



# *News Release*

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FOR IMMEDIATE RELEASE

## **Financial Results for the Nine Months Ended December 31, 2016**

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the nine months ended December 31, 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	December 31, 2016	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	371,004	310,245	(60,759)
Antenna facilities	6,224	6,076	(148)
Terminal equipment	17,166	12,921	(4,245)
Local line facilities	993,040	1,021,196	28,155
Long-distance line facilities	2,138	1,786	(352)
Engineering facilities	530,501	517,726	(12,774)
Submarine line facilities	3,587	3,245	(342)
Buildings	327,911	313,801	(14,110)
Construction in progress	18,488	21,438	2,949
Other	220,696	218,338	(2,357)
Total property, plant and equipment	2,490,761	2,426,777	(63,984)
Intangible fixed assets	65,914	65,056	(858)
Total fixed assets - telecommunications businesses	2,556,676	2,491,833	(64,842)
Investments and other assets			
Other investments and assets	170,251	173,511	3,259
Allowance for doubtful accounts	(638)	(709)	(71)
Total investments and other assets	169,613	172,802	3,188
Total fixed assets	2,726,289	2,664,636	(61,653)
Current assets:			
Cash and bank deposits	21,765	12,816	(8,949)
Notes receivable	-	25	25
Accounts receivable, trade	201,155	201,518	362
Supplies	34,656	31,411	(3,244)
Other current assets	163,910	126,055	(37,854)
Allowance for doubtful accounts	(514)	(433)	81
Total current assets	420,973	371,394	(49,579)
<b>TOTAL ASSETS</b>	<b>3,147,263</b>	<b>3,036,030</b>	<b>(111,233)</b>

(Millions of yen)

	March 31, 2016	December 31, 2016	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	651,707	611,400	(40,307)
Liability for employees' retirement benefits	233,574	243,143	9,569
Reserve for point services	4,672	2,310	(2,361)
Reserve for unused telephone cards	8,200	7,461	(738)
Allowance for environmental measures	9,074	9,074	-
Asset retirement obligations	361	361	(0)
Other long-term liabilities	5,544	4,947	(597)
Total long-term liabilities	913,134	878,698	(34,435)
Current liabilities:			
Current portion of long-term borrowings from parent company	127,120	132,867	5,747
Accounts payable, trade	70,067	39,524	(30,543)
Short-term borrowings	142,465	84,241	(58,223)
Accrued taxes on income	8,102	* 5,036	(3,065)
Allowance for loss on disaster	-	3,625	3,625
Allowance for environmental measures	2,467	2,423	(43)
Asset retirement obligations	-	5	5
Other current liabilities	327,940	306,314	(21,625)
Total current liabilities	678,163	574,039	(104,124)
<b>TOTAL LIABILITIES</b>	<b>1,591,297</b>	<b>1,452,737</b>	<b>(138,560)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	73,358	100,784	27,426
Total shareholders' equity	1,555,412	1,582,838	27,426
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	553	454	(99)
Total unrealized gains (losses), translation adjustments, and others	553	454	(99)
<b>TOTAL NET ASSETS</b>	<b>1,555,965</b>	<b>1,583,292</b>	<b>27,327</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,147,263</b>	<b>3,036,030</b>	<b>(111,233)</b>

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, 2015	Nine months ended December 31, 2016	Increase (Decrease)	Year ended March 31, 2016
Telecommunications businesses:				
Operating revenues	1,030,033	993,893	(36,140)	1,372,571
Operating expenses	971,660	904,627	(67,032)	1,312,941
Operating income from telecommunications businesses	58,373	89,265	30,892	59,630
Supplementary businesses:				
Operating revenues	99,106	99,331	225	155,452
Operating expenses	89,682	91,339	1,657	141,010
Operating income from supplementary businesses	9,424	7,992	(1,432)	14,442
Operating income	67,797	97,257	29,460	74,072
Non-operating revenues:				
Interest income	2	9	6	3
Dividends received	1,566	613	(952)	1,568
Miscellaneous income	2,434	1,628	(806)	4,203
Total non-operating revenues	4,004	2,252	(1,752)	5,775
Non-operating expenses:				
Interest expenses	7,265	5,477	(1,787)	9,410
Miscellaneous expenses	1,618	132	(1,486)	3,290
Total non-operating expenses	8,884	5,609	(3,274)	12,701
Recurring profit	62,917	93,900	30,982	67,146
Special losses	-	6,055	6,055	-
Income before income taxes	62,917	87,844	24,926	67,146
Income taxes	* 16,950	* 24,201	7,251	(5,278)
Net income	45,967	63,643	17,675	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)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2016
Voice transmission services revenues (excluding IP services revenues)	325,471	300,613	(24,857)	(7.6)	428,645
Monthly charge revenues*	241,923	225,645	(16,278)	(6.7)	319,687
Call rates revenues*	21,682	18,877	(2,805)	(12.9)	28,259
Interconnection call revenues*	42,691	38,044	(4,647)	(10.9)	55,840
IP services revenues	526,823	523,275	(3,547)	(0.7)	702,712
Leased circuit services revenues (excluding IP services revenues)	71,209	65,194	(6,015)	(8.4)	93,383
Telegram services revenues	10,551	9,362	(1,189)	(11.3)	14,088
Other telecommunications services revenues	95,977	95,447	(529)	(0.6)	133,741
Telecommunications total revenues	1,030,033	993,893	(36,140)	(3.5)	1,372,571
Supplementary business total revenues	99,106	99,331	225	0.2	155,452
Total operating revenues	1,129,140	1,093,224	(35,915)	(3.2)	1,528,023

\*Partial listing only