



News Release

NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION

February 6, 2012

FOR IMMEDIATE RELEASE

Financial Statements for the Nine Months Ended December 31, 2011

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the nine months ended December 31, 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. Revised Forecasts for the Fiscal Year Ending March 31, 2012

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2011	December 31, 2011	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	518,747	500,369	(18,378)
Antenna facilities	5,456	5,172	(283)
Terminal equipment	73,253	66,569	(6,683)
Local line facilities	801,071	810,607	9,535
Long-distance line facilities	3,921	3,434	(486)
Engineering facilities	628,723	618,449	(10,274)
Submarine line facilities	2,213	1,886	(326)
Buildings	474,115	455,295	(18,819)
Construction in progress	42,344	38,459	(3,884)
Other	259,472	253,522	(5,950)
Total property, plant and equipment	2,809,318	2,753,767	(55,551)
Intangible fixed assets	104,987	92,449	(12,538)
Total fixed assets - telecommunications businesses	2,914,306	2,846,216	(68,090)
Investments and other assets			
Other investments and assets	254,992	238,017	(16,974)
Allowance for doubtful accounts	(1,063)	(1,000)	62
Total investments and other assets	253,929	237,017	(16,911)
Total fixed assets	3,168,235	3,083,233	(85,002)
Current assets:			
Cash and bank deposits	172,498	52,774	(119,724)
Notes receivable	7	35	28
Accounts receivable, trade	323,537	303,267	(20,270)
Supplies	35,259	42,014	6,755
Other current assets	69,587	105,139	35,551
Allowance for doubtful accounts	(4,073)	(3,569)	503
Total current assets	596,816	499,662	(97,154)
TOTAL ASSETS	3,765,052	3,582,895	(182,157)

(Millions of yen)

	March 31, 2011	December 31, 2011	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	666,055	721,517	55,462
Liability for employees' retirement benefits	254,054	250,848	(3,206)
Reserve for point services	2,944	4,393	1,448
Reserve for unused telephone cards	15,101	14,568	(532)
Asset retirement obligations	629	640	10
Other long-term liabilities	10,056	12,666	2,609
Total long-term liabilities	948,842	1,004,634	55,791
Current liabilities:			
Current portion of long-term borrowings from parent company	122,687	49,038	(73,649)
Accounts payable, trade	104,534	60,964	(43,569)
Short-term borrowings	30,000	-	(30,000)
Accrued taxes on income	1,661	* 6,063	4,402
Allowance for loss on disaster	5,500	3,644	(1,855)
Asset retirement obligations	70	-	(70)
Other current liabilities	421,985	339,978	(82,006)
Total current liabilities	686,438	459,689	(226,748)
TOTAL LIABILITIES	1,635,281	1,464,323	(170,957)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	295,308	284,163	(11,145)
Total shareholders' equity	2,130,035	2,118,890	(11,145)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(263)	(318)	(54)
Total unrealized gains (losses), translation adjustments, and others	(263)	(318)	(54)
TOTAL NET ASSETS	2,129,771	2,118,571	(11,200)
TOTAL LIABILITIES AND NET ASSETS	3,765,052	3,582,895	(182,157)

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, 2010	Nine months ended December 31, 2011	Increase (Decrease)	Year ended March 31, 2011
Telecommunications businesses:				
Operating revenues	1,333,150	1,288,907	(44,243)	1,776,085
Operating expenses	1,263,374	1,247,587	(15,786)	1,706,911
Operating income from telecommunications businesses	69,775	41,319	(28,456)	69,173
Supplementary businesses:				
Operating revenues	105,630	90,919	(14,711)	181,061
Operating expenses	102,637	85,482	(17,154)	173,080
Operating income from supplementary businesses	2,992	5,436	2,443	7,981
Operating income	72,768	46,755	(26,013)	77,155
Non-operating revenues:				
Interest income	101	76	(24)	141
Dividends received	1,815	2,653	837	1,817
Lease and rental income	34,051	32,953	(1,098)	45,112
Miscellaneous income	5,877	3,525	(2,352)	6,823
Total non-operating revenues	41,845	39,208	(2,637)	53,894
Non-operating expenses:				
Interest expenses	8,317	7,513	(804)	10,969
Lease and rental expenses	15,524	14,245	(1,278)	21,457
Miscellaneous expenses	2,096	1,175	(920)	2,556
Total non-operating expenses	25,938	22,933	(3,004)	34,983
Recurring profit	88,676	63,030	(25,646)	96,066
Special profits	-	4,454	4,454	-
Special losses	-	9,687	9,687	19,190
Income before income taxes	88,676	57,796	(30,879)	76,876
Income taxes	*	32,447	*	35,442
Net income	56,229	22,354	(33,874)	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)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2011
Voice transmission services revenues (excluding IP services revenues)	563,967	497,810	(66,157)	(11.7)	742,278
Monthly charge revenues*	387,207	349,928	(37,279)	(9.6)	509,204
Call rates revenues*	54,255	44,801	(9,453)	(17.4)	71,160
Interconnection call revenues*	75,715	62,700	(13,015)	(17.2)	99,854
IP services revenues	538,880	577,749	38,868	7.2	724,493
Leased circuit services revenues (excluding IP services revenues)	112,805	102,579	(10,226)	(9.1)	149,488
Telegram services revenues	14,275	12,660	(1,615)	(11.3)	18,869
Other telecommunications services revenues	103,221	98,108	(5,113)	(5.0)	140,956
Telecommunications total revenues	1,333,150	1,288,907	(44,243)	(3.3)	1,776,085
Supplementary business total revenues	105,630	90,919	(14,711)	(13.9)	181,061
Total operating revenues	1,438,780	1,379,826	(58,954)	(4.1)	1,957,147

*Partial listing only.

4. Revised Forecasts for the Fiscal Year Ending March 31, 2012

Income tax rates will be adjusted for accounting periods that begin on or after April 1, 2012, and the corresponding statutory effective tax rate will be lowered. As a result, a portion of deferred tax assets will be reversed, and NTT East has revised its results forecasts that were announced in the financial results release on November 9, 2011 for the six months ended September 30, 2011, as follows.

(Billions of yen)

	Year Ending March 31, 2012 (Forecasts when previous 2Q results were announced)	Year Ending March 31, 2012 (Revised Forecasts)	Change
Operating Revenues	1,895.0	1,895.0	—
Operating Income	70.0	70.0	—
Recurring Profit	85.0	85.0	—
Net Income	47.0	31.0	(16.0)