

*Note: This document is the English translation of “Dai 31kai teiji kabunushisokai shoshu gotsuchi” (Notice of Convocation of the 31<sup>st</sup> 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, the Japanese version will prevail.*

Security code: 9613  
May 31, 2019

To Our Shareholders

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

## NOTICE OF CONVOCATION OF THE 31<sup>ST</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that our 31<sup>st</sup> Ordinary General Meeting of Shareholders will be held as follows. You are kindly requested 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** Thursday, June 20, 2019 at 10:00 a.m., Japan Time

#### 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 Voting Rights Exercise Form back to us so that it arrives before the deadline below.

**Deadline** By 6:00 p.m., Wednesday, June 19, 2019, Japan time

#### By electronic method (via Internet)



Please access our voting website written on the Voting Rights Exercise Form at <https://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., Wednesday, June 19, 2019, Japan Time

## Particulars

1	Date	Thursday, June 20, 2019 at 10:00 a.m., Japan Time (Reception starts at 9:00 a.m.)	
2	Venue	Large Hall, 5 <sup>th</sup> Floor, Tokyo Conference Center Shinagawa NTT DATA Shinagawa Building (A,RE,A Shinagawa) 1-9-36 Konan, Minato-ku, Tokyo	
3	Purposes of the Meeting	To be reported	<ol style="list-style-type: none"> <li>1. Report on the business report, consolidated financial statements, and audit results of the consolidated financial statements by an independent audit and the Audit and Supervisory Board for the 31<sup>st</sup> fiscal year (from April 1, 2018 to March 31, 2019)</li> <li>2. Report on non-consolidated financial statements for the 31<sup>st</sup> fiscal year (from April 1, 2018 to March 31, 2019)</li> </ol>
		To be resolved	<ol style="list-style-type: none"> <li>No. 1 Appropriation of Surplus</li> <li>No. 2 Partial Amendments to the Articles of Incorporation</li> <li>No. 3 Election of 13 Directors</li> </ol>

- 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 31<sup>st</sup> Ordinary General Meeting of Shareholders do not include the following items, since they are presented on the NTT DATA website (<https://www.nttdata.com/jp/ja>) in accordance with legal requirements and the provisions of the Company's articles of incorporation:
  1. Principal Centers of the Corporate Group
  2. Independent Audit
  3. Overview of resolution for improvement of systems for ensuring appropriate operations and Overview of the state of operation of the system to ensure appropriate business operations
  4. The consolidated statements of changes in equity and the notes to consolidated financial statements in the consolidated financial statements
  5. The non-consolidated statements of shareholders' equity and the notes for the non-consolidated financial statements
- With respect to corporate governance, "Basic Views on Corporate Governance," "Overview of Corporate Governance Structure and Others," and "Assessment of effectiveness of the entire Board of Directors" are included in the documents appended to this Notice of Convocation, and "Systems for ensuring appropriate operations and overview of the state of operation of the systems" is provided on the NTT DATA website.
- Consolidated financial statements and non-consolidated financial statements that were audited by the independent audit include documents, which are described in the documents appended to this Notice of Convocation, and the consolidated statement of changes in equity, the notes to consolidated financial statements, the non-consolidated statements of shareholders' equity 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.

 NTT DATA website: <https://www.nttdata.com/>

 NTT DATA Search

### 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:  
<https://www.web54.net> (in Japanese)  
When accessing the website for exercising your voting rights, through a smartphone and cellular phone is also available.
2. In case of 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 (Monday, June 18, 2018), please exercise your voting rights as soon as possible to help us in totalizing the results of exercise of voting rights.
4. If exercising 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, through a personal computer, a smartphone or a cellular phone, the last exercise of 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.

### **Inquiries on Exercising Voting Rights via the Internet**

If you have any questions regarding the procedure for exercising your 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, except for Sat/Sun/national holidays)

### **Electronic Voting Platform**

Nominal shareholders such as trust banks acting as administrator (including standing proxies) can also 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 Surplus

NTT DATA proposes to appropriate the surplus of this fiscal year as follows:

#### Matters concerning year-end dividends

NTT DATA's basic policy is to seek an increase of enterprise value in the mid- and long-term 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 dividends, based on a comprehensive assessment of the 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 the consolidated operating results and financial position, NTT DATA proposes a stable payment of dividends. For determining the amount of a dividend, NTT DATA values the maintenance of the consolidated cash flow dividend payout ratio <sup>(\*)</sup> in the mid- and long-term.

Based on the policy above, NTT DATA proposes payment of a year-end dividend as follows:

#### (I) Matters concerning the appropriation of dividend assets to shareholders and total amount

8.5 yen per NTT DATA common share

11,921,241,900 yen in total

The annual dividend will be 17 yen per share including an interim dividend of 8.5 yen, which was already paid.

#### (ii) Effective date of dividend of surplus

June 21, 2019

\*Consolidated cash flow dividend payout ratio

Total amount of dividends/ (net income attributable to shareholders of NTT DATA <sup>(note)</sup> + depreciation cost + loss on retirement of fixed assets – capital investment)

Note: In JGAAP adopted period, we use “net income attributable to owners of parent (adjusted for goodwill amortization)” instead.

## Partial Amendments to the Articles of Incorporation

We propose to amend part of the current Articles of Incorporation as shown in the proposed amendments to the Articles of Incorporation below.

### 1. Reason for amendments

In order 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 12 to up to 13.

### 2. Articles of Incorporation Amendments Plan

The details of amendments are as follows:

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

Current Articles of Incorporation	Proposed Amendments to the Articles of Incorporation
(Number of Directors) Article 18 Number of Directors of the Company shall be no more than <u>12</u> .	(Number of Directors) Article 18 Number of Directors of the Company shall be no more than <u>13</u> .

## No. 3 | Election of 13 Directors

All 11 directors will complete their terms of office upon the closing of this general meeting of shareholders. The Company requests shareholders to elect 13 directors in total: First 12 directors, including one additional director for strengthening the management structure. Then, another director for the purpose of further enhancing corporate governance, in condition that the partial amendment to Article of Incorporation in the matter for resolution No. 2 is approved.

The profiles of candidates for Directors are as follows:

Candidate No.	Name	Present position and areas of responsibility	Attendance at Board of Directors' meetings	Years served as Directors
1	Re-appointment Yo Honma	Representative Director, President and Chief Executive Officer	Regular: 12 times/12 times Extraordinary: 6 times/6 times	5
2	Re-appointment Keiichiro Yanagi	Representative Director and Senior Executive Vice President Head of HR Headquarters Responsible for Corporate Strategy, Human Resource Management, Finance (CFO), Investor Relations, Risk Management (CRO), and Public Relations	Regular: 12 times/12 times Extraordinary: 6 times/6 times	3
3	Re-appointment Shigeki Yamaguchi	Representative Director and Senior Executive Vice President Responsible for Public & Social Infrastructure Segment, Enterprise & Solutions Segment and China & APAC Segment	Regular: 12 times/12 times Extraordinary: 6 times/6 times	2
4	Re-appointment Toshi Fujiwara	Representative Director and Senior Executive Vice President Responsible for Financial Segment, Americas & Europe Segment and Global Marketing	Regular: 12 times/12 times Extraordinary: 6 times/6 times	2
5	Re-appointment Tsuyoshi Kitani	Director and Executive Vice President Head of Technology and Innovation General Headquarters Responsible for Technology Strategy (CTO) and Information Security (CISO)	Regular: 12 times/12 times Extraordinary: 6 times/6 times	3
6	Re-appointment Shunichi Takeuchi	Director and Executive Vice President Deputy responsible for Public & Social Infrastructure Segment	Regular: 10 times/10 times Extraordinary: 4 times/4 times	1
7	Re-appointment Koji Ito	Director and Executive Vice President Head of North America Sector Head of EMEA & LATAM Sector Deputy responsible for Americas & Europe Segment	Regular: 10 times/10 times Extraordinary: 4 times/4 times	1
8	New Hisashi Matsunaga	Executive Vice President Head of First Financial Sector	—	—
9	Re-appointment Yukio Okamoto	Outside director Independent officer Director	Regular: 12 times/12 times Extraordinary: 6 times/6 times	5
10	Re-appointment Eiji Hirano	Outside director Independent officer Director	Regular: 12 times/12 times Extraordinary: 6 times/6 times	3
11	Re-appointment Takashi Ebihara	Director	Regular: 12 times/12 times Extraordinary: 6 times/6 times	2
12	Re-appointment John McCain	Director	Regular: 8 times/10 times Extraordinary: 2 times/4 times	1
13	New Mariko Fujii	Outside director Independent officer —	—	—



Candidate No. **1** **Yo Honma** (born May 8, 1956)

Reappointment

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

- 1980 April Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
- 2014 June NTT DATA, Director and Executive Vice President, and Company President, Enterprise IT Services Company
- 2015 July NTT DATA, Director and Executive Vice President
- 2016 June NTT DATA, Representative Director and Senior Executive Vice President
- 2018 June NTT DATA, Representative Director, President and Chief Executive Officer (present post)

Principal Concurrent Positions

Director of NTT, Inc.

Years served as Directors  
5 years  
(as of the closing of this general meeting of shareholders)  
Number of shares of

NTT DATA held

36,200 shares

Reasons for the nomination

He has extensive experience in management evidenced by the track record of performance in management in the enterprise sector, etc. In addition, he has been in charge of management as Representative Director, President and Chief Executive Officer since 2018. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his extensive experience and record of performance, he has been nominated for the candidate of Director.



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

Reappointment

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
- 2013 July NTT DATA, Senior Vice President, Head of Second Financial Sector
- 2016 June NTT DATA, Director and Executive Vice President, Head of General Affairs Department, concurrently serving as Head of Human Resources Department
- 2017 June NTT DATA, Director and Executive Vice President, Head of Human Resources Department, concurrently serving as Head of General Affairs Department
- 2018 June NTT DATA, Representative Director and Senior Executive Vice President, Head of HR Headquarters (present post)

Principal Concurrent Positions

Executor of business for the Limited Liability Partnership of Regional Revitalization/Value Partner 2020

Years served as Directors  
3 years  
(as of the closing of this general meeting of shareholders)

Number of shares of  
NTT DATA held

31,400 shares

Reasons for the nomination

In addition to his experience in the organizational management in the financial sector and treasury & securities, he has experience in the General Affairs Sector and the Human Resources Sector of the Group as well as the track record of performance in the management in the Group companies. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.



Candidate No. **3** **Shigeki Yamaguchi** (born August 14, 1961)

Reappointment

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1984	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2014	June	NTT DATA, Senior Vice President, Head of Third Enterprise Sector
2015	July	NTT DATA, Senior Vice President, Head of IT Services & Payments Services Sector
2016	June	NTT DATA, Executive Vice President, Head of IT Services & Payments Services Sector
2017	June	NTT DATA, Director and Executive Vice President
2018	June	NTT DATA, Representative Director and Senior Executive Vice President (present post)

Principal Concurrent Positions

Representative Board Member of Japan ID Connect with Secure Authentication Promotional association, a general incorporated association  
 Representative Board Member and Vice Chairperson of Japan Institute of Information Technology, a public interest incorporated association

Reasons for the nomination

He has extensive experience in management evidenced by the track record of performance in organizational management in the enterprise sector, etc. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Years served as Directors  
 2 years  
 (as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held  
 14,700 shares



Candidate No. **4** **Toshi Fujiwara** (born June 5, 1961)

Reappointment

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1985	April	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2014	June	NTT DATA, Senior Vice President, Deputy Head of First Financial Sector
2014	July	NTT DATA, Senior Vice President, Head of Fourth Financial Sector
2015	July	NTT DATA, Senior Vice President, Head of First Financial Sector
2017	June	NTT DATA, Director and Executive Vice President
2018	June	NTT DATA, Representative Director and Senior Executive Vice President (present post)

Principal Concurrent Positions

Director of Board, NTT Data International L.L.C.  
 Director, the Center for Financial Industry Information Systems

Reasons for the nomination

He has extensive experience in management evidenced by the track record of performance in organizational management in the financial sector and management in global business sector, etc. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Years served as Directors  
 2 years  
 (as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held  
 17,100 shares



Candidate No. **5** **Tsuyoshi Kitani** (born February 22, 1960)

Reappointment

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1983	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2014	June	NTT DATA, Senior Vice President, Head of System Platforms Sector, concurrently serving as Head of Research and Development Headquarters
2015	June	NTT DATA, Executive Vice President, Head of System Platforms Sector, concurrently serving as Head of Research and Development Headquarters
2015	July	NTT DATA, Executive Vice President, Head of Technology and Innovation General Headquarters, concurrently serving as Head of System Platforms Sectors
2016	April	NTT DATA, Executive Vice President, Head of Technology and Innovation General Headquarters, concurrently serving as Head of System Engineering Headquarters
2016	June	NTT DATA, Director and Executive Vice President, Head of Technology and Innovation General Headquarters, concurrently serving as Head of System Engineering Headquarters
2017	June	NTT DATA, Director and Executive Vice President, Head of Technology and Innovation General Headquarters (present post)

Principal Concurrent Positions

Not applicable

Reasons for the nomination

He has been engaged in the organizational management of the Research and Development Sector for many years, and also has intensive expertise of technology, research and development in the IT field. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Years served as Directors  
3 years  
(as of the closing of this general meeting of shareholders)

Number of shares of  
NTT DATA held  
25,700 shares



Candidate No. **6** **Shunichi Takeuchi** (born May 11, 1962)

Reappointment

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1985	April	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2014	June	NTT DATA, Senior Vice President, Head of ESG Promotion Department
2015	July	NTT DATA, Senior Vice President, Head of Public Sector 1
2016	June	NTT DATA, Senior Vice President, Head of Telecom & Utility Business Sector
2018	June	NTT DATA, Director and Executive Vice President (present post)

Principal Concurrent Positions

Not applicable

Reasons for the nomination

He has extensive experience in management evidenced by the track record of performance in organizational management of the Public & Social Infrastructure Segment. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Years served as Directors  
1 year  
(as of the closing of this general meeting of shareholders)

Number of shares of  
NTT DATA held  
10,200 shares



Candidate No. **7** **Koji Ito** (born May 24, 1962)

Reappointment

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

- 1986 April Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
- 2012 July NIPPON TELEGRAPH AND TELEPHONE CORPORATION, Vice President of Corporate Strategy Planning Department
- 2015 June NTT DATA, Senior Vice President, Head of Global Business Sector
- 2017 July NTT DATA, Senior Vice President, concurrently serving as Head of North America Sector and Head of EMEA & LATAM Sector
- 2018 June NTT DATA, Director and Executive Vice President, concurrently serving as Head of North America Sector and Head of EMEA & LATAM Sector (present post)

Principal Concurrent Positions

- Chairman of Board, NTT Data International L.L.C.
- Director of Board, NTT DATA EMEA LTD.
- Director of Board, EVERIS PARTICIPACIONES, S.L.U.
- Supervisory Board, itelligence AG
- Director of Board, NTT DATA EUROPE GmbH & Co. KG

Reasons for the nomination

He has extensive experience evidenced by the track record of performance in global business management in the Company and its overseas group companies. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Years served as Directors  
1 year  
(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held  
7,400 shares



Candidate No. **8** **Hisashi Matsunaga** (born June 26, 1962)

New

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

- 1986 April Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
- 2014 July NTT DATA, Head of Insurance and Mutual Aid Department in First Financial Sector
- 2015 June NTT DATA, Senior Vice President, Head of Insurance and Mutual Aid Division in First Financial Sector
- 2015 July NTT DATA, Senior Vice President, Head of Group Strategy Headquarters
- 2017 June NTT DATA, Senior Vice President, Head of First Financial Sector, concurrently serving as Head of Group Strategy Headquarters
- 2017 July NTT DATA, Senior Vice President, Head of First Financial Sector
- 2018 June NTT DATA, Executive Vice President, Head of First Financial Sector (present post)

Principal Concurrent Positions

Not applicable

Reasons for the nomination

He has extensive experience in management evidenced by the track record of performance in organizational management in the financial sector, etc. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Number of shares of NTT DATA held  
13,600 shares



Candidate No. **9** **Yukio Okamoto** (born November 23, 1945)

Outside director  
Reappointment

Independent officer

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1968	April	Joined the Ministry of Foreign Affairs (Resigned in January 1991)
1991	March	Okamoto Associates, Inc., Representative Director (present post)
2000	June	Mitsubishi Materials Corporation, Director (Resigned in June 2018)
2006	June	Mitsubishi Motors Corporation, Corporate Audit (Resigned in June 2014)
2008	June	Nippon Yusen Kabushiki Kaisha (NYK LINE), Director (Will resign in June 2019)
2014	June	NTT DATA, Director (present post)

Years served as Directors  
5 years  
(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held  
7,100 shares

Principal Concurrent Positions

Representative Director, Okamoto Associates, Inc.  
Director of a non-profit organization "Shin-Gen-Eki-Net"

Reasons for the nomination

He has extensive knowledge and insight about the international situation as an expert. He has been nominated for the candidate of Outside Director since he is expected to contribute, as an outside director, to the enhancement of supervisory functions in executing management and the provision of opinions from his broad viewpoints.

[Matters related to independence]

Mr. Yukio Okamoto satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the criteria of independence (\*) for independent officers stipulated by the Company.

Based on the above, the Company judges that independence of Mr. Okamoto is ensured.

\* For the criteria of independence for independent officers stipulated by the Company, please see page 17.

Note:

Mr. Yukio Okamoto is the candidate for Outside Director. In addition, as described in the above section "Matters related to independence," he does not have any possibility of causing a conflict of interest with general shareholders, in light of the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the criteria of independence for independent officers stipulated by the Company. As such, NTT DATA has designated Yukio Okamoto as independent officer and has notified this to the Tokyo Stock Exchange. If he is elected as Outside Director, he will continue to serve as an independent officer.



Candidate No. **10** **Eiji Hirano** (born September 15, 1950)

Outside director  
Reappointment

Independent officer

Years served as Directors  
3 years  
(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held  
4,100 shares

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1973	April	Joined Bank of Japan (Resigned in June 2006)
2006	June	Toyota Financial Services Corporation, Vice President and Director
2014	June	Toyota Financial Services Corporation, Special Advisor
2014	September	MetLife Insurance K.K., Vice Chairman and Director
2015	May	MetLife Insurance K.K., Vice Chairman, Director and Representative Executive Officer
2015	June	RIKEN CORPORATION, Director (present post)
2016	June	NTT DATA, Director (present post)
2016	July	Toyota Financial Services Corporation, Advisor (Resigned in June 2017)
2017	September	MetLife Insurance K.K., Vice Chairman and Director (present post)

Principal Concurrent Positions

Director, RIKEN CORPORATION

Reasons for the nomination

He has extensive experience in the Financial Sector, and wide perspectives concerning financial administration and international finance. He has been nominated for the candidate of Outside Director since he is expected to contribute, as an outside director, to the enhancement of supervisory function of business execution as well as the provision of advice using his wide range of perspectives.

[Matters related to independence]

Mr. Eiji Hirano satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the criteria of independence (\*) for independent officers stipulated by the Company. He was Vice Chairman, Director and Representative Executive Officer of MetLife Insurance K.K.. The Company has business transactions with MetLife Insurance K.K. and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company. He was Vice President and Director of Toyota Financial Services Corporation. The Company has business transactions with Toyota Financial Services Corporation and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company. In addition, he was an executor of business for the Bank of Japan. The Company has business transactions with the Bank of Japan and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.

Based on the above, the Company judges that independence of Mr. Hirano is ensured.

\* For the criteria of independence for independent officers stipulated by the Company, please see page 17.

Note:

Mr. Eiji Hirano is the candidate for Outside Director. In addition, as described in the above section "Matters related to independence," he does not have any possibility of causing a conflict of interest with general shareholders, in light of the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the criteria of independence for independent officers stipulated by the Company. As such, NTT DATA has designated Eiji Hirano as independent director and has notified this to the Tokyo Stock Exchange. If he is elected as Outside Director, he will continue to serve as an independent officer.



Candidate No. **11** **Takashi Ebihara** (born July 6, 1965)

Reappointment

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1990 April Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION  
 2014 July NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, Corporate Strategy Planning Department, Executive Manager  
 2016 July NIPPON TELEGRAPH AND TELEPHONE CORPORATION, Vice President of Business Process Strategy Section in Technology Planning Department (present post)  
 2017 June NTT DATA, Director (present post)  
 2017 July NIPPON TELEGRAPH AND TELEPHONE CORPORATION, Vice President of General Affairs Department (present post)

Years served as Directors  
 2 years  
 (as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held  
 1,400 shares

Principal Concurrent Positions

Vice President of General Affairs Department, NIPPON TELEGRAPH AND TELEPHONE CORPORATION

Reasons for the nomination

He has been nominated for the candidate of Director since he is expected to provide opinions from his broad viewpoints acquired through his long career in the telecommunications business.



Candidate No. **12** **John McCain** (born July 6, 1959)

Reappointment

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1986 January Joined Electronic Data Systems  
 2010 December Keane International, Inc. (currently NTT DATA, Inc.), Director of Board and CEO  
 2012 June NTT DATA, Senior Vice President  
 2018 June NTT DATA, Director (present post)

Years served as Directors  
 1 year  
 (as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held  
 0 shares

Principal Concurrent Positions

Director of Board and Executive Chairman, NTT DATA, Inc.  
 Director of Board and Executive Chairman, NTT Data International L.L.C.  
 Director of Board, NTT DATA Services International Holdings B.V.

Reasons for the nomination

He has been nominated for the candidate of Director because he has extensive experience and track record of performance in management in overseas markets mainly in North America and is expected to make the best use of them to promote NTT DATA Group's business while assuming roles such as supervision of business execution.



Number of shares of  
NTT DATA held  
0 shares

Candidate No. **13** **Mariko Fujii** (born March 9, 1955)

Independent officer	Outside director
	New

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1977	April	Joined the Ministry of Finance
2001	March	The University of Tokyo, Professor, Research Center for Advanced Economic Engineering
2004	April	The University of Tokyo, Professor, Research Center for Advanced Science and Technology (resigned in October 2015)
2014	June	Electric Power Development Co., Ltd., Director (resigned in October 2015)
2015	October	Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of Latvia (resigned in January 2019)

Principal Concurrent Positions

Not applicable

Reasons for the nomination

She has keen discernment and extensive experience accumulated through her career in public administration, research on economics and foreign affairs. Based on this, she is expected to contribute to the enhancement of supervisory functions in executing management and the provision of opinions from broad viewpoints and has been nominated for the candidate of Outside Director. Note that she has no experience of engagement in management of a company in any other manner than serving as an outside officer. However, based on the above reasons, the Company judges that she can perform the duties of Outside Director properly.

[Matters related to independence]

Ms. Mariko Fujii satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which the stocks of NTT DATA are listed and the criteria of independence (\*) for independent officers stipulated by the Company.

Based on the above, the Company judges that independence of Ms. Fujii is ensured.

\* For the criteria of independence for independent officers stipulated by the Company, please see page 17.

Note:

Ms. Mariko Fujii is the candidate for Outside Director. In addition, as described in the above section "Matters related to independence," she does not have any possibility of causing a conflict of interest with general shareholders, in light of the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the criteria of independence for independent officers stipulated by the Company. As such, if she is elected as Outside Director, the Company will designate her as independent officer.

Notes:

- 1: NIPPON TELEGRAPH AND TELEPHONE CORPORATION is an ultimate parent company of NTT DATA Corporation and NTT, Inc. is a direct parent company of NTT DATA Corporation. Nippon Telegraph and Telephone East Corporation is a subsidiary of NIPPON TELEGRAPH AND TELEPHONE CORPORATION.
- 2: Mr. Yo Honma concurrently serves as Chairman of the Japan Electronic Payment Promotion Organization. NTT DATA Corporation receives building rental fee and outsourcing fee from the Organization and pays annual membership fee to the Organization.  
There are no special interests between other candidates and NTT DATA Corporation.
- 3: Mr. Yukio Okamoto will resign from the post of director at Nippon Yusen Kabushiki Kaisha on June 19, 2019.
- 4: If Mr. Yukio Okamoto, Mr. Eiji Hirano, Mr. Takashi Ebihara, Mr. John McCain and Ms. Mariko Fujii are elected as directors, the Company will continue the liability limitation agreement with Mr. Yukio Okamoto, Mr. Eiji Hirano, Mr. Takashi Ebihara and Mr. John McCain and will newly conclude the liability limitation agreement with Ms. Mariko Fujii under Article 427 (1) of the Companies Act, to limit their liabilities for damage compensation stipulated in Article 423 (1) of the same Act to the amount stipulated by law.
- 5: Mr. Koji Ito has been an executor of business for NIPPON TELEGRAPH AND TELEPHONE CORPORATION, a specified associated company of the Company, in the past 5 years. His position and areas of responsibility are as described in the "Resume, Position, Areas of Responsibility and Principal Concurrent Positions".  
Mr. Takashi Ebihara has been an executor of business for NIPPON TELEGRAPH AND TELEPHONE CORPORATION and Nippon Telegraph and Telephone East Corporation, specified associated companies of the Company, in the past 5 years and is still an executor of business for NIPPON TELEGRAPH AND TELEPHONE CORPORATION. His position and areas of responsibility are as described in the "Resume, Position, Areas of Responsibility and Principal Concurrent Positions".
- 6: While Mr. Yukio Okamoto was an Outside Audit & Supervisory Board Member of Mitsubishi Motors Corporation, it was discovered during the period from September to December 2012 that Mitsubishi Motors Corporation erroneously disposed of a device using the insulation oil that included or may have included PCB (polychlorinated biphenyl). It was also discovered in April 2016, after his resignation, that a fraudulent manipulation had taken place in order to make the fuel cost look better in the model approval acquisition of Mitsubishi Motors Corporation's vehicles, and that the corporation conducted a test method that was different from the method defined by the Japanese laws. Furthermore, in relation to these facts, the Consumer Affairs Agency recognized acts of violation by Mitsubishi Motors Corporation of the Act against Unjustifiable Premiums and Misleading Representations with regard to representations in catalogs, etc. and issued an order for action and a surcharge payment order to Mitsubishi Motors Corporation in January and July of 2017. Although Mr. Yukio Okamoto was not involved in these facts, he had always expressed his opinions appropriately from the viewpoint of legal compliance. Following the 2012 incident, he has discharged his responsibility with regard to facts that were found during his term of office by making proposals to reinforce the compliance system of Mitsubishi Motors Corporation through ways such as checking the content of its measures to prevent the recurrence of such misconduct.  
Nippon Yusen Kabushiki Kaisha, where Mr. Yukio Okamoto serves concurrently as Outside Director, received a cease and desist order and a payment order for surcharge in March 2014 from the Japan Fair Trade Commission under the Antimonopoly Act, regarding its specific cargo automobile transport business in past fiscal years. In addition, this company agreed to a plea bargain with the United States Department of Justice in December 2014 that includes the payment of a penalty regarding its violation of the United States antitrust law. In December 2015, this company received a judgement from China's National Development and Reform Commission that this company had violated Chinese Anti-Monopoly Law, and also received a judgment from European, Australian and other authorities that this company had violated their competition laws. He had not been aware of the facts until such incidents came to light. In addition to his previous advice of legal compliance, he has expressed his opinions at the Board of Directors and at the committee regarding this company's thorough implementation of law-abiding activities of the Antimonopoly Act for the purpose of eliminating and preventing the recurrence of any violation against the Antimonopoly Act and overseas competition laws. In addition, with regard to NYK Car Carrier (China), which is a consolidated subsidiary of Nippon Yusen Kabushiki Kaisha and conducts the business of transporting finished vehicles in China, the company came to admit the strong suspicion over unjust payment of expenses, etc. by former managers hired locally, which was found as a result of an investigation conducted until March 2018. He had not been aware of the facts until such incidents came to light. Although he had been expressing his opinions from the viewpoint of legal compliance at the Board of Directors and other occasions until then, he further expressed his opinions at the Board of Directors and other occasions for the purpose of investigating the causes and preventing the recurrence of such incidents after he became aware of such incidents.  
While Mr. Yukio Okamoto was an Outside Director of Mitsubishi Materials Corporation, this company announced in after November 2017 about incidents where its consolidated subsidiaries conducted improper activities such as data falsification and shipped products, etc. that failed to meet specifications of customers or internal specifications. Although he had not been aware of the facts until the incidents came to light, he had always expressed his opinions from the viewpoint of strengthening the governance system, and since the facts were revealed, he has been striving to further strengthen the governance system through ways such as making proposals about fact-finding investigation, causal analysis and recurrence prevention measures.

## Matters Regarding Election and Nomination

(Election policy for candidates for directors)

The candidates for directors have been elected from personnel who have broad perspectives and experience and can contribute to the development of the entire Group, excel in management ability and leadership, and are sophisticated in business management and energetic, for improvement in the enterprise value of the entire NTT DATA Group. The size of the Board of Directors is in direct proportion to the scale of business, and it is composed with consideration of having diversity in various standpoints, and the balance of specializations.

To strengthen the supervising function of business execution, NTT DATA elects and appoints as independent outside directors personnel who do not have any possibility of causing a conflict of interest with general shareholders. In principle, plural independent outside directors are to be elected.

(Election policy for candidates for audits)

The candidates for audits are to be elected from personnel NTT DATA can expect to conduct audits from viewpoints of specialized experience and knowledge. For fair audits of directors' business execution, NTT DATA elects and appoints as outside audits personnel who do not have any possibility of causing a conflict of interest with general shareholders, and elects half the number of audits or more in accordance with Companies Act.

(Procedures for election)

The procedures for electing candidates for directors are to be carried out as follows: the backgrounds of candidates are first explained to the parent company and independent outside directors prior to the Board of Directors; then the parent company and independent outside directors provide appropriate advice and the Board of Directors adopts the resolution, and such resolution is referred to at a shareholders' meeting. The procedures for electing candidates for audits are to be carried out as follows: the candidates for audits proposed by directors in accordance with the election policy for candidates for audits are deliberated at a meeting of the Audit & Supervisory Board that is made up of half the number of outside audits or more, and upon the agreement of the Audit & Supervisory Board, the Board of Directors adopts resolution, then such resolution is referred to at a shareholders' meeting.

## Criteria of Independence

NTT DATA designates outside directors/audits who satisfy the following conditions, in addition to the criteria for independence stipulated by Tokyo Stock Exchange, Inc., as its independent officers.

- A person who does not fall under any of the following items for the most recent 3 fiscal years:

- (1) A business executor of NTT DATA's business partner with a trading amount exceeding the standards set forth by NTT DATA (\*1);
  - (2) A business executor of NTT DATA's lender with an amount of lending exceeding the standards set forth by NTT DATA (\*2);
  - (3) An individual providing specialized services, such as a consultant, accountant or lawyer, who has received from NTT DATA any money or other property profit that is worth 10 million yen or more per year other than executive remuneration in any year of the most recent 3 fiscal years;
- or
- (4) A business executor of an organization that has received contributions exceeding NTT DATA's standards (\*3).

Even if a person falls under any of the conditions from (1) through (4) as stipulated above, any reason for judging that such person still has independence is required to be explained and disclosed when such person is appointed as an independent officer.

\*1 NTT DATA's business partner with a trading amount exceeding the standards set forth by NTT DATA refers to a business partner whose trading amount with NTT DATA is 2% of NTT DATA's non-consolidated annual sales or larger in any fiscal year out of the most recent 3 fiscal years.

\*2 NTT DATA's lender with an amount of lending exceeding the standards set forth by NTT DATA refers to a lender who lends to NTT DATA 2% or a larger percentage of NTT DATA's total assets in any financial year out of the most recent 3 financial years.

\*3 An organization that has received contributions exceeding the standards set forth by NTT DATA refers to an organization that has received contributions from NTT DATA that exceed 10 million yen per year or 2% of the total annual revenue of such organization, whichever is larger in amount, in any financial year out of the most recent 3 financial years.

# **BUSINESS REPORT**

(From April 1, 2018 to March 31, 2019)

## **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 is moderately improving as capital investment is increasing though we have seen no progress in the improvement of corporate profitability and business conditions. The future economic trends are expected to continue this moderate improvement with the help of the effects of various policies where the employment/income environment continues to improve, although the impacts of trade issues on the global economy, the future trends of Chinese economy, uncertainty of the overseas economic trends and policies, and the influences of financial market fluctuations must be kept in mind.

In domestic information services industry, the market is improving gradually as IT investments moved on to respond to system reforms and enforcement of new laws and regulations, enhance touch points, and expand businesses by utilizing digital <sup>(Note 1)</sup> technologies including AI and IoT. Meanwhile, needs for reducing maintenance and operation costs and severity of price competition are expected to remain.

In general, the overseas economy is also improving moderately, despite the poor economies in some of the Asian and European countries. Regarding the future economic trends, risks resulting from uncertainty related to the future economic trends in China and its policies as well as the influences of financial market fluctuations must be kept in mind, but the economy is expected to continue this moderate improvement.

In the international information service industry, the digital-related investments is on the rise. Strong growth is expected to continue in the U.S. market. In Europe, we have seen robustness but we need to carefully watch over the impact of increasing uncertainty of the macro economy on IT investment. As for China, the demand for IT investments has remained stable.

During the period of the previous Medium-Term Management Plan (FY2016–FY2018), with the establishment of a global brand through the “enhanced local presence” as the foundation of our strategy, the NTT DATA Group aimed to achieve the Medium-Term Management Target of “attaining consolidated net sales of over 2 trillion yen” and “increasing consolidated operating income after adjustment by 50% <sup>(Note 2)</sup>.”

In particular, we took actions in accordance with the key principles of “Game-Changing Approach” and “Breakthrough Technology.”

As a result of “Game-Changing Approach,” we increased the number of clients, from which we earned net sales of 5 billion yen or more per year, from 50 at the end of FY2015 to 70 at the end of FY2018 and succeeded in building a trust relationship with many clients by pursuing the Clients First approach. As such, we have strengthened our customer base by building Long-Term Relationships with our clients and established a stable business foundation.

Regarding “Breakthrough Technology,” we made efforts globally on “production technology innovation” and “leading-edge technologies.” In terms of “production technology innovation,” we increased productivity by globally promoting the standardization and automation of software development method as well as the standardization of the infrastructure technologies (integrated development cloud). As for “leading-edge technologies,” we developed “Center of Excellence <sup>(Note3)</sup>,” a base to accumulate expertise of cutting-edge

technologies globally and create business jointly with clients by encouraging the usage of the base in each region.

As a result of these initiatives, we successfully achieved the Medium-Term Management Target of “attaining consolidated net sales of over 2 trillion yen” and “increasing consolidated operating income after adjustment by 50% <sup>(Note2)</sup>” in FY2018.

Notes:

1. Digital (digital transformation)

Digital transformation is a concept wherein IT permeation will change citizens’ lives for the better in all respects. This concept is intended to realize a society where the social system is rebuilt to become user-friendly through cloud computing, as well as mobility and social technologies. With data growing exponentially due to IoT, by leveraging AI, this data will be converted to intelligence that is useful for living.

2. Compared to FY2015 (After adjustment for incremental investments in new fields)

3. Center of Excellence

A base which conducts advanced R&D activities and plays a central role in creating/developing human resources and businesses

## Implementation of business activities

We strove to expand businesses in the global market to respond to the acceleration of digital transformation initiatives on a global basis and meet diversified and sophisticated needs. We also made efforts to expand diverse IT services including digital offering <sup>(Note)</sup> and system integration in response to market changes and to stably provide such services.

Note: Digital offering

Products or services we provide to our clients by utilizing leading-edge technologies

(IFRS) Items	Year	
	30 <sup>th</sup> Fiscal Year (2017)	31 <sup>st</sup> Fiscal Year (2018)
Net sales	2,039,690	2,163,625
Operating income	123,120	147,716
Income before income taxes	122,704	146,914
Net income attributable to shareholders of NTT DATA	82,392	93,616
Net income per share	59	67
Total assets	2,270,203	2,476,062
Total equity	860,506	966,809
(Reference) New orders received	1,950,033	2,076,088

Notes:

1. Consolidated financial statements are prepared based on IFRS starting from FY2018. For a comparison purpose, the results of FY2017 based on IFRS are provided alongside.
2. Net income per share is calculated based on the average number of shares outstanding during the fiscal year.
3. Conducted stock split which shall split of common stock at a ratio of 1:5 as the effective date of July 1, 2017. For net income per share, calculated based on the assumption that the stock split was conducted at the beginning of FY2017.

## Net Sales and Operation income by Segment (Composition ratio)

(¥ million)

	Net Sales			Operating Income		
	30 <sup>th</sup> Fiscal Year (2017)	31st Fiscal Year (2018)		30 <sup>th</sup> Fiscal Year (2017)	31st Fiscal Year (2018)	
Public & Social Infrastructure Segment	444,938 (18.6%)	479,935 (18.8%)	YOY(rate) +7.9%	38,279 (28.8%)	43,872 (27.6%)	YOY(rate) +14.6%
Financial Segment	559,927 (23.4%)	559,135 (22.0%)	YOY(rate) -0.1%	51,434 (38.7%)	52,930 (33.3%)	YOY(rate) +2.9%
Enterprise & Solutions Segment	478,107 (20.0%)	529,816 (20.8%)	YOY(rate) +10.8%	40,525 (30.5%)	48,514 (30.5%)	YOY(rate) +19.7%
North America Segment	427,938 (17.9%)	421,920 (16.6%)	YOY(rate) -1.4%	-4,219 (-3.2%)	3,489 (2.2%)	YOY(rate) —
EMEA & LATAM Segment	387,492 (16.2%)	440,133 (17.3%)	YOY(rate) +13.6%	4,860 (3.7%)	7,895 (5.0%)	YOY(rate) +62.4%
Others (Note 1)	96,362 (4.0%)	116,214 (4.6%)	YOY(rate) +20.6%	2,099 (1.6%)	2,436 (1.5%)	YOY(rate) +16.0%
Subtotal	2,394,765 (100.0%)	2,547,153 (100.0%)	YOY(rate) +6.4%	132,979 (100.0%)	159,136 (100.0%)	YOY(rate) +19.7%
Adjustments	-355,075 —	-383,528 —	YOY(rate) -8.0%	-9,859 —	-11,420 —	YOY(rate) -15.8%
Total	2,039,690 —	2,163,625 —	YOY(rate) +6.1%	123,120 —	147,716 —	YOY(rate) +20.0%

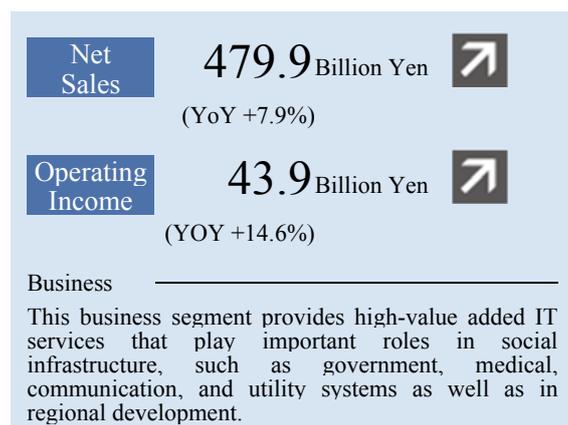
## Notes:

- China & APAC segment is included in “Others” segment.
- We adopted IFRS for its consolidated financial statements from Fiscal Year 2018. For information, figures based on IFRS for FY17 are also shown.

The following shows the status of overseas bases during the period under review:  
 Approx.85,300 employees deployed in 223 cities in 53 countries and regions outside of Japan (Approx.123,000 employees include Japan)

(As of March 31, 2019)

## Public & Social Infrastructure Segment



The net sales increased due mainly to expansion of services for central government ministries and the telecommunication industry. The operating income increased due mainly to growth in sales in spite of the increase in the amount of loss from unprofitable projects.

We aimed for receiving system renewal orders for core businesses from governments and infrastructure companies, and made efforts to grow our business through the following methods: creating new domestic and overseas businesses by utilizing the results and know-how that our group has cultivated; and responding to new businesses including those utilizing “My Number” and realizing new public-private social infrastructure in accordance with the Society 5.0/Digital Government Plan.

### <The Labor Standards Administration System services launched to realize efficient customer operation>

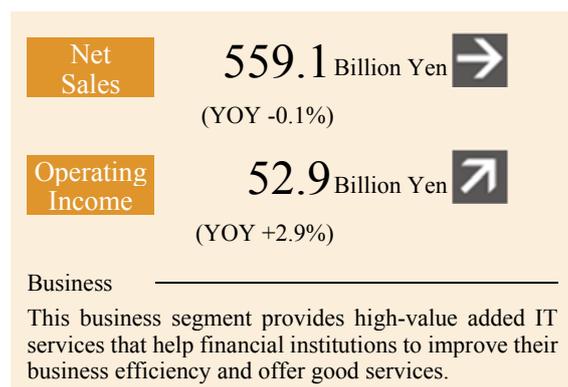
- We developed the Labor Standards Administration System, a core system for providing national services, including workers’ compensation insurance and supervising health and safety in Labor Offices and Labor Standards Supervision Offices across the country and launched the service in January 2019. To develop this system, we needed to integrate multiple existing subsystems for efficiency, which made the project highly difficult and enduring. By completing this project, we enabled efficient customer operations.

### <Expanded business through public-private partnership and cross-industrial efforts >

We provided services for efficient information exchange between government agencies and financial institutions. We also promoted co-creation activities, working together with companies and associations, to solve social issues and create new added values. These facilitated our business expansion.

- We worked together with The Shizuoka Bank, Ltd. and Enshu Shinkin Bank as well as three municipalities to help them investigate the savings status of delinquent taxpayers. In this asset investigation operation, we used electronic data to reduce working hours and realize efficient operation. In October 2018, we completed the operational validation of this project. This resulted in “PipitLINQ,” launched in February 2019, which enables government agencies and financial institutions to mutually make inquiries about deposits and savings by using electronic data in a unified format.
- In November 2018, TEPCO Power Grid, Inc. and NTT DATA established the “Grid Data Bank Laboratory LLP” to solve social issues and create new added values by using various cross-industrial data. In March 2019, THE KANSAI ELECTRIC POWER CO., INC and CHUBU Electric Power Co., Inc. joined the Lab as members. We now have about 30 corporate and organizational sponsors and members (as of March 2019). Also in March 2019, we opened an office-cum-laboratory in Chiyoda-ku, Tokyo, equipped with an innovative environment, which would facilitate the promotion of co-creation in this initiative.

## Financial Segment



The net sales remained on par with the previous fiscal year and the operating income increased, both due mainly to growth in sales of services for the insurance industry in spite of less orders compared to the previous fiscal year such as for services for banks.

While the market environment such as the negative interest rate affects the management of financial institutions, the advancement of deregulation and technological innovation is accelerating the digitalization, bringing a great change to the business environment of the financial industry today. We continued to offer highly reliable and high-quality services to our clients and aimed to expand our business as a trusted financial IT platformer of the digital age by providing new values through combination of digital technologies and responding to changes in the business environment.

### <We promoted various efforts to realize next-generation banking>

While new digital-technology-enabled services are being provided, we have made efforts to enable financial institutions' business infrastructures to quickly respond to various digital needs. We have also promoted the construction of a platform to create new business, not only connected to financial institutions, but also bridging all industries with financial services.

- As a digital service platform, in October 2018, we launched "A-gate", a solution which provides centralized support from implementation through operation of a public cloud (Note 1) such as "AWS" or "Azure", in addition to "OpenCanvas", our cloud service currently provided. It covers high security requirements by using OpenCanvas' authentication function.

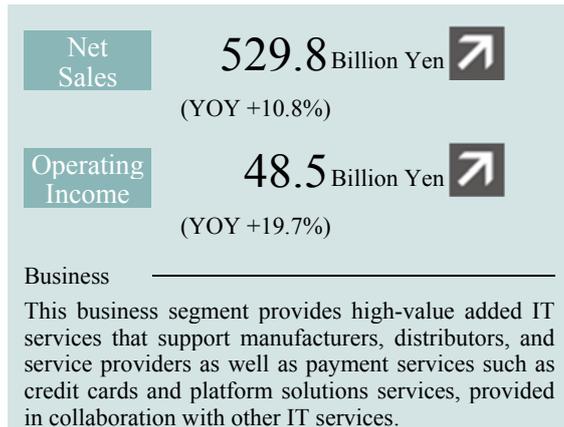
- For financial institutions' core systems that we had provided on a mainframe, we completed major technical validation to enable application of an open platform (Note 2) that has high affinity with digital technologies in June 2018 and started on the technical development in full scale.
- As an effort to create new services through a combination of non-financial services with financial capabilities, we completed a proof of concept of Mambu's globally acclaimed cloud-type accounting services for the first time in Japan in March 2019.

### <We provided AI-enabled digital services>

We provided various digital-related services for financial institutions to enhance our financial services.

- In March 2019, we launched services to reduce workload on financing requests at financial institutions by using the NTT Group's AI technology called "corevo."
- We developed services to grade various factors of face-to-face communication with AI by analyzing images and voices. In April 2018, we launched trial services mainly for the insurance industry.
- "BeSTA FinTech Lab" is a site to create new businesses. To this we added a next-generation concept store, "Branch of the Future", where a customer journey (Note 3) can be experienced with applied cutting-edge technologies.

## Enterprise & Solutions Segment



The net sales and the operating income increased due mainly to expansion of services for the manufacturing and distribution industry including M&A in the previous fiscal year.

We aimed for business expansion as a business partner who contributes to the digital transformation of clients, such as manufacturers, distributors, and service providers whose business environments are changing enormously as observed in further acceleration of trend in digital usage and rise in demand for global competitiveness enhancement. In responding to these changes, we leveraged our strengths such as our advanced technologies and know how in the digital field and experience of totally supporting many of our clients' systems.

<We promoted the provision of highly convenient and advanced payment-related services>

“CAFIS” (Note 4) celebrated its 35th anniversary. It had allowed us to obtain “achievements,” “diversity,” and “safety and security” as well as know-how, which served as the core of highly convenient and advanced payment-related services that we had promoted and provided. Thus, we contributed to the shift to cashless payments in Japan.

- In April 2018, TOKYU CORPORATION and NTT DATA launched “.pay (dot pay),” a solution that enables smartphone-based payment by adding the cardless in-house credit function to promotional apps by companies and stores.

- We added credit card payment functionality to our “Mobile Register” (Note 5), smartphone-based bar code payment service. In April 2018, we launched this as the Mobile Register Public Fund Credit Collection Service for local governments.
- We worked to launch the service of the code payment gateway, which will enable retailers to use a single payment terminal or interface for domestic and overseas 1D barcode or QR code payments.

<The use of production-related information realized the maximization of information value inside a plant>

- In January 2019, we launched “DaTa TransLoader”, an application that runs on “FIELD system”, which is an IoT platform (Note 6) provided by FANUC CORPORATION for manufacturers and also is what we have participated in developing for. This application enables important production-related information saved in the “FIELD system” connected to various machines and devices in a plant to be used in customers' systems or external tools, thereby realizing the maximization of information value inside the plant.

## North America Segment

Net Sales	421.9 Billion Yen	↓
	(YOY -1.4%)	
EBITA	13.3 Billion Yen	↑
	(YOY +94.5%)	
Operating Income	3.5 Billion Yen	↑
	(YOY —)	
<b>Business</b>		
This Business segment provides high-value added IT services taking into consideration the market characteristics for North America business.		

The net sales decreased due mainly to a decline in sales of services for the healthcare and financial sectors in spite of growth in sales of services for the public and manufacturing sectors. The operating income increased due mainly to cost improvement and the decrease in PMI spending in spite of a decline in sales.

We completed the organizational and structural foundation in North America and improved our capacity to respond to the digital field that leads the growth of the IT service market. In particular, we expanded our business in the healthcare, public and financial segments through the utilization of our wealth of achievements and expertise in outsourcing, etc., and accelerated our growth.

<Awarded new large-scale IT Service Agreement with British Columbia Health Authorities, leveraging healthcare experience and exceptional expertise to increase presence in Canada>

- NTT DATA Canada, a subsidiary of NTT DATA Corporation, signed an IT services contract with a new client, the Provincial Health Services Authority (PHSA) (Note 7), based in Canada, in March 2019. This contract is for a large-scale project with a period of 5 years and a total value of over CAD \$400M. We will provide a range of end user IT support services including a clinical service desk provided by staff who are familiar with the usage of applications used in medical institutions and work flows in multiple health authorities (Note 8) throughout the province. We received the order for our strong willingness to invest in the Canadian IT market proven by our acquisition of Sierra Systems in December 2018, in addition to our track record of success in providing clinical services, our capability in responding to large-scale outsourcing projects, and our flexible attitude toward requests from clients.

<Negotiated the acquisition of Cognosante Consulting, LLC for strengthening industry specific consulting services for U.S. federal and state agencies>

- NTT DATA Services, a subsidiary of NTT DATA Corporation, negotiated to acquire Cognosante Consulting, LLC, which provides consulting services for U.S. federal and state health agencies with its strength particularly in services for supporting systems related to Medicaid, a public medical insurance system (the acquisition was completed in April 2019). The acquisition will enable us to obtain the knowledge of Cognosante Consulting, LLC, which is based on its approximately 30 years of rich experience in providing services to U.S. federal and state agencies, and provide highly professional and industry specific consulting services in the field of healthcare.

## EMEA & LATAM Segment

Net Sales	440.1 Billion Yen	↗
	(YOY +13.6%)	
EBITA	14.9 Billion Yen	↗
	(YOY +24.6%)	
Operating Income	7.9 Billion Yen	↗
	(YOY +62.4%)	
<b>Business</b>		
This Business segment provides high-value added IT services taking into consideration the market characteristics for the EMEA /Latin America business.		

The net sales increased due mainly to expansion of businesses in Europe, mainly in Spain and Italy. The operating income increased due mainly to growth in sales.

We gathered the strength and resources of group companies in EMEA & LATAM to promote integrated business management and increased profits through the synergy effect. We also increased our local presence further by strengthening the capacity to offer services in the digital field that is increasing in demand.

### <everis Group won orders for large-scale projects in the public sector>

everis Group, a subsidiary of NTT DATA Corporation (hereafter called “everis”), received orders for the following projects in the public sector where advanced security and reliability are especially required. This is due to the recognition of its track record of having provided high quality services over the long years and its capabilities in the digital domain.

- everis received an order from Aena SME, S.A., a Spanish airport operator, for the automated border control systems at seven airports in Spain. Following the installation and beginning of the service of 220 state-of-the-art automated border control gates at four airports including Barcelona and Mallorca, everis will be responsible for installing and operating another 81 of these gates in three airports including Seville in the future. The system integrates advanced verification of passports and other documents and biometric recognition, both facial and fingerprint, contributing to improving efficiency of the immigration process with quick and accurate identification of an individual.
- everis signed a comprehensive contract with the Directorates-General for Informatics, an administrative enforcement agency of European Union (EU), for providing IT services to more than 30 European Union institutions and related organizations. everis started providing services for 14 countries including Belgium from October 2018.

### <Expansion of capability centered on digital domain through M&A >

Through subsidiaries, NTT DATA acquired companies with unique advantages centered on digital domain in an attempt to further enhance service delivery capability and generate synergy with the Group’s strengths.

- In May 2018, NTT DATA EMEA LTD. turned MagenTys Holdings Limited in the U.K.—which provides consultancy and other services in the digital domain—into a subsidiary. Also, in June 2018, the Company turned gen-ius dms GmbH in Germany—which provides automotive dealer management system—into a subsidiary, with an aim to further enhance the presence in the automotive industry, which is the Group’s strength.
- In August 2018, itelligence AG turned Sybit GmbH—a company with strengths in Customer Relationship Management (CRM) and e-commerce services using “SAP C4/HANA”<sup>(Note 9)</sup>—into a subsidiary, with an aim to enhance these services that are one of the strategic areas of SAP.

Notes:

1. Public cloud  
Shared cloud services provided to many and unspecified number of users via the Internet.
2. Open platform  
A platform (infrastructure of system or service) that does not depend on any specific hardware.
3. Customer journey  
A process of actions, thoughts, and emotions that a user takes before reaching to service use or purchase.
4. "CAFIS"  
Largest comprehensive payment platform in Japan supporting various payment methods provided by NTT DATA.
5. "Mobile Register"  
A service in which an app on a smartphone reads the barcode for convenience store payment to withdraw money from a bank account through Internet banking.
6. "FIELD system", which is an IoT platform  
"FIELD system" is designed to further improve productivity and efficiency for manufacturers. Provided by FANUC CORPORATION, it is an IoT platform for manufacturers.
7. Provincial Health Services Authority (PHSA)  
The Provincial Health Services Authority oversees the coordination and delivery of provincial programs and highly specialized health-care services.
8. Health Authorities  
Authorities that exists in 5 regions within the Province of British Columbia providing healthcare services according to characteristics of each region.
9. "SAP C4/HANA"  
A digital commerce solution for enterprises with an abundance of functions suitable for omnichannels (the realization of an environment where customers can purchase goods in a similar manner from any sales channel by integrating sales channels and distribution channels including physical (real) and online (digital) stores) and flexibility and scalability for customization and additions.

## Efforts Toward Environmental and Social Issues

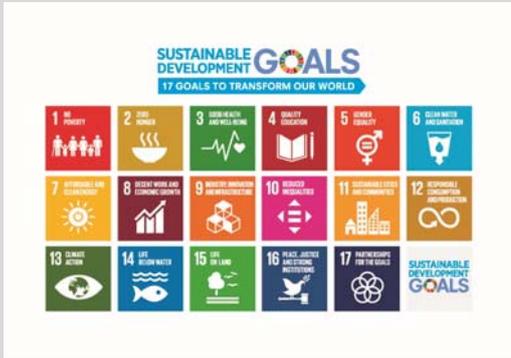
In recent years, business is evaluated more and more in terms of its relationships with society, which hinge on environmental, social, and governance (ESG) activities. Based on our mission statement, “NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society,” we will engage in business activities that are mindful of issues related to society and the environment like those represented in SDGs. In doing so, we will work toward increasing sustainable corporate value.

**Achieving the Sustainable Development Goals**

Selected at the United Nations (UN) Sustainable Development Summit in September 2015, the Sustainable Development Goals (SDGs) outline 17 objectives and 169 targets to achieve by 2030 on a global scale.

These goals, agreed upon by governments around the world, position companies of all industries as important partners and require their positive action in order to realize these goals.

As a member of the NTT Group, the NTT DATA Group endorses the SDGs and will utilize ICT in collaboration with its customer and other stakeholders in order to help realize a sustainable society.



**Third-Party Evaluation** (the Fiscal Year Ended March 2019)

The ESG efforts of the NTT DATA Group has received positive reviews from research agencies in Japan and overseas, and has been selected as a constituent of numbers of indexes.



Dow Jones Sustainability World Index / Asia Pacific Index



FTSE4Good Index



FTSE Blossom Japan



S&P/JPX Carbon Efficient Index



Oekom Prime

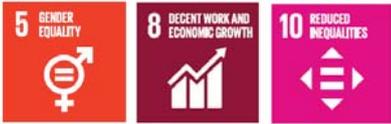


Morningstar Socially Responsible Investment Index



RobecoSAM Sustainability Award

The NTT DATA Group has directed its sustainable growth efforts toward environmental and social themes. From a social standpoint, we engage in human resource management, which is necessary in order to provide stable, high-quality services and “Providing services that solve social issues,” dedicated to resolving social issues. Creating sustainable solutions is also connected to enhanced business performance. From an environmental standpoint, we employ “environmental management,” an important theme which plays a part in how we manage our business and provide services that take into account reduced impact on the environment.

	Important Themes	Efforts
Society	<b>Human Resource Management</b>	<p>We are working to create an organization that can create sustainable value by recruiting and retaining exceptional human resources, developing a variety of training programs, and promoting active participation of diverse human resources and workstyle reforms.</p> <p>&lt;Pickup examples&gt; see page 30</p> <ul style="list-style-type: none"> <li>Increasing recruitment of human resources with outstanding expertise</li> <li>Efforts on promoting active participation by women and workstyle innovations</li> </ul>
	Main SDGs	
		
	<b>Providing services that solve social issues</b>	<p>We strive for a convenient, safe, and reliable social infrastructure by providing various IT services and solutions.</p> <p>&lt;Pickup examples&gt; see page 31</p> <ul style="list-style-type: none"> <li>Using the world's most accurate global high-resolution 3D map, AW3D</li> </ul>
	Main SDGs	
		
Environment	<b>Environmental Management</b>	<p>We work on reducing our environmental impact through creating and expanding environmentally friendly solutions, etc., and reducing the environmental impact in business activities of NTT DATA.</p> <p>&lt;Major example&gt;</p> <ul style="list-style-type: none"> <li>Launch of service of Mitaka Data Center East equipped with state-of-the-art environmental performance</li> </ul> <p>We take into account environmental impact reduction by adopting energy saving technologies.</p>
	Main SDGs	
		

>Reference See pages 45 to 47 for efforts regarding governance.

## Human resource management

Increasing recruitment of human resources with outstanding expertise

~ Advanced Professional (hereafter called: ADP) system established to recruit human resources with high expertise ~

Expectations are rising for digital transformation, such as cost reduction, improvement of operational efficiency, and creation of new businesses using advanced technologies.

In light of this background, we established an ADP system in December 2018 to achieve our clients' digital transformation faster without fail. This system is for recruiting "outstanding human resources" with excellent expertise in the field of advanced technologies with compensation according to market value on as needed and timely basis.

(Target human resources)

- Top class domestic/overseas researchers and engineers in the field of advanced technologies, such as AI, IoT, and cloud
- Human resources with experience of developing advanced services and marketing in the field of advanced technologies and consulting

Efforts on promoting active participation by women and workstyle innovations

~ NTT DATA selected as "Semi-Nadeshiko Brand" by Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange (TSE)~

NTT DATA recognizes diversity management as an important management strategy for global competitiveness and aims to further create a corporate value by promoting active participation of diverse human resources and workstyle innovations. We make various efforts aiming to achieve a work environment in which each employee can participate actively, particularly, by promoting active participation by women and optimizing overall work hours through workstyle innovations.

(Major efforts)

- A forum held by top management to talk about their own views on diversity
- Career development support training for female lead candidates and their superiors
- Development and management training for female managers
- Appointed a female senior vice president as the secretary general of the Board of Directors (FY2018)
- Promotion of acquisition of paid leave (Refreshment leave and Anniversary leave systems)
- Reviewed the telework system which enables flexible work style (FY2018)



These efforts were recognized and NTT DATA was selected jointly by METI and TSE as "Semi-Nadeshiko Brand," which is a status for listed companies making excellent efforts in promoting active participation by women.

>Reference

See page 39 for efforts made to increase the number of female managers.

## Providing services that solve social issues

Using the world's most accurate global high-resolution 3D map, AW3D  
 ~ Winner of the Grand Prize at JISA Awards 2018 ~

AW3D is a digital 3D map jointly developed and launched by NTT DATA and Remote Sensing Technology Center of Japan. It displays a global topography at a resolution as high as 0.5 meters with the world's highest accuracy. The service is achieved with short delivery time and low cost using AI and big data technology. AW3D data of over 115 countries are used in areas such as disaster prevention, resources, construction, communication, and electric power.

The achievement was recognized and was awarded a "Winner," the grand prize of "JISA Awards 2018" by the Japan Information Technology Service Industry Association (JISA). The JISA Awards honors creators of highly original and internationally applicable systems.

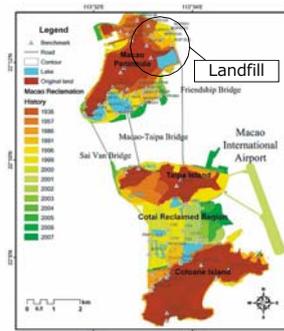
Going forward, we will continue to provide real-time data in a timely manner; aim to further resolve social issues in a wide range of fields such as urban planning, communication services, transportation, disaster prevention, and aviation; expand the use of geospatial information; and promote market creation around the world.

### ■ Example of Achievements

Category	Area of Activity (Country)	Contribution
Disaster prevention /mitigation	Vietnam	Identification of locations in danger of landslide disasters along trunk roads
	Nepal	Creation of hazard map for long-term recovery planning following large Earthquake
	Indonesia	Disaster mitigation by forecasting products of volcanic eruption
Infrastructure	Countries around the world	In the electricity field, more efficient research into wind power generation Locations
Resources	Tanzania	In the water resources field, planning the use of underground water
Hygiene	Nigeria, Niger	In the hygiene field, measures to address epidemics
Urban planning	Countries around the world	In the urban planning field, selecting locations for wireless base stations

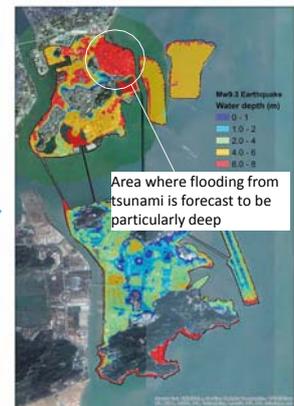
### ■ Tsunami Hazard Map Using Flood Simulation (Macau)

[Redevelopment Progress]



Legend: Brown indicates land Source: Reclamation evolution of Macau [Jiang et al., 2011]

[Tsunami Hazard Map]



Legend: Red indicates flooding of 6.0–8.0m Source: Dr. Linlin Li of Earth Observatory of Singapore

## 2. Progress of Technical Development

The Group's main business, system integration (SI), is seeing some improvement with the gradual recovery of the Japanese economy. However, it is still exposed to a very tough competitive environment. In order to beat the competition in such environment, we are focusing our R&D efforts on "production technology innovation", for faster and higher quality system development. In addition, we are also working on the "leading-edge technologies" with which we proactively incorporate new technological trends. With these two initiatives, we combine a development capability which enables us to respond flexibly to circumstantial changes, and are working to strengthen our R&D so that we can propose and deliver attractive systems to our clients.

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

The R&D costs for the consolidated fiscal year under review were 15.1 billion yen. The results of the R&Ds, which are commonly applicable to the Public & Social Infrastructure, the Financial, the Enterprise & Solutions, the North America and the EMEA & LATAM segments, are not separately recorded by each segment.

### [Production Technology Innovation]

We have been working to achieve high speed and high quality development by automating software development, which has given us a significant competitive edge. With this background, adding to further advancement in automation technology, we have undertaken legacy modernization <sup>(Note 1)</sup> and accelerated innovation in our development processes so that we can respond with agility to changes in development environments, and in our clients' business environments. Additionally, we are promoting standardization initiatives on a global level.

<We enhanced information security measures inside and outside Japan as a leading IT company>

As a leading IT company, we have protected important infrastructures indispensable to everyday life with our solid security technologies since the advent of the Internet, ahead of our competitors. As cyberattacks on information systems are becoming fiercer, we have further enhanced our security measures.

- In September 2018, we signed a partnership agreement with Ierae Security, Inc. and Kobe Digital Labo Inc. that have advanced technology in security. This was to provide threat analysis services for controlling systems including monitoring control systems used in plants or electric power infrastructures and production line management systems used by manufacturers.
- We implemented "Tanium", which is capable of detecting, dealing with, and recovering from threats, reacting to ever-changing end-point <sup>(Note 2)</sup> situations in our domestic and overseas Group sites. We also began gradually implementing "Exabeam" or the Group's security management platform, which can centrally collect and analyze logs from network and end-point equipment. These efforts helped to improve the Group's information security level. On the basis of the expertise we had garnered from these solutions implemented for the Group's sites, both NTT DATA and NTT DATA INTELLILINK Corporation began to collaborate with Tanium Inc. in November 2018 and with US Exabeam, Inc. in January 2019 to provide more advanced security consulting services to our clients.
- While there is a growing concern over human resource shortages in the security field due to the high level of expertise required, the Group made active efforts to develop security human resources and improve their skills. In FY2018, more than 8,300 employees obtained the "security human resources certification" promoted by the NTT Group to play an active role inside and outside Japan.
- To prevent growing security damages across the globe, we published a quarterly report on global trends in cyber security and their future outlook in both Japanese and English. We cooperated with TV broadcasters, newspapers, and journals for their coverage.

### [Leading-edge Technologies]

NTT DATA has particularly focused on the technology themes of AI, IoT and advanced technology of IT

infrastructure (e.g., blockchain) and put priority on investment in PoCs for applicable research topics and clients. As a means of discerning research topics for the mid- to- long term, we try to grab the changes in the future with four perspectives such as politics, economy, society and technology in order to derive the “information society trend” and “technology trend” of near-future and formulate and publish these as NTT DATA Technology Foresight<sup>(Note 3)</sup>.

<We opened a design studio, AQUAIR in Roppongi and enhanced our global network to realize our customers’ digital businesses>

●In June 2018, we opened a design studio, “Fluid Experience Design Studio: AQUAIR (hereafter the Studio)” to seamlessly realize our clients’ digital businesses from planning through proof of concept (POC) to marketing. The Studio is a facility where clients can experience cutting-edge technologies and work style. It also has a temporary store to perform POC. In FY2018, more than 100 clients and partners visited the Studio, where they had various experiences and tried out technical validation to realize new services that would integrate digital and real spaces. Through our “NTT DATA Design Network”<sup>(Note 4)</sup> that coordinates the Group’s international design studios, including this Studio (a total of 15 sites globally), we shared human resources adept in UX/UI<sup>(Note 5)</sup> and various case studies and promoted cross-border projects.

#### Notes:

##### 1. Legacy Modernization

The entire operations realized by the current system, which has been maintained for a long period of time (legacy system), are becoming difficult to understand with the system becoming increasingly enlarged, complex, and dependent on individual skills from repeated additional developments. The aim of legacy modernization is to clear the specifications of such black-box systems, utilize existing assets, and renovate them into new systems.

##### 2. End-point

A terminal such as a PC, smartphone or server, connected to the network.

##### 3. NTT DATA Technology Foresight

The near-future vision of the information society (information society trend) and IT-related technology trend. 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 annually.

##### 4. “NTT DATA Design Network”

The NTT DATA Group’s network to facilitate business designs from a wider perspective by enabling our 15 global design studios to share both case studies and know-how or to support projects.

##### 5. UX (User Experience) – UI (User Interface)

UX (User Experience) is an experience and accompanying emotion that the user obtains when interacting with a product or a service. UI (User Interface) is an interface between a user and a service, and a mechanism through which information is exchanged between the two.

### 3. Challenges to be addressed

[Outlook of the business environment]

As the trend of digital transformation accelerates due to the further advances in technology, our clients' needs including those for business expansion and new business creation through strategic IT utilization are increasingly diversified and sophisticated. For solving environmental/social challenges as typified by Sustainable Development Goals (SDGs) in addition to the further growth of clients' businesses, we believe that IT will play greater and more important roles globally.

[Challenges identified in the previous Medium-Term Management Plan]

Under the previous Medium-Term Management Plan (FY2016-FY2018), we considered the restraint on unprofitable projects and the improvement in the profitability of overseas businesses as a significant management subject. While there were some positive effects for restraining unprofitable projects thanks to the Project Review Committee and other initiatives, we will continue to work towards further restraint on such projects. With respect to the improvement in the profitability of overseas businesses, we also recognize that continued efforts for profitability improvement are necessary as we have made prior investment to expand the business scale and enhance technological capabilities.

Additionally, with a view to maximizing value we offer to our clients, we need to keep pace with their further accelerating needs for digital transformation and work towards maximizing our Group's global synergy in order to realize even greater sustainable growth.

[New Medium-Term Management Plan]

Given the business environment outlook and challenges mentioned above, the NTT DATA Group has set a Medium-Term Management Plan for years between FY2019 and FY2021 as follows:

<Key principles>

We will aim for growth which comes with quality in a global scale with our consistent belief and courage to change.

<Medium-term strategy>

With our "consistent belief," we will stick to our basic principle of "creating a future society together with our clients" and contribute to society through co-creation with our clients based on our Group's source of competitive advantage that is "Long-term Relationships" with clients. At the same time, we will practice ESG management for sustainable improvement of our corporate value by promoting work-style reforms and other initiatives in our corporate activities and thereby contributing to realization of a society where people feel rewarded by working.

As well, with our "courage to change," we will implement three strategies through which we will further accelerate digital transformation and maximize our global synergy to offer maximized value to our clients.

Strategy 1. Enhancing global digital offering

By deciding priority industries and technologies and making aggressive investment in such fields, we will create "strength" (offering), accelerating global cooperation which is integrated with marketing/technology application support. Specifically, we will improve our loyalty programs to individual clients and accelerate cooperation in industries while advancing external relation and promoting sharing and increasing of best practices.

As well, by formulating a digital offering strategy which consolidates expertise in the industry and making aggressive investment in co-creation projects with clients while utilizing open innovation, we will create high-valued offering.

In addition, we will realize fast creation and rollout of offering by accelerating consolidation and utilization of assets <sup>(Note 1)</sup> through enhancement of Center of Excellence <sup>(Note 2)</sup>.

Through these measures, we will promote expansion of digital business through integrated efforts of our Group companies across the globe.

Strategy 2. Advancing value we provide to clients according to their regional characteristics

By advancing value we provide to clients through promotion of 4D Value Cycle <sup>(Note 3)</sup> according to their regional characteristics, we will further grow our client base that was made up of 70 companies <sup>(Note 4)</sup> as of the end of FY2018. Specifically, we will promote the following: “Creation of new value by leveraging our strengths in existing fields” in Japan; “Rapid business expansion based on the strong market growth” in China and APAC; “Creation of strengths and increase of pillar clients by focusing on priority” in North America; and “Enhancement of value offered to clients through integrated management of three companies <sup>(Note 5)</sup>” in EMEA and Central and South America.

Strategy 3. Maximization of our organizational strength by boosting abilities of all employees across the globe

With globally-shared value, we will promote collaboration and strive to maximize the organizational strength while improving abilities of individuals. Specifically, we will increase digital capabilities of all employees to bring out their maximum professionalism while improving employee engagement by revising systems and designs according to their diverse forms of self-fulfillment.

As a work-style reform using digital technology, we will develop a platform through which expertise and knowhow can be shared globally and promote collaboration while further increasing productivity by continuing to improve production technology for the next generation.

As well, we will further enhance our risk management by, for example, restraining unprofitable projects that were challenges addressed under the previous Medium-Term Management Plan, with a view to developing an appropriate governance system.

In addition to the above, we will promote enhanced cooperation with other NTT Group companies, create new value as a result of the NTT Group’s efforts, and increase our presence in the global market. Specifically, as cooperation in advanced fields, we will use results of fundamental R&D activities and the future-generation technological R&D activities globally and strive to provide advanced solutions and services.

As cooperation in each region, we will set out to grow our business even more by providing our clients total services which combine strengths of different NTT Group companies in infrastructure, security services, etc.

We will also promote cooperation to achieve economies of scale by consolidating procurement of the entire NTT Group and reducing costs.

<Medium-Term Management Target>

Net Sales	2.5 trillion yen
Client Base	Over 80 companies <sup>(Note 4)</sup>
Operating Income Margin	8% <sup>(Note 6)</sup>
Overseas EBITA margin	7% <sup>(Note 6)</sup>

Notes:

1. Assets: Constituents of a system including materials, software, license (right of use), etc.
2. Center of Excellence: A base which conducts advanced R&D activities and plays a central role in creating/developing human resources and businesses
3. 4D Value Cycle: Value provision model shared in NTT DATA, aiming to deepen relationships with clients by repeating the cycle of Discover, Design, Develop, and Drive.  
Discover: Forecasting the market and clients’ needs, judging new technology  
Design: Grand plan with a view to collaboration of various businesses and services  
Develop: Creating and offering solutions based on advanced system construction abilities and applicability  
Drive: Support for clients’ maximum utilization of solutions
4. Included are the clients from which we earn annual net sales of 5 billion yen or more (Japan) or 50 million US dollars or more (outside of Japan)
5. NTT DATA EMEA, everis, and Business Solutions
6. Temporary costs related to M&A, structural reform, etc. are excluded.

Please note that statements concerning the future are based on a certain assumption made from information available to NTT DATA Group at the end of the fiscal year under review and that actual business performance can greatly vary due to various factors.

#### 4. Changes in Assets and Profit and Loss

##### Changes in Assets and Profit and Loss of the Corporate Group

Items	(¥ million, except for net income per share [yen])		
	Year	30 <sup>th</sup> Fiscal Year (2017)	31 <sup>st</sup> Fiscal Year (2018)
Net sales		2,039,690	2,163,625
Operating income		123,120	147,716
Income before income taxes		122,704	146,914
Net income attributable to shareholders of NTT DATA		82,392	93,616
Net income per share		59	67
Total assets		2,270,203	2,476,062
Total equity		860,506	966,809
(Reference) New orders received		1,950,033	2,076,088

Notes:

1. Consolidated financial statements are prepared based on IFRS starting from FY2018. For a comparison purpose, the results of FY2017 based on IFRS are provided alongside.
2. Net income per share is calculated based on the average number of shares outstanding during the fiscal year.
3. Conducted stock split which shall split of common stock at a ratio of 1:5 as the effective date of July 1, 2017. For net income per share, calculated based on the assumption that the stock split was conducted at the beginning of FY2017.

Items	Year	(¥ million, except for net income per share [yen])			
		27 <sup>th</sup> Fiscal Year (2014)	28 <sup>th</sup> Fiscal Year (2015)	29 <sup>th</sup> Fiscal Year (2016)	30 <sup>th</sup> Fiscal Year (2017)
Net sales		1,511,812	1,614,897	1,732,473	2,117,167
Operating income		84,013	100,885	117,109	123,522
Ordinary income		77,909	98,158	112,993	121,563
Net income attributable to owners of parent		32,144	63,373	65,686	58,173
Net income per share		23	45	47	41
Total assets		1,822,837	1,860,319	2,238,941	2,234,277
Net assets		806,205	773,670	833,715	868,863
(Reference) New orders received		1,429,117	1,662,662	1,781,565	2,021,195

Notes:

1. Net income per share is calculated based on the average number of shares outstanding during the fiscal year.
2. Conducted stock split which shall split of common stock at a ratio of 1:5 as the effective date of July 1, 2017. For net income per share, calculated based on the assumption that the stock split was conducted at the beginning of FY2014.
3. Since FY2017, we have revised our accounting policies partially. With the accounting policy revision applied retroactively, total assets and net assets for FY2016 are shown in values after the retroactive application.

## 5. Capital Investments

The amount of capital investments in this consolidated fiscal year under review is 179,214 million yen (down by 8.0% compared to the preceding term). The major component of them was the investment in the financial field.

## 6. External Financing

The Group has borrowed money from NTT FINANCE CORPORATION etc. to allocate funds, etc. for M&A related matters in this consolidated fiscal year.

## 7. Parent Company and Principal Subsidiaries

### (1) Relationship with parent company

As of November 2, 2018, transfer of 760,000,000 shares (voting right ratio 54.19%) of NTT DATA from the ultimate parent company of NTT DATA, NIPPON TELEGRAPH AND TELEPHONE CORPORATION, to its wholly-owned subsidiary NTT, Inc. was completed. Accordingly, NTT, Inc. has become our direct parent company.

Our commercial transactions with NTT, Inc. include convenience provided by NTT, Inc. for our promotion of global business. Also, our commercial transactions with NIPPON TELEGRAPH AND TELEPHONE CORPORATION include services and convenience for our company in relation to research and development of basic systems conducted by the company and its group management.

### (2) Principal subsidiaries

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
<b>■ Public &amp; Social Infrastructure Segment</b>			
NTT DATA i CORPORATION	100.0%	Tokyo	System design/development
NTT DATA KYUSHU CORPORATION	100.0%	Fukuoka Prefecture	System design/development
NTT DATA TOKAI CORPORATION	100.0%	Aichi Prefecture	System design/development
NTT DATA KANSAI CORPORATION	100.0%	Osaka Prefecture	System design/development
<b>■ Financial Segment</b>			
NTT DATA SYSTEM TECHNOLOGIES INC.	97.1%	Tokyo	System design/development
NTT DATA CUSTOMER SERVICE CORPORATION	100.0%	Tokyo	Systems operation/maintenance
NTT DATA FINANCIAL CORE CORPORATION	100.0%	Tokyo	System design/development
NTT DATA FORCE CORPORATION	90.0%	Kanagawa Prefecture	System design/development
NTT DATA FRONTIER CORPORATION	56.9%	Tokyo	System design/development
NTT DATA SOFIA CORPORATION	85.0%	Tokyo	System design/development
NTT DATA Getronics Corporation	70.0%	Tokyo	System design/development
XNET Corporation	51.0%	Tokyo	System sales
Japan Information Processing Service Co.,Ltd.	80.0%	Tokyo	System design/development
<b>■ Enterprise &amp; Solutions Segment</b>			
NTT DATA SMS CORPORATION	100.0%	Tokyo	Systems operation
NTT DATA INTRAMART CORPORATION	46.8%	Tokyo	Package software sales
NTT DATA WAVE CORPORATION	80.1%	Tokyo	System design/development
NTT DATA BUSINESS SYSTEMS CORPORATION	100.0%	Tokyo	System design/development

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
NTT DATA ENGINEERING SYSTEMS CORPORATION	100.0%	Tokyo	System design/development
NTT DATA CCS CORPORATION	60.0%	Tokyo	System design/development
NTT DATA MSE Corporation	45.0%	Kanagawa Prefecture	System design/development
JSOL Corporation	50.0%	Tokyo	System design/development
NJK CORPORATION <sup>(Note 3)</sup>	100.0%	Tokyo	System design/development
NTT DATA Global Solutions Corporation	100.0%	Tokyo	System design/development
NTT DATA MHI Systems Corporation	51.0%	Tokyo	System design/development
QUNIE CORPORATION	100.0%	Tokyo	Consulting
Netyear Group Corporation <sup>(Note 4)</sup>	48.5%	Tokyo	SIPS (Strategic Internet Professional Services ) business <sup>(Note 5)</sup>
<b>■ North America Segment</b>			
NTT DATA, Inc.	100.0% (100.0%)	Massachusetts, U.S.A.	Consulting, system design/development
NTT Data International L.L.C.	100.0%	New York, U.S.A.	Supervision of North American operating subsidiaries
NTT DATA Enterprise Services Holding, Inc.	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
NTT DATA Consulting, Inc.	100.0% (100.0%)	North Carolina, U.S.A.	Consulting, system design/development
NTT DATA Services International Holdings B.V.	100.0%	Amsterdam, Nederland	Consulting, system design/development
NTT DATA Services Holdings Corporation	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
NTT DATA Services, LLC	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
<b>■ EMEA &amp; LATAM Segment</b>			
<b>EMEA</b>			
NTT DATA EMEA LTD.	100.0%	London, England	Supervision of European operating subsidiaries
<b>Everis</b>			
EVERIS PARTICIPACIONES, S.L.U.	100.0%	Madrid, Spain	Consulting, system design/development
<b>business solutions</b>			
itelligence AG	100.0% (100.0%)	Bielefeld, Germany	Consulting, system design/development
NTT DATA EUROPE GmbH & CO. KG	100.0% (5.0%)	Bielefeld, Germany	Supervision of overseas SAP operating subsidiaries
<b>■ Others</b>			
NTT DATA MANAGEMENT SERVICE CORPORATION	70.0%	Tokyo	Administrative agent business
NTT DATA INTELLILINK CORPORATION	100.0%	Tokyo	System design/development
<b>APAC</b>			
NTT DATA ASIA PACIFIC PTE. LTD.	100.0%	Singapore	Supervision of APAC operating subsidiaries
<b>China</b>			
NTT DATA (CHINA) INVESTMENT Co., LTD.	100.0%	Beijing, China	Supervision of China operating subsidiaries

Notes:

- In addition to the above, there were 266 subsidiaries as of March 31, 2019.
- Figures in parentheses in the column of NTT DATA's voting right ratio show the ratio of indirectly owned voting rights included therein.
- Effective April 1, 2019, NJK CORPORATION changed its trade name to NTT DATA NJK Corporation.
- The company whose shares were acquired by NTT DATA during this fiscal year under review.
- SIPS (Strategic Internet Professional Services) business: Business that provides support, etc. for marketing activities based on the internet technology
- There are no subsidiaries that fall under the category of designated wholly-owned subsidiary.

## 8. Employees

Number of Employees (persons)	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)
123,884	+5,878

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

(For reference) Employees of NTT DATA

Gender	Number of Employees (persons)	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)	Average Age (years old)	Average Working Years (years)
Male	8,935	-82	39.9	15.9
Female	2,375	+129	34.1	10.9
Total (Average)	11,310	+47	38.7	14.9

Notes:

1. The number of employees above does not include the persons who transferred to other companies, but includes the persons who transferred from other companies.
2. 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.

(For reference) Efforts to increase the number of female managers

As part of the diversity initiative, we have especially promoted women's active engagement and set a target of maintaining the rate of new female employees at 30% or more and increasing the number of female managers to 200 or more and the number of female executives (e.g., officers and organization heads) to 10 or more by the end of FY2020. In particular, we have helped female employees play important roles by sending them to career development support programs and external training programs and establishing the in-house nursery facility "Egg Garden." Through continuous efforts, the number of female managers has increased steadily.

See page 30 for efforts on promoting active participation by women and workstyle innovations

## 9. Principal Lenders

Name of Lender	Borrowings Outstanding (¥ million)
NTT FINANCE CORPORATION	279,819
Mizuho Bank, Ltd.	64,758
Development Bank of Japan Inc.	10,000
Shinkin Central Bank	8,000
The Norinchukin Bank	7,798

## 2 MATTERS CONCERNING SHARES

1. Total number of shares authorized to be issued by the company 5,610,000,000shares
2. Total number of shares issued 1,402,500,000shares  
(Including 953 shares of treasury stock)
3. Number of shareholders 76,698persons
4. Principal shareholders

Name	Number of Shares Held	Ratio of Shareholding (%) (Note 1)
NTT, Inc. (Note 2)	760,000,000	54.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	134,192,500	9.57
Japan Trustee Services Bank, Ltd. (Trust Account)	66,216,200	4.72
Japan Trustee Services Bank, Ltd. (Trust Account 9)	17,583,300	1.25
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	17,067,400	1.22
NTT DATA Employee Share-Holding Association	13,954,500	0.99
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing agent: Mizuho Bank, Ltd.)	10,312,672	0.74
Japan Trustee Services Bank, Ltd. (Trust Account 5)	10,274,600	0.73
JP MORGAN CHASE BANK 385151 (Standing agent: Mizuho Bank, Ltd.)	9,712,334	0.69
THE BANK OF NEW YORK MELLON 140042 (Standing agent: Mizuho Bank, Ltd.)	9,158,301	0.65

Notes:

- Ratio of Shareholding has been calculated after deducting treasury stock (953 shares).
- As of November 2, 2018, transfer of 760,000,000 shares (voting right ratio 54.19%) of NTT DATA from the ultimate parent company of NTT DATA, NIPPON TELEGRAPH AND TELEPHONE CORPORATION, to its wholly-owned subsidiary NTT, Inc. was completed. Accordingly, NTT, Inc. has become our direct parent company.

### 3 MATTERS CONCERNING DIRECTORS AND AUDITS

#### 1. Name of Directors and Audits

(Directors)

Position	Name	Areas of responsibility and Principal Concurrent Positions
Representative Director, President and Chief Executive Officer	Yo Honma	Director of NTT, Inc.
Representative Director and Senior Executive Vice President	Keiichiro Yanagi	Head of HR Headquarters Responsible for Corporate Strategy, Human Resource Management, Finance (CFO), Investor Relations, Risk Management (CRO), and Public Relations Executor of business for the Limited Liability Partnership of Regional Revitalization/Value Partner 2020
Representative Director and Senior Executive Vice President	Shigeki Yamaguchi	Responsible for Public & Social Infrastructure Segment, Enterprise & Solutions Segment and China & APAC Segment Representative Board Member of Japan ID Connect with Secure Authentication Promotional association, a general incorporated association Representative Board Member and Vice Chairperson of Japan Institute of Information Technology, a public interest incorporated association
Representative Director and Senior Executive Vice President	Toshi Fujiwara	Responsible for Financial Segment, Americas & Europe Segment and Global Marketing Director of Board, NTT Data International L.L.C. Director of the Center for Financial Industry Information Systems
Director and Executive Vice President	Tsuyoshi Kitani	Head of Technology and Innovation General Headquarters Responsible for Technology Strategy (CTO) and Information Security (CISO)
Director and Executive Vice President	Shunichi Takeuchi	Deputy responsible for Public & Social Infrastructure Segment
Director and Executive Vice President	Koji Ito	Head of North America Sector Head of EMEA & LATAM Sector Deputy responsible for Americas & Europe Segment Chairman of Board, NTT Data International L.L.C. Director of Board, NTT DATA EMEA LTD. Director of Board, EVERIS PARTICIPACIONES, S.L.U. Supervisory Board, itelligence AG Director of Board, NTT DATA EUROPE GmbH & Co. KG
Director	Outside director Independent officer	Yukio Okamoto
Director	Outside director Independent officer	Eiji Hirano
Director		Takashi Ebihara
Director		John McCain

## (Audits)

Position	Name	Areas of responsibility and Principal Concurrent Positions
Standing Audit <span style="background-color: #cccccc; padding: 2px;">Outside audit</span>	Tetsuro Yamaguchi	
Standing Audit <span style="background-color: #cccccc; padding: 2px;">Outside audit</span>	Tetsuya Obata	
Standing Audit <span style="background-color: #cccccc; padding: 2px;">Outside audit</span> <span style="background-color: #ffcc00; padding: 2px;">Independent officer</span>	Katsura Sakurada	
Audit <span style="background-color: #cccccc; padding: 2px;">Outside audit</span> <span style="background-color: #ffcc00; padding: 2px;">Independent officer</span>	Rieko Sato	Lawyer Partner, Ishii Law Office Director (audit and supervisory committee member), Dai-ichi Life Holdings, Inc. Director, J. Front Retailing Co., Ltd.

### Notes:

- Four directors Toshio Iwamoto, Eiji Ueki, Kazuhiro Nishihata and Hiroyuki Aoki resigned at the conclusion of the 30th Ordinary General Meeting of Shareholders held on June 19, 2018.
- Two audits Yukio Ishijima and Akio Nakamura resigned at the conclusion of the 30th Ordinary General Meeting of Shareholders held on June 19, 2018.
- Director Shigeki Yamaguchi resigned from the post of an executor of business for the Limited Liability Partnership of Regional Revitalization/Value Partner 2020, during this fiscal year. Director Yukio Okamoto resigned from the post of director at Mitsubishi Materials Corporation due to the completion of term during this fiscal year.
- NTT DATA and each of its directors (Yukio Okamoto, Eiji Hirano, Takashi Ebihara and John McCain) and audits are in 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.
- Audit Tetsuya Obata has served the financial division of NIPPON TELEGRAPH AND TELEPHONE CORPORATION and has considerable financial and accounting knowledge. Audit Katsura Sakurada has professional experience at the Board of Audit of Japan and has considerable financial and accounting knowledge.
- Audit Rieko Sato concurrently serves Dai-ichi Life Holdings, Inc., which maintains a business relationship with NTT DATA. However, the transaction amount accounts for less than 1% of the non-consolidated net sales of NTT DATA in this fiscal year.

## 2. Policies concerning, and Total Remuneration of, Directors and Audits

### (1) Policies

As for policies, composition and standard of remuneration of our directors, 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 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 in consideration of the company's achievement level of performance indicators such as operating income for a relevant period. As for standing directors, in order 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 and bonuses. Each director is also required to retain all the shares purchased by himself or herself during his or her term of office. The remuneration composition, in a standard performance case, is approximately 70% for fixed remuneration and 30% for performance linked remuneration. Also, in aim of achieving both the medium-term management plan and sustainable growth and strongly aware of enhancing corporate value in medium to long term, we will consider increasing the percentage of performance linked remuneration, such as stock compensation, of total remuneration.

- Outside directors are paid only monthly remuneration, unrelated to business performance in order to ensure a high degree of independence.

The remuneration of audits shall be determined by the audit after consultation. For the purpose of securing a high degree of independence of the audits, their remuneration is not linked to the business results and the audits receive monthly compensation only.

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

Position	Number of Persons	Amount of Remuneration
Director	14 persons	387 million yen
Audit	6 persons	102 million yen
Total	20 persons	489 million yen

Notes:

1. The above includes four directors and two audits who retired at the conclusion of the 30<sup>th</sup> Ordinary General Meeting of Shareholders held on June 19, 2018.
2. Concerning the limit of remuneration for the directors and audits, 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 audits at 150 million yen in a year.
3. The amount of remuneration includes the director bonus of 81 million yen.

### 3. Outside Directors and Audits

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

The status of outside directors and outside audits regarding important concurrent positions held at other companies is as indicated in “1. Name of Directors and Audits” above and there is no significant transaction between these companies and NTT DATA.

(2) Main activities during the fiscal year

Position	Name	No. of Board of Directors' meetings attended (Attendance rate)	No. of Audit & Supervisory Board meetings attended (Attendance rate)	Main Activities
Outside Director	Yukio Okamoto	18/18 (100%)	- (-)	He made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business. He provided opinions based on his extensive knowledge and insight about the international situation in particular as an expert.
	Eiji Hirano	18/18 (100%)	- (-)	He made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business. He provided opinions based on his abundant experience especially in the financial segment and his extensive expertise in financial affairs and international finance.
Outside Audit	Tetsuro Yamaguchi	18/18 (100%)	17/17 (100%)	He made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business. He also provided opinions from his wide perspective and experience based on a tremendous track record in corporate management in the NTT Group including overseas operations.
	Tetsuya Obata	14/14 (100%)	10/10 (100%)	He made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business. He also provided opinions based on his experience in the finance and general affairs sectors as well as a tremendous track record in corporate management in the NTT Group.
	Katsura Sakurada	14/14 (100%)	10/10 (100%)	He made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business. He provided opinions based on his abundant experience and extensive expertise concerning audits for finance, accounting and business execution gained from his long years of professional services at the Board of Audit of Japan.
	Rieko Sato	17/18 (94%)	16/17 (94%)	She made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business and from the professional standpoint as a lawyer.

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

	Number of Persons	Amount of Remuneration
Total Amount of Remuneration for Outside Directors and Audits	8persons	126 million yen

Notes:

1. The above is included in the section "2. (2) Total amount of remuneration for directors and audits during the fiscal year".
2. The above includes two outside audits who retired at the conclusion of the 30th Ordinary General Meeting of Shareholders held on June 19, 2018.

## 4 Circumstances of Corporate Governance

### 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, client needs and the cutting-edge technology trend.

Under this management philosophy, NTT DATA Group set the Medium-Term Management Plan from FY2016 to FY2018, pursued business growth in regions around the world, had key principles, NTT DATA: ASCEND (Rise and grow our global brand) to enhance our brand value as a global brand by increasing our local presence and using global synergy effects, and carried out the global strategy: “Game-Changing Approach” and “Breakthrough Technology.” Since FY2019 NTT DATA Group has adopted a new Medium-Term Management Plan and started taking various measures for sustainable growth accordingly.

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 enterprise 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 audits 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 NTT, Inc. and NIPPON TELEGRAPH AND TELEPHONE CORPORATION, the parent companies 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, officers responsible for regions and segments and 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 responsible for regions and segments 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 considers 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 “the Whistle Line,” which is a cross-sectional internal reporting system in the Group, receiving any declaration from the inside and the outside of the company, 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. Overview of Corporate Governance Structure and Others

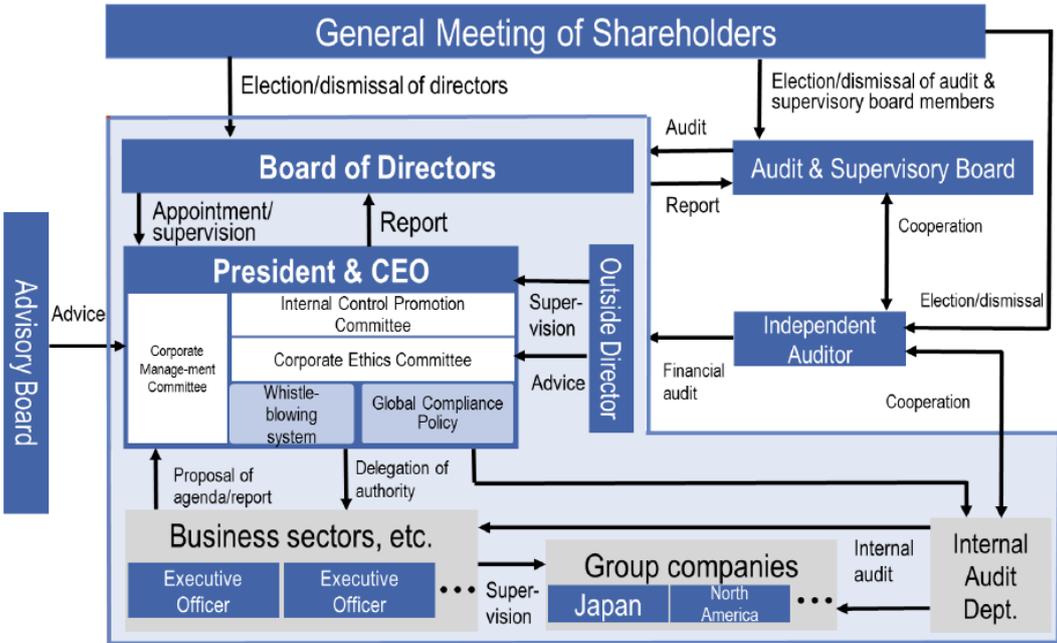
NTT DATA is a company with Audit & Supervisory Board. We established the Audit & Supervisory Board determining the auditing system by outside audits is effective as a function to monitor its corporate management and therefore adopts the company with corporate auditors system. The General Meeting of Shareholders, the Board of Directors, and the Audit & Supervisory Board are established as the company’s organizations. We also established the Corporate Management Committee in an effort to make decision-making in our business execution as fast as possible.

The Board of Directors consists of 11 directors in total including 2 independent outside directors and engages in decision-making and monitoring for important matters related to corporate management and items stipulated under the laws and regulations by holding an ordinary meeting once a month and extraordinary meeting as necessary.

The Audit & Supervisory Board consists of 4 outside audits including 1 female audit. In principle, it is held once a month every month to make decisions on the policies, plans, and methods of the audit as well as other important matters related to the audit. Each of these audits participates in important meetings such as the Board of Directors and implements audit on the status of business execution as appropriate, and a specialized organization (Office for Audit & Supervisory Board Members) is established to support it.

The Corporate Management Committee consists of the president and CEO, senior executive vice presidents, officers responsible for regions and segments, and heads of related important organizations and is held once a week every week in principle to perform smooth and quick decision-making and monitoring on matters related to business operation.

The framework of the Company’s system of business execution, monitoring of corporate management and internal control is shown as below.



### 3. Assessment of effectiveness of the entire Board of Directors

The Board of Directors determines important matters, etc. related to company management and group management and implements the monitoring of the execution status of directors with the job execution status report every quarter.

Additionally, with the purpose of enhancing the functions of the Board of Directors and to enhance corporate value, the Board has been implementing self-evaluation and analysis on the effectiveness of the Board of Directors since FY2016. The Board implemented self-evaluation and analysis also in FY2018, its 3rd year, just like the previous business year. General information is provided as below.

#### (1) Method of implementation

When: October 2018

Evaluation method: Implemented a questionnaire for all directors/audits who were members of the Board of Directors. (Each question was answered in a five-grade scale. In addition, each question category provided a field available for any comment.)

Responding method: Directly responded to external organization in order to secure anonymity.

#### (2) Evaluation results

Based on the reports of aggregate results from an external organization, we implemented analysis, discussion, and evaluation from December 2018 to February 2019. We reported the evaluation results to the Board of Directors and the Board examined its details and engaged in discussions on policies towards further improvement.

As a result, we have received mostly positive evaluation on the structure and operation of the Board of Directors and consider that effectiveness of the entire Board of Directors is secured.

Furthermore, with regards to further deepening and enhancement of discussions concerning corporate strategy and further improvement of report details concerning investors' opinions implemented for issues we found through our previous year's actions, we had better evaluation scores and received a certain level of evaluation that improvements were being made.

#### (3) Actions based on evaluation results, etc.

In general, as we have found issues we should continue to work on whilst confirming that improvements have been made since the previous year, we have determined the operation policy towards improvement including ingenuity in the operation of the Board of Directors in addition to the approaches mentioned below.

- Further deepening and enhancement of discussions on corporate strategy (continued)
- Enhancement of information and opportunities towards acquisition of greater knowledge on latest technology trends, our businesses, etc.
- Further enhancement of communication opportunities between outside directors and audits and so on

We will continuously implement evaluation on the effectiveness of the Board of Directors and proceed with the approach to improve its functions.

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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 Statement of Financial Position

(Unit: ¥ million)

Account title	By fiscal year	31 <sup>st</sup> FY (As of March 31, 2019)	[Reference] 30 <sup>th</sup> FY (As of March 31, 2018)
<b>Assets</b>			
Current assets		974,467	850,450
Cash and cash equivalents		251,309	190,070
Trade and other receivables		549,126	485,363
Contract asset		81,929	81,948
Inventories		15,294	21,543
Other financial assets		9,440	11,895
Other current assets		67,369	59,631
Non-current assets		1,501,595	1,419,752
Property, plant and equipment		355,717	348,398
Goodwill		357,014	335,887
Intangible fixed assets		444,444	431,412
Investment property		27,331	27,384
Investments accounted for using the equity method		6,573	6,831
Other financial assets		168,803	138,223
Deferred tax assets		98,220	95,757
Other non-current assets		43,493	35,860
<b>Total assets</b>		<b>2,476,062</b>	<b>2,270,203</b>

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

(Unit: ¥ million)

Account title	By fiscal year	31 <sup>st</sup> FY (As of March 31, 2019)	[Reference] 30 <sup>th</sup> FY (As of March 31, 2018)
<b>Liabilities</b>			
Current liabilities		816,859	707,217
Trade and other payables		359,013	307,885
Advance received		218,774	213,791
Bonds and borrowings		134,586	97,413
Other financial liabilities		28,717	23,111
Income taxes payable		30,437	26,213
Provisions		12,434	7,935
Other current liabilities		32,898	30,870
Non-current liabilities		692,394	702,479
Bonds and borrowings		446,437	468,860
Other financial liabilities		21,908	10,936
Defined benefit liabilities		202,491	199,849
Provisions		3,562	3,208
Deferred tax liabilities		5,532	7,710
Other non-current liabilities		12,463	11,916
<b>Total liabilities</b>		<b>1,509,253</b>	<b>1,409,696</b>
<b>Equity</b>			
Equity attributable to shareholders of NTT DATA			
Capital stock		142,520	142,520
Capital surplus		115,740	116,193
Retained earnings		603,171	528,601
Treasury shares		(1)	(1)
Other components of equity		64,236	38,865
Total equity attributable to shareholders of NTT DATA		925,667	826,179
Non-controlling interests		41,143	34,327
<b>Total equity</b>		<b>966,809</b>	<b>860,506</b>
<b>Total liabilities and equity</b>		<b>2,476,062</b>	<b>2,270,203</b>

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

## Consolidated Statements of Income

(Unit: ¥ million)

Account title	By fiscal year	31st FY (2018/4/1-2019/3/31)	[Reference] 30th FY (2017/4/1-2018/3/31)
Net sales		2,163,625	2,039,690
Cost of sales		1,618,636	1,535,535
Gross profit		544,988	504,155
Selling, general and administrative expenses		397,272	381,035
Operating income		147,716	123,120
Financial income		6,848	5,867
Financial costs		7,825	7,193
Share of profit/loss of entities for using equity method		175	909
Income before income taxes		146,914	122,704
Income taxes		49,210	37,013
Net income		97,704	85,691
Net income attributable to			
Shareholders of NTT DATA		93,616	82,392
Non-controlling interests		4,088	3,299

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

## Non-Consolidated Balance Sheets

(Unit: ¥ million)

Account title	By fiscal year	
	31 <sup>st</sup> FY (As of March 31, 2019)	[Reference] 30 <sup>th</sup> FY (As of March 31, 2018)
Assets		
Current assets	456,979	456,867
Cash and deposits	84,746	58,361
Accounts receivable - trade	232,356	216,836
Lease receivables	2	5
Lease investment assets	18,551	23,538
Inventories	16,279	26,986
Prepaid expenses	21,095	19,951
Deferred tax assets	—	22,797
Other	83,956	88,398
Allowance for doubtful accounts	(6)	(6)
Non-current assets	1,653,806	1,545,616
Property, plant and equipment	293,626	289,333
Data communication facilities	103,433	87,780
Buildings	81,516	80,804
Structures	2,484	2,529
Machinery, equipment and vehicles	12,756	11,771
Tools, furniture and fixtures	12,081	8,170
Land	56,064	56,064
Leased assets	705	644
Construction in progress	24,585	41,571
Intangible assets	300,389	289,164
Software	231,732	218,252
Software in progress	66,609	68,853
Leased assets	2	5
Other	2,046	2,054
Investments and other assets	1,059,791	967,118
Investment securities	117,062	99,616
Shares of subsidiaries and associates	191,196	175,735
Investments in other securities of subsidiaries and associates	621,256	588,417
Long-term loans receivable	540	540
Long-term loans receivable from subsidiaries and associates	68,764	62,628
Deferred tax assets	19,143	—
Other	42,255	40,611
Allowance for doubtful accounts	(425)	(430)
Total assets	2,110,785	2,002,483

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

(Unit: ¥ million)

Account title	By fiscal year	31 <sup>st</sup> FY (As of March 31, 2019)	[Reference] 30 <sup>th</sup> FY (As of March 31, 2018)
Liabilities			
Current liabilities		616,793	543,384
Accounts payable -trade		94,655	98,213
Short-term loans payable		58,171	35,022
Current portion of long-term loans payable		1,757	1,740
Current portion of bonds		59,996	50,000
Lease obligations		307	347
Accounts payable -other		19,167	18,951
Accrued expenses		9,861	9,748
Income taxes payable		16,053	10,580
Advances received		188,366	183,010
Deposits received		129,085	108,487
Provision for loss on order received		9,515	4,550
Asset retirement obligations		99	218
Other		29,761	22,519
Non-current liabilities		546,099	570,084
Bonds payable		49,991	109,981
Long-term loans payable		394,133	355,624
Lease obligations		488	460
Deferred tax liabilities		—	7,594
Provision for retirement benefits		95,013	88,546
Asset retirement obligations		523	512
Other		5,950	7,367
<b>Total liabilities</b>		<b>1,162,892</b>	<b>1,113,468</b>
Net assets			
Shareholders' equity		878,824	831,746
Capital stock		142,520	142,520
Capital surplus		139,300	139,300
Legal capital surplus		139,300	139,300
Retained earnings		597,005	549,927
Legal retained earnings		2,288	2,288
Other retained earnings		594,717	547,639
Reserve for special depreciation		—	32
Reserve for reduction entry		119	145
General reserve		288,000	288,000
Retained earnings brought forward		306,598	259,462
Treasury shares		(1)	(1)
Valuation and translation adjustments		69,069	57,268
Valuation difference on available-for-sale securities		69,079	57,272
Deferred gains or losses on hedges		(9)	(4)
<b>Total net assets</b>		<b>947,893</b>	<b>889,014</b>
<b>Total liabilities and net assets</b>		<b>2,110,785</b>	<b>2,002,483</b>

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

## Non-Consolidated Statements of Income

(Unit: ¥ million)

Account title	By fiscal year	31 <sup>st</sup> FY (2018/4/1-2019/3/31)	[Reference] 30 <sup>th</sup> FY (2017/4/1-2018/3/31)
Net sales		942,246	886,115
Cost of sales		711,865	664,655
Gross profit		230,381	221,461
Selling, general and administrative expenses		140,787	137,059
Operating income		89,594	84,401
Non-operating income		17,575	14,171
Interest income		1,985	1,257
Dividend income		11,033	8,782
Insurance income		1,406	1,434
Other		3,151	2,698
Non-operating expenses		6,839	6,314
Interest expenses		2,286	2,083
Interest on bonds		2,057	2,979
Foreign exchange losses		308	96
Loss on valuation of securities		1,593	393
Other		596	763
Ordinary income		100,330	92,258
Income before income taxes		100,330	92,258
Income taxes -current		38,035	27,353
Income taxes -deferred		(8,559)	(1,906)
Net income		70,853	66,811

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

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

INDEPENDENT AUDIT'S REPORT

May 8, 2019

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  
Takeshi Nakatani, 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 statement of financial position, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements for the consolidated fiscal year from April 1, 2018 to March 31, 2019.

**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 legal requirements stipulated in the latter part of Article 120 (1) of the Regulation on Corporate Accounting which permits omission of some items originally required by International Accounting Standards. 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.

**Audit'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 audit 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 which were prepared in accordance with legal requirements stipulated in the latter part of Article 120 (1) of the Regulation on Corporate Accounting and with some omission of items that were originally required by International Accounting Standards, 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

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

INDEPENDENT AUDIT'S REPORT

May 8, 2019

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  
Takeshi Nakatani, 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 31<sup>st</sup> fiscal year from April 1, 2018 to March 31, 2019.

**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.

**Audit'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 audit 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 AUDITS' REPORT

## (English translation of the certified copy)

### AUDIT REPORT

With respect to the performance of duties by directors during the 31<sup>st</sup> fiscal year from April 1, 2018 to March 31, 2019, the Board of Corporate Audits has examined the reports from each corporate audit and prepared this Audit Report as follows:

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

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

In accordance with the auditing policies determined by the Board of Corporate Audits, each corporate audit 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 audit 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 Audits talked and exchanged information with directors and audits of the subsidiaries, and received business reports from the subsidiaries when necessary.
- (2) The Board of Corporate Audits 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 Audits monitored and verified whether or not the independent audit maintained its independence and appropriately performed audits, received reports from the independent audit on the progress of its duties, and requested explanations when necessary.  
The Board of Corporate Audits also received a notice from the independent audit that "the system to ensure that the independent audit's duties are appropriately performed" (items stipulated in Article 131 of the Regulation on Corporate Accounting) has been established based on "Quality Control Standard for Audit" (made public by Business Accounting Council on October 28, 2005), etc. and requested explanations when necessary.

Based on the procedure described above, the Board of Corporate Audits 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 statement of financial position, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements).

#### 2. Audit results

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

- (i) The Board of Corporate Audits 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 Audits 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 Audits 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 Audits 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 Audits finds that the audit methodology adopted by the independent audit, KPMG AZSA LLC and the audit results are adequate.

May 9, 2019

NTT DATA CORPORATION

Board of Corporate Audits

Standing Corporate Audit (Outside Audit)

Standing Corporate Audit (Outside Audit)

Standing Corporate Audit (Outside Audit)

Corporate Audit (Outside Audit)

Tetsuro Yamaguchi (Seal)

Tetsuya Obata (Seal)

Katsura Sakurada (Seal)

Rieko Sato (Seal)

END