

# Financial Results Release

For the Year Ended March 31, 2016

May 13, 2016

[U.S. GAAP]

Name of registrant :Nippon Telegraph and Telephone Corporation (“NTT”) / URL <http://www.ntt.co.jp/ir/>  
 Code No. :9432  
 Stock exchanges on which the Company's shares are listed :Tokyo  
 Representative :Hiroo Unoura, President and Chief Executive Officer  
 Contact :Yasutake Horinouchi, Head of IR, Finance and Accounting / TEL +81-3-6838-5481  
 Scheduled date of the ordinary general meeting of shareholders:June 24, 2016  
 Scheduled date of dividend payments :June 27, 2016  
 Scheduled filing date of securities report :June 30, 2016  
 Supplemental material on financial results :Yes  
 Presentation on financial results :Yes (for institutional investors and analysts)

## 1. Consolidated Financial Results for the Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)

Amounts are rounded to nearest million yen.

### (1) Consolidated Results of Operations

(Millions of yen)

	Operating Revenues		Operating Income		Income (Loss) before Income Taxes		Net Income (Loss) Attributable to NTT	
Year ended March 31, 2016	11,540,997	4.0%	1,348,149	24.3%	1,329,259	24.6%	737,738	42.4%
Year ended March 31, 2015	11,095,317	1.6%	1,084,566	(10.6%)	1,066,629	(17.6%)	518,066	(11.5%)

Note: Percentages above represent changes from the previous year.

	Basic Earnings (Loss) per Share Attributable to NTT	Diluted Earnings per Share Attributable to NTT	ROE (Ratio of Net Income Attributable to NTT)	ROA (Ratio of Income (Loss) before Income Taxes to Total Assets)	Operating Income Margin (Ratio of Operating Income to Operating Revenues)
Year ended March 31, 2016	350.34 (yen)	- (yen)	8.4%	6.4%	11.7%
Year ended March 31, 2015	236.85 (yen)	- (yen)	6.0%	5.2%	9.8%

Notes: 1.Comprehensive income (loss) attributable to NTT: For the year ended March 31, 2016: 422,153 million yen ((38.9%))

For the year ended March 31, 2015: 691,332 million yen ((20.8%))

2.Equity in earnings (losses) of affiliated companies: For the year ended March 31, 2016: 5,772 million yen

For the year ended March 31, 2015: 5,889 million yen

3.NTT conducted a two-for-one stock split of its common stock, with an effective date of July 1, 2015. The figures for Basic Earnings (Loss) per Share Attributable to NTT have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

### (2) Consolidated Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Total Equity (Net Assets)	Shareholders' Equity	Equity Ratio (Ratio of Shareholders' Equity to Total Assets)	Shareholders' Equity per Share
March 31, 2016	21,035,931	11,240,082	8,833,806	42.0%	4,214.32 (yen)
March 31, 2015	20,702,427	11,049,810	8,681,860	41.9%	4,100.63 (yen)

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of July 1, 2015. The figures for Shareholders' Equity per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

### (3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year ended March 31, 2016	2,711,845	(1,759,778)	(707,575)	1,088,275
Year ended March 31, 2015	2,391,812	(1,868,579)	(678,008)	849,174

## 2. Dividends

	Dividends per Share					Total Annual Dividends	Payout Ratio (Consolidated)	Ratio of Dividends to Shareholders' Equity (Consolidated)
	End of the First Quarter	End of the Second Quarter	End of the Third Quarter	Year-end	Total			
Year ended March 31, 2015 (Prior to Stock Split) (Reference) Year ended March 31, 2015 (After Stock Split)	—	90.00 (yen)	—	90.00 (yen)	180.00 (yen)	195,140 (millions of yen)	38.0 %	2.3 %
Year ended March 31, 2016	—	45.00 (yen)	—	45.00 (yen)	90.00 (yen)	195,140 (millions of yen)	38.0 %	2.3 %
Year ended March 31, 2016	—	50.00 (yen)	—	60.00 (yen)	110.00 (yen)	230,677 (millions of yen)	31.4 %	2.6 %
Year ending March 31, 2017 (Forecasts)	—	60.00 (yen)	—	60.00 (yen)	120.00 (yen)	—	33.1 %	—

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of July 1, 2015.

### 3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2017 (April 1, 2016 - March 31, 2017)

(Millions of yen)

	Operating Revenues	Operating Income	Income before Income Taxes	Net Income Attributable to NTT	Basic Earnings per Share Attributable to NTT
Year ending March 31, 2017	11,450,000 (0.8%)	1,430,000 6.1%	1,410,000 6.1%	750,000 1.7%	363.00 (yen)

Note: Percentages above represent changes from the previous year.

#### \*Notes

- (1) Change in reporting entities (change in significant consolidated subsidiaries): Yes  
Eliminations: One company (Verio Inc.)
- (2) Change of accounting policy
  - i. Change due to revision of accounting standards and other regulations: None
  - ii. Other change: Yes  
(For further details, please see "(7) Change in Significant Matters Serving as a Basis for the Preparation of Consolidated Financial Statements" on page 26.)
- (3) Number of shares outstanding (common stock)
  - i. Number of shares outstanding (including treasury stock) at end of year:
    - March 31, 2016: 2,096,394,470 shares
    - March 31, 2015: 2,273,394,470 shares
  - ii. Number of shares of treasury stock at end of year:
    - March 31, 2016: 255,269 shares
    - March 31, 2015: 156,195,212 shares
  - iii. Weighted average number of shares outstanding:
    - For the year ended March 31, 2016: 2,105,782,828 shares
    - For the year ended March 31, 2015: 2,187,360,018 shares

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of July 1, 2015. The figures for "Number of shares outstanding (common stock)" have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

#### (Reference) Non-Consolidated Financial Results

For the Year Ended March 31, 2016

[Japanese GAAP]

#### 1. Non-consolidated Financial Results for the Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)

Amounts are rounded off per 1 million yen.

(1) Non-consolidated Results of Operations (Millions of yen, except per share amounts)

	Operating Revenues	Operating Income	Recurring Profit	Net Income
Year ended March 31, 2016	521,742 26.7%	384,076 40.2%	381,487 40.1%	666,679 19.8%
Year ended March 31, 2015	411,828 (4.4%)	273,969 (3.4%)	272,393 (1.8%)	556,578 99.3%

Note: Percentages above represent changes from the previous year.

	Earnings per Share	Diluted Earnings per Share
Year ended March 31, 2016	316.59 (yen)	- (yen)
Year ended March 31, 2015	254.45 (yen)	- (yen)

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of July 1, 2015. The figures for Earnings per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

(2) Non-consolidated Financial Position (Millions of yen, except per share amounts)

	Total Assets	Net Assets	Equity Ratio (Ratio of Shareholders' Equity to Total Assets)	Net Assets per Share
March 31, 2016	7,052,062	4,717,924	66.9%	2,250.77 (yen)
March 31, 2015	7,027,374	4,345,475	61.8%	2,052.46 (yen)

(Reference) Shareholders' equity: For the year ended March 31, 2016: 4,717,924 million yen

For the year ended March 31, 2015: 4,345,475 million yen

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of July 1, 2015. The figures for Net Assets per Share have been adjusted to reflect the impact of the stock split as if the stock split had occurred at the beginning of the prior fiscal year.

#### 2. Non-consolidated Financial Results Forecasts for the Year Ending March 31, 2017 (April 1, 2016 - March 31, 2017)

(Millions of yen, except per share amounts)

	Operating Revenues	Operating Income	Recurring Profit	Net Income	Earnings per Share
Year ending March 31, 2017	473,000 (9.3%)	339,000 (11.7%)	335,000 (12.2%)	336,000 (49.6%)	163.00(yen)

Note: Percentages above represent changes from the previous year.

- \* The figures for the payout ratio (consolidated) and the earnings per share (consolidated/non-consolidated) for the fiscal year ending March 31, 2017 (forecasts) are based on the assumption that NTT will repurchase up to 68 million shares for up to 350.0 billion yen, as resolved at the board of directors' meeting held on May 13, 2016, and retain these shares as treasury stock.
- \* Presentation on the status of audit process:  
This financial results release is not subject to the audit process as required by the Financial Instruments and Exchange Act of Japan. As of the date when this financial results release was issued, the audit process on financial statements as required by the Financial Instruments and Exchange Act was still ongoing.
- \* Explanation for financial results forecasts and other notes:  
With regard to the assumptions and other related matters concerning the above estimated results, please refer to page 43.  
As NTT evaluates its business performance on an annual basis, prospects on a semi-annual basis are not provided.  
On Friday, May 13, 2016, NTT will hold a presentation on its financial results for institutional investors and analysts. Shortly thereafter, NTT plans to post on its website explanatory details, along with the materials used at the presentation.