

February 5, 2016

FOR IMMEDIATE RELEASE

## **NTT Com Announces Financial Results for the Nine Months Ended December 31, 2015**

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the nine months ended December 31, 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 the leading global tier-1 IP network, the Arcstar Universal One™ VPN network reaching 196 countries/regions, and over 140 secure data centers worldwide. NTT Communications' solutions leverage the global resources of NTT Group companies including Dimension Data, NTT DOCOMO and NTT DATA. [www.ntt.com](http://www.ntt.com) | [Twitter@NTT Communications](https://twitter.com/NTT_Communications) | [Facebook@NTT Communications](https://facebook.com/NTT_Communications) | [LinkedIn@NTT](https://linkedin.com/company/ntt-communications)

## I. Financial Results of NTT Communications Group

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	912,051	971,795	59,744	6.6
Operating expenses	823,344	879,024	55,680	6.8
Operating income	88,707	92,771	4,064	4.6

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

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	139,814	134,470	(5,343)
Antenna facilities	1,565	1,511	(53)
Terminal equipment	892	1,293	400
Local line facilities	730	702	(27)
Long-distance line facilities	6,089	5,551	(538)
Engineering facilities	52,008	51,391	(616)
Submarine line facilities	13,354	11,379	(1,975)
Buildings	181,117	198,083	16,966
Construction in progress	29,415	21,618	(7,797)
Other	92,215	88,734	(3,480)
Total property, plant and equipment	517,203	514,736	(2,466)
Intangible fixed assets	92,130	97,145	5,015
Total fixed assets - telecommunications businesses	609,333	611,882	2,548
Investments and other assets			
Investment securities	191,569	148,400	(43,168)
Investments in subsidiaries and affiliated companies	290,139	384,095	93,956
Other investments and assets	43,877	51,238	7,361
Allowance for doubtful accounts	(190)	(198)	(7)
Total investments and other assets	525,395	583,536	58,140
Total fixed assets	1,134,729	1,195,418	60,688
Current assets:			
Cash and bank deposits	8,244	17,564	9,320
Notes receivable	22	-	(22)
Accounts receivable, trade	174,341	173,445	(896)
Supplies	9,185	9,840	655
Other current assets	103,593	99,442	(4,151)
Allowance for doubtful accounts	(1,151)	(1,226)	(74)
Total current assets	294,234	299,066	4,832
<b>TOTAL ASSETS</b>	<b>1,428,963</b>	<b>1,494,485</b>	<b>65,521</b>

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	93,360	241,583	148,223
Liability for employees' retirement benefits	85,581	88,282	2,700
Reserve for point services	857	610	(247)
Reserve for unused telephone cards	4,053	3,726	(326)
Asset retirement obligations	1,555	1,577	22
Other long-term liabilities	21,751	10,170	(11,581)
Total long-term liabilities	207,159	345,951	138,792
Current liabilities:			
Current portion of long-term borrowings from parent company	53,360	3,360	(50,000)
Accounts payable, trade	29,085	20,314	(8,770)
Short-term borrowings	11,254	27,704	16,449
Accrued taxes on income	3,358	4,138	779
Allowance for losses on construction	770	2	(767)
Asset retirement obligations	45	-	(45)
Other current liabilities	194,045	176,298	(17,747)
Total current liabilities	291,920	231,819	(60,101)
<b>TOTAL LIABILITIES</b>	<b>499,079</b>	<b>577,770</b>	<b>78,691</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	488,190	504,305	16,114
Total shareholders' equity	831,569	847,684	16,114
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	98,314	69,029	(29,284)
Total unrealized gains (losses), translation adjustments, and others	98,314	69,029	(29,284)
<b>TOTAL NET ASSETS</b>	<b>929,884</b>	<b>916,714</b>	<b>(13,169)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,428,963</b>	<b>1,494,485</b>	<b>65,521</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.

**III. Non-Consolidated Comparative Statements of Income**  
**(Based on accounting principles generally accepted in Japan)**

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Year ended March 31, 2015
Telecommunications businesses:				
Operating revenues	527,103	515,907	(11,196)	699,158
Operating expenses	463,180	457,198	(5,982)	617,194
Operating income from telecommunications businesses	63,922	58,709	(5,213)	81,964
Supplementary businesses:				
Operating revenues	133,534	152,314	18,780	210,807
Operating expenses	125,858	144,241	18,383	199,636
Operating income from supplementary businesses	7,675	8,072	397	11,170
Operating income	71,598	66,781	(4,816)	93,135
Non-operating revenues:				
Interest income	166	200	34	222
Dividends received	12,933	12,392	(540)	16,972
Lease and rental income	9,006	8,739	(267)	11,989
Miscellaneous income	373	856	482	994
Total non-operating revenues	22,479	22,188	(290)	30,178
Non-operating expenses:				
Interest expenses	1,206	1,237	31	1,591
Lease and rental expenses	4,452	4,114	(338)	5,933
Miscellaneous expenses	416	530	113	895
Total non-operating expenses	6,074	5,881	(192)	8,420
Recurring profit	88,002	83,088	(4,913)	114,893
Special losses	-	-	-	7,853
Income before income taxes	88,002	83,088	(4,913)	107,040
Income taxes	*	*	(6,417)	29,741
Net income	57,677	59,182	1,504	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)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2015
Cloud Computing Platforms	45,799	51,252	5,453	11.9	64,986
Data Networks	278,477	275,565	(2,911)	(1.0)	370,831
Voice Communications	205,502	195,840	(9,661)	(4.7)	269,916
Applications & Content	28,662	28,834	172	0.6	38,476
Solution Services	90,514	105,119	14,604	16.1	149,832
Others	11,681	11,608	(73)	(0.6)	15,922
Total operating revenues	660,637	668,221	7,584	1.1	909,966