

# Financial Results for the Fiscal Year Ended March 31, 2015 and Forecasts for the Fiscal Year Ending March 31, 2016

May 15, 2015



## SEAMLESS CLOUD FOR THE WORLD



Global ICT Partner  
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**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.**

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

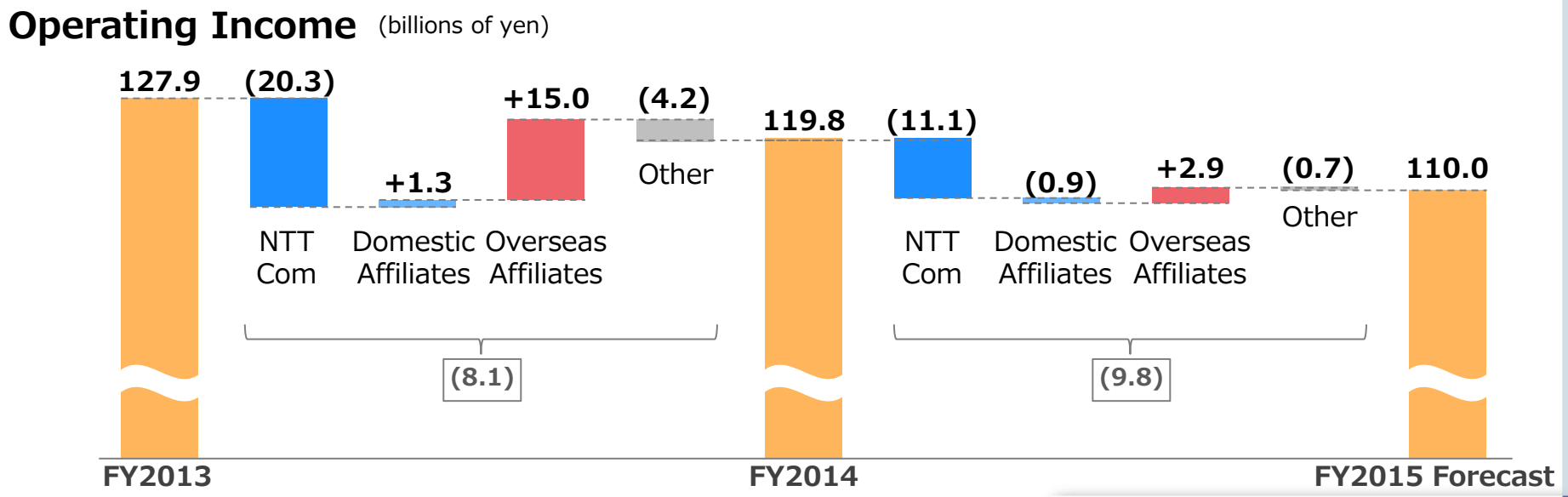
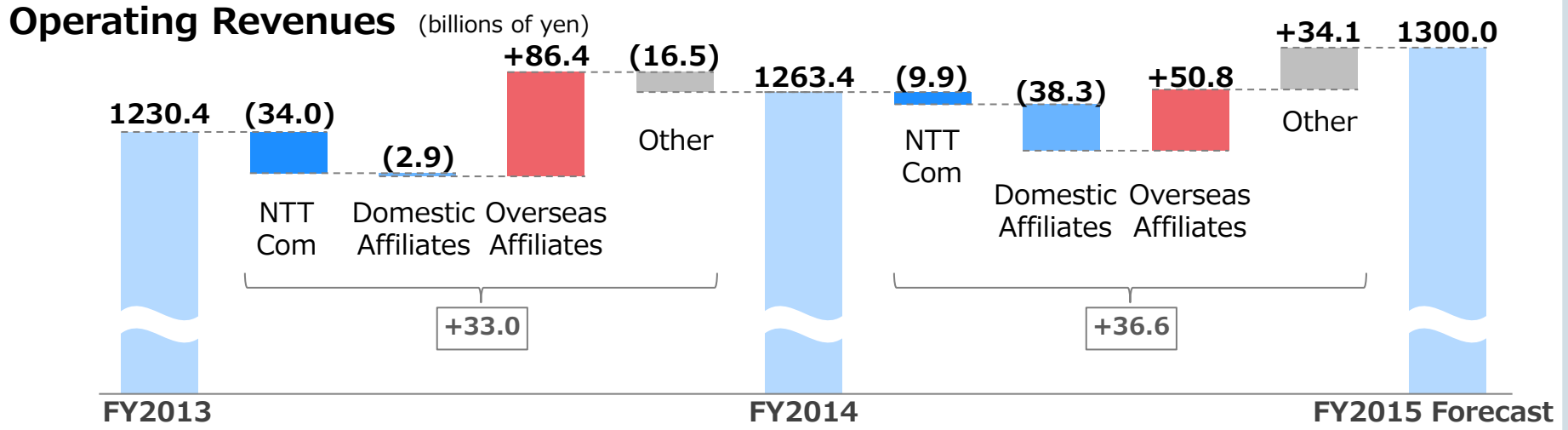
# Financial Results of NTT Communications and NTT Communications Group

(billions of yen)

|                           | FY2013             | FY2014             | Amount Change    | % Change           | FY2015 Forecast    | Amount Change    | % Change           |
|---------------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|
|                           |                    |                    | (FY14 - FY13)    | (FY14/FY13)        |                    | (FY15 - FY14)    | (FY15/FY14)        |
| <b>Operating Revenues</b> | 1,230.4<br>[944.0] | 1,263.4<br>[909.9] | +33.0<br>[-34.0] | +2.7%<br>[-3.6%]   | 1,300.0<br>[900.0] | +36.6<br>[-9.9]  | +2.9%<br>[-1.1%]   |
| <b>Operating Income</b>   | 127.9<br>[113.4]   | 119.8<br>[93.1]    | -8.1<br>[-20.3]  | -6.3%<br>[-17.9%]  | 110.0<br>[82.0]    | -9.8<br>[-11.1]  | -8.2%<br>[-12.0%]  |
| <b>Net Income</b>         | -<br>[88.9]        | -<br>[77.2]        | -<br>[-11.6]     | -<br>[-13.1%]      | -<br>[66.0]        | -<br>[-11.2]     | -<br>[-14.6%]      |
| <b>Capital Investment</b> | 147.7<br>[141.8]   | 173.2<br>[121.4]   | +25.4<br>[-20.3] | +17.2%<br>[-14.4%] | 205.0<br>[135.0]   | +31.8<br>[+13.6] | +18.4%<br>[+11.2%] |

- Notes: 1. The top figures in each cell are the results of NTT Communications Group (NTT Communications and its affiliates) after adjustments and elimination of intra-group transactions. The figures in brackets are the results of NTT Communications only.
2. The U.S. dollar/yen exchange rates applied to the results of foreign affiliates are as follows: FY2013: 97.73 yen, FY2014: 105.79 yen and FY2015: 118.00 yen.

# Causes of Increases (Decreases) in NTT Communications Group's Operating Revenues and Operating Income



# NTT Communications Group's Revenues by Business Line

(billions of yen)

|   | FY2013                   | FY2014                    | Amount Change           | % Change                  | FY2015 Forecast           | Amount Change           | % Change                  |
|---|--------------------------|---------------------------|-------------------------|---------------------------|---------------------------|-------------------------|---------------------------|
|   |                          |                           | (FY14 - FY13)           | (FY14/FY13)               |                           | (FY15 - FY14)           | (FY15/FY14)               |
| NTT Communications Group Operating Revenues | <b>1230.4</b><br>[944.0] | <b>1,263.4</b><br>[909.9] | <b>+33.0</b><br>[-34.0] | <b>+2.7%</b><br>[-3.6%]   | <b>1,300.0</b><br>[900.0] | <b>+36.6</b><br>[-9.9]  | <b>+2.9%</b><br>[-1.1%]   |
| Cloud Computing Platforms                   | <b>113.1</b><br>[52.9]   | <b>138.5</b><br>[64.9]    | <b>+25.4</b><br>[+12.0] | <b>+22.5%</b><br>[+22.8%] | <b>172.0</b><br>[76.0]    | <b>+33.5</b><br>[+11.0] | <b>+24.2%</b><br>[+16.9%] |
| Data Networks                               | <b>457.0</b><br>[391.5]  | <b>451.3</b><br>[370.8]   | <b>-5.7</b><br>[-20.6]  | <b>-1.2%</b><br>[-5.3%]   | <b>460.0</b><br>[366.0]   | <b>+8.7</b><br>[-4.8]   | <b>+1.9%</b><br>[-1.3%]   |
| Voice Communications                        | <b>298.2</b><br>[296.4]  | <b>299.7</b><br>[269.9]   | <b>+1.5</b><br>[-26.5]  | <b>+0.5%</b><br>[-8.9%]   | <b>288.0</b><br>[255.0]   | <b>-11.7</b><br>[-14.9] | <b>-3.9%</b><br>[-5.5%]   |
| Applications & Content                      | <b>113.3</b><br>[36.9]   | <b>117.3</b><br>[38.4]    | <b>+4.1</b><br>[+1.5]   | <b>+3.6%</b><br>[+4.3%]   | <b>120.0</b><br>[40.0]    | <b>+2.7</b><br>[+1.5]   | <b>+2.3%</b><br>[+4.0%]   |
| Solution Services                           | <b>231.9</b><br>[150.6]  | <b>240.6</b><br>[149.8]   | <b>+8.8</b><br>[-0.8]   | <b>+3.8%</b><br>[-0.5%]   | <b>246.0</b><br>[148.0]   | <b>+5.4</b><br>[-1.8]   | <b>+2.2%</b><br>[-1.2%]   |
| Revenues From Outside Of Japan              | <b>202.4</b>             | <b>287.7</b>              | <b>+85.3</b>            | <b>+42.1%</b>             | <b>334.0</b>              | <b>+46.3</b>            | <b>+16.1%</b>             |

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



# Major Initiatives Planned for FY2015

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- **Optimize our customers' ICT environments at a global level and contribute to their management innovations, based on our Global Cloud Vision 2015** (announced on April 7, 2015)
  - **Strengthening of "carrier cloud" services unified with network services/Acceleration of virtualization (through SDN, NFV, etc.)/Expansion of API features**
  - **Expand our Global Seamless Services**
    - **Provide the "Next-Generation Cloud Platform," a one-stop service that combines dedicated resources-type and shared resources-type services**
    - **Expand our data center presence (through the acquisition of e-shelter and launch of eight new data centers)**
- **Promote Global Seamless Management**
  - **Establish a more efficient formation by integrating the resources and know-how of the whole NTT Communications group**
  - **Align the accounting periods of our overseas affiliates**

# (Reference) NTT Communications' Major Services

(In thousands, except for Cloud Services, Data Centers and Managed Security Services)

|                          |  | FY2013 | FY2014 | Change<br>(FY14 - FY13) | FY2015<br>Forecast | Change<br>(FY15 - FY14) |
|--------------------------|--|--------|--------|-------------------------|--------------------|-------------------------|
| Cloud Computing Platform | Cloud Services <number of users>   | 5,300  | 7,300  | +2,000                  | 11,500             | +4,200                  |
|                          | Data Centers <number of locations>   | 126    | 126    | ±0                      | 149                | +23                     |
|                          | Server Room Space <m <sup>2</sup> >  | 200    | 214    | +14                     | 349                | +135                    |
| Data Networks            | VPN <circuits>   | 290    | 303    | +12                     | 355                | +52                     |
|                          | ISP Subscribers <subscribers>  | 11,229 | 11,343 | +114                    | 10,949             | (394)                   |
|                          | MVNO Subscribers <subscribers>   | 235    | 538    | +303                    | 794                | +256                    |
| Voice Communications     | Arcstar UCaaS <IDs>  | 6      | 18     | +13                     | 129                | +110                    |
| Applications & Content   | Enterprise Mail <IDs>  | 202    | 235    | +33                     | 326                | +91                     |
|                          | Hikari TV <subscribers>  | 2,823  | 3,014  | +191                    | 3,150              | +136                    |
| Solution Services        | Managed Security Services "WideAngle" <number of pieces of contract equipment> | 8,500  | 9,600  | +1,100                  | 11,700             | +2,100                  |

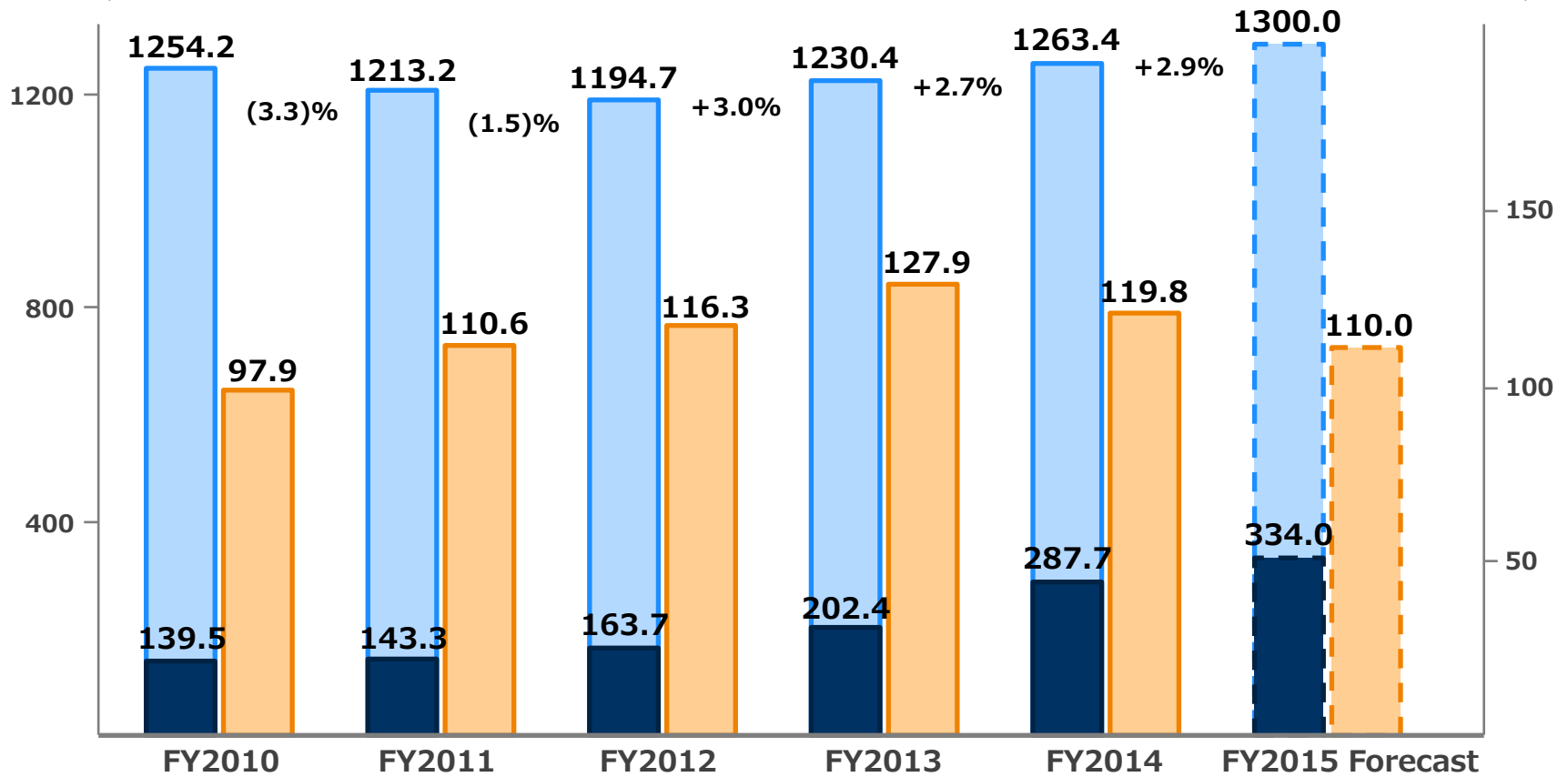
- "Cloud Services" includes Enterprise Cloud and Cloud<sup>®</sup>. Furthermore, beginning from the start of the fiscal year ended March 31, 2015, the definition of "Cloud Services" has been partially revised. Accordingly, figures for the fiscal year ended March 31, 2014 have also been revised.
- Beginning from the start of the fiscal year ended March 31, 2015, the definitions of "Data Centers" and "Server Room Space" have been partially revised. Accordingly, figures for the fiscal year ended March 31, 2014 have also been revised.
- "VPN" includes Arcstar Universal One, Arcstar Global IP-VPN, Global e-VLAN and a part of GIGASTREAM. Furthermore, beginning from the start of the fiscal year ended March 31, 2015, the definition of "VPN" has been partially revised. Accordingly, figures for the fiscal year ended March 31, 2014 have also been revised.
- "ISP subscribers" includes OCN, Plala and Infosphere. "MVNO subscribers" includes OCN mobile ONE.



# (Reference) Changes in NTT Communications Group's Operating Revenues and Operating Income

(billions of yen)

(billions of yen)



- Operating Revenues
- Revenues From Outside Of Japan
- Operating Income

