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NTT DATA Germany GmbH

Munich

Annual financial statements for the business year from April 1, 2017 to March 31, 2018

Balance sheet as of March 31, 2018

assets

	March 31, 2018 €	March 31, 2017 €
A. Fixed assets		
I. Intangible Assets		
1. Self-developed software	2,413,089.26	1,952,614.65
2. Purchased software and licenses	334,469.31	317,637.90
3. Goodwill	2,621,230.09	0.00
	5,368,788.66	2,270,252.55
II. Tangible assets		
1. Land, land rights and buildings including buildings on third-party land	1,864,502.99	1,587,109.45
2. technical systems and machines	209,147.65	210,525.78
3. other equipment, factory and office equipment	3,969,118.77	4,294,785.40
4. Advance payments made and assets under construction	0.00	158,758.00
	6,042,769.41	6,251,178.63
III. Financial assets		
1. Shares in affiliated companies	3,710,500.00	8,210,500.00
	3,710,500.00	8,210,500.00
	15,122,058.07	16,731,931.18
B. Current Assets		
I. Inventories		
1. Work in progress	31,219,879.98	27,443,803.71
2. Advance payments made	252,497.55	3,000,000.00
	31,472,377.53	30,443,803.71
II. Receivables and other assets		
1. Trade accounts receivable	41,939,466.05	45,215,312.43
2. Receivables from affiliated companies (thereof from shareholders € 1,838,574.57; previous year € 488,704.64)	6,564,347.19	4,115,627.66
3. Other assets (thereof with a remaining term of more than one year € 4,700,931.51; previous year € 4,396,372.48)	6,066,426.13	5,481,259.54
	54,570,239.37	54,812,199.63
III. Checks, cash in hand, bank balances	21,809,199.48	18,725,212.87
	107,851,816.38	103,981,216.21
C. Prepaid expenses	2,478,561.13	1,950,636.46
D. Active difference from asset offsetting	27,647.74	0.00
	125,480,083.32	122,663,783.85

liabilities

	March 31, 2018 €	March 31, 2017 €
A. Equity		

	March 31, 2018	March 31, 2017
	€	€
I. Drawn capital	11,504,067.33	11,504,067.33
Nominal amount own shares	-230,081.35	-230,081.35
	11,273,985.98	11,273,985.98
II. Capital reserve	7,294,495.99	7,294,495.99
III. Retained earnings		
Other retained earnings	306,775.13	306,775.13
IV. Balance sheet profit	7,115,918.61	6,029,562.66
	25,991,175.71	24,904,819.76
B. Provisions		
1. Provisions for pensions and similar obligations	8,473,756.38	7,214,986.58
2. Tax provisions	831,928.94	560,728.94
3. Other provisions	41,691,429.93	40,844,558.50
	50,997,115.25	48,620,274.02
C. Liabilities		
1. Advance payments received on orders (thereof with a remaining term of up to one year € 12,788,959.02; previous year € 8,845,289.93)	12,788,959.02	9,903,765.37
2. Trade payables (thereof with a remaining term of up to one year € 7,178,763.54; previous year € 6,764,037.11)	7,431,261.09	6,854,037.11
3. Liabilities to affiliated companies (thereof with a remaining term of up to one year € 14,267,550.53; previous year € 20,199,920.23; of which to shareholders € 17,248,089.29; Previous year € 18,465,654.30; thereof from deliveries and services € 3,246,970.78; Previous year € 4,266,801.39)	19,267,550.53	25,199,920.43
4. Other Liabilities (of which from taxes € 4,607,015.96; previous year € 1,317,980.26; of which with a remaining term of up to one year € 6,608,471.87; Previous year € 3,047,122.41)	6,608,471.87	3,047,122.41
	46,096,242.51	45,004,845.32
D. Prepaid expenses	2,395,549.85	4,133,844.75
	125,480,083.32	122,663,783.85

Income statement for the period from April 1, 2017 to March 31, 2018

	1.4.2017-31.3.2018		1.4.2016-31.3.2017	
	€	€	€	€
1. Sales		321,085,757.27		281,512,912.50
2. Increase (+) or decrease (-) in the inventory of services that have not yet been billed		3,776,076.27		3,414,084.34
3. Other own work capitalized		738,080.64		706,035.27
4. Other operating income of which from currency translation € 20,563.10 (previous year € 15,844.75)		1,745,974.17		3,932,246.29
5. Cost of materials		-134,539,424.87		-105,235,837.99
a). Expenses for purchased goods	-23,874,030.74		-6,639,578.45	
b). Expenses for purchased services	-110,665,394.13		-98,596,259.54	
6. Personnel expenses		-156,056,587.28		-139,110,549.23
a). Wages and salaries	-134,732,803.43		-120,735,246.26	
b). social security contributions and expenses for pensions and support of which for pensions € 1,911,336.57 (previous year € 1,650,425.89)	-21,323,783.85		-18,375,302.97	
7. Depreciation on intangible assets and property, plant and equipment		-3,842,048.42		-3,007,188.36
8. Other operating expenses of which from currency translation € 107,611.02 (previous year € 15,238.42)		-29,849,395.01		-34,670,728.95
9. Other Interest and Similar Income of which from affiliated companies € 0.00 (previous year € 1,919.62) of which from discounting € 0.00 (previous year € 11,702.64)		11,978.38		21,597.41
10. Depreciation on financial assets and on securities held as current assets		-1,000,000.00		0.00
11. Interest and Similar Expenses of which to affiliated companies € 144,590.17 (previous year € 149,289.53)		-479,876.65		-579,694.45

	1.4.2017-31.3.2018		1.4.2016-31.3.2017	
	€	€	€	€
of which from compounding € 331,779.20 (previous year € 374,745.48)				
12. Taxes on income and earnings		-461,290.48		-691,304.80
13. Profit after tax		1,129,244.02		6,291,572.03
14. Other taxes		-42,888.07		-199,219.66
15. Annual net income		1,086,355.95		6,092,352.37
16. Balance sheet profit from the previous year		6,029,562.66		937,210.29
17. Dissolution of the capital reserve and offsetting with the loss carryforwards		0.00		0.00
18. Distributions		0.00		-1,000,000.00
19. Balance sheet profit		7,115,918.61		6,029,562.66

Appendix for the financial year from April 1, 2017 to March 31, 2018

of NTT DATA Deutschland GmbH, Munich

Accounting and valuation principles

1. General information

The annual financial statements of NTT DATA Deutschland GmbH (NTT DATA), registered at the Munich Register Court (HRB 51846), have been prepared in accordance with the provisions of the Commercial Code and the supplementary provisions of the GmbH Act. The company is based in Munich.

The total cost method in accordance with Section 275 (2) of the German Commercial Code (HGB) is selected for the income statement.

The annual financial statements are prepared in German and in euros in accordance with Section 244 of the German Commercial Code (HGB).

NTT DATA Deutschland GmbH is a large corporation within the meaning of Section 267 (3) HGB.

The business year of NTT DATA extends from April 1st to March 31st. This corresponds to that of the ultimate parent company NTT DATA CORPORATION Ltd., Tokyo / Japan.

The accounting and valuation methods are unchanged from the previous year.

2. Assets

Internally generated intangible fixed assets are capitalized at production cost. The straight-line depreciation takes place over a useful life of 5 years.

Purchased intangible assets are valued at cost less straight-line depreciation over 3-5 years.

The goodwill results on the one hand from an acquisition before December 31, 2009 and was amortized on a straight-line basis over a useful life of 15 years, on the other hand from the merger of Nefos Deutschland GmbH in April 2017 (depreciation period 10 years).

In the case of items of property, plant and equipment with temporary use, depreciation is made in accordance with the expected economic useful life.

Property, plant and equipment are depreciated using the straight-line method. The underlying useful lives are 3-13 years for fixtures, technical systems and machines, and operating and office equipment. Low-value assets with acquisition costs of € 150 to € 410 (since 01/01/2018 from € 250 to € 800) are written off in full in the year of acquisition.

The shares in affiliated companies included under financial assets are shown at acquisition cost or the lower fair value in the case of permanent impairment. If the reasons for the value adjustment no longer exist, the financial assets will be added to the extent of the increase in value, but no more than the acquisition cost.

The work in progress shown under inventories is capitalized taking into account the lower of cost or market principle, with direct costs plus an appropriate proportion of overhead costs. For projects that, when viewed as a whole, are likely to end with a loss, a devaluation is carried out for loss-free valuation to the lower fair value.

In the balance sheet, the down payments received on orders are posted as a liability.

Receivables and other assets are shown at their nominal value. For the receivables, recognizable individual risks are taken into account through appropriate valuation discounts. The general credit risk is adequately taken into account by means of a general bad debt allowance for receivables.

The valuations of the remaining current assets correspond to the lower of cost or market principle (nominal value taking into account any necessary discounts)

Liquid funds are reported at their nominal values.

The temporary concept with the company's individual tax rates is used to calculate deferred taxes. The option to account for the surplus of deferred taxes on temporary differences between commercial and tax law approaches as well as on loss carryforwards is not used.

Expenditures before the reporting date are shown as prepaid expenses on the assets side, insofar as they represent an expense for a certain period of time after this day.

The offset of the reinsurance policies, which are not accessible to all other creditors and which serve exclusively to meet debts from the pension obligation, with the associated pension obligations is shown under the active difference from the asset offset.

3. Liabilities

The subscribed capital is stated at the nominal amount.

The nominal amount of the own shares is openly deducted from the subscribed capital.

The pension provisions are calculated using the projected unit credit method based on the probability of death according to the 2005G mortality tables by Prof. Dr. Klaus Heubeck rated. The interest rate results from the application of the simplification rule of Section 253 (2) HGB new version and amounts to 3.57% (previous year: 3.94%). The salary trend is assumed to be 2.0% (previous year: 2.0%) and the pension trend is assumed to be 2.0%, as in the previous year. The fluctuation is 10% (previous year: 10.5%).

The difference between the valuation of the provisions based on the corresponding average market interest rate from the past ten financial years and the valuation of the provisions based on the corresponding average market interest rate from the past seven financial years is blocked from distribution in accordance with Section 253 (6) of the new version of the German Commercial Code (HGB).

The settlement amount of the defined contribution pension commitments is based on the fair value of the existing reinsurance policies. The reinsurance policies, which are inaccessible to all other creditors and serve exclusively to meet debts from pension obligations, are offset against the associated pension obligations.

The tax provisions take sufficient account of all tax transactions up to the preparation of the balance sheet and are recognized at the settlement amount.

The provision for partial retirement is valued according to the following principles:

The top-up payments are valued using the actuarial present value, taking into account a possible loss of the obligation due to disability or death of the beneficiary. Fulfillment arrears due to advance payments during the work phase, which only lead to payments in the release phase, are valued with the payment amounts discounted on the balance sheet date. Due to the average remaining term of less than one year, there was no discounting in the financial year. The biometric valuation assumptions are based on the 2005G mortality tables by Prof. Dr. Taken from Klaus Heubeck.

The other provisions take sufficient account of all risks and uncertain liabilities that were identifiable up until the balance sheet was drawn up. They cover obligations that are basically recognizable, but have not yet been determined in their final amount. The valuation is based on the settlement amount, taking into account future objectifiable price and cost increases. Provisions with a remaining term of more than one year are discounted using the average market interest rate for the past seven financial years that corresponds to their remaining term.

The liabilities are generally stated at their settlement amount.

Deferred income is created for income before the reporting date that can be allocated to later periods in terms of income. The dissolution takes place in accordance with the contractual agreements.

4. Profit and Loss Account

When realizing sales, a distinction must be made between contracts for work and services. Orders based on service contracts are billed after the service has been rendered, thus realizing sales. In the case of contracts for work and services, sales are recognized upon final or agreed partial acceptance of the work by the customer.

5. Principles of foreign currency conversion

Assets and liabilities denominated in foreign currencies are converted at the mean spot exchange rate on the reporting date. In the case of assets or liabilities with a remaining term of one year or less, Section 253 (1) sentence 1 HGB and Section 252 (1) no. 4 half-sentence 2 HGB are not applied.

Notes to the balance sheet

1. Fixed assets

The intangible assets include internally generated software € 2,413 thousand; (Previous year: € 1,953 thousand), goodwill of € 2,621 thousand due to the merger of Nefos Deutschland GmbH, and software / licenses acquired for a fee include € 334 thousand (previous year: € 318 thousand).

Property, plant and equipment mainly includes operating and office equipment € 3,969 thousand; (Previous year: € 4,295 thousand), including notebooks and smartphones. Furthermore, leasehold improvements in connection with office buildings € 1,865 thousand; (Previous year: € 1,587 thousand), as well as technical equipment and machines € 209 thousand; (Previous year: € 211 thousand), which mainly include access and door locking systems.

The financial assets amounted to € 3,711 thousand in the financial year (previous year: € 8,211 thousand).

These consist of € 3,711 thousand (previous year: € 4,711 thousand) from the shares in the subsidiary NTT DATA Österreich GmbH, Vienna / Austria. In March 2018, a write-down of € 1,000 thousand was made.

The shares in Nefos Deutschland GmbH, Munich, in the amount of € 3,500 thousand were merged with NTT DATA Deutschland GmbH, Munich, on April 1, 2017.

2. Inventories

Work in progress includes services from work contracts that have not yet been invoiced at € 31,220 thousand (previous year: € 27,444 thousand).

3. Receivables and other assets

All receivables and other assets in the amount of € 54,570 thousand (previous year: € 54,812 thousand) have a remaining term of up to one year, with the exception of other assets of € 4,700 thousand (previous year: € 4,396 thousand).

The trade receivables in the amount of € 41,939 thousand (previous year: € 45,215 thousand) include receivables from project execution for services already provided in the context of service projects but not yet invoiced to the customer amounting to € 19,336 thousand (previous year: 18,113 T €).

The receivables from affiliated companies in the amount of € 6,564 thousand (previous year: € 4,116 thousand) essentially consist of trade receivables of € 6,172 thousand (previous year: € 3,950 thousand).

The other assets essentially include the asset values from reinsurance claims amounting to € 4,700 thousand (previous year: € 4,324 thousand).

4. Checks, cash in hand, bank balances

The liquid funds consist entirely of bank balances and cash in hand.

5. Deferred tax assets

Deferred tax assets are not reported. For the existing surplus of assets, the balance sheet is not carried using the capitalization option of Section 274, Paragraph 1, Clause 2 of the German Commercial Code. The asset surplus results mainly from temporary differences in the area of pension provisions and other provisions as well as from tax loss carryforwards. The company-specific tax rate is used for the valuation. This amounts to 15.8% for corporation tax including the solidarity surcharge and 16.6% for trade tax.

6. Active difference from asset allocation

The assets formed in accordance with § 8a ATZG for insolvency protection have been withdrawn from access to all other creditors and offset against the obligation for partial retirement.

The fair value of the assets, which results from the market value on the balance sheet date, is € 398 thousand (previous year: € 399 thousand), the settlement amount of the offset liabilities is € 370 thousand (previous year: € 677 thousand). In the financial year, there is therefore an active difference from the asset offset of € 28 thousand (previous year: € 0 thousand).

7. Provisions

The pension obligations as of March 31, 2018 amounted to € 8,474 thousand (previous year: € 7,215 thousand). These include the pension obligations of NTT DATA Deutschland GmbH, Munich.

Reinsurance policies that are not accessible to all other creditors and serve exclusively to meet debts from pension obligations are offset against these obligations. The fair values of the offset assets as of the balance sheet date amount to € 860 thousand (previous year: € 996 thousand). The settlement amount of the offset debts is € 4,517 thousand (previous year: € 4,175 thousand).

The interest expense from the pension obligation amounts to € 315 thousand (previous year: € 304 thousand). The interest income from the pension assets amounts to € 0 thousand (previous year: € 0 thousand). This results in a net interest expense of € 315 thousand in the income statement (previous year: € 304 thousand). The service cost is shown under personnel expenses.

The tax provision mainly relates to back payments for trade tax, corporation tax and solidarity surcharge of € 832 thousand (previous year: € 561 thousand).

The other provisions basically cover recognizable obligations, the final amount of which has not yet been determined. They include amounts for personnel costs € 17,377 thousand (previous year: € 17,060 thousand), outstanding invoices € 13,967 thousand (previous year: € 14,204 thousand), warranty claims € 4,819 thousand (previous year: € 4,792 thousand) and other other provisions € 5,528 thousand (previous year: 4,789 T €).

The provision for partial retirement as of March 31, 2018 amounts to € 370 thousand (previous year: € 135 thousand).

The assets formed in accordance with § 8a ATZG for insolvency protection have been withdrawn from access to all other creditors and offset against the obligation for partial retirement.

The fair value of the assets, which results from the market value on the balance sheet date, is € 398 thousand (previous year: € 399 thousand), the settlement amount of the offset liabilities is € 370 thousand (previous year: € 677 thousand). In the financial year, there is therefore an active difference from the asset offset of € 28 thousand (previous year: € 0 thousand).

8. Liabilities

Schedule of liabilities as of March 31, 2018

liabilities	March 31, 2018		
	total T €	thereof remaining term of up to 1 year T €	thereof remaining term of 1 to 5 years T €
1. Advance payments received on orders	12,789	12,789	0
2. Trade payables	7,431	7,179	252
3. Liabilities to affiliated companies	19,268	14,268	5,000
- of which to shareholders	(17,248)	(12,248)	(5,000)
4. Other Liabilities	6,608	6,608	0
- of which from taxes	(4,607)	((4,607)	0
	46,096	40,844	5,252
liabilities	March 31, 2017 (previous year)		
	total T €	thereof remaining term of up to 1 year T €	thereof remaining term of 1 to 5 years T €
1. Advance payments received on orders	9,904	8,845	1,059
2. Trade payables	6,854	6,764	90
3. Liabilities to affiliated companies	25,200	20,200	5,000
- of which to shareholders	(18,466)	(13,466)	(5,000)
4. Other Liabilities	3,047	3,047	0
- of which from taxes	(1,318)	(1,318)	0
	45,005	38,856	6,149

The liabilities to affiliated companies of € 19,268 thousand (previous year: € 25,200 thousand) mainly include trade payables of € 3,247 thousand (previous year: € 4,267 thousand) and loan liabilities of € 16,000 thousand (Previous year: € 20,000 thousand). As of March 31, 2018, loan liabilities consist of loans to EMEA Holding Ltd. London / UK in the amount of 16,000 T €.

9. Other Financial Obligations

As of the balance sheet date, there were other financial obligations with a remaining term of more than 5 years in the nominal amount of € 8,410 thousand (previous year: € 11,904 thousand).

The other financial obligations with a remaining term of up to 5 years amounted to a nominal amount of € 31,132 thousand as of the reporting date (previous year: € 28,237 thousand), of which € 925 thousand was due to affiliated companies.

The financial obligations mainly relate to rental and leasing contracts.

As of the balance sheet date, there are also guarantee obligations to various creditors in the amount of € 1,586 thousand (previous year: € 1,552 thousand). Essentially, these are rental guarantees. The risk of utilization is currently estimated to be low.

Notes on the income statement

1. Sales

The sales revenue of € 321,086 thousand (previous year: € 281,513 thousand) is broken down according to geographic markets as follows:

	04/01/2017 - 03/31/2018 T €	04/01/2016 - 03/31/2017 T €
inland	296,201	268,642
foreign countries	25,764	15,306
Sales deductions	-879	-2,435
total	321,086	281,513

The breakdown of sales by type of contract can be shown as follows:

	04/01/2017 - 03/31/2018 T €	04/01/2016 - 03/31/2017 T €
Work contracts	165,174	159,988
Service contracts	71,467	65,570
maintenance	70,829	50,795
miscellaneous	14,495	7,595
Sales deductions	-879	-2,435
total	321,086	281,513

2. Increase in the number of services that have not yet been billed

The increase in the inventory of not yet invoiced services amounted to € 3,776 thousand in 2018 (previous year: increase of € 3,414 thousand) due to not yet invoiced contracts for work and services.

3. Other own work capitalized

The expenses capitalized in the course of the development of software for marketing to customers as well as software for personal use were reported under other capitalized own work in the amount of € 738 thousand (previous year: € 706 thousand).

4. Other operating income

The other operating income of € 1,746 thousand (previous year: € 3,932 thousand) includes income from other accounting periods of € 685 thousand (previous year: € 1,784 thousand). The income unrelated to the accounting period essentially results from the reversal of provisions.

5. Cost of materials

The breakdown of the cost of materials in the amount of € 134,539 thousand (previous year € 105,236 thousand) is as follows:

	04/01/2017 - 03/31/2018	04/01/2016 - 03/31/2017
	T €	T €
Expenses for purchased services	110,665	98,596
Expenses for purchased goods	23,874	6,640
total	134,539	105.236

6. Personnel expenses

	04/01/2017 - 03/31/2018	04/01/2016 - 03/31/2017
	T €	T €
Wages and salaries	134,733	120,735
Social contributions and expenses for benefits	19,413	16,725
Pension expenses	1,911	1,650
total	156.057	139.110

7. Depreciation

	04/01/2017 - 03/31/2018	04/01/2016 - 03/31/2017
	T €	T €
Depreciation on property, plant and equipment	2,185	1,918
Depreciation of intangible assets	1,657	1,089
total	3,842	3,007

An intangible asset in the amount of € 626 thousand was written down in the financial year.

8. Other operating expenses

The other operating expenses of € 29,849 thousand (previous year: € 34,671 thousand) mainly include rent, travel and transport costs, vehicle costs, advertising costs, voluntary social expenses and recruitment costs, as well as costs for telephone, fax and postage. The other operating expenses include expenses unrelated to the accounting period in the amount of € 41 thousand (previous year: € 216 thousand); these result from value adjustments on receivables.

9. Depreciation on financial assets and on securities held as current assets

The shares in the subsidiary NTT DATA Österreich GmbH, Vienna, included under financial assets, were written down by € 1,000 thousand as of March 31, 2018 to the lower fair value of € 3,711 thousand. The assessment of the value of the financial assets is based on the medium-term planning of NTT DATA Österreich GmbH, Vienna. The capitalized earnings value of NTT DATA Österreich GmbH, Vienna, determined from the planning, was below the book value.

10. Interest

The interest income of € 12 thousand (previous year: € 22 thousand) consists of interest income from banks in the amount of € 12 thousand (previous year: € 8 thousand) and not, as in the previous year, mainly of interest income from the discounting of provisions of € 0 thousand (previous year: € 12 thousand) and from cash pooling with the subsidiary € 0 thousand (previous year: € 2 thousand).

The interest expenses of € 480 thousand (previous year: € 580 thousand) result mainly from the valuation of provisions of € 332 thousand (previous year: € 375 thousand) and from loans to affiliated companies of € 145 thousand (previous year: € 149 thousand).

11. Taxes

Taxes on income of € 461 thousand (previous year: € 691 thousand) result mainly from current taxation.

Other Information

1. Amount blocked from distribution in accordance with Section 268 (8) HGB

The amount blocked from distribution is determined as follows:

	04/01/2017 - 03/31/2018	04/01/2016 - 03/31/2017
	T €	T €
Internally generated intangible fixed assets	2,413	1,953
Change in pension provision due to application of Section 253 (2) HGB new version	2,024	996
Amount blocked for distribution	4,437	2,949

The internally generated intangible assets shown in the balance sheet as of March 31, 2018, as well as the change in pension provisions due to the application of Section 253 (2) of the new version of the German Commercial Code (HGB) are not barred from distribution, as there are sufficient freely available profit and capital reserves.

2. Exempting consolidated financial statements

NTT DATA Deutschland GmbH is the parent company within the meaning of Section 290 of the German Commercial Code (HGB) and is therefore obliged to prepare consolidated financial statements and a group management report. The company intends to make use of the exemption provision in Section 292 of the German Commercial Code (HGB) and to forego the preparation of the consolidated financial statements and the group management report. The annual financial statements of NTT DATA Deutschland GmbH will be included in the consolidated financial statements as of March 31, 2018 of Nippon Telegraph and Telephone Corporation, Tokyo / Japan.

The exempting consolidated financial statements as of March 31, 2018 of Nippon Telegraph and Telephone Corporation, based in Tokyo / Japan, are prepared and audited in accordance with the US accounting standards US-GAAP. The examination is carried out by KPMG AZSA LLC, based in Tokyo / Japan, which is registered in the professional register of the Chamber of Public Accountants under the registration number 205001600 in accordance with Section 134 (2a) WPO. The disclosure of the exempting consolidated financial statements as of March 31, 2018 will be made at the Securities and Exchange Commission (SEC) in Washington (DC) / USA using FORM 20-F and will be available there. The German translation of the consolidated financial statements will be published in the electronic Federal Gazette. As of 31

Since these consolidated financial statements are prepared in accordance with the US GAAP accounting standards, there are deviations from the accounting, valuation and consolidation methods in accordance with the German Commercial Code (HGB). These deviations result in particular from

- the valuation of goodwill,
- the application of the profit realization method according to the degree of completion,
- the recognition of deferred tax assets,
- the valuation of pension provisions.

3. Information on shareholdings

Name of the registered office of the company	Participation rate	Equity in T € according to IFRS	Completion as of	Annual result after taxes in T € according to IFRS
NTT DATA Österreich GmbH, Vienna / Austria	100%	3.114	March 31, 2018	-785
NTT DATA Romania, Cluj / Romania	0.003%	15,482	March 31, 2018	4,536

4. Information on the number of employees

Number of employees, of which

	Status: March 31, 2018	Status: March 31, 2017	Annual average 2017/18	Annual average 2016/17
Employees	1,694	1,575	1,642	1,473

5. Auditor's fee

The fee for the auditing services performed by KPMG AG Wirtschaftsprüfungsgesellschaft (no further services provided) amounts to € 178 thousand (previous year: € 174 thousand).

6. Information on organs of the company

Managing directors:

The management is composed as follows:

Swen Rehders, Elmshorn
Chief Executive Officer, CEO

Ilka Friese, Munich
Managing Director, Chief Financial Officer

Dieter Loewe, Kelkheim
Managing Director Financial Services and Public

Jens-Uwe Holz, Munich
Managing Director Automotive & Manufacturing

Ralf Malter, Holzkirchen
Managing Director Digital Business Solutions

The members of the management received total remuneration of € 2,339 thousand for the period from April 1, 2017 to March 31, 2018 (previous year: € 2,157 thousand).

No payments were made to former members of the management team or their surviving dependents in the period from April 1, 2017 to March 31, 2018.

Supervisory Board:

The Supervisory Board is composed as follows:

• Shareholder representative:

Herbert Vogel, Bad Salzflen
Chairman of the Supervisory Board

Tadashi Uhira, London / United Kingdom / Director and Chairman NTT DATA EMEA
Ltd. Deputy Chairman of the Supervisory Board (until June 22, 2017)

Ken Tsuchihashi, London / United Kingdom / Director and Chairman NTT DATA EMEA Ltd.
Member of the Supervisory Board (from June 23, 2017)
Deputy Chairman of the Supervisory Board (from July 26, 2017)

Patrizio Mapelli, Bareggio / Milan (Italy) / CEO NTT DATA EMEA Ltd.

Julie Downing, London / United Kingdom
Executive Vice President Human Resources & Marketing NTT DATA EMEA Ltd.
(until July 26th, 2017)

Britta Döring, Forchheim / Head of HR NTT DATA EMEA Ltd.
(from 07/26/2017)

• Employee representatives:

Karin Ginzky, Karlsruhe
Senior Project Manager Finance / Degree in Industrial Engineering

Josd Alcalá-Toca, Germering
Senior Managing Consultant

The employee representatives on the Supervisory Board receive total annual remuneration of € 7 thousand.

7. Proposal for the use of earnings

The management proposes to carry forward the net income for the year of € 1,086,355.95 (previous year: € 6,092,352.37) reported as of March 31, 2018.

8. Supplementary report

After the balance sheet date, no events occurred that could be of material importance for the assessment of the company's earnings, financial and asset position.

Munich, June 11, 2018

The Board

Swen Rehders

Ilka Friese

Dieter Loewe

Jens-Uwe Holz

Ralf Malter

Fixed assets as of March 31, 2018 NTT Dara

NTT DATA Germany GmbH	PURCHASE / MANUFACTURING COSTS				
	Status before the merger	April 1st, 2017	Additions from the Nefos merger	As of April 1st, 2017	Accesses
		Euro	Euro	Euro	Euro
I. Intangible Assets					
1. Self-developed software		4,697,047.99	0.00	4,697,047.99	2,334,741.24
2. Purchased software and licenses		3,480,699.98	0.00	3,480,699.98	311,002.72
3. Goodwill		410,543.67	0.00	410,543.67	2,912,477.88
		8,588,291.64	0.00	8,588,291.64	5,558,221.84
II. Tangible assets					
1. Land, land rights and buildings including buildings on third-party land		1,961,944.86	31,586.78	1,993,531.64	558,670.01
2. Technical systems and machines		265,062.82	0.00	265,062.82	34,653.64
3. Other equipment, factory and office equipment		8,679,577.10	46,807.55	8,726,384.65	1,595,668.43
4. Advance payments and assets under construction		158,758.00	0.00	158,758.00	0.00
		11,065,342.78	78,394.33	11,143,737.11	2,188,992.08
III. Financial assets					
Shares in affiliated companies		11,131,946.17	0.00	11,131,946.17	0.00
		11,131,946.17	0.00	11,131,946.17	0.00
total		30,785,580.59	78,394.33	30,863,974.92	7,747,213.92

NTT DATA Germany GmbH	PURCHASE / MANUFACTURING COSTS		
	Departures	Rebookings / structuring	As of March 31, 2018
	Euro	Euro	Euro
I. Intangible Assets			
1. Self-developed software	-1,516,755.66	0.00	5,515,033.57
2. Purchased software and licenses	0.00	158,758.00	3,950,460.70
3. Goodwill	0.00	0.00	3,323,021.55
	-1,516,755.66	158,758.00	12,788,515.82
II. Tangible assets			
1. Land, land rights and buildings including buildings on third-party land	-39,736.62	0.00	2,512,465.03
2. Technical systems and machines	0.00	0.00	299,716.46
3. Other equipment, factory and office equipment	-271,848.03	0.00	10,050,205.05
4. Advance payments and assets under construction	0.00	-158,758.00	0.00
	-311,584.65	-158,758.00	12,862,386.54
III. Financial assets			
Shares in affiliated companies	-3,500,000.00	0.00	7,631,946.17
	-3,500,000.00	0.00	7,631,946.17
total	-5,328,340.31	0.00	33,282,848.53

NTT DATA Germany GmbH	DEPRECIATION			
	As of April 1st, 2017	Annual depreciation	Departures	As of March 31, 2018
	Euro	Euro	Euro	Euro
I. Intangible Assets				
1. Self-developed software	-2,744,433.34	-912,978.30	555,467.33	-3,101,944.31
2. Purchased software and licenses	-3,163,062.08	-452,929.31	0.00	-3,615,991.39
3. Goodwill	-410,543.67	-291,247.79	0.00	-701,791.46
	-6,318,039.09	-1,657,155.40	555,467.33	-7,419,727.16
II. Tangible assets				
1. Land, land rights and buildings including buildings on third-party land	-406,422.19	-251,310.66	9,770.81	-647,962.04
2. Technical systems and machines	-54,537.04	-36,031.77	0.00	-90,568.81
3. Other equipment, factory and office equipment	-4,431,599.25	-1,897,550.59	248,063.56	-6,081,086.28

NTT DATA Germany GmbH	DEPRECIATION			
	As of April 1st, 2017	Annual depreciation	Departures	As of March 31, 2018
	Euro	Euro	Euro	Euro
4. Advance payments and assets under construction	0.00	0.00	0.00	0.00
	-4,892,558.48	-2,184,893.02	257,834.37	-6,819,617.13
III. Financial assets				
Shares in affiliated companies	-2,921,446.17	-1,000,000.00	0.00	-3,921,446.17
	-2,921,446.17	-1,000,000.00	0.00	-3,921,446.17
total	-14,132,043.74	-4,842,048.42	813,301.70	-18,160,790.46
NTT DATA Germany GmbH		RESIDUAL CARRYING AMOUNTS		
		March 31, 2018	March 31, 2017	
		Euro	Euro	
I. Intangible Assets				
1. Self-developed software		2,413,089.26	1,952,614.65	
2. Purchased software and licenses		334,469.31	317,637.90	
3. Goodwill		2,621,230.09	0.00	
		5,368,788.66	2,270,252.55	
II. Tangible assets				
1. Land, land rights and buildings including buildings on third-party land		1,864,502.99	1,587,109.45	
2. Technical systems and machines		209,147.65	210,525.78	
3. Other equipment, factory and office equipment		3,969,118.77	4,294,785.40	
4. Advance payments and assets under construction		0.00	158,758.00	
		6,042,769.41	6,251,178.63	
III. Financial assets				
Shares in affiliated companies		3,710,500.00	8,210,500.00	
		3,710,500.00	8,210,500.00	
total		15,122,058.07	16,731,931.18	

Management report for the financial year from April 1, 2017 to March 31, 2018

of NTT DATA Deutschland GmbH, Munich

Company basics

The business activities of NTT DATA Deutschland GmbH, hereinafter referred to as "NTT DATA", extend to business and IT consulting and services along the entire value chain of a company - from the overall strategic concept to the sustainable design of efficient processes, their implementation in the IT through to the secure operation of IT systems.

NTT DATA sees itself as a partner to its customers on their way to becoming a digital company. The digital company lives customer excellence, digital value creation and agile IT and is a data-driven company. The portfolio therefore includes business and IT consulting, system integration and application management services. NTT DATA's technological leadership is paired with a deep understanding of the manufacturing and automotive industries, the banking and insurance sectors and telecommunications.

The company's headquarters are in Munich. It also has locations in Hamburg, Cologne, Wolfsburg, Stuttgart, Frankfurt am Main and Ettlingen.

NTT DATA segments its business activities according to industrial areas, divided into the three industry lines

- Automotive & Manufacturing,
- Financial Services & Public Sector,
- Telecommunication, Utilities, Services and Logistics (TUS & L).

In the financial year, the position of Chief Technology Officer was created, who centralizes technological expertise, research & development and product development and oversees it in the global network. His tasks also include making the innovations developed worldwide by the NTT DATA CORPORATION Group accessible in Germany. Under his responsibility together with Marketing, Ensō - The Space for Creators in Munich, the company's first innovation and co-creation area in Europe, was created in the 2017 financial year. There, customers and partners try out new forms and solutions together with NTT DATA to support companies in their digital transformation.® SERIOUS PLAY® method and prototyping used. The aim is to break out of stuck thinking patterns and, for example, slip into other user roles.

NTT DATA is a subsidiary of the Japanese IT group NTT CORPORATION Ltd., Tokyo / Japan (NTT CORPORATION). The NTT CORPORATION Group (NTT CORPORATION together with its direct and indirect subsidiaries) is one of the largest IT service companies in the world with over 274,850 employees in over 51 countries.

In the ongoing Gartner reporting of the leading global IT consulting companies, NTT DATA ranks 9th.

In Germany, NTT DATA¹ ranks 5th in the Lünendonk list of IT consulting companies. In the global Brand Value Index of Brand Finance Global 500, the brand of the NTT DATA CORPORATION Group is 15th, successfully defending its position from the previous year.

The NTT DATA CORPORATION Group is the world's leading provider and operator of data centers, has its own IP backbone cable network as the world's third largest provider and is one of the world's largest suppliers of IT security services and infrastructure. The close integration into the NTT DATA CORPORATION Group opens up further opportunities for international cooperation for NTT DATA. NTT DATA can offer its customers worldwide the mix of onshore, nearshore and offshore from a single source.

As part of the research and development work, self-used and customer-specific software products are created that solve requirements, among other things, in the context of cloud, omnichannel and DevOps projects.

Due to the integration of NTT DATA into the group-wide financial reporting of the NTT DATA CORPORATION Group, the planning and control activities are based on the International Financial Reporting Standards (IFRS). For this reason, these values determined in accordance with IFRS are sometimes used for the purposes of management reporting under commercial law. These are expressly marked as such. The differences essentially result from the revenue recognition required under IFRS according to the degree of completion.

In 2015, the Supervisory Board undertook to adhere to target values for the proportion of women on the Supervisory Board and in management by June 30, 2017. The quota of women in the financial year was 33% for the Supervisory Board and 20% for the management. For top management (management and top management level), the quota in the financial year is 14%. Furthermore, the women's initiative "Women inspire NTT DATA" (WiN), founded in 2016, actively counts with its measures on company growth, recruiting and employee retention, innovation and positioning of the NTT DATA brand. In May 2018, the German team received a representative for all global WiN initiatives the "NTT DATA Grand Contribution Award" in Tokyo. In addition, NTT DATA was awarded first place in the "Newcomer" category and an excellent 6th place in the overall ranking by the Women's Career Index (FKi) in the current financial year for its outstanding commitment to the advancement of women.

¹ Includes sales from itelligence AG and NTT Data Deutschland GmbH; Sales of itelligence AG including Gisa AG

Economic report

Macroeconomic and industry-specific framework conditions

The global economy continues to grow, albeit at a slower rate than in previous years. The increase continues to result from the improved situation in the emerging and developing countries, especially in the East Asian area. An increase in growth is also expected for the coming years. The World Bank is forecasting increases of 3.0% and 2.9% respectively for 2019 and 2020.

It is forecast that the growth rate in the euro area will decline by 0.4% in 2018. For the years 2019 and 2020, however, growth of 1.7% and 1.5% is expected. The main reasons for this development continue to be the UK's exit from the European Union, as well as the difficult forecast of further economic consequences resulting from the low interest rate policy.

According to the industry association for information technology and media (Bitkom), the German ICT industry (information technology, telecommunications and entertainment electronics) is expected to grow again in 2018 by 1.7%. In the previous year the increase was 2.7%.

In an increasingly digitized environment, information technology continues to gain in importance. The provision of software solutions and the provision of the related services play a key role. However, the market is still characterized by cutthroat competition. There is high price pressure, especially for basic IT services. In the current market situation, price increases can only be implemented to a limited extent despite the existing demand for IT consulting services. In addition, the competition for the best IT specialists leads to a bottleneck, which in individual cases already becomes a limiting factor for accepting orders and thus for further growth.

Business development

Based on the development of sales, NTT DATA can look back on an extremely successful financial year for the period from April 1, 2017 to March 31, 2018, with growth rates that are in some cases above the market average.

In the current financial year, sales could again be increased significantly. The total output was € 325.6 million (previous year: April 2016 to March 2017: € 285.6 million).

The number of employees rose in the financial year by 119 to 1,694 (previous year: 1,575).

In the financial year for the period from April 1, 2017 to March 31, 2018, NTT DATA increased sales revenues in accordance with IFRS by approx. 14.3% compared to the same period of the previous year (April 2016 to March 2017).

At the level of the three revenue-generating Industry Lines, the business development can be summarized as follows (information according to IFRS)

1) Automotive & Manufacturing

The positive development of the Industry Line Automotive & Manufacturing in the financial years 2015 to 2016 also continued in the financial year 2017. The Industry Line Automotive & Manufacturing closed the financial year for the period from April 2017 to March 2018 with sales revenues of € 175.7 million and exceeded its sales by 22% over the comparable prior-year period from April 2016 to March 2017. The operating result improved by 11% compared to the previous year.

The Automotive & Manufacturing Industry Line focuses on sales in the Automotive Original Equipment Manufacturer (OEMs) and Manufacturing (incl. Tier 1 suppliers) area.

The subcontracting and expansion of a major project on the subject of application management services (AMS) at a leading German automobile manufacturer had a significant influence on the positive result. NTT DATA is the selected partner for the majority of its advertised IT projects and, with this project, accompanies the company-wide change from the classic IT Infrastructure Library (ITIL) -based, standardized service to demand-oriented support processes.

Another project for this customer was the development of a sales portal. Starting with campaign management, this portal supports the configuration of vehicles, the creation of offers including financial services, contracts and orders. All necessary systems are seamlessly integrated into a user-friendly interface, which enables holistic customer management.

In addition, there were increases in orders and sales from other German automobile manufacturers in several promising areas, for example in the area of new, Europe-wide legal regulations for determining emissions and the consumption of new vehicles.

NTT DATA has developed a consumption simulator that has been used in a legally binding manner since mid-December 2017 for new models when placing orders and for drawing up the registration papers.

Customers in the automotive supplier sector (Tier 1 suppliers) also continued to rely on NTT DATA as a strong IT partner in the 2017 financial year, with a focus on upgrading their IT systems and the associated IT security. In addition, new contracts were signed with a leading global technology group in drive and chassis technology.

The market environment in the automotive sector was characterized in the past year by strong growth impulses from the Asian markets, many model launches and a further diversification of the model variants. This further promoted the development of new fields of application for IT in the automotive industry and forms the further successful expansion of the Industry Line.

Trend topics such as digitization, connected cars, car sharing, alternative drives and autonomous driving, intensively promoted by NTT DATA, are drivers in the automotive industry and encourage willingness to invest in existing IT service providers as well as the emergence of new, smaller players in the market. In addition to new IT service providers, new suppliers (plastic parts and carbon suppliers, battery manufacturers, etc.) and infrastructures (e.g. charging stations for electric cars, car sharing companies, etc.) are also emerging.

Talks with major automobile manufacturers show that the projects with NTT DATA are expanding their position as a quality and innovation leader.

2) Financial Services & Public Sector

In the financial year for the period from April 1, 2017 to March 31, 2018, the Industry Line Financial Services & Public Sector achieved sales of € 101.6 million and thus repeatedly exceeded the result of the comparable prior-year period from April 1, 2016 to March 31, 2017 by 23% very significantly. The operating result also increased by 12% compared to the same period in the previous year.

Overall, the financial year of the Industry Line Financial Services & Public Sector was characterized by very good capacity utilization of the consultants and the acquisition of several large orders from key customers as well as the acquisition of several strategic new customers. The investment activity of banks, insurance companies and public institutions continues to be strongly influenced by the megatrends of digital transformation, including the modernization of core systems and regulation, as well as by the topic of IT security.

The Financial Services & Public Sector Industry Line thus made a significant contribution to the improved positioning of NTT DATA in Germany, in particular through targeted investments and intensive marketing activities.

As in previous years, the area is characterized by low employee turnover and a high rate of new hires, consisting of experienced and young employees.

3) Telecommunication, Utilities, Services & Logistics (TUS & L)

In the business year April 1, 2017 to March 31, 2018, the Industry Line TUS & L recorded sales of € 39.2 million. Compared to the average sales of the past three financial years, this means an increase of 17%. The operating result remained largely stable.

The previous 2016 financial year was characterized by the completion of a major project, unique in Europe, for one of our customers in the telecommunications industry, which had a significant impact on sales and earnings. In the financial year under review, the focus was therefore on continued solid growth compared to the figures from previous years adjusted for this major project, as well as stabilization in the key sectors of telecommunications as well as transport and logistics.

The success factors included, on the one hand, an increase in the nearshore share within the scope of our project management by more than 100% compared to the 2016 financial year. On the other hand, the goal of promoting the business as part of the global initiatives of NTT DATA CORPORATION and in this way continued to be successfully pursued to benefit from international synergies.

In the telecommunications sector, we achieved a significant strengthening of our market presence by gaining new topics from major international telecommunications customers. In the media area, a new customer with great potential and the first phase of a large-scale project with an existing customer were acquired.

The area of transport & logistics is one of our future growth industries. In the fiscal year under review, we were able to position ourselves as a strong partner for topics such as digital transformation by winning two new international customers. The business with existing customers also developed very positively towards significant sales and earnings contributions and with a broad positioning of pure consulting topics, through development and cloud to application management.

In addition, through numerous initiatives and increased market presence in the field of integrated mobility, NTT DATA was able to establish itself at TUS & L as a strategic partner for overcoming current and future challenges with regard to networked and electric mobility.

Overall, we have developed a very good basis with a corresponding market presence in the telecommunications, media and transport & logistics sectors, which can be significantly expanded in the coming years.

Earnings situation

In the financial year for the period from April 1, 2017 to March 31, 2018, NTT DATA generated sales of € 321.1 million (previous year: € 281.5 million). Incoming orders in the financial year amounted to € 335.2 million (previous year: € 250.5 million).

The increase in the number of services not yet billed amounted to € 3.8 million in the financial year (previous year: increase of € 3.4 million).

The total output, consisting of sales, changes in the inventory of services not yet invoiced and own work capitalized, amounted to € 325.6 million in the financial year (previous year: € 285.6 million).

Other operating income amounted to € 1.7 million in the financial year (previous year: € 3.9 million).

The cost of materials amounted to € 134.5 million in the financial year (previous year: € 105.2 million) and personnel expenses were € 156.1 million (previous year: € 139.1 million). Both positions increased due to an increase in the number of employees and the volume of projects.

The operating result excluding interest, depreciation and amortization (EBITDA), adjusted for income not relating to the period of € 0.7 million (previous year: € 1.8 million), amounted to € 6.2 million in the financial year (previous year: 8.6 Million €).

The depreciation of intangible assets and property, plant and equipment amounted to € 3.8 million in the financial year (previous year: € 3.0 million) and the depreciation of financial assets and marketable securities amounted to € 1.0 million (previous year: € 0.0).

The interest result of € -0.5 million (previous year: € -0.6 million) results mainly from expenses from the valuation of provisions.

Income taxes of € -0.5 million (previous year: € -0.7 million) result mainly from corporate income tax plus solidarity surcharge.

NTT DATA closed the financial year with an annual surplus of € 1.1 million (previous year: annual surplus of € 6.1 million).

Financial condition

NTT DATA is financed by the direct parent company NTT DATA EMEA Ltd., London / Great Britain (NTT DATA EMEA). In this context, there are currently interest-bearing loan liabilities of € 15.5 million to NTT DATA EMEA at customary market conditions. With the funds made available, the company has sufficient liquid funds at its disposal at all times. There are no loan liabilities to banks. In the course of the acquisition of the shares in Nefos Deutschland GmbH, Munich / Germany, a loan of € 0.5 million was taken out from Nefos AG, Zurich / Switzerland.

Financial resources as of March 31, 2018 increased by € 3.1 million to € 21.8 million (previous year: € 18.7 million).

The cash flow from operating activities adjusted in accordance with Group guidelines amounts to € 19.6 million (previous year: € 10.2 million).

The cash flow from non-operating activities of € -3.6 million (previous year: € -2.6 million) is mainly influenced by group allocations.

The cash flow from financing activities in the amount of € -6.1 million (previous year: € -0.7 million) mainly includes the payment of the purchase price for Nefos in the amount of € -3.0 million and the loan repayment to NTT DATA EMEA, in the amount of € -1.0 million, cash pooling with NTT DATA Österreich GmbH in the amount of € -0.9 and the dividend payment in the amount of € -1.0 million.

The cash flow from investing activities amounts to € -6.8 million and includes investments in fixed assets (in the previous year it included the capital increase of € 0.5 million at the wholly owned subsidiary NTT DATA Österreich GmbH, Vienna).

The total cash flow in the financial year was € 3.1 million (previous year: € 6.4 million).

Financial position

The assets side of the NTT DATA balance sheet includes - with total assets of € 125.5 million (previous year: € 122.7 million) - fixed assets of € 15.1 million (previous year: € 16.7 million) and current assets (including prepaid expenses and prepaid expenses and active difference from the asset offset) in the amount of € 110.4 million (previous year: € 106.0 million).

The liabilities side consists of equity in the amount of € 26.0 million (previous year: € 24.9 million) and outside capital (including deferred income) of € 99.5 million (previous year: 97.8 million Million €) together. The equity ratio in the financial year is 20.7% (previous year: 20.3%).

On the assets side, the decline in fixed assets in the financial year resulted mainly from the merger of the shares in Nefos Deutschland GmbH, Munich with a value of € 3.5 million, of which, however, part could be capitalized as goodwill and as a customer base.

The main reasons for the increase in current assets are a higher level of bank balances and cash in hand of € +3.1 million as well as higher receivables from affiliated companies + € 2.5 million.

The average outstanding period of trade receivables of € 41.9 million (previous year: € 45.2 million) was 33.6 days (previous year: 43.0 days).

Receivables from affiliated companies amounted to € 6.6 million (previous year: € 4.1 million) due to the intra-group increase in project business. As of the reporting date, there was no longer any cash pooling.

The change in the liabilities side of € +2.8 million is mainly characterized by the increase in liabilities. This is primarily due to an increase in prepayments received for orders by € 2.9 million and other liabilities by € 3.6 million. This is counteracted by a decrease in liabilities to affiliated companies of € -5.9 million.

Forecast report

For the financial year from April 1, 2018 to March 31, 2019, the management expects a moderate increase in sales compared to the current financial year. The aim is to expand the business in the selected focus industries with existing customers and to acquire new selected customers. NTT DATA focuses on improving the annual result and

increasing the proportion of major projects. This is supported by the expansion of the shoring resources available in the network (combined near- and offshoring) as well as improved project management. NTT DATA appears on the market as a full-stack provider.

Opportunity and risk report

Like all market participants, NTT DATA is subject to the usual market risks. In particular, negative economic and political framework conditions represent an economic risk. Taking into account the economic outlook presented at the beginning, these risks can currently be assessed as low.

The order acceptance is subject to an approval process, which is constantly being further developed in close coordination with the European sister companies within the NTT DATA CORPORATION Group. It represents an efficient instrument for the early detection and avoidance of project risks. In addition, projects critical to success are discussed in internal steering groups and risk management measures are initiated.

The low risk of default in the area of accounts receivable is counteracted with targeted accounts receivable management. Credit checks are carried out for new customers in order to minimize the risk of default.

Sufficient provisions are set up to secure claims from warranties. The risk here is low.

NTT DATA is financed by the direct parent company NTT DATA EMEA. This means that NTT DATA has sufficient liquid funds at its disposal at all times.

NTT DATA is not exposed to any material currency or interest rate risks.

Furthermore, NTT DATA is integrated into the internal group risk management system of the NTT DATA CORPORATION Group. In addition, a risk and quality management system was set up, which is continuously improved.

There are no known risks to the existence of the company.

Furthermore, NTT DATA Deutschland GmbH is certified according to ISO 27001 (information security) and ISO 9001 (quality management). These confirm the safeguarding of the confidentiality of the collected and processed information, compliance with legal, regulatory and contractual requirements, compliance with the agreements concluded with customers on the security and availability of high-quality services and the availability of the infrastructure and technology used.

The focus of NTT DATA is on corporations and internationally operating companies that expect IT service providers around the world to provide one-stop service. Due to the increasing integration into the globally operating NTT DATA CORPORATION Group, NTT DATA offers its customers not only the strategically broad thematic expertise worldwide, but also the sought-after mix of onshore, nearshore and offshore from one source. This increases the number of addressable customers and the project volumes. This results in improved market opportunities for NTT DATA.

Furthermore, NTT DATA participates in the research and development work of the NTT DATA CORPORATION Group, for example in the area of the megatrends data analytics, DevOps, augmented reality, as well as cloud and edge computing. At NTT DATA, this future-proof interface is centered on the Chief Technology Officer, who drives the German contributions in close cooperation with the global research infrastructure.

Munich, June 11, 2018

The Board

Swen Rehders

Ilka Friese

Dieter Loewe

Jens-Uwe Holz

Ralf Malter

Auditor's report

We have audited the annual financial statements - consisting of the balance sheet, income statement and notes - together with the bookkeeping system and the management report of NTT DATA Deutschland GmbH, Munich, for the financial year from April 1, 2017 to March 31, 2018. The bookkeeping and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the company's management. It is our task to provide an assessment of the annual financial statements including the bookkeeping and the management report on the basis of the audit we have carried out.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing principles established by the Institut der Wirtschaftsprüfer (IDW). Accordingly, the audit is to be planned and performed in such a way that inaccuracies and violations that have a material impact on the presentation of the asset, financial and earnings position conveyed by the annual financial statements in accordance with the principles of proper bookkeeping and the management report are given with sufficient certainty be recognized. When determining the audit procedures, knowledge of the business activities and the economic and legal environment of the company as well as expectations of possible errors are taken into account. As part of the audit, the effectiveness of the accounting-related internal control system and evidence of the information in the books and records, the annual financial statements and the management report are assessed primarily on the basis of random samples. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe

Our audit has not led to any reservations.

In our opinion, based on the knowledge gained during the audit, the annual financial statements comply with the statutory provisions and, in compliance with the principles of proper bookkeeping, give a true and fair view of the company's assets, financial position and results of operations. The management report is consistent with the annual financial statements, complies with the legal requirements, as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Munich, June 18, 2018

KPMG AG
auditing company

Rupprecht, auditor

Overbeck, auditor

Report of the Supervisory Board of NTT DATA Deutschland GmbH for the business year April 01, 2017 to March 31, 2018

Report of the Supervisory Board of NTT DATA Germany GmbH for the short fiscal year April 1st, 2017 to March 31st, 2018

Report of the Supervisory Board of NTT DATA Deutschland GmbH for the business year April 01, 2017 to March 31, 2018

In the financial year April 1, 2017 to March 31, 2018, the Supervisory Board performed the tasks incumbent on it according to the law, the Articles of Association and the rules of procedure. In particular, the Supervisory Board advised the management on the management of NTT DATA Deutschland GmbH and monitored their activities. He was involved in decisions of fundamental importance. The budget planning and medium-term planning were checked after the end of the year. The management informed the supervisory board about corporate planning, the course of business and the situation of the company. The management coordinated the strategic direction of the company with the supervisory board. The business processes that are important for the company were presented and discussed in detail by the management. The main subjects of these presentations were the company's sales, earnings and employment development, its financial position and the main investment and divestment projects.

KPMG AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements and the management report of NTT DATA Deutschland GmbH from April 01, 2017 to March 31, 2018 in accordance with the provisions of the Commercial Code (HGB) and the supplementary provisions of the GmbH Act and issued an unqualified audit opinion. The auditor carried out the audit in compliance with the German principles of proper auditing established by the Institut der Wirtschaftsprüfer (IDW).

The annual financial statements, the management report, the auditor's report and the management's proposal for the appropriation of profits were distributed by the management to all members of the Supervisory Board and were the subject of deliberations at the Supervisory Board meeting on July 26, 2018. In particular, the audit report was dealt with comprehensively in the presence of the auditor, who reported on the main results of his audit. In addition, at this meeting the management explained the annual financial statements and the risk management system and presented the scope, focus and costs of the audit.

The Supervisory Board examined the annual financial statements and the management report and approved the results of the audit. After the examination of the supervisory board, no objections were raised.

The Supervisory Board approves the management's proposal to carry forward the net income of NTT DATA Deutschland GmbH in the amount of EUR 1,086,355.95 to a new account.

Munich, July 26th, 2018 / Munich, July 26th, 2018

Report of the Supervisory Board of NTT DATA Germany GmbH for the short fiscal year April 1st, 2017 to March 31st, 2018

During the fiscal year April 1st 2017 to March 31st, 2018 the Supervisory Board of NTT DATA Deutschland GmbH performed the duties assigned to it by law, the articles of association of NTT DATA Deutschland GmbH and the bylaws of the Supervisory Board. In particular, the Supervisory Board advised the management on the management of NTT DATA Deutschland GmbH and monitored the management's activities. The Supervisory Board was directly involved in the major decisions of the management. The budget planning and medium term planning were reviewed age the year end. The Management provided the Supervisory Board with information on company planning and business operations as well as the current state of the company. Together with the management, the Supervisory Board determined the company's strategic orientation. The business transactions of major significance to the company were presented by Management and discussed in detail. The topics of such presentations were, in particular, profit and employment developments at the company as well as the company's major investment and divestment projects.

The independent auditors KPMG AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements and the annual report of NTT DATA Deutschland GmbH from April 1st, 2017 to March 31st, 2018 in accordance with the requirements of the German Commercial Code (HGB) and the additional requirements of the Limited Liability Company Law (GmbH-Gesetz) and approved them without qualification. The audit was conducted in accordance with generally accepted German standards for the audit of financial statements promulgated by the Institute of German Auditors (Institut der Wirtschaftsprüfer in Deutschland eV, IDW).

The annual financial statements, the annual report, the auditor's opinion and the man-agement's proposal for the appropriation of the annual profits were submitted to all members of the Supervisory Board by the Management and were examined during the meeting of the Supervisory Board on July 26th 1, 2018. In particular, the auditor's opinion was reviewed comprehensively in the presence of the independent auditors who reported on the main findings of their audit. In addition, at this meeting the management explained the annual financial statements as well as the company's risk management and provided a report on the scope, focal points and costs of the audit.

The Supervisory Board has examined the annual financial statements and the annual report and concurs with the results of the audit. Following the examination of the Supervisory Board no objections were raised.

The Supervisory Board endorses the management's proposal that the annual profit of NTT DATA Deutschland GmbH in the amount of EUR 1,086,355.95 shall be carried forward.

For the Supervisory Board

Herbert Vogel, Chairman of the Supervisory Board