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FOR IMMEDIATE RELEASE

## **NTT Com Announces Financial Results for the Six Months Ended September 30, 2012**

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the six months ended September 30, 2012. 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
- V. Financial Results of NTT Communications Group

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### **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 leading global tier-1 IP network, Arcstar Universal One™ VPN network reaching over 150 countries, and over 130 secure data centers. NTT Communications' solutions leverage the global resources of NTT Group companies including Dimension Data, NTT DOCOMO and NTT DATA.

Further information: [www.ntt.com](http://www.ntt.com) | [www.twitter.com/nttcom](https://twitter.com/nttcom) | [www.facebook.com/nttcomtv](https://www.facebook.com/nttcomtv)

**I. Non-Consolidated Comparative Balance Sheets**  
**(Based on accounting principles generally accepted in Japan)**

(Millions of yen)

	March 31, 2012	September 30, 2012	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	146,728	143,905	(2,822)
Antenna facilities	1,569	1,527	(42)
Terminal equipment	929	865	(63)
Local line facilities	836	815	(21)
Long-distance line facilities	7,497	7,039	(457)
Engineering facilities	54,861	54,253	(607)
Submarine line facilities	8,974	19,560	10,586
Buildings	127,910	124,102	(3,807)
Construction in progress	30,479	20,891	(9,587)
Other	89,883	86,494	(3,389)
Total property, plant and equipment	469,671	459,456	(10,214)
Intangible fixed assets	84,055	82,062	(1,992)
Total fixed assets - telecommunications businesses	553,727	541,519	(12,207)
Investments and other assets			
Investment securities	118,969	124,946	5,976
Investments in subsidiaries and affiliated companies	178,550	194,634	16,083
Other investments and assets	55,751	53,770	(1,981)
Allowance for doubtful accounts	(219)	(214)	4
Total investments and other assets	353,053	373,136	20,082
Total fixed assets	906,780	914,656	7,875
Current assets:			
Cash and bank deposits	23,863	9,671	(14,191)
Notes receivable	446	90	(356)
Accounts receivable, trade	192,630	169,173	(23,456)
Supplies	9,424	10,142	718
Other current assets	71,439	57,536	(13,903)
Allowance for doubtful accounts	(2,294)	(2,066)	228
Total current assets	295,509	244,549	(50,960)
<b>TOTAL ASSETS</b>	<b>1,202,290</b>	<b>1,159,205</b>	<b>(43,084)</b>

(Millions of yen)

	March 31, 2012	September 30, 2012	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	63,666	61,873	(1,793)
Liability for employees' retirement benefits	82,533	84,756	2,223
Reserve for point services	3,957	4,206	248
Reserve for unused telephone cards	5,964	5,628	(336)
Asset retirement obligations	669	555	(113)
Other long-term liabilities	15,638	13,883	(1,754)
Total long-term liabilities	172,430	170,903	(1,526)
Current liabilities:			
Current portion of long-term borrowings from parent company	43,643	3,614	(40,028)
Accounts payable, trade	26,063	18,573	(7,489)
Short-term borrowings	-	34,425	34,425
Accounts payable, other	173,342	126,523	(46,818)
Accrued taxes on income	9,533	* 9,987	453
Allowance for losses on construction	105	110	5
Allowance for loss on disaster	506	433	(73)
Asset retirement obligations	-	120	120
Other current liabilities	31,951	31,952	1
Total current liabilities	285,145	225,742	(59,402)
<b>TOTAL LIABILITIES</b>	<b>457,575</b>	<b>396,646</b>	<b>(60,929)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	356,324	370,288	13,963
Total shareholders' equity	699,703	713,667	13,963
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	45,010	48,891	3,880
Total unrealized gains (losses), translation adjustments, and others	45,010	48,891	3,880
<b>TOTAL NET ASSETS</b>	<b>744,714</b>	<b>762,559</b>	<b>17,844</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,202,290</b>	<b>1,159,205</b>	<b>(43,084)</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)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	Year ended March 31, 2012
Telecommunications businesses:				
Operating revenues	412,719	390,698	(22,021)	817,556
Operating expenses	358,108	331,063	(27,044)	710,400
Operating income from telecommunications businesses	54,611	59,634	5,023	107,156
Supplementary businesses:				
Operating revenues	72,831	75,812	2,981	163,464
Operating expenses	73,655	73,391	(263)	164,872
Operating income (losses) from supplementary businesses	(823)	2,421	3,244	(1,407)
Operating income	53,787	62,055	8,268	105,748
Non-operating revenues:				
Interest income	31	99	67	97
Dividends received	8,089	6,568	(1,520)	9,033
Lease and rental income	6,613	6,380	(232)	13,021
Miscellaneous income	906	645	(260)	1,562
Total non-operating revenues	15,640	13,693	(1,947)	23,715
Non-operating expenses:				
Interest expenses	1,159	941	(217)	2,196
Lease and rental expenses	3,649	3,348	(300)	7,546
Miscellaneous expenses	239	514	274	726
Total non-operating expenses	5,048	4,804	(244)	10,469
Recurring profit	64,379	70,945	6,565	118,994
Special profits	-	-	-	3,728
Special losses	-	-	-	9,599
Income before income taxes	64,379	70,945	6,565	113,123
Income taxes	* 26,064	* 26,481	416	54,820
Net income	38,314	44,463	6,149	58,303

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)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2012
Voice transmission services revenues (excluding IP services revenues)	164,902	150,215	(14,686)	(8.9)	324,268
IP services revenues	187,126	185,495	(1,630)	(0.9)	374,420
Open computer network services revenues*	79,567	77,949	(1,618)	(2.0)	158,804
IP-Virtual private network services revenues*	34,862	34,232	(629)	(1.8)	69,580
Wide-Area Ethernet services revenues*	26,984	26,726	(257)	(1.0)	54,094
Data communications revenues (excluding IP services revenues)	40,284	34,790	(5,494)	(13.6)	78,332
Leased circuit services revenues*	28,903	26,011	(2,891)	(10.0)	56,708
Solution services revenues	80,701	82,745	2,043	2.5	179,729
Others	12,536	13,263	727	5.8	24,271
<b>Total operating revenues</b>	<b>485,551</b>	<b>466,510</b>	<b>(19,040)</b>	<b>(3.9)</b>	<b>981,021</b>

\*Partial listing only

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

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	Year ended March 31, 2012
Cash flows from operating activities:				
Income before income taxes	64,379	70,945	6,565	113,123
Depreciation and amortization	50,251	51,958	1,707	100,821
Loss on disposal of property, plant and equipment	1,164	1,033	(130)	4,713
Gains on sales of fixed assets	(441)	(18)	422	(4,256)
Increase (decrease) in allowance for doubtful accounts	(187)	(232)	(45)	(93)
Increase (decrease) in liability for employees' retirement benefits	2,498	2,223	(275)	3,160
(Increase) decrease in accounts receivable	24,399	4,113	(20,286)	(9,088)
(Increase) decrease in inventories	(3,313)	(1,734)	1,578	(1,999)
Increase (decrease) in accounts payable and accrued expenses	(16,160)	(29,203)	(13,043)	1,265
Increase (decrease) in accrued consumption tax	673	955	282	2,314
Other	(15,111)	(15,845)	(734)	5,170
Sub-total	108,152	84,195	(23,957)	215,132
Interest and dividends received	8,114	6,642	(1,471)	9,107
Interest paid	(1,159)	(938)	221	(2,330)
Income taxes received (paid)	(25,311)	(41,868)	(16,557)	(24,980)
Net cash provided by (used in) operating activities	89,795	48,029	(41,766)	196,929
Cash flows from investing activities:				
Payments for property, plant and equipment	(78,783)	(49,500)	29,282	(123,025)
Proceeds from sale of property, plant and equipment	784	31	(753)	4,938
Payments for purchase of investment securities	(5,054)	(16,203)	(11,149)	(5,727)
Proceeds from sale of investment securities	50	312	262	136
Payments for short-term loans	(550)	(539)	10	(2,781)
Other	(1,551)	188	1,740	(2,008)
Net cash provided by (used in) investing activities	(85,104)	(65,711)	19,392	(128,468)
Cash flows from financing activities:				
Payments for settlement of long-term debt	(2,036)	(41,821)	(39,784)	(37,073)
Net increase (decrease) in short-term borrowings	4,160	34,425	30,265	(65)
Payments for settlement of lease obligations	(1,900)	(2,042)	(142)	(4,110)
Dividends paid	(15,000)	(30,500)	(15,499)	(15,000)
Net cash provided by (used in) financing activities	(14,777)	(39,937)	(25,160)	(56,250)
Effect of exchange rate changes on cash and cash equivalents	(566)	521	1,088	290
Net increase (decrease) in cash and cash equivalents	(10,652)	(57,098)	(46,445)	12,500
Cash and cash equivalents at beginning of period	57,958	70,459	12,500	57,958
Cash and cash equivalents at end of period	47,306	13,361	(33,945)	70,459

## V. Financial Results of NTT Communications Group

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	593,170	587,535	(5,635)	(0.9)
Operating expenses	536,193	522,721	(13,472)	(2.5)
Operating income	56,977	64,814	7,837	13.8