



# **Financial Results for Fiscal Year Ended March 31, 2012**

**and**

# **Forecasts for Fiscal Year Ending March 31, 2013**

**May 11, 2012**

**Forward-looking statements and projected figures concerning the future performance of NTT Com, its parent company 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.**

**Accounting policies used to determine the figures in this presentation are consistent with those used to prepare financial statements in accordance with accounting principles generally accepted in Japan.**

**“FY” in this material indicates the fiscal year ending March 31 of the succeeding year.**

# Financial Results of NTT Communications and NTT Communications Group

Global ICT Partner  
Innovative. Reliable. Seamless.



(billions of yen)

	FY2010	FY2011	Amount Change (FY11/10)	Amount Change (From FY11 forecast)	FY2012 Forecast	Amount Change (FY12/11)
<b>Operating Revenues</b>	1,254.2 【1,033.4】	1,213.2 【981.0】	- 41.0 【- 52.3】	- 36.8 【- 21.9】	1,225.0 【955.0】	11.8 【- 26.0】
<b>Operating Expenses</b>	1,156.3 【940.1】	1,102.5 【875.2】	- 53.8 【- 64.8】	- 42.4 【- 32.7】	1,115.0 【855.0】	12.5 【- 20.2】
<b>Operating Income</b>	97.9 【93.2】	110.6 【105.7】	12.7 【12.4】	5.6 【10.7】	110.0 【100.0】	- 0.6 【- 5.7】
<b>Recurring Profit</b>	- 【103.6】	- 【118.9】	- 【15.3】	- 【13.9】	- 【110.0】	- 【- 8.9】
<b>Net Income</b>	- 【68.9】	- 【58.3】	- 【- 10.6】	- 【0.3】	- 【67.0】	- 【8.6】
<b>Capital Investment</b>	134.0 【115.3】	140.8 【116.1】	6.7 【0.8】	- 19.1 【- 11.8】	140.0 【110.0】	- 0.8 【- 6.1】

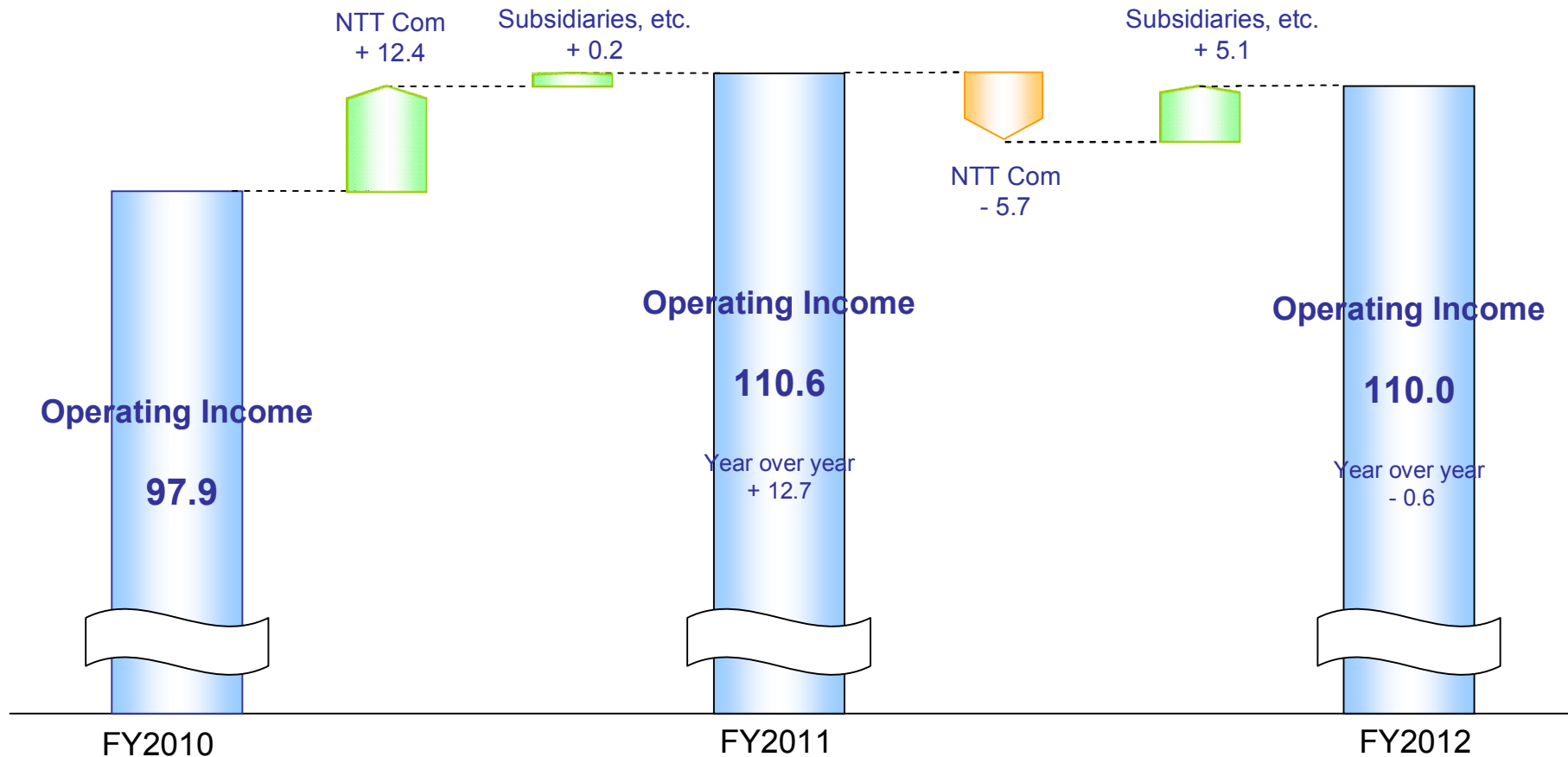
Note: The upper figures are for the NTT Communications Group (NTT Communications and its subsidiaries) after adjustments and eliminations of intra-group transactions. Figures in parentheses show NTT Communications only.

# Details of NTT Communications Group Operating Income

Global ICT Partner  
Innovative. Reliable. Seamless.



(billions of yen)



# (Reference) Revenues by Business Line

Global ICT Partner  
Innovative. Reliable. Seamless.



(billions of yen)

	FY2010	FY2011	Amount Change (FY11/10)	Amount Change (From FY11 forecast)	FY2012 Forecast	Amount Change (FY12/11)
NTT Communications Group Operating Revenues	1,254.2 【1,033.4】	1,213.2 【981.0】	- 41.0 【- 52.3】	- 36.8 【- 21.9】	1,225.0 【955.0】	11.8 【- 26.0】
System Integration	223.0 【167.0】	223.0 【157.0】	0 【- 10.0】	- 14.0 【- 12.0】	240.0 【154.0】	17.0 【- 3.0】
Cloud Computing Platforms	82.0 【33.0】	84.0 【38.0】	2.0 【5.0】	- 6.0 【- 3.0】	105.0 【51.0】	21.0 【13.0】
Applications & Content	101.0 【31.0】	108.0 【32.0】	7.0 【1.0】	- 11.0 【- 2.0】	119.0 【35.0】	11.0 【3.0】
Data Networks	448.0 【405.0】	430.0 【389.0】	- 18.0 【- 16.0】	- 7.0 【- 7.0】	425.0 【381.0】	- 5.0 【- 8.0】
Voice Communications	383.0 【379.0】	352.0 【349.0】	- 31.0 【- 30.0】	0 【1.0】	324.0 【322.0】	- 28.0 【- 27.0】
NTT Communications Group Global businesses	139.0	143.0	4.0	- 7.0	164.0	21.0

Notes: 1. The upper figures are for the NTT Communications Group (NTT Communications and its subsidiaries) after adjustments and eliminations of intra-group transactions. Figures in parentheses show NTT Communications only.

2. The upper figures, which are prepared for internal purposes only, consist of NTT Communications Group's financial results after adjustments and eliminations of intra-group transactions. Details of operating revenues are listed partially.

# NTT Communications Operating Revenues and Expenses (FY 2011 Results)

## Operating Revenues

	FY 2010	FY 2011	Amount change (FY11/10)
Operating revenues	1,033.4	981.0	- 52.3
Voice transmission services	353.3	324.2	- 29.0
IP services	381.7	374.4	- 7.3
Data communications services	90.7	78.3	- 12.4
Solution services	181.4	179.7	- 1.7
Others	26.0	24.2	- 1.8

## Operating Expenses

(billions of yen)

	FY 2010	FY 2011	Amount change (FY11/10)
Operating expenses	940.1	875.2	- 64.8
Personnel	94.3	91.6	- 2.7
Purchase of goods and services	454.7	429.5	- 25.1
Access charges	263.9	236.5	- 27.4
Depreciation and amortization	107.6	98.4	- 9.1
Retirement of fixed assets and miscellaneous taxes	19.4	19.1	- 0.2

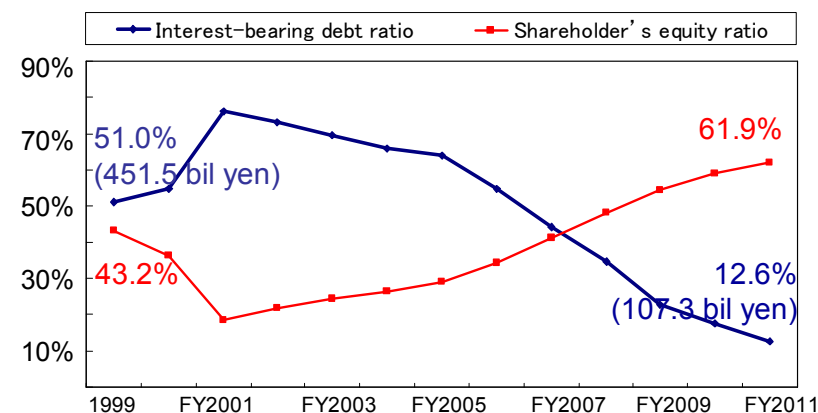
## Interest-bearing Debt

	FY 2010	FY 2011	Amount change (FY11/10)
Interest-bearing debt (ratio)	144.4 【17.3%】	107.3 【12.6%】	- 37.1

Equation for interest-bearing debt ratio and capital ratio:

- Interest-bearing debt ratio =  $\frac{\text{year-end interest-bearing debts}}{\text{year-end interest-bearing debts} + \text{year-end net assets}} \times 100$
- Shareholder's equity ratio =  $\frac{\text{year-end net asset}}{\text{year-end liabilities} + \text{year-end net assets}} \times 100$

## Trends in Interest-bearing Debt and Shareholder's Equity Ratios



Note: Figures inside the parentheses are interest-bearing debt

# Globally Seamless Group-wide Operations

Launch new growth businesses, as well as enhance the efficiency of existing businesses, to achieve “Vision 2015.”

## ■ Transformation of operations for more globally seamless group

- Global cooperation in development and operation of products and services
- Establishment of Global Account Management System (GAMS)
- Expansion of cross-selling initiatives in collaboration with Dimension Data, Integralis, etc.

## ■ Structural reform of NTT Communications Group

- Rebuild value chain on group-wide basis, including transferring certain operations to group companies or offshore, for optimal efficiency.
- Standardize, simplify and automate operational procedures for improved efficiency, etc.

## ■ Global human resources nurture and management

- Employ more foreign nationals
- Enhance programs for new employees to work in overseas subsidiaries, etc.

# New Global Services

Under its Global Cloud Vision, NTT Com is leveraging strengths as a telecom operator to provide total ICT outsourcing services, from networks and data centers to applications, all on a seamless, end-to-end, one-stop basis, to meet customer needs for cloud-based ICT systems.

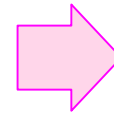
	Services	Launch
<b>New Private Cloud</b>	<ul style="list-style-type: none"><li>■ World's first commercial globally seamless private cloud to be integrated with virtualized network technology and featuring on-demand management via a comprehensive customer portal</li><li>■ Ideal for total ICT outsourcing for global operations</li></ul>	June 2012
<b>New Public Cloud: Cloud<sup>n</sup></b>	<ul style="list-style-type: none"><li>■ Cost-effective on-demand public cloud integrated with popular APIs (Amazon, etc.)</li><li>■ Ideal for software developers, content providers, corporate clients, etc.</li></ul>	March 2012



# Example of Total ICT Outsourcing

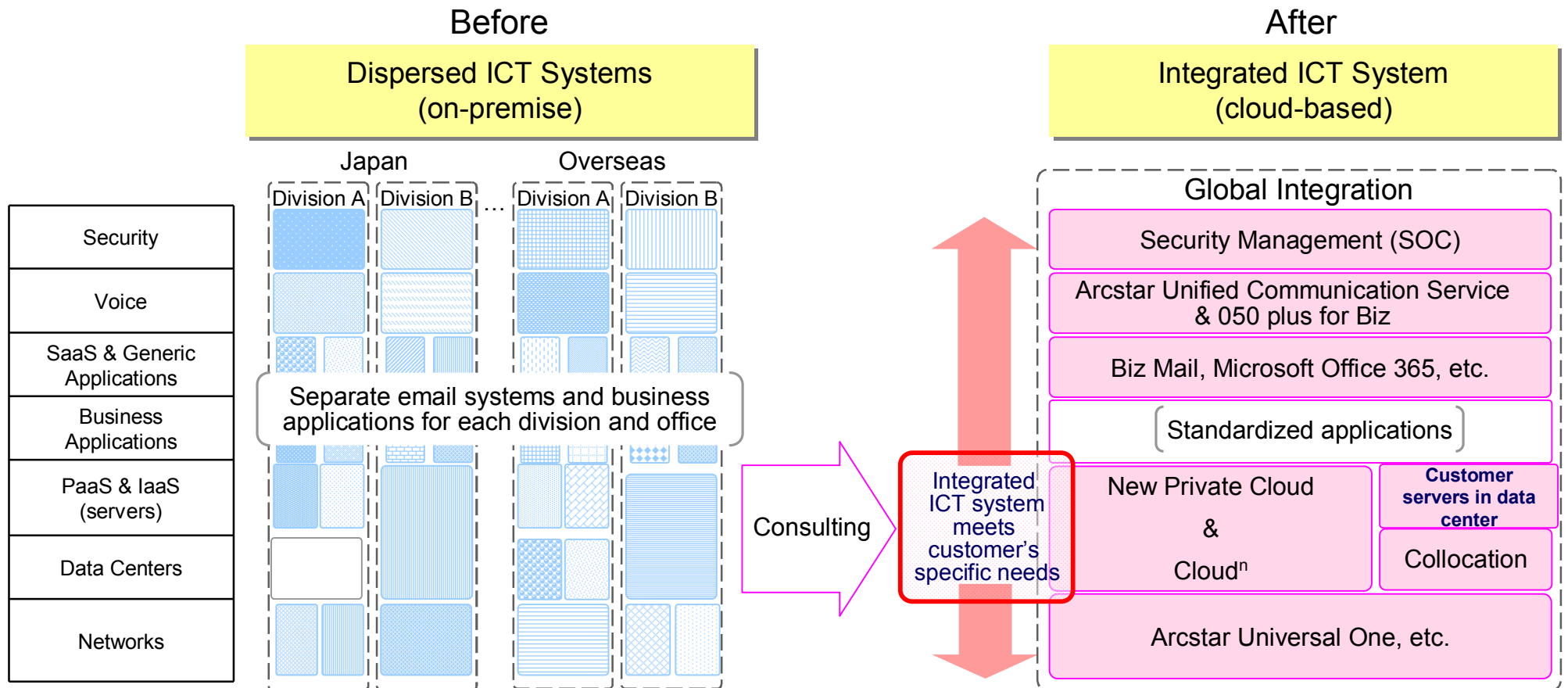
## Corporate Customer Needs

Cloud-based ICT systems not just for cost reduction but to strategically integrate dispersed ICT systems for better productivity and innovation.

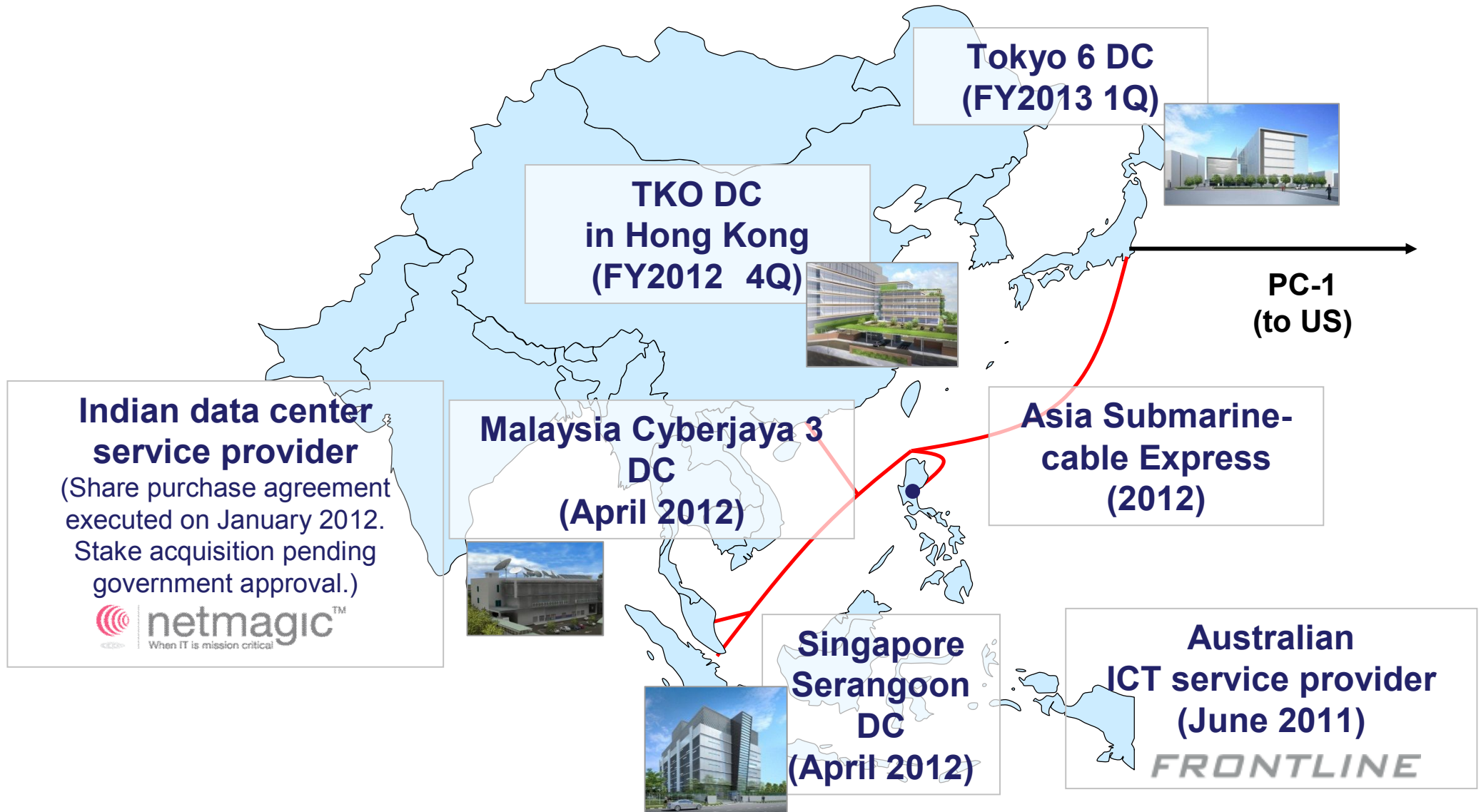


## Total ICT Outsourcing

Networks, data centers, applications, voice and security integrated globally to meet customer needs for cloud-based ICT systems.



# Expansion of Data Centers and Networks in Asia



# (Reference) NTT Communications' Major Services

	March 31, 2011	March 31, 2012	% Change (FY11/10)	
IP-based network subscribers (thousands)	552	595	7.8	
OCN Internet access (enterprises)	269	292	8.3	
Group-VPN	81	83	3.4	
Arcstar IP-VPN	108	107	-1.0	
Arcstar Global IP-VPN	7	8	21.1	
e-VLAN wide Ethernet	32	33	2.0	
Arcstar Universal One	-	4	-	
Data communications networks (thousands)	642	623	-3.0	
ISP subscribers (thousands)	11,423	11,650	2.0	
OCN subscribers	8,234	8,437	2.5	
Hikari-TV subscribers (thousands)	1,413	2,004	41.8	
Overseas offices (cities)	73	78	6.8	
Cable	Submarine cable capacity between Japan and the U.S. (Gbps)	660	890	34.8
	Submarine cable capacity between Japan and Asia region (Gbps)	500	680	36.0

1. ISP includes OCN, Plala and InfoSphere.
2. A part of leased circuit services revenues was reclassified as IP service revenues in FY 2011. Major service data are also reclassified accordingly.
3. IP-based network includes Arcstar Global e-VLAN, a part of GIGASTREAM and network services offered by NTT PC, including broadband, Ethernet and secure Internet VPN.
4. Data communications networks (excluding IP) include analog/digital leased lines (HSD/DR), GIGASTREAM, frame relay/cell relay, packet networks, Arcstar Global leased lines and others.