

Consolidated Financial Results

for the Fiscal Year Ended March 31, 2010

May 11, 2010

Company name : NTT DATA Corporation
 Stock exchange on which the Company's shares are listed : Tokyo Stock Exchange 1st Section
 Code number : 9613
 URL : <http://www.nttdata.co.jp/>
 Contacts Company representative : Toru Yamashita, President and Chief Executive Officer
 Person in charge : Takashi Kanae, Senior Manager, Investor Relations and Finance Office
 Tel.: (03)5546-9962
 Scheduled date of the ordinary general meeting of shareholders : June 22, 2010
 Scheduled date of dividend payment : June 23, 2010
 Scheduled date of filing securities report : June 23, 2010

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

1. Consolidated Financial Results for FY2009 (From April 1, 2009 to March 31, 2010)

(1) Consolidated Results of Operations

(% of change from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2009	1,142,940	0.3	81,689	(17.1)	75,722	(20.8)	35,662	(26.3)
FY2008	1,139,092	6.0	98,546	2.7	95,552	1.3	48,360	58.8

	Net income per share	Net income per share (diluted)	ROE (Ratio of Net income to Shareholders' Equity)	ROA (Ratio of Ordinary income to Total assets)	Operating income margin (Ratio of Operating income to Net sales)
	¥	¥	%	%	%
FY2009	12,713.84	—	6.2	5.9	7.1
FY2008	17,240.97	17,227.17	8.7	7.7	8.7

Note: Equity in net income(losses) of affiliates: FY2009 81million yen FY2008 343million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2009	1,279,256	615,167	45.7	208,391.24
FY2008	1,275,091	592,004	44.4	201,892.62

Note: Equity: FY2009 584,537million yen FY2008 566,308million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
FY2009	257,760	(174,093)	(63,756)	152,120
FY2008	212,541	(219,444)	27,830	131,822

2. Dividends

	Cash dividends per share					Total amount of cash dividends for the year	Dividends payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2008	—	3,000	—	3,000	6,000	16,830	34.8	3.0
FY2009	—	3,000	—	3,000	6,000	16,830	47.2	2.9
FY2010 (Forecasts)	—	3,000	—	3,000	6,000		35.8	

3. Forecasts of Consolidated Results for FY2010 (From April 1, 2010 to March 31, 2011)

(% of change from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2010 1st half	—	—	—	—	—	—	—	—	—
FY2010	1,200,000	5.0	90,000	10.2	87,000	14.9	47,000	31.8	16,755.79

Note: 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) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation): No

(2) Changes in significant accounting policies, procedures and presentation in consolidated financial statements

1) Changes caused by revision of accounting standard: Yes

2) Others : No

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding FY2009 2,805,000shares FY2008 2,805,000shares
(inclusive of treasury stock)

2) Number of treasury stock FY2009 — shares FY2008 — shares

(Reference) Summary of non-consolidated financial results

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

1. Non-Consolidated Financial Results for FY2009 (From April 1, 2009 to March 31, 2010)

(1) Non-Consolidated Results of Operations

(% of change from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2009	821,789	(3.6)	66,685	(19.5)	68,791	(20.3)	41,977	(15.0)
FY2008	852,648	(0.8)	82,815	4.5	86,352	13.9	49,383	122.4

	Net income per share	Net income per share (diluted)
	¥	¥
FY2009	14,965.41	—
FY2008	17,605.51	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2009	1,135,963	577,824	50.9	205,998.10
FY2008	1,114,253	552,471	49.6	196,959.61

(Reference) Equity : FY2009 577,824million yen FY2008 552,471million yen

Note: The projections above are based on certain premises derived from information that has been available to the NTT DATA Group at this time. As a result of various factors that may arise in the future, the actual results may differ from the Group's forecasts.

1. Business Results

(1) Business Results

[1] Conditions during the Period

During the period under review there were signs of a pick-up in some sectors of the Japanese economy during the second half, but factors such as declines in corporate earnings and capital investment caused conditions to remain harsh overall. The outlook for the economy points towards a modest recovery, as the gradual peaking of public investment should be counterbalanced by ongoing increases in exports and industrial output fueled by the improvement of economic conditions overseas.

In the information service industry, activity was buoyed by demand generated by investment in systems for security enhancement and to address compliance requirements. Nevertheless, the tendency to curtail software investment has persisted, characterized by the curbing of IT investment in new projects and by declines in the prices of services. In addition, 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 has 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 “Environment-oriented management,” towards our goal of being ranked “No.1 in customer satisfaction” as a “Leading-edge innovator.” Examples of specific action taken are as follows.

< Strengthening of service provision capability >

- Our section in charge of system building and service provision in the national security field has achieved Capability Level 5, the highest level of attainment in the latest version of the CMMI[®] process appraisal program. In addition, our section responsible for the construction of large-scale systems and provision of services to the Ministry of Health, Labour and Welfare and the Japan Pension Service has achieved Capability Level 4 for the latest version.
- NTT DATA has been lauded for various steps taken to enhance sales and marketing capabilities and SI competitiveness, and in *Nikkei Computer* magazine's 14th Customer Satisfaction Survey, featured in its August 19, 2009 issue, NTT DATA was ranked first in two categories: system development and related services (information service companies) and system operation and related services (information service companies).

< Group businesses enhancement and expansion >

- In order to enhance our SAP global service support system, in Europe we have entered into capital alliances, through our German subsidiary itelligence AG, with the Dutch company 2B Interactive B.V. and with ADELANTE S.A.S. of France (now renamed itelligence France S.A.S.). In the Asia-Pacific region, meanwhile, we have formed capital alliances with Extend Technologies Group Holdings Pty Ltd of Australia and with Business Formula (M) Sdn Bhd in Malaysia, doing so via NTT DATA Asia Pacific Pte.

Ltd., our Singapore-based subsidiary that oversees operations in the region.

- NTT DATA has concluded a capital and business alliance agreement with NJK Corporation for the purpose of further strengthening its operating base and expanding the range of its business, and assumed management control of NJK through a tender offer for its shares.

< Environment-oriented management >

- NTT DATA, primarily through its Environmental Management Promotion Office, has laid down medium- to long-term targets for reducing both the environmental load within the Group and the environmental load of society as a whole that results from the services that the Group provides. The targets are on the three themes of "Green By NTT DATA Group," "Green of NTT DATA Group," and "NTT DATA Group on the Earth."
- NTT DATA has implemented proving operations for an electric vehicle charging infrastructure service that form part of the 2009 trial projects organized by the Ministry of Economy, Trade and Industry's Agency for Natural Resources and Energy to create an environment conducive to electric vehicles.

Note: CMMI (Capability Maturity Model Integration)

CMMI is a model developed by the Carnegie Mellon University Software Engineering Institute (SEI), with funding by the US Department of Defense, for expressing the maturity of organizations carrying out system development. The model expresses maturity at a series of capability levels, and also defines the characteristics of effective processes for satisfying the requirements at each level. As a de facto standard reference model for process improvement, it is used by numerous companies throughout the world.

In addition to the above, 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 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 platforms and solutions that support cutting-edge IT services.

The companies comprise Business Strategy Departments 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.

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 is a description of cross-sectional efforts made in its business fields.

- NTT DATA has begun a full-scale rollout of its cloud service BizXaaS, offering a comprehensive lineup of cloud solutions ranging from infrastructure to applications.

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

<Public Administration Sector>

- Nippon Automated Cargo and Port Consolidated System, Inc. launched its next-generation Air Nippon Automated Cargo Clearance System (Air-NACCS), which was developed by NTT DATA.
- NTT DATA has started Recec ASP Service providing dentists with online functionality for preparing electronic medical insurance reimbursement claims.

<Financial Sector>

- We won orders from Japan Post Bank Co., Ltd., including for the procurement of its next-generation business system.
- We are implementing system migration in large-scale projects, for example, the consolidation of mainframe systems at Shinkin banks' Shinkin Shared System Center and the migration of the JA Bank's JASTEM system. Moreover, the Bank of Yokohama, Ltd. has started using the Shared System for the Three Banks*, a system developed by NTT DATA.

<Industrial Sector>

- NTT DATA Biz Integral Corporation, an operating company to promote the next generation solution “Biz ∫,” 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.
- We won an order for the development and operation of the next-generation derivative-trading system at the Osaka Securities Exchange Co., Ltd., adopting package software produced by NASDAQ OMX Group, Inc. (Sweden).

*Note: Shared System for Three Banks

Shared-use system for the Bank of Yokohama, Ltd., the Hokuriku Bank, Ltd., and the Hokkaido Bank, Ltd.

Other activities during the reporting period are outlined below.

(Other activities during the reporting period)

Strengthening of service provision capability	We assumed management control of BNI Systems Corporation, and strengthened our offshore development structure.
	The Non-Functional Requirement Grade ¹ Investigative Committee for the visualization of the requirements of system-platform clients, formed by NTT DATA and five other SI vendors, released a finalized version of the Non-Functional Requirement Grade Tool, and transferred the copyright to the Information Technology Promotion Agency's Software Engineering Center (IPA SEC).
	Trials of 24-hour development were conducted within a Japan-Germany structure and within a Japan-India structure, the aim being to make effective use of time differences between Japan and the Company's overseas bases to reduce engineering periods by conducting non-stop development round the clock. We confirmed that if conditions are met with regard to testing processes and some small-scale development, it is practicable to conduct 24-hour development in collaboration with Group companies overseas.
	In NTT DATA's customer-satisfaction survey for fiscal 2009 there was an overall uptrend in satisfaction, and we achieved the targets laid down at the start of our action to enhance sales and marketing capabilities.
Group businesses enhancement and expansion	We reorganized 17 Group companies and integrated them as six companies in order 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 order to develop cloud-type business for financial institutions in China, NTT DATA has decided to establish Yuxin Data Technologies Limited as a joint venture with the Chinese company Yucheng Technologies Limited.
	We have integrated NTT DATA Systems Corporation's Oracle-related business into NTT DATA Intellilink Corporation, the purpose being to expand business scale and enhance service-provision capability.
Environment-oriented management	NTT DATA and NTT Facilities, Inc. won the Minister of Economy, Trade and Industry Award for savings in IT-related energy consumption for the Green Data Center ² . The award is, part of the Green IT Award 2009 program sponsored by the Green IT Promotion Council.
Public Administration Sector	We won an order from the Ministry of Land, Infrastructure, Transport and Tourism for the complete design and development of the next-generation vehicle registration audit system (MOTAS: Motorcar Total Information Advanced System).
Financial Sector	To expand business in the field of analysis and sales-support systems for financial products such as investment trusts, we assumed control of ABIC Co., Ltd., relaunching it as NTT DATA ABIC Co., Ltd.
Industrial Sector	We launched Global Business Intelligence Service providing full support from conceptualization to post-release business transformation, based on the NTT DATA Group's track record of introducing business intelligence globally.
	We launched a comprehensive service to support Japanese companies wishing to comply with International Financial Reporting Standards (IFRS), covering aspects ranging from conceptualization to IFRS application, process innovation, system building, and education.
Others	In the fiscal 2009 Information Technology Month, the FairCast Child Safety Communication Network won the Information Technology Month Prize in the category of information-processing systems that help promote the progress of information technology.

Notes:

1. Non-Functional Requirement Grade

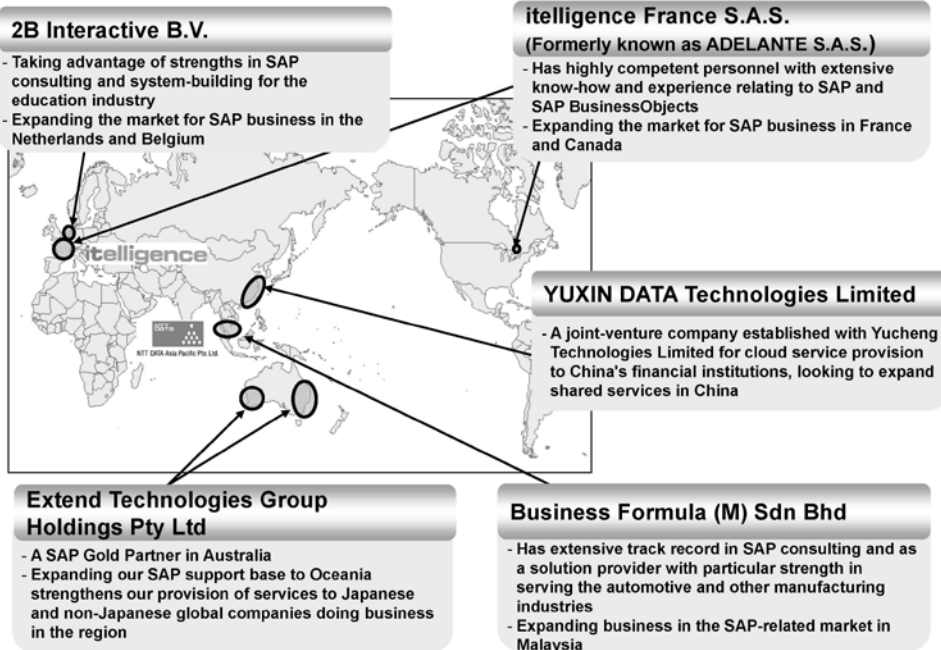
Non-functional requirements are what clients require of systems with regard to the robustness, quality, etc., of information systems, for example performance as regards resistance to malfunctioning and speed of response. The Non-Functional Requirement Grade Tool is a cluster of tools that enable clients and suppliers simultaneously to confirm non-functional requirements while detailing them one by one in a phased manner from the important requirements relating to system platforms. It comprises three tools (grade table, categorized list of non-functional requirements, tree diagram) and a usage guide.

2. Green Data Center

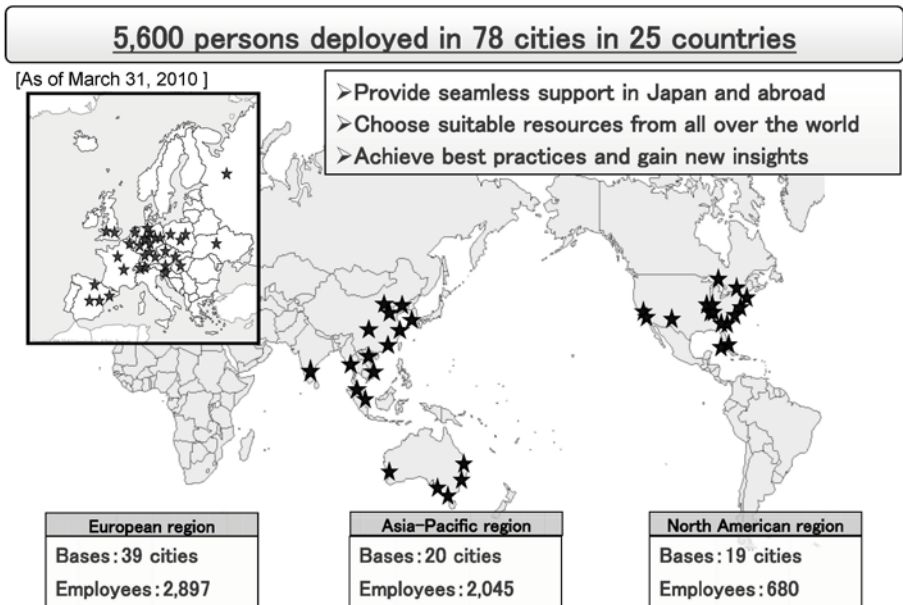
Green Data Center is the overall name for the services of IT installation environment measurement, evaluation, improvement, and management aimed at reducing and optimizing energy use in data centers, based on NTT DATA technology, expertise, and experience, and is used to refer also to products created by these services.

The following shows the status of expansion of overseas bases during the period under review. The expansion of our global base will enhance the ability of customers to address globalization.

Status of Expansion of Overseas Bases during the Fiscal Year



Status of Overseas Bases



As a result of these activities, business performance during the period under review was as follows.

•New Orders Received	1,181.5 billion yen	(up 14.1% year-on-year)
•Net Sales	1,142.9 billion yen	(up 0.3% year-on-year)
•Operating Income	81.6 billion yen	(down 17.1% year-on-year)
•Ordinary Income	75.7 billion yen	(down 20.8% year-on-year)
•Net Income	35.6 billion yen	(down 26.3% year-on-year)

The following is a breakdown of net sales and operating income by business segment.

■ System Integration

The System Integration (SI) Business develops, sells, leases and services data communications equipment systems tailored to the specific needs of customers. Both sales and operating income decreased as a result of factors such as the general deterioration of the economic climate and the stiffening of competition, outweighing the positive impact of the expansion of consolidated subsidiaries.

As a result, net sales in this segment totaled 879.1 billion yen (down 1.1% year-on-year), and operating income was 64.4 billion yen (down 26.3%).

■ Network System Services

The Network System Services Business provides services such as information provision, data processing, and other services matched to market needs, using computer networks such as the Internet. Both sales and operating income grew under the impact of robust sales of ANSER, CAFIS systems and other factors.

As a result, net sales in this segment totaled 83.1 billion yen (up 6.2% year-on-year), and operating income was 9.0 billion yen (up 42.2%).

■ Others

NTT DATA's Others Business researches and evaluates customer management issues, makes plans and proposals for optimization of data communications systems, and provides services that include maintenance and facility management. Both sales and operating income increased as a result of the expansion of maintenance and system operation business.

As a result, net sales in this segment totaled 276.3 billion yen (up 3.8% year-on-year), and operating income was 27.9 billion yen (up 10.7 %).

Year-on-Year Changes in Net Sales and Operating Income by Business Segment

(Unit: billion yen)

Description		FY2008		FY2009		Change (%)
			Share (%)		Share (%)	
Net Sales	System Integration	889.0	72.1	879.1	71.0	(1.1)
	Network System Services	78.2	6.3	83.1	6.7	6.2
	Others	266.2	21.6	276.3	22.3	3.8
	Elimination or Corporate	(94.4)	—	(95.7)	—	(1.3)
Total		1,139.0	—	1,142.9	—	0.3
Operating Income	System Integration	87.4	73.5	64.4	63.5	(26.3)
	Network System Services	6.3	5.3	9.0	8.9	42.2
	Others	25.2	21.2	27.9	27.6	10.7
	Elimination or Corporate	(20.5)	—	(19.8)	—	3.7
Total		98.5	—	81.6	—	(17.1)

[2] Forecast for the Next Fiscal Year (Ending March 31, 2011)

For the next fiscal year we are forecasting an increase in net sales to 1.2 trillion yen. The principal grounds for this forecast include growth in sales of financial systems to the banking and credit sector, and a recovery in the business performances of consolidated subsidiaries, buoyed by the robust inflow of orders as of the date of this report.

We project an increase in operating income to 90.0 billion yen. In spite of higher SG&A expenses resulting from ongoing M&A activity, countervailing factors include profit growth accompanying increases in sales, improved operating ratios for manufacturing personnel, and a recovery in the business performances of consolidated subsidiaries, which will tend to bring about an improvement of indicators such as the cost-of-sales ratio.

Also of note is from the next fiscal year we will be affected by new developments such as the need for compliance with international accounting standards and the increase in the transparency of our business portfolio. Given this, the segment information will switch to disclosure based on a management approach.

The situation by segment is as follows.

The Public and Financial IT Services Company is projected to post net sales¹ of 791.0 billion yen (including 766.0 billion yen of sales to external customers), up² by 19.9 billion yen year-on-year. In spite of the impact of budget cuts at central-government ministries and agencies and decreases in certain equipment services, we project growth in sales of financial systems to the banking and credit sector.

With regard to segment profit³, we project a worsening in the cost-of-sales ratio as a result of decreases in certain equipment services, and the renewal of large-scale systems will cause depreciation charges to increase. In consequence, profit is forecast to total 64.0 billion yen, down by 4.7 billion yen from the year under review.

The Global IT Services Company is projected to achieve net sales totaling 389.0 billion yen (including 366.0 billion yen of sales to external customers), up by 50.8 billion yen year-on-year. The situation differs from one industry or company to another, but in general this will be achieved by taking advantage of the recovery in IT investment to expand our position in existing business fields, and by engaging vigorously in M&A activity while taking steps to bring about recoveries in the results of consolidated subsidiaries hit by the deterioration in the business climate.

We forecast segment profit of 16.0 billion yen, representing a year-on-year increase of 15.7 billion yen. Principal factors in this include decreases in transitional costs arising during the year under review, profit increases resulting from higher sales, recoveries in consolidated subsidiaries' results, and further cost savings.

For the Solutions and Technologies Company we project developments such as an increase in the number of consolidated subsidiaries and the expansion of demand for IT outsourcing services for cloud computing service (data centers, etc.). In consequence, we project net sales of 181.0 billion yen (including 67.0 billion yen of sales to external customers), 26.8 billion yen up on the previous year.

Segment profit is projected at 12.0 billion yen, up by 5.7 billion yen from the year under review, owing to factors such as profit increases resulting from growth in sales, and the stepping-up of measures to cut costs.

Capital expenditure during the year projected at 150.0 billion yen, down by 12.5 billion yen from the year under review, owing to decreases in investment in large-scale systems in the financial sector.

NTT DATA manages its business performance on an annual basis only, and therefore no results forecast for the period to the end of the second quarter have been included in this report. With regard to the general trend, in spite of higher depreciation charges accompanying the renewal of large-scale systems, factors such as improved operating ratios for manufacturing personnel, an increase in the number of consolidated subsidiaries and the recovery in their business performances lead us to conclude that progress relative to the year as a whole will be at the same level as in the year under review.

Results Forecast for the Next Fiscal Year

(Unit: billion yen)

Description	Net Sales	Operating Income	Ordinary Income	Net Income
FY2010	1,200.0	90.0	87.0	47.0
FY2009	1,142.9	81.6	75.7	35.6
Change (%)	5.0%	10.2%	14.9%	31.8%

- Notes:
1. Net sales include intersegment sales.
 2. The comparisons of sales and profit in the fiscal year ended March 31, 2010, with the sales and profit forecasts for each segment are for reference purposes, and may change after being subjected to auditing.
 3. In the calculation of segment profits (income before income taxes), apportionments of company-wide expenses such as financial expenses are not included.
 4. This material contains descriptions of future plans and strategies and of forecasts and projections relating to business performance. These descriptions reflect certain assumptions derived from judgments based on information currently available to the NTT DATA Group.
The material also incorporates an unquantifiable degree of risk and uncertainty relating to factors such as economic trends, the fierce competition within the information service industry, market demand, and the tax and other systems. In view of this, excessive reliance should not be placed on these results or forecasts, and it should be noted that actual results may differ from the NTT DATA Group's forecasts.

(2) Financial Condition

Cash derived from operating activities increased by 45.2 billion yen year-on-year, to 257.7 billion yen, since the decline in income before income taxes was offset by factors such as the ending of the impact of the costs incurred by the revision of the personnel secondment program in the previous term.

Cash used in investing activities fell by 45.3 billion yen year-on-year, to 174 billion yen. This was attributable principally to lower outflows for the acquisition of consolidated subsidiaries, and reduced capital expenditure.

Consequently, free cash flow increased by 90.5 billion yen year-on-year, to 83.6 billion yen.

Cash used in financing activities totaled 63.7 billion yen, attributable primarily to the redemption of commercial paper and the payment of dividends.

As a net result of these developments, the balance of cash and cash equivalents at the end of the fiscal year under review rose by 20.2 billion yen from the end of the previous fiscal year, to 152.1 billion.

The NTT DATA Group's cash flow indicators are summarized as follows.

Indicator	FY2006	FY2007	FY2008	FY2009
Equity ratio (%)	49.2	45.9	44.4	45.7
Fair value equity ratio (%)	154.5	102.4	58.8	68.3
No. of years for debt redemption (Years)	1.1	1.1	1.4	1.1
Interest coverage ratio (Times)	57.3	61.9	48.4	55.4

Notes: Equity ratio: Shareholders' equity/Total assets

Fair value equity ratio: Gross market capitalization/Total assets

No. of years for debt redemption: Interest-bearing debt/Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities/Interest payments

1. All indicators are calculated on the basis of consolidated financial values.
2. Gross market capitalization is calculated by multiplying the closing price of the Company's shares at the period end by the number of shares issued and outstanding at the period end.
3. Cash flow from operating activities is the "cash flow from operating activities" in the consolidated statement of cash flows. Interest-bearing debt refers to corporate bonds, long-term and short-term borrowings, and commercial paper stated in the consolidated balance sheets. Interest payments equate with "interest paid" in the consolidated statement of cash flows.

(3) Basic Policy on Distribution of Profits

NTT DATA's fundamental policy on the distribution of profit is to distribute profits appropriately while working to increase corporate value over the medium to long term by achieving sustained growth, doing so by such means as investing in new and other business activities and ensuring efficient management of business operations.

With regard to dividends, we intend to pay a stable dividend based on a comprehensive assessment of consolidated operating results, financial position, and other factors, using a payout ratio of approximately 30% as the yardstick.

We will continue to build up internal reserves for investment in new businesses as well as investment in technology development and capital investment for sustained and stable growth.

The distribution of profit for the period is as follows. The Company paid an interim dividend of 3,000 yen per share, and will pay a year-end dividend of 3,000 yen per share. Therefore, the dividend per share for the full year is planned to total 6,000 yen.

The annual dividend per share for the next fiscal year is planned to total 6,000 yen, and will be set considering all factors including the Company's consolidated performance, its financial condition, and the payout ratio.

(4) Business Risks

The risk set out below may impact the NTT DATA Group's business results and financial condition (including share prices).

[1] Risk of downward price pressure

There is a tendency for IT investment to be restrained by customers as a result of factors such as the deterioration in business sentiment and in corporate earnings. This is giving rise to more severe demands with regard to cost and to stricter evaluation of the effect of IT investment, which are leading to the reduction of selling prices of the systems and services offered by the NTT DATA Group. This may impact the NTT DATA Group's business results and financial condition.

[2] Risk relating to increasing intensity of competition

The NTT DATA Group's principal business domain is regarded as being a very potent growth field within the information service industry, and in consequence enterprises such as hardware vendors are shifting their business focus towards it. In addition, we are facing global competition from IT service companies in emerging economies that are achieving rapid economic growth, such as India and China. Since there is some uncertainty with respect to the outlook for market growth, the increasing intensity of competition caused by vigorous entry into the market by competitors may impact the NTT DATA Group's business results and financial condition.

[3] Risk relating to overseas business

As part of its business strategy, the NTT DATA Group is undertaking business expansion in overseas markets, and overseas business is coming to account for a growing presence within the Group. The Group's overseas business is impacted by a diversity of factors, including economic trends such as those in the global economy and exchange rates, laws and regulations in such spheres as investment and competition, differences in commercial customs and practices, labor-management relations, and political and social changes such as in the field of international politics. Should any risks relating to these factors materialize, they may impact the NTT DATA Group's business results and financial condition.

[4] System failure risk

Many of the systems and services provided by the NTT DATA Group constitute key parts of the social infrastructure, and thus any failures therein may, through such consequences as causing a deterioration of public confidence in the Group or of its brand image or the payment of compensation for damage caused, may affect the NTT DATA Group's business results and financial condition.

[5] System building risk

In the Group's mainstay SI business it usually assumes full contractual responsibility at all stages—from the receipt of orders to delivery—for the completion of systems and their delivery to clients. Therefore, the NTT DATA Group's business results and financial condition may be affected by factors such as the occurrence of cost overruns or of losses caused by delivery delays that may arise as a result of differences from initial estimates or problems such as project management issues at the development stage.

[6] Information security risk

When conducting its business, NTT DATA Group handles corporate clients' marketing and customer information accumulated and stored in their information processing systems. In the event of the loss, destruction, leakage, etc., of that information as a result of cyberterrorism or some cause attributable to NTT DATA Group, resultant factors such as a deterioration of public confidence in the NTT DATA Group or in its brand image or the payment of compensation for damage caused may affect the NTT DATA Group's business results and financial condition.

[7] Risk relating to the securing of personnel

The NTT DATA Group's growth and profits are substantially impacted by its ability to secure and train high-quality personnel with the professional expertise to provide value to customers. In the event that high-quality personnel of this kind cannot be secured and trained as planned, this may impact the NTT DATA Group's business results and financial condition.

[8] Risk relating to technical innovation

In the information service industry to which the NTT DATA Group belongs, the technological environment could undergo disruptive change. The NTT DATA Group studies a multiplicity of technological trends in state-of-the-art, basic, and other technologies and engages in research and development, but in the event that it delays addressing faster-than-expected progress in innovative technologies, this may impact its business results and financial condition.

[9] Risk relating to intellectual property rights

With regard to intellectual property rights and other rights essential to the conduct of business by the NTT DATA Group, it is possible that the Group will not be granted licenses or authorization of other kinds by the owners of such rights, and in consequence will become unable to provide specific technologies, products, or services. It is also possible that claims for damages will be made on the ground that business activities undertaken by the NTT DATA Group have infringed the intellectual property rights of other parties. In any such event, the NTT DATA Group's business results and financial condition may be impacted.

[10] Influence of parent company

Nippon Telegraph and Telephone Corporation (NTT), NTT DATA's parent company, is a principal shareholder with ownership of 54.2% of NTT DATA's voting stock as of March 31, 2010. NTT DATA carries out its operations independently of NTT and its other subsidiaries, but discusses important issues with NTT or reports to it. Against this backdrop of influence, NTT may act in ways that are in its own best interests but may not necessarily be in the interests of other shareholders of NTT DATA.

2. Status of the Corporate Group

NTT DATA is a member of the NTT Group, its parent company being NTT.

The NTT DATA Group (comprising NTT DATA CORPORATION and its 161 subsidiaries and 19 affiliates) is active in the following three main business segments: (1) System Integration, (2) Network System Services, and (3) Others.

Each business segment is described below, and the main subsidiaries and affiliates related to each segment are listed.

System Integration

In response to customers' unique needs, the NTT DATA Group develops data communications systems, sells and leases such systems, and provides system integration and other services. Some activities in this business segment are assigned to subsidiaries and affiliates.

Main Subsidiaries and Affiliates

NTT DATA SYSTEMS CORPORATION
NTT DATA SYSTEM TECHNOLOGIES INC.
NTT DATA i CORPORATION
NTT DATA KANSAI CORPORATION
NTT DATA INTRAMART CORPORATION
NTT DATA FINANCIAL CORE CORPORATION
NTT DATA FORCE CORPORATION
NTT DATA WAVE CORPORATION
NTT DATA SANYO SYSTEM CORPORATION
Nihon Card Processing Co., Ltd.
NTT DATA FRONTIER CORPORATION
NTT DATA SOFIA CORPORATION
NTT DATA Getronics Corporation
itelligence AG
NTT DATA CCS CORPORATION
Cirquent GmbH
NTT DATA MSE Corporation
JSOL Corporation
XNET Corporation
NJK CORPORATION

118 other companies

Network System Services

In accordance with market needs, the NTT DATA Group provides a variety of information as well as data processing and other services based on the Internet and other computer networks. Some activities in this business segment are assigned to subsidiaries and affiliates.

Main Subsidiaries and Affiliates

SOLID Exchange Corporation

11 other companies

Others

The NTT DATA Group researches, identifies and evaluates customers' management issues, plans and proposes strategic plans for data communications systems, performs maintenance and facility management, and provides other services. Some activities in this business segment are assigned to subsidiaries and affiliates.

Main Subsidiaries and Affiliates

NTT DATA TOKYO SMS CORPORATION

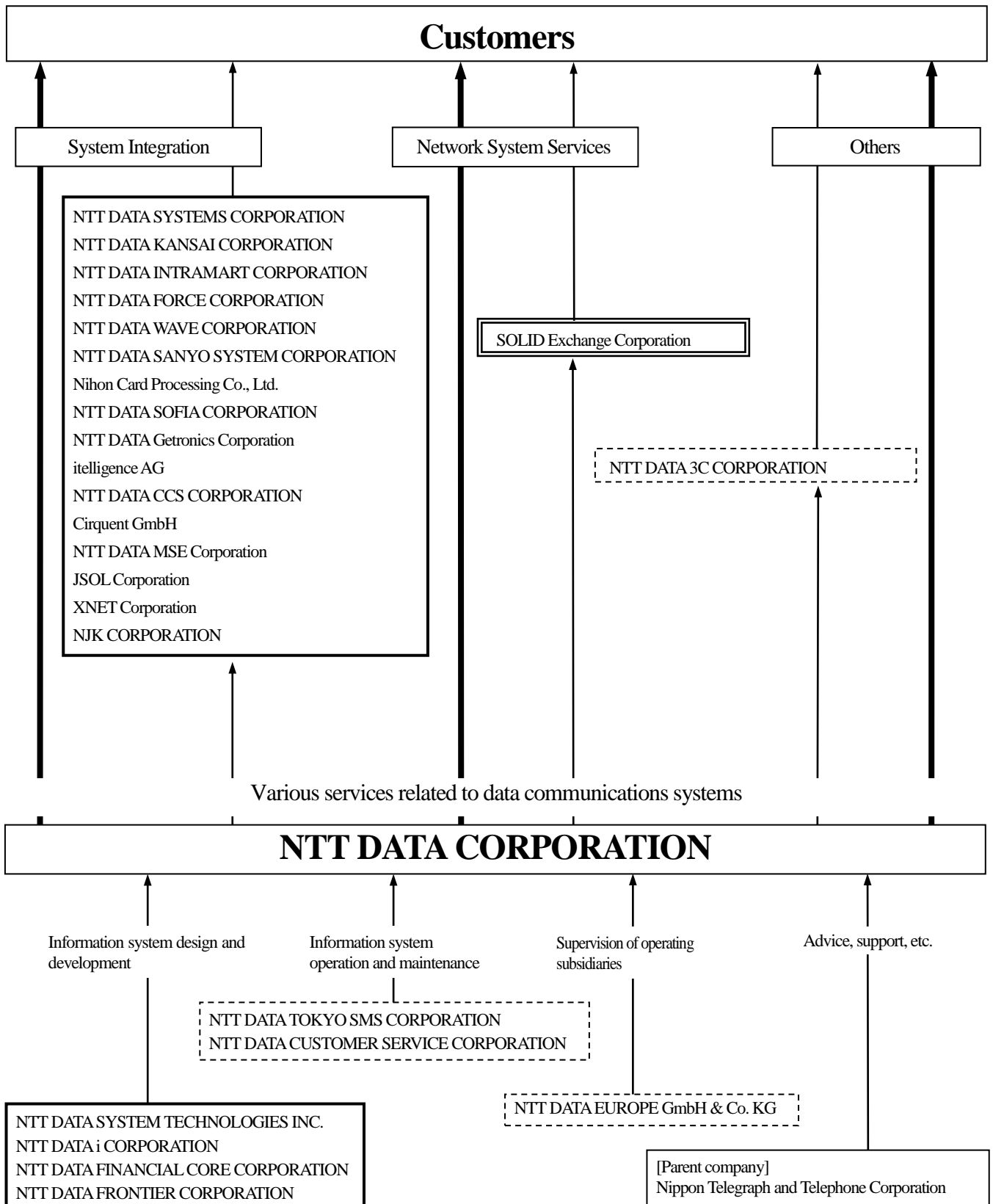
NTT DATA CUSTOMER SERVICE CORPORATION

NTT DATA 3C CORPORATION

NTT DATA EUROPE GmbH & Co. KG

26 other companies

The following chart summarizes the description above:



Notes:

1. itelligence AG is 77.7%-owned subsidiary of NTT DATA EUROPE GmbH & Co. KG.
2. Cirquent GmbH is 74.4%-owned subsidiary of NTT DATA EUROPE GmbH & Co. KG.

Legend:

The following box types indicate the business segment specified below;

- System Integration
- Network System Services
- Others

3. Business Policies

(1) Basic Management Policy

The NTT DATA Group regards its mission as being the creation of a more affluent society, a goal it seeks to fulfill by enhancing customer value through the provision of a wide range of information services. This requires the NTT DATA Group to constantly project the future course of society and to address, swiftly and accurately, changes in the market environment, evolving customer needs, and the latest technological developments. Based on this concept, we conduct management aimed at creating a corporate fabric able to generate a stable profit flow by means of continuous growth.

(2) Issues Requiring Attention

In the information service industry, while there is a mounting sense that corporate IT investment is beginning to bottom out amid expectations that economic sentiment will continue to improve, the overall investment remains restrained.

In spite of these harsh economic conditions, however, there is consistent demand with regard to investment in the joint use of systems to reduce total cost of ownership (TCO), including cost for introducing systems and their maintenance and management, SI needs accompanying industry reorganization, system building to underpin global competition, and business process outsourcing. In particular, for clients confronted by global competition it is becoming increasingly vital to cope with this change in the business environment by harnessing IT to implement reforms that will enable them to maintain global competitive advantage.

The prices of services provided to clients are on a long-term downtrend under the impact of a number of factors, including the increasing ferocity of competition fueled by developments such as market entries by hardware vendors, the widespread practice of offshore development using countries such as India and China, continued downsizing, and technical innovation. Moreover, clients are even more oriented towards lower prices, and the lead times for service delivery are required to be increasingly short, so as to ensure that those services produce the desired effects rapidly amid the current abrupt pace of change in the business environment.

With regard to the social responsibilities incumbent upon companies to fulfill, the demands of society are becoming more diverse and sophisticated in respect of environmental and other issues, and in the IT service industry there is a greater-than-ever need to meet those demands.

Even amid changes in the operating environment of this kind, the NTT DATA Group will continue its quest to be ranked “No.1 in customer satisfaction” as a “Leading-edge innovator,” and to that end it will take the following actions.

Strengthening of service provision capability

We will give emphasis to enhancing the combined power of the Group as a whole, strengthening global competitiveness so as to give solid support to customers competing globally, and enhancing our service provision capability in a way that will enable us to address change promptly.

Group businesses enhancement and expansion

We will endeavor to secure a scale of business activity that will ensure sustained and stable management of the entire Group.

Environment-oriented management

In addition to satisfying the demands that society makes of us as a company, we are committed to meeting our customers' needs in the domain of IT services to support environmental measures that they implement.

The NTT DATA Group regards these changes in the environment as an opportunity, and will develop its business accordingly.

(3) Medium- to Long-Term Corporate Strategies

Change is occurring with dizzying speed in the NTT DATA Group's operating environment. To position itself both to cater to its customers' evolving expectations and to pursue its own sustained management, the Group has laid down the medium- to long-term management strategies outlined below.

Strengthening of service provision capability

Amid an environment undergoing abrupt change we will adopt a dual approach to providing our customers with the best possible services. We will maintain the continuous improvements made to date through such means as sales and marketing enhancement, SI competitiveness enhancement, and human resource development, but in addition will invest vigorously in innovation and enhance our ability to satisfy requirements for lower prices and shorter lead times, and our ability to adapt to paradigm shifts on the part of customers, such as changes of business model.

In addition, the NTT DATA Group will act as a partner to customers that are seeking change or reform by further enhancing our ability to provide consulting services that support business changes and system utilization.

Group business enhancement and expansion

In order to expand still further our ability to provide services, we will take active steps to enhance and expand Group business, focusing on fields not sufficiently covered by the Group. Particular emphasis will be placed on expanding the Group's global base, thereby enhancing our ability to address the globalization of our customers' competitive environment.

Environment-oriented management

The NTT DATA Group will fulfill its responsibility to society by conducting environment-oriented management. In addition to meeting our own social obligations we will also assist our customers' environmental activities from the perspective of IT services and contribute to the realization of a sustainable society.

Based on management strategies such as these, the NTT DATA Group aims to achieve "quantitative expansion through quality," developing sustainable business operations and enhancing the corporate value of the Group.

(4) Management Indicators Used in Defining Goals

In today's global environment the NTT DATA Group aims to grow to a scale that will enable it to provide the optimum level of customer service. Specifically, the sales target for the fiscal year ending March 31, 2013, is 1.5 trillion yen, securing profit to ensure business continuity and ongoing innovation.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2009	As of March 31, 2010
ASSETS		
Current Assets		
Cash on hand and at banks	125,421	118,708
Notes receivable and accounts receivable	219,984	223,084
Short-term investment securities	—	30,961
Inventories	47,017	26,140
Deferred income taxes	18,810	15,096
Other current assets	38,111	42,592
Allowance for doubtful accounts	(886)	(950)
Total Current Assets	448,458	455,632
Non-Current Assets		
Property and Equipment		
Data communication facilities, net	131,096	146,474
Buildings and structures, net	106,038	102,840
Machinery, equipment and vehicles, net	17,512	16,151
Furniture, fixtures and tools, net	14,988	15,197
Land	49,053	50,708
Lease assets, net	11,708	7,777
Construction in progress	54,438	38,480
Total Property and Equipment	384,837	377,629
Intangible Assets		
Software	208,871	237,764
Development costs of software in progress	76,899	55,041
Goodwill	38,066	29,945
Lease assets	2,479	1,123
Other intangible assets	5,694	7,860
Total Intangible Assets	332,011	331,735
Investments and Other Assets		
Investments in securities	21,338	27,271
Deferred income taxes	54,895	50,591
Other assets	34,055	36,909
Allowance for doubtful accounts	(503)	(514)
Total Investments and Other Assets	109,785	114,258
Total Non-Current Assets	826,633	823,623
TOTAL ASSETS	1,275,091	1,279,256

Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2009	As of March 31, 2010
LIABILITIES		
Current Liabilities		
Accounts payable	94,293	92,491
Short-term borrowings	16,551	17,599
Commercial Paper	25,000	—
Current portion of long-term debt	8,045	18,243
Current portion of bonds payable	3,000	30,164
Obligation under capital leases	12,082	8,597
Accounts payable-other	22,500	16,951
Income taxes payable	37,409	18,261
Advances received	—	94,881
Allowance for contract losses	5,178	5,675
Other current liabilities	95,880	43,071
Total Current Liabilities	319,942	345,937
Non-Current Liabilities		
Bonds payable	210,046	179,959
Long-term debt	42,092	26,332
Obligation under capital leases	14,741	8,274
Provision for retirement benefits	81,683	89,850
Provision for retirement allowances to directors and statutory auditors	1,195	1,013
Other non-current liabilities	13,386	12,721
Total Non-Current Liabilities	363,145	318,152
TOTAL LIABILITIES	683,087	664,089
NET ASSETS		
Shareholders' equity		
Common Stock	142,520	142,520
Capital Surplus	139,300	139,300
Retained Earnings	298,752	317,594
Total Shareholders' equity	580,572	599,414
Valuation and translation adjustments		
Unrealized Gains on Investment Securities, Net of Taxes	(208)	(80)
Deferred gains and losses on hedge	6	—
Translation adjustments	(9,216)	(8,285)
Other valuation and translation adjustments	(4,845)	(6,511)
Total Valuation and translation adjustments	(14,264)	(14,877)
Minority Interests in Consolidated Subsidiaries	25,695	30,629
TOTAL NET ASSETS	592,004	615,167
TOTAL LIABILITIES AND NET ASSETS	1,275,091	1,279,256

(2) Consolidated Statements of Operations

(Unit: ¥ million)

	FY ended 31, March 2009	FY ended 31, March 2010
Net Sales	1,139,092	1,142,940
Cost of Sales	861,942	870,589
Gross Profit	277,150	272,351
Selling, General and Administrative Expenses	178,603	190,662
Operating Income	98,546	81,689
Non-Operating Income		
Interest income	801	482
Dividend income	548	526
Gain on sales of subsidiaries' and affiliates' stocks	1,760	—
Compensation for damage	—	426
Other non-operating income	3,746	2,576
Total Non-Operating Income	6,855	4,011
Non-Operating Expenses		
Interest expenses	4,564	4,649
Loss on retirement of non-current assets	1,068	1,290
Compensation for damage	1,167	—
Other non-operating expenses	3,049	4,039
Total Non-Operating Expenses	9,849	9,978
Ordinary Income	95,552	75,722
Extraordinary income		
Gain on valuation of debt	—	1,354
Total Extraordinary income	—	1,354
Extraordinary loss		
Impairment loss on non-current assets	1,977	—
Impairment loss on goodwill	2,143	3,276
Special retirement expenses	—	2,010
Total Extraordinary loss	4,121	5,287
Income before Income Taxes	91,431	71,789
Income taxes-current	40,680	28,541
Income taxes-deferred	(131)	6,969
Total Income Taxes	40,548	35,511
Minority Interests in Consolidated Subsidiaries	2,521	615
Net Income	48,360	35,662

(3) Consolidated Statements of Shareholders' Equity

(Unit: ¥ million)

	FY ended 31, March 2009	FY ended 31, March 2010
Shareholders' Equity		
Common Stock		
Balance at end of previous term	142,520	142,520
Increase (Decrease) during the term		
Total	—	—
Ending balance of common stock	142,520	142,520
Capital Surplus		
Balance at end of previous term	139,300	139,300
Increase (Decrease) during the term		
Total	—	—
Ending balance of capital surplus	139,300	139,300
Retained Earnings		
Balance at end of previous term	266,513	298,752
Effect of changes in accounting policies applied to foreign subsidiaries	(634)	—
Increase (Decrease) during the term:		
Cash dividends from surplus	(15,427)	(16,830)
Net income	48,360	35,662
Change of scope of consolidation	(11)	—
Change of scope of equity method	(48)	9
Total	32,873	18,841
Ending balance of retained earnings	298,752	317,594
Total Shareholders' Equity		
Balance at end of previous term	548,333	580,572
Effect of changes in accounting policies applied to foreign subsidiaries	(634)	—
Increase (Decrease) during the term:		
Cash dividends from surplus	(15,427)	(16,830)
Net income	48,360	35,662
Change of scope of consolidation	(11)	—
Change of scope of equity method	(48)	9
Total	32,873	18,841
Ending balance of shareholders' equity	580,572	599,414

(Unit: ¥ million)

	FY ended 31, March 2009	FY ended 31, March 2010
Valuation and translation adjustments		
Unrealized Gains on Investment Securities, Net of Taxes		
Balance at end of previous term	860	(208)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(1,069)	128
Total	(1,069)	128
Ending balance of Unrealized Gains on Investment Securities, Net of Taxes	(208)	(80)
Deferred gains and losses on hedge		
Balance at end of previous term	—	6
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	6	(6)
Total	6	(6)
Ending balance of Deferred gains and losses on hedge	6	—
Translation adjustments		
Balance at end of previous term	(1,060)	(9,216)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(8,155)	930
Total	(8,155)	930
Ending balance of Translation adjustments	(9,216)	(8,285)
Other valuation and translation adjustments		
Balance at end of previous term	—	(4,845)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(4,845)	(1,665)
Total	(4,845)	(1,665)
Ending balance of Other valuation and translation adjustments	(4,845)	(6,511)
Total valuation and translation adjustments		
Balance at end of previous term	(199)	(14,264)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(14,064)	(613)
Total	(14,064)	(613)
Ending balance of Total valuation and translation adjustments	(14,264)	(14,877)
Minority interests		
Balance at end of previous term	14,846	25,695
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	10,849	4,934
Total	10,849	4,934
Ending balance of Minority interests	25,695	30,629

(Unit: ¥ million)

	FY ended 31, March 2009	FY ended 31, March 2010
Total Net Assets		
Balance at end of previous term	562,979	592,004
Effect of changes in accounting policies applied to foreign subsidiaries	(634)	—
Increase (Decrease) during the term:		
Cash dividends from surplus	(15,427)	(16,830)
Net income	48,360	35,662
Change of scope of consolidation	(11)	—
Change of scope of equity method	(48)	9
Net Changes of items other than shareholders' equity	(3,215)	4,321
	Total	23,162
Ending balance of Total net assets	592,004	615,167

(4) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	FY ended 31, March 2009	FY ended 31, March 2010
Cash Flows from Operating Activities		
Income before income taxes	91,431	71,789
Depreciation and amortization	157,894	154,500
Loss on retirement of non-current assets	8,786	7,481
Increase/(decrease) in provision for retirement benefits	(29,583)	7,239
(Gain)/loss on sales of subsidiaries' and affiliates' stocks	(1,760)	—
Interest expenses	4,564	4,649
Costs related to revision of secondment program, etc.	(40,773)	—
Special retirement expenses	—	2,010
(Increase)/decrease in accounts receivable	4,984	1,159
(Increase)/decrease in inventories	(1,847)	21,333
Increase/(decrease) in accounts payable	(9,225)	(7,870)
Increase/(decrease) in accrued consumption taxes	3,481	1,961
Others, net	24,724	44,255
Sub Total	212,677	308,509
Interest and dividends received	1,349	1,008
Interest paid	(4,393)	(4,656)
Income taxes (paid)/reimbursed	2,908	(47,100)
Net cash provided by operating activities	212,541	257,760
Cash Flows from Investing Activities		
Payments for acquisition of property and equipment	(98,004)	(78,902)
Payments for acquisition of intangible assets	(88,794)	(84,401)
Proceeds from sales of property and equipment	348	851
Payments for acquisition of securities	(442)	(4,984)
Proceeds from sales of securities	401	500
Payments for investments in subsidiaries resulting in change in scope of consolidation	(33,128)	(3,457)
Proceeds from investments in subsidiaries resulting in change in scope of consolidation	1,427	3,514
Decrease/(Increase) in time deposits, net	(3,599)	(1,839)
Decrease/(Increase) in short-term investment securities, net	(2,000)	—
Payments for investments in subsidiaries	—	(2,842)
Others, net	4,346	(2,530)
Net cash used in investing activities	(219,444)	(174,093)
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	149,496	—
Redemption of bonds at maturity	(60,000)	(3,012)
Proceeds from long-term debt	414	2,375
Repayments of long-term borrowings	(8,308)	(8,642)
Increase/(decrease) in commercial paper, net	(20,000)	(25,000)
Increase/(decrease) in short-term borrowings, net	(1,566)	187
Repayment of obligation under capital leases	(14,317)	(12,127)
Cash dividends	(15,425)	(16,823)
Cash dividends to minority shareholders	(2,473)	(747)
Others, net	10	34
Net cash used in financing activities	27,830	(63,756)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,015)	386
Net Increase/(Decrease) in Cash and Cash Equivalents	18,911	20,297
Cash and Cash Equivalents at Beginning of Year	112,910	131,822
Cash and Cash Equivalents at End of Year	131,822	152,120

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2009	As of March 31, 2010
ASSETS		
Current Assets		
Cash on hand and at banks	88,977	76,715
Notes receivable	131	1
Accounts receivable-trade	148,801	148,539
Accounts due	19,534	29,073
Lease investment assets, net	—	1,653
Short-term investment securities	—	25,000
Inventories	33,407	20,474
Advance payments-trade	—	399
Prepaid expenses	8,265	9,012
Deferred income taxes	9,345	7,813
Short-term loans receivable from subsidiaries and affiliates	—	10,987
Other current assets	21,472	10,444
Allowance for doubtful accounts	(389)	(342)
Total Current Assets	329,547	339,773
Non-Current Assets		
Property and Equipment		
Data communication facilities, net	124,532	139,526
Buildings, net	79,782	77,674
Structures, net	2,614	2,512
Machinery and equipment, net	14,656	13,852
Furniture, fixtures and tools, net	9,227	9,654
Land	48,767	48,767
Lease assets, net	7,030	4,159
Construction in progress	52,779	33,030
Total Property and Equipment	339,390	329,177
Intangible Assets		
Software	180,148	213,082
Development costs of software in progress	73,980	50,311
Lease Assets	970	343
Other intangible assets	2,228	2,195
Total Intangible Assets	257,327	265,932
Investments and Other Assets		
Investments in securities	17,764	22,276
Investments in subsidiaries and affiliates	107,936	—
Stocks of subsidiaries and affiliates	—	66,688
Investments in capital	—	75
Investments in capital of subsidiaries and affiliates	—	51,406
Long-term loans receivable	—	324
Long-term loans receivable from subsidiaries and affiliates	—	2,838
Claims provable in bankruptcy, claims provable in rehabilitation and other	—	44
Long-term prepaid expenses	—	4,515
Fixed leasehold deposits	19,209	18,506
Deferred income taxes	36,922	33,179
Other assets	6,473	1,596

	As of March 31, 2009	As of March 31, 2010
Allowance for doubtful accounts	(319)	(372)
Total Investments and Other Assets	187,987	201,079
Total Non-Current Assets	784,705	796,189
TOTAL ASSETS	1,114,253	1,135,963

Non-Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2009	As of March 31, 2010
LIABILITIES		
Current Liabilities		
Accounts payable-trade	80,661	78,713
Short-term borrowings	15,750	16,000
Commercial Paper	25,000	—
Current portion of long-term loans payable	—	10,000
Current portion of bonds payable	3,000	29,999
Obligation under capital leases	8,098	5,465
Accounts payable-other	17,829	12,601
Accrued expenses	7,943	8,069
Income taxes payable	30,714	14,309
Accrued consumption taxes	1,906	3,706
Advances received	44,281	86,760
Deposits received	41,800	48,933
Allowance for contract losses	3,679	4,786
Total Current Liabilities	280,664	319,345
Non-Current Liabilities		
Bonds payable	209,948	179,959
Long-term debt	10,000	—
Obligation under capital leases	9,205	4,262
Provision for retirement benefits	48,667	51,802
Other non-current liabilities	3,295	2,767
Total Non-Current Liabilities	281,116	238,793
TOTAL LIABILITIES	561,781	558,138
NET ASSETS		
Shareholders' equity		
Common Stock	142,520	142,520
Capital Surplus		
Additional paid-in capital	139,300	139,300
Total Capital Surplus	139,300	139,300
Retained Earnings		
Legal reserve	2,287	2,287
Other retained earnings		
Special tax purpose reserve	296	74
Special tax purpose reserve for R&D facilities	6	—
General reserve	209,000	242,000
Retained earnings	59,118	51,495
Total Retained Earnings	270,709	295,857
Total Shareholders' equity	552,529	577,677
Valuation and translation adjustments		
Unrealized Gains on Investment Securities, Net of Taxes	(64)	147
Deferred gains or losses on hedges	6	—
Total valuation and translation adjustments	(57)	147
TOTAL NET ASSETS	552,471	577,824
TOTAL LIABILITIES AND NET ASSETS	1,114,253	1,135,963

(2) Non-Consolidated Statements of Operations

(Unit: ¥ million)

	FY ended 31, March 2009	FY ended 31, March 2010
Net Sales	852,648	821,789
Cost of Sales	657,680	639,787
Gross Profit	194,967	182,001
Selling, General and Administrative Expenses	112,152	115,315
Operating Income	82,815	66,685
Non-Operating Income		
Interest income	632	338
Dividend income	1,571	2,187
Gain on sales of subsidiaries' and affiliates' stocks	2,058	—
Gain on investments in silent partnership	5,385	5,003
Other non-operating income	2,390	1,059
Total Non-Operating Income	12,038	8,589
Non-Operating Expenses		
Interest and bond issue expenses	3,746	483
Interest on bonds	—	3,301
Compensation for damage	1,829	—
Loss on retirement of noncurrent assets	—	929
Loss on sales of noncurrent assets	—	681
Other non-operating expenses	2,924	1,086
Total Non-Operating Expenses	8,500	6,482
Ordinary Income	86,352	68,791
Extraordinary loss		
Impairment loss on non-current assets	1,967	—
Total extraordinary loss	1,967	—
Income before Income Taxes	84,384	68,791
Income taxes-current	31,222	21,679
Income taxes-deferred	3,779	5,134
Total Income Taxes	35,001	26,813
Net Income	49,383	41,977

(3) Non-Consolidated Statements of Shareholders' Equity

(Unit: ¥ million)

	FY ended 31, March 2009	FY ended 31, March 2010
Shareholders' Equity		
Common Stock		
Balance at end of previous term	142,520	142,520
Increase (Decrease) during the term		
Total	—	—
Ending balance of common stock	142,520	142,520
Capital Surplus		
Legal capital surplus		
Balance at end of previous term	139,300	139,300
Increase (Decrease) during the term		
Total	—	—
Ending balance of legal capital surplus	139,300	139,300
Total Capital Surplus		
Balance at end of previous term	139,300	139,300
Increase (Decrease) during the term		
Total	—	—
Ending balance of total capital surplus	139,300	139,300
Retained Earnings		
Legal Reserve		
Balance at end of previous term	2,287	2,287
Increase (Decrease) during the term		
Total	—	—
Ending balance of retained earnings	2,287	2,287
Other Retained Earnings		
Special tax purpose reserve		
Balance at end of previous term:	667	296
Increase (Decrease) during the term:		
Reversal of special tax purpose reserve	(370)	(222)
Total	(370)	(222)
Ending balance of special tax purpose reserve	296	74
Special tax purpose reserve for R&D facilities		
Balance at end of previous term	24	6
Increase (Decrease) during the term:		
Reversal of Special tax purpose reserve for R&D facilities	(18)	(6)
Total	(18)	(6)
Ending balance of special tax purpose reserve for R&D facilities	6	—

(Unit: ¥ million)

	FY ended 31, March 2009	FY ended 31, March 2010
General reserve		
Balance at end of previous term	203,000	209,000
Increase (Decrease) during the term:		
Reserve for General reserve	6,000	33,000
Total	6,000	33,000
Ending balance of general reserve	209,000	242,000
Retained earnings brought forward		
Balance at end of previous term	30,773	59,118
Increase (Decrease) during the term:		
Cash dividends from surplus	(15,427)	(16,830)
Reversal of special tax purpose reserve	370	222
Reversal of Special tax purpose reserve for R&D facilities	18	6
Reserve for General reserve	(6,000)	(33,000)
Net income	49,383	41,977
Total	28,345	(7,623)
Ending balance of Retained earnings brought forward	59,118	51,495
Total Retained Earnings		
Balance at end of previous term	236,753	270,709
Increase (Decrease) during the term:		
Cash dividends from surplus	(15,427)	(16,830)
Reversal of special tax purpose reserve	—	—
Reversal of Special tax purpose reserve for R&D facilities	—	—
Reserve for General reserve	—	—
Net income	49,383	41,977
Total	33,955	25,147
Ending balance of total retained earnings	270,709	295,857
Total Shareholders' equity		
Balance at end of previous term	518,573	552,529
Increase (Decrease) during the term:		
Cash dividends from surplus	(15,427)	(16,830)
Net income	49,383	41,977
Total	33,955	25,147
Ending balance of total retained earnings	552,529	577,677

(Unit: ¥ million)

	FY ended 31, March 2009	FY ended 31, March 2010
Valuation and translation adjustments		
Unrealized Gains on Investment Securities, Net of Taxes		
Balance at end of previous term	890	(64)
Increase (Decrease) during the term		
Net Changes during the term in items other than those in shareholders' equity	(954)	211
Total	(954)	211
Ending balance of Unrealized Gains on Investment Securities, Net of Taxes	(64)	147
Deferred gains and losses on hedge		
Balance at end of previous term	—	6
Increase (Decrease) during the term		
Net Changes during the term in items other than those in shareholders' equity	6	(6)
Total	6	(6)
Ending balance of Deferred gains and losses on hedge	6	—
Total valuation and translation adjustments		
Balance at end of previous term	890	(57)
Increase (Decrease) during the term		
Net Changes during the term in items other than those in shareholders' equity	(947)	204
Total	(947)	204
Ending balance of Total valuation and translation adjustments	(57)	147
Total Net Assets		
Balance at end of previous term	519,463	552,471
Increase (Decrease) during the term		
Cash dividends from surplus	(15,427)	(16,830)
Net income	49,383	41,977
Net Changes during the term in items other than those in shareholders' equity	(947)	204
Total	33,008	25,352
Ending balance of Net Assets	552,471	577,824