



# News Release

August 6, 2008

FOR IMMEDIATE RELEASE

## **Financial Statements for the Three Months Ended June 30, 2008**

The results of Nippon Telegraph and Telephone West Corporation (NTT West) for the three months ended June 30, 2008 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

Inquiries:

Mr. Toshiya Katayama or Mr. Nobutaka Kakihara

Accounting Section, Finance Division

NTT West

Tel: 06-4793-3141

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, 2008	June 30, 2008	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	509,334	503,196	(6,137)
Antenna facilities	9,607	10,053	445
Terminal equipment	23,950	23,192	(758)
Local line facilities	828,452	823,294	(5,158)
Long-distance line facilities	5,472	5,077	(395)
Engineering facilities	605,432	599,565	(5,867)
Submarine line facilities	3,990	3,469	(520)
Buildings	479,146	468,994	(10,151)
Construction in progress	29,308	24,839	(4,468)
Other	260,871	257,884	(2,986)
Total property, plant and equipment	2,755,568	2,719,568	(35,999)
Intangible fixed assets	107,735	103,131	(4,604)
Total fixed assets -telecommunications businesses	2,863,304	2,822,699	(40,604)
Investments and other assets			
Other investments and assets	220,577	219,667	(910)
Allowance for doubtful accounts	(1,466)	(1,490)	(23)
Total investments and other assets	219,110	218,177	(933)
Total fixed assets	3,082,415	3,040,877	(41,537)
Current assets:			
Cash and bank deposits	135,901	94,931	(40,969)
Notes receivable	107	45	(62)
Accounts receivable, trade	303,431	261,717	(41,713)
Supplies	25,762	25,799	37
Other current assets	69,567	91,210	21,643
Allowance for doubtful accounts	(2,264)	(2,120)	143
Total current assets	532,504	471,584	(60,920)
<b>TOTAL ASSETS</b>	<b>3,614,919</b>	<b>3,512,461</b>	<b>(102,458)</b>

(Millions of yen)

	March 31, 2008	June 30, 2008	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	1,021,032	962,782	(58,250)
Liability for employees' retirement benefits	341,176	337,134	(4,042)
Reserve for unused telephone cards	11,360	10,684	(675)
Other long-term liabilities	55,326	55,080	(246)
Total long-term liabilities	1,428,895	1,365,680	(63,215)
Current liabilities:			
Current portion of long-term borrowings from parent company	177,724	174,434	(3,290)
Accounts payable, trade	101,520	58,973	(42,547)
Short-term borrowings	100,000	150,000	50,000
Accrued taxes on income	540	311	(228)
Allowance for losses on construction contracts	161	-	(161)
Other current liabilities	325,093	277,755	(47,338)
Total current liabilities	705,041	661,475	(43,565)
<b>TOTAL LIABILITIES</b>	<b>2,133,937</b>	<b>2,027,156</b>	<b>(106,780)</b>
<b>NET ASSETS</b>			
Shareholders' equity			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	(1,751)	2,532	4,283
Total shareholders' equity	1,480,302	1,484,586	4,283
Unrealized gains (losses), translation adjustments, and others			
Net unrealized gains (losses) on securities	679	718	39
Total unrealized gains (losses), translation adjustments, and others	679	718	39
<b>TOTAL NET ASSETS</b>	<b>1,480,982</b>	<b>1,485,305</b>	<b>4,322</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,614,919</b>	<b>3,512,461</b>	<b>(102,458)</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, 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)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Increase (Decrease)	Year ended March 31, 2008
Telecommunications businesses				
Operating revenues	437,507	419,159	(18,347)	1,735,693
Operating expenses	429,424	417,336	(12,087)	1,719,173
Operating income from telecommunications businesses	8,082	1,822	(6,260)	16,520
Supplementary businesses				
Operating revenues	31,916	33,675	1,759	165,539
Operating expenses	31,842	35,222	3,379	168,134
Operating income (losses) from supplementary businesses	73	(1,546)	(1,620)	(2,595)
Operating income	8,155	275	(7,880)	13,924
Non-operating revenues:				
Interest income	5	5	(0)	39
Dividends received	1,799	3,394	1,594	7,070
Lease and rental income	11,828	10,885	(942)	45,876
Miscellaneous income	972	827	(145)	6,501
Total non-operating revenues	14,606	15,113	506	59,487
Non-operating expenses:				
Interest expenses	5,008	5,142	134	24,746
Lease and rental expenses	4,013	4,525	511	18,037
Miscellaneous expenses	410	932	521	5,732
Total non-operating expenses	9,432	10,600	1,167	48,515
Recurring profit	13,329	4,788	(8,540)	24,896
Special profits	643	-	(643)	156,779
Special losses	-	-	-	111,719
Income before income taxes	13,972	4,788	(9,183)	69,957
Corporation, inhabitant, and enterprise taxes	*	*	*	*
	5,024	505	(4,519)	(15,789)
Deferred tax expenses (benefits)	*	*	*	*
	-	-	-	123,488
Net income (losses)	8,947	4,283	(4,664)	(37,742)

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, 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)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2008
Voice transmission services revenues (excluding IP services revenues)	264,303	233,434	(30,868)	(11.7%)	1,016,667
Monthly charge revenues*	171,129	155,937	(15,191)	(8.9%)	664,800
Call rates revenues*	31,670	25,170	(6,499)	(20.5%)	116,315
Interconnection call revenues*	40,569	34,639	(5,929)	(14.6%)	154,798
IP services revenues	90,136	108,704	18,567	20.6%	385,876
Leased circuit services revenues (excluding IP services revenues)	40,502	38,021	(2,480)	(6.1%)	158,294
Telegram services revenues	7,326	6,882	(444)	(6.1%)	27,235
Other telecommunications services revenues	35,238	32,117	(3,121)	(8.9%)	147,620
Telecommunications total revenues	437,507	419,159	(18,347)	(4.2%)	1,735,693
Supplementary business total revenues	31,916	33,675	1,759	5.5%	165,539
Total operating revenues	469,423	452,834	(16,588)	(3.5%)	1,901,232

\*Partial listing only

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

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Three months ended June 30, 2007	Three months ended June 30, 2008	Increase (Decrease)	Year ended March 31, 2008
Cash flows from operating activities:				
Income before income taxes	13,972	4,788	(9,183)	69,957
Depreciation and amortization	109,297	106,511	(2,786)	432,071
Loss on disposal of property, plant and equipment	4,364	3,922	(441)	20,304
Increase (decrease) in liability for employees' retirement benefits	(11,753)	(4,042)	7,710	(69,706)
(Increase) decrease in accounts receivable	42,953	24,428	(18,525)	68,945
(Increase) decrease in inventories	816	(37)	(854)	6,815
Increase (decrease) in accounts payable and accrued expenses	(116,125)	(88,258)	27,867	(27,922)
Increase (decrease) in accrued consumption tax	1,261	2,595	1,333	(937)
Other	(657)	4,159	4,816	(40,166)
Sub-total	44,130	54,067	9,937	459,361
Interest and dividends received	1,805	3,399	1,594	7,109
Interest paid	(5,559)	(5,976)	(416)	(25,003)
Income taxes received (paid)	(420)	(833)	(413)	29,859
Net cash provided by (used in) operating activities	39,956	50,658	10,702	471,328
Cash flows from investing activities:				
Payments for property, plant and equipment	(99,681)	(96,583)	3,097	(363,826)
Proceeds from sale of property, plant and equipment	16,990	14,455	(2,534)	24,631
Payments for purchase of investment securities	(136)	-	136	(6,665)
Proceeds from sale of investment securities	-	71	71	101
Other	1,031	877	(153)	1,018
Net cash provided by (used in) investing activities	(81,796)	(81,179)	617	(344,740)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	40,000	20,000	(20,000)	124,000
Payments for settlement of long-term debt	(31,625)	(81,540)	(49,915)	(212,625)
Net increase (decrease) in short-term borrowings	75,000	50,000	(25,000)	70,000
Payments for settlement of lease obligations	-	(253)	(253)	(1,115)
Dividends paid	(31,200)	-	31,200	(31,200)
Net cash provided by (used in) financing activities	52,174	(11,794)	(63,969)	(50,941)
Net increase (decrease) in cash and cash equivalents	10,333	(42,315)	(52,649)	75,646
Cash and cash equivalents at beginning of period	64,244	139,891	75,646	64,244
Cash and cash equivalents at end of period	74,578	97,575	22,997	139,891