

Note; This document is in English translation of “Kessan Tanshin” for the Second Quarter of the Fiscal Year Ending March 31, 2016 and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation of it, the Japanese version will govern.

## Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2016

October 29, 2015

Company name	: NTT DATA CORPORATION
Stock exchange on which the Company's shares are listed	: Tokyo Stock Exchange 1st Section
Code number	: 9613
URL	: <a href="http://www.nttdata.com/">http://www.nttdata.com/</a>
Contacts Company representative Person in charge	: Toshio Iwamoto, President and Chief Executive Officer : Keisuke Kusakabe, Senior Executive Manager, Investor Relations and Finance Office Tel.:+81-3-5546-9962
Scheduled date of filing of Quarterly Business Report	: November 12, 2015
Scheduled date of dividend payment	: December 1, 2015
Supplemental material on quarterly results	: Yes
Presentation on quarterly results	: Yes (for institutional investors and financial analysts)

(Amounts are rounded off to the nearest 1 million yen)

### 1. Consolidated Financial Results in Q2 of FY2015 (From April 1, 2015 to September 30, 2015)

#### (1) Consolidated Results of Operations

(% of change from the corresponding quarterly period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
<b>FY2015 Q2</b>	743,273	6.8	31,105	41.3	31,234	59.8	15,749	120.9
FY2014 Q2	695,866	13.5	22,013	738.3	19,541	—	7,128	—

Note: Comprehensive income: FY2015 Q2 5,231 million yen (-54.0%) FY2014 Q2 11,380 million yen (45.0%)

	Net income per share	Net income per share (diluted)
	¥	¥
<b>FY2015 Q2</b>	56.15	—
FY2014 Q2	25.41	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
<b>FY2015 Q2</b>	1,782,381	800,051	43.0
FY2014	1,822,837	806,205	42.4

Note: Equity FY2015 Q2 766,903 million yen FY2014 773,493 million yen

### 2. Dividends

	Cash dividends per share				
	End of the Second quarter	End of the second quarter	End of the third quarter	Year-end	Total
	¥	¥	¥	¥	¥
FY2014	—	30.00	—	30.00	60.00
<b>FY2015</b>	—	30.00			
<b>FY2015 (Forecast)</b>			—	40.00	70.00

Notes: Revisions to the forecasts of dividends: No

### 3. Forecasts of Consolidated Results for FY2015 (From April 1, 2015 to March 31, 2016)

(% of change from the corresponding the previous fiscal year)

	Net sales		Operating income		Ordinary Income		Net income attributable to owners of parent		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
<b>FY2015</b>	1,540,000	1.9	100,000	19.0	95,000	21.9	56,000	74.2	199.64

Notes: Revisions to the forecasts of consolidated financial results: No

\* Notes:

(1) Changes in significant subsidiaries during the period : Yes  
(Changes in specified subsidiaries resulting in the change in consolidation scope)

Newly consolidated : One Company Carlisle & Gallagher Consulting Group ,Inc.

(2) Adoption of special accounting treatments for quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards etc : Yes

2) Changes in accounting policies other than 1) : No

3) Changes in accounting estimates : No

4) Restatements : No

(Note) For more details, please see "(1) Changes in accounting policies" in "2. Matters on Summary Information (Notes)" section on page 7.

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding FY2015 Q2 280,500,000shares FY2014 280,500,000shares  
(inclusive of treasury stock)

2) Number of treasury stock FY2015 Q2 99shares FY2014 99shares

3) Average number of shares over period FY2015 Q2 280,499,901shares FY2014 Q2 280,500,000shares  
(consolidated total for quarter)

\* Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. It is under the review procedure process at the time of disclosure of this report.

\* Explanations relating to the appropriate use of results forecasts, and other noteworthy items

1. The results forecasts contained in this document are based on certain premises derived from information available to the NTT DATA Group at this time. As a result of various factors that may arise in the future, actual results may differ from the Group's forecasts. For details please refer to "(3) Qualitative Information on the Consolidated Results Forecast" in "1. Qualitative Information for the Second Quarter of the Fiscal Year Ending March 31, 2016" section on page 7.

2. Supplemental material on quarterly results will be uploaded on TDnet today, and will also be uploaded on our homepage. Presentation on quarterly results will be held today. This report will be uploaded on our homepage soon.

3. The names of NTT DATA's products and services referred to on this report (including the attachment) are trademarks or registered trademarks of NTT DATA in Japan and other countries. The names of other companies, products, services, etc, are the trade names, trademarks, or registered trademarks of the companies concerned.

## Contents of Attachment

1. Qualitative Information for the Second Quarter of the Fiscal Year Ending March 31, 2016.....	2
(1) Qualitative Information on the Consolidated Business Results .....	2
(2) Qualitative Information on the Consolidated Financial Position.....	6
(3) Qualitative Information on the Consolidated Results Forecast.....	7
2. Matters on Summary Information (Notes) .....	7
(1) Changes in accounting policies.....	7
3. Consolidated Financial Statements .....	9
(1) Consolidated Balance Sheets.....	9
(2) Consolidated Statements of Income and Comprehensive Income .....	11
(3) Consolidated Statements of Cash Flows.....	12
(4) Notes to quarterly consolidated financial statements .....	13
Notes to Going Concern Assumptions.....	13
Notes to Significant Changes in Shareholder's Equity.....	13

## 1. Qualitative Information for the Second Quarter of the Fiscal Year Ending March 31, 2016

### (1) Qualitative Information on the Consolidated Business Results

The economy and business environment for the information services industry in the current consolidated fiscal year are as follows.

The Japanese economy continued to be on track for moderate recovery, there was a continuous improvement in corporate profitability as well as an increasing trend in capital investment. It is important to keep in mind that the economic slowdown in emerging countries and other downturns in overseas economies represent a major factor that could serve to weaken the Japanese economy, but its economy is expected to maintain this moderate recovery.

In the Japanese information services industry, the market has shown signs of moderate recovery thanks to the promotion of IT investment in response to various system renewal projects that had previously been suspended, as well as to the preparations for international expansion by financial institutions and the manufacturing sector. Nonetheless, the needs to subdue system maintenance and management costs as well as to survive the severe price competition remain.

A gradual improvement in the international economy has been noted, although weaknesses in some regions have been observed. Furthermore, with regard to future economic trends, geopolitical risks such as attempts to normalize US fiscal policy, the debt problems of European governments, the collapse in oil prices, and future economic trends in China and other emerging Asian countries must be kept in mind, but the economy is expected to maintain this moderate recovery in the future.

In the international information services industry, there has been an increase in IT investment in the American market. Furthermore, in the European market, although IT expenditure in Italy is not expected to recover in the short term, the IT markets in Germany and the UK are growing. As for China, the demand for investment in the IT industry has remained stable. However, the market growth rate is expected to slow down slightly in response to the real economy.

#### Implementation of management policies

Under such circumstances, the NTT DATA Group formulated the Medium-term Management Plan for the fiscal Years 2012 to 2015, with the aim of “becoming a Global Top 5 player (over 1.5 trillion yen in net sales)” and “achieving an EPS of 200 yen” by evolving into a corporate group that can efficiently provide diverse IT services worldwide. In line with this plan, we are concentrating on the plan's primary strategies, namely “Expansion of New Fields and Reinforcement of Product Competitiveness”, “Expansion, Enhancement and Reinforcement of Global Business” and “Pursuit of Overall Optimization”. Examples of specific action taken are as follows.

- “Expansion of New Business Fields and Reinforcement of Product Competitiveness”

In order to increase net sales whose growth rate exceeded the market growth rate by capturing opportunities to enter the market resulting from recent years' changes in the business environment and ICT, we promoted Re-Marketing by creating an unprecedented market while predicting clients' needs in advance by making the best use of the latest technology. For examples of specific action taken during the current consolidated fiscal year under review, please see “Implementation of business activities”.

In addition, through the complete automation in development operation, we promoted innovation of product technology to achieve sophistication and speed in product development, as well as Strategic R&D

by assessing important future technology in light of the direction of the information society. For examples of specific action taken during the current consolidated fiscal year under review, please see “Progress of Technical development”.

- “Expansion, Enhancement, and Reinforcement of Global Business”

We implemented the expansion, enhancement and reinforcement of businesses in each region by taking advantage of synergy within the NTT DATA Group and between the NTT Group to reinforce its sales capability and the capability to provide services. In addition, the NTT DATA Group supported customers’ entries into the global market by utilizing its regional bases. For examples of specific action taken during the current consolidated fiscal year under review, please see “Global Business” under the “Implementation of business activities.”.

- “Pursuit of Overall Optimization”

Promotion of reduction of administration costs related the entire group through steady efforts such as the standardization, optimization, and consolidation of business, the reorganization and integration of the company, and the fluidization and optimum arrangement of resources with a focus on the cost required for administrative operation.

In anticipation of drastic changes in the domestic market and the development of IT technologies, in order to meet the diversification of the needs of our clients and society, we need to work in closer cooperation among Sectors and make decisions more quickly than ever. This pushed us to transition to a new structure (abolition of the company system and reorganization of Sectors) on July 1 to increase the flexibility of our organizations. Sectors can make decisions on their level regarding business execution in this new structure. To be more precise, we have reorganized our structure with regards to the fields of our business as follows so that we, across our sectors, can discuss strategies and create new business.

- Public & Social Infrastructure Segment

Business that provides high-value added IT services that play important roles in social infrastructure, such as government, medical, communication, and utility systems as well as in regional development.

By adding highly-public and region-specific communication and utility industries to the sphere of activities of the Public & Financial IT Services section, which was a business segment before June 2015, we think that we can provide higher quality IT services that support social infrastructure, using our regional units and networks.

- Financial Segment

Business that provides high-value added IT services that help financial institutions to improve their business efficiency and offer good services.

- Enterprise & Solutions Segment

Business that provides high-value added IT services that support manufacturers, distributors, and service providers as well as payment services such as credit cards and platform solutions services, provided in collaboration with other IT services. In a collaboration between payment services and omni-channels in the logistics and retail industries, we think that we can provide sophisticated solutions in response to the diversification of corporate clients’ needs while IT technology progresses day by day.

- Global Segment

Global business that provides high-value added IT services offered in each region and across regions.

In addition, we have newly established the Technology and Innovation General Headquarters to keep us up to date with our growing global business and rapidly improving IT technology, which we believe will lead to the improved productivity of our entire group and more globally competitive business models.

### Implementation of business activities

Through the above measures, we strove to expand businesses in the global market in order to cope with clients' acceleration of business expansion into the global market and meet their diversified and sophisticated needs. We also made efforts to expand diverse IT services in response to market changes and stably provide such services.

The following sections present descriptions of efforts made in each of its segments.

#### < Public & Social Infrastructure Segment >

- We received the order of “Equipment for Electronic National Tax Filing and Payment System (e-Tax)” from the National Tax Agency. The e-tax system facilitates tax declaration processes and others related to national taxes online by taxpayers.
- As our first attempt to adopt Neuromarketing <sup>(Note 1)</sup> approaches, our group carried out a demonstration experiment <sup>(Note 2)</sup> on decoding brain information by working together with the National Institute of Information and Communications Technology and TM'S Co., Ltd. We confirmed that the brain information decoding technology can be applied to other technologies to evaluate and improve video advertisements and project the effects of them before the issuance. Based on this result, we started to provide a trial service <sup>(Note 3)</sup> that evaluates TV commercials and other materials, which is the world's first service where the brain information decoding technology is used to evaluate video advertisements.
- NTT DATA SHIKOKU CORPORATION, one of our subsidiaries, received an order for a “disaster information transmission system” from Sukumo City, Kochi Prefecture. This system is designed to make sure the residents are informed of necessary information at the time of disaster by using our “disaster reduction communication system” that sends information directly to the residents' devices such as smartphones and cell phones so that they can receive evacuation advisories and disaster information quickly and accurately.

#### < Financial Segment >

- We have started to provide the Digital Corporate Accelerate Program that supports corporations in their efforts to create new business in collaboration with venture companies. This system enables client corporations to work with leading venture companies in the world and build business models by using our technology and business start-up knowledge. This means that our corporate clients can make a more promising start in their new business. Mizuho Bank, Ltd. – the bank that aims to create new business through the use of Fintech <sup>(Note 4)</sup> – has decided to adopt this system as our first user as they appreciate our group's outstanding focusing ability and latest information and human resources network relating to venture companies.
- For the financial institutions that use our shared-use Internet banking service (AnserBizSOL for corporations and AnserParaSOL for individuals) we have started to provide an “ANSER unauthorized trading detection and rejection service,” which monitors and helps prevent unauthorized trading in an efficient way. Many banks, such as The Bank of Kyoto Ltd., THE NISHI-NIPPON CITY BANK, LTD.,

THE BANK OF FUKUOKA, LTD., THE HOKURIKU BANK, LTD., The Bank of Yokohama, Ltd., and The Senshu Ikeda Bank, Ltd., plan to adopt this service. This ANSER unauthorized trading detection and rejection service is unique and unrivalled with its advantages of large-scale coverage: for example, the member banks can share all the information on the unauthorized trading.

< Enterprise & Solutions Segment >

- The number of companies using Biz ∫ (enterprise resource planning [ERP] package), a flagship product provided by NTT DATA BIZINTEGRAL CORPORATION, one of our subsidiaries, is now over 500. The standard features of Biz ∫ include intercompany, multilingual, multiple currency, and the International Financial Reporting Standards (IFRS) solutions, and it is often adopted as a “group” or “global” management platform. Recently, by increasing templates tailored to the needs of various types of business and industries, Biz ∫ has been used increasingly in a wide range of related fields.
- NTT DATA Smart Sourcing Corporation, one of our subsidiaries, has entered a partnership with a Japanese subsidiary of Concur Technologies, Inc., the leading company in the cloud-based travel-and-expense management field. NTT DATA Smart Sourcing Corporation has started to provide Japan’s first travel-and-expense management BPO services using Concur Technologies’ cloud service, Concur Travel & Expense. By offering a full outsourcing service ranging from a preliminary review before a business trip to registration and payment examination after an expense is incurred, this service will contribute to companies’ initiatives for optimization of their expenditures and reduction in expense management cost.

< Global Segment >

- Through our American subsidiary, NTT DATA, Inc., we reached a final agreement to acquire the total ownership of Carlisle & Gallagher Consulting Group, Inc. (CG), a U.S. financial IT consulting firm. By combining NTT DATA, Inc.’s broad range of services and technologies and CG’s professional consulting skills in the financial industry, we promote our services where our expertise is needed, such as the bank industry and asset management and investment industries.
- itelligence AG, our German subsidiary, has acquired the whole ownership of Pontech s.r.o (Pontech). Moreover, itelligence AG acquired a SAP business from Artaud, Courthéoux & Associés S.A. (ACA). Through these business relationships, we will expand our business and market share primarily in the energy and manufacturing industries, the areas of Pontech’s expertise, and will increase our presence by expanding our recurring business where ACA has a strong client base.

Notes:

1. Neuromarketing

An approach to understand consumer sentiment and behavior and apply them to marketing strategies by measuring the brain response of customers from the viewpoint of brain science.

2. Demonstration experiment

A test to prove that the evaluation of video advertisements provided by viewers can be visualized by analyzing the complicated patterns of their brain activity during viewing.

3. Trial service

A service that analyzes the impression given by each scene of a video advertisement, evaluates impacts as a video advertisement material, analyzes the quantitative difference between the advertisers’ intentions behind

video advertisements and their actual effects, makes detailed creative proposals to improve materials, and projects and evaluates video advertisements using storyboards before the issuance.

#### 4. FinTech

A coined term that combined finance and technology and refers to IT-based services in the financial field.

#### Progress of Technical development

In pursuit of “Expansion of new fields and reinforcement of product competitiveness,” which is the key objective of the Medium-term Management Plan, NTT DATA implemented technical development. The initiatives launched are set out below.

- For the purpose of promoting our group’s AI <sup>(Note 1)</sup> application business, we have established the AI Solutions Promotion Office within our Research and Development Headquarters (October 1). In order to meet the growing need for applying AI technology to business, we will create wide-ranging AI system services such as humanoid robot receptionist services by combining the world’s top-class AI technology provided by NIPPON TELEGRAPH AND TELEPHONE CORPORATION and our know-how and platform for information utilization.
- We have developed a support system for maintaining and managing IT systems on site by using smart glasses (wearable computers) technology, and started to use the newly developed system on our IT platform in our management operation. This enables supervisors (experts) in a remote location to check the progress of work and the results, resulting in operation cost reduction and stable quality. While increasing the use of this system within our company, including our overseas units, we work on the trial application of the system with our clients for the launch of the solution service.

Notes:

##### 1. AI: Artificial Intelligence

Study and technology that contribute to making a computer perform equal to or better than humans in terms of intellectual activities, such as memorizing and learning.

The aforementioned statements represent our major management actions and business activities.

The financial results for the current consolidated fiscal year under review showed an increase in net sales, operating income, ordinary income, income before income taxes and minority interests, and net income attributable to owners of parent, due to the effects of the scale expansion of NTT DATA Corporation and its existing subsidiaries, especially overseas ones.

• Net Sales	743.2 billion yen	(up	6.8% year-on-year)
• Operating Income	31.1 billion yen	(up	41.3% year-on-year)
• Ordinary Income	31.2 billion yen	(up	59.8% year-on-year)
• Income before Income Taxes and Minority Interests	31.2 billion yen	(up	59.8% year-on-year)
• Net income attributable to owners of parent	15.7 billion yen	(up	120.9% year-on-year)

#### **(2) Qualitative Information on the Consolidated Financial Position**

The assets as of the end of the Second quarter of the current consolidated fiscal year under review were 1,782.3 billion yen, a decrease of 40.4 billion yen or 2.2% as compared to the end of the previous consolidated fiscal year, due to progress in the collection of accounts receivables and other factors.



The liabilities were 982.3 billion yen, a decrease of 34.3 billion yen or 3.4% as compared to the end of the previous consolidated fiscal year, due to a decrease in interest-bearing liabilities and other factors.

### **(3) Qualitative Information on the Consolidated Results Forecast**

In the Japanese IT investment industry, the market has shown signs of moderate recovery thanks to the promotion of IT investment in response to various system renewal projects that had previously been suspended, as well as to the preparations for international expansion by financial institutions and the manufacturing sector. Nonetheless, the needs to subdue system maintenance and management costs as well as to survive the severe price competition remain. As for overseas markets, the early recovery of IT spending in Italy cannot be expected. However, there is an increasing trend in IT investment in the U.S., Germany, and the UK.

Under these business circumstances, the NTT DATA Group continues to work for the reduction of the unprofitable projects in our Group, increase of the income on a non-consolidated basis and of NTT DATA Corporation's overseas subsidiaries by steadily capturing the IT investment needs in Japan and abroad, improvement of its overseas subsidiaries' profitability, and group-wide cost reduction. So we do not plan to revise the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (announced on May 8, 2015) at the moment.

## 2. Matters on Summary Information (Notes)

### **(1) Changes in accounting policies**

(Application of Accounting Standard for Business Combinations and other accounting standards)

We started to apply the following accounting standards in the first quarter of the current consolidated fiscal year under review: Accounting Standard for Business Combinations (The Accounting Standards Board of Japan Statement No. 21 of September 13, 2013 (hereinafter referred to as the "Business Combinations Accounting Standard")), Accounting Standard for Consolidated Financial Statements (The Accounting Standards Board of Japan Statement No. 22 of September 13, 2013 (hereinafter referred to as the "Consolidated Accounting Standard")), and Accounting Standard for Business Divestitures (The Accounting Standards Board of Japan Statement No. 7 of September 13, 2013 (hereinafter referred to as the "Business Divestitures Accounting Standard")). According to the application of these standards and others, we made some changes: The difference caused by the change in the equity of our subsidiaries that we continued to have control over was recorded as capital surplus. Acquisition costs were recorded as costs in the consolidated fiscal year when the acquisition costs were incurred. For the business combinations that will be conducted after the beginning of the first quarter of the current consolidated fiscal year under review, when provisional accounting treatments are confirmed, the acquisition cost allocations will be revised in the Quarterly Consolidated Financial Statements to which the dates of the business combinations belong. In addition, we changed how we record quarterly net income and so on, and minority interests were recorded as non-controlling interests. In order to reflect these changes in the records, the Quarterly Consolidated Financial Statements and the Consolidated Financial Statements for the Second quarter of the previous

consolidated fiscal year and the previous consolidated fiscal year were revised.

In the cash flow statement for the current consolidated fiscal year under review, cash flow related to the acquisition or sale of subsidiaries' shares unaccompanied by the change of the scope of consolidation is classified as the "Cash flow from financial activities." Cash flow related to the acquisition costs of subsidiaries' shares accompanied by the change of the scope of consolidation and cash flow related to the costs of acquiring or selling subsidiaries' shares unaccompanied by the change of the scope of consolidation are classified as the "Cash flow from operating activities."

For the application of the Business Combinations Accounting Standard and other accounting standards, we follow the transitional arrangements stipulated in Paragraph 58-2 (4) of the Business Combinations Accounting Standard, Paragraph 44-5 (4) of the Consolidated Accounting Standard, and Paragraph 57-4 (4) of the Business Divestitures Accounting Standard, and have been applying these since the beginning of the first quarter of the current consolidated fiscal year under review.

The effects of the changes are minimal on ordinary income and income before income taxes and minority interests of the current consolidated fiscal year under review, and capital surplus at the end of the Second quarter of the current consolidated fiscal year under review.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2015	As of September 30, 2015
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	160,108	126,292
Notes and accounts receivable - trade	366,678	316,728
Lease receivables and investment assets	16,983	14,223
Securities	6,533	37,000
Inventories	32,539	55,517
Deferred tax assets	36,730	40,291
Other	155,379	150,551
Allowance for doubtful accounts	(2,679)	(3,157)
<b>Total current assets</b>	<b>772,275</b>	<b>737,447</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Data communication facilities, net	93,782	91,927
Buildings and structures, net	92,326	91,109
Machinery, equipment and vehicles, net	18,152	18,922
Tools, furniture and fixtures, net	17,369	16,526
Land	59,193	59,833
Construction in progress	26,500	18,407
Other, net	5,589	5,401
<b>Total property, plant and equipment</b>	<b>312,914</b>	<b>302,128</b>
<b>Intangible assets</b>		
Software	251,673	244,826
Software in progress	52,086	55,992
Goodwill	179,540	187,970
Other	72,297	72,185
<b>Total intangible assets</b>	<b>555,598</b>	<b>560,975</b>
<b>Investments and other assets</b>		
Investment securities	111,623	104,107
Net defined benefit asset	2,282	3,253
Deferred tax assets	26,318	27,751
Other	42,503	47,416
Allowance for doubtful accounts	(677)	(697)
<b>Total investments and other assets</b>	<b>182,049</b>	<b>181,830</b>
<b>Total non-current assets</b>	<b>1,050,561</b>	<b>1,044,934</b>
<b>Total assets</b>	<b>1,822,837</b>	<b>1,782,381</b>

**Consolidated Balance Sheets-continued**

(Unit: ¥ million)

	As of March 31, 2015	As of September 30, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	103,970	86,500
Short-term loans payable	48,887	39,083
Current portion of long-term loans payable	732	25,651
Current portion of bonds	39,999	—
Income taxes payable	14,942	18,278
Advances received	140,634	171,985
Provision for loss on order received	3,093	8,646
Other	127,294	112,469
<b>Total current liabilities</b>	<b>479,554</b>	<b>462,616</b>
<b>Non-current liabilities</b>		
Bonds payable	210,052	210,057
Long-term loans payable	139,459	116,479
Deferred tax liabilities	30,303	31,199
Net defined benefit liability	136,313	140,632
Provision for directors' retirement benefits	901	858
Other	20,047	20,487
<b>Total non-current liabilities</b>	<b>537,077</b>	<b>519,714</b>
<b>Total liabilities</b>	<b>1,016,631</b>	<b>982,330</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	142,520	142,520
Capital surplus	139,300	139,293
Retained earnings	408,293	413,072
Treasury shares	(0)	(0)
<b>Total shareholders' equity</b>	<b>690,113</b>	<b>694,885</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	46,792	43,875
Deferred gains or losses on hedges	656	738
Foreign currency translation adjustment	62,615	52,330
Remeasurements of defined benefit plans	(10,095)	(8,654)
Other	(16,587)	(16,271)
<b>Total accumulated other comprehensive income</b>	<b>83,380</b>	<b>72,018</b>
<b>Non-controlling interests</b>	<b>32,711</b>	<b>33,147</b>
<b>Total net assets</b>	<b>806,205</b>	<b>800,051</b>
<b>Total liabilities and net assets</b>	<b>1,822,837</b>	<b>1,782,381</b>

**(2) Consolidated Statements of Income and Comprehensive Income**

(Unit: ¥ million)

	Six months ended September 30, 2014	Six months ended September 30, 2015
<b>Net sales</b>	<b>695,866</b>	<b>743,273</b>
<b>Cost of sales</b>	<b>535,553</b>	<b>566,666</b>
<b>Gross profit</b>	<b>160,313</b>	<b>176,606</b>
<b>Selling, general and administrative expenses</b>	<b>138,299</b>	<b>145,500</b>
<b>Operating income</b>	<b>22,013</b>	<b>31,105</b>
<b>Non-operating income</b>		
Interest income	460	517
Dividend income	1,040	1,455
Other	1,813	2,326
<b>Total non-operating income</b>	<b>3,313</b>	<b>4,299</b>
<b>Non-operating expenses</b>		
Interest expenses	2,842	2,645
Other	2,943	1,524
<b>Total non-operating expenses</b>	<b>5,785</b>	<b>4,170</b>
<b>Ordinary income</b>	<b>19,541</b>	<b>31,234</b>
<b>Income before income taxes and minority interests</b>	<b>19,541</b>	<b>31,234</b>
Income taxes	11,919	14,706
<b>Net income</b>	<b>7,622</b>	<b>16,528</b>
<b>Net income attributable to</b>		
Net income attributable to owners of parent	7,128	15,749
Net income (loss) attributable to non-controlling interests	493	779
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	687	(2,930)
Deferred gains or losses on hedges	(243)	77
Foreign currency translation adjustment	2,951	(10,240)
Remeasurements of defined benefit plans, net of tax	(734)	1,464
Share of other comprehensive income of entities accounted for using equity method	(87)	15
Other	1,185	316
<b>Total other comprehensive income</b>	<b>3,758</b>	<b>(11,297)</b>
<b>Comprehensive income</b>	<b>11,380</b>	<b>5,231</b>
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of parent	11,018	4,387
Comprehensive income attributable to non-controlling interests	361	844

**(3) Consolidated Statements of Cash Flows**

(Unit: ¥ million)

	Six months ended September 30, 2014	Six months ended September 30, 2015
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	19,541	31,234
Depreciation	73,960	73,899
Loss on retirement of non-current assets	3,120	4,018
Increase (decrease) in net defined benefit liability	4,753	4,991
Interest expenses	2,842	2,645
Decrease (increase) in notes and accounts receivable - trade	40,626	51,138
Decrease (increase) in inventories	(23,889)	(23,316)
Increase (decrease) in notes and accounts payable - trade	(12,140)	(20,851)
Increase (decrease) in advances received	(6,034)	31,494
Increase (decrease) in accrued consumption taxes	2,921	(18,016)
Other, net	2,267	13,088
<b>Subtotal</b>	<b>107,969</b>	<b>150,327</b>
Interest and dividend income received	1,500	2,105
Interest expenses paid	(2,631)	(2,699)
Income taxes (paid) refund	(21,541)	(15,926)
<b>Net cash provided by (used in) operating activities</b>	<b>85,296</b>	<b>133,807</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(28,071)	(20,116)
Purchase of intangible assets	(41,725)	(38,868)
Purchase of investment securities	(308)	(433)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,346)	(27,517)
Net decrease (increase) in time deposits	(6,453)	(726)
Other, net	308	1,464
<b>Net cash provided by (used in) investing activities</b>	<b>(79,596)</b>	<b>(86,198)</b>
<b>Cash flows from financing activities</b>		
Redemption of bonds	—	(40,000)
Proceeds from long-term loans payable	53,193	410
Repayments of long-term loans payable	(525)	(224)
Net increase (decrease) in short-term loans payable	(20,170)	(9,978)
Repayments of lease obligations	(1,001)	(939)
Cash dividends paid	(8,419)	(8,417)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(274)	(75)
Other, net	(1,080)	(328)
<b>Net cash provided by (used in) financing activities</b>	<b>21,722</b>	<b>(59,553)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(1,433)</b>	<b>(4,413)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>25,989</b>	<b>(16,358)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>207,213</b>	<b>250,843</b>
<b>Cash and cash equivalents at end of period</b>	<b>233,202</b>	<b>234,484</b>

**(4) Notes to quarterly consolidated financial statements**

(Notes to Going Concern Assumptions)

N/A

(Notes to Significant Changes in Shareholder's Equity)

Resolution	Stock Type	Total amount of Dividend	Dividends per share	Record Date	Effective Date	Dividend Sources
Ordinary General Meeting of Shareholders on June 17, 2015	Common stock	8,414 Million Yen	30 Yen	March 31, 2015	June 18, 2015	Retained earnings