

Consolidated Financial Results for the First Quarter of the fiscal year ending March 31, 2010

July 31, 2009

Company name :NTT DATA Corporation
 Stock exchange on which the Company's shares are listed :Tokyo Stock Exchange 1st Section
 Code number :9613
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 Date of scheduled payment of dividends :—

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

1. Consolidated Financial Results in Q1 of FY2009 (From April 1, 2009 to June 30, 2009)

(1) Consolidated Results of Operations

(% of change from the corresponding previous quarterly period)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2009 Q1	269,320	10.0	16,624	△21.3	15,183	△27.1	7,456	△37.6
FY2008 Q1	244,913	—	21,135	—	20,831	—	11,952	—

	Net income per share	Net income per share (diluted)
	¥	¥
FY2009 Q1	2,658.28	2,658.18
FY2008 Q1	4,261.25	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2009 Q1	1,184,870	590,216	47.8	201,781.02
FY2008	1,275,091	592,004	44.4	201,892.62

Note: Equity FY2009 Q1 565,995million yen FY2008 566,308million yen.

2. Dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
	¥	¥	¥	¥	¥
FY2008	—	3,000.00	—	3,000.00	6,000.00
FY2009	—				
FY2009 (Forecasts)		3,000.00	—	3,000.00	6,000.00

Note: Amendment of forecast dividend in the current quarter: No

3. Projected Results for FY2009 (From April 1, 2009 to March 31, 2010)

(% of change from the corresponding previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2009 1st half	—	—	—	—	—	—	—	—	—
FY2009	1,170,000	2.7	90,000	△8.7	86,000	△10.0	47,000	△2.8	16,755.79

Note1 Amendment of consolidated results forecast in the current quarter: No

2 NTT DATA manages its business performance on an annual basis, and therefore no results forecast for the period to the end of the second quarter has been included in this report.

4. Others

- (1) Change of reporting entities (Change of condition of significant consolidated subsidiaries): No
- (2) Application of simplified accounting and application of special accounting to preparation of quarterly consolidated financial statements: Yes
(Note: For details please refer to “4. Others” in the Qualitative Information and Financial Statements section on page 6.)
- (3) Changes in accounting principles and procedures, presentation, etc., relating to the preparation of consolidated quarterly financial statements (Those included in changes in important matters fundamental to the preparation of consolidated quarterly financial statements)
1) Change caused by revision of accounting standards, etc.: Yes
2) Changes other than in 1) above: No
(Note: For details please refer to “4. Others” in the Qualitative Information and Financial Statements section on page 6.)
- (4) The number of shares outstanding(common stock)
- | | | | | |
|---|-----------|-----------------|-----------|-----------------|
| 1) The number of shares outstanding
(inclusive of treasury stock) | FY2009 Q1 | 2,805,000shares | FY2008 | 2,805,000shares |
| 2) The number of treasury stock | FY2009 Q1 | — shares | FY2008 | — shares |
| 3) Average number of shares over period
(consolidated total for quarter) | FY2009 Q1 | 2,805,000shares | FY2008 Q1 | 2,805,000shares |

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

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.

(Note: For details please refer to “3. Qualitative Information on the Consolidated Results Forecast” in the Qualitative Information and Financial Statements section on page 6.)

Qualitative Information and Financial Statements

1. Qualitative Information on the Consolidated Business Results

During the period under review the Japanese economy remained in difficult straits, characterized by a significant deterioration in corporate earnings and large declines in capital investment. Exports and industrial output, on the other hand, have turned towards recovery after undergoing significant declines, buoyed by factors such as progress made in inventory adjustments, and public investment is also increasing. As a result, there are signs that in some sectors the economy is bottoming out, boding well for the economic outlook.

In the information service industry the curbs on IT investment are continuing overall against the backdrop of deteriorating corporate earnings, reflected in the suspension of new projects and declines in unit prices for services. Nevertheless, signs of brightness are evident in some areas, principally indispensable projects such as the rebuilding of obsolescent systems and development of systems to address compliance requirements. On the downside, customer demands for lower prices, shorter delivery periods, and higher quality are becoming increasingly loud.

Implementation of management policies

Amid these circumstances the NTT DATA Group is continuing its efforts to be ranked “No.1 in customer satisfaction” as a “Leading-edge innovator.” Accordingly, we have sought to “achieve quantitative expansion through quality”, endeavoring to continuously develop business and increase corporate value. We have done so by pursuing the primary strategies of our Medium-term Management Policy, namely “Strengthening of service provision capability”, “Group businesses enhancement and expansion”, and “Pursuit of Environment-oriented management.”

Specifically, as an example of “Group businesses enhancement and expansion” we created and commenced operation of a new structure formed by reorganizing 13 Group companies and integrating them as five companies. The purpose of this is to further expand capacity to provide services, boost the scale of Group businesses, and create additional synergies. Among these, in the field of consulting we took steps to further enhance and expand this business vigorously by establishing QUNIE Corporation.

In addition to the above, on July 1, 2009, we revised our operating structure for the purpose of ensuring efficient enhancement of the Group’s total power and of responding flexibly to the requirements and expectations of customers and of society as a whole. Specifically, we established the three in-house companies referred to below by combining multiple businesses in a way that facilitates the creation of synergies.

- Public & Financial IT Services Company

Business group to provide the high-value-added IT services that support public administration, healthcare, finance, settlement, and other systems that form a social foundation.

- Global IT Services Company

Business group to provide high-value-added global IT services that support manufacturing, distribution, services, media, communications, and other business activities.

- Solutions & Technologies Company

Business group to offer the platforms and solutions that support cutting-edge IT services.

The companies comprise a Business Strategy Department to administer and promote company-wide business management as well as business sectors and Group companies to undertake the actual business activities, together engaging in operations that ensure stronger-than-ever customer orientation.

In addition, on July 1, as part of the headquarters reorganization, we established the Environmental Management Promotion Office. When conducting the environment-oriented management that forms part of the Group's Medium-term Management Policy, this unit will implement a variety of measures directed at reducing the NTT DATA Group's environmental impact and at reducing, through the provision of Group services, of the environmental impact of society as a whole.

Implementation of business activities

Through these efforts the Company conducted vigorous marketing activities to win orders for new systems and inaugurate services, and also undertook efficient system development. At the same time the Company continued to strive to provide stable services for systems already supplied to customers.

The following sections present descriptions of specific efforts made in each of its business fields.

<Public Administration Sector>

- We won an order for procurements relating to SI and development required for the reorganization and integration of the National Tax Agency's "e-Tax" online tax return filing and tax payment system .
- We won an order for the building of an accident surveillance system and lease of related equipment at the National Consumer Affairs Center of Japan (an independent administrative agency).

<Financial Sector>

- "Mobile Registers," a payment system for use with camera phones as bar-code readers, was adopted by Chofu, a city in the Tokyo metropolitan area, which has become the first municipality in Japan to do so. It will be used initially for the payment of light motor vehicle tax.
- The NTT DATA Regional Bank Integrated Services Center, a center for shared utilization by financial institutions, began providing services to the Aomori Bank, Ltd., and the Hokuetsu Bank, Ltd., raising the total number of bank participants to nine.
- It was decided to undertake a study, jointly with the Shonai Bank, Ltd., and the Hokuto Bank, Ltd., into the use of "STELLA CUBE," NTT DATA's mission-critical integrated services center for Japan's regional and second-tier regional banks. A basic agreement to that effect was entered into with both banks.

<Industrial Sector>

- NTT DATA subsidiaries NTT DATA Itec Corporation and NTT DATA Science Corporation, and the latter's subsidiary Data Science Model Systems Corporation, merged to establish NTT DATA Solfis Corporation. Synergies will arise from the sharing of the customer bases and know-how each company has built up from providing services such as the introduction of enterprise resource planning (ERP), and from the concentration of their development resources.

This will enable them to provide existing customers with more advanced services and to expand their

business further by cultivating new markets and developing a wider range of new solutions, leading to ongoing business expansion.

- NTT DATA Biz Integral Corporation, an operating company to promote the next generation solution “Biz I,” was established by NTT DATA Corporation acting jointly with NTT DATA Intramart Corporation, NTT DATA Systems Corporation, Information Technology System Co., Ltd. (ITECS), WingArc Technologies, Inc., and Toyo Business Engineering Corporation. With the participation of influential partners from both within the NTT DATA Group and outside, the company will work to bring innovation to customers by providing a total solution built on a wealth of experience in Japan.

In addition to the above, the following activities were also undertaken.

- NTT DATA launched sales of the authenticated print solution Authentication Printing System with [u:ma]-G Card Reader, usable with a multi-IC-card. This provides the ability to print only documents that have been confirmed to be the user’s own by IC card authentication, thereby preventing printed documents from going astray and eliminating misprints, stopping information leaks and cutting costs.

As a result of these activities, during the reporting period, net sales increased due to factors such as an increase in the number of consolidated subsidiaries and new projects in the financial sector. However, the increase in the number of consolidated subsidiaries and the rise in selling expenses and other costs on a non-consolidated basis resulting from stepped-up sales activity led to an increase in SG&A expenses. Owing to factors such as these, business performance in the quarter was as follows.

- Net Sales 269.3 billion yen (up 10.0% year-on-year)
- Operating Income 16.6 billion yen (down 21.3% year-on-year)
- Ordinary Income 15.1 billion yen (down 27.1% year-on-year)
- Net Income 7.4 billion yen (down 37.6% year-on-year)

2. Qualitative Information on the Consolidated Financial Position

Total assets at the end of the first quarter totaled 1,184.8 billion yen, down by 90.2 billion yen, or 7.1%, from the end of the previous fiscal year. The principal changes in assets and liabilities were as follows.

- Current Assets

Owing to factors such as a decline in accounts receivable, current assets totaled 360.5 billion yen, down by 87.8 billion yen, or 19.6%, from the end of the previous fiscal year.

- Non-current Assets

As a result of the ongoing amortization of software and other assets, non-current assets totaled 824.3 billion yen, down by 2.3 billion yen, or 0.3%, from the end of the previous fiscal year.

- Liabilities

Owing to factors such as decreases in accounts payable and income taxes payable, liabilities totaled 594.6 billion yen, down by 88.4 billion yen, or 12.9%, from the end of the previous fiscal year.

3. Qualitative Information on the Consolidated Results Forecast

During the period under review the Japanese economy remained in difficult straits, characterized by a significant deterioration in corporate earnings and large declines in capital investment. Exports and industrial output, on the other hand, turned towards recovery after undergoing significant declines, buoyed by factors such as progress made in inventory adjustments, and although still lacking in robustness a modest recovery is foreseen.

Given these conditions, the NTT DATA Group will continue to face a difficult business environment. To counter this it will continue to implement its Medium-term Management Policy, and through the establishment of three in-house companies by means of a structural reorganization it will both benefit from synergies and enhance its operational flexibility. In this way the Group will aim for "quantitative expansion through quality," endeavoring to achieve ongoing development of its business operations and the enhancement of the corporate value of the entire Group.

In view of this, for the present our results forecast for the full term (released on May 12, 2009) remains unchanged.

NTT DATA manages its business performance on an annual basis, and therefore no consolidated results forecast for the period to the end of the second quarter has been included in this report.

4. Others

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation)

There were no changes in significant consolidated subsidiaries during the period.

(2) Application of simplified accounting and application of special accounting to preparation of quarterly consolidated financial statements

1) Simplified accounting

Only material adjustments and tax deductions are taken into consideration in the computation of corporation tax, deferred tax assets, and deferred tax liabilities.

2) Application of special accounting to preparation of quarterly consolidated financial statements

N/A

(3) Changes in accounting principles and procedures, presentation, etc., relating to the preparation of consolidated quarterly financial statements

1) Changes in standard for stating earnings from and cost of completed works

With regard to the recording basis for earnings related to contract works, NTT DATA had been applying the completed-contract method to contract works, but as of the period under review the Company is applying the Accounting Standard for Construction Contracts (ASBJ Statement No. 15; December 27, 2007) and the Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18; December 27, 2007). In consequence, with regard to works contracts for commissioned software development commencing in the said period, those works for which the

outcome of the progress made by the end of the period is deemed certain are subject to the percentage-of-completion method (with the percentage of completion estimated on a cost-to-cost basis), and other works are subject to the completed-contract method. In consequence, net sales increased by 4,114 million yen, and operating income, ordinary income and income before income taxes increased by 691 million yen.

2) Change in method of presentation

(Consolidated Statements of Operations)

During the period under review there was increase in the significance of the amount of the loss on sales of non-current assets, which was included in "Other non-operating expenses" in the previous first quarter, and accordingly it has been stated as a separate item. The amount of the loss on sales of non-current assets included in "Other non-operating expenses" in the previous first quarter totaled 14 million yen.

(Consolidated Statements of Cash Flows)

During the reporting period there was increase in the significance of the amount of the item "Increase/(decrease) in short-term borrowings, net," which was included in "Others" under cash flows from financing activities in the previous first quarter. Accordingly, it has been stated as a separate item. In the previous first quarter, the amount of "Increase/(decrease) in short-term borrowings, net" included in the "Others" item of cash flows from financing activities was a decrease of 359 million yen.

With regard to the outflow of 1,235 million yen for the acquisition of shares of subsidiaries from minority shareholders, out of consideration for the consistency between fiscal years the amount has been stated as part of the "Others" section of cash flows from investing activities in the reporting period. All expenditure for the acquisition of shares of subsidiaries in the previous first quarter fell into the category of expenditure for the acquisition of shares of subsidiaries accompanying changes in the scope of consolidation, and did not include expenditure for the acquisition of shares of subsidiaries from minority shareholders.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of June 30, 2009	As of March 31, 2009
ASSETS		
Current Assets		
Cash on hand and at banks	95,365	125,421
Notes receivable and accounts receivable	146,147	219,984
Securities	12,000	2,000
Inventories	42,988	47,017
Deferred income taxes	16,465	18,810
Other current assets	48,498	36,111
Allowance for doubtful accounts	(898)	(886)
Total Current Assets	360,567	448,458
Non-Current Assets		
Property and Equipment		
Data communication facilities, net	146,066	131,096
Buildings and structures, net	105,203	106,038
Machinery, equipment and vehicles, net	16,702	17,512
Furniture, fixtures and tools, net	14,663	14,988
Land	49,058	49,053
Lease assets, net	10,220	11,708
Construction in progress	43,258	54,438
Total Property and Equipment	385,172	384,837
Intangible Assets		
Software	229,069	208,871
Development costs of software in progress	54,274	76,899
Goodwill	37,288	38,066
Other intangible assets	7,767	8,173
Total Intangible Assets	328,399	332,011
Investments and Other Assets		
Investments in securities	22,152	21,338
Deferred income taxes	54,960	54,895
Other assets	34,066	34,055
Allowance for doubtful accounts	(448)	(503)
Total Investments and Other Assets	110,730	109,785
Total Non-Current Assets	824,303	826,633
TOTAL ASSETS	1,184,870	1,275,091

Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of June 30, 2009	As of March 31, 2009
LIABILITIES		
Current Liabilities		
Accounts payable	57,740	94,293
Short-term borrowings	13,559	16,551
Commercial Paper	—	25,000
Current portion of long-term debt	8,036	8,045
Current portion of bonds payable	33,098	3,000
Obligation under capital leases	11,668	12,082
Accounts payable-other	16,111	22,500
Income taxes payable	6,362	37,409
Allowance for contract losses	5,453	5,178
Other current liabilities	110,886	95,880
Total Current Liabilities	262,916	319,942
Non-Current Liabilities		
Bonds payable	179,953	210,046
Long-term debt	42,070	42,092
Obligation under capital leases	12,438	14,741
Provision for retirement benefits	83,503	81,683
Provision for retirement allowances to directors and statutory auditors	991	1,195
Other non-current liabilities	12,781	13,386
Total Non-Current Liabilities	331,737	363,145
TOTAL LIABILITIES	594,653	683,087
NET ASSETS		
Shareholders' equity		
Common Stock	142,520	142,520
Capital Surplus	139,300	139,300
Retained Earnings	297,803	298,752
Total Shareholders' equity	579,623	580,572
Valuation and translation adjustments		
Unrealized Gains on Investment Securities, Net of Taxes	(98)	(208)
Deferred gains and losses on hedge	1	6
Translation adjustments	(8,526)	(9,216)
Other valuation and translation adjustments	(5,004)	(4,845)
Total Valuation and translation adjustments	(13,627)	(14,264)
Minority Interests in Consolidated Subsidiaries	24,220	25,695
TOTAL NET ASSETS	590,216	592,004
TOTAL LIABILITIES AND NET ASSETS	1,184,870	1,275,091

(2) Consolidated Statements of Operations

(Unit: ¥ million)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Net Sales	244,913	269,320
Cost of Sales	182,796	205,377
Gross Profit	62,116	63,943
Selling, General and Administrative Expenses	40,981	47,318
Operating Income	21,135	16,624
Non-Operating Income		
Interest income	249	149
Dividend income	478	470
Other non-operating income	1,338	807
Total Non-Operating Income	2,066	1,427
Non-Operating Expenses		
Interest expenses	1,116	1,188
Loss on sales of non-current assets	—	662
Other non-operating expenses	1,254	1,016
Total Non-Operating Expenses	2,370	2,868
Ordinary Income	20,831	15,183
Income before Income Taxes	20,831	15,183
Income Taxes	8,785	7,734
Minority Interests in Consolidated Subsidiaries	93	(7)
Net Income	11,952	7,456

(3) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Cash Flows from Operating Activities		
Income before income taxes	20,831	15,183
Depreciation and amortization	39,589	38,008
Loss on retirement of non-current assets	1,773	1,111
Increase/(decrease) in provision for retirement benefits	(34,515)	1,820
Interest expenses	1,116	1,188
Costs related to revision of secondment program, etc.	(40,773)	—
(Increase)/decrease in accounts receivable	78,644	73,941
(Increase)/decrease in inventories	(20,344)	4,044
Increase/(decrease) in accounts payable	(29,439)	(29,813)
Increase/(decrease) in accrued consumption taxes	1,906	(580)
Others, net	12,453	8,838
Sub Total	31,243	113,742
Interest and dividends received	721	618
Interest paid	(1,133)	(1,428)
Income taxes paid	(5,192)	(36,381)
Net cash provided by operating activities	25,638	76,549
Cash Flows from Investing Activities		
Payments for acquisition of non-current assets	(44,184)	(50,940)
Payments for investments in subsidiaries	(1,793)	—
(Increase)/decrease in time deposits, net	—	1,234
(Increase)/decrease in securities, net	—	2,000
Others, net	1,625	(1,880)
Net cash used in investing activities	(44,352)	(49,586)
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	99,660	—
Increase/(decrease) in commercial paper, net	(45,000)	(25,000)
Increase/(decrease) in short-term borrowings, net	—	(2,992)
Repayment of obligation under capital leases	(3,751)	(2,833)
Cash dividends	(6,163)	(7,936)
Cash dividends to minority shareholders	(1,780)	(510)
Others, net	(482)	(20)
Net cash used in financing activities	42,483	(39,294)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	349	308
Net Increase/(Decrease) in Cash and Cash Equivalents	24,118	(12,022)
Cash and Cash Equivalents at Beginning of Year	112,910	131,822
Cash and Cash Equivalents at End of period	137,028	119,799

(4) Notes concerning going-concern assumptions

N/A

(5) Notes in the event of material changes in amount of shareholders' equity

Resolution	Class of stock	Total dividend amount (¥ million)	Dividend per share (¥)	Reference date	Effective date	Source of dividends
Ordinary general meeting of shareholders on June 23, 2009	Common stock	8,415	3,000	March 31, 2009	June 24, 2009	Retained earnings