

- Finance Business  
We provided financial services such as leasing, installation payment, and other finance areas concentrating on information-related equipment, billing and collection services for telecommunication service bills, and credit card transaction settlement services.
- Construction and Electric Power Business  
By combining and utilizing our technology in “ICT, energy, and construction” to the fullest extent, we designed and built large-scale solar power generation systems and data centers.
- System Development Business  
To provide optimized, high-quality ICT services to our customers, we worked to develop network operation systems and application services.

As a result of the above, consolidated operating revenues in the Other Business Segment for the fiscal year ended March 31, 2016 were 1,294.5 billion yen (an increase of 1.7% from the previous fiscal year). On the other hand, consolidated operating expenses were 1,220.4 billion yen (an increase of 1.3% from the previous fiscal year). As a result, consolidated operating income was 74.0 billion yen (an increase of 9.7% from the previous fiscal year).

## (2) Analysis of Financial Position

Net cash provided by operating activities for the fiscal year ended March 31, 2016 increased by 320.0 billion yen (13.4%) from the previous fiscal year to 2,711.8 billion yen. This increase was due to, among other factors, an increase in operating income.

Net cash used in investing activities decreased by 108.8 billion yen (5.8%) from the previous fiscal year to 1,759.8 billion yen. This decrease was due to, among other factors, a decrease in capital investments and other such investments partially offset by an increase in payments for the purchases of non-current investments.

Net cash used in financing activities increased by 29.6 billion yen (4.4%) from the previous fiscal year to 707.6 billion yen. This increase was due to, among other factors, a decrease in proceeds from borrowings partially offset by a decrease in stock repurchases.

As a result of the above, NTT Group's consolidated cash and cash equivalents as of March 31, 2016 totaled 1,088.3 billion yen, an increase of 239.1 billion yen (28.2%) from the end of the previous fiscal year.

|  | (Billions of yen)  |  |        |                   |
|--|--|--|--------|-------------------|
|  | Fiscal Year Ended<br>March 31, 2015<br>(April 1, 2014 –<br>March 31, 2015) | Fiscal Year Ended<br>March 31, 2016<br>(April 1, 2015 –<br>March 31, 2016) | Change | Percent<br>Change |
| Cash flows provided by operating activities  | 2,391.8  | <b>2,711.8</b>   | 320.0  | 13.4%             |
| Cash flows used in investing activities      | (1,868.6)  | <b>(1,759.8)</b>   | 108.8  | 5.8%              |
| Cash flows used in financing activities      | (678.0)  | <b>(707.6)</b>   | (29.6) | (4.4%)            |
| Cash and cash equivalents at the end of year | 849.2  | <b>1,088.3</b>   | 239.1  | 28.2%             |

## (3) Basic Policy Concerning Profit Distribution: Dividends in the Current Term and Next Term

In addition to increasing corporate value over the medium- and long-term, NTT has identified the return of profits to shareholders as an important management goal. In determining the level of dividends, NTT, while giving consideration to stability and sustainability, takes into account a full range of factors, including business performance, financial standing and dividend payout ratio.

NTT is planning to distribute dividends of 110 yen per share for the current annual period, comprising a 60-yen end-of-term dividend and a 50-yen interim dividend. For the next annual period, dividends are planned to be 120 yen for the full year.

While maintaining a good financial standing and as part of a capital policy to improve capital efficiency, NTT intends to use internal funds for investments in new business opportunities.