News Release



August 5, 2013

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Three Months Ended June 30, 2013

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the three months ended June 30, 2013. 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. Financial Results of NTT Communications Group

#

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 160 countries/regions, and over 140 secure data centers. 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 | Facebook@NTT Communications | LinkedIn@NTT

I . Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

ASSETS Fixed assets: Fixed assets - telecommunications businesses Property, plant and equipment Machinery and equipment	arch 31, 2013	June 30, 2013	Increase (Decrease)
Fixed assets: Fixed assets - telecommunications businesses Property, plant and equipment	145,637		
Fixed assets - telecommunications businesses Property, plant and equipment	145,637		
Property, plant and equipment	145,637		ŀ
	145,637		
Machinery and equipment	145,637		
l l		142,150	(3,487)
Antenna facilities	1,459	1,545	86
Terminal equipment	764	736	(28)
Local line facilities	810	785	(25)
Long-distance line facilities	7,122	6,861	(261)
Engineering facilities	54,238	53,755	(483)
Submarine line facilities	20,482	19,420	(1,061)
Buildings	138,995	137,241	(1,753)
Construction in progress	8,303	8,446	143
Other	85,621	84,767	(854)
Total property, plant and equipment	463,434	455,709	(7,725)
Intangible fixed assets	82,864	80,287	(2,576)
Total fixed assets - telecommunications businesses	546,299	535,996	(10,302)
Investments and other assets			
Investment securities	166,291	164,405	(1,885)
Investments in subsidiaries and affiliated companies	167,637	167,737	100
Other investments and assets	42,591	42,328	(262)
Allowance for doubtful accounts	(232)	(229)	2
Total investments and other assets	376,287	374,241	(2,046)
Total fixed assets	922,587	910,238	(12,348)
Current assets:			
Cash and bank deposits	9,593	18,367	8,773
Notes receivable	25	181	156
Accounts receivable, trade	181,157	161,926	(19,230)
Supplies	8,024	8,067	42
Other current assets	119,298	94,719	(24,578)
Allowance for doubtful accounts	(2,148)	(1,776)	371
Total current assets	315,951	281,486	(34,465)
TOTAL ASSETS	1,238,538	1,191,724	(46,814)

(Millions of yen)

			(Willions of yell)
	March 31, 2013	June 30, 2013	Increase (Decrease)
<u>LIABILITIES</u>			
Long-term liabilities:			
Long-term borrowings from parent company	60,080	60,080	-
Liability for employees' retirement benefits	84,126	85,542	1,415
Reserve for point services	3,674	3,492	(182)
Reserve for unused telephone cards	5,292	5,140	(152)
Asset retirement obligations	600	604	3
Other long-term liabilities	17,609	16,780	(828)
Total long-term liabilities	171,383	171,640	256
Current liabilities:			
Current portion of long-term borrowings from parent company	3,586	3,473	(113)
Accounts payable, trade	25,136	18,539	(6,596)
Short-term borrowings	730	5,280	4,550
Accounts payable, other	176,150	142,366	(33,783)
Accrued taxes on income	15,134	* 4,977	(10,157)
Allowance for losses on construction	21	83	62
Allowance for loss on disaster	6	6	-
Other current liabilities	34,788	43,787	8,999
Total current liabilities	255,554	218,514	(37,039)
TOTAL LIABILITIES	426,938	390,155	(36,783)
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	391,104	382,332	(8,772)
Total shareholders' equity	734,483	725,711	(8,772)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	77,116	75,858	(1,258)
Total unrealized gains (losses), translation adjustments, and others	77,116	75,858	(1,258)
TOTAL NET ASSETS	811,600	801,569	(10,030)
TOTAL LIABILITIES AND NET ASSETS	1,238,538	1,191,724	(46,814)
			<u> </u>

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)

	•			(Millions of yen)
	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Telecommunications businesses:				
Operating revenues	196,159	188,031	(8,127)	775,217
Operating expenses	166,277	157,061	(9,216)	664,162
Operating income from telecommunications businesses	29,881	30,969	1,088	111,054
Supplementary businesses:				
Operating revenues	34,406	37,443	3,036	169,594
Operating expenses	34,557	35,935	1,378	162,512
Operating income (losses) from supplementary businesses	(150)	1,507	1,658	7,082
Operating income	29,730	32,477	2,747	118,137
Non-operating revenues:				
Interest income	53	83	30	227
Dividends received	4,335	5,872	1,536	7,517
Lease and rental income	3,198	3,263	65	13,099
Miscellaneous income	96	135	38	3,868
Total non-operating revenues	7,683	9,354	1,670	24,712
Non-operating expenses:				
Interest expenses	475	389	(86)	1,690
Lease and rental expenses	1,698	1,355	(342)	6,967
Miscellaneous expenses	272	149	(123)	4,463
Total non-operating expenses	2,446	1,894	(551)	13,121
Recurring profit	34,967	39,937	4,969	129,728
Special profits	-	-	-	24,021
Special losses	-	-	-	31,895
Income before income taxes	34,967	39,937	4,969	121,853
Income taxes	* 12,855	* 15,208	2,353	56,542
Net income	22,112	24,728	2,616	65,311

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)

					(Millions of yen)
	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2013
Voice transmission services revenues (excluding IP services revenues)	75,616	69,107	(6,509)	(8.6)	293,931
IP services revenues	92,471	92,431	(40)	(0.0)	371,860
Open computer network services revenues*	38,842	38,561	(281)	(0.7)	155,892
VPN services revenues*	39,315	39,740	425	1.1	158,732
Data communications revenues (excluding IP services revenues)	17,552	16,300	(1,251)	(7.1)	67,670
Leased circuit services revenues*	13,153	12,128	(1,024)	(7.8)	50,328
Solution services revenues	37,885	41,226	3,341	8.8	183,960
Others	7,039	6,408	(630)	(9.0)	27,388
Total operating revenues	230,565	225,474	(5,090)	(2.2)	944,812

Note: VPN services revenues mainly include revenues from services of Arcstar Universal One, Arcstar IP-VPN, Arcstar Global IP-VPN, e-VLAN, Global e-VLAN, Group-VPN and a part of GIGASTREAM. The amounts of "IP-Virtual private network services revenues" (including Arcstar IP-VPN services revenues), and "Wide-Area Ethernet services revenues" (including e-VLAN services revenues), partially listed in the previous fiscal year, for the three months ended June 30, 2013 are 16,168 million yen and 11,172 million yen, respectively.

^{*}Partial listing only

IV. Financial Results of NTT Communications Group

(Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	289,991	288,955	(1,036)	(0.4)
Operating expenses	259,718	253,713	(6,005)	(2.3)
Operating income	30,273	35,242	4,969	16.4