

August 4, 2017

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Three Months Ended June 30, 2017

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the three months ended June 30, 2017. 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 the leading global tier-1 IP network, the Arcstar Universal One™ VPN network reaching 196 countries/regions, and over 140 secure data centers worldwide. NTT Communications' solutions leverage the global resources of NTT Group companies including Dimension Data, NTT DOCOMO and NTT DATA.

www.ntt.com | [Twitter@NTT Communications](https://twitter.com/NTT_Communications) | [Facebook@NTT Communications](https://facebook.com/NTT_Communications) | [LinkedIn@NTT](https://linkedin.com/company/NTT)

I. Financial Results of NTT Communications Group

(Millions of yen)

	Three months ended Jun 30, 2016	Three months ended Jun 30, 2017	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	306,052	317,421	11,369	3.7
Operating expenses	272,440	277,043	4,603	1.7
Operating income	33,612	40,378	6,766	20.1

II. 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	151,531	128,138	(23,392)
Antenna facilities	1,674	1,371	(302)
Terminal equipment	1,963	2,118	154
Local line facilities	1,103	1,084	(18)
Long-distance line facilities	5,122	5,127	5
Engineering facilities	49,878	49,404	(474)
Submarine line facilities	16,701	16,277	(424)
Buildings	205,475	208,475	3,000
Construction in progress	13,323	11,190	(2,132)
Other	105,983	120,088	14,105
Total property, plant and equipment	552,757	543,278	(9,479)
Intangible fixed assets	98,820	102,273	3,452
Total fixed assets - telecommunications businesses	651,578	645,551	(6,026)
Investments and other assets			
Investment securities	108,152	111,280	3,128
Investments in subsidiaries and affiliated companies	387,905	390,251	2,345
Other investments and assets	65,778	65,285	(493)
Allowance for doubtful accounts	(160)	(146)	14
Total investments and other assets	561,675	566,671	4,995
Total fixed assets	1,213,254	1,212,222	(1,031)
Current assets:			
Cash and bank deposits	3,406	9,438	6,031
Notes receivable	8	8	-
Accounts receivable, trade	178,248	157,748	(20,499)
Supplies	9,643	9,101	(542)
Other current assets	90,655	76,705	(13,950)
Allowance for doubtful accounts	(1,367)	(1,228)	138
Total current assets	280,595	251,773	(28,821)
TOTAL ASSETS	1,493,849	1,463,996	(29,852)

(Millions of yen)

	March 31, 2017	June 30, 2017	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company and subsidiary	222,333	216,738	(5,595)
Liability for employees' retirement benefits	89,994	91,049	1,055
Reserve for point services	407	399	(8)
Reserve for unused telephone cards	3,540	3,344	(195)
Asset retirement obligations	4,126	4,164	38
Other long-term liabilities	19,416	24,325	4,909
Total long-term liabilities	339,818	340,022	204
Current liabilities:			
Accounts payable, trade	29,548	17,619	(11,929)
Short-term borrowings	-	40,353	40,353
Accrued taxes on income	3,749	3,681	(68)
Allowance for losses on construction	627	608	(18)
Asset retirement obligations	56	12	(43)
Other current liabilities	169,379	160,987	(8,391)
Total current liabilities	203,360	223,262	19,901
TOTAL LIABILITIES	543,179	563,285	20,106
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	563,997	512,104	(51,892)
Total shareholders' equity	907,376	855,483	(51,892)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	43,080	45,227	2,146
Deferred gains or losses on hedges	213	-	(213)
Total unrealized gains (losses), translation adjustments, and others	43,293	45,227	1,933
TOTAL NET ASSETS	950,670	900,711	(49,958)
TOTAL LIABILITIES AND NET ASSETS	1,493,849	1,463,996	(29,852)

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, 2016	Three months ended June 30, 2017	Increase (Decrease)	Year ended March 31, 2017
Telecommunications businesses:				
Operating revenues	172,579	171,426	(1,152)	697,333
Operating expenses	154,581	146,742	(7,838)	620,370
Operating income from telecommunications businesses	17,998	24,684	6,686	76,963
Supplementary businesses:				
Operating revenues	47,628	58,965	11,336	226,522
Operating expenses	39,804	52,238	12,433	210,936
Operating income from supplementary businesses	7,823	6,726	(1,096)	15,585
Operating income	25,821	31,411	5,589	92,549
Non-operating revenues:				
Interest income	27	7	(19)	62
Dividends received	4,599	3,735	(863)	8,258
Lease and rental income	2,835	2,667	(168)	11,204
Miscellaneous income	32	387	354	1,222
Total non-operating revenues	7,495	6,798	(697)	20,748
Non-operating expenses:				
Interest expenses	277	187	(90)	1,050
Lease and rental expenses	1,361	1,200	(160)	5,712
Miscellaneous expenses	704	38	(666)	1,072
Total non-operating expenses	2,344	1,426	(917)	7,836
Recurring profit	30,973	36,782	5,809	105,461
Special profits	-	2,433	2,433	-
Income before income taxes	30,973	39,215	8,242	105,461
Income taxes	* 8,668	* 11,546	2,878	20,458
Net income	22,304	27,668	5,364	85,003

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.

IV. 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
Cloud Computing Platforms	17,147	20,200	3,053	17.8	72,034
Data Networks	94,815	97,246	2,430	2.6	384,804
Voice Communications	63,069	60,039	(3,029)	(4.8)	250,794
Applications & Content	9,446	8,775	(670)	(7.1)	37,732
Solution Services	31,974	37,319	5,345	16.7	163,496
Others	3,754	6,809	3,055	81.4	14,993
Total operating revenues	220,207	230,392	10,184	4.6	923,855