



Financial Results for the Six Months Ended September 30, 2019

November 5, 2019

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.
- *** "2Q" in this material represents the six-month period beginning on April 1 and ending on September 30.

- **Overview of Consolidated Results**
 - **Status of Consolidated Results for FY2019.2Q**
 - **Contributing Factors by Segment for FY2019.2Q**
- **Financial Results Forecast**
- **Topics**
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Overview of Consolidated Results

Status of Consolidated Results for FY2019.2Q

- Operating Revenues increased and Operating Income decreased
- Operating Revenues reached record second-quarter levels

Status of Consolidated Results

● Operating Revenues:	¥5,889.6B	< +¥96.4B [+1.7%] year-on-year >
● Operating Income:	¥982.8B	< (¥87.9B) [(8.2%)] year-on-year >
● Profit*:	¥547.7B	< (¥12.1B) [(2.2%)] year-on-year >
<hr/>		
● Overseas Sales**:	\$9.8B	< +\$0.5B [+4.9%] year-on-year >
● Overseas Operating Income Margin** :	2.1%	< (0.9 pt) year-on-year >

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

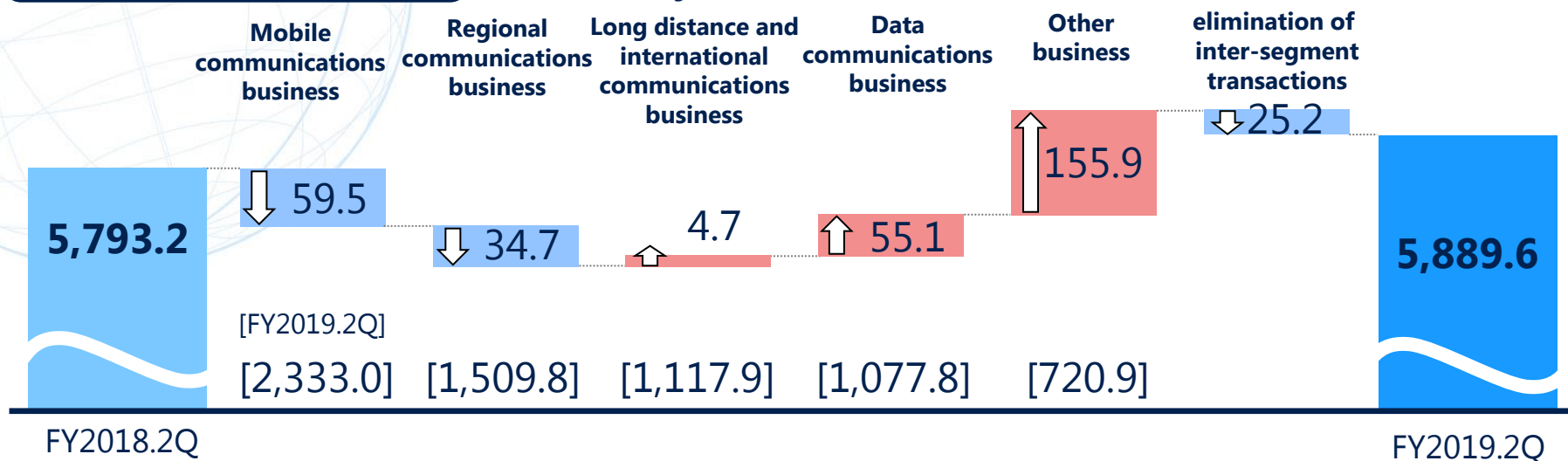
** Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

Contributing Factors by Segment for FY2019.2Q

Operating Revenues

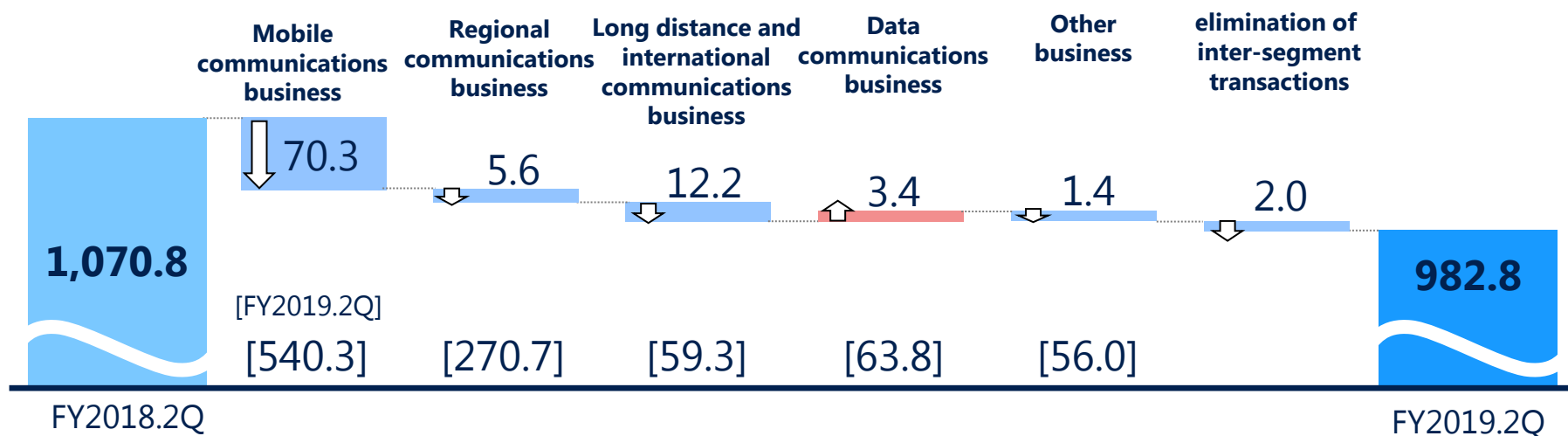
<Year-on-year: +96.4>

(Billions of yen)



Operating Income

<Year-on-year: (87.9)>





Financial Results Forecast

Financial Results Forecast for FY2019

- Operating Revenues forecast has been revised upward
- Operating Income forecast remains same as initial forecast

Plan for Consolidated Revenues and Income

	Initial Forecast (announced on May 10, 2019)	Financial Results Forecast (announced on November 5, 2019)	Change from Initial Forecast
Operating Revenues	¥11,830.0B	¥11,890.0B	+¥60.0B
Operating Income	¥1,550.0B	¥1,550.0B	±¥0.0B
Profit*	¥855.0B	¥855.0B	±¥0.0B

* Profit represents net income attributable to NTT, excluding noncontrolling interests.



Topics

~Support Our Customers' Digital Transformations~

Promote B2B2X Model

	As of the end of FY2019.2Q (September 30, 2019)	As of the time of announcement of "Your Value Partner 2025" (October 31, 2018)
● Number of B2B2X Projects:	54 (+41)	13
● Supported the offering of a new lending service for financial institutions		
• Offered the "DOCOMO Lending Platform" (NTT DOCOMO, August 29, 2019)		
● Supported VOC (voice of customer) data analysis for the contact center industry		
• Offered the "Q&A Generator" and "Advanced FAQ Consulting Services" (NTT West, September 10, 2019)		

Roll Out 5th-Generation Wireless System

- **Launched 5G pre-commercial services in anticipation of launching 5G commercial services in the spring of 2020 (NTT DOCOMO, September 20, 2019)** 
- **At the Rugby World Cup 2019™ Japan, provided multi-angle viewing at eight venues nationwide and high-presence live viewing from separate venues**
- **Early area expansion in anticipation of full commercialization**
 - **Accelerated expansion in order to reach 47 prefectures by the end of June 2020 and 10,000 stations deployed by the end of June 2021**

Enhance Competitiveness in Global Business (1 of 2)

- **Promoted rebranding at NTT Ltd. to further expand the NTT brand globally**
 - **Changed the logo of overseas subsidiaries to an NTT logo (October 1, 2019)**
 - **Started changing company names in each region to names that include “NTT” (anticipated to be completed in December 2019)**
- **Accelerate transformation to high-value-added managed services at NTT Ltd.**
- **Promoted the implementation of unified ERP to further enhance group management (integration anticipated to be completed in FY2021)**
- **Extended partnerships with worldwide sports organizations (see the following slide for reference)**

Enhance Competitiveness in Global Business (2 of 2)

- Entered into a technology partnership with Major League Baseball (MLB) (September 4, 2019)
 - Successfully delivered ultra-realistic live viewing with NTT's most advanced "Ultra Reality Viewing" technology (October 7, 2019)
- Strengthened NTT's branding and provided new fan experiences through worldwide sporting events including the IndyCar Series and the Tour de France



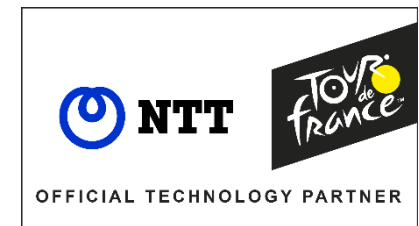
Live Viewing Arena at MLB Network Headquarters
(Postseason Game: Astros vs. Rays, October 7, 2019)



Official MLB Logo



Official IndyCar Series Logo



Official Tour de France Logo

Drive Self-Digital Transformation in Domestic Business

- Started the implementation of cloud-based IT system to automate operations for subscription, provisioning and billing of services (anticipated to be completed in FY2024*)

* Excludes certain services, including services expected to be terminated

- Promoted the implementation of integrated ERP to further enhance group management (anticipated to be completed in FY2023)

- Steadily promoted the adoption of RPA

	As of the end of FY2019.2Q (October 2019)	As of the time of announcement of "Your Value Partner 2025" (October 31, 2018)
• No. of Robot Adoptions:	17,000 (+42%)	12,000
• No. of Business Process Uses:	1,500 (3x)	500

Enhance and Globalize R&D

- **NTT, Intel and Sony acted as pioneers to establish the IOWN Global Forum and began recruiting partners (October 31, 2019)**
- **Promoted joint research with JAXA to provide for ultra-high-speed, large-capacity, secure optical and wireless communications infrastructure based on seamless ground-to-space links (November 5, 2019)**
- **Launched practical testing of DC power transmission in properties owned by NTT (NTT Anode Energy, scheduled for March 2020)**

Create New Lines of Business

- Will reorganize “NTT GEOSPACE CORPORATION,” which is developing a mapping business, under NTT InfraNet to help build a smart infrastructure platform (scheduled for December 2019)
- Appointed as an Executive Sponsor of the “Real Madrid Foundation Football School Japan” (NTT Urban Solutions, October 28, 2019)
 - Will promote a new style of urban solutions with the Real Madrid Foundation



Football
School



Contribute to Vitalization of Regional Societies and Economies

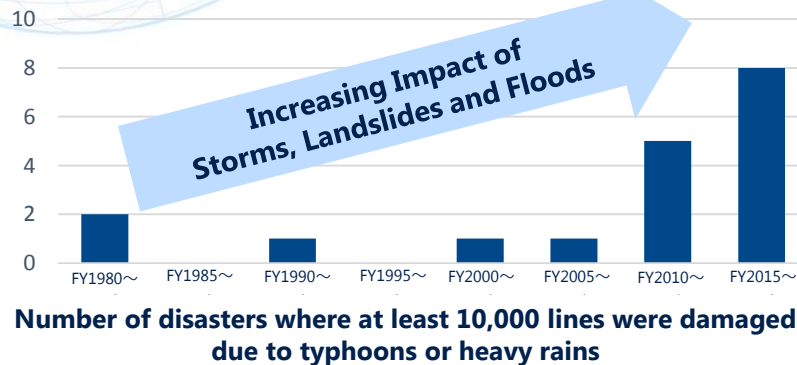
- **Launched the “IoT Temperature Management Service,” which automates measurement and management of temperatures, for factories and stores involved in food manufacturing (NTT East, September 30, 2019)**
- **Launched the “Regional Vitalization Cloud”* service for government agencies and universities, starting with the Kyoto area (NTT West, October 1, 2019)** *Shared cloud services for universities and government agencies
- **Expanded the use cases of digital archiving to preserve and pass on local cultural and artistic assets**
 - **Hosted the “Digital x Hokusai [Introduction]” experiential art exhibition as a concept demonstration venue (NTT East, November 1, 2019)**
- **Launched practical testing of special fraud countermeasures that utilize AI (August 30, 2019)**

Disaster Countermeasure Initiatives (1 of 2)

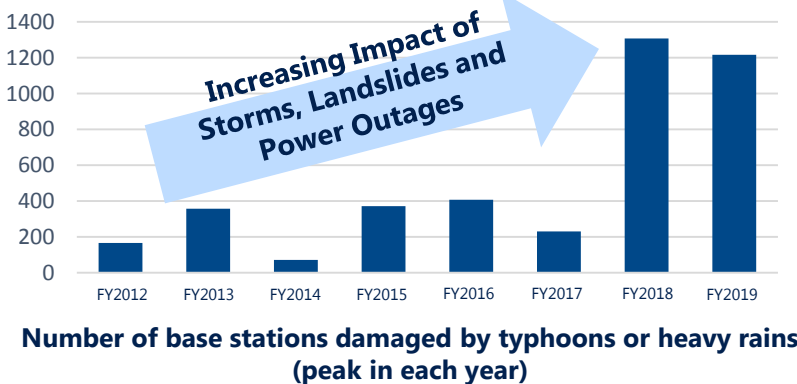
- There has been an increased impact from large-scale disasters due to the increased intensity of disaster energy in recent years

Increasing Impact on Communications Facilities and Services

Fixed Services



Mobile Services



FY2019 Disaster Impact and Long-Term Recovery


- Individual customer line failures
 - Large number of failures due to damage to telephone poles and cables caused by storms, landslides and other disasters

Disaster	Number of Failures		Recovery Period	(Repair of damaged pole)
Typhoon No. 15	Chiba	Approx. 35k	Ongoing; Started September 10*	
Typhoon No. 19 & Storms	Kanto, Koshin, Tohoku and others	Approx. 45k~		

* Generally recovered, other than in certain areas. Currently continuing to support local recovery efforts.

- Base station service interruptions

- Stoppages of base stations due to power outages caused by disasters (Approx. 70% power depletion)

Disaster	Number of Damaged Stations (Peak)	Recovery Period		(Power supplied by mobile power generation vehicle)
Typhoon No. 15	Chiba	1,093	10 days	
Typhoon No. 19	Kanto, Koshin, Tohoku and others	679	6 days	

Disaster Countermeasure Initiatives (2 of 2)

- **Promoted the strengthening of base stations and other equipment and the acceleration of recovery support, in light of the increasing impact on communications equipment and services and increasingly long recovery periods**

Future Disaster Countermeasures

- **Strengthening of Equipment**
 - **Expanding medium-zone base stations*** (plan to open over 2,000 stations nationwide by the end of FY2019)
* Base stations that are prepared as countermeasures to respond to disasters including power outages (lasting 24 hours or longer)
 - **Power outage countermeasures for base stations, using EVs**
 - **Centralized management and operation of mobile power generation vehicles owned by NTT Group (approximately 400 vehicles)**
 - **Discussions regarding moving cables underground due to the impact of natural disasters, wireless fixed telephone services, and other initiatives**
- **Acceleration of Recovery Support**
 - **Prepare recovery plans in advance, based on AI-generated damage forecasts** (including nationwide wide-area support systems)
 - **Enhance recovery systems and secure personnel** (implement reserve system with former employees)
 - **Strengthen support to customers affected by disasters** (installation of Wi-Fi and batteries in public telephone boxes, opened at 113 branches)

Completion of Share Buybacks

- **Share Buybacks: Completed share buybacks of ¥251.1 billion as authorized at the meeting of the board of directors held on August 6, 2019 (September 11, 2019)**
- **Total amount of share buybacks in FY2019: ¥501.1 billion**

Enhancement of Plans to Encourage Investments by Individual Investors

Description of Initiatives

- **Stock Split**
 - **Objective:** Lower the minimum investment price per unit of NTT, thereby facilitating an environment where it is easier to invest in NTT's shares and expanding NTT's investor base
 - **Stock Split Ratio:** Each share will be divided into two shares
 - **Record Date:** December 31, 2019
 - **Effective Date:** January 1, 2020
- **Distribution of "d POINT"**
 - **Objective:** Provide additional benefits to long-term holding of NTT's stock
 - **Qualifying Shareholders:** Shareholders of at least one unit (100 shares) of NTT's common stock, who have held NTT shares for periods of two years or five years (Initial distribution will be for shareholders of two or more years)
 - **Number of Points:** 1,500 points in the second year and 3,000 points in the fifth year (Initial distribution: 1,500 points to holders of two or more years but less than five years, and 4,500 points to holders of five or more years)
 - **Record Date:** March 31 (Initial record date of March 31, 2020)



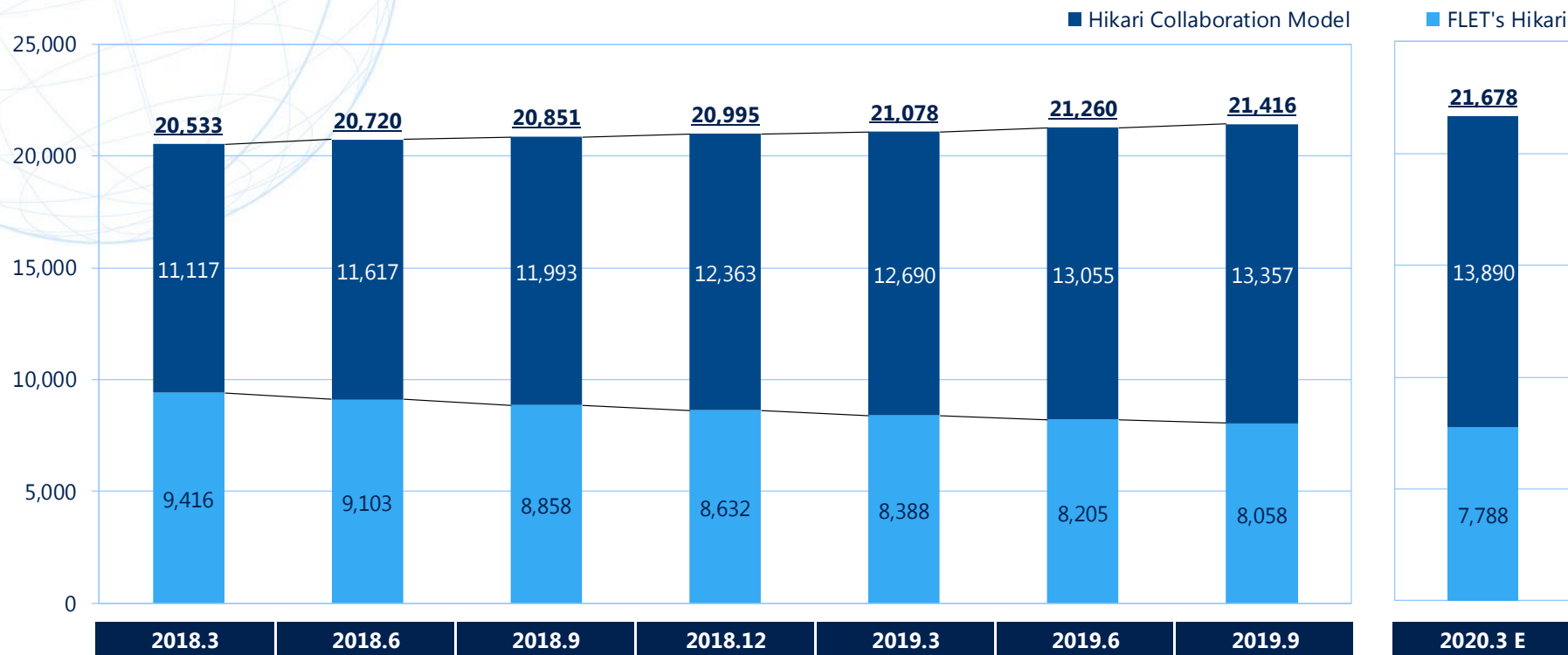
Appendix



Broadband Services

Fixed-Line Broadband Services Subscriptions

Number of Subscriptions



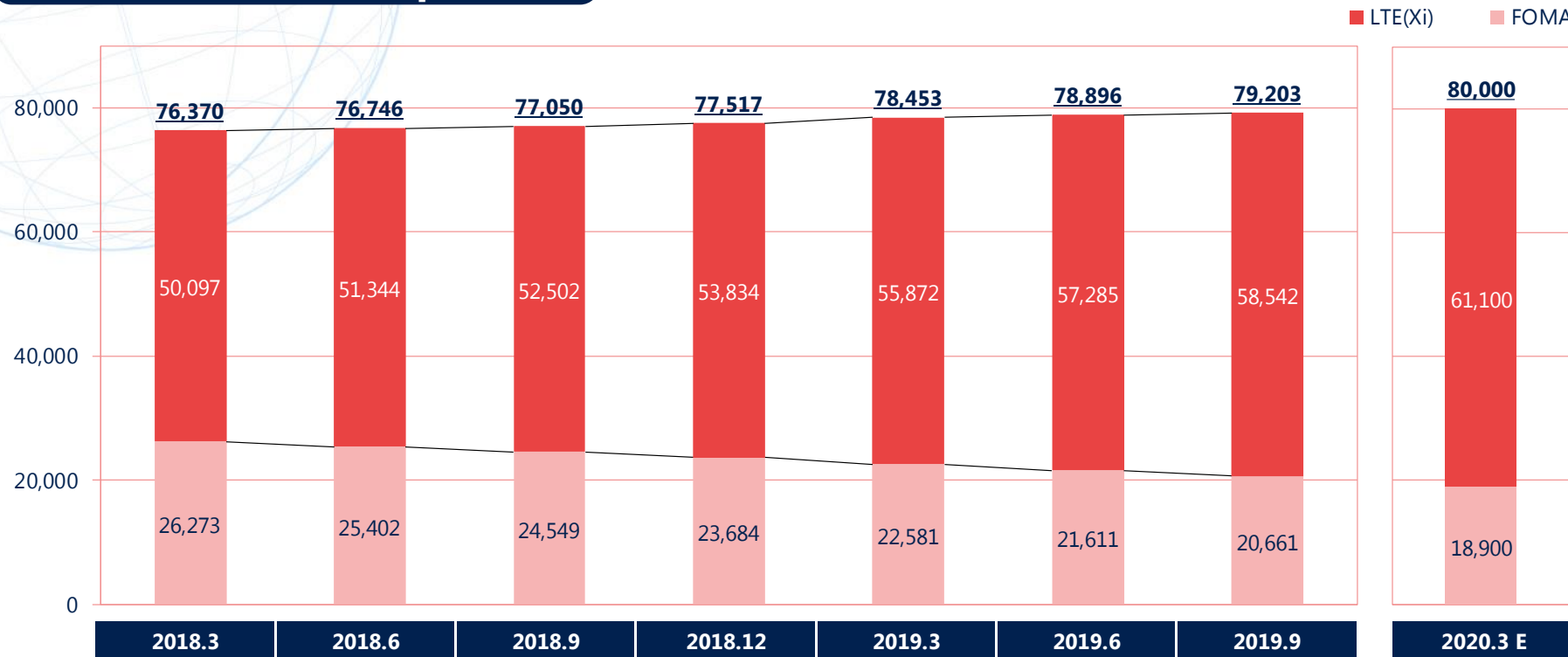
Net Increase

	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4-6	2019 7-9	2019 4 - 2020 3 E
Total	+187	+131	+144	+83	+182	+156	+600
	+545				+338		
Hikari Collaboration	+500	+376	+370	+327	+365	+302	+1,200
	+1,573				+667		
FLET'S Hikari	(313)	(245)	(226)	(244)	(183)	(146)	(600)
	(1,028)				(329)		

Mobile Communications 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 4 - 2020 3 E
LTE(Xi)+ FOMA	+376	+304	+467	+935	+443	+307	+1,500
	+2,083			+750			



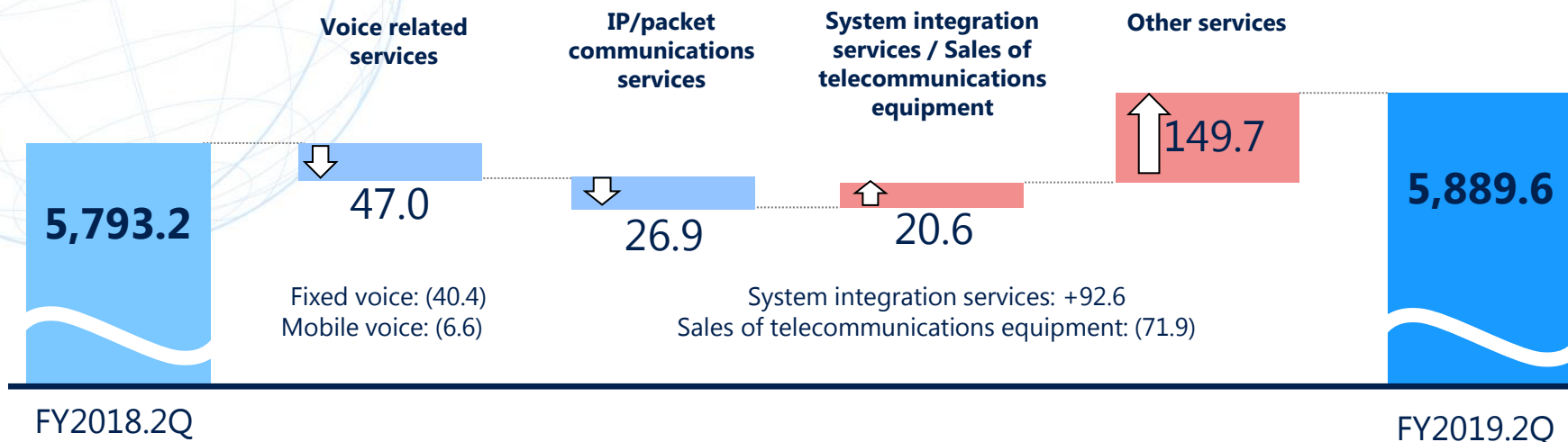
Financial Information

Details of Consolidated Statement of Income

(Billions of yen)

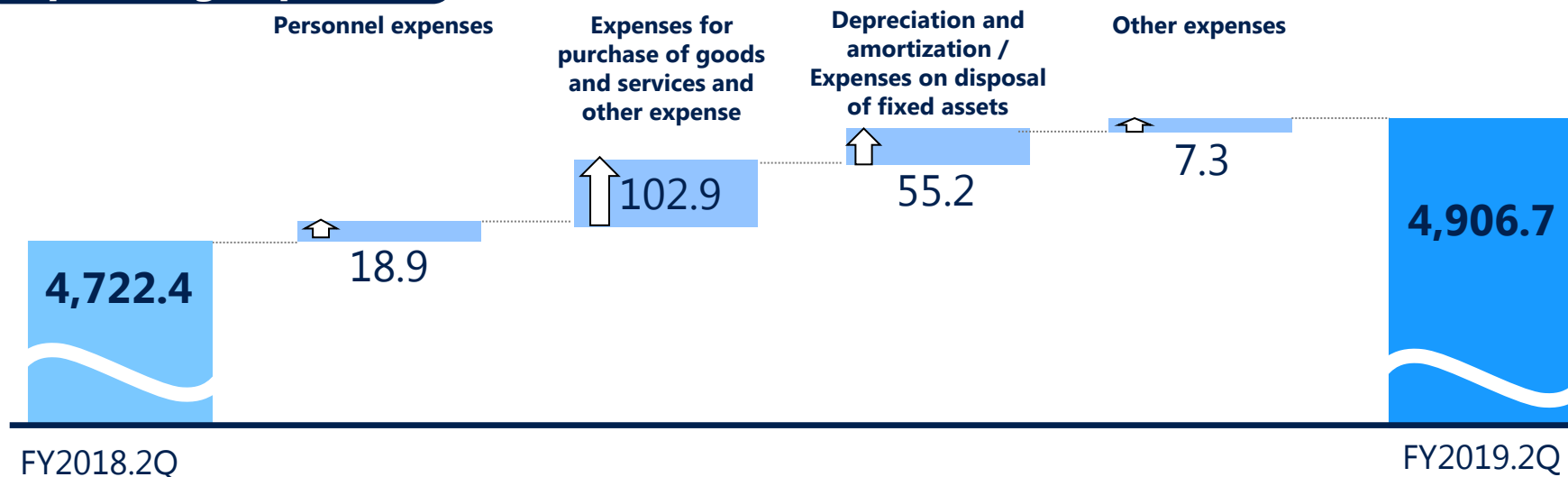
Operating Revenues

<Year-on-year: +96.4>



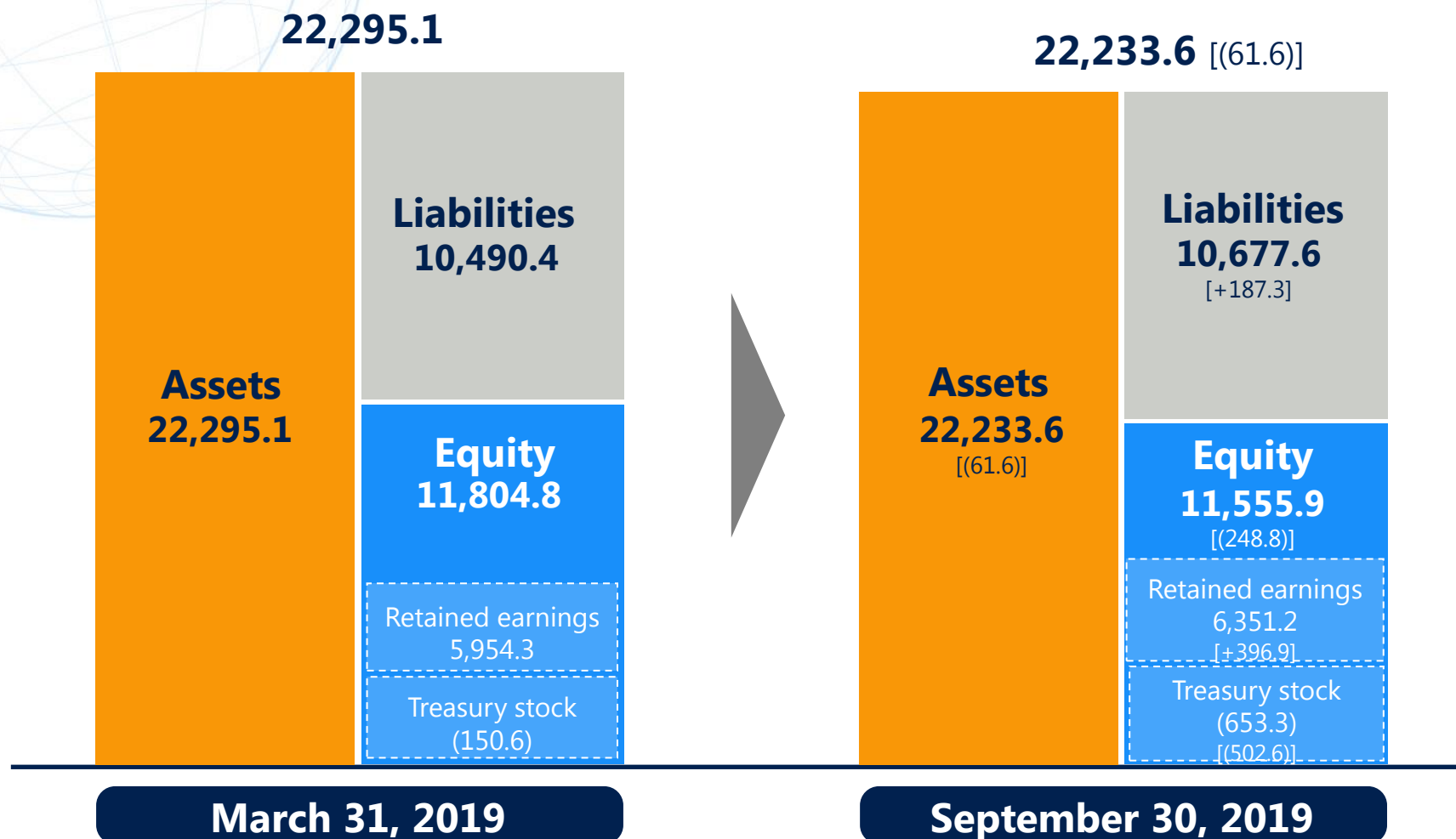
Operating Expenses

<Year-on-year: +184.3>



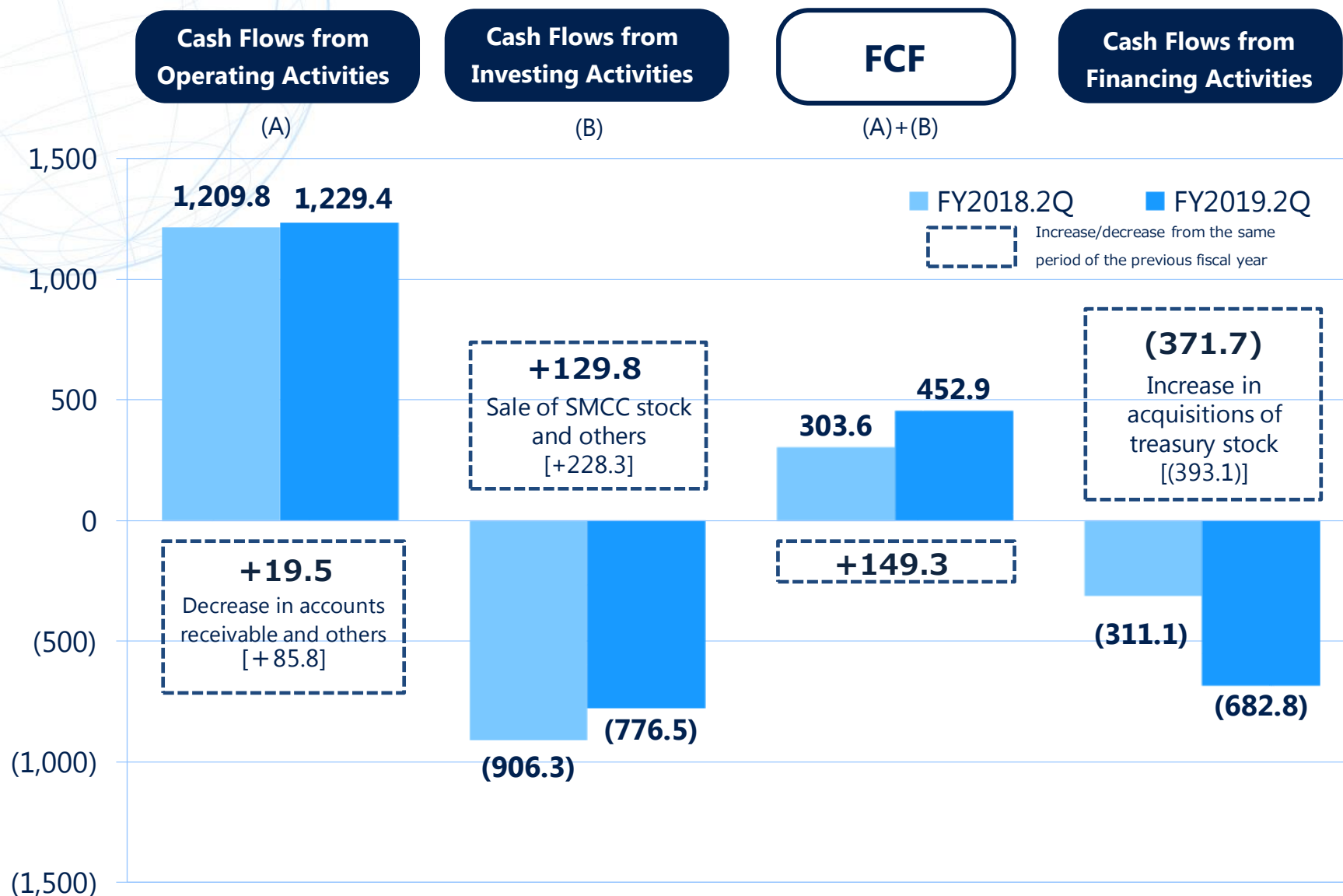
Details of Consolidated Balance Sheet

(Billions of yen)



Details of Consolidated Cash Flows

(Billions of yen)

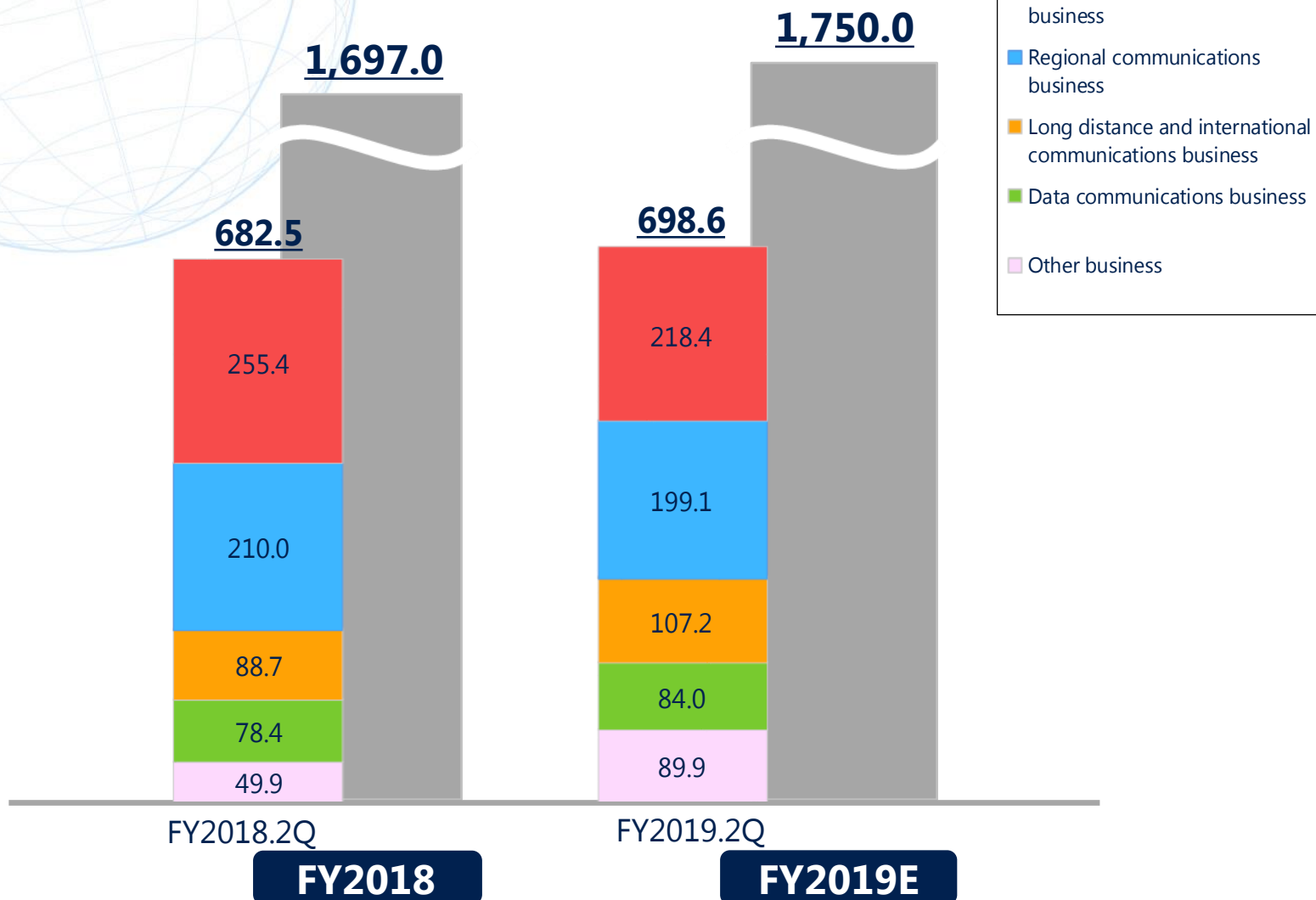


Note1: Amount excluding the impact of the last day of FY2018.2Q having been non-business day.

Note2: Amount excluding the impact on cash flows from operating and financing activities caused by the adoption of IFRS 16 (Leases) beginning in FY2019.

Details of Capital Investment

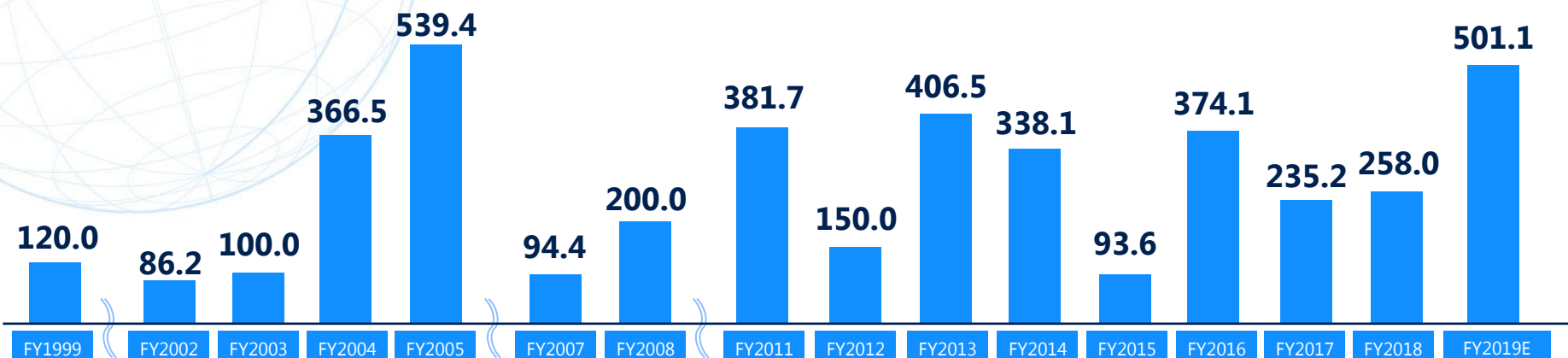
(Billions of yen)



Shareholder Returns

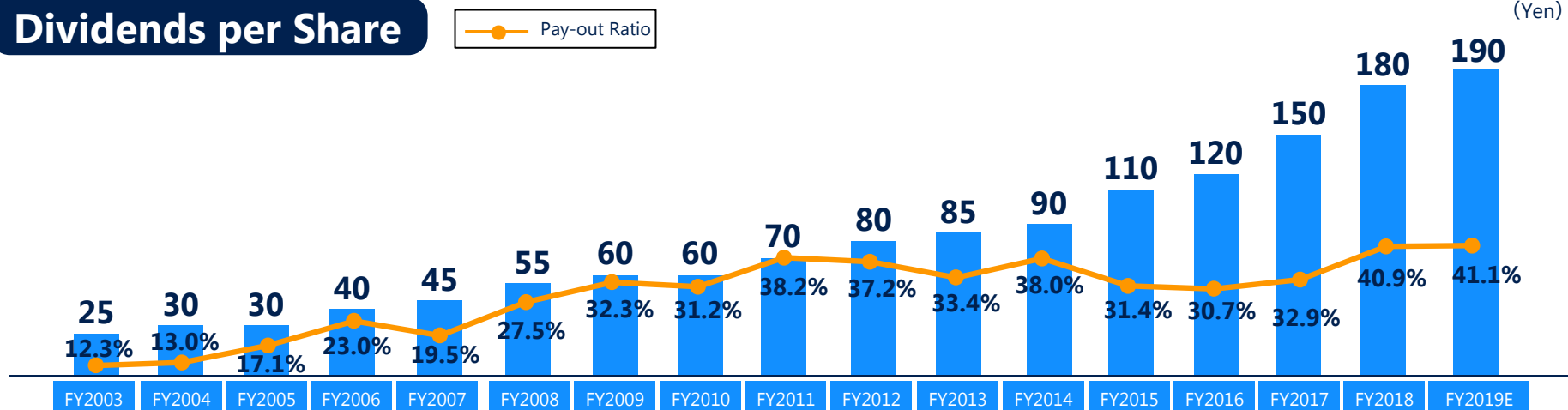
Share Buybacks

(Billions of yen)



Dividends per Share

(Yen)



Note1: Dividends have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015 (Dividends have not been adjusted to reflect the two-for-one stock split with an effective date of January 1, 2020 authorized by the board of directors at its meeting held on November 5, 2019.)

Note2: U.S. GAAP was applied for periods up to and including FY2017, and IFRS has been applied for periods from and including FY2018.



Your Value Partner