

Financial Results Release

For the Nine Months Ended December 31, 2012

February 6, 2013

[U.S. GAAP]

Name of registrant: Nippon Telegraph and Telephone Corporation (“NTT”)

Code No.: 9432 (URL <http://www.ntt.co.jp/ir/>)

Stock exchanges on which the Company's shares are listed: Tokyo, Osaka, Nagoya, Sapporo and Fukuoka

Representative: Hiroo Unoura, President and Chief Executive Officer

Contact: Kazuhiko Nakayama, Head of IR, Finance and Accounting Department / TEL +81-3-5205-5581

Scheduled date of filing quarterly securities report: February 7, 2013

Scheduled date of dividend payments: -

Supplemental material on quarterly results: Yes

Presentation on quarterly results: Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2012 (April 1, 2012 - December 31, 2012)

Amounts are rounded off to the nearest million yen.

(1) Consolidated Results of Operations

(Millions of yen)

	Operating Revenues		Operating Income		Income before income Taxes		Net Income Attributable to NTT	
Nine months ended December 31, 2012	7,921,720	1.8%	993,237	(1.6)%	985,688	(2.5)%	447,326	24.5%
Nine months ended December 31, 2011	7,783,659	3.2%	1,009,423	(5.2)%	1,010,895	(2.0)%	359,200	(21.6)%

Note: Percentages above represent changes from the corresponding previous period.

	Basic Earnings per Share Attributable to NTT	Diluted Earnings per Share Attributable to NTT
Nine months ended December 31, 2012	367.16 (yen)	— (yen)
Nine months ended December 31, 2011	279.29 (yen)	— (yen)

Notes: Comprehensive income (loss) attributable to NTT: For the nine months ended December 31, 2012: 552,010 million yen 81.5%

For the nine months ended December 31, 2011: 304,205 million yen (28.5)%

(2) Consolidated Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Total Equity	NTT Shareholders' Equity	Equity Ratio (Ratio of NTT Shareholders' Equity to Total Assets)	NTT Shareholders' Equity per Share
December 31, 2012	19,374,013	10,389,909	8,147,681	42.1%	6,805.89 (yen)
March 31, 2012	19,389,699	10,047,729	7,882,587	40.7%	6,441.26 (yen)

2. Dividends

	Annual Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
Year Ended March 31, 2012	-	70.00 (yen)	-	70.00 (yen)	140.00 (yen)
Year Ending March 31, 2013	-	80.00 (yen)	-	-	-
Year Ending March 31, 2013 (Forecasts)	-	-	-	80.00 (yen)	160.00 (yen)

Note: Change in forecasts of dividends during the nine months ended December 31, 2012: None

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2013 (April 1, 2012 - March 31, 2013)

(Millions of yen)

	Operating Revenues		Operating Income		Income before Income Taxes		Net Income Attributable to NTT		Basic Earnings per Share Attributable to NTT	
Year Ending March 31, 2013	10,810,000	2.9%	1,200,000	(1.9)%	1,170,000	(5.6)%	530,000	13.3%	437.23	(yen)

Notes: 1. Percentages above represent changes from the previous period.

2. Change in consolidated financial results forecasts for the fiscal year ending March 31, 2013 during the three months ended December 31, 2012: No

4. Others

- (1) Change in significant consolidated subsidiaries during the nine months ended December 31, 2012, which resulted in changes in the scope of consolidation: None
- (2) Adoption of accounting which is simplified or exceptional for quarterly consolidated financial statements: None
Note: This refers to the application of simplified or exceptional accounting for quarterly consolidated financial statements.
- (3) Change in significant accounting principles, procedures and presentation in quarterly consolidated financial statements
 - i. Change due to revision of accounting standards and other regulations: Yes
 - ii. Others: None
(For further details, please see "Others" on page 8.)
- (4) Number of shares outstanding (common stock)
 - i. Number of shares outstanding (including treasury stock):

December 31, 2012	:	1,323,197,235 shares
March 31, 2012	:	1,323,197,235 shares
 - ii. Number of treasury stock:

December 31, 2012	:	126,045,465 shares
March 31, 2012	:	99,431,812 shares
 - iii. Weighted average number of shares outstanding:

For the nine months ended December 31, 2012	:	1,218,330,024 shares
For the nine months ended December 31, 2011	:	1,286,105,587 shares

* The figures for "Basic Earnings per Share Attributable to NTT" for the fiscal year ending March 31, 2013 (forecasts) are based on the assumption that NTT will buy back up to 42 million shares for up to 150 billion yen, as resolved at the board of directors' meeting held on September 19, 2012, and make them its treasury stock.

* Presentation on the status of quarterly review process:

This earnings release is not subject to the quarterly review process as required by the Financial Instruments and Exchange Act of Japan. As of the date when this earnings release was issued, the review process on quarterly financial statements as required by the Financial Instruments and Exchange Act had not been finished.

* Explanation for forecasts of operation and other notes:

Forward-looking statements in this earnings release, such as forecasts of results of operations, are based on the information currently available and certain assumptions that we regard as reasonable and therefore actual results may differ materially from those contained in or suggested by any forward-looking statements. With regard to the assumptions and other related matters concerning forecasts for the fiscal year ending March 31, 2013, please refer to pages 7 and 21.

On Wednesday, February 6, 2013, NTT will hold a presentation on its financial results for institutional investors and analysts. Shortly thereafter, NTT plans to post on its website explanatory details, along with the materials used at the presentation.

1. Qualitative Information

(1) Qualitative Information Relating to Consolidated Business Results

i. Consolidated results

Nine-Month Period Ended December 31, 2012 (April 1, 2012 – December 31, 2012)

	(Billions of yen)			
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Change	Percent Change
Operating revenues	7,783.7	7,921.7	138.1	1.8%
Operating expenses	6,774.2	6,928.5	154.2	2.3%
Operating income	1,009.4	993.2	(16.2)	(1.6)%
Income before income taxes and equity in earnings (losses) of affiliated companies	1,010.9	985.7	(25.2)	(2.5)%
Net income attributable to NTT	359.2	447.3	88.1	24.5%

During the nine months ended December 31, 2012, NTT Group worked to expand broadband and ubiquitous services pursuant to its Medium-Term Management Strategy adopted in May 2008, entitled “Road to Service Creation Business Group.”

In November 2012, NTT Group released “Towards the Next Stage,” its approach to establishing a road map for the future recovery and growth of its business performance. NTT Group intends to realize growth and transformation of NTT Group as a whole by making “Global Cloud Services” the cornerstone of NTT Group’s business operations going forward. Further, NTT Group intends to comprehensively strengthen its competitiveness by streamlining its existing “Network Services.” Through such efforts, NTT Group will work to achieve an increase in earnings per share attributable to NTT (“EPS”) of 60% or more by the fiscal year ending March 31, 2016, compared with the fiscal year ended March 31, 2012. NTT Group aims to become the “valued partner” that customers continue to select, by seeking to grow and transforming itself in response to the drastically changing information and telecommunications market.

Broadband Services

In the fixed communications field, NTT Group continued to take measures to expand the use of its “FLET’S Hikari” services and to improve its customer support services. In the East Japan region, NTT Group began offering “Omoikkiri Wari,” a program designed to promote new subscriptions, while in the West Japan region, NTT Group began offering “Hikari Motto Motto Wari,” a program designed to promote long-term continuous use.

In the mobile communications field, NTT Group offered 40 mobile phone models, many of which are compatible with the “Xi” (read “Crossy”) LTE Service or “NOTTV,” and worked to improve and expand its handset lineup. NTT Group also started providing “Xi Pake-hodai Light,” a new flat-rate “Xi” data communication service, as well as “Xi Data Plan Light Ninen” and “Xi Data Plan Light,” which are new flat-rate billing plans exclusively for Xi data communication.

Upper Layer Services / Solutions Business

With respect to upper layer services, NTT Group made efforts to enhance its service menu for cloud services. Specifically, NTT Group worked to expand its content and introduced new easy-to-use online shopping “dshopping” services, which offer a content market known as “dmarket” through smartphones and tablet devices. In addition, NTT Group launched “Biz Desktop Pro Enterprise,” a cloud-based virtual desktop service which enables customers to use the same desktop environment as at the office, from anywhere and at anytime, on various devices such as PCs, smartphones and tablet devices.

Global Businesses

To expand NTT Group’s global operations and enhance its cloud services, NTT Group acquired all of the shares of Centerstance, Inc., a U.S.-based company that supports cloud migration, making it a wholly-owned subsidiary (“NTT Centerstance, Inc.”). Through close collaboration between NTT Centerstance, Inc. and each of NTT Group’s group companies, NTT Group has established a structure that enables the provision of one-stop management of its customers’ information and telecommunications environments. In addition, in order to enhance its ability to provide services to both Japanese and local companies doing business

overseas, NTT Group established several overseas branch offices in Asia. In particular, in Myanmar, which is increasingly making its presence felt as a new market since its transition to a civilian government, NTT Group became the first foreign telecommunications carrier to establish a branch office in Yangon, Myanmar's largest city. NTT Group also became the first foreign telecommunications carrier to receive a license necessary for providing telecommunication services in Vietnam, and launched a data network service for corporate customers to provide inter-office connections within that country.

As a result of these efforts, NTT Group's consolidated operating revenues for the nine-month period ended December 31, 2012 were ¥7,921.7 billion (an increase of 1.8% from the same period of the previous fiscal year), consolidated operating expenses were ¥6,928.5 billion (an increase of 2.3% from the same period of the previous fiscal year), consolidated operating income was ¥993.2 billion (a decrease of 1.6% from the same period of the previous fiscal year), consolidated income before income taxes and equity in earnings (losses) of affiliated companies was ¥985.7 billion (a decrease of 2.5% from the same period of the previous fiscal year), and consolidated net income attributable to NTT was ¥447.3 billion (an increase of 24.5% from the same period of the previous fiscal year).

Note: The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States.

ii. Segment results

Results by business segment are as follows.

Regional Communications Business Segment

Nine-Month Period Ended December 31, 2012 (April 1, 2012 – December 31, 2012)

	(Billions of yen)			
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Change	Percent Change
Operating revenues	2,794.8	2,710.9	(83.8)	(3.0)%
Operating expenses	2,720.2	2,633.5	(86.7)	(3.2)%
Operating income	74.6	77.5	2.9	3.9%

Consolidated operating revenues for the nine-month period ended December 31, 2012 were ¥2,710.9 billion (a decrease of 3.0% from the same period of the previous fiscal year) due to the slowdown in the increase of "FLET'S Hikari" subscriptions. As a result, the increase in IP/packet communications revenues was unable to offset the decline in fixed voice related revenues resulting from the decline in fixed-line telephone subscriptions. On the other hand, consolidated operating expenses fell to ¥2,633.5 billion (a decrease of 3.2% from the same period of the previous fiscal year) due to a decrease in personnel expenses as a result of a decline in the number of employees and other factors, including a decrease in cost of services and equipment sold, and selling, general and administrative expenses. As a result, consolidated operating income for the nine-month period ended December 31, 2012 was ¥77.5 billion (an increase of 3.9% from the same period of the previous fiscal year).

Number of subscriptions

	(Thousands of subscriptions)			
	As of March 31, 2012	As of December 31, 2012	Change	Percent Change
FLET'S Hikari ⁽¹⁾	16,564	17,162	598	3.6%
NTT East	9,353	9,654	301	3.2%
NTT West	7,211	7,508	297	4.1%
Hikari Denwa ⁽²⁾	13,900	14,852	951	6.8%
NTT East	7,402	7,896	494	6.7%
NTT West	6,498	6,955	458	7.0%

Notes:

(1) "FLET'S Hikari" includes "B FLET'S," "FLET'S Hikari Next," "FLET'S Hikari Light" and "FLET'S Hikari WiFi Access" provided by NTT East and "B FLET'S," "FLET'S Hikari Premium," "FLET'S Hikari Mytown," "FLET'S Hikari Next" and "FLET'S Hikari Light" provided by NTT West.

(2) The figures for Hikari Denwa indicate number of channels (in thousands).

Long Distance and International Communications Business Segment

Nine-Month Period Ended December 31, 2012 (April 1, 2012 – December 31, 2012)

	(Billions of yen)			
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Change	Percent Change
Operating revenues	1,247.9	1,228.8	(19.1)	(1.5)%
Operating expenses	1,158.1	1,125.3	(32.8)	(2.8)%
Operating income	89.9	103.5	13.7	15.2%

Consolidated operating revenues for the nine-month period ended December 31, 2012 were ¥1,228.8 billion (a decrease of 1.5% from the same period of the previous fiscal year). Although there was an increase in revenue as a result of the increase in the number of consolidated subsidiaries and video service subscriptions, operating revenues decreased due to, among other things, a decline in fixed voice related revenues. Consolidated operating expenses for the nine-month period ended December 31, 2012 decreased to ¥1,125.3 billion (a decrease of 2.8% from the same period of the previous fiscal year) due to, among other things, a decrease in cost of services and equipment sold, and selling, general and administrative expenses. As a result, consolidated operating income for the nine-month period ended December 31, 2012 was ¥103.5 billion (an increase of 15.2% from the same period of the previous fiscal year).

Mobile Communications Business Segment

Nine-Month Period Ended December 31, 2012 (April 1, 2012 – December 31, 2012)

	(Billions of yen)			
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Change	Percent Change
Operating revenues	3,174.2	3,370.8	196.6	6.2%
Operating expenses	2,433.7	2,668.0	234.3	9.6%
Operating income	740.5	702.8	(37.6)	(5.1)%

Despite a decline in voice revenues due to the impacts of “Monthly Support” discount programs and a decrease in billable MOU(*1), consolidated operating revenues for the mobile communications business segment for the nine-month period ended December 31, 2012 were ¥3,370.8 billion (an increase of 6.2% from the same period of the previous fiscal year) due to an increase of IP/packet communications revenues as a result of the expansion in the number of smartphone users and an increase in communications handset sales revenues. On the other hand, despite NTT Group’s ongoing cost-cutting efforts, consolidated operating expenses for the nine-month period ended December 31, 2012 were ¥2,668.0 billion (an increase of 9.6% from the same period of the previous fiscal year) due to an increase in the costs associated with the development of operations in new business sectors(*2) and the wholesale unit prices of handsets in conjunction with the increase in smartphone sales. As a result, consolidated operating income for the nine-month period ended December 31, 2012 was ¥702.8 billion (a decrease of 5.1% from the same period of the previous fiscal year).

(*1) MOU (Minutes Of Use): average monthly minutes of use per unit.

(*2) The eight sectors are media and content, finance and settlement of payments, commerce, medical and healthcare, M2M (machine-to-machine), aggregation and platforms, environment and ecology and safety and security.

Number of subscriptions

	(Thousands of subscriptions)			
	As of March 31, 2012	As of December 31, 2012	Change	Percent Change
Mobile phone services	60,129	60,988	859	1.4%
FOMA*	57,905	52,310	(5,595)	(9.7)%
Xi*	2,225	8,678	6,453	290.0%
i-mode	42,321	34,909	(7,413)	(17.5)%
sp-mode	9,586	16,193	6,607	68.9%

Notes:

(1) The numbers for mobile phone service subscriptions, FOMA service subscriptions and Xi service subscriptions include communications module service subscriptions.

(2) Effective March 3, 2008, FOMA service subscriptions became mandatory for subscriptions to “2in1” services. Such FOMA service subscriptions to “2in1” services are included in the above numbers of mobile phone service subscriptions and FOMA service subscriptions.

* Partial listing only.

Data Communications Business Segment

Nine-Month Period Ended December 31, 2012 (April 1, 2012 – December 31, 2012)

	(Billions of yen)			
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Change	Percent Change
Operating revenues	887.9	914.2	26.4	3.0%
Operating expenses	834.2	863.9	29.7	3.6%
Operating income	53.7	50.4	(3.4)	(6.3)%

Consolidated operating revenues for the nine-month period ended December 31, 2012 were ¥914.2 billion (an increase of 3.0% from the same period of the previous fiscal year) due to, among other things, increased revenues resulting from the increase in the number of consolidated subsidiaries. Consolidated operating expenses for the nine-month period ended December 31, 2012 rose to ¥863.9 billion (an increase of 3.6% from the same period of the previous fiscal year) due to, among other things, an increase in expenses attributable to an increase in selling, general and administrative expenses caused by the increase in the number of consolidated subsidiaries. As a result, consolidated operating income for the nine-month period ended December 31, 2012 was ¥50.4 billion (a decrease of 6.3% from the same period of the previous fiscal year).

Other Businesses Segment

Nine-Month Period Ended December 31, 2012 (April 1, 2012 – December 31, 2012)

	(Billions of yen)			
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Change	Percent Change
Operating revenues	762.4	867.2	104.7	13.7%
Operating expenses	722.9	817.1	94.2	13.0%
Operating income	39.5	50.1	10.6	26.8%

Consolidated operating revenues for the nine-month period ended December 31, 2012 were ¥867.2 billion (an increase of 13.7% from the same period of the previous fiscal year) due to, among other things, increased revenues in the real estate business and finance business. On the other hand, consolidated operating expenses for the nine-month period ended December 31, 2012 were ¥817.1 billion (an increase of 13.0% from the same period of the previous fiscal year) due to, among other things, an increase in revenue-linked expenses. As a result, consolidated operating income for the nine-month period ended December 31, 2012 was ¥50.1 billion (an increase of 26.8% from the same period of the previous fiscal year).

(2) Qualitative Information Relating to Consolidated Financial Position

Consolidated cash flows from operating activities for the nine-month period ended December 31, 2012 were ¥1,662.6 billion (an increase of ¥46.2 billion (2.9%) from the same period of the previous fiscal year). Cash flow increased due to, among other factors, a decrease in accounts receivable. This decrease occurred because, notwithstanding an increase in installment sales of mobile devices, the last day of the previous fiscal year was a bank holiday and the collection of telephone and other charges was carried over to the nine-month period ended December 31, 2012.

Consolidated cash flows from investing activities showed outlays of ¥1,395.7 billion (a decrease of ¥161.8 billion (10.4%) from the same period of the previous fiscal year). This decrease was due to, among other factors, a decrease in short-term investments associated with cash management activities exceeding three months in duration while capital investments increased.

Consolidated cash flows from financing activities amounted to cash outlays of ¥380.1 billion (a decrease of ¥319.6 billion (45.7%) from the same period of the previous fiscal year). This decrease was due to, among other factors, an increase in the issuance of short-term debt.

As a result of the above, NTT Group's consolidated cash and cash equivalents as of December 31, 2012 were ¥907.1 billion, a decrease of ¥113.1 billion (11.1%) from the end of the previous fiscal year.

	(Billions of yen)			
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Change	Percent Change
Cash flows from operating activities	1,616.4	1,662.6	46.2	2.9%
Cash flows from investing activities	(1,557.5)	(1,395.7)	161.8	10.4%
Cash flows from financing activities	(699.7)	(380.1)	319.6	45.7%

(3) Qualitative Information Relating to Consolidated Results Forecasts

There are no changes to the consolidated results forecasts for the period under review announced on November 8, 2012. For the assumptions used in the consolidated results forecasts and other related matters, please see page 21.

2. Others

- (1) Change in significant consolidated subsidiaries during the nine months ended December 31, 2012, which resulted in changes in the scope of consolidation: None
- (2) Adoption of accounting which is simplified or exceptional for quarterly consolidated financial statements: None
- (3) Change in significant accounting principles, procedures and presentation in quarterly consolidated financial statements

Presentation of Comprehensive Income

Effective April 1, 2012, NTT Group adopted Accounting Standards Update (“ASU”) 2011-05 “Presentation of Comprehensive Income.” This ASU requires comprehensive income to be reported in either a single continuous statement or in two separate but consecutive statements reporting net income and other comprehensive income, and eliminates the option to report other comprehensive income and its components in the statement of changes in stockholder’s equity. In adopting the ASU, NTT Group implemented the two separate but consecutive statements reporting method.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen		
	March 31, 2012	December 31, 2012	Increase (Decrease)
ASSETS			
Current assets:			
Cash and cash equivalents	¥1,020,143	¥907,086	¥(113,057)
Short-term investments	306,921	171,749	(135,172)
Notes and accounts receivable, trade	2,287,986	2,241,908	(46,078)
Allowance for doubtful accounts	(48,356)	(45,201)	3,155
Accounts receivable, other	277,277	307,890	30,613
Inventories	329,373	431,380	102,007
Prepaid expenses and other current assets	315,566	387,077	71,511
Deferred income taxes	223,021	209,294	(13,727)
Total current assets	4,711,931	4,611,183	(100,748)
Property, plant and equipment:			
Telecommunications equipment	14,425,252	13,903,404	(521,848)
Telecommunications service lines	14,830,873	15,040,660	209,787
Buildings and structures	5,915,743	5,963,169	47,426
Machinery, vessels and tools	1,820,648	1,855,791	35,143
Land	1,133,077	1,133,369	292
Construction in progress	363,201	359,601	(3,600)
	38,488,794	38,255,994	(232,800)
Accumulated depreciation	(28,682,438)	(28,555,734)	126,704
Net property, plant and equipment	9,806,356	9,700,260	(106,096)
Investments and other assets:			
Investments in affiliated companies	543,273	400,734	(142,539)
Marketable securities and other investments	295,254	560,955	265,701
Goodwill	771,420	813,463	42,043
Software	1,344,356	1,322,425	(21,931)
Other intangibles	263,964	263,446	(518)
Other assets	863,852	979,206	115,354
Deferred income taxes	789,293	722,341	(66,952)
Total investments and other assets	4,871,412	5,062,570	191,158
Total assets	¥19,389,699	¥19,374,013	¥(15,686)

	Millions of yen		
	March 31, 2012	December 31, 2012	Increase (Decrease)
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	¥83,507	¥307,151	¥223,644
Current portion of long-term debt	656,963	859,935	202,972
Accounts payable, trade	1,482,594	1,219,115	(263,479)
Current portion of obligations under capital leases	18,709	16,370	(2,339)
Accrued payroll	476,442	363,780	(112,662)
Accrued interest	9,832	9,519	(313)
Accrued taxes on income	198,281	134,207	(64,074)
Accrued consumption tax	46,255	55,232	8,977
Advances received	189,007	184,587	(4,420)
Other	332,663	353,764	21,101
Total current liabilities	3,494,253	3,503,660	9,407
Long-term liabilities:			
Long-term debt	3,509,820	3,132,848	(376,972)
Obligations under capital leases	36,919	34,852	(2,067)
Liability for employees' retirement benefits	1,534,885	1,568,796	33,911
Accrued liabilities for point programs	187,432	175,294	(12,138)
Deferred income taxes	169,591	164,357	(5,234)
Other	409,070	404,297	(4,773)
Total long-term liabilities	5,847,717	5,480,444	(367,273)
Equity:			
NTT shareholders' equity			
Common stock, no par value	937,950	937,950	—
Additional paid-in capital	2,832,165	2,828,816	(3,349)
Retained earnings	4,888,746	5,152,518	263,772
Accumulated other comprehensive income (loss)	(357,843)	(253,159)	104,684
Treasury stock, at cost	(418,431)	(518,444)	(100,013)
Total NTT shareholders' equity	7,882,587	8,147,681	265,094
Noncontrolling interests	2,165,142	2,242,228	77,086
Total equity	10,047,729	10,389,909	342,180
Total liabilities and equity	¥19,389,699	¥19,374,013	¥(15,686)

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

NINE-MONTH PERIOD ENDED DECEMBER 31

Consolidated Statements of Income

	Millions of yen		
	2011	2012	Increase (Decrease)
Operating revenues:			
Fixed voice related services	¥1,469,966	¥1,333,759	¥(136,207)
Mobile voice related services	1,424,587	1,283,809	(140,778)
IP / packet communications services	2,682,218	2,837,640	155,422
Sale of telecommunication equipment	412,673	644,695	232,022
System integration	1,277,758	1,287,499	9,741
Other	516,457	534,318	17,861
	7,783,659	7,921,720	138,061
Operating expenses:			
Cost of services (exclusive of items shown separately below)	1,772,039	1,811,102	39,063
Cost of equipment sold (exclusive of items shown separately below)	542,517	649,260	106,743
Cost of system integration (exclusive of items shown separately below)	867,544	872,997	5,453
Depreciation and amortization	1,412,522	1,408,888	(3,634)
Impairment loss	130	788	658
Selling, general and administrative expenses	2,179,484	2,185,448	5,964
	6,774,236	6,928,483	154,247
Operating income	1,009,423	993,237	(16,186)
Other income (expenses):			
Interest and amortization of bond discounts and issue costs	(43,111)	(41,407)	1,704
Interest income	14,751	13,283	(1,468)
Other, net	29,832	20,575	(9,257)
	1,472	(7,549)	(9,021)
Income before income taxes and equity in earnings (losses) of affiliated companies	1,010,895	985,688	(25,207)
Income tax expense (benefit):			
Current	379,131	360,991	(18,140)
Deferred	122,164	17,379	(104,785)
	501,295	378,370	(122,925)
Income before equity in earnings (losses) of affiliated companies	509,600	607,318	97,718
Equity in earnings (losses) of affiliated companies	(2,127)	(7,472)	(5,345)
Net income	507,473	599,846	92,373
Less – Net income attributable to noncontrolling interests	(148,273)	(152,520)	(4,247)
Net income attributable to NTT	¥359,200	¥447,326	¥88,126
Per share of common stock:			
Weighted average number of shares outstanding (Shares)	1,286,105,587	1,218,330,024	
Net income attributable to NTT (Yen)	¥279.29	¥367.16	

Consolidated Statements of Comprehensive Income

	Millions of yen		
	2011	2012	Increase (Decrease)
Net income	¥507,473	¥599,846	¥92,373
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities	4,389	78,393	74,004
Unrealized gain (loss) on derivative instruments	(7,187)	(1,664)	5,523
Foreign currency translation adjustments	(76,890)	29,601	106,491
Pension liability adjustments	6,779	11,881	5,102
Total other comprehensive income (loss)	(72,909)	118,211	191,120
Total comprehensive income (loss)	434,564	718,057	283,493
Less – Comprehensive income attributable to noncontrolling interests	(130,359)	(166,047)	(35,688)
Total comprehensive income (loss) attributable to NTT	¥304,205	552,010	¥247,805

THREE-MONTH PERIOD ENDED DECEMBER 31

Consolidated Statements of Income

	Millions of yen		
	2011	2012	Increase (Decrease)
Operating revenues:			
Fixed voice related services	¥481,018	¥438,350	¥(42,668)
Mobile voice related services	468,564	430,422	(38,142)
IP / packet communications services	909,490	957,143	47,653
Sale of telecommunication equipment	141,958	242,362	100,404
System integration	452,954	436,993	(15,961)
Other	175,095	179,058	3,963
	<u>2,629,079</u>	<u>2,684,328</u>	<u>55,249</u>
Operating expenses:			
Cost of services (exclusive of items shown separately below)	617,020	625,065	8,045
Cost of equipment sold (exclusive of items shown separately below)	183,317	230,884	47,567
Cost of system integration (exclusive of items shown separately below)	310,902	297,116	(13,786)
Depreciation and amortization	480,423	478,793	(1,630)
Impairment loss	32	-	(32)
Selling, general and administrative expenses	713,434	722,202	8,768
	<u>2,305,128</u>	<u>2,354,060</u>	<u>48,932</u>
Operating income	<u>323,951</u>	<u>330,268</u>	<u>6,317</u>
Other income (expenses):			
Interest and amortization of bond discounts and issue costs	(14,436)	(12,894)	1,542
Interest income	4,563	4,524	(39)
Other, net	15,102	20,987	5,885
	<u>5,229</u>	<u>12,617</u>	<u>7,388</u>
Income before income taxes and equity in earnings (losses) of affiliated companies	<u>329,180</u>	<u>342,885</u>	<u>13,705</u>
Income tax expense (benefit):			
Current	116,267	120,648	4,381
Deferred	112,028	7,141	(104,887)
	<u>228,295</u>	<u>127,789</u>	<u>(100,506)</u>
Income before equity in earnings (losses) of affiliated companies	<u>100,885</u>	<u>215,096</u>	<u>114,211</u>
Equity in earnings (losses) of affiliated companies	(501)	(12,152)	(11,651)
Net income	<u>100,384</u>	<u>202,944</u>	<u>102,560</u>
Less – Net income attributable to noncontrolling interests	(37,621)	(49,033)	(11,412)
Net income attributable to NTT	<u>¥62,763</u>	<u>¥153,911</u>	<u>¥91,148</u>
Per share of common stock:			
Weighted average number of shares outstanding (Shares)	1,265,602,672	1,207,638,148	
Net income attributable to NTT (Yen)	¥49.59	¥127.45	

Consolidated Statements of Comprehensive Income

	Millions of yen		
	2011	2012	Increase (Decrease)
Net income	¥100,384	¥202,944	¥102,560
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities	13,469	65,986	52,517
Unrealized gain (loss) on derivative instruments	(7,037)	(937)	6,100
Foreign currency translation adjustments	(64,619)	30,059	94,678
Pension liability adjustments	3,667	3,790	123
Total other comprehensive income (loss)	(54,520)	98,898	153,418
Total comprehensive income (loss)	<u>45,864</u>	<u>301,842</u>	<u>255,978</u>
Less – Comprehensive income attributable to noncontrolling interests	(28,973)	(64,083)	(35,110)
Total comprehensive income (loss) attributable to NTT	<u>¥16,891</u>	<u>¥237,759</u>	<u>¥220,868</u>

(3) Consolidated Statements of Cash Flows
NINE-MONTH PERIOD ENDED DECEMBER 31

	Millions of yen		
	2011	2012	Increase (Decrease)
Cash flows from operating activities:			
Net income	¥ 507,473	¥ 599,846	¥ 92,373
Adjustments to reconcile net income to net cash provided by operating activities -			
Depreciation and amortization	1,412,522	1,408,888	(3,634)
Impairment loss	130	788	658
Deferred taxes	122,164	17,379	(104,785)
Loss on disposal of property, plant and equipment	51,008	58,632	7,624
Equity in (earnings) losses of affiliated companies	2,127	7,472	5,345
(Increase) decrease in notes and accounts receivable, trade	(50,173)	46,450	96,623
(Increase) decrease in inventories	(84,852)	(90,628)	(5,776)
(Increase) decrease in other current assets	(63,616)	(79,906)	(16,290)
Increase (decrease) in accounts payable, trade and accrued payroll	(260,162)	(229,969)	30,193
Increase (decrease) in accrued consumption tax	14,277	8,429	(5,848)
Increase (decrease) in accrued interest	(1,345)	(1,251)	94
Increase (decrease) in advances received	(11,288)	(4,837)	6,451
Increase (decrease) in accrued taxes on income	(71,231)	(65,009)	6,222
Increase (decrease) in other current liabilities	52,000	18,014	(33,986)
Increase (decrease) in liability for employees' retirement benefits	40,048	49,970	9,922
Increase (decrease) in other long-term liabilities	(34,761)	(19,945)	14,816
Other	(7,922)	(61,718)	(53,796)
Net cash provided by operating activities	¥ 1,616,399	¥ 1,662,605	¥ 46,206

	Millions of yen		
	2011	2012	Increase (Decrease)
Cash flows from investing activities:			
Payments for property, plant and equipment	¥(1,033,892)	¥(1,165,357)	¥(131,465)
Payments for acquisitions of intangibles	(332,851)	(326,638)	6,213
Proceeds from sale of property, plant and equipment	36,102	24,070	(12,032)
Payments for purchase of non-current investments	(55,250)	(27,492)	27,758
Proceeds from sale and redemption of non-current investments	6,617	12,208	5,591
Acquisitions of subsidiaries, net of cash acquired	(40,134)	(36,867)	3,267
Payments for purchase of short-term investments	(894,687)	(648,278)	246,409
Proceeds from redemption of short-term investments	705,799	787,578	81,779
Other	50,830	(14,906)	(65,736)
Net cash used in investing activities	(1,557,466)	(1,395,682)	161,784
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	638,658	181,905	(456,753)
Payments for settlement of long-term debt	(664,785)	(378,924)	285,861
Proceeds from issuance of short-term debt	1,003,755	2,602,705	1,598,950
Payments for settlement of short-term debt	(1,204,044)	(2,380,405)	(1,176,361)
Dividends paid	(167,980)	(183,405)	(15,425)
Proceeds from sale of (payments for acquisition of) treasury stock, net	(223,560)	(100,018)	123,542
Acquisition of treasury stock by subsidiary	(2,208)	(14,598)	(12,390)
Other	(79,579)	(107,397)	(27,818)
Net cash used in financing activities	(699,743)	(380,137)	319,606
Effect of exchange rate changes on cash and cash equivalents	(4,858)	157	5,015
Net increase (decrease) in cash and cash equivalents	(645,668)	(113,057)	532,611
Cash and cash equivalents at beginning of period	1,435,158	1,020,143	(415,015)
Cash and cash equivalents at end of period	¥789,490	¥907,086	¥117,596
Cash paid during the period for:			
Interest	¥45,743	¥41,720	(4,023)
Income taxes, net	¥441,285	¥426,954	¥(14,331)

(4) Going Concern Assumption

None

(5) Business Segments

NINE-MONTH PERIOD ENDED DECEMBER 31

1. Sales and operating revenues (Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)
Regional communications business			
External customers	2,456,390	2,390,659	(65,731)
Intersegment	338,366	320,279	(18,087)
Total	2,794,756	2,710,938	(83,818)
Long-distance and international communications business			
External customers	1,172,981	1,150,214	(22,767)
Intersegment	74,939	78,597	3,658
Total	1,247,920	1,228,811	(19,109)
Mobile communications business			
External customers	3,149,960	3,340,891	190,931
Intersegment	24,194	29,904	5,710
Total	3,174,154	3,370,795	196,641
Data communications business			
External customers	789,776	808,065	18,289
Intersegment	98,108	106,173	8,065
Total	887,884	914,238	26,354
Other			
External customers	214,552	231,891	17,339
Intersegment	547,885	635,271	87,386
Total	762,437	867,162	104,725
Elimination	(1,083,492)	(1,170,224)	(86,732)
Consolidated total	7,783,659	7,921,720	138,061

2. Segment profit (Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)
Segment profit			
Regional communications business	74,561	77,472	2,911
Long-distance and international communications business	89,869	103,528	13,659
Mobile communications business	740,452	702,813	(37,639)
Data communications business	53,734	50,367	(3,367)
Other	39,501	50,073	10,572
Total segment profit	998,117	984,253	(13,864)
Elimination	11,306	8,984	(2,322)
Consolidated total	1,009,423	993,237	(16,186)

THREE-MONTH PERIOD ENDED DECEMBER 31

1. Sales and operating revenues (Millions of yen)

	Three months ended December 31, 2011	Three months ended December 31, 2012	Increase (Decrease)
Regional communications business			
External customers	820,032	796,321	(23,711)
Intersegment	114,192	106,372	(7,820)
Total	934,224	902,693	(31,531)
Long-distance and international communications business			
External customers	400,713	386,954	(13,759)
Intersegment	24,443	27,438	2,995
Total	425,156	414,392	(10,764)
Mobile communications business			
External customers	1,053,185	1,152,158	98,973
Intersegment	7,987	11,317	3,330
Total	1,061,172	1,163,475	102,303
Data communications business			
External customers	282,632	273,934	(8,698)
Intersegment	33,833	32,959	(874)
Total	316,465	306,893	(9,572)
Other			
External customers	72,517	74,961	2,444
Intersegment	190,060	226,958	36,898
Total	262,577	301,919	39,342
Elimination	(370,515)	(405,044)	(34,529)
Consolidated total	2,629,079	2,684,328	55,249

2. Segment profit (Millions of yen)

	Three months ended December 31, 2011	Three months ended December 31, 2012	Increase (Decrease)
Segment profit			
Regional communications business	21,404	27,480	6,076
Long-distance and international communications business	29,596	37,318	7,722
Mobile communications business	234,174	228,072	(6,102)
Data communications business	18,857	18,976	119
Other	15,873	15,608	(265)
Total segment profit	319,904	327,454	7,550
Elimination	4,047	2,814	(1,233)
Consolidated total	323,951	330,268	6,317

(6) NTT Shareholders' Equity

1. Dividends

Cash dividends paid

Resolution	The shareholders' meeting on June 22, 2012
Class of shares	Common stock
Source of dividends	Retained earnings
Total cash dividends paid	¥85,664 million
Cash dividends per share	¥70
Date of record	March 31, 2012
Date of payment	June 25, 2012

Resolution	The Board of Directors' meeting on November 8, 2012
Class of shares	Common stock
Source of dividends	Retained earnings
Total cash dividends paid	¥97,741 million
Cash dividends per share	¥80
Date of record	September 30, 2012
Date of payment	December 10, 2012

2. Significant Changes in NTT Shareholders' Equity

None

(7) Subsequent events

None

4. (Reference)

NON-CONSOLIDATED FINANCIAL STATEMENTS

(1) Non-Consolidated Balance Sheets

(Based on accounting principles generally accepted in Japan)

	Millions of yen	
	March 31, 2012	December 31, 2012
ASSETS		
Current assets:		
Cash and bank deposits	10,490	9,701
Accounts receivable, trade	1,613	997
Supplies	251	244
Subsidiary deposits	152,327	41,890
Other	390,376	547,729
Total current assets	555,058	600,563
Fixed assets:		
Property, plant and equipment	174,450	167,654
Intangible fixed assets	46,672	44,842
Investments and other assets		
Investments in subsidiaries and affiliated companies	5,072,933	5,076,974
Long-term loans receivable to subsidiaries	1,642,330	1,467,352
Other	33,320	35,888
Total investments and other assets	6,748,584	6,580,214
Total fixed assets	6,969,706	6,792,711
TOTAL ASSETS	7,524,765	7,393,275

Notes: 1. These quarterly financial statements are exempt from auditor's review in the legal disclosure.

2. These quarterly financial statements are prepared based on "Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements."

(Reference)

	Millions of yen	
	March 31, 2012	December 31, 2012
LIABILITIES		
Current liabilities:		
Accounts payable, trade	273	35
Current portion of corporate bonds	293,422	241,725
Current portion of long-term borrowings	151,700	221,000
Accrued taxes on income	4,208	18,339
Deposit received from subsidiaries	98,261	59,002
Other	39,063	30,959
Total current liabilities	586,930	571,061
Long-term liabilities:		
Corporate bonds	1,059,780	999,462
Long-term borrowings	1,141,830	1,007,630
Long-term borrowings from subsidiary	—	80,000
Liability for employees' retirement benefits	30,675	32,184
Asset retirement obligations	1,152	1,135
Other	1,368	1,176
Total long-term liabilities	2,234,806	2,121,587
TOTAL LIABILITIES	2,821,737	2,692,649
NET ASSETS		
Shareholders' equity:		
Common stock	937,950	937,950
Capital surplus	2,672,826	2,672,826
Earned surplus	1,510,743	1,608,332
Treasury stock	(418,431)	(518,444)
Total shareholders' equity	4,703,088	4,700,663
Unrealized gains (losses), translation adjustments, and others:		
Net unrealized gains (losses) on securities	(60)	(38)
Total unrealized gains (losses), translation adjustments, and others	(60)	(38)
TOTAL NET ASSETS	4,703,028	4,700,625
TOTAL LIABILITIES AND NET ASSETS	7,524,765	7,393,275

Notes: 1. These quarterly financial statements are exempt from auditor's review in the legal disclosure.

2. These quarterly financial statements are prepared based on "Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements."

(Reference)

(2) Non-Consolidated Statements of Income

NINE-MONTH PERIOD ENDED DECEMBER 31

(Based on accounting principles generally accepted in Japan)

	Millions of yen	
	2011	2012
Operating revenues	370,136	390,401
Operating expenses	107,680	104,769
Operating income	262,455	285,632
Non-operating revenues:		
Interest income	20,910	19,099
Lease and rental income	9,095	8,678
Miscellaneous income	1,199	746
Total non-operating revenues	31,206	28,525
Non-operating expenses:		
Interest expenses	11,952	12,675
Corporate bond interest expenses	15,444	13,698
Miscellaneous expenses	5,515	5,762
Total non-operating expenses	32,912	32,136
Recurring profit	260,749	282,022
Income before income taxes	260,749	282,022
Income taxes	2,330	1,024
Net income	258,419	280,997

(Reference) Major components of operating revenues

Dividends received	258,360	279,290
Revenues from group management	14,362	14,250
Revenues from basic R&D	90,749	90,749

Notes: 1. These quarterly financial statements are exempt from auditor's review in the legal disclosure.

2. These quarterly financial statements are prepared based on "Regulation for Terminology, Forms and Preparation of Quarterly Financial Statements."

[Note]

The forward-looking statements and projected figures concerning the future performance of NTT and its 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 in light of information currently available to it regarding NTT 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 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 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.

NTT's Shares and Shareholders (as of December 31, 2012)**1. Classification of Shareholders**

Details	NTT's Shares and Shareholders (1 unit = 100 shares)								Shares Representing Less Than One Unit
	Government and Public Bodies	Financial Institutions	Securities Firms	Other Domestic Corporations	Foreign Corporations, etc.		Domestic Individuals, etc.	Total	
					Non-Individuals	Individuals			
Total Holders	3	293	80	7,300	1,033	965	883,679	893,353	--
Total Shares (Units)	4,312,328	2,106,149	85,934	174,720	3,090,036	7,278	3,438,310	13,214,755	1,721,735
%	32.63	15.94	0.65	1.32	23.38	0.06	26.02	100.00	--

- Notes: (1) "Domestic Individuals, etc." includes 1,260,457 units of treasury stock, and "Shares Representing Less Than One Unit" includes 65 shares of treasury stock. 126,045,765 shares of treasury stock represents the number of shares of treasury stock recorded in the shareholders' register; the actual number of treasury stock shares at the end of December 31, 2012 was 126,045,465.
- (2) "Other Domestic Corporations" includes 160 units under the name of the Japan Securities Depository Center, and "Shares Representing Less Than One Unit" includes 72 shares under the name of the Japan Securities Depository Center.
- (3) The number of shareholders who only own shares representing less than one unit is 225,201.

2. Classification by Number of Shares

Details	NTT's Shares and Shareholders (1 unit = 100 shares)								Shares Representing Less Than One Unit
	At Least 1,000 Units	At Least 500 Units	At Least 100 Units	At Least 50 Units	At Least 10 Units	At Least 5 Units	At Least 1 Unit	Total	
Number of Holders	397	159	901	1,099	25,727	58,342	806,728	893,353	--
%	0.04	0.02	0.10	0.12	2.88	6.53	90.30	100.00	--
Total Shares (Units)	10,854,247	110,479	181,131	71,253	396,624	354,413	1,246,608	13,214,755	1,721,735
%	82.14	0.84	1.37	0.54	3.00	2.68	9.43	100.00	--

- Notes: (1) "At Least 1,000 Units" includes 1,260,457 units of treasury stock, and "Shares Representing Less Than One Unit" includes 65 shares of treasury stock.
- (2) "At Least 100 Units" includes 160 units under the name of the Japan Securities Depository Center, and "Shares Representing Less Than One Unit" includes 72 shares under the name of the Japan Securities Depository Center.

3. Principal Shareholders

Name	Share Holdings (in thousands of shares)	Percentage of Total Shares Issued (%)
The Minister of Finance	431,232	32.59
Japan Trustee Services Bank, Ltd. (Trust Account)	52,733	3.99
The Master Trust Bank of Japan, Ltd. (Trust Account)	38,261	2.89
Japan Trustee Services Bank, Ltd. (Trust Account 9)	18,457	1.39
SSBT OD05 Omnibus Account – Treaty Clients	16,152	1.22
Moxley and Co LLC	15,605	1.18
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	15,003	1.13
NTT Employee Share-Holding Association	11,713	0.89
State Street Bank and Trust Company 505224	10,145	0.77
Government of Singapore Investment Corporation Pte Ltd Account "C"	9,453	0.71
Total	618,757	46.76

Note: The Company's holdings of treasury stock (126,045,465 shares) are not included in the above table.