

THREE-MONTH PERIOD ENDED SEPTEMBER 30

Consolidated Statements of Income

	Millions of yen		
	2015	2016	Increase (Decrease)
Operating revenues:			
Fixed voice related services	¥331,193	¥307,546	¥(23,647)
Mobile voice related services	214,602	216,627	2,025
IP / packet communications services	941,595	953,319	11,724
Sale of telecommunications equipment	240,040	236,358	(3,682)
System integration	764,256	708,761	(55,495)
Other	390,815	384,978	(5,837)
	<u>2,882,501</u>	<u>2,807,589</u>	<u>(74,912)</u>
Operating expenses:			
Cost of services (excluding items shown separately below)	593,062	606,143	13,081
Cost of equipment sold (excluding items shown separately below)	234,501	231,175	(3,326)
Cost of system integration (excluding items shown separately below)	558,721	484,516	(74,205)
Depreciation and amortization	439,064	357,275	(81,789)
Impairment losses			
Goodwill	—	4,471	4,471
Other	3,600	9,818	6,218
Selling, general and administrative expenses	678,846	675,102	(3,744)
	<u>2,507,794</u>	<u>2,368,500</u>	<u>(139,294)</u>
Operating income	<u>374,707</u>	<u>439,089</u>	<u>64,382</u>
Other income (expenses):			
Interest and amortization of bond discounts and issue costs	(11,086)	(9,774)	1,312
Interest income	4,372	4,289	(83)
Other, net	(17,954)	17,194	35,148
	<u>(24,668)</u>	<u>11,709</u>	<u>36,377</u>
Income before income taxes and equity in earnings (losses) of affiliated companies	<u>350,039</u>	<u>450,798</u>	<u>100,759</u>
Income tax expense (benefit):			
Current	127,160	117,367	(9,793)
Deferred	(16,449)	25,152	41,601
	<u>110,711</u>	<u>142,519</u>	<u>31,808</u>
Income before equity in earnings (losses) of affiliated companies	<u>239,328</u>	<u>308,279</u>	<u>68,951</u>
Equity in earnings (losses) of affiliated companies	3,201	5,452	2,251
Net income	<u>242,529</u>	<u>313,731</u>	<u>71,202</u>
Less – Net income attributable to noncontrolling interests	58,383	81,263	22,880
Net income attributable to NTT	<u>¥184,146</u>	<u>¥232,468</u>	<u>¥48,322</u>
Per share of common stock:			
Weighted average number of shares outstanding (Shares)	2,113,548,297	2,037,089,579	
Net income attributable to NTT (Yen)	¥87.13	¥114.12	

Consolidated Statements of Comprehensive Income

	Millions of yen		
	2015	2016	Increase (Decrease)
Net income	¥242,529	¥313,731	¥71,202
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities	(22,215)	(3,600)	18,615
Unrealized gain (loss) on derivative instruments	(1,251)	(5,387)	(4,136)
Foreign currency translation adjustments	(3,875)	(78,093)	(74,218)
Pension liability adjustments	600	3,236	2,636
Total other comprehensive income (loss)	(26,741)	(83,844)	(57,103)
Total comprehensive income (loss)	215,788	229,887	14,099
Less – Comprehensive income attributable to noncontrolling interests	56,486	64,675	8,189
Total comprehensive income (loss) attributable to NTT	¥159,302	¥165,212	¥5,910