

Financial Results for  
the Six Months Ended September 30, 2009

November 9, 2009

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

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.

\*\* "1Q" in this material represents the 3-month period beginning on April 1 and ending on June 30.

\*\*\* "2Q (3m)" in this material represents the 3-month period beginning on July 1 and ending on September 30.

\*\*\*\* "2Q (6m cum.)" in this material represents the 6-month period beginning on April 1 and ending on September 30.

\*\*\*\*\* "3Q" and "4Q" in this material represent the 3-month periods beginning on October 1 and January 1 and ending on December 31 and March 31, respectively.

# 1-1. Financial Results and Capital Investment

- Operating revenues decreased 19.5 billion yen while operating expenses fell 31.2 billion yen, resulting in an increase of 11.6 billion yen over the prior fiscal year to 32.2 billion yen in operating income.
- Capital investment fell 8.8 billion yen on the year to 221.3 billion yen, as the NGN service area was expanded, while investment in the existing IP network was repressed.

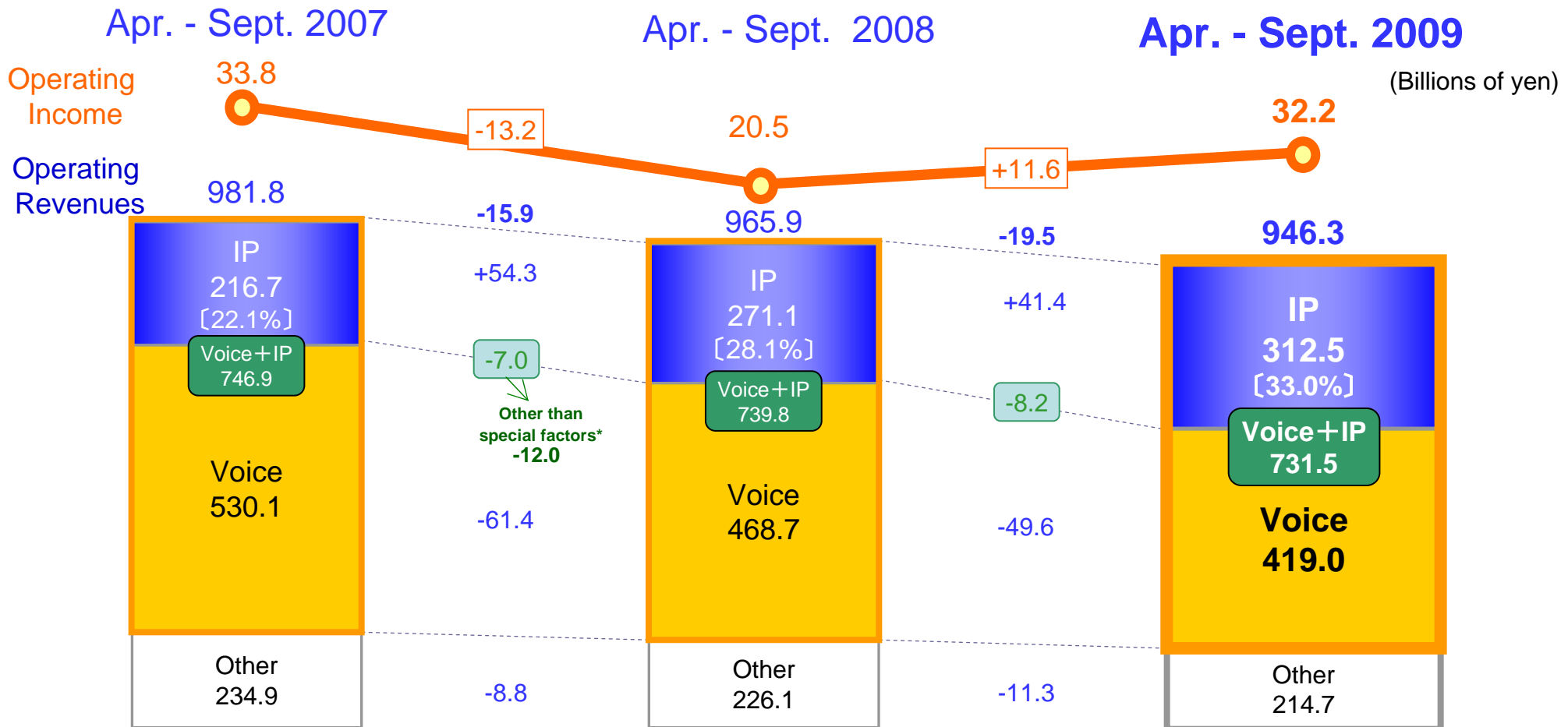
(Billions of yen)

	FY2009/2Q (6m cum.)	FY2008/2Q (6m cum.)	Change	Forecast	Results for prior fiscal year
Operating Revenues	<b>946.3</b>	965.9	-19.5	1,915.0 (-10.0)	1,952.9
Operating Expenses	<b>914.1</b>	945.3	-31.2	1,875.0 (-10.0)	1,916.2
Operating Income	<b>32.2</b>	20.5	+11.6	40.0 (± 0.0)	36.6
Recurring Profit	<b>44.2</b>	44.3	-0.0	60.0 (± 0.0)	65.3
Net Income	<b>33.9</b>	44.1	-10.1	42.0 (+3.0)	77.5
Capital Investment	<b>221.3</b>	230.1	-8.8	460.0 (± 0.0)	469.0

\* Figures in parentheses indicate differences from earlier forecasts released on May 13, 2009.

# 1-2. Changes in Operating Revenues and Revenue Structure

- While IP services revenues rose 41.4 billion yen, due in part to an increase in number of FLET'S Hikari subscribers, revenues for voice service and other services (leased circuit services revenues, etc.) decreased, resulting in a decline of 19.5 billion yen in operating revenue.
- IP services revenues have grown to account for 33.0% of total revenue.

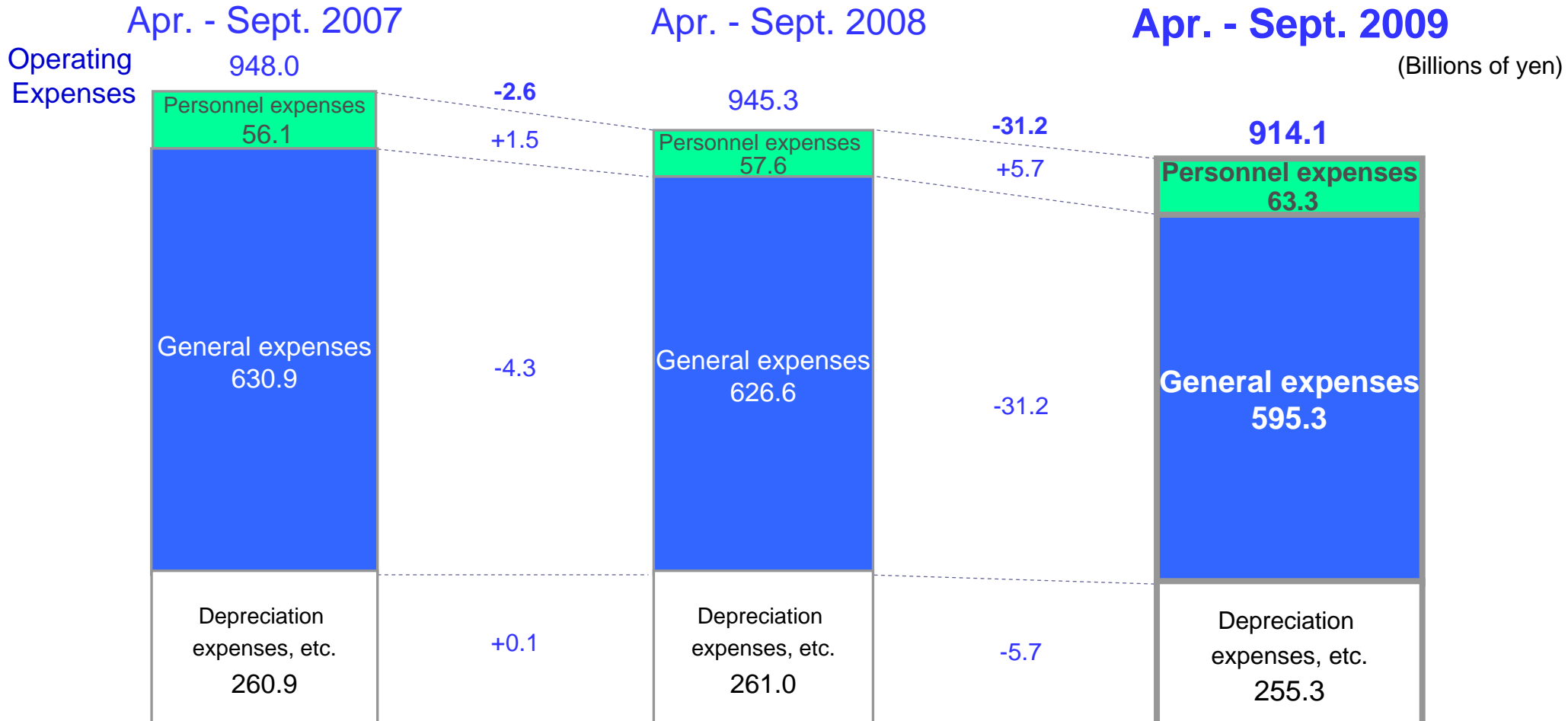


Figures in parentheses indicate proportion of operating income

\* Special factors: Impact of expanded FLET'S campaign carried out in FY2007, etc.

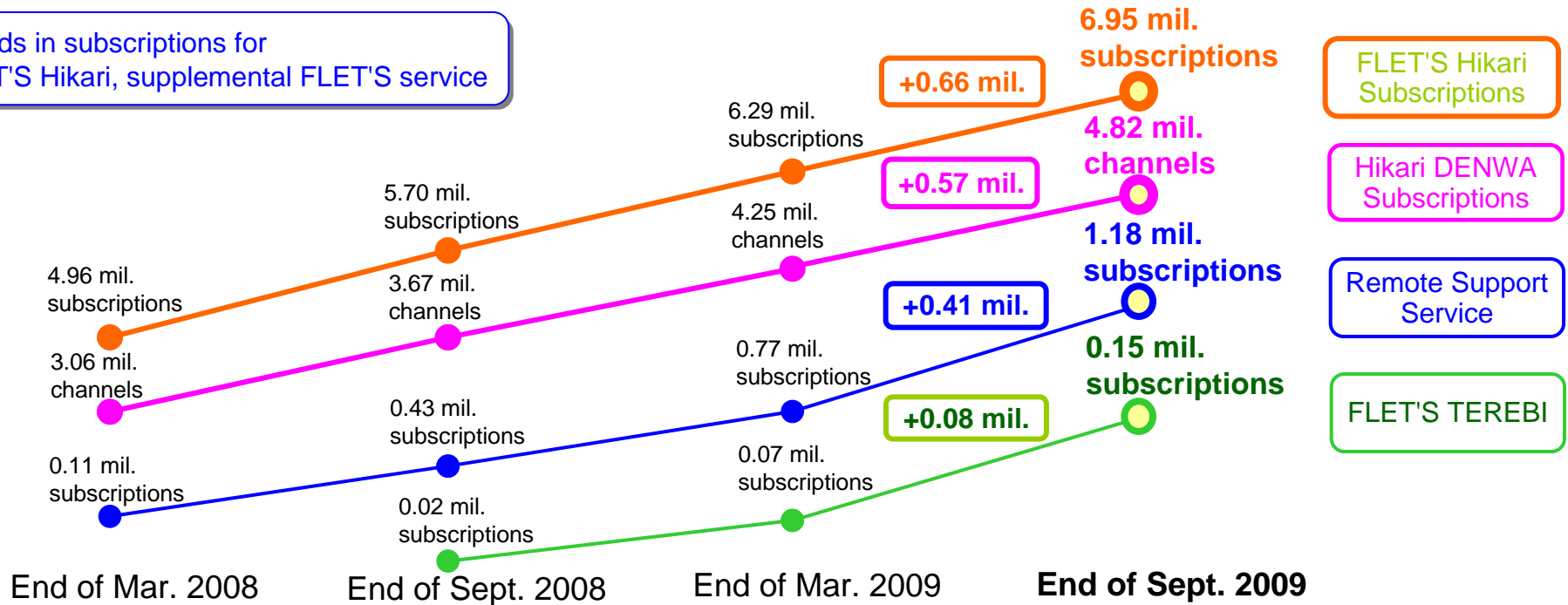
# 1-3. Changes in Operating Expenses

- An increase in expenses, due in part to the impact of calculation differences associated with performance deterioration in pension asset management, was more than offset by cost cuts through efficiency-improving efforts and a decrease in depreciation expenses brought on by a review of the life spans of engineering facilities, resulting in operating expenses decreasing by 31.2 billion yen.

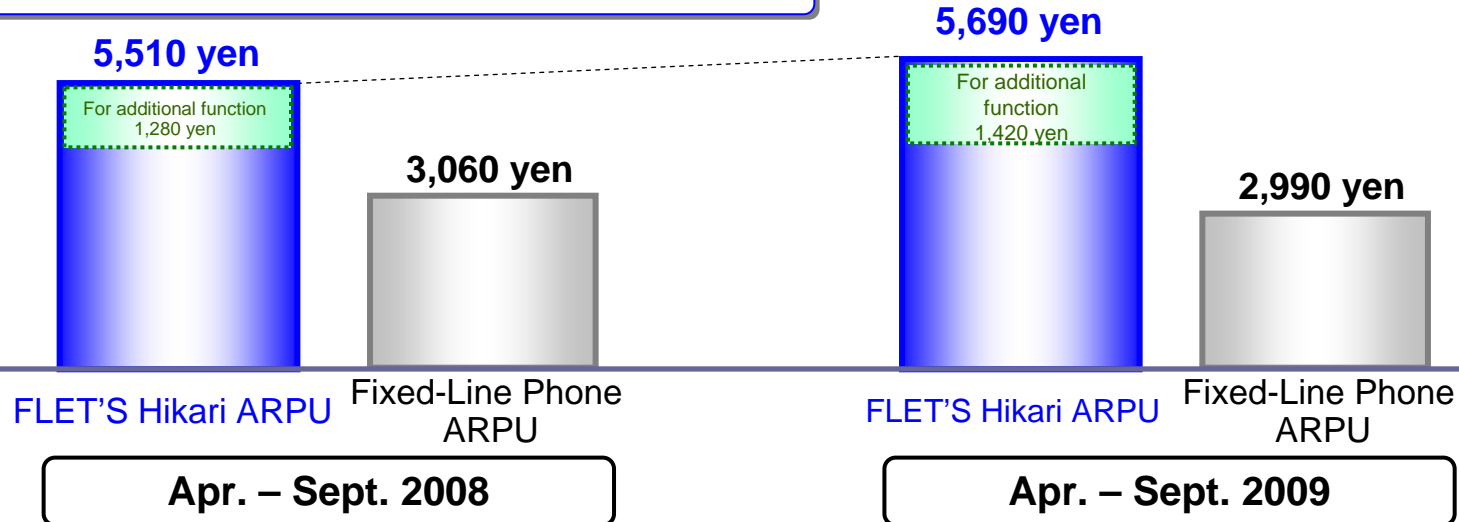


# 1-4. FLET'S Hikari Subscriptions and ARPU

Trends in subscriptions for FLET'S Hikari, supplemental FLET'S service



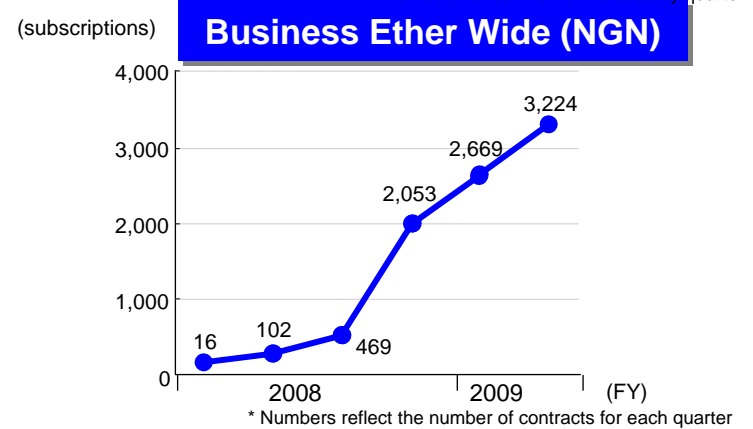
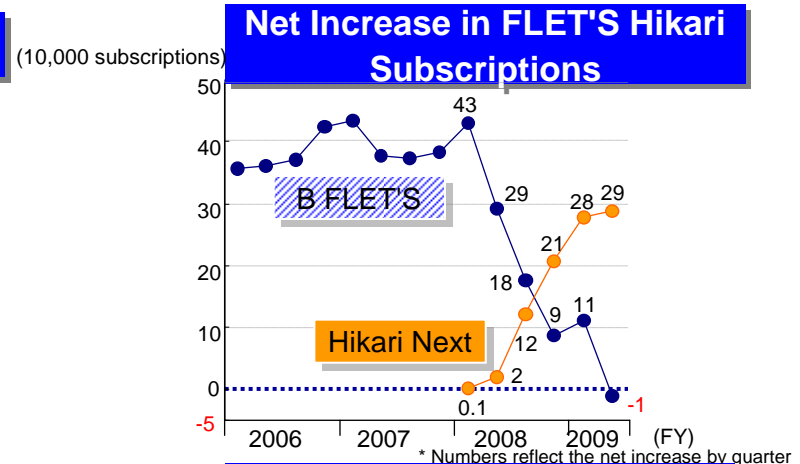
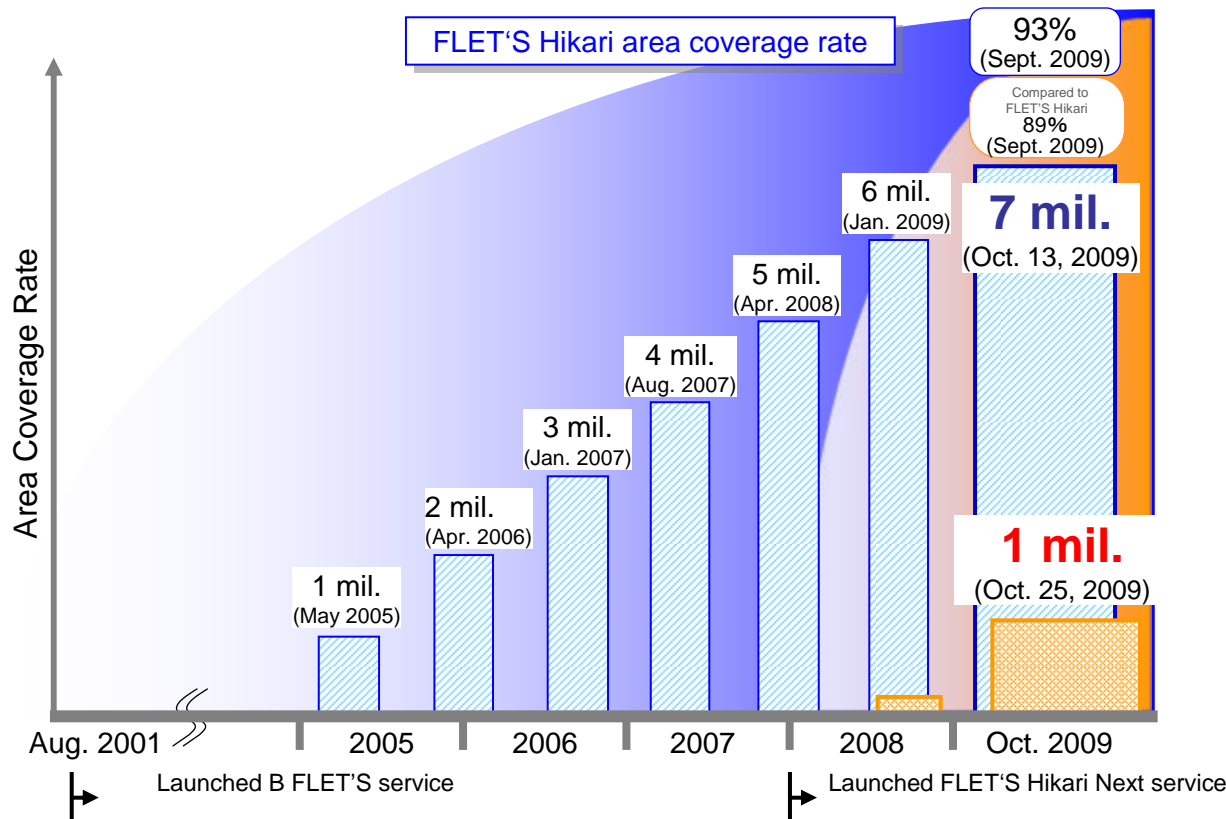
Changes in ARPU of FLET'S Hikari and ARPU of Fixed-Line Phone



# 2-1. Changes in NGN Area Expansion and Number of Subscriptions

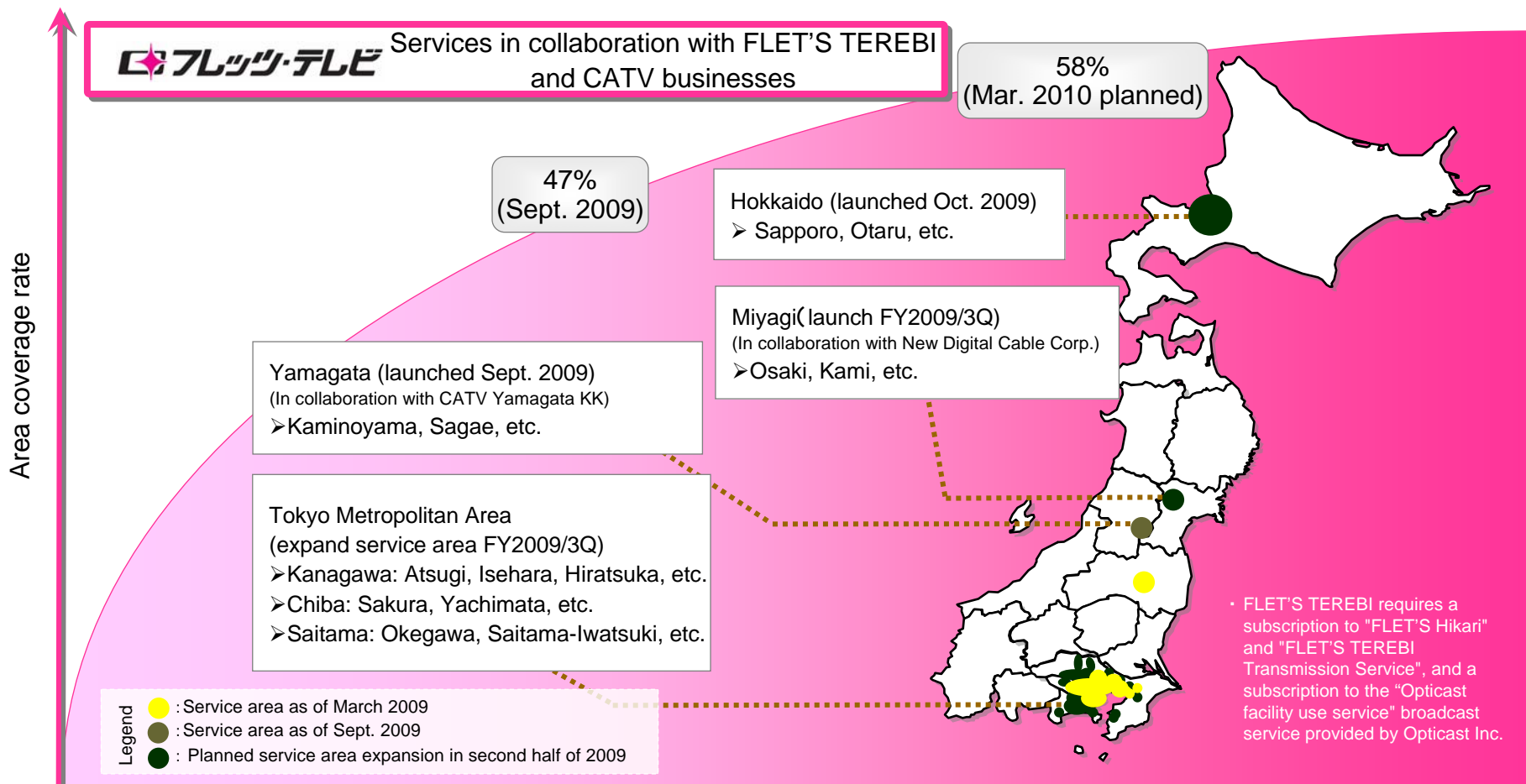
- In October 2009, the number of FLET'S Hikari subscriptions surpassed 7 million, and the number of Hikari Next subscriptions surpassed 1 million.
- The FLET'S Hikari area coverage rate was 93% as of September 30, 2009. The NGN area coverage has reached 89% of the FLET'S Hikari service area, and during FY2009 will grow to cover roughly the entire FLET'S Hikari service area.
- The proportion of the net increase in FLET'S Hikari subscriptions accounted for by Hikari Next continues to increase, and in the fourth quarter of FY2008, the net increase in Hikari Next subscriptions overtook the net increase in B FLET'S. Hikari Next accounted for 100% as of September 30, 2009.
- "Business Ether Wide", a VPN service for large users showed good results, with 3,200 subscriptions.

## Trends in FLET'S Hikari Area Coverage Rate and Number of Subscribers



# 2-2. Expansion of Service Coverage Area for FLET'S TEREBI

- Collaboration with CATV companies
- Launch of FLET'S TEREBI service and expansion of service area
- Planned expansion to 58% for FLET'S TEREBI's area coverage rate by the end of FY2009
- Yamagata: launched service in collaboration with CATV Yamagata KK (Sept. 2009)
- Miyagi: service in collaboration with New Digital Cable Corp. planned (FY2009/3Q)
- Hokkaido: launched FLET'S TV's new service (Oct. 2009)
- Tokyo Metropolitan Area: planned expansion of FLET'S TV service area (FY2009/3Q-4Q)



\* Area coverage rate = Number of fixed telephone facilities in service area / Number of fixed telephone facilities (The entire NTT East coverage area)

\* To provide service to areas slated for expansion, broadcasters must undertake certain procedures (obtaining consent for retransmission from broadcast stations, applications to the Ministry of Internal Affairs and Communication) Depending on facilities and other conditions, there may be places within a coverage area where service is not available.

## 2-3. Service Enhancements and Expansion of Use Scenarios Through Promotion of Alliances

### Enhancements of NGN service

- Launched the "FLET'S line ID of subscriber notification service" for service providers, to prevent spoofing and other scams and to achieve highly secure information circulation (Sept. 2009)
- Launched "FLET'S Hikari Next High Speed Type", which has a maximum downlink (download) speed of 200 Mbps (Oct. 2009)

### Expansion of use scenarios through promotion of alliances

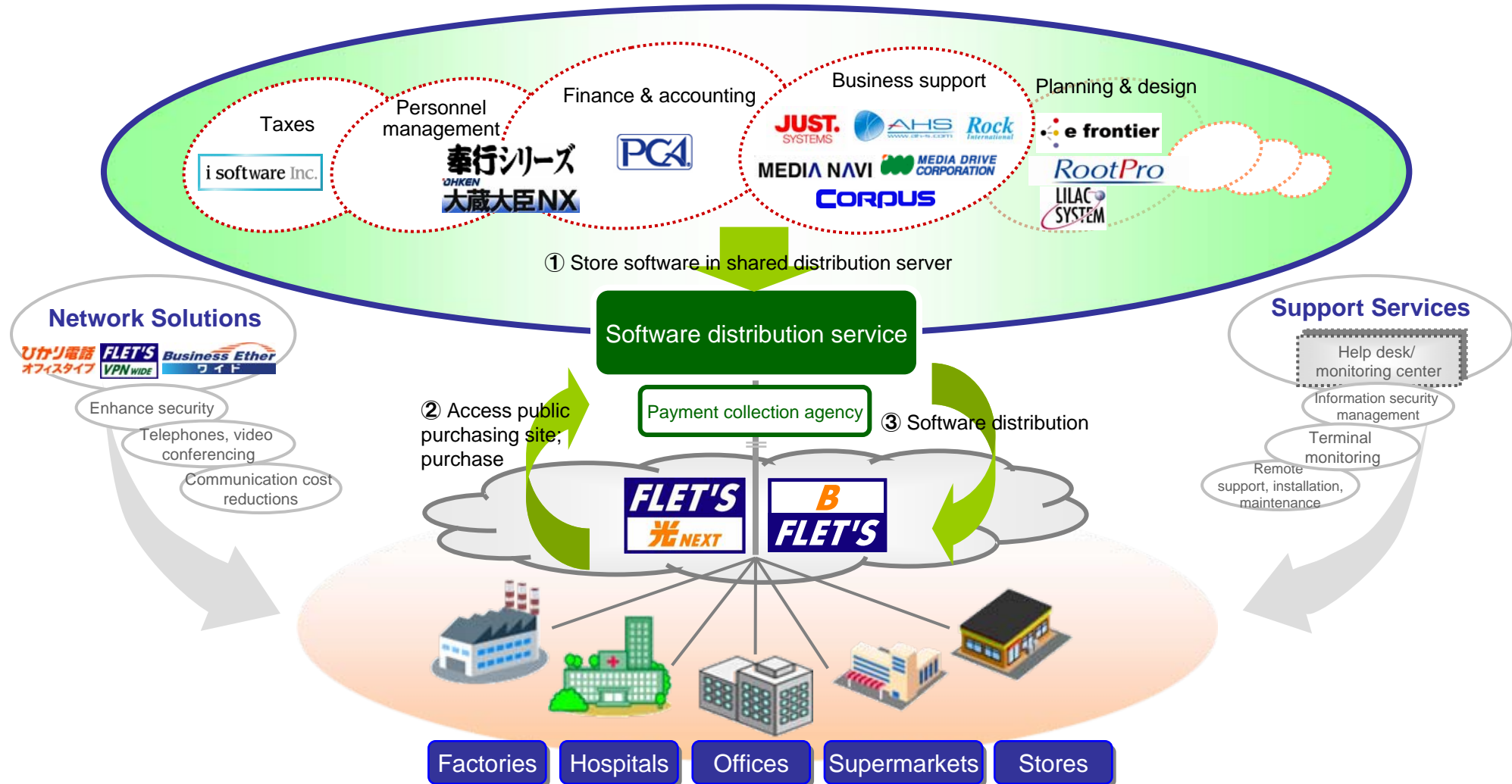
- Efforts aiming to improve the attractiveness of FLET'S Hikari through alliances with partner companies
  - "ALSOK Home Security + FLET'S Hikari": SOHGO SECURITY SERVICES (April 2009)
  - "Nintendo DSi + FLET'S Hikari": Nintendo (April 2009)
  - "Future Clinic 21 Warp": NTT-ME (April 2009)
  - "Lifenet + FLET'S Hikari": Lifenet Insurance Company (May 2009)
  - "Bugyo on FLET'S": OBIC BUSINESS CONSULTANTS CO.,LTD. (July 2009)



# 3-1. Provision of Software Distribution Service for Small and Medium-Sized Businesses

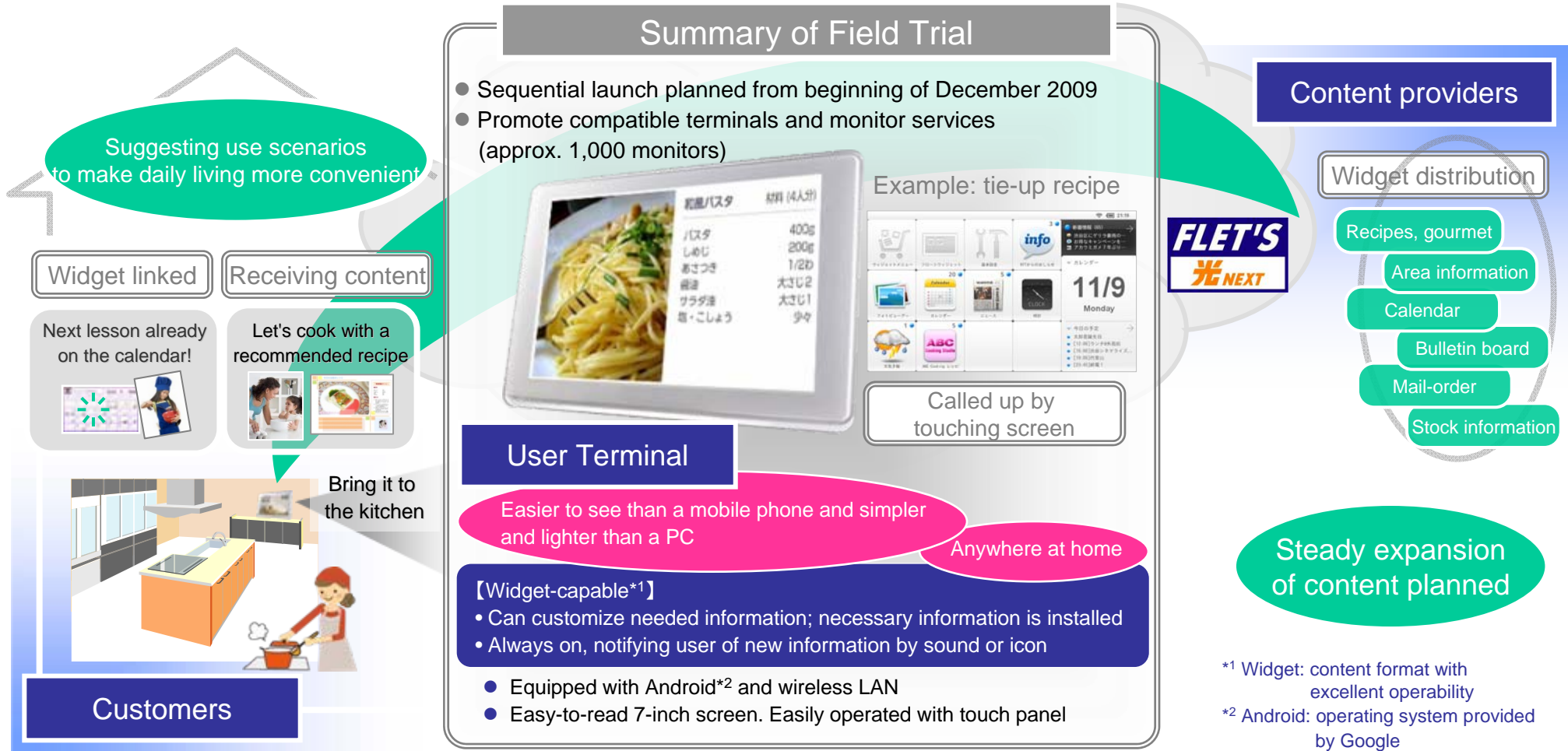
- Support SaaS distribution of packaged software for the small and medium-sized business markets
- Companies distributing software can easily transmit at low cost without having to build their own server

Customers using software can enjoy having less of a burden from installation and set-up work, the reduction of initial fees and are able to use the latest software anytime at an appropriate cost



## 3-2. Standby Widget-based Content Delivery Service and Provision of "Hikari i-frame" (tentative name)

- For the first half of FY2010, plan to launch standby information transmission services and digital photo frame-type compatible terminals that content provider companies can distribute information directly to specified individuals
- Customize menus by allowing customers to choose the desired information, and having such information always be accessible in the terminals by installing the necessary latest information
- Create a participatory environment for diverse content provider companies by making the technology and application specifications open

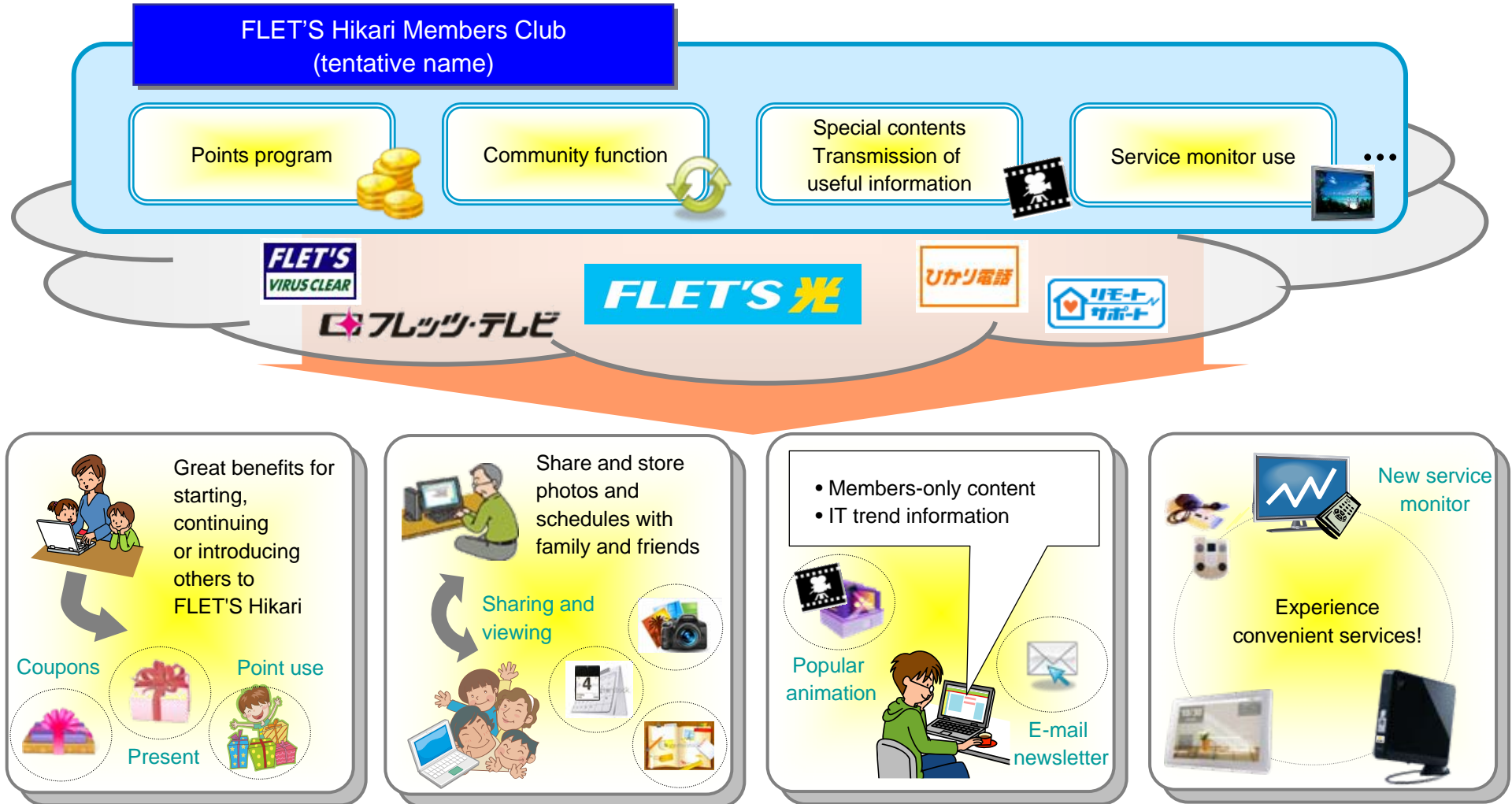


\*1 Widget: content format with excellent operability

\*2 Android: operating system provided by Google

# 3-3. FLET'S Hikari Members Club (tentative name)

- FLET'S Hikari Members Club (tentative name) offered to customers using FLET'S Hikari (planned December 2009)
- In addition to transmitting various information, this service will increase communication with customers with regards to their requests, opinions and ways to use FLET'S Hikari
- In addition to members-only services, the points program will offer a variety of other service benefits



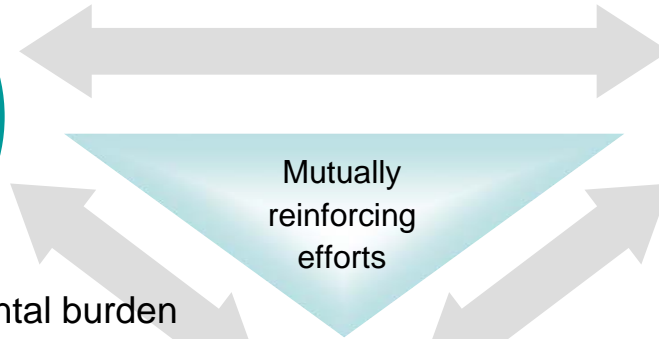
# 4. Efforts Directed towards Realizing a Low-Carbon Society



## Green by ICT



## Green of ICT



Solar power generation system

### ■ Propose reductions of environmental burden caused by use of information communication services

- Electronic medical charts
- Videoconferencing system
- Teleworking
- Music and video distribution
- Online shopping

- Renovation of energy saving network facility and equipment
- Introduction of solar power generation system
- Use of low-emission vehicles for all company cars, except for specialized vehicles, etc.
  - Expand to 75% by the end of FY2009 (End of FY2008: 60%)
- Switch all of the fluorescent lights in public phone booths to LED lights
  - Planned for 10,000 booths by the end of FY2009, and all 38,000 booths by the end of FY2012



## Green with Team NTT

- Rooftop greening, "green" potatoes (hydroponic cultivation of sweet potatoes)
- Our Home's Minister of the Environment: 36,000 people (sponsored by Ministry of the Environment)
- Promote taking "Eco Test" (Certification Test for Environmental Specialists) (sponsored by Tokyo Chamber of Commerce and Industry)
- Participation in clean-up activities by volunteers



Green Potatoes

### Green Potato "Fall Harvest Festival"

~ Yui Aragaki and nursery school kids in a potato harvest experience ~  
November 11, 2009 (Wednesday), from 1:30 p.m.