

Global IT Innovator





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**Cautionary Statement Regarding Forward-Looking Statements**

This corporate profile 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, client 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.

## Message from the President

With a focus on the next stage,  
we will continue to make solid steps  
toward becoming a Global IT Innovator.

Since NTT DATA split from NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION (now NTT) to become independent in 1988, NTT DATA has engaged in building numerous ultralarge-scale systems and continuously contributed to making society more convenient and secure. We have consistently practiced the universal mission set out as our company philosophy: "NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society." At the same time, we have substantially changed our business structure. Net sales have continued to grow for 28 consecutive years and our sales outside Japan have expanded to more than 40%, compared with just 1% when we first ventured out into global markets. In this way, we are moving steadily toward becoming the Global IT Innovator envisioned as the Group Vision.

How you leverage data is said to be the key to driving business. In this context, data is a treasure trove of information. I consider there to be three layers of information including the data layer. The first layer is the data itself, which is a record of facts occurring right before our eyes. Data can be turned into information that carries certain meanings if extracted based on specific criteria. From this second layer, information can then be elevated to the third layer, intelligence, which is a source for decision-making. Since the rise of the term "big data" around the year 2000, data volume in the world has increased explosively. Now that the digital age has arrived, when the impact of the Internet of Things (IoT) and artificial intelligence (AI) is being added to social, mobile, big data analytics, cloud, and security (SMACS) technologies, IoT and AI are capable of elevating data into information and intelligence.

No one can precisely predict changes that may occur in a world where data can be elevated autonomously through three layers without human intervention. However, one thing is certain: whatever the sector may be, clients need to leverage IT to dramatically transform their business models. In the next stage, NTT DATA aims to become a Trusted Global Innovator where we serve clients as their business partner to help them achieve business innovation by connecting the wealth of clients' ideas with our own strengths.

We tirelessly live by our Clients First approach embedded in our DNA that sets ourselves apart from others, while winning a strong presence in global markets and pursuing sustainable development in tandem with society by continually helping society become more affluent and harmonious.



Toshio Iwamoto  
President and  
Chief Executive Officer

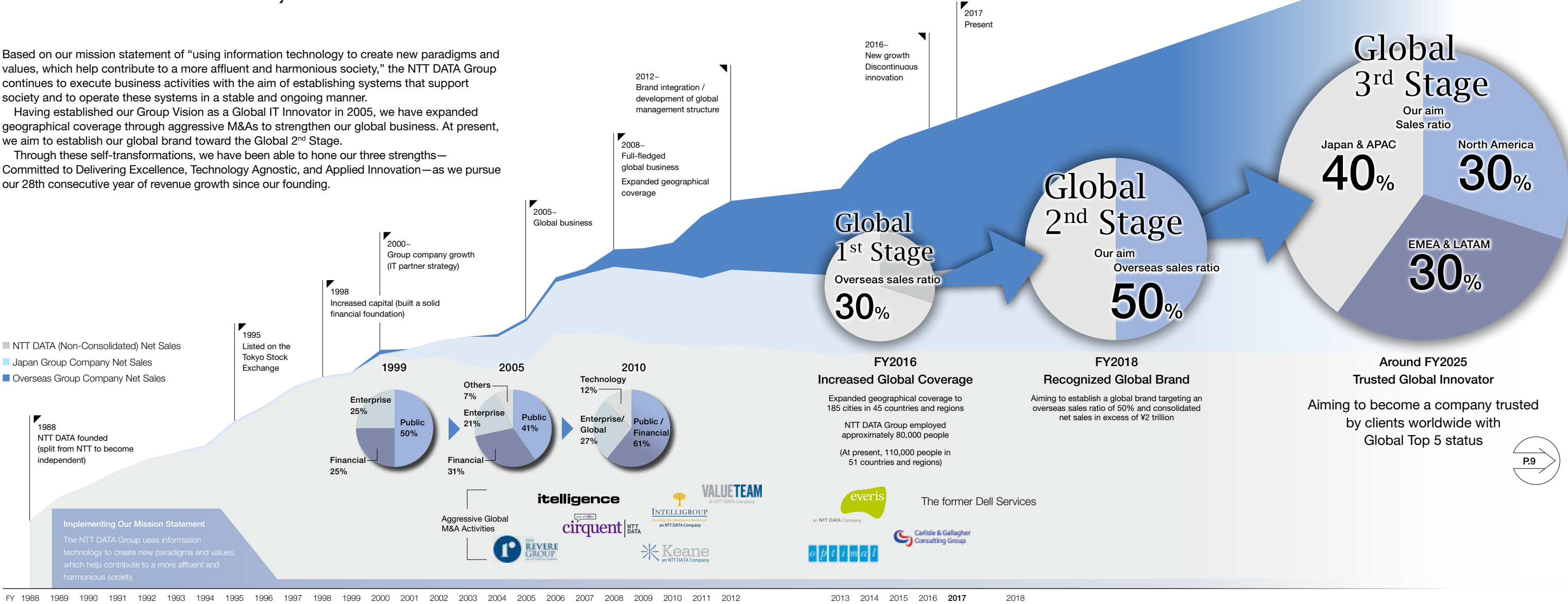
*Toshio Iwamoto*

Value Creation and History of Self-Transformations

Based on our mission statement of “using information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society,” the NTT DATA Group continues to execute business activities with the aim of establishing systems that support society and to operate these systems in a stable and ongoing manner.

Having established our Group Vision as a Global IT Innovator in 2005, we have expanded geographical coverage through aggressive M&As to strengthen our global business. At present, we aim to establish our global brand toward the Global 2<sup>nd</sup> Stage.

Through these self-transformations, we have been able to hone our three strengths—Committed to Delivering Excellence, Technology Agnostic, and Applied Innovation—as we pursue our 28th consecutive year of revenue growth since our founding.



Values (Cherished Principles) and Significance

Clients First

Values

First, and above all else, we place the needs of our clients. We work continuously to understand your business and we strive to resolve every concern to your satisfaction. We feel responsibility to ensure your success and we let this obligation set the direction of our work and guide our actions.

Significance in Practice

Using the best management resources within and outside the Company, our pursuit of developing optimal IT service offerings for clients leads to the securing of stable earnings and long-term technological developments.

Foresight

We never settle for the status quo. Instead, with speed and foresight, we anticipate challenges that lay ahead. We consider the future of IT as well as the future of your business, work to enhance our ability to picture the future, and with our ecosystems, adapt to the changing business environment. In this way, we help you to meet your goals and create a brighter future for society.

When developing large-scale projects requiring long periods of time in the IT industry, where technology advances rapidly, we must accurately predict future long-term technology trends.

Teamwork

We put great importance on enabling our employees to achieve their best through their work with each other. We believe that when a diverse group of individuals brings their unique world views together, shares their wisdom, and works toward a common goal, the results are extraordinary and far beyond what can be achieved by any one person.

In addition to achieving innovation through the utilization of human resources having a diverse set of values, we also engage in teamwork to provide optimal solutions in collaboration with a wide range of partners.

Accumulated Strengths

Committed to Delivering Excellence

We have taken part in a number of large-scale system developments to date, such as national projects. We also provide optimal services from a clients-first perspective. Our track record of long-term, stable service provision has enabled us to build up a solid client base—a hallmark of our reliability.

Technology Agnostic

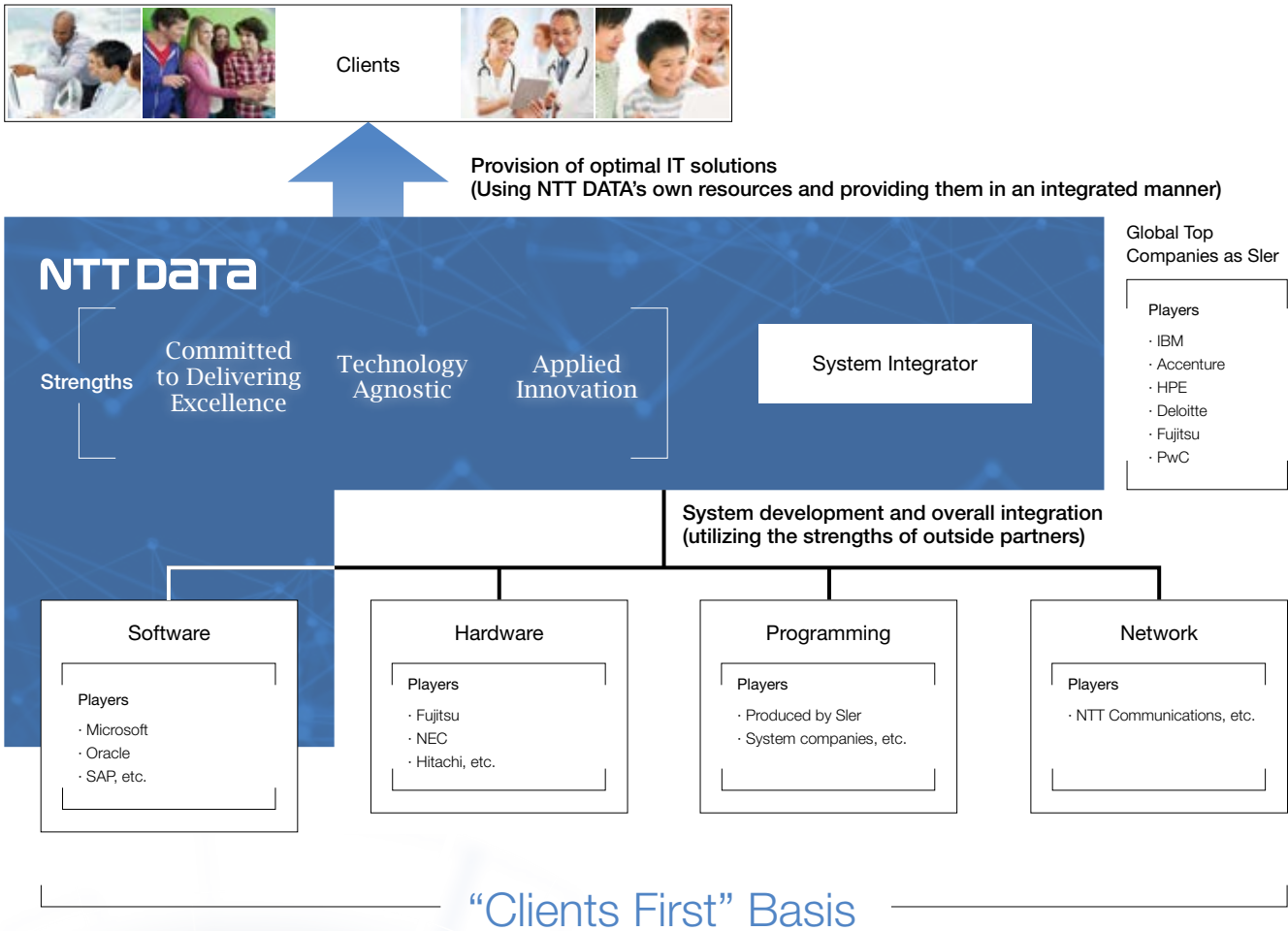
Being a multi-vendor that is not reliant on specific hardware and software products allows us to maintain our flexibility. At the same time, our pursuit of advanced IT technologies enables us to provide the IT services best suited to our clients.

Applied Innovation

Companies today have an increasing sense of urgency to effectively respond to constant change in their markets amidst growing competitive pressures. With a dedicated focus on applied innovation, NTT DATA offers clients proven technologies, business processes, and tools infused with industry insights. In today's continually disruptive business environment, NTT DATA invests in global innovation that helps clients quickly harness the disruptors with cutting-edge solutions that drive growth.

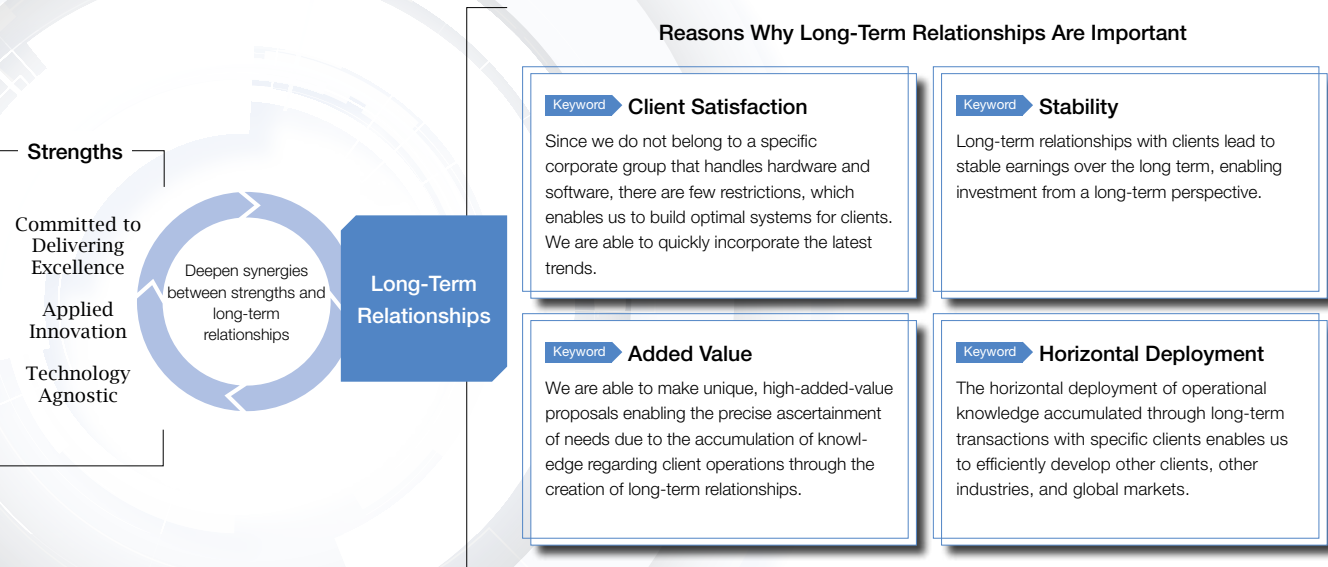


NTT DATA Positioning and Strengths



Mutual Enhancement of the Company's Strengths and Long-Term Relationships

To practice initiatives based on our mission statement, we value long-term relationships to earn client trust over the long term with the aim of sustainably expanding earnings.



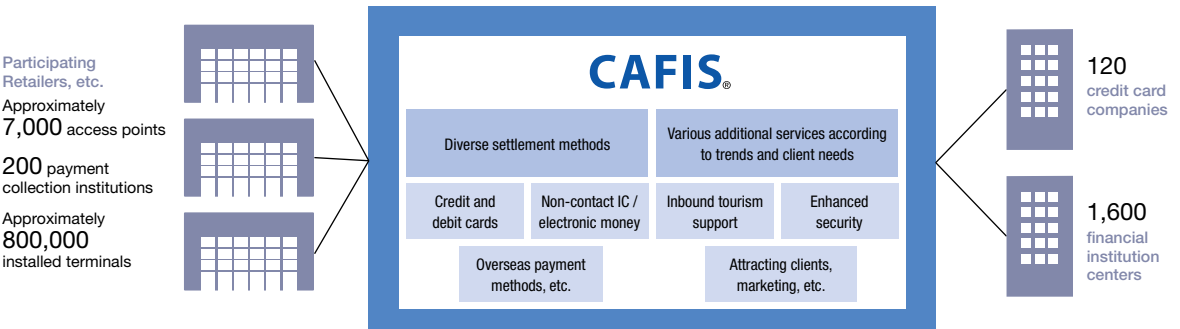
Examples of Leveraging Long-Term Relationships

Plan-Based Services Provision Model

Anticipating the use of services by multiple clients, we create projects and systems that are provided as services. This is also a model with high investment risk in general, as it requires the financial capability to conduct capital investment.

Through long-term transactions with participating retailers, credit card companies, and financial institutions, NTT DATA becomes familiar with client services and the business environment surrounding clients. Being able to anticipate needs lowers investment risks and enables us to create new business models that continue to provide services meeting client needs.

Example of Plan-Based Services Provision Model: CAFIS—Long-Term Relationships Lower Investment Risks



CAFIS: CAFIS is a registered trademark of NTT DATA Corporation, and is used with its service only in JAPAN.

NTT DATA Achievements and Growth Efforts

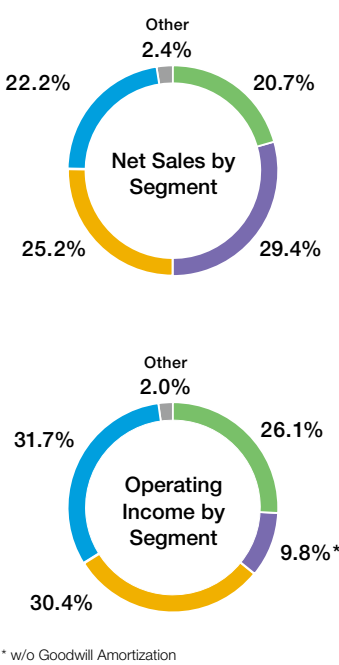


\* Gartner "Market Share: IT Services, 2016" 19 April 2017  
Financials = Banking & Securities, Insurance, Banking and securities = Banking & Securities, Insurance = Insurance  
Based on vendor revenue in 2016 IT service market  
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Our Current State and Vision for the Future

Current State (FY2016)

NTT DATA Group  
Net Sales  
¥1,732.4 billion  
Operating Income  
(w/o Goodwill Amortization)  
¥134.3 billion  
Operating Income  
¥117.1 billion  
Total Assets  
¥2,234.8 billion  
Employees  
111,664 people  
Consolidated Subsidiaries  
302 companies



Vision (FY2018)

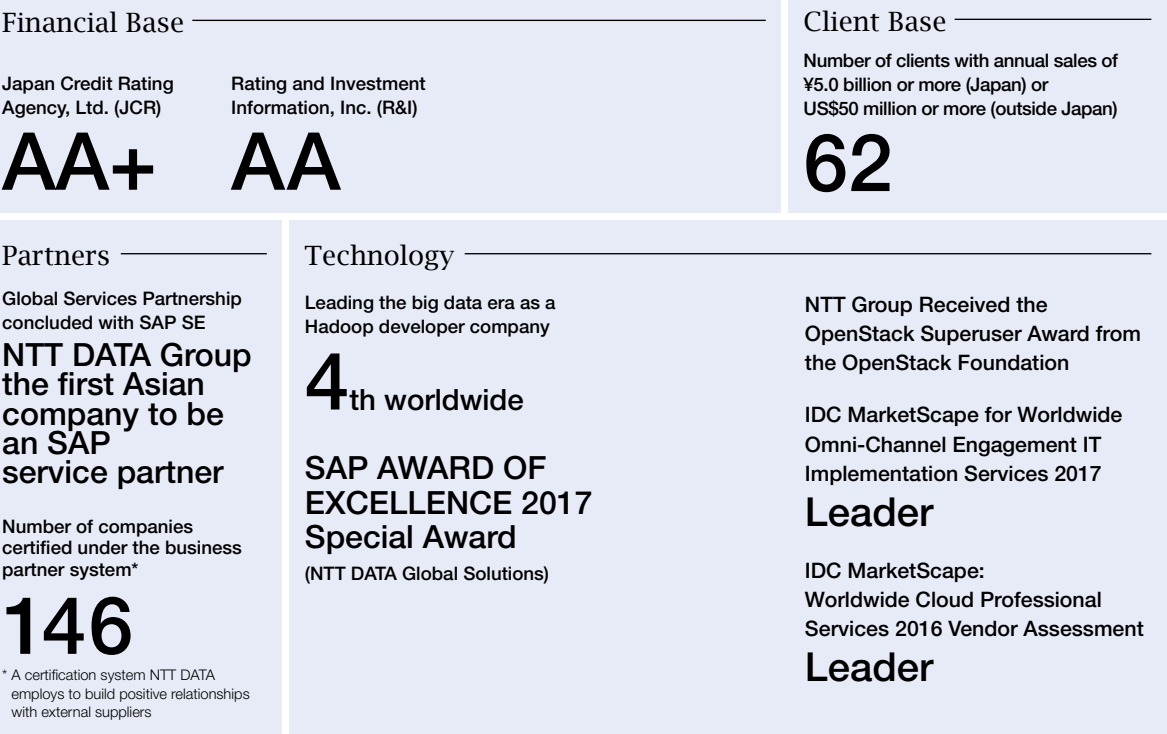
Medium-Term Management Plan  
**NTT DATA : ASCEND**  
Rise and grow our global brand  
FY2016–FY2018

NTT DATA FY2018 Financial Objectives

Net Sales  
Over ¥2 trillion

Operating Income  
+50%\*

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







## NTT DATA's Growth Strategy

Here, we explain progress on the Medium-Term Management Plan and NTT DATA's vision for the Global 3<sup>rd</sup> Stage, both of which are aimed at sustainably enhancing corporate value.

## Medium-Term Management Plan “NTT DATA: ASCEND —Rise and Grow Our Global Brand” Overview and Progress

### Medium-Term Management Plan Overview

During the previous Medium-Term Management Plan, the Group established the Global 1<sup>st</sup> Stage and achieved expanded global coverage, but our ranking in many regions around the globe remained low. To be recognized by multinational corporations as a business partner, we must be within the top rank in net sales in the IT services industry of each country and region. Under the

current Medium-Term Management Plan (fiscal 2016–2018), we are enhancing our local presence and targeting consolidated net sales of over ¥2 trillion and a 50% or higher increase in adjusted operating income (compared to fiscal 2015). We are executing the global strategies of “Game-Changing Approach” and “Breakthrough Technology.”

## NTT DATA : ASCEND

Rise and grow our global brand

FY2016–FY2018

**NTT DATA** FY2018 Financial Objectives

Net Sales

Over **¥2 trillion**

Operating Income

**+50%\***

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

- Viewing changes in the business environment and technological innovations in the global market as opportunities, we will accelerate the creation of new markets and expand our market share in each region. We will also engage in global cooperation to expand our provision of solutions and services while promoting improved global project support capabilities to move into areas where we have never operated in the past.

### Game-Changing Approach

#### Outside Japan

##### Grow Revenue and Profitability

- Inorganic growth (North America, EMEA, and others)
- Implement game-changing approaches and improve profitability by increasing our share and scope of services

#### Japan

##### Stable Growth

- Implement game-changing approaches to regrow our business
- Take thorough control of unprofitable projects
- Secure profits required for growth investment by sharpening competitive edges

#### Global Synergy

- Innovate production technology / Spark new ideas and technologies
- Global Accounts / Global Delivery / Global Offering / Global Talents

#### Sound Financial Ground

(Managing ROI and D/E ratio, stable payout of dividends)

- Quickly and flexibly provide services and systems comprising the core of client competitiveness through production technology innovations
- Create new mechanisms and businesses with clients utilizing cutting-edge technologies in the digital domain and engaging in business alliances with other companies that possess strong technological capabilities

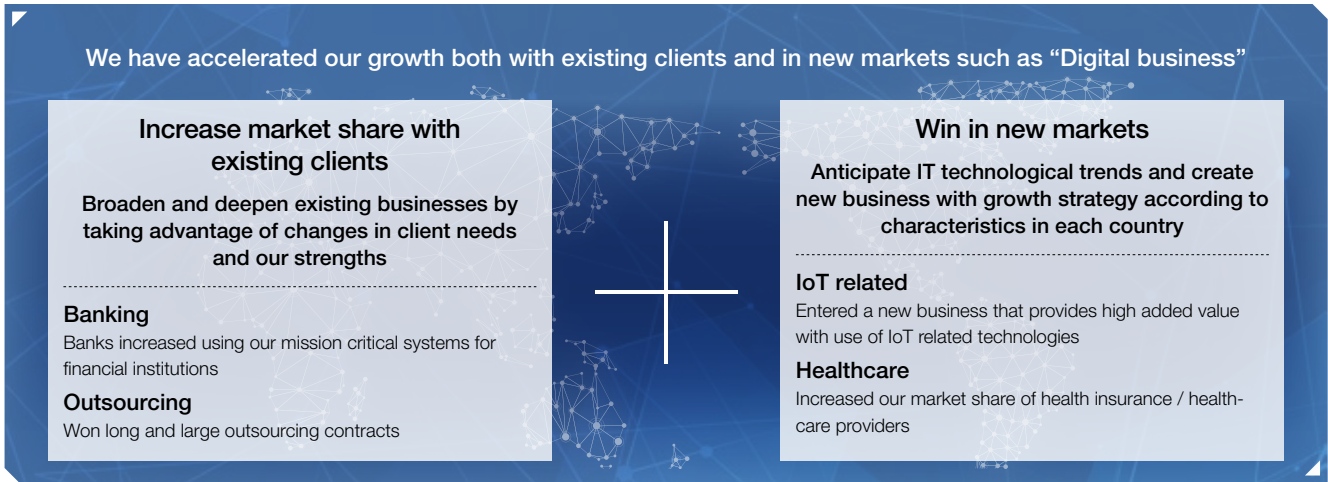
### Breakthrough Technology



Game-Changing Approach

In fiscal 2016, our game-changing approach resulted in further market expansion. In existing markets, we expanded our banking and outsourcing businesses by leveraging our strengths and transitioned efforts toward “digital” (the fusion of social, mobile, big data analytics, cloud, security, and IT).

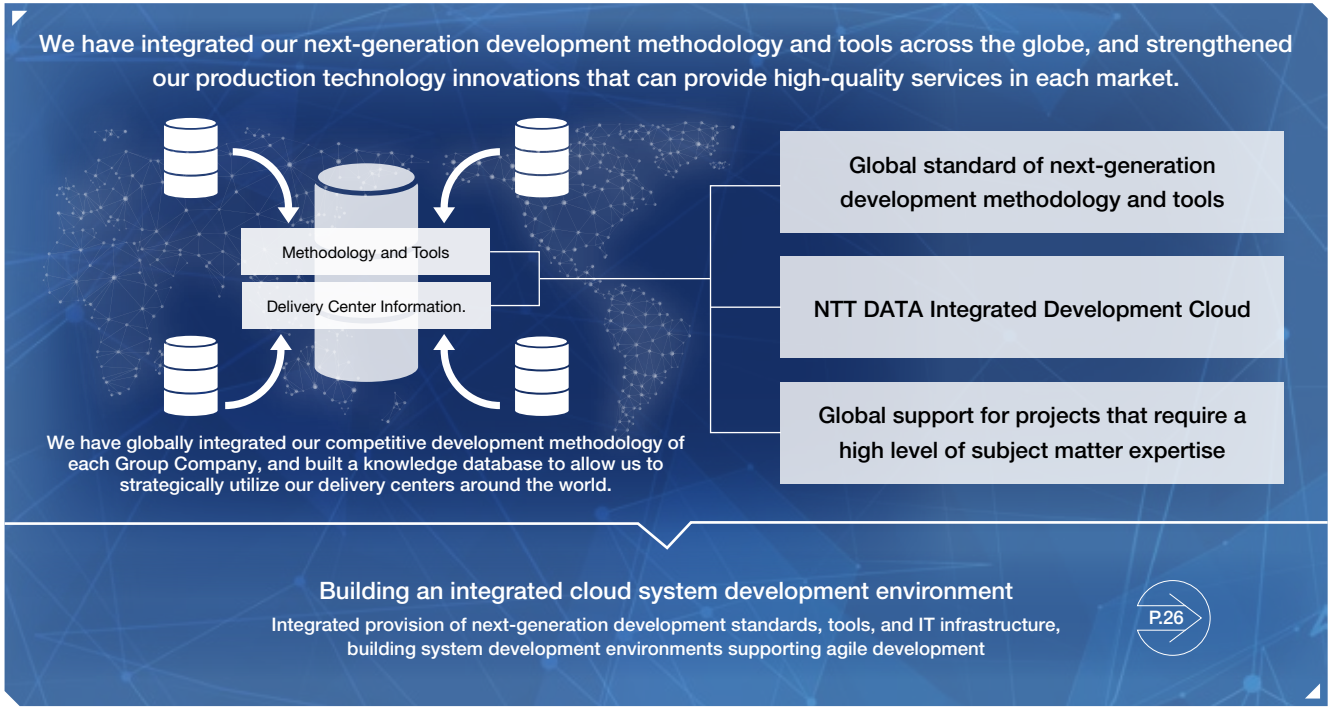
As for new markets, in light of the accelerating trend toward digital businesses in recent years, efforts toward new business creation utilizing cutting-edge technologies and alliance strategies through collaborations with partner companies resulted in business expansion in new markets.



Breakthrough Technology

Globally integrating next-generation development methodology and tools

Utilizing the NTT DATA knowledge database, we are able to provide high-quality services at the same level across the globe.



NTT DATA Global Innovation Hub

Building platforms to accelerate the creation of innovation globally has enabled NTT DATA to provide clients with new added value using cutting-edge technologies.

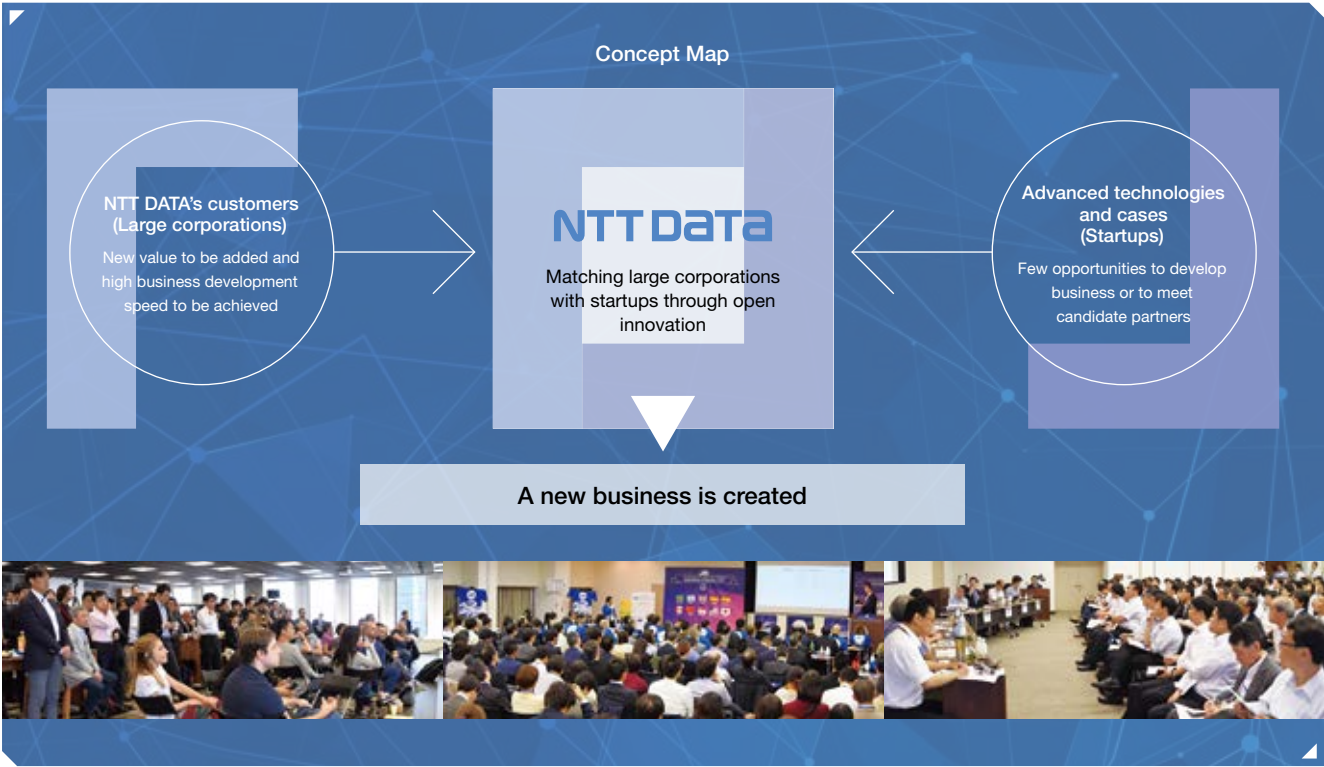


Creating New Businesses with Clients through Open Innovation

In the “Toyosu no Minato kara” (“From the Port of Toyosu”) open innovation program, since 2013, we have worked to combine leading-edge technologies and business models at a global level with client businesses. In this way, we are creating new businesses that are win-win-win: for clients, venture companies, and ourselves.

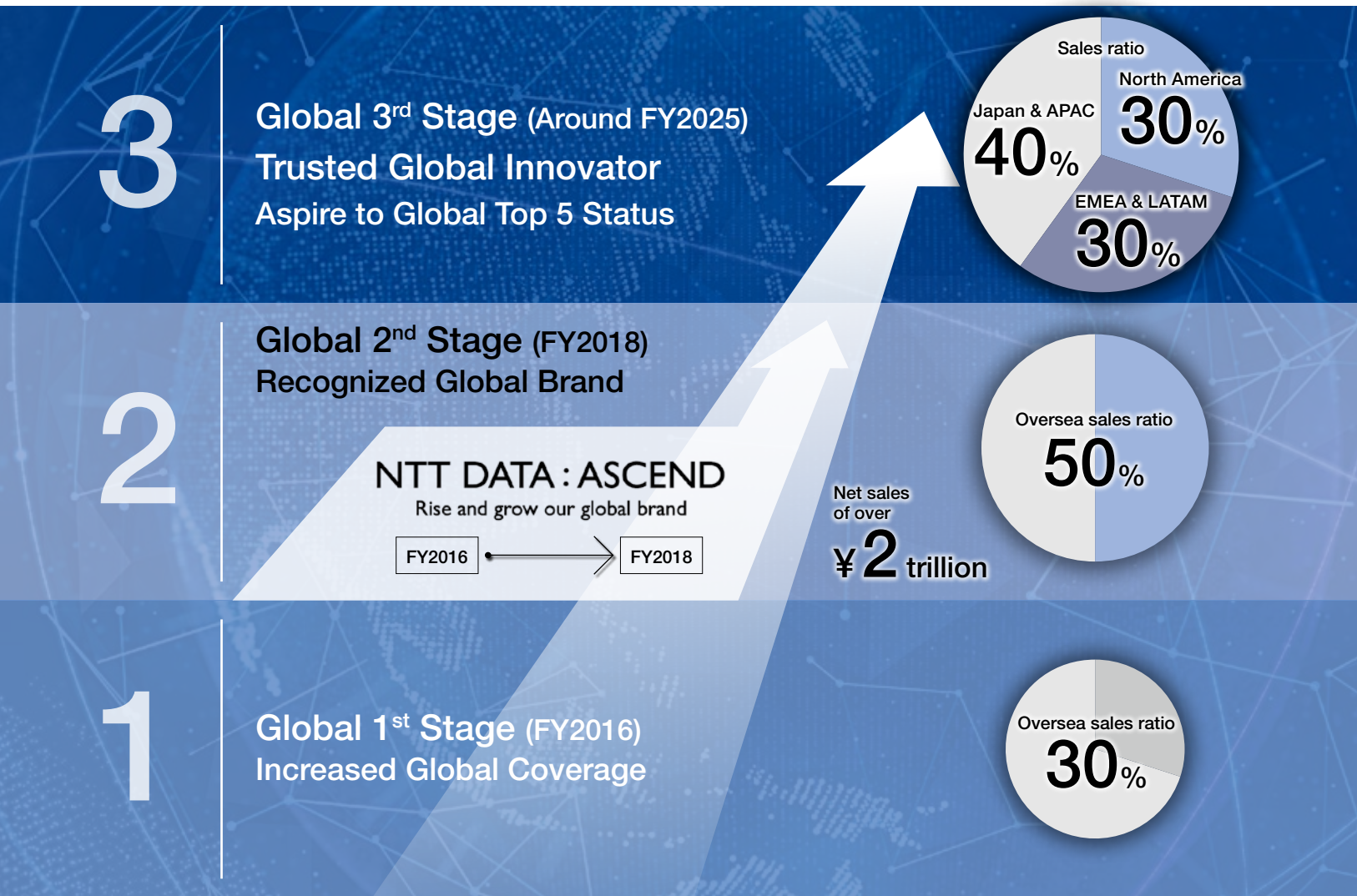
By promoting open innovation, we are accumulating unique resources and expertise, including a global network of business contests in 15 of the world’s cities, a community of more than 4,000 forum participants, and an in-house working group comprising 700 people.

Leveraging these resources, we support individual clients’ efforts to create new businesses through our digital corporate acceleration program, or “DCAP.” In such ways, we are working to create business that change the world through open innovation with clients as their business partners.





Corporate Image We Envision at the Global 3<sup>rd</sup> Stage  
—A Trusted Global Innovator

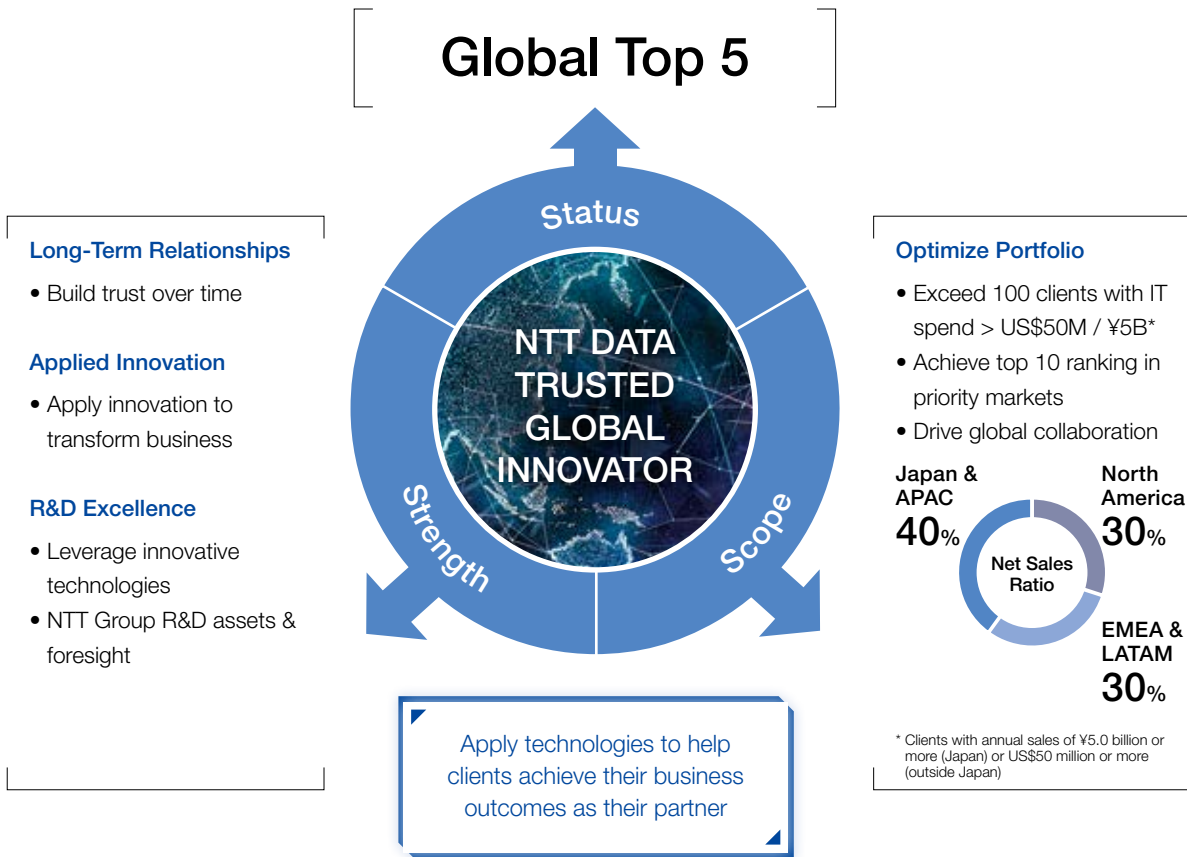


Setting Our Sights on the Global 3<sup>rd</sup> Stage

Having begun promotion of globalization in the fiscal 2005, NTT DATA established the Global 1<sup>st</sup> Stage with the achievement of an overseas sales ratio exceeding 30% in fiscal 2015. Under the current Medium-Term Management Plan (fiscal 2016–2018) having the strategic theme “NTT DATA: ASCEND—Rise and grow our global brand,” we aim to achieve the Global 2<sup>nd</sup> Stage by promoting initiatives targeting net sales of over ¥2 trillion and an overseas sales ratio of 50% to establish our brand globally.

Our acquisition of the former Dell Services and unification of the North American business were significant steps toward the Global 2<sup>nd</sup> Stage. We then formulated and announced the Global 3<sup>rd</sup> Stage, which aims to transform the Company into a Trusted Global Innovator by around fiscal 2025.

Trusted Global Innovator



The Image of Trusted Global Innovator and Leveraging Strengths

For NTT DATA, a Trusted Global Innovator is a business partner that combines the latest technologies with client ideas to realize client business innovations.

To achieve this goal, NTT DATA will leverage its three intrinsic strengths: “Long-term relationships” of trust based on a deep

understanding of clients’ businesses, “Applied innovation” that realizes business innovations along with our clients by using cutting-edge technologies and knowledge of clients’ businesses and industries, and “R&D excellence” that comprises the foundation of the NTT Group’s overall R&D capabilities.

Global 3<sup>rd</sup> Stage Positioning and Business Portfolio Goals

In the Global 3<sup>rd</sup> Stage, NTT DATA aims to become a Trusted Global Innovator around fiscal 2025 by leveraging its intrinsic strengths and by penetration of its trusted brand in global markets. We will realize the creation of long-term relationships with clients by providing one-of-a-kind value while offering cross-regional services to multinational corporations and engaging in global collaborations. We aim to achieve top 10 net sales in each major country and rank among the top 5 in net sales worldwide by expanding the number of clients generating annual net sales of

more than ¥5.0 billion from approximately 60 companies in fiscal 2015, to more than 100.

Compared with the scale of the global IT services market, sales in Japan still comprises a large percentage of NTT DATA’s business portfolio. We aim for a global business portfolio composition divided nearly equally into thirds to achieve sustainable and stable growth while efficiently incorporating global market growth.



Public & Social Infrastructure Segment

Providing high-value-added IT services that play important roles in social infrastructure, such as government, healthcare, communication, and utility systems as well as in community revitalization

We aim to grow our business through the following methods: receiving renewal orders for core businesses from governments and infrastructure companies, creating new domestic and overseas businesses by utilizing the results and know-how that our group has cultivated, and responding to new businesses including those utilizing “My Number” and concerning IoT and the change in the utilities industry system (power and gas system reform).

Case Study

- airpalette® UTM**  
Software Package Realizing Remote Control of Multiple Drones and Drone Flight Airspace Traffic Management
- WinActor RPA Solution**  
Contributing to the Automation and Rationalization of All Types of Customer Deskwork
- AW3D® Global Digital 3D Map Services**  
Contributing to a Wide Range of Sectors Worldwide with 3D Maps Utilizing Satellite Imagery



Enterprise & Solutions Segment

Providing high-value-added IT services that support business activities in the manufacturing, logistics and retail, and service industries as well as credit card and other payment services and platform solutions linked to each industry's IT services

We aim for business expansion as a business partner that works with clients such as retailers, distributors, service providers, and manufacturers that are actively promoting IT investment in response to the changes in value chains brought about by digitization and global development. We are addressing those problems by utilizing our advantages in the areas of enterprise and solutions that correspond to these clients' needs.

Case Study

- Digital Commerce**  
Digital Commerce Including EC / Omni-Channel Results
- Alliance with Mitsubishi Heavy Industries in the Field of Information Systems**  
Forming a Strategic Partnership with Mitsubishi Heavy Industries
- Smartphone Settlement Service Using Bank Accounts**  
Realizing a New Settlement Service Using Smartphones



Financial Segment

Providing high-value-added IT services that support financial institution operational efficiency and services

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

Case Study

- Blockchain Technology Utilization**  
Initiatives toward the Application of Blockchain Technology in Trading Operations
- BeSTA FinTech Lab**  
Open Innovation Lab Established to Create FinTech Services
- OpenCanvas™ Cloud Service for Financial Institutions**  
Promoting Open Innovation among Financial Institutions and FinTech Companies



Global Segment

Providing high-value-added IT services globally in overseas regions and on a cross-regional basis

We aim to further improve of our local presence by globally cooperating with our Group companies including the newly joined former Dell Services, and also by improving the service provision capability especially in new areas such as in digital industries, and gathering each of our Group companies' strength and resource, with the promotion of M&A strategies.

Case Study

- LaLiga (Liga de Fútbol Profesional)**  
LaLiga's Ticketing, Access Control and Security System – CÁSTOR
- NTT DATA Digital Automotive Footprint – Retail Sales Portal**
- Bottling Investments Group, the Coca-Cola Company**  
Setting the Pace for Long-Term Success
- American Red Cross**  
Social Media Expands Disaster Response Capabilities





Public & Social Infrastructure Segment

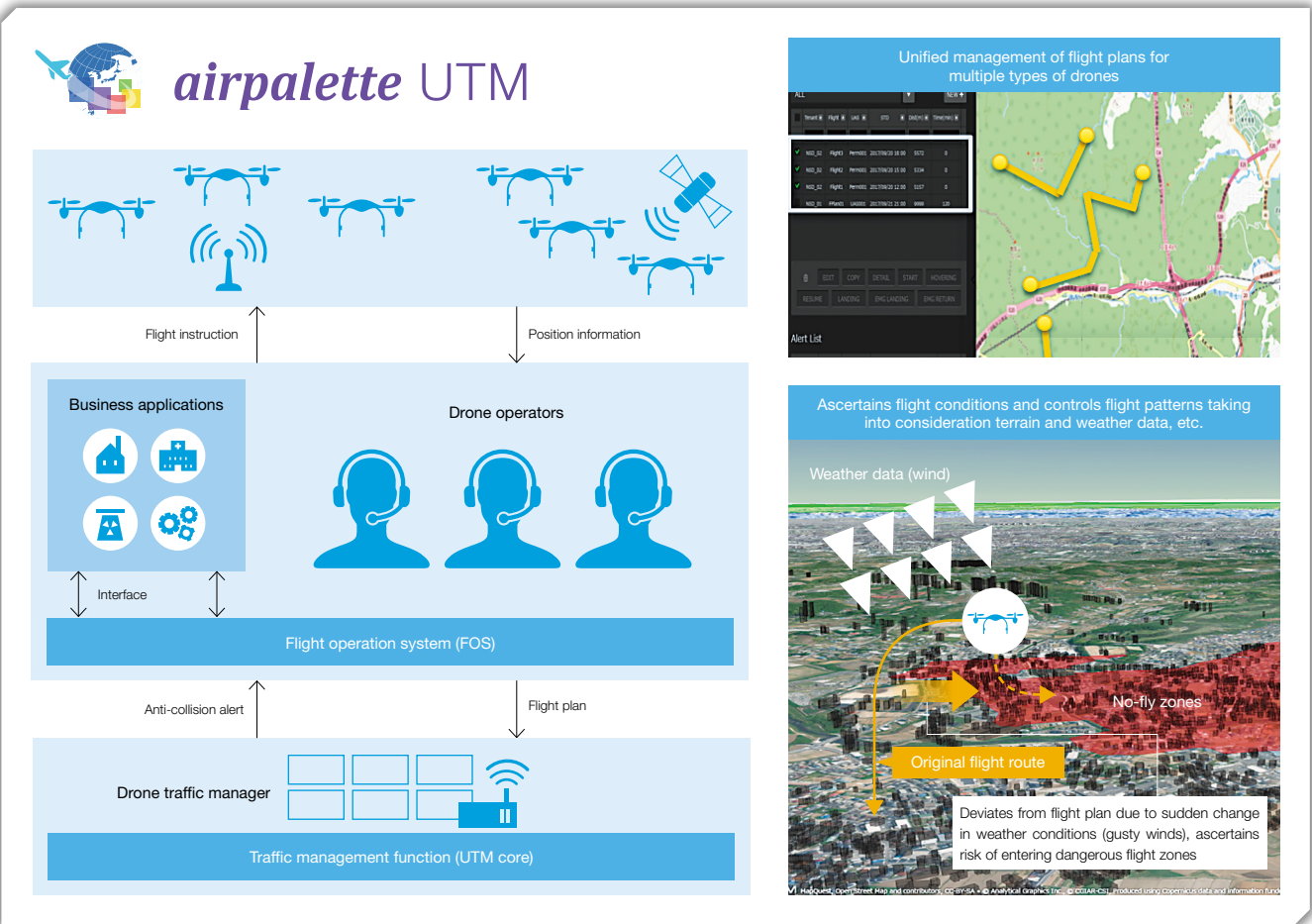
Providing high-value-added IT services that play important roles in social infrastructure, such as government, healthcare, communication, and utility systems as well as in community revitalization

airpalette® UTM Software Package Realizing Remote Control of Multiple Drones and Drone Flight Airspace Traffic Management

In recent years, advances in drone technology have expanded drone industry utilization. Accordingly, there are growing concerns regarding drones colliding with each other or with manned aircraft if drones enter restricted airspace near airports and other areas.

Utilizing expertise as a provider of IT services in the air traffic control sector spanning more than 40 years, NTT DATA developed

the airpalette® UTM software package comprising airspace management functions for business operators that utilize drones and traffic management functions for managers of airspace and drone traffic. This will contribute to enhancing the efficiency of workers engaged in infrastructure maintenance and disaster prevention activities and ensure airspace safety going forward.



WinActor RPA Solution Contributing to the Automation and Rationalization of All Types of Customer Deskwork

Robotic process automation (RPA), which resolves such issues as labor force retention, work style reform, and deskwork automation and rationalization, is garnering attention.

NTT DATA believes RPA can be a vital resource for solving customer management problems, and has been providing the RPA solution WinActor since 2014.

WinActor is a domestic RPA solution created at NTT R&D laboratories that boasts the advantage of being able to learn and automate operational procedures of all software operated on a Windows computer, including Excel, Internet browsers, and individual work systems.

NTT DATA provides WinActor to multiple corporate users, including (in alphabetical order) Asahi Glass Co., Ltd., Cedyne Financial Corp., JCB, Kyoto Prefecture, Mitsui & Co., and The Hyakugo Bank, Ltd. Our dedicated RPA Promotion Team provides total support, from consulting related to the introduction of RPA, to the creation of scenarios and the provision of robotic outsourcing.

WinActor RPA Solution features include:

- Compatible with any software that can be operated on a Windows terminal
- Total support for Japanese language
- No programming language required
- Comparatively low cost
- Can even be operated using only one computer

Logos of partner companies: AGC, 京都府 (Kyoto Prefecture), JCB, 77 七十七銀行 (77 Bank), Cedyne, 百五銀行 (Frontier Banking), and MITSUBISHI & CO.

AW3D® Global Digital 3D Map Services Contributing to a Wide Range of Sectors Worldwide with 3D Maps Utilizing Satellite Imagery

NTT DATA's AW3D® is the world's first digital 3D map rendering all of the Earth's undulating landscape in detailed, five meter resolution. Developed and marketed in collaboration with RESTEC, this service utilizes approximately three million satellite images photographed leveraging JAXA's advanced land observation satellite "Daichi."

For sectors such as urban planning, satellite images from DigitalGlobe (U.S.) are used to realize even more detailed resolutions of 0.5–2 meters. This enables the rendering of detailed topography at the structural level mainly in urban areas.

Compared to conventional methods using aerial photography, 3D maps utilizing satellite imagery are over 75% less expensive and can be obtained in a short period of time, approximately one week. In addition, the detail of 3D maps has been significantly enhanced, and as a result, they are widely used. In fact, until now 3D maps only had 30–90 meter resolution, but with today's enhanced detail they are used by more than 70 countries worldwide, mainly developing nations—contributing to improved efficiency and accuracy of disaster prevention, resource and urban planning, and electric power and telecommunication services in Japan and overseas.

- Awards in Japan and Overseas
- Mar. 2016: Prime Minister's Award in the Second Space Development and Application Award
  - Jan. 2017: Nikkei Business Daily Awards for Superiority at the 2016 Nikkei Superior Products and Services Awards
  - Aug. 2017: Asia Geospatial Excellence Award, hosted by Geospatial Media and Communications
  - Asia Geospatial Technology Innovation Awards 2017





# Financial Segment

Providing high-value-added IT services that play important roles in social infrastructure, such as government, healthcare, communication, and utility systems as well as in community revitalization

## Blockchain Technology Utilization

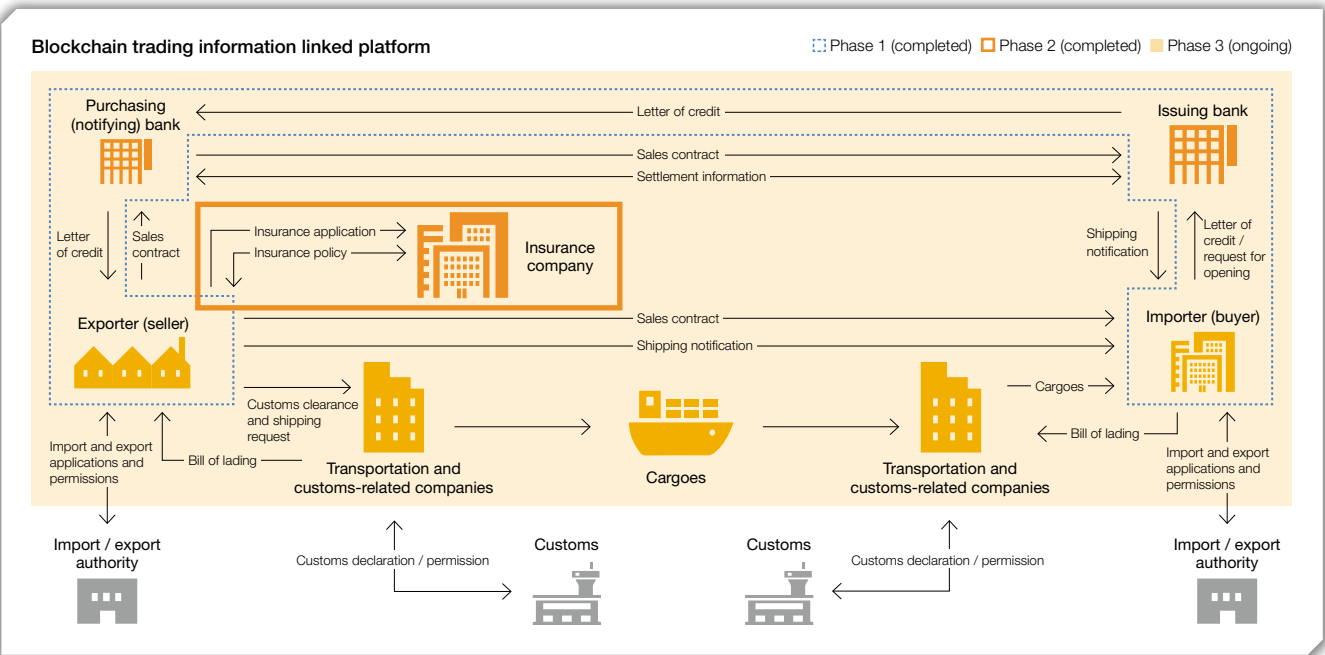
Initiatives toward the Application of Blockchain Technology in Trading Operations

With the aim of making documentation procedures and trade officials' business procedures, which involve many people, more efficient and convenient, NTT DATA has made use of blockchain technology, one of the core technologies behind FinTech, in two types of testing: letter of credit transactions (phase 1) and insurance policies (phase 2).

As a result, having confirmed the efficacy and issues related to the application of blockchain technology to trading operations overall, a consortium to develop a trade data sharing platform using blockchain technology was launched in August 2017 (phase 3), comprising 13 major companies from various sectors involved in trade-related business including banking, insurance, integrated logistics, import and export, and others.

Consortium Member Companies (in alphabetical order)  
Kawasaki Kisen Kaisha, Ltd. ("K" LINE), Marubeni Corporation, Mitsui O.S.K. Lines, Ltd. (MOL), Mitsui Sumitomo Insurance Company, Limited, Mizuho Financial Group, Inc./Mizuho Bank, Ltd., Nippon Express Co., Ltd., NYK Line, Sojitz Corporation, Sompo Japan Nipponkoa Insurance Inc., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokio Marine & Nichido Fire Insurance Co., Ltd., and Toyota Tsusho Corporation

**Provision of Blockchain-Linked Platforms**  
In September 2017, NTT DATA was selected as a partner vendor for the Japanese Bankers Association's blockchain-linked platform. This platform is intended to test the feasibility of new financial services using the blockchain and gather and share knowledge. Leveraging NTT DATA blockchain technologies and financial infrastructure expertise will contribute to enhancing financial services in Japan.



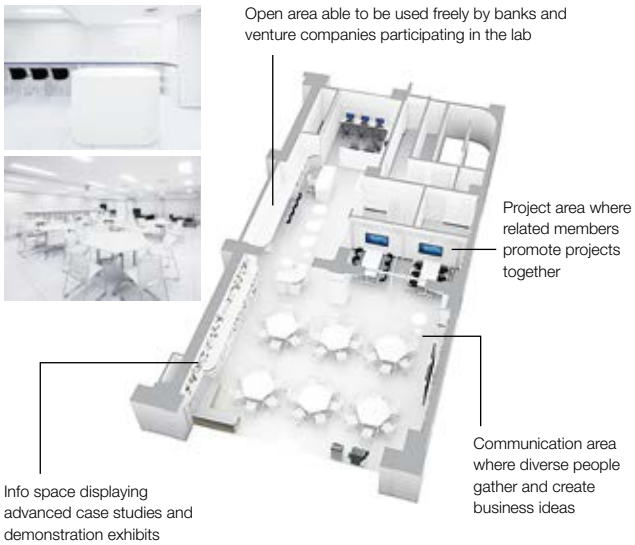
## BeSTA FinTech Lab

Open Innovation Lab Established to Create FinTech Services

In recent years, the utilization of open innovation aimed at cultivating new businesses combined with proprietary advanced technologies and business models used in-house by IT companies and venture companies is on the rise. The BeSTA FinTech Lab was established with the aim of connecting regional banks and venture companies to create unprecedented financial services, and in June 2017, a new office was opened in Otemachi, Tokyo, as a new base for these activities.

This new office furnishes the information, wide-ranging networks, and innovative human resources essential for open innovation in a space where a range of financial institutions, centering on regional banks, and venture companies utilizing BeSTA (NTT DATA's banking application for regional banks) can freely interact. New business launches are accelerated through trial and error, making use of proprietary new business creation methodologies using workshops and testing environments to prove theories.

Initiatives are being launched to match multiple regional bank and venture company users and create new business.



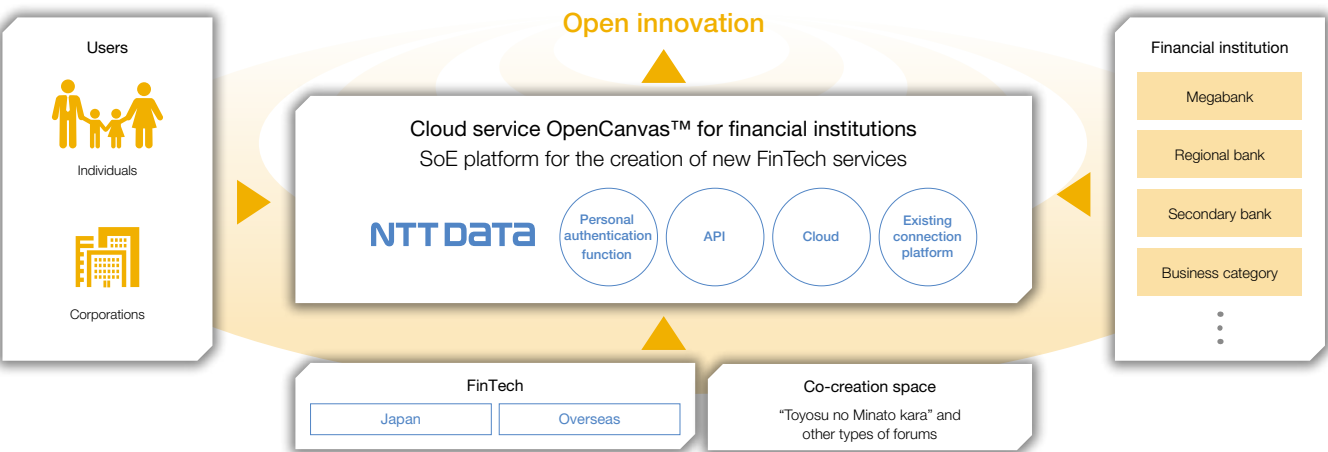
## OpenCanvas™ Cloud Service for Financial Institutions

Promoting Open Innovation among Financial Institutions and FinTech Companies

To promote the creation of new services by financial institutions and FinTech companies, the OpenCanvas™ cloud service platform providing highly reliable and secure application programming interfaces (APIs) and API management function services was launched in September 2017.

Through the API provided by OpenCanvas™, financial institutions can link FinTech services to each financial institution service, enabling the efficient and rapid provision of new FinTech services. Also, the API support provided by OpenCanvas™ enables an API link to multiple financial institutions including megabanks that plan to use OpenCanvas™.

Until now, NTT DATA has collaborated with Money Forward, Inc., to launch the first commercial use in Japan of API-related services in April 2016, linking FinTech services and Internet banking—the most cutting-edge initiative in the industry. Going forward, we will continue targeting the creation of services originating in Japan through OpenCanvas™ to support the realization of open innovation with financial institutions and FinTech companies throughout the world, providing users with an enriched lifestyle.



## Enterprise & Solutions Segment

Providing high-value-added IT services that support business activities in the manufacturing, logistics and retail, and service industries as well as credit card and other payment services and platform solutions linked to each industry's IT services



### Digital Commerce

Digital Commerce Including EC / Omni-Channel Results

In recent years, increased information and channels (contact points with customers) offered to consumers have led to changes in consumer behavior, which in turn requires corporations to respond to these changes. An increasing number of companies are considering the "omni-channel" method of integrating and consolidating multiple channels owned by a company as a way of addressing these changes. However, many companies appear to be struggling with the introduction of this method, including establishing objectives and goals and ways to introduce and implement this method.

NTT DATA is one of only a few Japanese companies with a significant track record in digital commerce, including retail, logistics, and service industry customer EC / omni-channels. Combining our "ability to support enterprise transformation required for the digital age through user experience design" and "comprehensive project management and system development capabilities cultivated through the development of numerous critical systems," we offer strong support for customers who intend to implement the omni-channel method, from the establishment of goals through to implementation initiatives.

#### Apparel-related EC

- SKU\* hierarchical structure (colors, sizes, lots, etc.)
- Diverse search parameters (faceted search)

\* SKU: Stock Keeping Unit

#### Store front-related omni-channel

- Linked to store membership management system
- Linked to store inventory

#### Global / trans-border EC

- Supporting multiple languages and currencies
- Supporting legal compliance in each country

#### Links to various external services

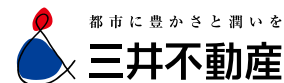
- Various settlement gateways
- Marketing automation
- Recommendations, etc.

#### Multi-brand / multi-site

- Mall EC and individual brands realized on the same platform
- Realizing multiple brands on the same platform

#### Advanced future initiatives

- Showroom EC
- Mobile payments
- AI utilization
- Real-time marketing



### Alliance with Mitsubishi Heavy Industries in the Field of Information Systems

Forming a Strategic Partnership with Mitsubishi Heavy Industries

Amid the acceleration of digitization and globalization in the manufacturing industry, Mitsubishi Heavy Industries, Ltd. (MHI) is aiming to enhance its group's IT service capabilities—including IT infrastructure building, operation and maintenance, and business application development—and bring added speed and efficiency to reinforce its global response capabilities.

To partner with MHI, which is promoting reforms leveraging the power of IT, in October 2017 NTT DATA took the first step toward a

long-term strategic partnership by launching NTT DATA MHI Systems Corporation, derived from the former MHI Information Systems Co., Ltd.

Going forward, we will work to reinforce ICT to help enhance the business competitiveness of the MHI Group by improving the quality, cost, and delivery (QCD) of its IT services and increasing its service sophistication.

#### Aiming to Enhance the Three Companies' Corporate Value



- Increase the sophistication of IT services and reinforce global response capabilities



- Establish a long-term partnership
- Strengthen business foundations in the manufacturing industry

#### NTT DATA MHI SYSTEMS Corporation

- Through the partnership with NTT DATA, enhance development capabilities and strengthen the cultivation of human resources
- Contribute to customers by raising the quality of IT services

### Smartphone Settlement Service Using Bank Accounts

Realizing a New Settlement Service Using Smartphones

The importance of settlement services using smartphones is growing, bolstered by the Japanese government's efforts to promote cashless transactions and the proliferation of smartphones. At present, however, most services require users to have credit cards or use prepaid cards.

Using CAFIS, Japan's largest comprehensive credit card settlement service, NTT DATA is working to make the shopping experience even more convenient by promoting the first initiative of its kind in Japan.

By enabling settlements to be performed by instantly debiting bank accounts, as well as through such conventional means as credit card settlements, we aim to respond to a broad range of settlement needs. These include students and other people who do not have credit cards and people who want a smooth shopping experience.

Furthermore, realizing seamless settlements and shopping using the convenience of a smartphone will allow participating stores to see consumer behavior at a glance, helping them to establish stronger points of contact with customers.

Before launching the service, we began verification testing in

September 2017. With cooperation from megabanks and regional banks, we are testing the feasibility of shopping using certain stores in a large-scale commercial complex. We expect to commence full-scale provision of the service from the first half of fiscal 2018.

#### Service Concept

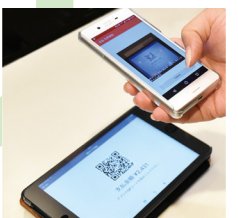
Easy purchases anytime, anywhere using the convenience of a smartphone

#### User Benefits

- No cards necessary; simple settlement using the convenience of a smartphone
- Seamless access to any physical or e-commerce store with a single bank account
- No need to enter account numbers for each settlement; increased convenience, stable security



User's smartphone app



Banks of accounts used in the verification test: Mizuho Bank, Sumitomo Mitsui Banking, and 10 regional banks (Akita Bank, Bank of Iwate, Ashikaga Bank, Chiba Kogyo Bank, Hokuetsu Bank, Fukui Bank, Bank of Kyoto, Tottori Bank, Nishi-Nippon City Bank, and Aichi Bank)



# Global Segment

Providing high-value-added IT services globally in overseas regions and on a cross-regional basis



## Europe

### LaLiga (Liga de Fútbol Profesional) LaLiga's Ticketing, Access Control and Security System—CÁSTOR

CCÁSTOR is designed to optimize football clubs' management of security at stadiums while it offers the clubs new sales and fan relationship solutions. In this way, the investment in security also provides new tools to increase football clubs' revenues as well as attendance. The system will be deployed at 42 stadiums of the 1st and 2nd Division of LaLiga.

Under Spanish regulations, all of the football clubs in the 1st and 2nd Division of LaLiga are required to deploy a security system to facilitate security management at stadiums.

CÁSTOR is a new system developed by LaLiga and everis Aerospace and Defense, which is an everis Group company, to manage not only security but also access control at the 42 stadiums. The system provides such capabilities as venue definition, ticketing, CRM, security, and a command and control center. With this project, LaLiga utilizes its 20 years of experience in managing security at

competitions to develop a system based on its unique management model, placing LaLiga as a world leader in sporting events security.

In addition, everis Aerospace and Defense provides fan management and marketing capabilities in order to gain supporters' loyalty to football clubs and enhance their satisfactions with multichannel ticket sales.



### NTT DATA Digital Automotive Footprint—Retail Sales Portal

Since 2015 NTT DATA has supported the BMW Group in the implementation of a future sales process with the target of business growth and customer profitability.

We have developed a retail sales portal (RSPplus) for the BMW Group. RSPplus functionality covers all processes for holistic customer management for the following brands of the Group: BMW, BMWi, MINI and BMW Motorcycles. Starting with campaign management the system supports the configuration of vehicles and the creation of offers including financial services, contracting and ordering. All necessary systems are seamlessly integrated in a user-friendly interface to maximize efficiency and effectiveness.

A roll-out will commerce for the German market, and in parallel we are developing an international version for other markets.



## North America

### Bottling Investments Group, The Coca-Cola Company Setting the Pace for Long-Term Success

The Coca-Cola Company moves at a fast pace to meet consumer demand and keep its leading industry position. Every day, people in more than 200 countries consume 1.9 billion servings of its products. When desktop issues started to slow efficiency and increase costs, the company engaged NTT DATA. Javier Polit, former CIO of the Bottling Investments Group of The Coca-Cola Company, says, "It was difficult to keep all our IT associates in the field up to speed with all the different desktop technologies that continue to change. We needed to develop solutions with more effective processes for maintaining desktops with current technologies. NTT DATA could deliver this."

Today, NTT DATA monitors and manages 25,000 users across The Coca-Cola Company's North America locations. "We've been able to improve the level of service we provide employees," Polit says. "We don't have as many technology issues now, but when we do they're resolved faster. Our employees' IT satisfaction ratings have improved significantly, and the productivity of our business units has also increased. We've also reduced costs and redirected some of those savings into branding and other business areas."

To help mobile sales staff provide more responsive customer support, the company had NTT DATA help design and implement a custom sales force automation platform.

To ensure that it is continuing to shape industry trends rather than following them, The Coca-Cola Company is using the Internet of Things (IoT) to garner new types of consumer insight. "In many ways, we're leading the way from an IoT perspective in our vertical," Polit explains. "Our relationship with NTT DATA provides access to thought leadership. I can have good discussions with engineers and executives to connect the dots across my industry, see what the trends are and plan accordingly." The company is also working with NTT DATA to migrate mainframe-based workloads to the cloud.



### American Red Cross Social Media Expands Disaster Response Capabilities

The American Red Cross uses social media to better target relief and vital information for disaster survivors while mobilizing community support.

Founded in 1881, the American Red Cross is one of but a few nonprofit agencies with a charter from the U.S. Congress. That includes giving relief to and serving as a communication link between members of the nation's armed forces and their families while also providing national and international disaster relief and mitigation.

Today the organization, based in Washington, D.C., has more than 25,000 employees. In the U.S., it operates through a network of nearly 500 local chapters and with the help of more than 340,000 volunteers.

The American Red Cross began using social media in the mid-2000s. After the 2010 earthquake that devastated Haiti, the American Red Cross wanted to expand its social media capabilities to better engage communities day-to-day while responding faster and more effectively to disasters.


After working closely for nearly a year with consultants from the NTT DATA Social Media Services team, the American Red Cross opened its first national Digital Operations Center as a social media command center. Located within its Disaster Operations Center at its Washington, D.C. headquarters, the facility can be in the middle of the action when disasters strike.

Known by staff members as the "DigiDOC," the command center has served as the template for two additional facilities, one in Dallas, Texas, and the other in San Jose, California. "The relationship

between NTT DATA and the Red Cross has been critical in helping the Red Cross use social media to carry out its disaster response mission," says Suzy DeFrancis, chief public affairs officer for the American Red Cross.

The new Digital Operations Center enables more proactive social engagement and response to crisis situations and accelerates the capacity to connect people with needed resources after disasters. The centers improve identification of requirements in disaster areas and help target specific relief responses more efficiently. In addition, the centers provide emotional support to communities affected by disasters.





### Human Resources and Organizational Capabilities

In the IT industry, remarkable for its technological advancements, diverse and talented human resources are indispensable for ongoing innovation and ascertaining client needs and technological trends. We aim to increase the number of diverse and sophisticated human resources to drive global business, our game-changing approach, and technological innovation.

Employees  
More than **110,000**

SAP consultants  
More than **10,000**

Worldwide offshore and near-shore development personnel  
More than **30,000**

Policies for Strengthening Management Resources

Development

**Selected for the Good Career Company Awards**

NTT DATA human resource development establishes a career plan tailored to individual employee specifications, facilitating the development of a diverse array of human resources through various development programs. In recognition of these efforts, we received the Good Career Company Awards 2016 Grand Prize from the Minister of Health, Labour and Welfare.



**Provision of Various Development Programs Supporting Employee Skills Development**

NTT DATA offers business training to facilitate business skill improvement and technical training to boost specialized expertise, with employees free to select courses attuned to their position and job assignment when needed.

We attempt to improve skills through mentoring and certification ratings by highly professional employees across the organization according to development plans from an organizational perspective and the professionalism of individual employees.

**Developing Professional Human Resources**

NTT DATA introduced the Professional Career Development Program (CDP), a proprietary human resource development program that in fiscal 2016 certified 1,900 employees in accordance with 10 types and four levels of human resources. This program has certified a cumulative total of more than 12,800 employees. We monitor the increase in certification numbers and certification level improvements, which is linked to appropriate skills development management.

We also promote innovative human resource development through activities including open innovation business creation and diverse professional human resource development that includes cutting-edge AI and IoT domains.

In addition to training approximately 4,000 security professionals throughout the NTT DATA Group, we develop a large number of sharp human resources in a variety of domains.

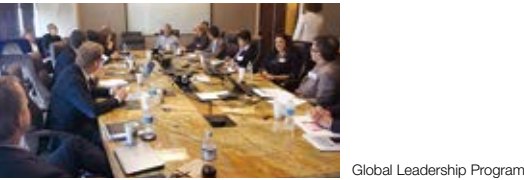
**The Diversity of Sharp Human Resources in the NTT DATA Group**

- NTT DATA Mathematical Systems:  
Data analysis / mathematical professionals  
(includes development of AI and IoT algorithms)
- NTT DATA Intellilink Corporation:  
Advanced professional services in the system platform area
- NTT DATA Global Solutions:  
Global SAP integration

**Human Resources Able to Actively Participate in Global Markets**

To develop industry-ready global human resources, we provide opportunities for international business exchanges targeting employees, from management to younger employees, as well as opportunities to improve global business skills. A cumulative total of 190 employees have participated in the Global Leadership Program, a discussion forum for executive trainees from around the world. A total of 270 employees have participated in joint training in Europe and Japan, and a total of 85 employees have

participated in Japan–APAC–China joint training targeting next-generation global leaders. We also provide a variety of growth opportunities, including the Readiness Drive program for inculcating global response capabilities targeting young employees who want to take on the challenges of international business.



Diversity

NTT DATA recognizes diversity and inclusion as a management strategy for global competitiveness and promotes active participation by diverse human resources and workstyle innovations. Since fiscal 2012, we have focused efforts on promoting active participation by women and optimizing overall work hours through innovative workstyles. In accordance with the passage of the Act on Promotion of Women’s Participation and Advancement in the Workplace, NTT DATA formulated and announced the General Enterprise Action Plan (April 1, 2016–March 31, 2021), and is engaged in the achievement of these objectives.

**Initiatives Related to LGBT and Gender Minorities**

Our Global Compliance Policy stipulates that we “respect human rights and will not discriminate based on gender, nationality, belief, or religion.” NTT DATA continually implements human rights awareness and other activities while also promoting initiatives including the development of system administration and training for staff in personnel, general affairs, and recruiting. In recognition of these efforts, we received a Silver ranking in Pride Index 2016, Japan’s only rating index administered by private organization work with Pride.

**Women’s Initiative**

At the May 2017 Global Summit of Women held in Japan, the Managing Director and CFO from NTT DATA Germany gave a speech. As this summit was an opportunity for female leaders from NTT DATA Group companies throughout the world to gather together, we held The 1st Global Meeting of Women’s Initiative @ NTT DATA, a workshop promoting the active participation of women.

**Quantitative Diversity Targets**


Target 1	Continue to aim for a female employment rate of over 30% by the end of fiscal 2020 ▶ Maintained at more than 30% over the last 10 years
Target 2	Overall hours worked by the end of fiscal 2018 Aim for average hours worked per employee of 1,890 hours per year ▶ The initiative, which has been promoted since 2013, already reduced the average hours worked per employee to 1,910 hours in fiscal 2016
Target 3	Aim for 200 or more female managers by the end of fiscal 2020 ▶ Added 19 female managers compared to the previous year, for a total of 143 female managers (Applicable number of enrolled managers, but excludes Target 4 employees)
Target 4	Aim for 10 or more female senior managers (Directors, organizational heads, etc.) by the end of fiscal 2020 ▶ Currently, there are seven female senior managers

Organizational Capabilities

**Embodiment of Values**

**Initiatives to Inculcate Our Group Vision**

The NTT DATA Group strives to share the values that express the principles we cherish to realize our Group Vision. Specifically, these efforts include Values Week, held annually in May to commemorate our founding, and other events that facilitate discussions pertaining to our values. In fiscal 2016, about 13,000 employees from over 60 cities in approximately 20 countries and regions participated in these activities.







# Technology

Recognizing that foresight is a value provided by NTT DATA, we strive to maintain and enhance technologies that are important management resources, including operational know-how accumulated over long-term client relationships, advanced development and operating methods, and a variety of research results.

Leading the big data era as a Hadoop developer company

## 4<sup>th</sup> worldwide

NTT Group Received the OpenStack Superuser Award from the OpenStack Foundation

Policies for Strengthening Management Resources

## Global Methodology and Integrated Development Cloud

Global Integration of Group Development Methodologies

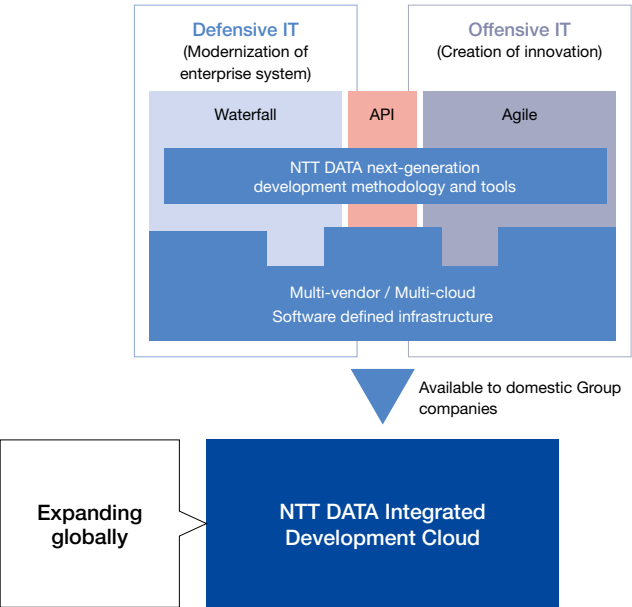
In recent years, we are seeing an increasing number of projects where the systems are developed at multiple global bases, especially among clients who have expanded their business globally. For this reason, the Group has integrated its system development methodologies used in Japan and at overseas Group companies, as well as its project management methodologies, in all countries throughout the world. As a result, this enables the provision of services at a consistently high standard and the execution of projects using the same concepts and terminology without conflict at each Group company around the world. In addition, this will enable the effective use of human resources and development knowledge, which we believe will lead to further realization of global synergies.

Group Development Environment Integration with the Integrated Development Cloud

In addition to “defensive IT” that makes existing business and operational processes more efficient, there is a demand for the support of “offensive IT” that creates new businesses utilizing new technologies including FinTech, SNS, AI, and IoT and the seamless linkage between both. To meet these needs, NTT DATA integrated its waterfall and agile models of development in a compatible system development environment in the cloud with the April 2017 launch of the integrated development cloud. As a

result, we will use this integrated development cloud to improve reusability by utilizing our IT asset API, including further improvements to development productivity and agility, as well as globally strengthening system development governance, such as security and auditing, leading to the creation of global synergies through deployment to overseas subsidiaries.

Global Methodology and Integrated Development Cloud



## NTT DATA Technology Foresight

Creating New Businesses Together with Clients, Deriving and Unveiling Near-Future Technology Trends

NTT DATA conducts surveys and research on various trends, focusing on the near-future information society trends and technology trends that are expected to have a substantial influence on client businesses over the medium to long term. The findings of these activities are compiled in the NTT DATA Technology Foresight report, which is released annually. The trends described in these reports are incorporated into management strategies and utilized to co-create businesses together with clients.

We analyze political, economic, social, and technological trends and also engage in wide-ranging information collection activities and discussions that extend to NTT DATA Group companies as well as NTT R&D laboratories in Japan and overseas. These activities include interviews with external specialists in various fields. Through these activities, we have identified 60 core issues warranting particular attention in social and business fields as well as 154 groundbreaking technologies that are evolving and spreading with remarkable speed. Extrapolating from these, we have identified four information society trends and eight technology trends that we report on.

Embodiment of Values

NTT DATA Technology Trend Example Related to Precision Life Science  
Smart Alert Solution Using AI to Prevent Complications in Intensive Care Units

In collaboration with Virgen del Rocío University Hospital, the largest hospital in Spain, we developed a Smart Alert Solution for the intensive care unit (ICU). This solution aims to prevent complications by enabling early medical intervention. AI is used to analyze patient vital data in real-time and predict complications up to two hours before they occur. Going forward, we are also planning verification in countries other than Spain. This solution will be commercialized during fiscal 2017 and deployed from Spain, South America, and North America to hospitals in countries around the world.



NTT DATA Technology Trend Example Related to IT Infrastructure and Diversification and Services  
Development of Technology to Alleviate Traffic Congestion Using AI

We developed technology alleviating traffic congestion that combines camera image processing technologies and large-scale traffic simulations to predict traffic congestion and control traffic signals. Verification testing was conducted in Guiyang City, China. AI is used to optimize traffic signal settings based on traffic conditions recreated through simulations using images from traffic management cameras placed at intersections. Traffic flows at test locations improved by an average of 7% and by as much as 26%. We also confirmed an average 6.7% improvement in traffic throughput. Going forward, we will test the commercial viability of traffic alleviation simulations contributing to the realization of smart cities throughout the world.



## Utilizing the R&D Accomplishments of NTT Laboratories

Based on the idea that NTT R&D will contribute to the development of society, industry, and academia by creating world-leading technologies, approximately 2,500 researchers are engaged in a wide variety of research, from basic research to

R&D, in support of business development by operating companies. NTT DATA uses the accomplishments of these leading-edge R&D efforts to create businesses.

Embodiment of Values


Resolving Social Issues Using a Cloud Robotics Platform Equipped with NTT Group AI Technology corevo

Going forward, Japan is expected to experience a shortage of nursing caregivers and an increase in home nursing care. To resolve these social issues, NTT DATA and EnviroLife Research Institute Co., Ltd., began verification testing of a communication robot for homebound seniors in May 2017. This verification testing used a cloud robotics platform equipped with NTT Group AI technology corevo and Vstone Co., Ltd., communication robot Sota to provide interactive services using a robot. We are examining the impact promoting conversations with seniors has on lifestyle improvement.

Going forward, we will promote product development using communication robots to improve senior lifestyles and alleviate burdens on other family members and nursing care staff and intend to commercialize this product during fiscal 2017.

corevo: corevo is a registered trademark of NIPPON TELEGRAPH AND TELEPHONE CORPORATION in Japan and the EU.  
Sota: Sota is a trademark of Vstone Co., Ltd., in Japan.





Brand

The NTT DATA brand is an extremely critical management resource that enables the acquisition of new business opportunities in global markets and increases profitability. Based on our corporate philosophy, we attempt to enhance brand power through the creation and stable operation of highly reliable systems that support social infrastructure while achieving results in global markets.

Global IT service ranking (Net sales)

9<sup>th</sup>

CMMI certification\*

Level 5

(the highest level)

\* Capability Maturity Model Integration (CMMI): A model created by the CMMI Institute of Carnegie Mellon University with the assistance of the U.S. State Department that expresses the level of maturity of organizations undertaking system development. The model utilizes a five-point scale with Level 5 as the highest level. In addition to expressing degree of maturity by scaled levels, CMMI defines the characteristics of effective processes that satisfy each degree of maturity. CMMI is utilized by numerous corporations throughout the world as the de facto standard reference model for conducting process improvements.

Policies for Strengthening Management Resources

Toward the Establishment of a Global Brand

Under the current Medium-Term Management Plan (fiscal 2016–2018), we are promoting initiatives aimed at establishing a global brand centered on the goal of increasing our local presence (☉P.8 Strategy). In fiscal 2016, we realized a greater presence in eight countries including the United States, Germany, Italy, and China. In particular, in the United States, which is the world’s largest market, with the acquisition of the former Dell Services we made significant progress towards our target of a 2% share in each market. In addition to M&As and accumulated achievements through business activities, we are making an effort to promote our brand from a variety of angles, such as participation in the IndyCar Series including the Indianapolis 500, as well as sponsorship of The British Open Golf Championship and other events.



Embodiment of Values


**Participation at CeBIT 2017, an IT Business Trade Fair on a Global Scale**

NTT Group companies collaborated to present the NTT Group booth at CeBIT 2017, the world’s largest exhibition dedicated to the IT business, which was held in Hanover, Germany. Our booth was visited by Japan Prime Minister Shinzo Abe and Germany Chancellor Angela Merkel.

In addition to displaying a variety of products utilizing cutting-edge technologies, including the “Sota” communication robot and “AW3D global digital 3D map,” President Iwamoto gave the keynote address at the CeBIT Global Conference.

Sota is a trademark of Vstone Co., Ltd., in Japan.  
AW3D is a registered trademark of NTT DATA Corporation in Japan, the United States, and the EU.





Partners

At NTT DATA, we pursue “Clients First” as one of our values, and strive to emphasize and deepen relationships with partners providing services, products, and research results supporting our provision of optimal services to clients.

Number of companies certified under the business partner system

146\*

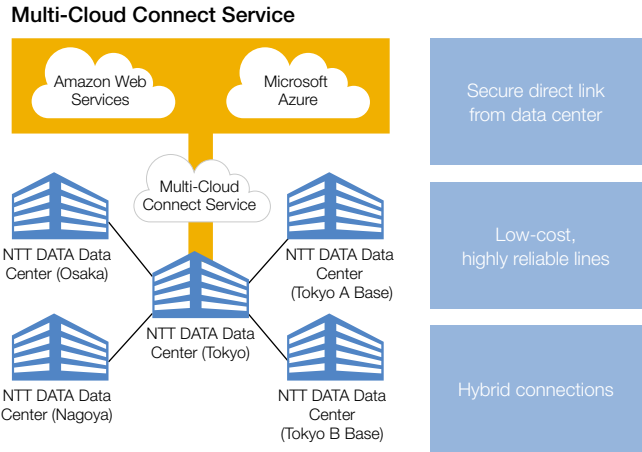
\* As of March 31, 2017

Global Services Partnership concluded with SAP SE  
NTT DATA Group the first Asian company to be an SAP service partner

Policies for Strengthening Management Resources

Collaborations with Global IT Companies

NTT DATA is engaging in partnerships with global IT companies and promoting the provision of IT services leveraging mutual strengths. As one example, in February 2016 we launched the Multi-Cloud Connect service using a dedicated line to directly link Amazon Web Services (AWS) and Microsoft Azure to NTT DATA’s data centers. Going forward, we will attempt to enhance our cloud services in response to anticipated growth in hybrid cloud and multi-cloud needs as this technology continues to spread.



Supply Chain Management (Business Partner System)

**Responding to Human Resource Shortages and Contributing to Improved Competitiveness**

NTT DATA conducts spending analyses related to outsourced transactions to accurately ascertain and manage its supply chain. Regarding outsourced software, the business partner system was established to evaluate management conditions from a variety of angles, with excellent companies being accredited as business partner or associate partner companies. NTT DATA conducts mutual evaluations and interviews with major business partners to improve the quality of software development as well as prevent

various contractual problems by deepening mutual understanding with key suppliers in software outsourcing. To forge sound relationships with its business partner (BP) companies, NTT DATA holds Core BP and BP Presidents’ Meetings, in which people in the top position at companies participate. The development of favorable relationships with BP companies has also contributed to securing human resources and improving productivity and quality at BP companies, which in turn has led to raising the competitiveness of the supply chain as a whole.



Basic Policy

The NTT DATA Group aims to establish a business structure that produces stable profits through continuous growth by carrying out the mission to create new systems and values with information technology for a more affluent and harmonious society, and also by forecasting future trends to swiftly and accurately respond to the changing market environment, client needs and the cutting-edge technology trend.

Under this management philosophy, the NTT DATA Group has set the Medium-Term Management Plan from Fiscal 2016 to Fiscal 2018, pursued business growth in regions around the world, had key principles, NTT DATA: ASCEND Rise and grow our global brand to enhance our brand value as a global brand by strengthening our local presence and using global synergy effects, and carried out the global strategy: “Game-Changing Approach” and “Breakthrough Technology.”

The NTT DATA Group will play an active role in overcoming the various issues that face society through the appropriate provision of various information services by the Group's officers and employees based on common sense, as well as in complying with laws and contracts at home and abroad and in respecting international standards including those of human rights.

Under these concepts, NTT DATA is working on the following basic policies in accordance with the purpose of each principle of the Corporate Governance Code to ensure that corporate governance will effectively function: (1) to ensure transparency and soundness in business management; (2) to achieve appropriate and swift decision making and business execution; and (3) to implement compliance thoroughly. The purpose of working on such basic policies is to meet the various expectations of stakeholders, including shareholders, investors, clients, business partners and employees, and to maximize enterprise value.

(1) Ensuring Transparency and Soundness in Business Management

NTT DATA strives to disclose information in a just, fair and timely manner in accordance with the “Disclosure Policy,” based on the “Disclosure Guidelines.” Such disclosure is important in that it enables the market to appraise NTT DATA appropriately. For this reason, NTT DATA holds a meeting for explanation of financial results when financial results are announced quarterly, and often holds other meetings for domestic and international investors and analysts, in order to ensure transparency in business management. To reinforce the function of supervising and auditing the fairness in business execution, NTT DATA places outside directors and outside audits to supervise and audit the Board of Directors and the Audit & Supervisory Board and to ensure soundness in its business management. NTT DATA also pays

attention to maximize the profit of its shareholders when transacting business with NIPPON TELEGRAPH AND TELEPHONE CORPORATION (hereinafter referred to as “NTT”), the parent company of NTT DATA, and the companies in the NTT Group.

(2) Achievement of Appropriate and Swift Decision Making and Business Execution

Decision making at NTT DATA is carried out under the supervision of the Board of Directors in accordance with “Authority Rules,” which stipulate the responsibility and authority of the President and CEO, the Senior Executive Vice President, the Officers in charge of each segment and the Heads of each Section or Group. For smooth and swift decision making and supervision in its business operations, NTT DATA has established the “Corporate Management Committee,” which is made up of the President and CEO, the Senior Executive Vice President, Officers in charge of each segment and other Heads of important Section or Group, and has prior discussions at such “Corporate Management Committee” for effective deliberations about the items to be resolved at the Board of Directors. In addition, NTT DATA pursues appropriate and swift decision making and business execution by placing Senior Vice Presidents in charge of business execution, assigning most of the authority relating to business execution to such Senior Vice Presidents from directors, with each Section or Group executing business operations independently and responsibly in accordance with the “Organizational Regulations.”

(3) Thorough Implementation of Compliance

NTT DATA is determined to operate its business in accordance with high ethical standards as well as compliance by setting up “Global Compliance Policy,” targeted at all officers and employees of NTT DATA Group, in order to clarify its basic policy and specific behavior guidelines relating to corporate ethics. To make such business operation effective, NTT DATA considers it necessary to implement a continuous educational campaign to promote the awareness of such ethics and compliance. Therefore, it has been holding training sessions on compliance targeted at employees and conducting employees’ attitude surveys. Aiming for more openness in its corporate culture, NTT DATA has placed reception desks for “the Whistle Line,” which is cross-sectional in the Group, as an internal and external point to receive any declaration, whether anonymous or named. NTT DATA ensures that any declarer to the reception desk through “the Whistle Line” is not unfavorably treated because of his or her declaration.

Group Governance

Strengthening Group Governance by Establishing a Liaison Department for Group Companies

For important matters such as business planning, internal control, and compliance, NTT DATA's basic policy is to ensure appropriate business operations throughout the Group by instituting rules for consultation and reporting within each Group company. Based on this policy, the Company has established a cooperative system through the establishment of a liaison department in NTT DATA that connects to each Group company.

Particularly in recent years, Group governance has been reinforced in response to the rapid expansion of overseas operations through M&A activities and other measures, such as the acquisition of the former Dell Services. Specifically, the Company is establishing a system centered around five operating regions—North America, EMEA (Europe, the Middle East, and Africa), APAC (Asia-Pacific), China, and Spain and Latin America—as well as business solutions. NTT DATA has instituted rules for consultation and reporting between the Company and Group companies in relation to important matters such as business plans, large-scale projects, internal control, and compliance.

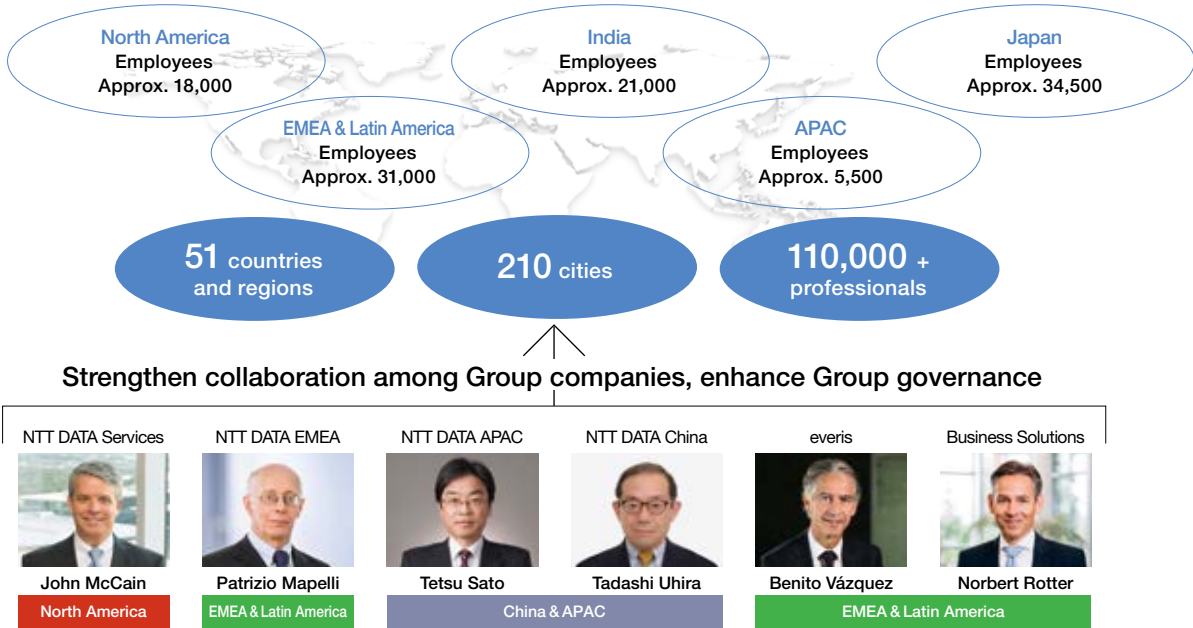
Furthermore, NTT DATA is building a governance system that enables the unified management of the Group while delegating responsibility for business management to each regional integrated company. As part of this initiative, NTT DATA is establishing nomination and compensation committees and audit committees within regional integrated companies’ boards of directors. Meanwhile, the Group is establishing a system that facilitates the appropriate and timely sharing of information about risks and other important matters of concern by building a comprehensive internal control system that includes overseas organizations.

In Japan, in fiscal 2013, NTT DATA increased management efficiency by beginning renewal of the common accounting system that domestic Group companies use. In fiscal 2014, NTT DATA extended introduction of the system, which encompasses approximately 70 major domestic Group companies. As a result, most domestic Group companies use a common accounting system. This enables centralized management of accounting information and the securing of internal control. Furthermore, the use of this system significantly reduces maintenance and operational burdens.

Moreover, aiming to increase the efficiency of Group management, NTT DATA introduced an in-house Group Management Infrastructure system that visualizes Group companies’ management information (in the financial and personnel fields) to domestic Group companies. Through this new system, NTT DATA aims to optimize management resource allocation to reflect project characteristics, expedite business management, enhance the precision of information used for decisionmaking, and realize Group synergies.

Ensuring Robust Group Governance Based on Group Management Policies and Group Management Rules

To optimize the Group as a whole, the NTT DATA Group established Group Management Policies to define the basic approach to Group management. Furthermore, with respect to consultation and reporting between NTT DATA and Group companies, Group Management Rules have been established for domestic Group companies and a Group Authority Matrix has been established for overseas Group companies. The rules and matrix are used in combination with Group Management Policies to realize robust management of Group governance.



Risk Management

Policy

The NTT DATA Group seeks to ascertain all risks associated with business activities to minimize the frequency of occurrence of these risks and limit their impact on operations should they materialize. To facilitate this effort, in 2002 we appointed an officer in charge of supervising and promoting risk management from a Companywide perspective.

In addition, risk management promotion officers were appointed to the Risk Management Division as well as other divisions and Group companies to enable them to respond proactively and independently to various risks.

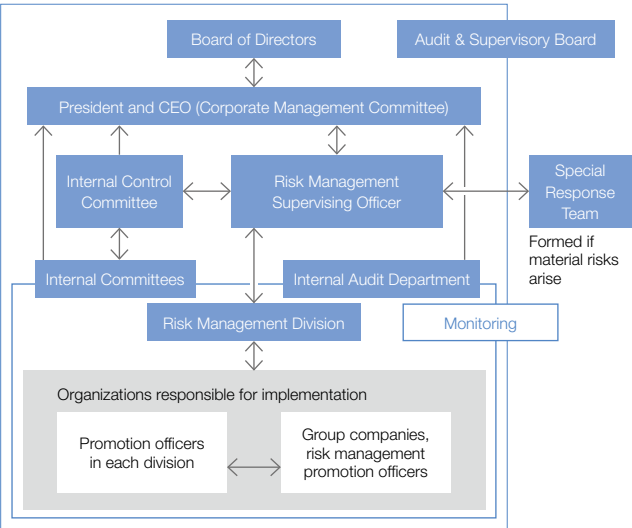
NTT DATA defines material risks, and reviews progress toward addressing these and achieving related targets, with the results of such reviews being reflected in various measures.

The Internal Control Committee convenes twice a year to discuss measures pertaining to the reduction of risks and evaluate their effectiveness. The results of these evaluations are reported to the Corporate Management Committee as well as the Board of Directors.

Since the NTT DATA Group provides various services world-wide to a wide range of clients and industries, each business unit has its own unique business environment. Therefore, the

Board of Directors decided to delegate considerable power to sector heads. This measure allows proper understanding of and prompt responses to risks relating to client relationships and market environments.

Risk Management Structure



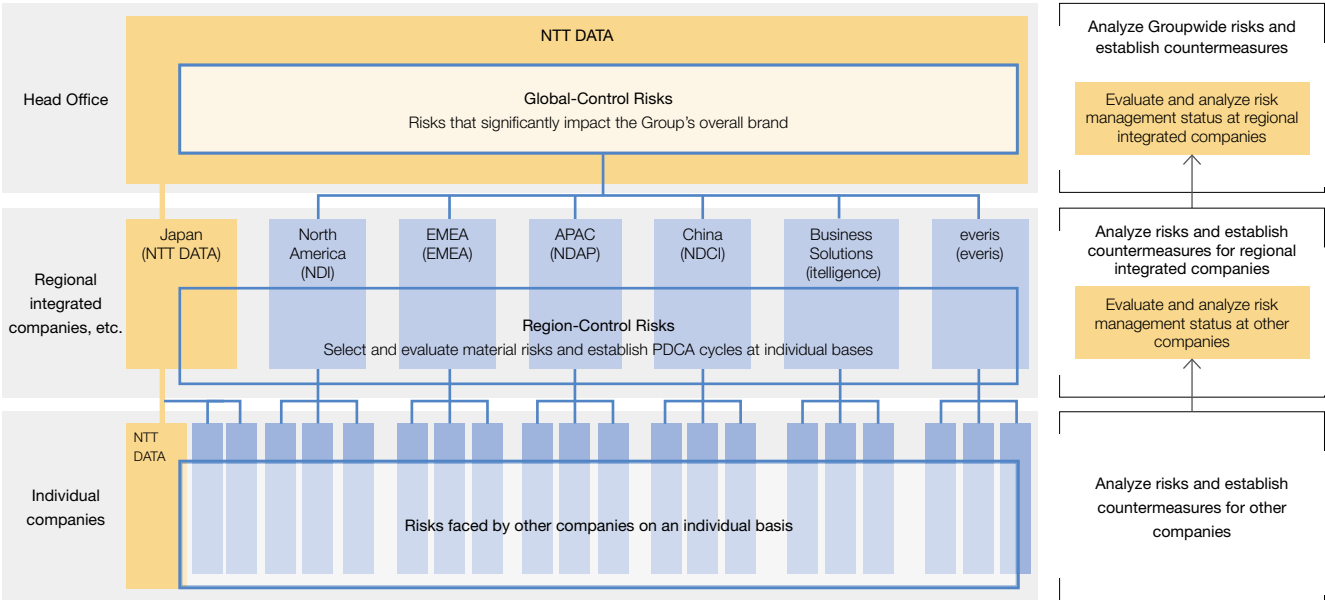
Risk Management Methods

NTT DATA identifies risks that may impact its Head Office, regional integrated companies, etc., and other companies on an individual basis, and formulates countermeasures accordingly. High-level divisions effectively manage the measures in place at organizations under their jurisdiction by analyzing and evaluating their implementation status. Groupwide measure implementation status is analyzed, evaluated, and monitored by the Risk Management Division. In addition, risks determined to have

the potential to impact the entire Group are defined as “global-control risks,” and are managed on a Groupwide basis. In this manner, the Company is practicing stringent and comprehensive risk management.

Region-control risks are positioned as key risks for regional integrated companies that are evaluated and improved in light of material risk countermeasure implementation and risk occurrence status.

Risk Management Categories



Global-Control Risks

Global-control risks with the potential to impact the entire Group are identified by the Internal Control Committee by incorporating opinions from outside specialists and adopting a broad perspective encompassing factors such as changes in social trends.

In 2016, we continued selecting the same risks as in the previous fiscal year as a medium- to long-term effort spearheaded by NTT DATA's Head Office.

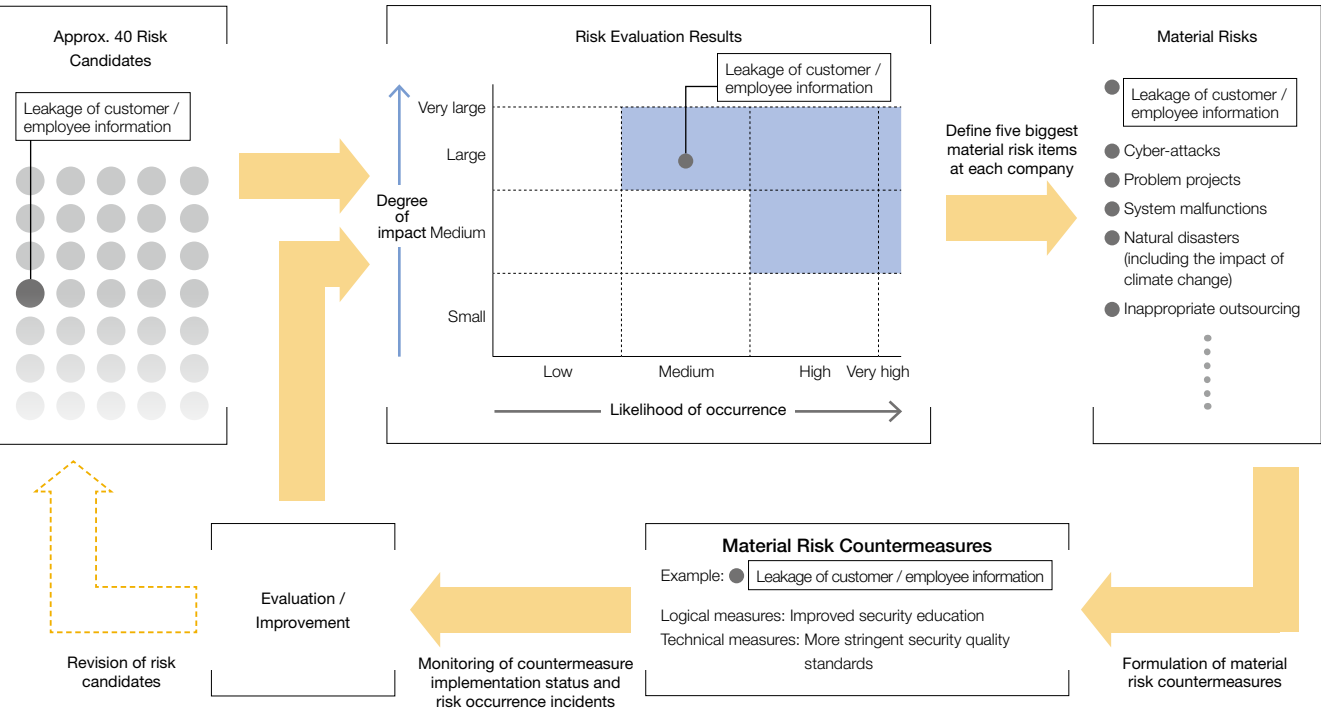
NTT DATA Global-Control Risks

Material Risks	Major Improvements, etc.	Initiatives
Information leakage (personal / confidential information) Cyber-attacks	<ul style="list-style-type: none"><li>Continue enhancing countermeasures for ever-increasing security risks</li><li>Strengthen preparedness for advanced cyber-attacks focused on public institutions</li></ul>	<ul style="list-style-type: none"><li>Promote Companywide security measures (targeted attack emails, etc.), conduct cyber-attack response drills, review response to malware mass infection, and provide shared infrastructure for security</li><li>Expand security personnel training / qualifications</li></ul>
Accounting fraud (including window dressing)	<ul style="list-style-type: none"><li>Expand global unified auditing, connect to risk indication auditing</li></ul>	<ul style="list-style-type: none"><li>Review and consider global integrated audit items</li><li>Conduct full-scale risk indication auditing, consider deployment at Group companies including overseas</li><li>Stimulate awareness through training</li></ul>
Bribery	<ul style="list-style-type: none"><li>Continue strengthening compliance education</li></ul>	<ul style="list-style-type: none"><li>Conduct training regarding bribery</li><li>Create global compliance policy guide</li></ul>

Region-Control Risks

Region-control risks managed independently by regional integrated companies define material risks based on approximately 40 risk candidate items in each region that are evaluated and improved in light of material risk countermeasure implementation and risk occurrence status.

Region-Control Risks Establishment Process Image





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

▶ [CSR \(Corporate Social Responsibility\)](#)

<http://www.nttdata.com/global/en/csr/>



▶ [NTT DATA Technology Foresight](#)

<http://www.nttdata.com/global/en/insights/foresight/>



▶ [Investor Relations](#)

<http://www.nttdata.com/global/en/investor/index.html>



■ [Corporate Governance](#)

<http://www.nttdata.com/global/en/investor/library/cg-report/index.html>

■ [Annual Report and some other financial information](#)

<http://www.nttdata.com/global/en/investor/library/annual-reports/index.html>

## NTT DATA Corporation

Toyosu Center Bldg., 3-3, Toyosu 3-chome,  
Koto-ku, Tokyo 135-6033, Japan  
Telephone: +81-3-5546-8202  
URL: <http://www.nttdata.com/>



Company Information (As of March 31, 2017)

Company Name  
NTT DATA Corporation

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

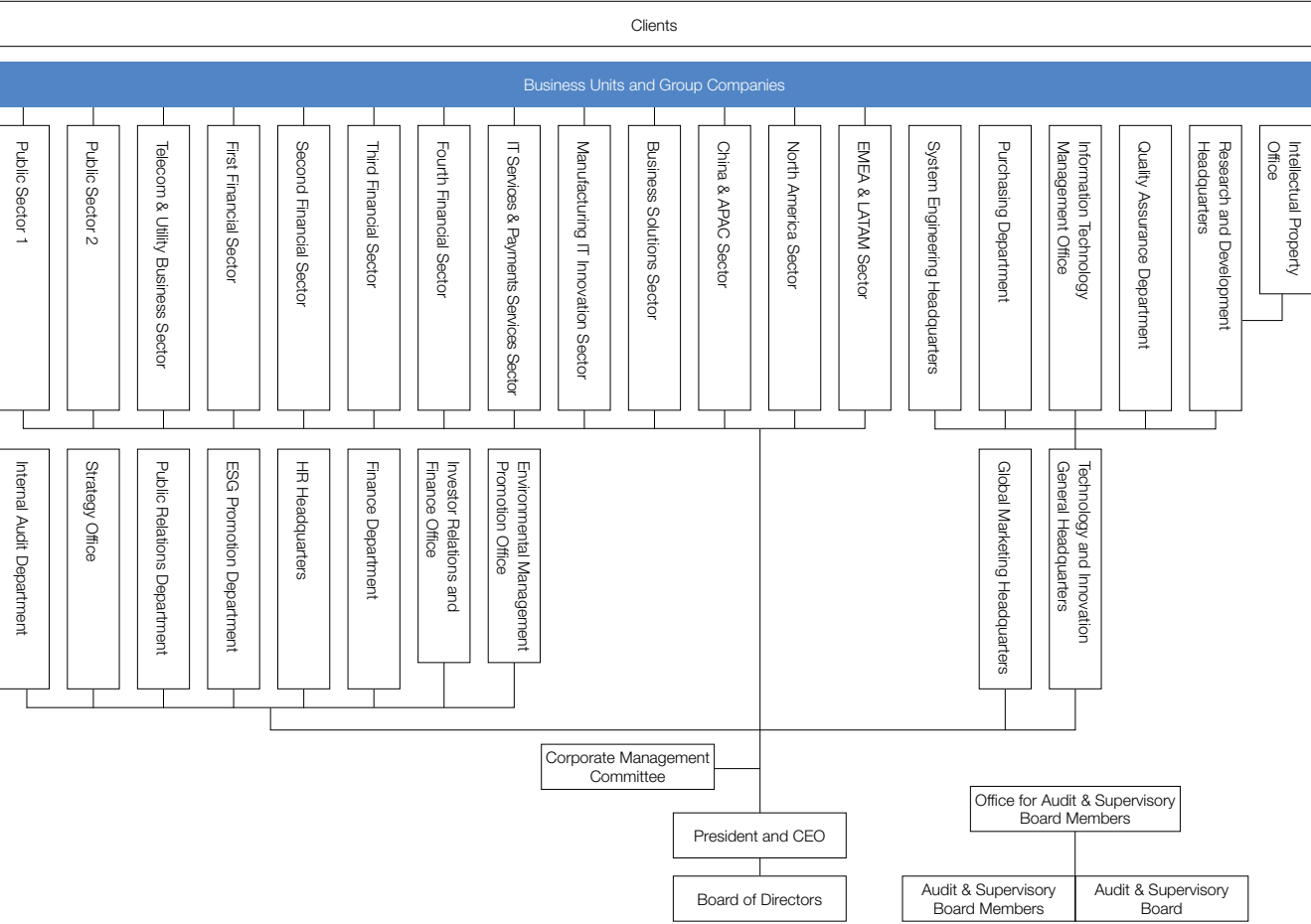
Date of Establishment  
May 23, 1988

Common Stock  
¥142,520 million

Fiscal Year  
April 1 to March 31 of the following year

Independent Auditors  
KPMG AZSA LLC

Organizational Structure (As of July 1, 2017)



Directors, Audit & Supervisory Board Members, and Senior Vice Presidents (As of July 1, 2017)

Directors

Representative Director, President and Chief Executive Officer <b>Toshio Iwamoto</b>	Representative Director and Senior Executive Vice President <b>Yo Honma</b> Responsible for Japan & Asia Region	Representative Director and Senior Executive Vice President <b>Eiji Ueki</b> Responsible for Corporate Strategy, Human Resource Management, Finance (CFO), Investor Relations, Risk Management (CRO), Public Relations, Technology Strategy (CTO) and, Information Security (CISO)	Representative Director and Senior Executive Vice President <b>Kazuhiro Nishihata</b> Responsible for Global Marketing, Americas & Europe Region, North America Segment, EMEA & LATAM Segment
Director and Executive Vice President <b>Tsuyoshi Kitani</b> Head of Technology and Innovation General Headquarters	Director and Executive Vice President <b>Keiichiro Yanagi</b> Head of HR Headquarters and ESG Promotion Department	Director and Executive Vice President <b>Hiroyuki Aoki</b> Responsible for Public & Social Infrastructure Segment	Director and Executive Vice President <b>Shigeki Yamaguchi</b> Responsible for Enterprise & Solutions Segment, China & APAC Segment
Director and Executive Vice President <b>Tooshi Fujiwara</b> Responsible for Financial Segment	Director <b>Yukio Okamoto</b> Outside Director* <sup>1</sup> , Independent Director* <sup>3</sup>	Director <b>Eiji Hirano</b> Outside Director* <sup>1</sup> , Independent Director* <sup>3</sup>	Director <b>Takashi Ebihara</b>

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member <b>Yukio Ishijima</b> Outside Audit & Supervisory Board Member* <sup>2</sup> , Independent Director* <sup>3</sup>	Standing Audit & Supervisory Board Member <b>Tetsuro Yamaguchi</b> Outside Audit & Supervisory Board Member* <sup>2</sup>	Standing Audit & Supervisory Board Member <b>Akio Nakamura</b> Outside Audit & Supervisory Board Member* <sup>2</sup> , Independent Director* <sup>3</sup>	Audit & Supervisory Board Member <b>Rieko Sato</b> Outside Audit & Supervisory Board Member* <sup>2</sup> , Independent Director* <sup>3</sup>
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Executive Vice President

**Sachihiko Okimura**  
Head of Third Financial Sector

Senior Vice Presidents

<b>John McCain</b> Chief Executive Officer of NTT DATA Services	<b>Koji Ito</b> Head of North America Sector Head of EMEA & LATAM Sector	<b>Takashi Nakamura</b> Head of Finance Department	<b>Masanori Suzuki</b> Head of Second Financial Sector
<b>Shunichi Takeuchi</b> Head of Telecom & Utility Business Sector	<b>Hisashi Matsunaga</b> Head of First Financial Sector	<b>Shinichi Usui</b> Head of Public Sector 1	<b>Ken Tsuchihashi</b> Chair of the Board, NTT DATA EMEA LTD.
<b>Tadashi Uhira</b> Head of China & APAC Sector Chair of the Board, NTT DATA (CHINA) Co., Ltd. Chair of the Board, NTT DATA (CHINA) INVESTMENT Co., Ltd. Chair of the Board, NTT DATA Asia Pacific Pte. Ltd.	<b>Motonobu Isoya</b> Head of Manufacturing IT Innovation Sector	<b>Tetsu Sato</b> President and CEO of NTT DATA Asia Pacific Pte. Ltd.	<b>Hidenori Chihara</b> Head of Public Sector 2
	<b>Shinichiro Miyake</b> Head of Fourth Financial Sector	<b>Yutaka Sasaki</b> Head of Business Solutions Sector	<b>Isao Arima</b> Head of IT Services & Payments Services Sector

\*1 Yukio Okamoto and Eiji Hirano are outside directors pursuant to Article 2, Paragraph 15 of the Companies Act.  
\*2 Yukio Ishijima, Tetsuro Yamaguchi, Akio Nakamura, and Rieko Sato are outside Audit & Supervisory Board members pursuant to Article 2, Paragraph 16 of the Companies Act.  
\*3 NTT DATA has designated Yukio Okamoto, Eiji Hirano, Yukio Ishijima, Akio Nakamura, and Rieko Sato as independent directors in accordance with the listing regulations of the Tokyo Stock Exchange and notified it.