

[Notes]

(Important Basic Matters for Preparation of Consolidated Financial Statements)

#### 1. Matters related to the scope of consolidation

All of our 258 subsidiaries are included in the scope of consolidation. Major consolidated subsidiaries are as listed in "1. Company Overview, 4. Situation of Affiliates".

In addition, in accordance with new acquisitions and establishment, from the current consolidated fiscal year, 19 companies are newly added to the consolidated subsidiaries. Furthermore, due to a decline in the ownership ratio as a result of merger, assignment of equity interests, and liquidation, 14 companies are excluded from the scope of consolidation.

The following is a new major consolidated subsidiary.

Carlisle & Gallagher Consulting Group, Inc.

(Meanwhile, as of April 14, 2016, the above company changed its name to NTT DATA Consulting Inc.)

#### 2. Matters related to application of the equity method

The equity method is applied to all of the 35 affiliated companies including Kirin Business System Company, Limited. With the new establishment, a company was included within the scope of application of the equity method, and with the decline in the ownership ratio due to the assignment of equity interests, one of the consolidated subsidiaries was included within the scope of application of the equity method. With the transfer of shares, three companies have been excluded from the scope to which the equity method is applied.

Also among companies to which the equity method is applied, for those who have a different fiscal year end dates from the consolidated fiscal year end date, individual financial statements for their fiscal year are used.

#### 3. Matters related to the fiscal year of the consolidated subsidiaries

Among consolidated subsidiaries, 144 companies' account closing date is December 31st.

When preparing for consolidated financial statements, among the companies whose account closing date is December 31st, for 46 companies, financial statements based on the temporary account closing implemented on the consolidated account closing date are used, and for other companies, financial statements as of the account closing date are used. However, for important transactions occurring between the account closing date and the consolidated account closing date, necessary adjustments have been made for the purpose of consolidation.

#### 4. Matters related to accounting policies

##### (1) Basis and method of valuation of important assets

##### 1) Securities

Held-to-maturity debt securities:

Amortized cost method is used.

Other securities:

a. Those with fair market value:

The market value method based on the market value, etc. at the end of the fiscal year is used (valuation difference is recognized directly into net assets in full and the cost of securities sold is computed using the moving average method).

b. Those without fair market value:

The cost method based on the moving average method is used.

2) Inventories

Work in process: Principally at cost based on the specific identification method (the balance sheet amount is computed at the lowered book values reflecting a potential decline).

Stores: Principally at cost based on the first in first out method (the balance sheet amount is computed at the lowered book values reflecting a potential decline).

(2) Method of depreciation of important depreciable assets

1) Property, plant and equipment (excluding leased assets)

Mainly the declining balance method is employed. However, the buildings (excluding fixtures) acquired on and after the 1st day of April 1998 are depreciated by the straight-line method. The main estimated useful lives of the tangible assets are as follows:

Data communication facilities 6 years

Buildings and Structures 10-60 years

Machinery, equipment and vehicles 3-15 years

Tools, furniture and fixtures 4-15 years

2) Intangible fixed assets (excluding leased assets)

The straight-line method is employed for intangible fixed assets (excluding software) and the main useful lives are 4 to 21 years.

The depreciation methods for software are as follows:

Marketable software: Comparing the depreciated amount based on the estimated sales revenue over estimated sales period (within 3 years) and an equal distribution amount based on the length of the remaining period available for sale, the larger one is presented.

Software for internal use: Depreciated using the straight-line method based on its estimated usable period in the Company (within 5 years).

However, among software for service provision purposes, for data communication service software based on a contract with specific customers, the equal installment method is used over the contracted fee payment period.

3) Lease assets

As regards to lease assets related to ownership-transfer finance lease transactions, the same depreciation

method which is applied to self-owned fixed assets is employed.

Of the leased assets related to finance lease transactions without the transfer of ownership, for tangible lease assets, the lease period is used as the useful life and the equivalent amount of the depreciation cost computed using the declining balance method with a residual value of 10% that is multiplied by ten-ninths. As for intangible lease assets, the straight-line method is used.

### (3) Accounting of important deferred assets

All issuance fees of corporate bonds are booked as expenses when the debt securities are issued.

### (4) Valuation basis for significant allowances

#### 1) Allowance for doubtful receivables

In order to provide for possible losses due to the uncollectibility of general account receivables, such an allowance is calculated based on historical collection losses. There is an allowance for specific account receivables such as doubtful accounts receivables, a case by case review for collectability is conducted and an estimation of the uncollectible amount is booked.

#### 2) Allowance for losses on contracts

In order to provide for possible future losses related to contracts of orders on hand at the end of the current consolidated fiscal year, those with a high probability of generating losses and where it is possible to reasonably estimate the amount of such losses, the estimated amount of losses to be incurred in the future is provided as an allowance for losses on contracts and presented by offsetting with corresponding work in process.

#### 3) Allowance for retirement benefits for directors

Some consolidated subsidiaries book the necessary amount for a year-end payment based on their internal rules to appropriate the payment for retirement benefits for their directors.

### (5) Accounting policy for retirement benefits

In order to provide for retirement benefits for employees, the Company books the retirement benefit obligations based on the estimated amount at the end of current consolidated fiscal year by deducting pension assets from the estimated retirement benefits.

Also for consolidated subsidiaries, except for some companies, the simplified method is applied.

#### 1) Period allocation of projected retirement benefits to be incurred

In calculating the retirement benefit obligations, the method based on the benefit formula is used to allocate the projected retirement benefits to the years of service up to the end of the consolidated fiscal year under review.

#### 2) The recognition method for actuarial gains and losses and prior service cost

Actuarial gains and losses are mainly recognized in expenses of a proportionally divided amount calculated by the straight-line method over a period of the average remaining service years of employees at the time of recognition of each consolidated fiscal year, commencing with the year following their fiscal year.

The prior service cost is mainly recognized in expenses by the straight-line method over a period of the

average remaining service years of employees at the time of recognition of each consolidated fiscal year.

Unrecognized actuarial differences and unrecognized prior service costs are adjusted for tax effects, and then presented as the remeasurements of retirement benefits of other accumulated comprehensive income under net assets.

#### (6) Valuation basis for significant revenues and expenses

##### 1) Valuation basis for contract revenue and the cost of completed work

The percentage-of-completion method has been applied for construction work for which the completion of a certain percentage of the entire work by the date of current consolidated fiscal year end is clearly recognizable (the percentage of completion is estimated by the cost proportion method) and the completed-contract method has been applied for other contracts.

##### 2) Valuation basis for revenues and expenses related to finance lease transactions

Revenues and expenses related to finance lease transactions are accounted for by a method in which sales and cost of sales are booked when lease expenses are received.

#### (7) Method of important hedge accounting

##### 1) Method of hedge accounting

Deferred hedge accounting is employed. However, with regard to foreign currency monetary receivables and payables with forward exchange contracts, designated hedge accounting ("furiate-shori") is employed.

Also among the interest-rate swap transactions, for the transactions that meet the requirements for exceptional accounting ("tokurei-shori"), exceptional accounting is employed.

##### 2) Means of hedging and hedged items

###### a. Means of hedging

Forward exchange contracts, currency swap transactions, currency option transactions, interest rate swap transactions and an interest rate option transaction (or combinations of them) are used.

###### b. Hedged items

Hedging is applied to assets or liabilities which have risks of fluctuating market values or future cash flows due to fluctuation of market prices such as exchange rate or interest rate.

##### 3) Hedging policy

For assets and liabilities which have exchange rate risks, the Company's basic policy is to hedge the exchange risk by making forward exchange contracts, currency swap transactions, etc.

For assets and liabilities which have interest rate risks, the Company's basic policy is to hedge the interest risk by making interest rate swap transactions, etc.

##### 4) Method of evaluation of the effectiveness of hedging

With regard to the means of hedging and hedged items, the effectiveness of hedging activities is evaluated on a quarterly basis (the end of March, June, September and December) for individual transactions. However,

the evaluation of the effectiveness of hedging is omitted for the hedged assets and liabilities as well as derivative transactions when they have the same amount of principal, interest rate, and hedging period since they have quite a high hedging effect.

(8) Amortization method for goodwill and the amortization period

Goodwill are equally amortized over the period for which the goodwill have effect within 20 years, however, if the amount of goodwill is small and its importance is low, such an amount is fully depreciated at the time of generation as a cost.

(9) Scope of funds on the consolidated statement of cash flows

The funds consist of cash on hand, deposits that can be withdrawn when needed and the current investments which are easily realizable and with only a small risk of value fluctuation and whose redemption periods are within three months from the date of acquisition.

(10) Other important matters for preparation of consolidated financial statements

Accounting for consumption tax, etc.

Consumption tax, etc. is accounted for by the tax-excluded method.

## (Changes in Accounting Policy)

If a subsidiary applies the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013; hereinafter referred to as “Business Combination Accounting Standard”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013; hereinafter referred to as “Consolidated Financial Statements Accounting Standard”), and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; hereinafter referred to as “Business Divestitures Accounting Standard”), etc. from the current accounting year, and if control over the subsidiary is maintained, differences due to changes in equity interests of the Company in the subsidiary shall be earmarked as capital surplus. In addition, the Company has made a change to earmark expenses related to acquisitions as costs for a consolidated fiscal year when the expenses were incurred. Furthermore, with regard to a business combination to be conducted after the beginning of the current consolidated fiscal year, the Company has made a change to the method of reflecting a review of the allocated amount of acquisition costs following the finalization of preliminary accounting processing in the consolidated financial statement for a consolidated fiscal year that contains the date of the business combination. In addition, the Company has changed the method of presenting current net earnings and other financial data, along with a change in presentation from minority shareholders’ interests to non-controlling interests. To reflect these changes, we are reworking the consolidated financial statement for the previous consolidated fiscal year.

In the consolidated cash flow statement for the current consolidated fiscal year, cash flows related to purchase or sales of investments in subsidiaries not resulting in a change in the scope of consolidation are classified as “cash flows from financial activities.” Cash flows related to costs incurred by purchase of investments in subsidiaries resulting in a change in the scope of consolidation or costs incurred by purchase or sales of investments in subsidiaries not resulting in a change in the scope of consolidation are classified as “cash flows from operating activities.”

As for the application of the Business Combination Accounting Standard, etc., pursuant to the provisions concerning transitional measures stipulated in the Business Combination Accounting Standard Article 58, Section 2 (4), the Consolidated Financial Statements Accounting Standard Article 44 Section 5(4), and the Business Divestitures Accounting Standard Article 57 Section 4(4), these standards apply from the beginning of the current consolidated fiscal year into the future.

These changes will have little impact on operating profits, current profits, and current-term net profit before tax and other adjustment for the current consolidated fiscal year, or on capital surplus as of the end of the current consolidated fiscal year and information per share.

(Accounting Standards, etc. which have not been implemented)

1. The Company submitting financial statements and domestic subsidiaries
  - “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016)

(1) Overview

With regard to the recoverability of deferred tax assets, based on the framework of the JICPA Audit Committee Report No. 66 “The auditing treatment on determining the recoverability of deferred tax assets,” under which companies are classified into five categories and the amount of deferred tax assets to be recorded is estimated in accordance with the classification, necessary reviews are underway for the following issues.

- 1) Handling of companies that do not meet the requirements for categories from Class 1 to Class 5
- 2) Requirements for Class 2 and Class 3
- 3) Handling of future deductible temporary differences for which scheduling is not possible in companies that fall into Class 2
- 4) Handling of the reasonable calculation period for taxable income before additions or deductions such as future temporary differences in companies that fall into Class 3
- 5) Handling of cases where companies that meet the requirements for Class 4 also fall into Class 2 or Class 3

(2) Scheduled implementation date

Scheduled to be applied from the beginning of the year ending March 2018

(3) Impacts of the implementation of the above Accounting Standards, etc.

The effect is evaluated when compiling the consolidated financial statement for the current year.

2. Overseas subsidiaries

Name of accounting standards, etc.	Outline	Date to be applied
Revenue from Contracts with Customers (IFRS No. 15)	-Revised the accounting method related to the recognition of revenue	From the year ending March 2019
Revenue from Contracts with Customers (FASB ASU 2014-09, 2015-14, 2016-08)	-Revised the accounting method related to the recognition of revenue	From the year ending March 2019
Leases (IFRS No. 16)	-Revised the accounting method related to leases	From the year ending March 2021
Leases (FASB ASU 2016-02)	-Revised accounting method related to leases	From the year ending March 2021

The effects of applying the Accounting Standards, etc. are evaluated when compiling the consolidated financial statement for the current consolidated fiscal year.

(Changes in the Manner of Presentation)

(Notes related to Consolidated Statements of Income and Consolidated Statement of Comprehensive Income)

In the previous consolidated fiscal year, “insurance benefits received” were included in the “Other” item of non-operating revenue. However, due to the increasing importance of the figure, insurance benefits received are separately classified from the current consolidated fiscal year.

Meanwhile, the “Other” item of non-operating revenue, which was 4,573 million yen in the previous consolidated fiscal year, was recompiled into the “Insurance Benefit Received” item at 912 million yen and the “Other” item at 3,661 million yen.

(Notes related to the Consolidated Statement of Cash Flows)

In the previous consolidated fiscal year, “proceeds from sales of investment securities” were included in the “Other” item of cash flows from investment activities. However, due to the increasing importance of the figure, the figure is separately classified from the current consolidated fiscal year.

In addition, “payments for purchase of investment securities,” “proceeds from purchase of investments in subsidiaries resulting in a change in the scope of consolidation,” and “payments for sales of investments in subsidiaries resulting in a change in the scope of consolidation” were separately classified in cash flows from investment activities in the previous consolidated fiscal year. However, as the importance of these figures declined, they are included in the “Other” item of cash flows from investment activities.

Meanwhile, of the minus 3,003 million yen of the “Other” item of cash flows from investment activities in the previous consolidated fiscal year, 787 million yen is now classified as the “proceeds from sales of investment securities” and minus 7,400 million yen is included in the “Other” item. After recompilation, “payments for purchase of investment securities,” “proceeds from purchase of investments in subsidiaries resulting in a change in the scope of consolidation,” and “payments for sales of investments in subsidiaries resulting in a change in the scope of consolidation” in the “Other” item of cash flows from investment activities were minus 3,782 million yen, 191 million yen, and minus 18 million yen, respectively.



(Additional information)

(Conversion of Dell Systems Corporation and other companies into a subsidiary, and acceptance of transfer of IT service-related businesses)

On March 28, 2016, the Company, which submits consolidated financial statements, agreed with Dell Inc. to accept the transfer of the Dell Services division via NTT Data International L.L.C. (president & CEO: John McCain; head office: New York State, U.S.A.; supervision of subsidiaries in North America; capital: 1,649 million dollars).

The Dell Services division includes three companies, Dell Systems Corporation (Dell Systems; president: Suresh Vaswani; head office: Plano, Texas, U.S.A.), Dell Technology & Solutions Limited (Dell Technology & Solutions; director: Janet Wright; head office: Ireland), and Dell Services Pte. Ltd. (Dell Services; director: Janet Wright; head office: Singapore) as well as the Dell Group's IT service-related businesses mainly in North America. For the three companies, we will acquire 100% of issued shares from Dell Inc. (parent company of the three companies).

( 1 ) Outline of business combination

1) Names of acquired companies

Dell Systems Corporation  
Dell Technology & Solutions Limited  
Dell Services Pte. Ltd.

2) Name of company involved in the transfer of business

Dell Inc.

3) Outline of acquired companies and contents of acquired businesses

IT outsourcing, BPO, application development/management, etc.

4) Main reason for the business combination

The Dell Services division provides cloud services, application-related services, and BPO services mainly in North America, and has a solid customer foundation including the healthcare, manufacturing, and service industries as well as financial institutions and federal government agencies, etc. In particular, for the healthcare sector centered on medical institutions and health insurance, the division provides digital solutions and BPO services specializing in the sector, and receives a high evaluation. NTT Data will expand businesses for various sectors mainly in North America through the acquisition of the Dell Services division and aim to strengthen cloud and BPO services making use of the latest technologies.

5) Legal form of business combination

Stock acquisition and business transfer

6) Ratio of voting rights to be held by the acquiring company

Dell Systems Corporation	100%
Dell Technology & Solutions Limited	100%
Dell Services Pte. Ltd.	100%

( 2 ) Acquisition costs for acquired companies and businesses

Acquisition costs

3,055 million dollars (estimate)

(Notes related to the Consolidated Balance Sheet)

\* 1 The breakdown of inventories is as follows:

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
Merchandise and finished products	1,781	2,086
Work in process	28,612	21,825
Raw materials and supplies	2,145	2,764

\*2 Assets pledged and liabilities subject to the pledge

Assets put in pledge are as follows:

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
Cash and deposits	58	31
Trade notes and trade receivables	17	16
Lease receivables and lease investment assets	1,550	1,505
Buildings and structure	12,967	12,586
Machinery, equipment and vehicles	48	38
Tools, appliances and fixtures	136	77
Land	13	38
Software	0	0
Investment securities	270	270
Investments and other assets, Other (long-term loan receivables)	540	540
Gross assets of some subsidiaries (Cash and deposits, etc.)	267	242
<b>Total</b>	<b>15,870</b>	<b>15,346</b>

Liabilities subject to the pledge are as follows:

(Unit: million yen)

Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)	
Corporate bonds	100	100
Long-term loans	1,754	1,914
(including long-term loans due within one year)		
Total	1,854	2,014

\* 3 Investment securities, etc. for affiliated companies are as follows:

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
Investment securities (shares, etc.)	8,374	8,569

\*4. Guarantee obligations

Guarantee of performance for system development and operation contracts

	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
Bank of America Corp. (NTT DATA Victorian Ticketing System Pty Ltd.)	4,147 million yen	3,880 million yen
	(Amount in a foreign currency 45,000 thousand Australian Dollars)	(Amount in a foreign currency 45,000 thousand Australian Dollars)

\*5 Amount advanced under loan agreement and included in investment securities

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
	3,643	—

\* 6 Other

With regard to the option to purchase equity interests of an overseas consolidated subsidiary held by a non-controlling shareholder of the subsidiary, the estimated exercise price of the option is

recognized as liability, and the book value of the non-controlling interests is deducted from “non-controlling interests” under the net assets section and the remaining value is included in the “Other” item of other accumulated comprehensive income under the net assets section.

\* 7 In inventories related to construction contracts for which potential losses are expected, the amount is presented by offsetting with the corresponding allowance for losses on contracts (11,767 million yen for the previous consolidated fiscal year and 12,401 million yen for the current consolidated fiscal year [all of them are an allowance for losses on contracts related to work in process]).

(Notes related to Consolidated Statements of Income and Consolidated Statement of Comprehensive Income)

\* 1 Positioned amount for an allowance for losses on contracts included in the Cost of sales

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	(Unit: million yen) Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
8,155	16,978

\*2 Main expense items and amounts in Selling, general and administrative expenses are as listed below.

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	(Unit: million yen) Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
Employees salary and allowance	113,675
106,498	Retirement benefit cost
5,531	10,038
Outsourcing service expenses	Outsourcing service expenses
35,674	39,320

\*3 Total R&D Expenses included in Selling, general and administrative expenses

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	(Unit: million yen) Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
12,911	12,410

\*4 Impairment loss of goodwill

Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)

Some group companies in the global business area allocated goodwill on the premise of excess earning power when accepting the transfer of business. However, now that it is impossible to expect the earnings that were initially estimated, the book value was reduced and the reduced amount is presented as impairment loss under extraordinary losses. Meanwhile, the recoverable value of the asset group including goodwill is measured based on use value, and the rate of discount used for the measurement was 10%.

Meanwhile, when grouping goodwill in the Company and the Company Group, a business operated by the Company and the Company Group is used as the minimum unit.

**\*5 Impairment losses of fixed assets**

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)

As for assets used mainly by the whole company, due to a declining cost reduction effect, the Company can no longer expect to collect the invested amounts, so the Company reduced the book values of such assets to the future collectible level, and the reduced amount is presented. Breakdowns of impairment losses of fixed assets are 1,753 million yen for software, 293 million yen for software in progress, etc. The asset grouping for the Company and the Company Group was made mainly based on a minimum unit that can be united and functions as a system. Also, the collectible amounts of the asset group are calculated based on values in use, and the discount rate used for such calculation is mainly 5%.

Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)

As for assets used mainly for the Public and Social Infrastructure area, due to declining profitability, the Company can no longer expect to collect the invested amounts, so the Company has reduced the book values of such assets to the future collectible level, and the reduced amount is presented. Breakdowns of impairment losses of fixed assets are 742 million yen for software in progress, 597 million yen for software, etc. The asset grouping for the Company and the Company Group was made mainly based on a minimum unit that can be united and functions as a system. Also, the collectible amounts of the asset group are calculated mainly based on values in use, and the discount rate used for such calculation is mainly 5%.

**\*6 Loss on restructuring of affiliates**

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)

They are mainly integration and restructuring expenses when group companies were reorganized in the Global area; the breakdown is as listed below.

Restructuring expenses associated with reorganization of group companies	1,075 million yen
Outsourcing service expenses for legal procedures, consultation, etc. necessary for reorganizing group companies	197 "
Other	395 "
Total	1,668 "

\* 7 Reclassification adjustment amount and tax effect amount related to comprehensive income are as follows:

	(Unit: million yen)	
	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
Valuation difference on available-for-sale securities:		
Incurred amount in the current fiscal year	64,765	(7,461)
Reclassification adjustment	(12)	(15,020)
Before tax effect	64,753	(22,482)
Tax effect amount	(20,763)	8,133
Valuation difference on available-for-sale securities	43,989	(14,349)
Deferred gains or losses on hedges:		
Incurred amount in the current fiscal year	1,573	(12,149)
Reclassification adjustment	(590)	212
Before tax effect	982	(11,937)
Tax effect amount	(365)	3,750
Deferred gains or losses on hedges	617	(8,186)
Foreign currency translation adjustments:		
Incurred amount in the current fiscal year	27,243	(25,966)
Reclassification adjustment	(0)	(9)
Before tax effect	27,243	(25,975)
Tax effect amount	(0)	—
Foreign currency translation adjustments	27,243	(25,975)
Adjustments related to retirement benefits:		
Incurred amount in the current fiscal year	1,106	(44,906)
Reclassification adjustment	1,044	1,297
Before tax effect	2,150	(43,608)
Tax effect amount	(1,815)	13,736
Adjustments related to retirement benefits	334	(29,872)
Shares of other comprehensive income of associates accounted for using the equity method:		
Incurred amount in the current fiscal year	311	(208)
Other		
Incurred amount in the current fiscal year	1,074	480
Total other comprehensive income	73,571	(78,110)

(Notes related to Consolidated Statements of Changes in Net Assets)

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)

1. Matters related to outstanding shares and treasury shares

Class of shares	Number of shares at the beginning of the current consolidated fiscal year	Increase	Decrease	Number of shares at the end of the current consolidated fiscal year
Outstanding Shares				
Common stock (shares)	280,500,000	—	—	280,500,000
Treasury shares				
Common stock (shares)	—	99	—	99

(Outline of reasons for change)

The increase of 99 shares in treasury shares resulted from increased purchases of fractional shares.

2. Matters Related to Dividends

(1) Amount of dividends paid

Resolution	Classes of Shares	Total amount of dividend(million yen)	Cash dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 18, 2014	Common stock	8,415	30	March 31,2014	June 19, 2014
Board of Directors Meeting on October 30, 2014	Common stock	8,415	30	September 30, 2014	December 1, 2014

(2) Of the dividends whose record date belongs to the current consolidated fiscal year, the following are those dividends whose effective date belongs to the next consolidated fiscal year.

Resolution	Classes of Shares	Source of dividend	Total amount of dividend (million yen)	Cash dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 17, 2015	Common stock	Retained earnings	8,414	30	March 31, 2015	June 18, 2015

Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)

1. Matters related to outstanding shares and treasury shares

Class of shares	Number of shares at the beginning of the current consolidated fiscal year	Increase	Decrease	Number of shares at the end of the current consolidated fiscal year
Outstanding Shares				
Common stock (shares)	280,500,000	—	—	280,500,000
Treasury shares				
Common stock (shares)	99	—	—	99

2. Matters related to dividends

(1) Amount of dividend paid

Resolution	Classes of Shares	Total amount of dividend (million yen)	Cash dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 17, 2015	Common stock	8,414	30	March 31, 2015	June 18, 2015
Board of Directors Meeting on October 29, 2015	Common stock	8,414	30	September 30, 2015	December 1, 2015

(2) Of the dividends whose record date belongs to the current consolidated fiscal year, the following are those dividends whose effective date belongs to the next consolidated fiscal year.

Resolution	Classes of Shares	Source of dividend	Total amount of dividend (million yen)	Cash dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 22, 2016	Common stock	Retained earnings	11,219	40	March 31, 2016	June 23, 2016



(Notes related to the Consolidated Statement of Cash Flows)

\*1 Reconciliation of the balance of cash and cash equivalents at the end of the fiscal year and items listed in the consolidated balance sheets

(Unit: million yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
	From April 1, 2014 to March 31, 2015	From April 1, 2015 to March 31, 2016
Cash and deposit account	160,108	148,495
Deposit with deposit terms of over three months	(5,229)	(6,589)
Negotiable deposits (securities)	—	20,000
Short-term investments with a maturity of three months or less from the date of purchase (Deposits)	95,965	71,646
Cash and cash equivalents	250,843	233,553

\*2 Breakdown of the principal assets and liabilities of a company that became a consolidated subsidiary due to acquisition of shares

Assets and liabilities of a company at the time of its consolidation due to the acquisition of shares as well as the relationship between the acquisition price of shares and expenditures (net) for its acquisition are as listed below.

(Unit: million yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 1, 2014 to March 31, 2015)	(From April 1, 2015 to March 31, 2016)
Current assets	2,795	6,761
Non-current assets	4,184	13,141
Goodwill	1,985	18,644
Current liabilities	(2,924)	(6,271)
Non-current liabilities	(1,324)	(4,465)
Non-controlling interests	(536)	(659)
Earnings surplus	—	2,104
Acquisition price of shares	4,179	29,254
Cash and cash equivalents	(515)	(902)
Deduction: Payments for the purchase of investments in subsidiaries resulting in a change in the scope of consolidation	3,663	28,351

(Notes related to lease transactions)

Operating lease transactions

Of operating lease transactions, future lease payments for those transactions that cannot be cancelled

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
Within 1 year	7,015	6,931
Exceeding 1 year	15,687	12,714
Total	22,703	19,645

(Notes related to Financial Instruments)

## 1. Matters Related to Financial Instruments

### (1) Policy for handling financial instruments

For fund management, the Company Group uses highly safe monetary assets and NTT, and the Group finances are used as well. The necessary funds for running the business are procured by bank loans and the issuance of corporate bonds as well as commercial papers. Derivatives are used to hedge the fluctuation risks of future market prices (foreign exchange rates and interest rates) (market risk) and the Company Group does not engage in derivatives for the purpose of speculative trading.

### (2) Components and risks of financial instruments

Trade receivables, i.e., notes and accounts receivable, are exposed to customers' credit risk.

Investment securities are mostly corporate shares related to services or capital participation, etc. with customers and are exposed to market price fluctuation risk.

Most trade payables, i.e., accounts payable, are due within one year.

The main purpose of short-term loans is to procure the necessary operating funds. The main purpose of long-term loans and corporate bonds is to procure the necessary funds, etc. for capital investment and the maturity dates are for a maximum of 14 years from the closing date.

The derivative transactions are limited to forward exchange contracts and currency swap transactions, which are aimed at hedging the fluctuation risks of future market prices (foreign exchange rates and interest rates) (market risk) for the payments of foreign currency payments, etc. and interest rate swap transactions, which is aimed at converting variable rate debts into fixed rate debts.

### (3) Financial instrument-related risk control structure

#### 1) Credit risk control (risk related to customers' default of contracts)

In the Company, with regard to trade receivables, the personnel in charge of management in each section conducts regular monitoring of collection status of individual customers to manage due dates as well as credit balance in accordance with credit management rules, etc., at the same time, delays in trade receivables are reported to the management meeting on a quarterly basis so that early and secured collections can be achieved. Consolidated subsidiaries also conduct credit risk control using similar methods to the Company's.

When using derivatives, the Company conducts transactions only with highly rated financial institutions and we believe that there is little default risk (credit risk) of the counterparties.

The greatest credit risk amount as of the date of current consolidated account closing is presented in the balance sheet values of the financial instruments which are exposed to credit risks.

#### 2) Management of market risks (exchange and interest rate fluctuation risk)

With regard to foreign currency denominated assets and liabilities, the Company basically hedges foreign exchange risk by possessing foreign currency liability in the same currency or other currency which links with the currency in question, making forward exchange contracts, currency swap transactions, currency option transactions, or combinations of them. With regard to variable rate assets and liabilities, the Company basically hedges interest rate risk by possessing liabilities that are linked to the market interest rate, interest rate swap transactions, interest rate option transactions, or combinations of them.

With regard to investment securities, their market risk is managed by grasping their fair market value and checking the financial position of the issuers regularly.

Derivatives are used in accordance with risk control rules and the Finance Department of the Company centrally manages them.

The use of derivatives by consolidated subsidiaries is subject to prior discussions with the Company.

3) Fund procurement related liquidity risk management (risk of being unable to pay on the due date)  
The Company Group manages liquidity risks by certain means, for example, individual group companies formulate and update monthly funding plans.

(4) Supplementary explanation on items related to fair market values of financial instruments

Amounts recorded as the fair market values of financial instruments include values based on the market prices, and when there are no market prices, reasonably calculated values are included. Since variable factors are included in such calculations, sometimes the values fluctuate when different assumptions are applied.

2. Matters related to fair market values of financial instruments

The amounts recognized on the consolidated balance sheet, fair market values and corresponding differences are listed below. Items for which identifying the fair market value has been deemed extremely difficult are not included in the table below. (See (Note 2)).

Previous consolidated fiscal year (as of March 31, 2015)

(Unit: million yen)

	Amount recognized on the consolidated balance sheet	Fair market value	Difference
(1) Cash and deposits	160,108	160,108	—
(2) Trade notes and trade receivables	366,678	366,678	—
(3) Securities	6,533	6,533	—
(4) Deposits	96,015	96,015	—
(5) Investment securities	96,341	96,344	3
<b>Total assets</b>	<b>725,677</b>	<b>725,680</b>	<b>3</b>
(1) Trade payables	103,970	103,970	—
(2) Short-term loans	48,887	48,887	—
(3) Current portion of long-term loans	732	732	—
(4) Current portion of bonds	39,999	39,999	—
(5) Income taxes payable	14,942	14,942	—
(6) Corporate bonds	210,052	221,145	11,092
(7) Long-term loans	139,459	145,725	6,265
<b>Total liabilities</b>	<b>558,044</b>	<b>575,402</b>	<b>17,358</b>
Derivative transactions (*1)	12,705	12,705	—

(\*1) Net receivables and payables arising from derivative transactions are shown as net values, with the items of net liabilities in total being shown in parentheses.

Current consolidated fiscal year (as of March 31, 2016)

(Unit: million yen)

	Amount recognized on the consolidated balance sheet	Fair market value	Difference
(1) Cash and deposits	148,495	148,495	—
(2) Trade notes and trade receivables	403,146	403,146	—
(3) Securities	26,000	26,000	—
(4) Deposits	121,646	121,646	—
(5) Investment securities	69,424	69,447	23
<b>Total assets</b>	<b>768,713</b>	<b>768,736</b>	<b>23</b>
(1) Trade payables	121,688	121,688	—
(2) Short-term loans	51,627	51,627	—
(3) Current portion of long-term loans	29,245	29,245	—
(4) Current portion of bonds	—	—	—
(5) Income taxes payable	33,158	33,158	—
(6) Corporate bonds	210,062	220,116	10,054
(7) Long-term loans	109,451	116,933	7,482
<b>Total liabilities</b>	<b>555,234</b>	<b>572,770</b>	<b>17,536</b>
Derivative transactions (*1)	(1,570)	(1,570)	—

(\*1) Net receivables and payables arising from derivative transactions are shown as net values, with the items of net liabilities in total being shown in parentheses.

(Note 1) Calculation method for the fair market value of financial instruments

Assets

(1) Cash and deposits, (2) Trade notes and trade receivables, and (4) Deposits

Because these are settled in the short term, the fair market value is almost equal to the book values. Therefore, the book values have been adopted.

(3) Securities and (5) Investment securities

For the fair market values of these securities, stock exchange prices are used for shares, proposed prices from financial institutions, etc. are used for bonds and published base prices are used for investment funds. Also since negotiable certificate of deposits are settled in the short term, the fair market value is almost equal to the book values. Therefore, the book values have been adopted. For the notes for securities according to holding purposes, see notes related to "Securities."

Liabilities

(1) Trade payables, (2) Short-term loans, (3) Current portion of long-term loans, (4) Current portion of bonds, and (5) Income taxes payable

Because these are settled in the short term, the fair market value is almost equal to the book values. Therefore, the book values have been adopted.

(6) Corporate bonds

The fair market value of corporate bonds issued by the Company is based on the market prices, and when there are no market prices, it is based on the current value that is calculated by discounting the total of principal and interests using an interest rate that reflects the corporate bond's remaining period.

(7) Long-term loans

The fair market value of long-term loans is the current value calculated by discounting the total of principal and interest using an interest rate that is reasonably estimated, should a similar new loan be made.

Derivatives

The fair market value of derivatives is based on the values presented by the financial institutions with which the Company has transactions. For the details of derivative transactions, see "Notes related to derivatives."

(Note 2) Financial instruments whose fair market value is deemed extremely difficult to identify

(Unit: million yen)

Classification	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
Unlisted shares	15,281	14,174

These unlisted shares have no market price and reasonable estimation of their future cash flow is deemed extremely costly. Therefore, they are not included in "Assets, (5) Investment securities" as fair market value of these shares is deemed extremely difficult to identify.

(Note 3) Scheduled redemption amount of monetary receivables and securities with maturity dates after the consolidated fiscal year end date

Previous consolidated fiscal year (as of March 31, 2015)

(Unit: million yen)

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Cash and deposits	160,108	—	—	—
Trade notes and trade receivables	366,678	—	—	—
Deposits	96,015	—	—	—
Securities and Investment securities				
Negotiable certificate of deposit	6,533	—	—	—
Held-to-maturity debt securities	100	409	1,225	104
Of other securities, those with maturity dates	—	98	—	188
Total	629,436	508	1,225	292

Current consolidated fiscal year (as of March 31, 2016)

(Unit: million yen)

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Cash and deposits	148,495	—	—	—
Trade notes and trade receivables	403,146	—	—	—
Deposits	121,646	—	—	—
Securities and Investment securities				
Negotiable certificate of deposit	26,000	—	—	—
Held-to-maturity debt securities	—	715	2,729	100
Of other securities, those with maturity dates	—	99	—	73
Total	699,288	814	2,729	173



(Note 4)

Amount due of corporate bonds, long-term loans and other interest bearing liabilities after the consolidated fiscal year end date

Previous consolidated fiscal year (as of March 31, 2015)

(Unit: million yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Short-term loans	48,887	—	—	—	—	—
Current portion of long-term loans	732	—	—	—	—	—
Current portion of bonds	39,999	—	—	—	—	—
Corporate bonds	—	—	49,989	50,000	59,981	50,080
Long-term loans	—	28,997	56,953	289	13	53,204
Total	89,619	28,997	106,943	50,289	59,995	103,285

Current consolidated fiscal year (as of March 31, 2016)

(Unit: million yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Short-term loans	51,627	—	—	—	—	—
Current portion of long-term loans	29,245	—	—	—	—	—
Current portion of bonds	—	—	—	—	—	—
Corporate bonds	—	49,993	50,000	59,985	—	50,083
Long-term loans	—	55,893	171	10	29,239	24,135
Total	80,873	105,886	50,171	59,996	29,239	74,218

(Notes related to securities)

1. Bonds held to maturity

Previous consolidated fiscal year (as of March 31, 2015)

(Unit: million yen)

Category	Amount recorded in the consolidated balance sheet	Fair market value	Difference
Fair market value that surpasses the amount recorded in the consolidated balance sheet	8	8	
Fair market value that does not surpass the amount recorded in the consolidated balance sheet	1,0	1,0	(9)
Total	1,8	1,8	

Current consolidated fiscal year (as of March 31, 2016)

(Unit: million yen)

Category	Amount recorded in the consolidated balance sheet	Fair market value	Difference
Fair market value that surpasses the amount recorded in the consolidated balance sheet	1,423	1,448	25
Fair market value that does not surpass the amount recorded in the consolidated balance sheet	2,122	2,120	(1)
Total	3,545	3,568	23

## 2. Other securities

Previous consolidated fiscal year (as of March 31, 2015)

(Unit: million yen)

Type	Amount on the consolidated balance sheet	Acquisition price	Difference
The amount on the consolidated balance sheet that exceeds the acquisition price			
(1) Shares	93,610	24,071	69,538
(2) Other	188	134	53
Sub total	93,798	24,206	69,592
The amount on the consolidated balance sheet that is less than the acquisition price			
(1) Shares	603	882	(279)
(2) Negotiable certificate of deposit	6,533	6,533	—
(3) Other	98	100	(1)
Sub total	7,235	7,516	(280)
Total	101,034	31,722	69,311

Current consolidated fiscal year (as of March 31, 2016)

(Unit: million yen)

Type	Amount on the consolidated balance sheet	Acquisition price	Difference
The amount on the consolidated balance sheet that exceeds the acquisition price			
(1) Shares	63,949	16,556	47,392
(2) Other	44	30	13
Sub total	63,993	16,587	47,406

The amount on the consolidated balance sheet that is less than the acquisition price			
(1) Shares	1,757	2,094	(337)
(2) Negotiable certificate of deposit	26,000	26,000	—
(3) Other	128	136	(7)
Sub total	27,886	28,230	(344)
Total	91,879	44,817	47,061

### 3 . Other securities that were sold

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)

(Unit: million yen)

Type	Selling price	Total gain on sale	Total loss on sale
Shares	283	204	0

Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)

(Unit: million yen)

Type	Selling price	Total gain on sale	Total loss on sale
Shares	22,871	15,237	0

(Notes related to derivatives)

1. Derivatives for which hedging accounting has not been applied

(1) Items related to currencies

Previous consolidated fiscal year (as of March 31, 2015)

(Unit: million yen)

Classification	Type of transactions	Amount of contract, etc.	Of which, over 1 year	Fair market value	Valuation profit or loss
Transactions other than market transactions	Forward exchange contract				
	Sell Euros and buy Swiss Franc	233	175	(50)	(50)
	Sell Euros and buy US Dollars	631	541	(156)	(156)
	Sell Euros and buy British Pounds	267	142	(20)	(20)
	Sell British Pounds and buy Japanese Yen	2,292	—	(0)	(0)
	Sell Euros and buy Japanese Yen	7,153	—	(1)	(1)
	Sell Australian Dollars and buy Japanese Yen	448	—	(0)	(0)
	Sell Japanese Yen and buy Chinese Yuan	1,560	—	195	195
Market Transactions	Forward exchange contract				
	Sell Japanese Yen and buy Chinese Yuan	180	—	1	1
Total		12,766	859	(31)	(31)

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions.

Current consolidated fiscal year (as of March 31, 2016)

(Unit: million yen)

Classification	Type of transactions	Amount of contract, etc.	Of which, over 1 year	Fair market value	Valuation profit or loss
Transactions other than market transactions	Forward exchange contract				
	Sell Euros and buy Swiss Franc	164	109	(31)	(31)
	Sell Euros and buy US Dollars	507	422	(99)	(99)
	Sell Euros and buy British Pounds	129	—	1	1
	Sell British Pounds and buy Japanese Yen	2,081	—	11	11
	Sell Euros and buy Japanese Yen	10,837	—	31	31
	Sell Australian Dollars and buy Japanese Yen	686	—	2	2
	Sell Japanese Yen and buy Chinese Yuan	1,660	—	188	188
Market Transactions	Forward exchange contract				
	Sell Brazilian Real and buy Euros	1,083	—	24	24
	Sell Colombian Peso and buy Euros	790	—	(3)	(3)
	Sell British Pounds and buy Euros	140	—	3	3
	Sell US Dollars and buy Euros	322	—	(0)	(0)
	Sell Chilean Peso and buy Euros	191	—	1	1
	Sell Peruvian Nuevo Sol and buy Euros	246	—	2	2
	Total		18,840	532	132

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions.

## (2) Items related to interest rate

Previous consolidated fiscal year (as of March 31, 2015)

(Unit: million yen)

Classification	Type of transactions	Amount of contract, etc.	Of which, over 1 year	Fair market value	Valuation profit or loss
Transactions other than market transactions	Interest rate swap transactions Variable receivables and fixed payables	185	68	1	1
Total		185	68	1	1

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions.

Current consolidated fiscal year (as of March 31, 2016)

Not applicable.

## 2. Derivatives for which hedging accounting has been applied

## (1) Items related to currencies

Previous consolidated fiscal year (as of March 31, 2015)

(Unit: million yen)

Method of hedging accounting	Type of transactions	Main hedged item	Amount of contract, etc.	Of which, over 1 year	Fair market value
Principle accounting method	Forward exchange contract Sell US Dollars and buy Indian Rupee	Foreign currency denominated anticipated transactions	9,741	—	180
	Sell British Pounds and buy Indian Rupee		160	—	14
Designated hedge accounting ("furiate-shori") for currency swap transactions	Currency swap transaction Receivable in US Dollars and payable in Euro	long-term loans	58,330	53,083	11,462
	Receivable in Japanese Yen and payable in Euro		3,888	3,888	(37)

Designated hedge accounting ("furiate-shori") for forward exchange contracts	Forward exchange contract				
	Long position in Chinese Yuan	Foreign currency denominated anticipated transactions	8,399	1,659	1,261
Total			80,521	58,631	12,881

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions.

Current consolidated fiscal year (as of March 31, 2016)

(Unit: million yen)

Method of hedging accounting	Type of transactions	Main hedged item	Amount of contract, etc.	Of which, over 1year	Fair market value
Principle accounting method	Forward exchange contract				
	Sell US Dollars and buy Indian Rupee	Foreign currency denominated anticipated transactions	10,818	—	208
	Sell British Pounds and buy Indian Rupee		145	—	15
	Long position in Chinese Yuan		12,500	5,750	(416)
Designated hedge accounting ("furiate-shori") for currency swap transactions	Currency swap transaction				
	Receivable in US Dollars and payable in Euro	long-term loans	54,654	54,654	8,879
	Receivable in Japanese Yen and payable in Euro		3,888	—	45
Designated hedge accounting ("furiate-shori") for forward exchange contracts	Forward exchange contract				
	Long position in US Dollars	Foreign currency denominated anticipated transactions	352,061	—	(10,434)
Total			434,068	60,404	(1,702)

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions.



(2) Items related to shares

Previous consolidated fiscal year (as of March 31, 2015)

(Unit: million yen)

Method of hedging accounting	Type of transactions	Main hedged item	Amount of contract, etc.	Of which, over 1 year	Fair market value
Principle accounting method	Forward transactions	Investment securities	3,498	—	(145)
Total			3,498	—	(145)

(Note) The fair market value is calculated based on the final value of the transactions at principal securities exchanges.

Current consolidated fiscal year (as of March 31, 2016)

Not applicable.

(Note related to retirement benefits)

1. Outline of the adopted retirement benefits system

Concerning the retirement benefits system of the company submitting consolidated financial statements and consolidated subsidiaries, the corporate pension fund system, agreement-type corporate pension fund system and lump-sum retirement allowance have been mainly established as the defined-benefit pension plan.

The company submitting consolidated financial statements is participating in the NTT corporate pension fund system to which 39 consolidated subsidiaries are participating as of the end of the current consolidated fiscal year.

The company submitting consolidated financial statements and consolidated subsidiaries have also established a defined contribution pension system.

The company submitting consolidated financial statements has shifted from the agreement-type corporate pension fund system to the defined contribution pension system, starting with the portion accumulated on April 1, 2014. Meanwhile, the portions accumulated up to March 31, 2014 will be sustained under the conventional agreement-type corporate pension fund system.

2. Defined-benefit pension system

(1) Adjustments of beginning and ending balances of retirement benefit obligations

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
Beginning balance of retirement benefit obligations	295,506	295,864
Accumulated amount impacted by the change in the Company's policy	(14,128)	—
Beginning balance reflecting the change in the Company's policy	281,378	295,864
Service cost	15,579	16,919
Interest cost	4,580	4,492
Actuarial differences occurred	3,249	51,255

(2) Adjustments of beginning and ending balances of pension assets

(Unit: million yen)

	Previous consolidated fiscal year  (From April 1, 2014 to March 31, 2015)	Current consolidated fiscal year  (From April 1, 2015 to March 31, 2016)
Beginning balance of pension assets	151,185	161,833
Expected return on plan assets	3,736	3,847
Actuarial differences occurred	6,366	3,208
Contribution by the Company	4,968	9,320
Payment of retirement benefits	(6,028)	(6,138)
Other	1,604	1,046
Ending balance of pension assets	161,833	173,118

(3) Adjustments of the ending balance of retirement benefit obligations and pension assets and liabilities related to retirement benefits and assets related to retirement benefits recorded in the consolidated balance sheet

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
-		
Funded retirement benefit obligations	186,851	241,419
Pension assets	(161,833)	(173,118)
	25,017	68,300
Unfunded retirement benefit obligations	109,013	116,183
Net amount of liabilities and assets recorded in the consolidated balance sheet	134,031	184,483
Liabilities related to retirement benefits	136,313	185,992
Assets related to retirement benefits	(2,282)	(1,508)
Net amount of liabilities and assets recorded in the consolidated balance sheet	134,031	184,483

(4) Retirement benefit costs and the amount of the breakdown

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
Service cost	15,579	16,919
Interest cost	4,580	4,492
Expected return on plan assets	(3,736)	(3,847)
Amortization of actuarial differences	1,966	5,454
Amortization of the prior service cost	(1,318)	(1,317)
Current amortization of the difference at the change of accounting standards	(330)	—
Other	(753)	(765)
Retirement benefit costs related to the defined-benefit pension system	15,988	20,935

(5) Adjustment related to retirement benefits

Breakdown of items recorded in the adjustment related to retirement benefits (before deduction of tax effects) is as follows:

	(Unit: million yen)	
	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 1, 2014 to March 31, 2015)	(From April 1, 2015 to March 31, 2016)
Prior service cost	(1,353)	(1,342)
Actuarial differences	5,172	(42,266)
Differences at the change of accounting standards	(330)	—
Total	3,488	(43,608)

(6) Remeasurements of retirement benefits

Breakdown of items recorded in the remeasurements of retirement benefits (before deduction of tax effects) is as follows:

	(Unit: million yen)	
	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
Unrecognized prior service cost	(8,619)	(7,276)
Unrecognized actuarial differences	22,780	65,046
Total	14,160	57,769

(7) Matters related to pension assets

1) Main breakdown of pension assets

Ratio of each of the main classifications to the total pension assets is as follows:

	(Unit: percent)	
	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
Cash and cash equivalent	0.6	1.3
Debt securities	40.4	42.3
Equity securities	20.9	12.8
Securities investment trust beneficiary certificates	4.9	12.3
Joint trust	13.8	12.9
Life insurance company general account	15.3	14.2
Other	4.1	4.2
Total	100.0	100.0

2) Setting method of expected long-term rate of return

Expected long-term rates of return on pension assets is determined while considering the expected return and risk by analyzing portfolios of present and future pension assets and historical yields of various long-term investments.

(8) Matters related to bases of actuarial calculation

Main bases of actuarial calculation at the end of the current consolidated fiscal year

	(Unit: percent)	
	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
Discount rate		
Expected long-term rate of return	1.5	0.5
NTT Corporate pension fund	2.5	2.5
Agreement-type pension	2.0	2.0

3. Defined contribution pension system

Contributions to defined contribution pension plans by the Company submitting consolidated financial statements and its consolidated subsidiaries

	(Unit: million yen)	
	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
	2,099	2,215

(Notes related to tax effect accounting)

1. Breakdown by main causes for deferred tax assets and deferred tax liabilities occurred

(Unit: million yen)

Classification	Previous consolidated fiscal year (as of March 31, 2015)	Current consolidated fiscal year (as of March 31, 2016)
<b>Deferred tax assets</b>		
Liabilities related to retirement benefits	42,826	58,419
Overdepreciation	12,226	11,225
Inventory valuation loss	1,249	1,764
Loss carried forward	15,531	14,115
Adjustment of the percentage of the completion method	2,918	3,224
Sales receivables	16,854	13,830
Other	<u>28,875</u>	<u>32,667</u>
Subtotal of deferred tax assets	120,484	135,248
Valuation allowance	<u>(13,722)</u>	<u>(12,279)</u>
Total of deferred tax assets	106,761	122,969
<b>Deferred tax liabilities</b>		
Intangible assets identified in the business combination	(23,513)	(22,963)
Valuation difference on available-for-sale securities	(22,797)	(14,673)
Book value differences of shares of affiliated companies due to business reorganization	(3,599)	(3,400)
Fixed assets	(13,562)	(11,425)
Other	<u>(11,441)</u>	<u>(10,375)</u>
Total of deferred tax liabilities	<u>(74,913)</u>	<u>(62,838)</u>
Net deferred tax assets	<u>31,848</u>	<u>60,130</u>

(Note) In the previous consolidated fiscal year, “Fixed assets” were included in the “Other” item of “Deferred tax liabilities.” However, due to the increasing importance of the figure, “Fixed assets” are separately classified from the current consolidated fiscal year. Meanwhile, the “Reserve for reduction entry” for deferred tax liabilities, which had been separately classified, is included in the “Other” item from the current consolidated fiscal year because it became less important to classify the figure separately.

In addition, the “Other” item of deferred tax liabilities in the previous consolidated fiscal year, which was minus 24,868 million yen, and “Reserve for reduction entry” which was minus 134 million yen, were recompiled into “Fixed assets” at 13,562 million yen, and “Other” at minus 11,441 million yen.

2. Breakdown of main items that caused differences between statutory effective tax rates and burden rates of corporate tax, etc. after applying tax effect accounting

(Unit: percent)

---

Classification	Previous consolidated fiscal year (as of March 31, 2015)
----------------	---

---

	Current consolidated fiscal year (as of March 31, 2016)
--	--

Statutory effective tax rate (Adjustment)	35.64	33.06
Items not permanently deductible such as entertainment expenses	1.47	0.64
Dividend earned	(0.12)	(0.04)
Inhabitant tax on per capita basis	0.49	0.33
Research and development tax credit	(2.56)	(1.92)
Amortization of goodwill, etc.	7.12	4.97
Increase or decrease in valuation allowance	2.84	0.38
Tax rate change due to tax system revision	6.95	2.62
Other	2.79	(0.75)
Burden rate of corporate tax, etc. after applying tax effect accounting	<u>54.62</u>	<u>39.29</u>

### 3. Amendment to the amounts of deferred tax assets and deferred tax liabilities due to changes in corporate income taxes

Along with the enactment of the “Act on Partial Revision of the Income Tax Act, etc.” and the “Act on Partial Revision of the Local Tax Act, etc.” on March 29, 2016 at the Diet, the statutory effective tax rates used for calculation of deferred tax assets and deferred tax liabilities for the current consolidated fiscal year (limited to those eliminated on and after April 1, 2016) have been changed from 32.34% of the previous consolidated fiscal year to 30.86% for those expected to be collected or paid during the period from April 1, 2016 to March 31, 2018, and to 30.62% for those expected to be collected or paid after April 1, 2018.

Consequently, the amount of deferred tax assets (with the amount of deferred tax liabilities deducted) decreased by 3,065 million yen, the amount of income taxes-deferred increased by 2,854 million yen, and the amount of remeasurements of defined benefit plans decreased by 211 million yen, respectively, in the current consolidated fiscal year.



(Notes related to business combination, etc.)

Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)

(Conversion of Carlisle & Gallagher Consulting Group, Inc. into a subsidiary)

The Company, as the company submitting consolidated financial statements, acquired 100% of the issued shares of a U.S. finance & IT consulting firm, Carlisle & Gallagher Consulting Group, Inc. (president & CEO: Bob Gallagher; head office: Charlotte, North Carolina, U.S.A.) (hereinafter referred to as "CG"), via NTT DATA, Inc., the Company's subsidiary in North America, on July 23, 2015 local time in U.S.A. and made CG a consolidated subsidiary.

1. Outline of business combination

(1) Name of the acquired company

Carlisle & Gallagher Consulting Group, Inc.

(2) Business outline of the acquired company

Business and system consulting, system development, and services of design, improvement, and introduction of business processes for major financial institutions

(3) Scale of operation

Consolidated sales 136.4 million U.S. dollars

Consolidated gross assets 38.5 million U.S. dollars

Capital stock 0.5 million U.S. dollars

(4) Reason for the business combination

The conversion of CG into a subsidiary will enable NTT DATA, Inc. to expand its service further into the areas such as banking and asset management and investment that require specialized expertise in these industries, by combining NTT DATA, Inc.'s wide range of service and technologies with CG's consulting capabilities specializing in finance.

(5) Date of business combination

July 23, 2015 local time in U.S.A.

(6) Legal form of the business combination

Cash acquisition of shares

(7) Company name after the business combination

Carlisle & Gallagher Consulting Group, Inc.

(On April 14, 2016, it changed its name to NTT DATA Consulting, Inc.)

(8) Ratio of voting rights acquired

100.0%

(9) Main reason for the acquisition of the company

Because of the cash acquisition of shares

(10) Number of shares acquired

100,000 shares

(11) Outline of the acquired company

Tom Carlisle, Bob Gallagher, Alex Dickey, etc.

2. Period of performance of the acquired company included in the consolidated financial statement

From July 23, 2015 to March 31, 2016

3. Breakdown of acquisition cost and price of the acquired company

Cash	25,462 million yen
Acquisition cost	25,462 million yen

4. Details of major costs related to acquisition

Costs for advisories, etc. 489 million yen

5. Amount of goodwill incurred, reason for incurrence, amortization method, and amortization period for the goodwill

(1) Amount of goodwill incurred 17,437 million yen (estimate)

The amount of goodwill is a preliminary figure because recognizable assets and liabilities on the date of business combination and their market values have not yet been calculated and thus the allocation of acquisition costs, etc. has not yet been completed.

(2) Reason for incurrence

The goodwill was incurred due to the reasonable estimate of excess earning power that can be expected from the business development of CG in the future.

(3) Amortization method and period

20-year straight-line method

6. Amount of assets and liabilities accepted on the date of business combination and their details

Assets section

Current assets 4,423 million yen

Fixed assets 1,788 million yen

Liability section

Current liabilities 3,598 million yen

Fixed liabilities 49 million yen

7. Allocation of acquisition costs

Because recognizable assets and liabilities were not specified and the calculation of fair market prices had not been completed at the end of the current consolidated fiscal year, the allocation of acquisition costs has not yet been completed. So this is a preliminary accounting process based on reasonable information available at that time.

8. Estimates of the impact of the business combination on the consolidated balance sheet for the current consolidated fiscal year based on the assumption that the business combination was completed on the first day of the consolidated fiscal year and the calculation method

Estimates

Sales amount 5,298 million yen

Net income before taxes and other adjustments Minus 26 million yen

(Calculation method for the estimates)

Estimates of the impact are differences between the sales, gains, and losses on the Company's consolidated financial statement and the sales, gains, and losses calculated based on the assumption that the business combination was completed on the first day of the consolidated fiscal year. Meanwhile, these estimates do not obtain an audit certificate.

(Notes related to real estate for lease assets)

The Company and some of our consolidated subsidiaries hold office buildings (including land) for rent in Tokyo and other areas. Leasing and gain or loss on sale related to the real estate for lease assets in the previous consolidated fiscal year was 185 million yen (mainly leasing profit and expenses are recorded in net sales and cost of goods sold, respectively).

Leasing and gain or loss on sale related to the real estate for lease assets in the current consolidated fiscal year was 216 million yen (mainly leasing profit and expenses are recorded in net sales and cost of goods sold, respectively).

The amount of the real estate for lease assets recorded in the consolidated balance sheet, the amount of change during the period, and market values are as follows:

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
Amount recorded in the consolidated balance sheet		
Beginning balance	27,365	26,801
Change during the period	(564)	1,043
Ending balance	26,801	27,844
Market value at the end of the period	51,097	60,679

(Note 1) Amount recorded in the consolidated balance sheet refers to an amount with the amount of accumulated depreciation deducted from the acquisition cost.

(Note 2) Changes during the period are mainly due to depreciation (minus 778 million yen) in the previous consolidated fiscal year and an increase in the ratio of lease (1,515 million yen) in the current consolidated fiscal year.

(Note 3) Market value at the end of the period mainly includes the amount calculated by the Company based on "The Real Estate Appraisal Standards" (also including the amount calculated and adjusted by the Company using indexes).

(Segment information, etc.)

[Segment information]

#### 1. Overview of reportable segments

Reportable segments of our Group that is the company submitting consolidated financial statements are components of an entity for which separate financial information is available and evaluated regularly by the management decision-making authority in determining the allocation of management resources and in assessing performance.

With rapid industrial changes in domestic markets and progress of information technologies expected, it is now necessary to build greater cross-sectoral cooperation and instigate speedy decision making in order to respond to the expectations of customers and society that will become increasingly diversified. Against this backdrop, the Company abolished the existing company system and reorganized its business headquarters to enable each business headquarter to make a decision on issues concerning the execution of operation from this consolidated financial year in order to further enhance the mobility of business organizations. In addition, as business units tasked with formulating business strategies or creating new businesses for mid- and long-term business growth, new business areas were created by consolidating multiple business headquarters (Public & Social Infrastructure; Financial; Enterprise & Solutions; and global). Along with these changes, from the current consolidated fiscal year, the reportable segments that were previously separated into "Public & Financial," "Enterprise IT Service," "Solution & Technology," and "Global Business" were changed into "Public/Social Infrastructure," "Financial Services," "Corporation/Solution," and "Global," respectively.

Each reportable segment provides an integrated IT solution, system/software development, consulting/support, and other services. Meanwhile, for information on segments in the previous consolidated fiscal year, a new version based on the changed reportable segments is now available.

#### 2. Method of computing net sales, income or loss, assets, liabilities and other items by reportable segment

The accounting treatment method for the Group's reportable segments is generally the same as the statements in "important matters as the basis for preparation of consolidated financial statements." Reportable segment income is based on net income before taxes and other adjustments. The prices of intersegment revenue and transfers are determined based on the price calculated by adding proper profit to cost.

3. Information regarding the amount of net sales, income or loss, assets, liabilities and other items by reportable segment

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)

(Unit: million yen)

	Reportable segments					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Public & Social Infrastructure	Financial	Enterprise & Solutions	Global	Subtotal				
Net sales									
Sales to outside clients	341,081	441,599	264,125	449,046	1,495,852	15,836	1,511,688	123	1,511,812
Intersegment sales and transfers	67,705	54,621	102,040	15,462	239,829	52,966	292,795	-292,795	—
Total	408,786	496,221	366,165	464,508	1,735,681	68,802	1,804,484	-292,671	1,511,812
Segment income or loss (the number shown in parentheses)	39,536	20,680	24,095	-7,704	76,607	2,740	79,348	-5,352	73,995
Segment assets	244,978	463,735	359,382	524,285	1,592,382	17,444	1,609,827	213,009	1,822,837
Other items									
Depreciation and amortization	28,316	79,380	18,185	19,651	145,533	755	146,289	1,143	147,433
Amortization of goodwill	-3	310	146	14,046	14,499	0	14,499	—	14,499
Investment gain or loss (the number shown in parentheses) on equity method	14	10	286	-257	54	—	54	32	86
Extraordinary income (Gain on sales of investment securities )	—	—	—	—	—	—	—	—	—
Extraordinary losses (Impairment loss of goodwill)	557	650	34	1,631	2,874	99	2,973	939	3,913
(Loss from restructuring of affiliate companies)	—	37	—	1,631	1,668	—	1,668	—	1,668
(Loss on impairment of fixed assets)	557	613	34	—	1,206	99	1,305	939	2,244
Balance of goodwill at the end of the current year	-12	1,791	85	177,675	179,540	—	179,540	—	179,540
Investments in equity method affiliates	543	187	1,819	4,480	7,030	—	7,030	1,343	8,374
Increase in tangible and intangible fixed assets	21,134	71,227	30,206	12,113	134,681	4,930	139,612	1,288	140,900

(Note)

1. Classification of "other" includes subsidiaries that mainly engage in supporting the business of our head office departments.

2. (1) Adjustment of segment income or loss totaling minus 5,352 million yen includes minus 3,205 million yen of net financial revenue that is not allocated in segments, minus 2,082million yen of consolidated adjustment items that are not allocated in segments, etc.

(2) Adjustment of segment assets totaling 213,009million yen includes 227,270million yen in assets related to the management department, minus 14,260million yen of consolidated adjustment items with treatment of net deferred tax assets, etc. that are not allocated in segments.

(3) Adjustment of increase in tangible and intangible fixed assets totaling 1,288 million yen mainly includes investments, etc., in internal facilities.

3. Segment income or loss is adjusted with current net income before taxes and other adjustments under consolidated income statements and statements of comprehensive income.

Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)

(Unit: million yen)

	Reportable segments					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Public & Social Infrastructure	Financial	Enterprise& Solutions	Global	Subtotal				
Net sales									
Sales to outside clients	346,744	470,213	277,383	504,459	1,598,802	16,041	1,614,843	53	1,614,897
Intersegment sales and transfers	74,068	53,473	114,442	15,144	257,128	60,215	317,344	-317,344	—
Total	420,813	523,687	391,826	519,604	1,855,931	76,256	1,932,187	-317,290	1,614,897
Segment income or loss (the number shown in parentheses)	32,251	34,056	48,072	-4,845	109,534	5,832	115,366	-7,577	107,789
Segment assets	264,575	448,005	347,561	523,956	1,584,100	18,524	1,602,624	257,694	1,860,319
Other items									
Depreciation and amortization	28,188	80,610	17,836	20,542	147,178	689	147,867	1,010	148,878
Amortization of goodwill	-3	158	25	11,897	12,078	—	12,078	—	12,078
Investment gain or loss (the number shown in parentheses) on equity method	29	17	382	-250	179	—	179	53	232
Extraordinary gain (Proceeds from selling investment securities)	40	—	14,495	—	14,535	19	14,555	682	15,237
Extraordinary loss	1,365	—	155	3,992	5,513	93	5,607	—	5,607
(Impairment loss of goodwill)	—	—	—	3,986	3,986	—	3,986	—	3,986
(Loss from restructuring of affiliate companies)	—	—	—	—	—	—	—	—	—
(Loss on impairment of fixed assets)	1,365	—	155	5	1,527	93	1,620	—	1,620
Balance of goodwill at the end of the current year	-9	1,632	50	167,205	168,879	—	168,879	—	168,879
Investments in equity method affiliates	569	200	1,884	4,177	6,832	—	6,832	1,736	8,569
Increase in tangible and intangible fixed assets	17,925	70,487	28,790	14,012	131,216	1,625	132,842	1,186	134,028

(Note)

1. Classification of "other" includes subsidiaries that mainly engage in supporting the business of our head office departments.
2. (1) Adjustment of segment income or loss totaling minus 7,577million yen includes minus 3,062 million yen of net financial revenue that is not allocated in segments, minus 4,485 million yen of consolidated adjustment items that are not allocated in segments, etc.  
(2) Adjustment of segment assets totaling 257,694 million yen includes 252,320 million yen in assets related to the management department, 5,374 million yen of consolidated adjustment items related to deferred tax assets, etc., that are not allocated in segments.  
(3) Adjustment of increase in tangible and intangible fixed assets totaling 1,186 million yen mainly includes investments, etc., in internal facilities.
3. Segment income or loss is adjusted with current net income before taxes and other adjustments under consolidated income statements and statements of comprehensive income.



[Related information]

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)

1. Information related to products and service

(Unit: million yen)

Classification	Integrated IT solution	System/software development	Consulting/support	Other	Total
Sales to outside clients	458,975	402,898	595,370	54,567	1,511,812

2. Information related to geographic areas

(1) Sales

(Unit: million yen)

Japan					Total
	North America	Europe	Other	Outside Japan	
1,061,727	175,296	215,246	59,541	450,085	1,511,812

(Note)

1. Based on the locations of clients, net sales are categorized into geographic areas.

2. Main countries belonging to each area are as follows:

North America — U.S.A, Canada

Europe — Germany, Spain, Italy, U.K, etc.

Other — Australia, Brazil, Chile, etc.

(2) Property, plant and equipment

Since the percentage of total property, plant and equipment located in Japan included in the consolidated balance sheets exceeds 90%, information on geographic areas is omitted.

3. Information related to major clients

Information on major clients is omitted since no sales to a single outside client accounted for more than 10% of consolidated sales.

Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)

1. Information related to products and service

(Unit: million yen)

Classification	Integrated IT solution	System/software development	Consulting /support	Other	Total
Sales to outside clients	468,992	443,845	648,035	54,022	1,614,897

## 2. Information related to geographic areas

### (1) Sales

(Unit: million yen)

Japan	North America	Europe	Other	Outside Japan	Total
	1,110,368	207,490	236,545		

(Note)

1. Based on locations of clients, net sales are categorized into geographic areas.

2. Main countries belonging to each area are as follows:

North America — U.S.A, Canada

Europe — Germany, Spain, Italy, U.K, etc.

Other — Australia, Brazil, Chile, etc.

### (2) Property, plant and equipment

Since the percentage of total property, plant and equipment located in Japan included in the consolidated balance sheets exceeds 90%, information on geographic areas is omitted.

### 3. Information related to major clients

Information on major clients is omitted since no sales to a single outside client accounted for more than 10% of consolidated sales.

[Information related to impairment loss of fixed assets by reportable segment]

The information is omitted since similar information is disclosed in segment information.

[Information related to amortization and unamortized balance of goodwill by reportable segment]

The information is omitted since similar information is disclosed in segment information.

[Information related to gain on negative goodwill by reportable segment]

Not applicable.

[Information on related parties]

Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)

1. Transactions with related parties

(1) Transactions between the company submitting consolidated financial statements and related parties

a. Companies, etc. whose parent company is the same as that of the company submitting consolidated financial statements and subsidiaries, etc. of other affiliated companies of the company submitting consolidated financial statements

Type	Name of company, etc.	Location	Capital or capital contribution (million yen)	Detail of business or occupation	Share of voting rights (Owning and Be owned) (percent)	Relationship with related parties	Details of the transaction	Transaction amount (million yen)	Items	Ending balance (million yen)
Subsidiary of the parent company	NTT Finance Corporation	Minato-ku, Tokyo	16,770	General leasing activities	(Owning) Direct 3.1 (Be owned) Direct 0.0	Deposit of funds, etc.	Fund settlement of transactions among NTT Group companies	36,843	Other of Current assets (accrued revenue)	11,621
							Deposit of funds (Note 3)	32,143	Deposits	96,015
							Interest income associated with deposition of funds	10		

(Note)

1. Although the transaction amount and ending balance of fund settlement of transactions among NTT Group companies include consumption tax, etc., the amount of other transactions does not include consumption tax, etc.
2. Transaction conditions and the determination methods of transaction conditions are the same conditions as other business partners.
3. The transaction amount of the deposit of funds is the average balance of deposits.

b. Officers and major individual shareholders (only individual), etc. of the company submitting consolidated financial statements

Type	Name of company, etc.	Location	Capital or capital contribution (million yen)	Detail of business or occupation	Share of voting rights (Owning and Be owned) (percent)	Relationship with related parties	Details of the transaction	Transaction amount (million yen)	Items	Ending balance (million yen)
Officer	Toshio Iwamoto	—	—	President and CEO of the Company Chairman of the Japan Electronic Payment Promotion Organization	(Be owned) Direct 0.0	—	Business revenue including building lease	28	—	—
							Payment of an annual membership fee	2	—	—

(Note)

1. The transaction amount does not include consumption tax, etc.
2. Transaction conditions and the determination methods of transaction conditions are the same conditions as other business partners.

## 2. Notes related to the parent company or important affiliated companies

### (1) Information on the parent company

Nippon Telegraph and Telephone Corporation (listed on the Tokyo Stock Exchange)

Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)

### 1. Transactions with related parties

#### (1) Transactions between the company submitting consolidated financial statements and related parties

a. Companies, etc. whose parent company is the same as that of the company submitting consolidated financial statements and subsidiaries, etc. of other affiliated companies of the company submitting consolidated financial statements

Type	Name of company, etc.	Location	Capital or capital contribution (million yen)	Detail of business or occupation	Share of voting rights (Owning and Be owned) (percent)	Relationship with related parties	Details of the transaction	Transaction amount (million yen)	Items	Ending balance (million yen)
Subsidiary of the parent company	NTT Finance Corporation	Minato-ku, Tokyo	16,770	General leasing activities	(Owning) Direct 3.1 (Be owned) Direct 0.0	Deposit of funds, etc.	Fund settlement of transactions among NTT Group companies	39,284	Other of Current assets (accrued revenue)	8,992
							Deposit of funds (Note 3)	57,846	Deposits	121,646
							Interest income associated with deposition of funds	40		

(Note)

1. Although the transaction amount and ending balance of fund settlement of transactions among NTT Group companies include consumption tax, etc., the amount of other transactions does not include consumption tax, etc.
2. Transaction conditions and the determination methods of transaction conditions are the same conditions as other business partners.
3. The transaction amount of the deposit of funds is the average balance of deposits.

b. Officers and major individual shareholders (only individual), etc. of the company submitting consolidated financial statements

Type	Name of company, etc.	Location	Capital or capital contribution (million yen)	Detail of business or occupation	Share of voting rights (Owning and Be owned) (percent)	Relationship with related parties	Details of the transaction	Transaction amount (million yen)	Items	Ending balance (million yen)
Officer	Toshio Iwamoto	—	—	President and CEO of the Company Chairman of the Japan Electronic Payment Promotion Organization	(Be owned) Direct 0.0	—	Business revenue including building lease	28	—	—
							Payment of an annual membership fee	2	—	—
				President and CEO of the Company Chairman of PFI/PPP Promotion Council	(Be owned) Direct 0.0		Payment of an annual membership fee	0	—	—
Officer	Satoshi Kurishima	—	—	Vice President of the Company Chairman of General Incorporated Association, Japan Data Management Consortium	(Be owned) Direct 0.0	—	Payment of an annual membership fee	0	—	—

(Note)

1. The transaction amount does not include consumption tax, etc.
2. Transaction conditions and the determination methods of transaction conditions are the same conditions as other business partners.
3. Toshio Iwamoto resigned from Chairman of PFI/PPP Promotion Council in July 2015; the above statement relates to his term in office during the current consolidated fiscal year.

2. Notes related to the parent company or important affiliated companies

(1) Information on the parent company

Nippon Telegraph and Telephone Corporation (listed on the Tokyo Stock Exchange)

(Per share information)

	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
Net asset per share	2,757.55yen	2,641.39yen
Current net income per share	114.60yen	225.93yen

(Note)

1. Diluted current net income per share is not stated since there is no dilutive share.
2. Current net income per share is calculated on the following basis:

Item	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (From April 1, 2015 to March 31, 2016)
Current net income per share		
Current-term net income belonging to shareholders of the parent company (million yen)	32,144	63,373
Amount not attributable to common shareholders (million yen)	—	—
Current-term net income belonging to shareholders of the parent company concerning common shares (million yen)	32,144	63,373
Average number of common shares for the period (share)	280,499,996	280,499,901

(Important subsequent events)

Not applicable.

5) [Consolidated supplementary schedules]  
[Schedule of company bonds]

Company name	Issue	Date of issue	Balance at the beginning of the current period (million yen)	Balance at the end of the current period (million yen)	Interest rate (percent)	Collateral	Period of redemption
NTT DATA Corporation	The 21st unsecured domestic straight bonds	April 22, 2008	49,989	49,993	1.60	Debenture bond	March 20, 2018
Same as above	The 22nd unsecured domestic straight bonds	December 11, 2008	30,000	30,000	1.78	Same as above	December 20, 2018
Same as above	The 23rd unsecured domestic straight bonds	March 11, 2009	20,000	20,000	1.65	Same as above	March 20, 2019
Same as above	The 24th unsecured domestic straight bonds	April 21, 2010	39,999	—	0.66	Same as above	June 19, 2015
Same as above	The 25th unsecured domestic straight bonds	April 21, 2010	59,981	59,985	1.47	Same as above	March 19, 2020
Same as above	The 26th unsecured domestic straight bonds	June 15, 2012	24,989	24,990	0.95	Same as above	June 20, 2022
Same as above	The 27th unsecured domestic straight bonds	June 14, 2013	24,991	24,992	0.90	Same as above	June 20, 2023
FM-Shinagawa Tokutei Mokuteki kaisha	Specified corporate bond	February 29, 2012	100	100	0.21	Secured bond	February 28, 2022
Total	—	—	250,052	210,062	—	—	—

(Note)

1. Expected redemption within 5 years of the consolidated closing date is as follows:

(Unit: million yen)

Within one year	Over one year but within two years	Over two years but within three years	Over three years but within four years	Over four years but within five years
—	49,993	50,000	59,985	—

[Schedule of borrowings, etc.]

Classification	Balance at the beginning of the current period (million yen)	Balance at the end of the current period (million yen)	Average interest rate (percent)	Period of repayment
Short-term borrowings	48,887	51,627	0.8	—
Current maturity of long-term borrowings	732	29,245	0.2	—
Current maturity of lease obligation	3,292	2,737	—	—
Long-term borrowings(excluding the current portion)	139,459	109,451	1.2	From 2017 to 2029
Lease obligation(excluding the current portion)	4,560	3,917	—	From 2017 to 2029
Total	196,932	196,980	—	—

(Note)

1. The average interest rate is stated by the weighted average interest rate to the balance of borrowings at the end of year.

2. Since the lease obligation is recorded in the consolidated balance sheets before the amount equivalent to interest that is included in the total amount of interest is deducted, the average interest rate of the lease obligation is not stated.

3. Expected repayment for long-term borrowings (excluding the current portion) and lease obligation (excluding the current portion) within five years of the consolidated closing is as follows:

(Unit: million yen)

Classification	Over one year but within two years	Over two years but within three years	Over three years but within four years	Over four years but within five years
Long-term	55,893	171	10	29,239
Lease obligation	1,976	1,021	573	189

[Schedule of asset retirement obligations]

Since the amount of asset retirement obligations for the current consolidated fiscal year is less than one-hundredth of the total amount of liabilities and net assets at the beginning and ending of the current consolidated fiscal year, this item is omitted.

(2) [Other]

Quarterly financial information in the current consolidated fiscal year

(Cumulative quarter)	First quarter	Second quarter	Third Quarter	Current consolidated fiscal year
Net sales (million yen)	358,599	743,273	1,145,323	1,614,897
Quarterly (current period) net income before taxes and other adjustments (million yen)	15,355	31,234	76,020	107,789
Quarterly (current period) net income belonging to shareholders of the parent company (million yen)	7,373	15,749	43,927	63,373
Quarterly (current period) net income per share (yen)	26.29	56.15	156.60	225.93

(Accounting period)	First quarter	Second quarter	Third Quarter	Fourth Quarter
Quarterly net income per share (yen)	26.29	29.86	100.46	69.33