

Consolidated Statements of Income

Nippon Telegraph and Telephone Corporation and its subsidiaries
Year Ended March 31

	Millions of yen			Millions of U.S. dollars (Note 3)
	2007	2008	2009	2009
Operating revenues (Note 4):				
Fixed voice related services (Note 2)	¥ 3,113,549	¥ 2,831,138	¥ 2,581,041	\$ 26,337
Mobile voice related services	3,021,263	2,739,832	2,283,890	23,305
IP/packet communications services	2,247,948	2,567,440	2,897,976	29,571
Sale of telecommunication equipment	583,349	653,499	709,590	7,241
System integration	1,092,738	1,156,997	1,211,681	12,364
Other	701,703	731,985	732,127	7,471
	10,760,550	10,680,891	10,416,305	106,289
Operating expenses (Notes 4 and 18):				
Cost of services (exclusive of items shown separately below)	2,325,712	2,419,148	2,436,234	24,860
Cost of equipment sold (Note 2) (exclusive of items shown separately below)	1,333,237	1,262,789	936,142	9,552
Cost of system integration (exclusive of items shown separately below)	737,271	794,867	788,294	8,044
Depreciation and amortization (Note 9)	2,097,327	2,161,878	2,139,175	21,828
Impairment losses	3,620	5,032	4,340	44
Selling, general and administrative expenses (Note 18)	3,140,587	3,047,236	2,993,164	30,543
Goodwill and other intangible assets impairments (Note 9)	15,781	2,888	9,204	94
Gain on transfer of the substitutional portion of the Employee Pension Fund (Notes 2 and 11)	—	(317,556)	—	—
	9,653,535	9,376,282	9,306,553	94,965
Operating income (loss) (Note 2)	1,107,015	1,304,609	1,109,752	11,324
Other income (expenses):				
Interest and amortization of bond discounts and issue costs (Note 2)	(69,533)	(63,775)	(58,887)	(601)
Interest income	27,088	24,495	26,629	272
Other, net (Notes 8 and 21)	68,132	56,962	27,669	282
	25,687	17,682	(4,589)	(47)
Income (loss) before income taxes, minority interests and equity in earnings (losses) of affiliated companies	1,132,702	1,322,291	1,105,163	11,277
Income tax expense (benefit) (Note 12):				
Current	298,177	377,065	472,300	4,819
Deferred	168,375	143,712	(102,217)	(1,043)
	466,552	520,777	370,083	3,776
Income (loss) before minority interests, equity in earnings (losses) of affiliated companies	666,150	801,514	735,080	7,501
Minority interests in consolidated subsidiaries	(194,825)	(197,384)	(194,485)	(1,984)
Equity in earnings (losses) of affiliated companies (Note 7)	10,043	31,026	(1,916)	(20)
Net income (loss) (Note 2)	¥ 481,368	¥ 635,156	¥ 538,679	\$ 5,497

	Shares or Yen		U.S. dollars (Note 3)	
	2007	2008	2009	2009
Per share of common stock (Note 14):				
Weighted average number of shares outstanding	1,382,076,916	1,377,561,362	1,345,302,411	
Net income (loss) (Note 2)	¥348.29	¥461.07	¥400.41	\$4.09
Cash dividends to be paid to shareholders of record date	¥ 80.00	¥ 90.00	¥110.00	\$1.12

The accompanying notes are an integral part of these financial statements.