Note;This document is in English translation of "Kessan Tanshin" for the final Quarter of the Fiscal Year Ending March 31, 2014 and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation of it, the Japanese version will govern.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2014

May 8, 2014

Company name	: NTT DATA CORPORATION
Stock exchange on which the Company's shares are listed	: Tokyo Stock Exchange 1st Section
Code number	: 9613
URL	: http://www.nttdata.com/
Contacts Company representative	: Toshio Iwamoto, President and Chief Executive Officer
Person in charge	: Keisuke Kusakabe, Senior Executive Manager, Investor Relations and Finance Office Tel.: (03)5546-9962
Scheduled date of the ordinary general meeting of shareholders	: June 18, 2014
Scheduled date of dividend payment	: June 19, 2014
Scheduled date of filing securities report	: June 19, 2014
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 FY2013 (From April 1, 2013 to March 31, 2014)

(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	%
FY2013	1,343,772	3.2	62,583	(27.0)	62,153	(24.1)	23,287	(46.5)
FY2012	1,301,941	4.1	85,696	6.6	81,870	8.3	43,517	42.9

Note: Comprehensive income: FY2013 54,612million yen ((14.6)%) FY2012 63,937million yen (197.3 %)

	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)
	¥	¥	%	%	%
FY2013	83.02	—	3.5	3.9	4.7
FY2012	155.14	—	6.9	5.5	6.6

Note: Equity in net income(losses) of affiliates: FY2013 227million yen FY2012 113million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2013	1,689,940	709,818	40.1	2,412.92
FY2012	1,524,309	684,207	42.7	2,321.97

Note: Equity: FY2013 676,824million yen FY2012 651,312million 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
FY2013	234,524	(189,687)	(19,345)	207,213
FY2012	161,327	(115,044)	(35,667)	176,963

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			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2012	—	3,000	—	3,000	6,000	16,830	38.7	2.5
FY2013	—	3,000	—	30.00	—	16,830	72.3	2.4
FY2014 (Forecasts)	—	30.00	—	30.00	60.00		45.5	

Notes: Dividends before the second quarter of the fiscal year ending March 31, 2014 are figures before the stock split was conducted at a ratio of 1:100 with the effective date of October 1, 2013.

3. Forecasts of Consolidated Results for FY2014 (From April 1, 2014 to March 31, 2015)

(% 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	%	¥
FY2014	1,460,000	8.6	85,000	35.8	75,000	20.7	37,000	58.9	131.90

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

(2) Changes in accounting policies, changes in accounting estimates and restatements
1) Changes in accounting policies due to revisions of accounting standards etc : Yes
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 (inclusive of treasury stock) FY2013 280,500,000shares FY2012 280,500,000shares
2) Number of treasury stock FY2013 －shares FY2012 －shares
3) Average number of shares over period FY2013 280,500,000shares FY2012 280,500,000shares
Note: The Company conducted the stock split for each common share at a ratio of 1:100 with the effective date of October 1, 2013. Number of shares was computed under the assumption that the stock split had been conducted in the beginning of the previous fiscal year in the consolidated financial reporting.

(Reference) Summary of non-consolidated financial results

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

1. Non-Consolidated Financial Results for FY2013 (From April 1, 2013 to March 31, 2014)

(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	%
FY2013	782,865	(4.3)	47,749	(33.9)	55,365	(24.6)	33,645	(26.3)
FY2012	818,036	0.7	72,258	7.3	73,433	12.2	45,661	79.9

	Net income per share	Net income per share (diluted)
	¥	¥
FY2013	119.95	―
FY2012	162.79	―

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2013	1,443,598	653,997	45.3	2,331.54
FY2012	1,352,363	636,043	47.0	2,267.54

(Reference) Equity : FY2013 653,997million yen FY2012 636,043million yen

* 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

1. 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. For details please refer to "[2] Forecast for the Next Fiscal Year (Ending March 31, 2015)" in " (1) Business Results " of "1. Business Results" section on page 10.
2. Following the Company's Board of Directors' resolution held on May 8, 2013 for a stock split and adoption of a unit share system, the Company conducted the stock split for each common share at a ratio of 1:100 and adopted the unit share system, which set a share-trading unit as 100 shares. Consequently, net income per share and net assets per share were calculated on the assumption that this stock split was conducted at the beginning of the previous consolidated fiscal year and the previous fiscal year.
3. Supplemental material on quarterly results will be uploaded on TDnet today, and will also be uploaded on our homepage. Presentation on quarterly results will be held today. This report will be uploaded on our homepage soon.

4. 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, products, services, etc, are the trade names, trademarks, or registered trademarks of the companies concerned.

Attachment

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1. Business Results

(1) Business Results

[1] Conditions during the Period

During the current consolidated fiscal year under review, Japan's economy moderately recovered with a continuous improvement in corporate profitability as well as a pick-up in capital investment. Its economy down the track is expected to maintain moderate growth despite consumers' buying binge ahead of a consumption tax hike and a likely subsequent decline in their spending after the hike. Nevertheless, the downturn in overseas economies represents a major factor that could serve to weaken the Japanese economy.
In the information services industry, the market indicated moderate recovery thanks to the promotion of IT investment to respond to various system renewal projects that had previously been suspended, as well as to the preparations for international expansion by financial institutions, manufacturing sector and distribution & services providers. Nonetheless, a need to subdue system maintenance and management costs as well as severe price competition will still remain.

Implementation of management policies

Under such circumstances, the NTT DATA Group formulated the Medium-term Management Plan for the fiscal Years 2012 to 2015, with the aim of "becoming a Global Top 5 player (over 1.5 trillion yen in net sales)" and "achieving an EPS of 200 yen" (Note 1) by evolving into a corporate group that can efficiently provide diverse IT services worldwide. In line with this plan, we are concentrating on the plan's primary strategies, namely "Expansion of New Fields and Reinforcement of Product Competitiveness", "Expansion, Enhancement and Reinforcement of Global Business" and "Pursuit of Overall Optimization". Examples of specific action taken are as follows.

・"Expansion of New Business Fields and Reinforcement of Product Competitiveness"

We increased net sales whose growth rate exceeded the market growth rate by capturing opportunities to enter the market resulting from recent years' changes in the business environment and ICT, and also promoted remarketing by creating an unprecedented market while predicting clients' needs in advance by making the best use of the latest technology. For examples of specific action taken during the current consolidated fiscal year under review, please see "Implementation of business activities" on page 3.

Through the complete automation in development operation, we promoted innovation of product technology to achieve sophistication and speed in product development, as well as strategic R&D by assessing important future technology in light of the direction of the information society. For examples of specific action taken during the current consolidated fiscal year under review, please see "Progress of technical development" on page 5.

・"Expansion, Enhancement, and Reinforcement of Global Business"

We turned the everis Group of Spain into a wholly-owned subsidiary of our group. The everis Group is an IT service provider, whose business is widely ranging from consulting, system integration, to outsourcing, mainly in Spain and Central and South America. Furthermore, NTT DATA, Inc., our U.S. subsidiary, has concluded a business combination with Optimal Solutions Integration, Inc. (NTT DATA Enterprise Services, Inc. was renamed from its Optimal Solutions Integration, Inc. on March 31, 2014), the major provider in North America focused exclusively on SAP solutions and services, and thereby the leading SAP

provider has become a wholly owned subsidiary of our group.

・“Pursuit of Overall Optimization”
With the "Group Management Infrastructure", the internal system that we have developed for effective group management, we realize optimal placement of management resources.
Through effective usage of this system, we aim to speed up our business management, improve information accuracy for decision making, and exercise the group synergy effect.

・Activities to promote “Diversity & Inclusion”(Note 2) that we were working on as our important management issue won the Basic Achievement Award at the 2014J-Win Diversity Awards (Company Award) presented by the Japan Women’s Innovative Network, a nonprofit organization.

Notes:
1. EPS of 20,000 yen
EPS was changed from 20,000 yen to 200 yen by the stock split (at a ratio of 1:100) effective on October 1, 2013.
2. Diversity & Inclusion (D&I)
D&I means to “accept diverse human resources and make use of their skills”. D&I is an idea to demonstrate abilities and create new things through mutual understanding and respect, which will lead to the enhancement of competitiveness and sustainable growth of companies.

Implementation of business activities

Through the above measures, we strove to expand businesses in the global market in order to cope with clients’ acceleration of business expansion into the global market and meet their diversified and sophisticated needs. We also made efforts to expand diverse IT services in response to market changes and stably provide such services.
The following sections present descriptions of efforts made in each of its segments.

< Public & Financial IT Services >
・We concluded and signed an initial agreement with the Vatican Apostolic Library for the project of digitally archiving and preserving manuscripts for a long time that can be called human historical legacies consisting of approximately 80,000 manuscripts with approximately 40 million pages that were written from the second century to the 20th century and are kept in the Vatican Apostolic Library (an agreement to digitalize approximately 3,000 manuscripts in four years).

・Among exports of Japanese infrastructure solutions, we started offering services of systems (VNACCS/VCIS) in Vietnam that realized the efficiency of administrative procedures relating to trade procedure and customs clearance systems such as import/export declaration and clearance inward/outward, and other matters in Vietnam using expertise on Japan’s NACCS(Note 1) and CIS(Note 2).

・Among infrastructure exports promoted by the Japanese government as part of Official Development Assistance (ODA), we received an order to develop software for an account settlement system of the Central Bank of Myanmar.

・We have become the first Japanese company to join the Asian Payment Network (APN), an organization that aims to develop a common payment settlement system in the Asia-Pacific region. In collaboration with other member companies of the APN in countries of the Asia-Pacific region, we started considering the Asian retail settlement business.

< Enterprise IT Services >

・We have been promoting a project as a partner company (integrator) on the development of the smart meter operation management system for Tokyo Electric Power Company, Incorporated ("TEPCO"). The systems will control and manage smart meters that are scheduled to be installed in 27 million households in the region covered by TEPCO. In addition, the systems will be used as an information management base for the introduction of various new services following the deregulation of the Japanese electric power market, such as the Visualization Service of electricity consumption, that are currently being studied.

・Since we started offering the "Twitter Data Distribution Service", we have been promoting activities to utilize and spread social media, such as studies of purchasing behaviors through the utilization of Twitter data in news reports and Twitter data analysis, and collaborative work with Oracle Corporation Japan in the initiative for analyzing Big Data. Furthermore, we developed the "Twitter Sentiment Index" jointly with our subsidiary NTT DATA Mathematical Systems Inc., which analyzes the relationship between Twitter users' sentiments and a stock index by extracting and quantifying Tweet related to the stock market.

< Solutions & Technologies >

・Following the recent rapid penetration of smartphones and tablets, we launched the "BIZXAAS CRM" that enhanced the smart device function based on the previous SFA/CRM solutions. In addition to the improvement in smart device function, it became possible to provide a smart device terminal together with management software, as well as to support operations management.

・In a Cloud Services Brokerage, we launched the "Multiple Clouds Infrastructure Offering Service" and "Multiple Clouds Control Service". The former service is aimed at selecting and offering optimal cloud architecture, while the latter provides a service for integrated control and administration by combining multiple cloud computing systems. Our open source software (OSS) (Note 3), "Hinemos" (Note 4), has made it possible to create an integrated control infrastructure for elaborate administration of a multiple-cloud system environment.

< Global Business >

・In collaboration with the NTT Group, NTT DATA, Inc., our U.S. subsidiary, concluded large multi-year agreements on a wide range of operations, IT support and other services with the Texas Department of Transportation (the transportation bureau of Texas), Yum! Brands, Inc., a dining-out company that runs KFC and Pizza Hut in locations throughout the world, and other companies. NTT DATA, Inc. is currently offering services to them.

・NTT DATA Global Delivery Services Limited, an Indian base of our U.S. subsidiary NTT DATA, Inc., achieved Level 5, the highest level, in both development and services of the CMMI (Capability Maturity Model Integration)(Note 5) version 1.3, a model representing the maturity of organizations that engage in system development.

Notes:

1. Nippon Automated Cargo and Port Consolidated System (NACCS)

NACCS is an electronic application system used by public and private organizations which performs administrative procedures such as import and export declarations and port arrival and departure procedures for ships and aircraft, as well as private operations relating to import and export procedures.

2. Customs Intelligence Database System (CIS)

CIS is an information system through which all customs clearance records for imports and exports and information on importers and exporters are compiled centrally and used for customs screening.

3. OSS (Open Source Software)

Computer software with its source code made available to the public for free, so that anyone can change and redistribute the software.

4. Hinemos

Open source software (OSS), which manages and monitors operating conditions and the status of computing systems in an integrated manner to ensure stable operations.

5. Capability Maturity Model Integration (CMMI)

Model developed in 1999 at the CMMI Institute, Carnegie Mellon University, under the auspices of the U.S. Department of Defense, to represent the maturity of organizations that engage in system development. CMMI represents maturity in stages while defining the features of the process that is effective to meet each degree of maturity. CMMI is used by many companies in the world as the de facto standard of reference models for process improvement.

Progress of technical development

In pursuit of “Expansion of new fields and reinforcement of product competitiveness,” which is the key objective of the Medium-term Management Plan, NTT DATA implemented technical development focused on “Software Engineering”, “Advanced Technology”, and “IT Base Technology”. The results are set out below.

< Software Engineering >

・We adopted “TERASOLUNA(Note 1) Reengineering” , which automates a specification analysis of existing systems, to 20 or more projects. The adoption of “TERASOLUNA ViSC v1.6”, a development automation tool, was expanded to 40 or more projects. In addition, we adopted “TERASOLUNA Suite v1.0”, which enables a group of automation tools of TERASOLUNA to operate simultaneously, to 10 or more projects. With this, we realized high-quality and high-speed system development.

< Advanced Technology >

・For the Upper House election in July 2013 where the ban on the use of the Internet for election campaigns was lifted, Japan Broadcasting Corporation (NHK) broadcasted in its news reports on the Upper House election the results of analyzing and visualizing how candidates’ Twitter information spreads on the Internet, and how the net users’ interest level in each political party changes by expressing in a tree diagram.

・We developed a demonstration version of traffic congestion prediction and signal control systems using a large-scale multi-agent simulation technology(Note 2), and exhibited it at the ITS WORLD CONGRESS TOKYO 2013 and other places. With the systems, we realized real-time simulations for one million cars.

< IT Base Technology >

・In the situation where the fully-fledged use of smartphones and tablets within companies is required, we developed a next-generation mobile utilization base that can seamlessly integrate smart devices and corporate systems while ensuring security. At ITpro EXPO 2013, an exhibition sponsored by Nikkei Business Publications, Inc., the next-generation mobile utilization base was granted the ITpro EXPO AWARD 2013 ITmedia Enterprise Award.

As part of the effort to forecast and utilize the near-future vision of the information society and IT-related technology trends, we held a lecture of "NTT DATA Technology Foresight (Note 3)" in major events of the ICT industry such as the Global ICT Conference, ITpro EXPO and Gartner ITxpo. Furthermore, we also held 46 private seminars for our clients, and released "NTT DATA Technology Foresight 2014", the latest version of the trend.

In addition, as part of the effort toward global R&D enforcement, we established a base in Singapore with the aim of promoting research and development activities in the APAC region. In Indonesia, we commenced joint research with Institute of Technology Bandung on Smart Community. In China, we initiated joint research with the Institute of Software, Chinese Academy of Sciences in the fields of SNS and healthcare.

Notes:

1. TERASOLUNA

A solution that incorporates the company's technologies for project management, development processes, frameworks, etc., accumulated from its numerous system development projects, and offers comprehensive support for system development.

2. Multi-agent simulation

Method to analyze whole actions and behaviors that might actually take place by expressing characteristics of the movements made by cars, people, signals and other matters in a mathematical formula for complex transportation systems where matters such as cars, people and signals interact with each other, and by simulating the movements on a computer.

3. NTT DATA Technology Foresight

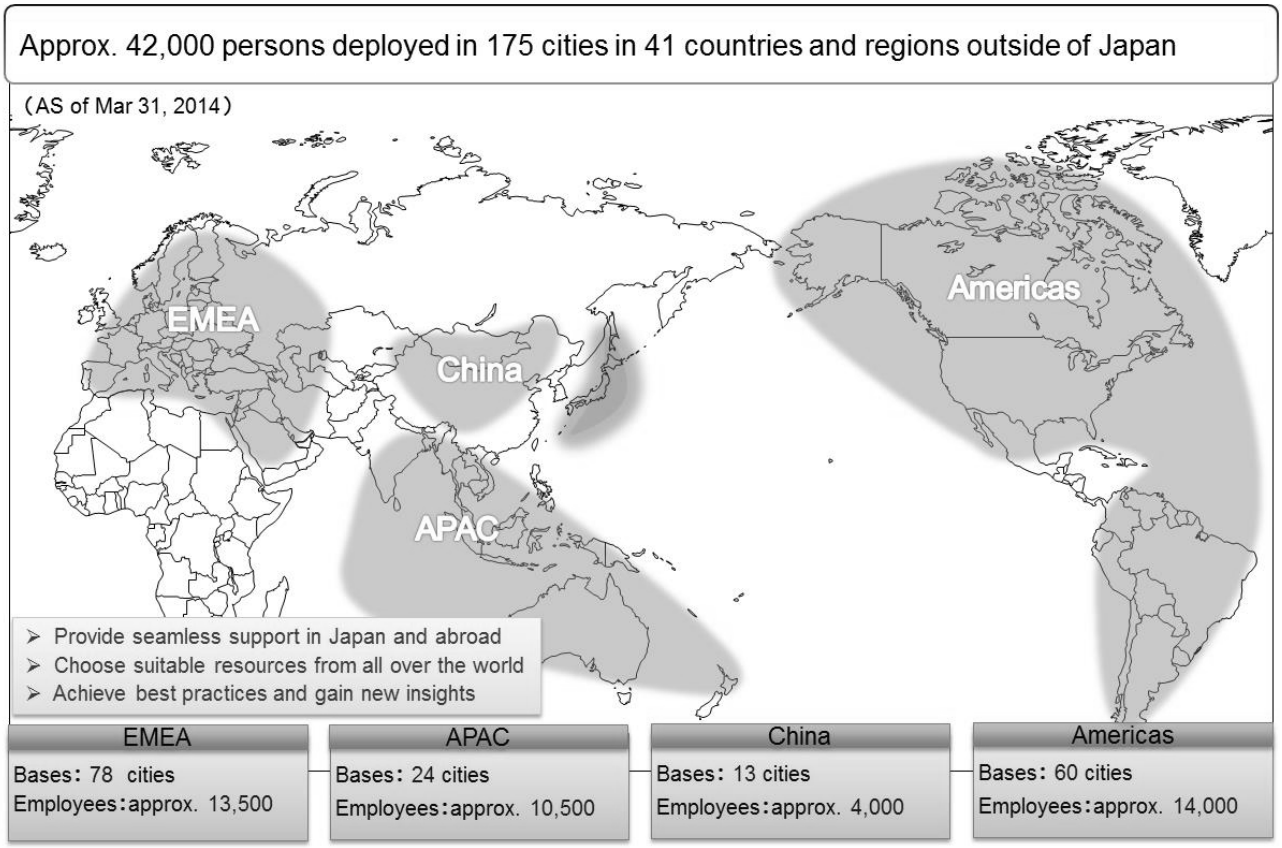
The near-future vision of the information society (information society trend) and IT-related technology trends. It is derived through comprehensive surveys of the trend relating to IT that are implemented from the perspectives of politics, economy, society and technology, as well as through hearings and discussions with domestic and foreign intellectuals. Trend information has been released since 2012, and is updated every year.

In addition to the above-mentioned efforts, we opened the Second Center following the business expansion of the Ishinomaki BPO Center that was established as part of continued measures for reconstruction assistance in areas affected by the Great East Japan Earthquake. We strive to create jobs for 100 people in total together with the existing First Center.

As stated in the above, we have been executing various initiatives toward business expansion, while there have been a number of unprofitable business deals, where we have incurred losses of about 31.5 billion yen. We consider the major cause for those occurrences to be a lack of carrying out thorough assessments on the validity of project implementation plans at the time of receiving an order; these orders are those that our target customers brought us as new business deals or deals applying new technology.

To prevent the recurrence of such problems, in addition to the measures taken up to the present for managing unprofitable projects, we newly established the Project Examination Committee, a body under the direct control of the President, in October 2013 and the Committee has been administering projects. The Committee shall screen the validity of a plan when an order is received for new deals over a certain scale, while conducting a field inspection to verify the actual process development. We will endeavor to prevent unprofitable business deals through having adequate management of this Committee and fully assure the validity of project implementation plans in critical deals.

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.



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

・New Orders Received	1,400.2 billion yen	(up 17.0% year-on-year)
・Net Sales	1,343.7 billion yen	(up 3.2% year-on-year)
・Operating Income	62.5 billion yen	(down 27.0% year-on-year)
・Ordinary Income	62.1 billion yen	(down 24.1% year-on-year)
・Income before Income Taxes	54.2 billion yen	(down 29.6% year-on-year)
・Net Income	23.2 billion yen	(down 46.5% 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 >

・Both net sales and segment income decreased, being affected by factors such as unprofitable projects as well as a decrease in profit due to the reduced scale of existing large-scale systems at the Company itself.

・Net sales in this segment totaled 721.6 billion (down 1.0% year-on-year), and segment profit was 55.6 billion (down 12.7%).

< Enterprise IT Services >

・Both net sales and segment income decreased, being affected by factors such as unprofitable projects as well as a decrease in profit due to the reduced scale of system and software development for existing customers at the Company itself.

・Net sales in this segment totaled 279.3 billion (down 7.2% year-on-year), and segment profit was 5.4 billion.

< Solutions & Technologies >

・Both net sales and segment income increased due to the effects of an increase of system and software development at the Company itself, an increase in net sales of existing subsidiaries within our group, and the like.

・Net sales in this segment totaled 179.1 billion (up 7.2% year-on-year), and segment profit was 8.5 billion (up 67.3%).

< Global Business >

・While net sales have risen due to factors such as the business growth at existing subsidiaries centered on the North American region, segment loss saw growth due to factors such as the increased loss on restructuring of subsidiaries and affiliates.

・Net sales in this segment totaled 314.5 billion (up 28.4% year-on-year), and segment loss was 9.8 billion (up 100.4%).

< Year-on-Year Changes by Business Segment >

(Unit: billion yen)

Description		FY2012	Share (%)	FY2013	Share (%)	Change (%)
Net Sales	Public & Financial IT Services	728.8	50.0	721.6	47.8	(1.0)
	Enterprise IT Services	301.1	20.6	279.3	18.5	(7.2)
	Solutions & Technologies	167.0	11.5	179.1	11.9	7.2
	Global Business	244.9	16.8	314.5	20.8	28.4
	Others	16.4	1.1	14.7	1.0	(10.8)
	Adjustments	(156.5)	—	(165.6)	—	5.8
Total		1,301.9	—	1,343.7	—	3.2
Segment Profit	Public & Financial IT Services	63.7	82.7	55.6	112.9	(12.7)
	Enterprise IT Services	12.5	16.2	(5.4)	(11.1)	—
	Solutions & Technologies	5.1	6.6	8.5	17.4	67.3
	Global Business	(4.8)	(6.3)	(9.8)	(19.9)	(100.4)
	Others	0.6	0.8	0.3	0.7	(46.8)
	Adjustments	(0.1)	—	4.9	—	—
Total		77.0	—	54.2	—	(29.6)

[2] Forecast for the Next Fiscal Year (Ending March 31, 2015)

While by and large corporations are likely to remain cautious about IT investments, we forecast that our group company's financial results will be affected by factors such as a net sales increase in overseas subsidiaries. Accordingly, we expect net sales to be 1,460.0 billion yen, a growth compared with the current fiscal period.

Operating income is expected to increase to 85.0 billion yen from the current year, resulting from a profit increase accompanying the net sales increase by the effects of the promotion of remarketing and improvement of the cost ratio as well as a restraint of unprofitable projects.

The situation by segment is as follows.

< Public & Financial IT Services >

・While we see negative movements in areas such as the integrated IT services for insurance, securities and credit companies, we also experience business growth in the services to the central government and the relevant entities, local governments, regional business and banks. Hence, our projected figures for net sales (Note 1) are 728.0 billion yen (714.0 billion yen in net sales to external customers), up 6.3 billion yen compared with the current fiscal period.

・Segment profit (Note 2) is affected by factors such as a profit increase along with an increase in net sales and a decrease in fixed asset impairment loss as well as a restraint of unprofitable projects. Hence, we expect to post 68.0 billion yen, an increase of 12.3 billion yen compared with the current fiscal period.

< Enterprise IT Services>

・While we expect a decrease in business for telecommunications, broadcasting and utility industries, we expect to post 282.0 billion yen in net sales (271.0 billion yen in net sales to external customers), up 2.6 billion yen compared with the current fiscal period, due to factors such as an increase in business for manufacturing and distribution & services industries.

・Segment profit is affected by factors such as a profit increase along with an increase in net sales and the decreased loss on restructuring of subsidiaries and affiliates as well as a restraint of unprofitable projects. Hence, we expect to post 10.0 billion yen, an increase of 15.4 billion yen compared with the current fiscal period.

< Solutions & Technologies >

・With the expectation of broadening business needs in data centers and the like, we forecast net sales of 185.0 billion yen (68.0 billion yen in net sales to external customers), a 5.8 billion increase compared with the current fiscal period.

・Segment profit is affected by factors such as a profit increase along with an increase in net sales. Nonetheless, we expect to post 8.0 billion yen, a decrease of 0.5 billion yen compared with the current fiscal period, due to factors such as an increase of construction-related expenses.

< Global Business >

・There are impacts such as an increase in existing overseas subsidiaries' net sales, M&A and the like. Hence, our projected figures for net sales are 422.0 billion yen (406.0 billion yen in net sales to external customers), up 107.4 billion yen compared with the current fiscal period.

・There is an impact in segment loss such as an increase in amortization of goodwill, however, we expect to post a loss of 6.0 billion yen, a 3.8 billion decrease compared with the current fiscal period, due to factors such as a profit increase along with an increase in net sales, and the like, and a decrease in the loss on restructuring of subsidiaries and affiliates.

In addition, due to factors such as a decrease in systems supplied to the central government and the relevant entities, and the like, we forecast capital investments in the next fiscal period to be 140.0 billion yen, a 7.7 billion yen decline compared with the current fiscal period.
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.

Results Forecast for the Next Fiscal Year

(Unit: billion yen)

Description	Net Sales	Operating Income	Ordinary Income	Net Income
FY2014	1,460.0	85.0	75.0	37.0
FY2013	1,343.7	62.5	62.1	23.2
Change (%)	8.6%	35.8%	20.7%	58.9%

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

The cash flow in our operating activities in the current fiscal period produced an inflow of 234.5 billion yen, a 73.1 billion yen growth compared with the previous fiscal period. This is primarily due to the increase in advances received.

Cash used in investing activities increased by 74.6 billion yen year-on-year, to 189.6 billion yen, mainly due to an increase in payment for purchasing consolidated subsidiaries and growth of capital expenditures.

Consequently, free cash flow decreased by 1.4 billion yen year-on-year, to 44.8 billion yen.

Cash used in financial activities decreased by 16.3 billion yen year-on-year, to 19.3 billion yen, mainly due to an income from short-term borrowing.

As a net result of these developments, the balance of cash and cash equivalent at the end of fiscal year increased by 30.2 billion yen from the end of the previous fiscal year, to 207.2 billion yen.

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

Indicator	FY2010	FY2011	FY2012	FY2013
Equity ratio (%)	41.0	41.1	42.7	40.1
Fair value equity ratio (%)	49.1	55.3	57.7	66.6
No. of years for debt redemption (Years)	1.8	2.0	2.3	1.7
Interest coverage ratio (Times)	43.0	33.2	29.4	43.6

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 regards to dividends, we intend to pay a stable dividend based on a comprehensive assessment of a balance with business investments and technology development toward a sustainable growth in the future, and with expenditures for maintenance and reinforcement of financial strength, in light of consolidated operating results and financial position.

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 30 yen per share [(Note)].

The annual dividend per share for the next fiscal year is planned to total 60 yen, and will be set considering all factors including the Company's consolidated performance, its financial condition, and the stability of dividends.

Note:
This is the amount derived by taking into account the stock split conducted on October 1, 2013 (a 1:100 stock split).

(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 through delivery to the completion of systems and their delivery to clients. Therefore, the NTT DATA Group's business results and financial condition may be adversely affected by factors such as the occurrence of cost overruns or compensation paid to our clients for losses caused by delivery delays that may arise as a result of differences from initial cost 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 "Global Compliance Policy" to act as fundamental policy for sound business activities based on the Group's corporate ethics. It has also built a compliance promotion structure and implemented periodic educational activities to raise the awareness of officers and employees for the purpose of enhancing corporate ethics and ensuring legal compliance. However, there may be cases where a compliance-related risk cannot be prevented completely, and in the event 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, may adversely 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, 2013. 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, vital infectious disease and the like

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 263 subsidiaries and 35 affiliates [at March 31, 2014]) is active in the following four main business segments: (1) Public & Financial IT Services, (2) Enterprise IT Services, (3) Solutions & Technologies,and (4) Global Business.

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 SOFIA CORPORATION
NTT DATA Getronics Corporation
XNET Corporation
Japan Information Processing Service Co.,Ltd.
34 other companies

Enterprise IT Services

This business segment offers high-value-added IT services 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 WAVE CORPORATION
NTT DATA BUSINESS SYSTEMS CORPORATION
NTT DATA CCS CORPORATION
NTT DATA MSE Corporation
JSOL Corporation
18 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

6 other companies

Global Business

This Business segment provides high-value-added IT services mainly in overseas markets. Some activities in this business segment are assigned to subsidiaries and affiliates.

Main Subsidiaries and Affiliates

NTT DATA INTERNATIONL L.L.C.
NTT DATA EUROPE GmbH & Co. KG
itelligence AG
NTT DATA Deutschland GmbH
NTT DATA International Services, Inc.
NTT DATA, Inc.
NTT DATA Italia S.p.A.
NTT DATA EMEA Ltd.
NTT DATA Enterprise Services Holding, Inc.
Everis Participaciones, S.L.

173 other companies

Others

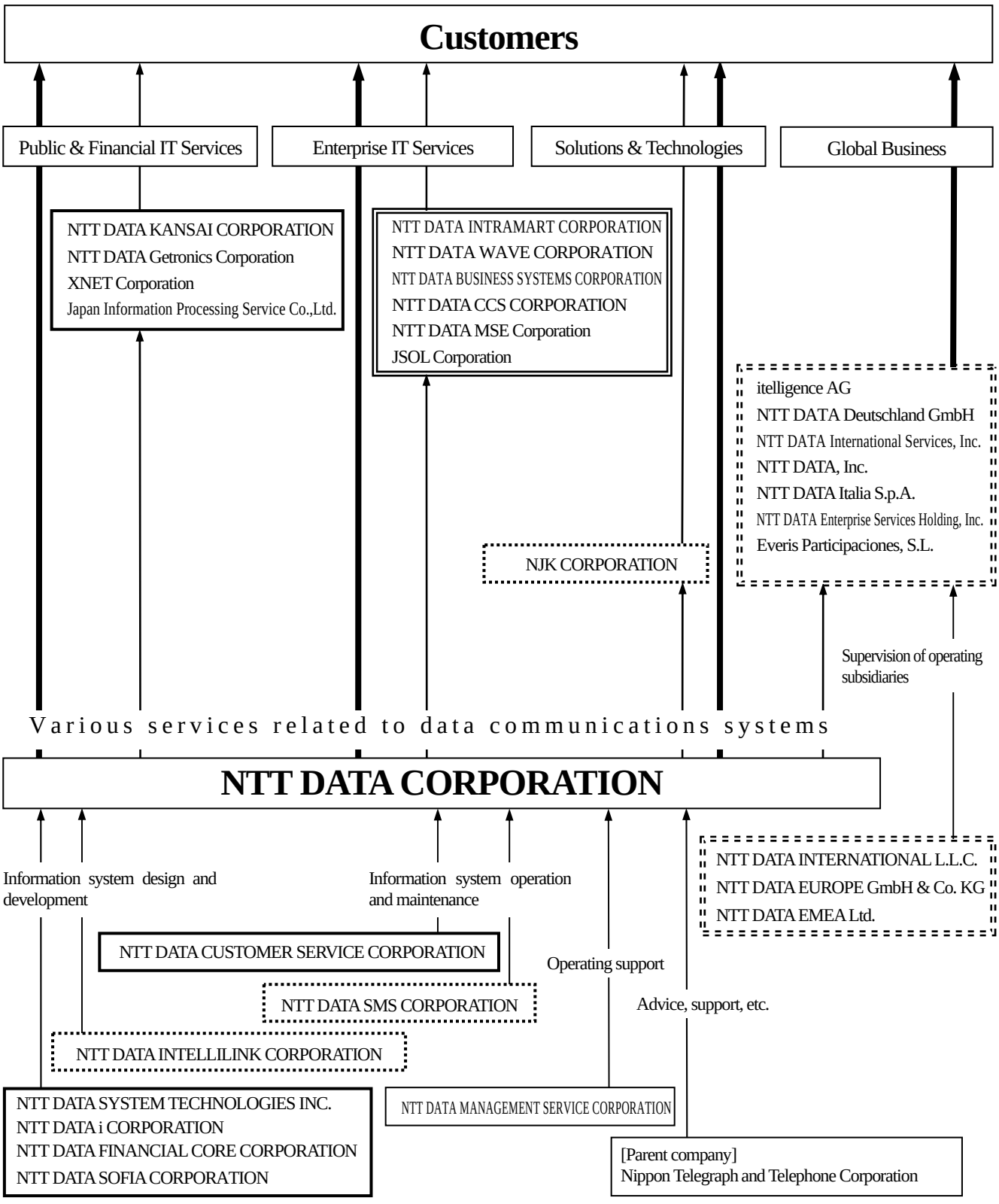
Other business segments support the overhead functions. Some activities in this business segment are assigned to subsidiaries and affiliates.

Main Subsidiaries and Affiliates

NTT DATA MANAGEMENT SERVICE CORPORATION

3 other companies

The following chart summarizes the description above:



Notes:

1. itelligence AG is 100.0%-owned subsidiary of NTT DATA EUROPE GmbH & Co. KG..
2. NTT DATA Deutschland GmbH is 100.0%-owned subsidiary of NTT DATA EMEA Ltd..
3. NTT DATA International Services, Inc. is 100.0%-owned subsidiary of NTT DATA INTERNATIONAL L.L.C..
4. NTT DATA Inc. is 100.0%-owned subsidiary of NTT DATA International Services, Inc..
5. NTT DATA Italia S.p.A. is 100.0%-owned subsidiary of NTT DATA EMEA Ltd..
6. NTT DATA Enterprise Services Holding, Inc. is 100.0%-owned subsidiary of NTT DATA Inc..
7. 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 Enterprise IT Services Solutions & Technologies Global Business

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

In domestic IT investments, while we see some movements toward business expansion such as in the IT infra-integration, we consider that cost reduction needs in maintenance and operation still remain and by and large we maintain a cautious stance on investments.

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 FY2012 through FY2015 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. In areas where we already have bases, we will implement the expansion, enhancement and reinforcement of businesses by taking advantage of synergy between the NTT DATA Group and the NTT Group.

・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 (over 1.5 trillion yen in net sales). Specifically, the Group will aim to record earnings per share (EPS) of 200 yen(Note) for the period ending March 31, 2016.

Note:
EPS of 200 yen
EPS was changed from 20,000 yen to 200 yen by the stock split (at a ratio of 1:100) effective on October 1, 2013.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	152,504	180,430
Notes and accounts receivable - trade	313,600	344,221
Lease receivables and investment assets	17,617	19,166
Securities	2,000	2,000
Inventories	24,104	22,645
Deferred tax assets	16,016	27,518
Other	77,682	76,344
Allowance for doubtful accounts	(2,263)	(3,120)
Total current assets	**601,261**	**669,206**
Non-current assets		
Property, plant and equipment		
Data communucation facilities, net	88,703	92,656
Buildings and structures, net	95,039	94,475
Machinery, equipment and vehicles,	17,060	19,474
Tools, furniture and fixtures, net	15,087	15,129
Land	50,047	50,209
Construction in progress	26,715	36,142
Other, net	4,514	4,609
Total property, plant and equipment	**297,169**	**312,697**
Intangible assets		
Software	233,320	260,458
Software in progress	67,248	48,638
Goodwill	142,749	177,536
Other	53,533	75,543
Total intangible assets	**496,852**	**562,177**
Investments and other assets		
Investment securities	34,997	46,085
Deferred tax assets	56,317	61,239
Other	38,506	39,263
Allowance for doubtful accounts	(795)	(730)
Total investments and other assets	**129,025**	**145,858**
Total non-current assets	**923,047**	**1,020,733**
Total assets	**1,524,309**	**1,689,940**

Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Accounts payable - trade	92,206	97,837
Short-term loans payable	11,441	66,387
Current portion of long-term loans	21,463	1,950
Current portion of bonds	50,059	—
Income taxes payable	21,438	22,490
Advances received	109,890	151,781
Provision for loss on order received	2,034	4,609
Other	88,755	109,657
Total current liabilities	**397,289**	**454,714**
Non-current liabilities		
Bonds payable	225,039	250,040
Long-term loans payable	61,903	87,298
Deferred tax liabilities	17,530	20,952
Provision for retirement benefits	118,271	—
Net defined benefit liability	—	145,653
Provision for directors' retirement benefits	1,189	919
Other	18,878	20,543
Total non-current liabilities	**442,812**	**525,407**
Total liabilities	**840,102**	**980,121**
Net assets		
Shareholders' equity		
Capital stock	142,520	142,520
Capital surplus	139,300	139,300
Retained earnings	378,951	384,922
Total shareholders' equity	**660,771**	**666,742**
Accumulated other comprehensive income		
Valuation difference on available-for-sale ecurities	1,910	2,872
Deferred gains or losses on hedges	51	38
Foreign currency translation adjustment	3,058	35,056
Pension liability adjustments	(115)	—
Remeasurements of defined benefit plans	—	(10,224)
Other	(14,363)	(17,661)
Total accumulated other comprehensive income	**(9,459)**	**10,081**
Minority interests	**32,894**	**32,993**
Total net assets	**684,207**	**709,818**
Total liabilities and net assets	**1,524,309**	**1,689,940**

(2) Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	FY ended 31, March 2013	FY ended 31, March 2014
Net sales	**1,301,941**	**1,343,772**
Cost of sales	**980,524**	**1,031,213**
Gross profit	**321,416**	**312,559**
Selling, general and administrative expenses	**235,720**	**249,975**
Operating income	**85,696**	**62,583**
Non-operating income		
Interest income	504	527
Dividend income	988	1,043
Foreign exchange gains	2,416	4,679
Other	3,728	4,571
Total non-operating income	**7,637**	**10,822**
Non-operating expenses		
Interest expenses	5,546	5,245
Loss on retirement of non-current assets	1,914	691
Compensation for damage	261	3,509
Other	3,740	1,806
Total non-operating expenses	**11,463**	**11,253**
Ordinary income	**81,870**	**62,153**
Extraordinary losses		
Loss on restructuring of subsidiaries and affiliates	3,132	4,367
Impairment loss of noncurrent assets	1,718	3,525
Total extraordinary losses	**4,851**	**7,893**
Income before income taxes and minority interests	**77,019**	**54,259**
Income taxes - current	37,905	39,746
Income taxes - deferred	(5,881)	(10,591)
Total income taxes	**32,024**	**29,155**
Income before minority interests	**44,994**	**25,103**
Minority interests in income (loss)	**1,477**	**1,816**
Net income	**43,517**	**23,287**
Minority interests in income (loss)	**1,477**	**1,816**
Income before minority interests	**44,994**	**25,103**

Consolidated Statements of Income and Comprehensive Income-continued

(Unit: ¥ million)

	FY ended 31, March 2013	FY ended 31, March 2014
Other comprehensive income		
Valuation difference on available-for-sale securities	2,275	867
Deferred gains or losses on hedges	190	(13)
Foreign currency translation adjustment	23,930	32,173
Pension liability adjustments	363	(453)
Share of other comprehensive income of entities accounted for using equity method	55	232
Other	(7,871)	(3,298)
Total other comprehensive income	**18,943**	**29,508**
Comprehensive income	**63,937**	**54,612**
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	62,355	52,482
Comprehensive income attributable to minority interests	1,582	2,130

(3) Consolidated Statements of Shareholders' Equity
(FY ended 31, March 2013)

(Unit: ¥ million)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of current period	142,520	139,300	352,186	634,006
Changes of items during period				
Dividends of surplus			(16,830)	(16,830)
Net income			43,517	43,517
Other			77	77
Net changes of items other than shareholders' equity				
Total changes of items during period	–	–	26,764	26,764
Balance at end of current period	142,520	139,300	378,951	660,771

	Accumulated other comprehensive income							Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Pension liability adjustments	Remeasurements of defined benefit plans	Other	Total accumulated other comprehensive income		
Balance at beginning of current period	(140)	(138)	(21,046)	(478)	–	(6,492)	(28,296)	34,041	639,750
Changes of items during period									
Dividends of surplus									(16,830)
Net income									43,517
Other	238					(316)	(77)		–
Net changes of items other than shareholders' equity	1,811	190	24,105	363		(7,555)	18,914	(1,146)	17,768
Total changes of items during period	2,050	190	24,105	363		(7,871)	18,837	(1,146)	44,456
Balance at end of current period	1,910	51	3,058	(115)	–	(14,363)	(9,459)	32,894	684,207

Consolidated Statements of Shareholders' Equity-continued
(FY ended 31, March 2014)

(Unit: ¥ million)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of current period	142,520	139,300	378,951	660,771
Changes of items during period				
Dividends of surplus			(16,830)	(16,830)
Net income			23,287	23,287
Other			(485)	(485)
Net changes of items other than shareholders' equity				
Total changes of items during period			5,971	5,971
Balance at end of current period	142,520	139,300	384,922	666,742

	Accumulated other comprehensive income							Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Pension liability adjustments	Remeasurements of defined benefit plans	Other	Total accumulated other comprehensive income		
Balance at beginning of current period	1,910	51	3,058	(115)	–	(14,363)	(9,459)	32,894	684,207
Changes of items during period									
Dividends of surplus									(16,830)
Net income									23,287
Other									(485)
Net changes of items other than shareholders' equity	961	(13)	31,998	115	(10,224)	(3,298)	19,540	99	19,639
Total changes of items during period	961	(13)	31,998	115	(10,224)	(3,298)	19,540	99	25,611
Balance at end of current period	2,872	38	35,056	–	(10,224)	(17,661)	10,081	32,993	709,818

(4) Consolidated Statements of Cash Flows

（Unit: ¥ million）

	FY ended 31, March 2013	FY ended 31, March 2014
Cash flows from operating activities		
Income before income taxes and minority interests	77,019	54,259
Depreciation	140,055	138,002
Loss on retirement of non-current assets	13,821	5,678
Increase (decrease) in provision for retirement benefits	8,450	―
Increase (decrease) in net defined benefit liability	―	10,962
Interest expenses	5,546	5,245
Impairment loss of noncurrent assets	1,718	3,525
Decrease (increase) in notes and accounts receivable - trade	(29,720)	18,840
Decrease (increase) in inventories	1,977	1,690
Increase (decrease) in notes and accounts payable - trade	2,500	2,269
Increase (decrease) in advances received	(15,344)	39,942
Increase (decrease) in accrued consumption taxes	(2,918)	(2,904)
Other, net	(9,262)	(1,521)
Subtotal	**193,845**	**275,992**
Interest and dividend income received	1,492	1,571
Interest expenses paid	(5,478)	(5,382)
Income taxes (paid) refund	(28,531)	(37,656)
Net cash provided by (used in) operating activities	**161,327**	**234,524**
Cash flows from investing activities		
Purchase of property, plant and equipment	(39,557)	(70,818)
Purchase of intangible assets	(77,186)	(79,851)
Purchase of investment securities	(870)	(9,181)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,317)	(36,974)
Net decrease (increase) in time deposits	4,606	2,087
Payments for transfer of business	(730)	―
Other, net	2,011	5,051
Net cash provided by (used in) investing activities	**(115,044)**	**(189,687)**

Consolidated Statements of Cash Flows-continued

（Unit: ¥ million）

	FY ended 31, March 2013	FY ended 31, March 2014
Cash flows from financing activities		
Proceeds from issuance of bonds	24,900	24,905
Redemption of bonds	(253)	(50,060)
Proceeds from long-term loans payable	1,531	25,303
Repayments of long-term loans payable	(9,775)	(42,000)
Net increase (decrease) in commercial papers	(20,000)	—
Net increase (decrease) in short-term loans payable	(1,383)	43,769
Repayments of lease obligations	(2,667)	(2,507)
Cash dividends paid	(16,833)	(16,833)
Purchase of stock issuance from minority shareholders	(10,868)	(1,477)
Other, net	(318)	(443)
Net cash provided by (used in) financing activities	**(35,667)**	**(19,345)**
Effect of exchange rate change on cash and cash equivalents	**5,236**	**4,757**
Net increase (decrease) in cash and cash equivalents	**15,852**	**30,250**
Cash and cash equivalents at beginning of period	**161,110**	**176,963**
Increase in cash and cash equivalents from newly consolidated subsidiary	**—**	**—**
Cash and cash equivalents at end of period	**176,963**	**207,213**

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(Unit: ¥ million)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	73,812	83,244
Notes receivable - trade	234	182
Accounts receivable - trade	176,185	162,056
Lease receivables	1,637	1,351
Lease investment assets	12,468	14,899
Inventories	14,377	12,120
Prepaid expenses	11,207	11,511
Deferred tax assets	6,710	16,261
Other	91,538	91,996
Allowance for doubtful accounts	(89)	(59)
Total current assets	**388,083**	**393,566**
Non-current assets		
Property, plant and equipment		
Data communucation facilities, net	86,362	90,320
Buildings, net	83,309	81,358
Structures, net	2,205	2,095
Machinery, equipment and vehicles,	11,539	12,057
Tools, furniture and fixtures, net	7,920	7,496
Land	48,229	48,229
Leased assets, net	868	707
Construction in progress	26,701	34,809
Total property, plant and equipment	**267,138**	**277,075**
Intangible assets		
Software	221,184	247,801
Software in progress	63,904	39,393
Leased assets	42	30
Other	2,140	2,106
Total intangible assets	**287,271**	**289,331**
Investments and other assets		
Investment securities	24,445	30,513
Shares of subsidiaries and associates	126,133	133,822
Investments in other securities of subsidiaries and associates	186,616	220,596
Long-term loans receivable	540	540
Lease and guarantee deposits	12,043	10,623
Deferred tax assets	30,398	25,964
Other	30,220	62,065
Allowance for doubtful accounts	(532)	(500)
Total investments and other assets	**409,869**	**483,625**
Total non-current assets	**964,279**	**1,050,031**
Total assets	**1,352,363**	**1,443,598**

Non-Consolidated Balance Sheets-continued

(Unit: ¥ million)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Accounts payable - trade	78,406	72,041
Short-term loans payable	7,000	61,241
Current portion of long-term loans	22,336	1,675
Current portion of bonds	49,999	―
Lease obligations	500	485
Accounts payable - other	12,163	13,524
Accrued expenses	9,031	8,762
Income taxes payable	16,356	11,546
Advances received	95,812	135,460
Deposits received	59,363	65,944
Provision for loss on order received	1,485	3,547
Asset retirement obligations	200	134
Other	2,193	79
Total current liabilities	**354,849**	**374,442**
Non-current liabilities		
Bonds payable	224,939	249,940
Long-term loans payable	59,000	84,000
Lease obligations	1,184	933
Provision for retirement benefits	59,037	64,550
Asset retirement obligations	595	663
Other	16,712	15,069
Total non-current liabilities	**361,470**	**415,157**
Total liabilities	**716,319**	**789,600**
Net assets		
Shareholders' equity		
Capital stock	142,520	142,520
Capital surplus		
Legal capital surplus	139,300	139,300
Total capital surpluses	**139,300**	**139,300**
Retained earnings		
Legal retained earnings	2,287	2,287
Other retained earnings		
Reserve for special depreciation	―	152
Reserve for reduction entry	1,284	402
General reserve	288,000	288,000
Retained earnings brought forward	61,444	78,988
Total retained earnings	**353,016**	**369,831**
Total shareholders' equity	**634,836**	**651,651**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,207	2,346
Total valuation and translation	**1,207**	**2,346**
Total net assets	636,043	653,997
Total liabilities and net assets	1,352,363	1,443,598

(2) Non-Consolidated Statements of Income

(Unit: ¥ million)

	FY ended 31, March 2013	FY ended 31, March 2014
Statements of income		
Net sales	**818,036**	**782,865**
Cost of sales	**627,031**	**621,011**
Gross profit	**191,004**	**161,853**
Selling, general and administrative expenses	**118,746**	**114,104**
Operating income	**72,258**	**47,749**
Non-operating income		
Interest income	1,079	1,397
Dividend income	2,713	8,323
Foreign exchange gains	3,004	5,230
Other	2,565	2,316
Total non-operating income	**9,362**	**17,268**
Non-operating expenses		
Interest expenses	1,515	1,490
Interest on bonds	3,559	3,360
Compensation for damage	151	3,408
Loss on retirement of non-current assets	1,404	492
Other	1,556	899
Total non-operating expenses	**8,187**	**9,651**
Ordinary income	**73,433**	**55,365**
Extraordinary losses		
Impairment loss of noncurrent assets	1,148	2,980
Loss on restructuring of subsidiaries and affiliates	138	1,117
Total extraordinary losses	**1,286**	**4,097**
Income before income taxes	**72,146**	**51,267**
Income taxes - current	26,154	23,360
Income taxes - deferred	331	(5,737)
Total income taxes	26,485	17,622
Net income	45,661	33,645

(3) Non-Consolidated Statements of Shareholders' Equity
(FY ended 31, March 2013)

(Unit: ¥ million)

	Shareholders' equity									
	Capital stock	Capital surplus		Retained earnings					Total retained earnings	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings					
					Reserve for special depreciation	Reserve for reduction entry	General reserve	Retained earnings brought		
Balance at beginning of current period	142,520	139,300	139,300	2,287	—	1,633	288,000	32,264	324,185	606,005
Changes of items during period										
Dividends of surplus								(16,830)	(16,830)	(16,830)
Provision of reserve for special depreciation										
Reversal of reserve for reduction entry						(349)		349	—	—
Net income								45,661	45,661	45,661
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	—	—	—	(349)	—	29,180	28,831	28,831
Balance at end of current period	142,520	139,300	139,300	2,287	—	1,284	288,000	61,444	353,016	634,836

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	176	176	606,181
Changes of items during period			
Dividends of surplus			(16,830)
Provision of reserve for special depreciation			—
Reversal of reserve for reduction entry			—
Net income			45,661
Net changes of items other than shareholders' equity	1,030	1,030	1,030
Total changes of items during period	1,030	1,030	29,862
Balance at end of current period	1,207	1,207	636,043

Non-Consolidated Statements of Shareholders' Equity-continued
(FY ended 31, March 2014)

(Unit: ¥ million)

	Shareholders' equity									
	Capital stock	Capital surplus		Retained earnings					Total retained earnings	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings					
					Reserve for special depreciation	Reserve for reduction entry	General reserve	Retained earnings brought		
Balance at beginning of current period	142,520	139,300	139,300	2,287	—	1,284	288,000	61,444	353,016	634,836
Changes of items during period										
Dividends of surplus								(16,830)	(16,830)	(16,830)
Provision of reserve for special depreciation					152			(152)	—	—
Reversal of reserve for reduction entry						(881)		881	—	—
Net income								33,645	33,645	33,645
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	—	—	152	(881)	—	17,543	16,815	16,815
Balance at end of current period	142,520	139,300	139,300	2,287	152	402	288,000	78,988	369,831	651,651

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	1,207	1,207	636,043
Changes of items during period			
Dividends of surplus			(16,830)
Provision of reserve for special depreciation			—
Reversal of reserve for reduction entry			—
Net income			33,645
Net changes of items other than shareholders' equity	1,138	1,138	1,138
Total changes of items during period	1,138	1,138	17,953
Balance at end of current period	2,346	2,346	653,997