

3. Financial Results (Holding Company and Subsidiaries)

(Billions of yen)

	A	B		C	
	Year Ended March 31, 2015	Year Ended March 31, 2016		Year Ending March 31, 2017 (Forecast)	
			<u>Change</u> B-A		<u>Change</u> C-B
NTT (Holding Company) (JPN GAAP)					
Operating Revenues	411.8	521.7	109.9	473.0	(48.7)
Operating Expenses	137.8	137.6	(0.1)	134.0	(3.6)
Operating Income	273.9	384.0	110.1	339.0	(45.0)
Non-Operating Revenues	33.9	30.0	(3.9)	25.0	(5.0)
Non-Operating Expenses	35.5	32.6	(2.9)	29.0	(3.6)
Recurring Profit	272.3	381.4	109.0	335.0	(46.4)
Net Income	556.5	666.6	110.1	336.0	(330.6)
NTT East (JPN GAAP)					
Operating Revenues	1,765.4	1,722.3	(43.1)	1,650.0	(72.3)
Voice Transmission Services (excluding IP) ⁽¹⁾	468.5	427.8	(40.7)	393.0	(34.8)
IP Services	844.4	855.4	10.9	836.0	(19.4)
Leased Circuit (excluding IP)	111.9	103.7	(8.2)	97.0	(6.7)
Other	200.0	198.5	(1.4)	324.0	(11.2)
Supplementary Business	140.3	136.7	(3.6)		
Operating Expenses	1,655.5	1,560.4	(95.1)	1,485.0	(75.4)
Personnel	98.2	96.8	(1.3)	95.0	(1.8)
Cost of Services and Equipment Sold, and Selling, General and Administrative Expenses	1,073.9	992.8	(81.1)	971.0	(21.8)
Depreciation and Amortization	362.5	342.6	(19.8)	295.0	(47.6)
Loss on Disposal of Property, Plant and Equipment	47.0	54.7	7.6	51.0	(3.7)
Taxes and Public Dues	73.7	73.3	(0.3)	73.0	(0.3)
Operating Income	109.8	161.8	51.9	165.0	3.1
Non-Operating Revenues	23.7	17.5	(6.1)	5.0	(12.5)
Non-Operating Expenses	11.5	5.9	(5.6)	5.0	(0.9)
Recurring Profit	122.0	173.4	51.3	165.0	(8.4)
Net Income	69.5	118.7	49.2	114.0	(4.7)
NTT West (JPN GAAP)					
Operating Revenues	1,574.2	1,528.0	(46.1)	1,477.0	(51.0)
Voice Transmission Services (excluding IP) ⁽¹⁾	472.5	428.6	(43.9)	394.0	(34.6)
IP Services	686.1	702.7	16.5	695.0	(7.7)
Leased Circuit (excluding IP)	103.0	93.3	(9.6)	84.0	(9.3)
Other	153.5	147.8	(5.6)	304.0	0.7
Supplementary Business	158.8	155.4	(3.4)		
Operating Expenses	1,538.5	1,453.9	(84.5)	1,402.0	(51.9)
Personnel	96.3	90.0	(6.2)	81.0	(9.0)
Cost of Services and Equipment Sold, and Selling, General and Administrative Expenses	999.2	924.5	(74.6)	904.0	(20.5)
Depreciation and Amortization	327.6	317.0	(10.5)	293.0	(24.0)
Loss on Disposal of Property, Plant and Equipment	48.6	56.2	7.6	57.0	0.7
Taxes and Public Dues	66.7	66.0	(0.7)	67.0	0.9
Operating Income	35.6	74.0	38.3	75.0	0.9
Non-Operating Revenues	6.0	5.7	(0.2)	6.0	0.2
Non-Operating Expenses	12.8	12.7	(0.1)	11.0	(1.7)
Recurring Profit	28.8	67.1	38.3	70.0	2.8
Net Income	13.9	72.4	58.5	50.0	(22.4)

Note: (1) Operating Revenues from Voice Transmission Services (excluding IP) of NTT East and NTT West for the fiscal year ended March 31, 2016 include monthly charges, call charges and interconnection charges of 321.1 billion yen, 30.3 billion yen and 51.1 billion yen for NTT East, and 319.6 billion yen, 28.2 billion yen and 55.8 billion yen for NTT West, respectively.

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			<i>Change</i> <i>B-A</i>		<i>Change</i> <i>C-B</i>
NTT Communications (JPN GAAP)					
Operating Revenues ⁽¹⁾	909.9	918.3	8.3	910.0	(8.3)
Cloud Computing Platforms	64.9	70.0	5.0	88.0	17.9
Data Networks	370.8	369.8	(0.9)	375.0	5.1
Voice Communications	269.9	260.3	(9.5)	243.0	(17.3)
Applications & Content	38.4	38.7	0.2	38.0	(0.7)
Solution Services	149.8	162.3	12.5	151.0	(11.3)
Others	15.9	16.9	1.0	15.0	(1.9)
Operating Expenses	816.8	827.1	10.3	822.0	(5.1)
Personnel	78.7	77.2	(1.4)	79.0	1.7
Cost of Services, Cost of Equipment Sold, and Selling, General and Administrative Expenses	426.9	417.1	(9.8)	618.0	(9.0)
Communication Network Charges	193.0	209.9	16.9		
Depreciation and Amortization	102.0	104.4	2.4	105.0	0.5
Loss on Disposal of Property, Plant and Equipment	4.5	5.6	1.0	8.0	2.3
Taxes and Public Dues	11.5	12.7	1.1	12.0	(0.7)
Operating Income	93.1	91.1	(1.9)	88.0	(3.1)
Non-Operating Revenues	30.1	27.1	(3.0)	22.0	(5.1)
Non-Operating Expenses	8.4	8.1	(0.3)	8.0	(0.1)
Recurring Profit	114.8	110.2	(4.6)	102.0	(8.2)
Net Income	77.2	72.3	(4.9)	72.0	(0.3)
Dimension Data (IFRS)⁽²⁾⁽³⁾					
Operating Revenues	734.4	921.9	187.6	890.0	(31.9)
Operating Expenses	725.9	921.6	195.7	886.0	(35.6)
Operating Income ⁽⁴⁾	8.4	0.3	(8.1)	4.0	3.7
Net Income Attributable to Dimension Data	3.6	(7.7)	(11.3)	-	-

Notes: (1) The following are the main services included in each line item:

- Cloud Computing Platforms: "Data center services" and "Private Cloud (Enterprise Cloud, etc.)"
- Data Networks: "Closed network services (Arcstar Universal One, etc.)" and "Open network service (OCN, etc.)"
- Voice Communications: "Telephone services" and "VoIP services (050 plus, etc.)"
- Applications & Content: "Application services (Mail services, etc.)"
- Solution Services: "System integration services"

(2) Because Dimension Data's statements of income from January 1 to December 31, 2015 are consolidated into NTT's consolidated statements of income from April 1, 2015 to March 31, 2016, Dimension Data's financial results for the twelve months ended December 31, 2015 are included under "B. Year Ended March 31, 2016" and Dimension Data's forecast for the twelve months ending December 31, 2016 is included under "C. Year Ending March 31, 2017 (Forecast)."

(3) The conversion rate used for Dimension Data figures for the fiscal year ended March 31, 2016 is USD1.00 = JPY121.10.

(4) Operating Income for the fiscal year ended March 31, 2016 under US GAAP was (11.2) billion yen.

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			Change B-A	Change C-B	
NTT DOCOMO Consolidated (US GAAP)					
Operating Revenues	4,383.4	4,527.1	143.7	4,620.0	92.9
Telecommunications Services	2,747.2	2,815.5	68.4	2,974.0	158.5
Mobile Communications Services	2,736.6	2,767.6	30.9	2,844.0	76.4
Voice Revenues	883.8	849.4	(34.4)	868.0	18.6
Packet Communications Revenues	1,852.8	1,918.2	65.3	1,976.0	57.8
Optical-fiber Broadband Services and Other Telecommunications Services	10.5	47.9	37.4	130.0	82.1
Equipment Sales	904.1	860.5	(43.6)	745.0	(115.5)
Other Operating Revenues ⁽¹⁾	732.2	851.1	118.9	901.0	49.9
Operating Expenses	3,744.3	3,744.1	(0.3)	3,710.0	(34.1)
Personnel	286.5	286.2	(0.3)	293.0	6.8
Cost of Services, Cost of Equipment Sold, and Selling, General and Administrative Expenses	2,418.1	2,435.9	17.8	2,497.0	61.1
Depreciation and Amortization	659.8	625.9	(33.9)	448.0	(177.9)
Impairment loss	30.2	9.1	(21.1)	-	(9.1)
Loss on Disposal of Property, Plant and Equipment	69.5	68.8	(0.7)	81.0	12.2
Communication Network Charges	240.3	276.9	36.6	351.0	74.1
Taxes and Public Dues	40.1	41.3	1.2	40.0	(1.3)
Operating Income	639.1	783.0	144.0	910.0	127.0
Non-Operating Income (Loss)	4.8	(5.0)	(9.8)	4.0	9.0
Income Before Income Taxes	643.9	778.0	134.1	914.0	136.0
Net Income Attributable to NTT DOCOMO	410.1	548.4	138.3	640.0	91.6
NTT DATA Consolidated (JPN GAAP)					
Net sales ⁽²⁾	1,511.8	1,614.8	103.0	1,650.0	35.1
Public & Social Infrastructure	408.7	420.8	12.0	426.0	5.1
Financial	496.2	523.6	27.4	520.0	(3.6)
Enterprise & Solutions	366.1	391.8	25.6	406.0	14.1
Global	464.5	519.6	55.0	549.0	29.3
Elimination or Corporate	(223.8)	(241.0)	(17.1)	(251.0)	(9.9)
Cost of Sales	1,147.3	1,216.7	69.4	1,236.0	19.2
Gross Profit	364.5	398.1	33.5	414.0	15.8
Selling, General and Administrative Expenses	280.4	297.2	16.7	309.0	11.7
Operating Income	84.0	100.8	16.8	105.0	4.1
Non-Operating Income (Loss)	(6.1)	(2.7)	3.3	(6.0)	(3.2)
Ordinary income	77.9	98.1	20.2	99.0	0.8
Net Income Attributable to Owners of Parent	32.1	63.3	31.2	58.0	(5.3)

Notes: (1) With the introduction of "Optical-fiber broadband services and other telecommunications services" in the fiscal year ended March 31, 2015, Telecommunications Services revenues previously included in "Other Operating Revenues" under "A. Year Ended March 31, 2015" have been retroactively reclassified as "Optical-fiber broadband services and other telecommunications services revenues."

(2) Pursuant to organizational reforms implemented on July 1, 2015, NTT DATA restructured its disclosure segments starting from the second quarter of the fiscal year ending March 31, 2016. The numerical values provided reflect the changes made to the segments.