To Our Shareholders

INTERNET DISCLOSURE OF
THE NOTICE OF CONVOCATION OF
THE 28TH ORDINARY GENERAL MEETING OF
SHAREHOLDERS

June 2, 2016
NTT DATA CORPORATION
Notes to Consolidated Financial Statements

(Important Basic Matters for Preparation of Consolidated Financial Statements)

1. Matters related to the scope of consolidation
   All of our 258 subsidiaries are included in the scope of consolidation.
   Major consolidated subsidiaries are NTT DATA, Inc., EVERIS PARTICIPACIONES, S.L.U., itelligence AG, NTT DATA EMEA LTD., etc.
   In addition, due to new investments as well as the establishment of new companies, from the current consolidated fiscal year, 19 companies are newly added to the consolidated subsidiaries.
   Also due to the merger of subsidiaries and a decrease in ownership by transfer and liquidation of subsidiaries, 14 companies are excluded from the scope of consolidation.
   Major newly added consolidated subsidiaries are as follows:
   Carlisle & Gallagher Consulting Group, Inc.
   (It changed its name to NTT DATA Consulting, Inc. on April 14, 2016).

2. Matters related to application of the equity method
   The equity method is applied to all of the 35 affiliated companies including KIRIN BUSINESS SYSTEM COMPANY, LIMITED.
   In addition, due to the establishment of a company, the equity method is extensively applied to 1 company; and due to a decrease in ownership by transfer of a company, the equity method is extensively applied to 1 company that was a consolidated subsidiary.
   Also due to transfer of share, 3 companies are excluded from the scope to which the equity method is applied.

3. Matters related to the fiscal year of the consolidated subsidiaries
   Among consolidated subsidiaries, the account closing date of 144 companies is December 31st.
   When preparing for consolidated financial statements, among the companies whose account closing date is December 31st, for 46 companies, financial statements based on the temporary account closing implemented on the consolidated account closing date are used, and for other companies, financial statements as of the account closing date are used. However, for important transactions occurring between the account closing date and the consolidated account closing date, necessary adjustments have been made for the purpose of consolidation.
   Also among the companies to which the equity method is applied, for those companies whose account closing date is different from the consolidated accounting closing date, the financial statements based on each company’s fiscal year are used.

4. Matters related to accounting standards
   (1) Basis and method of valuation of important assets
       1) Securities
          Held-to-maturity debt securities:
          Amortized cost method is used
          Other securities:
          a. Those with fair market value:
              The market value method on the market value, etc. at the end of the fiscal year is used (the valuation difference is recognized directly as net assets in full and the cost of securities sold is computed using the moving average method).
          b. Those without fair market value:
The cost method based on the moving average method is used.

2) Inventories

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

(2) Method of depreciation of important depreciable assets

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

Mainly the declining balance method is employed (however, the buildings [excluding fixtures] acquired on and after the 1st day of April 1998 are depreciated by the straight-line method).

2) Intangible fixed assets (excluding lease assets)

The straight-line method is employed for intangible fixed assets (excluding software).

The depreciation methods for software are as follows:

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

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

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

3) Lease assets

a. Lease assets related to ownership-transfer finance lease transactions

The same depreciation method that is applied to self-owned fixed assets is employed.

b. Lease assets related to finance lease transactions without the transfer of ownership:

For tangible lease assets, the method of multiplying an amount equal to the depreciation cost calculated by the declining balance method, assuming that the lease term is its useful life and the residual value is 10%, by 9/10 is employed.

As for intangible lease assets, the straight-line method is used.

(3) Valuation basis for significant allowances

1) Allowance for doubtful receivables

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

2) Allowance for losses on contracts

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

3) Allowance for retirement benefits for directors

Some consolidated subsidiaries book the necessary amount for a year-end payment based on their internal rules to appropriate the payment for retirement benefits for their directors.
(4) Valuation basis for significant revenue and expenses

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

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

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

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

(5) Method of important hedge accounting

Deferred hedge accounting is employed. However, with the regard to foreign currency monetary receivables and payables with forward exchange contracts, designated hedge accounting (“furiate-shori”) is employed. Also among the interest-rate swap transactions, for the transactions that meet the requirements for exceptional accounting (“tokurei-shori”), exceptional accounting is employed.

(6) Accounting policy for retirement benefits

In order to provide for retirement benefits for employees, the Company books the retirement benefits obligations based on the estimated amount at the end of the current consolidated fiscal year by deducting pension assets from the estimated retirement benefits. Also for consolidated subsidiaries, except for some companies, the simplified method is applied.

1) Period allocation of projected retirement benefits to be incurred

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

2) The recognition method for actuarial differences, and prior service cost

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

The prior service cost is mainly recognized in expenses by the straight-line method over the average remaining service years of employees at the time of recognition of each consolidated fiscal year.

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

(7) Accounting for consumption tax, etc.

Consumption tax, etc. are accounted for by the tax-excluded method.
(Changes in Accounting Policy)

“Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Accounting Standard- ASBJ Statement No.21 dated September 13, 2013; hereinafter referred to as “Accounting Standard for Business Combinations”), “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan (ASBJ) Accounting Standard- ASBJ Statement No.22 dated September 13, 2013, hereinafter referred to as “Accounting Standard for Consolidated Financial Statements”) and “Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan (ASBJ) Accounting Standard- ASBJ Statement No.7 dated September 13, 2013, hereinafter referred to as “Accounting Standard for Business Divestitures”), etc. have been adopted since the current consolidated fiscal year. The accounting method is changed to those in which the difference in the Company’s equity for the subsidiaries, over which the Company’s control continues, occurred due to changes of the Company’s equity amount, is presented as additional paid-in capital, as well as cost for the consolidated fiscal year when the acquisition cost occurred. Also, for the business combination that will be held after the beginning of the current fiscal year, it will be changed to a method that the revision of allocation of acquisition cost by determining provisional accounting process will be reflected on the consolidated financial statement for the consolidated fiscal year to which the business combination belongs. In addition, the manner of presentation of current net profit, etc. and of minor shareholders to non-controlling shareholders are changed. In order to reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year are restated.

The Accounting Standard for Business Combinations and other standards are applied in accordance with transitional treatment as stipulated in Item 58-2 (4) of the Accounting Standard for Business Combinations, Item 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Item 57-4(4) of the Accounting Standard for Business Divestitures, and are applied from the beginning of the consolidated fiscal year under review and onwards.

Effects on the operating profit, the current profit and the current net profit before tax, etc. for the current consolidated fiscal year as well as on the additional paid-in capital at the end of the current consolidated fiscal year are minor.

(Changes in the Manner of Presentation)

1. Balance Sheet

The account item “Deposits”, which was included in “Other” of the Current Assets for the previous consolidated fiscal year, has become significant in its amount and is therefore classified and reported separately from the current consolidated fiscal year.

In addition, 155,379 million yen presented as “Other” of Current Assets for the previous fiscal year has been restated as “Deposits”, 96,015 million and “Other”, 59,364 million.

2. Statement of Income

The account item “Insurance Receivables”, which was included in “Other” of the Non-Operating Income for the previous consolidated fiscal year, has become significant in its amount and is therefore classified and reported separately from the current consolidated fiscal year.

In addition, 4,573 million yen presented as “Other” of Non-Operating Income for the previous fiscal year has been restated as “Insurance Receivables”, 912 million and “Other”, 3,661 million.
NTT DATA, a company submitting consolidated financial statements, agreed on March 28, 2016 with Dell Inc. to acquire Dell Services Unit through its subsidiary, NTT DATA International L.L.C. (President & CEO: John McCain, Address: NY, U.S., controlling operating subsidiaries in the North America, Capital: $1,649 million).

Dell Services Unit includes 3 companies of Dell Systems Corporation (President: Suresh Vaswani, Address: Plano, TX, U.S.), Dell Technology & Solutions Limited (Director: Janet Wright, Address: Ireland), and Dell Services Pte. Ltd. (Director: Janet Wright, Address: Singapore) as well as IT service related businesses of Dell Group mainly in North America. For the 3 companies, NTT DATA will acquire 100% of the issued shares from Dell Inc. (the parent company of the 3 companies).

1. Overview of Business Combination
   (1) Names of the acquired companies
      Dell Systems Corporation
      Dell Technology & Solutions Limited
      Dell Services Pte., Ltd.
   (2) Name of the company related to the business transfer
      Dell Inc.
   (3) Business contents of the acquired companies and contents of the acquired business
      IT outsourcing, BPO, application development/management, etc.
   (4) Reasons for the business combination
      Dell Services Unit provides cloud service, application-related service and BPO service, having a firm base for healthcare, manufacturing, service, financial industries and government as major clients mainly in North America. They particularly gain high evaluation by providing industry-specialized digital solutions and BPO service for the healthcare industry including medical institutions and health insurance companies. NTT DATA, through this acquisition of Dell Services Unit, will aim to expand our business in every industry mainly in North America, as well as enforcing services utilizing the latest technology in cloud service and BPO service.
   (5) Legal form of the business combination
      Share acquisition and business transfer
   (6) Acquired ratio of the voting rights
      Dell Systems Corporation 100%
      Dell Technology & Solutions Limited 100%
      Dell Services Pte. Ltd. 100%

2. Acquisition cost of the acquired company and business
   Acquisition cost: 3,055 million US dollars (estimated amount)
(Notes to the Consolidated Balance Sheet)

1. The breakdown of inventories
   Merchandise and manufactured goods 2,086 million yen
   Work in process 21,825 million yen
   Raw materials and supplies 2,764 million yen

2. Assets offered as security and liabilities related to security
   (1) Assets offered as security
      Cash on hand and at banks 31 million yen
      Notes receivable and accounts receivable 16 million yen
      Lease receivables and investment assets 1,505 million yen
      Buildings and structures 12,586 million yen
      Machinery, equipment and vehicles 38 million yen
      Furniture, fixtures and tools 77 million yen
      Land 38 million yen
      Software 0 million yen
      Investment securities 270 million yen
      Investment and other assets (Long-term loans receivables) 540 million yen
      Total assets of certain subsidiaries (Cash and deposits, etc.) 242 million yen
   (2) Secured liabilities
      Corporate bonds 100 million yen
      Long-term debt 1,914 million yen
      (including those repayable within one year)

3. Accumulated depreciation of tangible fixed assets 509,362 million yen

4. Guarantee obligation
   Performance warranties for system development/operation contracts (45,000 thousand AUS)
      Bank of America Corp. 3,880 million yen
      (NTT DATA Victorian Ticketing System Pty Ltd)

5. Other
   For stock purchase options for minority interests in foreign consolidated subsidiaries possessed by non-controlling shareholders of such subsidiaries, anticipated exercise prices are recognized as a debt, and at the same time, the book values of the non-controlling interest for such interests are deducted from “Non-controlling interests” under net assets and the remaining amount is presented in “Other” in accumulated other comprehensive income under net assets.

6. In inventories related to construction contracts for which potential losses are expected, the amount is presented by offsetting with the corresponding allowance for losses on contracts, 12,401 million yen (all of them are an allowance for losses on contracts related to work in process).
(Notes to the Consolidated Statement of Income)

1. Transfer to allowance for loss on contracts included in cost of sales 16,978 million yen

2. The principal categories and amounts of selling and general administrative expenses are as follows.
   - Employees’ salaries and allowances 113,675 million yen
   - Retirement benefits expenses 10,038 million yen
   - Subcontractor expenses 39,320 million yen
   - Research and development expenses 12,410 million yen

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

4. Loss due to impairment of goodwill presented as extraordinary loss is as follows:
   For a part of the group companies in the Global Segment, we had presented their goodwill of the acquired business based on its excess earning power. However, as the earning expected at the beginning cannot be expected, the said deducted amount of the book value is presented in the extraordinary loss as the impairment loss. Also, the collectible amounts of the asset group including goodwill are calculated based on values in use, and the discount rate used for such calculation is 10%.
   The goodwill grouping in NTT DATA and the NTT DATA Group was made based on a business of the Company and the Company Group as a minimum unit.

(Notes to the Consolidated Statement of Shareholders’ Equity)

1. Class and number of shares outstanding at the consolidated fiscal year-end
   Common stock 280,500,000 shares

2. Class and number of treasury stock at the consolidated fiscal year-end
   Common stock 99 shares

3. Dividends
   (1) Dividends Paid

<table>
<thead>
<tr>
<th>Approval</th>
<th>Class of Shares</th>
<th>Total Amount of Dividends (¥ million)</th>
<th>Dividend per Share (¥)</th>
<th>Record Date</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary General Meeting of Shareholders</td>
<td>Common stock</td>
<td>8,414</td>
<td>30</td>
<td>March 31, 2015</td>
<td>June 18, 2015</td>
</tr>
<tr>
<td>on June 17, 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Board of Directors on October 29, 2015</td>
<td>Common stock</td>
<td>8,414</td>
<td>30</td>
<td>September 30, 2015</td>
<td>December 1, 2015</td>
</tr>
</tbody>
</table>
(2) Dividends whose record date is within the consolidated fiscal year ended March 31, 2016, but to be effective in the following consolidated fiscal year.

<table>
<thead>
<tr>
<th>Approval</th>
<th>Class of Shares</th>
<th>Dividend Source</th>
<th>Total Amount of Dividends (¥ million)</th>
<th>Dividend per Share (¥)</th>
<th>Record Date</th>
<th>Effective Date</th>
</tr>
</thead>
</table>
(Notes related to Financial Instruments)

1. Matters related to the status of financial instruments

(1) Policy for handling financial instruments

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

(2) Components and risks of financial instruments

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

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

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

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

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

(3) Financial instrument-related risk control structure

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

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

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

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

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

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

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

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

The use of derivatives by consolidated subsidiaries is subject to prior discussion with the Company.
3) Fund procurement related liquidity risk management (risk of being unable to pay on the due date)

The NTT DATA Group manages liquidity risks by certain means, for example, individual group companies formulate and update monthly funding plans.

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

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

2. Matters related to methods of calculating fair market values of financial instruments, and securities and derivatives transactions

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

<table>
<thead>
<tr>
<th>Amounts in Consolidated Balance Sheet</th>
<th>Fair Market Value</th>
<th>Differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Cash on hand and at banks</td>
<td>148,495</td>
<td>148,495</td>
</tr>
<tr>
<td>(2) Notes receivable and accounts receivable</td>
<td>403,146</td>
<td>403,146</td>
</tr>
<tr>
<td>(3) Securities</td>
<td>26,000</td>
<td>26,000</td>
</tr>
<tr>
<td>(4) Deposits (*2)</td>
<td>121,646</td>
<td>121,646</td>
</tr>
<tr>
<td>(5) Investment securities</td>
<td>69,424</td>
<td>69,447</td>
</tr>
<tr>
<td>Total assets</td>
<td>768,713</td>
<td>768,736</td>
</tr>
<tr>
<td>(1) Accounts payable</td>
<td>121,688</td>
<td>121,688</td>
</tr>
<tr>
<td>(2) Short-term borrowings</td>
<td>51,627</td>
<td>51,627</td>
</tr>
<tr>
<td>(3) Current portion of long-term debt</td>
<td>29,245</td>
<td>29,245</td>
</tr>
<tr>
<td>(4) Current portion of bonds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Income taxes payable</td>
<td>33,158</td>
<td>33,158</td>
</tr>
<tr>
<td>(6) Corporate bonds</td>
<td>210,062</td>
<td>220,116</td>
</tr>
<tr>
<td>(7) Long-term borrowings</td>
<td>109,451</td>
<td>116,933</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>555,234</td>
<td>572,770</td>
</tr>
<tr>
<td>Derivatives transactions (*1)</td>
<td>(1,570)</td>
<td>(1,570)</td>
</tr>
</tbody>
</table>

(*1) Net claims and liabilities arising on derivatives transactions are stated as a single net amount. If the total is negative figure, the amount is shown in brackets.

(*2) The account item “Deposits” has become significant in its amount and is therefore classified and reported separately from the current consolidated fiscal year.

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

Assets

(1) Cash on hand and at banks, (2) Notes receivables and accounts receivable, and (4) Deposits

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

(3) Securities and (5) Investment securities

For the fair market values of these securities, stock exchange prices are used for shares and published base prices are used for investment funds.

Also since negotiable deposits are settled in the short term, the fair market value is almost equal to the book values. Therefore, the book values have been adopted.
Liabilities

(1) Accounts payable, (2) Short-term borrowings, (3) Current portion of long-term debt, (4) Current portion of bonds, and (5) Income taxes payable, etc.

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

(6) Corporate bonds

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

(7) Long-term borrowings

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

Derivatives transactions

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

(Note 2) Unlisted shares (amount presented in the consolidated balance sheet, 14,174 million yen) have no fair value and are deemed to require excessive cost to calculate their future cash flow. Therefore, identifying their fair market value is deemed extremely difficult and they are not included in “Assets (5) Investment securities”.

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

<table>
<thead>
<tr>
<th></th>
<th>1 year or less ($ million)</th>
<th>More than 1 year but not more than 5 years ($ million)</th>
<th>More than 5 years but not more than 10 years ($ million)</th>
<th>More than 10 years ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand and at banks</td>
<td>148,495</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts receivable</td>
<td>403,146</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits</td>
<td>121,646</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Securities and investment securities</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Negotiable certificate of deposit</td>
<td>26,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bonds held to maturity</td>
<td>-</td>
<td>715</td>
<td>2,729</td>
<td>100</td>
</tr>
<tr>
<td>Available-for-sale securities with maturity</td>
<td>-</td>
<td>99</td>
<td>-</td>
<td>73</td>
</tr>
<tr>
<td>Total</td>
<td>699,288</td>
<td>814</td>
<td>2,729</td>
<td>173</td>
</tr>
</tbody>
</table>
(Note 4) Amounts of corporate bonds, long-term borrowings and other interest-bearing liabilities due for repayment after the consolidated fiscal year end date

<table>
<thead>
<tr>
<th></th>
<th>1 year or less ($¥ million)</th>
<th>More than 1 year but not more than 5 years ($¥ million)</th>
<th>More than 5 years but not more than 10 years ($¥ million)</th>
<th>More than 10 years ($¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>51,627</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>29,245</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Current portion of bonds</td>
<td>--</td>
<td>159,978</td>
<td>50,083</td>
<td>--</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td></td>
<td>85,316</td>
<td>22,770</td>
<td>1,364</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>80,873</td>
<td>245,294</td>
<td>72,854</td>
<td>1,364</td>
</tr>
</tbody>
</table>
### Notes to Derivatives transactions

1. Derivatives transactions not subject to hedge accounting

#### Currency-related

<table>
<thead>
<tr>
<th>Category</th>
<th>Transaction type</th>
<th>Contract amounts (¥ million)</th>
<th>Contracts for over 1 year (¥ million)</th>
<th>Fair market value (¥ million)</th>
<th>Valuation gain/loss (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Foreign exchange contract</td>
<td>Euro selling/ Swiss franc buying</td>
<td>164</td>
<td>109</td>
<td>(31)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Euro selling/US dollar buying</td>
<td>507</td>
<td>422</td>
<td>(99)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Euro selling/ Great Britain pound buying</td>
<td>129</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Great Britain pound selling/Japanese yen buying</td>
<td>2,081</td>
<td>—</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Euro selling/ Japanese yen buying</td>
<td>10,837</td>
<td>—</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AU dollar selling/Japanese yen buying</td>
<td>686</td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Japanese yen selling/Chinese yuan buying</td>
<td>1,660</td>
<td>—</td>
<td>188</td>
</tr>
<tr>
<td></td>
<td>Foreign exchange contract</td>
<td>Brazilian real selling/Euro buying</td>
<td>1,083</td>
<td>—</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Columbian peso selling/ Euro buying</td>
<td>790</td>
<td>—</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Great Britain pound selling/Euro buying</td>
<td>140</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>US dollar selling/Euro buying</td>
<td>322</td>
<td>—</td>
<td>(0)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chilean peso selling/Euro buying</td>
<td>191</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Peruvian nuevo sol selling/ Euro buying</td>
<td>246</td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>18,840</td>
<td>532</td>
<td>132</td>
</tr>
</tbody>
</table>

(Note) Fair market value is calculated on the basis of the values stated by the financial institutions involved in the transactions.
2. Derivatives transactions subject to hedge accounting

Currency-related

<table>
<thead>
<tr>
<th>Hedging accounting method</th>
<th>Transaction type</th>
<th>Main items hedged</th>
<th>Contact amounts (¥ million)</th>
<th>Contacts for over 1 year (¥ million)</th>
<th>Fair market value (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferral method</strong></td>
<td>Foreign exchange contract</td>
<td>US dollar selling/Indian rupee buying</td>
<td>10,818</td>
<td>–</td>
<td>208</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Great Britain pound selling/Indian rupee buying</td>
<td>145</td>
<td>–</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Order to buy Chinese yuan</td>
<td>12,500</td>
<td>5,750</td>
<td>(416)</td>
</tr>
<tr>
<td><strong>Currency swap allocation procedure</strong></td>
<td>Currency swap contract</td>
<td>US dollar receiving/Euro paying</td>
<td>54,654</td>
<td>54,654</td>
<td>8,879</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Japanese yen receiving/Euro paying</td>
<td>3,888</td>
<td>–</td>
<td>45</td>
</tr>
<tr>
<td><strong>Foreign exchange allocation procedure</strong></td>
<td>Foreign exchange contract</td>
<td>Order to buy US dollars</td>
<td>352,061</td>
<td>–</td>
<td>(10,434)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>434,068</td>
<td>60,404</td>
<td>(1,702)</td>
</tr>
</tbody>
</table>

(Note) Fair market value is calculated on the basis of the values stated by the financial institutions involved in the transactions.
(Notes related to business combinations)

(Acquisition of Carlisle & Gallagher Consulting Group, Inc.)

The Company, a company submitting consolidated financial statements, acquired 100% outstanding stocks of Carlisle & Gallagher Consulting Group, Inc. (President & CEO: Bob Gallagher, Address: Charlotte, NC, U.S., hereinafter referred to as CG), a financial IT consulting company in the U.S., on July 23, 2015 (the U.S. time) through NTT DATA, Inc., the Company’s business company in North America, and made it a consolidated subsidiary.

1. Overview of the business combination
   (1) Name of the acquired company
      Carlisle & Gallagher Consulting Group, Inc.
   (2) Business contents of the acquired company
      Business and system consulting for major financial institutions, system development, business process design/improvement/implementation services
   (3) Scale of business
      Consolidated sales amount 136.4 million U.S. dollars
      Consolidated total assets 38.5 million U.S. dollars
      Capital 0.5 million U.S. dollars
   (4) Reasons for the business combination
      By this acquisition of CG, NTT DATA, Inc. will be able to further develop its services into an area that requires industry-specific knowledge such as banking, asset management/operation by utilizing the CG’s professional consulting abilities in the financial field in addition to the Company’s wide variety of services and technology.
   (5) Business combination date
      July 23, 2015 (U.S. time)
   (6) Legal form of the business combination
      Acquisition of shares in consideration for cash
   (7) Name of the company after the combination
      Carlisle & Gallagher Consulting Group, Inc.
      (The company changed its name to NTT DATA Consulting, Inc. on April 14, 2016.)
   (8) Acquired ratio of the voting rights
      100.0%
   (9) Basis for determination of the acquiring company
      The Company has acquired the shares in consideration for cash.
   (10) Number of shares acquired.
      100,000
   (11) Overview of the counterparty for the acquisition of shares
      Tom Carlisle, Bob Gallagher, Alex Dickey, etc.

2. The acquired company’s record period that is included in the consolidated quarterly statements of income and comprehensive income related to the consolidated quarterly accounting period
   From July 23, 2015 to March 31, 2016

3. Breakdowns of types of the acquisition cost and the consideration of the acquired company
   Cash 25,462 million yen
   Acquisition cost 25,462 million yen

4. Contents and the amount of major costs related to the acquisition
   Advisory fee, etc. 489 million yen
5. Amount of goodwill occurred, reasons of occurrence, method and period of amortization
   
   (1) Amount of goodwill occurred     17,437 million yen (an estimation)
   
   The amount of goodwill is provisionally calculated due to the incompletion of realization of recognizable assets and liabilities and calculation of fair market values as of the date of the business combination, and therefore, the allocation of the acquisition cost.

   (2) Reasons of occurrence
   
   It occurred on the basis of reasonable estimation of future excess earning power expected from the business development by CG.

   (3) Method and period of amortization
   
   Equal-installment depreciation over 20 years

6. Received assets and liabilities on the date of business combination and the major breakdowns
   
   Assets
   
   Current assets     4,423 million yen
   Fixed assets     1,788 million yen

   Liabilities
   
   Current liabilities     3,598 million yen
   Fixed liabilities     49 million yen

7. Allocation of acquisition cost
   
   The provisional accounting process is adopted based on reasonable available information at the fiscal year-end due to the incompletion of realization of recognizable assets and liabilities and calculation of fair market values at the end of the current consolidated fiscal year, and therefore, the allocation of the acquisition cost.

8. Estimated amount and the method of calculation of the effect on the consolidated statement of income for the current consolidated fiscal year, should the business combination be completed on the start day of the consolidated fiscal year.
   
   Estimated amount
   
   Sales     5,298 million yen
   Net profit before tax, etc.     (26) million yen

   (Calculation method of the estimated amount)
   
   The estimated amount of the effect is the difference between the sales amount, profit and loss calculated on the supposition that the business combination was completed on the start day of the consolidated fiscal year and the sales amount, profit and loss on the Company’s consolidated financial statements. The audit certification is not received for this estimated amount.
The Company and some of our consolidated subsidiaries hold office buildings (including land) for rent in Tokyo and other areas.

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

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

<table>
<thead>
<tr>
<th>Amount recorded in the consolidated balance sheet</th>
<th>Market value at the end of the period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>Change during the period</td>
</tr>
<tr>
<td>26,801</td>
<td>1,043</td>
</tr>
</tbody>
</table>

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

(Note 2) Change during the period mainly includes the increase in the rate of rent (1,515 million yen).

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

(Notes to the Per-Share Information)

1. Net assets per share 2,641.39 yen
2. Net income per share 225.93 yen
Notes to Non-Consolidated Financial Statements
(Matters related to important accounting policy)

1. Basis and method of valuation of securities
   Held-to-maturity debt bonds: amortized cost method is used
   Shares of subsidiaries and affiliates: the cost method based on the moving average method is used
   Other securities:
   (1) Those with fair market value:
   The market value method based on the market value, etc. at the end of the fiscal year is used (valuation difference is recognized directly as net assets in full and the cost of securities sold is computed using the moving average method).
   (2) Those without fair market value:
   The cost method based on the moving average method is used.

2. Basis and method of valuation of inventories
   Work in process: At cost based on the specific identification method (the balance sheet amount is computed at the lowered book values reflecting a potential decline)
   Stores: At cost based on the first in first out method (the balance sheet amount is computed at the lowered book values reflecting a potential decline)

3. Method of depreciation of fixed assets
   (1) Property, plant and equipment (excluding lease assets)
   Mainly the declining balance method is employed. However, the buildings (excluding fixtures) acquired on and after the 1st day of April 1998 are depreciated by the straight-line method.
   (2) Intangible fixed assets (excluding lease assets)
   The straight-line method is employed for intangible assets (excluding software).
   The depreciation methods for software are as follows:
   1) Marketable software:
   Comparing the depreciated amount based on the estimated sales revenue over the estimated sales period (within 3 years) and an equal distribution amount based on the length of the remaining period available for sale, the larger one is presented.
   2) Software for internal use:
   Depreciated using the straight-line method based on its estimated usable period in the Company (within 5 years).
   However, among software for service provision purposes, for data communication service software based on a contract with specific customers, the equal installment method is used over the contracted fee payment period.
   (3) Lease assets
   1) Tangible lease assets
   For the leased assets related to finance lease transactions without the transfer of ownership, the method of multiplying an amount equal to the depreciation cost calculated by the declining balance method, assuming that the lease term is its useful life and the residual value is 10%, by 9/10 is employed.
   2) Intangible lease assets
   The straight-line method is used.
4. Valuation basis for significant allowances
   (1) Allowance for doubtful receivables
   In order to provide for possible losses due to the uncollectibility of general account receivables, such an
   allowance is calculated based on historical collection losses. There is an allowance for specific account
   receivables such as doubtful accounts receivables, a case by case review for collectability is conducted and an
   estimation of the uncollectible amount is booked.
   (2) Allowance for losses on contracts
   In order to provide for possible future losses related to contracts of orders on hand at the end of the current
   fiscal year, those with a high probability of generating losses and where it is possible to reasonably estimate
   the amount of such losses, the estimated amount of losses to be incurred in the future is provided as an
   allowance for losses on contracts and presented by offsetting with corresponding work in process.
   (3) Allowance for retirement benefits
   The Company books the necessary amount for a year-end payment based on the estimated amount of
   retirement benefit obligations and the pension assets at the end of the current fiscal year to appropriate the
   payment for retirement benefit for our employees.
   1) Period allocation of projected retirement benefits to be incurred
      In calculating the retirement benefit obligations, the method based on the benefit formula is used to
      allocate the projected retirement benefits to the years of service up to the end of the fiscal year under
      review.
   2) The recognition method for actuarial differences, and prior service cost
      The actuarial gains and losses are mainly recognized in the expenses of a proportionally divided amount
      calculated by the straight-line method over a period of the average remaining service years of
      employees at the time of recognition of each fiscal year, commencing with the year following their
      fiscal year.
      The prior service cost is mainly recognized in expenses by the straight-line method over the average
      remaining service years of employees at the time of recognition of each fiscal year.

5. Valuation basis for significant revenues and expenses
   (1) Valuation basis for contract revenue and the cost of completed work
      The percentage-of-completion method has been applied for construction work for which the completion of
      a certain percentage of the entire work by the date of current consolidated fiscal year end is clearly
      recognizable (the percentage of completion is estimated by the cost proportion method) and the
      completed-contract method has been applied for other contracts.
   (2) Valuation basis for revenues and expenses related to finance lease transactions
      Revenues and expenses related to finance lease transactions are accounted for by a method in which sales
      and the cost of sales are booked when lease expenses are received.

6. Method of hedge accounting
   Deferred hedge accounting is employed.
   However, with regard to foreign currency monetary receivables and payables with forward exchange
   contracts, designated hedge accounting ("furiate-shori") is employed.
   Also, among the interest-rate swap transactions, for the transactions that meet the requirements for exceptional
   accounting ("tokurei-shori"), exceptional accounting is employed.
7. Accounting for consumption tax, etc.

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

8. Accounting method related to retirement benefits

In the financial statements, unrecognized actuarial gains and losses and unprocessed amount of unrecognized prior services cost in the balance sheet are processed differently from the consolidated financial statements. In the non-consolidated balance sheet, the amount for which unrecognized actuarial gains and losses and unprocessed amount of unrecognized prior services cost is added or deducted from the retirement benefit obligations, and the amount of pension asset is deducted, is presented as the allowance for retirement benefit.

(Changes in the accounting policy)

Not applicable.

(Changes in the Manner of Presentation)

1. Balance Sheet

The account item “Deposits”, which was included in “Other” of the Current Assets for the previous fiscal year, has become significant in its amount and is therefore classified and reported separately from the current fiscal year. In addition, 132,443 million yen as “Other” of Current Assets for the previous fiscal year has been restated as “Deposits”, 96,015 million yen, and “Other”, 36,428 million yen. Also, the account item “Long-term loan for the related companies”, which was included in “Other” of the Investment and Other Assets for the previous fiscal year, has become significant in its amount and is therefore classified and reported separately from the current fiscal year. In addition, 97,155 million yen as “Other” of the Investment and Other Assets for the previous fiscal year has been restated as “Long-term loans for the related companies”, 84,389 million yen and “Other”, 12,766 million yen.

2. Statement of Income

The account item “Insurance Receivables”, which was included in “Other” of the Non-Operating Income for the previous fiscal year, has become significant in its amount and is therefore classified and reported separately from the current fiscal year. In addition, 3,715 million yen presented as “Other” of Non-Operating Income for the previous fiscal year has been restated as “Insurance Receivables”, 868 million yen and “Other”, 2,846 million yen. Also, the account item “Foreign currency transaction loss” and “Loss from securities revaluation”, which was included in “Other” of the Non-Operating Income for the previous fiscal year, has become significant in its amount and is therefore classified and reported separately from the current fiscal year. In addition, 2,092 million yen presented as “Other” of Non-Operating Income for the previous fiscal year has been restated as “Foreign currency transaction loss”, 305 million yen, “Loss from securities revaluation”, 715 million yen and “Other”, 1,071 million yen.
(Notes to the Balance Sheet)

1. Breakdowns of inventories
   Merchandise 1,575 million yen
   Work in process 11,418 million yen
   Supplies 1,256 million yen

2. Assets offered as security and liabilities related to security
   (1) Assets offered as security
      Investment securities 270 million yen
      Stocks of subsidiaries and affiliates 75 million yen
      Other current, current assets (short-term loans receivable from subsidiaries and affiliates) 2 million yen
      Long-term loans receivable 540 million yen
      Long-term loans receivable from subsidiaries and affiliates 46 million yen
   (2) Secured liabilities
      Long-term borrowings of subsidiaries (including those repayable within one year) 1,447 million yen

3. Accumulated depreciation of tangible fixed assets 452,623 million yen

4. Guarantee obligation
   Performance warranties for system development/operation contracts (45,000,000 AUS)
   Bank of America Corp. 3,880 million yen
   (NTT DATA Victorian Ticketing System Pty Ltd)

5. Monetary claims/liabilities against affiliated companies (excluding those presented separately)
   Short-term monetary claims 68,443 million yen
   Short-term monetary liabilities 109,595 million yen
   Long-term monetary liabilities 8,123 million yen

6. In inventories related to construction for which potential losses are expected, the amount is presented by offsetting with the corresponding allowance for losses on contracts (12,083 million yen [all of them are an allowance for losses on contracts related to work in process]).
(Notes to the Income Statement)
1. Transaction with subsidiaries and affiliated companies
   - Net sales: 14,171 million yen
   - Purchases: 221,613 million yen
   - Selling, general and administrative expenses: 28,306 million yen
   - Non-trade transactions: 6,918 million yen

2. Transfer to allowance for loss on contracts included in cost of sales: 15,965 million yen

3. As for impairment losses of fixed assets under extraordinary losses, mainly due to the significant deterioration of the profitability of the assets used by the Public & Social Infrastructure Segment, the Company can no longer expect to collect the invested amounts, so the Company decided to apply impairment accounting and reduced the book values of such assets to the future collectible level and the reduced amount is presented. Breakdowns of impairment losses of fixed assets are 580 million yen for software, 224 million yen for data communication facility.

   The asset grouping was made mainly based on a minimum unit that can be united and functions as a system. Also, the collectible amounts of the asset group are calculated based on values in use, and the discount rate used for such calculation is 5%.

(Notes to the Statement of Shareholders' Equity)
1. Class and number of treasury stock at the current fiscal year-end
   - Common stock: 99 shares
(Notes to Tax Effect Accounting)

1. Breakdown of deferred income taxes and liabilities by major cause

   Deferred income taxes
   
   - Provision for retirement benefits: 19,600 million yen
   - Accounts receivable: 13,830 million yen
   - Depreciation in excess of limit: 7,966 million yen
   - Long-term borrowings (Repurchase of noncurrent assets): 3,018 million yen
   - Adjustment to the percentage-of-completion method: 3,224 million yen
   - Others: 18,558 million yen

   Deferred income taxes – subtotal: 66,198 million yen

   Valuation allowance: (6,781) million yen

   Total deferred income taxes: 59,416 million yen

   Deferred tax liabilities
   
   - Valuation difference on available-for-sale securities: (14,142) million yen
   - Fixed assets: (15,100) million yen
   - Difference on book value of affiliates’ shares by restructuring: (3,400) million yen
   - Reserve for reduction entry: (103) million yen
   - Others: (2,041) million yen

   Total deferred tax liabilities: (34,787) million yen

   Net deferred income taxes: 24,628 million yen

2. Breakdown of major items that caused differences between the statutory effective tax rate and the income tax and other burden rates after tax effect accounting

   Statutory effective tax rate: 33.06%

   (Adjustments)

   - Entertainment and other expenses that are permanently nondeductible: 0.25%
   - Dividends income: -1.38%
   - Per-capita inhabitant tax: 0.09%
   - Tax credit by R&D tax reduction: -2.14%
   - Valuation allowance increase/(decrease): 0.07%
   - Tax rate change due to tax revision, etc.: 1.97%
   - Others: -0.90%

   Income tax and other burden rates after tax effect accounting: 31.02%

3. Modification of deferred income taxes and liabilities due to changes of the income tax rate

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

   Consequently, the amount of deferred income taxes (with the amount of deferred tax liabilities deducted) decreased by 1,152 million yen, while the amounts of income taxes adjustment and valuation difference on available-for-sale securities that were recorded in the current fiscal year increased by 1,839 million yen and 686 million yen, respectively.
### (Notes to Related-Party Transactions)

Directors and Principal Individual Shareholders, etc.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Name of the related party</th>
<th>Address</th>
<th>Common stock (¥ million)</th>
<th>Type of business</th>
<th>% of voting rights, etc., held (owned)</th>
<th>Relationship between the related parties</th>
<th>Additional posts held by the directors</th>
<th>Operating relation</th>
<th>Transaction details</th>
<th>Transaction amount (¥ million)</th>
<th>Account items</th>
<th>Year-end balance (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Officer</strong></td>
<td>Toshio Iwamoto</td>
<td>—</td>
<td>—</td>
<td>President and Chief Executive Officer of NTT DATA Corporation</td>
<td>(owned) Direct 0.0</td>
<td>Business rental income and other business income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>28</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>Chairman of the Japan Electronic Payment Promotion Organization</td>
<td>(owned) Direct 0.0</td>
<td>Payment of annual fees</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Officer</strong></td>
<td>Satoshi Kurishima</td>
<td>—</td>
<td>—</td>
<td>Senior Executive Vice President of NTT DATA Corporation</td>
<td>(owned) Direct 0.0</td>
<td>Payment of annual fees</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>Chairman of the Japan Data Management Consortium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Note) 1. Transaction amounts do not include consumption taxes, etc.

2. Terms and conditions of the transaction above and the determination policies for such conditions are the same as those for other business partners.

3. Mr. Toshio Iwamoto resigned from the chairman position of Private Finance Initiative / Public Private Partnership (PFI/PPP) in July 2015, and the content above is related to term of office in the current fiscal year.
## Affiliated companies, etc.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Company name</th>
<th>% of voting rights, etc., held(owned)</th>
<th>Relationship between the related parties</th>
<th>Transaction details</th>
<th>Transaction amount (¥ million)</th>
<th>Account item</th>
<th>Year-end balance (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affiliated company</td>
<td>NTT DATA, Inc.</td>
<td>(Held) Indirect 100.0 (Owned) Direct 0.0</td>
<td>Entering into contract of term loan</td>
<td>Lending of funds</td>
<td>16,533 (140 million US Dollars)</td>
<td>Other current assets, current assets (short-term loans receivable from subsidiaries and affiliates)</td>
<td>34,933 (310 million US Dollars)</td>
</tr>
<tr>
<td>Affiliated company</td>
<td>EVERIS PARTICIPACIONES, S.L.U.</td>
<td>(Held) Indirect 100.0 (Owned) Direct 0.0</td>
<td>Entering into contract of term loan</td>
<td>Lending of funds</td>
<td>—</td>
<td>Long-term loans receivable from subsidiaries and affiliates</td>
<td>16,456 (129 million Euros)</td>
</tr>
</tbody>
</table>

(Note) 1. With regard to the lending of funds, interest rates are determined rationally by taking market interest rates into consideration. No collateral is obtained.
### Group companies, etc.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Company name</th>
<th>% of voting rights, etc., held (owned)</th>
<th>Relationship between the related parties</th>
<th>Transaction details</th>
<th>Transaction amount (¥ million)</th>
<th>Account item</th>
<th>Year-end balance (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary of parent company</td>
<td>NTT Finance Corporation (Held) Direct 3.1 (Owned) Direct 0.0</td>
<td></td>
<td>Transactions among NTT Group companies</td>
<td>Transactions among NTT Group companies</td>
<td>39,284</td>
<td>Accounts due</td>
<td>8,992</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fund deposit, etc.</td>
<td>Fund deposit</td>
<td>57,846</td>
<td>Deposits paid</td>
<td>121,646</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Interest revenue accompanying the fund deposit</td>
<td>40</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Note) 1. Transaction amounts do not include consumption taxes, but amounts of the year-end balance include them.
2. Terms and conditions of the transactions above and the determination policies for such conditions are the same as those for other business partners.

### Notes to the per-share information

1. Net asset per share 2,689.04 yen
2. Net income per share 229.16 yen
<table>
<thead>
<tr>
<th></th>
<th>28th FY</th>
<th>27th FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>1,614,897</td>
<td>1,511,812</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>1,216,795</td>
<td>1,147,302</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>398,101</td>
<td>364,509</td>
</tr>
<tr>
<td>Selling, General and Administrative Expenses</td>
<td>297,216</td>
<td>280,495</td>
</tr>
<tr>
<td>Operating Income</td>
<td>100,885</td>
<td>84,013</td>
</tr>
<tr>
<td>Non-Operating Income</td>
<td>7,844</td>
<td>6,845</td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td>10,571</td>
<td>12,950</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>98,158</td>
<td>77,909</td>
</tr>
<tr>
<td>Extraordinary income</td>
<td>15,237</td>
<td>–</td>
</tr>
<tr>
<td>Extraordinary loss</td>
<td>5,607</td>
<td>3,913</td>
</tr>
<tr>
<td>Income before Income Taxes</td>
<td>107,789</td>
<td>73,995</td>
</tr>
<tr>
<td>Income taxes-current</td>
<td>46,925</td>
<td>34,992</td>
</tr>
<tr>
<td>Income taxes-deferred</td>
<td>(4,570)</td>
<td>5,423</td>
</tr>
<tr>
<td>Total Income Taxes</td>
<td>42,354</td>
<td>40,416</td>
</tr>
<tr>
<td>Net Income</td>
<td>65,434</td>
<td>33,579</td>
</tr>
<tr>
<td>Net income (loss) attributable to non-controlling interests</td>
<td>2,061</td>
<td>1,434</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>63,373</td>
<td>32,144</td>
</tr>
</tbody>
</table>

Other comprehensive income
- Valuation difference on available-for-sale securities | (14,349) | 43,989 |
- Deferred gains and losses on hedges | (8,186) | 617 |
- Translation adjustments | (25,975) | 27,243 |
- Remeasurements of defined benefit plans, net of tax | (29,872) | 334 |
- Share of other comprehensive income of associates accounted for using equity method | (208) | 311 |
- Other comprehensive income | 480     | 1,074 |
- Total Other comprehensive income | (78,110) | 73,571 |

Comprehensive income
- (Break down)
  - Comprehensive income attributable to owners of the parent | (13,371) | 105,443 |
  - Comprehensive income attributable to non-controlling interests | 695     | 1,707 |

Note: Amounts less than one million yen are rounded down.
### Consolidated Statements of Cash Flow

(Reference) (Unit: ¥ million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>107,789</td>
<td>73,995</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>147,961</td>
<td>146,896</td>
</tr>
<tr>
<td>Loss on retirement of non-current assets</td>
<td>7,250</td>
<td>11,670</td>
</tr>
<tr>
<td>Increase/(decrease) in net defined benefit liability</td>
<td>8,292</td>
<td>8,706</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>5,492</td>
<td>5,782</td>
</tr>
<tr>
<td>Impairment loss of noncurrent assets</td>
<td>1,620</td>
<td>2,244</td>
</tr>
<tr>
<td>(Increase)/decrease in accounts receivable</td>
<td>(43,052)</td>
<td>(15,467)</td>
</tr>
<tr>
<td>(Increase)/decrease in inventories</td>
<td>5,373</td>
<td>(9,889)</td>
</tr>
<tr>
<td>Increase/(decrease) in accounts payable</td>
<td>9,574</td>
<td>6,359</td>
</tr>
<tr>
<td>Increase/(decrease) in advances received</td>
<td>27,954</td>
<td>(11,113)</td>
</tr>
<tr>
<td>Increase/(decrease) in inventories</td>
<td>(11,123)</td>
<td>17,143</td>
</tr>
<tr>
<td>Others, net</td>
<td>(205)</td>
<td>(8,270)</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>266,928</strong></td>
<td><strong>228,057</strong></td>
</tr>
<tr>
<td>Interest and dividends received</td>
<td>3,175</td>
<td>2,141</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(5,544)</td>
<td>(5,592)</td>
</tr>
<tr>
<td>Income taxes (paid)/reimbursed</td>
<td>(31,808)</td>
<td>(40,726)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>232,751</strong></td>
<td><strong>183,880</strong></td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for acquisition of property and equipment</td>
<td>(47,440)</td>
<td>(62,922)</td>
</tr>
<tr>
<td>Payments for acquisition of intangible assets</td>
<td>(77,922)</td>
<td>(82,155)</td>
</tr>
<tr>
<td>Proceeds from sales of investment securities</td>
<td>23,014</td>
<td>787</td>
</tr>
<tr>
<td>Payments for investments in subsidiaries resulting in change in scope of consolidation</td>
<td>(28,351)</td>
<td>(3,663)</td>
</tr>
<tr>
<td>Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation</td>
<td>308</td>
<td>139</td>
</tr>
<tr>
<td>Net Decrease/(Increase) in time deposits, net</td>
<td>(294)</td>
<td>(1,921)</td>
</tr>
<tr>
<td>Payment into short-term deposit paid</td>
<td>(50,000)</td>
<td>–</td>
</tr>
<tr>
<td>Others, net</td>
<td>(8,043)</td>
<td>(7,400)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(188,730)</strong></td>
<td><strong>(157,137)</strong></td>
</tr>
</tbody>
</table>

Note: Amounts less than one million yen are rounded down.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption of bonds at maturity</td>
<td>(40,000)</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from long-term debt</td>
<td>523</td>
<td>58,595</td>
</tr>
<tr>
<td>Repayments of long-term borrowings</td>
<td>(595)</td>
<td>(2,965)</td>
</tr>
<tr>
<td>Increase/(decrease) in short-term borrowings, net</td>
<td>1,198</td>
<td>(17,226)</td>
</tr>
<tr>
<td>Repayment of obligation under capital leases</td>
<td>(1,625)</td>
<td>(1,760)</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>(16,834)</td>
<td>(16,837)</td>
</tr>
<tr>
<td>Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation</td>
<td>(461)</td>
<td>(1,385)</td>
</tr>
<tr>
<td>Others, net</td>
<td>(385)</td>
<td>(1,122)</td>
</tr>
<tr>
<td><strong>Effect of cash used in financing activities</strong></td>
<td><strong>(58,179)</strong></td>
<td><strong>17,296</strong></td>
</tr>
<tr>
<td><strong>Effect of Exchange Rate Changes on Cash and Cash Equivalents</strong></td>
<td><strong>(3,131)</strong></td>
<td><strong>(409)</strong></td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease) in Cash and Cash Equivalents</strong></td>
<td><strong>(17,290)</strong></td>
<td><strong>43,630</strong></td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents at Beginning of Year</strong></td>
<td><strong>250,843</strong></td>
<td><strong>207,213</strong></td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents at End of Year</strong></td>
<td><strong>233,553</strong></td>
<td><strong>250,843</strong></td>
</tr>
</tbody>
</table>

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