

(2) Qualitative Information Relating to Consolidated Financial Position

Net cash provided by operating activities for the six-month period ended September 30, 2016 increased ¥121.1 billion (9.5%) from the same period of the previous fiscal year to ¥1,390.4 billion. This increase was due to, among other factors, an increase in operating income.

Net cash used in investing activities decreased ¥42.9 billion (4.7%) from the same period of the previous fiscal year to ¥876.5 billion. This decrease was due to, among other factors, a decrease in capital investments.

Net cash used in financing activities increased ¥371.4 billion (194.4%) from the same period of the previous fiscal year to ¥562.4 billion. This increase was due to, among other factors, an increase in stock repurchases by NTT and an increase in stock repurchases by NTT's subsidiaries.

As a result of the above, NTT Group's consolidated cash and cash equivalents as of September 30, 2016 totaled ¥1,014.5 billion, a decrease of ¥73.8 billion (6.8%) from the end of the previous fiscal year.

	(Billions of yen)			
	Six Months Ended September 30, 2015	Six Months Ended September 30, 2016	Change	Percent Change
Cash flows provided by operating activities	1,269.4	1,390.4	121.1	9.5 %
Cash flows used in investing activities	(919.5)	(876.5)	42.9	4.7 %
Cash flows used in financing activities	(191.0)	(562.4)	(371.4)	(194.4)%

(3) Qualitative Information Relating to Consolidated Results Forecasts

In May 2015, NTT Group adopted and announced its Medium-Term Management Strategy, entitled "Towards the Next Stage 2.0," and implemented measures to embark on a profit growth track by accelerating its self-transformation as a "Value Partner." At the same time, NTT Group proactively launched efforts to further promote the B2B2X model. As a result, NTT Group has revised the forecasts for its financial results as follows.

The forecast for NTT Group's operating revenues has been revised downward by ¥40.0 billion from the initial forecast to ¥11,410.0 billion, due to, among other factors, the effects of yen appreciation on foreign exchange rates, partially offset by the increase in revenues expected from the expansion of overseas business.

On the other hand, the forecast for NTT Group's operating income has been revised upward by ¥40.0 billion from the initial forecast to ¥1,470.0 billion due to, among other factors, first-half results in its domestic business.

For the assumptions used in the consolidated results forecasts and other related matters, please see page 23.