



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Nine Months Ended December 31, 2009

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the nine months ended December 31, 2009 are presented in the following attachments.

(Attachments)

1. Non-Consolidated Comparative Balance Sheets
2. Non-Consolidated Comparative Statements of Income
3. Business Results (Non-Consolidated Operating Revenues)
4. Non-Consolidated Comparative Statements of Cash Flows

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2009	December 31, 2009	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	525,363	542,292	16,929
Antenna facilities	6,507	6,189	(317)
Terminal equipment	90,041	85,313	(4,728)
Local line facilities	774,171	788,507	14,336
Long-distance line facilities	5,863	4,948	(915)
Engineering facilities	645,278	636,420	(8,857)
Submarine line facilities	2,117	1,818	(298)
Buildings	513,715	491,519	(22,195)
Construction in progress	27,243	27,638	395
Other	256,207	246,874	(9,332)
Total property, plant and equipment	2,846,508	2,831,523	(14,984)
Intangible fixed assets	99,629	97,458	(2,170)
Total fixed assets - telecommunications businesses	2,946,137	2,928,982	(17,155)
Investments and other assets			
Other investments and assets	285,401	286,639	1,237
Allowance for doubtful accounts	(1,619)	(1,451)	167
Total investments and other assets	283,782	285,187	1,404
Total fixed assets	3,229,920	3,214,169	(15,750)
Current assets:			
Cash and bank deposits	130,023	53,163	(76,859)
Notes receivable	5	25	20
Accounts receivable, trade	296,624	315,914	19,290
Supplies	37,414	41,352	3,938
Other current assets	38,836	73,702	34,865
Allowance for doubtful accounts	(2,360)	(2,542)	(182)
Total current assets	500,543	481,615	(18,927)
TOTAL ASSETS	3,730,463	3,695,785	(34,677)

(Millions of yen)

	March 31, 2009	December 31, 2009	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	649,338	813,673	164,334
Liability for employees' retirement benefits	285,469	291,234	5,765
Reserve for unused telephone cards	13,028	10,892	(2,136)
Other long-term liabilities	11,909	12,967	1,058
Total long-term liabilities	959,745	1,128,767	169,022
Current liabilities:			
Current portion of long-term borrowings from parent company	105,809	40,595	(65,214)
Accounts payable, trade	82,509	61,175	(21,333)
Short-term borrowings	65,000	5,000	(60,000)
Accrued taxes on income	2,253	*	9,846
Other current liabilities	421,010	343,880	(77,129)
Total current liabilities	676,582	460,498	(216,084)
TOTAL LIABILITIES	1,636,327	1,589,265	(47,062)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	259,456	271,870	12,414
Total shareholders' equity	2,094,182	2,106,597	12,414
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(47)	(77)	(29)
Total unrealized gains (losses), translation adjustments, and others	(47)	(77)	(29)
TOTAL NET ASSETS	2,094,135	2,106,519	12,384
TOTAL LIABILITIES AND NET ASSETS	3,730,463	3,695,785	(34,677)

Note: *NTT East participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan. However, except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements.

2. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009	Increase (Decrease)	Year ended March 31, 2009
Telecommunications businesses:				
Operating revenues	1,369,070	1,340,713	(28,357)	1,825,790
Operating expenses	1,332,958	1,294,895	(38,063)	1,789,250
Operating income from telecommunications businesses	36,111	45,818	9,706	36,540
Supplementary businesses:				
Operating revenues	82,451	84,681	2,229	127,201
Operating expenses	80,481	82,718	2,236	127,043
Operating income from supplementary businesses	1,970	1,962	(7)	157
Operating income	38,081	47,780	9,699	36,697
Non-operating revenues:				
Interest income	22	26	4	26
Dividends received	12,227	3,811	(8,416)	12,229
Lease and rental income	40,885	37,748	(3,137)	52,774
Miscellaneous income	3,476	2,235	(1,240)	4,227
Total non-operating revenues	56,612	43,821	(12,790)	69,257
Non-operating expenses:				
Interest expenses	9,448	8,620	(827)	12,375
Lease and rental expenses	17,644	15,857	(1,786)	23,580
Miscellaneous expenses	1,337	4,104	2,766	4,615
Total non-operating expenses	28,430	28,583	152	40,571
Recurring profit	66,263	63,019	(3,244)	65,383
Special profits	51,350	9,836	(41,514)	57,595
Income before income taxes	117,614	72,855	(44,758)	122,978
Income taxes	* 44,689	* 26,941	(17,747)	45,425
Net income	72,925	45,914	(27,010)	77,552

Note: *NTT East participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan. However, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the nine months ended December 31, 2008. Except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the nine months ended December 31, 2009.

(Millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009	Increase (Decrease)
Telecommunications businesses:			
Operating revenues	457,486	448,613	(8,872)
Operating expenses	441,409	434,626	(6,783)
Operating income from telecommunications businesses	16,076	13,987	(2,089)
Supplementary businesses:			
Operating revenues	28,072	30,410	2,337
Operating expenses	26,664	28,868	2,203
Operating income from supplementary businesses	1,407	1,541	133
Operating income	17,484	15,528	(1,955)
Non-operating revenues:			
Interest income	6	10	3
Dividends received	15	15	0
Lease and rental income	13,233	12,286	(947)
Miscellaneous income	1,388	767	(621)
Total non-operating revenues	14,644	13,079	(1,565)
Non-operating expenses:			
Interest expenses	3,156	2,895	(260)
Lease and rental expenses	6,644	5,179	(1,464)
Miscellaneous expenses	392	1,779	1,386
Total non-operating expenses	10,193	9,855	(337)
Recurring profit	21,936	18,753	(3,183)
Special profits	27,116	586	(26,530)
Income before income taxes	49,052	19,339	(29,713)
Income taxes	* 20,228	* 7,402	(12,826)
Net income	28,824	11,937	(16,887)

Note: *NTT East participates in a consolidated tax return system, which has been adopted by NTT (Holding Company) and its wholly-owned subsidiaries in Japan. However, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the three months ended December 31, 2008. Except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the three months ended December 31, 2009.

3. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2009
Voice transmission services revenues (excluding IP services revenues)	694,672	621,717	(72,955)	(10.5)	911,264
Monthly charge revenues*	470,114	427,269	(42,845)	(9.1)	619,821
Call rates revenues*	77,952	64,789	(13,162)	(16.9)	100,801
Interconnection call revenues*	91,319	77,452	(13,867)	(15.2)	118,078
IP services revenues	415,103	476,342	61,238	14.8	563,908
Leased circuit services revenues (excluding IP services revenues)	128,503	116,973	(11,530)	(9.0)	169,392
Telegram services revenues	16,664	15,459	(1,204)	(7.2)	22,216
Other telecommunications services revenues	114,125	110,220	(3,905)	(3.4)	159,008
Telecommunications total revenues	1,369,070	1,340,713	(28,357)	(2.1)	1,825,790
Supplementary business total revenues	82,451	84,681	2,229	2.7	127,201
Total operating revenues	1,451,522	1,425,394	(26,127)	(1.8)	1,952,991

*Partial listing only

(Millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009	Increase (Decrease)	Percent Increase (Decrease)
Voice transmission services revenues (excluding IP services revenues)	225,944	202,681	(23,262)	(10.3)
Monthly charge revenues*	154,060	139,576	(14,483)	(9.4)
Call rates revenues*	24,877	20,946	(3,930)	(15.8)
Interconnection call revenues*	29,321	25,417	(3,904)	(13.3)
IP services revenues	143,986	163,791	19,804	13.8
Leased circuit services revenues (excluding IP services revenues)	41,733	38,275	(3,457)	(8.3)
Telegram services revenues	5,647	5,370	(277)	(4.9)
Other telecommunications services revenues	40,174	38,494	(1,679)	(4.2)
Telecommunications total revenues	457,486	448,613	(8,872)	(1.9)
Supplementary business total revenues	28,072	30,410	2,337	8.3
Total operating revenues	485,559	479,023	(6,535)	(1.3)

*Partial listing only

4. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009	Increase (Decrease)	Year ended March 31, 2009
Cash flows from operating activities:				
Income before income taxes	117,614	72,855	(44,758)	122,978
Depreciation and amortization	321,754	309,892	(11,862)	425,634
Loss on disposal of property, plant and equipment	13,160	14,942	1,781	20,989
Gains on sales of fixed assets	(51,350)	(9,836)	41,514	(57,595)
Increase (decrease) in liability for employees' retirement benefits	(4,966)	5,765	10,731	(33,468)
(Increase) decrease in accounts receivable	(17,374)	(17,570)	(195)	11,531
(Increase) decrease in inventories	(7,987)	(3,938)	4,048	(1,916)
Increase (decrease) in accounts payable and accrued expenses	(102,203)	(73,283)	28,920	(44,855)
Increase (decrease) in accrued consumption tax	1,205	2,994	1,788	174
Other	7,204	30,081	22,876	17,948
Sub-total	277,055	331,902	54,846	461,421
Interest and dividends received	12,251	3,837	(8,413)	12,255
Interest paid	(8,953)	(8,232)	720	(12,523)
Income taxes received (paid)	(15,337)	(25,041)	(9,704)	(15,401)
Net cash provided by (used in) operating activities	265,016	302,466	37,449	445,752
Cash flows from investing activities:				
Payments for property, plant and equipment	(365,002)	(329,607)	35,394	(478,356)
Proceeds from sale of property, plant and equipment	68,336	12,572	(55,764)	74,701
Payments for purchase of investment securities	(11,291)	(2,215)	9,076	(11,954)
Proceeds from sale of investment securities	516	321	(194)	526
Other	(711)	470	1,182	1,816
Net cash provided by (used in) investing activities	(308,153)	(318,458)	(10,305)	(413,266)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	100,000	200,000	100,000	150,000
Payments for settlement of long-term debt	(116,098)	(100,879)	15,219	(162,419)
Net increase (decrease) in short-term borrowings	36,962	(109,992)	(146,955)	11,992
Payments for settlement of lease obligations	(451)	(358)	93	(790)
Dividends paid	(33,500)	(33,500)	-	(33,500)
Net cash provided by (used in) financing activities	(13,087)	(44,730)	(31,642)	(34,717)
Net increase (decrease) in cash and cash equivalents	(56,224)	(60,722)	(4,498)	(2,232)
Cash and cash equivalents at beginning of period	134,903	132,671	(2,232)	134,903
Cash and cash equivalents at end of period	78,679	71,948	(6,730)	132,671