

**Financial Results**  
**for the Fiscal Year Ended March 31, 2018**  
**and**  
**Forecasts**  
**for the Fiscal Year Ending March 31, 2019**

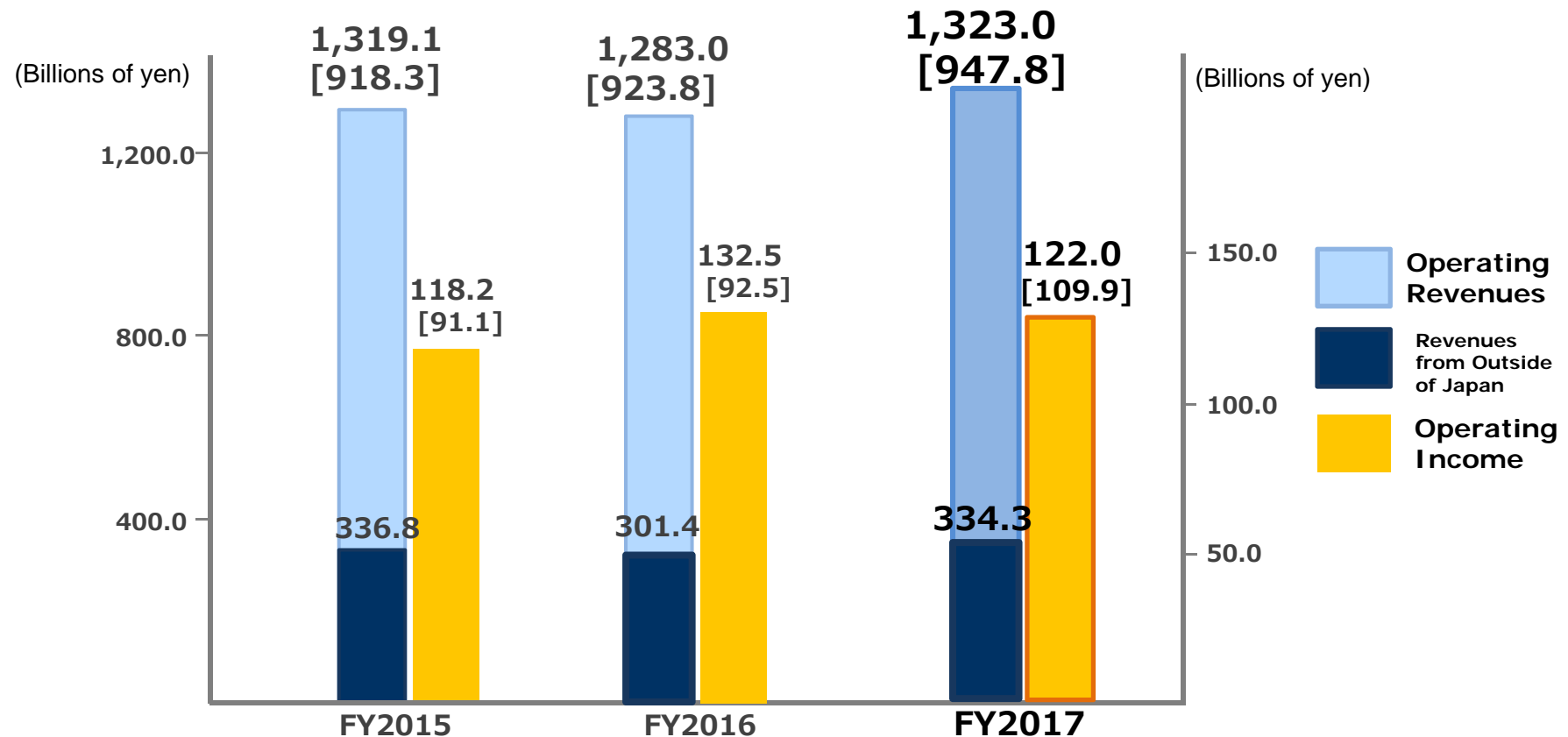
May 11, 2018



# Operating Revenues and Income of NTT Communications and NTT Communications Group (in accordance with U.S. GAAP)



Operating Revenues increased from the previous fiscal year to 1,323.0 billion yen. Operating Income decreased from the previous fiscal year to 122.0 billion yen due to the recording of temporary expenses.



Note: The figures in brackets above are for NTT Communications only. (JP GAAP)  
Other figures are for NTT Communications Group (NTT Communications and its subsidiaries) after adjustments and elimination of intra-group transactions.

# (Reference) Revenues by Business Line

(in accordance with U.S. GAAP)



(billions of yen)

	FY2016 Financial Results (A)	FY2017 Financial Results (B)	Amount Change	% Change
			(B) – (A)	% (A)→(B)
<b>NTT Com Group Operating Revenues</b>	1,283.0	1,323.0	+40.0	+3.1%
	[923.8]	[947.8]	[+23.9]	[+2.6%]
<b>Cloud Computing Platforms</b>	160.5	185.3	+24.8	+15.4%
	[72.0]	[80.9]	[+8.8]	[+12.3%]
<b>Data Networks</b>	479.7	482.9	+3.3	+0.7%
	[384.8]	[395.4]	[+10.6]	[+2.8%]
<b>Voice Communications</b>	284.4	276.3	(8.1)	(2.8)%
	[250.7]	[241.7]	[(9.0)]	[(3.6)%]
<b>Applications &amp; Content</b>	122.6	125.8	+3.3	+2.7%
	[37.7]	[36.3]	[(1.3)]	[(3.6)%]
<b>Solution Services</b>	223.8	236.9	+13.2	+5.9%
	[163.4]	[173.7]	[+10.2]	[+6.3%]
<b>(Included in the Above) NTT Com Group Global Businesses</b>	301.4	334.3	+32.9	+10.9%

Notes: Calculated in accordance with SEC requirements.

The top line figures in each cell are for NTT Communications Group (NTT Communications and its subsidiaries) after adjustments and elimination of intra-group transactions. The figures in brackets are for NTT Communications only.

# NTT Com Group Results Forecasts (in accordance with IFRS)



(billions of yen)

		FY2017 (A)	FY2018 Results Forecast (B)	Amount Change (B) – (A)
<b>NTT Com Group Operating Revenues</b>		<b>1,333.5</b>	<b>1,380.0</b>	<b>+46.5</b>
	<b>Cloud Computing Platforms</b>	<b>185.3</b>	<b>221.0</b>	<b>+35.7</b>
	<b>Data Networks</b>	<b>480.8</b>	<b>491.0</b>	<b>+10.2</b>
	<b>Voice Communications</b>	<b>276.3</b>	<b>270.0</b>	<b>(6.3)</b>
	<b>Applications &amp; Content</b>	<b>125.8</b>	<b>130.0</b>	<b>+4.2</b>
	<b>Solution Services</b>	<b>238.0</b>	<b>257.0</b>	<b>+19.0</b>
	<b>Other</b>	<b>27.3</b>	<b>11.0</b>	<b>(16.3)</b>
	<b>(Included in the Above) Global Business</b>	<b>334.3</b>	<b>394.0</b>	<b>+59.7</b>
<b>NTT Com Group Operating Expenses</b>		<b>1,215.0</b>	<b>1,249.0</b>	<b>+34.0</b>
<b>NTT Com Group Operating Income</b>		<b>118.5</b>	<b>131.0</b>	<b>+12.5</b>
<b>NTT Com Group Net Income</b>		<b>79.4</b>	<b>88.0</b>	<b>+8.6</b>

Notes: Calculated in accordance with IFRS.

Figures for NTT Communications and its subsidiaries after adjustments and elimination of intra-group transactions.

FY2017 financial results calculated in accordance with IFRS have not been audited, and are provided for reference only.

These figures are subject to change, pending results of the independent financial audit.

# Initiatives for FY2018

## Increase Data Usage to Advance the B2B2X Model (1)



### ① Pursuit of high-quality, reliable infrastructure

#### Strengthening Global Networks

2012 : ASE  
2013 : ASE Hong Kong Route  
2016 : Start of APG operations  
2017 : JUPITER construction

March 2017

Completion of Submarine Cable-Laying Ship  
"Kizuna"

#### Expansion of Data Center Coverage

2012:  
Acquired Netmagic (India)  
  
2015:  
Acquired e-shelter (Germany) and  
PT.NTT Indonesia Nexcenter

#### Expansion of Cloud Infrastructure Footprint

April 2018:  
Transfer of  
Dimension Data  
cloud business

#### Strengthen Managed Services

April 2018:  
Acquired Secure-24  
(U.S.)

### ② Development of flexible and rapid services (SDx+M, AI, IoT) using advanced technology

Offering of "Things Cloud"  
IoT Platform Service

August 2015:  
Established IoT Promotion Office

Provision of flexible and prompt  
customer-focused AI solutions

October 2017:  
Established AI Promotion Office

### ③ Advancement of Partnerships

Simplified external API  
connection, and accelerated  
business collaborations

June 2017:  
Launched API Gateway as a Service

Promoted B2B2X to co-create  
businesses with customers

October 2017:  
Established BI Promotion Office

Strengthen  
and Expand  
Capabilities  
to Support  
Data  
Utilization

### ■ Strengthening and enhancing capabilities to support data usage

Separate customers' data usage processes into three parts for support: "collection," "storage" and "analysis"

#### "Collection"

- Developed "Secure SIM," "IoT Security Platform" and "OT/IT Security Services" to provide appropriate security measures for the types and locations of IoT devices
- Transmits high volumes of data at high reliability and at high speeds from various places and a wide range of devices (⇒ Launched the "JUPITER" submarine cable)

#### "Storage"

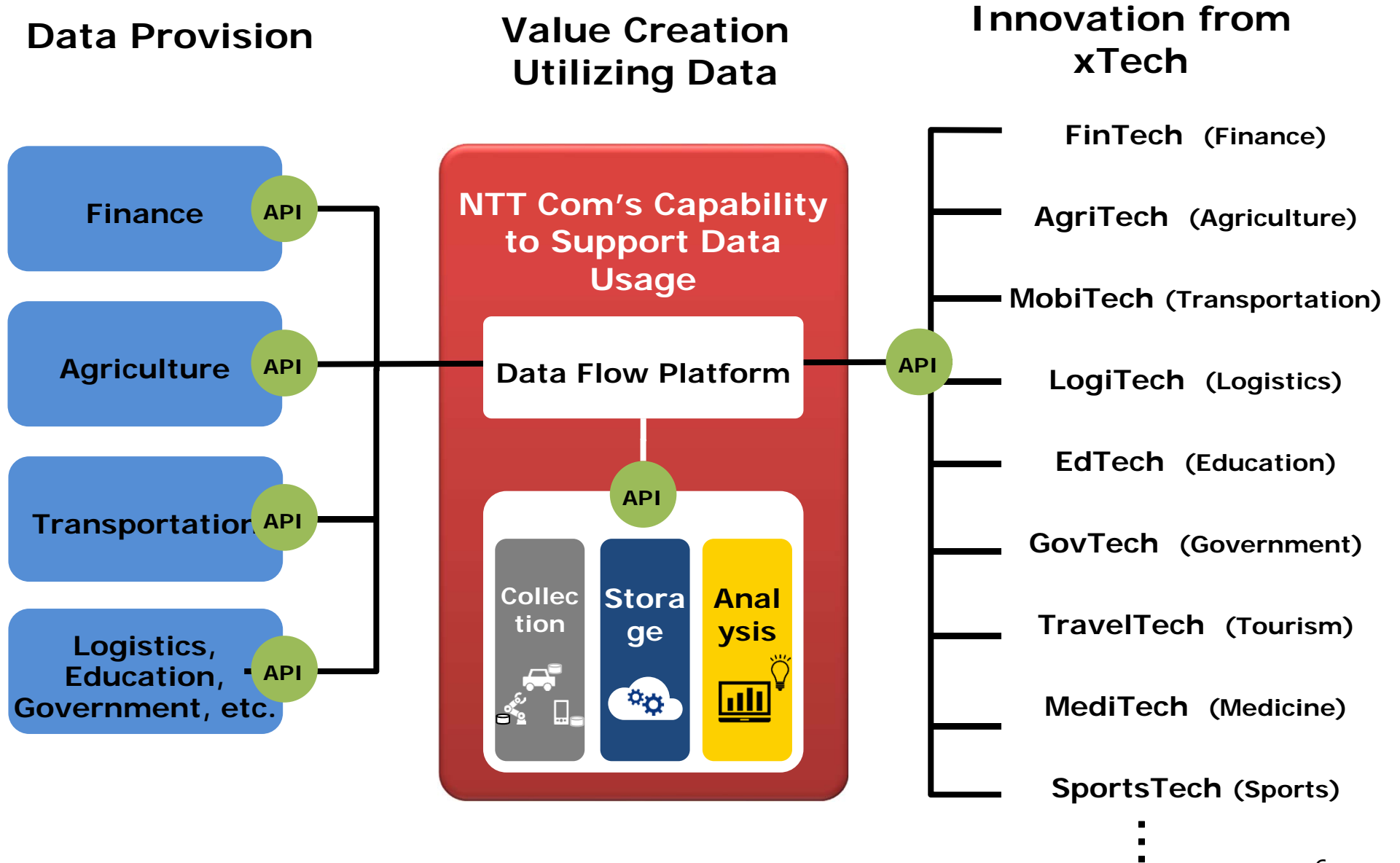
- Fully utilize globally collected data at the most appropriate locations (⇒ Expanded data center coverage and cloud footprint)
- Developed technology to securely store data (⇒ Secret computation technology, secret sharing technology and anonymization technology)

#### "Analysis"

- Promoted collaborations with partners to respond to a diverse range of analysis needs
  - Provided the API for the natural language processing AI "COTOHA"
  - Offered "log analysis solutions" in collaboration with other company cloud services

# Initiatives for FY2018

## Increase Data Usage to Advance the B2B2X Model (3)



(Reference)

## Data for NTT Communications Group Major Services



		As of March 31, 2017 (A)	As of March 31, 2018 (B)	Amount Change (B)-(A)	As of March 31, 2019 (Forecast) (C)	Amount Change (C)-(B)
Cloud Computing Platforms	Number of Cloud Service Customers	9,000	9,900	+900	11,300	+1,400
	Number of Data Centers (Unit: Number of locations)	136	136	±0	141	+5
Data Networks	VPN Lines (Unit: Thousands of lines)	353	386	+33	437	+51
Voice Communications	Arcstar UCaaS (Unit: Thousands of IDs)	99	118	+19	166	+47
Applications and Content	Hikari TV (Unit: Thousands of contracts)	3,023	3,016	△7	3,100	+84

Notes: (1) Cloud service includes services such as Enterprise Cloud and Cloud<sup>h</sup>.  
(2) VPN primarily includes Arcstar Universal One, IP-VPN, e-VLAN and a part of GIGASTREAM.