

Consolidated Financial Results

for the Fiscal Year Ended March 31, 2012

May 8, 2012

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 the ordinary general meeting of shareholders : June 20, 2012
 Scheduled date of dividend payment : June 21, 2012
 Scheduled date of filing securities report : June 21, 2012
 Supplemental material on annual results : Yes
 Presentation on annual results : Yes (for institutional investors and financial analysts)

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

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

(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	%
FY2011	1,251,177	7.7	80,416	2.7	75,588	(0.3)	30,446	(18.4)
FY2010	1,161,962	1.7	78,306	(4.1)	75,779	0.1	37,313	4.6

Note: Comprehensive income: FY2011 21,504million yen (36.5%) FY2010 33,888million yen (5.2%)

	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)
	¥	¥	%	%	%
FY2011	10,854.36	—	5.0	5.1	6.4
FY2010	13,302.44	—	6.3	5.5	6.7

Note: Equity in net income(losses) of affiliates: FY2011 60million yen FY2010 215million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2011	1,474,894	639,750	41.1	215,939.22
FY2010	1,468,617	630,317	41.0	214,474.71

Note: Equity: FY2011 605,709million yen FY2010 601,601million 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
FY2011	190,247	(159,840)	(65,957)	161,110
FY2010	229,077	(285,545)	104,885	198,606

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			
FY2010	—	3,000	—	3,000	6,000	¥ million 16,830	% 45.1	% 2.8
FY2011	—	3,000	—	3,000	6,000	16,830	55.3	2.6
FY2012 (Forecasts)	—	3,000	—	3,000	6,000		44.3	

3. Forecasts of Consolidated Results for FY2012 (From April 1, 2012 to March 31, 2013)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2012	1,280,000	2.3	85,000	5.7	78,000	3.2	38,000	24.8	13,547.24

* Notes:

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

Exclusion One company
Name of the company NTT DATA Enterprise Application Services, Inc.

(2) 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

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding FY2011 2,805,000shares FY2010 2,805,000shares
(inclusive of treasury stock)
2) Number of treasury stock FY2011 — shares FY2010 — shares
3) Average number of shares over period FY2011 2,805,000shares FY2010 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 FY2011 (From April 1, 2011 to March 31, 2012)

(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	%
FY2011	812,011	(1.0)	67,339	6.5	65,450	2.7	25,387	(30.6)
FY2010	820,068	(0.2)	63,231	(5.2)	63,705	(7.4)	36,600	(12.8)

	Net income per share	Net income per share (diluted)
FY2011	¥ 9,050.85	—
FY2010	¥ 13,048.20	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
FY2011	¥ million 1,318,354	¥ million 606,181	% 46.0	¥ 216,107.61
FY2010	1,311,411	597,655	45.6	213,068.03

(Reference) Equity : FY2011 606,181million yen FY2010 597,655million 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 moment. As a result of various factors that may arise in the future, actual results may differ from the Group's forecasts.
- Supplemental material on annual results will be uploaded on TDnet today, and will also be uploaded on our homepage. Presentation on annual results will be hold today. This report will be uploaded on our homepage soon.

3. The names of NTT DATA's products and services referred to on this report (including the attachment) are trademarks or registered trademarks of NTT DATA in Japan and other countries. The names of other companies etc., products, services, etc, are the trade names, trademarks, or registered trademarks of the companies etc. concerned.

Attachment

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1. Business Results

(1) Business Results

[1] Conditions during the Period

During the period 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 are several negative factors likely to cause the Japanese economy to further deteriorate, including power supply constraints, a further downturn of overseas economies hurt by Europe's debt crisis, and volatile fluctuations in exchange rates and stock prices.

In the information service industry, companies in general are continuing to curtail IT investments by reducing their system maintenance and operation costs. In addition, IT investments may be further reduced due to the effects on the Japanese economy on issues such as the electricity supply, the downward movement of overseas economies, and the continued appreciation of the yen.

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.

Along with the expansion of the global business, we have changed our corporate logo design into a new, globally integrated one in order to further enhance the presence of the NTT DATA Brand in the global market while promoting the consolidation and restructuring of the global business focusing on the five regions and one solution.

< Strengthening of service provision capability >

- To promote companywide provision of new services, we also established the M2M¹ 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. We have decided to start offering "Xrosscloud," a new series of M2M total solutions that provides a variety of services ranging from cloud platforms to consulting.
- In order to strengthen solutions in the area of Business Analytics², we have mainly focused on the business of development and sales of package software, as well as application development and analysis consulting. We also acquired a controlling interest in Mathematical Systems Inc., which has advanced data analysis technologies and highly skilled resources.

< Group businesses enhancement and expansion >

- We acquired management control of an Italian company Value Team S.p.A. (The trade name was changed to NTT DATA Italia S.p.A. as of April 2, 2012.) The company has strengths in areas such as IT consulting and system development primarily in the telecoms, utilities (energy) manufacturing, and financial (banking and insurance) fields in Italy, and is also developing business actively in Brazil and Turkey.

- We have promoted the consolidation and restructuring of our overseas group companies for the purpose of establishing an operating structure that can globally support our client companies which are rapidly expanding their global presence, creating a system to enable the fast provision of services to global and local clients and strengthening our brand overseas. We have launched a new operational structure, with NTT DATA, Inc. as a leader in the Americas, NTT DATA EMEA Ltd. as a leader in the EMEA region and NTT DATA (CHINA) Co., Ltd. as a leader in China.

< Environment-oriented management >

- We have begun to cooperate with NEC Corporation, Hitachi, Ltd., KANEMATSU CORPORATION, Saitama City and the CHAdeMO Association³ on standardizing the ID system for IC cards that are used to authenticate the users of electric vehicle chargers. In addition, we conducted field tests of online interconnection among the three network certification business operators for the first time in Japan, using the plug-in infrastructure for electric vehicles developed by Saitama City.

- We developed the first commercial feed system in Japan using the next-generation High Voltage Direct Current (“HVDC”), which can make power 10 to 20 percent more efficient compared with alternating-current feed systems. This system has begun to operate as an internal system in Japan Radio Co., Ltd.

Notes:

1. 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.

2. Business Analytics:

An approach used for management decision-making of organizations in order to make optimal use of the vast amounts of data inside and outside of them by incorporating sophisticated analysis, such as data mining and mathematical optimization, to discover hidden relationships among the various data and forecast possible future eventualities.

3. CHAdeMO Association:

An organization that promotes the spread and international standardization of quick charging based on the CHAdeMO method with cooperation from automakers, charger manufacturers, other companies, the administration and various groups.

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.

< Public & Financial IT Services >

- “The 6th Generation Zengin System” began operations on the Japanese Banks’ Payment Clearing Network. We have achieved further sophistication of functionality while still sustaining stable operations.
- We have integrated the systems of the Senshu Ikeda Bank, Ltd. at the NTT DATA Regional Bank Integrated Services Center. STELLA CUBE launched services for The Tokyo Tomin Bank, Limited. Meanwhile, we decided to provide “BeSTAcLoud,” new critical services for financial institutions, and signed a master agreement on the utilization of these services with FIDEA Holdings Co. Ltd.

< Global IT Services >

- NTT DATA commenced provision of TISAFYS, an application management outsourcing (AMO)¹ 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.
- We made an agreement with Kirin Business System Company, Limited, a subsidiary of Kirin Holdings Company, Limited, to form a capital alliance in order to support them in achieving a competitive advantage in the food and beverage industry while utilizing IT to contribute to enhancing their business competitiveness as a partner in innovation.
- NTT DATA Bizintegral Corporation started to offer six new services including “Biz ∫ Accounting” and “Biz ∫ Sales Management System.”

< Solutions & Technologies >

- We started to offer “BizXAAS BCP/DR Consulting Service,” which assists the Business Continuity Planning (BCP) and Disaster Recovery (DR)² of companies, as a data solution that supports cloud computing.
- To satisfy the needs of Japanese companies for geographically dispersing data centers as part of the Business Continuity Planning (BCP) and disaster-preparedness measures, the Company has reached a basic agreement with LG CNS Co., Ltd. of South Korea on collaborations in the data center field, for example, by providing their data centers and related solutions to each other.

Notes:

1. Application management outsourcing (AMO) :

An outsourcing service for the operation and maintenance of applications.

2. Disaster Recovery:

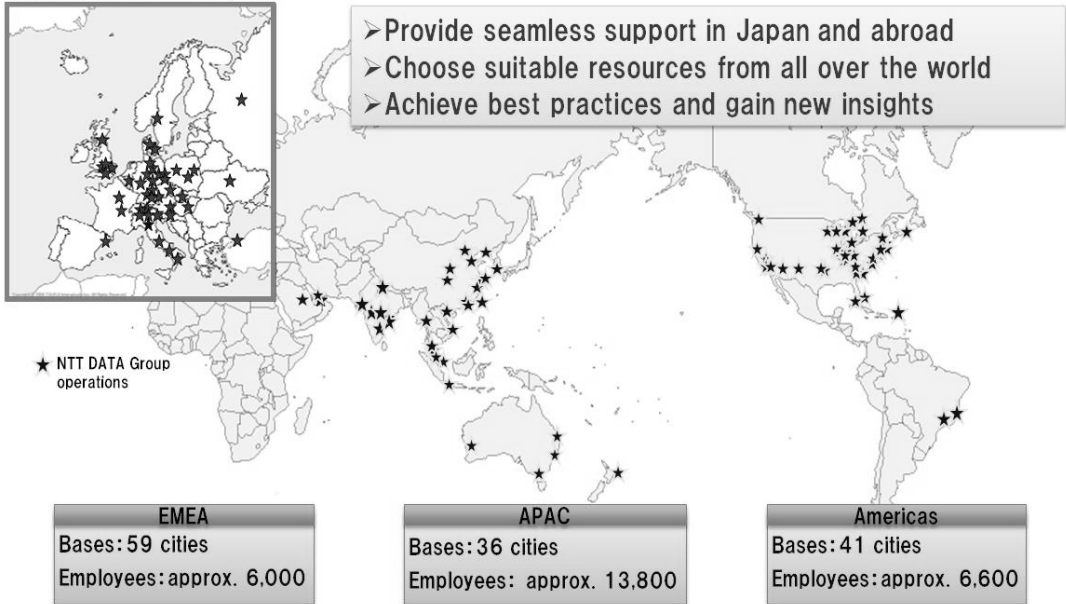
Recovery measures for IT and telecommunications for system from such as natural disasters.

In addition to the above efforts, NTT DATA TOHOKU Corporation has established Ishinomaki Business Center in Ishinomaki City, Miyagi Prefecture with the aim of creating employment in the areas seriously affected by the Great East Japan Earthquake.

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.

Approx. 26,400 persons deployed in 136 cities in 35 countries outside of Japan

(As of March 31, 2012)



Other matters

Global IT Service Company, a business segment that provides high-value-added IT services that support corporate business activities, changed its name to Enterprise IT Services Company as of April 1, 2012 in order to clarify its target market.

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

• New Orders Received	1,098.4 billion yen	(up 11.1% year-on-year)
• Net Sales	1,251.1 billion yen	(up 7.7% year-on-year)
• Operating Income	80.4 billion yen	(up 2.7% year-on-year)
• Ordinary Income	75.5 billion yen	(down 0.3% year-on-year)
• Income before Income Taxes	71.8 billion yen	(up 5.0% year-on-year)
• Net Income	30.4 billion yen	(down 18.4% 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 >

- Although net sales increased due to the effects of the expansion of consolidated subsidiaries, segment profit decreased as a result of recording impairment loss on fixed assets.
- Net sales in this segment totaled 783.5 billion (up 2.1% year-on-year), and segment profit was 56.0 billion (down 15.5%).

< Global IT Services >

- Both net sales and segment profit increased due to the expansion of the scale of the telecommunications business sales, the effects of the expansion of consolidated subsidiaries, and the improvement of the cost rate.
- Net sales in this segment totaled 427.0 billion (up 20.9% year-on-year), and segment loss was 7.8 billion.

< Solutions & Technologies >

- Net sales and segment profit both increased due to an increase in businesses commissioned from other segments and revenue from sold asset.
- Net sales in this segment totaled 169.2 billion (up 3.8% year-on-year), and segment profit was 13.4 billion (up 36.3%).

< Year-on-Year Changes by Business Segment >

(Unit: billion yen)

Description		FY2011	Share (%)	FY2012	Share (%)	Change (%)
Net Sales	Public & Financial IT Services	767.2	59.2	783.5	56.2	2.1
	Global IT Services	353.3	27.2	427.0	30.6	20.9
	Solutions & Technologies	163.0	12.6	169.2	12.2	3.8
	Others	13.1	1.0	13.9	1.0	5.9
	Adjustments	(134.9)	—	(142.6)	—	(5.7)
Total		1,161.9	—	1,251.1	—	7.7
Segment Profit	Public & Financial IT Services	66.3	88.6	56.0	72.2	(15.5)
	Global IT Services	(1.8)	2.5	7.8	10.1	—
	Solutions & Technologies	9.8	13.2	13.4	17.3	36.3
	Others	0.5	0.7	0.3	0.4	(39.0)
	Adjustments	(6.3)	—	(5.7)	—	10.2
Total		68.4	—	71.8	—	5.0

[2] Forecast for the Next Fiscal Year (Ending March 31, 2013)

Although enterprises in general are continuing to hold back on IT investments, for the fiscal year ending March 31, 2013, the NTT Data Group forecasts that net sales will increase to 1,280.0 billion yen from the current year, due to an increase in domestic sales followed by the increase in the number of consolidated subsidiaries, as well as to an increase in sales in overseas subsidiaries, mainly those in Europe.

Operating income is expected to increase to 85.0 billion yen from the current year, owing to favorable factors such as the ongoing improvement of the cost-to-sales ratio, the expansion of new projects, and the improvement of profit in consolidated subsidiaries, despite a temporary increase in SG&A expenses in line with structural reorganization.

The situation by segment is as follows.

< Public & Financial IT Services >

- Public & Financial IT Services is projected to achieve net sales¹ of 816.0 billion yen (including 804.0 billion yen of sales to external customers), representing a year-on-year increase of 32.4 billion yen. This is because of an increase in services for local governments and regional businesses as well as the growth of business with insurance, securities, and credit companies followed by an increase in the number of our consolidated subsidiaries, despite the decline of integrated IT services for banks.

- With regard to segment profit ², we forecast 62.0 billion yen (up by 5.9 billion yen year-on-year) due to the fact that there was no recurrence of temporary expenses recorded in the current year, and to an increase in profit affected by an increase in sales and the improvement of the cost-to-sales ratio.

< Enterprise IT Services >

- Enterprise IT Services is projected to achieve net sales totaling 414.0 billion yen (including 409.0 billion yen of sales to external customers), down by 13.0 billion yen year-on-year. The principal factor in this is that we have streamlined the customer attributes categories in certain overseas subsidiaries followed by the integration and restructuring of our global business. We project positive factors such as the growth of services for telecommunication, broadcasting, and utilities.

- We forecast segment profits of 10.0 billion yen (up by 2.1 billion yen year-on-year), mainly due to the improvement of the cost-to-sales ratio through a decrease in unprofitable projects.

< Solutions & Technologies >

- For Solutions & Technologies, we are forecasting net sales of 176.0 billion yen (including 66.0 billion yen of sales to external customers), up by 6.7 billion yen year-on-year, in anticipation of the expansion of demand for data centers, etc.

- We forecast a segment profit of 6.0 billion yen, representing a year-on-year decrease of 7.4 billion, mainly due to a decrease of temporary revenue recorded in the current year, despite an increase in profit affected by an increase in sales.

The Company forecasts capital expenditures of 133.0 billion for the next year at, almost at the same level as the current year.

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 general trends, we anticipate that progress of the year as a whole will recover to that of a normal year due to positive factors such as the ongoing improvement of the cost-to-sales ratio through reducing unprofitable projects and the expansion of new projects, as well as the improvement of profits of consolidated subsidiaries.

Results Forecast for the Next Fiscal Year

(Unit: billion yen)

Description	Net Sales	Operating Income	Ordinary Income	Net Income
FY2012	1,280.0	85.0	78.0	38.0
FY2011	1,251.1	80.4	75.5	30.4
Change (%)	2.3%	5.7%	3.2%	24.8%

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 operating activities decreased by 38.8 billion yen year-on-year, to 190.2 billion yen. The main factors behind this included an increase in payment of income taxes and a decrease in the collection of trade receivable.

Cash used in investing activities decreased by 125.7 billion yen year-on-year, to 159.8 billion yen, mainly due to a decrease in payment for purchasing consolidated subsidiaries and decline of capital expenditures.

Consequently, free cash flow increased by 86.8 billion yen year-on-year, to 30.4 billion yen.

Cash used in financial activities totaled 65.9 billion yen, attributable primary to the outflow of redemption of corporate bonds and the repayment of long-term loans payable.

As a net result of these developments, the balance of cash and cash equivalent at the end of fiscal year decreased by 37.4 billion yen from the end of the previous fiscal year, to 161.1 billion yen.

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

Indicator	FY2008	FY2009	FY2010	FY2011
Equity ratio (%)	44.4	45.7	41.0	41.1
Fair value equity ratio (%)	58.8	68.3	49.1	55.3
No. of years for debt redemption (Years)	1.4	1.1	1.8	2.0
Interest coverage ratio (Times)	48.4	55.4	43.0	33.2

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 pressure for price reduction 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 related to systemic changes in society

The NTT DATA Group's business may have been affected by wide range of factors, including social infrastructure, such as electric power and telecommunications, and by aspects of the legal system, such as taxes and various regulations. It is possible that these factors will be significantly changed by circumstances beyond our control and if such change occurs, it may impact the NTT DATA Group's business results and

financial condition.

[4] 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 growing presence within the Group. The Group's overseas business is impacted by a diversity of factors, including 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 international politics. Should any risks relating to these factors materialize, they may impact the NTT DATA Group's business results and financial condition.

[5] 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.

[6] 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 compensation for our customers 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.

[7] 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.

[8] 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.

[9] 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.

[10] 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.

[11] 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.

[12] 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.

[13] 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 or else 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 223 subsidiaries and 20 affiliates [at March 31, 2012]) 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 NCB Corporation

NTT DATA Getronics Corporation

XNET Corporation

JBIS Holdings, Inc.

51 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
NTT DATA International Services, Inc.
NTT DATA, Inc.
Value Team S.p.A.

142 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

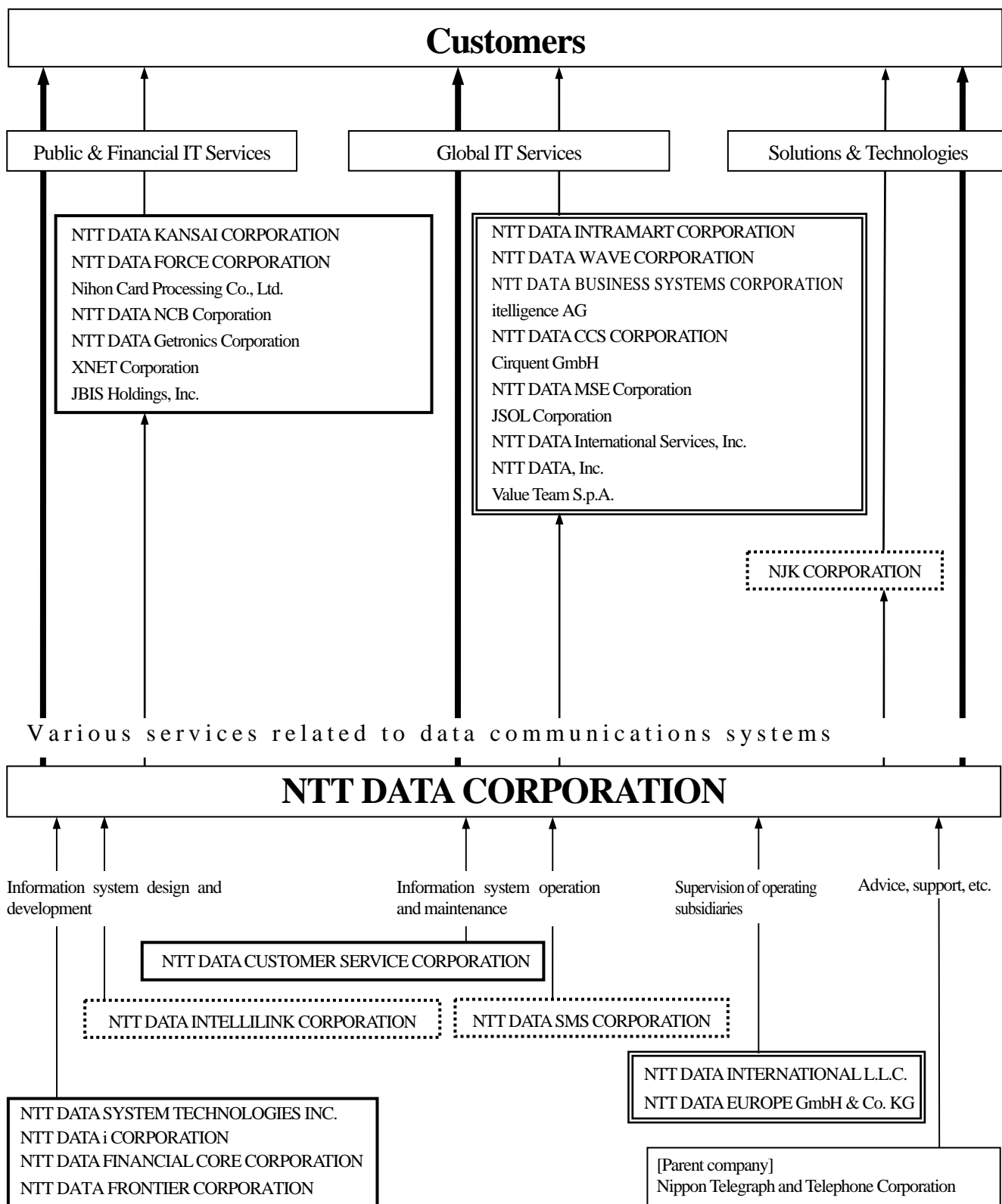
NTT DATA SMS CORPORATION
NTT DATA INTELLILINK CORPORATION
NJK CORPORATION

14 other companies

Others

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

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. NTT DATA International Services, 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..
5. Value Team S.p.A. is 100.0%-owned subsidiary of NTT DATA EUROPE GmbH & Co. KG.
6. For subsidiaries and affiliates that are engaged in businesses in multiple segments, the segment which accounts for the greatest portion of sales is listed.

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 are conducting management aimed at creating a corporate fabric that is capable of generating a stable profit flow by means of sustainable growth.

(2) Issues Requiring Attention and Medium- to Long-Term Corporate Strategies

Although IT investments in Japan are ceasing their fall, it is expected that they will remain restrained. Meanwhile, global IT investments, mainly in emerging markets, are expected to continue on a strong trend. Given that our customers are accelerating their movement into the global market, the NTT DATA Group needs to expand its businesses in the global market.

In the IT service market in Japan, due to the diversification and sophistication of the needs of society and our customers, there is an increasing demand for services which can be used as necessary without owning a system, as well as services that match the expectations for price reduction and shorter delivery periods. Therefore, the issue that the NTT DATA Group needs to work on is the expansion of diverse IT services that can respond to changes in the market rather than a business structure that depends on system integration.

The NTT DATA Group has rapidly expanded its size through measures such as capital alliances. In order to take advantage of its larger size, the Group must enhance corporate governance, after which it must promote more efficient utilization of resources and the creation of synergy from the perspective of group-wide optimization.

For the abovementioned issues, the NTT DATA Group has formulated and will implement the Medium-Term Management Plan for 2012 through 2015 as follows.

- Expansion of new fields and reinforcement of product competitiveness

In response to our customers' expectations of price reduction, the NTT DATA Group will work on broadening solutions to reduce IT costs, such as cloud computing and AMO, while seeking to sophisticate and diversify the services provided in response to the need of customers to apply IT to more advanced and complicated business operations, such as business analytics and core business BPO. In addition, the Group will aim to upgrade and expand businesses that bring sustainable growth to our revenue by developing new businesses, such as M2M clouds and robotics, and by using its resources in areas with the potential for growth in existing businesses and for increase in the market share.

The Group will also invest aggressively in expanding new businesses and strengthening product competitiveness, through such measures as improvement of software production technology (software development automation) and the R&D of advanced technologies in cooperation with universities and other organizations.

- Expansion, enhancement and reinforcement of global business

The NTT DATA Group will aim to cover uncharted areas in order to support customers' entries into the global market and provide services to overseas markets with growth potential. Moreover, the Global One Team will share our core solutions, such as SAP and telecoms, to further enhance and reinforce global businesses.

- Pursuit of overall optimization

The NTT DATA Group will work on improving operational efficiency by leveraging the size of our businesses, which was achieved through the global-level standardization, streamlining, and intensification of business operations, as well as reorganization and consolidation of group companies and organizations. The Group will promote further growth through resource allocation based on business portfolios which can respond to the rapidly changing environment.

(3) Management Indicators Used in Defining Goals

The NTT DATA Group will work for further growth and increases in profit and continue to aim to achieve the level equivalent to the Global Top 5. Specifically, the Group will aim to record earnings per share (EPS) of 20,000 yen for the period ending March 31, 2016.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2011	As of March 31, 2012
ASSETS		
Current Assets		
Cash on hand and at banks	168,558	140,827
Notes receivable and accounts receivable	240,870	273,737
Lease receivables	9,326	17,469
Short-term investment securities	32,000	22,160
Inventories	28,643	25,811
Deferred income taxes	15,247	14,733
Other current assets	46,683	47,644
Allowance for doubtful accounts	(961)	(1,975)
Total Current Assets	540,368	540,408
Non-Current Assets		
Property and Equipment		
Data communication facilities, net	127,559	116,800
Buildings and structures, net	102,152	100,443
Machinery, equipment and vehicles, net	16,389	16,779
Furniture, fixtures and tools, net	14,736	14,697
Land	50,807	50,814
Lease assets, net	4,845	4,262
Construction in progress	32,533	18,223
Total Property and Equipment	349,024	322,021
Intangible Assets		
Software	218,510	232,607
Development costs of software in progress	74,062	63,039
Goodwill	117,907	133,807
Lease assets	576	374
Other intangible assets	49,861	51,844
Total Intangible Assets	460,918	481,673
Investments and Other Assets		
Investments in securities	29,222	37,899
Deferred income taxes	54,392	53,510
Other assets	35,298	40,163
Allowance for doubtful accounts	(608)	(782)
Total Investments and Other Assets	118,305	130,791
Total Non-Current Assets	928,248	934,485
TOTAL ASSETS	1,468,617	1,474,894

Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2011	As of March 31, 2012
LIABILITIES		
Current Liabilities		
Accounts payable	81,107	82,125
Short-term borrowings	9,107	12,574
Commercial papers	—	20,000
Current portion of long-term debt	23,844	2,738
Current portion of bonds payable	30,264	283
Obligation under capital leases	4,758	3,128
Accounts payable-other	17,847	19,809
Income taxes payable	21,233	15,111
Advances received	120,284	123,882
Allowance for contract losses	3,912	1,405
Asset retirement obligations	320	278
Other current liabilities	49,994	69,128
Total Current Liabilities	362,676	350,465
Non-Current Liabilities		
Bonds payable	250,104	250,071
Long-term debt	90,970	86,005
Obligation under capital leases	5,420	5,470
Deferred tax liabilities	16,270	17,393
Provision for retirement benefits	95,147	109,766
Provision for retirement allowances to directors and statutory auditors	997	1,221
Asset retirement obligations	1,437	1,442
Other non-current liabilities	15,275	13,306
Total Non-Current Liabilities	475,623	484,678
TOTAL LIABILITIES	838,299	835,143
NET ASSETS		
Shareholders' equity		
Common Stock	142,520	142,520
Capital Surplus	139,300	139,300
Retained Earnings	338,550	352,186
Total Shareholders' equity	620,370	634,006
Accumulated other comprehensive income		
Unrealized Gains on Investment Securities, Net of Taxes	(67)	(140)
Deferred gains and losses on hedge	234	(138)
Translation adjustments	(13,144)	(21,046)
Pension liability adjustments	—	(478)
Other Accumulated other comprehensive income	(5,790)	(6,492)
Total Accumulated other comprehensive income	(18,768)	(28,296)
Minority Interests in Consolidated Subsidiaries	28,716	34,041
TOTAL NET ASSETS	630,317	639,750
TOTAL LIABILITIES AND NET ASSETS	1,468,617	1,474,894

(2) Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
Net Sales	1,161,962	1,251,177
Cost of Sales	882,329	941,881
Gross Profit	279,632	309,295
Selling, General and Administrative Expenses	201,326	228,878
Operating Income	78,306	80,416
Non-Operating Income		
Interest income	655	377
Dividend income	906	546
Foreign exchange gains	—	896
Debt appraisal profit	253	1,510
Amortization of negative goodwill	2,302	—
Other non-operating income	3,175	2,889
Total Non-Operating Income	7,293	6,220
Non-Operating Expenses		
Interest expenses	5,465	5,598
Loss on retirement of non-current assets	1,421	1,576
Compensation for damage	62	1,500
Other non-operating expenses	2,870	2,374
Total Non-Operating Expenses	9,820	11,049
Ordinary Income	75,779	75,588
Extraordinary income		
Gain on valuation of debt	—	4,570
Gain on negative goodwill	—	3,377
Total Extraordinary income	—	7,948
Extraordinary loss		
Impairment loss of noncurrent assets	—	8,930
Impairment loss on goodwill	1,825	1,303
Loss on restructuring of subsidiaries and affiliates	—	1,139
Loss on disaster	449	281
Loss on valuation of investment securities	2,050	—
Loss on liquidation of subsidiaries and affiliates	1,998	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	985	—
Total Extraordinary loss	7,308	11,654
Income before Income Taxes	68,471	71,882
Income taxes-current	32,032	38,474
Income taxes-deferred	(2,092)	2,340
Total Income Taxes	29,940	40,815
Income before minority interests	38,531	31,066
Minority Interests in income/(loss)	1,217	620
Net Income	37,313	30,446

Consolidated Statements of Income and Comprehensive Income-continued

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
Minority Interests in income/(loss)	1,217	620
Income before minority interests	38,531	31,066
Other comprehensive income		
Valuation difference on available-for-sale securities	17	(72)
Deferred gains and losses on hedges	234	(373)
Translation adjustments	(5,599)	(7,937)
Pension liability adjustments	—	(478)
Share of other comprehensive income of associates accounted for using equity method	(16)	0
Other comprehensive income	720	(701)
Total Other comprehensive income	(4,642)	(9,562)
Comprehensive income	33,888	21,504
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	33,421	20,918
Comprehensive income attributable to minority interests	466	586

(3) Consolidated Statements of Shareholders' Equity

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
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	317,594	338,550
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net income	37,313	30,446
Change of scope of consolidation	474	—
Change of scope of equity method	(2)	20
Total	20,955	13,636
Ending balance of retained earnings	338,550	352,186
Total Shareholders' Equity		
Balance at end of previous term	599,414	620,370
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net income	37,313	30,446
Change of scope of consolidation	474	—
Change of scope of equity method	(2)	20
Total	20,955	13,636
Ending balance of shareholders' equity	620,370	634,006
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at end of previous term	(80)	(67)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	12	(72)
Total	12	(72)
Ending balance of Unrealized Gains on Investment Securities, Net of Taxes	(67)	(140)
Deferred gains and losses on hedge		
Balance at end of previous term	—	234
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	234	(373)
Total	234	(373)
Ending balance of Deferred gains and losses on hedge	234	(138)

Consolidated Statements of Shareholders' Equity-continued

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
Translation adjustments		
Balance at end of previous term	(8,285)	(13,144)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(4,859)	(7,902)
Total	(4,859)	(7,902)
Ending balance of Translation adjustments	(13,144)	(21,046)
Pension liability adjustments		
Balance at end of previous term	—	—
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	—	(478)
Total	—	(478)
Ending balance of Translation adjustments	—	(478)
Other Accumulated other comprehensive income		
Balance at end of previous term	(6,511)	(5,790)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	720	(701)
Total	720	(701)
Ending balance of Other valuation and translation adjustments	(5,790)	(6,492)
Total Accumulated other comprehensive income		
Balance at end of previous term	(14,877)	(18,768)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(3,891)	(9,528)
Total	(3,891)	(9,528)
Ending balance of Total valuation and translation adjustments	(18,768)	(28,296)
Minority interests		
Balance at end of previous term	30,629	28,716
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(1,913)	5,325
Total	(1,913)	5,325
Ending balance of Minority interests	28,716	34,041
Total Net Assets		
Balance at end of previous term	615,167	630,317
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net income	37,313	30,446
Change of scope of consolidation	474	—
Change of scope of equity method	(2)	20
Net Changes of items other than shareholders' equity	(5,804)	(4,203)
Total	15,150	9,432
Ending balance of Total net assets	630,317	639,750

(4) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
Cash Flows from Operating Activities		
Income before income taxes	68,471	71,882
Depreciation and amortization	152,257	148,327
Loss on retirement of non-current assets	6,309	11,394
Increase/(decrease) in provision for retirement benefits	4,754	7,582
Loss/(gain) on sales of investment securities	(385)	176
Loss/(gain) on valuation of investment securities	2,050	111
Interest expenses	5,465	5,598
Impairment loss of noncurrent assets	—	8,930
Gain on valuation of debt	—	(4,570)
Gain on negative goodwill	—	(3,377)
Loss on liquidation of subsidiaries and affiliates	1,998	—
(Increase)/decrease in accounts receivable	(1,562)	(11,488)
(Increase)/decrease in inventories	2,774	3,739
Increase/(decrease) in accounts payable	(7,580)	(5,394)
Increase/(decrease) in accrued consumption taxes	(613)	2,404
Others, net	28,086	2,524
Sub Total	262,026	237,840
Interest and dividends received	1,558	928
Interest paid	(5,326)	(5,737)
Income taxes (paid)/reimbursed	(29,180)	(42,783)
Net cash provided by operating activities	229,077	190,247
Cash Flows from Investing Activities		
Payments for acquisition of property and equipment	(65,958)	(48,145)
Payments for acquisition of intangible assets	(79,443)	(87,338)
Proceeds from sales of property and equipment	462	6,918
Payments for acquisition of securities	(3,318)	(378)
Proceeds from sales of securities	937	227
Payments for investments in subsidiaries resulting in change in scope of consolidation	(132,253)	(29,110)
Proceeds from investments in subsidiaries resulting in change in scope of consolidation	114	116
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(598)	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	26
Decrease/(Increase) in time deposits, net	(3,920)	102
Payments for transfer of business	(819)	(2,710)
Payments for investments in subsidiaries	(1,759)	(1,842)
Others, net	1,012	2,293
Net cash used in investing activities	(285,545)	(159,840)

Consolidated Statements of Cash Flows-continued

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	99,684	97
Redemption of bonds at maturity	(30,300)	(30,305)
Proceeds from long-term debt	88,514	609
Repayments of long-term borrowings	(18,477)	(33,662)
Increase/(decrease) in commercial paper, net	—	20,000
Increase/(decrease) in short-term borrowings, net	(8,604)	(2,658)
Repayment of obligation under capital leases	(8,076)	(3,058)
Cash dividends	(16,832)	(16,827)
Cash dividends to minority shareholders	(1,373)	(512)
Proceeds from stock issuance to minority shareholders	421	461
Others, net	(70)	(102)
Net cash used in financing activities	104,885	(65,957)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,930)	(2,147)
Net Increase/(Decrease) in Cash and Cash Equivalents	46,486	(37,698)
Cash and Cash Equivalents at Beginning of Year	152,120	198,606
Increase in cash and cash equivalents from newly consolidated subsidiary	—	202
Cash and Cash Equivalents at End of Year	198,606	161,110

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2011	As of March 31, 2012
ASSETS		
Current Assets		
Cash on hand and at banks	114,828	80,054
Notes receivable	93	16
Accounts receivable-trade	152,418	151,955
Accounts due	30,623	11,445
Lease receivables	38	1,850
Lease investment assets	6,026	12,019
Short-term investment securities	30,000	20,000
Inventories	21,990	15,555
Advance payments-trade	55	13
Prepaid expenses	9,948	10,427
Deferred income taxes	7,265	6,938
Short-term loans receivable from subsidiaries and affiliates	11,264	14,794
Other current assets	15,351	12,989
Allowance for doubtful accounts	(107)	(100)
Total Current Assets	399,798	337,960
Non-Current Assets		
Property and Equipment		
Data communication facilities, net	117,115	114,457
Buildings, net	76,799	89,048
Structures, net	2,368	2,341
Machinery and equipment, net	13,724	12,959
Furniture, fixtures and tools, net	9,083	8,462
Land	48,767	48,229
Lease assets, net	2,068	895
Construction in progress	32,112	16,390
Total Property and Equipment	302,041	292,784
Intangible Assets		
Software	192,291	220,084
Development costs of software in progress	69,200	62,479
Lease Assets	26	35
Other intangible assets	2,214	2,178
Total Intangible Assets	263,733	284,777

Non-Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2011	As of March 31, 2012
Investments and Other Assets		
Investments in securities	23,668	23,301
Stocks of subsidiaries and affiliates	160,621	70,571
Investments in other securities of subsidiaries and affiliates	—	18,000
Investments in capital	122	103
Investments in capital of subsidiaries and affiliates	71,829	199,094
Long-term loans receivable	540	540
Long-term loans receivable from subsidiaries and affiliates	33,210	36,303
Claims provable in bankruptcy, claims provable in rehabilitation and other	139	240
Long-term prepaid expenses	4,257	6,604
Fixed leasehold deposits	17,473	15,746
Deferred income taxes	32,863	31,072
Other assets	1,568	1,821
Allowance for doubtful accounts	(456)	(568)
Total Investments and Other Assets	345,837	402,831
Total Non-Current Assets	911,613	980,394
TOTAL ASSETS	1,311,411	1,318,354
LIABILITIES		
Current Liabilities		
Accounts payable-trade	70,410	64,199
Short-term borrowings	7,000	7,000
Commercial papers	—	20,000
Current portion of long-term loans payable	—	1,641
Current portion of bonds payable	29,999	—
Obligation under capital leases	2,514	500
Accounts payable-other	12,478	12,667
Accrued expenses	8,486	8,736
Income taxes payable	14,839	9,370
Accrued consumption taxes	3,361	5,065
Advances received	111,673	111,026
Deposits received	52,986	63,518
Allowance for contract losses	3,458	1,056
Asset retirement obligations	229	130
Other Current Liabilities	—	1,450
Total Current Liabilities	317,437	306,365

Non-Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2011	As of March 31, 2012
Non-Current Liabilities		
Bonds payable	249,929	249,941
Long-term debt	88,102	79,535
Long-term loans payable to subsidiaries and affiliates	—	14,797
Obligation under capital leases	1,749	1,284
Provision for retirement benefits	53,164	55,907
Asset retirement obligations	662	639
Other non-current liabilities	2,709	3,702
Total Non-Current Liabilities	396,318	405,807
TOTAL LIABILITIES	713,756	712,173
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	—	1,633
General reserve	268,000	288,000
Retained earnings	45,339	32,264
Total Retained Earnings	315,627	324,185
Total Shareholders' equity	597,447	606,005
Valuation and translation adjustments		
Unrealized Gains on Investment Securities, Net of Taxes	(39)	176
Deferred gains or losses on hedges	248	—
Total valuation and translation adjustments	208	176
TOTAL NET ASSETS	597,655	606,181
TOTAL LIABILITIES AND NET ASSETS	1,311,411	1,318,354

(2) Non-Consolidated Statements of Income

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
Net Sales	820,068	812,011
Cost of Sales	641,877	624,618
Gross Profit	178,190	187,392
Selling, General and Administrative Expenses	114,958	120,053
Operating Income	63,231	67,339
Non-Operating Income		
Interest income	575	980
Dividend income	3,397	2,967
Gain on investments in silent partnership	2,853	1,496
Other non-operating income	1,914	1,873
Total Non-Operating Income	8,740	7,318
Non-Operating Expenses		
Interest and bond issue expenses	633	1,581
Interest on bonds	3,861	3,459
Compensation for damage	51	1,498
Loss on repurchase of noncurrent assets	—	1,060
Loss on retirement of noncurrent assets	1,075	732
Loss on valuation of investment securities	1,850	88
Other non-operating expenses	795	785
Total Non-Operating Expenses	8,267	9,206
Ordinary Income	63,705	65,450
Extraordinary income		
Gain on sales of land	—	4,570
Total extraordinary income	—	4,570
Extraordinary loss		
Impairment loss of noncurrent assets	—	8,886
Loss on valuation of stocks of subsidiaries and affiliates	—	6,001
Loss on restructuring of subsidiaries and affiliates	—	622
Loss on disaster	408	242
Loss on sales of stocks of subsidiaries and affiliates	2,747	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	565	—
Total extraordinary loss	3,721	15,752
Income before Income Taxes	59,983	54,269
Income taxes-current	22,562	26,719
Income taxes-deferred	821	2,162
Total Income Taxes	23,383	28,881
Net Income	36,600	25,387

(3) Non-Consolidated Statements of Shareholders' Equity

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
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		
Reserve for reduction entry		
Balance at end of previous term:	—	—
Increase (Decrease) during the term:		
Provision of reserve for reduction entry	—	1,633
Total	—	1,633
Ending balance of special tax purpose reserve	—	1,633
Special tax purpose reserve		
Balance at end of previous term:	74	—
Increase (Decrease) during the term:		
Reversal of special tax purpose reserve	(74)	—
Total	(74)	—
Ending balance of special tax purpose reserve	—	—

Non-Consolidated Statements of Shareholders' Equity-continued

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
General reserve		
Balance at end of previous term	242,000	268,000
Increase (Decrease) during the term:		
Reserve for General reserve	26,000	20,000
Total	26,000	20,000
Ending balance of general reserve	268,000	288,000
Retained earnings brought forward		
Balance at end of previous term	51,495	45,339
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Provision of reserve for reduction entry	—	(1,633)
Reversal of special tax purpose reserve	74	—
Reserve for General reserve	(26,000)	(20,000)
Net income	36,600	25,387
Total	(6,155)	(13,075)
Ending balance of Retained earnings brought forward	45,339	32,264
Total Retained Earnings		
Balance at end of previous term	295,857	315,627
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Provision of reserve for reduction entry	—	—
Reversal of special tax purpose reserve	—	—
Reserve for General reserve	—	—
Net income	36,600	25,387
Total	19,770	8,557
Ending balance of total retained earnings	315,627	324,185
Total Shareholders' equity		
Balance at end of previous term	577,677	597,447
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net income	36,600	25,387
Total	19,770	8,557
Ending balance of total retained earnings	597,447	606,005

Non-Consolidated Statements of Shareholders' Equity-continued

(Unit: ¥ million)

	FY ended 31, March 2011	FY ended 31, March 2012
Valuation and translation adjustments		
Unrealized Gains on Investment Securities, Net of Taxes		
Balance at end of previous term	147	(39)
Increase (Decrease) during the term		
Net Changes during the term in items other than those in shareholders' equity	(187)	216
Total	(187)	216
Ending balance of Unrealized Gains on Investment Securities, Net of Taxes	(39)	176
Deferred gains and losses on hedge		
Balance at end of previous term	—	248
Increase (Decrease) during the term		
Net Changes during the term in items other than those in shareholders' equity	248	(248)
Total	248	(248)
Ending balance of Deferred gains and losses on hedge	248	—
Total valuation and translation adjustments		
Balance at end of previous term	147	208
Increase (Decrease) during the term		
Net Changes during the term in items other than those in shareholders' equity	60	(31)
Total	60	(31)
Ending balance of Total valuation and translation adjustments	208	176
Total Net Assets		
Balance at end of previous term	577,824	597,655
Increase (Decrease) during the term		
Cash dividends from surplus	(16,830)	(16,830)
Net income	36,600	25,387
Net Changes during the term in items other than those in shareholders' equity	60	(31)
Total	19,831	8,526
Ending balance of Net Assets	597,655	606,181