



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for Fiscal Year Ended March 31, 2015

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the fiscal year ended March 31, 2015 are presented in the following attachments.

(Attachments)

1. Summary of Results for the Fiscal Year Ended March 31, 2015
2. Non-Consolidated Comparative Balance Sheets
3. Non-Consolidated Comparative Statements of Income
4. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
5. Business Results (Non-Consolidated Operating Revenues)
6. Non-Consolidated Comparative Statements of Cash Flows
7. Changes in Board of Directors

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1. Summary of Business

In the fiscal year ended March 31, 2015, while the economies of Europe and certain emerging countries weakened, the U.S. economy remained stable, leading to a gradual recovery of the global economy. The Japanese economy grew steadily overall, despite decreases in consumer spending levels and other areas due to the increase in the consumption tax rate enacted in April 2014.

The information and communications market is undergoing structural changes beyond the existing framework, including as a result of an increasing shift to broadband services and globalization, fixed-mobile convergence, cloud computing (*1) and smart TV development, penetration of high-speed wireless and Wi-Fi (*2) compatible devices, such as smartphones and tablet devices, and widespread use of applications that enable free phone calls and messaging.

Regional telecommunications markets are also changing dramatically, with intensifying competition in broadband service facilities and services centered around the shift to fiber-optic access, and increasing offloading (*3) needs due to the expansion of the volume of data communications. New services that leverage a variety of wireless devices are also expanding, which in turn leads to diversification in the way that customers are using these devices.

Amid such a difficult and volatile business environment, as a carrier with an important leadership role in the information and communications industry, NTT East has endeavored to be thorough in its compliance regime and to abide by the requirements of fair competition. At the same time, NTT East has aimed to secure a stable and solid foundation for its business, and ensure the reliability of social infrastructure, including the provision of high-quality, stable universal services, construction of a communications network that is resilient against disasters, and prompt restoration of services in times of large-scale natural disasters and other calamities.

NTT East has also engaged in efforts to further enhance broadband/ubiquitous environments and to expand fiber-optic access service user demographics through the provision of new services and products utilizing the next generation network (NGN), as well as providing customer-friendly rate menus that encourage subscribers to use its services for longer terms.

1. Efforts to Promote Fiber Optic and IP Services

Amid intensifying competition with respect to broadband services, NTT East launched new services and carried out other initiatives designed to promote the expansion and continued use of “FLET’S Hikari” (*4) and meet customers’ needs when using their Wi-Fi-compatible devices.

- i. Starting on July 1, 2014, NTT East began offering the new “FLET’S Hikari” services “FLET’S Hikari Next Giga Family Smart Type” and “FLET’S Hikari Next Giga Mansion Smart Type,” which provide transmission speeds at the fastest available level in Japan for both access networks and for home wireless LAN environments, providing a maximum upload and download (sending and receiving data) transmission speed of about 1Gbps, and which are compatible with the latest high-speed wireless LAN standards. In addition to these services,

on December 1, 2014, NTT East began providing “FLET’S Hikari Next Family Giga Line Type” and “FLET’S Hikari Next Mansion Giga Line Type” services, which do not utilize Wi-Fi routers.

Furthermore, in order to allow even more customers to utilize “FLET’S Hikari,” NTT East has implemented discount campaigns aimed at attracting new subscribers, including the “Giga Push! Campaign” and “Lighter than FLET’S Hikari Light! Discount” programs.

The membership program for subscribers to “FLET’S Hikari,” the “FLET’S Hikari Members Club,” exceeded five million members (*5) on April 11, 2014. To commemorate this milestone, NTT East conducted a gift campaign beginning in May 2014 for customer members to win points, products and other items through a lottery.

- ii. The growing penetration of high-speed wireless Wi-Fi-compatible devices such as smartphones, tablets and similar devices led NTT East to provide connectivity to “Hikari Station” (*6) Wi-Fi Internet hotspots through the Android/iOS application “Japan Connected-free Wi-Fi” (*7) beginning on August 26, 2014. Users of smartphones and other devices, including visitors to Japan, can now enjoy more convenient Wi-Fi Internet connectivity at tourist attractions and in urban areas. In addition, in order to create demand and enhance convenience for visitors to Japan, Japan Airlines Co., Ltd. (“JAL”) and NTT East collaborated to provide IDs and passwords through the websites of JAL’s overseas domains (*8) to enable visitors to Japan to access free wireless Wi-Fi services at “Hikari Station” hotspots.

Furthermore, given the expansion of the O2O services (*9) market, on November 4, 2014, NTT East started providing the “O2O Cloud Service,” an application service that uses Wi-Fi and is aimed at businesses in the restaurant, retail and other similar industries. This service allows businesses to link to an application for smartphones and tablets to display coupons, recommendations or other information to customers, while also gathering preregistered information from users connected to the Wi-Fi access point.

- iii. In an effort to promote the prosperity of society through the active use of ICT (*10), NTT East held an interactive caravan event, the “Showa Retro Community Forum,” with the objective of stimulating interest in the Internet among senior citizens who still do not use it, by demonstrating to them the Internet’s enjoyability and usefulness. By taking an event car through various areas (a total of 17 prefectures) in eastern Japan, NTT East had senior citizens interact with new technologies and services as they experienced the nostalgic “Showa Retro Worldview.”

In addition, in order to contribute to the maintenance and stabilization of management of nursery schools through the active utilization of ICT, Global Bridge Co. and NTT East collaborated to provide the “Child Care System” nursery school operational management system, with NTT East providing one-stop service, which includes “FLET’S Hikari” services, public wireless LAN access point services, utilization support, fee collection agency services, and other services.

- iv. In order to cultivate new demand by promoting new ICT utilization, on February 1, 2015, NTT East began offering the “Hikari Collaboration Model.” NTT East’s wholesale provision of services such as “FLET’S Hikari” to various service providers will allow such service providers to combine their services with fiber optic access services and provide new services to their customers.

2. Initiatives Relating to the Solutions Business

In order to support its regional customers through the promotion of ICT utilization, NTT East launched business operations for its corporate customers centered on industry-specific solutions that take into account each industry’s characteristics and trends.

- i. On August 20, 2014, NTT East launched “FLET’S VPN Prio” as a new IP-VPN service for the bandwidth priority service “FLET’s Hikari Next Prio,” aimed at customers with large-scale networks. This enables the structuring of a private network capable of reliable transmission that minimizes delays compared to the previous “FLET’S VPN Wide.”

On June 20, 2014, NTT East launched the “Biz Hikari Cloud Natural Disaster Victim Relief Support System” for local governments as a cloud-based service that comprehensively supports efforts to aid in disaster victims’ livelihood rehabilitation, such as “Issuance of Disaster Damage Certificates” (*11) by local governments. This system enables local governments to support disaster victims promptly and impartially and allows disaster victims to receive prompt support in the event of a disaster.

- ii. Amid a business climate where small- to medium-sized enterprises (SMEs) are utilizing mobile devices to achieve greater operational efficiency, on December 1, 2014, NTT East launched “Giga Raku Wi-Fi,” which provides ready-made Wi-Fi environments in response to customer requests, combining Wi-Fi access point equipment and support from installation through operation. Mobile ICT can be effectively utilized in the office, addressing the needs of NTT East customers who hope to improve productivity in their businesses and create new business opportunities.

In addition, on December 10, 2014, NTT East launched “IT Support Plan Mini Light” as a new, lower-cost option that provides support in the office ICT environment with a more limited range of content than the existing support lineup for “Office Marugoto Support,” a support service aimed at SMEs in the event of problems with office IT equipment, including breakdowns or other malfunctions.

- iii. On June 24, 2014, NTT East launched “FLET’S Azukeru PRO Plan” as an addition to the lineup of the “FLET’S Azukeru” online storage service. This service provides enhanced security compared to previous plans and adds additional functionality aimed at businesses, such as the ability to scheduling appointments on calendars. This plan enables schedule sharing and management of calendars among customers with the same subscription agreement as well as calendar registration and confirmation via smartphones and other mobile devices while away from the office.

3. Status of Business Operation Structure

NTT East, in response to the changing market and business environments, and in order to further enhance operational efficiency and to promote service provision by working even more closely with local communities, revised its business management structure on July 1, 2014.

Specifically, in order to further promote the efficiency of its 17 branch offices in each prefecture of the NTT East area, NTT East merged its branch offices into six business divisions and consolidated operations for efficiency where possible. To promote service provision in even closer conjunction with the local communities, NTT East established 29 branch offices as internal units within these business divisions, which divide the larger markets, namely the greater Tokyo metropolitan area (Tokyo, Kanagawa, Chiba and Saitama) and Hokkaido.

In connection with these developments, NTT East reorganized its 17 regional subsidiaries in each prefecture of the NTT East area and NTT East Solutions Corporation, which had overseen corporate sales in the Tokyo area, into four companies. In addition, in order to further increase business efficiency and to promote greater consistency in, and improvement of, service levels, front office operations (including 116 call centers) that had previously been outsourced to multiple companies were re-established as NTT EAST JAPAN SERVICE CORPORATION to operate in a centralized manner.

4. Corporate Social Responsibility Activities

NTT East considers Corporate Social Responsibility (“CSR”) activities to be one of the most important pillars of the management of the company, and recognizes that it is the social responsibility of a company to contribute to the environmentally friendly, healthy and sustainable development of society.

NTT East has directed its efforts as follows: (i) ensuring a high degree of stability and reliability of vital infrastructure that is indispensable to the general public; (ii) complying with laws and regulations, including those that ensure fair competition, protect personal information, make accurate representations in advertising, and regulate the dispatch of workers; and (iii) providing information and communications services that contribute to the reduction of the environmental impact of society as a whole, as well as taking measures to reduce its environmental impact by, among other things, reducing its consumption of energy, resources and electricity.

In addition, having further defined the “Shape the NTT East Group is Aiming For,” NTT East has made an effort to realize CSR activities befitting its position as the leading company in Japan’s information and communications industry, such as working to widen the reach of the “NTT Group CSR Charter” (enacted in June 2006) and striving to set up specific practices for the PDCA cycle based on “KPIs” (*12) established for each important theme of CSR activities. Furthermore, by issuing the *NTT East Group CSR Report 2014*, NTT East proactively endeavors to disclose relevant information to its stakeholders.

5. Financial Standing

As a result of these and other cost reduction efforts during the fiscal year

ended March 31, 2015, operating revenues totaled 1,765.4 billion yen (a decrease of 0.5 percent from the previous fiscal year), operating income totaled 109.8 billion yen (an increase of 64.6 percent from the previous fiscal year), recurring profit was 122.0 billion yen (an increase of 33.0 percent from the previous fiscal year), and net income totaled 69.5 billion yen (an increase of 28.9 percent from the previous fiscal year).

- *1: A form or service providing software and hardware, etc. via a network that can be utilized as needed without the purchase (ownership) of software and hardware, such as a server.
- *2: An abbreviation for Wireless Fidelity. This is a brand name for ensuring compatibility, so that wireless LAN equipment can connect effortlessly with other equipment. This term is now used to signify the wireless LAN environment itself in which Wi-Fi-compatible equipment interacts with other equipment.
- *3: Dispersing the load in order to eliminate reduction in transmission speed or connection difficulties that arise due to an increase in the transmission volume.
- *4: A collective name for “FLET’S Hikari Next,” “B FLET’S,” “FLET’S Hikari Light” and “FLET’S Hikari Wi-Fi Access” (includes Hikari Collaboration Model).
- *5: Numerical value for the “FLET’S Hikari” circuit unit.
- *6: A public wireless LAN access point service provided by NTT East for store and facility owners.
- *7: An application that can connect to free Wi-Fi Internet services, provided by NTT Broadband Platform Inc.
- *8: JAL websites aimed at customers in overseas areas (26 locations globally in 11 languages, excluding Japanese).
- *9: An abbreviation for Online-to-Offline. Promote customer purchasing activities and attract customers to small retail shops and facilities, etc. through information from Internet-based media (websites, email, applications, etc.).
- *10: An abbreviation for Information and Communication Technology. Data communication technology. A collective term for technology related to data communication via computers, including hardware, software, systems, and data communication.
- *11: Documents by which local governments certify the extent of damage to homes and such during disasters, such as fires, floods, earthquakes, etc.. These documents are required when applying for support funds for disaster victim relief or disaster restoration home financing, and claiming indemnity insurance payments, etc.
- *12: An abbreviation for Key Performance Indicator. This is a quantitative

indicator that measures the degree to which goals have been achieved.

2. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	474,554	434,518	(40,036)
Antenna facilities	4,325	3,948	(377)
Terminal equipment	45,756	37,569	(8,186)
Local line facilities	862,315	854,162	(8,153)
Long-distance line facilities	4,107	3,683	(424)
Engineering facilities	612,405	602,828	(9,576)
Submarine line facilities	1,421	1,119	(301)
Buildings	438,137	423,373	(14,764)
Structures	16,807	16,938	130
Other machinery and equipment	4,062	3,400	(662)
Vehicles and vessels	322	307	(14)
Tools, furniture and fixtures	40,745	42,826	2,080
Land	197,026	193,047	(3,978)
Lease assets	475	608	132
Construction in progress	19,885	27,975	8,089
Total property, plant and equipment	2,722,349	2,646,308	(76,041)
Intangible fixed assets	88,386	84,496	(3,889)
Total fixed assets - telecommunications businesses	2,810,736	2,730,805	(79,931)
Investments and other assets			
Investment securities	8,231	11,815	3,584
Investments in subsidiaries and affiliated companies	48,253	47,543	(710)
Other investments in subsidiaries and affiliated companies	4,089	3,800	(289)
Investment in capital	343	273	(70)
Long-term prepaid expenses	4,114	4,042	(72)
Prepaid pension costs	13,576	9,167	(4,408)
Deferred income taxes	130,509	117,889	(12,619)
Other investments and assets	4,771	4,047	(724)
Allowance for doubtful accounts	(1,030)	(956)	74
Total investments and other assets	212,859	197,623	(15,235)
Total fixed assets	3,023,595	2,928,428	(95,166)
Current assets:			
Cash and bank deposits	25,765	21,980	(3,784)
Notes receivable	171	15	(155)
Accounts receivable, trade	238,999	236,984	(2,014)
Accounts receivable, other	113,953	118,510	4,557
Supplies	33,852	33,633	(219)
Advance payments	1,616	2,332	715
Prepaid expenses	7,237	7,460	223
Deferred income taxes	5,541	6,986	1,445
Deposits	91,534	114,736	23,202
Other current assets	13,920	10,186	(3,734)
Allowance for doubtful accounts	(622)	(544)	78
Total current assets	531,969	552,283	20,313
TOTAL ASSETS	3,555,565	3,480,711	(74,853)

(Millions of yen)

	March 31, 2014	March 31, 2015	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	548,775	430,955	(117,820)
Lease obligations	987	1,185	197
Liability for employees' retirement benefits	231,328	232,618	1,290
Reserve for point services	7,074	9,724	2,650
Reserve for unused telephone cards	11,082	9,686	(1,395)
Allowance for environmental measures	4,511	7,748	3,236
Asset retirement obligations	1,110	1,119	9
Other long-term liabilities	8,613	8,292	(321)
Total long-term liabilities	813,483	701,330	(112,153)
Current liabilities:			
Current portion of long-term borrowings from parent company	127,420	66,220	(61,200)
Accounts payable, trade	77,246	85,478	8,232
Lease obligations	482	400	(82)
Accounts payable, other	212,539	175,324	(37,215)
Accrued expenses	14,951	14,688	(262)
Accrued taxes on income	5,746	10,713	4,967
Advances received	5,300	5,348	48
Deposits received	125,491	205,477	79,985
Unearned revenues	374	181	(193)
Allowance for environmental measures	-	3,147	3,147
Asset retirement obligations	149	-	(149)
Other current liabilities	3,123	2,462	(660)
Total current liabilities	572,826	569,443	(3,382)
TOTAL LIABILITIES	1,386,310	1,270,773	(115,536)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus			
Additional paid-in capital	1,499,726	1,499,726	-
Total capital surplus	1,499,726	1,499,726	-
Earned surplus			
Other earned surplus			
Reserve for special depreciation	2,648	2,241	(407)
Reserve for reduction entry	11,405	12,890	1,484
Accumulated earned surplus	319,686	356,773	37,087
Total earned surplus	333,740	371,905	38,164
Total shareholders' equity	2,168,467	2,206,632	38,164
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	787	3,305	2,518
Total unrealized gains (losses), translation adjustments, and others	787	3,305	2,518
TOTAL NET ASSETS	2,169,255	2,209,938	40,682
TOTAL LIABILITIES AND NET ASSETS	3,555,565	3,480,711	(74,853)

3. Non-Consolidated Comparative Statements of Income

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Telecommunications businesses:			
Operating revenues	1,630,523	1,625,057	(5,466)
Operating expenses			
Business expenses	423,552	393,958	(29,593)
Operations	9,397	8,917	(480)
Maintenance expenses	409,979	400,322	(9,657)
Overhead expenses	90,607	94,826	4,218
Administration	90,679	87,240	(3,439)
Experiment and research	45,341	41,542	(3,799)
Depreciation and amortization	359,020	357,159	(1,860)
Retirement of fixed assets	45,645	46,910	1,264
Access charges	31,944	29,402	(2,541)
Miscellaneous taxes	71,654	72,886	1,231
Total operating expenses	1,577,823	1,533,165	(44,657)
Operating income from telecommunications businesses	52,699	91,891	39,191
Supplementary businesses:			
Operating revenues	143,286	140,365	(2,920)
Operating expenses	129,271	122,414	(6,856)
Operating income from supplementary businesses	14,014	17,950	3,935
Operating income	66,714	109,841	43,127
Non-operating revenues:			
Interest income	76	76	0
Interest on securities	0	0	(0)
Dividends received	3,690	6,400	2,710
Lease and rental income	44,296	-	(44,296)
Gains on sales of fixed assets	5,973	9,565	3,592
Miscellaneous income	3,991	7,660	3,669
Total non-operating revenues	58,027	23,704	(34,323)
Non-operating expenses:			
Interest expenses	7,203	5,852	(1,351)
Lease and rental expenses	23,253	-	(23,253)
Miscellaneous expenses	2,536	5,651	3,115
Total non-operating expenses	32,993	11,504	(21,488)
Recurring profit	91,749	122,041	30,291
Special losses:			
Impairment loss	4,909	-	(4,909)
Provision for allowance for environmental measures	3,382	7,930	4,547
Total special losses	8,292	7,930	(362)
Income before income taxes	83,457	114,111	30,654
Corporation, inhabitant, and enterprise taxes	23,033	35,511	12,478
Deferred tax expenses (benefits)	6,467	9,027	2,560
Net income	53,956	69,571	15,615

Note: * "Lease and rental income" and "lease and rental expenses," which were previously included under non-operating revenues and non-operating expenses, respectively, in the fiscal year ended March 31, 2014, have been reclassified as telecommunications businesses operating revenues and operating expenses in the fiscal year ended March 31, 2015.

Telecommunications operating revenues attributable to lease and rental income and operating expenses attributable to lease and rental expenses were 42,494 million yen and 21,081 million yen, respectively, in the fiscal year ended March 31, 2015.

4. Non-Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets

(Based on accounting principles generally accepted in Japan)

Year ended March 31, 2014

(Millions of yen)

	Shareholders' equity								Unrealized gains (losses), translation adjustments, and others		Total net assets
	Common stock	Capital surplus		Earned surplus				Total shareholders' equity	Net unrealized gains (losses) on securities	Total unrealized gains (losses), translation adjustments, and others	
		Additional paid-in capital	Total capital surplus	Other earned surplus			Total earned surplus				
				Reserve for special depreciation	Reserve for reduction entry	Accumulated earned surplus					
April 1, 2013	335,000	1,499,726	1,499,726	2,997	9,901	300,384	313,284	2,148,011	271	271	2,148,283
Net change during the annual period											
Cash dividends						(33,500)	(33,500)	(33,500)			(33,500)
Net income						53,956	53,956	53,956			53,956
Provision of reserve for special depreciation				242		(242)	-	-			-
Return of reserve for special depreciation				(591)		591	-	-			-
Provision of reserve for reduction entry					1,503	(1,503)	-	-			-
Others, net									515	515	515
Total net change during the annual period	-	-	-	(349)	1,503	19,301	20,456	20,456	515	515	20,971
March 31, 2014	335,000	1,499,726	1,499,726	2,648	11,405	319,686	333,740	2,168,467	787	787	2,169,255

Year ended March 31, 2015

(Millions of yen)

	Shareholders' equity								Unrealized gains (losses), translation adjustments, and others		Total net assets
	Common stock	Capital surplus		Earned surplus				Total shareholders' equity	Net unrealized gains (losses) on securities	Total unrealized gains (losses), translation adjustments, and others	
		Additional paid-in capital	Total capital surplus	Other earned surplus			Total earned surplus				
				Reserve for special depreciation	Reserve for reduction entry	Accumulated earned surplus					
April 1, 2014	335,000	1,499,726	1,499,726	2,648	11,405	319,686	333,740	2,168,467	787	787	2,169,255
Cumulative effect of changes in accounting policies						2,092	2,092	2,092			2,092
Current balance reflecting changes in accounting policies	335,000	1,499,726	1,499,726	2,648	11,405	321,778	335,833	2,170,560	787	787	2,171,347
Net change during the annual period											
Cash dividends						(33,500)	(33,500)	(33,500)			(33,500)
Net income						69,571	69,571	69,571			69,571
Provision of reserve for special depreciation				206		(206)	-	-			-
Return of reserve for special depreciation				(613)		613	-	-			-
Provision of reserve for reduction entry					1,487	(1,487)	-	-			-
Return of reserve for reduction entry					(3)	3	-	-			-
Others, net									2,518	2,518	2,518
Total net change during the annual period	-	-	-	(407)	1,484	34,994	36,071	36,071	2,518	2,518	38,590
March 31, 2015	335,000	1,499,726	1,499,726	2,241	12,890	356,773	371,905	2,206,632	3,305	3,305	2,209,938

5. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)	Percent Increase (Decrease)
Voice transmission services revenues (excluding IP services revenues)	518,346	468,529	(49,817)	(9.6)
Monthly charge revenues*	378,089	346,421	(31,667)	(8.4)
Call rates revenues*	42,044	35,542	(6,501)	(15.5)
Interconnection call revenues*	63,210	55,061	(8,149)	(12.9)
IP services revenues	841,334	844,470	3,135	0.4
Leased circuit services revenues (excluding IP services revenues)	117,286	111,986	(5,300)	(4.5)
Telegram services revenues	14,951	14,063	(887)	(5.9)
Other telecommunications services revenues	138,604	186,007	47,403	34.2
Telecommunications total revenues	1,630,523	1,625,057	(5,466)	(0.3)
Supplementary business total revenues	143,286	140,365	(2,920)	(2.0)
Total operating revenues	1,773,809	1,765,422	(8,387)	(0.5)

*Partial listing only

6. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase (Decrease)
Cash flows from operating activities:			
Income before income taxes	83,457	114,111	30,654
Depreciation and amortization	372,285	362,499	(9,786)
Loss on disposal of property, plant and equipment	23,031	19,276	(3,755)
Increase (decrease) in liability for employees' retirement benefits	8,858	1,290	(7,568)
(Increase) decrease in accounts receivable	18,301	(2,387)	(20,688)
(Increase) decrease in inventories	484	(2,715)	(3,200)
Increase (decrease) in accounts payable and accrued expenses	(28,439)	(58,409)	(29,969)
Increase (decrease) in accrued consumption tax	(3,721)	12,053	15,774
Other	755	87,582	86,827
Sub-total	475,013	533,301	58,287
Interest and dividends received	3,767	6,477	2,710
Interest paid	(7,810)	(6,154)	1,656
Income taxes received (paid)	(21,779)	(24,302)	(2,523)
Net cash provided by (used in) operating activities	449,190	509,321	60,131
Cash flows from investing activities:			
Payments for property, plant and equipment	(362,549)	(293,760)	68,789
Proceeds from sale of property, plant and equipment	7,679	11,861	4,182
Payments for purchase of investment securities	(167)	(248)	(81)
Proceeds from sale of investment securities	358	389	30
Other	(7,373)	398	7,771
Net cash provided by (used in) investing activities	(362,051)	(281,359)	80,692
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	100,000	-	(100,000)
Payments for settlement of long-term debt	(168,155)	(179,020)	(10,864)
Payments for settlement of lease obligations	(599)	(555)	43
Dividends paid	(33,500)	(33,500)	-
Net cash provided by (used in) financing activities	(102,255)	(213,075)	(110,820)
Net increase (decrease) in cash and cash equivalents	(15,116)	14,887	30,003
Cash and cash equivalents at beginning of year	138,901	123,785	(15,116)
Cash and cash equivalents at end of year	123,785	138,672	14,887

7. CHANGES IN BOARD OF DIRECTORS

Scheduled Appointment or Resignation Date: June 19, 2015

(1) Candidates for Senior Vice President

Hideo Fujimoto	(Representative Director and Senior Executive Vice President, NTT-ME CORPORATION)
Kenji Asano	(General Manager, Procurement and Supply Center)
Hiroshi Tanabe	(Executive Manager, Engineering Department, Network Business Headquarters)
Kiyoshi Harada	(General Manager, Kanagawa Division; General Manager, Kanagawa Branch, Kanagawa Division)

(2) Senior Vice Presidents Scheduled to Resign from Office

Masahide Oka	(Representative Director and Senior Executive Vice President; scheduled to take office at Hitachi, Ltd.)
Takashi Kagaya	(Executive Vice President; scheduled to take office at Nippon COMSYS Corporation)
Sakuo Sakamoto	(Senior Vice President; will continue to serve as President, NTT EAST SERVICE CORPORATION, following the scheduled resignation as Senior Vice President)
Masayuki Takahashi	(Senior Vice President; scheduled to take office at MIRAIT Corporation)

(3) Candidates for Representative Directors

Candidates Scheduled to be Re-elected/Take Office as Representative Director and Executive Vice President

Fukuzo Inoue	(Executive Vice President)
Motoyuki Ii	(Senior Vice President)

(4) New Executive Positions and Organizational Responsibilities

Scheduled appointment date: June 19, 2015

New Position(s) and Organizational Responsibilities	Name	Current Position(s) and Organizational Responsibilities
Representative Director and Senior Executive Vice President; in charge of risk management; in charge of corporate strategy planning; in charge of IT innovation; in charge of general affairs and personnel; in charge of finance	Hiroshi Nakagawa	Representative Director and Senior Executive Vice President; Executive Manager, Corporate Strategy Planning Department; in charge of risk management; in charge of general affairs and personnel; in charge of finance; in charge of information security
Representative Director and Executive Vice President; Senior Executive Manager, New Business Development Headquarters	Fukuzo Inoue	Executive Vice President; Senior Executive Manager, New Business Development Headquarters

Representative Director and Executive Vice President; Senior Executive Manager, Corporate Sales Promotion Headquarters	Motoyuki Ii	Senior Vice President; Senior Executive Manager, Corporate Sales Promotion Headquarters
Senior Vice President; Senior Executive Manager, Sales Promotion Headquarters; Executive Manager, Sales Department, Sales Promotion Headquarters	Masao Seki	Senior Vice President; Executive Manager, Sales Department, Sales Promotion Headquarters
Senior Vice President; Executive Manager, Corporate Strategy Planning Department; in charge of information security	Shinji Yano	Senior Vice President General Manager, Chiba Division; General Manager, Chiba Branch
Senior Vice President; Senior Executive Manager, Network Business Headquarters; in charge of interconnection promotion; in charge of procurement and supply; in charge of Tohoku future network design and reconstruction; Head of Plant Department established pursuant to the Regulations for Enforcement of the Telecommunications Business Law; in charge of information management pursuant to the Regulations for Enforcement of the Telecommunications Business Law	Hideo Fujimoto	
Senior Vice President; General Manager, Tokyo Division	Kenji Asano	
Senior Vice President; Executive Manager, Service Operation Department, Network Business Headquarters; Executive Manager, Engineering Department, Network Business Headquarters	Hiroshi Tanabe	
Senior Vice President; General Manager, Kanagawa Division; General Manager, Kanagawa Branch, Kanagawa Division	Kiyoshi Harada	