Financial Results Release February 9, 2018 [U.S. GAAP] For the Nine Months Ended December 31, 2017

Name of registrant : Nippon Telegraph and Telephone Corporation ("NTT") /

URL http://www.ntt.co.jp/ir/

Code No. : 9432 Stock exchanges on which the Company's shares are listed: Tokyo

Representative : Hiroo Unoura, President and Chief Executive Officer

Contact : Takashi Ameshima, Head of IR, Finance and Accounting Department /

TEL +81-3-6838-5481

Scheduled filing date of quarterly securities report : February 13, 2018

Scheduled date of dividend payments Supplemental material on quarterly results : Yes

Presentation on quarterly results : Yes (for institutional investors and analysts)

Consolidated Financial Results for the Nine Months Ended December 31, 2017 (April 1, 2017 – December 31, 2017)

Amounts are rounded to the nearest million yen.

(1) Consolidated Results of Operations

							(Millions	of yen)
	_				Income before		Net Inco	me
	Operating Revenues Operating Income		Income Ta	xes	Attributable to NTT			
Nine months ended December 31, 2017	8,722,036	4.3%	1,319,553	0.1%	1,441,310	10.3%	736,590	10.1%
Nine months ended December 31, 2016	8,360,497	(1.6)%	1,318,554	17.0%	1,307,197	16.6%	668,728	10.7%

Notes: 1. Comprehensive income (loss) attributable to NTT: For the nine months ended December 31, 2017: 811,781 million yen 38.0% For the nine months ended December 31, 2016: 588,306 million yen 12.3%

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

	Basic Earnings	Diluted Earnings
	per Share	per Share
	Attributable to NTT	Attributable to NTT
Nine months ended December 31, 2017	367.98 (yen)	— (yen)
Nine months ended December 31, 2016	325.64 (yen)	— (yen)

(2) Consolidated Financial Position

				(Millions of yen, except	per share amounts)
	Total Assets	Total Equity	NTT Shareholders' Equity	Equity Ratio (Ratio of NTT Shareholders' Equity to Total Assets)	NTT Shareholders' Equity per Share
December 31, 2017	21,528,070	11,993,834	9,376,545	43.6%	4,736.86 (yen)
March 31, 2017	21,250,325	11,507,756	9,052,479	42.6%	4,491.73 (yen)

2. **Dividends**

	Annual Dividends							
	End of the	End of the	End of the					
	first quarter	second quarter	third quarter	Year-end	Total			
Year Ended March 31, 2017		60.00 (yen)		60.00 (yen)	120.00 (yen)			
Year Ending March 31, 2018		75.00 (yen)			_			
Year Ending March 31, 2018 (Forecasts)	_	_	_	75.00 (yen)	150.00 (yen)			

Note: Change in dividend forecasts during the nine months ended December 31, 2017: None

Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018) 3.

				(Millions of yen, except per share amount)							
	Operating Revenues	Operating Income	Income before Income Taxes	Net Income Attributable to NTT	Basic Earnings per Share Attributable to NTT						
Year Ending											
March 31, 2018	11,750,000 3.2%	1,590,000 3.3%	1,695,000 10.9%	880,000 10.0%	440.00 (yen)						

Notes: 1. Percentages above represent changes from the previous fiscal year.
2. Change in consolidated financial results forecasts for the fiscal year ending March 31, 2018 during the nine months ended December 31, 2017: None

*Notes:

- (1) Change in significant consolidated subsidiaries during the nine months ended December 31, 2017 that resulted in changes in the scope of consolidation: None
- (2) Adoption of accounting which is simplified or exceptional for quarterly consolidated financial statements: None
- (3) Change of accounting policy
 - i. Change due to revision of accounting standards and other regulations: Yes
 - ii. Other change: Yes (For further details, please see "Summary Information (notes)" on page 3.)
- (4) Number of shares outstanding (common stock)
 - i. Number of shares outstanding (including treasury stock):

December 31, 2017 : 2,096,394,470 shares March 31, 2017 : 2,096,394,470 shares

ii. Number of shares of treasury stock:

December 31, 2017 : 116,908,131 shares March 31, 2017 : 81,026,959 shares

iii. Weighted average number of shares outstanding:

For the nine months ended December 31, 2017 : 2,001,718,206 shares For the nine months ended December 31, 2016 : 2,053,571,790 shares

- * This financial results release is not subject to the quarterly review.
- * Explanation of earnings forecasts and other notes:

Forward-looking statements in this earnings release, such as forecasts of results of operations, are based on the information currently available to NTT and certain assumptions that we regard as reasonable and therefore actual results may differ materially from those contained in or suggested by any forward-looking statements. With regard to the assumptions and other related matters concerning forecasts for the fiscal year ending March 31, 2018, please refer to page 10.

On Friday, February 9, 2018, 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 nine months ended December 31, 2017, that resulted in changes in the scope of consolidation: None
- (2) Adoption of accounting which is simplified or exceptional for quarterly consolidated financial statements: None
- (3) Change of accounting policy: Yes

Balance Sheet Classification of Deferred Taxes

On November 20, 2015, the FASB issued ASU2015-17 "Balance sheet classification of deferred taxes" which requires that all deferred tax liabilities and assets be classified as noncurrent on the balance sheet.

Effective April 1, 2017, NTT Group adopted this ASU prospectively and prior periods were not retrospectively adjusted.

Simplifying the Test for Goodwill Impairment

On January 26, 2017, the FASB issued ASU 2017-04 "Simplifying the Test for Goodwill Impairment," which replaces the two-step goodwill impairment test with the one-step goodwill impairment test. The amendments in this update require that an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and an entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value.

The adoption of ASU 2017-04 would be permitted for goodwill impairment tests with measurement dates after January 1, 2017. NTT Group adopted this ASU for goodwill impairment test with measurement date on July 1, 2017.

Change in Fiscal Year End of Certain Subsidiaries

As of April 1, 2017, certain of NTT's consolidated subsidiaries changed their fiscal year ends from December 31 or January 31 to March 31, thereby eliminating a three-month or two-month lag between their fiscal year ends and NTT's fiscal year end in NTT's quarterly consolidated financial statements. The elimination of this lag was applied as a change in accounting policy. NTT did not make any retrospective adjustments to its financial statements as these changes did not have a material impact on the consolidated financial statements for the nine months ended December 31, 2016 or the year ended March 31, 2017. As a result of this change, NTT's retained earnings have increased by ¥964 million, and its accumulated other comprehensive income (loss) and noncontrolling interests have decreased by ¥3,351 million and ¥2,012 million, respectively, as of the beginning of the current fiscal year.

2. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

		March 31, 2017]	December 31, 2017		Millions of yen Increase (Decrease)
ASSETS	<u> </u>	2017		2017		(Decrease)
Current assets:						
Cash and cash equivalents	¥	925,213	¥	766,581	¥	(158,632)
Short-term investments		63,844		44,094		(19,750)
Notes and accounts receivable, trade		2,699,708		2,849,652		149,944
Allowance for doubtful accounts		(48,626)		(52,835)		(4,209)
Accounts receivable, other		505,145		658,418		153,273
Inventories		365,379		459,442		94,063
Prepaid expenses and other current assets		573,170		623,302		50,132
Deferred income taxes		228,590		<u> </u>		(228,590)
Total current assets		5,312,423		5,348,654		36,231
Property, plant and equipment:						
Telecommunications equipment		11,046,115		10,991,048		(55,067)
Telecommunications service lines		16,064,732		14,144,223		(1,920,509)
Buildings and structures		6,147,869		6,236,623		88,754
Machinery, vessels and tools		2,032,389		2,118,915		86,526
Land		1,292,685		1,306,405		13,720
Construction in progress		421,819		475,577		53,758
		37,005,609		35,272,791		(1,732,818)
Accumulated depreciation		(27,286,588)		(25,565,588)		1,721,000
Net property, plant and equipment		9,719,021		9,707,203		(11,818)
Investments and other assets:						
Investments in affiliated companies		484,596		507,216		22,620
Marketable securities and other investments		495,290		552,254		56,964
Goodwill		1,314,645		1,355,737		41,092
Software		1,209,485		1,197,194		(12,291)
Other intangible assets		453,918		412,118		(41,800)
Other assets		1,492,076		1,558,670		66,594
Deferred income taxes		768,871		889,024		120,153
Total investments and other assets		6,218,881		6,472,213		253,332
Total assets	¥	21,250,325	¥	21,528,070	¥	277,745

					Millions of yen	
		March 31, 2017		December 31, 2017		Increase (Decrease)
LIABILITIES AND EQUITY						
Current liabilities:						
Short-term borrowings	¥	227,207	¥	377,194	¥	149,987
Current portion of long-term debt		681,904		587,451		(94,453)
Accounts payable, trade		1,612,996		1,365,246		(247,750)
Current portion of obligations under capital leases		14,430		13,011		(1,419)
Accrued payroll		443,308		402,755		(40,553)
Accrued taxes on income		239,755		163,304		(76,451)
Accrued consumption tax		75,083		99,517		24,434
Advances received		324,342		389,937		65,595
Other		512,368		516,082		3,714
Total current liabilities		4,131,393	-	3,914,497		(216,896)
Long-term liabilities:						_
Long-term debt (excluding current portion)		3,168,478		3,154,018		(14,460)
Obligations under capital leases (excluding current portion)		25,568		23,680		(1,888)
Liability for employees' retirement benefits		1,599,381		1,645,420		46,039
Accrued liabilities for point programs		103,047		102,115		(932)
Deferred income taxes		166,751		137,675		(29,076)
Other		497,132		504,835		7,703
Total long-term liabilities		5,560,357		5,567,743		7,386
Redeemable noncontrolling interests		50,819		51,996		1,177
Equity:						
NTT shareholders' equity						
Common stock, no par value		937,950		937,950		_
Additional paid-in capital		2,862,035		2,841,567		(20,468)
Retained earnings		5,626,155		6,092,304		466,149
Accumulated other comprehensive income (loss)		1,562		73,402		71,840
Treasury stock, at cost		(375,223)		(568,678)		(193,455)
Total NTT shareholders' equity		9,052,479		9,376,545		324,066
Noncontrolling interests		2,455,277		2,617,289		162,012
Total equity		11,507,756		11,993,834		486,078
Total liabilities and equity	¥	21,250,325	¥	21,528,070	¥	277,745
* *	_		_			

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income NINE-MONTH PERIOD ENDED DECEMBER 31

Consolidated Statements of Income

					Millions of yen
	2016		2017		Increase (Decrease)
Operating revenues:					(= :::::::)
Fixed voice related services	¥ 919,161	¥	858,886	¥	(60,275)
Mobile voice related services	651,378		706,412		55,034
IP / packet communications services	2,842,376		2,860,996		18,620
Sale of telecommunications equipment	650,100		641,991		(8,109)
System integration	2,123,736		2,479,868		356,132
Other	1,173,746		1,173,883		137
	8,360,497		8,722,036		361,539
Operating expenses:					
Cost of services (excluding items shown separately below)	1,751,417		1,700,865		(50,552)
Cost of equipment sold (excluding items shown separately below)	654,772		675,388		20,616
Cost of system integration (excluding items shown separately below)	1,496,570		1,774,817		278,247
Depreciation and amortization	1,082,890		995,564		(87,326)
Impairment losses					
Goodwill	53,294		18,864		(34,430)
Metal cables	<u> </u>		124,800		124,800
Other	12,698		744		(11,954)
Selling, general and administrative expenses	1,990,302		2,111,441		121,139
	7,041,943		7,402,483		360,540
Operating income	1,318,554		1,319,553		999
Other income (expenses):					
Interest and amortization of bond discounts and issue costs	(28,168)	(25,276)		2,892
Interest income	13,176		14,093		917
Income from arbitration award	_		147,646		147,646
Other, net	3,635		(14,706)		(18,341)
	(11,357		121,757		133,114
Income before income taxes and equity in earnings (losses) of affiliated	(11,007	_	121,707		100,111
companies	1,307,197		1,441,310		134,113
Income tax expense (benefit):		_	, ,		- , -
Current	369,479		421,822		52,343
Deferred	55,362		35,763		(19,599)
	424,841	_	457,585		32,744
Income before equity in earnings (losses) of affiliated companies	882,356	_	983,725		101,369
Equity in earnings (losses) of affiliated companies	14,247	_	12,050		(2,197)
Net income	896,603	_	995,775		99,172
Less – Net income attributable to noncontrolling interests	227,875		259,185		31,310
Net income attributable to NTT	¥ 668,728		736,590	¥	67,862
The medic attributable to 141 1	F 000,720	=	730,370		07,002
Per share of common stock:					
Weighted average number of shares outstanding (Shares)	2,053,571,790		2,001,718,206		
Net income attributable to NTT (Yen)	¥ 325.64		367.98		
(****)		_	20,,,0		

Consolidated Statements of Comprehensive Income

						Millions of yen
		2016		2017		Increase (Decrease)
Net income	¥	896,603	¥	995,775	¥	99,172
Other comprehensive income (loss), net of tax:						
Unrealized gain (loss) on securities		1,117		42,466		41,349
Unrealized gain (loss) on derivative instruments		(2,415)		737		3,152
Foreign currency translation adjustments		(97,527)		61,778		159,305
Pension liability adjustments		8,173		5,670		(2,503)
Total other comprehensive income (loss)		(90,652)		110,651		201,303
Total comprehensive income (loss)		805,951		1,106,426		300,475
Less – Comprehensive income attributable to noncontrolling interests		217,645		294,645		77,000
Total comprehensive income (loss) attributable to NTT	¥	588,306	¥	811,781	¥	223,475

(3) Going Concern Assumption

None

(4) NTT Shareholders' Equity

1. Dividends

Cash dividends paid during the nine months ended December 31, 2017 were as follows:

Resolution	The shareholders' meeting held on June 27, 2017
Class of shares	Common stock
Source of dividends	Retained earnings
Total cash dividends paid	¥120,922 million
Cash dividends per share	¥60
Record date	March 31, 2017
Date of payment	June 28, 2017
Resolution	The Board of Directors' meeting on November 10, 2017
Class of shares	Common stock
Source of dividends	Retained earnings
Total cash dividends declared	¥150,484 million
Cash dividends per share	¥75
Record date	September 30, 2017
Date of payment	December 11, 2017

2. Treasury stock

On December 12, 2016, the Board of Directors resolved that NTT may acquire up to 33 million shares of its outstanding common stock for an amount in total not exceeding ¥150 billion from December 13, 2016 through June 30, 2017. Based on this resolution, NTT repurchased 21,693,800 shares of its common stock for a total purchase price of ¥106,763 million between December 2016 and March 2017. NTT also repurchased 8,893,400 shares of its common stock for a total purchase price of ¥43,235 million in April 2017 and concluded the repurchase of its common stock authorized by Board of Directors' resolution.

On September 25, 2017, the Board of Directors resolved that NTT may acquire up to 30 million shares of its outstanding common stock for an amount in total not exceeding ¥150 billion from September 26, 2017 through March 31, 2018. NTT repurchased 26,946,400 shares of its common stock for a total purchase price of ¥150,000 million between October 2017 and December 2017, and concluded the repurchase of its common stock authorized by Board of Directors' resolution.

(5) Subsequent Events

NTT DOCOMO's repurchase of its common stock

On October 26, 2017, the Board of Directors of NTT DOCOMO resolved that NTT DOCOMO may acquire up to 120 million shares of its outstanding common stock for an amount in total not exceeding \(\frac{\pma}{3}\)300,000 million from October 27, 2017 through March 31, 2018.

On December 11, 2017, the Board of Directors of NTT DOCOMO resolved that NTT DOCOMO may acquire up to 93,248,787 shares of its outstanding common stock by way of tender offer at an amount in total not exceeding \(\frac{4}{2}25,000\) million from December 12, 2017 through January 15, 2018. Based on this resolution, NTT DOCOMO repurchased 75,678,037 shares of its common stock at \(\frac{4}{2}202,893\) million on February 6, 2018, 74,599,000 shares of which NTT sold back to NTT DOCOMO at \(\frac{4}{2}200,000\) million. Due to NTT DOCOMO's repurchase transactions, NTT's ownership interest in NTT DOCOMO decreased from 66.7% to 66.0%. NTT expects to recognize the difference between the consideration paid to the non-controlling interest holders and the decrease in the carrying value of such non-controlling interests resulting from this transaction as an adjustment to "Additional paid-in capital" in the consolidated balance sheet as of March 31, 2018.

The Board of Directors of NTT DOCOMO also resolved that NTT DOCOMO may acquire up to 44,321,963 shares of its outstanding common stock* by way of repurchases on Tokyo Stock Exchange for an amount in total not exceeding ¥97,107 million* from the next business day following the expiration of the tender offer through March 31, 2018. NTT DOCOMO did not make repurchase by way of repurchases on the market in January 2018.

* The number of shares remaining after subtracting the number of shares acquired by way of tender offer from the maximum limit of 120 million shares and the amount remaining after subtracting the total amount used to repurchase the shares acquired by way of tender offer from the maximum limit of ¥300,000 million.

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 Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

Financial Results for the Nine Months Ended December 31, 2017

February 9, 2018





and estimates may be affected by the future business operations of NTT and its subsidiaries and and telecommunications industry in Japan and overseas, and other factors. These projections with the United States Securities and Exchange Commission. included in NTT's most recent Annual Report on Form 20-F and other filings and submissions to differ materially from the forecasts contained or referred to herein, as well as other risks industry in Japan and elsewhere, other changes in circumstances that could cause actual results services and new businesses, changes to laws and regulations affecting the telecommunications markets, the pricing of services, the effects of competition, the performance of new products, affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities information currently available to it regarding NTT and its subsidiaries and affiliates, the economy assumptions, projections, estimates, judgments and beliefs of the management of NTT in light of and its subsidiaries and affiliates contained or referred to herein are based on a series of The forward-looking statements and projected figures concerning the future performance of NTT

- "E" in this material represents that the figure is a plan or projection for operation
- "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.
- "3Q" in this material represents the 9-month period beginning on April 1 and ending on December 31.

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Highlights



- Both Operating Revenues and Operating Income increased.
- Financial results are steadily progressing in line with the annual plan.

Status of Consolidated Financial Results

Operating Revenues : ¥8,722.0 billion (increase of ¥361.5 billion [4.3%] year-on-year)

➤ Operating Income ¥1,319.6 billion (increase of ¥1.0 billion [0.1%] year-on-year)

➤ Net Income *1 ¥736.6 billion (increase of ¥67.9 billion [10.1%] year-on-year)

Overseas Sales \$14.45 billion (increase of \$2.26 billion [18.6%] year-on-year)

*Cross-Selling Order Volume : \$0.66 billion

Overseas Operating Income *2: \$0.78 billion (increase of \$0.24 billion [43.5%] year-on-year)

^{*1} Net income represents net income attributable to NTT, excluding noncontrolling interests.

^{*2} Operating Income excludes temporary expenses, such as M&A-related depreciation costs of intangible fixed assets

Contributing Factors by Segment



and International Communications business and the Data Communications business segment. Increase in Operating Revenues and Operating Income in the Long Distance



Topics



Increased Profitability of Network Services

➤ Expansion of NTT's User Base

- Mobile Subscriptions: 75.68 million mobile subscriptions (net increase of 0.80 million) (Included in the above) Kake-hodai & Pake-aeru: 40.60 million subscriptions (net increase of 3.53 million)
- FTTH Subscriptions: 20.46 million subscribers (net increase of 0.40 million) (Included in the above) Hikari Collaboration: 10.66 million (net increase of 1.91 million)
- ➢ Growing number of Wi-Fi area owners*: 681 (net increase of 124)

Total number of large-scale corporate or local government customers. Excludes small-scale restaurants, etc.

Topics



Promotion of the B2B2X Model

- ➤Continued to expand collaboration efforts with corporations and local creating new value and solving social issues and challenges such as sports, transportation and manufacturing in an effort towards governments by supporting their digital transformation in various fields,
- Expansion of Global Cloud Services
- ➤Acquisition of Secure-24, a provider of managed services in the U.S.
- Shareholder returns
- ➤Completed share buybacks on December 8, 2017: ¥150.0 billion
- ➤Aggregate amount of FY2017 share buybacks: ¥193.2 billion
- Progress of
- "Tokyo 2020 Medal Project: Towards an Innovative Future for All"
- ➤Number of used mobile phones and other devices collected (as of the end of December 2017): approximately 2.40 million devices

Reference) Major B2B2X Initiatives in FY2017 3Q







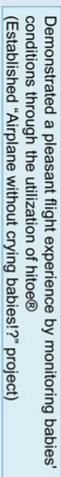


















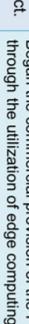




Began the commercial provision of the FIELD system















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environments through the utilization of corevo®

Demonstrated power-saving efforts in agriculture and water









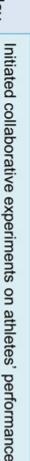


actors to perform together through virtual reality (connected Ponto-cho and Miyakawa-cho in the performance of "Miyako Musubi Yume-no Renjishi")

Produced a new Kabuki experience through the utilization of Kiraril by enabling two









and brain information processing

Softball Association





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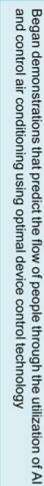
KOBE CHIKAGAI

SO * HATSU













(Reference) NTT R&D Forum 2018



"NTT R&D Forum" (on an invitation basis only)

Date and Time Thursday, February 22, 2018 and Friday, February 23, 2018 10:00 - 17:00

NTT Musashino R&D Center Tokyo, Japan

Place

Network and Security, and Basic Research each of the categories of Media & UI, corevo, IoT, research efforts on the B2B2X model, in Introduce the latest research findings, including

- (e.g.) ·New value creation utilizing corevo (AI)
- IoT utilizing edge computing
- Immersive Telepresence Technology—Kirari! (enabling ultra-high presence experiences)
- Security technologies for industrial control systems, etc.
- Quantum Neural Network (QNN)



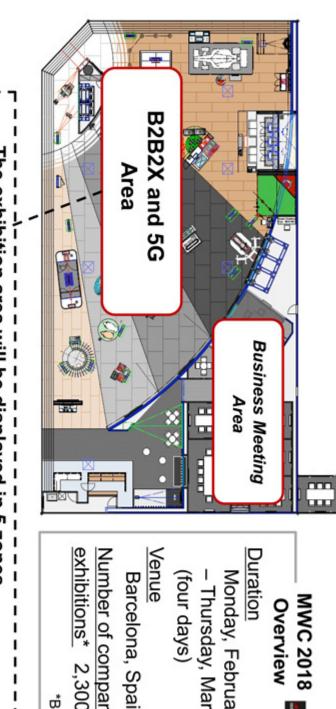
for a Brighter Future Digital Technologies



(Reference) Mobile World Congress 2018 A Group Exhibition On Display



- Display leading and advanced B2B2X business models utilizing AI, IoT and 5G
- Through the exhibition, NTT aims to introduce new value created in collaboration with a wide range of partners in various business sectors



Number of companies holding Barcelona, Spain Thursday, March 1, 2018 Monday, February 26, 2018 *Based on 2017 data MOBILE WORLD CONGRESS

The exhibition area will be displayed in 5 zones

- Sport & Culture
- (2) Mobility & Logistics
- (3) Manufacturing

- (4) Agriculture
- (5) Life & Environment

Appendix

Progress of Broadband Services

Number of Subscribers for Fixed Broadband Services





^{*1} Number of FLET'S Hikari (including Hikari Collaboration Model) subscribers 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, B FLET'S, FLET'S Hikari Premium, FLET'S Hikari Mytown, FLET'S Hikari Mytown Next, FLET'S Hikari Light and FLET'S Hikari WiFi Access provided by NTT West, and wholesale services (Hikari Collaboration Model) provided by both NTT East and NTT West.

^{*2} Figures in [] represent the number of subscribers to "Hikari Collaboration Model," the wholesale provision of services by NTT East and NTT West to service providers

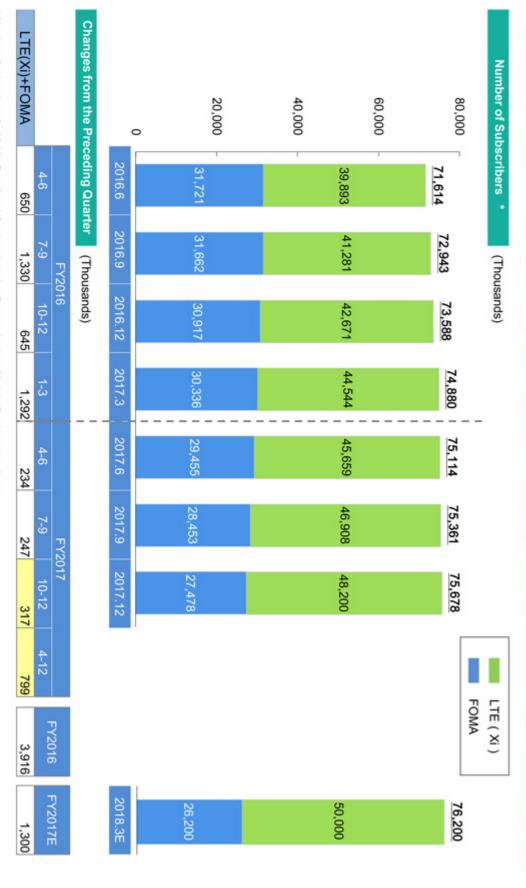
^{*3} Number of opened connections excludes openings as a result of relocations.

^{*4} Numbers for Hikari Denwa include wholesale services provided to service providers by NTT East and NTT West

^{*5} Numbers of Hikari Denwa subscribers are presented in thousands of channels.

Number of Subscribers for Mobile Broadband Services

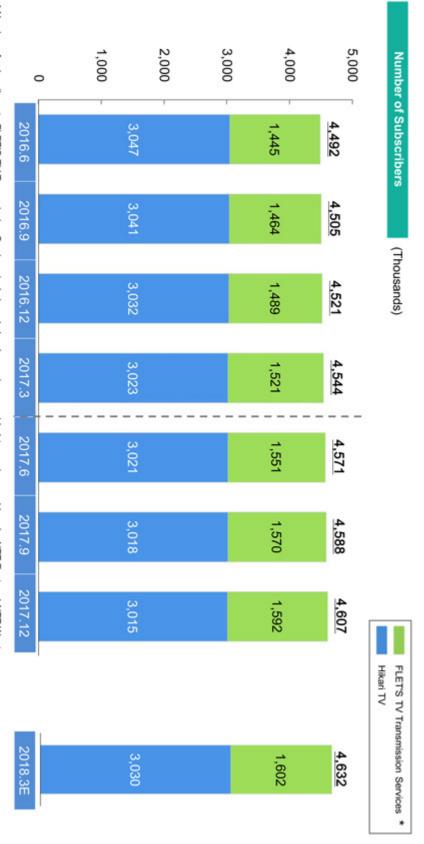




^{*}Number of subscribers for Mobile Broadband Services includes Communications Module Service subscribers

Number of Subscribers for Video Services



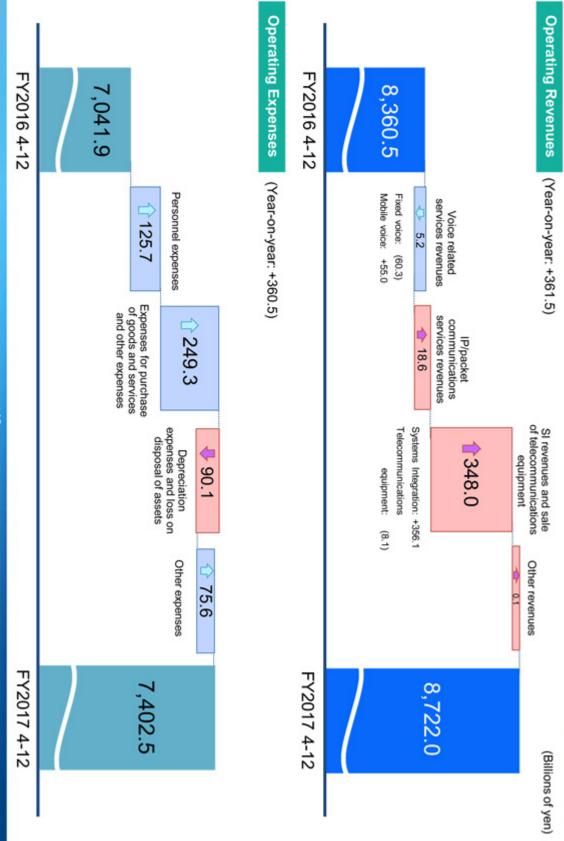


^{*} Number of subscribers to FLET'S TV Transmission Services includes wholesale services provided to service providers by NTT East and NTT West.



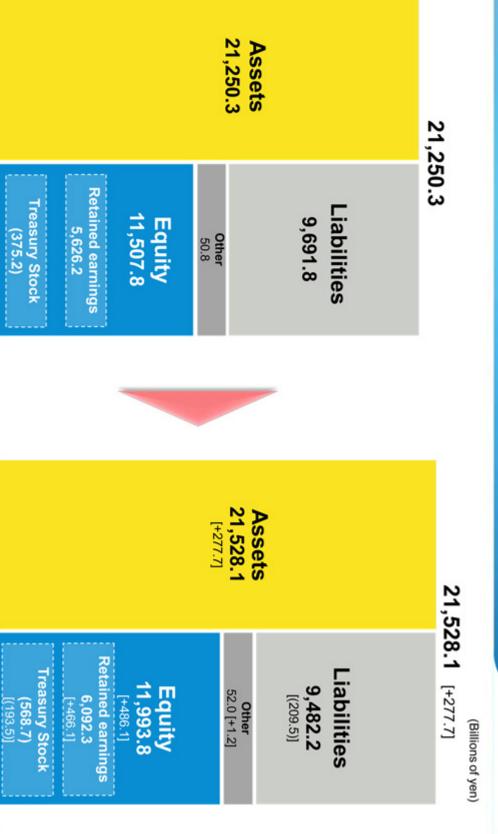
Details of Consolidated Statement of Income





Details of Consolidated Balance Sheet





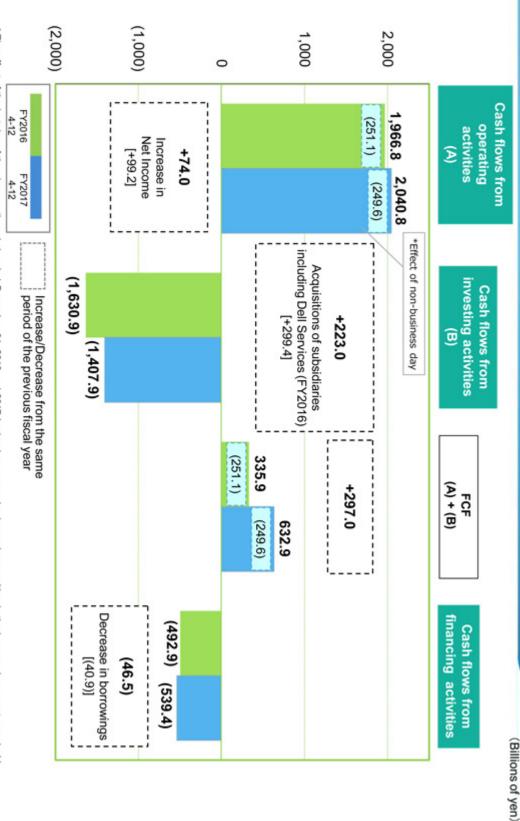
March 31, 2017

(375.2)

December 31, 2017

Details of Consolidated Cash Flows





^{*}The effect of the last day of the nine-month period ended December 31, 2016 and 2017 having been a non-business day, resulting in the increase in accounts receivable because of the due date of a portion of accounts receivable being, instead of the last day of the period, the first business day of the following month. Including the effect above, Cash flows from operating activities were 1,715.8 billion yen for the nine-month period ended December 31, 2016 and 1,791.2 billion yen for the nine-month period ended December 31, 2017, and the FCF amounts were 84.9 billion yen and 383.3 billion yen, respectively.

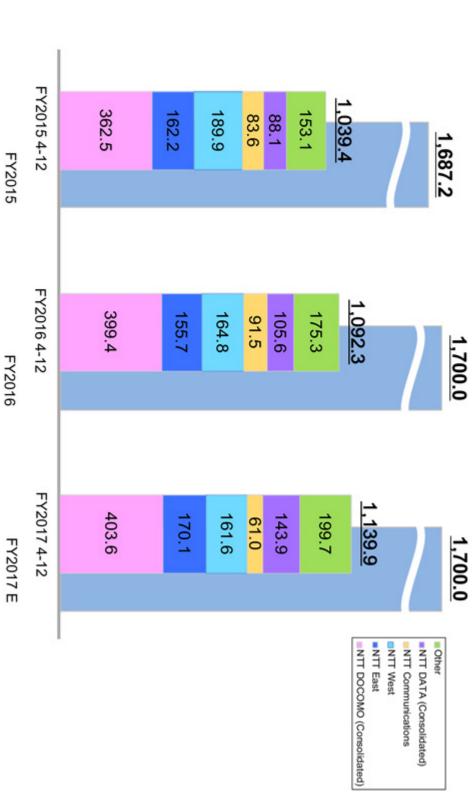
Details of Capital Investment



(Billions of yen)

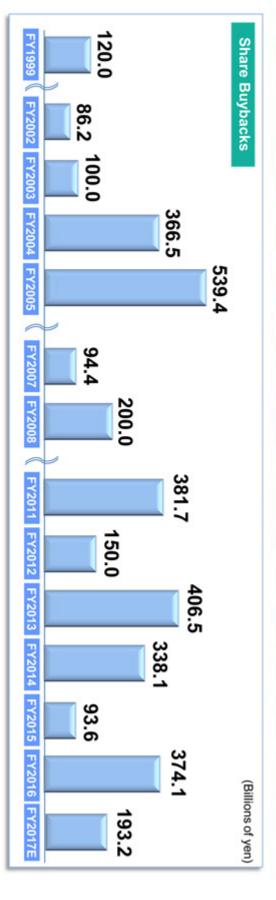
Capital Investment

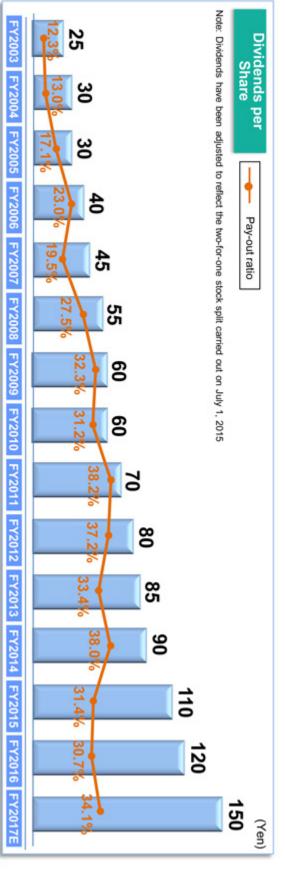




Shareholder Returns







FOR IMMEDIATE RELEASE

Financial Statements for the Nine Months Ended December 31, 2017

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the nine months ended December 31, 2017 are presented in the following attachments.

(Attachments)

- 1. Non-Consolidated Comparative Balance Sheets
- 2. Non-Consolidated Comparative Statements of Income
- 3. Business Results (Non-Consolidated Operating Revenues)
- 4. Revised Forecasts for the Fiscal Year Ending March 31, 2018

For inquiries, please contact:

Mr. Kenkichi Nakata or Mr. Ryou Yamamoto Accounting Section, Finance Division Nippon Telegraph and Telephone East Corporation Tel: +81-3-5359-3331

E-mail: kessan info-ml@east.ntt.co.jp

<u>1. Non-Consolidated Comparative Balance Sheets</u> (Based on accounting principles generally accepted in Japan)

			(Millions of yen)
	March 31, 2017	December 31, 2017	Increase (Decrease)
<u>ASSETS</u>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	339,631	334,501	(5,129)
Antenna facilities	3,604	3,503	(100)
Terminal equipment	22,947	21,033	(1,913)
Local line facilities	866,722	817,264	(49,457)
Long-distance line facilities	2,843	2,758	(84)
Engineering facilities	588,683	579,727	(8,956)
Submarine line facilities	732	621	(110)
Buildings	409,835	403,395	(6,439)
Construction in progress	19,988	18,536	(1,452)
Other	266,121	262,811	(3,309)
Total property, plant and equipment	2,521,110	2,444,156	(76,953)
Intangible fixed assets	84,120	82,537	(1,582)
Total fixed assets - telecommunications businesses	2,605,230	2,526,693	(78,536)
Investments and other assets			
Other investments and assets	199,112	215,999	16,887
Allowance for doubtful accounts	(773)	(760)	13
Total investments and other assets	198,338	215,239	16,900
Total fixed assets	2,803,569	2,741,933	(61,635)
Current assets:			
Cash and bank deposits	5,605	6,965	1,360
Notes receivable	_	39	39
Accounts receivable, trade	230,736	238,696	7,959
Supplies	26,005	23,017	(2,987)
Other current assets	435,502	294,391	(141,111)
Allowance for doubtful accounts	(327)	(305)	22
Total current assets	697,521	562,803	(134,718)
TOTAL ASSETS	3,501,091	3,304,737	(196,353)

			(Millions of yen)
	March 31, 2017	December 31, 2017	Increase (Decrease)
<u>LIABILITIES</u>			
Long-term liabilities:			
Long-term borrowings from parent company	225,220	225,220	_
Liability for employees' retirement benefits	247,366	257,571	10,204
Reserve for point services	4,145	4,435	290
Reserve for unused telephone cards	8,460	8,211	(248)
Allowance for environmental measures	3,637	3,637	_
Asset retirement obligations	902	904	1
Other long-term liabilities	36,166	43,263	7,097
Total long-term liabilities	525,898	543,244	17,345
Current liabilities:			
Current portion of long-term borrowings from parent company	140,615	50,400	(90,215)
Accounts payable, trade	89,029	40,565	(48,464)
Accrued taxes on income	14,186	6,455	(7,731)
Allowance for environmental measures	2,285	269	(2,016)
Asset retirement obligations	1	_	(1)
Other current liabilities	442,617	411,573	(31,044)
Total current liabilities	688,735	509,262	(179,472)
TOTAL LIABILITIES	1,214,633	1,052,507	(162,126)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	_
Capital surplus	1,499,726	1,499,726	_
Earned surplus	447,459	412,703	(34,755)
Total shareholders' equity	2,282,186	2,247,430	(34,755)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	4,271	4,799	528
Total unrealized gains (losses), translation adjustments, and others	4,271	4,799	528
TOTAL NET ASSETS	2,286,457	2,252,230	(34,227)
TOTAL LIABILITIES AND NET ASSETS	3,501,091	3,304,737	(196,353)

Note: *NTT East participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan. However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

2. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

	(Millions of yen)			
	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase (Decrease)	Year ended March 31, 2017
Telecommunications businesses:				
Operating revenues	1,149,281	1,133,897	(15,383)	1,534,745
Operating expenses	989,295	936,138	(53,156)	1,367,603
Operating income from telecommunications				
businesses	159,985	197,759	37,773	167,142
Supplementary businesses:				
Operating revenues	87,407	86,705	(701)	137,497
Operating expenses	73,617	72,228	(1,389)	115,534
Operating income from supplementary businesses	13,790	14,477	687	21,962
Operating income	173,775	212,236	38,460	189,104
Non-operating revenues:				
Interest income	20	10	(10)	26
Dividends received	3,222	6,954	3,731	3,226
Gains on sales of fixed assets	14,403	3,002	(11,401)	14,363
Miscellaneous income	1,816	1,941	124	2,647
Total non-operating revenues	19,464	11,908	(7,555)	20,263
Non-operating expenses:				
Interest expenses	3,547	2,682	(864)	4,669
Miscellaneous expenses	199	78	(121)	260
Total non-operating expenses	3,747	2,761	(986)	4,930
Recurring profit	189,492	221,384	31,891	204,438
Special losses	_	60,909	60,909	
Income before income taxes	189,492	160,474	(29,018)	204,438
Income taxes	52,947	45,571	(7,375)	54,774
Net income	136,545	114,902	(21,643)	149,663

Note: * NTT East participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan. However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

3. Business Results (Non-Consolidated Operating Revenues) (Based on accounting principles generally accepted in Japan)

					(Millions of yen)
	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2017
Voice transmission services revenues					
(excluding IP services revenues)	300,683	279,328	(21,355)	(7.1)	396,519
Monthly charge revenues*	226,876	211,616	(15,259)	(6.7)	299,992
Call rates revenues*	20,181	17,535	(2,646)	(13.1)	26,272
Interconnection call revenues*	34,911	32,561	(2,350)	(6.7)	45,606
IP services revenues	637,542	641,058	3,515	0.6	850,388
Leased circuit services revenues					
(excluding IP services revenues)	70,680	69,547	(1,132)	(1.6)	93,307
Telegram services revenues	8,411	7,892	(518)	(6.2)	11,422
Other telecommunications services					
revenues	131,962	136,069	4,107	3.1	183,107
Telecommunications total revenues	1,149,281	1,133,897	(15,383)	(1.3)	1,534,745
Supplementary business total revenues	87,407	86,705	(701)	(0.8)	137,497
Total operating revenues	1,236,688	1,220,603	(16,085)	(1.3)	1,672,243

^{*} Partial listing only

4. Revised Forecasts for the Fiscal Year Ending March 31, 2018

Based on its recent business performance, NTT East has revised its financial results forecasts that were announced in the financial results release filed on November 10, 2017 for the fiscal year ending March 31, 2018, as follows.

			(Billions of yen)
	Year Ending March 31, 2018 (Forecasts Previously Announced on November 10,	Year Ending March 31, 2018	
	2017)	(Revised Forecasts)	Change
Operating Revenues	1,640.0	1,640.0	
Operating Income	190.0	251.0	61.0
Recurring Profit	195.0	256.0	61.0
Special Profits (Losses)	_	(61.0)	(61.0)
Net Income	135.0	135.0	_

Note: The financial results forecasts and projected figures concerning the future performance of NTT East contained herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT East and its parent NTT in light of information currently available to them regarding NTT, NTT East 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, NTT East and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

FOR IMMEDIATE RELEASE

Financial Results for the Nine Months Ended December 31, 2017

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the nine months ended December 31, 2017 are presented in the following attachments.

(Attachments)

- 1. Non-Consolidated Comparative Balance Sheets
- 2. Non-Consolidated Comparative Statements of Income
- 3. Business Results (Non-Consolidated Operating Revenues)
- 4. Revised Forecasts for the Fiscal Year Ending March 31, 2018

For inquiries, please contact:

Junichiro Maekawa or Kenichi Matsuno Accounting Section, Finance Division Nippon Telegraph and Telephone West Corporation

Tel: +81-6-4793-3141

E-mail: kessan-info@west.ntt.co.jp

<u>1. Non-Consolidated Comparative Balance Sheets</u> (Based on accounting principles generally accepted in Japan)

			(Millions of yen)
	March 31, 2017	December 31, 2017	Increase (Decrease)
ASSETS	11410101,2017	2000000101,2017	(Decreuse)
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	297,757	291,301	(6,455)
Antenna facilities	5,895	5,897	1
Terminal equipment	11,318	11,388	69
Local line facilities	1,051,300	1,016,371	(34,929)
Long-distance line facilities	1,693	1,741	47
Engineering facilities	517,724	505,218	(12,506)
Submarine line facilities	3,131	3,473	341
Buildings	312,924	312,175	(748)
Construction in progress	31,294	18,411	(12,882)
Other	219,918	218,987	(931)
Total property, plant and equipment	2,452,960	2,384,966	(67,993)
Intangible fixed assets	64,444	60,605	(3,839)
Total fixed assets - telecommunications businesses	2,517,404	2,445,572	(71,832)
Investments and other assets			
Other investments and assets	187,606	205,330	17,723
Allowance for doubtful accounts	(681)	(606)	75
Total investments and other assets	186,924	204,723	17,799
Total fixed assets	2,704,329	2,650,296	(54,033)
Current assets:			
Cash and bank deposits	18,251	5,338	(12,913)
Notes receivable	_	1	1
Accounts receivable, trade	199,820	197,935	(1,885)
Supplies	29,950	27,045	(2,904)
Other current assets	151,715	110,512	(41,203)
Allowance for doubtful accounts	(339)	(273)	66
Total current assets	399,398	340,559	(58,839)
TOTAL ASSETS	3,103,728	2,990,856	(112,872)

			(Millions of yen)
	March 31, 2017	December 31, 2017	Increase (Decrease)
LIABILITIES			(= ::::::::)
Long-term liabilities:			
Long-term borrowings from parent company	591,000	601,000	10,000
Liability for employees' retirement benefits	242,251	250,951	8,699
Reserve for point services	3,792	3,006	(786)
Reserve for unused telephone cards	8,000	7,765	(234)
Allowance for environmental measures	9,074	8,424	(650)
Asset retirement obligations	228	89	(139)
Other long-term liabilities	4,749	99,290	94,540
Total long-term liabilities	859,097	970,526	111,429
Current liabilities:			
Current portion of long-term borrowings from parent company	110,707	40,400	(70,307)
Accounts payable, trade	71,635	34,223	(37,411)
Short-term borrowings	105,259	126,884	21,624
Accrued taxes on income	8,731	* 4,450	(4,281)
Allowance for loss on disaster	4,096	3,845	(251)
Allowance for environmental measures	2,361	1,039	(1,321)
Asset retirement obligations	133	287	154
Other current liabilities	362,351	210,352	(151,998)
Total current liabilities	665,277	421,483	(243,794)
TOTAL LIABILITIES	1,524,374	1,392,010	(132,364)
NET ASSETS		<u>, , , , , , , , , , , , , , , , , , , </u>	, , ,
Shareholders' equity:			
Common stock	312,000	312,000	_
Capital surplus	1,170,054	1,170,054	
Earned surplus	96,911	116,238	19,327
Total shareholders' equity	1,578,965	1,598,292	19,327
Unrealized gains (losses), translation adjustments, and others:	1,0 / 0,5 00	1,000,202	15,627
Net unrealized gains (losses) on securities	388	553	164
Total unrealized gains (losses), translation adjustments, and others	388	553	164
TOTAL NET ASSETS	1,579,353	1,598,845	19,492
TOTAL LIABILITIES AND NET ASSETS			
TOTAL LIADILITIES AND NET ASSETS	3,103,728	2,990,856	(112,872)

Note: *NTT West participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan. However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

2. Non-Consolidated Comparative Statements of Income (Based on accounting principles generally accepted in Japan)

	(Millions of yo				
	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase (Decrease)	Year ended March 31, 2017	
Telecommunications businesses:	December 31, 2010	December 31, 2017	(Decrease)	March 31, 2017	
Operating revenues	993,893	958,461	(35,431)	1,325,585	
Operating expenses	904,627	832,434	(72,193)	1,242,485	
Operating income from telecommunications	,	,	(, ,	, ,	
businesses	89,265	126,027	36,761	83,099	
Supplementary businesses:					
Operating revenues	99,331	99,761	429	153,430	
Operating expenses	91,339	89,147	(2,191)	141,343	
Operating income from supplementary businesses	7,992	10,613	2,621	12,086	
Operating income	97,257	136,640	39,383	95,186	
Non-operating revenues:					
Interest income	9	9	(0)	12	
Dividends received	613	839	225	615	
Miscellaneous income	1,628	1,322	(306)	2,330	
Total non-operating revenues	2,252	2,171	(80)	2,957	
Non-operating expenses:					
Interest expenses	5,477	4,499	(978)	7,114	
Miscellaneous expenses	132	333	201	2,875	
Total non-operating expenses	5,609	4,832	(776)	9,989	
Recurring profit	93,900	133,979	40,079	88,154	
Special losses	6,055	63,890	57,835	6,915	
Income before income taxes	87,844	70,088	(17,755)	81,239	
Income taxes	* 24,201	* 19,561	(4,640)	21,469	
Net income	63,643	50,527	(13,115)	59,770	

* NTT West participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan. However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

3. Business Results (Non-Consolidated Operating Revenues) (Based on accounting principles generally accepted in Japan)

					(Millions of yen)
	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2017
Voice transmission services revenues					
(excluding IP services revenues)	300,613	277,515	(23,097)	(7.7)	396,272
Monthly charge revenues*	225,645	209,958	(15,686)	(7.0)	298,340
Call rates revenues*	18,877	16,434	(2,442)	(12.9)	24,590
Interconnection call revenues*	38,044	34,681	(3,362)	(8.8)	49,676
IP services revenues	523,275	517,220	(6,055)	(1.2)	697,252
Leased circuit services revenues					
(excluding IP services revenues)	65,194	65,363	169	0.3	86,362
Telegram services revenues	9,362	8,569	(792)	(8.5)	12,625
Other telecommunications services					
revenues	95,447	89,791	(5,655)	(5.9)	133,071
Telecommunications total revenues	993,893	958,461	(35,431)	(3.6)	1,325,585
Supplementary business total revenues	99,331	99,761	429	0.4	153,430
Total operating revenues	1,093,224	1,058,223	(35,001)	(3.2)	1,479,015

^{*} Partial listing only

4. Revised Forecasts for the Fiscal Year Ending March 31, 2018

Based on its recent business performance, NTT West has revised its financial results forecasts that were announced in the financial results release filed on November 10, 2017 for the fiscal year ending March 31, 2018, as follows.

			(Billions of yen)
	Year Ending March 31, 2018 (Forecasts Previously Announced on November 10,	Year Ending March 31, 2018	
	2017)	(Revised Forecasts)	Change
Operating Revenues	1,436	1,436	
Operating Income	100	164	64
Recurring Profit	95	159	64
Special Profits (Losses)		(64)	(64)
Net Income	70	70	_

Note: The financial results forecasts and projected figures concerning the future performance of NTT West contained herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT West and its parent NTT in light of information currently available to them regarding NTT, NTT West 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, NTT West and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Nine Months Ended December 31, 2017

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the nine months ended December 31, 2017. Please see the following attachments for further details:

- I. Financial Results of NTT Communications Group
- II. Non-Consolidated Comparative Balance Sheets
- III. Non-Consolidated Comparative Statements of Income
- IV. Business Results (Non-Consolidated Operating Revenues)
- V. Revised Forecasts for the Fiscal Year Ending March 31, 2018

#

About NTT Communications Corporation

NTT Communications provides consultancy, architecture, security and cloud services to optimize the information and communications technology (ICT) environments of enterprises. These offerings are backed by the company's worldwide infrastructure, including a leading global tier-1 IP network, the Arcstar Universal OneTM VPN network, reaching over 190 countries/regions, and over 140 secure data centers worldwide. NTT Communications' solutions leverage the global resources of NTT Group companies, including Dimension Data, NTT DOCOMO and NTT DATA.

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For more information (Mr.) Akira Ito or (Mr.) Shinichi Shimizu Accounting and Taxation, Finance, NTT Communications Tel: +81 3 6700 4311

Email: info-af@ntt.com

I. Financial Results of NTT Communications Group

				(Millions of yen)
				Percent
	Nine months ended	Nine months ended	Increase	Increase
	Dec 31, 2016	Dec 31, 2017	(Decrease)	(Decrease)
Operating revenues	937,331	968,629	31,298	3.3
Operating expenses	831,468	882,366	50,898	6.1
Operating income	105,863	86,263	(19,600)	(18.5)

II. Non-Consolidated Comparative Balance Sheets (Based on accounting principles generally accepted in Japan)

			(Millions of yen)
	March 31, 2017	December 31, 2017	Increase (Decrease)
<u>SSETS</u>		<u> </u>	<u> </u>
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	151,531	129,614	(21,916)
Antenna facilities	1,674	1,348	(325)
Terminal equipment	1,963	2,132	169
Local line facilities	1,103	1,085	(18)
Long-distance line facilities	5,122	5,112	(9)
Engineering facilities	49,878	48,664	(1,214)
Submarine line facilities	16,701	15,360	(1,341)
Buildings	205,475	201,256	(4,218)
Construction in progress	13,323	16,013	2,690
Other	105,983	119,357	13,374
Total property, plant and equipment	552,757	539,945	(12,812)
Intangible fixed assets	98,820	100,955	2,134
Total fixed assets - telecommunications businesses	651,578	640,900	(10,677)
Investments and other assets			, ,
Investment securities	108,152	115,989	7,837
Investments in subsidiaries and affiliated companies	387,905	417,772	29,866
Other investments and assets	65,778	66,713	935
Allowance for doubtful accounts	(160)	(133)	26
Total investments and other assets	561,675	600,342	38,666
Total fixed assets	1,213,254	1,241,242	27,988
Current assets:			
Cash and bank deposits	3,406	6,081	2,674
Notes receivable	8	0	(8)
Accounts receivable, trade	178,248	190,520	12,272
Supplies	9,643	9,018	(625)
Other current assets	90,655	55,439	(35,215)
Allowance for doubtful accounts	(1,367)	(1,410)	(43)
Total current assets	280,595	259,649	(20,946)
TOTAL ASSETS	1,493,849	1,500,892	7,042

			(Millions of yen)
	March 31, 2017	December 31, 2017	Increase (Decrease)
<u>LIABILITIES</u>			_
Long-term liabilities:			
Long-term borrowings from parent company and subsidiary	222,333	247,986	25,652
Liability for employees' retirement benefits	89,994	94,170	4,176
Reserve for point services	407	437	29
Reserve for unused telephone cards	3,540	3,436	(103)
Asset retirement obligations	4,126	4,547	421
Other long-term liabilities	19,416	22,362	2,946
Total long-term liabilities	339,818	372,940	33,122
Current liabilities:			
Accounts payable, trade	29,548	20,209	(9,339)
Short-term borrowings	_	13,445	13,445
Accrued taxes on income	3,749	*4,856	1,106
Allowance for losses on construction	627	587	(39)
Asset retirement obligations	56	13	(42)
Other current liabilities	169,379	150,203	(19,175)
Total current liabilities	203,360	189,316	(14,044)
TOTAL LIABILITIES	543,179	562,256	19,077
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	_
Capital surplus	131,615	131,615	_
Earned surplus	563,997	554,432	(9,564)
Total shareholders' equity	907,376	897,811	(9,564)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	43,080	40,786	(2,293)
Deferred gains or losses on hedges	213	36	(176)
Total unrealized gains (losses), translation adjustments, and others	43,293	40,823	(2,470)
TOTAL NET ASSETS	950,670	938,635	(12,034)
TOTAL LIABILITIES AND NET ASSETS	1,493,849	1,500,892	7,042

Note: *NTT Com participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan. However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

III. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

				(Millions of yen)
	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase (Decrease)	Year ended March 31, 2017
Telecommunications businesses:				
Operating revenues	522,293	523,642	1,348	697,333
Operating expenses	462,077	450,641	(11,436)	620,370
Operating income from telecommunications				
businesses	60,216	73,000	12,784	76,963
Supplementary businesses:				
Operating revenues	151,884	170,122	18,237	226,522
Operating expenses	139,001	159,698	20,696	210,936
Operating income from supplementary businesses	12,883	10,424	(2,459)	15,585
Operating income	73,099	83,424	10,324	92,549
Non-operating revenues:				
Interest income	52	25	(27)	62
Dividends received	8,160	7,148	(1,012)	8,258
Lease and rental income	8,456	8,032	(423)	11,204
Miscellaneous income	491	1,657	1,165	1,222
Total non-operating revenues	17,162	16,863	(298)	20,748
Non-operating expenses:				
Interest expenses	814	566	(247)	1,050
Lease and rental expenses	4,111	2,902	(1,208)	5,712
Miscellaneous expenses	401	110	(290)	1,072
Total non-operating expenses	5,326	3,580	(1,745)	7,836
Recurring profit	84,935	96,708	11,772	105,461
Special profits	_	2,433	2,433	_
Income before income taxes	84,935	99,141	14,205	105,461
Income taxes	* 23,555	* 29,144	5,588	20,458
Net income	61,380	69,996	8,616	85,003

Note: *NTT Com participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan. However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

IV. Business Results (Non-Consolidated Operating Revenues) (Based on accounting principles generally accepted in Japan)

					(Millions of yen)
				Percent	_
	Nine months ended	Nine months ended	Increase	Increase	Year ended
	December 31, 2016	December 31, 2017	(Decrease)	(Decrease)	March 31, 2017
Cloud Computing Platforms	52,435	60,242	7,806	14.9	72,034
Data Networks	286,327	294,738	8,411	2.9	384,804
Voice Communications	190,144	183,054	(7,089)	(3.7)	250,794
Applications & Content	28,037	26,891	(1,146)	(4.1)	37,732
Solution Services	105,907	114,922	9,015	8.5	163,496
Others	11,326	13,914	2,588	22.8	14,993
Total operating revenues	674,178	693,764	19,585	2.9	923,855

V. Revised Forecasts for the Fiscal Year Ending March 31, 2018

Based on the financial results for the nine months ended December 31, 2017, NTT Com revised its forecasts for the fiscal year ending March 31, 2018 which was previously announced on May 15, 2017.

			[Billions of yen]
	Year Ending March 31, 2018 [Forecasts]	Year Ending March 31, 2018 [Revised Forecasts]	Change
Operating Revenues	1,330 [940]	1,330 [940]	
Operating Income	135 [93]	135 [110]	— [+17]
Recurring Profit		[120]	— [+17]
Net Income		[85]	— [+12]

- * The figures in the upper rows are for NTT Communications Group. The figures in square brackets are for NTT Communications only.
- * Forward-looking statements and projected figures concerning the future performance of NTT Com, NTT and their respective 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 Com in light of information currently available to it regarding NTT Com, 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 Com, NTT and their respective 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 Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

Supplementary Data for the Nine Months Ended December 31, 2017

Contents

1.	Financial Results Summary (Consolidated)	pages 1-2
2.	Financial Results (Business Segments)	page 3
3.	Financial Results (Holding Company and Subsidiaries)	pages 4-6
4.	Operating Data	pages 7-9

Disclaimers

The projected figures concerning the future performance of NTT and its subsidiaries and affiliates contained herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT in light of information currently available to it regarding NTT and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.

- * "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.

NTT Consolidated Financial Results 1. Financial Results Summary (NTT Consolidated Financial Results, EBITDA and EBITDA Margin and Interest-Bearing Liabilities)

1001	Total	Property, Plant and Equipment	Cost of Services and Equipment Sold, and Selling, General and Administrative Expenses	Personnel	(Ref.) Details of "Cost of Services," "Cost of Equipment Sold," "Cost of System Integration"	Net Income Attributable to NTT	Income Before Income Taxes	Operating Income	Expenses	Other Selling, General and	Metal cables	Goodwill	Impairment Losses	Depreciation and Amortization	Cost of System Integration (excluding items shown separately below)	Cost of Equipment Sold (excluding items shown separately below)	Cost of Services (excluding items shown separately below)	Operating Expenses	Other	System Integration	Sales of Telecommunications Equipment	IP/Packet Communications Services	Mobile Voice Related Services	Fixed Voice Related Services	Operating Revenues		
1,007.0	1 869 8	<u>a</u>	and ld, eneral ative 1,227.9	557.7	t of Services," "Co	ole to 243.6	e 446.1	487.4		0.4 and	1	1	es 0.4	359.2	ns ely 501.7	nt lg bw) 175.3	ns ely 547.3	2,229.3		on 688.3			lated 213.0	ated 311.8	2,716.7	Three Months Ended June 30	
1,000.0	1 006 0	36.3	1,335.4	569.7	st of Equipment So	232.5	450.8	439.1	675.1	9.8	1	4.5	14.3	357.3	484.5	231.2	606.1	2,368.5	385.0	708.8	236.4	953.3	216.6	307.5	2,807.6	Three Months Ended September 30	
4,040.7	2 026 4	39.8	1,384.4	547.5	old," "Cost of Sys	192.6	410.3	392.1	669.7	2.5	1	48.8	51.3	366.4	510.3	248.3	598.0	2,444.1	419.9	726.7	227.0	941.0	221.8	299.8	2,836.2	Three Months Ended December 31	FY 2016
0,000.1	5 803 1	100.2	3,947.8	1,674.9	stem Integration"	668.7	1,307.2	1,318.6	1,990.3	12.7	1	53.3	66.0	1,082.9	1,496.6	654.8	1,751.4	7,041.9	1,173.7	2,123.7	650.1	2,842.4	651.4	919.2	8,360.5	Nine Months Ended December 31	16
4,744.1	2 422 1	96.8	1,664.2	601.9	and "Selling,	131.4	220.6	221.2	796.5	7.9	ı	1	7.9	379.3	664.4	225.0	736.2	2,809.3	461.0	917.9	156.4	966.6	213.9	314.7	3,030.5	Three Months Ended March 31	
0,010.1	229.4	197.0	5,612.0	2,276.8	and "Selling, General and Administrative Expenses"	800.1	1,527.8	1,539.8	2,786.8	20.6	1	53.3	73.9	1,462.2	2,161.0	879.7	2,487.6	9,851.2	1,634.8	3,041.6	806.5	3,809.0	865.3	1,233.9	11,391.0	Year Ended March 31	
1,700.7	1 085 0	27.3	1,308.2	593.1	Administrativ	271.5	496.2	491.6	685.4	1	I	1	I	332.3	561.1	184.5	554.9	2,318.2	385.8	782.5	173.4	949.2	228.7	290.2	2,809.8	Three Months Ended June 30	
4,010.4	2 043 2	35.4	1,358.2	594.7	e Expenses"	256.0	485.8	483.6	702.2	0.6	1	1	0.6	327.7	580.0	195.4	565.6	2,371.4	383.1	817.3	175.1	959.7	238.9	280.8	2,855.0	Three Months Ended September 30	
4,400.	7.22.4	34.8	1,530.7	612.8		209.1	459.3	344.4	723.8	0.2	124.8	18.9	143.9	335.6	633.7	295.5	580.4	2,712.9	405.0	880.0	293.5	952.1	238.7	287.8	3,057.2	Three Months Ended December 31	FY 2017
0,202.5	62635	97.4	4,197.1	1,800.5		736.6	1,441.3	1,319.6	2,111.4	0.7	124.8	18.9	144.4	995.6	1,774.8	675.4	1,700.9	7,402.5	1,173.9	2,479.9	642.0	2,861.0	706.4	858.9	8,722.0	Nine Months Ended December 31	017
			I				I		I	I	I	1	I		I	I	I		ı	1	I	l			I	Three Months Ended March 31	
			ı				I		I	1					I	I	I		1		I	I			ı	Year Ended March 31	0
			I	-		880.0	1,695.0	1,590.0	I	1	ı		I	1,359.0	I	I	I	10,160.0	ı	1	l	I		1	11,750.0	Year Ending March 31 (Forecast) ⁽²⁾	(Billions of yen) FY 2017 (E)

3,900.0			4,127.7	4,172.2	4,419.3			4,088.2	4,497.1	4,091.8	4,353.6	Interest-Bearing Liabilities
As of March 31 (Forecast)		As of March 31	As of December 31	As of September 30	As of June 30			As of March 31	As of December 31	As of September 30	As of June 30	
FY 2017 (E)			Y 2017	FY					FY 2016	FY		
												Interest-Bearing Liabilities
- 11,750.0	I	8,722.0	3,057.2		2,809.8		3,030.5	8,360.5		2,807.6	2,716.7	f Operating Revenues
	1	2,504.4			837.4						860.0	e EBITDA [a+b+c+d]
	1	28.7%			6 29.8%						31.7%	EBITDA Margin [(e/f)*100](1)
1	I	144.4		0.6					51.3		0.4	d Impairment Losses
— 241.0	I	44.9		15.9	13.5	107.4					13.0	Disposal of Property, Plant and Equipment
												c Loss on Sales and
- 1,359.0	l	995.6	335.6	327.7	332.3	1,462.2	379.3	1,082.9	366.4	357.3	359.2	Amortization
- 1,390.0	ı	1,319.6	344.4	483.6	491.6	1,539.8	221.2	1,318.6	392.1	439.1	48 / .4	a Operating Income
- 3,190.0	I	2,504.4	839.3	827.7	837.4	3,183.3	662.9	2,520.5	829.8	830.7	860.0	EBITDA $[a+b+c+d]$ (1)
												EBITDA and EBITDA Margin with Reconciliation

Notes: Ξ and Impairment Losses. EBITDA and EBITDA Margin, as calculated using the previous method including only Operating Income and Depreciation and Amortization, and Loss on Disposal of Property, Plant and Equipment, would have been 695.3 billion yen and 22.7%, respectively, for the three months ended December 31, 2017 and 2,359.3 billion yen and 27.0%, respectively, for the nine months ended December 31, 2017. EBITDA and EBITDA Margin figures presented in the table above have been retroactively recalculated using the new calculation method.

Forecasts for the year ending March 31, 2018 have not been changed from those announced in the financial results for the six months ended September 30, 2017. Beginning with the three months ended March 31, 2017, the method for calculating EBITDA has been revised to add Loss on Sales of Property, Plant and Equipment

(2)

1. Financial Results Summary (Capital Investment)

Capital Investment

Communications	Voice	Data Networks	Cloud Computing Platforms	NTT Communications	Joint Facilities	R&D Facilities	Telegraph	Leased Circuit	Transmission	Transmission	Voice	Improvement	and	NII West	Joint Facilities	R&D Facilities	Telegraph	Leased Circuit	Data Transmission	Transmission	Voice	Improvement	Service Expansion	NTT East(2)	Ioint Facilities	R&D Eacilities	N I I (Holding Company)	(Ref.) Core Group Companies	Other business	Data communications business	business	Mobile communications	Long distance and international communications business	Regional communications business	Capital Investment(1)				
				25.1	ı	I	1	I	l	1				46.2	5	I	I	1		I				42.1		!	1.0	mpanies	17.6	28.5	97.1		44.8	96.3	284.4	Months Ended June 30	Thurs		
		l		32.2	I	1	1	1		1				36.8	3		I	1		I				52.4	I	!;	2.6		18.1	39.1	148.9		56.6	118.7	381.5	Months Ended September 30	Thurs		
		I	I	34.1	I	1	ı	1		1				61./	;	1	I	1		I				61.0	l	:	3.8		37.6	37.9	153.3		67.0	130.6	426.5	Months Ended December 31	Thus:	EV 20	
I			I	91.5	I	1	ı	1	I	1				164.8	.	1	I	1	I	I				155.7	I		7.6		73.3	105.6	399.4		168.3	345.6	1,092.3	Months Ended December 31		16	
			l	43.6	ı		1		l	1				109.3	3		I			I				118.0		;	<u></u>		43.3	52.5	197.7		76.5	237.7	607.8	Months Ended March 31	Thurs		
10.2	i c	26.3	39.6	135.1	16.0	1.9	0.3	74.9	22.9	157.7		256.0		2/4.1	21.3	2.7	0.9	88.2	17.8	142.6		249.6		273.8	2.8	120	15.7		116.6	158.1	597.1		244.9	583.4	1,700.0	Year Ended March 31			
			I	18.1	ı		1			1				42.1	5		I		1	1		I		58.5	1	١	1.9		32.1	44.4	120.9		52.1	106.4	356.0	Months Ended June 30	Thurs		
		l		22.3	I	1	ı	1		1				60.9	3	1	I	1		I				56.8	I		2.1		17.9	53.5	146.7		57.9	126.2	402.3	Months Ended September 30	Thus		
I		l	I	20.5	I	1	ı	1		1				58.5	3	1	I	1	I	I				54.7	I	!:	2.8		32.9	41.3	135.9		47.8	123.6	381.6	Months Ended December 31	F 1 201/	EV 30	
I		l	I	61.0	I	1	I	1	1	1				161.6	<u>;</u>	1	I	1	I	I				170.1	I	"	6.9		82.9	139.3	403.6		157.8	356.3	1,139.9	Months Ended December 31		17	
			I		ı		1			1				1	ı		I	1		1		l		1	1				ı	I	I			I		Months Ended March 31	Thurs		
			I		ı	1	1	1		1				1	ı	1	I	1		1		I		1	1				ı	1	1		1	I	1	Year Ended March 31			(В
8.2		22.1	23.0	111.0	19.0	2.0	1.0	77.0	17.0	144.0		239.0		260.0	17.0	2.0	1.0	83.0	14.0	133.0		231.0		250.0	3.0	15.0	18.0		134.0	192.0	570.0		249.0	555.0	1,700.0	Ending March 31 (Forecast)(3)	201 / (E)	7017 (F)	(Billions of yen)

NTT West	NTT East	(Ref.) Optical Access Network Investment	(Consolidated)	NTT DATA	(Consolidated)	NTT DOCOMO	etc.	Joint Facilities,	Infrastructure and	Solution Services	Content	Applications &
	I	Network Investmen	28.5		97.1		1					
	I		39.1		148.9							
I	I		37.9		153.3		1			l	1	
I	1		105.6		399.4							
l	I		52.5		197.7							
71.0	85.0		158.1		597.1		50.5			6.3	1.9	
I	I		49.0		120.9					I	1	
1	I		53.5		146.7		1			I	1	
l	I		41.3		135.9					1	1	
I	I		143.9		403.6		1			1		
										I		
73.0	80.0		192.0		570.0		48.0			5.3	4.1	

Notes: Ξ Capital Investment figures for domestic access network businesses for the nine months ended December 31, 2016, the nine months ended December 31, 2017 and the year ending March 31, 2018 (Forecast) are 800.8 billion yen, 795.8 billion yen and 1,193.0 billion yen, respectively. Figures for NTT East and NTT West include figures for Optical Access Network Investment.

Forecasts for the year ending March 31, 2018 have not been changed from those announced in the financial results for the six months ended September 30, 2017.

 $\Im \Im$

2. Financial Results (Business Segments)

Notes: (2)

Figures for each segment include inter-segment transactions.

Forecasts for the year ending March 31, 2018 have not been changed from those announced in the financial results for the six months ended September 30, 2017.

3. Financial Results (Holding Company and Subsidiaries)

Net Income NTT West (JPN GAAP)	Recurring Profit	Non-Operating Expenses	Non-Operating Revenues	Operating Income	Taxes and Public Dues	Loss on Disposal of Property, Plant and Equipment	Amortization	and Equipment Sold, and Selling, General and Administrative Expenses	Cost of Services	Expenses	Business	Other	Leased Circuit (excluding IP)	Services (excluding IP)(1) IP Services	Operating Revenues Voice Transmission	NTT East (JPN	Recurring Profit	Non-Operating Expenses	Non-Operating Revenues	Operating Income	Operating Expenses	Operating Revenues	NTT (Holding Company) (JPN GAAP)		
	80.2	1.2	17.3	64.1		al 6.1	72.2	ve 224.3	25.0	346.0	25.0	46.1		101.4 213.3	410.1	107.0	237.9 237.5	7.7	6.0	63	29.4	269.1		Three Months Ended June 30	
42.1	58.9	1.2	0.5	59.6	18.1	8.4	72.5	230.9	23.0	353.6	31.9	46.0	23.6	99.9 211.7	413.3	(10.1)	(197)	6.8	6.2	2.0	30.7	32.7		Three Months Ended September 30	
36.5	50.2	1.2	1.5	49.9	17.9	9.7	76.0	236.1	23.2	363.1	30.3	48.1	23.0	99.2 212.4	413.1	i	106.5 79.2	6.7	5.7	107.5	31.1	138.6		Three Months Ended December 31	FY 2016
136.5	189.4	3.7	19.4	173.7	55.6	24.3	220.8	691.4	/0.5	1,062.9	87.4	140.3	70.6	300.6 637.5	1,236.6		345.9 297.0	21.3	18.1	349.2	91.3	440.6		Nine Months Ended December 31	
13.1	14.9	1.1	0.7	15.3	19.6	31.5	74.2	270.7	24.0	420.2	50.0	54.1	22.6	95.8 212.8	435.5	(0.0)	(11.0)	7.6	6.0	(9.5)	43.3	33.7		Three Months Ended March 31	
149.6	204.4	4.9	20.2	189.1	75.3	55.9	295.0	962.1	94.0	1,483.1	137.4	194.5	93.3	396.5 850.3	1,672.2	F00.1	334.9 288 1	28.9	24.1	339.6	134.6	474.3		Year Ended March 31	
60.0	82.8	0.9	8.1	75.6	19.1	7.6	58.7	222.9	21.4	329.9	26.8	47.6	23.2	94.2 213.4	405.5	100:0	405.6 405.3	6.1	5.1	406.6	30.0	436.7		Three Months Ended June 30	
46.3	66.0	0.9	0.8	66.1	18.0	10.4	59.1	232.6	20.8	341.0	30.6	46.8	23.1	92.7 213.7	407.1	(0.0)	(0.6)	6.3	6.2	1.5	29.4	30.9		Three Months Ended September 30	
8.5	72.4	0.9	2.9	70.4	17.6	8.1	59.5	231.3	20.0	337.4	29.1	49.4	23.0	92.2 213.8	407.8	1.00.0	130.0	6.7	5.1	131.5	30.8	162.3		Three Months Ended December 31	FY 2017
114.9	221.3	2.7	11.9	212.2	54.8	26.1	177.3	686.9	03.0	1,008.3	86.7	143.9	69.5	279.3 641.0	1,220.6	, , , , , , , , , , , , , , , , , , ,	537.1 535.1	19.2	16.5	539.8	90.2	630.1		Nine Months Ended December 31	
		I	1	ı		I	1	I	I	ı	1	ı	I	1 1	ı			I	1		l	1		Three Months Ended March 31	
I		I		1		I	ı	I	I	ı	1	ı	I	1 1	ı			l	1					Year Ended March 31	
135.0	256.0	4.0	9.0	251.0	74.0	49.0	234.0	947.0	03.0	1,389.0	134.0	193.0	93.0	370.0 850.0	1,640.0	11.0	529.0 727.0	25.0	22.0	532.0	130.0	662.0		Year Ending March 31 (Revised Forecast) ⁽²⁾	FY 2017 (E)
135.0	195.0	4.0	9.0	190.0	74.0	110.0	234.0	947.0	05.0	1,450.0	134.0	193.0	93.0	370.0 850.0	1,640.0	0000	529.0 530.0	25.0	22.0	532.0	130.0	662.0		Year Ending March 31 (Forecast when previous 2Q results were announced)	(Billions of yen) [Ref.] FY 2017 (E)

	Net Income	Recurring Profit	Non-Operating Expenses	Non-Operating Revenues	Operating Income	Taxes and Public Dues	Loss on Disposal of Property, Plant and Equipment	Depreciation and Amortization	Expenses	Equipment Sold, and Selling, General and Administrative	Cost of Services and	Personnel	Operating Expenses	Supplementary Business	Other	Leased Circuit (excluding IP)	IP Services	I ransmission Services (excluding IP)	Voice	Operating Revenues
	23.3	37.8	2.0	1.2	38.7	17.5	8.6	70.4	206.3			20.3	323.3	29.0	33.8	22.0	175.5	101.6		362.0
	22.2	31.1	1.7	0.4	32.5	16.3	9.4	70.8	219.1			20.0	335.9	38.0	35.0	21.7	173.6	99.9		368.4
	18.0	24.8	1.7	0.5	26.0	16.2	10.9	74.1	215.4			19.9	336.6	32.2	35.9	21.3	174.0	99.0		362.7
	63.6	93.9	5.6	2.2	97.2	50.0	29.1	215.4	640.9			60.3	995.9	99.3	104.8	65.1	523.2	300.6		1,093.2
,	(3.8)	(5.7)	4.3	0.7	(2.0)	16.8	24.1	72.1	254.4			20.2	387.8	54.0	40.8	21.1	173.9	95.6		385.7
	59.7	88.1	9.9	2.9	95.1	66.9	53.2	287.6	895.4			80.5	1,383.8	153.4	145.6	86.3	697.2	396.2		1,479.0
	35.0	49.3	1.5	1.3	49.5	17.4	6.6	52.2	206.0			18.9	301.4	29.1	32.5	22.0	173.5	93.7		351.0
	29.8	42.1	1.7	0.4	43.5	16.1	8. 4.	52.7	215.4			17.6	310.6	36.4	31.8	21.7	171.8	92.2		354.1
	(14.3)	42.4	1.5	0.3	43.5	15.8	9.2	53.8	212.6			17.8	309.5	34.1	34.0	21.6	171.8	91.4		353.0
	50.5	133.9	4.8	2.1	136.6	49.4	24.4	158.9	634.2			54.4	921.5	99.7	98.3	65.3	517.2	277.5		1,058.2
	I	I		I	I	l	l	I	I			1		J		l	I	I		
	I	I		I	1	l	l	I	I			1		J		l	I	I		
	70.0	159.0	9.0	4.0	164.0	67.0	55.0	213.0	863.0			74.0	1,272.0	152.0	138.0	87.0	689.0	370.0		1,436.0
	70.0	95.0	9.0	4.0	100.0	67.0	119.0	213.0	863.0			74.0	1,336.0	152.0	138.0	87.0	689.0	370.0		1,436.0

 Ξ 2 Operating Revenues from Voice Transmission Services (excluding IP) of NTT East and NTT West for the nine months ended December 31, 2017 include monthly charges, call charges and interconnection charges of 211.6 billion yen, 17.5 billion yen and 32.5 billion yen for NTT East, and 209.9 billion yen, 16.4 billion yen and 34.6 billion yen for NTT West, respectively.

NTT (Holding Company) Forecasts for the year ending March 31, 2018 have not been changed from those announced on December 11, 2017.

Note:

Net Income Attributable to Dimension Data	Operating Income ⁽⁴⁾	Operating Expenses	Operating Revenues	Dimension Data (IFRS)(2)(3)	Net Income	Recurring Profit	Non-Operating Expenses	Non-Operating Revenues	Operating Income	Taxes and Public Dues	Loss on Disposal of Property, Plant and Equipment	Depreciation and Amortization	Communication Network Charges	Expenses	Administrative	and Selling,	Equipment Sold.	Cost of Services,	Personnel	Operating Expenses	Others	Solution Services	Applications & Content	Communications	Data Networks Voice	Cloud Computing Platforms	Operating Revenues(1)	NTT Communications (JPN GAAP)				
(2.4)	(1.3)	207.9	206.6		22.3	30.9	2.3	7.4	25.8	3.5	0.5	25.4	54.7	90.8					19.2	194.3	3.7	31.9	9.4	63.0	94.8	17.1	220.2		Three Months Ended June 30			
(9.6)	(7.0)	205.7	198.6		20.4	28.3	1.6	5.6	24.3	3.2	1.0	25.6	54.6	98.8					18.9	202.5	3.7	37.7	9.2	63.3	95.1	17.6	226.9		Three Months Ended September 30			
(14.6)	(1.5)	197.9	196.4		18.5	25.6	1.3	4.0	22.9	3.4	0.9	26.2	59.2	95.1					19.0	204.1	3.8	36.1	9.3	63.7	96.3	17.6	227.0		Three Months Ended December 31		FY 2016	
(26.5)	(9.9)	611.5	601.7		61.3	84.9	5.3	17.1	73.0	10.2	2.5	77.4	168.6	284.8					57.2	601.0	11.3	105.9	28.0	190.1	286.3	52.4	674.1		Nine Months Ended December 31)16	
(1.4)	(0)	207.4	207.4		23.6	20.5	2.5	3.5	19.4	3.2	4.1	27.0	54.4	121.6					19.7	230.2	3.6	57.5	9.6	60.6	98.4	19.5	249.6		Three Months Ended March 31			
(27.9)	(9.9)	818.9	809.0		85.0	105.4	7.8	20.7	92.5	13.4	6.7	104.4	223.1	406.4					77.0	831.3	14.9	163.4	37.7	250.7	384.8	72.0	923.8		Year Ended March 31			
(1.8)	(0.2)	207.2	207.0		27.6	36.7	1.4	6.7	31.4	3.6	0.8	22.7	57.6	94.8					19.1	198.9	6.8	37.3	8.7	60.0	97.2	20.2	230.3		Three Months Ended June 30			
0.2	3.3	205.2	208.5		23.1	32.6	0.9	6.4	27.1	3.4	0.6	23.3	58.8	99.5					18.9	204.8	3.4	40.3	9.3	60.7	98.6	19.3	231.9		Three Months Ended September 30			
2.3	3.3	229.8	233.1		19.2	27.3		3.5	24.9	3.4	1.2	23.7	62.0	97.0					18.9	206.4	3.6	37.2	8.7	62.2	98.8	20.6	231.3		Three Months Ended December 31		FY 2017	
0.7	6.5	642.1	648.6		69.9	96.7	3.5	16.8	83.4	10.5	2.8	69.8	178.4	291.4					57.1	610.3	13.9	114.9	26.8	183.0	294.7	60.2	693.7		Nine Months Ended December 31		17	
I	ı	1				1	I	1	I	1				ı					ı					1	ı				Three Months Ended March 31			
I	ı				1	1	l		ı	I		I	I	1					ı					1	I		I		Year Ended March 31			
1	9.0	881.0	890.0		85.0	120.0	8.0	18.0	110.0	13.0	5.0	96.0		639.0					77.0	830.0	20.0	159.0	37.0	244.0	393.0	87.0	940.0		Ending March 31 (Revised Forecast)	Year	FY 2017 (E)	
I	9.0	881.0	890.0		73.0	103.0	8.0	18.0	93.0	13.0	22.0	96.0		639.0					77.0	847.0	20.0	159.0	37.0	244.0	393.0	87.0	940.0		(Forecast when previous 2Q results were announced)	Year Ending March 31	[Ref.] FY 2017 (E)	(Billions of yen)

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

- Cloud Computing Platforms: "Data center services" and "Private Cloud (Enterprise Cloud, etc.)"
 Data Networks: "Closed network services (Arcstar Universal One, etc.)" and "Open network service (OCN, etc.)"
 Voice Communications: "Telephone services" and "VoIP services (050 plus, etc.)"
 Applications & Content: "Application services (Mail services, etc.)"
- Solution Services: "System integration services"
- (2) for the twelve months ending December 31, 2017 is included under Year Ending March 31, 2018 (Forecast). The conversion rate used for Dimension Data figures for the nine months ended December 31, 2017 is USD1.00 = JPY111.89. Operating Income for the nine months ended December 31, 2017 under US GAAP was (0.5) billion yen. Because Dimension Data's statements of income from January 1 to September 30, 2017 are consolidated into NTT's consolidated statements of income from April 1 to December 31, 2017, Dimension Data's financial results for the nine months ended September 30, 2017 are included under the nine months ended December 31, 2017 and Dimension Data's forecast
- $\widetilde{\omega}$



3. Financial Results (Holding Company and Subsidiaries)

Corporate ⁽¹⁾ Old	Elimination or	EMEA & LATAM(1)	New North America ⁽¹⁾	Enterprise & Solutions	Financial	Public & Social Infrastructure	Net sales	NTT DATA Consolidated (JPN GAAP)	Net Income Attributable to NTT DOCOMO	Income Before Income Taxes	Non-Operating Income (Loss)	Operating Income	Taxes and Public Dues	Charges	Property, Plant and Equipment	Impairment Loss	Depreciation and Amortization	Expenses	Cost of Services, Cost of Equipment Sold, and Selling, General and Administrative	Personnel	Operating Expenses	Other Operating Revenues	Equipment Sales	Optical-iner Broadband Services and Other Telecommunications Services	Packet Communications Revenues	Voice Revenues	Mobile Communications Services	Services	Operating Revenues	NTT DOCOMO Consolidated (US GAAP)		
I			1	97.7	118.6	89.1	392.2		206.9	295.3	(4.0)	299.3	11.2	76.7	7.9	I	109.7	531.5		72.3	809.4	213.2	165.8		488.3	215.9	704.2	729.7	1,108.7		Three Months Ended June 30	
I			1	103.1	127.7	97.6	387.4		198.6	285.9	(0.4)	286.3	10.3	82.1	16.8	I	110.8	600.6		72.8	893.4	220.5	214.4	31.9	493.3	219.6	712.8	744.8	1,179.7		Three Months Ended September 30	
I			1	103.0	124.3	109.5	401.2		184.0	265.0	8.3	256.7	10.3	88.8	16.5	I	113.9	622.8		72.2	924.5	224.4	206.2	38.6	487.4	224.8	712.1	750.7	1,181.3		Three Months Ended December 31	FY 2016
I			I	304.0	370.7	296.3	1,180.8		589.4	846.2	3.8	842.3	31.8	247.6	41.3	I	334.4	1,754.8		217.3	2,627.3	658.1	586.3	96.1	1,468.9	660.2	2,129.1	2,225.2	3,469.6		Nine Months Ended December 31	116
I			1	121.6	147.2	159.1	551.5		63.1	103.4	1.0	102.4	10.5	81.8	38.3	12.2	117.9	677.3		74.5	1,012.6	222.2	132.9	45.1	499.8	215.0	714.8	759.9	1,115.0		Three Months Ended March 31	
ı			I	425.6	518.0	455.4	1,732.4		652.5	949.6	4.8	944.7	42.4	329.4	79.6	12.2	452.3	2,432.1		291.8	3,639.8	880.3	719.2	141.1	1,968.8	875.2	2,844.0	2,985.1	4,584.6		Year Ended March 31	
ı			I	105.2	127.5	85.9	540.4		189.9	281.8	3.5	278.3	9.9	90.9	12.4	I	119.0	553.3		72.9	858.4	211.2	150.6	51.8	491.9	231.2	723.1	774.9	1,136.7		Three Months Ended June 30	
I			1	ı	1		480.5		184.0	272.7	2.2	270.5	10.2	96.6	16.0	I	121.0	577.5		71.6	893.0	216.7	152.9	57.4	495.1	241.4	736.5	793.9	1,163.4		Three Months Ended September 30	
(61.8)	101.5	104.5	107.2	120.7	140.8	103.6	515.2		280.4	403.5	116.9	286.6	10.6	100.8	15.4	I	121.5	688.2		72.5	1,009.0	228.0	274.1	61.4	490.6	241.3	732.0	793.4	1,295.6		Three Months Ended December 31	FY 2017
(178.1)	017.5	3173	370.4	339.7	400.0	286.7	1,536.2		654.3	958.0	122.6	835.3	30.7	288.3	43.9	I	361.5	1,819.0		216.9	2,760.3	655.9	577.6	170.6	1,477.6	713.9	2,191.6	2,362.2	3,595.7		Nine Months Ended December 31	17
ı			I	1	1					I	1	ı	1		1	I		ı		ı	1	1		I	I	1		1	I		Three Months Ended March 31	
ı			ı	I						I	1	ı	1		1			I		1		1		I	I	1					Year Ended March 31	(Bi
(243.0)	302.0	3620	513.0	442.0	539.0	447.0	2,060.0		740.0	1,081.0	121.0	960.0	41.0	395.0	69.0		489.0	2,506.0		290.0	3,790.0	877.0	759.0	236.0	1,946.0	932.0	2,878.0	3,114.0	4,750.0		Year Ending March 31 (Forecast) ⁽²⁾	(Billions of yen) FY 2017 (E)

Net Income Attributable to Owners of Parent	Ordinary income	Non-Operating Income (Loss)	Operating Income	Selling, General and Administrative Expenses	Gross Profit	Cost of Sales	Elimination or Corporate	Global
10.0	17.3	(0)	17.3	80.3	97.6	294.5	(58.5)	145.2
18.9	27.7	(0.1)	27.9	72.7	100.6	286.7	(63.9)	122.8
16.0	28.0	(1.1)	29.1	78.3	107.5	293.7	(64.5)	128.7
45.0	73.1	(1.3)	74.5	231.3	305.8	874.9	(186.9)	396.7
20.6	39.8	(2.7)	42.5	90.4	132.9	418.6	(83.0)	206.5
65.6	112.9	(4.1)	117.1	321.7	438.8	1,293.6	(269.9)	603.3
8.1	22.4	0.2	22.1	104.7	126.9	413.5	(63.0)	284.7
13.7	27.8	(2.0)	29.8	96.2	126.0	354.4	I	I
14.1	29.7	(0.2)	29.9	97.2	127.2	388.0		Ι
36.0	80.0	(2.0)	82.0	298.2	380.2	1,156.0		I
I	I	I	1	I	1			
I				I				
59.0	116.0	(4.0)	120.0	392.0	512.0	1,548.0		I

Note: Ξ Due to the revision of NTT DATA's global management structure on July 1, 2017, NTT DATA changed the method of classification and disclosure of segment information starting from the six months ended September 30, 2017. Under the new segments, the results for the nine months ended December 31, 2016 were 130.2 billion for North America, 249.4 billion yen for EMEA & LATAM, and (169.9) billion yen for Elimination or Corporate, and the results for the year ended March 31, 2017 were 246.3 billion for North America, 330.8 billion yen for EMEA & LATAM, and (243.9) billion yen for Elimination or Corporate. The new Elimination or Corporate segment includes certain figures that would have been included in former segment areas such as China/APAC.

(2) Forecasts for the year ending March 31, 2018 have not been changed from those announced in the financial results for the six months ended September 30, 2017.

(in thousands except for Public Telephones)

							(in thousands except for Public Telephones)	ept for Public	c Telephones)
		FY 2016	016			FY 2017)17		FY 2017 (E)
	As of	As of	As of	As of	As of	As of	As of	As of	As of March 31
	June 30	September 30	December 31	March 31	June 30	September 30	December 31	March 31	(Forecast)(9)
Telephone Subscriber Lines(1)	19,671	19,413	19,117	18,797	18,482	18,168	17,860	1	17,785
NTT East	9,740	9,617	9,471	9,315	9,166	9,014	8,864		8,865
NTT West	9,931	9,796	9,647	9,482	9,316	9,154	8,996		8,920
INS-Net ⁽²⁾	2,719	2,661	2,602	2,539	2,488	2,440	2,386		2,326
NTT East	1,384	1,356	1,325	1,293	1,269	1,244	1,217		1,193
NTT West	1,334	1,305	1,276	1,246	1,219	1,196	1,170		1,133
Telephone Subscriber Lines + INS-Net	22,390	22,074	21,719	21,336	20,970	20,609	20,246	1	20,111
NTT East	11,125	10,973	10,796	10,609	10,434	10,258	10,081		10,059
NTT West	11,265	11,102	10,923	10,727	10,535	10,350	10,166		10,052
Public Telephones	168,673	166,120	163,921	161,375	160,396	159,485	158,693	I	157,972
NTT East	76,511	74,846	73,357	71,434	71,037	70,763	70,617	1	70,434
NTT West	92,162	91,274	90,564	89,941	89,359	88,722	88,076	I	87,538
FLET'S ISDN	83	81	79	77	75	73	72	1	70
NTT East	36	35	34	33	33	32	31	l	30
NTT West	47	46	45	44	43	42	41		39
FLET'S ADSL	1,019	987	955	919	881	849	819	I	791
NTT East	459	444	428	411	394	379	365		351
NTT West	560	543	527	508	487	470	454	I	440
FLET'S Hikari (including Hikari					2				
Collaboration Model	19,520	19,/04	19,903	20,053	20,294	20,386	20,457	1	20,853
NTT East	10,839	10,958	11,078	11,173	11,318	11,381	11,439	I	11,673
NTT West	8,681	8,746	8,825	8,880	8,976	9,005	9,018	1	9,180
(incl.) Hikari									
Collaboration Model	5,912	6,917	7,854	8,744	9,574	10,145	10,655		11,894
NTT East	3,781	4,337	4,846	5,328	5,770	6,077	6,351	1	7,028
NTT West	2,131	2,580	3,008	3,416	3,804	4,069	4,304	I	4,866
Hikari Denwa ⁽⁶⁾	17,451	17,545	17,655	17,759	17,862	17,924	17,984	1	18,039
NTT East	9,180	9,242	9,311	9,369	9,433	9,478	9,520	I	9,569
NTT West	8,271	8,302	8,344	8,390	8,430	8,447	8,464	1	8,470
Conventional Leased Circuit Services	231	229	227	225	224	222	220	I	218
NTT East	112	111	110	109	109	108	106	1	105
NTT West	118	118	117	116	115	115	114	I	113
High Speed Digital Services	114	112	110	108	106	105	103	1	100
NTT East	58	57	56	55	54	53	52	I	52
NTT West	56	55	54	53	52	52	51	1	48
NTT Group Major ISPs ⁽⁷⁾	11,360	11,328	11,303	11,231	11,189	11,157	11,110	I	11,015
(incl.) OCN	7,969	7,905	7,847	7,739	7,678	7,637	7,595	1	7,496
(incl.) Plala	3,024	3,047	3,075	3,106	3,124	3,135	3,129		3,130

i-mode	sp-mode	FOMA (3G))	Telecommunications Services (LTE (Xi))	plan	(incl.) "Kake-hodai & Pake-aeru" billing	Mobile Telecommunications Services ⁽⁸⁾	NTT West	NTT East	Services ⁽⁶⁾	FLET'S TV Transmission	Hikari TV	
18,136	33,082	31,721	39,893	31,586		71,614	528	917	1,445		3,047	
17,416	33,809	31,662	41,281	33,416		72,943	538	926	1,464		3,041	
16,503	34,749	30,917	42,671	35,198		73,588	551	939	1,489		3,032	
15,493	35,921	30,336	44,544	37,066		74,880	570	951	1,521		3,023	
14,662	36,671	29,455	45,659	38,342		75,114	587	963	1,551		3,021	
13,809	37,418	28,453	46,908	39,617		75,361	597	972	1,570		3,018	
13,030	37,979	27,478	48,200	40,598		75,678	609	983	1,592		3,015	
		I	1			I	I	l				
11,900	39,300	26,200	50,000			76,200	621	981	1,602		3,030	

- Notes: Number of Telephone Subscriber Lines is the total of individual lines and central station lines (Subscriber Telephone Light Plan is included).
- "INS-Net" includes "INS-Net 64" and "INS-Net 1500." In terms of number of channels, transmission rate, and line use rate (base rate), "INS-Net subscriptions (including subscriptions to the "INS-Net 64 Lite Plan"). 1500" is in all cases roughly ten times greater than "INS-Net 64." For this reason, one "INS-Net 1500" subscription is calculated as ten "INS-Net 64"
- \odot Number of "FLET'S Hikari (including Hikari Collaboration Model)" subscribers includes subscribers to "B FLET'S," "FLET'S Hikari Next," NTT East and NTT West. WiFi Access" provided by NTT West and subscribers to the "Hikari Collaboration Model," the wholesale provision of services to service providers by Hikari Premium," "FLET'S Hikari Mytown," "FLET'S Hikari Next," "FLET'S Hikari Mytown Next," "FLET'S Hikari Light" and "FLET'S Hikari "FLET'S Hikari Light," "FLET'S Hikari Lightplus" and "FLET'S Hikari WiFi Access" provided by NTT East, subscribers to "B FLET'S," "FLET'S
- 4 and the numbers of switchover lines for NTT East and NTT West were 712 thousand lines and 635 thousand lines, respectively, for a total of 1,348 thousand lines, respectively, for a total of 2,103 thousand lines; the numbers of new subscribers (excluding switchover lines) for the "Hikari Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West were 1,184 thousand lines and 919 The comparative results for the nine months ended December 31, 2017 compared to the year ended March 31, 2017 for "FLET'S Hikari (including Collaboration Model" for NTT East and NTT West were 840 thousand lines and 602 thousand lines, respectively, for a total of 1,441 thousand lines
- (5) The comparative forecast for the year ending March 31, 2018 (Forecast) compared to the results for the year ended March 31, 2017 for "FLET'S total of 2,100 thousand lines; and the numbers of switchover lines for NTT East and NTT West are expected to be 1,100 thousand lines and 1,000 for the "Hikari Collaboration Model" for NTT East and NTT West are expected to be 1,250 thousand lines and 850 thousand lines, respectively, for a thousand lines and 1,200 thousand lines, respectively, for a total of 2,900 thousand lines; the numbers of new subscribers (excluding switchover lines) Hikari (including Hikari Collaboration Model)" are as follows: the numbers of new subscribers for NTT East and NTT West are expected to be 1,700 thousand lines, respectively, for a total of 2,100 thousand lines.
- 6 Numbers of subscribers for "Hikari Denwa" and "FLET'S TV Transmission Services" include wholesale services provided to service providers by NTT East and NTT West.
- "NTT Group Major ISPs" includes "WAKWAK" and "InfoSphere," in addition to "OCN" and "Plala."
- Number of Mobile Telecommunications Services (including "Telecommunications Services (LTE (Xi))" and "Telecommunications Services (FOMA (3G))") includes Communication Module Services.
- Forecasts for the year ending March 31, 2018 have not been changed from those announced in the financial results for the six months ended September

Operating Data

Average Monthly Revenue per Unit (ARPU)

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

services, that are incurred consistently each month, by the number of active users to the relevant services. The calculation of these figures excludes revenues communications business segment, such as revenues from LTE (Xi) mobile phone services, FOMA (3G) mobile phone services and "docomo Hikari" that are not representative of monthly average usage, such as telecommunications equipment sales, activation fees and universal service charges. In the case of NTT Group's mobile communications business, ARPU is calculated by dividing revenue items included in operating revenues from its mobile

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

"docomo Hikari" ARPU	Packet ARPU (LTE (Xi) + FOMA (3G))	Data ARPU	FOMA (3G))	Aggregate ARPU	NTT DOCOMO(7)(8)(9)	Optional Services	Basic Monthly Charge	FLET'S Hikari ARPU ⁽⁶⁾	Lines)	Lines + INS-NET Subscriber	Aggregate Fixed Line ARPU	NTT West ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Optional Services	Basic Monthly Charge	FLET'S Hikari ARPU ⁽⁶⁾	Lines)	(Telephone Subscriber Lines + INS-NET Subscriber	Aggregate Fixed I in ARPII	NITT East(1)(2)(3)(4)(5)					
J 130	i)+ 2,960	3,090	1,240	4,330		1,710	3,640	5,350	2,580	ber	J		1,590	3,750	5,340	2,620	er	7	ounc o	Ended	Months	Three		
) 180) 2,990	3,170	1,250	4,420) 2,580) 1,560			2,620			and 30 September 30 December 31 December 31	Ended Sentember 30		Three		
210	2,960	3,170	1,280	4,450		1,670	3,590	5,260	2,580				1,540		5,230				December 51	Ended	•	Three	FY 2016	
180	2,970	3,150	1,250	4,400		1,690	3,620	5,310	2,580				1,570	3,710	5,280	2,620			December 51 19	Ended	ths		16	
250	3,080	3,330	1,220	4,550		1,640	3,570	5,210	2,560				1,500	3,670	5,170	2,590				Ended	Months	Three		
190	2,990	3,180	1,250	4,430		1,670	3,610	5,280	2,580				1,550	3,700	5,250	2,610				Ended March 31				
300	2,970	3,270	1,330	4,600		1,610	3,550	5,160	2,540				1,480	3,640	5,120	2,580			ounc oo	Ended	Months	Three		
330	2,990	3,320	1,390	4,710		1,600	3,510	5,110	2,550				1,450	3,640	5,090	2,580			- 1	Ended Ended	Months	Three		
360	2,970	3,330	1,390	4,720		1,610	3,490	5,100	2,550				1,460	3,620	5,080	2,590			December 51			Three	FY 2017	
330	2,990	3,320	1,360	4,680		1,610	3,510	5,120	2,550				1,460	3,640	5,100	2,580			December of	Ended	ths		17	
I	1	ı	I	ı		I	1	I	1				1	I	1	I				_	Months	Three		
1	1	ı	1	ı		I		I					1	ı	1	ı			ITIAI CII JI	Ended March 31	Year			
340	2,970	3,310	1,360	4,670		1,590	3,490	5,080	2,550				1,450	3,600	5,050	2,570			(I of ccase)	Warch 31	Ending	Year	FY 2017 (E)	(Yen)

 \equiv We compute the following two categories of ARPU for business conducted by each of NTT East and NTT West.

- a. Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines): Calculated based on revenues from monthly charges and call charges for and revenues from "FLET'S ADSL" and "FLET'S ISDN," which are included in operating revenues from IP Services Telephone Subscriber Lines and INS-NET Subscriber Lines, which are included in operating revenues from Voice Transmission Services (excluding IP Services),
- b. 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 included in Supplementary Business revenues.

- "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 Light" and "FLET'S Hikari WiFi Access" provided by NTT West. In addition, "FLET'S Hikari" also includes the "Hikari Collaboration Model," the wholesale by NTT East, and "B FLET'S," "FLET'S Hikari Premium," "FLET'S Hikari Mytown," "FLET'S Hikari Next," "FLET'S Hikari Mytown Next," "FLET'S Hikari provision of services to service providers by NTT East and NTT West.
- "FLET'S Hikari" Optional Services includes wholesale services provided to service providers by NTT East and NTT West.
- (2) Revenues from interconnection charges are excluded from the calculation of Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines) and FLET'S Hikari ARPU.
- (3) Numbers of active subscribers used in the ARPU calculation of NTT East and NTT West are as below
- Quarterly Results: Sum of number of active subscribers* for each month in the relevant quarter
- Nine-month Results (from April to December): Sum of number of active subscribers* for each month from April to December
- FY Results: Sum of number of active subscribers* for each month from April to March
- FY Forecast: Sum of number of active subscribers* for each month from April to September and sum of the average expected active number of subscribers* from October to March ((number of subscribers at September 30, 2017 + number of expected subscribers at March 31, 2018)/2)x6
- *active subscribers = (number of subscribers at end of previous month + number of subscribers at end of the current month)/2
- 4 on the number of subscriptions for fixed-line services (Telephone Subscriber Lines + INS-NET Subscriber Lines) For purposes of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), the number of subscribers is determined based
- 3 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 as ten INS-Net 64 subscriptions. for the purpose of calculating Aggregate Fixed Line ARPU (Telephone Subscriber Lines + INS-NET Subscriber Lines), one INS-Net 1500 subscription is calculated
- 6 subscribers to "B FLET'S," "FLET'S Hikari Premium," "FLET'S Hikari Mytown," "FLET'S Hikari Next," "FLET'S Hikari Mytown Next," "FLET'S Hikari Light" 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, 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 and "FLET'S Hikari WiFi Access" provided by NTT West, and the "Hikari Collaboration Model," the wholesale provision of services to service providers by NTT East and NTT West.
- (7) The following is the formula we use to compute ARPU for NTT DOCOMO.
- a. Aggregate ARPU = Voice ARPU + Packet ARPU + "docomo Hikari" ARPU
- b. Data ARPU = Packet ARPU + "docomo Hikari" ARPU
- Voice ARPU: Voice ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users
- Packet ARPU: Packet ARPU Related Revenues (basic monthly charges, packet communication charges) / No. of active users
- "docomo Hikari" ARPU: "docomo Hikari" ARPU Related Revenues (basic monthly charges, voice communication charges) / No. of active users
- Numbers of active users used in the ARPU calculation of NTT DOCOMO are as below.

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- Quarterly Results: Sum of number of active users* for each month in the relevant quarter
- Nine-month Results (from April to December): Sum of number of active users* for each month from April to December
- *active users = (number of users at end of previous month + number of users at end of current month)/2 FY Results/FY Forecast: Sum of number of active users*/expected number of active users* for each month from April to March
- The number of "users" used to calculate ARPU is the total number of subscriptions, excluding the subscriptions listed below

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- a. Subscriptions of communication modules services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale
- b. 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 telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs); and
- telecommunications services and interconnecting telecommunications facilities that are provided to Mobile Virtual Network Operators (MVNOs) are not included in Note that revenues from communication module services, "Phone Number Storage," "Mail Address Storage," "docomo Business Transceiver" and wholesale
- (10)Forecasts for the year ending March 31, 2018 have not been changed from those announced in the financial results for the six months ended September 30, 2017

									(Persons)
		FY 2016	016			FY 2017	017		FY 2017 (E)
	As of	As of	As of	As of	As of	As of	As of	As of	As of March 31
	June 30	September 30	December 31	March 31	June 30	September 30	December 31	March 31	(Forecast)(2)
NTT Consolidated ⁽¹⁾	248,650	248,650	280,600	274,850	280,850	283,400	286,350	1	281,750
Regional communications business	67,400	67,300	73,700	68,250	70,000	70,300	71,450		68,250
Long distance and international communications									
business	45,150	44,450	44,050	43,850	43,850	44,200	44,650		44,500
Mobile communications business	27,500	27,450	27,400	26,750	28,150	28,050	27,950		27,750
Data communications business	83,200	84,000	109,950	111,650	113,950	115,900	117,350		117,000
Other business	25,400	25,450	25,500	24,350	24,900	24,950	24,950		24,250
Core Group Companies ⁽¹⁾									
NTT (Holding Company)	2,800	2,800	2,750	2,700	2,750	2,700	2,700		2,650
NTT East	5,200	4,950	4,950	4,850	5,200	4,800	4,750		4,650
NTT West	4,600	4,450	4,450	4,400	4,550	4,000	4,000		3,900
NTT Communications	6,550	6,450	6,450	6,350	6,400	6,400	6,350		6,300
NTT DOCOMO (Consolidated)	27,500	27,450	27,400	26,750	28,150	28,050	27,950		27,750
NTT DATA (Consolidated)	83,200	84,000	109,950	111,650	113,950	115,900	117,350	1	117,000

Notes: (1) Starting from the nine-month period ended December 31, 2016, "Number of Employees" includes employees whose contracts were changed from fixed-term contracts to open-ended contracts.
(2) Forecasts for the year ending March 31, 2018 have not been changed from those announced in the financial results for the six months ended September 30, 2017.