



## Message from the President

**NTT DATA Makes Concerted Efforts to Help Society Realize a Sustainable Future Based on our Strategy, NTT DATA: ASCEND— Rise and grow as a global brand**

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### Looking Back on Fiscal 2016 and Ahead to the New Mid-term Management Plan

In recent years, a moderate recovery has taken shape in the Japanese IT services market, supported by system upgrade projects and IT spending as a means of growing global business. Against such a backdrop, NTT DATA has evolved to become a company that stays ahead of clients' business needs in order to efficiently provide diverse IT services worldwide. In the fiscal year ended March 31, 2016, net sales reached 1.614 trillion yen, with earnings per share of 226 yen, outperforming objectives set out under the mid-term management plan (for the period of fiscal 2013 to fiscal 2016). We believe that this accomplishment reflects solid progress made in our focus areas of expansion into new business fields and the reinforcement of product competitiveness and pursuit of overall optimization. Concerning other key objectives, however, we fell short of expected goals in preventing unprofitable projects and improving profitability of the global business, even though we stepped up our efforts. These remain key management focus areas.

The IT markets in Western countries are growing at present, while emerging markets are expected to enter a full-scale growth trajectory. Such trends will undoubtedly provide more chances to unlock the potential of IT in the future. Against that background, NTT DATA has formulated its new mid-term management strategy (for the period of fiscal 2017 to fiscal 2019) to establish our global brand. Based on core strategies of game-changing approaches and breakthrough technologies, the plan aims to increase our brand value by enhancing local presence and harnessing global synergies. At the same time, we will continuously use innovation to help clients' businesses by predicting dramatically changing market trends and the shift in demand in the IT services industry.

## Making Concerted Efforts across NTT DATA in Sustainable Development to Become a Global IT Innovator

We promote CSR, in our unique NTT DATA way, to address societal challenges through business activities. To this end, we have focused our attention on paradigms across the three areas of society and communities, people at work, and the global environment while strengthening infrastructures that support these areas. In particular, we are concentrating our efforts on three aspects: building stronger corporate governance, promoting diversity, and sharing the Group vision.

As for the first aspect of building stronger corporate governance, we continually drive initiatives to foster governance structures based on principles of the corporate governance code in order to establish more sound and transparent business operations. Specific examples include our initiative to verify and improve the effectiveness of the Board of Directors by holding sessions for external directors, auditors and representative directors to exchange opinions, and by conducting surveys with board members.

As to the second focus, we view diversity as the wellspring of innovation. One of our important management strategies is to promote diversity management, and we have been carrying out initiatives by using diverse talent and innovating how we work, as two wheels of a cart, in order to build an organization that can create high value. In light of our adoption of the government's law to promote women in the workplace, we reviewed our voluntary action plan and set new objectives. We will continuously implement a wide range of programs to further promote diversity by, for example, holding training sessions to raise awareness among various layers of employees, including executives, personnel in managerial positions and female workers as well as by adapting initiatives more widely for gender minorities such as LGBT members.

As to our third area of focus, amid the increasing uncertainty in the IT services market, sharing our common vision throughout the Group is necessary to keep us moving toward our global goals.

Taking on corporate philosophy and our vision of becoming a Global IT Innovator as guides, we share values that we live by to fulfill our Group vision, among all employees across the Group. Since 2014, we have set aside the week of May 23, the anniversary of our foundation, as Values Week every year and hold workshops to provide an open discussion opportunity to explore how our values can be practiced in day-to-day operations. Not only through individuals' proactive activities but also through concerted efforts as a Group, we aspire to keep growing in order to become a global company that clients and society wish to be served by, while striving globally to help society achieve sustainable development.

## Realizing an Affluent Society by Co-creating Innovation

With cutting-edge technology, we transform IT and with IT we help clients transform their business models and also transform ourselves. Through these efforts, we aim to create new value and contribute to addressing societal challenges. This is exactly what we do as NTT DATA and the very social responsibility that we should take.

In fiscal 2016, we developed a core banking system for the Central Bank of Myanmar, illustrating our significant contribution of building IT infrastructures in developing countries. Also, as the electricity retailing market was deregulated, we started to offer systems using our expertise in operating shared platforms and creating business through open innovation. Moreover, our activities with the Vatican Apostolic Library contributed to us winning an opportunity to take part in the digital archive project for Spain's National Heritage. In such ways, we have promoted projects in which IT contributes to passing down historically-precious assets. We will continue to help society solve issues by harnessing our extensive know-how and new technological innovation.

Finally, creating global synergy is integral as we continue to drive global business. A key theme is "NTT DATA: ASCEND— Rise and grow as a global brand," which helps us enhance synergies in global accounts, global delivery, global solutions and global talent across regions to create innovation with clients. We continuously pursue this value and aspire to create a sustainable and affluent society by creating societal value through co-creation as a Global IT Innovator.

