



**Financial Results for the Six Months
Ended September 30, 2015**

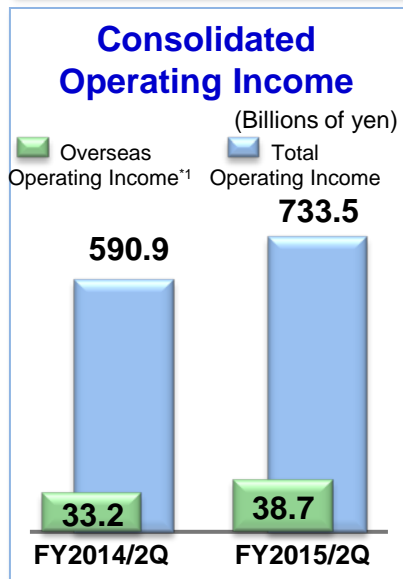
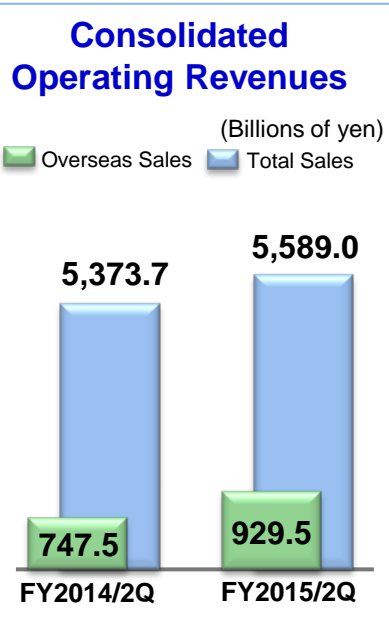
November 6, 2015

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.

*** "2Q" in this material represents the 6-month period beginning on April 1 and ending on September 30.



- **Both Operating Revenues and Operating Income increased, with Operating Revenues increasing for the sixth consecutive year and reaching record levels**
- **Expansion of global cloud services**
 - **Overseas Sales: +182.0 billion yen increase year-on-year**
 - **Overseas Operating Income^{*1}: +5.4 billion yen increase year-on-year**
- **Enhanced Operating Revenues from network services**
 - **Expansion of NTT's user base**
 - 68.49 million mobile phone subscribers (net increase of 1.90 million subscribers)
 - 19.04 million FTTH subscribers (net increase of 0.32 million subscribers) including 2.35 million subscribers to the "Hikari Collaboration Model" (includes 0.27 million new subscribers and 1.80 million subscribers who switched subscriptions from FLET'S Hikari to the Hikari Collaboration Model)
 - **Growing number of Wi-Fi area owners^{*2}: 248 (+ 93 increase year-on-year)**
 - **Cost reductions (fixed-line and mobile access): achieved cost reductions of 225.0 billion yen compared to FY2014/2Q**
- **Promotion of the B2B2X model**
 - **NTT entered into a business alliance with Hitachi Ltd. in the development of urban infrastructure that utilizes ICT**
 - **NTT entered into an agreement with the city of Sapporo to cooperate in the use of ICT to address social issues**
- **Shareholder Returns**
 - **NTT concluded the repurchase of 21 million shares of its treasury stock for 93.6 billion yen on October 1**

^{*1} Operating Income excludes M&A-related temporary expenses, such as depreciation costs of intangible fixed assets.

^{*2} Total number of large-scale corporate or local government customers. Excludes small-scale restaurants, etc.

- Operating Revenues reached record levels, increasing for the sixth consecutive year
- Operating Income increased due to cost control measures in the Regional communications and Mobile communications segments
- Net Income increased due to an increase in Operating Income as well as a reduction in taxes

(Billions of yen)

	FY2015/2Q			FY2014/2Q
		Change year-on-year	[%]	
Operating Revenues	5,589.0	+215.3	+4.0%	5,373.7
Operating Expenses	4,855.5	+72.8	+1.5%	4,782.7
Operating Income	733.5	+142.5	+24.1%	590.9
Net Income [*]	377.3	+87.0	+30.0%	290.3

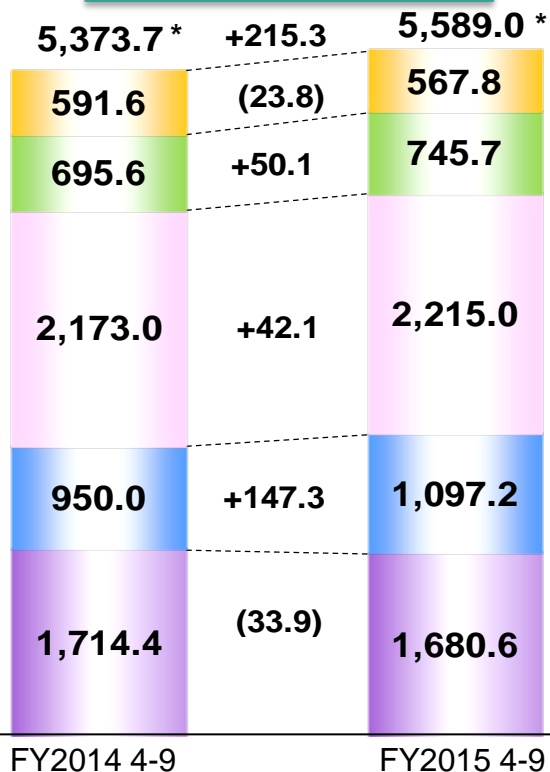
* Net income represents net income attributable to NTT, excluding noncontrolling interests.

FY2015 Contributing Factors by Segment

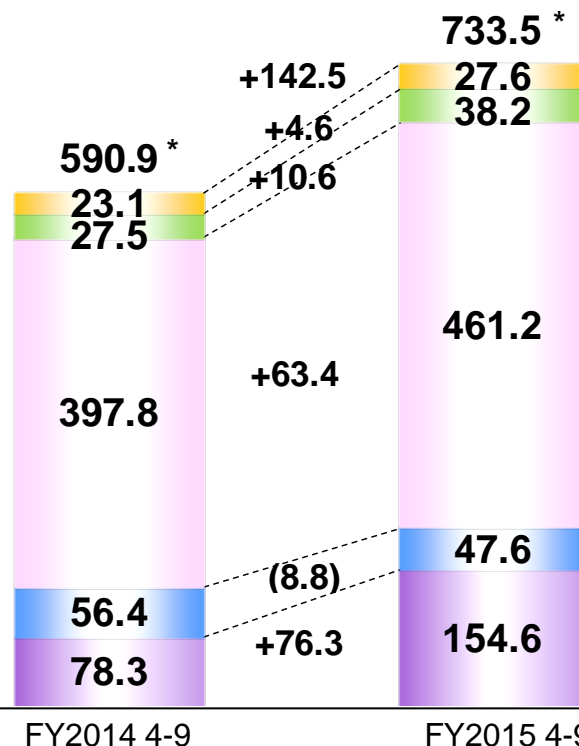


- : Operating Income reached record levels due to reduced marketing costs, among other factors, despite the continuation of the trend of decreasing Operating Revenues.
- : Operating Revenues increased while Operating Income decreased due to the growth in overseas businesses and anticipatory investments in growing segments.
- : Both Operating Revenues and Operating Income increased due to growth in revenues from the Smart Life area and DOCOMO Hikari, and a decrease in depreciation costs from efficient investment strategies and initiatives to improve cost efficiency.
- : Both Operating Revenues and Operating Income increased as a result of sales growth.

Operating Revenues



Operating Income



(Billions of yen)

- Other business
- Data communications business
- Mobile Communications business
- Long distance and international communications business
- Regional communications business

*Includes adjustments such as elimination

- Forecasts for both Operating Revenues and Operating Income have been revised upward due to the growth in overseas businesses, increased revenues from the Smart Life area and domestic SI operations, and effective cost control efforts.

(Billions of yen)

	FY2015 Forecasts		FY2015/2Q	% Progress Compared to FY2015 Forecasts
		Change from Initial Forecasts		
Operating Revenues	11,400.0	+50.0	5,589.0	49.0%
Operating Expenses	10,150.0	-	4,855.5	47.8%
Operating Income	1,250.0	+50.0	733.5	58.7%
Net Income	655.0	+25.0	377.3	57.6%
EPS (yen)	311.00	+13.50		

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

FY2015 Forecast Summary by Segment

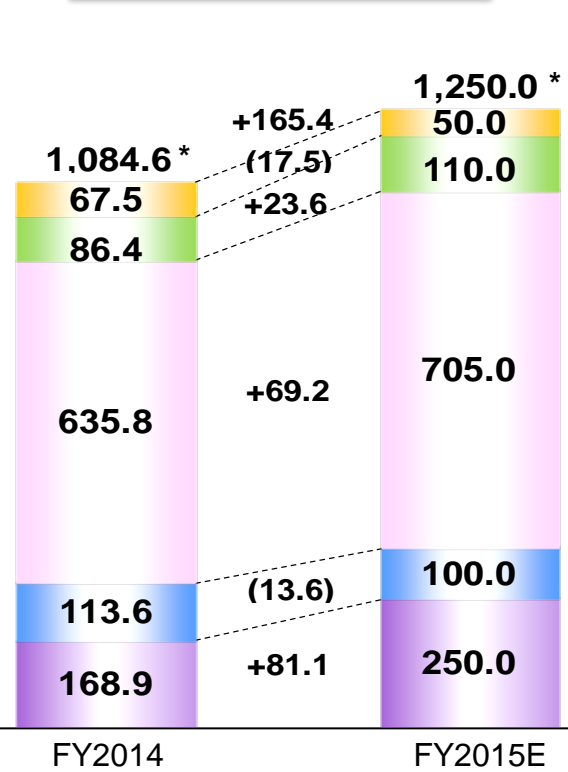


- : The forecast for Operating Income has been revised upward due to the progress in Hikari Collaboration and cost control efforts. The forecast for Operating Revenues remains unchanged.
- : The forecast for Operating Revenues has been revised upward based on growth in overseas businesses. The forecast for Operating Income remains unchanged partly due to the impact of anticipatory investments.
- : The forecast for Operating Income has been revised upward due to accelerated growth in the Smart Life area and further progress in cost efficiency strategies. The forecast for Operating Revenues has been revised downward due to the re-evaluation of NTT's device sales plan.
- : The forecasts for both Operating Revenues and Operating Income remain unchanged.

Operating Revenues



Operating Income



(Billions of yen)

- Other business
- Data communications business
- Mobile Communications business
- Long distance and international communications business
- Regional communications business

*Includes adjustments such as elimination

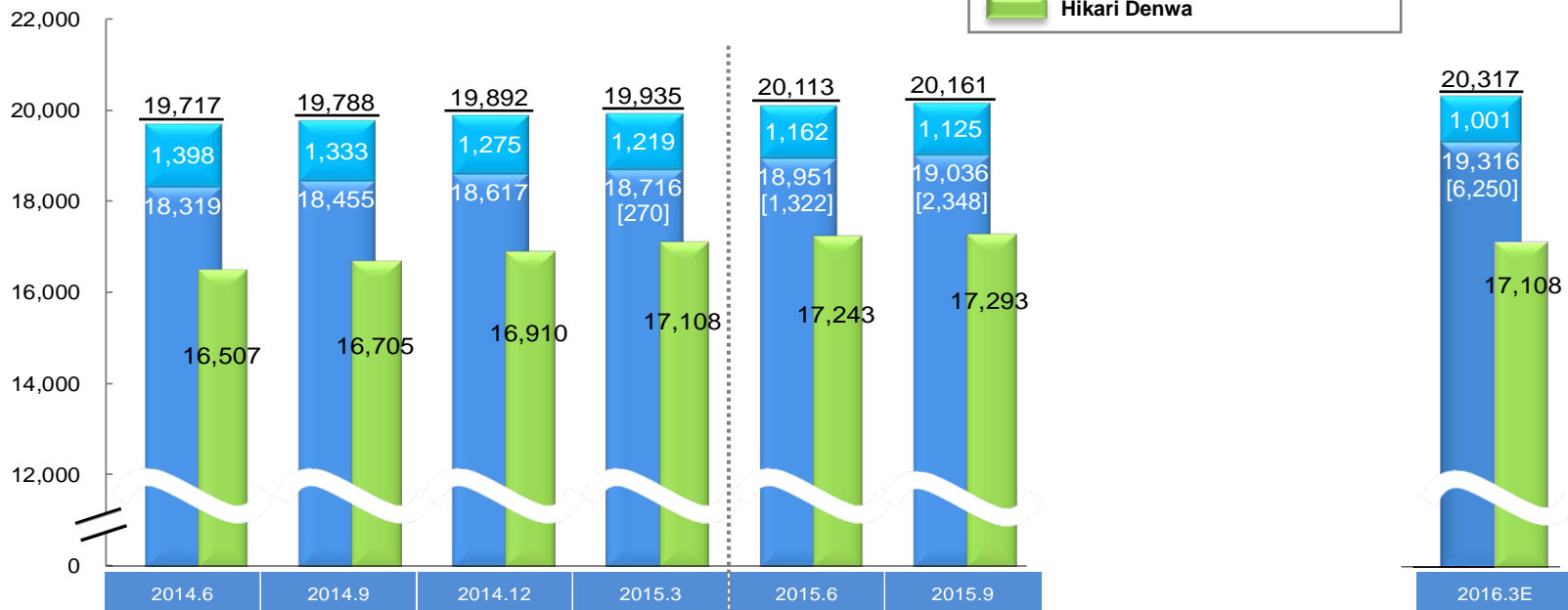
Progress of Broadband Services

Number of Subscribers for Fixed Broadband Services



Number of subscribers *1*2

(Thousands)



Changes from the preceding quarter

	FY2014				FY2015			FY2014	FY2015E
	4-6	7-9	10-12	1-3	4-6	7-9	4-9		
FLET'S Hikari *1	269	136	162	99	235	85	320	665	600
Number of opened connections *3	879	683	684	720	810	559	1,369	2,966	2,750
FLET'S ADSL	(85)	(65)	(58)	(56)	(58)	(37)	(95)	(264)	(218)
Hikari Denwa *4 *5	251	199	204	198	135	50	185	852	0

*1 Number of FLET'S Hikari (including Hikari Collaboration Model) subscribers includes B FLET'S, FLET'S Hikari Next, FLET'S Hikari Light 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 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 FTTH access services which NTT East and NTT West provide 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.

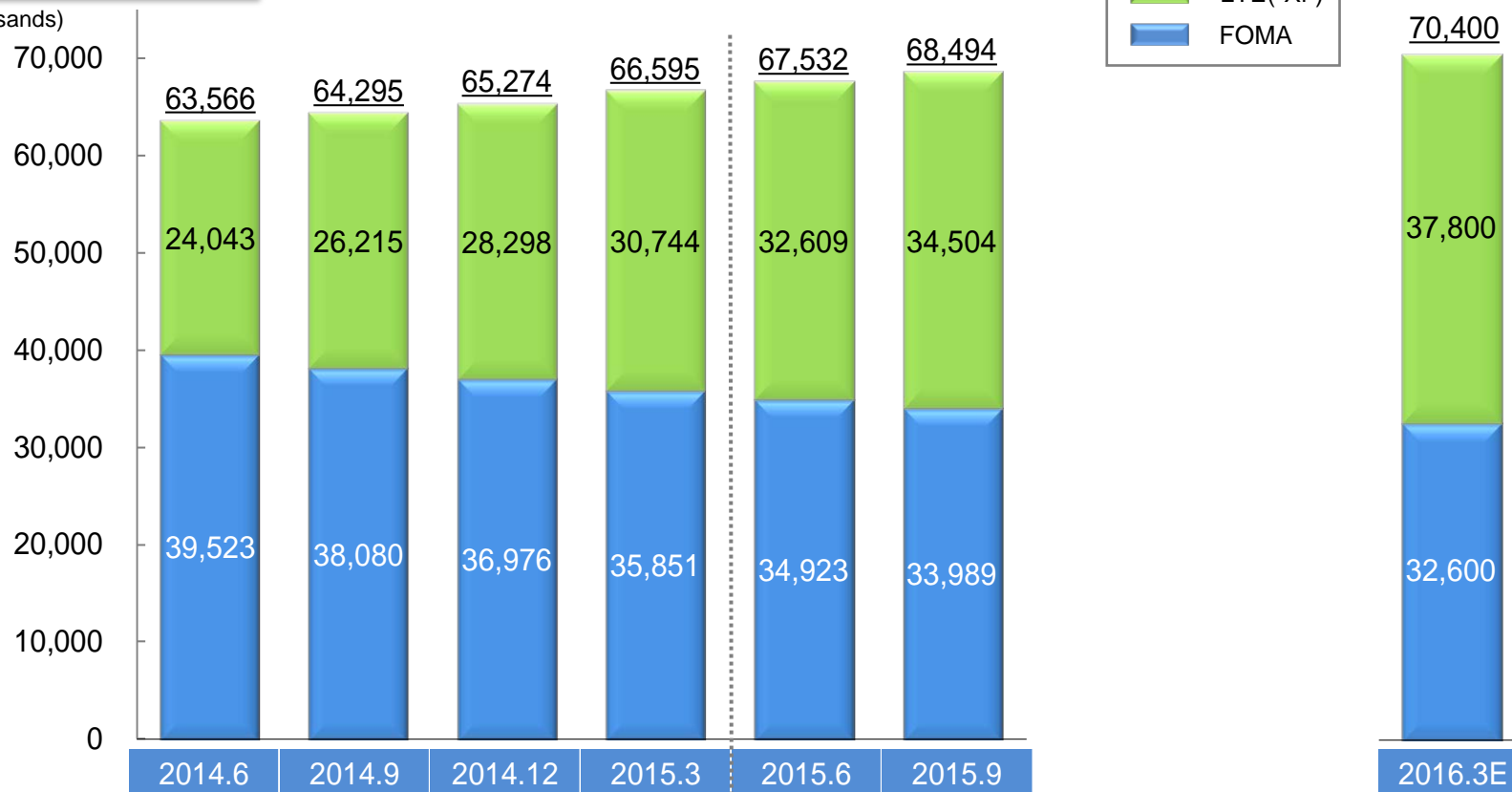
*5 Numbers of Hikari Denwa subscribers are presented in thousands of channels.

Number of Subscribers for Mobile Broadband Services



Number of subscribers *

(Thousands)

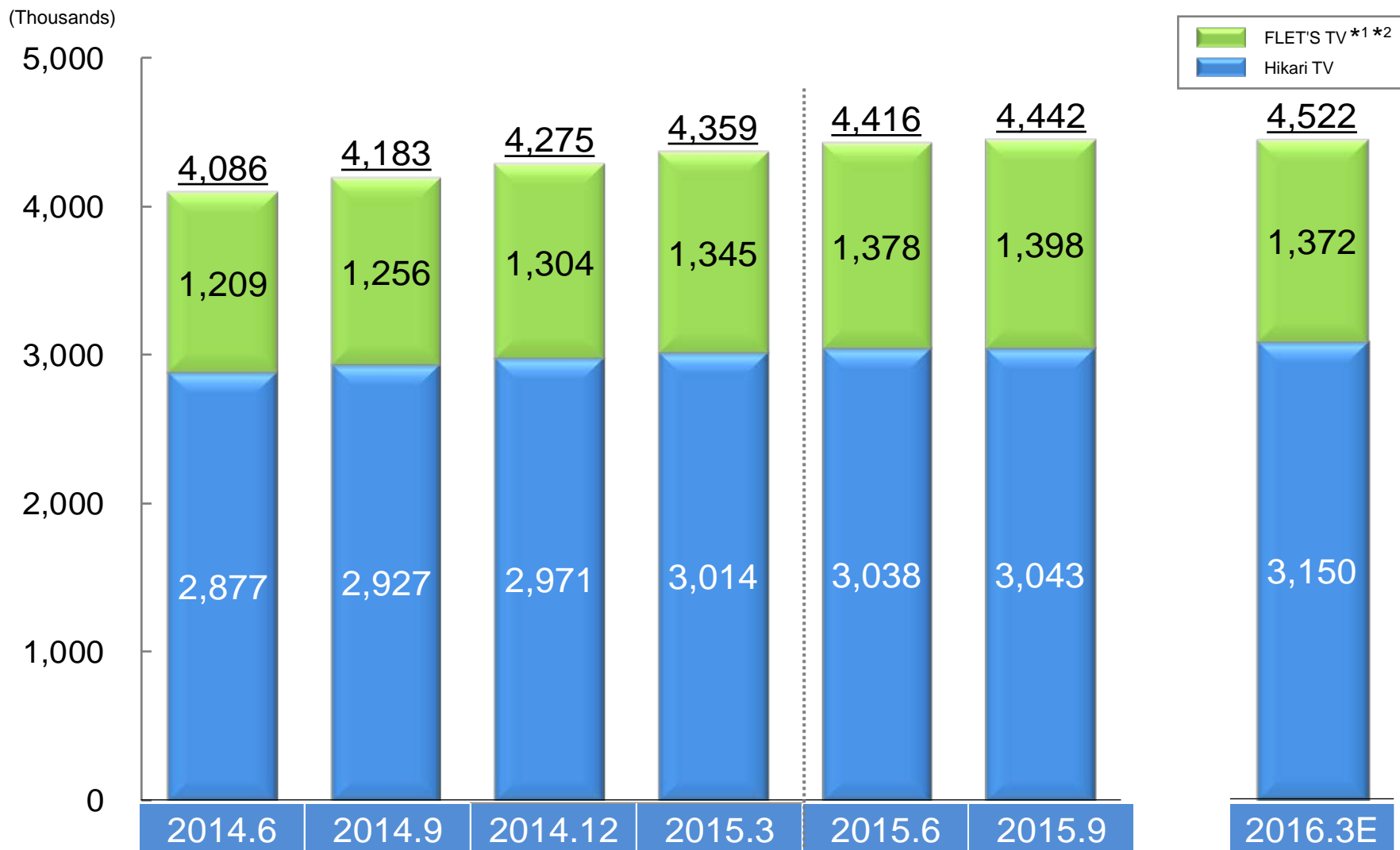


Changes from the preceding quarter

	FY2014				FY2015			FY2014	FY2015E
	4-6	7-9	10-12	1-3	4-6	7-9	4-9		
LTE("Xi")+FOMA	461	729	979	1,322	936	962	1,898	3,490	3,800

(Thousands)

* The number of FOMA subscribers includes communications module service subscribers



*1 "FLET'S TV" requires a subscription to "FLET'S TV Transmission Services" provided by NTT East and NTT West, and a subscription to SKY Perfect JSAT's "SKY Perfect JSAT Facility Use Services" broadcast service.

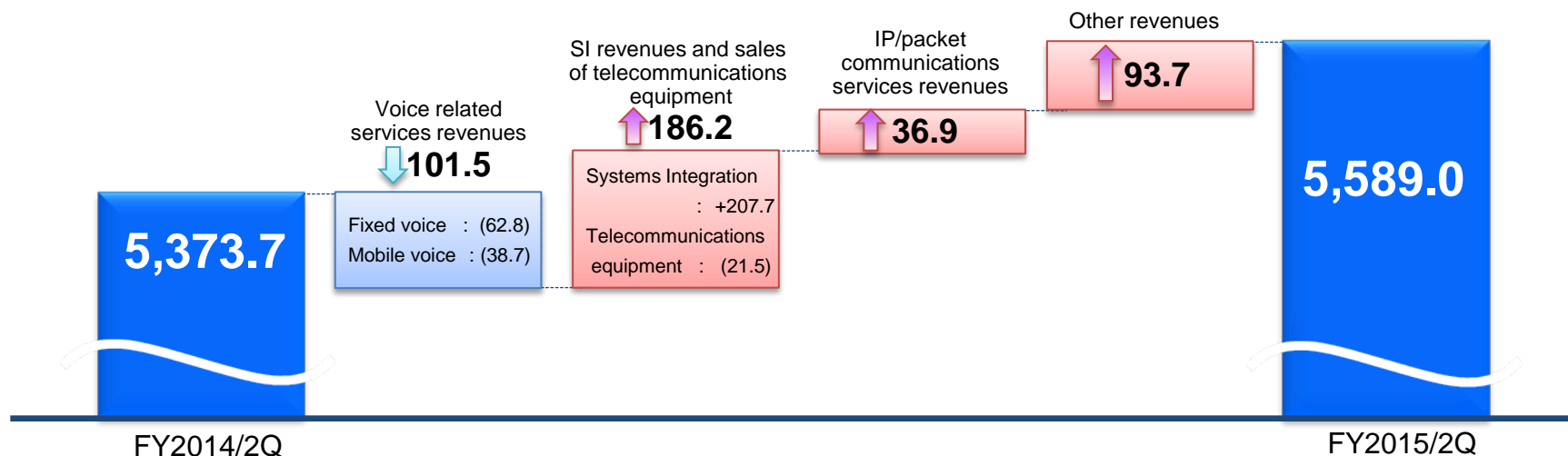
*2 Numbers of subscribers to "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

Financial Information

Operating Revenues

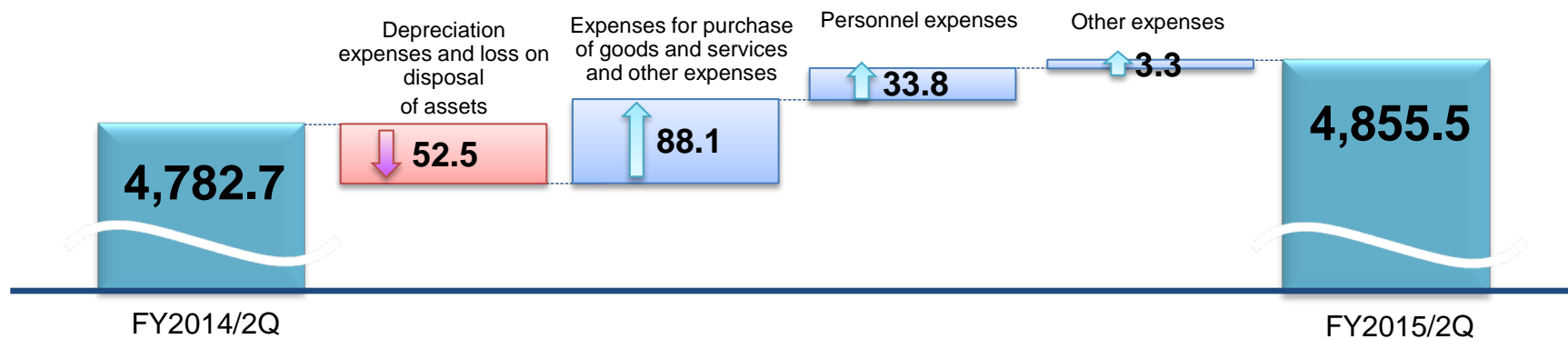
[year-on-year: +215.3]

(Billions of yen)



Operating Expenses

[year-on-year: +72.8]



March 31, 2015

September 30, 2015

(Billions of yen)

20,702.4

20,723.6

March 31, 2015		September 30, 2015	
Assets 20,702.4	Liabilities 9,624.3	Assets 20,723.6 [+21.1]	Liabilities 9,431.5 [(192.8)]
Cash and Cash Equivalents (current assets) 849.2	Accounts Payable, Trade 1,579.6	Cash and Cash Equivalents (current assets) 1,011.4 [+162.3]	Accounts Payable, Trade 1,148.9 [(430.7)]
Depreciable Assets (property, plant and equipment) 8,097.7	Interest-Bearing Debt 4,406.7	Depreciable Assets (property, plant and equipment) 7,913.7 [(184.0)]	Interest-Bearing Debt 4,520.4 [+113.7]
Goodwill (investments and other assets) 1,186.2	Other 28.3	Goodwill (investments and other assets) 1,260.4 [+74.3]	Other 48.0[+19.8]
	Equity 11,049.8		Equity 11,244.0 [+194.2]
	Retained Earnings 5,126.7		Retained Earnings 5,409.4 [+282.8]
	Treasury Stock (497.7)		Treasury Stock (582.8) [(85.1)]

Cash flows from operating activities (A)

Cash flows from investing activities (B)

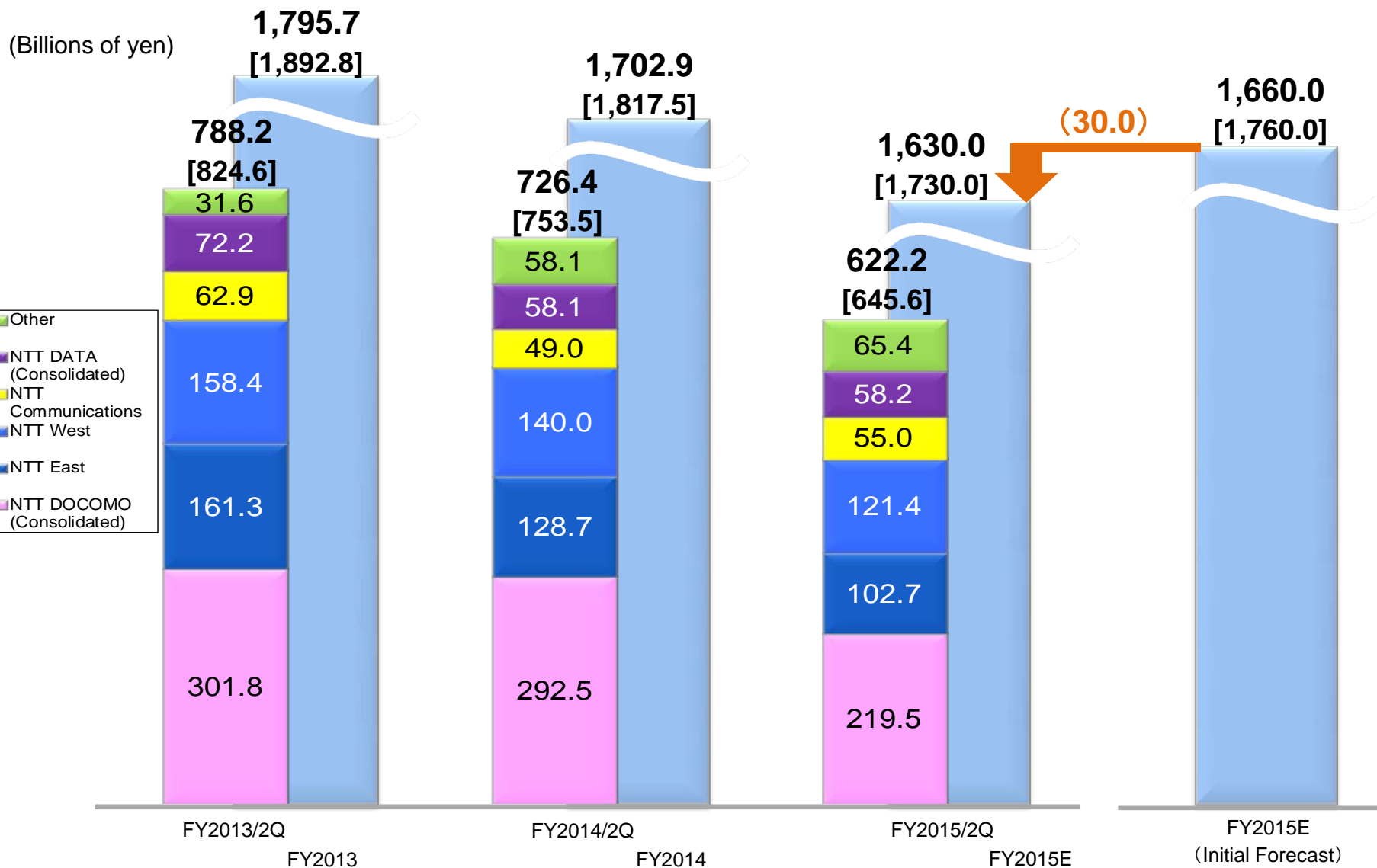
FCF (A) + (B)

Cash flows from financing activities

(Billions of yen)



Increase/Decrease from the same period of the previous fiscal year



* Figures in [] include investments related to real estate and solar power generation operations.

Optimize Domestic Network Businesses

■ Streamlining Capital Investment At least 200 billion yen by FY2017

(Domestic network business,
compared to FY2014)

■ Cost reductions At least 600 billion yen by FY2017

(in fixed-line/mobile networks,
compared to FY2014)

New Technologies (SDN/NFV*, AI, etc.)

- Commoditization and integration of hardware
- Remote control

Effective Usage of Assets/facilities

- Improve effective usage of network infrastructure
- Cross-utilization of services and functions
- Improvement of ROA through streamlining and reallocating facilities
- Shift to integrated platform and streamlining of IT systems

Optimization of Specifications for Hardware and Software

- Improve efficiency of procurement and development through simplified specification
- Improve efficiency of installation and operation

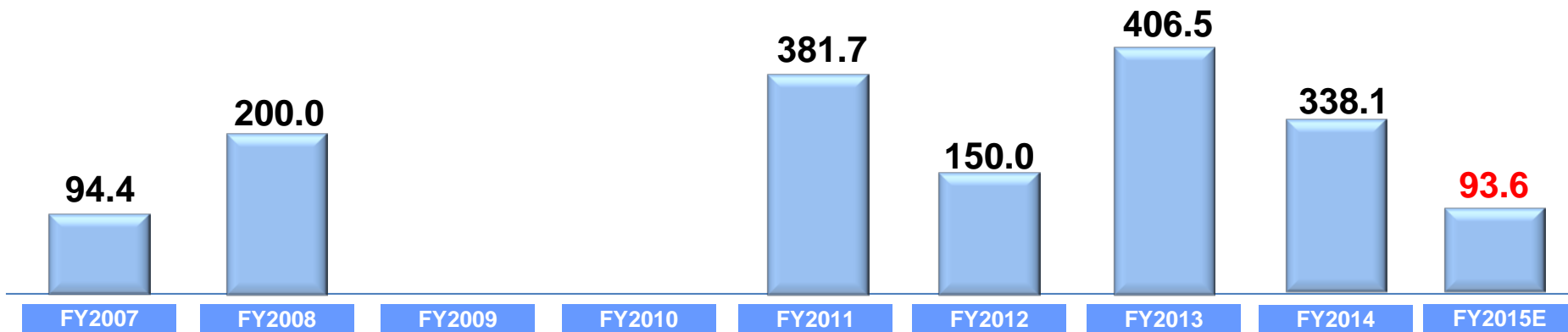
BPR

- Train engineers to handle various technologies onsite
- Optimize service quality level

* SDN: Software Defined Networking, a network in which functions and configurations can be defined and controlled using software.
NFV: Network Functions Virtualization, the virtualization of network functions using software.

Share buybacks

(billions of yen)



Dividends per Share

● Payout ratio

Note: Dividend amounts have been retroactively adjusted to reflect the two-for-one stock split of NTT's common stock carried out on July 1, 2015.

(yen)

