



# *News Release*

February 6, 2014

FOR IMMEDIATE RELEASE

## **Financial Statements for the Nine Months Ended December 31, 2013**

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the nine months ended December 31, 2013 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, 2013	December 31, 2013	Increase (Decrease)
<b>ASSETS</b>			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	484,112	475,679	(8,432)
Antenna facilities	4,643	4,440	(203)
Terminal equipment	55,006	47,742	(7,263)
Local line facilities	846,814	844,976	(1,838)
Long-distance line facilities	4,608	4,254	(353)
Engineering facilities	621,339	611,322	(10,016)
Submarine line facilities	1,520	1,500	(19)
Buildings	455,586	444,246	(11,339)
Construction in progress	36,097	31,685	(4,411)
Other	268,012	262,628	(5,383)
Total property, plant and equipment	2,777,740	2,728,478	(49,261)
Intangible fixed assets	92,108	88,393	(3,715)
Total fixed assets - telecommunications businesses	2,869,848	2,816,871	(52,977)
Investments and other assets			
Other investments and assets	210,652	218,294	7,642
Allowance for doubtful accounts	(898)	(804)	94
Total investments and other assets	209,754	217,490	7,736
Total fixed assets	3,079,602	3,034,361	(45,241)
Current assets:			
Cash and bank deposits	59,223	16,092	(43,130)
Notes receivable	7	41	33
Accounts receivable, trade	261,400	245,542	(15,857)
Supplies	36,206	37,922	1,716
Other current assets	215,233	194,387	(20,846)
Allowance for doubtful accounts	(1,826)	(1,649)	177
Total current assets	570,243	492,336	(77,907)
<b>TOTAL ASSETS</b>	<b>3,649,846</b>	<b>3,526,698</b>	<b>(123,148)</b>

(Millions of yen)

	March 31, 2013	December 31, 2013	Increase (Decrease)
<b>LIABILITIES</b>			
Long-term liabilities:			
Long-term borrowings from parent company	576,195	552,485	(23,710)
Liability for employees' retirement benefits	222,469	235,249	12,779
Reserve for point services	6,658	9,740	3,082
Reserve for unused telephone cards	12,647	11,494	(1,153)
Allowance for environmental measures	-	4,511	4,511
Asset retirement obligations	602	1,240	637
Other long-term liabilities	11,856	9,687	(2,169)
Total long-term liabilities	830,430	824,409	(6,021)
Current liabilities:			
Current portion of long-term borrowings from parent company	168,155	147,420	(20,735)
Accounts payable, trade	93,597	39,026	(54,571)
Accrued taxes on income	7,681	*	6,758
Allowance for environmental measures	-	11	11
Asset retirement obligations	-	1	1
Other current liabilities	401,697	335,732	(65,965)
Total current liabilities	671,132	528,950	(142,182)
<b>TOTAL LIABILITIES</b>	<b>1,501,563</b>	<b>1,353,359</b>	<b>(148,203)</b>
<b>NET ASSETS</b>			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	313,284	337,661	24,376
Total shareholders' equity	2,148,011	2,172,388	24,376
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	271	951	679
Total unrealized gains (losses), translation adjustments, and others	271	951	679
<b>TOTAL NET ASSETS</b>	<b>2,148,283</b>	<b>2,173,339</b>	<b>25,055</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,649,846</b>	<b>3,526,698</b>	<b>(123,148)</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, 2012	Nine months ended December 31, 2013	Increase (Decrease)	Year ended March 31, 2013
Telecommunications businesses:				
Operating revenues	1,269,877	1,224,588	(45,288)	1,689,238
Operating expenses	1,218,349	1,164,766	(53,582)	1,636,091
Operating income from telecommunications businesses	51,528	59,822	8,293	53,146
Supplementary businesses:				
Operating revenues	94,727	94,987	260	142,559
Operating expenses	85,275	84,799	(475)	130,634
Operating income from supplementary businesses	9,451	10,187	735	11,924
Operating income	60,980	70,009	9,029	65,071
Non-operating revenues:				
Interest income	36	52	15	62
Dividends received	2,491	3,674	1,183	2,494
Lease and rental income	32,510	33,331	820	43,166
Miscellaneous income	7,401	4,616	(2,785)	14,467
Total non-operating revenues	42,439	41,674	(765)	60,190
Non-operating expenses:				
Interest expenses	6,730	5,508	(1,221)	8,792
Lease and rental expenses	14,703	15,532	829	24,063
Miscellaneous expenses	955	724	(231)	3,512
Total non-operating expenses	22,389	21,765	(623)	36,368
Recurring profit	81,030	89,918	8,887	88,893
Special losses	3,482	3,382	(99)	7,980
Income before income taxes	77,548	86,535	8,987	80,912
Income taxes	*	*	3,389	28,090
Net income	52,278	57,876	5,597	52,822

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, 2012	Nine months ended December 31, 2013	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2013
Voice transmission services revenues (excluding IP services revenues)	441,396	393,909	(47,486)	(10.8)	579,196
Monthly charge revenues*	317,341	286,725	(30,615)	(9.6)	417,852
Call rates revenues*	36,846	32,244	(4,601)	(12.5)	47,939
Interconnection call revenues*	55,682	48,354	(7,327)	(13.2)	72,378
IP services revenues	624,195	630,705	6,510	1.0	835,886
Leased circuit services revenues (excluding IP services revenues)	92,550	88,803	(3,746)	(4.0)	122,777
Telegram services revenues	11,944	11,080	(863)	(7.2)	16,107
Other telecommunications services revenues	99,790	100,087	297	0.3	135,270
Telecommunications total revenues	1,269,877	1,224,588	(45,288)	(3.6)	1,689,238
Supplementary business total revenues	94,727	94,987	260	0.3	142,559
Total operating revenues	1,364,604	1,319,575	(45,028)	(3.3)	1,831,797

\*Partial listing only