



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Six Months Ended September 30, 2013

The results of Nippon Telegraph and Telephone West Corporation (NTT West) for the six months ended September 30, 2013 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
5. Revised Forecasts for the Fiscal Year Ending March 31, 2014

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2013	September 30, 2013	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	468,937	455,702	(13,235)
Antenna facilities	6,816	6,609	(207)
Terminal equipment	18,408	18,046	(361)
Local line facilities	923,767	927,554	3,786
Long-distance line facilities	2,597	2,521	(75)
Engineering facilities	562,018	554,374	(7,644)
Submarine line facilities	2,096	3,393	1,297
Buildings	376,023	365,122	(10,901)
Construction in progress	30,453	31,843	1,390
Other	226,593	224,845	(1,748)
Total property, plant and equipment	2,617,712	2,590,013	(27,699)
Intangible fixed assets	71,968	75,455	3,486
Total fixed assets - telecommunications businesses	2,689,681	2,665,469	(24,212)
Investments and other assets			
Other investments and assets	150,915	156,857	5,941
Allowance for doubtful accounts	(249)	(206)	42
Total investments and other assets	150,665	156,650	5,984
Total fixed assets	2,840,347	2,822,120	(18,227)
Current assets:			
Cash and bank deposits	29,799	20,354	(9,445)
Notes receivable	8	158	150
Accounts receivable, trade	219,908	175,189	(44,719)
Supplies	38,222	34,943	(3,278)
Other current assets	176,844	156,231	(20,613)
Allowance for doubtful accounts	(1,362)	(544)	817
Total current assets	463,421	386,332	(77,088)
TOTAL ASSETS	3,303,768	3,208,452	(95,316)

(Millions of yen)

	March 31, 2013	September 30, 2013	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	951,797	868,087	(83,710)
Liability for employees' retirement benefits	221,270	228,956	7,686
Reserve for point services	4,882	5,125	242
Reserve for unused telephone cards	11,960	11,200	(760)
Allowance for environmental measures	-	8,129	8,129
Asset retirement obligations	309	342	32
Other long-term liabilities	10,448	7,463	(2,985)
Total long-term liabilities	1,200,669	1,129,305	(71,363)
Current liabilities:			
Current portion of long-term borrowings from parent company	182,057	231,738	49,681
Accounts payable, trade	72,315	46,882	(25,433)
Accrued taxes on income	1,005	* 981	(23)
Other current liabilities	336,852	300,568	(36,284)
Total current liabilities	592,231	580,171	(12,059)
TOTAL LIABILITIES	1,792,900	1,709,476	(83,423)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	28,645	16,667	(11,977)
Total shareholders' equity	1,510,699	1,498,721	(11,977)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	169	254	85
Total unrealized gains (losses), translation adjustments, and others	169	254	85
TOTAL NET ASSETS	1,510,868	1,498,975	(11,892)
TOTAL LIABILITIES AND NET ASSETS	3,303,768	3,208,452	(95,316)

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, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Telecommunications businesses:				
Operating revenues	745,191	715,300	(29,890)	1,482,982
Operating expenses	740,579	702,875	(37,703)	1,474,459
Operating income from telecommunications businesses	4,611	12,424	7,812	8,523
Supplementary businesses:				
Operating revenues	62,328	67,525	5,197	144,998
Operating expenses	56,994	60,615	3,621	134,317
Operating income from supplementary businesses	5,334	6,910	1,576	10,681
Operating income	9,945	19,334	9,389	19,205
Non-operating revenues:				
Interest income	5	11	5	10
Dividends received	843	1,881	1,038	858
Lease and rental income	18,693	18,115	(577)	37,029
Miscellaneous income	1,188	1,064	(124)	4,887
Total non-operating revenues	20,730	21,073	342	42,785
Non-operating expenses:				
Interest expenses	7,571	6,775	(795)	14,942
Lease and rental expenses	8,134	7,918	(216)	16,727
Miscellaneous expenses	343	123	(220)	1,938
Total non-operating expenses	16,049	14,816	(1,232)	33,607
Recurring profit	14,627	25,591	10,963	28,382
Special losses	-	6,087	6,087	-
Income before income taxes	14,627	19,503	4,876	28,382
Income taxes	*	*	1,317	7,443
Net income	12,543	16,102	3,559	20,939

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, 2012	Six months ended September 30, 2013	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2013
Voice transmission services revenues (excluding IP services revenues)	297,340	267,519	(29,821)	(10.0)	579,801
Monthly charge revenues*	212,491	193,424	(19,066)	(9.0)	416,088
Call rates revenues*	22,607	20,183	(2,423)	(10.7)	43,864
Interconnection call revenues*	41,481	36,320	(5,160)	(12.4)	80,143
IP services revenues	327,852	334,598	6,745	2.1	660,902
Leased circuit services revenues (excluding IP services revenues)	57,071	52,539	(4,532)	(7.9)	112,172
Telegram services revenues	8,845	8,323	(521)	(5.9)	18,484
Other telecommunications services revenues	54,081	52,319	(1,761)	(3.3)	111,621
Telecommunications total revenues	745,191	715,300	(29,890)	(4.0)	1,482,982
Supplementary business total revenues	62,328	67,525	5,197	8.3	144,998
Total operating revenues	807,519	782,826	(24,693)	(3.1)	1,627,981

*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, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Cash flows from operating activities:				
Income before income taxes	14,627	19,503	4,876	28,382
Depreciation and amortization	179,073	168,320	(10,753)	354,981
Loss on disposal of property, plant and equipment	8,864	9,540	676	18,365
Increase (decrease) in liability for employees' retirement benefits	(614)	7,686	8,301	(3,424)
(Increase) decrease in accounts receivable	(9,696)	46,559	56,256	(10,489)
(Increase) decrease in inventories	(2,589)	3,588	6,177	(3,041)
Increase (decrease) in accounts payable and accrued expenses	(39,110)	(37,180)	1,929	(17,279)
Increase (decrease) in accrued consumption tax	1,040	(1,002)	(2,043)	1,384
Other	(22,209)	(22,829)	(620)	653
Sub-total	129,385	194,185	64,800	369,533
Interest and dividends received	848	1,893	1,045	868
Interest paid	(7,354)	(7,024)	330	(15,241)
Income taxes received (paid)	4,905	344	(4,560)	4,902
Net cash provided by (used in) operating activities	127,783	189,398	61,614	360,061
Cash flows from investing activities:				
Payments for property, plant and equipment	(186,202)	(178,329)	7,872	(353,694)
Proceeds from sale of property, plant and equipment	441	303	(138)	2,650
Payments for purchase of investment securities	(140)	(167)	(27)	(411)
Proceeds from sale of investment securities	131	6	(124)	135
Other	(417)	(5,684)	(5,267)	(3,888)
Net cash provided by (used in) investing activities	(186,187)	(183,872)	2,315	(355,207)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	19,907	-	(19,907)	172,907
Payments for settlement of long-term debt	(25,815)	(34,028)	(8,212)	(133,151)
Net increase (decrease) in short-term borrowings	15,000	-	(15,000)	(30,000)
Payments for settlement of lease obligations	(851)	(929)	(77)	(1,846)
Dividends paid	(31,200)	(28,080)	3,120	(31,200)
Net cash provided by (used in) financing activities	(22,960)	(63,038)	(40,078)	(23,290)
Net increase (decrease) in cash and cash equivalents	(81,363)	(57,511)	23,851	(18,436)
Cash and cash equivalents at beginning of period	104,148	85,711	(18,436)	104,148
Cash and cash equivalents at end of period	22,784	28,199	5,415	85,711

5. Revised Forecasts for the Fiscal Year Ending March 31, 2014

Based on its recent business performance, NTT West has revised its financial results forecasts that were announced in the financial results release filed on May 10, 2013 for the fiscal year ending March 31, 2014, as follows.

(Billions of yen)

	Year Ending March 31, 2014 (Forecasts Previously Announced on May 10, 2013)	Year Ending March 31, 2014 (Revised Forecasts)	Change
Operating Revenues	1,592.0	1,586.0	(6.0)
Operating Income	20.0	20.0	—
Recurring Profit	28.0	28.0	—
Net Income	23.0	19.0	(4.0)

Note: The financial results forecasts and projected figures concerning the future performance of NTT West contained herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT West and its parent NTT in light of information currently available to them regarding NTT, NTT West and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT, NTT West and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.