



Financial Results for the Nine Months Ended December 31, 2018

February 7, 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.
- *** "3Q" in this material represents the nine-month period beginning on April 1 and ending on December 31.

- **Overview of Consolidated Results**
 - **Status of Consolidated Results for FY2018.3Q**
 - **Contributing Factors by Segment for FY2018.3Q**
- **Topics**
- **Appendix**



Overview of Consolidated Results

Status of Consolidated Results for FY2018.3Q

- Both Operating Revenues and Operating Income increased to highest-ever 3Q levels
- Steady progress toward annual plan being achieved

Status of Consolidated Results

● Operating Revenues:	¥8,795.2B	(+¥48.3B [+0.6%] year-on-year)
● Operating Income:	¥1,527.1B	(+¥117.5B [+8.3%] year-on-year)
● Profit ^{※1} :	¥792.1B	(+¥10.8B [+1.4%] year-on-year)
● Overseas Sales ^{※2} :	\$14.0B	(+\$0.4B [+2.7%] year-on-year)
● Overseas Operating Income Margin ^{※2} :	3.1%	(Reference: FY2017 Results: 3.1%)

※1 Profit presented above represents the profit attributable to NTT, excluding non-controlling interests.

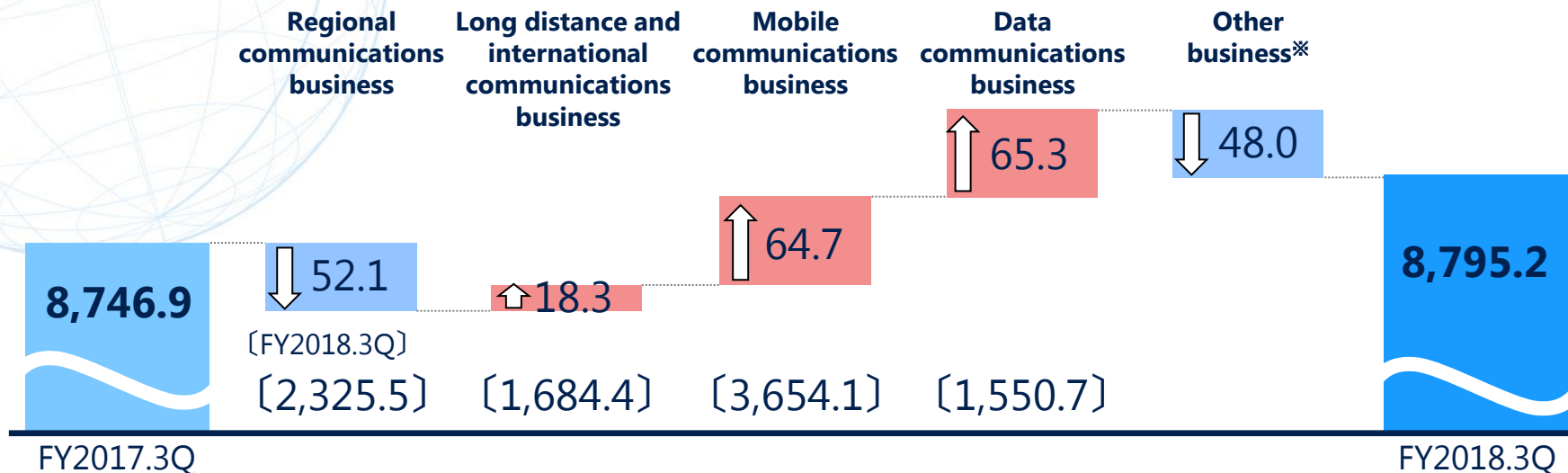
※2 Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

Contributing Factors by Segment for FY2018.3Q

(Billions of yen)

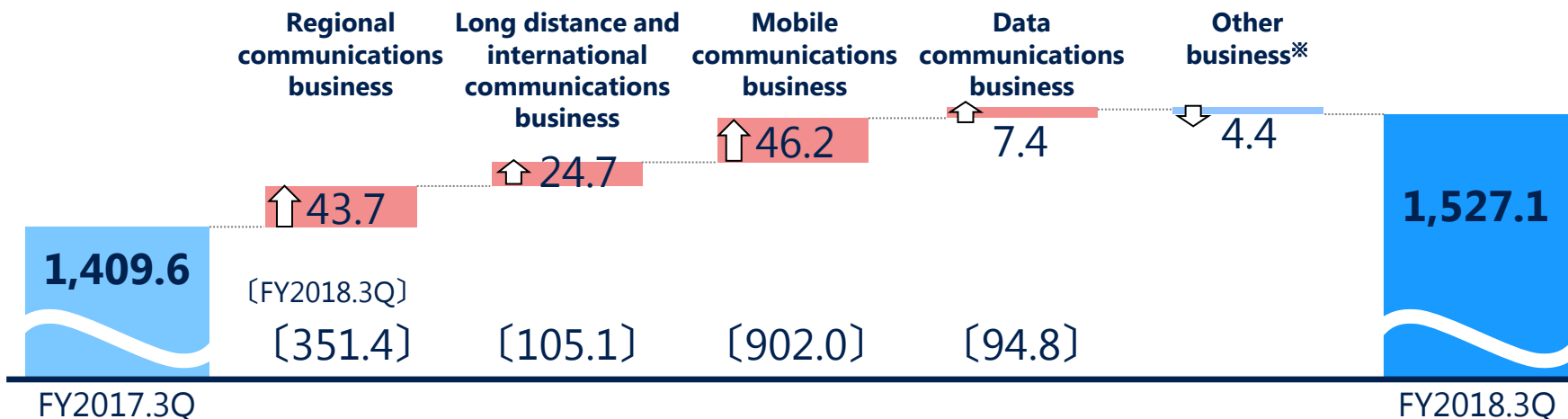
Operating Revenues

(Year-on-year: +48.3)



Operating Income

(Year-on-year: +117.5)



*Includes adjustments such as elimination of inter-segment transactions.



Topics

Establish B2B2X Strategy Committee

- **In order to further promote the B2B2X model, NTT established a B2B2X Strategy Committee within the company (January 28, 2019)**
 - **Shift from preliminary business creation led by the holding company to full-scale business development led by operating companies**
 - **Implement Group strategy formulation, goal management and business promotion**

【Reference】 Examples of Recent B2B2X Model Initiatives

- ① **Support the offering of new financing services by financial institutions**
 - **Credit scoring based on mobile data**
 - **Anticipated start of services to Shinsei Bank (starting Spring 2019)**
- ② **Offering DX Solutions to Contact Centers**
 - **Combine highly accurate interactive AI and RPA to automate entire processes for routine tasks**
 - **Joint field testing with restaurant reservation site (started December 2018)**
- ③ **Capital and Business Alliance Agreement with Netyear Group to strengthen digital marketing support**

Strengthen the Video Content Business

- **Subsidiary Acquisition of NTT Plala by NTT DOCOMO**

- **Develop a personalized new content business by joining NTT DOCOMO's membership base with NTT Plala's video content creation technology and know-how**

【Example】 Launch of new live performance experience service “Shintaikan Live” by NTT DOCOMO (January 18, 2019)

Multi-Angle Live Events

Selectable views from preferred angles



AR Figurines

Programs featuring miniature CG artists



TIG ※

Touch-based interactive video technology



- **Capital Alliance between NTT Plala and EAST GROUP HOLDINGS**

- **Enhance original content by collaborating with a program production company**

※TIG is a technology developed by PARONYM Inc.

Enhance Competitiveness in Global Business①

Progress toward Establishing the Global OpCo

- Integration Management Office (IMO) delivered by 60 key leaders has been launched in November, 2018.
- IMO teams are creating the transformation plan, which will be executed in July, 2019.

Integration Management Office

Service/Sales Strategy

Regional GTM

Corporate Function

November
2018

February
2019

July
2019

In 5 years

Define Strategic
Mission, Vision,
& Core Values

Create
Transformation &
Execution Plan

Transformation

Drive Managed IT Services at our core for
client business needs

- Transformation Advisory capabilities
- Industry specific compliance & security solutions

Streamline business operation

Promote the One NTT Brand

Operating
Profit
Margin
Target: 7%

NTT, Inc. Leadership Structure

President and CEO	Jun Sawada	(President and CEO, NTT)
Senior Executive Vice President	Akira Shimada	(Senior Executive Vice President, NTT)
Member of the Board	Tsunehisa Okuno	(Executive Vice President, Head of Global Business, NTT)
Member of the Board	Brandon Lee	(Vice President, Global Business Office of NTT)
Member of the Board	Tetsuya Shoji	(President and CEO, NTT Communications)
Member of the Board	Yo Honma	(President and CEO, NTT DATA)
Member of the Board	Jason Goodall	(Dimension Data CEO)
Member of the Board	Bill Padfield	(Dimension Data COO)
Member of the Board	Tadao Yanase	(Former Vice-Minister for International Affairs, METI)
Full-time Audit & Supervisory Board Member	Takashi Enomoto	(Former Senior Executive Vice President, NTT DATA)
Audit & Supervisory Board Member	Takao Maezawa	(Audit & Supervisory Board Member, NTT)
Audit & Supervisory Board Member	Akiko Ide	(Audit & Supervisory Board Member, NTT)

One NTT Branding

Partnership with INDYCAR, North America's Premier Car Race

- In January 2019, NTT became the IndyCar Series Title Sponsor
- NTT collaborates with INDYCAR to deliver digital innovation that enhance the fan experience and smart racing

Official logo



About IndyCar Series



"Indy 500" at Indianapolis Motor Speedway
(Image picture)

**Annual 17 races in 15 venues
across North America**

69 million fans
-Equivalent to 1/5th of US Population

All races on NBC network
-Average over 1 million viewers

World famous "Indy500"
-400,000 fans on-site
-Broadcast to 200 countries

Enhance Competitiveness in Global Business④

Exhibit at Mobile World Congress 2019

- Joint exhibition by NTT, NTT DOCOMO and other NTT Group companies
- Cases of digital transformation for achieving a Smart World, the latest cases of business collaborations created through 5G, and others



NTT Group MWC 19 Barcelona Special Website <http://www.ntt.co.jp/activity/mwc/en/>

MWC2019 Overview



25-28 February 2019

Dates	February 25, 2019 (Monday) to February 28, 2019 (Thursday)
Venue	Fira Gran Via, Fira Montjuïc (Barcelona, Spain)
Organizer	GSMA
Exhibitions	Over 2,400 companies
Attendees	Over 100,000 people

※ The booth design is only an image, and is subject to change.

Leverage Talent, Technologies, and Assets

Develop Smart Energy Solutions Utilizing AI, Telecommunications Buildings and DC Technology

- Provide new energy solutions that meet the needs of local communities

Smart Energy Solutions

When Disasters Occur

- Maintain power at disaster response headquarters
- Optimize power provision based on the situation
- Provide people with timely power-related information

During Normal Times

- Promote the use of renewable energy
- Energy cost savings
- Foster local production for local consumption

Energy control through AI and other ICT

Install lithium storage batteries in telecommunications buildings

Installation of DC technology

Use of power distribution lines

Use of EVs

- Entered into a “Verification Collaboration Agreement” with the City of Chiba (February 5, 2019)

Shareholder Returns

Dividends

- **Increase in the year-end dividend of ¥10 over the forecast at the beginning of FY2018 to ¥95**
- **Total full-year dividends of ¥180 per share for FY2018 (an increase of ¥30 over FY2017)**

Completion of Share Buybacks

- **Share Buybacks: Completed buybacks of ¥150.0 billion (32,868,000 shares) (on January 11, 2019)**
- **Aggregate number of repurchased shares in FY2018: ¥258.0 billion (53,646,000 shares)**



Appendix

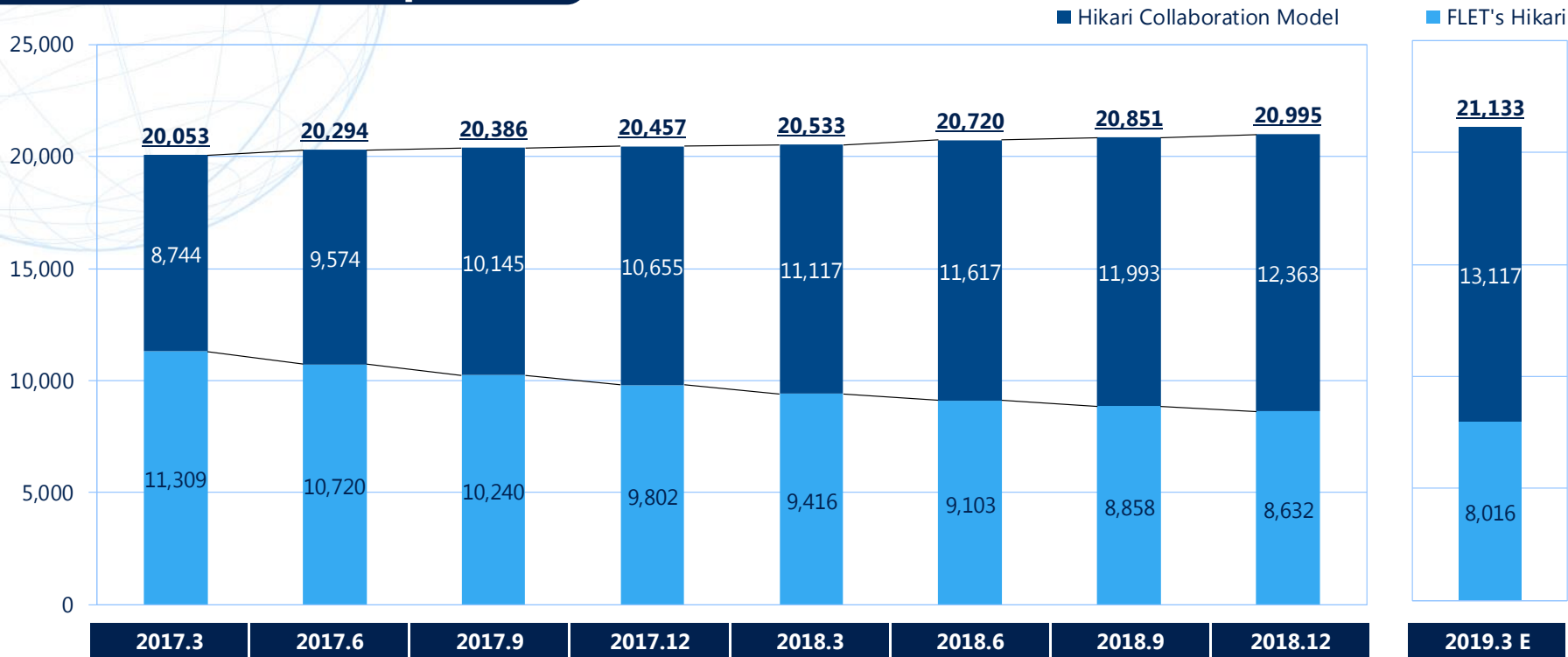


Broadband Services

Fixed-Line Broadband Services Subscriptions



Number of Subscriptions



Net Increase

	2017 4-6	2017 7-9	2017 10-12	2018 1-3	2018 4-6	2018 7-9	2018 10-12	2018 4 - 2019 3 E
Total	+241	+92	+72	+75	+187	+131	+144	+600
	+480				+463			
Hikari Collaboration	+830	+571	+510	+462	+500	+376	+370	+2,000
	+2,373				+1,246			
FLET'S Hikari	(589)	(480)	(438)	(387)	(313)	(245)	(226)	(1,400)
	(1,894)				(784)			

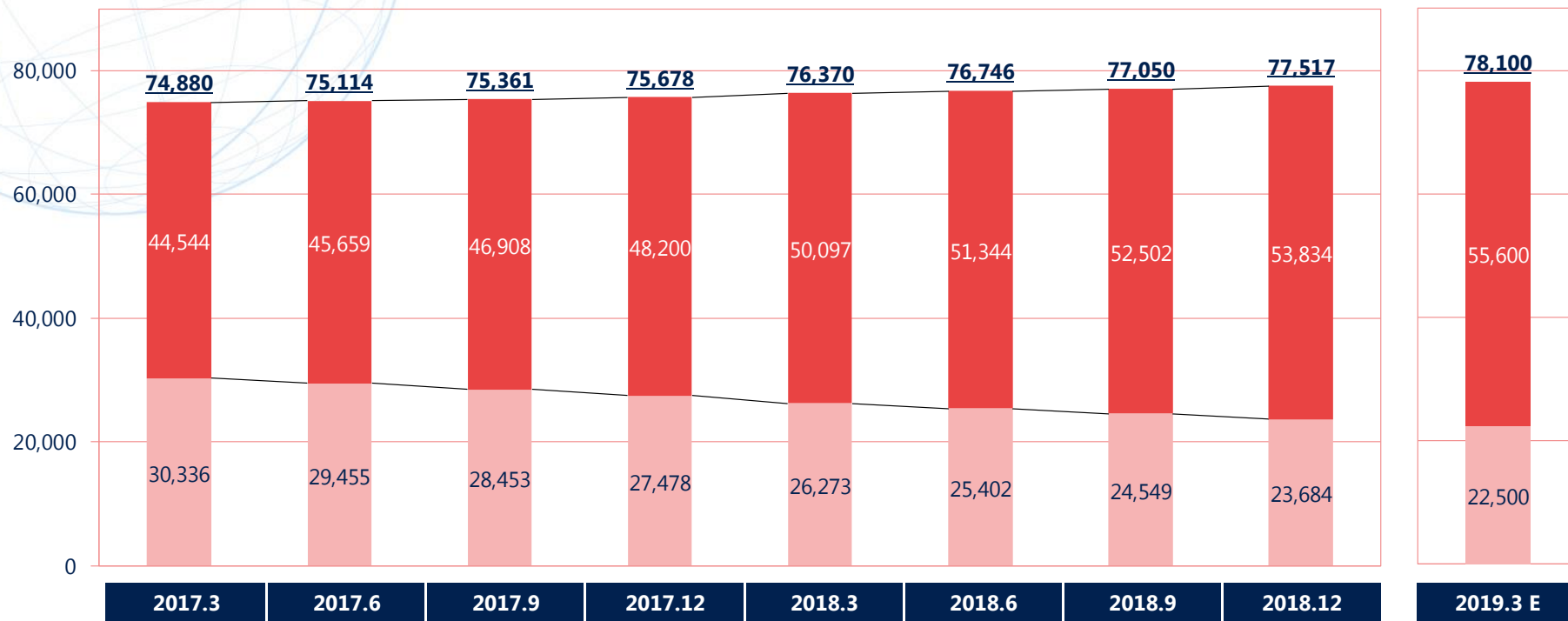
Mobile Communications Services Subscriptions



Number of Subscriptions

(Thousands)

■ LTE(Xi) ■ FOMA



Net Increase

	2017 4-6	2017 7-9	2017 10-12	2018 1-3	2018 4-6	2018 7-9	2018 10-12	2018 4 - 2019 3 E
LTE(Xi)+ FOMA	+234	+247	+317	+692	+376	+304	+467	+1,700
	+1,491			+1,147				



Financial Information

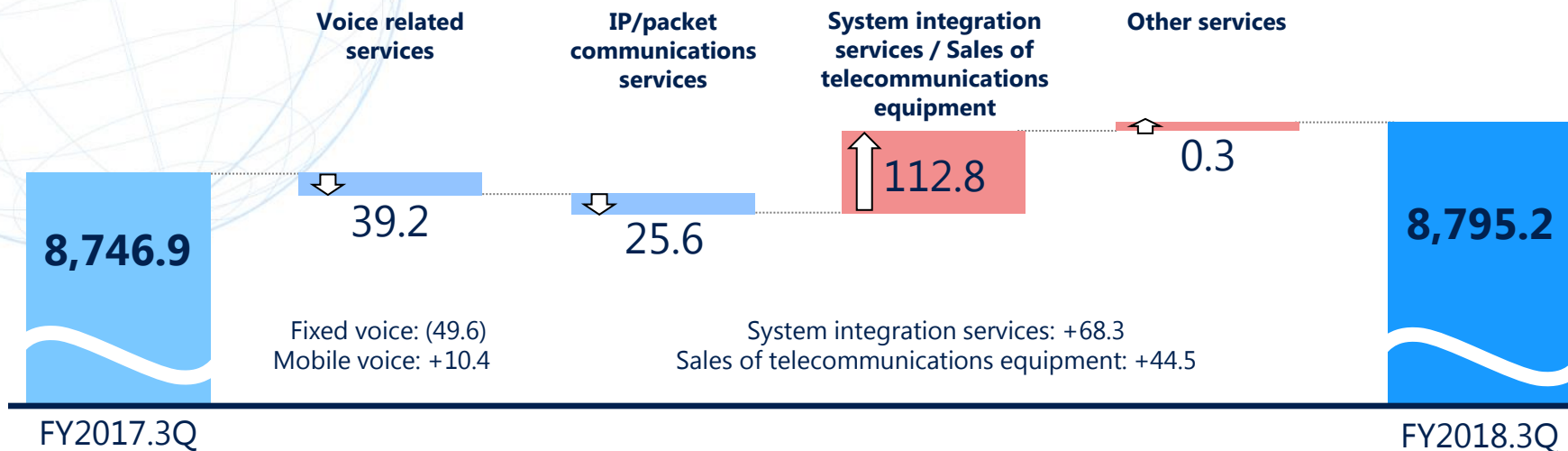
Details of Consolidated Statement of Income



(Billions of yen)

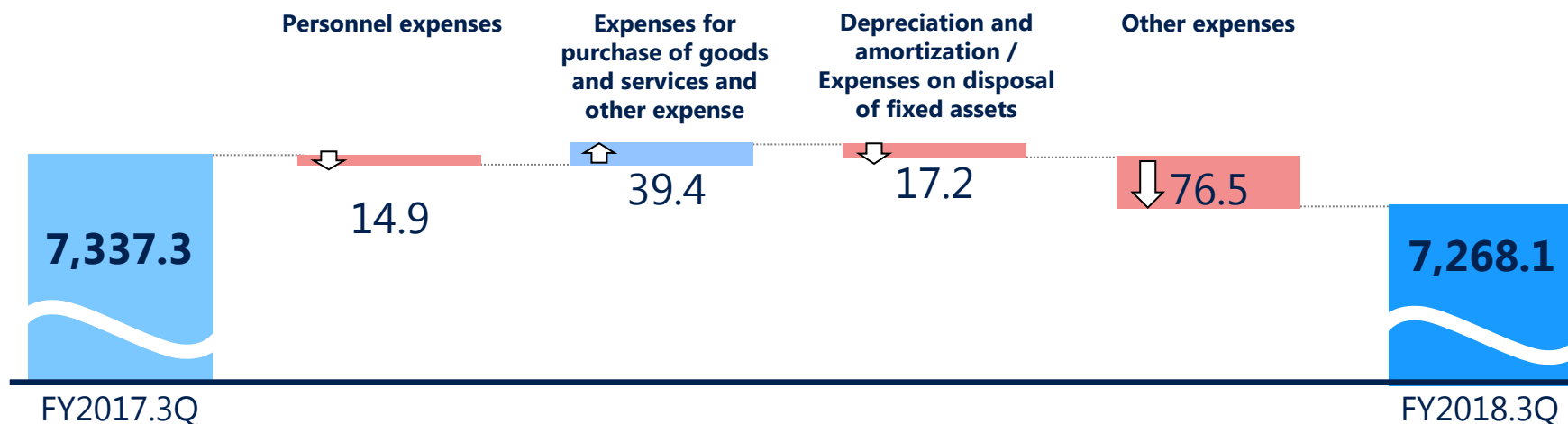
Operating Revenues

[Year-on-year: +48.3]



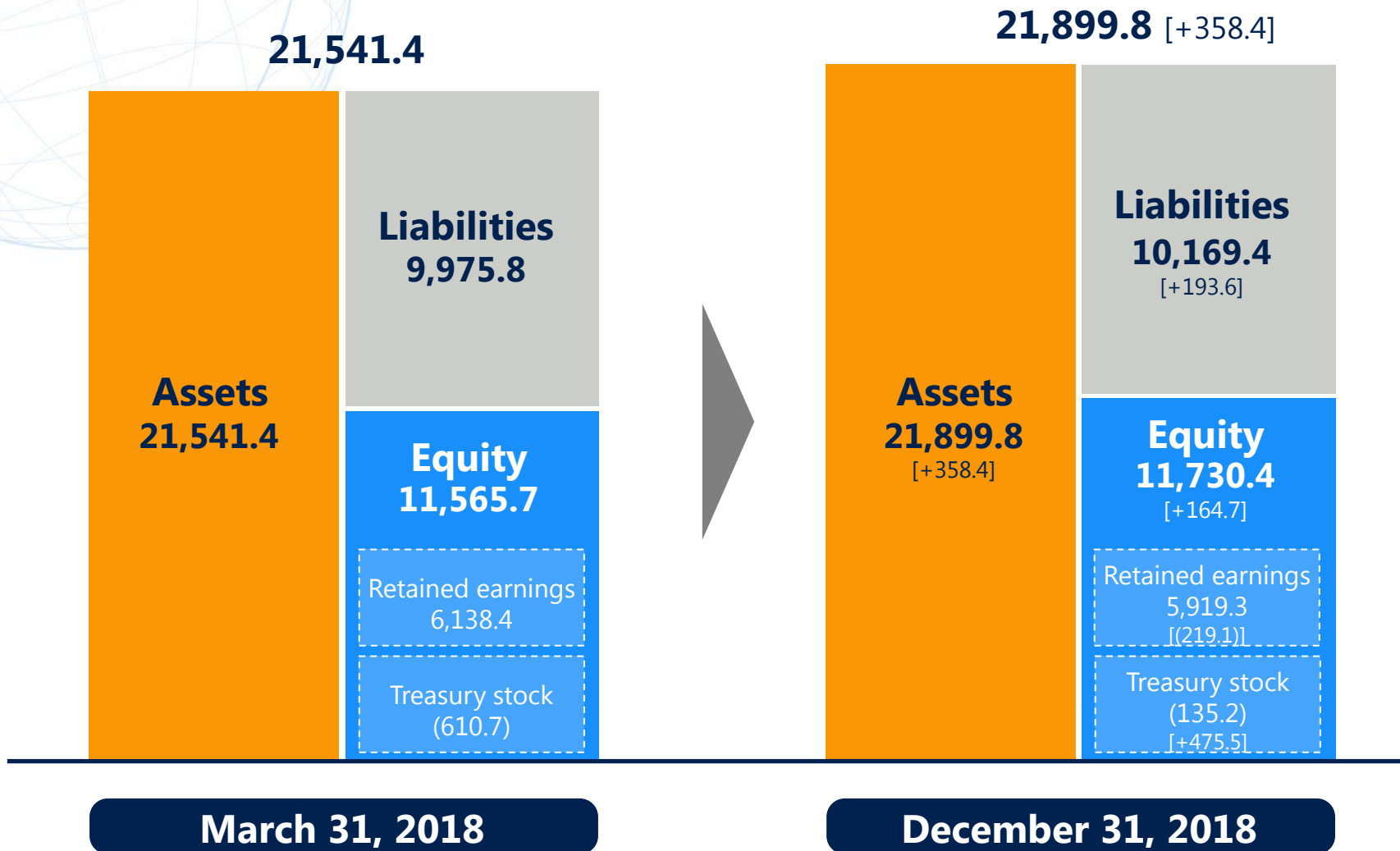
Operating Expenses

[Year-on-year: (69.2)]



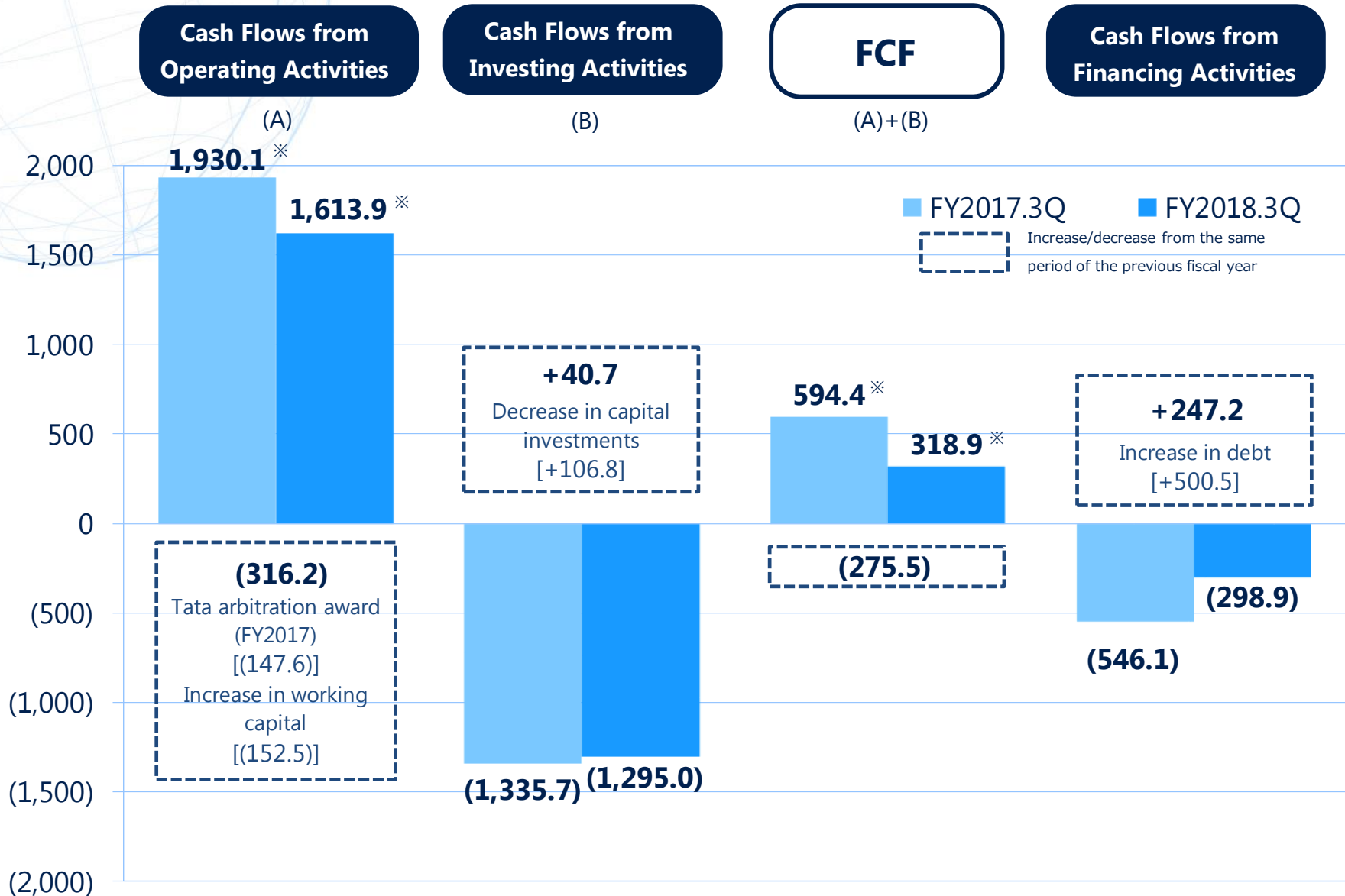
Details of Consolidated Balance Sheet

(Billions of yen)



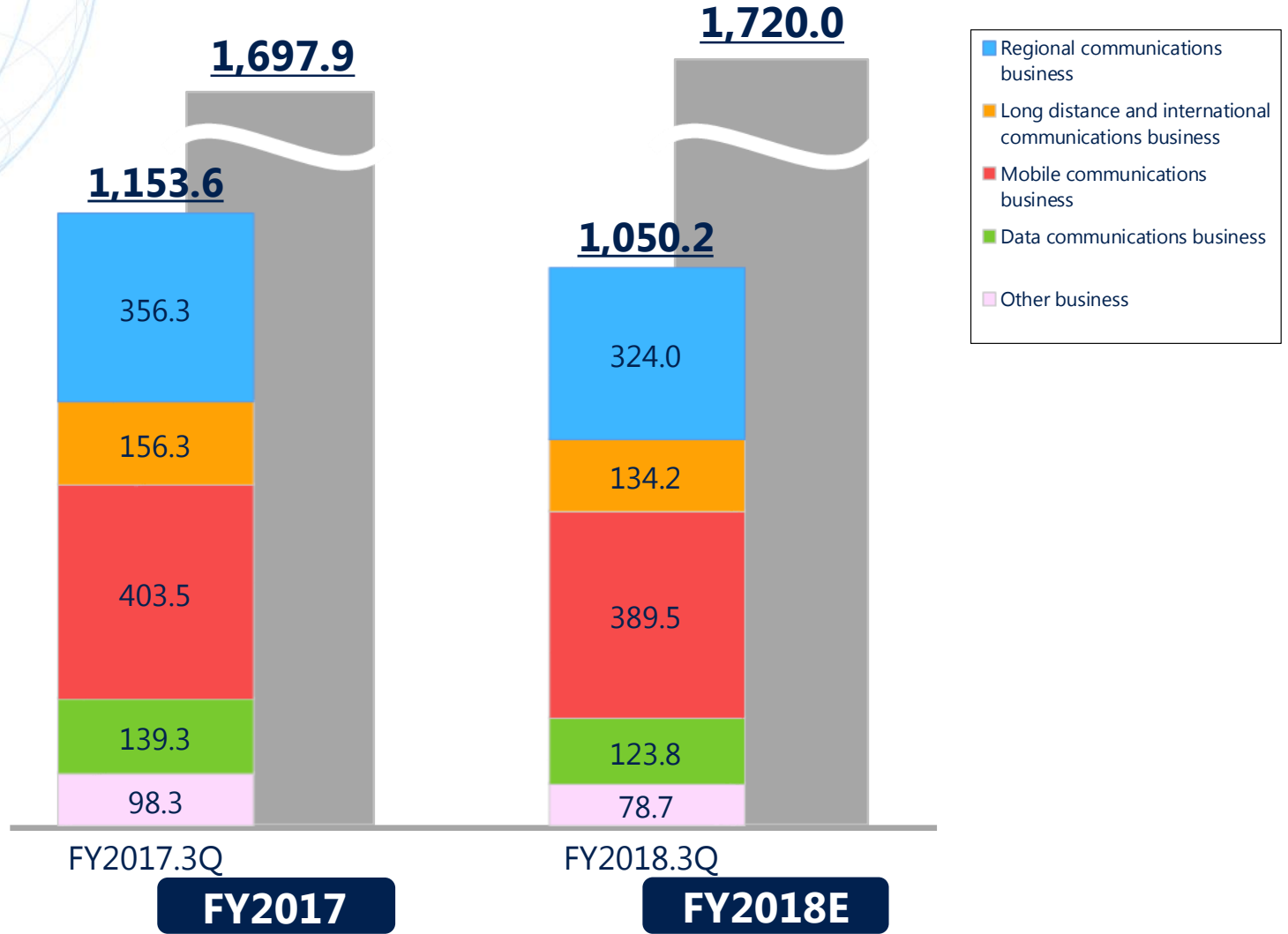
Details of Consolidated Cash Flows

(Billions of yen)



Details of Capital Investment

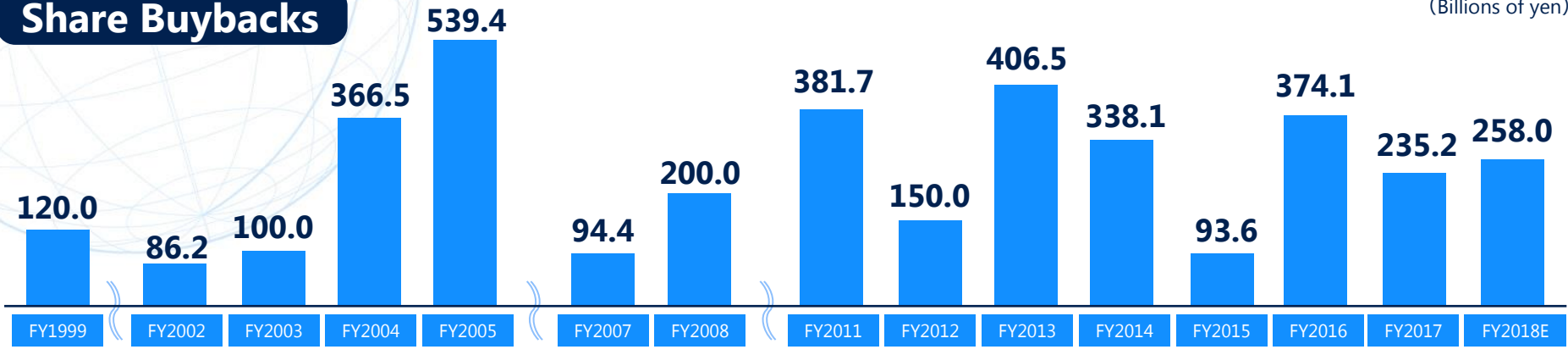
(Billions of yen)



Shareholder Returns

Share Buybacks

(Billions of yen)

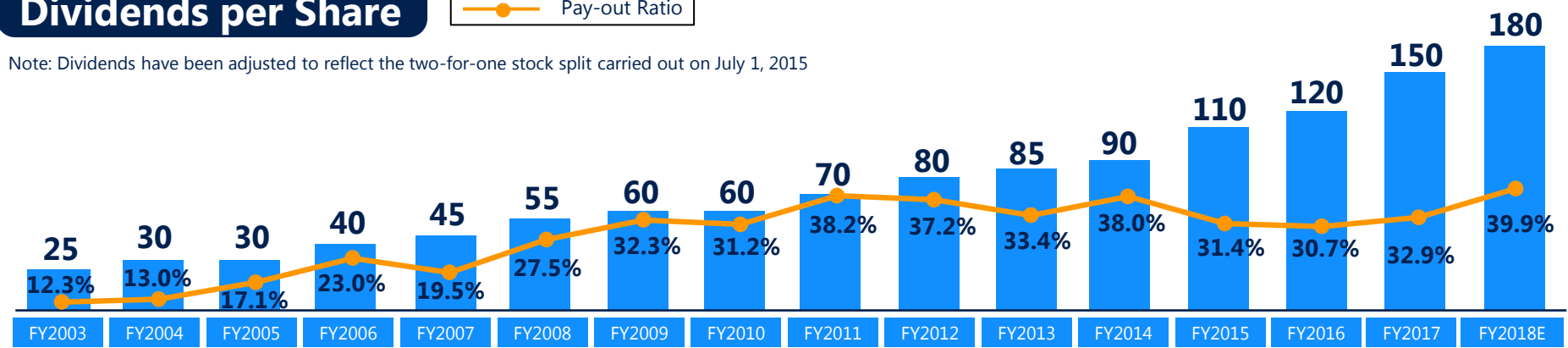


Dividends per Share

Pay-out Ratio

(Yen)

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





Your Value Partner