



**Financial Results**  
**for the Three Months Ended June 30, 2020**  
**and**  
**Financial Forecasts**  
**for the Fiscal Year Ending March 31, 2021**

**August 11, 2020**

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.

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# **Overview of Consolidated Results for the Three Months Ended June 30, 2020**

# Status of Consolidated Results for FY2020.1Q

- Operating Revenues and Operating Income decreased as a result of the impact of COVID-19, among other factors

## Status of Consolidated Results

● Operating Revenues:	¥2,766.5B	<(¥149.0B) [ (5.1%)]	year-on-year >
● Operating Income:	¥497.6B	< (¥7.6B) [ (1.5%)]	year-on-year >
● Profit*:	¥272.6B	< (¥7.9B) [ (2.8%)]	year-on-year >
<hr/>			
● Overseas Sales**:	\$4.4B	< (\$0.38B) [ (8.0%)]	year-on-year >
● Overseas Operating Income Margin** :	2.2%	< +0.6 pt	year-on-year >

\* Profit presented above represents the profit attributable to NTT, excluding noncontrolling interests.

\*\* 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.

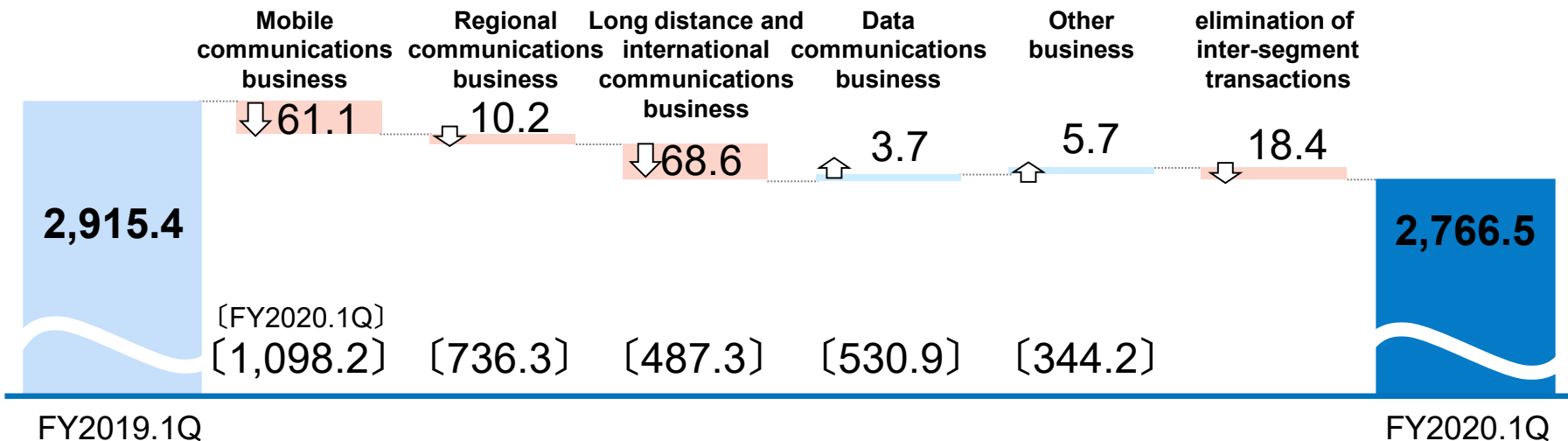
# Contributing Factors by Segment for FY2020.1Q



(Billions of yen)

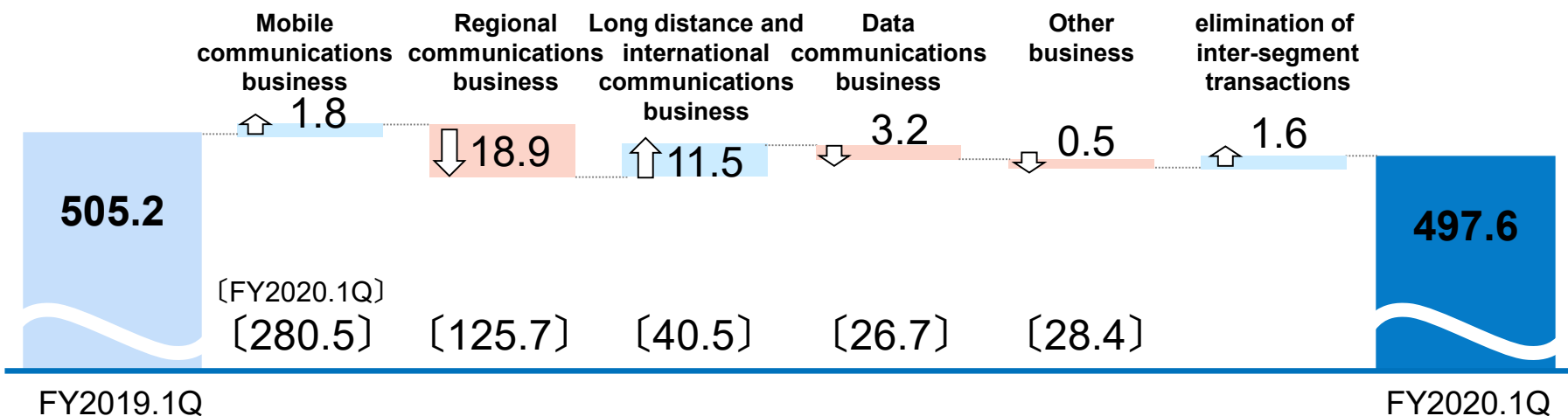
## Operating Revenues

<Year-on-year:(149.0)>



## Operating Income

<Year-on-year:(7.6)>



# FY2020 Results Forecast

- **The impact of COVID-19 is expected to be a decrease in Operating Revenues of approximately ¥350.0 billion and a decrease in Operating Income of approximately ¥70.0 billion, based on the following assumptions:**
  - ◆ **In Japan, without taking into account any re-issuances of state of emergency declarations, economic activity is expected to gradually recover following the lifting of the state of emergency in May**
  - ◆ **While recovery is expected to gradually occur overseas as well, the recovery is expected to be slower than in Japan, particularly in Europe and in the United States**
  
- **As a result:**
  - **Operating Revenues are expected to decrease significantly, by approximately ¥400.0 billion, compared to FY2019**
  - **Operating Income and Operating Profit will increase compared to FY2019, covered by approximately ¥80.0 billion of reductions in capital investments, and approximately ¥100.0 billion of cost reductions**



# FY2020 Forecast Summary



## Plan for Consolidated Revenues and Income

	FY2019 Result	FY2020 Forecast	Year-on-Year	COVID-19 Impact
Operating Revenues	¥11,899.4B	¥11,500.0B	(¥399.4B)	(¥350.0B) (Domestic: (¥180.0B) Overseas: (¥170.0B))
Operating Income	¥1,562.2B	¥1,590.0B	+ ¥27.8B	(¥70.0B) (Domestic: (¥45.0B) Overseas: (¥25.0B))
Profit*	¥855.3B	¥860.0B	+ ¥4.7B	
EPS**	¥231	¥231	+ ¥0	

\* Profit represents profit attributable to NTT, excluding noncontrolling interests.

\*\* Amounts have been adjusted to reflect the two-for-one stock split authorized by the board of directors on November 5, 2019, with an effective date of January 1, 2020.

# FY2020 Financial Forecast Summary (by Company) **NTT**

	Operating Revenues	Year-on-Year	Operating Income	Year-on-Year
<b>NTT DOCOMO</b>	<b>¥4,570.0B</b>	<b>(¥81.3B)</b>	<b>¥880.0B</b>	<b>+ ¥25.4B</b>
<b>NTT East</b>	<b>¥1,689.0B</b>	<b>+ ¥11.9B</b>	<b>¥260.0B</b>	<b>+ ¥4.0B</b>
<b>NTT West</b>	<b>¥1,438.0B</b>	<b>+ ¥3.7B</b>	<b>¥148.0B</b>	<b>+ ¥15.8B</b>
<b>Long Distance and International Communications Segment</b>	<b>¥2,114.0B</b>	<b>(¥91.8B)</b>	<b>¥124.0B</b>	<b>+ ¥20.4B</b>
<b>NTT Communications</b>	<b>¥1,037.0B</b>	<b>-</b>	<b>¥119.0B</b>	<b>-</b>
<b>NTT Ltd.</b>	<b>¥1,130.0B</b>	<b>-</b>	<b>¥5.0B</b>	<b>-</b>
<b>NTT DATA</b>	<b>¥2,170.0B</b>	<b>(¥96.8B)</b>	<b>¥120.0B</b>	<b>(¥10.9B)</b>
<b>NTT Urban Solutions</b>	<b>¥456.0B</b>	<b>+ ¥30.0B</b>	<b>¥43.0B</b>	<b>(¥5.7B)</b>

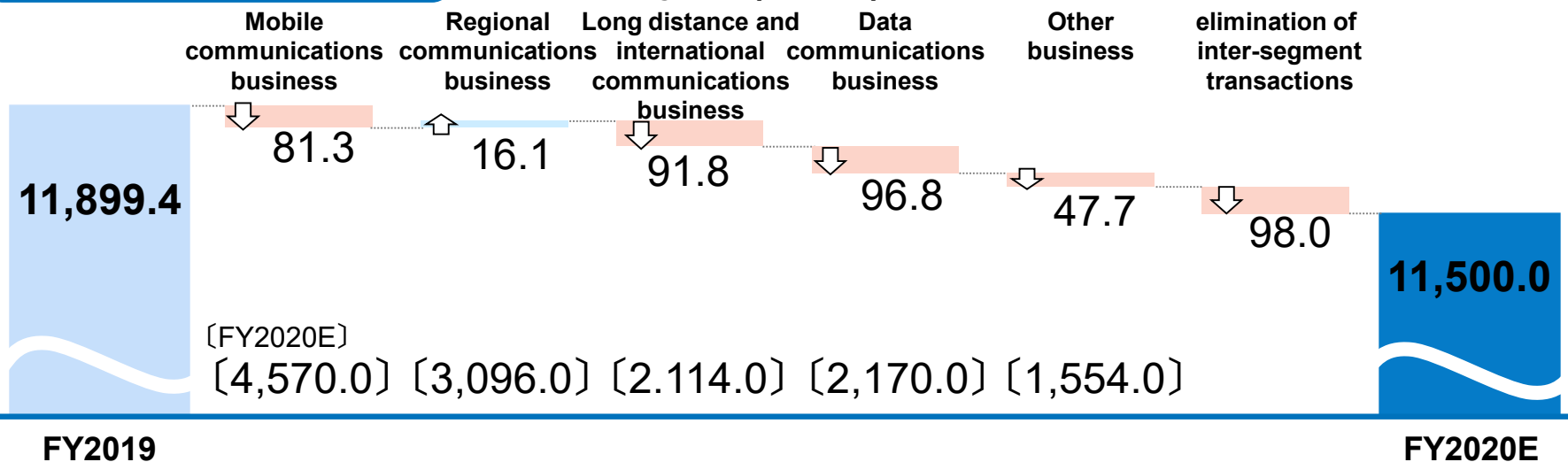
# FY2020 Forecast Summary by Segment



(Billions of yen)

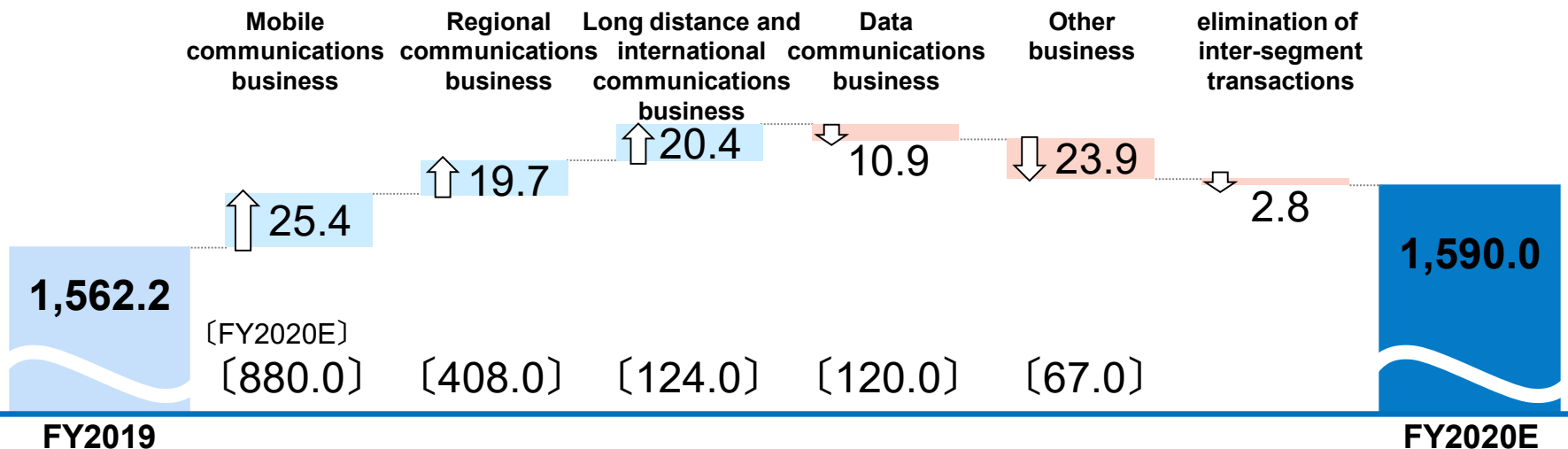
## Operating Revenues

<Year-on-year: (399.4)>



## Operating Income

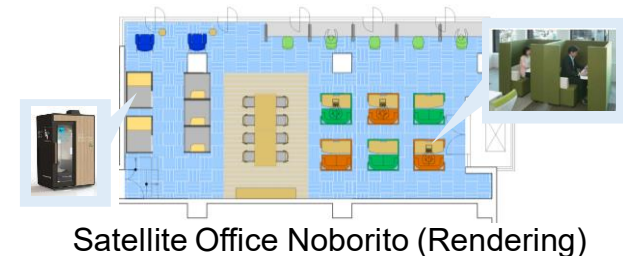
<Year-on-year: +27.8>



# Topics

## ■ Improved treatment and environments to support telework-centered work styles

- Rate of working from home\* is 55% (as of July 31, 2020)
- Introduction of “Remote Work Allowance,” “Commuting Cost Reimbursements (Abolition of Commuter Pass),” and “Super Flex-time System” (scheduled to be launched in October 2020)
- Expansion of satellite offices that utilize station facilities (beginning in about September 2020)
- Built work-from-home environments for contact center operators (beginning in July 2020)
- Provide troubleshooting videos and visual tools that aid in self-diagnosis and recovery, and reduce on-site work dispatches (beginning in July 2020)
- Introduction of no-contact installation methods for in-home fiber optic construction work (beginning in October 2020)
- Start of reception by people with physical disabilities through the “Orihime-D” remote-controlled robot (beginning in July 2020)



\* Actual value, excluding organizations involved in non-clerical work

\*\* ONE CONTACT : NTT Group's integrated business brand for BPO, BPR and CX innovation, centered on contact centers

## ■ Launch of new services for a remote world

~First wave of new service strategy (further enhancing the service lineup in the future)~

### ① “NeWork” online workspace (NTT Com, launching for free\* beginning at the end of August 2020)

- ✓ Provides safe and secure web conferencing
- ✓ Reproduces virtual office spaces (such as casual conversation function that feels like having a little chat)
- ✓ Can also be used for creating meeting records and translation\*\*



### ② “ELGANA” business chat (NTT Neomeit, launched in April 2020 and currently in service)

- ✓ Extensive enterprise security functions
- ✓ Planned to be linked to “NeWork” web conferencing service
- ✓ Currently offering up to three months’ free trial

### ③ “AceReal for docomo” and “Virtual Design Atelier” which support remote work (NTT DOCOMO, launched in June 2020\*\*\* and currently in service)

- ✓ Enables precise instructions to be given to a work site from a remote environment



\* In the future, it is planned that additional functions will be added and a higher-functionality version will be offered for a fee

\*\* Functions for creating meeting records and for translation are provided for a fee

\*\*\* “AceReal for docomo” launched in July 2020

## ④ “Smart Government Platform NaNaTsu”

(NTT Data, launching free trials beginning in August 2020, with planned commercial launch beginning in October 2020)

- ✓ Automation of over 100 government work processes within the fiscal year through shared RPA/AI-OCR, including expenditure and revenue management processes and tax-related processes, such as hometown taxes  
(Special Cash Payment support service that has been provided free of charge since May is being utilized at over 200 organizations)

## ⑤ “WindowTalk,” which enables conversation through glass or acrylic screens

(commercialization scheduled in 2020)

- ✓ Allows for communication through closed windows to reduce the risk of infection

## ⑥ Crowd density detection and thermal scanning using “Smart City Solutions”

(NTT, Inc., launched in Las Vegas beginning in August 2020)

- ✓ Crowd warning alerts and predictions, body temperature detection and other functions using video analysis

## ⑦ “jibo” interactive robot

(NTT Disruption, proof-of-concept in English launched in March 2020)

- ✓ Business transformation by AI digital companion for healthcare, telemedical verticals, and public welfare sector



# Overview of Medium-Term Management Strategy Initiatives



<b>Roll Out 5th-Generation Wireless System</b>	<ul style="list-style-type: none"><li>• <b>Completed buildout of stations to all prefectures and administrative divisions in Japan</b> (as of June 30, 2020)</li></ul>
<b>Enhance and Globalize R&amp;D</b>	<ul style="list-style-type: none"><li>• <b>In collaboration with NEC, will achieve a “new made-in-Japan” by driving openness and creating innovative technologies and products</b> (June 25, 2020)</li></ul>
<b>Create New Lines of Business</b>	<ul style="list-style-type: none"><li>• <b>In collaboration with Mitsubishi Corporation, promoted renewable energy generation business and energy management business that combines EVs and storage batteries</b> (June 30, 2020)</li><li>• <b>Expanded renewable energy through participation in geothermal generation</b> (July 31, 2020)</li></ul>
<b>Contribute to Vitalization of Regional Societies and Economies</b>	<ul style="list-style-type: none"><li>• <b>Launch of communications fraud prevention service that utilizes AI</b> (scheduled for November 2020)</li></ul>
<b>Promote ESG Management</b>	<ul style="list-style-type: none"><li>• <b>Issued NTT Group green bonds</b> (June 25, 2020)</li></ul>



# Appendix

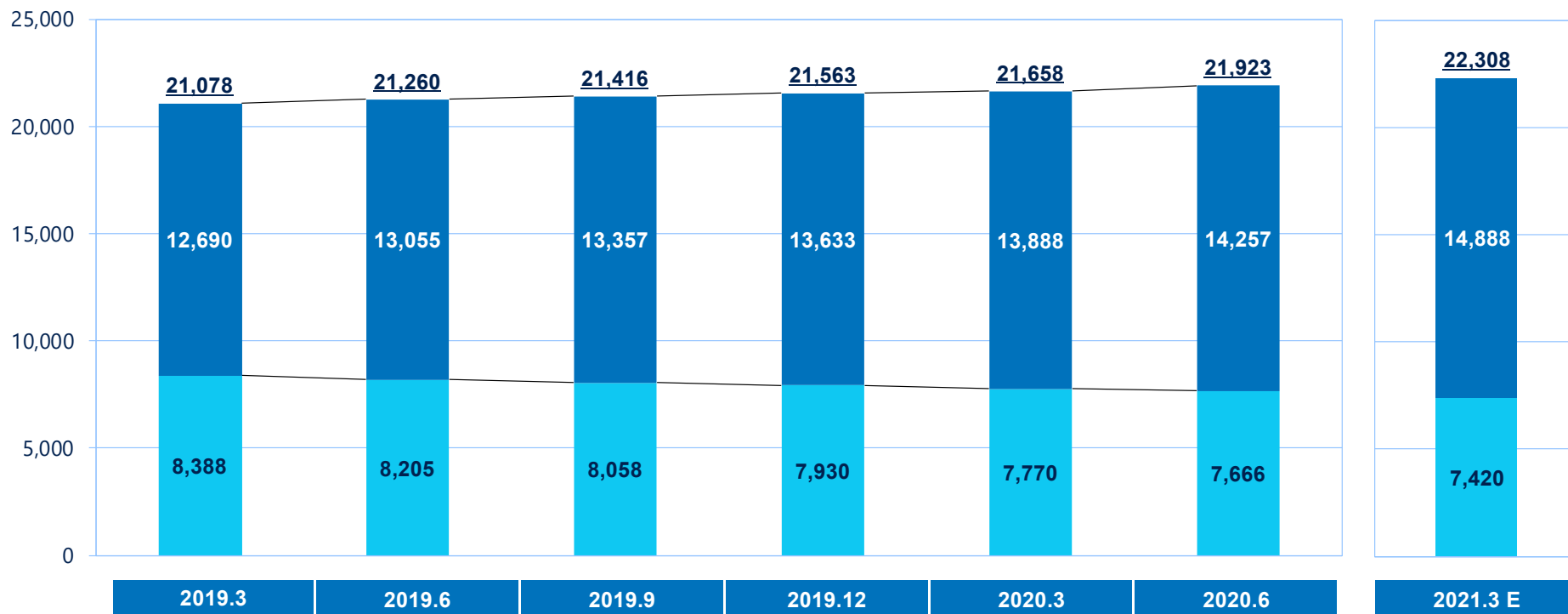
# Broadband Services

# Fixed-Line Broadband Services Subscriptions



(Thousands)

## Number of Subscriptions



## Net Increase

	2019 4-6	2019 7-9	2019 10-12	2020 1-3	2020 4-6	2020 4 - 2021 3 E
Total	+182	+156	+148	+95	+266	+650
		+580			+266	
Hikari Collaboration Model	+365	+302	+276	+255	+369	+1,000
		+1,198			+369	
FLET'S Hikari	▲ 183	▲ 146	▲ 128	▲ 161	▲ 104	▲ 350
		▲ 618			▲ 104	

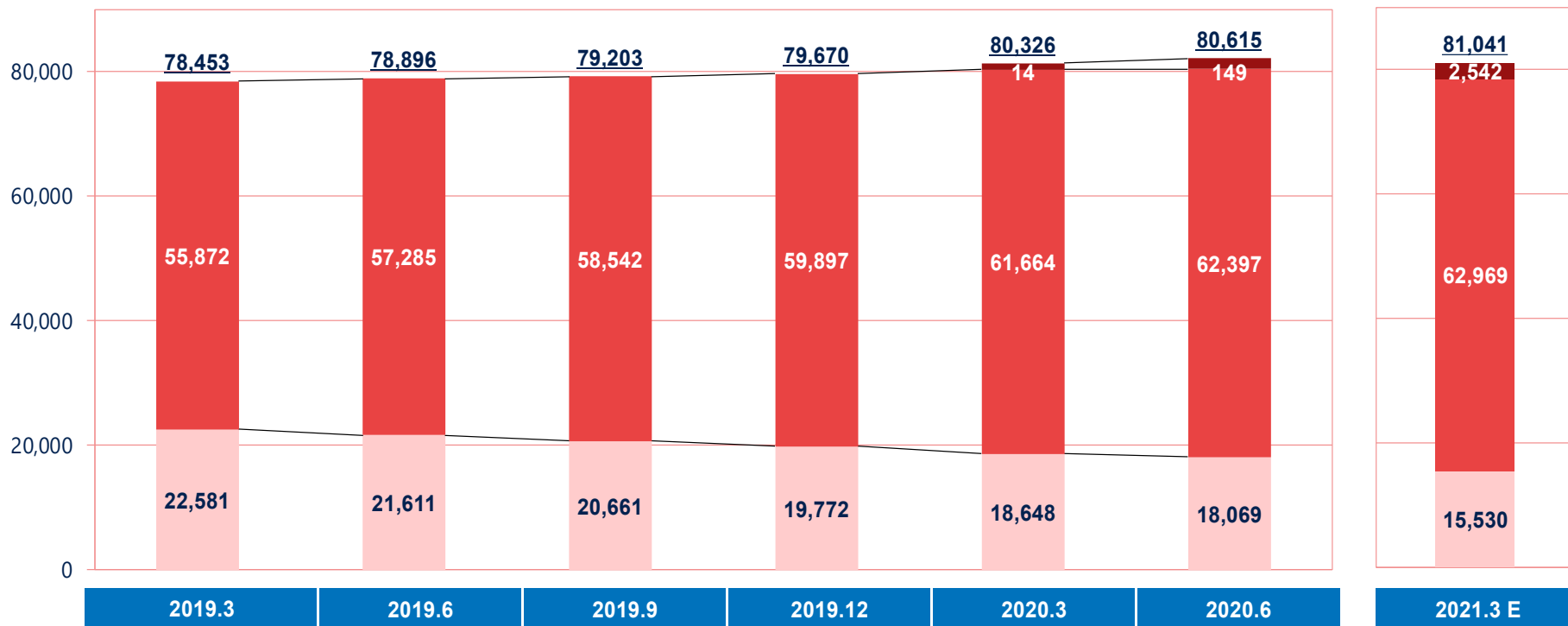
# Mobile Communications Services Subscriptions



(Thousands)

## Number of Subscriptions

■ 5G ■ LTE (Xi) ■ FOMA



## Net Increase

	2019 4-6	2019 7-9	2019 10-12	2020 1-3	2020 4-6	2020 4 - 2021 3 E
5G+LTE(Xi)+ FOMA	+443	+307	+467	+656	+289	+715
	+1,873				+289	

# Financial Information

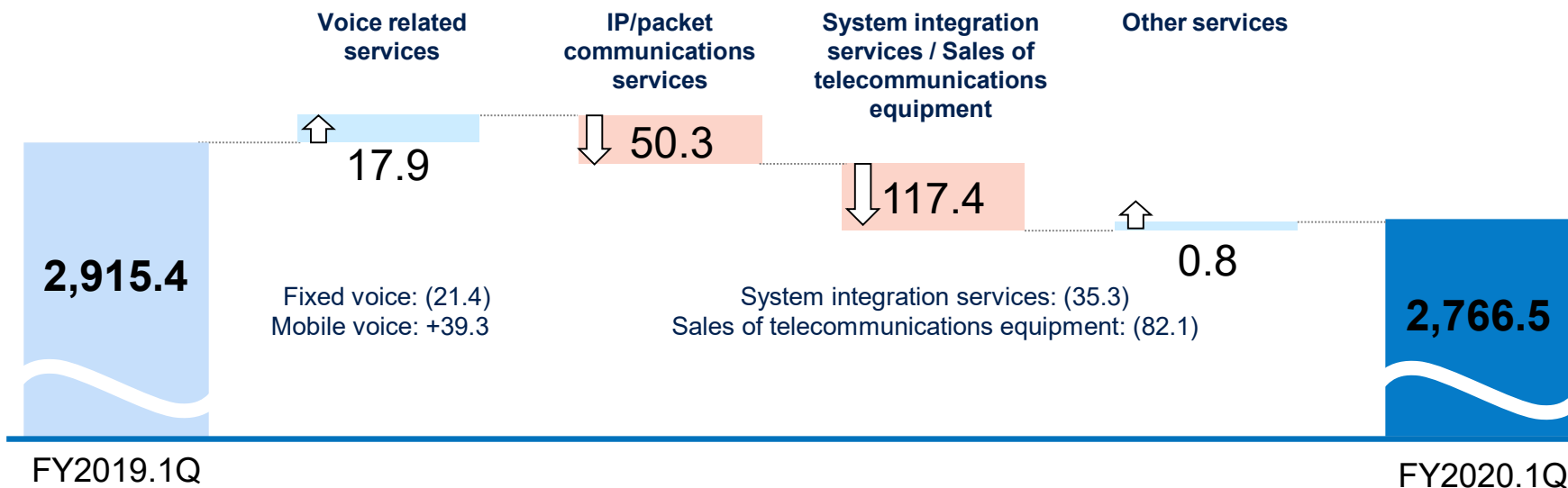
# Details of Consolidated Statement of Income



(Billions of yen)

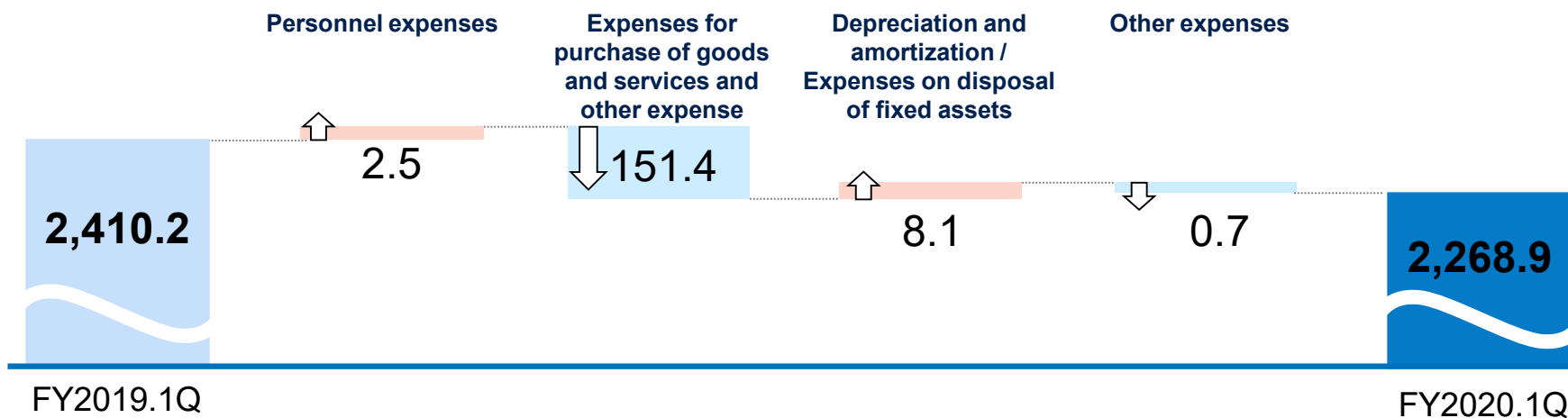
## Operating Revenues

<Year-on-year: (149.0)>



## Operating Expenses

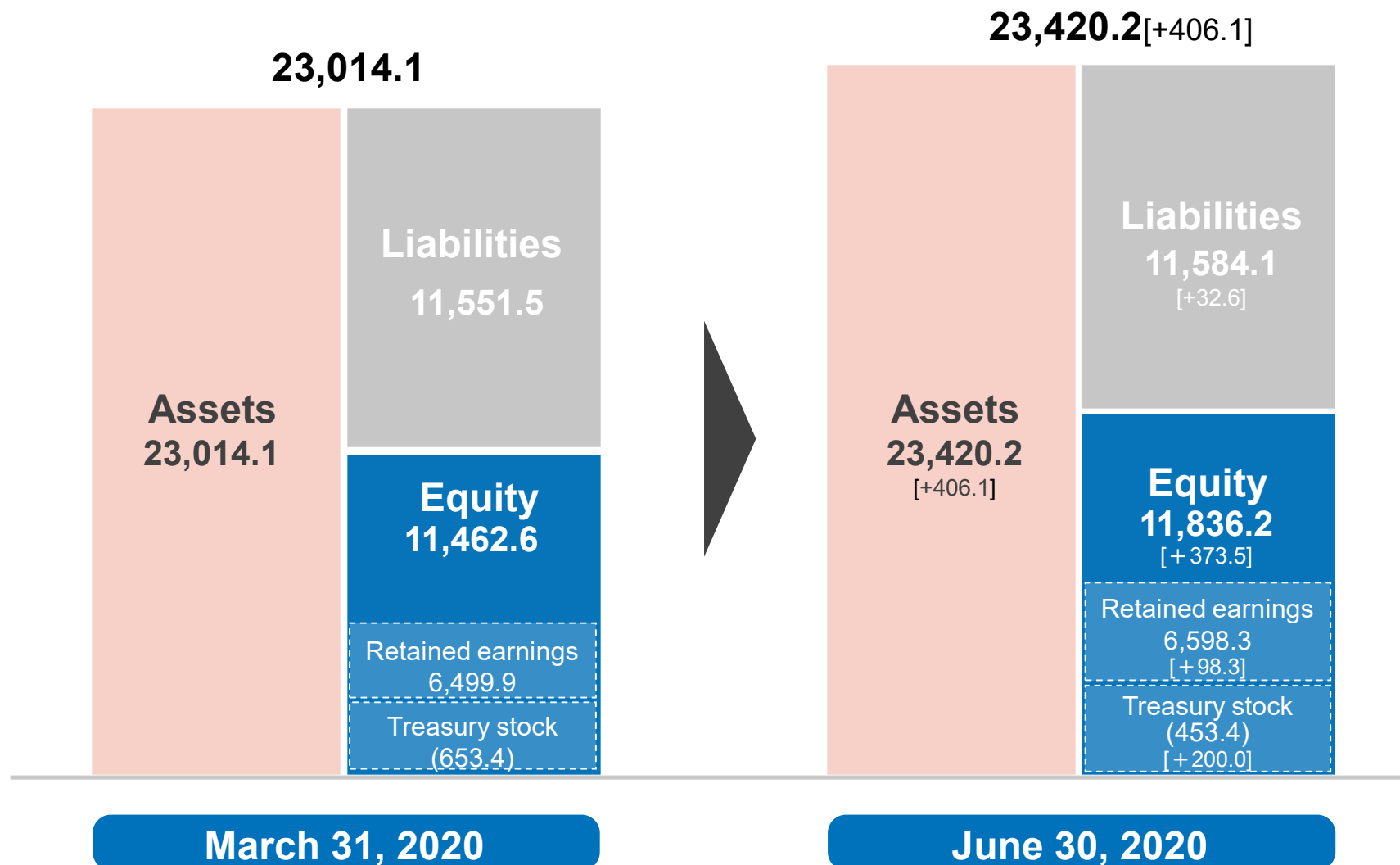
<Year-on-year: (141.4)>



# Details of Consolidated Balance Sheet



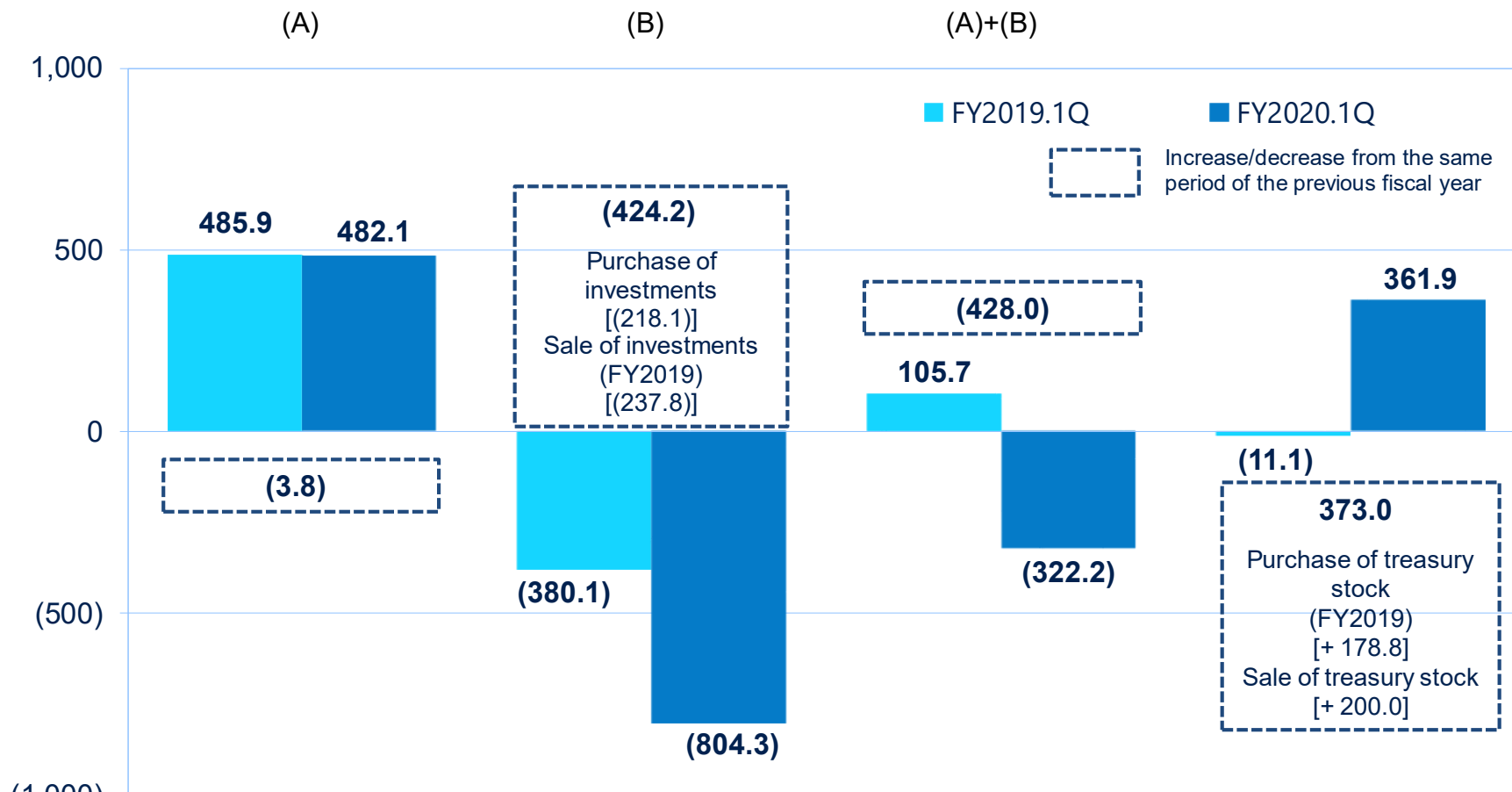
(Billions of yen)



# Details of Consolidated Cash Flows



(Billions of yen)



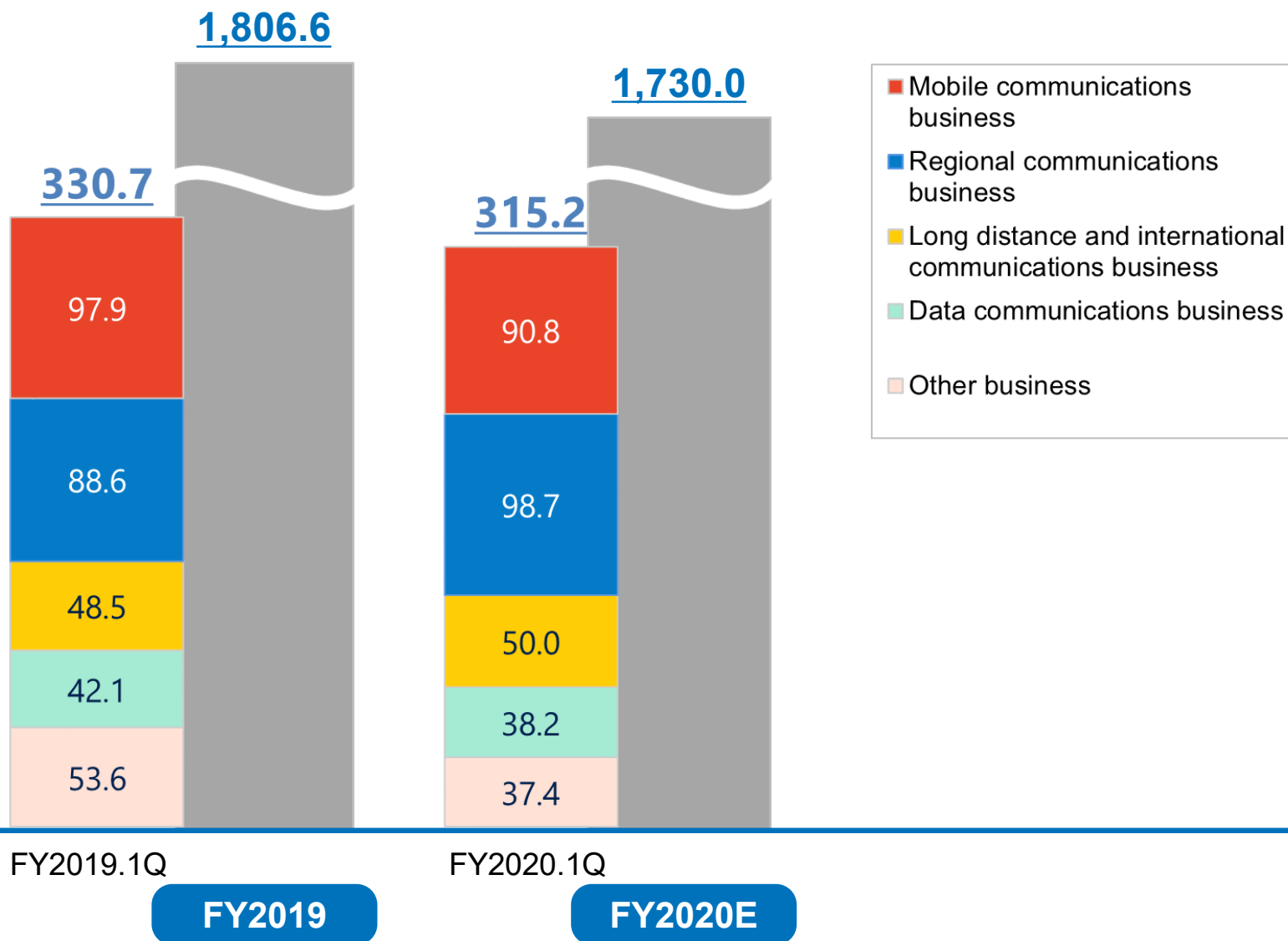
Note 1: Amounts excluding the impact of non-business days.  
 Note 2: Amounts including the impact of the adoption of IFRS 16 beginning in FY2019.



# Details of Capital Investment



(Billions of yen)

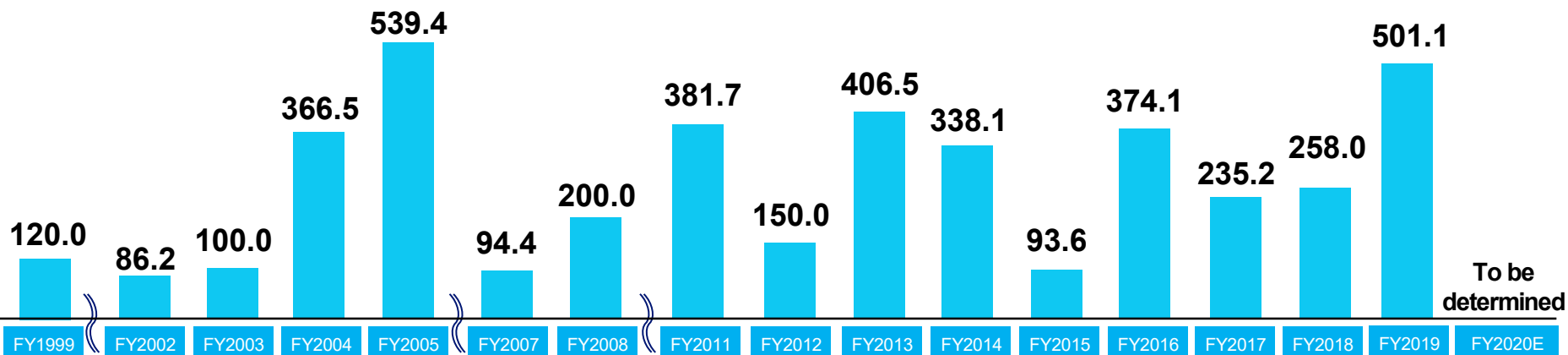


# Shareholder Returns



## Share Buybacks

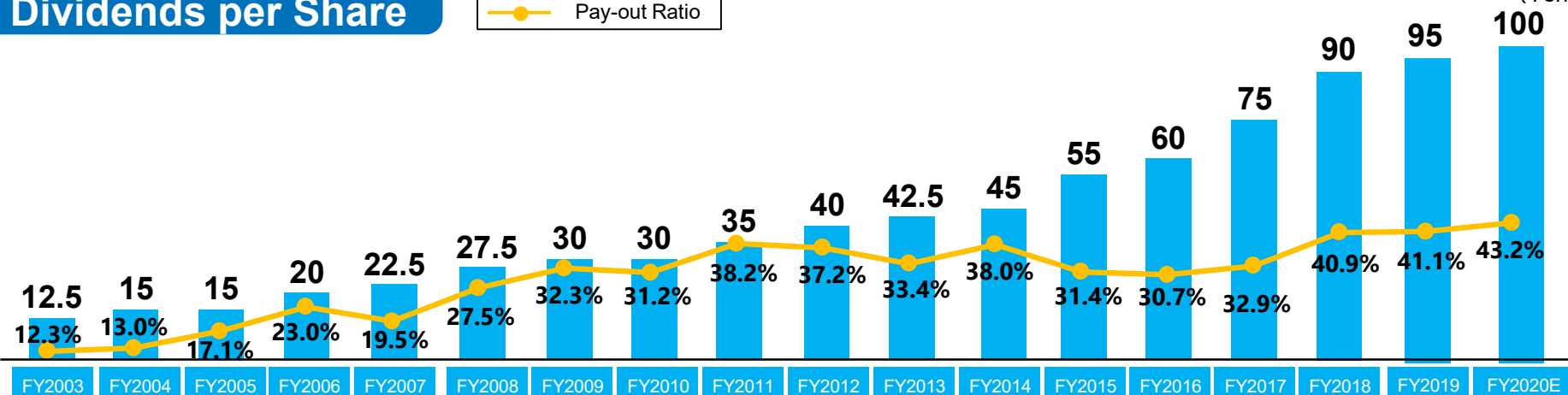
(Billions of yen)



## Dividends per Share

Pay-out Ratio

(Yen)



Note 1: Dividend-per-share amounts have been adjusted to reflect the 100-for-one stock split carried out on January 4, 2009, the two-for-one stock split carried out on July 1, 2015 and the two-for-one stock split carried out on January 1, 2020.

Note 2: U.S. GAAP was applied for periods up to and including FY2017, and IFRS has been applied for periods from and including FY2018.

***Your Value Partner***