



# News Release

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FOR IMMEDIATE RELEASE

## **Financial Statements for the Six Months Ended September 30, 2010**

The results of Nippon Telegraph and Telephone West Corporation (NTT West) for the six months ended September 30, 2010 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

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# 1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2010	September 30, 2010	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	521,075	519,807	(1,268)
Antenna facilities	8,466	8,130	(335)
Terminal equipment	20,813	21,360	546
Local line facilities	838,843	836,129	(2,714)
Long-distance line facilities	3,551	3,248	(303)
Engineering facilities	586,802	581,811	(4,991)
Submarine line facilities	2,396	2,175	(220)
Buildings	432,441	424,964	(7,476)
Construction in progress	32,574	31,673	(900)
Other	236,439	231,161	(5,277)
Total property, plant and equipment	2,683,403	2,660,461	(22,941)
Intangible fixed assets	96,688	89,628	(7,060)
Total fixed assets - telecommunications businesses	2,780,091	2,750,089	(30,002)
Investments and other assets			
Other investments and assets	205,022	205,848	826
Allowance for doubtful accounts	(516)	(416)	99
Total investments and other assets	204,505	205,432	926
Total fixed assets	2,984,597	2,955,521	(29,075)
Current assets:			
Cash and bank deposits	124,065	80,372	(43,693)
Notes receivable	17	0	(17)
Accounts receivable, trade	280,946	250,148	(30,798)
Supplies	24,102	26,545	2,443
Other current assets	46,149	75,033	28,884
Allowance for doubtful accounts	(2,399)	(2,648)	(248)
Total current assets	472,882	429,452	(43,429)
<b>TOTAL ASSETS</b>	<b>3,457,479</b>	<b>3,384,974</b>	<b>(72,505)</b>

(Millions of yen)

	March 31, 2010	September 30, 2010	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	966,527	931,813	(34,714)
Liability for employees' retirement benefits	296,001	290,224	(5,776)
Reserve for unused telephone cards	14,560	14,840	280
Asset retirement obligations	-	337	337
Other long-term liabilities	18,060	17,015	(1,045)
Total long-term liabilities	1,295,149	1,254,231	(40,918)
Current liabilities:			
Current portion of long-term borrowings from parent company	151,170	180,799	29,628
Accounts payable, trade	84,546	56,861	(27,684)
Accrued taxes on income	1,093	* 819	(273)
Other current liabilities	417,879	376,013	(41,865)
Total current liabilities	654,690	614,495	(40,194)
<b>TOTAL LIABILITIES</b>	<b>1,949,839</b>	<b>1,868,726</b>	<b>(81,113)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	25,529	34,321	8,791
Total shareholders' equity	1,507,583	1,516,375	8,791
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	56	(127)	(183)
Total unrealized gains (losses), translation adjustments, and others	56	(127)	(183)
<b>TOTAL NET ASSETS</b>	<b>1,507,640</b>	<b>1,516,247</b>	<b>8,607</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,457,479</b>	<b>3,384,974</b>	<b>(72,505)</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)

	Six months ended September 30, 2009	Six months ended September 30, 2010	Increase (Decrease)	Year ended March 31, 2010
Telecommunications businesses:				
Operating revenues	812,094	798,792	(13,302)	1,622,163
Operating expenses	792,768	764,973	(27,795)	1,597,993
Operating income from telecommunications businesses	19,325	33,818	14,493	24,169
Supplementary businesses:				
Operating revenues	64,122	69,240	5,117	158,658
Operating expenses	65,759	68,601	2,842	164,352
Operating income (losses) from supplementary businesses	(1,636)	639	2,275	(5,693)
Operating income	17,689	34,457	16,768	18,475
Non-operating revenues:				
Interest income	4	3	(0)	9
Dividends received	1,423	2,140	716	1,434
Lease and rental income	20,776	22,428	1,651	40,730
Miscellaneous income	2,318	2,005	(312)	8,988
Total non-operating revenues	24,523	26,578	2,054	51,163
Non-operating expenses:				
Interest expenses	8,713	8,208	(505)	17,225
Lease and rental expenses	7,335	6,868	(467)	15,695
Miscellaneous expenses	1,416	1,196	(220)	6,379
Total non-operating expenses	17,466	16,273	(1,192)	39,300
Recurring profit	24,746	44,762	20,015	30,338
Income before income taxes	24,746	44,762	20,015	30,338
Income taxes	*	*	6,267	5,494
Net income	20,047	33,795	13,747	24,844

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.

(Millions of yen)

	Three months ended September 30, 2009	Three months ended September 30, 2010	Increase (Decrease)
Telecommunications businesses:			
Operating revenues	405,942	399,133	(6,808)
Operating expenses	392,752	381,321	(11,430)
Operating income from telecommunications businesses	13,189	17,811	4,621
Supplementary businesses:			
Operating revenues	34,522	40,259	5,737
Operating expenses	35,940	40,796	4,856
Operating losses from supplementary businesses	(1,418)	(537)	880
Operating income	11,771	17,273	5,502
Non-operating revenues:			
Interest income	1	1	(0)
Dividends received	3	4	0
Lease and rental income	10,292	11,206	914
Miscellaneous income	832	1,013	180
Total non-operating revenues	11,131	12,226	1,095
Non-operating expenses:			
Interest expenses	4,382	4,127	(255)
Lease and rental expenses	3,724	3,570	(153)
Miscellaneous expenses	593	548	(44)
Total non-operating expenses	8,700	8,246	(453)
Recurring profit	14,202	21,253	7,050
Income before income taxes	14,202	21,253	7,050
Income taxes	*	*	2,123
Net income	10,896	15,824	4,927

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, 2009	Six months ended September 30, 2010	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2010
Voice transmission services revenues (excluding IP services revenues)	409,533	373,302	(36,230)	(8.8)	798,161
Monthly charge revenues*	281,113	256,511	(24,602)	(8.8)	550,982
Call rates revenues*	39,326	32,445	(6,880)	(17.5)	74,949
Interconnection call revenues*	56,911	55,977	(933)	(1.6)	110,527
IP services revenues	255,022	284,209	29,187	11.4	525,558
Leased circuit services revenues (excluding IP services revenues)	70,596	67,112	(3,483)	(4.9)	140,428
Telegram services revenues	11,710	10,744	(965)	(8.2)	24,195
Other telecommunications services revenues	65,232	63,421	(1,810)	(2.8)	133,818
Telecommunications total revenues	812,094	798,792	(13,302)	(1.6)	1,622,163
Supplementary business total revenues	64,122	69,240	5,117	8.0	158,658
Total operating revenues	876,217	868,032	(8,184)	(0.9)	1,780,821

\*Partial listing only

(Millions of yen)

	Three months ended September 30, 2009	Three months ended September 30, 2010	Increase (Decrease)	Percent Increase (Decrease)
Voice transmission services revenues (excluding IP services revenues)	202,844	184,825	(18,019)	(8.9)
Monthly charge revenues*	139,220	127,076	(12,143)	(8.7)
Call rates revenues*	19,307	15,934	(3,372)	(17.5)
Interconnection call revenues*	28,172	27,856	(316)	(1.1)
IP services revenues	130,043	143,847	13,804	10.6
Leased circuit services revenues (excluding IP services revenues)	35,073	33,386	(1,686)	(4.8)
Telegram services revenues	5,239	4,804	(434)	(8.3)
Other telecommunications services revenues	32,741	32,268	(473)	(1.4)
Telecommunications total revenues	405,942	399,133	(6,808)	(1.7)
Supplementary business total revenues	34,522	40,259	5,737	16.6
Total operating revenues	440,464	439,392	(1,071)	(0.2)

\*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, 2009	Six months ended September 30, 2010	Increase (Decrease)	Year ended March 31, 2010
Cash flows from operating activities:				
Income before income taxes	24,746	44,762	20,015	30,338
Depreciation and amortization	198,092	188,946	(9,145)	394,191
Loss on disposal of property, plant and equipment	7,173	7,769	596	20,997
Increase (decrease) in liability for employees' retirement benefits	1,670	(5,776)	(7,447)	(8,695)
(Increase) decrease in accounts receivable	34,324	31,870	(2,454)	3,677
(Increase) decrease in inventories	598	(4,436)	(5,034)	3,810
Increase (decrease) in accounts payable and accrued expenses	(66,048)	(61,973)	4,075	(1,339)
Increase (decrease) in accrued consumption tax	2,169	939	(1,230)	1,498
Other	996	(9,334)	(10,331)	45,202
Sub-total	203,722	192,767	(10,955)	489,681
Interest and dividends received	1,429	2,145	716	1,445
Interest paid	(8,736)	(8,228)	508	(17,766)
Income taxes received (paid)	4,590	(3,025)	(7,615)	2,578
Net cash provided by (used in) operating activities	201,005	183,658	(17,347)	475,938
Cash flows from investing activities:				
Payments for property, plant and equipment	(197,940)	(199,227)	(1,287)	(385,574)
Proceeds from sale of property, plant and equipment	867	1,261	394	2,456
Payments for purchase of investment securities	(429)	-	429	(429)
Proceeds from sale of investment securities	425	13	(412)	450
Other	463	(1,023)	(1,486)	494
Net cash provided by (used in) investing activities	(196,613)	(198,976)	(2,362)	(382,603)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	110,000	20,000	(90,000)	140,000
Payments for settlement of long-term debt	(83,016)	(25,085)	57,931	(158,333)
Net increase (decrease) in short-term borrowings	(33,994)	999	34,994	(25,994)
Payments for settlement of lease obligations	(7,575)	(918)	6,657	(8,951)
Dividends paid	(13,004)	(25,003)	(11,999)	(13,004)
Net cash provided by (used in) financing activities	(27,591)	(30,007)	(2,416)	(66,283)
Net increase (decrease) in cash and cash equivalents	(23,198)	(45,325)	(22,126)	27,051
Cash and cash equivalents at beginning of period	106,470	133,522	27,051	106,470
Cash and cash equivalents at end of period	83,271	88,196	4,924	133,522