



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Six Months Ended September 30, 2011

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the six months ended September 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)
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, 2011	September 30, 2011	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	518,747	504,672	(14,074)
Antenna facilities	5,456	5,259	(197)
Terminal equipment	73,253	69,295	(3,957)
Local line facilities	801,071	807,028	5,956
Long-distance line facilities	3,921	3,560	(360)
Engineering facilities	628,723	621,534	(7,188)
Submarine line facilities	2,213	1,998	(215)
Buildings	474,115	461,742	(12,373)
Construction in progress	42,344	37,139	(5,204)
Other	259,472	254,664	(4,807)
Total property, plant and equipment	2,809,318	2,766,894	(42,423)
Intangible fixed assets	104,987	94,529	(10,458)
Total fixed assets - telecommunications businesses	2,914,306	2,861,423	(52,882)
Investments and other assets			
Other investments and assets	254,992	254,459	(533)
Allowance for doubtful accounts	(1,063)	(1,039)	24
Total investments and other assets	253,929	253,420	(508)
Total fixed assets	3,168,235	3,114,844	(53,391)
Current assets:			
Cash and bank deposits	172,498	87,815	(84,683)
Notes receivable	7	221	214
Accounts receivable, trade	323,537	265,054	(58,483)
Supplies	35,259	42,044	6,785
Other current assets	69,587	108,633	39,045
Allowance for doubtful accounts	(4,073)	(3,383)	690
Total current assets	596,816	500,386	(96,430)
TOTAL ASSETS	3,765,052	3,615,230	(149,822)

(Millions of yen)

	March 31, 2011	September 30, 2011	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	666,055	641,885	(24,169)
Liability for employees' retirement benefits	254,054	251,681	(2,373)
Reserve for point services	2,944	4,021	1,076
Reserve for unused telephone cards	15,101	15,016	(84)
Asset retirement obligations	629	636	7
Other long-term liabilities	10,056	12,810	2,754
Total long-term liabilities	948,842	926,052	(22,789)
Current liabilities:			
Current portion of long-term borrowings from parent company	122,687	144,038	21,350
Accounts payable, trade	104,534	60,140	(44,393)
Short-term borrowings	30,000	-	(30,000)
Accrued taxes on income	1,661	* 6,222	4,561
Allowance for loss on disaster	5,500	4,518	(982)
Asset retirement obligations	70	70	0
Other current liabilities	421,985	351,182	(70,803)
Total current liabilities	686,438	566,172	(120,265)
TOTAL LIABILITIES	1,635,281	1,492,225	(143,055)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	295,308	288,548	(6,760)
Total shareholders' equity	2,130,035	2,123,275	(6,760)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(263)	(270)	(6)
Total unrealized gains (losses), translation adjustments, and others	(263)	(270)	(6)
TOTAL NET ASSETS	2,129,771	2,123,004	(6,766)
TOTAL LIABILITIES AND NET ASSETS	3,765,052	3,615,230	(149,822)

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)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Increase (Decrease)	Year ended March 31, 2011
Telecommunications businesses:				
Operating revenues	888,411	858,122	(30,288)	1,776,085
Operating expenses	843,126	829,708	(13,417)	1,706,911
Operating income from telecommunications businesses	45,284	28,413	(16,870)	69,173
Supplementary businesses:				
Operating revenues	63,325	58,471	(4,853)	181,061
Operating expenses	62,482	55,324	(7,158)	173,080
Operating income from supplementary businesses	842	3,147	2,304	7,981
Operating income	46,127	31,561	(14,566)	77,155
Non-operating revenues:				
Interest income	66	55	(11)	141
Dividends received	1,796	2,633	836	1,817
Lease and rental income	22,799	22,057	(742)	45,112
Miscellaneous income	4,191	2,680	(1,511)	6,823
Total non-operating revenues	28,855	27,425	(1,429)	53,894
Non-operating expenses:				
Interest expenses	5,587	5,021	(565)	10,969
Lease and rental expenses	10,591	9,541	(1,050)	21,457
Miscellaneous expenses	1,953	781	(1,172)	2,556
Total non-operating expenses	18,132	15,344	(2,788)	34,983
Recurring profit	56,850	43,642	(13,207)	96,066
Special profits	-	4,393	4,393	-
Special losses	-	7,985	7,985	19,190
Income before income taxes	56,850	40,051	(16,799)	76,876
Income taxes	* 20,538	* 13,311	(7,226)	24,572
Net income	36,312	26,739	(9,572)	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)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2011
Voice transmission services revenues (excluding IP services revenues)	380,027	336,300	(43,727)	(11.5)	742,278
Monthly charge revenues*	260,718	235,496	(25,221)	(9.7)	509,204
Call rates revenues*	36,832	30,952	(5,880)	(16.0)	71,160
Interconnection call revenues*	51,024	42,421	(8,603)	(16.9)	99,854
IP services revenues	355,035	380,669	25,634	7.2	724,493
Leased circuit services revenues (excluding IP services revenues)	75,676	68,567	(7,108)	(9.4)	149,488
Telegram services revenues	9,406	8,315	(1,090)	(11.6)	18,869
Other telecommunications services revenues	68,265	64,270	(3,995)	(5.9)	140,956
Telecommunications total revenues	888,411	858,122	(30,288)	(3.4)	1,776,085
Supplementary business total revenues	63,325	58,471	(4,853)	(7.7)	181,061
Total operating revenues	951,736	916,594	(35,141)	(3.7)	1,957,147

*Partial listing only

4. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Increase (Decrease)	Year ended March 31, 2011
Cash flows from operating activities:				
Income before income taxes	56,850	40,051	(16,799)	76,876
Depreciation and amortization	202,616	197,940	(4,676)	403,510
Loss on disposal of property, plant and equipment	11,522	9,649	(1,872)	26,826
Increase (decrease) in liability for employees' retirement benefits	(1,092)	(2,373)	(1,281)	(26,595)
(Increase) decrease in accounts receivable	20,105	58,793	38,687	(30,084)
(Increase) decrease in inventories	399	(5,477)	(5,876)	2,939
Increase (decrease) in accounts payable and accrued expenses	(63,341)	(92,101)	(28,759)	39,504
Increase (decrease) in accrued consumption tax	3,523	(2,017)	(5,540)	3,460
Other	19,159	(3,528)	(22,687)	50,117
Sub-total	249,743	200,936	(48,806)	546,554
Interest and dividends received	1,863	2,688	825	1,959
Interest paid	(5,770)	(5,176)	593	(11,071)
Income taxes received (paid)	(19,194)	(4,764)	14,430	(23,043)
Net cash provided by (used in) operating activities	226,641	193,684	(32,957)	514,399
Cash flows from investing activities:				
Payments for property, plant and equipment	(189,172)	(197,876)	(8,704)	(395,380)
Proceeds from sale of property, plant and equipment	3,105	569	(2,535)	5,530
Payments for purchase of investment securities	(553)	-	553	(3,047)
Proceeds from sale of investment securities	2,040	217	(1,822)	2,201
Other	(154)	308	463	1,742
Net cash provided by (used in) investing activities	(184,735)	(196,781)	(12,046)	(388,953)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	-	20,000	20,000	30,000
Payments for settlement of long-term debt	(35,297)	(22,818)	12,478	(90,595)
Net increase (decrease) in short-term borrowings	1,000	(30,000)	(31,000)	30,000
Payments for settlement of lease obligations	(1,674)	(1,663)	10	(3,289)
Dividends paid	(33,500)	(33,500)	-	(33,500)
Net cash provided by (used in) financing activities	(69,471)	(67,982)	1,488	(67,385)
Net increase (decrease) in cash and cash equivalents	(27,565)	(71,080)	(43,514)	58,060
Cash and cash equivalents at beginning of period	144,764	202,824	58,060	144,764
Cash and cash equivalents at end of period	117,199	131,744	14,545	202,824