

NTT Communications Corporation
NON-CONSOLIDATED BALANCE SHEET
(Based on Japanese accounting principles)

	<u>March 31, 2000</u>	<u>March 31, 2001</u>	
	Millions of Yen	Millions of Yen	Millions of US\$
<u>ASSETS</u>			
Fixed assets	963,200	1,551,612	12,614
Current assets	457,652	594,696	4,834
Total assets	<u>1,420,853</u>	<u>2,146,309</u>	<u>17,449</u>
<u>LIABILITIES</u>			
Long-term liabilities:			
Long-term debt	409,487	670,951	5,454
Liability for employees' severance payments	61,406	72,156	586
Other	1,158	816	6
Total long-term liabilities	<u>472,052</u>	<u>743,924</u>	<u>6,046</u>
Current liabilities:			
Current portion of long-term debt	31,068	64,124	521
Accounts payable, trade	50,491	52,950	430
Short-term borrowings	37,611	213,556	1,736
Accounts payable, other	198,689	252,343	2,051
Accrued taxes on income	75,490	--	--
Other	37,335	38,734	314
Total current liabilities	<u>430,686</u>	<u>621,709</u>	<u>5,054</u>
Total liabilities	<u>902,739</u>	<u>1,365,634</u>	<u>11,102</u>
<u>SHAREHOLDERS' EQUITY</u>			
Common stock	72,000	211,650	1,720
Additional paid-in capital	361,968	501,618	4,078
Legal reserve	--	6,122	49
Special depreciation reserve	--	991	8
Unappropriated retained earnings	84,145	58,096	472
Unrealized gain on securities	--	2,195	17
Total shareholders' equity	<u>518,114</u>	<u>780,674</u>	<u>6,346</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>1,420,853</u>	<u>2,146,309</u>	<u>17,449</u>

Note: Yen amounts have been translated, for convenience only, at ¥123=US\$1.00, the approximate exchange rate on March 30, 2001. Fractions are rounded down.



OFFICIAL FILE

I.C.C. DOCKET NO. 01-0602

Ajf Exhibit No. 2

Witness _____

Date 10/15/01 Reporter C

NTT Communications Corporation
NON-CONSOLIDATED STATEMENT OF INCOME
(Based on Japanese accounting principles)

	<u>Fiscal Year Beginning May 28, 1999</u> <u>And Ended March 31, 2000</u>	<u>Fiscal Year</u> <u>Ended March 31, 2001</u>	
	Millions of Yen	Millions of Yen	Millions of US\$
Operating revenues	1,075,302	1,355,520	11,020
Operating expenses	945,749	1,265,165	10,285
Operating income	129,552	90,355	734
Non-operating revenues	19,269	33,418	271
Non-operating expenses	21,103	42,119	342
Recurring profit	127,719	81,653	663
Extraordinary profit	16,832	--	--
Extraordinary loss	18,106	9,085	73
Income before taxes	126,445	72,568	589
Income taxes			
Current	75,500	23,800	193
Deferred	(21,900)	6,486	52
Net income	<u>72,845</u>	<u>42,282</u>	<u>343</u>
Per share data(in exact)	<u>of Yen</u>	<u>of Yen</u>	<u>of US\$</u>
Net income	50,587	27,436	223
Cash dividend	42,500	21,265	172

Note: Yen amounts have been translated, for convenience only, at ¥123=US\$1.00, the approximate exchange rate on March 30, 2001. Fractions are rounded down.



NTT Communications Corporation
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
(Based on Japanese accounting principles)

	<u>Fiscal Year Beginning July 1, 1999</u>		<u>Fiscal Year</u>	
	<u>And Ended March 31, 2000</u>		<u>Ended March 31, 2001</u>	
	Millions of Yen	Millions of Yen	Millions of US\$	
Cash flows from operating activities:				
Income before taxes	126,445	72,568	589	
Depreciation and amortization	92,565	119,197	969	
Loss on sale or disposal of property, plant and equipment	8,992	11,965	97	
Increase (decrease) in liability for employees' severance payments	16,903	10,750	87	
(Increase) decrease in notes and accounts receivable, trade	(234,917)	(46,239)	(375)	
Increase (decrease) in accounts payable, trade and accrued payroll	192,977	57,976	471	
(Increase) decrease in receivable consumption tax	(20,295)	20,295	165	
Increase (decrease) in accrued consumption tax	--	7,570	61	
Other	4,796	4,978	40	
	<u>187,468</u>	<u>259,062</u>	<u>2,106</u>	
Proceeds from interest and dividends	56	6,387	51	
Payments for interest	(7,057)	(25,993)	(211)	
Payments for taxes on income	(9)	(99,290)	(807)	
Net cash provided by operating activities	<u>180,458</u>	<u>140,166</u>	<u>1,139</u>	
Cash flows from investing activities:				
Payments for property, plant and equipment	(59,109)	(170,402)	(1,385)	
Acquisition of investments	(94,482)	(555,797)	(4,518)	
(Increase) decrease in short-term loan	(3,630)	(184,996)	(1,504)	
Other	24,344	3,464	28	
Net cash used in investing activities	<u>(132,877)</u>	<u>(907,732)</u>	<u>(7,379)</u>	
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	104,000	326,504	2,654	
Payments for settlement of long-term debt	(73,593)	(31,984)	(260)	
Increase (decrease) in short-term borrowings	33,200	175,944	1,430	
Proceeds from issuance of stock	--	279,300	2,270	
Other	--	(61,200)	(497)	
Net cash provided (used) by financing activities	<u>63,606</u>	<u>688,564</u>	<u>5,598</u>	
Effect of exchanges on cash and cash equivalents	--	2,215	18	
Net increase (decrease) in cash and cash equivalents	<u>111,187</u>	<u>(76,766)</u>	<u>(624)</u>	
Cash and cash equivalents at beginning of year	399	112,375	913	
Increase due to merger	788	4,904	39	
Cash and cash equivalents at end of year	<u>112,375</u>	<u>40,492</u>	<u>329</u>	

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