

February 9, 2018

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Nine Months Ended December 31, 2017

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the nine months ended December 31, 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)
- V. Revised Forecasts for the Fiscal Year Ending March 31, 2018

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 over 190 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)

	Nine months ended Dec 31, 2016	Nine months ended Dec 31, 2017	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	937,331	968,629	31,298	3.3
Operating expenses	831,468	882,366	50,898	6.1
Operating income	105,863	86,263	(19,600)	(18.5)

II. 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	151,531	129,614	(21,916)
Antenna facilities	1,674	1,348	(325)
Terminal equipment	1,963	2,132	169
Local line facilities	1,103	1,085	(18)
Long-distance line facilities	5,122	5,112	(9)
Engineering facilities	49,878	48,664	(1,214)
Submarine line facilities	16,701	15,360	(1,341)
Buildings	205,475	201,256	(4,218)
Construction in progress	13,323	16,013	2,690
Other	105,983	119,357	13,374
Total property, plant and equipment	552,757	539,945	(12,812)
Intangible fixed assets	98,820	100,955	2,134
Total fixed assets - telecommunications businesses	651,578	640,900	(10,677)
Investments and other assets			
Investment securities	108,152	115,989	7,837
Investments in subsidiaries and affiliated companies	387,905	417,772	29,866
Other investments and assets	65,778	66,713	935
Allowance for doubtful accounts	(160)	(133)	26
Total investments and other assets	561,675	600,342	38,666
Total fixed assets	1,213,254	1,241,242	27,988
Current assets:			
Cash and bank deposits	3,406	6,081	2,674
Notes receivable	8	0	(8)
Accounts receivable, trade	178,248	190,520	12,272
Supplies	9,643	9,018	(625)
Other current assets	90,655	55,439	(35,215)
Allowance for doubtful accounts	(1,367)	(1,410)	(43)
Total current assets	280,595	259,649	(20,946)
TOTAL ASSETS	1,493,849	1,500,892	7,042

(Millions of yen)

	March 31, 2017	December 31, 2017	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company and subsidiary	222,333	247,986	25,652
Liability for employees' retirement benefits	89,994	94,170	4,176
Reserve for point services	407	437	29
Reserve for unused telephone cards	3,540	3,436	(103)
Asset retirement obligations	4,126	4,547	421
Other long-term liabilities	19,416	22,362	2,946
Total long-term liabilities	339,818	372,940	33,122
Current liabilities:			
Accounts payable, trade	29,548	20,209	(9,339)
Short-term borrowings	-	13,445	13,445
Accrued taxes on income	3,749	4,856	1,106
Allowance for losses on construction	627	587	(39)
Asset retirement obligations	56	13	(42)
Other current liabilities	169,379	150,203	(19,175)
Total current liabilities	203,360	189,316	(14,044)
TOTAL LIABILITIES	543,179	562,256	19,077
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	563,997	554,432	(9,564)
Total shareholders' equity	907,376	897,811	(9,564)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	43,080	40,786	(2,293)
Deferred gains or losses on hedges	213	36	(176)
Total unrealized gains (losses), translation adjustments, and others	43,293	40,823	(2,470)
TOTAL NET ASSETS	950,670	938,635	(12,034)
TOTAL LIABILITIES AND NET ASSETS	1,493,849	1,500,892	7,042

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)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase (Decrease)	Year ended March 31, 2017
Telecommunications businesses:				
Operating revenues	522,293	523,642	1,348	697,333
Operating expenses	462,077	450,641	(11,436)	620,370
Operating income from telecommunications businesses	60,216	73,000	12,784	76,963
Supplementary businesses:				
Operating revenues	151,884	170,122	18,237	226,522
Operating expenses	139,001	159,698	20,696	210,936
Operating income from supplementary businesses	12,883	10,424	(2,459)	15,585
Operating income	73,099	83,424	10,324	92,549
Non-operating revenues:				
Interest income	52	25	(27)	62
Dividends received	8,160	7,148	(1,012)	8,258
Lease and rental income	8,456	8,032	(423)	11,204
Miscellaneous income	491	1,657	1,165	1,222
Total non-operating revenues	17,162	16,863	(298)	20,748
Non-operating expenses:				
Interest expenses	814	566	(247)	1,050
Lease and rental expenses	4,111	2,902	(1,208)	5,712
Miscellaneous expenses	401	110	(290)	1,072
Total non-operating expenses	5,326	3,580	(1,745)	7,836
Recurring profit	84,935	96,708	11,772	105,461
Special profits	-	2,433	2,433	-
Income before income taxes	84,935	99,141	14,205	105,461
Income taxes	*	*	5,588	20,458
Net income	61,380	69,996	8,616	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)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2017
Cloud Computing Platforms	52,435	60,242	7,806	14.9	72,034
Data Networks	286,327	294,738	8,411	2.9	384,804
Voice Communications	190,144	183,054	(7,089)	(3.7)	250,794
Applications & Content	28,037	26,891	(1,146)	(4.1)	37,732
Solution Services	105,907	114,922	9,015	8.5	163,496
Others	11,326	13,914	2,588	22.8	14,993
Total operating revenues	674,178	693,764	19,585	2.9	923,855

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

Based on the financial results for the nine months ended December 31, 2017, NTT Com revised its forecasts for the fiscal year ending March 31, 2018 which was previously announced on May 15, 2017.

[Billions of yen]

	Year Ending March 31, 2018 [Forecasts]	Year Ending March 31, 2018 [Revised Forecasts]	Change
Operating Revenues	1,330 [940]	1,330 [940]	—
Operating Income	135 [93]	135 [110]	— [+17]
Recurring Profit	— [103]	— [120]	— [+17]
Net Income	— [73]	— [85]	— [+12]

* The figures in the upper rows are for NTT Communications Group. The figures in square brackets are for NTT Communications only.

* Forward-looking statements and projected figures concerning the future performance of NTT Com, NTT and their respective subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT Com in light of information currently available to it regarding NTT Com, 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 Com, NTT and their respective 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 or referred to 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.