



News Release

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FOR IMMEDIATE RELEASE

Financial Statements for the Three Months Ended June 30, 2017

The financial results of Nippon Telegraph and Telephone East Corporation (NTT East) for the three months ended June 30, 2017 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, 2017	June 30, 2017	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	339,631	339,785	154
Antenna facilities	3,604	3,572	(31)
Terminal equipment	22,947	22,277	(669)
Local line facilities	866,722	870,317	3,594
Long-distance line facilities	2,843	2,788	(54)
Engineering facilities	588,683	584,517	(4,166)
Submarine line facilities	732	697	(35)
Buildings	409,835	410,411	575
Construction in progress	19,988	18,866	(1,122)
Other	266,121	265,035	(1,085)
Total property, plant and equipment	2,521,110	2,518,268	(2,841)
Intangible fixed assets	84,120	83,967	(153)
Total fixed assets - telecommunications businesses	2,605,230	2,602,235	(2,994)
Investments and other assets			
Other investments and assets	199,112	200,897	1,784
Allowance for doubtful accounts	(773)	(760)	13
Total investments and other assets	198,338	200,137	1,798
Total fixed assets	2,803,569	2,802,372	(1,196)
Current assets:			
Cash and bank deposits	5,605	6,093	488
Notes receivable	-	5	5
Accounts receivable, trade	230,736	206,054	(24,682)
Supplies	26,005	24,415	(1,589)
Other current assets	435,502	309,943	(125,558)
Allowance for doubtful accounts	(327)	(281)	46
Total current assets	697,521	546,230	(151,291)
TOTAL ASSETS	3,501,091	3,348,603	(152,488)

(Millions of yen)

	March 31, 2017	June 30, 2017	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	225,220	225,220	-
Liability for employees' retirement benefits	247,366	249,830	2,464
Reserve for point services	4,145	4,321	176
Reserve for unused telephone cards	8,460	7,992	(467)
Allowance for environmental measures	3,637	3,637	-
Asset retirement obligations	902	898	(4)
Other long-term liabilities	36,166	36,079	(87)
Total long-term liabilities	525,898	527,980	2,081
Current liabilities:			
Current portion of long-term borrowings from parent company	140,615	140,615	-
Accounts payable, trade	89,029	37,552	(51,477)
Accrued taxes on income	14,186	7,069	(7,117)
Allowance for environmental measures	2,285	1,945	(339)
Asset retirement obligations	1	-	(1)
Other current liabilities	442,617	436,637	(5,979)
Total current liabilities	688,735	623,819	(64,915)
TOTAL LIABILITIES	1,214,633	1,151,800	(62,833)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	447,459	357,862	(89,596)
Total shareholders' equity	2,282,186	2,192,589	(89,596)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	4,271	4,213	(57)
Total unrealized gains (losses), translation adjustments, and others	4,271	4,213	(57)
TOTAL NET ASSETS	2,286,457	2,196,803	(89,654)
TOTAL LIABILITIES AND NET ASSETS	3,501,091	3,348,603	(152,488)

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, 2016	Three months ended June 30, 2017	Increase (Decrease)	Year ended March 31, 2017
Telecommunications businesses:				
Operating revenues	385,050	378,660	(6,389)	1,534,745
Operating expenses	324,919	307,656	(17,263)	1,367,603
Operating income from telecommunications businesses	60,130	71,004	10,873	167,142
Supplementary businesses:				
Operating revenues	25,090	26,894	1,804	137,497
Operating expenses	21,096	22,293	1,197	115,534
Operating income from supplementary businesses	3,994	4,601	606	21,962
Operating income	64,125	75,605	11,480	189,104
Non-operating revenues:				
Interest income	6	4	(1)	26
Dividends received	3,155	6,885	3,729	3,226
Gains on sales of fixed assets	13,538	625	(12,912)	14,363
Miscellaneous income	672	655	(16)	2,647
Total non-operating revenues	17,371	8,171	(9,200)	20,263
Non-operating expenses:				
Interest expenses	1,170	894	(276)	4,669
Miscellaneous expenses	122	26	(95)	260
Total non-operating expenses	1,292	920	(372)	4,930
Recurring profit	80,203	82,856	2,652	204,438
Income before income taxes	80,203	82,856	2,652	204,438
Income taxes	*	*	401	54,774
Net income	57,810	60,061	2,250	149,663

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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, 2016	Three months ended June 30, 2017	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2017
Voice transmission services revenues (excluding IP services revenues)	101,448	94,295	(7,153)	(7.1)	396,519
Monthly charge revenues*	76,586	71,477	(5,109)	(6.7)	299,992
Call rates revenues*	6,900	5,981	(919)	(13.3)	26,272
Interconnection call revenues*	11,762	10,910	(851)	(7.2)	45,606
IP services revenues	213,354	213,425	70	0.0	850,388
Leased circuit services revenues (excluding IP services revenues)	24,066	23,269	(796)	(3.3)	93,307
Telegram services revenues	3,163	2,978	(184)	(5.8)	11,422
Other telecommunications services revenues	43,017	44,691	1,674	3.9	183,107
Telecommunications total revenues	385,050	378,660	(6,389)	(1.7)	1,534,745
Supplementary business total revenues	25,090	26,894	1,804	7.2	137,497
Total operating revenues	410,140	405,555	(4,585)	(1.1)	1,672,243

*Partial listing only