

# Consolidated Statements of Cash Flows

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

Millions of  
U.S. dollars  
(Note 3)

	Millions of yen		Millions of U.S. dollars	
	2007	2008	2009	2009
<b>Cash flows from operating activities:</b>				
Net income (loss) (Note 2)	¥ 481,368	¥ 635,156	¥ 538,679	\$ 5,497
Adjustments to reconcile net income (loss) to net cash provided by operating activities—				
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
Deferred taxes (Note 12)	168,375	143,712	(102,217)	(1,043)
Minority interest in consolidated subsidiaries	194,825	197,384	194,485	1,984
Goodwill and other intangible assets impairments (Note 9)	15,781	2,888	9,204	94
Loss on disposal of property, plant and equipment	136,167	140,511	120,893	1,234
Gain on transfer of the substitutional portion of the Employee Pension Fund (Notes 2 and 11)	—	(317,556)	—	—
Gains on sales of property, plant and equipment	(60,147)	(58,494)	(78,171)	(797)
Equity in (earnings) losses of affiliated companies (Note 7)	(10,043)	(31,026)	1,916	20
(Increase) decrease in notes and accounts receivable, trade	(280,524)	289,627	(69,928)	(714)
(Increase) decrease in inventories (Note 6)	83,975	(34,582)	30,330	309
(Increase) decrease in other current assets	42,160	(23,310)	(53,711)	(548)
Increase (decrease) in accounts payable, trade and accrued payroll	(76,918)	(80,883)	(204,483)	(2,087)
Increase (decrease) in accrued consumption tax	18,689	(9,632)	(7,735)	(79)
Increase (decrease) in accrued interest	(2,387)	(2,732)	701	7
Increase (decrease) in advances received	(15,042)	50,875	16,764	171
Increase (decrease) in accrued taxes on income	(107,406)	125,494	55,247	564
Increase (decrease) in other current liabilities	(38,334)	(12,562)	(30,722)	(313)
Increase (decrease) in liability for employees' retirement benefits	(116,380)	(183,377)	(27,049)	(276)
Increase (decrease) in other long-term liabilities	(63,181)	51,957	63,490	648
Other	(110,636)	40,432	(87,108)	(889)
Net cash provided by (used in) operating activities	2,361,289	3,090,792	2,514,100	25,654
<b>Cash flows from investing activities:</b>				
Payments for property, plant and equipment	(1,608,505)	(1,259,719)	(1,411,979)	(14,408)
Proceeds from sale of property, plant and equipment	82,035	81,991	102,170	1,043
Payments for purchase of non-current investments	(72,146)	(199,780)	(393,454)	(4,015)
Proceeds from sale and redemption of non-current investments	71,253	124,183	50,693	517
Payments for purchase of short-term investments	(8,381)	(14,293)	(37,549)	(383)
Proceeds from redemption of short-term investments	4,632	5,586	37,467	382
Acquisition of intangibles and other assets	(619,878)	(728,610)	(617,006)	(6,296)
Net cash provided by (used in) investing activities	(2,150,990)	(1,990,642)	(2,269,658)	(23,160)
<b>Cash flows from financing activities:</b>				
Proceeds from issuance of long-term debt (Note 10)	477,517	508,922	907,601	9,261
Payments for settlement of long-term debt (Note 10)	(854,825)	(878,267)	(659,634)	(6,731)
Proceeds from issuance of short-term debt	3,455,247	2,861,490	4,067,859	41,509
Payments for settlement of short-term debt	(3,526,025)	(2,709,385)	(4,248,234)	(43,349)
Dividends paid	(96,751)	(117,468)	(135,338)	(1,381)
Proceeds from sale of (payments for acquisition of) treasury stock, net (Note 14)	(1,339)	(95,650)	(200,503)	(2,046)
Acquisition of treasury stocks by subsidiary (Note 19)	(157,656)	(173,002)	(136,846)	(1,396)
Other	(127,998)	(123,024)	51,756	528
Net cash provided by (used in) financing activities	(831,830)	(726,384)	(353,339)	(3,605)
Effect of exchange rate changes on cash and cash equivalents	6,949	(455)	(7,892)	(81)
Net increase (decrease) in cash and cash equivalents	(614,582)	373,311	(116,789)	(1,192)
Cash and cash equivalents at beginning of year	1,410,837	796,255	1,169,566	11,935
Cash and cash equivalents at end of year (Note 5)	¥ 796,255	¥ 1,169,566	¥ 1,052,777	\$ 10,743
<b>Cash paid during the year for:</b>				
Interest	¥ 71,761	¥ 66,568	¥ 58,215	\$ 594
Income taxes, net	418,936	237,311	403,850	4,121
<b>Noncash investing and financing activities:</b>				
Capital lease obligations incurred during the year	17,034	7,694	31,019	317
Acquisition of stocks through share exchanges (Note 8)	¥ —	¥ 19,864	¥ —	\$ —

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