

# Financial Results Release

For the Three Months Ended June 30, 2019

August 6, 2019

[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](https://www.ntt.co.jp/ir/form_e/ref_contact.html)  
 Scheduled filing date of quarterly securities report : August 7, 2019  
 Scheduled date of dividend payments : -  
 Supplemental material on quarterly results : Yes  
 Presentation on quarterly results : Yes (for institutional investors and analysts)

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2019 (April 1, 2019 - June 30, 2019)

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	
Three months ended June 30, 2019	2,915,438	2.2%	505,194	(6.0)%	526,783	(2.9)%	280,530	(3.2)%
Three months ended June 30, 2018	2,852,732	1.6%	537,226	2.4%	542,651	2.8%	289,746	0.2%

Notes: 1. Comprehensive income (loss) attributable to NTT: For the three months ended June 30, 2019: 246,156 million yen (18.0)%

For the three months ended June 30, 2018: 300,185 million yen (3.0)%

2. Percentages above represent changes from the corresponding period of previous fiscal year.

	Basic Earnings per Share Attributable to NTT	Diluted Earnings per Share Attributable to NTT
Three months ended June 30, 2019	147.31 (yen)	- (yen)
Three months ended June 30, 2018	148.05 (yen)	- (yen)

### (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
June 30, 2019	22,568,589	11,642,418	9,128,194	40.4%	4,854.16 (yen)
March 31, 2019	22,295,146	11,804,790	9,264,913	41.6%	4,832.03 (yen)

## 2. Dividends

	Annual Dividends				
	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)
Year Ending March 31, 2020	-				
Year Ending March 31, 2020 (Forecasts)		95.00 (yen)	-	95.00 (yen)	190.00 (yen)

Note: Revision to the dividend forecasts from the latest announcement: None

## 3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

(Millions of yen, except per share amount)

	Operating Revenues		Operating Profit		Profit before Taxes		Profit Attributable to NTT		Basic Earnings per Share Attributable to NTT	
Year Ending March 31, 2020	11,830,000	(0.4)%	1,550,000	(8.5)%	1,569,000	(6.2)%	855,000	0.1%	462.00	(yen)

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

2. Revision to the consolidated financial results forecasts from the latest announcement: None

3. Basic Earnings per Share Attributable to NTT has been revised with this financial results release.

**\*Notes:**

- (1) Change in significant subsidiaries during the three months ended June 30, 2019 (change in specific subsidiaries involving changes in the scope of consolidation): None
- (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  
(For further details, please see “1. Summary Information (notes)” on page 3.)
- (3) Number of shares outstanding (common stock)
  - i. Number of shares outstanding (including treasury stock):

June 30, 2019	: 1,950,394,470 shares
March 31, 2019	: 1,950,394,470 shares
  - ii. Number of shares of treasury stock:

June 30, 2019	: 69,906,760 shares
March 31, 2019	: 32,997,746 shares
  - iii. Weighted average number of shares outstanding:

For the three months ended June 30, 2019	: 1,904,312,834 shares
For the three months ended June 30, 2018	: 1,957,124,655 shares

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

\* Explanation for the appropriate use of earnings forecasts and other notes:

This document is a translation of the authoritative Japanese original. 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.

On Tuesday, August 6, 2019, 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. Summary Information (notes)**

### **(1) Change in significant consolidated subsidiaries during the three months ended June 30, 2019, that resulted in changes in the scope of consolidation: None**

### **(2) Changes in Accounting Methods and Estimates**

#### **① Application of IFRS 16, “Lease”**

NTT Group has applied IFRS 16 “Leases” (“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 Condensed Interim 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 condensed consolidated statement of profit or loss.

\* As interest rate implicit in the lease can not 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 Condensed Interim Consolidated Statements of Financial Position.

#### **(ii) Accounting treatment as a lessor**

For leases in which the 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 subleases in which NTT Group is intermediate lessor, NTT Group reassessed subleases by referencing the 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 Condensed Interim 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 change

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)	
(Condensed 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 described above

(Millions of yen)

Three Months Ended June 30, 2019 (April 1, 2019 - June 30, 2019)	
(Condensed Consolidated Statement of Profit or Loss)	
Depreciation and amortization	36,143

Despite Depreciation and amortization is newly recognized, lease payments, which used to be recognized as Expenses in and previous fiscal year, is not recognized. As a result, the impact in Condensed Consolidated Statement of Comprehensive Income for the three months ended June 30, 2019 is not material.

② Estimate 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 Condensed Consolidated Statement of Profit or Loss for the three months ended June 30, 2019, “Depreciation and amortization” was decreased ¥10,859 million, “Profit attributable to NTT” and “Basic earnings per share” were increased ¥7,446 million, ¥3.91, respectively.

## 2. Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Balance Sheets

	Millions of yen		
	March 31, 2019	June 30, 2019	Increase (Decrease)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents(*)	946,134	1,021,496	75,362
Trade and other receivables(*)	4,391,434	4,218,978	(172,456)
Other financial assets	117,753	108,987	(8,766)
Inventories	331,634	304,224	(27,410)
Other current assets	550,487	702,187	151,700
Sub Total	6,337,442	6,355,872	18,430
Assets held for sale	242,524	—	(242,524)
Total current assets	6,579,966	6,355,872	(224,094)
<b>Non-current assets</b>			
Property, plant and equipment	9,012,947	8,923,936	(89,011)
Right-of-use assets	—	453,622	453,622
Goodwill	886,531	902,227	15,696
Intangible assets	1,627,762	1,629,058	1,296
Investment property	967,006	1,037,545	70,539
Investments accounted for using equity method	298,261	287,669	(10,592)
Other financial assets	1,138,502	1,187,345	48,843
Deferred tax assets	1,124,467	1,125,897	1,430
Other non-current assets	659,704	665,418	5,714
Total non-current assets	15,715,180	16,212,717	497,537
Total assets	22,295,146	22,568,589	273,443

\* The last day of the fiscal year ended March 31, 2019 and first quarter ended June 30, 2019 fell on a non-business day, resulting in the due date for certain bills, including telecommunication service bills, being set to the first business day of the fiscal year ended March 31, 2019 and second quarter ending September 30, 2019, respectively. Consequently, for the fiscal year ended March 31, 2019 and first quarter ended June 30, 2019 there were decreases of cash and cash equivalents and an increase of trade and other receivables, ¥223,672 million and ¥234,566 million respectively.

Millions of yen

	March 31, 2019	June 30, 2019	Increase (Decrease)
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term debt	1,397,545	1,922,333	524,788
Trade and other payables	2,092,479	1,685,850	(406,629)
Lease liabilities	—	137,651	137,651
Other financial liabilities	44,305	43,003	(1,302)
Accrued payroll	468,216	389,327	(78,889)
Accrued taxes on income	237,282	147,383	(89,899)
Other current liabilities	988,244	982,924	(5,320)
Total current liabilities	5,228,071	5,308,471	80,400
<b>Non-current liabilities</b>			
Long-term debt	2,865,181	2,834,873	(30,308)
Lease liabilities	—	393,764	393,764
Other financial liabilities	175,087	151,903	(23,184)
Defined benefit liabilities	1,878,013	1,883,150	5,137
Deferred tax liabilities	61,189	64,958	3,769
Other non-current liabilities	282,815	289,052	6,237
Total non-current liabilities	5,262,285	5,617,700	355,415
Total liabilities	10,490,356	10,926,171	435,815
<b>Equity</b>			
Nippon Telegraph and Telephone Corporation (“NTT”) shareholders’ equity			
Common stock	937,950	937,950	—
Additional paid-in capital	2,341,206	2,321,721	(19,485)
Retained earnings	5,954,305	6,080,501	126,196
Treasury stock	(150,635)	(330,881)	(180,246)
Other components of equity	182,087	118,903	(63,184)
Total NTT shareholders’ equity	9,264,913	9,128,194	(136,719)
Non-controlling interests	2,539,877	2,514,224	(25,653)
Total equity	11,804,790	11,642,418	(162,372)
Total liabilities and equity	22,295,146	22,568,589	273,443

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

**Condensed Consolidated Statements of Profit or Loss**

	Millions of yen except per share data		
	Three-month ended June 30, 2018	Three-month ended June 30, 2019	Increase (Decrease)
<b>Operating revenues</b>	2,852,732	2,915,438	62,706
<b>Operating expenses</b>			
Personnel expenses	592,119	605,982	13,863
Expenses for purchase of goods and services and other expenses	1,341,798	1,390,314	48,516
Depreciation and amortization	325,490	360,517	35,027
Loss on disposal of property, plant and equipment and intangible assets	26,773	21,141	(5,632)
Impairment losses	—	1,547	1,547
Taxes and dues	29,326	30,743	1,417
Total operating expenses	2,315,506	2,410,244	94,738
<b>Operating profit</b>	537,226	505,194	(32,032)
Finance income	7,714	31,383	23,669
Finance costs	8,425	12,290	3,865
Share of profit (loss) of entities accounted for using equity method	6,136	2,496	(3,640)
<b>Profit before taxes</b>	542,651	526,783	(15,868)
Income taxes	167,296	162,825	(4,471)
<b>Profit</b>	375,355	363,958	(11,397)
<b>Profit attributable to NTT</b>	289,746	280,530	(9,216)
Profit attributable to Non-controlling interests	85,609	83,428	(2,181)
Earnings per share attributable to NTT			
Basic earnings per share (yen)	148.05	147.31	

## Consolidated Statements of Comprehensive Income

	Millions of yen		
	Three-month ended June 30, 2018	Three-month ended June 30, 2019	Increase (Decrease)
<b>Profit</b>	375,355	363,958	(11,397)
<b>Other comprehensive income (net of tax)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Change in the fair value of financial assets measured at fair value through other comprehensive income	10,635	7,989	(2,646)
Share of other comprehensive income of entities accounted for using the equity method	8,645	(592)	(9,237)
Remeasurements of defined benefit plans	55	(267)	(322)
Total of items that will not be reclassified to profit or loss	19,335	7,130	(12,205)
<b>Items that may be reclassified to profit or loss</b>			
Cash flow hedges	570	92	(478)
Foreign currency translation adjustments	15,927	(48,355)	(64,282)
Share of other comprehensive income of entities accounted for using the equity method	(13,323)	(989)	12,334
Total of items that may be reclassified to profit or loss	3,174	(49,252)	(52,426)
<b>Total other comprehensive income (net of tax)</b>	22,509	(42,122)	(64,631)
<b>Total comprehensive income</b>	397,864	321,836	(76,028)
<b>Comprehensive income attributable to NTT</b>	300,185	246,156	(54,029)
Comprehensive income attributable to Non-controlling interests	97,679	75,680	(21,999)



### **(3) Condensed Consolidated Statement of Changes in Equity**

Three Months Ended June 30, 2018

	Millions of yen							
	NTT Shareholders' Equity						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other equity components	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	—	—	289,746	—	—	289,746	85,609	375,355
Other comprehensive income	—	—	—	—	10,439	10,439	12,070	22,509
Total comprehensive income	—	—	289,746	—	10,439	300,185	97,679	397,864
Value of transactions with shareholders etc.								
Dividends of surplus	—	—	(147,831)	—	—	(147,831)	(67,474)	(215,305)
Transfer to retained earnings	—	—	(123)	—	123	—	—	—
Transfer to non-financial assets	—	—	—	—	3,905	3,905	—	3,905
Purchase and disposal of treasury stock	—	1	—	(108,024)	—	(108,023)	—	(108,023)
Changes in ownership interest in subsidiaries	—	175	—	—	—	175	(1,162)	(987)
Share-based compensation transactions	—	1,548	—	—	—	1,548	—	1,548
Put options granted to non-controlling interests	—	(77)	—	—	—	(77)	—	(77)
Other	—	—	300	—	—	300	—	300
Total value of transactions with shareholders etc.	—	1,647	(147,654)	(108,024)	4,028	(250,003)	(68,636)	(318,639)
June 30, 2018	937,950	2,398,202	6,282,082	(718,766)	212,673	9,112,141	2,551,904	11,664,045

Three Months Ended June 30, 2019

Millions of yen

	NTT Shareholders' Equity						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other equity components	Total		
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	-	-	280,530	-	-	280,530	83,428	363,958
Other comprehensive income	-	-	-	-	(34,374)	(34,374)	(7,748)	(42,122)
Total comprehensive income	-	-	280,530	-	(34,374)	246,156	75,680	321,836
Value of transactions with shareholders etc.								
Dividends of surplus	-	-	(182,153)	-	-	(182,153)	(74,116)	(256,269)
Transfer to retained earnings	-	-	28,810	-	(28,810)	-	-	-
Transfer to non-financial assets	-	-	-	-	-	-	-	-
Purchase and disposal of treasury stock	-	0	-	(180,246)	-	(180,246)	-	(180,246)
Changes in ownership interest in subsidiaries	-	(10,461)	-	-	-	(10,461)	(26,844)	(37,305)
Share-based compensation transactions	-	2,096	-	-	-	2,096	-	2,096
Put options granted to non-controlling interests	-	(11,120)	-	-	-	(11,120)	(373)	(11,493)
Other	-	-	(991)	-	-	(991)	-	(991)
Total value of transactions with shareholders etc.	-	(19,485)	(154,334)	(180,246)	(28,810)	(382,875)	(101,333)	(484,208)
June 30, 2019	937,950	2,321,721	6,080,501	(330,881)	118,903	9,128,194	2,514,224	11,642,418

#### **(4) Going Concern Assumption**

None

#### **(5) Subsequent Events**

##### NTT's repurchase of treasury stock and resolution

On May 10, 2019, the Board of Directors resolved that NTT may repurchase up to 53 million shares of its outstanding common stock for an amount in total not exceeding ¥250,000 million from May 13, 2019 through July 31, 2019. Based on this resolution, NTT repurchased 36,600,000 shares of its common stock for ¥178,742 million from May to June 2019 and repurchased 13,880,100 shares of its common stock for ¥71,258 million in July 2019 and concluded the repurchase of its common stock authorized by Board of Directors' resolution.

On August 6, 2019, the Board of Directors resolved that NTT may repurchase up to 53 million shares of its outstanding common stock for an amount in total not exceeding ¥300,000 million from August 7, 2019 through September 30, 2019.

##### NTT DOCOMO's repurchase of its common stock

On April 26, 2019, the Board of Directors of NTT DOCOMO resolved that NTT DOCOMO may repurchase up to 128.3 million shares of its outstanding common stock for an amount in total not exceeding ¥300,000 million from May 7, 2019 through April 30, 2020. NTT DOCOMO repurchased 19,450,700 shares of its common stock for ¥48,213 million from May to June 2019. As a result, NTT's ownership interest in NTT DOCOMO increased from 64.1% to 64.5% and "Additional paid-in capital" decreased by ¥10,845 million in the Condensed Consolidated Statement of Financial Position as of June 30, 2019.

And NTT DOCOMO repurchased 9,810,800 shares of its common stock for ¥25,427 million in July 2019.

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## Supplementary Data for the Three Months Ended June 30, 2019

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### Disclaimers

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.

## 1. Financial Results Summary (NTT Consolidated)

## NTT Consolidated Financial Results (IFRS)

											(Billions of yen)
											FY 2019 (E)
											Year Ending March 31 (Forecast)
						Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	
Consolidated											
Operating revenues	2,852.7	2,940.5	3,002.0	3,084.6	11,879.8	2,915.4	-	-	-	-	11,830.0
Fixed voice related services	272.2	266.1	271.0	268.4	1,077.7	252.3	-	-	-	-	-
Mobile voice related services	234.5	238.5	237.2	236.5	946.7	231.3	-	-	-	-	-
IP/packet communications services	938.0	930.5	934.1	918.7	3,721.2	923.3	-	-	-	-	-
Sales of telecommunications equipment	198.0	234.5	280.1	216.6	929.2	187.6	-	-	-	-	-
System integration services	837.7	877.2	884.9	994.3	3,594.1	876.6	-	-	-	-	-
Other	372.3	393.7	394.9	450.1	1,611.0	444.3	-	-	-	-	-
Operating expenses	2,315.5	2,406.9	2,545.6	2,917.9	10,186.0	2,410.2	-	-	-	-	10,280.0
Personnel expenses	592.1	590.7	603.0	605.8	2,391.6	606.0	-	-	-	-	-
Expenses for purchase of goods and services and other expenses	1,341.8	1,426.3	1,475.5	1,674.1	5,917.7	1,390.3	-	-	-	-	-
Depreciation and amortization	325.5	331.0	334.2	343.0	1,333.6	360.5	-	-	-	-	1,456.0
Impairment losses	-	0.0	67.3	59.0	126.4	1.5	-	-	-	-	-
Goodwill	-	-	-	39.4	39.4	-	-	-	-	-	-
Metal cable-related	-	-	66.0	-	66.0	-	-	-	-	-	-
Other	-	0.0	1.3	19.6	21.0	1.5	-	-	-	-	-
Expenses on disposal of fixed assets	26.8	32.4	34.1	78.9	172.2	21.1	-	-	-	-	-
Taxes and dues	29.3	26.6	31.5	157.1	244.5	30.7	-	-	-	-	-
Operating profit	537.2	533.5	456.4	166.7	1,693.8	505.2	-	-	-	-	1,550.0
Profit before taxes	542.7	535.7	452.1	141.4	1,671.9	526.8	-	-	-	-	1,569.0
Profit attributable to NTT	289.7	270.0	232.4	62.4	854.6	280.5	-	-	-	-	855.0
EBITDA and EBITDA margin with reconciliation											
EBITDA [a+b+c+d]	874.4	877.4	874.9	614.6	3,241.4	840.0	-	-	-	-	2,914.0
a Operating profit	537.2	533.5	456.4	166.7	1,693.8	505.2	-	-	-	-	1,550.0
b Depreciation and amortization <sup>(1)</sup>	325.5	331.0	334.2	343.0	1,333.6	324.4	-	-	-	-	1,312.0
c Loss on sales and disposal of property, plant and equipment	11.7	12.9	17.0	45.9	87.5	8.9	-	-	-	-	52.0
d Impairment losses	-	0.0	67.3	59.0	126.4	1.5	-	-	-	-	-
EBITDA margin [(e/f)*100]	30.7%	29.8%	29.1%	19.9%	27.3%	28.8%	-	-	-	-	24.6%
e EBITDA [a+b+c+d]	874.4	877.4	874.9	614.6	3,241.4	840.0	-	-	-	-	2,914.0
f Operating revenues	2,852.7	2,940.5	3,002.0	3,084.6	11,879.8	2,915.4	-	-	-	-	11,830.0

## NTT Consolidated Financial Position (IFRS)

					As of June 30	As of September 30	As of December 31	As of March 31		
Assets					21,467.0	21,719.8	21,899.8	22,295.1		
Current assets	5,702.3	6,082.5	6,385.2	6,580.0	6,355.9	-	-	-		
(incl.) Cash and cash equivalents	797.1	889.6	908.4	946.1	1,021.5	-	-	-		
(incl.) Trade and other receivables	3,823.7	3,965.9	4,149.0	4,391.4	4,219.0	-	-	-		
Non-current assets	15,764.6	15,637.3	15,514.7	15,715.2	16,212.7	-	-	-		
(incl.) Property, plant and equipment	8,820.7	8,941.8	8,858.6	9,012.9	8,923.9	-	-	-		
Liabilities and Equity	21,467.0	21,719.8	21,899.8	22,295.1	22,568.6	-	-	-		
Liabilities	9,802.9	9,655.7	10,169.4	10,490.4	10,926.2	-	-	-		
Current liabilities	4,618.2	4,329.1	4,843.8	5,228.1	5,308.5	-	-	-		
(incl.) Trade and other payables	1,510.6	1,484.8	1,615.5	2,092.5	1,685.9	-	-	-		
Non-current liabilities	5,184.7	5,326.6	5,325.6	5,262.3	5,617.7	-	-	-		
(incl.) Long-term debt	2,793.1	2,936.3	2,907.7	2,865.2	2,834.9	-	-	-		
(incl.) Defined benefit liabilities	1,864.4	1,879.1	1,891.9	1,878.0	1,883.2	-	-	-		
Equity	11,664.0	12,064.1	11,730.4	11,804.8	11,642.4	-	-	-		
Interest-bearing liabilities (consolidated)	4,359.5	4,064.1	4,560.1	4,262.7	4,757.2	-	-	-		
Interest-bearing liabilities	4,359.5	4,064.1	4,560.1	4,262.7	4,757.2	-	-	-		

(1) As IFRS 16 (Leases) became effective on April 1, 2019, NTT Group has changed the method of accounting for lease payments under operating leases from expenses to depreciation. In consideration of the comparability of EBITDA with actual results in FY 2018, EBITDA and depreciation of EBITDA and its components in actual results in FY 2019 and the full-year forecast for FY 2019 have not been adjusted to reflect this change.

1. Financial Results Summary (Medium-Term Financial Targets)

Medium-Term Financial Targets (IFRS)

	FY 2018					FY 2019					FY 2019 (E)
	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	Year Ending March 31 (Forecast)
EPS (Yen) <sup>(1)</sup>	-	-	-	-	440	-	-	-	-	-	462
Overseas Sales (Millions of Dollars) <sup>(2)</sup>	4,634	4,681	4,701	4,895	18,911	4,766	-	-	-	-	20,000
Overseas Operating Income Margin (%) <sup>(2)</sup>	2.6%	3.6%	3.1%	3.5%	3.2%	1.6%	-	-	-	-	3.5%
Cost Reductions (Billions of yen) <sup>(3)</sup>	-	-	-	-	(220.0)	(280.0)	-	-	-	-	(470.0)
ROIC (%)	-	-	-	-	7.4%	-	-	-	-	-	6.7%
Capex to Sales (%) (Domestic Network Business) <sup>(4)</sup>	-	-	-	-	13.9%	-	-	-	-	-	14.1%

(1) NTT revised the forecast for FY 2019 from 456 yen to 462 yen, due to authorized repurchases of shares of its common stock at a meeting of its Board of Directors held on August 6, 2019.

(2) Includes results from NTT, Inc. (the global holding company), its subsidiaries and its affiliates. Overseas Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed asset excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

(3) Cumulative reductions from FY 2017.

(4) Excludes NTT communications' data centers and certain other assets.

## 1. Financial Results Summary (Capital Investment)

## Capital Investment (IFRS)

	FY 2018					FY 2019					(Billions of yen)
	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	FY 2019 (E) Year Ending March 31 (Forecast)
Capital investment	321.4	361.1	367.6	646.8	1,697.0	330.7	-	-	-	-	1,750.0
Mobile communications business	124.9	130.5	134.0	204.3	593.7	97.9	-	-	-	-	570.0
Regional communications business	102.1	108.0	114.0	217.0	541.0	88.6	-	-	-	-	520.0
Long distance and international communications business	38.4	50.3	45.4	110.2	244.3	48.5	-	-	-	-	267.0
Data communications business	38.2	40.2	45.4	55.4	179.2	42.1	-	-	-	-	202.0
Other business	17.8	32.1	28.8	60.0	138.7	53.6	-	-	-	-	191.0
(Ref.) Capital investment by group											
NTT East Group	60.6	57.7	54.6	101.2	274.1	52.0	-	-	-	-	265.0
NTT West Group	41.5	50.3	59.4	115.8	266.9	36.6	-	-	-	-	255.0
NTT Communications Group	32.3	44.6	39.7	102.6	219.3	42.8	-	-	-	-	241.0
Dimension Data Consolidated	5.5	5.1	4.7	5.7	20.9	4.8	-	-	-	-	23.0
NTT Urban Solutions Group	-	-	-	-	-	35.5	-	-	-	-	110.0

## 1. Financial Results Summary (Business Segments)

Business Segments (IFRS)	FY 2018					FY 2019					(Billions of yen)
	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	FY 2019 (E) Year Ending March 31 (Forecast)
<b>Business segments <sup>(1)</sup></b>											
<b>Mobile communications business</b>											
Operating revenues	1,176.7	1,212.9	1,264.6	1,186.7	4,840.8	1,159.3	-	-	-	-	4,580.0
Mobile voice related service	236.9	241.0	239.7	238.7	956.2	233.6	-	-	-	-	-
IP/packet communications service	544.6	541.7	542.5	530.4	2,159.3	541.2	-	-	-	-	-
Sales of telecommunications equipment	178.6	211.8	259.7	194.3	844.4	167.7	-	-	-	-	-
Other	216.5	218.4	222.7	223.4	880.9	216.8	-	-	-	-	-
Operating expenses	866.7	912.3	973.1	1,075.1	3,827.2	880.6	-	-	-	-	3,750.0
Personnel expenses	73.0	72.3	72.6	71.1	288.9	72.3	-	-	-	-	-
Expenses for purchase of goods and services and other expenses	666.6	706.1	766.1	785.1	2,923.8	655.0	-	-	-	-	-
Depreciation and amortization	113.8	117.7	117.1	122.3	470.9	141.5	-	-	-	-	-
Impairment losses	-	-	-	32.8	32.8	-	-	-	-	-	-
Expenses on disposal of fixed assets	10.4	13.3	14.3	30.8	68.8	8.7	-	-	-	-	-
Taxes and dues	3.0	3.0	3.1	33.0	42.0	3.1	-	-	-	-	-
Operating profit	309.9	300.6	291.5	111.6	1,013.6	278.7	-	-	-	-	830.0
<b>Regional communications business</b>											
Operating revenues	768.9	775.5	781.1	826.8	3,152.3	746.5	-	-	-	-	3,060.0
Fixed voice related service	274.0	267.9	271.7	271.6	1,085.2	255.3	-	-	-	-	-
IP/packet communications service	374.4	374.1	377.3	374.9	1,500.7	372.5	-	-	-	-	-
Sales of telecommunications equipment	18.3	18.7	18.9	20.7	76.6	17.8	-	-	-	-	-
System integration services	27.6	41.1	37.7	62.5	168.9	29.7	-	-	-	-	-
Other	74.6	73.7	75.5	97.0	320.9	71.2	-	-	-	-	-
Operating expenses	626.9	641.2	706.0	817.5	2,791.6	601.9	-	-	-	-	2,679.0
Personnel expenses	178.4	178.4	177.9	172.9	707.6	175.0	-	-	-	-	-
Expenses for purchase of goods and services and other expenses	305.1	318.7	317.0	398.2	1,338.9	293.4	-	-	-	-	-
Depreciation and amortization	110.7	110.8	111.9	114.5	448.0	102.8	-	-	-	-	-
Impairment losses	-	-	66.0	3.7	69.7	-	-	-	-	-	-
Expenses on disposal of fixed assets	14.4	17.6	17.4	40.9	90.3	11.6	-	-	-	-	-
Taxes and dues	18.3	15.8	15.8	87.2	137.1	19.1	-	-	-	-	-
Operating profit	142.0	134.3	75.0	9.4	360.7	144.6	-	-	-	-	381.0
<b>Long distance and international communications business</b>											
Operating revenues	541.2	572.0	571.3	594.3	2,278.7	555.9	-	-	-	-	2,264.0
Fixed voice related service	55.7	56.8	56.0	51.8	220.3	50.4	-	-	-	-	-
IP/packet communications service	106.0	105.8	107.9	107.8	427.5	106.4	-	-	-	-	-
Sales of telecommunications equipment	1.6	4.4	1.9	3.6	11.5	2.6	-	-	-	-	-
System integration services	338.6	363.3	357.4	379.7	1,439.1	352.2	-	-	-	-	-
Other	39.3	41.6	48.1	51.4	180.3	44.3	-	-	-	-	-
Operating expenses	509.1	532.6	537.6	599.2	2,178.5	526.8	-	-	-	-	2,151.0
Personnel expenses	102.5	102.7	103.7	102.4	411.4	107.7	-	-	-	-	-
Expenses for purchase of goods and services and other expenses	361.3	384.2	381.8	414.2	1,541.6	362.1	-	-	-	-	-
Depreciation and amortization	42.8	43.3	43.8	48.6	178.4	52.7	-	-	-	-	-
Impairment losses	-	-	0.2	19.4	19.7	1.5	-	-	-	-	-
Expenses on disposal of fixed assets	0.7	0.7	2.4	4.1	7.9	0.6	-	-	-	-	-
Taxes and dues	1.8	1.6	5.7	10.5	19.6	2.1	-	-	-	-	-
Operating profit	32.0	39.4	33.6	(4.9)	100.1	29.1	-	-	-	-	113.0
<b>Data communications business</b>											
Operating revenues	505.2	517.5	528.0	612.9	2,163.6	527.3	-	-	-	-	2,240.0
System integration services	505.2	517.5	528.0	612.9	2,163.6	527.3	-	-	-	-	-
Operating expenses	476.0	486.4	493.5	560.0	2,015.9	497.4	-	-	-	-	2,092.0
Personnel expenses	193.3	193.5	202.5	214.9	804.2	203.3	-	-	-	-	-
Expenses for purchase of goods and services and other expenses	242.6	251.9	247.6	300.9	1,043.0	243.5	-	-	-	-	-
Depreciation and amortization	37.2	38.3	39.9	38.2	153.6	48.1	-	-	-	-	-
Impairment losses	-	-	-	0.7	0.7	-	-	-	-	-	-
Expenses on disposal of fixed assets	0.2	0.2	0.6	1.3	2.2	0.1	-	-	-	-	-
Taxes and dues	2.7	2.5	2.9	4.1	12.2	2.5	-	-	-	-	-
Operating profit	29.3	31.1	34.5	52.9	147.7	29.8	-	-	-	-	148.0
<b>Other business</b>											
Operating revenues	267.2	297.8	290.3	385.0	1,240.3	338.5	-	-	-	-	1,567.0
IP/packet communications service	5.7	5.9	6.1	6.9	24.6	6.0	-	-	-	-	-
System integration services	35.5	37.1	34.7	44.8	152.1	35.6	-	-	-	-	-
Other	226.0	254.7	249.5	333.3	1,063.5	296.9	-	-	-	-	-
Operating expenses	241.2	266.4	264.5	382.5	1,154.6	309.7	-	-	-	-	1,474.0
Personnel expenses	61.6	61.3	61.4	69.6	253.9	60.8	-	-	-	-	-
Expenses for purchase of goods and services and other expenses	152.8	178.9	176.3	255.6	763.7	212.3	-	-	-	-	-
Depreciation and amortization	22.3	21.7	21.4	25.5	90.9	32.3	-	-	-	-	-
Impairment losses	-	0.0	1.1	2.4	3.6	-	-	-	-	-	-
Expenses on disposal of fixed assets	1.6	1.5	0.9	5.1	9.0	0.4	-	-	-	-	-
Taxes and dues	2.9	3.0	3.4	24.2	33.6	4.0	-	-	-	-	-
Operating profit	26.0	31.4	25.8	2.5	85.6	28.9	-	-	-	-	93.0

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



## 2. Financial Results Summary (NTT DOCOMO Consolidated, NTT East Group, NTT West Group)

## Overview of Financial Results (IFRS)

	FY 2018					FY 2019					(Billions of yen)
	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	FY 2019 (E) Year Ending March 31 (Forecast)
<b>NTT DOCOMO Consolidated</b>											
Operating revenues	1,176.7	1,212.9	1,264.6	1,186.7	4,840.8	1,159.3	-	-	-	-	4,580.0
Telecommunications services	785.4	786.5	785.9	772.9	3,130.7	778.6	-	-	-	-	3,007.0
Mobile communications services	718.3	716.8	712.6	696.6	2,844.4	699.7	-	-	-	-	2,684.0
Optical-fiber broadband service and other telecommunications services	67.1	69.7	73.2	76.3	286.3	78.9	-	-	-	-	323.0
Equipment sales	178.6	211.8	259.7	194.3	844.4	167.7	-	-	-	-	627.0
Other	212.6	214.6	219.0	219.5	865.8	213.0	-	-	-	-	946.0
Operating expenses	866.7	912.3	973.1	1,075.1	3,827.2	880.6	-	-	-	-	3,750.0
Personnel expenses	73.0	72.3	72.6	71.1	288.9	72.3	-	-	-	-	292.0
Expenses for purchase of goods and services and other expenses	566.4	602.1	658.2	707.0	2,533.7	554.1	-	-	-	-	2,394.0
Depreciation and amortization	113.8	117.7	117.1	122.3	470.9	141.5	-	-	-	-	587.0
Impairment losses	-	-	-	32.8	32.8	-	-	-	-	-	-
Communication network charges	103.2	106.9	110.9	111.0	432.0	104.0	-	-	-	-	435.0
Expenses on disposal of fixed assets	10.4	13.3	14.3	30.8	68.8	8.7	-	-	-	-	42.0
Operating profit	309.9	300.6	291.5	111.6	1,013.6	278.7	-	-	-	-	830.0
Profit before taxes	317.1	304.1	290.5	91.0	1,002.6	285.4	-	-	-	-	838.0
Profit attributable to NTT DOCOMO, INC.	218.3	188.7	200.5	56.1	663.6	192.3	-	-	-	-	575.0
<b>NTT East Group <sup>(1)</sup></b>											
Operating revenues	424.2	425.6	431.7	459.1	1,740.6	409.3	-	-	-	-	1,671.0
Fixed voice related service	144.5	142.3	145.4	141.3	573.6	135.7	-	-	-	-	535.0
IP/packet communications service	209.7	210.6	211.5	210.7	842.5	210.5	-	-	-	-	846.0
Sales of telecommunications equipment	7.2	7.4	7.4	8.3	30.3	7.3	-	-	-	-	30.0
System integration services	13.0	18.5	17.7	26.2	75.4	14.2	-	-	-	-	89.0
Other	49.8	46.8	49.7	72.5	218.8	41.7	-	-	-	-	171.0
Operating expenses	336.6	340.4	378.2	442.7	1,498.0	321.2	-	-	-	-	1,418.0
Personnel expenses	93.6	93.4	92.7	92.8	372.6	92.8	-	-	-	-	359.0
Expenses for purchase of goods and services and other expenses	167.3	172.3	172.1	221.6	733.3	156.7	-	-	-	-	712.0
Depreciation and amortization	59.1	58.6	59.2	60.9	237.9	55.3	-	-	-	-	224.0
Impairment losses	-	-	36.1	2.5	38.7	-	-	-	-	-	-
Expenses on disposal of fixed assets	6.7	7.5	9.5	19.8	43.5	5.9	-	-	-	-	50.0
Taxes and dues	9.9	8.6	8.5	45.0	72.1	10.5	-	-	-	-	73.0
Operating profit	87.6	85.1	53.5	16.3	242.7	88.2	-	-	-	-	253.0
Profit before taxes	87.5	84.5	53.0	16.0	241.0	88.1	-	-	-	-	252.0
Profit attributable to NTT East	61.7	59.2	37.5	7.6	166.0	61.2	-	-	-	-	175.0
<b>NTT West Group <sup>(2)</sup></b>											
Operating revenues	354.1	359.9	361.7	386.6	1,462.3	346.0	-	-	-	-	1,420.0
Fixed voice related service	131.2	127.9	130.2	132.7	522.0	121.4	-	-	-	-	477.0
IP/packet communications service	164.8	163.7	165.9	164.2	658.6	162.1	-	-	-	-	650.0
Sales of telecommunications equipment	11.1	11.4	11.5	12.6	46.7	10.5	-	-	-	-	43.0
System integration services	15.0	23.0	20.5	36.8	95.4	16.0	-	-	-	-	102.0
Other	31.9	34.0	33.5	40.2	139.6	35.9	-	-	-	-	148.0
Operating expenses	299.8	310.8	339.8	393.6	1,344.0	289.6	-	-	-	-	1,292.0
Personnel expenses	85.1	85.2	85.5	81.1	336.8	82.4	-	-	-	-	325.0
Expenses for purchase of goods and services and other expenses	146.8	156.1	156.4	193.8	653.1	145.2	-	-	-	-	670.0
Depreciation and amortization	51.6	52.1	52.7	53.8	210.3	47.6	-	-	-	-	188.0
Impairment losses	-	-	29.9	1.2	31.0	-	-	-	-	-	-
Expenses on disposal of fixed assets	7.9	10.2	8.0	21.5	47.7	5.8	-	-	-	-	45.0
Taxes and dues	8.3	7.2	7.2	42.2	65.0	8.6	-	-	-	-	64.0
Operating profit	54.3	49.1	21.9	(7.0)	118.3	56.4	-	-	-	-	128.0
Profit before taxes	53.3	47.9	20.7	(8.2)	113.7	55.6	-	-	-	-	123.0
Profit attributable to NTT West	37.7	33.9	15.5	(6.4)	80.7	39.1	-	-	-	-	87.0

(1) The scope of aggregation for each of the figures presented for NTT East group is internal management figures after eliminating internal transactions between NTT East and its subsidiaries. Such figures are not audited and are provided for reference only.

(2) The scope of aggregation for each of the figures presented for NTT West group is internal management figures after eliminating internal transactions between NTT West and its subsidiaries. Such figures are not audited and are provided for reference only.

## 2. Financial Results Summary (NTT Communications Group, Dimension Data Consolidated)

## Overview of Financial Results (IFRS)

	FY 2018					FY 2019					(Billions of yen)
	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	FY 2019 (E)
NTT Communications Group <sup>(1)</sup>											Year Ending March 31 (Forecast)
Operating revenues <sup>(2)</sup>	326.3	345.2	348.9	371.5	1,392.0	337.3	-	-	-	-	1,350.0
Cloud computing platforms	49.0	52.0	51.8	54.7	207.5	54.7	-	-	-	-	235.0
Data networks	122.4	121.2	122.2	122.0	487.9	122.5	-	-	-	-	478.0
Voice communications	66.8	66.8	69.1	63.9	266.6	62.7	-	-	-	-	257.0
Applications & content	30.6	31.5	33.9	38.5	134.5	33.5	-	-	-	-	86.0
Solution services	51.3	67.3	61.0	86.5	266.2	56.6	-	-	-	-	273.0
Other	6.1	6.4	10.8	5.9	29.2	7.3	-	-	-	-	21.0
Operating expenses	289.3	304.5	308.8	357.3	1,259.8	299.8	-	-	-	-	1,214.0
Personnel expenses	50.6	50.5	51.6	50.0	202.8	53.3	-	-	-	-	213.0
Expenses for purchase of goods and services and other expenses	200.6	215.2	215.9	247.9	879.6	198.0	-	-	-	-	805.0
Depreciation and amortization	35.7	36.5	37.2	42.1	151.5	44.4	-	-	-	-	174.0
Impairment losses	-	-	-	2.7	2.7	1.5	-	-	-	-	-
Expenses on disposal of fixed assets	0.6	0.7	2.4	4.1	7.9	0.6	-	-	-	-	7.0
Taxes and dues	1.8	1.6	1.7	10.3	15.4	2.0	-	-	-	-	15.0
Operating profit	37.1	40.7	40.1	14.3	132.1	37.5	-	-	-	-	136.0
Profit before taxes	37.9	41.1	39.4	13.6	132.1	37.6	-	-	-	-	136.0
Profit attributable to NTT Communications	27.1	28.2	28.2	15.0	98.5	24.4	-	-	-	-	91.0
Dimension Data Consolidated <sup>(3) (4)</sup>											
Operating revenues	215.2	228.6	224.5	225.0	893.3	220.7	-	-	-	-	920.0
System integration services	215.2	228.6	224.5	225.0	893.3	220.7	-	-	-	-	920.0
Cost of sales	172.4	184.0	182.2	180.1	718.7	178.4	-	-	-	-	740.0
Gross profit	42.8	44.6	42.3	44.9	174.6	42.4	-	-	-	-	180.0
Selling, general and administrative expenses	39.3	38.4	38.3	39.0	155.2	44.9	-	-	-	-	155.0
Operating profit	3.4	6.1	4.0	5.9	19.4	(2.5)	-	-	-	-	25.0
Profit before taxes	1.4	3.3	2.7	4.4	11.8	(4.0)	-	-	-	-	22.0
Profit attributable to Dimension Data	0.3	0.5	0.6	3.7	5.2	(3.8)	-	-	-	-	12.0

(1) The scope of aggregation for each of the figures presented for NTT Communications group is internal management figures after eliminating internal transactions between NTT Communications and its subsidiaries. Such figures are not audited and are provided for reference only.

(2) The following are the main services included in each line item:  
- Cloud computing platforms: "Data center services" and "Private cloud services (Enterprise cloud, etc.)"  
- Data networks: "Closed network services (Arstar Universal One, etc.)" and "Open network services (OCN, etc.)"  
- Voice communications: "Telephone services" and "VoIP services (050 plus, etc.)"  
- Applications & content: "Application services (Mail services, etc.)"  
- Solution services: "System integration services"

(3) These are figures from the United Kingdom statutory financial reports of Dimension Data. The quarterly financial results above are not audited and are provided for reference only.

(4) The USD/JPY conversion rate used for Dimension Data figures for the three months ended June 30, 2019 is USD1.00 = JPY109.90

## 2. Financial Results Summary (NTT DATA Consolidated, NTT Urban Solutions Group, NTT Urban Development Consolidated)

## Overview of Financial Results (IFRS)

	FY 2018					FY 2019					(Billions of yen)
	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	FY 2019 (E) Year Ending March 31 (Forecast)
<b>NTT DATA Consolidated</b>											
Net sales	505.2	517.5	528.0	612.9	2163.6	527.3	-	-	-	-	2240.0
Public and social infrastructure	106.7	101.7	109.0	162.5	479.9	100.1	-	-	-	-	483.0
Financial	130.9	135.1	133.3	159.8	559.1	139.0	-	-	-	-	571.0
Enterprise and Solutions	120.7	129.9	130.3	149.0	529.8	135.1	-	-	-	-	552.0
North America	101.5	107.4	105.0	108.0	421.9	103.0	-	-	-	-	440.0
EMEA and LATAM	103.7	102.9	115.9	117.7	440.1	110.8	-	-	-	-	445.0
Eliminations or Corporate	(58.3)	(59.6)	(65.5)	(84.0)	(267.3)	(60.9)	-	-	-	-	(251.0)
Cost of sales	378.4	394.6	395.0	450.6	1618.6	395.1	-	-	-	-	1658.0
Gross profit	126.8	122.9	132.9	162.3	545.0	132.2	-	-	-	-	582.0
Selling, general and administrative expenses	97.7	92.0	98.7	108.9	397.3	102.3	-	-	-	-	434.0
Operating profit	29.1	30.9	34.2	53.4	147.7	29.8	-	-	-	-	148.0
Profit before taxes	30.2	30.8	33.6	52.3	146.9	30.8	-	-	-	-	145.0
Profit attributable to NTT DATA	20.8	17.9	20.9	34.1	93.6	21.0	-	-	-	-	92.0
<b>NTT Urban Solutions Group <sup>(1)</sup></b>											
Operating revenues	-	-	-	-	-	77.6	-	-	-	-	427.0
Operating expenses	-	-	-	-	-	68.0	-	-	-	-	387.0
Personnel expenses	-	-	-	-	-	15.0	-	-	-	-	66.0
Expenses for purchase of goods and services and other expenses	-	-	-	-	-	43.1	-	-	-	-	275.0
Depreciation and amortization	-	-	-	-	-	8.5	-	-	-	-	32.0
Impairment losses	-	-	-	-	-	-	-	-	-	-	-
Expenses on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Taxes and dues	-	-	-	-	-	1.2	-	-	-	-	14.0
Operating profit	-	-	-	-	-	13.5	-	-	-	-	47.0
Profit before taxes	-	-	-	-	-	12.5	-	-	-	-	39.0
Profit attributable to NTT Urban Solutions	-	-	-	-	-	8.4	-	-	-	-	26.0
<b>(incl.) NTT Urban Development Consolidated</b>											
Operating revenues	29.9	42.0	37.5	58.6	168.0	34.1	-	-	-	-	161.0
Operating expenses	21.5	31.0	29.1	58.6	140.4	25.3	-	-	-	-	136.0
Personnel expenses	2.5	2.6	2.6	2.9	10.8	2.5	-	-	-	-	11.0
Expenses for purchase of goods and services and other expenses	14.3	23.6	20.8	38.9	97.8	16.3	-	-	-	-	92.0
Depreciation and amortization	4.2	4.4	4.4	4.6	17.7	5.5	-	-	-	-	22.0
Impairment losses	-	0.0	0.8	0.9	1.8	-	-	-	-	-	-
Expenses on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Taxes and dues	0.3	0.3	0.2	11.3	12.2	0.8	-	-	-	-	12.0
Operating profit	9.9	9.9	8.0	0.7	28.6	12.6	-	-	-	-	30.0
Profit before taxes	9.3	9.0	7.2	(0.0)	25.6	11.7	-	-	-	-	22.0
Profit attributable to NTT Urban Development	6.0	5.7	4.5	(0.1)	16.1	7.8	-	-	-	-	14.0

(1) The scope of aggregation for each of the figures presented for NTT Urban Solutions group is internal management figures after eliminating internal transactions among NTT Urban Development (on a consolidated basis), NTT FACILITIES and its subsidiaries. Such figures are not audited and are provided for reference only.

### 3. Operating Data (Number of Subscriptions)

#### Number of Subscriptions

		FY 2018				FY 2019				FY 2019 (E)
		As of June 30	As of September 30	As of December 31	As of March 31	As of June 30	As of September 30	As of December 31	As of March 31	As of March 31 (Forecast)
Mobile Telecommunications Services <sup>(1)</sup>	(in thousands)	76,746	77,050	77,517	78,453	78,896	-	-	-	79,500
Telecommunications Services (LTE (Xi))	(in thousands)	51,344	52,502	53,834	55,872	57,285	-	-	-	60,200
Telecommunications Services (FOMA (3G))	(in thousands)	25,402	24,549	23,684	22,581	21,611	-	-	-	19,300
Telephone subscriber lines <sup>(2)</sup>	(in thousands)	17,207	16,927	16,641	16,363	16,048	-	-	-	15,193
NTT East	(in thousands)	8,542	8,403	8,260	8,119	7,970	-	-	-	7,519
NTT West	(in thousands)	8,664	8,524	8,382	8,244	8,078	-	-	-	7,674
INS-Net <sup>(3)</sup>	(in thousands)	2,277	2,230	2,185	2,138	2,089	-	-	-	1,959
NTT East	(in thousands)	1,160	1,135	1,111	1,086	1,060	-	-	-	986
NTT West	(in thousands)	1,117	1,095	1,074	1,052	1,029	-	-	-	973
Telephone subscriber lines + INS-Net	(in thousands)	19,484	19,157	18,826	18,500	18,137	-	-	-	17,152
NTT East	(in thousands)	9,703	9,538	9,370	9,204	9,030	-	-	-	8,504
NTT West	(in thousands)	9,781	9,619	9,456	9,296	9,107	-	-	-	8,647
Public telephones	(number)	157,023	156,338	155,875	155,214	154,298	-	-	-	152,214
NTT East	(number)	70,170	70,077	70,171	69,951	69,705	-	-	-	68,951
NTT West	(number)	86,853	86,261	85,704	85,263	84,593	-	-	-	83,263
FLET'S ISDN	(in thousands)	67	66	63	62	60	-	-	-	52
NTT East	(in thousands)	29	28	27	26	25	-	-	-	21
NTT West	(in thousands)	38	37	36	36	35	-	-	-	31
FLET'S ADSL	(in thousands)	735	690	641	602	570	-	-	-	462
NTT East	(in thousands)	315	294	276	258	242	-	-	-	188
NTT West	(in thousands)	420	396	364	344	327	-	-	-	274
FLET'S Hikari (including Hikari Collaboration Model) <sup>(4) (5) (6)</sup>	(in thousands)	20,720	20,851	20,995	21,078	21,260	-	-	-	21,678
NTT East	(in thousands)	11,613	11,707	11,809	11,880	11,993	-	-	-	12,280
NTT West	(in thousands)	9,107	9,144	9,186	9,197	9,267	-	-	-	9,397
(incl.) Hikari Collaboration Model	(in thousands)	11,617	11,993	12,363	12,690	13,055	-	-	-	13,890
NTT East	(in thousands)	6,877	7,089	7,294	7,470	7,675	-	-	-	8,170
NTT West	(in thousands)	4,740	4,903	5,070	5,220	5,381	-	-	-	5,720
Hikari Denwa <sup>(7)</sup>	(in thousands)	18,092	18,154	18,214	18,244	18,286	-	-	-	18,454
NTT East	(in thousands)	9,610	9,666	9,720	9,759	9,796	-	-	-	9,959
NTT West	(in thousands)	8,482	8,488	8,494	8,485	8,490	-	-	-	8,495
NTT Group Major ISPs <sup>(8)</sup>	(in thousands)	11,002	10,977	10,969	10,945	10,916	-	-	-	10,708
(incl.) OCN	(in thousands)	7,458	7,414	7,375	7,305	7,249	-	-	-	7,078
(incl.) Plala	(in thousands)	3,155	3,169	3,194	3,234	3,258	-	-	-	3,213
Hikari TV	(in thousands)	3,010	3,015	2,998	3,001	2,992	-	-	-	3,320
FLET'S TV Transmission Services <sup>(7)</sup>	(in thousands)	1,638	1,660	1,690	1,716	1,743	-	-	-	1,787
NTT East	(in thousands)	1,001	1,009	1,022	1,033	1,044	-	-	-	1,062
NTT West	(in thousands)	637	650	668	684	699	-	-	-	725
"d POINT CLUB" members	(in thousands)	66,523	67,634	68,829	70,145	71,313	-	-	-	-
Locations where payment / point services are available	(in thousands)	-	-	-	1,050	1,110	-	-	-	-

(1) The number of Mobile Telecommunications Services (including "Telecommunications Services (LTE (Xi))" and "Telecommunications Services (FOMA (3G))") includes Communication Module Services.

(2) The number of Telephone Subscriber Lines is the total of individual lines and central station lines (including the Subscriber Telephone Lite Plan).

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

(4) The number of "FLET'S Hikari (including Hikari Collaboration Model)" subscriptions includes subscriptions 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, subscriptions 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 subscriptions to the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.

(5) The comparative results for the three months ended June 30, 2019 compared to the fiscal year ended March 31, 2019 for "FLET'S Hikari (including Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West were 448 thousand lines and 335 thousand lines, respectively, for a total of 783 thousand lines; the numbers of new subscribers (excluding switchover lines) for the "Hikari Collaboration Model" for NTT East and NTT West were 336 thousand lines and 262 thousand lines, respectively, for a total of 598 thousand lines; and the numbers of switchover lines for NTT East and NTT West were 101 thousand lines and 82 thousand lines, respectively, for a total of 183 thousand lines.

(6) The comparative forecast for the year ending March 31, 2020 (Forecast) compared to the results for the year ended March 31, 2019 for "FLET'S Hikari (including Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West are expected to be 1,500 thousand lines and 1,150 thousand lines, respectively, for a total of 2,650 thousand lines; the numbers of new subscribers (excluding switchover lines) for the "Hikari Collaboration Model" for NTT East and NTT West are expected to be 1,050 thousand lines and 850 thousand lines, respectively, for a total of 1,900 thousand lines; and the numbers of switchover lines for NTT East and NTT West are expected to be 400 thousand lines and 300 thousand lines, respectively, for a total of 700 thousand lines.

(7) The number of subscriptions for "Hikari Denwa" and "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.

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

### 3. Operating Data (ARPU)

#### Average Monthly Revenue per Unit (ARPU)

Average monthly revenue per unit, or ARPU, is used to measure average monthly operating revenues attributable to each designated service on a per user basis. In the case of NTT Group's fixed-line business, ARPU is calculated by dividing revenue items included in the operating revenues of NTT Group's regional communications business segment, that is, fixed-line (telephone subscriber lines and INS-NET) and FLET'S Hikari, by the number of active subscribers to the relevant services. In the case of NTT Group's mobile communications business, ARPU is calculated by dividing revenue items included in operating revenues from its mobile communications business segment, such as revenues from LTE ("Xi") mobile phone services, FOMA (3G) mobile phone services and "docomo Hikari" services, that are incurred consistently each month, by the number of active users to the relevant services. The calculation of these figures excludes revenues that are not representative of monthly average usage, such as telecommunications equipment sales, activation fees and universal service charges. NTT believes that its ARPU figures calculated in this way provide useful information regarding the monthly average usage of its subscribers. The revenue items included in the numerators of NTT Group's ARPU figures are based on its financial results comprising its IFRS results of operations.

	FY 2018					FY 2019					FY 2019 (E)
	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	Three Months Ended June 30	Three Months Ended September 30	Three Months Ended December 31	Three Months Ended March 31	Year Ended March 31	Year Ending March 31 (Forecast)
<b>NTT DOCOMO</b> <sup>(1) (2) (3)</sup>											
Aggregate ARPU	4,800	4,820	4,830	4,770	4,800	4,770	-	-	-	-	4,630
Mobile ARPU (LTE (Xi) + FOMA (3G))	4,390	4,390	4,380	4,300	4,360	4,280	-	-	-	-	4,120
docomo Hikari ARPU	410	430	450	470	440	490	-	-	-	-	510
<b>NTT East</b> <sup>(4) (5) (6) (7) (8)</sup>											
Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines)	2,550	2,550	2,550	2,530	2,540	2,510	-	-	-	-	2,510
FLET'S Hikari ARPU <sup>(9)</sup>	4,950	4,920	4,920	4,860	4,910	4,840	-	-	-	-	4,800
Basic Monthly Charge	3,540	3,530	3,520	3,510	3,520	3,500	-	-	-	-	3,470
Optional Services	1,410	1,390	1,400	1,350	1,390	1,340	-	-	-	-	1,330
<b>NTT West</b> <sup>(4) (5) (6) (7) (8)</sup>											
Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines)	2,520	2,520	2,530	2,510	2,520	2,500	-	-	-	-	2,480
FLET'S Hikari ARPU <sup>(9)</sup>	4,960	4,920	4,930	4,880	4,930	4,870	-	-	-	-	4,810
Basic Monthly Charge	3,390	3,360	3,370	3,360	3,380	3,360	-	-	-	-	3,300
Optional Services	1,570	1,560	1,560	1,520	1,550	1,510	-	-	-	-	1,510

(1) The following is the formula we use to compute ARPU for NTT DOCOMO.

Aggregate ARPU = Mobile ARPU + "docomo Hikari" ARPU

- Mobile ARPU: Mobile ARPU related revenues (voice-related revenues (basic monthly charges, voice communication charges) + packet-related revenues (basic monthly charges, packet communication charges)) / No. of active users
- "docomo Hikari" ARPU: "docomo Hikari" ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users

(2) Numbers of active users used in the ARPU calculation of NTT DOCOMO are as described below.

- Sum of No. of active users for each month ((No. of users at the end of previous month + No. of users at the end of current month) / 2) during the relevant period

(3) The number of "users" used to calculate ARPU is the total number of subscriptions, excluding the subscriptions listed below:

- Subscriptions of communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to MVNOs, and Data Plan subscriptions in the case where the customer contracting for such subscription in his/her name also has a subscription for "Xi" or "FOMA" services in his/her name.

Note that revenues from communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale telecommunications services and interconnecting telecommunications facilities that are provided to MVNOs and the impact on revenues from "dPOINT" program, etc. are not included in ARPU calculations.

(4) We compute the following two categories of ARPU for business conducted by each of NTT East and NTT West.

- Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines): Calculated based on revenues from monthly charges and call charges for Telephone Subscriber Lines and INS-NET Subscriber Lines, which are included in operating revenues from Voice Transmission Services (excluding IP Services), and revenues from "FLET'S ADSL" and "FLET'S ISDN," which are included in operating revenues from IP Services.
- FLET'S Hikari ARPU: Calculated based on revenues from "FLET'S Hikari" (including "FLET'S Hikari" optional services), which are included in operating revenues from IP Services, revenues from monthly charges, call charges and connection device charges for "Hikari Denwa," and revenues from "FLET'S Hikari" optional services, which are
  - "FLET'S Hikari" includes "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" and "FLET'S Hikari WiFi Access" provided by NTT East, and "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. In addition, "FLET'S Hikari" also includes the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.
  - "FLET'S Hikari" Optional Services includes wholesale services provided to service providers by NTT East and NTT West.

(5) Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines) and FLET'S Hikari ARPU do not include interconnection charges.

(6) Numbers of active subscribers used in the ARPU calculation of NTT East and NTT West are as below.

- Quarterly Results: Sum of number of active subscribers ((number of subscribers at end of previous month + number of subscribers at end of the current month)/2) for each month in the relevant period
- FY Results: Sum of number of active subscribers((number of subscribers at end of previous month + number of subscribers at end of the current month)/2) for each month from April to March
- FY Forecast: Sum of the average expected active number of subscribers during the fiscal year ((number of subscribers at March 31, 2019 + number of expected subscribers at March 31, 2020)/2)x12

(7) For purposes of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), the number of subscribers is determined based on the number of subscriptions for fixed-line services (Telephone Subscriber Lines + INS-NET Subscriber Lines).

(8) In terms of number of channels, transmission rate, and line use rate (base rate), INS-Net 1500 is in all cases roughly ten times greater than INS-Net 64. For this reason, for the purpose of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), one INS-Net 1500 subscription is calculated as ten INS-Net 64 subscriptions.

(9) For purposes of calculating FLET'S Hikari ARPU, the number of subscribers is determined based on the number of FLET'S Hikari subscribers, which includes subscribers to "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light," "FLET'S Hikari Lightplus" and "FLET'S Hikari WiFi Access" provided by NTT East, subscribers to "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 the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.

### 3. Operating Data (Number of Employees)

Number of Employees	FY 2018				FY 2019				(Persons)
	As of June 30	As of September 30	As of December 31	As of March 31	As of June 30	As of September 30	As of December 31	As of March 31	FY 2019 (E) As of March 31 (Forecast)
NTT Consolidated Number of Employees	304,450	306,750	309,400	303,350	314,550	-	-	-	311,900
Mobile communications business	28,550	28,450	28,350	26,650	27,700	-	-	-	27,750
Regional communications business	82,400	82,900	83,350	79,550	82,450	-	-	-	76,500
Long distance and international communications business	47,100	47,400	48,000	48,000	48,850	-	-	-	49,300
Data communications business	120,550	122,000	123,650	123,900	127,350	-	-	-	128,950
Other business	25,850	26,000	26,050	25,250	28,200	-	-	-	29,400
Number of Employees, by Core Group Companies						-	-	-	
NTT East Group	40,700	41,200	41,600	39,900	41,000	-	-	-	39,950
NTT West Group	41,750	41,700	41,750	39,650	41,450	-	-	-	36,550
NTT Communications Group	23,150	23,300	23,350	23,350	23,800	-	-	-	24,050
Dimension Data (Consolidated)	22,600	22,750	23,250	23,250	23,450	-	-	-	23,300



# **Financial Results for the Three Months Ended June 30, 2019**

**August 6, 2019**

This document is a translation of the Japanese original. The Japanese original is authoritative.

The forward-looking statements and projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT in light of information currently available to it regarding NTT and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Securities Report and in any other materials publicly disclosed by NTT on its website.

- \* "E" in this material represents that the figure is a plan or projection for operation.
- \*\* "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.
- \*\*\* "1Q" in this material represents the three-month period beginning on April 1 and ending on June 30.



# Table of Contents

- **Overview of Consolidated Results**
  - **Status of Consolidated Results for FY2019.1Q**
  - **Contributing Factors by Segment for FY2019.1Q**
- **Topics**
- **Appendix**



# Overview of Consolidated Results

# Status of Consolidated Results for FY2019.1Q

- Operating Revenues increased and Operating Income decreased
- Operating Revenues reached record first-quarter levels

## Status of Consolidated Results

● Operating Revenues:	¥2,915.4B	< +¥62.7B [ +2.2%] year-on-year >
● Operating Income:	¥505.2B	< (¥32.0B) [ (6.0%)] year-on-year >
● Profit*:	¥280.5B	< (¥9.2B) [ (3.2%)] year-on-year >
<hr/>		
● Overseas Sales**:	\$4.8B	< +\$0.1B [ +2.9%] year-on-year >
● Overseas Operating Income Margin** :	1.6%	< (1.0 pt) year-on-year >

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

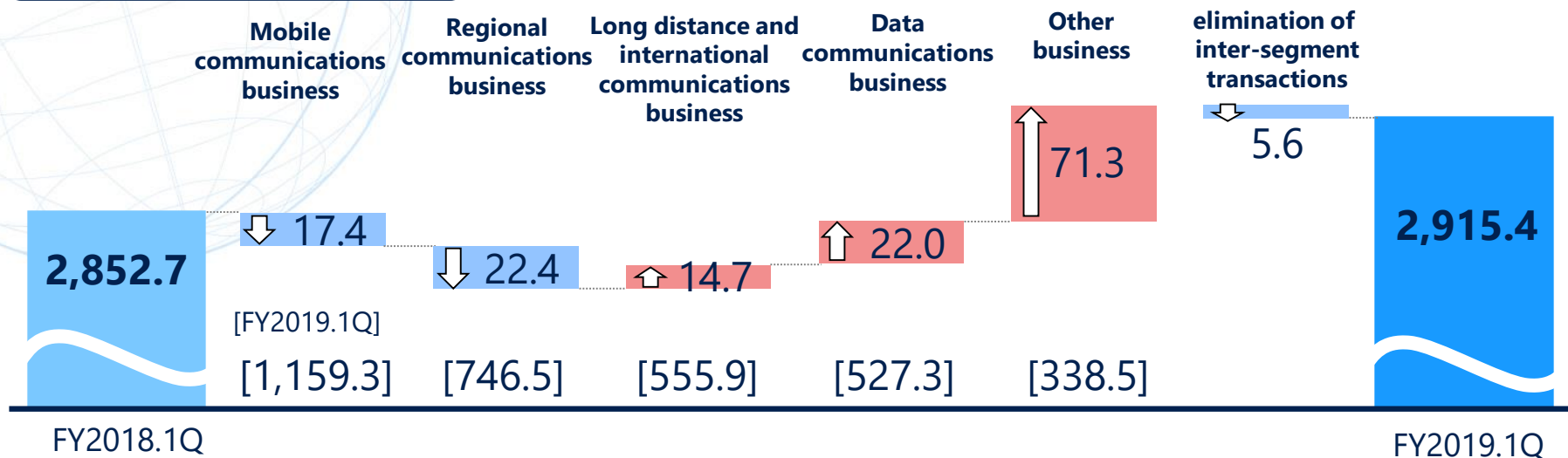
\*\* Including results from the global holding company, its subsidiaries and its affiliates. Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets.

# Contributing Factors by Segment for FY2019.1Q

## Operating Revenues

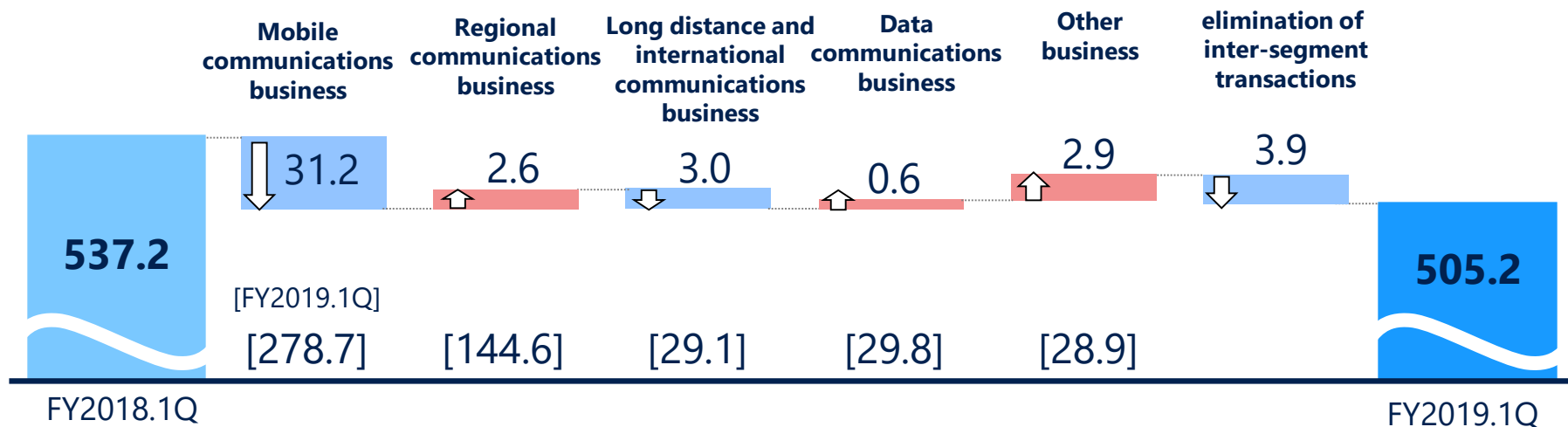
<Year-on-year: +62.7>

(Billions of yen)



## Operating Income

<Year-on-year: (32.0)>





# Topics

## ~Support Our Customers' Digital Transformations~

### Promote B2B2X Model

- ① Entered into an industry-government cooperation agreement with Hokkaido University and the city of Iwamizawa\* with the goal of creating a smart agri-city (June 28, 2019)
- ② Entered into a comprehensive cooperation agreement with Chiba City for future community development (July 11, 2019)
- ③ Entered into a “Community Development Partnership Agreement” with 12 municipalities\* in the Sapporo Metropolitan Area (July 12, 2019)
- ④ Launched a collaboration with Tokyo Metro in order to achieve reduced congestion and smooth transportation with the goal of “creating the attractiveness and vitality of Tokyo together” (July 29, 2019)
- ⑤ Hosted the “August Minamiza Cho Kabuki” show in commemoration of the opening of a new hall at the Minamiza Theatre (August 2, 2019 to August 26, 2019)

\* The city of Iwamizawa is one of the 12 municipalities in the Sapporo Metropolitan Area.

## **Roll Out 5th-Generation Wireless System**

- ⑥ Reached an agreement with JTOWER on a capital and business partnership with the aim of increasing efficiency in the early expansion of 5G service areas and reducing the number of communications (radio) quiet areas (July 4, 2019)**

## **~Accelerate Our Own Digital Transformation~**

### **Enhance Competitiveness in Global Business**

- ⑦ Integrated the overseas businesses of NTT Communications, Dimension Data and NTT Security under the NTT branded company NTT Ltd. and launched operations on July 1, 2019 (refer to page 12)**
- ⑧ Reached mutual agreement on the acquisition of Symmetry, a U.S. SAP managed services business (NTT Ltd., June 26, 2019)**
- ⑨ Completed the acquisition of WhiteHat Security, a U.S. application security business (NTT Ltd., July 2, 2019)**

## Drive Self-Digital Transformation in Domestic Business

- ⑩ Advanced the automation of support for telephone inquiries about problems regarding glitches (6.5 million calls annually) with the Web and chatbots

[ Adopted at NTT DOCOMO, NTT East and NTT Communications as of June 30, 2019, with plans to expand to NTT West in the future ]

- ⑪ Adopted a group-wide talent management system, the world's largest (for 200,000 people), with the aim of achieving efficient personnel management and staffing at each company (launching in April 2020)

- ⑫ Steadily promoted the adoption of RPA

	As of June 30, 2019	Change from Time of Announcement of "Your Value Partner 2025"
• No. of Robot Adoptions:	15,000	< +3,000 >
• No. of Business Process Uses:	850	< +350 >

- ⑬ Advanced the standardization of the NTT East/West business system specifications for sales, services and equipment management (progressively transitioning by FY2020)



## Create New Lines of Business

### ⑭ Established NTT Urban Solutions (July 1, 2019)

- Development of Hakata Station East 1-chome site in the “Hakata Connected” area (planned completion in 2022)
- Redevelopment of the Sendai Chuo Building in anticipation of coordination with next-generation synchrotron light facilities (planned completion in 2023)

### ⑮ Established NTT Life Science (July 1, 2019)

- Jointly opened the Project Division of Genomic Medicine and Disease Prevention with the University of Tokyo (July 1, 2019)
- Established the Bio-Medical Informatics Research Center at NTT Laboratories (July 1, 2019)

### ⑯ Reorganized ENNET and NTT Smile Energy as a member of the NTT Anode Energy Group in order to promote the smart energy business (to be completed in October 2019)

### ⑰ Advanced the Smart Infra business (refer to page 13)

## Enhance and Globalize R&D

- ⑮ Opened the overseas research center “NTT Research, Inc.” (July 1, 2019)
- ⑯ Announced the IOWN concept at the Interop Tokyo lecture (June 12, 2019)

## Contribute to Vitalization of Regional Societies and Economies

- ⑰ Established NTT AgriTechnology under the umbrella of NTT East in order to promote agriculture, which is the starting point for community development, by providing total solutions for next-generation horticulture that utilizes IoT/AI (July 1, 2019)

## Disaster Countermeasures

- ⑱ For typhoons occurring after June 2019, predicted damage using AI

# Enhance Competitiveness in Global Business

## NTT Ltd. Started Operations as an NTT-Branded Operating Company

- NTT Ltd. (Head Office: London, UK) started its operations on July 1, 2019
- Main business focus for growth is on Global Managed IT Services

### July 1, 2019 Launch Event for NTT Ltd. in London

- NTT executives, clients, partners and officials from Japanese and UK governments attended
- Former U.K. Prime Minister Theresa May provided supportive comments for the launch
- Wide coverage from CNBC and other media sources worldwide



Left to right:  
Jun Sawada (Representative Director and CEO of NTT), Margot James (MP, former U.K. Minister for Digital and the Creative Industries), Jason Goodall (NTT Ltd. CEO)



View of the NTT Ltd. Launch  
(Venue: Sky Garden, Walkie-Talkie Building, London)



# Create New Lines of Business

## Promotion of the Smart Infra Business

- Promoted the Smart Infra business, which leverages group technology, know-how and assets to solve social infrastructure issues such, as infrastructure equipment and facilities
  - Develop a platform to digitalize spatial information
  - Create a connected value chain for civil engineering-related businesses (promote own DX)
  - Provide solutions to resolve social infrastructure issues (support others' DX)

### Promote Own DX

- ✓ Create a connected value chain
- ✓ Optimization and utilization of infrastructure facilities

### Support Others' DX

- ✓ Integration of operations and agency
- ✓ Leverage platform for Smart City and other businesses

Platform that digitalizes spatial information



Technology, Know-How and Assets of NTT Group

## Share Buybacks

- **Resolved to buy back shares to be acquired from the Japanese government**
- **Details of Share Buybacks**
  - **Aggregate Amount: Up to ¥300.0 billion**
  - **Aggregate Number of Shares: Up to 53,000,000 shares**
  - **Buyback Period: From August 7, 2019 to September 30, 2019**
- **Based on the above, the 2019 EPS target has been revised from ¥456 to ¥462 <+¥6>**



# Appendix

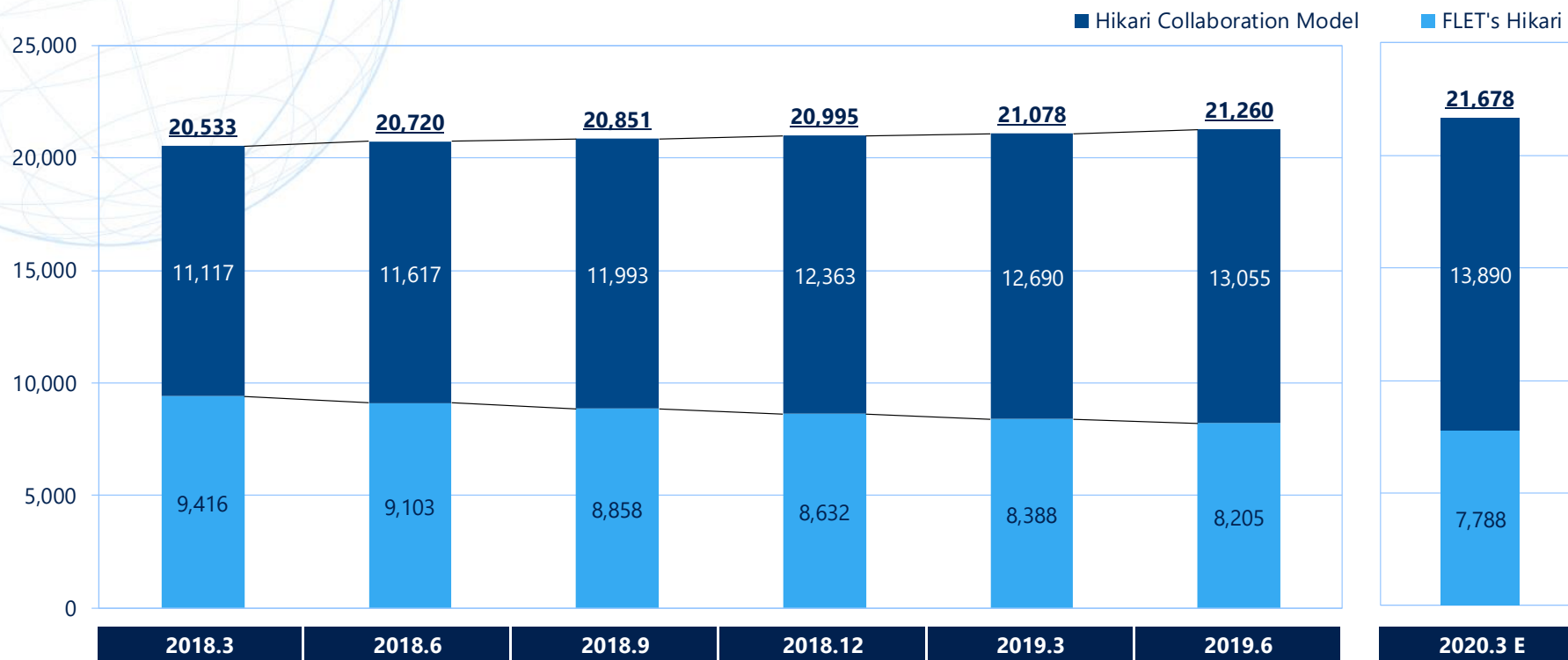


# Broadband Services

# Fixed-Line Broadband Services Subscriptions

## Number of Subscriptions

(Thousands)



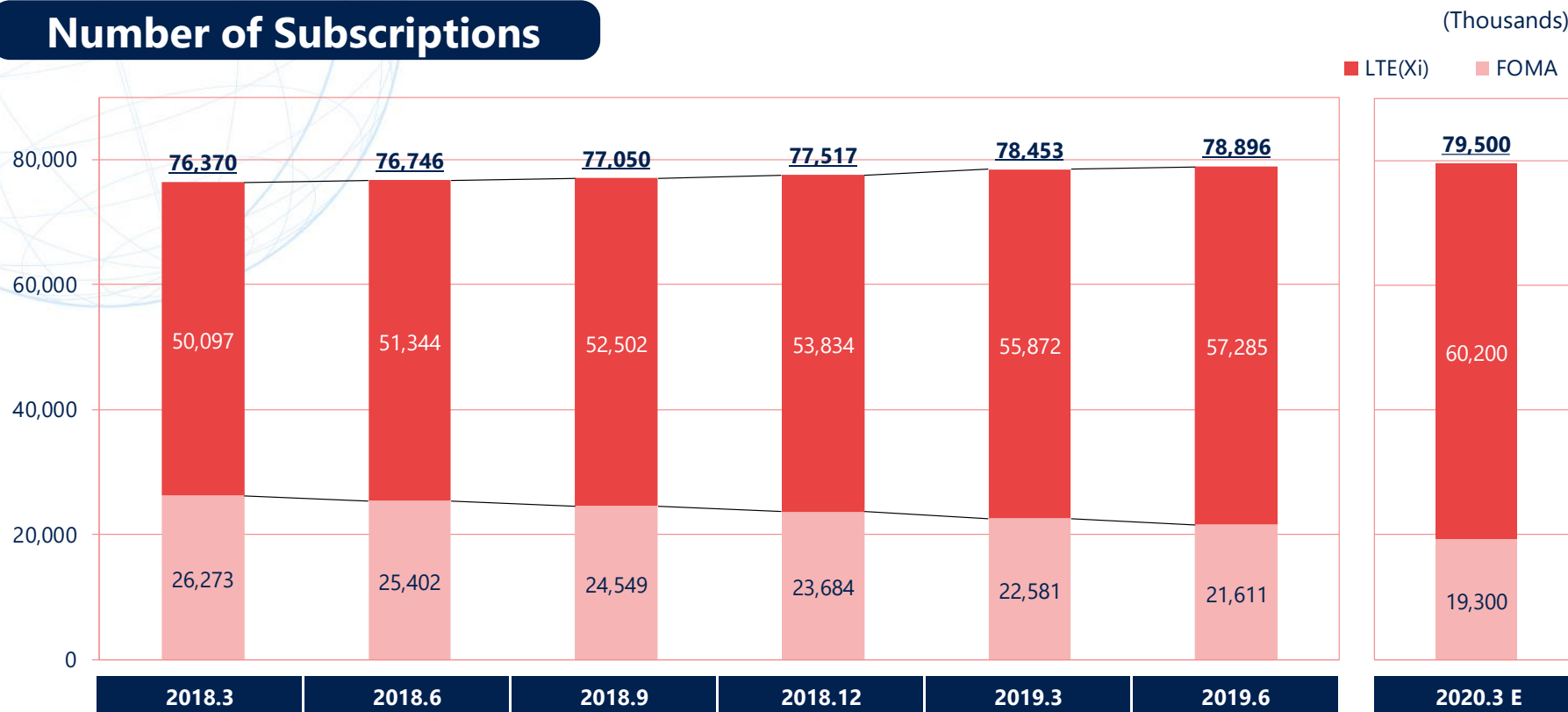
## Net Increase

	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4-6	2019 4 - 2020 3 E
Total	+187	+131	+144	+83	+182	+600
Hikari Collaboration Model	+500	+376	+370	+327	+365	+1,200
FLET'S Hikari	(313)	(245)	(226)	(244)	(183)	(600)



# Mobile Communications Services Subscriptions

## Number of Subscriptions



## Net Increase

	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4-6	2019 4 - 2020 3 E
LTE(Xi)+ FOMA	+376	+304	+467	+935	+443	+1,050
	+2,083					



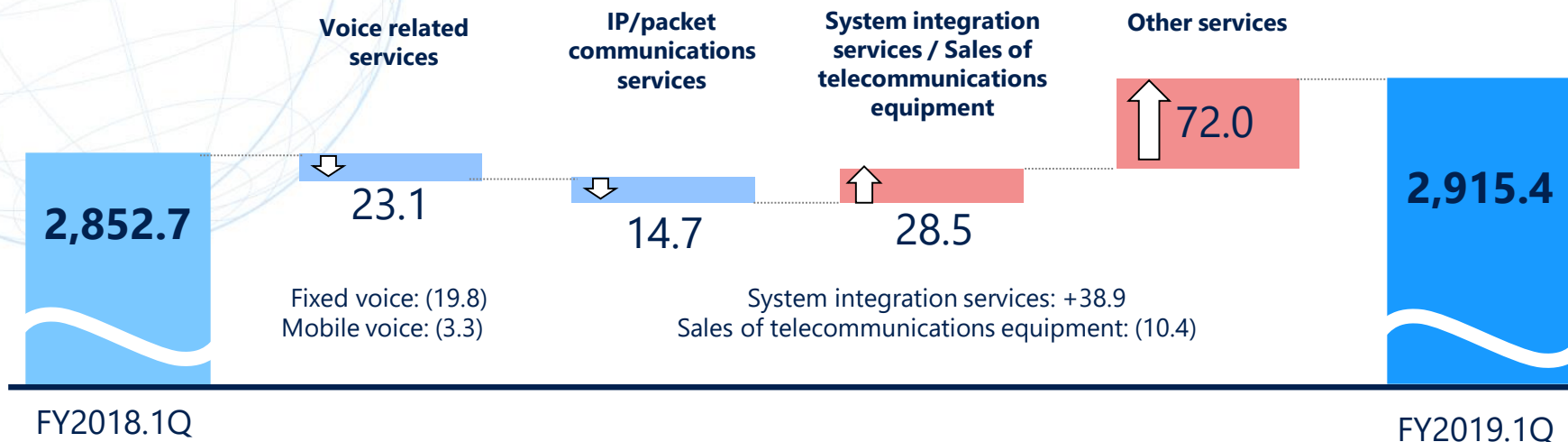
# Financial Information

# Details of Consolidated Statement of Income

(Billions of yen)

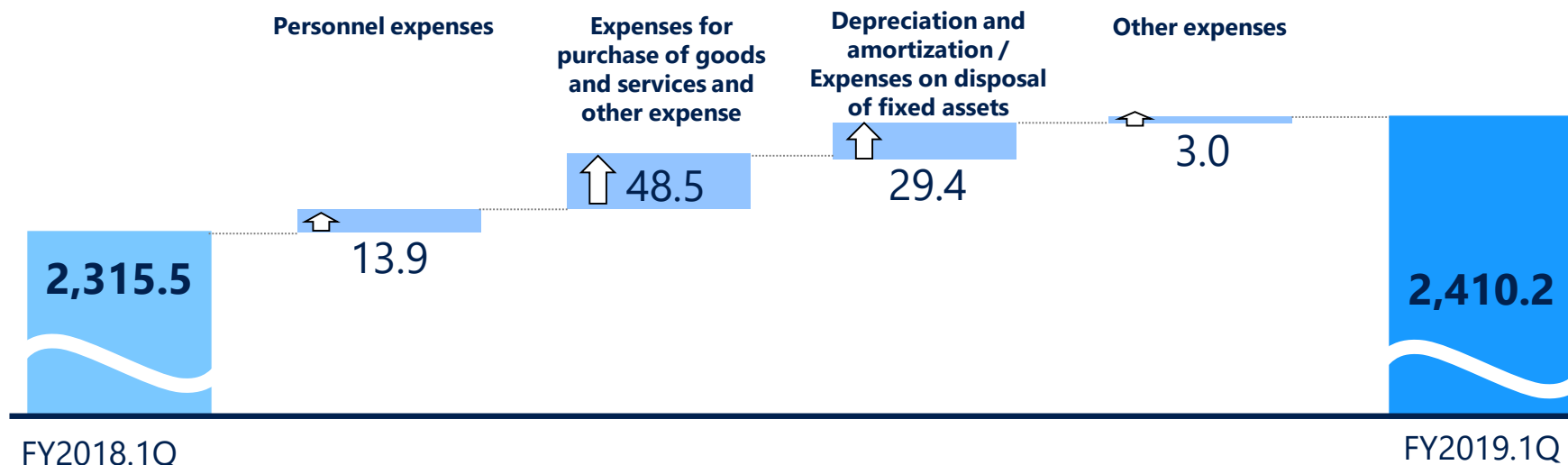
## Operating Revenues

<Year-on-year: +62.7>



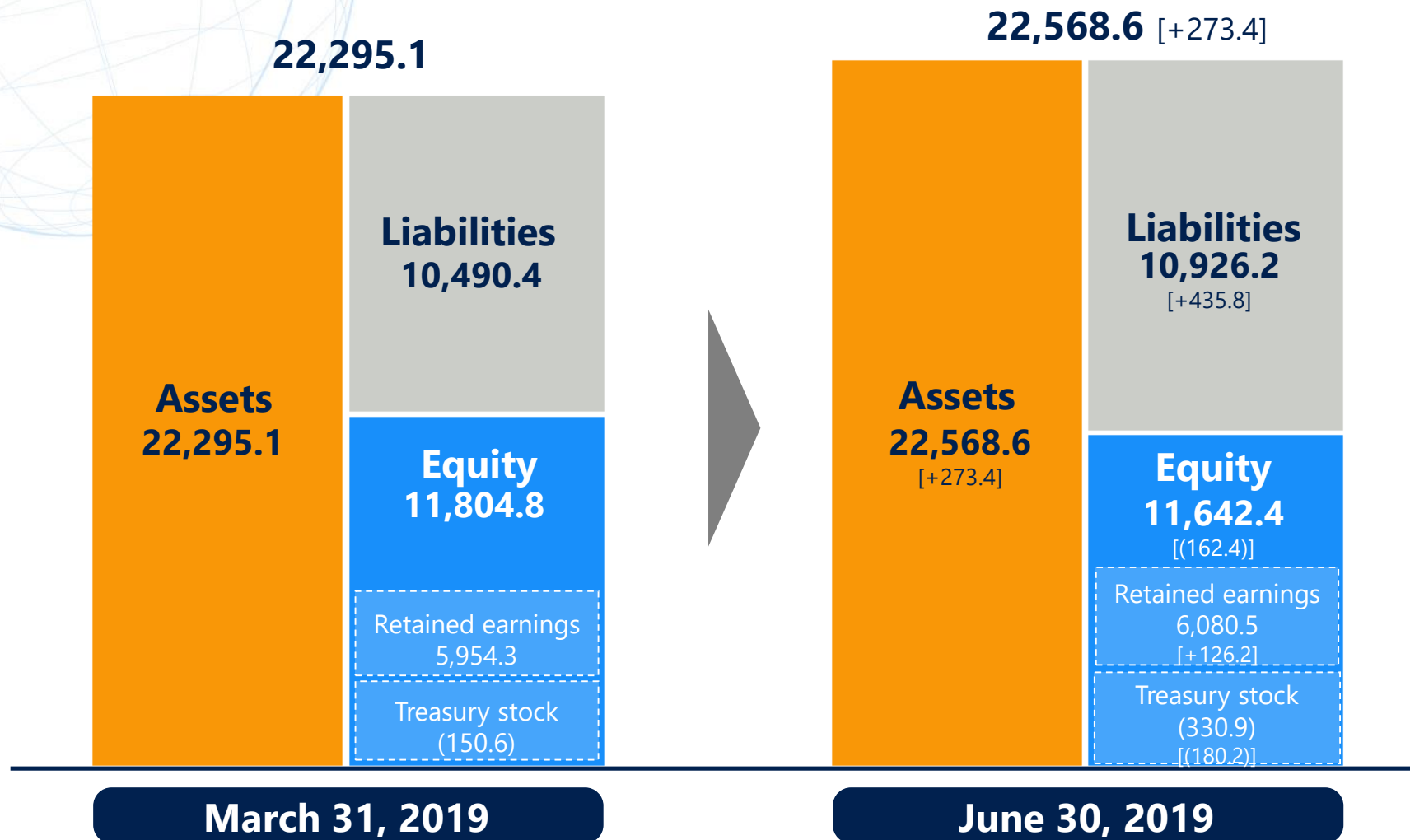
## Operating Expenses

<Year-on-year: +94.7>



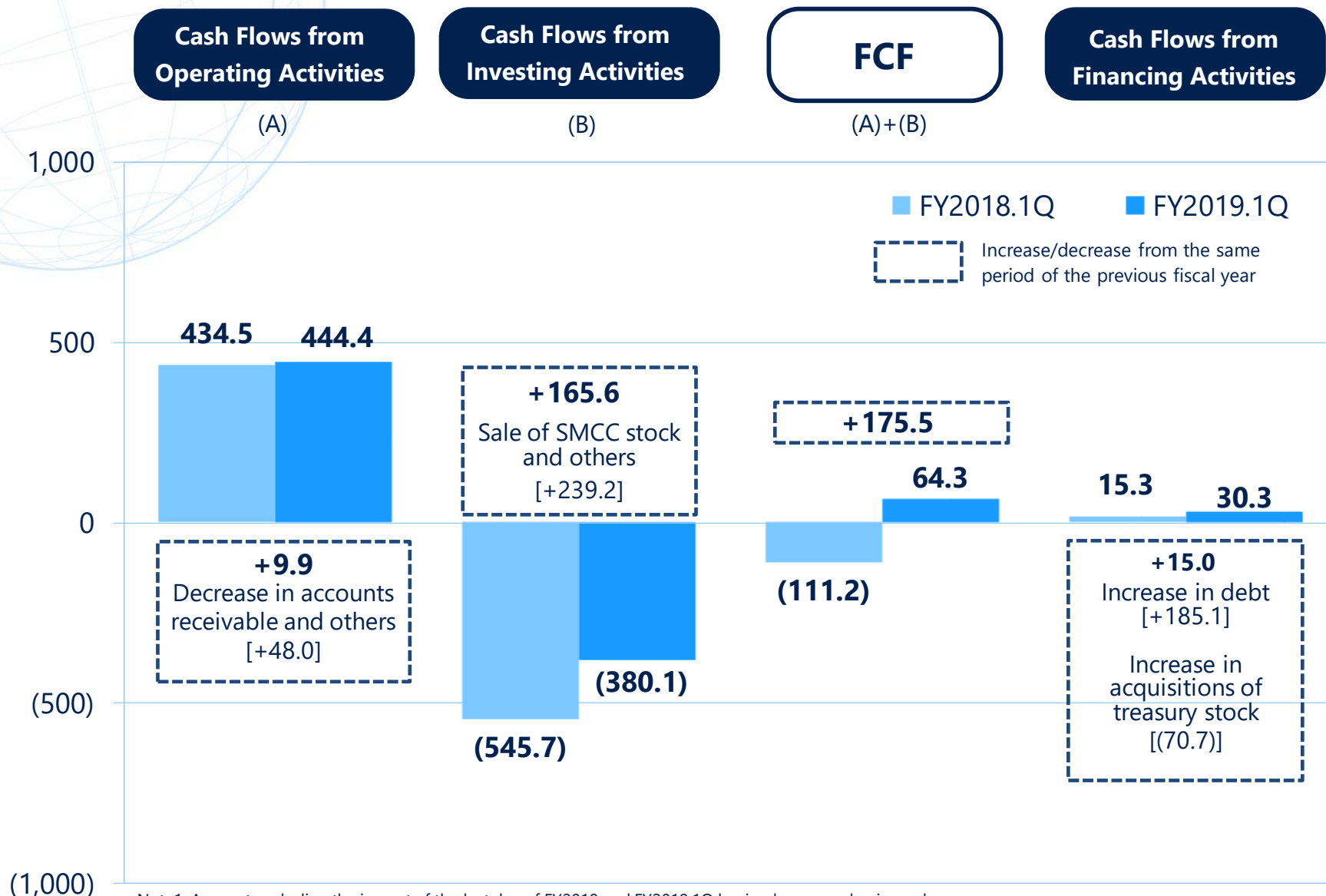
# Details of Consolidated Balance Sheet

(Billions of yen)



# Details of Consolidated Cash Flows

(Billions of yen)

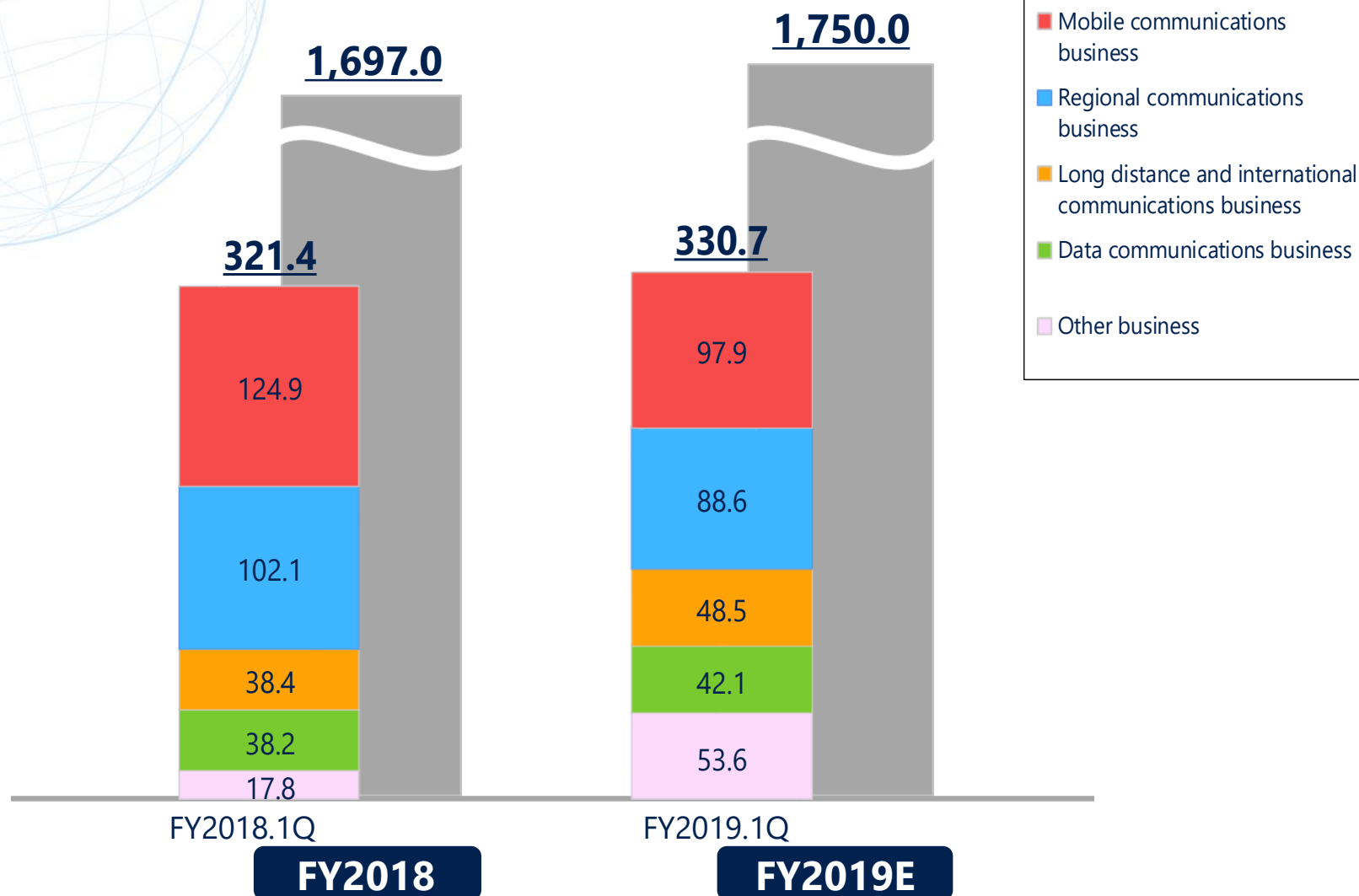


Note1: Amount excluding the impact of the last day of FY2018 and FY2019.1Q having been non-business days.

Note2: Amount excluding the impact on cash flows from operating and financing activities caused by the adoption of IFRS 16 (Leases) beginning in FY2019.

# Details of Capital Investment

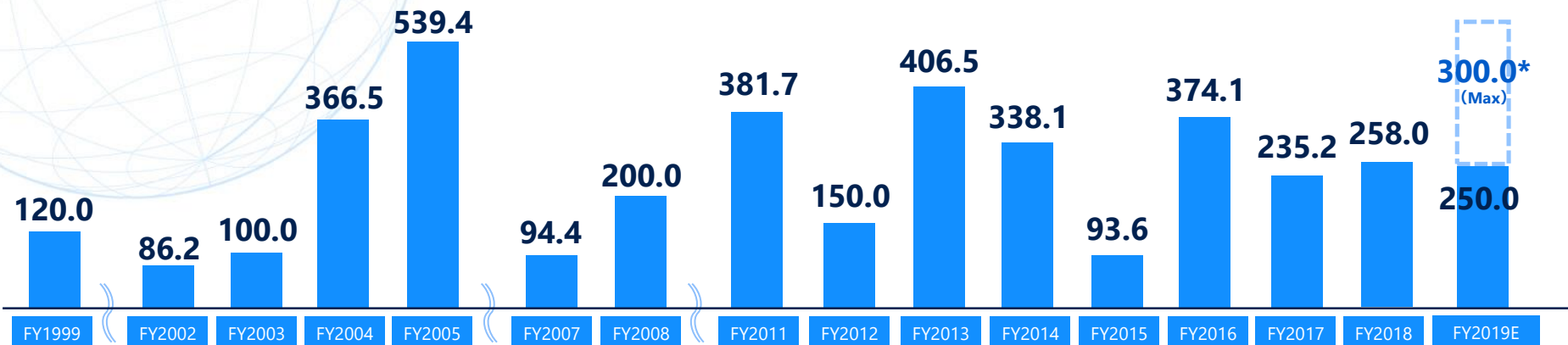
(Billions of yen)



# Shareholder Returns

## Share Buybacks

(Billions of yen)



\* On August 6, 2019, the Board of NTT resolved to buy back shares in an amount up to ¥300.0 billion during the period from August 7, 2019 to September 30, 2019.

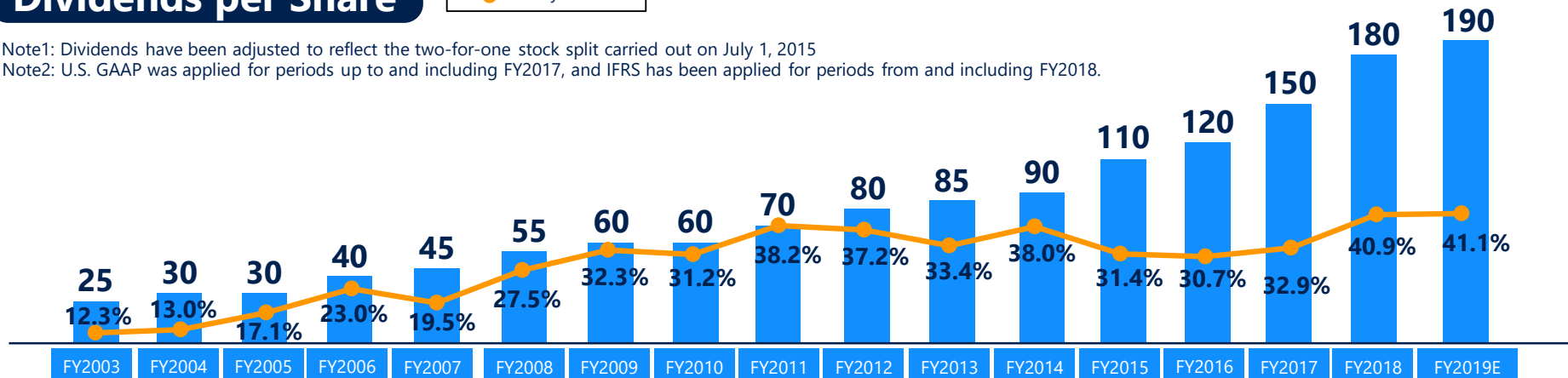
## Dividends per Share

—●— Pay-out Ratio

(Yen)

Note1: Dividends have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015

Note2: 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***