

Consolidated Financial Results for the Fiscal Year Ended March 31, 2011

May 10, 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/>
 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 the ordinary general meeting of shareholders : June 21, 2011
 Scheduled date of dividend payment : June 22, 2011
 Scheduled date of filing securities report : June 22, 2011
 Supplemental material on annual results : Yes
 Presentation on annual results : Yes

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

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

(1) Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2010	1,161,962	1.7	78,306	(4.1)	75,779	0.1	37,313	4.6
FY2009	1,142,940	0.3	81,689	(17.1)	75,722	(20.8)	35,662	(26.3)

Note: Comprehensive income: FY2010 33,888million yen (5.2%) FY2009 35,758million yen —%

	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)
	¥	¥	%	%	%
FY2010	13,302.44	—	6.3	5.5	6.7
FY2009	12,713.84	—	6.2	5.9	7.1

Note: Equity in net income(losses) of affiliates: FY2010 215million yen FY2009 81million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2010	1,468,617	630,317	41.0	214,474.71
FY2009	1,279,256	615,167	45.7	208,391.24

Note: Equity: FY2010 601,601million yen FY2009 584,537million 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
FY2010	229,077	(285,545)	104,885	198,606
FY2009	257,760	(174,093)	(63,756)	152,120

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			
FY2009	—	3,000	—	3,000	6,000	16,830	47.2	2.9
FY2010	—	3,000	—	3,000	6,000	16,830	45.1	2.8
FY2011 (Forecasts)	—	3,000	—	3,000	6,000		43.2	

3. Forecasts of Consolidated Results for FY2011 (From April 1, 2011 to March 31, 2012)

(% of change from the corresponding previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2011 1st half	—	—	—	—	—	—	—	—	—
FY2011	1,200,000	3.3	80,000	2.2	73,000	(3.7)	39,000	4.5	13,903.74

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 subsidiaries during the current period: Yes

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

(2) 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

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding FY2010 2,805,000shares FY2009 2,805,000shares
(inclusive of treasury stock)
2) Number of treasury stock FY2010 — shares FY2009 — shares
3) Average number of shares over period FY2010 2,805,000shares FY2009 2,805,000shares

(Reference) Summary of non-consolidated financial results

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

1. Non-Consolidated Financial Results for FY2010 (From April 1, 2010 to March 31, 2011)

(1) Non-Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2010	820,068	(0.2)	63,231	(5.2)	63,705	(7.4)	36,600	(12.8)
FY2009	821,789	(3.6)	66,685	(19.5)	68,791	(20.3)	41,977	(15.0)

	Net income per share	Net income per share (diluted)
	¥	¥
FY2010	13,048.20	—
FY2009	14,965.41	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2010	1,311,411	597,655	45.6	213,068.03
FY2009	1,135,963	577,824	50.9	205,998.10

(Reference) Equity : FY2010 597,655million yen FY2009 577,824million yen

* Indication of audit process implementation status

This earnings report is exempt from audit process based upon the Financial Instruments and Exchange Act. It is under the audit 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.

Attachment

Contents

1. Business Results	2
(1) Business Results	2
(2) Financial Condition	12
(3) Basic Policy on Distribution of Profits	13
(4) Business Risks	14
2. Status of the Corporate Group	17
3. Business Policies	20
(1) Basic Management Policy	20
(2) Issues Requiring Attention	20
(3) Medium- to Long-Term Corporate Strategies	21
(4) Management Indicators Used in Defining Goals	22
4. Consolidated Financial Statements	23
(1) Consolidated Balance Sheets	23
(2) Consolidated Statements of Income and Comprehensive Income	25
(3) Consolidated Statements of Shareholders' Equity	27
(4) Consolidated Statements of Cash Flows	29
5. Non-Consolidated Financial Statements	30
(1) Non-Consolidated Balance Sheets	30
(2) Non-Consolidated Statements of Income	33
(3) Non-Consolidated Statements of Shareholders' Equity	34

1. Business Results

(1) Business Results

[1] Conditions during the Period

The Japanese economy achieved a modest recovery during the period under review, buoyed by factors such as an improvement in corporate earnings and a pickup in capital investment, but the improvement entered a lull from the second half, characterized by the leveling-out of exports and decline in industrial output. Looking ahead, it is feared that what appeared to be a further mild recovery will be hit by a fall in manufacturing activity as a result of the Great East Japan Earthquake.

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 restrain IT investment overall. What is more, there is concern that the Great East Japan Earthquake and the problems resulting therefrom, in particular the reduction in supplies of electric power, will have a major impact on the Japanese economy, causing IT investment to be restrained still further.

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 >

- In order to enhance and globalize the Company’s project management methods, we further strengthened our project-management capabilities in system development, an area of particular growth for the NTT DATA Group, and established the Project Management Innovation Center, a specialized organization for research on and the development and diffusion of more advanced techniques.
- 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.

< Group businesses enhancement and expansion >

• To enhance customers' ability to cope with the globalization of their competitive environment, the NTT DATA Group took steps to advance its overseas strategy still further by expanding its presence overseas as follows.

- Acquisition of 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.

- Acquisition of control of Intelligroup, Inc., which possesses specialized SAP and Oracle know-how and global operational expertise.

• In order to pursue SAP business on a global scale, NTT DATA established the SAP Global One Team, an in-Group coordinating structure to ensure maximum usage of the SAP-related resources of NTT DATA Group companies by providing comprehensive global best practices under one umbrella.

< Environment-oriented management >

• NTT DATA established the Smart Business Promotion Office to formulate strategies and undertake the planning of smart community and next-generation social infrastructure businesses in the NTT DATA Group.

• As a cloud-type service NTT DATA began providing recharging infrastructure devices that include functions for administering user authentication, total usage volume, and charges, that are essential when installing communal electric-vehicle (EV) recharging facilities in condominiums.

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 business fields. As for the content of each business, it is "2. Status of the Corporate Group" on page 17 of documents.

< Public & Financial IT Services >

• The NTT DATA Regional Bank Integrated Services Center began provision of services to the Akita Bank, Ltd. and the Shikoku Bank, Ltd., and the Oita Bank, Ltd. took the decision to participate in the center. This has increased the total number of banks that use the center to 11, and the number of participating banks (including those scheduled to begin use in the future) to 15. The Sendai Bank, Ltd. decided to participate in the STELLA CUBE* boosting the total number of intended user-banks to seven.

• 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.

< 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.
- Using NASDAQ OMX package software, NTT DATA developed and launched operation of “J-GATE”, the Osaka Security Exchange CO., Ltd.’s new derivatives trading system, which is equipped with trading functions compliant with international standards and a world-class order-processing capability.

< Solutions & Technologies >

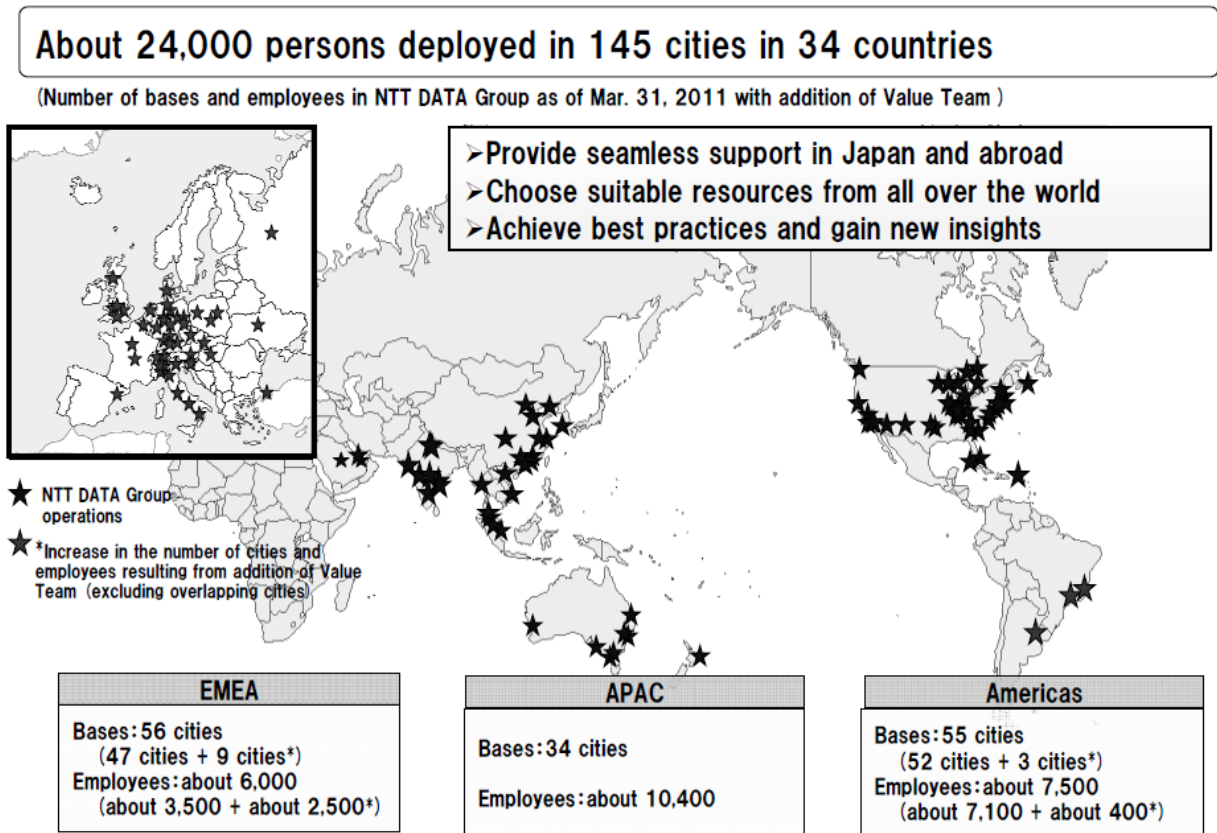
- In our BIZXAAS (pronounced “Biz X Saas”) business, which provides comprehensive cloud solutions ranging from infrastructure to applications, NTT DATA launched the BIZXAAS Platform Service and the BIZXAAS Provisioning and Administration Services on a full scale and augmented our service lineup.
- For the BIZXAAS service, the Company received the Best Brand Award in the 1st Cloud Ranking (announced in *Nikkei Computer*, September 29, 2010) and in the 2nd Cloud Ranking (announced in *Nikkei Computer*, March 3, 2011) sponsored by Nikkei Business Publications, Inc.

*Note: STELLA CUBE

Core business shared service center for regional banks and second regional banks

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

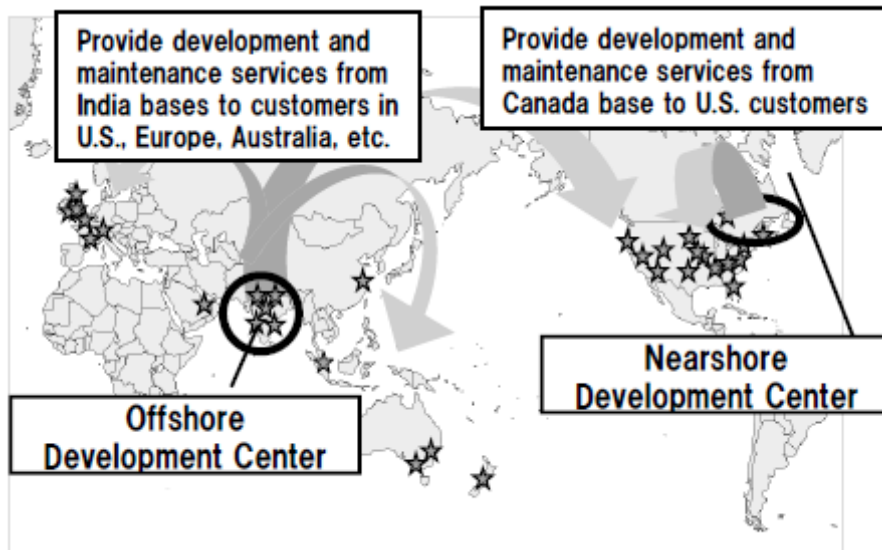
Status of Overseas Bases



Note: At the meeting of the Board of Directors held on April, 22, 2011 (after the end of the year under review), it was resolved that NTT DATA would assume ownership of 100% of the issued shares of the Italian company Value Team S.p.A., which would thereby become an NTT DATA subsidiary. The chart above shows the number of overseas bases and employees at March 31, 2011, with the inclusion of this new subsidiary, even though the process of becoming a subsidiary had not been completed as of the date of the release of these financial results (May 10, 2011).

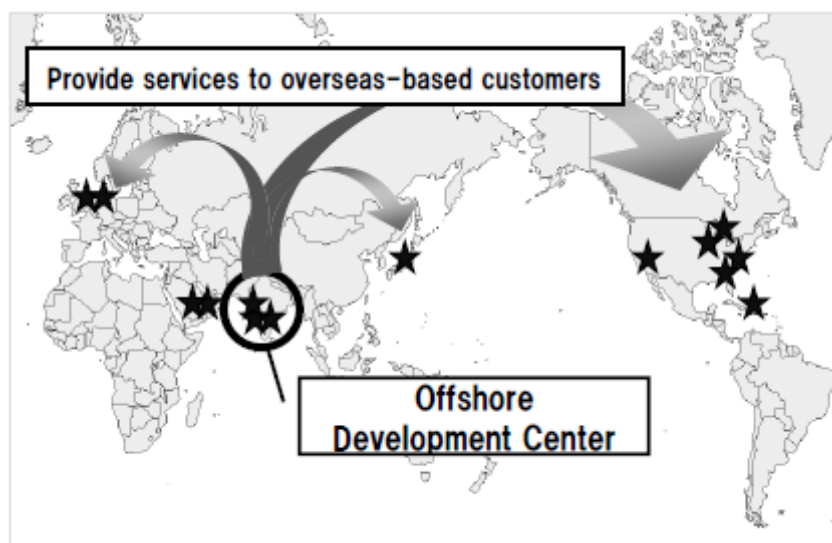
Profile of Keane International, Inc.

Global Locations



Profile of Intelligroup, Inc.

Global Locations



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 (see note on page 21) 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.

The NTT DATA Group is involved in the operation of numerous social infrastructure systems, financial networks, and other systems that are vital to the functioning of municipalities and regional economies, and for this reason it established the Disaster Countermeasures Headquarters in the immediate aftermath of the occurrence of the Great East Japan Earthquake. Every effort is being devoted to restoring the operation of systems in the stricken areas and to ensuring the continued operation of systems, including those needed to address the problem of the disruption of electricity supplies. It is also assisting rehabilitation activities in the affected areas by such means as providing Wide Disaster Information System and disaster information systems for local governments.

In addition, given the extensiveness of the disaster and its long-term impact, NTT DATA have also established a Reconstruction Support Headquarters for the purpose of supplementing the above-mentioned efforts with activities to assist the reconstruction of the afflicted areas. In the future this reconstruction support office will play a core role in the conduct of activities to support reconstruction through the use of IT and through voluntary activity and fund-raising.

Reference:

Disaster Recovery Support Solutions

Purpose	Type	Solution	Description
Recovery Support	Disaster prevention	Disaster Information Sharing System	A system for use by prefectures and municipalities in collecting and managing various disaster recovery-related information and sharing it among relevant institutions (e.g., prefectural, local, and national governments, and utility companies).
	Government	“eLsession”	A social networking service (SNS) specifically for personnel of nationwide public entities, enabling those with knowledge about a disaster-affected area or about recovery operations to share that knowledge for use by other public officials in carrying out recovery work.
	Healthcare	Wide Disaster Information System	A system for sharing information across disaster-affected prefectures on the activities of healthcare institutions and medical teams sent to disaster areas, and for providing medical information to citizens of each prefecture.
	Healthcare	Emergency Medical Information System	A system for sharing information about patient admissions by healthcare institutions engaged in emergency medical services in a prefecture and for providing citizens with information useful for emergency medical care.
	GIS*	GIS Application “Geoffice”	A desktop GIS* application enables show on a map various recovery-related information gathered and managed by local public entities.
	GIS*	Satellite imagery map for disaster prevention	A joint project along with Remote Sensing Technology Center of Japan (RESTEC) to prepare and make public satellite image maps of the coastal areas of Iwate, Miyagi, and Fukushima Prefectures.
	Communication Network	“FairCast” Child Safety Communication Network	A mass notification system making use of fixed and mobile phones, e-mail, fax, and other media for fast, accurate, and evenhanded notification to all parents and school personnel.

*GIS : Geographic Information System

Disaster Prevention and Energy Saving Solutions

Purpose	Solution	Description
Disaster Prevention	Disaster Communication System	A two-way wireless communication system supporting emergency notification and safety confirmation when a disaster occurs.
	Earthquake Information Network System	A system that instantly collects seismic intensity data from widely distributed instruments, to enable fast and proper establishment of an initial reaction force and emergency response measures when an earthquake occurs.
	Bridge Monitoring System	A system using sensors mounted in bridges for ongoing, real-time monitoring of bridge status.
Energy Saving	“BIZXAAS”	A total cloud service for enterprises. Enables CO ₂ reduction by using the cloud to consolidate servers and optimize equipment design.
	“Lindacloud”	NTT DATA’s vertically integrated appliance server, using our original environmentally friendly hardware designed for energy-saving, low-exhaust-heat, low-noise performance, and preinstalled with OSS and other software for the particular environment.
	“Green Data Center”	A service that solves customers’ management issues from the standpoints of ecology and economy by combining virtualization, facilities, and IT equipment and system initiatives to reduce the environmental load of data centers and optimize them overall. Four services are provided: iDC Service, Shared IT Platform Service, Housing Service, and System Design and Building Service.

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

▪ New Orders Received	988.4 billion yen	(down 16.3% year-on-year)
▪ Net Sales	1,161.9 billion yen	(up 1.7% year-on-year)
▪ Operating Income	78.3 billion yen	(down 4.1% year-on-year)
▪ Ordinary Income	75.7 billion yen	(up 0.1% year-on-year)
▪ Income before Income Taxes	68.4 billion yen	(down 4.6% year-on-year)
▪ Net Income	37.3 billion yen	(up 4.6% year-on-year)

The following is a breakdown of business results for the period by business segment. The references to segment profit are based on income before income taxes.

< Public & Financial IT Services >

Large-scale projects were completed during the reporting period, but their impact was offset by factors such as the deterioration of economic conditions, increasingly fierce competition, and the impact of unprofitable projects, with the result that net sales and segment profit both fell.

Net sales in this segment totaled 747.9 billion (down 2.8% year-on-year), and segment profit was 66.7 billion (down 2.7%).

< Global IT Services >

Net sales increased as a result of factors such as the expansion of the scale of telecoms operations on a nonconsolidated basis and an increase in the number of consolidated subsidiaries, but segment profit declined under the impact of unprofitable projects and other factors such as Loss on sales of stocks of subsidiaries and affiliates.

Net sales in this segment totaled 372.7 billion (up 10.1% year-on-year), and segment loss was 2.0 billion.

< Solutions & Technologies >

Both net sales and segment profit increased. This was attributable to factors that included the effects of an increased number of consolidated subsidiaries and an improvement in the cost ratio at both the parent company and existing subsidiaries.

Net sales in this segment totaled 163.0 billion (up 6.0% year-on-year), and segment profit was 9.8 billion (up 58.6%).

< Year-on-Year Changes by Business Segment >

(Unit: billion yen)

Description		FY2009		FY2010		Change (%)
			Share (%)		Share (%)	
Net Sales	Public & Financial IT Services	769.4	60.3	747.9	57.7	(2.8)
	Global IT Services	338.7	26.6	372.7	28.7	10.1
	Solutions & Technologies	153.8	12.1	163.0	12.6	6.0
	Others	12.6	1.0	13.4	1.0	6.3
	Adjustments	(131.7)	—	(135.1)	—	(2.6)
Total		1,142.9	—	1,161.9	—	1.7
Segment Profit	Public & Financial IT Services	68.6	90.9	66.7	88.9	(2.7)
	Global IT Services	0.2	0.4	(2.0)	(2.7)	—
	Solutions & Technologies	6.2	8.2	9.8	13.1	58.6
	Others	0.3	0.5	0.5	0.7	58.2
	Adjustments	(3.6)	—	(6.6)	—	(81.9)
Total		71.7	—	68.4	—	(4.6)

[2] Forecast for the Next Fiscal Year (Ending March 31, 2012)

Japanese companies have been tending generally to curb IT investment, and in addition there is concern that factors such as the Great East Japan Earthquake will cause investment in IT to be restrained still more in the future. With regard to the NTT DATA Group's performance in the next fiscal year, the impact of the earthquake and other factors is expected to cause domestic sales to decline, but as part of our global strategy we will be increasing the number of our consolidated subsidiaries with the primary aim of boosting overseas sales. Factors such as these should enable us to post a year-on-year increase in net sales to 1,200.0 billion yen.

With regard to operating income we project a year-on-year increase to 80.0 billion yen despite the impact of the earthquake. Principal factors in this are income growth resulting from the increase in the number of consolidated subsidiaries, steps taken to enhance the cost-of-sales ratio, and efficient allocation of SG&A expenses.

The situation by segment is as follows.

The Public & Financial IT Services is projected to post net sales¹ of 777.0 billion yen (including 767.0 billion yen of sales to external customers), up by 29.0 billion yen year-on-year. This is because in spite of the reduction of integrated IT and other services for cooperative financial institutions and the impact of the earthquake on domestic business activity, we project positive factors such as an increase in business with insurance, securities, credit, and overseas public institutions as a result of factors such as the increase in the number of our consolidated subsidiaries. With regard to segment profit², we project that it will be buoyed by factors such as the reduction in unprofitable projects and increase in the number of consolidated subsidiaries. However, these will be countervailed by a deterioration in the cost-of-sales ratio owing to the reduction of integrated IT services and by the aftermath of the earthquake and other factors, leading us to project segment profit of 59.0 billion yen, down by 7.7 billion yen year-on-year.

The Global IT Services is projected to achieve net sales totaling 381.0 billion yen (including 374.0 billion yen of sales to external customers), representing growth of 8.2 billion yen year-on-year despite the effects of the earthquake on business within Japan with customers in such fields as communications, broadcasting, and utilities. The principal factor in this is an increase in the number of consolidated subsidiaries as part of our global strategy. We forecast segment profit of 12.0 billion yen, representing a year-on-year increase of 14.0 billion yen. Contributing factors to this include an improvement in the cost-of-sales ratio resulting from a decline in transitional costs that arose in the reporting period and also in unprofitable projects, and an increase in the number of consolidated subsidiaries.

For the Solutions & Technologies we are forecasting net sales of 166.0 billion yen (including 58.0 billion yen of sales to external customers), up by 2.9 billion yen from the previous year, backed by factors such as the expected growth in needs for data centers. We forecast that segment profit will decrease by 0.8 billion year-on-year, to 9.0 billion yen, in spite of income growth resulting from increased sales. Contributing factors to this include a decline in the transitional profits posted for the reporting period.

Capital expenditure during the next fiscal year is forecast to fall by 4.0 billion yen to a total of 135.0 billion yen, owing to factors such as a decline in the number of large-scale systems in the financial field.

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, however, we conclude that progress relative to the year as a whole will be similar to that of a normal year. This is because although progress was below its year-earlier level in the period to the end of the second quarter of the year under review, owing to negative factors such as the worsening of the cost-of-sales ratio as a result of posting the results of unprofitable projects, the next fiscal year will see positive factors such as an increase in the number of consolidated subsidiaries and the implementation of measures to improve the cost-of-sales ratio.

Results Forecast for the Next Fiscal Year

(Unit: billion yen)

Description	Net Sales	Operating Income	Ordinary Income	Net Income
FY2011	1,200.0	80.0	73.0	39.0
FY2010	1,161.9	78.3	75.7	37.3
Change (%)	3.3%	2.2%	(3.7)%	4.5%

Notes: 1. Net sales include intersegment sales.

2. In the calculation of segment profits (income before income taxes), apportionments of company-wide expenses such as financial expenses are not included.

3. 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 decreased by 28.6 billion yen year-on-year, to 229.0 billion yen. Prime factors causing this included substantial inflows resulting from an improvement in working capital attributable to factors such as a decline in inventory assets in the previous term.

Cash used in investing activities rose by 111.4 billion yen year-on-year, to 285.5 billion yen, attributable primarily to increased outflows for the acquisition of consolidated subsidiaries.

In consequence, free cash flow decreased by 140.1 billion yen year-on-year, to 56.4 billion yen.

Cash derived from financing activities totaled 104.8 billion yen, attributable primarily to inflows from the issuance of corporate bonds and from long-term borrowing.

As a net result of these developments, the balance of cash and cash equivalents at the end of fiscal year rose by 46.4 billion yen from the end of the previous fiscal year, to 198.6 billion.

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

Indicator	FY2007	FY2008	FY2009	FY2010
Equity ratio (%)	45.9	44.4	45.7	41.0
Fair value equity ratio (%)	102.4	58.8	68.3	49.1
No. of years for debt redemption (Years)	1.1	1.4	1.1	1.8
Interest coverage ratio (Times)	61.9	48.4	55.4	43.0

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, the NTT DATA Group handles personal information and confidential information. In the event of the loss, leakage, etc., of that information, 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] Compliance-related risk

The NTT DATA Group has laid down the "NTT DATA Group Code of Ethics" to act as fundamental policy for sound business activity based on corporate ethics. It has also built a compliance promotion structure and implements periodic educational activities to raise the awareness of officers and employees for the purpose of enhancing corporate ethics and ensuring legal compliance. It is, however, impossible to assure total avoidance of compliance-related risk, and in the event of the occurrence of a legal violation, 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.

[8] 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.

[9] 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.

[10] 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.

[11] 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.

[12] Risk relating to major disasters

The systems and services provided by the NTT DATA Group may constitute social infrastructure. In view of this the Group develops structures for ensuring business continuity in conformity with government guidelines and implements disaster-prevention training. Nevertheless, in the event of the occurrence of a major disaster or of a serious outbreak of a contagious disease it is possible that places of business or their systems or large numbers of employees will suffer damage or harm, and resultant factors such as a deterioration of public confidence in the NTT DATA Group or in its brand image or unavoidable reduction of income or major expenditure for repair costs may affect the NTT DATA Group's business results and financial condition.

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 215* subsidiaries and 20 affiliates [at March 31, 2011]) is active in the following three main business segments: (1) Public & Financial IT Services, (2) Global IT Services, and (3) Solutions & Technologies.

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

Public & Financial IT Services

This business segment provides high-value-added IT services that support the foundations of society in such fields as public administration, healthcare, finance, and economic activity. Some activities in this business segment are assigned to subsidiaries and affiliates.

Main Subsidiaries and Affiliates

NTT DATA SYSTEM TECHNOLOGIES INC.
NTT DATA i CORPORATION
NTT DATA KANSAI CORPORATION
NTT DATA CUSTOMER SERVICE CORPORATION
NTT DATA FINANCIAL CORE CORPORATION
NTT DATA FORCE CORPORATION
Nihon Card Processing Co., Ltd.
NTT DATA FRONTIER CORPORATION
NTT DATA SOFIA CORPORATION
NTT DATA Getronics Corporation
XNET Corporation

43 other companies

Global IT Services

This business segment offers high-value-added IT services globally to support business activities in such spheres as manufacturing, distribution, services, media, and communications. Some activities in this business segment are assigned to subsidiaries and affiliates.

Main Subsidiaries and Affiliates

NTT DATA INTRAMART CORPORATION
NTT DATA INTERNATIONAL L.L.C.
NTT DATA WAVE CORPORATION
NTT DATA BUSINESS SYSTEMS CORPORATION*
NTT DATA EUROPE GmbH & Co. KG
itelligence AG
NTT DATA CCS CORPORATION
Cirquent GmbH
NTT DATA MSE Corporation
JSOL Corporation
Intelligroup, Inc.
Keane International, Inc.
Keane, Inc.

141* other companies

Solutions & Technologies

This business segment provides platforms and solutions that support cutting-edge IT services. Some activities in this business segment are assigned to subsidiaries and affiliates.

Main Subsidiaries and Affiliates

NTT DATA SMS CORPORATION
NTT DATA INTELLILINK CORPORATION
NJK CORPORATION

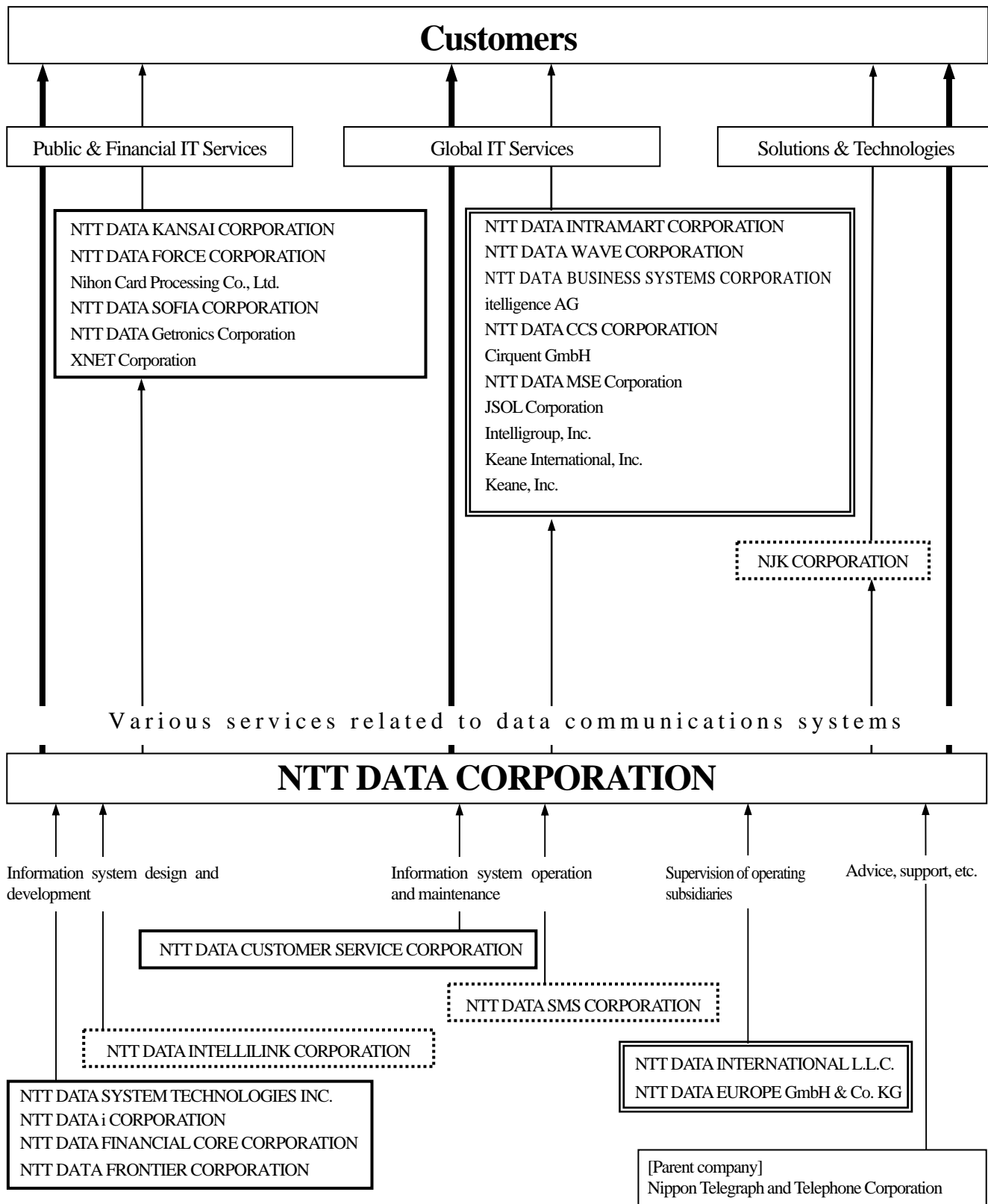
17 other companies

Others

Other business segments support the overhead functions. Some activities in these segments are assigned to eight subsidiaries and affiliates.

Note: NTT DATA BUSINESS SYSTEMS CORPORATION was formed on April 1, 2011, through the merger of NTT DATA SYSTEMS CORPORATION and NTT DATA QUICK CORPORATION. The number of subsidiaries marked with an asterisk above includes NTT DATA SYSTEMS CORPORATION and NTT DATA QUICK CORPORATION, but does not include NTT DATA BUSINESS SYSTEMS CORPORATION.

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.
3. Intelligroup, Inc. is 100.0%-owned subsidiary of NTT DATA INTERNATIONAL L.L.C..
4. Keane, Inc. is 100.0%-owned subsidiary of Keane International, Inc..

Legend:

The following box types indicate the business segment specified below;

- Public & Financial IT Services
- Global IT Services
- Solutions & Technologies

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

Investment remains restrained overall in the information service industry, despite a mounting sense that corporate IT investment is beginning to bottom out amid expectations that economic sentiment will continue to improve. Furthermore, there is concern that IT investment will be restrained still further by the Great East Japan Earthquake and the problems resulting therefrom, in particular the reduction of power supplies.

In spite of these harsh economic conditions, however, it appears that demand will be maintained with regard to investment in the joint use of systems and cloud services 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 corporate social responsibilities, the demands of society are becoming more diverse and sophisticated in respect of environmental issues and support for post-earthquake reconstruction, and in the IT service industry there is a greater-than-ever need to meet those demands.

To enable ourselves to address changes in the environment of this kind, the NTT DATA Group will take the steps outlined below.

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 takes a very serious view of a bribery incident involving a former employee that occurred during the fiscal year, and has issued the Declaration of Compliance directed universally both within and outside the Group. Throughout the Group we are committed to doing our utmost to restore confidence rapidly, placing particular importance on revising internal systems and structures in order to ensure sound corporate ethics and prevent any recurrence.

[Declaration of Compliance]

We

- Shall be mindful of our corporate social responsibility and shall engage in business activity in fair and transparent manner.
- Shall abide by all laws and ordinances, agreements, and in-house rules and regulations, and in our business practices shall act in a socially conscious manner.
- Shall, based on moderation in our behavior, build relationships of trust with customers and work with them to create an affluent and fulfilling society.

Toru Yamashita
President and Chief Executive Officer
NTT DATA CORPORATION

(3) Medium- to Long-Term Corporate Strategies

There have been no changes of content since the statement of financial results for the fiscal year ended March 31, 2010, (released on May 11, 2010), and therefore presentation of this item has been omitted here. This financial statement may be viewed at the following URL.

NTT DATA CORPORATION website:

<http://www.nttdata.co.jp/en/investor/index.html>

(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.

Hitherto, the NTT DATA Group has set a sales target of 1,500.0 billion yen for the fiscal year ending March 31, 2013, with the aim of securing profit to ensure business continuity and ongoing innovation. However, in view of the increasing harshness of the domestic IT investment environment and of other factors such as the impact on its business of the recent Great East Japan Earthquake, the Group is considering revising our medium-term management targets.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2010	As of March 31, 2011
ASSETS		
Current Assets		
Cash on hand and at banks	118,708	168,558
Notes receivable and accounts receivable	223,084	240,870
Short-term investment securities	30,961	32,000
Inventories	26,140	28,643
Deferred income taxes	15,096	15,247
Other current assets	42,592	56,010
Allowance for doubtful accounts	(950)	(961)
Total Current Assets	455,632	540,368
Non-Current Assets		
Property and Equipment		
Data communication facilities, net	146,474	127,559
Buildings and structures, net	102,840	102,152
Machinery, equipment and vehicles, net	16,151	16,389
Furniture, fixtures and tools, net	15,197	14,736
Land	50,708	50,807
Lease assets, net	7,777	4,845
Construction in progress	38,480	32,533
Total Property and Equipment	377,629	349,024
Intangible Assets		
Software	237,764	218,510
Development costs of software in progress	55,041	74,062
Goodwill	29,945	117,907
Lease assets	1,123	576
Other intangible assets	7,860	49,861
Total Intangible Assets	331,735	460,918
Investments and Other Assets		
Investments in securities	27,271	29,222
Deferred income taxes	50,591	54,392
Other assets	36,909	35,298
Allowance for doubtful accounts	(514)	(608)
Total Investments and Other Assets	114,258	118,305
Total Non-Current Assets	823,623	928,248
TOTAL ASSETS	1,279,256	1,468,617

Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2010	As of March 31, 2011
LIABILITIES		
Current Liabilities		
Accounts payable	92,491	81,107
Short-term borrowings	17,599	9,107
Current portion of long-term debt	18,243	23,844
Current portion of bonds payable	30,164	30,264
Obligation under capital leases	8,597	4,758
Accounts payable-other	16,951	17,847
Income taxes payable	18,261	21,233
Advances received	94,881	120,284
Allowance for contract losses	5,675	3,912
Asset retirement obligations	—	320
Other current liabilities	43,071	49,994
Total Current Liabilities	345,937	362,676
Non-Current Liabilities		
Bonds payable	179,959	250,104
Long-term debt	26,332	90,970
Obligation under capital leases	8,274	5,420
Deferred tax liabilities	—	16,270
Provision for retirement benefits	89,850	95,147
Provision for retirement allowances to directors and statutory auditors	1,013	997
Asset retirement obligations	—	1,437
Other non-current liabilities	12,721	15,275
Total Non-Current Liabilities	318,152	475,623
TOTAL LIABILITIES	664,089	838,299
NET ASSETS		
Shareholders' equity		
Common Stock	142,520	142,520
Capital Surplus	139,300	139,300
Retained Earnings	317,594	338,550
Total Shareholders' equity	599,414	620,370
Accumulated other comprehensive income		
Unrealized Gains on Investment Securities, Net of Taxes	(80)	(67)
Deferred gains and losses on hedge	—	234
Translation adjustments	(8,285)	(13,144)
Other Accumulated other comprehensive income	(6,511)	(5,790)
Total Accumulated other comprehensive income	(14,877)	(18,768)
Minority Interests in Consolidated Subsidiaries	30,629	28,716
TOTAL NET ASSETS	615,167	630,317
TOTAL LIABILITIES AND NET ASSETS	1,279,256	1,468,617

(2) Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	FY ended 31, March 2010	FY ended 31, March 2011
Net Sales	1,142,940	1,161,962
Cost of Sales	870,589	882,329
Gross Profit	272,351	279,632
Selling, General and Administrative Expenses	190,662	201,326
Operating Income	81,689	78,306
Non-Operating Income		
Interest income	482	655
Dividend income	526	906
Amortization of negative goodwill	—	2,302
Compensation for damage	426	—
Other non-operating income	2,576	3,428
Total Non-Operating Income	4,011	7,293
Non-Operating Expenses		
Interest expenses	4,649	5,465
Loss on retirement of non-current assets	1,290	1,421
Other non-operating expenses	4,039	2,932
Total Non-Operating Expenses	9,978	9,820
Ordinary Income	75,722	75,779
Extraordinary income		
Gain on valuation of debt	1,354	—
Total Extraordinary income	1,354	—
Extraordinary loss		
Loss on valuation of investment securities	—	2,050
Loss on liquidation of subsidiaries and affiliates	—	1,998
Impairment loss on goodwill	3,276	1,825
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	985
Loss on disaster	—	449
Special retirement expenses	2,010	—
Total Extraordinary loss	5,287	7,308
Income before Income Taxes	71,789	68,471
Income taxes-current	28,541	32,032
Income taxes-deferred	6,969	(2,092)
Total Income Taxes	35,511	29,940
Income before minority interests	—	38,531
Minority Interests in income/(loss)	615	1,217
Net Income	35,662	37,313

Consolidated Statements of Income and Comprehensive Income-continued

(Unit: ¥ million)

	FY ended 31, March 2010	FY ended 31, March 2011
Minority Interests in income/(loss)	—	1,217
Income before minority interests	—	38,531
Other comprehensive income		
Valuation difference on available-for-sale securities	—	17
Deferred gains and losses on hedges	—	234
Translation adjustments	—	(5,599)
Share of other comprehensive income of associates accounted for using equity method	—	(16)
Other comprehensive income	—	720
Total Other comprehensive income	—	(4,642)
Comprehensive income	—	33,888
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	33,421
Comprehensive income attributable to minority interests	—	466

(3) Consolidated Statements of Shareholders' Equity

(Unit: ¥ million)

	FY ended 31, March 2010	FY ended 31, March 2011
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	298,752	317,594
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net income	35,662	37,313
Change of scope of consolidation	—	474
Change of scope of equity method	9	(2)
Total	18,841	20,955
Ending balance of retained earnings	317,594	338,550
Total Shareholders' Equity		
Balance at end of previous term	580,572	599,414
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net income	35,662	37,313
Change of scope of consolidation	—	474
Change of scope of equity method	9	(2)
Total	18,841	20,955
Ending balance of shareholders' equity	599,414	620,370
Accumulated other comprehensive income		
Balance at end of previous term	(208)	(80)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	128	12
Total	128	12
Ending balance of Unrealized Gains on Investment Securities, Net of Taxes	(80)	(67)
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)	234
Total	(6)	234
Ending balance of Deferred gains and losses on hedge	—	234

Consolidated Statements of Shareholders' Equity-continued

(Unit: ¥ million)

	FY ended 31, March 2010	FY ended 31, March 2011
Translation adjustments		
Balance at end of previous term	(9,216)	(8,285)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	930	(4,859)
Total	930	(4,859)
Ending balance of Translation adjustments	(8,285)	(13,144)
Other Accumulated other comprehensive income		
Balance at end of previous term	(4,845)	(6,511)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(1,665)	720
Total	(1,665)	720
Ending balance of Other valuation and translation adjustments	(6,511)	(5,790)
Total Accumulated other comprehensive income		
Balance at end of previous term	(14,264)	(14,877)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(613)	(3,891)
Total	(613)	(3,891)
Ending balance of Total valuation and translation adjustments	(14,877)	(18,768)
Minority interests		
Balance at end of previous term	25,695	30,629
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	4,934	(1,913)
Total	4,934	(1,913)
Ending balance of Minority interests	30,629	28,716
Total Net Assets		
Balance at end of previous term	592,004	615,167
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net income	35,662	37,313
Change of scope of consolidation	—	474
Change of scope of equity method	9	(2)
Net Changes of items other than shareholders' equity	4,321	(5,804)
Total	23,162	15,150
Ending balance of Total net assets	615,167	630,317

(4) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	FY ended 31, March 2010	FY ended 31, March 2011
Cash Flows from Operating Activities		
Income before income taxes	71,789	68,471
Depreciation and amortization	154,500	152,257
Loss on retirement of non-current assets	7,481	6,309
Increase/(decrease) in provision for retirement benefits	7,239	4,754
Loss/(gain) on sales of investment securities	(32)	(385)
Loss/(gain) on valuation of investment securities	241	2,050
Interest expenses	4,649	5,465
Loss on liquidation of subsidiaries and affiliates	—	1,998
Special retirement expenses	2,010	—
(Increase)/decrease in accounts receivable	1,159	(1,562)
(Increase)/decrease in inventories	21,333	2,774
Increase/(decrease) in accounts payable	(7,870)	(7,580)
Increase/(decrease) in accrued consumption taxes	1,961	(613)
Others, net	44,047	28,086
Sub Total	308,509	262,026
Interest and dividends received	1,008	1,558
Interest paid	(4,656)	(5,326)
Income taxes (paid)/reimbursed	(47,100)	(29,180)
Net cash provided by operating activities	257,760	229,077
Cash Flows from Investing Activities		
Payments for acquisition of property and equipment	(78,902)	(65,958)
Payments for acquisition of intangible assets	(84,401)	(79,443)
Proceeds from sales of property and equipment	851	462
Payments for acquisition of securities	(4,984)	(3,318)
Proceeds from sales of securities	500	937
Payments for investments in subsidiaries resulting in change in scope of consolidation	(3,457)	(132,253)
Proceeds from investments in subsidiaries resulting in change in scope of consolidation	3,514	114
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	—	(598)
Decrease/(Increase) in time deposits, net	(1,839)	(3,920)
Payments for transfer of business	—	(819)
Payments for investments in subsidiaries	(2,842)	(1,759)
Others, net	(2,530)	1,012
Net cash used in investing activities	(174,093)	(285,545)
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	—	99,684
Redemption of bonds at maturity	(3,012)	(30,300)
Proceeds from long-term debt	2,375	88,514
Repayments of long-term borrowings	(8,642)	(18,477)
Increase/(decrease) in commercial paper, net	(25,000)	—
Increase/(decrease) in short-term borrowings, net	187	(8,604)
Repayment of obligation under capital leases	(12,127)	(8,076)
Cash dividends	(16,823)	(16,832)
Cash dividends to minority shareholders	(747)	(1,373)
Proceeds from stock issuance to minority shareholders	—	421
Others, net	34	(70)
Net cash used in financing activities	(63,756)	104,885
Effect of Exchange Rate Changes on Cash and Cash Equivalents	386	(1,930)
Net Increase/(Decrease) in Cash and Cash Equivalents	20,297	46,486
Cash and Cash Equivalents at Beginning of Year	131,822	152,120
Cash and Cash Equivalents at End of Year	152,120	198,606

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2010	As of March 31, 2011
ASSETS		
Current Assets		
Cash on hand and at banks	76,715	114,828
Notes receivable	1	93
Accounts receivable-trade	148,539	152,418
Accounts due	29,073	30,623
Lease receivables	—	38
Lease investment assets	1,653	6,026
Short-term investment securities	25,000	30,000
Inventories	20,474	21,990
Advance payments-trade	399	55
Prepaid expenses	9,012	9,948
Deferred income taxes	7,813	7,265
Short-term loans receivable from subsidiaries and affiliates	10,987	—
Other current assets	10,444	26,616
Allowance for doubtful accounts	(342)	(107)
Total Current Assets	339,773	399,798
Non-Current Assets		
Property and Equipment		
Data communication facilities, net	139,526	117,115
Buildings, net	77,674	76,799
Structures, net	2,512	2,368
Machinery and equipment, net	13,852	13,724
Furniture, fixtures and tools, net	9,654	9,083
Land	48,767	48,767
Lease assets, net	4,159	2,068
Construction in progress	33,030	32,112
Total Property and Equipment	329,177	302,041
Intangible Assets		
Software	213,082	192,291
Development costs of software in progress	50,311	69,200
Lease Assets	343	26
Other intangible assets	2,195	2,214
Total Intangible Assets	265,932	263,733

Non-Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2010	As of March 31, 2011
Investments and Other Assets		
Investments in securities	22,276	23,668
Stocks of subsidiaries and affiliates	66,688	160,621
Investments in capital	75	122
Investments in capital of subsidiaries and affiliates	51,406	71,829
Long-term loans receivable	324	540
Long-term loans receivable from subsidiaries and affiliates	2,838	33,210
Claims provable in bankruptcy, claims provable in rehabilitation and other	44	139
Long-term prepaid expenses	4,515	4,257
Fixed leasehold deposits	18,506	17,473
Deferred income taxes	33,179	32,863
Other assets	1,596	1,568
Allowance for doubtful accounts	(372)	(456)
Total Investments and Other Assets	201,079	345,837
Total Non-Current Assets	796,189	911,613
TOTAL ASSETS	1,135,963	1,311,411
LIABILITIES		
Current Liabilities		
Accounts payable-trade	78,713	70,410
Short-term borrowings	16,000	7,000
Current portion of long-term loans payable	10,000	—
Current portion of bonds payable	29,999	29,999
Obligation under capital leases	5,465	2,514
Accounts payable-other	12,601	12,478
Accrued expenses	8,069	8,486
Income taxes payable	14,309	14,839
Accrued consumption taxes	3,706	3,361
Advances received	86,760	111,673
Deposits received	48,933	52,986
Allowance for contract losses	4,786	3,458
Asset retirement obligations	—	229
Total Current Liabilities	319,345	317,437
Non-Current Liabilities		
Bonds payable	179,959	249,929
Long-term debt	—	88,102
Obligation under capital leases	4,262	1,749
Provision for retirement benefits	51,802	53,164
Asset retirement obligations	—	662
Other non-current liabilities	2,767	2,709
Total Non-Current Liabilities	238,793	396,318
TOTAL LIABILITIES	558,138	713,756

Non-Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2010	As of March 31, 2011
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	74	—
General reserve	242,000	268,000
Retained earnings	51,495	45,339
Total Retained Earnings	295,857	315,627
Total Shareholders' equity	577,677	597,447
Valuation and translation adjustments		
Unrealized Gains on Investment Securities, Net of Taxes	147	(39)
Deferred gains or losses on hedges	—	248
Total valuation and translation adjustments	147	208
TOTAL NET ASSETS	577,824	597,655
TOTAL LIABILITIES AND NET ASSETS	1,135,963	1,311,411

(2) Non-Consolidated Statements of Income

(Unit: ¥ million)

	FY ended 31, March 2010	FY ended 31, March 2011
Net Sales	821,789	820,068
Cost of Sales	639,787	641,877
Gross Profit	182,001	178,190
Selling, General and Administrative Expenses	115,315	114,958
Operating Income	66,685	63,231
Non-Operating Income		
Interest income	338	575
Dividend income	2,187	3,397
Gain on investments in silent partnership	5,003	2,853
Other non-operating income	1,059	1,914
Total Non-Operating Income	8,589	8,740
Non-Operating Expenses		
Interest and bond issue expenses	483	633
Interest on bonds	3,301	3,861
Loss on retirement of noncurrent assets	929	1,075
Loss on sales of noncurrent assets	681	—
Loss on valuation of investment securities	—	1,850
Other non-operating expenses	1,086	847
Total Non-Operating Expenses	6,482	8,267
Ordinary Income	68,791	63,705
Extraordinary loss		
Loss on sales of stocks of subsidiaries and affiliates	—	2,747
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	565
Loss on disaster	—	408
Total extraordinary loss	—	3,721
Income before Income Taxes	68,791	59,983
Income taxes-current	21,679	22,562
Income taxes-deferred	5,134	821
Total Income Taxes	26,813	23,383
Net Income	41,977	36,600

(3) Non-Consolidated Statements of Shareholders' Equity

(Unit: ¥ million)

	FY ended 31, March 2010	FY ended 31, March 2011
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:	296	74
Increase (Decrease) during the term:		
Reversal of special tax purpose reserve	(222)	(74)
Total	(222)	(74)
Ending balance of special tax purpose reserve	74	—
Special tax purpose reserve for R&D facilities		
Balance at end of previous term	6	—
Increase (Decrease) during the term:		
Reversal of Special tax purpose reserve for R&D facilities	(6)	—
Total	(6)	—
Ending balance of special tax purpose reserve for R&D facilities	—	—

Non-Consolidated Statements of Shareholders' Equity-continued

(Unit: ¥ million)

	FY ended 31, March 2010	FY ended 31, March 2011
General reserve		
Balance at end of previous term	209,000	242,000
Increase (Decrease) during the term:		
Reserve for General reserve	33,000	26,000
Total	33,000	26,000
Ending balance of general reserve	242,000	268,000
Retained earnings brought forward		
Balance at end of previous term	59,118	51,495
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Reversal of special tax purpose reserve	222	74
Reversal of Special tax purpose reserve for R&D facilities	6	—
Reserve for General reserve	(33,000)	(26,000)
Net income	41,977	36,600
Total	(7,623)	(6,155)
Ending balance of Retained earnings brought forward	51,495	45,339
Total Retained Earnings		
Balance at end of previous term	270,709	295,857
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Reversal of special tax purpose reserve	—	—
Reversal of Special tax purpose reserve for R&D facilities	—	—
Reserve for General reserve	—	—
Net income	41,977	36,600
Total	25,147	19,770
Ending balance of total retained earnings	295,857	315,627
Total Shareholders' equity		
Balance at end of previous term	552,529	577,677
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net income	41,977	36,600
Total	25,147	19,770
Ending balance of total retained earnings	577,677	597,447

Non-Consolidated Statements of Shareholders' Equity-continued

(Unit: ¥ million)

	FY ended 31, March 2010	FY ended 31, March 2011
Valuation and translation adjustments		
Unrealized Gains on Investment Securities, Net of Taxes		
Balance at end of previous term	(64)	147
Increase (Decrease) during the term		
Net Changes during the term in items other than those in shareholders' equity	211	(187)
Total	211	(187)
Ending balance of Unrealized Gains on Investment Securities, Net of Taxes	147	(39)
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)	248
Total	(6)	248
Ending balance of Deferred gains and losses on hedge	—	248
Total valuation and translation adjustments		
Balance at end of previous term	(57)	147
Increase (Decrease) during the term		
Net Changes during the term in items other than those in shareholders' equity	204	60
Total	204	60
Ending balance of Total valuation and translation adjustments	147	208
Total Net Assets		
Balance at end of previous term	552,471	577,824
Increase (Decrease) during the term		
Cash dividends from surplus	(16,830)	(16,830)
Net income	41,977	36,600
Net Changes during the term in items other than those in shareholders' equity	204	60
Total	25,352	19,831
Ending balance of Net Assets	577,824	597,655