

Financial Results for the Fiscal Year Ended March 31, 2017 (18th Term)

May 15, 2017

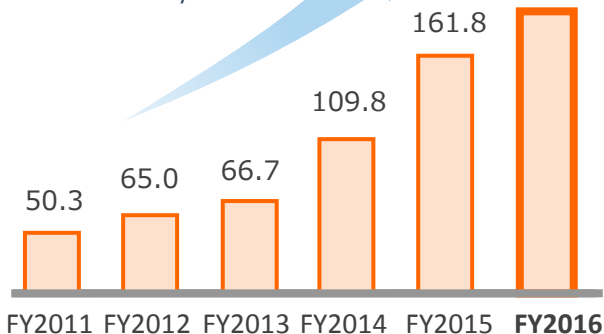
Nippon Telegraph and Telephone East Corporation
("NTT East")



Operating Income

(Billions of yen)

Fifth consecutive year of growth, and record levels for third consecutive year



- Operating income increased to 189.1 billion yen, increasing for the fifth consecutive year and reaching record levels for the third consecutive year

- Net income also reached a record 149.6 billion yen, increasing for the fifth consecutive year and reaching record levels for the second consecutive year

➤ Operating Income:	189.1 billion yen	increase of 27.2 billion yen year-on-year
➤ Net Income:	149.6 billion yen	increase of 30.8 billion yen year-on-year
➤ Capital Investment:	273.8 billion yen	decrease of 20.1 billion yen year-on-year

- Achieved a net increase of 510,000 FLET'S Hikari subscriptions (including Hikari Collaboration), an increase of 240,000 compared to the net increase in FY2015

➤ At the end of October 2016, the numbers of FLET'S Hikari subscriptions reached 11 million, exceeding the number of fixed-line subscriptions.

(10,000 subscriptions)

	FY2015		FY2016	
	Net increase	No. of subscriptions	Net increase	No. of subscriptions
FLET'S Hikari (incl. Hikari Collaboration)	+26	1,067	+51	1,117
Hikari Collaboration (partial listing)*	+289	308	+225	533

*Includes subscriptions converted from FLET'S Hikari to Hikari Collaboration

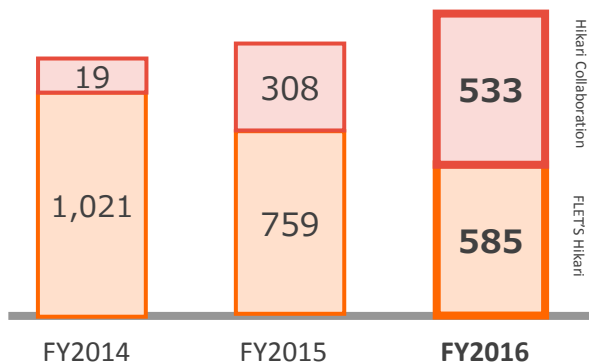
(Ref.) Fixed line (Telephone Subscriber Lines + ISDN)	(76)	1,129	(68)	1,061
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- Reduced interest-bearing debt to 365.8 billion yen (a decrease of 65.1 billion yen compared to FY2015)

Hikari Subscriptions

(10,000 subscriptions)

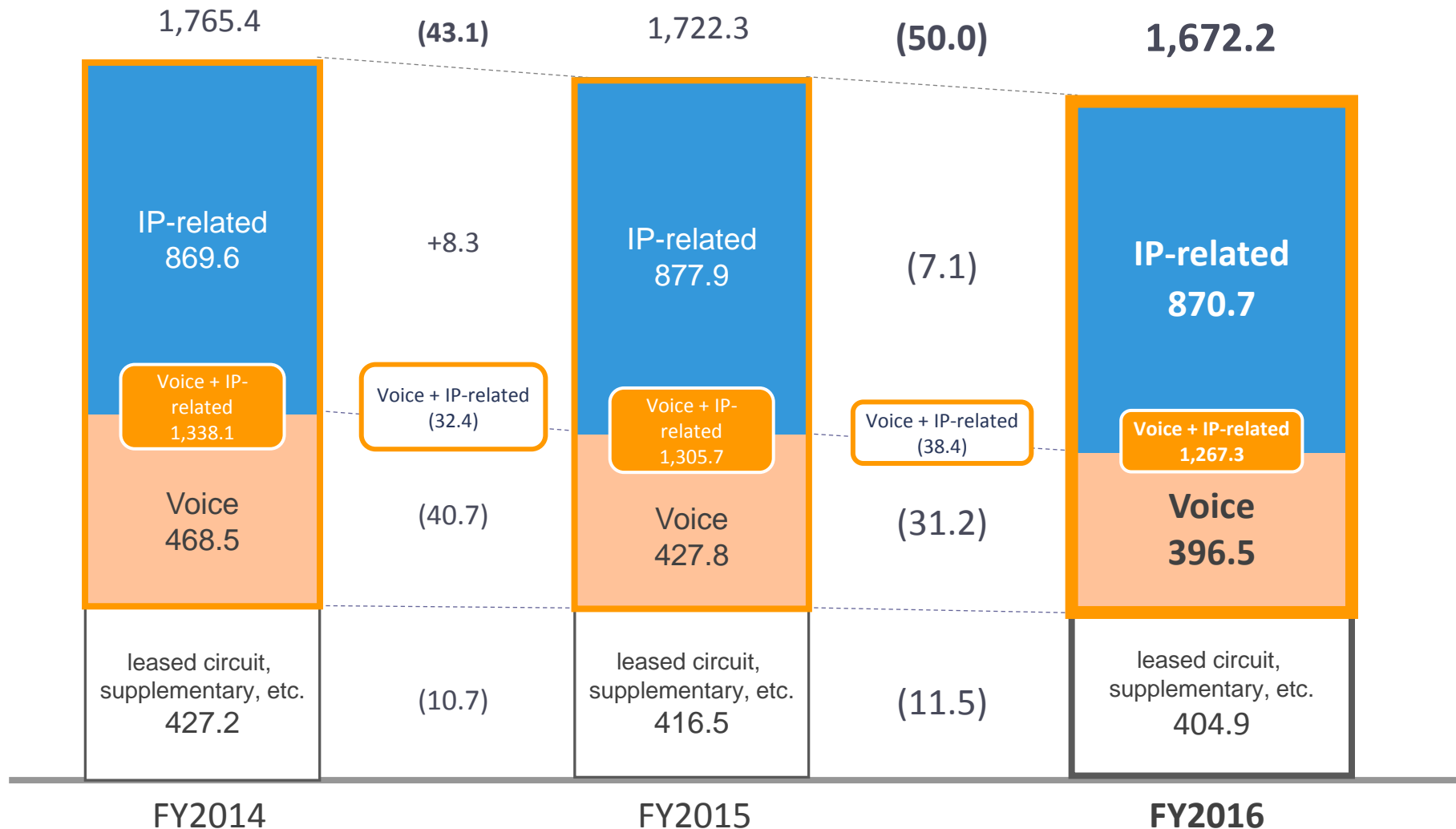
1,040 $\xrightarrow{+26}$ 1,067 $\xrightarrow{+51}$ 1,117



(Unit: Billions of yen)

Item	(FY2015)	(FY2016)	Increase (Decrease)	Change (%)
Operating Revenues	1,722.3	1,672.2	(50.0)	(2.9%)
Operating Expenses	1,560.4	1,483.1	(77.3)	(5.0%)
Operating Income	161.8	189.1	+27.2	+16.9%
Recurring Profit	173.4	204.4	+30.9	+17.9%
Special Profit (Loss)	(3.7)	—	+3.7	—
Net Income	118.7	149.6	+30.8	+26.0%
Capital Investment	294.0	273.8	(20.1)	(6.9%)

(Unit: Billions of yen)

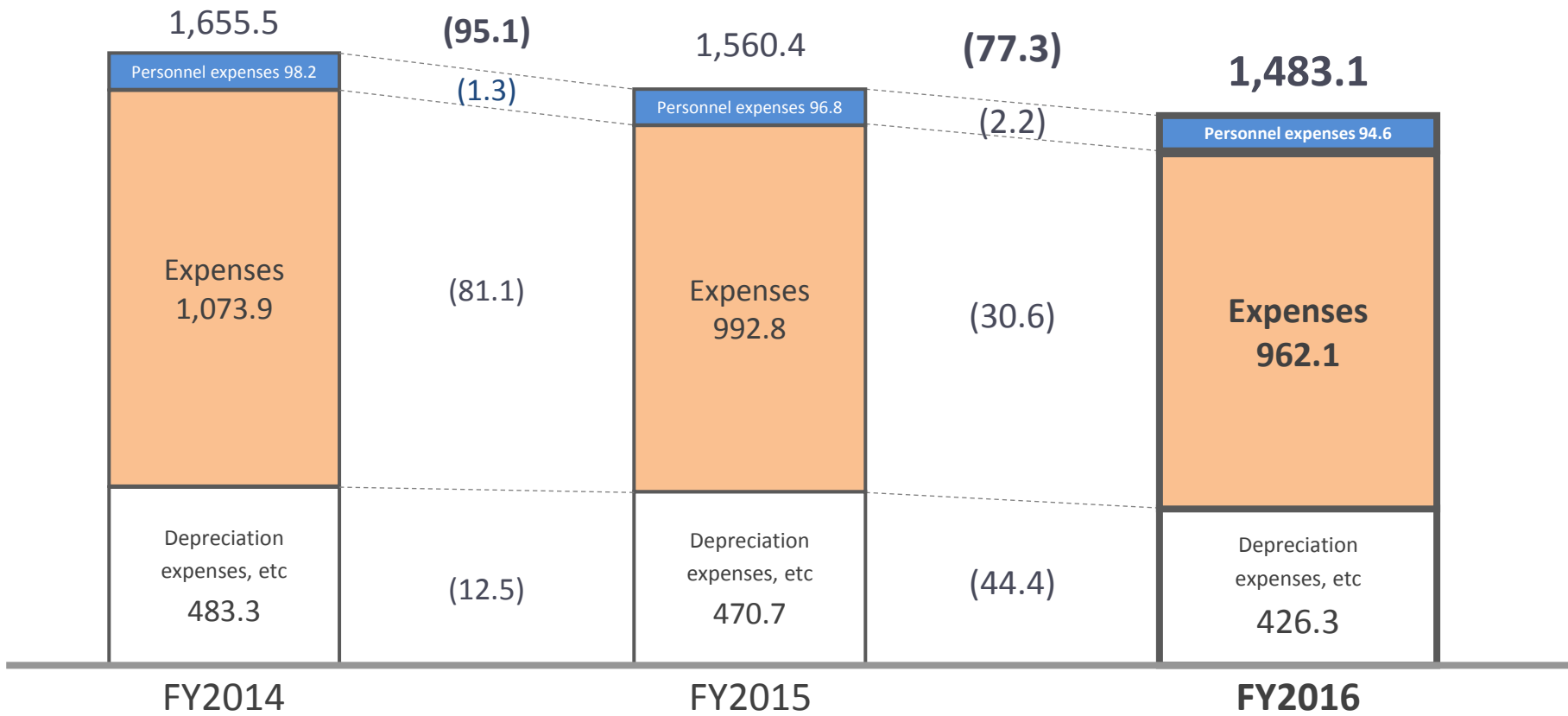


(Unit: Billions of yen)

Operating income



Operating expenses



5. Forecast for FY2017

- Operating Revenues are expected to decrease 32.2 billion yen year-on-year to 1,640.0 billion yen.
- Operating Expenses are expected to decrease 33.1 billion yen year-on-year to 1,450.0 billion yen.
- Operating Income is expected to increase 0.8 billion yen to 190.0 billion yen, due to the expected decrease in revenues being offset by decreasing expenses (an increase of 10 billion yen from the forecast in the Business Operation Plan filed in March 2017).
- Net Income is expected to reach 131.0 billion yen.
- Forecasts for FLET'S Hikari and Capital Investments remain unchanged from those announced in the Business Operation Plan.

Item		Forecast (FY2017)	Change Year-on-year (yen)	Change Year-on-year (%)	Revised Forecast Compared to Business Operation Plan
Operating Revenues	Billions of yen	1,640.0	(32.2)	(1.9%)	+13.0
IP-related Revenues		872.0	+1.2	+0.1%	+12.0
Operating Expenses		1,450.0	(33.1)	(2.2%)	+3.0
Operating Income		190.0	+0.8	+0.5%	+10.0
Recurring Profit		190.0	(14.4)	(7.1%)	+10.0
Net Income		131.0	(18.6)	(12.5%)	—
FLET'S Hikari Net Increase *		10,000 Subscriptions	50	(1)	(1.3%)
Capital Investment	Billions of yen	250.0	(23.8)	(8.7%)	—

*FLET'S Hikari figures include Hikari Collaboration.



- Increase profits in the business user market and enhance the value of fiber-optic access services by offering such services in combination with value-added services.

Fiber-Optic Access Services

FY2016

Net increase of 510,000

Exceeded 11 million subscriptions
(as of October 2016)

Ratio of new lines opened for Hikari Collaboration
42% (+21 pts year-on-year)
* Ratio was 52% as of March 2017



Value-Added Services

(Unit: subscriptions)

	FY2016 Results	Year-on-year increase rate
GigaRaku Wi-Fi	New lines opened: 50,000 AP (access points)	8x ↑
24-hour on-site optional repair service (FLET'S Hikari)	New Subscriptions 100,000 25% of new FLET'S Hikari business users subscribed to value-added services (4Q FY2016 results)	2x ↑
IT support & security	New Subscriptions 100,000	3x ↑

- Enhance service lineup with a focus on strengthening security measures and maintenance/support



おまかせアンチウイルス



Offers support for Wi-Fi environment
24-hour/365-day support



The forward-looking statements and projected figures concerning the future performance of NTT East, its parent company (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 East in light of information currently available to it regarding NTT East, 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 East, 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.