



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Three Months Ended June 30, 2015

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the three months ended June 30, 2015 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, 2015	June 30, 2015	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	434,518	421,467	(13,050)
Antenna facilities	3,948	3,891	(56)
Terminal equipment	37,569	35,958	(1,611)
Local line facilities	854,162	844,403	(9,758)
Long-distance line facilities	3,683	3,566	(116)
Engineering facilities	602,828	598,490	(4,338)
Submarine line facilities	1,119	1,052	(66)
Buildings	423,373	416,775	(6,597)
Construction in progress	27,975	24,717	(3,258)
Other	257,129	254,132	(2,996)
Total property, plant and equipment	2,646,308	2,604,457	(41,851)
Intangible fixed assets	84,496	80,435	(4,061)
Total fixed assets - telecommunications businesses	2,730,805	2,684,892	(45,912)
Investments and other assets			
Other investments and assets	198,579	198,074	(505)
Allowance for doubtful accounts	(956)	(919)	36
Total investments and other assets	197,623	197,154	(469)
Total fixed assets	2,928,428	2,882,046	(46,381)
Current assets:			
Cash and bank deposits	21,980	17,367	(4,613)
Notes receivable	15	-	(15)
Accounts receivable, trade	236,984	210,585	(26,399)
Supplies	33,633	32,299	(1,333)
Other current assets	260,213	246,137	(14,076)
Allowance for doubtful accounts	(544)	(438)	106
Total current assets	552,283	505,951	(46,332)
TOTAL ASSETS	3,480,711	3,387,998	(92,713)

(Millions of yen)

	March 31, 2015	June 30, 2015	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	430,955	430,955	-
Liability for employees' retirement benefits	232,618	235,318	2,699
Reserve for point services	9,724	11,194	1,470
Reserve for unused telephone cards	9,686	9,351	(335)
Allowance for environmental measures	7,748	7,748	-
Asset retirement obligations	1,119	1,123	3
Other long-term liabilities	9,477	9,434	(43)
Total long-term liabilities	701,330	705,125	3,795
Current liabilities:			
Current portion of long-term borrowings from parent company	66,220	66,220	-
Accounts payable, trade	85,478	35,868	(49,610)
Accrued taxes on income	10,713	5,456	(5,257)
Allowance for environmental measures	3,147	3,147	-
Other current liabilities	403,883	354,231	(49,652)
Total current liabilities	569,443	464,923	(104,520)
TOTAL LIABILITIES	1,270,773	1,170,048	(100,724)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	371,905	379,383	7,478
Total shareholders' equity	2,206,632	2,214,110	7,478
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	3,305	3,838	532
Total unrealized gains (losses), translation adjustments, and others	3,305	3,838	532
TOTAL NET ASSETS	2,209,938	2,217,949	8,011
TOTAL LIABILITIES AND NET ASSETS	3,480,711	3,387,998	(92,713)

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, 2014	Three months ended June 30, 2015	Increase (Decrease)	Year ended March 31, 2015
Telecommunications businesses:				
Operating revenues	406,181	403,536	(2,645)	1,625,057
Operating expenses	381,563	357,654	(23,908)	1,533,165
Operating income from telecommunications businesses	24,618	45,881	21,263	91,891
Supplementary businesses:				
Operating revenues	26,758	26,201	(556)	140,365
Operating expenses	23,578	21,380	(2,198)	122,414
Operating income from supplementary businesses	3,179	4,820	1,641	17,950
Operating income	27,797	50,701	22,904	109,841
Non-operating revenues:				
Interest income	21	22	0	77
Dividends received	5,610	3,072	(2,538)	6,400
Gains on sales of fixed assets	8,008	1,821	(6,187)	9,565
Miscellaneous income	748	945	196	7,660
Total non-operating revenues	14,389	5,861	(8,528)	23,704
Non-operating expenses:				
Interest expenses	1,641	1,244	(397)	5,852
Miscellaneous expenses	816	242	(574)	5,651
Total non-operating expenses	2,458	1,486	(971)	11,504
Recurring profit	39,729	55,076	15,347	122,041
Special losses	-	-	-	7,930
Income before income taxes	39,729	55,076	15,347	114,111
Income taxes	*	*	2,609	44,539
Net income	28,240	40,978	12,737	69,571

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, 2014	Three months ended June 30, 2015	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2015
Voice transmission services revenues (excluding IP services revenues)	121,081	110,051	(11,030)	(9.1)	468,529
Monthly charge revenues*	88,899	82,076	(6,823)	(7.7)	346,421
Call rates revenues*	9,499	8,022	(1,477)	(15.5)	35,542
Interconnection call revenues*	14,299	13,241	(1,058)	(7.4)	55,061
IP services revenues	209,152	217,007	7,854	3.8	844,470
Leased circuit services revenues (excluding IP services revenues)	28,855	28,667	(187)	(0.6)	111,986
Telegram services revenues	3,831	3,608	(222)	(5.8)	14,063
Other telecommunications services revenues	43,261	44,201	940	2.2	186,007
Telecommunications total revenues	406,181	403,536	(2,645)	(0.7)	1,625,057
Supplementary business total revenues	26,758	26,201	(556)	(2.1)	140,365
Total operating revenues	432,939	429,737	(3,202)	(0.7)	1,765,422

*Partial listing only