Interview with the CFO

NTT DATA will make the business investments necessary for sustainable growth going forward, while appropriately maintaining and managing a solid financial foundation to create a stable information infrastructure supporting society, finance, and the economy.

Masanori Shiina
Representative Director and
Senior Executive Vice President
Responsible for Corporate Strategy, Finance (CFO),
Investor Relations and Risk Management (CRO)

Q1 What are the pillars and basic approach to the NTT DATA Group's financial and capital strategy?

Based on our mission statement of "NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society," NTT DATA contributes to the development and operation of large-scale systems supporting society, finance, and the economy. To achieve this, it is critical we maintain a solid financial foundation, which is linked to enhancing corporate value over the medium to long term.

The development and operation of information infrastructure supporting society requires large-scale upfront investments. To procure investment capital, securing funds in a flexible manner and under favorable conditions is an extremely important financial mission and one of the pillars of our financial strategy.

In addition to ensuring stable cash flows, our basic approach is to reinvest to achieve medium- to long-term profit growth. Also, we attempt to reduce shareholders' equity costs by promoting understanding of the Company through timely and appropriate stock market disclosures and two-way dialogues.

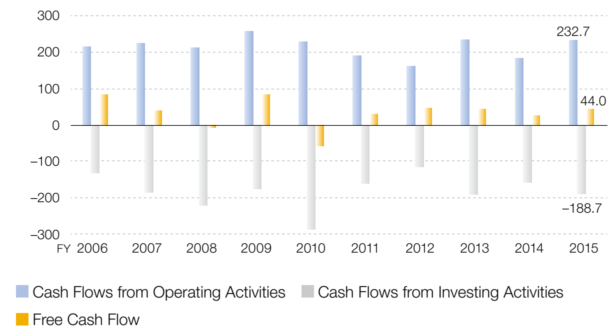
Q2 How do you approach your financial foundation and investments, including M&As?

Our approach is based on the premise of ongoing free cash flow growth to enhance corporate value. M&As is one means of achieving this goal, and in keeping with the Group's business strategy. If a company is highly compatible with our philosophy and culture, our policy going forward will be to proactively engage in M&As.

In terms of executing M&As, we think the upstream process of carefully selecting investees is extremely important. Sufficient consideration of post-merger integration (PMI) and valuation through due diligence using a variety of indicators is one of my critical missions.

In terms of M&A capital, one option is to procure funds through temporary interest-bearing debt, but our basic policy is to execute M&As within the limits of free cash flow. In particular, we consider the debt-to-equity (D/E) ratio to be an important indicator for management in terms of whether or not the financial base can be properly maintained. If the D/E ratio rises substantially due to M&As or other activities, management will place a priority on realizing a healthier balance sheet.

Cash Flow Trend



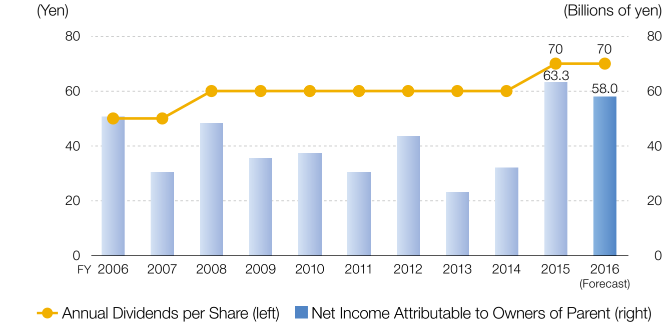
Q3 What do you consider important indicators when investing for growth?

The prevailing view is that return on invested capital is an important indicator for achieving corporate management efficiency. In the past, we were mindful of return on invested capital, and during the period when a significant portion of our business involved investments backed by order contracts, we were highly focused on the return rate on sales. While we continue to place ongoing emphasis on business based on order contracts, going forward we will place increasing importance on growth through additional M&As and further expansion in service businesses, and thus both the return rate on sales and return on invested capital will become critical indicators. Regarding M&As and service businesses, we have always attempted to make decisions with an awareness of return on invested capital for each individual project as well as managing planning and performance. Going forward, we will continue to review management enhancements pertaining to return on invested capital.

Q4 What is your policy with regard to shareholder returns?

At present, we consider the Company to be in a growth phase, so we will allocate cash for the necessary business investment and technological development to achieve sustainable growth going forward. We believe enhancements to corporate value provided by returns on business investments are a substantive shareholder return. In addition to this investment perspective, we determine and stably provide dividends with overall consideration for maintaining and strengthening our financial structure.

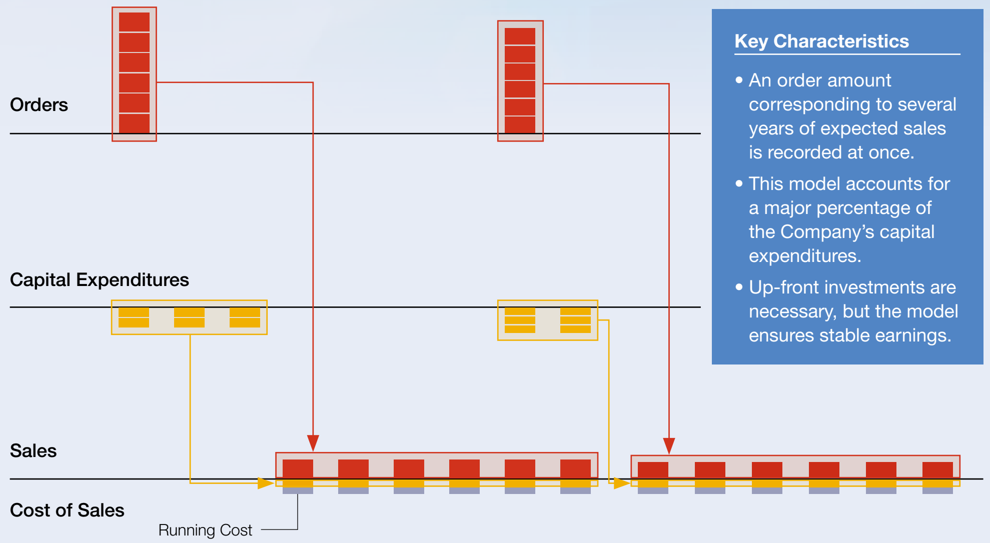
Annual Dividends per Share / Net Income Attributable to Owners of Parent



Financial Models of Principal Businesses

Full Outsourcing

- In this model, after receiving an order from a client, the Company makes capital expenditures (held as an asset) and covers all needs throughout the client system's lifecycle, from requirement definitions to maintenance and management, and generates sales over multiple years.
- This model primarily targets Japanese central government offices and financial institutions.

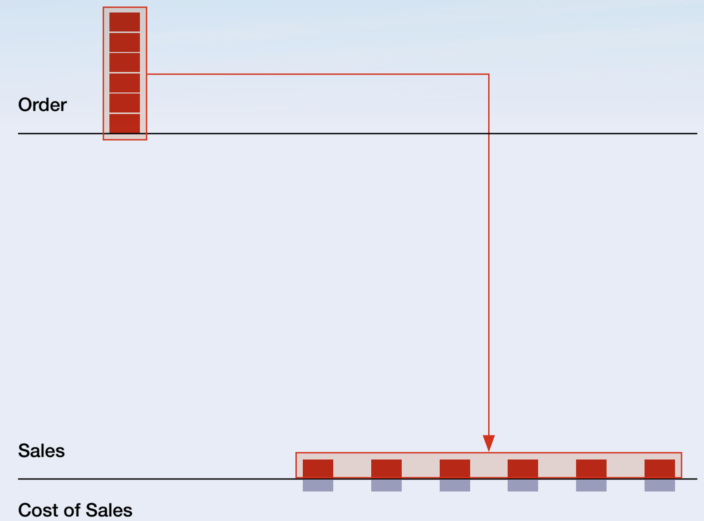


Key Characteristics

- An order amount corresponding to several years of expected sales is recorded at once.
- This model accounts for a major percentage of the Company's capital expenditures.
- Up-front investments are necessary, but the model ensures stable earnings.

AMO Application Management Outsourcing ITO Information Technology Outsourcing BPO Business Process Outsourcing

- AMO: An outsourcing service in which the Company operates and provides maintenance on a client's custom applications
- ITO: A one-stop maintenance and management service
- BPO: An outsourcing service in which a client company outsources certain operations to achieve operational efficiency

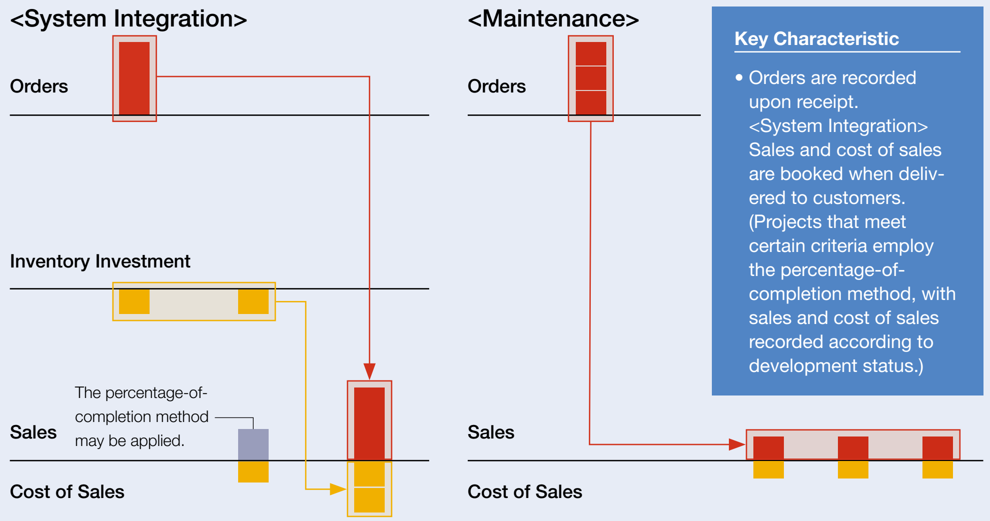


Key Characteristics

- The Company chiefly employs this service model at its North American and European locations.
- Multi-year agreements are common.

System Development (System Integration)

- Under this model, NTT DATA handles the planning, design, and development of a client's information systems, delivering these systems to the client.
- After the systems are delivered, we handle the operation and maintenance of customer systems.

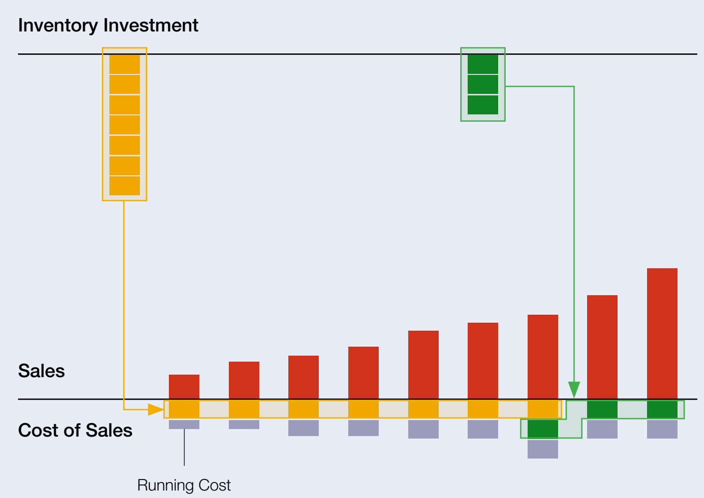


Key Characteristic

- Orders are recorded upon receipt. <System Integration> Sales and cost of sales are booked when delivered to customers. (Projects that meet certain criteria employ the percentage-of-completion method, with sales and cost of sales recorded according to development status.)

Plan-Based Services

- In this model, the Company makes capital expenditures, which it holds as assets, providing services in the expectation of offering them to multiple clients. The Company records services fees as sales when clients use the services.
- This model is mainly used for Japanese financial institutions.



Key Characteristics

- This model requires up-front investment. Although cost of sales does not vary greatly after service provision begins, sales fluctuate depending on client usage.
- Our future-based model enables the use of our ANSER and CAFIS services in collaboration with regional banks, and various types of package software are available.

Financial and Capital Strategy

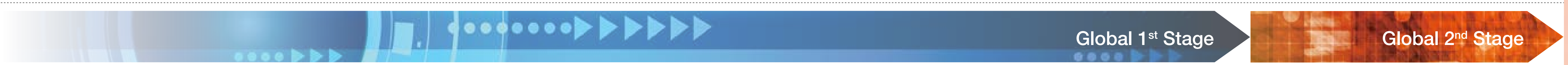
Consolidated Financial Highlights

NTT DATA Corporation and Subsidiaries

Fiscal year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
For the Year:											(Millions of yen)
New Orders Received	¥ 723,673	¥ 967,901	¥1,012,278	¥1,035,242	¥1,181,549	¥ 988,484	¥1,098,400	¥1,197,168	¥1,400,221	¥1,429,117	**¥1,662,662**
Net Sales	907,281	1,044,918	1,074,405	1,139,092	1,142,940	1,161,962	1,251,177	1,301,941	1,343,772	1,511,812	**1,614,897**
Cost of Sales	682,224	786,327	813,343	861,942	870,589	882,329	941,881	980,524	1,031,213	1,147,302	**1,216,795**
Gross Profit	225,056	258,590	261,061	277,150	272,351	279,632	309,295	321,416	312,559	364,509	**398,101**
Selling, General and Administrative Expenses	178,189	168,340	165,149	178,603	190,662	201,326	228,878	235,720	249,975	280,495	**297,216**
Operating Income	46,866	90,250	95,911	98,546	81,689	78,306	80,416	85,696	62,583	84,013	**100,885**
Income before Income Taxes	42,016	85,769	51,492	91,431	71,789	68,471	71,882	77,019	54,259	73,995	**107,789**
Net Income Attributable to Owners of Parent	28,190	50,637	30,454	48,360	35,662	37,313	30,446	43,517	23,287	32,144	**63,373**
Capital Expenditures	112,145	139,564	176,826	180,068	162,570	139,069	133,965	122,113	147,725	140,900	**134,028**
Depreciation and Amortization / Loss on Disposal of Property and Equipment and Intangibles	158,361	152,862	159,263	166,681	161,981	158,566	159,721	153,877	143,681	158,567	**155,212**
Research and Development Expenses	17,306	11,307	10,749	10,090	11,389	10,742	13,507	12,105	12,831	12,911	**12,410**
Free Cash Flow	53,116	83,304	39,653	(6,902)	83,667	(56,468)	30,406	46,283	44,837	26,742	**44,020**
EBITDA	200,170	234,517	246,287	256,526	234,888	229,352	228,405	230,096	201,364	240,603	**255,672**
At Year-End:											
Total Assets	1,056,336	1,087,346	1,193,827	1,275,091	1,279,256	1,468,617	1,474,894	1,524,309	1,689,940	1,822,837	**¥1,860,319**
Total Equity	495,703	534,916	548,133	566,308	584,537	601,601	605,709	651,312	676,824	773,493	**740,908**
Interest-Bearing Debt	271,928	246,330	241,204	304,735	272,299	404,292	371,673	369,907	405,677	439,131	**400,387**
Number of Employees (People)	21,308	22,608	23,080	31,739	34,543	49,991	58,668	61,369	75,020	76,642	**80,526**
Number of Shares Issued (Thousand)	280,500	280,500	280,500	280,500	280,500	280,500	280,500	280,500	280,500*	280,500	**280,500**
Per Share:											(Yen)
Net Income Attributable to Owners of Parent	¥100.24	¥180.52	¥108.57	¥172.40	¥127.13	¥133.02	¥108.54	¥155.14	¥83.02*	¥114.60	**¥225.93**
Annual Dividends	30	50	50	60	60	60	60	60	60*	60	**70**
Other Information:											(%)
Operating Income Margin	5.2	8.6	8.9	8.7	7.1	6.7	6.4	6.6	4.7	5.6	**6.2**
Return on Sales	3.1	4.8	2.8	4.2	3.1	3.2	2.4	3.3	1.7	2.1	**3.9**
Return on Equity (ROE)	5.8	9.8	5.6	8.7	6.2	6.3	5.0	6.9	3.5	4.4	**8.4**
Return on Assets (ROA)	2.7	4.7	2.7	3.9	2.8	2.7	2.1	2.9	1.4	1.8	**3.4**
EBITDA Margin	22.1	22.4	22.9	22.5	20.6	19.7	18.3	17.7	15.0	15.9	**15.8**
Equity Ratio	46.9	49.2	45.9	44.4	45.7	41.0	41.1	42.7	40.1	42.4	**39.8**
D/E Ratio (Times)	0.55	0.46	0.51	0.59	0.49	0.69	0.63	0.58	0.61	0.58	**0.55**
Payout Ratio	29.9	27.7	46.1	34.8	47.2	45.1	55.3	38.7	72.3	52.4	**31.0**
Ratio of Women in New-Graduate Hires	21.3	26.8	28.9	24.9	27.6	29.2	34.6	31.7	29.7	30.9	**32.7**
Ratio of Female Managers (People)	—	—	50	55	57	67	80	96	106	112	**120**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Overseas Sales Ratio	1.0%	1.5%	1.7%	5.3%	6.1%	8.7%	17.5%	18.8%	23.4%	30.7%	32.2%	~50%

Progress of Global Business



: Principal in indicators under the Medium-Term Management Plan.

1. EBITDA = Operating income + Depreciation and amortization + Loss on disposal of tangibles and intangibles
2. EBITDA margin = EBITDA ÷ Net sales
3. The number of female managers is presented on a non-consolidated basis.

* A 1:100 stock split was implemented with an effective date of October 1, 2013. Figures for fiscal years ended on or after March 31, 2013, are calculated as if the stock split had been conducted previously. Figures for the fiscal year ended March 31, 2014, are calculated as if the stock split had been conducted at the beginning of the fiscal year.

Key performance indicators (KPIs) in the fiscal year ended March 31, 2016

New Orders Received

¥1,662.6 billion (Up ¥233.5 billion, or 16.3%)

New Orders Received by Segment

(Millions of yen)

FY	2014	2015	YOY
Public & Social Infrastructure	355,060	**401,121**	+13.0%
Financial	363,762	**520,982**	+43.2%
Enterprise & Solutions	216,238	**220,985**	+2.2%
Global	479,461	**502,757**	+4.9%

Net Sales

¥1,614.8 billion (Up ¥103.0 billion, or 6.8%)

Net Sales by Segment

(Millions of yen)

FY	2014	2015	YOY
Public & Social Infrastructure	408,786	**420,813**	+2.9%
Financial	496,221	**523,687**	+5.5%
Enterprise & Solutions	366,165	**391,826**	+7.0%
Global	464,508	**519,604**	+11.9%

Operating Income

¥100.8 billion (Up ¥16.8 billion, or 20.1%)

Operating Income by Segment

(Millions of yen)

FY	2014	2015	YOY
Public & Social Infrastructure	40,418	**33,441**	−17.3%
Financial	20,550	**31,996**	+55.7%
Enterprise & Solutions	24,602	**32,653**	+32.7%
Global (Before amortization of goodwill)	11,314	**12,711**	+12.3%

New Orders Received / Net Sales

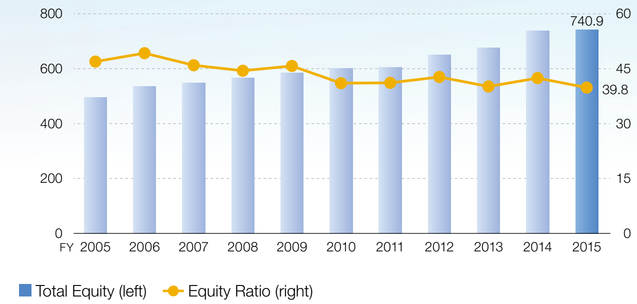
(Billions of yen)

Operating Income / Operating Income Margin

(Billions of yen) (%)

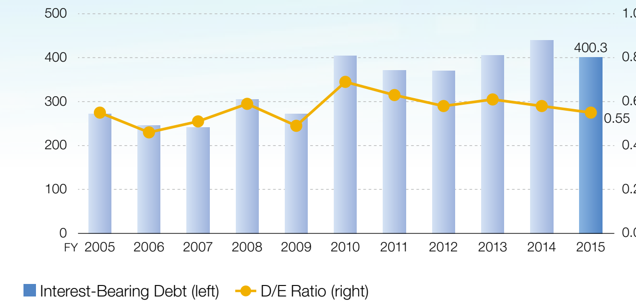
Total Equity / Equity Ratio

(Billions of yen) (%)



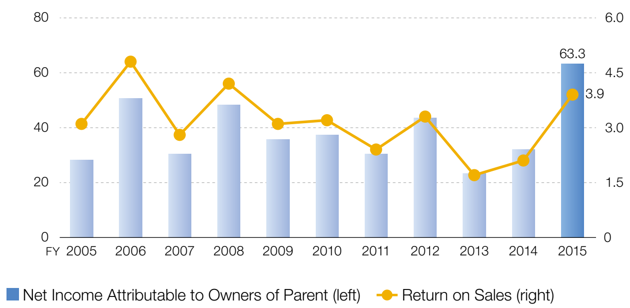
Interest-Bearing Debt / D/E Ratio

(Billions of yen) (Times)



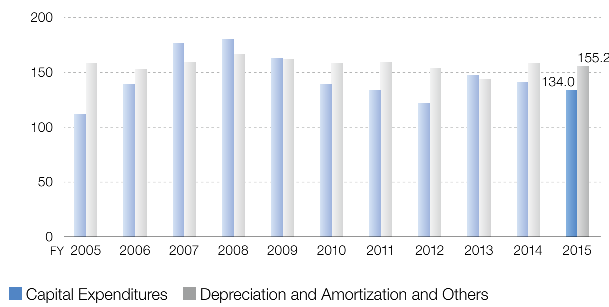
Net Income Attributable to Owners of Parent / Return on Sales

(Billions of yen) (%)



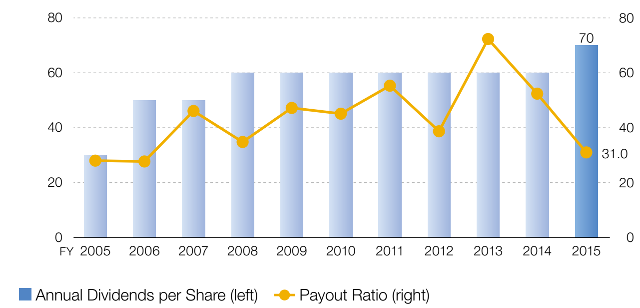
Capital Expenditures / Depreciation and Amortization and Others

(Billions of yen)



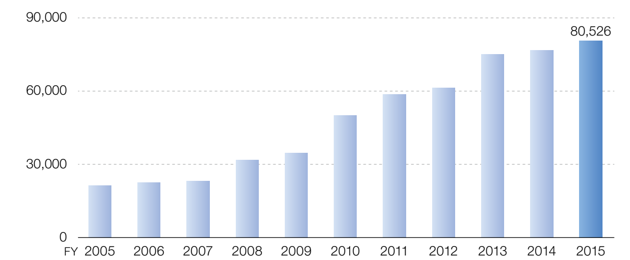
Annual Dividends per Share / Payout Ratio

(Yen) (%)



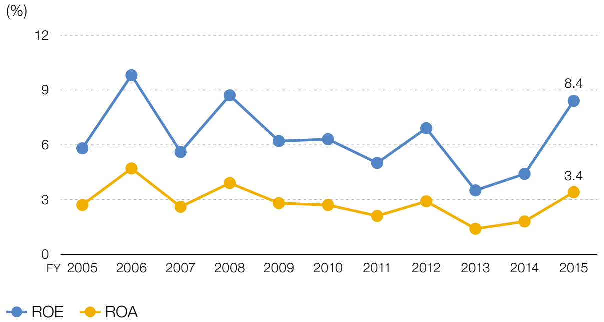
Number of Employees

(People)



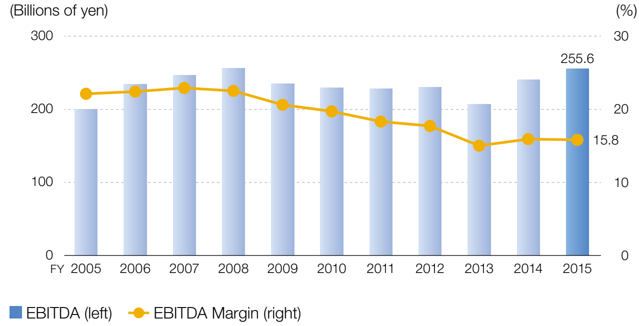
Return on Equity (ROE) / Return on Assets (ROA)

(%)



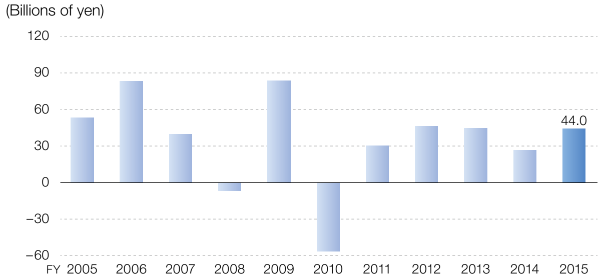
EBITDA / EBITDA Margin

(Billions of yen) (%)



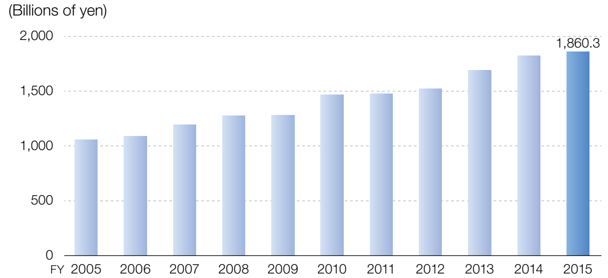
Free Cash Flow

(Billions of yen)



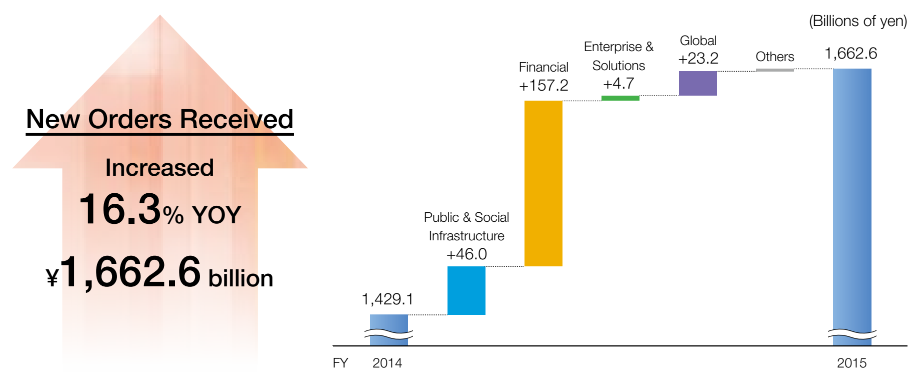
Total Assets

(Billions of yen)



Consolidated Financial Results Reporting and Analysis

New Orders Received Analysis



New orders received were higher across all segments than in the previous fiscal year, increasing ¥233.5 billion. The Financial Segment grew substantially due to the receipt of orders for large-scale projects for banks and cooperative financial institutions. The Public & Social Infrastructure Segment increased mainly due to the receipt of orders for large-scale projects for the national government and scale expansion in the utilities industry business. The Global Segment increased on the receipt of new orders for projects in Europe and the consolidation of Carlisle & Gallagher Consulting Group, Inc.[*1], despite a decrease in existing businesses in North America.

*1. On April 14, 2016, the Carlisle & Gallagher Consulting Group, Inc., corporate name was changed to NTT DATA Consulting, Inc.

Consolidated Financial Results Reporting and Analysis

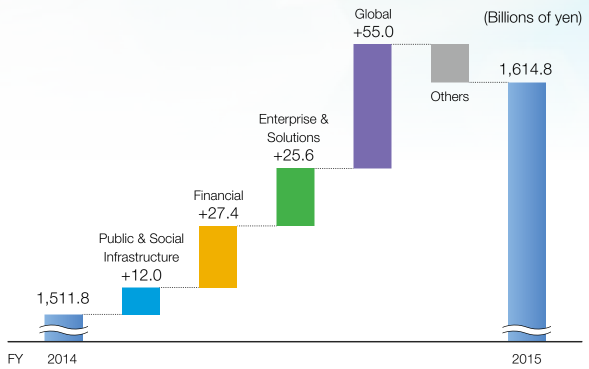
Consolidated Statements of Income Analysis

Net Sales

Increased

6.8% YOY

¥**1,614.8** billion



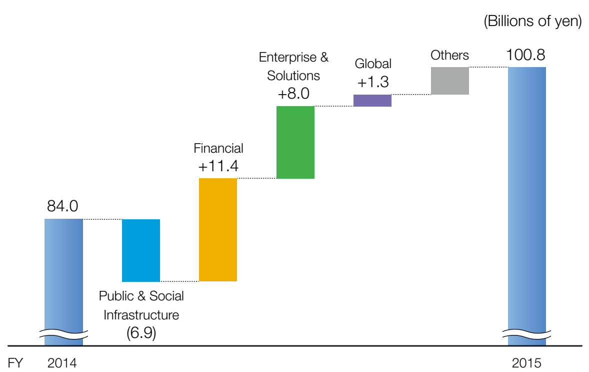
Net sales were higher across all segments than in the previous fiscal year, increasing ¥103.0 billion. The Global Segment increased on the receipt of new orders for projects in Europe and the consolidation of Carlisle & Gallagher Consulting Group in North America. The Financial Segment drove sales growth with the receipt of orders for large-scale projects for banks. The Enterprise & Solutions Segment increased on Omni-Channel projects for the retail and logistics industry and the expansion of business in the manufacturing industry. In the Public & Social Infrastructure Segment, although the scale of existing business for the national government and telecom industry contracted, sales increased on the expansion of business for electricity and other utility industries.

Operating Income

Increased

20.1 % YOY

¥**100.8** billion



Operating income increased ¥16.8 billion compared to the previous fiscal year. In the Financial Segment, increased sales led to higher income, and the reduction of unprofitable projects had an impact. In the Enterprise & Solutions Segment, solid sales led to higher income. Although the decrease in goodwill led to higher income in the Global Segment, this was due to a partial impairment of goodwill. In the Public & Social Infrastructure Segment, although sales grew, income declined due to an increase in unprofitable projects and the impact of downsizing in line with the renewal of existing large-scale projects.

Cash Flow Analysis

Free Cash Flow

Increased

¥**17.2** billion YOY

¥**44.0** billion

In the fiscal year ended March 31, 2016, cash flows from operating activities included revenue of ¥232.7 billion due to income before income taxes of ¥107.7 billion, income of ¥147.9 billion from depreciation costs, a non-cash expenditure, and income taxes paid of ¥31.8 billion. Free cash flow totaled a surplus of ¥44.0 billion, with cash flows from investing activities of ¥188.7 billion, mainly facility investments of ¥125.3 billion and ¥28.3 billion for the acquisition of stock in a subsidiary. Interest-bearing liabilities of ¥40.4 billion were discharged and ¥16.8 billion was paid in cash dividends, funded mainly by the aforementioned free cash flow.

Balance Sheet Analysis

Total Assets

Increased

¥**37.4** billion YOY

¥**1,860.3** billion

Total assets increased ¥37.4 billion compared to the end of the previous fiscal year, to ¥1,860.3 billion, due to business expansion, the addition of new consolidated subsidiaries, and the generation of free cash flow. Liabilities increased ¥70.0 billion compared to the end of the previous fiscal year, to ¥1,086.6 billion. Although interest-bearing liabilities shrank due to free cash flow, retirement benefit liabilities increased due to an actuarial decrease in the discount rate for retirement benefits. At the same time, although profits surpassed the earnings forecast, net assets decreased ¥32.5 billion compared to the end of the previous fiscal year, to ¥773.6 billion. This was due to the aforementioned decrease in cumulative adjustments for retirement benefits, a decrease in foreign currency translation adjustment due to the stronger yen, and other factors.

As a result, the D/E ratio declined from 0.58 at of the end of the previous fiscal year, to 0.55.

Note: Interest-bearing liabilities in the calculation of the D/E ratio include loans payable, bonds payable, and lease obligations under liabilities on the consolidated balance sheet.

Business Overview by Segment

Major Initiatives in the Fiscal Year Ended March 31, 2016

Public & Social Infrastructure

Launching Provision of IoT Platform "ANYSENSE"

NTT DATA launched provision of the IoT*1 platform "ANYSENSE," enabling IoT systems to be introduced at reduced development costs in a shorter period of time. METAWATER Co., Ltd., was decided on as the first user to adopt this platform for monitoring services targeting water and wastewater suppliers. Incorporating monitoring application development expertise and the latest big data analysis technologies accumulated up to now, we provide ANYSENSE IoT total solutions for social infrastructure. Going forward, we plan on providing this platform to the utility and private manufacturing industries.

*1. Internet of Things. In the same way people exchange information and perform activities on the Internet, "things" (electronic devices) connected to the Internet also share information, provide beneficial information, and even operate without human assistance. The Internet of Everything (IoE) concept was developed based on IoT and involves not only the connection of things to the internet but also people, data, and everything else.

Enterprise & Solutions

Playing a Central Role in Seven & i Group Omni-Channelization

In response to omni-channelization by the Seven & i Group, which is aligning brick-and-mortar stores, EC websites, and other sales channels to eliminate barriers between convenience stores, supermarkets, and department stores, NTT DATA played a central role as a member of "Team IT" comprising leading vendors from various technical fields. We were involved from the planning stage as the overall project promotion team in the establishment of "omni7," the Seven & i Group's all-encompassing EC website. We contributed to the grand opening of this website by collaborating with other vendors and a variety of stakeholders to provide total support, from upstream concepts to operational design and system execution.

Financial

Participating in the ICT System Improvement Project for the Central Bank of Myanmar

NTT DATA and NTT DATA Myanmar Co., Ltd., our subsidiary in Myanmar, participated in the ICT system improvement project for the Central Bank of Myanmar, led by Japan International Cooperation Agency (JICA) as a free-aid cooperation program. During this project, we contributed to the commencement of operations of a government bond and fund settlement system, which connects 38 commercial banks, including foreign banks, operating in the country. In terms of system development, software production technologies developed by NTT DATA, including automated creation technologies for program sources, were adopted for use throughout the entire project. The adoption of these technologies facilitated the provision of a high-quality system with a short delivery period. Our participation in this project paved the way for the development of mission-critical*2 systems in Myanmar.

In the future, we aim to expand our IT infrastructure improvement business in Myanmar and other countries utilizing achievements and expertise obtained during this project.

*2. Refers to critical systems essential for business execution and services in which interruptions due to failure or malfunctions are not permissible.

Global

NTT DATA Wins Digital Archive Project for Spain's National Heritage

NTT DATA and its Spanish subsidiary, everis Group, received an order from Patrimonio Nacional, a state institution responsible for conserving the legacy of the Spanish Crown, for the creation of a digital archive for the valuable manuscripts, jewels, and related content managed separately by the Royal Library of Spain and other institutions. The everis Group, which is based in Spain and conducts business in Europe and Latin America, has a strong track record in the provision of numerous solutions including document management.
NTT DATA also has a track record of accomplishments and expertise pertaining to digital archiving, including use of its AMLAD (Advanced Museum Library Archives Deposit) for Japanese libraries and the Vatican Apostolic Library. The synergy created by the combination of these accomplishments and expertise was a factor in the receipt of this order.
The Group will continue working together to promote global business expansion going forward.

Public & Social Infrastructure

Fiscal year ended March 31, 2016

Net Sales ¥420.8 billion (up 2.9% YOY)

Operating Income ¥33.4 billion (down 17.3% YOY)

Performance in the Fiscal Year Ended March 31, 2016

Net sales amounted to ¥420.8 billion, up 2.9% compared to the previous fiscal year, due to the growth of business scale mainly in the utilities industry, despite a reduction in existing business for the national government and telecom industries. Operating income was ¥33.4 billion, down 17.3% compared to the previous fiscal year, mainly due to downsizing of existing large-scale projects and the occurrence of unprofitable projects, despite the impact of increased sales.

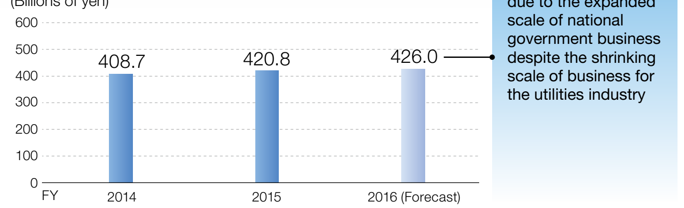
Forecast for the Fiscal Year Ending March 31, 2017

We aim to expand business through projects related to the Social Security and Tax Number (personal number) system, new IoT-related business, and the creation of overseas projects leveraging accomplishments and expertise accumulated by Group domestic business. We will also respond to market changes in line with regulatory changes in the utilities industry (electric power/gas system reforms).

Net sales are expected to be ¥426.0 billion (¥354.0 billion in sales to outside clients), a ¥5.1 billion increase compared to this fiscal year. We anticipate operating income of ¥38.0 billion, a ¥4.5 billion increase compared to this fiscal year.

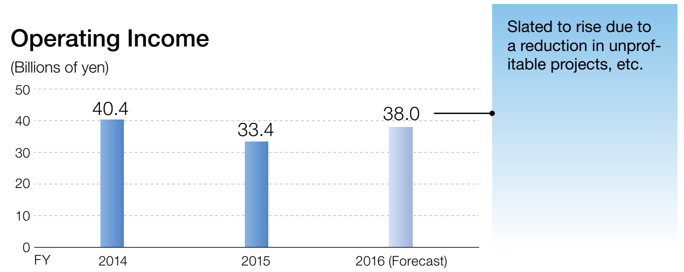
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Financial

Fiscal year ended March 31, 2016

Net Sales ¥523.6 billion (up 5.5% YOY)

Operating Income ¥31.9 billion (up 55.7% YOY)

Performance in the Fiscal Year Ended March 31, 2016

Net sales were ¥523.6 billion, an increase of 5.5% compared to the previous fiscal year, due to the expansion of new and existing business for banks. Operating income amounted to ¥31.9 billion, up 55.7% compared to the previous fiscal year, mainly due to the impact of increased sales and reduction of unprofitable projects.

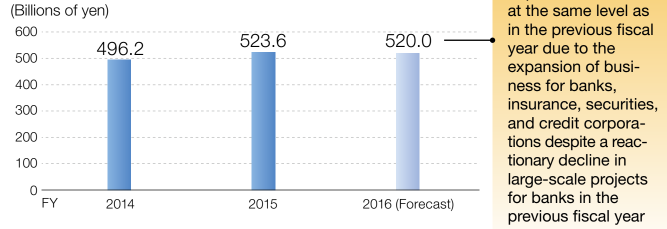
Forecast for the Fiscal Year Ending March 31, 2017

We will aim for growth by expanding businesses amid changes in the client environment, which include increasing needs for sophisticated settlement systems in domestic and overseas markets, the emergence of new services coinciding with deregulation, the changing structure of new services integrating banks and securities services, and the accelerated overseas advance of major financial institutions.

Net sales are forecast to be ¥520.0 billion (¥466.0 billion in sales to outside clients), a ¥3.6 billion decrease compared to this fiscal year. We expect operating income to be ¥38.0 billion, a ¥6.0 billion increase compared to this fiscal year.

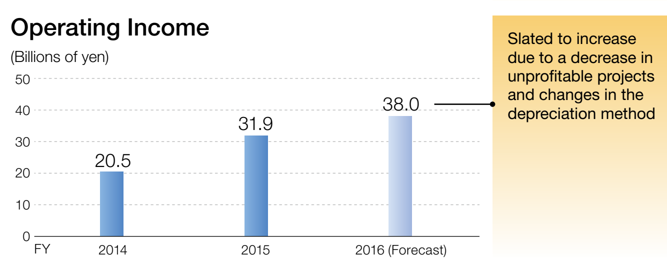
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Enterprise & Solutions

Fiscal year ended March 31, 2016

Net Sales ¥391.8 billion (up 7.0% YOY)

Operating Income ¥32.6 billion (up 32.7% YOY)

Performance in the Fiscal Year Ended March 31, 2016

Net sales were ¥391.8 billion, an increase of 7.0% compared to the previous fiscal year, mainly due to the expansion of business for the retail, logistics, and manufacturing industries. Operating income totaled ¥32.6 billion, up 32.7% compared to the previous fiscal year, mainly due to the growth of sales.

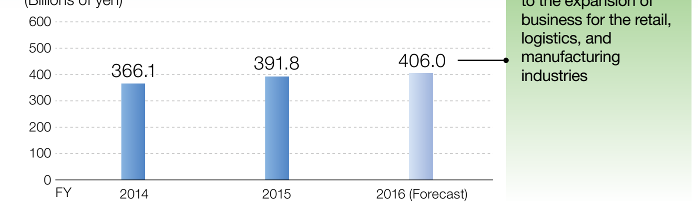
Forecast for the Fiscal Year Ending March 31, 2017

Retailers, distributors, service providers, and manufacturers are actively engaged in IT investment in response to changes in the value chain driven by digitization and further global development. To meet needs in these industries, NTT DATA intends to transform from an IT partner into a business partner by building on and combining its strengths in the Enterprise & Solutions segment to provide total service support.

Net sales are anticipated to be ¥406.0 billion (¥290.0 billion in sales to outside clients), a ¥14.1 billion increase compared to this fiscal year. We forecast operating income of ¥32.0 billion, a ¥0.6 billion decrease compared to this fiscal year.

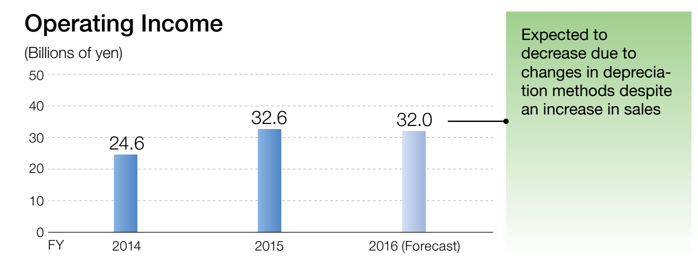
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Global

Fiscal year ended March 31, 2016

Net Sales ¥519.6 billion (up 11.9% YOY)

Operating Income (before amortization of goodwill) ¥12.7 billion (up 12.3% YOY)

Performance in the Fiscal Year Ended March 31, 2016

Net sales came to ¥519.6 billion, a rise of 11.9% compared to the previous fiscal year, due to expanded sales in Europe and the consolidation of a new subsidiary in North America. Operating income before the amortization of goodwill was ¥12.7 billion, owing to a growth of sales.

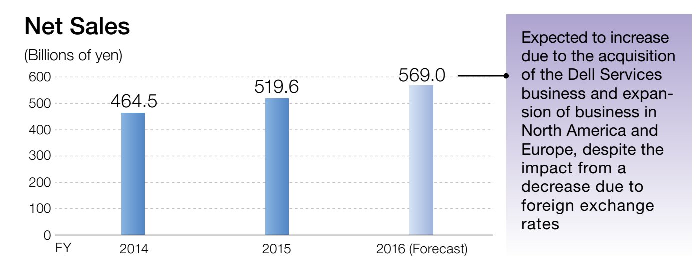
Forecast for the Fiscal Year Ending March 31, 2017

As we approach the Global 2nd Stage, we will continue to expand business by growing existing business and engaging in M&As as we boost competitiveness to heighten our presence in each region and business domain. We also aim to strengthen profitability by attempting to globally link the businesses of each Group company and focus the resources and strengths of each to create a source of enhanced competitiveness.

Despite the negative impact of exchange rates, due to the acquisition of the Dell Services business in North America we forecast net sales of ¥569.0 billion (¥554.0 billion in sales to outside clients), a ¥49.3 billion increase compared to this fiscal year. We expect operating income to be ¥17.0 billion, a ¥4.2 billion increase compared to this fiscal year.

Net Sales

(Billions of yen)



Operating Income

(Billions of yen)