Society

The NTT DATA Group addresses societal issues by harnessing IT and contributes to the development of a sustainable society by engaging its stakeholders.

Approach Adopted by the NTT DATA Group

At the present time, as business becomes ever more global and IT continues to evolve, the needs that companies ask us to meet are becoming more diverse. Responding to those needs require us to constantly hone our powers of foresight and create new mechanisms that are of benefit to society.

Recognizing the critical importance of providing its clients with safe and secure services, the NTT DATA Group has been actively facilitating the supply of, for example, highly reliable as well as people-friendly systems, thereby contributing to the development of society.

Through these efforts we will create new businesses that will nimbly pick up on changes in the world and expand our business domains, while helping to resolve wide-ranging social issues.

Looking ahead, we will bring innovation to fruition in cooperation with our clients and use IT to provide paradigms that are beneficial to both larger society and regional communities.

With Clients

The NTT DATA Group provides safe, secure services to clients and strives to enhance these services by continuously keeping pace with client needs.

Management Approach

The NTT DATA Group recognizes the critical importance of providing its clients with safe and secure services and provides highly reliable systems by constructing a systematic quality management system and establishing advanced methods for system development. To meet the diverse needs of our clients, we conduct client satisfaction surveys and carry out activities intended to reflect the opinions and requests we receive in improving our services so that they are even better from the client standpoint.

Developing Systems that Are Safe and Secure

The bringing to fruition of systems and services that offer round-the-clock, year-round stability is a key responsibility and forms the basis for providing services to clients. In realizing a social infrastructure that people feel safe and secure to use, the entire NTT DATA Group is engaged in, for example, the gaining of certification under quality management standards and the standardization of development and management methods. The Group is facilitating the provision of services that are geared to raising system reliability.
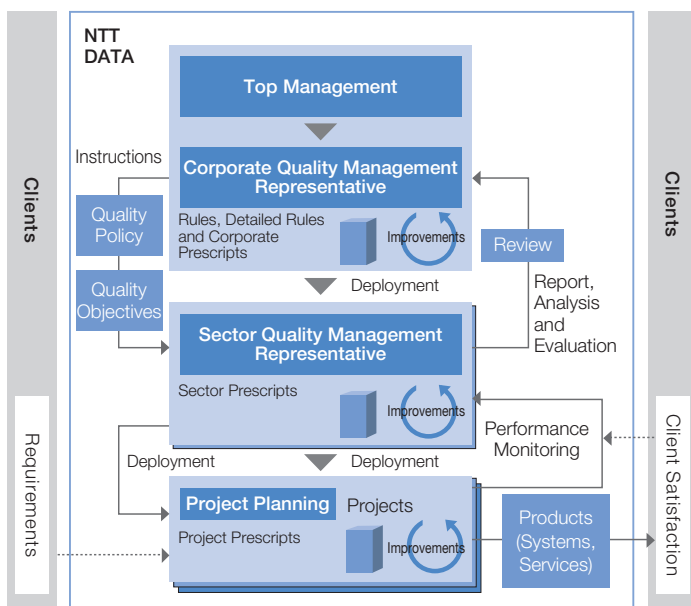
Initiatives to Improve Quality

〈 Building a Management System Based on ISO 9001 and Continuously Promoting Improvement Activities 〉

NTT Data obtained ISO 9001 certification – the international standard for quality management – on a Group-wide basis in 1998 and subsequently adopted a systematic approach for quality management system across the entire organization. Since fiscal 2008, NTT DATA has created unified Company-wide rules governing system development and management methods and has clarified procedures for applying the rules to bolster the system on a Group-wide basis. In March 2010, we formulated an implementation method to boost quality and productivity, which we have also deployed Company-wide, under our unified rules. In addition, we quickly focused on making process improvements and enhancing the transparency of system development, and we incorporated Capability Maturity Model Integration (CMMI)* to formulate development and operational standards. In recent years, we have particularly recognized the importance of raising the standard of quality control at development sites, including those of Group companies. We are therefore taking steps to roll out CMMI throughout the Group and to share quality-related information.
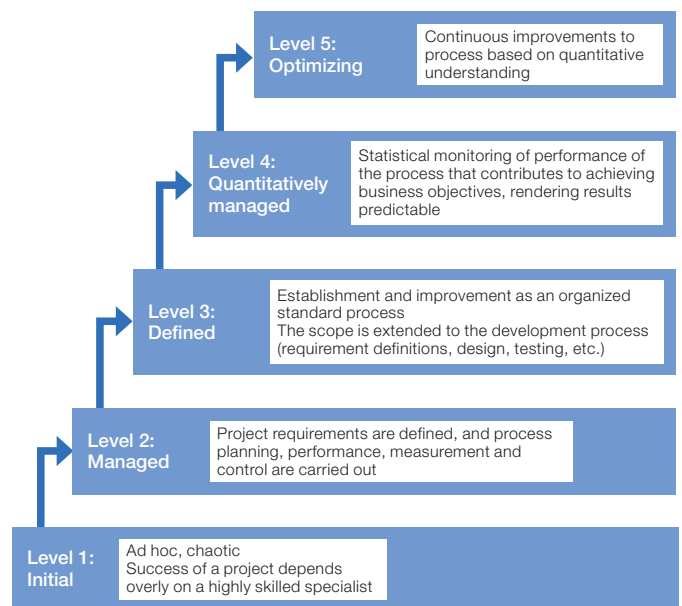
As part of our global effort to enhance quality, we have deployed a quality assurance system in the Asia-Pacific region and are preparing to obtain ISO 9001 certification in Vietnam and Australia while providing support and information for process improvement utilizing CMMI to offshore locations in China.

* CMMI is an approach managed by the CMMI Institute that expresses the level of maturity of the organization undertaking system development on a five-point scale.

■ NTT DATA Quality Management System

■ Capability Maturity Model Integration

Level 5: Optimizing — Continuous improvements to process based on quantitative understanding

Level 4: Quantitatively managed — Statistical monitoring of performance of the process that contributes to achieving business objectives, rendering results predictable

Level 3: Defined — Establishment and improvement as an organized standard process. The scope is extended to the development process (requirement definitions, design, testing, etc.)

Level 2: Managed — Project requirements are defined, and process planning, performance, measurement and control are carried out

Level 1: Initial — Ad hoc, chaotic. Success of a project depends overly on a highly skilled specialist

〈 Enhancing and Standardizing Project Management 〉

NTT DATA is endeavoring to enhance and standardize project management in order to improve the quality and efficiency of system development. In April 2016 we integrated our R&D organization for production technologies, which includes project management, with our project support organization to establish the Project Management Solution Center within the Technology and Innovation General Headquarters. We also opened the Agile Professional Center as an entity that applies the agile development method to collaborate with clients in creating new businesses and services.

▶ **Project Management Solution Center**

The Project Management Solution Center was established to research and develop innovative project management methods, reinforce them through verifiable methods familiar to the actual worksites, and provide them within the Group in an easy-to-use manner. The center is also responsible for establishing the NTT DATA Global Standards, which integrate standard procedures for system development around the world, and for developing next-generation management tools that raise the execution rate of progress management and quality management, thereby enhancing the competitiveness of the NTT DATA Group and limiting problematic projects.

▶ **Agile Professional Center**

The Agile Professional Center was established to create new businesses in collaboration with clients in response to the expanding business need for generating innovation. We are actively developing human resources in the area of agile development and building an on-demand development structure by setting up agile development locations around the world.

▶ **Quality Management Portal Site**

In fiscal 2011, NTT DATA launched the Quality Management Portal Site. Our objective was to enable the sharing of all kinds of information related to quality among the different development locations, including those of Group companies.

In fiscal 2016, in addition to enhancing content, we sought to increase the usefulness of the information portal by restructuring the site to comply with the Software Quality Body of Knowledge Guide, which focuses on quality management, and by adding items to the menu so that content could be viewed by stage of application, such as when a project is launched or in progress. We will continue our efforts for making better use of quality assurance expertise to achieve further improvements and reduce the environmental impact of rework.

Initiatives for Improving Client Satisfaction

Initiatives that involve listening to what clients have to say and targeting improvements in their levels of satisfaction are an important issue when considering contributions that can be made to society through business operations.

In line with its client-first approach, the NTT DATA Group strives to improve client satisfaction as a means of contributing to their success.
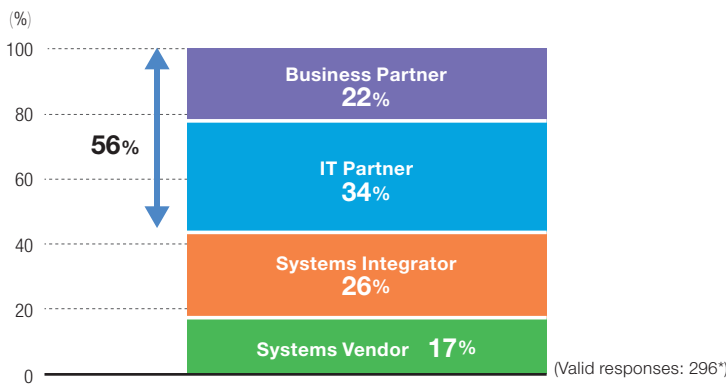
Improving Client Satisfaction

〈 Promoting Improvement through Interviews and Questionnaires 〉

In accordance with its belief that a client-oriented approach lies at the root of sustainable corporate growth, NTT DATA conducts oral and written surveys of its regular clients every year. The aim of this self-monitoring exercise is to enable us to deliver improved services from a client standpoint.

In fiscal 2016, we listened to the opinions and requests of 52 organizations in interviews and obtained feedback in questionnaires received from 301 people in 155 client organizations. These client satisfaction (CS) surveys revealed that 56% of clients viewed "NTT DATA as a partner that puts thought into both their business and into IT." Meanwhile, 51%, or roughly half of the clients, indicated that they expected NTT DATA to take a "higher position" in their business.

In the years to come, we plan to continue CS activities across the Group as a basic practice.

■ **NTT DATA's Actual Position for Customers**

(%)

- Business Partner **22**%
- IT Partner **34**%
- Systems Integrator **26**%
- Systems Vendor **17**%

56%

(Valid responses: 296*)

* Figures are based on a compilation of responses for "Actual" and "Expectations."

Expected Position 49% 51%

■ Expectations for taking a higher position
■ Expectations for maintaining current position
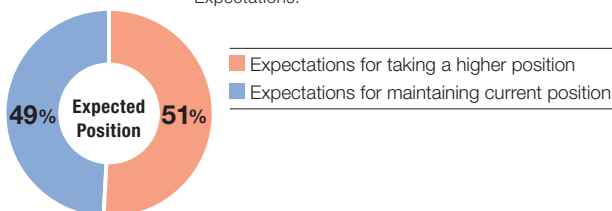
Business Partner
A business partner that works hand in hand with customers to help customers develop new businesses and services from their conception to market release

IT Partner
An IT partner that brings new issues to the attention of customers, working in unison to put forward systems solutions

Systems Integrator
A partner that is capable of providing timely advice regarding the necessary systems and services based on solutions that are required to address new issues that come to the attention of customers

Systems Vendor
A partner that takes steps to approach customers in conjunction with other vendors when the necessary systems and services have been clarified

With Shareholders and Investors

NTT DATA endeavors to enhance its corporate value in response to the trust and expectations of its shareholders and investors by appropriately distributing profits and ensuring transparency in its information disclosure.

Management Approach

NTT DATA is guided by its fundamental policy of appropriately distributing profits while working to increase corporate value over the medium to long term by achieving sustained growth for the Group by means such as investing in new and other business activities and ensuring efficient management of business operations.

We intend to pay a stable dividend based on a comprehensive assessment for achieving a balance between the sustainable development of our business and shareholder return.

To increase the transparency of our management, we follow our Disclosure Policy and disclose information in a timely and appropriate manner. The Disclosure Committee is responsible for formulating policies related to the disclosure of management information and for constructing a mechanism for reflecting shareholder opinions in our management. The committee endeavors to enhance our IR activities and stimulate two-way communication by, for example, creating opportunities for dialogue.

Approach to Information Disclosure

■ Disclosure Policy

NTT DATA adheres to its Disclosure Policy and discloses information of material importance to the Company in a timely, just and fair manner in accordance with relevant laws and regulations, including Japan's Financial Instruments and Exchange Act and the securities listing rules of the Tokyo Stock Exchange.

Moreover, to the greatest extent possible, we actively pursue fair disclosure of information that is not deemed to be of material importance, if we consider the information to be useful to shareholders and investors.

System for Ensuring a Constructive Dialogue

■ System

NTT DATA has appointed a director to be responsible for IR and set up an office specializing in IR (Investor Relations and Finance Office) to engage shareholders and investors in constructive dialogue. To ensure that internal departments collaborate on IR activities in a coordinated manner, we hold regular meetings of the Disclosure Committee, which has its secretariat in the Investor Relations and Finance Office and comprises the president and CEO, the senior executive vice president, the director responsible for IR, the officers in charge of each segment, and the head of the Group Strategy Headquarters. The committee deliberates on the formulation of the disclosure guidelines for management information as well as its ongoing disclosure.

■ Mechanism for Reflecting Shareholder Opinions

We ensure that shareholder opinions and concerns are effectively incorporated into meetings of the Board of Directors, regular meetings attended by the president and CEO, the senior executive vice president, the director responsible for IR, the officers in charge of each segment, and the head of the Group Strategy Headquarters. In addition, we seek to understand the opinions and concerns of shareholders and investors by providing them with opportunities for engaging in direct dialogue with the president and CEO and executive officers.
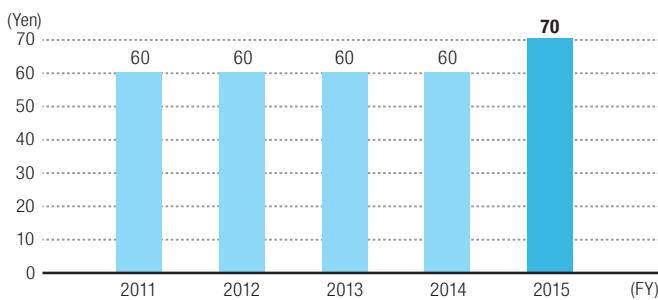
Returning Profit to Shareholders

■ Ensuring Stable Dividends Based on Operating Results and Financial Position

NTT DATA is guided by its fundamental policy of appropriately distributing profits while working to increase corporate value over the medium to long term by achieving sustained growth for the Group by means such as investing in new and other business activities and ensuring efficient management of business operations.
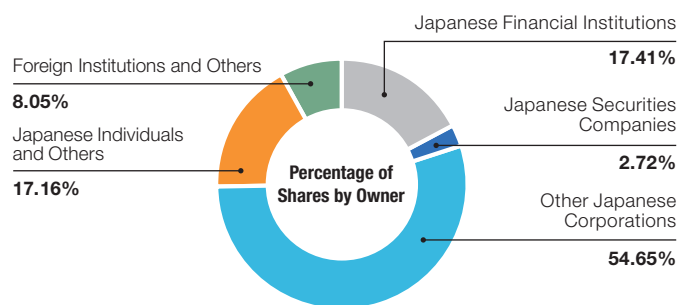
We intend to pay a stable dividend based on a comprehensive assessment for balancing dividend payments with business investments and technology development for achieving sustainable growth in future and expenditures for maintaining and reinforcing financial strength, in light of our consolidated operating results and financial position.

We plan to allocate retained earnings to investments in new businesses, technology development and capital investments to maintain continuous stable growth well into the future.

■ **Annual Dividends per Share**

(Yen)	2011	2012	2013	2014	2015 (FY)
	60	60	60	60	70

■ **Distribution of Ownership Among Shareholders (as of March 31, 2016)**

Percentage of Shares by Owner

- Japanese Financial Institutions: **17.41%**
- Japanese Securities Companies: **2.72%**
- Other Japanese Corporations: **54.65%**
- Japanese Individuals and Others: **17.16%**
- Foreign Institutions and Others: **8.05%**

Communication with Shareholders and Investors

■ Promoting Opportunities for Communication

Enhancing IR activities for shareholders and investors and promoting two-way communication are key issues for NTT DATA's IR activities. To this end, we conduct briefings for institutional investors and individual investors in order to cultivate an understanding of our management strategies and business activities.

■ Direct Communication through Presentations and Meetings

NTT DATA holds quarterly earnings presentations in which top management offers an overview of financial results and explains the business environment, strategies and its outlook. We also organize individual and small gatherings with investors in Japan and overseas.

In fiscal 2016, we responded to about 290 inquiries from investors and analysts and held briefings for individual investors as part of our communication activities targeting individual investors. In a post-briefing questionnaire, more than half of the respondents said they would like to invest in NTT DATA or add the Company to their list of investment candidates.

We intend to continue our efforts to promote two-way communication with shareholders and investors in fiscal 2017.

■ External Recognition of Our IR Activities

NTT DATA engages in IR activities for shareholders and investors in Japan and overseas by taking advantage of the respective characteristics of various media, including paper-based publications, websites and video streaming.

In recognition of our corporate stance on IR activities and the status of our information disclosure, we were selected in fiscal 2016 for the Excellence Award in the Internet IR Excellence Awards presented by Daiwa Investor Relations, Co., Ltd. for the fifth consecutive year.

■ Reinforcing Information Dissemination through IT Tools

NTT DATA publishes an annual report for investors in Japan and overseas and compiles reference materials for IR presentations, including progress reports on its businesses, which are available on its website. Moreover, to coincide with the 28th Ordinary General Meeting of Shareholders, we revamped the Notice of Convocation by printing it in color, among other changes, and began disclosing the content on our website and the Tokyo Stock Exchange website before distributing it to shareholders in an effort to facilitate understanding of the results and nature of our businesses.

Our RSS feed for press release updates and video streaming on earnings presentations have added vigor to the two-way communication, as we provide the latest information on NTT DATA in a timely manner and in return receive inquiries and opinions from shareholders and investors.

We will continue to improve our IR tools to provide information on the results and nature of our businesses in a timely and easy-to-understand manner.

With Business Partners

The NTT DATA Group is pursuing initiatives for constructing a sustainable supply chain by promoting open and fair transactions toward a mutually successful future with business partners.

Management Approach

The NTT DATA Group believes that developing mutual understanding and forging relationships of trust with business partners constitute the essential elements of fair business activity. Accordingly, we have formulated our Procurement Policy and Fair Transaction Rules as part of a rigorous effort to ensure fair transactions. We are working toward building a sustainable supply chain by establishing our supply chain CSR procurement guidelines to disseminate NTT DATA's CSR Policy among suppliers and conducting a survey on CSR procurement to monitor the status of compliance with the guidelines and suggest future improvements in a bid to work together on CSR activities.

Building Strong Relationships with Business Partners

Properly managing a supply chain is a basic responsibility of companies that society demands.

Along with promoting open and fair transactions, the NTT DATA Group works to improve the quality of its products and services and workplace environments through active communication with our business partners so we can move forward together.

■ Thoroughgoing Fair Transactions

Amid widening acceptance of corporate social responsibility (CSR) these days, companies are expected to promote initiatives ensuring thorough compliance with fair business practices together with business partners. The NTT DATA Group strives to uphold fair business practices with its partners by maintaining guidelines for promoting CSR along the supply chain and ensuring adherence to its procurement policy.

■ Procurement Policy

NTT DATA publishes its Procurement Policy on its website as a basic guide to procurement transactions. We aim to engage thoroughly in fair transactions by setting up internal rules such as procedures for properly implementing procurement contracts. In May 1997, NTT DATA created its Fair Transaction Rules as a compilation of the laws, regulations, rules and code of conduct that must be followed in transactions and contracts with customers and business partners. We have revised our Fair Transaction Rules periodically since then to reflect changes in laws and regulations.

Procurement Policy

1. We shall foster mutual understanding and build relationships of trust while providing opportunities for fair competition among our suppliers around the world.

2. We shall procure competitive products and services according to our business needs based on economic rationality and a comprehensive assessment of quality, price, delivery time and reliability.

3. Our procurement activities shall respect human rights and consider the environment in order to contribute to society, while strictly adhering to laws, regulations and social norms.

■ Supply Chain Management

The NTT DATA Group fosters mutual understanding and builds relationships of trust with business partners by appropriately monitoring and managing the supply chain. It also performs a spend analysis for transactions with all of its approximately 1,800 suppliers. From all transactions, we carefully screen our business partners in the key categories of software outsourcing and hardware and software procurement to identify our key suppliers. As of March 31, 2016, spending on transactions with key business partners accounted for approximately 50% of total transactions, and at about 1% of these companies, orders from the NTT DATA Group accounted for over 30% of sales. With respect to software outsourcing, we have established a business partner system for conducting evaluations based on transaction volume, secured quality, management conditions and performance. We accredit subcontracted suppliers displaying excellence as business partners (BPs) or associate partners (APs).

In view of the growing requirements of CSR over the past few years, we are promoting CSR procurement with due consideration for environmental, social and governance (ESG). NTT DATA objectively evaluates its business partners in terms of quality, financial health and contractual obligations in its pursuit of fair transactions with an eye on the legitimacy of partner companies. Furthermore, to secure transparency of the supply chain and undertake responsible procurement, NTT DATA and the NTT DATA Group abide by "NTT Group's Approach to Conflict Minerals" to promote initiatives for eliminating the use of conflict minerals, which serve as the source of funding for militant groups.

Some of these ESG factors are included in the articles of the basic agreement. We also established our supply chain CSR procurement guidelines to disseminate NTT DATA's CSR Policy and conduct CSR procurement surveys and evaluations to monitor the status of compliance with the guidelines and ongoing initiatives undertaken by suppliers in order to suggest future improvements in a bid to work together on CSR activities.

In the survey, we seek responses on green procurement and on our supply chain CSR procurement guidelines. We also interview managers and employees at the suppliers, as necessary, to confirm the status of their initiatives and identify problem areas as well as to disseminate our guidelines far and wide.

■ Communication with Business Partners

Each year, NTT DATA conducts mutual evaluations and interviews to improve the quality of software development as well as prevent various contractual problems by deepening mutual understanding with key suppliers in software outsourcing. To forge sound relationships with its business partner (BP) companies, NTT DATA holds Core BP and BP Presidents' Meetings, in which people in the top position at companies participate.

In December 2015, we held a Core BP Presidents' Meeting attended by representatives of Core BP Companies. Active discussions took place on the current state of NTT DATA, the arrival of the digital era, major topics related to NTT DATA's businesses and the latest trends in innovations in production technology.

Representatives from a total of 37 companies, including the four Core BP Companies, attended the BP Presidents' Meeting in February 2016, where they shared information and discussed topics including recent trends in technology, software outsourcing policies, results of mutual evaluations and the need for rigorous efforts on compliance and information security.

■ Forging Win-Win Relationships

NTT DATA believes that forging solid collaborative relationships with its suppliers, including issues related to ESG factors, is effective for realizing a broad range of objectives, such as appropriate pricing, efficient operations, strict compliance and information security.

The development of favorable relationships with BP companies has also contributed to securing human resources and improving productivity and quality at BP companies, which in turn has led to raising the competitiveness of the supply chain as a whole. Maintaining good relationships, particularly with specific suppliers, has allowed us to retain highly competitive development capabilities by improving the efficiency of various procedures and sharing expertise on similar operations.

With Employees

The NTT DATA Group is promoting the active participation of diverse human resources while seeking to strengthen its global competitiveness by creating a working environment in which employees feel comfortable in fully demonstrating their abilities and by nurturing an organizational culture that provides a genuine sense of personal growth.

Management Approach

The NTT DATA Group recognizes diversity and inclusion as one of its management strategies to succeed against global competition and achieve sustainable future growth by meeting the diversifying needs of society. In pursuing this strategy, we intend to create new corporate value in accordance with the two core concepts of advancing diverse human resources and changing work styles. To realize these goals, we are pursuing a united Group effort to establish an organization that generates superior value by enhancing our systems for merit-based compensation, including transparent personnel evaluations, as well as encouraging employees to create more work-life balance and work so they can vigorously engage in their jobs and fully demonstrate their abilities. We also conduct employee satisfaction surveys covering all employees at NTT DATA and its Group companies. The results are analyzed and shared during training and in the workplace to discuss possible solutions for outstanding issues in an effort to create rewarding working environments and nurture an organizational culture that encourages the continuous growth of each individual employee.

Hiring and Promoting Human Resources

NTT DATA is expanding into global markets and operating in a business environment where there is growing demand for new and unprecedented IT services. Consequently, recognizing the need to bring together a greater diversity in perspectives and capabilities, NTT DATA endeavors to conduct its recruiting activities fairly and with an emphasis on diversity, aiming to expand work opportunities and optimize placements.

We will continue to recruit new graduates and mid-career personnel, employ people with disabilities, reemploy retired workers and take other steps. In this manner, we will bring together employees with diverse values and allow them to work together. Through these efforts, we strive to evolve into a company that creates new value while adapting to the changing environment.

■ Hiring Human Resources

〈 Hiring Diverse Human Resources 〉

In our hiring practices we prioritize aptitude, motivation and ability over academic record, age, gender and nationality. Thus far, we have taken on new graduates from more than 100 educational institutions and our diverse mid-career outreach channels include online sites.

While expanding its business fields beyond Japan to overseas countries, NTT DATA has been proactive in its efforts to hire foreign nationals. Every year, people from around ten foreign countries are brought on board to work in a variety of fields, both in and outside of Japan.

NTT DATA will continue to undertake broad-based hiring as it works toward becoming a Global IT Innovator, the Group's vision.

■ Data on Employees in Japan

	Fiscal 2013		Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Non-consolidated	Group companies	Non-consolidated	Group companies	Non-consolidated	Group companies	Non-consolidated	Group companies
Number of employees	10,804	21,745	11,000	21,779	11,110	21,751	11,213	21,772
Male	8,985	17,754	9,086	17,977	9,117	17,871	9,134	17,267
Female	1,819	3,991	1,914	3,802	1,993	3,880	2,079	4,505
Number of women in management positions [Ratio]	96 [4.6%]	217 [5.4%]	106 [4.8%]	189 [5.0%]	112 [4.9%]	196 [5.0%]	120 [5.1%]	233 [5.9%]
Average age	36.5	—	36.7	—	37.1	—	37.6	—
Average years of service	12.7	—	12.9	—	13.4	—	13.9	—

Figures as of March 31 of each fiscal year.

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Number of newly recruited graduates[1] (non-consolidated)	496	475	379	379	378
Male	339	334	262	255	248
Female	157	141	117	124	130
Number of mid-career hires	16	23	20	8	—
Male	11	18	15	7	—
Female	5	5	5	1	—
Number of employees with disabilities[2] [Employment ratio] (non-consolidated)	241 [2.02%]	245 [2.05%]	254 [2.10%]	260 [2.13%]	280 [2.27%]
Number of reemployed retired workers[1] [Utilization ratio of the NTTDATA Reemployment System]	120 [57.14%]	105 [59.09%]	130 [74.14%]	120 [72.22%]	105 [78.26%]
New recruitment	28	26	43	26	18
Continued recruitment	92	79	87	94	87

*1 Figures for the number of newly recruited graduates and retired employees using the NTT DATA Reemployment System are as of April 1 for each fiscal year.
*2 The number of employees with disabilities as of June 1 for each fiscal year.

■ Starting Salary (Actual Results for April 2015) and Average Salary

	Starting salary
Doctoral degree	¥291,870
Master's degree	¥243,320
Bachelor's degree	¥216,820
College of technology graduate	¥187,610

Average salary for fiscal 2016: ¥8,079,821

■ Personnel Management System

NTT DATA's framework for managing employees emphasizes performance, achievements and activities irrespective of employment status. We expect our employees to put the Group's vision into practice and raise their level of professionalism. Our employees' concept of work focuses on performance and achievement through this approach, and it has firmly taken root across the Company.

Furthermore, we have developed a framework to reflect degrees of task achievement in the remuneration of contract employees, with options for conversion to permanent employment status for workers deemed to have high long-term performance potential.

We strive for transparency in our appraisals of performance by examining diverse aspects, including an evaluation of achievements against the employee's personal goals, through one-on-one interviews with managers and multidimensional evaluations.

In addition, we avoid placing disproportionate weight on short-term performance improvements by paying due consideration to mid- to long-term incentives for maintaining long-term motivation, such as an employee stock purchasing program, retirement benefits and a defined contribution pension plan.

Nurturing Human Resources
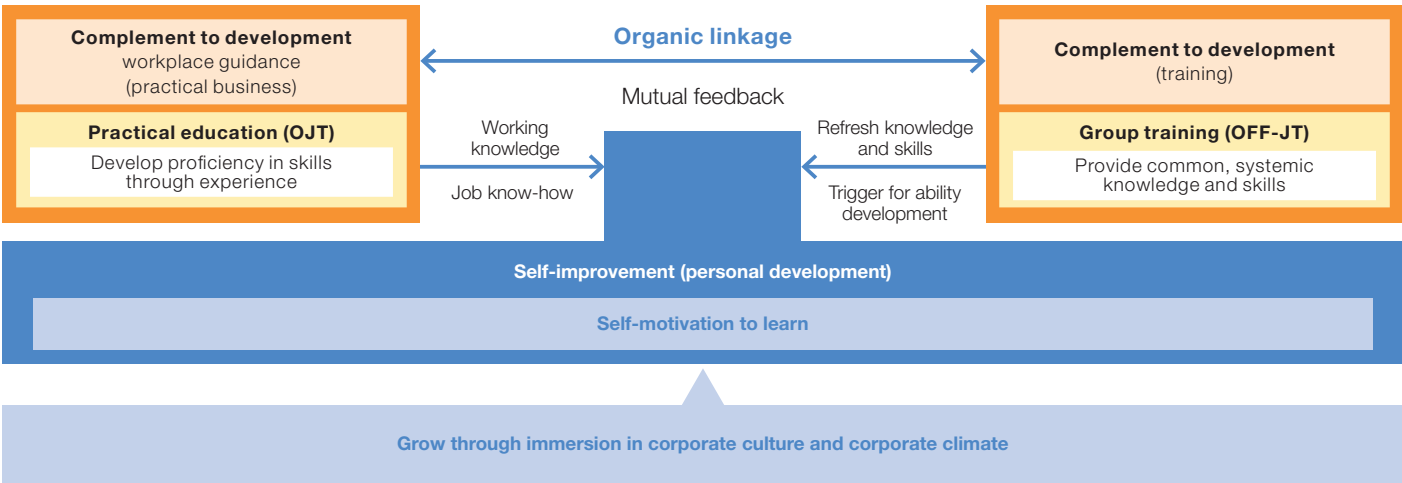
■ Supporting Employee Skills Development

NTT DATA's personnel education and development is anchored in the employee's aspiration to learn and grow by setting goals on their own initiative.

Our basic policy for personnel education is to offer on-the-job training (OJT) as the center of educational opportunities complemented and enhanced by off-the-job group training (OFF-JT).

At each workplace, we clearly define the roles of staff responsible for different aspects of training under a system in which each employee sets his or her own annual education plan as a means for raising motivation to learn by systematically addressing both the workplace and the employee.

Moreover, to meet the needs of the ever-changing business environment, we are focusing on nurturing human resources with advanced expertise and responsiveness to change, as well as those who can demonstrate their talents in the global marketplace.
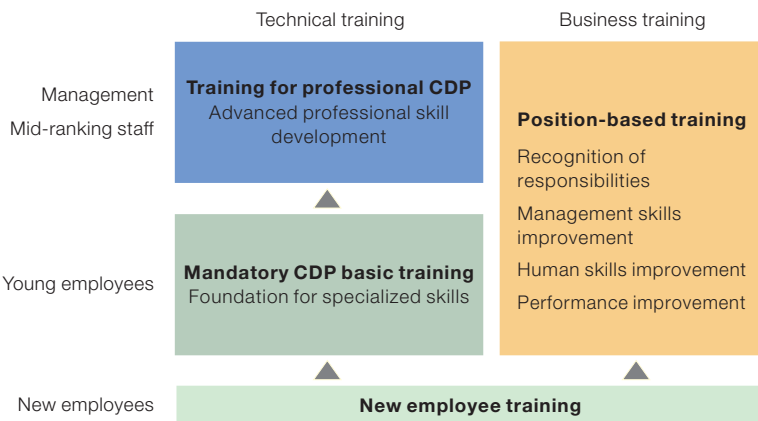
■ Approach to Personnel Education and Development

Organic linkage

Complement to development
workplace guidance (practical business)

Complement to development
(training)

Mutual feedback

Practical education (OJT)
Develop proficiency in skills through experience

Group training (OFF-JT)
Provide common, systemic knowledge and skills

Working knowledge

Refresh knowledge and skills

Job know-how

Trigger for ability development

Self-improvement (personal development)

Self-motivation to learn

Grow through immersion in corporate culture and corporate climate

〈 Framework for Various Training Programs 〉

NTT DATA offers business training to facilitate business skill improvement and technical training to boost specialist expertise, with employees free to select courses attuned to their position and job assignment when needed. Moreover, we have established a system where all our employees are able to acquire knowledge and skills to a certain degree pertaining to operations outside of their regular job assignments.

In new employee training, we offer programs for forming the essential mindset and ability necessary for developing into a disciplined human resource.

■ Framework for Various Training Programs

Technical training

Business training

Management
Mid-ranking staff

Training for professional CDP
Advanced professional skill development

Position-based training
Recognition of responsibilities
Management skills improvement
Human skills improvement
Performance improvement

Young employees

Mandatory CDP basic training
Foundation for specialized skills

New employees

New employee training

■ Participants and Training Costs in Fiscal 2016

Training Program	Participants and Other Data	Training Cost
Professional CDP (non-consolidated)	Number certified: approx. 1,100 Aggregate number certified: approx. 8,500	—
Position-based training	Aggregate number of days: approx. 50,000	Approx. ¥700 million
New employee training	Number of participants: 390 Days of training: 45	¥570,000 per person

〈 Human Resource Cultivation System Based on Professional CDP 〉

As clients' IT needs diversify in this changing business environment, companies require human resources who can respond appropriately and flexibly. NTT DATA has put in place a Professional Career Development Program (CDP) that was designed to transform its employees into professional human resources who are highly specialized and can flexibly adapt to change. We are seeking to apply the program to Group companies as well. Through this program, we show each employee's current accreditation level and what each employee needs to do to further develop his or her skills in an easy-to-understand format in order to support each employee's self-directed growth from the time they join the Company until retirement.

The creation of new solutions and the expansion of business fields are increasingly important today, so we will continue to push forward efforts aimed at cultivating professional human resources in the NTT DATA Group.

〈 Policy and Current Status of Global Human Resource Development 〉

To provide a greater number of employees with international business opportunities, the NTT DATA Group is strengthening ties among the human resource departments of its four regional structures of the Americas, EMEA, APAC and China as well as their counterparts at Business Solutions and everis, centering around the head office in Japan.

In specific terms, we conduct the Global Leadership Program, which was launched in fiscal 2010. Executive trainees from overseas Group companies come together to hold discussions, and from fiscal 2013 we have continued to send employees from our headquarters in Japan to an EMEA-organized program as part of an initiative aimed at bolstering cooperation with regional companies. Not only do we send employees abroad from Japan, but we also transfer overseas personnel to our headquarters in Japan and EMEA employees to China. These initiatives help to provide opportunities for interaction and international work exchange to as many employees as possible.

In fiscal 2014, we started the Regional Leadership Program-JAC aimed at providing leadership training to Japanese, APAC and Chinese employees. We will continue to face the challenge of training, head on, the Asian business leaders who will bear the responsibility for the future.

Regional Leadership Program-JAC

Advancing Diverse Human Resources

■ Promotion of Diversity

〈 Promoting Activities by Diverse Human Resources 〉

Diversity management is crucial for a company seeking to achieve sustainable growth by generating innovation in response to the diversifying needs of society. With this in mind, NTT DATA promotes diversity and inclusion as one of its management strategies to succeed against global competition. Our aim is to create new corporate value based on the two core concepts of advancing diverse human resources and changing work styles.

Since fiscal 2013, we have concentrated on advancing women in the workplace and reducing annual work hours by changing the way we work, in a bid to create a work environment where each individual employee can thrive. In March 2013, NTT DATA was selected as one of the Diversity Management Selection 100 sponsored by Japan's Ministry of Economy, Trade and Industry. In March 2014, NTT DATA was awarded the 2014 J-Win Diversity Award's Corporate Award for Basic Achievement from the NPO Japan Women's Innovative Network (J-Win).

■ Major Initiatives Aimed at Promoting Diversity

	Major Initiatives
Advancing women in the workplace	● Career development training for female candidates for leadership positions and their supervisors ● Training held outside the Company for female candidates for leadership positions ● Participation in activities for promoting the careers of female employees (activities for advancing women sponsored by J-Win, an NPO that supports female employees at corporations, and the 21st Century Support Forum sponsored by the 21st Century Work Foundation) ● Forum in which senior management offers their views on diversity ● Transmission of messages from senior management via the in-house website ● Lectures by outside experts ● Training for managers on overseeing the development of female employees ● Formulation of development plans and monitoring activities for promoting women into management positions ● Planning and implementation of Women's Initiative @NTT DATA, voluntary activities by women in management positions ● Introduction of profiles and career descriptions of diverse women in management positions via the Women's Advancement Website
Supporting continued employment	● Operation of the Egg Garden in-house day-care center ● Seminar for promoting career development for employees on or about to take childcare leave ● Rental thin-client terminals for employees taking childcare leave, distribution of a handbook with information on the childcare leave system and support for employees seeking to balance work and childcare ● Nursing care support services provided by Umi wo Koeru Care no Te, a remote family care service NPO ● Seminar for supporting employees seeking to balance work and nursing care
Changing work styles	● Ongoing implementation of the "changing work styles" seminars for newly appointed department and section managers ● Ongoing effort to maintain workplace environments that allow employees to review their working styles according to each organization, including a trial of free address office, a workspace sharing model among employees, discretionary work system and teleworking ● Introduction of "impressive worksites" as successful examples of changing work styles via the in-house website ● Efforts to encourage employees to take paid leave (including refreshment leave and anniversary leave) ● Expansion of scope of employees eligible to use the flextime system, greater flexibility of hours (from 2016)

〈 Goals for Advancing Women's Careers 〉

Following the enactment of the Act of Promotion of Women's Participation and Advancement in the Workplace in Japan, NTT DATA formulated an action plan for developing the necessary environment for advancing women. It also gave us an opportunity to review our past initiatives, and we intend to consistently and steadily work toward achieving our goals through a Company-wide effort.

Plan Period
From April 1, 2016 to March 31, 2021

NTT DATA Issues
1. While there were no outstanding issues regarding gender discrimination in hiring or the state of continuous employment between men and women, we must continue working to increase job applications by female students and develop the population of female science students applying for jobs.
2. Optimization of total working hours
3. Low percentage of women in deputy manager positions that make up the population of top management and other management positions, and candidates for management positions

Quantitative Targets

Target 1: Continue raising the percentage of female recruits to above 30% by the end of fiscal 2021.

Target 2: Achieve average total working hours of 1,890 hours per employee by the end of fiscal 2019.

Target 3: Increase the number of women in management positions to at least 200 by the end of fiscal 2021.

Target 4: Increase women in senior management positions (directors, heads of organizations, etc.) to at least 10 by the end of fiscal 2021.

〈 Promoting Initiatives on LGBT and Sexual Minorities 〉

NTT DATA is promoting initiatives on LGBT and sexual minorities from the standpoint of further improving a working environment in which diverse human resources can thrive. In addition to messages communicated by senior managers, we provide in-house education to encourage understanding and operate a contact point for consultation. We also started to apply various programs related to life events to same sex partners in 2016.

Looking ahead, we plan to consider expanding the scope of programs related to spouses to include same sex partners as long as there are no legal restrictions.

〈 Promoting Employment of People with Disabilities 〉

To help employees with disabilities realize their potential, NTT DATA has sought to create various work opportunities through NTT DATA DAICHI Corporation, a special subsidiary established in July 2008.

In addition to its initial operations, NTT DATA DAICHI began providing data input operations in fiscal 2013. In fiscal 2016, it began handling in-house delivery of reference materials as well as screening and approval of application forms. Moreover, following the expansion of the Company's business operations, we continue to maintain hiring activities in collaboration with vocational training schools for persons with disabilities.

■ NTT DATA DAICHI's Business Activities

IT Services	Office Business
● Maintenance and upgrades of internal and external websites for NTT DATA and Group companies ● Basic skills training in website production for persons with disabilities	● Answering and redirecting calls made to main switchboards ● In-house line management ● Long-term storage and management of internal documents ● Collection and shredding of confidential documents ● Production of employee IC cards ● Office cleaning and greenery maintenance ● Printing (business cards, training texts and other documents) ● Delivery of in-house documents ● Screening and approval of application forms

〈 Promoting Reemployment of Retired Workers 〉

The NTT DATA Group has a Career Staff System that caters to employees who have reached the mandatory retirement age but wish to continue working until 65. This hourly wage system offers an array of work style options that can be adopted to the requirements of participants, including full-time employment, reduced working hours, and three- and four-day working weeks.

In response to the revision of the Law Concerning Stabilization of Employment of Older Persons, the NTT DATA Group introduced the Maester/Platinum Maester System in fiscal 2015. This system allows employees to remain in full-time employment on a monthly salary, using the skills they have amassed over the years, nurturing successors and passing on their skills. We are improving working conditions for senior employees so they can continue working comfortably.

As of April 1, 2016, 105 employees (18 of whom were new) were taking advantage of these systems at various Group workplaces.

Creating Comfortable Working Environments

Healthy, stimulating work environments are essential to create high value by maximizing the abilities of each and every employee as they work with enthusiasm.

We are working to create healthy workplaces across the Group that support high employee satisfaction while striving to achieve working style innovations for each employee in teams, placing importance on individual abilities that lead to organizational strength.

### ■ Reducing Long Working Hours

〈 Promoting Initiatives toward Addressing the IT Company Issue of Long Working Hours 〉

In the IT industry, long working hours are an ongoing problem. NTT DATA is promoting efforts aimed at decreasing total working hours based on appropriate labor management.

Since fiscal 2014, we have sought to manage working hours by recording computer log on and log off times, setting reduction targets for total working hours at each workplace and promoting the consideration and implementation of measures for attaining the targets.

In fiscal 2017, we will continue to set reduction targets for each organization and seek to achieve them by making continuous improvements through the use of the PDCA cycle.

■ Trends in Annual Working Hours per Employee (Non-consolidated)

(Hours)

	2012	2013	2014	2015
	1,996	1,966	1,966	**1,941**

(Fiscal year)
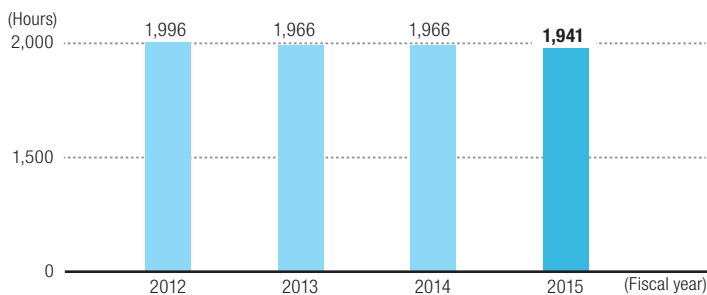
■ Work-Life Balance

The ongoing decline in the country's workforce due to a falling birth rate and aging population is an issue that must be addressed for the sustainable growth of corporations.

The NTT DATA Group is actively hiring skilled, motivated personnel, irrespective of gender, nationality, age or disability, and ensuring that a broad range of personnel with diverse values can demonstrate their talents and that all employees can lead healthy and prosperous lives.

〈 Life Plan Training 〉

NTT DATA provides training and incentives for each age group to strike a work-life balance while offering total support for their life plans. We will continue to offer training and help for employees in designing their life plans in balance with work.

■ Training by Age Group and Activities in Fiscal 2016

Age Group	Content of Training	Activities in Fiscal 2016
Two years after joining company	● Cafeteria Plan System ● Asset formation via asset-building savings plans ● Turning points in life (marriage, childbirth, buying a home)	357 employees participated in four sessions
Age 50	● Social insurance and taxes ● Life insurance ● Asset management	215 employees participated in six sessions
Mandatory retirement age	● Retirement benefits, corporate pensions, public pensions ● Work options after retirement (internal system) ● Financial planning	78 employees participated in four sessions

⟨ Encouraging Employees to Take Paid Vacation ⟩

To promote work-life balance among employees, NTT DATA encourages employees to take advantage of its refreshment leave[*1] and anniversary leave[*2] systems.

As a company participating in the Ministry of Land, Infrastructure and Transport's Positive Off initiative, NTT DATA asks its employees to plan and take long vacations during the summer break and year-end holidays and use the refreshment leave system.

We have promoted activities to reduce electricity usage during the summer months since 2011, such as designating certain office floors off limits for a day in each organization, while encouraging flexible working styles with time off, common spaces and teleworking. As a result, the average number of vacation days taken was 17.0 per employee in fiscal 2016.

We will continue to encourage employees to take paid vacation through these measures.

*1 Employees can take more than five consecutive days of vacation when a work milestone is achieved.
*2 Employees decide their own anniversary date and plan to take vacations every year on this anniversary.

⟨ Opening the Way for Work Styles that are not Location Dependent ⟩

NTT DATA has operated a teleworking program since February 2008 as one specific example of work style innovation.

In addition, our IT system enables employees to access the Company's servers via their PCs, smartphones and mobile phones (feature phones) when they are out of the office or on a business trip. About 60% of our employees take advantage of this system.

In addition to promoting work styles that are not location dependent, we are actively adopting the use of the discretionary work system with respect to working hours so as to accelerate flexible work styles, and in fiscal 2016 we expanded the flextime system to staff departments. More than half of our employees take advantage of both systems.

Amid globalization, we have put in place the infrastructure for teleconferencing and conference calls to offer flexible working styles without regard to time or location.

⟨ Upgrading Childcare and Nursing Care Systems ⟩

In order to help employees balance childbearing and rearing, nursing care and work responsibilities with less worry, the NTT DATA Group is upgrading its leave systems while enhancing employee understanding and improving the workplace environment that makes these systems easier to use.

NTT DATA earned the Kurumin Next-generation Certification Mark in June 2008 from the Ministry of Health, Labour and Welfare for our system to support employees with children. Following the revision to the Act on Advancement of Measures to Support Raising Next-generation Children, we acquired the new Kurumin Mark in August 2015.

Furthermore, with the aim of offering direct support to employees with nursing responsibilities at home, NTT DATA has since 2011 enabled them to use remote nursing care support services provided by the NPO Umi wo Koeru Care no Te. Moreover, from 2012, our life design training sessions for workers reaching age 50 introduced employees to this support program. With such efforts, we have started providing employees with a wide range of information and raised their awareness.

■ New Kurumin Mark

■ **Principal Systems**

Principal Childcare Systems	Principal Nursing Care Systems
● **Childcare leave** Childcare leave can be extended until the child reaches four years of age. The deadline for application to return to work is one month prior to the expected return.	● **Nursing care leave** Nursing care leave can be extended up to a maximum of 18 months.
● **Shorter working hours for childcare** Shorter working hours for childcare are available until the child completes his or her third year of elementary school. The application deadline for shorter working hours is two weeks prior to the start.	● **Shorter working hours for nursing care** Shorter working hours for nursing care are available for a maximum of three years, including periods of nursing care leave.

■ **Trends in the Number of Employees Using Childcare and Nursing Systems (Non-consolidated)**

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Female	Male	Female	Male	Female	Male
Childcare leave (people)	124	11	129	17	149	12
Shorter working hours for childcare (people)	180	3	208	2	240	2
Nursing care leave (people)	4	2	1	4	1	3
Shorter working hours for nursing care (people)	0	0	0	0	1	0
Average paid leave taken (days)	16.6		17.4		17.0	
Average rate of paid leave taken (%)	82.9		86.8		85.0	
Teleworking (people)	—		453	1,227	383	1,055

〈 In-house Day-care Center, Egg Garden 〉

We established the Egg Garden, an in-house day-care center for our employees in Toyosu Center Building Annex 1F in Tokyo, Japan, in December 2011. We were prompted to build the facility after some employees came up with the idea. The facility enables employees to give birth and take childcare leave with their minds at ease, freeing them from concerns about having their children being placed on childcare center wait lists. Thanks to childcare support that allows them to return to work as they planned, women can be expected to be actively involved in the Company. Employees that take advantage of the Egg Garden tend to return to work more quickly after taking childcare leave.

Nine children were registered for the monthly childcare service, and 93 children were registered for the temporary childcare program in fiscal 2016. We will promote the facility actively to increase users in trial events and other opportunities.

■ Employee Health Maintenance and Promotion

NTT DATA promotes employee health and mental healthcare in cooperation with its various workplaces centered on the industrial physicians and health nurses at its Health Promotion Office.

Long working hours is an issue characteristic to the IT industry. To address this issue, in fiscal 2012 our Health Promotion Office began checking the degree of fatigue of employees whose monthly overtime exceeded 45 hours. We have an industrial physician or health nurse interview those confirmed to have a high degree of accumulated fatigue. Furthermore, all employees are required to fill out an online medical history questionnaire after undergoing medical examinations so the Health Promotion Office can ascertain their subjective physical and psychological symptoms and how they are doing in the workplace. Through these efforts, we are promoting early detection of those in poor health and building awareness regarding self-care among employees.

〈 Implementation of Mental Health Management Exams 〉

NTT DATA has conducted mental health management examinations for all managers annually from fiscal 2010 to serve as the basis for looking after their subordinates (reporting line care).

A total of 193 people, primarily newly appointed managers and their peers, took the exam, and 180 passed it (the pass rate was 93.3%) in fiscal 2016.
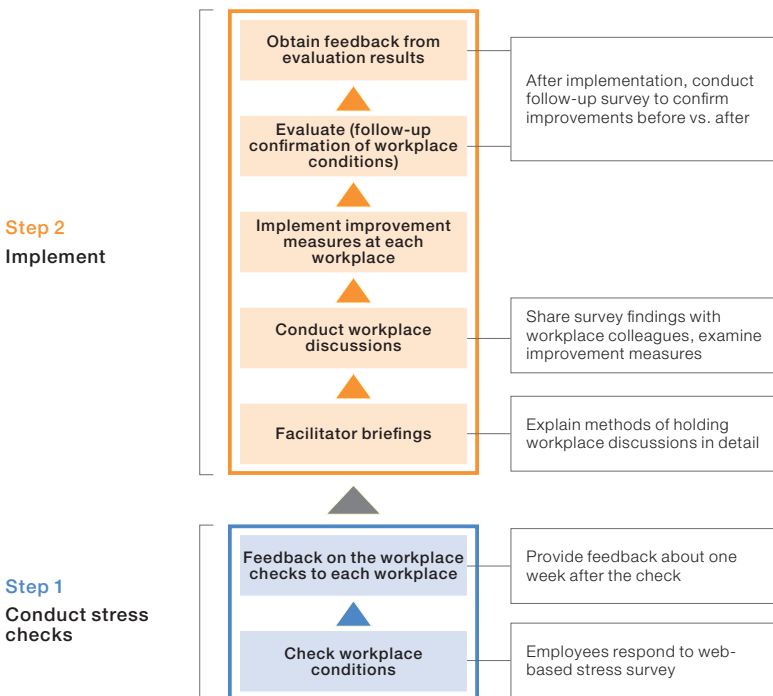
Looking ahead, we will continue to strive to build awareness among managers by administering the exam in conjunction with the provision of reporting line care training led by industrial physicians.

〈 Creating Safe Workplace Environments through Health and Safety Committees at Worksites 〉

NTT DATA has formed Health and Safety Committees for each of its organizational units to ensure an environment in which employees can work in safety and comfort and to improve the safety consciousness of staff.

Workers in the IT industry tend to feel heavily stressed by the nature of their work. At Health and Safety Committee meetings, the accumulated fatigue checks and interviews by industrial physicians or health nurses, both conducted by the Health Promotion Office, are shared in a continuous effort to improve the workplace environment.

■ Flow of the Workplace Improvement Program

Step 2 Implement

- Obtain feedback from evaluation results
  - After implementation, conduct follow-up survey to confirm improvements before vs. after
- Evaluate (follow-up confirmation of workplace conditions)
- Implement improvement measures at each workplace
- Conduct workplace discussions
  - Share survey findings with workplace colleagues, examine improvement measures
- Facilitator briefings
  - Explain methods of holding workplace discussions in detail

Step 1 Conduct stress checks

- Feedback on the workplace checks to each workplace
  - Provide feedback about one week after the check
- Check workplace conditions
  - Employees respond to web-based stress survey

〈 Industrial Accident Prevention Initiatives 〉

In fiscal 2015, we carried out two annual workplace safety patrols and activities to raise in-house awareness of National Safety Week, National Industrial Health Week, and the Accident-Free Holiday Campaign organized by the Ministry of Health, Labour and Welfare and the Japan Industrial Safety and Health Association.

The number of occupational accidents during fiscal 2016 stood at six, an increase of one from fiscal 2015.

With the aim of achieving no accidents, NTT DATA will continue its efforts to ensure that employees remain on guard against potential hazards, primarily through its Health and Safety Committee.

■ Labor Relations

〈 A Better Work Environment Based on Labor-management Dialogue 〉

The Company conducts labor-management talks with NTT DATA unions regarding issues pertaining to working conditions as they arise. NTT DATA's basic stance is to emphasize dialogue between labor and management in addressing various issues.

■ Pursuing Employee Satisfaction

〈 Ongoing Employee Satisfaction Surveys 〉

The NTT DATA Group conducts annual employee satisfaction surveys of all NTT DATA Corporation and NTT DATA Group employees in Japan.

According to the results of the fiscal 2016 survey, "overall satisfaction" among NTT DATA Corporation employees remained within the realm of satisfaction. With the aim of driving further progress and sustaining organizational growth, we have been sharing findings since the fiscal 2014 survey in training sessions and the workplace to create rewarding working environments where employees can leverage their abilities and will aspire to work in the future as places where they can fulfill their dreams.

Related initiatives are moving ahead across the Group. In fiscal 2012, we began holding annual Whole Group Feedback Meetings for those in charge of the employee satisfaction survey facilitation at Group companies in Japan, and the meetings continued in fiscal 2016. In addition to reporting survey results and issues, we used representative cases to reach a deep understanding of the survey's findings to help consider institutional solutions. We provide full support for these activities across the NTT DATA Group.

Moreover, in fiscal 2016 we began conducting the "One Voice" employee engagement survey for all employees working at our Group companies overseas.

We are striving to create rewarding workplace environments through these initiatives.

■ Employee Satisfaction Survey Results
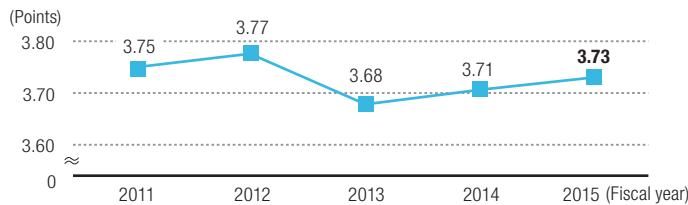
	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Ratio of respondents to all employees	94%	98%	95%	95%	95%

A full score is 5.0. Employee satisfaction is measured in four stages, including [requires improvement (below 3.0)], [requires attention (from 3.0 to 3.29)], [normal (from 3.3 to 3.59)], and [satisfied (3.6 and above)]. The level at NTT DATA lies within the "satisfied" domain.

With Regional Communities and Society as a Whole

The NTT DATA Group works to create and develop a healthy society through social contribution activities that emphasize employee participation, and through the development of IT systems designed to help resolve social issues.

Management Approach

The NTT DATA Group contributes to the advancement of society as a whole by developing and providing IT solutions for global social issues. To encourage each individual employee to proactively pursue social contribution activities, the Social Contribution Promotion Office takes the lead in promoting effective initiatives under our social contribution policy. We will continue to fulfill our responsibility as a corporate citizen by engaging in effective social contribution activities that are in line with international initiatives and guidelines such as the Sustainable Development Goals adopted at a United Nations summit in 2015.

Harnessing IT to Address Social Issues

◾ Initiatives for Closing the Digital Divide

The widespread adoption of information technology in society has brought with it the global problem of the digital divide[*1]. In Japan, there are calls to take into consideration the elderly and disabled in terms of familiarity with computers and the Internet and to improve the IT user-friendliness across a wide range of digital devices including tablets.

The NTT DATA Group, recognizing in each IT user the potential for innovation, promotes the development of people-friendly information systems centered on universal design (UD)[*2]. We are pursuing a wide-ranging effort, from applying UD in the systems and services we deliver to clients to training and enhancing the awareness of employees.

*1 The economic and social gap or imbalance that exists between those who have access to computers and the Internet and the capability to use them and those that do not
*2 Design aiming for ease of use by all people, irrespective of age, gender, nationality, disability or individual experience and abilities

〈 Active Involvement in the International Association for Universal Design 〉

The International Association for Universal Design (IAUD) was established in Japan in 2003 to promote the widespread adoption of universal design (UD). NTT DATA has been a full member of the IAUD—the largest organization of its kind in Japan—since its inception.

In fiscal 2016, NTT DATA employees continued to participate in the UD Project for Media and the Mobile Space Project.

〈 Initiatives for Broadly Improving Website Accessibility 〉

NTT DATA is responding to the growing interest in usability by incorporating usability evaluation into the development of information systems and the IT services process so that we can systematically organize and apply expertise in this field. In addition to making screens easier to understand, we are working on improving user manuals.

Meanwhile, initiatives aimed at improving usability have recently progressed from being defined as ease of use to place greater emphasis on the user experience (UX) from the user's perspective, an approach that leans toward fuller satisfaction for users. We will endeavor to resolve accessibility issues in the ICT and IoT areas by developing systems that are easy to use and satisfy users through the increased, active incorporation of the UX approach.
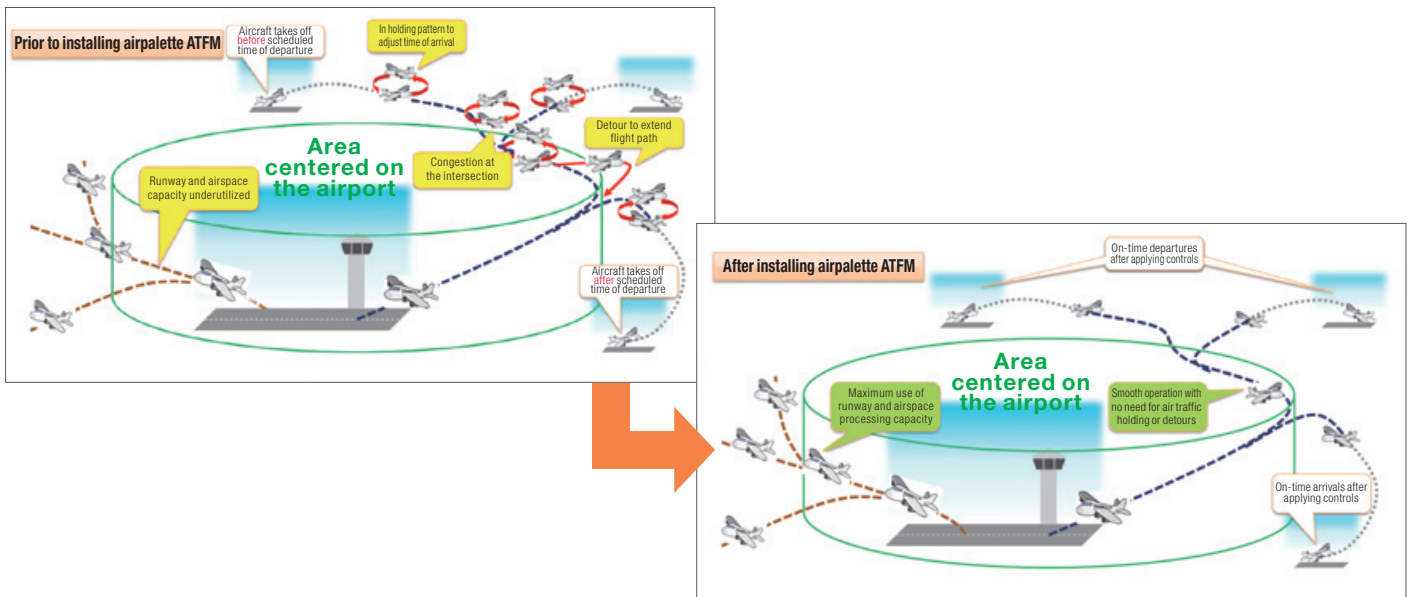
◾ Example of Solutions for Social Issues

The NTT DATA Group is contributing to addressing social issues through the use of ICT.

〈 Easing Airspace Congestion by Providing Air Traffic Forecast Data 〉

NTT DATA has been contributing to safe and efficient flight operations around the world and developing overseas business in the area of air traffic control by providing the PANADES® flight procedure design system. To further promote our overseas business by flexibly responding to different business models, we have subsequently launched "airpalette" as a total brand encompassing NTT DATA's full lineup of air traffic control products. In February 2016, we began providing the airpalette ATFM (Air Traffic Flow Management system), which allows for optimal air traffic flow by predicting air traffic volume based on the latest flight plans and meteorological data and accordingly adjusting departure times at related air control towers. Installing airpalette ATFM boosts the efficiency of flight operations and enhances air traffic safety, relieves the workload of air traffic controllers by evening out traffic volume, and reduces fuel consumed by aircraft in holding patterns. We plan to develop this business with a focus on Asian countries, where air traffic volume is expected to increase in the coming years.

■ Expected Results of Installing airpalette ATFM

Prior to installing airpalette ATFM
- Aircraft takes off *before* scheduled time of departure
- In holding pattern to adjust time of arrival
- Detour to extend flight path
- Congestion at the intersection
- Runway and airspace capacity underutilized
- **Area centered on the airport**
- Aircraft takes off *after* scheduled time of departure

After installing airpalette ATFM
- On-time departures after applying controls
- Maximum use of runway and airspace processing capacity
- **Area centered on the airport**
- Smooth operation with no need for air traffic holding or detours
- On-time arrivals after applying controls

⟨ **Developing a Digital Archive to Conserve Spain's National Heritage** ⟩

Since January 2016, NTT DATA and the everis Group have been participating in a project to digitize rare collections of over five million items owned by the Spanish Crown and centrally managing assets hosted in several repositories. The project will leverage NTT DATA's AMLAD™ digital archive solution to support the long-term storage and integrated management of relics of historical value in the form of high-definition digital data. NTT DATA has been involved in creating a digital archive of handwritten manuscripts for the Vatican Apostolic Library, making this the second project for handing down a historically valuable cultural heritage, in which we contribute to advancing the areas of culture, science and education.

Focus ⟩⟩⟩

Contributing to Global Infrastructure Development by Providing Digital 3D Maps of the Entire World

NTT DATA is contributing to bringing greater sophistication and efficiency to industry, daily life and public administration in Japan and abroad through the use of the Digital 3D Map of the Entire World, which it distributes jointly with the Remote Sensing Technology Center of Japan. The service is based on images captured by the earth observation satellite operated by the Japan Aerospace Exploration Agency (JAXA) and achieves even higher definition for the world's most precise 3D map of the entire world, thus realizing highly accurate absolute positioning without on-ground corrections. This high level of accuracy makes solving a wide range of issues possible, including the development of maps for emerging countries, countermeasures for natural disasters, planning for electric power generation, surveys of resource areas and countermeasures for epidemics. The system received the Prime Minister's Award from the Cabinet Office in March 2016 for significantly contributing to the promotion of space development.

■ Comparison with an existing map of the entire world (Uluru/Ayers Rock)

Left: New 5 m resolution DEM* map   Right: 90 m resolution DEM map

* Digital Elevation Model: a digital expression of the terrain of the ground surface that has digitized height values in intervals of certain lattice points. The resolution is a measure of the level of detail of the data. Five-meter resolution means that the height values have been recorded in lattice point intervals of five meters.

Contributing to Regional Communities and Society as a Whole

■ Promoting Social Contribution Activities

In April 1992, NTT DATA established a Social Contribution Promotion Office to plan and promote social contribution activities. Since then, we have conducted activities that benefit people, targeting fields that include education, welfare, regional communities and international contribution as well as a diverse array of activities related to the natural environment, culture and the arts. At the same time, we are working to raise employee awareness concerning volunteer activities, while promoting a wide range of activities, including those that take advantage of our business activities and initiatives that are implemented throughout the Group.

■ Expenditures for Social Contribution Activities

(Millions of Yen)

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Expenditures for social contribution activities	425.00	368.00	326.42	271.07
Donations (funding for matching gifts: amount extended by the Company)	105.00	101.00	85.73	93.10
Expenditures for various other social contribution projects	320.00	267.00	240.69	177.97

〈 Setting Our Social Contribution Policy 〉

The NTT DATA Group has defined five categories in its approach to social contribution activities. Specific activities are published by category on our website. The following is a description of one of these categories: Development of IT human resources.

NTT DATA Group Approach to Social Contribution Activities

With our Corporate Philosophy and awareness of our social responsibilities as a corporate citizen, we are continuously engaged in global social contribution activities.

▶ Development of IT human resources   ▶ Realization of a fair society

▶ Support for disaster recovery   ▶ Global social contribution activities

▶ Response to climate change

URL   **Social Contribution Activities**
http://www.nttdata.com/global/en/csr/social-contribution/index.html

▶ Development of IT Human Resources

Worldwide attention is on the United Nations Program for Education for Sustainable Development (ESD). Under this initiative, companies are expected to contribute to the education of children and young generations of people.

With a clear focus on the future, the NTT DATA Group supports education from diverse perspectives to ensure that ICT will be broadly deployed in a fair and appropriate manner as a social infrastructure. We recognize this is an important responsibility for us as a Global IT Innovator.

▶ IT Experience for Children, the Future Leaders of the Next Generation

IT Experience for Children was launched in 2004 as an event offering elementary school children a fun opportunity for gaining hands-on experience with IT. To reflect the changing IT environment, the content of the event was changed into a programming class that even beginners could enjoy. The event has been held twice a year, in spring and summer, since 2014.

In 2016, the spring program took place on March 5 and 6 and the summer program on July 30 and 31, both at the NTT DATA Komaba Training Center, with about 350 children in attendance.

Programming offers a tool for realizing ideas for the future. We plan to consistently provide children with opportunities to familiarize themselves with IT, stimulate their interest through fun courses and encourage them to create their own future.

▶ Work-study Programs for Junior High and High School Students

Each year, NTT DATA runs a work-study program mainly for junior high school students in Koto Ward, Tokyo. The program provides an opportunity for experiencing the near future using big data and demonstrations of the latest technologies. In fiscal 2016, a total of 131 students participated from six junior high schools and high schools. They discussed ways to use IT to answer and resolve everyday questions and issues.

We will continue running the program with the dual objectives of giving youngsters first-hand experience of the working world and deepening their understanding of how IT—which we now tend to use subconsciously—really works.

▶ Promoting Human Resource Development via Industry-Academia Cooperation

NTT DATA supports and works alongside a range of educational organizations on initiatives aimed at fostering the next generation of IT human resources. As part of this drive, we are involved in various industry-academia cooperation initiatives for supporting the development of technologies at universities in Asia and their extension to practical uses, as well as help foster human resources.

Since May 2012, NTT DATA and SFC Research Institute at Keio University have promoted research related to big data management based on open cloud computing concepts through the School on Internet (SOI) Asia Project, a foundation for Internet education and research with 28 leading universities in 14 Asian countries.

Through these efforts, we aim to strengthen the personal contacts and ties that NTT DATA has with top universities in a rapidly growing Asia.

■ List of SOI Asia Project Partners

Country	Organizations
Republic of Indonesia	University of Brawijaya, Sam Ratulangi University, Hasanuddin University, Bandung Institute of Technology, Syiah Kuala University
Lao People's Democratic Republic	National University of Laos
Republic of the Union of Myanmar	University of Computer Studies, Yangon, University of Computer Studies, Mandalay
Kingdom of Thailand	Chulalongkorn University, Asian Institute of Technology, Prince of Songkla University, Chulachomklao Royal Military Academy (Thailand)
Malaysia	University Sains Malaysia, Asian Institute of Medicine, Science & Technology University
Socialist Republic of Vietnam	Institute of Information Technology, University of Science and Technology of Hanoi, Vietnam National University
Republic of the Philippines	Advanced Science and Technology Institute, University of San Carlos
Mongolia	Mongolian University of Science and Technology
Federal Democratic Republic of Nepal	Tribhuvan University
Kingdom of Cambodia	Institute of Technology of Cambodia, University of Health Sciences-Cambodia
People's Republic of Bangladesh	Bangladesh University of Engineering and Technology
Republic of Singapore	Temasek Polytechnic
Democratic Republic of Timor-Leste (East Timor)	National University of East Timor
Japan	Tokyo University of Marine Science and Technology, Japan Advanced Institute of Science and Technology, Nara Institute of Science and Technology, Keio University
Other international organizations	The United Nations Educational, Scientific and Cultural Organization, Southeast Asian Ministers of Education Organization, University Network, Thailand, Canal ASEAN Virtual Institute of Science and Technology, Collaboration for Network-eNabled Education, Culture, Technology and Sciences, Nepal Research and Education Network

▶ **Supporting Human Resource Development for Middle Management**

NTT DATA provides overall support for the Innovation Management College of Japan (IMCJ)*, a CIO and innovation leadership training program targeting the middle management of corporations. The objective of the program is to generate "Innovation Leaders" who will transform their corporations through the strategic use of information as a management resource and IT.

In fiscal 2016, we launched a new innovator training program called IMCJ D3 based on the concept of the three "Ds," Digital Business, Data Analytics and Design Innovation. We also examined Germany's Industrie 4.0 initiative along with participants to step up our own activities for pursuing an aggressive approach to IT.

* This college was established by the Japan Users Association of Information Systems in April 2009, with programs targeting people in middle management. NTT DATA supports various aspects of the college, including its research activities and the planning of its human resource development program.

Examples of Global Activities

As a corporate group operating across the globe, the NTT DATA Group seeks to contribute to the creation of a better society by continuously engaging in diverse activities around the world.

◼ Principal Activities in Each Region

Our overseas Group companies are engaged in activities in their respective regions.

▶ **IT Education Program for University Students: EBS Romania (Romania)**

EBS Romania collaborates with Porsche AG and its subsidiary Mieschke Hofmann und Partner GmbH (MHP) to support an elementary program on IT education for the Faculty of Mathematics and Computer Science at Babes-Bolyai University. The program provides students with the necessary skills for becoming IT specialists in the near future. In fiscal 2017, 31 students enrolled in the second year of the program, and 71 students who completed the program have been offered jobs from supporting companies. We will continue to support the program as our contribution to nurturing the next generation.

▶ **Supporting the Social Participation of Persons with Mental Disorders through Employment: NTT DATA Deutschland GmbH (Germany)**

For the past two decades since the 1990s, NTT DATA Deutschland GmbH has been offering persons with disabilities an opportunity to participate in society by hiring personnel from the Heilpädagogisches Centrum Augustinum, a center for treating persons with mental disorders. This has also led to broadening the understanding of diversity among employees, and we intend to continue accepting personnel from the center.

▶ **Contributing to the Spanish Economy through Cross-Sector Corporate Collaboration: everis (Spain)**

To address the economic stagnation that has severely impacted people's lives in Spain, everis launched a project in 2014 for collaborating with companies in Valencia. Driven by the aspiration of employees who sought to help people experiencing economic hardship, companies have worked together to offer donations and provide products and services with the participation of many volunteers. The project won the approval of many organizations and companies, and the number of participants has grown to 40. We will continue to unite under this project to contribute to the economy and people's livelihood in Spain.

Focus ⟫⟫

Harnessing IT to Solve Issues in Rural Villages in India: NTT DATA Asia Pacific

Despite the nation's economic growth, the gap between the rich and poor has become a major issue in India. Aspiring to improve the situation through the power of IT, we conducted a series of research and verification efforts that led us to focus on logistics, which is a particularly acute issue in rural regions with high rates of poverty. In January 2016, we set up "Our Farmer," an online site for the more affluent to purchase organic farm products. In view of the state of domestic distribution, about 2,500 farmers in Chennai in the State of Tamil Nadu are providing produce that keeps for a relatively long time.

The site takes advantage of the need for safe and secure food in urban areas and the high penetration of mobile devices in the country. Also, it enables farmers to directly connect with consumers without requiring an intermediary and thus earn more while providing health-conscious consumers easier access to organic products. We will seize on the development of EC business in emerging countries as a new opportunity for growth and continue to expand our business while seeking to resolve social issues.
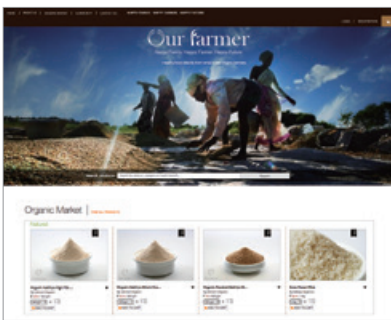
Our Farmer website

Local farmers planting seeds

Harvesting crops

■ Commendations for Supportive Activities around the World

▶ **Relief Activities for those Affected by the Floods in Chennai: NTT DATA India (India)**
The CSR team at NTT DATA India provided support to those affected by record flooding in Chennai, India, in November 2015. Working with various NGO groups, the team participated in activities that included delivering relief goods, such as food, clothing and baby food, and organizing blood donations. The results of the activities were highly regarded, and numerous awards were received from external organizations.

▶ **17 Years of Support for Voluntary Organization MEND: NTT DATA, Inc. (USA)**
Over the past 17 years, since 1999, NTT DATA, Inc. has continuously lent its support to the volunteer activities of Meet Each Need with Dignity (MEND). This private volunteer organization provides support in the form of food and clothing and does volunteer work in the areas of education and medical services. Employees at NTT DATA, Inc. have spent between 500 and 1,000 hours each year participating in the activities. The company received the "Overall Volunteer of the Year Award" from MEND for its contributions to raising the efficiency of operational processes through management of the activities.

▶ **Supporting Young Entrepreneurs Break Through: everis (Portugal)**
everis has been continuously engaged in activities to assist socially and economically disadvantaged youth who do not have sufficient access to education so that they can demonstrate their entrepreneurial abilities. As part of a project organized by the NGO Instituto P. António Vieira (IPAV), as many as 65 employees spent a total of 3,000 hours providing guidance through mentor support, training content development, training and coaching for an innovative social entrepreneurship project in an effort to nurture the next generation.

■ **Major Activities**

Region	Company (Location of Head Office)	Activity
EMEA	EBS Romania (Romania)	● Support for nurturing the next generation (support for educational events related to culture and the arts, promotion of sports) ● Activities for vitalizing local communities (support to promote culture, collaboration with NGOs) ● Medical support (support for cancer patients, promoting understanding of autism)
	NTT DATA Deutschland GmbH (Germany)	● Support for nurturing the next generation (support for promoting sports, child welfare facilities) ● Support for areas affected by disasters (support for people affected by the earthquake in Nepal) ● Contribution to sustainable urban transport through business (contribution to mitigating congestion, car sharing)
	NTT DATA UK (United Kingdom)	● Contribution to sustainable urban transport through business (verification tests for developing technology aimed at mitigating congestion)
	everis (Spain)	● Contribution to vitalizing local communities through business (contribution to economy through corporate collaboration)
APAC	NTT DATA Asia and Pacific (India)	● Contribution to vitalizing local communities through business (support for farms using IT)
Americas	NTT DATA, Inc. (USA, India)	● Continuation of Global Volunteer Week (donation of goods and money, cleaning and other voluntary activities at branch offices worldwide)
China	NTT DATA China (China)	● Improvement of the quality of information security management ● Environmentally sound in-house initiatives