

Outline of Non-consolidated Financial Results

For the Nine Months Ended December 31, 2004

February 4, 2005
[Japanese GAAP]

Name of registrant: Nippon Telegraph and Telephone Corporation

Code No.: 9432

Stock exchanges on which the Company's shares are listed: Tokyo, Osaka, Nagoya, Fukuoka and Sapporo

Address of principal executive office: Tokyo, Japan

(URL <http://www.ntt.co.jp/ir/>)

Representative: Norio Wada, President

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1. Notes Related to the Preparation of the Quarterly Non-consolidated Financial Statements

- (1) Adoption of simplified accounting method: Yes
Income taxes are calculated using an estimated annual income tax rate based on the statutory tax rate.
- (2) Change in accounting method from the most recent fiscal year: No

2. Non-consolidated Financial Results for the Nine Months Ended December 31, 2004 (April 1, 2004 - December 31, 2004)

Amounts are rounded off per 1 million yen throughout this report.

(1) Non-consolidated Results of Operations (Millions of yen, except per share amounts)

	Operating Revenues	Operating Income	Recurring Profit
Nine months ended December 31, 2004	276,026	160,041	165,908
Year ended March 31, 2004	258,104	71,862	78,664

	Net Income	Earnings per Share
Nine months ended December 31, 2004	464,368	29,670.93 (yen)
Year ended March 31, 2004	240,306	15,150.87 (yen)

Notes: 1. Since the non-consolidated financial information (except Operating Revenues) for the nine months ended December 31, 2003 was not prepared, year-on-year comparisons are not available.

Operating Revenues for the nine months ended December 31, 2003 : 202,716 million yen

Year-on-year percentage changes of Operating Revenues : 36.2% increase

2. Weighted average number of shares outstanding (non-consolidated) for the nine months ended December 31, 2004 and for the year ended March 31, 2004 was 15,650,618 shares and 15,855,684 shares, respectively.

(2) Non-consolidated Financial Position (Millions of yen, except per share amounts)

	Total Assets	Shareholders' Equity	Equity Ratio (Ratio of Shareholders' Equity to Total Assets)	Shareholders' Equity per Share
December 31, 2004	8,507,630	5,179,426	60.9 %	346,681.37 (yen)
March 31, 2004	8,616,756	5,167,876	60.0 %	328,297.58 (yen)

Note: Number of shares outstanding (non-consolidated) as of December 31, 2004 and March 31, 2004 was 14,940,021 shares and 15,741,201 shares, respectively.

3. Non-consolidated Financial Results Forecasts for the Year Ending March 31, 2005 (April 1, 2004 - March 31, 2005)

(Millions of yen)

	Operating Revenues	Recurring Profit	Net Income
Year ending March 31, 2005	328,000	150,000	455,000

(Reference) Expected Earnings per Share (Year ending March 31, 2005): 30,455.11 yen

Note: Forecasts for the fiscal year ending March 31, 2005 have never been changed from those announced on November 10 2004.

With regard to the assumptions and other related matters concerning the above estimated results, please refer to page 15.

*Non-consolidated financial statements are unaudited.

1. Non-Consolidated Balance Sheets

(Millions of yen)

	March 31, 2004	December 31, 2004	Increase (Decrease)
<u>ASSETS</u>			
Current assets:			
Cash and bank deposits	29,907	79,066	49,158
Accounts receivable, trade	1,705	749	(955)
Supplies	240	248	8
Short-term loan receivable	475,058	431,193	(43,864)
Other current assets	171,527	109,216	(62,311)
Total current assets	678,439	620,474	(57,964)
Fixed assets:			
Property, plant and equipment	221,591	214,816	(6,774)
Intangible fixed assets	24,755	19,152	(5,603)
Investments and other assets			
Investment securities	4,806,800	4,820,782	13,982
Long-term loan receivable to subsidiaries	2,827,125	2,774,568	(52,556)
Other investments	57,883	57,156	(727)
Total investments and other assets	7,691,809	7,652,507	(39,301)
Total fixed assets	7,938,156	7,886,476	(51,679)
Deferred assets	160	679	518
TOTAL ASSETS	8,616,756	8,507,630	(109,125)

(Millions of yen)

	March 31, 2004	December 31, 2004	Increase (Decrease)
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable, trade	1,914	327	(1,587)
Current portion of corporate bonds	200,000	134,270	(65,730)
Current portion of long-term borrowings	286,896	288,735	1,838
Accrued taxes on income	—	17,700	17,700
Other current liabilities	132,374	82,880	(49,493)
Total current liabilities	621,185	523,913	(97,272)
Long-term liabilities:			
Corporate bonds	1,639,563	1,723,243	83,680
Long-term borrowings	1,158,215	1,049,840	(108,374)
Liability for employees' severance payments	29,493	30,800	1,306
Other long-term liabilities	420	405	(14)
Total long-term liabilities	2,827,693	2,804,290	(23,402)
TOTAL LIABILITIES	3,448,879	3,328,203	(120,675)
<u>SHAREHOLDERS' EQUITY</u>			
Common stock	937,950	937,950	—
Capital surplus			
Additional paid-in capital	2,672,826	2,672,826	—
Total capital surplus	2,672,826	2,672,826	—
Earned surplus			
Legal reserve	135,333	135,333	—
Voluntary reserve			
Reserve for special depreciation	5,551	2,394	(3,157)
Other reserve	1,131,000	1,131,000	—
Unappropriated retained earnings for the period	279,323	660,194	380,871
Total earned surplus	1,551,207	1,928,922	377,714
Net unrealized gains (losses) on securities	5,897	6,717	820
Treasury stock	(4)	(366,988)	(366,984)
TOTAL SHAREHOLDERS' EQUITY	5,167,876	5,179,426	11,550
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,616,756	8,507,630	(109,125)

2. Non-Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2004	Year ended March 31, 2004
Operating revenues	276,026	258,104
Operating expenses	115,984	186,241
Operating income	160,041	71,862
Non-operating revenues:	52,780	74,259
Interest income	39,461	56,767
Lease income	10,233	13,974
Miscellaneous income	3,085	3,517
Non-operating expenses:	46,913	67,457
Interest expenses	13,454	19,982
Corporate bond interest expenses	28,134	39,535
Lease expenses	4,276	6,651
Miscellaneous expenses	1,048	1,287
Recurring profit	165,908	78,664
Special profits	350,659	189,572
Special losses	-	12,143
Income before Income taxes	516,568	256,093
Corporation, inhabitant, and enterprise taxes	52,200	(913)
Deferred tax expenses (benefits)	-	16,700
Net income	464,368	240,306
Unappropriated retained earnings brought forward	243,048	179,238
Retirement of treasury stock	-	100,391
Interim dividend	47,222	39,830
Unappropriated retained earnings for the period	660,194	279,323

(Reference) Major components of operating revenues

Dividends received	144,067	71,577
Revenues from Group management	15,698	20,983
Revenues from basic R&D	104,426	146,867

3. Non-Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2004	Year ended March 31, 2004
I Cash flows from operating activities:		
Income before income taxes	516,568	256,093
Depreciation and amortization	25,277	43,732
Loss on disposal of property, plant and equipment	504	2,281
Dividends received	(144,067)	(71,577)
Increase (decrease) in liability for employees' severance payments	1,306	(529)
(Increase) decrease in accounts receivable	56,048	21,565
Increase (decrease) in accounts payable and accrued expenses	(86,069)	(33,014)
Increase (decrease) in accrued consumption tax	124	(123)
Other	(352,683)	(175,814)
Sub-total	17,009	42,611
Interest and dividends received	183,202	130,176
Interest paid	(41,087)	(61,378)
Income taxes received (paid)	3,156	(115,525)
Net cash provided by (used in) operating activities	162,281	(4,116)
II Cash flows from investing activities:		
Payments for property, plant and equipment	(15,055)	(23,068)
Proceeds from sale of property, plant and equipment	2	553
Acquisition of investments	(17,348)	(29,801)
Proceeds from sale of investments	355,568	190,718
Payments for long-term loans	(176,733)	(229,541)
Proceeds from long-term loans receivable	267,119	660,250
Other	5,020	(4,964)
Net cash provided by (used in) investing activities	418,572	564,146
III Cash flows from financing activities:		
Proceeds from issuance of long-term debt	196,148	221,291
Payments for settlement of long-term debt	(284,284)	(607,264)
Dividends paid	(86,575)	(79,661)
Purchase and retirement of common stock	(366,984)	(100,391)
Net cash provided by (used in) financing activities	(541,695)	(566,025)
IV Net increase (decrease) in cash and cash equivalents	39,158	(5,995)
V Cash and cash equivalents at beginning of period	59,907	65,903
VI Cash and cash equivalents at end of period	99,066	59,907

[Note]

The forward-looking statements and projected figures on the future performance of NTT contained in this financial report are based on the judgments, evaluations, recognition of facts, and formulation of plans by the current management of NTT based on the information at their disposal. The projected figures in this report were derived using certain assumptions that are indispensable for making projections in addition to historical facts that have been ascertained and acknowledged accurately. In view of the element of uncertainty inherent in future projections, the possibility of fluctuations in its future business operations, the state of the economy in Japan and abroad, stock markets, and other circumstances, NTT's actual results could differ materially from the projected figures contained in this report.