



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Three Months Ended June 30, 2010

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the three months ended June 30, 2010 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

For inquiries, please contact:
Mr. Hiroshi Niitsu or Mr. Takayuki Arita
Accounting Section, Finance Division
Nippon Telegraph and Telephone East Corporation
Tel: +81-3-5359-3331
E-mail: kessan_info@sinoa.east.ntt.co.jp

1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2010	June 30, 2010	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	536,644	528,645	(7,999)
Antenna facilities	6,068	5,958	(110)
Terminal equipment	83,337	81,281	(2,055)
Local line facilities	807,620	806,044	(1,576)
Long-distance line facilities	4,764	4,470	(294)
Engineering facilities	636,588	632,687	(3,900)
Submarine line facilities	1,722	1,625	(96)
Buildings	487,827	480,758	(7,068)
Construction in progress	29,150	30,332	1,181
Other	261,842	258,673	(3,169)
Total property, plant and equipment	2,855,567	2,830,478	(25,089)
Intangible fixed assets	103,461	101,985	(1,476)
Total fixed assets - telecommunications businesses	2,959,029	2,932,463	(26,566)
Investments and other assets			
Other investments and assets	271,691	269,512	(2,178)
Allowance for doubtful accounts	(1,425)	(1,157)	267
Total investments and other assets	270,266	268,355	(1,910)
Total fixed assets	3,229,295	3,200,819	(28,476)
Current assets:			
Cash and bank deposits	138,155	77,267	(60,888)
Notes receivable	68	73	4
Accounts receivable, trade	293,993	267,979	(26,014)
Supplies	35,496	35,323	(172)
Other current assets	45,982	102,076	56,094
Allowance for doubtful accounts	(2,748)	(2,708)	39
Total current assets	510,947	480,011	(30,936)
TOTAL ASSETS	3,740,243	3,680,830	(59,413)

(Millions of yen)

	March 31, 2010	June 30, 2010	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	758,743	740,425	(18,317)
Liability for employees' retirement benefits	280,650	279,651	(998)
Reserve for unused telephone cards	15,397	14,843	(553)
Asset retirement obligations	-	699	699
Other long-term liabilities	12,930	12,108	(821)
Total long-term liabilities	1,067,721	1,047,729	(19,991)
Current liabilities:			
Current portion of long-term borrowings from parent company	90,595	108,545	17,950
Accounts payable, trade	95,670	56,432	(39,238)
Accrued taxes on income	8,143	* 4,383	(3,759)
Other current liabilities	366,885	368,068	1,183
Total current liabilities	561,294	537,429	(23,864)
TOTAL LIABILITIES	1,629,015	1,585,159	(43,856)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	276,505	261,055	(15,450)
Total shareholders' equity	2,111,231	2,095,781	(15,450)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(4)	(111)	(106)
Total unrealized gains (losses), translation adjustments, and others	(4)	(111)	(106)
TOTAL NET ASSETS	2,111,227	2,095,670	(15,556)
TOTAL LIABILITIES AND NET ASSETS	3,740,243	3,680,830	(59,413)

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)

	Three months ended June 30, 2009	Three months ended June 30, 2010	Increase (Decrease)	Year ended March 31, 2010
Telecommunications businesses:				
Operating revenues	442,139	441,247	(891)	1,790,369
Operating expenses	430,408	418,778	(11,629)	1,746,500
Operating income from telecommunications businesses	11,731	22,469	10,738	43,868
Supplementary businesses:				
Operating revenues	25,392	29,020	3,627	138,283
Operating expenses	25,262	27,628	2,365	134,518
Operating income from supplementary businesses	129	1,391	1,261	3,765
Operating income	11,860	23,861	12,000	47,634
Non-operating revenues:				
Interest income	7	39	31	46
Dividends received	411	234	(177)	3,814
Lease and rental income	12,819	11,662	(1,157)	54,519
Miscellaneous income	843	1,699	855	3,253
Total non-operating revenues	14,082	13,634	(447)	61,633
Non-operating expenses:				
Interest expenses	2,845	2,822	(23)	11,451
Lease and rental expenses	5,232	4,989	(243)	21,417
Miscellaneous expenses	959	608	(351)	4,648
Total non-operating expenses	9,037	8,420	(617)	37,517
Recurring profit	16,905	29,075	12,170	71,750
Special profits	4,604	-	(4,604)	9,829
Income before income taxes	21,509	29,075	7,566	81,580
Income taxes	*	*	3,315	31,031
Net income	13,798	18,049	4,251	50,549

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.

3. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2010
Voice transmission services revenues (excluding IP services revenues)	211,312	191,970	(19,341)	(9.2)	816,170
Monthly charge revenues*	145,244	131,613	(13,630)	(9.4)	562,912
Call rates revenues*	22,374	18,799	(3,574)	(16.0)	84,126
Interconnection call revenues*	26,342	25,711	(630)	(2.4)	101,115
IP services revenues	153,475	175,040	21,565	14.1	645,510
Leased circuit services revenues (excluding IP services revenues)	39,713	37,949	(1,764)	(4.4)	154,574
Telegram services revenues	5,715	5,353	(362)	(6.3)	20,671
Other telecommunications services revenues	31,922	30,934	(988)	(3.1)	153,442
Telecommunications total revenues	442,139	441,247	(891)	(0.2)	1,790,369
Supplementary business total revenues	25,392	29,020	3,627	14.3	138,283
Total operating revenues	467,531	470,268	2,736	0.6	1,928,653

*Partial listing only

4. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010	Increase (Decrease)	Year ended March 31, 2010
Cash flows from operating activities:				
Income before income taxes	21,509	29,075	7,566	81,580
Depreciation and amortization	102,696	102,112	(583)	409,107
Loss on disposal of property, plant and equipment	5,114	4,699	(414)	22,817
Gains on sales of fixed assets	(4,604)	-	4,604	(9,829)
Increase (decrease) in liability for employees' retirement benefits	1,471	(998)	(2,469)	(4,819)
(Increase) decrease in accounts receivable	27,852	27,788	(63)	2,204
(Increase) decrease in inventories	(3,210)	(139)	3,070	1,918
Increase (decrease) in accounts payable and accrued expenses	(59,676)	(87,089)	(27,413)	(3,536)
Increase (decrease) in accrued consumption tax	1,283	3,121	1,838	809
Other	11,178	20,212	9,033	50,044
Sub-total	103,614	98,781	(4,832)	550,296
Interest and dividends received	419	272	(146)	3,856
Interest paid	(2,642)	(2,629)	12	(11,420)
Income taxes received (paid)	(943)	(6,924)	(5,981)	(24,929)
Net cash provided by (used in) operating activities	100,448	89,500	(10,948)	517,802
Cash flows from investing activities:				
Payments for property, plant and equipment	(136,054)	(102,683)	33,370	(451,531)
Proceeds from sale of property, plant and equipment	5,483	1,153	(4,329)	12,674
Payments for purchase of investment securities	(0)	-	0	(2,215)
Proceeds from sale of investment securities	240	2,040	1,799	353
Other	295	(15)	(311)	2,025
Net cash provided by (used in) investing activities	(130,035)	(99,505)	30,529	(438,693)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	150,000	-	(150,000)	200,000
Payments for settlement of long-term debt	(90,315)	(367)	89,947	(105,809)
Net increase (decrease) in short-term borrowings	(39,992)	15,999	55,992	(125,000)
Payments for settlement of lease obligations	(194)	(747)	(553)	(2,706)
Dividends paid	(33,500)	(33,500)	-	(33,500)
Net cash provided by (used in) financing activities	(14,002)	(18,615)	(4,613)	(67,015)
Net increase (decrease) in cash and cash equivalents	(43,588)	(28,621)	14,967	12,093
Cash and cash equivalents at beginning of period	132,671	144,764	12,093	132,671
Cash and cash equivalents at end of period	89,082	116,143	27,060	144,764