

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2011

February 1, 2011

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/>
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 Scheduled date of filing of Quarterly Business Report : February 10, 2011
 Scheduled date of dividend payment : —
 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 Q3 of FY2010 (From April 1, 2010 to December 31, 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 | % |
| FY2010 Q3 | 813,953 | 2.2 | 45,944 | (8.4) | 42,961 | (5.0) | 22,884 | 4.8 |
| FY2009 Q3 | 796,655 | 2.8 | 50,181 | (26.6) | 45,228 | (32.8) | 21,839 | (39.5) |

| | Net income per share | Net income per share (diluted) |
|------------------|----------------------|--------------------------------|
| | ¥ | ¥ |
| FY2010 Q3 | 8,158.34 | — |
| FY2009 Q3 | 7,786.02 | 7,785.88 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|------------------|--------------|------------|--------------|----------------------|
| | ¥ million | ¥ million | % | ¥ |
| FY2010 Q3 | 1,431,453 | 614,120 | 40.9 | 208,854.09 |
| FY2009 | 1,279,256 | 615,167 | 45.7 | 208,391.24 |

Note: Equity FY2010 Q3 585,835million 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 |
| FY2010 | — | 3,000.00 | — | | |
| FY2010 (Forecast) | | | | 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 | % | ¥ |
| FY2010 | 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: No

4. Others (For details please refer to "2. Other Information" on page 5 of attached documents.)

(1) Changes in significant subsidiaries during the current period: Yes

New One company
Name of the company Keane International, Inc.

(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 (inclusive of treasury stock) | FY2010 Q3 | 2,805,000shares | FY2009 | 2,805,000shares |
| 2) Number of treasury stock | FY2010 Q3 | — shares | FY2009 | — shares |
| 3) Average number of shares over period (consolidated total for quarter) | FY2010 Q3 | 2,805,000shares | FY2009 Q3 | 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 Third Quarter of the Fiscal Year Ending March 31, 2011" section on page 5.

Consolidated Results of Operations in Q3 of FY2010 (From October 1, 2010 to December 31, 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 | % |
| FY2010 Q3 | 280,225 | 6.2 | 20,546 | 23.0 | 19,902 | 34.1 | 10,777 | 63.3 |
| FY2009 Q3 | 263,827 | 0.9 | 16,705 | (29.4) | 14,844 | (38.1) | 6,597 | (50.6) |

| | Net income per share | Net income per share (diluted) |
|------------------|----------------------|-----------------------------------|
| | ¥ | ¥ |
| FY2010 Q3 | 3,842.18 | — |
| FY2009 Q3 | 2,352.12 | — |

Attachment

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1. Qualitative Information for the Third Quarter of the Fiscal Year Ending March 31, 2011

(1) Qualitative Information on the Consolidated Business Results

The improvement in the Japanese economy appeared to enter a lull during the third quarter, as a pick-up in capital investment was offset by factors such as a slowing pace of growth in corporate earnings. With regard to the economic outlook, export growth is flat and industrial output is declining slightly, while there is a risk that factors such as the downturn in the external economy, the yen's appreciation, and the sluggish stock market will exert downward pressure on the Japanese economy. Therefore, it is likely that the current slowing pace of improvement will persist for some time yet.

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 >

- To boost productivity and reduce production costs in system development, NTT DATA established the Proactive Testing COE (Center of Excellence). This specialized organization will provide such services as advanced validation and testing for design specifications and software, and undertake the underlying R&D to achieve that.

- NTT DATA is participating in the Working Group on Cloud Computing for Healthcare Brain Information established under the auspices of the Consortium for Applied Neuroscience, the objective of which is to promote applied neuroscience research using the latest findings in neuroscience and related domains, and bring the results into practical business use. This participation will involve study of methods of utilizing brain information to support healthy lifestyles through IT infrastructure.

< Group businesses enhancement and expansion >

- To provide fully integrated IT services in the U.S., NTT DATA has acquired control of the U.S. IT service company Keane International, Inc., which has large and stable client base, highly qualified and experienced sales teams, and global operational know-how to support NTT DATA's development and maintenance business.

- In order to combine resources and know-how to enhance competitiveness in highly potential web-related system development and BPO (business process outsourcing) business, NTT DATA established NTT DATA R Corporation through the merger of SOLID Exchange Corporation and WebProduce Corporation, two subsidiaries already strong in the field of web services.

< Promotion of environment-oriented management >

- NTT DATA has decided that, as of the fiscal 2011 training course for new NTT DATA employees, it will introduce digital educational materials used in the iPad, a multifunction information terminal produced by Apple Inc. of the U.S. Switching from paper training media to the use of digital educational materials in the iPad will assist our shift to a paperless corporate culture and reduce CO2 emissions from the use of paper.

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 >

- Together with ITOCHU Corporation, NTT DATA was awarded a contract by the Indonesian National Coordination Agency for Surveys and Mapping for a project to create Indonesia's National Geo-spatial Data Infrastructure Networking System.

- By means of cloud computing we built a new marketing support system for AIG Edison Life Insurance Company, to help it speed up and enhance the quality of its client handling for insurance contracts and other matters.

- Jointly with Dai-ichi Life Insurance Company, Limited, NTT DATA began work on building the Business Support INFOX Service (provisional name), a mobile terminal integrating settlement capabilities. This will make it possible to link Dai-ichi Life's insurance and settlement operations and to enhance the efficiency of business procedures.

< Global IT Services >

- NTT DATA launched sales of the Lindacloud vertically integrated appliance server. To enable systems to be introduced with short lead-times and at low cost, this server combines software tailored to intended application with proprietary hardware with lower power consumption and heat emission.

- In collaboration with NTT DATA Solfis Corporation and SAP Japan Co., Ltd., we began marketing the INERPIA SaaS Service, in which mission-critical packages for SMEs are provided in a cloud-type service.

- NTT DATA Bizintegral Corporation began offering its Biz J Accounting IFRS-compliant financial accounting package.

< Solutions & Technologies >

- As part of its BIZXAAS Cloud Provisioning and Administration Services, NTT DATA has collaborated with Microsoft Corporation and began offering cloud migration consulting and system-building services using the Windows Azure platform.
- As part of the BIZXAAS Cloud Platform Service lineup, NTT DATA began offering a CRM menu that enables immediate use of basic CRM functions such as customer information management, marketing functions, and business support functions, without program building.
- As authentication platform solutions for cloud services we began offering VANADIS SSO Cloud Service Edition, which enables single-sign-on(SSO), to companies that use cloud services, and VANADIS Identity Manager, which provides optimal ID management of individual corporate customers, to cloud service providers.

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

| | | | |
|--------------------|-------------------|-----|----------------------|
| · Net Sales | 280.2 billion yen | (up | 6.2 % year-on-year) |
| · Operating Income | 20.5 billion yen | (up | 23.0 % year-on-year) |
| · Ordinary Income | 19.9 billion yen | (up | 34.1 % year-on-year) |
| · Net Income | 10.7 billion yen | (up | 63.3 % year-on-year) |

(2) Qualitative Information on the Consolidated Financial Position

Total assets at the end of the third quarter totaled 1,431.4 billion yen, up by 152.1 billion yen, or 11.9%, from the end of the previous fiscal year. The principal changes in assets and liabilities were as follows.

· Assets

Current assets at the end of the period were 491.0 billion yen, up by 35.4 billion yen, or up 7.8%, from the end of the previous fiscal year, owing to factors such as an increase in inventories and an increase in the number of consolidated subsidiaries. Non-current assets totaled 940.3 billion yen, up by 116.7, or 14.2%, from the end of the previous fiscal year as a result of factors such as an increase in the number of consolidated subsidiaries.

· Liabilities

Owing to factors such as issuance of corporate bonds, liabilities totaled 817.3 billion yen, up by 153.2 billion yen, or 23.1%, from the end of the previous fiscal year.

(3) Qualitative Information on the Consolidated Results Forecast

Given the tendency to curb IT investment, the NTT DATA Group continues facing a harsh environment for winning orders. On the other hand we are seeing an increase in the number of new overseas consolidated subsidiaries as a result of the expansion of the Group's business, and also an upturn in performance, particularly by existing subsidiaries, owing to factors such as higher capacity-utilization ratios achieved by means of an increase in in-house production within the Group. Nevertheless, customer demands for lower prices and shorter delivery periods are growing louder, obliging the Group to continue pursuing Medium-term Management Policy targets such as the further lowering of its cost ratio, and to take steps to ensure more efficient control of SG&A expenses. In view of these factors, our results forecast for the full term (released on November 2, 2010) remain unchanged for the present.

2. Other Information

(1) Overview of changes in significant consolidated subsidiaries

During the third quarter, Keane International, Inc. is newly included as a consolidated subsidiary due to the acquisition of its shares by NTT DATA.

(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 105 million yen, and income before income taxes decreased by 1,032 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 third quarter and the cumulative period to the end of the previous third 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 third quarter totaled 57 million yen, and in the cumulative period to the end of the previous third quarter totaled 77 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 third quarter and for the cumulative period to the end of the third quarter.

- Consolidated Statements of Cash Flows

- During the cumulative period to the end of the previous third 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 third 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 third quarter totaled 98 million yen.

- During the cumulative period to the end of the previous third 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 third 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 third quarter totaled 60 million yen.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

| | As of December 31, 2010 | As of March 31, 2010 |
|---|-------------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash on hand and at banks | 102,650 | 118,708 |
| Notes receivable and accounts receivable | 220,220 | 223,084 |
| Short-term investment securities | 57,226 | 30,961 |
| Inventories | 46,206 | 26,140 |
| Deferred income taxes | 14,073 | 15,096 |
| Other current assets | 52,069 | 42,592 |
| Allowance for doubtful accounts | (1,347) | (950) |
| Total Current Assets | 491,098 | 455,632 |
| Non-Current Assets | | |
| Property and Equipment | | |
| Data communication facilities, net | 129,358 | 146,474 |
| Buildings and structures, net | 103,201 | 102,840 |
| Machinery, equipment and vehicles, net | 16,370 | 16,151 |
| Furniture, fixtures and tools, net | 14,632 | 15,197 |
| Land | 50,633 | 50,708 |
| Lease assets, net | 5,069 | 7,777 |
| Construction in progress | 43,547 | 38,480 |
| Total Property and Equipment | 362,812 | 377,629 |
| Intangible Assets | | |
| Software | 217,080 | 237,764 |
| Development costs of software in progress | 74,367 | 55,041 |
| Goodwill | 113,984 | 29,945 |
| Other intangible assets | 55,777 | 8,984 |
| Total Intangible Assets | 461,209 | 331,735 |
| Investments and Other Assets | | |
| Investments in securities | 30,720 | 27,271 |
| Deferred income taxes | 50,209 | 50,591 |
| Other assets | 35,958 | 36,909 |
| Allowance for doubtful accounts | (555) | (514) |
| Total Investments and Other Assets | 116,332 | 114,258 |
| Total Non-Current Assets | 940,354 | 823,623 |
| TOTAL ASSETS | 1,431,453 | 1,279,256 |

Consolidated Balance Sheets-continued

(Unit: ¥ million)

| | As of December 31, 2010 | As of March 31, 2010 |
|---|-------------------------|----------------------|
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable | 73,045 | 92,491 |
| Short-term borrowings | 31,750 | 17,599 |
| Current portion of long-term debt | 25,854 | 18,243 |
| Current portion of bonds payable | 30,264 | 30,164 |
| Obligation under capital leases | 5,467 | 8,597 |
| Accounts payable-other | 15,270 | 16,951 |
| Income taxes payable | 8,241 | 18,261 |
| Advances received | 123,596 | 94,881 |
| Allowance for contract losses | 5,672 | 5,675 |
| Asset retirement obligations | 441 | — |
| Other current liabilities | 43,559 | 43,071 |
| Total Current Liabilities | 363,163 | 345,937 |
| Non-Current Liabilities | | |
| Bonds payable | 250,129 | 179,959 |
| Long-term debt | 70,160 | 26,332 |
| Obligation under capital leases | 5,732 | 8,274 |
| Provision for retirement benefits | 96,922 | 89,850 |
| Provision for retirement allowances to directors and statutory auditors | 967 | 1,013 |
| Asset retirement obligations | 1,350 | — |
| Other non-current liabilities | 28,905 | 12,721 |
| Total Non-Current Liabilities | 454,169 | 318,152 |
| TOTAL LIABILITIES | 817,332 | 664,089 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Common Stock | 142,520 | 142,520 |
| Capital Surplus | 139,300 | 139,300 |
| Retained Earnings | 324,154 | 317,594 |
| Total Shareholders' equity | 605,974 | 599,414 |
| Valuation and translation adjustments | | |
| Unrealized Gains on Investment Securities, Net of Taxes | 3 | (80) |
| Translation adjustments | (14,329) | (8,285) |
| Other valuation and translation adjustments | (5,812) | (6,511) |
| Total Valuation and translation adjustments | (20,138) | (14,877) |
| Minority Interests in Consolidated Subsidiaries | 28,285 | 30,629 |
| TOTAL NET ASSETS | 614,120 | 615,167 |
| TOTAL LIABILITIES AND NET ASSETS | 1,431,453 | 1,279,256 |

(2) Consolidated Statements of Operations

(Unit: ¥ million)

| | Nine months ended December 31, 2009 | Nine months ended December 31, 2010 |
|---|--|--|
| Net Sales | 796,655 | 813,953 |
| Cost of Sales | 605,920 | 623,644 |
| Gross Profit | 190,734 | 190,309 |
| Selling, General and Administrative Expenses | 140,553 | 144,364 |
| Operating Income | 50,181 | 45,944 |
| Non-Operating Income | | |
| Interest income | 353 | 372 |
| Dividend income | 503 | 686 |
| Amortization of negative goodwill | — | 1,666 |
| Other non-operating income | 1,764 | 2,202 |
| Total Non-Operating Income | 2,620 | 4,927 |
| Non-Operating Expenses | | |
| Interest expenses | 3,506 | 3,858 |
| Loss on sales of stocks of subsidiaries and affiliates | — | 725 |
| Other non-operating expenses | 4,066 | 3,326 |
| Total Non-Operating Expenses | 7,573 | 7,910 |
| Ordinary Income | 45,228 | 42,961 |
| Extraordinary Loss | | |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | — | 927 |
| Total Extraordinary Loss | — | 927 |
| Income before Income Taxes | 45,228 | 42,034 |
| Income Taxes | 23,103 | 19,012 |
| Net income before adjustment for minority interests | — | 23,021 |
| Minority Interests in income/(loss) | 285 | 137 |
| Net Income | 21,839 | 22,884 |

(Unit: ¥ million)

| | Three months ended December 31, 2009 | Three months ended December 31, 2010 |
|---|---|---|
| Net Sales | 263,827 | 280,225 |
| Cost of Sales | 200,587 | 211,590 |
| Gross Profit | 63,240 | 68,635 |
| Selling, General and Administrative Expenses | 46,534 | 48,088 |
| Operating Income | 16,705 | 20,546 |
| Non-Operating Income | | |
| Interest income | 130 | 118 |
| Dividend income | 22 | 62 |
| Gain on reversal of loss on valuation of investment securities | — | 571 |
| Amortization of negative goodwill | — | 548 |
| Other non-operating income | 274 | 664 |
| Total Non-Operating Income | 428 | 1,966 |
| Non-Operating Expenses | | |
| Interest expenses | 1,163 | 1,286 |
| Loss on sales of stocks of subsidiaries and affiliates | — | 725 |
| Other non-operating expenses | 1,125 | 597 |
| Total Non-Operating Expenses | 2,289 | 2,610 |
| Ordinary Income | 14,844 | 19,902 |
| Extraordinary Loss | | |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | — | 10 |
| Total Extraordinary Loss | — | 10 |
| Income before Income Taxes | 14,844 | 19,892 |
| Income Taxes | 8,319 | 9,206 |
| Net income before adjustment for minority interests | — | 10,685 |
| Minority Interests in income/(loss) | (73) | (91) |
| Net Income | 6,597 | 10,777 |

(3) Consolidated Statements of Cash Flows

(Unit: ¥ million)

| | Nine months ended December 31, 2009 | Nine months ended December 31, 2010 |
|---|--|--|
| Cash Flows from Operating Activities | | |
| Income before income taxes | 45,228 | 42,034 |
| Depreciation and amortization | 116,029 | 113,788 |
| Loss on retirement of non-current assets | 3,139 | 2,502 |
| Increase/(decrease) in provision for retirement benefits | 7,164 | 6,159 |
| Interest expenses | 3,506 | 3,858 |
| (Increase)/decrease in accounts receivable | 55,872 | 19,588 |
| (Increase)/decrease in inventories | (9,055) | (16,222) |
| Increase/(decrease) in accounts payable | (29,256) | (14,042) |
| Others, net | 23,759 | 23,099 |
| Sub Total | 216,389 | 180,765 |
| Interest and dividends received | 855 | 1,058 |
| Interest paid | (3,650) | (3,798) |
| Income taxes (paid)/reimbursed | (46,949) | (28,059) |
| Net cash provided by operating activities | 166,645 | 149,965 |
| Cash Flows from Investing Activities | | |
| Payments for acquisition of non-current assets | (122,684) | (115,064) |
| Payments for investments in subsidiaries resulting in change in scope of consolidation | (1,729) | (132,231) |
| Payments for sales of investments in subsidiaries resulting in change in scope of consolidation | — | (496) |
| (Increase)/decrease in time deposits, net | — | (4,626) |
| Payments for transfer of business | — | (819) |
| Others, net | (507) | (1,179) |
| Net cash used in investing activities | (124,921) | (254,418) |
| Cash Flows from Financing Activities | | |
| Proceeds from issuance of bonds | — | 99,684 |
| Redemption of bonds at maturity | — | (30,272) |
| Proceeds from long-term debt | 2,368 | 66,392 |
| Repayments of long-term borrowings | (4,315) | (14,623) |
| Increase/(decrease) in commercial paper, net | (5,000) | — |
| Increase/(decrease) in short-term borrowings, net | (3,762) | 14,344 |
| Repayment of obligation under capital leases | (8,942) | (6,362) |
| Cash dividends | (16,379) | (16,439) |
| Cash dividends to minority shareholders | (747) | (1,373) |
| Proceeds from minority shareholders' payments | — | 377 |
| Others, net | 60 | (70) |
| Net cash used in financing activities | (36,717) | 111,657 |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | 319 | (2,434) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 5,325 | 4,769 |
| Cash and Cash Equivalents at Beginning of Year | 131,822 | 152,120 |
| Cash and Cash Equivalents at End of period | 137,148 | 156,889 |

(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 |
| Meeting of the board of directors on November 2, 2010 | Common stock | 8,415 | 3,000 | September 30, 2010 | December 1, 2010 | Retained earnings |