

November 11, 2016

FOR IMMEDIATE RELEASE

Financial Statements for the Six Months Ended September 30, 2016

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the six months ended September 30, 2016 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, 2017

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2016	September 30, 2016	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	395,419	363,366	(32,052)
Antenna facilities	3,791	3,724	(67)
Terminal equipment	31,807	27,074	(4,733)
Local line facilities	835,446	841,575	6,128
Long-distance line facilities	3,353	2,978	(375)
Engineering facilities	595,052	586,320	(8,731)
Submarine line facilities	872	802	(70)
Buildings	420,792	410,991	(9,800)
Construction in progress	17,626	18,169	543
Other	263,272	260,228	(3,043)
Total property, plant and equipment	2,567,433	2,515,230	(52,203)
Intangible fixed assets	84,019	78,623	(5,396)
Total fixed assets - telecommunications businesses	2,651,453	2,593,853	(57,600)
Investments and other assets			
Other investments and assets	187,503	186,651	(851)
Allowance for doubtful accounts	(913)	(865)	48
Total investments and other assets	186,589	185,786	(803)
Total fixed assets	2,838,043	2,779,640	(58,403)
Current assets:			
Cash and bank deposits	8,675	6,880	(1,794)
Accounts receivable, trade	224,181	211,330	(12,851)
Supplies	26,221	24,983	(1,238)
Other current assets	341,341	360,518	19,176
Allowance for doubtful accounts	(442)	(396)	46
Total current assets	599,977	603,316	3,338
TOTAL ASSETS	3,438,021	3,382,956	(55,064)

(Millions of yen)

	March 31, 2016	September 30, 2016	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	365,835	325,620	(40,215)
Liability for employees' retirement benefits	235,919	243,994	8,074
Reserve for point services	8,574	10,006	1,431
Reserve for unused telephone cards	8,671	8,290	(380)
Allowance for environmental measures	5,289	5,289	-
Asset retirement obligations	1,092	919	(173)
Other long-term liabilities	23,092	31,087	7,994
Total long-term liabilities	648,475	625,207	(23,267)
Current liabilities:			
Current portion of long-term borrowings from parent company	65,120	102,775	37,655
Accounts payable, trade	85,229	38,900	(46,328)
Accrued taxes on income	11,793	*	12,998
Allowance for environmental measures	2,601	2,600	(0)
Asset retirement obligations	-	28	28
Other current liabilities	428,764	364,433	(64,331)
Total current liabilities	593,508	521,736	(71,771)
TOTAL LIABILITIES	1,241,983	1,146,944	(95,039)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	357,191	397,782	40,590
Total shareholders' equity	2,191,918	2,232,509	40,590
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	4,119	3,502	(616)
Total unrealized gains (losses), translation adjustments, and others	4,119	3,502	(616)
TOTAL NET ASSETS	2,196,037	2,236,011	39,974
TOTAL LIABILITIES AND NET ASSETS	3,438,021	3,382,956	(55,064)

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, 2015	Six months ended September 30, 2016	Increase (Decrease)	Year ended March 31, 2016
Telecommunications businesses:				
Operating revenues	800,323	766,449	(33,873)	1,585,580
Operating expenses	707,797	650,977	(56,820)	1,444,775
Operating income from telecommunications businesses	92,525	115,471	22,946	140,804
Supplementary businesses:				
Operating revenues	59,191	57,056	(2,134)	136,726
Operating expenses	49,739	48,736	(1,002)	115,702
Operating income from supplementary businesses	9,451	8,319	(1,132)	21,024
Operating income	101,977	123,791	21,814	161,828
Non-operating revenues:				
Interest income	51	10	(40)	138
Dividends received	3,086	3,171	84	3,169
Gains on sales of fixed assets	7,437	13,571	6,134	7,789
Miscellaneous income	1,520	1,188	(332)	6,415
Total non-operating revenues	12,095	17,941	5,845	17,512
Non-operating expenses:				
Interest expenses	2,500	2,357	(142)	4,987
Miscellaneous expenses	381	174	(207)	914
Total non-operating expenses	2,882	2,532	(350)	5,901
Recurring profit	111,190	139,200	28,010	173,439
Special losses	3,758	-	(3,758)	3,758
Income before income taxes	107,432	139,200	31,768	169,681
Income taxes	* 29,315	* 39,214	9,899	50,895
Net income	78,116	99,986	21,869	118,786

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, 2015	Six months ended September 30, 2016	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2016
Voice transmission services revenues (excluding IP services revenues)	218,262	201,403	(16,858)	(7.7)	427,802
Monthly charge revenues*	163,065	152,177	(10,887)	(6.7)	321,137
Call rates revenues*	15,733	13,613	(2,119)	(13.5)	30,319
Interconnection call revenues*	26,333	23,378	(2,954)	(11.2)	51,118
IP services revenues	431,474	425,116	(6,358)	(1.5)	855,444
Leased circuit services revenues (excluding IP services revenues)	55,156	47,677	(7,478)	(13.6)	103,761
Telegram services revenues	6,297	5,561	(736)	(11.7)	12,812
Other telecommunications services revenues	89,131	86,690	(2,440)	(2.7)	185,759
Telecommunications total revenues	800,323	766,449	(33,873)	(4.2)	1,585,580
Supplementary business total revenues	59,191	57,056	(2,134)	(3.6)	136,726
Total operating revenues	859,514	823,505	(36,008)	(4.2)	1,722,307

*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, 2015	Six months ended September 30, 2016	Increase (Decrease)	Year ended March 31, 2016
Cash flows from operating activities:				
Income before income taxes	107,432	139,200	31,768	169,681
Depreciation and amortization	173,953	144,939	(29,014)	342,744
Loss on disposal of property, plant and equipment	6,091	6,056	(34)	20,330
Increase (decrease) in liability for employees' retirement benefits	5,822	8,074	2,252	3,300
(Increase) decrease in accounts receivable	17,242	16,569	(672)	14,232
(Increase) decrease in inventories	1,459	949	(510)	4,671
Increase (decrease) in accounts payable and accrued expenses	(61,571)	(74,751)	(13,180)	19,826
Increase (decrease) in accrued consumption tax	(4,461)	281	4,743	(5,860)
Other	(14,397)	(27,619)	(13,222)	15,479
Sub-total	231,571	213,700	(17,870)	584,406
Interest and dividends received	3,137	3,179	42	3,276
Interest paid	(2,509)	(2,366)	143	(4,997)
Income taxes received (paid)	(30,545)	(40,027)	(9,481)	(36,236)
Net cash provided by (used in) operating activities	201,653	174,486	(27,167)	546,449
Cash flows from investing activities:				
Payments for property, plant and equipment	(146,347)	(139,013)	7,334	(288,142)
Proceeds from sale of property, plant and equipment	8,147	14,530	6,382	8,886
Payments for purchase of investment securities	(250)	-	250	(385)
Proceeds from sale of investment securities	215	632	417	1,429
Other	292	93	(199)	633
Net cash provided by (used in) investing activities	(137,941)	(123,756)	14,185	(277,578)
Cash flows from financing activities:				
Payments for settlement of long-term debt	(3,420)	(2,560)	860	(66,220)
Payments for settlement of lease obligations	(245)	(292)	(47)	(541)
Dividends paid	(33,500)	(59,395)	(25,895)	(133,500)
Net cash provided by (used in) financing activities	(37,165)	(62,248)	(25,082)	(200,261)
Net increase (decrease) in cash and cash equivalents	26,547	(11,517)	(38,064)	68,609
Cash and cash equivalents at beginning of period	138,672	207,281	68,609	138,672
Cash and cash equivalents at end of period	165,219	195,764	30,544	207,281

5. Revised Forecasts for the Fiscal Year Ending March 31, 2017

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, 2016 for the fiscal year ending March 31, 2017, as follows.

(Billions of yen)

	Year Ending March 31, 2017 (Forecasts Previously Announced on May 13, 2016)	Year Ending March 31, 2017 (Revised Forecasts)	Change
Operating Revenues	1,650	1,653	3
Operating Income	165	175	10
Recurring Profit	165	188	23
Net Income	114	130	16

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 11, 2016

FOR IMMEDIATE RELEASE

Financial Results for the Six Months Ended September 30, 2016

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the six months ended September 30, 2016 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, 2017

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2016	September 30, 2016	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	371,004	334,384	(36,620)
Antenna facilities	6,224	6,133	(91)
Terminal equipment	17,166	14,467	(2,698)
Local line facilities	993,040	1,006,996	13,955
Long-distance line facilities	2,138	1,898	(240)
Engineering facilities	530,501	521,786	(8,714)
Submarine line facilities	3,587	3,359	(228)
Buildings	327,911	318,151	(9,760)
Construction in progress	18,488	19,201	712
Other	220,696	218,917	(1,779)
Total property, plant and equipment	2,490,761	2,445,296	(45,465)
Intangible fixed assets	65,914	63,520	(2,394)
Total fixed assets - telecommunications businesses	2,556,676	2,508,816	(47,859)
Investments and other assets			
Other investments and assets	170,251	171,390	1,138
Allowance for doubtful accounts	(638)	(619)	18
Total investments and other assets	169,613	170,770	1,156
Total fixed assets	2,726,289	2,679,587	(46,702)
Current assets:			
Cash and bank deposits	21,765	14,345	(7,420)
Notes receivable	-	5	5
Accounts receivable, trade	201,155	180,676	(20,478)
Supplies	34,656	31,716	(2,939)
Other current assets	163,910	133,142	(30,768)
Allowance for doubtful accounts	(514)	(499)	14
Total current assets	420,973	359,386	(61,586)
TOTAL ASSETS	3,147,263	3,038,973	(108,289)

(Millions of yen)

	March 31, 2016	September 30, 2016	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	651,707	681,400	29,692
Liability for employees' retirement benefits	233,574	238,551	4,976
Reserve for point services	4,672	2,617	(2,054)
Reserve for unused telephone cards	8,200	7,840	(360)
Allowance for environmental measures	9,074	9,074	-
Asset retirement obligations	361	359	(1)
Other long-term liabilities	5,544	5,226	(317)
Total long-term liabilities	913,134	945,069	31,935
Current liabilities:			
Current portion of long-term borrowings from parent company	127,120	74,867	(52,252)
Accounts payable, trade	70,067	37,164	(32,903)
Short-term borrowings	142,465	104,043	(38,422)
Accrued taxes on income	8,102	*	6,817
Allowance for loss on disaster	-	4,418	4,418
Allowance for environmental measures	2,467	2,456	(11)
Asset retirement obligations	-	5	5
Other current liabilities	327,940	299,011	(28,929)
Total current liabilities	678,163	528,783	(149,380)
TOTAL LIABILITIES	1,591,297	1,473,853	(117,444)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	73,358	82,717	9,358
Total shareholders' equity	1,555,412	1,564,771	9,358
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	553	349	(204)
Total unrealized gains (losses), translation adjustments, and others	553	349	(204)
TOTAL NET ASSETS	1,555,965	1,565,120	9,154
TOTAL LIABILITIES AND NET ASSETS	3,147,263	3,038,973	(108,289)

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, 2015	Six months ended September 30, 2016	Increase (Decrease)	Year ended March 31, 2016
Telecommunications businesses:				
Operating revenues	688,635	663,429	(25,205)	1,372,571
Operating expenses	658,456	598,349	(60,107)	1,312,941
Operating income from telecommunications businesses	30,178	65,080	34,902	59,630
Supplementary businesses:				
Operating revenues	66,043	67,091	1,048	155,452
Operating expenses	58,702	60,954	2,252	141,010
Operating income from supplementary businesses	7,340	6,136	(1,204)	14,442
Operating income	37,519	71,217	33,697	74,072
Non-operating revenues:				
Interest income	2	6	3	3
Dividends received	1,551	597	(954)	1,568
Miscellaneous income	1,896	1,059	(836)	4,203
Total non-operating revenues	3,450	1,663	(1,787)	5,775
Non-operating expenses:				
Interest expenses	5,069	3,761	(1,308)	9,410
Miscellaneous expenses	1,554	95	(1,459)	3,290
Total non-operating expenses	6,624	3,856	(2,768)	12,701
Recurring profit	34,344	69,023	34,678	67,146
Special losses	-	5,975	5,975	-
Income before income taxes	34,344	63,048	28,703	67,146
Income taxes	* 8,027	* 17,472	9,444	(5,278)
Net income	26,317	45,575	19,258	72,425

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, 2015	Six months ended September 30, 2016	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2016
Voice transmission services revenues (excluding IP services revenues)	218,937	201,536	(17,401)	(7.9)	428,645
Monthly charge revenues*	162,446	151,366	(11,079)	(6.8)	319,687
Call rates revenues*	14,723	12,764	(1,959)	(13.3)	28,259
Interconnection call revenues*	28,841	25,565	(3,276)	(11.4)	55,840
IP services revenues	350,749	349,188	(1,560)	(0.4)	702,712
Leased circuit services revenues (excluding IP services revenues)	48,474	43,855	(4,618)	(9.5)	93,383
Telegram services revenues	6,938	6,176	(762)	(11.0)	14,088
Other telecommunications services revenues	63,534	62,672	(861)	(1.4)	133,741
Telecommunications total revenues	688,635	663,429	(25,205)	(3.7)	1,372,571
Supplementary business total revenues	66,043	67,091	1,048	1.6	155,452
Total operating revenues	754,678	730,521	(24,157)	(3.2)	1,528,023

*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, 2015	Six months ended September 30, 2016	Increase (Decrease)	Year ended March 31, 2016
Cash flows from operating activities:				
Income before income taxes	34,344	63,048	28,703	67,146
Depreciation and amortization	159,788	141,301	(18,487)	317,082
Loss on disposal of property, plant and equipment	7,875	7,287	(587)	26,641
Increase (decrease) in liability for employees' retirement benefits	5,552	4,976	(575)	3,621
(Increase) decrease in accounts receivable	27,395	27,620	224	5,852
(Increase) decrease in inventories	(1,781)	1,397	3,179	(902)
Increase (decrease) in accounts payable and accrued expenses	(45,213)	(40,737)	4,475	(8,759)
Increase (decrease) in accrued consumption tax	(4,836)	303	5,140	(4,085)
Other	(30,172)	(13,084)	17,088	(5,957)
Sub-total	152,953	192,114	39,161	400,637
Interest and dividends received	1,554	604	(950)	1,571
Interest paid	(5,124)	(4,179)	944	(9,477)
Income taxes received (paid)	(5,227)	(20,999)	(15,771)	(5,528)
Net cash provided by (used in) operating activities	144,155	167,540	23,384	387,203
Cash flows from investing activities:				
Payments for property, plant and equipment	(145,063)	(128,429)	16,633	(284,746)
Proceeds from sale of property, plant and equipment	1,061	447	(614)	2,275
Payments for purchase of investment securities	(250)	-	250	(865)
Proceeds from sale of investment securities	168	509	340	462
Other	191	(70)	(261)	265
Net cash provided by (used in) investing activities	(143,891)	(127,543)	16,348	(282,607)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	-	50,000	50,000	-
Payments for settlement of long-term debt	(102,800)	(72,560)	30,240	(175,600)
Net increase (decrease) in short-term borrowings	43,970	(38,422)	(82,393)	67,462
Payments for settlement of lease obligations	(123)	(102)	20	(227)
Dividends paid	(15,000)	(36,216)	(21,216)	(15,000)
Net cash provided by (used in) financing activities	(73,953)	(97,302)	(23,348)	(123,365)
Net increase (decrease) in cash and cash equivalents	(73,690)	(57,304)	16,385	(18,769)
Cash and cash equivalents at beginning of period	90,535	71,765	-	90,535
Cash and cash equivalents at end of period	16,845	14,461	-	71,765

5. Revised Forecasts for the Fiscal Year Ending March 31, 2017

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, 2016 for the fiscal year ending March 31, 2017, as follows.

(Billions of yen)

	Year Ending March 31, 2017 (Forecasts Previously Announced on May 13, 2016)	Year Ending March 31, 2017 (Revised Forecasts)	Change
Operating Revenues	1,477	1,481	4
Operating Income	75	85	10
Recurring Profit	70	80	10
Net Income	50	52	2

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 11, 2016

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Six Months Ended September 30, 2016

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the six months ended September 30, 2016. 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)
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- VI. Revised Forecasts for the Fiscal Year Ending March 31, 2017

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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 a leading global tier-1 IP network, the Arcstar Universal One™ VPN network, reaching 196 countries/regions, and 140 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. Financial Results of NTT Communications Group

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	639,398	617,702	(21,696)	(3.4)
Operating expenses	582,568	546,054	(36,514)	(6.3)
Operating income	56,830	71,648	14,818	26.1

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

(Millions of yen)

	March 31, 2016	September 30, 2016	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	134,315	139,342	5,026
Antenna facilities	1,707	1,668	(39)
Terminal equipment	1,397	1,636	238
Local line facilities	730	1,039	309
Long-distance line facilities	5,759	5,410	(349)
Engineering facilities	51,789	50,836	(953)
Submarine line facilities	13,408	12,034	(1,373)
Buildings	199,178	196,424	(2,753)
Construction in progress	28,085	31,944	3,859
Other	91,332	93,902	2,569
Total property, plant and equipment	527,706	534,241	6,534
Intangible fixed assets	101,766	95,835	(5,930)
Total fixed assets - telecommunications businesses	629,472	630,076	604
Investments and other assets			
Investment securities	135,291	109,591	(25,700)
Investments in subsidiaries and affiliated companies	381,949	382,179	230
Other investments and assets	53,283	61,231	7,947
Allowance for doubtful accounts	(207)	(221)	(13)
Total investments and other assets	570,316	552,780	(17,536)
Total fixed assets	1,199,789	1,182,857	(16,931)
Current assets:			
Cash and bank deposits	12,607	6,145	(6,462)
Accounts receivable, trade	179,839	152,084	(27,755)
Supplies	9,806	11,480	1,673
Other current assets	94,874	80,747	(14,127)
Allowance for doubtful accounts	(1,017)	(1,196)	(179)
Total current assets	296,110	249,260	(46,850)
TOTAL ASSETS	1,495,899	1,432,117	(63,781)

(Millions of yen)

	March 31, 2016	September 30, 2016	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company and subsidiary	199,504	198,927	(577)
Liability for employees' retirement benefits	86,722	89,684	2,962
Reserve for point services	547	451	(96)
Reserve for unused telephone cards	3,628	3,469	(159)
Asset retirement obligations	3,296	3,331	35
Other long-term liabilities	10,354	18,773	8,419
Total long-term liabilities	304,053	314,637	10,584
Current liabilities:			
Current portion of long-term borrowings from parent company	43,360	41,680	(1,680)
Accounts payable, trade	31,894	23,777	(8,117)
Short-term borrowings	7,766	760	(7,006)
Accrued taxes on income	6,968	*	5,821
Allowance for losses on construction	13	27	13
Other current liabilities	179,304	136,608	(42,695)
Total current liabilities	269,307	208,676	(60,630)
TOTAL LIABILITIES	573,360	523,314	(50,046)
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	517,436	521,779	4,343
Total shareholders' equity	860,815	865,158	4,343
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	61,723	43,993	(17,730)
Deferred gains or losses on hedges	-	(348)	(348)
Total unrealized gains (losses), translation adjustments, and others	61,723	43,644	(18,078)
TOTAL NET ASSETS	922,538	908,803	(13,735)
TOTAL LIABILITIES AND NET ASSETS	1,495,899	1,432,117	(63,781)

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)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase (Decrease)	Year ended March 31, 2016
Telecommunications businesses:				
Operating revenues	341,303	346,629	5,326	691,290
Operating expenses	306,623	305,692	(931)	613,093
Operating income from telecommunications businesses	34,679	40,937	6,257	78,196
Supplementary businesses:				
Operating revenues	100,644	100,482	(161)	227,018
Operating expenses	95,321	91,265	(4,055)	214,072
Operating income from supplementary businesses	5,322	9,217	3,894	12,946
Operating income	40,002	50,154	10,152	91,143
Non-operating revenues:				
Interest income	123	41	(81)	272
Dividends received	9,343	7,249	(2,094)	12,486
Lease and rental income	5,827	5,692	(135)	11,581
Miscellaneous income	636	154	(482)	2,822
Total non-operating revenues	15,930	13,137	(2,792)	27,163
Non-operating expenses:				
Interest expenses	902	549	(353)	1,514
Lease and rental expenses	2,756	2,762	5	5,551
Miscellaneous expenses	444	646	201	1,034
Total non-operating expenses	4,104	3,957	(146)	8,100
Recurring profit	51,828	59,334	7,506	110,206
Special losses	-	-	-	5,847
Income before income taxes	51,828	59,334	7,506	104,359
Income taxes	-	-	1,274	32,046
Net income	36,553	42,785	6,231	72,312

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)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2016
Cloud Computing Platforms	33,803	34,779	975	2.9	70,029
Data Networks	182,796	190,005	7,209	3.9	369,871
Voice Communications	128,908	126,392	(2,516)	(2.0)	260,329
Applications & Content	19,440	18,666	(774)	(4.0)	38,729
Solution Services	69,279	69,743	464	0.7	162,352
Others	7,718	7,524	(193)	(2.5)	16,997
Total operating revenues	441,947	447,112	5,164	1.2	918,309

V. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase (Decrease)	Year ended March 31, 2016
Cash flows from operating activities:				
Income before income taxes	51,828	59,334	7,506	104,359
Depreciation and amortization	53,055	52,375	(680)	106,837
Loss on disposal of property, plant and equipment	573	940	366	4,075
Gains on sales of fixed assets	(0)	(58)	(58)	(3)
Increase (decrease) in allowance for doubtful accounts	(82)	192	274	(117)
Increase (decrease) in liability for employees' retirement benefits	1,963	2,962	999	1,140
Write-off of investments in affiliated companies	-	-	-	5,847
(Increase) decrease in accounts receivable	29,300	32,240	2,939	(3,413)
(Increase) decrease in inventories	(4,944)	(1,901)	3,043	(3,015)
Increase (decrease) in accounts payable and accrued expenses	(20,666)	(24,274)	(3,607)	432
Increase (decrease) in accrued consumption tax	(3,843)	1,864	5,708	(4,850)
Other	(22,332)	(19,208)	3,123	(23,183)
Sub-total	84,851	104,467	19,616	188,108
Interest and dividends received	9,464	7,312	(2,152)	12,752
Interest paid	(852)	(614)	238	(1,418)
Income taxes received (paid)	(18,117)	(24,846)	(6,729)	(22,436)
Net cash provided by (used in) operating activities	75,346	86,319	10,972	177,004
Cash flows from investing activities:				
Payments for property, plant and equipment	(62,888)	(69,246)	(6,358)	(124,453)
Proceeds from sale of property, plant and equipment	14	223	208	18
Payments for purchase of investment securities	(93,800)	(230)	93,570	(105,792)
Proceeds from sale of investment securities	116	1,500	1,383	152
Payments for long-term loans	-	-	-	(5,852)
Other	(863)	(17)	846	(1,720)
Net cash provided by (used in) investing activities	(157,420)	(67,770)	89,650	(237,648)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	149,857	-	(149,857)	149,857
Payments for settlement of long-term debt	(51,680)	(1,680)	50,000	(53,360)
Net increase (decrease) in short-term borrowings	23,958	(7,006)	(30,964)	(2,647)
Payments for settlement of lease obligations	(1,719)	(1,595)	123	(7,470)
Dividends paid	(36,001)	(33,000)	3,000	(36,001)
Net cash provided by (used in) financing activities	84,415	(43,282)	(127,697)	50,378
Effect of exchange rate changes on cash and cash equivalents	166	(752)	(918)	(2,147)
Net increase (decrease) in cash and cash equivalents	2,507	(25,485)	(27,993)	(12,412)
Cash and cash equivalents at beginning of period	44,042	31,630	(12,412)	44,042
Cash and cash equivalents at end of period	46,550	6,145	(40,405)	31,630

VI. Revised Forecasts for the Fiscal Year Ending March 31, 2017

Based on the 2Q Financial Results, NTT Com has revised forecasts for fiscal year ending March 31, 2017, which the Company announced on May 13, 2016.

(Billions of yen)

	Year Ending March 31, 2017 (Forecasts)	Year Ending March 31, 2017 (Revised Forecasts)	Change
Operating Revenues	1,290.0 (910.0)	1,280.0 (920.0)	- 10.0 (+ 10.0)
Operating Income	120.0 (88.0)	120.0 (88.0)	-
Recurring Profit	- (102.0)	- (102.0)	-
Net Income	- (72.0)	- (72.0)	-

* The top line figures in each cell are for NTT Communications Group. The figures in parentheses are for NTT Communications only.

* Forward-looking statements and projected figures concerning the future performance of NTT Com, NTT and their respective subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT Com in light of information currently available to it regarding NTT Com, 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 Com, NTT and their respective subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.