



# *News Release*

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FOR IMMEDIATE RELEASE

## **Financial Statements for the Three Months Ended June 30, 2011**

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the three months ended June 30, 2011 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)

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## 1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2011	June 30, 2011	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	518,747	508,797	(9,950)
Antenna facilities	5,456	5,356	(99)
Terminal equipment	73,253	71,495	(1,758)
Local line facilities	801,071	802,413	1,342
Long-distance line facilities	3,921	3,745	(176)
Engineering facilities	628,723	624,818	(3,904)
Submarine line facilities	2,213	2,096	(116)
Buildings	474,115	466,980	(7,134)
Construction in progress	42,344	36,461	(5,882)
Other	259,472	256,556	(2,915)
Total property, plant and equipment	2,809,318	2,778,722	(30,596)
Intangible fixed assets	104,987	99,828	(5,159)
Total fixed assets - telecommunications businesses	2,914,306	2,878,550	(35,756)
Investments and other assets			
Other investments and assets	254,992	254,196	(796)
Allowance for doubtful accounts	(1,063)	(1,029)	33
Total investments and other assets	253,929	253,166	(762)
Total fixed assets	3,168,235	3,131,717	(36,518)
Current assets:			
Cash and bank deposits	172,498	81,721	(90,777)
Notes receivable	7	221	214
Accounts receivable, trade	323,537	262,152	(61,385)
Supplies	35,259	42,372	7,113
Other current assets	69,587	87,286	17,698
Allowance for doubtful accounts	(4,073)	(3,354)	719
Total current assets	596,816	470,399	(126,417)
<b>TOTAL ASSETS</b>	<b>3,765,052</b>	<b>3,602,116</b>	<b>(162,935)</b>

(Millions of yen)

	March 31, 2011	June 30, 2011	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	666,055	685,687	19,632
Liability for employees' retirement benefits	254,054	252,010	(2,044)
Reserve for point services	2,944	3,765	820
Reserve for unused telephone cards	15,101	14,558	(542)
Asset retirement obligations	629	633	3
Other long-term liabilities	10,056	9,663	(393)
Total long-term liabilities	948,842	966,318	17,475
Current liabilities:			
Current portion of long-term borrowings from parent company	122,687	104,737	(17,950)
Accounts payable, trade	104,534	56,789	(47,744)
Short-term borrowings	30,000	10,000	(20,000)
Accrued taxes on income	1,661	* 3,457	1,796
Allowance for loss on disaster	5,500	5,188	(311)
Asset retirement obligations	70	70	0
Other current liabilities	421,985	346,631	(75,353)
Total current liabilities	686,438	526,874	(159,564)
<b>TOTAL LIABILITIES</b>	<b>1,635,281</b>	<b>1,493,192</b>	<b>(142,088)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	295,308	274,539	(20,769)
Total shareholders' equity	2,130,035	2,109,265	(20,769)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(263)	(341)	(77)
Total unrealized gains (losses), translation adjustments, and others	(263)	(341)	(77)
<b>TOTAL NET ASSETS</b>	<b>2,129,771</b>	<b>2,108,924</b>	<b>(20,847)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,765,052</b>	<b>3,602,116</b>	<b>(162,935)</b>

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, 2010	Three months ended June 30, 2011	Increase (Decrease)	Year ended March 31, 2011
Telecommunications businesses:				
Operating revenues	441,247	426,461	(14,786)	1,776,085
Operating expenses	418,778	408,594	(10,184)	1,706,911
Operating income from telecommunications businesses	22,469	17,867	(4,602)	69,173
Supplementary businesses:				
Operating revenues	29,020	27,683	(1,336)	181,061
Operating expenses	27,628	26,339	(1,288)	173,080
Operating income from supplementary businesses	1,391	1,343	(48)	7,981
Operating income	23,861	19,211	(4,650)	77,155
Non-operating revenues:				
Interest income	39	31	(7)	141
Dividends received	234	587	352	1,817
Lease and rental income	11,662	11,134	(527)	45,112
Miscellaneous income	1,699	2,056	357	6,823
Total non-operating revenues	13,634	13,809	174	53,894
Non-operating expenses:				
Interest expenses	2,822	2,505	(317)	10,969
Lease and rental expenses	4,989	4,674	(314)	21,457
Miscellaneous expenses	608	597	(10)	2,556
Total non-operating expenses	8,420	7,777	(642)	34,983
Recurring profit	29,075	25,242	(3,832)	96,066
Special losses	-	5,801	5,801	19,190
Income before income taxes	29,075	19,441	(9,633)	76,876
Income taxes	*	11,025	*	6,711
Net income	18,049	12,730	(5,319)	52,303

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, 2010	Three months ended June 30, 2011	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2011
Voice transmission services revenues (excluding IP services revenues)	191,970	170,268	(21,702)	(11.3)	742,278
Monthly charge revenues*	131,613	118,797	(12,816)	(9.7)	509,204
Call rates revenues*	18,799	15,893	(2,905)	(15.5)	71,160
Interconnection call revenues*	25,711	21,504	(4,207)	(16.4)	99,854
IP services revenues	175,040	187,715	12,674	7.2	724,493
Leased circuit services revenues (excluding IP services revenues)	37,949	34,304	(3,644)	(9.6)	149,488
Telegram services revenues	5,353	4,679	(673)	(12.6)	18,869
Other telecommunications services revenues	30,934	29,494	(1,439)	(4.7)	140,956
Telecommunications total revenues	441,247	426,461	(14,786)	(3.4)	1,776,085
Supplementary business total revenues	29,020	27,683	(1,336)	(4.6)	181,061
Total operating revenues	470,268	454,145	(16,122)	(3.4)	1,957,147

\*Partial listing only