

Supplementary Data for the Three Months Ended June 30, 2016

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The projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained 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 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.

1. Financial Results Summary (Consolidated)

(Billions of yen)

	A		B		C
	Three Months Ended June 30, 2015		Three Months Ended June 30, 2016		Year Ending March 31, 2017 (Forecast)
			<i>Change</i> B-A	<i>Progress</i> B/C	
Consolidated (US GAAP)					
Operating Revenues	2,706.5	2,716.7	10.3	23.7%	11,450.0
Fixed Voice Related Services	336.4	311.8	(24.6)	-	-
Mobile Voice Related Services	193.1	213.0	19.8	-	-
IP/Packet Communications Services	933.7	948.0	14.3	-	-
Sales of Telecommunications Equipment	223.8	186.7	(37.0)	-	-
System Integration	673.0	688.3	15.3	-	-
Other	346.4	368.9	22.5	-	-
Operating Expenses	2,347.7	2,229.3	(118.4)	22.2%	10,020.0
Cost of Services (excluding items shown separately below)	556.0	547.3	(8.8)	-	-
Cost of Equipment Sold (excluding items shown separately below)	196.6	175.3	(21.3)	-	-
Cost of System Integration (excluding items shown separately below)	475.8	501.7	26.0	-	-
Depreciation and Amortization	432.6	359.2	(73.4)	-	-
Impairment Loss	0.0	0.4	0.3	-	-
Selling, General and Administrative Expenses	686.7	645.5	(41.2)	-	-
Operating Income	358.8	487.4	128.6	34.1%	1,430.0
Income Before Income Taxes	367.4	446.1	78.7	31.6%	1,410.0
Net Income Attributable to NTT	193.2	243.6	50.5	32.5%	750.0
(Ref.) Details of "Cost of Services," "Cost of Equipment Sold," "Cost of System Integration" and "Selling, General and Administrative Expenses"					
Personnel	569.5	557.7	(11.8)	-	-
Cost of Services and Equipment Sold, and Selling, General and Administrative Expenses	1,257.3	1,227.9	(29.4)	-	-
Loss on Disposal of Property, Plant and Equipment	30.0	24.2	(5.8)	-	-
Other Expenses	58.3	60.0	1.7	-	-
Total	1,915.1	1,869.8	(45.3)	-	-
EBITDA and EBITDA Margin with Reconciliation					
EBITDA (a+b)	808.2	859.5	51.3	28.0%	3,068.0
a Operating Income	358.8	487.4	128.6	34.1%	1,430.0
b Depreciation and Amortization, and Loss on Disposal of Property, Plant and Equipment	449.4	372.1	(77.3)	22.7%	1,638.0
EBITDA Margin [(c/d)X100]	29.9%	31.6%	1.8 points	-	26.8%
c EBITDA (a+b)	808.2	859.5	51.3	28.0%	3,068.0
d Operating Revenues	2,706.5	2,716.7	10.3	23.7%	11,450.0
Capital Investment⁽¹⁾					
Capital Investment	285.8	284.4	(1.5)	16.5%	1,720.0
Regional communications business	107.7	96.3	(11.4)	16.4%	589.0
Long distance and international communications business	42.9	44.8	1.9	18.7%	239.0
Mobile communications business	93.2	97.1	4.0	16.6%	585.0
Data communications business	26.9	28.5	1.7	19.0%	150.0
Other business	15.2	17.6	2.4	11.2%	157.0
(Ref.) Core Group Companies					
NTT (Holding Company)	1.1	1.0	(0.0)	5.9%	18.0
NTT East	46.1	42.1	(3.9)	15.6%	270.0
NTT West	57.9	46.2	(11.6)	16.8%	275.0
NTT Communications	28.0	25.1	(2.9)	19.5%	129.0
NTT DOCOMO (Consolidated)	93.1	97.1	4.0	16.6%	585.0
NTT DATA (Consolidated)	26.8	28.5	1.6	19.0%	150.0
Interest-Bearing Liabilities					
	As of March 31, 2016	As of June 30, 2016	As of March 31, 2017 (Forecast)		
Interest-Bearing Liabilities	4,163.3	4,353.6	4,300.0		

Note: (1) Capital Investment figures for domestic access network businesses for "A. Three Months Ended June 30, 2015" and "B. Three Months Ended June 30, 2016" and "C. Year Ending March 31, 2017 (Forecast)" are 223.0 billion yen and 211.3 billion yen and 1,253.0 billion yen respectively.

2. Financial Results (Business Segments)

(Billions of yen)

	A	B		C	
	Three Months Ended June 30, 2015	Three Months Ended June 30, 2016		Year Ending March 31, 2017 (Forecast)	
			<i>Change</i> B-A	<i>Progress</i> B/C	
Business segments⁽¹⁾					
Regional communications business					
Operating Revenues	836.5	802.9	(33.6)	24.6%	3,270.0
Operating Expenses	765.4	675.1	(90.3)	22.7%	2,980.0
Operating Income	71.1	127.8	56.7	44.1%	290.0
Long distance and international communications business					
Operating Revenues	518.1	519.0	0.9	23.4%	2,220.0
Operating Expenses	496.9	492.0	(4.9)	23.3%	2,110.0
Operating Income	21.2	27.0	5.8	24.6%	110.0
Mobile communications business					
Operating Revenues	1,076.9	1,108.7	31.8	24.0%	4,620.0
Operating Expenses	842.2	810.4	(31.8)	21.8%	3,715.0
Operating Income	234.7	298.3	63.6	33.0%	905.0
Data communications business					
Operating Revenues	360.2	373.5	13.2	22.9%	1,630.0
Operating Expenses	341.4	351.6	10.2	23.3%	1,510.0
Operating Income	18.9	21.9	3.0	18.2%	120.0
Other business					
Operating Revenues	267.1	272.1	5.0	20.6%	1,320.0
Operating Expenses	256.8	259.8	3.0	20.7%	1,255.0
Operating Income	10.4	12.3	2.0	19.0%	65.0

Note: (1) Figures for each segment include inter-segment transactions.

3. Financial Results (Holding Company and Subsidiaries)

(Billions of yen)

	A	B		C	
	Three Months Ended June 30, 2015	Three Months Ended June 30, 2016		Year Ending March 31, 2017 (Forecast)	
		Change B-A	Progress B/C		
NTT (Holding Company) (JPN GAAP)					
Operating Revenues	224.0	269.1	45.1	56.9%	473.0
Operating Expenses	30.4	29.4	(0.9)	22.0%	134.0
Operating Income	193.6	239.6	46.0	70.7%	339.0
Non-Operating Revenues	6.9	6.0	(0.9)	24.3%	25.0
Non-Operating Expenses	7.7	7.7	0.0	26.9%	29.0
Recurring Profit	192.8	237.9	45.0	71.0%	335.0
Net Income	192.5	237.5	45.0	70.7%	336.0
NTT East (JPN GAAP)					
Operating Revenues	429.7	410.1	(19.5)	24.9%	1,650.0
Voice Transmission Services (excluding IP) ⁽¹⁾	110.0	101.4	(8.6)	25.8%	393.0
IP Services	217.0	213.3	(3.6)	25.5%	836.0
Leased Circuit (excluding IP)	28.6	24.0	(4.6)	24.8%	97.0
Other	47.8	46.1	(1.6)		
Supplementary Business	26.2	25.0	(1.1)	22.0%	324.0
Operating Expenses	379.0	346.0	(33.0)	23.3%	1,485.0
Personnel	24.3	23.6	(0.6)	24.9%	95.0
Cost of Services and Equipment Sold, and Selling, General and Administrative Expenses	241.5	224.3	(17.1)	23.1%	971.0
Depreciation and Amortization	87.9	72.2	(15.6)	24.5%	295.0
Loss on Disposal of Property, Plant and Equipment	6.3	6.1	(0.2)	12.1%	51.0
Taxes and Public Dues	18.8	19.5	0.6	26.8%	73.0
Operating Income	50.7	64.1	13.4	38.9%	165.0
Non-Operating Revenues	5.8	17.3	11.5	347.4%	5.0
Non-Operating Expenses	1.4	1.2	(0.1)	25.9%	5.0
Recurring Profit	55.0	80.2	25.1	48.6%	165.0
Net Income	40.9	57.8	16.8	50.7%	114.0
NTT West (JPN GAAP)					
Operating Revenues	374.1	362.0	(12.0)	24.5%	1,477.0
Voice Transmission Services (excluding IP) ⁽¹⁾	110.5	101.6	(8.9)	25.8%	394.0
IP Services	174.5	175.5	1.0	25.3%	695.0
Leased Circuit (excluding IP)	24.7	22.0	(2.6)	26.3%	84.0
Other	35.1	33.8	(1.3)		
Supplementary Business	29.1	29.0	(0.1)	20.7%	304.0
Operating Expenses	359.2	323.3	(35.8)	23.1%	1,402.0
Personnel	22.6	20.3	(2.2)	25.1%	81.0
Cost of Services and Equipment Sold, and Selling, General and Administrative Expenses	230.0	206.3	(23.7)	22.8%	904.0
Depreciation and Amortization	80.5	70.4	(10.0)	24.0%	293.0
Loss on Disposal of Property, Plant and Equipment	8.7	8.6	(0.0)	15.2%	57.0
Taxes and Public Dues	17.2	17.5	0.2	26.1%	67.0
Operating Income	14.8	38.7	23.8	51.6%	75.0
Non-Operating Revenues	2.7	1.2	(1.5)	20.4%	6.0
Non-Operating Expenses	2.8	2.0	(0.7)	19.0%	11.0
Recurring Profit	14.7	37.8	23.0	54.1%	70.0
Net Income	12.2	23.3	11.0	46.6%	50.0

Note: (1) Operating Revenues from Voice Transmission Services (excluding IP) of NTT East and NTT West for the three months ended June 30, 2016 include monthly charges, call charges and interconnection charges of 76.5 billion yen, 6.9 billion yen and 11.7 billion yen for NTT East, and 76.1 billion yen, 6.4 billion yen and 12.9 billion yen for NTT West, respectively.

3. Financial Results (Holding Company and Subsidiaries)

(Billions of yen)

	A	B		C	
	Three Months Ended June 30, 2015	Three Months Ended June 30, 2016		Year Ending March 31, 2017 (Forecast)	
		<i>Change</i> B-A	<i>Progress</i> B/C		
NTT Communications (JPN GAAP)					
Operating Revenues ⁽¹⁾	216.6	220.2	3.5	24.2%	910.0
Cloud Computing Platforms	16.7	17.1	0.3	19.5%	88.0
Data Networks	91.0	94.8	3.7	25.3%	375.0
Voice Communications	64.3	63.0	(1.3)	26.0%	243.0
Applications & Content	9.5	9.4	(0.1)	24.9%	38.0
Solution Services	31.0	31.9	0.9	21.2%	151.0
Others	3.8	3.7	(0.0)	25.0%	15.0
Operating Expenses	199.3	194.3	(4.9)	23.6%	822.0
Personnel	19.1	19.2	0.0	24.4%	79.0
Cost of Services, Cost of Equipment Sold, and Selling, General and Administrative Expenses	100.9	90.8	(10.1)	23.6%	618.0
Communication Network Charges	49.6	54.7	5.0		
Depreciation and Amortization	25.9	25.4	(0.4)	24.3%	105.0
Loss on Disposal of Property, Plant and Equipment	0.4	0.5	0.1	6.9%	8.0
Taxes and Public Dues	3.2	3.5	0.3	29.7%	12.0
Operating Income	17.2	25.8	8.5	29.3%	88.0
Non-Operating Revenues	8.8	7.4	(1.3)	34.1%	22.0
Non-Operating Expenses	2.3	2.3	0.0	29.3%	8.0
Recurring Profit	23.7	30.9	7.2	30.4%	102.0
Net Income	16.6	22.3	5.6	31.0%	72.0
Dimension Data (IFRS)⁽²⁾⁽³⁾					
Operating Revenues	206.8	206.6	(0.2)	23.2%	890.0
Operating Expenses	207.9	207.9	0.0	23.5%	886.0
Operating Income ⁽⁴⁾	(1.0)	(1.3)	(0.3)	-	4.0
Net Income Attributable to Dimension Data	(2.8)	(2.4)	0.4	-	-

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

- Cloud Computing Platforms: "Data center services" and "Cloud Services (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 March 31 are consolidated into NTT's consolidated statements of income from April 1 to March 31, Dimension Data's financial results for the three months ended March 31, 2015 are stated under "A. Three Months Ended June 30, 2015," its financial results for the three months ended March 31, 2016 are stated under "B. Three Months Ended June 30, 2016" and its forecasts for the twelve months ending December 31, 2016 are stated under "C. Year Ending March 31, 2017 (Forecast)."

(3) The conversion rate used for Dimension Data figures for the three months ended June 30, 2016 is USD1.00 = JPY115.35

(4) Operating Income for the three months ended June 30, 2016 under US GAAP was (3.8) billion yen.

3. Financial Results (Holding Company and Subsidiaries)

(Billions of yen)

	A		B		C
	Three Months Ended June 30, 2015		Three Months Ended June 30, 2016		Year Ending March 31, 2017 (Forecast)
			<i>Change</i>	<i>Progress</i>	
			<i>B-A</i>	<i>B/C</i>	
NTT DOCOMO Consolidated (US GAAP)					
Operating Revenues	1,076.9	1,108.7	31.8	24.0%	4,620.0
Telecommunications Services	675.3	729.7	54.5	24.5%	2,974.0
Mobile Communications Services	669.4	704.2	34.8	24.8%	2,844.0
Voice Revenues	196.6	215.9	19.2	24.9%	868.0
Packet Communications Revenues	472.7	488.3	15.5	24.7%	1,976.0
Optical-fiber broadband services and other telecommunications services	5.9	25.5	19.7	19.6%	130.0
Equipment Sales	201.3	165.8	(35.6)	22.2%	745.0
Other Operating Revenues	200.3	213.2	12.9	23.7%	901.0
Operating Expenses	841.5	809.4	(32.1)	21.8%	3,710.0
Personnel	72.3	72.3	0.0	24.7%	293.0
Cost of Services, Cost of Equipment Sold, and Selling, General and Administrative Expenses	537.5	531.5	(6.0)	21.3%	2,497.0
Depreciation and Amortization	145.6	109.7	(35.9)	24.5%	448.0
Loss on Disposal of Property, Plant and Equipment	11.3	7.9	(3.4)	9.8%	81.0
Communication Network Charges	64.6	76.7	12.1	21.8%	351.0
Taxes and Public Dues	10.3	11.2	1.0	28.1%	40.0
Operating Income	235.4	299.3	63.9	32.9%	910.0
Non-Operating Income (Loss)	5.2	(4.0)	(9.2)	-	4.0
Income Before Income Taxes	240.6	295.3	54.7	32.3%	914.0
Net Income Attributable to NTT DOCOMO	168.8	206.9	38.1	32.3%	640.0
NTT DATA Consolidated (JPN GAAP)					
Operating Revenues ⁽¹⁾	358.5	392.2	33.6	23.8%	1,650.0
Public & Social Infrastructure	82.5	89.1	6.5	20.9%	426.0
Financial	116.3	118.6	2.2	22.8%	520.0
Enterprise & Solutions	88.9	97.7	8.8	24.1%	406.0
Global	122.6	145.2	22.5	26.5%	549.0
Elimination or Corporate	(51.9)	(58.5)	(6.5)	23.3%	(251.0)
Cost of Sales	270.5	294.5	23.9	23.8%	1,236.0
Gross Profit	88.0	97.6	9.6	23.6%	414.0
Selling, General and Administrative Expenses	72.8	80.3	7.4	26.0%	309.0
Operating Income	15.1	17.3	2.2	16.6%	105.0
Non-Operating Income (Loss)	0.2	(0.0)	(0.2)	0.9%	(6.0)
Recurring Profit	15.3	17.3	1.9	17.5%	99.0
Net Income Attributable to Owners of Parent	7.3	10.0	2.6	17.4%	58.0

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

4. Operating Data

Number of Subscribers

(in thousands except for Public Telephones)

	A		B		C	
	As of		As of		As of	
	March 31, 2016		June 30, 2016		March 31, 2017 (Forecast)	
			D		E	
			Change	Progress	Change	
			B-A	D/E	C-A	
Telephone Subscriber Lines ⁽¹⁾	19,943	19,671	(271)	24.4%	18,833	(1,110)
NTT East	9,875	9,740	(134)	31.2%	9,445	(430)
NTT West	10,068	9,931	(137)	20.2%	9,388	(680)
INS-Net ⁽²⁾	2,776	2,719	(57)	23.3%	2,531	(245)
NTT East	1,414	1,384	(30)	25.2%	1,294	(120)
NTT West	1,361	1,334	(27)	21.4%	1,236	(125)
Telephone Subscriber Lines + INS-Net	22,718	22,390	(328)	24.2%	21,363	(1,355)
NTT East	11,289	11,125	(164)	29.9%	10,739	(550)
NTT West	11,429	11,265	(164)	20.4%	10,624	(805)
Public Telephones	171,179	168,673	(2,506)	29.2%	162,589	(8,590)
NTT East	78,199	76,511	(1,688)	24.1%	71,199	(7,000)
NTT West	92,980	92,162	(818)	51.4%	91,390	(1,590)
FLET'S ISDN	85	83	(2)	40.6%	79	(6)
NTT East	37	36	(1)	103.0%	36	(1)
NTT West	48	47	(1)	28.1%	43	(5)
FLET'S ADSL	1,053	1,019	(34)	21.4%	896	(157)
NTT East	475	459	(16)	26.7%	415	(60)
NTT West	577	560	(18)	18.1%	480	(97)
FLET'S Hikari (including Hikari Collaboration Model) ⁽³⁾⁽⁴⁾⁽⁵⁾	19,259	19,520	261	43.5%	19,859	600
NTT East	10,666	10,839	173	57.7%	10,966	300
NTT West	8,593	8,681	88	29.4%	8,893	300
(incl.) Hikari Collaboration Model	4,691	5,912	1,221	34.4%	8,241	3,550
NTT East	3,077	3,781	705	34.4%	5,127	2,050
NTT West	1,615	2,131	516	34.4%	3,115	1,500
Hikari Denwa ⁽⁶⁾	17,374	17,451	77	77.1%	17,474	100
NTT East	9,123	9,180	58	57.6%	9,223	100
NTT West	8,252	8,271	19	-	8,252	-
Conventional Leased Circuit Services	232	231	(2)	24.1%	224	(8)
NTT East	113	112	(1)	16.7%	109	(4)
NTT West	120	118	(1)	31.5%	116	(4)
High Speed Digital Services	115	114	(1)	8.7%	99	(16)
NTT East	59	58	(1)	16.4%	54	(5)
NTT West	56	56	(1)	5.2%	45	(11)
NTT Group Major ISPs ⁽⁷⁾	11,411	11,360	(50)	11.0%	10,951	(460)
(incl.) OCN	8,046	7,969	(76)	15.2%	7,544	(501)
(incl.) Plala	3,005	3,024	20	78.0%	3,030	25
Hikari TV	3,052	3,047	(5)	-	3,060	8
FLET'S TV Transmission Services ⁽⁶⁾	1,432	1,445	13	52.6%	1,456	24
NTT East	910	917	7	69.2%	920	10
NTT West	522	528	6	40.7%	536	14
Mobile ⁽⁸⁾	70,964	71,614	650	15.0%	75,300	4,336
(incl.) "Kake-hodai & Pake-aeru" billing plan	29,704	31,586	1,882	-	-	-
LTE ("Xi")	38,679	39,893	1,214	20.5%	44,600	5,921
FOMA	32,285	31,721	(564)	35.6%	30,700	(1,585)
sp-mode	32,463	33,082	619	23.5%	35,100	2,637
i-mode	18,770	18,136	(634)	27.9%	16,500	(2,270)

Notes: (1) Number of Telephone Subscriber Lines is the total of individual lines and central station lines (Subscriber Telephone Light Plan is included).

(2) "INS-Net" includes "INS-Net 64" and "INS-Net 1500." In terms of number of channels, transmission rate, and line use rate (base rate), "INS-Net 1500" is in all cases roughly ten times greater than "INS-Net 64." For this reason, one "INS-Net 1500" subscription is calculated as ten "INS-Net 64" subscriptions (including subscriptions to the "INS-Net 64 Lite Plan").

(3) Number of "FLET'S Hikari (including Hikari Collaboration Model)" subscribers includes subscribers to "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" and "FLET'S Hikari WiFi Access" provided by NTT East, subscribers to "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 subscribers to the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.

(4) The comparative results for the three months ended June 30, 2016 compared to the year ended March 31, 2016 for "FLET'S Hikari (including Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West were 460 thousand lines and 326 thousand lines, respectively, for a total of 786 thousand lines; the numbers of new subscribers (excluding switchover lines) for the "Hikari Collaboration Model" for NTT East and NTT West were 313 thousand lines and 217 thousand lines, respectively, for a total of 530 thousand lines; and the numbers of switchover lines for NTT East and NTT West were 474 thousand lines and 341 thousand lines, respectively, for a total of 815 thousand lines.

(5) The comparative forecast "As of March 31, 2017" for the year ending March 31, 2017 compared to the results for the year ended March 31, 2016 for "FLET'S Hikari (including Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West are expected to be 1,450 thousand lines and 1,150 thousand lines, respectively, for a total of 2,600 thousand lines; the numbers of new subscribers (excluding switchover lines) for the "Hikari Collaboration Model" for NTT East and NTT West are expected to be 900 thousand lines and 650 thousand lines, respectively, for a total of 1,550 thousand lines; and the numbers of switchover lines for NTT East and NTT West are expected to be 1,500 thousand lines and 1,000 thousand lines, respectively, for a total of 2,500 thousand lines.

(6) Numbers of subscribers for "Hikari Denwa" and "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

(7) "NTT Group Major ISPs" includes "WAKWAK" and "InfoSphere," in addition to "OCN" and "Plala."

(8) Number of Mobile (including "LTE ('Xi')" and "FOMA") telecommunications service subscribers includes communication module service subscribers.

4. Operating Data

Average Monthly Revenue per Unit (ARPU)

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to each designated service on a per user basis. In the case of NTT Group's fixed-line business, ARPU is calculated by dividing revenue items included in the operating revenues of NTT Group's regional communications business segment, that is, fixed-line (telephone subscriber lines and INS-NET) and FLET'S Hikari, by the number of active subscribers to the relevant services.

In the case of NTT Group's mobile communications business, ARPU is calculated by dividing revenue items included in operating revenues from its mobile communications business segment, such as revenues from LTE("Xi") mobile phone services, FOMA mobile phone services and "docomo Hikari" services, that are incurred consistently each month, by the number of active users to the relevant services. The calculation of these figures excludes revenues that are not representative of monthly average usage, such as telecommunications equipment sales, activation fees and universal service charges.

NTT believes that its ARPU figures calculated in this way provide useful information regarding the monthly average usage of its subscribers. The revenue items included in the numerators of NTT Group's ARPU figures are based on its financial results comprising its U.S. GAAP results of operations.

	(Yen)			
	Three Months Ended June 30, 2015 <small>(From April to June, 2015)</small>	Three Months Ended June 30, 2016 <small>(From April to June, 2016)</small>	Year Ended March 31, 2016	Year Ending March 31, 2017 <small>(Forecast)</small>
NTT East ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾				
Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines)	2,660	2,620	2,650	2,600
FLET'S Hikari ARPU ⁽⁶⁾	5,590	5,340	5,510	5,270
Basic Monthly Charge	3,860	3,750	3,830	3,700
Optional Services	1,730	1,590	1,680	1,570
NTT West ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾				
Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines)	2,620	2,580	2,610	2,570
FLET'S Hikari ARPU ⁽⁶⁾	5,550	5,350	5,470	5,250
Basic Monthly Charge	3,770	3,640	3,720	3,580
Optional Services	1,780	1,710	1,750	1,670
NTT DOCOMO ⁽⁷⁾⁽⁸⁾⁽⁹⁾				
Aggregate ARPU	4,010	4,330	4,170	4,390
Voice ARPU (LTE("Xi")+FOMA)	1,120	1,240	1,210	1,240
Data ARPU	2,890	3,090	2,960	3,150
Packet ARPU (LTE("Xi")+FOMA)	2,870	2,960	2,910	2,980
"docomo Hikari" ARPU	20	130	50	170

- Notes:
- (1) We compute the following two categories of ARPU for business conducted by each of NTT East and NTT West.
 - Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines): Calculated based on revenues from monthly charges and call charges for Telephone Subscriber Lines and INS-NET Subscriber Lines, which are included in operating revenues from Voice Transmission Services (excluding IP Services), and revenues from "FLET'S ADSL" and "FLET'S ISDN," which are included in operating revenues from IP Services.
 - FLET'S Hikari ARPU: Calculated based on revenues from "FLET'S Hikari" (including "FLET'S Hikari" optional services), which are included in operating revenues from IP Services, revenues from monthly charges, call charges and connection device charges for "Hikari Denwa," and revenues from "FLET'S Hikari" optional services,
 - "FLET'S Hikari" includes "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" and "FLET'S Hikari WiFi Access" provided by NTT East, and "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. In addition, "FLET'S Hikari" also includes the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.
 - "FLET'S Hikari" Optional Services includes wholesale services provided to service providers by NTT East and NTT West.
 - (2) Revenues from interconnection charges are excluded from the calculation of Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines) and FLET'S Hikari ARPU.
 - (3) Numbers of active subscribers used in the ARPU calculation of NTT East and NTT West are as below.
 - Quarterly Results: Sum of number of active subscribers* for each month in the relevant quarter
 - FY Results: Sum of number of active subscribers* for each month from April to March
 - FY Forecast: Sum of the average expected active number of subscribers during the fiscal year ((number of subscribers at March 31, 2016 + number of expected subscribers at March 31, 2017)/2)x12
 - *active subscribers = (number of subscribers at end of previous month + number of subscribers at end of the current month)/2
 - (4) For purposes of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), the number of subscribers is determined based on the number of subscriptions for fixed-line services (Telephone Subscriber Lines + INS-NET Subscriber Lines).
 - (5) In terms of number of channels, transmission rate, and line use rate (base rate), INS-Net 1500 is in all cases roughly ten times greater than INS-Net 64. For this reason, for the purpose of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), one INS-Net 1500 subscription is calculated as ten INS-Net 64 subscriptions.
 - (6) For purposes of calculating FLET'S Hikari ARPU, the number of subscribers is determined based on the number of FLET'S Hikari subscribers, which includes subscribers to "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" and "FLET'S Hikari WiFi Access" provided by NTT East, subscribers to "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 the "Hikari Collaboration Model." the wholesale provision of services to service providers by NTT East and NTT West.
 - (7) The following is the formula we use to compute ARPU for NTT DOCOMO.
 - Aggregate ARPU = Voice ARPU + Packet ARPU + "docomo Hikari" ARPU
 - Voice ARPU: Voice ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users
 - Packet ARPU: Packet ARPU Related Revenues (basic monthly charges, packet communication charges) / No. of active users
 - "docomo Hikari" ARPU: A part of Other Operating Revenues (basic monthly charges, voice communication charges) / No. of active users
 - (8) Numbers of active users used in the ARPU calculation of NTT DOCOMO are as below.
 - Quarterly Results: Sum of number of active users* for each month in the relevant quarter
 - FY Results/FY Forecast: Sum of number of active users*/expected number of active users* for each month from April to March
 - *active users = (number of users at end of previous month + number of users at end of current month)/2
 - (9) The number of "users" used to calculate ARPU is the total number of subscriptions, excluding the subscriptions listed below:
 - a. Subscriptions to communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs); and
 - b. Data Plan subscriptions which the customer contracting for such subscription in his/her name also has a subscription for "Xi" services in his/her name.

Note that revenues from communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs) are not included in ARPU calculations.

4. Operating Data

Number of Employees

(Persons)

	A As of June 30, 2015	B As of June 30, 2016	C As of March 31, 2017 (Forecast)	
		<u>Change</u> <u>B-A</u>		
NTT Consolidated	247,800	248,650	850	245,950
Regional communications business	72,550	67,400	(5,150)	62,300
Long distance and international communications business	43,450	45,150	1,700	47,000
Mobile communications business	27,050	27,500	450	27,050
Data communications business	78,650	83,200	4,550	84,950
Other business	26,100	25,400	(700)	24,650
Core Group Companies				
NTT (Holding Company)	2,850	2,800	(50)	2,750
NTT East	5,400	5,200	(200)	4,700
NTT West	4,750	4,600	(150)	4,400
NTT Communications	6,600	6,550	(50)	6,450
NTT DOCOMO (Consolidated)	27,050	27,500	450	27,050
NTT DATA (Consolidated)	78,650	83,200	4,550	84,950