

November 8, 2013

FOR IMMEDIATE RELEASE

**Financial Statements for the Six Months Ended September 30, 2013**

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the six months ended September 30, 2013 are presented in the following attachments.

(Attachments)

1. Non-Consolidated Comparative Balance Sheets
2. Non-Consolidated Comparative Statements of Income
3. Business Results (Non-Consolidated Operating Revenues)
4. Non-Consolidated Comparative Statements of Cash Flows
5. Revised Forecasts for the Fiscal Year Ending March 31, 2014

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# 1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2013	September 30, 2013	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	484,112	478,928	(5,183)
Antenna facilities	4,643	4,505	(138)
Terminal equipment	55,006	50,234	(4,772)
Local line facilities	846,814	844,573	(2,241)
Long-distance line facilities	4,608	4,381	(226)
Engineering facilities	621,339	614,388	(6,951)
Submarine line facilities	1,520	1,354	(165)
Buildings	455,586	448,799	(6,786)
Construction in progress	36,097	35,365	(731)
Other	268,012	264,326	(3,686)
Total property, plant and equipment	2,777,740	2,746,857	(30,882)
Intangible fixed assets	92,108	89,423	(2,685)
Total fixed assets - telecommunications businesses	2,869,848	2,836,280	(33,568)
Investments and other assets			
Other investments and assets	210,652	216,243	5,591
Allowance for doubtful accounts	(898)	(811)	87
Total investments and other assets	209,754	215,432	5,678
Total fixed assets	3,079,602	3,051,713	(27,889)
Current assets:			
Cash and bank deposits	59,223	16,269	(42,953)
Notes receivable	7	16	9
Accounts receivable, trade	261,400	222,366	(39,033)
Supplies	36,206	34,907	(1,298)
Other current assets	215,233	232,213	16,979
Allowance for doubtful accounts	(1,826)	(1,585)	241
Total current assets	570,243	504,187	(66,056)
<b>TOTAL ASSETS</b>	<b>3,649,846</b>	<b>3,555,900</b>	<b>(93,945)</b>

(Millions of yen)

	March 31, 2013	September 30, 2013	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	576,195	552,485	(23,710)
Liability for employees' retirement benefits	222,469	230,991	8,521
Reserve for point services	6,658	8,755	2,096
Reserve for unused telephone cards	12,647	11,844	(803)
Allowance for environmental measures	-	4,523	4,523
Asset retirement obligations	602	1,296	694
Other long-term liabilities	11,856	9,812	(2,044)
Total long-term liabilities	830,430	819,708	(10,722)
Current liabilities:			
Current portion of long-term borrowings from parent company	168,155	177,787	9,632
Accounts payable, trade	93,597	55,615	(37,981)
Accrued taxes on income	7,681	*	8,046
Asset retirement obligations	-	19	19
Other current liabilities	401,697	336,852	(64,845)
Total current liabilities	671,132	578,322	(92,810)
<b>TOTAL LIABILITIES</b>	<b>1,501,563</b>	<b>1,398,030</b>	<b>(103,532)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	313,284	322,399	9,114
Total shareholders' equity	2,148,011	2,157,126	9,114
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	271	744	472
Total unrealized gains (losses), translation adjustments, and others	271	744	472
<b>TOTAL NET ASSETS</b>	<b>2,148,283</b>	<b>2,157,870</b>	<b>9,587</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,649,846</b>	<b>3,555,900</b>	<b>(93,945)</b>

Note: \*NTT East participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan.

However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements

## 2. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Telecommunications businesses:				
Operating revenues	846,125	818,629	(27,496)	1,689,238
Operating expenses	815,503	772,282	(43,220)	1,636,091
Operating income from telecommunications businesses	30,622	46,346	15,724	53,146
Supplementary businesses:				
Operating revenues	63,118	61,335	(1,782)	142,559
Operating expenses	56,686	54,627	(2,059)	130,634
Operating income from supplementary businesses	6,431	6,708	276	11,924
Operating income	37,053	53,054	16,000	65,071
Non-operating revenues:				
Interest income	22	30	8	62
Dividends received	2,462	3,643	1,180	2,494
Lease and rental income	21,822	22,297	474	43,166
Miscellaneous income	2,674	2,643	(30)	14,467
Total non-operating revenues	26,981	28,614	1,632	60,190
Non-operating expenses:				
Interest expenses	4,557	3,687	(870)	8,792
Lease and rental expenses	9,738	10,481	743	24,063
Miscellaneous expenses	913	565	(347)	3,512
Total non-operating expenses	15,209	14,734	(475)	36,368
Recurring profit	48,826	66,935	18,108	88,893
Special losses	2,986	3,382	396	7,980
Income before income taxes	45,839	63,552	17,712	80,912
Income taxes	*	*	6,655	28,090
Net income	31,557	42,614	11,056	52,822

Note: \*NTT East participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan.

However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

### 3. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2013
Voice transmission services revenues (excluding IP services revenues)	297,560	265,303	(32,257)	(10.8)	579,196
Monthly charge revenues*	213,761	192,921	(20,840)	(9.7)	417,852
Call rates revenues*	24,678	21,748	(2,929)	(11.9)	47,939
Interconnection call revenues*	37,315	32,504	(4,811)	(12.9)	72,378
IP services revenues	413,027	420,802	7,774	1.9	835,886
Leased circuit services revenues (excluding IP services revenues)	62,607	59,548	(3,059)	(4.9)	122,777
Telegram services revenues	7,701	7,323	(377)	(4.9)	16,107
Other telecommunications services revenues	65,228	65,651	423	0.6	135,270
Telecommunications total revenues	846,125	818,629	(27,496)	(3.2)	1,689,238
Supplementary business total revenues	63,118	61,335	(1,782)	(2.8)	142,559
Total operating revenues	909,243	879,964	(29,278)	(3.2)	1,831,797

\*Partial listing only

#### 4. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Cash flows from operating activities:				
Income before income taxes	45,839	63,552	17,712	80,912
Depreciation and amortization	195,621	185,210	(10,411)	386,554
Loss on disposal of property, plant and equipment	10,872	6,616	(4,255)	26,311
Increase (decrease) in liability for employees' retirement benefits	(1,333)	8,521	9,855	(4,994)
(Increase) decrease in accounts receivable	(48,397)	27,415	75,813	(48,176)
(Increase) decrease in inventories	2,311	87	(2,224)	9,312
Increase (decrease) in accounts payable and accrued expenses	(46,804)	(68,999)	(22,194)	(618)
Increase (decrease) in accrued consumption tax	5,743	(3,214)	(8,957)	7,491
Other	(27,547)	(22,190)	5,356	(12,351)
Sub-total	136,304	196,999	60,694	444,442
Interest and dividends received	2,485	3,672	1,187	2,556
Interest paid	(4,588)	(4,191)	396	(8,889)
Income taxes received (paid)	1,124	(18,122)	(19,246)	650
Net cash provided by (used in) operating activities	135,325	178,358	43,033	438,760
Cash flows from investing activities:				
Payments for property, plant and equipment	(223,787)	(195,182)	28,604	(405,241)
Proceeds from sale of property, plant and equipment	1,793	1,639	(154)	10,856
Payments for purchase of investment securities	(120)	(167)	(47)	(510)
Proceeds from sale of investment securities	337	209	(128)	506
Other	(1,077)	(5,107)	(4,030)	(5,014)
Net cash provided by (used in) investing activities	(222,854)	(198,609)	24,244	(399,403)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	39,815	100,000	60,185	126,635
Payments for settlement of long-term debt	(44,169)	(114,077)	(69,908)	(148,339)
Net increase (decrease) in short-term borrowings	(30,000)	-	30,000	(30,000)
Payments for settlement of lease obligations	(709)	(302)	407	(1,176)
Dividends paid	(33,500)	(33,500)	-	(33,500)
Net cash provided by (used in) financing activities	(68,564)	(47,880)	20,684	(86,381)
Net increase (decrease) in cash and cash equivalents	(156,093)	(68,131)	87,962	(47,024)
Cash and cash equivalents at beginning of period	185,925	138,901	(47,024)	185,925
Cash and cash equivalents at end of period	29,832	70,770	40,937	138,901

## 5. Revised Forecasts for the Fiscal Year Ending March 31, 2014

Based on its recent business performance, NTT East has revised its financial results forecasts that were announced in the financial results release filed on May 10, 2013 for the fiscal year ending March 31, 2014, as follows.

(Billions of yen)

	Year Ending March 31, 2014 (Forecasts Previously Announced on May 10, 2013)	Year Ending March 31, 2014 (Revised Forecasts)	Change
Operating Revenues	1,783.0	1,783.0	—
Operating Income	65.0	65.0	—
Recurring Profit	80.0	83.0	3.0
Net Income	50.0	50.0	—

Note: The financial results forecasts and projected figures concerning the future performance of NTT East contained herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT East and its parent NTT in light of information currently available to them regarding NTT, NTT East and its subsidiaries and affiliates, 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, NTT East and its 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 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.

November 8, 2013

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**Financial Statements for the Six Months Ended September 30, 2013**

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2. Non-Consolidated Comparative Statements of Income
3. Business Results (Non-Consolidated Operating Revenues)
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5. Revised Forecasts for the Fiscal Year Ending March 31, 2014

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# 1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2013	September 30, 2013	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	468,937	455,702	(13,235)
Antenna facilities	6,816	6,609	(207)
Terminal equipment	18,408	18,046	(361)
Local line facilities	923,767	927,554	3,786
Long-distance line facilities	2,597	2,521	(75)
Engineering facilities	562,018	554,374	(7,644)
Submarine line facilities	2,096	3,393	1,297
Buildings	376,023	365,122	(10,901)
Construction in progress	30,453	31,843	1,390
Other	226,593	224,845	(1,748)
Total property, plant and equipment	2,617,712	2,590,013	(27,699)
Intangible fixed assets	71,968	75,455	3,486
Total fixed assets - telecommunications businesses	2,689,681	2,665,469	(24,212)
Investments and other assets			
Other investments and assets	150,915	156,857	5,941
Allowance for doubtful accounts	(249)	(206)	42
Total investments and other assets	150,665	156,650	5,984
Total fixed assets	2,840,347	2,822,120	(18,227)
Current assets:			
Cash and bank deposits	29,799	20,354	(9,445)
Notes receivable	8	158	150
Accounts receivable, trade	219,908	175,189	(44,719)
Supplies	38,222	34,943	(3,278)
Other current assets	176,844	156,231	(20,613)
Allowance for doubtful accounts	(1,362)	(544)	817
Total current assets	463,421	386,332	(77,088)
<b>TOTAL ASSETS</b>	<b>3,303,768</b>	<b>3,208,452</b>	<b>(95,316)</b>

(Millions of yen)

	March 31, 2013	September 30, 2013	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	951,797	868,087	(83,710)
Liability for employees' retirement benefits	221,270	228,956	7,686
Reserve for point services	4,882	5,125	242
Reserve for unused telephone cards	11,960	11,200	(760)
Allowance for environmental measures	-	8,129	8,129
Asset retirement obligations	309	342	32
Other long-term liabilities	10,448	7,463	(2,985)
Total long-term liabilities	1,200,669	1,129,305	(71,363)
Current liabilities:			
Current portion of long-term borrowings from parent company	182,057	231,738	49,681
Accounts payable, trade	72,315	46,882	(25,433)
Accrued taxes on income	1,005	*	981
Other current liabilities	336,852	300,568	(36,284)
Total current liabilities	592,231	580,171	(12,059)
<b>TOTAL LIABILITIES</b>	<b>1,792,900</b>	<b>1,709,476</b>	<b>(83,423)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	28,645	16,667	(11,977)
Total shareholders' equity	1,510,699	1,498,721	(11,977)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	169	254	85
Total unrealized gains (losses), translation adjustments, and others	169	254	85
<b>TOTAL NET ASSETS</b>	<b>1,510,868</b>	<b>1,498,975</b>	<b>(11,892)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,303,768</b>	<b>3,208,452</b>	<b>(95,316)</b>

Note: \*NTT West participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan.

However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements

## 2. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Telecommunications businesses:				
Operating revenues	745,191	715,300	(29,890)	1,482,982
Operating expenses	740,579	702,875	(37,703)	1,474,459
Operating income from telecommunications businesses	4,611	12,424	7,812	8,523
Supplementary businesses:				
Operating revenues	62,328	67,525	5,197	144,998
Operating expenses	56,994	60,615	3,621	134,317
Operating income from supplementary businesses	5,334	6,910	1,576	10,681
Operating income	9,945	19,334	9,389	19,205
Non-operating revenues:				
Interest income	5	11	5	10
Dividends received	843	1,881	1,038	858
Lease and rental income	18,693	18,115	(577)	37,029
Miscellaneous income	1,188	1,064	(124)	4,887
Total non-operating revenues	20,730	21,073	342	42,785
Non-operating expenses:				
Interest expenses	7,571	6,775	(795)	14,942
Lease and rental expenses	8,134	7,918	(216)	16,727
Miscellaneous expenses	343	123	(220)	1,938
Total non-operating expenses	16,049	14,816	(1,232)	33,607
Recurring profit	14,627	25,591	10,963	28,382
Special losses	-	6,087	6,087	-
Income before income taxes	14,627	19,503	4,876	28,382
Income taxes	*	2,084	1,317	7,443
Net income	12,543	16,102	3,559	20,939

Note: \*NTT West participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan.

However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

### 3. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2013
Voice transmission services revenues (excluding IP services revenues)	297,340	267,519	(29,821)	(10.0)	579,801
Monthly charge revenues*	212,491	193,424	(19,066)	(9.0)	416,088
Call rates revenues*	22,607	20,183	(2,423)	(10.7)	43,864
Interconnection call revenues*	41,481	36,320	(5,160)	(12.4)	80,143
IP services revenues	327,852	334,598	6,745	2.1	660,902
Leased circuit services revenues (excluding IP services revenues)	57,071	52,539	(4,532)	(7.9)	112,172
Telegram services revenues	8,845	8,323	(521)	(5.9)	18,484
Other telecommunications services revenues	54,081	52,319	(1,761)	(3.3)	111,621
Telecommunications total revenues	745,191	715,300	(29,890)	(4.0)	1,482,982
Supplementary business total revenues	62,328	67,525	5,197	8.3	144,998
Total operating revenues	807,519	782,826	(24,693)	(3.1)	1,627,981

\*Partial listing only

#### 4. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Cash flows from operating activities:				
Income before income taxes	14,627	19,503	4,876	28,382
Depreciation and amortization	179,073	168,320	(10,753)	354,981
Loss on disposal of property, plant and equipment	8,864	9,540	676	18,365
Increase (decrease) in liability for employees' retirement benefits	(614)	7,686	8,301	(3,424)
(Increase) decrease in accounts receivable	(9,696)	46,559	56,256	(10,489)
(Increase) decrease in inventories	(2,589)	3,588	6,177	(3,041)
Increase (decrease) in accounts payable and accrued expenses	(39,110)	(37,180)	1,929	(17,279)
Increase (decrease) in accrued consumption tax	1,040	(1,002)	(2,043)	1,384
Other	(22,209)	(22,829)	(620)	653
Sub-total	129,385	194,185	64,800	369,533
Interest and dividends received	848	1,893	1,045	868
Interest paid	(7,354)	(7,024)	330	(15,241)
Income taxes received (paid)	4,905	344	(4,560)	4,902
Net cash provided by (used in) operating activities	127,783	189,398	61,614	360,061
Cash flows from investing activities:				
Payments for property, plant and equipment	(186,202)	(178,329)	7,872	(353,694)
Proceeds from sale of property, plant and equipment	441	303	(138)	2,650
Payments for purchase of investment securities	(140)	(167)	(27)	(411)
Proceeds from sale of investment securities	131	6	(124)	135
Other	(417)	(5,684)	(5,267)	(3,888)
Net cash provided by (used in) investing activities	(186,187)	(183,872)	2,315	(355,207)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	19,907	-	(19,907)	172,907
Payments for settlement of long-term debt	(25,815)	(34,028)	(8,212)	(133,151)
Net increase (decrease) in short-term borrowings	15,000	-	(15,000)	(30,000)
Payments for settlement of lease obligations	(851)	(929)	(77)	(1,846)
Dividends paid	(31,200)	(28,080)	3,120	(31,200)
Net cash provided by (used in) financing activities	(22,960)	(63,038)	(40,078)	(23,290)
Net increase (decrease) in cash and cash equivalents	(81,363)	(57,511)	23,851	(18,436)
Cash and cash equivalents at beginning of period	104,148	85,711	(18,436)	104,148
Cash and cash equivalents at end of period	22,784	28,199	5,415	85,711

## 5. Revised Forecasts for the Fiscal Year Ending March 31, 2014

Based on its recent business performance, NTT West has revised its financial results forecasts that were announced in the financial results release filed on May 10, 2013 for the fiscal year ending March 31, 2014, as follows.

(Billions of yen)

	Year Ending March 31, 2014 (Forecasts Previously Announced on May 10, 2013)	Year Ending March 31, 2014 (Revised Forecasts)	Change
Operating Revenues	1,592.0	1,586.0	(6.0)
Operating Income	20.0	20.0	—
Recurring Profit	28.0	28.0	—
Net Income	23.0	19.0	(4.0)

Note: The financial results forecasts and projected figures concerning the future performance of NTT West contained herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT West and its parent NTT in light of information currently available to them regarding NTT, NTT West and its subsidiaries and affiliates, 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, NTT West and its 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 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.

**November 8, 2013**

FOR IMMEDIATE RELEASE

## **NTT Com Announces Financial Results for the Six Months Ended September 30, 2013**

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the six months ended September 30, 2013. Please see the following attachments for further details:

- I. Non-Consolidated Comparative Balance Sheets
- II. Non-Consolidated Comparative Statements of Income
- III. Business Results (Non-Consolidated Operating Revenues)
- IV. Non-Consolidated Comparative Statements of Cash Flows
- V. Revised Forecasts for the Fiscal Year Ending March 31, 2014
- VI. 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 160 countries/regions, and over 150 secure data centers. NTT Communications' solutions leverage the global resources of NTT Group companies including Dimension Data, NTT DOCOMO and NTT DATA.

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**I. Non-Consolidated Comparative Balance Sheets**  
**(Based on accounting principles generally accepted in Japan)**

(Millions of yen)

	March 31, 2013	September 30, 2013	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	145,637	139,891	(5,746)
Antenna facilities	1,459	1,650	190
Terminal equipment	764	722	(42)
Local line facilities	810	769	(41)
Long-distance line facilities	7,122	6,672	(449)
Engineering facilities	54,238	53,389	(848)
Submarine line facilities	20,482	18,107	(2,374)
Buildings	138,995	170,268	31,273
Construction in progress	8,303	13,162	4,859
Other	85,621	83,773	(1,848)
Total property, plant and equipment	463,434	488,408	24,973
Intangible fixed assets	82,864	78,724	(4,139)
Total fixed assets - telecommunications businesses	546,299	567,133	20,833
Investments and other assets			
Investment securities	166,291	166,288	(3)
Investments in subsidiaries and affiliated companies	167,637	164,157	(3,480)
Other investments and assets	42,591	42,238	(353)
Allowance for doubtful accounts	(232)	(227)	4
Total investments and other assets	376,287	372,456	(3,831)
Total fixed assets	922,587	939,589	17,002
Current assets:			
Cash and bank deposits	9,593	18,074	8,480
Notes receivable	25	168	142
Accounts receivable, trade	181,157	141,822	(39,334)
Supplies	8,024	9,309	1,284
Other current assets	119,298	115,767	(3,530)
Allowance for doubtful accounts	(2,148)	(1,820)	327
Total current assets	315,951	283,322	(32,629)
<b>TOTAL ASSETS</b>	<b>1,238,538</b>	<b>1,222,911</b>	<b>(15,627)</b>



(Millions of yen)

	March 31, 2013	September 30, 2013	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	60,080	58,400	(1,680)
Liability for employees' retirement benefits	84,126	86,857	2,730
Reserve for point services	3,674	3,325	(348)
Reserve for unused telephone cards	5,292	4,956	(336)
Asset retirement obligations	600	1,436	835
Other long-term liabilities	17,609	16,076	(1,533)
Total long-term liabilities	171,383	171,052	(331)
Current liabilities:			
Current portion of long-term borrowings from parent company	3,586	3,473	(113)
Accounts payable, trade	25,136	24,894	(241)
Short-term borrowings	730	5,627	4,897
Accounts payable, other	176,150	139,642	(36,507)
Accrued taxes on income	15,134	* 11,155	(3,979)
Allowance for losses on construction	21	6	(14)
Allowance for loss on disaster	6	-	(6)
Other current liabilities	34,788	35,694	905
Total current liabilities	255,554	220,494	(35,059)
<b>TOTAL LIABILITIES</b>	<b>426,938</b>	<b>391,547</b>	<b>(35,390)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	391,104	411,017	19,912
Total shareholders' equity	734,483	754,396	19,912
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	77,116	76,967	(148)
Total unrealized gains (losses), translation adjustments, and others	77,116	76,967	(148)
<b>TOTAL NET ASSETS</b>	<b>811,600</b>	<b>831,364</b>	<b>19,763</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,238,538</b>	<b>1,222,911</b>	<b>(15,627)</b>

Note: \*NTT Com participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan.

However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements

## II. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Telecommunications businesses:				
Operating revenues	390,698	374,762	(15,935)	775,217
Operating expenses	331,063	317,382	(13,680)	664,162
Operating income from telecommunications businesses	59,634	57,379	(2,254)	111,054
Supplementary businesses:				
Operating revenues	75,812	81,180	5,367	169,594
Operating expenses	73,391	78,510	5,118	162,512
Operating income from supplementary businesses	2,421	2,670	249	7,082
Operating income	62,055	60,050	(2,005)	118,137
Non-operating revenues:				
Interest income	99	155	56	227
Dividends received	6,568	8,668	2,099	7,517
Lease and rental income	6,380	6,531	151	13,099
Miscellaneous income	645	1,803	1,157	3,868
Total non-operating revenues	13,693	17,158	3,464	24,712
Non-operating expenses:				
Interest expenses	941	778	(163)	1,690
Lease and rental expenses	3,348	2,809	(538)	6,967
Miscellaneous expenses	514	1,411	897	4,463
Total non-operating expenses	4,804	4,999	195	13,121
Recurring profit	70,945	72,209	1,263	129,728
Special profits	-	16,169	16,169	24,021
Special losses	-	1,152	1,152	31,895
Income before income taxes	70,945	87,226	16,280	121,853
Income taxes	*	26,481	*	33,812
Net income	44,463	53,413	8,949	65,311

Note: \*NTT Com participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan.

However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

### III. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2013
Voice transmission services revenues (excluding IP services revenues)	150,215	138,332	(11,882)	(7.9)	293,931
IP services revenues	185,495	184,345	(1,149)	(0.6)	371,860
Open computer network services revenues*	77,949	77,040	(909)	(1.2)	155,892
VPN services revenues*	78,864	79,539	674	0.9	158,732
Data communications revenues (excluding IP services revenues)	34,790	31,605	(3,185)	(9.2)	67,670
Leased circuit services revenues*	26,011	23,249	(2,762)	(10.6)	50,328
Solution services revenues	82,745	88,943	6,197	7.5	183,960
Others	13,263	12,716	(547)	(4.1)	27,388
Total operating revenues	466,510	455,943	(10,567)	(2.3)	944,812

Note: VPN services revenues mainly include revenues from services of Arcstar Universal One, Arcstar IP-VPN, Arcstar Global IP-VPN, e-VLAN, Global e-VLAN, Group-VPN and a part of GIGASTREAM. The amounts of "IP-Virtual private network services revenues" (including Arcstar IP-VPN services revenues), and "Wide-Area Ethernet services revenues" (including e-VLAN services revenues), partially listed in the previous fiscal year, for the six months ended September 30, 2013 are 32,305 million yen and 21,862 million yen, respectively.

\*Partial listing only

## IV. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Cash flows from operating activities:				
Income before income taxes	70,945	87,226	16,280	121,853
Depreciation and amortization	51,958	52,520	561	104,986
Loss on disposal of property, plant and equipment	1,033	934	(99)	8,189
Gains on sales of fixed assets	(18)	(16,728)	(16,709)	(9,474)
Increase (decrease) in allowance for doubtful accounts	(232)	(332)	(99)	(133)
Increase (decrease) in liability for employees' retirement benefits	2,223	2,730	507	1,593
Write-off of investments in affiliated companies	-	-	-	31,895
(Increase) decrease in accounts receivable	4,113	43,734	39,620	(36,255)
(Increase) decrease in inventories	(1,734)	(2,936)	(1,202)	1,395
Increase (decrease) in accounts payable and accrued expenses	(29,203)	(35,548)	(6,344)	(1,005)
Increase (decrease) in accrued consumption tax	955	(1,345)	(2,301)	840
Other	(15,845)	(16,603)	(757)	(6,310)
Sub-total	84,195	113,650	29,455	217,575
Interest and dividends received	6,642	8,863	2,221	7,702
Interest paid	(938)	(816)	122	(1,682)
Income taxes received (paid)	(41,868)	(53,447)	(11,578)	(45,932)
Net cash provided by (used in) operating activities	48,029	68,250	20,220	177,662
Cash flows from investing activities:				
Payments for property, plant and equipment	(49,500)	(46,767)	2,733	(111,263)
Proceeds from sale of property, plant and equipment	31	17,182	17,150	17,845
Payments for purchase of investment securities	(16,203)	(9,440)	6,763	(21,967)
Proceeds from sale of investment securities	312	41	(271)	4,726
Payments for long-term loans	-	-	-	(1,725)
Net increase (decrease) in short-term loans	(539)	6,994	7,534	(3,345)
Other	188	2,724	2,536	(3,932)
Net cash provided by (used in) investing activities	(65,711)	(29,264)	36,447	(119,661)
Cash flows from financing activities:				
Payments for settlement of long-term debt	(41,821)	(1,793)	40,028	(43,643)
Net increase (decrease) in short-term borrowings	34,425	4,897	(29,528)	730
Payments for settlement of lease obligations	(2,042)	(2,467)	(425)	(4,249)
Dividends paid	(30,500)	(33,500)	(3,000)	(30,500)
Net cash provided by (used in) financing activities	(39,937)	(32,863)	7,074	(77,663)
Effect of exchange rate changes on cash and cash equivalents	521	863	342	1,327
Net increase (decrease) in cash and cash equivalents	(57,098)	6,986	64,084	(18,334)
Cash and cash equivalents at beginning of period	70,459	52,124	(18,334)	70,459
Cash and cash equivalents at end of period	13,361	59,111	45,749	52,124

## **V. Revised Forecasts for the Fiscal Year Ending March 31, 2014**

Special profits were recorded in the six-month period ended September 30, 2013. As a result, NTT Com has revised its financial results forecasts that were announced in the financial results release filed on May 10, 2013 for the fiscal year ending March 31, 2014, as follows.

(Billions of yen)

	Year Ending March 31, 2014 (Forecasts Previously Announced on May 10, 2013)	Year Ending March 31, 2014 (Revised Forecasts)	Change
Operating Revenues	925.0	925.0	—
Operating Income	112.0	112.0	—
Recurring Profit	122.0	122.0	—
Net Income	75.0	84.0	+ 9.0

Note: The financial results forecasts and projected figures concerning the future performance of NTT Communications contained herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT Communications and its parent NTT in light of information currently available to them regarding NTT, NTT Communications and its subsidiaries and affiliates, 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, NTT Communications and its 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 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.

## **VI. Financial Results of NTT Communications Group**

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	587,535	589,526	1,991	0.3
Operating expenses	522,721	527,229	4,508	0.9
Operating income	64,814	62,297	(2,517)	(3.9)