

Note: This document is the English translation of “Dai 30kai teiji kabunushisokai shoshu gotsuchi” (Notice of Convocation of the 30th 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 30, 2018

To Our Shareholders

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

NOTICE OF CONVOCAION OF THE 30TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that our 30th 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 Tuesday, June 19, 2018 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., Monday, June 18, 2018, 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., Monday, June 18, 2018, Japan Time

Particulars

1 Date	Tuesday, June 19, 2018 at 10:00 a.m., Japan Time (Reception starts at 9:00 a.m.)	
2 Venue	Large Hall, 5 th 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"> 1. Report on the business report, consolidated financial statements, and audit results of the consolidated financial statements by an independent audit and the Board of Corporate Audits for the 30th fiscal year (from April 1, 2017 to March 31, 2018) 2. Report on non-consolidated financial statements for the 30th fiscal year (from April 1, 2017 to March 31, 2018)
	To be resolved	<ol style="list-style-type: none"> No. 1 Appropriation of Surplus No. 2 Election of 3 Directors No. 3 Election of 2 Audits

- 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 30th Ordinary General Meeting of Shareholders do not include the following items, since they are presented on the NTT DATA website (<http://www.nttdata.com/jp/ja>) in accordance with legal requirements and the provisions of the Company's articles of incorporation:
 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 shareholders' equity and the notes to the consolidated financial statements of consolidated financial statements
 5. The non-consolidated statements of shareholders' equity and the notes for the non-consolidated financial statements
- 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 of the 30th Ordinary General Meeting of Shareholders, and the consolidated statements of shareholders' equity, the notes to the 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: <http://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 ^(*) 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

7.5 yen per NTT DATA common share

10,518,742,853 yen in total

The annual dividend will be 15 yen per share including an interim dividend of 7.5 yen, which was already paid.

(ii) Effective date of dividend of surplus

June 20, 2018

*Cash flow dividend payout ratio

Total amount of dividends/ (net income attributable to owners of parent + depreciation cost + loss on retirement of fixed assets + depreciation of goodwill – capital investment)

No. 2 | Election of 3 Directors

Mr. Toshio Iwamoto, Mr. Eiji Ueki, Mr. Kazuhiro Nishihata and Mr. Hiroyuki Aoki will resign as directors at the closing of this general meeting of shareholders. In order to fill the vacancy, the Company requests shareholders to elect three Directors.

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	New	Shunichi Takeuchi	Senior Vice President Head of Telecom & Utility Business Sector	—	—
2	New	Koji Ito	Senior Vice President Head of North America Sector Head of EMEA & LATAM Sector	—	—
3	New	John McCain	Senior Vice President	—	—



Candidate No. **1** **Shunichi Takeuchi** (born May 11, 1962)

New

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

- 1985 April Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
- 2013 July NTT DATA, Head of ESG Promotion Department
- 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 (present post)

Number of shares of NTT DATA held
7,600 shares

Principal Concurrent Positions
None

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 is nominated for the candidate of Director.



Candidate No. **2** **Koji Ito** (born May 24, 1962)

New

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

- 1986 April Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
- 2012 July NIPPON TELEGRAPH AND TELEPHONE CORPORATION, General Manager of Corporate Strategy Planning Department
- 2015 June NTT DATA, Senior Vice President, Head of Global Business Sector
- 2017 July NTT DATA, Senior Vice President, Head of North America Sector, Head of EMEA & LATAM Sector (present posts)

Number of shares of NTT DATA held
5,100 shares

Principal Concurrent Positions
Director of Board, NTT DATA EMEA LTD.
Director of Board, EVERIS PARTICIPACIONES, S.L.U.
Director of Board, NTT Data International L.L.C.
Supervisory Board, itelligence AG

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 is nominated for the candidate of Director.



Candidate No. 3

John McCain

(born July 6, 1959)

New

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1986	January	Joined Electronic Data Systems
2010	December	Director and CEO, Keane International, Inc. (current NTT DATA, Inc.) (present post)
2012	June	Senior Vice President of NTT DATA (present post)
2016	November	President and CEO, NTT DATA Services, LLC (present post)

Principal Concurrent Positions

- Director and CEO, NTT DATA, Inc.
- President and CEO, NTT DATA Services, LLC
- Director and President, NTT Data International L.L.C.
- Director, NTT DATA Enterprise Services Holding, Inc.
- Director, NTT DATA Services International Holdings B.V.
- President and CEO, NTT DATA Services Holdings Corporation

Number of shares of NTT DATA held
0 share

Reasons for the nomination

He has been elected because he has extensive experience and record of performance of 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.

(Note 1) NIPPON TELEGRAPH AND TELEPHONE CORPORATION is a parent company of NTT DATA Corporation.
 (Note 2) Keane International, Inc. is a company that was acquired by NTT DATA in December 2010 and changed its trade name to NTT DATA, Inc. at a later date.
 (Note 3) If Mr. John McCain is elected, the Company will conclude the liability limitation agreement with him under Article 427 (1) of the Companies Act, to limit his liabilities for damage compensation stipulated in Article 423 (1) of the same Act to the amount stipulated by law.
 (Note 4) No relationship of interest to be noted exists between each director candidate and NTT DATA.
 (Note 5) Mr. Koji Ito has been an executive officer of NIPPON TELEGRAPH AND TELEPHONE CORPORATION with which the Company has had important relationships in the past five years. His position and areas of responsibilities are as described in the "Resume, Position, Areas of Responsibility and Principal Concurrent Positions."

No.3 | Election of 2 Audits

Mr. Yukio Ishijima and Mr. Akio Nakamura will resign as audits at the closing of this general meeting of shareholders. In order to fill the vacancy, the Company requests shareholders to elect two Audits.

For this agenda, the Company has obtained consent from the Audit & Supervisory Board.

The profiles of candidates for Audits are as follows:

Candidate No		Name		Present position and areas of responsibility	Attendance at Board of Directors' meetings and Audit & Supervisory Board	Years served as Corporate Audits
1	New	Tetsuya Obata	Outside audit	—	—	—
2	New	Katsura Sakurada	Outside audit Independent officer	—	—	—



Candidate No. **1** **Tetsuya Obata** (born July 31, 1957)

Outside audit
New

Number of shares of NTT DATA held
0 share

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1980	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2004	July	NIPPON TELEGRAPH AND TELEPHONE CORPORATION, General Manager of Department IV (current Finance and Accounting Department)
2010	June	NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, Head of Kanagawa Branch NTT EAST-KANAGAWA CORPORATION (current NTT EAST-MINAMIKANTO CORPORATION), President and CEO
2011	June	NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, Director, Head of Kanagawa Branch
2013	June	NTT BUSINESS ASSOCIE CORPORATION, Managing Director, Head of planning and general affairs department, Head of sales headquarters
2013	July	NTT BUSINESS ASSOCIE WEST Co., Ltd., Director (present post)
2016	June	NTT BUSINESS ASSOCIE CORPORATION, Representative Managing Director, Head of planning and general affairs department, Head of BPR promotion department
2017	July	NTT BUSINESS ASSOCIE CORPORATION, Representative Managing Director, Head of planning and general affairs department, Head of business cooperation promotion department (present posts)
2017	August	NTT LEARNING SYSTEMS CORPORATION, Director (present post)

Principal Concurrent Positions
None

Reasons for the nomination

He has experience in the finance and general affairs sectors as well as a tremendous track record in corporate management in the NTT Group. Since Mr. Obata, who was an executive officer of NIPPON TELEGRAPH AND TELEPHONE CORPORATION as the Company's parent company and its affiliated companies, is expected to help the Company ensure the corporate soundness and establish a transparent and fair structure to monitor management through audits of business execution by utilizing his wide perspectives and experience, he is nominated for the candidate of an Outside Audit.

Special notes to the candidate of an Outside Audit

- (Note 1) NIPPON TELEGRAPH AND TELEPHONE CORPORATION is a parent company of NTT DATA Corporation. NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION and NTT BUSINESS ASSOCIE CORPORATION are subsidiaries of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. NTT LEARNING SYSTEMS CORPORATION is a subsidiary of NTT BUSINESS ASSOCIE CORPORATION. NTT BUSINESS ASSOCIE WEST Co., Ltd. is a subsidiary of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION that is a subsidiary of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. NTT EAST-KANAGAWA CORPORATION is the current NTT EAST-MINAMIKANTO CORPORATION and is a subsidiary of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION.
- (Note 2) Mr. Tetsuya Obata is Representative Managing Director of NTT BUSINESS ASSOCIE CORPORATION with which the Company has business transactions. He will resign as Representative Director of NTT BUSINESS ASSOCIE CORPORATION on June 19, 2018. No relationship of interest to be noted exists between him and NTT DATA.
- (Note 3) Mr. Tetsuya Obata will resign as Director of NTT BUSINESS ASSOCIE WEST Co., Ltd. on June 14, 2018 and Director of NTT LEARNING SYSTEMS CORPORATION on June 15, 2018.
- (Note 4) If Mr. Tetsuya Obata is elected, the Company will conclude the liability limitation agreement with him under Article 427 (1) of the Companies Act, to limit his liabilities for damage compensation stipulated in Article 423 (1) of the same Act to the amount stipulated by law.
- (Note 5) Mr. Tetsuya Obata has been an executive officer or officer of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NTT EAST-KANAGAWA CORPORATION (current NTT EAST-MINAMIKANTO CORPORATION), NTT BUSINESS ASSOCIE CORPORATION, NTT BUSINESS ASSOCIE WEST Co., Ltd. and NTT LEARNING SYSTEMS CORPORATION with which the Company has had important relationships in the past five years and is an executive officer or officer of NTT BUSINESS ASSOCIE CORPORATION, NTT BUSINESS ASSOCIE WEST Co., Ltd. and NTT LEARNING SYSTEMS CORPORATION. His positions and areas of responsibility are as described in the "Resume, Position, Areas of Responsibility and Principal Concurrent Positions."
- (Note 6) Mr. Tetsuya Obata will receive remuneration for directorship, etc. from NTT BUSINESS ASSOCIE CORPORATION with which the Company has important relationships and has received it in past two years.
- (Note 7) Mr. Tetsuya Obata is a candidate for an outside audit.



Candidate No. 2

Katsura Sakurada

(born February 24, 1958)

Outside audit

Independent officer

New

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1980	April	Joined the Board of Audit of Japan.
2014	April	Board of Audit of Japan, Director General for Secretariat of General Executive Bureau
2015	April	Board of Audit of Japan, Director General of 1 st Bureau
2016	April	Board of Audit of Japan, Deputy Secretary General
2017	April	Board of Audit of Japan, Secretary General (Resigned in March 2018)

Number of shares of NTT DATA held
0 share

Principal Concurrent Positions
None

Reasons for the nomination

He has extensive experience and wide perspectives concerning audits for finance, accounting and business execution based on his long years of professional experience in the Board of Audit of Japan. Since he is expected to help the Company ensure the corporate soundness and establish a transparent and fair structure to monitor management through audits of business execution, he is nominated for the candidate of an Outside Audit. Although he has not been engaged in corporate management, the Company judged that he is able to fulfill the duties of an Outside Audit appropriately for the above reasons.

Special notes to the candidate for an Outside Corporate Audit

(Note 1) No relationship of interest to be noted exists between Mr. Katsura Sakurada and NTT DATA.

(Note 2) If Mr. Katsura Sakurada is elected, the Company will conclude the liability limitation agreement with him under Article 427 (1) of the Companies Act, to limit his liabilities for damage compensation stipulated in Article 423 (1) of the same Act to the amount stipulated by law.

(Note 3) Mr. Katsura Sakurada is a candidate for an outside audit. He is also a candidate for an independent officer in accordance with the requirements stipulated in the listing rules of the Tokyo Stock Exchange where the Company is listed.

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 Trading 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 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, 2017 to March 31, 2018)

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 corporate profitability and business conditions are improving and capital investment is moderately increasing. The future economic trends are expected to continue this moderate improvement with the help of the effect of various policies where the employment/income environment continues to improve, although the influences of financial market fluctuations and uncertainty of the overseas economy 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 new services. Meanwhile, needs for reducing maintenance and operation costs and severity of price competition are expected to remain.

The overseas economy is also improving moderately. Regarding the future economic trends, the influences from uncertainty related to the future economic trends in China and other emerging Asian countries and their 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, continuation of moderate growth is expected in the U.S. market. In Europe, the market is still strong, 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, and high demand especially for digital ^(Note 1)-related investments is expected.

Circumstances around the NTT DATA Group and the issues requiring attention

NTT DATA Group has attempted to expand its business in Global market, broadened the global coverage(*), and established the business base. On the other hand, excluding Japan, Germany, Spain and Italy, our presence in local markets is still weak. In order for us to continue to grow in the steadily expanding global market, it will be necessary for us to enhance our local presence, and to establish a global brand that will be recognized by our clients around the world. To that end, with our sights set on the year 2020, the NTT DATA Group has launched the Global 2nd Stage, which aims for NTT DATA Group to be recognized as a global brand and to attain consolidated net sales of over 2 trillion yen and an approximately 50-50 net sales ratio of domestic to international sales. Capitalizing on the effects of recent large-scale M&A, our aim is to promote a steady improvement of our local presence in countries around the world, and to achieve the

Global 2nd Stage by FY 2018.

Additionally, the wave of digitalization has arrived in the wake of the accelerated progress of technology, with ever growing needs to expand existing businesses and create new ones through the strategic leveraging of IT. We recognize that sufficient correspondence to those needs is also our issue. To that end, we plan to aggressively promote “production technology innovation” and “leading-edge technologies” as solutions that can meet the needs of digitalization, thereby reinforcing our value delivery capability in new markets.

*Expanded to 214 cities in 53 countries and regions as of March 31, 2018.

[Medium-Term Management Plan]

Given the circumstances mentioned above, the NTT DATA Group has set the following three-year Medium-Term Management Plan “FY 2016 to FY 2018”.

<Key principles>

With NTT DATA: ASCEND (Rise and grow our global brand) as our keyword, the NTT DATA Group plans to pursue business growth in regions around the world and, by strengthening our local presence, to improve our brand value as a global brand.

<Global strategy>

■ Game-Changing Approach

For “Game-Changing Approach”, capture the environmental change and breakthrough technologies, expand the existing market share and create new markets that anticipate the customers’ needs, we have steadily achieved them by entering the electric industry, the system construction of Omni channel, and the expansion of our digital archiving business and so on in our previous Medium-Term Management Plan.

Going forward, taking the continued acceleration of market trends and breakthrough technology as opportunities to be grasped, we will continue to work to accelerate the expansion of shares in existing markets and the creation of new market, according to market environments in countries around the world, and strengthen our local presence. In addition, we will work to leverage our global coverage and take full advantage of our synergies in order to expand the solutions and services that we provide, forge ahead with the improvement of our response capabilities to undertake our clients’ global projects, and increase our competitive strength around the world.

■ Breakthrough Technology

So that we enable our clients to enhance core competencies by applying innovative technologies to deliver solutions with agility and flexibility as they face tough changes in their environments, we will push ahead with further innovation in production technology, combining the production technology that we have developed to date with new production technology that respond to the needs of the digital society.

In addition, NTT DATA will strengthen our technological capabilities in the digital field to respond to our clients’ growing needs for a strategic use of IT, by placing the right resources for research and development—including our expertise, personnel and bases—in the right place globally. We will also continue to adopt cutting-edge technologies by closely cooperating with other companies that have advanced technological capabilities. Through these initiatives, NTT DATA is determined to create new paradigms and values that did not exist before, by enabling the application of the cutting-edge technologies to business operations through co-innovation with our clients.

< Medium-Term Management Target >

We intend to make aggressive investment in new business areas, targeting the transition to the digital society, and pursue business growth geared towards the achievement of the Global 2nd Stage by the further deepening of “Game-Changing Approach” and value creation through breakthrough technology.

Net Sales	>2 trillion yen
Operating Income	+50%*

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

After two years since setting the above Medium-Term Management Plan, we have steadily made achievements in terms of “Game-Changing Approach” through entry to new business areas including those related to IoT, construction of omni-channel systems, and expansion of banking businesses. We also strengthened our customer base by building long-term relationships with our clients and have established a stable business base. Regarding “Breakthrough Technology,” steady progress has been made including our R&D efforts on “production technology innovation” such as the rapid and high quality system development, and initiatives to “spark new ideas and technologies,” which proactively adopts new technological trends.

Meanwhile, with regard to our high-priority issues for the management, the restraint on unprofitable projects and the improvement in the profitability of overseas business was the most significant management subject for us. Although we took more rigorous countermeasures against unprofitable projects through the Project Review Committee and promoted initiatives, we are aware that more restraint is needed. We are also working to make use of our near shore ^(Note 2) and offshore ^(Note 3) hubs and develop a more flexible delivery model to increase profits overseas. However, we have not yet reached the target level. Therefore, we acknowledge that these issues will remain as our significant management agendas.

To seek further globalization toward the Global 3rd Stage and achieve a new goal of “Trusted Global Innovator,” we decided to improve our local presence, strengthen our relationships with global clients and better understand the business in a timely manner under our organization redesigned to enhance our promotion and management of global business on the date of July, 1 2017.

Specifically, we transferred the current global operational functions under the Global Business Sector, such as the global account service (which provides support for global and key Accounts) and offering service (which provides cross-regional solutions), to the newly established Global Marketing Headquarters. Also we established the China & APAC Sector, and transferred our businesses in China and the APAC region from the Global Segment to the new sector. At the same time, we would manage to create collaborations between the three existing domestic business fields (Public & Social Infrastructure Segment, Financial Segment, and Enterprise & Solutions Segment) and the China & APAC Business.

With this organizational change, segments for reporting were reclassified into “Public & Social Infrastructure,” “Financial,” “Enterprise & Solutions,” “North America” and “EMEA & LATAM”.

Since our overseas business has expanded and the scope of our business and geographic coverage have also been expanded, we seek to grow our business for reaching the Global 2nd Stage and for the Global 3rd Stage by enhancing the promotion and management system of our global business.

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. Near shore

The term “Near Shore” refers to assigning the whole or a part of the development task for an information system or software to an office based in a remote location that is relatively close to development sites.

3. Offshore

The term “Offshore” refers to outsourcing the whole or a part of the development task for an information system or software to an overseas vendor or a subsidiary.

Implementation of business activities

We strove to expand businesses in the global market to respond to clients' acceleration of business expansion into the global market and meet their diversified and sophisticated needs. We also made efforts to expand diverse IT services in response to market changes and to stably provide such services.

	29thFiscal Year (2016)	30 th Fiscal Year (2017)	
			YOY
New Orders Received	1,781,565	2,021,195	+239,630 +13.5%
Net Sales	1,732,473	2,117,167	+384,694 +22.2%
Operating Income w/o goodwill amortization	134,343	150,453	+16,109 +12.0%
Operating Income	117,109	123,522	+6,413 +5.5%
Ordinary Income	112,993	121,563	+8,570 +7.6%
Net income attributable to owners of parent	65,686	58,173	-7,513 -11.4%

Net Sales and Operation income by Segment (Composition ratio)

(¥ million)

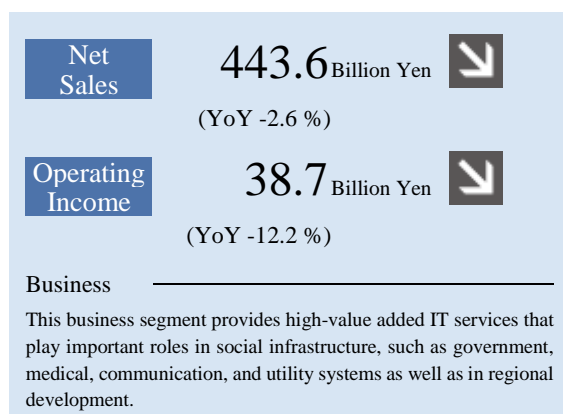
	Net Sales			Operating Income		
	29 th Fiscal Year (2016)	30 th Fiscal Year (2017)	YOY(rate)	29 th Fiscal Year (2016)	30 th Fiscal Year (2017)	YOY(rate)
Public & Social Infrastructure Segment	455,418 (22.1%)	443,680 (17.9%)	-2.6%	44,165 (36.0%)	38,781 (29.5%)	-12.2%
Financial Segment	518,043 (25.2%)	559,565 (22.6%)	+8.0%	42,397 (34.6%)	53,096 (40.4%)	+25.2%
Enterprise & Solutions Segment	425,668 (20.7%)	477,225 (19.3%)	+12.1%	36,382 (29.7%)	40,163 (30.6%)	+10.4%
North America	246,382 (12.0%)	472,020 (19.1%)	+91.6%	167 (0.1%)	162 (0.1%)	-3.0%
EMEA & LATAM	330,897 (16.1%)	423,229 (17.1%)	+27.9%	-3,212 (-2.6%)	-2,506 (-1.9%)	+22.0%
Others (Note)	80,059 (3.9%)	96,521 (3.9%)	+20.6%	2,646 (2.2%)	1,684 (1.3%)	-36.3%
Subtotal	2,056,470 (100.0%)	2,472,242 (100.0%)	+20.2%	122,547 (100.0%)	131,382 (100.0%)	+7.2%
Adjustments	-323,997 —	-355,074 —	-9.6%	-5,438 —	-7,860 —	-44.5%
Total	1,732,473 —	2,117,167 —	+22.2%	117,109 —	123,522 —	+5.5%
(Reference)	North America (w/o goodwill amortization)	—	—	9,276	18,960	+104.4%
	EMEA & LATAM (w/o goodwill amortization)	—	—	4,468	5,084	+13.8%

(Note) China & APAC segment is included in “Others” segment.

The following shows the status of overseas bases during the period under review.

Approx.81,000 employees deployed in 214 cities in 53 countries and regions outside of Japan
 (Approx.118,000 employees include Japan)
 (As of March 31, 2018)

Public & Social Infrastructure Segment



The net sales decreased due mainly to less orders compared to the previous fiscal year such as for services for government ministries and the utilities industry. The operating income decreased due mainly to a decline in sales and 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 concerning IoT and the change in the utility industry system (the power and gas system reform).

<Implementation of initiatives for business expansion of RPA tool “WinActor”>

- To strongly support the automation and optimization of the clients’ business and contribute to their workstyle reform, we introduced “WinActor,”^(Note 1) a made-in-Japan Robotic Process Automation (RPA) solution which automates the operation of various Windows applications, to over 800 companies. We also responded to diverse market needs in a timely manner by improving operability and security. Moreover, we released “WinDirector” which enables uniform management and control of “WinActor” on the server, as well as “Office Robot,” the English version of WinActor, on to the global market.

<Expansion of functions in renewed projects for central government ministries>

We expanded functions at the time of renewal of existing projects for central government ministries, in order to offer more convenient services to the users.

- In October 2017, we developed “the sixth NACCS and the fourth CIS” as a large-scale system renewal and started its service smoothly. For “the sixth NACCS” we improved its stability and reliability further, responded to the system reform, and expanded functions and convenience for use as a public-private comprehensive logistic information platform. For “the fourth CIS” we expanded functions aimed at smoother trade and stronger border enforcement and integrated the system infrastructure for optimization.
- Regarding the Electronic National Tax Filing and Payment System, we implemented steady measures for the tax reform in four phases in June and September 2017 and January and March 2018. We also improved and added various functions to enhance convenience and usability for tax payers and tax officials.

Financial Segment

Net Sales	559.5 Billion Yen	↗
	(YoY +8.0 %)	
Operating Income	53.0 Billion Yen	↗
	(YoY +25.2 %)	
Business		
This business segment provides high-value added IT services that help financial institutions to improve their business efficiency and offer good services.		

The net sales increased due mainly to expansion of businesses for banks and cooperative financial institutions. The operating income increased due to growth in sales and the improvement in cost of sales ratio attributable to a decrease mainly in depreciation of some systems.

We aimed for the growth by expanding businesses with the background of our clients' environmental changes such as increased needs for advanced settlement systems in domestic and overseas markets, creating new services at the timing of technological innovations and easing of regulation, new change in services for integrated services for banks and securities companies, and accelerated overseas advancement by major financial institutions.

<Implementation of demonstration experiment using blockchain technology>

We conducted demonstration experiments with various stakeholders to develop blockchain-related business.

- In August 2017, we established “the consortium to develop trade data sharing platform using blockchain technology”^(Note 2) with our company as the secretariat, to consider measures for issues that cross over companies and business categories. We worked with fourteen companies representing industries such as banking, insurance, integrated logistics and trade.
- In November 2017, NTT DATA and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.) agreed on and started the connection demonstration experiment to realize cross-border electronic exchange of trade documents between Japan and Singapore, in cooperation with NTP Project Office, which promotes the National Trade Platform^(Note 3), a Singaporean trade platform.
- From February 2018, we started offering a blockchain-related demonstration experiment environment for the insurance industry, free of charge, to support the use of blockchain in insurance companies.

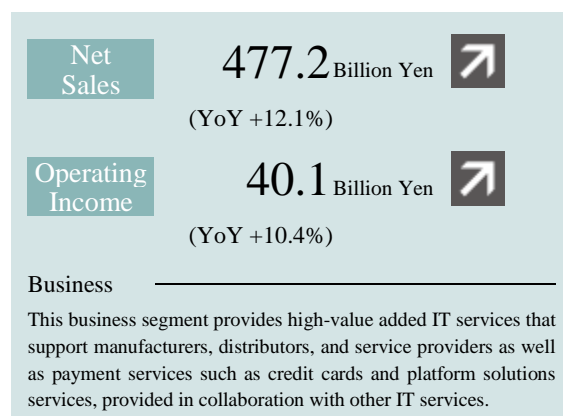
<Implementation of fintech-related initiatives>

Considering fintech as a business opportunity, we contributed to the improvement of convenience of IT-based financial services by providing applications and platforms.

- We developed OpenCanvas, a highly reliable, secure cloud infrastructure with various API^(Note 4) and API management functions required for cooperation between financial institutions and fintech companies. We released the cloud infrastructure in September 2017 and various API and API management functions in March 2018. We also held three OpenCanvas forums to offer business matching opportunities for the creation and promotion of open innovation. The forums attracted over 80 financial institutions and 25 fintech companies.
- In August 2017, we released My Pallette, the next-generation banking application for banks and other financial institutions, which was introduced in ten institutions. In October 2017, we released Appli Banking, a smartphone application with banking functions for shinkin banks, which was introduced in nine shinkin banks. These services enabled the clients to check their real-time account balance and transactions without subscribing to an online banking service.

*Result of introduction as of March 31, 2018.

Enterprise & Solutions Segment



The net sales and the operating income increased mainly due to expansion of digital-related businesses and businesses for the manufacturing industry including M&A.

We aimed for business expansion as a business partner who creates new values together with clients, such as retailers, distributors, service providers, and manufacturers whose business environments are changing greatly as observed in acceleration of trend in digital usage and rise in demand for enhancement of global competitiveness. 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.

<Establishment of long-term partnership with Mitsubishi Heavy Industries Group>

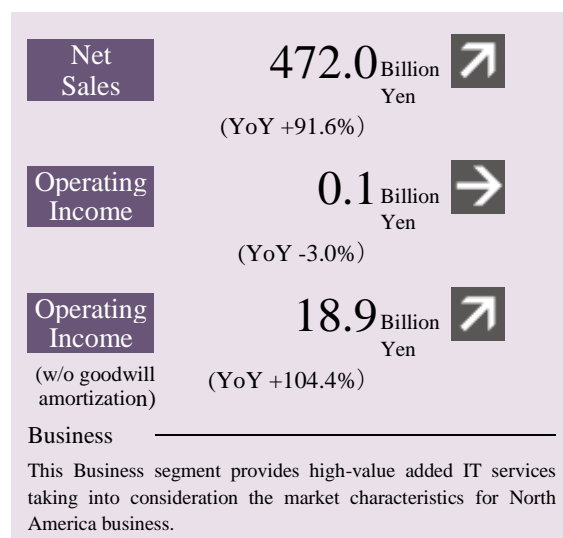
● In October 2017, NTT DATA partnered with Mitsubishi Heavy Industries, Ltd. and established NTT DATA MHI Systems Corporation. By using the technology and organizational capacity of our group nurtured through rich experience in the network service and system integration business, we will improve Mitsubishi Heavy Industries Group's IT services (including IT infrastructure development, operation and maintenance, and development of operational applications) and strengthen its global response capacity in a faster and more efficient manner. From 2016 to 2017, NTT DATA and Mitsubishi Heavy Industries Aero Engines, Ltd. conducted demonstration experiments for the early detection of nonconforming products in the aero engine blade production process and the improvement of the process, using the analysis operation automation framework "AICYCLE" (Note 5) which automates analysis operations in companies using AI.

<Offer of various payment-related services>

We offered various payment-related services based on our achievements, diversity, safety and security and know-how accumulated through CAFIS (Note 6).

- In September 2017, we started multiple demonstration experiments for smartphone payment services connecting a smartphone application and bank accounts, aiming at the commercialization during FY2018. These experiments were conducted to verify the possibility of easy smartphone payment using bank accounts, even for people without a credit card, and its safe use through biometric certification.
- In September 2017, we started the CAFIS Attendant service for retailers to support their marketing and sales promotion activities targeted at foreign tourists.

North America Segment



The net sales increased due mainly to the expansion of businesses as a result of the acquisition of the former Dell Services and the increase in months to be consolidated associated with the unification of the accounting periods. The operating income (without goodwill amortization) increased due mainly to profit contribution by the acquisition of the former Dell Services, and the increase in months to be consolidated associated with the unification of the accounting periods.

Under the new structure of NTT DATA Services that was launched in April 2017, by steadily promoting PMI (Post Merger Integration, integration process after M&A) for the former Dell Services and integrating businesses in North America and other regions, we aimed to expand business especially in healthcare, public and financial segments through the utilization of our wealth of achievements and expertise in outsourcing, etc., and enhance the capability to respond to the digital field, etc. to increase our local presence further.

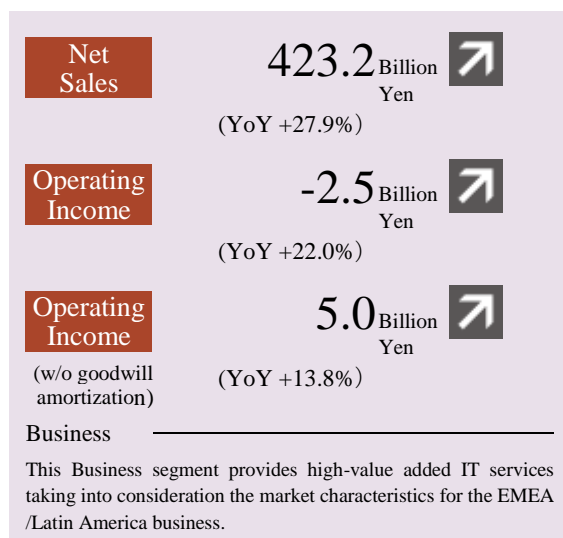
<Awarded contract with Georgia Technology Authority, U.S. >

- NTT DATA Services, a division of NTT DATA Corporation, extended and expanded our multi-year agreement with Georgia Technology Authority (GTA), U.S. in January 2018. We will continue to provide End User Computing (EUC)^(Note 7) services and expand our services to include Virtual Desktop^(Note 8) Infrastructure (VDI). Our superior performance and consistent delivery of EUC services throughout the State of Georgia was instrumental in extending the contract and adding incremental business. We are introducing an innovative approach to delivering solutions that will help GTA solve a number of challenges and improve the end-user experience.

<Patent-Pending Automation Technology Won Business Transformation-Related Award>

- One of the patent-pending automation technologies developed by NTT DATA Services was awarded the “Best Achievement in Operational Excellence to Deliver Business Transformation” at “BTOES18”^(Note 9). The award-winning technology, “NTT DATA Robotic Context Processor,” is a cognitive automation engine that uses built-in Optical Character Recognition (OCR), Natural Language Processing (NLP) technology and self-learning capabilities to comprehend complex legal documentation, such as contracts between hospitals and insurers, and execute appropriate actions based on the directives. The success of developing this technology, which brings business innovation to customers, was recognized as a remarkable achievement of NTT DATA Services.

EMEA & LATAM Segment



The net sales increased due mainly to the increase in months to be consolidated associated with the unification of accounting periods of some Group companies, and as a result of expansion of businesses in Spain, Germany, and Latin America. The operating income (without goodwill amortization) increased due to the increase in months to be consolidated associated with the unification of accounting periods of some Group companies.

By expanding the existing business, promoting the M&A strategy and strengthening the capability to provide services especially in new fields such as the digital field, we aimed to increase the local presence in EMEA and Latin America, and create a source of competitiveness by gathering the strength and resources of group companies and exerting synergy effects for further growth.

<Expansion and strengthening of SAP business through acquisition of Swedish company Einsvereinte AB>

- In March 2018, itelligence AG, our German subsidiary, reached a final agreement with the Swedish company Einsvereinte AB (hereinafter, EINS Consulting) to acquire all of its outstanding shares and to execute capital alliance. EINS Consulting is a SAP business operator in Sweden and is particularly strong in the system development and consulting related to analytics and CRM. In addition, itelligence AG acquired the Goldfish ICT Group in the Netherlands in May 2017, P.T. Abyor in Indonesia in June 2017, and vCentric in India in September 2017. The company thus implemented initiatives for further growth, such as business expansion in markets with high potential demand for SAP and the cross-selling using our group's client base and solutions.

<Establishment of innovation hubs in EMEA and Latin America>

- We opened collaborative hubs to demonstrate the applicability of innovation-related best practices and R&D achievements in our group companies, and to try out new technologies from an innovative approach together with the clients and business partners and in close cooperation with research centers in Japan and Silicon Valley, U.S. and R&D teams in other regions.
- NTT DATA and its subsidiary NTT DATA EMEA LTD. opened the innovation lab “Ensō” (Germany) in October 2017.
 - Our Spanish subsidiary everis Group opened the Industrialization and Digitalization Competency Center (Chile) in November 2017. It also opened the global digital design studio “CHAZZ” (Spain) in January 2018 and “LivingLab” (Spain) in February 2018.

Notes:

1. WinActor

RPA solution that was developed by the NTT Advanced Technology Corporation with the technology of NTT Access Network Service Systems Laboratories as the core and provided by NTT DATA as the distributor.

2. Consortium to develop trade data sharing platform using blockchain technology

The first trade-related consortium using blockchain technology in Japan. The following companies have participated in this consortium: Kawasaki Kisen Kaisha, Ltd. (“K” LINE), Mitsui O.S.K. Lines, Ltd. (MOL), Sumitomo Corporation, Sojitz Corporation, Sampo Japan Nipponkoa Insurance Inc., Tokio Marine & Nichido Fire Insurance Co., Ltd., Toyota Tsusho Corporation, Nippon Express Co., Ltd., NYK Line, Marubeni Corporation, Mizuho Financial Group, Inc./ Mizuho Bank, Ltd., Mitsui Sumitomo Insurance Company, Limited, Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., (current MUFG Bank, Ltd.) and NTT DATA (headquarters).

3. National Trade Platform

This is a one-stop trade information ecosystem that enables companies and the Singapore government to share and reuse digital data of trade transactions between them. Digitalization of paper documents and trade/supply chain data will improve productivity and minimize risks of frauds inherent in operations assuming paper exchange.

4. API (Application Programming Interface)

A protocol defining procedures and data formats for calling and using data and functions managed on a system from external systems.

5. AICYCLE

A technology to maintain the prediction accuracy (quality of a prediction model) by automatically evaluating and updating the “prediction model,” which is a judgment logic used by AI for prediction, using various business-related data, and results of AI prediction and actual results (whether predictions and actual results matched or not).

6. CAFIS

Largest comprehensive payment platform in Japan supporting various payment methods provided by NTT DATA.

7. End-user computing (EUC)

Development, construction and operation/management of systems and software by company employees (end-users) and departments engaged in on-site information system operation.

8. Virtual desktop

Central management system that integrates OS, applications and data of separate devices (computer, etc.) on a single server.

9. BTOES18 (The Business Transformation & Operational Excellence World Summit & Industry Awards 2018)

Awards established to honor achievements of excellent global organizations through their Operational Excellence initiatives. Operational Excellence allows companies to establish competitive superiority by improving the operational process and increasing on-site executive capacity to create new values.

Our social and environmental initiatives

There has been a growing move over the past few years to evaluate companies' relations with society in light of environment, society and corporate governance (ESG).

The NTT DATA Group strives to create sustainable corporate value by conducting business activities with attention paid to social and environmental issues.

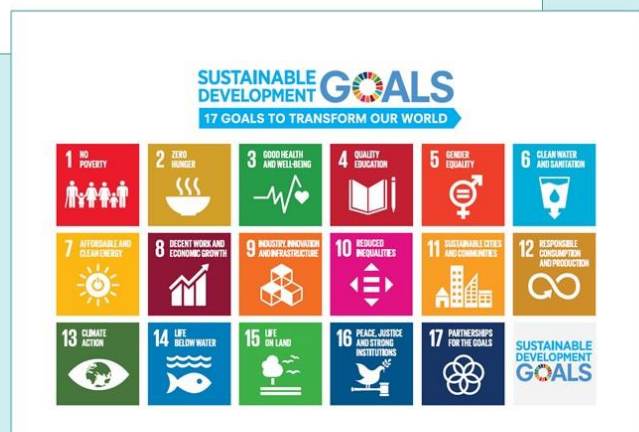
Our social and environmental initiatives



The NTT DATA Group has identified its own Material CSR Challenges, consisting of the three "paradigms" for "people at work," and "society and regional communities" in the social area; and the "global environment" in terms of the environment. With these issues in mind, we promote the establishment of an organization that generates superior value. Also, our Group works to solve social and environmental issues by providing a wide range of IT services and solutions.

Response to the SDGs

At the United Nations Sustainable Development Summit in September 2015, the Sustainable Development Goals (SDGs) were adopted by unanimous decision of the 193 member nations. The SDGs is a set of 17 goals and 169 targets to be resolved on a global scale by 2030. Governments around the world are in agreement on these goals. Companies in all industries are positioned as important partners in attaining the SDGs and are being called on to engage in proactive activities to address the SDGs.

The NTT DATA Group, as a member of the NTT Group, supports the idea of Sustainable Development Goals (SDGs). With our sights set on realizing a sustainable society, we are determined to achieve SDGs by creating shared value with various partners and making full use of information and communication technology (ICT).



	Material CSR Challenges	Initiatives
Society	<p>Paradigms for people at work</p> <ul style="list-style-type: none"> Promoting work style innovation for the IT industry as a whole Striving to cultivate next-generation personnel, while respecting the diversity of human resources <p>Principal SDGs</p> 	<p>We strive to establish an organization that generates superior value in accordance with the two core concepts of “changing work styles” and “advancing diverse human resources.”</p> <p>Major example:</p> <ul style="list-style-type: none"> Initiatives for work style innovation. Initiatives for advancing diverse human resources
	<p>Paradigms for society and regional communities</p> <ul style="list-style-type: none"> Contributing to society at large through highly reliable, easy-to-use systems and solutions Contributing to solving the problems that face the regions and countries in which the NTT DATA Group operates <p>Principal SDGs</p> 	<p>We are committed to building more convenient, safe and secure social infrastructures by providing various IT services and solutions.</p> <p>Major example:</p> <ul style="list-style-type: none"> “airpalette UTM,” a software package for drone operations management
Environment	<p>Paradigms for the global environment</p> <ul style="list-style-type: none"> Contributing to the greening of customers and society as a whole through IT Contributing to solving environmental problems, including in the NTT DATA Group’s activities <p>Principal SDGs</p> 	<p>We work on reducing our environmental impact through creating and expanding environmentally friendly solutions, etc., and facilitating environmental communication.</p> <p>Major example:</p> <ul style="list-style-type: none"> The AW3D® Global High-Resolution 3D Map <p>We contribute to solving environmental issues with our solutions to forecast natural disasters and our services useful for surveys in the resource and environmental areas.</p>

2. Changes in Assets and Profit and Loss

Changes in Assets and Profit and Loss of the Corporate Group

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

Items	Year	26 th Fiscal Year (2013)	27 th Fiscal Year (2014)	28 th Fiscal Year (2015)	29 th Fiscal Year (2016)	30 th Fiscal Year (2017)
Net sales		1,343,772	1,511,812	1,614,897	1,732,473	2,117,167
Operating income		62,583	84,013	100,885	117,109	123,522
Ordinary income		62,153	77,909	98,158	112,993	121,563
Net income attributable to owners of parent		23,287	32,144	63,373	65,686	58,173
Net income per share		17	23	45	47	41
Total assets		1,689,940	1,822,837	1,860,319	2,238,941	2,234,277
Net assets		709,818	806,205	773,670	833,715	868,863
New orders received		1,400,221	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 the 26th fiscal year.
3. Starting from the fiscal year ended March 31, 2018, we revised our accounting policies partially. With the accounting policy revision applied retroactively, total assets and net assets for the fiscal year ended March 31, 2017 are shown in values after the retroactive application.

3. Capital Investments

The amount of capital investments in this consolidated fiscal year under review is 198,664 million yen (up by 25.6% compared to the previous term) mainly for the investment in Enterprise & Solutions Segment.

4. 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.

5. 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 14.5 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^(Note1) 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.

<Acceleration of digital transformation initiatives>

- To optimize and downsize existing IT assets, which is an issue in realizing digital transformation of companies, we implemented three initiatives: 1) "digital consulting" to develop digitalization strategies and assess the use of existing IT, 2) "Lift & Shift" to reduce cost by migrating core systems to cloud, and 3) "data democratization" to enable diverse users to safely use all kinds of data. To improve the technological capability of digital and legacy digital integration including the above, we started to offer infrastructure for digitalization of existing IT assets in companies in October 2017, in cooperation with Red Hat, Inc. and EMC Japan Corporation. We also concluded a business partnership agreement with Pivotal Japan K.K. in November 2017.

[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^(Note2).

<Publication of NTT DATA Technology Foresight 2018>

- We created and published the NTT DATA Technology Foresight 2018 in cooperation with our overseas group company CTOs, with a focus on potential technological breakthrough such as AI and the direction of social development brought forth by such technology. The initiative, which has been conducted seven times so far, is attracting more

and more recognition. 333 seminars and individual meetings were held in Japan and overseas in 2017 to encourage innovative creation of the clients. In addition, as an example of “Pervasive Artificial Intelligence” which is one of the “technology trend” of 2017, NTT DATA and NTT FACILITIES, INC. developed a new technology of active vibration control ^(Note 3) in August 2017, the industry’s first technology that uses AI to mitigate seismic motion in super high-rise buildings. This technology allows the AI that learned optimal quake mitigation to control the damper (equipment that mitigates a building’s quake by absorbing seismic energy) according to the scale of the earthquake, and it can reduce the shaking of a super high-rise building caused by long-period seismic motion by more than 50% compared to the conventional technology.

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. 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.

3. Technology of active vibration control

Method to mitigate quakes by giving the building the necessary mitigation power using external energy. The mitigation power is calculated based on data measured by a sensor, and the damper is actively moved to mitigate a building’s quake.

6. Parent Company and Principal Subsidiaries

(1) Relationship with parent company

The parent company of NTT DATA is NIPPON TELEGRAPH AND TELEPHONE CORPORATION, which holds 760,005,000 shares (voting right ratio 54.2%) of NTT DATA. Commercial transactions between NTT DATA and NIPPON TELEGRAPH AND TELEPHONE CORPORATION include research and development of basic systems conducted by and services and convenience for the group management provided by NIPPON TELEGRAPH AND TELEPHONE CORPORATION.

(2) Principal subsidiaries

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
■ Public & Social Infrastructure Segment			
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
■ Financial Segment			
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	92.5%	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
■ Enterprise & Solutions Segment			
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
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	100.0%	Tokyo	System design/ development
NTT DATA Global Solutions Corporation	100.0%	Tokyo	System design/ development
NTT DATA SBC Corporation	80.0%	Osaka Prefecture	System design/ development
NTT DATA MHI Systems Corporation ^(Note3)	51.0%	Tokyo	System design/ development

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
■ North America Segment			
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 ^(Note4)	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
■ EMEA & LATAM Segment			
EMEA			
NTT DATA EMEA LTD.	100.0%	London, England	Supervision of European operating subsidiaries
Everis			
EVERIS PARTICIPACIONES, S.L.U.	100.0%	Madrid, Spain	Consulting, system design/development
business solutions			
intelligence 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
■ Others			
NTT DATA MANAGEMENT SERVICE CORPORATION	70.0%	Tokyo	Administrative agent business
NTT DATA INTELLILINK CORPORATION	100.0%	Tokyo	System design/development
APAC			
NTT DATA ASIA PACIFIC PTE. LTD.	100.0%	Singapore	Supervision of APAC operating subsidiaries
China			
NTT DATA (CHINA) INVESTMENT Co., LTD.	100.0%	Beijing, China	Supervision of China operating subsidiaries

Notes:

1. In addition to the above, there were 263 subsidiaries as of March 31, 2018.
2. Figures in parentheses in the column of NTT DATA's voting right ratio show the ratio of indirectly owned voting rights included therein.
3. Companies whose shares were acquired by NTT DATA during the current consolidated fiscal year.
4. Effective September 1, 2017, NTT DATA Services Corporation changed its trade name to NTT DATA Services Holdings Corporation.
5. There are no subsidiaries that fall under the category of designated wholly-owned subsidiary.

7. Employees

Number of Employees (persons)	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)
118,006	6,342

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

Number of Employees (persons)	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)	Average Age (years old)	Average Working Years (years)
11,263	36	38.4	14.7

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.

8. Principal Lenders

Name of Lender	Borrowings Outstanding (¥ million)
N T T F I N A N C E C O R P O R A T I O N	232,130
M i z u h o B a n k , L t d .	48,939
D e v e l o p m e n t B a n k o f J a p a n I n c .	10,000
M i z u h o T r u s t & B a n k i n g C o . , L t d .	8,045
T h e N o r i n c h u k i n B a n k	8,029

2 MATTERS CONCERNING SHARES

1. Total number of shares authorized to be issued by the company 5,610,000,000 shares

2. Total number of shares issued 1,402,500,000 shares (Including 953 shares of treasury stock)

3. Number of shareholders 78,982 persons

4. Principal shareholders

Name	Number of Shares Held	Ratio of Shareholding (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	760,005,000	54.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	120,360,600	8.58
Japan Trustee Services Bank, Ltd. (Trust Account)	68,401,200	4.88
Japan Trustee Services Bank, Ltd. (Trust Account 9)	19,059,300	1.36
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	15,184,300	1.08
NTT DATA Employee Share-Holding Association	13,910,400	0.99
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing agent: Mizuho Bank, Ltd.)	13,503,160	0.96
Japan Trustee Services Bank, Ltd. (Trust Account 5)	11,648,600	0.83
Japan Trustee Services Bank, Ltd. (Trust Account 1)	8,657,800	0.62
Japan Trustee Services Bank, Ltd. (Trust Account 2)	8,524,100	0.61

Note: Ratio of Shareholding has been calculated after deducting treasury stock (953 shares).

3 MATTERS CONCERNING DIRECTORS AND AUDITS

1. Name of Directors and Audits

Position	Name	Areas of responsibility and Principal Concurrent Positions
Representative Director, President and Chief Executive Officer	Toshio Iwamoto	
Representative Director and Senior Executive Vice President	Yo Honma	Responsible for Japan & Asia Region
Representative Director and Senior Executive Vice President	Eiji Ueki	Responsible for Corporate Strategy, Human Resource Management, Finance (CFO), Investor Relations, Risk Management (CRO), Public Relations, Technology Strategy (CTO) and Information Security (CISO) Executor of business for the Limited Liability Partnership of Regional Revitalization/Value Partner 2020
Representative Director and Senior Executive Vice President	Kazuhiro Nishihata	Responsible for Global Marketing, Americas & EMEA Region, North America Segment, and EMEA & LATAM Segment Chair, NTT Data International L.L.C.
Director and Executive Vice President	Tsuyoshi Kitani	Head of Technology and Innovation General Headquarters
Director and Executive Vice President	Keiichiro Yanagi	Head of HR Headquarters, Head of ESG Promotion Department
Director and Executive Vice President	Hiroyuki Aoki	Responsible for Public & Social Infrastructure Segment
Director and Executive Vice President	Shigeki Yamaguchi	Responsible for Enterprise & Solutions Segment and China & APAC Segment Executor of business for the Limited Liability Partnership of Regional Revitalization/Value Partner 2020 Representative Vice President, Japan IC Card System Application council
Director and Executive Vice President	Tooshi Fujiwara	Responsible for Financial Segment Director of The Center for Financial Industry Information Systems
Director	Yukio Okamoto	Representative Director, Okamoto Associates, Inc. Director, Mitsubishi Materials Corporation Director, Nippon Yusen Kabushiki Kaisha (NYK LINE) Director of a non-profit organization "Shin-Gen-Eki-Net" Director, RIKEN CORPORATION
Director	Eiji Hirano	
Director	Takashi Ebihara	Vice President, General Affairs Department, NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Standing Audit	Yukio Ishijima	
Standing Audit	Tetsuro Yamaguchi	
Standing Audit	Akio Nakamura	Lawyer
Audit	Rieko Sato	Lawyer Director (audit and supervisory committee member), Dai-ichi Life Holdings, Inc.

Notes:

- Of the directors, Eiji Hirano and Yukio Okamoto are outside directors assigned in accordance with Article 2 (xv) of the Companies Act. NTT DATA has designated both Eiji Hirano and Yukio Okamoto as independent director in accordance with the listing regulations of the Tokyo Stock Exchange on which its stocks are listed, and has notified this to the Tokyo Stock Exchange.
- Of the audits, four audits, i.e. Yukio Ishijima, Tetsuro Yamaguchi, Akio Nakamura and Rieko Sato are outside audits assigned in accordance with Article 2 (xvi) of the Companies Act. NTT DATA has designated Yukio Ishijima, Akio Nakamura and Rieko Sato as independent directors in accordance with the listing regulations of the Tokyo Stock Exchange on which its stocks are listed, and has notified this to the Tokyo Stock Exchange.
- Director Eiji Hirano resigned as the Vice Chairman, Director and Representative Executive Officer of MetLife, Inc. during this fiscal year and was appointed as Vice Chairman and Director of the same company. Standing Audit Akio Nakamura resigned as the Director of Tokyo Century Corporation due to the expiration of the term

- of the office during this fiscal year.
4. Directors Masanori Shiina and Hiromasa Takaoka resigned at the conclusion of the 29th Ordinary General Meeting of Shareholders held on June 20, 2017 due to the expiration of the term of the office.
 5. NTT DATA and each of its directors (Yukio Okamoto, Eiji Hirano and Takashi Ebihara) and audits entered into an agreement for limiting the obligation to compensate for damage set forth in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of the same Act. The maximum amount of compensation shall be the minimum liability amount prescribed in Article 425 (1) of the Companies Act.

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

(1) Policies

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 with the company performance for a relevant period in consideration. 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.
- 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	12 persons	415 million yen
Audit	4 persons	102 million yen
Total	16 persons	517 million yen

Notes:

1. The above includes one director who retired at the conclusion of the 29th Ordinary General Meeting of Shareholders held on June 20, 2017.
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 84 million yen.

3. Outside Directors and Audits

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

Position	Name	Concurrent Employers	Concurrent Posts	Relationship with NTT DATA
Outside Director	Yukio Okamoto	Okamoto Associates, Inc.	Representative Director	—
		Mitsubishi Materials Corporation	Outside Director	—
		Nippon Yusen Kabushiki Kaisha(NYK LINE)	Outside Director	—
		Non-profit organization “Shin-Gen-Eki-Net.”	Director	—
Outside Director	Eiji Hirano	RIKEN CORPORATION	Outside Director	—
Outside Audit	Akio Nakamura	TANABE & PARTNERS	Special Partner	—
Outside Audit	Rieko Sato	ISHII LAW OFFICE	Partner	—
		Dai-ichi Life Holdings, Inc.	Outside Director (audit and supervisory committee member)	(Note)

Note:

The Company maintains a business relationship with Dai-ichi Life Holdings, Inc. However, the transaction amount accounts for less than 2% of the non-consolidated net sales of the Company in the current fiscal year.

(2) Main activities during the fiscal year

Position	Name	Main Activities
Outside Director	Yukio Okamoto	He attended all 16 Board of Directors’ meetings held during the fiscal year under review, and made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business.
Outside Director	Eiji Hirano	He attended 15 out of the 16 Board of Directors’ meetings held during the fiscal year under review, and made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business.
Outside Audit	Yukio Ishijima	He attended all 16 Board of Directors’ meetings and all 18 Audit & Supervisory Board meetings that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business.
Outside Audit	Tetsuro Yamaguchi	He attended all 16 Board of Directors’ meetings and all 18 Audit & Supervisory Board meetings that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business.
Outside Audit	Akio Nakamura	He attended all 16 Board of Directors’ meetings and all 18 Audit & Supervisory Board meetings that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business.
Outside Audit	Rieko Sato	She attended all 16 Board of Directors’ meetings and 17 out of the 18 Audit & Supervisory Board meetings that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business and from the professional standpoint as a lawyer.

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

	Number of Persons	Amount of Remuneration
Total Amount of Remuneration for Outside Directors and Audits	6 persons	126 million yen

Note:

The above is included in the section “2. (2) Total amount of remuneration for directors and audits during the fiscal year.”

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 has 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 strengthening our local presence and using global synergy effects, and carried out the global strategy: “Game-Changing Approach” and “Breakthrough Technology.”

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 NIPPON TELEGRAPH AND TELEPHONE CORPORATION (hereinafter referred to as “NTT”), the parent company of NTT DATA, and the companies in NTT Group.

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

Decision making at NTT DATA is carried out under the supervision of the Board of Directors in accordance with “Authority Rules,” which stipulate the responsibility and authority of the President and CEO, the Senior Executive Vice President, 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 consider it necessary to implement a continuous educational campaign to promote the awareness of such ethics and compliance. Therefore, it has been holding training sessions on compliance targeted at employees and conducting employees’ attitude surveys. Aiming for more openness in its corporate culture, NTT DATA has placed reception desks for “the Whistle Line,” which is cross-sectional in the Group as an internal and external point to receive any declaration, whether anonymous or named. NTT DATA ensures that any declarer to the reception desk through “the Whistle Line” is not unfavorably treated because of his or her declaration.

2. Overview of Corporate Governance Structure and Others

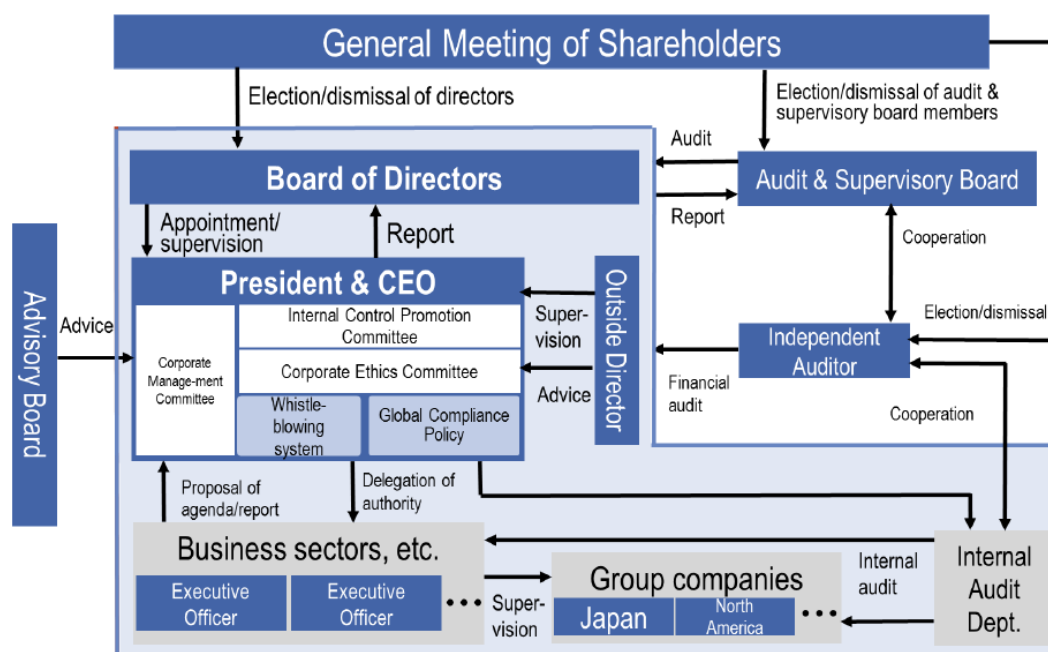
NTT DATA is a company with Audit & Supervisory Board. We established the Audit & Supervisory Board determining the auditing system by audits including outside audits is effective as a function to monitor its corporate management and therefore adopts the company with corporate auditors system. The General 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 12 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 principal, 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 principal 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 FY2017, its 2nd year, just like the previous business year. General information is provided as below.

(1) Method of implementation

When: October 2017

Evaluation method: Implemented a questionnaire for all directors/auditors who are members of the Board of Directors.

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 2017 to February 2018. 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 the Board's approach to increase the weight of discussion on

corporate strategy at the Board of Directors implemented for issues we found through our previous year's actions, we received a certain level of evaluation that improvements are being made such as review of the standard to determine discussion matters at the Board of Directors and set-up of a place for discussion.

(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.

- Towards further deepening and enhancement of discussions on corporate strategy, we have enhanced discussions at the planning stage for corporate strategy, plan, etc.
- From the risk management perspective, it shall be reviewed to determine matters to report at the Board of Directors based on the importance and risks of each matter, even in cases where it is not applicable subject to the standard to determine discussion matters at the Board of Directors.
- With regards to the opinions of investors, further enhancement of details of the report based on requests to provide further detailed information to the Board of Directors 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.

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

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

Consolidated Balance Sheets

(Unit: ¥ million)

	30 th FY (As of March 31, 2018)	[Reference] 29 th FY (As of March 31, 2017)
Assets		
Current assets	885,425	897,910
Cash and deposits	186,616	212,459
Notes and accounts receivable - trade	504,632	458,085
Lease receivables and investment assets	26,524	28,085
Securities	2,297	4,302
Inventories	41,165	31,211
Deferred tax assets	30,211	32,061
Deposits paid	12,000	55,808
Other	85,194	79,635
Allowance for doubtful accounts	(3,217)	(3,740)
Non-current assets	1,348,851	1,341,031
Property, plant and equipment	380,350	356,860
Data communication facilities	89,659	89,760
Buildings and structures	116,416	114,995
Machinery, equipment and vehicles	36,234	31,034
Tools, furniture and fixtures	20,227	16,666
Land	66,131	63,835
Construction in progress	46,417	35,609
Other	5,263	4,957
Intangible assets	742,080	777,283
Software	238,636	240,304
Software in progress	78,050	61,168
Goodwill	311,658	315,261
Other	113,735	160,549
Investments and other assets	226,420	206,887
Investment securities	112,803	86,834
Net defined benefit asset	6,932	5,603
Deferred tax assets	50,119	60,802
Other	57,299	54,419
Allowance for doubtful accounts	(734)	(772)
Total assets	2,234,277	2,238,941

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

(Unit: ¥ million)

	30 th FY (As of March 31, 2018)	[Reference] 29 th FY (As of March 31, 2017)
Liabilities		
Current liabilities	665,971	833,619
Accounts payable - trade	145,371	138,453
Short-term loans payable	46,846	213,160
Current portion of long-term loans payable	567	53,461
Current portion of bonds	50,000	49,996
Income taxes payable	26,212	35,916
Advances received	209,746	180,827
Provision for loss on order received	5,759	3,452
Other	181,468	158,351
Non-current liabilities	699,442	571,605
Bonds payable	110,081	160,075
Long-term loans payable	358,779	168,618
Deferred tax liabilities	7,141	30,367
Net defined benefit liability	197,923	186,788
Provision for directors' retirement benefits	909	876
Other	24,606	24,880
Total liabilities	1,365,414	1,405,225
Net assets		
Shareholders' equity	820,864	784,937
Capital stock	142,520	142,520
Capital surplus	140,977	141,048
Retained earnings	537,368	501,369
Treasury shares	(1)	(0)
Accumulated other comprehensive income	12,994	17,211
Valuation difference on available-for-sale securities	57,754	39,881
Deferred gains or losses on hedges	71	(155)
Foreign currency translation adjustment	(1,163)	23,889
Remeasurements of defined benefit plans	(27,560)	(30,083)
Other	(16,107)	(16,320)
Non-controlling interests	35,003	31,567
Total net assets	868,863	833,715
Total liabilities and net assets	2,234,277	2,238,941

Note1: Amounts less than one million yen are rounded down.

Note2: The 29th FY is presented with amounts after retroactive application.

Consolidated Statements of Income

(Unit: ¥ million)

	30 th FY (2017/4/1-2018/3/31)	[Reference] 29 th FY (2016/4/1-2017/3/31)
Net sales	2,117,167	1,732,473
Cost of sales	1,592,745	1,293,600
Gross profit	524,421	438,872
Selling, general and administrative expenses	400,899	321,763
Operating income	123,522	117,109
Non-operating income	10,161	7,542
Interest income	2,209	1,507
Dividend income	1,805	1,565
Insurance income	1,584	1,014
Share of profit of entities accounted for using equity method	1,026	—
Gain on step acquisitions	—	1,347
Other	3,535	2,107
Non-operating expenses	12,119	11,658
Interest expenses	6,051	5,372
Foreign exchange losses	2,271	1,415
Other	3,796	4,870
Ordinary income	121,563	112,993
Extraordinary income	—	18,325
Gain on sales of investment securities	—	15,605
Gain on transfer of affiliates business	—	2,720
Extraordinary losses	21,479	25,986
Acquisition expenses	—	12,301
Loss on restructuring of subsidiaries and affiliates	19,750	9,260
Impairment loss of goodwill	—	2,844
Impairment loss of noncurrent assets	1,728	1,579
Income before income taxes	100,083	105,332
Income taxes - current	47,736	52,525
Income taxes - deferred	(9,020)	(15,705)
Total income taxes	38,716	36,820
Net income	61,367	68,512
Net income (loss) attributable to non-controlling interests	3,194	2,825
Net income attributable to owners of parent	58,173	65,686

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

Non-Consolidated Balance Sheets

(Unit: ¥ million)

	30 th FY (As of March 31, 2018)	[Reference] 29 th FY (As of March 31, 2017)
Assets		
Current assets	456,866	477,226
Cash and deposits	58,360	73,657
Notes receivable - trade	—	16
Accounts receivable - trade	216,835	192,393
Lease receivables	5	163
Lease investment assets	23,537	24,396
Inventories	26,986	20,662
Prepaid expenses	19,951	16,544
Deferred tax assets	22,797	20,297
Deposits paid	12,000	55,808
Other	76,397	73,291
Allowance for doubtful accounts	(6)	(5)
Non-current assets	1,545,615	1,468,301
Property, plant and equipment	289,333	264,033
Data communication facilities	87,780	88,006
Buildings	80,804	71,666
Structures	2,528	1,823
Machinery, equipment and vehicles	11,770	8,633
Tools, furniture and fixtures	8,169	6,763
Land	56,064	56,064
Leased assets	644	598
Construction in progress	41,570	30,477
Intangible assets	289,164	275,056
Software	218,251	215,863
Software in progress	68,853	57,122
Leased assets	5	8
Other	2,053	2,062
Investments and other assets	967,117	929,210
Investment securities	99,616	73,087
Shares of subsidiaries and associates	175,735	170,753
Investments in other securities of subsidiaries and associates	588,417	586,729
Long-term loans receivable	540	540
Long-term loans receivable from subsidiaries and associates	62,627	58,557
Deferred tax assets	—	882
Other	40,611	39,094
Allowance for doubtful accounts	(429)	(435)
Total assets	2,002,482	1,945,527

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

(Unit: ¥ million)

	30 th FY (As of March 31, 2018)	[Reference] 29 th FY (As of March 31, 2017)
Liabilities		
Current liabilities	543,384	700,690
Accounts payable - trade	98,212	88,130
Short-term loans payable	35,021	205,359
Current portion of long-term loans payable	1,740	54,648
Current portion of bonds	50,000	49,996
Lease obligations	347	309
Accounts payable - other	18,950	16,970
Accrued expenses	9,748	9,643
Income taxes payable	10,579	20,595
Advances received	183,009	160,759
Deposits received	108,487	85,009
Provision for loss on order received	4,550	2,424
Asset retirement obligations	217	64
Other	22,518	6,779
Non-current liabilities	570,084	418,755
Bonds payable	109,981	159,975
Long-term loans payable	355,624	165,368
Lease obligations	459	552
Deferred tax liabilities	7,594	—
Provision for retirement benefits	88,546	83,247
Asset retirement obligations	511	634
Other	7,366	8,978
Total liabilities	1,113,468	1,119,445
Net assets		
Shareholders' equity	831,746	786,674
Capital stock	142,520	142,520
Capital surplus	139,300	139,300
Legal capital surplus	139,300	139,300
Retained earnings	549,927	504,855
Legal retained earnings	2,287	2,287
Other retained earnings	547,639	502,567
Reserve for special depreciation	32	64
Reserve for reduction entry	145	166
General reserve	288,000	288,000
Retained earnings brought forward	259,461	214,335
Treasury shares	(1)	(0)
Valuation and translation adjustments	57,268	39,407
Valuation difference on available-for-sale securities	57,271	39,519
Deferred gains or losses on hedges	(3)	(112)
Total net assets	889,014	826,082
Total liabilities and net assets	2,002,482	1,945,527

Note1: Amounts less than one million yen are rounded down.

Note2: The 29th FY is presented with amounts after retroactive application.

Non-Consolidated Statements of Income

(Unit: ¥ million)

	30 th FY (2017/4/1-2018/3/31)	[Reference] 29 th FY (2016/4/1-2017/3/31)
Net sales	886,115	860,900
Cost of sales	664,654	648,939
Gross profit	221,460	211,961
Selling, general and administrative expenses	137,059	125,106
Operating income	84,401	86,854
Non-operating income	14,170	13,581
Interest income	1,256	1,340
Dividend income	8,782	7,856
Gain on sales of shares of subsidiaries and associates	—	1,454
Insurance income	1,433	930
Other	2,697	1,999
Non-operating expenses	6,313	5,977
Interest expenses	2,082	1,785
Interest on bonds	2,978	3,019
Foreign exchange losses	96	148
Loss on valuation of securities	392	26
Other	762	997
Ordinary income	92,257	94,459
Extraordinary income	—	15,093
Gain on sales of investment securities	—	15,093
Extraordinary losses	—	5,025
Loss on valuation of shares of subsidiaries and associates	—	2,642
Write downs of investments in other securities of subsidiaries and associates	—	1,124
Impairment loss of noncurrent assets	—	1,241
Loss on restructuring of subsidiaries and affiliates	—	17
Income before income taxes	92,257	104,527
Income taxes - current	27,353	34,395
Income taxes - deferred	(1,905)	(4,381)
Net income	66,810	74,513

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

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

INDEPENDENT AUDIT'S REPORT

May 8, 2018

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 balance sheet, consolidated statement of income, consolidated statement of shareholders' equity, and notes to consolidated financial statements for the consolidated fiscal year from April 1, 2017 to March 31, 2018.

Management's responsibility with regards to the consolidated financial statements

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

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

Conflicts of interest

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

END

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

INDEPENDENT AUDIT'S REPORT

May 8, 2018

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 30th fiscal year from April 1, 2017 to March 31, 2018.

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 30th fiscal year from April 1, 2017 to March 31, 2018, 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 has been established 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 balance sheet, consolidated statement of income, statement of changes in consolidated shareholders' equity, and notes to consolidated financial statements).

2. Audit results

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

- (i) The Board of Corporate 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 10, 2018

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)

Yukio Ishijima (Seal)

Tetsuro Yamaguchi (Seal)

Akio Nakamura (Seal)

Rieko Sato (Seal)

END