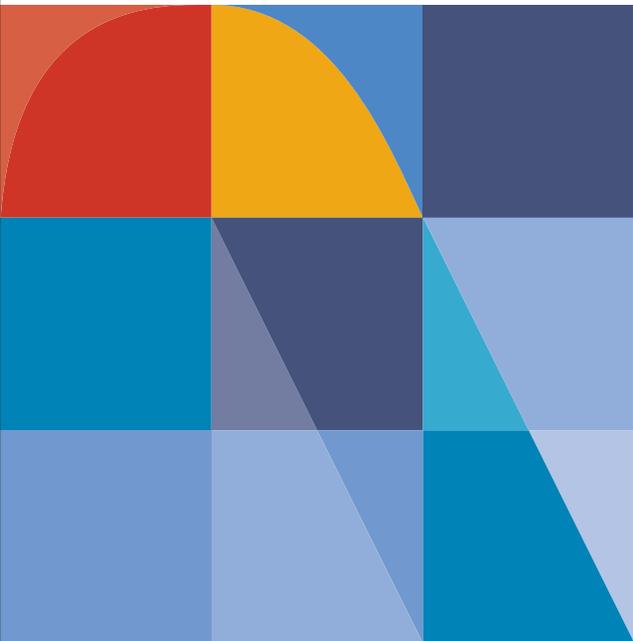


ANNUAL REPORT 2012
Fiscal Year Ended March 31, 2012



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Information regarding corporate governance, CSR and R&D, along with detailed financial data of the NTT DATA Group is available at the following websites:

- ▶ **Notice of Convocation of the 24th Ordinary General Meeting of Shareholders**
http://www.nttdata.com/global/en/investor/shareholders-meeting/pdf/2012/sh24_e.pdf
- ▶ **CSR (corporate social responsibility)**
<http://www.nttdata.com/global/en/csr/>

Note: With respect to the notation of fiscal years in the graphs and charts within this annual report, "2012" indicates the fiscal year ended March 31, 2012.

Cautionary Statement Regarding Forward-Looking Statements

This annual report contains forward-looking statements concerning the NTT DATA Group's future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent assumptions and beliefs based on economic, financial, and competitive data currently available. Forward-looking statements include information preceded by, followed by, or that include the words "predicts," "expects," "anticipates," "could," "may," or similar expressions. Furthermore, they are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, fierce competition in the information service industry, customer demand, tax rules, regulations, and other factors. Readers of this annual report are cautioned not to place undue reliance on these forward-looking statements. The NTT DATA Group therefore wishes to caution readers that actual results may differ materially.

One NTT DATA

Emerging as a Global Innovation Partner

The NTT DATA Group is promoting integration and the restructuring of Group companies as well as the unification of the NTT DATA brand. The purpose of these initiatives are to build a structure for advancing overseas operations as “One NTT DATA,” providing region-based services to be offered by each Group company, realizing the prompt provision of services to support customers’ global business development and expanding our global presence. The NTT DATA Group shares the dreams and inspirations of its customers as a partner that conceptualizes and realizes innovation on a global scale.

Our Profile

Our Brand Message and Brand Promise

We contribute to the prosperity of business and society by conceptualizing and realizing new businesses and services using information technology. This is articulated in our Brand Message and Brand Promise.

Our Brand Message

Global IT Innovator

Our Brand Message “Global IT Innovator” represents the following three commitments.

- Be a partner in realizing customer innovation
- Pursue innovation ourselves toward realizing innovation by our customers
- Broadly contribute to society as a company that prospers together with society

Our Brand Promise

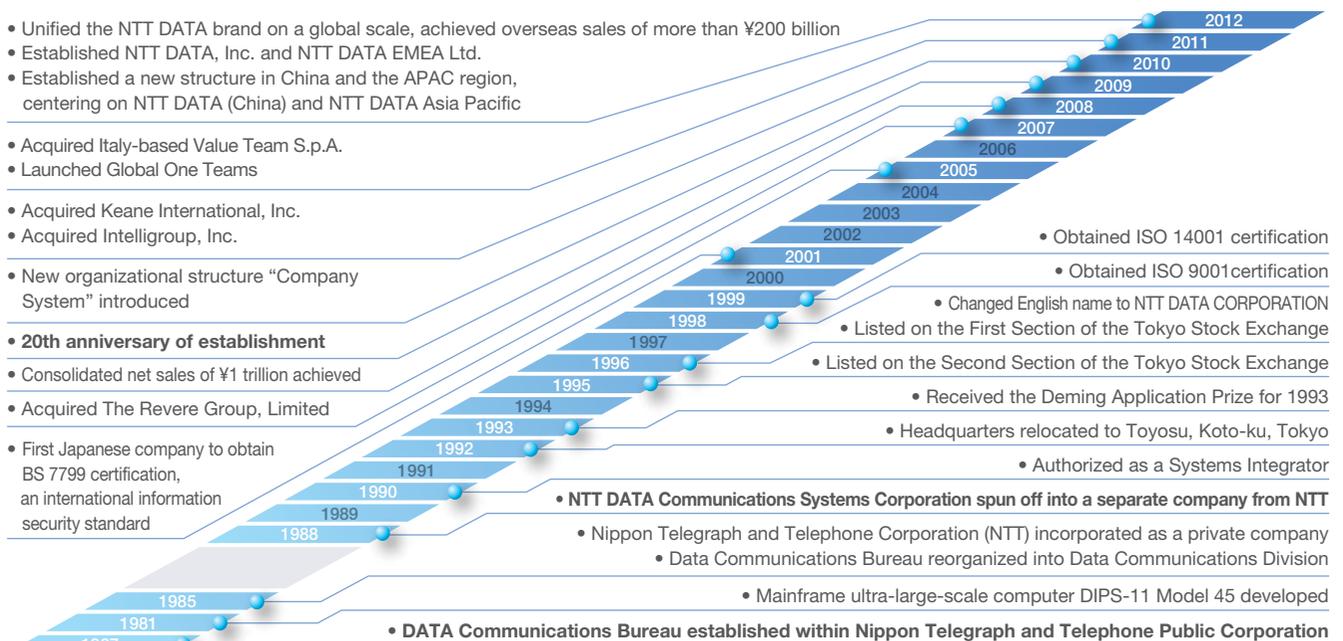
Our Brand Promise further clarifies these three commitments. We are committed to implementing the following actions for our customers as an “Innovation Partner.”

The NTT DATA Group shares the dreams and inspirations of its customers as a partner that conceptualizes and realizes innovation.

With foresight into future needs and a profound understanding of our customers, we envision new businesses and services as well as the solutions to support them. We share with our customers the dreams of even greater prosperity for business and society. Our goal is to realize innovation and inspiration together with our customers. To achieve this goal, we provide support that extends beyond IT to include collaboration across various businesses and services while capitalizing on our advanced capabilities in systems development and applications.

History

NTT DATA's history goes back to 1967, when the DATA Communications Bureau was established within the Nippon Telegraph and Telephone Public Corporation (now NTT). If this was its “First Founding” as a company, the “Second Founding” occurred in 1988 when NTT DATA Communications Systems Corporation was spun off into a separate company from NTT. Its “Third Founding” was in 2008, when it marked the 20th anniversary of its establishment. Today, we are committed to becoming a “Partner” for creating “Innovation” together with our global customers, through collaboration with Group companies on a global scale as One NTT DATA.



Business Domain

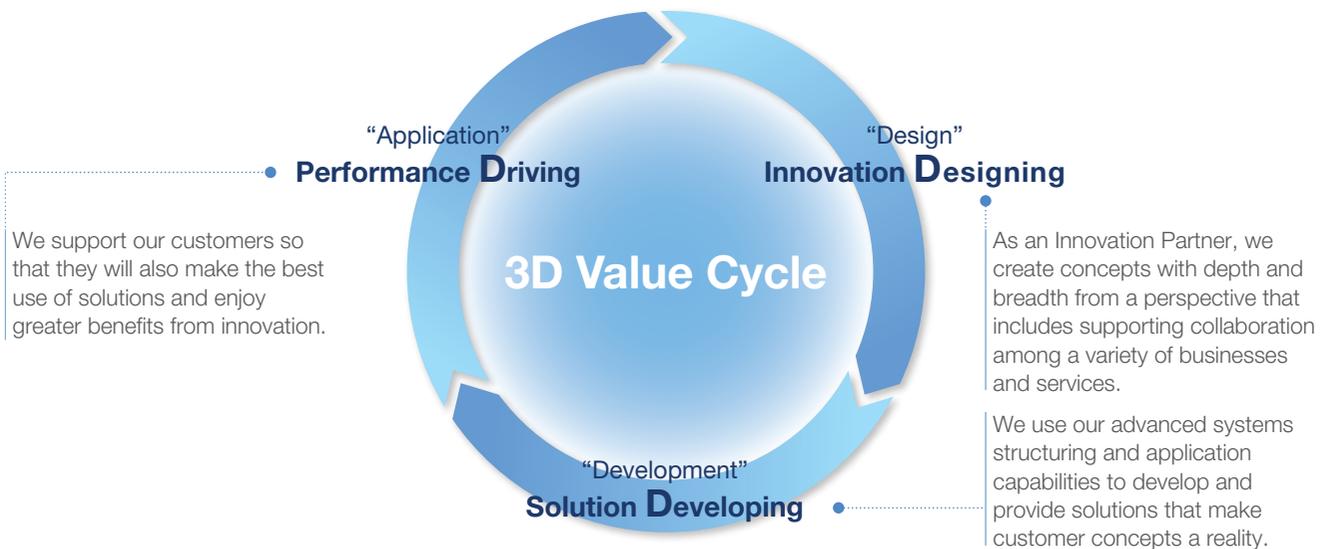
The NTT DATA Group uses its collective strengths in a broad range of domains to provide a total service. The services we provide include system integration (SI) by constructing systems tailored to individual customer needs, a variety of Internet and computer network-based information provision and processing services, consulting that evaluates customers' management issues, system support backed by our experience with large-scale systems, and new IT-based business models.

Description of Business		Companies Engaged in Similar Types of Business	NTT DATA's Strengths
System Integration	Strategic Planning	<ul style="list-style-type: none"> Accenture CSC Fujitsu HP IBM NEC Unisys 	<ul style="list-style-type: none"> Construction capabilities in systems that form social infrastructure and standard systems shared within the industry, based on the NTT Group's neutrality Experience with large-scale projects, including government projects Ability to manage projects with various vendors as the main contractor Construction capabilities of multi-vendor systems that can accommodate any hardware brand Provision of services from consulting to operation and maintenance Global support capabilities, with overseas bases in 35 countries and regions
	Systems Planning		
	Systems Design and Installation		
	Systems Maintenance and Facility Management		
Network Systems for Settlement		(Settlement) • None	<ul style="list-style-type: none"> Considerable competitive edge in business development in the area of network systems for payment settlement, such as "ANSER" and "CAFIS" Ability to address diversified customer needs, which include the need for public clouds, community clouds, etc. Development of services, including ASP, security, and data centers
Cloud-Computing		(Cloud-computing) • Google • salesforce.com	
Consulting		<ul style="list-style-type: none"> Accenture Capgemini IBM PwC 	<ul style="list-style-type: none"> System construction and system consultation capabilities based on strategic IT planning know-how
System Support		<ul style="list-style-type: none"> Various IT Service Vendors 	<ul style="list-style-type: none"> Operation and maintenance know-how accumulated by providing large-scale systems Over 200 support bases nationwide

Value Provider Model <3D Value Cycle>

The NTT DATA Group not only develops systems but also realizes innovation together with customers by providing total support for business innovation, from design to application.

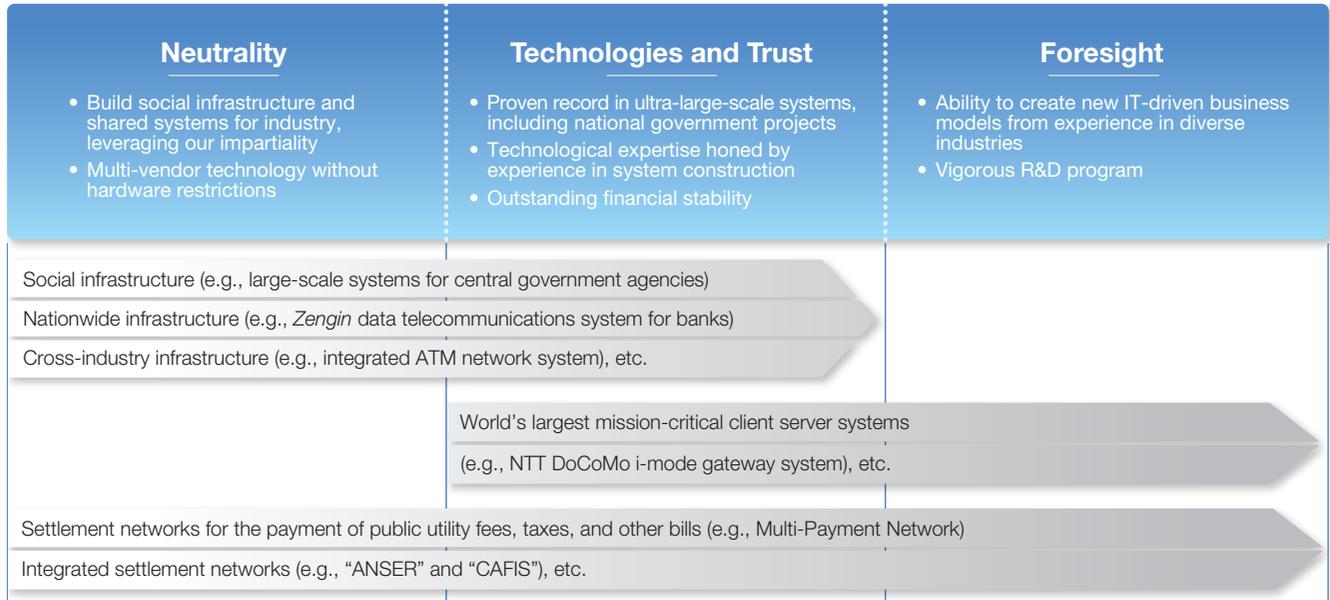
The 3D Value Cycle is the NTT DATA Group's model for providing value through the conceptualization and realization of innovation.



The ongoing implementation of these three phases allows us to generate and offer new value as an Innovation Partner to our customers.

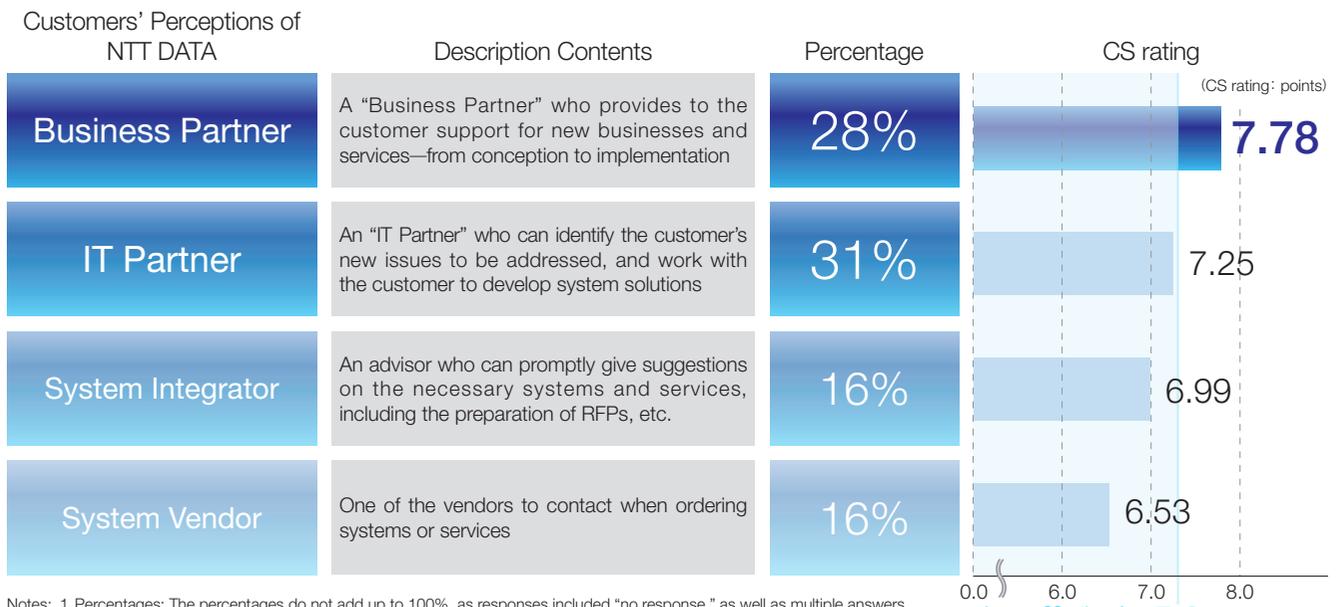
NTT DATA's Strengths

The NTT DATA Group is the biggest system integrator in Japan, specializing in public infrastructure and other large-scale systems. We have amassed world-level expertise in project management skills through the building and operation of large-scale systems.



Customer Evaluation

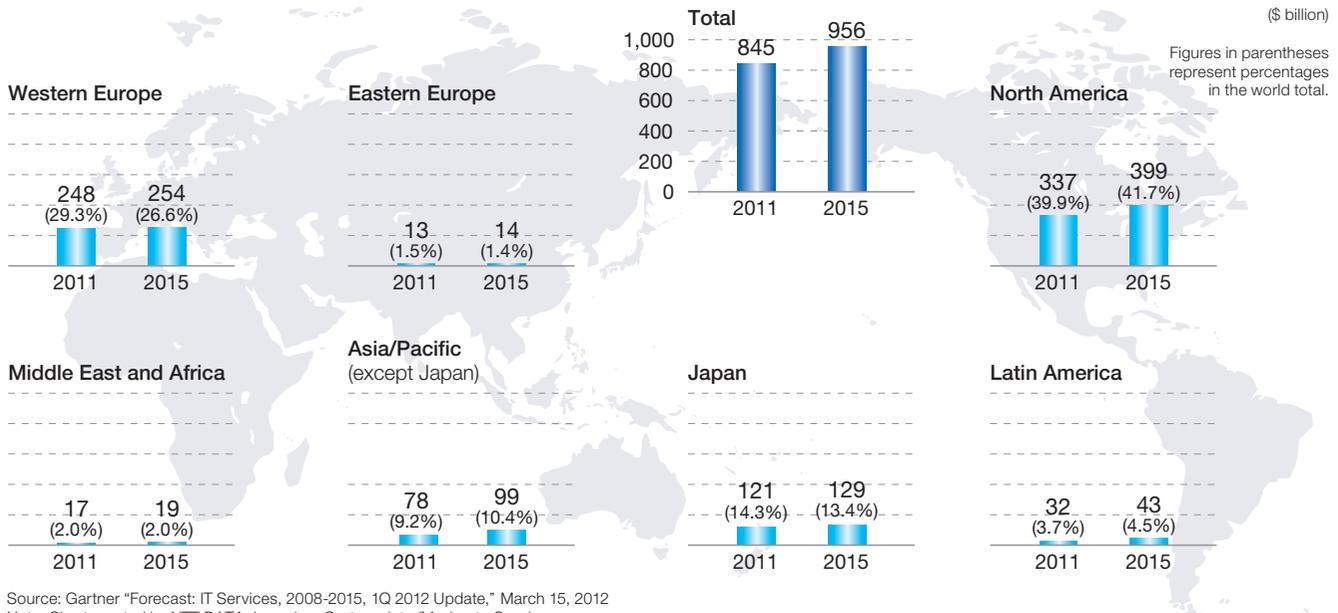
Every year, NTT DATA undertakes a customer satisfaction survey. In the FY ended March 31, 2012 survey, the customers who viewed NTT DATA as a business or IT "Partner" totaled approximately 60%. Particularly noteworthy is that we achieved an extremely high score of 7.78 points from customers who recognized us as their "Business Partner."



Notes: 1. Percentages: The percentages do not add up to 100%, as responses included "no response," as well as multiple answers.
 2. CS evaluation indication: Extremely satisfied = 10 points; Somewhat satisfied = 5 points; Completely dissatisfied = 0 point
 3. RFP: A request for a proposal in the procurement process for an information system or service, where an invitation is presented for suppliers to submit a specific proposal. REFs include the outline and specifications of a required information system, other requested items, and the terms of the contract.

Size of the Worldwide IT Services Market

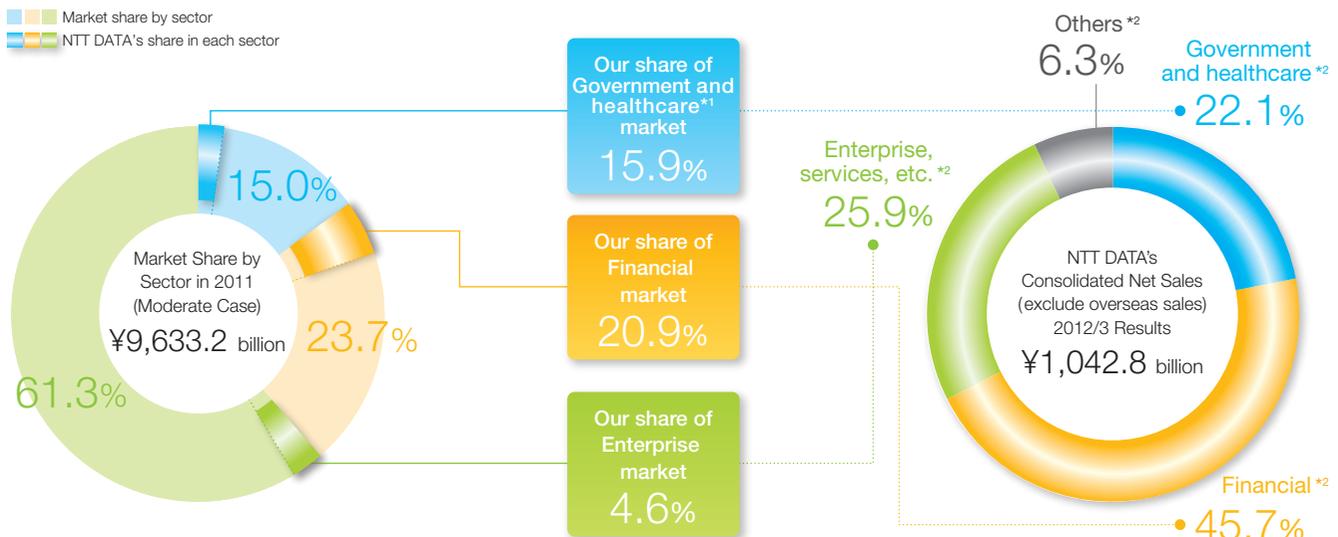
In 2011 (Calendar Year), the worldwide IT services market was worth around \$845 billion (¥68 trillion). By region, North America was the largest market, accounting for approximately 40% of the global market, followed by Europe at around 30%, then Japan in third place at roughly 14%, with emerging countries making up the rest.



Source: Gartner "Forecast: IT Services, 2008-2015, 1Q 2012 Update," March 15, 2012
 Note: Chart created by NTT DATA, based on Gartner data (Moderate Case)

Size of Japan's IT Services Market

In 2011 (Calendar Year), the IT services market in Japan was worth approximately ¥9,630.0 billion. The NTT DATA Group held around a 16% share in the government and healthcare sector, roughly a 21% share in the financial sector, and approximately a 5% share in the private and services sector.



Source: Gartner "Forecast: IT Services Japan by Industry, 1Q 2012," May 31, 2012
 Note: Chart created by NTT DATA, based on Gartner data

*1. Government and healthcare-related: National/local governments, healthcare/welfare, and education
 *2. Percent of our net sales accounted for by each customer field/service when results are totaled using the criteria below
 Government and healthcare: Central Government and Related Agencies/Local Government and Community-based Business/Healthcare, etc.
 Financial: Banks/Cooperative Financial Institutions/Insurance, Security and Credit Corporations/Settlement Services, etc.
 Enterprise, services, etc.: Communications, Broadcasting, and Utilities/Manufacturing/Retail, Logistics and Other Services, etc.
 Others: Sales not included above

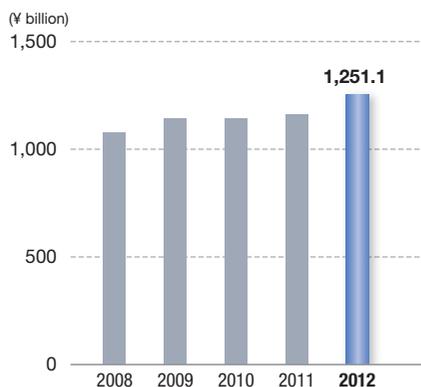
The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this annual report) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

Consolidated Financial Highlights

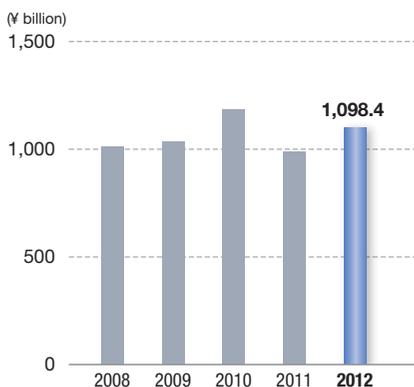
Years ended March 31

	2002	2003	2004
For the Year:			
Net Sales	¥ 801,966	¥ 832,109	¥ 846,705
Operating Income	59,446	61,544	59,725
Income before Income Taxes	47,162	50,932	44,440
Net Income	26,409	28,562	26,956
New Orders Received	845,399	843,571	750,795
Capital Expenditures	170,577	171,016	148,922
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles	153,763	161,427	169,133
Research and Development Expenses	19,073	18,224	15,349
Free Cash Flow	(1,775)	67,180	44,044
At Year-End:			
Total Assets	1,113,776	1,118,400	1,065,549
Total Equity	412,966	435,714	458,846
Interest-Bearing Debt	426,818	370,703	317,013
Number of Employees	14,651	15,971	17,389
Per Share:			
Net Income	¥ 9,415	¥ 10,151	¥ 9,578
Cash Dividends	1,000	2,000	2,000

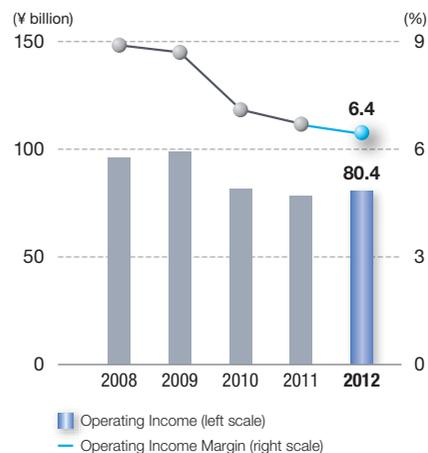
Net Sales



New Orders Received



Operating Income and Operating Income Margin



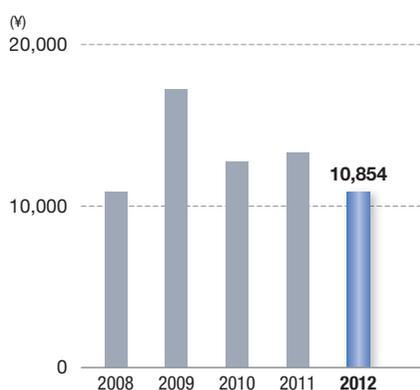
Note: With respect to the notation of fiscal years in the graphs and charts within this annual report, "2012" indicates the fiscal year ended March 31, 2012.

Key Figures of the Fiscal Year ended March 31, 2012

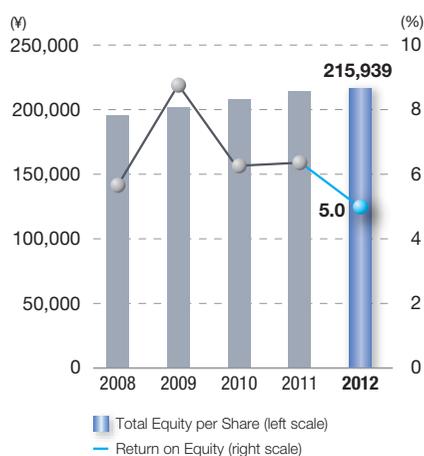
- Net sales increased by 7.7% year on year, mainly due to an increase in the number of consolidated subsidiaries.
- Operating income increased by 2.7% year on year as a result of an improved cost-of-sales ratio, as well as efforts to reduce the loss incurred in unprofitable projects.
- New orders received increased by 11.1% year on year, mainly due to an increase in the number of consolidated subsidiaries.

							Millions of yen	
2005	2006	2007	2008	2009	2010	2011	2012	
¥ 854,153	¥ 907,281	¥ 1,044,918	¥ 1,074,405	¥ 1,139,092	¥ 1,142,940	¥ 1,161,962	¥ 1,251,177	
39,288	46,866	90,250	95,911	98,546	81,689	78,306	80,416	
32,144	42,016	85,769	51,492	91,431	71,789	68,471	71,882	
20,110	28,190	50,637	30,454	48,360	35,662	37,313	30,446	
658,161	723,673	967,901	1,012,278	1,035,242	1,181,549	988,484	1,098,400	
110,820	112,145	139,564	176,826	180,068	162,570	139,069	133,965	
164,532	158,361	152,862	159,263	166,681	161,981	158,566	159,721	
16,542	17,306	11,307	10,749	10,090	11,389	10,742	13,507	
60,711	53,116	83,304	39,653	(6,902)	83,667	(56,468)	30,406	
1,038,571	1,056,336	1,087,346	1,193,827	1,275,091	1,279,256	1,468,617	1,474,894	
473,981	495,703	534,916	548,133	566,308	584,537	601,601	605,709	
295,341	271,928	246,330	241,204	304,735	272,299	404,292	371,673	
18,720	21,308	22,608	23,080	31,739	34,543	49,991	58,668	
							Yen	
¥ 7,139	¥ 10,024	¥ 18,052	¥ 10,857	¥ 17,240	¥ 12,713	¥ 13,302	¥ 10,854	
2,000	3,000	5,000	5,000	6,000	6,000	6,000	6,000	

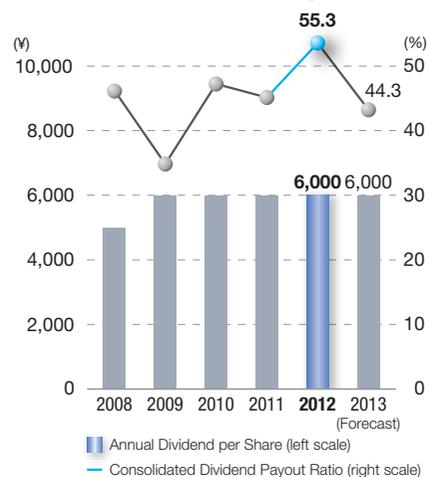
Net Income per Share



Total Equity per Share and Return on Equity (ROE)



Annual Dividend per Share and Consolidated Dividend Payout Ratio



A Message from the President



Becoming a Global Top 5 player and improving corporate value

—NTT DATA enters the second stage of globalization—

It is with great honor that I address my first letter to you. I was appointed President and Chief Executive Officer of NTT DATA in June 2012. Building a relationship of trust with all of the Group's stakeholders is my top priority, and to this end I will dedicate myself to realizing sustainable growth and improving corporate value.

In the fiscal year ended March 31, 2012, the NTT DATA Group posted net sales of ¥1,251.1 billion and operating income of ¥80.4 billion. This growth in both revenue and earnings was mainly attributable to an increase in the number of consolidated subsidiaries and an improvement in the cost-of-sales ratio.

Let me briefly review the operating environment faced by the NTT DATA Group. The situation in Japan remains challenging amid ongoing curtailment of IT investment across the board. Overseas, however, the IT services market is buoyant, especially in the United States and emerging countries. In addition, the growing number of Japanese firms expanding overseas has increased demand for seamless cross-border IT support. With a shift away from "possession" to "use" of information systems, such as cloud-computing, customer needs are becoming more diversified and sophisticated amid growing expectations of lower prices and shorter lead times. The Group faced its own challenges, including how to make efficient use of resources and create synergies to take advantage of its broader business base achieved through M&A activities. Another problem requiring action is the reduction of general and administrative expenses.

Amid these circumstances, we launched NTT DATA's new four-year Medium-Term Management Plan (covering the period to March 31, 2016) in April 2012. The new plan retains the goal of the previous Medium-Term Management Plan of becoming a Global Top 5 player. At the same time, it seeks to improve corporate value and achieve a new earnings per share (EPS) target of ¥20,000 by the year ending March 31, 2016. Specifically, the plan emphasizes three focus areas. They are (1) the expansion of new business fields and the reinforcement of product competitiveness; (2) the expansion, enhancement, and reinforcement of our global business; and (3) the pursuit of overall optimization.

In the first area of focus, we will cultivate new businesses, including Machine-to-Machine (M2M) cloud-computing, an Application Management Outsourcing (AMO) service, and Business Process Outsourcing (BPO) services. We will also make our services more sophisticated and diversified while increasing our solutions for IT cost reduction, among other initiatives.

In the second area of focus, we will work to broaden our international coverage and expand business in regions where we already have a presence. At the same time, we will work toward brand unification and penetration of the NTT DATA brand in the global market, while enhancing and reinforcing solutions and pursuing alliances within the Group. Under the new framework of Global One NTT DATA with its unified organization and brand, the Group will proceed to the second stage of globalization by creating proprietary knowledge and synergies.

In our pursuit of overall optimization, we will undertake an organizational restructuring and optimally allocate resources while standardizing and streamlining operations on a global level. Rather than undertake initiatives in the above three focus areas independently, we will link them in with one another.

The Group has positioned the period ending March 31, 2013 as a year of consolidating its foundation and implementing a variety of measures as it advances toward achieving the goals of the medium-term management plan. Building on existing momentum, the NTT DATA Group will make significant progress in becoming a Global Top 5 player and improving corporate value.

July 2012
Toshio Iwamoto
President and Chief Executive Officer



Interview with the President



Q1

How do you evaluate the Group's performance in the year ended March 2012?

A

Amid difficult business conditions, we achieved year-on-year increases in net sales, operating income, and new orders received. However, the operating income margin is not yet at a satisfactory level. With respect to our global business development, it was a milestone year for NTT DATA.

Consolidated net sales grew 7.7% from the previous year, boosted by year-on-year revenue increases posted by all our in-house companies mainly due to an increase in the number of consolidated subsidiaries. Operating income rose 2.7% thanks to efforts to reduce the loss incurred in unprofitable projects that arose in the previous year and an improved cost-of-sales ratio. This was despite declines in profits of existing subsidiaries.

New orders received climbed 11.1%, owing to growth in orders for the Enterprise IT Services Company* for new and existing system upgrades as well as growth in the number of consolidated subsidiaries.

Looking at the larger picture, it was a year of very difficult business conditions due to various factors. These included a decline in corporate production activities and limitations of electric power supply caused by the Great East Japan Earthquake, as well as downward pressure on overseas economies sparked by the debt crisis in Europe. That said, we managed to conclude the year with increases in net sales, operating income, and new orders received. However, our operating income margin is on a downtrend, due mainly to a persistently high general and administrative expense ratio, and this fills me with a strong sense of urgency. In response, we will step up efforts to improve the cost-of-sales ratio and other initiatives.

With respect to our global business development, we have been incrementally integrating and restructuring our overseas Group companies under the unified “NTT DATA” brand, starting with the United States in January 2012. It was a milestone year for the Group, which surpassed its target of ¥200 billion in overseas sales and achieved its “first stage” goals.

* Name changed from Global IT Services Company on April 1, 2012.

Q2

How do you view NTT DATA's challenges and strengths in comparison with global top players in the IT services sector?

A

We still do not have two strengths possessed by global top players—a worldwide customer base and brand power—so our challenge is to reinforce and upgrade these aspects of our operations. However, as one example, I can say that we have world-level expertise in project management covering large-scale systems, which we have amassed in Japan.

Global top players in the IT services sector have a worldwide customer base, built up through many years of handling both hardware and software products, as well as know-how accumulated through the subcontracting of integrated projects covering everything from consulting to system construction. Another key element is their brand power. Although NTT DATA has secured a certain position in the Japanese market, it still does not have a satisfactory presence in the global market. For this reason, we need to gradually build a track record for system construction in the global market, in order to advance our market position.

Nevertheless, we have a key strength for competing with global top players. For around 40 years, we have built and operated numerous large-scale systems in Japan, including for national government projects. This has enabled us to polish our project management skills, which are truly second to none. We have massed this expertise through alliances with hardware vendors and software companies in Japan's unique IT services market, so we cannot simply transfer such expertise overseas. However, we are confident that we have what is most essential to competing successfully on the global stage. Demonstrating our project management skills on a global basis in collaboration with our group companies overseas, we can make greater use of our strengths.

Key Figures of the Fiscal Year ended March 31, 2012

(Billions of yen)

	FY ended March 31, 2011	FY ended March 31, 2012	Versus Previous Year	
			Year-on-Year	Rate of Change
New Orders Received	988.4	1,098.4	+109.9	+11.1%
Net Sales	1,161.9	1,251.1	+89.2	+7.7%
Operating Income	78.3	80.4	+2.1	+2.7%
Segment Profit*	68.4	71.8	+3.4	+5.0%
Net Income	37.3	30.4	-6.8	-18.4%

* Segment Profit is income before income taxes.

Q3

What kind of path should NTT DATA follow going forward?

A

We will deliver “value that only NTT DATA can provide” on a global scale. In the core domestic market, we will embrace “remarketing” to tap new customers. At the same time, we will actively deploy the latest technologies to create services unavailable in the past.

In our previous Medium-Term Management Plan, we pursued a global development strategy. In order to reach the second stage of this process, we must redefine the meaning of the value that we can deliver to customers as One NTT DATA established through integration and restructuring, and then deliver such value on a day-by-day track record of system construction and operation.

In the core domestic market, we are actively embracing a “remarketing” strategy. This strategy, which entails re-creating markets (hence the “re” and the “marketing”) while monitoring recent environmental changes and advances in information and communication technologies, has two main meanings. The first involves tapping new customers by taking advantage of windows of opportunity for market entry in existing markets created by environmental changes and technological innovations. For example, in some industries and operating domains, a company may be compelled to believe that it has no room for market entry based on such considerations as its position relative to its competitors or its proprietary know-how. However, ongoing major changes in business conditions surrounding customers may lead to a breakdown in traditional paradigms. By adopting this perspective to reassess the market, we may uncover a market entry point that we had not noticed in the past.

The second meaning entails taking full advantage of the latest technologies to deliver new products and services unavailable in the past which satisfy the unmet needs of customers. For example, the arrival of the smartphone, an all-new technology that previously had not existed, changed our lives and created a new market. Business models such as this are hugely significant because they transform society. At the same time, they are also relatively high in profitability. We will take maximum advantage of technological progress to provide systems and services, and thus maximize the potential of IT technologies and build a reputation for the ongoing creation of new markets.

New Value that NTT DATA Provides

Maturation of the domestic IT market

Labor-intensive development style

Make best use of environmental changes and advances in technologies

Provide new value to customers

Address issues facing the IT service industry

“Remarketing”

Tapping new markets and customers
Creation of new products and services

**“Innovation in software
development technologies”**

Evolution into a knowledge-intensive
development style

Q4

You want to create “value that only NTT DATA can provide.” Specifically, what does this mean?

A

Benefiting from major advances in information and communication technologies, we will seek to achieve dramatic improvements in the productivity of software development.

New systems and services created through “remarketing” can be regarded as value that only NTT DATA can provide. They also have one more key significance, in my opinion: we can produce dramatic improvements in system development productivity by taking advantage of innovative software development technologies.

One of the reasons for Japan’s high level of postwar economic growth was that it continued to produce exceptional products, including textiles, ships, electrical appliances, and automobiles. This ability to create such wonderful products was backed by the evolution of innovative production technologies, which is a surprisingly little-known fact. We are confident of our ability to achieve similar success in software development.

Software development is still a labor-intensive industry. While this highlights the merits of offshore development, which takes advantage of cheap labor, the recent dramatic advances in computers and networked devices have enabled progress in the automation of software program development, just as automation advanced in the manufacturing industry, and now even the automation of design and testing processes have come into sight.

In ensuring the quality of industrial products, “suriawase”—which is the fine-tuning function undertaken between individual production processes and also between assembly lines—is very important. It is often said that Japanese manufacturers have achieved excellence in this type of “suriawase” technologies. The same should be true for software development. Especially in the case of large-scale systems, a similar level of competence in “suriawase” is required to ensure high quality. By utilizing existing IT technologies, it would no longer be necessary to rely on the skills and know-how of individuals, and it would become possible to build a mechanism for realizing such fine-tuning in software program development.

This is just one part of the bigger picture that we are envisioning. NTT DATA aims to achieve innovations in production technologies that would enable the automation of software design/development, testing, and other functions ahead of its competitors, and thus change conventional ways of working so that software development becomes a knowledge-intensive industry.



Q5

What are the objectives of your New Medium-Term Management Plan?

A

We are seeking to advance into a Global Top 5 corporate group that provides a wide range of IT services effectively on a global scale. At the same time, we will work to realize sustainable growth and the improvement of corporate value.

In May 2012, we unveiled our New Medium-Term Management Plan, covering the four-year period from April 2012 to March 2016. The two main objectives of the plan are to become a Global Top 5 player and achieve earnings per share (EPS) of ¥20,000 by the year ending March 2016.

According to a report by a market research company, NTT DATA ranked sixth among the world's IT service vendors in 2011. At first glance, it would seem that progression to the Global Top 5 could be achieved in a short time. However, the gap between NTT DATA and the fifth-ranked competitor is extremely wide, and without strong growth through organic growth coupled with M&As we cannot reach such a lofty goal. Our objective is to enter the Global Top 5 through renewed growth and to evolve into a corporate group that provides a wide range of IT services effectively on a global scale. In the process, we will deploy our business scale to deliver the highest level of services to customers.

The reason for citing EPS as the other objective is to demonstrate our strong resolve with respect to improving corporate value, especially value for shareholders. Specifically, by realizing sustainable growth even amid an uncertain economic environment through the transformation of the business structure to combine the investment necessary for business development and the further reinforcement of our financial foundations, we will improve corporate value. We recognize that the ¥20,000 target—85% higher than our achievement in the year ended March 2012—is a major hurdle. However, we intend to reach the target by emphasizing three key elements: boosting profit via increased revenue, reducing cost of sales, and cutting SG&A expenses.

Objectives of the New Medium-Term Management Plan

Become a Global Top 5 player

Our objective is to evolve from a corporate group centered on the domestic large-scale SI business to a corporate group that offers diversified IT services efficiently on a global scale. We will provide customers with unparalleled services that take advantage of our business scale.

Improve Corporate Value

We will transform ourselves into a company able to make the investments necessary for business development and also further reinforce the soundness of our financial position. By realizing sustainable growth even in unstable economic conditions, we will improve corporate value.

EPS* (FY ending March 2016)

* EPS: Earnings Per Share

¥20,000

(an 85% increase from FY ended March 2012)

To achieve the objectives of the plan, we will concentrate on three focus areas. The first is the “expansion of new business fields and the reinforcement of product competitiveness.” Here, we will pursue various initiatives, such as cultivating new businesses, making our services more sophisticated and diversified, and increasing our solutions for IT cost reduction. This represents an extension of the “Three Arrows” concept (introduced in the previous Medium-Term Management Plan), which targets a shift toward services, and also includes creating markets through the aforementioned “remarketing” strategy.



The second focus is the “expansion, enhancement, and reinforcement of our global business.” This means broadening our international coverage and expanding business in regions where we already have a presence. At the same time, we will work toward brand unification and global market penetration, in order to deliver “value that only NTT DATA can provide.”

The third focus is the “pursuit of overall optimization.” Here, we will strive for the standardization, streamlining, and consolidation of operations on a global level while undertaking an organizational restructuring and optimally allocating resources.

Three Focus Areas of the New Medium-Term Management Plan



Q6

Looking at the fiscal year ending March 2013, what kind of year do you want it to be, and what are your performance forecasts?

A

We have positioned the period as a year for consolidating our foundation, during which we will take a powerful first step toward achieving our medium-term management targets.

The period ending March 2013 is the first year for our new medium-term management targets. We have positioned the first year (the fiscal year ending March 2013) as a year of structural reforms. It will be a very important period for the Group. Specifically, we will invest ¥10 billion in the aforementioned three focus areas, with the aim of achieving significant growth over the remaining three years of the plan.

Our consolidated forecasts for the year are: new orders received of ¥1,130 billion, net sales of ¥1,280 billion, operating income of ¥85 billion, and an EPS of ¥13,547. All of these forecasts represent year-on-year increases. While the operating environment remains unpredictable, the NTT DATA Group members worldwide stand united in their commitment to pursuing structural reforms and making a powerful first step toward achieving the new medium-term management targets.

Breakdown of ¥10 billion investment (FY ending March 2013) in the three focus areas toward achieving the medium-term management objectives



Forecast for FY ending March 2013

(Billions of yen, EPS: Yen)

	FY ended March 31, 2012	FY ending March 31, 2013	Versus Previous Year	
			Year-on-Year	Rate of Change
New Orders Received	1,098.4	1,130.0	+31.5	+2.9%
Net Sales	1,251.1	1,280.0	+28.8	+2.3%
Operating Income	80.4	85.0	+4.5	+5.7%
Segment Profit	71.8	73.0	+1.1	+1.6%
Net Income	30.4	38.0	+7.5	+24.8%
EPS	10,854	13,547	+2,692	+24.8%



Q7

What is your stance with respect to shareholder return?

A

Our policy is to maintain steady earnings targeting a sustainable improvement in corporate value. At the same time, we will strive to pay stable dividends to all shareholders.

One of NTT DATA's key strengths is that essentially, its business is not significantly affected by changes in economic fundamentals. This is due to the unique nature of our operations, which involve the stable, long-term provision of solutions according to customer needs. These range from services worthy of social infrastructure status to information systems closely linked to corporate activities. The payment of dividends is a pivotal part of our shareholder return strategy. Specifically, we aim to pay stable dividends using a consolidated payout ratio of approximately 30% as the yardstick. Based on this, we plan to declare annual dividends of ¥6,000 per share in the year ending March 2013. Going forward, by emphasizing growth and the sustainable improvement of corporate value aimed at becoming a Global Top 5 player, we will return profits to shareholders in a stable, consistent, long-term manner.

Q8

Please give us a final message for shareholders and other investors.

A

I'm committed to building sustainable relationships of trust with all stakeholders, including shareholders and other investors.

In the course of conducting business, my most important priority is to earn the trust of customers.

Let me tell you a story involving a customer with whom we had long-term dealings. About one month after the collapse of Lehman Brothers, we started providing services for an important IT system worthy of social infrastructure status. At that time, we were grappling with the global financial crisis, and any breakdown in such social infrastructure systems could have had serious consequences for the entire Japanese economy. Nevertheless, our careful preparation, coupled with extensive cooperation from our customer, enabled us to start servicing the system and ensuring its reliable operation without any problems. Several months later, an executive from a U.S. company in the same sector as our customer praised the latter's success concerning the renewal of the aforementioned system project, and asked the customer about the secret to controlling IT vendors. Our customer replied, "It's a long-term relationship."

This story reiterated my belief that the origin of our work lies in earning the customer's trust. From time to time, we have differences in opinions and robust debates in the course of doing business, but the key is to handle such situations with sincerity and build trusting relationships with customers. It reaffirmed to me that continuing this over the long term and building sustainable relationships of trust are the most important factors.

My intention is to build sustainable relationships of trust with all stakeholders, including shareholders and other investors. I look forward to your understanding and strong support with all my heart.

New Medium-Term Management Plan (FY ending March 2013 – FY ending March 2016: 4 years)

Seeking to address recent dramatic changes in the business environment and new management issues associated with such changes, the NTT DATA Group recently launched its New Medium-Term Management Plan, covering the four-year period from April 2012 to March 2016. The objectives of the plan are to become a Global Top 5 player and, through improvements in corporate value, achieve earnings per share (EPS) of ¥20,000 by the year ending March 31, 2016.

> Evolving into a Global Top 5 Player

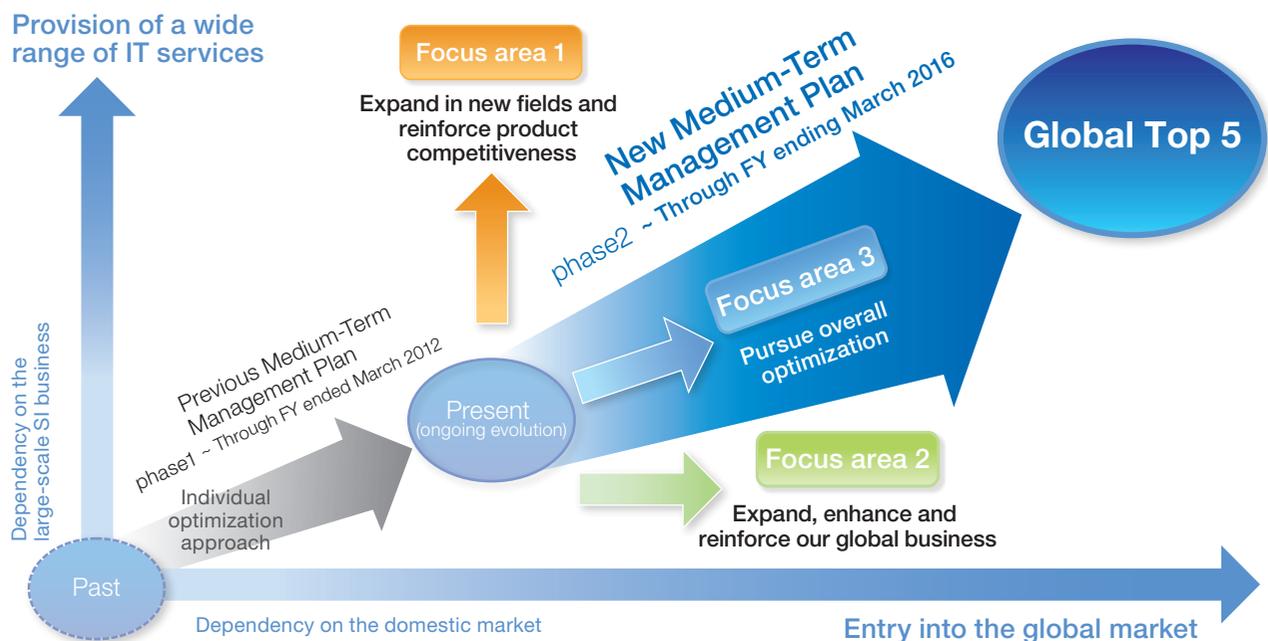
The business environment surrounding the NTT DATA Group has undergone dramatic changes in recent years, giving rise to new management challenges. However, we cannot address such issues effectively given our current situation, which is characterized by dependence on the domestic market, dependence on the large-scale system integration (SI) business, and an “individual optimization” approach.

For a start, although IT investments in Japan remain constrained, IT spending in overseas markets is solid, and Japanese companies are expediting their entry into global markets. In addition, while the market is shrinking for the large-scale SI business, a core competence of NTT DATA, the needs of customers for IT services are becoming more diversified and sophisticated. For example, they are increasingly demanding services they can access when needed without having to possess IT assets, lower prices, and shorter delivery times.

In addition, the NTT DATA Group faces a number of specific issues, such as how to leverage its rapidly expanding business foundation to create synergies and how to effectively mobilize its resources. Another problem is the general and administrative expense ratio, which remains high.

In light of this situation, the NTT DATA Group introduced its New Medium-Term Management Plan. The three focus areas of the plan are: 1) expansion in new fields and reinforcement of product competitiveness; 2) expansion, enhancement and reinforcement of our global business; and 3) pursuit of overall optimization. In the process, we will evolve from a corporate group centered on the domestic large-scale SI business to a corporate group that provides diversified IT services efficiently on a global scale. By generating sustained growth worthy of a Global Top 5 player, we will work to achieve improved corporate value.

New Medium-Term Management Plan: Positioning and Areas of Focus



Objectives of the New Medium-Term Management Plan

Become a Global Top 5 player

Our objective is to evolve from a corporate group centered on the domestic large-scale SI business to a corporate group that offers diversified IT services efficiently on a global scale. We will provide customers with unparalleled services that take advantage of our business scale.

Improve Corporate Value

We will transform ourselves into a company able to make the investments necessary for business development and also further reinforce the soundness of our financial position. By realizing sustainable growth even in unstable economic conditions, we will improve corporate value.

EPS*(FY ending March 2016)

* EPS: Earnings Per Share

¥20,000

(an 85% increase from FY ended March 2012)

Focus Area 1: Expansion in new fields and reinforcement of product competitiveness

In response to customer expectations, we will work to expand solutions for cutting IT costs and make the services we provide more sophisticated and diversified.

In addition, we will cultivate new businesses and target growth in existing ones while allocating resources to fields in which we can expect market share expansion. In these and other ways, we will broaden our presence in businesses that generate sustained income growth.

Seeking to expand in new fields and reinforce product competitiveness, we will actively invest in software production technology enhancement, R&D on leading-edge technologies in collaboration with universities and other organizations, and other initiatives.

- Cultivation of new businesses
- Sophistication and diversification of services
- Expansion of solutions for IT cost reductions
- "Remarketing"
- Strategic R&D

Focus Area 2: Expansion, enhancement and reinforcement of our global business

We will support the efforts of customers to enter global markets and pursue initiatives in overseas markets where we expect growth, with the aim of broadening our coverage into uncharted regions. We will also share solutions in which we have special expertise, such as in the areas of SAP and telecommunications, with laterally structured Global One Teams, in order to further enhance and reinforce our operations.

- Expansion of regional coverage
- Business expansion in the regions with existing business operations
- Unification of brand and penetration of the global market
- Enhancement and reinforcement of global solutions
- Enhancement of sales and service provision capabilities in collaboration with NTT Group companies

Focus Area 3: Pursuit of overall optimization

We will strive to standardize, streamline, and consolidate business processes on a global level. At the same time, we will work to enhance the efficiency of operations by restructuring and integrating Group companies and organizations to take advantage of our scale. We will also coordinate businesses and resources according to dramatically changing circumstances, in order to achieve renewed growth.

- Standardization, streamlining and consolidation of operations on a global level
- Acceleration of organizational restructuring and integration
- Promotion of greater mobility and optimal allocation of resources

One NTT DATA

Emerging as a Global Innovation Partner

The NTT DATA Group has sought to globalize its operations in its quest to become a global innovation partner that conceptualizes and realizes innovation from a global perspective and on a global scale.

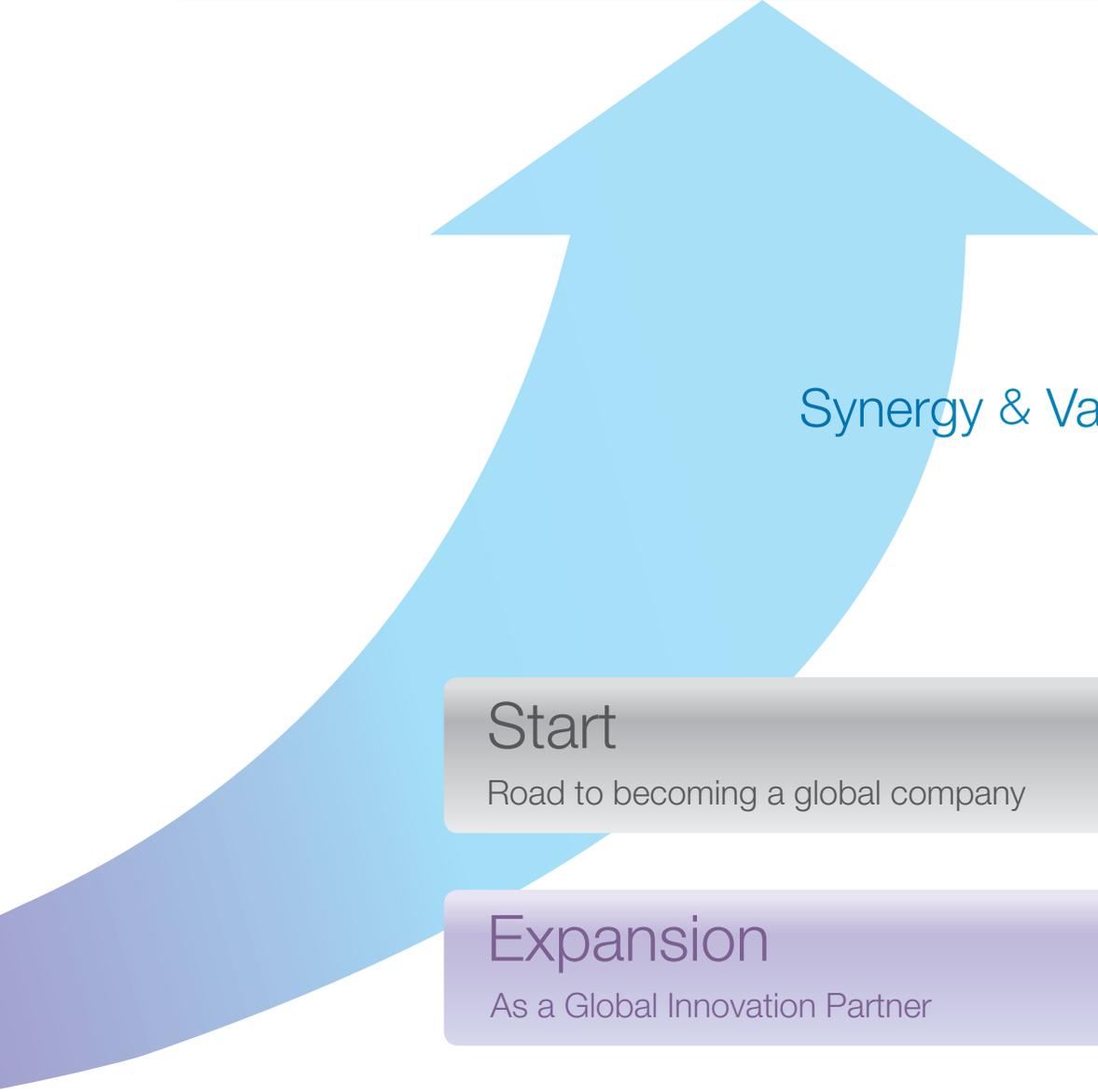
The Group's road to globalization began in 2005. Since then, we have expanded our regional coverage, mainly through M&As, while building a solid customer base and attracting talented human resources. In the process, we have created an structure conducive to the generation of synergies and new value.

Now, in 2012, the Group will promote the second stage of its global advancement. Under the Global One NTT DATA concept backed by organizational and brand unification, we will generate synergies and create "value that only NTT DATA can provide" on our way to becoming a Global Top 5 player.

Expansion

Start

Becoming a Global Top 5 Player



Synergy & Value Creation

Start >P22
Road to becoming a global company

Expansion >P24
As a Global Innovation Partner

Synergy & Value Creation >P31
Toward a new stage

One NTT DATA Emerging as a Global Innovation Partner



Start

Road to becoming a global company

The NTT DATA Group has sought to globalize its operations, driven by an M&A strategy. In the course of proactively advancing M&As, we focus not only on corporate scale and business content but also on the qualitative aspects—to determine whether we can share the three key elements of corporate philosophy, knowledge, and human resources. We also ask ourselves whether we would be able to work together cohesively as a group. Meanwhile, we have been moving forward with a sense of speed, rapidly expanding our overseas network of Group companies in the seven years since 2005.

> 2005: Year 1 of globalization

Year 1 of the NTT DATA Group’s globalization was 2005, with the acquisition of U.S.-based The Revere Group. Seeking to address the demands of customers who are expanding their global business, NTT DATA concluded that it must itself globalize and deliver best practices. Accordingly, we began pursuing globalization guided by three objectives: (1) Strengthen our ability to support the global operations of Japanese companies, (2) Expand our network of offshore development partners, and (3) Build up our client base in local markets overseas.

> Actively broadening regional coverage

The core of our global strategy was, first and foremost, to broaden our regional coverage. Starting with the Revere acquisition, we undertook steady, speedy, and proactive M&A aimed at establishing a global support structure encompassing North America, Europe, and Asia.

As of March 31, 2012, the number of the NTT DATA Group overseas bases had increased to 136 cities in 35 countries and regions. However, we believe that our support structure for global Japanese clients remains inadequate. Going forward, therefore, we will focus on upgrading our global support structure.

Main M&A Activities and Capital Alliances

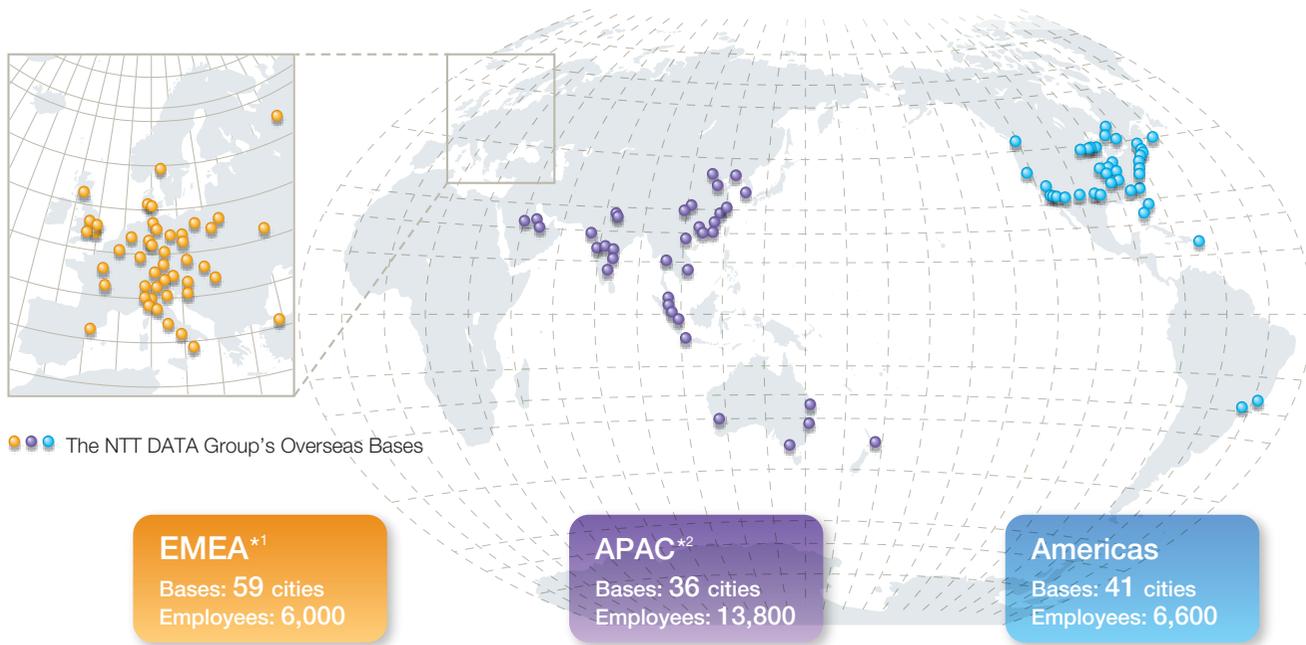


Status of Overseas Bases

About 26,400 persons deployed in 136 cities in 35 countries and regions worldwide

(As of March 31, 2012)

- Provide seamless support in Japan and abroad
- Choose suitable resources from all over the world
- Achieve best practices and gain new insights



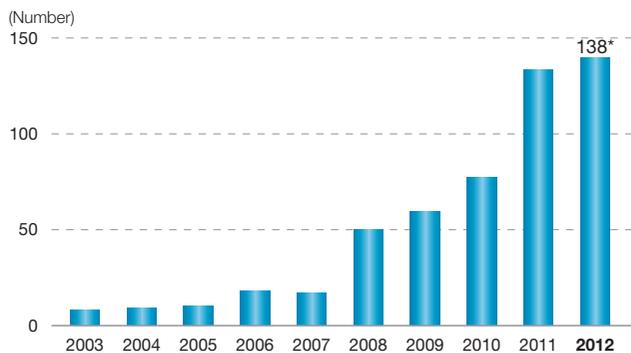
*1 EMEA: Europe, the Middle East, and Africa region

*2 APAC: Asia and the Pacific region excluding Japan

> Rapid increases in overseas sales and employee numbers

Paralleling the expansion of our overseas Group company network has been rapid growth in overseas sales. Back in 2005, overseas sales were less than ¥10 billion. This figure grew to ¥100 billion in the fiscal year ended March 2011 and more than ¥200 billion in the fiscal year ended March 2012—representing explosive growth of more than 20 times over a seven-year period. The number of Group employees has also grown quickly, from around 19,000 in 2005 to approximately 59,000 at March 31, 2012, a more than three-fold jump. Moreover, nearly half of our employees, around 26,400 people, work overseas, which shows that we have become a global corporation.

Overseas Group Companies



*As of March 31, 2012



Expansion

As a Global Innovation Partner

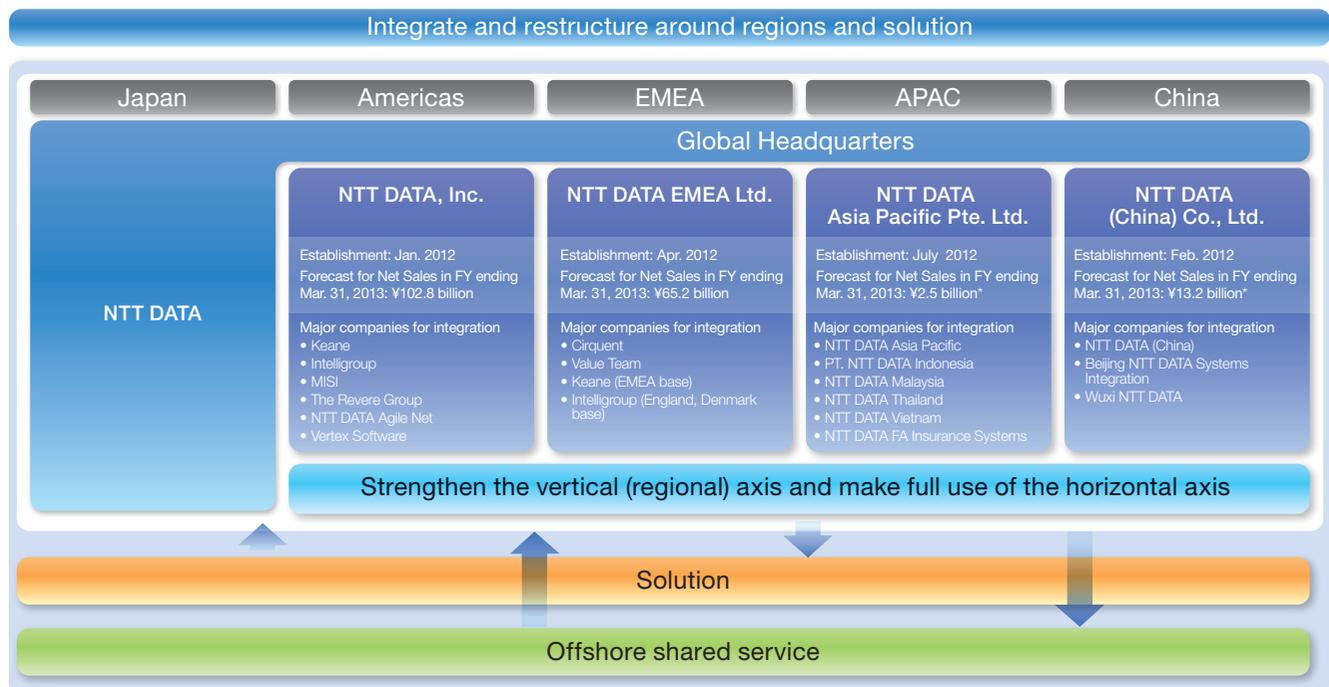
In order to provide customers worldwide with value as an innovation partner, the NTT DATA Group, having successfully expanded its operations, must demonstrate synergies by becoming united in the true sense of the word. For this reason, we will integrate and restructure our overseas companies so that Group members throughout the world come under the unified NTT DATA brand. In the process, we will strengthen global governance and pursue Global One Team and other initiatives, with the aim of generating Group synergies.

> NTT DATA brand unification

One outcome of the Group's rapid overseas expansion has been some duplication in Group company bases in such places as the United States and the United Kingdom. Due to discrepancies between the brands among various companies, the Group has been unable to adequately demonstrate its strengths as a whole. To address this problem, the NTT DATA Group integrated and restructured its member compa-

nies around the world into four regions—the Americas, the EMEA region (Europe, Middle East, and Africa), the APAC region (Asia-Pacific), and China—with each unified under the NTT DATA name and logo. With brand consistency now in place, we will forge head in the current fiscal year under a new structure, called Global One NTT DATA.

The "Global One NTT DATA" structure



Major companies for integration include targeted companies.

* Net Sales forecasts are simply the combined total of estimated sales for each company (Reference).

> Promoting the Global One Team initiative

Seeking to create Groupwide synergies, since 2011 we have been promoting the Global One Team initiative. This entails building teams that cover individual themes shared across the Group, such as package solutions, customers and industries that traverse companies and countries, and harnessing Groupwide strengths under the One NTT DATA banner. We have already established solution-oriented Global One Teams for SAP, BI, Oracle, and others, as well as teams for specific customers and sectors, such as telecommunications.



*1. BI: Business Intelligence
 *2. Testing: Standardization of software testing processes and development of cutting-edge software testing tools, etc.

Column

Message from John McCain, CEO, NTT DATA, Inc.

Moving Forward as “One NTT DATA”

Prior to 2012, the North American NTT DATA Group companies operated successfully and independently under their legacy brand names—companies including AgileNet, Intelligroup, Keane, MISI Company, The Revere Group and Vertex Software. Each company maintained a unique set of services, dedicated employees and a satisfied and growing base of customers.

Collectively, our customers were united in the desire to expand their relationship with each firm but our capability for delivering services was limited to the narrower, North American-oriented focus. It was clear that the compelling opportunity for growth was to unite around the synergies of each firm, the operational efficiencies of a single organization and the global brand and reach of NTT DATA. With the full support of the NTT DATA management team, NTT DATA, Inc. was launched in January, 2012 encompassing the U.S. and Canadian-based Group companies as well as the India-based global delivery resources.

The power of One NTT DATA quickly became apparent with our clients, employees and the marketplace. NTT DATA, Inc. now serves nearly 500 clients, generating over \$1.3 billion in annual revenues with approximately 18,000 team members—10,000 in India alone. With a diversified portfolio and market-leading industry solutions spanning application and infrastructure environments, we are now able to address our customers’ needs with consulting, managed services, outsourcing and cloud-computing services. Fortified by our flexible global delivery model and the scale of both NTT DATA and the NTT Group, we are quickly establishing ourselves as a leading alternative to the major IT services companies.

With much of the integration behind us, we are seeing increased interest from our global customers—pleased with the local attention we provide as well as the ability to meet them where they do business anywhere around the world. Similarly, our employees have embraced the NTT DATA brand and are proud to be a part of a new, growing global corporation.

We remain committed to delivering on the innovation promise of NTT DATA. We are expanding our capabilities in application services, investing in new solutions related to mobility and cloud-computing, and collaborating with the NTT DATA Group and other NTT Group companies. I’m pleased with the progress made in 2012 and am looking forward to the significant opportunities that lie ahead.



Emerging as a Global Innovation Partner

In its quest to become a global innovation partner, the NTT DATA Group provides IT services that help innovate the business models of social infrastructure and customers on the world stage.

Amassed in the domestic market, we are globally deploying the technologies that only the NTT DATA Group can provide. These successful examples are the “PANADES” aircraft flight route design system, the “CAFIS” integrated credit card settlement solution, and the “Beijing New Traffic Information System Technology verification experiment.”

Case Study 1

“PANADES” aircraft flight route design system

“PANADES” is a system that designs aircraft flight routes that are compliant with international standards. The NTT DATA Group combined its experience and know-how in the air traffic control field, amassed over many years in Japan, to develop the system.

The design of flight route requires accurate handling of complex processes, such as geometric computations. “PANADES” uses IT to automate these processes, thus not only allowing for instant design without human error but also

permitting verification and comparison of the multiple routes that have been designed automatically. This enables safer and more efficient route selection, resulting in real reductions in aircraft flight duration times and fuel usage, as well as lower CO₂ emissions. Three countries in Southeast Asia have decided to adopt the system, of which two—Thailand and Indonesia—already have the system in place and operational.



From setback to global project

We have been involved in the development of air traffic control systems in Japan for more than 30 years, and have provided customers with systems for designing flight routes based on Japanese standards since 1992. The situation changed around 2005, when Japan's flight rules were moved from domestic to international standards. This required us to develop a software package that would enable our systems, which conformed to domestic standards, to comply with international standards and achieve global compatibility. At the time, however, we did not have in-house human resources with knowledge about international standards, so we were unable to determine the suitability of the software package specifications to be designed. So we were confronted with a major problem of how to develop the right product.



First Sales Group, Sales Section
First Public Administration Systems Division
Public Administration Systems Sector

Senior Manager
Kei Ikami

Learning ICAO international standards from scratch to catch up



Global Business Planning Office,
Global Business Development Department

Deputy Manager
Ryo Ikenoue

At one time, we thought about giving up. However, we resolved to overcome the situation and deliver a globally compatible system without fail, buoyed by our unparalleled know-how and track record. First of all, we had to gain an understanding of international standards set by the International Civil Aviation Organization (ICAO). So we started learning from scratch, with one member of our development team attending a lecture hosted in Japan by a Swiss lecturer. The aim of international standards is to enable efficient flights that are safe and help save energy. Reading and understanding the 600-page standards document was a formidable task, made more difficult by the multitude of items that are not stated clearly. Day after day was spent interpreting the document while listening to statements by the Swiss lecturer and other intellectuals.

“Automated design” a key selling point

Our next task was to create a product concept. Having gained knowledge about international standards, we analyzed the specifications of products offered by competing companies and concluded that our product should have three selling points: (1) “Automation of design” enabling flight routes to be designed automatically by simply inputting required data, such as distance, direction, and altitude; (2) “Friendly user interface” allowing all data to be input via a single screen window on a computer; and (3) “Unified data management” covering aeronautical information, such as airports and runways, as well as information about buildings and other flight path obstacles and topography. Then, we produced a software design manual based on these concepts and established a programming team of 50 people. In designing the actual software, we had a very tough time incorporating the vague aspects of the international standards into our software specifications.



ANS Group, First Systems Section
First Public Administration Systems Division
Public Administration Systems Sector

Assistant Manager
Kasumi Yamashiro

Presentation made during break at international conference



ANS Group, First Systems Section
First Public Administration Systems Division
Public Administration Systems Sector

Manager
Kengo Watanabe

After about two years, we finally completed “PANADES.” Struggling to find a way into the global market, we started promoting “PANADES” via presentations at international events. In Amsterdam, we participated in a major international air traffic control event, marketing the system mainly to European customers. Afterwards, we made direct visits to countries from which we had received inquiries. Then one day, an inquiry came from an unlikely source. It was at an international conference held to decide ICAO flight rule design standards. A member of our development team was attending the event in an advisory capacity when she was approached by a person from Aeronautical Radio of Thailand Ltd. (AEROTHAI) who was looking for flight route design software. During a break at the event, our development team member showed a demo version of the software that she happened to be carrying at the time. That was our window of opportunity.



NTT DATA(Thailand) Co., Ltd.
Business Development Department
General Manager
Athikom Chairithong

Comment from the local team

Launch of "PANADES" marks a major achievement, realized through collaboration with the Japan team

This project, which has enabled us to introduce aviation infrastructure for Thailand's skies, is indeed a major achievement for us, made possible by NTT DATA's superior solutions. The NTT DATA Group has a number of excellent solutions that it can offer to customers in Thailand. We can make significant inroads in the Thai market by working together as One NTT DATA. We will continue expanding our businesses by strengthening our cooperation with Japan and the other global teams.

Order received with help from NTT DATA Thailand

In making a full-scale sales pitch to AEROTHAI, we encountered the problem of distance. Realistically, it is difficult to make frequent trips between Japan and Thailand, so we enlisted the cooperation of local Group member NTT DATA



First Sales Group, Sales Section
First Public Administration Systems Division
Public Administration Systems Sector
Mizuki Asaba

Thailand to help with the project. Specifically, that company served as the local contact point for follow-up communications after the official presentation to AEROTHAI, as well as repeated price discussions and difficult negotiations in Thai to determine the preconditions for a licensing agreement. We later heard that, in addition to the exceptional functions of "PANADES," the ability to communicate in Thai and receive support directly from people based in Thailand were key factors in winning the contract. So we are very grateful to NTT DATA Thailand for its cooperation, without which we would not have signed the deal. We came to realize the great importance of a Group member presence—enabling close interaction with local customers—in advancing our global operations.

"Amazing!": The reaction of an Indonesian technician

After the AEROTHAI contract, we also won an order from Indonesia. At the time, the Japan International Cooperation Agency (JICA) was engaged in technical cooperation related to air traffic control systems in Indonesia. As part of those activities, JICA was seeking to procure flight route design software, so we presented "PANADES" and won the tender. In February 2012, after signing the agreement, we held a training program on the "PANADES" system for Indonesian flight route design technicians. When we showed them how a flight route is actually designed through data input, their

reaction was unforgettable. "Amazing!" said one technician. "A process that used to take two weeks can now be done in an instant!" We realized the true value of "PANADES" in the eyes of a flight route design technician, and we will spare no effort in promoting the features of "PANADES" to as many customers as possible in the future.

Case Study 2

Integrated Credit Card Settlement Solution “CAFIS”

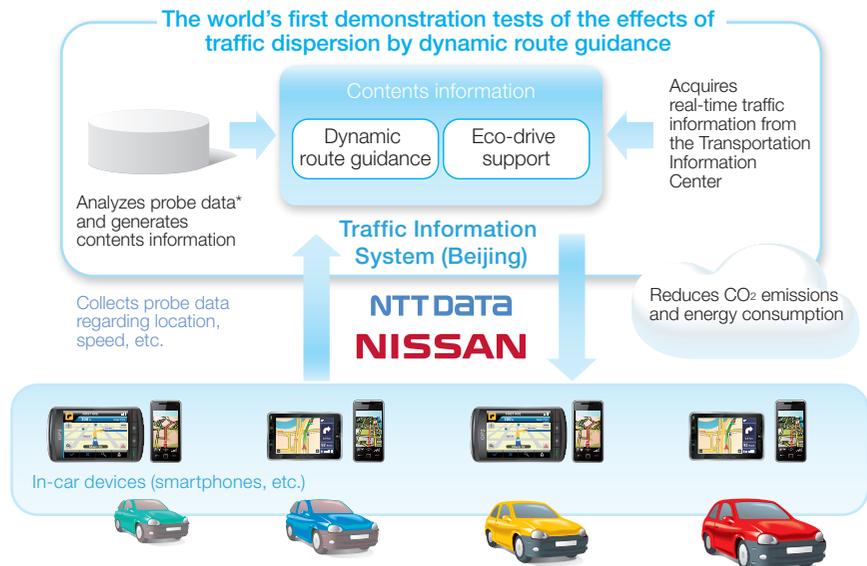
“CAFIS” is one of the largest reliable, secure, high-performance integrated credit card settlement solutions in Japan, handling more than 300 million credit card transactions per month. Deploying our business operation know-how and technical expertise amassed in Japan, we are promoting overseas business expansion through alliances with overseas corporations.



Case Study 3

Verification Experiment for Beijing’s New Traffic Information System Technology

At the request of the New Energy and Industrial Technology Development Organization (NEDO), Nissan Motor Co., Ltd. has been conducting verification experiments on Beijing’s new traffic information system for the purpose of alleviating traffic congestion, improving energy efficiency in driving and reducing CO₂ emissions in Beijing. NTT DATA has developed the center system that forms the core of the verification experiments.



* Probe data: Information such as the vehicle’s actual driving route, speed, etc.

> Synergy & Value Creation Toward a new stage

Now, it is time for NTT DATA to build on initiatives to date to enter the second stage of its globalization. Our quest is to become a Global Top 5 player by deploying our customer base, human resources, and solution provision capabilities, which befit a truly global corporation.

To this end, we will create “value that only NTT DATA can provide” under the Global One NTT DATA structure, and thus contribute to customers and society via our IT strengths as a global innovation partner.

Becoming a Global Top 5 Player

Rankings of the World's IT Service Vendors

2010		
Ranking	Vendor	Net Sales (\$ million)
1	IBM	56,297
2	Hewlett-Packard	35,101
3	Fujitsu	23,373
4	Accenture	21,250
5	CSC	16,106
6	Lockheed Martin	13,586
7	Xerox	12,091
8	NTT DATA	11,856
9	Capgemini	11,525
10	SAIC	10,921

2011			
Ranking	Vendor	Net Sales (\$ million)	Growth (%) (2010-2011)
1	IBM	60,039	6.6
2	Hewlett-Packard	35,799	2.0
3	Fujitsu	25,420	8.8
4	Accenture	25,385	19.5
5	CSC	16,209	0.6
6	NTT DATA	13,749	16.0
7	Capgemini	13,481	17.0
8	Lockheed Martin	13,055	-3.9
9	Xerox	12,687	4.9
10	Oracle	12,144	15.1

Source: Gartner “Market Share IT Services, 2011”, 9 April 2012

Overview by company

Public & Financial IT Services Company

Business Area



Company Overview

The business of the Public & Financial IT Services (P&F) Company primarily covers public organizations and financial institutions both in Japan and overseas, providing a wide range of high-value-added IT services that support social infrastructure in the public administration sector (central government agencies, overseas public organizations, and local government bodies), the healthcare sector (hospitals), and the financial sector (banks, insurance companies, securities firms, and consumer credit companies). In addition to providing systems specifically developed for each customer, we offer large cross-industry settlements network systems and shared systems for financial institutions.

Enterprise IT Services Company

Business Area



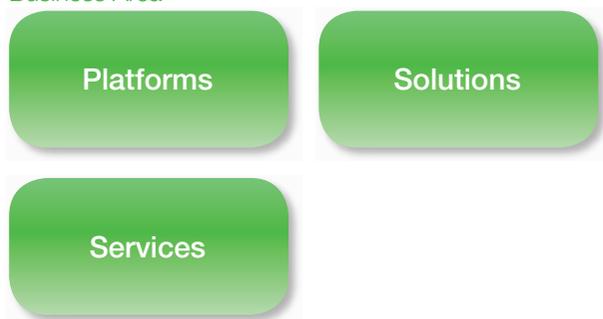
Company Overview

This company offers high-value-added IT services which support the business activities of our customers in a wide range of industries, including manufacturing, retail, logistics and other services, communications, broadcasting, and utilities. Working in collaboration with the NTT DATA Group companies in Japan and overseas, the Enterprise IT Services (E-IT) Company offers the best solutions which are high quality and cost effective, with short lead times to address customers' needs.

Note: The Enterprise IT Services Company changed its name from the Global IT Services Company in April 2012.

Solutions & Technologies Company

Business Area



Company Overview

This company focuses on platforms, solutions, and services, providing platforms and solutions that support the latest IT services. The Solutions & Technology (S&T) Company delivers solutions and services to many customers indirectly through the P&F Company and the E-IT Company and provides services directly. As the core of innovation of our business model which promotes the expansion of the services and software business, the S&T Company has been actively focusing on new services including cloud-computing related services.

Note: New orders received apply to external customers only. Net sales and segment profits include inter-segment transactions. Segment profit is equivalent to income before income taxes. Financing costs and some common costs are not reflected in the figures for each company.

Public & Financial IT Services Company

Fiscal 2012 in Review

As for major initiatives during the year, we launched services for "The 6th Generation *Zengin* System" on the Japanese Banks' Payment Clearing Network. We also integrated the systems of Senshu Ikeda Bank, Ltd. at the NTT DATA Regional Bank Integrated Services Center, and we launched "STELLA CUBE" services for The Tokyo Tomin Bank, Limited. In addition, we decided to provide "BeSTAcLoud," new critical services for financial institutions.

In the year ended March 31, 2012, the P&F Company reported an increase in net sales thanks to the expansion of consolidated subsidiaries and other factors. However, segment profit declined, due mainly to higher selling expenses aimed at strengthening our sales capabilities, as well as lower profits at existing subsidiaries.

The P&F Company posted net sales of ¥783.5 billion, up 2.1% from the previous year. Segment profit declined 15.5%, to ¥56.0 billion.

Business Environment and Outlook

Governments and other entities have continued studying ways to implement a "My Number" (social security and tax file number) system, including by submitting related legislation proposals. The situation going forward will require close scrutiny also from an IT investment perspective.

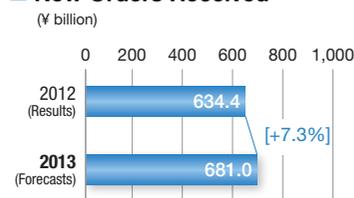
Among financial institutions, although investments in cloud-computing and other new areas are expected to increase, the overall outlook for IT spending remains unclear due to delays in business performance recovery.

In the year ending March 31, 2013, we project a decline in integrated IT solutions for banks, but an increase in business with local governments and other regional entities owing to the expansion of consolidated subsidiaries, as well as business with insurance companies, securities firms, and consumer credit companies.

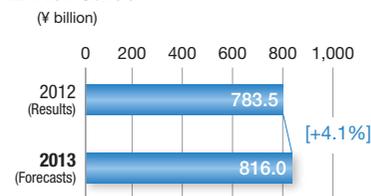
For the year, we forecast net sales of ¥816.0 billion, up ¥32.4 billion from the previous year. We forecast a ¥5.9 billion increase in segment profit, to ¥62.0 billion, owing mainly to a boost in profits from higher sales, as well as an improved cost-of-sales ratio.

Forecasts by Public & Financial IT Services Company

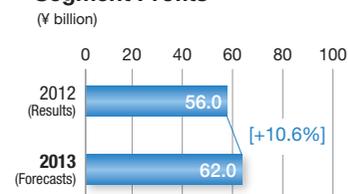
New Orders Received



Net Sales

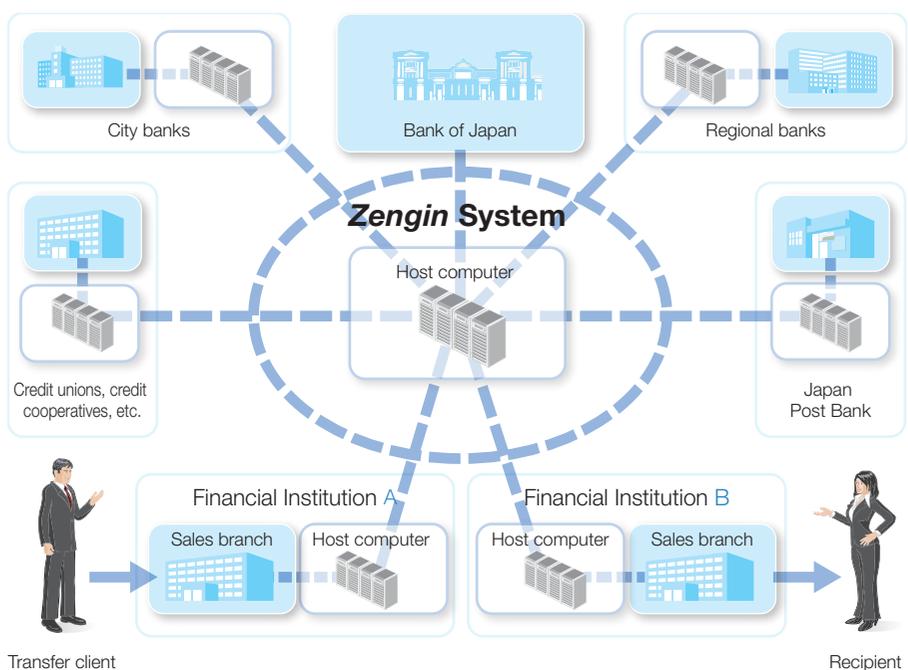


Segment Profits



Case Study: *Zengin* Data Telecommunications System

During the year, NTT DATA began providing services for "The 6th Generation *Zengin* System" (*Zengin* System) on the Japanese Banks' Payment Clearing Network. Practically all of the nation's financial institutions are connected to the *Zengin* System, making it a "major artery" of Japan's financial services sector that assures reliable flows of funds.



Enterprise IT Services Company

Fiscal 2012 in Review

As a major initiative of the year under review, NTT DATA began offering "INERPIA SAP Hosting," which permits reductions in startup and operating costs and can be adapted for disaster-preparedness measures. We also launched "TISAFYS," an Application Management Outsourcing (AMO) service, in order to meet the varied requirements of customers.

In addition, we reached an agreement to form a capital alliance with the group of Kirin Holdings Company, Limited (the Kirin Group). The aim of the alliance is to deploy IT to help the Kirin Group achieve a competitive advantage and establish a competitive edge in the food and beverage industry. Meanwhile, NTT DATA Bizintegral Corporation starting offering six new services, including "Biz f Accounting" and "Biz f Sales Management System."

For the year, this company enjoyed year-on-year increases in both net sales and segment profit, owing to the broadened scale of the parent company's operations in the telecommunications and other business, as well as the effects of the expansion of consolidated subsidiaries and the improvement in the cost-of-sales ratio.

Specifically, net sales jumped 20.9%, to ¥427.0 billion, and segment profit amounted to ¥7.8 billion.

Business Environment and Outlook

In Japan, where the outlook for corporate earnings remains unclear, we expect competition to intensify even more than before, with stronger requests from customers for price reductions.

In the year ending March 31, 2013, we anticipate growth in business with the manufacturing, retail, logistics, and other services sectors, especially communications, broadcasting, and utilities. By contrast, we expect a negative impact on net sales from the efforts of our overseas subsidiaries to realign their classification of customer fields, as part of the integration and restructuring of the Group's global operations. Specifically, we forecast a ¥13.0 billion decline in net sales, to ¥414.0 billion.

For the year, we forecast a ¥2.1 billion increase in segment profit, to ¥10.0 billion, owing to declines in unprofitable projects and an improvement in the cost-of-sales ratio.

Forecasts by Enterprise IT Services Company

New Orders Received



Net Sales

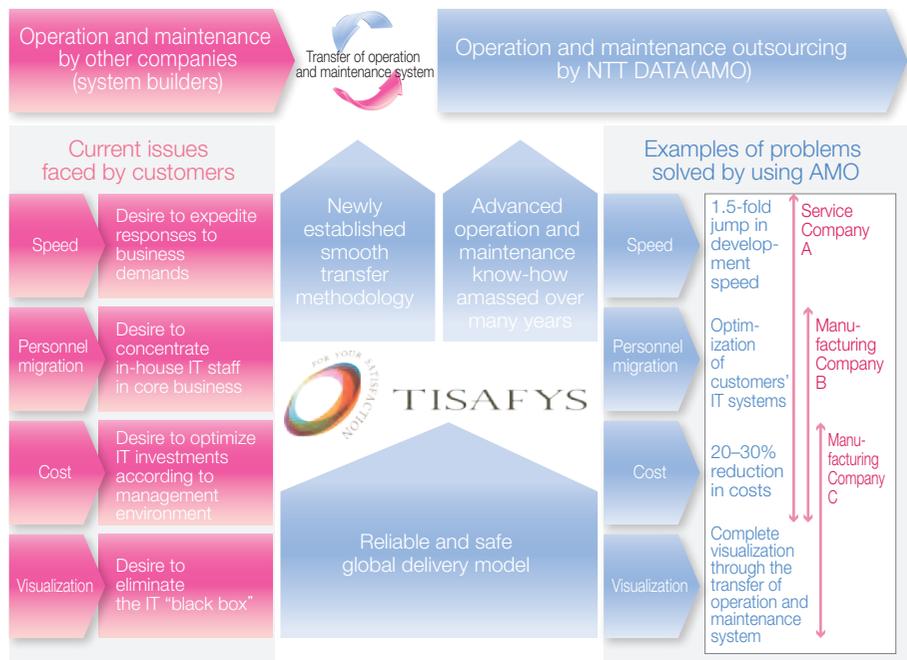


Segment Profits



Case Study: Overview and Examples of Problems Solved by using "TISAFYS" (AMO service)

"TISAFYS" is an AMO service that addresses the various challenges faced by customers in operating and maintaining their systems. Such challenges include increases in development speed, the migration of IT personnel to core business operations, IT cost-cutting activities, and the progressive visualization of work processes.



Solutions & Technologies Company

Fiscal 2012 in Review

During the year, NTT DATA began offering its "BIZXAAS BCP/DR Consulting Service," which assists the Business Continuity Planning (BCP) and Disaster Recovery (DR) efforts of companies.

In addition, the Company reached a basic agreement with LG CNS Co., Ltd. of South Korea covering collaborations in the data center field, including the reciprocal provision of data centers and related solutions. The aim of the agreement is to help satisfy the needs of Japanese companies for geographically dispersed data centers as part of their BCP and disaster-preparedness measures.

For the year, the company reported increases in net sales and segment profit, owing largely to a rise in projects contracted from other segments.

Specifically, net sales rose 3.8% year on year, to ¥169.2 billion, and segment profit jumped 36.3%, to ¥13.4 billion.

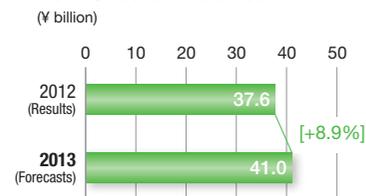
Business Environment and Outlook

Demand from the network and data center fields has been on a recovery path since the Great East Japan Earthquake, while the number of projects related to BCP, disaster-preparedness measures, and energy-saving solutions continues to increase. By contrast, requests from customers for lower prices remain strong.

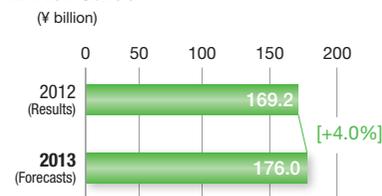
In the year ending March 31, 2013, we look forward to expansion in demand for data centers and cloud-computing services. We forecast a ¥6.7 billion year-on-year increase in net sales, to ¥176.0 billion. Despite a boost in profits provided by the increase in sales, we forecast a ¥7.4 billion decline in segment profit, to ¥6.0 billion, due to a non-repetition of profits reported in the previous year.

Forecasts by Solutions & Technologies Company

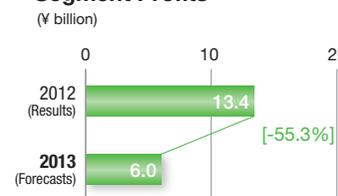
New Orders Received



Net Sales

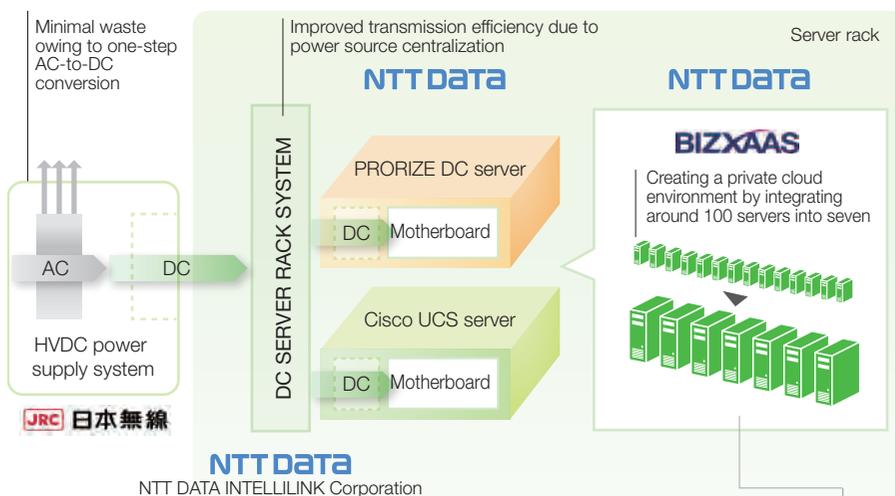


Segment Profits



Case Study: Japan's first commercial system using a next-generation power supply method

Using the "BIZXAAS System Development and Operation Service," a service for building private cloud environments for corporations, we integrated the servers of the internal systems of Japan Radio Co., Ltd. It was the first commercial power feeding system in Japan using next-generation high-voltage direct current (HVDC) electric power transmission.



For the first time in Japan, HVDC power supply has been adopted in a commercial power feeding system. The setup involves an HVDC system owned by Japan Radio Co., Ltd. and HVDC-compatible products incorporating the technologies of NTT DATA and NTT DATA INTELLILINK Corporation. It is expected to be 10–20% more efficient than alternating-current (AC) systems, allowing considerable reductions in running costs.



Directors, Corporate Auditors and Executive Officers



Satoshi Kurishima

Eiji Yamada

Toshio Iwamoto

Yoshinori Hagino

Directors and Corporate Auditors (As of July 1, 2012)

President and Chief Executive Officer

Toshio Iwamoto

Representative Director and Senior Executive Vice President

Eiji Yamada

Company President, Public & Financial IT Services Company

Representative Director and Senior Executive Vice President

Yoshinori Hagino

Company President, Enterprise IT Services Company

Representative Director and Executive Vice President

Satoshi Kurishima

Company President, Solutions & Technologies Company / CIO in charge of information strategy / CISO in charge of security strategies / intellectual property strategies

Director and Executive Vice President

Masanori Shiina

Senior Executive Manager, Group Strategy Headquarters / CRO in charge of risk management / In charge of corporate governance and corporate social responsibility

Director and Senior Vice President

Hironobu Sagae

Senior Executive Manager, Finance Department / CFO in charge of financial management

Counselor and Director

Toru Yamashita

Director

Yoichiro Takaya

Standing Corporate Auditors

Yasuhiro Kadowaki

Hiroo Inoue

Yasuomi Hino

Corporate Auditor

Rieko Sato

Notes: Yoichiro Takaya satisfies the requirements of outside directors assigned in accordance with Corporate Law.
Yasuhiro Kadowaki, Yasuomi Hino, and Rieko Sato are outside corporate auditors assigned in accordance with Corporate Law.

Executive Officers (As of July 1, 2012)

President and Chief Executive Officer

Toshio Iwamoto

Representative Director and Senior Executive Vice President

Eiji Yamada

Company President, Public & Financial IT Services Company

Representative Director and Senior Executive Vice President

Yoshinori Hagino

Company President, Enterprise IT Services Company

Representative Director and Executive Vice President

Satoshi Kurishima

Company President, Solutions & Technologies Company /
CIO in charge of information strategy / CISO in charge of security
strategies / intellectual property strategies

Director and Executive Vice President

Masanori Shiina

Senior Executive Manager, Group Strategy Headquarters /
CRO in charge of risk management / In charge of corporate
governance and corporate social responsibility

Director and Senior Vice President

Hironobu Sagae

Senior Executive Manager, Finance Department /
CFO in charge of financial management

Counselor and Director

Toru Yamashita

Director

Yoichiro Takaya

Executive Vice Presidents

Kazuhiro Suda

Yuji Kawashima

Senior Executive Manager, Regional Business Sector

Mitsutaka Nakamura

Director and Chair, NTT DATA EMEA Ltd.

Kazuhiro Nishihata

Senior Executive Manager, Global Business Sector / in charge of
international business management

Senior Vice Presidents

Yo Honma

Senior Executive Manager, Third Enterprise Sector

Isao Arai

Senior Executive Manager, Fourth Enterprise Sector

Hiroshi Endo

Senior Executive Manager, System Platforms Sector /
Executive Manager, Platform Solutions Business Unit,
System Platforms Sector

Eiji Ueki

Senior Executive Manager, Second Financial Sector

Shigeyuki Onishi

Senior Executive Manager, Quality Life Sector

Yuichi Kazama

Senior Executive Manager, First Enterprise Sector /
Executive Manager, First Mobile Business Division,
First Enterprise Sector

Toshio Iwai

Senior Executive Manager, Public Administration Systems Sector

Katsumasa Ishikawa

Senior Executive Manager, Fourth Financial Sector

Hidenori Tsuzuki

Senior Executive Manager, Second Enterprise Sector /
Executive Manager, Second Telecom & Broadband Business Division,
Second Enterprise Sector

Masato Shibasaki

Senior Executive Manager, Third Financial Sector

Kazuhiro Sasada

Senior Executive Manager, Business Solutions Sector

Eiji Kugimiya

Senior Executive Manager, First Financial Sector

Fumio Kanda

Deputy Chair and CEO, NTT DATA (China) Co., Ltd.

John McCain

Director and CEO, NTT DATA, Inc.

Financial & Others

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Other Information

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Some of the financial information is now available at the following websites.
Please visit these sites for detailed information.

Notes to the Consolidated Financial Statements	▶ 1	→	1. Annual Report Fiscal Year 2012 http://www.nttdata.com/global/en/investor/library/annual-reports/
Independent Auditor's Report	▶ 2	→	2. Notice of Convocation of the 24th Ordinary General Meeting of Shareholders http://www.nttdata.com/global/en/investor/shareholders-meeting/pdf/2012/sh24_e.pdf
Non-Consolidated Six-Year Summary	▶ 3	→	
Non-Consolidated Balance Sheets	▶ 2	→	
Non-Consolidated Statements of Income	▶ 2	→	
Non-Consolidated Statements of Shareholders' Equity	▶ 2	→	3. Historical Financial Data http://www.nttdata.com/global/en/investor/library/historical-financial-data/

Note: This annual report contains forward-looking statements concerning the NTT DATA Group's future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent assumptions and beliefs based on economic, financial, and competitive data currently available. Forward-looking statements include information preceded by, followed by, or that include the words "predicts," "expects," "anticipates," "could," "may," or similar express industry, customer demand, tax rules, regulations, and other factors. Readers of this annual report are cautioned not to place undue reliance on these forward-looking statements. The NTT DATA Group therefore wishes to caution readers that actual results may differ materially. Moreover, with respect to the notation of fiscal years in the graphs and charts within this annual report, "2012" indicates the fiscal year ended March 31, 2012.

Consolidated Six-Year Summary

NTT DATA CORPORATION AND SUBSIDIARIES

Years ended March 31

	Millions of yen					
	2007	2008	2009	2010	2011	2012
For the Year:						
Net Sales	¥ 1,044,918	¥ 1,074,405	¥ 1,139,092	¥ 1,142,940	¥ 1,161,962	¥ 1,251,177
Public & Financial IT Services	—	—	—	769,482	767,289	783,567
Enterprise IT Services*	—	—	—	338,702	353,333	427,074
Solutions & Technologies	—	—	—	153,870	163,064	169,231
Others	—	—	—	(119,114)	(121,724)	(128,696)
System Integration	830,776	834,972	889,087	879,175	—	—
Network System Services	69,083	75,503	78,274	83,165	—	—
Others	236,563	269,400	266,219	276,333	—	—
Elimination or Corporate	(91,505)	(105,470)	(94,489)	(95,733)	—	—
Cost of Sales	786,327	813,343	861,942	870,589	882,329	941,881
Gross Profit	258,590	261,061	277,150	272,351	279,632	309,295
Selling, General and Administrative Expenses	168,340	165,149	178,603	190,662	201,326	228,878
Operating Income	90,250	95,911	98,546	81,689	78,306	80,416
Income before Income Taxes	85,769	51,492	91,431	71,789	68,471	71,882
Net Income	50,637	30,454	48,360	35,662	37,313	30,446
New Orders Received	967,901	1,012,278	1,035,242	1,181,549	988,484	1,098,400
Capital Expenditures	139,564	176,826	180,068	162,570	139,069	133,965
Depreciation and Amortization/ Loss on Disposal of Property and Equipment and Intangibles	152,862	159,263	166,681	161,981	158,566	159,721
Research and Development Expenses	11,307	10,749	10,090	11,389	10,742	13,507
Free Cash Flow	83,304	39,653	(6,902)	83,667	(56,468)	30,406
EBITDA	234,517	246,286	256,526	234,888	229,352	228,405
At Year-End:						
Property and Equipment, at Cost	886,663	966,740	983,539	977,548	953,899	882,414
Less: Accumulated Depreciation	(547,048)	(589,930)	(598,702)	(599,918)	(604,874)	(560,392)
Long-Term Debt	184,368	141,571	280,267	227,288	379,479	373,689
Total Liabilities	540,745	630,847	683,087	664,089	838,299	835,143
Total Equity	534,916	548,133	566,308	584,537	601,601	605,709
Total Assets	1,087,346	1,193,827	1,275,091	1,279,256	1,468,617	1,474,894
Number of Employees	22,608	23,080	31,739	34,543	49,991	58,668
Yen						
Per Share:						
Net Income	¥ 18,052	¥ 10,857	¥ 17,240	¥ 12,713	¥ 13,302	¥ 10,854
Net Income (diluted)	—	—	17,227	—	—	—
Net Assets	190,701	195,413	201,892	208,391	214,474	215,939
Other Information:						
Operating Income Margin (%)	8.6	8.9	8.7	7.1	6.7	6.4
Return on Sales (%)	4.8	2.8	4.2	3.1	3.2	2.4
Return on Equity (%)	9.8	5.6	8.7	6.2	6.3	5.0
Return on Assets (%)	4.7	2.7	3.9	2.8	2.7	2.1
EBITDA Margin (%)	22.4	22.9	22.5	20.6	19.7	18.3
Equity Ratio (%)	49.2	45.9	44.4	45.7	41.0	41.1

Notes: 1. Enterprise IT Services Company: Renamed from Global IT Service Company in April 2012.

2. EBITDA refers to operating income before deducting depreciation and amortization/loss on disposal of tangibles and intangibles.

3. EBITDA margin refers to EBITDA divided by net sales.

4. From the fiscal year ended March 31, 2011, segment information is disclosed on the basis of the "management" approach. Segment information shown for the fiscal year ended March 31, 2010 has been restated to conform with the presentation of the fiscal year under review.

5. With respect to segment information, for some overseas subsidiaries we have undertaken a reclassification by customer field, and figures for the fiscal year ended March 31, 2011 have been changed from those previously disclosed.

Management's Discussion and Analysis

Market Conditions in Fiscal 2012

In fiscal 2012, ended March 31, 2012, the Japanese economy showed signs of an overall turnaround thanks to a bottoming out of corporate earnings, recovery in capital expenditures, and other factors. Moreover, the economy appeared on track for a moderate recovery as production activity, which declined significantly after the Great East Japan Earthquake, generally returned to pre-disaster levels. However, the risk of an economic downswing remains, due largely to restrictions on electricity supply, as well as economic downturns overseas in the midst of the European sovereign debt crisis and other factors, together with fluctuating exchange rates and stock prices.

In the information service industry, the general trend of restraint in IT investment continued, evidenced by the curtailment of maintenance and operating expenses, for example. Moreover, there are concerns that IT spending will be further restrained, depending on how various factors—such as electricity supply problems, overseas economic downturns, and the yen's ongoing strength—impact the domestic economy.

Management Initiatives

Amid these circumstances, the NTT DATA Group has emphasized quantitative expansion through quality, in order to achieve sustained business advancement and increase corporate value. We have done so by pursuing the primary strategies of our Medium-Term Management Plan, namely the “Strengthening of service provision capabilities,” “Enhancement and expansion of Group businesses,” and “Promotion of environment-oriented management,” towards our goal of being ranked “No.1 in customer satisfaction” as a “Leading-edge innovator.” In line with expansion of our global operations, we sought to integrate and restructure our own global business according to five regions and solutions. At the same time, we changed to a new, globally unified corporate logo with the aim of further raising the presence of the NTT DATA brand in global markets.

• Strengthening Service Provision Capability

- We established the M2M Cloud Promotion Office, charged with cross-laterally promoting the provision of new services, centered on M2M¹ cloud-computing, which is essential to further advancement of IT utilization

and creation of diversified services in society. In addition, we decided to launch the “Xcrosscloud” series of total M2M solutions, ranging from cloud platforms to consulting.

- Seeking to reinforce our solutions in the area of business analytics², we have mainly focused on the development and sales of package software, as well as application development and analysis consulting. To this end, we acquired control of Mathematical Systems, Inc., which possesses advanced data analysis technologies and highly skilled human resources.

• Group Business Enhancement and Expansion

- During the year, we acquired management control of Value Team S.p.A. (name changed to NTT DATA Italia S.p.A. on April 2, 2012). That company has strengths in IT consulting and system development in Italy, particularly in the fields of telecommunications, utilities (energy), manufacturing, and finance (banking and insurance). It also is actively advancing its business in Brazil and Turkey.
- In fiscal 2012, we integrated and restructured our overseas Group companies with the aims of building an operational system to provide worldwide support for the efforts of corporate clients to expedite their global business development, as well as to create a framework for offering speedy services to global and local customers. Also, in order to enhance our brand in overseas regions, we established a new structure, centering on NTT DATA, Inc. in the Americas, NTT DATA EMEA Ltd. in EMEA region, and NTT DATA (China) Co., Ltd. in China.

Promoting Environment-Oriented Management

- During the year, we formed an alliance with NEC Corporation, Hitachi, Ltd., Kanematsu Corporation, Saitama City, and CHAdeMO Association³ with the aim of standardizing the ID system for IC cards that are used to authenticate the users of electric vehicle chargers. In addition, we conducted field tests of online interconnection among the three or more network certification business operators for the first time in Japan, using the plug-in infrastructure for electric vehicle developed by Saitama City.
- We developed the first commercial feed system in Japan using the next-generation high-voltage direct current

(HVDC), which can make power 10–20% more efficient than alternating current feed systems. This system has begun to operate as an internal system in Japan Radio Co., Ltd.

Notes: *1 M2M (Machine to Machine): A two-way communications service that enables information exchange between remote devices and IT systems without human intervention using mobile and fixed networks.

*2 Business analytics: An approach used for management decision-making of organizations aimed at making maximum use of the vast amounts of internal and external data by incorporating sophisticated analysis, such as data mining and mathematical optimization, to discover the hidden relationships among the various data and forecast future eventualities.

*3 CHAdeMO Association: An organization that promotes the spread and international standardization of quick charging based on the CHAdeMO method, with cooperation from automakers, charger manufacturers, and other corporations, as well as the government and other entities.

Scope of Consolidation

NTT DATA has 223 subsidiaries, all of which are included in the scope of consolidation. Owing to new equity investments and the establishment of new subsidiaries, we welcomed 39 newly consolidated subsidiaries into the Group in fiscal 2012. Prominent among these were Value Team S.p.A. and JBIS Holdings, Inc. In addition, due to mergers, transfers, and liquidations, 31 subsidiaries were excluded from the scope of consolidation. These included NTT DATA Enterprise Application Services, Inc. (formerly Intelligroup, Inc.).

For a list of the main mergers, acquisitions, and capital alliances undertaken by NTT DATA, please refer to page 49.

Consolidated Subsidiaries' Results

(¥ billion)

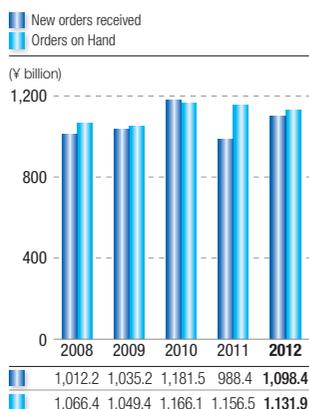
	2008	2009	2010	2011	2012
Consolidated new orders received	1,012.2	1,035.2	1,181.5	988.4	1,098.4
Difference from non-consolidated figures	224.8	285.1	303.7	345.6	442.9
Consolidated net sales	1,074.4	1,139.0	1,142.9	1,161.9	1,251.1
Difference from non-consolidated figures	214.6	286.5	321.2	341.8	439.1

Review of Operating Results in Fiscal 2012

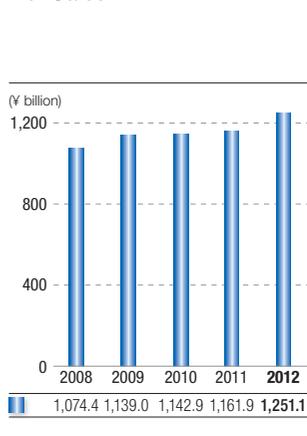
• New Orders Received and Orders on Hand

In fiscal 2012, new orders received amounted to ¥1,098,400 million, up ¥109,915 million, or 11.1%, from the previous fiscal year. This was mainly attributable to increases in new projects and project upgrades, as well as expansion in the scope of consolidation. The orders on hand at fiscal year-end stood at ¥1,131,978 million, down ¥24,602 million, or 2.1%, from a year earlier.

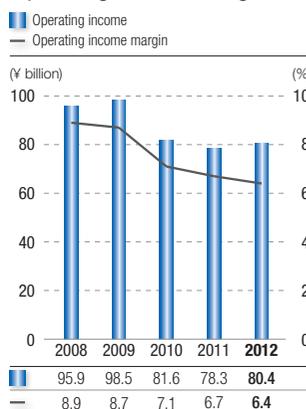
New Orders Received and Orders on Hand



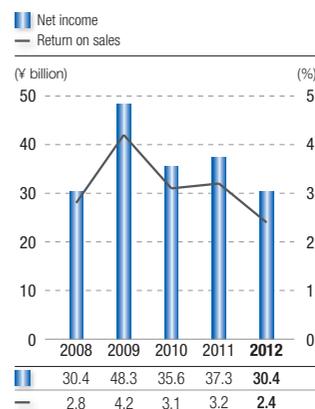
Net Sales



Operating Income and Operating Income Margin



Net Income and Return on Sales



• **Net Sales**

Net sales rose ¥89,214 million, or 7.7%, to ¥1,251,177 million, owing mainly to expansion in the scope of consolidated subsidiaries.

• **Operating Income**

Cost of sales increased ¥59,551 million, or 6.7% year on year, to ¥941,881 million, due largely to the expanded scope of consolidation. The cost-of-sales ratio improved 0.6 point year on year, from 75.9% to 75.3%, due mainly to a decline in unprofitable projects and an improved cost-of-sales ratio of the parent company.

Selling, general and administrative (SG&A) expenses rose ¥27,552 million, or 13.7%, to ¥228,878 million, due largely to the expansion of consolidation scope and stepped-up sales activities by the parent company.

As a result, operating income grew ¥2,110 million, or 2.7% year on year, to ¥80,416 million.

• **Ordinary Income**

Non-operating expenses, net of non-operating income, amounted to ¥4,828 million, up ¥2,301 million, or 91.1% year on year, due mainly to the amortization of negative goodwill in the previous year.

As a result, ordinary income edged down ¥191 million, or 0.3%, to ¥75,588 million.

• **Net Income**

Total extraordinary loss, net of extraordinary income, amounted to ¥3,706 million, down ¥3,602 million from the previous year. An impairment loss of noncurrent assets was partially offset by a gain on sales of land. Total income taxes—representing the sum of income taxes—current and income taxes—deferred—increased ¥10,875 million, or 36.3%, to ¥40,815 million. This was mainly due to a reversal of deferred tax assets associated with a revision of the tax system.

Accordingly, net income declined ¥6,866 million, or 18.4%, to ¥30,446 million.

For details about net sales and profit by business segment, please refer to “Overview by company” on page 32.

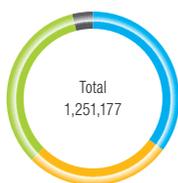
• **Related Information**

Each business segment is engaged in “Integrated IT Solutions,” which includes provision of services to customers in possession of NTT DATA equipment assets (including software); “Systems and Software Development,” which includes sales of systems and software developed according to customer orders, as well as sales of information machines; “Consulting and Support,” encompassing subcontracting and service provision in areas outside of systems and software development; and other services.

Information regarding products and services

Sales to external customers

(¥ million) FY ended March 31, 2012



■ Integrated IT Solutions	438,112
■ Systems and Software Development	345,422
■ Consulting and Support	419,142
■ Others	48,499

Information for each region

Net sales

(¥ million) FY ended March 31, 2012

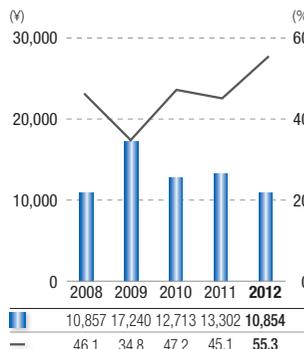


■ Japan	1,042,823
■ North America	96,667
■ Europe	84,799
■ Others	26,887

Notes: 1. Net sales are divided based on the regions in which the customers are located.
2. Major countries belonging to each region are as follows:
North America: the U.S. and Canada
Europe: Germany, Italy, England, etc.
Others: Australia, India, Brazil, etc.

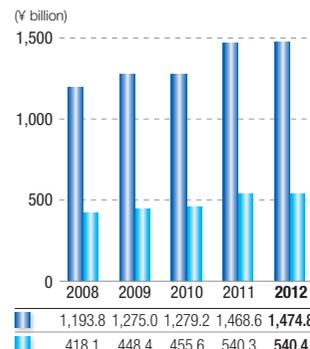
Net Income per Share and Payout Ratio

■ Net income per share
— Payout ratio



Total Assets and Total Current Assets

■ Total assets
■ Total current assets



• Profit Appropriation Policy and Dividends

NTT DATA's fundamental policy is to distribute profits appropriately, while working to increase corporate value over the medium and long terms through sustainable growth driven by investments in new businesses and efficient management of business operations. With regard to dividends, we intend to pay stable dividends on the basis of comprehensive assessments of consolidated operating results, financial position, and other factors, using a consolidated payout ratio of 30% as the yardstick.

We will continue striving to maintain sustained, stable growth by replenishing internal reserves for investment in new businesses, investment in technological development, and capital spending. For the year under review, the Company paid an interim dividend of ¥3,000 per share and has declared a year-end dividend of ¥3,000, bringing total annual dividends to ¥6,000 per share.

Current Assets and Sources of Funds

• Financial Policy

NTT DATA's financial policy is to reliably provide funds to continuously finance investments to its system integration business and to finance substantial investments made to promote the Company's M&A strategies in both Japan and overseas. Maintaining a sound financial position is critical to NTT DATA, since its business models require substantial funds.

NTT DATA is able to procure funds smoothly and

flexibly to seize investment opportunities by generating stable operating cash flows and maintaining surplus procurement capacity, while targeting a certain debt ratio.

With the aim of contributing to stable fund procurement with a low interest rate, NTT DATA acquired credit ratings for its bonds and commercial paper (CP) from two Japanese rating companies. The Company has secured ample alternative sources of current assets (cash and cash equivalents) by maintaining a CP issuing authority of ¥150,000 million.

• Total Assets

At fiscal year-end, total assets stood at ¥1,474,894 million, up ¥6,276 million, or 0.4%, from a year earlier. The increase stemmed mainly from a rise in goodwill accompanying growth in the number of consolidated subsidiaries.

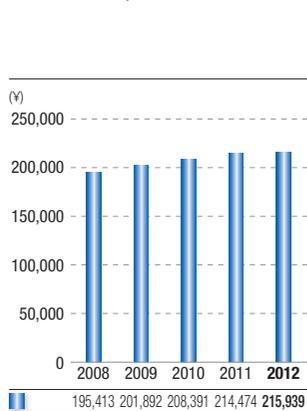
• Total Liabilities

Total liabilities edged down ¥3,156 million, or 0.4% year on year, to ¥835,143 million, due mainly to the redemption of bonds and the repayment of borrowings.

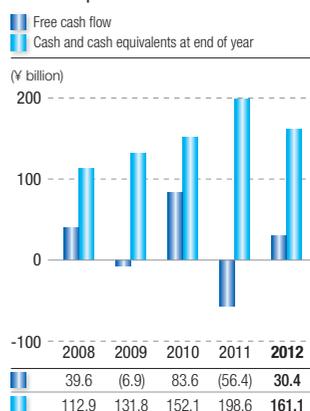
• Net Assets

Net assets increased ¥9,432 million, or 1.5% year on year, to ¥639,750 million, due mainly to an increase in retained earnings by recording net income.

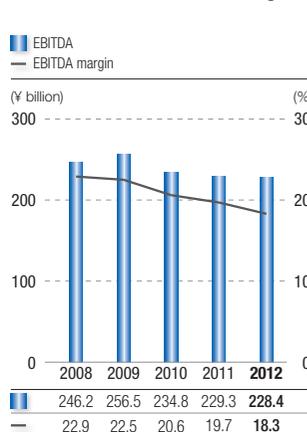
Net Assets per Share



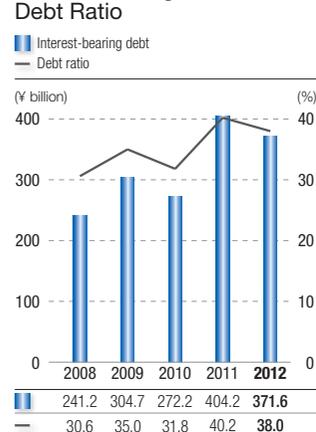
Free Cash Flow and Cash and Cash Equivalents at End of Year



EBITDA and EBITDA Margin



Interest-bearing Debt and Debt Ratio



• Cash Flows

Seeking to further enhance its ability to generate solid cash flows, the NTT DATA Group has introduced a Group-wide cash management system, which included 59 domestic subsidiaries at the end of the fiscal year.

By concentrating the Group's funds in the Company and lending funds to each Group company as necessary, NTT DATA strives to improve capital efficiency and reduce interest expenses.

Cash and cash equivalents at fiscal year-end totaled ¥161,110 million, down ¥37,496 million from a year earlier.

Cash flows from operating, investing and financing activities, as well as their contributing factors, were as follows.

Net cash provided by operating activities amounted to ¥190,247 million, down ¥38,830 million from the previous year. The year-on-year decline stemmed mainly from an increase in income taxes paid and an increase in notes and accounts receivable that was greater than in the previous year.

Net cash used in investing activities totaled ¥159,840 million, down ¥125,704 million from the previous year. This mainly reflected a decrease in outlays for acquisition of consolidated subsidiaries, as well as a decrease in outlays for capital expenditures.

As a result, free cash flows amounted to positive ¥30,406 million, compared with negative ¥56,468 million in the previous year.

Net cash used in financing activities was ¥65,957

million, compared with net cash provided by financing activities of ¥104,885 million in the previous year. This was mainly due to outflows from the redemption of bonds and repayment of long-term borrowings.

Key Management Indicators

• EBITDA and EBITDA Margin

During the year, earnings before interest, taxes, depreciation and amortization (EBITDA) edged down ¥947 million, or 0.4% year on year, to ¥228,405 million, which contrasted with an increase in operating income. This was due mainly to a decrease in depreciation and amortization which was included in operating expenses. The EBITDA margin decreased 1.4 points year on year, to 18.3%.

• Debt Ratio

Interest-bearing debt declined ¥32,619 million, or 8.1% year on year, to ¥371,673 million. As a result, the debt ratio decreased 2.2 points year on year, to 38.0%.

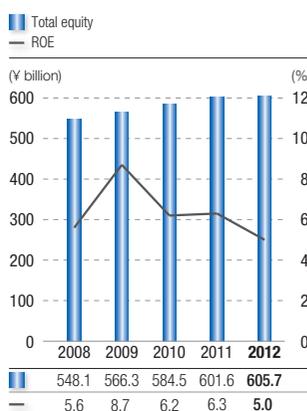
• ROE and ROA

In the year under review, return on equity (ROE) decreased 1.3 points, to 5.0%. Return on assets (ROA) was down 0.6 point, to 2.1%.

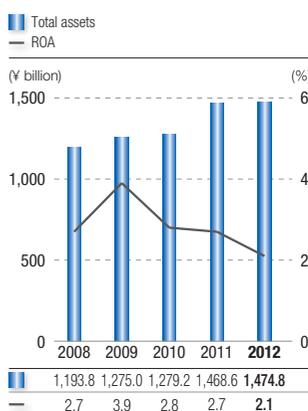
Capital Expenditures

Capital expenditures totaled ¥133,965 million. Of this amount, ¥100,202 million was allocated to Public & Financial IT Services, ¥14,495 million to Enterprise IT

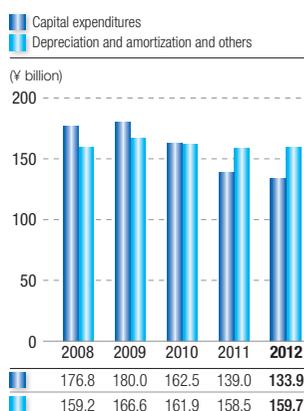
Total Equity and ROE



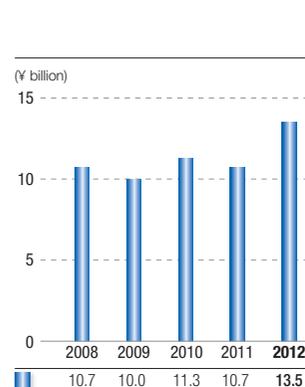
Total Assets and ROA



Capital Expenditures, and Depreciation, Amortization and Others



Research and Development



Services, and ¥14,792 million to Solutions & Technologies. A further ¥4,475 million comprised capital expenditures related to administrative sections, such as the General Affairs Department, and could not be allocated to specific business segments. Thus, these capital expenditures have been categorized as “others.”

Research and Development

Seeking to become “No.1 in customer satisfaction” as enshrined in its Medium-Term Management Plan, NTT DATA pursued R&D initiatives in the fields of software engineering, business intelligence, and integration architecture in fiscal 2012.

In addition, we are engaged in ongoing basic R&D projects in alliance with Nippon Telegraph and Telephone Corporation (NTT). We utilize the results of such R&D and allocate resources especially to our applied R&D themes.

In fiscal 2012, R&D expenses totaled ¥13,507 million. Because the outcomes of the Group's R&D efforts are shared by the Public & Financial IT Services, the Enterprise IT Services, and the Solutions & Technologies, these expenses are not allocated along segment-specific lines.

Remuneration

• Remuneration for Directors and Corporate Auditors

Matters relating to remuneration and others for directors are determined at the Board of Directors' meetings.

The remuneration of directors comprises monthly remuneration and bonuses. Monthly remuneration is paid on the basis of the significance of the position of each director and the scope of responsibility. Bonuses are provided after taking into account such factors as the Company's business performance.

In addition, to provide further long-range incentives for improving performance over the medium and long terms, a certain amount of monthly remuneration at or above a prescribed level is contributed for the purchase of the Company's own shares through the NTT DATA Directors' Share-holding Association. The association holds all of the shares purchased during the term of directors.

NTT DATA determines remuneration for corporate auditors on the basis of discussions with those auditors, and to ensure a high degree of independence, they are paid only a monthly remuneration that is not linked to business performance.

Total Remuneration for Directors and Corporate Auditors

	Number of Persons	Monthly Remuneration	Directors' Bonuses	Remuneration Amount
Directors (excluding outside directors)	10	¥ 254 million	¥ 57 million	¥ 312 million
Corporate Auditors (excluding outside corporate auditors)	1	¥ 14 million	—	¥ 14 million
Total	11	¥ 269 million	¥ 57 million	¥ 327 million

- Notes: 1. This includes two directors who retired at the close of the 23rd Ordinary General Meeting of Shareholders held on June 21, 2011.
 2. At the 18th Ordinary General Meeting of Shareholders held on June 22, 2006, it was resolved that the maximum amount of remuneration for directors should be ¥580 million per annum and that the maximum amount of remuneration for corporate auditors should be ¥150 million per annum.
 3. In addition to the above, a bonus paid to three directors for their concurrent service as employees amounted to ¥7 million.

Total Remuneration for Outside Corporate Officers

	Number of Persons	Monthly Remuneration
Outside corporate officers	3	¥ 90 million

• Remuneration Paid to Certified Public Accountants

NTT DATA and its subsidiaries paid remuneration to independent auditors KPMG AZSA LLC and its affiliates on the basis of audit contracts concluded with this agency as follows:

Total Remuneration for Certified Public Accountants

Type	Remuneration for Auditing and Attestation	Remuneration Based on Non-Audit Services
Reporting company	¥ 446 million	¥ 62 million
Consolidated subsidiary	¥ 169 million	—
Total	¥ 615 million	¥ 62 million

Some of the Company's foreign consolidated subsidiaries have undergone audits of financial statements conducted by member firms of the KPMG network, to which KPMG AZSA LLC belongs. Remuneration for these audit services amounted to ¥233 million. With regard to non-audit services, the Company remunerated KPMG AZSA LLC for guidance and advice on the basis of International Financial Reporting Standards (IFRS), as well as for verification of internal control establishment and operating status on the basis of JICPA Auditing Standards Committee Statement No.18 (evaluating efficacy of internal control related to contracted services).

Outlook for Fiscal 2013

• Economic Outlook and Performance Forecasts

Despite continuation of the general trend for Japanese companies to curb IT investments, the NTT DATA Group forecasts a year-on-year increase in net sales in fiscal 2013, to ¥1,280,000 million. Expected contributing factors include an increase in domestic sales accompanying a rise in the number of consolidated subsidiaries and an increase in sales of overseas subsidiaries, centering on Europe.

Despite a temporary increase in SG&A expenses due to structural reforms, we look forward to ongoing improvements in the cost-of-sales ratio and expansion of new projects, as well as improved income generated by consolidated subsidiaries. Accordingly, we project operating income of ¥85,000 million for fiscal 2013.

• Outlook for Capital Expenditures

In the year ending March 2013, capital expenditure is forecast to remain mostly unchanged year on year, at ¥133,000 million.

• Outlook for Dividends

NTT DATA expects to pay total annual dividends of ¥6,000 per share, unchanged from the year under review. The dividend will be set after comprehensive consideration of various factors, including the Company's consolidated performance, financial position, and payout ratio.

Risk Factors and Management

The risks set out below may impact the NTT DATA Group's business results and financial condition (including share prices). Forward-looking statements are based on the Company's estimation as of the end of the fiscal year under review.

• Risk of downward price pressure

There is a tendency for IT investment to be restrained by customers as a result of factors such as the deterioration in business sentiment and in corporate earnings. This is giving rise to more severe demands with regard to cost and to stricter evaluation of the effect of IT investment, which are leading to downward pressure on selling prices of the systems and services offered by the NTT DATA Group. This may impact the NTT DATA Group's business results and financial condition.

• Risk relating to increasing intensity of competition

The NTT DATA Group's principal business domain is regarded as being a very potent growth field within the information service industry, and in consequence enterprises such as hardware vendors are shifting their business focus towards it. In addition, we are facing global competition from IT service companies in emerging economies that are achieving rapid economic growth, such as India and China. Since there is some uncertainty with respect to the outlook for market growth, the increasing intensity of competition caused by vigorous entry into the market by competitors may impact the NTT DATA Group's business results and financial condition.

• Risk relating to societal and systemic changes

The NTT DATA Group's business may be affected by a wide range of factors, including social infrastructure, such as electric power and telecommunications, and by aspects of the legal system, such as taxes and various regulations. It is possible that these factors may change significantly due to circumstances beyond the Group's control. If such change occurs, it may impact the NTT DATA Group's business results and financial condition.

- **Risk relating to overseas business**

As part of its business strategy, the NTT DATA Group is undertaking business expansion in overseas markets, and overseas business is coming to account for a growing presence within the Group. The Group's overseas business is impacted by a diversity of factors, including trends such as those in the global economy and exchange rates, laws and regulations in such spheres as investment and competition, differences in commercial customs and practices, labor-management relations, and international politics. Should any risks relating to these factors materialize, they may impact the NTT DATA Group's business results and financial condition.

- **System failure risk**

Many of the systems and services provided by the NTT DATA Group constitute key parts of the social infrastructure, thus any failures therein, through such consequences as causing a deterioration of public confidence in the Group or of its brand image or the payment of compensation for damage caused, may affect the NTT DATA Group's business results and financial condition.

- **System building risk**

In the Group's mainstay SI business, it usually assumes full contractual responsibility at all stages—from the receipt of orders to delivery—for the completion of systems and their delivery to clients. Therefore, the NTT DATA Group's business results and financial condition may be affected by factors such as the occurrence of cost overruns or of payment of compensation for losses caused by delivery delays that may arise as a result of differences from initial estimates or problems such as project management issues at the development stage.

- **Information security risk**

When conducting its business, the NTT DATA Group handles personal information and confidential information. In the event of the loss, leakage, etc., of that information as

a result of factors such as a deterioration of public confidence in the NTT DATA Group or in its brand image or the payment of compensation for damage caused may affect the NTT DATA Group's business results and financial condition.

- **Compliance-related risk**

The NTT DATA Group has laid down the "NTT DATA Group Code of Ethics" to act as fundamental policy for sound business activity based on corporate ethics. It has also built a compliance promotion structure and implements periodic educational activities to raise the awareness of officers and employees for the purpose of enhancing corporate ethics and ensuring legal compliance. It is, however, impossible to assure total avoidance of compliance-related risk, and in the event of the occurrence of a legal violation, resultant factors such as a deterioration of public confidence in the NTT DATA Group or in its brand image or the payment of compensation for damage caused may affect the NTT DATA Group's business results and financial condition.

- **Risk relating to the securing of personnel**

The NTT DATA Group's growth and profits are substantially impacted by its ability to secure and train high-quality personnel with the professional expertise to provide value to customers. In the event that high-quality personnel of this kind cannot be secured and trained as planned, this may impact the NTT DATA Group's business results and financial condition.

- **Risk relating to technical innovation**

In the information service industry to which the NTT DATA Group belongs, the technological environment could undergo disruptive change. The NTT DATA Group studies a multiplicity of technological trends in state-of-the-art, basic, and other technologies and engages in research and development, but in the event that it delays addressing faster-than-expected progress in innovative technologies, this may impact its business results and financial condition.

- **Risk relating to intellectual property rights**

With regard to intellectual property rights and other rights essential to the conduct of business by the NTT DATA Group, it is possible that the Group will not be granted licenses or authorization of other kinds by the owners of such rights, and in consequence will become unable to provide specific technologies, products, or services. It is also possible that claims for damages will be made on the grounds that business activities undertaken by the NTT DATA Group have infringed the intellectual property rights of other parties. In any such event, the NTT DATA Group's business results and financial condition may be impacted.

- **Influence of parent company**

NTT, NTT DATA's parent company, is a principal shareholder with ownership of 54.2% of NTT DATA's voting stock as of March 31, 2012. NTT DATA carries out its operations independently of NTT and its other subsidiaries, but discusses important issues with NTT or reports to it. Against this backdrop of influence, NTT may act in ways that are in its own best interests but may not necessarily be in the interests of other shareholders of NTT DATA.

- **Risk relating to major disasters**

The systems and services provided by the NTT DATA Group may constitute social infrastructure. In view of this, the Group develops structures for ensuring business continuity in conformity with government guidelines and implements disaster-prevention training. Nevertheless, in

the event of the occurrence of a major disaster or of a serious outbreak of a contagious disease, for example, it is possible that places of business or their systems or large numbers of employees will suffer damage or harm, and resultant factors such as a deterioration of public confidence in the NTT DATA Group or in its brand image or unavoidable reduction of income or major expenditure for repair costs may affect the NTT DATA Group's business results and financial condition.

Results and Forecasts of Consolidated Companies through M&As and Capital Alliance

(¥ billion)

Business Domain	Partner	Name of Subsidiary	Investment Ratio (%)	Transfer/ Establishment	Net Sales	
					2012	2013 (Forecast)
Information Subsidiary						
Food/Bio-technology	Japan Tobacco	NTT DATA WAVE Corporation	80.1	Aug. 2002	14.9	15.7
Basic Material	Nippon Sheet Glass	NTT DATA BUSINESS BRAINS Corporation	70.0	Sept. 2003	4.5	4.5
Housing/Resin Processing	Sekisui Chemical	NTT DATA SEKISUI SYSTEMS Corporation	60.0	Jan. 2005	7.5	7.7
Travel	Kinki Nippon Tourist	NTT DATA TERANOS Corporation	51.0	Oct. 2006	4.7	3.7
Oil/Metal	JX Holdings	NTT DATA CCS Corporation	60.0	Apr. 2008	12.5	12.5
Embedded software	Panasonic Mobile Communications	NTT DATA MSE Corporation	60.0	Oct. 2008	15.2	14.0
Fabricator/Production management for car industry	Seiko Instruments/ Pioneer	NTT DATA SOLFIS Corporation	100.0	July 2009	6.2	6.2
IT Services Companies						
Auto/Electronics/CAD/CAM-PDM-ERP	—	NTT DATA ENGINEERING SYSTEMS Corporation	100.0	Mar. 2006	9.7	8.4
Financial (Foreign exchange settlement)	Getronics	NTT DATA Getronics Corporation	70.0	May 2007	13.7	14.7
SAP, etc.	Japan Research Institute	JSOL Corporation	50.0	Jan. 2009	30.5	31.0
Financial (Capital Market)	—	XNET Corporation	51.0	Mar. 2009	3.3	3.4
Personnel package solution/ERP, etc.	—	NTT DATA ITECS Corporation	83.0	Aug. 2009	1.4	1.3
Telecom, etc.	—	NJK Corporation	51.4	Feb. 2010	9.6	11.2
Financial (Retail sales support)	—	NTT DATA ABIC Co., Ltd.	100.0	Feb. 2010	1.2	1.3
Local government, etc.	—	NTT DATA MCS Corporation	58.3	Apr. 2010	1.8	2.1
Financial (Insurance)	—	EMAS Co., Ltd.	88.7	Apr. 2011	3.0	3.1
Financial/Local Government	—	JBIS Holdings, Inc.	72.8	Mar. 2012	—	30.0
Consulting Companies						
Distribution/Food Service	—	NTT DATA SMIS Co., Ltd.	100.0	July 2005	2.0	1.7
Consulting	—	QUNIE Corporation	100.0	July 2009	5.2	5.0
Global Players						
Support Japanese companies	—	Shenzhen NTT DATA East Net Co., Ltd.	51.0	July 2007	0.1	0.2
SAP, etc.	NTT Communications	Intelligence AG	77.7	Jan. 2008	47.7 (15 months)	40.0
SAP, etc.	—	Extend Technologies Group Holdings Pty Ltd	66.0	Sept. 2009	3.4	3.7
SAP, etc.	—	Business Formula (M) Sdn Bhd	60.0	Apr. 2012	0.4	0.4
Financial (Credit-card business)	—	Shanghai NTT DATA Synergy Software Co., Ltd.	66.6	Apr. 2010	0.3	0.5
Financial (Insurance)	—	Apex Systems Pte. Ltd.	79.6	June 2010	0.5	0.6
Business Intelligence, etc.	—	Cornerstone Asia Tech Pte. Ltd.	100.0	May 2011	0.4 (9 months)	0.7
Business Domain	Region	Name of Subsidiary	Transfer/ Establishment	Net Sales		
				2012	2013 (Forecast)	
Global Players (targets for integration)						
Local big enterprise in Americas, etc.	Americas	Keane International, Inc.	Dec. 2010	97.1	Net sales forecasts are disclosed as the integrated companies	
SAP, etc.	Americas	Intelligroup, Inc.	July 2010	5.4		
ERP, etc.	Americas	The Revere Group, Limited	Nov. 2005	1.7		
Offshore development	Americas	Vertex Software Pvt. Ltd.	Dec. 2007	23.0		
Local big enterprise in Europe, etc.	EMEA	Cirquent GmbH	Oct. 2008	20.4 (7 months)		
Local big enterprise in Europe, etc.	EMEA	Value Team S.p.A.	June 2011			

Notes: 1. The corporate data appearing above and net sales figures (results and forecasts) are as of March 31, 2012.

2. Results (net sales) of subsidiaries are based on the figures stated in the respective companies' non-consolidated financial statements (their subsidiaries included).

3. Exchange rates used for calculating overseas subsidiaries' net sales (plan) are the ones at the beginning of the fiscal year when plans are made.

4. Keane and Intelligroup were integrated into NTT DATA, Inc. in January 2012.

5. With respect to net sales forecasts for the integrated companies of each region for the fiscal year ending March, 2013, please refer to page 24.

Consolidated Balance Sheets

NTT DATA CORPORATION AND SUBSIDIARIES

As of March 31, 2011 and 2012

	Millions of yen	
	2011	2012
ASSETS		
Current Assets		
Cash on hand and at banks	¥ 168,558	¥ 140,827
Notes receivable and accounts receivable	240,870	273,737
Lease receivables and lease investment assets	9,326	17,469
Securities	32,000	22,160
Inventories	28,643	25,811
Deferred tax assets	15,247	14,733
Other current assets	46,683	47,644
Allowance for doubtful accounts	(961)	(1,975)
Total Current Assets	540,368	540,408
Non-Current Assets		
Property and Equipment		
Data communication facilities	447,372	397,659
Accumulated depreciation	(319,813)	(280,858)
Data communication facilities, net	127,559	116,800
Buildings and structures	277,153	285,634
Accumulated depreciation	(175,001)	(185,191)
Buildings and structures, net	102,152	100,443
Machinery, equipment and vehicles	60,241	63,771
Accumulated depreciation	(43,851)	(46,992)
Machinery, equipment and vehicles, net	16,389	16,779
Furniture, fixtures and tools	49,320	51,724
Accumulated depreciation	(34,583)	(37,027)
Furniture, fixtures and tools, net	14,736	14,697
Land	50,807	50,814
Lease assets	36,470	14,586
Accumulated depreciation	(31,624)	(10,323)
Lease assets, net	4,845	4,262
Construction in progress	32,533	18,223
Total Property and Equipment	349,024	322,021
Intangible Assets		
Software	218,510	232,607
Software in progress	74,062	63,039
Goodwill	117,907	133,807
Lease assets	576	374
Other intangible assets	49,861	51,844
Total intangible assets	460,918	481,673
Investments and Other Assets		
Investments in securities	29,222	37,899
Deferred tax assets	54,392	53,510
Other assets	35,298	40,163
Allowance for doubtful accounts	(608)	(782)
Total Investments and Other Assets	118,305	130,791
Total Non-Current Assets	928,248	934,485
TOTAL ASSETS	¥ 1,468,617	¥ 1,474,894

	Millions of yen	
	2011	2012
LIABILITIES		
Current Liabilities		
Accounts payable	¥ 81,107	¥ 82,125
Short-term borrowings	9,107	12,574
Commercial Paper	—	20,000
Current portion of long-term debt	23,844	2,738
Current portion of bonds payable	30,264	283
Obligation under capital leases	4,758	3,128
Accounts payable-other	17,847	19,809
Income taxes payable	21,233	15,111
Advances received	120,284	123,882
Allowance for contract losses	3,912	1,405
Asset retirement obligations	320	278
Other current liabilities	49,994	69,128
Total Current Liabilities	362,676	350,465
Non-Current Liabilities		
Bonds payable	250,104	250,071
Long-term debt	90,970	86,005
Obligation under capital leases	5,420	5,470
Deferred tax liabilities	16,270	17,393
Provision for retirement benefits	95,147	109,766
Provision for retirement allowances to directors and statutory auditors	997	1,221
Assets retirement obligations	1,437	1,442
Other non-current liabilities	15,275	13,306
Total Non-Current Liabilities	475,623	484,678
TOTAL LIABILITIES	838,299	835,143
NET ASSETS		
Shareholders' equity		
Common Stock	142,520	142,520
Additional Paid-in Capital	139,300	139,300
Retained Earnings	338,550	352,186
Total Shareholders' Equity	620,370	634,006
Accumulated other comprehensive income		
Unrealized Gains on Available-for-sale Securities, Net of Tax	(67)	(140)
Unrealized gains/losses on hedging derivatives	234	(138)
Foreign currency translation adjustments	(13,144)	(21,046)
Pension liability adjustment	—	(478)
Other Accumulated other comprehensive income	(5,790)	(6,492)
Total Accumulated other comprehensive income	(18,768)	(28,296)
Minority Interests in Consolidated Subsidiaries	28,716	34,041
TOTAL NET ASSETS	630,317	639,750
TOTAL LIABILITIES AND NET ASSETS	¥ 1,468,617	¥ 1,474,894

Consolidated Statements of Income and Comprehensive Income

NTT DATA CORPORATION AND SUBSIDIARIES

For the fiscal years ended March 31, 2011 and 2012

	Millions of yen	
	2011	2012
Net Sales	¥ 1,161,962	¥ 1,251,177
Cost of Sales	882,329	941,881
Gross Profit	279,632	309,295
Selling, General and Administrative Expenses	201,326	228,878
Operating Income	78,306	80,416
Non-Operating Income		
Interest income	655	377
Dividend income	906	546
Foreign exchange gains	—	896
Gain on valuation of liabilities	253	1,510
Amortization of negative goodwill	2,302	—
Others, net	3,175	2,889
Total Non-Operating Income	7,293	6,220
Non-Operating Expenses		
Interest expenses	5,465	5,598
Loss on disposal of fixed assets	1,421	1,576
Compensation for damage	62	1,500
Others, net	2,870	2,374
Total Non-Operating Expenses	9,820	11,049
Ordinary income	75,779	75,588
Extraordinary income		
Gain on sale of land	—	4,570
Gain on negative goodwill	—	3,377
Total Extraordinary Gain	—	7,948
Extraordinary Loss		
Impairment loss on fixed assets	—	8,930
Impairment loss on goodwill	1,825	1,303
Loss on restructuring	—	1,139
Loss on disaster	449	281
Loss on valuation of investment securities	2,050	—
Loss on liquidation of subsidiaries and affiliates	1,998	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	985	—
Total Extraordinary loss	7,308	11,654
Income before Income Taxes	68,471	71,882
Income taxes-current	32,032	38,474
Income taxes-deferred	(2,092)	2,340
Total Income Taxes	29,940	40,815
Income before minority interests	38,531	31,066
Minority Interests in income/(loss)	1,217	620
Net Income	37,313	30,446
Minority Interests in income/(loss)	1,217	620
Income before minority interests	38,531	31,066
Other comprehensive income		
Valuation difference on available-for-sale securities	17	(72)
Unrealized gains/losses on hedging derivatives	234	(373)
Foreign currency translation adjustments	(5,599)	(7,937)
Pension liability adjustment	—	(478)
Share of other comprehensive income of associates accounted for using equity method	(16)	0
Other comprehensive income	720	(701)
Total Other comprehensive income	(4,642)	(9,562)
Comprehensive income	33,888	21,504
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	33,421	20,918
Comprehensive income attributable to minority interests	466	586

Consolidated Statements of Shareholders' Equity

NTT DATA CORPORATION AND SUBSIDIARIES

For the fiscal years ended March 31, 2011 and 2012

	Millions of yen	
	2011	2012
Shareholders' Equity		
Common Stock		
Balance at beginning of the term	¥ 142,520	¥ 142,520
Increase (Decrease) during the term		
Total	—	—
Ending balance of common stock	142,520	142,520
Additional Paid-in Capital		
Balance at beginning of the term	139,300	139,300
Increase (Decrease) during the term		
Total	—	—
Ending balance of common stock	139,300	139,300
Retained Earnings		
Balance at beginning of the term	317,594	338,550
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net Income	37,313	30,446
Change in scope of consolidation	474	—
Change in scope of equity method	(2)	20
Total	20,955	13,636
Ending balance of retained earnings	338,550	352,186
Total Shareholders' Equity		
Balance at beginning of the term	599,414	620,370
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net Income	37,313	30,446
Change in scope of consolidation	474	—
Change in scope of equity method	(2)	20
Total	20,955	13,636
Ending balance of shareholders' equity	620,370	634,006
Accumulated other comprehensive income		
Unrealized gains on available for-sale securities, net of tax		
Balance at beginning of the term	(80)	(67)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	12	(72)
Total	12	(72)
Ending balance of Unrealized gains on Investment Securities, Net of Taxes	(67)	(140)
Unrealized gains/losses on hedging derivatives		
Balance at beginning of the term	—	234
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	234	(373)
Total	234	(373)
Ending balance of Deferred gains and losses on hedge	234	(138)
Foreign currency translation adjustments		
Balance at beginning of the term	(8,285)	(13,144)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(4,859)	(7,902)
Total	(4,859)	(7,902)
Ending balance of Translation adjustments	(13,144)	(21,046)
Pension liability adjustment		
Balance at beginning of the term	—	—
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	—	(478)
Total	—	(478)
Ending balance of pension liability adjustment	—	(478)
Other Accumulated other comprehensive income		
Balance at beginning of the term	(6,511)	(5,790)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	720	(701)
Total	720	(701)
Ending balance of Other valuation and translation adjustments	(5,790)	(6,492)
Total Accumulated other comprehensive income		
Balance at beginning of the term	(14,877)	(18,768)
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(3,891)	(9,528)
Total	(3,891)	(9,528)
Ending balance of Total valuation and translation adjustments	(18,768)	(28,296)

	Millions of yen	
	2011	2012
Minority interests in consolidated subsidiaries		
Balance at beginning of the term	30,629	28,716
Increase (Decrease) during the term:		
Net Changes of items other than shareholders' equity	(1,913)	5,325
Total	(1,913)	5,325
Ending balance of Minority interests	28,716	34,041
Total Net Assets		
Balance at beginning of the term	615,167	630,317
Increase (Decrease) during the term:		
Cash dividends from surplus	(16,830)	(16,830)
Net income	37,313	30,446
Changes in scope of consolidation	474	—
Change in scope of equity method	(2)	20
Net Changes of items other than shareholders' equity	(5,804)	(4,203)
Total	15,150	9,432
Ending balance of Total net assets	630,317	639,750

Consolidated Statements of Cash Flows

NTT DATA CORPORATION AND SUBSIDIARIES

For the fiscal years ended March 31, 2011 and 2012

	Millions of yen	
	2011	2012
Cash Flows from Operating Activities		
Income before income taxes	¥ 68,471	¥ 71,882
Depreciation	152,257	148,327
Loss on disposal of fixed assets	6,309	11,394
Increase/(decrease) in provision for retirement benefits	4,754	7,582
Loss/(gain) on sales of investment securities	(385)	176
Loss/(gain) on valuation of investment securities	2,050	111
Interest expenses	5,465	5,598
Loss in liquidation of subsidiaries and affiliates	—	8,930
Gain on sales of land	—	(4,570)
Gain on negative goodwill	—	(3,377)
Loss on liquidation of subsidiaries and affiliates	1,998	—
(Increase)/decrease in accounts receivable	(1,562)	(11,488)
(Increase)/decrease in inventories	2,774	3,739
Increase/(decrease) in accounts payable	(7,580)	(5,394)
Increase/(decrease) in consumption taxes payable	(613)	2,404
Others, net	28,086	2,524
Subtotal	262,026	237,840
Interest and dividends received	1,558	928
Interest paid	(5,326)	(5,737)
Income taxes (paid)/reimbursed	(29,180)	(42,783)
Net cash provided by operating activities	229,077	190,247
Cash Flows from Investing Activities		
Payments for acquisition of property and equipment	(65,958)	(48,145)
Payments for acquisition of intangible assets	(79,443)	(87,338)
Proceed from sales of property and equipment	462	6,918
Payments for acquisition of securities	(3,318)	(378)
Proceed from sales of securities	937	227
Payments for investments in subsidiaries resulting in change in scope of consolidation	(132,253)	(29,110)
Proceeds from investments in subsidiaries resulting in change in scope of consolidation	114	116
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(598)	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	26
Decrease/(Increase) in time deposits, net	(3,920)	102
Payments for transfer of business	(819)	(2,710)
Payments for investments in subsidiaries	(1,759)	(1,842)
Others, net	1,012	2,293
Net cash used in investing activities	(285,545)	(159,840)
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	99,684	97
Redemption of bonds at maturity	(30,300)	(30,305)
Proceeds from long-term debt	88,514	609
Repayments of long-term borrowings	(18,477)	(33,662)
Increase/(decrease) in commercial paper, net	—	20,000
Increase/(decrease) in short-term borrowings, net	(8,604)	(2,658)
Repayment of obligation under capital leases	(8,076)	(3,058)
Cash dividends	(16,832)	(16,827)
Cash dividends to minority shareholders	(1,373)	(512)
Proceeds from stock issuance to minority shareholders	421	461
Others, net	(70)	(102)
Net cash used in investing activities	104,885	(65,957)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,930)	(2,147)
Net Increase/(Decrease) in Cash and Cash Equivalents	46,486	(37,698)
Cash and Cash Equivalents at Beginning of Year	152,120	198,606
Increase in cash and cash equivalents from newly consolidated subsidiary	—	202
Cash and Cash Equivalents at End of Year	198,606	161,110

Investor Information

(As of March 31, 2012)

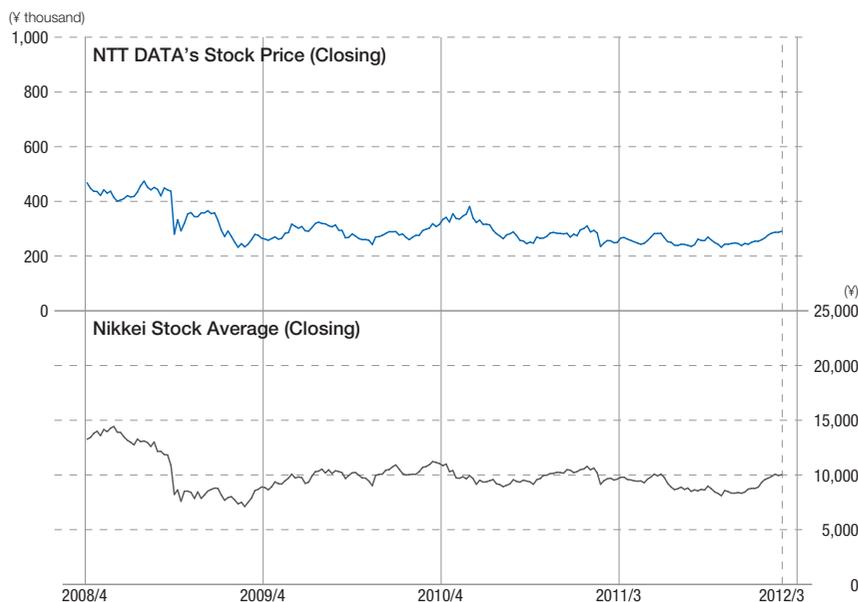
Largest Shareholders

Name (The 10 largest shareholders)	Number of Shares Held of Shares in Issue	Percentage of Shares in Issue (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	1,520,010	54.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	124,527	4.44
Japan Trustee Services Bank, Ltd. (Trust Account)	106,251	3.79
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS (Standing agent: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	27,872	0.99
NTT DATA Employee Share-Holding Association	27,471	0.98
JPMorgan Securities Japan Co., Ltd.	26,370	0.94
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	23,793	0.85
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	21,056	0.75
Japan Trustee Services Bank, Ltd. (Trust Account 4)	19,747	0.70
Mizuho Securities Co., Ltd.	19,167	0.68

Number of Shares Issued and Number of Shareholders

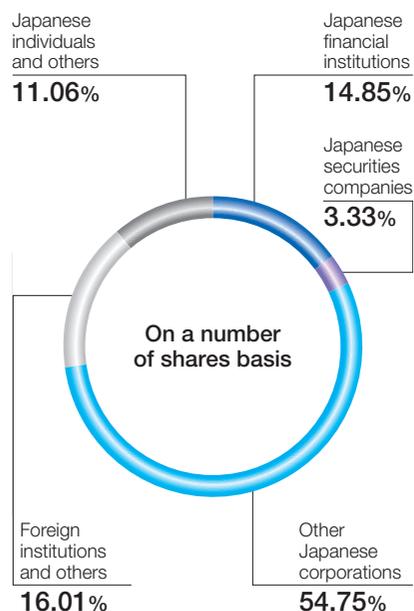
(1) Total Number of Authorized Shares	11,220,000
(2) Number of Shares Issued and Outstanding	2,805,000
(3) Number of Shareholders	108,112

Stock Price Chart



Note: The Nikkei Stock Average is the average stock price of 225 companies listed on the First Section of the Tokyo Stock Exchange.

Distribution of Ownership Among Shareholders



Corporate Data

(As of March 31, 2012)

Head Office

Toyosu Center Bldg., 3-3, Toyosu 3-chome,
Koto-ku, Tokyo 135-6033, Japan
Telephone: +81-3-5546-8202

Date of Establishment

May 23, 1988

Common Stock

¥142,520 million

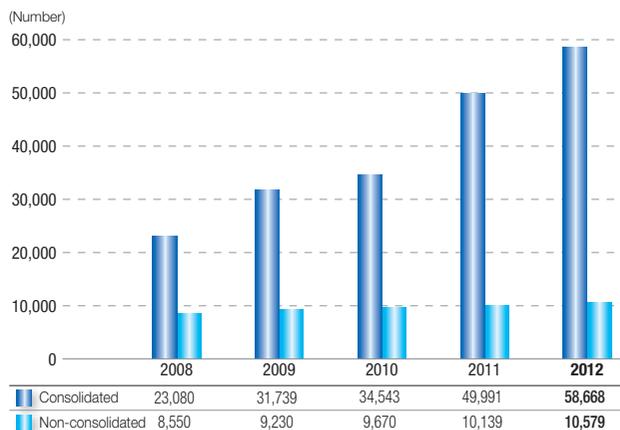
Fiscal Year

April 1 of to March 31 of the following year

Independent Auditors

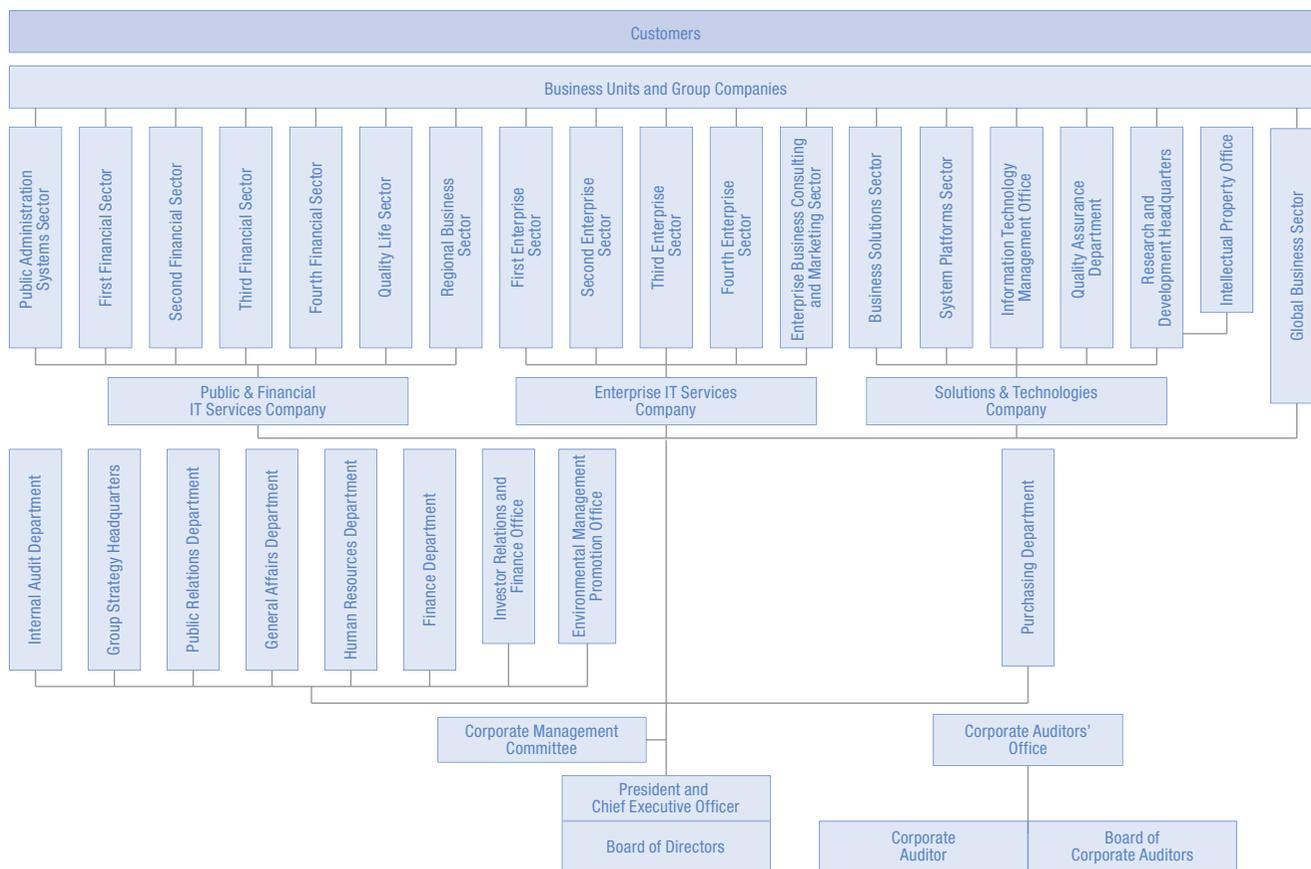
KPMG AZSA LLC

Number of Employees at Fiscal Year-end



Note: Employees seconded from NTT DATA to other companies are not included, but employees seconded to NTT DATA are included in the number of employees.

Organizational Structure (As of July 1, 2012)



NTT DATA provides information on its own website. Available through its WWW server, the URLs are:

- ▶ <http://www.nttdata.com/jp/ja/> (in Japanese)
- ▶ <http://www.nttdata.com/> (in English)

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NTT DATA Corporation

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