

# Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2012

August 2, 2011

Company name : NTT DATA Corporation  
 Stock exchange on which the Company's shares are listed : Tokyo Stock Exchange 1st Section  
 Code number : 9613  
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 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 Q1 of FY2011 (From April 1, 2011 to June 30, 2011)

### (1) Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
<b>FY2011 Q1</b>	270,291	3.4	11,543	(10.4)	11,128	(3.2)	3,544	(39.4)
FY2010 Q1	261,501	(2.9)	12,888	(22.5)	11,495	(24.3)	5,850	(21.5)

Note: Comprehensive income: FY2011 Q1 1,377million yen (63.5%) FY2010 Q1 3,772million yen —%

	Net income per share	Net income per share (diluted)
	¥	¥
<b>FY2011 Q1</b>	1,263.74	—
FY2010 Q1	2,085.66	—

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
<b>FY2011 Q1</b>	1,410,285	622,808	42.2
FY2010	1,468,617	630,317	41.0

Note: Equity FY2011 Q1 594,449million yen FY2010 601,601million 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
FY2010	—	3,000.00	—	3,000.00	6,000.00
<b>FY2011</b>	—				
<b>FY2011 (Forecast)</b>		3,000.00		3,000.00	6,000.00

Note: Revisions to the forecasts of dividends: No

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

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

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

Note1: Revisions to the forecasts of consolidated financial results: No

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

### 4. Others

(1) Changes in significant subsidiaries during the period : No

(Changes in specified subsidiaries resulting in the change in consolidation scope)

(2) Adoption of special accounting treatments for quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards etc : No

2) Changes in accounting policies other than 1) : No

3) Changes in accounting estimates : No

4) Restatements : No

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding FY2011 Q1 2,805,000shares FY2010 2,805,000shares  
(inclusive of treasury stock)

2) Number of treasury stock FY2011 Q1 — shares FY2010 — shares

3) Average number of shares over period FY2011 Q1 2,805,000shares FY2010 Q1 2,805,000shares  
(consolidated total for quarter)

\* 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 First Quarter of the Fiscal Year Ending March 31, 2012" section on page 5.

## Attachment

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## 1. Qualitative Information for the First Quarter of the Fiscal Year Ending March 31, 2012

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

During the first quarter the Japanese economy was subjected to severe downward pressure from factors such as the slowing of corporate earnings growth and the weakening of capital investment. On the upside, however, the economic outlook indicated a return to a path of mild recovery characterized by signs of a pickup in manufacturing activity after the steep decline caused by earthquake-related factors. Nevertheless, the risk of economic downturn remains, owing to factors such as restrictions on power supplies and the further weakening of recoveries in overseas economies.

In the information service industry there was demand in such fields as systems integration arising from corporate mergers, but the overall tendency to restrain IT investment persisted, for example, the curtailment of maintenance and operating expenses. Furthermore, factors such as the Great East Japan Earthquake and the electricity-supply problems it has caused are putting corporate earnings under pressure, giving rise to concern that IT investment will be curbed 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 “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 address the explosive increase in information within companies we established the Document Solutions Promotion Office as a unit to promote comprehensive document-management business. Its objective is to strengthen corporate competitiveness by reducing administrative costs, enhancing internal controls, and ensuring compliance.

#### < Group businesses enhancement and expansion >

- We acquired management control of the Italian company Value Team S.p.A. The company has strengths in areas such as IT consulting and system development primarily in the telecoms, manufacturing, and financial (banking and insurance) fields in Italy, and is also developing business actively in Brazil and Turkey.

- In anticipation of the reorganization of Group companies for the purpose of strengthening local business in China and improving our offshore development structure there, we integrated our Japan-based offshore sales companies. We amalgamated Beijing NTT DATA Japan Co., Ltd., a subsidiary of Beijing NTT DATA Systems Integration Co., Ltd, and BNI Systems Corporation, to establish NTT DATA China Outsourcing Corporation.

< Promotion of environment-oriented management >

· NTT DATA built a private cloud environment in its Green Data Center, a next-generation data center solution designed for enhanced efficiency and conservation of electric power, and began concentrating in-house information systems. This has contributed to reducing maintenance costs and the Company's environmental load in such areas as electric power consumption and CO<sub>2</sub> emissions.

· Anticipating future power shortages within the region supplied by Tokyo Electric Power Company, our offices are aiming to cut electric-power consumption by at least 30% relative to peak levels last year. To achieve that, we have begun implementing measures to reduce power consumption by such means as rotating partial close of office floors and switching to the use of energy-saving notebook computers.

In addition to the efforts outlined above, in pursuit of achieving the goals of our Medium-term Management Policy we implemented structural reforms aimed at increasing earnings power and expanding business operations.

· In order to build a unified and efficient operating structure for its expanding overseas business, NTT DATA restructured the Global Business Sector of the Global IT Services Company into a company-wide cross-sectional organization.

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 >

· NTT DATA became the first in Japan to enable credit-card payment of Tokyo metropolitan motor vehicle tax. Launched for this tax from the 2011 fiscal year, payments are made with Mobile Register, a bar code-based settlement service utilizing mobile phones.

· In collaboration with food manufacturers, publishers, cookery schools, universities, and other organizations, NTT DATA began offering an online service "balanceonplus" to support personalized menu-making. This is done by collating recipe information made available on the websites of those organizations and then recommending menus with ideal nutritional balance for individual users based on health information they provide.

< Global IT Services >

- NTT DATA commenced provision of TISAFYS, an application management outsourcing (AMO)\* service developed through the integration of advanced operation and maintenance know-how, an area of strength for NTT DATA, with operating structures, methodologies, and tools drawn from global resources.
- NTT DATA Bizintegral Corporation began offering its Biz ∫ Accounting package that is both IFRS-compliant and is enabled for cloud access quickly and inexpensively upon being introduced into a corporate group.

< Solutions & Technologies >

- NTT DATA began offering, as part of the BIZXAAS Platform Service, two cloud services able to be built in as little as 72 hours. BIZXAAS Contact (FastHelp) provides necessary functions to contact centers (call centers), and BIZXAAS EC enables use of an e-commerce site equipped with at least 150 functions.
- We also began offering BIZXAAS Office, a cloud service for offices. To help satisfy current demands for companies to reduce electricity consumption, this service contributes to the conservation of electric power by offices by such means as eliminating the need for in-house servers and making it possible for employees to work at home by using thin-client terminals.

\*Application management outsourcing (AMO): An outsourcing service for the operation and maintenance of applications.

In addition to the efforts outlined above, as part of its reconstruction assistance for the areas affected by the Great East Japan Earthquake, NTT DATA has provided, free of charge, the following solutions for fixed periods and for purposes limited to reconstruction support.

- We have made available the Nazuki-no-oto SaaS-type comprehensive marketing research service. This service analyzes disparate information in an integrated manner and is thus effective for investigation and analysis (situation assessment, reconstruction-support activities) relating to the disaster.
- In order to assist the mobile medical care being provided at evacuation centers by Fukushima Medical University, we have built and made available a mobile medical care support system that uses cloud services and tablet terminals.
- Together with NTT DATA Tohoku Corporation, the Japan Weather Association, and HALEX Corporation, we have built and made available a cloud service that constantly monitors meteorological information issued by the Japan Meteorological Agency, analyzes the risk of damage from heavy rainfall, and notifies this to disaster-prevention officials in local municipalities.
- We have also made available the FairCast Child Safety Communication Network as a means by which schools in the disaster areas can maintain contact with students' parents and guardians.

As a result of the above, operating income, ordinary income, and net income declined during the first quarter. Although net sales improved due to such factors as the increase in the number of consolidated subsidiaries, this was offset by increases in amortization of goodwill and other assets, as well as by temporary increases in SG&A expenses owing to power-saving measures.

· Net Sales	270.2 billion yen	(up	3.4 % year-on-year)
· Operating Income	11.5 billion yen	(down	10.4 % year-on-year)
· Ordinary Income	11.1 billion yen	(down	3.2 % year-on-year)
· Net Income	3.5 billion yen	(down	39.4 % year-on-year)

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

Total assets at the end of the first quarter stood at 1,410.2 billion yen, down by 58.3 billion yen, or 4.0%, 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 totaled 462.4 billion yen, down by 77.9 billion yen, or 14.4%, from the end of the previous fiscal year, owing to factors such as a decline in cash in hand and at banks resulting from redemptions of corporate bonds and other developments. Non-current assets totaled 947.8 billion yen, up by 19.5 billion, or 2.1%, from the end of the previous fiscal year, buoyed by factors such as a rise in goodwill resulting from the increase in the number of consolidated subsidiaries.

### **· Liabilities**

Owing to redemptions of corporate bonds and other developments, liabilities totaled 787.4 billion yen, down by 50.8 billion yen, or 6.1%, from the end of the previous fiscal year.

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

The NTT DATA Group continues to face a harsh business environment, beset by the persistence of the general tendency in the corporate sector to curb IT investment and other factors such as concern that this trend will continue under the impact of the Great East Japan Earthquake. On the upside, however, the number of consolidated subsidiaries is increasing, and the Group is making efforts that include measures to increase the cost ratio and to ensure efficient use of SG&A expenses. In consequence, our results forecast for the full term (released on May 10, 2011) remains unchanged for the present.

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.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2011	As of June 30, 2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash on hand and at banks	168,558	113,707
Notes receivable and accounts receivable	240,870	193,002
Short-term investment securities	32,000	37,021
Inventories	28,643	39,211
Deferred income taxes	15,247	14,859
Other current assets	56,010	66,226
Allowance for doubtful accounts	(961)	(1,562)
<b>Total Current Assets</b>	<b>540,368</b>	<b>462,468</b>
<b>Non-Current Assets</b>		
<b>Property and Equipment</b>		
Data communication facilities, net	127,559	120,839
Buildings and structures, net	102,152	101,467
Machinery, equipment and vehicles, net	16,389	16,872
Furniture, fixtures and tools, net	14,736	14,491
Land	50,807	50,885
Lease assets, net	4,845	4,107
Construction in progress	32,533	34,357
<b>Total Property and Equipment</b>	<b>349,024</b>	<b>343,021</b>
<b>Intangible Assets</b>		
Software	218,510	213,703
Development costs of software in progress	74,062	79,229
Goodwill	117,907	144,912
Other intangible assets	50,437	49,056
<b>Total Intangible Assets</b>	<b>460,918</b>	<b>486,902</b>
<b>Investments and Other Assets</b>		
Investments in securities	29,222	28,670
Deferred income taxes	54,392	54,689
Other assets	35,298	35,166
Allowance for doubtful accounts	(608)	(632)
<b>Total Investments and Other Assets</b>	<b>118,305</b>	<b>117,893</b>
<b>Total Non-Current Assets</b>	<b>928,248</b>	<b>947,817</b>
<b>TOTAL ASSETS</b>	<b>1,468,617</b>	<b>1,410,285</b>



## Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2011	As of June 30, 2011
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	81,107	64,225
Short-term borrowings	9,107	9,113
Current portion of long-term debt	23,844	25,459
Current portion of bonds payable	30,264	275
Obligation under capital leases	4,758	3,476
Accounts payable-other	17,847	17,947
Income taxes payable	21,233	6,458
Advances received	120,284	130,936
Allowance for contract losses	3,912	2,656
Asset retirement obligations	320	258
Other current liabilities	49,994	48,299
<b>Total Current Liabilities</b>	<b>362,676</b>	<b>309,107</b>
<b>Non-Current Liabilities</b>		
Bonds payable	250,104	250,125
Long-term debt	90,970	87,006
Obligation under capital leases	5,420	4,886
Deferred tax liabilities	16,270	14,675
Provision for retirement benefits	95,147	99,951
Provision for retirement allowances to directors and statutory auditors	997	793
Asset retirement obligations	1,437	1,435
Other non-current liabilities	15,275	19,495
<b>Total Non-Current Liabilities</b>	<b>475,623</b>	<b>478,369</b>
<b>TOTAL LIABILITIES</b>	<b>838,299</b>	<b>787,477</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common Stock	142,520	142,520
Capital Surplus	139,300	139,300
Retained Earnings	338,550	333,679
<b>Total Shareholders' equity</b>	<b>620,370</b>	<b>615,499</b>
<b>Accumulated other comprehensive income</b>		
Unrealized Gains on Investment Securities, Net of Taxes	(67)	(306)
Deferred gains and losses on hedge	234	22
Translation adjustments	(13,144)	(14,465)
Other Accumulated other comprehensive income	(5,790)	(6,300)
<b>Total Accumulated other comprehensive income</b>	<b>(18,768)</b>	<b>(21,050)</b>
<b>Minority Interests in Consolidated Subsidiaries</b>	<b>28,716</b>	<b>28,358</b>
<b>TOTAL NET ASSETS</b>	<b>630,317</b>	<b>622,808</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,468,617</b>	<b>1,410,285</b>

## (2) Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	Three months ended June 30, 2010	Three months ended June 30, 2011
<b>Net Sales</b>	<b>261,501</b>	<b>270,291</b>
<b>Cost of Sales</b>	<b>199,979</b>	<b>204,438</b>
<b>Gross Profit</b>	<b>61,521</b>	<b>65,852</b>
<b>Selling, General and Administrative Expenses</b>	<b>48,633</b>	<b>54,308</b>
<b>Operating Income</b>	<b>12,888</b>	<b>11,543</b>
<b>Non-Operating Income</b>		
Interest income	119	275
Dividend income	612	452
Foreign exchange gains	—	681
Amortization of negative goodwill	560	—
Other non-operating income	648	672
<b>Total Non-Operating Income</b>	<b>1,941</b>	<b>2,081</b>
<b>Non-Operating Expenses</b>		
Interest expenses	1,308	1,580
Other non-operating expenses	2,025	916
<b>Total Non-Operating Expenses</b>	<b>3,334</b>	<b>2,497</b>
<b>Ordinary Income</b>	<b>11,495</b>	<b>11,128</b>
<b>Extraordinary Loss</b>		
Loss on disaster	—	218
Loss on adjustment for changes of accounting standard for asset retirement obligations	770	—
<b>Total Extraordinary Loss</b>	<b>770</b>	<b>218</b>
<b>Income before Income Taxes</b>	<b>10,725</b>	<b>10,909</b>
<b>Income Taxes</b>	<b>5,104</b>	<b>7,559</b>
<b>Net income before adjustment for minority interests</b>	<b>5,621</b>	<b>3,349</b>
<b>Minority Interests in income/(loss)</b>	<b>(228)</b>	<b>(195)</b>
<b>Net Income</b>	<b>5,850</b>	<b>3,544</b>
<b>Minority Interests in income/(loss)</b>	<b>(228)</b>	<b>(195)</b>
<b>Net income before adjustment for minority interests</b>	<b>5,621</b>	<b>3,349</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(85)	(240)
Deferred gains and losses on hedges	(179)	(211)
Translation adjustments	(2,042)	(1,026)
Share of other comprehensive income of associates accounted for using equity method	(0)	16
Other comprehensive income	459	(509)
<b>Total Other comprehensive income</b>	<b>(1,848)</b>	<b>(1,972)</b>
<b>Comprehensive income</b>	<b>3,772</b>	<b>1,377</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,183	1,263
Comprehensive income attributable to minority interests	(410)	113

**(3) Notes concerning going-concern assumptions**

N/A

**(4) 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 21, 2011	Common stock	8,415	3,000	March 31, 2011	June 22, 2011	Retained earnings