



News Release

February 9, 2018

FOR IMMEDIATE RELEASE

Financial Results for the Nine Months Ended December 31, 2017

The financial results of Nippon Telegraph and Telephone West Corporation (NTT West) for the nine months ended December 31, 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)
4. Revised Forecasts for the Fiscal Year Ending March 31, 2018

For inquiries, please contact:

Junichiro Maekawa or Kenichi Matsuno

Accounting Section, Finance Division

Nippon Telegraph and Telephone West Corporation

Tel: +81-6-4793-3141

E-mail: kessan-info@west.ntt.co.jp

1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2017	December 31, 2017	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	297,757	291,301	(6,455)
Antenna facilities	5,895	5,897	1
Terminal equipment	11,318	11,388	69
Local line facilities	1,051,300	1,016,371	(34,929)
Long-distance line facilities	1,693	1,741	47
Engineering facilities	517,724	505,218	(12,506)
Submarine line facilities	3,131	3,473	341
Buildings	312,924	312,175	(748)
Construction in progress	31,294	18,411	(12,882)
Other	219,918	218,987	(931)
Total property, plant and equipment	2,452,960	2,384,966	(67,993)
Intangible fixed assets	64,444	60,605	(3,839)
Total fixed assets - telecommunications businesses	2,517,404	2,445,572	(71,832)
Investments and other assets			
Other investments and assets	187,606	205,330	17,723
Allowance for doubtful accounts	(681)	(606)	75
Total investments and other assets	186,924	204,723	17,799
Total fixed assets	2,704,329	2,650,296	(54,033)
Current assets:			
Cash and bank deposits	18,251	5,338	(12,913)
Notes receivable	-	1	1
Accounts receivable, trade	199,820	197,935	(1,885)
Supplies	29,950	27,045	(2,904)
Other current assets	151,715	110,512	(41,203)
Allowance for doubtful accounts	(339)	(273)	66
Total current assets	399,398	340,559	(58,839)
TOTAL ASSETS	3,103,728	2,990,856	(112,872)

(Millions of yen)

	March 31, 2017	December 31, 2017	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	591,000	601,000	10,000
Liability for employees' retirement benefits	242,251	250,951	8,699
Reserve for point services	3,792	3,006	(786)
Reserve for unused telephone cards	8,000	7,765	(234)
Allowance for environmental measures	9,074	8,424	(650)
Asset retirement obligations	228	89	(139)
Other long-term liabilities	4,749	99,290	94,540
Total long-term liabilities	859,097	970,526	111,429
Current liabilities:			
Current portion of long-term borrowings from parent company	110,707	40,400	(70,307)
Accounts payable, trade	71,635	34,223	(37,411)
Short-term borrowings	105,259	126,884	21,624
Accrued taxes on income	8,731	4,450	(4,281)
Allowance for loss on disaster	4,096	3,845	(251)
Allowance for environmental measures	2,361	1,039	(1,321)
Asset retirement obligations	133	287	154
Other current liabilities	362,351	210,352	(151,998)
Total current liabilities	665,277	421,483	(243,794)
TOTAL LIABILITIES	1,524,374	1,392,010	(132,364)
NET ASSETS			
Shareholders' equity:			
Common stock	312,000	312,000	-
Capital surplus	1,170,054	1,170,054	-
Earned surplus	96,911	116,238	19,327
Total shareholders' equity	1,578,965	1,598,292	19,327
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	388	553	164
Total unrealized gains (losses), translation adjustments, and others	388	553	164
TOTAL NET ASSETS	1,579,353	1,598,845	19,492
TOTAL LIABILITIES AND NET ASSETS	3,103,728	2,990,856	(112,872)

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, 2016	Nine months ended December 31, 2017	Increase (Decrease)	Year ended March 31, 2017
Telecommunications businesses:				
Operating revenues	993,893	958,461	(35,431)	1,325,585
Operating expenses	904,627	832,434	(72,193)	1,242,485
Operating income from telecommunications businesses	89,265	126,027	36,761	83,099
Supplementary businesses:				
Operating revenues	99,331	99,761	429	153,430
Operating expenses	91,339	89,147	(2,191)	141,343
Operating income from supplementary businesses	7,992	10,613	2,621	12,086
Operating income	97,257	136,640	39,383	95,186
Non-operating revenues:				
Interest income	9	9	(0)	12
Dividends received	613	839	225	615
Miscellaneous income	1,628	1,322	(306)	2,330
Total non-operating revenues	2,252	2,171	(80)	2,957
Non-operating expenses:				
Interest expenses	5,477	4,499	(978)	7,114
Miscellaneous expenses	132	333	201	2,875
Total non-operating expenses	5,609	4,832	(776)	9,989
Recurring profit	93,900	133,979	40,079	88,154
Special losses	6,055	63,890	57,835	6,915
Income before income taxes	87,844	70,088	(17,755)	81,239
Income taxes	* 24,201	* 19,561	(4,640)	21,469
Net income	63,643	50,527	(13,115)	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)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2017
Voice transmission services revenues (excluding IP services revenues)	300,613	277,515	(23,097)	(7.7)	396,272
Monthly charge revenues*	225,645	209,958	(15,686)	(7.0)	298,340
Call rates revenues*	18,877	16,434	(2,442)	(12.9)	24,590
Interconnection call revenues*	38,044	34,681	(3,362)	(8.8)	49,676
IP services revenues	523,275	517,220	(6,055)	(1.2)	697,252
Leased circuit services revenues (excluding IP services revenues)	65,194	65,363	169	0.3	86,362
Telegram services revenues	9,362	8,569	(792)	(8.5)	12,625
Other telecommunications services revenues	95,447	89,791	(5,655)	(5.9)	133,071
Telecommunications total revenues	993,893	958,461	(35,431)	(3.6)	1,325,585
Supplementary business total revenues	99,331	99,761	429	0.4	153,430
Total operating revenues	1,093,224	1,058,223	(35,001)	(3.2)	1,479,015

*Partial listing only

4. Revised Forecasts for the Fiscal Year Ending March 31, 2018

Based on its recent business performance, NTT West has revised its financial results forecasts that were announced in the financial results release filed on November 10, 2017 for the fiscal year ending March 31, 2018, as follows.

(Billions of yen)

	Year Ending March 31, 2018 (Forecasts Previously Announced on November 10, 2017)	Year Ending March 31, 2018 (Revised Forecasts)	Change
Operating Revenues	1,436	1,436	—
Operating Income	100	164	64
Recurring Profit	95	159	64
Special Profits (Losses)	—	(64)	(64)
Net Income	70	70	—

Note: The financial results forecasts and projected figures concerning the future performance of NTT West contained herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT West and its parent NTT in light of information currently available to them regarding NTT, NTT West and its subsidiaries and affiliates, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT, NTT West and its subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.