



News Release

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FOR IMMEDIATE RELEASE

Financial Results for the Three Months Ended June 30, 2017

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the three months ended June 30, 2017 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, 2017	June 30, 2017	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	297,757	295,635	(2,121)
Antenna facilities	5,895	5,831	(64)
Terminal equipment	11,318	11,435	117
Local line facilities	1,051,300	1,057,094	5,793
Long-distance line facilities	1,693	1,665	(28)
Engineering facilities	517,724	513,266	(4,458)
Submarine line facilities	3,131	3,692	561
Buildings	312,924	308,503	(4,420)
Construction in progress	31,294	25,715	(5,579)
Other	219,918	218,593	(1,325)
Total property, plant and equipment	2,452,960	2,441,434	(11,526)
Intangible fixed assets	64,444	62,089	(2,355)
Total fixed assets - telecommunications businesses	2,517,404	2,503,523	(13,881)
Investments and other assets			
Other investments and assets	187,606	188,779	1,173
Allowance for doubtful accounts	(681)	(605)	76
Total investments and other assets	186,924	188,173	1,249
Total fixed assets	2,704,329	2,691,697	(12,632)
Current assets:			
Cash and bank deposits	18,251	5,927	(12,324)
Notes receivable	-	16	16
Accounts receivable, trade	199,820	173,558	(26,261)
Supplies	29,950	29,756	(194)
Other current assets	151,715	117,616	(34,099)
Allowance for doubtful accounts	(339)	(241)	98
Total current assets	399,398	326,634	(72,764)
TOTAL ASSETS	3,103,728	3,018,332	(85,396)

(Millions of yen)

	March 31, 2017	June 30, 2017	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	591,000	571,000	(20,000)
Liability for employees' retirement benefits	242,251	244,155	1,904
Reserve for point services	3,792	2,694	(1,098)
Reserve for unused telephone cards	8,000	7,558	(441)
Allowance for environmental measures	9,074	9,074	-
Asset retirement obligations	228	229	0
Other long-term liabilities	4,749	4,702	(47)
Total long-term liabilities	859,097	839,413	(19,683)
Current liabilities:			
Current portion of long-term borrowings from parent company	110,707	130,707	20,000
Accounts payable, trade	71,635	29,851	(41,783)
Short-term borrowings	105,259	115,246	9,986
Accrued taxes on income	8,731	* 4,885	(3,846)
Allowance for loss on disaster	4,096	3,983	(112)
Allowance for environmental measures	2,361	1,811	(549)
Asset retirement obligations	133	140	6
Other current liabilities	362,351	308,976	(53,374)
Total current liabilities	665,277	595,603	(69,673)
TOTAL LIABILITIES	1,524,374	1,435,017	(89,357)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	96,911	100,767	3,855
Total shareholders' equity	1,578,965	1,582,821	3,855
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	388	492	104
Total unrealized gains (losses), translation adjustments, and others	388	492	104
TOTAL NET ASSETS	1,579,353	1,583,314	3,960
TOTAL LIABILITIES AND NET ASSETS	3,103,728	3,018,332	(85,396)

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, 2016	Three months ended June 30, 2017	Increase (Decrease)	Year ended March 31, 2017
Telecommunications businesses:				
Operating revenues	333,039	321,822	(11,217)	1,325,585
Operating expenses	297,705	275,913	(21,791)	1,242,485
Operating income from telecommunications businesses	35,334	45,908	10,574	83,099
Supplementary businesses:				
Operating revenues	29,016	29,188	172	153,430
Operating expenses	25,641	25,540	(101)	141,343
Operating income from supplementary businesses	3,375	3,648	273	12,086
Operating income	38,709	49,557	10,847	95,186
Non-operating revenues:				
Interest income	3	3	(0)	12
Dividends received	593	827	234	615
Miscellaneous income	626	549	(76)	2,330
Total non-operating revenues	1,222	1,381	158	2,957
Non-operating expenses:				
Interest expenses	2,037	1,492	(544)	7,114
Miscellaneous expenses	57	49	(8)	2,875
Total non-operating expenses	2,095	1,542	(552)	9,989
Recurring profit	37,837	49,396	11,558	88,154
Special losses	5,705	-	(5,705)	6,915
Income before income taxes	32,132	49,396	17,264	81,239
Income taxes	* 8,830	* 14,340	5,510	21,469
Net income	23,302	35,055	11,753	59,770

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, 2016	Three months ended June 30, 2017	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2017
Voice transmission services revenues (excluding IP services revenues)	101,607	93,779	(7,827)	(7.7)	396,272
Monthly charge revenues*	76,153	70,991	(5,162)	(6.8)	298,340
Call rates revenues*	6,484	5,578	(905)	(14.0)	24,590
Interconnection call revenues*	12,909	11,628	(1,281)	(9.9)	49,676
IP services revenues	175,536	173,530	(2,006)	(1.1)	697,252
Leased circuit services revenues (excluding IP services revenues)	22,078	22,001	(77)	(0.3)	86,362
Telegram services revenues	3,408	3,113	(295)	(8.7)	12,625
Other telecommunications services revenues	30,408	29,397	(1,010)	(3.3)	133,071
Telecommunications total revenues	333,039	321,822	(11,217)	(3.4)	1,325,585
Supplementary business total revenues	29,016	29,188	172	0.6	153,430
Total operating revenues	362,056	351,011	(11,045)	(3.1)	1,479,015

*Partial listing only