



News Release

NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION

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FOR IMMEDIATE RELEASE

Financial Statements for the Six Months Ended September 30, 2009

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the six months ended September 30, 2009 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, 2009	September 30, 2009	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	525,363	540,276	14,913
Antenna facilities	6,507	6,294	(212)
Terminal equipment	90,041	87,970	(2,071)
Local line facilities	774,171	783,521	9,350
Long-distance line facilities	5,863	5,230	(633)
Engineering facilities	645,278	639,042	(6,235)
Submarine line facilities	2,117	1,860	(257)
Buildings	513,715	497,440	(16,274)
Construction in progress	27,243	34,236	6,993
Other	256,207	251,147	(5,059)
Total property, plant and equipment	2,846,508	2,847,020	512
Intangible fixed assets	99,629	101,426	1,797
Total fixed assets - telecommunications businesses	2,946,137	2,948,447	2,309
Investments and other assets			
Other investments and assets	285,401	287,390	1,989
Allowance for doubtful accounts	(1,619)	(1,525)	93
Total investments and other assets	283,782	285,865	2,082
Total fixed assets	3,229,920	3,234,312	4,392
Current assets:			
Cash and bank deposits	130,023	87,287	(42,735)
Notes receivable	5	12	7
Accounts receivable, trade	296,624	271,583	(25,041)
Supplies	37,414	41,743	4,329
Other current assets	38,836	71,563	32,727
Allowance for doubtful accounts	(2,360)	(2,211)	148
Total current assets	500,543	469,978	(30,564)
TOTAL ASSETS	3,730,463	3,704,291	(26,171)

(Millions of yen)

	March 31, 2009	September 30, 2009	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	649,338	814,041	164,702
Liability for employees' retirement benefits	285,469	289,135	3,665
Reserve for unused telephone cards	13,028	11,603	(1,424)
Other long-term liabilities	11,909	13,197	1,288
Total long-term liabilities	959,745	1,127,977	168,231
Current liabilities:			
Current portion of long-term borrowings from parent company	105,809	40,861	(64,947)
Accounts payable, trade	82,509	63,462	(19,047)
Short-term borrowings	65,000	40,000	(25,000)
Accrued taxes on income	2,253	* 8,099	5,846
Other current liabilities	421,010	329,174	(91,835)
Total current liabilities	676,582	481,598	(194,984)
TOTAL LIABILITIES	1,636,327	1,609,575	(26,752)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	259,456	259,933	477
Total shareholders' equity	2,094,182	2,094,660	477
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(47)	55	102
Total unrealized gains (losses), translation adjustments, and others	(47)	55	102
TOTAL NET ASSETS	2,094,135	2,094,715	580
TOTAL LIABILITIES AND NET ASSETS	3,730,463	3,704,291	(26,171)

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, 2008	Six months ended September 30, 2009	Increase (Decrease)	Year ended March 31, 2009
Telecommunications businesses:				
Operating revenues	911,583	892,099	(19,484)	1,825,790
Operating expenses	891,549	860,268	(31,280)	1,789,250
Operating income from telecommunications businesses	20,034	31,830	11,796	36,540
Supplementary businesses:				
Operating revenues	54,379	54,271	(107)	127,201
Operating expenses	53,816	53,849	33	127,043
Operating income from supplementary businesses	562	421	(140)	157
Operating income	20,597	32,252	11,655	36,697
Non-operating revenues:				
Interest income	15	16	0	26
Dividends received	12,212	3,795	(8,416)	12,229
Lease and rental income	27,652	25,461	(2,190)	52,774
Miscellaneous income	2,089	1,468	(620)	4,227
Total non-operating revenues	41,969	30,742	(11,227)	69,257
Non-operating expenses:				
Interest expenses	6,292	5,724	(567)	12,375
Lease and rental expenses	10,999	10,677	(321)	23,580
Miscellaneous expenses	947	2,325	1,378	4,615
Total non-operating expenses	18,239	18,728	489	40,571
Recurring profit	44,326	44,265	(61)	65,383
Special profits	24,234	9,250	(14,984)	57,595
Income before income taxes	68,561	53,516	(15,045)	122,978
Income taxes	* 24,460	* 19,539	(4,921)	45,425
Net income	44,100	33,977	(10,123)	77,552

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, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the six months ended September 30, 2008. Except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the six months ended September 30, 2009.

(Millions of yen)

	Three months ended September 30, 2008	Three months ended September 30, 2009	Increase (Decrease)
Telecommunications businesses:			
Operating revenues	459,503	449,959	(9,543)
Operating expenses	446,869	429,860	(17,009)
Operating income from telecommunications businesses	12,633	20,099	7,465
Supplementary businesses:			
Operating revenues	29,660	28,879	(781)
Operating expenses	28,437	28,587	149
Operating income from supplementary businesses	1,222	291	(930)
Operating income	13,856	20,391	6,535
Non-operating revenues:			
Interest income	9	8	(1)
Dividends received	11,706	3,383	(8,322)
Lease and rental income	14,164	12,642	(1,521)
Miscellaneous income	1,382	625	(757)
Total non-operating revenues	27,263	16,659	(10,603)
Non-operating expenses:			
Interest expenses	3,216	2,879	(336)
Lease and rental expenses	5,716	5,445	(271)
Miscellaneous expenses	532	1,365	833
Total non-operating expenses	9,465	9,690	225
Recurring profit	31,653	27,360	(4,293)
Special profits	19,111	4,646	(14,465)
Income before income taxes	50,765	32,007	(18,758)
Income taxes	* 16,351	* 11,828	(4,522)
Net income	34,414	20,178	(14,235)

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, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the three months ended September 30, 2008. Except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the three months ended September 30, 2009.

3. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2009
Voice transmission services revenues (excluding IP services revenues)	468,728	419,035	(49,692)	(10.6)	911,264
Monthly charge revenues*	316,054	287,692	(28,361)	(9.0)	619,821
Call rates revenues*	53,075	43,842	(9,232)	(17.4)	100,801
Interconnection call revenues*	61,997	52,035	(9,962)	(16.1)	118,078
IP services revenues	271,117	312,551	41,433	15.3	563,908
Leased circuit services revenues (excluding IP services revenues)	86,770	78,697	(8,072)	(9.3)	169,392
Telegram services revenues	11,016	10,089	(927)	(8.4)	22,216
Other telecommunications services revenues	73,950	71,725	(2,225)	(3.0)	159,008
Telecommunications total revenues	911,583	892,099	(19,484)	(2.1)	1,825,790
Supplementary business total revenues	54,379	54,271	(107)	(0.2)	127,201
Total operating revenues	965,962	946,370	(19,592)	(2.0)	1,952,991

*Partial listing only

(Millions of yen)

	Three months ended September 30, 2008	Three months ended September 30, 2009	Increase (Decrease)	Percent Increase (Decrease)
Voice transmission services revenues (excluding IP services revenues)	231,046	207,723	(23,323)	(10.1)
Monthly charge revenues*	156,654	142,447	(14,206)	(9.1)
Call rates revenues*	25,763	21,468	(4,294)	(16.7)
Interconnection call revenues*	30,418	25,692	(4,725)	(15.5)
IP services revenues	138,932	159,075	20,142	14.5
Leased circuit services revenues (excluding IP services revenues)	43,432	38,984	(4,448)	(10.2)
Telegram services revenues	4,698	4,373	(324)	(6.9)
Other telecommunications services revenues	41,393	39,802	(1,591)	(3.8)
Telecommunications total revenues	459,503	449,959	(9,543)	(2.1)
Supplementary business total revenues	29,660	28,879	(781)	(2.6)
Total operating revenues	489,163	478,839	(10,324)	(2.1)

*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, 2008	Six months ended September 30, 2009	Increase (Decrease)	Year ended March 31, 2009
Cash flows from operating activities:				
Income before income taxes	68,561	53,516	(15,045)	122,978
Depreciation and amortization	213,040	205,677	(7,363)	425,634
Loss on disposal of property, plant and equipment	7,774	9,147	1,373	20,989
Gains on sales of fixed assets	(24,234)	(9,250)	14,984	(57,595)
Increase (decrease) in liability for employees' retirement benefits	(3,608)	3,665	7,273	(33,468)
(Increase) decrease in accounts receivable	23,911	25,010	1,098	11,531
(Increase) decrease in inventories	(6,113)	(4,329)	1,784	(1,916)
Increase (decrease) in accounts payable and accrued expenses	(70,190)	(61,925)	8,265	(44,855)
Increase (decrease) in accrued consumption tax	480	966	485	174
Other	(12,991)	1,228	14,220	17,948
Sub-total	196,630	223,707	27,076	461,421
Interest and dividends received	12,227	3,811	(8,416)	12,255
Interest paid	(6,305)	(5,736)	568	(12,523)
Income taxes received (paid)	(15,314)	(24,252)	(8,937)	(15,401)
Net cash provided by (used in) operating activities	187,238	197,530	10,291	445,752
Cash flows from investing activities:				
Payments for property, plant and equipment	(254,642)	(237,663)	16,978	(478,356)
Proceeds from sale of property, plant and equipment	34,293	11,179	(23,113)	74,701
Payments for purchase of investment securities	(10,832)	(2,051)	8,781	(11,954)
Proceeds from sale of investment securities	308	311	3	526
Other	(688)	(244)	444	1,816
Net cash provided by (used in) investing activities	(231,562)	(228,468)	3,094	(413,266)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	100,000	200,000	100,000	150,000
Payments for settlement of long-term debt	(115,188)	(100,245)	14,943	(162,419)
Net increase (decrease) in short-term borrowings	48,992	(74,992)	(123,984)	11,992
Payments for settlement of lease obligations	(260)	(295)	(35)	(790)
Dividends paid	(33,500)	(33,500)	-	(33,500)
Net cash provided by (used in) financing activities	43	(9,032)	(9,076)	(34,717)
Net increase (decrease) in cash and cash equivalents	(44,279)	(39,970)	4,309	(2,232)
Cash and cash equivalents at beginning of period	134,903	132,671	(2,232)	134,903
Cash and cash equivalents at end of period	90,624	92,700	2,076	132,671