Global IT Innovator
NTT DATA GROUP

NTT DaTa

NTT DATA CORPORATION
CSR Report 2010

Corporate Philosophy

NTT DATA Group utilizes information technology to create new paradigms and values, contributing to the achievement of a more affluent and harmonious society.

Group Vision

Global IT Innovator

Our company uses information technology to change society, working with a global vision, on a global scale.

Declaration of "Global Partnership"

We will link diverse systems and services, transcending regional and national boundaries, to create new values in partnership with our customers.

Declaration of "Enduser-Oriented Business"

We will constantly strive to create new concepts for systems and services from the perspective of our clients and their customers, providing our customers with the most appropriate and effective solutions.

Declaration of "Workstyle Innovation"

As a leader of the IT industry we will produce innovations in productivity and workstyles, providing support for enhanced self-realization.

In 2005, the NTT DATA Group revised its corporate philosophy, which sets out its mission and core values, and formulated a Group Vision to share with all employees toward the realization of its aspirations for how it sees itself in 10 years time. The vision originates with "awareness innovation," which we have pursued since 2004, asking what is needed for sustainable corporate growth and what society's expectations and important

considerations are with regard to NTT DATA. Discussions by management and employees in the quest to resolve these questions resulted in formation of the Group Vision. In pursuit of this vision, the NTT DATA Group has stepped up the pace of its various innovations and is fulfilling its social mission and responsibilities by using IT to solve social issues and contributing to the realization of a prosperous society.

The NTT Group CSR Charter

The NTT Group's basic management stance is to contribute to the ongoing development of society while maintaining awareness of its social responsibilities. Based on this approach, the NTT Group CSR Charter was drawn up in June 2006 to provide the basic guidelines for more active CSR activities by Group companies. The charter comprises CSR Messages that express the Group's CSR commitment and CSR Goals that outline priority aspects of the Group's CSR activities.

In fiscal 2009, NTT Group CSR Priority Activities were defined to further consolidate the NTT Group in its drive to address social issues in Japan and overseas. This step aids the NTT Group in promoting activities on an autonomous and voluntary basis.

Related website **CSR of the NTT Group** http://www.ntt.co.jp/csr_e/

Safe and secure communication

Creation of a safe, secure and prosperous society through communications that serve people, communities, and the global environment

Team NTT communication

Communication between people and their communities

Communication between people and the global environment

Editorial Notes

NTT DATA publishes its CSR report each year as part of its disclosure of information on corporate social responsibility (CSR) and of its communications with stakeholders. It reports on the NTT DATA Group's policies and various initiatives in pursuit of CSR.

In the *CSR Report 2010*, we have reflected the opinions of employees and other stakeholders regarding the *CSR Report 2009*, while selecting themes of high significance from the dual perspectives of "importance to the NTT DATA Group" and "importance to society" in order to clarify the value of our initiatives and to further enhance the content of reportage. Moreover, two special features highlight initiatives in the areas of "globalization" and "environmentally oriented management," which we have earmarked as important management themes.

Highly material items are covered in this report; coverage of additional topics can be found on our website (see page 45).

Breakdown of Coverage by Different Media Channels

This report

Additional topics on website
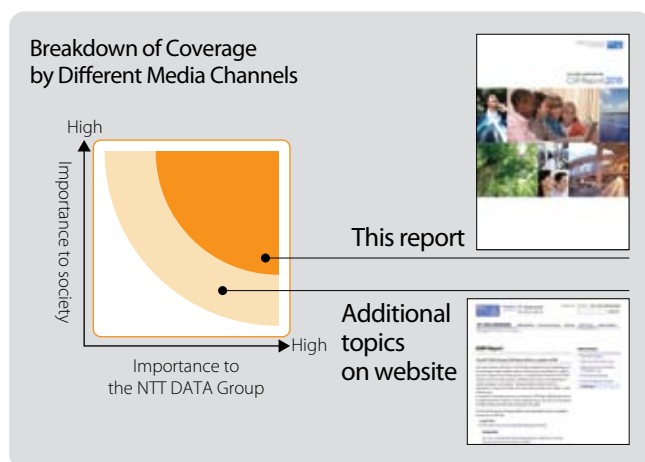
Organizations covered
The majority of reportage refers to the activities of NTT DATA CORPORATION, with some content extending to the entire NTT DATA Group or to Group companies.

Reported activities
This publication reports on measures and results relating to economic activities, social activities and environmental protection activities by NTT DATA and Group companies.

Period of coverage
Material in this report is primarily focused on fiscal 2010 (April 1, 2009, to March 31, 2010), with some coverage of activities carried out prior to the period or during fiscal 2011 or planned for the future.
Note: With respect to the notation of fiscal years in the graphs and charts within this CSR Report, "2010" indicates the fiscal year ended March 31, 2010.

Reference guidelines
• *Environmental Reporting Guidelines (2007)*, Ministry of the Environment
• *Sustainability Reporting Guidelines, Version 3 (G3)*, Global Reporting Initiative (GRI)

Publication dates
December 2010 (The *CSR Report 2009* was issued in December 2009; the *CSR Report 2011* is due for publication in December 2011.)

Disclaimer
This report includes judgments, plans and predictions based on information available at the time of publication, in addition to current and past facts pertaining to NTT DATA and other companies of the NTT DATA Group. Accordingly, actual business results may differ from forecasts.

Contents

Energetically pursuing three Material Challenges—society and regional communities, people, and the global environment— as we work toward an affluent, sustainable society

Contributing to corporate growth and the realization of a sustainable society through "reasonable gain"

NTT DATA inaugurated a new Medium-Term Management Policy in fiscal 2010, focused on securing top-level customer satisfaction and on expanding quantity along with quality.

The reason for saying quantity "along with quality" is that we are not simply aiming to boost operating income in conjunction with sales; we are pursuing the goal of business of value to society as an indispensable factor behind our corporate growth and the construction of a sustainable society. Business of value to society refers to corporate activities that realize a social system that solves social issues, including the falling birthrate and aging population, rising healthcare and welfare costs, disaster and crisis management, regional vitalization, and sustainable growth.

Of course, this approach is dependent on the huge assumption that corporations meet society's demands for appropriate behavior in accordance with laws, regulations and societal norms and for fair and transparent business activities. However, at the end of June 2010 an allegation surfaced that an NTT DATA employee had offered bribes to staff of the Japan Patent Office, leading to arrest and prosecution[1]. I would like to proffer my sincerest apologies to customers, shareholders and all other stakeholders for any concerns and inconvenience that have arisen as a result of this incident.

Based on recognition that trustworthiness is a company's greatest asset, I am treating this affair with the utmost severity and taking personal responsibility for the implementation of sure-footed prevention countermeasures at the earliest possible juncture.

At the same time, in order for us to pursue business of value to society, we formulated NTT DATA Group CSR Messages of "ongoing innovations and contributions utilizing IT to realize a prosperous, sustainable society" in April 2010 (see page 8). Based on this directive, we are energetically pursuing the three Material Challenges of society and regional communities, people, and the global environment.

[1] For a detailed report, see page 41.

Providing safe, secure and people-friendly systems, worldwide

The NTT DATA Group is currently progressing with an aggressive business globalization drive. As of March 31, 2010, our overseas workforce of 5,600 spanned 78 cities across 25 countries. The number of overseas Group employees has approximately doubled over the past three years.

In the expansion of our business around the world, we have to be aware of our corporate social responsibilities (CSR) from a global perspective in the provision of high-quality services of value to customers. This is underpinned by ensuring safety and stable quality, by continuing to supply people-friendly systems and services from the standpoint of endusers, and by gaining the trust of the regional communities in which we are based.

We formulated the NTT DATA Group Vision in 2005 to guide us in pursuit of our target image 10 years down the line. One of its key phrases was Enduser-Oriented Business. I feel that this concept has filtered through to employees, evidenced in quality improvements and progress with measures to promote universal design. In the future, I would like to see the knowledge and expertise gleaned from these endeavors shared globally and further refined.

Furthermore, personnel *au fait* with local information are vital for us to be a company deeply rooted in regional communities. Accordingly, newly consolidated members of the NTT DATA Group continue to focus on their business in hand, without making changes to management. This enables them to deploy the experience and knowledge gained through coexistence and mutual prosperity with stakeholders in various regions with differing religions, languages, customs and cultures.

In addition to these endeavors, in order to gain the trust of people worldwide as a truly global corporation, we are reinforcing and thoroughly adhering to corporate governance in a drive to promote respect for human rights and compliance based on international rules and norms.

Continuing to foster environments conducive to diversified workforces and to cultivate next-generation IT professionals

Our principal management responsibility is to create a workplace where NTT DATA Group employees can use their diverse talents to work energetically toward the realization of reasonable gain. From this standpoint, NTT DATA strives for management that promotes diversity, innovates work-styles and encourages a healthy work-life balance.

Specifically, we are furthering the introduction of teleworking, expansion of nursing and childcare systems, and the instigation of discretionary labor systems. Further, as we bolster our global businesses base, we are working through alliances worldwide for the sharing and application of best practices, the automation of software development and other goals. This approach is facilitating a shift from labor-intensive to knowledge-intensive work-styles. Beyond this, we actively provide opportunities for global exchange and communications

between employees of Group companies in Japan and overseas to stimulate a sense of Group unity and cooperation.

As a leading company in the field of information services, we also focus on IT personnel cultivation in Japan and overseas, nurture the development of engineers at offshore sites, and support the Innovation Management College, an education program for IT professionals and CIOs of domestic corporations. In addition, we are improving next-generation training for a broad range of age groups with a view to stepping up these programs.

Starting up Group collaborative initiatives for environmentally oriented management

A company in pursuit of "reasonable gain" grows with the empathy of its stakeholders. I believe that the most symbolic measures to illustrate this are responses to environmental problems. As environmental problems come to symbolize the issues currently facing the world, IT, such as cloud computing and smart grids, has an increasingly important role to play in the reduction of the environmental impact.

Against this background, NTT DATA cited environmentally oriented management as a key component of its Medium-Term Management Policy in fiscal 2010, establishing the Environmental Management Promotion Office in July 2009 and stepping up measures to this end.

Environmentally oriented management incorporates an element of consideration for the environment into all aspects of operations, covering proposals to customers as well as the NTT DATA Group's own business judgments. For example, we promote visualization of the environmental impact effect of the introduction of IT, so that when customers consider system introduction they are given materials to aid them in evaluating environmental factors, in addition to functions and costs. Moreover, the Group has begun to form tie-ups to create solutions and frameworks for solving environmental problems, such as by participating in a field trial of charging infrastructure for electric vehicles.

In May 2010, we launched our Environmental Messages, "Earth Solutions. Using IT to solve environmental problems." in order to take a leadership role that prioritizes our social responsibilities. Simultaneously, we formulated Action Plans, incorporating contributions to the greening of customers and society as a whole through IT, accompanied by specific targets, which we are promoting groupwide.

Based on its CSR Messages, the NTT DATA Group will continue to promote CSR activities and work toward a sustainable society, while bolstering communications with its various stakeholders.

Toru Yamashita
President and CEO, NTT DATA CORPORATION

Providing the information systems that support people's daily lives and society as a whole
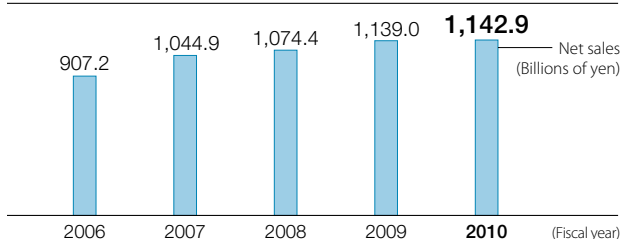
Profile

Since separating from and becoming independent of NTT in 1988, the NTT DATA Group has provided information systems and services attuned to social requirements and issues. These span public administration sector systems to corporate systems for the financial, manufacturing, distribution, telecommunications, medical and healthcare sectors, as well as cross-industry social infrastructure services. Further, we have promoted globalization of our operations over the past few years, and, as of March 31, 2010, had expanded our international business to sites in 78 cities, spreading across 25 countries.

Carrying the banner of a leadership role in the Japanese IT industry, as well as being a global corporation conducting business worldwide, the NTT DATA Group will support society by providing innovative new paradigms and values into the future.
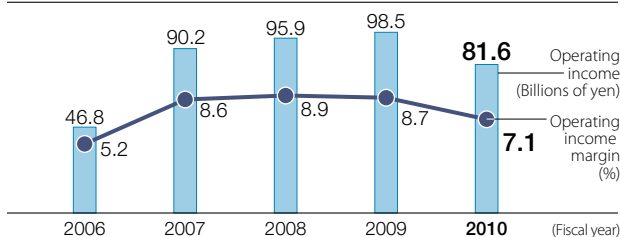
Company Profile

Name	NTT DATA CORPORATION
Head Office	Toyosu Center Building, 3-3 Toyosu 3-chome, Koto-ku, Tokyo 135-6033
Established	May 23, 1988
President and CEO	Toru Yamashita
Common Stock	¥142,520 million (as of March 31, 2010)
Business Year	April 1 to March 31
Employees	9,670 (non-consolidated) 34,543 (consolidated) (as of March 31, 2010)
Subsidiaries and Affiliates	Subsidiaries: 161 Affiliates: 19 (as of March 31, 2010)

Consolidated Net Sales

2006	2007	2008	2009	2010
907.2	1,044.9	1,074.4	1,139.0	**1,142.9**

Net sales (Billions of yen)
(Fiscal year)

Consolidated Operating Income/Operating Income Margin

2006	2007	2008	2009	2010
46.8	90.2	95.9	98.5	**81.6**
5.2	8.6	8.9	8.7	**7.1**

Operating income (Billions of yen)
Operating income margin (%)
(Fiscal year)

Business Fields

Public Administration Sector

In addition to developing and operating information systems that support society as a whole, we provide systems and services designed to make regional societies safe, convenient and prosperous. From nationwide to community-based systems and IT services that support cooperation between public and private sectors, we help create social infrastructure with an end-user perspective.

Major Systems and Services
- Social Insurance Online System
- Motorcar Total Information Advanced System (MOTAS)
- Nippon Automated Cargo and Port Consolidated System (NACCS)
- Regional Tax Portal System (eLTAX)
- Communication System for Disaster Mitigation
- FairCast Child Safety Communication Network

Medical and Healthcare Sector

We provide services to promote health and disease prevention on a daily basis, a regional health information network system that provides better healthcare services by sharing patient information and a wide-area disaster and emergency medical information system.

Major Systems and Services
- Medical Insurance Claim Processing System
- Health Data Bank (ASP service for health management)
- Creative Health *Sankenjin* (healthcare management and lifestyle practice improvement support service)
- Health Checkup Support System • Regional Health Information Network System
- Wide-Area Disaster and Emergency Medical Information System

Financial Sector

NTT DATA provides systems integration and shared-use services according to the scale requirements and objectives of a wide range of financial institutions, such as governmental financial institutions, securities and insurance companies, banks, credit banks, credit unions, labor banks and agricultural cooperatives. We also offer a wide range of outsourcing services to help financial institutions raise business efficiency and improve service quality.

Major Systems and Services
- *Shinkin* Shared Center • Foreign Exchange ASP
- Exchange information system • Insurance Enterprises Common Gateway
- *Zaimon* financial data distribution gateway service

Payment Sector

NTT DATA develops and operates large-scale network systems that support Japan's financial and economic infrastructure by linking payments and receipts among financial institutions, retail and credit companies and governmental agencies. We are also working toward a cashless society by developing electronic money centers and credit card verification systems.

Major Systems and Services
- The *Zengin* Data Telecommunications System (a nationwide online processing system for domestic fund transfers among Japanese financial institutions)
- ANSER (automated notification service for deposits, withdrawals and transfer requests)
- CAFIS (integrated network system for credit card transactions)
- Integrated ATM Switching Service

Telecommunications Sector

Mobile phones continue to offer increasingly diverse and sophisticated functions, which now include email, web access and settlement services. We enhance user convenience by creating and operating system platforms that enable the stable operation of these functions. Our advanced technologies are also instrumental in the development of next-generation networks (NGNs).

Major Systems and Services
- Platform system supporting DCMX NTT DOCOMO Mobile Credit Service
- Billing system (provides billing invoice data, billing system)
- Customer management system   • NGN operation system

Note: DCMX is a trademark or registered trademark of NTT DOCOMO, INC., in Japan and other countries.

Environmental Sector

Environmental preservation initiatives are important for all of society. We help to reduce the environmental impact of our customers, and society as a whole, by developing technology and services that support customers' environmental management and preservation activities. We also assist information transmission and propose other ways to reduce environmental impact through the effective use of IT.

Major Systems and Services
- Ecology Express (a comprehensive environmental information website)
- Greenhouse gases emissions trading support system
- Environmental management consulting
- Environmental impact reduction solutions   • Environmental monitoring systems

Manufacturing, Distribution and Service Sectors

We provide a diverse range of support—from consulting to systems development and the provision of IT services—to help our customers develop their businesses. In these ways, we address customers' needs to rationalize and streamline their production, sales, logistics and other business processes, as well provide end-user needs analysis and settlement system optimization.

Major Systems and Services
- ERP solutions   • Global business intelligence services
- Global EC solutions   • Workflow systems
- Smart card/wireless settlement solutions (e-money and point management)
- Pharmaceutical industry data exchange system JD-NET
- EDI for the consumer-electronics industry

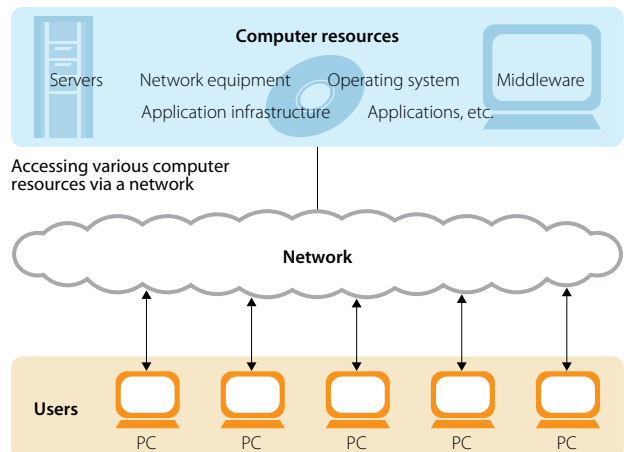# Infrastructure to Support an Array of Industries

We supply platforms and solutions that support advanced IT services to customers across a diversity of sectors, and that are independent of industry and business category. In fiscal 2011, we commenced full-blown services utilizing cloud computing, which is heralded as a new IT infrastructure. Leveraging our experience and expertise in infrastructure systems for corporations, construction and operation of shared-use centers and other fields, we offer optimal cloud services attuned to customer needs.

Major Systems and Services
- BIZXAAS, a comprehensive cloud-computing service
- Green Data Center Service

Cloud Computing Overview

Computer resources

Servers   Network equipment   Operating system   Middleware   Application infrastructure   Applications, etc.

Accessing various computer resources via a network

Network

Users

PC   PC   PC   PC   PC

Formulating CSR Messages and Material CSR Challenges based on opinions of the Group's internal and external stakeholders

Basic Stance on CSR

While putting sound and transparent management into practice, the NTT DATA Group contributes to the development of customers and society through the creation of new paradigms and values. We also work toward a prosperous, well-balanced, safe and secure society, as we progress on our own path of growth. We believe that this encapsulates our mission and responsibilities as a company.

To fulfill this mission and these responsibilities, we established the NTT DATA Group Code of Ethics[1] and Action Guidelines[2] to serve as a basis for the actions of each and every employee.

[1] **NTT DATA Group Code of Ethics**
In addition to determining a code of conduct with which all employees should abide, the NTT DATA Group Code of Ethics establishes a basic stance on business ethics and specific action guidelines for each stakeholder.

[2] **Action Guidelines**
NTT DATA's Action Guidelines set standards for daily decision-making and work evaluation, and basic principles for action.

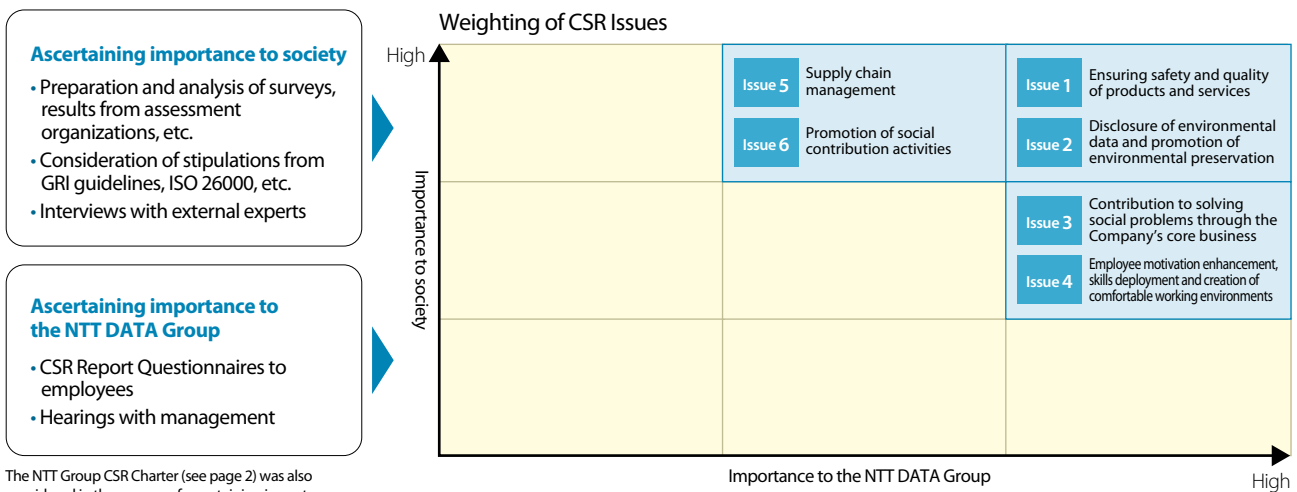## Formulation of CSR Messages and Material CSR Challenges

The NTT DATA Group has targeted Group directors and employees with a CSR Report Questionnaire since fiscal 2007. This initiative is used to broaden CSR understanding, while the results serve as feedback to improve the CSR Report and to promote CSR activities.

One priority measure of our Medium-Term Management Policy, which was instigated in fiscal 2010, is the promotion of environmentally oriented management. Furthermore, based on awareness of the importance of maintaining financial profits befitting of a global enterprise, while pursuing reasonable gain that contributes to the environment and society, we have announced to the Group and to external parties our commitment to promoting management that strikes a balance between financial, social and environmental perspectives.

In order to ensure steady expansion of CSR activities, in April 2010 we formulated CSR Messages and Material CSR Challenges that indicate more clearly the Group's basic stance on CSR and the direction of its initiatives. We ascertained and analyzed opinions of the Group's internal and external stakeholders and societal demands and incorporated the results in the creation of these declarations (see below).

The NTT DATA Group takes seriously the fulfillment of its compliance and other fundamental "expected responsibilities." We also will put into effect and share groupwide initiatives relating to our CSR Messages and Material CSR Challenges, while improving activities through the PDCA cycle.

The formulation process for the CSR Messages and Material CSR Challenges

When formulating the CSR Messages and Material CSR Challenges, two significant criteria emerged: importance to society and importance to the NTT DATA Group.
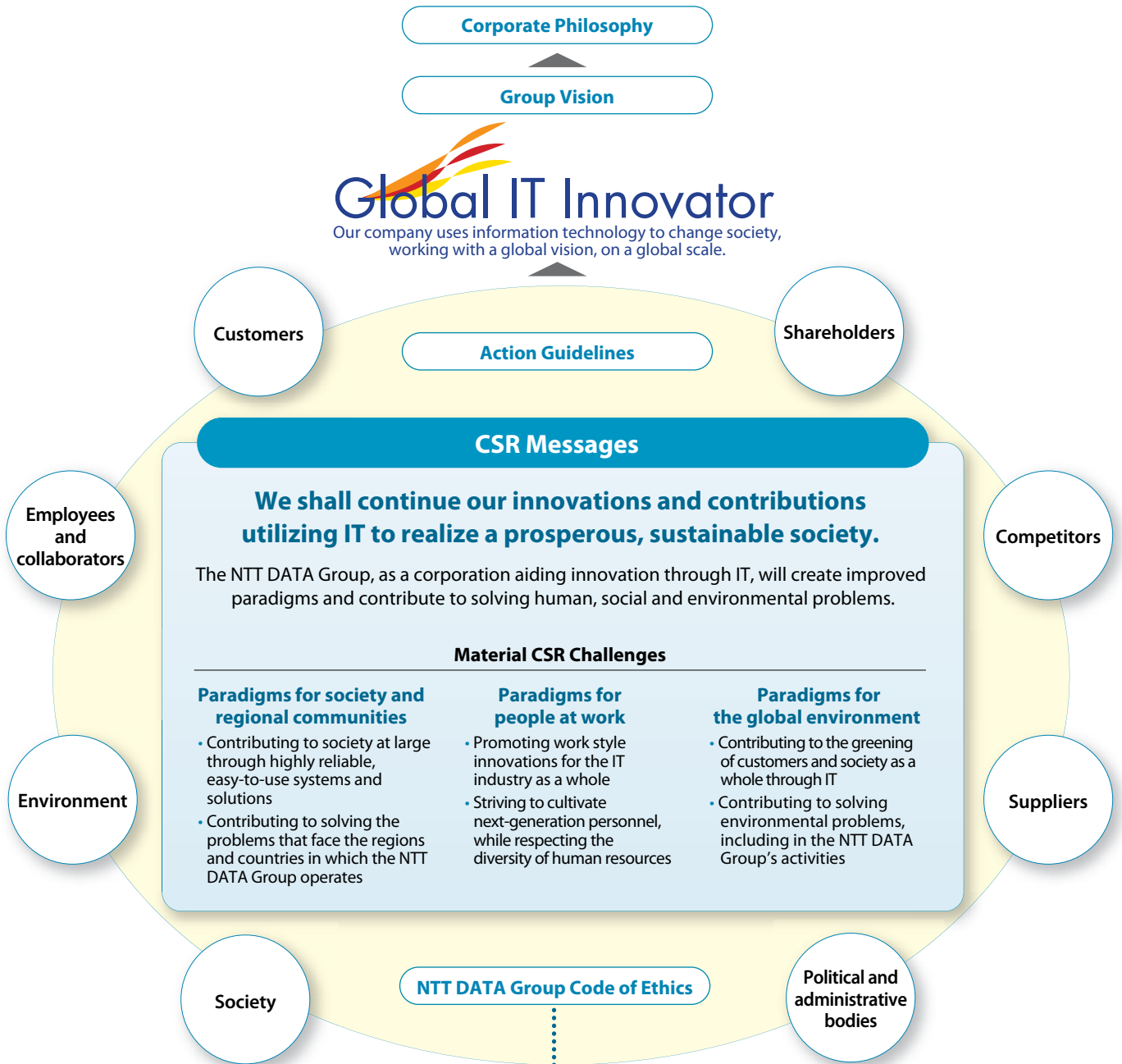
Further, we conducted interviews with external experts and hearings with NTT DATA management to ascertain what is demanded of the NTT DATA Group by society, and what the Group should do through its core business to fulfill its "inspired responsibilities." The answers to these and other questions were incorporated in the criteria considered in the formulation of the CSR Messages and Material CSR Challenges.

Ascertaining importance to society
- Preparation and analysis of surveys, results from assessment organizations, etc.
- Consideration of stipulations from GRI guidelines, ISO 26000, etc.
- Interviews with external experts

Ascertaining importance to the NTT DATA Group
- CSR Report Questionnaires to employees
- Hearings with management

The NTT Group CSR Charter (see page 2) was also considered in the process of ascertaining importance.

Weighting of CSR Issues

Importance to society — High

Importance to the NTT DATA Group — High

Issue 5 Supply chain management
Issue 6 Promotion of social contribution activities
Issue 1 Ensuring safety and quality of products and services
Issue 2 Disclosure of environmental data and promotion of environmental preservation
Issue 3 Contribution to solving social problems through the Company's core business
Issue 4 Employee motivation enhancement, skills deployment and creation of comfortable working environments

Formulation of the CSR Messages and Material CSR Challenges

Corporate Philosophy

Group Vision

Global IT Innovator

Our company uses information technology to change society,
working with a global vision, on a global scale.

Customers

Shareholders

Action Guidelines

Employees and collaborators

Competitors

CSR Messages

We shall continue our innovations and contributions utilizing IT to realize a prosperous, sustainable society.

The NTT DATA Group, as a corporation aiding innovation through IT, will create improved paradigms and contribute to solving human, social and environmental problems.

Material CSR Challenges

Paradigms for society and regional communities
• Contributing to society at large through highly reliable, easy-to-use systems and solutions
• Contributing to solving the problems that face the regions and countries in which the NTT DATA Group operates

Paradigms for people at work
• Promoting work style innovations for the IT industry as a whole
• Striving to cultivate next-generation personnel, while respecting the diversity of human resources

Paradigms for the global environment
• Contributing to the greening of customers and society as a whole through IT
• Contributing to solving environmental problems, including in the NTT DATA Group's activities

Environment

Suppliers

Society

NTT DATA Group Code of Ethics

Political and administrative bodies

NTT DATA Group Code of Ethics (Basic Stance on Business Ethics)

The NTT DATA Group will:

In principle: Aim at becoming a trustworthy company group;

To customers: Provide high-quality services;

To shareholders: Undertake transparent company management;

To competitors: Wage a fair and free competition;

To suppliers: Deal on an equal footing;

To political and administrative bodies: Maintain a sound relationship;

To society: Fulfill its duties as a good corporate citizen;

To environment: Undertake business activities with due consideration to the environment; and

To employees and collaborators: Respect personality and individuality of each person.
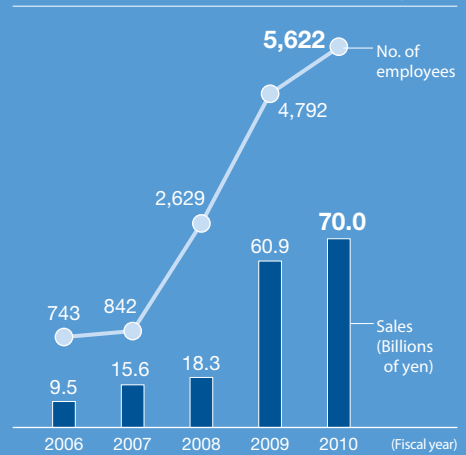
Note: The full version of the NTT DATA Group Code of Ethics is posted on the *CSR Report 2010* section of the Company website.

Creating value by utilizing IT, hand in hand with the peoples of the world

Cultivating personnel and creating frameworks in conjunction with overseas development sites in a bid to be a Global IT Innovator

In 2005, the NTT DATA Group formulated its Group Vision to evolve into a Global IT Innovator over the following 10 years. Thereafter, as a key part of our Medium-Term Management Policy, announced in 2007, we focused on the promotion of globalization, stepping up expansion of overseas development sites in a drive to boost business in Europe and the Americas and aggressively promoting offshore development in China and other parts of Asia. As a result of these measures, the NTT DATA Group had established overseas sites in 78 cities, spanning 25 countries, as of March 31, 2010, employing a workforce of approximately 5,600 outside Japan. In its overseas business, the NTT DATA Group strives to contribute to the IT community in each country and region in which it operates by focusing on the cultivation of personnel and creation of frameworks and becoming a Global IT Innovator that generates new value that transcends regional and national boundaries.

Overseas Sales and Number of Employees

No. of employees: 743, 842, 2,629, 4,792, 5,622

Sales (Billions of yen): 9.5, 15.6, 18.3, 60.9, 70.0

(Fiscal year): 2006, 2007, 2008, 2009, 2010

Principal Overseas Group Companies

Malaysia

Business Formula (M) Sdn Bhd
Location: Subang Jaya

India

Vertex Software Pvt. Ltd.
Location: Pune

Germany

Cirquent GmbH
Locations: Munich and others

itelligence AG
Locations: Bielefeld and others

China

Beijing NTT DATA Systems Integration Co., Ltd.
Locations: Beijing, Tianjin, Tokyo

Australia

Extend Technologies Group Holdings Pty Ltd.
Locations: Brisbane and others

United States

M.I.S.I. Co., Ltd.
Locations: New York and others

The Revere Group, Ltd.
Locations: Chicago and others

NTT DATA AgileNet L.L.C.
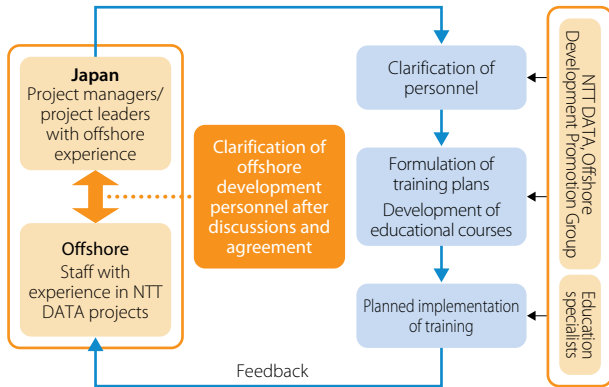Locations: Palo Alto (CA), Washington, D.C.

Bolstering human resources cultivation at offshore development sites for the construction of a high-quality systems development framework

In recent years, systems development has increased in scale and become more complex, while faced with demands for shorter lead times. Against this background, the NTT DATA Group has worked toward the partial consignment of systems development offshore to such locations as China, India and Vietnam. At the end of fiscal 2010, we had approximately 2,000 system engineers deployed at Group companies and business partners overseas, led by China—a number we plan to push to 5,000 by fiscal 2013.

As offshore development expands, it is vital to focus on the systematic training of engineers in order to continue to maintain and improve system quality. NTT DATA has formed a human resources development program that facilitates the systematic study of software development and management technologies for engineers. In the creation of this program, we inaugurated working groups to supplement experts at

Liaison SE training at a development company in China

offshore development sites and ensure that grass-roots opinions at development sites are taken on board.

Based on this human resources development program, we have carried out training for liaison systems development engineers (liaison SEs) since fiscal 2010. Liaison SEs bridge the gap between NTT DATA and offshore development sites that arises from differences in language, culture and customs, thus facilitating smooth systems development. During fiscal 2010, we conducted such training at three locations, Tokyo, Beijing and Shanghai, for a total of 83 liaison SEs; we shall continue to host such events in fiscal 2011, boosting participation to an estimated 180.

We aim to develop our SE training program at offshore development sites, making the program multilingual, and plan to extend our training of outsourcing sites beyond China to encompass India and other regions in Asia and Europe from December 2010. The NTT DATA Group is also developing a training program for its project managers, with a view to enhancing mutual development with offshore development sites.

Human Resources Cultivation Program for Offshore Development Engineers

- **Japan** Project managers/ project leaders with offshore experience
- **Offshore** Staff with experience in NTT DATA projects
- Clarification of offshore development personnel after discussions and agreement
- Clarification of personnel
- Formulation of training plans / Development of educational courses
- Planned implementation of training
- Feedback
- NTT DATA Offshore Development Promotion Group
- Education specialists

Messages from Program Participants

Ensuring smooth projects with consideration to the differences in thinking between Japan and China

Through our training, I learned that there are considerations to be made in meetings arising from the fact that there are differences in the ways of thinking between Japan and China. Furthermore, it was helpful to have various things pointed out to me in group discussions that I did not notice myself.

The issues and discoveries that cropped up in the simulations occur on a daily basis at the site of actual systems development. In the future, I would like to use the knowledge I gained in training to facilitate smooth project progression by bridging the gap between Japan and China.

Hu Huamei
System Development Sector
1st Development
Department
Beijing NTT DATA Systems
Integration Co., Ltd.

Understanding the importance of liaison SEs in high-quality systems development

Through this training, I gained understanding of the role and required abilities of liaison SEs and learned to appreciate their importance in building high-quality systems.

The training utilized actual examples for us to simulate identifying problems and coming up with solutions, allowing practical, not just theoretical, study.

In the future, I intend to apply what I have learned through training directly to work.

Cong Linlin
1st Development
Department
Tianjin NTT DATA Co., Ltd.

Promoting 24-hour development, utilizing international time-differences, to save time and share work on projects

In order to speed up system development, NTT DATA is aiming to realize 24-hour development, utilizing international time differences to enable round-the-clock development. This involves dividing system development into multiple phases to complete projects by passing the work between various domestic and overseas sites. In addition to saving development time, this methodology leads to work-sharing on a global scale, which in turn could bring improvements to late-night and holiday work.

During fiscal 2010, we conducted trials to move us one step closer to 24-hour development from October 2009 and March 2010. This was carried out by NTT DATA, Vertex Software of India and Cirquent of Germany, in a development project following two patterns: (1) development rotating between three teams in Japan and Germany, and (2) development rotating between two teams in Japan and India. These were then compared with commercial development carried out solely in Japan.

In the case of 24-hour development, we endeavored to facilitate continuity in the follow-on of work between sites and smooth sharing of information. As a result, the development and testing phases saved project times by 55% for case (1) and 32% for case (2) compared with commercial development carried out solely in Japan.

Through these trials, we confirmed that 24-hour development is a practical alternative framework for the future, provided that sufficient attention is paid to the narrowing down of phases, selection of appropriate development projects, thoroughness of preparations and other conditions. Based on these findings, we determined to continue with further trials in the future and advance toward using 24-hour development for commercial projects.

Schedule

(1) Japan/Germany (three-team rotation)

➡ Japan teams: 08:00 to 17:00, 16:00 to 24:00
➡ Germany team: 23:00 to 09:00
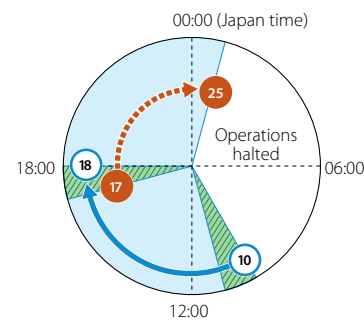▨ Follow-on times: 08:00 to 09:00, 16:00 to 17:00, 23:00 to 24:00

00:00 (Japan time)
24
23
18:00
17
16
9
8
06:00
12:00
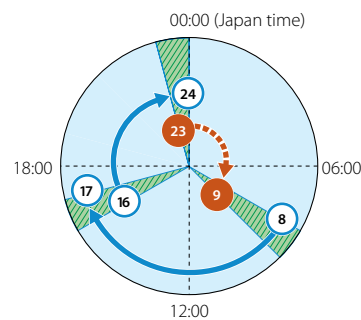
Approximately
55% project time savings

Japan/Germany trial

(2) Japan/India (two-team rotation)

➡ Japan team: 10:00 to 18:00
➡ India team: 17:00 to 25:00
▨ Follow-on times: 10:00 to 11:00, 17:00 to 18:00

00:00 (Japan time)
25
18:00
18
17
Operations halted
06:00
10
12:00

Approximately
32% project time savings

Japan/India trial

Message from a Project Manager

Creating an accurate, smooth methodology, indispensable for overseas

In the current trials, what presented particular difficulty was the method of follow-on for development work between remote locations. In order to ensure accuracy with continuity, we devised a method that enabled joint program development over a fixed time period, accompanied by ongoing conversations, by combining a phone system via the Internet and a system for screen-sharing between remote locations. Moreover, to avoid confusion during conversations, we established a communications procedure dedicated to follow-on continuity that facilitated smooth procedures, attaining a record of almost no overtime during development.

Through this framework, I believe we created a new methodology for working in collaboration with overseas sites.

Masaki Tachibana Platform & Services Business Unit, Business Solutions Sector, NTT DATA

Asia——Beijing NTT DATA (China)

Reinforcing information security measures to acquire ISO 27001 certification

Beijing NTT DATA is strengthening its information security, which is a particularly important theme in offshore development. In cooperation with NTT DATA's Information Security Promotion Office, the Information Security Office—established in 2007, and the people in charge of security promotion at various departments play a central role. We carry out security e-learning tests four times a year and training for graduates and other employees at the point of joining our company in addition to security checks six times a year, semiannual internal reviews and annual external reviews. In addition, we have introduced blocking software and, by reinforcing restrictions on use of compact portable media, such as USB memory sticks, and direct Internet access, have stepped up information leakage prevention.

In March 2010, we gained companywide ISO 27001 certification, which is awarded for international information security management systems. We will work toward zero serious information security breaches.
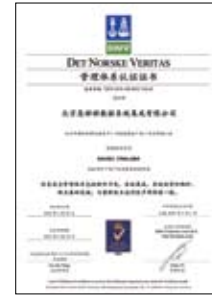
ISO 27001 certification

America——M.I.S.I. (United States)

Programs to support employee health promotion

The Mission Wellness programs were established at M.I.S.I. to support health promotion among employees. Examples of its diverse programs include team competitions to clock up the greatest walking distance on pedometers, influenza vaccination campaigns for employees and their families and weight-loss contests. In the case of the latter, each pound of weight lost is matched by one pound of foodstuffs donated to local food banks, equivalent to a cash contribution of 115 pounds. These programs have been highly acclaimed in employee surveys and feedback from M.I.S.I. directors and have been beneficial in building good staff relationships.

We will continue to carry out Mission Wellness activities and to disseminate related information in a drive to improve employees' physical health and mental well-being.

Participants in the weight-loss competition

Europe——itelligence (Germany)

Conducting training programs to nurture internationally minded leaders

Currently, itelligence operates through more than 1,650 employees in 19 countries worldwide. As part of the global development of its business, the company created the Develop Expert and Leadership Talent (DELTa) program, which systematically cultivates personnel who can exercise leadership with a global perspective, in 2005.

At present there are 102 employees participating in this program, which provides individual training and workshops and imparts an international perspective and teamwork skills through strategic projects involving employees from various countries. These activities are of great use in fortifying cooperation between employees, irrespective of national borders.

Participants in the DELTa program

M e s s a g e

Aiming to be recognized by society for our trustworthiness and potential

The business operations of our customers have grown to encompass a broad range of activities, spanning manufacturing, procurement, sales and beyond, and have developed on an international scale. In step with its customers, the NTT DATA Group needs to be resolute in responding to their global IT needs. As of July 31, 2010, the NTT DATA Group's overseas operations spanned 30 countries, operated through 70 companies and with a workforce of some 8,000 employees.

NTT DATA Group is fully aware of its responsibilities as a good corporate citizen in the countries in which it operates around the globe. We have to rise up to fulfill these responsibilities as a global corporate group. By amassing the strengths of the Group, we can help solve global issues relating to the environment, world poverty and so forth.

Takashi Enomoto   Representative Director and Senior Executive Vice President, NTT DATA

Greening of customers and society through the application of IT

Formulating Environmental Messages and Action Plans that express our environmentally considerate approach

Power consumption by IT equipment and systems continues to escalate as society grows increasingly information-intensive. As IT has the potential to optimize and boost the efficiency of diverse corporate and social activities, it is expected to take a pivotal role in reducing the environmental impact. One of the key elements of NTT DATA's Medium-Term Management Policy, inaugurated in fiscal 2010, is a commitment to promote environmentally oriented management, not only to reduce the Company's own environmental impact, but also to utilize IT to reduce the environmental impact posed by its customers and by society. In May 2010, we formulated the NTT DATA Group's Environmental Messages and Action Plans as directives that express our environmentally considerate approach. Our objective is to reduce annual CO_2 emissions by customers and society by 1.5 million tons by March 31, 2013 through the provision of IT systems and solutions.

Electrical power consumption by IT equipment and systems (Japan) (Gigawatt hours)
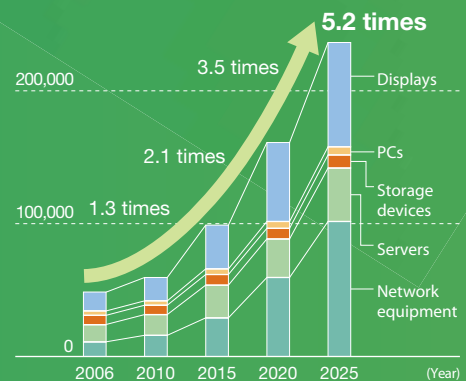
Source: Proposed partial amendments to the calculations of the Ministry of Economy, Trade and Industry's Green IT Promotion Council (2008)

Environmental Messages

Earth Solutions.
Using IT to solve environmental problems.

The NTT DATA Group is applying IT to create new ways and means of resolving the environmental problems facing the world and society.

Action Plans

Contributing to the greening of our customers and society through IT

- Promote the visualization of environmental impact assessments of the systems and solutions provided by the NTT DATA Group
- Help to reduce society's environmental impact by promoting the creation and expansion of environmental solutions

Contributing to the global environment by promoting the greening of the NTT DATA Group

- Steadily reduce CO_2 emissions by the Group by raising efficiency of and implementing operational improvements to its data centers and by such work-style innovations as enhanced locational flexibility
- Implement systematic cuts to paper usage and waste volumes

Engaging each employee in thinking about the environment and making his or her own active contribution

- Promote environmental social contribution activities across a range of fields both as an organization and individuals
- Promote proactive environmental communication, within and outside the Group

Medium-Term Target

To reduce annual CO_2 emissions by customers and society by **1.5** million tons by the end of fiscal 2013 through the provision of IT systems and solutions.

Cutting data center power consumption by 18% through testing on a high-voltage direct current power supply system

In recent years, the concentration of IT equipment has led to steady growth in electrical power consumption by data centers, rendering energy reduction measures an urgent issue. Accordingly, in January 2008 NTT DATA started to provide Green Data Center services, which reduce energy consumption by fusing IT and facilities technologies. Compared with conventional data centers, the new green facilities aim to cut annual power consumption by approximately 30%.

As part of this drive, we carried out testing on a high-voltage direct current power supply system from January to October 2009. This power system receives an alternating current from an applied power source, which it then supplies to equipment as direct current after a single AC-DC conversion, a process that facilitates a reduction in AC-DC conversion energy loss.

Testing was conducted by various companies and suppliers by connecting servers, storage devices and other types of DC-compatible IT equipment to a high-voltage direct current power supply system. Compared with conventional AC supply, the new configuration realized aggregate power savings from power sources, air-conditioning systems and IT equipment of approximately 18%. In addition, testing enabled us to verify the reliability and safety of the new power supply system.

We will promote an array of testing and development initiatives in a bid to establish and standardize high-voltage direct current power supply technologies, while working to optimize power supplies and other components for IT equipment manufacturers. We are aiming to introduce an application version of the high-voltage direct current power supply system throughout the NTT Group during the second half of fiscal 2011.

Through such services, we are accelerating efforts toward the greening of our customers and society.

High-efficiency air-conditioning design

Solar power systems

Green Data Center Services

- iDC services
- Design and construction services
- Housing services
- Shared IT platform services

Contributing to CO_2 emissions reductions for customers and society

DC-powered equipment   IT equipment
AC DC   DC CPU
G   Batteries

High-voltage direct current power supply system

Gr**ee**n Data Center

Virtualization technologies

High-efficiency rack design

COLUMN

NTT DATA's Green Data Center gains the Economy, Trade and Industry Minister's Prize in the Green IT Awards 2009

On October 5, 2009, the NTT DATA's Green Data Center was honored with the Economy, Trade and Industry Minister's Prize in the Green IT Awards 2009, hosted by the Green IT Promotion Council.

This award is presented for technologies that combine the benefits of environmental protection and economic growth. In the case of our Green Data Center, our high-voltage direct current power supply system, which has undergone large-scale testing, was acclaimed in recognition of its innovation and creativity on a global scale.

Green IT AWARD 2009
Green IT Promotion Council

Focus ② Through the Provision of IT Systems

Cutting 29,000 tons of CO_2 in emissions using e-Tax

It is important to ascertain the effect of environmental impact reduction in order to promote cuts through the spread of IT. The NTT DATA Group is promoting the visualization of environmental impact assessments of systems and solutions to bolster and expand environmental effects.

For example, NTT DATA has been contracted by the National Tax Agency to develop and run the Online National Tax Return Filing and Tax Payment System (e-Tax) that also incorporates an environmental impact assessment. The e-Tax system, which went online in 2004, enables declaration and payment of taxes from the home, office or any other location with Internet access. During fiscal 2010, 7.84 million personal income tax returns and 1.27 million corporate tax returns were filed via e-Tax. Compared with conventional methods, e-Tax makes a substantial contribution to lowering the environmental impact by reducing energy from the movement of people, paper usage and postal volumes, in addition to offering the obvious benefits in terms of convenience of use.

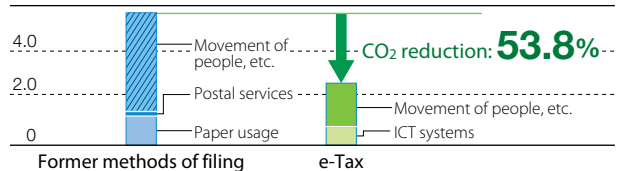During fiscal 2009, CO_2 emissions arising from e-Tax utilization amounted to 24,900 tons of CO_2. This represents an annual reduction effect[1] of approximately 29,000 tons of CO_2 compared to the previous 53,900 tons of CO_2 per year. In terms of the amount of CO_2 absorbed by trees[2], this saving is equivalent to approximately 8,500 ha of natural broadleaf forest over one year.

In light of the environmental impact reduction achieved through e-Tax, we will work together with the National Tax Agency to boost usage and to improve the system.
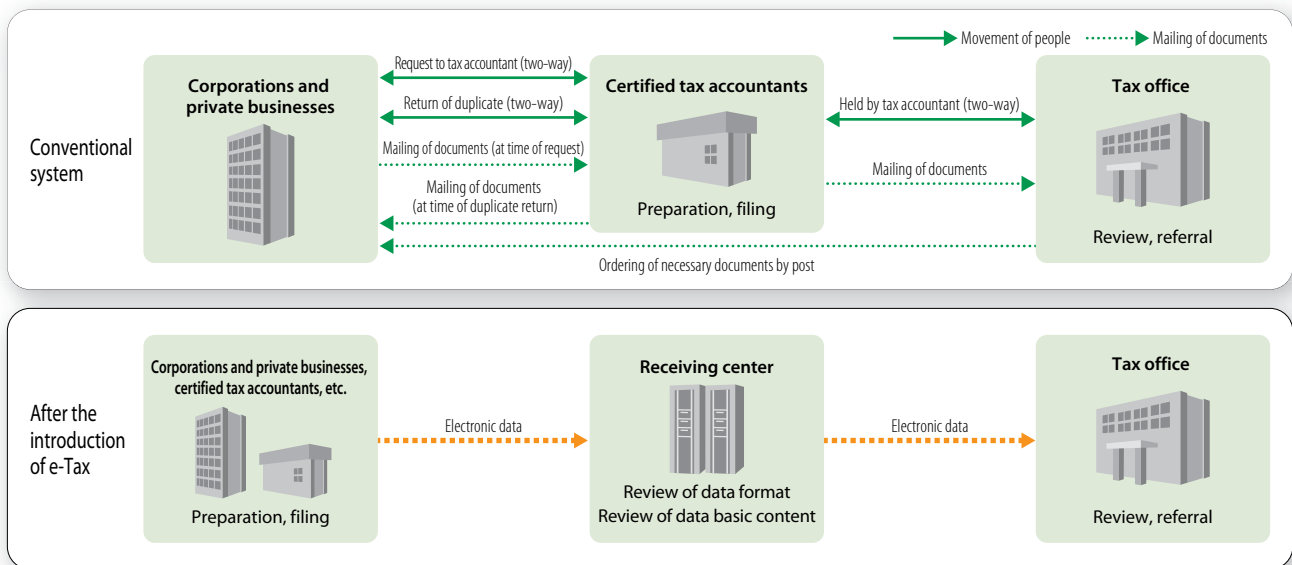
[1] Independent NTT DATA calculation based on publicly announced values

[2] From materials issued by the Global Warming Impact Principal Research Coordinator of the Forestry and Forest Products Research Institute's Bureau of Climate Change

Environmental impact reduction effect due to the introduction of e-Tax

(10,000 tons of CO_2/year)

CO_2 reduction: **53.8%**

Former methods of filing — e-Tax

(bars labeled: Movement of people, etc.; Postal services; Paper usage; Movement of people, etc.; ICT systems)

Flow of Tax Assessment and Filing

Conventional system

- Corporations and private businesses
  - Request to tax accountant (two-way)
  - Return of duplicate (two-way)
  - Mailing of documents (at time of request)
  - Mailing of documents (at time of duplicate return)
- Certified tax accountants — Preparation, filing
  - Held by tax accountant (two-way)
  - Mailing of documents
- Tax office — Review, referral

Ordering of necessary documents by post

→ Movement of people ┈▶ Mailing of documents

After the introduction of e-Tax

- Corporations and private businesses, certified tax accountants, etc. — Preparation, filing
  - Electronic data
- Receiving center — Review of data format / Review of data basic content
  - Electronic data
- Tax office — Review, referral

COLUMN

NTT DATA Acquires Four NTT Group Solution Environmental Labels

Since October 2009, the NTT Group has certified environmentally friendly solutions and assigned Solution Environmental Labels to ICT solutions with an environmental impact reduction effect above a specified level. This certification system accredits solutions in accordance with ICT Environmental Effect Assessment Guidelines (the Japan Forum on Eco-Efficiency). Solutions must have a CO_2 reduction rate of more than 15%, which has been calculated and compared over the entire lifecycle. During fiscal 2010, NTT DATA acquired four Solution Environmental Labels. We plan to increase our number of environmental labels.

Related website Solution Environmental Labels http://www.ntt.co.jp/kankyo/label/index.html (Japanese only)

ECO

The Solution Environmental Label certification mark

Field trials leading to infrastructure improvements for the charging of electric vehicles

Electric vehicles have gained worldwide attention with aggressive promotion for their widespread adoption anticipated for the future. However, improvements to the charging infrastructure are needed for drivers to use electric vehicles with peace of mind.
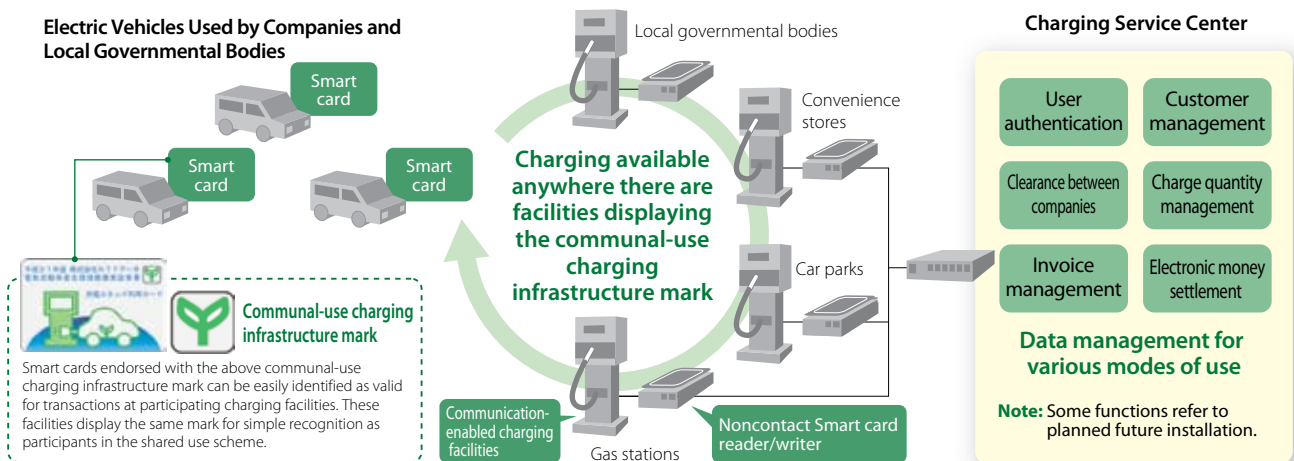
Accordingly, NTT DATA is participating in field trials for electric vehicle charging infrastructure services as part of the Fiscal 2009 Electric Vehicle Popularization and Field Trial of Charging Infrastructure, which is being promoted by the Ministry of Economy, Trade and Industry's Agency for Natural Resources and Energy, through activities conducted in January and February 2010.

These measures involved NTT DATA linking charging facilities individually owned by corporations and local governmental bodies in a network with a view to ensuring their communal use. As such, we are aiming to build an environment for seamless use as a shared platform for users. In cooperation with 25 companies, local authorities and other organizations, we carried out validity verification of a framework for mutual use of multiple charging facilities including authentication and management of charging quantities by using 114 EVs at charging facilities in 22 locations spanning Tokyo, Kanagawa and Osaka.

These field trials confirmed the possibility of providing suitable services for users through the application of IT. Although cost issues remain, we will move ahead with investigations in light of the results of these initiatives as part of the drive to popularize electric vehicles and improve charging facilities.

Outline of Field Trials

Electric Vehicles Used by Companies and Local Governmental Bodies

Smart card

Smart card

Smart card

Communal-use charging infrastructure mark

Smart cards endorsed with the above communal-use charging infrastructure mark can be easily identified as valid for transactions at participating charging facilities. These facilities display the same mark for simple recognition as participants in the shared use scheme.

Local governmental bodies

Convenience stores

Car parks

Charging available anywhere there are facilities displaying the communal-use charging infrastructure mark

Communication-enabled charging facilities

Gas stations

Noncontact Smart card reader/writer

Charging Service Center

User authentication	Customer management
Clearance between companies	Charge quantity management
Invoice management	Electronic money settlement

Data management for various modes of use

Note: Some functions refer to planned future installation.

Note: At certain charging facilities, experimental operation was carried out unconnected to the charging service center.

Message

Offering IT systems and solutions in the environmental era, aware of our role as a leader in the IT industry

The progress of IT has changed our lifestyles and social framework by altering the ways we communicate and handle commercial transactions. At present, pressed for urgent responses to environmental problems, IT plays an increasingly dominant role in reducing our environmental impact.

The NTT DATA Group recognizes that certain social responsibilities accompany its status as operator of the largest data center in Japan and provider of information systems that are key to the social infrastructure. Accordingly, we have set the objective of reducing annual CO_2 emissions by customers and society by 1.5 million tons by fiscal 2013. This represents a target reduction through the provision of systems and services equivalent to five times the NTT DATA Group's own emissions.

Leveraging the experience, technologies and expertise we have accumulated as a leader in the IT sector, we are proactively offering new frameworks and solution proposals that will alleviate global environmental problems.

Satoshi Takaishi Senior Executive Manager, Environmental Management Promotion Office, NTT DATA

Major Initiatives during Fiscal 2010 and Future Plans

Initiatives		Planned Initiatives	Major Initiatives Undertaken during Fiscal 2010
NTT DATA and Its Stakeholders			
Customers (See page 20)	Quality Improvements	• Clarify procedures and promote application of development and management tools in order to implement unified companywide rules on development and management methods. • Improve processes to which CMMI has been incorporated.	• Formulated implementation methods that reflect unified companywide rules for system development and management methods and extended these companywide. • Achieved CMMI Maturity Levels 4 and 5 at one organizational unit each.
	Disaster Countermeasures	Investigate and improve business continuity plans in time of disaster through practical disaster training.	Conducted drills for reporting safety of survivors in case of earthquakes, action drills in response to swine flu and other training, and improved the action manual for business continuity plans in time of disaster.
	System Failure Countermeasures	Promote optimal countermeasures through failure cause analysis.	Promoted information sharing, including with Group companies, focused on prevention and response, particularly of prevention recurrence measures gleaned from system failures and defect reports from manufacturers. Conducted periodic internal audits to confirm the thoroughness of countermeasures.
	Industry Tie-Ups	Disclose final results of the Non-functional Requirement Grade Investigative Committee, made up from six companies within the industry.	Disclosed final Non-functional Requirement Grade results in February 2010.
	Customer Satisfaction Improvements	Aim for an average overall evaluation of 7.0 in a customer satisfaction survey through questionnaires.	Carried out a customer satisfaction survey through 289 questionnaires spanning 154 customers and held interviews with approximately 60 customers, with the overall average evaluation attaining 7.0 points.
	Universal Design Promotion	• Carry out trial application and full-fledged deployment of prototyping techniques and tools. • Transfer accessibility validations skills to NTT DATA DAICHI CORPORATION.	• Applied prototyping techniques and tools for system development to approximately 30 projects. Three employees gained Human-Centered Design Specialist system recognition. • Carried out five accessibility validation trials through NTT DATA DAICHI CORPORATION.
Shareholders and Investors (See page 23)	Enhancement of Communications	Enhance communications by reinforcing information dissemination through IR tools.	• Expanded IR activities utilizing the characteristics of print, Internet, video distribution and other media. • Responded to approximately 300 requests for communications with analysts and financial institutions.
Suppliers (See page 24)	Fair Transactions	Conduct training to ensure compliance with the Subcontract Law.	• Carried out e-learning, reaching approximately 28,000 Group employees. • Formulated a *Purchasing Compliance Guidebook* and distributed it to employees of NTT DATA and Group companies.
	Enhancement of Communications	Conduct ongoing dialogs.	• Held ongoing BP Presidents' Meetings and briefing sessions on Reconsignment Guidelines. • Developed communications environment and supported personnel training to facilitate offshore development.
Employees and Their Families (See page 26)	Personnel Recruitment and Deployment	Aim to meet the legally stipulated ratio of 1.8% for employees with disabilities.	Achieved ratio of 1.87% for employees with disabilities by promoting recruitment at special subsidiary, NTT DATA DAICHI CORPORATION.
	Comfortable Working Environment	Promote diversity to Group employees.	Formed a diversity promotion group at each Group company and held liaison committee meetings.
	Health Promotion and Enhancement	• Raise employee awareness of working hours and promote utilization of leave allowances. • Expand Workplace Improvement Workshops held at each worksite.	• Reduced the average annual number of work hours by 2.1% compared to the previous fiscal year. • Held 17 Workplace Improvement Workshops. Conducted mental health management examinations for managers.
	Employee Satisfaction	Promote measures to bolster motivation.	Improved on the results of the previous year's employee satisfaction surveys by implementing various improvements to methods of holding meetings and communications between management and workers.
Various Other Related Parties (See page 30)	Promotion of Social Contribution Activities	• Support employees' volunteer activities through the Volunteer Club and other initiatives. • Enhance next-generation educational activities (including IT training) across a wide range of age groups.	• Disseminated information about volunteer activities and recruited participants for employee-designed volunteer projects through the Volunteer Club website. Put one employee-designed project into effect. • Began supporting the Innovation Management College, accepted teachers for private company training, and dispatched an employee to lecture on information security for elementary and junior high school teachers.
NTT DATA and the Environment			
Environmental Management (See page 32)	Environmental Management Promotion	Put into effect medium-term targets and measures and enhance the groupwide collaboration promotion system.	• Formulated Environmental Messages and set targets for fiscal 2013 as part of promotion of environmentally oriented management. • Assigned Environmental Managers at Group companies that have not yet gained ISO 14001 certification.
The Greening of Customers and Society (See pages 35, 36)	Reduction of the Environmental Impact of Society through IT	Construct a framework for promoting quantitative assessment of the CO_2 reduction effect arising from solutions provision.	• Boosted the number of quantitative assessments of environmental impact through the establishment of a specialized team. • Acquired NTT Group Solution Environmental Label certification on four counts. • Participated in field trial for the construction of electric vehicle charging infrastructure.
	Expansion of Environmental Solutions Provision	• Expand environmental solutions provision (carbon offsetting, emissions trading support, etc.). • Promote further cooperation within the Group, such as in sales activities.	• Verified an electrical power consumption cut of approximately 18% through testing on a high-voltage direct current power supply system. • Developed and carried out trial operation of a CO_2 emission credits trading website. • Conducted trials for a zero-CO_2 emissions factory through carbon offsetting.
The Greening of Our Group (See pages 35, 38)	Greenhouse Gas Emission Reduction	Reduce emissions by 9.5% of fiscal 2006 figures in terms of basic units of sales.	Reduced emissions by 8.2% of fiscal 2006 figures through data center facilities renovations and operating improvements, promotion of energy conservation in offices and other initiatives. Boosted solar cell facilities' capacity to 164 kW.
	Waste Reduction	Reduce waste for final disposal by 45% of fiscal 2006 figures in terms of basic units of sales.	Reduced waste for final disposal by 39% of fiscal 2006 figures by increasing outsourcing volumes to industrial waste processors with high recycling ratios, thorough waste separation, promotion of wastepaper recycling and other initiatives.
	Reduction of Copy Paper Purchased	Reduce purchased quantity by 7% of fiscal 2006 figures.	Reduced purchased quantity by 13.6% of fiscal 2006 figures by breaking down and clarifying copy paper reduction targets by organizational unit, holding paperless in-house meetings and other initiatives.
Environmental Contributions and Communications (See pages 35, 39)	Environmental Contribution Activities	Expand the number of events covered by Company participation in Satoyama conservation activities and develop activities with the Wildlife Information Center as a hub.	Participated in the Tokyo Greenship Action campaign (two events, 40 employees) and promoted environmental contribution activities by Group companies in their regions of operation.
	Enhancement of Communication	Promote information sharing and reinforcement of tie-ups in the Group and proactively pursue information dissemination to our customers and society as a whole.	• Hosted Environmental Seminars for customers and employees in October 2009. • Disseminated information on Green IT to customers and society through a public website.
CSR Infrastructure			
Corporate Governance (See page 40)	Construction of an Internal Control System	Reinforce systems and cooperation, aiming for promotion of a groupwide internal control system.	• Audited 19 in-house organizational units and 28 Group companies, including overseas companies. • Carried out e-learning on internal control.
	Reinforcement of Group Governance	Establish a Group governance system.	Revised the Group Management Policy and clarified the roles of NTT DATA and Group companies for groupwide optimization.
Compliance (See page 41)	Code of Ethics and Thorough Compliance	• Pursue improvements to the compliance promotion system among Group companies. • Carry out thorough compliance education.	• Held meetings of the Corporate Ethics Committee at 77 Group companies. • Conducted position-based training and training for Group company employees on the NTT DATA Group Code of Ethics.
Risk Management (See page 42)	Groupwide Risk Management	Improve the global risk management system.	Reinforced the risk management promotion system through tie-ups between departments and Group companies in Japan and overseas.
Information Security (See page 43)	Reinforcement of Information Security Management	Promote knowledge sharing within the Group and establish an information security governance system.	Promoted the PDCA Double Loop on a groupwide basis and by individual Group companies. Carried out a caravan spanning 70 Group companies in Japan and overseas.
	Information Security Education	Share knowledge and expertise in the Group.	Provided educational materials to support in-house training for Group companies. Conducted training that targeted staff responsible for information security promotion.

Future Plans
• Formulate and expand management procedures for unified companywide rules and upgrade and promote educational contents. • Deploy examples of successful project in CMMI Maturity Levels 4 and 5 implementation at all organizational units and expand the scope of organizations to which it applies, aiming for companywide maturity improvements.
Carry out ongoing training, and put into practice and refine the action manual for business continuity plans in time of disaster.
Verify and continue to promote a framework for various current measures and checks.
Begin deployment of final results in-house. Collaborate with companies in the industry over utilization promotion activities through the Information-Technology Promotion Agency, Japan, which receives the results.
Promote improvement action aiming for further gains in customer satisfaction, including support for customer-facing departments and training to enhance action plans for improving customer satisfaction.
• Cultivate skilled universal design personnel and improve ease of use, including for system use environments. • Expand validation services and respond to the August 2010 revisions to JIS X 8341-3:2010.
Continue to enhance interactive IR activities through improvements to websites and other IR tools.
Promote employee training and other measures on an ongoing basis to ensure thoroughly fair transactions.
• Conduct ongoing dialogs through BP Presidents' Meetings and other activities. • Expand the number of bases providing offshore training support and the contents of educational programs.
Expand employment opportunities for employees with disabilities and create comfortable workplace environments.
Share forward-thinking initiatives by Group companies and support initiatives by individual companies on a Group basis.
• Promote discretionary work and teleworking and implement ongoing workplace reforms. • Reinforce mental healthcare activities on an organizational basis and at a personal level.
Investigate measures for career path visualization and greater efficiency of in-house administrative procedures in light of results for fiscal 2010 surveys.
• Boost participation in employee volunteer activities by raising awareness of the Volunteer Club and stepping up information dissemination. • Bolster next-generation educational activities (including IT training).
• Reinforce groupwide environmental management and promote inter-departmental collaboration. • Appoint Environmental Managers at overseas Group companies and promote collection of data on environmental impact.
• Carry out in-house training on environmental impact assessment methods and, through stronger support from a specialized team, promote the visualization of the CO_2 reduction effect arising from solutions provision. • Acquire 20 NTT Group Solution Environmental Label certifications for fiscal 2011.
• Promote energy conservation at data centers through commercialization on a high-voltage direct current power supply system. • Aim for net sales of ¥5 billion for fiscal 2011 through expanded environmental solutions provision.
Reduce emissions by 10% of fiscal 2006 figures in terms of basic units of sales through enhanced data center operating efficiency, promotion of next-generation offices, visualization of energy saving effects and other initiatives.
Reduce final disposal volume by 12% of fiscal 2009 figures by promoting reuse of OA equipment, boosting the recycling ratio for general waste and other initiatives.
Reduce purchased quantity by 15% of fiscal 2009 figures through the promotion of next-generation paperless offices, visualization of paper purchasing performance by organizational unit and other initiatives.
Expand opportunities for employees and their families to participate in environmental contribution activities, aiming for 800 participants groupwide during fiscal 2011.
Promote information sharing within the Group and expand channels of information dissemination on Green IT and the NTT DATA Group's environmental IT solutions for customers and society.
Reinforce systems and cooperation on an ongoing basis, aiming for promotion of a groupwide internal control system.
Continue efforts to promote the maintenance and bolster the overall global Group governance system.
• Pursue steady implementation of recurrence prevention measures for case that occurred (see page 41) and promote use of the internal reporting system. • Carry out compliance education for all Group employees.
Implement ongoing improvements to globalization-oriented risk management.
Implement measures to ensure establishment of the PDCA cycle in individual Group companies and enhance information security response in the workplace.
Carry out ongoing training and promotional activities for adherence to rules and everyday actions and improve the levels of knowledge and behavior relating to personal information protection.

Major Third-Party Evaluations of Company Initiatives

Non-functional Requirement Grade Investigative Committee wins the Good Design Award 2009 (See page 21)

Company wins Good Design Award 2009 for the HAREL 2.0 website (See page 20)

HAREL 2.0 validation screen

Selected for Best Company Award in the 2009 Internet IR Best Company Awards (See page 23)

Investor relations website

Received three-star ranking in third survey of companies supporting fathers in providing childcare (See page 28)

Father (and Mother) Seminar

Received the Green IT Award 2009 Minister's Prize from the Ministry of Economy, Trade and Industry (See page 15)

Award ceremony

With Our Customers

We are improving system quality and providing services that seek to enhance operability from a user perspective to realize social infrastructure that provides peace of mind.

CLOSE UP

Promoting accessibility validations as a step toward construction of a website that is easy to use for all

Good Design Award 2009 for the HAREL 2.0 website accessibility check site

HAREL, an accessibility check site maintained by NTT DATA, ranks websites for accessibility conformance. This service went online free of charge in August 2008. Simply by inputting the website address, HAREL runs checks on source codes from some 170 perspectives, which facilitates a simple, high-accuracy accessibility assessment. This tool had been utilized for approximately 180,000 checks as of March 31, 2009.

In October 2009, HAREL 2.0 gained the Japan Industrial Design Promotion Organization's Good Design Award 2009. We hope to make a wide range of users more familiar with the methodology of accessibility through the widespread adoption of HAREL.

GOOD DESIGN

HAREL 2.0 validation screen

Conducting website accessibility validation checks in cooperation with special subsidiary NTT DATA DAICHI CORPORATION

NTT DATA conducts accessibility validations of web pages and makes proposals to resolve accessibility issues.

During fiscal 2010, we transferred this aspect of our validation business to NTT DATA DAICHI CORPORATION, a subsidiary that promotes employment of people with disabilities, enabling us to offer validation services from a more user-centered perspective. Following five accessibility validation trials carried out targeting development projects by NTT DATA and other Group companies, NTT DATA DAICHI commenced full accessibility validation services in June 2010.

We aim to expand the user base for this service, both inside the NTT DATA Group and for external customers. We plan to remain compatible with JIS X 8341-3:2010, which was revised in August 2010.

NTT DATA DAICHI website validation business team members

## Activities to Improve Quality

Building a management system based on ISO 9001 and ensuring continuous improvements

Maintaining quality and ensuring stable operation of information systems requires process management, spanning upstream and downstream processes, and continuous improvements based on a PDCA cycle.

NTT DATA became ISO 9001 certified in 1998. Since then, we have pursued process improvements incorporating CMMI*1, system development transparency, formulation of development and operational standards, and other activities. During fiscal 2010, two organizations achieved CMMI Maturity Level 4 and 5, respectively. We are striving to extend levels 4 and 5, which are achieved by comparatively few companies worldwide, to other Group organizations in a bid to boost companywide maturity.

*1 **CMMI**: Capability Maturity Model Integration (CMMI) is a set of best practices of system development formulated by the Software Engineering Institute, Carnegie Mellon University, incorporating system development best practices. The CMMI model indicates process improvement steps to enable organizations gradually to optimize their development and management processes for their business environment.

NTT DATA Quality Management System
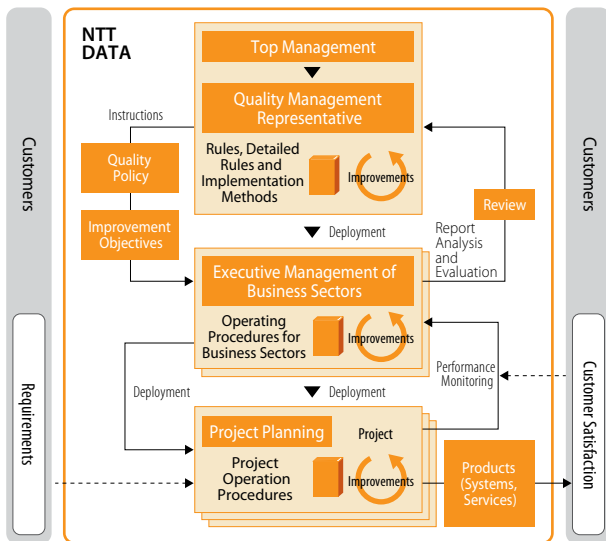
Unification of internal rules for development and management and clarification of implementation procedures

Since fiscal 2008, NTT DATA has created unified companywide rules and clarified procedures for their application with the objective of boosting quality and productivity. In March 2010, we formulated an implementation method, which we have deployed companywide, reflecting unified rules for development and management procedures. Further, we have expanded TERASOLUNA*2 development procedures to NTT DATA Group companies and held explanatory briefings on 18 occasions.

Future endeavors will include the formulation and expansion of management procedures and the improvement and dissemination of educational contents.

*2 **TERASOLUNA**: A solution that incorporates NTT DATA's technologies for project management, development processes, frameworks, etc., accumulated from its numerous system development projects.

Disaster and System Failure Countermeasures

System failure countermeasures focused on prevention and response

We promote system failure countermeasures from two perspectives: prevention and response.

Prevention involves promotion of in-house deployment and application of various product groups with verified performance, availability and other features required for system construction and of procedures, tools and other technologies. Moreover, we support project management through in-house specialized organizations and control and systematic confirmation and decision-making by project managers. As the situation demands, we are also extending information relating to failure by hardware products produced externally and in-house and corruption of software products and bugs and procedures to deal with them within NTT DATA and to Group companies.

Each sector has established an emergency contact system and formulated response procedures. Furthermore, we immediately analyze the cause of any failure and publicize in-house measures to prevent recurrence. We reflect such findings in our provisions for system construction and operation maintenance processes. The Company also conducts periodic internal audits to confirm the thoroughness of countermeasures.

Collaboration with Companies Industrywide

Establishment of a Non-functional Requirement Grade to visualize customer requirements

Non-functional requirements*3 are highly technical, difficult to realize and hard for customers to understand. But without shared awareness with customers, development projects can require reworking and suffer from time overruns, and running systems can face operational difficulties. Accordingly, NTT DATA; FUJITSU LIMITED; NEC Corporation; Hitachi, Ltd.; Mitsubishi Electric Information Systems Corporation; and Oki Electric Industry Co., Ltd., launched the Non-functional Requirement Grade Investigative Committee in April 2008. This body ultimately compiled a Non-functional Requirement Grade, which after gaining external assessment for effectiveness was publicly posted online in February 2010.

Furthermore, the Non-functional Requirement Grade Investigative Committee received the Good Design Award 2009 as a mark of acclaim for the new requirement definition method for system development to resolve communications issues between customers and parties receiving the outsourcing orders.

*3 **Non-functional requirements**: These requirements specify criteria to judge the operation of systems, such as data volume, response time and processing capacity, plus hardware failure, disaster countermeasures and other durability factors.

Linking CS surveys to improvement activities

NTT DATA conducts annual customer satisfaction surveys because it believes that sustainable growth stems from a company's customer orientation.

During fiscal 2010, we distributed 289 questionnaires to 154 customers, with a response rate of 93%, and conducted interviews with 60 customers. Results revealed that overall average values achieved the target score of 7.0. Questions relating to changes in service levels indicated that more than 60% of customers noted an improvement from the previous fiscal year. In addition, the interviews showed that approximately 80% of customers appraised our services as passable, while the remaining 20% would like to see us making proactive proposals from the perspective of business

CS Survey Evaluation Results (Points)

Year	Score
2006	6.2
2007	6.3
2008	6.7
2009	6.8
2010	7.0

2006 2007 2008 2009 **2010** (Fiscal year)
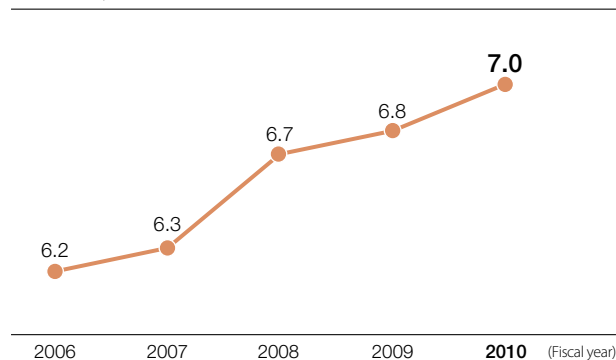
Note: Average value for each survey item (maximum of 10 points)

strategies and sharing knowledge within the Group.

During fiscal 2011, we will strive to further boost customer satisfaction through our system of awards and training to enhance action plans for improving customer satisfaction.

Advancing universal design for information systems

To incorporate universal design[1] (UD) into information systems, we have adopted accessibility and usability from the system planning and requirement definition stages, and user-centered design in the system development process.

During fiscal 2010, we confirmed the effectiveness of our prototyping techniques and tools for system development by applying them to approximately 30 projects.

Moreover, three members of our staff gained Human Centered Design Specialist[2] qualifications accredited by the specified nonprofit Human Centered Design Organization. We plan to continue to increase the number of employees with universal design knowledge and skills.

Through continued promotion of these initiatives and response to the August 2010 amendments to JIS X 8341-3:2010, we aim to provide more convenient, easy-to-use systems with screen- and user-friendly environments.

[1] **Universal design**: Design aiming for ease of use by all people, irrespective of age, gender, nationality and disability status.
[2] **Human Centered Design Specialist**: A qualification system introduced in December 2009 to recognize specialists practiced in human centered design working in product and system development and other fields.

TOPICS

Secure OS function developed by NTT DATA incorporated into Linux as a standard feature

In June 2009, TOMOYO Linux, a secure OS function developed by NTT DATA, was formally adopted as a standard feature by Linux.

Linux is open-source software that is distributed free of charge. It is an operating system that can be used and extended by anyone. Widely deployed worldwide, with applications including mobile telephones, home electrical appliances and other digital equipment, Linux development is conducted by developers in the network known as the Linux community.

NTT DATA has submitted proposals and has continuously appealed at international conferences in terms of the features and necessity of TOMOYO Linux. As a result, it became the third standard Linux security function in the world to be adopted, and the first in Japan. In September 2009, the TOMOYO Linux development project received a certificate of appreciation from the head of the Ministry of Economy, Trade and Industry Commerce and Information Policy Bureau for its contribution to the formation of an advanced specialist community in Japan.

NTT DATA will continue its efforts to realize a safe and secure society that includes the field of open-source software.

Receiving a certificate of appreciation from the head of METI's Commerce and Information Policy Bureau for the achievements of TOMOYO Linux

Note: For additional information, please refer to page 45.

NTT DATA and Its Stakeholders

With Shareholders and Investors

While encouraging constant awareness of raising corporate value in our management and emphasizing communications with shareholders and investors, we strive to disclose information in a timely and appropriate manner and to conduct proactive investor relations.

CLOSE UP

External assessment of proactive IR activities that employ various media channels

Logo of the Daiwa Investor Relations' Internet IR Best Company Award

NTT DATA is developing investor relations activities, targeting its shareholders and investors in Japan and overseas, that leverage the characteristics of print, online, video and other media.

NTT DATA's position regarding these IR activities and the status of information disclosure are externally assessed, and during fiscal 2010, we numbered among the prizewinners in the 12th Nikkei Annual Report Awards (Sponsored by Nikkei Inc.). Moreover, we were selected for the Best Company Award in the 2009 Internet IR Best Company Awards, which are hosted by Daiwa Investor Relations Co., Ltd.

NTT DATA annual report

Investor relations website

Basic Dividend Policy

Providing stable dividends that reflect performance trends and the dividend payout ratio

Through sustainable growth based on investment in new businesses and efficient business management, NTT DATA's basic policy is to enhance corporate value over the medium term and distribute appropriate dividends.

Taking into consideration consolidated performance trends, financial conditions and other items from a holistic perspective, we aim for a stable dividend payout ratio of 30%. At the same time, we maintain sufficient internal reserves to ensure ongoing stable growth through investment in new business and technological development, capital investment and other uses of funds.

Annual Per-Share Dividend (Yen)

2006	2007	2008	2009	2010
3,000	5,000	5,000	6,000	6,000

(Fiscal year)
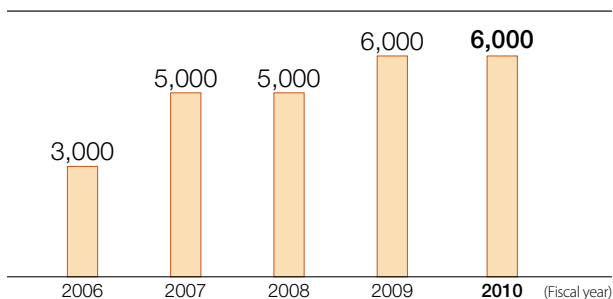
Improved Communication

Using various opportunities for dialog to promote communication

Based on its approach of promoting interactive IR activities underpinned by timeliness, accuracy, fairness and continuity, NTT DATA is proactively engaged in holding various events for shareholders and investors and disseminating information through IR tools. Specifically, each quarter we conduct a results briefing, where management addresses performance and earnings forecasts, and provides an explanation of our business environment and strategies. We also hold small and individual meetings with investors both in Japan and overseas.

In fiscal 2010, we conducted a survey among all our shareholders from June to July, gathering the opinions of more than 5,500 individuals. More than half of these shareholders professed to have deepened their understanding of top management policies and strategies through information disseminated via the Company's IR tools. In addition, we take a positive stance in assisting investors and analysts with their coverage, responding to approximately 300 queries during fiscal 2010.

We will step up efforts to expand and improve such IR tools as the Company website in a drive to further develop our interactive IR activities.

With Our Suppliers

We promote open and fair transactions with suppliers and communicate to maintain quality and support technological advancement, aiming for mutual development.

Employee training to raise awareness of compliance when contracting suppliers

The NTT DATA Group carries out its transactions with suppliers in a thoroughly fair and impartial manner. In order to achieve this and to foster mutual prosperity, we maintain Fair Transaction Rules and a Procurement Policy and emphasize training for employees.

During fiscal 2010, we held training via e-learning for all NTT DATA Group employees on compliance in relation to transactions with suppliers. This program, which reached approximately 28,000, or 97%, of Group employees between September 14 and October 23, 2009, covered points for consideration when making contracts and conducting business with suppliers, with emphasis on appropriate consignment contracts and case studies to illustrate the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Law).

Screen from our e-learning program

Thoroughgoing Fair Transactions

Compliance rules for transactions and contracts

NTT DATA formulated Fair Transaction Rules in May 1997, compiling laws, rules, action guidelines and other compliance directives for transactions and contracts with customers and suppliers, making revisions as appropriate.

We have posted our Procurement Policy on our website. We also formulated rules outlining the responsibilities of purchasing officers, selection and certification methods for new suppliers, international procurement procedures and other items.

We plan to discuss and publicize purchasing measures and policies and to share information at meetings with Group companies.

Procurement Policy

Our purchasing transactions are based on three policies.

1. The Company shall carry out open and transparent purchasing with due consideration to business needs.

2. We shall provide opportunities for competition to suppliers, regardless of whether they are from Japan or overseas.

3. The Company shall procure competitive, appealing products that are attuned to business needs on a global basis and in accordance with market principles.

Striving to eliminate retroactive contracts to ensure fair transactions

On April 1, 2004, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors was amended to include the information service sector. To ensure compliance, NTT DATA has begun regularly reporting at in-house meetings the status of retroactive contracts and promoting reduction measures. In addition, we conduct ongoing training for all Group corporate officers and employees to ensure that they understand the act's intents and purposes, as well as the obligations and prohibitions placed on primary contractors.

During fiscal 2010, we carried out e-learning and formulated a *Purchasing Compliance Guidebook*, compiling laws, regulations and other pertinent compliance-related information, which was distributed to employees of NTT DATA and Group companies in March 2010.

Purchasing Compliance Guidebook

BP Presidents' Meetings and Technological Briefing Sessions ongoing

NTT DATA has held BP Presidents' Meetings each year since 1991 to bring together top executives of its business partner (BP) companies.

The February 2010 meeting included participants from all 38 BPs and featured explanations on the subjects of its software ordering policy and measures to enhance SI competitiveness. Moreover, we received opinions, requirements and technical questions from BP companies and enhanced communications among participants.

NTT DATA also organizes Technological Briefing Sessions for BP employees, holds training on TERASOLUNA, the Company's system development procedures, and other events to improve productivity and quality and to support information security reinforcement.

In addition, we hosted reconsignment briefing sessions for suppliers during June 2009 with a view to promoting appropriate consignment contracts and called for collaboration over legal compliance.

BP Presidents' Meeting

Measures to foster cooperation with suppliers over improving the project development environment

Improving the project development environment is an important issue for NTT DATA and for subcontracted BPs.

Accordingly, NTT DATA is striving to assess overtime conditions at software development sites through liaison meetings with BPs, BP Presidents' Meetings, feedback from results of mutual evaluations and other means. During fiscal 2010, we conducted hearings on overtime conditions and other criteria at the BP selection stage and exchanged opinions at BP Presidents' Meetings and other events.

NTT DATA operates a "Whistleblower Line" to call attention to actions in contravention of laws and corporate ethics. This service is available to employees of our suppliers, and has been publicized through various channels.

Promoting upgrades to offshore development communications environments and cultivation of human resources
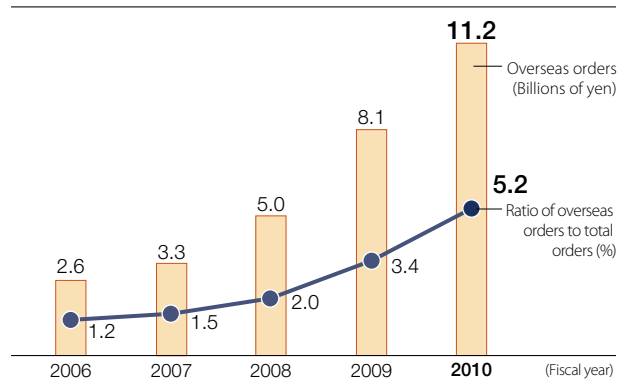
NTT DATA promotes offshore development by outsourcing a part of system development and other activities to Chinese, Indian, Vietnamese and other overseas firms, with outsourcing volume growing each year.

Enhancing the communications environment with subcontracted companies overseas is crucial to our offshore development. As such, we have constructed a broadband, high-security international network and improved our teleconferencing and other communications systems with the objective of smooth information sharing. Through such initiatives to facilitate system development, we also secure higher quality.

Furthermore, the Company hosts Overseas Order Seminars for its employees to highlight appropriate transactions and to share development case studies and hosts offshore development liaison meetings once a quarter to enhance in-house collaboration.

We also support human resource development at subcontracted companies by accepting overseas subcontractor employees on our training courses, systematizing offshore personnel training programs and other measures (see page 11).

Volume and Ratio of Overseas Orders

Fiscal year	2006	2007	2008	2009	2010
Overseas orders (Billions of yen)	2.6	3.3	5.0	8.1	11.2
Ratio of overseas orders to total orders (%)	1.2	1.5	2.0	3.4	5.2

With Our Employees and Their Families

Understanding that our greatest asset is our human resources, we are striving to build a dynamic and stimulating workplace environment, incorporating an emphasis on individual employees and their families.

CLOSE UP

Hosting Diversity Workshops for female employees to address the concerns and issues that women face in pursuit of their careers

Since fiscal 2008, NTT DATA has held Diversity Workshops for female employees on the theme of "personalizing your career" with the objectives of career development and network-building for women. The workshop organized during fiscal 2010 attracted 85 participants, comprising 60 employees from NTT DATA and 25 from Group companies.

These events took place three times (over three days), and the first, which was held in October 2009, featured discussions on concerns and issues that women face in pursuit of their careers. At the second workshop in November 2009, participants formed teams to discuss their action plans, which they presented in conjunction with proposals to the Company. The line managers of the participants were also in attendance to share in the delivery of these recommendations. In February 2010, at the third workshop, participants introduced the results of their endeavors to implement their action plans over the past three months. A career advisor was invited from the Japan Productivity Center to provide concrete advice to participants.

NTT DATA is striving to incorporate the proposals made by employees in the course of these workshops in its corporate systems and initiatives. In a questionnaire survey of participants, almost 90% described themselves as satisfied. We are continuing to host this kind of workshop during fiscal 2011 in a drive to cultivate personnel who can take on responsibility for promoting diversity in the workplace.

Female employees involved in discussions at a Diversity Workshop

Results of a Questionnaire Survey of Workshop Participants

Uncommitted
11% (6 Responses)

Completely satisfied
40%
(21 Responses)

Satisfied
49%
(26 Responses)
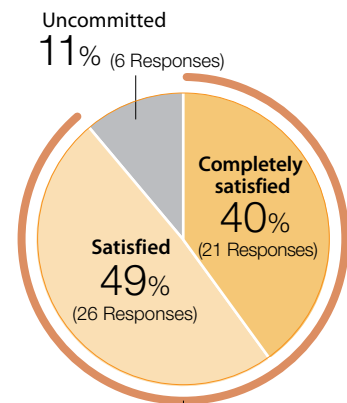
Satisfaction level **89**%

Comment | Message from a Workshop Participant

Returning to the Company on completion of a year off for maternity and childcare leave, I was uneasy about the prospect of balancing my work with ongoing childcare commitments. At the Diversity Workshops for female employees, I met with employees already experienced as working mothers who reminded me that it was possible to continue pursuing my career path while fulfilling my role as a mother. Participating in a training session wherein the participants shared action plans and objectives helped me achieve the goals I had set for myself. This is the sort of ongoing support I need to continue with my career while raising a child.

Yuki Shinohara
eCommunity Division
Regional Business Sector
NTT DATA

Diversity and fairness in recruitment and employment

NTT DATA conducts its recruiting activities fairly and with an emphasis on diversity, aiming to expand work opportunities and optimize placements.

We prioritize aptitude, motivation and ability over academic record, age and gender. We take on new graduates from more than 100 educational establishments and our diverse mid-career outreach channels include more than 20 employment agencies.

Personnel Recruitment Trends
(Number of employees)

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Number of employees (nonconsolidated)	8,550	9,230	9,670
Male	7,399	7,938	8,253
Female	1,151	1,292	1,417
Female managers [Ratio] (nonconsolidated)	50 [3.0%]	55 [3.1%]	57 [3.2%]

	Fiscal 2009	Fiscal 2010	Fiscal 2011
New graduates (nonconsolidated)	668	540	537
Male	502	391	380
Female	166	149	157
Recruitment of employees with disabilities [Ratio] (nonconsolidated)	136 [1.33%]	170 [1.61%]	205 [1.87%]

Note: Recruitment of employees with disabilities represents figures as of June 1 of each fiscal year.

Establishment of a special subsidiary to increase recruitment opportunities for employees with disabilities

To help employees with disabilities realize their potential, NTT DATA is bolstering opportunities through a subsidiary, supplementing placements in system development and sales.

In July 2008, we established NTT DATA DAICHI CORPORATION. This venture received special subsidiary status in December 2008. NTT DATA DAICHI creates websites and expands "Massage" welfare services. Since fiscal 2010, the company has also undertaken the business card printing, flower and plant maintenance, wastepaper collection and recycling and other office operations, agricultural business on Ishigaki Island and in Nasu, and PDF file conversions in Sapporo. In addition, NTT DATA DAICHI has established a home-working system for employees with IT skills who are prevented from commuting by their disabilities to create employment in regions with sparse openings and to build work-friendly environments for the disabled.

As a result of these endeavors, NTT DATA's ratio of recruitment of employees with disabilities stood at 1.87% as of June 1, 2010. We will continue to promote the expansion of opportunities for disabled employees.

Employment support centered on the Diversity Promotion Office

In April 2008, NTT DATA established the Diversity Promotion Office to build a dynamic and stimulating workplace environment. This office focuses on diversity management by promoting diversity, innovating work styles and encouraging a healthy work-life balance.

The NTT DATA Group has slated fiscal 2010 as its "First Year of Diversity Development," extending the scope of its diversity portal site and of various seminars to target employees of Group companies. In addition, we have formed a diversity promotion group at each Group company and have instigated various other concerted Group activities, such as hosting Group Diversity Promotion Liaison Committee meetings.

Diversity portal site targeting Group employees

Expanded home-working system

NTT DATA introduced a trial teleworking program in July 2006, and introduced a formal system in February 2008. This represents one concrete means by which the Company is seeking to realize work-style innovations. The system is available to all employees, regardless of age or type of work, including managers and male workers. During fiscal 2010, approximately 400 employees took advantage of this scheme, with an almost even male–female participant mix and with approximately 15% accounted for by managers. From fiscal 2011 onward, we plan to introduce this system successively to Group companies.

We are utilizing the analysis results from questions posed regarding awareness of teleworking in the fiscal 2010 employee satisfaction survey (see page 29), and in fiscal 2011 we will draw upon the results of this analysis to aid future developments.

Recognition from external organizations for upgrades to our childcare and nursing care systems

In order to help employees juggle work with maternity, childcare and nursing care with peace of mind, the NTT DATA

Group is upgrading its leave systems, while boosting employee understanding and promoting an environment that makes these systems easier to use.

As result of these endeavors, we earned the Kurumin Next-Generation Certification Mark in June 2008. NTT DATA also gained three-star ranking in third survey of companies supporting fathers in providing childcare by the NPO Fathering Japan and the Dai-Ichi Life Research Institute Inc. in June 2009. To commemorate this award, we hosted a forum for employees focused on subjects surrounding paternity and childcare in August 2009. Moreover, in February 2010 we held the Father (and Mother) Seminar, a workshop stimulating thought about work-life balance through childcare for male employees. This event was attended by a total of 81 employees, 55 from NTT DATA and 26 from Group companies.

In addition, we began leasing thin client terminals to employees taking childcare leave and conducted three-way interviews, incorporating employees, their line managers and personnel representatives, for staff on childcare and nursing care leave. These initiatives are geared to easing the anxieties for and providing support to ensure the smooth return to work for employees on leave.

In accordance with the June 2010 amendments to Japan's laws on childcare and nursing care, NTT DATA is complying with new legally stipulated levels of support and striving to build systems that are easy for employees to use.

Number of Employees Using Childcare and Nursing Systems

	Fiscal 2009		Fiscal 2010	
	Female	Male	Female	Male
Childcare leave	87	2	117 (180)	2 (6)
Shorter working hours for childcare	95	3	106 (169)	2 (2)
Nursing care leave	2	1	0 (1)	4 (6)
Shorter working hours for nursing care	0	1	0 (8)	1 (1)

Note: Figures in parentheses are on a consolidated basis.

Deepening employees' understanding of human rights through training and the Intranet

Our Code of Ethics cites "respect for human rights, free from discrimination by gender, nationality, beliefs or religion." We pledge not to carry out or tolerate any form of discrimination and take a firm stand against discrimination by others.

During fiscal 2010, we observed Human Rights Week in December by conducting an e-learning program that focused on human rights education for the entire NTT DATA Group. Participation reached some 95% of the Group workforce, or approximately 25,800 employees. During the week, we also posted special information on our intranet featuring a human rights promotion message and data on human rights trends.

We also have established lines for NTT DATA Group employees to report various types of harassment, contracted staff and BP/AP employees working in the Company's offices.

Fair Assessments and Treatment

A framework for treatment that emphasizes achievements, regardless of employment status

NTT DATA has established a framework for treatment that emphasizes results and achievements, independent of employment status.

Measurement of performance is by objective assessment through mutual agreement, following discussions with an employee's line manager, using "Challenge Sheets" that record individual work targets, degrees of attainment and other criteria. Moreover, the work targets and degrees of attainment for the departments are also evaluated, and results are reflected in annual bonuses. During fiscal 2010, we also introduced Challenge Sheets at NTT DATA Group companies.

Further, we have also developed a framework to reflect degrees of achievement in the remuneration of contracted employees, with options for conversion to permanent employment status for workers deemed to have high long-term performance potential.

We also plan to revise our personnel system to cultivate further growth among our employees.

TOPICS

Trial Summer Vacation Kids' Workshop for employees with children at elementary school

We hosted the NTT DATA Kids' Workshop from August 19 to 21, 2009.

This initiative was realized through a proposal by the Working Parents' Support Working Group, which is an activity of X-NEXT (Cross Next), a program that aids employees in making suggestions and recommendations to the Company by gathering assentors across organizations. The workshop enabled families with two working parents and children in the senior grades at elementary school to bring their children to the Company during summer vacation to be cared for in an atmosphere of mutual assistance.

With cooperation from employee volunteers, this year's workshop catered to 13 children at the NTT DATA Head Office. It provided three packed days of activities, featuring themes intrinsic to NTT DATA, such as the use of IT systems in the observation of nature.
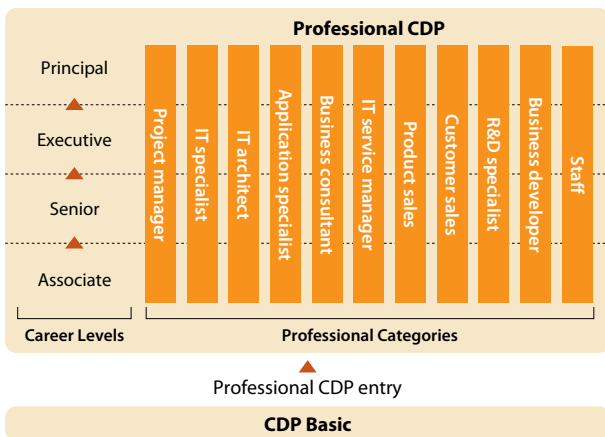

NTT DATA Summer Vacation Kids' Workshop

Establishment of a Professional CDP to cultivate staff with high market value

NTT DATA has developed a Professional Career Development Program (CDP) to foster specialization and response to change. This approach defines goals for each professional category and steps toward these objectives, plus an accreditation framework and a development system. During fiscal 2010, we further increased accredited personnel in every category.

In addition, we are progressively expanding this framework to encompass NTT DATA Group companies; CDP introduction was completed at 25 companies as of fiscal 2010. In the future, we shall continue to progress along this course of expansion.

Professional CDP Overall Framework

Career Levels	Professional CDP
Principal	Project manager / IT specialist / IT architect / Application specialist / Business consultant / IT service manager / Product sales / Customer sales / R&D specialist / Business developer / Staff
Executive	
Senior	
Associate	

Professional Categories

Professional CDP entry

CDP Basic

Striving to reduce working hours, a chronic issue within the IT industry

NTT DATA has declared its commitment to work-style innovation in a bid to foster greater self-fulfillment through productivity and work-style reforms. As part of this drive, during fiscal 2010 we implemented working hour cuts, promoted discretionary work and teleworking systems, and otherwise supported measures to innovate activities with

the objective of cutting the number of employees with total annual working time in excess of 2,300 hours to zero.

In addition to these efforts, we raised awareness of working hours through the installation of Do!Refresh software on all employee PCs during fiscal 2009 to ascertain the number of hours spent in the office. These initiatives enabled a reduction of 2.1% in the average number of working hours from the previous fiscal year. The results of these activities were also evident through such indicators as the cumulative number of employees taking two continuous weeks' holiday since fiscal 2008, which passed the 1,500 mark during the year.

We shall continue to promote such measures and policies, while introducing new initiatives in pursuit of work-style innovation.

Raising employee satisfaction through surveys and improvement activities

NTT DATA conducts annual Employee Satisfaction Surveys targeting all its employees and the staff of Group companies.

In light of the results of the previous year's survey, we focused our efforts on promoting work-style innovation during fiscal 2010. Specifically, we improved the execution and time slots for meetings in each organization to boost productivity, worked to enhance communications between workers and management, and the results of the fiscal 2010 survey showed an overall improvement from a year earlier.

During fiscal 2011, we will investigate measures to boost employee satisfaction, such as through greater career path visualization and efficiency of in-house administrative procedures.

Employee Satisfaction Survey Results

Job
Management
Workplace
The Company
Personnel policies and systems

— Fiscal 2010   - - - Fiscal 2009
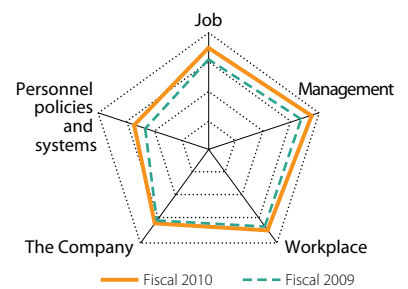
TOPICS

A global human resources cultivation program for young employees

In order to cultivate world-class human resources, since fiscal 2009 NTT DATA has conducted a Global Human Resources Program for young employees at Vertex Software Pvt. Ltd., a Group company based in India. During fiscal 2010, 40 employees participated in this program, which comprised language training and on-the-job training through participation in development projects spread over a two-month period. Participants gained experience by working with local employees on system development spanning various countries and regions.

Training at Vertex Software in India

Note: For additional information, please refer to page 45.

With Various Other Related Parties

We engage in activities that utilize our core business and emphasize employee participation in order to contribute to the realization of a healthy society in our role as a good corporate citizen.

Supporting the Innovation Management College as a step toward cultivating IT professionals and CIOs

Since April 2009, NTT DATA has supported the Innovation Management College (IMCJ), which was established by the Japan Users Association of Information Systems (JUAS). IMCJ targets middle management in its objective of fostering innovation leaders such as CIOs. To achieve this goal, it provides a curriculum that facilitates systematic and practical studies geared to the acquisition of IT expertise.

Fiscal 2010 featured two semesters, the first running through July and August and the second through October and November, reaching a total of 36 students. Participants praised the courses for raising awareness and facilitating study of the important connection between IT and management themes.

Through various support initiatives for IMCJ's research activities and human resources development program planning, NTT DATA is contributing to the creation of a framework to develop managerial personnel who are highly skilled at cultivating the business benefits of information.

Innovation Management College

Related website **Innovation Management College (Japanese only)** http://imc-j.jp/

Policies regarding Social Contribution Activities

Promoting activities that contribute to the realization of a healthy society

In April 1992, NTT DATA established a Social Contribution Promotion Office to plan and promote social contribution activities. Since then, we have conducted activities targeting education, welfare and contributions to regional and international communities, as well as the natural environment, culture and the arts. We are extending activities to cultivate volunteer awareness among employees, key off our core businesses and promote Group expansion.

Major Initiatives in Fiscal 2010

Launching a Volunteer Club and supporting employee volunteer activities

In March 2009, NTT DATA launched the Volunteer Club as a hub for exchange over and promotion of employee voluntary activities. We post volunteer recruitment appeals, event invitations and other notices on a community page of our intranet where users can easily exchange and disseminate information.

Of his own volition, an employee placed a call for participants in regeneration activities for abandoned rice paddies on this community page during fiscal 2010. Consequently, 30 employees and other members took part in rice planting in June 2009. Such methods have

subsequently been utilized to promote weeding and rice harvesting activities, as well.

In the future, we aim to raise awareness of the Volunteer Club online community page as part of a drive to build a corporate climate conducive to self-motivated social contribution activities by employees.

Supporting IT training for teachers

As part of its cultivation of next-generation IT personnel, NTT DATA supports IT training for people in educational posts.

In fiscal 2010, we began participating in private company training for educators, hosted by the Keizai Koho Center (the Japan Institute for Social and Economic Affairs). For three days during August 2009, seven members of the Tokyo Metropolitan Kokubunji City Board of Education attended a course of corporate tours, business experience and workshops held on the theme of "Realizing the Ideal School through IT" in order to deepen their understanding of the links between the potential of IT and everyday lifestyles.

In the same

Teachers discussing the theme of "Realizing the Ideal School through IT"

month, an NTT DATA employee delivered a lecture at an Information Education and Training Workshop in Sumida-ku, Tokyo. This event, targeting elementary and junior high school teachers responsible for information education, focused on security issues surrounding information environments involving cases in which actual problems have arisen. Approximately 40 teachers took part in the workshop, which aimed to improve and expand didactics for participating teachers' understanding of the issues.

Supporting the world's disadvantaged children through a heartwarming Christmas

Each December, NTT DATA holds a charity auction on its intranet to sell unused school supplies and daily necessities. At the same time, we collect monetary donations and used books and give these, along with funds raised in the charity auction, to volunteer organizations that support disadvantaged children around the world. In fiscal 2010, we raised ¥600,000.

We also hosted a quiz on our intranet to showcase conditions of children in need of support around the world. This encouraged employees to voice their desires to try to help out in whatever ways they can.

TOPICS

Hosting the IT and New Society Design Forum 2010 in collaboration with Nomura Research Institute

In February 2010, NTT DATA jointly hosted the IT and New Society Design Forum 2010 with Nomura Research Institute, Ltd.

Currently, Japanese society and industry are deemed to be in a transition stage in the face of globalization and major transformations in operating environments. This event was held as a result of the two companies' shared desires to contribute to overcoming these difficulties through IT and to regenerate the IT service industry.

The forum itself featured "The Role of the IT Service Industry in Reconstruction of Social Infrastructure" and recommendations on "A New Image for IT Professionals" in the fulfillment of this role.

NTT DATA believes it can contribute to regeneration of the IT service industry and the development of society through such initiatives in the future.

Examples of initiatives by Group companies

Helping to organize an art exhibition by physically disabled children and adults with awards for outstanding contributions

NTT DATA Getronics Corporation participates in organizing an art exhibition by physically disabled children and adults. This event, which is hosted by the Japanese Society for Disabled Children, aims to create a showcase for self-expression and aid in the social participation of people with disabilities. NTT DATA Getronics, empathetic with these objectives, has participated in this project since its inauguration in 1981. Outstanding exhibits are awarded the NTT DATA Getronics International Prize.

During fiscal 2010, the exhibition was held at the Tokyo Metropolitan Art Space from December 3 to 6. Of the 693 submissions, 122 were selected as prizewinning entries.

Winners of the NTT DATA Getronics International Prize for fiscal 2010

(Left) "Self-Portrait II" (Me, a junior high school student with many things I would like to do—one of these is to meet Gaudi), Sayano Shinjou
(Right) "Buildings on a Backstreet", Hiroji Takeuchi

Supporting disadvantaged children through the Christmas Charity Initiative

Since December 2008, the head office of Cirquent GmbH in Munich has hosted a Christmas Charity Initiative. Through this initiative, kids write down their Christmas wishes, which are bought by Cirquent employees and then gifted to them by regional institutions that provide support for children from difficult social backgrounds.

In December 2009, locations participating in this initiative were extended through participation by employees in Ettlingen, Frankfurt and Cologne. Some 260 children were presented with dolls, toy cars, movie vouchers and other gifts at Christmas parties in which Cirquent employees participated. The company plans to continue to host this event on an annual basis, spurred by requests from employees.

Children and employees enjoying their Christmas party

Note: For additional information, please refer to page 45.

NTT DATA and the Environment

Environmental Management

We have appointed Environmental Managers and Environmental Advocates to each department and Group company to promote environmental protection activities groupwide and are implementing environmental management based on a PDCA cycle.

Environmental Policies of the NTT DATA Group

Promoting environmental protection activities throughout the Group based on our Environmental Policies

In July 1999, the NTT DATA Group established the Environmental Policies of the NTT DATA Group. Thereafter, we have provided environmentally responsible systems and services and conducted activities focused on reducing the environmental impact of society as a whole as an information service provider, in addition to reducing the environmental impact posed by our own business activities.

One of the key measures in our Medium-Term Management Policy, which went into effect in fiscal 2010, is to enhance environmentally oriented management. Moreover, we announced our Environmental Messages, which state the Group's approach to resolving environmental problems, at a results briefing held in May 2010. NTT DATA has formulated three-point Action Plans and targets to be achieved by fiscal 2013 (see page 14).

Environmental Policies of the NTT DATA Group
(Revised in July 2007)

The human race today faces problems affecting the earth's environment unlike any that have been experienced before. We urgently need to focus our thinking and activities on protecting the environment.

The NTT DATA Group, which applies information technology to create new paradigms and deliver new values, contributes to environmental protection by providing total services, from making strategic proposals to planning, designing, building, operating and maintaining information systems that can replace or alleviate the need for actual movement of people and goods. At the same time, recognizing the major impact of business activities on the environment, we are promoting an ongoing and planned approach to environmental protection, so as to realize a society that is in better harmony with the earth even as it enjoys the abundance of modern life.

1. **Environmental considerations in conducting business**
   The NTT DATA Group is working to lessen the environmental impact of our business activities, setting quantitative goals and targets to the extent possible, and reviewing these periodically as part of an on-going betterment program.
   (1) We are promoting environmentally responsible system development.
   (2) We are actively carrying out green purchasing and taking care to design environmentally friendly facilities.
   (3) We are working to prevent pollution and limit resource use, by implementing policies for saving resources and energy, promoting reuse and recycling, and reducing waste.

2. **Meeting legal obligations**
   In carrying out business activities, we observe all applicable environment-related laws and other agreements and obligations.

3. **Raising awareness**
   We strive to raise awareness of environmental issues through activities that educate our employees and partners.

July 2007
Toru Yamashita, President and CEO
NTT DATA CORPORATION

Environmental Management System

Deploying ongoing improvement activities based on ISO 14001

In April 1998, NTT DATA established a dedicated Environmental Protection Promotion Office and has received ISO 14001 certification for environmental management. We have been endeavoring to extend the scope of ISO 14001 certification groupwide since 2004.

As of July 1, 2010, a total of 29 Group companies, including NTT DATA, had attained ISO 14001 certification. Of these, 22 companies acquired groupwide certification, while 7 companies gained independent certification.

Note: **ISO 14001-Certified Companies** (as of July 1, 2010)
Group Integrated Certification: Total: 22 companies
NTT DATA CORPORATION; NTT DATA HOKKAIDO CORPORATION; NTT DATA TOHOKU CORPORATION; NTT DATA SHINETSU CORPORATION; NTT DATA TOKAI CORPORATION; NTT DATA HOKURIKU CORPORATION; NTT DATA KANSAI CORPORATION; NTT DATA CHUGOKU CORPORATION; NTT DATA SHIKOKU CORPORATION; NTT DATA KYUSHU CORPORATION; NTT DATA UNIVERSITY CORPORATION; NTT DATA TOKYO SMS CORPORATION; NTT DATA MANAGEMENT SERVICE CORPORATION; NTT DATA SYSTEM TECHNOLOGIES INC. (Head Office Building); NTT DATA FINANCIAL CORE CORPORATION; SOLID Exchange CORPORATION; NTT DATA FRONTIER CORPORATION; NTT DATA SOFIA CORPORATION; NTT DATA SEKISUI SYSTEMS CORPORATION; NTT DATA SYSTEMS CORPORATION (Head Office Building); NTT DATA INTELLILINK CORPORATION; NTT DATA i CORPORATION

Independent Certification: Seven companies
SANYO Electric Group [NTT DATA SANYO SYSTEM CORPORATION, Moriguchi and (Tokyo) Taito sites]; NTT DATA CUSTOMER SERVICE CORPORATION Shikoku Branch; JSOL Corporation; NTT DATA CCS CORPORATION; NTT DATA MSE CORPORATION; NJK Corporation; CATS CO., LTD.

Cross-Group environmental management system

We are building a groupwide system to promote improvement activities based on ISO 14001 standards. This structure is centered on the Eco Activity Promotion Committee and the Eco Activity Liaison Committee.

The Promotion Committee ascertains the activity status of Group companies and discusses the following fiscal year's targets, policies and other issues. Deliberation results are delivered by the Liaison Committee, whose members include environmental managers and environmental advocates of ISO 14001-certified departments and Group companies. This information is reflected in individual organizational units' targets. The Liaison Committee also shares information on changes in management methods spurred by legislative amendments.

During fiscal 2010, the Eco Activity Liaison Committee met twice to confirm activity status and to share information and opinions on environmentally oriented management as featured in the Medium-Term Management Policy. In addition, we assigned environmental managers at Group companies that are not yet ISO 14001-certified and reinforced the Group's environmental management promotion system. Moreover, we renamed the Environmental Protection Promotion Office as the Environmental Management Promotion Office in July 2009

to advance and fortify environmentally oriented management throughout the Group and bolstered collaborative relationships between relevant departments.

Currently, the Environmental Management Promotion Office is taking a vanguard position in investigating various measures and policies, with a view to establishing groupwide targets, formulating concrete plans and fortifying collaboration between relevant departments.

Improving activity levels through periodic audits

The Group periodically conducts internal environmental audits to confirm conformance with ISO 14001 specifications and PDCA cycle functionality.

In fiscal 2010, we audited 16 departments and 21 Group companies during January and February 2010. We hold meetings before and after audits to confirm important audit items and groupwide environmental management system status, as well as to share suggestions, improvements and other information as part of a drive to bolster the levels of internal environmental auditing and Group environmental protection activities.

As the role of internal environmental auditing steadily grows, we will conduct autonomous assessments by each organizational unit and other initiatives.

Environmental Education

Conducting business- and role-specific environmental education with e-learning

The Group conducts various environmental education activities to help employees properly understand the significance and purpose of environmental protection activities and environmental management based on ISO 14001 standards and to raise their awareness of environmental issues, spanning an e-learning curriculum that includes environmental basics, courses for waste-disposal supervisors, environmental managers and environmental advocates, and education programs customized for each organization and business function.
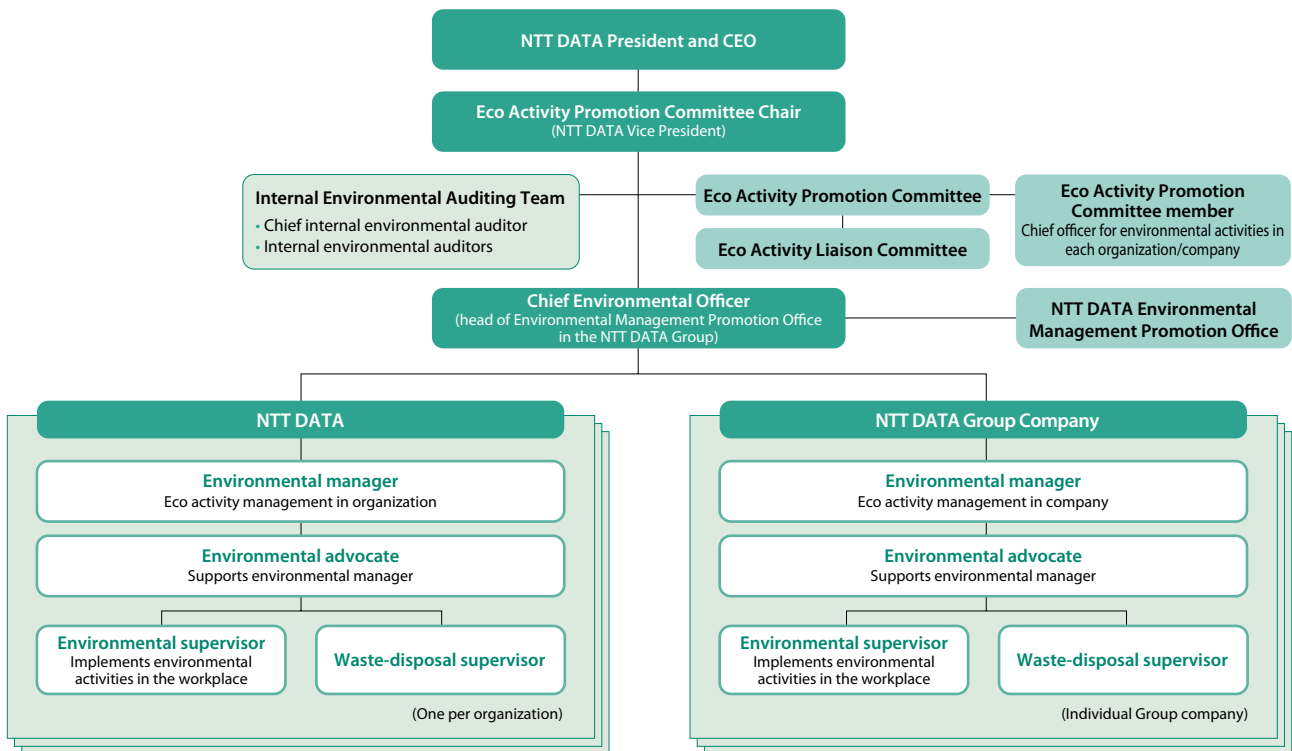
During fiscal 2010, in light of our promotion of environmentally oriented management, as advocated in the Medium-Term Management Policy, we incorporated a Green IT element in the contents of our environmental basics training and promoted greater understanding of pertinent issues.

From fiscal 2011, we shall introduce lectures on environmentally oriented management to each position-based training and expand the scope of training beyond ISO 14001-certified companies to all domestic Group companies.

E-Learning Course Participants (Participation Ratio) in Fiscal 2010

Environmental basics	23,841 (99.2%)
Course for waste-disposal supervisors	410 (99.0%)
Course for environmental managers and environmental advocates	520 (99.0%)

Organization for Promoting Environmental Activities

NTT DATA President and CEO

Eco Activity Promotion Committee Chair
(NTT DATA Vice President)

Internal Environmental Auditing Team
• Chief internal environmental auditor
• Internal environmental auditors

Eco Activity Promotion Committee

Eco Activity Liaison Committee

Eco Activity Promotion Committee member
Chief officer for environmental activities in each organization/company

Chief Environmental Officer
(head of Environmental Management Promotion Office in the NTT DATA Group)

NTT DATA Environmental Management Promotion Office

NTT DATA

Environmental manager
Eco activity management in organization

Environmental advocate
Supports environmental manager

Environmental supervisor
Implements environmental activities in the workplace

Waste-disposal supervisor

(One per organization)

NTT DATA Group Company

Environmental manager
Eco activity management in company

Environmental advocate
Supports environmental manager

Environmental supervisor
Implements environmental activities in the workplace

Waste-disposal supervisor

(Individual Group company)

Environmental Impact of Our Business Activities

To minimize the environmental impact of its business activities, the NTT DATA Group monitors and analyzes the types and amounts of resources and energy consumed by various processes, and their environmental impacts.
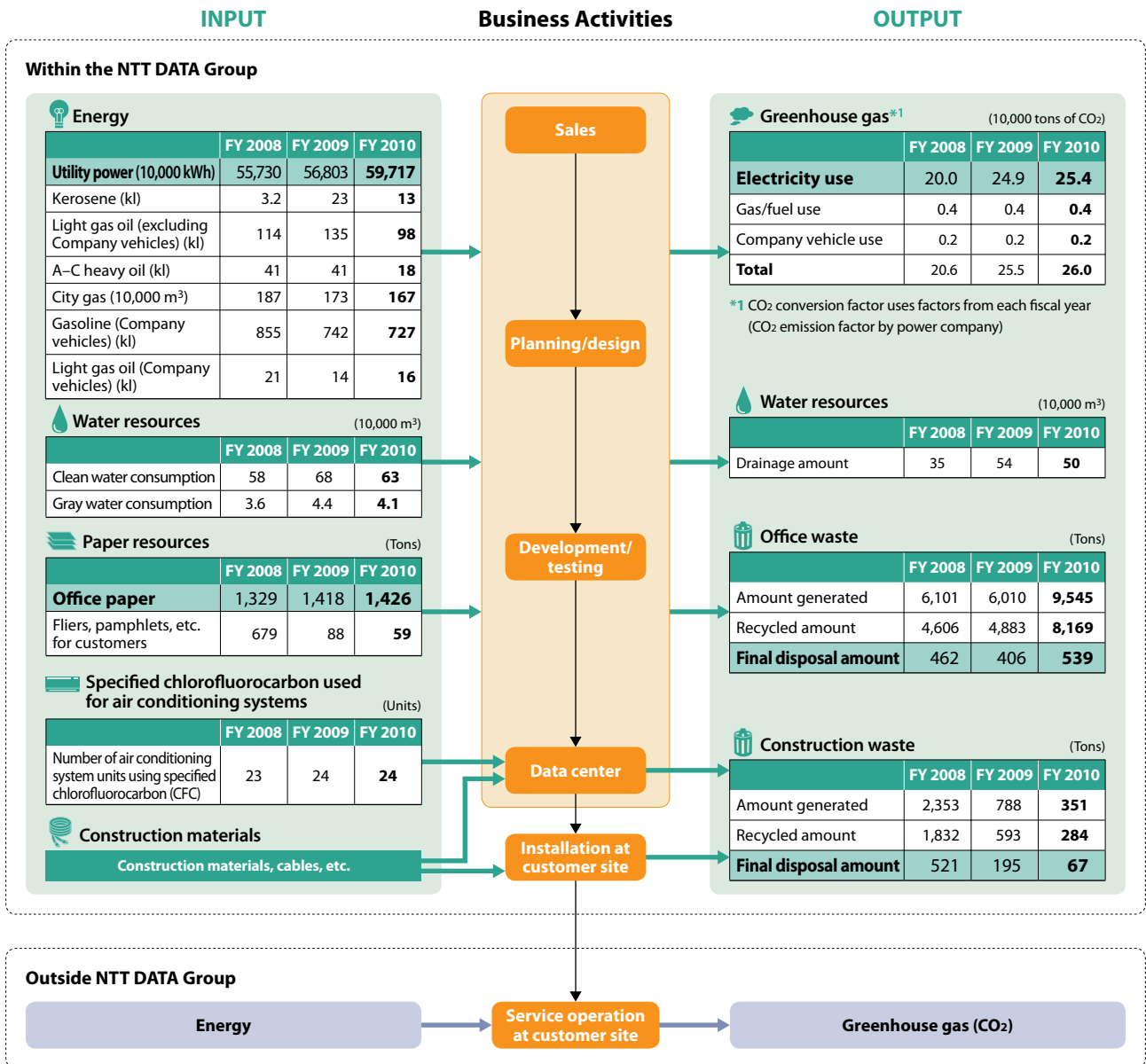
The NTT DATA Group's Environmental Impact

Monitoring and analyzing environmental impact by looking at the activities of the entire Group

The environmental impact posed by the NTT DATA Group's business activities primarily arises from the emission of greenhouse gases resulting from the consumption of energy, mainly as electric power. However, there are many other factors that affect the environment, including data center construction and the use of paper and water resources. In addition, we cannot ignore the environmental impact of energy consumption resulting from customers' operation of systems and services provided by the NTT DATA Group. The NTT DATA Group strives to correctly ascertain and analyze the environmental impact of its business activities and to utilize these results in various improvement activities.

Environmental Impact Overview

INPUT — **Business Activities** — **OUTPUT**

Within the NTT DATA Group

Energy

	FY 2008	FY 2009	FY 2010
Utility power (10,000 kWh)	55,730	56,803	59,717
Kerosene (kl)	3.2	23	13
Light gas oil (excluding Company vehicles) (kl)	114	135	98
A–C heavy oil (kl)	41	41	18
City gas (10,000 m³)	187	173	167
Gasoline (Company vehicles) (kl)	855	742	727
Light gas oil (Company vehicles) (kl)	21	14	16

Water resources (10,000 m³)

	FY 2008	FY 2009	FY 2010
Clean water consumption	58	68	63
Gray water consumption	3.6	4.4	4.1

Paper resources (Tons)

	FY 2008	FY 2009	FY 2010
Office paper	1,329	1,418	1,426
Fliers, pamphlets, etc. for customers	679	88	59

Specified chlorofluorocarbon used for air conditioning systems (Units)

	FY 2008	FY 2009	FY 2010
Number of air conditioning system units using specified chlorofluorocarbon (CFC)	23	24	24

Construction materials

Construction materials, cables, etc.

Business Activities:
- Sales
- Planning/design
- Development/testing
- Data center
- Installation at customer site

Greenhouse gas[1] (10,000 tons of CO_2)

	FY 2008	FY 2009	FY 2010
Electricity use	20.0	24.9	25.4
Gas/fuel use	0.4	0.4	0.4
Company vehicle use	0.2	0.2	0.2
Total	20.6	25.5	26.0

[1] CO_2 conversion factor uses factors from each fiscal year (CO_2 emission factor by power company)

Water resources (10,000 m³)

	FY 2008	FY 2009	FY 2010
Drainage amount	35	54	50

Office waste (Tons)

	FY 2008	FY 2009	FY 2010
Amount generated	6,101	6,010	9,545
Recycled amount	4,606	4,883	8,169
Final disposal amount	462	406	539

Construction waste (Tons)

	FY 2008	FY 2009	FY 2010
Amount generated	2,353	788	351
Recycled amount	1,832	593	284
Final disposal amount	521	195	67

Outside NTT DATA Group

Energy → Service operation at customer site → Greenhouse gas (CO_2)

Scope of Environmental Impact Measurement

Measurement period: From April 1 to March 31 of the following year

Measurement organization: Fiscal 2008 NTT DATA (all organizations), 85 Group companies (domestic only) / Fiscal 2009 NTT DATA (all organizations), 78 Group companies (domestic only) / Fiscal 2010 NTT DATA (all organizations), 65 Group companies (domestic only)

x

The Greening of Customers and Society

NTT DATA disseminates information and proposes concepts on environmental impact reduction through IT activities. We develop technologies and services that support customers' environmental protection activities.

CLOSE UP

Trial operation of intermediary website designed to help popularize CO_2 emissions trading

In recent years, the use of carbon offsets[*1] has gained popularity as a way for companies that cannot reduce carbon emissions through their own efforts to conduct environmental preservation activities nevertheless. However, companies that wish to purchase carbon credits often face difficulty in finding appropriate sellers. These transactions tend to be large in scale, and in Japan no systems are in place to simplify this process.

To address this situation, in February 2010 NTT DATA completed the development of a website for the intermediary trading of CO_2 emissions. In March and April 2010, on a trial basis the Company provided emissions trading services to gauge the balance between supply and demand for emission credits, and to shorten the transfer period by using the site to trade Kyoto credits and other emission rights. This approach proved successful in shortening the processing interval between application and transfer from one month to two weeks.

Based on these results, NTT DATA plans to commercialize an emissions trading intermediary service using this website in fiscal 2011. Going forward, we aim to utilize this site to attract numerous companies and other organizations, thereby promoting carbon offsets and contributing to achievement of Japan's greenhouse gas reduction targets.

Emission Trading Service Structure
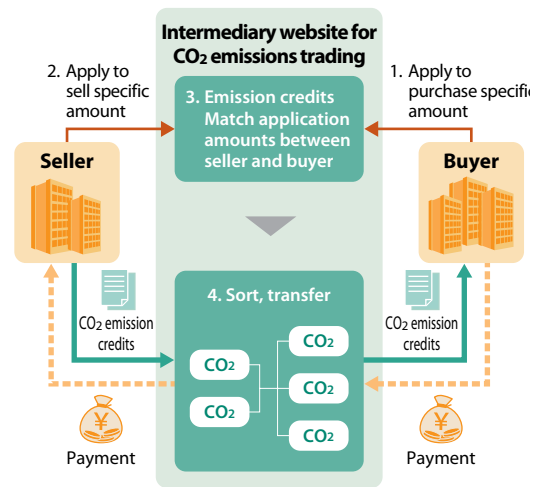
[*1] **Carbon offsets**: Mechanism to offset CO_2 emissions by investing in clean energy and afforestation businesses that protect woodland sinks.

Environmentally Responsible System Development

Measuring the effects of system introduction

Information systems are expected to reduce the environmental impact of society as a whole by reducing the need for transportation, delivery, and production of physical media. In June 2010, the Green IT Promotion Council forecast that Japan would achieve energy savings by IT equipment of between 21.4 million tons of CO_2 and 42.8 million tons of CO_2 per year by 2020, and that energy savings through IT application would amount to between 68 million tons of CO_2 and 137 million tons of CO_2 per year.

In tandem with initiatives to promote the use of IT, the NTT DATA Group is moving forward with environmentally responsible system development. We have utilized the Kankyo Shiro[*2] environmental assessment system since 2006, enabling the evaluation and measurement of environmental impact arising from the introduction and application of systems above a prescribed size. In December 2009, we also set up a specialized team within the

Environmental Management Promotion Office to assess environmental impact, and we are increasing the number of assessments that the team handles.

We will continue to conduct in-house training on assessing the environmental impact of information systems. This will assist in environmentally responsible system development and increase the number of solutions certified with the NTT Group Solution Environmental Label (see page 16).

[*2] **Kankyo Shiro**: A system for assessing the environmental impact of information systems developed by the NTT Information Sharing Laboratory Group. The system calculates environmental impact reductions that can be achieved through reduced transportation volume, equipment digitalization, etc., resulting from system introduction.

NTT Group Solution Environmental Label Certification
- Koufuri-Kun (NTT DATA BILLING SERVICE CORPORATION)
- Pandora-AX system for electronic forms (NTT DATA BUSINESS BRAINS CORPORATION)
- u:ma Authenticated Print (NTT DATA)
- LinkFlow, a trust business support ASP service that helps financial institutions integrate the liquidation of receivables and management of payables (NTT DATA)

Supporting Greenhouse Gas Emissions Countermeasures

Supporting environmentally friendly product development and CO2 reduction through carbon offsets

Through the Carbon Offset Products Project (COP)*3 inaugurated by the NTT DATA Institute of Management Consulting in October 2007, we support the reduction of CO_2 emissions from corporate business activities and environmentally friendly strategic product development through carbon offsets.

COP is a member of the Co-op Net Business Federation, the first in the world to use carbon offsets to reduce CO_2 emissions from stores to zero. In addition to opening six zero-CO_2 emissions stores in Saitama, Chiba and Tokyo from June 2008 to September 2009, in June 2009 we opened a zero-CO_2 emissions refrigerator center in Inzai, Chiba. TOPPAN PRINTING CO., LTD. also introduced zero-CO_2 emissions initiatives on a trial basis by employing carbon offsets toward its Sodegaura Beverage Plant and head office building.

We plan to continue preparing to facilitate the efforts by corporate COP participants to achieve zero-CO_2 emissions factories and zero-CO_2 emissions transport.

*3 **Carbon Offset Products Project (COP):** This project employs Kyoto credits, which are certified by the United Nations in accordance with the Kyoto Protocol, underpinning the reliability of carbon offsets.

Providing solutions that visualize energy savings for individual PCs

The Act on the Rational Use of Energy (Energy Saving Act), which went into effect in April 2010, made companywide reporting of energy use obligatory. This legislation spurred full-fledged corporate efforts to determine the amount of CO_2 emitted by offices, as well as other facilities, and enact measures to reduce these emissions. However, measuring the amount of energy used by PCs and other office equipment was problematic, making specific countermeasures difficult to formulate.

To address this situation, NTT DATA INTELLILINK CORPORATION made an eco-management function a standard part of NOSiDE Inventory Sub System/Asset Management, its IT asset management and policy-based network access control package software, providing an effective solution that enables companies to introduce measures for reducing the use of electricity in the office. Based on the data that it gathers on individual office PC use, the system calculates the amount of electricity consumed by each PC. Visualizing power consumption for each organizational unit in this way facilitates the consideration and introduction of energy-saving measures.

Helping to Provide Information and Offer Proposals

Leading-edge energy-saving technologies introduced at the Asia Green IT Seminar

The Japanese government is working to provide organizations in ASEAN countries with information on Japanese companies' cutting-edge energy conservation and control technologies, as well as promoting energy-saving diagnosis at local companies and provide them with information. As part of these efforts, the Ministry of Economy, Trade and Industry sponsored the Asia Green IT Seminar, held on February 23 and 25, 2010, in Singapore and Thailand, attracting more than 150 participants at each session.

Employees from NTT DATA, NTT DATA Institute of Management Consulting and NTT DATA INTELLILINK attended this seminar. In addition to offering suggestions on measures to address the facility-related and operational issues that local data centers face, NTT DATA Group members introduced groundbreaking energy-saving technologies for data centers.

We will continue our active cooperation with governmental agencies and industry organizations, in Japan and overseas.

Asia Green IT Seminar attracted more than 150 participants

Proposing new ways to leverage ICT as part of a Ministry of Internal Affairs and Communications committee and working group

On October 30, 2009, Japan's Ministry of Internal Affairs and Communications launched the "ICT Policy Task Force for a Global Era" to study new ICT policies to help resolve the economic and social issues facing Japan.

Members of NTT DATA and the NTT DATA Institute of Management Consulting took part in the "Working Group to Analyze the Impact of the ICT Sector on Climate Change by 2020." This working group, under the "Committee for the Study of Global Issues," a committee of the task force, looked at smart grids and other ways of using ICT. The group also studied the introduction of new environmental legislation and policies.

NTT DATA and the Environment

The Greening of Our Group

We are promoting efficient use of energy and resources and an array of other measures to reduce the environmental impact posed by offices and data centers.

CLOSE UP

Constructing next-generation offices to bolster business efficiency and environmental performance

As an element of the Work Style Innovation that forms part of the NTT DATA Group's vision, NTT DATA is simultaneously raising the environmental performance of its offices and boosting business efficiency. In February 2009, the Facility Management Department launched the Next Generation Pilot Office Construction Project. Freeing staff from the constraints of conventional fixed-desk assignments facilitates the reduction in dedicated space for each employee, and teleconferencing cuts downtime arising from business travel. In conjunction with paperless operation and other features, we have been able to ascertain that such new office configurations have a certain CO_2 reduction effect.

To that end, we plan to carry out renovation of some 4,000 m^2 of office space before the end of fiscal 2011. Subsequently, we aim to extend the project successively from fiscal 2012 to each internal company and Group company throughout the NTT DATA Group.

Lighted areas are restricted after 7 p.m. to conserve power

Main CO_2 Emission Reduction Initiatives

Targeted reduction	Initiatives
Electric power use	• Introduction of LED fluorescent tubes • Restricted areas for overtime work • Reduced floor space
Paper use	• Promotion of paperless operations through use of mobility of work and LCD monitor • Reduction in numbers of multifunctional machines

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Prevention of Global Warming

Promoting the installation of solar cells and effective utilization of waste heat

The NTT Group is encouraging the introduction of solar cells and other natural energy channels to help prevent global warming through its Green NTT program. One objective of this initiative is to expand total capacity of such power generation facilities to 5 MW by fiscal 2013. As part of this drive, NTT DATA installed solar panels on the NTT DATA Mitaka Building, as well as on the rooftop of the NTT DATA Komaba Training Center in February 2010. These projects boosted total natural energy power generation capacity to 164 kW, with anticipated annual power generation of 179,580 kWh.

From December 2009 to March 2010, we also conducted waste heat utilization trials at our data center. Waste heat generated by IT equipment was recycled in a PVC greenhouse positioned on the top of a data center roof and used for the cultivation of vegetables. Produce from this experiment was successfully harvested, confirming the effectiveness of

Solar panels installed on the rooftop of the NTT DATA Komaba Training Center

waste heat utilization. Based on these results, we will progress with investigations into valid methods of using waste heat through cost and effect analysis.

Waste Reduction

Striving to recycle confidential documents that would conventionally be shredded and disposed of

NTT DATA is working to recycle confidential documents to bolster the effective use of paper resources. After collection and sorting, documents are processed into pulp by machines installed at locations in the head office building for delivery to a recycling contractor, helping to boost the Company's paper recycling ratio. More than 100,000 tons of documents were collected, sorted and recycled between September 2009 and March 2010.

Further, the processes of collection and sorting are consigned to NTT DATA DAICHI CORPORATION, a special subsidiary that promotes the employment of personnel with disabilities.

Processing documents into pulp

Environmental Contributions and Communications

To expand our environmental protection activities, we engage in various collaborative ventures with private companies, government bodies and NPOs as well as internal and external awareness activities.

CLOSE UP

Supporting tree planting depending on credit transactions through the INFOX Green Campaign

The number of INFOX card settlement terminals supplied by NTT DATA has reached some 620,000. These units are used by almost one quarter of the population of Japan, handling approximately 39 million transactions per month. To mark the 10th anniversary of the inauguration of INFOX services, we launched the INFOX Green Campaign in November 2009.

Through this initiative, we are supporting the tree-planting activities of Bali Biodiversitas, an Indonesian government-approved environment foundation in order to ensure a 2 g CO_2 reduction for each credit transaction carried out via INFOX. As a result of the one-month campaign, 1,078 trees were planted, leading to expectations of an annual effect equivalent to 43 tons of CO_2 absorption.

INFOX terminal

Tree-planting activities in Indonesia

Environmental Contribution Activities

Contributing to regional conservation of nature through volunteer activities and website construction

The NTT DATA Group's environmental contribution activities include clean-ups and Satoyama (urban woodlands) and greenbelt conservation activities. During fiscal 2010, we continued to participate in Tokyo Greenship Action, a campaign collaboratively promoted by the Tokyo Metropolitan Government, NPOs and private companies. As part of these activities, our employees and their families volunteered to clear and thin undergrowth.

In addition, we constructed the Wildlife Information Center public-participation website that gathers information on wildlife inhabiting local nature spots from across Japan to donate to the Nature Conservation Society of Japan (NACS-J). NTT DATA plans to carry out nature conservation activities for employees and their families using this website in cooperation with NACS-J.

The Wildlife Information Center website

Environmental Communication

In-house and external dissemination of Green IT information

We are sharing the latest Green IT-related trends and quantitative assessments on environmental impact reductions throughout the NTT DATA Group. This helps with environmentally responsible system development and sales activities. Furthermore, we disseminate Green IT information to customers and society at large through public websites and other channels.

In October 2009, NTT DATA's Research Institute for System Science held a seminar for customers and employees on the subject of "a system thinking approach to environmental problems." This event served as a forum for deliberation, contemplation and exchange of opinions on research themes with people working in different sectors. Environmental journalist, Junko Edahiro, was invited to provide a new perspective on the analysis and organization of environmental problems.
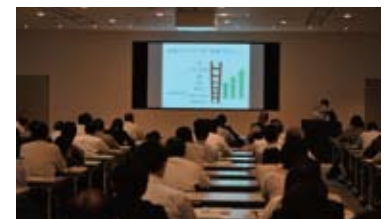
Seminar on the "system thinking approach to environmental problems"

Note: For additional information, please refer to page 45.

Corporate Governance

NTT DATA views corporate governance as "the system and processes for ensuring transparency, efficiency and rationalization in management." Accordingly, we are formulating and promoting internal control systems and working to strengthen Group governance.

Corporate Governance Structure

Management quality improvements spearheaded by the Board of Corporate Auditors and the Corporate Management Committee

As a company with corporate auditors, NTT DATA has a General Meeting of Shareholders, a Board of Directors and a Board of Corporate Auditors. We also have a Corporate Management Committee to speed business decision-making.

The Board of Directors comprises seven members, including one outside director (an employee of NTT, our parent company). The board meets monthly, holds extraordinary meetings as necessary, and is responsible for decision-making and supervision regarding legal and important management matters. We have also appointed executive officers, whose key role is business execution. By delegating significant executive authority to executive officers, NTT DATA aims to speed the decision-making process.

The Board of Corporate Auditors has four members, three of whom are outside corporate auditors. The board meets, in principle, once a month to decide on audit policies, plans, methods and various other important audit-related matters.

The Corporate Management Committee includes the president, vice presidents and the heads of major organizational sections. The committee meets, in principle, once a week, to execute smooth and timely decision-making and supervise day-to-day operations.

Related website | **Corporate Governance Reports (Japanese only)**
http://www.nttdata.co.jp/corporate/ir/library/ga/index.html

Corporate Governance Structure (as of June 24, 2010)
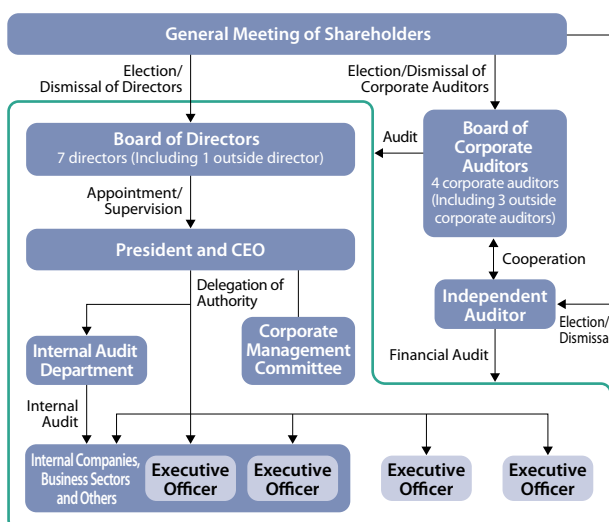
Enhancing our internal control system to ensure fair and transparent operations

The Internal Audit Department was established to conduct audits independently from business execution sectors.

During fiscal 2010, the department audited 19 in-house organizations and 28 Group companies, including overseas companies, from the perspectives of major contract legitimacy and information security, and no significant issues emerged. Further, to strengthen groupwide internal audits, all 84 Group companies in Japan and overseas conducted self-inspections according to consistent audit items.

Additionally, in our aim to promote understanding of the importance and NTT DATA Group policies and philosophy of internal controls, in September 2009 we provided an e-learning program on internal controls relating to financial reporting. Going forward, we will continue in our efforts to reinforce internal controls across the Group.

Reinforcing Group governance through liaison department

In such priority categories as business planning, internal control and compliance, NTT DATA maintains a collaborative structure with Group companies, taking measures such as establishing a cooperative responsibility department under the fundamental policy of ensuring appropriate business operations across the Group so as to conduct consultation, reporting, guidance, requests and other activities related to important matters among each Group company.

In fiscal 2010, alongside the continued diversification and globalization of Group companies, to pursue groupwide optimization we reviewed the Group Management Policy, which details the basic philosophy behind Group management, to better expound the mutual roles of NTT DATA and its Group companies. In addition, we revised the Group Management Rules, which clarify policies on matters to be adhered to and decision making for Group companies in Japan and overseas and added items concerning the Group brand[*1], among others. We will continue to promote the maintenance and enhancement of Group governance structures.

*1 **Group brand**: We formulated a new brand strategy for the NTT DATA Group In fiscal 2009.

Compliance

To ensure conformance with laws and societal norms and to maintain our standing as a Group trusted by its stakeholders, we are promoting activities that prevent illegal acts and raise compliance awareness among employees.

Compliance Promotion Structure

Compliance centered on the NTT DATA Group Code of Ethics

In 1998, we formulated the NTT DATA Group Code of Ethics, laying out our fundamental principles with regard to corporate ethics. To ensure groupwide dissemination, we established the Employees' Behavioral Ethics Committee in 2002 (renamed the Corporate Ethics Committee in 2009), presided over by the Chief Risk Officer. The NTT DATA Group extended its activities to Group companies, with meetings of the Corporate Ethics Committee at 77 Group companies during fiscal 2010, in addition to compliance training at 78 companies. Through these efforts, we sought to foster a corporate climate and establish a framework conducive to legal and ethical compliance.

However, an incident occurred in 2010 that led to the arrest of an NTT DATA employee on suspicion of offering bribes to a public official. As a consequence, we implemented training for all employees with the objective of ensuring thorough corporate ethical adherence and made revisions to pertinent systems. These and other measures spearhead a renewed drive to reinforce corporate ethics and compliance.

Early detection and correction through a "Whistleblower Line"

We inaugurated a "Whistleblower Line" in April 2003 to facilitate the early detection of actions in contravention of laws and corporate ethics and preempt risks. This service is available to receive reports from and provide consultation to all NTT DATA Group personnel, including temporary staff and suppliers.

In the running of this service, we stipulate protection of privacy, prohibitions against unfair treatment and confidentiality and offer other guarantees to users. Moreover, survey results and corrective actions are reported to the corporate auditors, the Corporate Management Committee and other authorities and are used to increase soundness of business management. We post instructions on how to use the Whistleblower Line on our intranet and disclose the number of times the line was used for notification and other annual trends to promote its use.

Moving ahead, we will analyze Whistleblower Line utilization trends to provide feedback to organizational units and Group companies in a bid to prevent recurrence of incidents groupwide.

Report on bribes to a Japan Patent Office official by an NTT DATA employee

On June 22, 2010, an NTT DATA employee was arrested on suspicion of offering bribes to a Japan Patent Office official. The Company has been fully cooperative with the authorities with regard to this allegation, and on June 23, we established an internal investigation committee, headed by the President, to confirm the facts of the situation and to instigate an internal inquiry. Furthermore, on July 8 we formed an outside experts verification committee to make an objective verification of the findings of the internal investigation committee and consequent recurrence countermeasures.

Results of the investigation and subsequent verification confirmed that an NTT DATA employee provided taxi tickets and entertainment to a Japan Patent Office official over several years up to the end of 2009. It was deemed that during that period said employee violated in-house rules by deliberately manipulating procedures.

Based on these findings, NTT DATA has formulated various recurrence prevention countermeasures, including thorough compliance education, elimination of posts that could lead to abuse if held over extended periods, revision of procedures for and management of taxi tickets and entertainment allowances through the positive introduction of IT, reinforcement of the internal control system, and enhancement of internal audits. Moreover, on July 13, 2010, we established a recurrence prevention countermeasures management committee to ensure the implementation of swift and conclusive steps to avoid such an incident happening again.

We made a Declaration of Compliance both internally and externally on September 6, that expressed our firm commitment to compliance. NTT DATA is treating the current incident with the utmost seriousness, and is steadily implementing corporate ethics incorporating recurrence prevention countermeasures and revisions to in-house systems and processes to prevent recurrence in a drive to restore trust and credibility at the earliest possible juncture.

Details of the "Investigation Report of the internal investigation committee," the "Verification Report of the outside experts verification committee," and other information can be found in the *CSR Report 2010* on the Company website.

Note: For additional information, please refer to page 45.

Risk Management

We work to precisely ascertain all risks to assure sustainable management and implement optimal countermeasures.
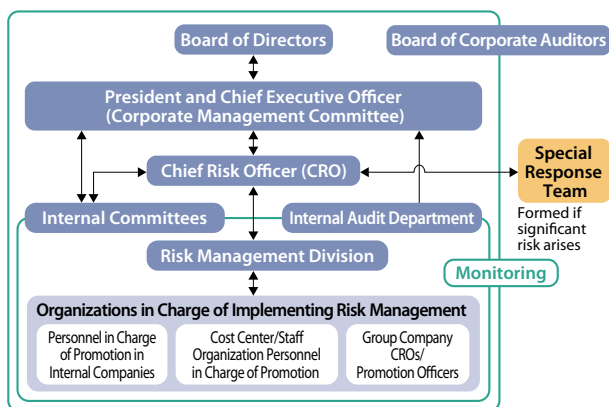
Risk Management Structure

Strengthening our promotion structure through cooperation among divisions and Group companies

The NTT DATA Group seeks to ascertain all risks associated with business activities and minimize their impact on operations and frequency of occurrence. In 2002, we appointed a Chief Risk Officer (CRO) to supervise and promote risk management from a companywide perspective and established the Risk Management Division. Risk management promotion officers also were appointed to each division and Group company to enable divisions to respond proactively and independently to various risks.

Principal division managers and risk management promotion officers are in charge of risk management activities, including the oversight of systems and procedures within their scope of activity, and continuously monitor and supervise the implementation status of risk management. Matters of particular importance are monitored and supervised by committees established to address specific issues. The Group endeavors to enhance risk management through regular reporting to the Board of Directors and Executive Committee and feedback to management. Going forward, we will persevere in our efforts to construct a global risk management system.

Countering various major risks

After prioritizing major risks that have been identified, NTT DATA reviews the progress and achievement of targets and reflects the results in various measures.

In fiscal 2010, particular emphasis was placed on preventing the spread of swine flu. In April 2009, we set up a Response Department to spearhead preventive measures and foster awareness through such efforts as groupwide procedural manual deployment, formulation of rules for reporting outbreaks and the dissemination of information to employees. We will strengthen measures to respond to hypothetical new, and more virulent, strains of influenza.

In addition, the Company explained the business continuity plan (BCP) at briefing sessions held at Group companies as well as at NTT DATA. We also conducted training to address the risk of earthquakes, covering safety reporting and emergency tactics.

Risk Management Structure

Major Risks and Initiatives

Major Risks		Major Initiatives
System Project Risks	System Failure Risk	• Prevention: Improve system quality by internal development of product lines and construction technology during system development, internal technical support from specialized divisions and thorough project management. • Failure Response: Establish recurrence prevention measures, ensure companywide awareness of incidents and countermeasures and reflect internal rules in system construction and operational maintenance work (for details, see page 21, "With Our Customers: Disaster and System Failure Countermeasures").
	System Building Risk	• Project planning decisions and quality, progress and cost managements are conducted under the responsibility of the project manager. Create structure for appropriate process confirmation and decision-making. • For projects with high risk potential, including those with the risk of rising costs and declining revenue, the PMO[1] at the headquarters or each internal company business sector inspects, formulates and executes an action plan from an objective perspective to reduce risk.
Information Security Risks		• As an information system provider, focus on the stable assurance of information security and the protection of personal information (for details, see page 43, "Information Security").

Disaster Risks		• Business Continuity Management Promotion
		   • While formulating measures to prevent the infection and spread of infectious diseases such as swine flu, establish business continuity plans (BCPs) to ensure the availability of personnel handling high-priority operations to maintain the functioning of core operations required by society.
		   • As a provider of social infrastructure, have procedures and systems in place to ensure quick recovery of systems and resumption of services in the event that an earthquake or other major disaster affects the Tokyo metropolitan area. To improve the NTT DATA Group's business continuity capabilities, create disaster response manuals and ensure that business continuity planning incorporates corporate infrastructure.

Legal Management Risks		• The General Affairs Division is to employ measures to enhance the Code of Ethics and strengthen legal compliance (for details, see page 41, "Compliance").

[1] **Project Management Office (PMO):** We have established PMOs at NTT DATA's headquarters, each internal company and business sector to provide groupwide organizational support for project managers. In cooperation with the project, the PMO strives to improve and stabilize processes.

Information Security

We are putting in place information security governance and mounting initiatives to raise the level of security, ensure the safe sharing of information and cultivate an awareness of information security throughout the Group.

Our Basic Stance

Pursuing a balance between information security and sharing

The growing prevalence of information technology in every corner of society is accompanied by an increase in security risk. At the same time, focusing solely on ensuring information safety obstructs efforts to use and share information freely. This impedes the flow of beneficial information and expertise.

The NTT DATA Group considers maintaining an appropriate balance between ensuring information security and information utility and sharing to be important. Accordingly, the Group handles an array of initiatives comprised of logical measures such as the formulation of rules and education about information security, as well as technological measures that include solutions to prevent information leaks and the introduction of thin-client PCs.

To facilitate groupwide sharing of expertise, the NTT DATA Group also is promoting internal knowledge sharing and working to establish an information security governance structure. Related initiatives include hosting forums for personnel dedicated to promoting information security and carrying out security accident response training.

NTT DATA Group Unified Security Policy

Ensuring that information is shared safely and smoothly through consistent information management in accordance with common rules

In December 1998, NTT DATA formulated an Information Security Policy, to ensure consistent and appropriate handling of information assets. The Company created and distributed to all employees policy guidelines outlining specific implementation procedures.

In April 2008, we formulated the NTT DATA Group Security Policy (GSP), compiling common rules. Implementation of information management by each Group company in conformance with the unified rules raises overall Group security levels and realizes safe information sharing.

We also established a Personal Information Protection Policy in July 2001. We have amended this policy and in-house regulations as necessary following the full enactment of the Privacy Protection Act in April 2005.

Pamphlets related to *Information Security Policy*

Information Security Management Structure

Employing a PDCA cycle created in accordance with our information security management system

In 1999, NTT DATA established the Information Security Committee[2], headed by the Chief Information Security Officer (CISO), to ascertain the status of activities and issues and to determine remedial measures. Resolutions of the committee are deployed under the Information Security Promotion Office by 400 people throughout the Group who are dedicated to promoting information security.

Moreover, decision-making bodies, promotional organizations, individual worksites and auditing organizations cooperate on the early detection of problems, including through the auditing of activities at individual worksites by the Internal Audit Department. This facilitates the implementation of ongoing revisions and improvements based on objective assessments.

In fiscal 2010, NTT DATA was involved in no serious accidents involving information security.

[2] **Number of times the committee met**: The committee met four times in fiscal 2010, bringing the number of meetings since 1999 to 47.

Information Security Management Structure

President and CEO — Periodic reports

Chief Information Security Officer (CISO) in Charge of Security Strategies
Officer in Charge of Personal Information Management — Report

Information Security Committee

Information Security Steering Organization
Personal Information Protection Promotion Organization (Information Security Promotion Office) — Audit

Internal Audit Department — Audit

Members

Related Staff
• Corporate Planning
• R&D
• Information Systems
• General Affairs, Legal Affairs, Intellectual Property
• Training
other departments

Head of Organization

Business Units, Staff Departments, etc.

Information Security Promotion Officer
Manager of Personal Information Protection Department

Personnel in charge of information security promotion

Proposing and introducing strategies to lower information security risks

From fiscal 2010, NTT DATA has enacted three information security strategies and is now putting corresponding measures into place. The strategies are: 1. Practice information security promotional activities targeting globalization and Group expansion; 2. Ensure that basic procedures are followed to prevent accidents from occurring and establish procedures to respond quickly in the event of occurrence; and 3. Cultivate information security awareness befitting professionals who employ information.

1. PDCA Double Loop to Promote Groupwide Information Security

To promote information security management, it is essential to groupwide information security management that the groupwide PDCA cycle and the PDCA cycles of Group companies are operating synchronously. To achieve this goal, in fiscal 2010 the NTT DATA Group commenced an initiative it calls the "PDCA double loop."

One part of the loop, which describes the groupwide PDCA cycle, centers on the NTT DATA Information Security Promotion Office. This loop involves monitoring the configuration status of Group companies' information security systems, as well as the implementation status of their educational measures and internal audits. PDCA cycles of Group companies, the other part of the loop, involve cultivating information security promoters, Group company personnel and GSP internal audit staff.

The NTT DATA Information Security Promotion Office also conducts Group company caravans. In fiscal 2010, the office visited some 70 Group companies, including overseas locations. These visits included eliciting Group companies' problems and issues, as well as considering on-site advice and improvement proposals.

2. Ensuring that Basic Procedures to Prevent Accidents Are Followed and Creating Response Measures

Ensuring the safe communication of knowledge requires

Overview of the PDCA Double Loop
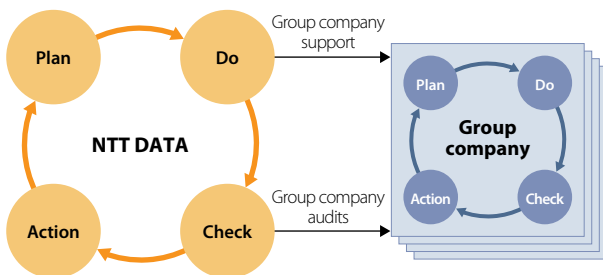
more than technological measures. Rather, this objective requires that individual employees understand the risks that surround them on an everyday basis and that they consistently follow the basic procedures that are necessary to counter such risks.

To this end, in fiscal 2010 NTT DATA conducted an information security study. This case study session used past accidents and near-accidents as case studies to serve as a basis for workplace discussions among all employees on ways to counter the risks that are present in everyday operations and to respond to any accidents that might occur.

Furthermore, minimizing any damage in the event of an information security accident requires that employees gain an appropriate understanding of the event and respond quickly. To further this objective, NTT DATA has conducted training using a story line named Accident Response Training: DryRun, outlining the series of a hypothetical accident, from outbreak through to conclusion.

Accident response training

3. Cultivating Information Security Awareness

To ensure that each employee conducts himself/herself as befits an IT professional and consistently responds appropriately, in fiscal 2009 NTT DATA earmarked November as Information Security Enhancement Month for cultivating information security awareness.

The Company focused its activities during this month in fiscal 2010 on instilling an understanding of rules related to the handling of information and sought to enact procedures that demonstrate security awareness. In addition to holding information security study sessions, we conducted a test on the safe sharing of knowledge. Conducted through e-learning, this test was designed to evaluate the knowledge and actions that each employee brings to his everyday operations. Furthermore, to bolster awareness the Company put together a handbook summarizing the points involved in the safe sharing of knowledge and prepared and distributed a checklist of voluntary actions.

NTT DATA has also designated the last working day of each week as "secure Friday" to encourage employees to reflect security themes in their everyday activities, such as deleting unnecessary information from their mobile phones. To raise awareness, signs at headquarters entrances remind employees that "Today is 'secure Friday.'"

Note: For additional information, please refer to page 45.

Additional Topics Not Covered in This Report

Section	Page Title	Reported Items
NTT DATA and Its Stakeholders		
With Our Customers	Activities to Improve Quality	• Reinforcing project management through professional CDP system
	Disaster and System Failure Countermeasures	• Preparation of business continuity plans in the event of disaster
	Collaboration with Companies Industrywide	• Formulating and deploying Guidelines on Customer Views
	Improving Customer Satisfaction	• Fiscal 2010 CS Improvement Actions • Groupwide extension of CS survey
	Approaches Involving Universal Design	• Supporting easy-to-use website construction • Raising employee awareness of UD • Participating in the International Association for Universal Design • FairCast Child Safety Communication Network
With Shareholders and Investors	Basic Position on Information Disclosure	• Disclosure policy highlighting timely and appropriate disclosure
	Basic Dividend Policy	• Distribution of ownership among shareholders
	Improved Communication	• Reinforcing information dissemination through IR tools
With Our Suppliers	Thoroughgoing Fair Transactions	• Promoting electronic purchasing to encourage open and efficient transactions
	Dialog with Suppliers	• Business Partner (BP) system to enhance supplier relations
With Our Employees and Their Families	Personnel Recruitment and Deployment	• Reemployment system for retired workers
	Creating a Comfortable Working Environment	• Major initiatives by the Diversity Promotion Office
	Supporting Employee Skills Development	• Business and technical training
	Employee Health Promotion and Enhancement	• Healthcare support at individual workplaces • Creating safe workplace environments
With Various Other Related Parties	Education	• Accepting junior high school students for an on-site work-study program • Providing IT Experience for Children • Supporting the Japanese Committee of the International Olympiad in Informatics
	Welfare	• NTT DATA Valentine's Day supporting people with disabilities • Distributing confectionery made by welfare centers and other facilities at the General Meeting of Shareholders • Participating in the IBSA Asia Blind Football Championship 2009
	Regional Communities	• Participating in the Toyosu Festa program to enhance exchange with local residents • Taking part in the University Open Day held by Shibaura Institute of Technology
	International Contribution	• Participating in the TABLE FOR TWO program • Employee participation as Japan Overseas Cooperation Volunteers
	Natural Environment	• Collaborating in the Think the Earth Project
	Culture and the Arts	• Hosting classical concerts
	Support for Employee Volunteer Activities	• Commendations for employee social contribution activities
	Initiatives by Group Companies	• Initiatives by Group companies
NTT DATA and the Environment		
Environmental Management	Internal Environmental Audits	• Results of internal environmental audits • Cultivating internal environmental auditors
	Compliance with Laws and Regulations	• The status of compliance with laws and regulations
	Promotion of Green Purchasing	• Promotion of green purchasing
Environmental Impact of Our Business Activities	NTT DATA Group's Environmental Impact	• The NTT DATA Group's environmental impact data during fiscal 2010 • The NTT DATA Group's office waste production data during fiscal 2010
Targets and Results	The Greening of the NTT DATA Group	• Reducing greenhouse gas emissions • Reducing waste for final disposal • Reducing copy paper purchased
	The Greening of Customers and Society	• Reducing environmental impact through application of IT
	Environmental Contributions and Communications	• Environmental contribution activities in regional communities
	Environmental Accounting	• Environmental accounting
The Greening of Customers and Society	Supporting Greenhouse Gases Emissions Countermeasures	• Proposing systems that support emissions trading • System to confirm the achievement of targets in emissions trading • Registry system for offsetting credit (J-VER) • Supporting connection to national registry system ITL for EU countries • Promoting data center greening
	Saving and Using Natural Resources Efficiently	• Supporting paper resource reductions through an authenticated print solution
Environmental Contributions and Communications	Environmental Contribution Activities	• Wildlife Information Center website • Tokyo Greenship Action campaign • Initiatives by Group companies
	Environmental Communication	• Promoting measures to help to boost environmental awareness
CSR Infrastructure		
Compliance	Compliance Promotion Structure	• Detailed report on the Patent Office bribery incident
	Compliance Promotion and Education	• Compliance promotion and education
Information Security	Information Security Management Structure	• Preventing information leakage and divulgence when outsourcing
	Information Security Education and Awareness	• Information security education and promotion activities
	Information Security Management Certification	• Acquiring ISMS, Privacy Mark and other third-party accreditations
	Application of Security Technologies	• Measures to prevent information leakage from all PCs • Replacing PCs with thin-client terminals
	Disclosure of Information Security Initiatives	• Issuing *Information Security Report 2010*

Third-Party Opinion

Yoshinao Kozuma
**Professor, Faculty of Economics
Sophia University**

A most attractive feature of NTT DATA's *CSR Report 2010* is the fact that the CSR Messages and Material CSR Challenges have been clearly defined. The Company should be praised as these declarations are long-awaited CSR Policies, which has been a matter of concern over the past few years. Specifically, in the formulation process, international trends, assessments by rating firms, opinions from external experts, managements' views, employee awareness and other related factors have been comprehensively analyzed. Accordingly, CSR for NTT DATA, which defines the Company's contributions toward the realization of a sustainable society through its core business, has been explicitly realized after passing through an internal stakeholder engagement process. In the future, however, its periodic revisions will be necessary to ensure the ongoing, robust appropriateness of NTT DATA's CSR activities.

The management policy of seeking reasonable gain that supports the CSR Messages has been successful in generating many other attractive business activities. One example is offshore development, which is included as one of the special features of this year's report. The form that this development takes is to raise profitability by bolstering efficiency of business processes, while suggesting high potential for expansion in the future as a radical work style that resolves the issue of prolonged hours, which has been a longstanding problem for the IT industry.

However, the regional dispersion of core business poses new CSR issues. In particular, due consideration must be paid to human rights and decent work in the countries in which the Company operates, in tune with the corporate structure deployed, and CSR management improvements are also needed throughout the supply chain. Further, NTT DATA has missed its reduction targets for greenhouse gas emissions for the third consecutive year. The Company should seek new countermeasures and targets that address climate change, water shortages and other global environmental issues, with consideration for the reconstruction of a management system compatible with the rapid progress of multinational business deployment.

With regard to reporting aspects, new initiatives and improvements are being introduced year after year, and it appears that PDCA is being steadily implemented. Presentation of the *CSR Report 2010* has been clearly divided into printed and online versions, with a system of footnotes and links to information on activities covered on the Company website. I think that this change serves to enhance understandability of the report. In addition, information on the bribery incident involving a Company employee and a Japan Patent Office official was disclosed in detail online in the form of an "Investigation Report of the internal investigation committee" and a "Verification Report of the outside experts verification committee." This sufficiently communicated the fact that the causes of the incident have been properly investigated and that effective countermeasures have been implemented.

Eiichiro Adachi
**Research Chief
The Japan Research Institute,
Limited**

I am giving this third-party opinion on the NTT DATA Group's CSR activities and approach to disclosure, as perceived through this report, from the standpoint of providing corporate information on socially responsible investment for financial institutions.

The listing of "Major Initiatives during Fiscal 2010 and Future Plans" indicates completeness of the NTT DATA Group's CSR activities and outlines the progress attained in management of targets for each measure implemented. Moreover, regarding fiscal 2010's activities, the formulation of CSR Messages and Material CSR Challenges deserve attention from the standpoint of materiality.

In light of this coverage, I suggest that results organized around the Material CSR Challenges be included in reports for the next fiscal year and beyond. In the *CSR Report 2010*, I find it slightly difficult to understand the flow: clarification of material issues, material challenges, special features, initiatives by different stakeholders, the global environment, and infrastructure for CSR. Currently, investors and financial institutions demanding disclosure of nonfinancial information are interested in important initiatives and results associated with management strategies. I feel it would be better to clarify how each initiative impacts in terms of risk avoidance and business opportunities. In this context, coverage could be expanded in such areas as project management, CSR initiatives in offshore development, business of value to society, and cases of contributions to the "Greening of Customers and Society."

In addition, I think that CSR activities need to keep pace with business expansion. For example, the Group has a total of 161 consolidated subsidiaries, including offshore bases, and a ratio of consolidated to nonconsolidated employees of 3.6. In light of these figures, "With Our Employees and Their Families" gives the impression of an unrepresentative leaning toward endeavors by the parent company only.

The incident that led to arrest of an employee under suspicion of bribery of a public official is extremely regrettable. The Group Code of Ethics cites "To political and administrative bodies: Maintain a sound relationship" as one of NTT DATA's pledges. I feel that "sound relationship" has to be redefined and that the Company ought to state what needs to be preserved and reformed in a practical, effective Declaration of Compliance.

Further to these comments, this third-party opinion does not express a judgmental conclusion as to whether the *CSR Report 2010* conforms to generally accepted production standards for environmental reports and other publications, whether featured measurements and calculations are accurate, nor whether any important items have been omitted.

Response to Third-Party Opinion

In light of the views provided by third parties on the *CSR Report 2009* and the results of questionnaires given to Group employees, we clarified the importance of initiatives in the *CSR Report 2010*. This was also reflected in the reportage media, with higher-priority information included in the printed version and broader coverage posted on the Company website. Furthermore, measures relating to "Globalization" and "Environmentally Oriented Management," which are heralded as important management themes, are highlighted in the Special Features, and the Group's CSR Policies have shaped the CSR Messages and Material CSR Challenges, with a description of their formulation process also included.

We have duly noted Mr. Kozuma's comments in the current report that "due consideration must be paid to human rights and fair labor practice in the countries in which the Company operates, in tune with the corporate structure deployed, and CSR management improvements are also needed throughout the supply chain," which refers to CSR issues arising with the spread of globalization, and Mr. Kozuma's call to "investigate new countermeasures and targets…with consideration for the reconstruction of a management system compatible with the rapid progress of multinational development." This also applies to Mr. Adachi's observations from the standpoint of investors and financial institutions "that CSR activities need to keep pace with business expansion" and that "it would be better to clarify how each initiative impacts in terms of risk avoidance and business opportunities" against the context of management strategies.

Both these parties reflected on the bribery incident involving a Company employee and a Japan Patent Office official. In response, we reacknowledge the importance of implementing thorough compliance and taking the fulfillment of compliance and other expected responsibilities. In addition, we recognize that what the Group does through its core business to fulfill its "inspired responsibilities" is precisely what is demanded in the future to expand its business on a global basis and become a Group trusted by its stakeholders.

With consideration for the pointers that we have been given and the awareness that they inspire, we shall take further steps to put our measures into effect based on the CSR Messages and Material CSR Challenges formulated during the fiscal year covered by the report and to share them groupwide, with ongoing awareness of the PDCA cycle.

NTT DATA will promote and improve its CSR activities and upgrade its information disclosure, while continuing to place the utmost importance on communications with its stakeholders.

Third-Party Evaluation (as of October 2010)

Chosen for the Morningstar Socially Responsible Investment Index

NTT DATA has been selected as one of the 150 Japanese listed companies recommended for its social excellence by MORNINGSTAR JAPAN K.K. and accordingly added to the Morningstar Socially Responsible Investment Index.

Chosen by the FTSE4Good Index Series

This index, provided by the FTSE Group, represents the selection from 2,400 companies in 24 countries. The index is designed to measure the performance of companies that meet globally recognized corporate responsibility standards, and to facilitate investment in those companies. NTT DATA has been selected for the sixth consecutive year since 2004.

Chosen by DJSI Asia Pacific

NTT DATA has been selected for inclusion in DJSI Asia Pacific, the Asia-Pacific version of the Dow Jones Sustainability Indexes (DJSI). DJSI is a global index for sustainability investments.

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Eco ICT Mark

This logo, a symbol of the ICT Ecology Guideline Council, indicates that a
telecommunications carrier has adopted appropriate CO_2 reduction measures.
Companies may use the Eco ICT Mark if they evaluate their own efforts to reduce
CO_2 emissions according to a checklist and publicize their efforts.
NTT DATA participates in Eco ICT Mark activities.

NTT DaTa

NTT DATA CORPORATION

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Environmental Management Promotion Office
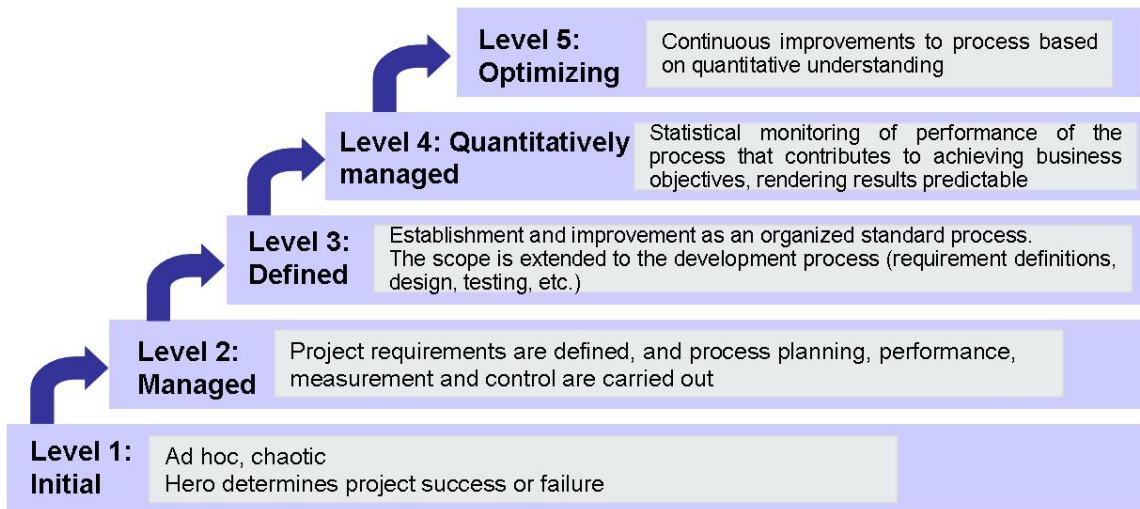PHONE: +81-50-5546-8094 FAX: +81-3-5546-8108

NTT DATA Group environmental logo
"Thank you for your kindness"

Activities to Improve Quality

Building a management system based on ISO 9001 and ensuring continuous improvements

*1 CMMI : The following chart is supplement to the explanatory note of CMMI on p21

Level 5: Optimizing	Continuous improvements to process based on quantitative understanding
Level 4: Quantitatively managed	Statistical monitoring of performance of the process that contributes to achieving business objectives, rendering results predictable
Level 3: Defined	Establishment and improvement as an organized standard process. The scope is extended to the development process (requirement definitions, design, testing, etc.)
Level 2: Managed	Project requirements are defined, and process planning, performance, measurement and control are carried out
Level 1: Initial	Ad hoc, chaotic Hero determines project success or failure

Cultivating human resources and strengthening project management through a Professional CDP System

It is essential to maintain excellent project manager (PM) and other properties befitting a truly professional group in order to provide services that fully satisfy customers in terms of functions, quality, speed and costs.

Accordingly, NTT DATA insists that staff have professional CDP PM accreditation[1] as a prerequisite for deployment as PMs. Further, before gaining this qualification employees must have a PMP qualification[2] or an Information Technology Engineer Examination, Project Manager[3] qualification.

As of March 31, 2010, NTT DATA had 3,653 employees with PMP qualifications and 202 qualified Project Managers.

[1] PM accreditation: This comprises four levels of accreditation, from Principal PM that applies to the project management of ultra-large-scale projects involving a workforce of 1,000 or more to Associate PM.

[2] Project Management Professional: This qualification is an international qualification for personnel who have gained systematic knowledge of project management. Project Management Professional accreditation is awarded after passing an examination set by the Project Management Institute, a nonprofit organization based in the United States.

[3] Information Technology Engineer Examination, Project Manager: This qualification is a domestic qualification from the Ministry of Economy, Trade and Industry that is awarded based on the Act on Facilitation of Information Processing to persons attaining a fixed level of knowledge and skills as information processing engineers. The "project manager" qualification is determined based on the tested ability of a manager to handle ongoing projects.

With Our Customers 【Additional Topics】

[GRAPH] Number of employees with PMP qualifications

(Number of employees)

3,653
3.459
3.171
2.810
2.368

Total number of PMP-qualfied personnel

Number of personnel gaining PMP qualification

914
442   361   288   1944

| 2006 | 2007 | 2008 | 2009 | 2010 |

(Fiscal year)
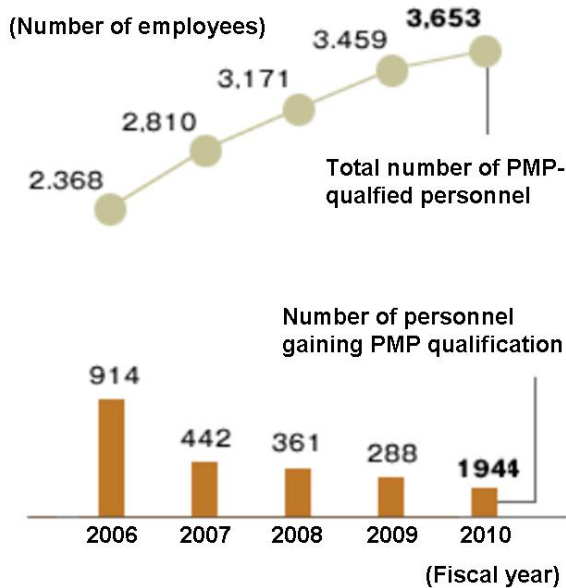
Disaster and System Failure Countermeasures

Business continuity plan for swift recovery and operational continuance in the event of disaster

Our business continuity plan (BCP) in the eventuality of disaster covers disaster risks and response measures to ensure the continuity and swift resumption of business without extended disruption to customers' information systems in the event of earthquakes or other disasters.

Our BCP focuses on maintaining social infrastructure information systems and continuity of vital in-house business with consideration for the urgency of information systems and societal needs.

During fiscal 2010, we held two briefing sessions on our BCP in times of disaster at NTT DATA, with a total of 65 participants, and an additional session for Group companies, which was attended by 60 employees. These events targeted general affairs staff and Project Management Office (PMO) representatives of internal companies, staff organizations and Group companies. In addition, we conducted drills for reporting safety of survivors in the wake of an earthquake, action drills in response to outbreaks of new strains of influenza and other such training exercises, and upgraded our action manual. We will continue holding drills to buffer the Company against potential disasters and work to make our manuals more detailed and specific.

With Our Customers 【Additional Topics】

Collaboration with Companies Industrywide

Formulating and deploying guidelines as easily comprehensible specification sheets for customers

The Software Engineering Centre (SEC) of the Information-Technology Promotion Agency, Japan posted a Guide to Consensus Building for Functional Requirements on its public website in March 2010. This lists techniques for gaining consensus between customer and contractor, which represents a crucial step in effective information system construction.

This guide is an amended version of the Guidelines on Customer Views [1] compiled in March 2008 by the Study Group on Customer Views on Specification Requirements Based on a Practical Approach that comprised NTT DATA and eight other companies [2]. The process of revising these guidelines was investigated by a working group that included members of the outsourcing parties, so they incorporate items requested by the customers in such transactions.

Explanations relating to these guidelines were featured in NTT DATA's in-house training program by March 2009 and were fully incorporated in TERASOLUNA 4.0 development procedures in April 2009. We have publically launched the latest version (4.1) of TERASOLUNA, which includes the Guide to Functional Requirements for Consensus Building.

We plan to introduce employee training to ensure the Companywide adoption of the version of TERASOLUNA that reflects the Guide to Functional Requirements for Consensus Building.

[1] Guidelines on Customer Views: These are primarily composed of screen, system behavior and data model versions. Copyright has been transferred to the Software Engineering Centre (SEC) of the Information-Technology Promotion Agency, Japan. The guidelines are currently posted on the SEC website.

[2] FUJITSU LIMITED; NEC Corporation; Hitachi, Ltd.; KOZO KEIKAKU ENGINEERING Inc.; Toshiba Solutions Corporation; Nihon Unisys, Ltd.; Oki Electric Industry Co., Ltd.; TIS Inc.

Improving Customer Satisfaction

Linking CS surveys to improvement activities

【 Survey Objectives 】

Through its surveys, NTT DATA aims to ascertain and comprehend satisfaction assessments, opinions and requests by major customers regarding the information systems it constructs and the services it provides and to leverage this knowledge in future customer satisfaction activities and for business process improvements.

[CHART] Survey participants and methods

Customers	NTT DATA
Executives (mainly CIOs) ←	**Survey by interview** Overall satisfaction level, assessments of NTT DATA, etc.
Management in system development section ←	**Survey by questionnaire** Assessment of individual items (marketing, design, development system quality, operation and maintenance)
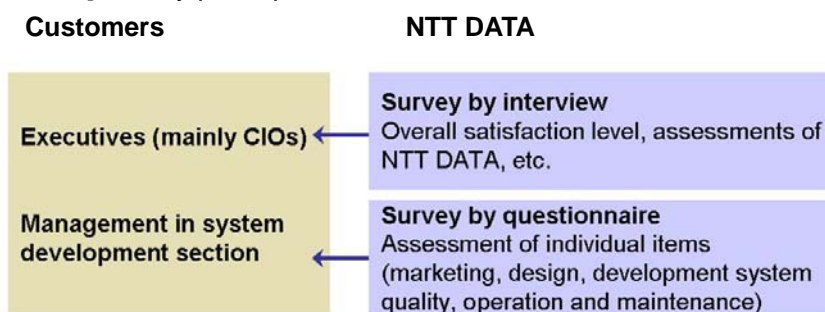
【 **Action for improvement in customer satisfaction during fiscal 2010** 】

Support for customer-responsive departments

We promoted on-site customer satisfaction activities for departments with falling customer satisfaction levels through feedback on survey results to internal company presidents and senior executive managers.

Amassing knowledge on customer satisfaction improvements

We presented customer satisfaction performance awards to 13 projects that achieved notable successes. Further, we held panel discussions led by representatives of customer service performance award-winning projects and featured cases of best practice on our intranet in order to share these examples across the organization.

Boosting capacities to explain price

We formulated guidelines on sales activities and established a framework for the cross-organizational sharing of best practice to bolster assessments of understanding of value, which gained a relatively low survey rating, and to raise the general capacity for explaining value throughout the Group.

Conducting training to enhance action plans for improving customer satisfaction

We instigated training courses for mid-level sales representatives from fiscal 2010, focused on planning action for improvement, in order to fully understand the expectations and desires of customers and to translate this knowledge into appropriate action for improvement.

Extending the customer satisfaction survey to Group companies

NTT DATA is assisting Group companies in conducting their own customer satisfaction surveys as a step toward expanding these initiatives to cover the entire Group. Support spans advice on survey design and analysis and improvement activities (providing action-plan style and formulation guidelines). During fiscal 2010, customer satisfaction surveys were carried out by 10 Group companies*.

To raise customer satisfaction throughout the NTT DATA Group, we will actively support Group companies' measures and policies toward this end.

* NTT DATA SEKISUI SYSTEMS CORPORATION; NTT DATA CCS CORPORATION; NTT DATA BUSINESS BRAINS CORPORATION; NTT DATA TERANOS CORPORATION; NTT DATA ENGINEERING SYSTEMS CORPORATION; NTT DATA SANYO SYSTEM CORPORATION; NTT DATA MSE CORPORATION; NTT DATA CHUGOKU CORPORATION; NTT DATA TOKAI CORPORATION; and NTT DATA KANSAI CORPORATION

Approaches Involving Universal Design

Making websites that are easier to use—for surfers and providers alike

NTT DATA supports website construction that offers ease of use for website providers and users.
For example, we provide a website content management system that helps novice operators update contents. We also propose websites with such features as a design that takes into consideration

various people, including those who have difficulty viewing certain colors, and allows text-size adjustments. In addition, we respond to advanced accessibility requirements through such functions as verification through two or more types of screen reader.

We plan to direct our efforts toward response to new JIS stipulations, RIA* accessibility, universal design for multimedia contents and other evolving challenges.

* Rich Internet Applications (RIA): A web application that features operability and representational capacity superior to web pages in simple HTML.

Raising universal design awareness through in-house seminars

NTT DATA hosts a UD working group that has conducted in-house seminars since fiscal 2006.

We are also promoting activities to raise in-house awareness of accessibility and related issues in conformance with JIS X8341-3, which was scheduled to be instituted by the end of fiscal 2010. Approximately 130 Group employees participated in a UD Research Seminar that we hosted in November 2009. We also invited two guests to the seminar to speak on the necessity of and means to realize accessibility: Chieko Asakawa, IBM Fellow and Chief Technology Officer of IBM's accessibility research at the IBM Tokyo Research Laboratory; and Masahiro Watanabe of NTT Universal Design Research Laboratory and member of the New JIS Review Committee. In addition, we have conducted four employee training events, reaching approximately 50 Group employees.

We plan to disseminate information on the August 2010 amendments to JIS X 8341-3:2010 and to carry out accessibility training centered on younger employees.

Participating in projects with the International Association for Universal Design

The International Association for Universal Design (IAUD) was established in 2003 to promote the widespread adoption of universal design. It is the largest UD-related body in Japan. NTT DATA has participated as a full member of IAUD since its inception.

During fiscal 2010, we participated as an IAUD member in the Bonds of Shizuoka Universal Design in Hamamatsu, a preliminary event to the International Conference for Universal Design 2010. Further, we continued our participation from the previous fiscal year in the Leisure Time Project, Media Project and Mobile Space Project, which are organized by IAUD's Research & Development Planning Division. Through these activities, we engage in discussions and deliberations in collaboration with other member enterprises with a view to promoting the realization of universal design.

TOPICS

Fiscal 2010 Informatization Month Promotion Committee Chairman's Award for the FairCast Child Safety Communication Network

NTT DATA has provided the FairCast Child Safety Communication Network since July 2006 to ensure swift, accurate and reliable contact between schools and parents. FairCast deploys various media to realize a simultaneous communications service, enabling simultaneous contact from schools to parents via email and voice and fax messaging, each facilitating confirmation of delivery. The system's effectiveness was confirmed during the 2009 outbreak of swine flu, when it was utilized for early conveyance of notification of cases among pupils, school closures and other information. As of April 30, 2010, approximately 600 schools and 260,000 households had adopted the FairCast Child Safety Communication Network.

In October 2009, FairCast was acclaimed as an information processing system that facilitates communication by providing an Informatization Month Promotion Committee Chairman's Award as part of Fiscal 2010 Informatization Month*. Subsequently, in January 2010, the Assistant Minister of Education, Culture, Sports, Science and Technology visited Hosei Elementary School, in Toshima-ku, Tokyo, to observe the effects of the introduction FairCast. As a result, the necessity for measures to share emergency and contact information between all related parties was reconfirmed in order to ensure the safety of children in local communities.

* Informatization Month: October each year has been earmarked for intensive promotion of information in society by the Ministry of Economy, Trade and Industry, the Cabinet Office, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, and the Ministry of Land, Infrastructure, Transport and Tourism.

[PHOTO] Prizegiving ceremony for the Informatization Month Promotion Committee Chairman's Award

With Shareholders and Investors 【Additional Topics】

Basic Position on Information Disclosure

Disclosure policy highlighting timely and appropriate disclosure

Based on its disclosure policy and in accordance with business and financial laws including the Financial Instruments and Exchange Act and security listing regulations, such as those established by the Tokyo Stock Exchange, NTT DATA discloses material information in a transparent, equitable, consistent and prompt manner.

We also make every effort to proactively and equitably disclose non-material information that is determined relevant to our shareholders and investors.

Related website: Disclosure policy (Japanese only)
http://www.nttdata.co.jp/corporate/ir/disclosure/

Basic Dividend Policy

Providing stable dividends that reflect performance trends and the dividend payout ratio

[GRAPH] Distribution of Ownership among Shareholders (as of March 31, 2010)

Government and local public authorities
0.00%

Japanese financial institutions
14.19%

Japanese individuals and others
11.72%

Japanese securities companies
2.78%

Foreign institutions and others
16.48%

Other Japanese corporations
54.83%
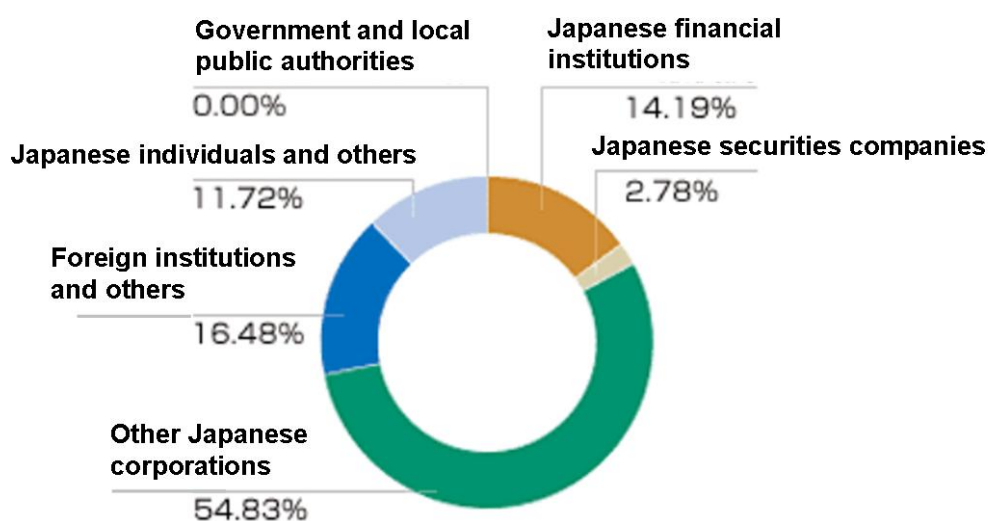
Improved Communication

Reinforcing information dissemination through IR tools

NTT DATA produces an annual report each year for domestic and overseas investors and compiles IR presentation materials covering the progress of business performance and other pertinent issues for publication on the Company website. In addition, we publish shareholder newsletters at the end of the second quarter and at fiscal year-end, and post the articles on our website to give clear and detailed explanations of our business results and activities.

We operate a distribution service via RSS and email to keep investors abreast of news release updates, a step that facilitates the earliest possible communication of the latest corporate news. In conjunction with the questions and opinions we receive, these initiatives help to invigorate interactive IR activities.

We are working to improve our IR tools further to enable faster, easier-to-understand communications on business results and activities for shareholders and investors.

Thoroughgoing Fair Transactions

Promoting electronic purchasing to encourage openness and efficiency

We began NTT DATA Electronic Purchasing Contracts[1] in December 2006 to convert written contracts to electronic documents with electronic signatures and network-based transmission and reception.

NTT DATA Electronic Purchasing Contracts offer several benefits to NTT DATA and its suppliers, such as higher efficiency and reduced managerial burden and environmental impact. Accordingly, we hold periodic briefing sessions to promote the system.

As a result, the number of transactions rose from 16,720 during fiscal 2008 to 20,493 in fiscal 2009 and 21,635 in fiscal 2010, and this number continues to grow.

This system ensures high security by applying NTT DATA's CECTRUST, Electronic Contract Service[2].

[1] NTT DATA Electronic Purchasing Contracts: This electronic system offers an alternative to written contracts. It can be introduced by all suppliers, but is restricted to documentation for which electronic contracts are legally recognized.
Reference website: http://www.nttdata.co.jp/corporate/profile/proc/d-contract.html
(Japanese only)

[2] CECTRUST, Electronic Contract Service: This ASP service enables electronic exchange of contracts between companies. It was jointly developed with Construction-ec.com Co., Ltd., based on NTT DATA's SecurePod (a Digital Document Exchange Platform), in accordance with the official recognition of electronic legal documents under the April 2001 IT Comprehensive Law.
The service ensures safety through long-term storage and third-party verification of original documents.

Operational Procedure Following the Introduction of NTT DATA Electronic Purchasing Contracts
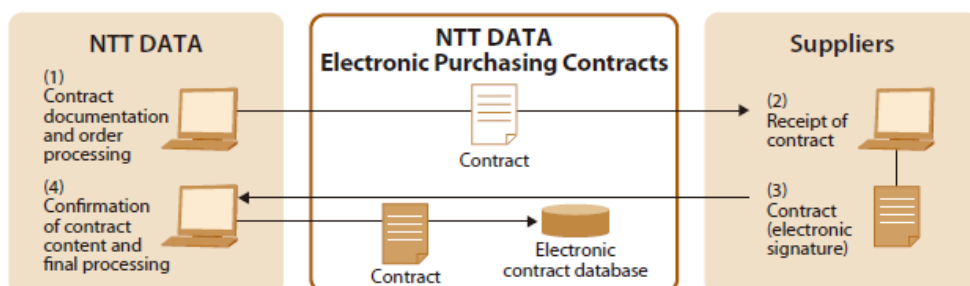
Dialog with Suppliers

Business partner system to enhance supplier relations

To respond to the diversification and growing sophistication of information system quality requirements from customers, we outsource some software development, including to subsidiaries and affiliates. When doing so, we take into consideration technological capacity and business expertise, security

levels, quality assurance systems and other factors.

We accredit subcontracted suppliers displaying assessment and performance excellence as business partners (BPs) or associate partners (APs). BP and AP criteria include compliance with laws and societal norms, management soundness, maintenance of appropriate security and environmental protection measures from a CSR perspective.

In order to expand transaction volume and bolster cooperation, we selected Core BP Companies from among our BPs during fiscal 2010, with which we can share the burden of investment and risk as well as the benefits of success. As of March 31, 2010, NTT DATA had assigned one company as a Core BP Company, 35 as BPs and 120 as APs. Further, to build sustainable relations with suppliers we have disclosed NTT DATA's system development standards, conducted technical training and proactively implemented an array of other support activities.

With Our Employees and Their Families 【Additional Topics】
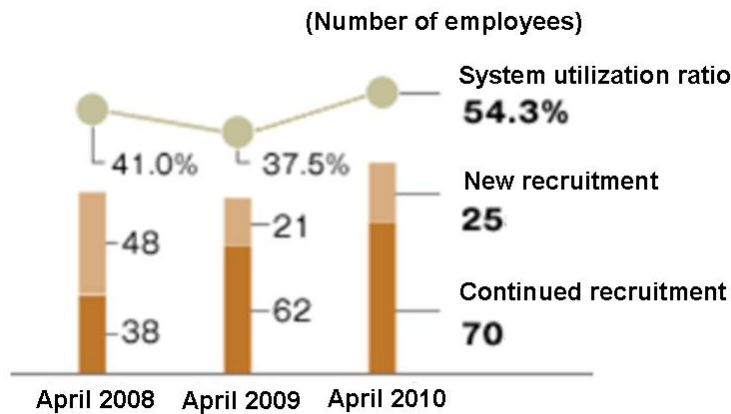
Personnel Recruitment and Deployment

More than 54% of retired workers opt for reemployment

In February 1999, the NTT DATA Group established a Career Staff System that caters for employees who have reached the mandatory retirement age, but wish to continue working until 65.

This system offers an array of work-style options that are flexible to participants' requirements, including full-time employment, reduced working hours, and three- and four-day working weeks. Moreover, during fiscal 2009 we supplemented the existing framework with a new system for high-performance and skilled staff, which provides additional opportunities for senior staff deemed capable of making valuable contributions to the Group's business operations.

As of April 1, 2010, 95 employees were taking advantage of these systems at various Group workplaces.

[GRAPH] Numbers of retired employees using the NTT DATA Reemployment System

(Number of employees)

System utilization ratio
54.3%

41.0% 37.5%

New recruitment
25

−48 −21

Continued recruitment
70

−38 −62

April 2008　April 2009　April 2010

Creating a Comfortable Working Environment

Employment support centered on the Diversity Promotion Office

Major initiatives by the Diversity Promotion Office during fiscal 2010

	Major Initiatives
Promoting diversity	Hosted a Diversity Forum for all Group employees with Ms. Yoshie Komuro of Work Life Balance Co., Ltd., as a guest.
	Held Diversity Workshops for Female Employees, targeting women in leadership roles and attracting approximately 90 participants, including staff from Group companies.
	NTT DATA Group female employees participated in such pan-industry exchange events as the Women's Summit Tokyo 2009 and NTT Group Women's Forum.

	Extended the target of the diversity portal site to employees of Group companies.
	Posted monthly diversity interviews with experienced senior employees, who serve as role-models to more junior staff. Issued a monthly *Diversity Mail Magazine* to publicize related issues to younger employees
Innovating work styles	Implemented training for newly appointed senior managers in a bid to stimulate workplace innovation.
	Launched a revamped Work-Style Innovation portal with enhanced and expanded site content.
	Investigated the establishment of onsite day-care centers at operational sites.
Encouraging a healthy work-life balance	Began leasing thin client terminals to provide corporate information to employees on childcare leave. In addition, we conducted three-way interviews, incorporating employees, their line managers and personnel representatives, to support smooth return to work from childcare and nursing care leave. Distributed a *Communications Handbook* for employees taking nursing care and childcare leave.
	Directed by employee opinions, we organized NTT DATA Kids' Workshops as a means of support for families with two working parents and children at elementary school. This enables parents to bring their children to the Company during summer vacation to be cared for in an atmosphere of mutual assistance.
	Hosted a forum to mark NTT DATA's three-star ranking of companies supporting fathers in providing childcare in addition to a Father (and Mother) Seminar.

Recognition from external organizations for upgrades to our childcare and nursing care systems

【 Principal Childcare and Nursing Care Systems 】
Childcare leave
 •Childcare leave can be extended until the child reaches four years of age.
 •Reduced period of notification of return to work (from three months to one month)
Shorter working hours for childcare
 •Shorter working hours for childcare are available until the child completes his or her third year of elementary school.
 •Reduced period of notification of shorter working hours (from two months to two weeks)
Nursing care leave
 •Nursing care leave can be extended to up to 18 months.
 •Establishment of short-term leave for nursing care
Shorter working hours for nursing care
 •Shorter working hours for nursing care are available for three years, including the duration of nursing care leave.

# With Our Employees and Their Families 【Additional Topics】

Supporting Employee Skills Development

Business and Technical Training

NTT DATA conducts business training to facilitate skill improvements and technical training to boost specialist expertise, with employees free to select courses attuned to their position and business type. For fiscal 2010, we set an objective of 10 days of training per year per employee. This target was achieved by 99.9% of the workforce.

In the future, to ensure that a culture of voluntary skills development remains entrenched in our corporate climate, we will maintain our target of 10 days of training per year per employee and implement initiatives that project our workforce toward further skills development

[CHART] NTT DATA Training Systems
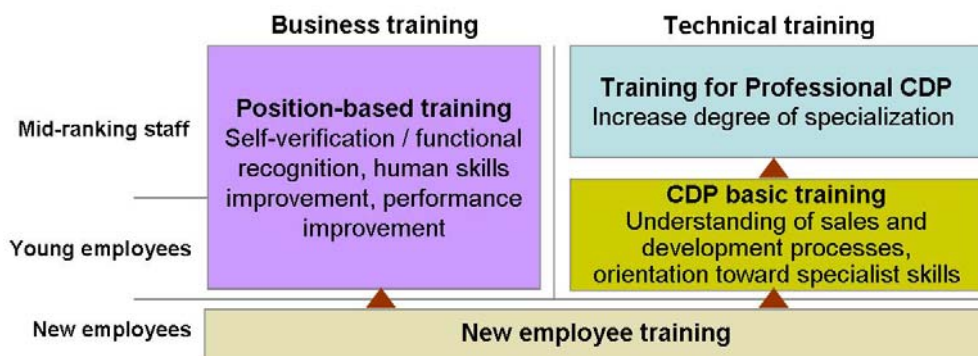
Employee Health Promotion and Enhancement

Supporting healthcare through Workplace Improvement Workshops

We have established a Healthcare Center, staffed by occupational physicians, welfare workers and other specialists, at the NTT DATA Head Office, and formed a Healthcare Working Group for the prevention of mental illness with the cooperation of all worksites.

During fiscal 2010, the Healthcare Center and Healthcare Working Group held 17 Workplace Improvement Workshops* in a bid to promote workplace environmental improvements and early detection of illnesses. New initiatives included mental health management examinations for all managerial staff, which were taken by 1,681 employees with a success rate of 88.7%.

Furthermore, we dispatched occupational health workers to Group companies to improve overall mental health levels Groupwide and step up support for workplace improvements, while expanding upon the mental health know-how and case studies accumulated to date.

During fiscal 2011, we inaugurated the Health Promotion Office, which integrates the roles of the Healthcare Center and Healthcare Working Group. In the future, we aim to reinforce activities from both personal and organizational perspectives, while striving to maintain and improve the physical and mental health of employees.

* Workplace Improvement Workshops: These workshops involve extracting key issues at each worksite and deliberating on solutions.

With Our Employees and Their Families 【Additional Topics】

Creating safe workplace environments through Health and Safety Committees at worksites

NTT DATA has formed Health and Safety Committees for each of its organizational units to ensure an environment in which employees can work in safety and comfort and to improve the safety consciousness of staff.

During fiscal 2010, we carried out two workplace safety patrols and conducted activities to bolster in-house awareness of the National Safety Week and National Industrial Health Week that are organized by the Ministry of Health, Labour and Welfare and the Japan Industrial Safety and Health Association and of the Accident-Free Holiday Campaign and other initiatives.

Further, the number of occupational accidents during fiscal 2010 stood at four, which represents a frequency rate of 0.2 and a severity rate of 0.0002. In line with its aim for zero occupational accidents, in fiscal 2011 NTT DATA intends to continue publicizing major accidents and highlight areas for caution, primarily through its Health and Safety Committees. We will also conduct other activities to ensure that employees remain on guard against potential hazards.

With Various Other Related Parties 【Additional Topics】

Education

Contributing to the community and fostering development of the next generation through a work-study program

Since 1998, NTT DATA has hosted a work-study program for students of junior high schools near its headquarters in Koto-ku, Tokyo.

We welcomed three second-year pupils from Koto-ku Fukagawa No. 5 Junior High School from July 14 to 16, and two second-year pupils from Koto-ku Tatsumi Junior High School on August 27 and 28. Participating students used the opportunity to learn about the potential of IT and its relevance to everyday life by watching demonstrations of the latest technologies and experiencing system planning and presentation—a major part of a systems engineer's job.

Providing IT Experience for Children—the leaders of the next generation

Since fiscal 2005, NTT DATA has held IT Experience for Children workshops.

We organize these events to explain to kids, the vanguard of the future, a sense of the connection between IT and the quality and diversity of their lifestyles through enjoyable, easy-to-understand IT experiences. Initially, IT Experience for Children was held annually during the summer vacation; since fiscal 2009, we have boosted the frequency to twice a year, in the spring and summer breaks.

During fiscal 2010, the spring workshop was held in April and the summer one in August, attended by 353 elementary school pupils and 296 of their guardians. They acquired basic knowledge of IT vocabulary and studied examples of its applications, made pictures using graphics software, and gained experience of the latest communications technology, which facilitates data transmission through the surface of the body.

In addition, NTT DATA KANSAI held its first Summer Vacation IT Experience for Children on August 25 and 26, 2009, attended by 53 kids. Activities to ensure a more enjoyable and stimulating IT experience included a treasure hunt using a digital map made by NTT DATA KANSAI.

We plan to continue to host these events to provide greater opportunities to bring children into contact with IT.

[PHOTO] Experiencing the latest communication technology, which facilitates data transmission through the surface of the body (Tokyo)

[PHOTO] Children enjoying a treasure hunt using a digital map (Osaka)

With Various Other Related Parties 【Additional Topics】

Supporting young talent as an official sponsor of the Japanese Committee of the International Olympiad in Informatics

The International Olympiad in Informatics enables junior high and high school students to solve problems based on scientific knowledge and serves as an international exchange forum featuring competitors and educators. As an official sponsor of the Japanese Committee, since fiscal 2009 we have offered total support to this event in terms of personnel, facilities and technologies. This commitment has spanned dispatching employees to assist at training camps, providing venues for training sessions and seminars and hosting presentations for the media.

At the International Olympiad in Informatics 2009, held in Bulgaria in August 2009, the four Japanese delegates performed admirably, taking two gold medals, one silver and one bronze.

The squad for the International Olympiad in Informatics 2010 in Canada was announced in March 2010, including the selection of a third-year junior high school student. There are great expectations that this event will prove to be a showcase for such new talented competitors.

NTT DATA will continue to support international performances by young, high-potential participants.

[PHOTO] The Japanese delegation at the International Olympiad in Informatics 2009 in Bulgaria
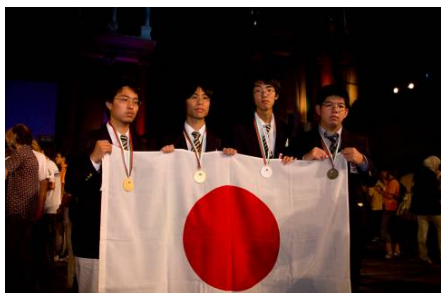
Welfare

Supporting the independence of people with disabilities through NTT DATA Valentine's Day

Each year, as Valentine's Day approaches we conduct internal sales of confectionery made by people with disabilities in welfare centers and other facilities[1] at prices that include a donation. This companywide program, which began in 1993, was proposed by employees who wanted to thank people they encounter every day and express their love for the community, instead of just giving presents of chocolate out of a sense of duty.

Funds raised are matched by the Company and donated to organizations[2] that support the independence of people with disabilities. In fiscal 2010, we donated approximately ¥400,000.

In fiscal 2010, we created a new page on our intranet to explain exactly what welfare centers are about in order to foster deeper understanding among employees of how the NTT DATA Valentine's Day initiative is linked to support activities.

We aim to cultivate a culture of enthusiasm toward volunteer activities by communicating how donations are deployed and the benefits they provide.

[1] Confectionery made and sold by welfare centers and other facilities
• Ashinami ZiP Daycare Vocational Aid Center
• NPO Kirinkan
• Sweets Batake social employment center
• Nobinobi Workplace Eco & Foods
• Koinonia cooperative facility for the mentally retarded

[2] NTT DATA Valentine's Day Charities
• NPO PAO
• NPO Tokyo Fellowship for the Blind and Deaf
• NPO EDGE

Distributing confectionery made by welfare centers and other facilities at the General Meeting of Shareholders

In order to bolster understanding by shareholders of its social contribution activities, NTT DATA purchases confectionery made by welfare centers and other facilities for distribution at the General Meeting of Shareholders.

Such measures to support the independence of people with disabilities have been highly praised by NTT DATA's shareholders.

Sponsoring the IBSA Asia Blind Football Championship 2009

NTT DATA sponsored the IBSA Third Asia Blind Football Championship, held from December 16 to 20, 2009.

Blind football is played by the visually impaired, based on futsal rules, using a ball that contains a bell. The Japan Blind Football Association was formally inaugurated in October 2002, representing the full-blown start up of soccer for the blind as a competitive sport. What differentiates it from other such sports is that it can be played together by visually impaired and sighted participants, with the latter using blindfolds.

NTT DATA determined to support the IBSA Asia Blind Football Championship 2009 because the principles behind blind soccer, which is en route to becoming a universal sport, are compatible with the NTT DATA Group's Corporate Philosophy of "contributing to the achievement of a more affluent and harmonious society."

Regional Communities

Participating in the Toyosu Festa program to enhance exchange with local residents

Since 2006, NTT DATA has taken part in the Toyosu Festa regional event, which is held each fall in the vicinity of its headquarters in Koto-ku, Tokyo.

The Company booth at the Toyosu Festa that took place in October 2009 provided opportunities to create pictures on a PC using a Suisai graphics software package and to participate in a workshop organized by the NTT DATA official Kendama* Circle. We also exhibited the panel and other features from the "IT Naruhodo Iinkai," which is posted on the NTT DATA website to give children a chance to

study IT in a fun atmosphere. Over the two days of the event, the NTT DATA booth was visited by approximately 730 local residents.

We shall continue to participate in the Toyosu Festa program as it provides an opportunity for local people to become acquainted with NTT DATA.

*Kendama: A traditional Japanese game where players try to catch or impale a wooden ball on a string.

Taking part in the University Open Day held by Shibaura Institute of Technology

On September 27, 2009, Shibaura Institute of Technology hosted an open day at its Toyosu Campus to deepen the connections between the area's residents, companies, organizations and other groups. NTT DATA also participated in this event.

In order to facilitate the study of IT in a fun environment for children, the Company showcased the "IT Naruhodo Iinkai," which is featured on the NTT DATA website, and presented a game in which children steer a robot through a maze using a computer program and a quiz that involved selecting parts and assembling a personal computer.

A great number of local residents visited the NTT DATA booth, which served as a fine opportunity to enhance knowledge of the Company.

[PHOTO] Children concentrating on steering a robot through a maze at the NTT DATA booth

International Contribution

Participation in TABLE FOR TWO, a program to promote school meals in developing nations

NTT DATA has been participating in the TABLE FOR TWO campaign since November 2008 via staff canteens throughout the Company as part of its commitment to health promotion and social contribution.

TABLE FOR TWO is a program to assist in providing school meals for children in developing nations, namely Uganda, Rwanda and Malawi. Each time employees select an item from a lower-volume, reduced-calorie menu that is on offer at staff canteens, ¥20 is donated to the campaign through specified nonprofit organization TABLE FOR TWO International. This sum is sufficient to purchase one kids' school meal in these countries.

Donations collected during fiscal 2010 totaled approximately ¥307,000, more than double the figure for the previous fiscal year. For this amount, some 150,335 school meals can be supplied to children in developing countries.

With Various Other Related Parties 【Additional Topics】

The total of funds gathered is periodically reported for NTT DATA and Group employees on its intranet, which also gives coverage to TABLE FOR TWO secretariat reports that provide information on the children's lifestyles in the schools that receive this assistance.

In light of the successful results of the campaign to date, we shall continue to support the TABLE FOR TWO program in the future.

Employee participation as Japan Overseas Cooperation Volunteers

NTT DATA's employees participate as JICA-sponsored Japan Overseas Cooperation Volunteers through the Company's special authorized leave system.

During fiscal 2010, three members of staff carried out such activities as IT technologies training and systems development in developing countries.

Natural Environment

Collaborating in the Think the Earth Project

NTT DATA has cooperated in the NPO Think the Earth Project, which deals with the theme of the coexistence of ecology and the economy, since 2001. Moreover, since 2003 we have supported the running of the project's website, *Think Daily.*

By providing the latest news from perpetually changing regions around the globe, *Think Daily* disseminates information in a bid to stimulate thought about the world among its users.

Culture and the Arts

Hosting and inviting customers to classical concerts

The NTT DATA Concert of Concerts series has been held since 1995 as part of the Company's drive to bolster communications with customers. We hosted the 14th concert in this series during fiscal 2010.

Performances took place in Suntory Hall, Tokyo, on October 4 and 5. Through open recruitment, some 3,000 customers were invited for the two days of the event.

Support for Employee Volunteer Activities

Initiation of employee volunteer activity "contribution awards"

As its business grows on a global scale, the NTT DATA Group considers it important to maintain its spirit of contribution. In other words, we expect each employee to consistently contribute—not only on projects to which they are assigned but also—to the NTT DATA Group overall, as well as to customers and to the development of society as a whole. To foster this spirit of contribution, in fiscal 2010 we initiated a system of "contribution awards." One of these, the Social Contribution Award, recognizes employees' social contribution efforts.

Employees may put themselves forward as candidates, or they may be nominated by others. In fiscal 2010, two teams and one individual received awards, which were presented at a ceremony in May 2010, which coincided with the Company's anniversary of establishment.

With Various Other Related Parties 【Additional Topics】

By presenting such awards, NTT DATA hopes to boost employee participation in volunteer activities and cultivate a culture that encourages each employee to contribute to society.

Initiatives by Group Companies

Welfare

Company Name	Initiative	Initiative Outline
NTT DATA CHUGOKU CORPORATION NTT DATA CUSTOMER SERVICE CORPORATION (Chugoku Branch)	NTT DATA CHUGOKU Valentine's Day	In step with the objectives of the NTT DATA Valentine's Day campaign, the two companies jointly conduct as part of their social contribution activities NTT DATA CHUGOKU Valentine's Day synchronized to February 14. Cakes, cookies and other sundries produced at welfare workplaces in Minami-ku, Hiroshima, which is located in the NTT DATA Hijiyama Building, are sold in-house at prices that include a donation to support the independence of people with disabilities.
NTT DATA CUSTOMER SERVICE CORPORATION (Chugoku Branch)	Collection Activities	The company participates in the "Ring-pulls and aluminum cans for wheelchairs! Aluminum Resource Recovery Campaign," which spans all ages from children to the elderly, held by the Liaison Council for Environmental Pollution Control. During fiscal 2010, 10kg of ring-pulls were collected and sent to the association's Kansai branch through cooperation between Group and participating companies. A wheelchair can be exchanged for every 800 kg of aluminum (ring-pulls) collected.
M.I.S.I. Co., Ltd.	Participation in Lee National Denim Day	In concordance with the aims of Lee National Denim Day, M.I.S.I. participates in the day every year, and equally matches donations from employees. Donations are used in support of research and educational programs toward the eradication of breast cancer. During fiscal 2010, M.I.S.I. donated a total of $588.

Education

Company Name	Initiative	Initiative Outline
NTT DATA DAICHI CORPORATION	Workplace Tours and Practical Training to Help Special-Needs Schools	In order to boost employment opportunities for people with disabilities, the company periodically conducts workplace tours for teaching staff and parents of students from special-needs schools and workplace adaptive training support for pupils.

With Various Other Related Parties 【Additional Topics】

Regional Communities

Company Name	Initiative	Initiative Outline
NTT DATA UNIVERSITY CORPORATION	Donations of Books to Neighborhood Schools and Libraries	Having arranged the reference books used in various training sessions for NTT DATA and its Group companies , the company donated some 700 IT- and business-related books to neighborhood junior high and high schools and libraries to put them to use for the benefit of the local community.
NTT DATA SHINETSU CORPORATION	*Mochi* (rice-cake) Making for the Sankiryo Children's Home	Each year in December, company employees visit Sankiryo Children's Home in Nagano and join children in making *mochi* (rice cakes), which forms a part of the traditional New Year's celebrations. At the request of the children and staff of Sankiryo, Christmas presents purchased from company employee donations are also distributed at the event. Each year, these gifts comprise recreational equipment for the children; during fiscal 2010, the 23rd year of the visit, a terrestrial digital television was donated.
NTT DATA CUSTOMER SERVICE CORPORATION (Head Office)	Collection Activities	・ Used stamps and prepaid cards are collected and donated to the Chuo Ward Council of Social Welfare each year in March. ・ Bellmark labels are collected and donated to the Bellmark Educational Foundation each year in March. ・ Discarded calendars are collected and supplied to the Charity Calendar Market, held in early January by specified nonprofit organization, Nippon Volunteer Network Active in Disaster. Sales from the market support the activities of domestic and overseas organizations engaged in helping disaster victims and the Tree for Life Campaign tree-planting project.
NTT DATA CUSTOMER SERVICE CORPORATION (Hokkaido Branch)	Support for the Sapporo Symphony Orchestra	The company cosponsors activities by the Sapporo Symphony Orchestra, the only professional orchestra based in Japan's northern island of Hokkaido. This orchestra organizes a Musical Creativity Experience Program for children, conducts performances at hospitals and welfare facilities, and carries out various other social contribution activities rooted in the local community.

With Various Other Related Parties 【Additional Topics】

Vertex Software Pvt. Ltd.	Blood Donation Campaign	In January 2010, the company launched a blood donor campaign targeting its employees in response to calls from a major hospital in Bune, India, where Vertex Software is headquartered, for donations to offset a shortage of blood supplies. This call was answered by 52 employees, with letters of thanks subsequently received from the hospital. In the future, the company plans to continue with its blood donation campaign initiatives.

International Contribution

Company Name	Initiative	Initiative Outline
NTT DATA SECURITY CORPORATION	Ecocap Movement Activities	The two companies are supporting the Ecocap Movement, an NPO Cabinet Office certified organization that collects PET bottle caps and uses the resource recycling cost savings to contribute to world child vaccination activities, by gathering PET bottle caps throughout their offices.
NTT DATA CCS CORPORATION		・ NTT DATA SECURITY: Collected 4,600 PET bottle caps from November 2008 to June 2009, equivalent to polio vaccinations for 5.75 people. ・ NTT DATA CCS: Collected 111,520 PET bottle caps from August 2009 to July 2010, equivalent to polio vaccinations for 139.4 people.
OSAKA EXCELLENT iDC CORPORATION	Leader Cultivation Training for the Promotion of Information Technology	In response to requests from the Japan International Cooperation Agency, the company organized facilities tours and lectures at the e-Osaka Municipal Internet Data Center for four researchers from Malaysia and three other countries in October 2009, with the aim of cultivating leaders to aid the promotion of information technology in developing nations. This initiative furthered understanding of the significance, importance and regional role of such an information hub.
MAINTEC Co., Ltd.	Collection Activities	In support for the *sutenai* (do not discard) activities of SHAPLA NEER, a Citizens' Committee in Japan for Overseas Support, the company collects and donates used stamps. Items donated under this campaign are used to improve the lifestyles of people in South Asia.

With Various Other Related Parties 【Additional Topics】

NTT DATA i CORPORATION	Collection Activities	As part of its social and environmental contribution activities, since 2006 the company has collected used stamps and telephone and other prepaid cards at its head office for donation to the Japanese Organization for International Cooperation in Family Planning (JOICEP) each year in March.
Realize Corporation	Support for the Kamonohashi Project	The company supports the activities of the Kamonohashi Project, an NPO that strives to prevent child prostitution and other problems relating to human trafficking in Cambodia and other countries. Between February and May 2010, Realize implemented upgrades to the organization's database and carried out data management and operational support on a free-of-charge basis. This enabled the organization to realize enhanced efficiency at its domestic bases by supporting its operational infrastructure, thus allowing it to concentrate on its onsite activities.

Natural Environment

Company Name	Initiative	Initiative Outline
NTT DATA CCS CORPORATION	Collection Activities	The company has collected used stamps and telephone and other prepaid cards and dispatched to the Defense of Green Earth Foundation biannually since March 2004 as part of its social and environmental contribution activities. Donations are utilized for tree-planting and other activities in Asia and Africa. The company's contributions have led to the planting of 566 saplings to date.
NJK Corporation	Utilizing the Green goo Search Tool	The company supports the Green goo search tool, operated by NTT Resonant Inc., with all employees and other cooperative parties making this tool their default home page. The equivalent to 15% of profit from this search tool is donated to NGOs and NPOs conducting environmental protection activities.

With Various Other Related Parties 【Additional Topics】

Emergency Assistance

Company Name	Initiative	Initiative Outline
M.I.S.I Co., Ltd	Aid in the Wake of the Haiti and Chili Earthquakes	Donations from employees to provide relief efforts following the Haiti earthquake in January 2010 and the Chile earthquake of February 2010 were equally matched with a company contribution. A total of $5,096 was donated for the Haiti earthquake and $1,890 for the Chile earthquake. These funds were sent to organizations carrying out emergency relief efforts for victims of the earthquakes.
Beijing NTT DATA Systems Integration Co., Ltd.	Support Activities in the Wake of the Yushu Earthquake	The company made donations to support recovery in the aftermath of the Yushu Earthquake of April 2010 in China. A total of 96,000 yuan, comprising 50,000 from the company, 20,000 from the labor union, and 26,000 from employees, was contributed via the Chinese Government.

Environmental Management 【Additional Topics】

Internal Environmental Audits

Improving activity levels through periodic audits

Results of Internal Environmental Audits for Fiscal 2010	
Term of implementation	January 21 to February 19, 2010
Target organizations	16 NTT DATA organizations, 21 Group companies
Audit results	1 serious case, 2 minor cases, 2 cases for observation

Focus on cultivating internal environmental auditors

We have expanded the scope of ISO 14001 certification, fostering internal audit staff and improving our auditing system. During fiscal 2010, we emphasized training that primarily targeted newly appointed internal environmental auditors, including basic training sessions and practical training (role-plays).

In addition, we are now able to maintain a fixed number of audit staff because we have constructed a framework to elect audit staff by each organizational unit. We will hone the skills of appointed auditors by enabling them to accumulate continuous experience above a fixed number of years.

As of March 31, 2010, the Group had 63 internal environmental auditors, 7 of whom held ISO 14001 environmental auditor complementary qualifications.

Compliance with Laws and Regulations

Periodically confirming the status of compliance with laws and regulations

We determine items for monitoring and measurement pertaining to various laws and regulations, and periodically confirm the status of compliance. Moreover, we are upgrading systems to monitor and measure CO_2 emission volume, in accordance with the amended Act on the Rational Use of Energy (Energy Saving Act), the Law Concerning the Promotion of Measures to Cope with Global Warming and the Tokyo Metropolitan Ordinance on Environmental Protection.

Major Laws and Regulations and the Scope of and Number of Facilities Impacted

	Major Laws and Regulations	No. of facilities impacted
Energy Saving Act	Aggregate quantity of electricity and heat used (crude oil equivalent): Number of facilities using 3,000 kL/year or more	9
	Aggregate quantity of electricity and heat used (crude oil equivalent): Number of facilities using 1,500 kL/year or more	7

Environmental Management 【Additional Topics】

	Major Laws and Regulations	No. of facilities impacted
Air Pollution Control Act	Smoke-generating facilities: Number of facilities	5
Water Quality Pollution Control Act	Number of oil storage and other facilities	46
Sewerage Service Act	Number of facilities generating 50 m^3 or more wastewater per day	6

Promotion of Green Purchasing

Green purchasing through corporate stance and products

We have established assessment criteria on environmental preservation and the eco-friendliness of products and services as factors in procuring and selecting products and services, in addition to such traditional criteria as price and quality assessment. These values represent standards in selecting business partners.

Environmental impact dataof the NTT DATA Group in fiscal 2010

Environmental data			Unit	Amount
Paper resource countermeasures	Total volume used (including paper from virgin pulp and recycled paper)		Tons	1,485
		Office paper	Tons	1,426
		Customer service (fliers, pamphlets, instruction manuals, etc.)	Tons	59
	Amount of total from virgin pulp		Tons	489
		Office paper	Tons	468
		Customer service (fliers, pamphlets, instruction manuals, etc.)	Tons	21
Global warming countermeasures	Greenhouse gas emissions (CO_2 conversion)		Tons of CO_2	259,180
	Carbon dioxide (CO_2) emissions		Tons of CO_2	259,094
		Electricity use	Tons of CO_2	253,685
		Gas/fuel use	Tons of CO_2	3,654
		Company vehicle use	Tons of CO_2	1,764
	Methane (CH_4) emissions		Tons of CO_2	3
		Shipping (automobiles, ships)	Tons of CO_2	3
	Dinitrogen monoxide (N_2O) emissions		Tons of CO_2	34
		Furnaces	Tons of CO_2	2
		Shipping (automobiles, ships)	Tons of CO_2	33
	Hydrofluorocarbon (HFC) emissions		Tons of CO_2	49
	Perfluorocarbon (PFC) emissions		Tons of CO_2	0
	Low-pollution vehicles owned		Vehicles	784
		Hybrid vehicles	Vehicles	8
		Certified fuel-saving or low-emission vehicles (Gasoline-powered vehicles`	Vehicles	747
		Others	Vehicles	29
	Low-pollution vehicles introduced during the year		Vehicles	1
		Hybrid vehicles	Vehicles	1
		Certified fuel-saving or low-emission vehicles (Gasoline-powered vehicles)	Vehicles	0
		Others	Vehicles	0
	Sustainable/new energy systems introduced		Systems	4
		Solar power systems	Systems	2
		Hybrid (solar and wind power) systems	Systems	1
		Cogeneration (OGS) systems	Systems	1
	Sustainable/new energy systems introduced during the year		Systems	2
		Solar power systems	Systems	2
	Electric power generated by sustainable/new energy systems		kWh	133,093
		Solar power systems	kWh	133,093
	Electric power generated by sustainable/new energy systems introduced during the year		kWh	25,920
		Solar power systems	kWh	25,920
Waste countermeasures	Industrial waste requiring special management			
		Asbestos removed (from buildings) during the year	Instances	0
		Asbestos removed (from buildings) during the year	Tons	0
		Waste batteries	Tons	36
		Other waste (acidic ash, alkali, oil, etc.)	Tons	0
	Use of products containing PCBs			
		Transformers	Units	0
		Stabilizers	Units	0
	PCB-containing products renewed (removed, stored) during the year			
		Transformers	Units	8
		Stabilizers	Units	15
	Storage of PCB-containing products			
		Transformers	Units	9
		Shunt capacitors	Units	7
		Internal capacitors	Units	71
		Stabilizers	Units	227
	Disposal during the year of PCB-containing products			
		Shunt capacitors	Units	0

Ozone layer protection	Removal during the year of air conditioning system units using specified chlorofluorocarbons (CFCs)			
		Removal of air conditioning system units using specified CFCs	Units	0
		Removal of air conditioning system units using specified hydrochlorofluorocarbons (HCFCs)	Units	1
		Removal of air conditioning system units using specified hydrofluorocarbons (HFCs)	Units	0
		Recovery and destruction of specified CFCs used for air conditioning systems	kg	0
		Recovery and destruction of specified HCFCs used for air conditioning systems	kg	980
		Recovery and destruction of specified HFCs used for air conditioning systems	kg	0
	Use of air conditioning system units using specified CFCs			
		Air conditioning system units using specified CFCs	Units	24
		Air conditioning system units using specified HCFCs	Units	135
		Air conditioning system units using specified HFCs	Units	202
		Specified CFCs used for air conditioning systems	kg	9,722
		Specified HCFCs used for air conditioning systems	kg	11,458
		Specified HFCs used for air conditioning systems	kg	6,864
	Storage of air conditioning system units using specified CFCs			
		Storage of air conditioning system units using specified CFCs	Units	0
		Storage of air conditioning system units using specified HCFCs	Units	0
		Storage of air conditioning system units using specified HFCs	Units	0
		Stored amount of specified CFCs used for air conditioning systems	kg	0
		Stored amount of specified HCFCs used for air conditioning systems	kg	0
		Stored amount of specified HFCs used for air conditioning systems	kg	0
	Use of vehicles using specified CFCs			
		Company vehicles that employ CFCs in air conditioner refrigerants	Vehicles	0
		Company vehicles that employ HCFCs in air conditioner refrigerants	Vehicles	0
		Company vehicles that employ HFCs in air conditioner refrigerants	Vehicles	784
		Use of CFCs in vehicle air conditioners	kg	0
		Use of HCFCs in vehicle air conditioners	kg	0
		Use of HFCs in vehicle air conditioners	kg	0
	Elimination of specified-CFC fire prevention equipment			
		Buildings from which specified-CFC fire prevention equipment removed during the year	Buildings	0
		Amount of specified CFCs removed from fire prevention equipment during the year	kg	0
		Amount of specified CFC gas emitted by fire prevention equipment during the year	kg	0
		Remaining number of buildings employing specified-CFC fire prevention equipment	Buildings	9
		Remaining specified CFC gas emissions from fire prevention equipment	kg	28,718

Resource use	Consumption of water resources			
		Clean water consumption	m3	626,963
		Sewerage water consumption	m3	499,086
		Gray water consumption	m3	41,230
		Rainwater consumption	m3	0
		Consumption of clean, sewerage and other water (uncategorized)	m3	9,118
	Energy consumption			
		Utility power	kWh	597,166,994
		Kerosene	Liters	13,400
		Light gas oil (excluding company vehicles)	Liters	97,745
		A–C heavy oil	Liters	18,476
		City gas	m3	1,667,793
		Gasoline (company vehicles)	Liters	727,039
		Light gas oil (company vehicles)	Liters	15,677
Regional environmental contribution	Environmental contribution			
		Number of environmental clean-up initiatives undertaken	Initiatives	25
		Participants in environmental clean-up initiatives	People	697
		Other environmental activities	Activities	19
		Participants in other environmental activities	People	465

Scope of Environmental Impact Measurement

・**Measurement period:** From April 1 to March 31 of the following year

・**Measurement organization:** Fiscal 2010 NTT DATA (all organizations), 65 Group companies (domestic only)

Office waste of NTT DATA Group in fiscal 2010

Primary category	Subcategory	Recycled amount	Waste disposal amount		Total emissions	Final disposal amount
			Incineration	Landfill		
Category A (burnable)	Fine paper	1,894,056	0	0	1,894,056	0
	Newspapers, magazines, cardboard	156,148	0	0	156,148	0
	Garbage	58,040	340,067	4,405	402,512	38,412
	Paper waste	421,151	310,701	5,296	737,148	36,366
	Plastics (burnable)	130,424	19,966	239,833	390,223	241,829
	Waste oil	48	0	0	48	0
	Unsorted burnable waste (mixed), other burnable waste	2,048	203,849	1,920	207,817	22,305
Category B (non-burnable)	Bottles	1,252,186	0	8,094	1,260,280	8,094
	Cans	996,878	0	6,656	1,003,534	6,656
	Plastics (non-burnable)	740	16,000	128,516	145,256	130,116
	PET bottles	84,942	3,192	6,768	94,902	7,087
	Other non-burnable waste	0	6,870	0	6,870	687
Category C	OA equipment, fixtures, others	3,172,410	29,621	44,233	3,246,264	47,195
Total		8,169,071	930,266	445,721	9,545,059	538,748

Scope of Measurement
・**Measurement period:** From April 1 to March 31 of the following year
・**Measurement organization:** Fiscal 2010 NTT DATA (all organizations), 65 Group companies (domestic only)

Managing target achievement by establishing three-year medium-term targets

The Greening of the NTT DATA Group

Reducing Greenhouse Gas Emissions

Although the NTT DATA Group was unable to achieve its target reduction rate for greenhouse gas emissions during fiscal 2009, the Group reset the target during fiscal 2010 to 9.5% of the fiscal 2006 value, based on environmentally oriented management.

We strive to conserve energy through activities that include promoting upgrades to the facilities (such as air conditioning and lighting) of data centers and other Company buildings to attain higher efficiency, freeing staff from the constraints of conventional fixed-desk assignments, and a thorough dissemination of policies on switching off unnecessary lighting and following other such basic behaviors. In February 2010, as part of the Green NTT[1] initiative we installed a solar power system with a capacity of 104 kW on the rooftop of the Komaba Training Center and conducted experimental trials for waste heat utilization and enhanced operating efficiency.

In pursuit of visualization of energy saving effects in offices, we have developed a system to display hourly and daily power consumption by floor and resident organization on our intranet. This system went online for two major urban buildings from fiscal 2011.

As a result of these endeavors, greenhouse gas emissions for fiscal 2010 amounted 296,890 tons of CO_2 [2], a falloff of 2% from the previous fiscal year. Nevertheless, this only represented a decrease of 8.2% compared to fiscal 2006 in terms of basic units of sales, against a target of 9.5%.

The target for fiscal 2011 is a 10% reduction compared to fiscal 2006 levels. We aim for lower electricity usage through more efficient data center operation, new upgrades to air-conditioning facilities, and further promotion of the visualization of energy savings at offices.

[1] Green NTT: An initiative promoted by the NTT Group to further renewable energy sources focusing on solar power systems. To this end, NTT Green LLP was established to install solar power systems. By 2012, the NTT Group plans to have an installed base totaling 5 megawatts.

[2] Converted value expressing the volume of electricity used. Conversion factor based on fiscal 2006 emissions factor (0.555 kg CO_2/kWh).

Reducing Waste for Final Disposal

During fiscal 2010, we continued to increase the amount of waste consigned to industrial waste disposal companies that have high recycling ratios, made efforts at each organizational unit toward thorough garbage separation, promoted recycling of wastepaper and carried out various other initiatives.

We refined the method of summation for general waste volumes at the Company's buildings and expanded the scope of facilities covered in aggregate calculations, leading to a net increase in waste generation. Accordingly, volumes for final disposal rose 3.7% during the year, to 417 tons. In terms of basic units of sales, this represents a reduction from fiscal 2006 of 39%, falling short of our target.

For fiscal 2011 and beyond, we are changing the definition of our targets from basic units of sales to total final disposal volumes, aiming for zero emissions in the medium to long term. In addition, we

have switched the reference year to fiscal 2009, which was the initial year of our focus on environmentally oriented management. During fiscal 2011, we are aiming for a 12% cut in final disposal volumes compared to fiscal 2009.

Reducing Copy Paper Purchased

Since fiscal 2010, we have set our copy paper reduction targets by organizational units, with quarterly feedback on purchased quantities and the use of computers to conduct paperless meetings. In addition, some organizations have freed staff from the constraints of conventional fixed-desk assignments and are eliminating bookshelves in favor of paperless offices.

Moreover, we progressed with reduction activities through the assignment of reduction targets to each organizational unit from fiscal 2010, with management spearheading publicity activities in the drive for paperless operations.

As a result, we purchased 269.78 million sheets of copy paper during the year, down 13.6% from fiscal 2006, achieving its target by a comfortable margin.

During fiscal 2011, we are switching our reference year to fiscal 2009, which was the initial year of our focus on environmentally oriented management. On this basis, we are setting an even more ambitious target of a 15% decline in copy paper purchasing compared with fiscal 2009 and shall continue to strive to this end.

The Greening of Customers and Society

Reducing the environmental impact of society through IT

During fiscal 2010, we revised the operability and other features of quantitative assessment tools for the reduction effect of the environmental impact due to the introduction of systems and services in order to boost their effectiveness.

In addition, we hosted three Environment-Related Seminars for Group employees during the year and disseminated information via our Green IT Portal site (updated bimonthly) to deepen understanding of the relationship between IT and the environment.

From fiscal 2011, we plan to differentiate among our two targets—reducing the environmental impact of society through IT and expanding the environmental solution business—and to promote various other measures and policies.

Environmental Contributions and Communications

Environmental Contribution Activities in Regional Communities

The NTT DATA Group also sets itself targets in terms of environmental contribution activities in regional communities. During fiscal 2010, we aimed for an execution rate of 90% by the organizations planning environmental contribution activities; in fact, all organizations implemented their programs as planned, rendering a success rate of 100%.

We have established target numbers of participants to promote environmental contribution activities in all organizations from fiscal 2011. With a figure for fiscal 2011 of 800 participants, we are aiming for involvement by approximately 10% of the total Group workforce—3,000 employees—for fiscal 2013.

Targets and Results 【Additional Topics】

Environmental Accounting

Aiming for Efficient and Effective Environmental Protection

In fiscal 2010, Group environmental cost comprised ¥3 million in investments and ¥1,070 million in expenses.

Costs within the business area were impacted by a ¥130 million rise in resource recycling costs compared with fiscal 2009, largely arising from cost-cutting measures focused on office paper, removal of kitchens, and removal work remaining from air-conditioning improvements in machine rooms. Investment in resource recycling costs, however, declined ¥35 million as a result of a decrease in construction work

Environmental Accounting Conservation Cost

(Millions of yen)

Ministry of the Environment's Environmental Accounting Guideline Categories	Major Initiatives	Fiscal 2009		Fiscal 2010	
		Investment	Expenses	Investment	Expenses
Business area costs		37.8	651.2	3.3	784.3
Pollution prevention costs	Asbestos countermeasures, PCB management, etc.	0.7	42.1	0.7	41.8
Global environment conservation costs	Implementation of energy conservation measures; measures to reduce CO_2 emissions through the introduction of outdoor-air cooling devices; elimination of specified chlorofluorocarbons in air conditioning equipment, etc.	0.0	0.0	0.0	0.0
Resource recycling costs	Inter-office waste disposal, construction waste countermeasures, business paper curtailment countermeasures, etc.	37.1	609.1	2.6	742.5
Upstream/downstream costs	Compliance with the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging	0.0	4.7	0.0	0.4
Administration costs	Labor costs related to environmental protection activities, ISO certification acquisition, building greening, environmental PR, etc.,	0.0	278.7	0.0	276.9
R&D costs	Environment-related R&D	0.0	0.0	0.0	0.4
Citizenship activity costs	Environmental contribution to regional communities	0.0	6.3	0.0	6.8
Total		37.8	940.9	3.3	1,068.8

Environmental Accounting Scope and Methods
 •**Applicable period:**   April 1, 2009, to March 31, 2010
 •**Scope of data:**   NTT DATA (all organizations) **/** 22 Group companies (domestic only)
 •**Accounting method:**
   Based on Ministry of the Environment and NTT Group Environmental Accounting Guidelines

Supporting Greenhouse Gas Emissions Countermeasures

Proposing systems that support emissions trading

Since the beginning of the first commitment period (2008–2012) of the Kyoto Protocol, which sets binding targets for reducing greenhouse gases emissions, Japan has actively pursued its 6% reduction target. In September 2009, the Japanese government also declared its intent to reduce greenhouse gas emissions by 25% compared with 1990 levels by 2020. Against this background, the emissions trading[1] of greenhouse gases has attracted particular attention.

Along with the development and operation of Japan's National Registry System[2] as the infrastructure for international emissions trading, NTT DATA develops and operates systems to manage emissions by companies voluntarily participating in Japan's Voluntary Emissions Trading Scheme run by the government.

In fiscal 2010, NTT DATA developed a function to link National Registry System data with that of the government's general electronic application system. This development makes it possible for companies to undertake some processes previously handled by the national government, which made government operations substantially more efficient and shortened the time required to transfer credits. We launched a service incorporating this function in March 2010.

We will continue to reduce and manage CO2 emissions in Japan by offering systems that support corporate emissions identification and trading.
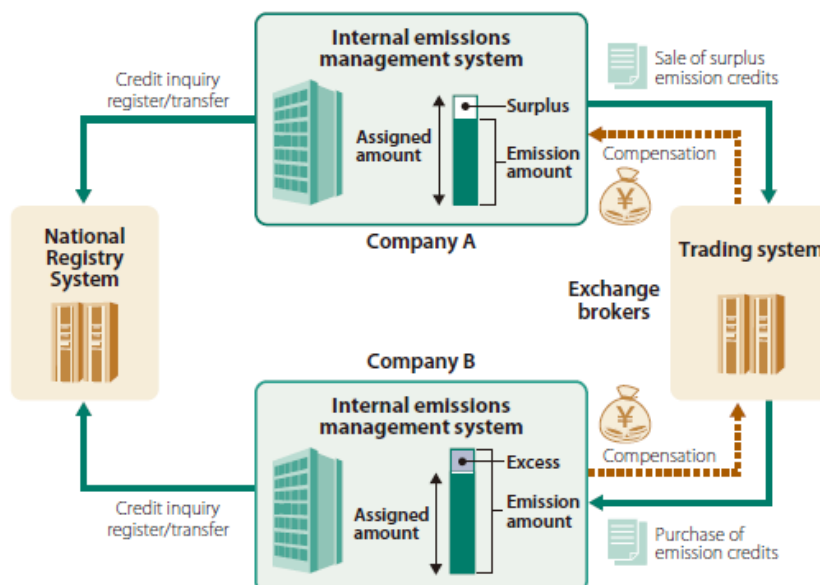
[1] Emissions trading:
Mechanism that enables countries and companies unable to achieve reduction targets directly to purchase credits from countries and companies that have reduced emissions beyond their targets.

[2] National Registry System:
A system to manage the possession and transfer of national and corporate credits as defined by the Kyoto Protocol. NTT DATA developed this system in 2002 under commission from Japan's Ministry of Economy, Trade and Industry (METI) and Ministry of the Environment. In November 2007, the system was linked to the international transaction log (ITL), which is managed by the United Nations Framework Convention on Climate Change (UNFCCC). This completion of links enabled the transfer of credits for emissions trading.

Greenhouse Gases Emissions Trading Support System

Development of a system to confirm the achievement of targets in the domestic integrated market for emissions trading

A system for Japan's trial emissions trading scheme in the domestic integrated market* was put into effect in October 2008 with the aim of harnessing market mechanisms to reduce CO_2 emissions.

Under commission from the Ministry of the Environment, in March 2009 NTT DATA completed development of and put into operation a system to confirm the achievement of targets. This system monitors participating companies' progress toward their emission reduction targets and manages emissions trading in the marketplace.

* Emissions trading in the domestic integrated market：.
This system was put in place to enable companies and other organizations to reach their voluntary emission reduction targets by trading credits for emissions beyond their domestic targets (credits), trading domestic credits produced by small and medium-sized companies to reduce their emissions, and trading Kyoto credits by reduced emissions on overseas projects.

Developing the Offsetting Credit scheme

At present, the United Nations employs Kyoto credits as carbon offsets, applied mainly to reduce overseas emissions, but demand is mounting to reduce domestic emissions, as well. In response, in November 2008 Japan's Ministry of the Environment established the Offsetting Credit (J-VER) scheme to certify the carbon offset credits acquired by reducing or absorbing greenhouse gas emissions on domestic projects.

The ministry commissioned NTT DATA to develop a system for issuing, storing, transferring and invalidating credits and handling other record-keeping aspects of this scheme. This system became operational in March 2009.

Helping EU countries link to the National Registry System through the ITL

To monitor international emissions trading, individual countries must link their national registry systems to the international transaction log (ITL).

In 2008, all EU national registry systems were linked to the ITL, enabling emissions trading between Japan and EU countries, as well as among nations within the European Union. NTT DATA participated in the process of testing the ITL links to Japan's national registry system and those of individual EU countries. Applying this experience, we also supported the UNFCCC secretariat's efforts in this regard.

As of March 31, 2010, 11 countries outside the European Union were connected with the ITL.

Promoting the greening of data centers with increased demand

In recent years, the energy consumed by server operation and the cooling of high-volume heat-generating equipment at data centers around the world has increased. To meet its responsibility as the largest data center operator by floor space in Japan, NTT DATA promotes the suppression of energy consumption and the reduction of CO_2 emissions at its data centers. We began providing Green Data Center services in January 2008 to reduce environmental impact and improve IT efficacy.

The Greening of Customers and Society 【Additional Topics】

This service comprises four individual services: the iDC, design and construction, housing, and shared IT platform services[*1], supporting the creation of new corporate value from environmental and IT perspectives.

From January 29 through October 30, 2009, we conducted testing on a high-voltage direct current power supply systems. Designed to reduce by up to 20% the amount of electricity consumed by data center power supplies, we verified an 18% total reduction in energy consumed by power sources, cooling systems and IT equipment. Through cooperation within the NTT Group, we are working toward the goal of using high-voltage direct current power supplies on commercial systems by the end of fiscal 2011.
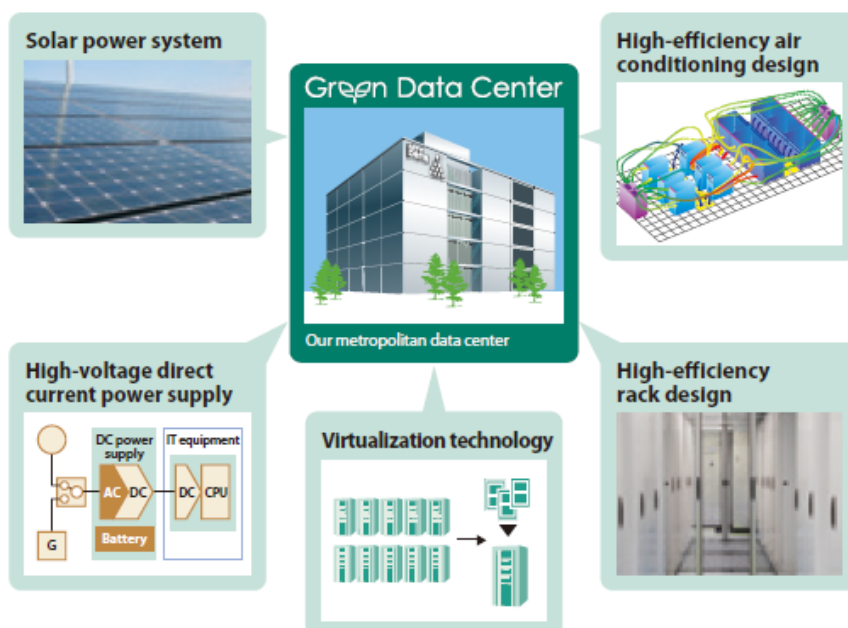
Attesting to the success of its Green Data Center service initiatives, NTT DATA received the Economy, Trade and Industry Minister's Prize in the Green IT Awards 2009. Describing our testing of high-voltage direct current power supplies, which are attracting attention throughout the world, a ministry representative accorded our efforts high praise, noting that the effort was "achieved on a large scale and with innovation and creativity "

Going forward, we will cultivate technical knowledge and expertise regarding energy efficiency in our data centers through the ongoing verification of elemental technologies. As a member of the Green Grid Association[*2], we also will participate in data center issue resolutions and the formulation of effective benchmarks from a global perspective.

[*1] Shared IT platform service: Rather than the conventional approach of having IT infrastructures for each system, this low-cost, simple and stable system shares an IT infrastructure over multiple systems. In addition to the hardware aspect, which includes buildings, networks and computers, this service shares operations and maintenance, and other software such as OS and middleware.

[*2] Green Grid Association: A global consortium (headquartered in Oregon, the United States) of IT companies and professionals seeking to improve energy efficiency in data centers and business computing ecosystems. In December 2007, NTT DATA joined this association, which seeks to standardize throughout the industry a common set of metrics, guidelines and indices.

Major Initiatives and Technologies Employed in the Green Data Center

Solar power system

Green Data Center
Our metropolitan data center

High-efficiency air conditioning design

High-voltage direct current power supply

Virtualization technology

High-efficiency rack design

The Greening of Customers and Society 【Additional Topics】

Saving and Using Natural Resources Efficiently

Contributing to office paper usage reduction with an authenticated print solution

In May 2009, NTT DATA began offering the inexpensive u:ma Authenticated Print solution for multiple vendors. Using the u:ma-G card reader, which can be used by a variety of smart cards, the user is authorized to easily print only the necessary material.

This helps prevent printing errors and neglecting documents of uncertain ownership, and reduces the risks of print job intermixing. This helps to reduce paper use by 20% (based on test figures provided by existing NTT DATA customers and other publicly announced results).

[PHOTO] u:ma authorization box and u:ma-G smart card reader

Environmental Contributions and Communications 【Additional Topics】

Environmental Contribution Activities

Contributing to regional conservation of nature through volunteer activities and website construction

Wildlife Information Center website

NTT DATA created the Wildlife Information Center, which gathers information on wildlife inhabiting local nature spots like Satoyama (urban woodlands) from across Japan. In March 2009, we donated the website to the Nature Conservation Society of Japan (NACS-J), which manages the site. This initiative is being carried out in support of NACS-J's activities aimed at protection of ecology and biodiversity for the development of a sustainable society as part of events to mark the 20th anniversary of NTT DATA's foundation.

The site, operated by NACS-J, aims to promote systematic regional nature conservation activities via analysis of observations of various living things from all over Japan that are cataloged on the Wildlife Information Center.

Currently, NACS-J is carrying out surveillance activities utilizing the Wildlife Information Center website, and in fiscal 2010 the organization investigated butterflies migrating northwards as a result of global warming. NTT DATA called for employees to cooperate in this research through its intranet.

It has been ascertained from information gathered via the Wildlife Information Center website that Great Mormon butterflies (*papilio memnon*), formerly only- found west of the Kinki region, have been sighted as far north as the Kanto region.

We plan to expand the scope of nature conservation activities in cooperation with NACS-J. As a first step, employees and their families will participate in a survey on exotic waterside species covering regions across Japan using the Wildlife Information Center website during fiscal 2011.

[PHOTO] The Wildlife Information Center website

Tokyo Greenship Action

Since fiscal 2009, the NTT DATA Group has participated in the Tokyo Greenship Action campaign. Through this program, the Tokyo metropolitan government, NPOs and companies work together to promote clean-up and maintenance activities at Satoyama and greenbelts in the Tokyo metropolitan area.

During fiscal 2010, this comprised two events: in June 2009, rice planting and other activities took place in the vicinity of the Yokosawairi Satoyama conservation area in Akiruno, Tokyo; in October 2009, participants engaged in clearing and thinning of the undergrowth in the Higashi Toyoda greenbelt, in the city of Hino, Tokyo. About twenty volunteers, comprising employees and their families, participated in each of these sessions.

We will continue and expand involvement in these activities, while proactively promoting participation among employees.

[PHOTO] Planting rice in Akiruno, Tokyo

[PHOTO] Undergrowth clearing and thinning in the city of Hino, Tokyo

Environmental Contribution Activities by Group Companies

【Hokuriku Region】

NTT DATA HOKURIKU CORPORATION

Took part in Clean Beach Ishikawa (proposed by FM Ishikawa; sponsored by the Ministry of the Environment Chubu Regional Environmental Bureau) in May 2009 (25 participants).

【Tokyo Metropolitan Area】

NTT DATA MSE CORPORATION

・Conducted commuter route clean-up activities each month in cooperation with enterprises in the Yokohama area where the company is headquartered (total of 16 participants).
・Carried out Clean Campaign activities twice a year with a labor union and NPOs (24 participants).

JSOL Corporation

Took part in Clean Day, organized by Tokyo's Chuo Ward, in May 2009, gathering trash from walkways and verges near the company's headquarters (15 participants).

Environmental Contributions and Communications 【Additional Topics】

NTT DATA FRONTIER CORPORATION

Joined a joint campaign of clean-up activities at five locations in Minato-ku, Tokyo, in June and September 2009 (27 participants).

NTT DATA SOFIA CORPORATION

Took part in the Tokyo Bay Clean-Up Campaign (waterfront cleaning) held by Minato Sports, Community, Culture and Health Foundation in September and November 2009 (26 participants).

NTT DATA SYSTEM TECHNOLOGIES INC.

Took part in the December 2009 biannual Clean Walk (cleaning of flower beds) as a Flower Supporter of NPO Hana Kaido (two participants).

【Tokai Region】
NTT DATA TOKAI CORPORATION

Carried out monthly clean-up activities in the vicinities of the Fushimi and Aoi buildings (total of 392 participants).

【Chugoku Region】
NTT DATA CHUGOKU CORPORATION

Joined in the Ota River Mass Clean-up, organized by City of Hiroshima Clean Ota River Executive Committee, in July 2009, involving a riverside trash-gathering walk (nine participants).

NTT DATA CHUGOKU CORPORATION and NTT DATA CUSTOMER SERVICE CORPORATION

Took part in the Peace Memorial Park Mass Clean-Up, organized by the City of Hiroshima in July 2009, in preparation for the Peace Ceremony (25 participants).

Environmental Contributions and Communications 【Additional Topics】

【Shikoku Region】
NTT DATA SHIKOKU CORPORATION

Participated in the Environmental Clean Challenge conducted by NTT WEST in cooperation with regional branches and local communities.
・November 2009, Mineyama Park (15 participants)
・December 2009, Dogo Park (20 participants)

【Kyushu Region】
NTT DATA KYUSHU CORPORATION

Participated in the "Love Earth Clean-up 2009," held by the Fukuoka City Environmental Bureau and NPO Clean Fukuoka no Kai in May 2009, collecting riverside and seashore trash (15 participants).

Environmental Communication

Various measures to help to boost environmental awareness

As part of its environmental awareness enhancement drive, the NTT DATA Group has solicited environmental senryu (satirical poems) from employees and their families since fiscal 2003. A selection of 12 of these submissions has been used to produce a calendar for distribution throughout the Group.

In fiscal 2010, the appeal received a total of 275 submissions. Further, from the standpoint of resource conservation we produced the calendar from paper derived from undergrowth thinning by the Morino Chonai-Kai (Forest Neighborhood Association).

In addition, as part of the Ministry of the Environment's CO_2 Reduction/Light-Down Campaign*, we extinguished lights at the Toyosu Center Building and the Toyosu Center Building Annex for the two hours between 20:00 and 22:00 on midsummer's day (Sunday, June 21) and Cool Earth Day (Tuesday, July 7). Company signs and other illuminations were also switched off at 17 Company-owned buildings across the country.

Beyond this, we disseminate information on Green IT to NTT DATA Group employees through the online Green IT Portal.

* The CO_2 Reduction/Light-Down Campaign has been promoted by the Ministry of the Environment to provoke thought about global warming since 2003. It calls for lights at illuminated facilities to be extinguished on midsummer's and other key days. Switching off the electricity in this way highlights the sensation that we are actually using lighting.

[PHOTO]　Calendar with environmental senryu (satirical poems)

Compliance 【Additional Topics】

【 **Detailed Report** 】 *Information from the third paragraph to the fifth paragraph is additional.

Report on bribes to a Japan Patent Office official by an NTT DATA employee

On June 22, 2010, an NTT DATA employee was arrested on suspicion of offering bribes to a Japan Patent Office official. The Company has been fully cooperative with the authorities with regard to this allegation, and on June 23, we established the internal investigation committee, headed by the President, to confirm the facts of the situation and to instigate an internal inquiry. Furthermore, on July 8 we formed the outside experts verification committee to make an objective verification of the findings of the internal investigation committee and consequent recurrence countermeasures.

Results of the investigation and subsequent verification confirmed that an NTT DATA employee provided taxi tickets and entertainment to a Japan Patent Office official over several years up to the end of 2009. It was deemed that during that period said employee violated in-house rules by deliberately manipulating procedures.

The importance of compliance is recognized individually by every organization. In the case of this incident, over-emphasis on maintaining close relationships with the customer (public official) resulted in improper behavior that continued over many years. The understanding and instilling of value judgments and the social impact of this employee's conduct was indisputably inadequate. The importance of compliance should be recognized by people engaged in public sector administration as a matter of course; on the other hand, the measures to promote and spread compliance awareness by the Company cannot be assumed to be sufficient. This incident can be considered against a background of camaraderie with the customer arising from long-term static personnel deployment (and consequent errors in judgment) among other factors.

Further, proper management was lacking in some parts of the organization of use of taxi tickets and entertainment expenses. This incident involved a case of this gap being used through deliberate manipulation, but there is also a need for revision of procedures and operations in terms of systems.

Moreover, in this incident the deliberate manipulation took place with a willing partner outside the Company, which was beyond the Company's expectations, so the framework for self-checking did not function effectively. With regard to checking functions through internal audits and other means, internal auditing of the responsible parties had not been conducted for several years because of organizational changes and other circumstances. Accordingly, this is an important issue in recurrence prevention in conjunction with improvements to internal audits.

In light of the above, NTT DATA has formulated various recurrence prevention countermeasures, including thorough compliance education, elimination of posts that could lead to abuse if held over extended periods, revision of procedures for and management of taxi tickets and entertainment allowances through the positive introduction of IT, reinforcement of the internal control system, and enhancement of internal audits. Moreover, on July 13, 2010, we established the Recurrence Prevention Countermeasures Management Committee to ensure the implementation of swift and conclusive steps to avoid such an incident happening again.

We made a Declaration of Compliance both internally and externally on September 6, that expressed our firm commitment to compliance. NTT DATA is treating the current incident with the utmost seriousness, and is steadily implementing corporate ethics incorporating recurrence prevention countermeasures and revisions to in-house systems and processes to prevent recurrence in a drive to restore trust and credibility at the earliest possible juncture.

Two detailed reports on this incident, compiling the "Investigation Report of the internal investigation committee" and the "Verification Report of the outside experts verification committee," have been posted online.
Related site: Investigation Report of the internal investigation committee/Verification Report of the outside experts verification committee (Japanese only)
http://www.nttdata.co.jp/whatsnew/2010090600.html

【 **Declaration of Compliance** 】

NTT DATA:
　・Will undertake fair and transparent business activities fully realizing social responsibilities
　　of the Company by self;
　・Will observe laws, contracts and in-house regulations, and encourage behavior
　　in accordance with a social good sense; and
　・Will build relationships with customers that are based on reasonable behavior,
　　aiming to realize a prosperous society in conjunction with its customers.

　　　　　　　　　　　　　　　　　　　　　　Toru Yamashita
　　　　　　　　　　　　　　　　　　　　　　President and CEO
　　　　　　　　　　　　　　　　　　　　　　NTT DATA CORPORATION

Compliance Promotion and Education

Conducting various training for employees of each organization unit and Group company

NTT DATA holds lectures on corporate ethics at position-based training sessions to foster compliance awareness. We also conduct compliance-related training tailored to individual business characteristics of the Group.

During fiscal 2010, we included corporate ethics lectures in the curricula for position-based training (six times, 2,300 participants) and training for new employees held jointly for Group companies (18 companies, 160 participants).

In addition, we provided an e-learning program and group training for NTT DATA employees and new training relating to contracts and legal affairs for Group company employees. These trainings were hosted five times with 450 participants, for each person involved in sales and legal affairs and successfully promoted understanding of practical response methods and points to remember when conducting business.

We will expand and improve the content of ongoing training relating to corporate ethics, contracts and legal affairs, including at Group companies.

CSR Infrastructure

Information Security 【Additional Topics】

Our Basic Stance

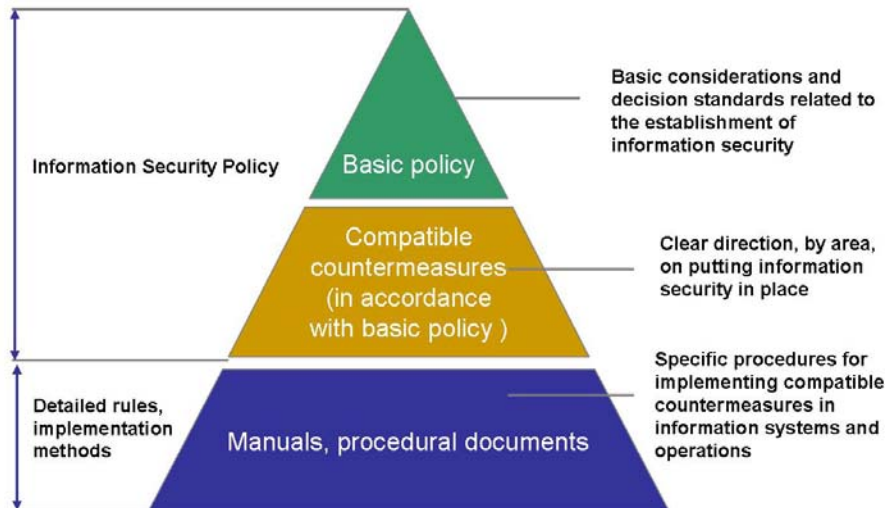### Pursuing a balance between information security and sharing

[CHART] Promoting the Safe Sharing of Knowledge
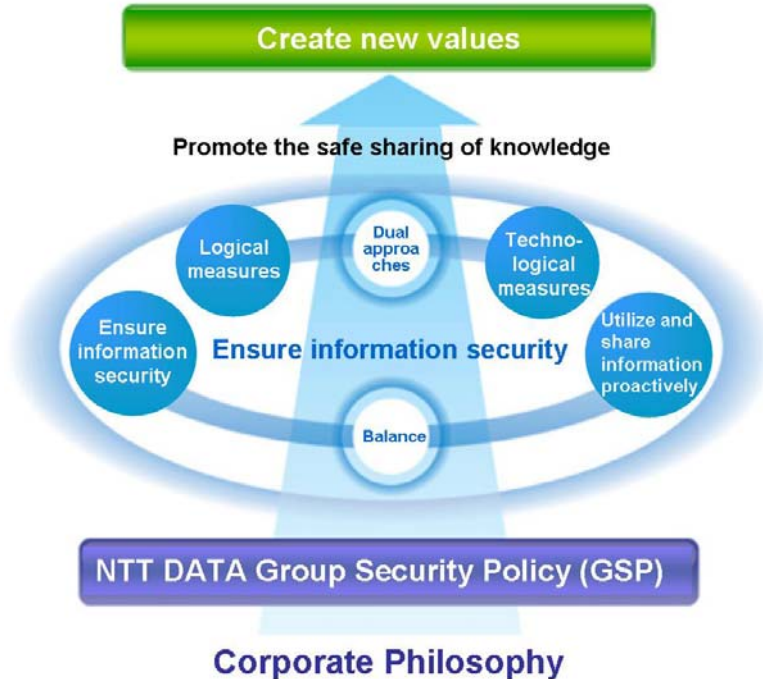
NTT DATA Group Unified Security Policy

Ensure that information is shared safely and smoothly through consistent information management in accordance with common rules.

[CHART] Information Security Policy Configuration

Information Security 【Additional Topics】

Information Security Management Structure

Preventing information leakage and divulgence when outsourcing

NTT DATA subcontracts software development to partner companies. When outsourcing involves confidential or personal information, we utilize a proprietary Security Check Sheet to confirm subcontractor security structures and security levels. In addition, we indicate required information security management levels and enter into contracts only after obtaining agreement with the terms of our Special Agreement on Confidential Information and Personal Information. Also, we periodically check the implementation status of security measures after contracts have been signed. If necessary, we conduct on-site investigations to prevent information leakage and divulgence.

[CHART] Flow of Management Process from Partner Company Selection to Contract Conclusion

Partner company selection

Confirm systems and implementation status of countermeasures → Indicate rules, confirm countermeasure levels

Post-outsourcing initiatives

Enter agreement → Conduct education and confirm promissory agreements → Receive periodic reporting from partner company → Perform spot inspections of partner company → Confirm information disposal → Conclude contract

Information Security Education and Awareness

Extending educational and promotional activities to employees and partner companies

NTT DATA pursues information security education through e-learning, classroom lectures and other forms of training for employees, temporary workers and business partners to ensure safe ongoing information security practices.

In fiscal 2010, to spread the NTT DATA Group Security Policy (GSP) among Group companies GSP Assessments* were conducted as a type of internal training. These assessments, deployed in Japanese, English and Chinese, were employed at approximately 30 Group companies.

In addition, GSP Internal Audit Training classes were held for Group information security audits. These classes were attended by 108 people from 44 Group companies.

In addition, we created an information security training handbook for employees of partner companies conducting NTT DATA Group business for the first time.

We will continue working to enhance information security throughout the Group through measures targeting individual employees' basic behaviors, ensuring that such measures are firmly in place.

*GSP Assessments: These assessments utilize e-learning to deepen understanding of NTT DATA's GSP. Each Group company deploys the system as needed to promote information security education among its employees.

[PHOTO] Group Security Policy promotional poster

Information Security 【Additional Topics】

Major Information Security Education during Fiscal 2010

Target	Contents and Format
All employees	Personal Information protection education (e-learning)
	Information security policy assessments (e-learning)
By position	Information security lectures
By work group	Information security case studies
Business partners, temporary workers	Personal Information protection education, information security education (provision of course materials, e-learning)

Principal Educational Activities Support for Group Companies during Fiscal 2010

Target	Contents and Format	No. of Participants
All employees	Provision of a GSP Assessment System, Introduction to GSP	In-house training incorporating this system implemented by approximately 30 Group companies
Personnel in charge of information security promotion	GSP Internal Auditor Training (classwork)	108 employees from 44 Group companies

Encouraging ISMS and Privacy Mark Certification

Acquiring ISMS, Privacy Mark and other third-party accreditations

Within the NTT DATA Group, necessary units that handle confidential and personal information hold ISO 27001 information security management system certification. As of February 28, 2010, the relevant departments of 36 NTT DATA Group companies, including NTT DATA, had acquired this certification.

In addition, NTT DATA and 24 other Group companies were authorized to use the Japan Information Processing Development Corporation's Privacy Mark.

Practical Use of Technological Measures

Adopting measures for the prevention of information leakage for all PCs used by employees in their work

As a technological measure to ensure thorough prevention of information leakage, since November 2005 NTT DATA has installed information leakage solution software, Total Security Fort (TSF), on the approximately 30,000 PCs used by NTT DATA employees in their work.

TSF can micromanage confidential data handling on an individual PC level by restricting the use of external hard disks and other external memory devices and the write capability to CD-ROMs, USB memories and other compact portable media, prohibiting running of Winny and other P2P software and

other imposing other restraints. Furthermore, TSF allows for flexible operations. For example, controls can be removed, such as by allowing information to be taken outside the Company as needed, subject to managerial permission.

As a result of these measures, NTT DATA provides benefits on two fronts: it prevents loss and theft of external memory media and information spillage or loss from within the Company arising from Winny and other software, while its operating flexibility provides active information utility and sharing.

Replacing PCs with thin-client terminals for transportation outside the Company

Since fiscal 2008, NTT DATA, in principle, has replaced PCs with thin-client terminals for work that involves transportation outside the Company, such as conducting sales activities.

Thin-client terminals are PCs that function by connecting to in-house networks via the Internet. No work-related data is saved to the terminals themselves. Data also cannot be written to USB memories and other external devices. These features radically reduce the risk of information leakage in the eventuality of loss or theft.

The thin-client terminal can be applied to teleworking, which is integral to work-style innovation.

We will investigate the introduction of technological measures for information safety applications.

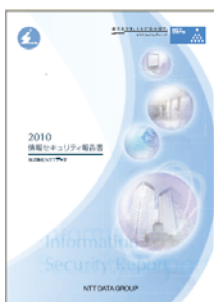### Issuing Information Security Reports

Publication of *Information Security Report 2010*

NTT DATA, as a company of professionals that provide value to customers through information systems and services, treats the customer data it handles with care and confidentiality. Moreover, we consider the disclosure of information about our information security initiatives also to be our responsibility. Accordingly, in March 2008 we became the first systems integrator to issue an information security report.

The *Information Security Report 2010,* issued in March 2010, was the second such publication. It outlines objectives, strategies and performance relating information security, as well as providing coverage from the standpoint of information security governance.

We plan to issue information security reports on a biannual basis, with the next due for publication at the end fiscal 2012.

[PHOTO] *Information Security Report 2010* (Japanese only)

Related website: *Information Security Reports*
http://www.nttdata.co.jp/corporate/csr/security/index.html