

News Release

NTT WEST



NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION

February 6, 2012

FOR IMMEDIATE RELEASE

Financial Statements for the Nine Months Ended December 31, 2011

The results of Nippon Telegraph and Telephone West Corporation (NTT West) for the nine months ended December 31, 2011 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. Revised Forecasts for the Fiscal Year Ending March 31, 2012

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2011	December 31, 2011	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	512,794	491,597	(21,196)
Antenna facilities	7,607	7,215	(392)
Terminal equipment	21,343	21,053	(289)
Local line facilities	862,726	869,901	7,174
Long-distance line facilities	2,984	2,886	(98)
Engineering facilities	580,930	571,351	(9,578)
Submarine line facilities	1,977	1,749	(228)
Buildings	417,342	399,533	(17,808)
Construction in progress	25,001	30,970	5,969
Other	229,855	224,720	(5,134)
Total property, plant and equipment	2,662,564	2,620,980	(41,583)
Intangible fixed assets	83,872	74,160	(9,712)
Total fixed assets - telecommunications businesses	2,746,436	2,695,141	(51,295)
Investments and other assets			
Other investments and assets	184,655	174,475	(10,180)
Allowance for doubtful accounts	(393)	(374)	18
Total investments and other assets	184,261	174,100	(10,161)
Total fixed assets	2,930,698	2,869,241	(61,456)
Current assets:			
Cash and bank deposits	130,313	76,363	(53,949)
Notes receivable	198	9	(189)
Accounts receivable, trade	272,994	276,577	3,582
Supplies	29,935	34,293	4,357
Other current assets	45,810	63,248	17,437
Allowance for doubtful accounts	(2,220)	(2,264)	(43)
Total current assets	477,032	448,227	(28,804)
TOTAL ASSETS	3,407,731	3,317,469	(90,261)

(Millions of yen)

	March 31, 2011	December 31, 2011	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	954,099	1,043,964	89,865
Liability for employees' retirement benefits	258,049	251,013	(7,036)
Reserve for point services	4,815	6,292	1,476
Reserve for unused telephone cards	14,280	13,776	(503)
Asset retirement obligations	436	304	(132)
Other long-term liabilities	15,383	14,400	(982)
Total long-term liabilities	1,247,064	1,329,751	82,687
Current liabilities:			
Current portion of long-term borrowings from parent company	142,428	57,530	(84,898)
Accounts payable, trade	70,297	54,212	(16,084)
Short-term borrowings	23,000	25,000	2,000
Accrued taxes on income	674	*	449
Asset retirement obligations	-	119	119
Other current liabilities	392,674	331,518	(61,155)
Total current liabilities	629,073	468,829	(160,244)
TOTAL LIABILITIES	1,876,137	1,798,581	(77,556)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	49,611	36,816	(12,795)
Total shareholders' equity	1,531,665	1,518,870	(12,795)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(72)	17	89
Total unrealized gains (losses), translation adjustments, and others	(72)	17	89
TOTAL NET ASSETS	1,531,593	1,518,887	(12,705)
TOTAL LIABILITIES AND NET ASSETS	3,407,731	3,317,469	(90,261)

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, 2010	Nine months ended December 31, 2011	Increase (Decrease)	Year ended March 31, 2011
Telecommunications businesses:				
Operating revenues	1,199,090	1,154,319	(44,770)	1,597,362
Operating expenses	1,148,976	1,126,833	(22,142)	1,548,824
Operating income from telecommunications businesses	50,113	27,485	(22,627)	48,537
Supplementary businesses:				
Operating revenues	105,339	93,355	(11,983)	160,696
Operating expenses	104,960	89,019	(15,941)	159,587
Operating income from supplementary businesses	378	4,336	3,957	1,108
Operating income	50,492	31,821	(18,670)	49,646
Non-operating revenues:				
Interest income	4	4	(0)	5
Dividends received	2,150	1,159	(990)	2,151
Lease and rental income	33,379	29,104	(4,274)	43,495
Miscellaneous income	2,635	2,142	(492)	4,183
Total non-operating revenues	38,170	32,411	(5,758)	49,835
Non-operating expenses:				
Interest expenses	12,334	11,903	(430)	16,383
Lease and rental expenses	10,385	11,608	1,223	14,648
Miscellaneous expenses	1,768	588	(1,180)	5,379
Total non-operating expenses	24,488	24,101	(387)	36,412
Recurring profit	64,174	40,132	(24,041)	63,069
Income before income taxes	64,174	40,132	(24,041)	63,069
Income taxes	* 15,856	* 21,727	5,871	13,983
Net income	48,318	18,404	(29,913)	49,085

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, 2010	Nine months ended December 31, 2011	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2011
Voice transmission services revenues (excluding IP services revenues)	554,037	491,891	(62,145)	(11.2)	729,085
Monthly charge revenues*	381,282	347,104	(34,178)	(9.0)	502,703
Call rates revenues*	47,602	39,393	(8,208)	(17.2)	61,884
Interconnection call revenues*	82,989	69,113	(13,875)	(16.7)	108,696
IP services revenues	431,278	468,306	37,028	8.6	582,095
Leased circuit services revenues (excluding IP services revenues)	100,088	94,057	(6,030)	(6.0)	133,103
Telegram services revenues	16,455	15,060	(1,394)	(8.5)	22,161
Other telecommunications services revenues	97,231	85,002	(12,228)	(12.6)	130,916
Telecommunications total revenues	1,199,090	1,154,319	(44,770)	(3.7)	1,597,362
Supplementary business total revenues	105,339	93,355	(11,983)	(11.4)	160,696
Total operating revenues	1,304,430	1,247,675	(56,754)	(4.4)	1,758,058

*Partial listing only.

4. Revised Forecasts for the Fiscal Year Ending March 31, 2012

Income tax rates will be adjusted for accounting periods that begin on or after April 1, 2012, and the corresponding statutory effective tax rate will be lowered. As a result, a portion of deferred tax assets will be reversed, and NTT West has revised its results forecasts that were announced in the financial results release on November 9, 2011 for the six months ended September 30, 2011, as follows.

<Forecasts for FY2011>

(Billions of yen)

	Year Ending March 31, 2012 (Forecasts when previous 2Q results were announced)	Year Ending March 31, 2012 (Revised Forecasts)	Change
Operating Revenues	1,687.0	1,687.0	±0.0
Operating Income	55.0	55.0	±0.0
Recurring Profit	65.0	65.0	±0.0
Net Income	49.0	36.0	(13.0)