

Financial Results for the Fiscal Year Ended March 31, 2015 (16th Term)

May 15, 2015

Nippon Telegraph and Telephone East Corporation
("NTT East")

Operating Income

(Billions of yen)

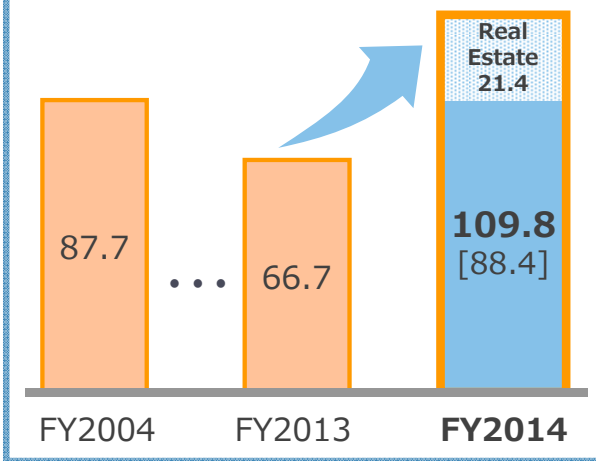
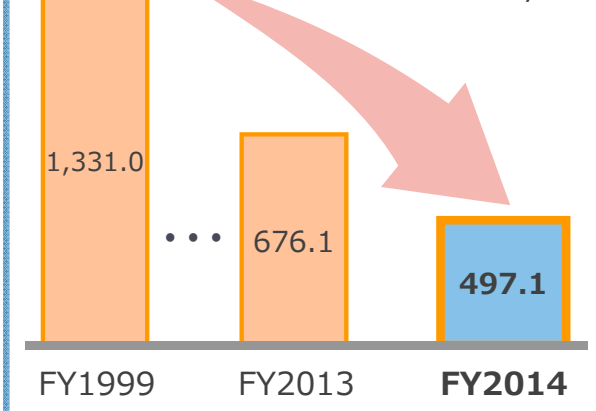


Figure in brackets indicates the total excluding the effects of income and expenditures from real estate leases.

Interest-Bearing Debt

(Billions of yen)



■ Operating income reached a record ¥109.8 billion, the highest in NTT East's history

Even excluding the effects of income and expenditures from real estate leases, operating income was ¥88.4 billion, which would still have been NTT East's best performance to date

- Operating Revenues: ¥109.8 billion (Increase of ¥43.1 billion year-on-year)
- (Excluding real estate: ¥88.4 billion (Increase of ¥21.7 billion year-on-year))
- Net Income: ¥69.5 billion (increase of ¥15.6 billion year-on-year)
- Capital Expenditures: ¥312.1 billion (decrease of ¥39.1 billion year-on-year)

■ Launched Hikari Collaboration Model on February 1, 2015

■ Achieved a net increase of 220,000 FLET'S Hikari subscriptions (including Hikari Collaboration Model subscriptions)

■ Reduced interest-bearing debt to ¥497.1 billion by the end of FY2014 (a decrease of ¥179.0 billion compared to FY2013)

- Over 60% reduction compared to FY1999 (¥1,331.0 billion)

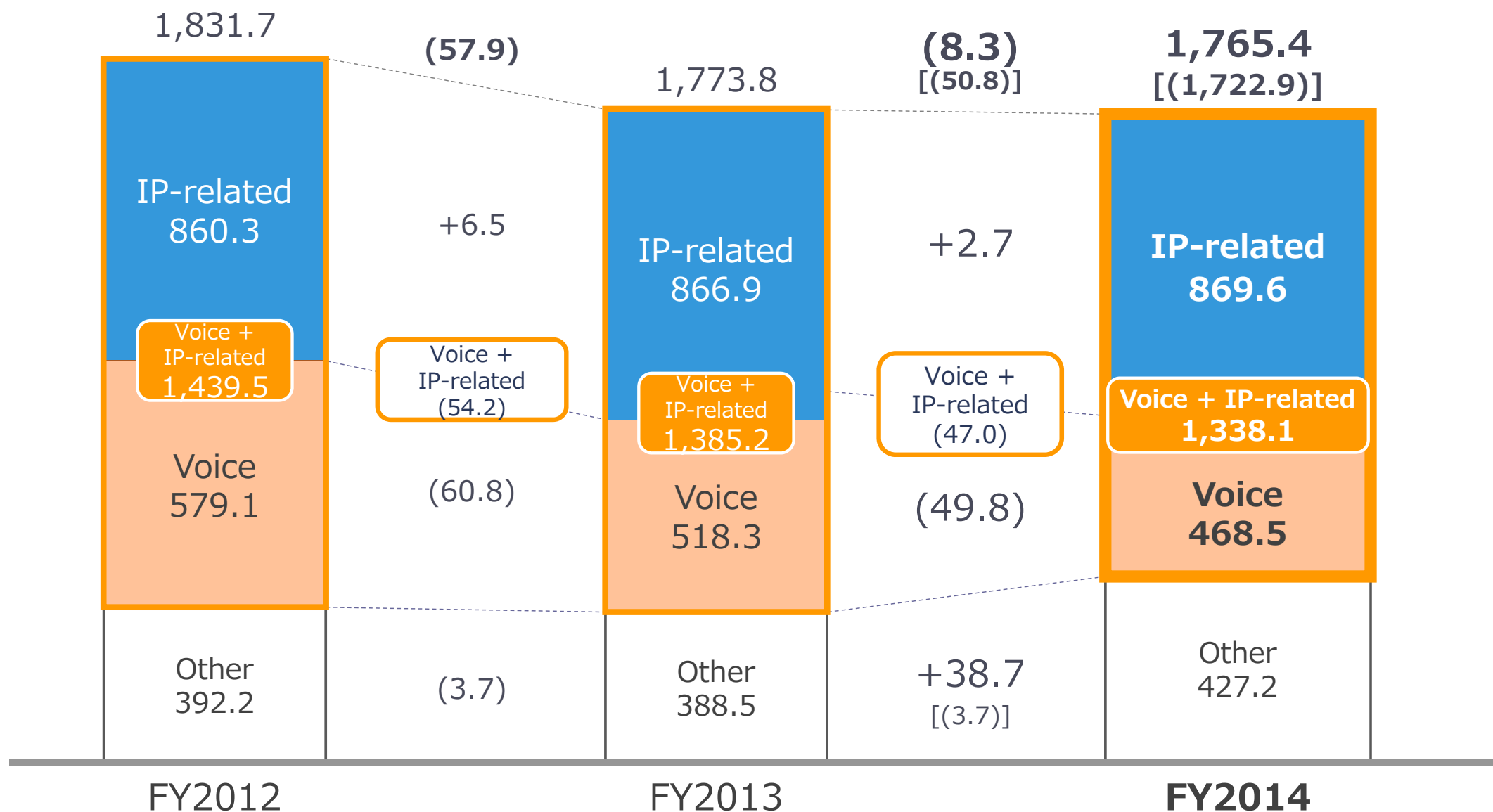
2. Income and Capital Investment

(Billions of yen)

	FY2013	FY2014	Increase (Decrease)
Operating Revenues	1,773.8	1,765.4	(8.3)
Operating Expenses	1,707.0	1,655.5	(51.5)
Operating Income	66.7	109.8	43.1
Recurring Profit	91.7	122.0	30.2
Special Profit (Loss)	(8.2)	(7.9)	0.3
Net Income	53.9	69.5	15.6
Capital Investment	351.3	312.1	(39.1)

3. Changes in Operating Revenues

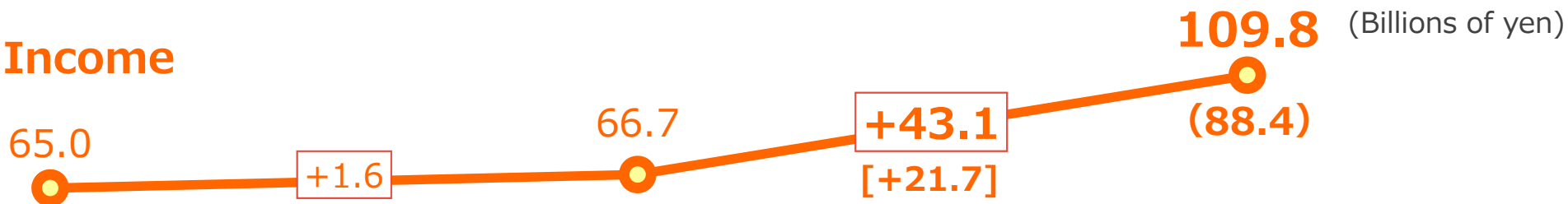
(Billions of yen)



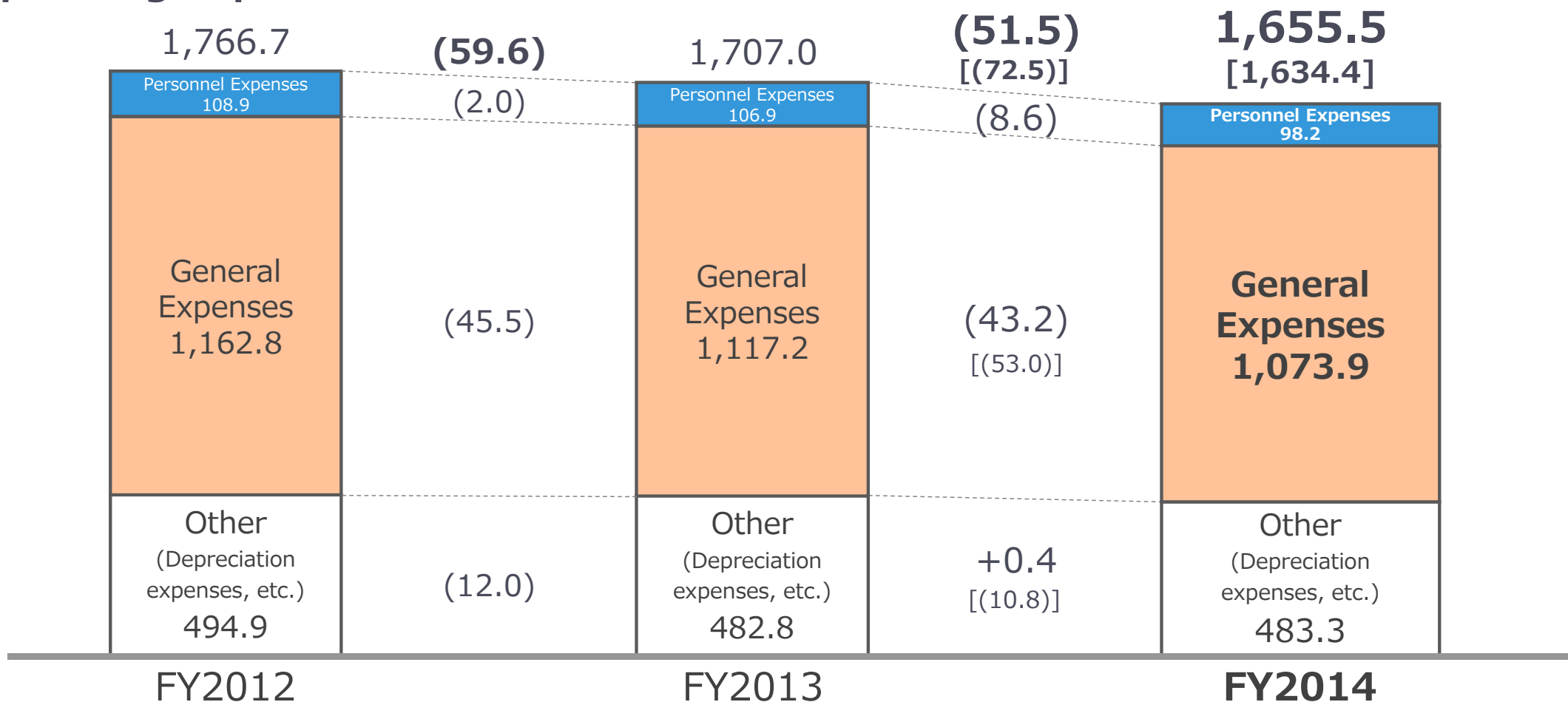
※ Beginning in FY2014, income and expenditures for real estate leases are recorded as operating income rather than as non-operating income. Figures in brackets indicate totals excluding the effect of recording income and expenditures for real estate leases as operating income.

4. Trends in Operating Expenses and Operating Income

Operating Income



Operating Expenses



※ Beginning in FY2014, income and expenditures for real estate leases are recorded as operating income rather than as non-operating income. Figures in brackets indicate totals excluding the effect of recording income and expenditures for real estate leases as operating income.

5. Trends in Subscriptions for Major Services

Major Services		FY2013		FY2014	
		Net Increase	Number of Subscriptions	Net Increase	Number of Subscriptions
FLET'S Hikari (including Hikari Collaboration Model)	10,000 subscriptions	+44	1,019	+22	1,040
Hikari Collaboration Model ※1 (Partial listing)		—	—	+19	19
Hikari Denwa	10,000 channels	+61	869	+34	903
Business Ether Wide	10,000 subscriptions	+2	6	+3	9

<Reference>

FLET'S Hikari Giga Type※2	10,000 subscriptions	—	—	+61	61
FLET'S Azukeru ※3	10,000 subscriptions	+0.1	0.1	+21	21
Giga Raku Wi-Fi	Number of Access Points	—	—	+336	336

※1 : Includes transfers from FLET'S Hikari to Hikari Collaboration (180,000 subscriptions)

※2 : "Giga Family/Giga Apartment/Smart Type" and "Family/Apartment/Giga Line Type"

※3 : Fee-based plans (including "PRO" Plan)

6. Forecasts for FY2015

- Forecasts for Operating Revenues, Operating Expenses, Operating Profits and Recurring Profits each remain unchanged from those announced in the Business Operation Plan filed on February 27, 2015.
- Net Income is expected to reach ¥80.0 billion.
- Forecasts for FLET'S Hikari and Capital Investments also remain unchanged from those announced in the Business Operation Plan.

		Forecast for FY2015	Increase (Decrease) from Previous Fiscal Year
Operating Revenues	Billions of yen	1,726.0	(39.4)
Operating Expenses		1,606.0	(49.5)
Operating Profit		120.0	+ 10.1
Recurring Profit		120.0	(2.0)
Net Income		80.0	+ 10.4
FLET'S Hikari Net Increase [※]	10,000 subscriptions	4.0	+ 1.8
Capital Investments	Billions of yen	300.0	(12.1)

※FLET'S Hikari figures include Hikari Collaboration Model subscriptions.

Shift Toward Profit-Oriented Management

- In order to ensure consistent profits, we are aiming for a “sustainable management” model through the early launch of high value-added businesses and by continuing to expand the customer base of our network business, achieving cost efficiency and improving productivity

Business Structure Reform

- Shift our consumer-centered business structure to a corporate sales area- and Hikari Collaboration Model-centered structure
- In furtherance of reforming our business structure, re-examine our existing framework, including the development of services and systems, the allocation, placement and training of human resources, and employee confidence and awareness

Contribution to NTT Group's Consolidated Profits

- Promote NTT East Group's total profit expansion, and contribute to NTT Group's consolidated profits

8. FY2015 Initiative Highlights

Promote the
Hikari
Collaboration
Model

- ✓ **Create new demand and strengthen customer retention** by proactively developing and supporting new service players in the Hikari Collaboration Model
- ✓ Promote the **early, stable establishment** and **optimization** of Hikari Collaboration Model-related **operations**
- ✓ Continue to **maintain efficient marketing** towards NTT East's existing customers

Grow our
Business User
Market

- ✓ Expand sales of recurring fee-type **high value-added services**
- ✓ Strengthen our **approach to customers** with limited business contact opportunities by using **new business methods** (ICT concierge)
- ✓ **Contribute to the "Vitalization of Local Economies"** by utilizing our 29 branch offices established in local communities
- ✓ Grow revenues through our **high-speed IP network infrastructure**

Streamline
Management and
Increase
Productivity

- ✓ Integrate older-generation transmission facilities into NGN networks, **simplifying our network**
- ✓ **Streamline access line equipment business operations** (review and integration of maintenance areas)
- ✓ **Reform work style** by improving work flow and systems through "increased visibility of activity"

Shift Resources to our Growth Areas

- Number of service providers: 81 companies
 - Number of applications: 740,000 contracts
 - Number of new applications: 80,000 contracts
 - Number of transfer applications: 660,000 contracts
- (As of May 11, 2015)

[Future Initiatives]

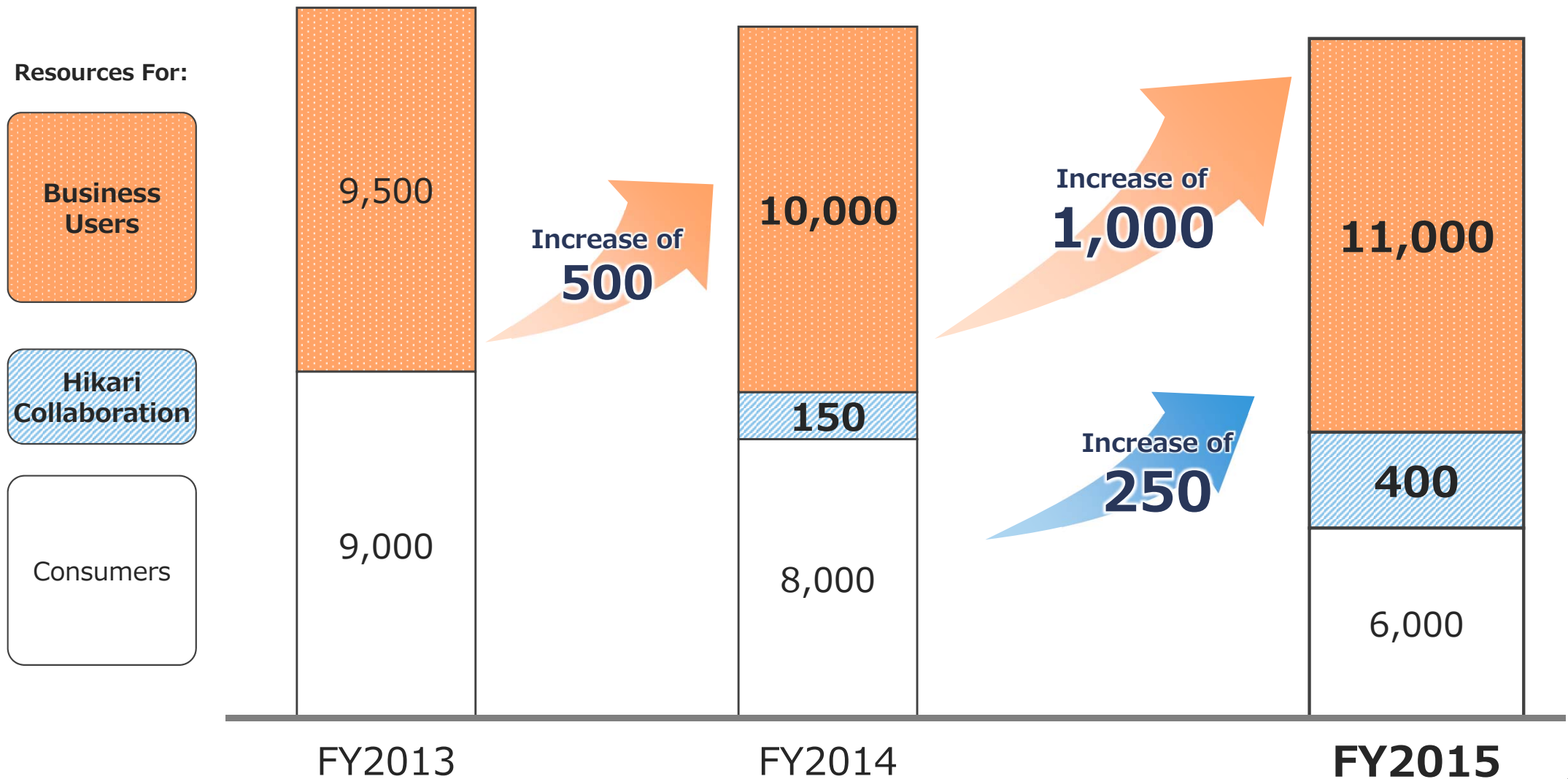
- ✓ Make use of know-how and resources accumulated thus far to support new service players
- ✓ Promote the stabilization of business operations and efficiency
- ✓ Improve Business Process Outsourcing (BPO)

10. Shift of Resources to our Growth Areas

- In order to grow our business user market and build a structure for supporting Hikari Collaboration Model service players, actively carry out a resource shift to our growth areas from our consumer business area.

<Illustration of Resource Shift>

(Numbers of people)



The forward-looking statements and projected figures concerning the future performance of NTT East, its parent company (NTT) and their respective subsidiaries and affiliates contained or referred to herein are based on a series of assumptions, projections, estimates, judgments and beliefs of the management of NTT East in light of information currently available to it regarding NTT East, the economy and telecommunications industry in Japan and overseas, and other factors. These projections and estimates may be affected by the future business operations of NTT East, NTT and their respective subsidiaries and affiliates, the state of the economy in Japan and abroad, possible fluctuations in the securities markets, the pricing of services, the effects of competition, the performance of new products, services and new businesses, changes to laws and regulations affecting the telecommunications industry in Japan and elsewhere, other changes in circumstances that could cause actual results to differ materially from the forecasts contained or referred to herein, as well as other risks included in NTT's most recent Annual Report on Form 20-F and other filings and submissions with the United States Securities and Exchange Commission. Accounting policies used to determine the figures in this presentation are consistent with those used to prepare financial statements in accordance with accounting principles generally accepted in Japan.

* "FY" in this material indicates the fiscal year ending March 31 of the succeeding year.