

Company Presentation for the Second Quarter of  
Fiscal Year Ending March 31, 2020

November 1, 2019  
NTT DATA Corporation

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

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I am Yo Honma, President and CEO, Representative Director of NTT DATA.

Thank you for taking the time to participate today in spite of your busy schedule.

I will present an overview of the financial results for the second quarter of the fiscal year ending March 31, 2020.

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### **Cautionary Statement Regarding Forward-looking Statements**

- ^^ Forecast figures in this document are based on current economic and market conditions. As changes in the global economy and information services market are possible, NTT DATA Group cannot guarantee their accuracy.
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(Explanation omitted)

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# Results for the Second Quarter of Fiscal Year Ending March 31, 2020 (The whole company basis)

(Explanation omitted)

## Results for the Second Quarter of Fiscal Year Ending March 31, 2020

- The expansion of robust domestic and overseas businesses contributed to a stable increase in new orders received and net sales.
- Operating income increased due to the decrease of PMI cost and sales growth, despite an increase of costs for business expansion.

(Billions of Yen, %)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	920.4	1,088.8	+168.4	+18.3%	➔
Net Sales	1,022.7	1,077.8	+55.1	+5.4%	➔
Operating Income (Operating income margin)	60.1 (5.9%)	63.8 (5.9%)	+3.7 (+0.0P)	+6.1%	➔
Net Income Attributable to Shareholders of NTT DATA	38.7	40.2	+1.5	+3.9%	➔

First, I will explain the overview of the financial results of the whole company.

In the second quarter, the growth rate increased in all of the items shown in this slide from the first quarter.

In particular, new orders received grew in all of the segments from the first quarter when excluding the negative impact from yen appreciation in foreign exchange. New orders received of the whole company increased by about 150 billion yen in the second quarter. Among them, the Public & Social Infrastructure Segment and the North America Segment saw a significant increase thanks to the winning of contracts for large-scale projects.

Net sales increased in all of the segments when excluding the negative impact from yen appreciation in foreign exchange. The Enterprise & Solutions Segment maintained particularly good performance.

As for operating income, while we saw a cost increase associated with the Mid-Term Management Plan we announced in May, operating income increased due to the reduced PMI costs following the acquisition of the former Dell Services and the sales growth.

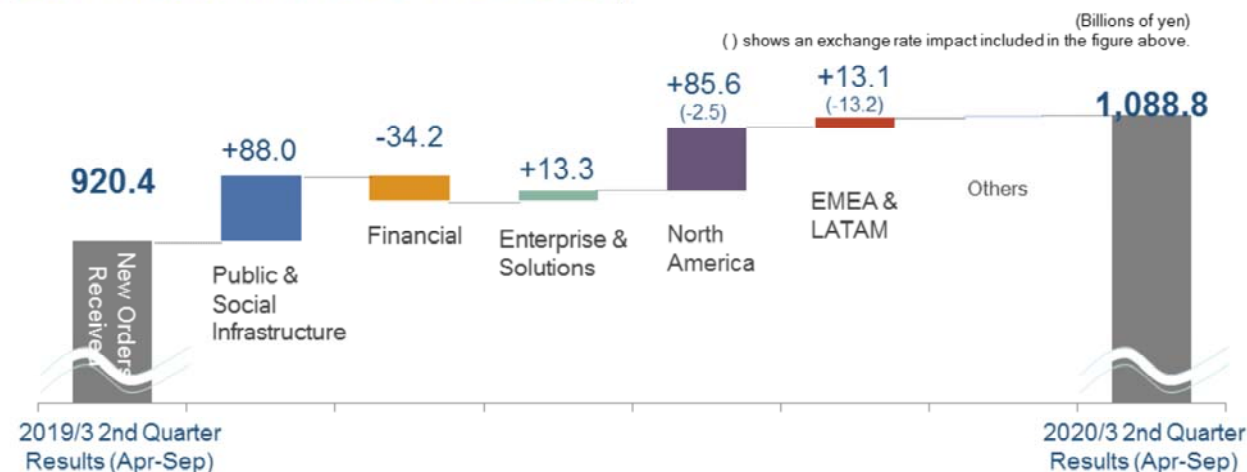
I will move on to the explanation about the changes in each item in each segment.

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## Results for the Second Quarter of Fiscal Year Ending March 31, 2020 (By business segment)

(Explanation omitted)

## New Orders Received: YoY Changes by Business Segment (2Q FYE3/2019 and 2Q FYE3/2020)



Public & Social Infrastructure      Increased due mainly to winning projects for government ministries.

Financial      Decreased due mainly to less orders compared to the previous fiscal year such as for projects for banks.

Enterprise & Solutions      Increased due mainly to winning projects for manufacturing industry.

North America      Increased due mainly to winning projects for public sector and healthcare.

EMEA & LATAM      Increased due mainly to winning projects in Europe mainly in Spain, despite a decrease due to the negative impact from yen appreciation in foreign exchange.

First, let me explain about the new orders received.

In the second quarter, the Public & Social Infrastructure Segment won contracts for multiple projects, including large-scale projects from government ministries, and so grew significantly.

In the Financial Segment, the total amount of new orders received decreased mainly due to less orders compared to the previous year such as for large-scale projects, while the segment won contracts for projects for cooperative financial institutions in the second quarter and saw improvement.

The Enterprise & Solutions Segment recorded steady growth of new orders received mainly for the manufacturing industry.

The North America Segment won large-scale projects in the second quarter too and maintains strong performance, recording significant growth for three consecutive quarters.

The EMEA & LATAM Segment steadily grew while the growth rate declined from the first quarter due to the negative impact from yen appreciation in foreign exchange.

## Net Sales: YoY Changes by Business Segment (2Q FYE3/2019 and 2Q FYE3/2020)



Public & Social Infrastructure	Increased due mainly to the expansion in the scale of services for utility and telecom industries, despite less sales compared to the previous fiscal year such as for services for government ministries.
Financial	Increased due mainly to the expansion in the scale of services for financial institutions.
Enterprise & Solutions	Increased due mainly to the expansion in the scale of services for manufacturing industry and payment including M&A.
North America	Remained on par with the previous fiscal year due mainly to negative impact from yen appreciation in foreign exchange, despite the expansion of scale from M&A.
EMEA & LATAM	Increased due mainly to the expansion of scale in Europe mainly in businesses in Spain, despite a decrease due to the negative impact of yen appreciation in foreign exchange.

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Next, I will explain about the net sales.

The Public & Social Infrastructure Segment saw an increase in net sales due mainly to the expansion in the sales for utility and telecom industries, despite less sales compared to the previous fiscal year such as for services for government ministries.

The Financial Segment saw a steady increase in sales growth mainly in services for financial institutions.

The Enterprise & Solutions Segment maintained strong performance as the sales of payment services continued to grow thanks to the expanded scope of consolidation of PAYGENT we acquired in the previous year and the organic growth of CAFIS, in addition to the increased sales from services for the manufacturing industry.

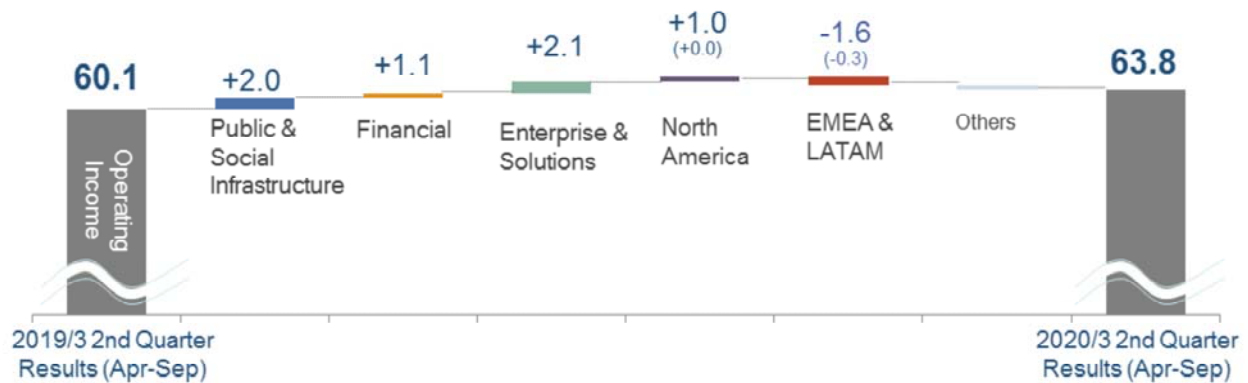
The North America Segment remains on par with the previous fiscal year due to the negative impact from yen appreciation in foreign exchange despite recording increased income on the local currency basis due to the expansion of scale through M&A.

The EMEA & LATAM Segment continues to grow steadily, mainly in Spain.



## Operating Income: YoY Changes by Business Segment (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of yen)  
( ) shows an exchange rate impact included in the figure above.



Public & Social Infrastructure	Increased due mainly to sales growth and a decrease in the amount of loss from unprofitable projects.
Financial	Increased due to sales growth.
Enterprise & Solutions	Increased due to sales growth.
North America	Increased due mainly to a decrease of PMI cost.
EMEA & LATAM	Decreased due mainly to an increase of costs for business expansion, despite an increase due to sales growth.

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Let's move on to the operating income.

The Public & Social Infrastructure Segment saw an increased income due to sales growth and a decrease in the amount of loss from unprofitable projects compared to the previous fiscal year.

The Financial Segment and the Enterprise & Solutions Segment posted an increase in income due to sales growth. The North America Segment recorded an increased income due to the reduced PMI costs.

The EMEA & LATAM Segment is steadily carrying out the structural transformation based on the Mid-Term Management Plan and saw a decrease in income due to related costs.



## Public & Social Infrastructure (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	172.1	260.1	+88.0	+51.2%	
Net Sales	208.4	213.0	+4.5	+2.2%	
Operating Income (Operating income margin)	11.4 (+5.4%)	13.3 (6.3%)	+2.0 (+0.8P)	+17.4%	

**New orders received** Increased due mainly to winning projects for government ministries.




**Net sales** Increased due mainly to the expansion in the scale of services for utility and telecom industries, despite less sales compared to the previous fiscal year such as for services for government ministries.

**Operating income** Increased due mainly to sales growth and a decrease in the amount of loss from unprofitable projects.

(Explanation omitted)

## Financial (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	225.0	190.9	-34.2	-15.2%	
Net Sales	266.1	280.9	+14.8	+5.6%	
Operating Income (Operating income margin)	23.8 (8.9%)	24.8 (8.8%)	+1.1 (-0.1P)	+4.4%	

**New orders received** Decreased due mainly to less orders compared to the previous fiscal year such as for projects for banks.


**Net sales** Increased due mainly to the expansion in the scale of services for financial institutions.

**Operating income** Increased due to sales growth.

(Explanation omitted)

## Enterprise & Solutions (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	144.2	157.5	+13.3	+9.3%	
Net Sales	250.5	282.1	+31.5	+12.6%	
Operating Income (Operating income margin)	24.4 (9.7%)	26.5 (9.4%)	+2.1 (-0.3P)	+8.7%	

**New orders received** Increased due mainly to winning projects for manufacturing industry.

**Net sales** Increased due mainly to the expansion in the scale of services for manufacturing industry and payment including M&A.

**Operating income** Increased due to sales growth.

(Explanation omitted)

## North America (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	157.4	243.0	+85.6	+54.3%	
Net Sales	208.9	208.5	-0.4	-0.2%	
EBITA <sup>(*)</sup> (EBITA margin)	4.2 (2.0%)	5.6 (2.7%)	+1.4 (+0.7P)	+34.3%	
Operating Income (Operating income margin)	-0.9 (-0.4%)	0.1 (0.1%)	+1.0 (+0.5P)	-	

(\*1) EBITA = Operating income + Amortization of intangible assets subject to purchase price allocation (PPA) arising from acquisition and others.

**New orders received** Increased due mainly to winning projects for public sector and healthcare.

**Net sales** Remained on par with the previous fiscal year due mainly to negative impact from yen appreciation in foreign exchange, despite the expansion of scale from M&A.

**EBITA** Increased due mainly to a decrease of PMI cost.

**Operating income** Increased due mainly to a decrease of PMI cost.

(Explanation omitted)

## EMEA & LATAM (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	205.7	218.8	+13.1	+6.4%	
Net Sales	206.6	217.5	+10.9	+5.3%	
EBITA <sup>(*)</sup> (EBITA margin)	6.4 (3.1%)	3.6 (1.6%)	-2.9 (-1.5P)	-44.8%	
Operating Income (Operating income margin)	2.6 (1.2%)	1.0 (0.5%)	-1.6 (-0.8P)	-61.6%	

(\*1) EBITA = Operating income + Amortization of intangible assets subject to purchase price allocation (PPA) arising from acquisition and others.

<b>New orders received</b>	Increased due mainly to winning projects in Europe mainly in Spain, despite a decrease due to the negative impact from yen appreciation in foreign exchange.
<b>Net sales</b>	Increased due mainly to the expansion of scale in Europe mainly in businesses in Spain, despite a decrease due to the negative impact of yen appreciation in foreign exchange.
<b>EBITA</b>	Decreased due mainly to an increase of costs for business expansion, despite an increase due to sales growth.
<b>Operating income</b>	Decreased due mainly to an increase of costs for business expansion, despite an increase due to sales growth.

(Explanation omitted)

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## Progress of Mid-Term Management Plan

Next, I will explain the progress of the Mid-Term Management Plan.

## Profitable global growth : FY2021 BUSINESS GOALS

### Growth

Net Sales : 2.5 trillion yen  
Client Base : Over 80

### Earnings

Operating income margin : 8%  
Overseas EBITA : 7%

## COURAGE TO CHANGE : Maximize Value for our Clients

### Transformation & Synergy



Strategy1

Expand global  
digital offerings



Strategy2

Deliver greater value to clients  
based on regional needs



Strategy3

Unleash our employee's potential  
that maximize organizational strengths

DRIVE NTT  
GROUP  
COLLABOR  
ATION

## CONSISTENT BELIEF : Shape the future society with our clients



This is an overview of the entire Mid-Term Management Plan. With the “consistent belief” and the “courage to change,” we aim to achieve profitable global growth.



**Implementing 4 strategies as the courage to change to maximize customer value**



Strategy 1

**Expand global digital offerings**



Strategy 2

**Deliver greater value based on regional needs**



Strategy 3

**Maximize individual & organizational strengths**

**NTT Group  
Collaboration**

**Drive NTT Group Collaboration**

Based on the current Mid-Term Management Plan, we are thoroughly implementing the four strategies shown in the slide as the “courage to change,” in order to maximize the value for our clients.

**Implementing 4 strategies as the courage to change to maximize customer value**



Strategy 1

**Expand global digital offerings**



Strategy 2

**Deliver greater value based on regional needs**



Strategy 3

**Maximize individual & organizational strengths**

**NTT Group  
Collaboration**

**Drive NTT Group Collaboration**

Strategy 1 is to “expand global digital offerings.”

**Accelerate global synergy by creating strong offerings backed by aggressive investment for focus areas, and deliver them along with proactive marketing and leveraging technology**

**Build our strengths & improve how we compete**



The purpose of the strategy is to build our strengths and improve the way we compete.

More specifically,

1. We decided industries to focus on, and set up a Global One Team for each industry to draw up strategies for global industries, global accounts and global offerings.

Furthermore, in the Digital Strategy Office, or DSO,

2. We make efforts to create offerings in key fields on the global level to promote digital businesses.

In addition,

3. We will conduct R&D activities globally, expand Center of Excellence, or CoE, and provide support to create and leverage the offerings.

Through these measures, we will compete by emphasizing our global and digital strengths.

Accelerate global synergy by creating strong offerings backed by aggressive investment for focus areas, and deliver them along with proactive marketing and leveraging technology

**Build our strengths & improve how we compete**



Let me first talk about the acceleration of global marketing.

**Established Global Industries Teams to strengthen collaboration  
Respond to complex client requirements**

**Global Industries & Accounts**



**Global Offerings**

Japan, North America, EMEA & LATAM, China & APAC

**Collaboration - Global One Team**

In order to accelerate the global marketing, we set up a Global One Team and established a system to offer advanced services to our clients around the world in an integrated manner.

We have already been implementing the measure in multiple industry fields.

**WIN #1 in the industry we are best  
Aim for TOP 5 for all NTT DATA**

**2018 Market Share - IT Services**

Rev in 2018 (US\$B), Rev growth in 2017-18



**Finance**



**Healthcare**



**Insurance**



**Manufacture**



**Public**



**Retail**



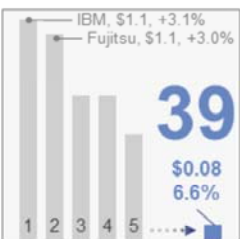
**Teleco/Media**



**Transportation**



**Utility**



**Wholesale**

Graphs are created by NTT DATA based on Gartner Research. Source: Gartner, Market Share: IT Services, 2018, Dean Blackmore et al, 8 April 2019. Finance: Banking & Securities, Healthcare: Healthcare Providers, Insurance: Insurance, Manufacture: Manufacturing & Natural Resources, Public: Government, Retail: Retail, Teleco/Media: Communications, Media & Services, Transportation: Transportation, Utility: Utilities, Wholesale: Wholesale Trade.

These graphs show objective evaluations of our strength in global industry fields by external institutions.

We aim to become the No. 1 company in global fields where we have strength and want to grow further. As a result of such efforts, we will aim to become one of top five global companies.



## Formed One Teams for Global Industries and developing strategies



Automotive



Banking



Insurance



Healthcare



Telco /  
Media



Retail

North  
America

EMEA  
& LATAM

China  
& APAC

Japan



Global One Team

Develop strategies across the globe

- Marketing strategy
- Account strategy
- Offering strategy

More specifically, we formed Global One Teams for industry fields of our strength, such as automotive, banking, insurance, healthcare, telco/media, and retail, as shown in this slide.

For each industry, we will develop strategies across the globe to offer advanced services to our clients around the world in an integrated manner.



Accelerate global synergy by creating strong offerings backed by aggressive investment for focus areas, and deliver them along with proactive marketing and leveraging technology

## Build our strengths & improve how we compete



So now, let me explain the offerings strategy and present specific examples.

## Focus on 8 fields to strengthen capabilities & build solutions



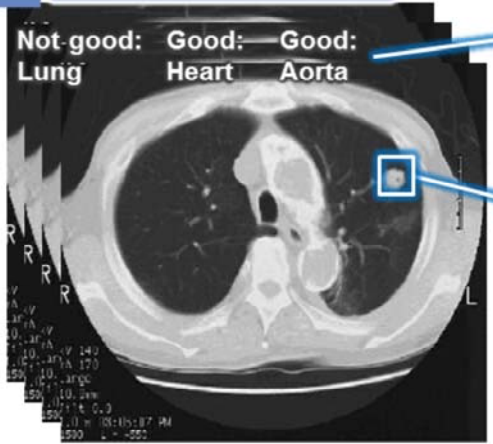
In order to accelerate digital businesses, we created a new organization called DSO, or Digital Strategy Office last year.

We decided eight key fields on the global level shown in the slide and are working on the creation of solution services to achieve digital transformation.

**Faster detection reduces the burden on doctors  
More accurate diagnosis**



**Healthcare**



**AI Diagnostic Imaging**

**A: Abnormality Detection Algorithm**

Detect abnormalities in each organ

**B: location algorithm**

Locate abnormalities in organ

**Demonstration experiments were conducted with Miyazaki University from March to August 2019. It was confirmed that the system has high detection accuracy, especially for the detection of renal cancer.**

This is a solution to support diagnostic imaging by using AI, which is currently under development in the healthcare field. The solution uses AI to analyze medical image data of patients to detect “multiple disease abnormalities” to support doctors’ diagnoses.

In a recent PoC, we confirmed that the solution can be applied to all kinds of kidney diseases and patients in multiple countries with different races and lifestyles. In particular, its high performance was confirmed in the diagnosis of kidney cancer.

Based on the results, we plan to verify the effects of the solution in actual diagnosis operations, such as reducing the burden on doctors, in around fiscal year 2020.

## Create new ways to gather & utilize data by digitizing real stores



Retail

NTT DATA

powered by  
ARIS

NTT DATA

Sept. 2019 - started  
cash register free store  
“Catch & Go”  
service to retail industry

This slide shows our initiative for the retail industry.

We began offering a cashier-free store “Catch&Go” service in September. Customers can bring back products they picked up without making payments at cash registers.

The service is the digitalization of real stores utilizing know-how we have developed through customer touchpoint digital businesses such as omni-channel and e-commerce websites.

The service will help reduce the stress of consumers associated with payment at cash registers. For stores, they can use the service to improve operational efficiency, maximize purchase opportunities by eliminating checkout lines. Also, it allows stores to capture the data of customer flow and others and utilize it for marketing.

We aim to introduce the service in 1,000 retail stores by the end of fiscal year 2022.



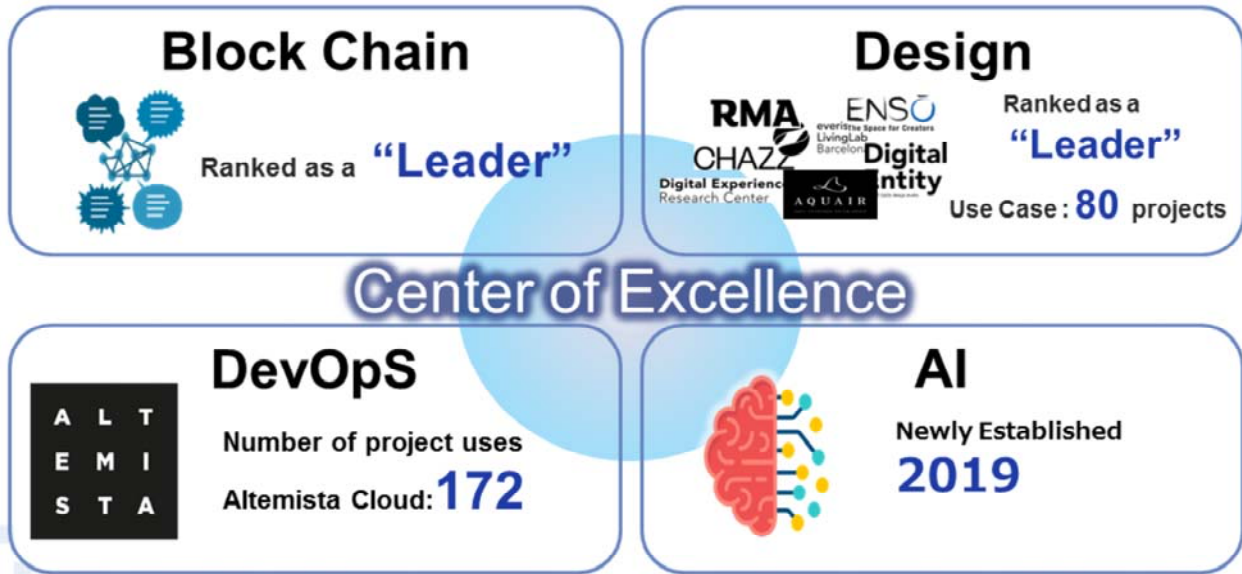
Accelerate global synergy by creating strong offerings backed by aggressive investment for focus areas, and deliver them along with proactive marketing and leveraging technology

## Build our strengths & improve how we compete



Next is about the measures of Center of Excellence, or CoE, to support developing and rolling out our offerings.

**Accelerate global utilization  
Gather & utilize knowledge in advanced technologies**



In order to accumulate and utilize technologies and knowledge at the global level, CoEs set up globally common research centers to support clients' digitalization.

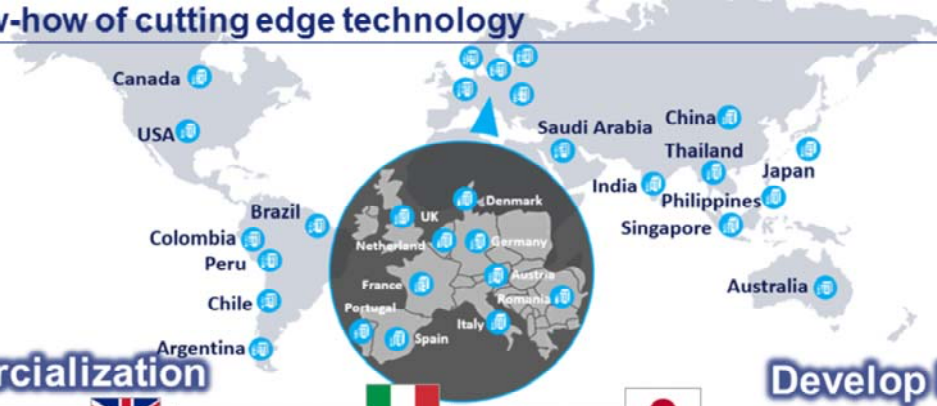
For the fields of block chain and design among these CoEs, we were ranked as a "leader" by an external research company.

Deepening synergy by sharing use cases and references helps us apply the advanced technologies and knowledge to more commercial projects both in Japan and overseas.

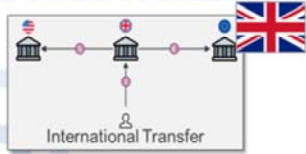
**Established team of 300+ professionals from 24 countries**  
**World's 1st commercialized blockchain technology**

**Promote CoE**

Technical support HR development - commercialization  
Know-how of cutting edge technology



**Commercialization**



**ABI Lab**  
Tecnologia utile  
Spunta:  
Italian Banking Project



**Develop PoC**

**LACCHAIN**  
Multi Sector  
National Consortiums

The block chain CoE is participated by more than 300 members from 24 countries in the entire NTT DATA Group.

There are some cases where the block chain technology is applied to commercial services through collaboration of CoE, ahead of the rest of the world.



Established team of 450+ professionals from 8 countries  
Share design expertise with each other to accelerate customer DX



This slide shows the measures of the Design CoE. We established a network to share knowledge on design globally.

We have 15 studios and more than 450 UX designers around the world and share more than 80 use cases.

**Implementing 4 strategies as the courage to change to maximize customer value**



Strategy 1

Expand global digital offerings



Strategy 2

**Deliver greater value based on regional needs**



Strategy 3

Maximize individual & organizational strengths

NTT Group  
Collaboration

Drive NTT Group Collaboration

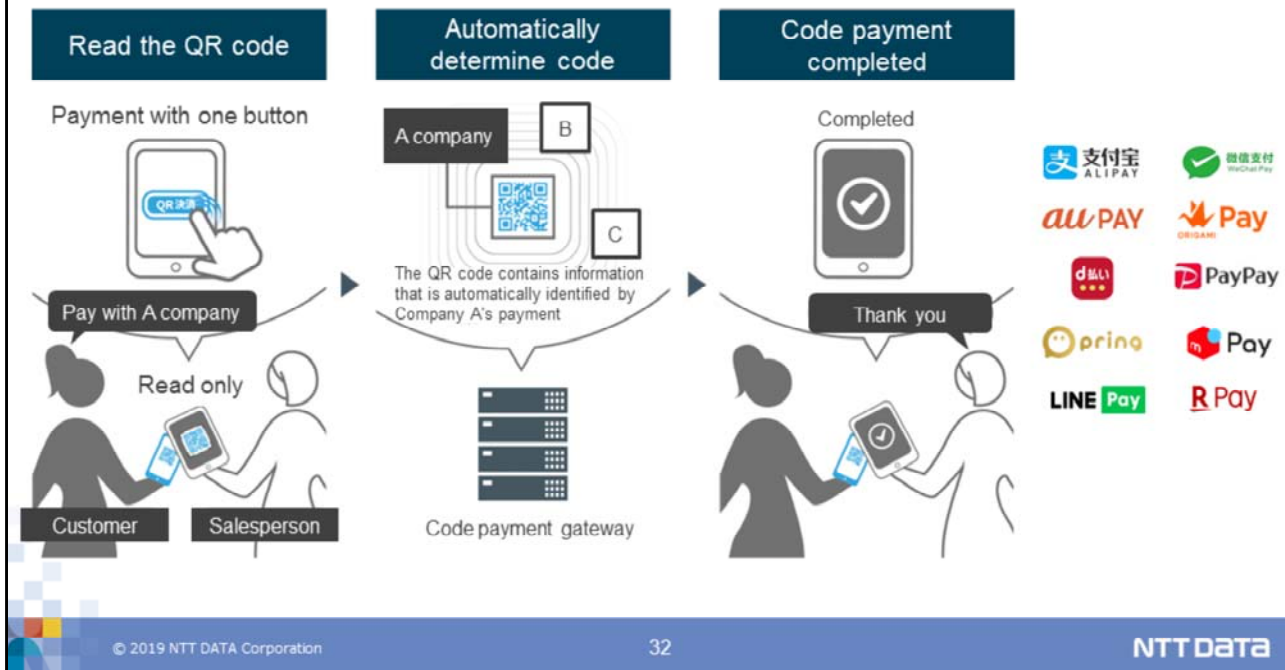
Strategy 2 is to “deliver greater value based on regional needs.”

The purpose of this strategy is to continue to offer value that attracts our clients. Let’s move on to the specific examples in each region.

## Strategy 2 :

Deliver greater value to clients based on regional needs

### Started to provide a “code payment gateway” to accept a wide variety of domestic and overseas code payments



Let me start with the examples in Japan.

As a new solution of “CAFIS”, Japan’s largest cashless payment platform we provide, we began providing a “code payment gateway” to allow a wide variety of domestic and overseas code payments such as 1D barcodes and QR codes.

By using this service, it becomes possible to accept code payments in Japan and that are widespread in China in an integrated manner.

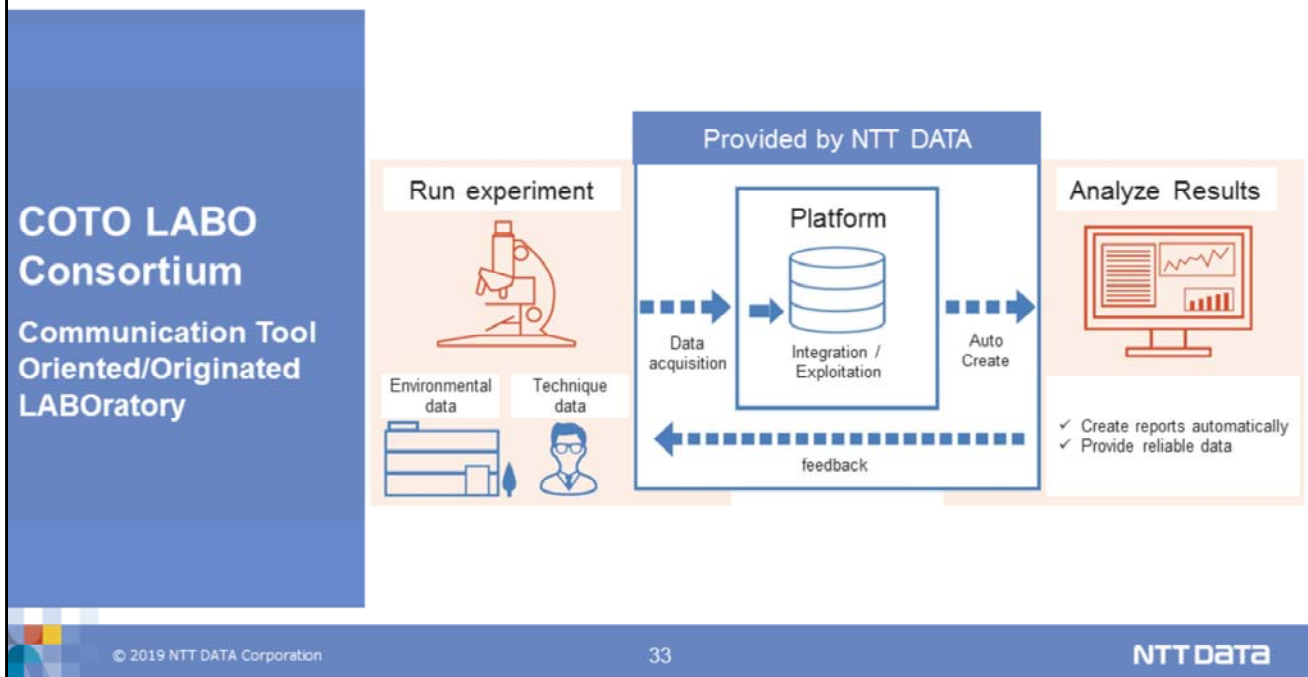
Usually, when introducing multiple code payment services, system connection by each operator is needed. However, with this service, such process becomes unnecessary. In addition, the operational burden on store staff will be reduced.

Going forward, we will further contribute to Japan’s cashless society by making more efforts to accept various code payments and linking various services offered by CAFIS.

## Strategy 2 :

Deliver greater value to clients based on regional needs

# Aim to provide next-generation laboratories for handling iPS cells 8 companies formed a consortium & leverage digital technology



This is a case of a consortium established by eight companies aiming to provide next-generation laboratories that handle iPS cells and others.

The consortium aims to improve the repeatability and efficiency of experiments by digitalizing research activities in the life science fields such as drug discovery and regenerative medicine to integrally manage and use data.

It will develop the system within 2019 and aims to set up a new lab.

## Strategy 2 :

Deliver greater value to clients based on regional needs

### **Awarded a new large-scale IT Service contract with the United States Agency for International Development**

**Won a new five-year  
\$218 million contract  
with USAID**



NTT DATA Services built a strong relationship with the client by leveraging a deep understanding of the USAID environment, years of government expertise, and proven performance with public client. We also leveraged our corporate capabilities to infuse innovation and automation to help improve overall efficiencies of USAID's operations.

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This slide shows a case in North America.

NTT DATA Services won a new large-scale outsourcing project by taking advantage of abundant experience in the public sector in the United States.

We will make use of digital offering investment achievements, such as automation, to further improve productivity and increase value for our clients. Moreover, we intend to improve our operational efficiency and increase the profitability.

Going forward, we intend to deepen the relationship of trust with our clients by continuing to offer attractive values and contribute to our clients' businesses by utilizing digital technologies.



## Strategy 2 :

Deliver greater value to clients based on regional needs

### Launched a new large-scale Dynamic Workplace Services to a leading U.S. chemical manufacturer

**TCV  
over \$150 million/5yrs  
Dynamic Workplace  
Services**



NTT DATA Services has a long standing and firm relationship with the client, and has supported the client's IT integration initiative over the last two years. After successfully completing the wide ranging and complex initiative, we will be providing Dynamic Workplace Services to the client, realizing automation of business processes and providing integrated IT support based on data analysis to improve its operational efficiency and user satisfaction using advanced technologies.

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This is another case of NTT DATA Services' large-scale outsourcing project in North America.

We captured the changes in business of a leading US chemical manufacturer, completed the wide ranging and complex IT integration initiative and began providing the Dynamic Workplace Services utilizing digital technologies.

In this way, investments in digital offerings, selection and concentration thereof, and efforts to strengthen capabilities to handle upstream phases in the North America region have led to the winning of large-scale projects.

## Strategy 2 :

Deliver greater value to clients based on regional needs

### Naturgy, a gas and electricity provider operating in Europe and Latin America selects everis as its strategic partner

The total sales in the next 10 years is estimated to exceed 500 million Euros



Naturgy awarded the contract to everis, because it highly appreciated everis' approach to drive innovation and automation along with the Long-Term Relationships everis has built with Naturgy and its past achievements in providing rich outsourcing services.

This is a project in the EMEA & LATAM Segment.

The EMEA & LATAM Segment also has signed contracts for large-scale outsourcing projects. Our group company everis has abundant experience in outsourcing projects.

Based on the deep relationship of trust with the client, various measures were highly appreciated, such as process automation and sophistication of peripheral systems by utilizing digital technologies, and realization of efficient delivery formation, etc., and everis was selected as its strategic partner.

In the EMEA & LATAM region, measures such as digital offering investment and delivery system enhancement have begun producing outcomes. In addition, along with the structural transformation that is currently underway, we aim to further improve the profitability in the entire region.

**Implementing 4 strategies as the courage to change to maximize customer value**



Strategy 1

Expand global digital offerings



Strategy 2

Deliver greater value based on regional needs



Strategy 3

**Maximize individual & organizational strengths**

NTT Group  
Collaboration

Drive NTT Group Collaboration

Strategy 3 is to “maximize individual & organizational strengths.”

The purpose of this strategy is to strengthen each employee’s capabilities to handle digital and global businesses and enhance organizational capabilities.



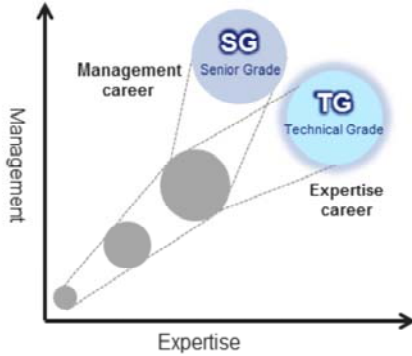
Strategy 3 :

Unleash our employee's potential that maximize organizational strengths

**Created systems tailored to diverse expertise to expand the digital business**

**Creation of systems of expertise**

- Established the ADP System to strengthen the recruitment of external personnel (4 people now)
- Established "Technical Grade System" to maximize employee potential



※Advanced Professional System :

A system to hire outside personnel with outstanding expertise in advanced technology and consulting at a rate commensurate with market value (Established in December 2018)

**Expand definition of expertise**

- Defined new expertise to address diverse expertise

Develop / Operate	Project Manager
	Application Specialist
	IT Service Manager
Technology	IT Architect
	IT Specialist
	R&D Specialist
	<b>Data Scientist</b> <span style="float: right;"><b>New</b></span>
Sales	Customer Sales
	Solution Sales
	Consultant
<b>Business Developer</b> <span style="float: right;"><b>New</b></span>	
Staff	

In order to maximize the professionalism of employees, we created systems for diversified human resources.

Along with the expansion of digital businesses, new professional skills are now required.

Against such background, we strengthened recruitment activities under the ADP System created last fiscal year. At present, four professional workers with high skills are playing active roles.

In addition, as the careers and capabilities of employees become more diverse, we created the "Technical Grade System" to maximize potentials of employees with professional skills and make evaluations on them.

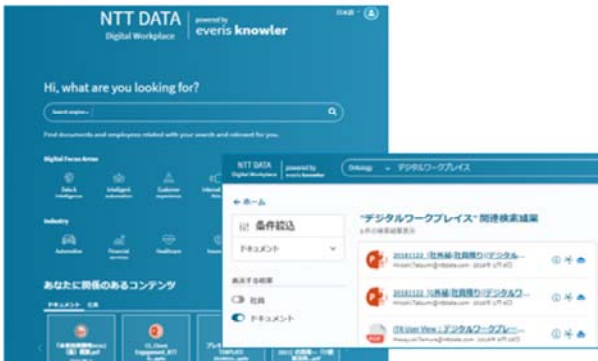
Furthermore, as new expertise of employees, we added "Business Developer" and "Data Scientist" to deal with diverse expertise associated with the expansion of digital businesses.

### Strategy 3 :

Unleash our employee's potential that maximize organizational strengths

## Introduction of a system to share knowledge and provide mutual support across groups to maximize group synergies

### Digital Workplace



### Shared Contents



## Digital Knowledge Share

In addition, in the workstyle reform utilizing digital technologies, we introduced latest systems that allow the global sharing of knowledge and know-how to promote collaborations.

Currently, about 18,000 contents are shared globally and used to make proposals and spread know-how.

**Implementing 4 strategies as the courage to change to maximize customer value**



Strategy 1

Expand global digital offerings



Strategy 2

Deliver greater value based on regional needs



Strategy 3

Maximize individual & organizational strengths

**NTT Group  
Collaboration**

**Drive NTT Group Collaboration**

Finally, I will explain about “driving NTT Group collaboration.”

# Realized Public Safety Solution for the city of Las Vegas by NTT Group's joined forces. NTT Data Services as Prime Sler collaborates with NTT Ltd. to offer total service



This slide shows a collaborative project that is being implemented by NTT Group companies. By bringing together strengths of the entire group, we created the public safety solution for Las Vegas.

NTT DATA Services in the North America Segment participates as Prime Sler of the "One NTT" team. By collaborating with NTT Ltd., we offer comprehensive services.

I would like to omit explanations for the following slides which show business topics, numerical information and others.

This concludes my presentation. Thank you for your kind attention.

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## Appendices -Business topics-

(Explanation omitted)

After completing a proof of concept (PoC), NTT DATA started considering commercialization of AI prediction service for customers' fund needs



NTT DATA, together with its subsidiary, NTT DATA Mathematical Systems Inc., completed a PoC of a prediction service for customers' fund needs at a Shinkin bank using an AI prediction model which was built based on the know-how of Shinkin banks' operations. We began considering the commercialization of this service from July 2019, after the validity of its accuracy was confirmed in the PoC. The accuracy of the prediction of potential customers' fund needs improved by threefold compared to the past loan records. The service supports making customer visit lists by using AI which learns various data retained by Shinkin banks and predicts customers who are in need of funds. The service will enable more effective and efficient customer visits, passing on of know-how by visualizing how to determine which customers to visit, and improvement of customer satisfaction with timely proposals based on the prediction of fund needs. It will also contribute to improving profitability.

Going forward, NTT DATA will work to provide AI services to support sales activities of the Shinkin banks such as "visit planning," "face-to-face negotiations," "negotiations recording," and "case management" from all angles.

(Explanation omitted)



## Started to provide “Catch&GO,” a service to help clients open a digital store without a cash register



In September 2019, NTT DATA began to offer “Catch&GO,” a service that allows customers to purchase products using QR codes specifying a payment method authenticated when they enter the store, thereby eliminating the process of paying at the cash register. Through this service, we support the retail industry clients in digitalizing their brick-and-mortar shops by utilizing our digital business knowledge that we have gained through the provision of customer touchpoint solutions, such as omni-channels and e-commerce (EC) sites, and jointly conducting hypothesis tests with the clients. A digital store without a cash register will help consumers reduce the hassle of paying at a cash register and allow them to enjoy convenient and money-saving purchase experience with special campaigns based on their behaviors at the stores. For store employees and store owners/franchise headquarters, the service will increase operational efficiency by eliminating cash register operations and maximize the purchase opportunity by saving waiting time for checkout. They will also be able to utilize the flow and action data of consumers at the stores to take opportunities to promote sales and for store designing and marketing.

NTT DATA aims to provide this service to 1,000 retail stores by the end of fiscal 2022. Additionally, to enhance this service, we will develop a next-generation digital store platform<sup>(Note 1)</sup> that will offer payment points including various payment methods and devices both for brick-and-mortar stores and EC sites, while collaborating with NTT DATA’s “CAFIS”—Japan’s largest comprehensive cashless payment platform that we provide. Moreover, we will collaborate with start-ups possessing advanced technologies to add new features in series.

(Note 1) Next-generation digital store platform

A platform we plan to develop to co-create a store business model driven by digital technologies with our clients. With this platform, in addition to “Catch&Go,” we aim to provide functions and services, including shopping navigation tools, remote customer services via avatars, and purchase data marketing.

(Explanation omitted)

## NTT DATA Services to provide new large-scale Dynamic Workplace Services<sup>(Note2)</sup> to a leading U.S. chemical manufacturer after successful support in IT integration



NTT DATA Services, a subsidiary of NTT DATA Corporation, has launched new large-scale IT outsourcing services for a leading U.S. chemical manufacturer under a five-year contract with a total value of over \$150 million.

NTT DATA Services has a long standing and firm relationship with the client, and has supported the client's IT integration initiative over the last two years during its reorganization. After successfully completing the wide ranging and complex initiative, we will be providing support for seamless business processes through maintenance of IT infrastructure environment, which is now the client's top priority. Specifically, NTT DATA Services will provide Dynamic Workplace Services to the client, realizing automation of business processes and providing integrated IT support based on data analysis to improve its operational efficiency and user satisfaction using advanced technologies.

NTT DATA Services will support the client in expanding its business, leveraging our expertise gained through the long-term relationship, as well as help achieve further growth as its trusted IT partner.

(Note 2) Dynamic Workplace Services  
Outsourcing services for collectively providing IT infrastructure environment to clients to achieve cost reduction and operational efficiency improvement.

(Explanation omitted)

## Naturgy, a gas and electricity provider operating in Europe and Latin America selects everis as its strategic partner



In August 2019, everis Group (“everis”), a Spanish subsidiary of NTT DATA Corporation, was selected as a strategic partner for the digital transformation project of Naturgy Energy Group, SA (“Naturgy”). Naturgy is based in Spain and provides gas and electricity in more than 30 countries, mainly in Europe and Latin America. everis will be providing BPO/ITO services for maintaining and operating systems related to gas and electricity distribution and various operations related to utility retail service using advanced platform among others that it had developed. The total sales in the next 10 years is estimated to exceed 500 million Euros.

Naturgy awarded the contract to everis, because it highly appreciated everis’ approach to drive innovation and automation along with the Long-Term Relationships everis has built with Naturgy and its past achievements in providing rich outsourcing services. everis will continue to work on rationalization, digitalization and optimization of Naturgy’s business processes, as well as support its delivery of innovative services to gas and electricity users as its strategic partner.

(Explanation omitted)

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## Appendices -Explanatory details of financial results and forecasts-

(Explanation omitted)

## Overview of Consolidated Result

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (%)	FY Ended 2019/3 Results (Full-Year)	FY Ending 2020/3 Forecasts (Full-Year)
New Orders Received	920.4	1,088.8	+18.3	2,076.1	2,000.0
Order Backlog	2,399.7	2,512.5	+4.7	2,457.1	2,380.0
Net Sales	1,022.7	1,077.8	+5.4	2,163.6	2,240.0
(Main item) Overseas Net Sales <sup>(*)</sup>	425.8	439.8	+3.3	881.1	910.0
Cost of Sales	773.0	809.6	+4.7	1,618.6	1,658.0
Gross Profit	249.7	268.2	+7.4	545.0	582.0
SG&A Expenses	189.7	204.5	+7.8	397.3	434.0
Selling Expenses	70.1	73.4	+4.6	146.7	160.0
R&D Expenses	6.5	9.1	+39.6	15.1	22.0
Other Administrative Expenses	113.0	122.0	+7.9	235.5	252.0
Operating Income	60.1	63.8	+6.1	147.7	148.0
Operating Income Margin(%)	5.9	5.9	+0.0	6.8	6.6
Financial Income and Costs/Share of Profit/Loss of Entities for Using Method	1.0	-0.8	-	-0.8	-3.0
Income Before Income Taxes	61.0	62.9	+3.1	146.9	145.0
Income Taxes and Others <sup>(*)</sup>	22.4	22.8	+1.7	53.3	53.0
Net Income Attributable to Shareholders of NTT DATA	38.7	40.2	+3.9	93.6	92.0
Capital Expenditures	78.4	84.0	+7.1	179.2	202.0
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles <sup>(*)</sup>	77.5	81.4	+5.0	160.7	162.0

(\*1) The total of external net sales of North America and EMEA & LATAM Segments and China & APAC regions.

(\*2) "Income Taxes and Others" includes "corporate income taxes" and "net income attributable to non-controlling interests."

(\*3) "2020/3 2<sup>nd</sup> Quarter Results" and "FY Ending 2020/3 Forecasts (Full-Year)" were calculated excluding the effect (2<sup>nd</sup> quarter estimate of 17.3 billion yen and full-year estimate of 34.5 billion yen) of IFRS 16 (new lease standard) which has been applied since April 2019.

(Explanation omitted)

## Consolidated New Orders Received and Order Backlog

### Detail of Consolidated New Orders Received (to Clients Outside the NTT DATA Group)

(Billions of Yen)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	FY Ended 2019/3 Results (Full-Year)	FY Ending 2020/3 Forecasts (Full-Year)
Public & Social Infrastructure	172.1	206.1	391.1	402.0
(Main item) : Central Government and Related Agencies, Local Government, and Healthcare	86.9	159.6	194.5	226.0
: Telecom and Utility	43.0	55.7	114.0	93.0
Financial <sup>(*)1</sup>	225.0	190.9	458.2	389.0
(Main item) : Banks, Insurance, Securities, Credit Corporations, Financial Infrastructure/Network Services	177.1	125.1	361.8	278.0
: Cooperative financial institutions	33.1	54.8	69.9	93.0
Enterprise & Solutions <sup>(*)2, *)3</sup>	144.2	157.5	307.7	297.0
(Main item) : Retail, Logistics, Payment and Other Service	33.7	35.4	73.0	73.0
: Manufacturing	88.1	98.0	188.8	184.0
: Data Center, Network, and Other Solutions	18.3	19.8	38.0	33.0
North America	157.4	243.0	427.6	414.0
EMEA & LATAM	205.7	218.8	457.4	466.0

### Detail of Consolidated Order Backlog

(Billions of Yen)

Order Backlog	2,399.7	2,512.5	2,457.1	2,380.0
Public & Social Infrastructure	403.3	501.1	416.8	416.0
Financial	835.9	799.2	828.8	757.0
Enterprise & Solutions	137.8	130.2	131.0	112.0
North America	732.5	796.7	784.7	767.0
EMEA & LATAM	278.3	270.6	282.4	303.0

(\*)1 The figures for Financial for the results and "FY Ending 2020/3 Forecasts (Full-Year)" were revised, following the change of category in which Financial Network Services is recorded.

(\*)2 New Orders Received of Enterprise & Solutions does not include orders taken via other segments.

(\*)3 The figures for Enterprise & Solutions for "2019/3 2<sup>nd</sup> Quarter Results" show results based on revision of the details recorded as of March 31, 2019.

(Explanation omitted)



## Consolidated Net Sales

### Detail of Consolidated Net Sales (to Clients Outside the NTT DATA Group)

(Billions of Yen)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sept)	FY Ended 2019/3 Results (Full-Year)	FY Ending 2020/3 Forecasts (Full-Year)
<b>Public &amp; Social Infrastructure</b>	174.6	176.8	399.6	407.0
(Main item) Central Government and Related Agencies, Local Government, and Healthcare	96.5	93.3	224.6	230.0
Telecom and Utility	41.1	43.8	91.1	90.0
<b>Financial<sup>(*)1</sup></b>	235.9	247.6	491.6	507.0
(Main item) Banks, Insurance, Security, Credit Corporations and Financial Infrastructure/Network Services	177.7	183.8	369.2	381.0
Cooperative financial institutions	52.2	50.0	105.4	101.0
<b>Enterprise &amp; Solutions<sup>(*)2,3)</sup></b>	180.9	207.4	379.2	406.0
(Main item) Retail, Logistics, Payment and Other Service	59.7	70.8	121.7	147.0
Manufacturing	90.5	103.6	191.7	190.0
Data Center, Network, and Other Solutions	28.9	28.5	57.0	62.0
North America	206.6	205.8	416.5	435.0
EMEA & LATAM	205.0	215.5	433.9	439.0

### Net Sales by Products and Services (to Clients Outside the NTT DATA Group) <sup>(\*)4)</sup>

(Billions of Yen)

Consulting	107.2	120.6	233.9	345.0
Integrated IT Solution	286.9	294.2	584.9	582.0
System & Software Development	276.6	279.1	602.1	573.0
Maintenance & Support	318.8	343.2	666.7	650.0
Others	33.2	40.7	76.0	90.0
<b>Net Sales by Products and Services Total</b>	<b>1,022.7</b>	<b>1,077.8</b>	<b>2,163.6</b>	<b>2,240.0</b>

(\*)1 The figures for Financial for the results and "FY Ending 2020/3 Forecasts (Full-Year)" were revised, following the change of category in which Financial Network Services is recorded.

(\*)2 Net Sales of Enterprise & Solutions does not include sales of projects undertaken through other segments.

(\*)3 The figures for Enterprise & Solutions for "2019/3 2<sup>nd</sup> Quarter Results" show results based on revision of the details recorded as of March 31, 2019.

(\*)4 The figures for Net Sales by Products and Services (to Clients Outside the NTT DATA Group) show results based on revision of the categories and the details recorded.

(Explanation omitted)

# Trends in Quarter (Consolidated)



(Explanation omitted)

## Foreign exchange rates

(used for the conversion of the amount of orders received and incomes and expenditures)

(Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (%)	FY Ended 2019/3 Results (Full-Year)	FY Ending 2020/3 Forecasts (Full-Year)	YoY (%)
	①	②	$(②-①)/①$	③	④	$(④-③)/③$
USD	110.26	108.50	-1.6%	110.88	109.00	-1.7%
EUR	129.79	121.44	-6.4%	128.37	124.00	-3.4%

(Explanation omitted)

4

## Appendices

- Mid- to long-term financial trends -

(Explanation omitted)

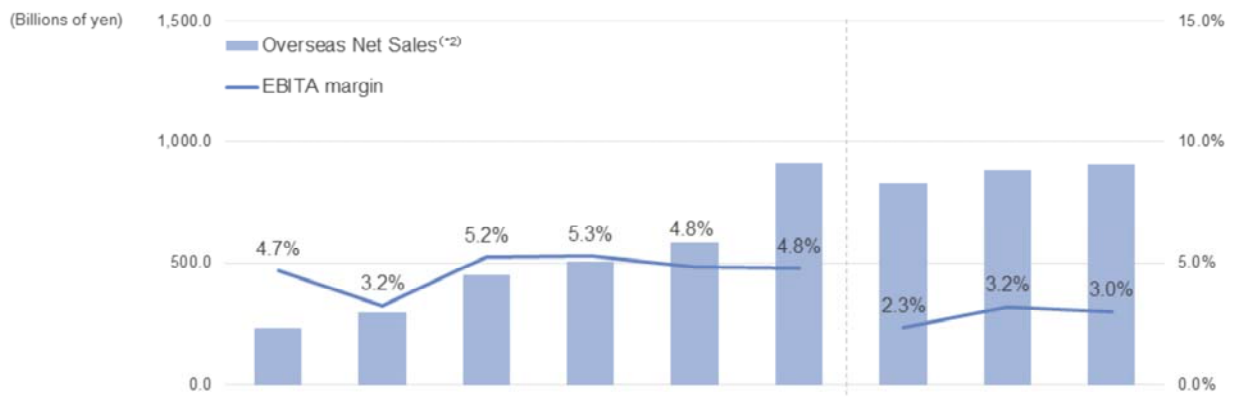
# Trend of Order Backlog and Net Sales

(Billions of yen)



(Explanation omitted)

## Overseas Net Sales and Profitability of Trends<sup>(\*\*)</sup>



	JGAAP						IFRS		
(Billions of yen)	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3	2020/3 Forecasts
Overseas <sup>(**)</sup> net sales	231.3	298.7	449.0	504.4	586.3	911.1	831.3	881.1	910.0
EBITA <sup>(***)</sup>	10.8	9.6	23.5	26.6	28.2	43.4	19.4	28.3	27.0

(\*1) The figures for the periods until FYE 3/2017 are those for the former Global Segment, and from FYE 3/2018 and later, are the total of North America/EMEA & LATAM Segments and China and APAC.

(\*2) Net sales to Clients Outside the NTT DATA Group.

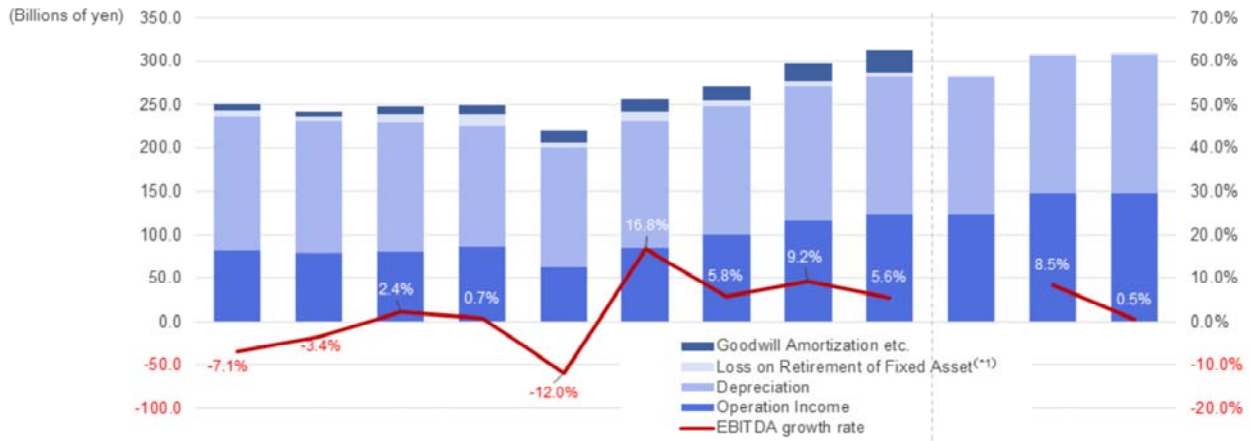
(\*3) EBITA (JGAAP) = operating income (JGAAP) + amortization of goodwill and intangible assets subject to purchase price allocation (PPA) arising from acquisition and others

(\*3) EBITA (IFRS) = operating income (IFRS) + amortization of intangible assets subject to purchase price allocation (PPA) arising from acquisition and others

(Explanation omitted)



## EBITDA Trend



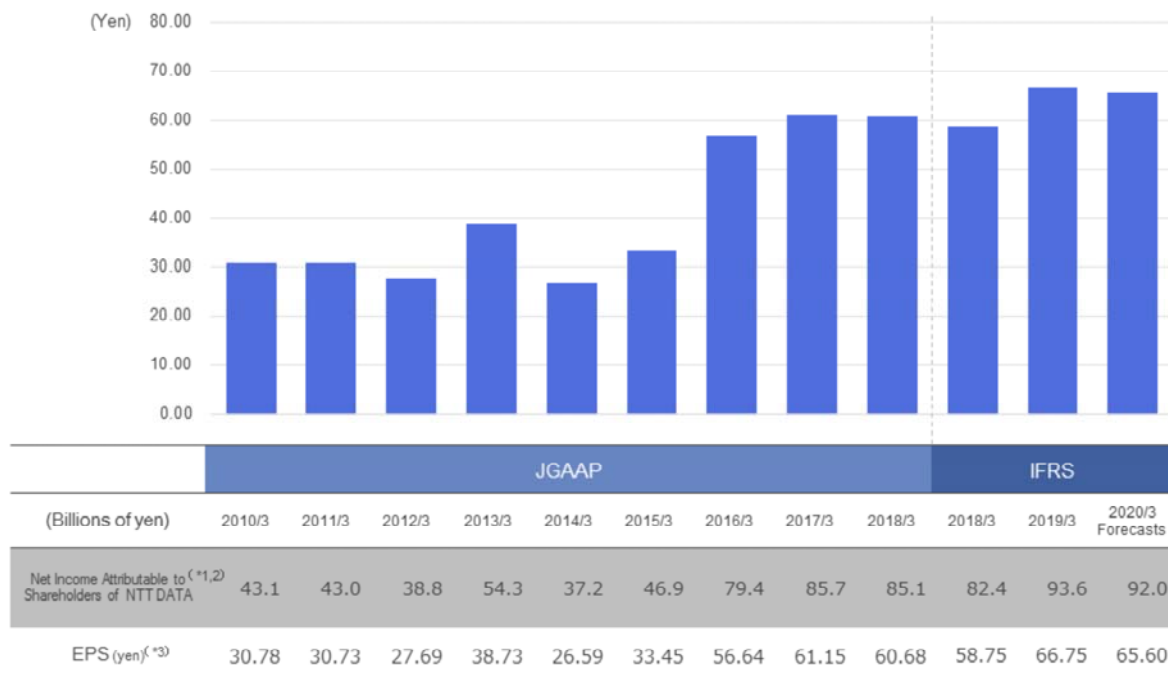
	JGAAP									IFRS		
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3	2020/3 Forecasts
Operation Income	81.6	78.3	80.4	85.6	62.5	84.0	100.8	117.1	123.5	123.1	147.7	148.0
Depreciation <sup>(*)</sup>	154.5	152.2	148.3	140.0	138.0	146.8	147.9	154.5	160.0	158.1	158.0	159.0
Loss on Retirement of Fixed Asset	7.4	6.3	11.3	13.8	5.6	11.6	7.2	5.4	3.2	3.1	2.7	3.0
Goodwill Amortization etc.	7.5	5.7	8.3	10.7	14.0	14.7	16.0	20.0	26.9	-	-	-
EBITDA <sup>(**)</sup>	251.1	242.6	248.5	250.3	220.2	257.3	272.1	297.1	313.7	284.2	308.4	310.0

(\*1) The figures for the forecasts for FYE 3/2020 were calculated excluding the impact amount of 34.5 billion yen (estimate) of IFRS 16 (new lease standard) which will be applied from April 2019.

(\*2) Figures based on JGAAP include adjustments for goodwill amortization and others (including impairment loss).

(Explanation omitted)

## EPS Trend



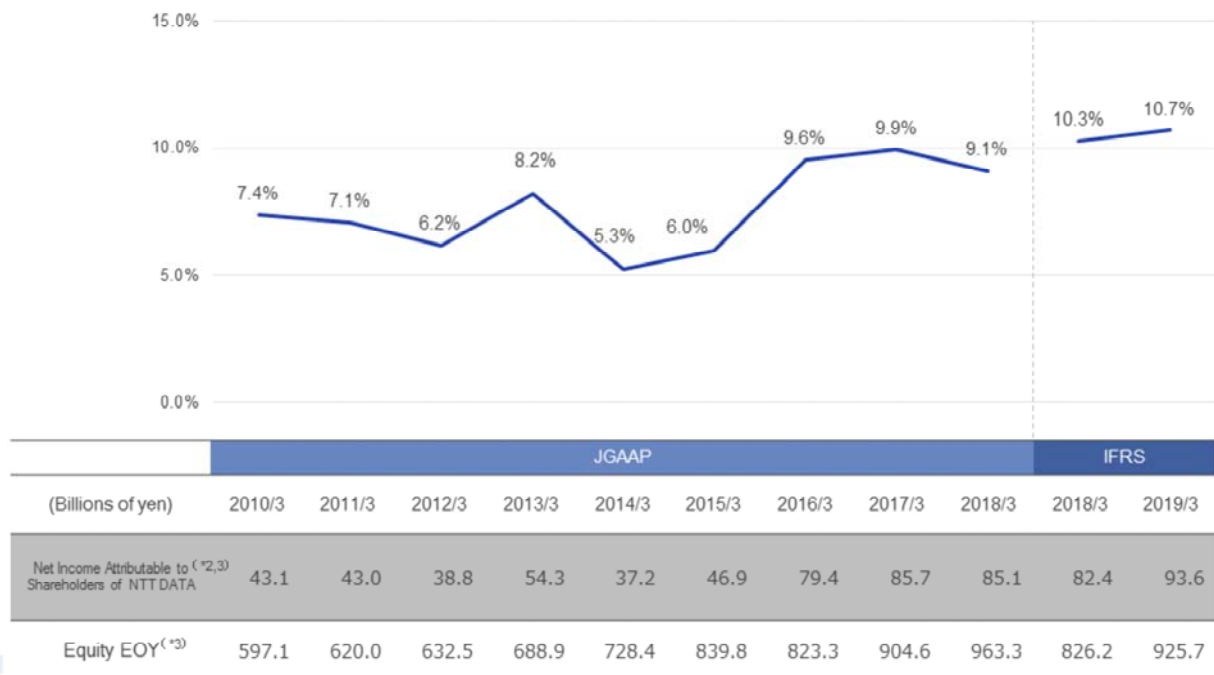
(\*)1) "Net Income Attributable to Owners of Parent" based on JGAAP.

(\*)2) Figures based on JGAAP include adjustments for goodwill amortization and others (including impairment loss).

(\*)3) Conducted stock split which shall split of common stock at a ratio of 1:5 as the effective date of July 1, 2017. EPS is referring the amount after stock split.

(Explanation omitted)

## ROE<sup>(\*)</sup> Trend



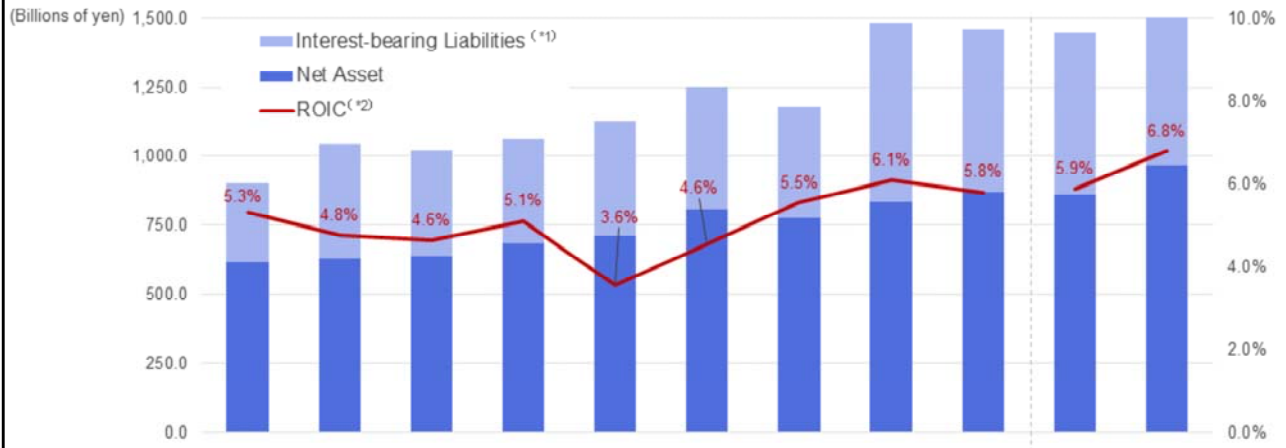
(\*1) ROE = Net Income attributable to shareholders of NTT DATA / average equity during the period.

(\*2) "Net Income Attributable to Owners of Parent" based on JGAAP.

(\*3) Figures based on JGAAP include adjustments for goodwill amortization and others (including impairment loss).

(Explanation omitted)

## ROIC Trend

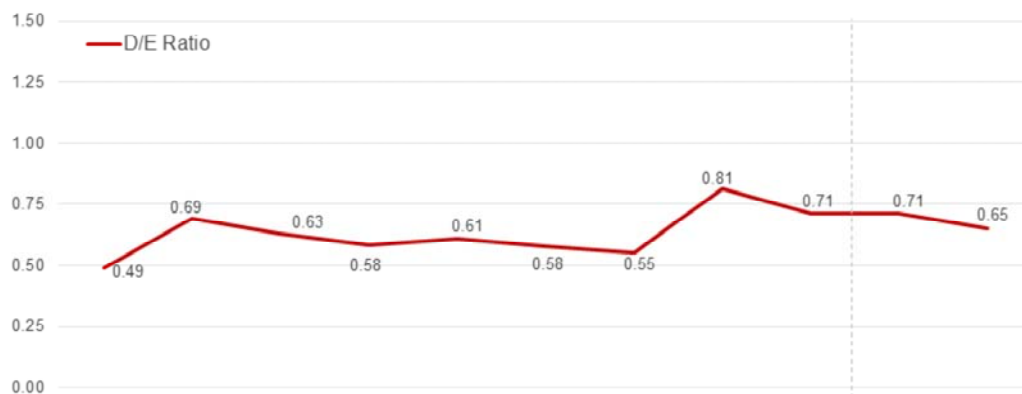


	JGAAP									IFRS	
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3
Operating Income	81.6	78.3	80.4	85.6	62.5	84.0	100.8	117.1	123.5	123.1	147.7
Effective Tax Rate	40.69%	40.69%	40.69%	38.01%	38.01%	35.64%	33.06%	30.86%	30.86%	30.86%	30.62%
Net Asset	615.1	630.3	639.7	684.2	709.8	806.2	773.6	833.7	868.8	860.5	966.8
Interest-bearing <sup>(*)</sup> Liabilities	289.1	414.4	380.2	378.3	412.9	446.9	407.0	650.8	592.0	586.3	605.0

(\*1) The figures based on JGAAP are the total of borrowings, bonds, and lease payables. The figures based on IFRS are the total of borrowings and bonds.  
 (\*2) ROIC = (operating income × (1 - effective tax rate)) / (average net assets during the period + average interest-bearing liabilities during the period)

(Explanation omitted)

## D/E Ratio<sup>(\*)</sup> Trend



	JGAAP									IFRS	
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3
Net Asset	615.1	630.3	639.7	684.2	709.8	806.2	773.6	833.7	868.8	860.5	966.8
(Main Item)Net Asset Non-controlling interests	30.6	28.7	34.0	32.8	32.9	32.7	32.7	31.5	35.0	34.3	41.1
Interest-bearing <sup>(*)</sup> Liabilities	289.1	414.4	380.2	378.3	412.9	446.9	407.0	650.8	592.0	586.3	605.0

(\*1) D/E ratio = interest-bearing liabilities / (net asset - non-controlling interests)

(\*2) The figures based on JGAAP are the total of borrowings, bonds, and lease payables. The figures based on IFRS are the total of borrowings and bonds.

(Explanation omitted)

## Consolidated Cash Flow<sup>(\*\*)</sup> Dividend Payout Trend



	JGAAP									IFRS		
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3	2020/3 Forecasts
Net Income Attributable to Shareholders of NTT DATA <sup>(**3,4)</sup>	43.1	43.0	38.8	54.3	37.2	46.9	79.4	85.7	85.1	82.4	93.6	92.0
Depreciation(+)	154.5	152.2	148.3	140.0	138.0	146.8	147.9	154.5	160.0	158.1	158.0	159.0
Loss on Retirement of Fixed Asset	7.4	6.3	11.3	13.8	5.6	11.6	7.2	5.4	3.2	3.1	2.7	3.0
Capital Investment	-162.5	-139.0	-133.9	-122.1	-147.7	-140.9	-134.0	-158.1	-198.6	-194.8	-179.2	-202.0
Consolidated Cash Flow	42.5	62.5	64.5	86.0	33.2	64.5	100.6	87.6	49.6	48.7	75.1	52.0
Dividends per Share(JPY) <sup>(**6)</sup>	12	12	12	12	12	12	14	15	15	15	17	18
Total Dividends	16.8	16.8	16.8	16.8	16.8	16.8	19.6	21.0	21.0	21.0	23.8	25.2

(\*1) Consolidated Cash Flow = net income attributable to shareholders of NTT DATA + depreciation cost + loss on retirement of fixed assets - capital investment

(\*2) For "weighted average of past 5 yrs." in IFRS, figures based on JGAAP are used in FYE 3/2017 and earlier.

(\*3) "Net Income Attributable to Owners of Parent" based on JGAAP.

(\*4) Figures based on JGAAP include adjustments for goodwill amortization and others (including impairment loss).

(\*5) The figures for the forecasts for FYE 3/2020 were calculated excluding the impact amount of 34.5 billion yen (estimate) of IFRS 16 (new lease standard) which will be applied from April 2019.

(\*6) Conducted stock split which shall split of common stock at a ratio of 1.5 as the effective date of July 1, 2017. EPS is referring the amount after stock split.

(Explanation omitted)





(Explanation omitted)