

February 6, 2015

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Nine Months Ended December 31, 2014

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the nine months ended December 31, 2014. 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 the leading global tier-1 IP network, the Arcstar Universal One™ VPN network reaching 196 countries/regions, and 130 secure data centers worldwide. NTT Communications' solutions leverage the global resources of NTT Group companies including Dimension Data, NTT DOCOMO and NTT DATA.

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

(Millions of yen)

	March 31, 2014	December 31, 2014	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	139,476	139,514	37
Antenna facilities	1,682	1,608	(73)
Terminal equipment	736	845	109
Local line facilities	748	695	(52)
Long-distance line facilities	6,778	6,111	(666)
Engineering facilities	53,122	51,958	(1,163)
Submarine line facilities	16,018	14,054	(1,964)
Buildings	177,326	179,481	2,155
Construction in progress	24,265	21,649	(2,616)
Other	84,762	80,848	(3,913)
Total property, plant and equipment	504,916	496,768	(8,147)
Intangible fixed assets	87,002	88,835	1,832
Total fixed assets - telecommunications businesses	591,918	585,603	(6,314)
Investments and other assets			
Investment securities	162,857	192,992	30,134
Investments in subsidiaries and affiliated companies	277,600	294,461	16,861
Other investments and assets	40,997	42,658	1,661
Allowance for doubtful accounts	(218)	(199)	19
Total investments and other assets	481,237	529,913	48,676
Total fixed assets	1,073,156	1,115,517	42,361
Current assets:			
Cash and bank deposits	17,218	19,400	2,181
Notes receivable	266	22	(244)
Accounts receivable, trade	163,644	167,073	3,429
Supplies	10,201	10,926	725
Other current assets	102,455	79,306	(23,149)
Allowance for doubtful accounts	(1,582)	(1,420)	161
Total current assets	292,204	275,308	(16,896)
TOTAL ASSETS	1,365,361	1,390,826	25,464

(Millions of yen)

	March 31, 2014	December 31, 2014	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	146,720	95,040	(51,680)
Liability for employees' retirement benefits	86,833	86,773	(59)
Reserve for point services	3,063	2,513	(550)
Reserve for unused telephone cards	4,637	4,220	(416)
Asset retirement obligations	1,467	1,514	46
Other long-term liabilities	17,175	26,423	9,247
Total long-term liabilities	259,897	216,484	(43,412)
Current liabilities:			
Current portion of long-term borrowings from parent company	3,360	53,360	50,000
Accounts payable, trade	37,246	20,434	(16,812)
Short-term borrowings	8,736	23,423	14,686
Accrued taxes on income	6,190	2,813	(3,376)
Allowance for losses on construction	1,188	823	(365)
Asset retirement obligations	-	27	27
Other current liabilities	184,394	167,335	(17,058)
Total current liabilities	241,116	268,217	27,101
TOTAL LIABILITIES	501,014	484,702	(16,311)
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	446,563	468,568	22,005
Total shareholders' equity	789,942	811,947	22,005
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	74,404	94,175	19,771
Total unrealized gains (losses), translation adjustments, and others	74,404	94,175	19,771
TOTAL NET ASSETS	864,347	906,123	41,776
TOTAL LIABILITIES AND NET ASSETS	1,365,361	1,390,826	25,464

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)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Increase (Decrease)	Year ended March 31, 2014
Telecommunications businesses:				
Operating revenues	560,547	527,103	(33,443)	742,669
Operating expenses	477,337	463,180	(14,156)	636,374
Operating income from telecommunications businesses	83,209	63,922	(19,287)	106,295
Supplementary businesses:				
Operating revenues	124,883	133,534	8,650	201,359
Operating expenses	122,045	125,858	3,813	194,188
Operating income from supplementary businesses	2,838	7,675	4,837	7,171
Operating income	86,048	71,598	(14,450)	113,466
Non-operating revenues:				
Interest income	221	166	(55)	280
Dividends received	10,091	12,933	2,841	10,244
Lease and rental income	9,688	9,006	(681)	12,987
Miscellaneous income	3,342	373	(2,968)	3,987
Total non-operating revenues	23,343	22,479	(864)	27,499
Non-operating expenses:				
Interest expenses	1,158	1,206	47	1,569
Lease and rental expenses	4,237	4,452	214	5,731
Miscellaneous expenses	1,641	416	(1,225)	1,081
Total non-operating expenses	7,038	6,074	(963)	8,382
Recurring profit	102,353	88,002	(14,351)	132,583
Special profits	16,169	-	(16,169)	16,169
Special losses	4,927	-	(4,927)	6,019
Income before income taxes	113,595	88,002	(25,593)	142,733
Income taxes	*	*	(14,183)	53,774
Net income	69,087	57,677	(11,410)	88,959

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)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2014
Cloud Computing Platforms	36,663	45,799	9,135	24.9	52,922
Data Networks	295,277	278,477	(16,799)	(5.7)	391,505
Voice Communications	224,543	205,502	(19,041)	(8.5)	296,438
Applications & Content	27,100	28,662	1,562	5.8	36,906
Solution Services	90,228	90,514	285	0.3	150,651
Others	11,616	11,681	64	0.6	15,604
Total operating revenues	685,430	660,637	(24,793)	(3.6)	944,028

*Details of business results are represented by business line from the fiscal year ended March 31, 2014.
Business results per item are shown below.

(Reference) Business Results (Per item)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2014
Voice transmission services revenues (excluding IP services revenues)	206,625	187,091	(19,533)	(9.5)	272,179
IP services revenues	276,276	267,238	(9,038)	(3.3)	367,015
Open computer network services revenues*	115,371	114,436	(934)	(0.8)	153,580
VPN services revenues*	119,790	114,049	(5,741)	(4.8)	159,024
Data communications revenues (excluding IP services revenues)	46,569	40,051	(6,517)	(14.0)	61,232
Leased circuit services revenues*	34,032	27,880	(6,151)	(18.1)	44,628
Solution services revenues	136,902	148,142	11,239	8.2	217,746
Others	19,056	18,113	(943)	(4.9)	25,854
Total operating revenues	685,430	660,637	(24,793)	(3.6)	944,028

*Partial listing only

IV. Financial Results of NTT Communications Group

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	888,444	912,051	23,607	2.7
Operating expenses	791,342	823,344	32,002	4.0
Operating income	97,102	88,707	(8,395)	(8.6)