

ANNUAL REPORT 2013
Fiscal Year Ended March 31, 2013



CONTENTS

What is NTT DATA?	2 What is NTT DATA? 6 Consolidated Financial Highlights
President's Message	8 A Message from the President 10 Interview with the President
Special Feature	18 Special Feature: Foresight 20 Technology Foresight Near-Future Information Society Outlook and Technology Trends Software Production Technology Innovation 25 Service Innovation The Bridge Monitoring System CAFIS: Integrated Credit Card Settlement Solution
Review of Operations	30 At a Glance 32 Public & Financial IT Services Company 33 Enterprise IT Services Company 34 Solutions & Technologies Company 35 Global Business Company 36 Directors, Corporate Auditors and Executive Officers
Financial & Others	38 Financial Section 56 Investor Information 57 Corporate Data

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

- ▶ **Notice of Convocation of the 25th Ordinary General Meeting of Shareholders**
http://www.nttdata.com/global/en/investor/shareholders-meeting/pdf/2013/sh25_e.pdf
- ▶ **CSR (corporate social responsibility)**
<http://www.nttdata.com/global/en/csr/>

Note: With respect to the notation of fiscal years in the graphs and charts within this annual report, "2013" indicates the fiscal year ended March 31, 2013.

Cautionary Statement Regarding Forward-Looking Statements

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

Global IT Innovator

We realize the dreams of our clients around the world through long-term relationships.

We develop evolving ecosystems with our clients through leading-edge technologies.

We enhance our creativity by respecting diversity.

What is NTT DATA?

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

What is NTT DATA?

Business Field

1

The NTT DATA Group uses its collective strengths in a broad range of domains to provide a total service.

Description of Business		Companies Engaged in Similar Types of Business	NTT DATA's Strengths
System Integration	Strategic Planning	<ul style="list-style-type: none"> Accenture CSC Fujitsu HP IBM NEC Unisys 	<ul style="list-style-type: none"> Construction capabilities in systems that form social infrastructure and standard systems shared within the industry, based on the NTT Group's neutrality Experience with large-scale projects, including government projects Ability to manage projects with various vendors as the main contractor Construction capabilities of multi-vendor systems that can accommodate any hardware brand Provision of services from consulting to operation and maintenance Global support capabilities, with overseas bases in 34 countries and regions
	Systems Planning		
	Systems Design and Installation		
	Systems Maintenance and Facility Management		
Network Systems for Settlement		(Settlement) • None	<ul style="list-style-type: none"> Considerable competitive edge in business development in the area of network systems for payment settlement, such as "ANSER" and "CAFIS" Ability to address diversified customer needs, which include the need for public clouds, community clouds, etc. Development of services, including ASP, security, and data centers
Cloud-Computing		(Cloud-computing) • Google • salesforce.com	
Consulting		<ul style="list-style-type: none"> Accenture Capgemini IBM PwC 	<ul style="list-style-type: none"> System construction and system consultation capabilities based on strategic IT planning know-how
System Support		<ul style="list-style-type: none"> Various IT Service Vendors 	<ul style="list-style-type: none"> Operation and maintenance know-how accumulated by providing large-scale systems Over 200 support bases nationwide

The NTT DATA Group provides information systems and services aligned with the requirements and challenges of society.

Public Sector and Education

We develop and manage information systems that support communities in such fields as taxation, employment, labor, trade, transportation and IT-based education services.



Credit and Payment

We develop and administer large-scale network systems that connect payment and receipt functions among financial, retail and credit companies.



Manufacturing and Logistics

We provide solutions that enable leaner and more efficient operational procedures in manufacturing, sales, logistics and other functions.



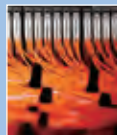
Healthcare and Life Sciences

We provide services that enable more efficient and advanced healthcare administration including healthcare management systems and regional health information network systems.



Telecommunications and Broadcasting

We construct and manage core systems for mobile and smartphone operations as well as develop billing and customer management systems for the telecommunications and broadcasting sectors.



Distribution and Service

We deploy responsive services and solutions that are well-suited to the rapidly changing business environment in the distribution and service sectors.



Banking and Financial Services

We provide systems that meet the scale and purpose requirements of financial institutions, including solutions in shared-use and outsourcing for banks, brokerages, and life and non-life insurers.



Energy and Utilities

To build a sustainable society for future generations, we provide solutions that enable our clients and society as a whole to achieve a smaller environmental impact.



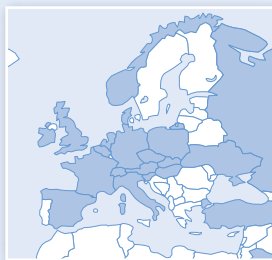
Fundamental Technologies

We leverage our cloud and open source technologies to support IT platform optimization and meet the needs of our clients via big-data solutions and other approaches.



About 28,800 persons deployed in 136 cities in 34 countries and regions worldwide.

Status of Overseas Bases



EMEA *1
Bases: 58 cities
Employees: 6,800

APAC *2
Bases: 22 cities
Employees: 10,900

China
Bases: 13 cities
Employees: 4,000

Americas
Bases: 43 cities
Employees: 7,100

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

*2 APAC: Asia and the Pacific region excluding Japan and China

Strengths

The biggest system integrator in Japan, excelling in large-scale systems.

Neutrality

- Build social infrastructure and shared systems for industry, leveraging our impartiality
- Multi-vendor technology without hardware restrictions

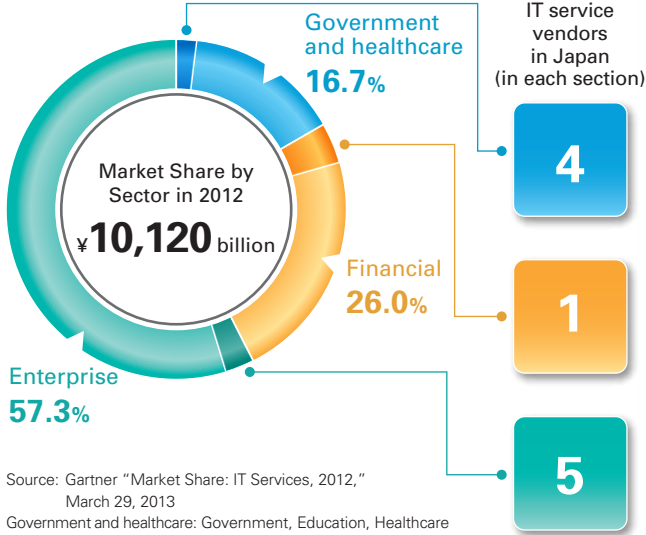
Social infrastructure (e.g., large-scale systems for central government agencies)
Nationwide infrastructure (e.g., Zengin data telecommunications system for banks)
Cross-industry infrastructure (e.g., integrated ATM network system), etc.

What is NTT DATA?

Market Size

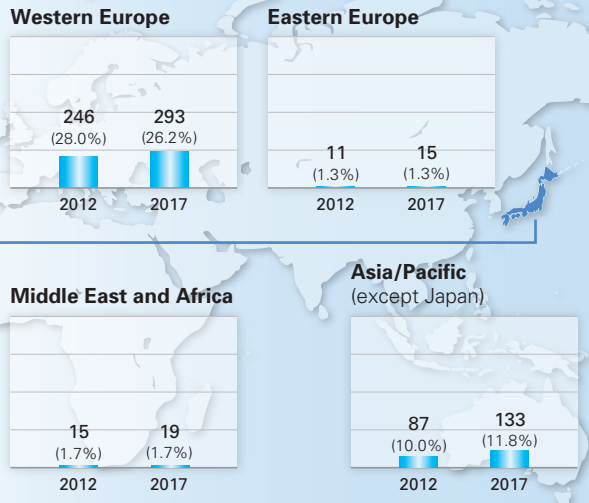
In 2012 (Calendar Year), the IT services market in Japan was worth approximately **¥10,120 billion**.

Size of Japan's IT Services Market



Source: Gartner "Market Share: IT Services, 2012," March 29, 2013
 Government and healthcare: Government, Education, Healthcare
 Financial: Banking & Securities, Insurance
 Enterprise: Sales not included above
 Note: Chart created by NTT DATA, based on Gartner data.

Size of the Worldwide IT Services Market (\$ billion)



Technologies and Trust

- Proven record in ultra-large-scale systems, including national government projects
- Technological expertise honed by experience in system construction
- Outstanding financial stability

Foresight

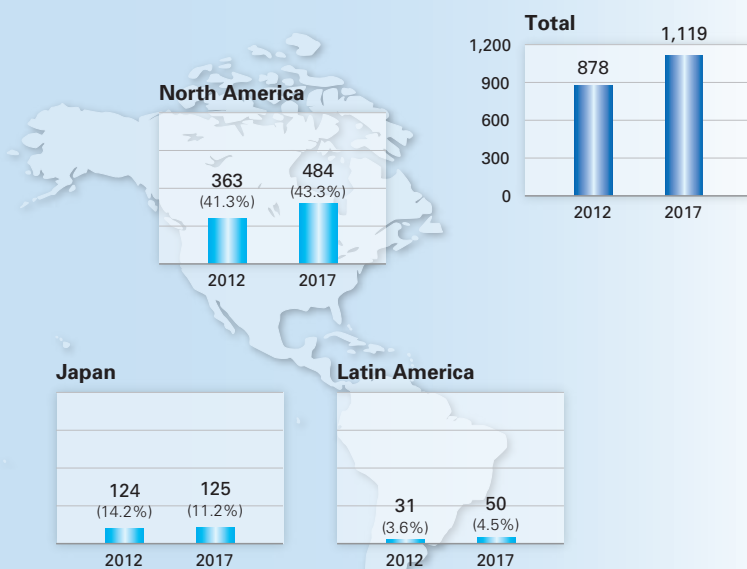
- Ability to create new IT-driven business models from experience in diverse industries
- Vigorous R&D program

World's largest mission-critical client server systems (e.g., NTT DoCoMo i-mode gateway system), etc.

Settlement networks for the payment of public utility fees, taxes, and other bills (e.g., Multi-Payment Network)

Integrated settlement networks (e.g., "ANSER" and "CAFIS"), etc.

In 2012 (Calendar Year), the worldwide IT services market was worth approximately **\$878 billion (¥70 trillion)**.



Rankings of World's IT Service Vendors (\$ million)

Rank	Vendor	Net Sales
1	IBM	58,674
2	HP	34,922
3	Accenture	26,845
4	Fujitsu	23,810
5	CSC	15,689
6	NTT DATA	13,946
7	Xerox	13,220
8	Capgemini	13,196
9	Oracle	12,928
10	Hitachi	12,358

Source: Gartner "Forecast: IT Services, 2011-2017, 1Q 13 Update," March 14, 2013
 Notes: 1. Chart created by NTT DATA, based on Gartner data.
 2. Figures in parentheses represent percentages in the world total.

Source: Gartner "Market Share: IT Services, 2012," March 29, 2013

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

Consolidated Financial Highlights

Years ended March 31

	2003	2004	2005
For the Year:			
Net Sales	¥ 832,109	¥ 846,705	¥ 854,153
Operating Income	61,544	59,725	39,288
Income before Income Taxes	50,932	44,440	32,144
Net Income	28,562	26,956	20,110
New Orders Received	843,571	750,795	658,161
Capital Expenditures	171,016	148,922	110,820
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles	161,427	169,133	164,532
Research and Development Expenses	18,224	15,349	16,542
Free Cash Flow	67,180	44,044	60,711

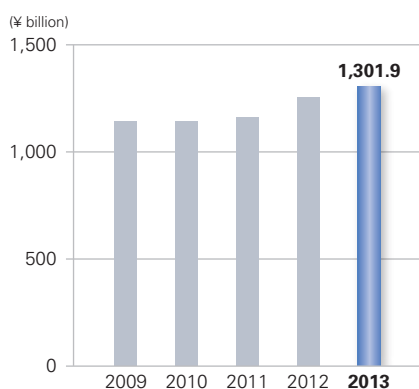
At Year-End:

Total Assets	1,118,400	1,065,549	1,038,571
Total Equity	435,714	458,846	473,981
Interest-Bearing Debt	370,703	317,013	295,341
Number of Employees	15,971	17,389	18,720

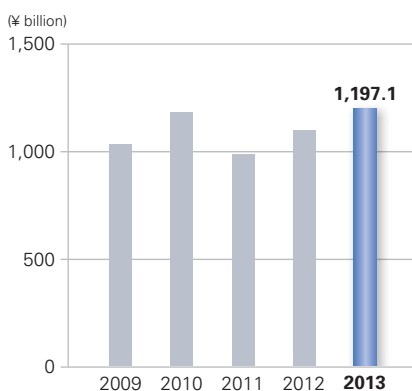
Per Share:

Net Income	¥ 10,151	¥ 9,578	¥ 7,139
Cash Dividends	2,000	2,000	2,000

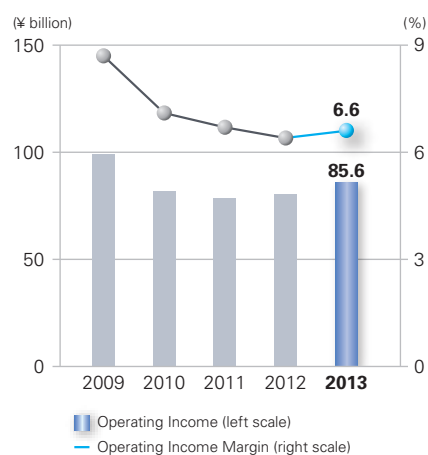
Net Sales



New Orders Received



Operating Income and Operating Income Margin



Notes: 1. With respect to the notation of fiscal years in the graphs and charts within this annual report, "2013" indicates the fiscal year ended March 31, 2013.
2. We plan to implement a 1:100 stock split with an effective date of October 1, 2013, but the data here does not take the stock split into account.

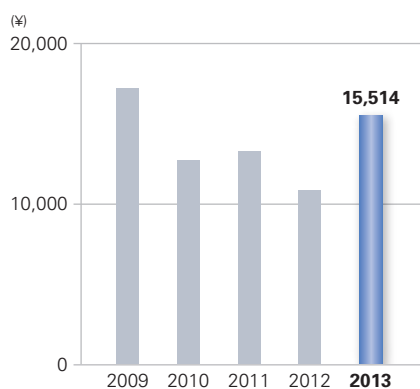
Key Figures of the Fiscal Year ended March 31, 2013

- Net sales increased by 4.1% year on year as a result of a net sales increase on a non-consolidated basis as well as an increase in the number of consolidated subsidiaries.
- Operating income increased by 6.6% year on year reflecting a decrease in SG&A expenses, etc. in addition to the impact of sales expansion mainly by Enterprise IT Service.
- New orders received increased by 9.0% year on year as a result of an increase in the number of consolidated subsidiaries as well as new orders of large-scale projects.

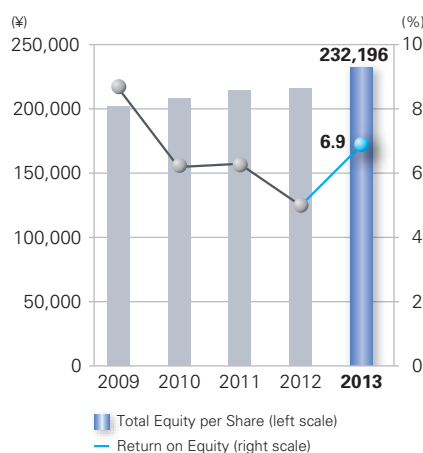
								Millions of yen
2006	2007	2008	2009	2010	2011	2012	2013	
¥ 907,281	¥ 1,044,918	¥ 1,074,405	¥ 1,139,092	¥ 1,142,940	¥ 1,161,962	¥ 1,251,177	¥ 1,301,941	
46,866	90,250	95,911	98,546	81,689	78,306	80,416	85,696	
42,016	85,769	51,492	91,431	71,789	68,471	71,882	77,019	
28,190	50,637	30,454	48,360	35,662	37,313	30,446	43,517	
723,673	967,901	1,012,278	1,035,242	1,181,549	988,484	1,098,400	1,197,168	
112,145	139,564	176,826	180,068	162,570	139,069	133,965	122,113	
158,361	152,862	159,263	166,681	161,981	158,566	159,721	153,877	
17,306	11,307	10,749	10,090	11,389	10,742	13,507	12,105	
53,116	83,304	39,653	(6,902)	83,667	(56,468)	30,406	46,283	
1,056,336	1,087,346	1,193,827	1,275,091	1,279,256	1,468,617	1,474,894	1,524,309	
495,703	534,916	548,133	566,308	584,537	601,601	605,709	651,312	
271,928	246,330	241,204	304,735	272,299	404,292	371,673	369,907	
21,308	22,608	23,080	31,739	34,543	49,991	58,668	61,369	

								Yen
¥ 10,024	¥ 18,052	¥ 10,857	¥ 17,240	¥ 12,713	¥ 13,302	¥ 10,854	¥ 15,514	
3,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	

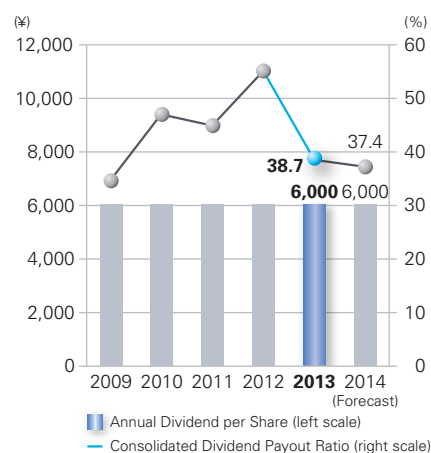
Net Income per Share



Total Equity per Share and Return on Equity (ROE)



Annual Dividend per Share and Consolidated Dividend Payout Ratio



A Message
from the
President



The NTT DATA Group will work as one to deliver new breakthroughs.

On behalf of the NTT DATA Group, I would like to take the opportunity to offer you our best wishes for your continued success.

In the fiscal year ended March 31, 2013, the NTT DATA Group posted net sales of ¥1,301.9 billion and operating income of ¥85.6 billion. The growth in both revenue and earnings was mainly attributable to the steady progress we made on our four-year Medium-Term Management Plan (goes from April 2012 to March 2016). The plan calls on NTT DATA to become a Global Top 5 Player in IT services and achieve earnings per share (EPS) of ¥20,000.

The current fiscal period ending March 2014 is the plan's second year. The first year was for organizational restructuring to consolidate the Group's foundation. The second year is for sharply accelerating progress toward achieving the plan's goals.

One initiative aimed at achieving these goals is "Re-Marketing." Under this Re-Marketing initiative, we work to find hidden domestic markets and to establish new markets in the light of technological innovation and changes in the operating environment. Strategic R&D is also an important element to promote. With our assertive adoption of automated development technology, we offer Software Production Technology Innovation, an initiative that fundamentally alters system development methods. Together with our clients, we will drive further innovation.

Furthermore, we celebrate 2013, the 25th anniversary of the NTT DATA Group's formation, with a new Group Vision: Global IT Innovator. Today, as a global business that has grown to encompass operations in 34 countries and regions, we will work toward the next stage of globalization with all employees united under this new vision.

In the year ending March 2104, the NTT DATA Group will work as one to deliver new breakthroughs throughout the world.

July 2013

Toshio Iwamoto
President and Chief Executive Officer



Interview with the President

“By accelerating implementation of the Medium-Term Management Plan, we will move much closer to the plan’s goals.”

Q

Looking back, what is your assessment of the Group’s performance in the year ended March 2013?

A

We made steady progress with the Medium-Term Management Plan, achieving year-on-year increases in both revenue and earnings.

The year under review was a memorable one in which new leaders emerged in many countries. In Japan, there were many changes in the Group’s operating environment, brought about by large fluctuations in foreign exchange rates and share prices from the end of the third quarter.

While capital investment stayed sluggish during the year ended March 31, 2013, the general downtrend in Japan’s economy seems to have leveled out, as seen in the continued steady performance of mainly domestic-demand-related industries. Looking ahead, the Japanese economy is expected to make a modest recovery, leaving aside downside risks in overseas economies such as the sovereign debt crisis in Europe.

In the IT services market, there was a trend toward larger projects, including IT infrastructure integration. However, we felt that companies retained a cautious approach toward investment given the ongoing need to reduce maintenance and operating costs.

Against this backdrop, the NTT DATA Group posted consolidated net sales of ¥1,301.9 billion, up 4.1% from the previous year, and operating income of ¥85.6 billion, up 6.6% from the previous year. Thus, we succeeded in achieving higher revenue and earnings as we steadily implemented the Medium-Term Management Plan (goes from April 2012 to March 2016), pressing on from the previous year.

Key Figures of the Fiscal Year ended March 31, 2013

(Billions of yen)

	FY ended March 31, 2012	FY ended March 31, 2013	Versus Previous Year	
			Year-on-Year	Rate of Change
New Orders Received	1,098.4	1,197.1	+98.7	+9.0%
Net Sales	1,251.1	1,301.9	+50.7	+4.1%
Operating Income	80.4	85.6	+5.2	+6.6%
Segment Profit*	71.8	77.0	+5.1	+7.1%
Net Income	30.4	43.5	+13.0	+42.9%

* Segment Profit is income before income taxes.

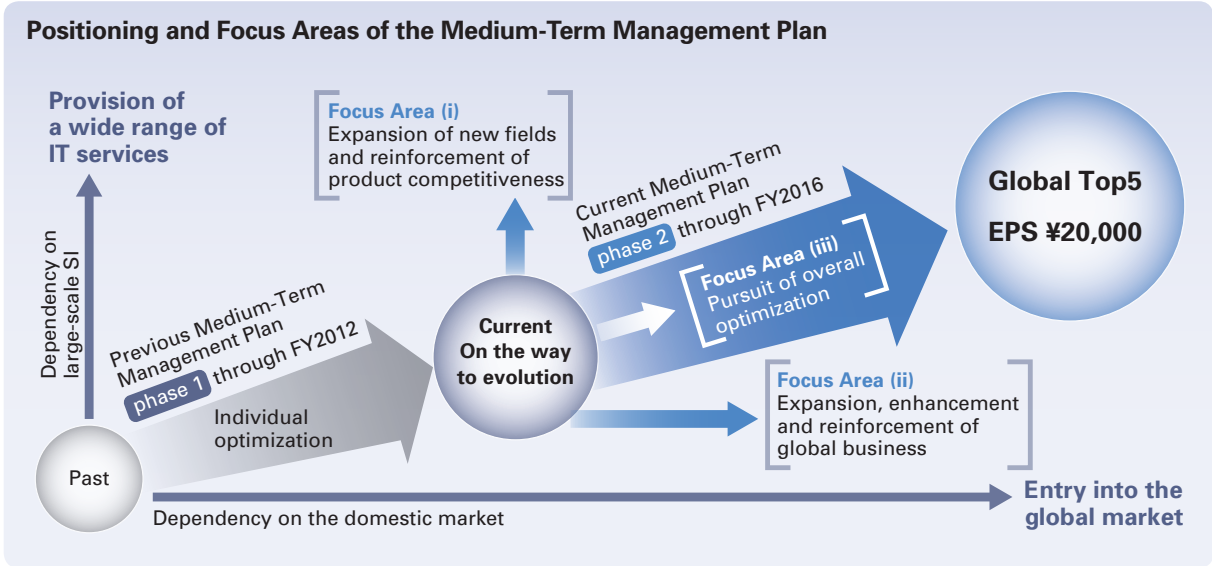
Q**Please tell us how you see the current fiscal year's position as the plan's second year.****A****With the inaugural year of the plan for structural reform in consolidating our foundation, we see the current period as a year for sharply escalating measures that will bring us closer to achieving the plan's goals.**

For some time, we have implemented policies for breaking away from a business model centered on large-scale system integration (SI) in Japan in order to advance globalization and diversify operations. But first, I would like to again present the goals of the Medium-Term Management Plan, formulated in the year under review.

The plan has two goals. The first is to become a Global Top 5 player in the IT services market. The second is to achieve earnings per share (EPS) of ¥20,000 as an indicator of improved corporate value.

To achieve the goals of the plan, we will concentrate on three focus areas: (i) the expansion of new business fields and the reinforcement of product competitiveness; (ii) the expansion, enhancement, and reinforcement of our global business; and (iii) the pursuit of overall optimization.

The Group positioned the first year of the plan as a period of structural reforms to consolidate its foundation. Accordingly, we steadily implemented measures in each focus area, enabling us to increase both revenue and earnings. In the current fiscal year—the second year of the plan—we are escalating these measures to make huge strides that will bring us close to achieving the plan's goals.

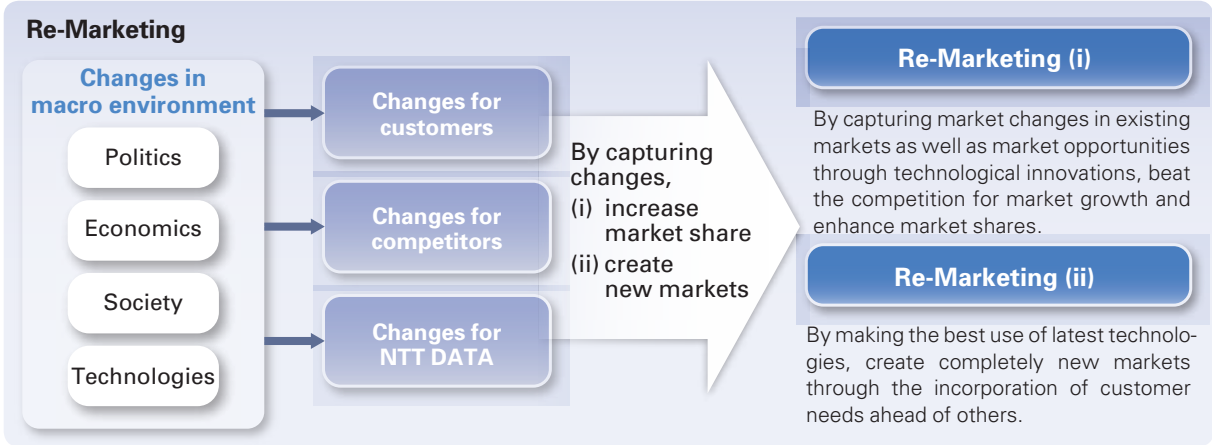


Q Let's go through the three focus areas in order. First, please tell us about the expansion of new business fields and the reinforcement of product competitiveness.

A Our Re-Marketing strategy aimed at re-creating markets in Japan is beginning to bear fruit. Moreover, we are actively disseminating NTT DATA Technology Foresight (see page 20) to build lasting partnerships with clients. We are also constantly increasing the number of projects that apply automated system development—our Software Production Technology Innovation (see page 23).

Recently, clients have been faced with rapid changes in their operating environments. Furthermore, coupled with relentless advances in recent information technology, the momentum of these changes is only increasing. By freeing ourselves from preconceived notions, we aim to increase market share and thus create new markets. To this end, we will seize every opportunity for market entry by skillfully monitoring the business environments of our clients. We call this strategy "Re-Marketing." I am pleased to say that it is already bearing fruit. To give one example, the Group has increased its share in business process outsourcing (BPO) of core services for financial institutions.

In addition, we allied with Twitter, Inc. of the United States to launch a data provision service for companies that analyzes tweet data, creating a new market. We are currently fielding enquiries about this service from a large number of clients.



Moreover, NTT DATA Technology Foresight, a compilation on the near-future information society based on 56 social issues and 215 technical keywords, has been well received by our clients and we intend to assertively disseminate this compilation to them and the public in the years to come.

Technology Foresight

NTT DATA's Research and Development Headquarters has been closely and continuously monitoring technological trends. Technology can be divided into three levels. The first is potential-level technology, which is under development at research institutions and universities and has yet to take concrete shape. The second level is explicit technology, which has been released on the commercial basis, but is employed only by certain advanced users. The third level is widely used technology, which is deployed across society.

Along with the widely used technologies, NTT DATA has always studied ways to bring both potential and explicit technologies into commercial use.

We began Technology Foresight with the idea that we could go beyond conventional development practices and share our research findings with as many clients as possible and then, through collaboration with them, we could create the IT society of tomorrow.

Today, we feature emerging information society and technology trends that are driving major changes worldwide examined through the four lenses of politics, economics, local and regional communities, and technological context in Technology Foresight, and we actively disseminate our findings on these trends via lectures and private seminars. By informing our clients about the likely changes in the direction of businesses, we believe we can build lasting partnerships with them in Japan and overseas.

Another key initiative is strategic R&D. Let me explain our Software Production Technology Innovation as a prominent measure of our strategic R&D initiative.

Software Production Technology Innovation

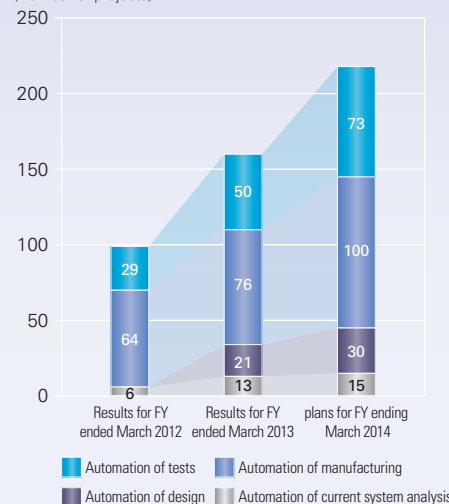
While many production processes have automated in the manufacturing sector and other industries, production processes in IT services remain labor-intensive work in which many people work on system development. Ultimately, we would like to change the way of conventional system development—starting from requirement definition, design, programming, and then tests at the end. We are thus actively promoting the application of various automation tools, and the number of projects using these tools continues to grow.

A large Japanese financial institution reduced 30% of the processes from the detail design stage to the integration test stage by installing TERASOLUNA ViSC, an automated program generation tool. The response to such tools from overseas has been enormous. Automation makes it possible to avoid human errors. A major life insurance company, for example, reduced its system's latent defect rate by over 80% per year due to adoption of TERASOLUNA Reengineering, one of our system analysis tools for current systems, achieving a remarkable improvement in quality.

We seek to create further benefits through the integration of various automation tools.

Changes in the number of application of automated development tools

(Number of projects)



Q

Please tell us about the second focus area: expansion, enhancement, and reinforcement of global business.

A

With the first stage of our global expansion completed, we're now about to start on the second stage. As a Global IT Innovator, we will push forward to achieve the goals of this next stage.

Today, about 28,800 people, almost half of the Group's total employees, work overseas, that is in 136 cities in 34 countries and regions. We have finally established a structure capable of delivering worldwide support to our clients' businesses. With the integration of all Group companies worldwide under the NTT DATA brand in 2012, we are now moving to the second stage: leading our clients' businesses forward across the world as One NTT DATA. We will push forward as a Global IT Innovator to achieve our second stage goals. By strengthening "global accounts," "global offerings," and "global talent" in this stage, we will continue to deliver even more value to a global market.

"Global accounts" refers to not only supporting the accounts of Japanese businesses operating overseas, but also providing worldwide support for global businesses. We will help these businesses wherever they may be in the world by taking advantage of the NTT DATA Group's global network. In addition to increasing the number of clients, we believe it is important to become closely involved in the businesses of each client, and to provide them with a broader spectrum of IT services.

"Global offerings" is an initiative for systematizing the products and services delivered to clients. We share and consolidate the services and know-how offered in each country and region as a Group on a worldwide basis. Accordingly, we will be able to deliver global-level best practice to our clients. Furthermore, we will strengthen

Expansion of the Global Business





collaboration across the Group in order to deliver services at an even higher level.

Lastly, "global talent" means enhancing global human resources that will become the core of the Group's future business. We will recruit talented people who can truly excel on a world stage and train them, and also establish personnel mechanisms befitting a global organization.

Reaching a certain level in these initiatives is the goals of the second stage. Moving ahead with efforts to strengthen our operations on these three fronts simultaneously, we will deliver value to a global market.

Q**Please tell us about the third focus area: the pursuit of overall optimization?****A****The Group has started full-fledged operation of our Shared Service Center (SSC), which integrates finance, human resources, purchasing, and other work in Japan and overseas.**

The NTT DATA Group now takes advantage of scale in managing its operations by standardizing, consolidating, and raising efficiency on a global level.

In Japan, our Group Shared Service Center started full-fledged operations. The center consolidates various work processes, such as finance, human resources, and purchasing, and enables offshore operations. In the year under review, 33 companies adopted the Group SSC. We expect the number of companies using this system to increase to 50 by March 2014, 64 by March 2015, and 71 companies at the end.

With respect to the Global SSC for overseas subsidiaries, we started introducing the center at subsidiaries in Europe and North America. Consolidation into an integrated system and redeployment of finance, human resources, and other business tasks as business processes outsourcing (BPO) to India are steadily progressing.

We are working to introduce this system to more Group companies and expect the benefits to become apparent in the second half of the Medium-Term Management Plan.

Q**NTT DATA recently announced its new vision. Please tell us about this.****A****In 2005, the NTT DATA Group put forth its vision of being a Global IT Innovator. Now, eight years on, we decided to make our vision more meaningful and relevant.**

On May 23, 2013, the 25th anniversary of NTT DATA's founding, we announced a new Group Vision as a Global IT Innovator. Our aim was to make our vision more meaningful and relevant by refreshing the vision we first defined in 2005. The Group has grown into a global entity with operations in 34 countries and region, so our vision looks ahead to the next decade's growth and a holistic management approach encompassing more countries and regions.

We also took the opportunity to introduce values to be shared by all Group employees. We can create true

synergies by presenting to our employees—which come from diverse cultures scattered around the world—a common and clear set of values for them as members of the Group.

The first and most important value is “Clients First.” The second is “Foresight,” which is related to Technology Foresight and encapsulates the need for each individual employee to act with foresight. The third is “Teamwork,” which is particularly relevant now that the entire Group has become One NTT DATA.

Values

Statements of the values we esteem and seek to share.

Clients First

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.

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.

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.

Q

What are your performance forecasts for the fiscal year ending March 2014?

A

Our consolidated forecasts are net sales of ¥1,330 billion (up 2.2% year on year), operating income of ¥90 billion (up 5.0%), and net income of ¥45 billion (up 3.4%).

We forecast for the year ending March 2014 a 2.2% year on year increase in net sales to ¥1,330 billion, boosted by higher sales in Japan, as well as revenue growth among overseas subsidiaries and the impact of foreign

Forecast for FY ending March, 31 2014			(Billions of yen, EPS: Yen)	
	FY ended March 31, 2013	FY ending March 31, 2014	Versus Previous Year	
			Year-on-Year	Rate of Change
New Orders Received	1,197.1	1,220.0	+22.8	+1.9%
Net Sales	1,301.9	1,330.0	+28.0	+2.2%
Operating Income	85.6	90.0	+4.3	+5.0%
Segment Profit^{*1}	77.0	80.0	+2.9	+3.9%
Net Income	43.5	45.0	+1.4	+3.4%
EPS^{*2}	15,514	16,043	+528	+3.4%

*1. Segment Profit is income before income taxes.

*2. We plan to implement a 1:100 stock split with an effective date of October 1, 2013, but the data here does not take the stock split into account.

exchange factors. As for operating income, we forecast a 5.0% increase to ¥90 billion, boosted by higher revenue together with ongoing improvement in the cost-of-sales ratio and efficient selling, general, and administrative expenditures. We also forecast a 3.4% increase in net income to ¥45 billion.

Although it is possible that businesses will remain cautious about IT investments for a while in this fiscal year, we will continue striving to bolster revenues. The main drivers will be the Public & Financial IT Services Company, which we expect will further cement its position as our leading segment, and the Enterprise IT Services Company, which will make efforts to expand its market share.

We also intend to pursue M&A activities within the scope of free cash flows. To this end, we are currently undertaking pipeline management focusing on companies with the potential to create synergies with the NTT DATA Group.

Q

What is your stance with respect to shareholder returns?

A

We will strive to pay stable dividends to all shareholders.

Our policy of paying stable dividends to shareholders remains unchanged. In the current period ending March 2014, we plan to declare annual dividends of ¥6,000* per share, the same as in the year under review. With respect to earnings per share, which is one of the goals of the Medium-Term Management Plan, we target an EPS of around ¥16,000*.

*We plan to implement a 1:100 stock split with an effective date of October 1, 2013, but the data here does not take the stock split into account.

Q

Lastly, what is your message for shareholders and other investors?

A

As the unified One NTT DATA Group, we hope to make the current period a breakthrough year.

As I touched on earlier when speaking about our vision, this year marks the 25th anniversary of NTT DATA's foundation. If we include the period when we were part of Nippon Telegraph and Telephone Public Corporation, we have been in existence for 46 years. To make a human analogy, long ago the average human life expectancy was 50 years, so in that context we are nearing an important milestone. We at NTT DATA are working to transform our business model as we approach this milestone.

Also, a look at our net sales trend reveals that revenues have increased continuously since the NTT DATA Group's formation. While achieving such steady and consistent growth, we have contributed to the lives of people and society around the world. Now, as One NTT DATA, our reach has grown to encompass the whole world.

I hope that the NTT DATA Group, working as one, will fully demonstrate its teamwork and make current fiscal period a breakthrough year.

Special
Feature

The NTT DATA Group creates new value for today's information society by envisioning the future.

FORESIGHT

Society, the economy, and technology are changing at a dizzying rate.

To address the rapidly changing business environment and achieve sustainable growth, possessing foresight is the most important factor.

This Special Feature introduces "NTT DATA Technology Foresight," which describes how the Group foresees the information society and technology trends unfolding in the near future. It also introduces the concept of "Service Innovation," which enables the Group to deliver new value to customers by deploying its outstanding problem-solving capabilities.

P20 TECHNOLOGY FORESIGHT

P21

Near-Future
Information Society
Outlook and
Technology Trends

P23

Software Production
Technology
Innovation

P25 SERVICE INNOVATION

P26

The Bridge
Monitoring System

P28

CAFIS:
Integrated Credit
Card Settlement
Solution

TECHNOLOGY FORESIGHT

NTT DATA Technology Foresight: Looking well ahead

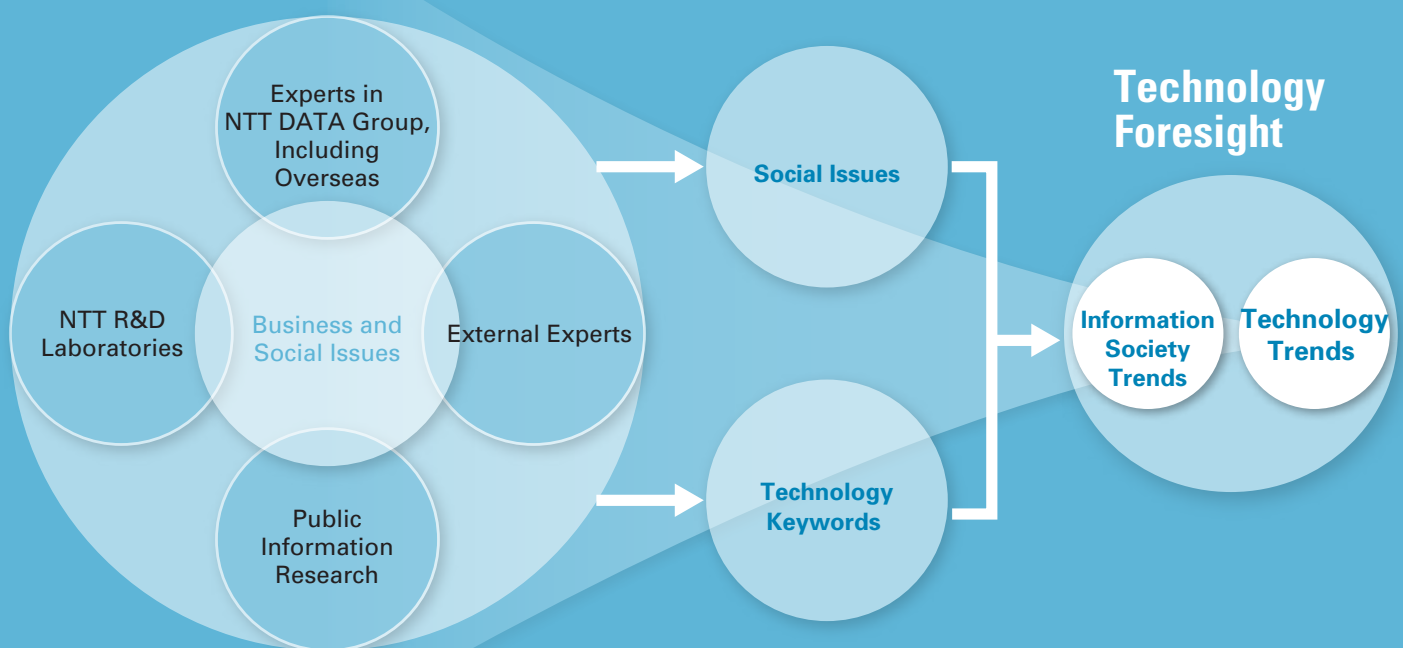
In today's constantly evolving information society, businesses are able to achieve sustainable growth by enhancing their appeal and competitiveness through the utilization of sophisticated and advanced information technology (IT). In order to deliver IT that allows customers to realize business innovation, we have to commit an ample amount of time on continuous technological development.

To this end, we meticulously evaluate promising technologies to determine which ones could transform our information society in the near future. Since 2010, we have identified a set of trends in our annual "NTT DATA Technology Foresight" compilation and disseminated it to the public at large. It covers the near-future outlook for the information society and technology trends based on the analyses in featured

discussions with experts and researchers from inside and outside the Group, as well as extensive surveys, both in Japan and overseas. Technology Foresight 2013 presents four information society trends and five technology trends that we see as important for bringing business innovation to our customers.

Guided by the Technology Foresight analyses, we are engaged in a "Software Production Technology Innovation" initiative, which incorporates the latest automated development technology in an attempt to significantly reduce the time needed for software development.

The following pages introduce some of our latest initiatives to help explain the Technology Foresight feature (see page 21) and the Software Production Technology Innovation feature (see page 23).



● **Interview**

Near-Future Information Society Outlook and Technology Trends



Q | What is Technology Foresight?

We see “Technology Foresight” as a concept encompassing a near-future information society outlook and a set of technology trends. The NTT DATA Group has published a report on this concept every year since 2010. The reports postulate changes in the information society likely to have a considerable impact on our customers’ businesses over the medium and long terms and important technologies that will underpin those changes based on a wide range of studies and interviews with experts and researchers on various social and business issues.

In Technology Foresight 2013, we arrived at four information society trends and five technology trends based on 56 issues and 215 technical keywords.

The NTT DATA Group holds an annual Innovation Conference*, where we disseminate a large amount of information.

Technology Foresight has two broad objectives. One is to show the likely changes in direction for businesses over the medium and long terms in order to build continuous partnerships with customers, both in Japan and overseas by informing them. The other is to apply these trends to our technological development work in order to improve our technological capabilities.

*Held annually as part of the Group’s RB (Relationship Builder) activities, the conference’s main aims are to increase the level of understanding about the Group’s business activities and to foster branding.

Q | How important is it to predict changes?

With the constant and innovative progress in information technology, the business environment for today’s corporations is changing at a frenetic pace. This applies to technology, society, the economy, and public policy. There are many examples in the recent past of companies having difficulty surviving, irrespective of their size, because they could not keep up with these changes. Companies must constantly modify their activities by recognizing and responding to change.

Here at the NTT DATA Group, we track changes in information society and technology trends and identify where they fit in a broad business context so we can factor changes into the Group’s business strategy. This approach enables us to engage in technological development that is linked to the future.

As part of our service innovation activities, we also share information with customers and together seek to build new businesses that envisage the future. This was one of the original guiding principles of the NTT DATA Group. We believe that our strength lies in our ability to build businesses from the ground up together with our customers without diverting existing services.

Q Please tell us about Technology Foresight 2013.

The four information society trends and the five technology trends identified for this year's report are summarized below.

INFORMATION SOCIETY TRENDS

Source of competitiveness will shift towards application of knowledge and information

Advanced e-commerce websites are good examples of this trend. They do not merely recommend products based on information about the attributes registered by individual users. Rather, they analyze past access records and offer optimized solutions automatically. We expect to see an increase in this kind of website.

Shift in focus from mass appeal to the individual

In the United States, there are now businesses that make shoes by measuring an individual's feet so that they fit perfectly. Modeling technology that uses 3D printers to use various materials makes this individually tailored approach possible.

Increasing demand for real-time responses to the ever-changing environment and needs

A good example of this is NTT DATA's bridge monitoring system (see page 26). Recently, there has been growing demand for real-time monitoring of buildings to prevent accidents caused by aging and problematic infrastructure.

IT becoming more accessible and user-friendly, which anyone can use

As symbolized by the term natural user interface (NUI), we are nearing a point where anyone is able to use IT as a matter of course. At a simple level, computers can understand brainwaves and issue instructions to other computers.

TECHNOLOGY TRENDS

Human-oriented IT that recognizes individuals

As with e-commerce, computers are now able to perform processing that enables them to recognize individuals. Technology aimed at increasing motivation is also appearing, as seen in the emergence of gamification.

Strategic data collection and analysis

A key technological theme going forward will be the ability to extract meaningful information after collecting and analyzing huge volumes of data (known as "big data"), and sketch out a bird's eye view of the future.

Cyber-physical computing

As illustrated by the bridge monitoring system, cyber-physical computing will enable seamless and real-time coordination between physical structures and software.

Environment-adaptive, resilient IT infrastructure

Current IT infrastructure is not necessarily resilient to major natural disasters and other environmental disruptions. In the future, IT infrastructure will be expected to have the flexibility to respond instantaneously and autonomously and continue providing services in the event of disasters or malicious attacks.

Ultrahigh-speed development for prompt delivery

This trend is linked to our software production technology innovation (see page 23). It will be important to deliver information systems promptly by shortening development periods.

Q How will Technology Foresight develop in the future?

This is the third time we have produced the Technology Foresight report. We have devoted a lot of work to compiling the report, but with a solid compilation process now in place, we gather lots of information on a daily basis.

Going forward, we will embrace a more global perspective by working harder to encourage overseas Group companies to take part. Furthermore, we hope to increase cases where we use Proof of Concept* to demonstrate feasibility to customers as a way to achieve service innovation.

*Demonstration whose purpose is to verify that a concept has real-world application potential.

● **Interview**

Software Production Technology Innovation

Hiroshi Tomiyasu

Senior Executive Manager,
Center for Applied Software
Engineering,
Research and Development
Headquarters,
Solutions & Technologies
Company

Transforming software production into a knowledge- intensive enterprise



Q | What is software production technology innovation?

Simply put, it is an initiative in which we introduce automated technology into software development to change the development process, with the aim of greatly increasing productivity.

Needless to say, today most businesses have computer systems that automate a significant portion of their work. However, it's somewhat ironic that our industry, which supplies such computer systems, cannot do the same thing. Even today, the software development sector remains a traditional labor-intensive industry that relies on people to perform many of its tasks. And there are many instances that this has a detrimental effect on the front lines of software development.

We would like to become like many other industries that automate various elements of their business. This would allow us to become a knowledge-intensive industry in which people perform only tasks that truly require creativity. This is the ultimate objective of software production technology innovation.

Q | What are some of the actual issues facing those working in software development?

The full-scale development of industrial computer systems began in the 1960s. Yet system development today retains the labor-intensive features it had when it started.

It was possible to spend time and human resources back then because system development scales weren't so big. After around the year 2000, when large companies had mostly finished moving to computerized business operations, the challenge then became a matter of how to develop systems more quickly and at lower cost.

By the way, do you have any idea how big today's systems are? Even moderately large systems have programs with 170,000 files, two million lines, and specification design documents have as many as 40,000 files, 400,000 pages.

Because all of this is managed using manpower, system development requires enormous amounts of time and labor. This means that systems can no longer be developed at a speed or cost acceptable to customers. More than anything else, the amount of work is already more than what is humanly possible to manage. As a result, declines in quality become more likely. Today, we are using our experience and know-how to overcome this adverse situation.

Q | Please tell us about some specific initiatives undertaken by the NTT DATA Group.

One solution to this problem is not to put manpower into development work, but to use computer power instead. Let's take the case of programming done by humans. In such instances, it becomes necessary for people to also conduct testing. If an error is detected, people correct the programming, which is tested again. This is repeated many times and occurs continuously.

But the problem could be solved if programs could be generated automatically without any human involvement. This would eliminate the need for testing.

Also, computers fulfill an important role of carrying out consistency checks between the tens of thousands of files. When one file has been corrected, it would be impossible for people to have a complete grasp of its overall effect.

Furthermore, there is significant need to ascertain the current condition of existing systems. With computer power, it becomes possible to diagnose and restore systems, even in cases where systems become so complicated that they are no longer manageable.

The NTT DATA Group currently supplies its TERASOLUNA Suite to perform these functions.

Q | Please tell us about forthcoming developments involving automated development technology.

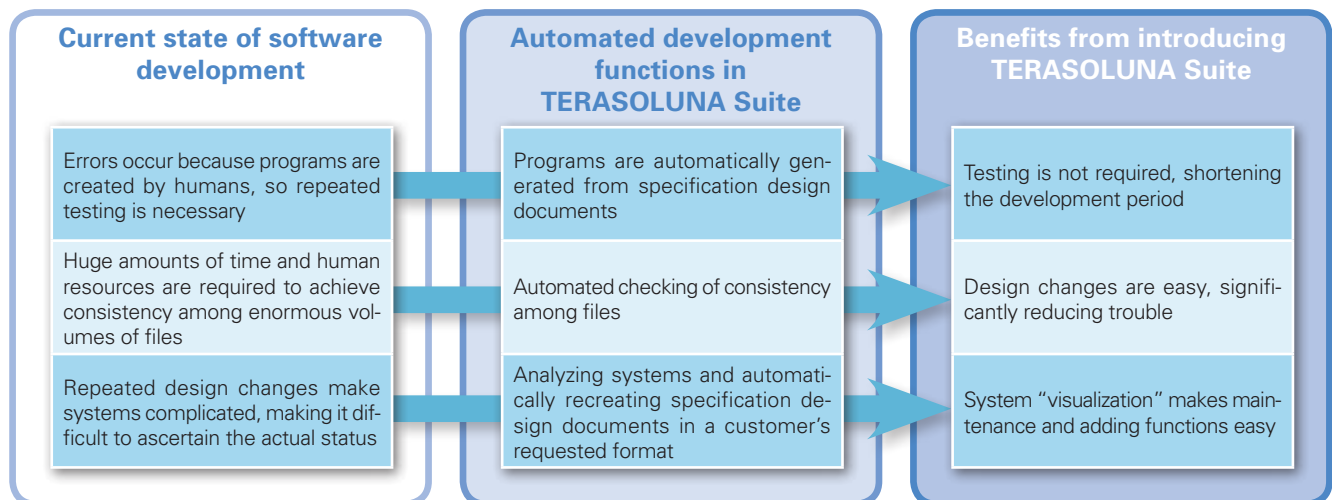
In actual fact, there is more demand for improvement of complicated existing systems than for development of new systems. This trend is evident not only in Japan, but all over the world.

For example, insurance companies that look after their customers over long periods of time have to maintain systems for a number of decades. But systems that have been repeatedly changed and become outdated have complex specification design documents and programs. We receive an extremely high number of requests for tidying up existing systems in order to reduce the enormous maintenance costs.

We are starting to see similar demand from financial institutions with systems that have become complex as a result of corporate consolidation. The same also goes for manufacturers that end up with numerous systems from different countries as a result of increased globalization.

We believe the introduction of automated software development centered on these business sectors, where it has become very difficult to apply conventional development methods, will see increasing adoption of faster and more accurate development methods.

Overseas, as well, technology that analyzes systems and restores specification documents has engendered a strong response, especially in the insurance industry. We look forward to rolling out our automated software development on a global scale.



SERVICE INNOVATION

Service innovation that evolves in step with the times

It's not possible to create new services using innovative technology alone. When combining another technology with an existing service or adopting a new approach to a problem, there are times when a completely unexpected innovation emerges.

Service innovation means efforts to advance existing services not only by relying on new technologies but also by introducing new problem-solving capabilities through fresh thinking.

Thanks to this concept of service innovation, the NTT DATA Group has supported the growth of Japan's economy through changing times.

Today, Japan faces so many challenges it is seen as a precursor among developed countries because many of them will also eventually face a similar set of issues. Among the problems confronting Japan are an aging

society, energy problems, and an "infrastructure crisis" due to the deterioration of infrastructure built during the country's period of rapid economic growth.

However, we believe that such major problems provide the best opportunities for service innovation that can provide effective solutions.

As we have done in the past, we will continue tackling difficult problems when they arise.

The following pages feature two examples of service innovation created by NTT DATA Corporation. The first is the bridge monitoring solution "The Bridge Monitoring System," one of our solutions for addressing the infrastructure crisis (see page 26). The second is the integrated credit card settlement solution "CAFIS" (see page 28), which we have continued updating and improving over a 30-year period.



● **Interview**

The Bridge Monitoring System

NTT DATA aims to be a brand for monitoring systems

Sanae Miyazaki

Manager,
Third Development Group,
First Systems Section,
e-Community Division,
Public Sector

Yoshiki Matsuura

Senior Expert,
Homeland Security Group,
e-Community Division,
Public Sector

Eiko Nagai

Senior Expert,
Homeland Security Group,
e-Community Division,
Public Sector

Q | What kind of solution is the Bridge Monitoring System?

The Bridge Monitoring System monitors the physical state of a bridge using sensors placed at key points of the structure. While the sensors collect a diverse range of data on such factors as changes in position, stress, and vibration, the Bridge Monitoring System analyzes that data in real time to provide an accurate snapshot of the bridge's condition, with the aim of facilitating regular and preventative maintenance.

Natural disasters, such as typhoons and earthquakes, have a major impact on a bridge's condition. After a natural disaster strikes, the Bridge Monitoring System can be used to swiftly determine whether or not there is damage that would impede vehicle traffic.

Degradation over time is another major problem. Small changes pile up over the course of 10 or 20 years, giving rise to factors not envisioned when the bridge was designed. This can further expedite the aging process.

In addition, we cannot overlook the impact of large trucks and other overloaded vehicles. Even a large number of taxis will not have much impact, but a single 50-ton truck can increase the potential damage caused.

In this way, monitoring the status of large vehicle flows is an important element in determining the level of a bridge's degradation.

Q | Can you describe the background for the development of the system?

In Japan at present, accidents caused by deteriorating infrastructure have become a serious social issue. These include collapsed ceilings in tunnels and fracturing sections of bridges. Much of the nation's infrastructure was built all at once during a period of rapid economic growth, and the time for nationwide renewal is now approaching.

However, a look at our expressways and other infrastructure reveals that interruption of traffic in order to rebuild bridges will have major negative economic and social con-

sequences. For this reason, we need to repair damaged portions while allowing traffic to continue flowing. At the time of construction, however, there were no analytical technologies or even data that would have enabled analyses aimed at determining a bridge's condition.

The Bridge Monitoring System is a new NTT DATA innovation designed to deliver solutions for these problems. Anticipating that the deterioration of aging infrastructure would become a widely-shared concern, NTT DATA was an early-mover in commercially harnessing state-of-the-art monitoring technologies and big-data technologies for analyzing huge volumes of wide-ranging data in real time to develop this innovative service aimed at addressing this problem.

In addition to its capacity to envisage these issues ahead of time, NTT DATA has impressive problem-solving capabilities, gained through joint R&D initiatives with industry and academia. These capabilities led to the birth of the Bridge Monitoring System, which is our innovative new service.

Q | The Bridge Monitoring System was introduced into Vietnam recently. Did it go smoothly?

Well, we had a number of difficulties.

For a start, there are two ways of introducing this Bridge Monitoring System. One is to install the system in already-constructed bridges, and the other is to incorporate it in the initial planning stages for a new bridge, as was the case in Vietnam.

The structure in question was the Can Tho Bridge. It was constructed near the Mekong Delta, where the ground is loose. Indeed at first, there were fears that land subsidence

would become a problem at a later date, even if the bridge was constructed as planned. Vietnam also has numerous overloaded vehicles, which was another issue. By installing sensors on the bridge during construction, we concluded that we could facilitate preventative maintenance while monitoring various data.

The Can Tho Bridge was our first project in Vietnam involving the Bridge Monitoring System, and keeping the entire system up to Japanese quality standards was quite a struggle. The language difference also created problems. Without the cooperation of our local subsidiary NTT DATA Vietnam, completion of the project would have been difficult. However, the project worked out well at the end thanks to the help of our engineers and close and persistent communication with the client.

Q | You seem enthusiastic about the Bridge Monitoring System. What is your outlook?

The project in Vietnam has been praised highly by the client, and there is talk about deploying the system on other bridges in the country. We hope to apply our success in Vietnam across Southeast Asian markets, where there are significant needs for such monitoring systems. At the same time, of course, we will continue striving to address the infrastructure crisis here in Japan.

Lastly, I would like to express my desire that NTT DATA will be a brand for the leading company for monitoring in a united effort with our development, sales, and local personnel.



Can Tho Bridge and Surroundings (Vietnam)



CAFIS: Integrated Credit Card Settlement Solution

CAFIS has changed Japanese people's lifestyles



Handles 350 million transactions per month

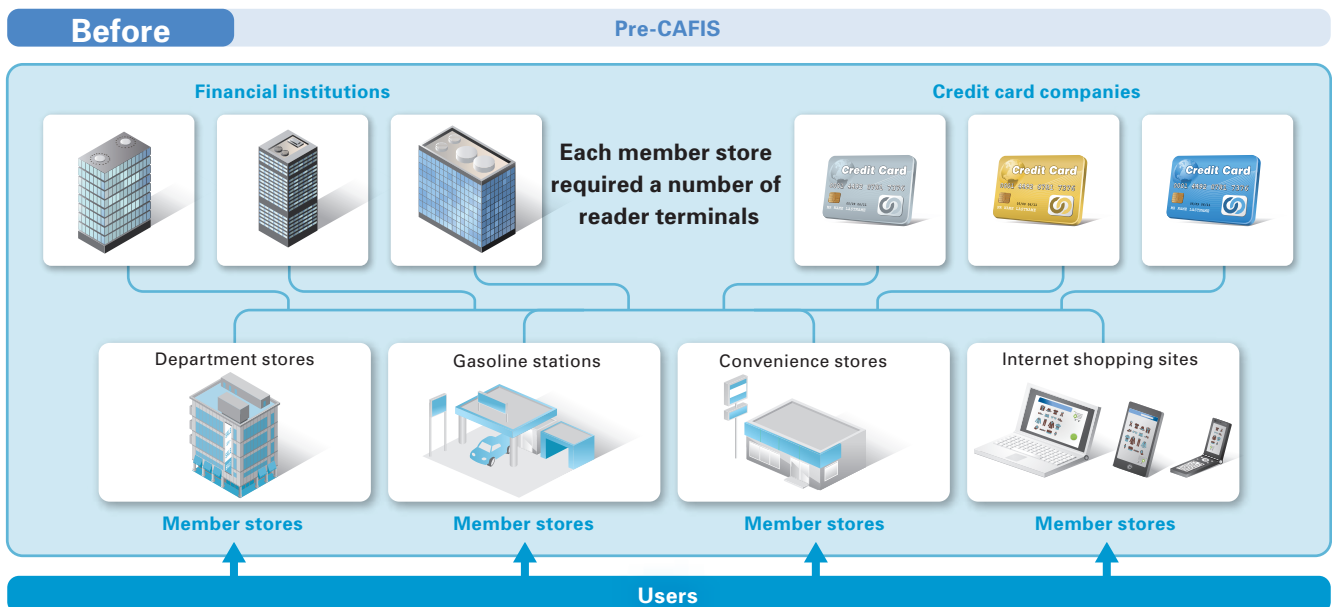
CAFIS, integrated credit card settlement solution, exemplifies service innovation by the NTT DATA Group over a period of more than a quarter of a century.

As shown in the picture on the next page, CAFIS is a large-scale network system that connects nationwide credit card companies and financial institutions online, as well as

member stores, including department stores, convenience stores, and internet shopping sites. This comprehensive service handles as many as 350 million transactions per month.

Today, we think nothing of using a credit card when making a purchase, but this was not the case 30 years ago. Back then, paying by credit card was not well known, and the process itself was unwieldy.

The number of monthly transactions today is around 350 times the number in those pre-CAFIS days. The NTT DATA



Group and its business partners have created a card system market by solving problems along the way through the adoption of the latest technology as needed.

A shared-use business model that looks toward the future

In the 1960s, when a consumer wanted to pay using a credit card, the shop assistant had to take the card to the back of the store, check the credit information using a written list or by making a telephone call, use a device to transfer the card number onto a slip, and post the slip to the credit card company. It's hardly surprising that this inconvenient process of credit card payment did not become popular. But one day, a credit card company asked Nippon Telegraph and Telephone Public Corporation (the forerunner of NTT DATA) to develop an online system.

Given the technical constraints at the time, the creation of the prototype of the present-day system was a huge innovation in itself. The truly revolutionary aspect of the system back then was the adoption of a shared-use business model under which a number of credit card companies used a single card terminal.

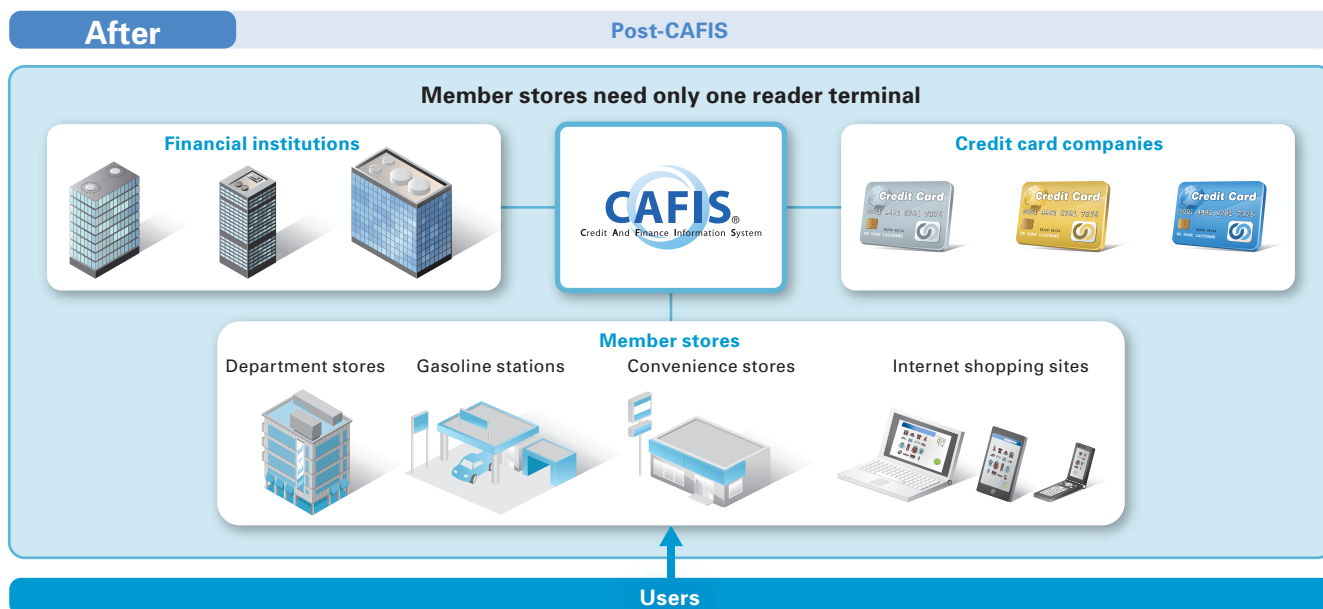
Dawn of a business ecosystem made coexistence and co-prosperity possible

Adhering to the groundbreaking concept of "shared use" instead of developing a separate system for each credit card company, the developers advocated a business model that would mutually benefit participating companies. They started by carefully and persistently explaining to the companies involved the advantages of a shared-use system, including the potential for future expansion, and at last succeeded in obtaining an agreement.





In this way, NTT DATA and the credit card companies developed an organic and constructive relationship. The participants shared their expertise, while reconciling their interests, with the major goal of advancing the credit card market in Japan. This collaboration was the birth of a new business ecosystem. It brought coexistence and co-prosperity by enabling participants to make the most of their individual strengths.

Milestones achieved over the years include becoming a full 24-hour/day, 365-day/year service, as well as improved compatibility with overseas systems. Today too, CAFIS continues evolving from within the business ecosystem.

Note: CAFIS is currently offered only in Japan.



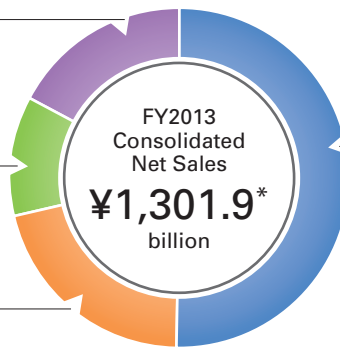
At a Glance

Company	Business Area		Company Overview
 <p>Public & Financial IT Services Company</p>	<p>Public Administration</p>	<p>Healthcare</p>	<p>The business of the Public & Financial IT Services (P&F) Company primarily covers public organizations and financial institutions both in Japan and overseas, providing a wide range of high-value-added IT services that support social infrastructure in the public administration sector (central government agencies, overseas public organizations, and local government bodies), the healthcare sector (hospitals), and the financial sector (banks, insurance companies, securities firms, and consumer credit companies). In addition to providing systems specifically developed for each customer, we offer large cross-industry settlements network systems and shared systems for financial institutions.</p>
 <p>Enterprise IT Services Company</p>	<p>Manufacturing</p>	<p>Retail, Logistics and Other Services</p>	<p>This company offers high-value-added IT services which support the business activities of our customers in a wide range of industries, including manufacturing, retail, logistics and other services, communications, broadcasting, and utilities. Working in collaboration with the NTT DATA Group companies in Japan and overseas, the Enterprise IT Services (E-IT) Company offers the best solutions which are high quality and cost effective, with short lead times to address customers' needs.</p>
 <p>Solutions & Technologies Company</p>	<p>Platforms</p>	<p>Solutions</p>	<p>This company focuses on platforms, solutions, and services, providing platforms and solutions that support the latest IT services. The Solutions & Technology (S&T) Company delivers solutions and services to many customers indirectly through the P&F Company and the E-IT Company and provides services directly. As the core of innovation of our business model which promotes the expansion of the services and software business, the S&T Company has been actively focusing on new services including cloud-computing related services.</p>
 <p>Global Business Company</p>	<p>Americas</p>	<p>EMEA</p>	<p>This company provides high-value-added IT services in overseas markets. It formulates our global business strategies and manages the four regional operating companies in the Americas, EMEA, APAC and China as well as the Business Solutions Group. It also develops and expands businesses in new markets, and promotes collaboration across companies and operations outside Japan, including NTT group, to create synergies.</p> <p>Note: The Global Business Company was established in July 2013. Figures for the fiscal year ended March 31, 2013 are from The Global Business Segment's results. The segment was added in this fiscal year 2013.</p>
	<p>China</p>	<p>APAC</p>	
	<p>Solutions</p>		

Global Business Company
¥244.9 billion **17.0%**

Solutions & Technologies Company
¥167.0 billion **11.6%**

Enterprise IT Services Company
¥301.1 billion **20.9%**



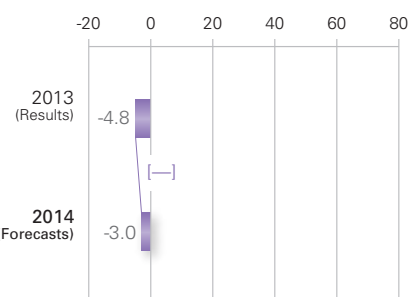
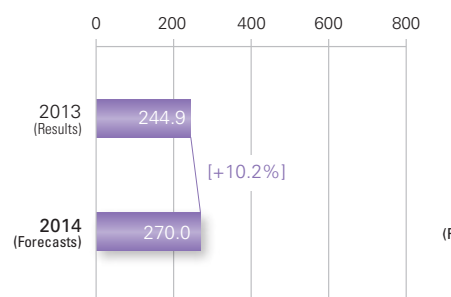
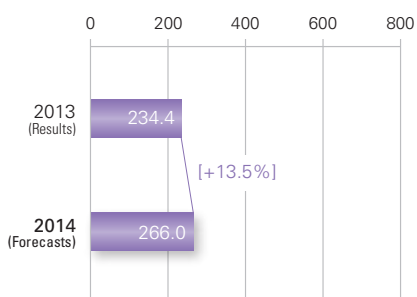
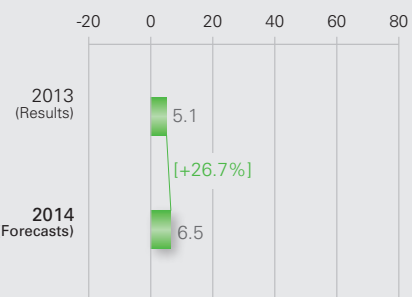
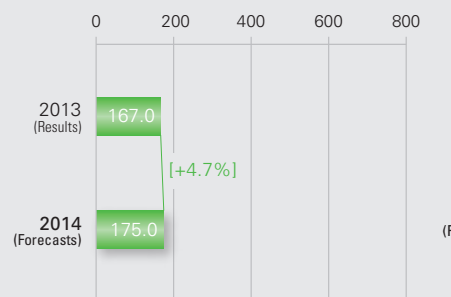
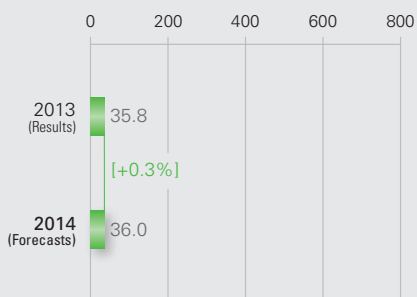
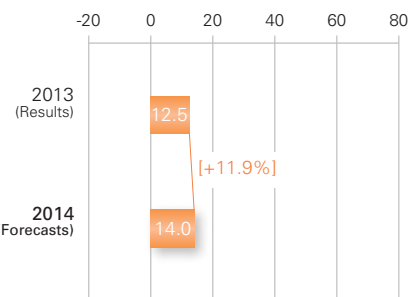
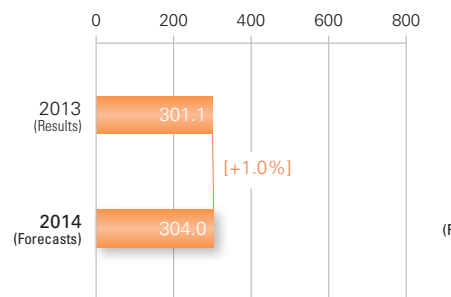
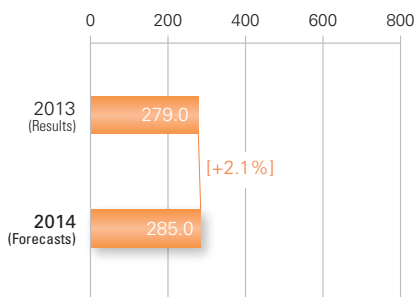
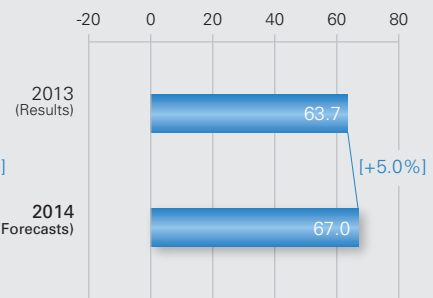
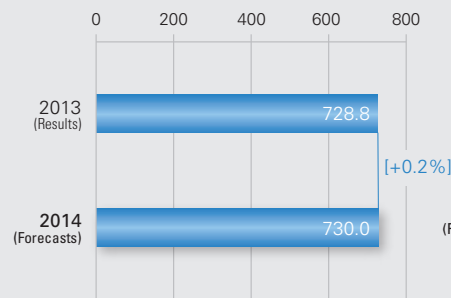
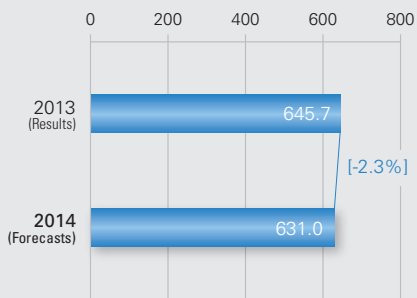
Public & Financial IT Services Company
¥728.8 billion **50.5%**

*Consolidated net sales includes "others" and "adjustments" and thus is not a simple aggregation of the net sales of each segment.

New Orders Received (¥ billion)

Net Sales (¥ billion)

Segment Profits (¥ billion)



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

FY2013

Net Sales
¥728.8 billion
(up 0.1% year-on-year)

Segment Profits
¥63.7 billion
(up 11.3% year-on-year)

FY2014 (forecasts)

Net Sales
¥730.0 billion
(up 0.2% year-on-year)

Segment Profits
¥67.0 billion
(up 5.0% year-on-year)



We provide a wide range of high-value-added IT services that support social foundation.

Masanori Shiina

Company President, Public & Financial IT Services Company

Fiscal 2013 in Review

As for major initiatives during the year, among exports of Japanese infrastructure solutions, we contracted with the Vietnamese government to develop trade procedure and customs clearance systems (VNACCS/VCIS) using expertise on Japan's trade procedures and customs clearance systems, NACCS (Note 1) and CIS (Note 2). We also contracted with the Vietnamese government to procure hardware for the systems.

In addition, we launched "DENTRANS (Note 3)," which provides financial institutions with a service to support electronically recorded monetary claims. It offers the necessary functions in connecting to the densai net website provided by densai.net Co., Ltd. and enables companies to use electronically recorded monetary claims if they wish to, through a variety of means such as the Internet, fax, and counters at financial institutions.

In fiscal 2013, this section reported that both net sales and segment profit increased due to the effects of the expansion of consolidated subsidiaries, and the reduced extraordinary losses booked in the previous fiscal period.

Specifically, net sales in this segment totaled ¥728.8 billion (up 0.1% year-on-year), and segment profit was ¥63.7 billion (up 11.3%).

Business Environment and Outlook

We are watching closely how the change in government affects IT budget policy amid the suppressed trend of overall government spending. IT spending by financial institutions is expected to increase in new fields such as cloud computing, etc. on the back of the rebounding economy.

In the year ending March 31, 2014, while we see declines in areas such as sales of integrated IT solutions for financial institutions, we also experience business growth in services to local governments, regional businesses and cooperative financial institutions. Hence, we project net sales of ¥730.0 billion (¥714.0 billion in net sales to external customers), up ¥1.1 billion compared with the previous fiscal period. In view of the expected impact of factors such as a profit increase on higher net sales and an improved cost-of-sales ratio, we forecast segment profit of ¥67.0 billion, up ¥3.2 billion compared with the previous fiscal period.

- Notes: 1. Nippon Automated Cargo and Port Consolidated System (NACCS): NACCS is an electronic application system used by public and private organizations which performs administrative procedures such as import and export declarations and port arrival and departure procedures for ships and aircraft, as well as private operations relating to import and export procedures.
2. Customs Intelligence Database System (CIS): CIS is an information system through which all customs clearance records for imports and exports and information on importers and exporters are compiled centrally and used for customs screening.
3. DENTRANS is currently offered only in Japan.

Enterprise IT Services Company

FY2013

Net Sales
¥301.1 billion
 (up **9.2%** year-on-year)

Segment Profits
¥12.5 billion
 (up **32.1%** year-on-year)

FY2014 (forecasts)

Net Sales
¥304.0 billion
 (up **1.0%** year-on-year)

Segment Profits
¥14.0 billion
 (up **11.9%** year-on-year)



We offer the best solutions to address customer's various needs.

Yoshinori Hagino

Company President, Enterprise IT Services Company

Fiscal 2013 in Review

As for major initiatives during the year, we launched a new structure by entering into a capital alliance with Kirin Business System Company, Limited, a subsidiary of Kirin Holdings Company, Limited. As an innovation partner, we contributed to enhancing our partner's competitiveness using IT while working to advance our competitive advantage in the food and beverage industry.

In addition, to provide high-precision services based on social media, we concluded a Firehose (Note 3) agreement with U.S.-based Twitter, Inc. on offering tweet data, and began providing a Twitter data service. We also actively formed alliances with companies involved in social media-related businesses, and developed a more advanced analytics API (Note 4) that meets market needs.

For fiscal 2013, net sales and segment profit at the Enterprise IT Services Company increased on factors such as lower selling, general and administrative expenses as well as sales growth on business expansion at the non-consolidated and existing subsidiaries.

Specifically, net sales in this segment totaled ¥301.1 billion (up 9.2% year-on-year) and segment profit was ¥12.5 billion (up 32.1%).

Business Environment and Outlook

Despite promising business sentiment among some companies, it is unclear if such sentiment will lead to an expansion of domestic IT spending, as it has not resulted in an increase in overall capital expenditure yet.

In the year ending March 31, 2014, due to business growth in the manufacturing, distribution and service industries, we forecast net sales of ¥304.0 billion (¥294.0 billion in net sales to external customers), up ¥2.8 billion compared with the previous fiscal period. In view of the expected impact of factors such as a profit increase on higher net sales and an improved cost-of-sales ratio, and so on, we expect segment profit of ¥14.0 billion, up ¥1.4 billion compared with the previous fiscal period.

Notes: 3. Firehose: Firehose is the right to obtain all publicly posted tweet data (the agreement covers tweet data in Japanese and all tweet data posted in Japan) in real time.

4. Application Programming Interface (API): An interface that enables external applications to easily use some functions of an OS, applications software, etc.

Review of Operations

Solutions & Technologies Company

FY2013

Net Sales
¥**167.0** billion
(up **4.3%** year-on-year)

Segment Profits
¥**5.1** billion
(down **59.6%** year-on-year)

FY2014 (forecasts)

Net Sales
¥**175.0** billion
(up **4.7%** year-on-year)

Segment Profits
¥**6.5** billion
(up **26.7%** year-on-year)



We offer platforms and solutions that support cutting-edge IT services.

Satoshi Kurishima

Company President, Solutions & Technologies Company

Fiscal 2013 in Review

As for major initiatives during the year, we enhanced our customer information analysis service using big data: "BIZXAAS BA" offers a whole range of services from support for adoption of a big data analysis platform to consulting on data analysis and utilization. We also introduced our Quick Assessment Menu service, which provides a faster and lower-cost verification of big data analysis utilization, and added a new option specialized for industries in the menu in order to further enhance this service.

In addition, we established the OSS Center India, a global base to expand the application range of our open source software and provide related products and services, inside the Group's development base in India.

In fiscal 2013, while net sales rose on such factors as business expansion at the non-consolidated and its existing subsidiaries, segment profit at the Solutions & Technologies Company declined as extraordinary profit fell versus the amount booked in the previous fiscal period.

Specifically, net sales in this segment totaled ¥167.0 billion (up 4.3% year-on-year), and segment profit was ¥5.1 billion (down 59.6%).

Business Environment and Outlook

From a business continuity planning (BCP) perspective, demand for reliable network and data centers remains strong.

In the year ending March 31, 2014, with the expectation of broadening business needs for data centers, we forecast net sales of ¥175.0 billion (¥65.0 billion in net sales to external customers), up ¥7.9 billion compared with the previous fiscal period. In view of the expected impact of factors such as a profit boost on higher net sales and smaller construction-related expenses than those booked in the previous fiscal period, we expect segment profit of ¥6.5 billion, up ¥1.3 billion compared with the previous fiscal period.

Global Business Company

FY2013

Net Sales
 ¥244.9 billion
 (up 11.8% year-on-year)

Segment Loss
 ¥4.8 billion
 (—)

FY2014 (forecasts)

Net Sales
 ¥270.0 billion
 (up 10.2% year-on-year)

Segment Loss
 ¥3.0 billion
 (—)



We provide high-value-added IT services in overseas markets.

Eiji Yamada

Company President, Global Business Company

Fiscal 2013 in Review

As for major initiatives during the year, we established an operating structure for our global operations, with aspiration to fulfill dual customer mission to provide local-based services to local clients while also quickly responding to global clients. Furthermore, aiming to strengthen our presence in overseas market, we integrated and reorganized overseas group companies under single brand, i.e. NTT DATA.

Our services related to the SAP business, in addition to there in North America and the EMEA region, are expanding to the Asian region where many emerging countries are located. Our global services in SAP area posted annual sales of over US\$1 billion and the number of customers has grown to 2,500 around the world.

Although net sales rose due to factors such as the addition of consolidated subsidiaries' and the growth at existing subsidiaries such as the North American region, segment loss widened due to increased cost on restructuring of subsidiaries and affiliates. Consequently, net sales in the segment—totaled ¥244.9 billion (up 11.8% year on year), and segment loss was ¥4.8 billion.

Business Environment and Outlook

While IT investment trends differ by region, on the whole growth remains robust, with strong expansion in consulting, outsourcing, BPO, and especially cloud services.

In the year ending March 31, 2014, there are impacts such as growth in overseas subsidiaries' net sales, foreign exchange movements and the like. Our projected figures for net sales are ¥270.0 billion (¥255.0 billion in net sales to external clients), up ¥25.0 billion compared with the previous fiscal year. Segment loss is affected by factors such as profit increase due to an increase in net sales, reduction in the loss on restructuring of subsidiaries and affiliates, and others. We expect to post a loss of ¥3.0 billion, a ¥1.8 billion decline from the loss of the previous fiscal year.

Directors, Corporate Auditors and Executive Officers



Satoshi Kurishima

Eiji Yamada

Toshio Iwamoto

Yoshinori Hagino

Directors and Corporate Auditors (As of July 1, 2013)

Representative Director, President & Chief Executive Officer

Toshio Iwamoto

Representative Directors & Senior Executive Vice Presidents

Eiji Yamada

Company President, Global Business Company;
Responsible for corporate functions, risk management
(CRO), corporate governance and corporate social
responsibility

Yoshinori Hagino

Company President, Enterprise IT Services Company

Representative Director & Executive Vice President

Satoshi Kurishima

Company President, Solutions & Technologies Company;
Responsible for information strategies (CIO),
security strategies (CISO) & intellectual property strategies

Director & Executive Vice President

Masanori Shiina

Company President, Public & Financial IT Services
Company

Directors & Senior Vice Presidents

Hironobu Sagae

Head of Finance Departments; Responsible for financial
management (CFO)

Eiji Ueki

Head of Group Strategy Headquarters

Director & Chief Corporate Advisor

Toru Yamashita

Director

Yoichiro Takaya

Standing Corporate Auditors

Hiroo Inoue

Yasuomi Hino

Corporate Auditors

Yasuhiro Kadowaki

Rieko Sato

Notes: 1. Yoichiro Takaya satisfies the requirements of outside directors assigned in accordance with Corporate Law.
2. Yasuomi Hino, Yasuhiro Kadowaki, and Rieko Sato are outside corporate auditors assigned in accordance with Corporate Law.

Executive Officers (As of July 1, 2013)

Representative Director, President & Chief Executive Officer

Toshio Iwamoto

Representative Director & Senior Executive Vice Presidents

Eiji Yamada

Company President, Global Business Company; Responsible for corporate functions, risk management (CRO), corporate governance and corporate social responsibility

Yoshinori Hagino

Company President, Enterprise IT Services Company

Representative Director & Executive Vice President

Satoshi Kurishima

Company President, Solutions & Technologies Company; Responsible for information strategies (CIO), security strategies (CISO) & intellectual property strategies

Director & Executive Vice President

Masanori Shiina

Company President, Public & Financial IT Services Company

Director & Senior Vice Presidents

Hironobu Sagae

Head of Finance Departments; Responsible for financial management (CFO)

Eiji Ueki

Head of Group Strategy Headquarters

Director & Chief Corporate Advisor

Toru Yamashita

Director

Yoichiro Takaya

Executive Vice Presidents

Kazuhiro Suda

Kazuhiro Nishihata

Head of Global Business Sector

Yo Honma

Head of Third Enterprise Sector

Toshio Iwai

Head of Public Administration Systems Sector

Senior Vice Presidents

Isao Arai

Head of Fourth Enterprise Sector

Hiroshi Endo

Head of System Platforms Sector

Katsumasa Ishikawa

Head of First Enterprise Sector

Hidenori Tsuzuki

Head of Second Enterprise Sector

Masato Shibasaki

Head of Third Financial Sector

Kazuhiro Sasada

Head of Business Solutions Sector

Eiji Kugimiya

Head of First Financial Sector

Fumio Kanda

Chair, NTT DATA (China) Co., Ltd.; CEO, NTT DATA (China) INVESTMENT Co., Ltd

John McCain

Director & CEO, NTT DATA, Inc.

Taro Kutsuna

Head of Human Resources Department

Tsuyoshi Kitani

Head of Research & Development Headquarters

Keiichiro Yanagi

Head of Second Financial Sector

Shigeki Yamaguchi

Head of Enterprise Business Consulting & Marketing Sector

FINANCIAL & OTHERS

CONTENTS

Financial Section	39	Consolidated Six-Year Summary
	40	Management's Discussion and Analysis
	49	Results and Forecasts of Consolidated Companies through M&As and Capital Alliance
	50	Consolidated Balance Sheets
	52	Consolidated Statements of Income and Comprehensive Income
	53	Consolidated Statements of Shareholders' Equity
55	Consolidated Statements of Cash Flows	
Other Information	56	Investor Information
	57	Corporate Data

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

Notes to the Consolidated Financial Statements	▶ 1	1. Annual Report Fiscal Year 2013 http://www.nttdata.com/global/en/investor/library/annual-reports/
Independent Auditor's Report	▶ 2	2. Notice of Convocation of the 25th Ordinary General Meeting of Shareholders http://www.nttdata.com/global/en/investor/shareholders-meeting/pdf/2013/sh25_e.pdf
Non-Consolidated Six-Year Summary	▶ 3	
Non-Consolidated Balance Sheets	▶ 2	3. Historical Financial Data http://www.nttdata.com/global/en/investor/library/historical-financial-data/
Non-Consolidated Statements of Income	▶ 2	
Non-Consolidated Statements of Shareholders' Equity	▶ 2	

- Notes: 1. This annual report contains forward-looking statements concerning the NTT DATA Group's future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent assumptions and beliefs based on economic, financial, and competitive data currently available.
2. In this annual report, forward-looking statements include information preceded by, followed by, or that include the words "predicts," "expects," "anticipates," "could," "may," or similar expressions involving economic trends, intense competition in the information service industry, customer demand, tax rules, regulations, and other factors. Readers of this annual report are cautioned not to place undue reliance on these forward-looking statements. The NTT DATA Group therefore wishes to caution readers that actual results may differ materially.
3. In this annual report, with respect to the notation of fiscal years in the graphs and charts within this annual report, "2013" indicates the fiscal year ended March 31, 2013.
4. We plan to implement a 1:100 stock split with an effective date of October 1, 2013, but the data in this annual report does not take the stock split into account.

Consolidated Six-Year Summary

NTT DATA CORPORATION AND SUBSIDIARIES
Years ended March 31

Millions of yen

	2008	2009	2010	2011	2012	2013
For the Year:						
Net Sales	¥ 1,074,405	¥ 1,139,092	¥ 1,142,940	¥ 1,161,962	¥ 1,251,177	¥ 1,301,941
Public & Financial IT Services	—	—	769,482	767,289	727,864	728,885
Enterprise IT Services	—	—	338,702	353,333	275,836	301,107
Solutions & Technologies	—	—	153,870	163,064	160,225	167,082
Global Business	—	—	—	—	219,117	244,917
Others	—	—	(119,114)	(121,724)	(131,866)	(140,051)
System Integration	834,972	889,087	879,175	—	—	—
Network System Services	75,503	78,274	83,165	—	—	—
Others	269,400	266,219	276,333	—	—	—
Elimination or Corporate	(105,470)	(94,489)	(95,733)	—	—	—
Cost of Sales	813,343	861,942	870,589	882,329	941,881	980,524
Gross Profit	261,061	277,150	272,351	279,632	309,295	321,416
Selling, General and Administrative Expenses	165,149	178,603	190,662	201,326	228,878	235,720
Operating Income	95,911	98,546	81,689	78,306	80,416	85,696
Income before Income Taxes	51,492	91,431	71,789	68,471	71,882	77,019
Net Income	30,454	48,360	35,662	37,313	30,446	43,517
New Orders Received	1,012,278	1,035,242	1,181,549	988,484	1,098,400	1,197,168
Capital Expenditures	176,826	180,068	162,570	139,069	133,965	122,113
Depreciation and Amortization/ Loss on Disposal of Property and Equipment and Intangibles	159,263	166,681	161,981	158,566	159,721	153,877
Research and Development Expenses	10,749	10,090	11,389	10,742	13,507	12,105
Free Cash Flow	39,653	(6,902)	83,667	(56,468)	30,406	46,283
EBITDA	246,286	256,526	234,888	229,352	228,405	230,096

At Year-End:

Property and Equipment, at Cost	966,740	983,539	977,548	953,899	882,414	802,322
Less: Accumulated Depreciation	(589,930)	(598,702)	(599,918)	(604,874)	(560,392)	(505,152)
Long-Term Debt	141,571	280,267	227,288	379,479	373,689	323,352
Total Liabilities	630,847	683,087	664,089	838,299	835,143	840,102
Total Equity	548,133	566,308	584,537	601,601	605,709	651,312
Total Assets	1,193,827	1,275,091	1,279,256	1,468,617	1,474,894	1,524,309
Number of Employees	23,080	31,739	34,543	49,991	58,668	61,369

Yen

Per Share:

Net Income	¥ 10,857	¥ 17,240	¥ 12,713	¥ 13,302	¥ 10,854	¥ 15,514
Net Income (diluted)	—	17,227	—	—	—	—
Net Assets	195,413	201,892	208,391	214,474	215,939	232,196

Other Information:

Operating Income Margin (%)	8.9	8.7	7.1	6.7	6.4	6.6
Return on Sales (%)	2.8	4.2	3.1	3.2	2.4	3.3
Return on Equity (%)	5.6	8.7	6.2	6.3	5.0	6.9
Return on Assets (%)	2.7	3.9	2.8	2.7	2.1	2.9
EBITDA Margin (%)	22.9	22.5	20.6	19.7	18.3	17.7
Equity Ratio (%)	45.9	44.4	45.7	41.0	41.1	42.7

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

2. The Global Business Segment was added to segment disclosure in the fiscal year ended March 31, 2013 to provide more detailed segment information. Figures for the fiscal year ended March 31, 2012 have been updated to reflect this change from those previously disclosed.

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

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

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

Management's Discussion and Analysis

Market Conditions in Fiscal 2013

In Japan's economy over the current consolidated fiscal year, overall, capital investments have remained moderate due to a decline in exports and industrial production. Meanwhile, corporate earnings centered on domestic-demand-related industries have remained steady, indicating that the downward movement has generally halted. In addition to a bounce back of the export environment, positive effects of the government's fiscal and monetary policies, and a gradual exit from the slowdown in overseas economies, the Japanese economy is expected to take a path of modest recovery. However, there are still risks of downward trends in overseas economies, given the context of the sovereign debt crisis in Europe and external economic environments and the like.

Within the information service industry in particular, companies are generally likely to continue taking a cautious stance toward investments because of the need to reduce system maintenance and operating costs, despite some increase in projects, such as those related to IT infrastructure integration.

Management Initiatives

With the current economic climate in mind, NTT DATA Group formulated a Medium-Term Management Plan for the fiscal years 2013 to 2016, with aims of "becoming a Global Top 5 player" and "achieving an EPS of ¥20,000" (Note 1) by evolving into a corporate group that can efficiently provide diverse IT services worldwide. In line with this plan, we are concentrating on core strategies, namely, "expansion of new business fields and reinforcement of product competitiveness," "expansion, enhancement and reinforcement of global business" and "pursuit of overall optimization." Examples of specific actions taken in this regard are as follows.

- We proactively promoted "Re-Marketing" (Note 2), by shattering established notions and creating a market anew while considering recent years' changes in the business environment and ICT.

- The complete automation of our development operations have enabled us to achieve sophistication and speediness in product development, and have led to the enhancement of "Strategic R&D," which aims to contribute to our customers' business operations. In addition, we have developed Technology Foresight 2013 through the introduction of "Near Future Vision," which will become quite influential on our customers in the medium and long terms and "Technology Trend," which underscores "Near Future Vision" through a wide range of surveys, and interviews with experts. Technology Foresight was incorporated into the business strategy, and we have initiated technological development and business creation as we look to the future.
- We launched the advertising campaign, "data for: the people," seeking to increase the visibility of our group's companies in the global market. Advertising was done primarily in the global media, including, *TIME*, *FORTUNE*, *FINANCIAL TIMES* and *The Economist*. However, we also utilized the local media in countries such as Germany, Italy and Brazil. In addition, we have decided to be an official sponsor of The Open Championship, a prestigious international golfing event.

Notes: 1. EPS of ¥20,000

We will implement a 1:100 stock split effective October 1, 2013. However, this figure does not take the stock split into account.

2. Re-Marketing

Re-Marketing means expanding market share beyond its growth rate by seizing entry opportunities in the existing ones, such as changes in the business environment and technological innovation, and creating an unprecedented market by making maximum use of the latest technologies and anticipating the needs of customers.

Scope of Consolidation

NTT DATA has 217 subsidiaries, all of which are included within the scope of consolidation. Owing to new equity investments and the establishment of new subsidiaries, we welcomed 17 newly consolidated subsidiaries into the Group in fiscal 2013. Due to mergers, transfers, and liquidations, 23 subsidiaries were excluded from the scope of

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

Consolidated Subsidiaries' Results

(Billions of yen)

	2009	2010	2011	2012	2013
Consolidated new orders received	1,035.2	1,181.5	988.4	1,098.4	1197.1
Difference from non-consolidated figures	285.1	303.7	345.6	442.9	496.2
Consolidated net sales	1,139.0	1,142.9	1,161.9	1,251.1	1301.9
Difference from non-consolidated figures	286.5	321.2	341.8	439.1	483.9

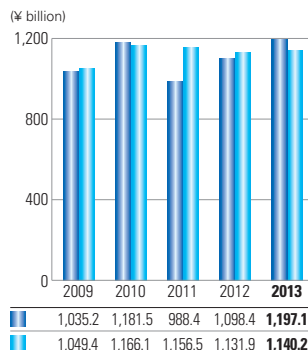
Review of Fiscal 2013 Operating Results

•New Orders Received and Orders on Hand

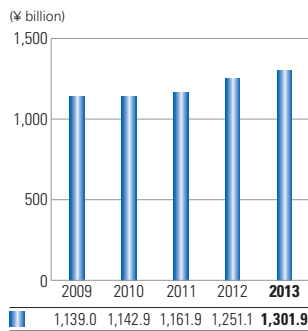
New orders received increased by ¥98,768 million, or 9.0% from the previous year, to ¥1,197,168 million. This was primarily attributable to an increase in orders received from large projects, along with an expansion in the scope of consolidated subsidiaries. Meanwhile, orders on hand at fiscal year-end totaled ¥1,140,296 million, up ¥8,317 million, or 0.7% from the previous year.

New Orders Received and Orders on Hand

■ New orders received
■ Orders on hand



Net Sales



•Net Sales

Net sales edged up ¥50,763 million, or 4.1% year on year, to ¥1,301,941 million. The increase was due mainly to an expansion in the scope of consolidated subsidiaries.

•Operating Income

Cost of sales rose ¥38,643 million, or 4.1% year on year, to ¥980,524 million, due largely to the increased scope of consolidation. The cost-of-sales ratio remained mostly unchanged from the previous year at 75.3%.

Selling, general and administrative (SG&A) expenses increased ¥6,841 million, or 3.0% year on year, to ¥235,720 million, due largely to an expansion in the scope of consolidation. The SG&A expense ratio declined 0.2 points, from 18.3% to 18.1%, due mainly to the impact of reductions by the parent company and existing subsidiaries.

As a result, operating income increased ¥5,279 million, or 6.6% year on year, to ¥85,696 million.

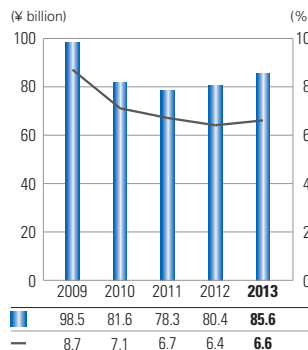
•Ordinary Income

Non-operating expenses, the net of non-operating income, amounted to ¥3,825 million, down ¥1,002 million, or 20.8% year on year. This was due mainly to an increase in exchange gain resulting from depreciation of the yen.

As a result, ordinary income increased ¥6,282 million, or 8.3% year on year, to ¥81,870 million.

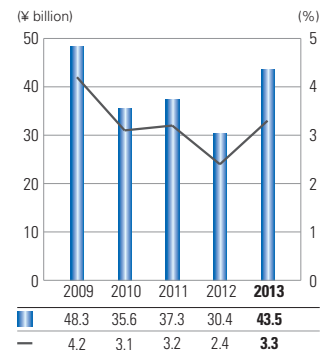
Operating Income and Operating Income Margin

■ Operating income
— Operating income margin



Net Income and Return on Sales

■ Net income
— Return on sales



•Net Income

Total extraordinary loss, the net of extraordinary income, amounted to ¥4,851 million, up ¥1,145 million, or 30.9% year on year. This was due to the recording of a gain on sales of land in the previous year, along with an increase in loss on liquidation of subsidiaries and affiliates, despite a decrease in impairment loss on fixed assets.

Total income taxes— representing the sum of current and deferred income taxes decreased ¥8,791 million, or 21.5% year on year, to ¥32,024 million. This was due largely to the impact of a reversal of deferred tax assets associated with a revision of the tax system in the previous year.

As a result, net income increased ¥13,071 million, or 42.9% from the previous consolidated fiscal year, to ¥43,517 million.

For details regarding net sales and profit for specific business segments, please refer to “Overview by company” on page 30.

•Related Information

Each business segment is engaged in “Integrated IT Solutions,” which includes provision of services to customers in possession of NTT DATA equipment assets (including software); “Systems and Software Development,” which

includes sales of systems and software developed according to customer orders, as well as sales of information machines; “Consulting and Support,” encompassing sub-contracting and service provision in areas outside of systems and software development; and other services.

•Profit Appropriation Policy and Dividends

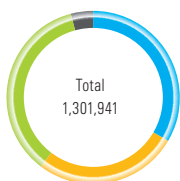
NTT DATA’s fundamental policy is to distribute profits appropriately, while working to increase corporate value over the medium and long terms through sustainable growth driven by investments in new businesses and efficient management of business operations. With regard to dividends, we intend to pay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

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

Information regarding Products and Services

Sales to external customers

(¥ million) FY ended March 31, 2013

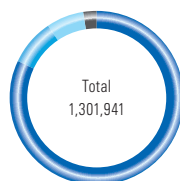


Integrated IT Solutions	436,108
Systems and Software Development	351,012
Consulting and Support	463,179
Others	51,639

Information for Each Region

Net sales

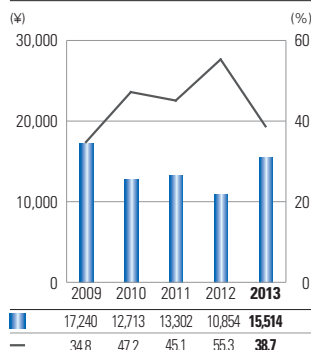
(¥ million) FY ended March 31, 2013



Japan	1,069,501
North America	109,854
Europe	91,604
Others	30,980

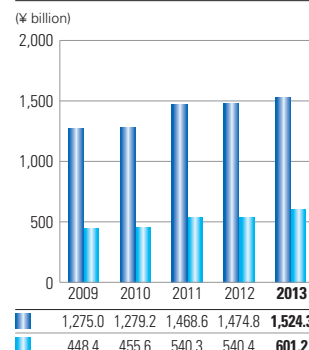
Net Income per Share and Payout Ratio

■ Net income per share
— Payout ratio



Total Assets and Total Current Assets

■ Total assets
■ Total current assets



Current Assets and Sources and Policy

•Financial Policy

NTT DATA's financial policy is to reliably provide funds to continuously finance investments to its system integration business and to finance substantial investments made to promote the Company's M&A strategies in both Japan and overseas. Maintaining a sound financial position is critical to NTT DATA, since its business models require substantial funds. NTT DATA is able to procure funds smoothly and flexibly to seize investment opportunities by generating stable operating cash flows and maintaining surplus procurement capacity, while targeting a certain debt ratio.

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

•Total Assets

Total assets increased ¥49,415 million, or 3.4% year on year, to ¥1,524,309 million. This was attributable mainly to increases in notes receivable and accounts receivable, as well as increases in cash and cash equivalents.

•Total Liabilities

Total liabilities increased ¥4,959 million, or 0.6% year on year, to ¥840,102 million, due mainly to an increase in accounts payable.

•Net Assets

Net assets increased ¥44,456 million, or 6.9% year on year, to ¥684,207 million due largely to an increase in retained earnings from the recording of net income, and a rise in foreign currency translation adjustments from depreciation of the yen.

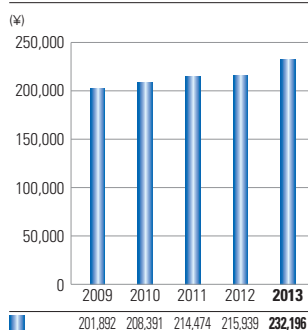
•Cash Flow

Seeking to further enhance its ability to generate solid cash flow, the NTT DATA Group introduced a Group-wide cash management system, which, at fiscal year-end, included 60 domestic subsidiaries.

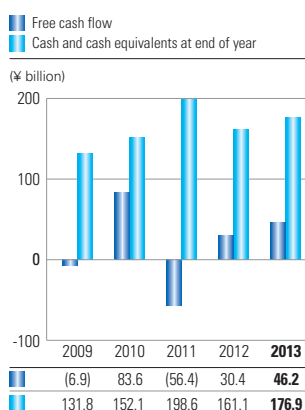
By concentrating the Group's funds in the Company, and lending funds to each Group company when necessary, NTT DATA strives to improve capital efficiency and reduce interest expenses.

Cash and cash equivalents at fiscal year-end totaled ¥176,963 million, up ¥15,852 million from the previous year. Cash flow from operating, investing and financing activities

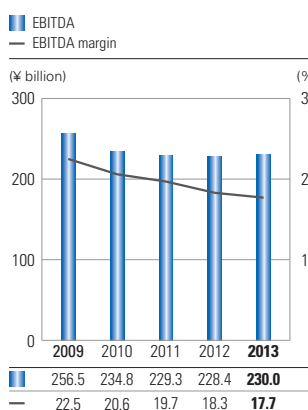
Net Assets per Share



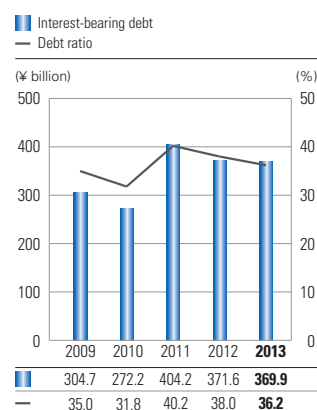
Free Cash Flow and Cash and Cash Equivalents at End of Year



EBITDA and EBITDA Margin



Interest-bearing Debt and Debt Ratio



as well as their contributing factors were as follows:

Net cash from operating activities amounted to ¥161,327 million, down ¥28,919 million from the previous year. The decrease resulted primarily from an increase in notes and accounts receivable, as well as a decline in advances received from the previous year.

Net cash used in investing activities totaled ¥115,044 million, down ¥44,796 million from the previous year. This primarily reflects a reduction in outlays for the acquisition of consolidated subsidiaries, as well as a decrease in outlays for capital expenditures.

As a result, free cash flow amounted to ¥46,283 million, up ¥15,876 million from the previous year.

Net cash used in financing activities totaled ¥35,667 million, a ¥30,290 million decrease compared to the previous year. This mainly reflects a decline in outflow from the redemption of bonds, as well as income from the issuance of bonds.

Key Management Indicators

•EBITDA and EBITDA Margin

During the year, earnings before interest, taxes, depreciation and amortization (EBITDA) increased ¥1,691 million, or 0.7% year on year, to ¥230,096 million, due mainly to an increase in operating income. The EBITDA margin declined 0.6 points year on year, to 17.7%.

•Debt Ratio

Interest-bearing debt decreased ¥1,765 million, or 0.5% year on year, to ¥369,907 million. As a result, the debt ratio declined 1.8 points year on year, to 36.2%.

•ROE and ROA

During the year under review, return on equity (ROE) increased 1.9 points year on year, to 6.9%. Return on assets (ROA) increased 0.8 points, to 2.9%.

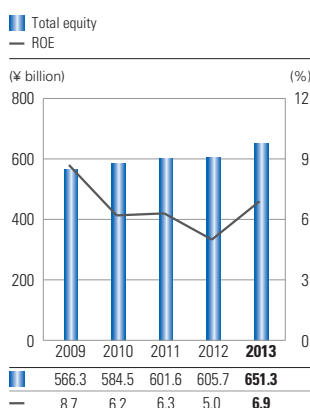
•Capital Expenditures

Capital expenditures totaled ¥122,113 million. Of this amount, ¥90,773 million was allocated to Public & Financial IT Services, ¥7,917 million to Enterprise IT Services, ¥12,009 million to Solutions & Technologies, and ¥6,207 million to Global Business. Capital expenditures categorized as “other” amounted ¥5,205 million, a figure which includes the investments of affiliates and subsidiaries that mainly support Head Office divisions.

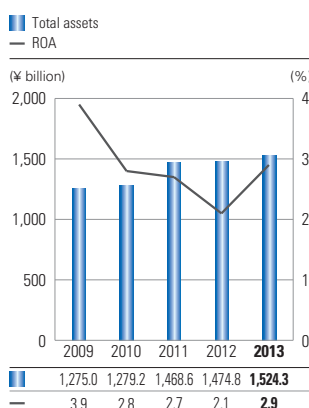
•Research and Development

Seeking to achieve the “expansion of new fields and the reinforcement of product competitiveness,” both of which are key objectives of its Medium-Term Management Plan, NTT DATA pursued R&D initiatives in the “software engineering,” “advanced technology” and “IT infrastructure technology” fields.

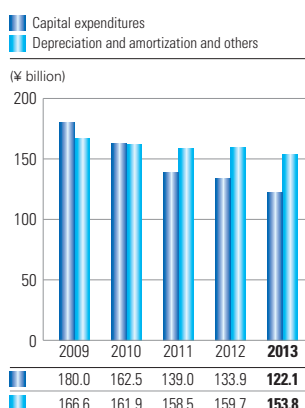
Total Equity and ROE



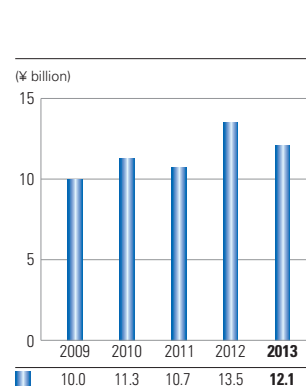
Total Assets and ROA



Capital Expenditures, and Depreciation, Amortization and Others



Research and Development



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

Expenses related to R&D activities totaled ¥12,105 million in fiscal 2013. Because the results of the Group's R&D efforts are shared between the Public & Financial IT Services, the Enterprise IT Services, the Solutions & Technologies, and the Global Business, these expenses are not allocated along segment-specific lines.

Remuneration

•Remuneration for Directors

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

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

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

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

Total Remuneration for Directors and Corporate Auditors

	Number of Persons	Monthly Remuneration	Directors' Bonuses	Remuneration Amount
Directors (excluding outside directors)	8	¥259 million	¥57 million	¥316 million
Corporate Auditors (excluding outside corporate auditors)	2	¥ 24 million	—	¥ 24 million
Total	10	¥284 million	¥57 million	¥341 million

- Notes: 1. The above includes one director who retired at the conclusion of the 24th Ordinary General Meeting of Shareholders, held on June 20, 2012.
2. At the 18th Ordinary General Meeting of Shareholders, held on June 22, 2006, it was determined that the maximum amount of remuneration for directors should be ¥580 million per annum, and that the maximum amount of remuneration for corporate auditors should be ¥150 million per annum.
3. In addition to the above, a bonus paid to two directors for their concurrent service as employees amounted to ¥4 million.

Total Remuneration for Outside Corporate Officers

	Number of Persons	Monthly Remuneration
Total remuneration for external Corporate Officers	5	¥74 million

Note: The above includes two external corporate officers directors who retired at the conclusion of the 24th Ordinary General Meeting of Shareholders, held on June 20, 2012.

•Remuneration Paid to Certified Public Accountants

NTT DATA and its subsidiaries paid remuneration to independent auditors KPMG AZSA & Co. (KPMG AZSA LLC) and its affiliates, based on audit contracts executed with said agency as follows:

Total Remuneration for Certified Public Accountants

Type	Remuneration for Auditing and Attestation	Remuneration Based on Non-Audit Services
NTT DATA	¥350 million	¥56 million
Consolidated subsidiary	¥199 million	—
Total	¥550 million	¥56 million

Some of the Company's foreign consolidated subsidiaries had their financial statements audited by member firms of the KPMG network, to which KPMG AZSA & Co. (KPMG AZSA LLC) belongs. Remuneration for these audit services totaled ¥311 million.

With regard to non-audit services, the Company remunerated KPMG AZSA LLC for guidance and advice on the basis of International Financial Reporting Standards (IFRS), as well as for verification of internal control establishment and operating status based on JICPA Auditing and Assurance Practice Committee Practical Guideline No 86, "Assurance Reports on Controls at a Service Organization."

Outlook for Fiscal 2014

•Economic Outlook and Performance Forecasts

While by and large corporations are likely to remain cautious about IT investments, we forecast that our group company's financial results will be affected by factors such as a net sales increase in overseas subsidiaries and foreign exchange movements as well as a domestic sales increase. Accordingly, we expect net sales to be ¥1,330.0 billion, a growth compared with the current fiscal period.

Operating income is expected to increase to ¥90.0 billion from the current year, resulting from a favorable impact accompanying the net sales increase as well as effects such as ongoing improvement of the cost ratio and efficient use of selling and general administrative expenses.

•Outlook for Capital Expenditures

For the fiscal year ending in March 2014, capital expenditure is projected to increase by ¥25,800 million to ¥148,000 million, due in part to an increase in the scale of investments, including those related to systems for central government agencies.

•Outlook for Dividends

The annual dividend per share (Note) for the next fiscal year is planned to total ¥6,000, and will be set considering all factors including the Company's consolidated performance, its financial condition, and the payout ratio.

Note: We will implement a 1:100 stock split with the effective date of October 1, 2013. However this does not take the stock split into account.

We expect to pay an interim dividend of ¥3,000 and a year-end dividend of ¥30 per share for the year ending March 31, 2014.

Risk Factors and Management

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

•Risk of downward price pressure

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

•Risk relating to increasing intensity of competition

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

•Risk related to systemic changes in society

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

•Risk relating to overseas business

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

•System failure risk

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

•System building risk

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

•Information security risk

When conducting its business, the NTT DATA Group handles personal information and confidential information. In the event of the loss, leakage, etc., of that information, resultant factors such as a deterioration of public confidence in the NTT DATA Group or in its brand image or the payment of compensation for damage caused may affect the NTT DATA Group's business results and financial condition.

•Compliance-related risk

The NTT DATA Group has laid down the "Global Compliance Policy" to act as fundamental policy for sound business activities based on the Group's corporate ethics. It has also built a compliance promotion structure and implemented periodic educational activities to raise the awareness of officers and employees for the purpose of enhancing corporate ethics and ensuring legal compliance. However, there may be cases where a compliance-related risk cannot be prevented completely, and in the event of a legal violation, resultant factors, such as a deterioration of public confidence in the NTT DATA Group or in its brand image or the payment of compensation for damage, may adversely affect the NTT DATA Group's business results and financial condition.

•Risk relating to the securing of personnel

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

•Risk relating to technical innovation

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

•Risk relating to intellectual property rights

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

•Influence of parent company

Nippon Telegraph and Telephone Corporation (NTT), NTT DATA's parent company, is a principal shareholder with ownership of 54.2% of NTT DATA's voting stock as of March 31, 2013. NTT DATA carries out its operations independently of NTT and its other subsidiaries, but discusses important issues with NTT or reports to it. Against this backdrop of influence, NTT may act in ways that are in its own best interests but may not necessarily be in the interests of other shareholders of NTT DATA.

•Risk relating to major disasters, vital infectious disease and the like

The systems and services provided by the NTT DATA Group may constitute social infrastructure. In view of this the Group develops structures for ensuring business continuity in conformity with government guidelines and implements disaster-prevention training. Nevertheless, in the event of the occurrence of a major disaster or of a serious outbreak of a contagious disease or else it is possible that places of business or their systems or large numbers of employees will suffer damage or harm, and resultant factors such as a deterioration of public confidence in the NTT DATA Group or in its brand image or unavoidable reduction of income or major expenditure for repair costs may affect the NTT DATA Group's business results and financial condition.

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

(Billions of Yen)

Business Domain	Partner	Name of Subsidiary	Investment Ratio (%)	Transfer/ Establishment	Net Sales	
					2013	2014 (Forecast)
Information Subsidiary						
Food/Bio-technology	Japan Tobacco	NTT DATA WAVE Corporation	80.1	Aug. 2002	17.8	12.1
Basic Material	Nippon Sheet Glass	NTT DATA BUSINESS BRAINS Corporation	70.0	Sept. 2003	4.3	4.0
Housing/Resin Processing	Sekisui Chemical	NTT DATA SEKISUI SYSTEMS Corporation	60.0	Jan. 2005	7.8	7.3
Travel	Kinki Nippon Tourist	NTT DATA TERANOS Corporation	51.0	Oct. 2006	3.3	3.0
Oil/Metal	JX Holdings	NTT DATA CCS Corporation	60.0	Apr. 2008	12.8	12.7
Embedded software	Panasonic Mobile Communications	NTT DATA MSE Corporation	60.0	Oct. 2008	15.1	14.3
IT Services Companies						
Auto/Electronics/CAD/CAM·PDM·ERP	—	NTT DATA ENGINEERING SYSTEMS Corporation	100.0	Mar. 2006	8.5	8.4
Financial (Foreign exchange settlement)	Getronics	NTT DATA Getronics Corporation	70.0	May 2007	14.1	14.4
SAP, etc.	Japan Research Institute	JSOL Corporation	50.0	Jan. 2009	28.8	28.0
Financial (Capital Market)	—	XNET Corporation	51.0	Mar. 2009	3.2	3.5
Personnel package solution/ERP, etc.	—	NTT DATA ITECS Corporation	84.7	Aug. 2009	1.2	1.3
Telecom, etc.	—	NJK Corporation	51.4	Feb. 2010	10.6	11.1
Financial (Retail sales support)	—	NTT DATA ABIC Co., Ltd.	100.0	Feb. 2010	1.4	1.4
Local government, etc.	—	NTT DATA MCS Corporation	58.3	Apr. 2010	1.8	2.0
Financial (Insurance)	—	EMAS Co., Ltd.	88.7	Apr. 2011	3.4	3.4
Business Analytics	—	MATHEMATICAL SYSTEMS Inc.	80.0	Feb. 2012	1.1	1.2
Financial/Local Government	—	Japan Information Processing Service Co.,Ltd.	80.0	Mar. 2012	30.8	31.4
Consulting Companies						
Distribution/Food Service	—	NTT DATA SMIS Co., Ltd.	100.0	July 2005	1.6	1.9
Consulting	—	QUNIE Corporation	100.0	July 2009	5.3	5.4
Global Players						
SAP, etc.	—	itelligence AG	98.4	Jan. 2008	45.0	53.5
Financial (Credit-card business)	—	Shanghai NTT DATA Synergy Software Co., Ltd.	66.6	Apr. 2010	0.5	0.6

Region/Business Domain	Name of Integrated Company	Transfer/ Establishment	Net Sales	
			2013	2014 (Forecast)
Global Players (Integrated companies)				
Americas	NTT DATA, Inc.	Jan. 2012	—	—
EMEA	NTT DATA EMEA Ltd.	Apr. 2012	—	—
APAC	NTT DATA Asia Pacific	July 2012	—	—
China	NTT DATA China	Feb. 2012	—	—
SAP Solutions	NTT DATA Business Solutions (Brand name)	Nov. 2012 Started unification of the brand name	—	—

Notes: 1. The corporate data appearing above and net sales figures (results and forecasts) are as of March 31, 2013.

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

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

Consolidated Balance Sheets

NTT DATA CORPORATION AND SUBSIDIARIES
As of March 31, 2012 and 2013

	Millions of yen	
	2012	2013
ASSETS		
Current assets		
Cash and deposits	¥ 140,827	¥ 152,504
Notes and accounts receivable-trade	273,737	313,600
Lease receivables and investment assets	17,469	17,617
Securities	22,160	2,000
Inventories	25,811	24,104
Deferred tax assets	14,733	16,016
Other	47,644	77,682
Allowance for doubtful accounts	(1,975)	(2,263)
Total current assets	540,408	601,261
Noncurrent assets		
Property, plant and equipment		
Data communication facilities	397,659	311,955
Accumulated depreciation	(280,858)	(223,252)
Data communication facilities, net	116,800	88,703
Buildings and structures	285,634	282,109
Accumulated depreciation	(185,191)	(187,069)
Buildings and structures, net	100,443	95,039
Machinery, equipment and vehicles	63,771	63,749
Accumulated depreciation	(46,992)	(46,688)
Machinery, equipment and vehicles, net	16,779	17,060
Tools, furniture and fixtures	51,724	55,125
Accumulated depreciation	(37,027)	(40,037)
Tools, furniture and fixtures, net	14,697	15,087
Land	50,814	50,047
Lease assets	14,586	12,619
Accumulated depreciation	(10,323)	(8,105)
Lease assets, net	4,262	4,514
Construction in progress	18,223	26,715
Total property, plant and equipment	322,021	297,169
Intangible assets		
Software	232,607	233,320
Software in progress	63,039	67,248
Goodwill	133,807	142,749
Lease assets	374	252
Other	51,844	53,280
Total intangible assets	481,673	496,852
Investments and other assets		
Investment securities	37,899	34,997
Deferred tax assets	53,510	56,317
Other	40,163	38,506
Allowance for doubtful accounts	(782)	(795)
Total investments and other assets	130,791	129,025
Total noncurrent assets	934,485	923,047
Total assets	¥ 1,474,894	¥ 1,524,309

	Millions of yen	
	2012	2013
LIABILITIES		
Current liabilities		
Accounts payable-trade	¥ 82,125	¥ 92,206
Short-term loans payable	12,574	11,441
Commercial papers	20,000	—
Current portion of long-term loans payable	2,738	21,463
Current portion of bonds	283	50,059
Lease obligations	3,128	2,849
Accounts payable-other	19,809	20,588
Income taxes payable	15,111	21,438
Advances received	123,882	109,890
Provision for loss on order received	1,405	2,034
Asset retirement obligations	278	227
Other	69,128	65,090
Total current liabilities	350,465	397,289
Noncurrent liabilities		
Bonds payable	250,071	225,039
Long-term loans payable	86,005	61,903
Lease obligations	5,470	5,607
Deferred tax liabilities	17,393	17,530
Provision for retirement benefits	109,766	118,271
Provision for directors' retirement benefits	1,221	1,189
Asset retirement obligations	1,442	1,439
Other	13,306	11,831
Total noncurrent liabilities	484,678	442,812
Total liabilities	835,143	840,102
NET ASSETS		
Shareholders' equity		
Capital stock	142,520	142,520
Capital surplus	139,300	139,300
Retained earnings	352,186	378,951
Total shareholders' equity	634,006	660,771
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(140)	1,910
Deferred gains or losses on hedges	(138)	51
Foreign currency translation adjustment	(21,046)	3,058
Pension liability adjustments	(478)	(115)
Other	(6,492)	(14,363)
Total valuation and translation adjustments	(28,296)	(9,459)
Minority interests	34,041	32,894
Total net assets	639,750	684,207
Total liabilities and net assets	¥ 1,474,894	¥ 1,524,309

Consolidated Statements of Income and Comprehensive Income

NTT DATA CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2012 and 2013

	Millions of yen	
	2012	2013
Net sales	¥ 1,251,177	¥ 1,301,941
Cost of sales	941,881	980,524
Gross profit	309,295	321,416
Selling, general and administrative expenses	228,878	235,720
Operating income	80,416	85,696
Non-operating income		
Interest income	377	504
Dividends income	546	988
Foreign exchange gains	896	2,416
Debt appraisal profit	1,510	436
Other	2,889	3,291
Total non-operating income	6,220	7,637
Non-operating expenses		
Interest expenses	5,598	5,546
Loss on retirement of noncurrent assets	1,576	1,914
Compensation for damage	1,500	261
Other	2,374	3,740
Total non-operating expenses	11,049	11,463
Ordinary income	75,588	81,870
Extraordinary income		
Gain on sales of land	4,570	—
Gain on bargain purchase	3,377	—
Total extraordinary income	7,948	—
Extraordinary loss		
Loss on restructuring of subsidiaries and affiliates	1,139	3,132
Impairment loss of noncurrent assets	8,930	1,718
Impairment loss of goodwill	1,303	—
Loss on disaster	281	—
Total extraordinary loss	11,654	4,851
Income before income taxes	71,882	77,019
Income taxes-current	38,474	37,905
Income taxes-deferred	2,340	(5,881)
Total income taxes	40,815	32,024
Income before minority interests	31,066	44,994
Minority interests in income (loss)	620	1,477
Net income	30,446	43,517
Minority interests in income (loss)	620	1,477
Income before minority interests	31,066	44,994
Other comprehensive income		
Valuation difference on available-for-sale securities	(72)	2,275
Deferred gains or losses on hedges	(373)	190
Foreign currency translation adjustment	(7,937)	23,930
Pension liability adjustments	(478)	363
Share of other comprehensive income of associates accounted for using equity method	0	55
Other	(701)	(7,871)
Total other comprehensive income	(9,562)	18,943
Comprehensive income	21,504	63,937
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	20,918	62,355
Comprehensive income attributable to minority interests	586	1,582

Consolidated Statements of Shareholders' Equity

NTT DATA CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2012 and 2013

	Millions of yen	
	2012	2013
Shareholders' equity		
Capital stock		
Capital stock	¥ 142,520	¥ 142,520
Changes of items during the period		
Total changes of items during the period	—	—
Ending balance of capital stock	142,520	142,520
Capital surplus		
Capital surplus	139,300	139,300
Changes of items during the period		
Total changes of items during the period	—	—
Ending balance of capital surplus	139,300	139,300
Retained earnings		
Retained earnings	338,550	352,186
Changes of items during the period		
Dividends from surplus	(16,830)	(16,830)
Net income	30,446	43,517
Change of scope of equity method	20	—
Other	—	77
Total changes of items during the period	13,636	26,764
Ending balance of retained earnings	352,186	378,951
Total shareholders' equity		
Shareholders' equity	620,370	634,006
Changes of items during the period		
Dividends from surplus	(16,830)	(16,830)
Net income	30,446	43,517
Change of scope of equity method	20	—
Other	—	77
Total changes of items during the period	13,636	26,764
Ending balance of shareholders' equity	634,006	660,771
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Valuation difference on available-for-sale securities	(67)	(140)
Changes of items during the period		
Other	—	238
Net changes of items other than shareholders' equity	(72)	1,811
Total changes of items during the period	(72)	2,050
Ending balance of valuation difference on available-for-sale securities	(140)	1,910
Deferred gains or losses on hedges		
Deferred gains or losses on hedges	234	(138)
Changes of items during the period		
Net changes of items other than shareholders' equity	(373)	190
Total changes of items during the period	(373)	190
Ending balance of deferred gains or losses on hedges	(138)	51
Foreign currency translation adjustment		
Foreign currency translation adjustment	(13,144)	(21,046)
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,902)	24,105
Total changes of items during the period	(7,902)	24,105
Ending balance of foreign currency translation adjustment	(21,046)	3,058
Pension liability adjustments		
Pension liability adjustments	—	(478)
Changes of items during the period		
Net changes of items other than shareholders' equity	(478)	363
Total changes of items during the period	(478)	363
Ending balance of pension liability adjustments	(478)	(115)
Other		
Other	(5,790)	(6,492)
Changes of items during the period		
Other	—	(316)
Net changes of items other than shareholders' equity	(701)	(7,555)
Total changes of items during the period	(701)	(7,871)
Ending balance of other	(6,492)	(14,363)
Total valuation and translation adjustments		
Valuation and translation adjustments	(18,768)	(28,296)
Changes of items during the period		
Other	—	(77)
Net changes of items other than shareholders' equity	(9,528)	18,914
Total changes of items during the period	(9,528)	18,837
Ending balance of valuation and translation adjustments	(28,296)	(9,459)

	Millions of yen	
	2012	2013
Minority interests		
Minority interests	28,716	34,041
Changes of items during the period		
Net changes of items other than shareholders' equity	5,325	(1,146)
Total changes of items during the period	5,325	(1,146)
Ending balance of minority interests	34,041	32,894
Net assets		
Net assets	630,317	639,750
Changes of items during the period		
Dividends from surplus	(16,830)	(16,830)
Net income	30,446	43,517
Change of scope of equity method	20	—
Other	—	—
Net changes of items other than shareholders' equity	(4,203)	17,768
Total changes of items during the period	9,432	44,456
Ending balance of net assets	639,750	684,207

Consolidated Statements of Cash Flows

NTT DATA CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2012 and 2013

	Millions of yen	
	2012	2013
Net cash provided by (used in) operating activities		
Income before income taxes	¥ 71,882	¥ 77,019
Depreciation and amortization	148,327	140,055
Loss on retirement of noncurrent assets	11,394	13,821
Increase (decrease) in provision for retirement benefits	7,582	8,450
Loss (gain) on sales of investment securities	176	(390)
Loss (gain) on valuation of investment securities	111	272
Interest expenses	5,598	5,546
Impairment loss of noncurrent assets	8,930	1,718
Gain on sales of land	(4,570)	—
Gain on bargain purchase	(3,377)	—
Decrease (increase) in notes and accounts receivable-trade	(11,488)	(29,720)
Decrease (increase) in inventories	3,739	1,977
Increase (decrease) in notes and accounts payable-trade	(5,394)	2,500
Increase (decrease) in advances received	2,581	(15,344)
Increase (decrease) in accrued consumption taxes	2,404	(2,918)
Other, net	(56)	(9,144)
Subtotal	237,840	193,845
Interest and dividends income received	928	1,492
Interest expenses paid	(5,737)	(5,478)
Income taxes (paid) refund	(42,783)	(28,531)
Net cash provided by (used in) operating activities	190,247	161,327
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(48,145)	(39,557)
Purchase of intangible assets	(87,338)	(77,186)
Proceeds from sales of noncurrent assets	6,918	1,570
Purchase of investment securities	(378)	(870)
Proceeds from sales of investment securities	227	2,839
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(29,110)	(3,317)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	116	—
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	—	(28)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	26	—
Net decrease (increase) in time deposits	102	4,606
Payments for transfer of business	(2,710)	(730)
Purchase of investments in subsidiaries	(1,842)	(1,263)
Other, net	2,293	(1,106)
Net cash provided by (used in) investing activities	(159,840)	(115,044)
Net cash provided by (used in) financing activities		
Proceeds from issuance of bonds	97	24,900
Redemption of bonds	(30,305)	(253)
Proceeds from long-term loans payable	609	1,531
Repayment of long-term loans payable	(33,662)	(9,775)
Net increase (decrease) in commercial papers	20,000	(20,000)
Net increase (decrease) in short-term loans payable	(2,658)	(1,383)
Repayments of lease obligations	(3,058)	(2,667)
Cash dividends paid	(16,827)	(16,833)
Cash dividends paid to minority shareholders	(512)	(407)
Proceeds from stock issuance to minority shareholders	461	88
Purchase of stock issuance from minority shareholders	(102)	(10,868)
Net cash provided by (used in) financing activities	(65,957)	(35,667)
Effect of exchange rate change on cash and cash equivalents	(2,147)	5,236
Net increase (decrease) in cash and cash equivalents	(37,698)	15,852
Cash and cash equivalents	198,606	161,110
Increase in cash and cash equivalents from newly consolidated subsidiary	202	—
Cash and cash equivalents	161,110	176,963

Investor Information

(As of March 31, 2013)

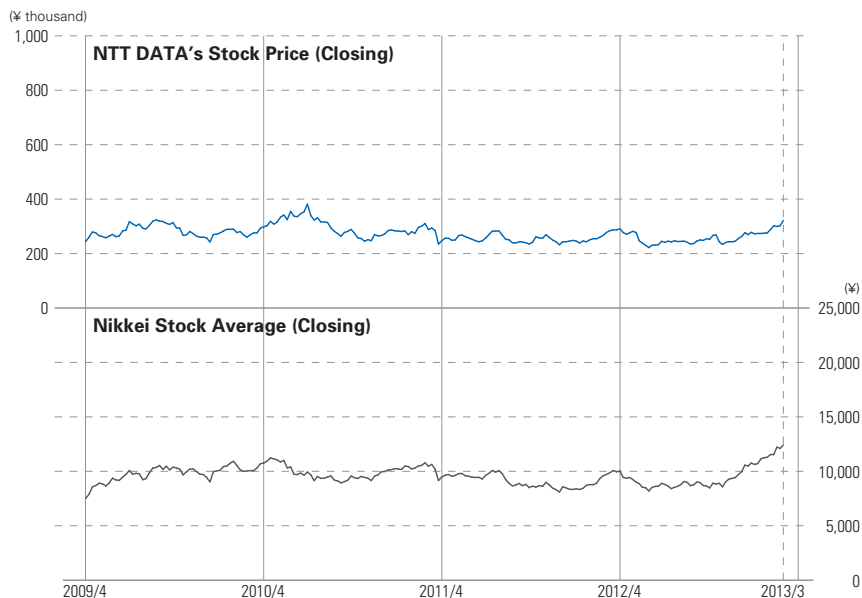
Largest Shareholders

Name (The 10 largest shareholders)	Number of Shares Held of Shares in Issue	Percentage of Shares in Issue (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	1,520,010	54.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	121,830	4.34
Japan Trustee Services Bank, Ltd. (Trust Account)	85,664	3.05
NTT DATA Employee Share-Holding Association	30,154	1.08
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS (Standing agent: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	27,216	0.97
NORTHERN TRUST CO. AVFC RE U.S. TAX EXEMPTED PENSION FUNDS (Standing agent: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	22,985	0.82
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	22,945	0.82
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	21,521	0.77
BNP PARIBAS SECURITIES (JAPAN) LIMITED	21,311	0.76
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	18,982	0.68

Number of Shares Issued and Number of Shareholders

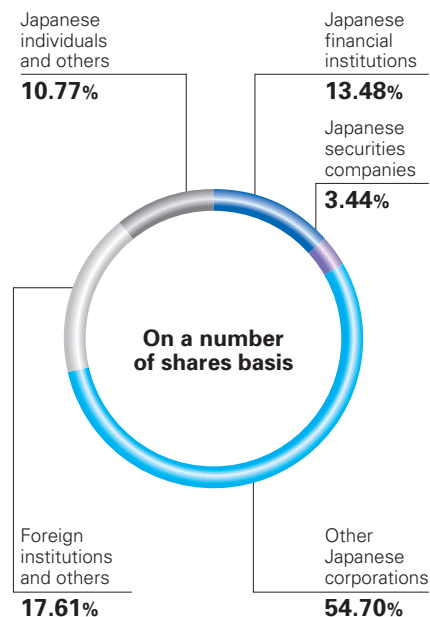
(1) Total Number of Authorized Shares	11,220,000
(2) Number of Shares Issued and Outstanding	2,805,000
(3) Number of Shareholders	102,448

Stock Price Chart



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

Distribution of Ownership Among Shareholders



Corporate Data

(As of March 31, 2013)

Head Office

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

Date of Establishment

May 23, 1988

Common Stock

¥142,520 million

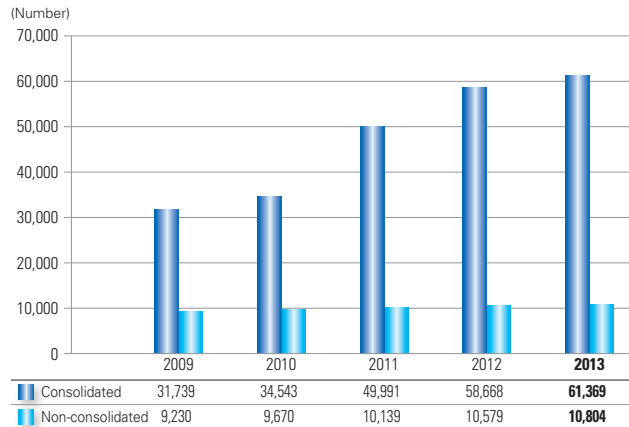
Fiscal Year

April 1 of to March 31 of the following year

Independent Auditors

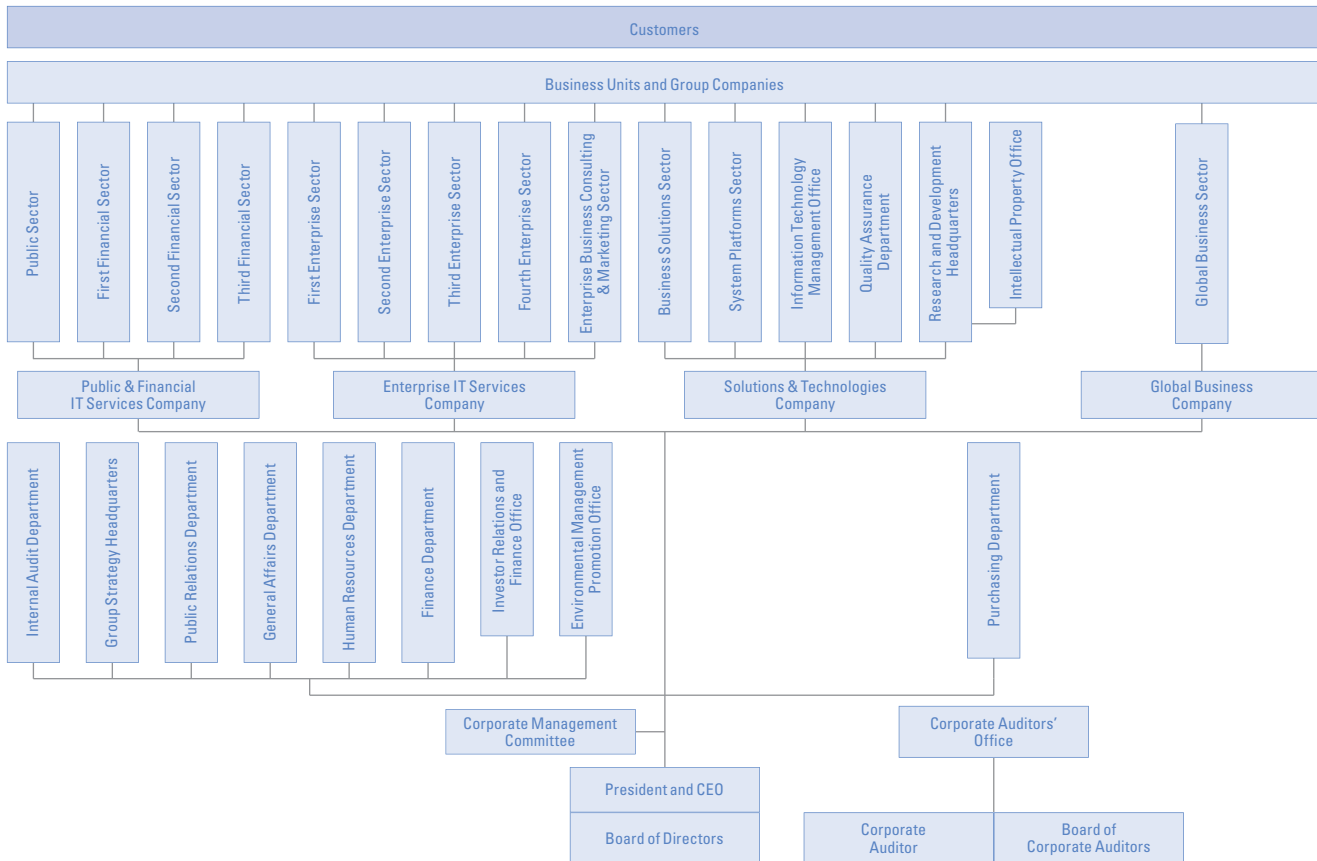
KPMG AZSA LLC

Number of Employees at Fiscal Year-end



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

Organizational Structure (As of July 1, 2013)



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

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

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