May 10, 2019

Financial Results for the Fiscal Year Ended March 31, 2019

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the fiscal year ended March 31, 2019 are presented in the following attachment.

(Attachment)

• Financial Results for the Fiscal Year Ended March 31, 2019

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E-Mail: houdou-gm@east.ntt.co.jp
Financial Results
for the Fiscal Year
Ended March 31, 2019 (20th Term)

May 10, 2019

Nippon Telegraph and Telephone East Corporation
(“NTT East”)

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## 1. Financial Results for the Fiscal Year Ended March 31, 2019

- Operating revenues decreased 46.2 billion yen from the previous fiscal year to 1,740.6 billion yen.
- Operating profit increased 9.9 billion yen from the previous fiscal year to 242.7 billion yen.
- As a result, both revenues and profits increased over the previous fiscal year.
- Net increase in FLET’S Hikari subscriptions of 70,000 from the previous year to 390,000.

(Units: Billions of yen, except FLET’S Hikari Subscriptions)

<table>
<thead>
<tr>
<th>IFRS (Consolidated)</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Increase (Decrease)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>1,786.8</td>
<td>1,740.6</td>
<td>(46.2)</td>
<td>(2.6%)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>1,554.1</td>
<td>1,498.0</td>
<td>(56.1)</td>
<td>(3.6%)</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>232.7</td>
<td>242.7</td>
<td>+ 9.9</td>
<td>+ 4.3%</td>
</tr>
<tr>
<td>Profit Attributable to NTT East</td>
<td>162.4</td>
<td>166.0</td>
<td>+ 3.6</td>
<td>+ 2.2%</td>
</tr>
<tr>
<td>Net increase in FLET’S Hikari Subscriptions*</td>
<td>32</td>
<td>39</td>
<td>+ 7</td>
<td>+ 22.4%</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>268.6</td>
<td>274.1</td>
<td>+ 5.4</td>
<td>+ 2.0%</td>
</tr>
</tbody>
</table>

* Unit: 10,000 subscriptions. Figures for FLET’S Hikari include subscriptions under the Hikari Collaboration Model.
2. Changes in Operating Revenues

(Unit: Billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>Change</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>1,786.8</td>
<td>(46.2)</td>
<td>1,740.6</td>
</tr>
<tr>
<td>IP/packet</td>
<td>851.6</td>
<td>(9.1)</td>
<td>842.5</td>
</tr>
<tr>
<td>communications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed voice</td>
<td>599.1</td>
<td>(25.5)</td>
<td>573.6</td>
</tr>
<tr>
<td>related service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System integration</td>
<td>336.1</td>
<td>(11.6)</td>
<td>324.5</td>
</tr>
<tr>
<td>services and other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. Changes in Operating Expenses & Operating Income

(Unit: Billions of yen)

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit</td>
<td>232.7</td>
<td>242.7</td>
<td>+9.9</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>1,554.1</td>
<td>1,498.0</td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>386.1</td>
<td>372.6</td>
<td></td>
</tr>
<tr>
<td>Expenses for purchase of goods and services and other expenses</td>
<td>751.8</td>
<td>733.3</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization, etc.</td>
<td>416.2</td>
<td>392.1</td>
<td></td>
</tr>
</tbody>
</table>
4. Forecast for FY2019

- Operating Revenues are expected to decrease 69.6 billion yen year-on-year to 1,671.0 billion yen.
- Operating Profit is expected to increase 10.4 billion yen year-on-year to 253.0 billion yen, due to the expected decrease in revenues being offset by a decrease in expenses.
- Profit Attributable to NTT East is expected to reach 175.0 billion yen.

<table>
<thead>
<tr>
<th>IFRS (Consolidated)</th>
<th>FY2018 Results</th>
<th>FY2019 Forecasts</th>
<th>Increase (Decrease)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>1,740.6</td>
<td>1,671.0</td>
<td>(69.6)</td>
<td>(4.0)%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>242.7</td>
<td>253.0</td>
<td>+ 10.4</td>
<td>+ 4.3%</td>
</tr>
<tr>
<td>Profit Attributable to NTT East</td>
<td>166.0</td>
<td>175.0</td>
<td>+ 9.0</td>
<td>+ 5.4%</td>
</tr>
<tr>
<td>Net Increase in FLET’S Hikari Subscriptions*</td>
<td>39</td>
<td>40</td>
<td>+ 1</td>
<td>+ 2.8%</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>274.1</td>
<td>265.0</td>
<td>(9.1)</td>
<td>(3.3)%</td>
</tr>
</tbody>
</table>

* Figures for FLET’S Hikari include subscriptions under the Hikari Collaboration Model.
5. Revitalization of Regional Economies (1)

Providing Secure and Highly Reliable Information Communication Services

I. Establishing high speed broadband networks which connect regions
   • Achieve the implementation of regional edge computing and build a high-volume transmission infrastructure to accommodate increased traffic

II. Making entire areas broadband-connected and diversifying access services
   • Expand the Hikari coverage area by collaborating with local government organizations
   • Improve the quality of access services for businesses
   • Offer solutions leveraging wireless technology (Wi-Fi, LPWA, Local 5G)

III. Offering ICT Services that support customers’ digital transformation
   • Provide one-stop services (Access Service x IoT/AI x support) that relieve the shortage of workers
   • Establish a new “Digital Transformation Headquarters” in order to strengthen support for customers’ DX (planned for July 2019)

Expanding Business Areas to Revitalize Regional Economies

IV. Leveraging company assets
   • Promote open innovation in collaboration with local universities, governments and businesses
   • Support services that support local communities (respond to outsourcing needs)

V. Trying to make local areas more attractive for new businesses to create jobs
   • Preserve local legacies (traditional techniques/crafts), revitalize towns through e-Sports, and commercialize agriculture x ICT
6. Revitalization of Regional Economies (2)

Develop “Food/Agriculture x ICT” Business

■ Implement IoT in Agriculture
  - “Agri-Innovation Lab @ Yamanashi” collaborative project with the region (“Advanced IoT Project,” sponsored by the Ministry of Economy, Trade and Industry and others, and award-winner for revitalization of regional economies)

■ Provide Food and Agriculture Solutions
  - Digitalization solutions for food hygiene management corresponding to HACCP
  - Utilize ICT to provide solutions for environmental control and yield forecasting in next-generation horticultural facilities, contributing to improvements in agricultural productivity

Support the DX of Small and Medium Enterprise Customers

■ Automation and Visualization of Work Sites through IoT
  - Started demonstration tests that used wearable devices for the visualization of the activities of warehouse workers and for health management (January 2018)
  - Launched an IoT package for factories that uses cameras and sensors to visualize the operating status of manufacturing machinery (November 2018)

■ Optimize Office Work by Leveraging ICT
  - Started offering “AI Reading/Omakase RPA”, which automates tasks from completing handwritten forms to system inputs, increasing office productivity (January 2019)

Preserve Local Techniques/Cultural Assets

■ Visualization of the Sake Production Process
  - Install a temperature sensor for manufacturing processes, and collect and analyze data in the cloud in order to stabilize quality and work toward the transfer of skilled techniques
  (June 2018 in Kumagaya in Saitama Prefecture; October 2018 in Osaki in Miyagi Prefecture)

■ Preservation of Pottery and Other Cultural Assets
  - Digitalization of experts’ know-how gained through years of experience and insight, and digitally archive local cultural assets
  - (April 2019 in Fujigawa in Yamanashi Prefecture)

Leveraging Company Assets

■ Smart Innovation Lab Using Communications Buildings
  - Established a lab for business co-creation, equipped with GPU servers and collaborative work spaces, in the Tokyo Kuramae Building (June 2018), and expanded to Sapporo and Sendai
  - In Sendai, in addition to building redevelopment, created an environment where “knowledge” and “talent” from industry/academia/government can come together, and promoted open innovation in the region

■ BPO Utilizing Group Assets
  - Promoted BPO to maintain local social infrastructure and services for local people by leveraging communications buildings and assets including technology, know-how and personnel
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 Securities Report and in any other materials publicly disclosed by NTT on its website.