

August 5, 2015

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Three Months Ended June 30, 2015

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the three months ended June 30, 2015. 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)

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 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. Financial Results of NTT Communications Group

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	296,246	312,933	16,687	5.6
Operating expenses	267,460	287,216	19,756	7.4
Operating income	28,786	25,717	(3,069)	(10.7)

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

(Millions of yen)

	March 31, 2015	June 30, 2015	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	139,814	136,454	(3,359)
Antenna facilities	1,565	1,542	(22)
Terminal equipment	892	1,014	121
Local line facilities	730	705	(24)
Long-distance line facilities	6,089	5,899	(189)
Engineering facilities	52,008	52,020	11
Submarine line facilities	13,354	12,653	(701)
Buildings	181,117	178,322	(2,794)
Construction in progress	29,415	34,464	5,048
Other	92,215	90,613	(1,601)
Total property, plant and equipment	517,203	513,692	(3,511)
Intangible fixed assets	92,130	97,023	4,893
Total fixed assets - telecommunications businesses	609,333	610,715	1,381
Investments and other assets			
Investment securities	191,569	184,848	(6,721)
Investments in subsidiaries and affiliated companies	290,139	381,356	91,217
Other investments and assets	43,877	45,387	1,509
Allowance for doubtful accounts	(190)	(200)	(9)
Total investments and other assets	525,395	611,391	85,995
Total fixed assets	1,134,729	1,222,106	87,377
Current assets:			
Cash and bank deposits	8,244	10,440	2,196
Notes receivable	22	-	(22)
Accounts receivable, trade	174,341	143,022	(31,318)
Supplies	9,185	9,660	475
Other current assets	103,593	115,532	11,939
Allowance for doubtful accounts	(1,151)	(1,005)	145
Total current assets	294,234	277,650	(16,583)
TOTAL ASSETS	1,428,963	1,499,757	70,793

(Millions of yen)

	March 31, 2015	June 30, 2015	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	93,360	99,478	6,118
Liability for employees' retirement benefits	85,581	86,347	765
Reserve for point services	857	748	(109)
Reserve for unused telephone cards	4,053	3,912	(140)
Asset retirement obligations	1,555	1,562	6
Other long-term liabilities	21,751	18,973	(2,777)
Total long-term liabilities	207,159	211,022	3,863
Current liabilities:			
Current portion of long-term borrowings from parent company	53,360	53,360	-
Accounts payable, trade	29,085	19,969	(9,115)
Short-term borrowings	11,254	125,668	114,413
Accrued taxes on income	3,358	* 2,551	(807)
Allowance for losses on construction	770	766	(3)
Asset retirement obligations	45	-	(45)
Other current liabilities	194,045	180,248	(13,797)
Total current liabilities	291,920	382,565	90,645
TOTAL LIABILITIES	499,079	593,588	94,508
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	488,190	468,851	(19,338)
Total shareholders' equity	831,569	812,230	(19,338)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	98,314	93,938	(4,376)
Total unrealized gains (losses), translation adjustments, and others	98,314	93,938	(4,376)
TOTAL NET ASSETS	929,884	906,169	(23,715)
TOTAL LIABILITIES AND NET ASSETS	1,428,963	1,499,757	70,793

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)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase (Decrease)	Year ended March 31, 2015
Telecommunications businesses:				
Operating revenues	176,492	170,120	(6,371)	699,158
Operating expenses	154,905	156,431	1,526	617,194
Operating income from telecommunications businesses	21,587	13,689	(7,897)	81,964
Supplementary businesses:				
Operating revenues	40,755	46,507	5,752	210,807
Operating expenses	37,684	42,921	5,236	199,636
Operating income from supplementary businesses	3,070	3,585	515	11,170
Operating income	24,657	17,275	(7,382)	93,135
Non-operating revenues:				
Interest income	61	60	(1)	222
Dividends received	7,814	5,666	(2,148)	16,972
Lease and rental income	3,002	2,910	(92)	11,989
Miscellaneous income	114	175	60	994
Total non-operating revenues	10,993	8,812	(2,181)	30,178
Non-operating expenses:				
Interest expenses	408	435	27	1,591
Lease and rental expenses	1,486	1,671	185	5,933
Miscellaneous expenses	34	229	195	895
Total non-operating expenses	1,928	2,336	408	8,420
Recurring profit	33,722	23,750	(9,971)	114,893
Special losses	-	-	-	7,853
Income before income taxes	33,722	23,750	(9,971)	107,040
Income taxes	*	*	(4,213)	29,741
Net income	22,421	16,662	(5,758)	77,299

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)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2015
Cloud Computing Platforms	14,568	16,767	2,198	15.1	64,986
Data Networks	93,275	91,060	(2,214)	(2.4)	370,831
Voice Communications	69,233	64,372	(4,860)	(7.0)	269,916
Applications & Content	9,423	9,594	170	1.8	38,476
Solution Services	26,991	31,021	4,029	14.9	149,832
Others	3,754	3,812	58	1.5	15,922
Total operating revenues	217,247	216,628	(618)	(0.3)	909,966