

February 5, 2016

FOR IMMEDIATE RELEASE

**Financial Statements for the Nine Months Ended December 31, 2015**

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the nine months ended December 31, 2015 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)

For inquiries, please contact:

Mr. Kenkichi Nakata or Mr. Chikashi Sakurai  
Accounting Section, Finance Division  
Nippon Telegraph and Telephone East Corporation  
Tel: +81-3-5359-3331  
E-mail: [kessan\\_info@sinoa.east.ntt.co.jp](mailto:kessan_info@sinoa.east.ntt.co.jp)

# 1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	434,518	397,880	(36,637)
Antenna facilities	3,948	3,820	(127)
Terminal equipment	37,569	32,843	(4,726)
Local line facilities	854,162	824,273	(29,888)
Long-distance line facilities	3,683	3,351	(331)
Engineering facilities	602,828	591,419	(11,409)
Submarine line facilities	1,119	928	(191)
Buildings	423,373	412,809	(10,564)
Construction in progress	27,975	17,472	(10,502)
Other	257,129	250,913	(6,215)
Total property, plant and equipment	2,646,308	2,535,713	(110,594)
Intangible fixed assets	84,496	78,957	(5,538)
Total fixed assets - telecommunications businesses	2,730,805	2,614,671	(116,133)
Investments and other assets			
Other investments and assets	198,579	196,428	(2,151)
Allowance for doubtful accounts	(956)	(913)	42
Total investments and other assets	197,623	195,514	(2,108)
Total fixed assets	2,928,428	2,810,186	(118,242)
Current assets:			
Cash and bank deposits	21,980	5,939	(16,041)
Notes receivable	15	27	12
Accounts receivable, trade	236,984	228,878	(8,106)
Supplies	33,633	29,528	(4,104)
Other current assets	260,213	430,443	170,229
Allowance for doubtful accounts	(544)	(461)	82
Total current assets	552,283	694,355	142,071
<b>TOTAL ASSETS</b>	<b>3,480,711</b>	<b>3,504,541</b>	<b>23,829</b>

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	430,955	428,395	(2,560)
Liability for employees' retirement benefits	232,618	240,442	7,823
Reserve for point services	9,724	13,258	3,533
Reserve for unused telephone cards	9,686	8,905	(780)
Allowance for environmental measures	7,748	7,748	-
Asset retirement obligations	1,119	1,129	9
Other long-term liabilities	9,477	21,408	11,930
Total long-term liabilities	701,330	721,287	19,957
Current liabilities:			
Current portion of long-term borrowings from parent company	66,220	65,360	(860)
Accounts payable, trade	85,478	38,513	(46,965)
Accrued taxes on income	10,713	10,125	(588)
Allowance for environmental measures	3,147	1,731	(1,415)
Asset retirement obligations	-	12	12
Other current liabilities	403,883	377,304	(26,579)
Total current liabilities	569,443	493,047	(76,396)
<b>TOTAL LIABILITIES</b>	<b>1,270,773</b>	<b>1,214,334</b>	<b>(56,438)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	371,905	451,583	79,677
Total shareholders' equity	2,206,632	2,286,310	79,677
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	3,305	3,896	590
Total unrealized gains (losses), translation adjustments, and others	3,305	3,896	590
<b>TOTAL NET ASSETS</b>	<b>2,209,938</b>	<b>2,290,206</b>	<b>80,268</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,480,711</b>	<b>3,504,541</b>	<b>23,829</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)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Year ended March 31, 2015
Telecommunications businesses:				
Operating revenues	1,217,949	1,194,499	(23,449)	1,625,057
Operating expenses	1,133,901	1,056,798	(77,102)	1,533,165
Operating income from telecommunications businesses	84,047	137,700	53,653	91,891
Supplementary businesses:				
Operating revenues	90,551	92,586	2,035	140,365
Operating expenses	78,669	78,208	(461)	122,414
Operating income from supplementary businesses	11,881	14,378	2,497	17,950
Operating income	95,928	152,079	56,150	109,841
Non-operating revenues:				
Interest income	44	98	54	77
Dividends received	6,396	3,134	(3,262)	6,400
Gains on sales of fixed assets	8,390	7,514	(876)	9,565
Miscellaneous income	6,805	2,145	(4,659)	7,660
Total non-operating revenues	21,636	12,892	(8,744)	23,704
Non-operating expenses:				
Interest expenses	4,516	3,756	(759)	5,852
Miscellaneous expenses	2,705	515	(2,190)	5,651
Total non-operating expenses	7,221	4,271	(2,950)	11,504
Recurring profit	110,343	160,699	50,355	122,041
Special losses	7,930	3,758	(4,171)	7,930
Income before income taxes	102,413	156,940	54,527	114,111
Income taxes	*	*	12,097	44,539
Net income	70,748	113,177	42,429	69,571

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)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2015
Voice transmission services revenues (excluding IP services revenues)	356,307	324,683	(31,624)	(8.9)	468,529
Monthly charge revenues*	262,335	242,948	(19,386)	(7.4)	346,421
Call rates revenues*	27,410	23,254	(4,155)	(15.2)	35,542
Interconnection call revenues*	42,141	39,071	(3,069)	(7.3)	55,061
IP services revenues	629,333	646,012	16,679	2.7	844,470
Leased circuit services revenues (excluding IP services revenues)	84,746	79,845	(4,900)	(5.8)	111,986
Telegram services revenues	10,433	9,545	(887)	(8.5)	14,063
Other telecommunications services revenues	137,128	134,412	(2,715)	(2.0)	186,007
Telecommunications total revenues	1,217,949	1,194,499	(23,449)	(1.9)	1,625,057
Supplementary business total revenues	90,551	92,586	2,035	2.2	140,365
Total operating revenues	1,308,500	1,287,085	(21,414)	(1.6)	1,765,422

\*Partial listing only

February 5, 2016

FOR IMMEDIATE RELEASE

**Financial Statements for the Nine Months Ended December 31, 2015**

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the nine months ended December 31, 2015 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)

For inquiries, please contact:

Junichiro Maekawa or Ryosuke Yamashita

Accounting Section, Finance Division

Nippon Telegraph and Telephone West Corporation

Tel: +81-6-4793-3141

E-mail: [kessan-info@west.ntt.co.jp](mailto:kessan-info@west.ntt.co.jp)

# 1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	407,805	381,306	(26,498)
Antenna facilities	6,061	5,830	(231)
Terminal equipment	17,786	17,335	(450)
Local line facilities	981,834	974,770	(7,064)
Long-distance line facilities	2,201	2,084	(117)
Engineering facilities	541,617	530,670	(10,947)
Submarine line facilities	4,094	3,646	(448)
Buildings	344,165	329,163	(15,001)
Construction in progress	25,780	22,868	(2,911)
Other	219,817	218,651	(1,166)
Total property, plant and equipment	2,551,165	2,486,327	(64,837)
Intangible fixed assets	68,950	66,497	(2,453)
Total fixed assets - telecommunications businesses	2,620,116	2,552,825	(67,290)
Investments and other assets			
Other investments and assets	149,863	146,945	(2,918)
Allowance for doubtful accounts	(652)	(644)	8
Total investments and other assets	149,211	146,300	(2,910)
Total fixed assets	2,769,327	2,699,126	(70,200)
Current assets:			
Cash and bank deposits	26,533	18,563	(7,970)
Notes receivable	6	6	(0)
Accounts receivable, trade	198,729	193,401	(5,327)
Supplies	33,580	35,513	1,932
Other current assets	185,077	136,602	(48,474)
Allowance for doubtful accounts	(597)	(534)	63
Total current assets	443,329	383,553	(59,776)
<b>TOTAL ASSETS</b>	<b>3,212,656</b>	<b>3,082,679</b>	<b>(129,977)</b>

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	778,827	694,267	(84,560)
Liability for employees' retirement benefits	229,952	235,439	5,486
Reserve for point services	7,571	5,821	(1,750)
Reserve for unused telephone cards	9,160	8,421	(738)
Allowance for environmental measures	10,794	10,794	-
Asset retirement obligations	345	349	3
Other long-term liabilities	6,392	5,872	(519)
Total long-term liabilities	1,043,045	960,967	(82,078)
Current liabilities:			
Current portion of long-term borrowings from parent company	175,600	127,360	(48,240)
Accounts payable, trade	74,063	42,785	(31,278)
Short-term borrowings	75,000	119,414	44,414
Accrued taxes on income	1,082	5,611	4,529
Allowance for environmental measures	3,356	795	(2,561)
Other current liabilities	341,782	296,147	(45,635)
Total current liabilities	670,885	592,114	(78,771)
<b>TOTAL LIABILITIES</b>	<b>1,713,930</b>	<b>1,553,081</b>	<b>(160,849)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	15,934	46,900	30,966
Total shareholders' equity	1,497,988	1,528,954	30,966
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	738	643	(94)
Total unrealized gains (losses), translation adjustments, and others	738	643	(94)
<b>TOTAL NET ASSETS</b>	<b>1,498,726</b>	<b>1,529,598</b>	<b>30,872</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,212,656</b>	<b>3,082,679</b>	<b>(129,977)</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)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Year ended March 31, 2015
Telecommunications businesses:				
Operating revenues	1,062,975	1,030,033	(32,941)	1,415,321
Operating expenses	1,042,326	971,660	(70,666)	1,392,847
Operating income from telecommunications businesses	20,648	58,373	37,725	22,473
Supplementary businesses:				
Operating revenues	100,443	99,106	(1,336)	158,892
Operating expenses	90,124	89,682	(442)	145,692
Operating income from supplementary businesses	10,318	9,424	(894)	13,200
Operating income	30,967	67,797	36,830	35,674
Non-operating revenues:				
Interest income	3	2	(0)	5
Dividends received	1,353	1,566	212	1,355
Gains on sales of fixed assets	2,355	880	(1,474)	2,531
Miscellaneous income	1,475	1,553	78	2,123
Total non-operating revenues	5,188	4,004	(1,184)	6,015
Non-operating expenses:				
Interest expenses	8,805	7,265	(1,539)	11,461
Miscellaneous expenses	464	1,618	1,154	1,390
Total non-operating expenses	9,269	8,884	(385)	12,851
Recurring profit	26,886	62,917	36,031	28,838
Special losses	7,972	-	(7,972)	7,972
Income before income taxes	18,913	62,917	44,004	20,865
Income taxes	*	*	14,674	6,943
Net income	16,637	45,967	29,330	13,921

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)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2015
Voice transmission services revenues (excluding IP services revenues)	359,546	325,471	(34,074)	(9.5)	472,572
Monthly charge revenues*	263,574	241,923	(21,650)	(8.2)	347,759
Call rates revenues*	25,586	21,682	(3,904)	(15.3)	33,194
Interconnection call revenues*	46,999	42,691	(4,307)	(9.2)	61,333
IP services revenues	512,546	526,823	14,277	2.8	686,194
Leased circuit services revenues (excluding IP services revenues)	77,779	71,209	(6,569)	(8.4)	103,035
Telegram services revenues	11,477	10,551	(926)	(8.1)	15,455
Other telecommunications services revenues	101,626	95,977	(5,649)	(5.6)	138,062
Telecommunications total revenues	1,062,975	1,030,033	(32,941)	(3.1)	1,415,321
Supplementary business total revenues	100,443	99,106	(1,336)	(1.3)	158,892
Total operating revenues	1,163,418	1,129,140	(34,278)	(2.9)	1,574,213

\*Partial listing only

February 5, 2016

FOR IMMEDIATE RELEASE

## **NTT Com Announces Financial Results for the Nine Months Ended December 31, 2015**

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the nine months ended December 31, 2015. Please see the following attachments for further details:

- I. Financial Results of NTT Communications Group
- II. Non-Consolidated Comparative Balance Sheets
- III. Non-Consolidated Comparative Statements of Income
- IV. Business Results (Non-Consolidated Operating Revenues)

# # #

### **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 over 140 secure data centers worldwide. NTT Communications' solutions leverage the global resources of NTT Group companies including Dimension Data, NTT DOCOMO and NTT DATA.

[www.ntt.com](http://www.ntt.com) | [Twitter@NTT Communications](https://twitter.com/NTT_Communications) | [Facebook@NTT Communications](https://facebook.com/NTT_Communications) | [LinkedIn@NTT](https://linkedin.com/company/NTT)

For more information

(Mr.) Akira Ito or (Mr.) Shinichi Shimizu

Accounting and Taxation, Finance, NTT Communications

Tel: +81 3 6700 4311

Email: [info-af@ntt.com](mailto:info-af@ntt.com)

## I. Financial Results of NTT Communications Group

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	912,051	971,795	59,744	6.6
Operating expenses	823,344	879,024	55,680	6.8
Operating income	88,707	92,771	4,064	4.6

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

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	139,814	134,470	(5,343)
Antenna facilities	1,565	1,511	(53)
Terminal equipment	892	1,293	400
Local line facilities	730	702	(27)
Long-distance line facilities	6,089	5,551	(538)
Engineering facilities	52,008	51,391	(616)
Submarine line facilities	13,354	11,379	(1,975)
Buildings	181,117	198,083	16,966
Construction in progress	29,415	21,618	(7,797)
Other	92,215	88,734	(3,480)
Total property, plant and equipment	517,203	514,736	(2,466)
Intangible fixed assets	92,130	97,145	5,015
Total fixed assets - telecommunications businesses	609,333	611,882	2,548
Investments and other assets			
Investment securities	191,569	148,400	(43,168)
Investments in subsidiaries and affiliated companies	290,139	384,095	93,956
Other investments and assets	43,877	51,238	7,361
Allowance for doubtful accounts	(190)	(198)	(7)
Total investments and other assets	525,395	583,536	58,140
Total fixed assets	1,134,729	1,195,418	60,688
Current assets:			
Cash and bank deposits	8,244	17,564	9,320
Notes receivable	22	-	(22)
Accounts receivable, trade	174,341	173,445	(896)
Supplies	9,185	9,840	655
Other current assets	103,593	99,442	(4,151)
Allowance for doubtful accounts	(1,151)	(1,226)	(74)
Total current assets	294,234	299,066	4,832
<b>TOTAL ASSETS</b>	<b>1,428,963</b>	<b>1,494,485</b>	<b>65,521</b>

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	93,360	241,583	148,223
Liability for employees' retirement benefits	85,581	88,282	2,700
Reserve for point services	857	610	(247)
Reserve for unused telephone cards	4,053	3,726	(326)
Asset retirement obligations	1,555	1,577	22
Other long-term liabilities	21,751	10,170	(11,581)
Total long-term liabilities	207,159	345,951	138,792
Current liabilities:			
Current portion of long-term borrowings from parent company	53,360	3,360	(50,000)
Accounts payable, trade	29,085	20,314	(8,770)
Short-term borrowings	11,254	27,704	16,449
Accrued taxes on income	3,358	4,138	779
Allowance for losses on construction	770	2	(767)
Asset retirement obligations	45	-	(45)
Other current liabilities	194,045	176,298	(17,747)
Total current liabilities	291,920	231,819	(60,101)
<b>TOTAL LIABILITIES</b>	<b>499,079</b>	<b>577,770</b>	<b>78,691</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	488,190	504,305	16,114
Total shareholders' equity	831,569	847,684	16,114
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	98,314	69,029	(29,284)
Total unrealized gains (losses), translation adjustments, and others	98,314	69,029	(29,284)
<b>TOTAL NET ASSETS</b>	<b>929,884</b>	<b>916,714</b>	<b>(13,169)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,428,963</b>	<b>1,494,485</b>	<b>65,521</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.

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

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Year ended March 31, 2015
Telecommunications businesses:				
Operating revenues	527,103	515,907	(11,196)	699,158
Operating expenses	463,180	457,198	(5,982)	617,194
Operating income from telecommunications businesses	63,922	58,709	(5,213)	81,964
Supplementary businesses:				
Operating revenues	133,534	152,314	18,780	210,807
Operating expenses	125,858	144,241	18,383	199,636
Operating income from supplementary businesses	7,675	8,072	397	11,170
Operating income	71,598	66,781	(4,816)	93,135
Non-operating revenues:				
Interest income	166	200	34	222
Dividends received	12,933	12,392	(540)	16,972
Lease and rental income	9,006	8,739	(267)	11,989
Miscellaneous income	373	856	482	994
Total non-operating revenues	22,479	22,188	(290)	30,178
Non-operating expenses:				
Interest expenses	1,206	1,237	31	1,591
Lease and rental expenses	4,452	4,114	(338)	5,933
Miscellaneous expenses	416	530	113	895
Total non-operating expenses	6,074	5,881	(192)	8,420
Recurring profit	88,002	83,088	(4,913)	114,893
Special losses	-	-	-	7,853
Income before income taxes	88,002	83,088	(4,913)	107,040
Income taxes	*	*	(6,417)	29,741
Net income	57,677	59,182	1,504	77,299

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.

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

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2015
Cloud Computing Platforms	45,799	51,252	5,453	11.9	64,986
Data Networks	278,477	275,565	(2,911)	(1.0)	370,831
Voice Communications	205,502	195,840	(9,661)	(4.7)	269,916
Applications & Content	28,662	28,834	172	0.6	38,476
Solution Services	90,514	105,119	14,604	16.1	149,832
Others	11,681	11,608	(73)	(0.6)	15,922
Total operating revenues	660,637	668,221	7,584	1.1	909,966