



Company Presentation for
the Fiscal Year ended March 31, 2014

May 8, 2014
NTT DATA Corporation

This English text is a translation of
the Japanese original. The Japanese
Original is authoritative.

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**Cautionary Statement
Regarding Forward-looking Statements**

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My name is Toshio Iwamoto, President and Chief Executive Officer. I would like to explain the financial results for the fiscal year ended March 2014, and the forecasts for the fiscal year ending March 2015, as well as the progress of our Medium-term Management Plan.



1. Results for Fiscal Year Ended March 31, 2014

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First of all, the financial results for the fiscal year ended March 2014.

【Billions of yen (except EPS)】

	FY ended 2014/3 Full-year Results	YoY		FY ended 2014/3 4 th Quarter Results (Jan.-Mar.)	YoY	
New Orders Received	1,400.2	+203.0 +17.0%	➔	300.9	+22.5 +8.1%	➔
Net Sales	1,343.7	+41.8 +3.2%	➔	401.2	+11.1 +2.9%	➔
Operating Income	62.5	-23.1 -27.0%	➔	36.8	+0.0 +0.1%	➔
Segment Profit (*1)	54.2	-22.7 -29.6%	➔	27.8	-7.0 -20.3%	➔
Net Income	23.2	-20.2 -46.5%	➔	13.1	-8.3 -38.7%	➔
EPS (yen) (*2)	83.02 yen	-72.12 yen -46.5%	➔	46.90 yen	-29.59 yen -38.7%	➔

(*1) Segment Profit is income before income taxes.

(*2) Effective October 1, 2013, a 100-to-one stock split was implemented. Above figures represent the result of a calculation using a total number of shares outstanding after the stock split.

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Firstly, I would like to explain the key points of our performance for the fiscal year ended March 2014.

New orders received and net sales recorded year-on-year increases.

In particular, the amount of orders received soared 203 billion yen from the previous year, to exceed 1,400 billion yen.

Net sales continued to grow partly due to favorable foreign exchange rates.

On the other hand, operating income and other profits thereunder fell significantly, as I explained earlier at the announcement of the financial results for the 2nd quarter, due to six unprofitable projects that occurred simultaneously.

However, with respect to the 2nd half, we could achieve the revised full-year forecasts announced at the financial results for the 2nd quarter with respect to profits of all the accounting levels. Therefore, we consider that the forecast for the 2nd half has been achieved as scheduled.

Now, I will explain each item specifically by business segment.

P&F and E-IT : Increased due to a growth in orders receipt of existing large scale systems, etc. and order receipt by new customers on a non-consolidated basis.
 S&T : Increased due to a growth in order receipt by the existing subsidiaries, etc.
 GB : Increased reflecting the expanded orders receipt mainly in North America and Europe and the impact of foreign exchanges, etc.

	FY ended 2014/3 Full-year Results	YoY		FY ended 2014/3 4 th Quarter Results (Jan.-Mar.)	YoY	
Public & Financial IT Services (P&F)	715.4	+69.7 +10.8%	➔	148.5	+12.3 +9.0%	➔
Enterprise IT Services (E-IT)	303.6	+24.6 +8.8%	➔	59.8	-8.2 -12.2%	➔
Solutions & Technologies (S&T)	38.6	+2.7 +7.7%	➔	8.0	+0.3 +4.4%	➔
Global Business (GB)	341.3	+106.9 +45.6%	➔	84.1	+18.7 +28.7%	➔
Consolidated values	1,400.2	+203.0 +17.0%	➔	300.9	+22.5 +8.1%	➔

【Billions of yen】

(*) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

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This slide shows the results of new orders received.

The results exceeded those in the previous year both at home and abroad, as well as in all the business segments.

In the Public & Financial IT Services (hereinafter, "P&F") segment, new orders received increased 69.7 billion yen compared with the previous fiscal year.

Significant increase in orders received is attributable to the receipt of orders for renovation of large-scaled systems of the existing customers such as pension systems, etc., in addition to the receipt of orders from new customers such as banks and foreign insurance companies.

In the Enterprise IT Services (hereinafter, "E-IT") segment, new orders received expanded significantly as a result of securely receiving the orders of the existing large-scaled system-related projects.

In the Solutions & Technologies (hereinafter, "S&T") segment, new orders received increased 2.7 billion yen compared with the previous fiscal year reflecting the increase in order receipts by the existing subsidiaries.

With respect to the Global Business (hereinafter, "GB") segment, new orders received grew by 106.9 billion yen from the previous fiscal year.

An increase of over 60 billion yen was recorded due to an impact of foreign exchange, but even if such amount is excluded, new orders received mainly in North America saw a sharp increase due to winning of a large-scaled project by an existing subsidiary.

P&F : Decreased due to contractions of existing large scale systems and other factors on a non-consolidated basis, etc.
 E-IT : Decreased due to contractions of system and software development for the existing customers on a non-consolidated basis, etc.
 S&T : Increased reflecting a growth in system and software development on a non-consolidated basis and revenue growth by the existing subsidiaries from the Group.
 GB : Increased due to a revenue growth from existing subsidiaries mainly in North America and the impact of foreign exchange fluctuations.

	FY ended 2014/3 Full-year Results	YoY		FY ended 2014/3 4 th Quarter Results (Jan.-Mar.)	YoY	
Public & Financial IT Services (P&F)	721.6	-7.1	↓	223.8	+1.5	→
Enterprise IT Services (E-IT)	279.3	-21.7	↓	85.2	-7.0	↓
Solutions & Technologies (S&T)	179.1	+12.0	↑	51.9	+5.0	↑
Global Business (GB)	314.5	+69.6	↑	86.2	+17.4	↑
		+28.4%			+25.4%	
Consolidated values	1,343.7	+41.8	↑	401.2	+11.1	↑
		+3.2%			+2.9%	

(*) Figures by segment include inter-company transactions.

(*) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

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Next slide relates to net sales.

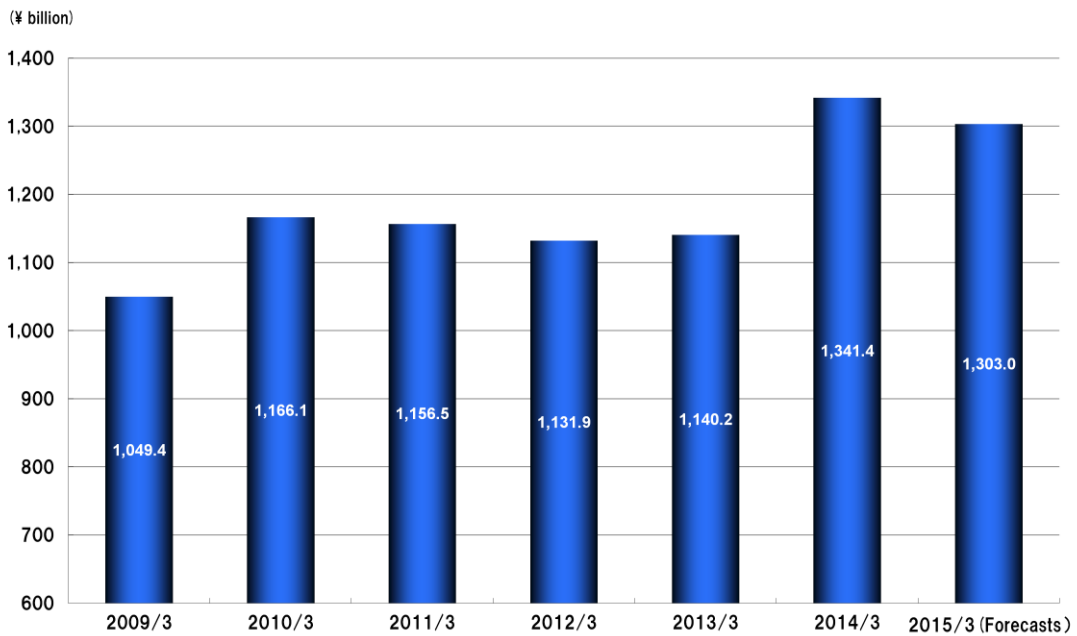
In the P&F and E-IT segments, net sales decreased from the previous fiscal year due to the contractions of the existing large-scaled systems.

Since the fiscal year ended March 2013, we have focused on activities which we call "Remarketing" to obtain more new customers and some good results are observed, but still, we failed to offset the fall in net sales of the large-scale systems.

Particularly in the E-IT segment, this result can be attributable to the impact of more-than-expected sluggishness in investments by the existing customers of the telecommunication business.

In the GB segment, net sales increased 69.6 billion yen from the previous year.

As in the case of new order receipts, a favorable impact of foreign exchange exceeding 50 billion yen was recorded, and even if this amount is excluded, an increase in net sales of over 10 billion yen was accounted for in the existing subsidiaries. Please understand that this result is attributable to our successful efforts in overseas businesses mainly in North America.



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This slide illustrates the trend of order backlog.

Consolidated order backlog used to hover at around 1,100 billion yen, but it reached 1,341.4 billion yen as of March 31, 2014.

We expect order backlog will exceed 1,300 billion yen in the business plan for the fiscal year ending March 2015.

This explains that the business environment surrounding us is particularly robust.

P&F : Declined due to negative impacts of lower sales of the existing large systems and unprofitable projects, despite the uplift factors such as reduced depreciation/amortization and retirement costs and SG&A expense savings, growth in operating income in the existing subsidiaries.
 E-IT : Decreased due to negative impacts of unprofitable projects together with contracted sales on a non-consolidated basis.
 S&T : Profits increased due to the growth in net sales on a non-consolidated basis and in the existing subsidiaries.
 GB : Profits declined reflecting the deteriorated earnings in Europe, and increased costs of offshore developments in China as well as a boost in the amortization of goodwill resulting from the impact of foreign exchange.

	FY ended 2014/3 Full-year Results	YoY		FY ended 2014/3 4 th Quarter Results (Jan.-Mar.)	YoY	[Billions of yen]
Public & Financial IT Services (P&F)	60.1	-4.3 -6.8%	➡	29.6	+4.4 +17.8%	➡
Enterprise IT Services (E-IT)	-3.7	-16.9 -%	➡	4.9	-3.3 -40.3%	➡
Solutions & Technologies (S&T)	8.4	+1.4 +20.7%	➡	4.7	+1.6 +52.1%	➡
Global Business (GB)	-5.1 【5.6】	-4.2 -453.1% 【-2.2】	➡	-3.0 【-0.4】	-2.5 -485.3% 【-2.4】	➡
Consolidated values	62.5	-23.1 -27.0%	➡	36.8	+0.0 +0.1%	➡

(*) Figures by segment include inter-company transactions and allocated expenses of the entire company.
 (**) Figures in the bracket under "Global Business Segment" represent operating income after reversal of amortization of goodwill.
 (***) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

Next, I will explain operating income, which was our most significant challenge during the fiscal year ended March 2014.

As I mentioned at the beginning of this presentation meeting, NTT DATA disclosed a downward revision of the full-year business forecasts at the announcement of the financial results for the 2nd quarter, lowering the initial forecast of 90 billion yen in operating income to 60 billion yen.

That downward revision was attributable to the occurrence of unprofitable projects. We had anticipated approximately 4 billion to 5 billion yen for unprofitable projects as part of risks in the ordinary business operations, but six large-scaled unprofitable projects occurred in the 2nd quarter. As a result, we posted additional losses in the 4th quarter, which made the total amount of unprofitable projects 31.5 billion yen for the fiscal year ended March 2014.

In the P&F segment, a year-on-year drop in operating income shrank to 4.3 billion yen due to an increase in profit reflecting an extremely strong growth of the existing subsidiaries, mainly regional subsidiaries, as well as a reduction of selling and general administrative expenses, in addition to decreases in depreciation and amortization and loss on retirement of noncurrent assets on a non-consolidated basis.

In the E-IT segment, operating income fell significantly by 16.9 billion yen year on year due to the unprofitable projects and a decrease in gross margin arising from a drastic fall in sales in the telecommunication businesses.

In the GB segment, operating income fell 4.2 billion yen compared with the previous fiscal year, to post a loss of 5.1 billion yen.

The biggest cause of the decreased operating income was the impact of foreign exchange. There are mainly two contributing factors in the impact of foreign exchange.

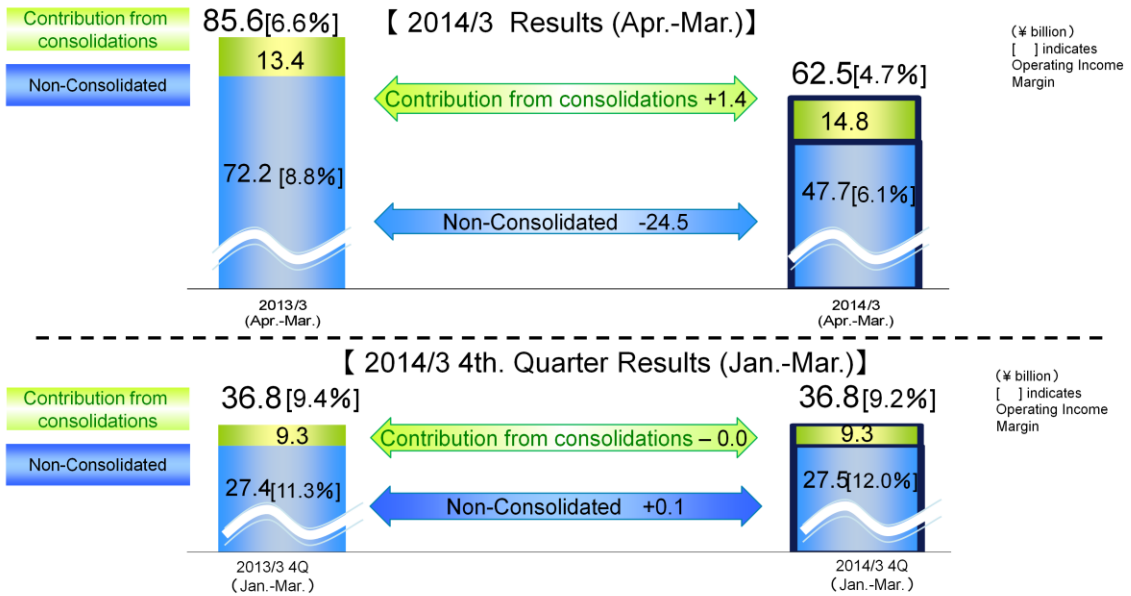
One is the negative impact on the offshore development in China. We conclude a yen-based agreement with our customer, and pay salary on the renminbi basis in China. As a result of the sharp weakening of the yen, we have suffered a loss of less than 2 billion yen.

Another factor caused a problem in which the weaker yen expanded losses because operating income in the GB segment posted a deficit after amortization of goodwill. The impact of foreign exchange amounted to about 2 billion yen.

Other negatively contributing factor in the GB segment is the deteriorating profits in the EMEA region. In addition to the worsening economic conditions in Europe that originated from the Eurozone crisis, the expenses relating to structural reforms in which we have been working hard during the past two years in the EMEA region are the factors that made operating income shrink. However, the robust performance by a U.S. subsidiary offset the loss, and the GB segment as a whole saw a year-on-year decline of approximately 2 billion yen, excluding amortization of goodwill.

As a result, operating income was 62.5 billion yen on a consolidated basis.

On a non-consolidated basis, profits shrank due to a decrease in sales of existing large-scaled systems and the impact of unprofitable projects, etc.
 Contribution from consolidation in terms of profits increased due mainly to the impact of the growth in sales in North America and subsidiaries in Japan despite the deteriorated earnings in Europe and increased costs of offshore developments in China as well as a boost in the amortization of goodwill resulting from the impact of foreign exchange.



This slide illustrates operating income on consolidated and non-consolidated bases.

The decrease in non-consolidated operating income is basically attributable to the unprofitable projects.

I have told you earlier that the unprofitable projects totaled 31.5 billion yen on a consolidated basis, whereas the six large-scaled unprofitable projects that occurred on a non-consolidated basis contributed negatively to a decrease of approximately 26 billion in operating income, which was the main cause of the decrease of 24.5 billion yen on a non-consolidated basis.

On the other hand, contribution from consolidation increased 1.4 billion yen.

As I explained earlier, overseas subsidiaries ended up posting a decline in operating income. Therefore, it means that domestic subsidiaries including regional companies achieved a significant level of operating income to offset such decrease.

Other than the impact of operating income,
 P&F : Profits decreased due to impairment loss of noncurrent assets.
 E-IT : Decreased due to increases in expenses arising from integration and reorganization of the Group companies, etc.
 S&T : Profits increased due to reduced expenses arising from the revision of the office building capacity which had been accounted for in the previous fiscal year.
 GB : Decreased due to increases in expenses arising from integration and reorganization of the Group companies, etc.

	FY ended 2014/3 Full-year Results	YoY	FY ended 2014/3 4 th Quarter Results (Jan.-Mar.)	YoY
Public & Financial IT Services (P&F)	55.6	-8.1 -12.7%	26.6	+2.4 +10.1%
Enterprise IT Services (E-IT)	-5.4	-17.9 -%	3.5	-4.4 -55.8%
Solutions & Technologies (S&T)	8.5	+3.4 +67.3%	4.6	+2.3 +101.1%
Global Business (GB)	-9.8	-4.9 -100.4%	-5.8	-4.5 -367.8%
Consolidated values	54.2	-22.7 -29.6%	27.8	-7.0 -20.3%

(*)Segment Profit is income before income taxes.
 (*) Figures by segment include inter-company transactions and allocated expenses of the entire company.
 (*)Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

Segment profits showed the increase and decrease basically similar to that in operating income, but the decrease is greater than consolidated operating income as a result of impairment losses in noncurrent assets recorded in the P&F segment.

Profits in the E-IT and GB segments deteriorated due to occurrence of expenses associated with so-called the restructuring including reorganization and consolidation of the Group companies, but resulted in 54.2 billion yen on a consolidated basis, exceeding the revised forecasts announced with the financial results for the 2nd quarter.



2. Earnings Forecasts for Fiscal Year Ending March 31, 2015

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Next, I would like to explain the forecasts for the fiscal year ending March 2015.

(Billions of yen [except EPS,
Cash dividends per share and %])

	FY ended 2014/3 Full-year Results	FY ending 2015 / 3 Full-year Forecasts	YoY	
New Orders Received	1,400.2	1,320.0	- 80.2 - 5.7%	➔
Net Sales	1,343.7	1,460.0	+ 116.2 +8.6%	➔
Operating Income	62.5	85.0	+ 22.4 + 35.8%	➔
Operating Income Margin	4.7%	5.8%	+ 1.1P	➔
Segment Profit _(*)	54.2	75.0	+ 20.7 + 38.2%	➔
Net Income	23.2	37.0	+ 13.7 + 58.9%	➔
EPS(yen)	83.02	131.90	+ 48.88 + 58.9%	➔
Cash dividends per share (yen)	60	60	±0	➔

(*) Segment Profit is income before income taxes.

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We forecast year-on-year increase in all levels of profit except for new orders received which is expected to fall slightly compared with the previous fiscal year.

I will explain in detail by item from the next slide.

P&F : Decrease due to a reactionary fall of the existing large-scaled projects in the public sector against the previous term, etc.
 E-IT : Decrease due to a reactionary fall of the existing large-scaled systems against the previous term.
 S&T : Increase due to an expansion of scale on a non-consolidated basis as well as in the existing subsidiaries, etc.
 GB : Increase due to consolidation period expansion as well as growth at existing operation, etc. despite a fall of the large-scaled projects in North America vs the previous term.

[Billions of yen]

	FY ended 2014 / 3 Full-year Results	FY ending 2015 / 3 Full-year Forecasts	YoY	
Public & Financial IT Services (P&F)	715.4	583.0	-132.4 -18.5%	
Enterprise IT Services (E-IT)	303.6	266.0	-37.6 -12.4%	
Solutions & Technologies (S&T)	38.6	43.0	+4.3 +11.3%	
Global Business (GB)	341.3	427.0	+85.6 +25.1%	
Consolidated values	1,400.2	1,320.0	-80.2 -5.7%	

(*) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

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First, let me explain new orders received.

As to the P&F and E-IT segments, we forecast a year-on-year decrease.

The contributing factor of this decrease is, as I explained earlier in the actual results for the fiscal year ended March 2014, a reactionary fall after receiving an order of a very large project in the previous fiscal year.

But, as you have just seen the order backlog, we expect a order backlog of over 1,300 billion yen as of March 31, 2015. Thus, the fundamentals of the business environment surrounding our management is not bad at all. Rather, I would like you to understand that it is in a robust situation.

As to the GB segment, we anticipate a year-on-year increase of 85.6 billion yen in order receipt.

We suffered a reactionary fall due to an extremely big order receipts gained by a U.S. subsidiary in the previous fiscal year, a project that spanned several years. Despite such situation, our business plan includes a significant year-on-year increase in sales reflecting the expansion of the scope of consolidation including everis and on the back of further efforts to be made by the existing subsidiaries.

As a result, we expect new order receipts equivalent to 1,320 billion yen on a consolidated basis.

P&F : Net sales increase due to an expansion of the existing projects as well as order receipt of new projects on a non-consolidated basis.
 E-IT : Net sales increase due to order receipt of new projects, etc. despite a decrease in sales of the existing large-scaled systems on a non-consolidated basis.
 S&T : Net sales increase due to an expansion of scale of the Company and the existing subsidiaries, etc.
 GB : Net sales increase due to consolidation period expansion as well as growth at the existing operation, etc.

	FY ended 2014 / 3 Full-year Results	FY ending 2015 / 3 Full-year Forecasts	YoY	[Billions of yen]
Public & Financial IT Services (P&F)	721.6	728.0	+6.3 +0.9%	
Enterprise IT Services (E-IT)	279.3	282.0	+2.6 +1.0%	
Solutions & Technologies (S&T)	179.1	185.0	+5.8 +3.3%	
Global Business (GB)	314.5	422.0	+107.4 +34.2%	
Consolidated values	1,343.7	1,460.0	+116.2 +8.6%	

(*)Figures by segment include inter-company transactions.
 (*)Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

Next, I will explain net sales.

Each business segment expects increased sales from the previous fiscal year.

As to the P&F segment, I have explained that net sales of the existing large-sized systems have continued to decrease to date.

It is certainly true that we have observed such trend, but we anticipate that there will be renovation needs in the future.

We are closely watching the trend of sales of the existing large-scaled systems on a long-term basis, and consider that it hit the bottom in the previous fiscal year. Thus, we believe that sales will pick up in the future.

In the GB segment, we expect that net sales will increase by 107.4 billion yen from the previous fiscal year including an increase of approximately 80 billion yen in net sales due to the expanded scope of consolidation through the acquisition of everis, as I explained earlier in the slide of new order receipts.

In sum, we forecast net sales will reach 1,460 billion yen on a consolidated basis.

Additionally, in the fiscal year ending March 2016, which is the last fiscal year of the Medium-term Management Plan, the target of overseas net sales was 350 billion yen. However, we have revised the target upward to 422 billion by achieving the initial target by the end of the fiscal year ending March 2015.

Thus, we are now considering to formulate more aggressive business plan, and I will explain in detail later on.

P&F and E-IT : Profits increase due to the prevention of unprofitable projects as well as an expanded gross profits resulting from a boost in sales.
 S&T : Profits increase due to the impact of sales growth.
 GB : Profits increase due to the impact of sales growth at existing operation despite an increase in amortization of goodwill, etc.

【Billions of yen】

	FY ended 2014 / 3 Full-year Results	FY ending 2015 / 3 Full-year Forecasts	YoY	
Public & Financial IT Services (P&F)	60.1	69.0	+8.8 +14.7%	➔
Enterprise IT Services (E-IT)	-3.7	10.0	+13.7 -	➔
Solutions & Technologies (S&T)	8.4	9.0	+0.5 +6.5%	➔
Global Business (GB)	-5.1 【5.6】	-3.0 【10.5】	+2.1 +42.0%	➔
Consolidated values	62.5	85.0	+22.4 +35.8%	➔

(*) Figures by segment include inter-company transactions and allocated expenses of the entire company.

(*) Figures in the bracket under "Global Business Segment" represent operating income after reversal of amortization of goodwill.

(*) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

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In the next slide, let me explain operating income.

We forecast year-on-year increases in operating income in all the business segments.
 Consolidated operating income is expected to rise to 85 billion yen.

To achieve the operating income target, it is important to contain unprofitable projects in the P&F and E-IT segments.

As to the six unprofitable projects that occurred during the fiscal year ended March 2014, two of them have already been released to customers while the remaining four projects will go through several phases, which vary in timing depending on the project, up to the date of release. Therefore, although it may seem to be a little conservative, we have included some risk buffers in the operating income plan.

Traditionally, we have treated 0.3% or up to 1% at a maximum of consolidated net sales, equivalent to 4 billion to 5 billion as risk buffer value.

However, in addition to that risk buffer, we have taken into account a risk of unprofitability of the four projects to be released out of those six large-scaled projects, which total approximately 11 billion yen on a consolidated basis for the fiscal year ending March 2015.

The forecast of operating income in the GB segment for the fiscal year ending March 2015 is -3 billion yen.

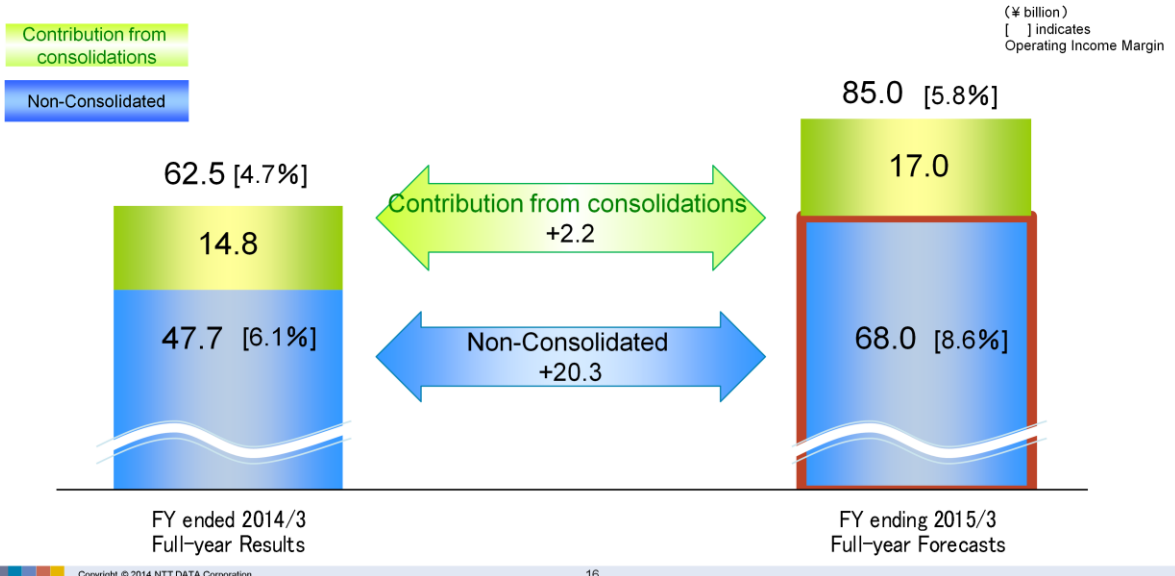
The major contributing factor is the impact of amortization of goodwill and PPA due to the inclusion of everis in the scope of consolidation.

Therefore, we want to realize our long-cherished wish in the fiscal year ending March 2015, to turn operating income after amortization of goodwill of each subsidiary except for everis profitable.

To date, the operating performance in the EMEA region remained stagnant, but as I mentioned earlier, we expect that EMEA will turn aggressive in business in this fiscal year as a result of the structural reform implemented in the previous fiscal year.

Although we made a downward revision to the forecast for the fiscal year ended March 2014, we will make the utmost effort to achieve this plan of 85 billion yen in operating income for the fiscal year ending March 2015.

On a non-consolidated basis, profit increase due to the prevention of unprofitable projects in the previous term, etc.
 Contribution from consolidation witness a growth in profits due to an increase in sales by the existing subsidiaries despite an increase in amortization of goodwill, etc.



This slide separates operating income into consolidated basis and non-consolidated basis.

On the non-consolidated basis, we expect operating income to increase 20.3 billion yen due to a decrease in unprofitable projects, whereas contribution from consolidations will increase 2.2 billion yen with an expectation that the GB segment will recover.

Segment Profit

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P&F : Increase due to a growth in operating income and a decrease in impairment loss in noncurrent assets, etc.
 E-IT : Profits increase due to a growth in operating income and reduced costs resulting from integration and reorganization of the group companies, etc.
 S&T : Profits decrease due to building-related costs, etc.
 GB : Profits increase due to a growth in operating income and reduced costs resulting from integration and reorganization, etc.

	FY ended 2014 / 3 Full-year Results	FY ending 2015 / 3 Full-year Forecasts	YoY	[Billions of yen]
Public & Financial IT Services (P&F)	55.6	68.0	+12.3 +22.1%	➔
Enterprise IT Services (E-IT)	-5.4	10.0	+15.4 -	➔
Solutions & Technologies (S&T)	8.5	8.0	-0.5 -6.8%	➔
Global Business (GB)	-9.8	-6.0	+3.8 +38.9%	➔
Consolidated values	54.2	75.0	+20.7 +38.2%	➔

(*) Segment Profit is income before income taxes.

(*) Figures by segment include inter-company transactions and allocated expenses of the entire company.

(*) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

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Segment profits showed the increase and decrease basically similar to that in operating income, but in the S&T segment, we anticipate a year-on-year decrease of 0.5 billion yen. This is attributable to loss on retirement of some buildings owned by the Company which we will not use any more. There are no business problem relating to this decrease.



3. Progress in Medium-term Management Plan

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From the next slide, I will explain the status of progress of the Medium-term Management Plan.

Target figures for the Medium-term Management Plan (FY Ending March 2016)

Global Top 5

Net Sales: 1.5 trillion yen or more

**(An increase of 250 billion yen
from FY ended 2012/3)**

EPS: 200 yen

**(An 85% increase
from FY ended 2012/3)**

We have two targets in our Medium-term Management Plan.

The first one is to grow to become a Global Top 5 company.

The second target is to achieve 200 yen in EPS by steadily gaining profits. These are the two pillars.

Global Top5 was set based on a business report published by Gartner, Inc., a U.S. technology research company.

We were ranked at Global Top6 in the 2013 and 2012 versions, but unfortunately, were ranked down to the 11th place in the 2014 version.

As I explained earlier, net sales have continued to grow significantly, and it is just the matter of foreign exchange rate for which we went down in the ranking.

Initially, during the fiscal year ended March 2012 when we established the Medium-term Management Plan, we thought that net sales of a minimum of 1,500 billion yen would be necessary to be ranked Global Top5. We believe it is possible for us to achieve this target.

Given our target of net sales for the fiscal year ending March 2015 at 1,460 billion yen, we consider that 1,500 billion yen is already within range.

On the other hand, to attain the target of 200 yen for EPS, operating income of over 100 billion yen will be required.

Allowance for the unprofitable projects were made in the fiscal year ended March 2014, and the forecast for operating income for the fiscal year ending March 2015 is 85 billion. Thus, we need further efforts to achieve the appropriate level of income.

Notwithstanding, at present, we will not give up the target of 200 yen for EPS while making the utmost efforts for two more years.

■ Toward the achievement of the targets stated in the Medium-term Management Plan, net sales have grown steadily particularly contributed by growth outside Japan. Profits target requires further efforts due to occurrence of unprofitable projects, etc.

In the past 2 years

Domestic net sales suffered an impact of a decline in sales of existing large-scale systems despite increased number of new customers.

Net sales grew steadily led by international sales.

Large evaluation losses were recorded by simultaneous occurrence of unprofitable projects.

In 2 years from now

In the domestic market, net sales shall be maximized in order to create profits.

In the international market, we pursue further growth in net sales, and businesses shall achieve profitability.

Secure profits by preventing unprofitable projects and promoting measures to improve profitability.

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Now, two years have passed since the Medium-term Management Plan started.

Let me look back and reflect on those two years, from domestic and overseas aspects.

In Japan, net sales were on a declining trend due to the contracted sales of the existing large-scaled systems mainly in the P&F segment.

Against this situation, we have made efforts to obtain new customers while implementing measures which we call "Remarketing," and good results have steadily become visible.

For example, in the P&F segment, Mizuho Bank introduced new core banking systems, whereas Aozora Bank joined the BeSTAccloud system.

In addition, we won an extremely high recognition by applying "TERASOLUNA Reengineering," one of the "TERASOLUNA Suite," our automated software development tool group, to a project associated to a foreign-capital insurance company.

In the E-IT segment, we could win new customers in the smart meter-related project of The Tokyo Electric Power Company as well as order receipt of information system for Kirin Group, etc. We will increase more new customers for two years to come.

Furthermore, we expect to receive new orders for the renewal of the existing large-scaled projects from the fiscal year ended March 2014 or the fiscal year ending March 2015.

In preparation for those renewals, we will go into a phase in which developments contribute to sales and profits.

Thus, we expect that our domestic business will turn upward for further expansion.

On the other hand, overseas sales has been growing steadily.

As to M&A, I am very confident that the acquisition of everis is a very successful example.

In particular, I think it produced a significant result of securing business bases in Latin America, such as Mexico, Colombia, Peru, Brazil and Argentina.

The challenge of our overseas business is to become profitable. It means securing positive operating income after amortization of goodwill.

During the two-year period from now, we will develop overseas businesses to turn their performance highly profitable.

Furthermore, as in the past two years and so will it be in the two-year period from now, it is very important to control unprofitable projects much more severely than ever.

As a result of occurrence of the six large-scaled unprofitable projects during the fiscal year ended March 2014, we established the Project Review Board.

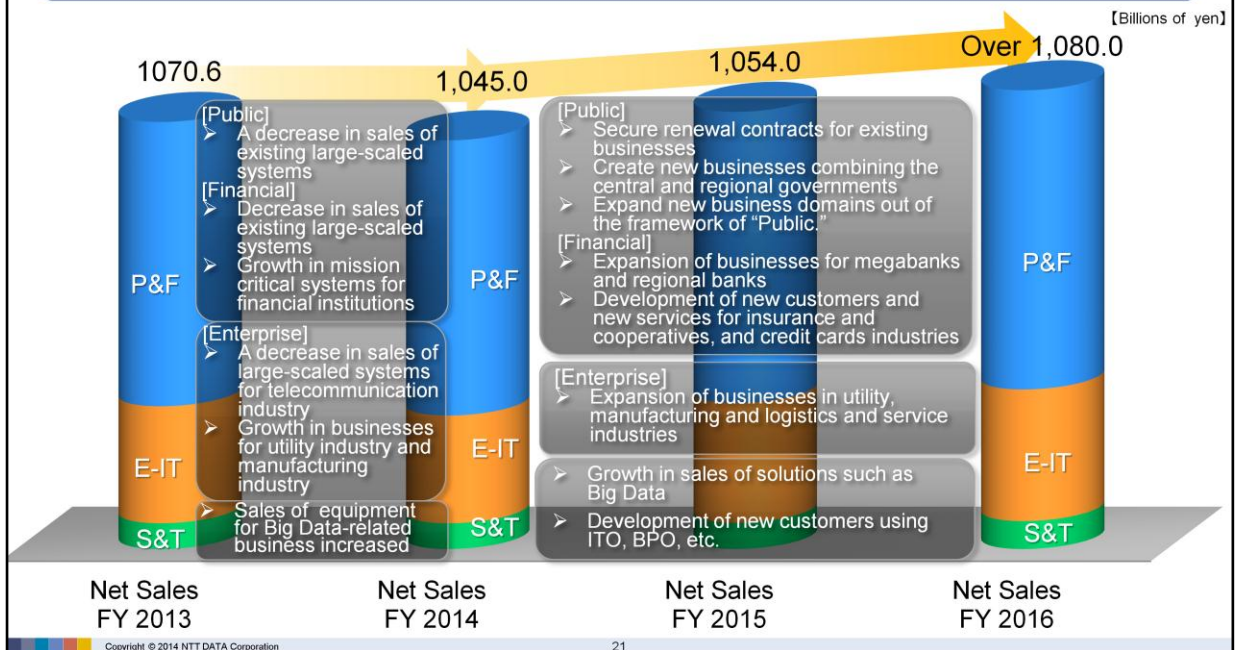
The Project Review Board has already reviewed about five projects reflecting the brisk order receipts.

Some of the projects underwent extremely rigorous examinations.

We have found some projects surfacing which are challenging for us but we want to work on at any cost.

We believe that it is an important target for the future medium-term management to control projects appropriately so that they will not become unprofitable.

- For domestic businesses, we will continue to expand our businesses by promoting specific strategies for each segment under the Medium-term Management Plan focusing on “Remarketing” and “Strategic R&D.”



Now I will explain more in detail.

In Japan, as I mentioned earlier, net sales amounted to 1,450 billion yen in the fiscal year ended March 2014, on which you might think that the growth rates for the fiscal years ending March 2015 and thereafter will be marginal, but I believe that net sales will continue to increase steadily as new projects such as My Number will surface.

In the public sector, full-fledged exports of Japan-made infrastructure to foreign countries has been commenced together with our GB segment.

On April 1 this year, “VNACCS,” the Viet Nam Automated Cargo Clearance System, went into operation smoothly.

In Indonesia, we commenced our map information system services with certainty during the fiscal year ended March 2014.

Furthermore, we are working on several projects in Myanmar. We expect that this kind of development of infrastructures to overseas market will become one of the important pillars of our business.

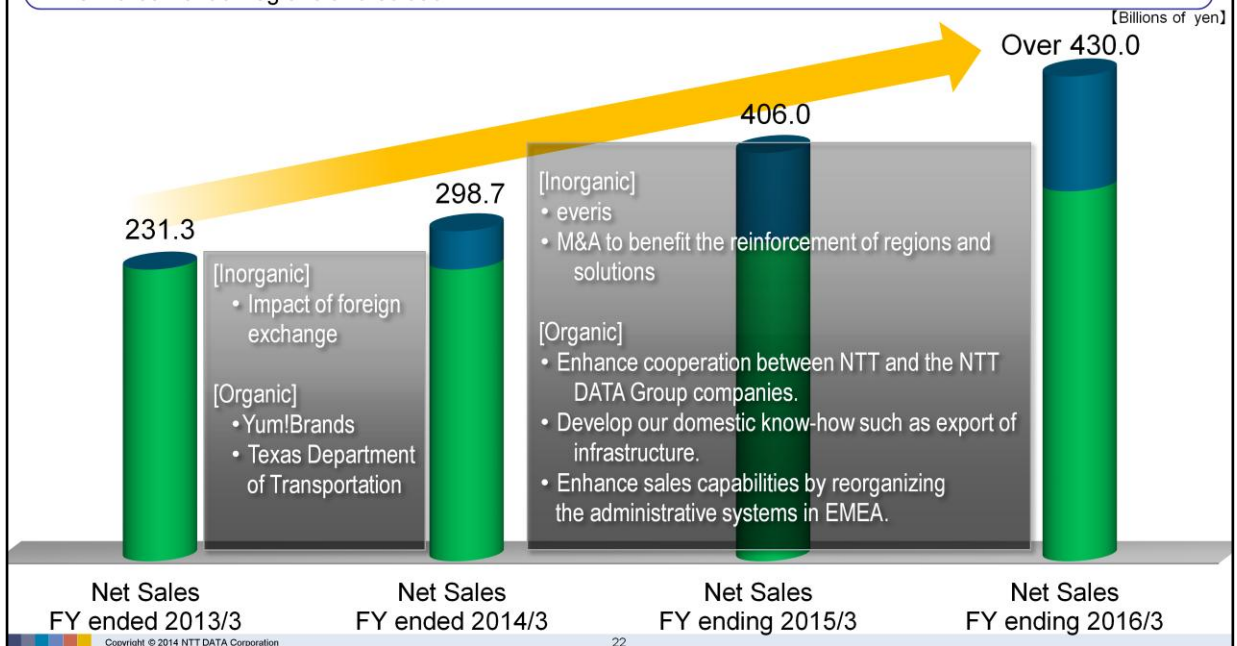
In the corporate sector, we observe many potential new customers surfacing also in such areas as utilities, manufacturing, services, distribution, etc.

Among others, from the distribution industry under the extremely severe competitions, we have received many trade inquiries associated with, for example, the concept of omni-channel and the big data analysis. To obtain new customers and grow in the domestic market, it is the biggest challenge to expand market shares in the corporate sector while implementing with certainty the measures for the public and financial segment.

We still have a long way to go, but we will take on challenges to address our new customers’ systems during the two-year period up to the end of the Medium-term Management Plan.

In the S&T segment, as we have received a large number of trade inquiries in the fields of big data, ITO and BPO, we are firmly determined to keep working hard in these areas, too.

■ Targets for the Medium-term Management Plan will be achieved one year earlier than scheduled helped by a large-scaled M&A. Net sales of ¥430.0 billion are projected for the fiscal year ending March 2016. We will move into our Global 2nd Stage to consider the acceleration of organic growth by promoting the collaboration among the group companies as well as inorganic growth through M&A which will benefit the reinforcement of regions and solution.



On the other hand, we consider both organic and inorganic growths in overseas business.

The strongest driver in the organic growth is North America.

In North America, during the fiscal year ended March 2014, we received an additional order of projects of which the contract period spanned several years.

In EMEA, where the fundamental phase of structural reforms is over, we expect that companies will turn to aggressive strategies from the fiscal year ending March 2015.

In the APAC region, it may take a little more time to contribute to the growth in revenue, but we find a number of potential projects in Vietnam, Malaysia, Thailand and Myanmar. We will continue to focus on this region toward future.

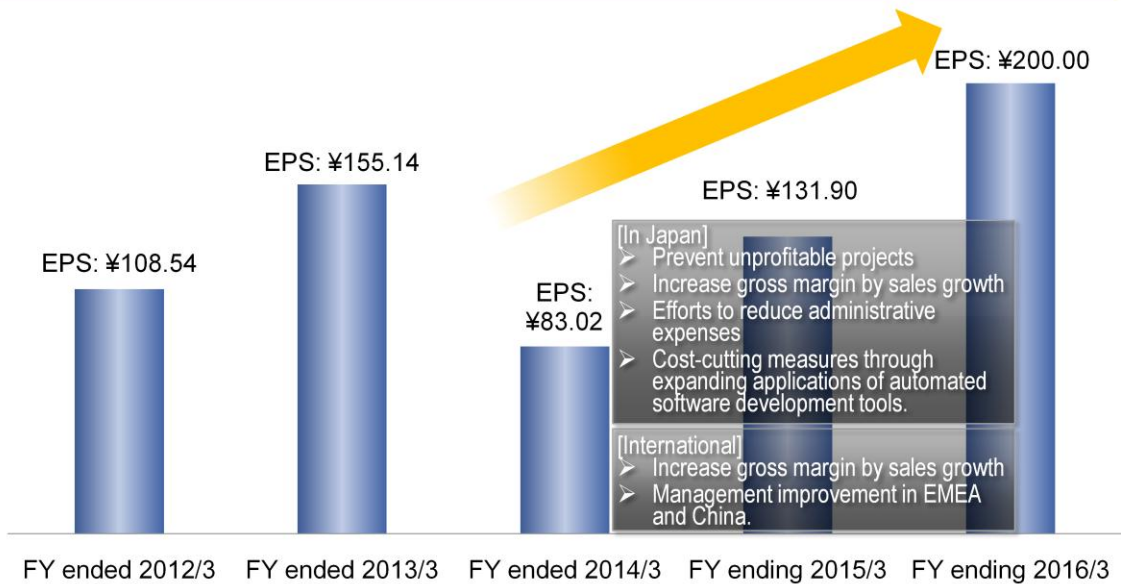
For specific examples of businesses at home and abroad, please refer to the materials attached to this document.

For instance, we joined the Asian Payment Network during the fiscal year ended March 2014 as the first Japanese company.

It is expected that the number of foreign tourists visiting Japan in 2020 when the Tokyo Olympic Games will be held, will exceed 20 million, twice as many as the present number. Under such circumstances, more convenient settlement infrastructure will be required.

To this end, we will discuss with the Japanese megabanks and the regulatory authorities to realize a system under which such utility spreads across Japan, or the Japanese tourists traveling in foreign countries can use the same cash cards as in Japan.

- Achievement of “EPS: 200 yen” as set for the target for FY ending March 2016 shall be pursued by thoroughly preventing unprofitable projects, and implementing more strictly the measures stated in the Medium-term Management Plan.



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It is definitely a challenging target to achieve 200 yen for EPS, but we will not give up this target today.

We have several points of view concerning this.

The first is, albeit fundamental, profits will be accumulated with the growth of gross margin resulting from increased sales.

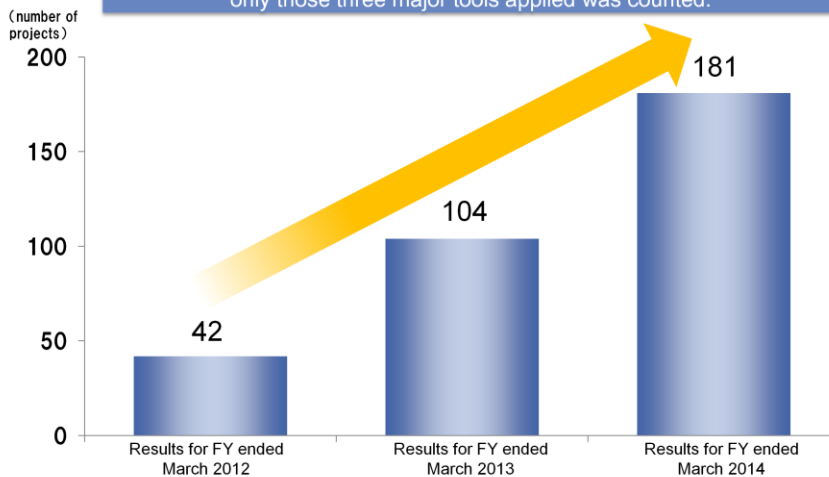
The second is, we must cut excess administrative expenses. Our target is a reduction of over 10 billion yen compared with the fiscal year ended March 2012, and this plan has been going smoothly. We still have two years to go, but I am almost confident in achieving this target.

In addition, it is also important to lower cost rate using automated software development tools, etc.

While implementing these measures, we will continue our utmost efforts for two more years without abandoning the target of 200 yen for EPS.

- In the fiscal year ended March 31, 2014, NTT DATA released TERASOLUNA suite, which integrated the respective development tools, and achieved further improvement in productivity than the conventional one.
- We will also pursue further growth in numbers of application in the fiscal year ending March 31, 2015.

Trend of Growth in the Numbers of projects where Major Automated Development Tools are applied
 ※Among various automated development tools, only those three major tools applied was counted.



Now, I introduce you our automated software development tool used to lower cost rate.

This automated software development tool is equipped with multiple automated tools basically within a development framework or development methodology of TERASOLUNA.

During the fiscal year ended March 2014, we applied these tools to many projects. For example, a tool used to create a design document by reengineering the present program. And, a tool for use in implementing reviews with maximum efficiency and without any mistakes after designing.

For further processes, 99.8% of codes (if they are typical ones) will be automatically generated.

In other words, this is a tool capable of executing coding requiring little manpower.

As for the next process, there is also automated development tools available for testing process.

While these tools were developed individually, TERASOLUNA Suite v1.0 was completed in the fiscal year ended March 2014, which connects all processes in sequence from each output to the next input of the respective tools.

We will not cut the R&D expenses for automated software development tools.

During the remaining two-year period, we will endeavor to realize 200 yen for EPS based on these achievements.

Global 1 st Stage Grow internationally	Global 2 nd Stage Be a unique global IT service company
Develop foundation of international business	Establish global brand
Expand geo coverage International revenue 25%	



Finally, I would like to explain the Global 2nd Stage.

About 10 years have passed since we expanded our business to the world market on a full scale, and it is our recognition that we have just stepped on the Global 1st Stage in the fiscal year ended March 2014.

From the geographical point of view, we have covered 40 countries including Latin America partly helped by the acquisition of everis. We still have a long way to go to support many Japanese companies operating globally, but we believe that we have reached a certain level for supporting them.

The number of employees on a consolidated basis is about 75,000 of which 42,000 employees work outside Japan. In other words, there are more overseas employees than those working in Japan at present.

As to delivery, there are approximately 4,000 staff in China for delivery for Japan in contrast to about 10,000 staff in India for delivery for Europe and the United States. Thus, now we can control the delivery bases on a world-wide basis.

Furthermore, we forecast that we will be able to achieve our initial target of overseas net sales of 350 billion yen for the fiscal year ending March 2016, one year earlier than planned.

The overseas sales ratio also climbed to over 25%, on which we consider that we have achieved the image of the Global 1st Stage. Now, I would like to explain the image of the Global 2nd Stage.

In the fiscal year ended March 2014, we called our Group's vision "Global IT Innovator."

Then, we expressed common sense of values shared by many employees using three important Values of "Clients First," "Foresight" and "Teamwork" under the Group's vision, and unified our company names and brands of all overseas subsidiaries as One NTT DATA.

In Japan, many people know NTT DATA, but in foreign countries, our recognition is ranked between 20th and 40th place, fortunately, depending on countries. It seems to be the reality that people ask "What is NTT DATA?"

Therefore, our ultimate image at end of the Global 2nd Stage is that the global brand of NTT DATA will have been established.

This means, for example, many worldwide users and their employees will recognize the names of IBM, HP, Accenture, Capgemini and Tata Consultancy Services.

In a similar way, we want people to know NTT DATA, including the businesses NTT DATA is engaging in.

Considering the business volume at that time, I would suppose the net sales balance between Japan and overseas will have reached 50:50.

For that purpose, we must enhance our presence in the respective region.

And it is very important for us to produce synergies on a global basis by using the delivery bases in India, for example, to serve our global customers wherever they are.



Clients First
with Innovation & Japan Quality

When the 2nd Stage will be over, we would be very happy to hear many customers say like this: NTT DATA is a company working with the spirit of “Clients First with Innovation & Japan Quality.”

About this concept of “Japan Quality,” I had discussions with the CEOs of overseas subsidiaries. Then I found that our Japan Quality is highly regarded.

In the Japan Quality, everything critical is included such as meeting a deadline, strictly managing costs and quality, never giving up and completing the work no matter what happens.

NTT DATA has adopted this concept as its slogan, and the 75,000 employees worldwide will promote innovations with our customers while sharing the same sense of values.

Bearing in mind the hope for becoming such a wonderful company, we will concentrate our efforts during the remaining two years of the Medium-term Management Plan.

Perhaps it will take some more time until we can realize this 2nd Stage, maybe in 2020, or before or after the Tokyo Olympic Games, in other words, after two more medium-term management plans will be implemented

Although it will take some time, we will make the utmost efforts to become the first Japanese IT company, not IBM, nor HP nor Accenture, that will be capable of supporting customers worldwide.

End.



5. Appendices

Overview of Consolidated Earnings and New Orders Received for the FY Ended March 31, 2014

NTT DATA

(Billions of yen [except Cash Dividends per Share and %])

	FY ended 2014/3 4th. Quarter		YoY (%)	FY ended 2013/3 Full-Year Results(1)	FY ended 2014/3 Full-Year Results(2)	FY ending 2015/3 Full-Year Forecasts(3)	YoY	
	Results (Jan -Mar.)						(2)-(1)/(1)	(3)-(2)/(2)
New Orders Received	300.9		+8.1	1,197.1	1,400.2	1,320.0	+17.0	-5.7
Orders on Hand				1,140.2	1,341.4	1,303.0	+17.6	-2.9
Net Sales	401.2		+2.9	1,301.9	1,343.7	1,460.0	+3.2	+8.6
Cost of Sales	297.4		+2.4	980.5	1,031.2	1,100.0	+5.2	+6.7
Gross Profit	103.8		+4.1	321.4	312.5	360.0	-2.8	+15.2
SG&A Expenses	66.9		+6.5	235.7	249.9	275.0	+6.0	+10.0
Selling Expenses	28.8		-1.5	108.0	113.8	127.0	+5.3	+11.5
R&D Expenses	3.7		+22.7	12.1	12.8	13.0	+6.0	+1.3
Other Administrative	34.4		+12.6	115.5	123.2	135.0	+6.7	+9.5
Operating Income	36.8		+0.1	85.6	62.5	85.0	-27.0	+35.8
Operating Income Margin	9.2		-0.2	6.6	4.7	5.8	-1.9	+1.1
Ordinary Income	33.7		-9.0	81.8	62.1	75.0	-24.1	+20.7
Special Gains and Losses	-5.8		+176.1	-4.8	-7.8	0.0	-62.7	-
Income before Income Taxes	27.8		-20.3	77.0	54.2	75.0	-29.6	+38.2
Income Taxes and Others	14.7		+9.0	33.5	30.9	38.0	-7.6	+22.7
Net Income	13.1		-38.7	43.5	23.2	37.0	-46.5	+58.9
Capital Expenditures	38.4		-1.7	122.1	147.7	140.0	+2.1	-5.2
Depreciation and Amortisation/Loss on Disposal of Property and Equipment and Intangibles	38.9		-10.4	153.8	143.6	160.0	-6.6	+11.4
Cash Dividends per Share (¥)				60	60	60		

Note1: Income Taxes and Others include Income, Residential and Enterprise Taxes, Adjustment to Income Taxes and Minority Interests.

Note2: Forecasted dividend per share for FY ending March 2014 is 6,000 in a real term. With the proposed stock split and the adoption of the unit share system as of October 1, 2013, interim dividend and year-end dividend are forecasted to be 3,000 yen per share and 30 yen per share (3,000 yen per 100 shares), respectively.

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(Billions of yen)

	FY ended 2014/3 4th. Quarter Results (Jan.-Mar.)	FY ended 2013/3 Full-Year Results	FY ended 2014/3 Full-Year Results	FY ending 2015/3 Full-Year Forecasts
Public & Financial IT Services	218.5	712.7	704.5	714.0
Enterprise IT Services	82.8	293.3	272.3	271.0
Solutions & Technologies	18.7	62.5	66.9	68.0
Global Business	80.7	231.3	298.7	406.0

Consolidated New Orders Received by Customer Sector
(to Japanese Customers Outside the NTT DATA Group)
and Order on Hand

NTT DATA

(Billions of yen)

		FY ended 2013/3 Full-Year Results	FY ended 2014/3 Full-Year Results	FY ending 2015/3 Full-Year Forecasts
Public & Financial IT Services				
(Main item)	Central Government and Related Agencies, Overseas Public Institutions, etc.	114.5	200.5	120.0
	Local Government and Community-based Business	107.6	110.0	105.0
	Healthcare	16.7	15.8	15.0
	Banks	196.3	170.3	150.0
	Cooperative Financial Institutions	86.4	95.0	78.0
	Insurance, Security and Credit Corporations	101.8	101.8	98.0
	Settlement Services	19.3	18.5	13.0
Enterprise IT Services				
(Main item)	Communication, Broadcasting and Utility Industry	131.7	117.7	107.0
	Manufacturing Industry	89.6	106.9	92.0
	Retail, Logistics and Other Service Industry	40.0	49.9	48.0
Solutions & Technologies				
(Main item)	Network Services	2.0	2.5	2.0
	Data Center Services	17.2	16.4	21.5
Orders on Hand				
	Public & Financial IT Services	1,140.2	1,341.4	1,303.0
(Main item)	Enterprise IT Services	971.0	1,033.1	970.0
	Solutions & Technologies	26.3	85.3	87.0
	Global Business	4.4	4.9	6.0
		138.1	217.9	239.0

Note: New Orders Received of Solutions & Technologies does not include orders taken via other segments.

(Billions of yen)

		FY ended 2013/3 Full-Year Results	FY ended 2014/3 Full-Year Results	FY ending 2015/3 Full-Year Forecasts
Public & Financial IT Services				
(Main item)	Central Government and Related Agencies, Overseas Public Institutions, etc.	139.7	136.9	145.0
	Local Government and Community-based Business	89.5	98.2	100.0
	Healthcare	19.6	17.5	17.0
	Banks	183.7	165.2	168.0
	Cooperative Financial Institutions	91.7	96.9	97.0
	Insurance, Security and Credit Corporations	106.4	104.9	98.0
	Settlement Services	78.4	80.6	82.0
Enterprise IT Services				
(Main item)	Communication, Broadcasting and Utility Industry	138.1	110.4	105.0
	Manufacturing Industry	94.8	96.8	98.0
	Retail, Logistics and Other Service Industry	44.2	46.7	50.0
Solutions & Technologies				
(Main item)	Network Services	21.6	22.6	21.0
	Data Center Services	29.0	31.0	33.0
Integrated IT Solution		436.1	429.7	432.0
System & Software Development		351.0	367.4	436.0
Consulting & Support		463.1	491.9	539.0
Others		51.6	54.5	53.0
Net Sales by Products and Services Total		1,301.9	1,343.7	1,460.0

Note: Net Sales and New Orders Received of Solutions & Technologies does not include orders taken via other segments.

Non-Consolidated Earnings and New Orders Received

NTT DATA

(Billions of yen)

	FY ended 2013/3 Full-Year Results	FY ended 2014/3 Full-Year Results	FY ending 2015/3 Full-Year Forecasts
New Orders Received	700.8	789.4	623.0
Orders on Hand	915.3	1,028.2	958.0
Net Sales	818.0	782.8	795.0
Cost of Sales	627.0	621.0	610.0
Gross Profit	191.0	161.8	185.0
SG&A Expenses	118.7	114.1	117.0
Selling Expenses	54.0	52.8	56.0
R&D Expenses	10.9	10.4	11.0
Other Administrative Expenses	53.7	50.7	50.0
Operating Income	72.2	47.7	68.0
Operating Income Margin	8.8	6.1	8.6
Ordinary Income	73.4	55.3	65.0
Special Gains and Losses	-1.2	-4.0	0.0
Income before Income Taxes	72.1	51.2	65.0
Income Taxes and Others	26.4	17.6	21.0
Net Income	45.6	33.6	44.0
Capital Expenditures	107.2	129.7	115.0
Depreciation and Amortisation/Loss on Disposal of Property and Equipment and Intangibles	132.1	117.1	132.0

Note: Income Taxes and Others include Income, Residential and Enterprise Taxes, Adjustment to Income Taxes.

Non-Consolidated Earnings, New Orders Received by Segment and Others

(Billions of yen)

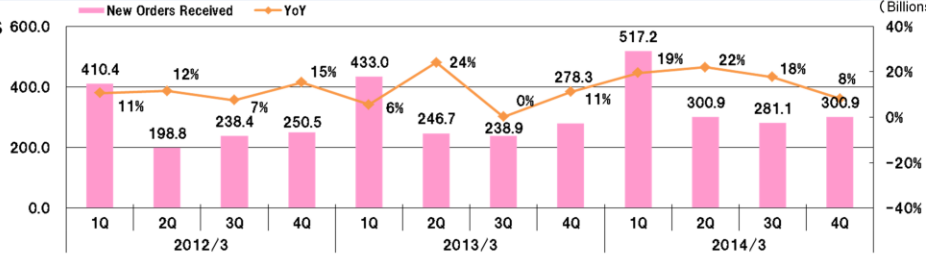
	2013/3 Full-Year Results	2014/3 Full-Year Results	2015/3 Full-Year Forecasts
New Orders Received	700.8	789.4	623.0
Public & Financial IT Services	493.8	563.5	431.0
Enterprise IT Services	180.5	201.6	164.0
Solutions & Technologies	26.2	23.9	28.0
Global Business	0.0	0.0	0.0
Orders on Hand	915.3	1,028.2	958.0
Public & Financial IT Services	897.2	966.5	894.0
Enterprise IT Services	12.5	54.9	53.0
Solutions & Technologies	5.2	6.7	11.0
Global Business	0.0	0.0	0.0
Net Sales (to Customers Outside the NTT DATA Group)	818.0	782.8	795.0
Public & Financial IT Services	577.5	559.3	572.0
Enterprise IT Services	192.4	172.1	173.0
Solutions & Technologies	47.7	51.0	50.0
Global Business	0.0	0.0	0.0

Note : New Orders Received and Net Sales of Solutions & Technologies does not include orders taken via other segments.

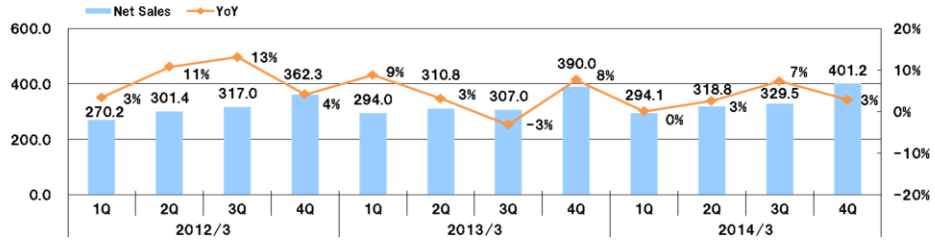
Trends in Quarter (Consolidated)

(Billions of yen / %)

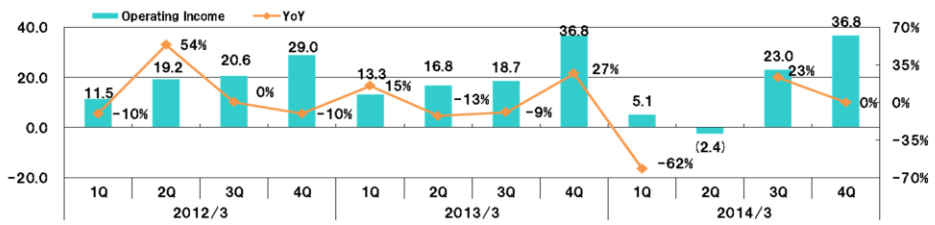
New Orders Received



Net Sales



Operating Income



(Unit: yen, %)

	2013/3 Results	2014/3 Full-year Assumed Rates	2014/3 Results	YoY (%)	2015/3 Full-year Assumed Rates	YoY (%)
	①		②	(②-①)/①	③	(③-②)/②
USD	83.08	95.00	100.11	+20.5	102.00	+1.9
EUR (For December-end companies)	102.47	125.00	129.58	+26.5	137.00	+5.7
EUR (For March-end companies)	106.97	125.00	134.26	+25.5	137.00	+2.0
RMB (Chinese Yuan Renminbi)	12.65	15.70	15.87	+25.5	17.10	+7.8

- The social security and tax number system was set forth under the so-called "Number Act," which was enforced in May 2013, and the introduction of the system toward the commencement of utilization in January 2016 is in the works by the government, local governments, financial institutions and private-sector corporations. However, they are facing severe environment of cost-cutting requirements in bidding, etc.
- On the back of the major banks' global business development for supporting the overseas expansion of the Japanese companies mainly in Asia, a growth in IT spending is expected.

Public & Financial IT Services

National Government	<ul style="list-style-type: none"> • "Declaration to be the World's Most Advanced IT Nation" was formulated in June 2013, which is expected to bring an impact on IT investments. Nevertheless, the environment has turned severer as competitive bidding has been more widespread, etc. In addition, the social security and tax number system was set forth under the so-called "Number Act," which was enforced in May 2013, and the introduction of the system toward the commencement of utilization in January 2016 is in the works by the government, local governments, financial institutions and private-sector corporations, etc.
Local Government and Community-based Business	<ul style="list-style-type: none"> • Amid overall belt-tightening, cost-cutting demand is increasingly for bidding, etc. • Interest has been growing in safety and security area, especially disaster prevention systems, and smart community area. • In relation to the social security and tax number system, it is anticipated that relevant demands will arise from the assignment and notification of the numbers in October 2015 toward the cooperation between the government and local public bodies in 2017.
Healthcare	<ul style="list-style-type: none"> • The growth strategies and regulatory reform implementation plan formulated by the government designate the health and medical fields as key areas, and the relevant ministries and agencies are preparing the budgets. • It is anticipated that new services and new industries will be created in response to the realization of future healthy longevity society, and the impact on IT spending by the relevant organizations will be reinforced.
Major Banks	<ul style="list-style-type: none"> • With changes in the appetite for IT spending, an expansion of investments is expected. • A certain level of needs are anticipated for the fields in which streamlining of the existing operations and the effects of cost reduction can be expected. • It is expected that the trend of major banks' global development for supporting the overseas expansion of the Japanese companies centering in Asia will bring an increased IT spending.
Regional Banks	<ul style="list-style-type: none"> • Despite signs of a recovery from a stagnant state in the overall category, cost-cutting intention remain strong, along with ongoing trend toward shared system use and outsourcing. • Demand is likely to increase for shared systems for strategic purposes (customer information management, etc.) to differentiate themselves from competitors.
Cooperative Financial Institutions	<ul style="list-style-type: none"> • While domestic economy including regional economy has been picking up as observed in a sign of recovery in small-business loans, a significant increase in IT spending is unlikely under the prolonged severe management environment resulting from a consumption tax hike weighing on the management of small businesses as well as fierce interest rate competitions with financial institutions in neighboring regions. • Minimum necessary spending is seen to meet legal requirement and for projects contributing to the improvement of cost efficiency.
Insurance, Security and Credit Corporations, etc.	<ul style="list-style-type: none"> • [Insurance]: Although the current IT spending is sluggish across the industry, we expect that IT spending related to new channels, new products, streamlining of administrative works, etc. will increase. • [Securities]: While the outlook of the global financial market is uncertain, the domestic market has been booming. Further IT spending is expected as there have been changes in investment stance as a result of system reforms among other measures. • [Credit]: Search for new businesses after the Money Lending Business Act continues. Focuses are placed on multi-functional electronic terminals, reinforcement of franchised outlets, points, etc.

In the wake of the recovery of the domestic consumption, business confidence shows a recovery trend together with an increase in IT spending coming into view. However, the strength of the growth in IT spending needs to be watched carefully for a while on the back of the risks concerned over the deceleration of growth in emerging markets and rising prices of raw materials, etc.

Enterprise IT Services

Communication, Broadcasting and Utility Industry

- In the telecom industry, while IT spending cycle in response to the increased traffic due to the rapid dissemination of smartphones seems to be ending, investment in infrastructure and networking facilities continue to pose a priority issue. Further IT spending relating to new services under intensifying competitions can be expected while further cost reduction is required in the IT spending for the existing domains.
- In the utilities industry, movements towards efficient energy usage (introduction of smart meters) and system changes (separation of electrical power generation from power distribution and transmission), etc. are expected to prompt an increase in IT spending.

Manufacturing Industry

- Business sentiment seems to be improving on the back of a recovery of domestic consumption and an increase in public investments. As system improvement toward the enhancement of global competitiveness as well as measures for reinforcement of production facilities are consistently implemented, it is expected that the demand for visibility of supply chains and the reconstruction of logistics infrastructure will become apparent.
- However, there remain downside risks such as deceleration of economic growth in emerging markets as well as rising raw material prices. Therefore, it is assumed that the IT spending decisions will continue to be made carefully in some business domains.

Retail, Logistics and Other Service Industry

- As the domestic consumption recovers, a move toward the reinforcement of competitiveness is notable in the major retail business by means of aggressive opening of new stores and large-scaled capital expenditure, etc. Under these circumstances, it is expected that IT spending toward continuous system renewals will increase in such areas as investments in store-related systems and large-scaled integration of infrastructure, etc.
- Demands for IT spending have become obvious toward advancement of customer analyses such as business intelligence and demand forecasting by using company-owned POS data and information obtained from social media.
- Demands for IT spending aiming at increasing sales by using the O2O (Online to Offline) system including sales promotion activities connecting e-commerce to real stores have been growing steadily.

Solutions & Technologies

From a perspective of BCP, demand for reliable network and data centers remains strong.

Network

- Demands from financial institutions continue to grow constantly on the back of circuit redundancy as measures for BCP.
- As smart devices have become widespread recently, the introduction of wireless LAN is on the increase with respect to networks for corporate customers. Furthermore, demands for networks are expected to grow as Japanese companies expand businesses globally.

Data Center Services

- From a BCP perspective, we have continued to receive inquiries from customers about setting up data centers and BCP offices with quake-resistant or seismically isolated structure, in-house power generators, and a fault recovery environment. In addition, demand remains strong for energy-saving services resulting from the power shortage issue as well as global data centers and related support services in line with the globalization of business operations by our customers.

North America	<p>In both the United States and Canada, the GDP recovered to the level prior to the economic recessions, which leads also to bright prospects for the level of employment. Underpinned by low interest rates, cash positions have improved and M&A activities are becoming more active. Under these circumstances, demands for IT services are also robust. An individual company is aggressively seeking the realization of technological innovation and further cost reductions as well as new outsourcing models toward a renewal of existing outsourcing contracts. Proactive measures toward further growth are observed in the healthcare and the manufacturing industries.</p>
EMEA	<p>In the three-month period from October to December 2013, the macro economy recovered in the entire Eurozone with the GDP growth rate of approximately 0.3%. In contrast, the GDP contracted about 0.5% on a full-year basis of 2013. Market conditions varied significantly depending on the country as seen in the steady economic growths in Germany and the United Kingdom being 0.4% and 1.7%, respectively, whereas the growth rate of Italy shrank 1.9%. It is likely that the same status will continue for several years after 2014. Even in the economic recovery trend, a downward pressure on price from customers is continuing.</p>
China	<p>While the political relationship between Japan and China is yet to be improved, the business aspects of Chinese companies and business persons have shown upturns gradually along with the performance of Japanese companies being on a recovery trend. IT spending by European and the U.S. companies for their Chinese business arms continues to be very active, and Chinese companies also focus on expanding their domestic market.</p>
APAC	<p>Market trend in the entire APAC region shows a robust trend. While the growth is stable in the markets in a maturing stage, IT spending in the public sector was suspended in Thailand for political reasons. In the developing markets, demands for IT asset services in financial institutions have been rising.</p>
Solutions	<p>In the SAP services for SME, the growth in SAP solutions and outsourcing businesses is steady, although customers' attitudes toward IT spending vary depending on the region and the business category. It is expected that new markets will be expanded in the fields of HANA (High-Performance Analytic Appliance), analytics, mobile technology and cloud computing.</p>

- Participation in the Library's "Long-term Preservation" project for its valuable treasures and manuscripts preserved for humankind.
- The Library will establish a new fund for this project, seeking public support and donations.
- We will digitalize the manuscripts, building and operating DA systems based on our track records of digital archiving business.

The Vatican Apostolic Library



Provision of Services

Promotion
Image browsing of the Archive

Supports



NTT DATA "Global IT Innovator"

I. Digitalization & Storage: Contribution to "Preservation of Human Treasures"

- Digitalization of 82,000 documents in 15 years (Contract of 3,000 documents in 4 years as the 1st phase)

II. Release and Promotional Portal: PR for business

- Release of archive data for supports
- Online donations will be sought.



Digitization

NTT DATA "DA" Solution



System Integration

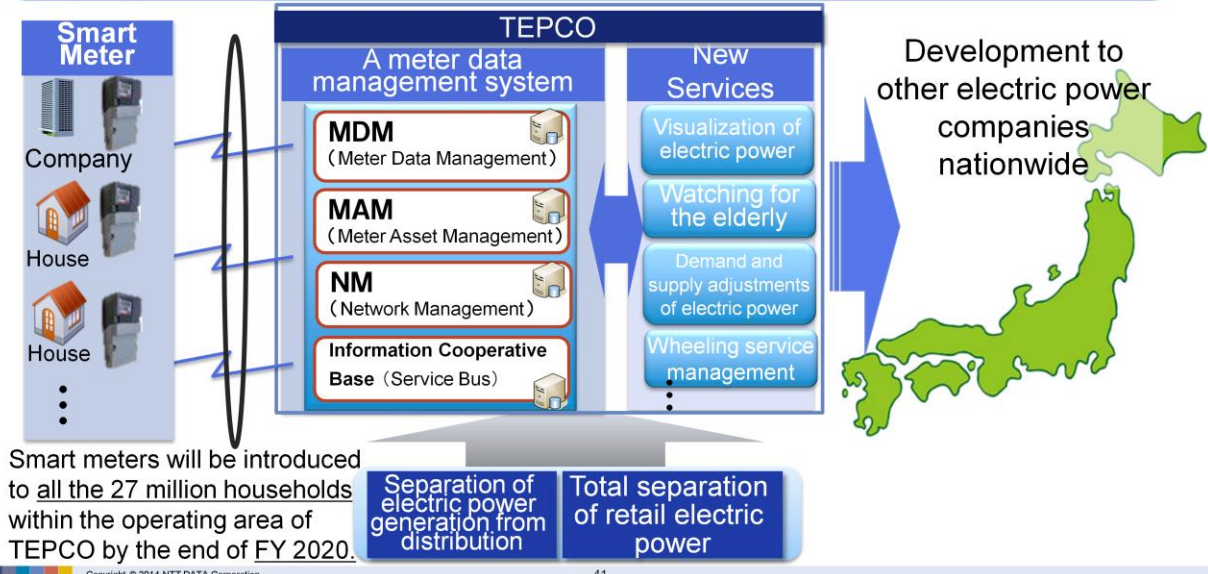


Portal

We, as the first Japanese company, have been approved as a member of the Asian Payment Network (APN), an organization in pursuit of creating a common payment settlement platform within the Asia-Pacific region. This will allow us to connect the domestic financial institutions with foreign member institutions through APN, which will enable Japanese tourists to withdraw a foreign currency in the destination country by using their domestic bank cards.

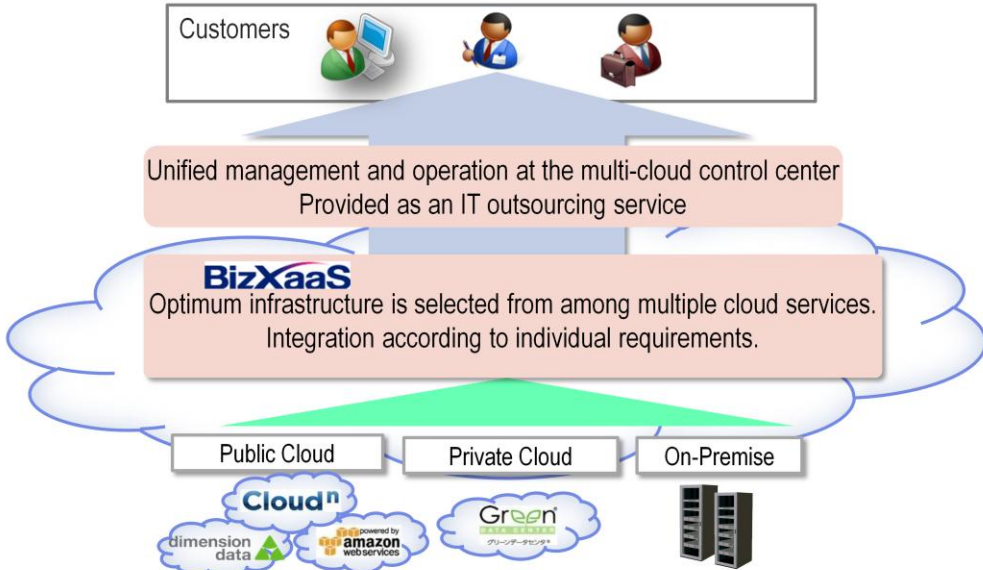


- In building a meter data management system ("MDMS"), we promote a project as a partner of The Tokyo Electric Power Company.
- By making the most of the know-how gained in the MDMS business, we promote services for the respective systems associated with electric power transmission business (wheeling service management, etc.) as well as electric power retail business. The services are also under development for other electric power companies.



Supports for the selection of the optimal cloud bases for customer needs, and for integrated management and operation of multi-cloud bases.

“Multi-cloud Infrastructure Provision Service” adds Amazon Web Service to its lineup including the proper data center and “Biz-Hosting Cloud” which is a public cloud computing system of NTT Communications.



NTT DATA Global Delivery Services (hereinafter, "GDS"), an India-based unit of NTT DATA, Inc., achieved the highest Maturity Level 5 for CMMI® (Capability Maturity Model® Integration) DEV version 1.3 and CMMI SVC version 1.3.



GDS, based in Chennai, Hyderabad, Pune, etc., provides services including BPO, application development, maintenance and extension, etc.

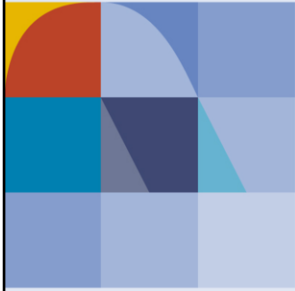
Achievements of CMMI Level 5 by the NTT DATA Group companies

NTT DATA (3 domestic organizations)	CMMI DEV version 1.3
NTT DATA GDS (India)	CMMI DEV version 1.3 CMMI SVC version 1.3
Wuxi NTT Data (China)	CMMI DEV version 1.2
everis (Spain & South America)	CMMI DEV version 1.3

Key Points:

- There are only eight companies in the world that have earned Maturity Level 5 both in development and service.
- GDS is presently one of the largest in size among the eight companies with CMMI Level 5, with seven bases in India and over 7,000 employees.

Developed in 1999 by the CMMI Institute, a subsidiary of Carnegie Mellon University, with a support from the U.S. Department of Defense, CMMI (Capability Maturity Model Integration) is a model for assessing maturity of a system development organization. Maturity is expressed in staged levels, and characteristics of effective processes to satisfy the respective maturity levels are defined. CMMI is used by many companies in the world as a de facto standard for the process improvement.



NTT DATA

Global IT Innovator

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