



# *News Release*

February 6, 2013

FOR IMMEDIATE RELEASE

## **Financial Statements for the Nine Months Ended December 31, 2012**

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the nine months ended December 31, 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)

For inquiries, please contact:

Mr. Hiroshi Niitsu or Mr. Takayuki Arita

Accounting Section, Finance Division

Nippon Telegraph and Telephone East Corporation

Tel: +81-3-5359-3331

E-mail: [kessan\\_info@sinoa.east.ntt.co.jp](mailto:kessan_info@sinoa.east.ntt.co.jp)

# 1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2012	December 31, 2012	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	506,301	488,042	(18,259)
Antenna facilities	5,068	4,781	(286)
Terminal equipment	64,544	57,402	(7,142)
Local line facilities	825,330	827,914	2,583
Long-distance line facilities	3,899	4,640	740
Engineering facilities	621,274	618,233	(3,040)
Submarine line facilities	1,899	1,603	(295)
Buildings	464,198	458,954	(5,243)
Construction in progress	57,651	25,870	(31,780)
Other	259,132	258,863	(269)
Total property, plant and equipment	2,809,299	2,746,307	(62,992)
Intangible fixed assets	99,472	91,821	(7,650)
Total fixed assets - telecommunications businesses	2,908,771	2,838,128	(70,643)
Investments and other assets			
Other investments and assets	216,942	218,898	1,956
Allowance for doubtful accounts	(994)	(918)	76
Total investments and other assets	215,947	217,980	2,032
Total fixed assets	3,124,719	3,056,108	(68,610)
Current assets:			
Cash and bank deposits	179,674	19,392	(160,281)
Accounts receivable, trade	314,174	245,111	(69,063)
Supplies	43,596	38,249	(5,347)
Other current assets	43,137	214,352	171,215
Allowance for doubtful accounts	(3,829)	(820)	3,008
Total current assets	576,753	516,284	(60,468)
<b>TOTAL ASSETS</b>	<b>3,701,473</b>	<b>3,572,393</b>	<b>(129,079)</b>

(Millions of yen)

	March 31, 2012	December 31, 2012	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	617,715	513,085	(104,630)
Liability for employees' retirement benefits	227,464	227,727	262
Reserve for point services	5,074	7,430	2,355
Reserve for unused telephone cards	14,255	13,070	(1,184)
Asset retirement obligations	643	599	(44)
Other long-term liabilities	12,483	12,223	(259)
Total long-term liabilities	877,636	774,135	(103,501)
Current liabilities:			
Current portion of long-term borrowings from parent company	148,339	248,247	99,908
Accounts payable, trade	104,056	48,710	(55,346)
Short-term borrowings	30,000	-	(30,000)
Accrued taxes on income	488	*	8,923
Allowance for loss on disaster	1,535	40	(1,494)
Asset retirement obligations	-	53	53
Other current liabilities	410,817	344,597	(66,219)
Total current liabilities	695,237	650,573	(44,664)
<b>TOTAL LIABILITIES</b>	<b>1,572,873</b>	<b>1,424,708</b>	<b>(148,165)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	293,962	312,741	18,778
Total shareholders' equity	2,128,689	2,147,467	18,778
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(90)	216	306
Total unrealized gains (losses), translation adjustments, and others	(90)	216	306
<b>TOTAL NET ASSETS</b>	<b>2,128,599</b>	<b>2,147,684</b>	<b>19,085</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,701,473</b>	<b>3,572,393</b>	<b>(129,079)</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, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Year ended March 31, 2012
Telecommunications businesses:				
Operating revenues	1,288,907	1,269,877	(19,029)	1,719,239
Operating expenses	1,247,587	1,218,349	(29,238)	1,676,016
Operating income from telecommunications businesses	41,319	51,528	10,209	43,223
Supplementary businesses:				
Operating revenues	90,919	94,727	3,807	132,287
Operating expenses	85,482	85,275	(207)	125,186
Operating income from supplementary businesses	5,436	9,451	4,015	7,101
Operating income	46,755	60,980	14,224	50,324
Non-operating revenues:				
Interest income	76	36	(39)	103
Dividends received	2,653	2,491	(162)	3,069
Lease and rental income	32,953	32,510	(443)	43,582
Miscellaneous income	3,525	7,401	3,876	11,693
Total non-operating revenues	39,208	42,439	3,231	58,448
Non-operating expenses:				
Interest expenses	7,513	6,730	(783)	9,814
Lease and rental expenses	14,245	14,703	458	20,590
Miscellaneous expenses	1,175	955	(219)	3,137
Total non-operating expenses	22,933	22,389	(544)	33,542
Recurring profit	63,030	81,030	17,999	75,230
Special profits	4,454	-	(4,454)	4,473
Special losses	9,687	3,482	(6,205)	12,645
Income before income taxes	57,796	77,548	19,751	67,058
Income taxes	*	*	(10,172)	34,904
Net income	22,354	52,278	29,923	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)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2012
Voice transmission services revenues (excluding IP services revenues)	497,810	441,396	(56,413)	(11.3)	653,844
Monthly charge revenues*	349,928	317,341	(32,587)	(9.3)	461,246
Call rates revenues*	44,801	36,846	(7,954)	(17.8)	57,777
Interconnection call revenues*	62,700	55,682	(7,017)	(11.2)	81,873
IP services revenues	577,749	624,195	46,445	8.0	777,556
Leased circuit services revenues (excluding IP services revenues)	102,579	92,550	(10,028)	(9.8)	136,160
Telegram services revenues	12,660	11,944	(715)	(5.7)	17,098
Other telecommunications services revenues	98,108	99,790	1,682	1.7	134,579
Telecommunications total revenues	1,288,907	1,269,877	(19,029)	(1.5)	1,719,239
Supplementary business total revenues	90,919	94,727	3,807	4.2	132,287
Total operating revenues	1,379,826	1,364,604	(15,221)	(1.1)	1,851,527

\*Partial listing only.