

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

THREE-MONTH PERIOD ENDED JUNE 30

### **Consolidated Statements of Income**

	Millions of yen		
	2015	2016	Increase (Decrease)
<b>Operating revenues:</b>			
Fixed voice related services	¥336,376	¥311,770	¥(24,606)
Mobile voice related services	193,130	212,977	19,847
IP / packet communications services	933,708	948,049	14,341
Sale of telecommunications equipment	223,758	186,716	(37,042)
System integration	673,043	688,310	15,267
Other	346,442	368,917	22,475
	<u>2,706,457</u>	<u>2,716,739</u>	<u>10,282</u>
<b>Operating expenses:</b>			
Cost of services (exclusive of items shown separately below)	556,044	547,254	(8,790)
Cost of equipment sold (exclusive of items shown separately below)	196,612	175,266	(21,346)
Cost of system integration (exclusive of items shown separately below)	475,755	501,733	25,978
Depreciation and amortization	432,575	359,198	(73,377)
Impairment loss	31	379	348
Selling, general and administrative expenses	686,683	645,514	(41,169)
	<u>2,347,700</u>	<u>2,229,344</u>	<u>(118,356)</u>
<b>Operating income</b>	<u>358,757</u>	<u>487,395</u>	<u>128,638</u>
<b>Other income (expenses):</b>			
Interest and amortization of bond discounts and issue costs	(10,978)	(10,006)	972
Interest income	4,365	4,332	(33)
Other, net	15,236	(35,614)	(50,850)
	<u>8,623</u>	<u>(41,288)</u>	<u>(49,911)</u>
<b>Income before income taxes and equity in earnings (losses) of affiliated companies</b>	<u>367,380</u>	<u>446,107</u>	<u>78,727</u>
<b>Income tax expense (benefit):</b>			
Current	112,106	129,311	17,205
Deferred	4,488	9,614	5,126
	<u>116,594</u>	<u>138,925</u>	<u>22,331</u>
<b>Income before equity in earnings (losses) of affiliated companies</b>	<u>250,786</u>	<u>307,182</u>	<u>56,396</u>
Equity in earnings (losses) of affiliated companies	4,311	4,613	302
<b>Net income</b>	<u>255,097</u>	<u>311,795</u>	<u>56,698</u>
Less – Net income attributable to noncontrolling interests	61,924	68,167	6,243
<b>Net income attributable to NTT</b>	<u>¥193,173</u>	<u>¥243,628</u>	<u>¥50,455</u>
<b>Per share of common stock*:</b>			
Weighted average number of shares outstanding (Shares)	2,117,192,084	2,087,053,427	
Net income attributable to NTT (Yen)	¥91.24	¥116.73	

\* "Per share of common stock" figures for the three months ended June 30, 2015 have been adjusted to reflect the two-for-one stock split carried out on July 1, 2015.

**Consolidated Statements of Comprehensive Income**

	Millions of yen		
	2015	2016	Increase (Decrease)
Net income	¥255,097	¥311,795	¥56,698
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities	(1,941)	(14,702)	(12,761)
Unrealized gain (loss) on derivative instruments	402	3,378	2,976
Foreign currency translation adjustments	(28,285)	(100,780)	(72,495)
Pension liability adjustments	507	2,576	2,069
Total other comprehensive income (loss)	(29,317)	(109,528)	(80,211)
<b>Total comprehensive income (loss)</b>	<b>225,780</b>	<b>202,267</b>	<b>(23,513)</b>
Less – Comprehensive income attributable to noncontrolling interests	56,127	48,290	(7,837)
<b>Total comprehensive income (loss) attributable to NTT</b>	<b>¥169,653</b>	<b>¥153,977</b>	<b>¥(15,676)</b>