



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Nine Months Ended December 31, 2015

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the nine months ended December 31, 2015 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, 2015	December 31, 2015	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	407,805	381,306	(26,498)
Antenna facilities	6,061	5,830	(231)
Terminal equipment	17,786	17,335	(450)
Local line facilities	981,834	974,770	(7,064)
Long-distance line facilities	2,201	2,084	(117)
Engineering facilities	541,617	530,670	(10,947)
Submarine line facilities	4,094	3,646	(448)
Buildings	344,165	329,163	(15,001)
Construction in progress	25,780	22,868	(2,911)
Other	219,817	218,651	(1,166)
Total property, plant and equipment	2,551,165	2,486,327	(64,837)
Intangible fixed assets	68,950	66,497	(2,453)
Total fixed assets - telecommunications businesses	2,620,116	2,552,825	(67,290)
Investments and other assets			
Other investments and assets	149,863	146,945	(2,918)
Allowance for doubtful accounts	(652)	(644)	8
Total investments and other assets	149,211	146,300	(2,910)
Total fixed assets	2,769,327	2,699,126	(70,200)
Current assets:			
Cash and bank deposits	26,533	18,563	(7,970)
Notes receivable	6	6	(0)
Accounts receivable, trade	198,729	193,401	(5,327)
Supplies	33,580	35,513	1,932
Other current assets	185,077	136,602	(48,474)
Allowance for doubtful accounts	(597)	(534)	63
Total current assets	443,329	383,553	(59,776)
TOTAL ASSETS	3,212,656	3,082,679	(129,977)

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	778,827	694,267	(84,560)
Liability for employees' retirement benefits	229,952	235,439	5,486
Reserve for point services	7,571	5,821	(1,750)
Reserve for unused telephone cards	9,160	8,421	(738)
Allowance for environmental measures	10,794	10,794	-
Asset retirement obligations	345	349	3
Other long-term liabilities	6,392	5,872	(519)
Total long-term liabilities	1,043,045	960,967	(82,078)
Current liabilities:			
Current portion of long-term borrowings from parent company	175,600	127,360	(48,240)
Accounts payable, trade	74,063	42,785	(31,278)
Short-term borrowings	75,000	119,414	44,414
Accrued taxes on income	1,082	5,611	4,529
Allowance for environmental measures	3,356	795	(2,561)
Other current liabilities	341,782	296,147	(45,635)
Total current liabilities	670,885	592,114	(78,771)
TOTAL LIABILITIES	1,713,930	1,553,081	(160,849)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	15,934	46,900	30,966
Total shareholders' equity	1,497,988	1,528,954	30,966
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	738	643	(94)
Total unrealized gains (losses), translation adjustments, and others	738	643	(94)
TOTAL NET ASSETS	1,498,726	1,529,598	30,872
TOTAL LIABILITIES AND NET ASSETS	3,212,656	3,082,679	(129,977)

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, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Year ended March 31, 2015
Telecommunications businesses:				
Operating revenues	1,062,975	1,030,033	(32,941)	1,415,321
Operating expenses	1,042,326	971,660	(70,666)	1,392,847
Operating income from telecommunications businesses	20,648	58,373	37,725	22,473
Supplementary businesses:				
Operating revenues	100,443	99,106	(1,336)	158,892
Operating expenses	90,124	89,682	(442)	145,692
Operating income from supplementary businesses	10,318	9,424	(894)	13,200
Operating income	30,967	67,797	36,830	35,674
Non-operating revenues:				
Interest income	3	2	(0)	5
Dividends received	1,353	1,566	212	1,355
Gains on sales of fixed assets	2,355	880	(1,474)	2,531
Miscellaneous income	1,475	1,553	78	2,123
Total non-operating revenues	5,188	4,004	(1,184)	6,015
Non-operating expenses:				
Interest expenses	8,805	7,265	(1,539)	11,461
Miscellaneous expenses	464	1,618	1,154	1,390
Total non-operating expenses	9,269	8,884	(385)	12,851
Recurring profit	26,886	62,917	36,031	28,838
Special losses	7,972	-	(7,972)	7,972
Income before income taxes	18,913	62,917	44,004	20,865
Income taxes	*	*	14,674	6,943
Net income	16,637	45,967	29,330	13,921

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, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2015
Voice transmission services revenues (excluding IP services revenues)	359,546	325,471	(34,074)	(9.5)	472,572
Monthly charge revenues*	263,574	241,923	(21,650)	(8.2)	347,759
Call rates revenues*	25,586	21,682	(3,904)	(15.3)	33,194
Interconnection call revenues*	46,999	42,691	(4,307)	(9.2)	61,333
IP services revenues	512,546	526,823	14,277	2.8	686,194
Leased circuit services revenues (excluding IP services revenues)	77,779	71,209	(6,569)	(8.4)	103,035
Telegram services revenues	11,477	10,551	(926)	(8.1)	15,455
Other telecommunications services revenues	101,626	95,977	(5,649)	(5.6)	138,062
Telecommunications total revenues	1,062,975	1,030,033	(32,941)	(3.1)	1,415,321
Supplementary business total revenues	100,443	99,106	(1,336)	(1.3)	158,892
Total operating revenues	1,163,418	1,129,140	(34,278)	(2.9)	1,574,213

*Partial listing only