

August 5, 2016

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Three Months Ended June 30, 2016

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the three months ended June 30, 2016. Please see the following attachments for further details:

- I. Financial Results of NTT Communications Group
- II. Non-Consolidated Comparative Balance Sheets
- III. Non-Consolidated Comparative Statements of Income
- IV. Business Results (Non-Consolidated Operating Revenues)

About NTT Communications Corporation

NTT Communications provides consultancy, architecture, security and cloud services to optimize the information and communications technology (ICT) environments of enterprises. These offerings are backed by the company's worldwide infrastructure, including a leading global tier-1 IP network, the Arcstar Universal One™ VPN network, reaching 196 countries/regions, and 140 secure data centers worldwide. NTT Communications' solutions leverage the global resources of NTT Group companies, including Dimension Data, NTT DOCOMO and NTT DATA.

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I. Financial Results of NTT Communications Group

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	312,933	306,052	(6,881)	(2.2)
Operating expenses	287,216	272,440	(14,776)	(5.1)
Operating income	25,717	33,612	7,895	30.7

II. 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	134,315	134,659	344
Antenna facilities	1,707	1,688	(19)
Terminal equipment	1,397	1,521	123
Local line facilities	730	732	1
Long-distance line facilities	5,759	5,597	(162)
Engineering facilities	51,789	51,273	(516)
Submarine line facilities	13,408	13,001	(406)
Buildings	199,178	198,203	(974)
Construction in progress	28,085	30,616	2,530
Other	91,332	93,538	2,205
Total property, plant and equipment	527,706	530,833	3,126
Intangible fixed assets	101,766	100,519	(1,246)
Total fixed assets - telecommunications businesses	629,472	631,352	1,880
Investments and other assets			
Investment securities	135,291	129,355	(5,935)
Investments in subsidiaries and affiliated companies	381,949	382,179	230
Other investments and assets	53,283	55,674	2,391
Allowance for doubtful accounts	(207)	(219)	(11)
Total investments and other assets	570,316	566,990	(3,325)
Total fixed assets	1,199,789	1,198,343	(1,445)
Current assets:			
Cash and bank deposits	12,607	4,730	(7,877)
Notes receivable	-	1	1
Accounts receivable, trade	179,839	149,023	(30,816)
Supplies	9,806	10,979	1,173
Other current assets	94,874	89,331	(5,543)
Allowance for doubtful accounts	(1,017)	(819)	197
Total current assets	296,110	253,246	(42,863)
TOTAL ASSETS	1,495,899	1,451,590	(44,309)

(Millions of yen)

	March 31, 2016	June 30, 2016	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company and subsidiary	199,504	199,012	(492)
Liability for employees' retirement benefits	86,722	87,873	1,151
Reserve for point services	547	493	(53)
Reserve for unused telephone cards	3,628	3,490	(137)
Asset retirement obligations	3,296	3,295	(0)
Other long-term liabilities	10,354	19,436	9,082
Total long-term liabilities	304,053	313,602	9,549
Current liabilities:			
Current portion of long-term borrowings from parent company	43,360	43,360	-
Accounts payable, trade	31,894	21,245	(10,649)
Short-term borrowings	7,766	-	(7,766)
Accrued taxes on income	6,968	3,068	(3,900)
Allowance for losses on construction	13	4	(9)
Other current liabilities	179,304	162,610	(16,693)
Total current liabilities	269,307	230,288	(39,018)
TOTAL LIABILITIES	573,360	543,891	(29,469)
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	517,436	506,740	(10,695)
Total shareholders' equity	860,815	850,119	(10,695)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	61,723	57,848	(3,874)
Deferred gains or losses on hedges	-	(269)	(269)
Total unrealized gains (losses), translation adjustments, and others	61,723	57,579	(4,144)
TOTAL NET ASSETS	922,538	907,699	(14,839)
TOTAL LIABILITIES AND NET ASSETS	1,495,899	1,451,590	(44,309)

Note: *NTT Com 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.

III. 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	170,120	172,579	2,458	691,290
Operating expenses	156,431	154,581	(1,850)	613,093
Operating income from telecommunications businesses	13,689	17,998	4,308	78,196
Supplementary businesses:				
Operating revenues	46,507	47,628	1,120	227,018
Operating expenses	42,921	39,804	(3,116)	214,072
Operating income from supplementary businesses	3,585	7,823	4,237	12,946
Operating income	17,275	25,821	8,546	91,143
Non-operating revenues:				
Interest income	60	27	(32)	272
Dividends received	5,666	4,599	(1,066)	12,486
Lease and rental income	2,910	2,835	(74)	11,581
Miscellaneous income	175	32	(142)	2,822
Total non-operating revenues	8,812	7,495	(1,316)	27,163
Non-operating expenses:				
Interest expenses	435	277	(157)	1,514
Lease and rental expenses	1,671	1,361	(310)	5,551
Miscellaneous expenses	229	704	475	1,034
Total non-operating expenses	2,336	2,344	7	8,100
Recurring profit	23,750	30,973	7,222	110,206
Special losses	-	-	-	5,847
Income before income taxes	23,750	30,973	7,222	104,359
Income taxes	*	*	1,580	32,046
Net income	16,662	22,304	5,642	72,312

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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.

IV. 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
Cloud Computing Platforms	16,767	17,147	379	2.3	70,029
Data Networks	91,060	94,815	3,755	4.1	369,871
Voice Communications	64,372	63,069	(1,303)	(2.0)	260,329
Applications & Content	9,594	9,446	(147)	(1.5)	38,729
Solution Services	31,021	31,974	953	3.1	162,352
Others	3,812	3,754	(58)	(1.5)	16,997
Total operating revenues	216,628	220,207	3,579	1.7	918,309