Note; This document is in English translation of "Kessan Tanshin" for the First Quarter of the Fiscal Year Ending March 31, 2019 and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation of it, the Japanese version will govern.

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2019 [IFRS]

August 3, 2018

Company name	: NTT DATA CORPORATION ("NTTDATA")
Stock exchange on which the Company's shares are listed	: Tokyo Stock Exchange 1st Section
Code number	: 9613
URL	: http://www.nttdata.com
Contacts Company representative	: Yo Honma, President and Chief Executive Officer
Person in charge	: Hiroshi Setoguchi, Senior Executive Manager, Investor Relations Office Tel.:+81-3-5546-8119
Scheduled date of filing of Quarterly Business Report	: August 8, 2018
Scheduled date of dividend payment	: -
Supplemental material on quarterly results	: Yes
Presentation on quarterly results	: Yes (for institutional investors and financial analysts)

(Amounts are rounded to the nearest 1 million yen)

1. Consolidated Financial Results in Q1 of FY2018 (From April 1, 2018 to June 30, 2018)

(1) Consolidated Results of Operations (accumulated total)

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

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders of NTT DATA		Comprehensive income attributable to shareholders of NTT DATA	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2018 Q1	505,240	7.4	29,141	10.8	30,204	12.1	20,809	23.1	43,948	87.4
FY2017 Q1	470,322	-	26,305	-	26,940	-	16,907	-	23,454	-

	Net income per share	Net income per share (diluted)
	¥	¥
FY2018 Q1	14.84	-
FY2017 Q1	12.05	-

Note: Conducted stock split which shall split of common stock at a ratio of 1:5 as of the effective date of July 1, 2017. For net income per share, calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to shareholders of NTT DATA	Equity ratio attributable to shareholders of NTT DATA
	¥ million	¥ million	¥ million	%
FY2018 Q1	2,243,502	900,457	867,050	38.6
FY2017	2,270,203	860,506	826,179	36.4

2. Dividends

	Cash dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
	¥	¥	¥	¥	¥
FY2017	—	7.50	—	7.50	15.00
FY2018	—				
FY2018 (Forecast)		8.50	—	8.50	17.00

Notes: Revisions to the forecasts of dividends announced most recently: No

3. Forecasts of Consolidated Results for FY2018 (From April 1, 2018 to March 31, 2019)

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

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders of NTT DATA		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	2,100,000	3.0	142,000	15.3	141,000	14.9	90,000	9.2	64.17

Notes: Revisions to the forecasts of consolidated results announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the period : No
(Changes in specified subsidiaries resulting in the change in consolidation scope)

(2) Changes in accounting policies, changes in accounting estimates
1) Changes in accounting policies required by IFRS : Yes
2) Changes in accounting policies other than 1) : No
3) Changes in accounting estimates : No

(3) Number of shares outstanding (common stock)
1) Number of shares outstanding (inclusive of treasury stock) FY2018 Q1 1,402,500,000shares FY2017 1,402,500,000shares
2) Number of treasury stock FY2018 Q1 953shares FY2017 953shares
3) Average number of shares over period (consolidated total for quarter) FY2018 Q1 1,402,499,047shares FY2017 Q1 1,402,499,505shares

Note: Conducted stock split which shall split of common stock at a ratio of 1:5 as the effective date of July 1, 2017. The number of the shares are calculated on the assumption of that the stock split was conducted at the beginning of the previous consolidated fiscal year.

* "Kessan Tanshin" is an unaudited financial report.
* Explanations relating to the appropriate use of results forecasts, and other noteworthy items
1. NTT DATA has adopted the International Financial Reporting Standards (IFRS) since the first quarter of FY2018. Financial information for the date of transition to IFRS and the previous fiscal year is presented in accordance with IFRS. For differences between IFRS and JGAAP regarding financial figures, please refer to "2. Condensed Quarterly Consolidated Financial Statements and major notes, (4) Notes to Condensed Quarterly Consolidated Financial Statements (First-Time Adoption of IFRS)".
2. The results forecasts contained in this document are based on certain premises derived from information available to the NTT DATA Group at this time. As a result of various factors that may arise in the future, actual results may differ from the Group's forecasts.
3. Supplemental material on quarterly results will be uploaded on TDnet today, and will also be uploaded on our homepage. Presentation on quarterly results will be held today. This report will be uploaded on our homepage soon.
4. Products and services referred to on this report (including the attachment) are trademarks or registered trademarks of NTT DATA or other companies.

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1. Matters on Summary Information (Notes)

(1) Changes in accounting policies

(Changes in accounting policies)

From the beginning of the period (April 1, 2018), the NTTDATA Group has adopted IFRS 9 "Financial Instruments" issued in July 2014 (hereinafter referred to as IFRS 9).In accordance with the application of exemption provision of IFRS 7 "Financial Instruments: Disclosure" (hereinafter referred to as IFRS 7) based on IFRS 1 "Application of International Financial Reporting Standards for the First Time" (hereinafter referred to as IFRS 1) and IFRS 9, we do not restate past periods.

The Group had complied with an accounting standard which is generally accepted as fair and valid in Japan (hereinafter referred to as JGAAP) on the transition date and during the previous fiscal year, and has processed the difference of book values as of the beginning of the current term under JGAAP and IFRS 9 as adjustments to retained earnings, other capital components and non-controlling interests. The Group has applied the changes in accounting policies to financial assets and liabilities that it possessed at the beginning of the current term and those acquired in the current term. Cumulative effects after applying IFRS 9 as of the beginning of the current term are: increase of 10.84 billion yen in “other financial assets”, decrease of 3.16 billion yen in “deferred tax assets”, increase of 3.416 billion yen in “retained earnings” and increase of 3.354 billion yen in “other capital components”. Except for these, the effects of changes in accounting policies are minor. In addition, the effects on “net income” and “net income per share” for the current consolidated fiscal year are immaterial.

2. Condensed Quarterly Consolidated Financial Statements and major notes

(1) Condensed Quarterly Statement of Financial Position

（Unit: ¥ million）

	As of April 1, 2017 (Date of transition to IFRS)	As of March 31, 2018	As of June 30, 2018
Assets			
Current assets			
Cash and cash equivalents	253,984	190,070	194,270
Trade and other receivables	450,081	485,363	403,535
Contract asset	73,612	81,948	84,118
Inventories	14,059	21,543	20,674
Other financial assets	13,588	11,895	14,212
Other current assets	57,302	59,631	70,787
Total current assets	862,626	850,450	787,596
Non-current assets			
Property, plant and equipment	316,843	348,398	348,420
Goodwill	342,378	335,887	345,913
Intangible fixed assets	430,348	431,412	434,616
Investment property	28,462	27,384	27,244
Investments accounted for using the equity method	6,591	6,831	6,596
Other financial assets	106,685	138,223	165,405
Deferred tax assets	114,171	95,757	89,467
Other non-current assets	33,439	35,860	38,245
Total non-current assets	1,378,917	1,419,752	1,455,906
Total assets	2,241,543	2,270,203	2,243,502

(Unit: ¥ million)

	As of April 1, 2017 (Date of transition to IFRS)	As of March 31, 2018	As of June 30, 2018
Liabilities			
Current liabilities			
Trade and other payables	292,779	307,885	269,162
Advance received	185,847	213,791	216,128
Bonds and borrowings	318,254	97,413	96,359
Other financial liabilities	3,094	23,111	3,690
Income taxes payable	31,037	26,213	13,423
Provisions	6,072	7,935	5,667
Other current liabilities	38,741	30,870	33,368
Total current liabilities	875,824	707,217	637,795
Non-current liabilities			
Bonds and borrowings	328,591	468,860	466,210
Other financial liabilities	8,762	10,936	13,954
Defined benefit liabilities	189,193	199,849	202,089
Provisions	2,692	3,208	3,250
Deferred tax liabilities	27,921	7,710	6,837
Other non-current liabilities	9,257	11,916	12,909
Total non-current liabilities	566,415	702,479	705,251
Total liabilities	1,442,239	1,409,696	1,343,046
Equity			
Equity attributable to shareholders of NTT DATA			
Capital stock	142,520	142,520	142,520
Capital surplus	119,301	116,193	116,205
Retained earnings	466,950	528,601	543,120
Treasury shares	(1)	(1)	(1)
Other components of equity	39,779	38,865	65,206
Total equity attributable to shareholders of NTT DATA	768,550	826,179	867,050
Non-controlling interests	30,754	34,327	33,407
Total equity	799,304	860,506	900,457
Total liabilities and equity	2,241,543	2,270,203	2,243,502

(2) Condensed Quarterly Statement of Income and Condensed Quarterly Statement of Comprehensive Income

Condensed Quarterly Statement of Income (Unit: ¥ million)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	470,322	505,240
Cost of sales	355,263	378,416
Gross profit	115,059	126,824
Selling, general and administrative expenses	88,754	97,683
Operating income	26,305	29,141
Financial income	2,064	2,381
Financial costs	1,563	1,499
Share of profit/loss of entities for using equity method	134	181
Income before income taxes	26,940	30,204
Income taxes	(9,484)	(9,215)
Net income	17,455	20,989
Net income attributable to		
Shareholders of NTT DATA	16,907	20,809
Non-controlling interests	548	180
Total	17,455	20,989
Net income per share attributable to shareholders of NTT DATA		
Net income per share (yen)	12.05	14.84

Condensed Quarterly Statement of Comprehensive Income

（Unit: ¥ million）

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net income	17,455	20,989
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Profit/Loss from investments in equity instruments designated at fair value through other comprehensive income	1,611	9,782
Remeasurements of defined benefit plans	(217)	129
Share of other comprehensive income of entities accounted for using equity method	0	0
Items that may be reclassified subsequently to profit/loss		
Cash flow hedges	53	(324)
Hedges cost	—	268
Foreign currency translation adjustment	5,190	13,237
Share of other comprehensive income of entities accounted for using equity method	(52)	(86)
Total other comprehensive income	6,585	23,006
Comprehensive income	24,040	43,995
Comprehensive income attributable to:		
Shareholders of NTT DATA	23,454	43,948
Non-controlling interests	586	46
Total	24,040	43,995

(3)Condensed Quarterly Consolidated Statement of Changes in Equity

(Three months ended June 30, 2017)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA							
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other	Total	Non-controlling interests	Total equity
As of April 1, 2017	142,520	119,301	466,950	(1)	39,779	768,550	30,754	799,304
Comprehensive income								
Net income			16,907			16,907	548	17,455
Other comprehensive income					6,547	6,547	38	6,585
Comprehensive income	—	—	16,907	—	6,547	23,454	586	24,040
Transactions with shareholders								
Dividends of surplus			(11,220)			(11,220)	(1,059)	(12,279)
Transfer to retained earnings			(195)		195	—		—
Increase/decrease by business combination						—	87	87
Other		(752)	(117)			(870)	194	(676)
Total transactions with shareholders	—	(752)	(11,532)	—	195	(12,090)	(779)	(12,869)
As of June 30, 2017	142,520	118,549	472,325	(1)	46,521	779,915	30,561	810,476

(Three months ended June 30, 2018)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA							
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other	Total	Non-controlling interests	Total equity
As of April 1, 2018	142,520	116,193	528,601	(1)	38,865	826,179	34,327	860,506
Cumulative effect of first-time adoption of IFRS 9			3,416		3,354	6,770	328	7,099
Restarted balance (As of April 1, 2018)	142,520	116,193	532,018	(1)	42,220	832,949	34,656	867,605
Comprehensive income								
Net income			20,809			20,809	180	20,989
Other comprehensive income					23,139	23,139	(134)	23,006
Comprehensive income	—	—	20,809	—	23,139	43,948	46	43,995
Transactions with shareholders								
Dividends of surplus			(10,519)			(10,519)	(682)	(11,201)
Transfer to retained earnings			153		(153)	—		—
Net changes in controlled subsidiaries' stocks		(272)				(272)	(627)	(899)
Other		283	660			943	14	957
Total transactions with shareholders	—	11	(9,706)	—	(153)	(9,847)	(1,295)	(11,143)
As of June 30, 2018	142,520	116,205	543,120	(1)	65,206	867,050	33,407	900,457

(4) Notes to Condensed Quarterly Consolidated Financial Statements

(First-Time Adoption of IFRS)

(1) Transition to financial reporting based on IFRS requirements

Beginning with the first quarter of fiscal year 2018, the NTT DATA Group (hereafter, "the Group") discloses its condensed quarterly consolidated financial statements in compliance with the IFRS. Its most recent consolidated financial statements (for the period from April 1, 2017 to March 31, 2018) were issued in compliance with JGAAP, and the transition to IFRS was implemented as of the transition date of April 1, 2017.

IFRS 1 (First-Time Adoption of IFRS) requires that companies adopting the IFRS for the first time apply new rules retrospectively, to periods before the transition. However, there are certain exceptions in retrospective application, either voluntary or mandatory. The Group adjusted for inconsistencies caused in complying with this requirement by modifying retained earnings and other capital components, as of the transition date.

The voluntary exemptions that NTT DATA availed itself of are as follows:

1) Business combinations

Under IFRS 1, companies are allowed to apply IFRS 3 retrospectively to all business combinations that took place before the transition date or apply IFRS 3 only to specific business combinations taking place on the transition date or prior dates.
NTT DATA has elected to apply IFRS 3 to business combinations taking place from the transition date.

2) Foreign currency translation differences for foreign operation

Under IFRS 1, first-time adopters of the IFRS are allowed to elect to either deem cumulative translation adjustments from foreign operations as of the transition date as zero, or restate translation differences retrospectively to the date of establishment or acquisition of their foreign businesses. NTT DATA has elected to deem any previous foreign currency translation differences booked as of the transition date, as zero.

3) Use of deemed cost

Under IFRS 1, first-time adopters have an option to use fair value as of the transition date, as current deemed cost for properties, plants and equipment. NTT DATA opted to use fair value as of the transition date, as current deemed cost for some of its properties, plants and equipment.

4) Borrowing costs

IFRS 1 allows first time adopters of the IFRS to choose not to apply IAS 23 Borrowing Costs for borrowing expenses related to qualifying assets recognized before the transition date. The Group has elected not to apply IAS 23 Borrowing Costs for borrowing expenses related to qualifying assets recognized before the transition date.

5) Designation of financial instruments

Under IFRS 1, the Group had an option to designate any changes in the fair value of its equity instruments as "fair value through other comprehensive income (FVTOCI)" financial assets, if deemed appropriate based on the facts and circumstances of these financial instruments as of the beginning of the current term (April 1, 2018). NTT DATA has elected to designate its equity

instruments as FVTOCI financial assets based on the facts and circumstances of these financial instruments as of the beginning of the current term (April 1, 2018).

6) Revenue

Under IFRS 1, first-time adopters of the IFRS are eligible for transitional relief provided in IFRS 15.C5. NTT DATA has elected to apply IFRS 15 retrospectively, while resorting to the practical expedient provided for in IFRS 15.C5(d), which exempts an entity from 1) disclosing any information about the amount of transaction price allocated to the performance obligations that are not satisfied; and 2) providing an explanation of when it expects to recognize this amount as revenue, for reporting periods before the current consolidated fiscal year (i.e., the first IFRS reporting period for the Group).

7) IFRS 9: Exemption from restatement of comparative period financial statements

Under IFRS 1, if the first reporting period of a first-time adopter of the IFRS begins before January 1, 2019, and if applying IFRS 9 (2014 version), such adopter is not required to restate comparative period financial statements regarding items mentioned in IFRS 9, in compliance with IFRS 7 and IFRS 9, and thus, is allowed to apply the previous accounting standards to these items.

Using this exemption, the Group applies the JGAAP in recognizing and measuring items mentioned in IFRS 9 in the consolidated financial statements for comparative periods.

(2) Adjustments in shifting from JGAAP to IFRS

In shifting to the IFRS, NTT DATA has adjusted values reported in consolidated financial statements based on the JGAAP. The effects that the Group's shift to the IFRS may have on its financial position, business results, and cash flows are explained in the table below and in the notes to the table.

Included in the "reclassification" column of the table are items that are irrelevant to equity and comprehensive income, while "differences in recognition and measurement" represents items affecting equity and comprehensive income.

Adjustments of equity at the date of transition to IFRS (April 1, 2017)

（Unit: ¥ million）

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Assets							Assets
Current assets							Current assets
Cash and deposits	212,459	47,580	(6,054)	—	253,984		Cash and cash equivalents
Notes and accounts receivable - trade	458,086	(3,494)	(5,683)	1,172	450,081		Trade and other receivables
Lease receivables and investment assets	28,085	(28,085)	—	—	—		
	—	49,444	8,419	15,748	73,612		Contract asset
Inventories	31,211	—	—	(17,152)	14,059		Inventories
Securities	4,303	8,871	414	—	13,588		Other financial assets
Allowance for doubtful accounts	(3,740)	3,740	—	—	—		
Deposits paid	55,809	(55,809)	—	—	—		
Other	79,636	(22,479)	104	42	57,302		Other current assets
Deferred tax assets	32,062	(32,062)	—	—	—		
Total current assets	897,910	(32,294)	(2,800)	(190)	862,626		Total current assets
Non-current assets							Non-current assets
Property, plant and equipment	356,860	(28,377)	(6,697)	(4,943)	316,843	(c)	Property, plant and equipment
Intangible assets (Goodwill)	315,261	—	29,648	(2,531)	342,378	(b)	Goodwill
Intangible assets (except for Goodwill)	462,022	—	(31,446)	(228)	430,348	(d)	Intangible fixed assets
Net defined benefit asset	5,604	(5,604)	—	—	—		
	—	28,377	84	—	28,462		Investment property
Investment securities	86,834	(80,243)	—	—	6,591		Investments accounted for using the equity method
	—	105,978	813	(106)	106,685		Other financial assets
Deferred tax assets	60,803	32,062	6,116	15,190	114,171	(e)	Deferred tax assets
Other	54,419	(20,885)	(94)	—	33,439		Other non-current assets
Allowance for doubtful accounts	(773)	773	—	—	—		
Total non-current assets	1,341,031	32,080	(1,577)	7,383	1,378,917		Total non-current assets
Total assets	2,238,941	(214)	(4,376)	7,192	2,241,543		Total assets

（Unit: ¥ million）

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Liabilities							Liabilities
Current liabilities							Current liabilities
Accounts payable – trade	138,453	115,555	4,245	34,526	292,779	(f)	Trade and other payables
Advances received	180,827	973	4,178	(132)	185,847		Advance received
Short-term loans payable	213,160	103,458	1,636	—	318,254		Bonds and borrowings
Current portion of long-term loans payable	53,462	(53,462)	—	—	—		
Current portion of bonds	49,997	(49,997)	—	—	—		
	—	3,037	56	—	3,094		Other financial liabilities
Income taxes payable	35,917	(367)	(4,512)	—	31,037		Income taxes payable
Provision for loss on order received	3,452	(3,452)	—	—	—		
	—	5,712	361	(1)	6,072		Provisions
Other	158,352	(121,706)	(2,142)	4,237	38,741	(g)	Other current liabilities
Total current liabilities	833,620	(247)	3,822	38,629	875,824		Total current liabilities
Non-current liabilities							Non-current liabilities
Bonds payable	160,075	168,618	(102)	—	328,591		Bonds and borrowings
Long-term loans payable	168,618	(168,618)	—	—	—		
	—	7,363	(12)	1,411	8,762		Other financial liabilities
Net defined benefit liability	186,788	—	199	2,205	189,193	(h)	Defined benefit liabilities
Provision for directors' retirement benefits	876	(876)	—	—	—		
	—	2,693	—	(1)	2,692		Provisions
Deferred tax liabilities	30,367	832	(3,258)	(21)	27,921		Deferred tax liabilities
Other	24,881	(9,979)	(2,915)	(2,730)	9,257		Other non-current liabilities
Total non-current liabilities	571,606	33	(6,088)	864	566,415		Total non-current liabilities
Total liabilities	1,405,225	(214)	(2,266)	39,494	1,442,239		Total liabilities
Net assets							Equity
Capital stock	142,520	—	—	—	142,520		Capital stock
Capital surplus	141,048	—	—	(21,747)	119,301		Capital surplus
Retained earnings	501,369	—	4,690	(39,109)	466,950	(k)	Retained earnings
Treasury shares	(1)	—	—	—	(1)		Treasury shares
Accumulated other comprehensive income	17,211	—	(6,801)	29,369	39,779		Other components of equity
Non-controlling interests	31,568	—	1	(815)	30,754		Non-controlling interests
Total net assets	833,716	—	(2,110)	(32,301)	799,304		Total equity
Total liabilities and net assets	2,238,941	(214)	(4,376)	7,192	2,241,543		Total liabilities and equity

Adjustments of equity as of June 30, 2017

（Unit: ¥ million）

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Assets							Assets
Current assets							Current assets
Cash and deposits	186,489	7,721	—	—	194,211		Cash and cash equivalents
Notes and accounts receivable - trade	377,441	(14,497)	83	709	363,737		Trade and other receivables
Lease receivables and investment assets	25,984	(25,984)	—	—	—		
	—	55,755	1,845	23,215	80,814		Contract asset
Inventories	44,532	(1,288)	—	(25,911)	17,334		Inventories
Securities	9,120	2,919	410	—	12,448		Other financial assets
Allowance for doubtful accounts	(4,455)	4,455	—	—	—		
Deposits paid	10,000	(10,000)	—	—	—		
Other	84,231	(18,882)	(500)	(77)	64,771		Other current assets
Deferred tax assets	28,662	(28,662)	—	—	—		
Total current assets	762,006	(28,464)	1,837	(2,064)	733,315		Total current assets
Non-current assets							Non-current assets
Property, plant and equipment	363,444	(28,094)	(6,450)	(4,804)	324,096	(c)	Property, plant and equipment
Intangible assets (Goodwill)	312,898	—	28,760	5,176	346,835	(b)	Goodwill
Intangible assets (except for Goodwill)	458,875	—	(28,086)	756	431,545	(d)	Intangible fixed assets
Net defined benefit asset	5,740	(5,740)	—	—	—		
	—	28,094	84	—	28,179		Investment property
Investment securities	89,957	(84,026)	—	—	5,930		Investments accounted for using the equity method
	—	111,251	—	—	111,251		Other financial assets
Deferred tax assets	57,795	28,662	10,670	14,843	111,970	(e)	Deferred tax assets
Other	56,749	(22,233)	28	(17)	34,527		Other non-current assets
Allowance for doubtful accounts	(750)	750	—	—	—		
Total non-current assets	1,344,708	28,662	5,008	15,955	1,394,333		Total non-current assets
Total assets	2,106,714	198	6,845	13,891	2,127,648		Total assets

（Unit: ¥ million）

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Liabilities							Liabilities
Current liabilities							Current liabilities
Accounts payable – trade	110,276	117,855	867	34,539	263,536	(f)	Trade and other payables
Advances received	197,395	3,531	285	(2,072)	199,140		Advance received
Short-term loans payable	67,488	58,578	—	—	126,066		Bonds and borrowings
Current portion of long-term loans payable	8,580	(8,580)	—	—	—		
Current portion of bonds	49,997	(49,997)	—	—	—		
	—	4,222	455	—	4,677		Other financial liabilities
Income taxes payable	11,767	—	345	1	12,113		Income taxes payable
Provision for loss on order received	2,126	(2,126)	—	—	—		
	—	3,703	180	—	3,883		Provisions
Other	159,046	(126,247)	(949)	3,419	35,269	(g)	Other current liabilities
Total current liabilities	606,676	938	1,182	35,887	644,683		Total current liabilities
Non-current liabilities							Non-current liabilities
Bonds payable	160,077	273,664	—	—	433,741		Bonds and borrowings
Long-term loans payable	273,664	(273,664)	—	—	—		
	—	9,041	—	—	9,041		Other financial liabilities
Net defined benefit liability	190,008	—	213	2,508	192,729	(h)	Defined benefit liabilities
Provision for directors' retirement benefits	752	(752)	—	—	—		
	—	2,417	—	—	2,417		Provisions
Deferred tax liabilities	22,164	11	1,663	24	23,862		Deferred tax liabilities
Other	22,173	(11,457)	(16)	—	10,700		Other non-current liabilities
Total non-current liabilities	668,838	(741)	1,859	2,532	672,489		Total non-current liabilities
Total liabilities	1,275,514	198	3,041	38,420	1,317,172		Total liabilities
Net assets							Equity
Capital stock	142,520	—	—	—	142,520		Capital stock
Capital surplus	141,048	—	—	(22,499)	118,549		Capital surplus
Retained earnings	498,135	—	4,296	(30,106)	472,325	(k)	Retained earnings
Treasury shares	(1)	—	—	—	(1)		Treasury shares
Accumulated other comprehensive income	18,193	—	(491)	28,820	46,521		Other components of equity
Non-controlling interests	31,305	—	—	(744)	30,561		Non-controlling interests
Total net assets	831,200	—	3,804	(24,529)	810,476		Total equity
Total liabilities and net assets	2,106,714	198	6,845	13,891	2,127,648		Total liabilities and equity

Adjustments of equity as of March 31, 2018

（Unit: ¥ million）

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Assets							Assets
Current assets							Current assets
Cash and deposits	186,616	3,454	—	—	190,070		Cash and cash equivalents
Notes and accounts receivable - trade	504,632	(15,640)	(1,111)	(2,518)	485,363		Trade and other receivables
Lease receivables and investment assets	26,525	(26,525)	—	—	—		
	—	62,479	1,191	18,279	81,948		Contract asset
Inventories	41,166	(32)	—	(19,591)	21,543		Inventories
Securities	2,298	9,597	—	—	11,895		Other financial assets
Allowance for doubtful accounts	(3,218)	3,218	—	—	—		
Deposits paid	12,001	(12,001)	—	—	—		
Other	85,194	(24,788)	—	(775)	59,631		Other current assets
Deferred tax assets	30,212	(30,212)	—	—	—		
Total current assets	885,426	(30,450)	80	(4,605)	850,450		Total current assets
Non-current assets							Non-current assets
Property, plant and equipment	380,350	(27,305)	(375)	(4,273)	348,398	(c)	Property, plant and equipment
Intangible assets (Goodwill)	311,658	—	—	24,229	335,887	(b)	Goodwill
Intangible assets (except for Goodwill)	430,423	—	295	694	431,412	(d)	Intangible fixed assets
Net defined benefit asset	6,932	(6,932)	—	—	—		
	—	27,305	80	—	27,384		Investment property
Investment securities	112,803	(105,972)	—	—	6,831		Investments accounted for using the equity method
	—	134,650	—	3,573	138,223		Other financial assets
Deferred tax assets	50,120	30,212	91	15,335	95,757	(e)	Deferred tax assets
Other	57,300	(22,480)	1,040	—	35,860		Other non-current assets
Allowance for doubtful accounts	(734)	734	—	—	—		
Total non-current assets	1,348,852	30,212	1,131	39,558	1,419,752		Total non-current assets
Total assets	2,234,278	(239)	1,210	34,953	2,270,203		Total assets

（Unit: ¥ million）

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Liabilities							Liabilities
Current liabilities							Current liabilities
Accounts payable – trade	145,372	125,023	767	36,722	307,885	(f)	Trade and other payables
Advances received	209,747	5,251	248	(1,455)	213,791		Advance received
Short-term loans payable	46,846	50,567	—	—	97,413		Bonds and borrowings
Current portion of long-term loans payable	567	(567)	—	—	—		
Current portion of bonds	50,000	(50,000)	—	—	—		
	—	23,111	—	—	23,111		Other financial liabilities
Income taxes payable	26,212	—	—	0	26,213		Income taxes payable
Provision for loss on order received	5,760	(5,760)	—	—	—		
	—	7,935	—	—	7,935		Provisions
Other	181,468	(155,001)	(248)	4,651	30,870	(g)	Other current liabilities
Total current liabilities	665,972	559	767	39,919	707,217		Total current liabilities
Non-current liabilities							Non-current liabilities
Bonds payable	110,081	358,779	—	—	468,860		Bonds and borrowings
Long-term loans payable	358,779	(358,779)	—	—	—		
	—	9,483	—	1,453	10,936		Other financial liabilities
Net defined benefit liability	197,924	—	—	1,925	199,849	(h)	Defined benefit liabilities
Provision for directors' retirement benefits	909	(909)	—	—	—		
	—	3,208	—	—	3,208		Provisions
Deferred tax liabilities	7,142	112	712	(255)	7,710		Deferred tax liabilities
Other	24,607	(12,691)	—	—	11,916		Other non-current liabilities
Total non-current liabilities	699,442	(798)	712	3,123	702,479		Total non-current liabilities
Total liabilities	1,365,414	(239)	1,479	43,042	1,409,696		Total liabilities
Net assets							Equity
Capital stock	142,520	—	—	—	142,520		Capital stock
Capital surplus	140,977	—	—	(24,784)	116,193		Capital surplus
Retained earnings	537,369	—	317	(9,084)	528,601	(k)	Retained earnings
Treasury shares	(1)	—	—	—	(1)		Treasury shares
Accumulated other comprehensive income	12,995	—	(585)	26,456	38,865		Other components of equity
Non-controlling interests	35,004	—	—	(677)	34,327		Non-controlling interests
Total net assets	868,863	—	(268)	(8,089)	860,506		Total equity
Total liabilities and net assets	2,234,278	(239)	1,210	34,953	2,270,203		Total liabilities and equity

Adjustments of profit/loss and comprehensive income for three months ended June 30, 2017

（Unit: ¥ million）

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Net sales	540,466	—	(79,698)	9,554	470,322		Net sales
Cost of sales	413,548	22	(66,564)	8,257	355,263		Cost of sales
Gross profit	126,918	(22)	(13,134)	1,297	115,059		Gross profit
Selling, general and administrative expenses	104,747	4,766	(13,295)	(7,464)	88,754	(b)	Selling, general and administrative expenses
Operating income	22,171	(4,766)	161	8,761	26,305		Operating income
Non-operating income	3,281	(3,281)	—	—	—		
Non-operating expenses	3,010	(3,010)	—	—	—		
Ordinary income	22,442	(22,442)	—	—	—		
Extraordinary losses	4,945	(4,945)	—	—	—		
	—	2,184	(121)	1	2,064		Financial income
	—	2,322	(423)	(336)	1,563		Financial costs
	—	252	(118)	—	134		Share of profit/loss of entities for using equity method
Income before income taxes	17,496	—	346	9,097	26,940		Income before income taxes
Total income taxes	8,868	—	116	500	9,484		Income taxes
Net income	8,628	—	230	8,598	17,455		Net income
Net income attributable to owners of parent	8,116	—	231	8,560	16,907		Net income attributable to Shareholders of NTT DATA
Net income attributable to non-controlling interests	513	—	(2)	38	548		Non-controlling interests

(Unit: ¥ million)

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Net income	8,628	—	230	8,598	17,455		Net income
Other comprehensive income	—	—	—	—	—		Other comprehensive income
							Items that will not be reclassified to profit or loss
Valuation difference on available-for-sale securities	1,594	—	16	—	1,611		Profit/Loss from investments in equity instruments designated at fair value through other comprehensive income
Remeasurements of defined benefit plans, net of tax	382	—	—	(599)	(217)		Remeasurements of defined benefit plans
	—	0	—	—	0		Share of other comprehensive income of entities accounted for using equity method
Other	650			(650)			
							Items that may be reclassified subsequently to profit/loss
Deferred gains or losses on hedges	53	—	—	—	53		Cash flow hedges
Foreign currency translation adjustment	(1,545)	—	6,391	344	5,190		Foreign currency translation adjustment
Share of other comprehensive income of entities accounted for using equity method	(77)	(0)	(9)	35	(52)		Share of other comprehensive income of entities accounted for using equity method
Total other comprehensive income	1,057	—	6,399	(871)	6,585		Total other comprehensive income
Comprehensive income	9,685	—	6,628	7,727	24,040		Comprehensive income
Comprehensive income attributable to							Comprehensive income attributable to:
Comprehensive income attributable to owners of parent	9,097	—	6,630	7,727	23,454		Shareholders of NTT DATA
Comprehensive Income attributable to non-controlling interests	588	—	(2)	—	586		Non-controlling interests

Adjustments of profit/loss and comprehensive income for the year ended March 31, 2018

（Unit: ¥ million）

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Net sales	2,117,167	—	(79,775)	2,298	2,039,690		Net sales
Cost of sales	1,592,746	1,805	(61,076)	2,060	1,535,535		Cost of sales
Gross profit	524,422	(1,805)	(18,700)	238	504,155		Gross profit
Selling, general and administrative expenses	400,899	19,491	(13,178)	(26,177)	381,035	(b)	Selling, general and administrative expenses
Operating income	123,522	(21,296)	(5,522)	26,415	123,120		Operating income
Non-operating income	10,161	(10,161)	—	—	—		
Non-operating expenses	12,120	(12,120)	—	—	—		
Ordinary income	121,564	(121,564)	—	—	—		
Extraordinary losses	21,480	(21,480)	—	—	—		
	—	5,988	(121)	—	5,867		Financial income
	—	9,103	(438)	(1,473)	7,193		Financial costs
	—	1,027	(118)	—	909		Share of profit/loss of entities for using equity method
Income before income taxes	100,084	—	(5,323)	27,943	122,704		Income before income taxes
Total income taxes	38,716	—	(1,641)	(62)	37,013		Income taxes
Net income	61,368	—	(3,682)	28,005	85,691		Net income
Net income attributable to owners of parent	58,173	—	(3,680)	27,899	82,392		Net income attributable to Shareholders of NTT DATA
Net income attributable to non-controlling interests	3,195	—	(2)	106	3,299		Non-controlling interests

（Unit: ¥ million）

Japanese GAAP (line item)	Japanese GAAP	Reclassifi-cations	Unification of reporting periods (a)(b)	Difference in recognition and measurement	IFRS	Notes	IFRS (line item)
Net income	61,368		(3,682)	28,005	85,691		Net income
Other comprehensive income	—	—	—	—	—		Other comprehensive income
							Items that will not be reclassified to profit or loss
Valuation difference on available-for-sale securities	17,786	—	(53)	—	17,733		Profit/Loss from investments in equity instruments designated at fair value through other comprehensive income
Remeasurements of defined benefit plans, net of tax	2,688	—	—	(1,262)	1,426		Remeasurements of defined benefit plans
	—	0	—	0	0		Share of other comprehensive income of entities accounted for using equity method
Other	213	—	—	(213)	—		
							Items that may be reclassified subsequently to profit/loss
Deferred gains or losses on hedges	227	—	—	—	227		Cash flow hedges
Foreign currency translation adjustment	(24,993)	—	6,369	(317)	(18,941)		Foreign currency translation adjustment
Share of other comprehensive income of entities accounted for using equity method	152	(0)	(9)	50	193		Share of other comprehensive income of entities accounted for using equity method
Total other comprehensive income	(3,926)	—	6,307	(1,742)	638		Total other comprehensive income
Comprehensive income	57,442	—	2,625	26,263	86,329		Comprehensive income
Comprehensive income attributable to							Comprehensive income attributable to:
Comprehensive income attributable to owners of parent	53,957	—	2,626	26,294	82,877		Shareholders of NTT DATA
Comprehensive Income attributable to non-controlling interests	3,485	—	(2)	(31)	3,452		Non-controlling interests

(3) Notes on adjustments to equity and comprehensive income

1) Reclassification

- Under the JGAAP, deferred tax assets are classified as either current assets or non-current assets, and deferred tax liabilities as current liabilities or non-current liabilities. As the IFRS does not permit deferred tax assets/liabilities to be classified as current assets/liabilities, they are classified as non-current assets or liabilities in the Group's financial statements.
- Whether an accounting item is disclosed separately or grouped into some broader category is indicated in accordance with IFRS items.

2) Differences in recognition and measurement between JGAAP and IFRS

(a) Alignment of reporting periods

Some subsidiaries had different reporting periods from NTT DATA, but their accounting periods were aligned with NTT DATA's in fiscal year 2017. Under the JGAAP, any gains/losses resulting from aligning the reporting periods of NTT DATA and its subsidiaries were to be reported as net income/loss for the current fiscal year; under the IFRS, these gains/losses are not reflected in net income/loss but included in retained earnings.

(b) Business combinations

Under the JGAAP, goodwill was amortized consistently over periods in which ROI is reasonably estimated to occur. Under the IFRS, goodwill is not amortized.

Under the JGAAP, acquisition cost allocation was accounted for on the assumption that this revision was made in the fiscal year in which the provisional accounting treatment was confirmed (fiscal year 2017, to which the transition date belongs). Under the IFRS, the revisions related to acquisition cost allocation are accounted for retrospectively, by assuming that the provisional accounting treatment was confirmed in the fiscal year in which business combinations occurred (fiscal year 2016).

(c) Deemed cost

The Group has elected to apply the optional exemption to use the fair value as of the transition date as deemed cost for some of its properties, plants and equipment and investment properties.

(d) Intangible assets

Under the JGAAP, R&D costs are recognized as expense as incurred, except in cases where different accounting standards are applied.

Under the IFRS, expenditures relating to development activities can be measured by the total of expenditure that recognized in the period from the date on which these expenses meet the requirements all for recognition as intangible assets to the date on which the development process essentially ends. Also, it has been recorded in the Consolidated Statement of Financial Position. The Group are mainly developing system (System Integration) and providing services (Plan-Based Services).

(e) Deferred tax assets

Under the JGAAP, the Group recognized deferred tax assets by following the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No.26); under the IFRS, only the portions of deductible temporary differences, amount of loss carried forward and deductions of carryover tax that are highly likely to bring in tax benefits are recognized as deferred tax assets.

(f) Unused paid holidays

The JGAAP has no provisions for unused paid holidays. Under the IFRS, unused paid holidays are accounted for as liability.

(g) Levies

Under the JGAAP, property taxes and other levies that have become payable were accounted for over the fiscal year. Under the IFRS,

these levies are to be booked as they become payable.

(h) Employee benefits

Under the JGAAP, service costs, interest expenses, and expected return on plan assets related to defined benefit post retirement plans are recognized as retirement benefit expenses. In addition, the portions of actuarial differences arising from defined benefit post retirement plans and prior service costs that are not recognized as retirement benefit expenses for the current term are recognized as other cumulative comprehensive income, which shall be recognized as net income/loss for a certain period.

Under the IFRS, current service costs and prior service costs for plan assets related to defined benefit post retirement plans are recognized as net income/loss; for net interest gains/expenses, net defined benefit liabilities (assets) multiplied by a discount rate are recognized as net income/loss. In addition, actuarial differences arising from the re-measurement of net defined benefit liabilities (assets) are recognized as components of other capital, and are classified as retained earnings incurred without being recognized through profit or loss. Please note that the re-measurement of net defined benefit liabilities (assets) consists of actuarial differences related to defined benefit obligation and return on plan assets (excluding interest income on plan assets).

(i) Foreign currency translation differences for foreign operations

NTT DATA deems any previous foreign currency translation differences booked as on the transition date, as zero.

(j) Stock issuance cost

Under the JGAAP, the transaction costs of equity transaction spent directly for stock issuance are recognized as net income/loss. Under the IFRS, the transaction costs of equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(k) Adjustments to retained earnings

The effects that the adjustments mentioned above might have on retained earnings are as follows:

（Unit: ¥ million）

Items of adjustments	As of April 1, 2017 (Date of transition to IFRS)	As of June 30, 2017	As of March 31, 2018
Alignment of reporting periods (a)	4,690	4,296	317
Differences in recognition and Measurement			
Business combinations (b)	(2,987)	4,914	24,414
Deemed cost (c)	(3,453)	(3,453)	(3,453)
Intangible assets (d)	647	620	561
Deferred tax assets (e)	863	843	909
Unused paid holidays (f)	(21,170)	(21,170)	(22,553)
Levies (g)	(3,536)	(2,773)	(3,582)
Employee benefits (h)	(31,571)	(31,410)	(28,829)
Foreign currency translation differences for foreign operations (i)	16,605	16,605	16,605
Stock issuance cost (j)	5,708	5,708	5,708
Other	(215)	10	1,136
Total differences in recognition and measurement	(39,109)	(30,106)	(9,084)
Adjustments to retained earnings	(34,419)	(25,810)	(8,767)

(Notes to Going Concern Assumptions)
N/A