



News Release

NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION

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FOR IMMEDIATE RELEASE

Financial Statements for the Three Months Ended June 30, 2009

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for the three months ended June 30, 2009 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)
4. Non-Consolidated Comparative Statements of Cash Flows

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1. Non-Consolidated Comparative Balance Sheets

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	March 31, 2009	June 30, 2009	Increase (Decrease)
ASSETS			
Fixed assets:			
Fixed assets - telecommunications businesses			
Property, plant and equipment			
Machinery and equipment	525,363	527,440	2,076
Antenna facilities	6,507	6,415	(91)
Terminal equipment	90,041	89,989	(52)
Local line facilities	774,171	777,376	3,204
Long-distance line facilities	5,863	5,526	(336)
Engineering facilities	645,278	641,777	(3,500)
Submarine line facilities	2,117	1,983	(133)
Buildings	513,715	506,923	(6,791)
Construction in progress	27,243	42,389	15,146
Other	256,207	253,821	(2,385)
Total property, plant and equipment	2,846,508	2,853,644	7,135
Intangible fixed assets	99,629	104,190	4,560
Total fixed assets - telecommunications businesses	2,946,137	2,957,834	11,696
Investments and other assets			
Other investments and assets	285,401	284,997	(403)
Allowance for doubtful accounts	(1,619)	(1,513)	105
Total investments and other assets	283,782	283,484	(297)
Total fixed assets	3,229,920	3,241,319	11,398
Current assets:			
Cash and bank deposits	130,023	82,118	(47,904)
Notes receivable	5	322	317
Accounts receivable, trade	296,624	265,772	(30,851)
Supplies	37,414	40,624	3,210
Other current assets	38,836	66,529	27,693
Allowance for doubtful accounts	(2,360)	(2,207)	153
Total current assets	500,543	453,160	(47,382)
TOTAL ASSETS	3,730,463	3,694,480	(35,983)

(Millions of yen)

	March 31, 2009	June 30, 2009	Increase (Decrease)
LIABILITIES			
Long-term liabilities:			
Long-term borrowings from parent company	649,338	798,970	149,632
Liability for employees' retirement benefits	285,469	286,940	1,471
Reserve for unused telephone cards	13,028	12,363	(664)
Other long-term liabilities	11,909	12,812	903
Total long-term liabilities	959,745	1,111,088	151,342
Current liabilities:			
Current portion of long-term borrowings from parent company	105,809	15,861	(89,947)
Accounts payable, trade	82,509	73,253	(9,256)
Short-term borrowings	65,000	60,000	(5,000)
Accrued taxes on income	2,253	*	3,640
Other current liabilities	421,010	356,030	(64,979)
Total current liabilities	676,582	508,786	(167,795)
TOTAL LIABILITIES	1,636,327	1,619,874	(16,453)
NET ASSETS			
Shareholders' equity:			
Common stock	335,000	335,000	-
Capital surplus	1,499,726	1,499,726	-
Earned surplus	259,456	239,754	(19,701)
Total shareholders' equity	2,094,182	2,074,481	(19,701)
Unrealized gains (losses), translation adjustments, and others:			
Net unrealized gains (losses) on securities	(47)	123	171
Total unrealized gains (losses), translation adjustments, and others	(47)	123	171
TOTAL NET ASSETS	2,094,135	2,074,605	(19,530)
TOTAL LIABILITIES AND NET ASSETS	3,730,463	3,694,480	(35,983)

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, 2008	Three months ended June 30, 2009	Increase (Decrease)	Year ended March 31, 2009
Telecommunications businesses:				
Operating revenues	452,080	442,139	(9,940)	1,825,790
Operating expenses	444,679	430,408	(14,271)	1,789,250
Operating income from telecommunications businesses	7,400	11,731	4,330	36,540
Supplementary businesses:				
Operating revenues	24,718	25,392	673	127,201
Operating expenses	25,378	25,262	(116)	127,043
Operating income (losses) from supplementary businesses	(660)	129	789	157
Operating income	6,740	11,860	5,120	36,697
Non-operating revenues:				
Interest income	5	7	1	26
Dividends received	505	411	(94)	12,229
Lease and rental income	13,488	12,819	(668)	52,774
Miscellaneous income	706	843	136	4,227
Total non-operating revenues	14,706	14,082	(624)	69,257
Non-operating expenses:				
Interest expenses	3,076	2,845	(230)	12,375
Lease and rental expenses	5,283	5,232	(50)	23,580
Miscellaneous expenses	414	959	544	4,615
Total non-operating expenses	8,773	9,037	263	40,571
Recurring profit	12,673	16,905	4,231	65,383
Special profits	5,122	4,604	(518)	57,595
Income before income taxes	17,796	21,509	3,713	122,978
Income taxes	* 8,109	* 7,710	(398)	45,425
Net income	9,686	13,798	4,111	77,552

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, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the three months ended June 30, 2008. Except for a portion of the calculation of taxes, income taxes have not been calculated on a consolidated basis in the quarterly financial statements for the three months ended June 30, 2009.

3. Business Results (Non-Consolidated Operating Revenues)

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009	Increase (Decrease)	Percent Increase (Decrease)	Year ended March 31, 2009
Voice transmission services revenues (excluding IP services revenues)	237,682	211,312	(26,369)	(11.1)	911,264
Monthly charge revenues*	159,399	145,244	(14,155)	(8.9)	619,821
Call rates revenues*	27,311	22,374	(4,937)	(18.1)	100,801
Interconnection call revenues*	31,579	26,342	(5,236)	(16.6)	118,078
IP services revenues	132,184	153,475	21,291	16.1	563,908
Leased circuit services revenues (excluding IP services revenues)	43,338	39,713	(3,624)	(8.4)	169,392
Telegram services revenues	6,318	5,715	(603)	(9.5)	22,216
Other telecommunications services revenues	32,557	31,922	(634)	(1.9)	159,008
Telecommunications total revenues	452,080	442,139	(9,940)	(2.2)	1,825,790
Supplementary business total revenues	24,718	25,392	673	2.7	127,201
Total operating revenues	476,798	467,531	(9,267)	(1.9)	1,952,991

* Partial listing only

4. Non-Consolidated Comparative Statements of Cash Flows

(Based on accounting principles generally accepted in Japan)

(Millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009	Increase (Decrease)	Year ended March 31, 2009
Cash flows from operating activities:				
Income before income taxes	17,796	21,509	3,713	122,978
Depreciation and amortization	107,172	102,696	(4,475)	425,634
Loss on disposal of property, plant and equipment	3,380	5,114	1,733	20,989
Gains on sales of fixed assets	(5,122)	(4,604)	518	(57,595)
Increase (decrease) in liability for employees' retirement benefits	(2,086)	1,471	3,557	(33,468)
(Increase) decrease in accounts receivable	15,184	27,852	12,667	11,531
(Increase) decrease in inventories	(2,357)	(3,210)	(853)	(1,916)
Increase (decrease) in accounts payable and accrued expenses	(52,858)	(59,676)	(6,817)	(44,855)
Increase (decrease) in accrued consumption tax	2,347	1,283	(1,063)	174
Other	(1,667)	11,178	12,845	17,948
Sub-total	81,788	103,614	21,826	461,421
Interest and dividends received	512	419	(93)	12,255
Interest paid	(2,803)	(2,642)	161	(12,523)
Income taxes received (paid)	(124)	(943)	(818)	(15,401)
Net cash provided by (used in) operating activities	79,373	100,448	21,075	445,752
Cash flows from investing activities:				
Payments for property, plant and equipment	(136,213)	(136,054)	158	(478,356)
Proceeds from sale of property, plant and equipment	7,224	5,483	(1,741)	74,701
Payments for purchase of investment securities	(1,403)	(0)	1,402	(11,954)
Proceeds from sale of investment securities	22	240	218	526
Other	228	295	66	1,816
Net cash provided by (used in) investing activities	(130,140)	(130,035)	105	(413,266)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	100,000	150,000	50,000	150,000
Payments for settlement of long-term debt	(90,258)	(90,315)	(56)	(162,419)
Net increase (decrease) in short-term borrowings	35,993	(39,992)	(75,985)	11,992
Payments for settlement of lease obligations	(130)	(194)	(63)	(790)
Dividends paid	(33,500)	(33,500)	-	(33,500)
Net cash provided by (used in) financing activities	12,104	(14,002)	(26,106)	(34,717)
Net increase (decrease) in cash and cash equivalents	(38,663)	(43,588)	(4,925)	(2,232)
Cash and cash equivalents at beginning of period	134,903	132,671	(2,232)	134,903
Cash and cash equivalents at end of period	96,240	89,082	(7,157)	132,671