



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Six Months Ended September 30, 2012

The results of Nippon Telegraph and Telephone West Corporation (NTT West) for the six months ended September 30, 2012 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, 2012	September 30, 2012	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	485,967	477,498	(8,468)
Antenna facilities	7,158	6,961	(196)
Terminal equipment	21,188	21,001	(187)
Local line facilities	892,312	897,074	4,762
Long-distance line facilities	2,858	2,752	(106)
Engineering facilities	571,763	564,689	(7,073)
Submarine line facilities	2,427	2,180	(247)
Buildings	397,185	385,792	(11,392)
Construction in progress	31,147	30,198	(949)
Other	229,033	226,869	(2,163)
Total property, plant and equipment	2,641,042	2,615,019	(26,022)
Intangible fixed assets	77,024	72,762	(4,262)
Total fixed assets - telecommunications businesses	2,718,066	2,687,781	(30,285)
Investments and other assets			
Other investments and assets	154,493	154,843	350
Allowance for doubtful accounts	(352)	(310)	41
Total investments and other assets	154,140	154,533	392
Total fixed assets	2,872,207	2,842,314	(29,892)
Current assets:			
Cash and bank deposits	103,362	22,740	(80,622)
Notes receivable	19	32	13
Accounts receivable, trade	291,480	210,186	(81,293)
Supplies	35,212	35,901	688
Other current assets	44,965	160,417	115,452
Allowance for doubtful accounts	(2,840)	(2,191)	648
Total current assets	472,199	427,086	(45,113)
TOTAL ASSETS	3,344,407	3,269,400	(75,006)

(Millions of yen)

	March 31, 2012	September 30, 2012	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	960,947	946,826	(14,121)
Liability for employees' retirement benefits	224,695	224,080	(614)
Reserve for point services	5,093	5,717	623
Reserve for unused telephone cards	13,480	12,720	(760)
Asset retirement obligations	305	307	2
Other long-term liabilities	13,636	11,620	(2,016)
Total long-term liabilities	1,218,158	1,201,272	(16,885)
Current liabilities:			
Current portion of long-term borrowings from parent company	133,151	141,364	8,212
Accounts payable, trade	74,124	48,194	(25,929)
Short-term borrowings	30,000	45,000	15,000
Accrued taxes on income	838	* 908	69
Asset retirement obligations	39	-	(39)
Other current liabilities	367,111	330,376	(36,735)
Total current liabilities	605,265	565,843	(39,421)
TOTAL LIABILITIES	1,823,423	1,767,116	(56,307)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	38,905	20,248	(18,656)
Total shareholders' equity	1,520,959	1,502,302	(18,656)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	24	(17)	(41)
Total unrealized gains (losses), translation adjustments, and others	24	(17)	(41)
TOTAL NET ASSETS	1,520,983	1,502,284	(18,698)
TOTAL LIABILITIES AND NET ASSETS	3,344,407	3,269,400	(75,006)

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, 2011	Six months ended September 30, 2012	Increase (Decrease)	Year ended March 31, 2012
Telecommunications businesses:				
Operating revenues	771,010	745,191	(25,819)	1,537,887
Operating expenses	749,141	740,579	(8,562)	1,508,068
Operating income from telecommunications businesses	21,868	4,611	(17,257)	29,819
Supplementary businesses:				
Operating revenues	61,312	62,328	1,016	138,460
Operating expenses	58,646	56,994	(1,652)	131,236
Operating income from supplementary businesses	2,665	5,334	2,668	7,223
Operating income	24,534	9,945	(14,588)	37,043
Non-operating revenues:				
Interest income	2	5	2	8
Dividends received	1,150	843	(306)	1,160
Lease and rental income	19,504	18,693	(810)	38,660
Miscellaneous income	1,640	1,188	(451)	4,826
Total non-operating revenues	22,297	20,730	(1,566)	44,656
Non-operating expenses:				
Interest expenses	7,926	7,571	(354)	15,732
Lease and rental expenses	6,660	8,134	1,474	17,032
Miscellaneous expenses	1,126	343	(782)	6,572
Total non-operating expenses	15,712	16,049	336	39,337
Recurring profit	31,118	14,627	(16,491)	42,361
Income before income taxes	31,118	14,627	(16,491)	42,361
Income taxes	* 7,434	* 2,084	(5,350)	21,867
Net income	23,683	12,543	(11,140)	20,493

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, 2011	Six months ended September 30, 2012	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2012
Voice transmission services revenues (excluding IP services revenues)	332,009	297,340	(34,668)	(10.4)	646,816
Monthly charge revenues*	233,598	212,491	(21,107)	(9.0)	457,610
Call rates revenues*	26,935	22,607	(4,327)	(16.1)	51,162
Interconnection call revenues*	46,825	41,481	(5,344)	(11.4)	90,242
IP services revenues	309,774	327,852	18,077	5.8	629,402
Leased circuit services revenues (excluding IP services revenues)	62,784	57,071	(5,712)	(9.1)	125,491
Telegram services revenues	9,935	8,845	(1,090)	(11.0)	20,282
Other telecommunications services revenues	56,506	54,081	(2,425)	(4.3)	115,894
Telecommunications total revenues	771,010	745,191	(25,819)	(3.3)	1,537,887
Supplementary business total revenues	61,312	62,328	1,016	1.7	138,460
Total operating revenues	832,322	807,519	(24,803)	(3.0)	1,676,348

*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, 2011	Six months ended September 30, 2012	Increase (Decrease)	Year ended March 31, 2012
Cash flows from operating activities:				
Income before income taxes	31,118	14,627	(16,491)	42,361
Depreciation and amortization	183,476	179,073	(4,402)	363,579
Loss on disposal of property, plant and equipment	7,988	8,864	875	17,637
Increase (decrease) in liability for employees' retirement benefits	(5,414)	(614)	4,799	(33,354)
(Increase) decrease in accounts receivable	42,249	(9,696)	(51,945)	(21,705)
(Increase) decrease in inventories	(4,472)	(2,589)	1,883	(4,546)
Increase (decrease) in accounts payable and accrued expenses	(71,853)	(39,110)	32,743	(18,947)
Increase (decrease) in accrued consumption tax	608	1,040	432	(72)
Other	(4,958)	(22,209)	(17,250)	46,428
Sub-total	178,741	129,385	(49,356)	391,379
Interest and dividends received	1,153	848	(304)	1,169
Interest paid	(8,065)	(7,354)	710	(16,346)
Income taxes received (paid)	6,474	4,905	(1,569)	6,418
Net cash provided by (used in) operating activities	178,304	127,783	(50,520)	382,619
Cash flows from investing activities:				
Payments for property, plant and equipment	(166,808)	(186,202)	(19,393)	(349,576)
Proceeds from sale of property, plant and equipment	673	441	(231)	1,660
Payments for purchase of investment securities	(614)	(140)	474	(1,454)
Proceeds from sale of investment securities	14	131	116	48
Other	(713)	(417)	295	201
Net cash provided by (used in) investing activities	(167,448)	(186,187)	(18,738)	(349,120)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	50,000	19,907	(30,092)	140,000
Payments for settlement of long-term debt	(54,714)	(25,815)	28,898	(142,428)
Net increase (decrease) in short-term borrowings	(5,000)	15,000	20,000	(25,000)
Payments for settlement of lease obligations	(852)	(851)	0	(1,836)
Dividends paid	(31,200)	(31,200)	-	(31,200)
Net cash provided by (used in) financing activities	(41,767)	(22,960)	18,806	(60,464)
Net increase (decrease) in cash and cash equivalents	(30,911)	(81,363)	(50,452)	(26,964)
Cash and cash equivalents at beginning of period	131,113	104,148	(26,964)	131,113
Cash and cash equivalents at end of period	100,202	22,784	(77,417)	104,148