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FOR IMMEDIATE RELEASE

## **NTT Com Announces Financial Results for the Three Months Ended June 30, 2010**

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the three months ended June 30, 2010. Please see the following attachments for further details:

- I. Non-Consolidated Comparative Balance Sheets
- II. Non-Consolidated Comparative Statements of Income
- III. Business Results (Non-Consolidated Operating Revenues)
- IV. Non-Consolidated Comparative Statements of Cash Flows

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### **About NTT Communications Corporation**

NTT Communications provides a broad range of global networks, management solutions and IT services to customers worldwide. The company is renowned for reliable, high-quality security, hosting, voice, data and IP services, as well as expertise in managed networks and leadership in IPv6 transit technology. NTT Communications' extensive infrastructure includes Arcstar™ Global IP-VPN and Global e-VLAN, as well as a Tier-1 IP backbone reaching more than 150 countries in partnership with major Internet service providers, and secure data centers in Asia, North America and Europe. NTT Communications is the wholly-owned subsidiary of Nippon Telegraph and Telephone Corporation, one of the world's largest telecoms with listings on the Tokyo, London and New York stock exchanges. Please visit [www.ntt.com/index-e.html](http://www.ntt.com/index-e.html).

### **For more information**

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# I. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2010	June 30, 2010	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	145,984	142,575	(3,408)
Antenna facilities	1,756	1,732	(24)
Terminal equipment	1,180	1,176	(4)
Local line facilities	797	776	(21)
Long-distance line facilities	8,728	8,580	(147)
Engineering facilities	56,876	56,418	(458)
Submarine line facilities	14,029	13,225	(803)
Buildings	126,148	127,282	1,134
Construction in progress	15,428	10,860	(4,568)
Other	85,626	84,314	(1,312)
Total property, plant and equipment	456,557	446,942	(9,615)
Intangible fixed assets	82,188	77,548	(4,639)
Total fixed assets - telecommunications businesses	538,746	524,491	(14,255)
Investments and other assets			
Investments in subsidiaries and affiliated companies	167,860	170,913	3,052
Other investments and assets	179,436	170,404	(9,032)
Allowance for doubtful accounts	(294)	(277)	16
Total investments and other assets	347,003	341,039	(5,963)
Total fixed assets	885,749	865,531	(20,218)
Current assets:			
Cash and bank deposits	42,673	43,635	961
Notes receivable	59	338	278
Accounts receivable, trade	192,761	163,901	(28,859)
Supplies	6,576	6,456	(120)
Other current assets	45,594	42,995	(2,598)
Allowance for doubtful accounts	(1,633)	(1,415)	218
Total current assets	286,031	255,911	(30,119)
<b>TOTAL ASSETS</b>	<b>1,171,781</b>	<b>1,121,442</b>	<b>(50,338)</b>

(Millions of yen)

	March 31, 2010	June 30, 2010	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	144,383	144,270	(113)
Liability for employees' retirement benefits	76,841	77,573	731
Reserve for point services	3,377	3,702	324
Reserve for unused telephone cards	6,442	6,211	(231)
Asset retirement obligations	-	596	596
Other long-term liabilities	25,126	16,585	(8,541)
Total long-term liabilities	256,172	248,938	(7,234)
Current liabilities:			
Current portion of long-term borrowings from parent company	44,337	44,337	-
Accounts payable, trade	27,289	14,731	(12,558)
Short-term borrowings	374	398	24
Accounts payable, other	181,152	154,706	(26,445)
Accrued taxes on income	828	404	(424)
Allowance for losses on construction	285	-	(285)
Asset retirement obligations	-	33	33
Other current liabilities	23,957	25,201	1,243
Total current liabilities	278,227	239,815	(38,411)
<b>TOTAL LIABILITIES</b>	<b>534,400</b>	<b>488,754</b>	<b>(45,645)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	259,058	259,780	721
Total shareholders' equity	602,437	603,159	721
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	35,057	29,529	(5,528)
Deferred gains or losses on hedges	(113)	-	113
Total unrealized gains (losses), translation adjustments, and others	34,943	29,529	(5,414)
<b>TOTAL NET ASSETS</b>	<b>637,381</b>	<b>632,688</b>	<b>(4,692)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,171,781</b>	<b>1,121,442</b>	<b>(50,338)</b>

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.

**II. Non-Consolidated Comparative Statements of Income**  
(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010	Increase (Decrease)	Year ended March 31, 2010
Telecommunications businesses:				
Operating revenues	228,932	218,710	(10,222)	908,160
Operating expenses	202,501	197,018	(5,482)	807,966
Operating income from telecommunications businesses	26,431	21,691	(4,739)	100,193
Supplementary businesses:				
Operating revenues	38,637	33,450	(5,187)	171,108
Operating expenses	39,354	33,789	(5,565)	173,787
Operating losses from supplementary businesses	(717)	(339)	377	(2,679)
Operating income	25,714	21,352	(4,361)	97,513
Non-operating revenues:				
Interest income	34	17	(16)	72
Dividends received	4,699	5,557	858	7,903
Lease and rental income	3,703	3,500	(202)	14,430
Miscellaneous income	706	503	(202)	2,679
Total non-operating revenues	9,143	9,580	437	25,085
Non-operating expenses:				
Interest expenses	1,366	757	(608)	4,173
Lease and rental expenses	1,935	1,998	62	8,761
Miscellaneous expenses	251	961	709	1,138
Total non-operating expenses	3,553	3,716	163	14,072
Recurring profit	31,303	27,216	(4,087)	108,526
Income before income taxes	31,303	27,216	(4,087)	108,526
Income taxes	*	*	(1,438)	47,831
Net income	18,371	15,722	(2,648)	60,695

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. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2010
Voice transmission services revenues (excluding IP services revenues)	96,769	89,654	(7,115)	(7.4)	378,944
IP services revenues	90,958	90,434	(523)	(0.6)	364,871
Open computer network services revenues*	40,244	40,757	512	1.3	163,121
IP-Virtual private network services revenues*	20,003	18,827	(1,175)	(5.9)	78,092
Wide-Area Ethernet services revenues*	14,568	14,090	(478)	(3.3)	57,678
Data communications revenues (excluding IP services revenues)	30,870	28,110	(2,759)	(8.9)	120,154
Leased circuit services revenues*	22,482	21,190	(1,291)	(5.7)	88,571
Solution services revenues	42,220	37,335	(4,885)	(11.6)	186,539
Others	6,751	6,626	(125)	(1.9)	28,759
<b>Total operating revenues</b>	<b>267,570</b>	<b>252,160</b>	<b>(15,409)</b>	<b>(5.8)</b>	<b>1,079,268</b>

\*Partial listing only

## IV. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010	Increase (Decrease)	Year ended March 31, 2010
Cash flows from operating activities:				
Income before income taxes	31,303	27,216	(4,087)	108,526
Depreciation and amortization	29,524	28,922	(601)	118,448
Loss on disposal of property, plant and equipment	603	777	174	6,507
Gains on sales of fixed assets	(31)	(0)	31	(247)
Increase (decrease) in allowance for doubtful accounts	(136)	(234)	(98)	317
Increase (decrease) in liability for employees' retirement benefits	990	731	(259)	3,917
(Increase) decrease in accounts receivable	18,049	27,204	9,154	591
(Increase) decrease in inventories	(421)	(579)	(158)	762
Increase (decrease) in accounts payable and accrued expenses	(24,862)	(26,884)	(2,021)	(653)
Increase (decrease) in accrued consumption tax	2,733	461	(2,271)	2,052
Other	(3,241)	(3,458)	(217)	(4,100)
Sub-total	54,511	54,155	(356)	236,122
Interest and dividends received	4,733	5,574	841	7,975
Interest paid	(1,055)	(294)	760	(4,822)
Income taxes received (paid)	(915)	(744)	171	14,544
Net cash provided by (used in) operating activities	57,273	58,690	1,416	253,818
Cash flows from investing activities:				
Payments for property, plant and equipment	(41,380)	(38,993)	2,386	(112,670)
Proceeds from sale of property, plant and equipment	497	321	(175)	1,004
Payments for purchase of investment securities	(702)	(19,320)	(18,618)	(27,177)
Proceeds from sale of investment securities	0	10,246	10,246	15
Proceeds from long-term loans receivable	-	-	-	112
Other	(1,552)	(376)	1,175	(3,276)
Net cash provided by (used in) investing activities	(43,137)	(48,122)	(4,985)	(141,992)
Cash flows from financing activities:				
Payments for settlement of long-term debt	(27,814)	(113)	27,701	(122,121)
Net increase (decrease) in short-term borrowings	-	12	12	374
Payments for settlement of lease obligations	(1,253)	(1,144)	108	(7,388)
Dividends paid	(15,000)	(15,000)	-	(15,000)
Net cash provided by (used in) financing activities	(44,068)	(16,245)	27,822	(144,135)
Effect of exchange rate changes on cash and cash equivalents	(102)	(157)	(55)	(14)
Net increase (decrease) in cash and cash equivalents	(30,033)	(5,835)	24,198	(32,322)
Cash and cash equivalents at beginning of period	93,077	60,755	(32,322)	93,077
Cash and cash equivalents at end of period	63,043	54,919	(8,123)	60,755