

November 8, 2013

FOR IMMEDIATE RELEASE

NTT Com Announces Financial Results for the Six Months Ended September 30, 2013

TOKYO, JAPAN — NTT Communications Corporation (NTT Com) announced today its financial results for the six months ended September 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. Non-Consolidated Comparative Statements of Cash Flows
- V. Revised Forecasts for the Fiscal Year Ending March 31, 2014
- VI. Financial Results of NTT Communications Group

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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 150 secure data centers. 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, 2013	September 30, 2013	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	145,637	139,891	(5,746)
Antenna facilities	1,459	1,650	190
Terminal equipment	764	722	(42)
Local line facilities	810	769	(41)
Long-distance line facilities	7,122	6,672	(449)
Engineering facilities	54,238	53,389	(848)
Submarine line facilities	20,482	18,107	(2,374)
Buildings	138,995	170,268	31,273
Construction in progress	8,303	13,162	4,859
Other	85,621	83,773	(1,848)
Total property, plant and equipment	463,434	488,408	24,973
Intangible fixed assets	82,864	78,724	(4,139)
Total fixed assets - telecommunications businesses	546,299	567,133	20,833
Investments and other assets			
Investment securities	166,291	166,288	(3)
Investments in subsidiaries and affiliated companies	167,637	164,157	(3,480)
Other investments and assets	42,591	42,238	(353)
Allowance for doubtful accounts	(232)	(227)	4
Total investments and other assets	376,287	372,456	(3,831)
Total fixed assets	922,587	939,589	17,002
Current assets:			
Cash and bank deposits	9,593	18,074	8,480
Notes receivable	25	168	142
Accounts receivable, trade	181,157	141,822	(39,334)
Supplies	8,024	9,309	1,284
Other current assets	119,298	115,767	(3,530)
Allowance for doubtful accounts	(2,148)	(1,820)	327
Total current assets	315,951	283,322	(32,629)
TOTAL ASSETS	1,238,538	1,222,911	(15,627)

(Millions of yen)

	March 31, 2013	September 30, 2013	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	60,080	58,400	(1,680)
Liability for employees' retirement benefits	84,126	86,857	2,730
Reserve for point services	3,674	3,325	(348)
Reserve for unused telephone cards	5,292	4,956	(336)
Asset retirement obligations	600	1,436	835
Other long-term liabilities	17,609	16,076	(1,533)
Total long-term liabilities	171,383	171,052	(331)
Current liabilities:			
Current portion of long-term borrowings from parent company	3,586	3,473	(113)
Accounts payable, trade	25,136	24,894	(241)
Short-term borrowings	730	5,627	4,897
Accounts payable, other	176,150	139,642	(36,507)
Accrued taxes on income	15,134	* 11,155	(3,979)
Allowance for losses on construction	21	6	(14)
Allowance for loss on disaster	6	-	(6)
Other current liabilities	34,788	35,694	905
Total current liabilities	255,554	220,494	(35,059)
TOTAL LIABILITIES	426,938	391,547	(35,390)
NET ASSETS			
Shareholders' equity:			
Common stock	211,763	211,763	-
Capital surplus	131,615	131,615	-
Earned surplus	391,104	411,017	19,912
Total shareholders' equity	734,483	754,396	19,912
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	77,116	76,967	(148)
Total unrealized gains (losses), translation adjustments, and others	77,116	76,967	(148)
TOTAL NET ASSETS	811,600	831,364	19,763
TOTAL LIABILITIES AND NET ASSETS	1,238,538	1,222,911	(15,627)

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)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Telecommunications businesses:				
Operating revenues	390,698	374,762	(15,935)	775,217
Operating expenses	331,063	317,382	(13,680)	664,162
Operating income from telecommunications businesses	59,634	57,379	(2,254)	111,054
Supplementary businesses:				
Operating revenues	75,812	81,180	5,367	169,594
Operating expenses	73,391	78,510	5,118	162,512
Operating income from supplementary businesses	2,421	2,670	249	7,082
Operating income	62,055	60,050	(2,005)	118,137
Non-operating revenues:				
Interest income	99	155	56	227
Dividends received	6,568	8,668	2,099	7,517
Lease and rental income	6,380	6,531	151	13,099
Miscellaneous income	645	1,803	1,157	3,868
Total non-operating revenues	13,693	17,158	3,464	24,712
Non-operating expenses:				
Interest expenses	941	778	(163)	1,690
Lease and rental expenses	3,348	2,809	(538)	6,967
Miscellaneous expenses	514	1,411	897	4,463
Total non-operating expenses	4,804	4,999	195	13,121
Recurring profit	70,945	72,209	1,263	129,728
Special profits	-	16,169	16,169	24,021
Special losses	-	1,152	1,152	31,895
Income before income taxes	70,945	87,226	16,280	121,853
Income taxes	* 26,481	* 33,812	7,331	56,542
Net income	44,463	53,413	8,949	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)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2013
Voice transmission services revenues (excluding IP services revenues)	150,215	138,332	(11,882)	(7.9)	293,931
IP services revenues	185,495	184,345	(1,149)	(0.6)	371,860
Open computer network services revenues*	77,949	77,040	(909)	(1.2)	155,892
VPN services revenues*	78,864	79,539	674	0.9	158,732
Data communications revenues (excluding IP services revenues)	34,790	31,605	(3,185)	(9.2)	67,670
Leased circuit services revenues*	26,011	23,249	(2,762)	(10.6)	50,328
Solution services revenues	82,745	88,943	6,197	7.5	183,960
Others	13,263	12,716	(547)	(4.1)	27,388
Total operating revenues	466,510	455,943	(10,567)	(2.3)	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 six months ended September 30, 2013 are 32,305 million yen and 21,862 million yen, respectively.

*Partial listing only

IV. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Year ended March 31, 2013
Cash flows from operating activities:				
Income before income taxes	70,945	87,226	16,280	121,853
Depreciation and amortization	51,958	52,520	561	104,986
Loss on disposal of property, plant and equipment	1,033	934	(99)	8,189
Gains on sales of fixed assets	(18)	(16,728)	(16,709)	(9,474)
Increase (decrease) in allowance for doubtful accounts	(232)	(332)	(99)	(133)
Increase (decrease) in liability for employees' retirement benefits	2,223	2,730	507	1,593
Write-off of investments in affiliated companies	-	-	-	31,895
(Increase) decrease in accounts receivable	4,113	43,734	39,620	(36,255)
(Increase) decrease in inventories	(1,734)	(2,936)	(1,202)	1,395
Increase (decrease) in accounts payable and accrued expenses	(29,203)	(35,548)	(6,344)	(1,005)
Increase (decrease) in accrued consumption tax	955	(1,345)	(2,301)	840
Other	(15,845)	(16,603)	(757)	(6,310)
Sub-total	84,195	113,650	29,455	217,575
Interest and dividends received	6,642	8,863	2,221	7,702
Interest paid	(938)	(816)	122	(1,682)
Income taxes received (paid)	(41,868)	(53,447)	(11,578)	(45,932)
Net cash provided by (used in) operating activities	48,029	68,250	20,220	177,662
Cash flows from investing activities:				
Payments for property, plant and equipment	(49,500)	(46,767)	2,733	(111,263)
Proceeds from sale of property, plant and equipment	31	17,182	17,150	17,845
Payments for purchase of investment securities	(16,203)	(9,440)	6,763	(21,967)
Proceeds from sale of investment securities	312	41	(271)	4,726
Payments for long-term loans	-	-	-	(1,725)
Net increase (decrease) in short-term loans	(539)	6,994	7,534	(3,345)
Other	188	2,724	2,536	(3,932)
Net cash provided by (used in) investing activities	(65,711)	(29,264)	36,447	(119,661)
Cash flows from financing activities:				
Payments for settlement of long-term debt	(41,821)	(1,793)	40,028	(43,643)
Net increase (decrease) in short-term borrowings	34,425	4,897	(29,528)	730
Payments for settlement of lease obligations	(2,042)	(2,467)	(425)	(4,249)
Dividends paid	(30,500)	(33,500)	(3,000)	(30,500)
Net cash provided by (used in) financing activities	(39,937)	(32,863)	7,074	(77,663)
Effect of exchange rate changes on cash and cash equivalents	521	863	342	1,327
Net increase (decrease) in cash and cash equivalents	(57,098)	6,986	64,084	(18,334)
Cash and cash equivalents at beginning of period	70,459	52,124	(18,334)	70,459
Cash and cash equivalents at end of period	13,361	59,111	45,749	52,124

V. Revised Forecasts for the Fiscal Year Ending March 31, 2014

Special profits were recorded in the six-month period ended September 30, 2013. As a result, NTT Com has revised its financial results forecasts that were announced in the financial results release filed on May 10, 2013 for the fiscal year ending March 31, 2014, as follows.

(Billions of yen)

	Year Ending March 31, 2014 (Forecasts Previously Announced on May 10, 2013)	Year Ending March 31, 2014 (Revised Forecasts)	Change
Operating Revenues	925.0	925.0	—
Operating Income	112.0	112.0	—
Recurring Profit	122.0	122.0	—
Net Income	75.0	84.0	+ 9.0

Note: The financial results forecasts and projected figures concerning the future performance of NTT Communications contained herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT Communications and its parent NTT in light of information currently available to them regarding NTT, NTT Communications and its subsidiaries and affiliates, 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, NTT Communications and its 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 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.

VI. Financial Results of NTT Communications Group

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	Percent Increase (Decrease)
Operating revenues	587,535	589,526	1,991	0.3
Operating expenses	522,721	527,229	4,508	0.9
Operating income	64,814	62,297	(2,517)	(3.9)