



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Nine Months Ended December 31, 2014

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the nine months ended December 31, 2014 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, 2014	December 31, 2014	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	446,003	415,061	(30,942)
Antenna facilities	6,212	6,158	(54)
Terminal equipment	18,194	17,833	(361)
Local line facilities	956,384	967,615	11,231
Long-distance line facilities	2,432	2,231	(201)
Engineering facilities	551,357	541,589	(9,768)
Submarine line facilities	3,067	3,427	359
Buildings	363,292	347,913	(15,378)
Construction in progress	17,498	18,419	920
Other	224,347	218,982	(5,365)
Total property, plant and equipment	2,588,791	2,539,231	(49,560)
Intangible fixed assets	74,244	69,690	(4,554)
Total fixed assets - telecommunications businesses	2,663,036	2,608,921	(54,114)
Investments and other assets			
Other investments and assets	161,563	154,987	(6,576)
Allowance for doubtful accounts	(551)	(575)	(24)
Total investments and other assets	161,012	154,411	(6,600)
Total fixed assets	2,824,048	2,763,333	(60,715)
Current assets:			
Cash and bank deposits	33,273	23,902	(9,371)
Notes receivable	443	126	(317)
Accounts receivable, trade	201,606	193,464	(8,141)
Supplies	35,234	32,766	(2,467)
Other current assets	170,958	146,697	(24,261)
Allowance for doubtful accounts	(518)	(469)	48
Total current assets	440,998	396,487	(44,510)
TOTAL ASSETS	3,265,047	3,159,820	(105,226)

(Millions of yen)

	March 31, 2014	December 31, 2014	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	884,427	801,627	(82,800)
Liability for employees' retirement benefits	228,337	234,201	5,863
Reserve for point services	7,178	7,123	(54)
Reserve for unused telephone cards	10,480	9,538	(941)
Allowance for environmental measures	5,721	13,694	7,972
Asset retirement obligations	342	344	2
Other long-term liabilities	7,425	6,415	(1,009)
Total long-term liabilities	1,143,913	1,072,945	(70,967)
Current liabilities:			
Current portion of long-term borrowings from parent company	157,370	176,460	19,090
Accounts payable, trade	61,883	43,651	(18,232)
Short-term borrowings	72,000	62,000	(10,000)
Accrued taxes on income	1,133	380	(753)
Allowance for environmental measures	2,370	642	(1,727)
Asset retirement obligations	4	-	(4)
Other current liabilities	324,630	302,426	(22,204)
Total current liabilities	619,391	585,559	(33,832)
TOTAL LIABILITIES	1,763,305	1,658,505	(104,799)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	19,272	18,649	(623)
Total shareholders' equity	1,501,326	1,500,703	(623)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	415	611	196
Total unrealized gains (losses), translation adjustments, and others	415	611	196
TOTAL NET ASSETS	1,501,742	1,501,315	(426)
TOTAL LIABILITIES AND NET ASSETS	3,265,047	3,159,820	(105,226)

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, 2013	Nine months ended December 31, 2014	Increase (Decrease)	Year ended March 31, 2014
Telecommunications businesses:				
Operating revenues	1,070,392	*1 1,062,975	(7,416)	1,425,666
Operating expenses	1,061,231	*1 1,042,326	(18,904)	1,423,424
Operating income from telecommunications businesses	9,160	20,648	11,487	2,241
Supplementary businesses:				
Operating revenues	101,681	100,443	(1,238)	163,934
Operating expenses	91,862	90,124	(1,738)	149,795
Operating income from supplementary businesses	9,818	10,318	500	14,138
Operating income	18,978	30,967	11,988	16,379
Non-operating revenues:				
Interest income	16	3	(12)	17
Dividends received	1,900	1,353	(547)	1,902
Lease and rental income	27,055	-	(27,055)	35,907
Gains on sales of fixed assets	1,378	2,355	977	1,456
Miscellaneous income	1,493	1,475	(18)	2,397
Total non-operating revenues	31,844	5,188	(26,655)	41,680
Non-operating expenses:				
Interest expenses	10,147	8,805	(1,342)	13,212
Lease and rental expenses	11,647	-	(11,647)	16,755
Miscellaneous expenses	1,381	464	(917)	2,030
Total non-operating expenses	23,176	9,269	(13,906)	31,998
Recurring profit	27,646	26,886	(760)	26,061
Special losses	6,087	7,972	1,885	6,087
Income before income taxes	21,559	18,913	(2,646)	19,973
Income taxes	*2 3,109	*2 2,275	(833)	1,266
Net income	18,450	16,637	(1,812)	18,707

Notes: *1 "Lease and rental income" and "lease and rental expenses," which were previously included under non-operating revenues and non-operating expenses, respectively, in the fiscal year ended March 31, 2014, have been reclassified as telecommunications businesses operating revenues and operating expenses for the nine months ended December 31, 2014.

Telecommunications operating revenues attributable to lease and rental income and operating expenses attributable to lease and rental expenses were 26,417 million yen and 11,861 million yen, respectively, for the nine months ended December 31, 2014.

*2 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, 2013	Nine months ended December 31, 2014	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2014
Voice transmission services revenues (excluding IP services revenues)	397,504	359,546	(37,958)	(9.5)	523,300
Monthly charge revenues*	287,690	263,574	(24,116)	(8.4)	379,607
Call rates revenues*	29,876	25,586	(4,289)	(14.4)	38,890
Interconnection call revenues*	53,972	46,999	(6,973)	(12.9)	70,441
IP services revenues	502,053	512,546	10,492	2.1	671,614
Leased circuit services revenues (excluding IP services revenues)	78,617	77,779	(838)	(1.1)	104,361
Telegram services revenues	12,751	11,477	(1,274)	(10.0)	17,121
Other telecommunications services revenues	79,465	101,626	22,161	27.9	109,269
Telecommunications total revenues	1,070,392	1,062,975	(7,416)	(0.7)	1,425,666
Supplementary business total revenues	101,681	100,443	(1,238)	(1.2)	163,934
Total operating revenues	1,172,073	1,163,418	(8,654)	(0.7)	1,589,600

*Partial listing only