



# *News Release*

NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION

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**FOR IMMEDIATE RELEASE**

## **Financial Statements for the First Quarter Ended June 30, 2004**

The results of Nippon Telegraph and Telephone West Corporation (NTT West) for the First Quarter ended June 30, 2004 are presented in the following attachments.

(Attachments)

1. Non-consolidated Balance Sheets
2. Non-consolidated Statements of Income
3. Business Results (Non-consolidated Operating Revenues)
4. Non-consolidated Statements of Cash Flows

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Attachment 1

**NON-CONSOLIDATED BALANCE SHEETS**

(Based on accounting principles generally accepted in Japan)

	<u>March 31, 2004</u>	<u>June 30, 2004</u>	
	Millions of Yen	Millions of Yen	* Millions of US\$
<b><u>Assets</u></b>			
Fixed assets	3,595,293	3,553,625	32,903
Current assets	630,525	618,673	5,728
<b>Total assets</b>	<b><u>4,225,819</u></b>	<b><u>4,172,299</u></b>	<b><u>38,632</u></b>
<b><u>Liabilities</u></b>			
Long-term liabilities:			
Long-term debt	1,065,285	1,050,938	9,730
Liability for employees' severance payments	790,436	782,080	7,241
Other	9,945	9,858	91
<b>Total long-term liabilities</b>	<b><u>1,865,667</u></b>	<b><u>1,842,877</u></b>	<b><u>17,063</u></b>
Current liabilities:			
Current portion of long-term debt	276,201	306,811	2,840
Accounts payable, trade	137,748	91,314	845
Accounts payable, other	288,992	160,690	1,487
Accrued taxes on income	186	** 3,961	36
Other	112,095	241,649	2,237
<b>Total current liabilities</b>	<b><u>815,225</u></b>	<b><u>804,426</u></b>	<b><u>7,448</u></b>
<b>Total liabilities</b>	<b><u>2,680,893</u></b>	<b><u>2,647,304</u></b>	<b><u>24,512</u></b>
<b><u>Shareholders' equity</u></b>			
Common stock	312,000	312,000	2,888
Additional paid-in capital	1,170,054	1,170,054	10,833
Unappropriated retained earnings for the period	62,109	42,896	397
Net unrealized gains (losses) on securities	762	44	0
<b>Total shareholders' equity</b>	<b><u>1,544,926</u></b>	<b><u>1,524,995</u></b>	<b><u>14,120</u></b>
<b>Total liabilities and shareholders' equity</b>	<b><u>4,225,819</u></b>	<b><u>4,172,299</u></b>	<b><u>38,632</u></b>

Note: \*Yen amounts have been translated, for convenience only, at ¥108 =US\$1.00, the approximate exchange rate on June 30, 2004. Fractions are rounded down.

\*\*The Company participates in a consolidated tax return system, which is adopted by NTT (Holding company) and its wholly-owned subsidiaries in Japan, but did not calculate income taxes on a consolidated basis in this quarter.

Attachment 2

**NON-CONSOLIDATED STATEMENTS OF INCOME**

(Based on accounting principles generally accepted in Japan)

	Year ended March 31, 2004	First quarter ended June 30, 2004	
	Millions of Yen	Millions of Yen	* Millions of US\$
Operating revenues	2,166,852	522,823	4,840
Operating expenses	2,080,163	499,612	4,626
Operating income	86,688	23,211	214
Non-operating revenues	54,910	13,252	122
Non-operating expenses	51,038	10,937	101
Recurring profit	90,560	25,526	236
Special profits	15,001	2,392	22
Special losses	7,181	1,795	16
Income before income taxes	98,381	26,123	241
Corporation, inhabitant, and enterprise taxes	(52,421)	** 10,800	100
Deferred tax expenses (benefits)	89,300	** ---	---
Net income	<u>61,502</u>	<u>15,323</u>	<u>141</u>

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Attachment 3

**BUSINESS RESULTS (NON-CONSOLIDATED OPERATING REVENUES)**

(Based on accounting principles generally accepted in Japan)

(Millions of Yen)

Services	First quarter ended June 30, 2004	Year Ended March 31, 2004
Voice transmission services	350,018	1,465,834
Major items:		
ISDN services	88,897	387,989
Data transmission services	20,052	65,104
Leased circuit services	68,708	269,294
Telegram services	8,220	33,421
Other services	42,525	164,196
Telecommunications total revenues	489,525	1,997,852
Related business total revenues	33,298	169,000
Total operating revenues	522,823	2,166,852

Note: Fractions are rounded down.

**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS**  
 (Based on accounting principles generally accepted in Japan)

	Year ended March 31, 2004	First quarter ended June 30, 2004	
	Millions of Yen	Millions of Yen	* Millions of US\$
<b>Cash flows from operating activities:</b>			
Income before income taxes	98,381	26,123	241
Depreciation and amortization	460,027	109,896	1,017
Loss on disposal of property, plant and equipment	35,576	10,819	100
Increase (decrease) in liability for employees' severance payments	(74,174)	(8,356)	(77)
(Increase) decrease in accounts receivable	(17,431)	37,860	350
Increase (decrease) in accounts payable, and accrued expenses	(9,252)	(175,504)	(1,625)
Increase (decrease) in accrued consumption tax	2,652	4,015	37
Other	16,907	(1,363)	(12)
Sub - total	512,687	3,490	32
Interest and dividends received	716	92	0
Interest paid	(22,421)	(4,970)	(46)
Income taxes received (paid)	69,813	(185)	(1)
Net cash provided by (used in) operating activities	560,795	(1,572)	(14)
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment	(409,205)	(98,845)	(915)
Acquisition of investments	(806)	(2,280)	(21)
Other	23,640	3,837	35
Net cash provided by (used in) investing activities	(386,371)	(97,287)	(900)
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of long-term debt	200,000	50,000	462
Payments for settlement of long-term debt	(417,656)	(33,737)	(312)
Dividends paid	(18,769)	(34,494)	(319)
Other	40,000	120,000	1,111
Net cash provided by (used in) financing activities	(196,426)	101,767	942
Net increase (decrease) in cash and cash equivalents	(22,001)	2,907	26
Cash and cash equivalents at beginning of period	140,808	118,806	1,100
Cash and cash equivalents at end of period	118,806	121,713	1,126

Note: \*Yen amounts have been translated, for convenience only, at ¥ 108=US\$1.00, the approximate exchange rate on June 30, 2004. Fractions are rounded down.