



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Three Months Ended June 30, 2012

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the three months ended June 30, 2012 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, 2012	June 30, 2012	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	506,301	500,692	(5,609)
Antenna facilities	5,068	4,978	(89)
Terminal equipment	64,544	62,621	(1,922)
Local line facilities	825,330	825,799	468
Long-distance line facilities	3,899	4,392	493
Engineering facilities	621,274	618,985	(2,288)
Submarine line facilities	1,899	1,798	(100)
Buildings	464,198	464,438	240
Construction in progress	57,651	39,301	(18,349)
Other	259,132	258,066	(1,065)
Total property, plant and equipment	2,809,299	2,781,075	(28,224)
Intangible fixed assets	99,472	97,413	(2,058)
Total fixed assets - telecommunications businesses	2,908,771	2,878,488	(30,283)
Investments and other assets			
Other investments and assets	216,942	216,943	0
Allowance for doubtful accounts	(994)	(946)	48
Total investments and other assets	215,947	215,997	49
Total fixed assets	3,124,719	3,094,485	(30,233)
Current assets:			
Cash and bank deposits	179,674	39,999	(139,674)
Notes receivable	-	149	149
Accounts receivable, trade	314,174	293,752	(20,422)
Supplies	43,596	43,301	(295)
Other current assets	43,137	74,080	30,943
Allowance for doubtful accounts	(3,829)	(3,651)	178
Total current assets	576,753	447,632	(129,120)
TOTAL ASSETS	3,701,473	3,542,118	(159,354)

(Millions of yen)

	March 31, 2012	June 30, 2012	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	617,715	507,347	(110,367)
Liability for employees' retirement benefits	227,464	226,363	(1,101)
Reserve for point services	5,074	5,459	384
Reserve for unused telephone cards	14,255	13,803	(451)
Asset retirement obligations	643	646	3
Other long-term liabilities	12,483	12,501	17
Total long-term liabilities	877,636	766,121	(111,514)
Current liabilities:			
Current portion of long-term borrowings from parent company	148,339	258,339	110,000
Accounts payable, trade	104,056	53,463	(50,592)
Short-term borrowings	30,000	20,000	(10,000)
Accrued taxes on income	488	*	2,693
Allowance for loss on disaster	1,535	1,527	(7)
Other current liabilities	410,817	330,494	(80,322)
Total current liabilities	695,237	666,519	(28,718)
TOTAL LIABILITIES	1,572,873	1,432,641	(140,232)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	293,962	274,562	(19,399)
Total shareholders' equity	2,128,689	2,109,289	(19,399)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(90)	187	277
Total unrealized gains (losses), translation adjustments, and others	(90)	187	277
TOTAL NET ASSETS	2,128,599	2,109,477	(19,121)
TOTAL LIABILITIES AND NET ASSETS	3,701,473	3,542,118	(159,354)

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, 2011	Three months ended June 30, 2012	Increase (Decrease)	Year ended March 31, 2012
Telecommunications businesses:				
Operating revenues	426,461	420,110	(6,351)	1,719,239
Operating expenses	408,594	407,220	(1,373)	1,676,016
Operating income from telecommunications businesses	17,867	12,889	(4,977)	43,223
Supplementary businesses:				
Operating revenues	27,683	29,390	1,707	132,287
Operating expenses	26,339	26,480	140	125,186
Operating income from supplementary businesses	1,343	2,910	1,567	7,101
Operating income	19,211	15,800	(3,410)	50,324
Non-operating revenues:				
Interest income	31	14	(17)	103
Dividends received	587	1,312	725	3,069
Lease and rental income	11,134	10,916	(217)	43,582
Miscellaneous income	2,056	1,748	(307)	11,693
Total non-operating revenues	13,809	13,991	182	58,448
Non-operating expenses:				
Interest expenses	2,505	2,273	(231)	9,814
Lease and rental expenses	4,674	4,568	(105)	20,590
Miscellaneous expenses	597	567	(29)	3,137
Total non-operating expenses	7,777	7,410	(366)	33,542
Recurring profit	25,242	22,381	(2,861)	75,230
Special profits	-	-	-	4,473
Special losses	5,801	2,177	(3,623)	12,645
Income before income taxes	19,441	20,204	762	67,058
Income taxes	* 6,711	* 6,103	(607)	34,904
Net income	12,730	14,100	1,370	32,153

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, 2011	Three months ended June 30, 2012	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2012
Voice transmission services revenues (excluding IP services revenues)	170,268	150,805	(19,462)	(11.4)	653,844
Monthly charge revenues*	118,797	107,996	(10,800)	(9.1)	461,246
Call rates revenues*	15,893	12,632	(3,260)	(20.5)	57,777
Interconnection call revenues*	21,504	19,011	(2,492)	(11.6)	81,873
IP services revenues	187,715	202,485	14,770	7.9	777,556
Leased circuit services revenues (excluding IP services revenues)	34,304	31,938	(2,365)	(6.9)	136,160
Telegram services revenues	4,679	4,381	(298)	(6.4)	17,098
Other telecommunications services revenues	29,494	30,500	1,006	3.4	134,579
Telecommunications total revenues	426,461	420,110	(6,351)	(1.5)	1,719,239
Supplementary business total revenues	27,683	29,390	1,707	6.2	132,287
Total operating revenues	454,145	449,501	(4,643)	(1.0)	1,851,527

*Partial listing only.