

Financial Results Release

May 15, 2020

For the Year Ended March 31, 2020

[IFRS]

Name of registrant : Nippon Telegraph and Telephone Corporation ("NTT") / URL <https://www.ntt.co.jp/ir/>
 Code No. : 9432
 Stock exchanges on which the Company's shares are listed : Tokyo
 Representative : Jun Sawada, President and Chief Executive Officer
 Contact : Natsuko Fujiki, Head of IR, Finance and Accounting Department
 URL https://www.ntt.co.jp/ir/form_e/ref_contact.html
 Scheduled date of the ordinary general meeting of shareholders : June 23, 2020
 Scheduled date of dividend payments : June 24, 2020
 Scheduled filing date of securities report : June 24, 2020
 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, 2020 (April 1, 2019 - March 31, 2020)

Amounts are rounded to the nearest million yen.

(1) Consolidated Results of Operations

(Millions of yen)

	Operating Revenues		Operating Profit		Profit before Taxes		Profit Attributable to NTT	
Year Ended March 31, 2020	11,899,415	0.2%	1,562,151	(7.8)%	1,570,141	(6.1)%	855,306	0.1%
Year Ended March 31, 2019	11,879,842	0.8%	1,693,833	3.2%	1,671,861	(3.9)%	854,561	(4.8)%

Notes: 1. Percentages above represent changes from the corresponding period of the previous fiscal year.

2. Comprehensive income (loss) attributable to NTT: For the year ended March 31, 2020: 743,451 million yen ((10.0)%
 For the year ended March 31, 2019: 826,154 million yen ((13.1)%)

	Basic Earnings per Share Attributable to NTT	Diluted Earnings per Share Attributable to NTT	ROE (Ratio of Profit Attributable to NTT)	ROA (Ratio of Profit before Taxes to Total Assets)	Operating Profit Margin (Ratio of Operating Profit to Operating Revenues)
Year Ended March 31, 2020	231.21 (yen)	- (yen)	9.3%	6.9%	13.1%
Year Ended March 31, 2019	220.13 (yen)	- (yen)	9.3%	7.6%	14.3%

(Reference) Equity in earnings (losses) of affiliated companies: For the year ended March 31, 2020: 11,257 million yen
 For the year ended March 31, 2019: (10,075) million yen

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. The figures for Basic Earnings 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 equity ratio and 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, 2020	23,014,133	11,462,627	9,061,103	39.4%	2,492.60 (yen)
March 31, 2019	22,295,146	11,804,790	9,264,913	41.6%	2,416.01 (yen)

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. 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, 2020	2,995,211	(1,852,727)	(1,041,261)	1,033,574
Year ended March 31, 2019	2,406,157	(1,774,136)	(584,266)	946,134

2. Dividends

	Annual Dividends					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, 2019	-	85.00 (yen)	-	95.00 (yen)	180.00 (yen)	347,927 ^(millions of yen)	40.9 %	3.8 %
Year Ending March 31, 2020	-	95.00 (yen)	-	47.50 (yen)	- (yen)	345,345 ^(millions of yen)	41.1 %	3.8 %
Year Ending March 31, 2021 (Forecasts)	-	50.00 (yen)	-	50.00 (yen)	100.00 (yen)	-	- %	-

Notes: 1. NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. The year-end dividend amount presented for the year ended March 31, 2020 and the dividend forecast amount presented for the year ending March 31, 2021 reflect the impact of the stock split. The dividend amounts presented for the year ended March 31, 2019 and for the end of the second quarter of the year ended March 31, 2020 reflect actual dividend amounts without reflecting the impact of the stock split. The total annual dividend for the year ended March 31, 2020 has not been presented, as the dividend amounts from the end of the second quarter (on a pre-stock split basis) and from year-end (on a post-stock split basis) cannot be directly aggregated.

2. Please refer to 3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021) for the reason why Payout Ratio (Consolidated) for Year Ending March 31, 2021 (forecasts) is "-".

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

With respect to the Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021, NTT anticipates that new SI orders and sales of various types of services will be affected by the impact of the COVID-19 outbreak. However, because we cannot predict the termination of the outbreak or the arrival of a second wave and cannot reasonably estimate the amount of the impact of COVID-19, we have decided to postpone making financial forecasts for the fiscal year ending March 31, 2021 at this time. NTT intends to promptly announce its financial forecasts as soon as it is possible to reasonably estimate the amount of the impact.

***Notes:**

- (1) Change in significant consolidated subsidiaries during the fiscal year ended March 31, 2020 that resulted in changes in the scope of consolidation: Yes
Newly added: One company (NTT Ltd.)
- (2) Change of accounting policy and accounting estimates
 - i. Changes in accounting policy required by IFRS: Yes
 - ii. Changes other than (i): None
 - iii. Changes in accounting estimates: Yes
- (3) Number of shares outstanding (common stock)
 - i. Number of shares outstanding (including treasury stock):

March 31, 2020	: 3,900,788,940 shares
March 31, 2019	: 3,900,788,940 shares
 - ii. Number of shares of treasury stock:

March 31, 2020	: 265,592,712 shares
March 31, 2019	: 65,995,492 shares
 - iii. Weighted average number of shares outstanding:

For the Year Ended March 31, 2020	: 3,699,278,775 shares
For the Year Ended March 31, 2019	: 3,882,137,457 shares

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. 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, 2020

[Japanese GAAP]

1. Non-consolidated Financial Results for the Year Ended March 31, 2020 (April 1, 2019 - March 31, 2020)

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, 2020	649,740 (13.5)%	510,317 (16.9)%	508,877 (17.0)%	480,768 (59.7)%
Year ended March 31, 2019	750,740 13.2%	613,833 15.7%	612,862 16.0%	1,192,784 64.5%

Note: Percentages above represent changes from the previous year.

	Earnings per Share	Diluted Earnings per Share
Year ended March 31, 2020	129.96 (yen)	- (yen)
Year ended March 31, 2019	307.25 (yen)	- (yen)

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. 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, 2020	6,834,082	4,845,259	70.9%	1,332.87 (yen)
March 31, 2019	7,098,890	5,222,248	73.6%	1,361.81 (yen)

(Reference) Shareholders' equity: For the year ended March 31, 2020: 4,845,259 million yen

For the year ended March 31, 2019: 5,222,248 million yen

Note: NTT conducted a two-for-one stock split of its common stock, with an effective date of January 1, 2020. 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 Forecasts for the Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

With respect to the Non-consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021, NTT has decided not to disclose such forecasts at this time because it is not possible to reasonably calculate the impact of the COVID-19 pandemic. NTT intends to promptly announce its financial forecasts as soon as it is possible to reasonably estimate the amount of the impact of the COVID-19 pandemic.

* This Financial Results Release is not subject to review by a certified public accountant or audit firm.

* Explanation of financial results forecasts and other notes:

This document is a translation of the authoritative Japanese original. The assumptions for the financial forecasts and cautionary matters to consider in using such financial forecasts are as follows. 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, and other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein.

On Friday, May 15, 2020, 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.

1. BUSINESS RESULTS

(1) Summary of Business Results

Overview of Consolidated Business Results (April 1, 2019 – March 31, 2020)

			(Billions of yen)	
	Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)	Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Change	Percent Change
Operating revenues	11,879.8	11,899.4	19.6	0.2%
Operating expenses	10,186.0	10,337.3	151.3	1.5%
Operating profit	1,693.8	1,562.2	(131.7)	(7.8)%
Profit before taxes	1,671.9	1,570.1	(101.7)	(6.1)%
Profit attributable to NTT	854.6	855.3	0.7	0.1%

(Note): NTT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards. ("IFRS")

In the fiscal year ended March 31, 2020, the information and telecommunications market continued to see increased usage of a variety of digital services as a result of the advances in such areas as cloud services, IoT, big data and AI, and 5G services were launched. The analysis and utilization (data management) of data accumulated through the use of such services are driving a global digital transformation resulting in reforms that will further lead in a positive direction, such as by improving the convenience of people's daily lives, creating new business models and enhancing productivity. In addition, it is becoming increasingly necessary to take steps such as strengthening information security against increasingly sophisticated and complex cyberattacks, reinforcing anti-disaster measures, and contributing to the protection of the environment. Furthermore, with the global spread of the COVID-19 outbreak at the end of the fiscal year under review, there is a need for initiatives to advance working from home, remote education, and telemedicine and other areas.

The role of information and telecommunications is becoming more important in terms of resolving these wide-ranging social issues.

In light of these circumstances, based on the Medium-Term Management Strategy "Your Value Partner 2025," NTT Group promoted initiatives to resolve social issues in its role as "Your Value Partner" with all partners.

● **Supporting our Customers' Digital Transformations**

NTT Group has proceeded with initiatives including the promotion of the B2B2X model to support the creation of new value, implementation and launch of 5G services, and promotion of personalized services to support lifestyle changes, among other efforts.

- In addition to concluding an industry-government-academia cooperation agreement with Hokkaido University and the City of Iwamizawa in June 2019 with the goal of creating a smart agri-city, NTT concluded a comprehensive cooperation agreement with the Chiba City for future community development in July 2019. We also expanded the "Community Development Partnership Agreement" entered into with the City of Sapporo in 2015 to cover 12 municipalities in the Sapporo Metropolitan Area, as part of our initiatives to further aid in the reinvigoration of local economies.
- Toyota Motor Corporation and NTT entered into a memorandum of understanding concerning a business and capital alliance in March 2020. The purpose of the memorandum of understanding is to build a long-term and continuous cooperative relationship that enables the commercialization of smart city businesses, with each company being a core partner to share the same values and promote social development, with the aim of realizing smart cities, which continue to evolve in accordance with the needs of residents.

- In December 2019, Mitsubishi Corporation and NTT agreed to form a business partnership in order to promote structural transformation across industries and new value creation through digital transformation, and also agreed to co-invest in HERE Technologies, a global service provider in location information services based in the Netherlands. In addition, Microsoft Corporation and NTT entered into a multi-year strategic alliance aimed at delivering secure and reliable solutions to promote the building of Global Digital Fabric, development of digital enterprise solutions, and co-innovation of next-generation technologies.
- In order to promote the personalization of services and respond to diversifying customer lifestyles, the new billing plans, “Gigaho” and “Gigalight,” which feature simple structures and great value, were launched in June 2019, and the number of subscriptions to said plans exceeded 14.94 million. The above contracts are the total of "Gigaho," "Gigalight," "5G Gigaho," "5G Gigalight," "Keitai Plan," "Kids Keitai Plan," "Data Plus," and "5G Data Plus."
- In March 2020, we began provision of 5G commercial services. We provide the “5G Gigaho” and “5G Gigalight” billing plans, as well as 7 different 5G terminals, services in the game, music and sports genres, and solutions contributing to the promotion of a more sophisticated approach to industry, and of digital transformation. Through 5G, we will contribute to the creation of new value and to the resolution of societal issues, promoting initiatives to make the lives of our customers more convenient and rich.

- **Accelerating Our Own Digital Transformation**

NTT Group advanced initiatives such as the “One NTT” global growth strategy to enhance the competitiveness of our global business and digital transformation of our domestic business.

- In July 2019, NTT Ltd. (Head office: London, UK) began operations as the global operating company of the NTT brand. In addition to changing the logo used by each overseas subsidiary of NTT Ltd. to the NTT logo, the company names in each area were changed one by one to become prefixed with “NTT.” In addition, at NTT Ltd., structural reforms have been promoted with the aim of implementing a shift towards high value-added offerings, such as managed services.
- In September 2019, we concluded a technology partnership agreement with Major League Baseball (MLB) in the United States, the first such agreement for a Japanese IT company. In addition to the MLB, we have been taking steps to further strengthen the NTT brand through global sports events, such as the “IndyCar Series,” of which NTT is a title sponsor, and the “Tour de France,” of which NTT Ltd. is an official technology partner.
- In terms of initiatives to realize smart cities, which began with developments in Las Vegas in the United States, NTT collaborated with local Malaysian stakeholders to start the first on-site testing in Asia in February 2020 in the Cyberjaya district of Malaysia. In addition to verifying the possibility of resolving societal issues in Asia using the smart city technology and know-how developed by NTT Group in the United States, this on-site testing allows us to move forward with the construction of a sustainable business model.
- The adoption of RPA has allowed us to drive improvements in work efficiency, and as of the end of March 2020, it was utilized in approximately 2,100 business processes within NTT Group. Adoption of RPA is not restricted to deployments within the Group, as we have also been recommending it to customers, of which approximately 5,000 companies now use this technology as of the end of March 2020. In preparation for further advances in Group management, the adoption of a unified ERP system has been promoted across the Group for business departments such as human resources, finance, and procurement.
- We introduced automation to increase the efficiency of the operations of help desks that receive telephone inquiries about service issues in Japan (NTT DOCOMO, NTT East, NTT West, and NTT Communications). In principle, we guide customers to websites that enable them to diagnose issues themselves, and we use chat bots to provide consultations on issues.

- **Leveraging Talent, Technologies and Assets**

NTT Group also worked on initiatives to create new businesses including utilization of real estate and the supply of energy, and to revitalize local communities and regional economies.

- In July 2019, NTT Urban Solutions, Inc., which plays a central role in the urban solutions business in NTT Group, started its operations. In Japan, it has promoted urban development initiatives in cities such as Fukuoka and Sendai.
- In September 2019, NTT Anode Energy Corporation started its operations for the promotion of smart energy business. NTT Group will pursue business in the three domains of power generation, transmission/distribution/storage, and retailing/wholesaling such as by making ENNET Corporation, which operates electricity retailing business, its subsidiary, and will promote higher competitiveness and expanded earnings in the energy business.
- With respect to communications frauds, which have become increasingly sophisticated and complex, in order for customers to use their telephones securely, in August 2019, NTT Group leveraged its services and technology to begin trials of the use of AI in the analysis of communications frauds. Based on the results of these trials, as soon as preparations are complete, we intend to launch services.
- In recent years, the increase in the level of energy of natural disasters has resulted in frequent occurrences of large-scale destruction. Given the increasing impact of disasters on communications equipment and services, as well as the increasingly long recovery periods, we are advancing initiatives to strengthen our facilities and speedier turnaround for recovery work.

Main initiatives relating to the strengthening of facilities

- Expanded use of “medium-zone” base stations capable of dealing with power cuts and other disasters
- Power-cut countermeasures in which electric vehicles are used with base stations
- Integrated management and operation of NTT Group’s approximately 400 mobile power supply vehicles
- Underground installation of cables taking into account the impact of disasters, and consideration of wireless fixed telephone lines

Main initiatives relating to speedier turnaround for recovery work

- Prior roll out of recovery system (national wide-area support structure, etc.) based on damage forecasts that make use of AI
- Reinforcing the recovery system and securing manpower, including leveraging former employees of NTT
- Strengthening support of customers affected by disasters, such as by setting up Wi-Fi and storage batteries in public telephone boxes, and providing “mobile 113,” a system for repair reception

- **Promoting ESG Management and Enhancing the Returns of Shareholders to Improve Corporate Value**

NTT Group considers the continuous enhancement of corporate value and the return of profits to shareholders to be important management issues, and worked to reduce our environmental impact, leverage diverse human resources, reinforce information security, and enhance the returns of shareholders.

- In terms of reducing environmental impact, using the “EP100” targets that aim to double business energy efficiency as a base, we worked to improve power supply efficiency in the communications businesses. In addition, we promoted EV (Electric Vehicle) conversions for general transport based on the “EV100” project, which seeks to encourage the use of electric vehicles and the rolling out of infrastructure.
- As part of the utilization of diverse human resources, we joined “The Valuable 500,” an international initiative to promote the participation of disabled people in business, in December 2019. In addition, as part of the activities to promote the participation of disabled people in the workforce, we conducted a trial of Robot “OriHime-D” controlled by people with physical disabilities remotely at NTT reception.
- In high recognition of the ESG initiatives NTT Group has implemented for sustained improvements in corporate value, NTT was selected for inclusion in the Dow Jones Sustainability World Index (DJSI World), a leading global index of ESG investment, for the second consecutive year. In addition, NTT was selected based on all of the four ESG indicators adopted for ESG investment in Japanese companies by the Government Pension Investment Fund (GPIF), which is one of the largest pension fund in the world (as of the end of March 2020).
- In terms of returns of shareholders, we paid dividends and implemented flexible share buybacks. In addition, we conducted a two-for-one stock split of common stock with an effective date of January 1, 2020, to lower the minimum investment price per unit of NTT, thereby facilitating an environment where it is easier to invest in NTT’s shares and expanding NTT’s investor base.

- With the aim of raising the attractiveness of NTT's shares and increasing the number of shareholders who own the stock over the medium- to long-term, NTT has decided to give "d POINTs" to its shareholders.
- **Status of Fundamental Research & Development, etc.**

In accordance with the "Your Value Partner 2025" Medium-Term Management Strategy, NTT Group promoted innovative research and development with the aim of triggering global change. As its specific example, in preparation for the IOWN (Innovative Optical and Wireless Network) concept announced in May 2019, we worked not only on the development of component technologies, with the inclusion of global input, and on the creation of case studies in industry but also to be a source of new value creation in diverse fields, we have promoted initiatives together with parties in a wide range of industrial fields with the goal of enhancing industrial competitiveness and resolving societal issues.

IOWN comprises three main technology components: "all-photonics network" that uses optical technology; "digital twin computing" that enables high-speed, real-time interaction between things and people in cyberspace; and Cognitive Foundation®, in which these and various other ICT resources are efficiently managed.

- Research and Development to Support the IOWN Concept
 - By using light as a means for transmitting signals inside the processors that perform information processing and calculations inside a computer, we aim to create a hybrid opto-electrical processor that will solve problems that arise with electrical processing, such as power consumption and increase in heat emission, and realize ultra-low power consumption and high performance information processing. We have realized ultra-compact photo-electric conversion elements such as an optical transistor that uses nano-photonics technology.
 - To conduct a comparative time experiment by connecting several optical lattice clocks that are more precise than atomic clocks that are the current standard for measuring seconds, we used the optical fiber network of NTT East for an optical frequency transmission experiment with the University of Tokyo. As a result, the required frequency precision for the comparative experiment was achieved, in a major step towards conducting the experiment.
 - With Kyoto University we initiated a project to build a new worldview that reconciles people and technological progress. By utilizing knowledge of the humanities and social sciences, such as philosophy, we aim to construct an original worldview that fuses the real and the virtual.
- Globalizing Research and Development
 - In January 2020, the IOWN Global Forum was established in the United States by industry leaders NTT, Intel Corporation and Sony Corporation, all three of which have superior expertise in the technological areas that form the core of IOWN. In March 2020, wide-ranging recruitment efforts began, with many companies both in Japan and overseas signing up as members, and specific technological considerations commenced through the use of online video conferencing. Going forward, we will work with a variety of partners for the earliest possible implementation of the IOWN concept.
 - In July 2019, we opened NTT Research, Inc., which operates three research laboratories, in Silicon Valley in the United States for the purpose of reinforcing fundamental research. We have started joint research with universities and research institutes in the United States and Europe in each area of quantum computational science, medical/health/healthcare, and basic cryptography/blockchain.
- Research and Development to Promote the B2B2X Model and DX
 - For the live viewing of Major League Baseball (MLB) in the United States, we created "Ultra Reality Viewing" technology utilizing a parallax-free widescreen camera that requires only one unit to record widescreen footage that was previously recorded by four units. By eliminating parallax, it became possible to record the subject in its true form.
 - In preparation for the PSTN migration, while continuing to use metal cables, which are used for traditional telephone networks, we have linked to IP networks of NTT East and NTT West (NGNs) through conversion devices, and built a fundamental technology that enables the IP interconnection with other carriers and the migration of relay/signal transfer switches to IP.
 - In cooperation with Hokkaido University and the City of Iwamizawa, in order to achieve unmanned, fully automated operation in agricultural equipment using remote monitoring, we have started testing of the optimal positioning and positional information transmission method, optimal network technology, collection of IoT devices' data, and AI analysis.

- Promoting Other Cutting-edge Research
 - In collaboration with the Tokyo Institute of Technology, we achieved an all-optical switch that operates at ultra-high speeds while using the lowest energy consumption in the world. By combining a technology called plasmonics for guiding light into a nano-sized optical pathway with graphene, which has excellent optical properties, we achieved ultra-high-speed switching operation with low energy consumption that exceeds the potential of electronic control. We aim to utilize this technology for ultra-high-speed control of future optical integrated circuits for information processing.
 - By forcing graphene, a sheet of carbon material, to spontaneously adapt to a three-dimensional cylindrical structure and culturing nerve cells inside it over a long period of time, we succeeded in developing a method of rebuilding microscopic nerve cell fibers at a micro- to millimeter scale. This is expected to lead to new bio-device applications such as fundamental technology for reconstructive surgery using stem cells, manufacturing technology for flexible stimulation electrodes implanted in damaged tissues, and technology to create tissues for pharmaceutical screening.
 - NTT concluded an agreement with the Japan Aerospace Exploration Agency (JAXA) with the aim of implementing ultra-high-speed, high-capacity, secure optical/wireless network infrastructure to seamlessly connect land and space. In preparation for merging the technology of both sides in order to create social infrastructure, the two parties are undertaking joint research in areas such as optical wireless communications in space, next-generation Earth observation, and communication between the ground stations and low earth orbit satellites.
 - As part of our efforts to enable communications beneath the surface of the sea where radio waves cannot easily penetrate, we achieved subsurface communication speeds of 1 Mbit/s, a double-digit improvement over current levels by using ultrasound MIMO multiplexing technology to overcome variations in the subsurface propagation path.

As a result of the above efforts, NTT Group's consolidated operating revenues for the fiscal year ended March 31, 2020 were 11,899.4 billion yen (an increase of 0.2% from the previous fiscal year) and consolidated operating expenses were 10,337.3 billion yen (an increase of 1.5% from the previous fiscal year). As a result, consolidated operating profit was 1,562.2 billion yen (a decrease of 7.8% from the previous fiscal year), consolidated profit before taxes was 1,570.1 billion yen (a decrease of 6.1% from the previous fiscal year), and consolidated profit attributable to NTT was 855.3 billion yen (an increase of 0.1% from the previous fiscal year).

With respect to the Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021, NTT anticipates that new SI orders and sales of various types of services will be affected by the impact of the COVID-19 outbreak. However, because we cannot predict the termination of the outbreak or the arrival of a second wave and cannot reasonably estimate the amount of the impact of COVID-19, we have decided to postpone making financial forecasts for the fiscal year ending March 31, 2021 at this time. NTT intends to promptly announce its financial forecasts as soon as it is possible to reasonably estimate the amount of the impact.

For further details on the financial results forecasts, please also see "Financial Results for the Fiscal Year Ended March 31, 2019" which has been disclosed on TDnet on the same day as this financial results release.

For the latest information on the COVID-19, please visit our website (https://www.ntt.co.jp/topics_e/important/covid19.html).

The business results for each business segment for the consolidated fiscal year ended March 31, 2020 are as follows.

Beginning in the three months ended September 30, 2019, certain subsidiaries moved from the regional communications business segment to the other business segment and from the long distance and international communications business segment to the mobile communications business segment. Operating revenues, Operating expenses, and Operating profit for such subsidiaries have been recognized in their post-transfer segments beginning with that period.

■ Mobile Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2019 – March 31, 2020)

	(Billions of yen)			
	Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)	Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Change	Percent Change
Operating revenues	4,840.8	4,651.3	(189.6)	(3.9)%
Operating expenses	3,827.2	3,796.6	(30.6)	(0.8)%
Operating profit	1,013.6	854.7	(159.0)	(15.7)%

Number of Subscriptions

	(Thousands of subscriptions)			
	As of March 31, 2019	As of March 31, 2020	Change	Percent Change
Mobile Telecommunications Services	78,453	80,326	1,873	2.4%
Telecommunications Services (5G)	-	14	14	-
Telecommunications Services (LTE (Xi))	55,872	61,664	5,792	10.4%
Telecommunications Services (FOMA (3G))	22,581	18,648	(3,933)	(17.4)%

Note: Number of Mobile Telecommunications Services (including "Telecommunications Services (LTE (Xi))" and "Telecommunications Services (FOMA (3G))") includes Communication Module Services.

In the Mobile Communications Business Segment, we worked to promote sales of the new billing plans, "Gigaho," "Gigalight" and "docomo Hikari," which feature simple structures and great value, and started to provide 5G services, and collaborated with various business partners in the smart life area, in an effort to provide new value-added services.

● Details of Main Initiatives

- We worked to expand the number of retail outlets which implement "d Pay" smartphone payment service and "d POINTs." As a result, the number of "d POINT CLUB" subscribers reached 75.09 million, while the number of registered "d POINT CARD" came to 43.26 million.
- In order to reduce customer waiting times at docomo shops, we introduced online and telephone reservation system, and increased the number of time slots during which appointments are possible. In addition, from December 2019, we unified our support approach to provide free guidance on procedures for customers who have purchased a device at a docomo shop, and who wish the phone to be set up and data transferred.
- We entered into a capital and business alliance agreement with M3, Inc., the largest domestic medical IT company, which counts approximately 90% of Japan's physicians as members, and established empheal, Inc. to support corporate health management.
- As a result of providing information related to 5G technology and specifications, and offering a 5G technology trial environment free of charge, the number of participants in the "DOCOMO 5G Open Partner Program," which is an initiative aimed at creating new solutions with partner companies, had risen to 3,400 as of the end of March 2020.

As a result of the above, consolidated operating revenues in the Mobile Communications Business Segment for the fiscal year ended March 31, 2020 were 4,651.3 billion yen (a decrease of 3.9% from the previous fiscal year). On the other hand, consolidated operating expenses were 3,796.6 billion yen (a decrease of 0.8% from the previous fiscal year). As a result, consolidated operating profit was 854.7 billion yen (a decrease of 15.7% from the previous fiscal year).

■ Regional Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2019 – March 31, 2020)

(Billions of yen)

	Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)	Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Change	Percent Change
Operating revenues	3,152.3	3,079.9	(72.4)	(2.3)%
Operating expenses	2,791.6	2,691.6	(100.0)	(3.6)%
Operating profit	360.7	388.3	27.6	7.6%

Number of Subscriptions

(Thousands of subscriptions)

	As of March 31, 2019	As of March 31, 2020	Change	Percent Change
FLET'S Hikari (including Hikari Collaboration Model) ⁽¹⁾	21,078	21,658	580	2.8%
NTT East	11,880	12,240	360	3.0%
NTT West	9,197	9,418	221	2.4%
Hikari Collaboration Model	12,690	13,888	1,198	9.4%
NTT East	7,470	8,149	679	9.1%
NTT West	5,220	5,739	519	9.9%
Hikari Denwa	18,244	18,503	259	1.4%
NTT East	9,759	9,940	181	1.9%
NTT West	8,485	8,563	78	0.9%

Notes:

- 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 "FLET'S Hikari Premium," "FLET'S Hikari Mytown," "FLET'S Hikari Next," "FLET'S Hikari Mytown 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.
- The figures for Hikari Denwa indicate the number of channels (in thousands). Number of "Hikari Denwa" subscribers includes wholesale services provided to service providers by NTT East and NTT West.

In the Regional Communications Business Segment, we worked on the "Hikari Collaboration Model," which provides wholesale fiber-optic access services, among other things, to various service providers, as well as strengthening our solutions business with the aim of revitalizing local communities and regional economies.

● Details of Main Initiatives

- We established NTT AgriTechnology Corporation, NTT Group's first "Agriculture × ICT" specialist company, aiming to promote urban development through agriculture by utilizing IoT / AI. In addition, in order to promote such initiatives as contributing to the revitalization of local communities and regional economies, we established NTTe-Sports, Inc. as a joint venture with SKY Perfect JSAT Corporation and Taito Corporation.
- NTT East and NTT West collaborated with many local governments nationwide, promoting a variety of initiatives aimed at utilizing ICT for urban development and other purposes. Beginning in the Kyoto area, NTT West has started the staged launch of the "Regional Revitalization Cloud" service, which is a shared-usage cloud aimed at universities and local governments.
- In order to address the societal issues of how to save and pass on regional cultural and artistic assets, and to respond to our customers' expectation that we will help revitalize local communities and convey their appeal through culture and art, we promoted the collection of digital data related to local culture and art, and broadcasted information using cutting-edge technology to contribute to the revitalization of local communities through local artistic and cultural traditions. We also hosted the "Digital × Hokusai [Introduction]" interactive exhibition as a means of expressing the concept of this initiative.

As a result of the above, consolidated operating revenues in the Regional Communications Business Segment for the fiscal year ended March 31, 2020 were 3,079.9 billion yen (a decrease of 2.3% from the previous fiscal year). On the other hand, consolidated operating expenses were 2,691.6 billion yen (a decrease of 3.6% from the previous fiscal year). As a result, consolidated operating profit was 388.3 billion yen (an increase of 7.6% from the previous fiscal year).

■ Long Distance and International Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2019 – March 31, 2020)

	(Billions of yen)			
	Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)	Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Change	Percent Change
Operating revenues	2,278.7	2,205.8	(72.9)	(3.2)%
Operating expenses	2,178.5	2,102.2	(76.3)	(3.5)%
Operating profit	100.1	103.6	3.4	3.4%

In the Long Distance and International Communications Business Segment, in addition to enhancing our ability to provide ICT solutions, which combine network, security and other services, we worked to strengthen our service provision in growth areas such as cloud services and IT outsourcing.

● Details of Main Initiatives

- In order to respond to global demand for cloud services and data centers, in countries where the market continues to expand we worked to enhance our service provision structure. In Europe, we began operating Netherlands Amsterdam 1 Data Center and Germany Frankfurt 4 Data Center, while in Asia, we began construction of Indonesia Jakarta 3 Data Center.
- We acquired shares of Symmetry Holding Inc., a leading North American provider of managed services, which specializes in SAP. Through the share acquisition, we acquired the capability in North America, which is the largest market for managed services globally, to migrate and manage on-premise SAP to the cloud, while strengthening our ability to provide hybrid cloud solutions to SAP users.
- Together with Mizuho Financial Group, Inc., Mizuho Bank, Ltd., and Mizuho Information & Research Institute, Inc., we jointly developed a voice recognition system for a work efficiency tool which automates the entry of transaction data for market instruments by utilizing voice recognition and processing technology, text mining, and RPA. Mizuho Bank has begun using the system in its market banking operations.

As a result of the above, consolidated operating revenues in the Long Distance and International Communications Business Segment for the fiscal year ended March 31, 2020 were 2,205.8 billion yen (a decrease of 3.2% from the previous fiscal year). On the other hand, consolidated operating expenses were 2,102.2 billion yen (a decrease of 3.5% from the previous fiscal year). As a result, consolidated operating profit was 103.6 billion yen (an increase of 3.4% from the previous fiscal year).

■ Data Communications Business Segment

Overview of Business Results by Business Segment (April 1, 2019 – March 31, 2020)

(Billions of yen)

	Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)	Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Change	Percent Change
Operating revenues	2,163.6	2,266.8	103.2	4.8%
Operating expenses	2,015.9	2,135.9	120.0	6.0%
Operating profit	147.7	130.9	(16.8)	(11.4)%

In the Data Communications Business Segment, we responded to the acceleration of our customers' digital transformation at a global level, and to their increasingly diversified and sophisticated needs, by working to expand our business in the global market and to extend and consistently provide a range of IT services, such as offerings of digitalization and system integration, that are responsive to the changes in the market.

● Details of Main Initiatives

- By authenticating payment methods using a designated QR code at the point of entry to the store, we have begun offering a "Catch & Go" service by which customers can take home products they have picked up in the store without paying at the checkout. By making no-checkout digital stores a reality, consumers can avoid the stress of paying at the checkout, and enjoy convenient and money-saving shopping experiences, such as preferential campaigns based on movement within the store. From the perspective of employees and store managers, work efficiency can be improved by not operating a checkout, and purchasing opportunities can be maximized by eliminating waiting at the checkout. In addition, understanding data on routes and actions taken within the store by consumers enables further opportunities to expand sales, and can also be utilized in store design and marketing.
- We were selected as a strategic partner for the digital transformation project of Naturgy Energy Group, SA of Spain, which provides gas and electricity in more than 30 countries, mainly in Europe and Latin America. Going forward, we will provide BPO/ITO services for maintaining and operating systems related to gas and electricity distribution and various operations related to utility retail services, using advanced platform and other systems that we have developed.
- In pursuit of our growth strategy in North America, we acquired two US-based companies, Flux7 Labs Inc. and NET ESOLUTIONS CORPORATION. The acquisitions of these companies will strengthen our capabilities in relation to Amazon Web Services and in the US federal healthcare sector.

As a result of the above, consolidated operating revenues in the Data Communications Business Segment for the fiscal year ended March 31, 2020 were 2,266.8 billion yen (an increase of 4.8% from the previous fiscal year). On the other hand, consolidated operating expenses were 2,135.9 billion yen (an increase of 6.0% from the previous fiscal year). As a result, consolidated operating profit was 130.9 billion yen (a decrease of 11.4% from the previous fiscal year).

■ Other Business Segment

Overview of Business Results by Business Segment (April 1, 2019 – March 31, 2020)

(Billions of yen)

	Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)	Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Change	Percent Change
Operating revenues	1,240.3	1,601.7	361.4	29.1%
Operating expenses	1,154.6	1,510.8	356.1	30.8%
Operating profit	85.6	90.9	5.3	6.2%

In the Other Business Segment, we mainly provided services related to the real estate business, finance business, electric power business, and system development business.

●Details of Main Initiatives

○ Real Estate Business

We established NTT Urban Solutions, Inc., a company that centralizes functions of NTT Group's real estate business, and promoted core office and retail operations, residential operations, and global business. Also, in the hotel and resort business, we worked on the development of multiple hotels in the Kyoto area, such as those utilizing historical buildings, and thus contributed to urban development in local communities.

○ Finance Business

We have developed financial services such as leasing and financing to facilitate the popularization of ICT devices and resolve social challenges revolving around the environmental, educational and medical fields. Furthermore, we provided billing and collection services for telecommunication service bills, and credit card transaction settlement services.

○ Electric Power Business

We established NTT Anode Energy Co., Ltd., which promotes smart energy business in NTT Group. By combining and utilizing our ICT and direct-current power supply technology to the fullest extent, and providing green power generated at our solar power plants, we worked on initiatives for safe and secure urban development that uses natural energy and finite energy resources efficiently and without waste, and that is resilient to risks such as natural disasters.

○ System Development Business

In preparation for advancing digital transformation, we have begun developing and deploying a cluster of IT systems that will become a new service platform. We were also engaged in initiatives to develop solutions for resolving societal issues, such as urban security and the revitalization of regions.

As a result of the above, consolidated operating revenues in the Other Business Segment for the fiscal year ended March 31, 2020 were 1,601.7 billion yen (an increase of 29.1% from the previous fiscal year). On the other hand, consolidated operating expenses were 1,510.8 billion yen (an increase of 30.8% from the previous fiscal year). As a result, consolidated operating profit was 90.9 billion yen (an increase of 6.2% from the previous fiscal year).

(2) Summary of the Consolidated Financial Position

Cash flows provided by operating activities, excluding the impact of non-business days and the adoption of IFRS 16 (Leases), for the fiscal year ended March 31, 2020 increased by 204.6 billion yen (8.5%) from the previous fiscal year to 2,602.5 billion yen. This increase was due to, among other factors, an increase in collections of trade receivables. Cash flows provided by operating activities for the fiscal year ended March 31, 2020 was 2,995.2 billion yen.

Cash flows used in investing activities increased by 78.6 billion yen (4.4%) from the previous fiscal year to 1,852.7 billion yen. This increase was due to, among other factors, an increase in payments for capital expenditures and investments, partially offset by an increase in income from sales of investments.

Cash flows used in financing activities, excluding the impact of the adoption of IFRS 16 (Leases), increased by 288.0 billion yen (49.3%) from the previous fiscal year to 872.3 billion yen. This increase was due to, among other factors, an increase in share repurchases. Cash flows used in financing activities for the fiscal year ended March 31, 2020 was 1,041.3 billion yen.

As a result of the above, NTT Group's cash and cash equivalents as of March 31, 2020 was 1,033.6 billion yen, decreased by 136.2 billion yen (11.6%) from the end of the previous fiscal year excluding the impact of non-business days.

	(Billions of yen)			
	Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)	Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)	Change	Percent Change
Cash flows provided by operating activities	2,406.2	2,995.2	589.1	24.5%
Cash flows provided by operating activities (Excluding the impact of non-business days ⁽¹⁾ ⁽²⁾ and the adoption of IFRS 16 ⁽³⁾)	2,397.9	2,602.5	204.6	8.5%
Cash flows used in investing activities	(1,774.1)	(1,852.7)	(78.6)	(4.4)%
Cash flows used in financing activities	(584.3)	(1,041.3)	(457.0)	(78.2)%
Cash flows provided by (used in) financing activities (excluding the impact of the adoption of IFRS 16 ⁽³⁾)	(584.3)	(872.3)	(288.0)	(49.3)%
Cash and cash equivalents at the end of year	946.1	1,033.6	87.4	9.2%
Cash and cash equivalents at the end of year (Excluding the impact of non-business days ⁽²⁾)	1,169.8	1,033.6	(136.2)	(11.6)%

Note: (1) The impact in the amount of 8.3 billion yen, caused by the last days of the fiscal year ended March 31, 2018 and 2019 falling on non-business days, resulting in the due date for certain bills, including telecommunication services bills, being set to the first business day of the following month.

(2) The impact in the amount of 223.7 billion yen, caused by the last day of the fiscal year ended March 31, 2019 falling on a non-business day, resulting in the due date for certain bills, including telecommunication services bills, being set to the first business day of the following month.

(3) The impact on cash flows from operating and financing activities in the amount of 169.0 billion yen, caused by the adoption of IFRS 16 (Leases) beginning on April 1, 2019.

2. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

	Millions of yen		
	March 31, 2019	March 31, 2020	Increase (Decrease)
ASSETS			
Current assets			
Cash and cash equivalents(*)	946,134	1,033,574	87,440
Trade and other receivables(*)	4,391,434	3,502,834	(888,600)
Other financial assets	117,753	32,384	(85,369)
Inventories	331,634	257,329	(74,305)
Other current assets	550,487	530,073	(20,414)
Sub Total	6,337,442	5,356,194	(981,248)
Assets held for sale	242,524	1,347,307	1,104,783
Total current assets	6,579,966	6,703,501	123,535
Non-current assets			
Property, plant and equipment	9,012,947	9,087,463	74,516
Right-of-use asset	—	446,828	446,828
Goodwill	886,531	980,841	94,310
Intangible assets	1,627,762	1,694,060	66,298
Investment property	967,006	1,106,145	139,139
Investments accounted for using equity method	298,261	283,291	(14,970)
Other financial assets	1,138,502	846,285	(292,217)
Deferred tax assets	1,124,467	1,153,042	28,575
Other non-current assets	659,704	712,677	52,973
Total non-current assets	15,715,180	16,310,632	595,452
Total assets	22,295,146	23,014,133	718,987

* The last days of the fiscal year ended March 31, 2019 fell on a non-business days, resulting in the due date for certain bills, including telecommunication service bills, being set to the first business day of the following month. Consequently, on the last days of the fiscal year ended March 31, 2019 cash and cash equivalents decreased by ¥223,672 million and trade and other receivables increased by the same amount.

	Millions of yen		
	March 31, 2019	March 31, 2020	Increase (Decrease)
LIABILITIES AND EQUITY			
Current liabilities			
Short-term debt	1,397,545	2,054,506	656,961
Trade and other payables	2,092,479	2,142,752	50,273
Lease liabilities	–	154,126	154,126
Other financial liabilities	44,305	16,943	(27,362)
Accrued payroll	468,216	469,395	1,179
Accrued taxes on income	237,282	214,098	(23,184)
Other current liabilities	988,244	996,360	8,116
Sub Total	5,228,071	6,048,180	820,109
Liabilities directly associated with assets held for sale	–	559,432	559,432
Total current liabilities	5,228,071	6,607,612	1,379,541
Non-current liabilities			
Long-term debt	2,865,181	2,165,778	(699,403)
Lease liabilities	–	378,346	378,346
Other financial liabilities	175,087	129,229	(45,858)
Defined benefit liabilities	1,878,013	1,873,501	(4,512)
Deferred tax liabilities	61,189	70,249	9,060
Other non-current liabilities	282,815	326,791	43,976
Total non-current liabilities	5,262,285	4,943,894	(318,391)
Total liabilities	10,490,356	11,551,506	1,061,150
Equity			
Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity			
Common stock	937,950	937,950	–
Additional paid-in capital	2,341,206	2,252,672	(88,534)
Retained earnings	5,954,305	6,499,942	545,637
Treasury stock	(150,635)	(653,369)	(502,734)
Other components of equity	182,087	23,908	(158,179)
Total NTT shareholders’ equity	9,264,913	9,061,103	(203,810)
Non-controlling interests	2,539,877	2,401,524	(138,353)
Total equity	11,804,790	11,462,627	(342,163)
Total liabilities and equity	22,295,146	23,014,133	718,987

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated Statements of Profit or Loss

Year Ended March 31

	Millions of yen except per share data		
	2019	2020	Increase (Decrease)
Operating revenues	11,879,842	11,899,415	19,573
Operating expenses			
Personnel expenses	2,391,617	2,428,484	36,867
Expenses for purchase of goods and services and other expenses	5,917,693	6,006,379	88,686
Depreciation and amortization	1,333,647	1,465,310	131,663
Expenses on disposal of fixed assets	172,167	171,597	(570)
Impairment losses			
Goodwill	39,443	2,933	(36,510)
Metal cables	66,003	-	(66,003)
Other	20,952	13,722	(7,230)
Taxes and dues	244,487	248,839	4,352
Total operating expenses	10,186,009	10,337,264	151,255
Operating profit	1,693,833	1,562,151	(131,682)
Finance income	24,465	46,986	22,521
Finance costs	36,362	50,253	13,891
Share of profit (loss) of entities accounted for using equity method	(10,075)	11,257	21,332
Profit before taxes	1,671,861	1,570,141	(101,720)
Income taxes	533,174	458,795	(74,379)
Profit	1,138,687	1,111,346	(27,341)
Profit attributable to NTT	854,561	855,306	745
Profit attributable to Non-controlling interests	284,126	256,040	(28,086)
Earnings per share attributable to NTT			
Basic earnings per share (yen)	220.13	231.21	

* "Basic earnings per share" figures for the fiscal year ended March 31, 2019 and 2020 have been adjusted to reflect the two-for-one stock split carried out on January 1, 2020.

Consolidated Statements of Comprehensive Income

Year Ended March 31

	Millions of yen		
	2019	2020	Increase (Decrease)
Profit	1,138,687	1,111,346	(27,341)
Other comprehensive income (net of taxes)			
Items that will not be reclassified to profit or loss			
Change in the fair value of financial assets measured at fair value through other comprehensive income	5,967	(68,503)	(74,470)
Share of other comprehensive income of entities accounted for using equity method	(4,637)	(2,266)	2,371
Remeasurements of defined benefit plans	(13,250)	11,365	24,615
Total of items that will not be reclassified to profit or loss	(11,920)	(59,404)	(47,484)
Items that may be reclassified to profit or loss			
Cash flow hedges	(2,784)	(18)	2,766
Foreign currency translation adjustments	2,791	(84,107)	(86,898)
Share of other comprehensive income of entities accounted for using equity method	(12,025)	1,774	13,799
Total of items that may be reclassified to profit or loss	(12,018)	(82,351)	(70,333)
Total other comprehensive income (net of taxes)	(23,938)	(141,755)	(117,817)
Total comprehensive income	1,114,749	969,591	(145,158)
Comprehensive income attributable to NTT	826,154	743,451	(82,703)
Comprehensive income attributable to Non-controlling interests	288,595	226,140	(62,455)

(3) Consolidated Statement of Changes in Equity

Year Ended March 31, 2019

	Millions of yen							
	NTT Shareholders' Equity						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
March 31, 2018	¥937,950	¥2,396,555	¥6,125,957	¥(610,742)	¥200,638	¥9,050,358	¥2,515,296	¥11,565,654
Cumulative effect of adoption of IFRS 9 "Financial Instruments"	—	—	14,033	—	(2,432)	11,601	7,565	19,166
April 1, 2018	937,950	2,396,555	6,139,990	(610,742)	198,206	9,061,959	2,522,861	11,584,820
Comprehensive income								
Profit	—	—	854,561	—	—	854,561	284,126	1,138,687
Other comprehensive income	—	—	—	—	(28,407)	(28,407)	4,469	(23,938)
Total comprehensive income	—	—	854,561	—	(28,407)	826,154	288,595	1,114,749
Value of transactions with shareholders etc.								
Dividends of surplus	—	—	(313,605)	—	—	(313,605)	(142,171)	(455,776)
Transfer to retained earnings	—	—	(8,383)	—	8,383	—	—	—
Transfer to non-financial assets	—	—	—	—	3,905	3,905	—	3,905
Purchase and disposal of treasury stock	—	0	—	(258,153)	—	(258,153)	—	(258,153)
Cancellation of treasury stock	—	(2)	(718,258)	718,260	—	—	—	—
Changes in ownership interest in subsidiaries	—	(61,233)	—	—	—	(61,233)	(135,038)	(196,271)
Share-based compensation transactions	—	(6,589)	—	—	—	(6,589)	—	(6,589)
Put options granted to non-controlling interests	—	12,475	—	—	—	12,475	5,630	18,105
Total value of transactions with shareholders etc.	—	(55,349)	(1,040,246)	460,107	12,288	(623,200)	(271,579)	(894,779)
March 31, 2019	¥937,950	¥2,341,206	¥5,954,305	¥(150,635)	¥182,087	¥9,264,913	¥2,539,877	¥11,804,790

Year Ended March 31, 2020

Millions of yen

	NTT Shareholders' Equity					Total	Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity			
March 31, 2019	¥937,950	¥2,341,206	¥5,954,305	¥(150,635)	¥182,087	¥9,264,913	¥2,539,877	¥11,804,790
Comprehensive income								
Profit	—	—	855,306	—	—	855,306	256,040	1,111,346
Other comprehensive income	—	—	—	—	(111,855)	(111,855)	(29,900)	(141,755)
Total comprehensive income	—	—	855,306	—	(111,855)	743,451	226,140	969,591
Value of transactions with shareholders etc.								
Dividends of surplus	—	—	(354,827)	—	—	(354,827)	(151,414)	(506,241)
Transfer to retained earnings	—	—	46,324	—	(46,324)	—	—	—
Purchase and disposal of treasury stock	—	1	—	(502,734)	—	(502,733)	—	(502,733)
Changes in ownership interest in subsidiaries	—	(104,613)	—	—	—	(104,613)	(210,163)	(314,776)
Share-based compensation transactions	—	(1,386)	—	—	—	(1,386)	7	(1,379)
Put options granted to non-controlling interests	—	19,392	—	—	—	19,392	(1,916)	17,476
Other	—	(1,928)	(1,166)	—	—	(3,094)	(1,007)	(4,101)
Total value of transactions with shareholders etc.	—	(88,534)	(309,669)	(502,734)	(46,324)	(947,261)	(364,493)	(1,311,754)
March 31, 2020	¥937,950	¥2,252,672	¥6,499,942	¥(653,369)	¥23,908	¥9,061,103	¥2,401,524	¥11,462,627

(4) Consolidated Statement of Cash Flows

Year Ended March 31

	Millions of yen		
	2019	2020	Increase (Decrease)
Cash flows from operating activities			
Profit	1,138,687	1,111,346	(27,341)
Depreciation and amortization	1,333,647	1,465,310	131,663
Impairment losses	126,398	16,655	(109,743)
Share of loss (profit) of entities accounted for using equity method	10,075	(11,257)	(21,332)
Losses on retirement of fixed assets	85,703	80,971	(4,732)
Gain on sales of fixed assets	(10,142)	(12,885)	(2,743)
Income taxes	533,174	458,795	(74,379)
Decrease (increase) in trade and other receivables (*)	(338,018)	210,566	548,584
Decrease (increase) in inventories	1,572	59,880	58,308
Decrease (increase) in other current assets	(11,538)	17,266	28,804
Increase (decrease) in trade and other payables / accrued payroll	99,452	22,736	(76,716)
Increase (decrease) in other current liabilities	12,511	18,922	6,411
Increase (decrease) in defined benefit liabilities	834	2,470	1,636
Increase (decrease) in other non-current liabilities	4,359	11,370	7,011
Other	(7,082)	(7,427)	(345)
Sub-total	2,979,632	3,444,718	465,086
Interest and dividends received	79,330	88,632	9,302
Interest paid	(39,416)	(49,829)	(10,413)
Income taxes paid	(613,389)	(488,310)	125,079
Net cash provided by (used in) operating activities	2,406,157	2,995,211	589,054

	Millions of yen		
	2019	2020	Increase (Decrease)
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and investment property	(1,672,350)	(1,856,351)	(184,001)
Purchase of investments	(65,623)	(202,410)	(136,787)
Proceeds from sale or redemption of investments	55,178	294,153	238,975
Expenses due to acquisition of control of subsidiaries	(107,264)	(126,915)	(19,651)
Other	15,923	38,796	22,873
Net cash provided by (used in) investing activities	(1,774,136)	(1,852,727)	(78,591)
Cash flows from financing activities			
Net increase (decrease) in short-term debt	486,124	707,276	221,152
Proceeds from increases in long-term debt	434,922	315,549	(119,373)
Repayment of long-term debt	(627,680)	(512,882)	114,798
Repayment of lease liabilities	—	(184,384)	(184,384)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(164,415)	(364,643)	(200,228)
Dividends paid	(313,605)	(354,827)	(41,222)
Dividends paid to non-controlling interests	(142,020)	(151,058)	(9,038)
Payments for purchase of treasury stock	(258,215)	(501,431)	(243,216)
Other	623	5,139	4,516
Net cash provided by (used in) financing activities	(584,266)	(1,041,261)	(456,995)
Effect of exchange rate change on cash and cash equivalents	3,376	(13,783)	(17,159)
Net increase (decrease) in cash and cash equivalents	51,131	87,440	36,309
Cash and cash equivalents as of April 1 (*)	895,003	946,134	51,131
Cash and cash equivalents as of March 31 (*)	946,134	1,033,574	87,440

* The last days of the fiscal year ended March 31, 2018 and 2019 fell on non-business days, resulting in the due date for certain bills, including telecommunication service bills, being set to the first business day of the following month. Consequently, on the last days of the fiscal year ended March 31, 2018 and 2019, cash and cash equivalents decreased by ¥231,929 million and ¥223,672 million respectively, and trade and other receivables increased by the same amount. Please see “1. BUSINESS RESULTS (2) Summary of Consolidated Financial Position” for details.

(5) Going Concern Assumption

None

(6) Basis for the Preparation of Consolidated Financial Statements

1. Accounting standard for preparation of Consolidated Financial Statements

NTT Group has prepared the Consolidated Financial Statements pursuant to International Financial Reporting Standards (“IFRS”).

2. Principal Accounting Policies

The accounting policies applied on the Consolidated Financial Statements are consistent with those applied on the financial statements for the fiscal year ended March 31, 2019, except for changes in accounting policies stated in (7) Change in Accounting Policies and Estimates.

(7) Change in Accounting Policies and Estimates

① Application of IFRS 16, “Lease”

NTT Group has applied IFRS 16, “Lease” (“IFRS 16”) from the beginning of the current fiscal year.

(i) Accounting treatment as a lessee

Lease transactions as a lessee were classified as finance leases when the lessor transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, while other lease transactions were classified as operating leases under IAS 17 “Leases” for the year ended March 2019.

As a result of the application of IFRS 16, when NTT Group assesses whether a contract is, or contains, a lease, at the inception of the contract NTT Group initially recognizes a Right-of-use assets and Lease liabilities in the Consolidated Statements of Financial Position at the commencement date of the contract without classifying finance leases or operating leases except for leases with a lease term of 12 months or less or when the underlying assets are of low value. NTT Group does not apply IFRS 16 to leases of intangible assets.

(a) Lease liabilities

Lease liabilities are initially measured at the present value of unpaid lease payments at the commencement date of the contract, discounted using NTT Group's incremental borrowing rate*. Lease payments are accounted as payments for interest calculated applying the effective interest method and payments for principal. Payments for interest are presented as finance cost in the Consolidated Statement of Profit or Loss and classified as cash flows from operating activities Consolidated Statement of Cash Flows. Payments for principal are classified as cash flows from financing activities.

* As interest rate implicit in the lease cannot be readily determined, NTT Group uses incremental borrowing rate as discount rate.

(b) Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the amount of the initial measurement of the lease liabilities, adjusted for any initial direct costs incurred and prepaid lease payments, etc. After the initial measurements, Right-of-use assets are depreciated over the useful life or the lease term of the underlying asset, whichever is shorter, from the commencement date of the contract. The estimated useful life of Right-of-use assets is determined as same as owned property, plant and equipment. Right-of-use assets are deducted by impairment if identified and adjusted at remeasurement of the specific lease liabilities.

A part of Right-of-use assets which satisfies the definition of investment property is presented as Investment property in the Consolidated Statements of Financial Position.

(ii) Accounting treatment as a lessor

For leases in which NTT Group is the lessor, excluding subleases, NTT Group is not required to make any adjustments at the time of the application of IFRS 16.

Regarding the subleases in which NTT Group is intermediate lessor, NTT Group reassessed subleases by referencing Right of use assets recognized from head leases in which NTT Group is the lessee rather than the underlying asset that is the subject of a lease then some sublease contracts classified as operating leases in or prior to the previous fiscal year are classified as finance leases. As a result, NTT Group derecognizes Right-of-use assets and recognizes Trade and Other Receivables (Lease receivables) in the Consolidated Statements of Financial Position.

(iii) Transitional Measures

NTT Group applies IFRS 16 using the modified retrospective approach, under which recognizing the cumulative effect of applying the standard as an adjustment to the beginning balance of retained earnings at the date of initial application with no restatement of the comparative period. For the assessment of whether a contract that was concluded in or prior to the previous fiscal year is, or contains a lease, the NTT Group has applied the practical expedient of maintaining its previous assessment.

(iv) The impact of the changes in Accounting Policies

The impact of the application of IFRS 16 is described below.

The amounts newly recognized as the Right-of use assets and Lease liabilities regarding the lease transactions classified as operating leases in the previous fiscal year

	(Millions of yen)
	The beginning balance based on IFRS 16 (April 1, 2019)
<hr/>	
(Consolidated Statement of Financial Position)	
Assets	
Right-of-use assets	434,216
Trade and Other Receivables (Lease receivables)	54,594
Investment property	35,572
Liabilities	
Lease liabilities (Current and Non-current)	517,384

There were no material impacts on retained earnings at the beginning of the current fiscal year.

The amounts of depreciation and amortization newly recognized from Right-of-use assets and Investment property

	(Millions of yen)
	Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)
<hr/>	
(Consolidated Statement of Profit or Loss)	
Depreciation and amortization	148,501

Despite Depreciation and amortization is newly recognized, lease payments, which used to be recognized as Expenses for purchase of goods and services and other expenses for the previous fiscal year is not recognized. As a result, the impact in Consolidated Statement of Profit or Loss for the fiscal year ended March 31, 2020 is immaterial.

The impact in cash flow statement due to the change of classification for principal payment of lease liabilities recognized

	(Millions of yen)
	The impact for the fiscal year ended March 31, 2020
<hr/>	
(Consolidated Statement of Cash Flows)	
Net cash provided by (used in) operating activities	169,007
Net cash provided by (used in) financing activities	(169,007)

The impact above is mainly due to the change of classification for lease payments equivalent to principal payment from Net cash provided by (used in) operating activities in previous fiscal year to Net cash provided by (used in) financing activities as principal payment of lease liabilities.

② Estimates of useful lives of property, plant and equipment

NTT Group revised its estimate of the expected useful lives of optical cables (a part of Cables in Telecommunications service lines) and extended expected useful life based on current actual utilization. This change in estimate has been accounted for prospectively. Regarding to the impact from this change in accounting estimate in Consolidated Statement of Profit or Loss for the fiscal year ended March 31, 2020, “Depreciation and amortization” was decreased by ¥44,020 million, “Profit attributable to NTT” and “Basic earnings per share” were increased by ¥30,396 million, ¥8.22, respectively. Per share information for the fiscal year ended March 31, 2020 reflects the impact of the stock split.

Regarding the impact in segment profit were presented in “(8) Business Segments”

(8) Business Segments

1. Operating revenues			(Millions of yen)
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Effect of inter- segment transfers of certain subsidiaries *
Mobile Communications Business			
External customers	¥4,774,711	¥4,586,125	71,076
Intersegment	66,138	65,167	872
Sub-total	4,840,849	4,651,292	71,948
Regional Communications Business			
External customers	2,463,941	2,383,464	(14,923)
Intersegment	688,391	696,458	(4,728)
Sub-total	3,152,332	3,079,922	(19,651)
Long Distance and International Communications Business			
External customers	2,162,563	2,086,188	(71,076)
Intersegment	116,128	119,570	(2,729)
Sub-total	2,278,691	2,205,758	(73,805)
Data Communications Business			
External customers	2,037,782	2,131,133	-
Intersegment	125,843	135,675	-
Sub-total	2,163,625	2,266,808	-
Other Business			
External customers	440,845	712,505	14,923
Intersegment	799,425	889,175	45,105
Sub-total	1,240,270	1,601,680	60,028
Elimination	(1,795,925)	(1,906,045)	(38,520)
Consolidated total	¥11,879,842	¥11,899,415	-

* During the fiscal year ended March 31, 2020, certain subsidiaries included in reporting segments "Regional Communications Business" were transferred and they are included in "Other Businesses" and "Long Distance and International Communications Business" were transferred and they are included in "Mobile Communications Business" or "Other Businesses", respectively. After this period operating revenues of these subsidiaries were recognized in the destination segments. The increased or decreased amounts of operating revenue compared to the status without these inter-segment transfer during the fiscal year ended March 31, 2020 are presented as “Effect of inter-segment transfers of certain subsidiaries” in the table above.

2. Segment profit or loss

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Effect of inter- segment transfers of certain subsidiaries *
Segment profit			
Mobile Communications Business	¥1,013,644	¥854,650	1,108
Regional Communications Business	360,726	388,279	(874)
Long Distance and International Communications Business	100,148	103,563	(1,110)
Data Communications Business	147,717	130,937	-
Other Business	85,624	90,919	869
Total Segment profit	1,707,859	1,568,348	(7)
Elimination	(14,026)	(6,197)	7
Consolidated total	¥1,693,833	¥1,562,151	-

Segment profit represents operating revenues less operating expenses.

Regarding the impact from change of the expected useful lives of optical cables, segment profit for the year ended March 31, 2020, were increased by ¥42,806 million for “Regional Communications Business”, ¥1,214 million for “Long Distance and International Communications Business” and ¥44,020 million in total. Description of this change is presented in “(7) Change in Accounting Policies and Estimates”.

* During the fiscal year ended March 31, 2020, certain subsidiaries included in reporting segments "Regional Communications Business" were transferred and they are included in "Other Businesses" and "Long Distance and International Communications Business" were transferred and they are included in "Mobile Communications Business" or "Other Businesses", respectively. After this period operating revenues of these subsidiaries were recognized in the destination segments. The increased or decreased amounts of operating revenue compared to the status without these inter-segment transfer during the fiscal year ended March 31, 2020 are presented as “Effect of inter-segment transfers of certain subsidiaries” in the table above.

3. Segment assets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020	Effect of inter- segment transfers of certain subsidiaries *
Segment assets			
Mobile Communications Business	¥7,340,543	¥7,535,922	60,511
Regional Communications Business	6,884,134	6,809,283	(54,630)
Long Distance and International Communications Business	2,994,007	3,125,597	(102,674)
Data Communications Business	2,548,369	2,756,539	-
Other Business	11,546,523	12,180,692	56,996
Total segment assets	31,313,576	32,408,033	(39,797)
Elimination	(9,018,430)	(9,393,900)	39,797
Consolidated total	¥22,295,146	¥23,014,133	-

* During the fiscal year ended March 31, 2020, certain subsidiaries included in reporting segments "Regional Communications Business" were transferred and they are included in "Other Businesses" and "Long Distance and International Communications Business" were transferred and they are included in "Mobile Communications Business" or "Other Businesses", respectively. After this period segment assets of these subsidiaries were recognized in the destination segments. The increased or decreased amounts of segment assets compared to the status without these inter-segment transfer during the fiscal year ended March 31, 2020 are presented as “Effect of inter-segment transfers of certain subsidiaries” in the table above

4. Other significant items

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Depreciation and amortization		
Mobile Communications Business	¥470,922	¥580,838
Regional Communications Business	447,984	414,472
Long Distance and International Communications Business	178,424	210,690
Data Communications Business	153,577	196,269
Other Business	90,943	131,900
Total segment	1,341,850	1,534,169
Elimination	(8,203)	(68,859)
Consolidated total	¥1,333,647	¥1,465,310

* During the fiscal year ended March 31, 2020, certain subsidiaries included in reporting segments "Regional Communications Business" were transferred and they are included in "Other Businesses" and "Long Distance and International Communications Business" were transferred and they are included in "Mobile Communications Business" or "Other Businesses", respectively. After this period depreciation and amortization of these subsidiaries were recognized in the destination segments. The increased or decreased amounts of depreciation and amortization compared to the status without these inter-segment transfer during the fiscal year ended March 31, 2020 are immaterial.

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Capital investments for segment assets (*)		
Mobile Communications Business	¥593,749	¥572,765
Regional Communications Business	540,997	522,508
Long Distance and International Communications Business	244,326	279,310
Data Communications Business	179,214	193,843
Other Business	138,672	238,223
Consolidated total	¥1,696,958	¥1,806,649

*1. The figures for capital investments are the accrual-based amounts required for acquisition of property, plant and equipment, and intangibles. The differences from the figures for "Payments for property, plant and equipment" and "Payments for intangibles" in the Consolidated Statements of Cash Flows are as follows:

	Millions of yen	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Purchase of property, plant and equipment, intangible assets and investment property	¥1,672,350	¥1,856,351
Difference from the total of capital investments	¥(24,608)	¥49,702

*2. During the fiscal year ended March 31, 2020, certain subsidiaries included in reporting segments "Regional Communications Business" were transferred and they are included in "Other Businesses" and "Long Distance and International Communications Business" were transferred and they are included in "Mobile Communications Business" or "Other Businesses", respectively. After this period capital investments for segment assets of these subsidiaries were recognized in the destination segments. The increased or decreased amounts of capital investments for segment assets compared to the status without these inter-segment transfer during the fiscal year ended March 31, 2020 are immaterial.

(9) Assets Held for Sale and Liabilities directly associated with assets held for sale

Capital and Business Tie-up Agreement with Tokyo Century Corporation

Overview

NTT resolved to form a capital and business tie-up (hereinafter referred to as “the capital and business tie-up”) with Tokyo Century Corporation (hereinafter referred to as “Tokyo Century”) at a Meeting of the Board of Directors held on February 6, 2020 and entered into an agreement regarding the capital and business tie-up.

As part of the capital and business tie-up, the new company (NTT TC Leasing Co., Ltd) established by NTT Finance Corporation (hereinafter referred to as “NTT Finance”), will first succeed to part of the leasing business and global business of NTT Finance by the method of absorption-type split upon spin-off, and then NTT group will transform the new company into a joint venture by selling shares equivalent to 50 percent of the total number of outstanding shares of the new company to Tokyo Century in order to bolster and augment leasing and financial business in Japan and other countries for NTT group and Tokyo Century.

In addition to the above, NTT acquired shares of Tokyo Century's common stock equivalent to 10 percent of the total outstanding shares after the third-party allocation implemented by Tokyo Century by underwriting part of the allocation.

Impact on accounting treatment and on the Consolidated Financial Statements

In accordance with this completion of share transfer, the new company is expected to be a joint venture company accounted for using the equity method for NTT group. As a result, assets and liabilities directly associated with these assets related to part of the leasing business and global business of NTT Finance, that are included in “other business” segment, are expected to be classified as assets held for sale and liabilities directly associated with assets held for sale, respectively, until the completion of the share transfer.

(10) Subsequent Events

Acquisition of Toyota Motor Corporation's shares and disposal of treasury stock by way of third-party allotment

On March 24, 2020, the Board of Directors resolved that NTT would enter into a memorandum of understanding for a business and capital alliance (the "Alliance") with Toyota Motor Corporation ("Toyota") and entered into the Alliance on the same day. On April 9, 2020, Toyota and NTT mutually executed a comprehensive underwriting agreement for a third-party allotment based on this memorandum of understanding. NTT acquired Toyota's shares and conducted a disposition of shares of the NTT's treasury stock through a third-party allotment with Toyota as the subscriber for the shares on the same day.

1. Overview of acquisition of Toyota's share

(1) Acquisition date	April 9, 2020
(2) Type and number of shares acquired	29,730,900 shares of Toyota's common stock
(3) Acquisition price per share	¥6,727 per share
(4) Total amount of acquisition	¥199,999,764,300
(5) Percentage to the total number of issued and outstanding shares held by NTT	0.90% of Toyota's common stock

2. Overview of a disposition of shares of the NTT's treasury stock through a third-party allotment, with Toyota as the subscriber for the shares

(1) Disposition date	April 9, 2020
(2) Type and number of shares disposed	80,775,400 shares of the NTT's common stock
(3) Disposition price	¥2,476 per share
(4) Amount of funds raised	¥199,999,890,400
(5) Percentage to the total number of issued and outstanding shares held by Toyota	2.07% of the NTT's issued and outstanding common stock

3. OTHER

CHANGES IN BOARD OF DIRECTORS

Scheduled appointment date: June 23, 2020

(1) Candidate for Member of the Board

Naoki Shibutani (Senior Executive Vice President, Representative Member of the Board of Nippon Telegraph and Telephone East Corporation)

(2) Members of the Board scheduled to resign from office

Motoyuki Ii (Senior Executive Vice President, Representative Member of the Board; scheduled to take office as Senior Executive Vice President, Representative Member of the Board of Directors of NTT DOCOMO, INC.)

Tsunehisa Okuno (Executive Vice President, Member of the Board; scheduled to take office as Senior Executive Vice President of NTT, INC.)

Hiroki Kuriyama (Executive Vice President, Member of the Board; scheduled to take office as Senior Executive Vice President, Representative Member of the Board of NTT Communications Corporation; adjunct Senior Vice President)

Takashi Hiroi (Senior Vice President, Member of the Board; scheduled to take office as Executive Vice President, Member of the Board of Directors of NTT DOCOMO, INC.)

Eiichi Sakamoto (Senior Vice President, Member of the Board; scheduled to take office as Senior Vice President)

Katsuhiko Kawazoe (Senior Vice President, Member of the Board; scheduled to take office as Executive Vice President)

Ryota Kitamura (Senior Vice President, Member of the Board; scheduled to take office as Senior Vice President)

Atsuko Oka (Senior Vice President, Member of the Board; scheduled to take office as Senior Vice President)

(3) Candidate for Audit & Supervisory Board Member

Kanae Takahashi (Executive Vice President of NTT Infrastructure Network Corporation)

(4) Audit & Supervisory Board Member scheduled to resign from office

Akiko Ide

(5) Candidates for Chairman of the Board and Representative Member of the Board

①Candidate scheduled to be elected as Chairman of the Board

Hiromichi Shinohara

②Candidate scheduled to be elected as President and Chief Executive Officer, Representative Member of the Board

Jun Sawada

③Candidates scheduled to be elected as Senior Executive Vice President, Representative Members of the Board

Akira Shimada

Naoki Shibutani

(6) New Executive Positions and Organizational Responsibilities

Scheduled appointment date: June 23, 2020

New Position(s)	Name	Current Position(s)
Chairman of the Board	Hikomichi Shinohara	Chairman of the Board
Representative Member of the Board President Chief Executive Officer (CEO)	Jun Sawada	President and Chief Executive Officer Representative Member of the Board
Representative Member of the Board Senior Executive Vice President In charge of business strategy Chief Financial Officer (CFO) Chief Compliance Officer (CCO) Chief Human Resource Officer (CHRO)	Akira Shimada	Senior Executive Vice President In charge of business strategy In charge of risk management Representative Member of the Board
Representative Member of the Board Senior Executive Vice President In charge of technical strategy Chief Technology Officer (CTO) Chief Information Officer (CIO) Chief Digital Officer (CDO)	Naoki Shibutani	
Member of the Board	Katsuhiko Shirai	Member of the Board
Member of the Board	Sadayuki Sakakibara	Member of the Board
Member of the Board	Ken Sakamura	Member of the Board
Member of the Board	Keiko Takegawa	Member of the Board

(Note)

Of the candidates for Members of the Board, Katsuhiko Shirai, Sadayuki Sakakibara, Ken Sakamura, and Keiko Takegawa are candidates for Outside Members of the Board.