cannot reasonably estimate the amount of the impact of COVID-19, we have decided to postpone making financial forecasts for FY2020 at this time.**
- **We intend to promptly announce financial forecasts as soon as it is possible to reasonably estimate the amount of the impact.**
- **For FY2020, we intend to increase the annual dividend amount by ¥5 per share from the prior year to ¥100 per share, in keeping with our basic policy of shareholder returns (steady dividend increases)**



Topics

■ Ensure the stable provision of services as a designated public institution

- Increase in fixed communications service traffic by approximately 50%-60%* during the daytime, and increase in volume of nighttime peak communications by approximately 10%*
- Expansion of facilities based on circumstances going forward
- Shortened business hours, temporary closure of certain stores and system of partial reductions at call centers

■ Measures to support customers

- Extension of payment periods and renewal of expired d POINTs
- Free provision of certain telework and health support services
- Free provision of automated solutions for subsidizing Special Cash Payments
- Provision of population dynamics analysis using mobile device data

* Information from the week of April 20, compared to the week of February 25

■ Support measures in the education field

For schools:

- Free-of-cost set-up and maintenance of online learning environments for schools for a period of time (NTT East)
- Free provision of “Omakase Kyoshitsu,” a cloud service for learning support (NTT East)
- Free provision of a video distribution platform that can build web-based class environments (NTT West)
- Free provision of “Manabi Pocket”-related learning contents (NTT Com)
- Free release of class videos and self-made class materials of educators nationwide through “Manabi Pocket” (NTT Com)

For students:

- Free provision of certain amounts of data communication capacity to subscribers under 25 (NTT DOCOMO, NTT Com)

■ Respond to ongoing maintenance of social distancing

- Initiatives for establishment of a remote society (telework, telemedicine/distance learning, etc.)
- Support for online administrative procedures, business transactions, etc.
- Provision of security solutions

■ Use DX as an opportunity to transform workstyles and operations and improve productivity

- Review prior workstyles and operations and take on the challenge of bold reform
- Support the remotization by DX in the agriculture, construction, manufacturing and other industries

■ Respond to the rise of bloc economies and reshoring of industries

- Support the development of connected value chains associated with the reshoring of industries
- Accelerate the promotion of O-RAN*, reshoring of the beyond 5G supply chain
- Expand renewable energy (economic security)

■ Take on the challenge of developing game-changing technology

- Promotion of the IOWN initiative

* Open Radio Access Network Alliance: International standardization organization that aims to 5G and other next-generation wireless access networks more extensible, open and intelligent

Overview of Medium-Term Management Strategy Initiatives **NTT**

Promote B2B2X Model	Number of B2B2X Projects : 66 (+ 53) * Promotion of alliances with Toyota, Mitsubishi Corporation, Microsoft and others Development of smart cities (Austin, UC Berkley campus and others)
Roll Out 5th-Generation Wireless System	Launched 5G commercial service Buildout of 5G coverage to 500 cities including all government-designated cities by the end of FY2020
Enhance Competitiveness in Global Business	Promote structural reforms to accelerate transformation to high value-added services
Enhance and Globalize R&D	Launched activities of the IOWN Global Forum Begin research and development for 4D Digital Platform™
Create New Lines of Business	Initiatives in location business (investments in HERE and Zenrin) Launched the “Genovision” corporate wellness support service
Contribute to Vitalization of Regional Societies and Economies	Together with local communities, support agriculture, e-Sports, etc.
Disaster Countermeasure Initiatives	Strengthened countermeasures against power outages and backups in the event of large-scale disasters (centralized operation of mobile power generation vehicles owned by the group, installation of Wi-Fi backup batteries in public telephone boxes, and other measures)
Promote ESG Management	Environment and Energy Vision: Zero Environmental Impact Ratio of outside independent members of the board: 50% Adoption of executive officer system

* Information as of March 31, 2020. Information in parentheses indicates changes from the time of announcement of the medium-term management strategy (October 2018).

Environment and Energy Vision: Zero Environmental Impact

Contribute to the reduction of the environmental impact of customers, companies and society

■ Promotion of renewable energy

- Aim To increase the proportion of our renewable energy usage to 30% or higher by FY2030
- Participate in climate change initiatives (SBT*), support TCFD**, and issue green bonds

■ Reduction of societal environmental load through ICT technologies

- Promotion of teleworking
- Develop “Connected Value Chains” (digitization of transactions, etc.)
- Reduction of the use of plastic, promotion of recycling
- Promotion of thermal insulation/power generation glass using photovoltaic technology***

■ Development of innovative environment and energy technologies

- Establish the Space Environment and Energy Laboratories (July 2020)
- First private Japanese company to have a Long Term Non-Commercial Cooperation Agreement with the ITER Organization****

■ Realization of extremely low power consumption (IOWN initiative)

- Signed Collaboration Agreement with Intel

* Science Based Targets ** Task Force on Climate-related Financial Disclosures *** Signed exclusive sales contract with inQs **** The ITER International Fusion Energy Organization

Financial Targets

FY2019 Results

『Your Value Partner 2025』
Medium-Term Financial Targets
[] Indicates Target Fiscal Year

● EPS Growth*	:	¥231	approx. ¥320	[FY2023] (vs. FY2017 +50% increase**)
● Overseas Sales / Overseas Operating Income Margin***	:	\$19.5B / 2.4%	\$25B / 7%	[FY2023]
● Cost Reductions (in fixed-line/mobile access networks)	:	¥500B	At least ¥800B	[FY2023] (vs. FY2017)
● ROIC	:	6.6%	8%	[FY2023]
● Capex to Sales (Domestic Network Business****)	:	13.8%	13.5% or less	[FY2021]

* EPS amounts reflect the two-for-one stock split with an effective date of January 1, 2020 as approved by the Board of Directors on November 5, 2019.

** Excludes the effects of the arbitration award received from Tata Sons Limited.

*** Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

**** Excludes NTT Communications' data centers and certain other assets.



Appendix

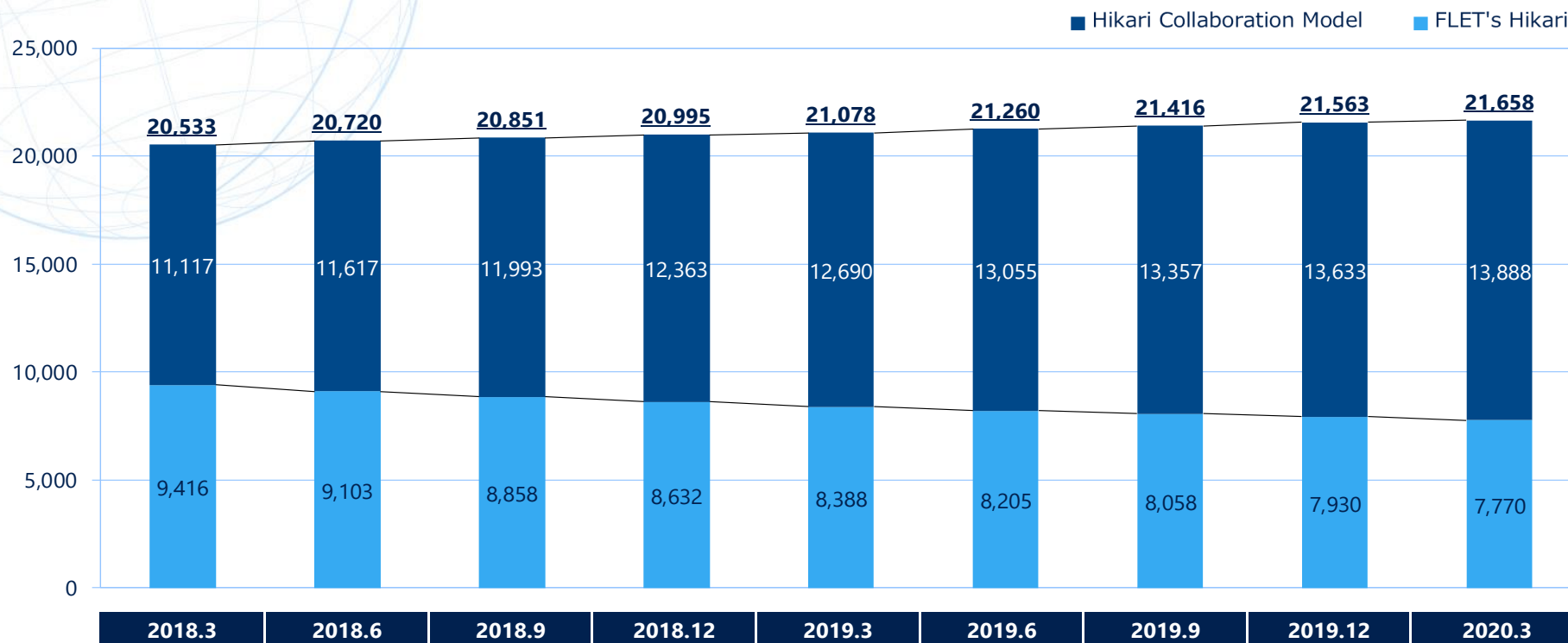


Broadband Services

Fixed-Line Broadband Services Subscriptions

Number of Subscriptions

(Thousands)

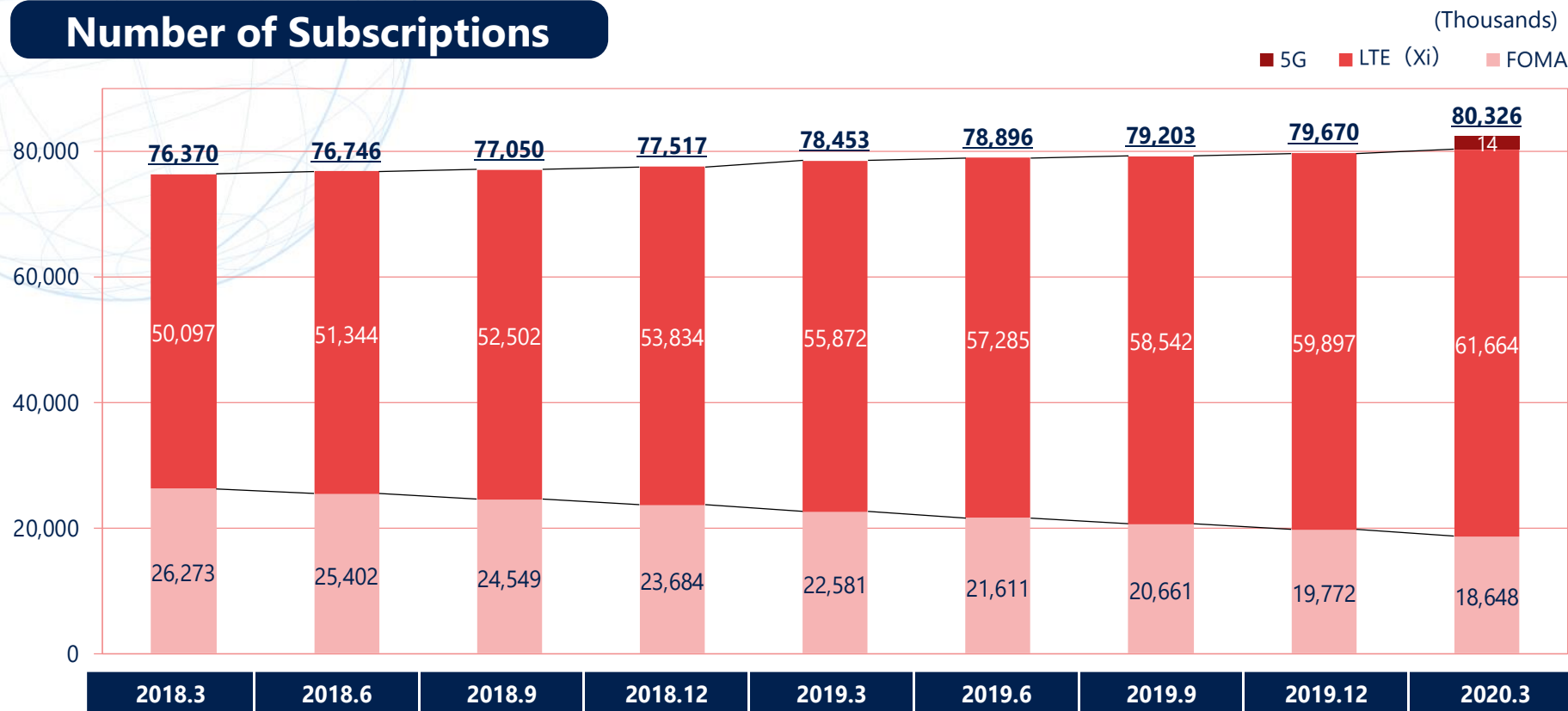


Net Increase

	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4-6	2019 7-9	2019 10-12	2020 1-3
Total	+187	+131	+144	+83	+182	+156	+148	+95
	+545				+580			
Hikari Collaboration	+500	+376	+370	+327	+365	+302	+276	+255
	+1,573				+1,198			
FLET'S Hikari	(313)	(245)	(226)	(244)	(183)	(146)	(128)	(161)
	(1,028)				(618)			

Mobile Communications Services Subscriptions

Number of Subscriptions



Net Increase

	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4-6	2019 7-9	2019 10-12	2020 1-3
5G+LTE(Xi)+ FOMA	+376	+304	+467	+935	+443	+307	+467	+656
	+2,083			+1,873				



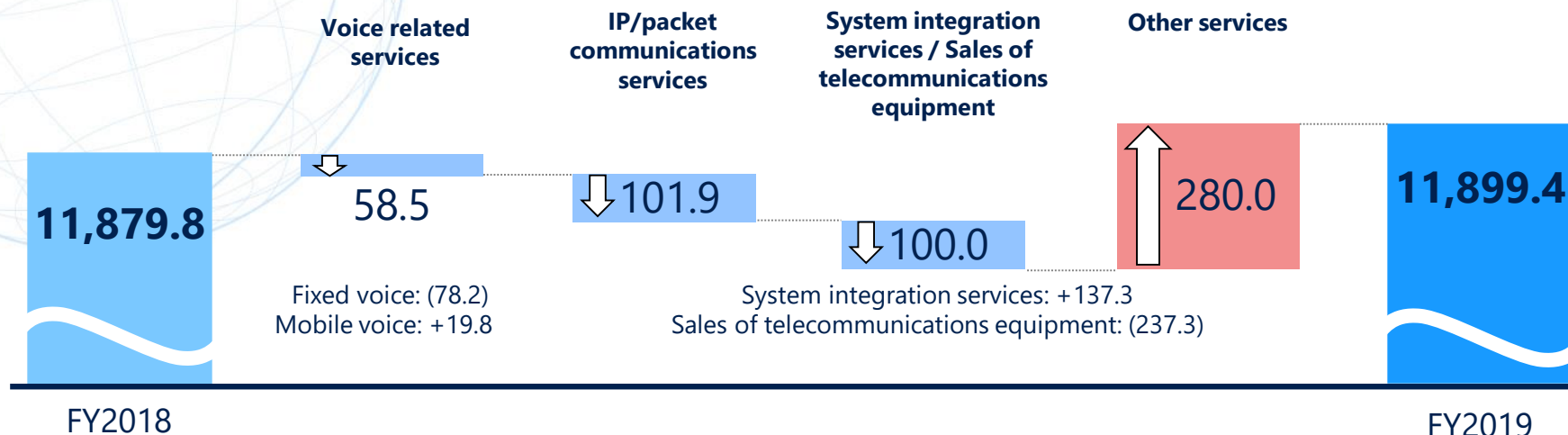
Financial Information

Details of Consolidated Statement of Income

(Billions of yen)

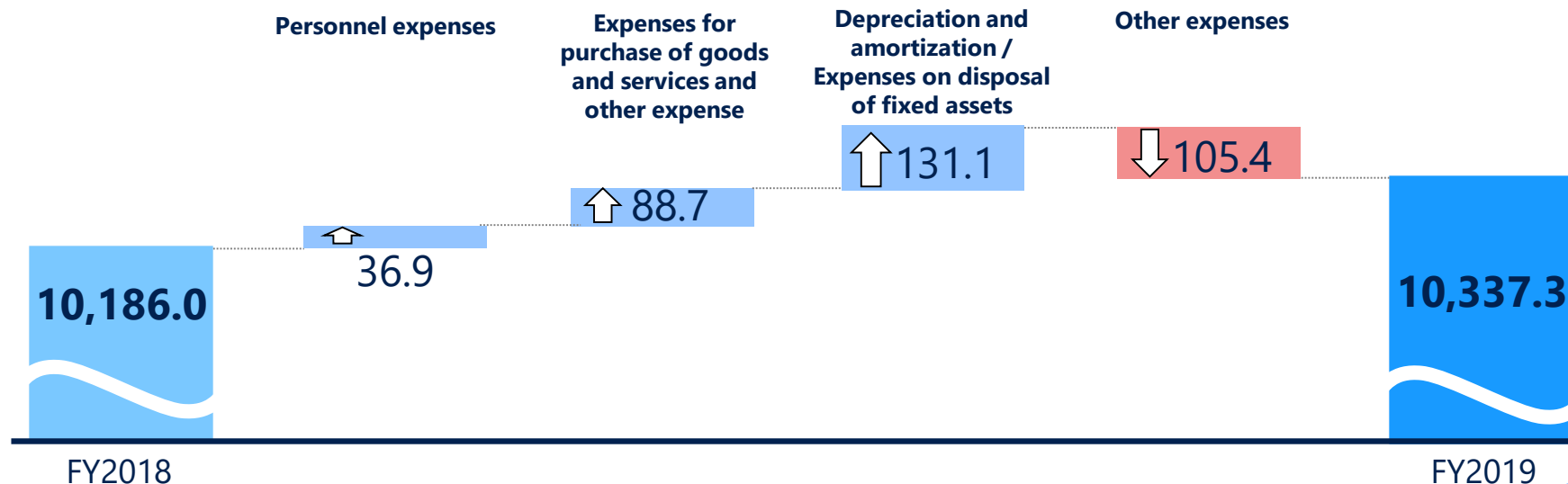
Operating Revenues

<Year-on-year: +19.6>



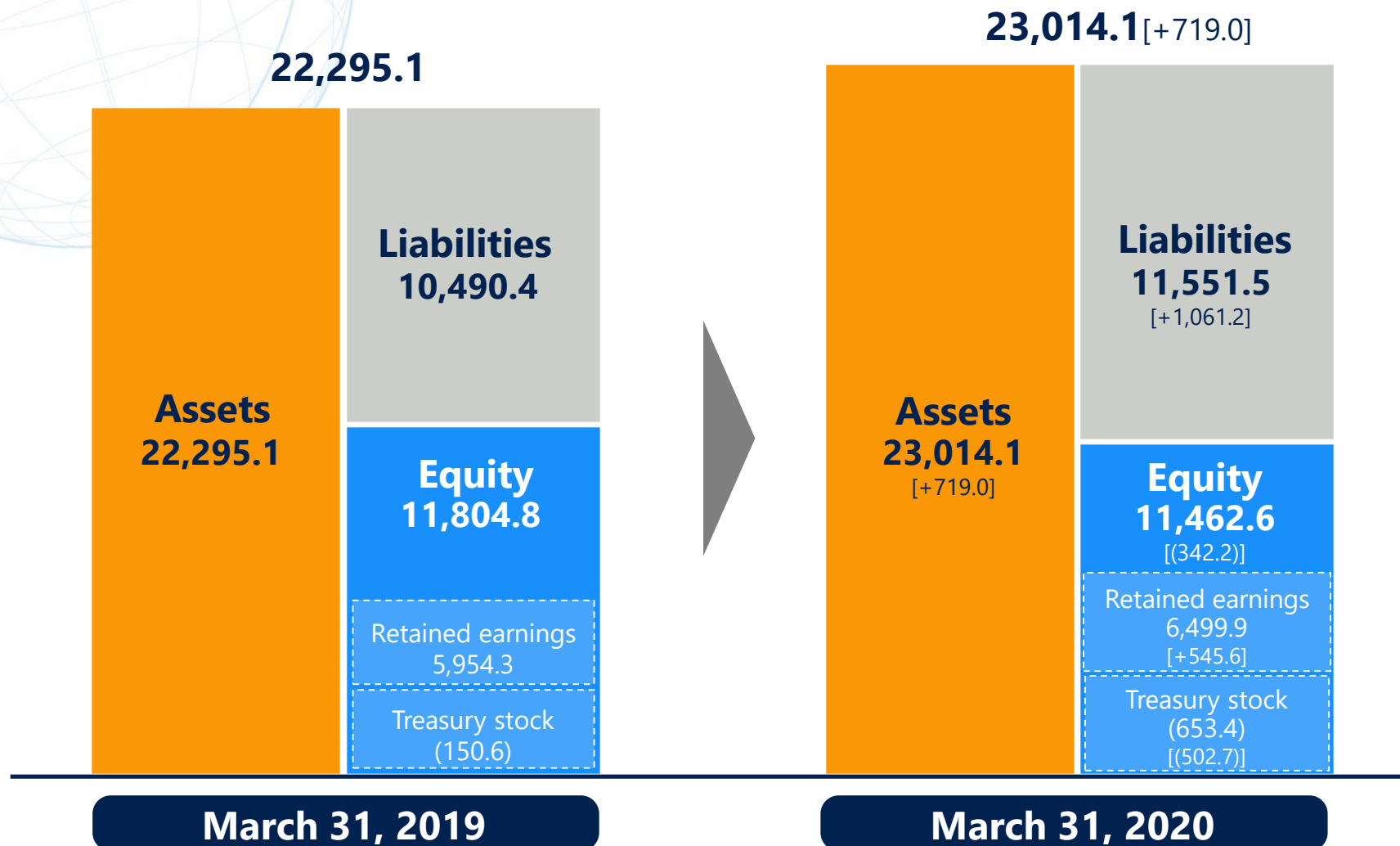
Operating Expenses

<Year-on-year: +151.3>



Details of Consolidated Balance Sheet

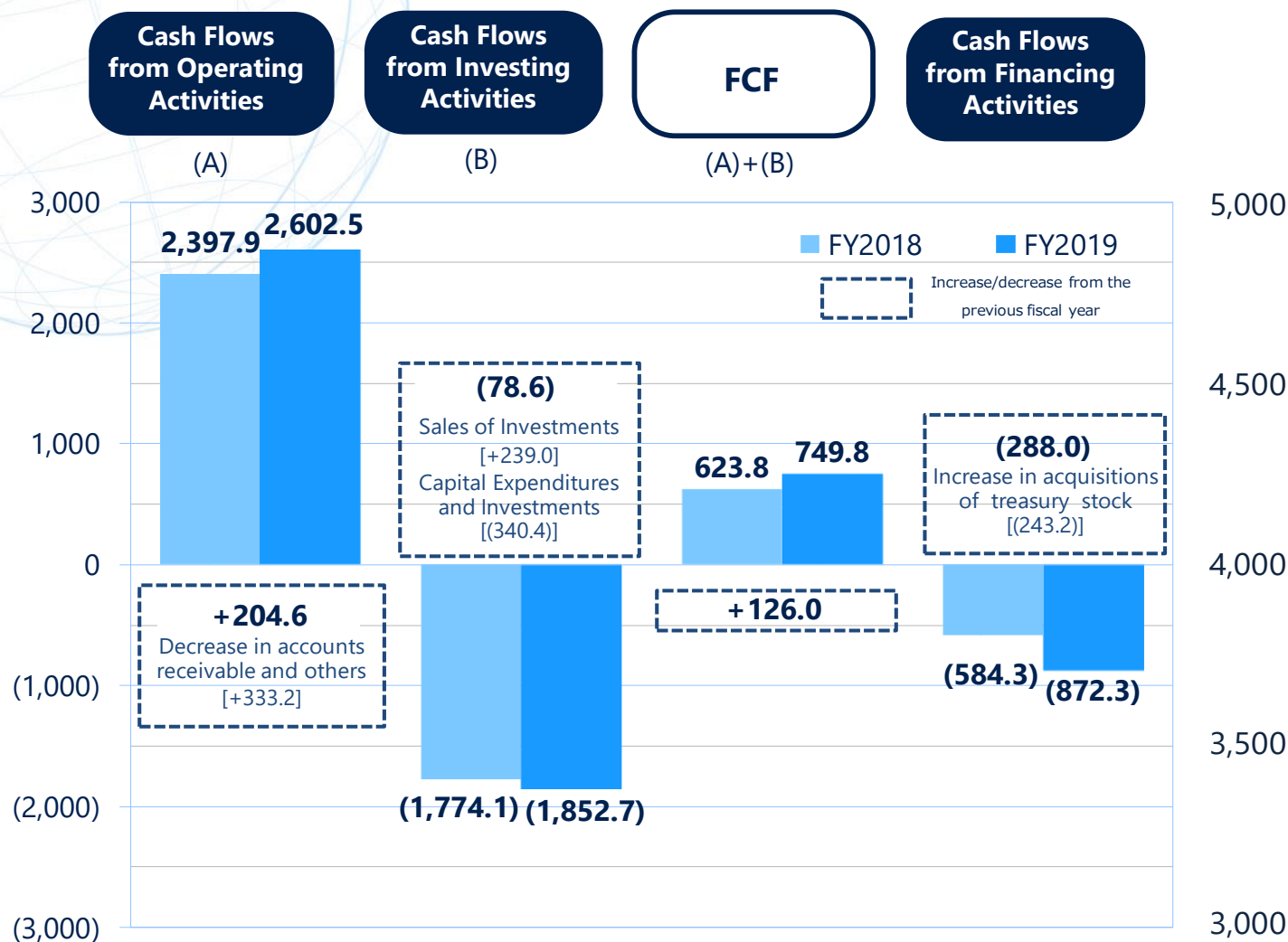
(Billions of yen)



Note: For FY2019, as a result of the impact caused by the adoption of IFRS 16 (Leases), assets as of the beginning of the period increased by ¥524.4 billion yen and liabilities increased by ¥517.4 billion yen.

Details of Consolidated Cash Flows

(Billions of yen)

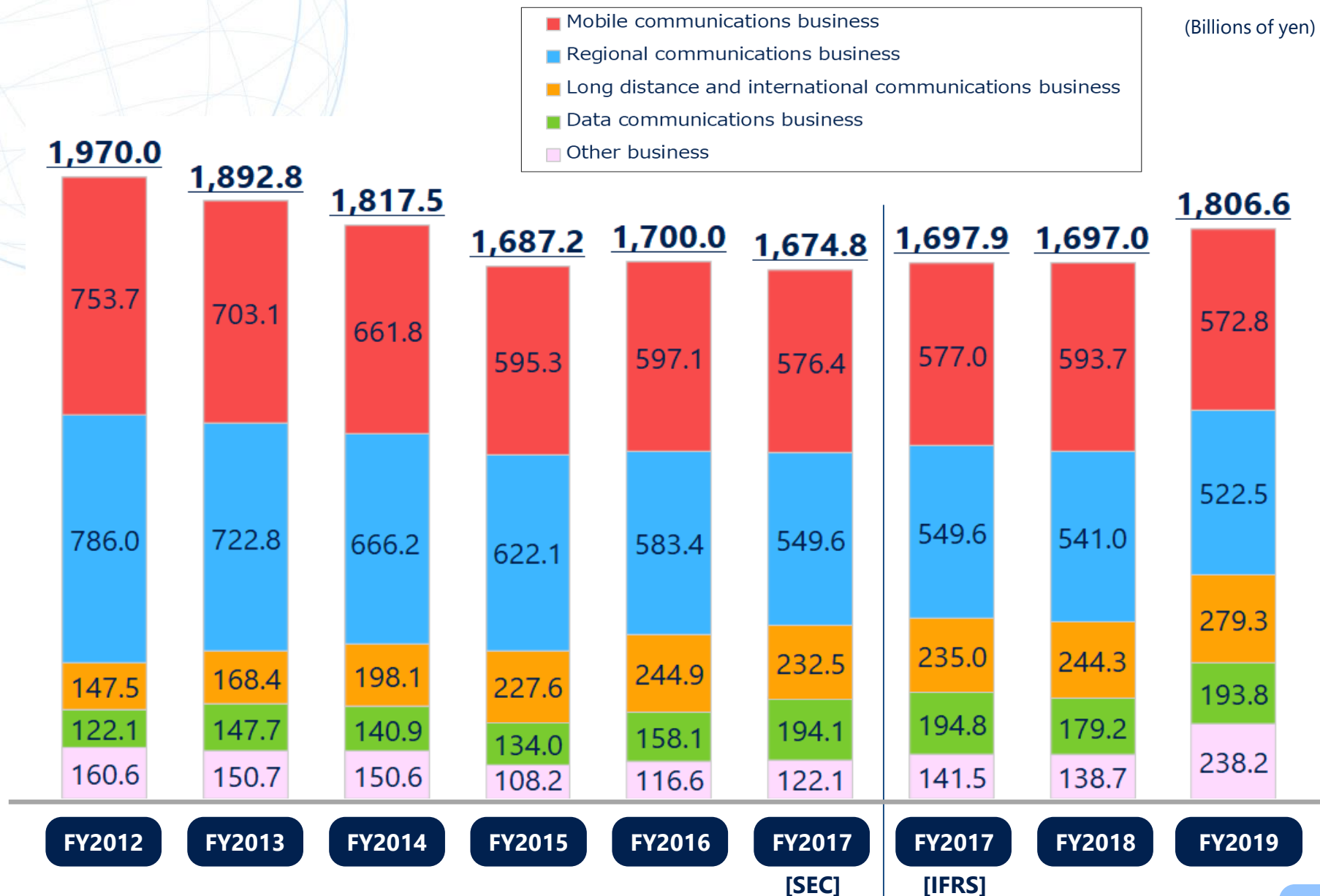


Note1: Amount excluding the impact of the last day of FY2018 having been non-business day

Note2: Amount excluding the impact on cash flows from operating and financing activities caused by the adoption of IFRS16(Leases) beginning in FY2019

Details of Capital Investment

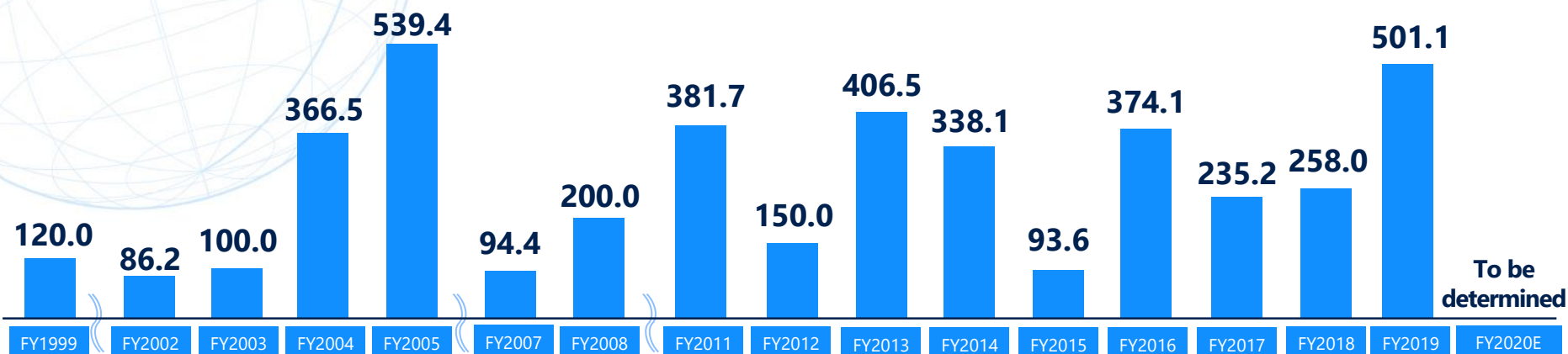
(Billions of yen)



Shareholder Returns

Share Buybacks

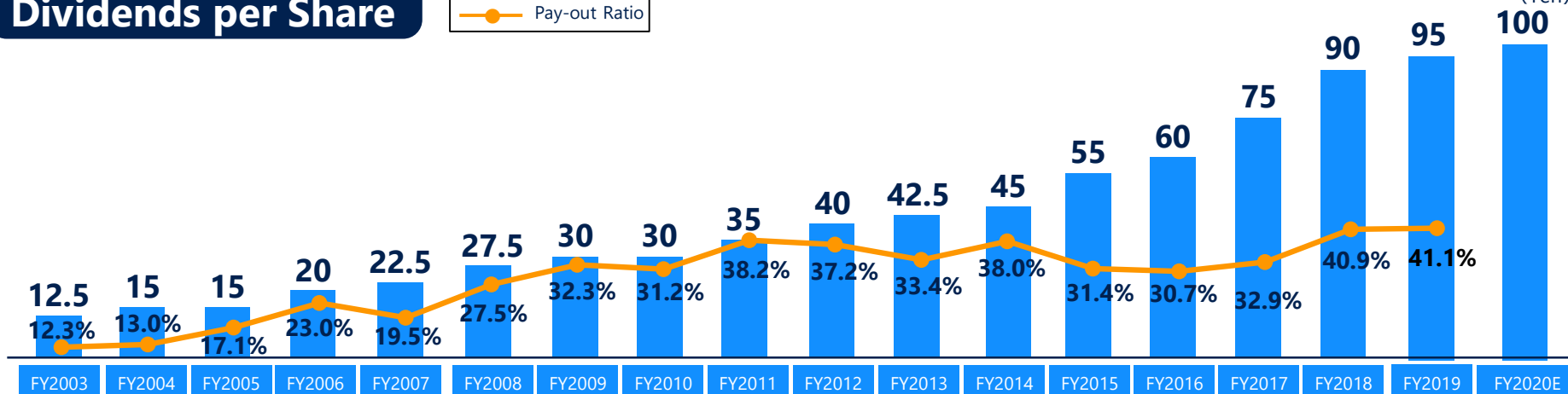
(Billions of yen)



Dividends per Share

Pay-out Ratio

(Yen)



Note1: Dividends have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015 and January 1, 2020.

Note2: The pay-out ratio for FY2020E has not been calculated as the FY2020 financial forecasts has yet to be determined.

Note3: U.S. GAAP was applied for periods up to and including FY2017, and IFRS has been applied for periods from and including FY2018.



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