

# Consolidated Financial Results for the Second Quarter of the fiscal year ending March 31, 2011

November 2, 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 Executive Manager,  
 Investor Relations and Finance Office  
 Tel.: (03)5546-9962  
 Scheduled date of filing of Quarterly Business Report : November 11, 2010  
 Scheduled date of dividend payment : December 1, 2010  
 Supplemental material on quarterly results : Yes  
 Presentation on quarterly results : Yes

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

## 1. Consolidated Financial Results in Q2 of FY2010 (From April 1, 2010 to September 30, 2010)

### (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	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
<b>FY2010 Q2</b>	533,727	0.2	25,397	(24.1)	23,058	(24.1)	12,106	(20.6)
FY2009 Q2	532,827	3.8	33,476	(25.1)	30,384	(29.9)	15,242	(33.0)

	Net income per share	Net income per share (diluted)
	¥	¥
<b>FY2010 Q2</b>	4,316.16	—
FY2009 Q2	5,433.90	5,433.73

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
<b>FY2010 Q2</b>	1,330,358	612,903	43.7	207,385.57
FY2009	1,279,256	615,167	45.7	208,391.24

Note: Equity FY2010 Q2 581,716million yen FY2009 584,537million yen

## 2. Dividends

	Cash dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
FY2009	—	3,000.00	—	3,000.00	6,000.00
<b>FY2010</b>	—	3,000.00			
<b>FY2010 (Forecast)</b>			—	3,000.00	6,000.00

Note: Revisions to the forecast of dividends in the current quarter: No

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

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
<b>FY2010</b>	1,160,000	1.5	75,000	(8.2)	70,000	(7.6)	36,500	2.3	13,012.48

Note: Revisions to the forecast of consolidated results in the current quarter: Yes

#### 4. Others (For details please refer to "2. Other Information" on page 6 of attached documents.)

- (1) Changes in significant subsidiaries during the current period: No  
(Note) Changes in specified subsidiaries during the current period that caused changes in the scope of consolidation
- (2) Application of simplified accounting and application of special accounting: Yes  
(Note) Application of simplified and special accounting for quarterly consolidated financial statements
- (3) Changes in accounting principles and procedures, presentation, etc.  
1) Changes caused by revision of accounting standards, etc.: Yes  
2) Changes other than in 1) above: No  
(Note) Changes in significant accounting policies and procedures, presentation which are stated in "change in important matters in preparing quarterly consolidated financial statements"
- (4) Number of shares outstanding (common stock)
- |   |           |                 |           |                 |
|---|-----------|-----------------|-----------|-----------------|
| 1) Number of shares outstanding<br>(inclusive of treasury stock)            | FY2010 Q2 | 2,805,000shares | FY2009    | 2,805,000shares |
| 2) Number of treasury stock   | FY2010 Q2 | — shares        | FY2009    | — shares        |
| 3) Average number of shares over period<br>(consolidated total for quarter) | FY2010 Q2 | 2,805,000shares | FY2009 Q2 | 2,805,000shares |

\* 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

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 "1. Qualitative Information for the second quarter of the fiscal year ending March 31, 2011" section on page 5.

#### Consolidated Results of Operations in Q2 of FY2010 (From July 1, 2010 to September 30, 2010)

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

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
<b>FY2010 Q2</b>	272,226	3.3	12,508	(25.8)	11,562	(23.9)	6,256	(19.6)
<b>FY2009 Q2</b>	263,506	(1.9)	16,851	(28.4)	15,200	(32.4)	7,785	(28.0)

	Net income per share	Net income per share (diluted)
	¥	¥
<b>FY2010 Q2</b>	2,230.50	—
<b>FY2009 Q2</b>	2,775.63	2,775.55

## Attachment

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## 1. Qualitative Information for the second quarter of the fiscal year ending March 31, 2011

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

During the second quarter the Japanese economy continued its gentle recovery, reflected in improvements in corporate earnings and the braking of the decline in capital investment. As for the economic outlook, however, although a modest recovery is expected, risk factors will become more marked, for example a slowing in the pace of exports and production and negative impacts on economic conditions by a downturn in the external economy, the yen's appreciation, and declines in stock markets.

In the information service industry there were signs of recovery in certain quarters, for example in demand for outsourcing and cloud services, but trends such as curbs on the building of new systems and the curtailment of maintenance and operating expenses reflected the continuing tendency to limit IT investment overall. 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 “Promotion of 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 >

- In the field of business intelligence (BI), which accelerates reforms by customers through the strategic use of information, NTT DATA enhanced its structure for providing customers with optimum BI services by systematizing initiatives such as unique methodologies and business-specific solutions developed in-house hitherto.

- In anticipation of the provision of new services and creation of markets, we established the Robotics Integration Department as a dedicated organization to address technology development and business development for the purpose of linking technologies such as advanced sensor network technologies and robotics technologies.

#### < Group businesses enhancement and expansion >

- Via its German subsidiary itelligence AG, NTT DATA formed a capital alliance with Chelford SAP Solutions Ltd., a supplier of SAP-based solutions to mid-sized companies in the United Kingdom. The purpose of this alliance is to obtain human resources with extensive know-how and experience in the wholesaling, distribution, consumer-goods, and other industries in the United Kingdom, so as to strengthen our ability to address customer needs amid today's globally competitive environment.

< Promotion of environment-oriented management >

· In cooperation with the Nature Conservation Society of Japan (NACS-J), NTT DATA conducted surveys of non-native waterside species at 10 locations around Japan, with the participation of NTT DATA Group employees and their families. This formed part of our activities to contribute to societal issues, in this case entailing the preservation of biodiversity. We have collected habitat data on non-native species and provided to NACS-J.

In addition to the above, we took steps to strengthen our structure with a view to further expanding our presence in the field of insurance and healthcare. Specifically, we partially reorganized the structure of the Public & Financial IT Services Company and established the Insurance & Healthcare IT Business Sector.

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 efforts made in each of its segments.

< Public & Financial IT Services >

· In the Wakashio Medical Network, a regional healthcare information network centered on the Chiba Prefectural Togane Hospital, NTT DATA began implementation of the Chronic Disease Management System designed to serve as a model for seamless regional cooperation in healthcare.

· THE SENDAI BANK, LTD. decided to participate in the STELLA CUBE, core business shared service center for regional banks and second regional banks, boosting the total number of intended user-banks to seven.

· In order to meet the needs of retailers that wish to unify diverse settlement operations at POS terminals and enjoy ease of introduction, the Company launched provision of the PastelPort China UnionPay Settlement Service for POS terminals as an ASP.

< Global IT Services >

· The Company entered into a capital alliance with the U.S. company Cue Data Services, Inc., which operates an IT staffing business, for the purposes of expanding the market in North America and increasing the number of its bases there, through its U.S. subsidiary M.I.S.I. Co., Ltd.

· NTT DATA BIZINTEGRAL CORPORATION, a subsidiary, has decided to provide the Consolidation Cloud Service (tentative name), a solution compliant with International Financial Reporting Standards (IFRS) that makes possible early compliance with IFRS and the visualization of group management.

< Solutions & Technologies >

· As part of the BIZXAAS Cloud Provisioning Service lineup, the Company has begun offering the Hadoop Provisioning and Administration Solution. Capable of large-scale, high-speed data processing, Hadoop has a broad reach ranging from consulting directed at creating new business opportunities, to system provisioning and administration.

· In the BIZXAAS Platform Service lineup, NTT DATA has begun offering the Document Management Service, which improves business procedures through the management and usage of document files, and the EDI Service, which facilitates data integration across multiple systems.

· For the BIZXAAS cloud service, the company received the “Best Brand” award in the 1st Cloud Ranking sponsored by Nikkei Business Publications, Inc. (announced in *Nikkei Computer*, September 29, 2010).

As a result of the above activities, business performance during the reporting period was affected as follows. Net sales increased, owing to the impact of the large-scale systems completed during the period and the increase in the number of consolidated subsidiaries, but operating income, ordinary income, and net income declined under the impact of unprofitable projects.

· Net Sales	272.2billion (up 3.3 % year-on-year)
· Operating Income	12.5billion (down 25.8 % year-on-year)
· Ordinary Income	11.5billion (down 23.9 % year-on-year)
· Net Income	6.2billion (down 19.6 % year-on-year)

Other matters

With regard to the case of the bribery of a former employee of the Japan Patent Office by a former NTT DATA employee, NTT DATA offers its most profound apologies to customers, shareholders, and everyone else involved with the Company for the anxiety and trouble the case has caused.

The Company views this incident very seriously. Investigation by an internal investigation committee chaired by the president has been conducted, as has an inspection by a committee of outside experts. The two committees issued their reports on September 6, and the Company issued the “Declaration of Compliance” both internally and externally.

The NTT DATA Group considers trust to be a company's most precious asset, and every effort is being made to restore trust. Measures to prevent a recurrence have been implemented quickly and steadily, including the subjection of all employees to thorough training in compliance and the strengthening of the system of internal control.

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

Total assets at the end of the second quarter totaled 1,330.3 billion yen, up by 51.1 billion yen, or 4.0%, from the end of the previous fiscal year. The principal changes in assets and liabilities were as follows.

- Assets

Total assets at the end of the period were 507.0 billion yen, up by 51.4 billion yen, or 11.3%, from the end of the previous fiscal year, owing to factors such as an increase in shareholdings resulting from asset management. Non-current assets rose as a result of factors such as an increase in the number of consolidated subsidiaries, but owing to the fact that depreciation charges exceeded investments, among other factors, they totaled 823.3 billion yen, down by 0.3 billion yen, or 0.0%, from the end of the previous fiscal year.

- Liabilities

Owing to factors such as issuance of corporate bonds, liabilities totaled 717.4 billion yen, up by 53.3 billion yen, or 8.0%, from the end of the previous fiscal year.

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

In view of our recent business performance and other factors, the consolidated results forecast for the fiscal year ending March 31, 2011 (April 1, 2010 to March 31, 2011) has been revised from that released on August 3, 2010. The details are as follows.

### (Net Sales)

Sales are forecast to decline as a result of a combination of factors that include the influence of economic conditions, fierce price competition, and impact of exchange rates resulting from the yen's appreciation.

### (Operating Income)

In spite of enhanced efficiency with respect to management expenses, profits are forecast to decline as a result both of the expected fall in sales caused by economic conditions, and other factors such as the impact of unprofitable projects.

As a result of these developments, the consolidated results forecast for the fiscal year ending March 31, 2011 has been revised.

The revisions in the forecasts of ordinary income and net income mainly result from a decrease in operating income forecast.

(Unit: ¥ billion; %)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (released on August 3, 2010)	1,200.0	90.0	87.0	47.0
Revised forecast (B)	1,160.0	75.0	70.0	36.5
Difference (B - A)	(40.0)	(15.0)	(17.0)	(10.5)
Percentage difference (%)	(3.3)	(16.7)	(19.5)	(22.3)
(Reference) Actual results for FY2009 (Year ended March 31, 2010)	1,142.9	81.6	75.7	35.6

## 2. Other Information

### (1) Overview of changes in significant consolidated subsidiaries

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

### (2) Overview of application of simplified accounting and application of special accounting

#### i) 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.

#### ii) Special accounting to preparation of quarterly consolidated financial statements

N/A

### (3) Overview of changes in accounting principles and procedures, presentation, etc.

#### i) Application of Accounting Standard for Equity Method of Accounting for Investment and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

From the first quarter of the fiscal year ending March 31, 2011, NTT DATA is applying the Accounting Standard for Equity Method of Accounting for Investment (Accounting Standards Board of Japan [ASBJ] Statement No. 16 of March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (ASBJ PITF No. 24 of March 10, 2008).

There is no impact on NTT DATA's consolidated financial statements for the quarter as a result of this change.

#### ii) Application of Accounting Standard for Asset Retirement Obligations

From the first quarter of the fiscal year ending March 31, 2011, NTT DATA is applying the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18 of March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21 of March 31, 2008).

As a result, operating income and ordinary income decreased by 82 million yen, and income before income taxes decreased by 999 million yen.



iii) Application of Accounting Standard for Measurement of Inventories

From the first quarter of the fiscal year ending March 31, 2011, NTT DATA is applying the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9 of September 26, 2008).

There is no impact on NTT DATA's consolidated financial statements for the quarter as a result of this change.

iv) Application of Accounting Standard for Business Combinations

From the first quarter of the fiscal year ending March 31, 2011, NTT DATA is applying the Accounting Standard for Business Combinations (ASBJ Statement No. 21 of December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 of December 26, 2008), the Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23 of December 26, 2008), the Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7 of December 26, 2008), and the Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 of December 26, 2008).

Valuation differences stated on the basis of the partial market value method at the beginning of the first fiscal year of the application of these standards are stated on the basis of the full market value method.

The effect of this change is insignificant.

v) Changes in method of presentation

● Consolidated Statements of Operations

During the reporting period there was an increase in the significance of the net amount of the item "Amortization of negative goodwill," which was offset against "Amortization of goodwill" under selling, general, and administrative expenses in the previous second quarter and the cumulative period to the end of the previous second quarter. Accordingly, the amount has been stated as a separate item within non-operating income. The net amount of "Amortization of negative goodwill" offset against "Amortization of goodwill" included in selling, general, and administrative expenses in the previous second quarter totaled 9 million yen, and in the cumulative period to the end of the previous second quarter totaled 19 million yen.

During the reporting period there was a decrease in the significance of the amount of the item "Loss on sales of non-current assets," which was stated as a separate item in non-operating expenses in the previous second quarter, and accordingly it has been included in the "Other non-operating expenses." The amount of the item "Loss on sales of non-current assets" included in "Other non-operating expenses" in this reporting period totaled 24 million yen.

During the reporting period there was an increase in the significance of the amount of the item "Loss on valuation of securities," which was included in "Other non-operating expenses" in the previous second quarter and the cumulative period to the end of the previous second quarter, and accordingly it has been stated as a separate item. The amount of the item "Loss on valuation of securities" included in "Other non-operating expenses" in the previous second quarter totaled 144 million yen, and in the cumulative period to the end of the previous second quarter totaled 190 million yen.

As a result of the application of the Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No.5, March 24, 2009) based on the Accounting Standard for Consolidated Financial Statements (ASJB Statement No. 22 of December 26, 2008), the item “Net income before adjustment for minority interests” is included in the financial statements for the second quarter and for the cumulative period to the end of the second quarter.

● Consolidated Statements of Cash Flows

· During the cumulative period to the end of the previous second quarter there was an increase in the significance of the amount of the item “Decrease/(increase) in time deposits, net” included in the item “Others” in Cash Flows from Investing Activities. Accordingly, the amount has been stated as a separate item in the cumulative period to the end of the second quarter of the reporting period. The amount of “Decrease/(increase) in time deposits, net” included in the “Others” item in Cash Flows from Investing Activities in the cumulative period to the end of the previous second quarter totaled 429 million yen.

· During the cumulative period to the end of the previous second quarter there was a decrease in the significance of the amount of the item “Proceeds from long-term debt” in Cash Flows from Financing Activities. Accordingly, the amount has been including in the item “Others.” The amount of “Proceeds from long-term debt” included in the item “Others” in Cash Flows from Financing Activities in the cumulative period to the end of the second quarter of the reporting period totaled 320 million yen.

· During the cumulative period to the end of the previous second quarter there was an increase in the significance of the item “Proceeds from minority shareholders’ payments” included in the item “Others” in Cash Flows from Financing Activities. Accordingly, the amount has been stated as a separate item in the cumulative period to the end of the second quarter of the reporting period. The amount of “Proceeds from minority shareholders' payments” included in the “Others” item in Cash Flows from Financing Activities in the cumulative period to the end of the previous second quarter totaled 60 million yen.

### **3. Consolidated Financial Statements**

#### **(1) Consolidated Balance Sheets**

(Unit: ¥ million)

	As of September 30, 2010	As of March 31, 2010
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash on hand and at banks	102,632	118,708
Notes receivable and accounts receivable	182,179	223,084
Short-term investment securities	87,721	30,961
Inventories	44,243	26,140
Deferred income taxes	15,625	15,096
Other current assets	75,540	42,592
Allowance for doubtful accounts	(895)	(950)
<b>Total Current Assets</b>	<b>507,047</b>	<b>455,632</b>
<b>Non-Current Assets</b>		
<b>Property and Equipment</b>		
Data communication facilities, net	135,286	146,474
Buildings and structures, net	103,214	102,840
Machinery, equipment and vehicles, net	15,348	16,151
Furniture, fixtures and tools, net	15,111	15,197
Land	50,557	50,708
Lease assets, net	6,160	7,777
Construction in progress	40,835	38,480
<b>Total Property and Equipment</b>	<b>366,515</b>	<b>377,629</b>
<b>Intangible Assets</b>		
Software	228,113	237,764
Development costs of software in progress	64,038	55,041
Goodwill	37,293	29,945
Other intangible assets	14,158	8,984
<b>Total Intangible Assets</b>	<b>343,603</b>	<b>331,735</b>
<b>Investments and Other Assets</b>		
Investments in securities	25,830	27,271
Deferred income taxes	51,324	50,591
Other assets	36,591	36,909
Allowance for doubtful accounts	(554)	(514)
<b>Total Investments and Other Assets</b>	<b>113,191</b>	<b>114,258</b>
<b>Total Non-Current Assets</b>	<b>823,310</b>	<b>823,623</b>
<b>TOTAL ASSETS</b>	<b>1,330,358</b>	<b>1,279,256</b>

## Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of September 30, 2010	As of March 31, 2010
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	72,794	92,491
Short-term borrowings	14,700	17,599
Current portion of long-term debt	18,499	18,243
Current portion of bonds payable	30,363	30,164
Obligation under capital leases	6,457	8,597
Accounts payable-other	11,979	16,951
Income taxes payable	11,359	18,261
Advances received	117,394	94,881
Allowance for contract losses	8,857	5,675
Asset retirement obligations	474	—
Other current liabilities	35,742	43,071
<b>Total Current Liabilities</b>	<b>328,623</b>	<b>345,937</b>
<b>Non-Current Liabilities</b>		
Bonds payable	250,156	179,959
Long-term debt	22,155	26,332
Obligation under capital leases	7,087	8,274
Provision for retirement benefits	93,705	89,850
Provision for retirement allowances to directors and statutory auditors	944	1,013
Asset retirement obligations	1,408	—
Other non-current liabilities	13,375	12,721
<b>Total Non-Current Liabilities</b>	<b>388,832</b>	<b>318,152</b>
<b>TOTAL LIABILITIES</b>	<b>717,455</b>	<b>664,089</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common Stock	142,520	142,520
Capital Surplus	139,300	139,300
Retained Earnings	321,286	317,594
<b>Total Shareholders' equity</b>	<b>603,106</b>	<b>599,414</b>
<b>Valuation and translation adjustments</b>		
Unrealized Gains on Investment Securities, Net of Taxes	78	(80)
Translation adjustments	(15,953)	(8,285)
Other valuation and translation adjustments	(5,514)	(6,511)
<b>Total Valuation and translation adjustments</b>	<b>(21,389)</b>	<b>(14,877)</b>
<b>Minority Interests in Consolidated Subsidiaries</b>	<b>31,186</b>	<b>30,629</b>
<b>TOTAL NET ASSETS</b>	<b>612,903</b>	<b>615,167</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,330,358</b>	<b>1,279,256</b>

## (2) Consolidated Statements of Operations

(Unit: ¥ million)

	Six months ended September 30, 2009	Six months ended September 30, 2010
<b>Net Sales</b>	<b>532,827</b>	<b>533,727</b>
<b>Cost of Sales</b>	<b>405,333</b>	<b>412,053</b>
<b>Gross Profit</b>	<b>127,494</b>	<b>121,673</b>
<b>Selling, General and Administrative Expenses</b>	<b>94,018</b>	<b>96,276</b>
<b>Operating Income</b>	<b>33,476</b>	<b>25,397</b>
<b>Non-Operating Income</b>		
Interest income	222	253
Dividend income	480	624
Amortization of negative goodwill	—	1,117
Other non-operating income	1,489	1,537
<b>Total Non-Operating Income</b>	<b>2,192</b>	<b>3,532</b>
<b>Non-Operating Expenses</b>		
Interest expenses	2,343	2,571
Loss on valuation of securities	—	1,204
Loss on sales of non-current assets	663	—
Other non-operating expenses	2,278	2,096
<b>Total Non-Operating Expenses</b>	<b>5,284</b>	<b>5,871</b>
<b>Ordinary Income</b>	<b>30,384</b>	<b>23,058</b>
<b>Extraordinary Loss</b>		
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	916
<b>Total Extraordinary Loss</b>	<b>—</b>	<b>916</b>
<b>Income before Income Taxes</b>	<b>30,384</b>	<b>22,142</b>
<b>Income Taxes</b>	<b>14,783</b>	<b>9,805</b>
<b>Net income before adjustment for minority interests</b>	<b>—</b>	<b>12,336</b>
<b>Minority Interests in income/(loss)</b>	<b>358</b>	<b>229</b>
<b>Net Income</b>	<b>15,242</b>	<b>12,106</b>

(Unit: ¥ million)

	Three months ended September 30, 2009	Three months ended September 30, 2010
<b>Net Sales</b>	<b>263,506</b>	<b>272,226</b>
<b>Cost of Sales</b>	<b>199,955</b>	<b>212,074</b>
<b>Gross Profit</b>	<b>63,551</b>	<b>60,151</b>
<b>Selling, General and Administrative Expenses</b>	<b>46,699</b>	<b>47,643</b>
<b>Operating Income</b>	<b>16,851</b>	<b>12,508</b>
<b>Non-Operating Income</b>		
Interest income	72	134
Dividend income	10	11
Amortization of negative goodwill	—	556
Other non-operating income	681	889
<b>Total Non-Operating Income</b>	<b>764</b>	<b>1,591</b>
<b>Non-Operating Expenses</b>		
Interest expenses	1,154	1,263
Loss on valuation of securities	—	298
Other non-operating expenses	1,261	976
<b>Total Non-Operating Expenses</b>	<b>2,415</b>	<b>2,537</b>
<b>Ordinary Income</b>	<b>15,200</b>	<b>11,562</b>
<b>Extraordinary Loss</b>		
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	146
<b>Total Extraordinary Loss</b>	<b>—</b>	<b>146</b>
<b>Income before Income Taxes</b>	<b>15,200</b>	<b>11,416</b>
<b>Income Taxes</b>	<b>7,049</b>	<b>4,701</b>
<b>Net income before adjustment for minority interests</b>	<b>—</b>	<b>6,714</b>
<b>Minority Interests in income/(loss)</b>	<b>365</b>	<b>458</b>
<b>Net Income</b>	<b>7,785</b>	<b>6,256</b>

### (3) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Six months ended September 30, 2009	Six months ended September 30, 2010
<b>Cash Flows from Operating Activities</b>		
Income before income taxes	30,384	22,142
Depreciation and amortization	76,897	75,852
Loss on retirement of non-current assets	1,566	2,033
Increase/(decrease) in provision for retirement benefits	4,566	3,706
Interest expenses	2,343	2,571
(Increase)/decrease in accounts receivable	51,047	43,054
(Increase)/decrease in inventories	(4,315)	(12,330)
Increase/(decrease) in accounts payable	(29,208)	(16,368)
Others, net	12,766	21,187
<b>Sub Total</b>	<b>146,048</b>	<b>141,849</b>
Interest and dividends received	701	866
Interest paid	(2,249)	(2,524)
Income taxes (paid)/reimbursed	(35,712)	(17,762)
<b>Net cash provided by operating activities</b>	<b>108,788</b>	<b>122,429</b>
<b>Cash Flows from Investing Activities</b>		
Payments for acquisition of non-current assets	(84,650)	(81,265)
Payments for investments in subsidiaries resulting in change in scope of consolidation	(862)	(17,384)
(Increase)/decrease in time deposits, net	—	(4,789)
Others, net	(88)	(709)
<b>Net cash used in investing activities</b>	<b>(85,601)</b>	<b>(104,148)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of bonds	—	99,684
Redemption of bonds at maturity	—	(30,142)
Proceeds from long-term debt	2,360	—
Repayments of long-term borrowing	(4,213)	(4,363)
Increase/(decrease) in commercial paper, net	(25,000)	—
Increase/(decrease) in short-term borrowings, net	(3,725)	(3,025)
Repayment of obligation under capital leases	(5,999)	(5,170)
Cash dividends	(8,408)	(8,413)
Cash dividends to minority shareholders	(627)	(463)
Proceeds from minority shareholders' payments	—	377
Others, net	60	269
<b>Net cash used in financing activities</b>	<b>(45,554)</b>	<b>48,752</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>594</b>	<b>(1,566)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(21,772)</b>	<b>65,465</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>131,822</b>	<b>152,120</b>
<b>Cash and Cash Equivalents at End of period</b>	<b>110,049</b>	<b>217,586</b>

**(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 22, 2010	Common stock	8,415	3,000	March 31, 2010	June 23, 2010	Retained earnings

**(6) Additional information**

On October 29, 2010, the reporting company decided to make Keane International, Inc. in the U.S. its consolidated subsidiary through the merger with the reporting company's consolidated subsidiary Knight Subsidiary Corporation. For this purpose, the reporting company concluded a merger agreement with Keane International and its majority shareholder Citigroup Venture Capital International Technology Holdings LLC, for cash consideration.

Keane International will continue from this merger as the surviving company, and Knight Subsidiary Corporation shall be the disappearing company.

As a result of this, the NTT DATA Group intends to provide comprehensive IT services in the U.S., to supplement the ability to provide global SAP support that it has been strengthening hitherto.

Since this merger has not yet been completed, its impact on the consolidated financial statements in the reporting period cannot be ascertained.

\* Outline of Keane International, Inc.

- i) Business activities: A provider of Integrated IT Services including Application Services, Package Related Business such as SAP and Oracle, Infrastructure Service and Business Processing Outsourcing solutions
- ii) Number of employees: Approximately 12,500 (As of June, 2010)
- iii) Net sales: US\$788 million (fiscal year ended December 31, 2009)