[Notes]

(Important Basic Matters for Preparation of Consolidated Financial Statements)

1. Matters related to the scope of consolidation

All of our 303 subsidiaries are included in the scope of consolidation. Major consolidated subsidiaries are NTT DATA, Inc., EVERIS PARTICIPACIONES, S.L.U., intelligence AG, NTT DATA EMEA LTD., etc.

In addition, due to new investments, the establishment of new companies, conversion of companies into subsidiaries after an increase of ownership due to the transfer of shares and satisfying the criteria for effective control, from the current consolidated fiscal year, 15 companies are newly added to the consolidated subsidiaries.

Furthermore, due to the merger, selling off and liquidation of subsidiaries, 14 companies are excluded from the scope of consolidation.

The following is a new major consolidated subsidiary.
NTT DATA MHI Systems Corporation

2. Matters related to application of the equity method

The equity method is applied to all of the 31 affiliated companies including Kirin Business System Company, Limited.

Due to the new establishment of a company, transfer of shares and conversion of a subsidiary into a company to which the equity method is applied after satisfying the criteria for effective control, the equity method has been extensively applied to 5 companies; and due to the sale of shares, decrease of ownership ratio, liquidation, and conversion of companies into consolidated subsidiaries after satisfying the criteria for effective control, 6 companies have been excluded from the scope to which the equity method is applied.

Also, among companies to which the equity method is applied, for those companies whose accounting closing date is different from the consolidated accounting closing date, financial statements based on each company's fiscal year are used.

3. Matters related to the fiscal year of the consolidated subsidiaries

Among consolidated subsidiaries, 115 companies' account closing date is different from the consolidated accounting closing date and are mostly on December 31st.

When preparing for consolidated financial statements, among the companies whose account closing date is December 31st, for 75 companies, financial statements based on the temporary account closing implemented on the consolidated account closing date are used, and for other companies, financial statements as of the account closing date are used. However, for important transactions occurring between the account closing date and the consolidated account closing date, necessary adjustments have been made for the purpose of consolidation.

In the current consolidated fiscal year, for 36 subsidiaries, etc. including NTT DATA Services Corporation whose settlement date was on January 31 and for which necessary adjustment for consolidation had been made, 14 months from February 1, 2017 to March 31, 2018 have been consolidated, following the change of their settlement date to March 31st.

In addition, the net sales, operating income w/o goodwill amortization, and operating income after goodwill amortization of the subsidiaries from February 1, 2017 to March 31, 2017 were 44,145 million yen, 1,392 million yen, and 13 million yen respectively.

For 45 subsidiaries, etc. including EVERIS PARTICIPACIONES, S.L.U., etc. whose settlement date was on December 31 and for which necessary adjustment for consolidation had been made, 15 months from January 1, 2017 to March 31, 2018 have been consolidated, following the change of their settlement date to March 31.

In addition, the net sales, operating income w/o goodwill amortization, and operating income after goodwill amortization of the subsidiaries from January 1, 2017 to March 31, 2017 were 35,693 million yen, 1,221 million yen and 871 million yen each.

4. Matters related to accounting policies

(1) Evaluation criteria and method of valuation of important assets

1) Securities

Held-to-maturity debt securities:

Amortized cost method is used.

Other securities:

a. Securities with fair market value:

The market value method based on the market value, etc. at the settlement date is used (valuation difference is recognized directly in net assets in full and the cost of securities sold is computed using the moving average method).

b. Securities without fair market value:

The cost method based on the moving average method is used.

2) Inventories

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

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

(2) Method of depreciation of important depreciable assets

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

The straight-line method is employed.

The main estimated useful lives of the tangible assets are as follows:

Data communication facilities 3-8 years

Buildings and Structures 10-60 years

Machinery, equipment and vehicles 3-15 years

Tools, furniture and fixtures 4-15 years

2) Intangible fixed assets (excluding leased assets)

The straight-line method is employed for intangible fixed assets (excluding software) and the main useful lives are 4 to 21 years.

The depreciation methods for software are as follows:

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

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

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

3) Lease assets

As regards to lease assets related to ownership-transfer finance lease transactions, the same depreciation method which is applied to self-owned fixed assets is employed.

As regards leasing assets related to finance lease transactions without the transfer of ownership, mainly the straight-line method of computing depreciation costs assuming the lease term is its useful life and the residual value is 0 is applied.

(3) Accounting of important deferred assets

All issuance fees of corporate bonds are booked as expenses when the debt securities are issued.

(4) Valuation basis for significant allowances

1) Allowance for doubtful receivables

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

2) Allowance for losses on contracts

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

3) Allowance for retirement benefits for directors

Some consolidated subsidiaries book the necessary amount for a year-end payment based on their internal rules to appropriate the payment for retirement benefits for their directors.

(5) Accounting policy for retirement benefits

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

1) Period allocation of projected retirement benefits to be incurred

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

2) The recognition method for actuarial gains and losses and prior service cost

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

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

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

(6) Valuation basis for significant revenues and expenses

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

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

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

Revenues and expenses related to finance lease transactions are accounted for by a method in which sales and cost of sales are booked on the date the lease transaction starts.

(7) Method of important hedge accounting

1) Method of hedge accounting

Deferred hedge accounting is employed. However, with regard to foreign currency monetary receivables and payables with forward exchange contracts, designated hedge accounting ("furiate-shori") is employed.

Also among the interest rate swap transactions, for the transactions that meet the requirements for exceptional accounting ("tokurei-shori"), exceptional accounting is employed.

2) Means of hedging and hedged items

a. Means of hedging

Forward exchange contracts, currency swap transactions, currency option transactions, interest rate swap transactions and an interest rate option transaction (or combinations of them) are used.

b. Hedged items

Hedging is applied to assets or liabilities which have risks of fluctuating market values or future cash flows due to fluctuation of market prices such as exchange rate or interest rate.

3) Hedging policy

For assets and liabilities which have exchange rate risks, the Company's basic policy is to hedge the exchange risk by making forward exchange contracts, currency swap transactions, etc.

For assets and liabilities which have interest rate risks, the Company's basic policy is to hedge the interest risk by making interest rate swap transactions, etc.

4) Method of evaluation of the effectiveness of hedging

With regard to the means of hedging and hedged items, the effectiveness of hedging activities is evaluated on a quarterly basis (the end of March, June, September and December) for individual transactions. However, the evaluation of the effectiveness of hedging is omitted for the hedged assets and liabilities as well as derivative transactions when they have the same amount of principal, interest rate, and hedging period since they have quite a high hedging effect.

(8) Amortization method for goodwill and the amortization period

Goodwill are equally amortized over the period for which the goodwill have effect within 20 years, however, if the amount of goodwill is small and its importance is low, such an amount is fully depreciated at the time of generation as a cost.

(9) Scope of funds on the consolidated statement of cash flows

The funds consist of cash on hand, deposits that can be withdrawn when needed and the current investments which are easily realizable and with only a small risk of value fluctuation and whose redemption periods are within three months from the date of acquisition.

(10) Other important matters for preparation of consolidated financial statements

Accounting for consumption tax, etc.

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

(Changes in Accounting Policy)

(1) Changes in Accounting Policy

NTT DATA Corporation, the company preparing consolidated financial statements, and domestic consolidated subsidiaries had applied the method in which sales and cost of sales are booked when lease expenses are received for finance lease transactions of the lessor, but has changed the method from the current consolidated fiscal year to a method in which sales and cost of sales are booked on the date the lease transaction starts.

The NTT DATA Group has been applying the method of booking sales and cost of sales on the date the leasing transaction starts from the current consolidated fiscal year, now that we can apply an accounting process which enables reflection of actual state more than before after modifying systems related to lease from the viewpoint of accounting policy integration in our active global development. The impact on the operating income, ordinary income and net income before tax in the previous consolidated fiscal year due to the above change is minor. In addition, the retained earnings at the beginning of the previous consolidated fiscal year increased by 3,447 million yen.

(Accounting Standards, etc. which have not been implemented)

NTT DATA Corporation and domestic consolidated subsidiaries

Name of accounting standards, etc.	Outline	Date to be applied
Accounting Standard for Revenue Recognition (Draft) (Accounting Standards Board of Japan (ASBJ) Exposure Draft No.	-Revised the accounting method related to the recognition of revenue	The standard will not be applied as the company is voluntarily adopting IFRS starting from the consolidated accounting period of the first quarter of the fiscal year ending March 31, 2019.
Accounting Standard for Revenue Recognition Implementation Guidance (Draft) (Accounting Standards Board of Japan (ASBJ) Guidance Exposure Draft No. 61)	-Revised the accounting method related to the recognition of revenue	The standard will not be applied as the company is voluntarily adopting IFRS starting from the consolidated accounting period of the first quarter of the fiscal year ending March 31, 2019.

(Note) 1. As described in “Date to be applied”, as the accounting standard will not be applied, effects on consolidated financial statements are not evaluated.

Overseas consolidated subsidiaries

Name of accounting standards, etc.	Outline	Date to be applied
Leases (IFRS No. 16)	-Revised the accounting method related to leases	From the year ending March 2020
Leases (FASB ASU 2016-02)	-Revised accounting method related to leases	The standard will not be applied as the company is voluntarily adopting IFRS starting from the first quarter of the fiscal year ending March 31, 2019.

(Note) 1. The impact of applying Leases (IFRS No. 16), etc. on financial statements will be incurred by NTT DATA Corporation and consolidated subsidiaries, as the company is adopting IFRS voluntarily from the consolidated accounting period of the first quarter of the fiscal year ending March 31, 2019.

The effects of applying the accounting standards, etc. are evaluated when compiling the consolidated financial statement for the current consolidated fiscal year.

2. Leases (FASB ASU 2016-02), as mentioned in “Date to be applied”, will not be applied. Therefore, the effects on the consolidated financial statements are not evaluated.

(Changes in the Manner of Presentation)

(Notes related to Consolidated Statements of Income)

In the previous consolidated fiscal year, “equity in losses” included in “Other” of non-operating expenses has become “equity in gains” in the current consolidated fiscal year, and as the importance of its amount increased, it is now recorded separately. “Other” of the non-operating expenses of the previous consolidated fiscal year, which was 4,870 million yen, was recompiled into “equity in losses”, which is 618 million yen, and “Other”, which is 4,252 million yen.

(Notes related to the Consolidated Statement of Cash Flows)

In the previous consolidated fiscal year, “Amortization of goodwill” and “Proceeds from selling investment securities” were included in “Other” of cash flows from sales activities. However, due to the increasing importance of the figure, such accounting items has been recorded separately.

In addition, “Other” of cash flows from sales activities for the previous fiscal year, which is minus 5,443 million yen is recompiled into “Amortization of goodwill”, which is 17,234 million yen, “Proceeds from selling investment securities”, which is minus 15,605 million yen, and “Other”, which is minus 7,072 million yen.

(Notes related to the Consolidated Balance Sheet)

* 1 Breakdown of inventories

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Merchandise and finished products	2,126	2,478
Work in process	26,668	36,425
Raw materials and supplies	2,416	2,261

*2 Assets pledged and liabilities subject to the pledge

Assets put in pledge

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Lease receivables and lease investment assets	1,338	1,338
Buildings and structure	12,128	11,155
Machinery, equipment and vehicles	557	681
Tools, appliances and fixtures	51	73
Land	36	25
Software	0	-
Investment securities	270	270
Investments and other assets, Other (long-term loan receivables)	540	540
Total	14,922	14,084

Liabilities subject to the pledge

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Corporate bonds	100	100
Long-term loans (including long-term loans due within one year)	2,437	2,520
Total	2,537	2,620

* 3 Investment securities, etc. for affiliated companies

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Investment securities (shares, etc.)	5,764	6,831

*4. Guarantee obligations

Financial guarantee for system development and operation contracts

Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Prosimulador Tecnología de Trânsito, S.A.	Prosimulador Tecnología de Trânsito, S.A.
5,101 million yen	1,559 million yen

* 5 Other

With regard to the option to purchase equity interests of an overseas consolidated subsidiary held by a non-controlling shareholder of the subsidiary, the estimated exercise price of the option is recognized as liability, and the book value of the non-controlling interests is deducted from "non-controlling interests" under the net assets section and the remaining value is included in the "Other" item of other accumulated comprehensive income under the net assets section.

* 6 In inventories related to construction contracts for which potential losses are expected, the amount is presented by offsetting with the corresponding allowance for losses on contracts (10,887 million yen for the previous consolidated fiscal year and 8,146 million yen for the current consolidated fiscal year [all of them are an allowance for losses on contracts related to work in process]).

(Notes related to Consolidated Statements of Income and Consolidated Statement of Comprehensive Income)

* 1 Positioned amount for an allowance for losses on contracts included in the Cost of sales

(Unit: million yen)

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
5,394	9,640

*2 Main expense items and amounts in Selling, general and administrative expenses

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Employees salary and allowance	124,523	142,886
Retirement benefit cost	7,707	9,420
Outsourcing service expenses	47,058	55,762

*3 Total R&D Expenses included in Selling, general and administrative expenses

(Unit: million yen)

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
12,359	14,569

*4 Acquisition expenses

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

Acquisition expenses are expenses which are decided to be paid to key officers and employees of group companies in the Global Segment depending on business performance for a certain period, in expectation of the continuous growth of such companies in the future when a contract of acquisition of shares was closed.

*5 Loss on restructuring of affiliates

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

Loss on restructuring of affiliates are costs incurred during the restructuring of group companies in the Global Segment and the breakdown is as follows.

(Unit: million yen)

Labor costs for the integration of IT-related projects, etc.	3,868
Subcontractor expenses for consulting, etc. for the integration of IT-related projects, etc.	3,829
Restructuring costs	1,442
Other	120
Total	9,260

Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)

Loss on restructuring of affiliates are costs incurred during the restructuring of group companies in the Global Segment and the breakdown is as follows.

(Unit: million yen)

Labor costs for the integration of IT-related projects, etc.	7,414
Subcontractor expenses for consulting, etc. for the integration of IT-related projects, etc.	8,447
Restructuring costs	3,872
Other	15
Total	19,750

*6 Impairment loss of goodwill

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

Some group companies in the financial and global business area allocated goodwill on the premise of excess earning power when accepting the transfer of business. However, now that it is impossible to expect the earnings that were initially estimated, the book value was reduced and the reduced amount is presented as impairment loss 638 million yen under equity in losses and 2,844 million yen under extraordinary losses. Meanwhile, the recoverable value of the asset group including goodwill is measured based on use value, and the rate of discount used for the measurement is from 8 to 10%.

Meanwhile, when grouping goodwill in the Company and the Company Group, a business operated by the Company and the Company Group is used as the minimum unit.

*7 Impairment losses of fixed assets

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

As for assets used mainly for the Public and Social Infrastructure area, due to declining profitability, the Company can no longer expect to collect the invested amounts, so the Company has reduced the book values of such assets to the future collectible level, and the reduced amount is presented.

Breakdowns of impairment losses of fixed assets are 1,162 million yen for software, 168 million yen for data communication facilities.

The asset grouping for the Company and the Company Group was made mainly based on a minimum unit that can be united and functions as a system.

Also, the collectible amounts of the asset group are calculated mainly based on values in use, and the discount rate used for such calculation is mainly 5%.

Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)

As for assets used mainly for the Financial segment, due to declining profitability, the Company can no longer expect to collect the invested amounts, so the Company has reduced the book values of such assets to the future collectible level, and the reduced amount is presented.

Breakdowns of impairment losses of fixed assets are 746 million yen for data communication facilities and 331 million yen for buildings and structures.

The asset grouping for the Company and the Company Group was made mainly based on a minimum unit that can be united and functions as a system.

Also, the collectible amounts of the asset group are calculated mainly based on values in use, and the discount rate used for such calculation is mainly 4%.

* 8 Reclassification adjustment amount and tax effect amount related to other comprehensive income

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Valuation difference on available-for-sale securities:		
Incurred amount in the current fiscal year	25,510	26,005
Reclassification adjustment amount	(14,881)	(269)
Before tax effect	10,628	25,736
Tax effect amount	(3,305)	(7,949)
Valuation difference on available-for-sale securities	7,323	17,786
Deferred gains or losses on hedges:		
Incurred amount in the current fiscal year	11,277	958
Reclassification adjustment amount	(590)	(629)
Before tax effect	10,687	329
Tax effect amount	(3,313)	(102)
Deferred gains or losses on hedges	7,373	227
Foreign currency translation adjustments:		
Incurred amount in the current fiscal year	(12,525)	(24,993)
Foreign currency translation adjustments	(12,525)	(24,993)
Adjustments related to retirement benefits:		
Incurred amount in the current fiscal year	7,724	584
Reclassification adjustment amount	5,212	3,397
Before tax effect	12,937	3,982
Tax effect amount	(4,167)	(1,294)
Adjustments related to retirement benefits	8,769	2,687
Shares of other comprehensive income of associates accounted for using the equity method:		
Incurred amount in the current fiscal year	(236)	152
Reclassification adjustment amount	(6)	-
Shares of other comprehensive income of associates accounted for using the equity method	(243)	152
Other:		
Incurred amount in the current fiscal year	(213)	212
Total other comprehensive income	10,485	(3,926)

(Notes related to Consolidated Statements of Changes in Net Assets)

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

1. Matters related to outstanding shares and treasury shares

Class of shares	Number of shares at the beginning of the current consolidated fiscal year	Increase	Decrease	Number of shares at the end of the current consolidated fiscal year
Outstanding Shares				
Common stock (shares)	280,500,000	—	—	280,500,000
Treasury shares				
Common stock (shares)	99	—	—	99

2. Matters Related to Dividends

(1) Amount of dividends paid

Resolution	Classes of Shares	Total amount of dividend (million yen)	Cash dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 22, 2016	Common stock	11,219	40	March 31,2016	June 23, 2016
Board of Directors Meeting on November 4, 2016	Common stock	9,817	35	September 30, 2016	December 1, 2016

(2) Of the dividends whose record date belongs to the current consolidated fiscal year, the following are those dividends whose effective date belongs to the next consolidated fiscal year.

Resolution	Classes of Shares	Source of dividend	Total amount of dividend (million yen)	Cash dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 20, 2017	Common stock	Retained earnings	11,219	40	March 31, 2017	June 21, 2017

Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)

1. Matters related to outstanding shares and treasury shares

Class of shares	Number of shares at the beginning of the current consolidated fiscal year	Increase	Decrease	Number of shares at the end of the current consolidated fiscal year
Outstanding Shares				
Common stock (shares)	280,500,000	1,122,000,000	–	1,402,500,000
Treasury shares				
Common stock (shares)	99	854	–	953

(Summarized reason of the change)

On July 1, 2017 as effective date, there was an increase as stock split was conducted at a ratio of 1:5 per common stock.

2. Matters related to dividends

(1) Amount of dividend paid

Resolution	Classes of Shares	Total amount of dividend (million yen)	Cash dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 20, 2017	Common stock	11,219	40 (Note)	March 31, 2017	June 21, 2017
Board of Directors Meeting on November 7, 2017	Common stock	10,518	7.5	September 30, 2017	December 1, 2017

(Note) On July 1, 2017 as effective date, stock split was conducted at a ratio of 1:5 per common stock. The figures in “Cash dividend per share” are amounts without considering the split. “Cash dividend per share” in case the split is considered is 8 yen.

(2) Of the dividends whose record date belongs to the current consolidated fiscal year, the following are those dividends whose effective date belongs to the next consolidated fiscal year.

Resolution	Classes of Shares	Source of dividend	Total amount of dividend (million yen)	Cash dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 19, 2018	Common stock	Retained earnings	10,518	7.5	March 31, 2018	June 20, 2018

(Note) On July 1, 2017 as effective date, stock split was conducted at a ratio of 1:5 per common stock.

(Notes related to the Consolidated Statement of Cash Flows)

*1 Reconciliation of the balance of cash and cash equivalents at the end of the fiscal year and items listed in the consolidated balance sheets

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Cash and deposit account	212,459	186,616
Deposit with deposit terms of over three months	(8,229)	(8,547)
Short-term investments with a maturity of three months or less from the date of purchase (Deposits)	55,808	12,000
Cash and cash equivalents	260,038	190,070

*2 Breakdown of the principal assets and liabilities of a company that became a new consolidated subsidiary due to acquisition of shares

Assets and liabilities of a company at the time of its consolidation due to the acquisition of shares as well as the relationship between the acquisition price of shares and expenditures (net) for its acquisition

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Current assets	12,196	8,011
Non-current assets	5,533	4,546
Goodwill	8,069	3,119
Current liabilities	(10,129)	(5,458)
Non-current liabilities	(1,479)	(3,337)
Non-controlling interests	(1,199)	(1,288)
Acquisition price of shares	12,991	5,592
Valuation using the equity method until the acquisition	(359)	(184)
Gain on incremental acquisition	(1,347)	–
Cash and cash equivalents	(3,919)	(576)
Equivalent to accrued expenses	(434)	–
Deduction: Payments for the purchase of investments in subsidiaries resulting in a change in the scope of consolidation	6,930	4,832

Assets and liabilities of a company at the time of its consolidation due to the acquisition of shares as well as the relationship between the acquisition price of shares and expenditures (net) for its acquisition

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Current assets	–	1,837
Non-current assets	–	215
Goodwill	–	19
Current liabilities	–	(470)
Non-current liabilities	–	(139)
Non-controlling interests	–	(96)
Acquisition price of shares	–	1,365
Valuation using the equity method until the acquisition		(395)
Other		(5)
Cash and cash equivalents	–	(1,126)
Deduction: Income from acquiring subsidiaries resulting in a change in the scope of consolidation	–	(161)

*3 Breakdown of the principal assets and liabilities of a company that became a new consolidated subsidiary due to the acquisition of equity interests, etc.

Assets and liabilities of a company at the time of its consolidation due to the acquisition of shares as well as the relationship between the acquisition price of shares and expenditures (net) for its acquisition

(Note) The accounting process used for the business combination in the previous consolidated fiscal year was preliminary, but it is fixed in the current consolidated fiscal year. However, this is not applied retroactively in comparative information.

Please see Notes "(related to business combination, etc.)" for details.

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Current assets	52,415	–
Non-current assets	150,748	–
Goodwill	149,671	–
Current liabilities	(21,209)	–
Non-current liabilities	(14,445)	–
Foreign currency translation adjustment	33,008	–
Acquisition price of shares	350,188	–
Cash and cash equivalents	(1,756)	–
Deduction: Purchase of equity interests of subsidiaries resulting in a change in the scope of consolidation	348,431	–

*4 Mainly due to change of acquisition price by adjustment of payment consideration.

Please see Notes "(related to business combination, etc.)" for details.

(Notes related to lease transactions)

Operating lease transactions

Of operating lease transactions, future lease payments for those transactions that cannot be cancelled

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Within 1 year	8,943	10,817
Exceeding 1 year	20,808	26,024
Total	29,751	36,842

(Notes related to Financial Instruments)

1. Matters Related to Financial Instruments

(1) Policy for handling financial instruments

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

(2) Components and risks of financial instruments

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

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

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

The main purpose of short-term loans is to procure the necessary operating funds. The main purpose of long-term loans and corporate bonds is to procure the necessary funds, etc. for capital investment and the maturity dates are for a maximum of 12 years from the closing date.

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

(3) Financial instrument-related risk control structure

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

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

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

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

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

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

Company basically hedges interest rate risk by possessing liabilities that are linked to the market interest rate, interest rate swap transactions, interest rate option transactions, or combinations of them.

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

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

The use of derivatives by consolidated subsidiaries is subject to prior discussions with the Company.

3) Fund procurement related liquidity risk management (risk of being unable to pay on the due date)

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

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

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

2. Matters related to fair market values of financial instruments

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

Previous consolidated fiscal year (as of March 31, 2017)

(Unit: million yen)

	Amount recognized on the consolidated balance sheet	Fair market value	Difference
(1) Cash and deposits	212,459	212,459	–
(2) Trade notes and trade receivables	458,085	458,085	–
(3) Securities	4,302	4,300	(2)
(4) Deposits	55,808	55,808	–
(5) Investment securities	75,523	75,538	15
Total assets	806,179	806,192	12

(1) Trade payables	138,453	138,453	–
(2) Short-term loans	213,160	213,160	–
(3) Current portion of long-term loans	53,461	53,461	–
(4) Current portion of bonds	49,996	49,996	–
(5) Income taxes payable	35,916	35,916	–
(6) Corporate bonds	160,075	166,283	6,208
(7) Long-term loans	168,618	175,213	6,595
Total liabilities	819,681	832,484	12,803
Derivative transactions (*1)	13,287	13,287	–

(*1) Net receivables and payables arising from derivative transactions are shown as net values, with the items of net liabilities in total being shown in parentheses.

Current consolidated fiscal year (as of March 31, 2018)

(Unit: million yen)

	Amount recognized on the consolidated balance sheet	Fair market value	Difference
(1) Cash and deposits	186,616	186,616	–
(2) Trade notes and trade receivables	504,632	504,632	–
(3) Securities	2,297	2,298	0
(4) Deposits	12,000	12,000	–
(5) Investment securities	100,166	100,181	14
Total assets	805,714	805,729	15
(1) Trade payables	145,371	145,371	–
(2) Short-term loans	46,846	46,846	–
(3) Current portion of long-term loans	567	567	–
(4) Current portion of bonds	50,000	50,000	–
(5) Income taxes payable	26,212	26,212	–
(6) Corporate bonds	110,081	113,622	3,541
(7) Long-term loans	358,779	363,838	5,059
Total liabilities	737,857	746,458	8,601
Derivative transactions (*1)	(6,052)	(6,052)	–

(*1) Net receivables and payables arising from derivative transactions are shown as net values, with the items of net liabilities in total being shown in parentheses.

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

Assets

(1) Cash and deposits, (2) Trade notes and trade receivables, and (4) Deposits

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

(3) Securities and (5) Investment securities

For the fair market values of these securities, stock exchange prices are used for shares, proposed prices from financial institutions, etc. are used for bonds and published base prices are used for investment funds. Also since negotiable certificate of deposits are settled in the short term, the fair market value is almost equal to the book values. Therefore, the book values have been adopted. For the notes for securities according to holding purposes, see notes related to "Securities."

Liabilities

(1) Trade payables, (2) Short-term loans, (3) Current portion of long-term loans, (4) Current portion of bonds, and (5) Income taxes payable

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

(6) Corporate bonds

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

(7) Long-term loans

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

Derivatives

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

(Note 2) Financial instruments whose fair market value is deemed extremely difficult to identify

(Unit: million yen)

Classification	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Unlisted shares	11,310	12,636

These unlisted shares have no market price and reasonable estimation of their future cash flow is deemed extremely costly. Therefore, they are not included in "Assets, (5) Investment securities" as fair market value of these shares is deemed extremely difficult to identify.

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

Previous consolidated fiscal year (as of March 31, 2017)

(Unit: million yen)

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Cash and deposits	212,459	–	–	–
Trade notes and trade receivables	458,085	–	–	–
Deposits	55,808	–	–	–
Securities and Investment securities				
Negotiable certificate of deposit	4,000	–	–	–
Held-to-maturity debt securities	302	512	2,395	300
Of other securities, those with maturity dates	–	98	–	66
Total	730,656	610	2,395	366

Current consolidated fiscal year (as of March 31, 2018)

(Unit: million yen)

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Cash and deposits	186,616	–	–	–
Trade notes and trade receivables	504,632	–	–	–
Deposits	12,000	–	–	–
Securities and Investment securities				
Negotiable certificate of deposit	2,000	–	–	–
Held-to-maturity debt securities	200	1,981	1,006	400
Of other securities, those with maturity dates	97	–	–	74
Total	705,547	1,981	1,006	474

(Note 4)

Amount due of corporate bonds, long-term loans and other interest bearing liabilities after the consolidated fiscal year end date

Previous consolidated fiscal year (as of March 31, 2017)

(Unit: million yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Short-term loans	213,160	―	―	―	―	―
Current portion of long-term loans	53,461	―	―	―	―	―
Current portion of bonds	49,996	―	―	―	―	―
Corporate bonds	―	50,000	59,989	―	100	49,985
Long-term loans	―	73	6	82,579	20,030	65,929
Total	316,618	50,073	59,995	82,579	20,130	115,915

Current consolidated fiscal year (as of March 31, 2018)

(Unit: million yen)

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Short-term loans	46,846	―	―	―	―	―
Current portion of long-term loans	567	―	―	―	―	―
Current portion of bonds	50,000	―	―	―	―	―
Corporate bonds	―	59,992	―	100	24,993	24,994
Long-term loans	―	79	88,747	62,175	22,196	185,580
Total	97,413	60,071	88,747	62,275	47,189	210,575

(Notes related to securities)

1. Bonds held to maturity

Previous consolidated fiscal year (as of March 31, 2017)

(Unit: million yen)

Category	Amount recorded in the consolidated balance sheet	Fair market value	Difference
Fair market value that surpasses the amount recorded in the consolidated balance sheet	1,113	1,133	19
Fair market value that does not surpass the amount recorded in the consolidated balance sheet	2,397	2,390	(7)
Total	3,510	3,523	12

Current consolidated fiscal year (as of March 31, 2018)

(Unit: million yen)

Category	Amount recorded in the consolidated balance sheet	Fair market value	Difference
Fair market value that surpasses the amount recorded in the consolidated balance sheet	1,309	1,328	19
Fair market value that does not surpass the amount recorded in the consolidated balance sheet	2,279	2,274	(4)
Total	3,588	3,603	15

2. Other securities

Previous consolidated fiscal year (as of March 31, 2017)

(Unit: million yen)

Type	Amount on the consolidated balance sheet	Acquisition price	Difference
The amount on the consolidated balance sheet that exceeds the acquisition price			
(1) Shares	71,323	13,279	58,044
(2) Other	39	30	9
Sub total	71,363	13,309	58,053
The amount on the consolidated balance sheet that is less than the acquisition price			
(1) Shares	826	1,038	(212)
(2) Negotiable certificate of deposit	4,000	4,000	—
(3) Other	125	129	(4)
Sub total	4,951	5,168	(216)
Total	76,315	18,477	57,837

Current consolidated fiscal year (as of March 31, 2018)

(Unit: million yen)

Type	Amount on the consolidated balance sheet	Acquisition price	Difference
The amount on the consolidated balance sheet that exceeds the acquisition price			
(1) Shares	95,302	12,290	83,011
(2) Other	74	57	16
Sub total	95,376	12,348	83,028
The amount on the consolidated balance sheet that is less than the acquisition price			
(1) Shares	1,402	1,703	(300)
(2) Negotiable certificate of deposit	2,000	2,000	—
(3) Other	97	100	(2)
Sub total	3,500	3,803	(302)
Total	98,876	16,151	82,725

3. Other securities that were sold

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

(Unit: million yen)

Type	Selling price	Total gain on sale	Total loss on sale
Shares	20,794	15,836	33

Current consolidated fiscal year (From April 1, 2016 to March 31, 2017)

(Unit: million yen)

Type	Selling price	Total gain on sale	Total loss on sale
Shares	2,230	457	5

(Notes related to derivatives)

1. Derivatives for which hedging accounting has not been applied

(1) Items related to currencies

Previous consolidated fiscal year (as of March 31, 2017)

(Unit: million yen)

Classification	Type of transactions	Amount of contract, etc.	Of which, over 1 year	Fair market value	Valuation profit or loss
Transactions other than market transactions	Forward exchange contract				
	Sell Euros and buy Swiss Francs	105	52	(22)	(22)
	Sell Euros and buy US Dollars	6,219	350	(192)	(192)
	Sell British Pounds and buy Japanese Yen	1,805	—	6	6
	Sell Euros and buy Japanese Yen	10,798	—	(2)	(2)
	Sell Australian Dollars and buy Japanese Yen	171	—	0	0
	Sell US Dollars and buy Japanese Yen	330	—	1	1
	Sell Brazilian Real and buy Japanese Yen	323	—	(1)	(1)
	Sell Swiss Francs and buy Japanese Yen	112	—	0	0
	Sell Taiwan Dollars and buy Japanese Yen	127	—	(1)	(1)
	Sell Thai Baht and buy Japanese Yen	202	—	0	0
	Sell Euros and buy Indian Rupee	158	—	5	5
	Sell Japanese Yen and buy Chinese Yuan	1,750	—	(134)	(134)
Market Transactions	Forward exchange contract				
	Sell Brazilian Real and buy Euros	577	—	(26)	(26)
	Sell British Pounds and buy Euros	514	—	21	21
	Sell US Dollars and buy Euros	130	—	(7)	(7)
	Sell Peruvian Nuevo Sol and buy Euros	951	—	2	2
	Sell Euros and buy US Dollars	1,030	—	55	55
	Sell Brazilian Real and buy US Dollars	326	—	(3)	(3)
Total		25,637	403	(297)	(297)

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions.

Current consolidated fiscal year (as of March 31, 2018)

(Unit: million yen)

Classification	Type of transactions	Amount of contract, etc.	Of which, over 1 year	Fair market value	Valuation profit or loss
Transactions other than market transactions	Forward exchange contract				
	Sell Euros and buy Swiss Francs	52	0	(7)	(7)
	Sell Euros and buy US Dollars	318	239	(36)	(36)
	Sell British Pounds and buy Japanese Yen	1,927	-	0	0
	Sell Euros and buy Japanese Yen	26,511	-	(8)	(8)
	Sell Australian Dollars and buy Japanese Yen	559	-	(0)	(0)
	Sell US Dollars and buy Japanese Yen	270	-	0	0
	Sell Swiss Francs and buy Japanese Yen	112	-	0	0
	Sell Taiwan Dollars and buy Japanese Yen	336	-	(0)	(0)
	Sell Thai Baht and buy Japanese Yen	212	-	(0)	(0)
	Sell Hong Kong Dollars and buy Indian Rupee	332	-	0	0
	Currency swap transaction				
	Sell Brazilian Real and buy Japanese Yen	151	-	3	3
Market Transactions	Forward exchange contract				
	Sell US Dollars and buy Euros	6,787	-	(42)	(42)
	Sell British Pounds and buy Euros	522	-	24	24
	Sell Chilean Peso and buy Euros	1,175	-	41	41
	Sell Mexican Peso and buy Euros	1,874	-	(37)	(37)
	Sell Argentine Peso and buy Euros	1,566	-	(11)	(11)
	Sell Colombian Peso and buy Euros	1,762	-	(8)	(8)
	Sell Euros and buy US Dollars	7,076	-	(3)	(3)
	Sell Euros and buy Chilean Peso	1,175	-	(5)	(5)
	Sell US Dollars and buy Chilean Peso	743	-	(8)	(8)
	Currency swap transaction				
	Sell Euros and buy US Dollars	6,787	-	24	24
	Sell Romanian Leu and buy Euros	199	-	(0)	(0)
Total		60,456	239	(79)	(79)

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions.

2. Derivatives for which hedging accounting has been applied

(1) Items related to currencies

Previous consolidated fiscal year (as of March 31, 2017)

(Unit: million yen)

Method of hedging accounting	Type of transactions	Main hedged item	Amount of contract, etc.	Of which, over 1year	Fair market value
Principle accounting method	Forward exchange contract Sell US Dollars and buy Indian Rupee Long position in Chinese Yuan	Foreign currency denominated anticipated transactions	 8,751 6,000	 — 1,000	 504 (220)
Total			14,751	1,000	284

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions.

Current consolidated fiscal year (as of March 31, 2018)

(Unit: million yen)

Method of hedging accounting	Type of transactions	Main hedged item	Amount of contract, etc.	Of which, over 1year	Fair market value
Principle accounting method	Forward exchange contract Sell US Dollars and buy Indian Rupee Sell US Dollars and buy Euros Long position in Chinese Yuan	Foreign currency denominated anticipated transactions	 6,695 2,487 7,500	 — — —	 (16) 115 330
Designated hedge accounting (“furiate-shori”)	Long position in Chinese Yuan	Foreign currency denominated anticipated transactions	1,322	66	(4)
Total			18,004	66	425

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions

(2) Items related to currency and interest-rate

Previous consolidated fiscal year (as of March 31, 2017)

(Unit: million yen)

Method of hedging accounting	Type of transactions	Main hedged item	Amount of contract, etc.	Of which, over 1year	Fair market value
Integral accounting for currency and interest rate swap contracts	Currency and interest rate swap contracts	Long-term borrowings Foreign-currency-denominated forecast transactions			
	Floating rate receiving/ Fixed rate paying US Dollar receiving/ Euro paying		93,687	39,270	12,116
	Floating rate receiving/ Fixed rate paying US Dollar receiving/ Japanese Yen paying		74,052	74,052	1,282
Total			167,739	113,322	13,398

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions

Current consolidated fiscal year (as of March 31, 2018)

(Unit: million yen)

Method of hedging accounting	Type of transactions	Main hedged item	Amount of contract, etc.	Of which, over 1year	Fair market value
Integral accounting for currency and interest rate swap contracts	Currency and interest rate swap contracts	Long-term borrowings			
	Floating rate receiving/ Fixed rate paying US Dollar receiving/ Euro paying		37,194	37,194	(5,478)

	Floating rate receiving/ Fixed rate paying US Dollar receiving/ Japanese Yen paying		70,138	70,138	(1,016)
Total			107,332	107,332	(6,494)

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions

(3) Items related to interest rate

Previous consolidated fiscal year (as of March 31, 2017)

(Unit: million yen)

Method of hedging accounting	Type of transactions	Main hedged item	Amount of contract, etc.	Of which, over 1year	Fair market value
Exceptional accounting method for interest rate swap contracts	Interest rate swap contracts	Long-term borrowings			
	Floating rate receiving/ Fixed rate paying		8,976	8,976	(97)
Total			8,976	8,976	(97)

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions

Current consolidated fiscal year (as of March 31, 2018)

(Unit: million yen)

Method of hedging accounting	Type of transactions	Main hedged item	Amount of contract, etc.	Of which, over 1year	Fair market value
Exceptional accounting method for interest rate swap contracts	Interest rate swap contracts	Long-term borrowings			
	Floating rate receiving/ Fixed rate paying		8,501	8,501	97
Total			8,501	8,501	97

(Note) The fair market value is based on the values, etc. presented by the financial institutions with which the Company has transactions

(Note related to retirement benefits)

1. Outline of the adopted retirement benefits system

Concerning the retirement benefits system of the company submitting consolidated financial statements and consolidated subsidiaries, the corporate pension fund system, agreement-type corporate pension fund system and lump-sum retirement allowance have been mainly established as the defined-benefit pension plan.

The company submitting consolidated financial statements is participating in the NTT corporate pension fund system to which 38 consolidated subsidiaries are participating as of the end of the current consolidated fiscal year.

The company submitting consolidated financial statements and consolidated subsidiaries have also established a defined contribution pension system.

The company submitting consolidated financial statements has shifted from the agreement-type corporate pension fund system to the defined contribution pension system, starting with the portion (future payment) accumulated on April 1, 2014. Meanwhile, the portions accumulated up to March 31, 2014 will be sustained under the conventional agreement-type corporate pension fund system.

2. Defined-benefit pension system

(1) Adjustments of beginning and ending balances of retirement benefit obligations

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Beginning balance of retirement benefit obligations	357,602	358,564
Service cost	20,243	20,801
Interest cost	2,359	2,812
Actuarial differences occurred	(8,621)	3,742
Payment of retirement benefits	(12,534)	(13,220)
Prior service cost occurred	2	(703)
Other	(488)	5,630
Ending balance of retirement benefit obligations	358,564	377,627

(2) Adjustments of beginning and ending balances of pension assets

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Beginning balance of pension assets	173,118	177,379
Expected return on plan assets	4,007	3,211
Actuarial differences occurred	(485)	4,636
Contribution by the Company	8,444	5,999
Payment of retirement benefits	(6,446)	(6,705)
Other	(1,260)	2,113
Ending balance of pension assets	177,379	186,635

(3) Adjustments of the ending balance of retirement benefit obligations and pension assets and liabilities related to retirement benefits and assets related to retirement benefits recorded in the consolidated balance sheet

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Funded retirement benefit obligations	240,702	248,948
Pension assets	(177,379)	(186,635)
	63,323	62,312
Unfunded retirement benefit obligations	117,861	128,678
Net amount of liabilities and assets recorded in the consolidated balance sheet	181,184	190,991
Liabilities related to retirement benefits	186,788	197,923
Assets related to retirement benefits	(5,603)	(6,932)
Net amount of liabilities and assets recorded in the consolidated balance sheet	181,184	190,991

(4) Retirement benefit costs and the amount of the breakdown

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Service cost	20,243	20,801
Interest cost	2,359	2,812
Expected return on plan assets	(4,007)	(3,211)
Amortization of actuarial differences	5,815	4,628
Amortization of the prior service cost	(1,314)	(1,318)
Other	(765)	(247)
Retirement benefit costs related to the defined-benefit pension system	22,330	23,464

(5) Adjustment related to retirement benefits

Breakdown of items recorded in the adjustment related to retirement benefits (before deduction of tax effects)

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Prior service cost	(1,344)	(619)
Actuarial differences	14,281	4,602
Total	12,937	3,982

(6) Remeasurements of retirement benefits

Breakdown of items recorded in the remeasurements of retirement benefits (before deduction of tax effects)

(Unit: million yen)

	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Unrecognized prior service cost	(5,932)	(5,312)
Unrecognized actuarial differences	50,764	46,162
Total	44,832	40,850

(7) Matters related to pension assets

1) Main breakdown of pension assets

Ratio of each of the main classifications to the total pension assets

(Unit: percent)

	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Cash and cash equivalent	2.0	5.9
Debt securities	42.1	37.1
Equity securities	11.5	11.9
Securities investment trust beneficiary certificates	12.0	12.1
Joint trust	14.7	14.9
Life insurance company general account	14.3	14.6
Other	3.4	3.5
Total	100.0	100.0

2) Setting method of expected long-term rate of return

Expected long-term rates of return on pension assets is determined while considering the expected return and risk by analyzing portfolios of present and future pension assets and historical yields of various long-term investments.

(8) Matters related to bases of actuarial calculation

Main bases of actuarial calculation

(Unit: percent)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Discount rate	0.7	0.6
Expected long-term rate of return		
NTT Corporate pension fund	2.5	2.5
Agreement-type pension	2.0	1.0

3. Defined contribution pension system

Contributions to defined contribution pension plans by the Company submitting consolidated financial statements and its consolidated subsidiaries

(Unit: million yen)

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
4,780	9,759

(Notes related to tax effect accounting)

1. Breakdown by main causes for deferred tax assets and deferred tax liabilities occurred

(Unit: million yen)

Classification	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Deferred tax assets		
Liabilities related to retirement benefits	67,407	66,507
Overdepreciation	17,757	17,302
Accrued bonus	8,356	8,068
Loss carried forward	15,120	14,505
Adjustment of the percentage of the completion method	2,751	712
Sales receivables	12,392	15,074
Other	23,592	31,327
Subtotal of deferred tax assets	147,377	153,499
Valuation allowance	(8,082)	(10,468)
Total of deferred tax assets	139,295	143,031
Deferred tax liabilities		
Intangible assets identified in the business combination	(25,605)	(11,425)
Valuation difference on available-for-sale securities	(17,867)	(25,736)
Book value differences of shares of affiliated companies due to business reorganization	(3,400)	(3,400)
Fixed assets	(10,211)	(12,378)
Other	(20,546)	(17,012)
Total of deferred tax liabilities	(77,630)	(69,952)
Net deferred tax assets	61,664	73,078

2. Breakdown of main items that caused differences between statutory effective tax rates and burden rates of corporate tax, etc. after applying tax effect accounting

(Unit: percent)

Classification	Previous consolidated fiscal year (as of March 31, 2017)	Current consolidated fiscal year (as of March 31, 2018)
Statutory effective tax rate	30.86	30.86
(Adjustment)		
Items not permanently deductible such as entertainment expenses	0.87	1.33
Inhabitant tax on per capita basis	0.32	0.35
Research and development tax credit	(0.75)	(0.78)
Amortization of goodwill, etc.	5.88	8.30
Increase or decrease in valuation allowance	(2.80)	1.42
Tax rate change due to tax system revision, etc.	—	(3.84)
Other	0.58	1.04
Burden rate of corporate tax, etc. after applying tax effect accounting	34.96	38.68

3. Correction of amount of deferred tax assets and deferred tax liabilities due to change of tax rates such as corporate tax rate

Following the establishment of a revised tax law “The Tax Cuts and Jobs Act” in United States on December 22, 2017, the federal income tax rate applied to the U.S. consolidated subsidiary of NTT DATA, which is submitting the consolidated financial statements, has changed from 35% to 21% from the consolidated fiscal year which started from January 1, 2018.

As a result, the amount of deferred tax liabilities (amount from which deferred tax asset amount is deducted), foreign currency translation adjustments, and adjustment amount for income taxes, etc. has decreased by 3,688 million yen, 157 million yen, and 3,846 million yen respectively.

(Notes related to business combination, etc.)

Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)

Determination of figures in preliminary process related to business combination

Regarding conversion of Dell Systems Corporation, etc. (current NTT DATA Services Corporation, etc.) into subsidiaries and acceptance of transfer of IT services related business by NTT DATA Group on November 2, 2016 (US time), preliminary accounting process has taken place in the previous consolidated fiscal year, but in the current consolidated fiscal year, figures are fixed.

In addition, due to adjustment of payment consideration in the first quarter, the acquisition cost of acquired companies and acquired businesses has changed.

The details and amounts after revision of original allocations of the acquisition cost due to above are as follows:

Goodwill (before correction)	149,671 million yen
Corrected amount of goodwill	
Change of acquisition cost due to adjustment of payment consideration	3,426 million yen
Increase/decrease of intangible fixed assets	29,807 million yen
Increase/decrease of tangible fixed assets (land/buildings)	6,393 million yen
Increase/decrease of deferred tax assets and liabilities	(9,759 million yen)
Others	(539 million yen)
Total	29,327 million yen
Goodwill (after correction)	178,999 million yen

NTT Data International L.L.C., NTT DATA, Inc. and NTT DATA Services International Holdings B.V., subsidiaries of NTT DATA and acquired companies, comply with USGAAP and apply “Accounting Standards Updates” (hereinafter referred to as “ASU) 2015-16. As ASU 2015-16 requires acquired companies to recognize corrections to preliminary accounting process recognized during measurement period in the reporting period, in which corrected amount is determined, revised allocation of acquisition cost is not reflected in comparative information.

As a result, operating income, ordinary income and net income before tax of the current consolidated fiscal year have increased by 515 million yen.

(Notes related to real estate for lease assets)

The Company and some of our consolidated subsidiaries hold office buildings (including land) for rent in Tokyo and other areas.

Leasing and gain or loss on sale related to the real estate for lease assets in the previous consolidated fiscal year was 113 million yen (mainly leasing profit and expenses are recorded in net sales and cost of goods sold, respectively).

Leasing and gain or loss on sale related to the real estate for lease assets in the current consolidated fiscal year was 128 million yen (mainly leasing profit and expenses are recorded in net sales and cost of goods sold, respectively).

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

(Unit: million yen)

		Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Amount recorded in the consolidated balance sheet			
	Beginning balance	27,844	26,608
	Change during the period	(1,236)	(1,037)
	Ending balance	26,608	25,571
Market value at the end of the period		64,864	70,991

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

(Note 2) Changes during the period are mainly due to depreciation (minus 1,179 million yen) in the previous consolidated fiscal year and depreciation (minus 1,146 million yen) in the current consolidated fiscal year.

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

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

Reportable segments of our Group that is the company submitting consolidated financial statements are components of an entity for which separate financial information is available and evaluated regularly by the management decision-making authority in determining the allocation of management resources and in assessing performance.

With rapid industrial changes in domestic markets and progress of information technologies expected, it is now necessary to build greater cross-sectoral cooperation and instigate speedy decision making in order to respond to the expectations of customers and society that will become increasingly diversified. Against this backdrop, the Company enables each business headquarter to make a decision on issues concerning the execution of operation in order to further enhance the mobility of business organizations.

In addition, having established the Global 3rd Stage with "Trusted Global Innovator" as the new objective of global management, and aiming to expand our local presence, deepen relationship with important customers, and quickly and accurately ascertain group wide business conditions, we promoted our global business and strengthened our management structure on July 1, 2017.

Following above, from the current consolidated fiscal year, reportable segments which were "Public & Social Infrastructure", "Financial", "Enterprise & Solutions" and "Global" have been changed to "Public & Social Infrastructure", "Financial", "Enterprise & Solutions", "North America" and "EMEA & LATAM".

Each reportable segment provides an integrated IT solution, system/software development, consulting/support, and other services.

Meanwhile, the segment information of the previous consolidated fiscal year was disclosed based on the reportable segments after the change.

2. Method of computing net sales, income or loss, assets, liabilities and other items by reportable segment

The accounting treatment method for the Group's reportable segments is generally the same as the statements in "important matters as the basis for preparation of consolidated financial statements."

Reportable segment income is based on net income before taxes and other adjustments.

The prices of intersegment revenue and transfers are determined based on the price calculated by adding proper profit to cost.

In addition, as described in "important matters as the basis for preparation of consolidated financial statements, 4. Matters related to accounting policies," NTT DATA Corporation and domestic consolidated subsidiaries have changed the recording method of finance lease transactions of the lessor from the current consolidated fiscal year, to a method in which net sales and sales cost are recorded on the date the lease transaction starts. Therefore, segment asset at the end of the previous consolidated fiscal year has increased by 5,106 million yen for Public & Social Infrastructure segment and 565 million yen for Financial segment, with a decrease of 1,539 million yen in adjustment amount.

3. Information regarding the amount of net sales, income or loss, assets, liabilities and other items by reportable segment

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Reportable segments						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Public & Social Infrastructure	Financial	Enterprise & Solutions	North America	EMEA & LATAM	Subtotal				
Net sales										
Sales to outside clients	376,324	459,680	302,030	241,458	327,647	1,707,140	21,827	1,728,967	3,505	1,732,473
Intersegment sales and transfers	79,093	58,362	123,638	4,924	3,250	269,271	58,232	327,503	(327,503)	-
Total	455,418	518,043	425,668	246,382	330,897	1,976,411	80,059	2,056,470	(323,997)	1,732,473
Segment income or loss (the number shown in parentheses)	43,983	41,592	51,861	(5,912)	(19,261)	112,263	1,985	114,249	(8,917)	105,332
Segment assets	267,988	460,033	370,848	648,306	259,862	2,007,039	49,600	2,056,639	182,301	2,238,941
Other items										
Depreciation and amortization	30,023	79,812	20,057	11,793	11,176	152,865	1,228	154,094	1,071	155,165
Amortization of goodwill	(3)	158	36	9,108	7,681	16,981	253	17,234	-	17,234
Investment gain or loss (the number shown in parentheses) on equity method	25	12	347	31	27	444	(1,103)	(659)	41	(618)
Extraordinary gain	293	218	14,959	2,720	-	18,191	-	18,191	133	18,325
(Proceeds from selling investment securities)	293	218	14,959	-	-	15,471	-	15,471	133	15,605
(Gain on transfer of business of affiliates and subsidiaries)	-	-	-	2,720	-	2,720	-	2,720	-	2,720
Extraordinary loss	703	1,978	370	8,540	14,383	25,975	10	25,986	-	25,986
(Acquisition expenses)	-	-	-	-	12,301	12,301	-	12,301	-	12,301
(Loss from restructuring of affiliate companies)	-	-	8	8,540	710	9,260	0	9,260	-	9,260
(Impairment loss of goodwill)	-	1,473	-	-	1,371	2,844	-	2,844	-	2,844
(Loss on impairment of fixed assets)	703	505	361	-	-	1,569	10	1,579	-	1,579

Balance of goodwill at the end of the current year	(5)	-	1,175	256,635	54,280	312,085	3,175	315,261	-	315,261
Investments in equity method affiliates	592	229	1,966	22	642	3,453	1,910	5,364	400	5,764
Increase in tangible and intangible fixed assets	13,722	95,112	27,117	5,818	13,040	154,810	253	155,064	3,076	158,140

(Note)

1. Classification of "Other" includes China & APAC regions and subsidiaries that mainly engage in supporting the business of our head office departments.
2. (1) Adjustment of segment income or loss totaling minus 8,917 million yen includes minus 3,398 million yen of net financial revenue that is not allocated in segments, minus 5,506 million yen of consolidated adjustment items that are not allocated in segments, etc.

(2) Adjustment of segment assets totaling 182,301 million yen includes 188,860 million yen in assets related to the management department, minus 6,558 million yen of consolidated adjustment items related to deferred tax assets, etc., that are not allocated in segments.

(3) Adjustment of increase in tangible and intangible fixed assets totaling 3,076 million yen mainly includes investments, etc., in internal facilities.

3. Segment income or loss is adjusted with current net income before taxes and other adjustments under consolidated income statements and statements of comprehensive income.

Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Reportable segments						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Public & Social Infrastructure	Financial	Enterprise & Solutions	North America	EMEA & LATAM	Subtotal				
Net sales										
Sales to outside clients	360,509	496,065	339,303	466,344	419,600	2,081,823	34,211	2,116,035	1,131	2,117,167
Intersegment sales and transfers	83,171	63,499	137,921	5,676	3,628	293,897	62,309	356,206	(356,206)	-
Total	443,680	559,565	477,225	472,020	423,229	2,375,721	96,521	2,472,242	(355,074)	2,117,167
Segment income or loss (the number shown in parentheses)	38,869	53,371	41,084	(19,327)	(3,414)	110,582	2,002	112,584	(12,500)	100,083
Segment assets	272,965	496,092	440,470	568,025	287,839	2,065,392	59,017	2,124,409	109,868	2,234,277
Other items										
Depreciation and amortization	22,148	75,725	19,886	19,500	14,087	151,348	1,378	152,726	1,147	153,874
Amortization of goodwill	(3)	-	161	18,798	7,590	26,546	384	26,930	-	26,930
Investment gain or loss (the number shown in parentheses) on equity method	22	6	453	15	608	1,106	(81)	1,024	2	1,026
Extraordinary gain	-	-	-	-	-	-	-	-	-	-
(Proceeds from selling investment securities)	-	-	-	-	-	-	-	-	-	-
(Gain on transfer of business of affiliates and subsidiaries)	-	-	-	-	-	-	-	-	-	-
Extraordinary loss	480	1,107	141	19,365	385	21,479	-	21,479	-	21,479
(Acquisition expenses)	-	-	-	-	-	-	-	-	-	-
(Loss from restructuring of affiliate companies)	-	-	-	19,365	385	19,750	-	19,750	-	19,750
(Impairment loss of goodwill)	-	-	-	-	-	-	-	-	-	-
(Loss on impairment of fixed assets)	480	1,107	141	-	-	1,728	-	1,728	-	1,728
Balance of goodwill at the end of the current year	(2)	-	1,603	255,359	51,861	308,822	2,835	311,658	-	311,658
Investments in equity method affiliates	479	216	2,116	36	1,951	4,801	2,030	6,831	-	6,831

Increase in tangible and intangible fixed assets	18,321	100,395	45,852	17,391	13,407	195,368	1,102	196,470	2,193	198,664

(Note)
1. Classification of "Other" includes China & APAC regions and subsidiaries, etc. that mainly engage in supporting the business of our head office departments.
2. (1) Adjustment of segment income or loss totaling minus 12,500 million yen includes minus 3,755 million yen of net financial revenue that is not allocated in segments, and minus 8,744 million yen of consolidated adjustment items that are not allocated in segments, etc.
(2) Adjustment of segment assets totaling 109,868 million yen includes 123,350 million yen in assets related to the management department, and minus 13,482 million yen of consolidated adjustment items related to deferred tax assets, etc., that are not allocated in segments.
(3) Adjustment of increase in tangible and intangible fixed assets totaling 2,193 million yen mainly includes investments in internal facilities, etc.
3. Segment income or loss is adjusted with current net income before taxes and other adjustments under consolidated income statements and statements of comprehensive income.

[Related information]

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

1. Information related to products and service

(Unit: million yen)

Classification	Integrated IT solution	System/software development	Consulting/support	Other	Total
Sales to outside clients	512,647	465,749	695,312	58,763	1,732,473

2. Information related to geographic areas

(1) Sales

(Unit: million yen)

Japan				Outside Japan	Total
	North America	Europe	Other		
1,146,107	244,800	277,225	64,339	586,365	1,732,473

(Note)

1. Based on the locations of clients, net sales are categorized into geographic areas.
2. Main countries belonging to each area are as follows:

North America — U.S.A, Canada
Europe — Germany, Spain, Italy, U.K, etc.
Other — Australia, Brazil, Chile, etc.

(2) Property, plant and equipment

(Unit: million yen)

Japan			Outside Japan	Total
	North America	Other		
282,156	42,199	32,504	74,703	356,860

(Note)

Main countries belonging to each area are as follows:
North America — U.S.A, Canada
Other — Germany, Spain, etc.

3. Information related to major clients

Information on major clients is omitted since no sales to a single outside client accounted for more than 10% of consolidated sales.

Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)

1. Information related to products and service

(Unit: million yen)

Classification	Integrated IT solution	System/software development	Consulting /support	Other	Total
Sales to outside clients	673,717	508,599	864,214	70,636	2,117,167

2. Information related to geographic areas
(1) Sales

(Unit: million yen)

Japan					Total
	North America	Europe	Other	Outside Japan	
1,209,990	434,008	365,522	107,645	907,176	2,117,167

(Note)
1. Based on locations of clients, net sales are categorized into geographic areas.
2. Main countries belonging to each area are as follows:
North America — U.S.A, Canada
Europe — Germany, Spain, Italy, U.K, etc.
Other — Australia, Brazil, Chile, etc.

(2) Property, plant and equipment

(Unit: million yen)

Japan				Total
	North America	Other	Outside Japan	
309,002	29,323	42,024	71,347	380,350

(Note)
1. Main countries belonging to each area are as follows:
North America — U.S.A, Canada
Other — Germany, India, etc.

3. Information related to major clients
Information on major clients is omitted since no sales to a single outside client accounted for more than 10% of consolidated sales.

[Information related to impairment loss of fixed assets by reportable segment]
The information is omitted since similar information is disclosed in segment information.

[Information related to amortization and unamortized balance of goodwill by reportable segment]
The information is omitted since similar information is disclosed in segment information.

[Information related to gain on negative goodwill by reportable segment]
Not applicable.

[Information on related parties]
Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

1. Transactions with related parties
(1) Transactions between the company submitting consolidated financial statements and related parties
a. Companies, etc. whose parent company is the same as that of the company submitting consolidated financial statements and subsidiaries, etc. of other affiliated companies of the company submitting consolidated financial statements

Type	Name of company, etc.	Location	Capital or capital contribution (million yen)	Detail of business or occupation	Share of voting rights (Owning and Be owned) (percent)	Relationship with related parties	Details of the transaction	Transaction amount (million yen)	Items	Ending balance (million yen)
Subsidiary of the parent company	NTT Finance Corporation	Minato-ku, Tokyo	16,770	General leasing activities	(Owning) Direct 3.1 (Be owned) Direct 0.0	Deposit of funds, etc.	Fund settlement of transactions among NTT Group companies	45,248	Accounts receivable	12,020
							Deposit of funds (Note 3)	114,277	Deposits	55,808
							Interest income associated with deposition of funds	18		
							Borrowing of funds	40,000	Long-term borrowing	40,000
							Borrowing of funds (Note 3)	98,195	Short-term borrowing	183,464

(Note)
1. Although the transaction amount and ending balance of fund settlement of transactions among NTT Group companies include consumption tax, etc., the amount of other transactions does not include consumption tax, etc.
2. Transaction conditions and the determination methods of transaction conditions are the same conditions as other business partners.
3. The transaction amount of the deposits and borrowings of funds is the average balance of deposits and short-term borrowings.

b. Officers and major individual shareholders (only individual), etc. of the company submitting consolidated financial statements

Type	Name of company, etc.	Location	Capital or capital contribution (million yen)	Detail of business or occupation	Share of voting rights (Owning and Be owned) (percent)	Relationship with related parties	Details of the transaction	Transaction amount (million yen)	Items	Ending balance (million yen)
Officer	Toshio Iwamoto	—	—	President and CEO of the Company Chairman of the Japan Electronic Payment Promotion Organization	(Be owned) Direct 0.0	—	Business revenue including building lease	28	—	—
							Payment of an annual membership fee	3	—	—

(Note)
1. The transaction amount does not include consumption tax, etc.
2. Transaction conditions and the determination methods of transaction conditions are the same conditions as other business partners.

2. Notes related to the parent company or important affiliated companies

(1) Information on the parent company

Nippon Telegraph and Telephone Corporation (listed on the Tokyo Stock Exchange)

Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)

1. Transactions with related parties
(1) Transactions between the company submitting consolidated financial statements and related parties
a. Companies, etc. whose parent company is the same as that of the company submitting consolidated financial statements and subsidiaries, etc. of other affiliated companies of the company submitting consolidated financial statements

Type	Name of company, etc.	Location	Capital or capital contribution (million yen)	Detail of business or occupation	Share of voting rights (Owning and Be owned) (percent)	Relationship with related parties	Details of the transaction	Transaction amount (million yen)	Items	Ending balance (million yen)
Subsidiary of the parent company	NTT Finance Corporation	Minato-ku, Tokyo	16,770	General leasing activities	(Owning) Direct 3.1 (Be owned) Direct 0.0	Deposit of funds, etc.	Fund settlement of transactions among NTT Group companies	38,105	Accounts due	10,214
							Deposit of funds (Note 3)	43,429	Deposits	12,000
							Interest income associated with deposition of funds	3		
							Borrowing of funds	179,378	Long-term borrowing	219,378
							Borrowing of funds (Note 3)	9,152	Short-term borrowing	12,752

(Note)
1. Although the transaction amount and ending balance of fund settlement of transactions among NTT Group companies include consumption tax, etc., the amount of other transactions does not include consumption tax, etc.
2. Transaction conditions and the determination methods of transaction conditions are the same conditions as other business partners.
3. As the transaction amounts of deposits and borrowings of funds, the average balances of the deposits paid and short-term borrowings are presented.

b. Officers and major individual shareholders (only individual), etc. of the company submitting consolidated financial statements

Type	Name of company, etc.	Location	Capital or capital contribution (million yen)	Detail of business or occupation	Share of voting rights (Owning and Be owned) (percent)	Relationship with related parties	Details of the transaction	Transaction amount (million yen)	Items	Ending balance (million yen)
Officer	Toshio Iwamoto	—	—	President and CEO of the Company Chairman of the Japan Electronic Payment Promotion Organization	(Be owned) Direct 0.0	—	Revenue from system development	13	—	—
							Business revenue including building lease	28	—	—
							Payment of an annual membership fee	3	—	—

(Note)

1. The transaction amount does not include consumption tax, etc.
2. Transaction conditions and the determination methods of transaction conditions are the same conditions as other business partners.

2. Notes related to the parent company or important affiliated companies
(1) Information on the parent company
Nippon Telegraph and Telephone Corporation (listed on the Tokyo Stock Exchange)

(Per share information)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Net asset per share	571.94 yen	594.55 yen
Current net income per share	46.84 yen	41.48 yen

(Note)

1. Diluted current net income per share is not stated since there is no dilutive share.
2. Stock split was conducted on July 1, 2017 as effective date at a ratio of 1:5 per share. Net asset per share and Current net income per share were calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.
3. As described in “Changes in Accounting Policy”, figures after retroactive application due to change are presented.

2. Current net income per share is calculated on the following basis:

Item	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Current consolidated fiscal year (From April 1, 2017 to March 31, 2018)
Current net income per share		
Current-term net income belonging to shareholders of the parent company (million yen)	65,686	58,173
Amount not attributable to common shareholders (million yen)	-	-
Current-term net income belonging to shareholders of the parent company concerning common shares (million yen)	65,686	58,173
Average number of common shares for the period (share)	1,402,499,505	1,402,499,176

(Important subsequent events)

Not available.

5) [Consolidated supplementary schedules]
[Schedule of company bonds]

Company name	Issue	Date of issue	Balance at the beginning of the current period (million yen)	Balance at the end of the current period (million yen)	Interest rate (percent)	Collateral	Period of redemption
NTT DATA Corporation	The 21st unsecured domestic straight bonds	April 22, 2008	49,996	-	1.60	Debenture bond	March 20, 2018
Same as above	The 22nd unsecured domestic straight bonds	December 11, 2008	30,000	30,000 (30,000)	1.78	Same as above	December 20, 2018
Same as above	The 23rd unsecured domestic straight bonds	March 11, 2009	20,000	20,000 (20,000)	1.65	Same as above	March 20, 2019
Same as above	The 25th unsecured domestic straight bonds	April 21, 2010	59,989	59,992	1.47	Same as above	March 19, 2020
Same as above	The 26th unsecured domestic straight bonds	June 15, 2012	24,992	24,993	0.95	Same as above	June 20, 2022
Same as above	The 27th unsecured domestic straight bonds	June 14, 2013	24,993	24,994	0.90	Same as above	June 20, 2023
FM-Shinagawa Tokutei Mokuteki kaisha	Specified corporate bond	February 29, 2012	100	100	0.17	Secured bond	February 28, 2022
Total	–	–	210,071	160,081 (50,000)	–	–	–

(Note)
1. Figures in brackets in the “Balance at the end of the current period” columns are expected redemptions within 1 year.
2. Expected redemption within 5 years of the consolidated closing date is as follows:

(Unit: million yen)

Within one year	Over one year but within two years	Over two years but within three years	Over three years but within four years	Over four years but within five years
50,000	59,992	-	100	24,993

[Schedule of borrowings, etc.]

Classification	Balance at the beginning of the current period (million yen)	Balance at the end of the current period (million yen)	Average interest rate (percent)	Period of repayment
Short-term borrowings	213,160	46,846	1.6	–
Current maturity of long-term borrowings	53,461	567	3.0	–
Current maturity of lease obligation	2,233	2,234	―	–
Long-term borrowings(excluding the current portion)	168,618	358,779	0.5	From 2019 to 2029
Lease obligation(excluding the current portion)	3,269	3,495	―	From 2019 to 2029
Total	440,742	411,922	―	–

(Note)
1. The average interest rate is stated by the weighted average interest rate to the balance of borrowings at the end of year.
2. Since the lease obligation is recorded in the consolidated balance sheets before the amount equivalent to interest that is included in the total amount of interest is deducted, the average interest rate of the lease obligation is not stated.
3. Expected repayment for long-term borrowings (excluding the current portion) and lease obligation (excluding the current portion) within five years of the consolidated closing is as follows:

(Unit: million yen)

Classification	Over one year but within two years	Over two years but within three years	Over three years but within four years	Over four years but within five years
Long-term borrowings	79	88,747	62,175	22,196
Lease obligation	1,667	1,073	566	156

[Schedule of asset retirement obligations]
Since the amount of asset retirement obligations for the current consolidated fiscal year is less than one-hundredth of the total amount of liabilities and net assets at the beginning and ending of the current consolidated fiscal year, this item is omitted.

(2) [Other]
Quarterly financial information in the current consolidated fiscal year

(Cumulative quarter)	First Quarter	Second Quarter	Third Quarter	Current consolidated fiscal year
Net sales (million yen)	540,466	1,020,983	1,536,271	2,117,167
Quarterly (current period) net income before taxes and other adjustments (million yen)	17,496	42,433	66,176	100,083
Quarterly (current period) net income belonging to shareholders of the parent company (million yen)	8,115	21,857	36,025	58,173
Quarterly (current period) net income per share (yen)	5.79	15.59	25.69	41.48

(Accounting period)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Quarterly net income per share (yen)	5.79	9.80	10.10	15.79