



News Release

August 6, 2014

FOR IMMEDIATE RELEASE

Financial Statements for the Three Months Ended June 30, 2014

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

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2014	June 30, 2014	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	446,003	432,924	(13,078)
Antenna facilities	6,212	6,395	182
Terminal equipment	18,194	18,071	(123)
Local line facilities	956,384	957,702	1,318
Long-distance line facilities	2,432	2,357	(74)
Engineering facilities	551,357	548,149	(3,207)
Submarine line facilities	3,067	2,913	(154)
Buildings	363,292	356,898	(6,393)
Construction in progress	17,498	21,247	3,749
Other	224,347	221,893	(2,453)
Total property, plant and equipment	2,588,791	2,568,556	(20,235)
Intangible fixed assets	74,244	72,178	(2,066)
Total fixed assets - telecommunications businesses	2,663,036	2,640,734	(22,301)
Investments and other assets			
Other investments and assets	161,563	158,002	(3,561)
Allowance for doubtful accounts	(551)	(583)	(32)
Total investments and other assets	161,012	157,418	(3,593)
Total fixed assets	2,824,048	2,798,153	(25,895)
Current assets:			
Cash and bank deposits	33,273	22,724	(10,549)
Notes receivable	443	862	418
Accounts receivable, trade	201,606	164,905	(36,700)
Supplies	35,234	34,032	(1,202)
Other current assets	170,958	154,981	(15,976)
Allowance for doubtful accounts	(518)	(507)	10
Total current assets	440,998	376,998	(64,000)
TOTAL ASSETS	3,265,047	3,175,151	(89,895)

(Millions of yen)

	March 31, 2014	June 30, 2014	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	884,427	884,427	-
Liability for employees' retirement benefits	228,337	228,240	(97)
Reserve for point services	7,178	6,195	(982)
Reserve for unused telephone cards	10,480	10,151	(328)
Allowance for environmental measures	5,721	5,721	-
Asset retirement obligations	342	345	2
Other long-term liabilities	7,425	7,209	(216)
Total long-term liabilities	1,143,913	1,142,290	(1,622)
Current liabilities:			
Current portion of long-term borrowings from parent company	157,370	157,370	-
Accounts payable, trade	61,883	43,615	(18,268)
Short-term borrowings	72,000	21,000	(51,000)
Accrued taxes on income	1,133	436	(696)
Allowance for environmental measures	2,370	1,136	(1,233)
Asset retirement obligations	4	-	(4)
Other current liabilities	324,630	318,542	(6,087)
Total current liabilities	619,391	542,101	(77,290)
TOTAL LIABILITIES	1,763,305	1,684,391	(78,913)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	19,272	8,212	(11,059)
Total shareholders' equity	1,501,326	1,490,266	(11,059)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	415	492	77
Total unrealized gains (losses), translation adjustments, and others	415	492	77
TOTAL NET ASSETS	1,501,742	1,490,759	(10,982)
TOTAL LIABILITIES AND NET ASSETS	3,265,047	3,175,151	(89,895)

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)

	Three months ended June 30, 2013		Three months ended June 30, 2014	Increase (Decrease)	Year ended March 31, 2014
Telecommunications businesses:					
Operating revenues	358,622	*1	355,614	(3,008)	1,425,666
Operating expenses	350,479	*1	349,847	(632)	1,423,424
Operating income from telecommunications businesses	8,142		5,767	(2,375)	2,241
Supplementary businesses:					
Operating revenues	30,227		29,576	(651)	163,934
Operating expenses	26,821		27,242	421	149,795
Operating income from supplementary businesses	3,406		2,333	(1,072)	14,138
Operating income	11,549		8,100	(3,448)	16,379
Non-operating revenues:					
Interest income	8		1	(7)	17
Dividends received	1,875		1,332	(543)	1,902
Lease and rental income	9,107		-	(9,107)	35,907
Miscellaneous income	543		511	(32)	3,853
Total non-operating revenues	11,535		1,845	(9,690)	41,680
Non-operating expenses:					
Interest expenses	3,389		3,012	(376)	13,212
Lease and rental expenses	3,837		-	(3,837)	16,755
Miscellaneous expenses	73		78	4	2,030
Total non-operating expenses	7,300		3,091	(4,209)	31,998
Recurring profit	15,783		6,854	(8,928)	26,061
Special losses	-		-	-	6,087
Income before income taxes	15,783		6,854	(8,928)	19,973
Income taxes	*2 3,221	*2	654	(2,566)	1,266
Net income	12,562		6,200	(6,361)	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 as of the three months ended June 30, 2014.

Telecommunications operating revenues attributable to lease and rental income and operating expenses attributable to lease and rental expenses were 9,038 million yen and 3,873 million yen, respectively, for the three months ended June 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)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2014
Voice transmission services revenues (excluding IP services revenues)	134,767	122,083	(12,683)	(9.4)	523,300
Monthly charge revenues*	97,539	89,417	(8,121)	(8.3)	379,607
Call rates revenues*	10,176	8,780	(1,395)	(13.7)	38,890
Interconnection call revenues*	18,254	15,882	(2,372)	(13.0)	70,441
IP services revenues	166,991	169,699	2,707	1.6	671,614
Leased circuit services revenues (excluding IP services revenues)	26,311	26,260	(51)	(0.2)	104,361
Telegram services revenues	4,574	4,137	(437)	(9.6)	17,121
Other telecommunications services revenues	25,977	33,434	7,456	28.7	109,269
Telecommunications total revenues	358,622	355,614	(3,008)	(0.8)	1,425,666
Supplementary business total revenues	30,227	29,576	(651)	(2.2)	163,934
Total operating revenues	388,850	385,190	(3,659)	(0.9)	1,589,600

*Partial listing only