



News Release

August 5, 2016

FOR IMMEDIATE RELEASE

Financial Results for the Three Months Ended June 30, 2016

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the three months ended June 30, 2016 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, 2016	June 30, 2016	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	371,004	350,918	(20,085)
Antenna facilities	6,224	6,173	(51)
Terminal equipment	17,166	15,913	(1,252)
Local line facilities	993,040	997,454	4,413
Long-distance line facilities	2,138	2,002	(136)
Engineering facilities	530,501	525,975	(4,525)
Submarine line facilities	3,587	3,473	(114)
Buildings	327,911	322,813	(5,098)
Construction in progress	18,488	18,600	111
Other	220,696	220,548	(147)
Total property, plant and equipment	2,490,761	2,463,874	(26,886)
Intangible fixed assets	65,914	63,926	(1,988)
Total fixed assets - telecommunications businesses	2,556,676	2,527,801	(28,875)
Investments and other assets			
Other investments and assets	170,251	169,436	(815)
Allowance for doubtful accounts	(638)	(620)	17
Total investments and other assets	169,613	168,815	(798)
Total fixed assets	2,726,289	2,696,616	(29,673)
Current assets:			
Cash and bank deposits	21,765	16,436	(5,329)
Accounts receivable, trade	201,155	169,425	(31,730)
Supplies	34,656	34,402	(253)
Other current assets	163,910	133,885	(30,025)
Allowance for doubtful accounts	(514)	(507)	7
Total current assets	420,973	353,642	(67,330)
TOTAL ASSETS	3,147,263	3,050,258	(97,004)

(Millions of yen)

	March 31, 2016	June 30, 2016	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	651,707	651,707	-
Liability for employees' retirement benefits	233,574	235,531	1,957
Reserve for point services	4,672	2,993	(1,678)
Reserve for unused telephone cards	8,200	7,888	(311)
Allowance for environmental measures	9,074	9,074	-
Asset retirement obligations	361	358	(2)
Other long-term liabilities	5,544	5,370	(173)
Total long-term liabilities	913,134	912,925	(208)
Current liabilities:			
Current portion of long-term borrowings from parent company	127,120	57,120	(70,000)
Accounts payable, trade	70,067	30,945	(39,122)
Short-term borrowings	142,465	205,760	63,295
Accrued taxes on income	8,102	3,451	(4,651)
Allowance for loss on disaster	-	4,670	4,670
Allowance for environmental measures	2,467	2,456	(11)
Asset retirement obligations	-	4	4
Other current liabilities	327,940	290,156	(37,783)
Total current liabilities	678,163	594,564	(83,598)
TOTAL LIABILITIES	1,591,297	1,507,490	(83,807)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	73,358	60,443	(12,914)
Total shareholders' equity	1,555,412	1,542,497	(12,914)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	553	271	(281)
Total unrealized gains (losses), translation adjustments, and others	553	271	(281)
TOTAL NET ASSETS	1,555,965	1,542,768	(13,196)
TOTAL LIABILITIES AND NET ASSETS	3,147,263	3,050,258	(97,004)

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)

	Three months ended June 30, 2015	Three months ended June 30, 2016	Increase (Decrease)	Year ended March 31, 2016
Telecommunications businesses:				
Operating revenues	344,962	333,039	(11,922)	1,372,571
Operating expenses	333,754	297,705	(36,049)	1,312,941
Operating income from telecommunications businesses	11,208	35,334	24,126	59,630
Supplementary businesses:				
Operating revenues	29,147	29,016	(131)	155,452
Operating expenses	25,473	25,641	167	141,010
Operating income from supplementary businesses	3,673	3,375	(298)	14,442
Operating income	14,881	38,709	23,828	74,072
Non-operating revenues:				
Interest income	1	3	1	3
Dividends received	1,547	593	(953)	1,568
Miscellaneous income	1,234	626	(608)	4,203
Total non-operating revenues	2,783	1,222	(1,560)	5,775
Non-operating expenses:				
Interest expenses	2,545	2,037	(508)	9,410
Miscellaneous expenses	340	57	(282)	3,290
Total non-operating expenses	2,886	2,095	(791)	12,701
Recurring profit	14,778	37,837	23,059	67,146
Special losses	-	5,705	5,705	-
Income before income taxes	14,778	32,132	17,353	67,146
Income taxes	*	*	6,337	(5,278)
Net income	12,286	23,302	11,015	72,425

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)

	Three months ended June 30, 2015	Three months ended June 30, 2016	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2016
Voice transmission services revenues (excluding IP services revenues)	110,527	101,607	(8,919)	(8.1)	428,645
Monthly charge revenues*	81,889	76,153	(5,735)	(7.0)	319,687
Call rates revenues*	7,520	6,484	(1,036)	(13.8)	28,259
Interconnection call revenues*	14,535	12,909	(1,626)	(11.2)	55,840
IP services revenues	174,527	175,536	1,009	0.6	702,712
Leased circuit services revenues (excluding IP services revenues)	24,751	22,078	(2,673)	(10.8)	93,383
Telegram services revenues	3,880	3,408	(471)	(12.1)	14,088
Other telecommunications services revenues	31,276	30,408	(867)	(2.8)	133,741
Telecommunications total revenues	344,962	333,039	(11,922)	(3.5)	1,372,571
Supplementary business total revenues	29,147	29,016	(131)	(0.4)	155,452
Total operating revenues	374,109	362,056	(12,053)	(3.2)	1,528,023

*Partial listing only