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FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Six Months Ended September 30, 2015

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the six months ended September 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)
- V. Non-Consolidated Comparative Statements of Cash Flows
- VI. Revised Forecasts for the Fiscal Year Ending March 31, 2016

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 140 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)

	Six months ended September 30, 2014	Six months ended September 30, 2015	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	603,779	639,398	35,619	5.9
Operating expenses	545,979	582,568	36,589	6.7
Operating income	57,800	56,830	(970)	(1.7)

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

(Millions of yen)

	March 31, 2015	September 30, 2015	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	139,814	134,300	(5,513)
Antenna facilities	1,565	1,520	(44)
Terminal equipment	892	1,138	246
Local line facilities	730	712	(17)
Long-distance line facilities	6,089	5,705	(384)
Engineering facilities	52,008	51,709	(298)
Submarine line facilities	13,354	11,969	(1,385)
Buildings	181,117	175,926	(5,190)
Construction in progress	29,415	40,801	11,385
Other	92,215	89,928	(2,286)
Total property, plant and equipment	517,203	513,715	(3,488)
Intangible fixed assets	92,130	97,330	5,200
Total fixed assets - telecommunications businesses	609,333	611,045	1,711
Investments and other assets			
Investment securities	191,569	144,341	(47,228)
Investments in subsidiaries and affiliated companies	290,139	383,383	93,243
Other investments and assets	43,877	50,912	7,035
Allowance for doubtful accounts	(190)	(204)	(13)
Total investments and other assets	525,395	578,432	53,036
Total fixed assets	1,134,729	1,189,478	54,748
Current assets:			
Cash and bank deposits	8,244	10,876	2,632
Notes receivable	22	73	51
Accounts receivable, trade	174,341	151,282	(23,058)
Supplies	9,185	9,855	670
Other current assets	103,593	115,700	12,106
Allowance for doubtful accounts	(1,151)	(1,055)	96
Total current assets	294,234	286,732	(7,501)
TOTAL ASSETS	1,428,963	1,476,210	47,246

(Millions of yen)

	March 31, 2015	September 30, 2015	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	93,360	241,552	148,192
Liability for employees' retirement benefits	85,581	87,544	1,963
Reserve for point services	857	675	(181)
Reserve for unused telephone cards	4,053	3,858	(194)
Asset retirement obligations	1,555	1,568	13
Other long-term liabilities	21,751	10,753	(10,998)
Total long-term liabilities	207,159	345,953	138,794
Current liabilities:			
Current portion of long-term borrowings from parent company	53,360	3,360	(50,000)
Accounts payable, trade	29,085	22,824	(6,260)
Short-term borrowings	11,254	35,213	23,958
Accrued taxes on income	3,358	5,735	2,376
Allowance for losses on construction	770	88	(681)
Asset retirement obligations	45	-	(45)
Other current liabilities	194,045	164,630	(29,415)
Total current liabilities	291,920	231,852	(60,068)
TOTAL LIABILITIES	499,079	577,806	78,726
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	488,190	488,742	552
Total shareholders' equity	831,569	832,121	552
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	98,314	66,278	(32,036)
Deferred gains or losses on hedges	-	4	4
Total unrealized gains (losses), translation adjustments, and others	98,314	66,282	(32,032)
TOTAL NET ASSETS	929,884	898,404	(31,479)
TOTAL LIABILITIES AND NET ASSETS	1,428,963	1,476,210	47,246

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)

	Six months ended September 30, 2014	Six months ended September 30, 2015	Increase (Decrease)	Year ended March 31, 2015
Telecommunications businesses:				
Operating revenues	352,068	341,303	(10,765)	699,158
Operating expenses	309,121	306,623	(2,497)	617,194
Operating income from telecommunications businesses	42,947	34,679	(8,267)	81,964
Supplementary businesses:				
Operating revenues	87,164	100,644	13,479	210,807
Operating expenses	82,344	95,321	12,976	199,636
Operating income from supplementary businesses	4,820	5,322	502	11,170
Operating income	47,767	40,002	(7,765)	93,135
Non-operating revenues:				
Interest income	110	123	12	222
Dividends received	11,864	9,343	(2,521)	16,972
Lease and rental income	6,015	5,827	(187)	11,989
Miscellaneous income	233	636	403	994
Total non-operating revenues	18,224	15,930	(2,293)	30,178
Non-operating expenses:				
Interest expenses	814	902	88	1,591
Lease and rental expenses	2,991	2,756	(234)	5,933
Miscellaneous expenses	156	444	288	895
Total non-operating expenses	3,962	4,104	142	8,420
Recurring profit	62,029	51,828	(10,201)	114,893
Special losses	-	-	-	7,853
Income before income taxes	62,029	51,828	(10,201)	107,040
Income taxes	*	*	(6,012)	29,741
Net income	40,742	36,553	(4,188)	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)

	Six months ended September 30, 2014	Six months ended September 30, 2015	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2015
Cloud Computing Platforms	29,997	33,803	3,806	12.7	64,986
Data Networks	186,265	182,796	(3,469)	(1.9)	370,831
Voice Communications	137,309	128,908	(8,400)	(6.1)	269,916
Applications & Content	19,032	19,440	408	2.1	38,476
Solution Services	58,888	69,279	10,390	17.6	149,832
Others	7,740	7,718	(21)	(0.3)	15,922
Total operating revenues	439,233	441,947	2,714	0.6	909,966

V. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015	Increase (Decrease)	Year ended March 31, 2015
Cash flows from operating activities:				
Income before income taxes	62,029	51,828	(10,201)	107,040
Depreciation and amortization	52,462	53,055	593	104,488
Loss on disposal of property, plant and equipment	726	573	(153)	2,770
Gains on sales of fixed assets	(13)	(0)	13	(48)
Increase (decrease) in allowance for doubtful accounts	(163)	(82)	81	(458)
Increase (decrease) in liability for employees' retirement benefits	(1,204)	1,963	3,167	(1,251)
Write-off of investments in affiliated companies	-	-	-	7,853
(Increase) decrease in accounts receivable	24,477	29,300	4,823	(10,770)
(Increase) decrease in inventories	(2,594)	(4,944)	(2,350)	(1,260)
Increase (decrease) in accounts payable and accrued expenses	(33,346)	(20,666)	12,679	2,616
Increase (decrease) in accrued consumption tax	2,473	(3,843)	(6,317)	4,014
Other	(17,206)	(22,332)	(5,125)	(14,309)
Sub-total	87,639	84,851	(2,788)	200,685
Interest and dividends received	11,978	9,464	(2,513)	17,195
Interest paid	(818)	(852)	(33)	(1,592)
Income taxes received (paid)	(37,683)	(18,117)	19,566	(46,096)
Net cash provided by (used in) operating activities	61,115	75,346	14,230	170,191
Cash flows from investing activities:				
Payments for property, plant and equipment	(53,280)	(62,888)	(9,607)	(119,652)
Proceeds from sale of property, plant and equipment	48	14	(33)	118
Payments for purchase of investment securities	(8,310)	(93,800)	(85,490)	(22,668)
Proceeds from sale of investment securities	532	116	(415)	532
Other	884	(863)	(1,747)	(26)
Net cash provided by (used in) investing activities	(60,125)	(157,420)	(97,294)	(141,697)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	-	149,857	149,857	-
Payments for settlement of long-term debt	(1,680)	(51,680)	(50,000)	(3,360)
Net increase (decrease) in short-term borrowings	20,814	23,958	3,143	2,518
Payments for settlement of lease obligations	(1,839)	(1,719)	120	(4,070)
Dividends paid	(37,500)	(36,001)	1,499	(37,500)
Net cash provided by (used in) financing activities	(20,205)	84,415	104,620	(42,413)
Effect of exchange rate changes on cash and cash equivalents	1,564	166	(1,397)	3,389
Net increase (decrease) in cash and cash equivalents	(17,651)	2,507	20,159	(10,530)
Cash and cash equivalents at beginning of period	54,573	44,042	(10,530)	54,573
Cash and cash equivalents at end of period	36,921	46,550	9,629	44,042

VI. Revised Forecasts for the Fiscal Year Ending March 31, 2016

Based on the 2Q Financial Results, where revenues from the solutions business continued to increase, NTT Com has revised its forecasts for the fiscal year ending March 31, 2016, which the Company announced on May 15, 2015.

(Billions of yen)

	Year Ending March 31, 2016 (Forecasts)	Year Ending March 31, 2016 (Revised Forecasts)	Change
Operating Revenues	1300.0 (900.0)	1320.0 (910.0)	+ 20.0 (+ 10.0)
Operating Income	110.0 (82.0)	110.0 (82.0)	—
Recurring Profit	— (99.0)	— (99.0)	—
Net Income	— (66.0)	— (66.0)	—

* The top line figures in each cell are for NTT Communications Group. The figures in parentheses are for NTT Communications only.

* Forward-looking statements and projected figures concerning the future performance of NTT Com, NTT and their respective subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT Com in light of information currently available to it regarding NTT Com, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT Com, NTT and their respective subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission.