

Note: This document is the English translation of Dai 28kai teiji kabunushisokai shoshu gotsuchi (Notice of Convocation of the 28th Ordinary General Meeting of Shareholders) and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation of it, the Japanese version will govern.

Security code: 9613
June 02, 2016

To Our Shareholders

NTT DATA CORPORATION
3-3, Toyosu 3-chome, Koto-ku, Tokyo, Japan
Toshio Iwamoto
President and Chief Executive Officer

NOTICE OF CONVOCAION OF THE 28TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that our 28th Ordinary General Meeting of Shareholders will be held as follows. You are kindly requested to attend the Meeting.

If you are unable to attend the Meeting, please exercise your voting rights by either of the following methods.

How to exercise your voting rights

By attending the Meeting of Shareholders



Please submit the enclosed Voting Rights Exercise Form to the reception at the venue and also bring this Notice of Convocation for resource-saving.

Date Wednesday, June 22, 2016 at 10 a.m.

By mail



Please examine the attached reference documents for the Meeting, indicate your approval or disapproval on the enclosed Voting Rights Exercise Form, and then send the Form back to us so that it arrives before the deadline below.

Deadline by 6:00 p.m., Tuesday, June 21, 2016

By electronic method (via Internet)



Please access our voting website written on the Form at <http://www.web54.net> and enter your approval or disapproval following the instructions on the screen after examining the attached reference documents for the Meeting or those on the website.

 For more information about exercising your voting rights via the Internet, please refer to pp. 3-4.

Deadline by 6:00 p.m., Tuesday, June 21, 2016

Particulars

1	Date	Wednesday, June 22, 2016 at 10:00 a.m.
2	Venue	Large Hall, 5th Floor, Tokyo Conference Center Shinagawa NTT DATA Shinagawa Building(A,RE,A Shinagawa) 1-9-36 Konan, Minato-ku, Tokyo <i>* Please refer to “Access to the Meeting Venue.”</i>
3	Purposes of the Meeting	<p>To be reported</p> <ol style="list-style-type: none"> 1. Report on business report, consolidated financial statements, and audit results of the consolidated financial statements by the independent auditor and the Board of Corporate Auditors for the 28th fiscal year (from April 1, 2015 to March 31, 2016) 2. Report on non-consolidated financial statements for the 28th fiscal year (from April 1, 2015 to March 31, 2016) <p>To be resolved</p> <ol style="list-style-type: none"> No. 1 Appropriation of Retained Earnings No. 2 Partial amendment to the Articles of Incorporation No. 3 Election of 4 Directors No. 4 Election of 4 Corporate Auditor

END

- If you attend the meeting in person, please submit the enclosed voting right exercise form to the receptionist at the meeting venue.
- The documents appended to this Notice of Convocation of the 28th Ordinary General Meeting of Shareholders do not include the notes to the consolidated financial statements and the notes to the non-consolidated financial statements, since they are presented on the NTT DATA website (<http://www.nttdata.com/jp/ja>) in accordance with legal requirements and the provisions of the Company’s articles of incorporation.
- Consolidated financial statements and non-consolidated financial statements that were audited by the independent auditor include documents, which are described in the documents appended to this Notice of Convocation of the 28th Ordinary General Meeting of Shareholders, and the notes to the consolidated financial statements and the notes to the non-consolidated financial statements, which are presented on the NTT DATA website.
- If any revisions are made to the reference documents, business report or consolidated and non-consolidated financial statements by the day before the date of the ordinary general meeting of shareholders, we will inform you of the revisions by inserting a notice on the NTT DATA website.

Exercising Your Voting Rights via the Internet

Before exercising your voting rights via the Internet, please be aware of the following:

1. The exercise of your voting rights via the Internet is available only by accessing the following designated website:
<http://www.web54.net> (in Japanese)
It is also possible to access the website for exercising your voting rights through a cellular phone.
2. If you are exercising your voting rights via the Internet, please use the code and password indicated on the Form for Exercise of Shareholder Voting Rights enclosed herewith (or Convocation Mail) and follow the instructions on the screen.
3. Although your exercise of voting rights via the Internet is acceptable until 6:00 p.m. of the day before the ordinary general meeting of shareholders (Tuesday, June 21, 2016), please exercise your voting rights as soon as possible to help us in totalizing the results of exercise of voting rights.
4. If you exercise your voting rights via the Internet, it is not necessary to send the Form for Exercise of Shareholder Voting Rights by mail.
If you exercise your voting rights twice via the Internet and by mail, your vote via the Internet will be treated as valid.
5. If you exercise your voting rights more than once via the Internet, or twice through a personal computer and a cellular phone, the last exercise your voting rights will be treated as valid.
6. The costs of using the Internet website to exercise your voting rights, such as the connection fees of Internet service providers and applicable communications fees (i.e., call charges), will be borne by the shareholder.

System Requirements for Exercising Voting Rights via the Internet

To use the voting website, the following system environment is required:

- (1) A system for Internet access
- (2) If you are exercising your voting rights through a personal computer, Microsoft® Internet Explorer 5.01 SP2 or later versions, Adobe®, Acrobat® Reader® 4.0 or later versions, or Adobe® Reader® 6.0 or later versions, and hardware environment for the use of the above Internet browsing software.
- (3) If you use a cellular phone to exercise your voting rights, a model having a function of 128-bit SSL communication (cryptic communication).

(Certain cellular phone models without the function of 128-bit SSL communication cannot be used since the website accepts the cellular phones that have security encryption for ensuring security. Exercising voting rights is possible through the use of smartphones and other mobile phones with full browser capability, but we regret that this may not be possible with some models.)

(“Microsoft®” is the registered trademark of Microsoft Corporation in the United States and other countries. “Adobe®” is the registered trademark of Adobe System Incorporated in the United States and other countries.)

Inquiries on Exercising Voting Rights via the Internet

If you have any questions about the procedure for exercising voting rights via the Internet, please contact:

Administrator of Shareholder Registry: Stock Transfer Agency Web support,
Sumitomo Mitsui Trust Bank, Limited

[Direct line] 0120-652-031 (09:00 to 21:00)

<Other inquiries> 0120-782-031 (09:00 to 17:00 of weekdays)

Electronic Voting Platform

Nominal shareholders such as trust banks acting as administrator (including standing proxies) can use the electronic voting platform as an electromagnetic means to exercise their voting rights at the ordinary general meeting of shareholders of NTT DATA, in addition to the exercising of voting rights via the Internet above, if they apply in advance for the use of the electronic voting platform operated by ICJ Inc., a joint venture company established by Tokyo Stock Exchange, Inc.

Reference Documents for the Ordinary General Meeting of Shareholders

Matters for Resolution and Reference

No. 1 | Appropriation of Retained Earnings

NTT DATA proposes to appropriate the retained earnings for this fiscal year as follows:

Matters concerning year-end dividends

NTT DATA's basic policy on profit sharing is to seek an increase of corporate value in mid- and long-terms and to fairly distribute profits through the continuous growth of its business resulting from investment in new businesses, etc., efficient business management and other improvements. With regards to year-end dividends, based on a comprehensive assessment of a balance with business investments and technology development toward a sustainable growth in the future, and with expenditures for maintenance and reinforcement of financial strength, in light of consolidated operating results and financial position, NTT DATA proposes payment of a year-end dividend as follows:

- (i) Matters concerning appropriation of dividend assets to shareholders and total amount
 - 40 yen per NTT DATA common share
 - 11,219,996,040 yen in total
 - The annual dividend will be 70 yen per share including an interim dividend of 30 yen, which was already paid.
- (ii) Effective date of dividend of retained earnings
 - June 23, 2016

No. 2 | Partial Amendment to the Articles of Incorporation

We propose to amend part of the current Articles of Incorporation as shown in the Proposed Amendment to the Articles of Incorporation below.

1. Reason for amendment

For future expansion of our business and to further enhance our corporate governance, the maximum number of directors stipulated in Article 18 (Number of Directors) of the current Articles of Incorporation is to be amended from up to 10 to up to 12.

2. Articles of Incorporation Amendment Plan

The details of amendment are as follows.

(The parts underlined are changes related to the resolution of this Item.)

Current Articles of Incorporation	Proposed Amendment to the Articles of Incorporation
(Number of Directors) Article 18 Number of Directors of the Company shall be no more than <u>ten</u> .	(Number of Directors) Article 18 Number of Directors of the Company shall be no more than <u>twelve</u> .

No. 3 | Election of 4 Directors

Directors Satoshi Kurishima, Hironobu Sagae and Toshio Iwai will resign as directors at the closing of this general meeting. To fill the vacancies of these director positions, shareholders are requested to elect three new directors. In addition, subject to approval of Agenda Item No. 2 (Partial Amendment to the Articles of Incorporation), the Company proposes that one more director be elected. A total of new four directors should be elected.

The profiles of candidates for directors are as follows:



Number of shares of
NTT DATA held
3,500 shares

Candidate No. **1** **Tsuyoshi Kitani** (born February 22, 1960)

New
appointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1983	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2013	June	NTT DATA, Senior Vice President, Head of Research and Development Headquarters
2014	June	NTT DATA, Senior Vice President, concurrently serving as Head of System Platforms Sector and Head of Research and Development Headquarters
2015	June	NTT DATA, Executive Vice President, concurrently serving as Head of System Platforms Sector and Head of Research and Development Headquarters
2015	July	NTT DATA, Executive Vice President, concurrently serving Head of Technology and Innovation General Headquarters and Head of System Platforms Sectors
2016	April	NTT DATA, Executive Vice President, concurrently serving Head of Technology and Innovation General Headquarters and Head of System Engineering Headquarters (present post)

Reasons for the nomination

Mr. Kitani has been engaged in the unit management in the technical development field for many years. He also has great expertise and knowledge in the information technology field. We nominate Mr. Kitani as a candidate for a director as we expect that he will play important roles in expanding the businesses of the corporate group and in supervising the execution of the businesses based on his experience and insight.



Number of shares of
NTT DATA held
4,700 shares

Candidate No. **2** Keiichiro Yanagi (born August 16, 1960)

New
appointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1984	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2009	April	NTT DATA Getronics Corporation, President and Representative Director
2012	June	NTT DATA, Head of General Affairs Department
2013	June	NTT DATA, Senior Vice President, Head of General Affairs Department
2013	July	NTT DATA, Senior Vice President, Head of Second Financial Sector (present post)
2014	June	NTT DATA FINANCIAL CORE CORPORATION, President and Representative Director (present post)

Reasons for the nomination

Mr. Yanagi has experience in the unit management in the financial sector, experience in the corporate general affairs sector, as well as management experience in group companies. We nominate Mr. Yanagi as a candidate for a director as we expect that he will play important roles in expanding the businesses of the corporate group and in supervising the execution of the businesses based on his experience and past achievements.



Number of shares of
NTT DATA held
700 shares

Candidate No. **3** Hiroyuki Aoki (born July 18, 1961)

New
appointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1984	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2004	May	NTT DATA, Head of the First Technical Sector, System Technical Business Unit, Business Development Headquarters
2007	July	NTT DATA, Head of Group Strategy Headquarters
2009	July	NTT DATA, Deputy Head of Manufacturing Business Sector
2012	April	NTT DATA, Deputy Head of Third Enterprise Sector
2012	June	NTT DATA KYUSHU CORPORATION, President and Representative Director
2014	June	NTT DATA, Senior Vice President, Head of Human Resources Department (present post)
2014	June	NTT DATA MANAGEMENT SERVICE CORPORATION, Director (present post)

Reasons for the nomination

Mr. Aoki has experience in the unit management in the technical development and the enterprise business sector, experience in the corporate management planning and personnel sectors, as well as management experience in group companies. We nominate Mr. Aoki as a candidate for a director as we expect that he will play important roles in expanding the businesses of the corporate group and in supervising the execution of the businesses based on his experience and past achievements.



Number of shares of
NTT DATA held
0 shares

Candidate No. **4** Eiji Hirano (born September 15, 1950)

Outside director
Independent officer
New appointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1973	April	Joined Bank of Japan
2006	June	Resigned from Bank of Japan
2006	June	Toyota Financial Service Corporation, Vice President and Director
2014	June	Toyota Financial Service Corporation, Special Advisor (present post)
2014	September	MetLife, Inc., Vice Chairman and Director
2015	May	MetLife, Inc., Vice Chairman, Director and Representative Executive Officer (present post)
2015	June	RIKEN CORPORATION, Director (present post)

Principal Concurrent Positions

MetLife, Inc., Vice Chairman, Director and Representative Executive Officer
RIKEN CORPORATION, Director

Reasons for the nomination

Mr. Hirano has abundant experience in the financial sector and extensive insights in financial affairs and international finance. We nominate Mr. Hirano as a candidate for an outside director as we expect that he will help to strengthen the monitoring of the business execution and give advice from comprehensive viewpoints as an outside director.

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- Note 1: Mr. Keiichiro Yanagi will resign as President and Representative Director of NTT DATA FINANCIAL CORE CORPORATION on June 13, 2016. Mr. Hiroyuki Aoki will resign as Director of NTT DATA MANAGEMENT SERVICE CORPORATION on June 15, 2016.
- Note 2: Mr. Eiji Hirano is Vice Chairman, Director and Representative Executive Officer of MetLife, Inc., and the Company has business transactions with MetLife, Inc. No relationship of interest to be noted exists between other director candidates and NTT DATA.
- Note 3: Mr. Eiji Hirano is a candidate for an outside director. Mr. Hirano is nominated as a candidate for an independent officer in accordance with the requirements stipulated in the listing rules of the Tokyo Stock Exchange where the Company is listed.
- Note 4: If Mr. Eiji Hirano is elected as an outside director, the Company will conclude a liability limitation agreement with Mr. Hirano under Article 427 (1) of the Companies Act, to limit his liability for damage compensation stipulated in Article 423 (1) of the same Act to the amount stipulated by law so that Mr. Hirano can fully demonstrate his abilities as an outside director.

No. 4 | Election of 4 Corporate Auditor

The term of all current corporate auditors will expire at the closing of this general meeting of shareholders. Shareholders are requested to elect four corporate auditors.

This agenda item was approved by the Council of Corporate Auditors.

The profiles of candidates for corporate auditors are as follows:



Candidate No. **1** Yukio Ishijima (born July 17, 1952)

Outside corporate auditor

Independent officer

Re-appointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1976	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2004	June	NTT Communications Corporation, concurrently serving as Head of General Affairs Department and Head of Legal Inspection Department
2005	June	NTT Communications Corporation, Head of General Affairs Department
2006	June	NTT Business Associe Co., Ltd., Senior Vice President and Head of Planning and General Affairs Department
2009	June	NIPPON CAR SOLUTIONS CO., LTD., Executive Vice President and Representative Director
2014	June	NTT DATA, Standing Corporate Auditor (present post)

Service as corporate auditor
Two years
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2015)
Regular: 11 out of 12 meetings (91.7%)
Special: 9 out of 9 meetings (100%)

Attendance at meetings of the council of corporate auditors (in FY2015)
19 out of 19 meetings (100%)

Number of shares of NTT DATA held
300 shares

Reasons for the nomination

Mr. Ishijima has experience as an executive officer in NIPPON TELEGRAPH AND TELEPHONE CORPORATION (the parent company of NTT DATA) and affiliated companies. We nominated Mr. Ishijima as a candidate for an outside corporate auditor as we expect that his service as an outside corporate auditor to audit the business execution of the Company utilizing his extensive vision and experience will contribute to ensuring of the integrity of the Company and establishment of a transparent and impartial management monitoring system.



Candidate No. **2** Tetsuro Yamaguchi (born January 22, 1956)

Outside corporate auditor

Re-appointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1979	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2006	June	NTT Communications Corporation, Manager of Global Business Department NTT America, Inc., President & CEO
2010	July	NTT Communications Corporation, Manager of Global Strategy Sector, Global Business Department
2011	February	Dimension Data Holdings plc, Director of the Board, Group Executive: Joint Business Development
2015	June	NTT DATA, Standing Corporate Auditor (present post)

Service as corporate auditor
One year
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2015)
Regular: 10 out of 10 meetings (100%)
Special: 6 out of 6 meetings (100%)

Attendance at meetings of the council of corporate auditors (in FY2015)
10 out of 10 meetings (100%)

Number of shares of NTT DATA held
100 shares

Reasons for the nomination

Mr. Yamaguchi has experience as an executive officer in NIPPON TELEGRAPH AND TELEPHONE CORPORATION (the parent company of NTT DATA) and affiliated companies. We nominated Mr. Yamaguchi as a candidate for an outside corporate auditor as we expect that his service as an outside corporate auditor to audit the business execution of the Company utilizing his extensive vision and experience will contribute to ensuring of the integrity of the Company and establishment of a transparent and impartial management monitoring system.



Number of shares of
NTT DATA held
0 shares

Candidate No. **3** Akio Nakamura (born July 21, 1955)

Outside corporate auditor

Independent officer

New appointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1978 April Joined the Ministry of Finance
2011 August Resigned from the Ministry of Finance
2011 October Sampo Japan Research Institute Inc.(currently, Sampo Japan Nipponkoa Research Institute Inc.), Chairman (present post)
2013 March Registered as an attorney at Law, TANABE & PARTNERS, Special Partner (present post)
2015 June Century Tokyo Leasing Corporation, Director (present post)

Principal Concurrent Positions

Special Partner of TANABE & PARTNERS
Director of Century Tokyo Leasing Corporation

Reasons for the nomination

Mr. Nakamura has abundant experience and extensive insights in the financial and tax affairs sector. We nominated Mr. Nakamura as a candidate for an outside corporate auditor as we expect that his service as an outside corporate auditor to audit the business execution of the Company utilizing his experience and insights will contribute to ensuring the integrity of the Company and establishment of a transparent and impartial management monitoring system. Mr. Akio Nakamura has never been engaged in the management of a company business other than as an outside director. However, considering his background as stated above, we believe that he can properly perform the duties as an outside corporate auditor.



Service as corporate auditor
Four years

(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2015)

Regular: 11 out of 12 meetings (91.7%)

Special: 9 out of 9 meetings (100%)

Attendance at meetings of the council of corporate auditors (in FY2015)

18 out of 19 meetings (94.7%)

Number of shares of
NTT DATA held
1,100 shares

Candidate No. **4** Rieko Sato (born November 28, 1956)

Outside corporate auditor

Independent officer

Re-appointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1984 April Registered as an attorney at Law (present post)
1989 June Shearman & Sterling LLP, Partner
1998 July Ishii Law Office, Partner (present post)
2004 June Ajinomoto Co., Inc., Corporate Auditor (present post)
2008 June GignoSystem Japan, Incorporated, Corporate Auditor (present post)
2012 June NTT DATA, Corporate Auditor (present post)
2015 June The Dai-ichi Life Insurance Co., Ltd., Director (present post)

Principal Concurrent Positions

Partner of Ishii Law Office
Corporate auditor of Ajinomoto Co., Inc.
Director of The Dai-ichi Life Insurance Co., Ltd.

Reasons for the nomination

We nominated Ms. Sato as a candidate for an outside corporate auditor as we expect that her service as an outside corporate auditor to audit the business execution of the Company utilizing her extensive vision and experience will contribute to ensuring of the integrity of the Company and establishment of a transparent and impartial management monitoring system and that her experience and expertise developed in the long years of the legal career will contribute to the enhancement of the auditing of the Company. Ms. Rieko Sato has never been engaged in the management of a company business other than as an outside director or outside corporate auditor. However, considering her background as stated above, we believe that she can properly perform the duties as an outside corporate auditor.

Note 1: NIPPON TELEGRAPH AND TELEPHONE CORPORATION is a parent company of NTT DATA CORPORATION. NTT Communications Corporation, NTT Business Associe Co., Ltd. and Dimension Data Holdings plc. are subsidiaries of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. NIPPON CAR SOLUTIONS CO., LTD. is an affiliate of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. NTT America Inc. is a subsidiary of NTT Communications Corporation.

Note 2: No relationship of interest to be noted exists between each candidate for corporate auditor and NTT DATA.

Note 3: Mr. Yukio Ishijima, Mr. Tetsuro Yamaguchi, Mr. Akio Nakamura and Ms. Rieko Sato are candidates for outside corporate auditors. Mr. Yukio Ishijima, Mr. Akio Nakamura and Ms. Rieko Sato are nominated as candidates for independent officers in accordance with the requirements stipulated in the listing rules of the Tokyo Stock Exchange where NTT DATA is listed.

Note 4: Mr. Yukio Ishijima, who is a candidate for an outside corporate auditor, was an executive officer in NIPPON CAR SOLUTIONS CO., LTD. within five years. The position and duties were as described in "Resume, position, Areas of responsibility and Principal Concurrent Positions." Mr. Tetsuro Yamaguchi, who is a candidate for an outside corporate auditor, was an executive officer in Dimension Data Holdings plc within five years. The position and duties were as described in "Resume, position, Areas of responsibility and Principal Concurrent Positions."

Note 5: Mr. Yukio Ishijima, who is a candidate for an outside corporate auditor, received compensation as a director of NIPPON CAR SOLUTIONS CO., LTD. within two years. Mr. Tetsuro Yamaguchi, who is a candidate for an outside corporate auditor, received compensation as a director of Dimension Data Holdings plc within two years.

Note 6: Mr. Akio Nakamura will retire as a director of Sampo Japan Nipponkoa Research Institute Inc. on June 21, 2016.

Note 7: Ms. Sato had always made many proposals regarding observation of and compliance with the information security rules. In fiscal 2012 during her tenure as an outside corporate auditor, it was revealed that an employee of a service contractor of the Company illegally obtained cash card transaction data. After this incident, she gave advice and instructions on measures to prevent recurrence of similar incidents, monitored how those measures were implemented and requested progress reports as needed.

Note 8: With Mr. Yukio Ishijima, Mr. Tetsuro Yamaguchi and Ms. Rieko Sato, who are candidates for outside corporate auditors, the Company concluded liability limitation agreements under Article 427 (1) of the Companies Act, to limit their liability for damage compensation stipulated in Article 423 (1) of the same Act to the amount stipulated by law so that they could fully demonstrate their abilities as outside corporate auditors. If they are re-elected as outside corporate auditors, their liability limitation agreements with the Company will be continued.
If Mr. Akio Nakamura is elected as an outside corporate auditor, the Company will conclude a liability limitation agreement

with Mr. Nakamura under Article 427 (1) of the Companies Act, to limit his liability for damage compensation stipulated in Article 423 (1) of the same Act to the amount stipulated by law so that Mr. Nakamura can fully demonstrate his abilities as an outside corporate auditor.

END

BUSINESS REPORT

(From April 1, 2015 to March 31, 2016)

1 MATTERS CONCERNING PRESENT CONDITION OF THE CORPORATE GROUP

1 . Business Progress and Results

The economy and business environment for the information services industry in the current consolidated fiscal year are as follows.

The Japanese economy continued to be on track for moderate recovery; there was a continuous improvement in corporate profitability as well as an increasing trend in capital investment. It is important to keep in mind that the sluggishness in overseas economies represents a major factor that could serve to weaken the Japanese economy, but its economy is expected to maintain this moderate recovery.

In the Japanese information services industry, the market has shown signs of moderate recovery owing to the promotion of IT investment in response to various system renewal projects that had previously been suspended, as well as to the preparations for international expansion by financial institutions and the manufacturing sector. Nonetheless, the needs to subdue system maintenance and management costs as well as to survive the severe price competition remain.

A gradual improvement in the international economy has been noted, although weakness in some overseas economies has been observed. Furthermore, with regard to the future economic trends, the impact of fluctuations in the financial capital market and the collapse in oil prices, normalization of US monetary policy, future economic trends in China and other emerging Asian countries, and geopolitical risks must be kept in mind, but the economy is expected to maintain this moderate recovery in the future.

In the international information service industry, there has been an increase in IT investment in the American market. Furthermore, in the European market, the IT markets in Germany, the UK and Spain are growing, and Italy is partially showing signs of bottoming out. As for China, the demand for investment in the IT industry has remained stable. However, the market growth rate is expected to slow down slightly in response to the real economy.

Implementation of management policies

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

■ **“Expansion of New Business Fields and Reinforcement of Product Competitiveness”**

In order to increase net sales whose growth rate exceeded the market growth rate by capturing opportunities to enter the market resulting from recent years’ changes in the business environment and ICT, and also promoted remarketing by creating an unprecedented market while predicting clients’ needs in advance by making the best use of the latest technology. For examples of specific action taken during the current consolidated fiscal year under review, please see “Implementation of business activities” on page 15.

Through the complete automation in development operation, we promoted innovation of product technology to achieve sophistication and speed in product development, as well as strategic R&D by assessing important future technology in light of the direction of the information society. For examples of specific action taken during the current consolidated fiscal year under review, please see “Progress of Technical Development” on page 22.

In anticipation of drastic changes in the domestic market and the development of IT technologies, in order to meet the diversification of the needs of our clients and society, we need to work in closer cooperation among Sectors and make decisions more quickly than ever. This pushed us to transition to a new structure (abolition of the company system and reorganization of Sectors) on July 1, 2015 to increase the flexibility of our organizations. Sectors can make decisions on their level regarding business execution in this new structure. To be more precise, we have reorganized our sectors into the Public & Social Infrastructure Segment, Financial Segment, Enterprise & Solutions Segment and Global Segment, in order to discuss strategies and to create new business across the sectors. We have also created the Technology and Innovation General Headquarters to prepare for expansion of global business and rapid evolution of information technology. By doing this, we aim to improve the productivity of the group as a whole, and to strengthen our competitiveness in the global environment.

Through the abovementioned action, we accomplished the goals of “over 1.5 trillion yen in net sales” and “achieving an EPS of 200 yen” in this consolidated fiscal year under review. Meanwhile, with regard to our high-priority issues for the management—the restraint on unprofitable businesses and the improvement in the profitability of overseas business, the results fell short of our goals although we tightened the control of unprofitable businesses through the Project Review Committee and worked to improve the profitability of overseas businesses. We acknowledge that these issues will continue to be our important management issues.

■ **“Expansion, Enhancement, and Reinforcement of Global Business”**

We implemented the expansion, enhancement and reinforcement of businesses in each region by taking advantage of synergy within the NTT DATA Group and between the NTT Group to reinforce its sales capability and the capability to provide services. In addition, the NTT DATA Group supported clients’ entries into the global market by utilizing its regional bases. For examples of specific action taken during the current consolidated fiscal year under review, please see “Global Segment” under the “Implementation of business activities”

■ **“Pursuit of Overall Optimization”**

Promotion of reduction of administration costs related the entire group through steady efforts such as the standardization, optimization, and consolidation of business, the reorganization and integration of the company, and the fluidization and optimum arrangement of resources with a focus on the cost required for administrative operation.

Implementation of business activities

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

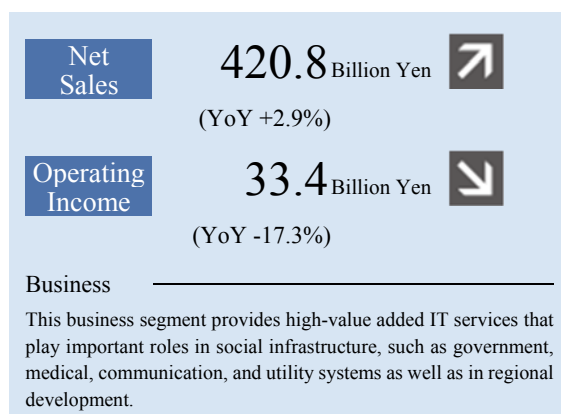
The following sections present descriptions of efforts made in each of its segments.

Net Sales and Operation income by Segment (Composition ratio)

(million of Yen)

	Net Sales			Operating Income		
	27 th Fiscal Year (2014)	28 th Fiscal Year (2015)	YoY(rate)	27 th Fiscal Year (2014)	28 th Fiscal Year (2015)	YoY(rate)
■ Public & Social Infrastructure Segment	408,786 22.7%	420,813 21.8%	+2.9%	40,418 47.4%	33,441 32.0%	-17.3%
■ Financial Segment	496,221 27.5%	523,687 27.1%	+5.5%	20,550 24.1%	31,996 30.6%	+55.7%
■ Enterprise & Solutions Segment	366,165 20.3%	391,826 20.3%	+7.0%	24,602 28.8%	32,653 31.2%	+32.7%
■ Global Segment	464,508 25.7%	519,604 26.9%	+11.9%	(2,731) —	814 0.8%	—
■ Others	68,802 3.8%	76,256 3.9%	+10.8%	2,507 2.9%	5,614 5.4%	+123.9%
Subtotal	1,804,484 100.0%	1,932,187 100.0%	+7.1%	85,347 100.0%	104,519 100.0%	+22.5%
Adjustments	(292,671) —	(317,290) —	+8.4%	(1,333) —	(3,634) —	+172.6%
Total	1,511,812 —	1,614,897 —	+6.8%	84,013 —	100,885 —	+20.1%

Public & Social Infrastructure Segment



The Net Sales were increased due to growth of business scale mainly for the utility industry despite a reduction in the existing business for national government and the telecom industry. The Operating Income was decreased mainly due to downsizing of existing large-scale projects as well as the occurrence of unprofitable projects, etc. despite the impact of sales increase.

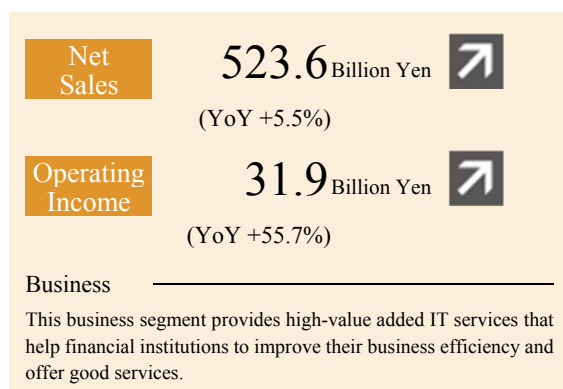
We aimed to grow our business through the following methods: creating new businesses by taking the opportunity of the national IT strategy promotion including the central ministries and agencies and local governments and by taking the opportunity of the overseas businesses that utilize our group's results and know-how obtained in the domestic business; and responding to the market change triggered by the change in the utility industry system (the power system reform).

- We made sure of receiving renewal business orders from our existing clients, including: (1) Platform development of the operational application and hardware of the system used by the Japan Patent Office (JPO) and renewal of the administrative operations of the JPO; (2) Design development and operations of the next generation MOTAS and its hardware for the vehicle registration inspection operations of the Ministry of Land, Infrastructure, Transport and Tourism; (3) Design, development, and lease of the hardware etc. and maintenance relating to the fourth

Japanese Customs Intelligence Database System (the Fourth CIS) of the Ministry of Finance; (4) Design etc. involved in the update of hardware such as accounting systems used by government agencies, and operations relating to the addition of functions and lease of hardware etc. of accounting systems and other related systems used by government agencies ; and (5) Lease of the equipment for the national tax electronic declaration and tax payment system (e-Tax) to the National Tax Agency.

- We started providing “ANYSENSE,” an IoT (Note1) platform that allows reduction in the development costs and quicker adoption of an IoT system than the conventional system. METAWATER Co., Ltd. has become the first user to adopt this platform for its monitoring services targeted at water and sewerage suppliers. Centered on “ANYSENSE,” we are providing the social infrastructure industry with our accumulated know-how to develop monitoring applications, and IoT total solutions including the latest technology to analyze big data. In the future, we will provide “ANYSENSE®” to the utility industry and private manufacturers.
- The AW3D Global Digital 3D Map Distribution Service (Note 2), provided by NTT DATA and the Remote Sensing Technology Center of Japan (RESTEC), won the Prime Minister's Award in the Second Space Development and Application Award. This Service uses the land-area observation technology satellite of the Japan Aerospace Exploration Agency (JAXA), boasting the 3D mapping technology with the world's finest precision, the massive product lineup, and the extensive domestic and international support system. It is currently being provided in 60 countries worldwide. As a result, we have been highly evaluated for our support—the acceleration of the trend toward sophisticated and efficient social infrastructures including those of industries and administration around the globe—as the contribution to the spread and promotion of this Japanese space development and application. Aiming to expand our business as a whole, we will continue to work on the creation of overseas businesses in the new business field.

Financial Segment



The Net Sales were increased reflecting the expansion of new and existing businesses for banks. The Operating Income was increased reflecting the impact of increased sales and a reduction of unprofitable projects, etc.

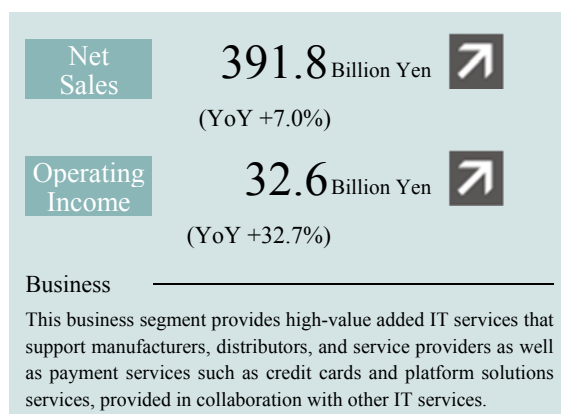
We aimed to grow our business through the following methods against the backdrop of the changes in our clients' business environment: responding to demand for the 24-hour/365-day payment and settlement service provided by financial institutions; expanding the major banks' IT investment opportunities by exploiting deregulation and their global business expansion; and responding to local banks' increasing needs for collaborated system operations.

- The renovation project of the Bank of Japan Financial Network System (BOJ-NET), which is operated by the Bank of Japan (BOJ) and participated in by NTT DATA, has been completed for the first time in 27 years. The BOJ has already begun its full operation.
- We and NTT DATA Myanmar Co., Ltd., our subsidiary in Myanmar, participated in the ICT system improvement project of the Central Bank of Myanmar run by the Japan International Cooperation Agency (JICA) as a free-aid cooperation program. In this

project, we contributed to the commencement of operations of the government bond and fund settlement system, which is connected by 38 commercial banks including foreign banks operating in the country. For the system development, the software production technology on which NTT DATA had been working, including the automatic creation technology of program sources, was adopted for the entire project. The adoption of this technology allowed the provision of a high-quality system in a short delivery period. Our execution of this project paved the way for our mission-critical ^(Note 3) system development in Myanmar. In future, we aim to expand our IT infrastructure improvement business in Myanmar and other countries by utilizing our track record and know-how obtained from this project.

- We started the Digital Corporate Accelerate Program, which supports general corporations' efforts to create new business in collaboration with venture companies. Implementation of this Program began with the first user, Mizuho Bank, Ltd., which aims to create new business through the use of Fintech ^(Note 4). In addition, we decided to provide the Application Programming Interface (API) ^(Note 5) sharing service, which connects Fintech services such as household account apps to "AnserParaSOL," the multi-user internet-banking service for individual users that is provided by NTT DATA to financial institutions. (The provision of this service began in April 2016.) This service enables Fintech service providers to improve security, achieve a reduction in maintenance costs, and reduce the burden on individual system development caused by trying to conform to each financial institution's specification. It also allows financial institutions to provide users with services with increased safety and convenience. The NTT DATA Group will continue to promote the Fintech-related business.

Enterprise & Solutions Segment

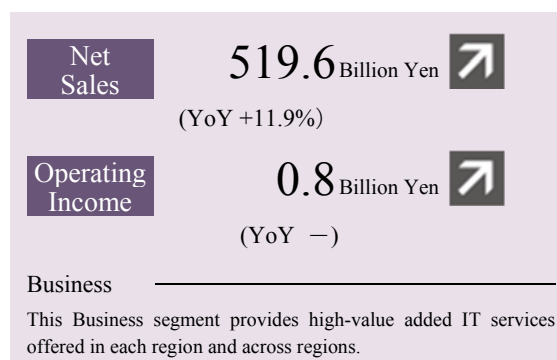


The Net Sales and Operating Income were increased mainly due to the expansion of business for retail, logistics, and manufacturing industries.

We aimed to expand our business by providing advanced solutions that meet the various needs of our enterprise-field clients in their “aggressive IT” businesses, including the promotion of omni-channels in the distribution and service industries and the initiative in the IoE or IoT ^(Note 1) field in the manufacturing industry.

- In response to omni-channelization by the Seven & i Group, which is aligning sales channels such as actual stores and EC sites beyond the barriers among convenience stores, supermarkets and department stores, we played a central role as a member of “Team IT,” a team of leading vendors from various technical fields. We worked on the creation of a cross-sectoral EC site of the Group, “omni7,” from the planning stage and contributed to the grand opening of the site in November 2015 by supporting the entire process from the upstream stage of conception to designing of operations to execution of the system and by cooperating with a great number of parties concerned including other vendors.
- With an eye to the diversification in payment and settlement methods and an increase in the number of inbound tourists, we started providing “CAFIS Arch,” a cloud-based comprehensive payment and settlement platform. This platform performs various functions, such as issuing duty-free forms to inbound tourists and parking tickets, and also functions as a credit card (including China UnionPay and Shinhan), debit card and electronic money. This platform features high expandability, which is shown in the case where the member stores can use necessary services only with one terminal unit thanks to integrated control of various functions at the CAFIS Arch Center. Using this platform, we are aiming to develop new businesses in various settings.

Global Segment



The Net Sales and Operating Income were increased mainly reflecting the expanded sales in Europe and the consolidation of a new subsidiary in North America.

In the global field, we worked on business expansion by M&A, in addition to the enhancement of our competitiveness in each region. We also strived to enhance our profitability in synergy with our global resources and the advantages obtained both at home and abroad.

We intended to strengthen our competitiveness and expand

- We agreed with Dell Inc. through NTT DATA International L.L.C., our U.S. subsidiary, that NTT DATA will acquire the Dell Services Division, which engages in the IT service business mainly in North America. The Dell Services Division has a strong business base with their major clients including healthcare, manufacturing and service industries as well as financial institutions and the Federal Government. In particular, the Division has gained a reputation for its industry-specific digital solutions with the healthcare business and provision of BPO services. Through the acquisition of this Division, we will expand our businesses in the relevant industries of North America. At the same time, we will also strengthen our services that utilize our cutting-edge technology in cloud and BPO services.
- We and the everis Group, our Spanish subsidiary, received an order from “Patrimonio Nacional,” an organization that manages the assets of the Spanish royal family. This order is about establishing a digital archive system covering valuable books and magazines as well as relevant contents that have been individually stored and managed by multiple institutions including the Royal Library of Spain. The everis Group, which is mainly based in Europe with the focus on Spain and also covers Latin America, boasts extensive achievements in numerous solutions including document management. On the other hand, NTT DATA, which has participated in the projects of Japanese libraries and the Vatican Apostolic Library, has its own long accumulated know-how that utilizes its own solution, “Advanced Museum Library Archives Deposit (AMLAD) (Note 6)” in the digital archive business. The synergy of these

achievements and know-how of both companies resulted in receiving this order. Taking this opportunity, we will continue to further promote our global business expansion in the future as the whole group.

Notes:

1. IoT (Internet of Things) / IoE (Internet of Everything)

IoT is what is generally called “the Internet of Things.” Just in the same way as people exchange information and do activities on the Internet, “things” connected via the Internet also share information, provide beneficial information, and even move without anyone’s help. The Internet of Everything (IoE) is a more developed concept than IoT, meaning that not only things but also people, data and any other objects are all connected to the Internet.

2. The AW3D(R) Global Digital 3D Map Distribution Service

In corporation with the Japan Aerospace Exploration Agency (JAXA), we began providing the service for the world’s first five-meter-resolution 3D map with the Digital Elevation Model (DEM) that uses 3 million satellite images taken by “DAICHI (ALOS),” JAXA’s land-area observation technology satellite and can show the ups and downs of the land surface of the Earth. We also began the service providing more precise versions by using commercial satellite images. This service has allowed users to get more precise 3D mapping data at a lower cost and in a shorter period than conventional technologies including aerial photographs. Therefore, the use of this service is spreading to wide-ranging areas in emerging countries particularly in Asia and Africa, in various fields including map creation, disaster prevention, power generation plans in the power sector, mining-field inspections in the resource sector, preventive measures against the expansion of infectious diseases in the hygiene sector and the urban and facility planning.

3. Mission critical

This refers to the situation where no interruption is acceptable caused by any failure or error in systems vital to the execution of business and provision of services.

4. Fintech

A coined term that combined finance and technology and refers to IT-based services in the financial field.

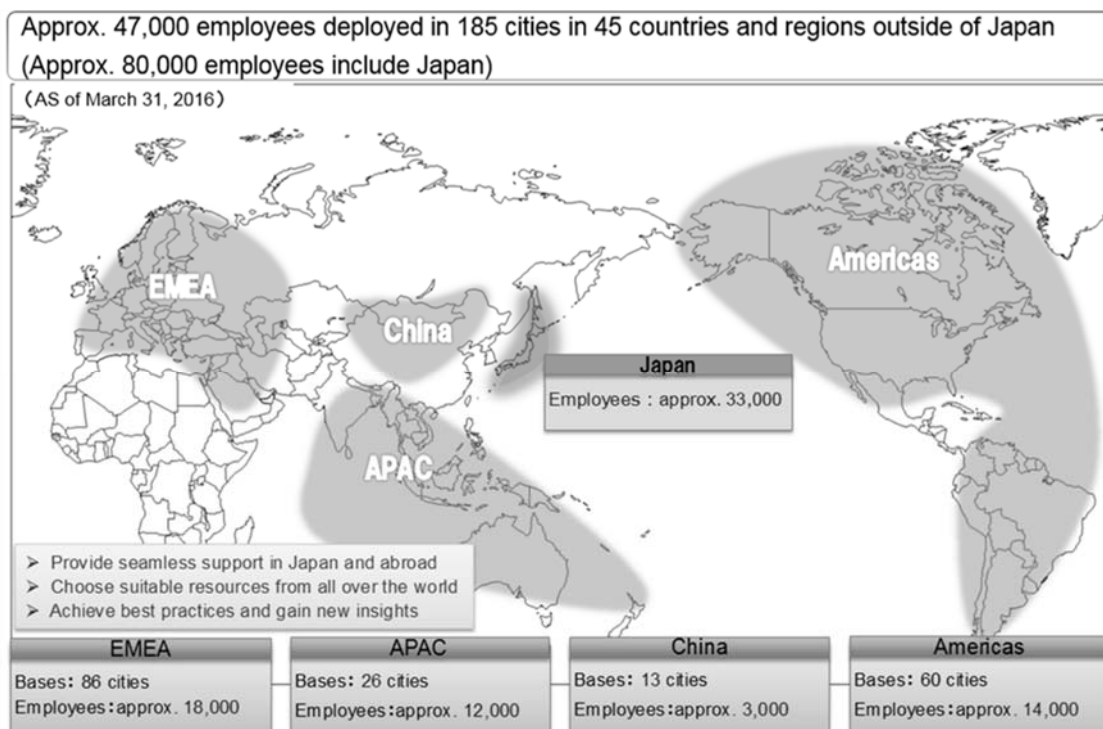
5. Application Programming Interface (API)

This refers to an agreement that stipulates the procedures and data formats needed to externally access and use the data and functions managed in another system.

6. Advanced Museum Library Archives Deposit (AMLAD)

This refers to a solution or a digital archive system owned by NTT DATA that allows easy browsing and searching on devices, such as PCs, tablets and smartphones, of the digital content, such as images, movies, and sounds and voices owned by museums, libraries, archives (various MLA institutions) and companies.

The following shows the status of overseas bases during the period under review.
 The expansion of our global base will enhance the ability of clients to address globalization.



New Orders Received	1,662.6 Billion Yen (YoY +16.3%)	↑	Ordinary income	98.1 Billion Yen (YoY +26.0%)	↑
Net Sales	1,614.8 Billion Yen (YoY +6.8%)	↑	Net income attributable to owners of parent	63.3 Billion Yen (YoY +97.1%)	↑
Operating Income	100.8 Billion Yen (YoY +20.1%)	↑			

2. Changes in Assets and Profit and Loss

Changes in Assets and Profit and Loss of the Corporate Group

(¥ million, except net income per share [yen])

Items	Year	24 th Fiscal Year (2011)	25 th Fiscal Year (2012)	26 th Fiscal Year (2013)	27 th Fiscal Year (2014)	28 th Fiscal Year (2015)
Net Sales		1,251,177	1,301,941	1,343,772	1,511,812	1,614,897
Operating Income		80,416	85,696	62,583	84,013	100,885
Ordinary income		75,588	81,870	62,153	77,909	98,158
Net income attributable to owners of parent		30,446	43,517	23,287	32,144	63,373
Net income per Share		109	155	83	114	226
Total Assets		1,474,894	1,524,309	1,689,940	1,822,837	1,860,319
Net Assets		639,750	684,207	709,818	806,205	773,670
New Orders Received		1,098,400	1,197,168	1,400,221	1,429,117	1,662,662

Notes:

1. Net income per share is calculated based on the average number of shares outstanding during the fiscal year.
2. Net income per share is a figure derived by assuming that the share split of October 1, 2013 was conducted at the beginning of the 24th fiscal year.

3. Capital Investments

The amount of capital investments in this consolidated fiscal year under review is 134,028 million yen (down by 4.9% compared to the preceding term). The major component of them was the investment in the financial field.

4. External Financing

Our group has not made any major financing such as increase in capital, bond issues and long-term debt in this consolidated fiscal year.

5. Progress of Technical Development

One of our major businesses, the system integration (SI) business, has been rallying thanks to a slow but steady improvement in the Japanese economy. However, the SI business is still subject to a fiercely competitive environment. To survive such an environment, we are now focusing on research and development of the “Software Engineering” including the speeding-up and enhancement in the quality of system development. We are also putting our energies into the research and development of the “IT Platform Technology” and the “Advanced Technology” to suggest attractive systems to our clients and provide them with the systems that utilize cutting-edge technology.

Through collaborative research and development with NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), we utilize the results of fundamental research and development themes from such research and development to focus our resources on applied research and development themes.

The research and development costs for the consolidated fiscal year under review were 12,410 million yen. The results of the research and development, which are applicable commonly to the Public & Social Infrastructure, the Financial, the Enterprise & Solutions and the Global Segment, are not separately recorded by each segment.

< Software Engineering >

NTT DATA has worked to achieve high-speed and high-quality development by automating software development. This initiative has contributed to our competitive edge. However, our competitors have also been working on their own automation technologies for software development. Under this situation, further sophistication of automation technology and improvement in the adoption rate of such technology to our internal development project has become even more important in the competition.

In addition, the need for reforms of the legacy system (Legacy Modernization) is expected to grow as a new technological factor in the IT industry. The reform of a system that has been repeatedly repaired to add functions since its development a long time ago can be extremely difficult, which confuses even clients about the overall image of the system specifications. As current systems become obsolete, this kind of business is expected to grow. Therefore, we need to establish a methodology to ensure Legacy Modernization is carried out in a safe and secure way.

(Major case example)

- We engaged in activity to promote automation technology for software development under the policy of adopting automation technology in all possible businesses as a general rule. The adoption rate of 70% was achieved throughout this fiscal year as a result of our following efforts: improving the precision in the adoption conditions definition book used to select the business to which the automation technology needs to be adopted; and working on the activity to promote the technology after the business was selected. In addition, we renovated the development platform for our open-type systems (the Application Framework) and released “TERASOLUNA Server Framework for Java 5.” Our adoption of the Spring Framework, which is widely used around the globe, made our pursuit of cutting-edge technology and securing of program developers globally easier.

< IT Platform Technology >

It is becoming increasingly important more than ever before to establish the infrastructures and to own the management technology that can achieve the high standards of flexibility, availability and short-period setting desired by our clients toward IT systems. NTT DATA has been working on the standardization of IT platforms that can cover various vendors' cloud platform provision services. In the future, it will be necessary to establish the technology that can provide sophisticatedly-combined infrastructures with various IT platform technologies

on demand in a secure way.

In addition, we have released externally our knowledge about the establishment of the large-scale distributed processing platform including Apache Hadoop. We consider it necessary to adopt such knowledge to social infrastructures to contribute to the achievement of the “IoT,” where various items are to be connected to IT systems, or “digital society”.

(Major case example)

- An NTT DATA’s employee assumed the post of “Member of the Project Management Committee,” one of the major program developers whose responsibilities include community operation, for the first time as an employee of Japanese companies. This committee was established in the areas of Apache Hadoop, an open-source software for the high-speed parallel distributed processing of a large amount of data, and Apache Spark, a related product. NTT DATA ranks fourth in terms of the amount of contribution to the above-mentioned community, and feeds back to the community the knowledge acquired through the actual operation. Utilizing the results obtained through these activities, we started to provide “Solutions to the Creation and Operation of Apache Spark”.

< Advanced Technology >

As one of the methods for determining mid- to long-term research themes to be studied, NTT DATA is working on the following initiative: firstly, grasp prospective changes from various points of views; then, draw the “Information Society Trend” and the “Technology Trend” in the near future; and finally, formulate and make them public as the NTT DATA Technology Foresight ^(Note 1). To continuously suggest attractive systems to our clients and offer them the systems, it is essential for us to focus on the development of the advanced technology needed for our future society by using the trend information laid out in the NTT DATA Technology Foresight as our guideline. In the consolidated fiscal year under review, we have decided to focus on the initiative for Artificial Intelligence (AI) technology including communication robots, which has been increasing in importance and attracting growing attention in technology trends, and therefore created a unit dedicated to AI technology.

NTT DATA Technology Foresight releases information through external lectures and private seminars to our clients for the wide use of our information. Through these activities, we are promoting our technology and advances, as well as enhancing our corporate brand and clients’ loyalty. In FY2015, the activity of the “Joint-creation Workshop,” which aims to create new business ideas with our clients by utilizing NTT DATA Technology Foresight, became amazingly active. Thanks to the above-mentioned activities, we are now receiving orders for new businesses.

(Major case example)

- As an initiative aiming to achieve the “performance of client services” by communication robots, we firstly developed a cloud robotics platform ^(Note 2) that integrates the voice-interaction technology and the technology to work together with a sensor device that can automatically sense visitors coming. Then, with this platform, we conducted the following verification tests: a questionnaire survey on the visitors to the National Museum of Emerging Science and Innovation; and a joint examination of the “support for client services” at Toyosu branch (Seven Days Plaza Toyosu), one of the strategic branches of Resona Bank, Limited. We are aiming to commercialize the client services performed by the communication robots in FY2016. To realize this objective, we need to accumulate the know-how of utilizing these robots through verification tests and to extend the range of operations supporting client services so that it will include, for example, the “client guidance” and “financial services promotion .”

Notes:









1. NTT DATA Technology Foresight

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

2. Cloud robotics platform

A system that activates functions necessary for a robot, such as voice recognition and dialogue control, on the cloud.

The technological trends in “NTT DATA Technology Foresight 2016”

	Immersive Interaction The use of a computer enables us to perceive and process more information than usual. This technology extends the range of our activities.		Ambient Commerce Development in the context-analysis technology smooths out the commercial process for customers, from finding and purchasing products to receiving them.
	Precision Life Science Data analysis of generally and sophisticatedly accumulated health-data, including those of DNA analysis, opens up a way for personalized medical service and health promotion.		Distributed Mesh Computing The development of IoT and the rise of block chains will bring about rebalancing of the concentration and dispersion of system architecture.
	Symbiosis with Artificial Intelligence Once machinery becomes able to understand the concept of time and tacit knowledge, the range of machinery's activities will widen. In addition, the role of machinery will change considerably.		Cyber-Physical Security A sharp increase in the number of devices connected with the Internet will cause the threat to spread not only within the cyber world but also into the physical world.
	Autonomous Mobility The coordination between vehicles and devices will be accelerated. Centered on connected vehicles, the entire city will develop as a fluid system.		Engineering Innovation Adoption of digital technology will be accelerated to the manufacturing sector. The design method will become a key to innovation.

6. Issues Requiring Attention

The IT spending growth in the Japanese market is estimated to remain moderate for the foreseeable future. Meanwhile, the U.S. market expects a robust growth, and the major countries in the European market are on a growth trajectory overall. Emerging markets, which have been spreading their market ranges, anticipate a full-fledged growth in the future.

As issues faced by our clients in each region are increasingly diversified and complicated, we will need to individually respond to each of these challenges specific to a region or client. Meanwhile, we are also expected to be capable of providing support for our clients globally who are further globalizing their businesses.

In addition, waves of digitalization that could transform clients' business structures have emerged, driven by accelerated technological advances, and the needs are increasing for strategically leveraging technologies to drive business growth and creation of new markets.

Under our group vision of "Global IT Innovator", the NTT DATA Group has established our global business foundation by expanding our global coverage spanning 185 cities across 45 countries and areas. In the future, we will contribute to our clients' businesses by further raising the presence of the NTT DATA Group and working hard on high value-added and large-scale projects. We will also adapt ourselves to the changes in our clients' business environment by harnessing synergy across the globe, and will raise our profile as a global player.

[Review of the preceding Medium-term Management Plan]

We worked on the primary strategies under the previous medium-term management plan—"Expansion into New Fields and Reinforcement of Product Competitiveness", "Expansion, Enhancement and Reinforcement of Global Business" and "Pursuit of Overall Optimization"—and accomplished the Medium-Term Management goals of "over 1.5 trillion yen in net sales" and "achieving an EPS of 200 yen" in this consolidated fiscal year under review.

Meanwhile, with regard to our high-priority issues for the management—the restraint on unprofitable projects and the improvement in the profitability of overseas business, the

results fell short of our goals, although we took more rigorous countermeasures against unprofitable projects through the Project Review Committee and promoted initiatives to improve the profitability of overseas businesses. We acknowledge that these issues will remain on our important management agendas.

[The Medium-Term Management Strategies]

Taking into consideration the abovementioned issues, the NTT DATA Group has formulated the Medium-Term Management Strategies for the three years from Fiscal Year 2016 to Fiscal Year 2018 (or, from the fiscal year ending March 2017 to that ending March 2019) as follows:

<Key principles >

NTT DATA: Ascend Rise and grow as a global brand

The NTT DATA Group pursues its business growth in each region around the world, and strives to increase the value of our global brand by strengthening local presence and leveraging global synergy.

<Global Strategy>

■Game-changing Approach

Capitalize on dramatically-changing environments and technological innovations to expand our share in the existing business and create new business by anticipating our clients' needs. Given the current situation where the technological innovation and the changes in the business environment are increasingly gaining speed, we will expand our market share and create new business in each geography.

We will also leverage our global coverage and global synergy to grasp the technological innovation and the changing demand in the global market and increase our competitiveness in each region by offering enhanced solutions and services, strengthening our capabilities to undertake global projects and creating unique markets.

■Breakthrough Technology

We will strive to further develop innovative production technologies by combining the automation technologies for software development we have built and reusing software assets accumulated within the NTT

DATA Group. This is to ensure that we will be able to provide the systems and services with agility and flexibility that can play a core part in competitiveness of our clients who are facing dramatically-changing business environment.

We will also anticipate our clients' needs in order to create entirely new structures and value. To do so, we will bring in cutting-edge technology at any time and strive to devise technology-oriented ideas for new societal visions and concepts by promoting the open innovation and R&D on a global basis.

<Concept of the Medium-Term Management Goals>

NTT DATA will endeavor to grow sales in each region in order to increase the value of our global brand, while securing profits necessary for continually making investments and pursuing better business management efficiency.

Specific financial targets shall be swiftly disclosed subject to completion of the large acquisition deal overseas, which is currently under negotiation.

7. Parent Company and Principal Subsidiaries

(1) Relationship with parent company

The parent company of NTT DATA is NIPPON TELEGRAPH AND TELEPHONE CORPORATION, which holds 152,001,000 shares (voting right ratio 54.2%) of NTT DATA. Commercial transactions between NTT DATA and NIPPON TELEGRAPH AND TELEPHONE CORPORATION include research and development of basic systems conducted by and services and convenience for the group management provided by NIPPON TELEGRAPH AND TELEPHONE CORPORATION.

(2) Principal subsidiaries

Name of Company	Capital	NTT DATA's Voting Right Ratio	Location	Main Line of Business
<Public & Social Infrastructure Segment>				
NTT DATA i CORPORATION	¥ million 100	100.0%	Tokyo	System design/ development
NTT DATA KANSAI CORPORATION	¥ million 400	100.0%	Osaka Prefecture	System design/ development/sales
<Financial Segment>				
NTT DATA SYSTEM TECHNOLOGIES INC.	¥ million 200	97.1%	Tokyo	System design/ development
NTT DATA CUSTOMER SERVICE CORPORATION	¥ million 2,000	100.0%	Tokyo	Systems operation/ maintenance
NTT DATA FINANCIAL CORE CORPORATION	¥ million 100	100.0%	Tokyo	System design/ development
NTT DATA SOFIA CORPORATION	¥ million 80	95.0%	Tokyo	System design/ development
NTT DATA Getronics Corporation	¥ million 831	70.0%	Tokyo	System design/ development
XNET Corporation	¥ million 783	51.0%	Tokyo	System sales
Japan Information Processing Service Co.,Ltd.	¥ million 2,460	80.0%	Tokyo	System design/ development
<Enterprise & Solutions Segment>				
NTT DATA SMS CORPORATION	¥ million 100	100.0%	Tokyo	Systems operation
NTT DATA INTRAMART CORPORATION	¥ million 738	46.8%	Tokyo	Package software sales
NTT DATA WAVE CORPORATION	¥ million 100	80.1%	Tokyo	System design/ development
NTT DATA BUSINESS SYSTEMS CORPORATION	¥ million 100	100.0%	Tokyo	System design/ development/sales
NTT DATA CCS CORPORATION	¥ million 330	60.0%	Tokyo	System design/ development
NTT DATA MSE Corporation	¥ million 320	60.0%	Kanagawa Prefecture	System design/ development
JSOL Corporation	¥ million 5,000	50.0%	Tokyo	System design/ development
<Global Segment>				
North America				
NTT DATA, Inc.	\$ thousand 1,356,410	100.0% (100.0%)	Massachusetts, U.S.A.	Consulting System design/ development
NTT Data International L.L.C.	\$ thousand 1,649,670	100.0%	New York, U.S.A.	Supervision of North American operating subsidiaries

Name of Company	Capital	NTT DATA's Voting Right Ratio	Location	Main Line of Business
NTT DATA Enterprise Services Holding, Inc.	\$ thousand 130,097	100.0% (100.0%)	Texas, U.S.A.	Consulting System design/ development
Carlisle & Gallagher Consulting Group, Inc. (Note3)	\$ thousand 205,176	100.0% (100.0%)	NorthCarolina, U.S.A.	Consulting System design/ developmen
EMEA				
NTT DATA EMEA LTD.	€ thousand 408,121	100.0%	London, England	Supervision of European operating subsidiaries
everis				
EVERIS PARTICIPACIONES, S.L.U.	€ thousand 72,999	100.0%	Madrid, Spain	Consulting System design/ development
APAC				
NTT DATA ASIA PACIFIC PTE. LTD.	Singapore \$ thousand 184,769	100.0%	Singapore	Supervision of APAC operating subsidiaries
China				
NTT DATA (CHINA) INVESTMENT Co., LTD.	CNY thousand 380,198	100.0%	Beijing, China	Supervision of China operating subsidiaries
business solutions				
intelligence AG	€ thousand 82,782	100.0% (100.0%)	Bielefeld, Germany	Consulting System design/ development
NTT DATA EUROPE GmbH & CO. KG	€ thousand 308,050	100.0% (5.0%)	Bielefeld, Germany	Supervision of overseas SAP operating subsidiaries
<Others>				
NTT DATA MANAGEMENT SERVICE CORPORATION	¥ million 100	70.0%	Tokyo	Administrative agent business
NTT DATA INTELLILINK CORPORATION	¥ million 100	100.0%	Tokyo	System design/ development
NJK CORPORATION	¥ million 4,222	51.2%	Tokyo	System design/ development

Notes:

1. In addition to the above, there were 229 subsidiaries at March 31, 2016.
2. Figures in parentheses in the column of NTT DATA's voting right ratio show the ratio of indirectly owned voting rights included therein.
3. Subsidiary of NTT DATA acquired their shares during the fiscal year.
4. There are no subsidiaries that fall under the category of designated wholly-owned subsidiary.

8. Principal Centers of the Corporate Group

(1) Principal Offices of NTT DATA

Head Office: 3-3, Toyosu 3-chome, Koto-ku, Tokyo, Japan

Divisions:	Public Sector 1	(Tokyo)	Public Sector 2	(Tokyo)
	Telecom & Utility Business Sector	(Tokyo)	First Financial Sector	(Tokyo)
	Second Financial Sector	(Tokyo)	Third Financial Sector	(Tokyo)
	IT Services & Payments Services Sector	(Tokyo)	Manufacturing IT Innovation Sector	(Tokyo)
	Business Solutions Sector	(Tokyo)	Global Business Sector	(Tokyo)

(2) Principal offices of principal subsidiaries

As listed in the “Location” column in (2) “Principal Subsidiaries” of Section 7 “Parent Company and Principal Subsidiaries” above.

9. Employees

Number of Employees (persons)	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)
80,526	3,884

Note:

The number of employees above does not include the persons who transferred to other companies, but includes the persons who are transferred from other companies.

(For reference) Employees of NTT DATA

Number of Employees (persons)	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)	Average Age (years old)	Average Working Years (years)
11,213	103	37.6	13.9

Notes:

- The number of employees above does not include the persons who transferred to other companies, but includes the persons who are transferred from other companies.
- In calculating the average working years of employees, the number of working years in NIPPON TELEGRAPH AND TELEPHONE CORPORATION, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT Communications Corporation, and other companies are included in the above average working years in case of the employees transferred from such companies.

10. Principal Lenders

Name of Lender	Borrowings Outstanding (¥ million)
M i z u h o B a n k , L t d .	41,172
Sumitomo Mitsui Banking Corporation	25,402
Mizuho Trust & Banking Co., Ltd.	11,338
Development Bank of Japan Inc.	10,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,798

2 MATTERS CONCERNING SHARES

1. Total number of shares authorized to be issued by the company 1,122,000,000 shares

2. Total number of shares issued 280,500,000 shares (Including 99 shares of treasury stock)

3. Number of shareholders 78,828 persons

4. Principal shareholders

Name	Number of Shares Held	Ratio of Shareholding (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	152,001,000	54.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	18,284,000	6.52
Japan Trustee Services Bank, Ltd. (Trust Account)	11,968,400	4.27
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	3,177,100	1.13
STATE STREET BANK AND TRUST COMPANY 505001 (Standing agent: Mizuho Bank, Ltd.)	2,824,515	1.01
NTT DATA Employee Share-Holding Association	2,824,200	1.01
BNP PARIBAS SECURITIES (JAPAN) LIMITED	2,388,400	0.85
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS (Standing agent: The Hong Kong and Shanghai Banking Corporation Limited Tokyo Branch)	2,382,500	0.85
Goldman Sachs Japan Co., Ltd.	1,951,200	0.70
THE BANK OF NEW YORK MELLON SA/NV 10 (Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1,872,984	0.67

Note: Ratio of Shareholding has been calculated after deducting treasury stock (99 shares).

3 MATTERS CONCERNING DIRECTORS AND CORPORATE AUDITORS

1. Name of Directors and Corporate Auditors

Position	Name	Areas of responsibility and Principal Concurrent Positions
President and Chief Executive Officer	Toshio Iwamoto	
Representative Director and Senior Executive Vice President	Satoshi Kurishima	CIO, in charge of information strategy CISO, in charge of security strategies In charge of intellectual property strategies Chairman of Japan Data Management Consortium
Representative Director and Senior Executive Vice President	Masanori Shiina	CRO in charge of risk management In charge of corporate governance In charge of CSR Partnership of Regional revitalization /Value Partner 2020.
Director and Executive Vice President	Yo Honma	In charge of Enterprise & Solutions Segment
Director and Executive Vice President	Hironobu Sagae	Head of Finance Department CFO, in charge of financial management In charge of IR
Director and Executive Vice President	Eiji Ueki	Director, NTT DATA MANAGEMENT SERVICE CORPORATION In charge of Financial Segment Director of the Center for Financial Industry Information Systems
Director and Executive Vice President	Kazuhiro Nishihata	In charge of Global Segment NTT Data International L.L.C. Chair
Director and Executive Vice President	Toshio Iwai	In charge of Public & Social Infrastructure Segment Vice Chairman of the Information Security Technology Study Group Vice Executive Director of Japan Bosai Platform
Director	Yukio Okamoto	Representative Director, Okamoto Associates, Inc. Director, MITSUBISHI MATERIALS CORPORATION Director, Nippon Yusen Kabushiki Kaisha Representative Director, 'Signal of Hope' Fund to Support the Resumption of Tohoku Fisheries (Not-for-profit General Incorporated Foundation)
Director	Hiromasa Takaoka	Vice President of HR, General Affairs Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Standing Corporate Auditor	Yukio Ishijima	
Standing Corporate Auditor	Yasuomi Hino	
Standing Corporate Auditor	Testuro Yamaguchi	
Corporate Auditor	Rieko Sato	Lawyer Corporate Auditor of Ajinomoto Co., Inc. Director of The Dai-ichi Life Insurance Co., Ltd.

Notes:

1. Of the directors, both Hiromasa Takaoka and Yukio Okamoto are outside directors assigned in accordance with Article 2 (xv) of the Companies Act. NTT DATA has designated Yukio Okamoto as independent director in accordance with the listing regulations of the Tokyo Stock Exchange on which its stocks are listed, and has notified this to the Tokyo Stock Exchange.
2. Of the corporate auditors, three auditors, i.e. Yukio Ishijima, Yasuomi Hino, Testuro Yamaguchi and Rieko Sato are outside corporate auditors assigned in accordance with Article 2 (xvi) of the Companies Act. NTT DATA has designated Yukio Ishijima, Yasuomi Hino and Rieko Sato as independent directors in accordance with the listing regulations of the Tokyo Stock Exchange on which its stocks are listed, and has notified this to the Tokyo Stock Exchange.
3. Both Directors Eiji Ymada and Yoichiro Takaya resigned at the conclusion of the 27th Ordinary General Meeting of Shareholders held on June 17, 2015.
4. Hiroo Inoue, Corporate Auditor, resigned at the conclusion of the 27th Ordinary General Meeting of Shareholders held on June 17, 2015.
5. NTT DATA and each of its outside directors(Yukio Okamoto and Hiromasa Takaoka) and outside corporate auditors(Yukio Ishijima, Yasuomi Hino, Testuro Yamaguchi and Rieko Sato) entered into an agreement for limiting the obligation to compensate for damage set forth in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of the same Act. The maximum amount of compensation shall be the minimum liability amount prescribed in Article 425 (1) of the Companies Act.

2. Policies concerning, and Total Remuneration of, Directors and Corporate Auditors

(1) Policies

The items related to remuneration for directors are determined at the Board of Directors. The remuneration for directors (excluding outside directors) is composed of monthly remuneration and bonuses. The amount of monthly remuneration is determined and provided in accordance with the responsibility and extent of the role of his or her position. Bonuses are determined and provided with the company performance for a relevant period.

To reflect the medium- to long-term performance, each director is required to purchase the company's stock through the officers' shareholding association by paying a certain amount of money from each of their own monthly remuneration. Each director is also required to retain all the shares purchased by himself or herself during his or her term of office.

Outside directors are paid only monthly remuneration, being kept away from business performance in order to ensure high independence. NTT DATA explains the policy for determining the remuneration for directors to the parent company and independent outside directors and, upon receiving appropriate advice from them, determines the amount of remuneration to such extent as resolved at a shareholders' meeting at the Board of Directors. The remuneration of corporate auditors shall be determined by the corporate auditors after consultation. For the purpose of securing the independence of the corporate auditors, their remuneration is not linked to the business results and the corporate auditors receive monthly compensation only.

(2) Total amount of remuneration for directors and corporate auditors during the fiscal year

Position	Number of Persons	Amount of Remuneration
Director	10 persons	352 million yen
Corporate Auditor	5 persons	99 million yen
Total	15 persons	452 million yen

Notes:

1. The above includes one director and one corporate auditor who retired at the conclusion of the 27th Ordinary General Meeting of Shareholders held on June 17, 2015.
2. Concerning the limit of remuneration for the directors and corporate auditors, the 18th General Meeting of Shareholders held on June 22, 2006 passed the resolution to set the limit of remuneration for the directors at 580 million yen in a year and that for the corporate auditors at 150 million yen in a year.
3. The amount of remuneration includes the director bonus of 70 million yen.

3. Outside Directors and Corporate Auditors

(1) Additional posts in other companies of outside directors and corporate auditors

Position	Name	Concurrent Employers	Concurrent Posts	Relationship with NTT DATA
Outside Director	Yukio Okamoto	Okamoto Associates, Inc.	Representative Director	—
		MITSUBISHI MATERIALS CORPORATION	Outside Director	—
		Nippon Yusen Kabushiki Kaisha	Outside Director	—
		'Signal of Hope' Fund to Support the Resumption of Tohoku Fisheries (Not-for-profit General Incorporated Foundation)	Representative Director	—
Outside Director	Hiromasa Takaoka	NIPPON TELEGRAPH AND TELEPHONE CORPORATION	Vice President of HR, General Affairs Department	Parent company
Outside Corporate Auditor	Rieko Sato	ISHII LAW OFFICE	Partner	—
		Ajinomoto Co., Inc.	Outside Corporate Auditor	(Note 1)
		The Dai-ichi Life Insurance Co., Ltd.	Outside Director	(Note 2)

Notes:

1. The Company maintains a business relationship with Ajinomoto Co., Inc. However, its transactions account for less than 2% of the net sales of the Company.
2. The Company maintains a business relationship with The Dai-ichi Life Insurance Co., Ltd. However, its transactions account for less than 2% of the net sales of the Company.

(2) Main activities during the fiscal year

Position	Name	Main Activities
Outside Director	Yukio Okamoto	He attended 20 out of the 21 Board of Directors' meetings held during the fiscal year under review, and made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business.
Outside Director	Hiromasa Takaoka	He attended all 16 Board of Directors' meetings held during the fiscal year under review after his appointment as Director of the Company, and made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business.
Outside Corporate Auditor	Yukio Ishijima	He attended 20 out of the 21 Board of Directors' meetings and all 19 Board of Corporate Auditors' meetings that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business.
Outside Corporate Auditor	Yasuomi Hino	He attended all 21 meetings of the Board of Directors and all 19 meetings of the Board of Corporate Auditors that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business.
Outside Corporate Auditor	Testuro Yamaguchi	He attended all 16 meetings of the Board of Directors and all 10 meetings of the Board of Corporate Auditors that were held during the fiscal year under review after his appointment as Corporate Auditor of the Company, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business.
Outside Corporate Auditor	Rieko Sato	She attended 20 out of the 21 Board of Directors' meetings and 18 out of the 19 Board of Corporate Auditors' meetings that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business and from the professional standpoint as a lawyer.

(3) Total amount of remuneration for outside directors and corporate auditors for this fiscal year

	Number of Persons	Amount of Remuneration
Total Amount of Remuneration for Outside Directors and Corporate Auditors	5 persons	101 million yen

Notes:

1. The above is included in the section "2. (2) Total amount of remuneration for directors and corporate auditors during the fiscal year."
2. In addition to those mentioned above, when a person who is a director of a subsidiary of the parent company of NTT DATA (excluding NTT DATA) before the position of outside director of NTT DATA in the business year, the person shall receive JPY 9 million as remunerations for a director of the subsidiary from the subsidiary (the amount in Japanese yen based on the average rate in the business year).

4 INDEPENDENT AUDITOR

1. Name of Independent Auditor of NTT DATA

KPMG AZSA LLC

2. Remuneration for Independent Auditor Payable by NTT DATA for This Fiscal Year

Amount payable for the services set forth in Article 2 (1) of the Certified Public Accountants Act (1948 Act No. 103)

¥ 371 million

Note:

1. The auditing agreement between NTT DATA and its independent auditor does not segregate the amount of the remuneration to Auditors pursuant to the Companies Act and those pursuant to the Financial Instruments and Exchange Act. As these amounts cannot, as a practical matter, be calculated separately, the amount above is the total for both categories of remuneration as stated above.
2. The Board of Corporate Auditors gives consent, pursuant to the provisions of Article 399, paragraph (1) of the Companies Act, to remunerations for accounting auditors after confirming and examining the contents of the audit plans of accounting auditors, the state of the execution of accounting audit duties, the calculation basis of remuneration estimates, etc.

3. Total Amount Payable by NTT DATA and Its Subsidiaries to Independent Auditor in Cash and Other Interest in Property

Total amount payable by NTT DATA and its subsidiaries to independent auditor

¥ 565 million

Note: Among NTT DATA's principal subsidiaries, NTT Data International L.L.C., NTT DATA EMEA LTD., EVERIS PARTICIPACIONES, S.L.U., NTT DATA ASIA PACIFIC PTE. LTD., NTT DATA (CHINA) INVESTMENT Co., LTD., intelligence AG and NTT DATA EUROPE GmbH & CO. KG are audited by audit corporations other than the Company's independent auditor.

4. Non-Auditing Business

With regard to services other than those prescribed in Article 2, (1) of the Certified Public Accountants Act (non-auditing business), NTT DATA consigns to the independent auditor such duties as guidance and advice concerning the International Financial Reporting Standards and the verification of the status of internal control systems pursuant to the JICPA Auditing and Assurance Practice Committee Practical Guideline No. 86, "Assurance Reports on Controls at a Service Organization"

5. Policy of Decision of Dismissal or Non-reelection of Independent Auditor

In NTT DATA, if it is recognized that the independent auditor falls under any of the items of Article 340 (1) of the Companies Act, the Board of Corporate Auditors dismisses the independent auditor by unanimous consent.

In addition to the above, if it is recognized that the independent auditor is unable to properly conduct an audit, the Board of Corporate Auditors decides the details of the proposal to dismiss, or not to reelect the independent auditor to be submitted to the general meeting of shareholders; and the Board of Directors submits the proposal to the general meeting of shareholders based on such decision.

5 Systems to ensure the appropriateness of corporate governance and business

1. Basic Views on Corporate Governance

NTT DATA Group aims to establish a business structure that produces stable profits through continuous growth by carrying out the mission to create new systems and values with information technology for a more affluent and harmonious society, and also by forecasting future trends to swiftly and accurately respond to the changing market environment, customer needs and the cutting-edge technology trend.

Under this management philosophy, NTT DATA Group is currently focusing on the “Expansion of new business fields and reinforcement of product competitiveness,” “Expansion, enhancement and reinforcement of global business,” and “Pursuit of overall optimization” based on the Medium-term Management Plan for the period from FY2012 to FY2015 in order to grow to become a corporate group that efficiently provides various global IT services and achieve “Global Top 5 (with more than 1.5 trillion yen in sales)” and “EPS 200 yen.”

NTT DATA Group will play an active role in overcoming the various issues that face society through the appropriate provision of various information services by the Group’s officers and employees based on common sense, as well as in complying with laws and contracts at home and abroad and in respecting international standards including those of human rights.

Under these concepts, NTT DATA is working on the following basic policies in accordance with the purpose of each principle of the Corporate Governance Code to ensure that corporate governance will effectively function: (1) to ensure transparency and soundness in business management; (2) to achieve appropriate and swift decision making and business execution; and (3) to implement compliance thoroughly. The purpose of working on such basic policies is to meet the various expectations of stakeholders, including shareholders, investors, clients, business partners and employees, and to maximize corporate value.

(1) Ensuring transparency and soundness in business management

NTT DATA strives to disclose information in a just, fair and timely manner in accordance with the “Disclosure Policy,” based on the “Disclosure Guidelines.” Such disclosure is important in that it enables the market to appraise NTT DATA appropriately. For this reason, NTT DATA holds a meeting for explanation of financial results when financial results are announced quarterly, and often holds other meetings for domestic and international investors and analysts, in order to ensure transparency in business management. To reinforce the function of supervising and auditing the fairness in business execution, NTT DATA places outside directors and outside auditors to supervise and audit the Board of Directors and the Audit & Supervisory Board and to ensure soundness in its business management. NTT DATA also pays attention to maximizing the profit of its shareholders when transacting business with NIPPON TELEGRAPH AND TELEPHONE CORPORATION (hereinafter referred to as “NTT”), the parent company of NTT DATA, and the companies in NTT Group.

(2) Achievement of appropriate and swift decision making and business execution

Decision making at NTT DATA is carried out under the supervision of the Board of Directors in accordance with “Authority Rules,” which stipulate the responsibility and authority of the President and CEO, the Senior Executive Vice President, the Officers in charge of each segment and the Heads of each Section or Group. For smooth and swift decision making and supervision in its business operations, NTT DATA has established the “Corporate Management Committee,” which is made up of the President and CEO, the Senior Executive Vice President, Officers in charge of each segment and other Heads of important Section or

Group, and has prior discussions at such “Corporate Management Committee” for effective deliberations about the items to be resolved at the Board of Directors. In addition, NTT DATA pursues appropriate and swift decision making and business execution by placing Senior Vice Presidents in charge of business execution, assigning most of the authority relating to business execution to such Senior Vice President from directors, with each Section or Group executing business operations independently and responsibly in accordance with the “Organizational Regulations.”

(3) Thorough implementation of compliance

NTT DATA is determined to operate its business in accordance with high ethical standards as well as compliance by setting up “Global Compliance Policy,” targeted at all officers and employees of NTT DATA Group, in order to clarify its basic policy and specific behavior guidelines relating to corporate ethics. To make such business operation effective, NTT DATA consider it necessary to implement a continuous educational campaign to promote the awareness of such ethics and compliance. Therefore, it has been holding training sessions on compliance targeted at employees and conducting employees’ attitude surveys. Aiming for more openness in its corporate culture, NTT DATA has placed reception desks for “the Whistle Line,” which is cross-sectional in the Group as an internal and external point to receive any declaration, whether anonymous or named. NTT DATA ensures that any declarer to the reception desk through “the Whistle Line” is not unfavorably treated because of his or her declaration.

2. Systems for ensuring appropriate operations and Overview of the State of Operation of the System

1. Overview of resolution for improvement of Systems for ensuring appropriate operations

NTT DATA is moving forward with efforts to ensure appropriate operations of internal control systems and its Board of Directors’ meeting has adopted a resolution on the basic policy for establishing internal control systems for the NTT DATA Group in compliance with Article 362 of the Companies Act. Details of the said resolution are as follows:

● Basic Policy for Establishing Internal Control Systems

- (1) In building its internal control systems, NTT DATA will further the basic policy that it will take various measures to efficiently conduct fair and transparent business activities in compliance with applicable laws and its Articles of Incorporation, as a matter of course, and at all times being aware of risks increasing as its business expands.
- (2) The president, as the chief executive officer, takes responsibility and improves and operates the internal control systems.
- (3) In order to make its internal control systems function smoothly and efficiently, NTT DATA will establish an internal control promotion committee that will hold meetings on a regular basis.
- (4) NTT DATA sets up the Internal Audit Department, which verifies whether or not the activities of each Sector are performed in compliance with applicable laws, its Articles of Incorporation, internal rules, and management policies and plans and gives practical advice and recommendations from a position independent of operations of businesses for the purpose of sound performance of businesses.
- (5) NTT DATA appoints a chief risk officer (CRO) who supervises the risk management structure from the point of view covering the entire group and the compliance division conducts inspections for the purpose of ensuring the legality of business activities.
- (6) NTT DATA is taking appropriate measures to realize high reliability of its internal control systems over financial reporting under the Financial Instruments and Exchange Act and other related laws.

● Individual Systems for Establishing Internal Control Systems

- (1) Systems to ensure that the directors and employees are performing their duties in compliance with applicable laws and the Articles of Incorporation

Setting our sights on becoming a reliable company and having the basic policy to conduct sound business activities by establishing its corporate ethics, NTT DATA proceeds with the following activities:

- It will establish the “Global Compliance Policy”, which is the guideline for behaviors including compliance with applicable laws, for the directors and employees.
- It will raise employees’ consciousness of compliance through educational and training programs concerning the corporate ethics.
- It will check activities through the compliance division and give advice, guidance, and other assistance to Sectors in order to perform lawful and appropriate business activities.
- It will have no relation, including any transaction, with antisocial forces and reject illegal demands in a resolute attitude.
- Towards realizing sound management, it will establish a whistle-blowing system that receives information from both identified and anonymous employees and other parties to ensure a channel of communication that is independent of the ordinary execution of business, and establish a system to ensure that employees and other parties who have made reports using the whistle-blowing system and other channels will not receive disadvantageous treatment on account of having made such reports.
- It will have the Internal Audit Department submit an annual plan to the Board of Directors, according to which the department will perform an internal audit and regularly report the results to the Board of Directors.

(2) Systems for storage and management of information concerning execution of duties by directors

While NTT DATA appropriately stores, manages, and willingly shares information for effective uses according to the policy that it will protect personal and confidential information from leakage or unauthorized use, it proceeds with the following activities:

- It will record and store information concerning the performance of duties by directors in writing or electromagnetic media and appropriately manage them in compliance with applicable laws, the Articles of Incorporation and internal rules.
- It will improve the internal information system in order to timely and properly use information arising out of business activities.
- It will establish internal rules for the purpose of formulating rules required for the appropriate handling of information and efficient clerical work.
- It will establish an information security committee to expedite measures for the entire group concerning the handling of information and hold a meeting regularly.

(3) Rules and other systems concerning risk management

Assuming various business risks, NTT DATA has a policy that each division shall improve its own voluntary risk management system by risk so that it may take the best measure upon occurrence of any of such risks and proceeds with the following activities:

- It will improve a system to continuously monitor and supervise the situation of risk management by each Sector and establish an organization to promote risk management under the control of the CRO from the point of view covering the entire group so that the risk management system functions smoothly and effectively.
- It will give priority on certain business risks over the other risks taking the frequency of occurrence into account and deal with them.
- It will establish a system in accordance with the internal rules provided for from the point of view of quality management, etc. concerning risks related to development, operation and maintenance of systems, which are assumed as risks pertaining to the main line of NTT DATA’s businesses.

(4) Systems to ensure efficient performance of duties by directors

Having the basic policy that it shall enhance each of the functions of making important decisions, supervision of performance of duties, and performance of operations, and that it shall work for vitalization of operations, NTT DATA proceeds with the following activities:

- In order for the Board of Directors to make important decisions and appropriately supervise the performance of duties, it will appoint executive officers as responsible persons who specialize in the performance of duties and, by transferring substantial part

of authority from directors to the executive officers, expedite decision making to pursue speedy operations.

- It will include outside directors who are in a position independent of the Board of Directors in order to strengthen the function to supervise the fairness of business execution.
- It will establish a management meeting for the president to make appropriate decisions pertaining to the basic policy of a business or other important matters.
- For the purpose of appropriate and efficient performance of affairs, it will improve the systems to clarify the official authority and exercise appropriate restraints by setting internal rules pertaining to the decision making for, and performance of, business affairs.

(5) Systems to ensure appropriate operations of NTT DATA Group, etc.

Having the basic policy that it shall ensure appropriate operations of the entire NTT DATA Group through consultations, reports, instructions and requests concerning important matters, NTT DATA and its Group proceed with the following activities:

- It will appoint a division responsible for coordination with each group company and improve the coordination system including the related divisions.
- The Internal Audit Department of it will monitor activities for the purpose of ensuring the soundness of businesses of the group companies.
- The internal control promotion committee of NTT DATA will oversee and promote the situation of risk management of the entire group and at the same time each group company will appoint an officer in charge of risk management for the purpose of improvement of the risk management system.
- In order to prevent the occurrence of scandals, it will conduct employee education and training and establish a whistle-blowing system that receives information from identified and anonymous employees of the Group and other parties as well as establish a system to ensure that employees and other parties who have made reports using the whistle-blowing system and other channels will not receive disadvantageous treatment on account of having made such reports.
- It will have dealings with a group company in compliance with the laws, as a matter of course, and establish a system for the group companies to submit appropriate financial status reports.
- Each group company will conduct autonomous management based on the basic policy of group business and at the same time the Corporate Management Committee of NTT DATA will monitor the management situation of the entire group in order to promote efficient and effective group management.

Furthermore, in between it and NTT, its parent company, there is the basic policy that either party will coordinate with the other, respecting the other party's independency and autonomy and the parties appropriately have dealings with the other in compliance with the laws.

(6) Matters concerning employees who assist corporate auditors' duties and independence of such employees from directors

Having the basic policy to establish a system to assist the corporate auditors' duties in order to ensure the effective audits by corporate auditors, NTT DATA will proceed with the following activities:

- NTT DATA sets up the Corporate Auditors' Office to appropriately assist the duties of its auditors as an important organization under the Companies Act.
- It posts the number of employees required for conducting audits according to the auditing standards determined by the auditors.
- The Corporate Auditors' Office shall be an organization independent from the directors and the employees assisting the auditors' duties shall perform their duties under instructions and directions from the auditors.
- It handles the matters concerning personnel changes and evaluation of the employees assisting the auditors' duties respecting the auditors' opinions.

(7) Systems for directors and employees to report to auditors and for ensuring effective auditing by auditors

Having a basic policy to improve the systems for directors and employees to report material matters regarding the execution of business to corporate auditors and other systems in order to ensure the effective audits by corporate auditors, NTT DATA will proceed with the following activities:

- The directors and corporate auditors shall determine after consultation the meetings that the corporate auditors shall attend, materials that the corporate auditors shall review, and the matters regarding NTT DATA and its Group companies that the corporate auditors shall report to the directors regularly or when necessary and the corporate auditors shall report to the directors from time to time as determined between the directors and corporate auditors.
- Upon request of each auditor for a report on the performance of duties, the directors and employees shall promptly report to the auditor about their performance of duties.
- In addition to the above, the directors, independent auditor, and Internal Audit Department shall respectively have an exchange of opinions with each auditor regularly and when necessary upon request of the auditor.
- The corporate auditors may independently engage external experts and receive advice on audit operations.
- The corporate auditors may claim payment for expenses necessary for the execution of duties and NTT DATA will make payments based on such claims.

2. Overview of the State of Operation of the System to Ensure Appropriate Business Operations

The following is the overview of the state of operation of the system to ensure appropriate business operations within the NTT DATA Group based on the basic policy concerning the establishment of internal control systems within the NTT DATA Group.

- (1) Systems to ensure that the directors and employees are performing their duties in compliance with applicable laws and regulations and the Articles of Incorporation

NTT DATA makes efforts to maintain and improve the awareness of corporate ethics and compliance in order to operate businesses with a strong sense of ethics, let alone compliance with laws and regulations.

With regard to corporate ethics, the Global Compliance Policy is available on the in-house website.

To maintain and improve the awareness of compliance, NTT DATA implements compliance training sessions for officers and employees, and introduces cases that have problems in terms of corporate ethics on the in-house website to help officers and employees improve their understanding.

The Compliance Department conducted a preliminary check on 70 cases before being discussed by important organs such as the Board of Directors. With regard to transactions with antisocial forces, NTT DATA made it mandatory under the company's sales provisions and detailed purchase rules to conduct a credit investigation on business partners. In addition, when an organization subscribes to our services, NTT DATA thoroughly examines the state of activities of the organization, the purpose of the subscription, etc. to prevent us from engaging in any relations with antisocial forces.

The NTT DATA's Corporate Ethics Committee is held once in a business year to examine reports submitted to the section in charge of receiving reports made using the whistle-blowing system, and report the results of the examination to the Board of Directors, along with a report on how these reports were handled. In the current business year, 68 cases were reported to the section. Meanwhile, it is stipulated in the rules for administering the whistle-blowing system that employees should not receive disadvantageous treatment on account of having made such reports, and this rule is administered appropriately.

The Internal Auditing Department reports interim and annual audit results and the annual audit plan to the Board of Directors appropriately.

- (2) Systems for storage and management of information concerning execution of duties by directors

With regard to the management of in-house information, including the handling of information concerning the execution of duties by directors, rules for the handling of documents and the information security policies are instituted, and they are available on the in-house website. Concerning the storage of documents (including those recorded electronically,) besides the storage based on types of documents specified by laws and regulations, they are stored for a term necessary for the completion of duties. In addition, NTT DATA appropriately administers the maintenance and storage of documents by appointing personnel in charge of promoting information security to each section and introducing a system to enable the management of documents (files) in accordance with applicable rules, among other measures.

To provide opportunities to report and examine company-wide security issues, the Information Security Committee was established under the Chief Information Security Officer (CISO). The committee held two meetings in the current business year, and discussed such issues as partial modifications to the policy and the response to information encryption.

(3) Rules and other systems concerning risk management

For risk management, NTT DATA assumes and prevents the occurrence of familiar potential risks. NTT DATA has a risk management system to minimize the damage in the event of risks becoming obvious, and for other purposes. The Internal Control Promotion Committee, chaired by Senior Executive Vice President (CRO, or Chief Risk Officer), plays a central role in establishing and administering the PDCA cycle for risk management. Meanwhile, the committee held two meetings in the business year and discussed measures to specify risks that could influence the whole Company and to reduce such risks. In addition, the committee also examined the levels of progress and achievement of goals and evaluated the effectiveness while reflecting the results of the examination in each measure.

NTT DATA appropriately handles risks concerning system developments and operational security, etc. within the quality management system (QMS) that was established based on the quality management rules.

(4) Systems to ensure efficient performance of duties by directors

The Company's duties are executed based on the organizational rules that specify jurisdictional tasks for each organ, and under the supervision of the Board of Directors, 25 executive officers are appointed and decision-making is made based on the authority regulations that stipulate the distribution of authorities.

The Board of Directors decides the issues prescribed in laws and regulations and important issues set forth in the rules for the Board of Directors such as those concerning management strategies, company management including investment, the management of the NTT DATA Group, etc. In addition, the Board of Directors supervises the performance of duties by directors by having them report the state of performance of their duties on a regular basis and by other means. The Board of Directors comprises 10 directors including two outside directors, and held 21 meetings in the current business year. The Corporate Management Committee, which discusses important decision-making for NTT DATA, held 36 meetings in the current business year.

(5) Systems to ensure appropriate operations of NTT DATA Group, etc.

With regard to important issues for the management of the NTT DATA Group, such as the occurrence of emergencies that could influence the whole group, NTT DATA establishes an organ in the Company to promote businesses in cooperation with respective group companies and created systems to consult these matters with, and report them to, NTT DATA, and the systems are administered appropriately.

NTT DATA's Internal Auditing Department implemented an internal audit on group companies in a unified manner by reflecting important risks common to the whole group and risks specific to each group company in the audit.

By group company, important risks are set every year and the Internal Control Promotion Committee confirms the state of implementation of risk management led by CRO in each company.

To maintain and improve the awareness of compliance in the whole NTT DATA Group, NTT DATA instructs group companies to implement compliance training sessions and

monitors the state of implementation of such training sessions. In the rules for administering the whistle-blowing system, group companies, the same as NTT DATA, ensure that employees and other parties who have made reports using the whistle-blowing system and other channels will not receive disadvantageous treatment on account of having made such reports, and the rule is administered appropriately.

The fiscal conditions of group companies are appropriately reported to NTT DATA on a monthly basis, in addition to quarterly financial reports. The results are also reported to the Board of Directors as a monthly monitoring status.

Financial conditions of the NTT DATA Group are reported to the Corporate Management Committee on a quarterly basis.

- (6) Matters concerning employees who assist corporate auditors' duties and independence of such employees from directors

As a system to assist corporate auditors' duties, NTT DATA has the Corporate Auditors' Office comprising four full-time employees and duties are performed appropriately based on the instructions and orders of corporate auditors. Meanwhile, the transfer of employees at the Corporate Auditors' Office, evaluations on the employees, etc. shall be conducted by making adjustments with corporate auditors.

- (7) Systems for directors and employees to report to corporate auditors and for ensuring effective auditing by corporate auditors

Corporate auditors attend important meetings such as the Board of Directors' meetings, view important documents, exchange opinions with the Representative Director on a regular basis and have discussions on specific topics with directors and other parties. On these occasions, the state of performance of duties shown in the basic policy is reported to corporate auditors while they make recommendations as needed.

Moreover, corporate auditors exchange opinions with accounting auditors and the Internal Auditing Department on a regular basis. The explanation of an audit plan, the status of internal control systems and other matters are reported to corporate auditors while they make recommendations as needed.

In addition, NTT DATA uniquely contracts with outside experts such as lawyers to receive advice on auditing duties. Including the costs necessary for them, NTT DATA bears the costs needed to perform auditing duties.

In this Business Report, amounts are rounded off to the indicated unit.

The names of NTT DATA's products and services referred to on this report are trademarks or registered trademarks of NTT DATA in Japan and other countries. The names of other companies etc., products, services, etc. are the trade names, trademarks, or registered trademarks of the companies etc. concerned.

Consolidated Balance Sheet

(¥ million)

	28 th FY (As of March 31, 2016)	[Reference] 27 th FY (As of March 31, 2015)
ASSETS		
Current Assets	842,701	772,275
Cash and deposits	148,495	160,108
Notes and accounts receivable - trade	403,146	366,678
Lease receivables and investment assets	14,477	16,983
Securities	26,000	6,533
Inventories	26,676	32,539
Deferred tax assets	39,382	36,730
Deposits paid	121,646	96,015
Other	65,490	59,364
Allowance for doubtful accounts	(2,614)	(2,679)
Non-Current Assets	1,017,618	1,050,561
Property, plant and equipment	302,575	312,914
Data communication facilities, net	89,503	93,782
Buildings and structures, net	89,890	92,326
Machinery, equipment and vehicles, net	19,019	18,152
Tools, furniture and fixtures, net	16,995	17,369
Land	60,576	59,193
Construction in progress	21,548	26,500
Other, net	5,041	5,589
Intangible assets	535,337	555,598
Software	250,668	251,673
Software in progress	48,295	52,086
Goodwill	168,879	179,540
Other	67,494	72,297
Investments and other assets	179,704	182,049
Investment securities	83,599	111,623
Net defined benefit asset	1,508	2,282
Deferred tax assets	44,735	26,318
Other	50,531	42,503
Allowance for doubtful accounts	(669)	(677)
TOTAL ASSETS	1,860,319	1,822,837

Note: Amounts less than one million yen are rounded down.

(¥ million)

	28 th FY (As of March 31, 2016)	[Reference] 27 th FY (As of March 31, 2015)
LIABILITIES		
Current liabilities	537,258	479,554
Accounts payable – trade	121,688	103,970
Short-term loans payable	51,627	48,887
Current portion of long-term loans payable	29,245	732
Current portion of bonds	—	39,999
Income taxes payable	33,158	14,942
Advances received	167,738	140,634
Provision for loss on order received	5,356	3,093
Other	128,442	127,294
Non-current liabilities	549,390	537,077
Bonds payable	210,062	210,052
Long-term loans payable	109,451	139,459
Deferred tax liabilities	23,327	30,303
Net defined benefit liability	185,992	136,313
Provision for directors' retirement Benefits	934	901
Other	19,621	20,047
TOTAL LIABILITIES	1,086,648	1,016,631
NET ASSETS		
Shareholders' equity	734,273	690,113
Capital stock	142,520	142,520
Capital surplus	139,295	139,300
Retained earnings	452,458	408,293
Treasury shares	(0)	(0)
Accumulated other comprehensive income	6,635	83,380
Valuation difference on available-for-sale securities	32,522	46,792
Deferred gains or losses on hedges	(7,527)	656
Foreign currency translation adjustment	36,552	62,615
Remeasurements of defined benefit plans	(38,805)	(10,095)
Other	(16,107)	(16,587)
Non-controlling interests	32,762	32,711
TOTAL NET ASSETS	773,670	806,205
TOTAL LIABILITIES AND NET ASSETS	1,860,319	1,822,837

Note: Amounts less than one million yen are rounded down.

Consolidated Statement of Income

(¥ million)

	28 th FY (2015/4/1–2016/3/31)	[Reference] 27 th FY (2014/4/1–2015/3/31)
Net sales	1,614,897	1,511,812
Cost of sales	1,216,795	1,147,302
Gross profit	398,101	364,509
Selling, general and administrative expenses	297,216	280,495
Operating income	100,885	84,013
Non-operating income	7,844	6,845
Interest income	1,256	951
Dividend income	1,785	1,190
Insurance income	2,125	912
Foreign exchange gains	—	129
Other	2,677	3,661
Non-operating expenses	10,571	12,950
Interest expenses	5,492	5,782
Foreign exchange losses	1,576	—
Loss on retirement of non-current assets	523	1,761
Compensation for damage	299	1,062
Other	2,679	4,343
Ordinary income	98,158	77,909
Extraordinary income	15,237	—
Gain on sales of investment securities	15,237	—
Extraordinary losses	5,607	3,913
Impairment loss of goodwill	3,986	—
Impairment loss of noncurrent assets	1,620	2,244
Loss on restructuring of subsidiaries and Affiliates	—	1,668
Income before income taxes	107,789	73,995
Income taxes – current	46,925	34,992
Income taxes – deferred	(4,570)	5,423
Total income taxes	42,354	40,416
Net income	65,434	33,579
Net income (loss) attributable to non-controlling interests	2,061	1,434
Net income attributable to owners of parent	63,373	32,144

Note: Amounts less than one million yen are rounded down.

Consolidated Statements of Shareholders' Equity

28th FY (From April 1, 2015 to March 31, 2016)

(¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	142,520	139,300	408,293	(0)	690,113
Cumulative effects of changes in accounting policies					—
Restated balance	142,520	139,300	408,293	(0)	690,113
Changes of items during period					
Dividends of surplus (Note 1)			(8,414)		(8,414)
Dividends of surplus (Note 2)			(8,414)		(8,414)
Net income attributable to owners of parent			63,373		63,373
Purchase of treasury shares					—
Change of scope of consolidation			(2,115)		(2,115)
Other changes		(4)	(263)		(267)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(4)	44,164	—	44,160
Balance at end of current period	142,520	139,295	452,458	(0)	734,273

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other	Total accumulated other comprehensive income		
Balance at beginning of current period	46,792	656	62,615	(10,095)	(16,587)	83,380	32,711	806,205
Cumulative effects of changes in accounting policies								—
Restated balance	46,792	656	62,615	(10,095)	(16,587)	83,380	32,711	806,205
Changes of items during period								
Dividends of surplus (Note 1)								(8,414)
Dividends of surplus (Note 2)								(8,414)
Net income attributable to owners of parent								63,373
Purchase of treasury shares								—
Change of scope of consolidation								(2,115)
Other changes								(267)
Net changes of items other than shareholders' equity	(14,269)	(8,183)	(26,062)	(28,709)	480	(76,745)	50	(76,694)
Total changes of items during period	(14,269)	(8,183)	(26,062)	(28,709)	480	(76,745)	50	(32,534)
Balance at end of current period	32,522	(7,527)	36,552	(38,805)	(16,107)	6,635	32,762	773,670

- Notes:
1. This is the item of appropriation of retained earnings resolved at the ordinary general meeting of shareholders held in June 2015.
 2. This is the item resolved at the meeting of the Board of Directors held in October 2015.
 3. Amounts less than one million yen are rounded down.

Non-Consolidated Balance Sheet

(¥ million)

	28 th FY (As of March 31, 2016)	[Reference] 27 th FY (As of March 31, 2015)
ASSETS		
Current assets	554,025	450,667
Cash and deposits	57,156	69,743
Notes receivable - trade	7	—
Accounts receivable - trade	196,412	173,412
Lease receivables	615	1,240
Lease investment assets	11,853	13,389
Securities	20,000	—
Inventories	14,250	20,759
Prepaid expenses	15,406	13,897
Deferred tax assets	27,884	25,792
Deposits paid	121,646	96,015
Other	88,799	36,428
Allowance for doubtful accounts	(8)	(11)
Non-current assets	1,049,294	1,106,428
Property, plant and equipment	261,987	271,399
Data communication facilities, net	88,763	92,511
Buildings, net	75,736	77,919
Structures, net	1,936	1,997
Machinery, equipment and vehicles, net	10,571	10,927
Tools, furniture and fixtures, net	7,562	7,279
Land	56,064	54,676
Leased assets, net	933	934
Construction in progress	20,419	25,153
Intangible assets	274,067	279,965
Software	228,225	233,791
Software in progress	43,749	44,048
Leased assets	19	33
Other	2,073	2,091
Investments and other assets	513,239	555,063
Investment securities	65,461	94,437
Shares of subsidiaries and associates	136,764	132,868
Investments in other securities of subsidiaries and associates	235,823	221,092
Long-term loans receivable	540	540
Lease and guarantee deposits	9,393	9,427
Long-term loans receivable from subsidiaries and associates	49,957	84,389
Other	15,742	12,766
Allowance for doubtful accounts	(444)	(457)
TOTAL ASSETS	1,603,320	1,557,096

Note: Amounts less than one million yen are rounded down.

	(¥ million)	
	28 th FY (As of March 31, 2016)	[Reference] 27 th FY (As of March 31, 2015)
LIABILITIES		
Current liabilities	452,666	395,951
Accounts payable - trade	91,132	75,762
Short-term loans payable	45,319	41,885
Current portion of long-term loans payable	30,535	1,692
Current portion of bonds	—	39,999
Lease obligations	544	564
Accounts payable - other	12,868	12,685
Accrued expenses	9,559	9,276
Income taxes payable	21,844	6,011
Advances received	148,259	122,018
Deposits received	74,404	72,855
Provision for loss on order received	4,625	2,216
Asset retirement obligations	99	18
Other	13,473	10,965
Non-Current Liabilities	396,379	433,209
Bonds payable	209,962	209,952
Long-term loans payable	106,845	136,822
Lease obligations	1,099	1,074
Deferred tax liabilities	3,256	12,561
Provision for retirement benefits	63,946	59,744
Asset retirement obligations	530	608
Other	10,739	12,445
TOTAL LIABILITIES	849,045	829,160
NET ASSETS		
Shareholders' equity	729,476	682,027
Capital stock	142,520	142,520
Capital surplus	139,300	139,300
Legal capital surplus	139,300	139,300
Retained earnings	447,656	400,207
Legal retained earnings	2,287	2,287
Other retained earnings	445,368	397,919
Reserve for special depreciation	98	127
Reserve for reduction entry	233	280
General reserve	288,000	288,000
Retained earnings brought forward	157,037	109,511
Treasury shares	(0)	(0)
Valuation and translation adjustments	24,798	45,908
Valuation difference on available-for-sale securities	32,007	46,005
Deferred gains or losses on hedges	(7,208)	(97)
TOTAL NET ASSETS	754,274	727,935
TOTAL LIABILITIES AND NET ASSETS	1,603,320	1,557,096

Note: Amounts less than one million yen are rounded down.

Non-Consolidated Statement of Income

(¥ million)

	28 th FY (2015/4/1–2016/3/31)	[Reference] 27 th FY (2014/4/1–2015/3/31)
Net sales	838,344	799,377
Cost of sales	646,890	622,741
Gross profit	191,454	176,636
Selling, general and administrative expenses	114,747	113,158
Operating income	76,706	63,478
Non-operating income	11,092	13,032
Interest income	1,780	1,795
Dividend income	5,406	7,522
Insurance income	2,092	868
Other	1,812	2,846
Non-operating expenses	8,918	9,534
Interest expenses	1,837	1,809
Interest on bonds	3,086	3,287
Foreign exchange losses	1,104	305
Loss on valuation of securities	1,137	715
Loss on retirement of non-current assets	312	1,299
Compensation for damage	262	1,044
Other	1,178	1,071
Ordinary income	78,880	66,976
Extraordinary income	15,237	—
Gain on sales of investment securities	15,237	—
Extraordinary losses	936	1,940
Impairment loss of noncurrent assets	936	1,914
Loss on restructuring of subsidiaries and affiliates	—	26
Income before income taxes	93,182	65,035
Income taxes - current	29,206	17,904
Income taxes - deferred	(302)	5,356
Net income	64,279	41,775

Note: Amounts less than one million yen are rounded down.

Non-Consolidated Statements of Shareholders' Equity

28th FY (From April 1, 2015 to March 31, 2016)

(¥ million)

	Net assets										
	Shareholders' equity							Valuation and translation adjustments			Total
	Capital stock	Capital surplus	Retained earnings			Treasury shares	Total	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total	
	Legal capital surplus	Legal retained earnings	Other retained earnings	Total							
Balance at beginning of current period	142,520	139,300	2,287	397,919	400,207	(0)	682,027	46,005	(97)	45,908	727,935
Cumulative effects of changes in accounting policies					—		—				—
Restated balance	142,520	139,300	2,287	397,919	400,207	(0)	682,027	46,005	(97)	45,908	727,935
Changes of items during period											
Dividends of surplus (Note 1)				(8,414)	(8,414)		(8,414)				(8,414)
Dividends of surplus (Note 2)				(8,414)	(8,414)		(8,414)				(8,414)
Net Income				64,279	64,279		64,279				64,279
Purchase of treasury shares							—				—
Net changes of items other than shareholders' equity								(13,998)	(7,111)	(21,109)	(21,109)
Total changes of items during period	—	—	—	47,449	47,449	—	47,449	(13,998)	(7,111)	(21,109)	26,339
Balance at end of current period	142,520	139,300	2,287	445,368	447,656	(0)	729,476	32,007	(7,208)	24,798	754,274

Breakdown of Other Retained Earnings

(¥ million)

	Other retained earnings				
	Reserve for special depreciation	Reserve for reduction entry	General reserve	Retained earnings brought forward	Total
Balance at beginning of current period	127	280	288,000	109,511	397,919
Cumulative effects of changes in accounting policies					—
Restated balance	127	280	288,000	109,511	397,919
Changes of items during period					
Dividends of surplus (Note 1)				(8,414)	(8,414)
Dividends of surplus (Note 2)				(8,414)	(8,414)
Reversal of reserve for special depreciation	(29)			29	—
Reversal of reserve for reduction entry		(47)		47	—
Net income				64,279	64,279
Purchase of treasury shares					—
Total changes of items during period	(29)	(47)	—	47,525	47,449
Balance at end of current period	98	233	288,000	157,037	445,368

- Notes: 1. This is the item of appropriation of retained earnings resolved at the ordinary general meeting of shareholders held in June 2015.
2. This is the item resolved at the meeting of the Board of Directors held in October 2015.
3. Amounts less than one million yen are rounded down.

Independent Auditor's Report on Consolidated Financial Statements
(English translation of the certified copy)

INDEPENDENT AUDITOR'S REPORT

May 6, 2016

To: The Board of Directors
NTT DATA CORPORATION

KPMG AZSA LLC
Kensuke Sodekawa, C.P.A. (seal)
Engagement Partner
Yasuyuki Morimoto, C.P.A. (seal)
Engagement Partner
Hirotaka Nakata, C.P.A. (seal)
Engagement Partner

We have audited, pursuant to Article 444 (4) of the Companies Act, the consolidated financial statements of NTT DATA CORPORATION, namely, the consolidated balance sheet, consolidated statement of income, consolidated statement of shareholders' equity, and notes to consolidated financial statements for the consolidated fiscal year from April 1, 2015 to March 31, 2016.

Management's responsibility with regards to the consolidated financial statements

The management is responsible for preparing and appropriately presenting consolidated financial statements in accordance with the corporate accounting standards that are generally accepted in Japan as being fair and reasonable. This responsibility includes establishing and operating internal control that the management deems necessary to ensure the consolidated financial statements are prepared and appropriately represented without any material misstatement caused by fraud or error.

Auditor's responsibility

Our responsibility is to express our opinion on these consolidated financial statements based on our audits in an independent manner. We performed the audit according to the auditing standards that are generally accepted in Japan as being fair and reasonable. Those standards require that we formulate an auditing plan and perform the audit under the plan to obtain reasonable assurance that the consolidated financial statements are free of material misstatement.

In an audit, the audit procedures are performed to obtain audit evidence with respect to the amounts and disclosures in the consolidated financial statements. The procedures are selected and applied, according to our judgment, based on assessment of the risks of material misstatement in the consolidated financial statements caused by fraud or error. In assessing these risks, the auditor reviews the internal control measures related to the preparation and appropriate presentation of the consolidated financial statements to develop proper audit procedures which meet the circumstances, but not to express an opinion on the effectiveness of the internal control. An audit also includes evaluating the accounting policies adopted and their application method used by the management, and the accounting estimates made by the management, as well as evaluating the overall presentation of consolidated financial statements.

We believe that we have obtained sufficient and acceptable audit evidence to express our opinion.

Audit opinion

In our opinion, the above consolidated financial statements present fairly, in all material respects, the assets, profit and loss during the period related to the said consolidated financial statements of the corporate group consisting of NTT DATA CORPORATION and its consolidated subsidiaries in conformity with corporate accounting standards that are generally accepted in Japan as being fair and reasonable

Conflicts of interest

There are no particular conflicts of interest between NTT DATA CORPORATION and KPMG AZSA LLC or its engagement partners that should be described in accordance with the provisions of the Certified Public Accountants Law.

END

Independent Auditor's Report
on Non-Consolidated Financial statements and Supplementary Schedules
(English translation of the certified copy)

INDEPENDENT AUDITOR'S REPORT

May 6, 2016

To: The Board of Directors
NTT DATA CORPORATION

KPMG AZSA LLC
Kensuke Sodekawa, C.P.A. (seal)
Engagement Partner
Yasuyuki Morimoto, C.P.A. (seal)
Engagement Partner
Hirotaka Nakata, C.P.A. (seal)
Engagement Partner

We have audited, pursuant to Article 436 (2) (i) of the Companies Act, the financial statements of NTT DATA CORPORATION, namely, the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of shareholders' equity and notes to non-consolidated financial statements, and supplementary schedules attached thereto for the 28th fiscal year from April 1, 2015 to March 31, 2016.

Management's responsibility with regards to the financial statements

The management is responsible for preparing and appropriately presenting financial statements and supplementary schedules in accordance with the corporate accounting standards that are generally accepted in Japan as being fair and reasonable. This responsibility includes establishing and operating internal control that the management deems necessary to ensure the consolidated financial statements are prepared and appropriately represented without any material misstatement caused by fraud or error.

Auditor's responsibility

Our responsibility is to express our opinion on these financial statements and supplementary schedules based on our audits in an independent manner. We performed the audit according to the auditing standards that are generally accepted in Japan as being fair and reasonable. Those standards require that we formulate an auditing plan and perform the audit under the plan to obtain reasonable assurance that the financial statements and supplementary schedules are free of material misstatement.

In an audit, the audit procedures are performed to obtain audit evidence with respect to the amounts and disclosures in the financial statements and supplementary schedules. The procedures are selected and applied, according to our judgment, based on assessment of the risks of material misstatement in the financial statements and supplementary schedules caused by fraud or error. In assessing these risks, the auditor reviews the internal control measures related to the preparation and appropriate presentation of the financial statements and supplementary schedules to develop proper audit procedures which meet the circumstances, but not to express an opinion on the effectiveness of the internal control. An audit also includes evaluating the accounting policies adopted and their application method used by the management, and the accounting estimates made by the management, as well as evaluating the overall presentation of financial statements and supplementary schedules.

We believe that we have obtained sufficient and acceptable audit evidence to express our opinion.

Audit opinion

In our opinion, the above financial statements and supplementary schedules present fairly, in all material respects, the assets, profit and loss during the period related to the said financial statements and supplementary schedules in conformity with corporate accounting standards that are generally accepted in Japan as being fair and reasonable

Conflicts of interest

There are no particular conflicts of interest between NTT DATA CORPORATION and KPMG AZSA LLC or its engagement partners that should be described in accordance with the provisions of the Certified Public Accountants Law.

END

BOARD OF CORPORATE AUDITORS' REPORT (English translation of the certified copy)

AUDIT REPORT

With respect to the performance of duties by directors during the 28th fiscal year from April 1, 2015 to March 31, 2016, the Board of Corporate Auditors has examined the reports from each corporate auditor and prepared this Audit Report as follows:

1. Auditors, audit methodology adopted by the Board of Corporate Auditors and procedure

The Board of Corporate Auditors determined auditing policies, received reports from each corporate auditor on the progress and results of the audit, received reports from directors and the independent auditor, and requested explanations when necessary.

In accordance with the auditing policies determined by the Board of Corporate Auditors, each corporate auditor talked with directors and employees of the Internal Audit Department and other divisions, exerted his effort to collect information and to improve the audit environment, performed the audit on the following.

- (1) Each corporate auditor attended the meetings of the Board of Directors and other important meetings, received reports from directors and employees on the performance of their duties, requested explanations when necessary, reviewed documents of important decisions, and investigated the business and financial conditions at the head office and principal branch offices. Further, As to the subsidiaries, the Board of Corporate Auditors talked and exchanged information with directors and auditors of the subsidiaries, and received business reports from the subsidiaries when necessary.
- (2) The Board of Corporate Auditors have received regular reports about the details of the Board of Directors' resolution concerning the system to ensure that directors perform their duties in conformity with laws and regulations and the Articles of Incorporation and the system necessary to ensure that the Kabushiki Kaisha and the corporate group consisting of subsidiaries are operated appropriately ("Internal Control System"), and the situation of the Internal Control System established in accordance with such resolution from the directors and employees, and requested explanations when necessary and expressed an opinion about it.
- (3) The Board of Corporate Auditors monitored and verified whether or not the independent auditor maintained its independence and appropriately performed audits, received reports from the independent auditor on the progress of its duties, and requested explanations when necessary.
The Board of Corporate Auditors also received a notice from the independent auditor that the system to ensure that the independent auditor's duties are appropriately performed has been established and requested explanations when necessary.

Based on the procedure described above, the Board of Corporate Auditors examined the business reports and supplementary schedules attached thereto, the financial statements for the fiscal year (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of shareholders' equity, and non-consolidated notes to financial statements) and supplementary schedules attached thereto, and the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, statement of changes in consolidated shareholders' equity, and notes to consolidated financial statements).

2. Audit results

(1) Audit results of the Business Report, etc.

- (i) The Board of Corporate Auditors finds that the Business Report and supplementary schedules attached thereto fairly present the situation of NTT DATA in accordance with the laws and the Articles of Incorporation.
- (ii) The Board of Corporate Auditors ascertains that there is no fraudulent act or fact of a materials breach of applicable laws or regulations or the Articles of Incorporation with respect to the performance of duties by directors.
- (iii) The Board of Corporate Auditors finds that the details of the resolution of the meeting of the Board of Directors concerning the Internal Control System are adequate. In addition, the Board of Corporate Auditors ascertains that there is no matter that needs to be indicated with respect to the contents of business reports and the performance of duties by directors.

(2) Audit results of financial statements, supplementary schedules and consolidated financial statements

The Board of Corporate Auditors finds that the audit methodology adopted by the independent auditor, KPMG AZSA LLC and the audit results are adequate.

May 10, 2016

NTT DATA CORPORATION

Board of Corporate Auditors

Standing Corporate Auditor

Standing Corporate Auditor (Outside Auditor)

Standing Corporate Auditor (Outside Auditor)

Corporate Auditor (Outside Auditor)

Yukio Ishijima (Seal)

Yasuomi Hino (Seal)

Testuro Yamaguchi (Seal)

Rieko Sato (Seal)

END

Access to the Meeting Venue

Venue: Large Hall, 5th floor
Tokyo Conference Center Shinagawa
NTT DATA Shinagawa Building
(A,RE,A Shinagawa)
9-36, Konan 1-chome, Minato-ku, Tokyo

* One-minute walk from the Konan Exit of JR Shinagawa Station

* Please refrain from coming by car.

* The reception desk is located on the third floor.