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FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for Fiscal Year Ended March 31, 2013

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the fiscal year ended March 31, 2013. Please see the following attachments for further details:

- I. Results for Fiscal Year Ended March 31, 2013
- II. Non-Consolidated Comparative Balance Sheets
- III. Non-Consolidated Comparative Statements of Income
- IV. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
- V. Business Results (Non-Consolidated Operating Revenues)
- VI. Non-Consolidated Comparative Statements of Cash Flows
- VII. Financial Results of NTT Communications Group

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About NTT Communications Corporation

NTT Communications provides consultancy, architecture, security and cloud services to optimize the information and communications technology (ICT) environments of enterprises. These offerings are backed by the company's worldwide infrastructure, including leading global tier-1 IP Network, Arcstar Universal One™ VPN network reaching over 160 countries or regions, and over 140 secure data centers. NTT Communications' solutions leverage the global resources of NTT Group companies including Dimension Data, NTT DOCOMO and NTT DATA.

Further information: www.ntt.com | [www.twitter.com/nttcom](https://twitter.com/nttcom) | www.facebook.com/nttcomtv | <http://www.linkedin.com/company/ntt-communications>

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I. Results for Fiscal Year Ended March 31, 2013

NTT Communications Corporation (NTT Com) announced today that its non-consolidated financial results for the fiscal year ended March 31, 2013 (FY2012) saw net income increase 12.0% year on year to 65.3 billion yen, operating revenues decrease 3.7% to 944.8 billion yen and operating income increase 11.7% to 118.1 billion yen. Operating expenses shrank 5.6% to 826.6 billion yen. All results are based on Japanese accounting principles.

BACKGROUND

With the inauguration of Japan's new administration, monetary and fiscal measures targeting protracted deflation, including emergency economic measures, were promptly implemented, resulting in a correction of the yen and a rise in stock prices. However, with Japan's economic recovery still not on track and the global economic slowdown continuing, the future direction of the domestic economy remains uncertain.

In addition to the rapid popularization of smartphones and tablet devices, the expansion of cloud computing and improvements in high-speed technology in mobile access, such as LTE, the ICT industry is seeing growing interest in new applications of information and communications technologies, such as big data analysis and Bring Your Own Device (BYOD).

BUSINESS STRATEGIES

In accordance with the company's Vision 2015 growth strategy and corporate slogan "Global ICT Partner," NTT Com aims to achieve consolidated revenues of 1.5 trillion yen in FY2015, including a more than twofold increase in global sales compared with FY2010.

In FY2012, NTT Com worked to develop new growth businesses while drastically streamlining existing businesses to achieve its Vision 2015 goals. For example, the company provided new services based on its Global Cloud Vision, carried out global seamless sales activities and implemented highly competitive operations.

In services, the company strived to provide global seamless services and enhance its service lineups.

Specific measures taken by type of service were as follows:

- Cloud Platforms

Enterprise Cloud, the world's first private cloud service to deploy network virtualization technology on networks inside and/or between data centers, was unveiled in Japan and Hong Kong and then expanded to nine locations in seven countries, as of the end of March 2013.

In addition, the company's network of domestic and international data centers was further strengthened with openings of the Singapore Serangoon Data Center and the Malaysia Cyberjaya 3 Data Center and the completion of construction of Tokyo's largest data center, the Tokyo No.6 Data Center.

- Data Networks

NTT Com's highly reliable global network services were enhanced by connecting the Asia Submarine-cable Express, a submarine cable launched in August 2012, to Arcstar Universal One.

To meet a variety of mobile needs, the company also enhanced its Arcstar Universal One Mobile service and OCN Mobile service through the introduction of LTE-compatible plans, which enable high-speed mobile data communication. Furthermore, in response to rapidly increasing communications volume, Super OCN 100 gigabit Ethernet Service was provided for the first time in Asia.

- Voice Communications

Positioning line consolidation of voice and data communications and BYOD-compatible services as the company's core services for enterprise customers, the company began offering Arcstar IP Voice and a W-mode option in 050 plus for Biz and enhanced the features of Arcstar UCaaS. Moreover, the lineup of web-conferencing services was strengthened with the launch of Arcstar Video Conferencing, a high-quality video conferencing service that can be used on smartphones and tablet devices.

- Applications and Content

The company's offerings of general services that can be used in any industry, including mail, storage, and virtual desktop, were expanded to meet the needs of enterprise customers. NTT Com Online Marketing Solution Corporation was established to further strengthen the online marketing business, which supports customers' marketing activities. Group subsidiary NTT Plala augmented its Hikari TV service with the launch of an e-book service, Hikari TV book, and a music distribution service, Hikari TV music.

- Solution Services

Cloud Migration Services was launched to provide one-stop support to customers shifting their on-premise systems to cloud services, including the migration of everything from servers to network infrastructure and applications. Moreover, the company launched its Managed Security Services and developed a new security platform that has enhanced functions to detect and analyze security risks, such as targeted attacks, in cooperation with Integralis, Secode and NTT Secure Platform Laboratories.

In sales, NTT Com targeted global seamless sales by utilizing its global account management system to further enhance its sales activities. Also, it established NTT Com Marketing Corporation and launched an online shopping site, NTT Com Store, to strengthen sales activities targeted at small and midsize enterprises. Furthermore, the company established the BYOD Promotion Department to reinforce its BYOD business.

Finally, in the area of operations, NTT Com greatly improved efficiency through a review of overlapped processes across services and a Group-wide restructuring of its value chains. In particular, the company directed Group-wide resources and know-how to the appropriate companies to improve the operational expertise of each company, thereby further streamlining operations. It also actively advanced efforts to divide functions at a global level and allocate them appropriately, including the promotion of offshoring. Furthermore, the company's cost structure was drastically transformed through the standardization, automation and consolidation of operational processes.

Overseas, NTT Com was the first foreign telecommunications company to establish a sales branch in Yangon, Myanmar, a rapidly growing market. Also, striving to enhance its high-value-added ICT services to better meet the needs of multinational companies, NTT Com acquired India's data center provider Netmagic Solutions Private Limited, UK's data center provider Gyron Internet Limited, and Freedom Resources Holdings Corporation, a subsidiary of the DTSL group, which provides IP telephony and system integration services for operating systems mainly in the Philippines.

OPERATING RESULTS

Operating revenues declined again in FY2012 compared to FY2011. Voice transmission service revenues decreased 9.4% year on year to 293.9 billion yen, IP service revenues declined 0.7% to 371.8 billion yen and data communications service revenues were down 13.6% to 67.6 billion yen. Solution services revenues, which have been declining continuously in recent years, increased 2.4% to 183.9 billion yen. Total operating revenues decreased 3.7% to 944.8 billion yen.

On the positive side, tighter cost controls lowered expenses for purchases of goods and services by 6.7% to 400.6 billion yen. Access charges decreased 9.7% to 213.5 billion yen due to lower voice transmission service charges. Total operating expenses declined 5.6% to 826.6 billion yen.

As a result, operating income increased 11.7% to 118.1 billion yen and net income was up 12.0% to 65.3 billion yen, which included the booking of special profits of 24.0 billion yen on the settlement of interconnection charges and sales of real estate, as well as special losses of 31.8 billion yen on the write-off of investments made by affiliated companies.

II. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2012	March 31, 2013	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	146,728	145,637	(1,090)
Antenna facilities	1,569	1,459	(110)
Terminal equipment	929	764	(165)
Local line facilities	836	810	(26)
Long-distance line facilities	7,497	7,122	(375)
Engineering facilities	54,861	54,238	(623)
Submarine line facilities	8,974	20,482	11,508
Buildings	127,910	138,995	11,085
Structures	2,779	3,058	279
Other machinery and equipment	81	140	59
Vehicles and vessels	25	79	53
Tools, furniture and fixtures	33,379	34,416	1,037
Land	47,349	38,918	(8,431)
Lease assets	6,268	9,008	2,739
Construction in progress	30,479	8,303	(22,175)
Total property, plant and equipment	469,671	463,434	(6,236)
Intangible fixed assets	84,055	82,864	(1,191)
Total fixed assets - telecommunications businesses	553,727	546,299	(7,427)
Investments and other assets			
Investment securities	118,969	166,291	47,321
Investments in subsidiaries and affiliated companies	178,550	167,637	(10,913)
Investment in capital	210	258	47
Contributions to affiliated companies	2,274	2,226	(47)
Long-term loans receivable to subsidiaries	-	1,725	1,725
Long-term prepaid expenses	2,072	1,984	(87)
Deferred income taxes	20,403	1,243	(19,160)
Submarine line use rights	10,402	12,567	2,165
Other investments and assets	20,387	22,584	2,197
Allowance for doubtful accounts	(219)	(232)	(13)
Total investments and other assets	353,053	376,287	23,234
Total fixed assets	906,780	922,587	15,806
Current assets:			
Cash and bank deposits	23,863	9,593	(14,269)
Notes receivable	446	25	(421)
Accounts receivable, trade	192,630	181,157	(11,472)
Accounts receivable, other	3,617	52,183	48,565
Lease investment assets	636	333	(303)
Securities	10	-	(10)
Supplies	9,424	8,024	(1,399)
Advance payment	1,627	1,336	(291)
Prepaid expenses	4,346	4,328	(17)
Deferred income taxes	5,953	6,951	997
Short-term loans receivable	6,573	13,927	7,353
Subsidiary deposits	43,671	35,598	(8,072)
Other current assets	5,002	4,639	(362)
Allowance for doubtful accounts	(2,294)	(2,148)	146
Total current assets	295,509	315,951	20,442
TOTAL ASSETS	1,202,290	1,238,538	36,248

(Millions of yen)

	March 31, 2012	March 31, 2013	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	63,666	60,080	(3,586)
Lease obligations	6,801	10,665	3,863
Liability for employees' retirement benefits	82,533	84,126	1,593
Reserve for point services	3,957	3,674	(283)
Reserve for unused telephone cards	5,964	5,292	(672)
Asset retirement obligations	669	600	(68)
Other long-term liabilities	8,836	6,943	(1,892)
Total long-term liabilities	172,430	171,383	(1,046)
Current liabilities:			
Current portion of long-term borrowings from parent company	43,643	3,586	(40,056)
Accounts payable, trade	26,063	25,136	(926)
Short-term borrowings	-	730	730
Lease obligations	3,749	4,485	736
Accounts payable, other	173,342	176,150	2,808
Accrued expenses	5,581	4,899	(681)
Accrued taxes on income	9,533	15,134	5,601
Advance received	6,004	5,137	(866)
Deposit received	14,568	19,609	5,041
Unearned revenue	73	76	2
Allowance for losses on construction	105	21	(84)
Allowance for loss on disaster	506	6	(499)
Other current liabilities	1,974	579	(1,394)
Total current liabilities	285,145	255,554	(29,590)
TOTAL LIABILITIES	457,575	426,938	(30,636)
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus			
Additional paid-in capital	131,615	131,615	-
Total capital surplus	131,615	131,615	-
Earned surplus			
Other earned surplus			
Reserve for special account for property replacement	1,921	1,619	(301)
Reserve for reduction entry	2,347	2,947	600
Accumulated earned surplus	352,056	386,537	34,481
Total earned surplus	356,324	391,104	34,780
Total shareholders' equity	699,703	734,483	34,780
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	45,010	77,116	32,105
Total unrealized gains (losses), translation adjustments, and others	45,010	77,116	32,105
TOTAL NET ASSETS	744,714	811,600	66,885
TOTAL LIABILITIES AND NET ASSETS	1,202,290	1,238,538	36,248

III. Non-Consolidated Comparative Statements of Income
(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013	Increase (Decrease)
Telecommunications businesses:			
Operating revenues	817,556	775,217	(42,339)
Operating expenses			
Business expenses	203,341	176,985	(26,355)
Maintenance expenses	82,303	80,131	(2,172)
Overhead expenses	11,784	11,389	(395)
Administration	71,438	72,127	689
Experiment and research	13,870	13,719	(151)
Depreciation and amortization	87,520	90,788	3,268
Retirement of fixed assets	6,819	9,647	2,828
Access charges	222,392	197,989	(24,403)
Miscellaneous taxes	10,930	11,383	453
Total operating expenses	710,400	664,162	(46,238)
Operating income from telecommunications businesses	107,156	111,054	3,898
Supplementary businesses:			
Operating revenues	163,464	169,594	6,130
Operating expenses	164,872	162,512	(2,360)
Operating income (losses) from supplementary businesses	(1,407)	7,082	8,490
Operating income	105,748	118,137	12,389
Non-operating revenues:			
Interest income	96	227	130
Dividends received	9,033	7,517	(1,516)
Lease and rental income	13,021	13,099	77
Miscellaneous income	1,563	3,868	2,305
Total non-operating revenues	23,715	24,712	996
Non-operating expenses:			
Interest expenses	2,196	1,690	(505)
Lease and rental expenses	7,546	6,967	(579)
Loss on assignment of lease contracts	-	1,557	1,557
Miscellaneous expenses	726	2,905	2,178
Total non-operating expenses	10,469	13,121	2,651
Recurring profit	118,994	129,728	10,734
Special profits:			
Gains on sales of fixed assets	3,728	8,965	5,236
Gain on settlement of interconnection charges	-	12,706	12,706
Other	-	2,348	2,348
Total special profits	3,728	24,021	20,292
Special losses:			
Write-off of investments in affiliated companies	9,599	31,895	22,296
Total special losses	9,599	31,895	22,296
Income before income taxes	113,123	121,853	8,729
Corporation, inhabitant, and enterprise taxes	43,279	56,254	12,974
Deferred tax expenses (benefits)	11,540	287	(11,252)
Net income	58,303	65,311	7,008

IV. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets

(Based on accounting principles generally accepted in Japan)

Year ended March 31, 2012

(Millions of yen)

	Shareholders' equity								Unrealized gains (losses), translation adjustments, and others		Total net assets
	Common stock	Capital surplus		Earned surplus				Total shareholders' equity	Net unrealized gains (losses) on securities	Total unrealized gains (losses), translation adjustments, and others	
		Additional paid-in capital	Total capital surplus	Other earned surplus			Total earned surplus				
				Reserve for special account for property replacement	Reserve for reduction entry	Accumulated earned surplus					
April 1, 2011	211,763	131,615	131,615	-	2,163	310,859	313,022	656,401	31,972	31,972	688,373
Net change during the annual period											
Cash dividends						(15,000)	(15,000)	(15,000)			(15,000)
Net income						58,303	58,303	58,303			58,303
Provision of reserve for special account for property replacement				1,921		(1,921)					-
Provision of reserve for reduction entry					183	(183)					-
Others, net									13,038	13,038	13,038
Total net change during the annual period	-	-	-	1,921	183	41,197	43,302	43,302	13,038	13,038	56,341
March 31, 2012	211,763	131,615	131,615	1,921	2,347	352,056	356,324	699,703	45,010	45,010	744,714

Year ended March 31, 2013

(Millions of yen)

	Shareholders' equity								Unrealized gains (losses), translation adjustments, and others		Total net assets
	Common stock	Capital surplus		Earned surplus				Total shareholders' equity	Net unrealized gains (losses) on securities	Total unrealized gains (losses), translation adjustments, and others	
		Additional paid-in capital	Total capital surplus	Other earned surplus			Total earned surplus				
				Reserve for special account for property replacement	Reserve for reduction entry	Accumulated earned surplus					
April 1, 2012	211,763	131,615	131,615	1,921	2,347	352,056	356,324	699,703	45,010	45,010	744,714
Net change during the annual period											
Cash dividends						(30,500)	(30,500)	(30,500)			(30,500)
Net income						65,311	65,311	65,311			65,311
Decrease by corporate division						(31)	(31)	(31)			(31)
Provision of reserve for special account for property replacement				1,619		(1,619)					-
Return of reserve for special account for property replacement				(1,921)		1,921					-
Provision of reserve for reduction entry					600	(600)					-
Others, net									32,105	32,105	32,105
Total net change during the annual period	-	-	-	(301)	600	34,481	34,780	34,780	32,105	32,105	66,885
March 31, 2013	211,763	131,615	131,615	1,619	2,947	386,537	391,104	734,483	77,116	77,116	811,600

V. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013	Increase (Decrease)	Percent Increase (Decrease)
Voice transmission services revenues (excluding IP services revenues)	324,268	293,931	(30,336)	(9.4)
IP services revenues	374,420	371,860	(2,559)	(0.7)
Open computer network services revenues*	158,804	155,892	(2,912)	(1.8)
IP-Virtual private network services revenues*	69,580	67,913	(1,667)	(2.4)
Wide-Area Ethernet services revenues*	54,094	51,848	(2,246)	(4.2)
Data communications revenues (excluding IP services revenues)	78,332	67,670	(10,661)	(13.6)
Leased circuit services revenues*	56,708	50,328	(6,380)	(11.3)
Solution services revenues	179,729	183,960	4,230	2.4
Others	24,271	27,388	3,116	12.8
Total operating revenues	981,021	944,812	(36,209)	(3.7)

*Partial listing only

VI. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013	Increase (Decrease)
Cash flows from operating activities:			
Income before income taxes	113,123	121,853	8,729
Depreciation and amortization	100,821	104,986	4,164
Loss on disposal of property, plant and equipment	4,713	8,189	3,476
Gains on sales of fixed assets	(4,256)	(9,474)	(5,217)
Increase (decrease) in allowance for doubtful accounts	(93)	(133)	(40)
Increase (decrease) in liability for employees' retirement benefits	3,160	1,593	(1,567)
Write-off of investments in affiliated companies	9,599	31,895	22,296
(Increase) decrease in accounts receivable	(9,088)	(36,255)	(27,166)
(Increase) decrease in inventories	(1,999)	1,395	3,394
Increase (decrease) in accounts payable and accrued expenses	1,265	(1,005)	(2,270)
Increase (decrease) in accrued consumption tax	2,314	840	(1,474)
Other	(4,428)	(6,310)	(1,882)
Sub-total	215,132	217,575	2,443
Interest and dividends received	9,107	7,702	(1,404)
Interest paid	(2,330)	(1,682)	647
Income taxes received (paid)	(24,980)	(45,932)	(20,952)
Net cash provided by (used in) operating activities	196,929	177,662	(19,266)
Cash flows from investing activities:			
Payments for property, plant and equipment	(123,025)	(111,263)	11,762
Proceeds from sale of property, plant and equipment	4,938	17,845	12,906
Payments for purchase of investment securities	(5,727)	(21,967)	(16,239)
Proceeds from sale of investment securities	136	4,726	4,590
Payments for long-term loans	-	(1,725)	(1,725)
Payments for short-term loans	(2,781)	(3,345)	(564)
Other	(2,008)	(3,932)	(1,924)
Net cash provided by (used in) investing activities	(128,468)	(119,661)	8,806
Cash flows from financing activities:			
Payments for settlement of long-term debt	(37,073)	(43,643)	(6,569)
Net increase (decrease) in short-term borrowings	(65)	730	795
Payments for settlement of lease obligations	(4,110)	(4,249)	(139)
Dividends paid	(15,000)	(30,500)	(15,499)
Net cash provided by (used in) financing activities	(56,250)	(77,663)	(21,412)
Effect of exchange rate changes on cash and cash equivalents	290	1,327	1,037
Net increase (decrease) in cash and cash equivalents	12,500	(18,334)	(30,834)
Cash and cash equivalents at beginning of year	57,958	70,459	12,500
Cash and cash equivalents at end of year	70,459	52,124	(18,334)

VII. Financial Results of NTT Communications Group

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	1,213,157	1,194,721	(18,436)	(1.5)
Operating expenses	1,102,548	1,078,399	(24,149)	(2.2)
Operating income	110,609	116,322	5,713	5.2