

Consolidated Financial Results for the Second Quarter of the fiscal year ending March 31, 2012

November 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
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 Scheduled date of filing of Quarterly Business Report : November 10, 2011
 Scheduled date of dividend payment : December 1, 2011
 Supplemental material on quarterly results : Yes
 Presentation on quarterly results : Yes

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

1. Consolidated Financial Results in Q2 of FY2011 (From April 1, 2011 to September 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	%
FY2011 Q2	571,734	7.1	30,753	21.1	28,731	24.6	12,444	2.8
FY2010 Q2	533,727	0.2	25,397	(24.1)	23,058	(24.1)	12,106	(20.6)

Note: Comprehensive income: FY2011 Q2 1,927million yen (62.1%) FY2010 Q2 5,091million yen - %

	Net income per share	Net income per share (diluted)
	¥	¥
FY2011 Q2	4,436.69	-
FY2010 Q2	4,316.16	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
FY2011 Q2	1,440,429	623,305	41.3
FY2010	1,468,617	630,317	41.0

Note: Equity FY2011 Q2 594,701million 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
FY2011	-	3,000.00			
FY2011 (Forecast)			-	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	%	¥
FY2011	1,200,000	3.3	80,000	2.2	73,000	(3.7)	39,000	4.5	13,903.74

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

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 Q2 2,805,000shares FY2010 2,805,000shares
(inclusive of treasury stock)
- 2) Number of treasury stock FY2011 Q2 - shares FY2010 - shares
- 3) Average number of shares over period FY2011 Q2 2,805,000shares FY2010 Q2 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 Second Quarter of the Fiscal Year Ending March 31, 2012" section on page 5.

Attachment

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

(1) Qualitative Information on the Consolidated Business Results

During the second quarter under review, the economy as a whole showed signs of picking up in Japan, reflecting a bottoming out of corporate earnings and a recovery in capital investment. From now on, the Japanese economy is expected to return to a moderate recovery track. This is because production activities, which had declined significantly in the wake of the Great East Japan Earthquake, generally returned to the level seen before the earthquake. However, there is a risk of a further economic downturn due to power supply constraints, a possibly much slower recovery in overseas economies, and fluctuations of exchange rates and stock prices.

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.
- To promote companywide provision of new services, we also established the M2M* Cloud Promotion Office, centering on M2M cloud computing that is indispensable for a more sophisticated use of IT and realization of various services in society.

< Group businesses enhancement and expansion >

- We acquired management control of an 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.
- We launched the Global R&D Initiative, as one of the Global One Team activities to create synergy among the NTT DATA Group’s companies worldwide and strengthen the Group’s global business structure.

< Promotion of environment-oriented management >

· The Company received the Minister of Economy, Trade and Industry Award for its Lindacloud, a private cloud product featuring low heat emission and excellent power efficiency, in the Energy saving of IT division of Green IT Awards 2011 hosted by the Green IT Promotion Council.

· To cope with power shortages in the service area of the Tokyo Electric Power Company, Incorporated, we implemented measures to reduce power consumption in our office. These measures included using office floors on a planned basis in which some floors are not used in rotation and replacing PCs with low power consumption notebooks. As a result, power consumption dropped 34% from the previous year's peak.

* Machine to Machine (M2M) :

A two-way communications service that enables information exchange between remote devices and IT systems without human intervention using mobile and fixed networks.

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 >

· The Company received orders for PANADES, a flight procedure design system, from Aeronautical Radio of Thailand LTD., which is engaged mainly in the provision of air traffic control service, and the Japan International Cooperation Agency, which implements technical cooperation projects for Indonesia's Directorate General of Civil Aviation and Ministry of Transportation Education and Training Agency.

· The Regional Bank Integrated Services Center began to provide services for The Ashikaga Bank, Ltd. As a result, the number of banks using the center increased to 12. STELLA CUBE launched services for The Tokyo Tomin Bank, Limited. Meanwhile, the Company decided to provide BeSTAcLoud, a new backbone service for financial institutions, and entered into basic agreements with FIDEA Holdings Co. Ltd., THE SHONAI BANK, LTD. and Hokuto Bank, Ltd. to study the use of an outsourcing service that utilizes the new service.

< 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.

· The Company began to provide INERPIA SAP Hosting, a hosting service for SAP ERP that reduces initial introduction expenses and operational costs and is suitable for disaster countermeasures. The service was provided worldwide in cooperation with group companies at home and abroad.

· NTT DATA Bizintegral Corporation began offering Biz ∫ Sales Management System, which has better compatibility with IFRS in sales management service, and Biz ∫ CRM/SFA, which supports marketing activities. This followed the provision of Biz ∫ Accounting, a finance and accounting package that complies with IFRS.

< Solutions & Technologies >

· NTT DATA expanded the lineup of BIZXAAS Platform Service, a flexible, commonly used type of cloud computing, and launched the following cloud services.

- 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.

- BIZXAAS Office, a cloud service for offices. 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 recovery 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.

· The Company provided the ASP service Recec-ASP, a cloud-based piece of software developed for members of the Japan Dental Association that enables them to prepare medical insurance reimbursement claims. It was provided to the association's members in Iwate, Miyagi and Fukushima prefectures who were affected by the earthquake, after consultation with the organization.

As a result of the above, net sales, operating income, ordinary income and net income for the second quarter under review increased from the previous fiscal year, reflecting an expansion in consolidated subsidiaries and an improvement in the cost ratio.

· Net Sales	571.7 billion yen	(up 7.1 % year-on-year)
· Operating Income	30.7 billion yen	(up 21.1 % year-on-year)
· Ordinary Income	28.7 billion yen	(up 24.6 % year-on-year)
· Net Income	12.4 billion yen	(up 2.8 % year-on-year)

(2) Qualitative Information on the Consolidated Financial Position

Total assets at the end of the second quarter stood at 1,440.4 billion yen, down by 28.1 billion yen, or 1.9%, from the end of the previous fiscal year. The principal changes in assets and liabilities were as follows.

· Assets

Current assets were 496.2 billion yen, down by 44.1 billion yen, or 8.2%, from the end of the previous fiscal year, thanks chiefly to increased collection of accounts receivable. Non-current assets totaled 944.1 billion yen, up by 15.9 billion, or 1.7%, 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 817.1 billion yen, down by 21.1 billion yen, or 2.5%, from the end of the previous fiscal year.

(3) Qualitative Information on the Consolidated Results Forecast

Companies' overall tendency to restrain IT investment is continuing, and concerns remain that such investment will still be curbed mainly due to the effects of the Great East Japan Earthquake. Furthermore, the yen's persistent strength is expected to pose the risk of a further fluctuation in exchange rates. Given these factors, the business environment of the NTT DATA Group is likely to continue to be adverse. 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.

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2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2011	As of September 30, 2011
ASSETS		
Current Assets		
Cash on hand and at banks	168,558	133,139
Notes receivable and accounts receivable	240,870	197,355
Short-term investment securities	32,000	37,015
Inventories	28,643	52,047
Deferred income taxes	15,247	15,700
Other current assets	56,010	62,499
Allowance for doubtful accounts	(961)	(1,529)
Total Current Assets	540,368	496,230
Non-Current Assets		
Property and Equipment		
Data communication facilities, net	127,559	122,079
Buildings and structures, net	102,152	100,980
Machinery, equipment and vehicles, net	16,389	16,728
Furniture, fixtures and tools, net	14,736	14,583
Land	50,807	50,891
Lease assets, net	4,845	4,003
Construction in progress	32,533	27,377
Total Property and Equipment	349,024	336,644
Intangible Assets		
Software	218,510	219,255
Development costs of software in progress	74,062	79,241
Goodwill	117,907	139,413
Other intangible assets	50,437	51,103
Total Intangible Assets	460,918	489,014
Investments and Other Assets		
Investments in securities	29,222	28,848
Deferred income taxes	54,392	55,517
Other assets	35,298	34,801
Allowance for doubtful accounts	(608)	(628)
Total Investments and Other Assets	118,305	118,540
Total Non-Current Assets	928,248	944,199
TOTAL ASSETS	1,468,617	1,440,429

Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2011	As of September 30, 2011
LIABILITIES		
Current Liabilities		
Accounts payable	81,107	76,728
Short-term borrowings	9,107	8,236
Commercial Paper	-	20,000
Current portion of long-term debt	23,844	20,992
Current portion of bonds payable	30,264	155
Obligation under capital leases	4,758	2,666
Accounts payable-other	17,847	13,375
Income taxes payable	21,233	15,680
Advances received	120,284	123,317
Allowance for contract losses	3,912	3,516
Asset retirement obligations	320	304
Other current liabilities	49,994	51,472
Total Current Liabilities	362,676	336,447
Non-Current Liabilities		
Bonds payable	250,104	250,071
Long-term debt	90,970	86,297
Obligation under capital leases	5,420	4,800
Deferred tax liabilities	16,270	14,947
Provision for retirement benefits	95,147	101,599
Provision for retirement allowances to directors and statutory auditors	997	724
Asset retirement obligations	1,437	1,392
Other non-current liabilities	15,275	20,842
Total Non-Current Liabilities	475,623	480,675
TOTAL LIABILITIES	838,299	817,123
NET ASSETS		
Shareholders' equity		
Common Stock	142,520	142,520
Capital Surplus	139,300	139,300
Retained Earnings	338,550	342,580
Total Shareholders' equity	620,370	624,400
Accumulated other comprehensive income		
Unrealized Gains on Investment Securities, Net of Taxes	(67)	(378)
Deferred gains and losses on hedge	234	(183)
Translation adjustments	(13,144)	(21,722)
Other Accumulated other comprehensive income	(5,790)	(7,414)
Total Accumulated other comprehensive income	(18,768)	(29,698)
Minority Interests in Consolidated Subsidiaries	28,716	28,604
TOTAL NET ASSETS	630,317	623,305
TOTAL LIABILITIES AND NET ASSETS	1,468,617	1,440,429

(2) Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Net Sales	533,727	571,734
Cost of Sales	412,053	432,046
Gross Profit	121,673	139,688
Selling, General and Administrative Expenses	96,276	108,934
Operating Income	25,397	30,753
Non-Operating Income		
Interest income	253	543
Dividend income	624	468
Foreign exchange gains	-	710
Amortization of negative goodwill	1,117	-
Other non-operating income	1,537	1,287
Total Non-Operating Income	3,532	3,010
Non-Operating Expenses		
Interest expenses	2,571	3,107
Other non-operating expenses	3,300	1,924
Total Non-Operating Expenses	5,871	5,032
Ordinary Income	23,058	28,731
Extraordinary Loss		
Loss on disaster	-	258
Loss on adjustment for changes of accounting standard for asset retirement obligations	916	-
Total Extraordinary Loss	916	258
Income before Income Taxes	22,142	28,473
Income Taxes	9,805	15,872
Net income before adjustment for minority interests	12,336	12,600
Minority Interests in income/(loss)	229	155
Net Income	12,106	12,444
Minority Interests in income/(loss)	229	155
Net income before adjustment for minority interests	12,336	12,600
Other comprehensive income		
Valuation difference on available-for-sale securities	155	(327)
Deferred gains and losses on hedges	-	(418)
Translation adjustments	(8,391)	(8,306)
Share of other comprehensive income of associates accounted for using equity method	(5)	2
Other comprehensive income	996	(1,623)
Total Other comprehensive income	(7,245)	(10,672)
Comprehensive income	5,091	1,927
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,594	1,514
Comprehensive income attributable to minority interests	(502)	412

(3) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Cash Flows from Operating Activities		
Income before income taxes	22,142	28,473
Depreciation and amortization	75,852	71,667
Loss on retirement of non-current assets	2,033	3,975
Increase/(Decrease) in provision for retirement benefits	3,706	3,582
Interest expenses	2,571	3,107
(Increase)/Decrease in accounts receivable	43,054	55,905
(Increase)/Decrease in inventories	(12,330)	(20,448)
Increase/(Decrease) in accounts payable	(16,368)	(15,816)
Others, net	21,187	40
Sub Total	141,849	130,486
Interest and dividends received	866	1,015
Interest paid	(2,524)	(3,252)
Income taxes (paid)/reimbursed	(17,762)	(22,419)
Net cash provided by operating activities	122,429	105,829
Cash Flows from Investing Activities		
Payments for acquisition of non-current assets	(81,265)	(68,224)
Payments for investments in subsidiaries resulting in change in scope of consolidation	(17,384)	(25,197)
(Increase)/Decrease in time deposits, net	(4,789)	820
Payments for transfer of business	(838)	(2,710)
Others, net	129	124
Net cash used in investing activities	(104,148)	(95,188)
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	99,684	-
Redemption of bonds at maturity	(30,142)	(30,227)
Repayments of long-term borrowing	(4,363)	(13,288)
Increase/(Decrease) in commercial papers	-	20,000
Increase/(Decrease) in short-term borrowings, net	(3,025)	(4,103)
Repayment of obligation under capital leases	(5,170)	(2,657)
Cash dividends	(8,413)	(8,411)
Cash dividends to minority shareholders	(463)	(468)
Proceeds from minority shareholders' payments	377	-
Others, net	269	56
Net cash used in financing activities	48,752	(39,100)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,566)	(1,206)
Increase/(Decrease) in Cash and Cash Equivalents	65,465	(29,665)
Cash and Cash Equivalents at Beginning of Year	152,120	198,606
Increase/(Decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	202
Cash and Cash Equivalents at End of period	217,586	169,143

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