

ANNUAL REPORT 2015

Fiscal Year Ended March 31, 2015



Global IT Innovator



The NTT DATA Group's Mission and Vision

Mission Statement

NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society.

Group Vision

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.



Contents

Snapshot

- 2 NTT DATA's Business Structure
- 4 NTT DATA's Business Fields
- 6 NTT DATA's Growth Strategies
- 8 Consolidated Financial Highlights

Management Message

- 12 Message from the President
- 14 Interview with the President

Special Feature

- 22 Special Feature
Clients First, with Innovation
and Japanese Quality

Operations

- 30 At a Glance
- 32 Segment Performance Overview
- 34 Organizational Changes

Sustainability

- 36 Innovation
- 38 Information Security
- 40 Human Resources
- 42 Environment

Corporate Governance

- 44 Directors, Audit & Supervisory Board Members,
and Senior Vice Presidents
- 47 Corporate Governance
- 50 Risk Management

Financial & Others

- 52 Financial Information
- 66 Investor Information
- 67 Corporate Data

Note: With respect to the notation of fiscal years in the graphs and charts within this annual report, "2015" indicates the fiscal year ended March 31, 2015.

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, client demand, tax rules, regulations, and other factors. Readers of this annual report are cautioned not to place undue reliance on these forward-looking statements. The NTT DATA Group therefore wishes to caution readers that actual results may differ materially.

NTT DATA's Business Structure

World-Leading ICT Conglomerate—The NTT Group

NTT Group

Total Assets	Net Sales	Number of Employees	Consolidated Subsidiaries
¥20,702.4 billion	¥11,095.3 billion	241,600 (consolidated)	917



- Planning management strategies for the NTT Group
- Promoting fundamental R&D efforts

Telecommunications Carriers



NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION



NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION



NTT DOCOMO, INC.

BtoB IT Services

Managed ICT / Data Center Network



NTT Communications Corporation



Dimension Data Holdings plc.

Software (Application Layers)



NTT DATA CORPORATION

IT Services Centered on System Integration—The NTT Data Group

NTT DATA Group

Total Assets	Net Sales	Number of Employees	Consolidated Subsidiaries
¥1,822.8 billion	¥1,511.8 billion	76,642 (consolidated)	253

Strength Driving Differentiation

Foresight

- Creation of new business models
- Aggressive response to globalization
- Technological capabilities supporting more sophisticated systems

Reliability

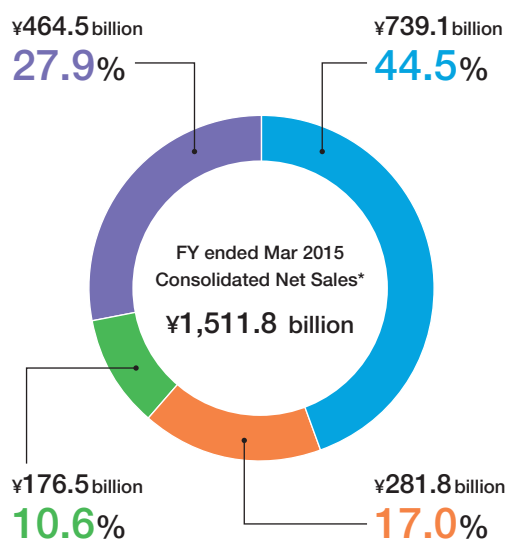
- Track record of developing large-scale systems for national and other projects
- Industry-leading financial base
- Leading presence in Japan

(Ranked 4th in government and healthcare market, 1st in financial market, and 5th in enterprise market on domestic IT service vendor rankings)

Neutrality

- Track record in social infrastructure system integration
- Project management capabilities adept at leading multiple vendors
- Ability to develop systems through multi-vendor approach independent of hardware

Increasingly Diverse Business Portfolio



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

Supporting NTT DATA in the domestic financial service and public sectors

Public & Financial IT Services Segment

Business Areas

- Public administration
- Finance
- Healthcare
- Settlement

Creating new businesses in a wide range of fields

Enterprise IT Services Segment

Business Areas

- Manufacturing
- Communications, broadcasting, and utilities
- Retail, logistics, and other services

Providing the latest IT solutions

Solutions & Technologies Segment

Business Areas

- Platforms
- Services
- Solutions

Advancing NTT DATA's global business

Global Business Segment

Regional Bases

- North America
- China
- EMEA
- APAC
- Spain / Latin America

NTT DATA's Business Fields

Expanding Business Domain

through Re-Marketing initiatives that leverage the foundations formed by customer relations and technological capabilities that attest to NTT DATA's strong presence

Leading Presence in Japan

NTT DATA's Performance on Domestic IT Service Vendor Rankings*1

Government and healthcare

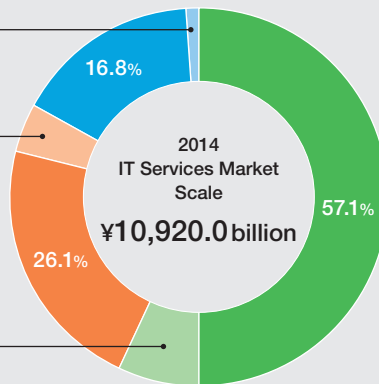
4th

Financial

1st

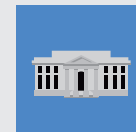
Enterprise

5th

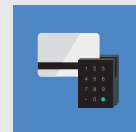


*1 Source: Gartner "Market Share: IT Services, 2014" 31 March 2015
 "Government and healthcare" includes the "Government," "Education," and "Healthcare" categories
 "Financial" includes the "Banking & Securities" and "Insurance" categories.
 "Enterprise" includes the "Transportation," "Utilities," "Wholesale Trade," "Communications, Media & Services," "Manufacturing & Natural Resources," and "Retail" categories.

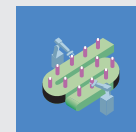
Note: Charts / graphics created by NTT Data based on Gartner research.



Public Sector



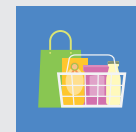
Banking and Financial Services



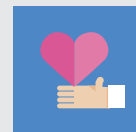
Manufacturing



Media and Entertainment



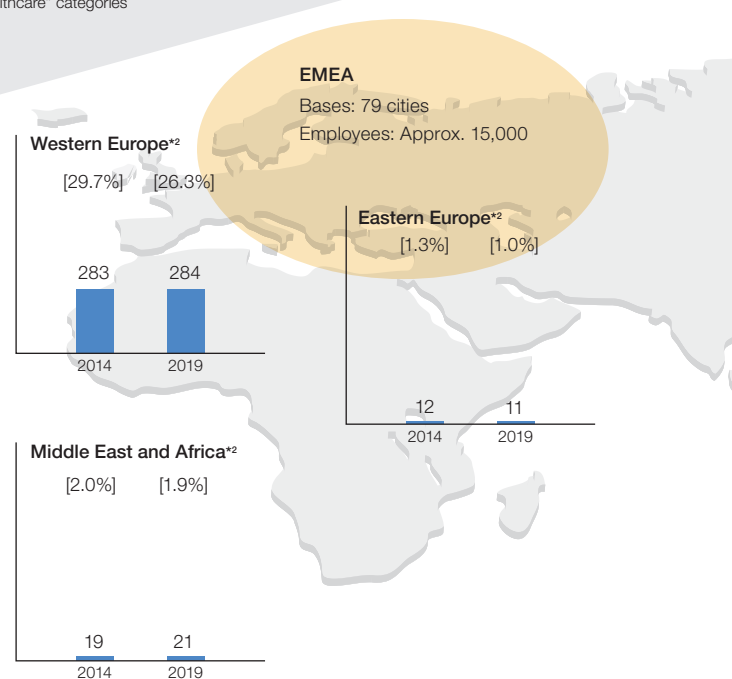
Retail



Service Providers

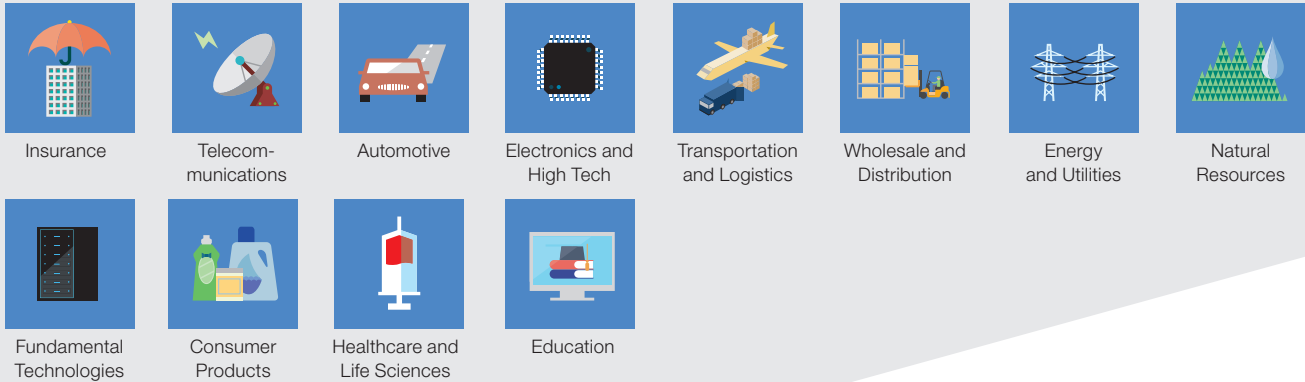
Increasing Geographic Coverage encompassing 176 cities in 41 countries and regions
 Approximately 76,000 people working throughout the NTT DATA Group

(As of March 2015)



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

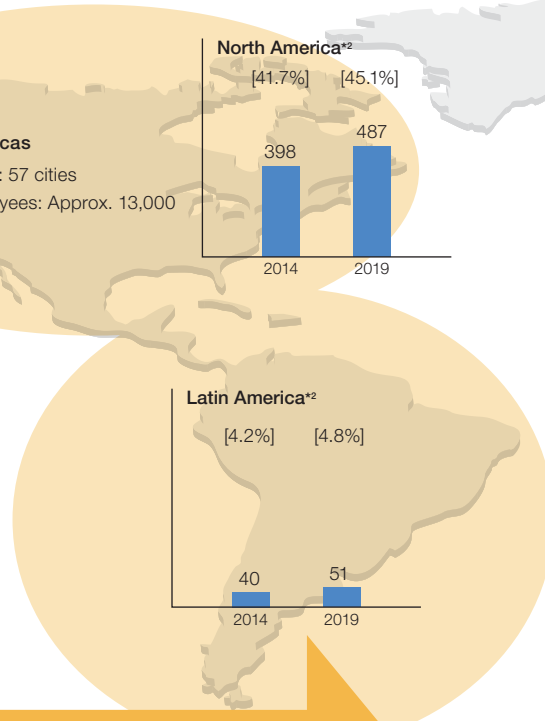
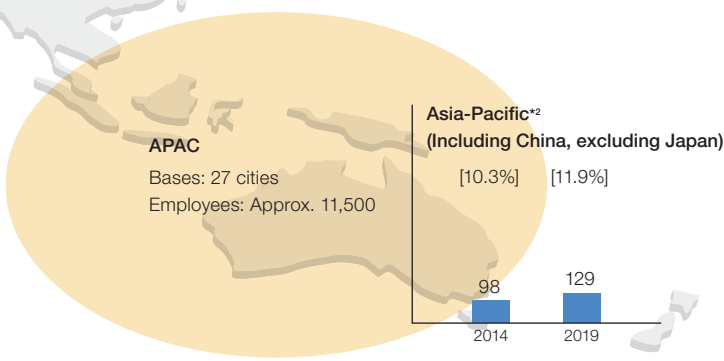
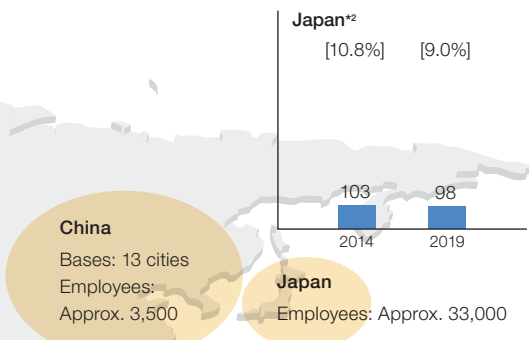
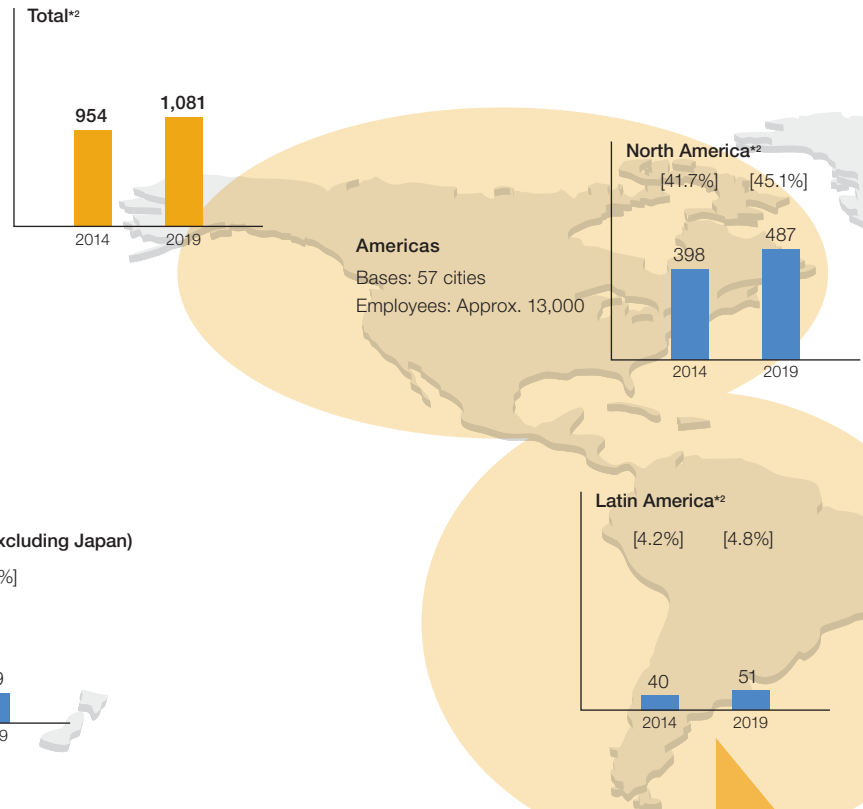
Ever-Expanding Business Domain



*2 Source: Gartner "Forecast: IT Services, Worldwide, 2013-2019, 2Q15" Update June 2015
 "Eastern Europe" includes the "Eastern Europe & Eurasia" category.
 "Middle East and Africa" includes the "Middle East" and "North Africa & Sub-Saharan Africa" categories.
 "Asia-Pacific (Including China, excluding Japan)" includes the "Emerging Asia-Pacific" and "Mature Asia-Pacific & Greater China" categories.
 Note: Charts / graphics created by NTT Data based on Gartner research.

Scale of IT Services Markets Around the World*2

(Billions of U.S. dollars)
 Percentages in brackets
 [] represent percent of total global market.



NTT DATA's Growth Strategies

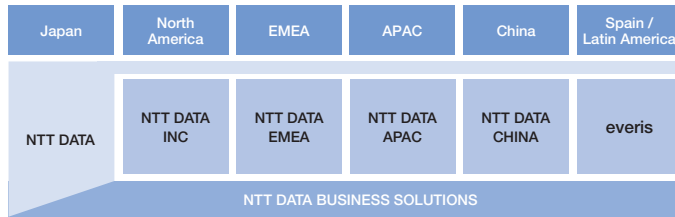
Aggressive Global M&A Activities

Nov. 2013		Jan. 2014	
June 2011			
July 2010		Dec. 2010	
Oct. 2008			
Jan. 2008			

2005—
Start of acquisition of companies around the world

2011—
Consolidation of operations and brands

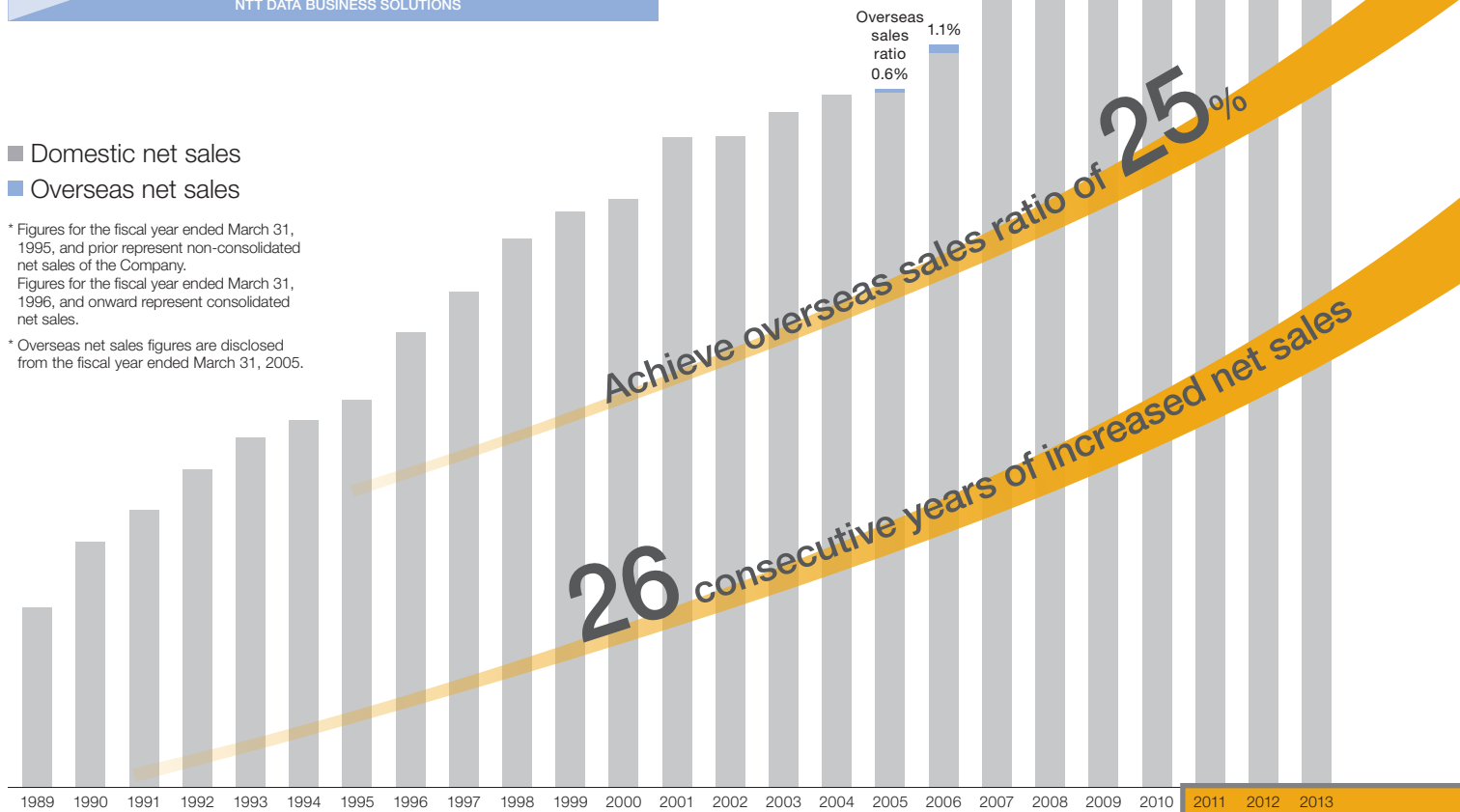
"One NTT DATA" Structure



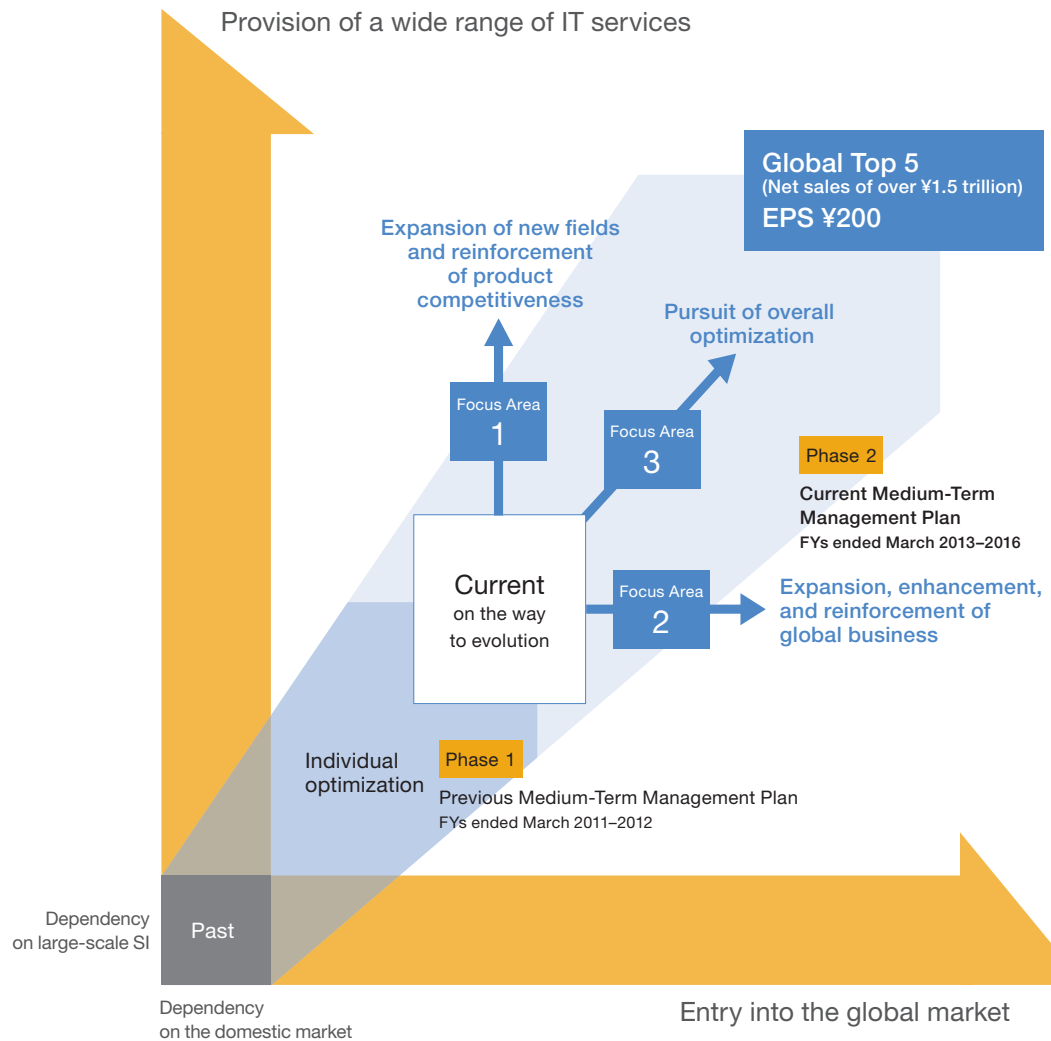
- Domestic net sales
- Overseas net sales

* Figures for the fiscal year ended March 31, 1995, and prior represent non-consolidated net sales of the Company. Figures for the fiscal year ended March 31, 1996, and onward represent consolidated net sales.

* Overseas net sales figures are disclosed from the fiscal year ended March 31, 2005.



The NTT DATA Group's Accelerating Global Expansion



22.2%

29.7%

29.9%

2014 2015 2016

(Fiscal years ended March 31)

Becoming a Truly Global IT Company

In the fiscal year ended March 31, 2015, NTT DATA was able to achieve its 26th consecutive year of higher net sales since its separation from NIPPON TELEGRAPH AND TELEPHONE CORPORATION.

The Company has continued to expand its business domain to encompass various new fields by leveraging foundations formed by the customer relations and technological capabilities that attest to its leading presence in the domestic market. At the same time, we have increased our geographic coverage through aggressive merger and acquisition (M&A) activities with the aim of reinforcing NTT DATA's global business.

The current Medium-Term Management Plan, which is scheduled to end with the fiscal year ending March 31, 2016, has defined two targets: achieving net sales of over ¥1.5 trillion, which equate to joining the Global Top 5 in IT services and recording earnings per share (EPS) of ¥200. By pursuing these targets and evolving into a corporate group that can efficiently provide diverse IT services worldwide, we aim to become a truly global IT company capable of competing with rivals on the worldwide stage.

Consolidated Financial Highlights

NTT Data Corporation and Subsidiaries

Years ended March 31	2005	2006	2007	2008	2009	2010
For the Year:						
New Orders Received	¥ 658,161	¥ 723,673	¥ 967,901	¥1,012,278	¥1,035,242	¥1,181,549
Net Sales	854,153	907,281	1,044,918	1,074,405	1,139,092	1,142,940
Public & Financial IT Services	—	—	—	—	—	769,482
Enterprise IT Services	—	—	—	—	—	338,702
Solutions & Technologies	—	—	—	—	—	153,870
Global Business	—	—	—	—	—	—
Others	—	—	—	—	—	(119,114)
Cost of Sales	684,395	682,224	786,327	813,343	861,942	870,589
Gross Profit	205,758	225,056	258,590	261,061	277,150	272,351
Selling, General and Administrative Expenses	166,470	178,189	168,340	165,149	178,603	190,662
Operating Income	39,288	46,866	90,250	95,911	98,546	81,689
Income before Income Taxes and Minority Interests	32,144	42,016	85,769	51,492	91,431	71,789
Net Income	20,110	28,190	50,637	30,454	48,360	35,662
Capital Expenditures	110,820	112,145	139,564	176,826	180,068	162,570
Depreciation and Amortization / Loss on Disposal of Property and Equipment and Intangibles	164,532	158,361	152,862	159,263	166,681	161,981
Research and Development Expenses	16,542	17,306	11,307	10,749	10,090	11,389
Free Cash Flow	60,711	53,116	83,304	39,653	(6,902)	83,667
EBITDA	201,229	200,170	234,517	246,287	256,526	234,888
At Year-End:						
Total Assets	1,038,571	1,056,336	1,087,346	1,193,827	1,275,091	1,279,256
Total Equity	473,981	495,703	534,916	548,133	566,308	584,537
Interest-Bearing Debt	295,341	271,928	246,330	241,204	304,735	272,299
Number of Employees (people)	18,720	21,308	22,608	23,080	31,739	34,543
Per Share:						
Net Income	¥7,139	¥10,024	¥18,052	¥10,857	¥17,240	¥12,713
Cash Dividends	2,000	3,000	5,000	5,000	6,000	6,000
Other Information:						
Operating Income Margin	4.6	5.2	8.6	8.9	8.7	7.1
Return on Sales	2.4	3.1	4.8	2.8	4.2	3.1
Return on Equity (ROE)	4.3	5.8	9.8	5.6	8.7	6.2
Return on Assets (ROA)	1.9	2.7	4.7	2.7	3.9	2.8
EBITDA Margin	23.6	22.1	22.4	22.9	22.5	20.6
Equity Ratio	45.6	46.9	49.2	45.9	44.4	45.7
ESG Information:						
Female Managers Ratio (%)	—	—	2.8	3.0	3.1	3.2
CO ₂ Emissions (t-CO ₂)	201,061	304,714	301,166	306,882	306,562	296,890

Overseas Sales Ratio	0.6%	1.1%	1.5%	1.7%	5.4%	6.1%
Progress of Global Business						

■ : Principal in indicators under the Medium-Term Management Plan

Notes: In the charts and graphs on pages 8 to 11, "2015" indicates the fiscal year ended March 31, 2015.

1. The name of the Global IT Service Company was changed to the Enterprise IT Services 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 from those previously disclosed to reflect this change.

3. Net income is net income attributable to owners of parent.

	2011	2012	2013	2014	2015
					(Millions of yen)
	¥ 988,484	¥1,098,400	¥1,197,168	¥1,400,221	¥1,429,117
	1,161,962	1,251,177	1,301,941	1,343,772	1,511,812
	767,289	727,864	728,885	721,698	739,169
	353,333	275,836	301,107	279,340	281,849
	163,064	160,225	167,082	179,131	176,539
	—	219,117	244,917	314,535	464,505
	(121,724)	(131,866)	(140,051)	(150,933)	(150,251)
	882,329	941,881	980,524	1,031,213	1,147,302
	279,632	309,295	321,416	312,559	364,509
	201,326	228,878	235,720	249,975	280,495
	78,306	80,416	85,696	62,583	84,013
	68,471	71,882	77,019	54,259	73,995
	37,313	30,446	43,517	23,287	32,144
	139,069	133,965	122,113	147,725	140,900
	158,566	159,721	153,877	143,681	158,567
	10,742	13,507	12,105	12,831	12,911
	(56,468)	30,406	46,283	44,837	26,742
	229,352	228,405	230,096	201,364	240,603
	1,468,617	1,474,894	1,524,309	1,689,940	1,822,837
	601,601	605,709	651,312	676,824	773,493
	404,292	371,673	369,907	405,677	439,131
	49,991	58,668	61,369	75,020	76,642
					(Yen)
	¥13,302	¥10,854	¥15,514	¥83.02*	¥114.60
	6,000	6,000	6,000	60*	60
					(%)
	6.7	6.4	6.6	4.7	5.6
	3.2	2.4	3.3	1.7	2.1
	6.3	5.0	6.9	3.5	4.4
	2.7	2.1	2.9	1.4	1.8
	19.7	18.3	17.7	15.0	15.9
	41.0	41.1	42.7	40.1	42.4
	3.5	5.0	5.4	5.0	5.0
	297,552	272,348	265,276	248,349	237,606

Key performance indicators (KPIs) in the fiscal year ended March 31, 2015

New Orders Received

¥1,429.1 billion (Up ¥28.8 billion, or 2.1%)

■ Increase in new orders received as benefits of the inclusion of new companies in scope of consolidation offset impacts of the absence of large-scale new orders received in the previous fiscal year

New Orders Received by Segment

	2014	2015	YOY
P&F	715,492	628,475	-12.2%
E-IT	303,651	270,371	-11.0%
S&T	38,630	49,585	+28.4%
GB	341,364	479,461	+40.5%

Net Sales

¥1,511.8 billion (Up ¥168.0 billion, or 12.5%)

■ Substantial increase in net sales due to benefits of the inclusion of new companies in scope of consolidation and expansion of operations at existing subsidiaries largely overseas

Net Sales by Segment

	2014	2015	YOY
P&F	721,698	739,169	+2.4%
E-IT	279,340	281,849	+0.9%
S&T	179,131	176,539	-1.4%
GB	314,535	464,505	+47.7%

Operating Income

¥84.0 billion (Up ¥21.4 billion, or 34.2%)

■ Increase in operating income following higher sales and reductions in unprofitable projects

Operating Income by Segment

	2014	2015	YOY
P&F	60,154	64,139	+6.6%
E-IT	(3,702)	12,242	—
S&T	8,453	7,048	-16.6%
GB	(5,175)	(2,731)	+47.2%

8.7% 16.7% 17.8% 22.2% 29.7% — 50%

Global 1st Stage

Global 2nd Stage

4. EBITDA = Operating income + Depreciation and amortization + Loss on disposal of tangibles and intangibles

5. EBITDA margin = EBITDA ÷ Net sales

6. 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 to this presentation method.

7. Ratio of female managers is calculated for domestic Group companies since the fiscal year ended March 31, 2012.

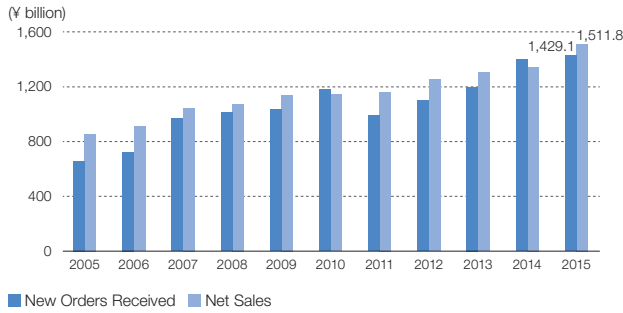
8. CO₂ emissions are based on data collected from the companies that have acquired both ISO 141001 and Group integrated certification.

* A 1:100 stock split was implemented with an effective date of October 1, 2013. Figures for the fiscal year ended March 31, 2014, are calculated as though the stock split had been implemented with an effective date of April 1, 2013.

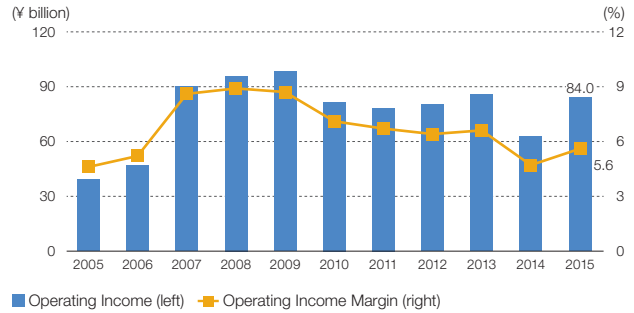
Consolidated Financial Highlights

NTT Data Corporation and Subsidiaries

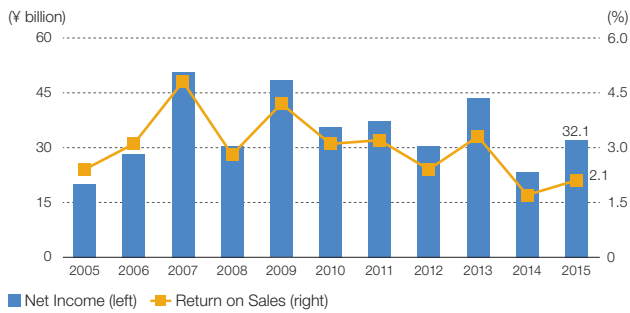
New Orders Received / Net Sales



Operating Income / Operating Income Margin

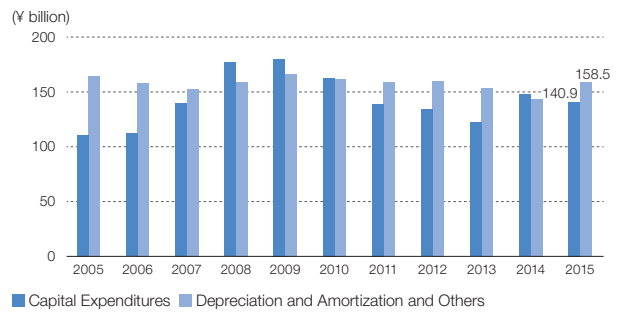


Net Income*1 / Return on Sales

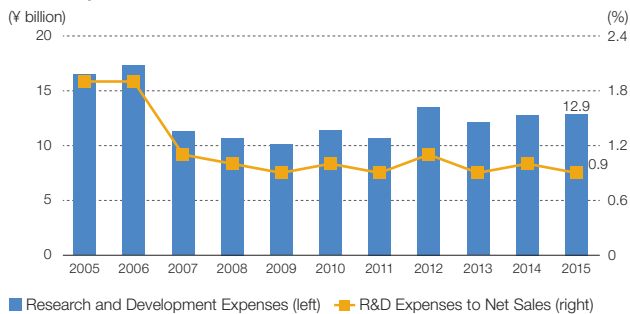


*1 Net income is net income attributable to owners of parent.

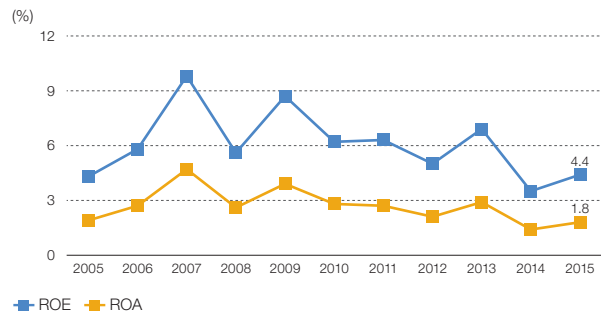
Capital Expenditures / Depreciation and Amortization and Others



Research and Development Expenses / R&D Expenses to Net Sales



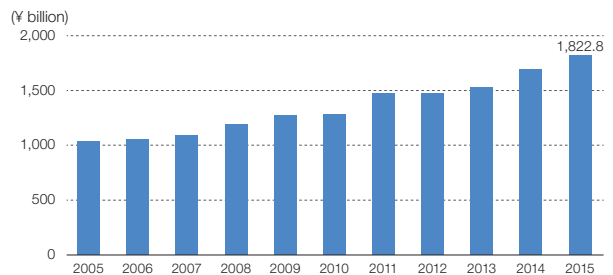
Return on Equity (ROE) / Return on Assets (ROA)



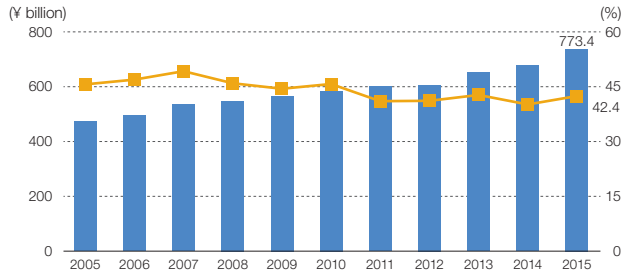
Free Cash Flow



Total Assets

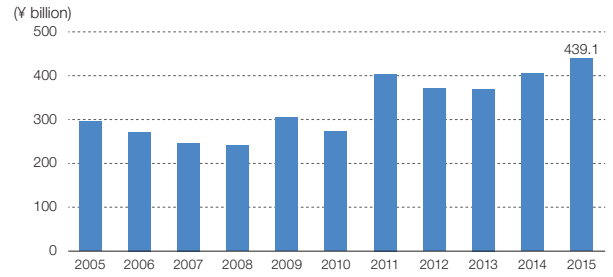


Total Equity / Equity Ratio

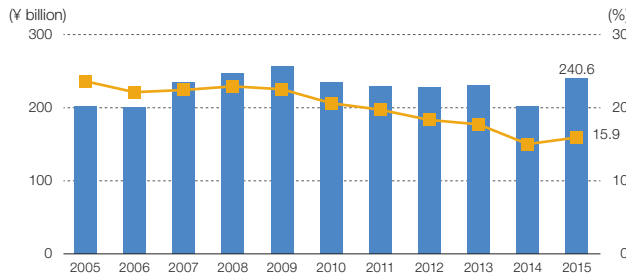


■ Total Equity (left) ■ Equity Ratio (right)

Interest-Bearing Debt

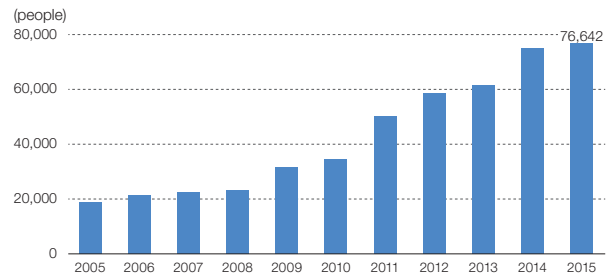


EBITDA / EBITDA Margin

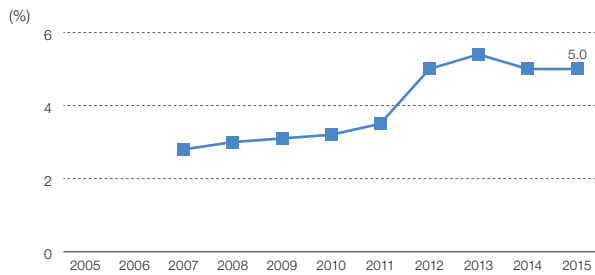


■ EBITDA (left) ■ EBITDA Margin (right)

Number of Employees

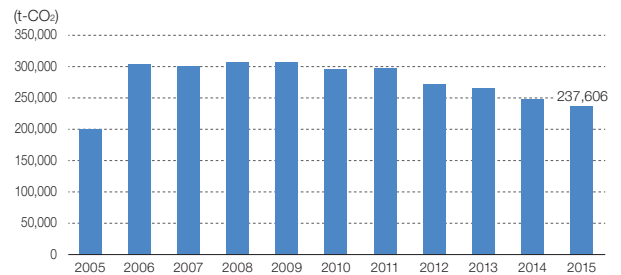


Female Managers Ratio*2



*2 Ratio of female managers is calculated for domestic Group companies since the fiscal year ended March 31, 2012.

CO₂ Emissions*3



*3 CO₂ emissions are based on data collected from the companies that have acquired both ISO 141001 and Group integrated certification.

Message from the President

At the NTT DATA Group, all employees share our key values — placing clients first, with innovation and Japanese quality at the heart of all we do. These unique values guide us toward becoming a Global IT Innovator.

On behalf of the NTT DATA Group, I would like to express our appreciation for your continued support.

NTT DATA set the Group vision of becoming a Global IT Innovator and has continued to push forward with the full-fledged globalization of its business for roughly a decade, aggressively expanding through M&A activities and other means. In our Medium-Term Management Plan, which covers the four-year period leading up to the conclusion of the fiscal year ending March 31, 2016, we defined our goal of becoming a truly global company. This endeavor entails that we broaden our horizons beyond simply expanding our domestic share to grow and strengthen our global business.

In the fiscal year ended March 31, 2015, M&As overseas and organic growth in both domestic and overseas operations contributed to the Company achieving its 26th consecutive year of higher net sales since separation from NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT). In addition, operating income increased 34.2% year on year, due largely to our efforts to control the impact of unprofitable projects that occurred in the fiscal year ended March 31, 2014.

The current Medium-Term Management Plan, slated to end together with the fiscal year ending March 31, 2016, has defined two targets: achieving net sales of over ¥1.5 trillion and recording earnings per share (EPS) of ¥200. The net sales target was accomplished a year ahead of schedule, in the fiscal year ended March 31, 2015, and we aim to achieve our EPS target in the coming fiscal year. To this end, we will continue to expand domestic market shares in existing operations while exploring new business fields and boosting earnings by thoroughly controlling unprofitable projects. In overseas operations, we will

expand our business primarily through organic growth, while aiming to move from the red into the black in operating income.

The NTT DATA Group's coverage further increased to encompass 176 cities across 41 countries and regions and we have reached our Global 1st Stage, which entails building a foundation to serve client needs around the world. While continually sharing our key values of "placing clients first, with innovation and Japanese quality" as a principle for every employee to practice, we will advance in strides toward accomplishing the objectives of our Global 2nd Stage, which is to establish NTT DATA as a globally recognized brand.

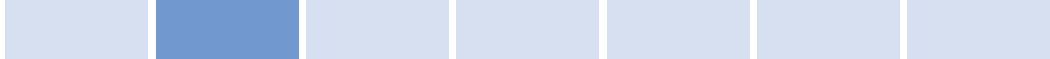
IT is essential to the development of both companies and societies, and the role of IT will grow ever more important in the future. The NTT DATA Group's mission is to create new paradigms and value as a business partner to help clients shape better business by anticipating technological progress faster and to contribute to the building of a more prosperous and harmonious society.

We are thankful for your ongoing support as we boldly tackle the challenges to come.

August 2015

Toshio Iwamoto
President and Chief Executive Officer





Interview with the President



With an eye toward the Global 2nd Stage objectives, we will muster the Group's collective strength to achieve the goals of the Medium-Term Management Plan.

Q1

What was the background for the formulation of the current Medium-Term Management Plan, and what constitutes the main points of the plan?

We aim to evolve into a corporate group that can provide diverse IT services worldwide, united under the mantra of realizing a One NTT DATA.

It was in 2005, a decade ago, when we set forth our vision of becoming a Global IT Innovator and commenced the full-fledged expansion of our global business.

At that time, the people of Japan were turning their attention to the very real possibility of a decrease in population accompanying a declining birthrate and the overall aging of society. It was apparent that companies, just like living organisms, went through growth cycles, and were fated to perish if they were unable to grow and adapt. From a long-term perspective, it was clear that the growth of the domestic IT services market would decelerate

going forward. Given the rapid global expansion of clients, it was only natural for management to decide to drive our overseas business, where further growth can be expected. Making the bold choice to enact a global strategy, we stepped up efforts to increase our offshore development operations and accelerated the increase of our global coverage through a capital alliance with The Revere Group, Limited, of the United States, and then later with subsequent M&As.

In 2005, the Company's overseas sales were less than ¥10.0 billion. However, by the fiscal year ended March 31, 2012, this

figure had grown 20-fold, to more than ¥200.0 billion, and the number of overseas Group companies had risen to 138. In the following year, we integrated and reorganized overseas Group companies, the aim of which was to eliminate the redundant functions that had been amassed through our rapid expansion, create synergies across the Group, and further enhance the brand recognition of NTT DATA globally. Group companies around the world were integrated and reorganized to form business groups centered around four operating regions (companies that manage regional businesses will be referred to as “regional operating companies” hereinafter)—the Americas, EMEA (Europe, the Middle East, and Africa), APAC (Asia-Pacific), and

China—as well as the Business Solutions Group. At the same time, company names and logos were unified as NTT DATA. This One NTT DATA initiative formed the foundation for the current Medium-Term Management Plan, which covers the four-year period leading up to the conclusion of the fiscal year ending March 31, 2016.

The Medium-Term Management Plan lays out a clear direction to elevate our status from Japan’s largest system integration-centered corporate group to a company with the ability to provide diverse IT services worldwide. It also set targets of achieving net sales of over ¥1.5 trillion, becoming one of the Global Top 5 players in IT services, and recording EPS of ¥200.

Q2

What is your assessment of the Group’s performance in the fiscal year ended March 31, 2015, the third year of the current Medium-Term Management Plan?

We achieved our 26th consecutive year of higher net sales, while we restored our income to its previous level by minimizing the impact of unprofitable projects.

The number of new orders received increased to an extent that more than absorbed the rebound from large-scale orders received in the previous fiscal year, leading us to achieve our 26th consecutive year of higher net sales since the Company’s separation from NTT. In the domestic market, we had been faced with the structural issue of existing large-scale projects steadily contracting as systems were upgraded. We succeeded in overcoming this trend through Re-Marketing initiatives. Overseas, large contributions to sales increases came from the expanded range of consolidated subsidiaries following the acquisition of everis Group and foreign exchange gains. At the same time, existing subsidiaries grew their operations, augmenting sales organically.

Operating income increased 34% year on year, returning to the level seen previously. This recovery was due in part to the commencement of services at most of the six major unprofitable projects that were a drag on income in the fiscal year ended March 31, 2014, which effectively prevented further losses. At the same time, we worked to control the impact of unprofitable projects through initiatives centered on the Project Review Committee, established in October 2013, which also helped to further improve income.

Looking at management targets, we achieved the Medium-Term Management Plan’s target of ¥1.5 trillion in net sales a year in advance, and the overseas sales ratio came to 29.7%, surpassing the plan’s target of 25% (overseas sales exceeding ¥350 billion). We aim to achieve our EPS target of ¥200 in the plan’s final year.

Key Figures of the Fiscal Year Ended March 31, 2015

(Billions of yen)

	FY Ended March 31, 2014	FY Ended March 31, 2015	Versus Previous Year	
			YOY	Rate of Change
New Orders Received	1,400.2	1,429.1	+28.8	+2.1%
Net Sales	1,343.7	1,511.8	+168.0	+12.5%
Operating Income	62.5	84.0	+21.4	+34.2%
Income before Income Taxes and Minority Interests	54.2	73.9	+19.7	+36.4%
Net Income	23.2	32.1	+8.8	+38.0%

Interview with the President

Q3 What were some of the specific results of Re-Marketing initiatives?

Taking advantage of new trends, we captured numerous orders in new fields.

In Japan, NTT DATA holds the top share in the financial and public sectors, but its market share in the enterprise sector has remained low. Taken positively, however, this means that there is still a substantial amount of room for us to grow in this field. In industries and business domains in which we have previously had difficulty making headway, a new perspective is sometimes what is needed for a breakthrough. Keeping our eyes on advances in IT and changes in the operating environment is an important part of this process. Abandoning preconceptions to create new markets in this manner is what we call “Re-Marketing.” This approach is core to the expansion of new business fields and the reinforcement of product competitiveness, which is a focus area of the Medium-Term Management Plan. In the fiscal year ended March 31, 2015, this approach rendered solid results, such as orders received from clients that we had previously been unsuccessful with.

In the retail, logistics, and other services industry, for example, we successfully signed deals by proposing “omni-channel” — a

concept to increase sales opportunities by integrating different sales channels and enabling companies to engage with individual customers more closely — along with proven new technologies that can back up this approach. In the utility industry, meanwhile, we took advantage of the structural changes resulted from the impending complete deregulation of the retail markets for electricity and gas, and were thus able to add to our list of successes for smart meter operation management systems and switch support systems. Furthermore, we leveraged our expertise on resident information systems, acquired through a project with a certain municipality in Japan, to demonstrate our capabilities and conduct fit/gap analyses in other regions. This helped us create opportunities to supply such systems to different regions. This is just one example where the Company has successfully broadened its business outside of its own region. In this way, our Re-Marketing initiatives have started to yield results by applying our expertise to other areas.

Q4 What is the progress with your global business?

We have begun to successfully win orders from clients who operate globally that we would not even have had the opportunity to make proposals to previously.

Through the acquisition of everis Group, we were able to develop a foothold in Central and South America. Our operations outside Japan now encompass 176 cities across 41 countries and regions, covering nearly the entire world. As a result, we have been successful in winning orders from clients overseas that we would not even have had the opportunity to make proposals to previously.

One success was the order for a digital archive project for the Vatican Apostolic Library, which was received in March 2014. This project is to digitize and preserve precious manuscripts-assets of humanity- over the long term to pass them down through generations. A number of factors helped NTT DATA to be selected for this project, such as our project at the National Diet Library in

Japan and the impressive track record of our digital archive service AMLAD*1 (Advanced Museum Library Archives Deposit), which we developed using the expertise gained through the National Diet Library project. Furthermore, by coordinating a fine-tuned operation with our local subsidiary based in Italy we are able to provide in-depth responses to meet specific needs of the Vatican Apostolic Library. It was because of these factors that we were chosen above other global IT vendors. This project has allowed us to significantly contribute to preserving important historical heritage. Moreover, the project served as an opportunity to grow brand recognition of NTT DATA globally, while also fostering unity within the Company. The archiving process began in

April 2014, and since October of the same year certain documents have already been made available online.

In addition, we concluded a multi-year contract with globally recognized automobile manufacturer Daimler AG to provide operation and maintenance of an enterprise resource management (ERP) system that consolidates order and inventory management operations and also to undertake the development of additional systems as a strategic partner. This project was the subject of fierce competition among other global IT vendors, and yet, we emerged victorious due to our strong track record in the automobile industry, and to our ability to secure SAP professionals for IT support bases that Daimler had recently established in India, Turkey, and the United States. This victory was won out of successful collaboration between NTT DATA, Inc., of North America, NTT DATA EMEA Ltd. of Europe, itelligence Turkey Ltd. of Turkey, and NTT DATA Global Delivery Services Limited of India.

Furthermore, we have been making solid progress in implementing our systems for trade procedure and customs clearance across the globe more widely, fueled by the success of previous projects in building NACCS^{*2} trade procedure systems and CIS^{*3} customs clearance systems in Japan and the expertise accumulated as a result. Out of recognition for our success in Japan, the Vietnamese government selected NTT DATA in 2012. Building upon this track record, we received an order for similar systems from the Myanmar government in November 2014.

*1 AMLAD is currently offered only in Japan.

*2 An electronic application system used by public and private organizations in administrative procedures for import/export declarations and port arrival/departure operations for ships and aircraft, as well as in private operations relating to import/export procedures. NACCS is currently offered only in Japan.

*3 An information system through which all customs clearance records of imports/exports and information on importers/exporters are compiled centrally and used for customs screening. CIS is currently offered only in Japan.

Q5

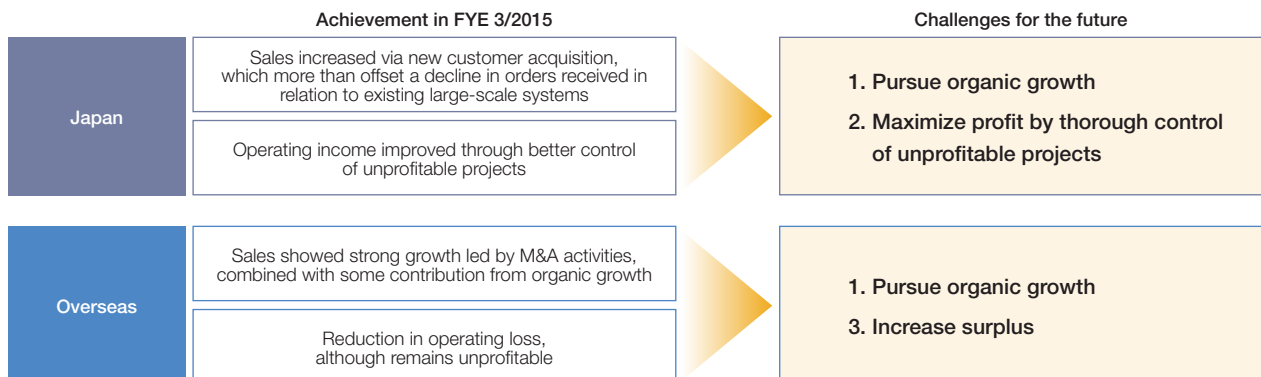
What are your policies for the fiscal year ending March 31, 2016?

We will work to accomplish the targets set forth in the Medium-Term Management Plan.

The fiscal year ending March 31, 2016, will be the final year of the current Medium-Term Management Plan. We have already accomplished the plan's target for net sales of over ¥1.5 trillion, and will concretely advance strategies geared toward achieving the EPS target of ¥200 over the coming year.

In Japan, IT investment is picking up in various fields, as seen in the financial sector, where certain large-scale projects are in a transitional period of renewing existing systems. We will therefore conduct exhaustive Re-Marketing initiatives in the domestic market to seize every business opportunity. Overseas, we will continue to move ahead with M&A strategies while pursuing organic growth.

Medium-Term Management Plan: Progress and Challenges for the Future



Interview with the President

Our operating income target for the fiscal year ending March 31, 2016, is ¥100.0 billion, our highest since the separation from NTT in 1988. This is the level of income required to deliver ¥200 in EPS set forth in the Medium-Term Management Plan. One of the challenges is how we can further control unprofitable projects. To this end, the Project Review Committee will continue to screen highly challenging projects to mitigate risks. In addition, we will practice thorough project management throughout the project cycle, from a phase before taking orders to post-order phases of development and finally to delivery, in order to manage losses attributable to unprofitable projects at around 0.3% or below of total consolidated net sales. Another challenge to be

addressed will be achieving a position of profitability in overseas businesses. These operations have continued to post losses right up to the fiscal year ended March 31, 2015, but a major factor behind these losses was the recording of amortization of goodwill associated with M&As. If these amortization costs are excluded, overseas businesses have been steadily accumulating profits and operating income before goodwill amortization reached ¥11.3 billion in the fiscal year ended March 31, 2015. In the fiscal year ending March 31, 2016, we will work to generate operating income that exceeds the amount of goodwill amortization, and move overseas businesses to the next stage, where they contribute to growing our operating income as well.

Q6 What is the objective of the recent organizational changes?

The goal of the reforms is to promote business collaboration across business segments and to expedite decision-making.

In July 2015, we abolished the internal “Company System” organizational structure, and reorganized the current 10 business sectors to arrange our operations around four new business segments: Public and Social Infrastructure, Financial, Enterprise and Solutions, and Global.

After the 2008 global financial crisis that began with the bankruptcy of Lehman Brothers, the domestic IT services industry shrank around ¥1.0 trillion over the period of only one year. Faced with this adversity, we introduced the internal Company

System in 2009. Our goal in doing so was to allocate human resources more dynamically to business fields in which we could expect rapid earnings growth, with the hopes of weathering the harsh operating environment. This system has been successful in generating a certain degree of results up until now. However, looking at the domestic market of today, we see that a number of companies are entering into the IT services market from other industries as well as various other structural changes. This situation made it necessary for us to transcend our traditional



framework. Accordingly, we switched to an organizational system through which businesses are headed by business sectors, thereby facilitating even closer collaboration across the organization and faster management decisions.

In the online shopping field, for example, a number of new players are commencing payment service businesses, several of which are from industries very different from the financial industry. Traditionally, the Card & Payment Transaction Business Unit, a financial sector unit, would have been responsible for payment services. However, through organizational changes, this unit has been integrated into the Enterprise and Solutions segment that provides IT services for the manufacturing, logistics, retail, and services sectors. This change represents one example of the

organizational changes that took place as a result of reviewing existing operations to match market structural changes. In addition, we integrated the Research and Development Headquarters and the System Platforms Sector to form the Technology and Innovation General Headquarters, an organization that will be responsible for research and development, global delivery, Group purchasing and procurement, and in-house IT infrastructure. This organization was established with the aim of utilizing our expertise throughout the Group, at both domestic and overseas Group companies. These organizational changes were positioned as a step in preparation for the next Medium-Term Management Plan.

(For details on organizational changes, please see page 34.)

Q7

What is your outlook for changes in the global IT services market over the long term? Also, what is your stance toward responding to these changes?

Technology keeps evolving at an amazing pace. Collaboration with clients is imperative to incorporate technology into social paradigms.

It was only a year ago that the acronym SMAC, which stands for social, mobile, big data analytics, and cloud, seemed to sum up trends in the IT industry. Today, however, the word “digital” is being used to represent IT trends, but with a meaning that combines the SMAC trend with the Internet of Things (IoT). This is a testament to the blinding speed at which the IT services industry evolves. This evolution is fueled by the exponential advancement in three key technologies: CPUs, data storage, and networks. Moreover, the evolution of IT is thought to have the potential to create technologies that exceed human capabilities. Accordingly, this evolution could, in the future, transform all areas of society, including our daily lives, corporate activities, cultures, sports, and the arts. It is impossible to precisely predict what the world would look like at that point. Regardless, we must adapt ourselves to changes ahead of the others in order to achieve sustained growth. Our task is to incorporate technology, which evolves at ever blinding speeds, into social paradigms, however we cannot do this alone. It requires collaboration with clients. History has shown that the transformation of business models can take place when cutting-edge IT technologies are connected with professional insights and creative ideas of clients.

This is one of reasons why we began releasing NTT DATA Technology Foresight in 2012. This annual white paper is designed to share our vision for the near future, based on our observations of various societal and technological issues, in order to create a new business model together with clients. Since 2012, we have held more than 100 private seminars to present and discuss NTT DATA Technology Foresight, and some of the initiatives brought up during these seminars have advanced on to more concrete stages of development. NTT DATA Technology Foresight 2015 explains our vision for the near future with regard to four areas: the growing influence of individuals will transform existing societies and industries (power of the individual), collaborative interaction through the open exchange of information and resources will emerge (collaborative value creation), the source of value will shift from tangible things and assets to the use of knowledge, design, and functionality (knowledge society), and the physical-digital convergence will increase sustainability and agility (smarter society).

Interview with the President

Q8

With regard to such near-future visions, what direction do you believe NTT DATA should take in its medium- to long-term strategies?

We need to increase our presence in local markets and create synergies across geographies in order to elevate the NTT DATA brand to a globally recognized status.

The overseas sales ratio has risen to nearly 30%, and the NTT DATA brand is gradually gaining recognition globally, partially due to our involvement in the digital archive project at the Vatican Apostolic Library and other major projects. However, with roughly 70% of sales coming from the domestic market, we can hardly call ourselves a global company. Given our current presence in the global market, it is not easy to get major multinational companies to come to us for proposals. We are currently targeting around 2020 for the accomplishment of the Global 2nd Stage objectives. Prior to this, we must address the task of elevating the NTT DATA brand to a globally recognized status. Specifically, we aim to raise overseas sales to approximately 50% of our total sales.

In addressing this task, we will need to differentiate our services by providing unique brand value that only NTT DATA can offer, something intrinsically different from the value offered by other global IT vendors. This task was examined through extensive discussions with the chief executive officers of overseas Group companies. In the end, we decided that the shared concept to serve as the unique value of the unified NTT DATA brand should be placing clients first, with innovation and Japanese quality at the heart of all we do. This embodies our belief that Japanese quality is not only limited to industrial products but rather is a value that is also viable in IT services. From the perspective of an IT services provider, quality does not refer only to the quality of systems themselves, but rather applies to all of our business activities, including client relationships, sales activities, and other areas. We aspire for achieving a quality level recognized as Japanese quality and ultimately as “NTT DATA quality.”

Q9

What do you see as the strength of NTT DATA that can form the foundation for this differentiation?

Our strength lies in the extensive expertise we have acquired, an ability to work with multiple vendors, and fundamental innovation of software development technology.

For almost 50 years, including when the Company was still part of NTT, we have provided comprehensive services in the social infrastructure field, which supports Japan’s social foundations in the areas of taxes, social security, logistics, customs procedures, and bank payment systems. Over the years, we have won the trust of clients by providing and operating systems so smoothly that one forgets they are even in place. Rather than focusing on offering specific products or solutions, we have always been striving to provide them with the products and solutions that best meet their needs based on our philosophy of “Clients First.” The analytical, design, and project implementation capabilities we

developed as an IT services provider that can work with multiple vendors in this manner have been a major strength, whether in promoting Re-Marketing initiatives in the domestic market or driving business in the global market.

The IT services industry remains highly labor intensive. However, we have been proactively spearheading automation in software development for roughly 20 years, and our automated development tools are aiding our business today. We implement automated development tools to improve both productivity and quality. Moreover, rather than simply creating tools to automate individual processes, we have evolved these tools to create the

TERASOLUNA Suite, which seamlessly integrates all development phases, including design, programming, and testing. While promoting fundamental innovation of software development technology, we also earnestly listen to each client's needs and deliver services at a high standard of Japanese quality in terms of

quality, costs, on-time delivery, maintenance, and after-sales services. The combination of these strengths drive us forward in providing our core value of placing clients first, with innovation and Japanese quality at the heart of all we do.

Q10

What challenges does NTT DATA need to focus on in order to raise corporate value on a sustained, long-term basis?

We need to strengthen Group governance, practice effective risk management, and share our vision and value systems throughout the Group so as to further enhance our corporate value.

NTT DATA has been aggressively expanding its overseas operations for the past several years, and today the Company employs approximately 76,000 people in 176 cities across 41 countries and regions around the world. For us to further increase corporate value, we need to address three key tasks: strengthening Group governance, practicing effective risk management, and sharing our vision and value systems throughout the Group.

To strengthen Group governance, we established rules for discussing and reporting such important matters as business plans, large-scale projects, internal controls, and compliance. These rules are in place between the NTT DATA headquarters and its domestic Group companies, as well as at overseas operating companies. At the same time, we built business management systems for domestic Group companies that give greater visibility to information on financial, human resources, and other associated data. By leveraging these systems, we work to increase efficiencies in the managing of business and to ensure thorough management.

In managing risks, we have newly defined two risks—“Global-control risks” are risks that could materially impact the overall NTT DATA brand, and “region-control risks” represent key

risks in each region. With this new perspective,, we are taking measures to identify risks at an early stage so that countermeasures can be implemented beforehand, thereby mitigating the impact of these risks on business.

As for efforts in sharing our vision and value systems throughout the Group, we have defined Our Way as an underlying philosophy and encourage all Group employees to internalize the Group's Values, our core values that we live by to fulfill our Group Vision. One of the initiatives is Values Week. Selecting the week that falls on the anniversary of NTT DATA's founding as Values Week, we hold workshops to provide opportunities for employees to share and exchange their ideas about the Group's Values. In 2015, approximately 10,000 employees took part in Values Week in more than 60 cities across Japan and in 20 other countries around the world. By providing opportunities to bring the Group's Values to life among colleagues through shared experiences, we hope to foster unity throughout the Group as we pursue further growth.

In addition to these initiatives, we continually endeavor to enhance our corporate value on a sustained, long-term basis by ensuring compliance and information security.

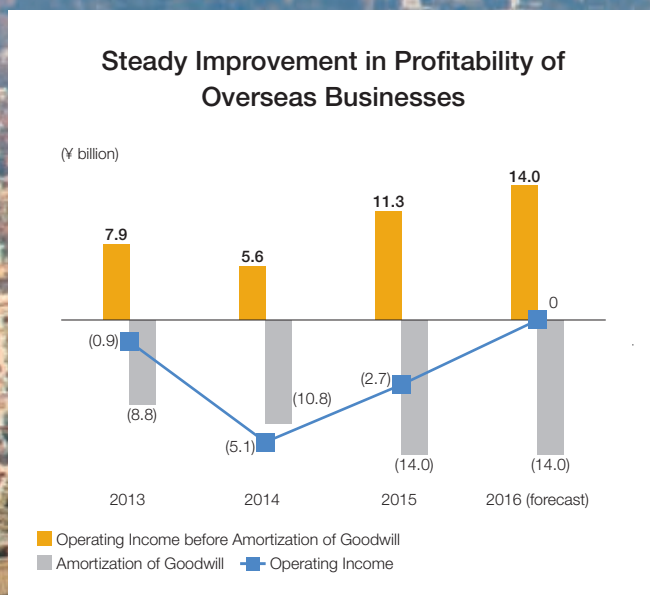
Special
Feature

Clients First, with Innovation and Japanese

Utilizing M&A Activities to Expand Global Coverage and Improving Profitability

Since 2008, NTT DATA has been actively expanding its overseas operating foundations through M&A activities. One such example would be the acquisition of everis Group, and its subsequent conversion to a wholly owned subsidiary in October 2013. The consolidation of this Spain-based company enabled us to establish operating bases in Latin America. These efforts have poised us to provide high-quality services to customers around the world. However, this approach toward expanding overseas businesses has resulted in continued operating losses

for these businesses due to the impact of amortization of goodwill, which has placed downward pressure on the Company's overall performance. Nevertheless, the profitability of overseas businesses is improving steadily, indicated by trends in operating income calculated by excluding amortization of goodwill. In the fiscal year ending March 31, 2016, we will strive to post operating income for overseas businesses after amortization of goodwill in order to have these businesses make contributions to overall performance on the operating income level.



Quality

Under the current Medium-Term Management Plan (April 2012–March 2016), NTT DATA has defined the policy of evolving into a corporate group that can provide diverse IT services worldwide. At present, we are making steady progress toward creating foundations in preparation for the Global 2nd Stage. In this special feature, we will introduce NTT DATA's unique overseas business strategies together with examples of actual initiatives that illustrate their results.

Creating Undeniable Results through Coverage Expansion

NTT DATA has continued to push forward with the expansion of its global coverage while entrenching and building upon the shared sense of values characterized by our One NTT DATA concept and our goal of placing clients first, with Innovation and Japanese quality at the heart of all we do. We have created undeniable results by steadily advancing on this path. Most notably, NTT DATA was able to receive orders from overseas customers the likes of which it would have been unable to even approach previously. On the pages that follow, we will illustrate NTT DATA's differentiated strategies by examining such orders that were won by beating out countless other global IT services providers.

Orders NTT DATA Received from Overseas Customers

Preserving Irreplaceable Cultural Legacies for Future Generations

Vatican Apostolic Library

In March 2014, NTT DATA was selected for participation in a digital archive project entailing the digitization of the approximately 80,000 handwritten manuscripts stored in the Vatican Apostolic Library.

▶ P.24

Feats Accomplished as One NTT DATA

Globally Recognized Automobile Manufacturers

In 2014, NTT DATA won a multi-year contract from automobile manufacturers that are recognized worldwide to act as a strategic partner providing global enterprise resource management (ERP) system operation and maintenance services and undertaking the development of additional systems.

▶ P.28

Wide-Ranging Work Process and IT and Other Support Services

Yum! Brands, Inc.

In July 2013, NTT DATA began providing outsourcing services for management functions and information systems to Yum! Brands, Inc., a global company that operates restaurant chains such as KFC and Pizza Hut around the world.

Texas Department of Transportation

In June 2013, NTT DATA entered into a partnership agreement with the Texas Department of Transportation, which oversees the highway, rail, and aviation systems in the U.S. State of Texas.

Special Feature: Clients First, with Innovation and Japanese Quality

Preserving Irreplaceable Cultural Legacies for Future Generations

Vatican Apostolic Library Digital Archive Project

On March 20, 2014, NTT DATA signed an initial agreement with the Vatican Apostolic Library on the digital archive project under which NTT DATA will spend four years digitizing about 3,000 manuscripts, a portion of the library's entire collection of approximately 80,000 manuscripts with 40 million pages.

We embarked on this project to utilize Japan's digital archive technologies to preserve these precious, irreplaceable cultural legacies for future generations.

► Making Cultural Legacies Accessible to Future Generations

As the headquarters of the Catholic Church, Vatican City is a major global religious center. Positioned in this religious capital, the Vatican Apostolic Library is one of the world's oldest libraries, established in 1448 by Pope Nicholas V, whose papacy lasted from 1447 to 1455. The library houses numerous articles of extreme importance to humanity assembled from around the world, including more than 100,000 ancient works; 600,000 printed books; 400,000 coins and medals; 100,000 prints, drawings, and matrices; and 150,000 photographs. Of particular importance is the approximately 82,000 one-of-a-kind, handwritten manuscripts contained within this library, which include historic relics with immeasurable artistic or research value. The most famous work in the collection is one of the oldest extant manuscripts of the Bible, known as the Codex Vaticanus.

Over the more than 500 years since its establishment, the Vatican Apostolic Library has defined its mission as preserving and repairing these precious documents. Some of these



Reading room in the Vatican Apostolic Library





Vatican Apostolic Library

documents date back to the second century while others are written on parchment or papyrus or adorned with gold and silver. Some of these articles have aged substantially with the passage of time. Up until now, the library has prioritized the preservation of these documents, meticulously controlling humidity and temperature levels. However, this has greatly limited the degree to which these important historical relics could be viewed or otherwise utilized, thereby restricting their availability even to historians.

Regardless of this fact, the number of researchers seeking access to these documents is growing with each coming year. Rather than impose further restrictions on utilization to prevent damage, the Vatican Apostolic Library chose to respond to this demand. In 2010, the decision was made to create a digital archive, digitizing these documents for use by researchers and other specialists while simultaneously providing a means for everyday readers around the world to view them. It was at this moment that the Vatican Apostolic Library added a new objective to its mission; in addition to storing these documents, it would also endeavor to make them accessible to the public.

In fall 2012, a long series of negotiations commenced to determine what company would be responsible for the digital archive project. NTT DATA made a proposal grounded in its past experience creating a digital archive system for the National Diet Library in Japan, which contains approximately two million documents. This proposal also employed NTT DATA's AMLAD* (Advanced Museum Library Archives Deposit) digital archive service, which allows for the safe and easy storage and distribution of materials such as regional materials and e-books.

* AMLAD is currently offered only in Japan.



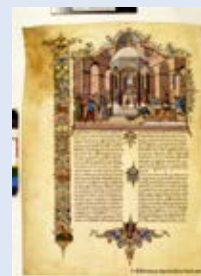
Digitization

Creating Accurate Facsimiles of Historic Manuscripts

With regard to the digitization process, the Vatican Apostolic Library requested that no harm be done to manuscripts when removing them from storage or during scanning. In addition, digital facsimiles were expected to accurately represent documents, right down to minute details, such as the wrinkles of parchment and the luster of gold and silver adornments. To respond to these requests, digitization of these precious historical documents is conducted with specialized equipment by dedicated staff trained by the library.



Scanning equipment in the Vatican Apostolic Library



Special Feature: Clients First, with Innovation and Japanese Quality



Storage

Ensuring Manuscripts can be Viewed Even as the Centuries Pass

If digitized manuscripts are saved in image formats that rely on the software of a specific vendor, it is possible that it will become impossible to display this data as the centuries pass. Moreover, it is likely that we will be unable to re-scan certain documents in the future as they deteriorate with further age. For this reason, the Vatican Apostolic Library paid extra attention to the format of image data, requiring that scanned documents be saved in FITS (Flexible Image Transport System) format, a special open-standard image format suited to long-term preservation.

Aiming to respond to the request for FITS format, NTT DATA dispatched engineers to the Vatican Apostolic Library on long-term assignment to inspect the scanning equipment that had been provided and determine the viability of the AMLAD digital archive service. Based on the results of a feasibility study that spanned a period of more than a month, we were able to propose a comprehensive solution that supported the FITS file format and incorporated other expertise possessed by NTT DATA.



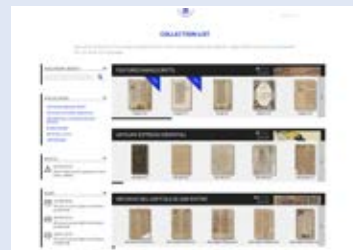
Digital facsimile of aged, handwritten manuscript



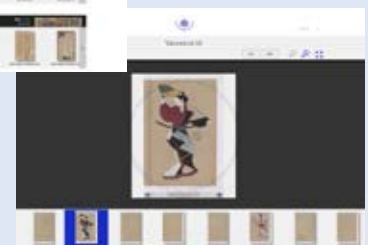
Accessibility

Allowing Documents to be Viewed by Anyone, Anywhere, at Anytime

Another important request put forth by the Vatican Apostolic Library was the creation of a user interface that would allow easy access to documents from any viewing environment. NTT DATA responded by providing a system that transformed the saved FITS format files into the optimal format to facilitate smooth viewing. This system made it possible for images of digitized documents to be searched and viewed through the Vatican Apostolic Library's website.



Collection list site of the Vatican Apostolic Library



► Developing a Business Model

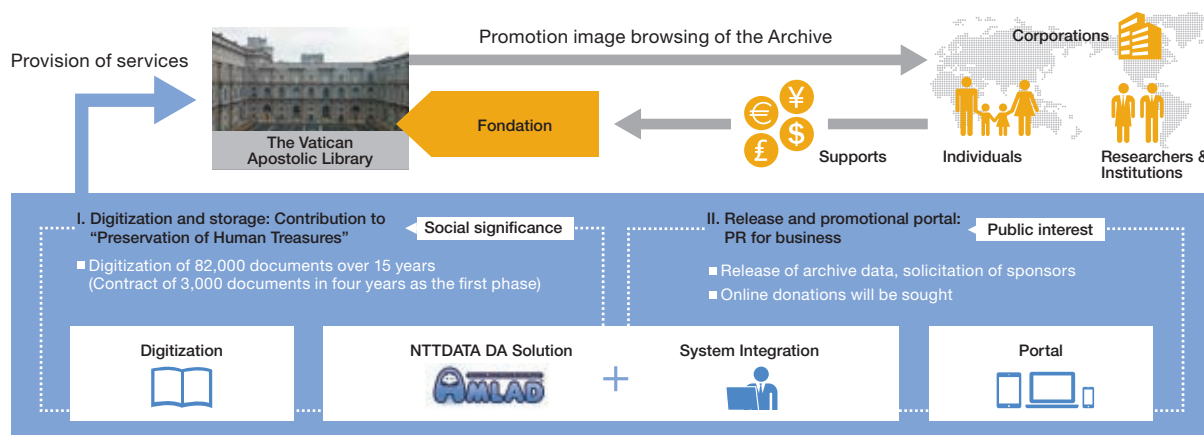
In September 2013, when negotiations related to the digital archive project came into full swing, a major obstacle was encountered: the development of a business model. In order to ensure that this project could be conducted in an ongoing manner, we suggested that the project be operated as a business. However, as Vatican City generally provides goods and services on a volunteer basis, it is exceptionally rare for it to conclude contracts with private-sector companies that entail monetary reimbursement. As part of the development of a business model for this project, NTT DATA suggested that the Vatican Apostolic Library set up a new foundation. Our aim was to create a model in which the foundation would solicit donations from sponsors around the world in conjunction with the release of archive data, and then use these funds to cover business expenses. Moreover, as this was the first time the Company concluded a contract with

the Vatican Apostolic Library, we realized that various factors would need to be considered and several adjustments would have to be made. Accordingly, we set up a Companywide project team consisting of members from departments related to legal affairs, finance, public relations, intellectual properties, and risk management. NTT DATA Italia S.p.A. was brought into the team as the Group united to surmount the numerous obstacles placed before us.

Through these efforts, we were finally able to conclude a contract for this project on March 20, 2014. The initial contract calls for approximately 3,000 handwritten manuscripts to be digitized over a period of four years. Looking ahead, we expect to digitize some 80,000 handwritten documents over the entire course of the project.



Overview of Digital Archive Solution Provided to the Vatican Apostolic Library



► Differentiating with Japanese Quality and Practicing a “Clients First” Mentality

In advancing this project, NTT DATA remains constantly aware of its significant meaning in terms of the contributions to humanity made by preserving precious cultural legacies so that they may be viewed and shared with future generations. We are also focused on ensuring that this represents a sustainable business, with considerations made for file type and all other aspects of the project.

Signing a contract with the Vatican Apostolic Library was a momentous event covered by press members from around the world. It thus functioned as substantially beneficial advertisement for NTT DATA, thereby greatly increasing the Company’s brand recognition, which will be a major proponent for our advance toward the Global 2nd Stage.

At present, a team of roughly 10 members from NTT DATA and NTT DATA Italy are advancing the project on-site. Digitized documents started being made available to the public as early as October 2014, including such noteworthy works as illustrations by Sandro Botticelli included in Dante Alighieri’s *Divine Comedy*. We expect this project to evolve into a massive undertaking, entailing the digitization of the library’s entire collection of approximately 80,000 manuscripts with 40 million pages.

With regard to the project, Chief Information Officer Luciano Ammenti of the Vatican Apostolic Library says, “The selection of NTT DATA as our partner for this project was based on the fact

that they provided us with the best proposal for accomplishing our goal of preserving this cultural heritage long into the future so that it may be viewed by anyone.”

Rather than trying to make customer requests match existing products, NTT DATA practices a policy of placing the needs of clients first, utilizing both internal and external resources to provide them with the ideal solutions. This project was won by this policy of placing clients first, with Innovation and Japanese quality at the heart of all we do, which represents the shared values that the NTT DATA Group pursues throughout its global operations.



NTT DATA TV commercial displaying the Vatican Apostolic Library Digital Archive Project

► Developing AMLAD as a Global Offering

This project represents the first time that NTT DATA’s AMLAD digital archive service has been utilized overseas. Building upon this accomplishment, we aim to develop AMLAD as a global offering by working together with regional integrated companies to localize this system and enable it to be provided in all regions

of operation. Through these efforts, we hope to give form to our mission statement, “NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society.”

Special Feature: Clients First, with Innovation and Japanese Quality

Feats Accomplished as One NTT DATA

Global IT System Supplied to an Automobile Manufacturer Recognized Worldwide

In recent years, NTT DATA has been immensely successful in the automotive field, as evidenced by its ability to continually capture large-scale orders from numerous automobile manufacturers that are recognized worldwide. Emerging triumphant in competitions with other prominent global IT services providers to receive these orders is an impressive feat. This success can be attributed in part to the strengths realized by expanding global coverage through M&A activities and our accumulated know-how and experience. More significant, however, was our One NTT DATA structure, which is permeated by our drive to place clients first, with innovation and Japanese quality at the heart of all we do.

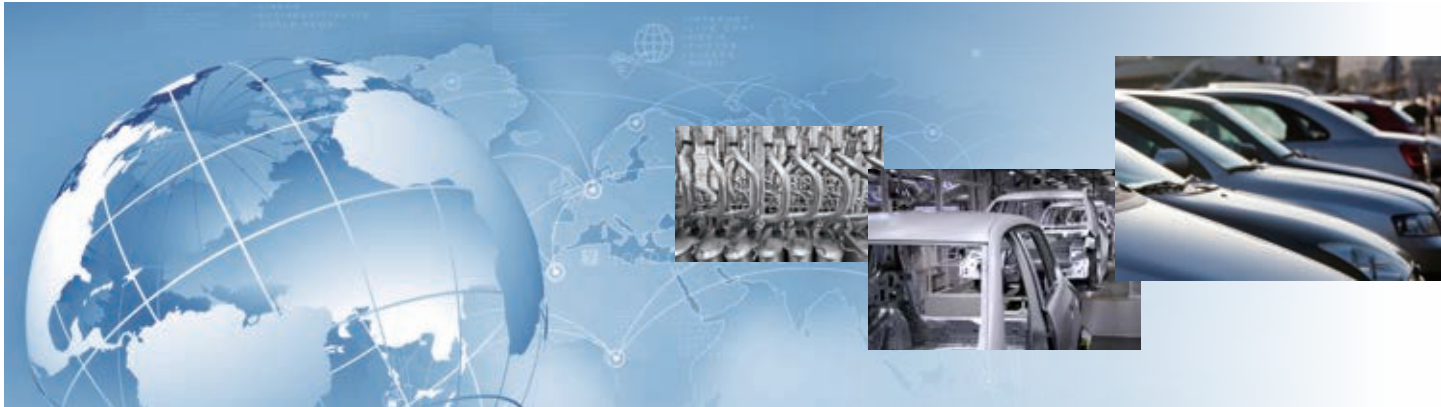
► Enhancing Capabilities on a Global Scale

NTT DATA's business forays into the global automotive industry began when it converted German company Cirquent GmbH (currently NTT DATA Deutschland GmbH) into a subsidiary in 2008. By incorporating Cirquent, previously an information systems subsidiary of Bayerische Motoren Werke AG (BMW), into the Group, we were able to acquire business expertise related to the automotive industry. This move also poised us to utilize the Group's resources in order to provide high-quality, globally competitive IT services to BMW and other existing large-scale customers of the Group.

It was also at this time that NTT DATA began working to expand its global business under the banner of One NTT DATA. These efforts included consolidating and reorganizing overseas Group companies, unifying all Group companies around the world under a standard NTT DATA brand, promoting the Global One Team initiative, and otherwise generating intra-Group synergies. The Global One Team initiative is a measure designed to

unite the Group's strengths to form to One NTT DATA. To this end, we have established specialized Global One Teams that operate across company and country boundaries to cater to specific customer groups and industries or deal in the shared service packages and solutions offered throughout the Group. In 2011, activities were commenced by Global One Teams based around SAP services, BI (business intelligence), and other solution areas as well as telecommunications and other industry fields.

Alongside the aforementioned measures, the Company established the Global Automotive and Enterprise Sales Division, an organization that specializes in businesses serving the automotive industry, in 2013. Based on the automotive industry track record acquired with Cirquent and utilizing new insight, we have continued to enhance our capabilities for competing on the global market while increasing our presence therein.



▶ Winning a Landmark Contract through a Coordinated Group Effort

As a result of these efforts, NTT DATA's market presence became such that a worldwide recognized automobile manufacturer selected the Company from among other global IT services providers to participate in a bid for a certain project.

In the past, NTT DATA would have been ruled out before the final candidates were chosen for such bids. Although we had strengths in the form of a stable earnings base, we previously lacked the global presence necessary to be recognized by such a major player. Regardless, NTT DATA remained on the list of candidates, despite multiple rounds of elimination. This customer's demands were exceptionally high. Nonetheless, the members of the Global Automotive and Enterprise Sales Division rose to the occasion, transcending their different backgrounds and businesses to create a solution proposal for effectively resolving the issues

faced by the customer. In the end, we were able to win the bid, concluding one of the most remarkable global contracts ever received by the Company. This landmark accomplishment was achieved through a coordinated effort as One NTT DATA, supported by our global business practices characterized by the thoroughly entrenched methodologies of Global Delivery 2.0*¹ and One Method*², which are aimed at providing customers with ideal, high-quality solutions. The commitment of management was no doubt another factor contributing to this victory.

*1 A framework for making deliveries to customers developing multi-national operations that provides service through optimal unions of the strengths of overseas Group companies realized by utilizing globally standard development methodologies and governance methods at all bases

*2 A comprehensive development methodology for SAP services designed to accommodate all needs for NTT DATA's SAP solutions

▶ Targeting an Overseas Sales Ratio of 50% through the One NTT DATA Structure

The project involved taking over the efforts of IT services providers in various countries to provide operation and maintenance services for the global ERP system of the automobile manufacturer and to develop additional systems. While coordinating with the customer's IT support bases, the global project will be advanced through a team effort by the Company, NTT DATA EMEA, NTT DATA Inc., NTT DATA Asia Pacific, and intelligence Turkey through a truly One NTT DATA structure.

NTT DATA has set forth the goal of becoming a truly global company by 2020 through the accomplishment of an overseas sales ratio of approximately 50%. The acquisition of this landmark contract has generated a strong tailwind for our advance toward this goal. We have since received orders for large-scale system operation and maintenance projects bases of other globally recognized automobile manufacturers in Europe, North America, and other regions and our automotive operations are expanding rapidly as a result.

Going forward, NTT DATA will continue to work together with overseas Group companies to enhance its global capabilities and increase its global presence. By steadily building our track record of serving the automotive industry, we aim to further expand these operations.

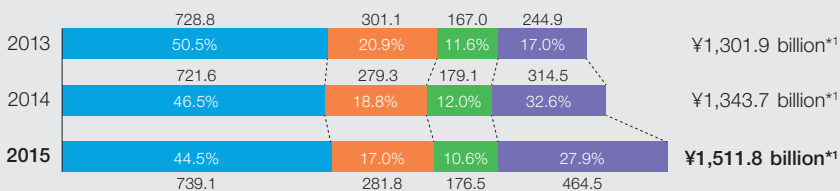
At a Glance

Performance by Segment

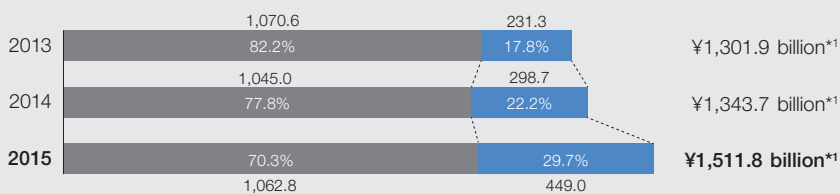
*1 Includes others and adjustments

- Public & Financial IT Services Segment
- Enterprise IT Services Segment
- Solutions & Technologies Segment
- Global Business Segment
- Amortization of goodwill in the Global Business Segment
- Domestic
- Overseas

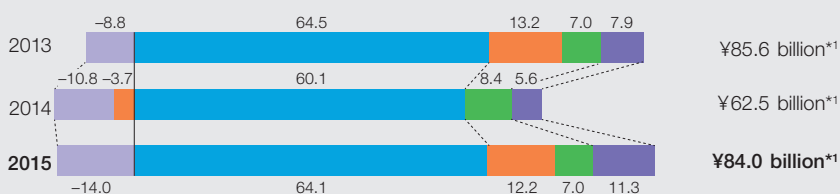
Consolidated Net Sales



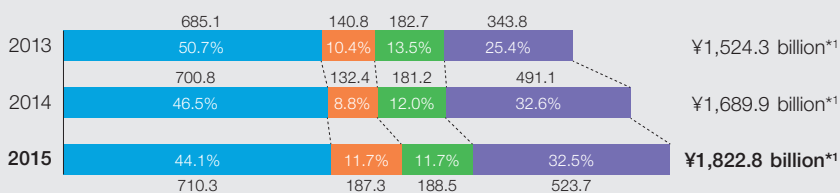
Domestic and Overseas Sales



Operating Income



Total Assets



Public & Financial IT Services

Public Administration	Healthcare
Finance	Settlement

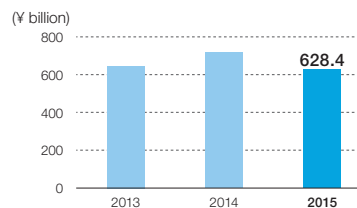
Performance in the Fiscal Year Ended March 31, 2015

New Orders Received ¥628.4 billion
(down 12.2% YOY)

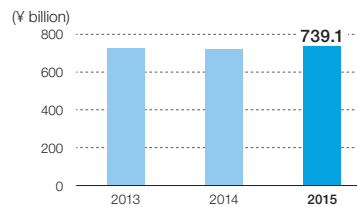
Net Sales ¥739.1 billion
(up 2.4% YOY)

Operating Income ¥64.1 billion
(up 6.6% YOY)

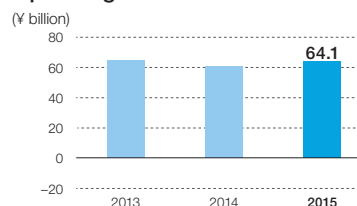
New Orders Received



Net Sales



Operating Income



Enterprise IT Services



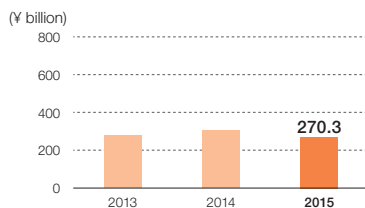
Performance in the Fiscal Year Ended March 31, 2015

New Orders Received ¥**270.3** billion
(down 11.0% YOY)

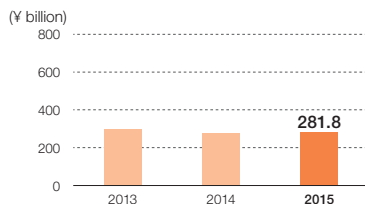
Net Sales ¥**281.8** billion
(up 0.9% YOY)

Operating Income ¥**12.2** billion
(-)

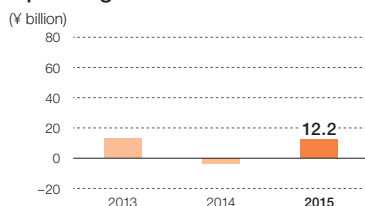
New Orders Received



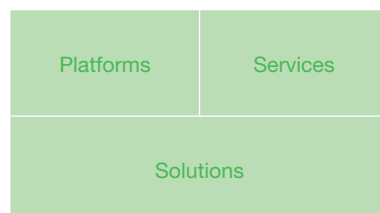
Net Sales



Operating Income



Solutions & Technologies



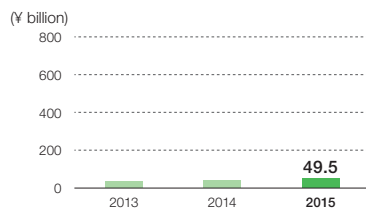
Performance in the Fiscal Year Ended March 31, 2015

New Orders Received ¥**49.5** billion
(up 28.4% YOY)

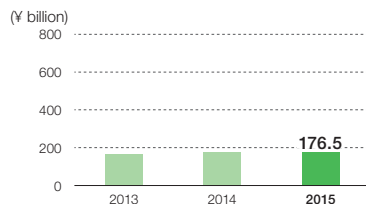
Net Sales ¥**176.5** billion
(down 1.4% YOY)

Operating Income ¥**7.0** billion
(down 16.6% YOY)

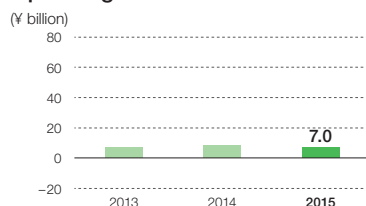
New Orders Received



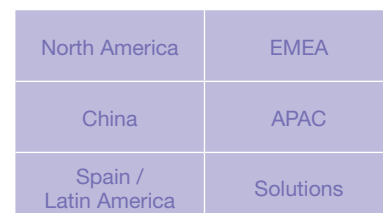
Net Sales



Operating Income



Global Business



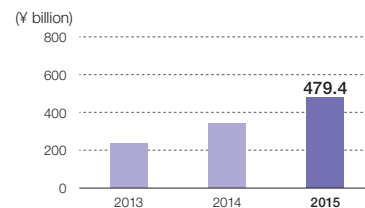
Performance in the Fiscal Year Ended March 31, 2015

New Orders Received ¥**479.4** billion
(up 40.5% YOY)

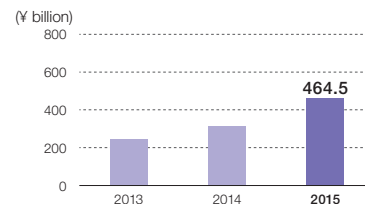
Net Sales ¥**464.5** billion
(up 47.7% YOY)

Operating Income*2 ¥**11.3** billion
(up 99.3% YOY)

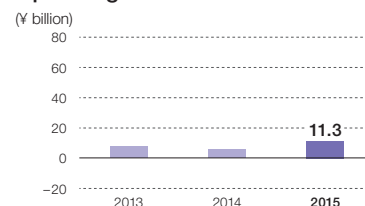
New Orders Received



Net Sales



Operating Income*2



*2 Operating income before amortization of goodwill

Segment Performance Overview

Public & Financial IT Services



■ Performance in the Fiscal Year Ended March 31, 2015

In the Public & Financial IT Services Segment, net sales amounted to ¥739.1 billion, up 2.4% year on year, and segment profit was ¥64.1 billion, up 15.1%. These increases can be attributed to factors which, on a non-consolidated basis, include revenue contributions from the acquisition of new customers and the expansion of existing large-scale systems as well as the decrease in unprofitable projects.

■ Forecast for the Fiscal Year Ending March 31, 2016

In the fiscal year ending March 31, 2016, businesses catering to central government agencies will face a difficult operating environment overall. However, Japan is scheduled to launch the Social Security and Tax Number System (personal identification number system) in January 2016, and central and municipal government agencies as well as financial institutions and private-sector companies are advancing preparations for the introduction of this system. At the same time, major domestic banks are developing their global operations with the aim of aiding Japanese companies looking to expand their business into Asia or other overseas regions. This trend is anticipated to stimulate IT investment.

In regard to performance in the fiscal year ending March 31, 2016, net sales are forecast to reach ¥752.0 billion, including ¥735.0 billion in sales to external clients, representing a year-on-year increase of ¥12.8 billion. This increase will be largely attributable to higher revenues from businesses targeting financial institutions, which will offset the decrease in revenues from existing large-scale systems in the public sector. Segment profit is expected to amount to ¥74.0 billion, up ¥9.8 billion, due to the benefits of efforts to limit the impact of unprofitable projects as well as the increase in net sales.

Major Initiatives in the Fiscal Year Ended March 31, 2015

Personal Identification Number-Related Businesses Targeting Companies

In business related to the personal identification number system, we have received multiple orders for installing new core systems as well as for upgrading existing government systems. Moreover, we have been examining new business opportunities in the private sector. As one example of such business opportunities, we are conducting verification testing for an identification number collection agent service that allows for personal identification numbers to be collected and registered through smartphones. Based on the findings of these verification tests, we plan to create personal identification number-related businesses that aid companies in collecting, storing, and providing identification numbers through both paper and electronic mediums.

Enterprise IT Services



■ Performance in the Fiscal Year Ended March 31, 2015

In the Enterprise IT Services Segment, net sales totaled ¥281.8 billion, up 0.9% year on year, and segment profit amounted to ¥11.4 billion yen, compared with segment loss of ¥5.4 billion in the previous fiscal year. Although, on a non-consolidated basis, there was a decline in revenues from the communications field, overall performance was buoyed by increases in revenues from the utilities and distribution fields as well as a decrease in unprofitable projects.

■ Forecast for the Fiscal Year Ending March 31, 2016

Conditions are improving centered on large companies, but the overall outlook for the domestic economy remains uncertain, and the attitude toward IT investment in Japan continues to be characterized by austerity as a result. Nonetheless, IT investment is picking up in certain fields.

Looking at performance projections for the fiscal year ending March 31, 2016, net sales are forecast to total ¥285.0 billion, including ¥280.0 billion in sales to external clients, making for a year-on-year increase of ¥3.1 billion. This outcome is expected to result from the increased revenues of businesses serving the manufacturing and the logistics and other services fields, which will counteract the declines from businesses aimed at the communications field. Meanwhile, segment profit is expected to rise ¥5.5 billion, to ¥17.0 billion, following higher sales and lower costs for certain projects.

Major Initiatives in the Fiscal Year Ended March 31, 2015

Projects Responding to the Complete Deregulation of the Electricity Retail Market

We gradually began providing services that take advantage of the smart meter operation management system developed at Tokyo Electric Power Company, Incorporated (TEPCO) through a project in which NTT DATA participated as a partner company (integrator). This system allows for remote reading of meters and confirmation of current flow, thereby helping realize improved user convenience, swift recovery from blackouts, and higher efficiency in meter reading tasks. In addition, we have been pushing forward with a similar system integration project with another power company and have received an order for a switching support system for use in advancing the power system reforms of the Organizing Office for the Organization for Cross-regional Coordination of Transmission Operators, JAPAN. This project is being conducted in preparation for the complete deregulation of the electricity retail market scheduled for April 2016.

Solutions & Technologies



■ Performance in the Fiscal Year Ended March 31, 2015

In the Solutions & Technologies Segment, net sales were ¥176.5 billion, down 1.4% year on year, and segment profit was ¥6.8 billion, down 20.3%. These decreases were due to the rebound from previously recorded existing projects on a non-consolidated basis.

■ Forecast for the Fiscal Year Ending March 31, 2016

From the perspective of business continuity plans (BCPs), demand for more-reliable networks and data centers remains strong.

As for performance in the fiscal year ending March 31, 2016, net sales are anticipated to increase ¥8.4 billion year on year, coming to ¥185.0 billion, including ¥630.0 billion in sales to external clients. This increase is expected to stem from higher needs for data centers. Segment profit is projected to rise ¥2.1 billion, to ¥9.0 billion, as a result of higher net sales.

Major Initiatives in the Fiscal Year Ended March 31, 2015

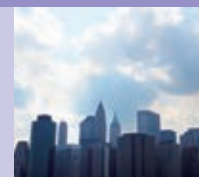
Omni-Channel Retailing System for SANYO SHOKAI

NTT DATA has begun providing BIZXAAS Omni-Channel, a system that consolidates and integrates management of various sales channels, including physical stores and internally and externally operated e-commerce* sites, to enable all channels to deal in the same products and services.

In addition, the Company has been tasked with helping SANYO SHOKAI LTD. realize its vision for next-generation e-commerce*. To this end, we have begun developing the SANYO Omni-Channel Base System, a system employing BIZXAAS Omni-Channel that integrates physical stores and e-commerce sites while sharing information with external websites.

* Electronic transactions made through the Internet or other computer networks

Global Business



■ Performance in the Fiscal Year Ended March 31, 2015

In the Global Business Segment, net sales increased 47.7% year on year, to ¥464.5 billion, and segment loss decreased 21.5%, to ¥7.7 billion. These outcomes can be attributed to benefits of the inclusion of new companies into the scope of consolidation, the expansion of operations at existing subsidiaries, and favorable fluctuations in foreign exchange rates.

■ Forecast for the Fiscal Year Ending March 31, 2016

While IT investment trends differ by region, growth remains robust in all regions, with strong growth in consulting, outsourcing, Business Process Outsourcing (BPO), and systems applications and products (SAP) solutions.

For the fiscal year ending March 31, 2016, we forecast a ¥7.4 billion year-on-year increase in net sales to ¥472.0 billion, including ¥461.0 billion in sales to external clients, due to higher sales from existing overseas subsidiaries.

Segment loss is expected to decline ¥5.7 billion, to ¥2.0 billion, as a result of increased revenues, improved profitability, and the decrease in loss on restructuring of subsidiaries and affiliates.

Major Initiatives in the Fiscal Year Ended March 31, 2015

Increased Responsiveness to SAP Business Field

We have entered into a global services partnership with Systems Applications Products Societas Europaea of Germany in an effort to promote services that leverage next-generation fundamental technologies and specialized expertise. Through this partnership, NTT DATA will become an SAP global services partner, a move that will enable us to strengthen the cooperation between Group companies in the SAP business field, enhance the Group's global competitiveness, and provide value through state-of-the-art technology and other means. In recognition of its SAP initiatives, NTT DATA was selected as a member of the Winner's Circle, the highest commendation, in the 2014 SAP Services Blueprint Report released by U.S. research firm HfS Research.

Organizational Changes

—Abolition of the “Company System” and Transition to a New Organizational Structure in Preparation for the Next Medium-Term Management Plan—

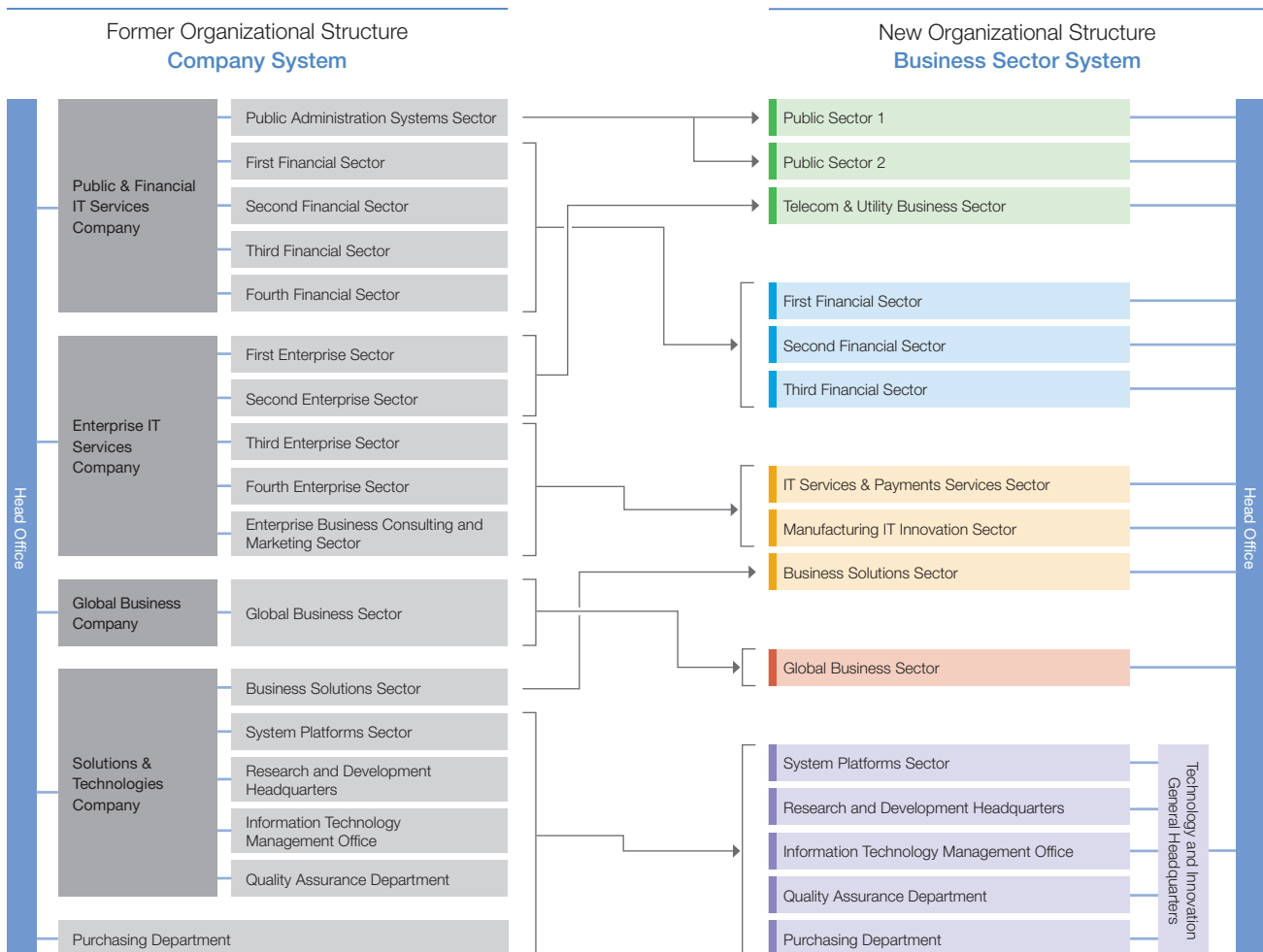
On July 1, 2015, NTT Data underwent organizational changes. As part of this reform, the “Company System” organizational changes was abolished. Instituted in 2009, this system made substantial contributions to facilitating the ability of each internal company to respond to changes in the operating environment, explore new markets, and approach new customers.

However, the recent rapid industry changes and evolution of IT technologies in the domestic market have warranted a new approach to ensure that NTT DATA can continue to respond to social needs. The transition to a new organizational structure was decided based on the realization that we needed a system for further promoting inter-business collaboration on a Groupwide basis, expediting decision-making, and thereby strengthening competitiveness. Moreover, these organizational changes were positioned as a step in preparation for the next Medium-Term Management Plan.

Aims of Organizational Changes





Former and New Organizational Structures (As of July 1)



Organizational Changes Point 1

Reorganization of Business Sectors

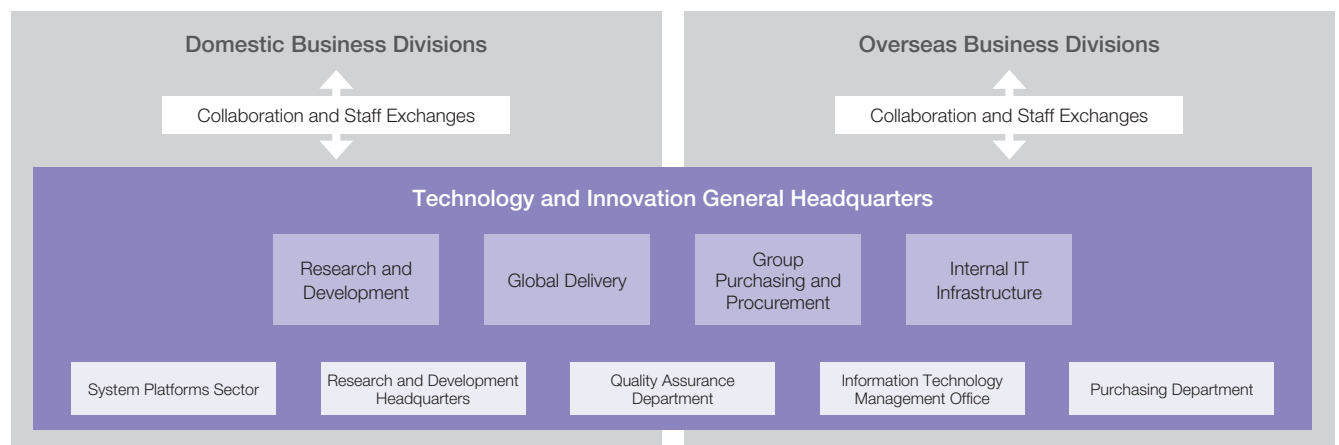
In order to develop an organization capable of responding to medium- to long-term changes in the operating environment, we reorganized into business sectors in conjunction with the abolition of the Company System. These business divisions have been arranged around four business sections, and will be responsible for establishing medium- to long-term strategies for their respective field.

<p>Public & Social Infrastructure Segment</p>  <p>Toshio Iwai Director and Executive Vice President Head of Public & Social Infrastructure Segment</p> <p>We will provide high-value-added IT services that contribute to regional invigoration and the development of social infrastructure related to government administration, healthcare, telecommunications, and electricity.</p>	<p>Financial Segment</p>  <p>Eiji Ueki Director and Executive Vice President Head of Financial Segment</p> <p>We will offer high-value-added IT services for improving the service quality and operational efficiency of financial institutions.</p>	<p>Enterprise & Solutions Segment</p>  <p>Yo Honma Director and Executive Vice President Head of Enterprise & Solutions, Segment</p> <p>We plan to supply high-value-added IT services that support business activities in the manufacturing, logistics, and service industries as well as credit card and other payment services and platform solutions linked to these IT services.</p>	<p>Global Segment</p>  <p>Kazuhiro Nishihata Director and Executive Vice President Head of Global Segment</p> <p>We will act globally, providing high-value-added IT services in overseas regions and on a cross-regional basis.</p>
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Organizational Changes Point 2

Establishment of Technology and Innovation General Headquarters

The Technology and Innovation General Headquarters was established in response to the growth of the global business and the rapid evolution of IT. Consolidating organizations including the Research and Development Headquarters and the System Platforms Sector, the Technology and Innovation General Headquarters was created to boost Groupwide productivity and strengthen global competitiveness.



Innovation

Technologies evolve at breakneck speeds in the IT services industry. For this reason, innovation management and intellectual property protection are important to maintaining competitiveness. Moreover, intellectual properties must be utilized strategically to sculpt a competitive climate that is advantageous to one's company. This is especially true in service fields, where the effects of networking can quickly lead to the creation of oligopolies.

■ NTT DATA's Basic Policies

Adopting the perspective of customers and based on the issues faced by society and businesses, NTT DATA conducts surveys and investigations on various trends. Specifically, we focus on the near-future information society trends that are expected to have a substantial influence on customer businesses over the medium to long term as well as the technology trends that lie at the base of these trends. The findings of these activities are compiled in the NTT DATA Technology Foresight report, released annually. The trends described in these reports are incorporated into management strategies and utilized to guide forward-looking technological development ventures as well as efforts to co-create businesses together with customers.

In particular, we analyze political, economic, social, and technological trends. We also engage in wide-ranging information collection activities and discussions that extend to NTT DATA Group companies as well as NTT R&D laboratories in Japan and overseas. These activities include interviews with external specialists in various fields.

Through these activities, we have identified 58 core issues warranting particular attention in social and business fields as well as 237 groundbreaking technologies that are evolving and spreading with remarkable speed. Extrapolating from these, we

have defined four information society trends and eight technology trends, which we are transmitting information on.

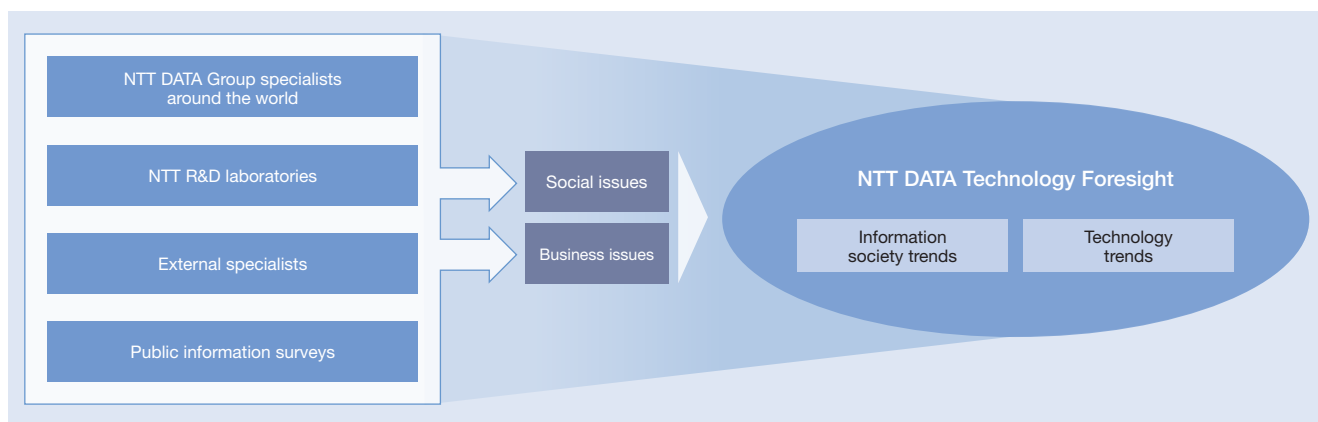
■ Focus Field 1 — Software Engineering

NTT DATA aims to utilize the automated software development tool TERASOLUNA*1 for all projects to which it can be applied. As such, we have doubled the number of specialist support organizations tasked with furthering its penetration. TERASOLUNA Reengineering, which automates the specification analysis of existing systems, has already been applied to approximately 30 projects. In addition, usage of the TERASOLUNA ViSC v1.6 automated development tool has been extended to over 80 different projects.

Furthermore, TERASOLUNA Suite, which links the various TERASOLUNA automated tools, has been employed in over 200 projects, leading to the realization of high-quality, rapid system development.

*1 TERASOLUNA is currently offered only in Japan.

NTT DATA Technology Foresight Formulation Process





■ Focus Field 2—Advanced Technology

We have realized practical application of translation services for technical documents utilizing the automatic translation engine platform for building statistical machine translation systems among multiple languages developed by NTT. Furthermore, in cooperation with social welfare service corporation Tokyo Seishinkai and general incorporated association Universal Accessibility Evaluation Organization, we have begun verification testing of nursing care services utilizing communication robots, which perform communication using ICT systems to provide various services, for senior assisted living centers.

■ Focus Field 3—IT Base Technology

In order to accelerate the use of open-source software (OSS), we are taking a leadership role in advancing the activities of the OSS development community. As one facet of these efforts, we conducted in-house development of functions for use in mission critical system functions and reflected these in OSS source code. This was done with the aim of responding to the needs of corporations to handle large quantities of data. Moreover, we produced the first Japanese committers (main developers) in projects related to the Apache Hadoop OSS framework.

Furthermore, leveraging the accumulated know-how concerning the application of OSS, the Company has further built upon

its track record of incorporating OSS databases into large-scale systems. In addition, we presented past examples of the utilization of PostgreSQL databases in large-scale systems at the PostgreSQL Conference Europe 2014.

In addition, we hold lectures and exhibitions related to NTT DATA Technology Foresight as part of our efforts to formulate and utilize a near-future outlook for information society trends and IT-related technology trends. In the fiscal year ended March 31, 2015, these activities were conducted at ITpro Expo and other domestic events as well as at international events, such as The Open golf championship and the Gartner Symposium. In addition, we began conducting Co-Creation Workshops as a new initiative during the fiscal year. A total of six workshops were held with the aim of using trend information to co-create new businesses together with customers. Furthermore, 67 private seminars were convened with customers, and we also released NTT DATA Technology Foresight 2015, the latest version of our IT trends report. NTT Data also undertook measures to strengthen R&D activities at overseas bases. For example, we participated in AIME, a project designed to help give form to the Industrie 4.0 concept, an academia-industry collaboration promoted by the German government. At the same time, the Company commenced R&D ventures aimed at utilizing advanced technologies to improve the efficiency of manufacturing lines.

Space for Co-Creation of New Business Ideas INFORIUM*2 Toyosu Innovation Center

The INFORIUM Toyosu Innovation Center has been renovated to serve as a space for the co-creation of new business ideas with customers by allowing them to experience firsthand the future-shaping technologies described in NTT DATA Technology Foresight.

The center is meant to allow customers to freely view demonstrations of cutting-edge technologies and forward-looking exhibits that bring the future vision of NTT DATA Technology Foresight into the now.

Furthermore, the Innovation Lab contained within the center features equipment that can be easily used for Co-Creation Workshops, which can be conducted while taking advantage of the centers' exhibits, or for other means.

*2 INFORIUM is currently offered only in Japan.



Information Security

With the spread of cloud computing and smart devices, social and corporate activities are becoming ever more dependent on IT. In the shadow of this trend, the fear of cyber-attacks and other IT-related threats is growing and the forms of these threats are becoming increasingly diverse. NTT DATA continues to offer, on a global basis, services that support both the financial markets underpinning economic activities and the social foundations provided by public-sector systems. Accordingly, it is absolutely essential that we always act with information security at the forefront of our minds.

■ NTT DATA's Basic Policies

The NTT DATA Group strives to breed new value together with customers by safely applying its knowledge throughout the entire Group. To accomplish this, we are focused on maintaining an appropriate balance between ensuring safety of information and actively utilizing and sharing information. Realizing this balance requires logical measures, including the development of rules and provision of training and educational activities related to information security, as well as technical measures, such as provisions for preventing leakages of information and the introduction of thin-client PCs, computers that are highly dependent on other computers or servers to function.

To guarantee the necessary level of security, the NTT DATA Group developed the NTT DATA Group Security Policy (GSP) in April 2008 to serve as a set of standardized information security rules for the entire Group. Each Group company has defined its own information security policy based on the GSP to suit their size and type of business. These rules and policies ensure that information can be safely shared throughout the NTT DATA Group.

■ Information Security Strategies

Practicing and maintaining an appropriate balance between ensuring safety of information and actively utilizing and sharing

information, both of which are objectives of the GSP, is essential if the NTT Group is to continue to be a partner to customers that aids in their evolution.

In the fiscal year ended March 31, 2015, we advanced Groupwide information security measures based on four core information security strategies—implementing comprehensive recurrence prevention measures, realizing more advanced predictor detection and better incident response capabilities, implementing measures to ensure security for commercial systems, and increasing security governance.

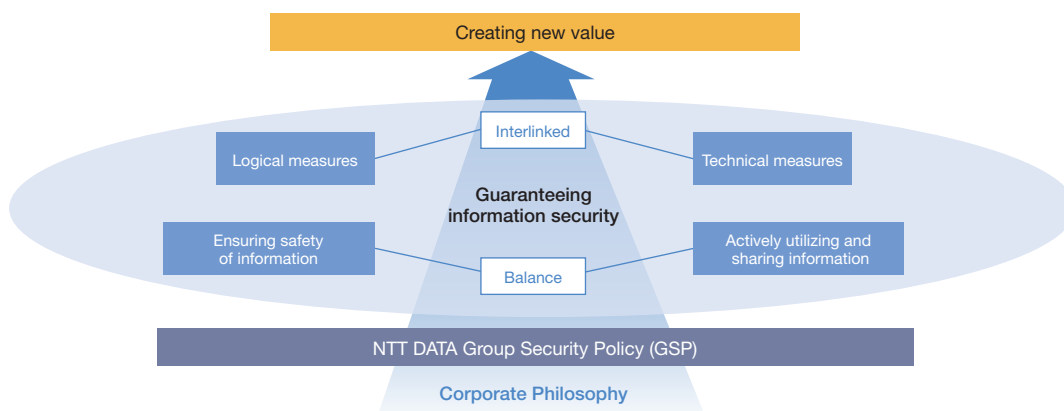
■ Information Security Training and Education

To continue practicing effective information security, each and every executive, employee, and business partner must recognize that they are professionals who deal with information, and as such always abide by information security policies throughout their daily actions.

NTT DATA conducts ongoing information security training and educational activities.

Through these activities, we focus on improving understanding of rules and appropriate actions and taking the necessary steps to help employees develop the information security-minded approach required for putting these practices into action.

Safe Groupwide Application of Knowledge





Information Security Management System

At NTT Data, the Information Security Committee, which was established in 1999, meets periodically to maintain an understanding of the status of information security activities conducted throughout the Group and areas requiring improvement and to formulate necessary initiatives. Measures decided by the committee are advanced by the Information Security Office, a personal information protection promotion organization, and the information security promotion officers appointed at each individual work site.

In addition, NTTDATA-CERT was established in July 2010 as a specialized organization for preventing information security incidents^{*1} and responding to any incidents that might occur. It was also at this time that we joined the Nippon CSIRT Association as well as Forum of Incident Response and Security Teams (FIRST)^{*2}, a global computer security incident response team (CSIRT)^{*3} community. Through our participation in these organizations, we are collecting a wide range of information on security trends in Japan and overseas, which we then utilize to improve our own information security management systems.

The NTT DATA Group arranges the operation of overseas Group companies around five regions and the area of solutions.

These operations are entrusted to regional integrated companies. However, we also endeavor to ensure a standardized level of corporate governance throughout the entire Group, and this objective is pursued through a joint effort between NTT DATA, which serves as our global headquarters, and the regional integrated companies that function as regional headquarters.

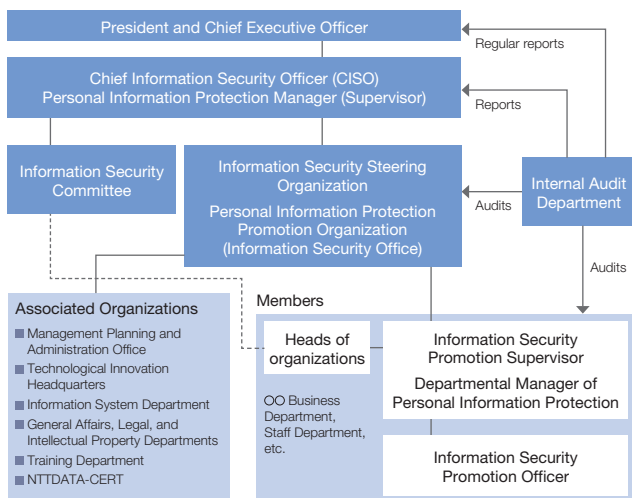
Likewise, swift and accurate security governance is pursued to ensure information security, and we have begun operating a global security governance system centered on regional integrated companies as part of this endeavor. NTT DATA reviews the information management conditions of each regional integrated company on a quarterly basis, thereby maintaining an understanding of management circumstances. This understanding is utilized in stabilizing and improving management levels through the sharing of information, discussions, supervised tours, and other improvement support activities.

^{*1} The term information security incidents refers to the actualization of security threats related to information management and system operation, such as computer virus infection, unauthorized access, and information leakage.

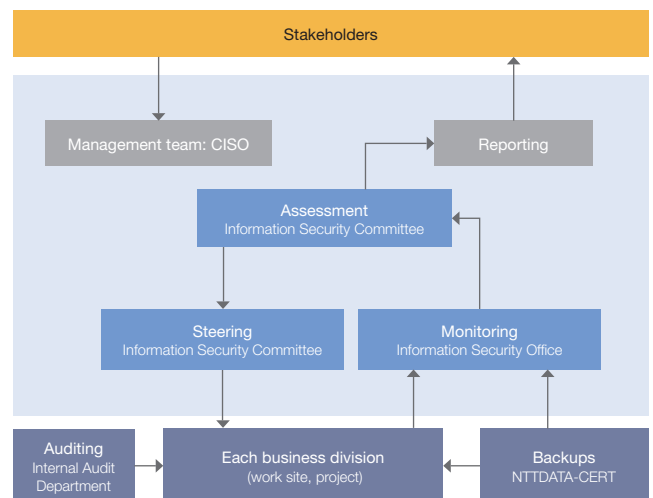
^{*2} FIRST is a global community consisting of approximately 300 CSIRTs from government agencies, educational institutions, companies, and other organizations.

^{*3} A CSIRT is an incident response team comprised of security specialists. These teams collect and analyze information on security incidents, security-related technologies, and vulnerabilities, and conduct activities including implementing effective countermeasures and training.

Information Security Management System



Information Security Governance



Human Resources

In the IT services industry, securing talented human resources is crucial in order to maintain an up-to-date understanding of customer needs and to continue creating new value. However, in both Japan and overseas there is a severe lack of engineers possessing highly specialized skills. Moreover, the IT services industry as a whole is faced with an urgent need to reform engineer working styles to address the issue of excessive work hours that has long plagued the industry. Accordingly, in order to continue growing sustainably as an IT services company, we must conduct proactive hiring campaigns while pursuing ongoing improvements in human resource development programs, employment conditions, and workplace environments.

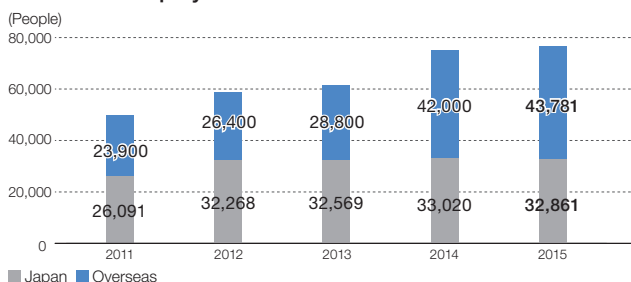
■ NTT DATA's Basic Policies

The operating environment for IT services companies is characterized by companies expanding onto the global market and an unprecedented rise in the demand for new IT services. In this environment, it is crucial for companies to assemble a team of employees with a diverse range of perspectives and skills. Moreover, IT services companies are pressed with the need to break away from traditional ways of thinking and customs and to diversify staff in order to respond to the demands of global customers.

The NTT DATA Group emphasizes diversity, fairness, and impartiality in its hiring and employment practices, and strives to empower its employees. In addition to employing and encouraging the active participation of diverse human resources, we are also focused on reforming working styles, which is a prerequisite to raising our global competitiveness and realizing ongoing growth. In conducting these reforms, we will not be preoccupied with traditional methods of work, but will rather endeavor to provide flexibility with regard to work times and locations, and to make this increased degree of flexibility available to employees around the world.

Through these efforts, the Group is striving to create workplaces in which employees can remain healthy and satisfied. This goal is being pursued while reforming the working styles of individual employees through a team effort, placing importance on the abilities of individuals that lead to organizational strength.

Number of Employees



■ Employment and Empowerment of Human Resources

NTT DATA's operating environment is evolving at breakneck speed due to the transformation of customer needs and the spread of new technologies, and it is therefore absolutely essential that we employ human resources that can respond to these changes and empower them to encourage active participation.

NTT DATA is committed to assembling a team of human resources with more diverse perspectives and abilities. For this reason, we are working to employ and empower human resources on a Groupwide basis through initiatives conducted both in Japan and overseas.

In our hiring practices, we prioritize aptitude, motivation, and ability over academic record, age, gender, and nationality. Thus far, we have taken in new graduates from more than 100 educational institutions and our diverse mid-career outreach channels include websites and various other venues. As its business domain expands overseas, NTT DATA has been proactive in its efforts to hire non-Japanese employees. Each year, people from around 10 countries are brought on board to work in the Company.

Furthermore, we will continue to employ people with disabilities and reemploy retired workers to assemble employees with diverse values. By having such diverse employees work together, we aim to evolve NTT DATA into a company that can provide a unique brand of value, one that is distinguished from those of other global companies and matched to the changes in the operating environment.

Number of New Hires, Reemployed Retired Workers, and Employees with Disabilities

(People)

	2011	2012	2013	2014	2015
New hires* ¹ (non-consolidated)	534	496	475	379	379
Male	351	339	334	262	255
Female	183	157	141	117	121
Employees with disabilities* ² (non-consolidated)	228	241	245	254	251
Reemployed retired workers* ¹	111	120	105	130	120

*1 Figures for the number of newly recruited graduates and the number of retired employees using the NTT DATA Reemployment System are as of April 1 for each fiscal year.

*2 The number of employees with disabilities as of June 1 for each fiscal year.



Human Resource Development

NTT DATA strives to cultivate professional employees that possess highly specialized skills and can quickly adapt to change as well as employees that can compete on the global market. To develop professional employees, the Company has established the Professional Career Development Program (CDP), a human resource development program designed to endow all employees with highly specialized skills and adaptability. This program is in place at the Head Office and Group companies, where it is supporting the autonomous development of all employees. The Company is also instituting appropriate skill development management measures by monitoring increases in the number of employees acquiring relevant qualifications and the overall level of qualification acquisition within the Group. As part of its policies for developing globally competent human resources, NTT DATA works to provide a greater number of employees with international business opportunities. To this end, the Company is strengthening ties among the human resource departments of the four regional integrated companies, the Business Solutions Group, and everis. The Head Office in Japan is

playing a central role in this undertaking. As one initiative on this front, we conduct the Global Leadership Program in which executive trainees from overseas Group companies come together to hold discussions. We are also taking other steps to provide Group employees with opportunities to have international exchanges with their peers.

Creation of a Comfortable Working Environment

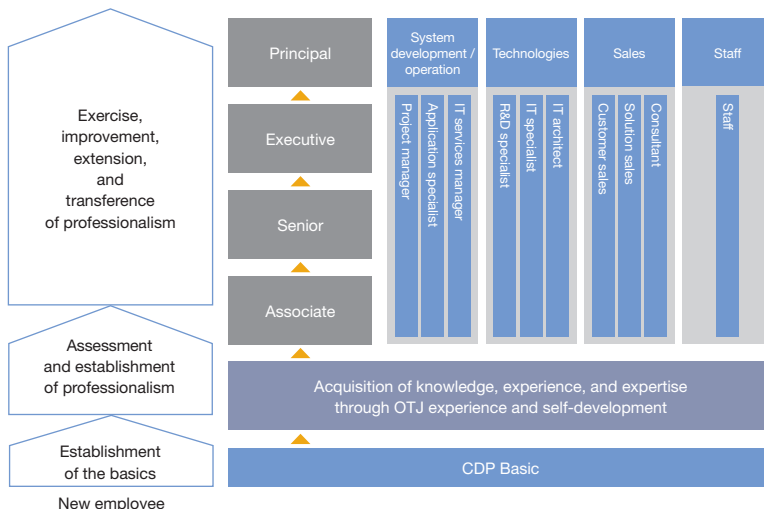
NTT DATA realizes the extreme importance of promoting diversity and inclusion in responding to diversifying social needs to create innovation and ensure sustainable growth.

With this in mind, NTT DATA promotes diversity and inclusion as one of its management strategies for winning out against global competition. Our aim is to help create corporate value by utilizing diverse human resources and reforming working styles.

Specifically, we are promoting the advancement of women in the workplace, supporting continued employment, and reforming working styles, and have been implementing various initiatives in these areas. NTT DATA conducts annual employee satisfaction surveys of all NTT DATA Corporation and NTT DATA Group employees. Responses on these surveys related to employees' overall satisfaction with NTT DATA have remained consistently in the range of answers indicating satisfaction, no doubt due in large part to these initiatives. In addition, according to a survey conducted by a commissioned research firm, NTT DATA continues to be No. 1 in the IT services industry in terms of employee satisfaction.

Going forward, NTT DATA will continue striving to ensure that employees feel motivated in their work and hold ambitious dreams for the future so that the strength of individual employees can culminate into the strength of the entire organization.

Professional CDP Framework



Environment

Amid the spread of cloud computing, demand for data centers is growing on a global scale. However, attempting to accommodate this demand by simply boosting the capacity of data centers can increase operating costs through the consumption of additional electricity to power services and air-conditioning facilities. For this reason, pursuing the “greening” of our operations to reduce electricity consumption creates benefits for our business activities through improved profitability and heightened cost competitiveness. At the same time, greening initiatives are important for preventing global warming due to their indirect benefits, such as reduced greenhouse gas emissions.

■ NTT DATA's Basic Policies

Taken from a wider perspective, global environmental concerns, such as prevention of climate change and the preservation of biodiversity, are becoming sustainability issues. Against this backdrop, companies are expected to fulfill their responsibilities as global stakeholders, and to clarify the specific role the corporate sector should play. The NTT DATA Group is working to resolve a range of environmental issues. We are pursuing the “Greening of Our Group,” based on an environmentally oriented management approach that gives due consideration to the natural environment in every aspect of corporate activities. In addition, the Group continually advances progressive initiatives for the “greening” of customers and society as a whole through its products and services. In conjunction with these initiatives, the Group is working to reinforce its environmental management efforts with the aim of making significant contributions to the resolution of environmental issues. Looking ahead, the NTT DATA Group will utilize IT to create mechanisms that benefit the global environment.

■ Environmental Management

In order to further entrench environmentally oriented management into our operations and continue preserving the environment, we believe it is important to create a framework for environmental management across the Group as a whole, and establish a foundation for promoting action. With the goal of advancing environmental preservation activities throughout the Group, the NTT DATA Group has established a Groupwide eco activity promotion system, and is practicing environmental management based on a plan–do–check–act (PDCA) cycle.

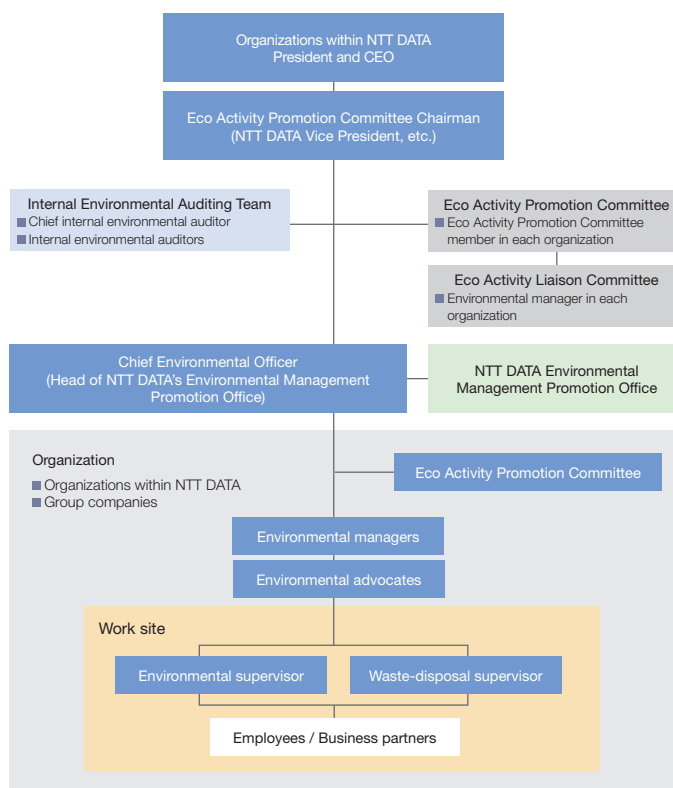
Concrete Groupwide activities are advanced centered on the Eco Activity Promotion and the Eco Activity Liaison committees.

The Eco Activity Promotion Committee discusses activity targets and measures to be implemented in the following fiscal year based on the activity status at NTT DATA and Group companies. Deliberation results are shared with the Eco Activity Liaison Committee, which meets twice each year and whose members include environmental managers and environmental

advocates from ISO 14001-certified departments and Group companies. This information is then reflected in the targets of individual organizations.

In addition, the NTT DATA Group has established its Environmental Policies and has released the statement known as the Environmental Messages. In this manner, we have displayed our commitment to providing eco-friendly systems and services in our capacity as an IT services company to contribute to reductions in environment impacts that extend beyond our own business activities.

Eco Activity Promotion System





■ The NTT DATA Group's Environmental Impact

A fundamental responsibility of the NTT DATA Group's environmental management efforts is to ensure that environment impact reduction goals are achieved on an ongoing basis. To minimize the environmental impact of its business activities, the Group monitors and analyzes how various resources and types of energy are consumed at each stage of operations, and how this impacts the environment.

The NTT DATA Group's business activities primarily impact the environment through the emission of greenhouse gases resulting from the consumption of electricity and other forms of energy. However, our operations also affect the environment in various other ways, including through data center construction and the use of paper and water resources. In addition, we cannot ignore the environmental impact of energy consumption resulting from customers' operation of systems and services that have been provided by the Group. The NTT DATA Group strives to correctly ascertain and analyze the environmental impact of its business activities and to utilize these results in various initiatives for reducing its environment footprint.

■ Promotion of Green Purchasing

When selecting products and services to be procured, in addition to factors such as price and quality assessment, the NTT DATA Group also utilizes criteria related to the eco-friendliness of

products and services and the stance toward environmental preservation of the supplier. These criteria are employed when selecting business partners in order to promote green purchasing.

At present, assessments conducted with the aim of promoting green purchasing center on evaluating the stance of a potential supplier toward addressing environmental issues. While this naturally includes compliance with environmental laws and regulations, considerable weight is also attached to whether or not ISO 14001 certification and other environmental management standards have been acquired. With regard to suppliers that have not attained environmental certification, we assess how well they are implementing environmentally oriented management. We do this by asking specific questions based on a checklist regarding such matters, including whether or not they have environmental guidelines, targets for reducing their environmental impact, or an environmental management structure.

■ Environmental Education

The NTT DATA Group conducts various environmental education activities to help employees properly understand the significance and purpose of environmental preservation activities and environmental management based on ISO 14001 standards. These activities are also aimed at raising awareness toward environmental issues. Our efforts span an e-learning curriculum that covers the basics of environmental preservation, courses

for waste-disposal supervisors, environmental managers, environmental advocates, and environmental supervisors, and education programs customized for each work site and business function.

To encourage an understanding of and promote environmentally oriented management, we are extending education on the basics of environmental preservation beyond ISO 14001-certified companies to include all Group companies in Japan. Furthermore, we have introduced group training sessions alongside previously offered e-learning courses to better meet the needs of participants.

Group ISO 14001 Targets and Performance in the Fiscal Year Ended March 31, 2015

	Goal	Target Indicator	Base Value (Base Fiscal Year)	Fiscal Year Ended March 31, 2015	
				Target	Results
Society Customers	Utilize IT to reduce society's environmental impact	Simplification of quantitative assessment tools	—	Undergoing trial application	
Group environmental impact reduction	Reduce greenhouse gas emissions	CO ₂ emissions volume	306,562 tons (Fiscal year ended March 31, 2009)	16% reduction (257,512 tons or less)	22.5% reduction (237,606 tons)
	Reduce the amount of copy paper purchased	Amount of copy paper purchased (converted to sheet basis)	323.2 million sheets (Fiscal year ended March 31, 2009)	37% reduction (203.62 million sheets or less)	45% reduction (178.327 million sheets)
	Reduce the amount of waste for final disposal	Amount of waste for final disposal (tons)	402 tons (Fiscal year ended March 31, 2009)	57% reduction (176 tons or less)	70% reduction (122 tons)
		Final waste disposal rate (final disposal amount / total amount of waste)	—	3.9% or less	2.4%

Directors, Audit & Supervisory Board Members, and Senior Vice Presidents

(As of July 1, 2015)

Directors



Representative Director,
President and Chief Executive Officer
Toshio Iwamoto

1976 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2009 Representative Director, Senior Executive Vice President and Company President, Public & Financial IT Services Company of NTT DATA
2011 Representative Director and Senior Executive Vice President of NTT DATA
2012 Representative Director, President and Chief Executive Officer of NTT DATA (present post)



Representative Director and
Senior Executive Vice President
Satoshi Kurishima

Responsible for information strategies (CIO), security strategies (CISO), and intellectual property strategies
1980 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2012 Representative Director, Executive Vice President, and Company President, Solutions & Technologies Company of NTT DATA
2014 Representative Director, Senior Executive Vice President and Company President, Solutions & Technologies Company of NTT DATA
2015 Representative Director and Senior Executive Vice President of NTT DATA (present post)



Representative Director and
Senior Executive Vice President
Masanori Shiina

Responsible for risk management (CRO), corporate governance, and corporate social responsibility (CSR)
1979 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2013 Director, Executive Vice President and Company President, Public & Financial IT Services Company of NTT DATA
2014 Representative Director, Executive Vice President and Company President, Public & Financial IT Services Company of NTT DATA
2015 Representative Director and Senior Executive Vice President of NTT DATA (present post)

Director and Executive Vice President

Yo Honma

Responsible for Enterprise & Solutions Segment

1980 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2013 Senior Vice President, Head of Third Enterprise Sector of NTT DATA
2014 Chief Executive Officer of Construction-ec.com Co., Ltd. (present post)
Director, Executive Vice President, and Company President, Enterprise IT Services Company of NTT DATA
2015 Director and Executive Vice President of NTT DATA (present post)

Director and Executive Vice President

Hironobu Sagae

Head of Finance Departments
Responsible for financial management (CFO) and investor relations (IR)

1981 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2011 Director, Senior Vice President, and Senior Executive Manager, Finance Department and Human Resources Department of NTT DATA
2012 Director, Senior Vice President, and Senior Executive Manager, Finance Department of NTT DATA
2014 Director, Executive Vice President, and Senior Executive Manager, Finance Department of NTT DATA (present post)

Director and Executive Vice President

Eiji Ueki

Responsible for Financial Segment

1981 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2013 Director, Senior Vice President and Senior Executive Manager, Second Financial Sector of NTT DATA
Director, Senior Vice President, and Senior Executive Manager, Group Strategy Headquarters of NTT DATA
2014 Director, Executive Vice President, and Senior Executive Manager, Group Strategy Headquarters of NTT DATA
2015 Director and Executive Vice President of NTT DATA (present post)

Director and Executive Vice President

Kazuhiro Nishihata

Responsible for Global Segment

1981 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2012 Executive Vice President and Senior Executive Manager, Global Business Sector of NTT DATA
2013 Executive Vice President, Head of Global Business Sector of NTT DATA
2015 Director and Executive Vice President of NTT DATA (present post)

Director and Executive Vice President

Toshio Iwai

Responsible for Public & Social Infrastructure Segment

1980 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2011 Senior Vice President and Senior Executive Manager, First Public Administration Systems Sector of NTT DATA
Senior Vice President and Senior Executive Manager, Public Administration Systems Sector of NTT DATA
2013 Executive Vice President, Senior Executive Manager, Public Administration Systems Sector and Senior Executive Manager, Regional Business Sector of NTT DATA
Executive Vice President, Senior Executive Manager, Public Administration Systems Sector of NTT DATA
2015 Director and Executive Vice President of NTT DATA (present post)

Director

Yukio Okamoto

Outside Director*¹,
Independent Director*³

1968 Joined the Ministry of Foreign Affairs
1991 Representative Director, Okamoto Associates, Inc. (present post)
2000 Director, Mitsubishi Materials Corporation (present post)
2006 Corporate Auditor, Mitsubishi Motors Corporation
2008 Director, Nippon Yusen Kabushiki Kaisha (NYK LINE) (present post)
2014 Director of NTT DATA (present post)

Director

Hiromasa Takaoka

Outside Director*¹

1988 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2011 Director of Human Resources of NTT Communications Corporation
Member of the Board of NTT Human Solutions Corporation
2013 Vice President of HR, General Affairs Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (present post)
2015 Director of NTT DATA (present post)

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member

Yukio Ishijima

Outside Audit & Supervisory Board Member*², Independent Director*³

1976 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2006 Senior Vice President and Head of Planning and General Affairs, NTT Business Associe Co., Ltd.
2009 Representative Director and Executive Vice President, NIPPON CAR SOLUTIONS CO., LTD.
2014 Standing Audit & Supervisory Board Member of NTT DATA (present post)

Standing Audit & Supervisory Board Member

Yasuomi Hino

Outside Audit & Supervisory Board Member*², Independent Director*³

1975 Joined Ministry of Finance Japan
2007 Standing Director of Federation of National Public Service Personnel Mutual Aid Associations
2009 Senior Director of Federation of National Public Service Personnel Mutual Aid Associations
2012 Standing Audit & Supervisory Board Member, NTT DATA (present post)

Standing Audit & Supervisory Board Member

Tetsuro Yamaguchi

Outside Audit & Supervisory Board Member*²

1979 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2010 Director of Global Strategy Department, Global Business Division of NTT Communications Corporation
2011 Dimension Data Holdings plc, Director of the Board, Group Executive: Joint Business Development
2015 Standing Audit & Supervisory Board Member, NTT DATA (present post)

Audit & Supervisory Board Member

Rieko Sato

Outside Audit & Supervisory Board Member*², Independent Director*³

1984 Registered as attorney (present post)
1998 Partner of Ishii Law Office (present post)
2004 Corporate Auditor of Ajinomoto Co., Inc. (present post)
2008 Corporate Auditor of GignoSystem Japan, Incorporated (present post)
2012 Audit & Supervisory Board Member, NTT DATA (present post)

Senior Vice Presidents

Representative Directors and Senior Executive Vice Presidents

Satoshi Kurishima

Responsible for information strategies (CIO), security strategies (CISO), and intellectual property strategies

Masanori Shiina

Responsible for risk management (CRO), corporate governance, and corporate social responsibility (CSR)

Directors and Executive Vice Presidents

Yo Honma

Responsible for Enterprise & Solutions Segment

Hironobu Sagae

Head of Finance Departments
Responsible for financial management (CFO) and investor relations (IR)

Eiji Ueki

Responsible for Financial Segment

Kazuhiro Nishihata

Responsible for Global Segment

Toshio Iwai

Responsible for Public & Social Infrastructure Segment

Executive Vice President

Tsuyoshi Kitani

Head of Technology and Innovation General Headquarters and its System Platforms Sector

Senior Vice Presidents

Katsumasa Ishikawa

Head of Telecom & Utility Business Sector

Kazuhiro Sasada

Head of Business Solutions Sector

Eiji Kugimiya

Head of General Affairs Department

John McCain

Director & CEO, NTT DATA, Inc.

Keiichiro Yanagi

Head of Second Financial Sector

Shigeki Yamaguchi

Head of IT Services & Payments Services Sector

Masato Inaba

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

Hiroyuki Aoki

Head of Human Resources Department

Toshi Fujiwara

Head of First Financial Sector

Sachihiko Okimura

Head of Third Financial Sector

Shunichi Takeuchi

Head of Public Sector 1

Tadashi Uhira

Director & Chair, NTT DATA EMEA Ltd.

Katsumi Iijima

Head of Public Sector 2

Koji Ito

Head of Global Business Sector

Hisashi Matsunaga

Head of Group Strategy Headquarters

Motonobu Isoya

Head of Manufacturing IT Innovation Sector

*1 Yukio Okamoto and Hiromasa Takaoka are outside directors pursuant to Article 2, Paragraph 15 of the Companies Act.

*2 Yukio Ishijima, Yasuomi Hino, Tetsuro Yamaguchi, and Rieko Sato are outside audit & supervisory board members pursuant to Article 2, Paragraph 16 of the Companies Act.

*3 NTT DATA has designated Yukio Okamoto, Yukio Ishijima, Yasuomi Hino, and Rieko Sato as independent directors in accordance with the listing regulations of the Tokyo Stock Exchange and notified it.

Note: Resumes focus on recent positions.

Directors, Audit & Supervisory Board Members, and Senior Vice Presidents

Outside Directors



Director

Yukio Okamoto

Outside Director*¹,
Independent Director*³

Reason for Election

The Company has elected Mr. Okamoto with the expectation that his extensive knowledge and insight as an expert in international affairs will contribute to management of the Company.



Director

Hiromasa Takaoka

Outside Director*¹

Reason for Election

The Company has elected Mr. Takaoka with the expectation of benefiting from his opinions based on a wide-ranging perspective acquired through many years of professional experience engaged in duties related to telecommunications.

Audit & Supervisory Board Members



Standing Audit &
Supervisory Board Member

Yukio Ishijima

Outside Audit & Supervisory
Board Member*²,
Independent Director*³

Reason for Election

Mr. Ishijima was an executing person of the parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION, and its Group companies. The Company has elected Mr. Ishijima with the expectation that his wide-ranging perspective and extensive experience will enable him, as an outside audit & supervisory board member, to audit the execution of duties in a manner that ensures the soundness of the Company and establishes equitable, highly transparent oversight of management.



Standing Audit &
Supervisory Board Member

Yasuomi Hino

Outside Audit & Supervisory
Board Member*²,
Independent Director*³

Reason for Election

The Company has elected Mr. Hino with the expectation that his wide-ranging perspective and extensive experience will enable him, as an outside audit & supervisory board member, to audit the execution of duties in a manner that ensures the soundness of the Company and establishes equitable, highly transparent oversight of management.



Standing Audit &
Supervisory Board Member

Tetsuro Yamaguchi

Outside Audit & Supervisory
Board Member*²

Reason for Election

Mr. Yamaguchi was an executing person of the parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION, and its Group companies. The Company has elected Mr. Yamaguchi with the expectation that his wide-ranging perspective and extensive experience will enable him, as an outside audit & supervisory board member, to audit the execution of duties in a manner that ensures the soundness of the Company and establishes equitable, highly transparent oversight of management.



Audit & Supervisory Board
Member

Rieko Sato

Outside Audit & Supervisory
Board Member*²,
Independent Director*³

Reason for Election

The Company has elected Ms. Sato with the expectation that her wide-ranging perspective and extensive experience will enable her, as an outside audit & supervisory board member, to audit the execution of duties in a manner that ensures the soundness of the Company and establishes equitable, highly transparent oversight of management and with the expectation of benefiting from auditing based on her experience and knowledge as an expert, which was garnered through many years engaged in law-related professional duties.

*¹ Yukio Okamoto and Hiromasa Takaoka are outside directors pursuant to Article 2, Paragraph 15 of the Companies Act.

*² Yukio Ishijima, Yasuomi Hino, Tetsuro Yamaguchi, and Rieko Sato are outside audit & supervisory board members pursuant to Article 2, Paragraph 16 of the Companies Act.

*³ NTT DATA has designated Yukio Okamoto, Yukio Ishijima, Yasuomi Hino, and Rieko Sato as independent directors in accordance with the listing regulations of the Tokyo Stock Exchange and notified it.

Corporate Governance

Basic Approach

NTT DATA considers strengthening corporate governance to be of fundamental importance to maximizing corporate value and seeks to ensure management transparency and soundness and promote expeditious decision-making and business execution.

Corporate Governance Structure

NTT Data is a company with a Company with Company Auditors. The Company has adopted this system because it deemed that auditing conducted by outside and other audit & supervisory board members provides effective management oversight. The Company has the following primary governing entities: the General Meeting of Shareholders, the Board of Directors, and the Audit & Supervisory Board. Also, the Company has established a Corporate Management Committee to accelerate decision-making related to operational execution.

The Company's systems for operational execution, management oversight, and internal control are shown in the chart below.

Board of Directors

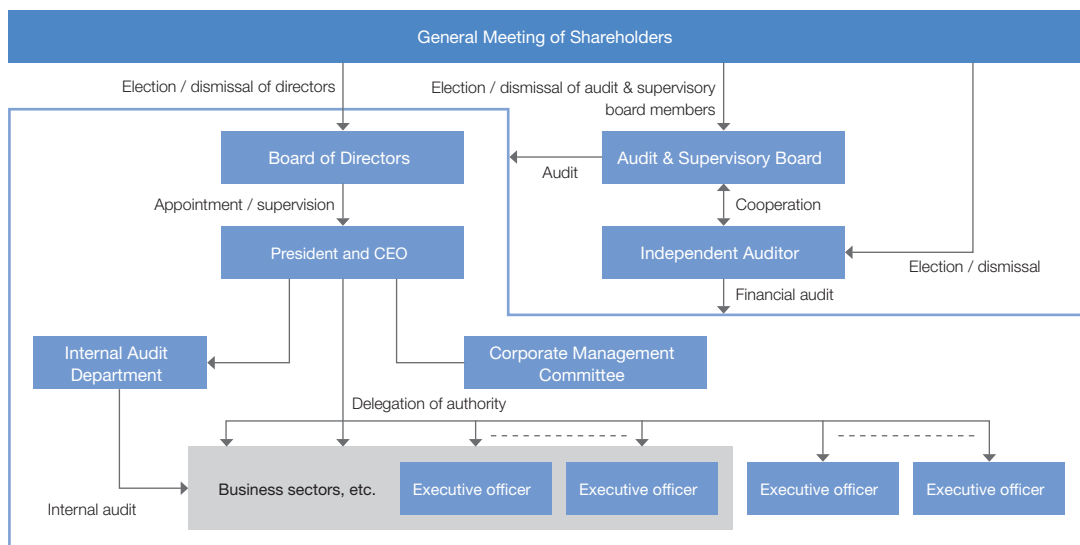
The Board of Directors has 10 members, including two outside directors (of whom, one is an employee of the Company's parent company, NIPPON TELEGRAPH AND TELEPHONE CORPORATION). The Board holds regular monthly meetings and additional meetings as necessary and is responsible for decision-making and supervision regarding legal issues, important management matters, and other issues.

Audit & Supervisory Board

The Audit & Supervisory Board comprises four outside auditors, one of whom is a woman. In principle, the Audit & Supervisory Board convenes monthly to decide audit policies, plans, methods, and other important matters concerning audits. Each audit & supervisory board member attends important Company meetings, such as meetings of the Board of Directors, and regularly audits operational execution. The Office for Audit & Supervisory Board Members provides full-time support for these activities.

Corporate Management Committee

The Corporate Management Committee comprises the president, vice presidents, and the heads of other important relevant sections. In principle, the committee convenes weekly to provide efficient, prompt decision-making and supervision in relation to operational management.



Corporate Governance

■ Group Governance

Establishing a Liaison Department for Group Companies and Strengthening Group Governance

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

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

In Japan, in the fiscal year ended March 31, 2014, NTT DATA increased management efficiency by beginning renewal of the common accounting system domestic Group companies use. In the fiscal year ended March 31, 2015, NTT DATA extended introduction of the system, which encompasses approximately 70 major domestic Group companies. As a result, most domestic Group companies use a common accounting service. This will enable centralized management of accounting information and the securing of internal control. Further, the use of a common system will reduce the maintenance and operational burden significantly.

Moreover, aiming to increase the efficiency of Group management, NTT DATA introduced an in-house Group Management Infrastructure system that visualizes Group companies' management information (in the financial field and personnel field) to domestic Group companies (financial field: 64 companies including NTT DATA, personnel field: approximately 22,000 personnel of NTT DATA and Group companies).

Through this new system, NTT DATA aims to optimize management resource allocation to reflect projects' characteristics, expedite business management, enhance the precision of information used for decision-making, and realize Group synergies.

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

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

Developing Management Systems to Strengthen Group Governance

To establish an integrated, efficient management system for Group companies, which are expanding globally, NTT DATA is enhancing the coordination and efficiency of strategy preparation among Group companies based on the Business Solutions Group and five integrated companies in each of its operating regions—North America, EMEA, APAC, China, and Spain and Latin America.

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

■ Remuneration of Directors

The remuneration of directors and other related matters are decided on at meetings of the Board of Directors.

Remuneration of directors (not including outside directors) comprises monthly remuneration and bonuses.

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

In addition, to provide incentives for improving performance over the medium-to-long term, 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.

Further, to ensure a high degree of independence, outside directors are paid only monthly remuneration that is not linked to business performance.

After explaining the policy for decisions on remuneration to its parent company and outside directors who are independent directors and receiving appropriate guidance, the Board of Directors decides on the remuneration of directors and other related matters within the amount approved by a resolution of the meeting of shareholders.

Total Remuneration of Directors and Audit & Supervisory Board Members

(Fiscal year ended March 31, 2015)

Executive Classification	Number of Persons	Basic Remuneration	Directors' Bonuses	Remuneration Amount
Directors (excluding outside directors)	9	¥259 million	¥62 million	¥321 million
Audit & supervisory board members (excluding outside audit & supervisory board members)	1	¥30 million	—	¥30 million
Total	10	¥289 million	¥62 million	¥351 million

Notes:

- Total remuneration of directors and audit & supervisory board members includes the remuneration of two directors who retired as of the end of the 26th Ordinary General Meeting of Shareholders held on June 18, 2014.
- 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 audit & supervisory board members should be ¥150 million per annum.

Total Remuneration of Outside Corporate Officers

(Fiscal year ended March 31, 2015)

	Number of Persons	Basic Remuneration
Total Remuneration of Outside Corporate Officers	5	¥71 million

■ Internal Control

Maintaining and Continuously Strengthening the Internal Control System

NTT DATA builds and maintains internal control systems in accordance with a basic policy of always considering risks arising from business activities and taking various types of measures to realize efficient implementation of equitable, transparent business activities.

Further, twice a year the Company convenes meetings of the Internal Control Advancement Committee, which is tasked with assessing the effectiveness of internal control systems and managing and furthering overall internal control.

In addition, NTT DATA actively conducts internal audits that focus on a range of different risks. Given the continuation of global business expansion going forward, the Company will sustain efforts to strengthen the Group's overall internal audit capabilities by further advancing efforts to establish global internal control capabilities while introducing efficient methods for internal audits.

Implementation Status of Internal Audits

NTT DATA's Internal Audit Department conducts audits from a standpoint that is independent from operational divisions.

In the fiscal year ended March 31, 2015, the Company audited 32 in-house organizations, 33 domestic Group companies, and 17 overseas Group companies. This audit primarily focused on risk unique to the Company and such corruption risk as bid rigging, dumping, and bribery. Also, the Company monitored the internal auditing activities of 24 Group companies. In addition, to expand and improve internal auditing of the Group as a whole, 81 domestic and overseas Group companies conducted voluntary inspections based on unified audit items.

Going forward, the Company aims to realize coordination with the internal audit divisions of domestic and overseas Group companies and establish audit methods for the early identification of signs of corruption. To these ends, the Company will advance measures to establish a global internal auditing system while increasing the quality and quantity of internal audits.

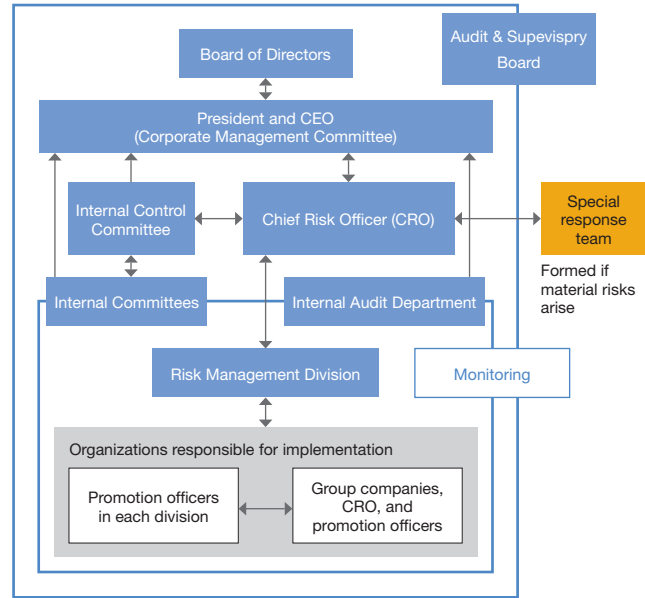
Risk Management

Policy and Structure

The NTT DATA Group seeks to ascertain all risks associated with business activities to minimize the frequency of occurrence of these risks and limit their impact on operations should they materialize. To facilitate this effort, we appointed a chief risk officer (CRO) in 2002 to supervise and promote risk management from a Companywide perspective. In addition, risk management promotion officers were appointed to the Risk Management Division as well as other divisions and Group companies to enable them to respond proactively and independently to various risks.

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

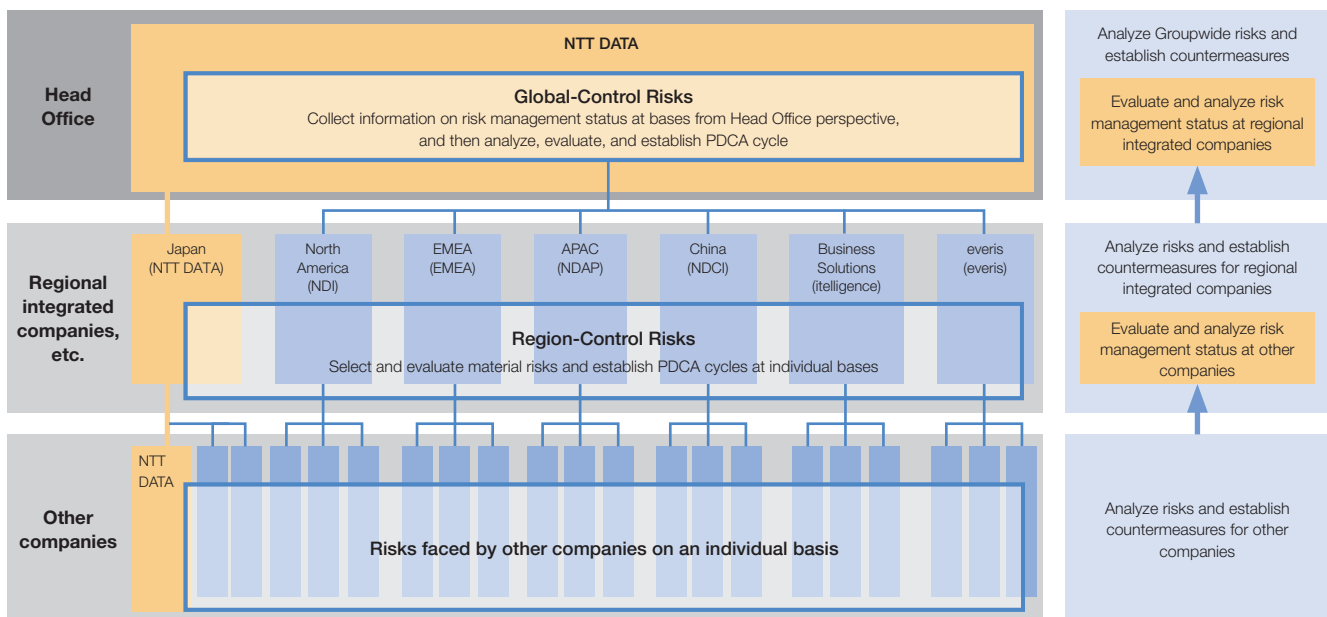
The Internal Control Committee convenes twice a year to discuss measures pertaining to the reduction of risks and evaluate their effectiveness. The results of these evaluations are reported to the Corporate Management Committee as well as the Board of Directors.



Management Stance

NTT DATA identifies risks that may impact its Head Office, regional integrated companies, etc., and other companies on an individual basis, and formulates countermeasures accordingly. High-level divisions effectively manage the measures in place at organizations under their jurisdiction by analyzing and evaluating their implementation status. Groupwide measure implementation status is analyzed, evaluated, and monitored by the Risk Management Division positioned within NTT DATA's Head Office. In addition, risks determined to have the potential to impact the entire Group are defined as "global-control risks", and are managed on a Groupwide basis. In this manner, the Company is practicing stringent and comprehensive risk management.

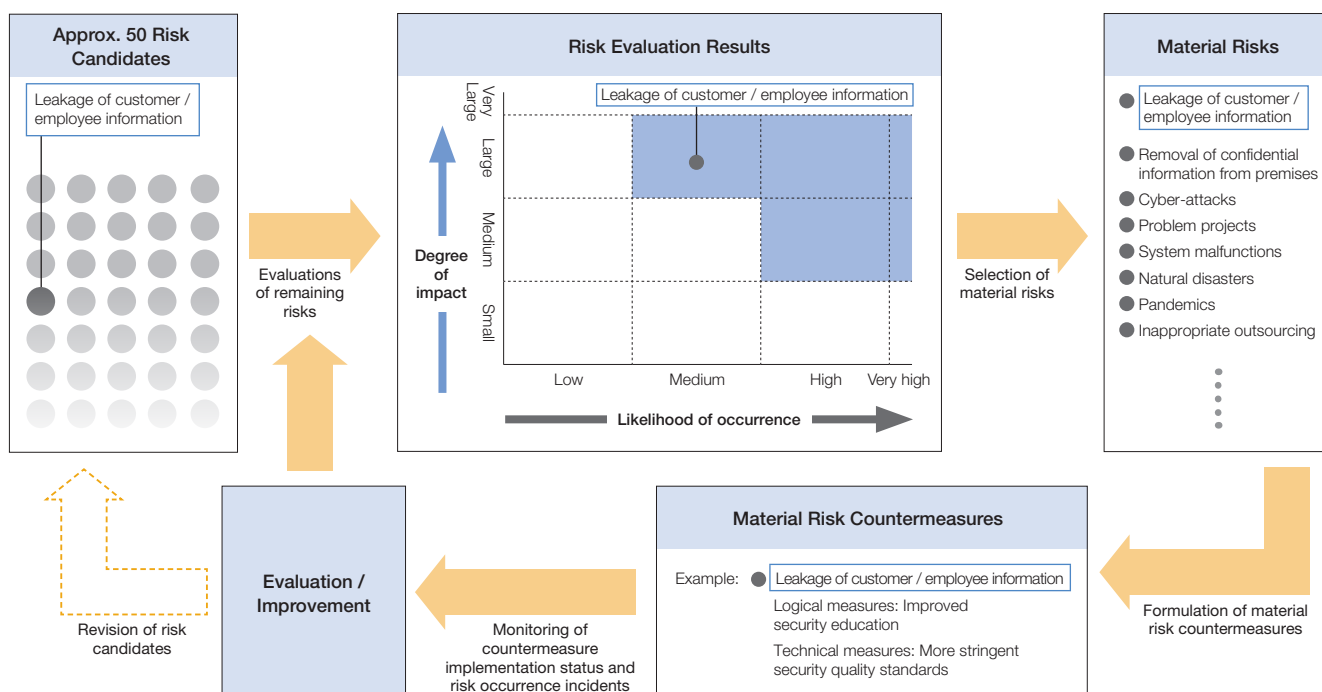
Risk Management Categories



Material Risk Selection Process

Material risks are selected for the Head Office, regional integrated companies, etc., and other companies based on approximately 50 defined risk candidates. A cycle of evaluation and improvement is instituted for material risks based on the countermeasure implementation status and actual occurrence incidents.

<Process of Selecting Region-Control Risk>



Global-Control Risks

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

In 2015, the following material risks have been identified as global-control risks, and are being addressed through measures spearheaded by NTT DATA's Head Office.

Material Risk	Reason for Selection and Countermeasures
Information leakage (Personal / Confidential information)	<p>Reason: Need to respond to government request for effective management of customer and other information and related regulations</p> <p>Countermeasures: Employee education and awareness campaigns on security rules</p>
Cyber-attacks	<p>Reason: Direct impact on NTT DATA services related to systems for government agencies and financial institutions</p> <p>Countermeasures: Development of appropriate and effective measures for responding to ever more sophisticated cyber-attacks</p>
Accounting fraud (Including window dressing)	<p>Reason: Risk of losing stakeholder trust and damaging shareholder value</p> <p>Countermeasures: Focus on prevention by strengthening inspection and monitoring of potential risks</p>
Bribery	<p>Reason: Institution of more stringent law enforcement and harsher penalties around the world</p> <p>Countermeasures: Strengthening of preventative measures by reexamining approval rules and conducting employee training</p>

Financial & Others

Contents

52	Financial Information
53	Management's Discussion and Analysis
59	Results and Forecasts of Consolidated Companies through Major M&As and Capital Alliances
60	Consolidated Balance Sheets
62	Consolidated Statements of Income and Comprehensive Income
63	Consolidated Statements of Shareholders' Equity
65	Consolidated Statements of Cash Flows
66	Investor Information
67	Corporate Data

Certain financial information is available on the Company's corporate website. Please visit the following sites for detailed information.

Notes to the Consolidated Financial Statements	▶ 1	→ 1. Annual Report Fiscal Year 2015 http://www.nttdata.com/global/en/investor/library/annual-reports/
Independent Auditor's Report	▶ 2	→ 2. Notice of Convocation of the 27th Ordinary General Meeting of Shareholders http://www.nttdata.com/global/en/investor/shareholders-meeting/pdf/2015/sh27_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 and forecasts concerning the NTT DATA Group's future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent the assumptions and expectations of the Group based on information currently available.
2. In this annual report, forward-looking statements include an immeasurable degree of risk and uncertainty related to economic trends, intense competition in the information services industry, market 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 cautions readers that actual results may differ materially from forecasts.
3. With respect to the notation of fiscal years in the charts and graphs within this annual report, "2015" indicates the fiscal year ended March 31, 2015.

Management's Discussion and Analysis

Executive Summary

New Orders Received
¥1,429,117 million
Up 2.1% YOY

Increase in orders received as benefits of the inclusion of new companies in scope of consolidation offset impacts of the absence of large-scale orders received in the previous fiscal year

Net Sales
¥1,511,812 million
Up 12.5% YOY

Substantial increase in net sales due to benefits of the inclusion of new companies in scope of consolidation and expansion of operations at existing subsidiaries largely overseas

Operating Income
¥84,013 million
Up 34.2% YOY

Increase in operating income following higher sales and reductions in unprofitable projects

Operating Environment in the Fiscal Year Ended March 31, 2015

During the fiscal year ended March 31, 2015, the Japanese economy displayed a modest recovery trend buoyed by an ongoing improvement in corporate profitability as well as an increase in capital expenditures, which offset the impacts of the demand rush that preceded the April 2014 consumption tax hike. Looking ahead, while an economic downturn overseas poses the threat of placing downward pressure on the domestic economy, a concern that warrants caution, conditions are expected to recover all the same.

In the domestic information services industry, previously limited IT investment in the financial and manufacturing industries picked up with investments being directed at system upgrade projects and measures to expand operations overseas, resulting in a modest recovery trend. Nonetheless, the need to reduce system maintenance and management costs as well as severe price competition is expected to continue going forward.

Overseas, while conditions were sluggish in certain regions, the overall trend has been one of modest recovery. Going forward, this recovery trend is expected to continue. However, there are numerous factors that will need to be monitored, such as the end of the United States' quantitative easing policy, the effects of the sovereign debt crisis in Europe, the impacts of falling crude oil prices, and emerging geopolitical risks.

In the global information services industry, IT investment is rising in the United States, particularly among private-sector corporations. In Europe, a recovery in Italy's IT expenditures is not expected to be seen in the short term, but the IT markets of Germany and England are growing.

Management Initiatives

Under these conditions, the NTT DATA Group formulated the Medium-term Management Plan for four years, from the fiscal year ended March 31, 2013, to the fiscal year ending March 31, 2016. Through this plan, we will aim to become a Global Top 5 player (over ¥1.5 trillion in net sales) and achieve earnings per share (EPS) of ¥200 by evolving into a corporate group that can efficiently provide diverse IT services worldwide. We are therefore concentrating initiatives on the plan's focus areas, namely "Expansion of New Fields and Reinforcement of Product Competitiveness," "Expansion, Enhancement, and Reinforcement of Global Business," and "Pursuit of Overall Optimization."

■ Expansion of New Fields and Reinforcement of Product Competitiveness

Taking advantage of the opportunities created by recent changes in the operating environment and in ICT technologies, we entered into new businesses as we worked to achieve a sales growth rate that exceeded the market growth rate. At the same, we fully leveraged our cutting-edge technologies to advance Re-Marketing initiatives, creating entirely new markets to preemptively respond to future customer needs.

In addition, we thoroughly promoted the automation of development processes to advance the evolution of product creation technologies for realizing more sophisticated and speedy development procedures and to conduct strategic R&D ventures aimed at technologies expected to be of critical importance going forward. Such technologies were chosen based on future trends geared toward the realization of an information society.

Management's Discussion and Analysis

Expansion, Enhancement, and Reinforcement of Global Business

By pursuing synergies within the NTT DATA Group and with the NTT Group, we are strengthening sales and service provision capabilities to expand, enhance, and reinforce businesses in all regions. Furthermore, bases in all regions are being utilized to support customers as they attempt to grow their businesses on the global market.

Pursuit of Overall Optimization

We are working to lower Groupwide administrative costs by steadily standardizing, streamlining, and consolidating work-flow processes; advancing the reorganization and integration of Company bodies; and promoting the flexible and optimal allocation of management resources.

Scope of Consolidation

NTT DATA has 253 subsidiaries, all of which are included within the scope of consolidation.

Owing to new equity investments and the establishment of new subsidiaries, 7 newly consolidated subsidiaries were added to the scope of consolidation in the fiscal year ended March 31, 2015. Due to mergers, transfers, and liquidations, 17 subsidiaries were excluded from the scope of consolidation.

For a more information, please refer to Results and Forecasts of Consolidated Companies through Major M&As and Capital Alliances on page 59.

Performance Contributions from Consolidated Subsidiaries

(Billions of yen)

	2011	2012	2013	2014	2015
Consolidated new orders received	988.4	1,098.4	1,197.1	1,400.2	1,429.1
Difference from non-consolidated figures	345.6	442.9	496.2	610.8	747.9
Consolidated net sales	1,161.9	1,251.1	1,301.9	1,343.7	1,511.8
Difference from non-consolidated figures	341.8	439.1	483.9	560.9	712.4

Review of Operating Results for the Fiscal Year Ended March 31, 2015

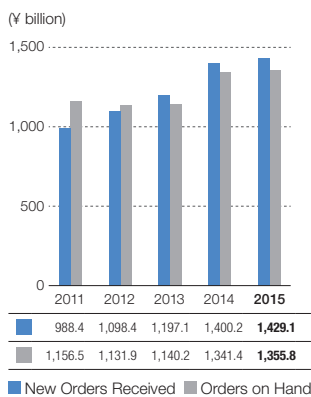
New Orders Received and Orders on Hand

New orders received increased ¥28,896 million, or 2.1% year on year, to ¥1,429,117 million, as benefits of the inclusion of new subsidiaries in the scope of consolidation offset impacts of the absence of large-scale orders received in the previous fiscal year. On March 31, 2015, orders on hand totaled ¥1,355,863 million, up ¥14,430 million, or 1.1%, from a year earlier.

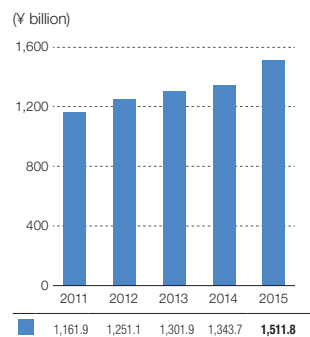
Net Sales

Net sales for the year under review totaled ¥1,511,812 million, up ¥168,039 million, or 12.5% year on year, due to influences of the inclusion of new subsidiaries in the scope of consolidation and expansion of operations at existing subsidiaries, particularly those overseas.

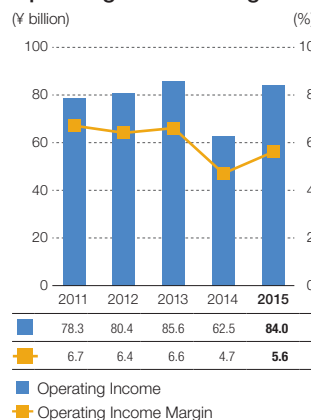
New Orders Received / Orders on Hand



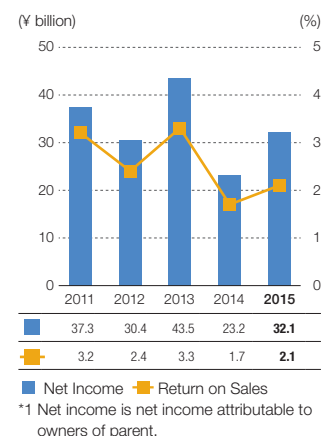
Net Sales



Operating Income / Operating Income Margin



Net Income*1 / Return on Sales



■ Operating Income

Despite a decrease in unprofitable projects, cost of sales rose ¥116,089 million, or 11.3%, to ¥1,147,302 million, due to impacts of the inclusion of new subsidiaries in the scope of consolidation and expansion of operations at existing subsidiaries centered on those overseas. The cost of sales ratio decreased 0.9 point from 76.7% to 75.9% as a result of the aforementioned decrease in unprofitable projects.

Selling, general and administrative (SG&A) expenses rose ¥30,520 million, or 12.2%, to ¥280,495 million, due to impacts of the inclusion of new subsidiaries in the scope of consolidation and expansion of operations at existing subsidiaries, mainly overseas subsidiaries.

Operating income increased ¥21,430 million, or 34.2%, to ¥84,013 million.

■ Ordinary Income

Non-operating expenses amounted to ¥6,104 million, down ¥5,674 million, year on year from the previous year due in part to a decrease in foreign exchange gains.

Ordinary income rose ¥15,756 million, or 25.4%, to ¥77,909 million.

■ Net Income

Total extraordinary losses decreased ¥3,980 million, or 50.4%, to ¥3,913 million. This was due mainly to decreases in impairment loss of non-current assets and loss on restructuring of subsidiaries and affiliates.

Total income taxes—representing the sum of current and deferred income taxes—increased ¥11,260 million, or 38.6% year on year, to ¥40,416 million.

Net income increased ¥8,857 million, or 38.0%, to ¥32,144 million.

■ Related Information

Each business segment is engaged in integrated IT solutions, which includes provision of services to clients in possession of NTT DATA equipment assets (including software); systems and software development, which includes development and sales of systems and software based on client orders as well as sales of information machines; consulting and support, encompassing subcontracting and service provision in areas outside of systems and software development; and other services.

■ Shareholder Returns Policy and Dividends

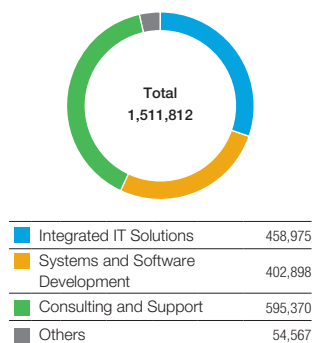
NTT DATA's basic policy on shareholder returns is to distribute profits appropriately while working to increase corporate value over the medium to long term by achieving sustained growth through such means as investing in new and other business activities and ensuring efficient management of business operations.

With regard to dividends, we intend to pay stable dividends based on a comprehensive assessment of the balance between the need to issue dividend payments and the need to fund business investments and technology development and enhance the Company's financial constitution in order to achieve sustained growth. This assessment will be made

Information regarding Products and Services

Sales to external clients

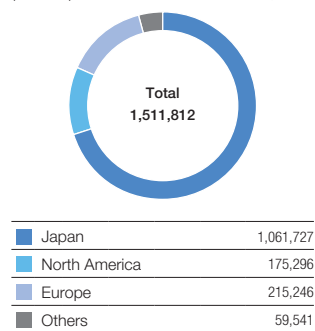
(¥ million) FY ended March 31, 2015



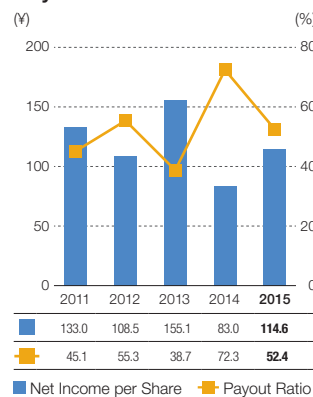
Information for Each Region

Net sales

(¥ million) FY ended March 31, 2015

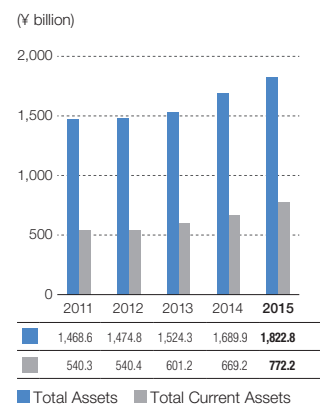


Net Income per Share*2 / Payout Ratio



*2 Figures for the fiscal year ended March 2014 have been calculated on the assumption that a 1:100 stock split was conducted at the beginning of the term. The figures for the previous years have been also adjusted to reflect it.

Total Assets / Total Current Assets



Management's Discussion and Analysis

while considering factors such as trends in consolidated performance and financial condition.

For the fiscal year ended March 31, 2015, the Company will issue a year-ended dividend of ¥30 per share, which will make for an annual dividend of ¥60 per share when combined with the interim dividend of ¥30 per share.

Internal reserves are allocated to new business investments, technology development, and capital expenditures aimed at ensuring ongoing, stable growth.

Liquidity and Sources of Funds

Financial Policy

Under NTT DATA's financial policy, we will steadily procure funds to continue conducting up-front investments in large development and operation projects for the information infrastructure that supports society. These funds will also be used for aggressive investments for advancing merger and acquisition (M&A) strategies in Japan and overseas. To meet the Company's extensive funding needs, we prioritize securing funds in a flexible manner and under favorable conditions. We will limit increases in interest-bearing debt and generate stable cash flows to maintain surplus procurement capability while also maintaining the stability of and strengthening our financial base.

Total Assets

On March 31, 2015, total assets amounted to ¥1,822,837 million, up ¥132,896 million, or 7.9%, from a year earlier. This was largely due to increases in the market values of investment securities held by the Company.

Liabilities

Total liabilities amounted to ¥1,016,631 million on March 31, 2015, up ¥36,510 million, or 3.7%, from a year earlier, due to an increase in loans payable.

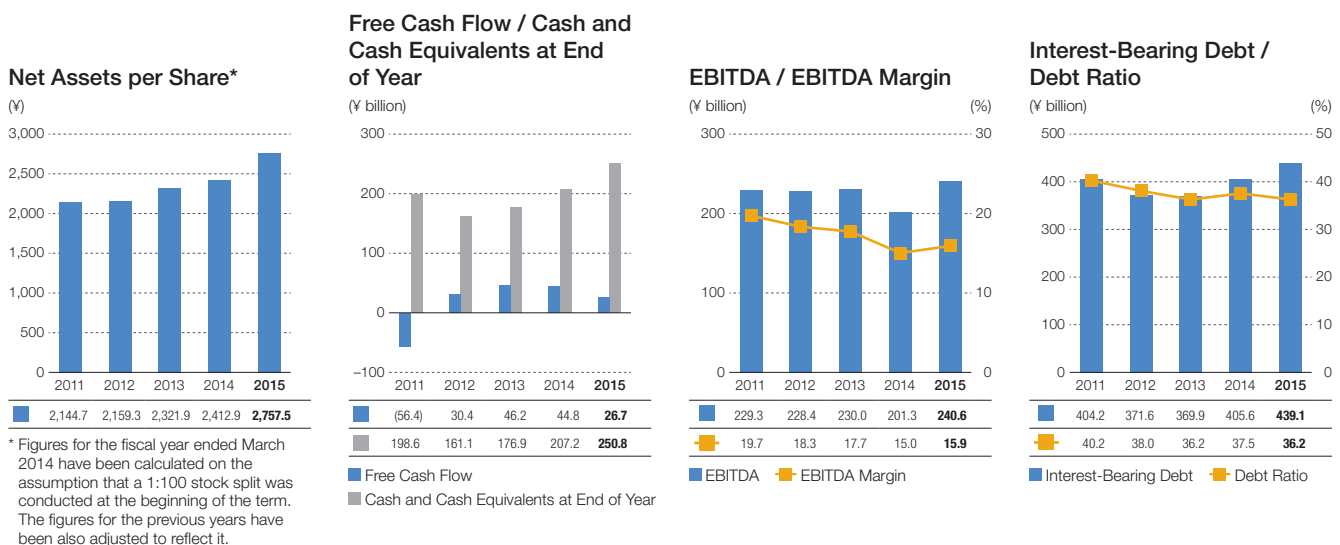
Net Assets

Net assets at March 31, 2015, totaled ¥806,205 million, up ¥96,386 million, or 13.6%, from a year earlier. This rise was due primarily to growth in retained earnings from the recording of net income, as well as increases in the market values of investment securities held by the Company.

Cash Flows

The NTT DATA Group has introduced a Group-wide cash management system that encompassed 63 domestic subsidiaries as of March 31, 2015. 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 as of March 31, 2015, totaled ¥250,843 million, up ¥43,630 million from a year earlier.



Factors affecting cash flows in the fiscal year ended March 31, 2015, were as follows.

Net cash provided by operating activities amounted to ¥183,880 million, down ¥50,644 million from the previous year. This was mainly due to a decrease in advances received.

Net cash used in investing activities totaled ¥157,137 million, down ¥32,549 million from the previous year. This mainly reflects a decrease in outlays for the acquisition of consolidated subsidiaries.

As a result, free cash flow amounted to ¥26,742 million, down ¥18,095 million from the previous year.

Net cash provided by financing activities of ¥17,296 million was recorded, compared with net cash used in financing activities of ¥19,345 million. This is a result of large inflows in the form of proceeds from long-term loans payable.

Key Management Indicators

■ EBITDA and EBITDA Margin

In the fiscal year ended March 31, 2015, earnings before interest, taxes, depreciation and amortization (EBITDA) rose ¥39,239 million, or 19.5% year on year, to ¥240,603 million, due mainly to an increase in operating income. The EBITDA margin increased 0.9 point, to 15.9%.

■ Debt Ratio

Interest-bearing debt increased ¥33,454 million, or 8.2%, to ¥439,131 million. Meanwhile, the debt ratio declined 1.3 points, to 36.2%.

■ ROE and ROA

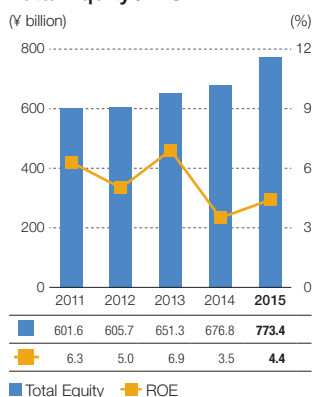
In the fiscal year ended March 31, 2015, return on equity (ROE) increased 0.9 point year on year, to 4.4%, and return on assets (ROA) rose 0.4 point, to 1.8%.

Capital Expenditures

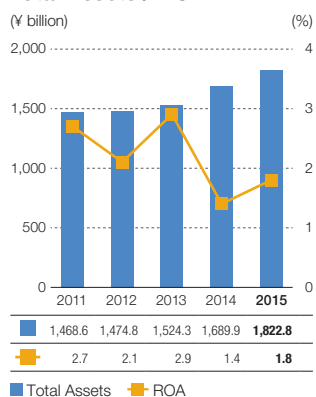
Capital expenditures in plant, property and equipment and intangible assets in the fiscal year ended March 31, 2015, totaled ¥140,900 million. Of this amount, ¥96,662 million was allocated to Public & Financial IT Services, ¥6,632 million to Enterprise IT Services, ¥24,176 million to Solutions & Technologies, and ¥12,113 million to Global Business. Capital expenditures categorized as “other” amounted to ¥1,316 million, a figure that includes the investments of subsidiaries that mainly support Head Office divisions.

In addition, land, as recorded on the consolidated balance sheets, increased ¥8,983 million, coming to ¥59,193 million on March 31, 2015. This increase was primarily attributable to the acquisition of 18,842 m² of land in Mitaka City, Tokyo, to be used as office space for the Solutions & Technologies Segment.

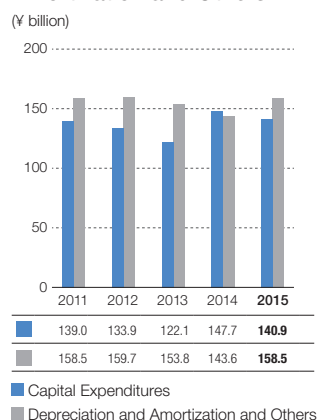
Total Equity / ROE



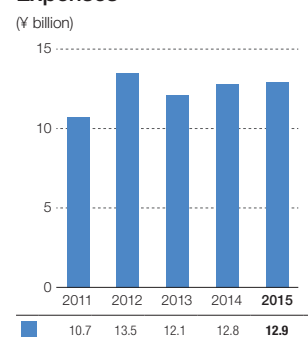
Total Assets / ROA



Capital Expenditures / Depreciation and Amortization and Others



Research and Development Expenses



Management's Discussion and Analysis

Research and Development

Seeking to achieve the “Expansion of New Fields and Reinforcement of Product Competitiveness”—a focus area of the Medium-Term Management Plan—NTT DATA pursued technological development in the priority fields of software engineering, advanced technology, and IT base technology in the fiscal year ending March 31, 2015.

In addition, we are engaged in ongoing basic R&D projects in collaboration with NTT. We utilize the results of such projects by allocating resources specifically to our applied R&D themes.

Research and development expenses totaled ¥12,911 million in the fiscal year ended March 31, 2015.

Outlook for the Fiscal Year Ending March 31, 2016

■ Economic Outlook and Performance Forecasts

Corporate IT investment is sluggish in certain overseas regions, but overall investment is increasing in domestic and overseas markets. Accordingly, consolidated net sales are expected to increase to ¥1,540,000 million in the fiscal year ending March 31, 2016, as a result of higher revenues for the Company and its overseas subsidiaries.

Operating income is expected to rise to ¥100,000 million, due to the benefits of efforts to limit involvement in unprofitable projects, income increases following higher sales, and improved profitability at overseas subsidiaries.

■ Outlook for Capital Expenditures

Capital expenditures are expected to amount to ¥130,000 million in the fiscal year ending March 31, 2016, down ¥10,900 million year on year.

■ Outlook for Dividends

The Company makes decisions on dividend payments based on a comprehensive evaluation of factors including consolidated performance, financial conditions, and the stability of dividends. Accordingly, the annual dividend per share for the fiscal year ending March 31, 2016, is planned to total ¥70, up ¥10 year on year and consisting of an interim dividend of ¥30 per share and a year-end dividend of ¥40 per share.

Risk Factors and Management

The Company has defined 13 risks factors that have significant potential to impact the Group's business results and financial condition (including share prices). For details regarding these risks, please refer to Consolidated Financial Results for the Fiscal Year Ended March 31, 2015, which is available on the Company's corporate website.

For details regarding the Group's risk management activities, please refer to page 50 of this report.

Results and Forecasts of Consolidated Companies through Major M&As and Capital Alliances

(Billions of yen)

Business Domain	Partner	Name of Subsidiary	Proportion of Voting Rights (%)	Transfer / Establishment	Net Sales	
					FY Ended Mar 2015	FY Ending Mar 2016 (Forecast)
Information Subsidiary						
Food / Bio-technology	Japan Tobacco	NTT DATA WAVE Corporation	80.1	Aug. 2002	12.4	12.5
Basic Material	Nippon Sheet Glass	NTT DATA BUSINESS BRAINS Corporation	70.0	Sept. 2003	3.6	3.9
Housing / Resin Processing	SEKISUI CHEMICAL	NTT DATA SEKISUI SYSTEMS Corporation	60.0	Jan. 2005	8.9	8.7
Travel	Kinki Nippon Tourist	NTT DATA TERANOS Corporation	51.0	Oct. 2006	3.5	2.6
Oil / Metal	JX Holdings	NTT DATA CCS Corporation	60.0	Apr. 2008	11.6	12.8
Embedded software	Panasonic Mobile Communications	NTT DATA MSE Corporation	60.0	Oct. 2008	15.7	15.2
IT Services Companies						
Auto / Electronics / CAD / CAM-PDM-ERP	—	NTT DATA ENGINEERING SYSTEMS Corporation	100.0	Mar. 2006	9.1	9.5
Financial (Foreign exchange settlement)	Getronics	NTT DATA Getronics Corporation	70.0	May 2007	15.0	15.8
SAP, etc.	The Japan Research Institute	JSOL Corporation	50.0	Jan. 2009	29.7	30.5
Financial (Capital market)	—	XNET Corporation	51.0	Mar. 2009	3.1	3.3
Telecom, etc.	—	NJK Corporation	51.2	Feb. 2010	10.9	12.5
Financial (Retail sales support)	—	NTT DATA ABIC Co., Ltd.	100.0	Feb. 2010	1.9	1.6
Local government, etc.	—	NTT DATA MCS Corporation	58.3	Apr. 2010	2.1	2.0
Financial (Insurance)	—	EMAS Co., Ltd.	88.7	Apr. 2011	3.7	3.5
Business Analytics	—	NTT DATA Mathematical Systems Inc.	100.0	Feb. 2012	1.5	1.6
Financial / Local government	—	Japan Information Processing Service Co., Ltd.	80.0	Mar. 2012	31.6	32.6
Financial (BPO, consulting)	—	DACS CORPORATION	95.0	June 2013	4.3	4.8
Consulting Companies						
Distribution / Food service	—	NTT DATA SMIS Co., Ltd.	100.0	July 2005	1.7	1.8
Consulting	—	QUNIE Corporation	100.0	July 2009	5.8	6.5

Region	Domain Name of Integrated Company	Transfer / Establishment	Remarks
Global Players			
North America	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
Spain / Latin America	everis Group	Jan. 2014	—

Notes: 1. The corporate data appearing above and net sales figures (results and forecasts) are as of March 31, 2015.

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

Consolidated Balance Sheets

NTT Data Corporation and Subsidiaries

As of March 31, 2014 and 2015

	(Millions of yen)	
	2014	2015
ASSETS		
Current assets		
Cash and deposits	¥ 180,430	¥ 160,108
Notes and accounts receivable—trade	344,221	366,678
Lease receivables and investment assets	19,166	16,983
Securities	2,000	6,533
Inventories	22,645	32,539
Deferred tax assets	27,518	36,730
Deposits paid	30,000	96,015
Other	46,344	59,364
Allowance for doubtful accounts	(3,120)	(2,679)
Total current assets	669,206	772,275
Non-current assets		
Property, plant and equipment		
Data communication facilities	323,429	300,657
Accumulated depreciation	(230,773)	(206,875)
Data communication facilities, net	92,656	93,782
Buildings and structures	290,402	280,411
Accumulated depreciation	(195,927)	(188,085)
Buildings and structures, net	94,475	92,326
Machinery, equipment and vehicles	72,632	68,063
Accumulated depreciation	(53,158)	(49,910)
Machinery, equipment and vehicles, net	19,474	18,152
Tools, furniture and fixtures	53,756	55,778
Accumulated depreciation	(38,627)	(38,408)
Tools, furniture and fixtures, net	15,129	17,369
Land	50,209	59,193
Construction in progress	36,142	26,500
Other	13,736	16,585
Accumulated depreciation	(9,127)	(10,995)
Other, net	4,609	5,589
Total property, plant and equipment	312,697	312,914
Intangible assets		
Software	260,458	251,673
Software in progress	48,638	52,086
Goodwill	177,536	179,540
Other	75,543	72,297
Total intangible assets	562,177	555,598
Investments and other assets		
Investment securities	46,085	111,623
Net defined benefit asset	1,331	2,282
Deferred tax assets	61,239	26,318
Other	37,932	42,503
Allowance for doubtful accounts	(730)	(677)
Total investments and other assets	145,858	182,049
Total non-current assets	1,020,733	1,050,561
Total assets	¥1,689,940	¥1,822,837

(Millions of yen)

	2014	2015
LIABILITIES		
Current liabilities		
Accounts payable—trade	¥ 97,837	¥ 103,970
Short-term loans payable	66,387	48,887
Current portion of long-term loans payable	1,950	732
Current portion of bonds	—	39,999
Income taxes payable	22,490	14,942
Advances received	151,781	140,634
Provision for loss on order received	4,609	3,093
Other	109,657	127,294
Total current liabilities	454,714	479,554
Non-current liabilities		
Bonds payable	250,040	210,052
Long-term loans payable	87,298	139,459
Deferred tax liabilities	20,952	30,303
Net defined benefit liability	145,653	136,313
Provision for directors' retirement benefits	919	901
Other	20,543	20,047
Total non-current liabilities	525,407	537,077
Total liabilities	980,121	1,016,631
NET ASSETS		
Shareholders' equity		
Capital stock	142,520	142,520
Capital surplus	139,300	139,300
Retained earnings	384,922	408,293
Treasury shares	—	(0)
Total shareholders' equity	666,742	690,113
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,872	46,792
Deferred gains or losses on hedges	38	656
Foreign currency translation adjustment	35,056	62,615
Remeasurements of defined benefit plans	(10,224)	(10,095)
Other	(17,661)	(16,587)
Total accumulated other comprehensive income	10,081	83,380
Minority interests	32,993	32,711
Total net assets	709,818	806,205
Total liabilities and net assets	¥1,689,940	¥1,822,837

Consolidated Statements of Income and Comprehensive Income

NTT Data Corporation and Subsidiaries

For the fiscal years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Net sales	¥1,343,772	¥1,511,812
Cost of sales	1,031,213	1,147,302
Gross profit	312,559	364,509
Selling, general and administrative expenses	249,975	280,495
Operating income	62,583	84,013
Non-operating income		
Interest income	527	951
Dividend income	1,043	1,190
Foreign exchange gains	4,679	129
Other	4,571	4,573
Total non-operating income	10,822	6,845
Non-operating expenses		
Interest expenses	5,245	5,782
Loss on retirement of non-current assets	691	1,761
Compensation for damage	3,509	1,062
Other	1,806	4,343
Total non-operating expenses	11,253	12,950
Ordinary income	62,153	77,909
Extraordinary losses		
Impairment loss of non-current assets	3,525	2,244
Loss on restructuring of subsidiaries and affiliates	4,367	1,668
Total extraordinary losses	7,893	3,913
Income before income taxes and minority interests	54,259	73,995
Income taxes—current	39,746	34,992
Income taxes—deferred	(10,591)	5,423
Total income taxes	29,155	40,416
Income before minority interests	25,103	33,579
Minority interests in income (loss)	1,816	1,434
Net income	23,287	32,144
Minority interests in income (loss)	1,816	1,434
Income before minority interests	25,103	33,579
Other comprehensive income		
Valuation difference on available-for-sale securities	867	43,989
Deferred gains or losses on hedges	(13)	617
Foreign currency translation adjustment	32,173	27,243
Remeasurements of defined benefit plans	(453)	334
Share of other comprehensive income of entities accounted for using equity method	232	311
Other	(3,298)	1,074
Total other comprehensive income	29,508	73,571
Comprehensive income	54,612	107,151
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	52,482	105,443
Comprehensive income attributable to minority interests	¥ 2,130	¥ 1,707

Consolidated Statements of Shareholders' Equity

NTT Data Corporation and Subsidiaries

For the fiscal years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Shareholders' equity		
Capital stock		
Balance at beginning of current period	¥142,520	¥142,520
Changes of items during period		
Total changes of items during the period	—	—
Balance at end of current period	142,520	142,520
Capital surplus		
Balance at beginning of current period	139,300	139,300
Changes of items during period		
Total changes of items during the period	—	—
Balance at end of current period	139,300	139,300
Retained earnings		
Balance at beginning of current period	378,951	384,922
Cumulative effects of changes in accounting policies	—	8,272
Restated balance	—	393,195
Changes of items during period		
Dividends of surplus	(16,830)	(16,830)
Net income	23,287	32,144
Change of scope of consolidation	—	(211)
Other	(485)	(5)
Total changes of items during period	5,971	15,097
Balance at end of current period	384,922	408,293
Treasury shares		
Balance at beginning of current period	—	—
Cumulative effects of changes in accounting policies	—	—
Purchase of treasury shares	—	(0)
Total changes of items during period	—	(0)
Balance at end of current period	—	(0)
Total shareholders' equity		
Balance at beginning of current period	660,771	666,742
Cumulative effects of changes in accounting policies	—	8,272
Restated balance	—	675,015
Changes of items during period		
Dividends of surplus	(16,830)	(16,830)
Net income	23,287	32,144
Purchase of treasury shares	—	(0)
Change of scope of consolidation	—	(211)
Other	(485)	(5)
Total changes of items during period	5,971	15,097
Balance at end of current period	666,742	690,113
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of current period	1,910	2,872
Changes of items during period		
Net changes of items other than shareholders' equity	961	43,920
Total changes of items during the period	961	43,920
Balance at end of current period	2,872	46,792
Deferred gains or losses on hedges		
Balance at beginning of current period	51	38
Changes of items during period		
Net changes of items other than shareholders' equity	(13)	617
Total changes of items during period	(13)	617
Balance at end of current period	¥ 38	¥ 656

Consolidated Statements of Shareholders' Equity

	(Millions of yen)	
	2014	2015
Foreign currency translation adjustment		
Balance at beginning of current period	¥ 3,058	¥ 35,056
Changes of items during period		
Net changes of items other than shareholders' equity	31,998	27,558
Total changes of items during period	31,998	27,558
Balance at end of current period	35,056	62,615
Remeasurements of defined benefit plans		
Balance at beginning of current period	(115)	(10,224)
Changes of items during period		
Net changes of items other than shareholders' equity	(10,108)	128
Total changes of items during period	(10,108)	128
Balance at end of current period	(10,224)	(10,095)
Other		
Balance at beginning of current period	(14,363)	(17,661)
Changes of items during period		
Net changes of items other than shareholders' equity	(3,298)	1,074
Total changes of items during period	(3,298)	1,074
Balance at end of current period	(17,661)	(16,587)
Total accumulated other comprehensive income		
Balance at beginning of current period	(9,459)	10,081
Changes of items during period		
Net changes of items other than shareholders' equity	19,540	73,298
Total changes of items during period	19,540	73,298
Balance at end of current period	10,081	83,380
Minority interests		
Balance at beginning of current period	32,894	32,993
Changes of items during period		
Net changes of items other than shareholders' equity	99	(282)
Total changes of items during period	99	(282)
Balance at end of current period	32,993	32,711
Total net assets		
Balance at beginning of current period	684,207	709,818
Cumulative effects of changes in accounting policies	—	8,272
Restated balance	—	718,091
Changes of items during period		
Dividends of surplus	(16,830)	(16,830)
Net income	23,287	32,144
Purchase of treasury shares	—	(0)
Change of scope of consolidation	—	(211)
Other	(485)	(5)
Net changes of items other than shareholders' equity	19,639	73,016
Total changes of items during period	25,611	88,114
Balance at end of current period	¥709,818	¥806,205

Consolidated Statements of Cash Flows

NTT Data Corporation and Subsidiaries

For the fiscal years ended March 31, 2014 and 2015

(Millions of yen)

	2014	2015
Cash flows from operating activities		
Income before income taxes and minority interests	¥ 54,259	¥ 73,995
Depreciation	138,002	146,896
Loss on retirement of non-current assets	5,678	11,670
Increase (decrease) in net defined benefit liability	10,962	8,706
Interest expenses	5,245	5,782
Impairment loss of non-current assets	3,525	2,244
Decrease (increase) in notes and accounts receivable—trade	18,840	(15,467)
Decrease (increase) in inventories	1,690	(9,889)
Increase (decrease) in notes and accounts payable—trade	2,269	6,359
Increase (decrease) in advances received	39,942	(11,113)
Increase (decrease) in accrued consumption taxes	(2,904)	17,143
Other, net	(1,521)	(8,270)
Subtotal	275,992	228,057
Interest and dividend income received	1,571	2,141
Interest expenses paid	(5,382)	(5,592)
Income taxes (paid) refunded	(37,656)	(40,726)
Net cash provided by (used in) operating activities	234,524	183,880
Cash flows from investing activities		
Purchase of property, plant and equipment	(70,818)	(62,922)
Purchase of intangible assets	(79,851)	(82,155)
Purchase of investment securities	(9,181)	(3,782)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(36,974)	(3,663)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	191
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(18)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	139
Net decrease (increase) in time deposits	2,087	(1,921)
Other, net	5,051	(3,003)
Net cash provided by (used in) investing activities	(189,687)	(157,137)
Cash flows from financing activities		
Proceeds from issuance of bonds	24,905	—
Redemption of bonds	(50,060)	—
Proceeds from long-term loans payable	25,303	58,595
Repayments of long-term loans payable	(42,000)	(2,965)
Net increase (decrease) in short-term loans payable	43,769	(17,226)
Repayments of lease obligations	(2,507)	(1,760)
Cash dividends paid	(16,833)	(16,837)
Purchase of stock issuance from minority shareholders	(1,477)	(1,385)
Other, net	(443)	(1,122)
Net cash provided by (used in) financing activities	(19,345)	17,296
Effect of exchange rate change on cash and cash equivalents	4,757	(409)
Net increase (decrease) in cash and cash equivalents	30,250	43,630
Cash and cash equivalents at beginning of period	176,963	207,213
Cash and cash equivalents at end of period	¥ 207,213	¥ 250,843

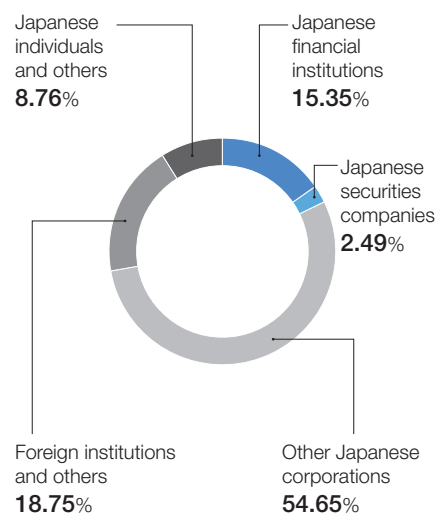
Investor Information

(As of March 31, 2015)

Principal Shareholders

Name	Number of Shares Held	Ratio of Shareholding (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	152,001,000	54.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,970,900	5.69
Japan Trustee Services Bank, Ltd. (Trust Account)	9,972,700	3.56
BNP PARIBAS SECURITIES (JAPAN) LIMITED	3,480,000	1.24
NTT DATA Employee Share-Holding Association	3,002,400	1.07
THE BANK OF NEW YORK MELLON SA/NV 10 (Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	2,837,939	1.01
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	2,342,000	0.83
STATE STREET BANK AND TRUST COMPANY 505001 (Standing agent: Mizuho Bank, Ltd.)	2,316,253	0.83
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS (Standing agent: The Hong Kong and Shanghai Banking Corporation Limited Tokyo Branch)	2,156,100	0.77
RBC IST-OMNIBUS 15.315 NON LENDING-CLIENTS ACCOUNT (Standing agent: Citibank Japan Ltd.)	1,732,800	0.62

Distribution of Ownership Among Shareholders



Number of Shares Issued and Number of Shareholders

Total Number of Shares Authorized to be Issued by the Company	1,122,000,000 shares
Total Number of Shares Issued	280,500,000 shares
Number of Share Units	100 shares
Number of Shareholders	83,633 persons

Stock Price Chart



Notes: 1 The Nikkei Stock Average is the average stock price of 225 companies listed on the First Section of the Tokyo Stock Exchange.

2 We implemented a 1:100 stock split with an effective date of October 1, 2013. Figures for the previous period have been calculated on the assumption that this stock split was conducted.

Corporate Data

(As of March 31, 2015)

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

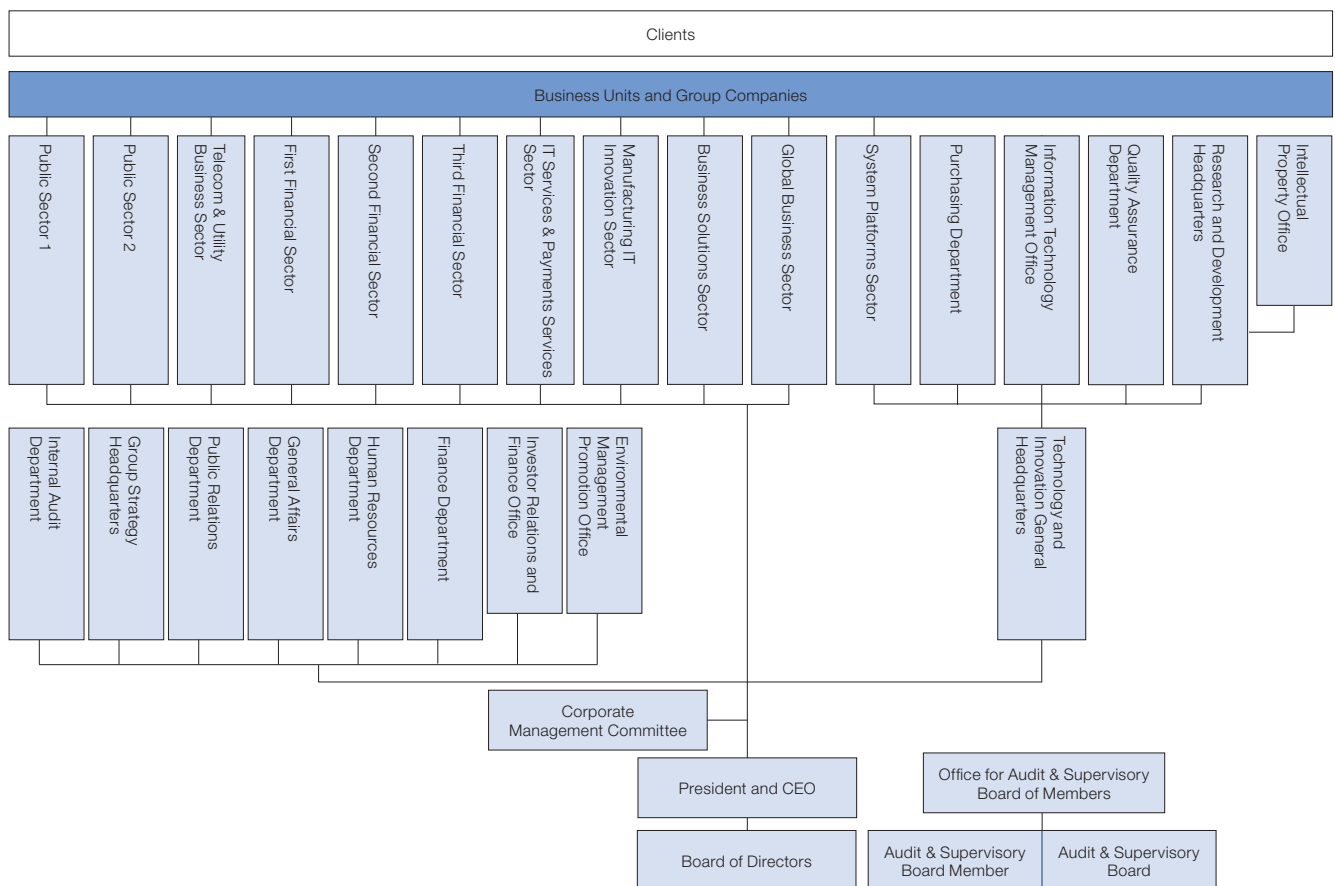
Fiscal Year

April 1 of to March 31 of the following year

Independent Auditors

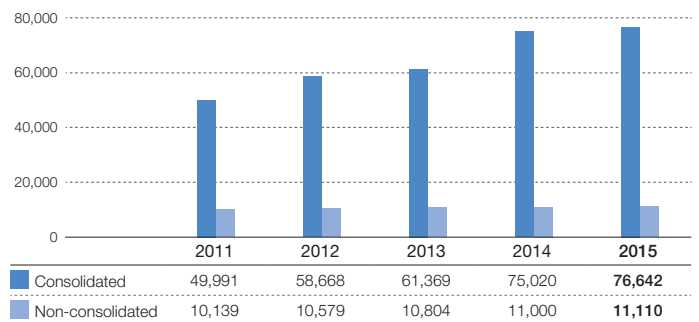
KPMG AZSA LLC

Organizational Structure (As of July 1, 2015)



Number of Employees at Fiscal Year-End

(Number)



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.

NTT DATA provides information on its own website.

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

The names of NTT DATA's products and services referred to in this annual report are trademarks or registered trademarks of NTT DATA in Japan and other countries. The names of other companies, products, services, etc., are the trade names, trademarks, or registered trademarks of the companies concerned.

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

[CSR \(corporate social responsibility\)](#)

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

[NTT DATA Technology Foresight](#)

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

[Notice of Convocation of the 27th Ordinary General Meeting of Shareholders](#)

http://www.nttdata.com/global/en/investor/shareholders-meeting/pdf/2015/sh27_e.pdf

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URL: <http://www.nttdata.com/>