

News Release

February 6, 2014

FOR IMMEDIATE RELEASE

Financial Statements for the Nine Months Ended December 31, 2013

The results of Nippon Telegraph and Telephone West Corporation (NTT West) for the nine months ended December 31, 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)

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2013	December 31, 2013	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	468,937	451,652	(17,284)
Antenna facilities	6,816	6,492	(324)
Terminal equipment	18,408	18,065	(343)
Local line facilities	923,767	937,727	13,959
Long-distance line facilities	2,597	2,448	(148)
Engineering facilities	562,018	551,040	(10,978)
Submarine line facilities	2,096	3,219	1,123
Buildings	376,023	363,604	(12,419)
Construction in progress	30,453	26,126	(4,326)
Other	226,593	224,079	(2,514)
Total property, plant and equipment	2,617,712	2,584,457	(33,255)
Intangible fixed assets	71,968	76,911	4,942
Total fixed assets - telecommunications businesses	2,689,681	2,661,368	(28,312)
Investments and other assets			
Other investments and assets	150,915	159,142	8,226
Allowance for doubtful accounts	(249)	(185)	64
Total investments and other assets	150,665	158,957	8,291
Total fixed assets	2,840,347	2,820,325	(20,021)
Current assets:			
Cash and bank deposits	29,799	14,843	(14,956)
Notes receivable	8	266	257
Accounts receivable, trade	219,908	193,716	(26,191)
Supplies	38,222	33,674	(4,547)
Other current assets	176,844	153,985	(22,858)
Allowance for doubtful accounts	(1,362)	(597)	764
Total current assets	463,421	395,889	(67,532)
TOTAL ASSETS	3,303,768	3,216,215	(87,553)

(Millions of yen)

	March 31, 2013	December 31, 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	232,923	11,652
Reserve for point services	4,882	6,212	1,329
Reserve for unused telephone cards	11,960	10,869	(1,090)
Allowance for environmental measures	-	8,129	8,129
Asset retirement obligations	309	342	33
Other long-term liabilities	10,448	7,190	(3,258)
Total long-term liabilities	1,200,669	1,133,754	(66,914)
Current liabilities:			
Current portion of long-term borrowings from parent company	182,057	177,420	(4,637)
Accounts payable, trade	72,315	34,797	(37,518)
Short-term borrowings	-	30,000	30,000
Accrued taxes on income	1,005	*	539
Asset retirement obligations	-	3	3
Other current liabilities	336,852	338,268	1,416
Total current liabilities	592,231	581,028	(11,202)
TOTAL LIABILITIES	1,792,900	1,714,783	(78,116)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	28,645	19,015	(9,629)
Total shareholders' equity	1,510,699	1,501,069	(9,629)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	169	362	192
Total unrealized gains (losses), translation adjustments, and others	169	362	192
TOTAL NET ASSETS	1,510,868	1,501,431	(9,437)
TOTAL LIABILITIES AND NET ASSETS	3,303,768	3,216,215	(87,553)

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, 2012	Nine months ended December 31, 2013	Increase (Decrease)	Year ended March 31, 2013
Telecommunications businesses:				
Operating revenues	1,114,541	1,070,392	(44,148)	1,482,982
Operating expenses	1,103,516	1,061,231	(42,284)	1,474,459
Operating income from telecommunications businesses	11,024	9,160	(1,864)	8,523
Supplementary businesses:				
Operating revenues	94,049	101,681	7,632	144,998
Operating expenses	86,784	91,862	5,078	134,317
Operating income from supplementary businesses	7,264	9,818	2,553	10,681
Operating income	18,289	18,978	689	19,205
Non-operating revenues:				
Interest income	6	16	10	10
Dividends received	857	1,900	1,043	858
Lease and rental income	27,895	27,055	(840)	37,029
Miscellaneous income	4,078	2,871	(1,206)	4,887
Total non-operating revenues	32,837	31,844	(993)	42,785
Non-operating expenses:				
Interest expenses	11,350	10,147	(1,202)	14,942
Lease and rental expenses	12,558	11,647	(911)	16,727
Miscellaneous expenses	440	1,381	941	1,938
Total non-operating expenses	24,348	23,176	(1,172)	33,607
Recurring profit	26,778	27,646	868	28,382
Special losses	-	6,087	6,087	-
Income before income taxes	26,778	21,559	(5,219)	28,382
Income taxes	*	3,109	(1,753)	7,443
Net income	21,916	18,450	(3,466)	20,939

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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, 2012	Nine months ended December 31, 2013	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2013
Voice transmission services revenues (excluding IP services revenues)	441,369	397,504	(43,865)	(9.9)	579,801
Monthly charge revenues*	315,703	287,690	(28,012)	(8.9)	416,088
Call rates revenues*	33,711	29,876	(3,835)	(11.4)	43,864
Interconnection call revenues*	61,691	53,972	(7,718)	(12.5)	80,143
IP services revenues	493,881	502,053	8,172	1.7	660,902
Leased circuit services revenues (excluding IP services revenues)	84,571	78,617	(5,953)	(7.0)	112,172
Telegram services revenues	13,733	12,751	(981)	(7.1)	18,484
Other telecommunications services revenues	80,985	79,465	(1,520)	(1.9)	111,621
Telecommunications total revenues	1,114,541	1,070,392	(44,148)	(4.0)	1,482,982
Supplementary business total revenues	94,049	101,681	7,632	8.1	144,998
Total operating revenues	1,208,590	1,172,073	(36,516)	(3.0)	1,627,981

*Partial listing only