



# News Release

February 5, 2016

FOR IMMEDIATE RELEASE

## **Financial Statements for the Nine Months Ended December 31, 2015**

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the nine months ended December 31, 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	December 31, 2015	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	434,518	397,880	(36,637)
Antenna facilities	3,948	3,820	(127)
Terminal equipment	37,569	32,843	(4,726)
Local line facilities	854,162	824,273	(29,888)
Long-distance line facilities	3,683	3,351	(331)
Engineering facilities	602,828	591,419	(11,409)
Submarine line facilities	1,119	928	(191)
Buildings	423,373	412,809	(10,564)
Construction in progress	27,975	17,472	(10,502)
Other	257,129	250,913	(6,215)
Total property, plant and equipment	2,646,308	2,535,713	(110,594)
Intangible fixed assets	84,496	78,957	(5,538)
Total fixed assets - telecommunications businesses	2,730,805	2,614,671	(116,133)
Investments and other assets			
Other investments and assets	198,579	196,428	(2,151)
Allowance for doubtful accounts	(956)	(913)	42
Total investments and other assets	197,623	195,514	(2,108)
Total fixed assets	2,928,428	2,810,186	(118,242)
Current assets:			
Cash and bank deposits	21,980	5,939	(16,041)
Notes receivable	15	27	12
Accounts receivable, trade	236,984	228,878	(8,106)
Supplies	33,633	29,528	(4,104)
Other current assets	260,213	430,443	170,229
Allowance for doubtful accounts	(544)	(461)	82
Total current assets	552,283	694,355	142,071
<b>TOTAL ASSETS</b>	<b>3,480,711</b>	<b>3,504,541</b>	<b>23,829</b>

(Millions of yen)

	March 31, 2015	December 31, 2015	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	430,955	428,395	(2,560)
Liability for employees' retirement benefits	232,618	240,442	7,823
Reserve for point services	9,724	13,258	3,533
Reserve for unused telephone cards	9,686	8,905	(780)
Allowance for environmental measures	7,748	7,748	-
Asset retirement obligations	1,119	1,129	9
Other long-term liabilities	9,477	21,408	11,930
Total long-term liabilities	701,330	721,287	19,957
Current liabilities:			
Current portion of long-term borrowings from parent company	66,220	65,360	(860)
Accounts payable, trade	85,478	38,513	(46,965)
Accrued taxes on income	10,713	10,125	(588)
Allowance for environmental measures	3,147	1,731	(1,415)
Asset retirement obligations	-	12	12
Other current liabilities	403,883	377,304	(26,579)
Total current liabilities	569,443	493,047	(76,396)
<b>TOTAL LIABILITIES</b>	<b>1,270,773</b>	<b>1,214,334</b>	<b>(56,438)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	371,905	451,583	79,677
Total shareholders' equity	2,206,632	2,286,310	79,677
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	3,305	3,896	590
Total unrealized gains (losses), translation adjustments, and others	3,305	3,896	590
<b>TOTAL NET ASSETS</b>	<b>2,209,938</b>	<b>2,290,206</b>	<b>80,268</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,480,711</b>	<b>3,504,541</b>	<b>23,829</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)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Year ended March 31, 2015
Telecommunications businesses:				
Operating revenues	1,217,949	1,194,499	(23,449)	1,625,057
Operating expenses	1,133,901	1,056,798	(77,102)	1,533,165
Operating income from telecommunications businesses	84,047	137,700	53,653	91,891
Supplementary businesses:				
Operating revenues	90,551	92,586	2,035	140,365
Operating expenses	78,669	78,208	(461)	122,414
Operating income from supplementary businesses	11,881	14,378	2,497	17,950
Operating income	95,928	152,079	56,150	109,841
Non-operating revenues:				
Interest income	44	98	54	77
Dividends received	6,396	3,134	(3,262)	6,400
Gains on sales of fixed assets	8,390	7,514	(876)	9,565
Miscellaneous income	6,805	2,145	(4,659)	7,660
Total non-operating revenues	21,636	12,892	(8,744)	23,704
Non-operating expenses:				
Interest expenses	4,516	3,756	(759)	5,852
Miscellaneous expenses	2,705	515	(2,190)	5,651
Total non-operating expenses	7,221	4,271	(2,950)	11,504
Recurring profit	110,343	160,699	50,355	122,041
Special losses	7,930	3,758	(4,171)	7,930
Income before income taxes	102,413	156,940	54,527	114,111
Income taxes	*	*	12,097	44,539
Net income	70,748	113,177	42,429	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)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2015
Voice transmission services revenues (excluding IP services revenues)	356,307	324,683	(31,624)	(8.9)	468,529
Monthly charge revenues*	262,335	242,948	(19,386)	(7.4)	346,421
Call rates revenues*	27,410	23,254	(4,155)	(15.2)	35,542
Interconnection call revenues*	42,141	39,071	(3,069)	(7.3)	55,061
IP services revenues	629,333	646,012	16,679	2.7	844,470
Leased circuit services revenues (excluding IP services revenues)	84,746	79,845	(4,900)	(5.8)	111,986
Telegram services revenues	10,433	9,545	(887)	(8.5)	14,063
Other telecommunications services revenues	137,128	134,412	(2,715)	(2.0)	186,007
Telecommunications total revenues	1,217,949	1,194,499	(23,449)	(1.9)	1,625,057
Supplementary business total revenues	90,551	92,586	2,035	2.2	140,365
Total operating revenues	1,308,500	1,287,085	(21,414)	(1.6)	1,765,422

\*Partial listing only