

*Note: This document is the English translation of “Dai 29kai teiji kabunushisokai shoshu gotsuchi” (Notice of Convocation of the 29<sup>th</sup> Ordinary General Meeting of Shareholders) and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation, the Japanese version will prevail.*

Security code: 9613  
May 31, 2017

To Our Shareholders

NTT DATA CORPORATION  
3-3, Toyosu 3-chome, Koto-ku, Tokyo, Japan  
Toshio Iwamoto  
President and Chief Executive Officer

## NOTICE OF CONVOCAION OF THE 29<sup>TH</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that our 29<sup>th</sup> Ordinary General Meeting of Shareholders will be held as follows. You are kindly requested to attend the Meeting.

Please exercise your voting rights by either of the following methods.

### How to exercise your voting rights

#### By attending the Meeting of Shareholders



Please submit the enclosed Voting Rights Exercise Form to the reception at the venue and also bring this Notice of Convocation for resource-saving.

**Date** Tuesday, June 20, 2017 at 10:00 a.m., Japan Time

#### By mail



Please examine the attached reference documents for the Meeting, indicate your approval or disapproval on the enclosed Voting Rights Exercise Form, and then send the Voting Rights Exercise Form back to us so that it arrives before the deadline below.

**Deadline** By 6:00 p.m., Monday, June 19, 2017, Japan time

#### By electronic method (via Internet)



Please access our voting website written on the Voting Rights Exercise Form at <http://www.web54.net> and enter your approval or disapproval following the instructions on the screen after examining the attached reference documents for the Meeting or those on the website.

 For more information about exercising your voting rights via the Internet, please refer to pp. 3-4.

**Deadline** By 6:00 p.m., Monday, June 19, 2017, Japan Time



### Exercising Your Voting Rights via the Internet

Before exercising your voting rights via the Internet, please be aware of the following:

1. The exercise of your voting rights via the Internet is available only by accessing the following designated website:  
<http://www.web54.net> (in Japanese)  
When accessing the website for exercising your voting rights, through a cellular phone is also available.
2. In case of exercising your voting rights via the Internet, please use the code and password indicated on the Form for Exercise of Shareholder Voting Rights enclosed herewith (or Convocation Mail) and follow the instructions on the screen.
3. Although your exercise of voting rights via the Internet is acceptable until 6:00 p.m. of the day before the ordinary general meeting of shareholders (Monday, June 19, 2017), please exercise your voting rights as soon as possible to help us in totalizing the results of exercise of voting rights.
4. If exercising your voting rights via the Internet, not necessary to send the Form for Exercise of Shareholder Voting Rights by mail.  
If you exercise your voting rights twice via the Internet and by mail, your vote via the Internet will be treated as valid.
5. If you exercise your voting rights more than once via the Internet, or twice through a personal computer and a cellular phone, the last exercise your voting rights will be treated as valid.
6. The costs of using the Internet website to exercise your voting rights, such as the connection fees of Internet service providers and applicable communications fees (i.e., call charges), will be borne by the shareholder.

### **Inquiries on Exercising Voting Rights via the Internet**

If you have any questions regarding the procedure for exercising your voting rights via the Internet, please contact:

Administrator of Shareholder Registry: Stock Transfer Agency Web support,  
Sumitomo Mitsui Trust Bank, Limited

[Direct line] 0120-652-031 (09:00 to 21:00)

<Other inquiries> 0120-782-031 (09:00 to 17:00 of weekdays)

### **Electronic Voting Platform**

Nominal shareholders such as trust banks acting as administrator (including standing proxies) can also use the electronic voting platform as an electromagnetic means to exercise their voting rights at the ordinary general meeting of shareholders of NTT DATA, in addition to the exercising of voting rights via the Internet above, if they apply in advance for the use of the electronic voting platform operated by ICJ Inc., a joint venture company established by Tokyo Stock Exchange, Inc.

# Reference Documents for the Ordinary General Meeting of Shareholders

## Matters for Resolution and Reference

### No.1 | Appropriation of Surplus

NTT DATA proposes to appropriate the surplus of this fiscal year as follows:

#### Matters concerning year-end dividends

NTT DATA's basic policy is to seek an increase of enterprise value in the mid- and long-term and to fairly distribute profits through the continuous growth of its business resulting from investment in new businesses, etc., efficient business management and other improvements.

With regards to dividends, based on a comprehensive assessment of the balance with business investments and technology development toward a sustainable growth in the future, and with expenditures for maintenance and reinforcement of financial strength in light of the consolidated operating results and financial position, NTT DATA proposes a stable payment of dividends. For determining the amount of a dividend, NTT DATA values the maintenance of the consolidated cash flow dividend payout ratio (\*) in the mid- and long-term.

Based on the policy above, NTT DATA proposes payment of a year-end dividend as follows:

#### (i) Matters concerning the appropriation of dividend assets to shareholders and total amount

40 yen per NTT DATA common share

11,219,996,040 yen in total

The annual dividend will be 75 yen per share including an interim dividend of 35 yen, which was already paid.

#### (ii) Effective date of dividend of surplus

June 21, 2017

#### \*Cash flow dividend payout ratio

Total amount of dividends/ (net income attributable to owners of parent + depreciation cost + loss on retirement of fixed assets + depreciation of goodwill – capital investment)

## No.2 | Election of 12 Directors

The term of all Directors will expire at the closing of this general meeting of shareholders.

For strengthening the management system, the Company proposes that one more director to be elected and shareholders are requested to elect 12 Directors.

The profiles of candidates for directors are as follows:

Candidate No.		Name	Present position and areas of responsibility	Yrs. served as Director
1	Re-appointment	Toshio Iwamoto	President and Chief Executive Officer	10
2	Re-appointment	Yo Honma	Representative Director and Senior Executive Vice President Responsible for Enterprise & Solutions Segment	3
3	Re-appointment	Eiji Ueki	Representative Director and Executive Vice President Responsible for Technology Strategy(CTO) and Information Security(CISO) Responsible for Financial Segment	4
4	Re-appointment	Kazuhiro Nishihata	Director and Executive Vice President Responsible for Global Segment	2
5	Re-appointment	Tsuyoshi Kitani	Director and Executive Vice President Head of Technology and Innovation General Headquarters Head of System Engineering Headquarters	1
6	Re-appointment	Keiichiro Yanagi	Director and Executive Vice President Responsible for General Affairs Department Responsible for Human Resources Department	1
7	Re-appointment	Hiroyuki Aoki	Director and Executive Vice President Responsible for Public & Social Infrastructure Segment	1
8	New	Shigeki Yamaguchi	Executive Vice President Head of IT Services & Payments Services Sector	-
9	New	Tooshi Fujiwara	Senior Vice President Head of First Financial Sector	-
10	Re-appointment	Yukio Okamoto	Outside director Independent officer Director	3
11	Re-appointment	Eiji Hirano	Outside director Independent officer Director	1
12	New	Takashi Ebihara	—	-

\*Years served as Director is as of the end of this general meeting of shareholders.



Service as Director  
10 years  
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2016)  
Regular: 12 out of 12 meetings (100%)  
Special: 6 out of 6 meetings (100%)  
Number of shares of NTT DATA held  
14,000 shares

Candidate No. **1** Toshio Iwamoto (born January 5, 1953)

Reappointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1976	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2004	June	Director and Senior Executive Manager, Payment Solutions Sector and Executive Manager, Financial Business Sector of NTT DATA
2005	June	Senior Vice President and Senior Executive Manager, Financial Business Sector of NTT DATA
2007	June	Director, Executive Vice President and Senior Executive Manager, Financial Business Sector and Senior Executive Manager, Fourth Public Administration Systems Sector of NTT DATA
2008	February	Director, Executive Vice President, and Senior Executive Manager, Financial Business Sector of NTT DATA
2008	July	Director and Executive Vice President of NTT DATA
2009	June	Representative Director and Senior Executive Vice President of NTT DATA
2009	July	Representative Director, Senior Executive Vice President, and Company President, Public & Financial IT Services Company of NTT DATA
2011	June	Representative Director and Senior Executive Vice President of NTT DATA
2012	June	President and Chief Executive Officer of NTT DATA (present post)

Reasons for the nomination

He has been engaged in a wide range of management of NTT DATA Corporation centered on the financial and public sectors and therefore has extensive experience in management. He has been in charge of management as President and CEO since 2012. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution while utilizing his extensive experience and record of performance, nominated for the candidate of Director.



Service as Director  
3 years  
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2016)  
Regular: 12 out of 12 meetings (100%)  
Special: 6 out of 6 meetings (100%)  
Number of shares of NTT DATA held  
5,800 shares

Candidate No. **2** Yo Honma (born May 8, 1956)

Reappointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1980	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2013	June	Senior Vice President, Head of Third Enterprise Sector of NTT DATA
2014	June	Director, Executive Vice President, and Company President, Enterprise IT Services Company of NTT DATA
2015	July	Director and Executive Vice President of NTT DATA
2016	June	Representative Director and Senior Executive Vice President of NTT DATA (present post)

Reasons for the nomination

He has extensive experience in management evidenced by the track record of performance in management in the enterprise sector, etc. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, nominated for the candidate of Director.



Service as Director  
4 years  
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2016)  
Regular: 11 out of 12 meetings (91.7%)  
Special: 6 out of 6 meetings (100%)

Number of shares of NTT DATA held  
7,400 shares

Candidate No. **3** Eiji Ueki (born Jun 18, 1958)

Reappointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1981 April Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION  
2013 June Director, Senior Vice President and Senior Executive Manager, Second Financial Sector of NTT DATA  
2013 July Director, Senior Vice President, and Senior Executive Manager, Group Strategy Headquarters of NTT DATA  
2014 June Director, Executive Vice President, and Senior Executive Manager, Group Strategy Headquarters of NTT DATA  
2015 July Director and Executive Vice President of NTT DATA  
2016 June Representative Director and Executive Vice President of NTT DATA (present post)

Principal Concurrent Positions

Director of the Center for Financial Industry Information Systems

Reasons for the nomination

He has extensive experience in management evidenced by the track record of performance in management in the financial sector, and his experience in the Strategy Sector of the entire corporation, etc. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, nominated for the candidate of Director.



Service as Director  
2 years  
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2016)  
Regular: 12 out of 12 meetings (100%)  
Special: 6 out of 6 meetings (100%)

Number of shares of NTT DATA held  
5,800 shares

Candidate No. **4** Kazuhiro Nishihata (born March 16, 1957)

Reappointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1981 April Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION  
2006 June NTT EUROPE LTD., President and Representative Director  
2009 June Senior Vice President, Head of Global Business Sector of NTT DATA  
2012 June Executive Vice President and Senior Executive Manager, Global Business Sector of NTT DATA  
2013 July Executive Vice President, Head of Global Business Sector of NTT DATA  
2015 June Director, Executive Vice President, and Company President, Global Business Company of NTT DATA  
2015 July Director and Executive Vice President of NTT DATA (present post)

Principal Concurrent Positions

NTT Data International L.L.C. Chair

Reasons for the nomination

He has been elected based on the fact he is expected to contribute to the management of NTT DATA Corporation by making the best use of his extensive experience and record of performance in the Global Business Sector in NTT Group companies and NTT DATA. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, nominated for the candidate of Director.



Candidate No. **5** **Tsuyoshi Kitani** (born February 22, 1960)

Reappointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1983	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2012	July	NTT DATA, Head of Research and Development Headquarters
2013	June	NTT DATA, Senior Vice President, Head of Research and Development Headquarters
2014	June	NTT DATA, Senior Vice President, concurrently serving as Head of System Platforms Sector and Head of Research and Development Headquarters
2015	June	NTT DATA, Executive Vice President, concurrently serving as Head of System Platforms Sector and Head of Research and Development Headquarters
2015	July	NTT DATA, Executive Vice President, concurrently serving Head of Technology and Innovation General Headquarters and Head of System Platforms Sectors
2016	April	NTT DATA, Executive Vice President, concurrently serving Head of Technology and Innovation General Headquarters and Head of System Engineering Headquarters
2016	June	NTT DATA, Director and Executive Vice President, concurrently serving Head of Technology and Innovation General Headquarters and Head of System Engineering Headquarters (present post)

Reasons for the nomination

He has been engaged in the organizational management of the Research and Development Sector for many years, and also has intensive expertise in the IT field. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, nominated for the candidate of Director.

Service as Director  
1 year  
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2016)  
Regular: 10 out of 10 meetings (100%)  
Special: 3 out of 3 meetings (100%)  
Number of shares of NTT DATA held  
4,100 shares



Candidate No. **6** **Keiichiro Yanagi** (born August 16, 1960)

Reappointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1984	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2009	April	NTT DATA Getronics Corporation, President and Representative Director
2012	June	NTT DATA, Head of General Affairs Department
2013	June	NTT DATA, Senior Vice President, Head of General Affairs Department
2013	July	NTT DATA, Senior Vice President, Head of Second Financial Sector
2016	June	NTT DATA, Director and Executive Vice President, concurrently serving Head of General Affairs Department and Head of Human Resources Department (present post)

Reasons for the nomination

In addition to his experience in the organizational management in the financial sector, he has experience in the General Affairs Sector and the Human Resources Sector of the Group as well as the track record of performance in the management in the Group companies. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, nominated for the candidate of Director.

Service as Director  
1 year  
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2016)  
Regular: 10 out of 10 meetings (100%)  
Special: 3 out of 3 meetings (100%)  
Number of shares of NTT DATA held  
5,200 shares



Service as Director  
1 year  
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2016)  
Regular: 10 out of 10 meetings (100%)  
Special: 3 out of 3 meetings (100%)  
Number of shares of NTT DATA held  
1,200 shares

Candidate No. **7** **Hiroyuki Aoki** (born July 18, 1961)

Reappointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1984 April Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION  
2004 May NTT DATA, Head of the First Technical Sector, System Technical Business Unit, Business Development Headquarters  
2007 July NTT DATA, Head of Group Strategy Headquarters  
2009 July NTT DATA, Deputy Head of Manufacturing Business Sector  
2012 April NTT DATA, Deputy Head of Third Enterprise Sector  
2012 June NTT DATA KYUSHU CORPORATION, President and Representative Director  
2014 June NTT DATA, Senior Vice President, Head of Human Resources Department  
2016 June Director and Executive Vice President of NTT DATA (present post)

Reasons for the nomination

He has a wide range of experience including the management of the Research and Development Sector and the Enterprise Sector with experience in the Strategy Sector and the Human Resources Sector of the entire corporation as well as a track record of management in the Group companies. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, nominated for the candidate of Director.



Number of shares of NTT DATA held  
1,800 shares

Candidate No. **8** **Shigeki Yamaguchi** (born August 14, 1961)

New

Resume, position, Areas of responsibility and Principal Concurrent Positions

1984 April Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION  
2013 June NTT DATA, Senior Vice President, Head of Enterprise Business Consulting and Marketing Sector  
2014 June NTT DATA, Senior Vice President, Head of Third Enterprise Sector  
2014 June NTT DATA SMIS CO., LTD., President and Representative Director (present post)  
2015 July NTT DATA, Senior Vice President, Head of IT Services & Payments Services Sector  
2016 June NTT DATA, Executive Vice President, Head of IT Services & Payments Services Sector (present post)

Principal Concurrent Positions

Partnership of Regional revitalization /Value Partner 2020.

Reasons for the nomination

He has extensive experience in management evidenced by the track record of performance in management in the enterprise sector, etc. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, nominated for the candidate of Director.



Candidate No. **9** **Tooshi Fujiwara** (born Jun 5, 1961)

New

Resume, position, Areas of responsibility and Principal Concurrent Positions

- 1985 April Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
- 2012 July NTT DATA, Deputy Head of First Financial Sector
- 2014 June NTT DATA, Senior Vice President, Deputy Head of First Financial Sector
- 2014 July NTT DATA, Senior Vice President, Head of Fourth Financial Sector
- 2015 July NTT DATA, Senior Vice President, Head of First Financial Sector (present post)

Number of shares of NTT DATA held  
2,400 shares

Reasons for the nomination

He has extensive experience in management evidenced by the track record of performance in management in the financial sector, etc. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, nominated for the candidate of Director.



Candidate No. **10** **Yukio Okamoto** (born November 23, 1945)

Outside director

Independent officer

Reappointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

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

Service as Director  
3 years  
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2016)  
Regular: 12 out of 12 meetings (100%)  
Special: 6 out of 6 meetings (100%)

Number of shares of NTT DATA held  
600 shares

Principal Concurrent Positions

Representative Director, Okamoto Associates, Inc.      Director, MITSUBISHI MATERIALS CORPORATION  
Director, Nippon Yusen Kabushiki Kaisha      Director of a non-profit organization “Shin-Gen-Eki-Net.”

Reasons for the nomination

He has been nominated for the candidate of Outside Director based on the fact that he is expected to contribute to the enhancement of supervisory functions in executing management and the provision of opinions from his broad viewpoints and discernment as a specialist familiar with international affairs.



Service as Director  
3 years  
(as of the closing of this general meeting of shareholders)

Attendance at meetings of board of directors (FY 2016)  
Regular: 9 out of 10 meetings (90.0%)  
Special: 2 out of 3 meetings (66.7%)

Number of shares of NTT DATA held  
100 shares

Candidate No. **11** Eiji Hirano (born September 15, 1950)

Independent officer

Outside director  
Reappointment

Resume, position, Areas of responsibility and Principal Concurrent Positions

1973 April Joined Bank of Japan  
2006 June Resigned from Bank of Japan  
2006 June Toyota Financial Service Corporation, Vice President and Director  
2014 June Toyota Financial Service Corporation, Special Advisor  
2014 September MetLife, Inc., Vice Chairman and Director  
2015 May MetLife, Inc., Vice Chairman, Director and Representative Executive Officer (present post)  
2015 June RIKEN CORPORATION, Director (present post)  
2016 June Director of NTT DATA (present post)  
2016 July Toyota Financial Service Corporation, Advisor (present post)

Principal Concurrent Positions

Vice Chairman, Director and Representative Executive Officer, MetLife, Inc.  
Director, RIKEN CORPORATION

Reasons for the nomination

He has extensive experience in the Financial Sector, and wide perspectives concerning financial administration and international finance. He has been nominated for the candidate of Outside Director based on the fact he is expected to contribute, as an outside director, to the enhancement of supervisory function of business execution as well as the provision of advice using his wide range of perspectives.



Number of shares of NTT DATA held  
0 shares

Candidate No. **12** Takashi Ebihara (born July 6, 1965)

New

Resume, position, Areas of responsibility and Principal Concurrent Positions

1990 April Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION  
2013 July Senior Manager, Strategic Network Management Department, Network Business Headquarters, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION  
2014 July Executive Manager, Corporate Strategy Planning Department, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION  
2016 July Vice President of Business Process Strategy Section, Technology Planning Department, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (present post)

Principal Concurrent Positions

Vice President of Business Process Strategy Section, Technology Planning Department, NIPPON TELEGRAPH AND TELEPHONE CORPORATION

Reasons for the nomination

He has been nominated for the candidate of Director based on the fact that he is expected to provide opinions from his broad viewpoints acquired through his long career in the telecommunications business.

- Note 1: NIPPON TELEGRAPH AND TELEPHONE CORPORATION is a parent company of NTT DATA Corporation. NTT EUROPE LTD. and NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION are subsidiaries of NIPPON TELEGRAPH AND TELEPHONE CORPORATION.
- Note 2: Mr. Toshio Iwamoto concurrently serves as Chairman of the Japan Electronic Payment Promotion Organization. NTT DATA Corporation receives the building rent rate and the outsourcing fee from the Organization and NTT DATA Corporation pays the annual membership fee to the Organization. Mr. Eiji Hirano is Vice Chairman, Director and Representative Executive Officer of MetLife, Inc., and the Company has business transactions with MetLife, Inc. and the transaction value in FY2016 is less than 2% of the non-consolidated sales amount of the Company. No relationship of interest to be noted exists between other director candidates and NTT DATA.
- Note 3 Mr. Shigeki Yamaguchi will resign as President and Chief Executive Officer of NTT DATA SMIS CO., LTD. on June 14, 2017.
- Note 4: Mr. Takashi Ebihara has been an executive officer of NIPPON TELEGRAPH AND TELEPHONE CORPORATION and NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, these companies of which the Company has important relationships, in the past 5 years and is an executive officer of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. His position and areas of responsibility are as described in the "Resume, position, Areas of responsibility and Principal Concurrent Positions".
- Note 5: Mr. Yukio Okamoto and Mr. Eiji Hirano are the candidates for outside directors. They are designated as candidates for independent officers in accordance with the requirements stipulated in the listing rules of the Tokyo Stock Exchange where the Company is listed and are reported to the Tokyo Stock Exchange. If they are elected as outside directors, they will continue to serve as independent officers. Mr. Eiji Hirano was an executive officer in the Bank of Japan, one of the main clients of the Company (resigned in 2006), and more than 10 years have passed since his resignation. The transaction value between the Bank of Japan and the Company in FY2016 is less than 2% of the non-consolidated sales amount of the Company.
- Note 6: While Mr. Yukio Okamoto was an Outside Audit & Supervisory Board Member of Mitsubishi Motors Corporation, it was discovered during the period from September to December 2012 that Mitsubishi Motors Corporation erroneously disposed of a device using the insulation oil that included or may have included PCB (polychlorinated biphenyl). It was also discovered in April 2016, after his resignation, that a fraudulent manipulation had taken place in order to make the fuel cost look better in the model approval acquisition of Mitsubishi Motors Corporation's vehicles, and that the corporation conducted a test method that was different from the method defined by the Japanese laws. Although Mr. Okamoto was not involved in these facts, he had always expressed his opinions appropriately from the viewpoint of legal compliance. Following the 2012 incident, he has discharged his responsibility by making proposals to reinforce the compliance system of Mitsubishi Motors Corporation through ways such as checking the content of its measures to prevent the recurrence of such misconduct. Nippon Yusen Kabushiki Kaisha, where he serves concurrently as Outside Director, received a cease and desist order and a payment order for surcharge in March 2014 from the Japan Fair Trade Commission under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, regarding its specific cargo automobile transport business in the past fiscal year. In addition, this company agreed to a plea bargain with the Department of Justice in December 2014 that includes the payment of a penalty regarding its violation of the United States antitrust law. In December 2015, this company received a judgement from China's National Development and Reform Commission that this company had violated China's antitrust laws. Mr. Okamoto had not recognized these acts that constituted such orders and plea bargain. In addition to his previous advice of legal compliance, he has expressed his opinions at the Board of Directors and at the committee regarding this company's thorough implementation of law-abiding activities of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade for the purpose of eliminating and preventing the recurrence of any violation against the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and overseas competition laws.
- Note 7: If Mr. Yukio Okamoto, Mr. Eiji Hirano and Mr. Takashi Ebihara are elected as directors, the Company will continue the liability limitation agreement with Mr. Yukio Okamoto and Mr. Eiji Hirano, and will newly conclude the liability limitation agreement with Mr. Takashi Ebihara under Article 427 (1) of the Companies Act, to limit their liabilities for damage compensation stipulated in Article 423 (1) of the same Act to the amount stipulated by law.

## Matters Regarding Election and Nomination

(Election policy for candidates for directors)

The candidates for directors have been elected from personnel who have broad perspectives and experience and can contribute to the development of the entire Group, excel in management ability and leadership, and are sophisticated in business management and energetic, for improvement in the enterprise value of the entire NTT DATA Group. The size of the Board of Directors is in direct proportion to the scale of business, and it is composed with consideration of having diversity in various standpoints, and the balance of specializations.

To strengthen the supervising function of business execution, NTT DATA elects and appoints as independent outside directors personnel who do not have any possibility of causing a conflict of interest with general shareholders. In principle, plural independent outside directors are to be elected.

(Election policy for candidates for audits)

The candidates for audits are to be elected from personnel NTT DATA can expect to conduct audits from viewpoints of specialized experience and knowledge.

For fair audits of directors' business execution, NTT DATA elects and appoints as outside audits personnel who do not have any possibility of causing a conflict of interest with general shareholders, and elects half the number of audits or more in accordance with Companies Act.

(Procedures for election)

The procedures for electing candidates for directors are to be carried out as follows: the backgrounds of candidates are first explained to the parent company and independent outside directors prior to the Board of Directors; then the parent company and independent outside directors provide appropriate advice and the Board of Directors adopts the resolution, and such resolution is referred to at a shareholders' meeting. The procedures for electing candidates for audits are to be carried out as follows: the candidates for audits proposed by directors in accordance with the election policy for candidates for audits are deliberated at a meeting of the Audit & Supervisory Board that is made up of half the number of outside audits or more, and upon the agreement of the Audit & Supervisory Board, the Board of Directors adopts resolution, then such resolution is referred to at a shareholders' meeting.

## Criteria of Independence

NTT DATA designates outside directors/audits who satisfy the following conditions, in addition to the criteria for independence stipulated by Tokyo Stock Exchange, Inc., as its independent officers.

- A person who does not fall under any of the following items for the most recent 3 fiscal years:

- (1) A business executor of NTT DATA's business partner with a trading amount exceeding the standards set forth by NTT DATA (\*1);
- (2) A business executor of NTT DATA's lender with an amount of lending exceeding the standards set forth by NTT DATA (\*2);
- (3) An individual providing specialized services, such as a consultant, accountant or lawyer, who has received from NTT DATA any money or other property profit that is worth 10 million yen or more per year other than executive remuneration in any year of the most recent 3 fiscal years; or
- (4) A business executor of an organization that has received contributions exceeding NTT DATA's standards (\*3).

Even if a person falls under any of the conditions from (1) through (4) as stipulated above, any reason for judging that such person still has independence is required to be explained and disclosed when such person is appointed as an independent officer.

\*1 Trading exceeding the standards set forth by NTT DATA refers to a business partner whose trading amount with NTT DATA is 2% of NTT DATA's non-consolidated annual sales or larger in any fiscal year out of the most recent 3 fiscal years.

\*2 Lending exceeding the standards set forth by NTT DATA refers to a lender who lends to NTT DATA 2% or a larger percentage of NTT DATA's total assets in any financial year out of the most recent 3 financial years.

\*3 An organization that has received contributions exceeding the standards set forth by NTT DATA refers to an organization that has received contributions from NTT DATA that exceed 10 million yen per year or 2% of the total annual revenue of such organization, whichever is larger in amount, in any financial year out of the most recent 3 financial years.

# **BUSINESS REPORT**

(From April 1, 2016 to March 31, 2017)

## **1 MATTERS CONCERNING PRESENT CONDITION OF THE CORPORATE GROUP**

### **1 . Business Progress and Results**

The economy and business environment for the information services industry in the current consolidated fiscal year are as follows.

The Japanese economy continues gradual recovery and shows a continuous growth in corporate profitability as well as the trend of capital investment increase. The future domestic economy is expected to maintain this gradual recovery, though needed to note the risk of downward pressure put by the weak overseas economy.

In domestic information services industry, the market shows a gradual recovery due to the enforcement of new law and regulations and the correspondence to the indication modification active IT investment for the purpose of responding to the new system and the enforcement of legal restrictions, enhancing the end user's contact point in our clients' companies, and the business growth brought by new services. Meanwhile, needs for reducing the maintenance and operation costs and also the price competition still remain.

The overseas economy shown weak but gradual recovery. Regarding the future economic trends, the impact and increasing uncertainty of overseas economies—such as fluctuations in the financial capital market, future economic trends in China and other emerging Asian countries, geopolitical risks, and possible changes in governmental policies—must be kept in mind, but the economy is expected to maintain this moderate recovery in the future. In the international information service industry, continuation of moderate growth is expected in the U.S. market. Furthermore, although the European market is still strong, it is required to carefully watch over the impact of increasing uncertainty of the macro economy on IT investment. As for China, the demand for IT industry has remained stable, and high demand especially for digital-related investment is expected.

### **Circumstances around the NTT DATA Group and the issues requiring attention**

NTT DATA Group has attempted to expand its business in Global market, broadened the global coverage(\*), and established the business base. On the other hand, excluding Japan, Germany, Spain and Italy, our presence in local markets is still weak. In order for us to continue to grow in the steadily expanding global market, it will be necessary for us to enhance our local presence, and to establish a global brand that will be recognized by our clients around the world. To that end, with our sights set on the year 2020, the NTT DATA Group has launched the Global 2nd Stage, which aims for NTT DATA Group to be recognized as a global brand and to attain consolidated net sales of over 2 trillion yen and an approximately 50-50 net sales ratio of domestic to international sales. Capitalizing on the effects of recent large-scale M&A, our aim is to promote a steady improvement of our local

presence in national markets, and to achieve the Global 2nd Stage by FY 2018.

Additionally, the wave of digitization has arrived in the wake of the accelerated progress of technology, with ever growing needs to expand existing businesses and create new ones through the strategic leveraging of IT. We recognize that sufficient correspondence to those needs is also our issue. To that end, we plan to aggressively apply innovation technologies to deliver solutions that can meet the needs of digitization, and the utilization of advanced technologies, thereby reinforcing our value delivery capability in new markets.

\*Expanded to 210 cities in 51 countries and regions as of March 31, 2017.

#### [Medium-term Management Plan]

Given the circumstances mentioned above, the NTT DATA Group has set the following three-year Medium-Term Management Plan “FY 2016 to FY 2018”.

#### <Key principles>

With NTT DATA: ASCEND (Rise and grow our global brand) as our keyword, the NTT DATA Group plans to pursue business growth in regions around the world and, by strengthening our local presence, to improve our brand value as a global brand.

#### <Global strategy>

##### ■ Game-Changing Approach

For “Game-Changing Approach”, capture the environmental change and breakthrough technologies, expand the existing market share and create new markets that anticipate the customers’ needs, we have steadily achieved them by entering the electric industry, the system construction of Omni channel, and the expansion of our digital archiving business and so on in our previous Medium-Term Management Plan.

Going forward, taking the continued acceleration of market trends and breakthrough technology as opportunities to be grasped, we will continue to work to accelerate the expansion of existing markets and the creation of new market, according to market environments in countries around the world, and strengthen our local presence. In addition, we will work to leverage our global coverage and take full advantage of our synergies in order to expand the solutions and services that we provide, forge ahead with the improvement of our response capabilities to undertake our clients’ global projects, and increase our competitive strength around the world.

##### ■ Breakthrough Technology

So that we enable to our clients to enhance core competencies by applying innovative technologies to deliver solutions with agility and flexibility as they face tough changes in their environments, we will push ahead with further innovation in production technology, combining the production technology that we have developed to date with new production technology that respond to the needs of the digital society.

In addition, NTT DATA will strengthen our technological capabilities in the digital field to respond to our clients’ growing needs for a strategic use of IT, by placing the right resources for research and development—including our expertise, personnel and bases—in the right place globally. We will also continue to adopt cutting-edge technologies by closely cooperating with other companies that have advanced technological capabilities. Through these initiatives, NTT DATA is determined to create new frameworks and value that did not exist before, by enabling the application of the cutting-edge technologies to business operations through co-innovation with our clients.

#### < Medium-Term Management Plan >

We intend to make aggressive investment in new business areas, targeting the transition to the digital society, and pursue business growth geared towards the achievement of the Global 2nd Stage by the further deepening of “Game-Changing Approach” and value creation through breakthrough technology.

Net Sales	>2 trillion yen
Operating Income	+50%*

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

After one year since setting the above Medium-Term Management Plan, steadily achieved the deepening of “Game-Changing Approach” through the entry to the new business areas including IoT-related, the system construction of Omni channel, and the expansion of the banking business. Also regarding “Breakthrough Technology,” steady progress has made with our R&D efforts on “innovation of production technology” such as the rapid and high quality system development, and working on the “utilization of advanced technology” which proactively adopts the new technological trends.

Meanwhile, with regard to our high-priority issues for the management, the restraint on unprofitable projects and the improvement in the profitability of overseas business was the most significant management subject for us. Although we took more rigorous countermeasures against unprofitable projects through the Project Review Committee and promoted initiatives, we are aware that more restraint is needed. Also for overseas, seeking for the profit improvement, however still not reaching to the target level. Therefore, we acknowledge that these issues will remain as our significant management agendas.

## Implementation of business activities

Through the above measures, we strove to expand businesses in the global market in order to cope with clients' acceleration of business expansion into the global market and meet their diversified and sophisticated needs. We also made efforts to expand diverse IT services in response to market changes and stably provide such services.

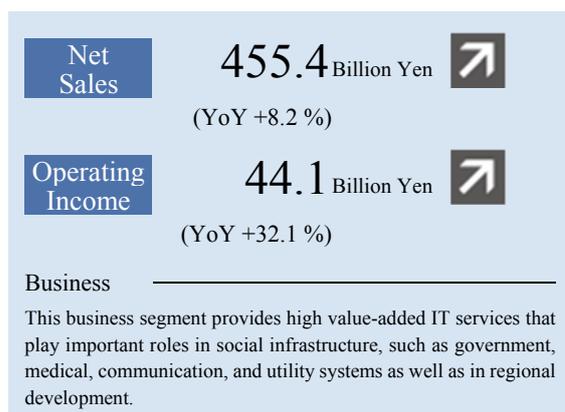
The following sections present descriptions of efforts made in each of its segments.

### Net Sales and Operation income by Segment (Composition ratio)

(¥ million)

	Net Sales			Operating Income		
	28 <sup>th</sup> Fiscal Year (2015)	29 <sup>th</sup> Fiscal Year (2016)	YoY(rate)	28 <sup>th</sup> Fiscal Year (2015)	29 <sup>th</sup> Fiscal Year (2016)	YoY(rate)
■ Public & Social Infrastructure Segment	420,813 21.8%	455,418 22.2%	+8.2%	33,441 32.0%	44,165 36.1%	+32.1%
■ Financial Segment	523,687 27.1%	518,043 25.2%	-1.1%	31,996 30.6%	42,397 34.6%	+32.5%
■ Enterprise & Solutions Segment	391,826 20.3%	425,668 20.7%	+8.6%	32,653 31.2%	36,382 29.7%	+11.4%
■ Global Segment	519,604 26.9%	603,339 29.4%	+16.1%	814 0.8%	(3,378) —	YoY(rate) —
■ Others	76,256 3.9%	49,355 2.4%	-35.3%	5,614 5.4%	2,852 2.3%	YoY(rate) -49.2%
Subtotal	1,932,187 100.0%	2,051,826 100.0%	+6.2%	104,519 100.0%	122,420 100.0%	YoY(rate) +17.1%
Adjustments	(317,290) —	(319,353) —	+0.7%	(3,634) —	(5,311) —	YoY(rate) +46.1%
Total	1,614,897 —	1,732,473 —	+7.3%	100,885 —	117,109 —	YoY(rate) +16.1%
(Reference) ■ Global Segment (w/o goodwill amortization)	—	—		12,711 —	13,664 —	YoY(rate) +7.5%

## Public & Social Infrastructure Segment



The net sales were increased compared to the previous year due to the expansion of businesses for government ministries and so on, despite a decrease in businesses for the utilities industry. The operating income was increased due mainly to sales growth and a decrease in unprofitable projects.

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

<Full promotion for the renewal of governmental core systems>

- We started the system renewal for accounting systems in government agencies and Electronic Payment System for governments’ mission-critical tasks. This system reduced the governmental system operation costs by adopting the open source, and enhanced the security and functional expansion corresponding to the penetration of the common systems in government ministries connected to those. We are to support the enhancement of system linkage which is corresponding to the government IT strategies.

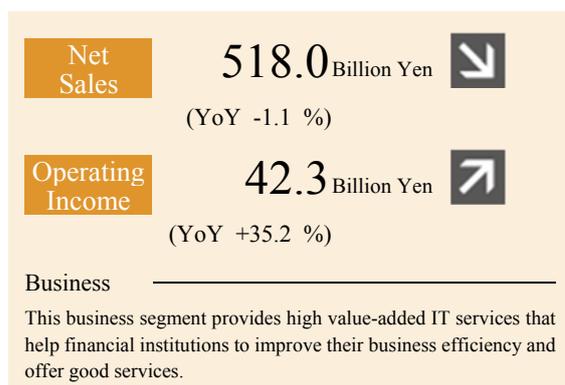
<Sales promotion of the “AW3D Global Digital 3D Map” to expand its route to global market>

- The AW3D Global Digital 3D Map <sup>(Note 1)</sup> with the world highest accuracy provided by NTT DATA and the Remote Sensing Technology Center of Japan (RESTEC) which is utilizing satellite images, is contributing in particular use for the infrastructure and disaster prevention and so on in 300 or more projects in over 70 countries centering on the Asian emerging countries. This service won the “Nikkei Business Daily Awards for Superiority” at the “2016 Nikkei Superior Products and Services Awards,” sponsored by Nikkei, Inc. Additionally, by concluding the sales distribution contract with DigitalGlobe, a U.S. leading company of commercial high-resolution satellite imagery, NTT DATA is able to aim the further expansion of the sales channels in the global market. We would contribute to the promotion of the use of geospatial information and the creation of markets through the application of this service to a wide variety of areas such as disaster prevention, resource development, urban planning, electric and communication services.

<Introduction of an air traffic control simulator “airpalette 3D Simulator” to Tajikistan>

- NTT DATA received an order from the Japan International Cooperation Agency (JICA) for an air traffic controller training simulator “airpalette 3D Simulator” for use in the “Project for Enhancement of Air Navigation Services in Tajikistan” of JICA. Since this product reduces the labor required for training and enables efficient air traffic control training with high-precision graphics and an AI technology that can automatically reproduce the behavior of multiple aircrafts, it will contribute to the development and enhancement of the skills of Tajikistan’s air traffic controllers. We would provide the variety of support related to the implementation of this product to Tajikistan and promote the development in air traffic control institutions in other countries.

## Financial Segment



The net sales were decreased due to a reactionary decline in large-scale projects in the previous fiscal year despite the expansion of businesses for banks. The operating income was increased due to a decrease in unprofitable projects, and the improvement in cost rate mainly attributable to a decrease in depreciation and so on.

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

<Increase of banks using "BeSTA"- based core systems for financial institutions>

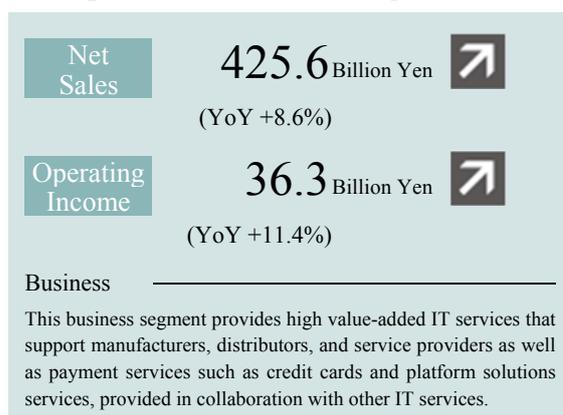
- The number of banks that use our core systems for financial institutions including the first and second association of regional banks based on the NTT DATA's standard banking application "BeSTA" increased. Specifically, THE SAN-IN GODO BANK, LTD. to join "NTT DATA Regional Bank Integrated Services Center", THE FUKUHO BANK, LTD. to "STELLA CUBE", and 4 banks of Higashi-Nippon Bank, Ltd. decided to take part in a joint system that had been in use by the following four banks: The Bank of Yokohama, Ltd.; THE HOKURIKU BANK, LTD.; The Hokkaido Bank, Ltd.; and The 77 bank, Ltd. Similarly, Aozora Bank, Ltd., started to use the "BeSTAcloud" service. In addition, System Banking Kyushu (SBK) <sup>(Note 2)</sup> decided to use the "BeSTAcloud," and at the same time, THE OKINAWA KAIHO BANK, LTD. joined SBK. Also, The Yachiyo Bank, Limited and ShinGinko Tokyo, Limited decided to merge with The Tokyo Tomin Bank, Limited which uses the "STELLA CUBE" system, and their respective systems were integrated into the "STELLA CUBE" system. For all of these systems, participating banks appreciate that they can satisfy requirements to carry into practice their business strategies, thanks to their potential,

progressiveness, expandability and flexibility, and our achievements in core system operation. NTT DATA will continue to work on these advanced BeSTA-based systems for more extensive and improved functions. We will also strive to increase the number of banks participating in these systems by offering optimum solutions to a wide range of financial institutions.

<Launch of BeSTA FinTech Lab>

- Connecting our client companies, venture companies, and NTT DATA, we have been working on various activities including holding business contests such as "Toyosu-no-minato-kara (From the Toyosu Port)" aiming at the swifter creation of new business through open innovation. For enhancing such efforts, NTT DATA has launched the "BeSTA FinTech Lab," a structure in which venture companies, FinTech companies and regional banks work together to create a new financial related services. As the part of the measures of this Lab, unerry, inc. iRidge, Inc. and NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc., our subsidiary, worked together to carry out a demonstration experiment of a message and campaign information delivery service <sup>(Note 4)</sup> utilizing location data obtained through beacon <sup>(Note 3)</sup>. For the future, this Lab intends to create plenty of ideas and improve services by verifying those ideas through the trial and error, and is also planning to provide more attractive opportunities based on the participating banks' request to boost the cooperation with regional banks. Furthermore, as part of FinTech initiatives, we have provided support for the "New Business Creation Project" of The Bank of Kyoto, Ltd. by utilizing our open innovation assistance program (DCAP) <sup>(Note 5)</sup>.

## Enterprise & Solutions Segment



The net sales and the operating income were increased mainly due to the expansion of businesses especially for the digital-related businesses for distribution and service industries.

We aimed our business expansion as business partner who works with the clients such as the retailers, distributors, service providers and manufacturers who are actively promoting IT investment in response to the changes in value chains brought by digitization and the global development, to solve those problems utilizing our advantages in the areas of enterprise & solutions corresponding to those clients' needs.

<Our efforts for digital business>

As a business partner of our clients who are actively working on the new initiatives applying digital technology, we are providing various services and technological support.

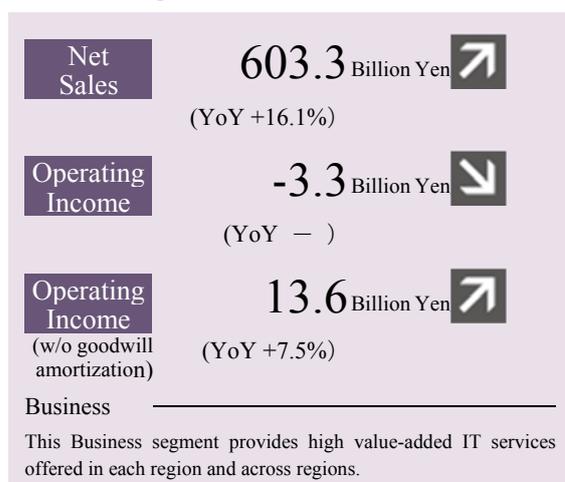
- By utilizing the results of demonstration experiments conducted at Ariake Works of Hitachi Zosen Corporation, we have started to provide “Monone”, a solution to detect abnormal sounds. This solution visualizes and analyzes the changes of the factory equipment's operation sounds (i.e., abnormal sounds) at the production site which were used to be detected by the ears of experts, by utilizing the acoustic signal analysis technology and AI technology which NTT Group has cultivated and advances the maintenance operations of equipment devices and bring them high level and efficient.
- TOYOTA MOTOR CORPORATION and NTT group agreed to tie-up on technology development, technology validation, and standardization of those technologies in the field of connected car. With this tie-up, NTT DATA will take the role in creating the technologies related to the data collection, accumulation and analysis utilizing our experience of infrastructure construction. For the future, we seek for the business development including IoT infrastructure construction based our technology and know-how obtained through this tie-up.

- NTT DATA established the “AI & IoT Business Section” as an expert organization with know-how in analytics, AI and edge computing technology <sup>(Note 6)</sup> essential for the IoT society. With those approximate 200 data scientists and consultants, and 1,500 embedded technology engineers and others, we provide high value-added services to our clients and end-users.

<Basic agreement on specific consideration about capital alliance with Mitsubishi Heavy Industries>

- NTT DATA and Mitsubishi Heavy Industries, Ltd. (MHI) concluded a basic agreement on a tie-up in the field of information system including a capital alliance. Both companies are targeting the establishment of their new company effective October 1, 2017, which will be based on the existing MHI Information Systems Co., Ltd., a wholly owned MHI subsidiary. With the acceleration of digitization and globalization in the manufacturing industry, MHI Group will strive to achieve more advanced IT services and stronger global response capability more swiftly and efficiently through a tie-up with NTT DATA who is possessing rich experience and know-how in network services and system integration operations. Establishing a long-term partnership with MHI, NTT DATA will contribute to the highly developed IT services including digitalization and globalization as well.

## Global Segment



The net sales were increased due to the acquisition of Dell Services in North America, and the unification of accounting periods of European subsidiaries and the expansion of businesses and so on, despite the impact of a decrease due to foreign exchange. The operating income was increased due to contribution by the Dell Services acquisition to the increase in profit as well as the improvement of profitability of European subsidiaries, despite the advisory expenses associated with the acquisition of Dell Services in North America.

Adding to our organic growth in each region, we have attempted for business expansion and the improvement of our competitiveness by acquiring the business base and the new knowledge through M&A in North America, the world's largest IT service market demanding the high growth for the future. We also achieved to enhance our profitability by generating synergy and the strength which we have globally cultivated.

<Complete the acquisition of Dell Services, and launch a new system under NTT DATA Services>

- Completed over 99.9% of the acquisition of Dell Services(\*) – based on the transferred asset value- by the U.S time of March 6, 2017, through our U.S. subsidiary NTT DATA International L.L.C. and others, and commenced an integrated new system (i.e., NTT DATA Services) of Dell Services and our existing North American organizations from April 2017. NTT DATA Services has a strong business base with their major clients including health insurance and medical institutions, manufacturing industries, service industries, financial institutions and the Federal Government and the company has gained a reputation particularly for its industry-specific digital solutions for health insurance and medical institutions and the provision of BPO services. Through the acquisition of this Division, we

will expand our businesses in the relevant industries of North America. At the same time, we will also strengthen our services that utilize our cutting-edge technology in cloud and BPO services.

\* “Dell Services”: Dell Systems Corporation subsidiaries and IT services related businesses

<Order received for the operation of “myki” smartcard ticketing system and commence the services provision>

- Our U.S. subsidiary NTT DATA, Inc. concluded a contract with the Government of Victoria in Australia and the Public Transport Victoria, under which the company will operate the “myki” smartcard ticketing system for seven years and commenced the services provision in January 2017. The contract was concluded thanks to the high evaluation of our past records of taking charge of establishing and operating the myki system since 2008, and supporting the system which has now become one of the world's largest systems of this kind. We will contribute to improving customer experience through the introduction of next-generation systems, etc., in the future.

Notes:

1. The AW3D(R) Global Digital 3D Map Distribution Service

In corporation with the Japan Aerospace Exploration Agency (JAXA), we began providing the service for the world's first five-meter-resolution 3D map with the Digital Elevation Model (DEM) that uses 3 million satellite images taken by "DAICHI (ALOS)," JAXA's land-area observation technology satellite and can show the ups and downs of the land surface of the Earth.

2. System Banking Kyushu (SBK)

Refers to a business association organization that plans, develops and operates core systems for THE FUKUOKA CHUO BANK, LTD., THE SAGA KYOEI BANK, LTD., THE BANK OF NAGASAKI, LTD., THE HOWA BANK, LTD., The Miyazaki Taiyo Bank, Ltd. and MINAMI NIPPON BANK, LTD.

3. Beacon

Refers to a Bluetooth LE (short-range wireless network technology) device which works in conjunction with apps on smartphones and others.

4. Demonstration experiment (Proof of Concept) of a message and campaign information delivery service

Refers to a demonstration experiment (PoC) of a service to deliver information on campaigns or coupons and others assumed to have a great affinity to the app user's (the subject of the demonstration experiment) history of location information detected by beacon antennas installed by push notification.

5. Digital Corporate Accelerate Program (DCAP)

Digital Corporate Accelerate Program (DCAP) Refers to the system to support general corporations' efforts to create new business in collaboration with venture companies.

6. Edge computing technology

Refers to a technology to process a large quantity of data at high speed by dispersedly deploying edge servers near users.

The following shows the status of overseas bases during the period under review.

Approx. 75,500 employees deployed in 210 cities in 51 countries and regions outside of Japan  
(Approx. 110,000 employees include Japan)  
(AS of March 31, 2017)

As a result of the above, for the consolidated results of the Group in the current fiscal year, it was as follows.

New Orders Received	1,781.5 Billion Yen (YoY +7.2 %)		Ordinary income	112.9 Billion Yen (YoY +15.1 %)	
Net Sales	1,732.4 Billion Yen (YoY +7.3 %)		Net income attributable to owners of parent	65.6 Billion Yen (YoY +3.7 %)	
Operating Income	117.1 Billion Yen (YoY +16.1 %)				

## 2. Changes in Assets and Profit and Loss

### Changes in Assets and Profit and Loss of the Corporate Group

(¥ million, except net income per share [yen])

Items	Year	25 <sup>th</sup> Fiscal Year (2012)	26 <sup>th</sup> Fiscal Year (2013)	27 <sup>th</sup> Fiscal Year (2014)	28 <sup>th</sup> Fiscal Year (2015)	29 <sup>th</sup> Fiscal Year (2016)
Net Sales		1,301,941	1,343,772	1,511,812	1,614,897	1,732,473
Operating Income		85,696	62,583	84,013	100,885	117,109
Ordinary income		81,870	62,153	77,909	98,158	112,993
Net income attributable to owners of parent		43,517	23,287	32,144	63,373	65,686
Net income per Share		155	83	114	226	234
Total Assets		1,524,309	1,689,940	1,822,837	1,860,319	2,234,809
Net Assets		684,207	709,818	806,205	773,670	830,268
New Orders Received		1,197,168	1,400,221	1,429,117	1,662,662	1,781,565

Notes:

1. Net income per share is calculated based on the average number of shares outstanding during the fiscal year.
2. Net income per share is a figure derived by assuming that the share split of October 1, 2013 was conducted at the beginning of the 25th fiscal year.

## 3. Capital Investments

The amount of capital investments in this consolidated fiscal year under review is 158,140 million yen (up by 18.0% compared to the previous term). The major component of them was the investment in the financial field.

## 4. External Financing

The Group has borrowed money from NTT FINANCE CORPORATION etc. to allocate funds, etc. for M&A related matters in this consolidated fiscal year.

## 5. Progress of Technical Development

The Group's main business, system integration (SI), is seeing some improvement with the gradual recovery of the Japanese economy, but is still exposed to a very tough competitive environment. In order to beat the competition in this kind of environment, we are focusing our R&D efforts on "innovation technologies to deliver solutions", for faster and higher quality system development. In addition, we are also working on the "utilization of advanced technologies" that proactively incorporates new technological trends. With these two initiatives we combine a development capability that can respond flexibly to changes in circumstances, and are working to strengthen our R&D so that we can propose and deliver winning systems to our clients.

Through collaborative research and development with NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), we utilize the results of fundamental research and development themes from such research and development to focus our resources on applied research and development themes.

The research and development costs for the consolidated fiscal year under review were 12,359 million yen. The results of the research and development, which are applicable commonly to the Public & Social Infrastructure, the Financial, the Enterprise & Solutions and the Global Segment, are not separately recorded by each segment.

[Innovation technologies to deliver solutions]

We have been working on achieving the high speed and high quality development by the automation of software development and this has been our superiority in competition. Against this backdrop, in addition to further advancement in automation technology, we have undertaken legacy modernization <sup>(Note1)</sup> and the speeding up of innovation in our development processes so that we can respond with agility to changes in development environments, and changes in our clients' business environments. In addition, we are promoting standardization initiatives on a global level.

<Major case example>

- For further continued growth through global synergy, NTT DATA integrated development methodologies of our group companies all over the world. From April 2017, strived to prevent contradictions resulted by the technical terms inconsistency and enable to achieve the projects to realize high productivity and quality by having this development methodology shared among our development bases in both domestic and overseas possessing this intellectual concept with all our group companies. For the future, based on this development methodology, enhance the development capabilities globally and provide consistent high quality services regardless of the regions by utilizing the human resource and knowledge possessed by our domestic and overseas group companies effectively.
- In April 2017, NTT DATA started the operation of the "integrated development cloud" to integrate the system development environments of all group companies into the cloud and improve the productivity of system development. Recently, required to respond to "offensive IT (SoE: <sup>Note 3</sup>)" to create new business, not only responding to "defensive IT (SoR: <sup>Note 2</sup>)" for the efficiency of the existing businesses and operation processes, and to link both in a seamless manner. For satisfying those needs, we will promote the integration into cloud at our overseas subsidiaries and apply it to commercial environments (i.e., client services) sequentially.

[Utilization of advanced technologies]

NTT DATA has particularly focused on the technology themes of AI, IoT and advanced technology of IT infrastructure (e.g., blockchain) and put priority on investment in PoCs for applicable research topics and clients. As a means of discerning research topics for the mid-

to- long term, we try to grab the changes in the future with four perspectives such as politics, economy, society and technology in order to derive the “information society trends” and “technology trends” of near-future and formulate and publish these as NTT DATA Technology Foresight <sup>(Note 4)</sup>.

<Major case example>

- NTT DATA and our Spanish subsidiary, everis Group, have developed the Smart Alert Solution for the intensive care unit (ICU) at Virgen del Rocío University Hospital in Seville, which is the largest hospital in Spain. The solution predicts the risks for serious complications, and immediately sends an alert to enable doctors and others for early medical intervention. We will conduct validation in multiple countries other than Spain, commercialize the solution by the end of 2017 and deploy it in hospitals all over the world starting from Spain, South America and North America.

Notes:

#### 1. Legacy Modernization

The entire operations realized by the current system, which has been maintained for a long period of time (legacy system), are becoming difficult to understand with the system becoming increasingly enlarged, complex, and dependent on individual skills. The aim of legacy modernization is to clear those specifications of such black-box systems, utilize existing assets, and renovate them into new systems.

#### 2. SoR (Systems of Record)

Refers to all conventional operational systems, such as core systems.

#### 3. SoE (Systems of Engagement)

Refers to a system that enables digital innovation, such as the innovation in corporate business processes and the creation of new business.

#### 4. NTT DATA Technology Foresight

The near-future vision of the information society (information society trend) and IT-related technology trends. It is derived through comprehensive surveys of the trend relating to IT that are implemented from the perspectives of politics, economy, society and technology, as well as through hearings and discussions with domestic and foreign intellectuals. Trend information has been released since 2012, and is yearly updated.

## 6. Parent Company and Principal Subsidiaries

### (1) Relationship with parent company

The parent company of NTT DATA is NIPPON TELEGRAPH AND TELEPHONE CORPORATION, which holds 152,001,000 shares (voting right ratio 54.2%) of NTT DATA. Commercial transactions between NTT DATA and NIPPON TELEGRAPH AND TELEPHONE CORPORATION include research and development of basic systems conducted by and services and convenience for the group management provided by NIPPON TELEGRAPH AND TELEPHONE CORPORATION.

### (2) Principal subsidiaries

Name of Company	Capital	NTT DATA's Voting Right Ratio	Location	Main Line of Business
<Public & Social Infrastructure Segment>				
NTT DATA i CORPORATION	¥ million 100	100.0%	Tokyo	System design/ development
NTT DATA KYUSHU CORPORATION	¥ million 100	100.0%	Fukuoka Prefecture	System design/ development
NTT DATA TOKAI CORPORATION	¥ million 100	100.0%	Aichi Prefecture	System design/ development
NTT DATA KANSAI CORPORATION	¥ million 400	100.0%	Osaka Prefecture	System design/ development
<Financial Segment>				
NTT DATA SYSTEM TECHNOLOGIES INC.	¥ million 100	97.1%	Tokyo	System design/ development
NTT DATA CUSTOMER SERVICE CORPORATION	¥ million 100	100.0%	Tokyo	Systems operation/ maintenance
NTT DATA FINANCIAL CORE CORPORATION	¥ million 100	100.0%	Tokyo	System design/ development
NTT DATA FORCE CORPORATION	¥ million 285	92.5%	Kanagawa Prefecture	System design/ development
NTT DATA SOFIA CORPORATION	¥ million 80	95.0%	Tokyo	System design/ development
NTT DATA Getronics Corporation	¥ million 490	70.0%	Tokyo	System design/ development
XNET Corporation	¥ million 783	51.0%	Tokyo	System sales
Japan Information Processing Service Co.,Ltd.	¥ million 2,460	80.0%	Tokyo	System design/ development
<Enterprise & Solutions Segment>				
NTT DATA SMS CORPORATION	¥ million 100	100.0%	Tokyo	Systems operation
NTT DATA INTRAMART CORPORATION	¥ million 738	46.8%	Tokyo	Package software sales
NTT DATA WAVE CORPORATION	¥ million 100	80.1%	Tokyo	System design/ development
NTT DATA BUSINESS SYSTEMS CORPORATION	¥ million 100	100.0%	Tokyo	System design/ development
NTT DATA CCS CORPORATION	¥ million 330	60.0%	Tokyo	System design/ development
NTT DATA MSE Corporation	¥ million 320	45.0%	Kanagawa Prefecture	System design/ development
JSOL Corporation	¥ million 5,000	50.0%	Tokyo	System design/ development
NJK CORPORATION	¥ million 4,222	100.0%	Tokyo	System design/ development
NTT DATA SBC Corporation (Note 3)	¥ million 100	80.0%	Osaka Prefecture	System design/ development

Name of Company	Capital	NTT DATA's Voting Right Ratio	Location	Main Line of Business
<Global Segment>				
North America				
NTT DATA, Inc.	\$ thousand 1,629,508	100.0% (100.0%)	Massachusetts, U.S.A.	Consulting System design/ development
NTT Data International L.L.C.	\$ thousand 4,558,068	100.0%	New York, U.S.A.	Supervision of North American operating subsidiaries
NTT DATA Enterprise Services Holding, Inc.	\$ thousand 130,097	100.0% (100.0%)	Texas, U.S.A.	Consulting System design/ development
NTT DATA Consulting, Inc.	\$ thousand 205,176	100.0% (100.0%)	NorthCarolina, U.S.A.	Consulting System design/ development
NTT DATA Services International Holdings B.V.	\$ thousand 261,356	100.0%	Amsterdam, Nederland	Consulting System design/ development
NTT DATA Services Corporation (Note 3)	\$ thousand 726,297	100.0% (100.0%)	Texas, U.S.A.	Consulting System design/ development
NTT DATA Services, LLC (Note 3)	\$ thousand 2,070,433	100.0% (100.0%)	Texas, U.S.A.	Consulting System design/ development
EMEA				
NTT DATA EMEA LTD.	€ thousand 510,504	100.0%	London, England	Supervision of European operating subsidiaries
everis				
EVERIS PARTICIPACIONES, S.L.U.	€ thousand 117,999	100.0%	Madrid, Spain	Consulting System design/ development
APAC				
NTT DATA ASIA PACIFIC PTE. LTD.	Singapore \$ thousand 218,804	100.0%	Singapore	Supervision of APAC operating subsidiaries
China				
NTT DATA (CHINA) INVESTMENT Co., LTD.	CNY thousand 380,198	100.0%	Beijing, China	Supervision of China operating subsidiaries
business solutions				
itelligence AG	€ thousand 82,782	100.0% (100.0%)	Bielefeld, Germany	Consulting System design/ development
NTT DATA EUROPE GmbH & CO. KG	€ thousand 428,615	100.0% (5.0%)	Bielefeld, Germany	Supervision of overseas SAP operating subsidiaries
<Others>				
NTT DATA MANAGEMENT SERVICE CORPORATION	¥ million 100	70.0%	Tokyo	Administrative agent business
NTT DATA INTELLILINK CORPORATION	¥ million 100	100.0%	Tokyo	System design/ development

Notes:

1. In addition to the above, there were 266 subsidiaries at March 31, 2017.
2. Figures in parentheses in the column of NTT DATA's voting right ratio show the ratio of indirectly owned voting rights included therein.
3. Companies which NTT DATA or subsidiary of NTT DATA acquired their shares during the current consolidated fiscal year.
4. There are no subsidiaries that fall under the category of designated wholly-owned subsidiary.

## 7. Principal Centers of the Corporate Group

### (1) Principal Offices of NTT DATA

Head Office: 3-3, Toyosu 3-chome, Koto-ku, Tokyo, Japan

Divisions:	Public Sector 1	(Tokyo)	Public Sector 2	(Tokyo)
	Telecom & Utility Business Sector	(Tokyo)	First Financial Sector	(Tokyo)
	Second Financial Sector	(Tokyo)	Third Financial Sector	(Tokyo)
	Fourth Financial Sector	(Tokyo)	IT Services & Payments Services Sector	(Tokyo)
	Manufacturing IT Innovation Sector	(Tokyo)	Business Solutions Sector	(Tokyo)
	Global Business Sector	(Tokyo)		

### (2) Principal offices of principal subsidiaries

As listed in the “Location” column in (2) “Principal Subsidiaries” of Section 6 “Parent Company and Principal Subsidiaries” above.

## 8. Employees

Number of Employees (persons)	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)
111,664	31,138

Notes:

- The number of employees above does not include the persons who transferred to other companies, but includes the persons who are transferred from other companies.
- The number of employees increased by 31,138 in this consolidated year; this is mainly due to the transfer of the Dell Services in the Global Segment.

(For reference) Employees of NTT DATA

Number of Employees (persons)	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)	Average Age (years old)	Average Working Years (years)
11,227	14	38	14.3

Notes:

- The number of employees above does not include the persons who transferred to other companies, but includes the persons who are transferred from other companies.
- In calculating the average working years of employees, the number of working years in NIPPON TELEGRAPH AND TELEPHONE CORPORATION, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT Communications Corporation, and other companies are included in the above average working years in case of the employees transferred from such companies.

## 9. Principal Lenders

Name of Lender	Borrowings Outstanding (¥ million)
N T T F I N A N C E C O R P O R A T I O N	223,464
M i z u h o B a n k , L t d .	71,821
M i z u h o T r u s t & B a n k i n g C o . , L t d .	16,314
D e v e l o p m e n t B a n k o f J a p a n I n c .	10,000
S h i n k i n C e n t r a l B a n k	8,000

## 2 MATTERS CONCERNING SHARES

1. Total number of shares authorized to be issued by the company 1,122,000,000 shares

2. Total number of shares issued 280,500,000 shares (Including 99 shares of treasury stock)

3. Number of shareholders 74,455 persons

### 4. 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)	21,240,800	7.57
Japan Trustee Services Bank, Ltd. (Trust Account)	11,577,600	4.13
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	3,436,900	1.23
NTT DATA Employee Share-Holding Association	2,871,500	1.02
Japan Trustee Services Bank, Ltd. (Trust Account5)	2,240,600	0.80
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing agent: Mizuho Bank, Ltd.)	2,222,791	0.79
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS (Standing agent: The Hong Kong and Shanghai Banking Corporation Limited Tokyo Branch)	2,206,100	0.79
Goldman Sachs Japan Co., Ltd.	2,000,000	0.71
Japan Trustee Services Bank, Ltd. (Trust Account7)	1,777,800	0.63

Note: Ratio of Shareholding has been calculated after deducting treasury stock (99 shares).

### 3 MATTERS CONCERNING DIRECTORS AND CORPORATE AUDITS

#### 1. Name of Directors and Corporate Audits

Position	Name	Areas of responsibility and Principal Concurrent Positions
President and Chief Executive Officer	Toshio Iwamoto	
Representative Director and Senior Executive Vice President	Masanori Shiina	Responsible for Corporate Strategy, Finance(CFO), Investor Relations, and Risk Management Partnership of Regional revitalization /Value Partner 2020.
Representative Director and Senior Executive Vice President	Yo Honma	Responsible for Enterprise & Solutions Segment
Representative Director and Executive Vice President	Eiji Ueki	Responsible for Technology Strategy(CTO) and Information Security(CISO) Responsible for Financial Segment Director of the Center for Financial Industry Information Systems
Director and Executive Vice President	Kazuhiro Nishihata	Responsible for Global Segment NTT Data International L.L.C. Chair
Director and Executive Vice President	Tsuyoshi Kitani	Head of Technology and Innovation General Headquarters Head of System Engineering Headquarters
Director and Executive Vice President	Keiichiro Yanagi	Responsible for General Affairs Department Responsible for Human Resources Department
Director and Executive Vice President	Hiroyuki Aoki	Responsible for Public & Social Infrastructure Segment
Director	Yukio Okamoto	Representative Director, Okamoto Associates, Inc. Director, MITSUBISHI MATERIALS CORPORATION Director, Nippon Yusen Kabushiki Kaisha Director of a non-profit organization “Shin-Gen-Eki-Net.”
Director	Hiromasa Takaoka	Vice President of HR, General Affairs Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Director	Eiji Hirano	Vice Chairman, Director and Representative Executive Officer, MetLife, Inc. Director, RIKEN CORPORATION
Standing Corporate Audit	Yukio Ishijima	
Standing Corporate Audit	Tetsuro Yamaguchi	
Standing Corporate Audit	Akio Nakamura	Lawyer Director, Tokyo Century Corporation
Corporate Audit	Rieko Sato	Lawyer Director (audit and supervisory committee member), Dai-ichi Life Holdings, Inc.

#### Notes:

1. Of the directors, both Eiji Hirano and Yukio Okamoto are outside directors assigned in accordance with Article 2 (xv) of the Companies Act. NTT DATA has designated both Eiji Hirano and Yukio Okamoto as independent director in accordance with the listing regulations of the Tokyo Stock Exchange on which its stocks are listed, and has notified this to the Tokyo Stock Exchange.
2. Of the corporate audits, four audits, i.e. Yukio Ishijima, Tetsuro Yamaguchi, Akio Nakamura and Rieko Sato are outside corporate audits assigned in accordance with Article 2 (xvi) of the Companies Act. NTT DATA has designated Yukio Ishijima, Akio Nakamura and Rieko Sato as independent directors in accordance with the listing regulations of the Tokyo Stock Exchange on which its stocks are listed, and has notified this to the Tokyo Stock Exchange.
3. Director Yukio Okamoto resigned as Representative Director of “Signal of Hope” Fund to Support the Resumption of Tohoku Fisheries (non-profit General Incorporated Foundation) due to the dissolution of the organization. Audit Rieko Sato resigned as Audit of Ajinomoto Co., Inc. at the expiration of her term of office during this fiscal year.
4. Directors Satoshi Kurishima, Hironobu Sagae and Toshio Iwai resigned at the conclusion of the 28th Ordinary General Meeting of Shareholders held on June 22, 2016.
5. Yasuomi Hino, Corporate Audit, resigned at the conclusion of the 28th Ordinary General Meeting of Shareholders held on June 22, 2016.
6. NTT DATA and each of its outside directors (Yukio Okamoto and Eiji Hirano) and outside corporate audits(Yukio

Ishijima, Tetsuro Yamaguchi, Akio Nakamura and Rieko Sato) entered into an agreement for limiting the obligation to compensate for damage set forth in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of the same Act. The maximum amount of compensation shall be the minimum liability amount prescribed in Article 425 (1) of the Companies Act.

## 2. Policies concerning, and Total Remuneration of, Directors and Corporate Audits

### (1) Policies

NTT DATA explains the policy for determining the remuneration for directors to the parent company and independent outside directors and, upon receiving appropriate advice from them, determines the amount of remuneration to such extent as resolved at a shareholders' meeting at the Board of Directors.

- The remuneration for directors (excluding outside directors) is composed of monthly remuneration and bonuses. The amount of monthly remuneration is determined and provided in accordance with the responsibility and extent of the role of his or her position. Bonuses are determined and provided with the company performance for a relevant period. To reflect the medium- to long-term performance, each director is required to purchase the company's stock through the officers' shareholding association by paying a certain amount of money from each of their own monthly remuneration. Each director is also required to retain all the shares purchased by himself or herself during his or her term of office.
- Outside directors are paid only monthly remuneration, unrelated to business performance in order to ensure a high degree of independence.

The remuneration of audits shall be determined by the audit after consultation. For the purpose of securing a high degree of independence of the audits, their remuneration is not linked to the business results and the audits receive monthly compensation only.

### (2) Total amount of remuneration for directors and corporate audits during the fiscal year

Position	Number of Persons	Amount of Remuneration
Director	13 persons	374 million yen
Corporate Audit	5 persons	101 million yen
Total	18 persons	475 million yen

#### Notes:

1. The above includes three directors and one corporate audit who retired at the conclusion of the 28th Ordinary General Meeting of Shareholders held on June 22, 2016.
2. Concerning the limit of remuneration for the directors and corporate audits, the 18<sup>th</sup> General Meeting of Shareholders held on June 22, 2006 passed the resolution to set the limit of remuneration for the directors at 580 million yen in a year and that for the corporate audits at 150 million yen in a year.
3. The amount of remuneration includes the director bonus of 72 million yen.

### 3. Outside Directors and Corporate Audits

#### (1) Additional posts in other companies of outside directors and corporate audits

Position	Name	Concurrent Employers	Concurrent Posts	Relationship with NTT DATA
Outside Director	Yukio Okamoto	Okamoto Associates, Inc.	Representative Director	—
		MITSUBISHI MATERIALS CORPORATION	Outside Director	—
		Nippon Yusen Kabushiki Kaisha	Outside Director	—
		Non-profit organization “Shin-Gen-Eki-Net.”	Director	—
Outside Director	Eiji Hirano	MetLife, Inc.	Vice Chairman, Director and Representative Executive Officer	(Note 1)
		RIKEN CORPORATION	Outside Director	—
Outside Corporate Audit	Akio Nakamura	TANABE & PARTNERS	Special Partner	—
		Tokyo Century Corporation	Outside Director	(Note 2)
Outside Corporate Audit	Rieko Sato	ISHII LAW OFFICE	Partner	—
		Dai-ichi Life Holdings, Inc.	Outside Director (audit and supervisory committee member)	(Note 3)

Notes:

1. The Company maintains a business relationship with MetLife, Inc. However, its transactions account for less than 2% of the net sales of the Company.
2. The Company maintains a business relationship with Tokyo Century Corporation. However, its transactions account for less than 2% of the net sales of the Company.
3. Ms. Rieko Sato, the audit, concurrently served as Audit of Dai-ichi Life Insurance Company, Limited in this business year (until September 2016). The Company maintains a business relationship with Dai-ichi Life Holdings, Inc. However, its transactions account for less than 2% of the net sales of the Company.

#### (2) Main activities during the fiscal year

Position	Name	Main Activities
Outside Director	Yukio Okamoto	He attended all 18 Board of Directors’ meetings held during the fiscal year under review, and made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business.
Outside Director	Eiji Hirano	He attended 11 out of the 13 Board of Directors’ meetings held during the fiscal year under review after his appointment as Director of the Company, and made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business.
Outside Corporate Audit	Yukio Ishijima	He attended all 18 Board of Directors’ meetings and all 19 Board of Corporate Audits’ meetings that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business.
Outside Corporate Audit	Tetsuro Yamaguchi	He attended all 18 Board of Directors’ meetings and all 19 Board of Corporate Audits’ meetings that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business.
Outside Corporate Audit	Akio Nakamura	He attended all 13 meetings of the Board of Directors and all 11 meetings of the Board of Corporate Audits’ meetings that were held during the fiscal year under review after his appointment as Corporate Audit of the Company, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business.

Outside Corporate Audit	Rieko Sato	She attended all 18 Board of Directors' meetings and all 19 Board of Corporate Audits' meetings that were held during the fiscal year under review, and made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, when necessary, independent of the members executing the business and from the professional standpoint as a lawyer.
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(3) Total amount of remuneration for outside directors and corporate audits for this fiscal year

	Number of Persons	Amount of Remuneration
Total Amount of Remuneration for Outside Directors and Corporate Audits	7 persons	121 million yen

Notes:

1. The above is included in the section "2. (2) Total amount of remuneration for directors and corporate audits during the fiscal year."
2. The above number includes 1 member of the Outside Directors who resigned at the end of the 28th Ordinary General Meeting of Shareholders held on June 22, 2016.

## **4 INDEPENDENT AUDIT**

### **1. Name of Independent Audit of NTT DATA**

KPMG AZSA LLC

### **2. Remuneration for Independent Audit Payable by NTT DATA for This Fiscal Year**

Amount payable for the services set forth in Article 2 (1) of the Certified Public Accountants Act (1948 Act No. 103)

¥ 469 million

Note:

1. The auditing agreement between NTT DATA and its independent audit does not segregate the amount of the remuneration to Audits pursuant to the Companies Act and those pursuant to the Financial Instruments and Exchange Act. As these amounts cannot, as a practical matter, be calculated separately, the amount above is the total for both categories of remuneration as stated above.
2. The Board of Corporate Audits gives consent, pursuant to the provisions of Article 399, paragraph (1) of the Companies Act, to remunerations for accounting audits after confirming and examining the contents of the audit plans of accounting audits, the state of the execution of accounting audit duties, the calculation basis of remuneration estimates, etc.

### **3. Total Amount Payable by NTT DATA and Its Subsidiaries to Independent Audit in Cash and Other Interest in Property**

Total amount payable by NTT DATA and its subsidiaries to independent audit

¥ 656 million

Note: Among NTT DATA's principal subsidiaries, NTT Data International L.L.C., NTT DATA EMEA LTD., EVERIS PARTICIPACIONES, S.L.U., NTT DATA ASIA PACIFIC PTE. LTD., NTT DATA (CHINA) INVESTMENT Co., LTD., intelligence AG and NTT DATA EUROPE GmbH & CO. KG are audited by audit corporations other than the Company's independent audit.

### **4. Non-Auditing Business**

With regard to services other than those prescribed in Article 2, (1) of the Certified Public Accountants Act (non-auditing business), NTT DATA consigns to the independent audit such duties as guidance and advice concerning the International Financial Reporting Standards and the verification of the status of internal control systems pursuant to the JICPA Auditing and Assurance Practice Committee Practical Guideline No. 86, "Assurance Reports on Controls at a Service Organization"

### **5. Policy of Decision of Dismissal or Non-reelection of Independent Audit**

In NTT DATA, if it is recognized that the independent audit falls under any of the items of Article 340 (1) of the Companies Act, the Board of Corporate Audits dismisses the independent audit by unanimous consent.

In addition to the above, if it is recognized that the independent audit is unable to properly conduct an audit, the Board of Corporate Audits decides the details of the proposal to dismiss, or not to reelect the independent audit to be submitted to the general meeting of shareholders; and the Board of Directors submits the proposal to the general meeting of shareholders based on such decision.

## 5 Circumstances of Corporate Governance

### Basic Views on Corporate Governance

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

Under this management philosophy, NTT DATA Group has set the Medium-Term Management Plan from FY2016 to FY2018, pursued business growth in regions around the world, had key principles, NTT DATA : ASCEND Rise and grow our global brand to enhance our brand value as a global brand by strengthening our local presence and using global synergy effects, and carried out the global strategy: “Game-Changing Approach” and “Breakthrough Technology.”

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

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

#### (1) Ensuring transparency and soundness in business management

NTT DATA strives to disclose information in a just, fair and timely manner in accordance with the “Disclosure Policy,” based on the “Disclosure Guidelines.” Such disclosure is important in that it enables the market to appraise NTT DATA appropriately. For this reason, NTT DATA holds a meeting for explanation of financial results when financial results are announced quarterly, and often holds other meetings for domestic and international investors and analysts, in order to ensure transparency in business management. To reinforce the function of supervising and auditing the fairness in business execution, NTT DATA places outside directors and outside audits to supervise and audit the Board of Directors(\*) and the Audit & Supervisory Board and to ensure soundness in its business management. NTT DATA also pays attention to maximizing the profit of its shareholders when transacting business with NIPPON TELEGRAPH AND TELEPHONE CORPORATION (hereinafter referred to as “NTT”), the parent company of NTT DATA, and the companies in NTT Group.

#### (2) Achievement of appropriate and swift decision making and business execution

Decision making at NTT DATA is carried out under the supervision of the Board of Directors in accordance with “Authority Rules,” which stipulate the responsibility and authority of the President and CEO, the Senior Executive Vice President, the Officers in charge of each segment and the Heads of each Section or Group. For smooth and swift decision making and supervision in its business operations, NTT DATA has established the “Corporate Management Committee,” which is made up of the President and CEO, the Senior Executive Vice President, Officers in charge of each segment and other Heads of important Section or Group, and has prior discussions at such “Corporate Management Committee” for effective

deliberations about the items to be resolved at the Board of Directors. In addition, NTT DATA pursues appropriate and swift decision making and business execution by placing Senior Vice Presidents in charge of business execution, assigning most of the authority relating to business execution to such Senior Vice President from directors, with each Section or Group executing business operations independently and responsibly in accordance with the “Organizational Regulations.”

(3) Thorough implementation of compliance

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

(\*Assessment of effectiveness of the entire Board of Directors

The Board of Directors determines the significant matters related to company management and group management and supervises the performance of duties by directors by receiving a report on duty performance on a quarterly basis.

Additionally, the Board of Directors started to conduct self-assessment/analysis for its effectiveness in FY2016 for the purpose of improving the function of the Board of Directors and maximizing the enterprise value.

We conducted FY2016 self-assessment/analysis based on advice given by the external organization as follows.

Period: from October to December 2016

Assessment method: Sending out a questionnaire to all directors and corporate audits who are members of the Board of Directors.

Response method: All respondents sent answers directly to the external organization to assure anonymity.

We analyzed, discussed and evaluated the results compiled by the external organization in January and February 2017. As a result, the Board of Directors received a largely positive evaluation for its composition and management, and we recognize that the effectiveness is assured.

However, the assessment highlighted issues we will need to deal with, for example, there were opinions from some members who expect enhanced strategy discussions. Thus, we decided to take some measures including spending more time for strategic discussions at the meeting.

We will assess the effectiveness of the Board of Directors on a continuous basis and make efforts to enhance its functions.

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In this Business Report, amounts are rounded off to the indicated unit.

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

## Consolidated Balance Sheets

(Unit: ¥ million)

	29 <sup>th</sup> FY (As of March 31, 2017)	[Reference] 28 <sup>th</sup> FY (As of March 31, 2016)
<b>Assets</b>		
Current assets	893,778	842,701
Cash and deposits	212,459	148,495
Notes and accounts receivable - trade	458,767	403,146
Lease receivables and investment assets	21,731	14,477
Securities	4,302	26,000
Inventories	31,211	26,676
Deferred tax assets	33,601	39,382
Deposits paid	55,808	121,646
Other	79,635	65,490
Allowance for doubtful accounts	(3,740)	(2,614)
Non-current assets	1,341,031	1,017,618
Property, plant and equipment	356,860	302,575
Data communication facilities	89,760	89,503
Buildings and structures	114,995	89,890
Machinery, equipment and vehicles	31,034	19,019
Tools, furniture and fixtures	16,666	16,995
Land	63,835	60,576
Construction in progress	35,609	21,548
Other	4,957	5,041
Intangible assets	777,283	535,337
Software	240,304	250,668
Software in progress	61,168	48,295
Goodwill	315,261	168,879
Other	160,549	67,494
Investments and other assets	206,887	179,704
Investment securities	86,834	83,599
Net defined benefit asset	5,603	1,508
Deferred tax assets	60,802	44,735
Other	54,419	50,531
Allowance for doubtful accounts	(772)	(669)
<b>Total assets</b>	<b>2,234,809</b>	<b>1,860,319</b>

Note: Amounts less than one million yen are rounded down.

(Unit: ¥ million)

	29 <sup>th</sup> FY (As of March 31, 2017)	[Reference] 28 <sup>th</sup> FY (As of March 31, 2016)
<b>Liabilities</b>		
Current liabilities	832,934	537,258
Accounts payable - trade	138,453	121,688
Short-term loans payable	213,160	51,627
Current portion of long-term loans payable	53,461	29,245
Current portion of bonds	49,996	—
Income taxes payable	35,916	33,158
Advances received	182,021	167,738
Provision for loss on order received	3,452	5,356
Other	156,472	128,442
Non-current liabilities	571,605	549,390
Bonds payable	160,075	210,062
Long-term loans payable	168,618	109,451
Deferred tax liabilities	30,367	23,327
Net defined benefit liability	186,788	185,992
Provision for directors' retirement benefits	876	934
Other	24,880	19,621
<b>Total liabilities</b>	<b>1,404,540</b>	<b>1,086,648</b>
<b>Net assets</b>		
Shareholders' equity	781,490	734,273
Capital stock	142,520	142,520
Capital surplus	141,048	139,295
Retained earnings	497,922	452,458
Treasury shares	(0)	(0)
Accumulated other comprehensive income	17,211	6,635
Valuation difference on available-for-sale securities	39,881	32,522
Deferred gains or losses on hedges	(155)	(7,527)
Foreign currency translation adjustment	23,889	36,552
Remeasurements of defined benefit plans	(30,083)	(38,805)
Other	(16,320)	(16,107)
Non-controlling interests	31,567	32,762
<b>Total net assets</b>	<b>830,268</b>	<b>773,670</b>
<b>Total liabilities and net assets</b>	<b>2,234,809</b>	<b>1,860,319</b>

Note: Amounts less than one million yen are rounded down.

## Consolidated Statements of Income

(Unit: ¥ million)

	29 <sup>th</sup> FY (2016/4/1-2017/3/31)	[Reference] 28 <sup>th</sup> FY (2015/4/1-2016/3/31)
Net sales	1,732,473	1,614,897
Cost of sales	1,293,600	1,216,795
Gross profit	438,872	398,101
Selling, general and administrative expenses	321,763	297,216
Operating income	117,109	100,885
Non-operating income	7,542	7,844
Interest income	1,507	1,256
Dividend income	1,565	1,785
Insurance income	1,014	2,125
Gain on step acquisitions	1,347	—
Other	2,107	2,677
Non-operating expenses	11,658	10,571
Interest expenses	5,372	5,492
Foreign exchange losses	1,415	1,576
Other	4,870	3,502
Ordinary income	112,993	98,158
Extraordinary income	18,325	15,237
Gain on sales of investment securities	15,605	15,237
Gain on transfer of affiliates business	2,720	—
Extraordinary losses	25,986	5,607
Acquisition expenses	12,301	—
Loss on restructuring of subsidiaries and affiliates	9,260	—
Impairment loss of goodwill	2,844	3,986
Impairment loss of noncurrent assets	1,579	1,620
Income before income taxes	105,332	107,789
Income taxes - current	52,525	46,925
Income taxes - deferred	(15,705)	(4,570)
Total income taxes	36,820	42,354
Net income	68,512	65,434
Net income (loss) attributable to non-controlling interests	2,825	2,061
Net income attributable to owners of parent	65,686	63,373

Note: Amounts less than one million yen are rounded down.

## Non-Consolidated Balance Sheets

(Unit: ¥ million)

	29 <sup>th</sup> FY (As of March 31, 2017)	[Reference] 28 <sup>th</sup> FY (As of March 31, 2016)
<b>Assets</b>		
Current assets	473,094	554,025
Cash and deposits	73,657	57,156
Notes receivable - trade	16	7
Accounts receivable - trade	193,075	196,412
Lease receivables	128	615
Lease investment assets	18,076	11,853
Securities	—	20,000
Inventories	20,662	14,250
Prepaid expenses	16,544	15,406
Deferred tax assets	21,837	27,884
Deposits paid	55,808	121,646
Other	73,291	88,799
Allowance for doubtful accounts	(5)	(8)
Non-current assets	1,468,301	1,049,294
Property, plant and equipment	264,033	261,987
Data communication facilities	88,006	88,763
Buildings	71,666	75,736
Structures	1,823	1,936
Machinery, equipment and vehicles	8,633	10,571
Tools, furniture and fixtures	6,763	7,562
Land	56,064	56,064
Leased assets	598	933
Construction in progress	30,477	20,419
Intangible assets	275,056	274,067
Software	215,863	228,225
Software in progress	57,122	43,749
Leased assets	8	19
Other	2,062	2,073
Investments and other assets	929,210	513,239
Investment securities	73,087	65,461
Shares of subsidiaries and associates	170,753	136,764
Investments in other securities of subsidiaries and associates	586,729	235,823
Long-term loans receivable	540	540
Long-term loans receivable from subsidiaries and associates	58,557	49,957
Deferred tax assets	882	—
Other	39,094	25,135
Allowance for doubtful accounts	(435)	(444)
<b>Total assets</b>	<b>1,941,395</b>	<b>1,603,320</b>

Note: Amounts less than one million yen are rounded down.

(Unit: ¥ million)

	29 <sup>th</sup> FY (As of March 31, 2017)	[Reference] 28 <sup>th</sup> FY (As of March 31, 2016)
<b>Liabilities</b>		
Current liabilities	700,005	452,666
Accounts payable - trade	88,130	91,132
Short-term loans payable	205,359	45,319
Current portion of long-term loans payable	54,648	30,535
Current portion of bonds	49,996	—
Lease obligations	309	544
Accounts payable - other	16,970	12,868
Accrued expenses	9,643	9,559
Income taxes payable	20,595	21,844
Advances received	161,953	148,259
Deposits received	85,009	74,404
Provision for loss on order received	2,424	4,625
Asset retirement obligations	64	99
Other	4,900	13,473
Non-current liabilities	418,755	396,379
Bonds payable	159,975	209,962
Long-term loans payable	165,368	106,845
Lease obligations	552	1,099
Deferred tax liabilities	—	3,256
Provision for retirement benefits	83,247	63,946
Asset retirement obligations	634	530
Other	8,978	10,739
<b>Total liabilities</b>	<b>1,118,760</b>	<b>849,045</b>
<b>Net assets</b>		
Shareholders' equity	783,227	729,476
Capital stock	142,520	142,520
Capital surplus	139,300	139,300
Legal capital surplus	139,300	139,300
Retained earnings	501,408	447,656
Legal retained earnings	2,287	2,287
Other retained earnings	499,120	445,368
Reserve for special depreciation	64	98
Reserve for reduction entry	166	233
General reserve	288,000	288,000
Retained earnings brought forward	210,888	157,037
Treasury shares	(0)	(0)
Valuation and translation adjustments	39,407	24,798
Valuation difference on available-for-sale securities	39,519	32,007
Deferred gains or losses on hedges	(112)	(7,208)
<b>Total net assets</b>	<b>822,635</b>	<b>754,274</b>
<b>Total liabilities and net assets</b>	<b>1,941,395</b>	<b>1,603,320</b>

Note: Amounts less than one million yen are rounded down.

## Non-Consolidated Statements of Income

(Unit: ¥ million)

	29 <sup>th</sup> FY (2016/4/1-2017/3/31)	[Reference] 28 <sup>th</sup> FY (2015/4/1-2016/3/31)
Net sales	860,900	838,344
Cost of sales	648,939	646,890
Gross profit	211,961	191,454
Selling, general and administrative expenses	125,106	114,747
Operating income	86,854	76,706
Non-operating income	13,581	11,092
Interest income	1,340	1,780
Dividend income	7,856	5,406
Gain on sales of shares of subsidiaries and associates	1,454	81
Insurance income	930	2,092
Other	1,999	1,731
Non-operating expenses	5,977	8,918
Interest expenses	1,785	1,837
Interest on bonds	3,019	3,086
Foreign exchange losses	148	1,104
Loss on valuation of securities	26	1,137
Other	997	1,752
Ordinary income	94,459	78,880
Extraordinary income	15,093	15,237
Gain on sales of investment securities	15,093	15,237
Extraordinary losses	5,025	936
Loss on valuation of shares of subsidiaries and associates	2,642	—
Write downs of investments in other securities of subsidiaries and associates	1,124	—
Impairment loss of noncurrent assets	1,241	936
Loss on restructuring of subsidiaries and affiliates	17	—
Income before income taxes	104,527	93,182
Income taxes - current	34,395	29,206
Income taxes - deferred	(4,381)	(302)
Net income	74,513	64,279

Note: Amounts less than one million yen are rounded down.

Independent Audit's Report on Consolidated Financial Statements  
(English translation of the certified copy)

INDEPENDENT AUDIT'S REPORT

May 9, 2017

To: The Board of Directors  
NTT DATA CORPORATION

KPMG AZSA LLC  
Kensuke Sodekawa, C.P.A. (seal)  
Engagement Partner  
Yasuyuki Morimoto, C.P.A. (seal)  
Engagement Partner  
Hirotaka Nakata, C.P.A. (seal)  
Engagement Partner

We have audited, pursuant to Article 444 (4) of the Companies Act, the consolidated financial statements of NTT DATA CORPORATION, namely, the consolidated balance sheet, consolidated statement of income, consolidated statement of shareholders' equity, and notes to consolidated financial statements for the consolidated fiscal year from April 1, 2016 to March 31, 2017.

Management's responsibility with regards to the consolidated financial statements

The management is responsible for preparing and appropriately presenting consolidated financial statements in accordance with the corporate accounting standards that are generally accepted in Japan as being fair and reasonable. This responsibility includes establishing and operating internal control that the management deems necessary to ensure the consolidated financial statements are prepared and appropriately represented without any material misstatement caused by fraud or error.

Audit's responsibility

Our responsibility is to express our opinion on these consolidated financial statements based on our audits in an independent manner. We performed the audit according to the auditing standards that are generally accepted in Japan as being fair and reasonable. Those standards require that we formulate an auditing plan and perform the audit under the plan to obtain reasonable assurance that the consolidated financial statements are free of material misstatement.

In an audit, the audit procedures are performed to obtain audit evidence with respect to the amounts and disclosures in the consolidated financial statements. The procedures are selected and applied, according to our judgment, based on assessment of the risks of material misstatement in the consolidated financial statements caused by fraud or error. In assessing these risks, the audit reviews the internal control measures related to the preparation and appropriate presentation of the consolidated financial statements to develop proper audit procedures which meet the circumstances, but not to express an opinion on the effectiveness of the internal control. An audit also includes evaluating the accounting policies adopted and their application method used by the management, and the accounting estimates made by the management, as well as evaluating the overall presentation of consolidated financial statements.

We believe that we have obtained sufficient and acceptable audit evidence to express our opinion.

Audit opinion

In our opinion, the above consolidated financial statements present fairly, in all material respects, the assets, profit and loss during the period related to the said consolidated financial statements of the corporate group consisting of NTT DATA CORPORATION and its consolidated subsidiaries in conformity with corporate accounting standards that are generally accepted in Japan as being fair and reasonable

Conflicts of interest

There are no particular conflicts of interest between NTT DATA CORPORATION and KPMG AZSA LLC or its engagement partners that should be described in accordance with the provisions of the Certified Public Accountants Law.

END

**Independent Audit's Report**  
**on Non-Consolidated Financial statements and Supplementary Schedules**  
**(English translation of the certified copy)**

INDEPENDENT AUDIT'S REPORT

May 9, 2017

To: The Board of Directors  
NTT DATA CORPORATION

KPMG AZSA LLC  
Kensuke Sodekawa, C.P.A. (seal)  
Engagement Partner  
Yasuyuki Morimoto, C.P.A. (seal)  
Engagement Partner  
Hirotaaka Nakata, C.P.A. (seal)  
Engagement Partner

We have audited, pursuant to Article 436 (2) (i) of the Companies Act, the financial statements of NTT DATA CORPORATION, namely, the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of shareholders' equity and notes to non-consolidated financial statements, and supplementary schedules attached thereto for the 29<sup>th</sup> fiscal year from April 1, 2016 to March 31, 2017.

Management's responsibility with regards to the financial statements

The management is responsible for preparing and appropriately presenting financial statements and supplementary schedules in accordance with the corporate accounting standards that are generally accepted in Japan as being fair and reasonable. This responsibility includes establishing and operating internal control that the management deems necessary to ensure the consolidated financial statements are prepared and appropriately represented without any material misstatement caused by fraud or error.

Audit's responsibility

Our responsibility is to express our opinion on these financial statements and supplementary schedules based on our audits in an independent manner. We performed the audit according to the auditing standards that are generally accepted in Japan as being fair and reasonable. Those standards require that we formulate an auditing plan and perform the audit under the plan to obtain reasonable assurance that the financial statements and supplementary schedules are free of material misstatement.

In an audit, the audit procedures are performed to obtain audit evidence with respect to the amounts and disclosures in the financial statements and supplementary schedules. The procedures are selected and applied, according to our judgment, based on assessment of the risks of material misstatement in the financial statements and supplementary schedules caused by fraud or error. In assessing these risks, the audit reviews the internal control measures related to the preparation and appropriate presentation of the financial statements and supplementary schedules to develop proper audit procedures which meet the circumstances, but not to express an opinion on the effectiveness of the internal control. An audit also includes evaluating the accounting policies adopted and their application method used by the management, and the accounting estimates made by the management, as well as evaluating the overall presentation of financial statements and supplementary schedules.

We believe that we have obtained sufficient and acceptable audit evidence to express our opinion.

Audit opinion

In our opinion, the above financial statements and supplementary schedules present fairly, in all material respects, the assets, profit and loss during the period related to the said financial statements and supplementary schedules in conformity with corporate accounting standards that are generally accepted in Japan as being fair and reasonable

Conflicts of interest

There are no particular conflicts of interest between NTT DATA CORPORATION and KPMG AZSA LLC or its engagement partners that should be described in accordance with the provisions of the Certified Public Accountants Law.

END

## BOARD OF CORPORATE AUDITS' REPORT (English translation of the certified copy)

### AUDIT REPORT

With respect to the performance of duties by directors during the 29<sup>th</sup> fiscal year from April 1, 2016 to March 31, 2017, the Board of Corporate Audits has examined the reports from each corporate audit and prepared this Audit Report as follows:

1. Audits, audit methodology adopted by the Board of Corporate Audits and procedure

The Board of Corporate Audits determined auditing policies, received reports from each corporate audit on the progress and results of the audit, received reports from directors and the independent audit, and requested explanations when necessary. In accordance with the auditing policies determined by the Board of Corporate Audits, each corporate audit talked with directors and employees of the Internal Audit Department and other divisions, exerted his effort to collect information and to improve the audit environment, performed the audit on the following.

- (1) Each corporate audit attended the meetings of the Board of Directors and other important meetings, received reports from directors and employees on the performance of their duties, requested explanations when necessary, reviewed documents of important decisions, and investigated the business and financial conditions at the head office and principal branch offices. Further, As to the subsidiaries, the Board of Corporate Audits talked and exchanged information with directors and audits of the subsidiaries, and received business reports from the subsidiaries when necessary.
- (2) The Board of Corporate Audits have received regular reports about the details of the Board of Directors' resolution concerning the system to ensure that directors perform their duties in conformity with laws and regulations and the Articles of Incorporation and the system necessary to ensure that the Kabushiki Kaisha and the corporate group consisting of subsidiaries are operated appropriately ("Internal Control System"), and the situation of the Internal Control System established in accordance with such resolution from the directors and employees, and requested explanations when necessary and expressed an opinion about it.
- (3) The Board of Corporate Audits monitored and verified whether or not the independent audit maintained its independence and appropriately performed audits, received reports from the independent audit on the progress of its duties, and requested explanations when necessary.  
The Board of Corporate Audits also received a notice from the independent audit that the system to ensure that the independent audit's duties are appropriately performed has been established and requested explanations when necessary.

Based on the procedure described above, the Board of Corporate Audits examined the business reports and supplementary schedules attached thereto, the financial statements for the fiscal year (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of shareholders' equity, and non-consolidated notes to financial statements) and supplementary schedules attached thereto, and the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, statement of changes in consolidated shareholders' equity, and notes to consolidated financial statements).

2. Audit results

- (1) Audit results of the Business Report, etc.
  - (i) The Board of Corporate Audits finds that the Business Report and supplementary schedules attached thereto fairly present the situation of NTT DATA in accordance with the laws and the Articles of Incorporation.
  - (ii) The Board of Corporate Audits ascertains that there is no fraudulent act or fact of a materials breach of applicable laws or regulations or the Articles of Incorporation with respect to the performance of duties by directors.
  - (iii) The Board of Corporate Audits finds that the details of the resolution of the meeting of the Board of Directors concerning the Internal Control System are adequate. In addition, the Board of Corporate Audits ascertains that there is no matter that needs to be indicated with respect to the contents of business reports and the performance of duties by directors.
- (2) Audit results of financial statements, supplementary schedules and consolidated financial statements  
The Board of Corporate Audits finds that the audit methodology adopted by the independent audit, KPMG AZSA LLC and the audit results are adequate.

May 10, 2017

NTT DATA CORPORATION

Board of Corporate Audits

Standing Corporate Audit (Outside Audit)

Standing Corporate Audit (Outside Audit)

Standing Corporate Audit (Outside Audit)

Corporate Audit (Outside Audit)

Yukio Ishijima (Seal)

Tetsuro Yamaguchi (Seal)

Akio Nakamura (Seal)

Rieko Sato (Seal)

END