

November 7, 2014

FOR IMMEDIATE RELEASE

Financial Statements for the Six Months Ended September 30, 2014

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the six months ended September 30, 2014 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, 2015

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2014	September 30, 2014	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	474,554	450,579	(23,975)
Antenna facilities	4,325	4,201	(124)
Terminal equipment	45,756	41,515	(4,240)
Local line facilities	862,315	852,523	(9,791)
Long-distance line facilities	4,107	3,901	(206)
Engineering facilities	612,405	604,996	(7,408)
Submarine line facilities	1,421	1,262	(158)
Buildings	438,137	426,787	(11,350)
Construction in progress	19,885	19,678	(206)
Other	259,440	252,692	(6,748)
Total property, plant and equipment	2,722,349	2,658,139	(64,210)
Intangible fixed assets	88,386	84,504	(3,882)
Total fixed assets - telecommunications businesses	2,810,736	2,742,643	(68,092)
Investments and other assets			
Other investments and assets	213,889	212,160	(1,729)
Allowance for doubtful accounts	(1,030)	(963)	67
Total investments and other assets	212,859	211,197	(1,661)
Total fixed assets	3,023,595	2,953,840	(69,754)
Current assets:			
Cash and bank deposits	25,765	17,851	(7,913)
Notes receivable	171	-	(171)
Accounts receivable, trade	238,999	221,716	(17,282)
Supplies	33,852	34,758	905
Other current assets	233,804	183,191	(50,612)
Allowance for doubtful accounts	(622)	(602)	20
Total current assets	531,969	456,916	(75,053)
TOTAL ASSETS	3,555,565	3,410,757	(144,808)

(Millions of yen)

	March 31, 2014	September 30, 2014	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	548,775	545,355	(3,420)
Liability for employees' retirement benefits	231,328	233,756	2,427
Reserve for point services	7,074	10,100	3,026
Reserve for unused telephone cards	11,082	10,405	(676)
Allowance for environmental measures	4,511	10,740	6,228
Asset retirement obligations	1,110	1,119	8
Other long-term liabilities	9,601	9,361	(240)
Total long-term liabilities	813,483	820,837	7,354
Current liabilities:			
Current portion of long-term borrowings from parent company	127,420	7,130	(120,290)
Accounts payable, trade	77,246	44,967	(32,278)
Accrued taxes on income	5,746	*	8,100
Allowance for environmental measures	-	1,701	1,701
Asset retirement obligations	149	16	(133)
Other current liabilities	362,264	342,941	(19,322)
Total current liabilities	572,826	404,858	(167,968)
TOTAL LIABILITIES	1,386,310	1,225,696	(160,614)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	333,740	349,216	15,475
Total shareholders' equity	2,168,467	2,183,943	15,475
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	787	1,118	330
Total unrealized gains (losses), translation adjustments, and others	787	1,118	330
TOTAL NET ASSETS	2,169,255	2,185,061	15,805
TOTAL LIABILITIES AND NET ASSETS	3,555,565	3,410,757	(144,808)

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, 2013		Six months ended September 30, 2014	Increase (Decrease)	Year ended March 31, 2014
Telecommunications businesses:					
Operating revenues	818,629	*1	811,673	(6,956)	1,630,523
Operating expenses	772,282	*1	759,372	(12,910)	1,577,823
Operating income from telecommunications businesses	46,346		52,300	5,953	52,699
Supplementary businesses:					
Operating revenues	61,335		59,534	(1,801)	143,286
Operating expenses	54,627		52,497	(2,129)	129,271
Operating income from supplementary businesses	6,708		7,036	328	14,014
Operating income	53,054		59,337	6,282	66,714
Non-operating revenues:					
Interest income	30		29	(1)	77
Dividends received	3,643		6,360	2,716	3,690
Lease and rental income	22,297		-	(22,297)	44,296
Gains on sales of fixed assets	1,268		8,336	7,068	5,973
Miscellaneous income	1,375		6,159	4,783	3,991
Total non-operating revenues	28,614		20,885	(7,729)	58,027
Non-operating expenses:					
Interest expenses	3,687		3,134	(553)	7,203
Lease and rental expenses	10,481		-	(10,481)	23,253
Miscellaneous expenses	565		2,184	1,619	2,536
Total non-operating expenses	14,734		5,319	(9,415)	32,993
Recurring profit	66,935		74,903	7,968	91,749
Special losses	3,382		7,930	4,547	8,292
Income before income taxes	63,552		66,973	3,421	83,457
Income taxes	*2 20,937	*2	20,091	(846)	29,501
Net income	42,614		46,882	4,268	53,956

Notes: *1 "Lease and rental income" and "lease and rental expenses," which were previously included under non-operating revenues and non-operating expenses, respectively, in the fiscal year ended March 31, 2014, have been reclassified as telecommunications businesses operating revenues and operating expenses for the six months ended September 30, 2014.

Telecommunications operating revenues attributable to lease and rental income and operating expenses attributable to lease and rental expenses were 21,884 million yen and 9,081 million yen, respectively, for the six months ended September 30, 2014.

*2 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, 2013	Six months ended September 30, 2014	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2014
Voice transmission services revenues (excluding IP services revenues)	265,303	239,814	(25,488)	(9.6)	518,346
Monthly charge revenues*	192,921	176,310	(16,610)	(8.6)	378,089
Call rates revenues*	21,748	18,521	(3,227)	(14.8)	42,044
Interconnection call revenues*	32,504	28,294	(4,210)	(13.0)	63,210
IP services revenues	420,802	418,179	(2,623)	(0.6)	841,334
Leased circuit services revenues (excluding IP services revenues)	59,548	57,053	(2,494)	(4.2)	117,286
Telegram services revenues	7,323	6,789	(534)	(7.3)	14,951
Other telecommunications services revenues	65,651	89,836	24,184	36.8	138,604
Telecommunications total revenues	818,629	811,673	(6,956)	(0.8)	1,630,523
Supplementary business total revenues	61,335	59,534	(1,801)	(2.9)	143,286
Total operating revenues	879,964	871,207	(8,757)	(1.0)	1,773,809

*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, 2013	Six months ended September 30, 2014	Increase (Decrease)	Year ended March 31, 2014
Cash flows from operating activities:				
Income before income taxes	63,552	66,973	3,421	83,457
Depreciation and amortization	185,210	184,268	(941)	372,285
Loss on disposal of property, plant and equipment	6,616	6,472	(143)	23,031
Increase (decrease) in liability for employees' retirement benefits	8,521	2,427	(6,094)	8,858
(Increase) decrease in accounts receivable	27,415	6,837	(20,578)	18,301
(Increase) decrease in inventories	87	(2,957)	(3,044)	484
Increase (decrease) in accounts payable and accrued expenses	(68,999)	(88,185)	(19,186)	(28,439)
Increase (decrease) in accrued consumption tax	(3,214)	7,426	10,641	(3,721)
Other	(22,190)	36,128	58,318	755
Sub-total	196,999	219,392	22,392	475,013
Interest and dividends received	3,672	6,389	2,716	3,767
Interest paid	(4,191)	(3,344)	847	(7,810)
Income taxes received (paid)	(18,122)	(20,041)	(1,918)	(21,779)
Net cash provided by (used in) operating activities	178,358	202,395	24,037	449,190
Cash flows from investing activities:				
Payments for property, plant and equipment	(195,182)	(155,401)	39,781	(362,549)
Proceeds from sale of property, plant and equipment	1,639	9,940	8,301	7,679
Payments for purchase of investment securities	(167)	(50)	117	(167)
Proceeds from sale of investment securities	209	186	(22)	358
Other	(5,107)	(72)	5,035	(7,373)
Net cash provided by (used in) investing activities	(198,609)	(145,395)	53,213	(362,051)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	100,000	-	(100,000)	100,000
Payments for settlement of long-term debt	(114,077)	(123,710)	(9,632)	(168,155)
Payments for settlement of lease obligations	(302)	(284)	18	(599)
Dividends paid	(33,500)	(33,500)	-	(33,500)
Net cash provided by (used in) financing activities	(47,880)	(157,494)	(109,613)	(102,255)
Net increase (decrease) in cash and cash equivalents	(68,131)	(100,494)	(32,363)	(15,116)
Cash and cash equivalents at beginning of period	138,901	123,785	(15,116)	138,901
Cash and cash equivalents at end of period	70,770	23,291	(47,479)	123,785

5. Revised Forecasts for the Fiscal Year Ending March 31, 2015

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 13, 2014 for the fiscal year ending March 31, 2015, as follows.

(Billions of yen)

	Year Ending March 31, 2015 (Forecasts Previously Announced on May 13, 2014)	Year Ending March 31, 2015 (Revised Forecasts)	Change
Operating Revenues	1,771.0	1,771.0	—
Operating Income	90.0	90.0	—
Recurring Profit	90.0	103.0	13.0
Net Income	58.0	62.0	4.0

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 7, 2014

FOR IMMEDIATE RELEASE

Financial Statements for the Six Months Ended September 30, 2014

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(Attachments)

1. Non-Consolidated Comparative Balance Sheets
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, 2015

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2014	September 30, 2014	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	446,003	422,814	(23,188)
Antenna facilities	6,212	6,272	59
Terminal equipment	18,194	17,939	(255)
Local line facilities	956,384	962,320	5,936
Long-distance line facilities	2,432	2,291	(141)
Engineering facilities	551,357	544,928	(6,429)
Submarine line facilities	3,067	2,762	(305)
Buildings	363,292	351,112	(12,180)
Construction in progress	17,498	23,005	5,506
Other	224,347	220,058	(4,288)
Total property, plant and equipment	2,588,791	2,553,505	(35,286)
Intangible fixed assets	74,244	70,552	(3,691)
Total fixed assets - telecommunications businesses	2,663,036	2,624,057	(38,978)
Investments and other assets			
Other investments and assets	161,563	156,931	(4,632)
Allowance for doubtful accounts	(551)	(580)	(29)
Total investments and other assets	161,012	156,350	(4,662)
Total fixed assets	2,824,048	2,780,408	(43,640)
Current assets:			
Cash and bank deposits	33,273	27,716	(5,557)
Notes receivable	443	112	(331)
Accounts receivable, trade	201,606	171,669	(29,936)
Supplies	35,234	32,752	(2,481)
Other current assets	170,958	154,338	(16,619)
Allowance for doubtful accounts	(518)	(481)	36
Total current assets	440,998	386,107	(54,890)
TOTAL ASSETS	3,265,047	3,166,516	(98,530)

(Millions of yen)

	March 31, 2014	September 30, 2014	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	884,427	781,627	(102,800)
Liability for employees' retirement benefits	228,337	231,245	2,907
Reserve for point services	7,178	6,420	(758)
Reserve for unused telephone cards	10,480	9,840	(640)
Allowance for environmental measures	5,721	13,694	7,972
Asset retirement obligations	342	346	4
Other long-term liabilities	7,425	6,814	(611)
Total long-term liabilities	1,143,913	1,049,987	(93,925)
Current liabilities:			
Current portion of long-term borrowings from parent company	157,370	176,460	19,090
Accounts payable, trade	61,883	45,950	(15,933)
Short-term borrowings	72,000	93,000	21,000
Accrued taxes on income	1,133	721	(411)
Allowance for environmental measures	2,370	1,087	(1,282)
Asset retirement obligations	4	-	(4)
Other current liabilities	324,630	308,293	(16,336)
Total current liabilities	619,391	625,513	6,122
TOTAL LIABILITIES	1,763,305	1,675,501	(87,803)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	19,272	8,393	(10,879)
Total shareholders' equity	1,501,326	1,490,447	(10,879)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	415	566	151
Total unrealized gains (losses), translation adjustments, and others	415	566	151
TOTAL NET ASSETS	1,501,742	1,491,014	(10,727)
TOTAL LIABILITIES AND NET ASSETS	3,265,047	3,166,516	(98,530)

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, 2013		Six months ended September 30, 2014	Increase (Decrease)	Year ended March 31, 2014
Telecommunications businesses:					
Operating revenues	715,300	*1	709,485	(5,814)	1,425,666
Operating expenses	702,875	*1	699,884	(2,991)	1,423,424
Operating income from telecommunications businesses	12,424		9,601	(2,823)	2,241
Supplementary businesses:					
Operating revenues	67,525		66,974	(551)	163,934
Operating expenses	60,615		59,545	(1,069)	149,795
Operating income from supplementary businesses	6,910		7,429	518	14,138
Operating income	19,334		17,030	(2,304)	16,379
Non-operating revenues:					
Interest income	11		2	(8)	17
Dividends received	1,881		1,339	(542)	1,902
Lease and rental income	18,115		-	(18,115)	35,907
Gains on sales of fixed assets	71		797	725	1,456
Miscellaneous income	992		995	2	2,397
Total non-operating revenues	21,073		3,134	(17,938)	41,680
Non-operating expenses:					
Interest expenses	6,775		6,025	(750)	13,212
Lease and rental expenses	7,918		-	(7,918)	16,755
Miscellaneous expenses	123		172	49	2,030
Total non-operating expenses	14,816		6,197	(8,619)	31,998
Recurring profit	25,591		13,967	(11,623)	26,061
Special losses	6,087		7,972	1,885	6,087
Income before income taxes	19,503		5,994	(13,509)	19,973
Income taxes	*2 3,401	*2	(386)	(3,788)	1,266
Net income	16,102		6,381	(9,720)	18,707

Notes: *1 "Lease and rental income" and "lease and rental expenses," which were previously included under non-operating revenues and non-operating expenses, respectively, in the fiscal year ended March 31, 2014, have been reclassified as telecommunications businesses operating revenues and operating expenses for the six months ended September 30, 2014.

Telecommunications operating revenues attributable to lease and rental income and operating expenses attributable to lease and rental expenses were 17,735 million yen and 7,928 million yen, respectively, for the six months ended September 30, 2014.

*2 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, 2013	Six months ended September 30, 2014	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2014
Voice transmission services revenues (excluding IP services revenues)	267,519	242,107	(25,411)	(9.5)	523,300
Monthly charge revenues*	193,424	177,261	(16,163)	(8.4)	379,607
Call rates revenues*	20,183	17,302	(2,881)	(14.3)	38,890
Interconnection call revenues*	36,320	31,626	(4,694)	(12.9)	70,441
IP services revenues	334,598	340,448	5,849	1.7	671,614
Leased circuit services revenues (excluding IP services revenues)	52,539	52,170	(369)	(0.7)	104,361
Telegram services revenues	8,323	7,500	(823)	(9.9)	17,121
Other telecommunications services revenues	52,319	67,259	14,939	28.6	109,269
Telecommunications total revenues	715,300	709,485	(5,814)	(0.8)	1,425,666
Supplementary business total revenues	67,525	66,974	(551)	(0.8)	163,934
Total operating revenues	782,826	776,460	(6,365)	(0.8)	1,589,600

*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, 2013	Six months ended September 30, 2014	Increase (Decrease)	Year ended March 31, 2014
Cash flows from operating activities:				
Income before income taxes	19,503	5,994	(13,509)	19,973
Depreciation and amortization	168,320	165,553	(2,766)	335,867
Loss on disposal of property, plant and equipment	9,540	8,607	(933)	20,776
Increase (decrease) in liability for employees' retirement benefits	7,686	2,907	(4,778)	7,067
(Increase) decrease in accounts receivable	46,559	26,391	(20,168)	23,022
(Increase) decrease in inventories	3,588	587	(3,000)	5,097
Increase (decrease) in accounts payable and accrued expenses	(37,180)	(33,068)	4,112	(21,842)
Increase (decrease) in accrued consumption tax	(1,002)	5,337	6,340	(1,832)
Other	(22,829)	(1,763)	21,066	23,678
Sub-total	194,185	180,547	(13,637)	411,808
Interest and dividends received	1,893	1,342	(551)	1,919
Interest paid	(7,024)	(6,068)	956	(13,733)
Income taxes received (paid)	344	(3,502)	(3,846)	231
Net cash provided by (used in) operating activities	189,398	172,319	(17,079)	400,226
Cash flows from investing activities:				
Payments for property, plant and equipment	(178,329)	(153,314)	25,014	(342,994)
Proceeds from sale of property, plant and equipment	303	2,649	2,346	3,909
Payments for purchase of investment securities	(167)	-	167	(167)
Proceeds from sale of investment securities	6	21	15	16
Other	(5,684)	113	5,798	(8,346)
Net cash provided by (used in) investing activities	(183,872)	(150,530)	33,341	(347,582)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	-	-	-	90,000
Payments for settlement of long-term debt	(34,028)	(83,710)	(49,681)	(182,057)
Net increase (decrease) in short-term borrowings	-	20,994	20,994	71,994
Payments for settlement of lease obligations	(929)	(322)	607	(1,693)
Dividends paid	(28,080)	(19,000)	9,079	(28,080)
Net cash provided by (used in) financing activities	(63,038)	(82,038)	(19,000)	(49,836)
Net increase (decrease) in cash and cash equivalents	(57,511)	(60,249)	(2,737)	2,808
Cash and cash equivalents at beginning of period	85,711	88,520	2,808	85,711
Cash and cash equivalents at end of period	28,199	28,270	70	88,520

5. Revised Forecasts for the Fiscal Year Ending March 31, 2015

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 13, 2014 for the fiscal year ending March 31, 2015, as follows.

(Billions of yen)

	Year Ending March 31, 2015 (Forecasts Previously Announced on May 13, 2014)	Year Ending March 31, 2015 (Revised Forecasts)	Change
Operating Revenues	1,582.0	1,582.0	—
Operating Income	35.0	35.0	—
Recurring Profit	28.0	28.0	—
Net Income	25.0	19.0	(6.0)

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 7, 2014

FOR IMMEDIATE RELEASE

**NTT Com Announces Financial Results for the Six Months
Ended September 30, 2014**

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the six months ended September 30, 2014. 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
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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 the leading global tier-1 IP network, the Arcstar Universal One™ VPN network reaching 196 countries/regions, and 130 secure data centers worldwide. 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, 2014	September 30, 2014	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	139,476	142,266	2,789
Antenna facilities	1,682	1,634	(47)
Terminal equipment	736	767	31
Local line facilities	748	702	(46)
Long-distance line facilities	6,778	6,313	(464)
Engineering facilities	53,122	52,377	(744)
Submarine line facilities	16,018	14,400	(1,618)
Buildings	177,326	176,548	(778)
Construction in progress	24,265	21,551	(2,714)
Other	84,762	83,354	(1,407)
Total property, plant and equipment	504,916	499,916	(4,999)
Intangible fixed assets	87,002	87,560	557
Total fixed assets - telecommunications businesses	591,918	587,476	(4,441)
Investments and other assets			
Investment securities	162,857	182,325	19,467
Investments in subsidiaries and affiliated companies	277,600	284,226	6,625
Other investments and assets	40,997	42,257	1,259
Allowance for doubtful accounts	(218)	(197)	21
Total investments and other assets	481,237	508,612	27,374
Total fixed assets	1,073,156	1,096,088	22,932
Current assets:			
Cash and bank deposits	17,218	12,009	(5,208)
Notes receivable	266	93	(172)
Accounts receivable, trade	163,644	143,218	(20,426)
Supplies	10,201	10,771	570
Other current assets	102,455	95,559	(6,895)
Allowance for doubtful accounts	(1,582)	(1,439)	142
Total current assets	292,204	260,214	(31,990)
TOTAL ASSETS	1,365,361	1,356,303	(9,058)

(Millions of yen)

	March 31, 2014	September 30, 2014	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	146,720	95,040	(51,680)
Liability for employees' retirement benefits	86,833	85,628	(1,204)
Reserve for point services	3,063	2,660	(403)
Reserve for unused telephone cards	4,637	4,354	(283)
Asset retirement obligations	1,467	1,507	39
Other long-term liabilities	17,175	23,589	6,413
Total long-term liabilities	259,897	212,780	(47,117)
Current liabilities:			
Current portion of long-term borrowings from parent company	3,360	53,360	50,000
Accounts payable, trade	37,246	23,211	(14,034)
Short-term borrowings	8,736	29,551	20,814
Accrued taxes on income	6,190	*	7,542
Allowance for losses on construction	1,188	1,037	(151)
Asset retirement obligations	-	25	25
Other current liabilities	184,394	146,476	(37,918)
Total current liabilities	241,116	261,204	20,088
TOTAL LIABILITIES	501,014	473,984	(27,029)
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	446,563	451,633	5,069
Total shareholders' equity	789,942	795,012	5,069
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	74,404	87,305	12,901
Total unrealized gains (losses), translation adjustments, and others	74,404	87,305	12,901
TOTAL NET ASSETS	864,347	882,318	17,971
TOTAL LIABILITIES AND NET ASSETS	1,365,361	1,356,303	(9,058)

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, 2013	Six months ended September 30, 2014	Increase (Decrease)	Year ended March 31, 2014
Telecommunications businesses:				
Operating revenues	374,762	352,068	(22,694)	742,669
Operating expenses	317,382	309,121	(8,261)	636,374
Operating income from telecommunications businesses	57,379	42,947	(14,432)	106,295
Supplementary businesses:				
Operating revenues	81,180	87,164	5,984	201,359
Operating expenses	78,510	82,344	3,834	194,188
Operating income from supplementary businesses	2,670	4,820	2,149	7,171
Operating income	60,050	47,767	(12,283)	113,466
Non-operating revenues:				
Interest income	155	110	(45)	280
Dividends received	8,668	11,864	3,196	10,244
Lease and rental income	6,531	6,015	(516)	12,987
Miscellaneous income	1,803	233	(1,569)	3,987
Total non-operating revenues	17,158	18,224	1,065	27,499
Non-operating expenses:				
Interest expenses	778	814	35	1,569
Lease and rental expenses	2,809	2,991	182	5,731
Miscellaneous expenses	1,411	156	(1,254)	1,081
Total non-operating expenses	4,999	3,962	(1,037)	8,382
Recurring profit	72,209	62,029	(10,180)	132,583
Special profits	16,169	-	(16,169)	16,169
Special losses	1,152	-	(1,152)	6,019
Income before income taxes	87,226	62,029	(25,196)	142,733
Income taxes	*	*	(12,525)	53,774
Net income	53,413	40,742	(12,670)	88,959

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, 2013	Six months ended September 30, 2014	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2014
Cloud Computing Platforms	23,404	29,997	6,592	28.2	52,922
Data Networks	197,845	186,265	(11,579)	(5.9)	391,505
Voice Communications	150,177	137,309	(12,868)	(8.6)	296,438
Applications & Content	17,906	19,032	1,125	6.3	36,906
Solution Services	58,883	58,888	5	0.0	150,651
Others	7,724	7,740	15	0.2	15,604
Total operating revenues	455,943	439,233	(16,709)	(3.7)	944,028

*Details of business results are represented by business line from the fiscal year ended March 31, 2014.
Business results per item are shown below.

(Reference) Business Results (Per item)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2014
Voice transmission services revenues (excluding IP services revenues)	138,332	125,100	(13,231)	(9.6)	272,179
IP services revenues	184,345	178,525	(5,820)	(3.2)	367,015
Open computer network services revenues*	77,040	76,268	(771)	(1.0)	153,580
VPN services revenues*	79,539	76,540	(2,998)	(3.8)	159,024
Data communications revenues (excluding IP services revenues)	31,605	26,877	(4,727)	(15.0)	61,232
Leased circuit services revenues*	23,249	18,780	(4,468)	(19.2)	44,628
Solution services revenues	88,943	96,641	7,698	8.7	217,746
Others	12,716	12,086	(629)	(5.0)	25,854
Total operating revenues	455,943	439,233	(16,709)	(3.7)	944,028

*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, 2013	Six months ended September 30, 2014	Increase (Decrease)	Year ended March 31, 2014
Cash flows from operating activities:				
Income before income taxes	87,226	62,029	(25,196)	142,733
Depreciation and amortization	52,520	52,462	(58)	104,343
Loss on disposal of property, plant and equipment	934	726	(207)	3,295
Gains on sales of fixed assets	(16,728)	(13)	16,714	(17,465)
Increase (decrease) in allowance for doubtful accounts	(332)	(163)	168	(580)
Increase (decrease) in liability for employees' retirement benefits	2,730	(1,204)	(3,935)	2,706
Write-off of investments in affiliated companies	-	-	-	3,774
(Increase) decrease in accounts receivable	43,734	24,477	(19,257)	19,685
(Increase) decrease in inventories	(2,936)	(2,594)	342	(1,753)
Increase (decrease) in accounts payable and accrued expenses	(35,548)	(33,346)	2,202	(5,501)
Increase (decrease) in accrued consumption tax	(1,345)	2,473	3,819	(2,078)
Other	(16,603)	(17,206)	(603)	(11,513)
Sub-total	113,650	87,639	(26,010)	237,645
Interest and dividends received	8,863	11,978	3,114	10,565
Interest paid	(816)	(818)	(2)	(1,569)
Income taxes received (paid)	(53,447)	(37,683)	15,763	(62,849)
Net cash provided by (used in) operating activities	68,250	61,115	(7,134)	183,792
Cash flows from investing activities:				
Payments for property, plant and equipment	(46,767)	(53,280)	(6,513)	(140,615)
Proceeds from sale of property, plant and equipment	17,182	48	(17,133)	18,601
Payments for purchase of investment securities	(9,440)	(8,310)	1,130	(145,747)
Proceeds from sale of investment securities	41	532	491	70
Net increase (decrease) in short-term loans	6,994	-	(6,994)	6,994
Other	2,724	884	(1,840)	20,817
Net cash provided by (used in) investing activities	(29,264)	(60,125)	(30,861)	(239,878)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	-	-	-	90,000
Payments for settlement of long-term debt	(1,793)	(1,680)	113	(3,586)
Net increase (decrease) in short-term borrowings	4,897	20,814	15,917	8,006
Payments for settlement of lease obligations	(2,467)	(1,839)	627	(4,756)
Dividends paid	(33,500)	(37,500)	(3,999)	(33,500)
Net cash provided by (used in) financing activities	(32,863)	(20,205)	12,657	56,162
Effect of exchange rate changes on cash and cash equivalents	863	1,564	700	2,371
Net increase (decrease) in cash and cash equivalents	6,986	(17,651)	(24,637)	2,448
Cash and cash equivalents at beginning of period	52,124	54,573	2,448	52,124
Cash and cash equivalents at end of period	59,111	36,921	(22,189)	54,573

V. Financial Results of NTT Communications Group

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	589,526	603,779	14,253	2.4
Operating expenses	527,229	545,979	18,750	3.6
Operating income	62,297	57,800	(4,497)	(7.2)