

4. Operating Data

Number of Subscribers

(in thousands except for Public Telephones)

	A		B		C		D		[Ref.]
	As of	As of	As of	As of	As of	As of	As of	As of	
	March 31, 2016	June 30, 2016	September 30, 2016	September 30, 2016	March 31, 2017 (Revised Forecast)	March 31, 2017 (Previously Announced Forecast)			
			E		F				
			Change	Progress	Change				
			C-A	E/F	D-A				
Telephone Subscriber Lines ⁽¹⁾	19,943	19,671	19,413	(529)	47.7%	18,833	(1,110)	18,833	
NTT East	9,875	9,740	9,617	(258)	59.9%	9,445	(430)	9,445	
NTT West	10,068	9,931	9,796	(272)	40.0%	9,388	(680)	9,388	
INS-Net ⁽²⁾	2,776	2,719	2,661	(115)	46.9%	2,531	(245)	2,531	
NTT East	1,414	1,384	1,356	(59)	49.0%	1,294	(120)	1,294	
NTT West	1,361	1,334	1,305	(56)	44.8%	1,236	(125)	1,236	
Telephone Subscriber Lines + INS-Net	22,718	22,390	22,074	(644)	47.5%	21,363	(1,355)	21,363	
NTT East	11,289	11,125	10,973	(316)	57.5%	10,739	(550)	10,739	
NTT West	11,429	11,265	11,102	(328)	40.7%	10,624	(805)	10,624	
Public Telephones	171,179	168,673	166,120	(5,059)	58.9%	162,589	(8,590)	162,589	
NTT East	78,199	76,511	74,846	(3,353)	47.9%	71,199	(7,000)	71,199	
NTT West	92,980	92,162	91,274	(1,706)	107.3%	91,390	(1,590)	91,390	
FLET'S ISDN	85	83	81	(4)	72.1%	79	(6)	79	
NTT East	37	36	35	(2)	197.1%	36	(1)	36	
NTT West	48	47	46	(2)	47.0%	43	(5)	43	
FLET'S ADSL	1,053	1,019	987	(66)	41.9%	896	(157)	896	
NTT East	475	459	444	(31)	52.4%	415	(60)	415	
NTT West	577	560	543	(34)	35.5%	480	(97)	480	
FLET'S Hikari (including Hikari Collaboration Model) ⁽³⁾⁽⁴⁾⁽⁵⁾	19,259	19,520	19,704	445	63.5%	19,959	700	19,859	
NTT East	10,666	10,839	10,958	291	72.8%	11,066	400	10,966	
NTT West	8,593	8,681	8,746	153	51.2%	8,893	300	8,893	
(incl.) Hikari Collaboration Model	4,691	5,912	6,917	2,226	57.8%	8,541	3,850	8,241	
NTT East	3,077	3,781	4,337	1,260	58.6%	5,227	2,150	5,127	
NTT West	1,615	2,131	2,580	966	56.8%	3,315	1,700	3,115	
Hikari Denwa ⁽⁶⁾	17,374	17,451	17,545	170	85.2%	17,574	200	17,474	
NTT East	9,123	9,180	9,242	120	59.8%	9,323	200	9,223	
NTT West	8,252	8,271	8,302	51	-	8,252	-	8,252	
Conventional Leased Circuit Services	232	231	229	(4)	48.0%	224	(8)	224	
NTT East	113	112	111	(2)	50.1%	109	(4)	109	
NTT West	120	118	118	(2)	46.0%	116	(4)	116	
High Speed Digital Services	115	114	112	(3)	21.2%	99	(16)	99	
NTT East	59	58	57	(2)	38.5%	54	(5)	54	
NTT West	56	56	55	(1)	13.4%	45	(11)	45	
NTT Group Major ISPs ⁽⁷⁾	11,411	11,360	11,328	(82)	57.0%	11,266	(145)	10,951	
(incl.) OCN	8,046	7,969	7,905	(141)	61.5%	7,817	(229)	7,544	
(incl.) Plala	3,005	3,024	3,047	42	76.2%	3,060	55	3,030	
Hikari TV	3,052	3,047	3,041	(11)	-	3,060	8	3,060	
FLET'S TV Transmission Services ⁽⁸⁾	1,432	1,445	1,464	32	132.8%	1,456	24	1,456	
NTT East	910	917	926	16	163.5%	920	10	920	
NTT West	522	528	538	16	110.8%	536	14	536	
Mobile ⁽⁸⁾	70,964	71,614	72,943	1,980	51.6%	74,800	3,836	75,300	
(incl.) "Kake-hodai & Pake-aeru" billing plan	29,704	31,586	33,416	3,712	-	-	-	-	
LTE ("Xi")	38,679	39,893	41,281	2,603	40.5%	45,100	6,421	44,600	
FOMA	32,285	31,721	31,662	(623)	24.1%	29,700	(2,585)	30,700	
sp-mode	32,463	33,082	33,809	1,346	39.2%	35,900	3,437	35,100	
i-mode	18,770	18,136	17,416	(1,354)	40.2%	15,400	(3,370)	16,500	

Notes: (1) Number of Telephone Subscriber Lines is the total of individual lines and central station lines (Subscriber Telephone Light Plan is included).

(2) "INS-Net" includes "INS-Net 64" and "INS-Net 1500." In terms of number of channels, transmission rate, and line use rate (base rate), "INS-Net 1500" is in all cases roughly ten times greater than "INS-Net 64." For this reason, one "INS-Net 1500" subscription is calculated as ten "INS-Net 64" subscriptions (including subscriptions to the "INS-Net 64 Lite Plan").

(3) Number of "FLET'S Hikari (including Hikari Collaboration Model)" subscribers includes subscribers to "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, subscribers to "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 subscribers to the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.

(4) The comparative results for the six months ended September 30, 2016 compared to the year ended March 31, 2016 for "FLET'S Hikari (including Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West were 836 thousand lines and 599 thousand lines, respectively, for a total of 1,435 thousand lines; the numbers of new subscribers (excluding switchover lines) for the "Hikari Collaboration Model" for NTT East and NTT West were 565 thousand lines and 390 thousand lines, respectively, for a total of 954 thousand lines; and the numbers of switchover lines for NTT East and NTT West were 872 thousand lines and 669 thousand lines, respectively, for a total of 1,541 thousand lines.

(5) The comparative forecast "As of March 31, 2017 (Revised Forecast)" for the year ending March 31, 2017 compared to the results for the year ended March 31, 2016 for "FLET'S Hikari (including Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West are expected to be 1,550 thousand lines and 1,150 thousand lines, respectively, for a total of 2,700 thousand lines; the numbers of new subscribers (excluding switchover lines) for the "Hikari Collaboration Model" for NTT East and NTT West are expected to be 1,000 thousand lines and 700 thousand lines, respectively, for a total of 1,700 thousand lines; and the numbers of switchover lines for NTT East and NTT West are expected to be 1,500 thousand lines and 1,200 thousand lines, respectively, for a total of 2,700 thousand lines.

(6) Numbers of subscribers for "Hikari Denwa" and "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

(7) "NTT Group Major ISPs" includes "WAKWAK" and "InfoSphere," in addition to "OCN" and "Plala."

(8) Number of Mobile (including "LTE (Xi)" and "FOMA") telecommunications service subscribers includes communication module service subscribers.

4. Operating Data

Average Monthly Revenue per Unit (ARPU)

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to each designated service on a per user basis. In the case of NTT Group's fixed-line business, ARPU is calculated by dividing revenue items included in the operating revenues of NTT Group's regional communications business segment, that is, fixed-line (telephone subscriber lines and INS-NET) and FLET'S Hikari, by the number of active subscribers to the relevant services.

In the case of NTT Group's mobile communications business, ARPU is calculated by dividing revenue items included in operating revenues from its mobile communications business segment, such as revenues from LTE("X") mobile phone services, FOMA mobile phone services and "docomo Hikari" services, that are incurred consistently each month, by the number of active users to the relevant services. The calculation of these figures excludes revenues that are not representative of monthly average usage, such as telecommunications equipment sales, activation fees and universal service charges.

NTT believes that its ARPU figures calculated in this way provide useful information regarding the monthly average usage of its subscribers. The revenue items included in the numerators of NTT Group's ARPU figures are based on its financial results comprising its U.S. GAAP results of operations.

	(Yen)											
	Three Months		Three Months		Six Months		Six Months		Year Ended		Year Ending	[Ref.]
	Ended June 30, 2016 (From April to June 2016)	Ended September 30, 2016 (From July to September 2016)	Ended September 30, 2015 (From April to September 2015)	Ended September 30, 2016 (From April to September 2016)	March 31, 2016	March 31, 2017 (Revised Forecast)	March 31, 2017 (Previously Announced Forecast)					
NTT East ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾												
Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines)	2,620	2,620	2,660	2,620	2,650	2,600	2,600					
FLET'S Hikari ARPU ⁽⁶⁾	5,340	5,280	5,570	5,310	5,510	5,270	5,270					
Basic Monthly Charge	3,750	3,720	3,860	3,730	3,830	3,700	3,700					
Optional Services	1,590	1,560	1,710	1,580	1,680	1,570	1,570					
NTT West ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾												
Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines)	2,580	2,580	2,610	2,580	2,610	2,570	2,570					
FLET'S Hikari ARPU ⁽⁶⁾	5,350	5,300	5,520	5,330	5,470	5,250	5,250					
Basic Monthly Charge	3,640	3,620	3,750	3,640	3,720	3,580	3,580					
Optional Services	1,710	1,680	1,770	1,690	1,750	1,670	1,670					
NTT DOCOMO ⁽⁷⁾⁽⁸⁾⁽⁹⁾												
Aggregate ARPU	4,330	4,420	4,100	4,380	4,170	4,430	4,390					
Voice ARPU (LTE("X")+FOMA)	1,240	1,250	1,180	1,240	1,210	1,250	1,240					
Data ARPU	3,090	3,170	2,920	3,140	2,960	3,180	3,150					
Packet ARPU (LTE("X")+FOMA)	2,960	2,990	2,890	2,980	2,910	2,980	2,980					
"docomo Hikari" ARPU	130	180	30	160	50	200	170					

Notes: (1) We compute the following two categories of ARPU for business conducted by each of NTT East and NTT West.

- Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines): Calculated based on revenues from monthly charges and call charges for Telephone Subscriber Lines and INS-NET Subscriber Lines, which are included in operating revenues from Voice Transmission Services (excluding IP Services), and revenues from "FLET'S ADSL" and "FLET'S ISDN," which are included in operating revenues from IP Services.

- FLET'S Hikari ARPU: Calculated based on revenues from "FLET'S Hikari" (including "FLET'S Hikari" optional services), which are included in operating revenues from IP Services, revenues from monthly charges, call charges and connection device charges for "Hikari Denwa," and revenues from "FLET'S Hikari" optional services, which are included in Supplementary Business revenues.

- "FLET'S Hikari" 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, and "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. In addition, "FLET'S Hikari" also includes the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.

- "FLET'S Hikari" Optional Services includes wholesale services provided to service providers by NTT East and NTT West.

(2) Revenues from interconnection charges are excluded from the calculation of Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines) and FLET'S Hikari ARPU.

(3) Numbers of active subscribers used in the ARPU calculation of NTT East and NTT West are as below.

- Quarterly Results: Sum of number of active subscribers* for each month in the relevant quarter
- Six-month Results (from April to September): Sum of number of active subscribers* for each month from April to September
- FY Results: Sum of number of active subscribers* for each month from April to March
- FY Forecast (Previously Announced Forecast): Sum of the average expected active number of subscribers during the fiscal year ((number of subscribers at March 31, 2016 + number of expected subscribers at March 31, 2017) / 2)
- FY Forecast (Revised Forecast): Sum of number of active subscribers* for each month from April to September and sum of the average expected active number of subscribers* for each month from October to March

*active subscribers = (number of subscribers at end of previous month + number of subscribers at end of the current month)

(4) For purposes of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), the number of subscribers is determined based on the number of subscriptions for fixed-line services (Telephone Subscriber Lines + INS-NET Subscriber Lines).

(5) In terms of number of channels, transmission rate, and line use rate (base rate), INS-Net 1500 is in all cases roughly ten times greater than INS-Net 64. For this reason, for the purpose of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), one INS-Net 1500 subscription is calculated as ten INS-Net 64 subscriptions.

(6) For purposes of calculating FLET'S Hikari ARPU, the number of subscribers is determined based on the number of FLET'S Hikari subscribers, which includes subscribers to "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, subscribers to "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 the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.

(7) The following is the formula we use to compute ARPU for NTT DOCOMO.

- Aggregate ARPU = Voice ARPU + Packet ARPU + "docomo Hikari" ARPU
- Voice ARPU: Voice ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users
- Packet ARPU: Packet ARPU Related Revenues (basic monthly charges, packet communication charges) / No. of active users
- "docomo Hikari" ARPU: "docomo Hikari" ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users

(8) Numbers of active users used in the ARPU calculation of NTT DOCOMO are as below.

- Quarterly Results: Sum of number of active users* for each month in the relevant quarter
- Six-month Results (from April to September): Sum of number of active users* for each month from April to September
- FY Results/FY Forecast (Previously Announced Forecast/Revised Forecast): Sum of number of active users*/expected number of active users* for each month from April to March
- *active users = (number of users at end of previous month + number of users at end of current month)

(9) The number of "users" used to calculate ARPU is the total number of subscriptions, excluding the subscriptions listed below:

- Subscriptions to communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs); and
- Data Plan subscriptions which the customer contracting for such subscription in his/her name also has a subscription for services in his/her name.

Note that revenues from communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs) are not included in ARPU calculations.

4. Operating Data

Number of Employees

					(Persons)
	A	B		C	[Ref.]
	As of	As of		As of	As of
	September 30, 2015	September 30, 2016		March 31, 2017	March 31, 2017
			<i>Change</i>	(Revised Forecast)	(Previously
			<i>B-A</i>		Announced
					Forecast)
NTT Consolidated	249,450	248,650	(800)	271,600	245,950
Regional communications business	72,500	67,300	(5,200)	62,250	62,300
Long distance and international communications business	44,450	44,450	0	44,600	47,000
Mobile communications business	26,500	27,450	950	26,900	27,050
Data communications business	80,150	84,000	3,850	113,050	84,950
Other business	25,850	25,450	(400)	24,800	24,650
Core Group Companies					
NTT (Holding Company)	2,850	2,800	(50)	2,750	2,750
NTT East	5,150	4,950	(200)	4,750	4,700
NTT West	4,600	4,450	(150)	4,400	4,400
NTT Communications	6,550	6,450	(100)	6,350	6,450
NTT DOCOMO (Consolidated)	26,500	27,450	950	26,900	27,050
NTT DATA (Consolidated)	80,150	84,000	3,850	113,050	84,950