

Note;This document is in English translation of “Kessan Tanshin” for the final Quarter of the Fiscal Year Ending March 31, 2016 and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation of it, the Japanese version will govern.

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2016

May 10, 2016

Company name	: NTT DATA CORPORATION
Stock exchange on which the Company's shares are listed	: Tokyo Stock Exchange 1st Section
Code number	: 9613
URL	: <a href="http://www.nttdata.com/">http://www.nttdata.com/</a>
Contacts Company representative	: Toshio Iwamoto, President and Chief Executive Officer
Person in charge	: Keisuke Kusakabe, Senior Executive Manager, Investor Relations and Finance Office Tel.: (03)5546-9962
Scheduled date of the ordinary general meeting of shareholders	: June 22, 2016
Scheduled date of dividend payment	: June 23, 2016
Scheduled date of filing securities report	: June 23, 2016
Supplemental material on annual results	: Yes
Presentation on annual results	: Yes (for institutional investors and financial analysts)

(Amounts are rounded off to the nearest 1 million yen)

### 1. Consolidated Financial Results for FY2015 (From April 1, 2015 to March 31, 2016)

#### (1) Consolidated Results of Operations

(% of change from the corresponding the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
<b>FY2015</b>	1,614,897	6.8	100,885	20.1	98,158	26.0	63,373	97.1
<b>FY2014</b>	1,511,812	12.5	84,013	34.2	77,909	25.4	32,144	38.0

Note: Comprehensive income: FY2015 -12,676million yen (-%) FY2014 107,151million yen (96.2%)

	Net income per share	Net income per share (diluted)	ROE (Ratio of Net income to Shareholders' Equity)	ROA (Ratio of Ordinary income to Total assets)	Operating income margin (Ratio of Operating income to Net sales)
	¥	¥	%	%	%
<b>FY2015</b>	225.93	—	8.4	5.3	6.2
<b>FY2014</b>	114.60	—	4.4	4.4	5.6

Note: Equity in net income (losses) of affiliates: FY2015 232million yen FY2014 86million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
<b>FY2015</b>	1,860,319	773,670	39.8	2,641.39
<b>FY2014</b>	1,822,837	806,205	42.4	2,757.55

Note: Equity: FY2015 740,908million yen FY2014 773,493million yen

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
<b>FY2015</b>	232,751	(188,730)	(58,179)	233,553
<b>FY2014</b>	183,880	(157,137)	17,296	250,843

## 2. Dividends

	Cash dividends per share					Total amount of cash dividends for the year	Dividends payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
<b>FY2014</b>	—	30.00	—	30.00	60.00	16,829	52.4	2.3
<b>FY2015</b>	—	30.00	—	40.00	70.00	19,634	31.0	2.6
<b>FY2016</b> (Forecasts)	—	35.00	—	35.00	70.00		33.9	

## 3. Forecasts of Consolidated Results for FY2016 (From April 1, 2016 to March 31, 2017)

(% of change from the corresponding the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2016	1,650,000	2.2	105,000	4.1	99,000	0.9	58,000	-8.5	206.77

\* Notes:

(1) Changes in significant subsidiaries during the current period: Yes

(Changes in specified subsidiaries resulting in the change in consolidation scope)

Exclusion One company  
Name of the company Carlisle & Gallagher Consulting Group, Inc.

(2) Changes in accounting policies, changes in accounting estimates and restatements

- 1) Changes in accounting policies due to revisions of accounting standards etc : Yes  
2) Changes in accounting policies other than 1) : No  
3) Changes in accounting estimates : No  
4) Restatements : No

(3) Number of shares outstanding (common stock)

- 1) Number of shares outstanding FY2015 280,500,000shares FY2014 280,500,000shares  
(inclusive of treasury stock)  
2) Number of treasury stock FY2015 99shares FY2014 99shares  
3) Average number of shares over period FY2015 280,499,901shares FY2014 280,499,996shares

(Reference) Summary of non-consolidated financial results

(Amounts are rounded off to the nearest 1 million yen)

**1. Non-Consolidated Financial Results for FY2015 (From April 1, 2015 to March 31, 2016)**

(1) Non-Consolidated Results of Operations

(% of change from the corresponding the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
<b>FY2015</b>	838,344	4.9	76,706	20.8	78,880	17.8	64,279	53.9
<b>FY2014</b>	799,377	2.1	63,478	32.9	66,976	21.0	41,775	24.2

	Net income per share	Net income per share (diluted)
	¥	¥
<b>FY2015</b>	229.16	—
<b>FY2014</b>	148.93	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
<b>FY2015</b>	1,603,320	754,274	47.0	2,689.04
<b>FY2014</b>	1,557,096	727,935	46.7	2,595.14

(Reference) Equity : FY2015 754,274million yen FY2014 727,935million yen

\* Indication of review procedure implementation status

This earnings report is exempt from review procedure based upon the Financial Instruments and Exchange Act. It is under the review procedure process at the time of disclosure of this report.

\* Explanations relating to the appropriate use of results forecasts, and other noteworthy items

1. The results forecasts contained in this document are based on certain premises derived from information available to the NTT DATA Group at this time. As a result of various factors that may arise in the future, actual results may differ from the Group's forecasts. For details please refer to "[2] Forecast for the Next Fiscal Year (Ending March 31, 2017)" in "(1) Business Results" of "1. Business Results" section on page 13.
2. Supplemental material on financial results for FY2015 will be uploaded on TDnet today, and will also be uploaded on our homepage. Presentation on financial results for FY2015 will be held today. This report will be uploaded on our homepage soon.
3. The names of NTT DATA's products and services referred to on this report (including the attachment) are trademarks or registered trademarks of NTT DATA in Japan and other countries. The names of other companies, products, services, etc, are the trade names, trademarks, or registered trademarks of the companies concerned.

## Attachment

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## **1. Business Results**

### (1) Business Results

#### [1] Conditions during the Period

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

The Japanese economy continued to be on track for moderate recovery; there was a continuous improvement in corporate profitability as well as an increasing trend in capital investment. It is important to keep in mind that the sluggishness in overseas economies represents a major factor that could serve to weaken the Japanese economy, but its economy is expected to maintain this moderate recovery.

In the Japanese information services industry, the market has shown signs of moderate recovery owing to the promotion of IT investment in response to various system renewal projects that had previously been suspended, as well as to the preparations for international expansion by financial institutions and the manufacturing sector. Nonetheless, the needs to subdue system maintenance and management costs as well as to survive the severe price competition remain.

A gradual improvement in the international economy has been noted, although weakness in some overseas economies has been observed. Furthermore, with regard to the future economic trends, the impact of fluctuations in the financial capital market and the collapse in oil prices, normalization of US monetary policy, future economic trends in China and other emerging Asian countries, and geopolitical risks must be kept in mind, but the economy is expected to maintain this moderate recovery in the future.

In the international information service industry, there has been an increase in IT investment in the American market. Furthermore, in the European market, the IT markets in Germany, the UK and Spain are growing, and Italy is partially showing signs of bottoming out. As for China, the demand for investment in the IT industry has remained stable. However, the market growth rate is expected to slow down slightly in response to the real economy.

#### Implementation of management policies

Under such circumstances, the NTT DATA Group formulated the Medium-term Management Plan for the fiscal Years 2012 to 2015, with the aim of “becoming a Global Top 5 player (over 1.5 trillion yen in net sales)” and “achieving an EPS of 200 yen” by evolving into a corporate group that can efficiently provide diverse IT services worldwide. In line with this plan, we worked on the plan's primary strategies, namely “Expansion of New Fields and Reinforcement of Product Competitiveness”, “Expansion, Enhancement and Reinforcement of Global Business” and “Pursuit of Overall Optimization”. Examples of specific action taken are as follows.

#### • “Expansion of New Business Fields and Reinforcement of Product Competitiveness”

In order to increase net sales whose growth rate exceeded the market growth rate by capturing opportunities to enter the market resulting from recent years' changes in the business environment and ICT, and also promoted remarketing by creating an unprecedented market while predicting clients' needs in advance by making the best use of the latest technology. For examples of specific action taken during the current consolidated fiscal year under review, please see “Status of business activities and performance of each segment” on page 3.

Through the complete automation in development operation, we promoted innovation of product technology to achieve sophistication and speed in product development, as well as strategic R&D by

assessing important future technology in light of the direction of the information society. For examples of specific action taken during the current consolidated fiscal year under review, please see “Progress of Technical Development” on page 9.

• “Expansion, Enhancement, and Reinforcement of Global Business”

We implemented the expansion, enhancement and reinforcement of businesses in each region by taking advantage of synergy within the NTT DATA Group and between the NTT Group to reinforce its sales capability and the capability to provide services. In addition, the NTT DATA Group supported clients’ entries into the global market by utilizing its regional bases. For examples of specific action taken during the current consolidated fiscal year under review, please see “Global Segment” under the “Status of business activities and performance of each segment”

• “Pursuit of Overall Optimization”

Promotion of reduction of administration costs related the entire group through steady efforts such as the standardization, optimization, and consolidation of business, the reorganization and integration of the company, and the fluidization and optimum arrangement of resources with a focus on the cost required for administrative operation.

In anticipation of drastic changes in the domestic market and the development of IT technologies, in order to meet the diversification of the needs of our clients and society, we need to work in closer cooperation among Sectors and make decisions more quickly than ever. This pushed us to transition to a new structure (abolition of the company system and reorganization of Sectors) on July 1 to increase the flexibility of our organizations. Sectors can make decisions on their level regarding business execution in this new structure. To be more precise, we have reorganized our sectors into the Public & Social Infrastructure Segment, Financial Segment, Enterprise & Solutions Segment and Global Segment, in order to discuss strategies and to create new business across the sectors. We have also created the Technology and Innovation General Headquarters to prepare for expansion of global business and rapid evolution of information technology. By doing this, we aim to improve the productivity of the group as a whole, and to strengthen our competitiveness in the global environment.

Through the abovementioned action, we accomplished the goals of “over 1.5 trillion yen in net sales” and “achieving an EPS of 200 yen” in this consolidated fiscal year under review.

Meanwhile, with regard to our high-priority issues for the management—the restraint on unprofitable businesses and the improvement in the profitability of overseas business, the results fell short of our goals although we tightened the control of unprofitable businesses through the Project Review Committee and worked to improve the profitability of overseas businesses. We acknowledge that these issues will continue to be our important management issues.

Status of business activities and performance of each segment

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.

< Public & Social Infrastructure Segment >

We aimed to grow our business through the following methods: creating new businesses by taking the opportunity of the national IT strategy promotion including the central ministries and agencies and local governments and by taking the opportunity of the overseas businesses that utilize our group's results and know-how obtained in the domestic business; and responding to the market change triggered by the change in the utility industry system (the power system reform).

- We made sure of receiving renewal business orders from our existing clients, including: (1) Platform development of the operational application and hardware of the system used by the Japan Patent Office (JPO) and renewal of the administrative operations of the JPO; (2) Design development and operations of the next generation MOTAS and its hardware for the vehicle registration inspection operations of the Ministry of Land, Infrastructure, Transport and Tourism; (3) Design, development, and lease of the hardware etc. and maintenance relating to the fourth Japanese Customs Intelligence Database System (the Fourth CIS) of the Ministry of Finance; (4) Design etc. involved in the update of hardware such as accounting systems used by government agencies, and operations relating to the addition of functions and lease of hardware etc. of accounting systems and other related systems used by government agencies ; and (5) Lease of the equipment for the national tax electronic declaration and tax payment system (e-Tax) to the National Tax Agency.
- We started providing “ANYSENSE,” an IoT <sup>(Note1)</sup> platform that allows reduction in the development costs and quicker adoption of an IoT system than the conventional system. METAWATER Co., Ltd. has become the first user to adopt this platform for its monitoring services targeted at water and sewerage suppliers. Centered on “ANYSENSE,” we are providing the social infrastructure industry with our accumulated know-how to develop monitoring applications, and IoT total solutions including the latest technology to analyze big data. In the future, we will provide “ANYSENSE®” to the utility industry and private manufacturers.
- The AW3D Global Digital 3D Map Distribution Service <sup>(Note 2)</sup>, provided by NTT DATA and the Remote Sensing Technology Center of Japan (RESTEC), won the Prime Minister's Award in the Second Space Development and Application Award. This Service uses the land-area observation technology satellite of the Japan Aerospace Exploration Agency (JAXA), boasting the 3D mapping technology with the world's finest precision, the massive product lineup, and the extensive domestic and international support system. It is currently being provided in 60 countries worldwide. As a result, we have been highly evaluated for our support—the acceleration of the trend toward sophisticated and efficient social infrastructures including those of industries and administration around the globe—as the contribution to the spread and promotion of this Japanese space development and application. Aiming to expand our business as a whole, we will continue to work on the creation of overseas businesses in the new business field.

The following is a breakdown of business results for the period by business segment.

The net sales were 420.8 billion yen (2.9% increase compared to the previous year) due to the growth of business scale mainly for the utility industry, despite a reduction in the existing business for the national government and telecom industries. The operating income was 33.4 billion yen (17.3% decrease compared to

the previous year) mainly due to downsizing of existing large-scale projects as well as the occurrence of unprofitable projects, etc. despite the impact of sales increase.

< Financial Segment >

We aimed to grow our business through the following methods against the backdrop of the changes in our clients' business environment: responding to demand for the 24-hour/365-day payment and settlement service provided by financial institutions; expanding the major banks' IT investment opportunities by exploiting deregulation and their global business expansion; and responding to local banks' increasing needs for collaborated system operations.

- The renovation project of the Bank of Japan Financial Network System (BOJ-NET), which is operated by the Bank of Japan (BOJ) and participated in by NTT DATA, has been completed for the first time in 27 years. The BOJ has already begun its full operation.
- We and NTT DATA Myanmar Co., Ltd., our subsidiary in Myanmar, participated in the ICT system improvement project of the Central Bank of Myanmar run by the Japan International Cooperation Agency (JICA) as a free-aid cooperation program. In this project, we contributed to the commencement of operations of the government bond and fund settlement system, which is connected by 38 commercial banks including foreign banks operating in the country. For the system development, the software production technology on which NTT DATA had been working, including the automatic creation technology of program sources, was adopted for the entire project. The adoption of this technology allowed the provision of a high-quality system in a short delivery period. Our execution of this project paved the way for our mission-critical <sup>(Note 3)</sup> system development in Myanmar. In future, we aim to expand our IT infrastructure improvement business in Myanmar and other countries by utilizing our track record and know-how obtained from this project.
- We started the Digital Corporate Accelerate Program, which supports general corporations' efforts to create new business in collaboration with venture companies. Implementation of this Program began with the first user, Mizuho Bank, Ltd., which aims to create new business through the use of Fintech <sup>(Note 4)</sup>. In addition, we decided to provide the Application Programming Interface (API) <sup>(Note 5)</sup> sharing service, which connects Fintech services such as household account apps to "AnserParaSOL," the multi-user internet-banking service for individual users that is provided by NTT DATA to financial institutions. (The provision of this service began in April 2016.) This service enables Fintech service providers to improve security, achieve a reduction in maintenance costs, and reduce the burden on individual system development caused by trying to conform to each financial institution's specification. It also allows financial institutions to provide users with services with increased safety and convenience. The NTT DATA Group will continue to promote the Fintech-related business.

The following is a breakdown of business results for the period by business segment.

The net sales were 523.6 billion yen (5.5% increase compared to the previous year) due to reflecting the expansion of new and existing businesses for banks. The operating income was 31.9 billion yen (55.7% increase compared to the previous year) mainly due to reflecting the impact of increased sales and a reduction of unprofitable projects, etc.



< Enterprise & Solutions Segment >

We aimed to expand our business by providing advanced solutions that meet the various needs of our enterprise-field clients in their “aggressive IT” businesses, including the promotion of omni-channels in the distribution and service industries and the initiative in the IoE or IoT <sup>(Note 1)</sup> field in the manufacturing industry.

- In response to omni-channelization by the Seven & i Group, which is aligning sales channels such as actual stores and EC sites beyond the barriers among convenience stores, supermarkets and department stores, we played a central role as a member of “Team IT,” a team of leading vendors from various technical fields. We worked on the creation of a cross-sectoral EC site of the Group, “omni7,” from the planning stage and contributed to the grand opening of the site in November 2015 by supporting the entire process from the upstream stage of conception to designing of operations to execution of the system and by cooperating with a great number of parties concerned including other vendors.
- With an eye to the diversification in payment and settlement methods and an increase in the number of inbound tourists, we started providing “CAFIS Arch,” a cloud-based comprehensive payment and settlement platform. This platform performs various functions, such as issuing duty-free forms to inbound tourists and parking tickets, and also functions as a credit card (including China UnionPay and Shinhan), debit card and electronic money. This platform features high expandability, which is shown in the case where the member stores can use necessary services only with one terminal unit thanks to integrated control of various functions at the CAFIS Arch Center. Using this platform, we are aiming to develop new businesses in various settings.

The following is a breakdown of business results for the period by business segment.

The net sales were 391.8 billion yen (7.0% increase compared to the previous year) mainly due to the expansion of business for retail, logistics, and manufacturing industries. The operating income was 32.6 billion yen (32.7% increase compared to the previous year) mainly due to reflecting the growth of sales, etc.

< Global Segment >

In the global field, we worked on business expansion by M&A, in addition to the enhancement of our competitiveness in each region. We also strived to enhance our profitability in synergy with our global resources and the advantages obtained both at home and abroad.

We intended to strengthen our competitiveness and expand our business not only by organic growth in each region, but also by obtaining business infrastructures and new knowledge through the mergers and acquisitions (M&A) in North America, which is the world’s largest IT service market and is expected to continue to grow vigorously. At the same time, we aimed at enhancing our profitability in synergy with our global resources and our advantages obtained both at home and abroad.

- We agreed with Dell Inc. through NTT DATA International L.L.C., our U.S. subsidiary, that NTT DATA will acquire the Dell Services Division, which engages in the IT service business mainly in North America. The Dell Services Division has a strong business base with their major clients including healthcare, manufacturing and service industries as well as financial institutions and the Federal Government. In particular, the Division has gained a reputation for its industry-specific digital solutions with the healthcare business and 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.

- We and the everis Group, our Spanish subsidiary, received an order from “Patrimonio Nacional,” an organization that manages the assets of the Spanish royal family. This order is about establishing a digital archive system covering valuable books and magazines as well as relevant contents that have been individually stored and managed by multiple institutions including the Royal Library of Spain. The everis Group, which is mainly based in Europe with the focus on Spain and also covers Latin America, boasts extensive achievements in numerous solutions including document management. On the other hand, NTT DATA, which has participated in the projects of Japanese libraries and the Vatican Apostolic Library, has its own long accumulated know-how that utilizes its own solution, “Advanced Museum Library Archives Deposit (AMLAD) <sup>(Note 6)</sup>” in the digital archive business. The synergy of these achievements and know-how of both companies resulted in receiving this order. Taking this opportunity, we will continue to further promote our global business expansion in the future as the whole group.

The following is a breakdown of business results for the period by business segment.

The net sales were 519.6 billion yen (11.9% increase compared to the previous year) due to reflecting the expanded sales in Europe and the consolidation of a new subsidiary in North America.

The operating income was 0.8 billion yen (no comparison with the previous year) due to reflecting the growth of sales, etc.

Notes:

1. IoT (Internet of Things) / IoE (Internet of Everything)

IoT is what is generally called “the Internet of Things.” Just in the same way as people exchange information and do activities on the Internet, “things” connected via the Internet also share information, provide beneficial information, and even move without anyone’s help. The Internet of Everything (IoE) is a more developed concept than IoT, meaning that not only things but also people, data and any other objects are all connected to the Internet.

2. 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. We also began the service providing more precise versions by using commercial satellite images. This service has allowed users to get more precise 3D mapping data at a lower cost and in a shorter period than conventional technologies including aerial photographs. Therefore, the use of this service is spreading to wide-ranging areas in emerging countries particularly in Asia and Africa, in various fields including map creation, disaster prevention, power generation plans in the power sector, mining-field inspections in the resource sector, preventive measures against the expansion of infectious diseases in the hygiene sector and the urban and facility planning.

3. Mission critical

This refers to the situation where no interruption is acceptable caused by any failure or error in systems vital to the execution of business and provision of services.

4. Fintech

A coined term that combined finance and technology and refers to IT-based services in the financial field.

5. Application Programming Interface (API)

This refers to an agreement that stipulates the procedures and data formats needed to externally access and use the

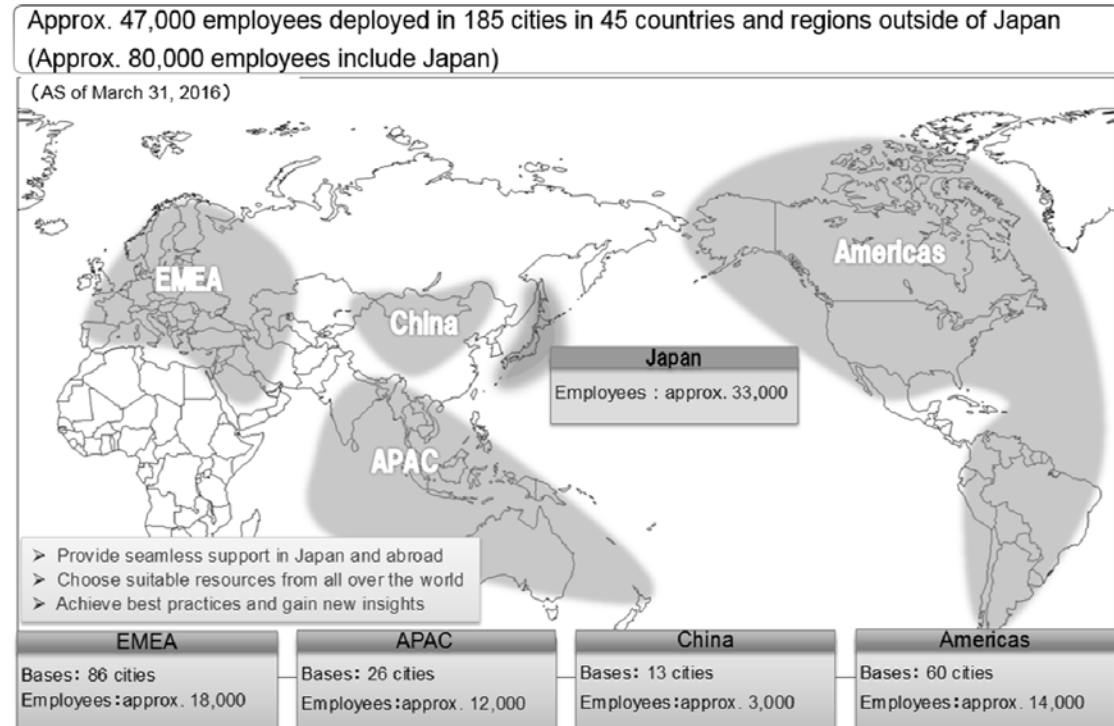
data and functions managed in another system.

6. Advanced Museum Library Archives Deposit (AMLAD)

This refers to a solution or a digital archive system owned by NTT DATA that allows easy browsing and searching on devices, such as PCs, tablets and smartphones, of the digital content, such as images, movies, and sounds and voices owned by museums, libraries, archives (various MLA institutions) and companies.

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

The expansion of our global base will enhance the ability of clients to address globalization.



## Progress of technical development

One of our major businesses, the system integration (SI) business, has been rallying thanks to a slow but steady improvement in the Japanese economy. However, the SI business is still subject to a fiercely competitive environment. To survive such an environment, we are now focusing on research and development of the “Software Engineering” including the speeding-up and enhancement in the quality of system development. We are also putting our energies into the research and development of the “IT Platform Technology” and the “Advanced Technology” to suggest attractive systems to our clients and provide them with the systems that utilize cutting-edge technology.

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 12,410 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.

### < Software Engineering >

NTT DATA has worked to achieve high-speed and high-quality development by automating software development. This initiative has contributed to our competitive edge. However, our competitors have also been working on their own automation technologies for software development. Under this situation, further sophistication of automation technology and improvement in the adoption rate of such technology to our internal development project has become even more important in the competition.

In addition, the need for reforms of the legacy system (Legacy Modernization) is expected to grow as a new technological factor in the IT industry. The reform of a system that has been repeatedly repaired to add functions since its development a long time ago can be extremely difficult, which confuses even clients about the overall image of the system specifications. As current systems become obsolete, this kind of business is expected to grow. Therefore, we need to establish a methodology to ensure Legacy Modernization is carried out in a safe and secure way.

#### (Major case example)

- We engaged in activity to promote automation technology for software development under the policy of adopting automation technology in all possible businesses as a general rule. The adoption rate of 70% was achieved throughout this fiscal year as a result of our following efforts: improving the precision in the adoption conditions definition book used to select the business to which the automation technology needs to be adopted; and working on the activity to promote the technology after the business was selected. In addition, we renovated the development platform for our open-type systems (the Application Framework) and released “TERASOLUNA Server Framework for Java 5.” Our adoption of the Spring Framework, which is widely used around the globe, made our pursuit of cutting-edge technology and securing of program developers globally easier.

### < IT Platform Technology >

It is becoming increasingly important more than ever before to establish the infrastructures and to own the management technology that can achieve the high standards of flexibility, availability and short-period setting desired by our clients toward IT systems. NTT DATA has been working on the standardization of IT platforms that can cover various vendors’ cloud platform provision services. In the future, it will be

necessary to establish the technology that can provide sophisticatedly-combined infrastructures with various IT platform technologies on demand in a secure way.

In addition, we have released externally our knowledge about the establishment of the large-scale distributed processing platform including Apache Hadoop. We consider it necessary to adopt such knowledge to social infrastructures to contribute to the achievement of the “IoT,” where various items are to be connected to IT systems, or “digital society”.

(Major case example)

- An NTT DATA’s employee assumed the post of “Member of the Project Management Committee,” one of the major program developers whose responsibilities include community operation, for the first time as an employee of Japanese companies. This committee was established in the areas of Apache Hadoop, an open-source software for the high-speed parallel distributed processing of a large amount of data, and Apache Spark, a related product. NTT DATA ranks fourth in terms of the amount of contribution to the above-mentioned community, and feeds back to the community the knowledge acquired through the actual operation. Utilizing the results obtained through these activities, we started to provide “Solutions to the Creation and Operation of Apache Spark”.

< Advanced Technology >

As one of the methods for determining mid- to long-term research themes to be studied, NTT DATA is working on the following initiative: firstly, grasp prospective changes from various points of views; then, draw the “Information Society Trend” and the “Technology Trend” in the near future; and finally, formulate and make them public as the NTT DATA Technology Foresight <sup>(Note 1)</sup>. To continuously suggest attractive systems to our clients and offer them the systems, it is essential for us to focus on the development of the advanced technology needed for our future society by using the trend information laid out in the NTT DATA Technology Foresight as our guideline. In the consolidated fiscal year under review, we have decided to focus on the initiative for Artificial Intelligence (AI) technology including communication robots, which has been increasing in importance and attracting growing attention in technology trends, and therefore created a unit dedicated to AI technology.

NTT DATA Technology Foresight releases information through external lectures and private seminars to our clients for the wide use of our information. Through these activities, we are promoting our technology and advances, as well as enhancing our corporate brand and clients’ loyalty. In FY2015, the activity of the “Joint-creation Workshop,” which aims to create new business ideas with our clients by utilizing NTT DATA Technology Foresight, became amazingly active. Thanks to the above-mentioned activities, we are now receiving orders for new businesses.

(Major case example)

- As an initiative aiming to achieve the “performance of client services” by communication robots, we firstly developed a cloud robotics platform <sup>(Note 2)</sup> that integrates the voice-interaction technology and the technology to work together with a sensor device that can automatically sense visitors coming. Then, with this platform, we conducted the following verification tests: a questionnaire survey on the visitors to the National Museum of Emerging Science and Innovation; and a joint examination of the “support for client services” at Toyosu branch (Seven Days Plaza Toyosu), one of the strategic branches of Resona Bank, Limited. We are aiming to commercialize the client services performed by the communication robots in FY2016. To realize this objective, we need to accumulate the know-how of

utilizing these robots through verification tests and to extend the range of operations supporting client services so that it will include, for example, the “client guidance” and “financial services promotion .”

Notes:









1. 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 updated every year.

2. Cloud robotics platform

A system that activates functions necessary for a robot, such as voice recognition and dialogue control, on the cloud.

The technological trends in “NTT DATA Technology Foresight 2016”

	<p><b>Immersive Interaction</b></p> <p>The use of a computer enables us to perceive and process more information than usual. This technology extends the range of our activities.</p>		<p><b>Ambient Commerce</b></p> <p>Development in the context-analysis technology smooths out the commercial process for customers, from finding and purchasing products to receiving them.</p>
	<p><b>Precision Life Science</b></p> <p>Data analysis of generally and sophisticatedly accumulated health-data, including those of DNA analysis, opens up a way for personalized medical service and health promotion.</p>		<p><b>Distributed Mesh Computing</b></p> <p>The development of IoT and the rise of block chains will bring about rebalancing of the concentration and dispersion of system architecture.</p>
	<p><b>Symbiosis with Artificial Intelligence</b></p> <p>Once machinery becomes able to understand the concept of time and tacit knowledge, the range of machinery’s activities will widen. In addition, the role of machinery will change considerably.</p>		<p><b>Cyber-Physical Security</b></p> <p>A sharp increase in the number of devices connected with the Internet will cause the threat to spread not only within the cyber world but also into the physical world.</p>
	<p><b>Autonomous Mobility</b></p> <p>The coordination between vehicles and devices will be accelerated. Centered on connected vehicles, the entire city will develop as a fluid system.</p>		<p><b>Engineering Innovation</b></p> <p>Adoption of digital technology will be accelerated to the manufacturing sector. The design method will become a key to innovation.</p>

As a result of these activities, business performance during the period under review was as follows.

• New Orders Received	1,662.6 billion yen	(up 16.3% year-on-year)
• Net Sales	1,614.8 billion yen	(up 6.8% year-on-year)
• Operating Income	100.8 billion yen	(up 20.1% year-on-year)
• Ordinary Income	98.1 billion yen	(up 26.0% year-on-year)
• Income before Income Taxes	107.7 billion yen	(up 45.7% year-on-year)
• Net Income	63.3 billion yen	(up 97.1% year-on-year)

< Year-on-Year Changes by Business Segment >

(Unit: billion yen)

Description		FY2014		FY2015		Change (%)
			Share (%)		Share (%)	
Net Sales	Public & Social Infrastructure Segment	408.7	22.7	420.8	21.8	2.9
	Financial Segment	496.2	27.5	523.6	27.1	5.5
	Enterprise & Solutions Segment	366.1	20.3	391.8	20.3	7.0
	Global Segment	464.5	25.7	519.6	26.9	11.9
	Others	68.8	3.8	76.2	3.9	10.8
	Adjustments	(292.6)	—	(317.2)	—	8.4
Total		1,511.8	—	1,614.8	—	6.8
Operating Income	Public & Social Infrastructure Segment	40.4	47.4	33.4	32.0	(17.3)
	Financial Segment	20.5	24.1	31.9	30.6	55.7
	Enterprise & Solutions Segment	24.6	28.8	32.6	31.2	32.7
	Global Segment	(2.7)	(3.2)	0.8	0.8	—
	Others	2.5	2.9	5.6	5.4	123.9
	Adjustments	(1.3)	—	(3.6)	—	172.6
Total		84.0	—	100.8	—	20.1

[2] Forecast for the Next Fiscal Year (Ending March 31, 2017)

As corporate investment for information technology is increasing, particularly in the global market, we expect more revenue than this term with 1,650.0 billion yen of net sales mainly due to the overseas subsidiaries' increased revenues.

The operating income is expected to be 105.0 billion yen, an increase compared to this term, due to suppression of unprofitable projects, increased income by increased revenue and improved profitability of overseas subsidiaries.

The situation by segment is as follows.

#### < Public & Social Infrastructure Segment >

We aim to expand our business by creating business utilizing "My Number" (the Social Security and Tax Number), and new business concerning IoT, by creating overseas projects utilizing our performances/know-how gained in our group's domestic business, and by preparing for the market changes according to the system changes in the utility industry (the electronic power/gas system reformation).

The net sales <sup>(Note 1)</sup> are expected to be 426.0 billion yen (354.0 billion yen sales to outside clients), which is a 5.1-billion-yen increase compared to this term; the operating income is expected to be 38.0 billion yen, which is a 4.5-billion-yen increase compared to this term.

#### < Financial Segment >

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

The net sales are expected to be 520.0 billion yen (466.0 billion yen sales to outside clients), which is a 3.6-billion-yen decrease compared to this term; the operating income is expected to be 38.0 billion yen, which is a 6.0-billion-yen increase compared to this term.

#### < Enterprise & Solutions Segment >

Some retailers, distributors, service providers and manufacturers are actively promoting IT investment to respond to changes in value chains digitization will trigger and to enhance global development. To meet their needs, we will strengthen our advantages in the Enterprise & Solutions Segment. We also aim to grow to be a business partner, not an IT partner, by using our "Total Services" as the synergy of our advantages in the segment.

The net sales are expected to be 406.0 billion yen (290.0 billion yen sales to outside clients), which is a 14.1-billion-yen increase compared to this term; the operating income is expected to be 32.0 billion yen, which is a 0.6-billion-yen decrease compared to this term.

#### < Global Segment >

For the Global 2nd Stage, we continuously aim to strengthen our presence in each area and each business area by expanding business and enforcing our competitiveness by the existing business growth and M&A, to create the source of further competitiveness by globally cooperating with the group companies and integrating strengths and resources of each company, and to strengthen our profitability.

The net sales are expected to be 549.0 billion yen (534.0 billion yen sales to outside clients), which is 29.3 billion yen sales increase compared to this term; the operating income is expected to be 2.0 billion yen,



which is a 1.1-billion-yen increase compared to this term.

Moreover, capital investment in the next term is expected to reach 150.0 billion yen, representing a increase of 15.9 billion yen in comparison with the current term.

NTT DATA manages its business performance on an annual basis only, and therefore no results forecast for the period to the end of the second quarter have been included in this report.

#### Results Forecast for the Next Fiscal Year

(Unit: billion yen)

Description	Net Sales	Operating Income	Ordinary Income	Net Income
FY2016	1,650.0	105.0	99.0	58.0
FY2015	1,614.8	100.8	98.1	63.3
Change (%)	2.2 %	4.1 %	0.9 %	-8.5 %

- Notes:
1. Net sales include intersegment sales.
  2. The effects on income and expenditure by consolidating new subsidiaries and integration cost due to the major oversea acquisition (announced on March 28, 2016) are not included in the financial outlook.
  3. This material contains descriptions of future plans and strategies and of forecasts and projections relating to business performance. These descriptions reflect certain assumptions derived from judgments based on information currently available to the NTT DATA Group.  
The material also incorporates an unquantifiable degree of risk and uncertainty relating to factors such as economic trends, the fierce competition within the information service industry, market demand, and the tax and other systems. In view of this, excessive reliance should not be placed on these results or forecasts, and it should be noted that actual results may differ from the NTT DATA Group's forecasts.

## (2) Financial Condition

The assets at the end of this term is 1860.3 billion yen with an increase of 37.4 billion yen compared to the end of the previous term due to the business expansion, increase in new consolidation of subsidiaries and creating free cash flow. The liabilities is 1086.6 billion yen with an increase of 70.0 billion yen compared to the end of the previous term because the retirement benefit liability increased due to the actuarial decrease of the discount rate for retirement benefit, although interest-bearing liabilities were cut, funded by the free cash flow. The interest-bearing liabilities decreased 39.9 billion yen from the end of the previous term to 407.0 billion yen due to redemption of debenture funded by the said free cash flow. The net assets decreased 32.5 billion yen from the end of the previous term to 773.6 billion yen due to the said decrease of the cumulative adjustments for retirement benefit as well as the decrease of the adjustment account for exchange conversion, etc., although there is built-up profit.

As a result, the Debt/Equity ratio has changed from 0.58 as of the end of the previous term to 0.55. The interest-bearing liabilities used in the calculation of the debt-equity ratio are the loans payable, corporate bonds and lease obligations in the liabilities recorded in the consolidated balance sheet.

The cash flow from this term's operation is revenue of 232.7 billion yen (48.8-billion-yen increase compared to the previous term) due to the net income before income taxes of 107.7 billion yen, (the income of 147.9 billion yen of the depreciation cost, non-cash expenditure, and corporate tax payment of 31.8 billion yen.

The free cash flow of this term had a surplus of 44.0 billion yen (17.2-billion-yen increase compared to the previous year), with the investment payment of 188.7 billion yen (31.5-billion-yen increase compared to the previous term) such as the facility investment of 125.3 billion yen, and the acquisition of the subsidiary's stocks (Carlisle & Gallagher Consulting Group, Inc., etc.) of 28.3 billion yen.

Funded mainly by the said free cash flow, the interest-bearing liabilities of 40.4 billion yen were discharged and the dividends of 16.8 billion yen were paid.

The NTT DATA Group's cash flow indicators are summarized as follows.

Indicator	FY2014	FY2015
Debt Equity Ratio (Times)	0.58	0.55

Notes: Debt Equity Ratio: Interest-bearing debt / Shareholders' equity (Total net assets - Non-controlling interests)

## (3) Basic Policy on Distribution of Profits

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

With regards to dividends, we intend to pay a stable dividend based on a comprehensive assessment of a 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 consolidated operating results and financial position.

The distribution of profit for the period is as follows. We paid an interim dividend of 30 yen per share and will pay a year-end dividend of 40 yen per share; thus the total annual dividends to be paid are 70 yen.

Moreover, with regard to the payment of dividends for the next term, upon comprehensive consideration of all factors including the company's consolidated performance, its financial condition, and the stability of dividends, the annual dividend per share is expected to total 70 yen.

#### (4) Business Risks

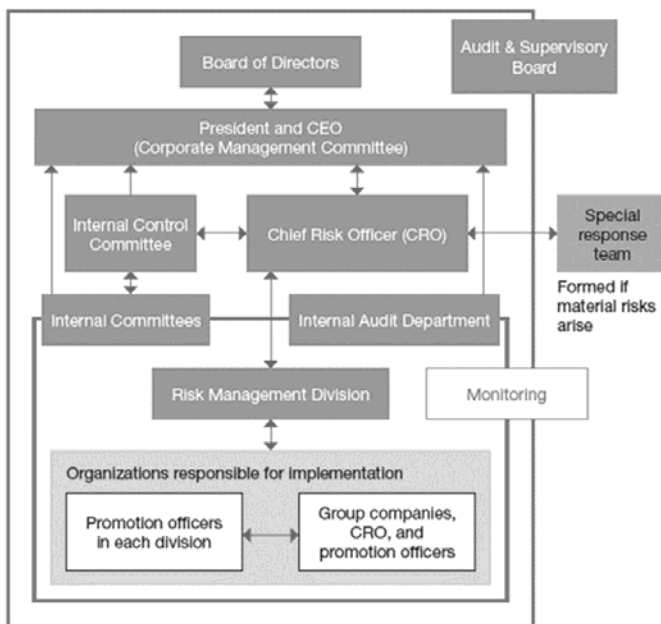
##### ■ Policy

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

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

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

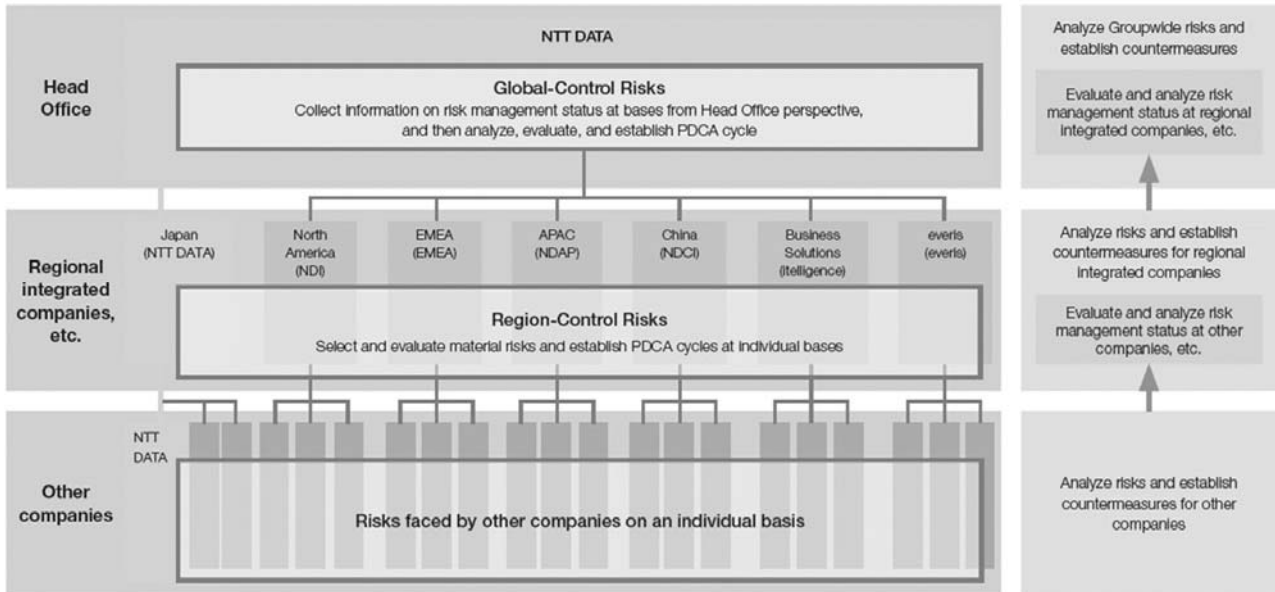
Since the NTT DATA Group provides various services worldwide to a wide range of clients and industries, each business unit has its own unique business environment. Therefore, the Board of Directors decided to devolve considerable power to Heads of Sectors and the Group companies. This measure allows proper understanding of and prompt responses to risks relating to client relationships and market environments.



##### ■ Management Stance

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

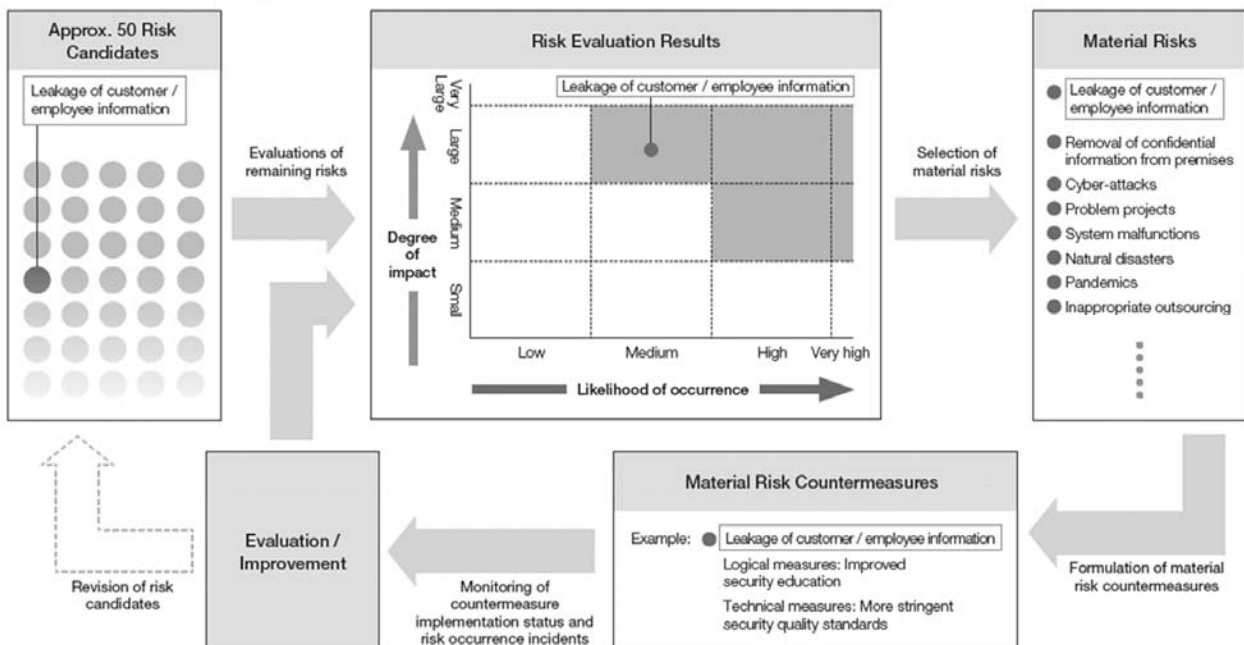
## Risk Management Categories



## ■ Material Risk Selection Process

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

### <Process of Selecting Region-Control Risks>



## ■ Individual Risks

The risk set out below may impact the NTT DATA Group's business results and financial condition (including share prices).

[Particularly Important Risks ]

[1] Information security risk

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

[2] Compliance-related risk

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

[3] System failure risk

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

[4] System building risk

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

[Important Risks ]

[1] Risk relating to technical innovation

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

[2] Risk relating to the securing of personnel

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

[3] Risk of downward price pressure

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

[4] Risk relating to increasing intensity of competition

NTT DATA Group's leading business fields attract attention as major growing areas in the information service industry. Therefore, an increasing number of companies that used to be in other business, such as the manufacturing sector, are entering these fields. In addition, the global competition has become fierce as Indian companies that continue to grow rapidly as well as existing major information service companies are entering the global market. In this situation, future prospects for the market are difficult to forecast in some parts. Thus, the increasingly fierce competition caused by the entry of competitors into the market may impact the NTT DATA Group's business results and financial conditions.

[5] Risk relating to intellectual property rights

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

[6] Risk related to systemic changes in society

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

[7] Risk relating to major disasters, vital infectious disease and the like

The systems and services provided by the NTT DATA Group may constitute social infrastructure. In view of this the Group develops structures for ensuring business continuity in conformity with government

guidelines and implements disaster-prevention training. Nevertheless, in the event of the occurrence of a major disaster or of a serious outbreak of a contagious disease or else it is possible that places of business or their systems or large numbers of employees will suffer damage or harm, and resultant factors such as a deterioration of public confidence in the NTT DATA Group or in its brand image or unavoidable reduction of income or major expenditure for repair costs may affect the NTT DATA Group's business results and financial condition.

[8] Influence of parent company

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

## **2. Status of the Corporate Group**

NTT DATA is a member of the NTT Group, its parent company being NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT).

The NTT DATA Group (comprising NTT DATA CORPORATION and its 258 subsidiaries and 35 affiliates [at March 31, 2016] ) is active in the following four main business segments: (1) Public & Social Infrastructure Segment, (2) Financial Segment, (3) Enterprise & Solutions Segment, and (4) Global Segment.

Each business segment is described below, and the main subsidiaries and affiliates related to each segment are listed.

### **Public & Social Infrastructure Segment**

This business segment provides high-value added IT services that play important roles in social infrastructure, such as government, medical, communication, and utility systems as well as in regional development. Some activities in this business segment are assigned to subsidiaries and affiliates.

#### **Main Subsidiaries and Affiliates**

NTT DATA CORPORATION

NTT DATA KANSAI CORPORATION

16 other companies

### **Financial Segment**

This business segment provides high-value added IT services that help financial institutions to improve their business efficiency and offer good services. Some activities in this business segment are assigned to subsidiaries and affiliates.

#### **Main Subsidiaries and Affiliates**

NTT DATA SYSTEM TECHNOLOGIES INC.

NTT DATA CUSTOMER SERVICE CORPORATION

NTT DATA FINANCIAL CORE CORPORATION

NTT DATA SOFIA CORPORATION

NTT DATA Getronics Corporation

XNET Corporation

Japan Information Processing Service Co.,Ltd.

18 other companies

### **Enterprise & Solutions Segment**

This business segment provides high-value added IT services that support manufacturers, distributors, and service providers as well as payment services such as credit cards and platform solutions services, provided in collaboration with other IT services. Some activities in this business segment are assigned to subsidiaries and affiliates.



### Main Subsidiaries and Affiliates

NTT DATA SMS CORPORATION  
NTT DATA INTRAMART CORPORATION  
NTT DATA WAVE CORPORATION  
NTT DATA BUSINESS SYSTEMS CORPORATION  
NTT DATA CCS CORPORATION  
NTT DATA MSE Corporation  
JSOL Corporation

20 other companies

### Global Segment

This Business segment provides high-value added IT services offered in each region and across regions. Some activities in this business segment are assigned to subsidiaries and affiliates.

### Main Subsidiaries and Affiliates

<North America >

NTT DATA, Inc.  
NTT Data International L.L.C.  
NTT DATA Enterprise Services Holding, Inc.  
Carlisle & Gallagher Consulting Group, Inc.

<EMEA >

NTT DATA EMEA LTD.

<everis>

EVERIS PARTICIPACIONES, S.L.U.

<APAC>

NTT DATA ASIA PACIFIC PTE. LTD.

<China>

NTT DATA (CHINA) INVESTMENT Co., LTD.

<business solutions>

itelligence AG  
NTT DATA EUROPE GmbH & CO. KG

169 other companies

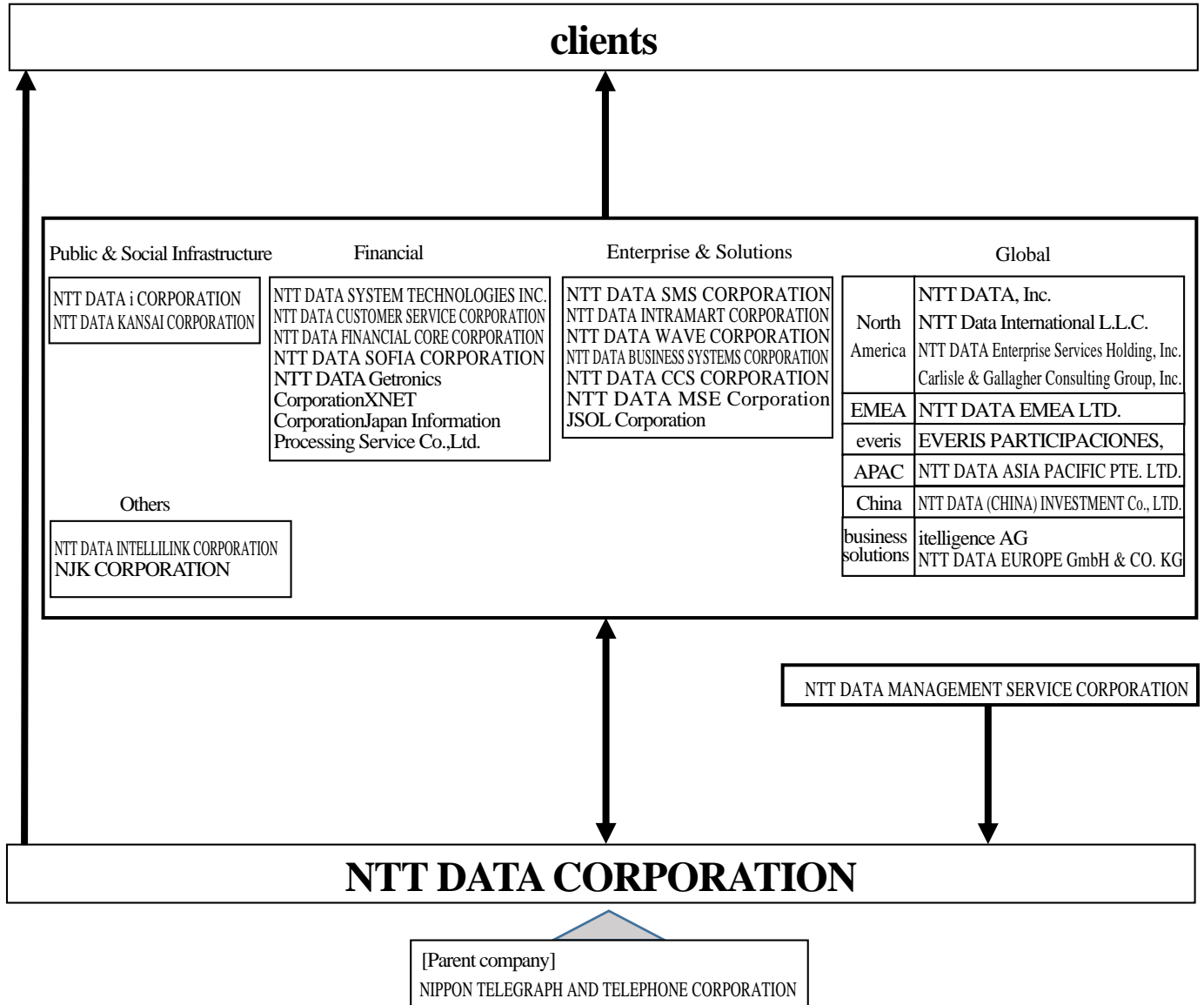
### Others

Other business segments support the overhead functions. Some activities in this business segment are assigned to subsidiaries and affiliates.

### Main Subsidiaries and Affiliates

NTT DATA MANAGEMENT SERVICE CORPORATION  
NTT DATA INTELLILINK CORPORATION

The following chart summarizes the description above:



Notes: For subsidiaries and affiliates that are engaged in businesses in multiple segments, the segment which accounts for the greatest portion of sales is listed.

### **3. Business Policies**

#### (1) Basic Management Policy

The NTT DATA Group regards its mission as being the creation of a more affluent society, a goal it seeks to fulfill by enhancing client value through the provision of a wide range of information services. This requires the NTT DATA Group to constantly project the future course of society and to address, swiftly and accurately, changes in the market environment, evolving client needs, and the latest technological developments. Based on this concept, we are conducting management aimed at creating a corporate fabric that is capable of generating a stable profit flow by means of sustainable growth.

#### (2) Issues Requiring Attention and Medium- to Long-Term Corporate Strategies

The IT spending growth in the Japanese market is estimated to remain moderate for the foreseeable future. Meanwhile, the U.S. market expects a robust growth, and the major countries in the European market are on a growth trajectory overall. Emerging markets, which have been spreading their market ranges, anticipate a full-fledged growth in the future.

As issues faced by our clients in each region are increasingly diversified and complicated, we will need to individually respond to each of these challenges specific to a region or client. Meanwhile, we are also expected to be capable of providing support for our clients globally who are further globalizing their businesses. In addition, waves of digitalization that could transform clients' business structures have emerged, driven by accelerated technological advances, and the needs are increasing for strategically leveraging technologies to drive business growth and creation of new markets.

Under our group vision of "Global IT Innovator", the NTT DATA Group has established our global business foundation by expanding our global coverage spanning 185 cities across 45 countries and areas. In the future, we will contribute to our clients' businesses by further raising the presence of the NTT DATA Group and working hard on high value-added and large-scale projects. We will also adapt ourselves to the changes in our clients' business environment by harnessing synergy across the globe, and will raise our profile as a global player.

#### [Review of the preceding Medium-term Management Plan]

We worked on the primary strategies under the previous medium-term management plan—"Expansion into New Fields and Reinforcement of Product Competitiveness", "Expansion, Enhancement and Reinforcement of Global Business" and "Pursuit of Overall Optimization"—and accomplished the Medium-Term Management goals of "over 1.5 trillion yen in net sales" and "achieving an EPS of 200 yen" in this consolidated fiscal year under review.

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, the results fell short of our goals, although we took more rigorous countermeasures against unprofitable projects through the Project Review Committee and promoted initiatives to improve the profitability of overseas businesses. We acknowledge that these issues will remain on our important management agendas.

#### [The Medium-Term Management Strategies]

Taking into consideration the abovementioned issues, the NTT DATA Group has formulated the Medium-Term Management Strategies for the three years from Fiscal Year 2016 to Fiscal Year 2018 (or, from the fiscal year ending March 2017 to that ending March 2019) as follows:

<Key principles >

NTT DATA: Ascend

Rise and grow as a global brand

The NTT DATA Group pursues its business growth in each region around the world, and strives to increase the value of our global brand by strengthening local presence and leveraging global synergy.

<Global Strategy>

■ Game-changing Approach

Capitalize on dramatically-changing environments and technological innovations to expand our share in the existing business and create new business by anticipating our clients' needs. Given the current situation where the technological innovation and the changes in the business environment are increasingly gaining speed, we will expand our market share and create new business in each geography.

We will also leverage our global coverage and global synergy to grasp the technological innovation and the changing demand in the global market and increase our competitiveness in each region by offering enhanced solutions and services, strengthening our capabilities to undertake global projects and creating unique markets.

■ Breakthrough Technology

We will strive to further develop innovative production technologies by combining the automation technologies for software development we have built and reusing software assets accumulated within the NTT DATA Group. This is to ensure that we will be able to provide the systems and services with agility and flexibility that can play a core part in competitiveness of our clients who are facing dramatically-changing business environment.

We will also anticipate our clients' needs in order to create entirely new structures and value. To do so, we will bring in cutting-edge technology at any time and strive to devise technology-oriented ideas for new societal visions and concepts by promoting the open innovation and R&D on a global basis.

(3) Management Indicators Used in Defining Goals

NTT DATA will endeavor to grow sales in each region in order to increase the value of our global brand, while securing profits necessary for continually making investments and pursuing better business management efficiency.

Specific financial targets shall be swiftly disclosed subject to completion of the large acquisition deal overseas, which is currently under negotiation.

**4. The Basic Stance Concerning the Selection of Accounting Standards**

With the purpose of improving the international comparability of financial information in capital markets and unifying an accounting system within the group, the group is examining the introduction of the International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2019.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2015	As of March 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	160,108	148,495
Notes and accounts receivable - trade	366,678	403,146
Lease receivables and investment assets	16,983	14,477
Securities	6,533	26,000
Inventories	32,539	26,676
Deferred tax assets	36,730	39,382
Deposits paid	96,015	121,646
Other	59,364	65,490
Allowance for doubtful accounts	(2,679)	(2,614)
<b>Total current assets</b>	<b>772,275</b>	<b>842,701</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Data communication facilities	300,657	303,414
Accumulated depreciation	(206,875)	(213,911)
Data communication facilities, net	93,782	89,503
Buildings and structures	280,411	284,454
Accumulated depreciation	(188,085)	(194,564)
Buildings and structures, net	92,326	89,890
Machinery, equipment and vehicles	68,063	73,022
Accumulated depreciation	(49,910)	(54,002)
Machinery, equipment and vehicles, net	18,152	19,019
Tools, furniture and fixtures	55,778	55,377
Accumulated depreciation	(38,408)	(38,381)
Tools, furniture and fixtures, net	17,369	16,995
Land	59,193	60,576
Construction in progress	26,500	21,548
Other	16,585	13,544
Accumulated depreciation	(10,995)	(8,502)
Other, net	5,589	5,041
<b>Total property, plant and equipment</b>	<b>312,914</b>	<b>302,575</b>
<b>Intangible assets</b>		
Software	251,673	250,668
Software in progress	52,086	48,295
Goodwill	179,540	168,879
Other	72,297	67,494
<b>Total intangible assets</b>	<b>555,598</b>	<b>535,337</b>
<b>Investments and other assets</b>		
Investment securities	111,623	83,599
Net defined benefit asset	2,282	1,508
Deferred tax assets	26,318	44,735
Other	42,503	50,531
Allowance for doubtful accounts	(677)	(669)
<b>Total investments and other assets</b>	<b>182,049</b>	<b>179,704</b>
<b>Total non-current assets</b>	<b>1,050,561</b>	<b>1,017,618</b>
<b>Total assets</b>	<b>1,822,837</b>	<b>1,860,319</b>

**Consolidated Balance Sheets-continued**

(Unit: ¥ million)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	103,970	121,688
Short-term loans payable	48,887	51,627
Current portion of long-term loans payable	732	29,245
Current portion of bonds	39,999	—
Income taxes payable	14,942	33,158
Advances received	140,634	167,738
Provision for loss on order received	3,093	5,356
Other	127,294	128,442
<b>Total current liabilities</b>	<b>479,554</b>	<b>537,258</b>
<b>Non-current liabilities</b>		
Bonds payable	210,052	210,062
Long-term loans payable	139,459	109,451
Deferred tax liabilities	30,303	23,327
Net defined benefit liability	136,313	185,992
Provision for directors' retirement benefits	901	934
Other	20,047	19,621
<b>Total non-current liabilities</b>	<b>537,077</b>	<b>549,390</b>
<b>Total liabilities</b>	<b>1,016,631</b>	<b>1,086,648</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	142,520	142,520
Capital surplus	139,300	139,295
Retained earnings	408,293	452,458
Treasury shares	(0)	(0)
<b>Total shareholders' equity</b>	<b>690,113</b>	<b>734,273</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	46,792	32,522
Deferred gains or losses on hedges	656	(7,527)
Foreign currency translation adjustment	62,615	36,552
Remeasurements of defined benefit plans	(10,095)	(38,805)
Other	(16,587)	(16,107)
Total accumulated other comprehensive income	83,380	6,635
Non-controlling interests	32,711	32,762
<b>Total net assets</b>	<b>806,205</b>	<b>773,670</b>
<b>Total liabilities and net assets</b>	<b>1,822,837</b>	<b>1,860,319</b>

## (2) Consolidated Statements of Income and Comprehensive Income

(Unit: ¥ million)

	FY ended 31, March 2015	FY ended 31, March 2016
<b>Net sales</b>	<b>1,511,812</b>	<b>1,614,897</b>
<b>Cost of sales</b>	<b>1,147,302</b>	<b>1,216,795</b>
<b>Gross profit</b>	<b>364,509</b>	<b>398,101</b>
<b>Selling, general and administrative expenses</b>	<b>280,495</b>	<b>297,216</b>
<b>Operating income</b>	<b>84,013</b>	<b>100,885</b>
<b>Non-operating income</b>		
Interest income	951	1,256
Dividend income	1,190	1,785
Insurance income	912	2,125
Foreign exchange gains	129	—
Other	3,661	2,677
<b>Total non-operating income</b>	<b>6,845</b>	<b>7,844</b>
<b>Non-operating expenses</b>		
Interest expenses	5,782	5,492
Foreign exchange losses	—	1,576
Loss on retirement of non-current assets	1,761	523
Compensation for damage	1,062	299
Other	4,343	2,679
<b>Total non-operating expenses</b>	<b>12,950</b>	<b>10,571</b>
<b>Ordinary income</b>	<b>77,909</b>	<b>98,158</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	—	15,237
<b>Total extraordinary income</b>	<b>—</b>	<b>15,237</b>
<b>Extraordinary losses</b>		
Impairment loss of goodwill	—	3,986
Impairment loss of noncurrent assets	2,244	1,620
Loss on restructuring of subsidiaries and affiliates	1,668	—
<b>Total extraordinary losses</b>	<b>3,913</b>	<b>5,607</b>
<b>Income before income taxes</b>	<b>73,995</b>	<b>107,789</b>
Income taxes - current	34,992	46,925
Income taxes - deferred	5,423	(4,570)
<b>Total income taxes</b>	<b>40,416</b>	<b>42,354</b>
<b>Net income</b>	<b>33,579</b>	<b>65,434</b>
<b>Net income attributable to</b>		
Net income (loss) attributable to non-controlling interests	1,434	2,061
Net income attributable to owners of parent	32,144	63,373

## Consolidated Statements of Income and Comprehensive Income-continued

(Unit: ¥ million)

	FY ended 31, March 2015	FY ended 31, March 2016
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	43,989	(14,349)
Deferred gains or losses on hedges	617	(8,186)
Foreign currency translation adjustment	27,243	(25,975)
Remeasurements of defined benefit plans, net of tax	334	(29,872)
Share of other comprehensive income of entities accounted for using equity method	311	(208)
Other	1,074	480
<b>Total other comprehensive income</b>	<b>73,571</b>	<b>(78,110)</b>
<b>Comprehensive income</b>	<b>107,151</b>	<b>(12,676)</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	105,443	(13,371)
Comprehensive income attributable to non-controlling interests	1,707	695



**(3) Consolidated Statements of Shareholders' Equity**  
**(FY ended 31, March 2015)**

(Unit: ¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	142,520	139,300	384,922	—	666,742
Cumulative effects of changes in accounting policies			8,272		8,272
Restated balance	142,520	139,300	393,195	—	675,015
Changes of items during period					
Dividends of surplus			(16,830)		(16,830)
Profit attributable to owners of parent			32,144		32,144
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation			(211)		(211)
Other changes			(5)		(5)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	15,097	(0)	15,097
Balance at end of current period	142,520	139,300	408,293	(0)	690,113

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other	Total accumulated other comprehensive income		
Balance at beginning of current period	2,872	38	35,056	(10,224)	(17,661)	10,081	32,993	709,818
Cumulative effects of changes in accounting policies								8,272
Restated balance	2,872	38	35,056	(10,224)	(17,661)	10,081	32,993	718,091
Changes of items during period								
Dividends of surplus								(16,830)
Profit attributable to owners of parent								32,144
Purchase of treasury shares								(0)
Change of scope of consolidation								(211)
Other changes								(5)
Net changes of items other than shareholders' equity	43,920	617	27,558	128	1,074	73,298	(282)	73,016
Total changes of items during period	43,920	617	27,558	128	1,074	73,298	(282)	88,114
Balance at end of current period	46,792	656	62,615	(10,095)	(16,587)	83,380	32,711	806,205

**Consolidated Statements of Shareholders' Equity-continued**  
**(FY ended 31, March 2016)**

(Unit: ¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	142,520	139,300	408,293	(0)	690,113
Cumulative effects of changes in accounting policies					—
Restated balance	142,520	139,300	408,293	(0)	690,113
Changes of items during period					
Dividends of surplus			(16,829)		(16,829)
Profit attributable to owners of parent			63,373		63,373
Purchase of treasury shares					—
Change of scope of consolidation			(2,115)		(2,115)
Other changes		(4)	(263)		(267)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(4)	44,164	—	44,160
Balance at end of current period	142,520	139,295	452,458	(0)	734,273

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other	Total accumulated other comprehensive income		
Balance at beginning of current period	46,792	656	62,615	(10,095)	(16,587)	83,380	32,711	806,205
Cumulative effects of changes in accounting policies								—
Restated balance	46,792	656	62,615	(10,095)	(16,587)	83,380	32,711	806,205
Changes of items during period								
Dividends of surplus								(16,829)
Profit attributable to owners of parent								63,373
Purchase of treasury shares								—
Change of scope of consolidation								(2,115)
Other changes								(267)
Net changes of items other than shareholders' equity	(14,269)	(8,183)	(26,062)	(28,709)	480	(76,745)	50	(76,694)
Total changes of items during period	(14,269)	(8,183)	(26,062)	(28,709)	480	(76,745)	50	(32,534)
Balance at end of current period	32,522	(7,527)	36,552	(38,805)	(16,107)	6,635	32,762	773,670

#### (4) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	FY ended 31, March 2015	FY ended 31, March 2016
<b>Cash flows from operating activities</b>		
Income before income taxes	73,995	107,789
Depreciation	146,896	147,961
Loss on retirement of non-current assets	11,670	7,250
Increase (decrease) in net defined benefit liability	8,706	8,292
Interest expenses	5,782	5,492
Impairment loss of noncurrent assets	2,244	1,620
Decrease (increase) in notes and accounts receivable - trade	(15,467)	(43,052)
Decrease (increase) in inventories	(9,889)	5,373
Increase (decrease) in notes and accounts payable - trade	6,359	9,574
Increase (decrease) in advances received	(11,113)	27,954
Increase (decrease) in accrued consumption taxes	17,143	(11,123)
Other, net	(8,270)	(205)
<b>Subtotal</b>	<b>228,057</b>	<b>266,928</b>
Interest and dividend income received	2,141	3,175
Interest expenses paid	(5,592)	(5,544)
Income taxes (paid) refund	(40,726)	(31,808)
<b>Net cash provided by (used in) operating activities</b>	<b>183,880</b>	<b>232,751</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(62,922)	(47,440)
Purchase of intangible assets	(82,155)	(77,922)
Proceeds from sales of investment securities	787	23,014
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,663)	(28,351)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	139	308
Net decrease (increase) in time deposits	(1,921)	(294)
Payment into short-term deposit paid	—	(50,000)
Other, net	(7,400)	(8,043)
<b>Net cash provided by (used in) investing activities</b>	<b>(157,137)</b>	<b>(188,730)</b>
<b>Cash flows from financing activities</b>		
Redemption of bonds	—	(40,000)
Proceeds from long-term loans payable	58,595	523
Repayments of long-term loans payable	(2,965)	(595)
Net increase (decrease) in short-term loans payable	(17,226)	1,198
Repayments of lease obligations	(1,760)	(1,625)
Cash dividends paid	(16,837)	(16,834)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,385)	(461)
Other, net	(1,122)	(385)
<b>Net cash provided by (used in) financing activities</b>	<b>17,296</b>	<b>(58,179)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(409)</b>	<b>(3,131)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>43,630</b>	<b>(17,290)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>207,213</b>	<b>250,843</b>
<b>Cash and cash equivalents at end of period</b>	<b>250,843</b>	<b>233,553</b>

## 6. Non-Consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2015	As of March 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	69,743	57,156
Notes receivable - trade	—	7
Accounts receivable - trade	173,412	196,412
Lease receivables	1,240	615
Lease investment assets	13,389	11,853
Securities	—	20,000
Inventories	20,759	14,250
Prepaid expenses	13,897	15,406
Deferred tax assets	25,792	27,884
Deposits paid	96,015	121,646
Other	36,428	88,799
Allowance for doubtful accounts	(11)	(8)
<b>Total current assets</b>	<b>450,667</b>	<b>554,025</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Data communication facilities, net	92,511	88,763
Buildings, net	77,919	75,736
Structures, net	1,997	1,936
Machinery, equipment and vehicles, net	10,927	10,571
Tools, furniture and fixtures, net	7,279	7,562
Land	54,676	56,064
Leased assets, net	934	933
Construction in progress	25,153	20,419
<b>Total property, plant and equipment</b>	<b>271,399</b>	<b>261,987</b>
<b>Intangible assets</b>		
Software	233,791	228,225
Software in progress	44,048	43,749
Leased assets	33	19
Other	2,091	2,073
<b>Total intangible assets</b>	<b>279,965</b>	<b>274,067</b>
<b>Investments and other assets</b>		
Investment securities	94,437	65,461
Shares of subsidiaries and associates	132,868	136,764
Investments in other securities of subsidiaries and associates	221,092	235,823
Long-term loans receivable	540	540
Lease and guarantee deposits	9,427	9,393
Long-term loans receivable from subsidiaries and associates	84,389	49,957
Other	12,766	15,742
Allowance for doubtful accounts	(457)	(444)
<b>Total investments and other assets</b>	<b>555,063</b>	<b>513,239</b>
<b>Total non-current assets</b>	<b>1,106,428</b>	<b>1,049,294</b>
<b>Total assets</b>	<b>1,557,096</b>	<b>1,603,320</b>

**Non-Consolidated Balance Sheets-continued**

(Unit: ¥ million)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	75,762	91,132
Short-term loans payable	41,885	45,319
Current portion of long-term loans payable	1,692	30,535
Current portion of bonds	39,999	—
Lease obligations	564	544
Accounts payable - other	12,685	12,868
Accrued expenses	9,276	9,559
Income taxes payable	6,011	21,844
Advances received	122,018	148,259
Deposits received	72,855	74,404
Provision for loss on order received	2,216	4,625
Asset retirement obligations	18	99
Other	10,965	13,473
<b>Total current liabilities</b>	<b>395,951</b>	<b>452,666</b>
<b>Non-current liabilities</b>		
Bonds payable	209,952	209,962
Long-term loans payable	136,822	106,845
Lease obligations	1,074	1,099
Deferred tax liabilities	12,561	3,256
Provision for retirement benefits	59,744	63,946
Asset retirement obligations	608	530
Other	12,445	10,739
<b>Total non-current liabilities</b>	<b>433,209</b>	<b>396,379</b>
<b>Total liabilities</b>	<b>829,160</b>	<b>849,045</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	142,520	142,520
<b>Capital surplus</b>		
Legal capital surplus	139,300	139,300
<b>Total capital surpluses</b>	<b>139,300</b>	<b>139,300</b>
<b>Retained earnings</b>		
Legal retained earnings	2,287	2,287
Other retained earnings		
Reserve for special depreciation	127	98
Reserve for reduction entry	280	233
General reserve	288,000	288,000
Retained earnings brought forward	109,511	157,037
<b>Total retained earnings</b>	<b>400,207</b>	<b>447,656</b>
Treasury shares	(0)	(0)
Total shareholders' equity	682,027	729,476
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	46,005	32,007
Deferred gains or losses on hedges	(97)	(7,208)
<b>Total valuation and translation adjustments</b>	<b>45,908</b>	<b>24,798</b>
<b>Total net assets</b>	<b>727,935</b>	<b>754,274</b>
<b>Total liabilities and net assets</b>	<b>1,557,096</b>	<b>1,603,320</b>

## (2) Non-Consolidated Statements of Income

(Unit: ¥ million)

	FY ended 31, March 2015	FY ended 31, March 2016
<b>Net sales</b>	<b>799,377</b>	<b>838,344</b>
<b>Cost of sales</b>	<b>622,741</b>	<b>646,890</b>
<b>Gross profit</b>	<b>176,636</b>	<b>191,454</b>
<b>Selling, general and administrative expenses</b>	<b>113,158</b>	<b>114,747</b>
<b>Operating income</b>	<b>63,478</b>	<b>76,706</b>
<b>Non-operating income</b>		
Interest income	1,795	1,780
Dividend income	7,522	5,406
Insurance income	868	2,092
Other	2,846	1,812
<b>Total non-operating income</b>	<b>13,032</b>	<b>11,092</b>
<b>Non-operating expenses</b>		
Interest expenses	1,809	1,837
Interest on bonds	3,287	3,086
Foreign exchange losses	305	1,104
Loss on valuation of securities	715	1,137
Loss on retirement of non-current assets	1,299	312
Compensation for damage	1,044	262
Other	1,071	1,178
<b>Total non-operating expenses</b>	<b>9,534</b>	<b>8,918</b>
<b>Ordinary income</b>	<b>66,976</b>	<b>78,880</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	—	15,237
<b>Total extraordinary income</b>	<b>—</b>	<b>15,237</b>
<b>Extraordinary losses</b>		
Impairment loss of noncurrent assets	1,914	936
Loss on restructuring of subsidiaries and affiliates	26	—
<b>Total extraordinary losses</b>	<b>1,940</b>	<b>936</b>
<b>Income before income taxes</b>	<b>65,035</b>	<b>93,182</b>
Income taxes - current	17,904	29,206
Income taxes - deferred	5,356	(302)
<b>Total income taxes</b>	<b>23,260</b>	<b>28,903</b>
<b>Net income</b>	<b>41,775</b>	<b>64,279</b>

(3) Non-Consolidated Statements of Shareholders' Equity  
(FY ended 31, March 2015)

(Unit: ¥ million)

	Shareholders' equity										
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus		Other retained earnings						
					Reserve for special depreciation	Reserve for reduction entry	General reserve	Retained earnings brought forward			
Balance at beginning of current period	142,520	139,300	139,300	2,287	152	402	288,000	78,988	369,831	—	651,651
Cumulative effects of changes in accounting policies								5,429	5,429		5,429
Restated balance	142,520	139,300	139,300	2,287	152	402	288,000	84,418	375,261	—	657,081
Changes of items during period											
Dividends of surplus								(16,830)	(16,830)		(16,830)
Provision of reserve for special depreciation									—		—
Reversal of reserve for special depreciation					(24)			24	—		—
Reversal of reserve for reduction entry						(122)		122	—		—
Net income								41,775	41,775		41,775
Purchase of treasury shares										(0)	(0)
Net changes of items other than shareholders' equity											
Total changes of items during period	—	—	—	—	(24)	(122)	—	25,092	24,945	(0)	24,945
Balance at end of current period	142,520	139,300	139,300	2,287	127	280	288,000	109,511	400,207	(0)	682,027

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	2,346	—	2,346	653,997
Cumulative effects of changes in accounting policies				5,429
Restated balance	2,346	—	2,346	659,427
Changes of items during period				
Dividends of surplus				(16,830)
Provision of reserve for special depreciation				—
Reversal of reserve for special depreciation				—
Reversal of reserve for reduction entry				—
Net income				41,775
Purchase of treasury shares				(0)
Net changes of items other than shareholders' equity	43,659	(97)	43,562	43,562
Total changes of items during period	43,659	(97)	43,562	68,507
Balance at end of current period	46,005	(97)	45,908	727,935

Non-Consolidated Statements of Shareholders' Equity-continued  
(FY ended 31, March 2016)

(Unit: ¥ million)

	Shareholders' equity										
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus		Other retained earnings						
					Reserve for special depreciation	Reserve for reduction entry	General reserve	Retained earnings brought forward			
Balance at beginning of current period	142,520	139,300	139,300	2,287	127	280	288,000	109,511	400,207	(0)	682,027
Cumulative effects of changes in accounting policies									—		—
Restated balance	142,520	139,300	139,300	2,287	127	280	288,000	109,511	400,207	(0)	682,027
Changes of items during period											
Dividends of surplus								(16,829)	(16,829)		(16,829)
Provision of reserve for special depreciation									—		—
Reversal of reserve for special depreciation					(29)			29	—		—
Reversal of reserve for reduction entry						(47)		47	—		—
Net income								64,279	64,279		64,279
Purchase of treasury shares											—
Net changes of items other than shareholders' equity											
Total changes of items during period	—	—	—	—	(29)	(47)	—	47,525	47,449	—	47,449
Balance at end of current period	142,520	139,300	139,300	2,287	98	233	288,000	157,037	447,656	(0)	729,476

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	46,005	(97)	45,908	727,935
Cumulative effects of changes in accounting policies				—
Restated balance	46,005	(97)	45,908	727,935
Changes of items during period				
Dividends of surplus				(16,829)
Provision of reserve for special depreciation				—
Reversal of reserve for special depreciation				—
Reversal of reserve for reduction entry				—
Net income				64,279
Purchase of treasury shares				—
Net changes of items other than shareholders' equity	(13,998)	(7,111)	(21,109)	(21,109)
Total changes of items during period	(13,998)	(7,111)	(21,109)	26,339
Balance at end of current period	32,007	(7,208)	24,798	754,274