Financial Results for the Three Months Ended June 30, 2019

August 6, 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.
*** "1Q" in this material represents the three-month period beginning on April 1 and ending on June 30.
Table of Contents

- Overview of Consolidated Results
  - Status of Consolidated Results for FY2019.1Q
  - Contributing Factors by Segment for FY2019.1Q

- Topics

- Appendix
Overview of Consolidated Results
Status of Consolidated Results for FY2019.1Q

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

<table>
<thead>
<tr>
<th>Status of Consolidated Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues: ¥2,915.4B &lt; + ¥62.7B [ +2.2%] year-on-year</td>
</tr>
<tr>
<td>Operating Income: ¥505.2B &lt; (¥32.0B) [ (6.0%) ] year-on-year</td>
</tr>
<tr>
<td>Profit*: ¥280.5B &lt; (¥9.2B) [ (3.2%) ] year-on-year</td>
</tr>
<tr>
<td>Overseas Sales**: $4.8B &lt; +$0.1B [ +2.9%] year-on-year</td>
</tr>
<tr>
<td>Overseas Operating Income Margin**: 1.6% &lt; (1.0 pt) year-on-year</td>
</tr>
</tbody>
</table>

* 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 FY2019.1Q

Operating Revenues

<Year-on-year: +62.7>

(Billions of yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2018.1Q</th>
<th>FY2019.1Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile communications business</td>
<td>1,159.3</td>
<td>1,746.5</td>
</tr>
<tr>
<td>Regional communications business</td>
<td>746.5</td>
<td>555.9</td>
</tr>
<tr>
<td>Long distance and international communications business</td>
<td>555.9</td>
<td>527.3</td>
</tr>
<tr>
<td>Data communications business</td>
<td>527.3</td>
<td>338.5</td>
</tr>
<tr>
<td>Other business</td>
<td></td>
<td>71.3</td>
</tr>
<tr>
<td>elimination of inter-segment transactions</td>
<td>5.6</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Total: 2,852.7 donations to 2,915.4

Operating Income

<Year-on-year: (32.0)>

(Billions of yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2018.1Q</th>
<th>FY2019.1Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile communications business</td>
<td>278.7</td>
<td>144.6</td>
</tr>
<tr>
<td>Regional communications business</td>
<td>144.6</td>
<td>29.1</td>
</tr>
<tr>
<td>Long distance and international communications business</td>
<td>29.1</td>
<td>29.8</td>
</tr>
<tr>
<td>Data communications business</td>
<td>29.8</td>
<td>28.9</td>
</tr>
<tr>
<td>Other business</td>
<td></td>
<td>2.9</td>
</tr>
<tr>
<td>elimination of inter-segment transactions</td>
<td>3.9</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Total: 537.2 billion to 505.2 billion
Topics
Overview of Medium-Term Management Strategy Initiatives

~Support Our Customers’ Digital Transformations~

<table>
<thead>
<tr>
<th>Promote B2B2X Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>① Entered into an industry-government cooperation agreement with Hokkaido University and the city of Iwamizawa* with the goal of creating a smart agri-city (June 28, 2019)</td>
</tr>
<tr>
<td>② Entered into a comprehensive cooperation agreement with Chiba City for future community development (July 11, 2019)</td>
</tr>
<tr>
<td>③ Entered into a “Community Development Partnership Agreement” with 12 municipalities* in the Sapporo Metropolitan Area (July 12, 2019)</td>
</tr>
<tr>
<td>④ Launched a collaboration with Tokyo Metro in order to achieve reduced congestion and smooth transportation with the goal of “creating the attractiveness and vitality of Tokyo together” (July 29, 2019)</td>
</tr>
<tr>
<td>⑤ Hosted the “August Minamiza Cho Kabuki” show in commemoration of the opening of a new hall at the Minamiza Theatre (August 2, 2019 to August 26, 2019)</td>
</tr>
</tbody>
</table>

* The city of Iwamizawa is one of the 12 municipalities in the Sapporo Metropolitan Area.
Roll Out 5th-Generation Wireless System

6. Reached an agreement with JTOWER on a capital and business partnership with the aim of increasing efficiency in the early expansion of 5G service areas and reducing the number of communications (radio) quiet areas (July 4, 2019)

~Accelerate Our Own Digital Transformation~

Enhance Competitiveness in Global Business

7. Integrated the overseas businesses of NTT Communications, Dimension Data and NTT Security under the NTT branded company NTT Ltd. and launched operations on July 1, 2019 (refer to page 12)

8. Reached mutual agreement on the acquisition of Symmetry, a U.S. SAP managed services business (NTT Ltd., June 26, 2019)

Drive Self-Digital Transformation in Domestic Business

10. Advanced the automation of support for telephone inquiries about problems regarding glitches (6.5 million calls annually) with the Web and chatbots

Adopted at NTT DOCOMO, NTT East and NTT Communications as of June 30, 2019, with plans to expand to NTT West in the future

11. Adopted a group-wide talent management system, the world’s largest (for 200,000 people), with the aim of achieving efficient personnel management and staffing at each company (launching in April 2020)

12. Steadily promoted the adoption of RPA

<table>
<thead>
<tr>
<th>As of June 30, 2019</th>
<th>Change from Time of Announcement of “Your Value Partner 2025”</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Robot Adoptions: 15,000</td>
<td>&lt;+3,000&gt;</td>
</tr>
<tr>
<td>No. of Business Process Uses: 850</td>
<td>&lt;+350&gt;</td>
</tr>
</tbody>
</table>

13. Advanced the standardization of the NTT East/West business system specifications for sales, services and equipment management (progressively transitioning by FY2020)
## Create New Lines of Business

### 14. Established NTT Urban Solutions (July 1, 2019)
- Development of Hakata Station East 1-chome site in the “Hakata Connected” area (planned completion in 2022)
- Redevelopment of the Sendai Chuo Building in anticipation of coordination with next-generation synchrotron light facilities (planned completion in 2023)

### 15. Established NTT Life Science (July 1, 2019)
- Jointly opened the Project Division of Genomic Medicine and Disease Prevention with the University of Tokyo (July 1, 2019)
- Established the Bio-Medical Informatics Research Center at NTT Laboratories (July 1, 2019)

### 16. Reorganized ENNET and NTT Smile Energy as a member of the NTT Anode Energy Group in order to promote the smart energy business (to be completed in October 2019)

### 17. Advanced the Smart Infra business (refer to page 13)
### Enhance and Globalize R&D

18. Opened the overseas research center “NTT Research, Inc.” (July 1, 2019)
19. Announced the IOWN concept at the Interop Tokyo lecture (June 12, 2019)

### Contribute to Vitalization of Regional Societies and Economies

20. Established NTT AgriTechnology under the umbrella of NTT East in order to promote agriculture, which is the starting point for community development, by providing total solutions for next-generation horticulture that utilizes IoT/AI (July 1, 2019)

### Disaster Countermeasures

21. For typhoons occurring after June 2019, predicted damage using AI
Enhance Competitiveness in Global Business

**NTT Ltd. Started Operations as an NTT-Branded Operating Company**

- NTT Ltd. (Head Office: London, UK) started its operations on July 1, 2019
- Main business focus for growth is on Global Managed IT Services

**July 1, 2019 Launch Event for NTT Ltd. in London**
- NTT executives, clients, partners and officials from Japanese and UK governments attended
- Former U.K. Prime Minister Theresa May provided supportive comments for the launch
- Wide coverage from CNBC and other media sources worldwide

Left to right: Jun Sawada (Representative Director and CEO of NTT), Margot James (MP, former U.K. Minister for Digital and the Creative Industries), Jason Goodall (NTT Ltd. CEO)

View of the NTT Ltd. Launch
(Venue: Sky Garden, Walkie-Talkie Building, London)
Create New Lines of Business

Promotion of the Smart Infra Business

- Promoted the Smart Infra business, which leverages group technology, know-how and assets to solve social infrastructure issues such as infrastructure equipment and facilities
  - Develop a platform to digitalize spatial information
  - Create a connected value chain for civil engineering-related businesses (promote own DX)
  - Provide solutions to resolve social infrastructure issues (support others’ DX)

Promote Own DX
- Create a connected value chain
- Optimization and utilization of infrastructure facilities

Support Others’ DX
- Integration of operations and agency
- Leverage platform for Smart City and other businesses

Platform that digitalizes spatial information

Technology, Know-How and Assets of NTT Group
Shareholder Returns

**Share Buybacks**

- Resolved to buy back shares to be acquired from the Japanese government

**Details of Share Buybacks**

- Aggregate Amount: Up to ¥300.0 billion
- Aggregate Number of Shares: Up to 53,000,000 shares
- Buyback Period: From August 7, 2019 to September 30, 2019

**Based on the above, the 2019 EPS target has been revised from ¥456 to ¥462 <+¥6>**
Broadband Services
Fixed-Line Broadband Services Subscriptions

Number of Subscriptions

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Hikari Collaboration Model</th>
<th>FLET's Hikari</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018.3</td>
<td>20,533</td>
<td>11,117</td>
<td>9,416</td>
</tr>
<tr>
<td>2018.6</td>
<td>20,720</td>
<td>11,617</td>
<td>9,103</td>
</tr>
<tr>
<td>2018.9</td>
<td>20,851</td>
<td>11,993</td>
<td>8,858</td>
</tr>
<tr>
<td>2018.12</td>
<td>20,995</td>
<td>12,363</td>
<td>8,632</td>
</tr>
<tr>
<td>2019.3</td>
<td>21,078</td>
<td>12,690</td>
<td>8,388</td>
</tr>
<tr>
<td>2019.6</td>
<td>21,260</td>
<td>13,055</td>
<td>8,205</td>
</tr>
<tr>
<td>2020.3 E</td>
<td>21,678</td>
<td>13,890</td>
<td>7,788</td>
</tr>
</tbody>
</table>

Net Increase

<table>
<thead>
<tr>
<th>Year</th>
<th>2018 4-6</th>
<th>2018 7-9</th>
<th>2018 10-12</th>
<th>2019 1-3</th>
<th>2019 4-6</th>
<th>2019 4 - 2020 3 E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>+187</td>
<td>+131</td>
<td>+144</td>
<td>+83</td>
<td>+182</td>
<td>+600</td>
</tr>
<tr>
<td>Hikari Collaboration Model</td>
<td>+500</td>
<td>+376</td>
<td>+370</td>
<td>+327</td>
<td>+365</td>
<td>+1,200</td>
</tr>
<tr>
<td>FLET'S Hikari</td>
<td>(313)</td>
<td>(245)</td>
<td>(226)</td>
<td>(244)</td>
<td>(183)</td>
<td>(600)</td>
</tr>
</tbody>
</table>

Copyright 2019 NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Mobile Communications Services Subscriptions

Number of Subscriptions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LTE(Xi)</td>
<td>76,370</td>
<td>76,746</td>
<td>77,050</td>
<td>77,517</td>
<td>78,453</td>
<td>78,896</td>
<td>79,500</td>
</tr>
<tr>
<td>FOMA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net Increase

<table>
<thead>
<tr>
<th></th>
<th>2018 4-6</th>
<th>2018 7-9</th>
<th>2018 10-12</th>
<th>2019 1-3</th>
<th>2019 4-6</th>
<th>2019 4 - 2020 3 E</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTE(Xi)+ FOMA</td>
<td>+376</td>
<td>+304</td>
<td>+467</td>
<td>+935</td>
<td>+443</td>
<td>+1,050</td>
</tr>
</tbody>
</table>

Thousands
Details of Consolidated Statement of Income

Operating Revenues

<Year-on-year: +62.7>

(Billions of yen)

Voice related services

- Fixed voice: (19.8)
- Mobile voice: (3.3)

IP/packet communications services

- System integration services / Sales of telecommunications equipment: +38.9

System integration services

- Sales of telecommunications equipment: (10.4)

Other services

- +72.0

FY2018.1Q: 2,852.7
FY2019.1Q: 2,915.4

Operating Expenses

<Year-on-year: +94.7>

(Billions of yen)

Personnel expenses

- +48.5

Expenses for purchase of goods and services

- +29.4

Depreciation and amortization / Expenses on disposal of fixed assets

- +3.0

Other expenses

FY2018.1Q: 2,315.5
FY2019.1Q: 2,410.2

Copyright 2019 NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Details of Consolidated Balance Sheet

(Billions of yen)

<table>
<thead>
<tr>
<th>March 31, 2019</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong> 22,295.1</td>
<td><strong>Assets</strong> 22,568.6 [+273.4]</td>
</tr>
<tr>
<td><strong>Liabilities</strong> 10,490.4</td>
<td><strong>Liabilities</strong> 10,926.2 [+435.8]</td>
</tr>
<tr>
<td><strong>Equity</strong> 11,804.8</td>
<td><strong>Equity</strong> 11,642.4 [(162.4)]</td>
</tr>
<tr>
<td>Retained earnings 5,954.3</td>
<td>Retained earnings 6,080.5 [+126.2]</td>
</tr>
<tr>
<td>Treasury stock (150.6)</td>
<td>Treasury stock (330.9) [(180.2)]</td>
</tr>
</tbody>
</table>
Details of Consolidated Cash Flows

Cash Flows from Operating Activities
(A)

Cash Flows from Investing Activities
(B)

FCF
(A)+(B)

Cash Flows from Financing Activities

(Billions of yen)

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th>Cash Flows from Investing Activities</th>
<th>FCF</th>
<th>Cash Flows from Financing Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018.1Q</td>
<td>FY2019.1Q</td>
<td></td>
<td>FY2018.1Q</td>
</tr>
<tr>
<td>[(434.5)]</td>
<td>[(444.4)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+9.9 Decrease in accounts receivable and others [+48.0]</td>
<td>+165.6 Sale of SMCC stock and others [+239.2]</td>
<td>+175.5</td>
<td>+15.3 Increase in debt [+185.1]</td>
</tr>
<tr>
<td>[(545.7)]</td>
<td>[(380.1)]</td>
<td>(111.2)</td>
<td></td>
</tr>
<tr>
<td>(500)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note1: Amount excluding the impact of the last day of FY2018 and FY2019.1Q having been non-business days.
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)

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

<table>
<thead>
<tr>
<th>Business</th>
<th>FY2018.1Q</th>
<th>FY2018</th>
<th>FY2019.1Q</th>
<th>FY2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile communications business</td>
<td>124.9</td>
<td>17.8</td>
<td>97.9</td>
<td>17.8</td>
</tr>
<tr>
<td>Regional communications business</td>
<td>102.1</td>
<td>88.6</td>
<td>48.5</td>
<td>88.6</td>
</tr>
<tr>
<td>Long distance and international communications business</td>
<td>38.4</td>
<td>42.1</td>
<td>53.6</td>
<td>42.1</td>
</tr>
<tr>
<td>Data communications business</td>
<td>38.2</td>
<td>38.2</td>
<td>38.2</td>
<td>38.2</td>
</tr>
<tr>
<td>Other business</td>
<td>17.8</td>
<td>17.8</td>
<td>17.8</td>
<td>17.8</td>
</tr>
</tbody>
</table>

FY2018

FY2019E
Shareholder Returns

Share Buybacks

Share Buybacks (Billions of yen)

FY1999: 120.0
FY2002: 86.2
FY2003: 100.0
FY2004: 366.5
FY2005: 539.4
FY2007: 94.4
FY2008: 200.0
FY2011: 381.7
FY2012: 406.5
FY2013: 338.1
FY2014: 93.6
FY2015: 235.2
FY2016: 258.0
FY2017: 250.0
FY2018: 300.0
FY2019E: 300.0

* On August 6, 2019, the Board of NTT resolved to buy back shares in an amount up to ¥300.0 billion during the period from August 7, 2019 to September 30, 2019.

Dividends per Share

Dividends per Share (Yen)

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