



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Nine Months Ended December 31, 2010

The results of Nippon Telegraph and Telephone West Corporation (NTT West) for the nine months ended December 31, 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	December 31, 2010	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	521,075	518,577	(2,498)
Antenna facilities	8,466	8,012	(453)
Terminal equipment	20,813	21,243	429
Local line facilities	838,843	840,121	1,277
Long-distance line facilities	3,551	3,095	(456)
Engineering facilities	586,802	580,102	(6,700)
Submarine line facilities	2,396	2,048	(347)
Buildings	432,441	420,187	(12,253)
Construction in progress	32,574	30,348	(2,225)
Other	236,439	228,121	(8,317)
Total property, plant and equipment	2,683,403	2,651,858	(31,544)
Intangible fixed assets	96,688	85,087	(11,601)
Total fixed assets - telecommunications businesses	2,780,091	2,736,946	(43,145)
Investments and other assets			
Other investments and assets	205,022	206,018	996
Allowance for doubtful accounts	(516)	(409)	106
Total investments and other assets	204,505	205,609	1,103
Total fixed assets	2,984,597	2,942,555	(42,042)
Current assets:			
Cash and bank deposits	124,065	72,483	(51,582)
Notes receivable	17	1,966	1,948
Accounts receivable, trade	280,946	291,821	10,874
Supplies	24,102	29,070	4,968
Other current assets	46,149	68,684	22,535
Allowance for doubtful accounts	(2,399)	(2,981)	(582)
Total current assets	472,882	461,045	(11,836)
TOTAL ASSETS	3,457,479	3,403,601	(53,878)

(Millions of yen)

	March 31, 2010	December 31, 2010	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	966,527	901,494	(65,032)
Liability for employees' retirement benefits	296,001	288,143	(7,857)
Reserve for unused telephone cards	14,560	14,383	(176)
Asset retirement obligations	-	342	342
Other long-term liabilities	18,060	16,280	(1,779)
Total long-term liabilities	1,295,149	1,220,645	(74,504)
Current liabilities:			
Current portion of long-term borrowings from parent company	151,170	209,799	58,628
Accounts payable, trade	84,546	55,862	(28,683)
Accrued taxes on income	1,093	* 462	(631)
Other current liabilities	417,879	386,004	(31,874)
Total current liabilities	654,690	652,128	(2,561)
TOTAL LIABILITIES	1,949,839	1,872,774	(77,065)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	25,529	48,843	23,314
Total shareholders' equity	1,507,583	1,530,898	23,314
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	56	(71)	(127)
Total unrealized gains (losses), translation adjustments, and others	56	(71)	(127)
TOTAL NET ASSETS	1,507,640	1,530,826	23,186
TOTAL LIABILITIES AND NET ASSETS	3,457,479	3,403,601	(53,878)

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, 2009	Nine months ended December 31, 2010	Increase (Decrease)	Year ended March 31, 2010
Telecommunications businesses:				
Operating revenues	1,217,695	1,199,090	(18,604)	1,622,163
Operating expenses	1,188,073	1,148,976	(39,096)	1,597,993
Operating income from telecommunications businesses	29,622	50,113	20,491	24,169
Supplementary businesses:				
Operating revenues	96,489	105,339	8,850	158,658
Operating expenses	99,896	104,960	5,064	164,352
Operating income (losses) from supplementary businesses	(3,406)	378	3,785	(5,693)
Operating income	26,215	50,492	24,277	18,475
Non-operating revenues:				
Interest income	6	4	(2)	9
Dividends received	1,433	2,150	716	1,434
Lease and rental income	31,078	33,379	2,300	40,730
Miscellaneous income	3,626	2,635	(990)	8,988
Total non-operating revenues	36,145	38,170	2,024	51,163
Non-operating expenses:				
Interest expenses	13,131	12,334	(797)	17,225
Lease and rental expenses	10,994	10,385	(608)	15,695
Miscellaneous expenses	2,270	1,768	(501)	6,379
Total non-operating expenses	26,396	24,488	(1,908)	39,300
Recurring profit	35,964	64,174	28,210	30,338
Income before income taxes	35,964	64,174	28,210	30,338
Income taxes	*	*	8,772	5,494
Net income	28,880	48,318	19,437	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 December 31, 2009	Three months ended December 31, 2010	Increase (Decrease)
Telecommunications businesses:			
Operating revenues	405,601	400,298	(5,302)
Operating expenses	395,304	384,003	(11,300)
Operating income from telecommunications businesses	10,296	16,294	5,998
Supplementary businesses:			
Operating revenues	32,366	36,099	3,732
Operating expenses	34,137	36,359	2,221
Operating losses from supplementary businesses	(1,770)	(260)	1,510
Operating income	8,525	16,034	7,508
Non-operating revenues:			
Interest income	2	0	(1)
Dividends received	9	9	-
Lease and rental income	10,302	10,951	649
Miscellaneous income	1,308	630	(678)
Total non-operating revenues	11,622	11,592	(30)
Non-operating expenses:			
Interest expenses	4,417	4,125	(292)
Lease and rental expenses	3,658	3,517	(141)
Miscellaneous expenses	853	571	(281)
Total non-operating expenses	8,930	8,214	(715)
Recurring profit	11,217	19,411	8,194
Income before income taxes	11,217	19,411	8,194
Income taxes	* 2,384	* 4,888	2,504
Net income	8,833	14,522	5,689

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, 2009	Nine months ended December 31, 2010	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2010
Voice transmission services revenues (excluding IP services revenues)	607,624	554,037	(53,586)	(8.8)	798,161
Monthly charge revenues*	417,796	381,282	(36,513)	(8.7)	550,982
Call rates revenues*	57,902	47,602	(10,300)	(17.8)	74,949
Interconnection call revenues*	84,588	82,989	(1,599)	(1.9)	110,527
IP services revenues	388,543	431,278	42,735	11.0	525,558
Leased circuit services revenues (excluding IP services revenues)	105,485	100,088	(5,396)	(5.1)	140,428
Telegram services revenues	18,037	16,455	(1,582)	(8.8)	24,195
Other telecommunications services revenues	98,005	97,231	(774)	(0.8)	133,818
Telecommunications total revenues	1,217,695	1,199,090	(18,604)	(1.5)	1,622,163
Supplementary business total revenues	96,489	105,339	8,850	9.2	158,658
Total operating revenues	1,314,184	1,304,430	(9,754)	(0.7)	1,780,821

*Partial listing only

(Millions of yen)

	Three months ended December 31, 2009	Three months ended December 31, 2010	Increase (Decrease)	Percent Increase (Decrease)
Voice transmission services revenues (excluding IP services revenues)	198,090	180,734	(17,356)	(8.8)
Monthly charge revenues*	136,682	124,771	(11,911)	(8.7)
Call rates revenues*	18,576	15,156	(3,420)	(18.4)
Interconnection call revenues*	27,677	27,011	(665)	(2.4)
IP services revenues	133,520	147,068	13,547	10.1
Leased circuit services revenues (excluding IP services revenues)	34,888	32,975	(1,913)	(5.5)
Telegram services revenues	6,327	5,710	(617)	(9.8)
Other telecommunications services revenues	32,772	33,809	1,036	3.2
Telecommunications total revenues	405,601	400,298	(5,302)	(1.3)
Supplementary business total revenues	32,366	36,099	3,732	11.5
Total operating revenues	437,967	436,397	(1,570)	(0.4)

*Partial listing only

4. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010	Increase (Decrease)	Year ended March 31, 2010
Cash flows from operating activities:				
Income before income taxes	35,964	64,174	28,210	30,338
Depreciation and amortization	298,006	283,542	(14,464)	394,191
Loss on disposal of property, plant and equipment	11,590	12,766	1,176	20,997
Increase (decrease) in liability for employees' retirement benefits	3,487	(7,857)	(11,344)	(8,695)
(Increase) decrease in accounts receivable	(14,485)	(17,433)	(2,947)	3,677
(Increase) decrease in inventories	912	(6,939)	(7,852)	3,810
Increase (decrease) in accounts payable and accrued expenses	(96,691)	(88,154)	8,537	(1,339)
Increase (decrease) in accrued consumption tax	3,572	2,328	(1,244)	1,498
Other	22,972	7,053	(15,919)	45,202
Sub-total	265,328	249,479	(15,849)	489,681
Interest and dividends received	1,441	2,155	714	1,445
Interest paid	(13,177)	(11,924)	1,252	(17,766)
Income taxes received (paid)	5,278	3	(5,274)	2,578
Net cash provided by (used in) operating activities	258,870	239,714	(19,156)	475,938
Cash flows from investing activities:				
Payments for property, plant and equipment	(283,261)	(283,277)	(16)	(385,574)
Proceeds from sale of property, plant and equipment	1,635	1,652	17	2,456
Payments for purchase of investment securities	(429)	(250)	179	(429)
Proceeds from sale of investment securities	425	13	(412)	450
Other	(15)	(891)	(876)	494
Net cash provided by (used in) investing activities	(281,645)	(282,753)	(1,108)	(382,603)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	140,000	70,000	(70,000)	140,000
Payments for settlement of long-term debt	(153,566)	(76,404)	77,162	(158,333)
Net increase (decrease) in short-term borrowings	25,997	15,998	(9,999)	(25,994)
Payments for settlement of lease obligations	(8,611)	(1,391)	7,220	(8,951)
Dividends paid	(13,004)	(25,003)	(11,999)	(13,004)
Net cash provided by (used in) financing activities	(9,185)	(16,801)	(7,615)	(66,283)
Net increase (decrease) in cash and cash equivalents	(31,959)	(59,840)	(27,880)	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	74,511	73,682	(829)	133,522