



July 30, 2010

Interconnection Accounting Report FY 2010 (For the Year Ended March 31, 2010)

Pursuant to Rules for Category I Designated Telecommunications Facilities Interconnection Accounting, Nippon Telegraph and Telephone East Corporation (NTT-East) has today submitted the Interconnection Accounting Report FY 2010 to the Minister for Internal Affairs and Communications.

The report is also publicly disclosed on the NTT-East Web site*.

An outline of the profit and loss statement included in the report is provided in the attachment.

* URL: http://www.ntt-east.co.jp/info-st_e/index.html

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(Attachment)

Profit and Loss Statement (Outline)

[Accounting Unit: Category I Designated Facilities Management Business]

(Unit: ¥Billion)

Category	FY 2010	Remarks
Operating Revenues	926.4	
Access charges	237.4	Access charge revenue from other carriers ※Of which, that portion relating to general category I designated facilities: ¥11.1 billion
Transfer charges	685.7	Access charge revenues from the Usage Business (transferred within NTT-East) ※Of which, that portion relating to general category I designated facilities: ¥51 billion
Interconnection equipment usage charges	3.2	Revenues such as interconnection equipment usage charges from other carriers ※Of which, that portion relating to general category I designated facilities: ¥0.2 billion
Operating Expenses	886.9	
Operating Profit	39.5	

[Accounting Unit: Category I Designated Facilities Usage Business]

(Unit: ¥Billion)

Category	FY 2010	Remarks
Operating Revenues	1549.6	User service revenues
Operating Expenses	1545.2	
Operating expenses	859.5	
Transfer charges	685.7	Payment of access charges to Management Business (transferred within NTT-East) ※Of which, that portion relating to category I designated facilities: ¥51 billion
Operating Profit	4.3	

(Note 1) All figures rounded down to nearest 100 million yen.

(Note 2) "General Category I Designated Facilities" refers to facilities that relate to, from among the functions set forth in the Interconnection Charge Rules (Ministry of Posts and Telecommunications Order No. 64 of 2000), Article 4, Table 6-2, general router connection routing and transmission functions, general relay router connection routing and transmission functions, and interconnection gateway switch connection routing and transmission functions; facilities relating to those functions set forth in Table 6-3 of the same article; and those facilities relating to session control provided in conjunction with SIP servers.

(Reference)

Outline of Rules for Category I Designated Telecommunications Facilities Interconnection Accounting

[Purpose]

The purpose of these Accounting Regulations is to specify the accounting methods used for interconnection to category I designated telecommunications facilities and to clarify revenues and expenses, etc., concerning this interconnection, thereby contributing to the calculation of appropriate interconnection charges.

* With respect to the expenses of telecommunications facilities that are attributed to the Category I Designated Facilities Management Business, data are totaled and classified per equipment category unit, such as switches and transmission lines, in order to provide a basis for calculating interconnection charges for each unbundled element.

[Regulations]

The accounting procedures adopted by telecommunications carriers that install category I designated telecommunications facilities are separated into the business to manage and operate category I designated telecommunications facilities (Category I Designated Facilities Management Business) and the business to use such facilities to provide service to users (Category I Designated Facilities Usage Business), and the Category I Designated Facilities Management Business provides these facilities to the Category I Designated Facilities Usage Business and other carriers on equal conditions.

[Statements Included]

	Statement	Description
1	Profit and Loss Statement	Profit (loss) of the Category I Designated Facilities Management Business and Category I Designated Facilities Usage Business
2	Statement of Mean Capital Employed and Rate of Return	Mean capital employed (rate base) by the Category I Designated Facilities Management Business and Category I Designated Facilities Usage Business, and the rate of return on that employed by the Management Business (pre-tax basis)
3	Detailed Statement of Fixed Asset Attribution	Breakdown of fixed assets attributed to the Category I Designated Facilities Management Business and the Category I Designated Facilities Usage Business *3-2 sets forth the breakdown of general category I designated facilities. *Optical Subscriber Lines and Optical Main Distribution Frames are listed by prefecture.
4	Detailed Statement of Expenses by Equipment Category	Breakdown of expenses by equipment category for the Category I Designated Facilities Management Business and the Category I Designated Facilities Usage Business *4-2 sets forth the breakdown of general category I designated facilities. *Optical Subscriber Lines and Optical Main Distribution Frames are listed by prefecture.