

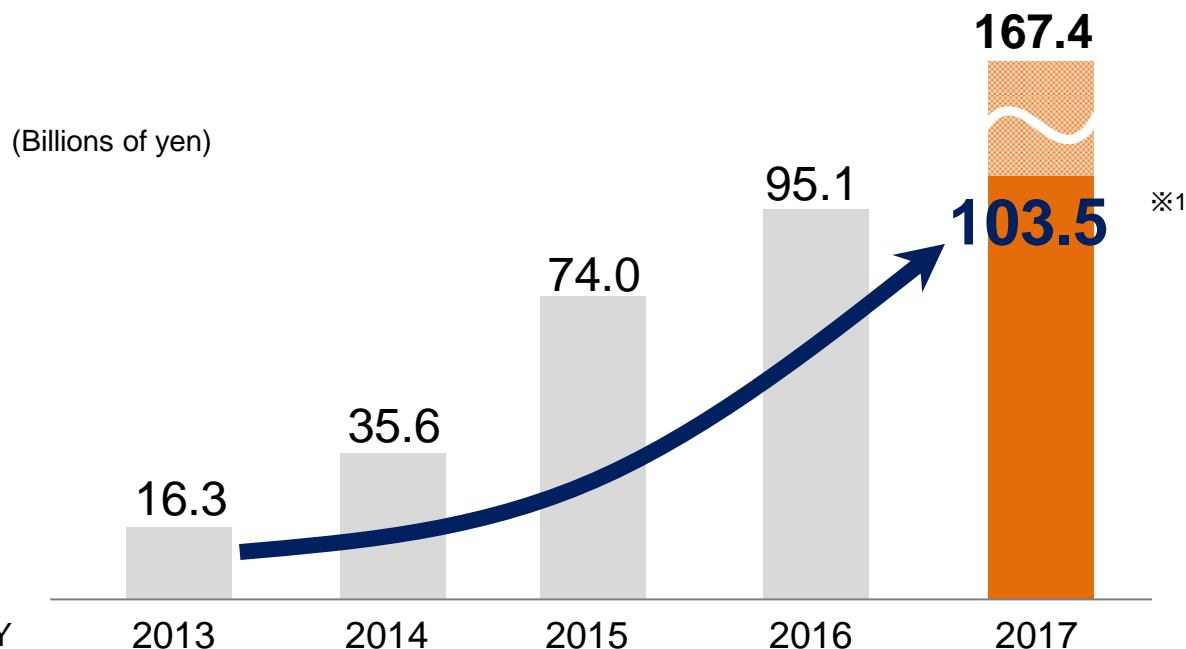
Financial Results for the Fiscal Year Ended March 31, 2018 (19th Term)

Kazutoshi Murao, President
Nippon Telegraph and Telephone West Corporation
("NTT West")

FY2017 Financial Results

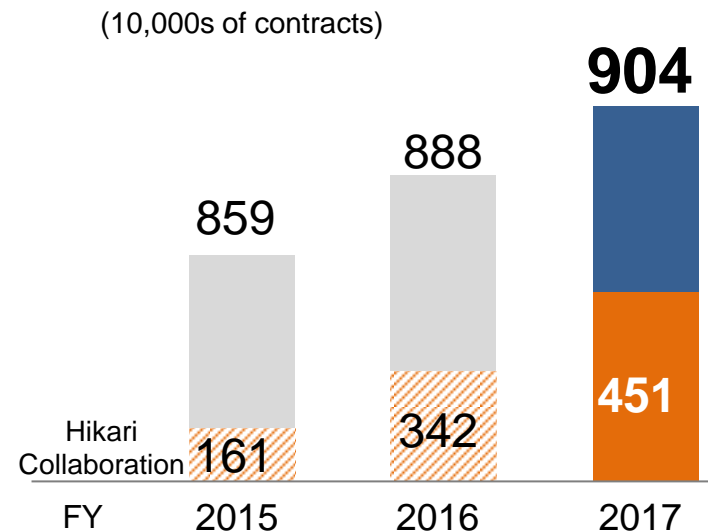
■ Operating Income (Japanese GAAP: non-consolidated)

- **4 consecutive years of increased profits**
- **2 consecutive years of record profits**



■ Fiber Optic Service Subscriptions

- **Reached 9 million contracts**
- **Hikari Collaboration Model percentage is about half**



【Reference】

	2013	2014	2015	2016	2017
(Net Income)	18.7	13.9	72.42 (43.8) ^{※2}	59.7	<u>72.43</u>
(Capital Investments)	339.4	314.5	289.4	274.1	<u>259.2</u>

【Reference】

	2015	2016	2017
(New Lines)	120	121	<u>123</u>
(% from Hikari Collaboration)	19%	39%	<u>50%</u>

FY2018 Forecast

		Unit	FY2017 Results	FY2018 Forecast	Year-on-Year Change
Operating Revenues	IFRS ^{※1} (Consolidated)	Billions of yen	1,494.0	1,454.0	(40.0)
Operating Income			119.4	110.0	(9.4)
Net Income ^{※2}			80.0	73.0	(7.0)
Capital Investments			281.0	270.0	(11.0)
Fiber Optic Services (Number of Contracts)	Fiber Optic Services	Ten thousand contracts	904	924	+20
	Hikari Collaboration		451	546	+95 ^{※3}

※1 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.

※2 Represents net income attributable to NTT West (after deducting income attributable to non-controlling interests).

※3 Figure includes 600,000 conversions from FLET'S Hikari to the Hikari Collaboration Model.

Business development of key solutions

Finance

Local Government
Clouds

Disaster
Preventions

Medical

Education (university,
primary and secondary)

Region NW

- Strengthen sales force for large metropolitan areas and large-scale users (resource concentration)
- Continue to maintain sales force for key prefecture-area users
- Increase sales of high-margin “security resources” and “support services” to small and medium-sized enterprises

Businesses that contribute to the resolution of social problems

- Business development of commercialized models LPWA Fukuoka Model Road Surface Diagnosis
- Field testing for conversion to services

Smart Metering for Gas and Water

River Level Monitoring

Promotion of Tourism

Nursing Care

Protection

Medical Alliances

- Expansion of partnerships

(Number of subscriptions)

Number of New Lines: 1,250,000

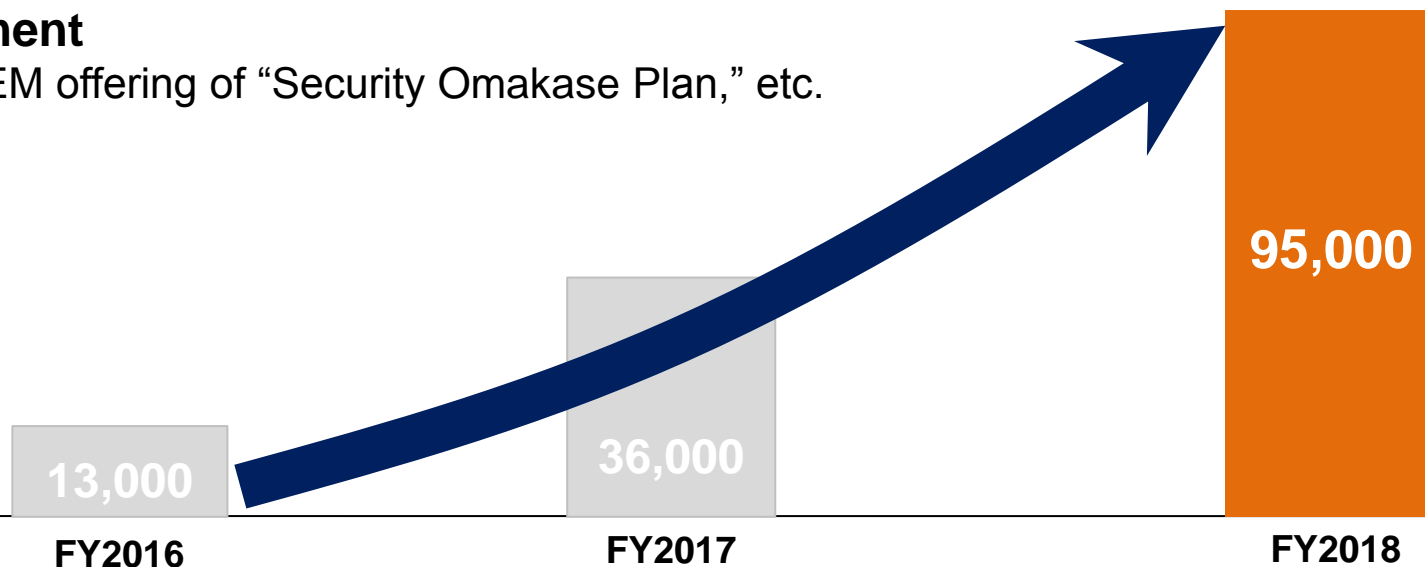
Further increase of new sales through collaborations with business operators

(Included above) New Hikari Collaboration Model Lines: 950,000

Increase of Hikari Collaboration providers in other industries

- **Further expansion to high-demand industries**
Example: Sier, real estate industry, etc.
- **Creation of usage scenarios for new market development**
Example: OEM offering of “Security Omakase Plan,” etc.

Increased Numbers of New Lines Opened



(Trends in New Lines for Hikari Collaboration Providers in Different Industries)

Achieving “Work-Style Reform” and “Strengthened Competitiveness”

Digital Business Reform (introduction of AI and other services)

- **Targeted at 250 businesses within NTT West**
Ex.: call centers, marketing, internal consulting, and others
- **Actual deployment based on trial results**
- 60 in FY2017, 190 in FY2018 and thereafter

Optimization of Business Operations

- **Reduce backyard costs for business processing by half**
- Consolidation and outsourcing of sales and facilities divisions
- **Unification of business operations**
- Advancement of comprehensive management and control
- **Conversion of facilities business to “smart” operations**
- Expansion of remote work, and multi-tasking of onsite work

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

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 unless otherwise stated.

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