

Company Presentation for the Third Quarter of Fiscal Year Ending March 31, 2023

February 9, 2023
NTT DATA Corporation

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the Japanese original. The Japanese
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I am Toshi Fujiwara, Senior Executive Vice President and Representative Director.

Thank you for attending the financial results briefing session today despite your busy schedules.

I would like to explain the results for the third quarter of the fiscal year ending March 31, 2023.

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Here is the agenda for today.

First, I will explain the financial results for the third quarter as well as the business forecasts and provide updates on the progress after the overseas business combination. As NTT Ltd. has been consolidated since the third quarter, supplementary information will be provided at the end, using the appendices.

Please see Page 3.

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Results for the Third Quarter of Fiscal Year Ending March 31, 2023

(Explanation omitted)

Results for the Third Quarter of Fiscal Year Ending March 31, 2023

For Q3, net sales and operating income increased due to the start of consolidation of NTT Ltd. from Q3 following the overseas business combination.

On the other hand, net income decreased due to higher financial and tax expenses.

- Net sales increased due to the impact of expanded consolidation, as well as the business growth in all segments and the impact of foreign exchange rates.
- Operating income increased due to the impact of expanded consolidation as well as sales growth despite increase in strategic investments and loss from unprofitable projects recorded in 2Q.
- New orders received (excl. the effect of scale expansion resulting from the consolidation of NTT Ltd.) increased due to winning of projects in overseas business and the impact of foreign exchange rates despite a reactionary decline due to fewer large-scale orders in Japan following large-scale orders won in the previous fiscal year

	Q3 FYE3/2022 Results (Apr-Dec)	Q3 FYE3/2023 Results (Apr-Dec)	YoY (Amount)	YoY (Rate)	(Billions of Yen, %)
Net sales	1,848.2	2,406.1	+557.9	+30.2%	➔
Operating Income (Operating income margin)	167.1 (9.0%)	183.5 (7.6%)	+16.4 (-1.4P)	+9.8%	➔
Net Income Attributable to Shareholders of NTT DATA	110.2	105.7	-4.5	-4.1%	➔
(Reference) ^(*) New orders received	Excl. NTT Ltd. 1,720.4	1,870.2	+149.8	+8.7%	➔

(*) Excluding the impact of NTT Ltd. that started being consolidated from Q3

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First, I will explain the overview of the third quarter financial results.

As a prerequisite, NTT Ltd. has been consolidated since the third quarter following the overseas business combination in October 2022. With the consolidation, both net sales and operating income increased, whereas the quarterly net income decreased due to increased financial and tax expenses.

Net sales continued to increase in the third quarter, like in the first half of the fiscal year, due to the expansion of scale in all segments and the impact of foreign exchange rates, as well as the effect of scale expansion resulting from the consolidation of NTT Ltd.

Operating income increased mainly due to sales growth and the effect of the consolidation of NTT Ltd., despite increased company-wide strategic investments and losses from unprofitable projects that were recorded in the second quarter.

New orders received are posted as a reference for such reasons as NTT Ltd. using a different method to calculate new orders received.

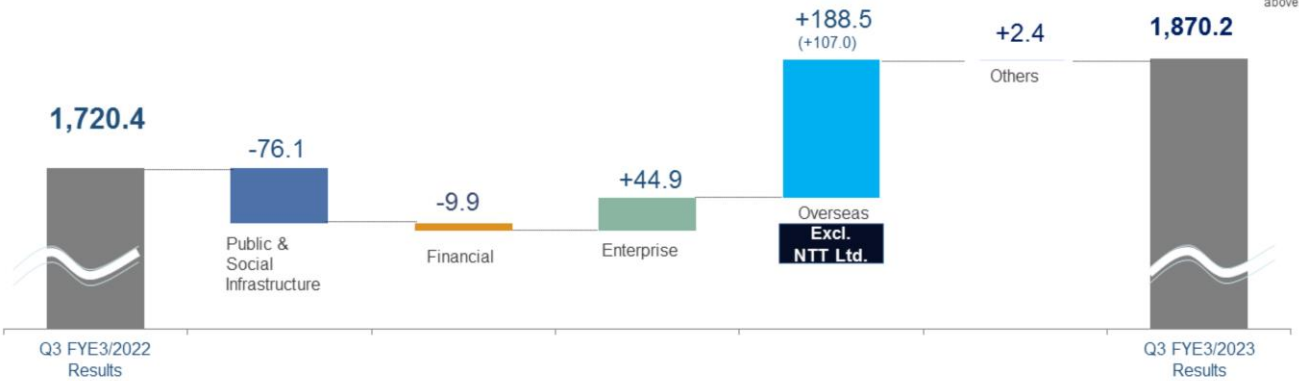
As for new orders received, excluding the effect of the consolidation of NTT Ltd., just like in the first half, the growth rate further expanded in the third quarter due to the receipt of orders in overseas business and the impact of foreign exchange rates, despite a reactionary decline due to fewer large-scale orders in Japan following large-scale orders won in the previous fiscal year.

Next, I will explain the year-on-year changes for each item by segment. Please see Page 4.

**[Reference] New Orders Received: YoY Changes by Business Segment
(Q3 FYE3/2022 and Q3 FYE3/2023)**

*The Overseas segment excludes the impact of consolidated NTT Ltd.

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



Public & Social Infrastructure	Decreased mainly due to a reactionary decline as there were fewer orders of large-scale projects for the central government and ministries in the previous fiscal year.
Financial	Decreased mainly due to a reactionary decline as there were fewer orders of large-scale projects following the winning of large-scale orders for banks in the previous fiscal year.
Enterprise	Increased mainly due to winning of projects for the distribution and service sectors and manufacturing industries.
Overseas	Increased mainly due to winning of projects in Europe as well as the impact of foreign exchange rates.

Let me start with the new orders received.

Public & Social Infrastructure Segment saw a decrease mainly due to a reactionary decline as there were fewer orders of large-scale projects following the winning of large-scale orders for the central government and ministries in the previous fiscal years.

Financial Segment saw a decrease mainly due to a reactionary decline as there were fewer orders of large-scale projects following the winning of large-scale orders for banks in the previous fiscal years.

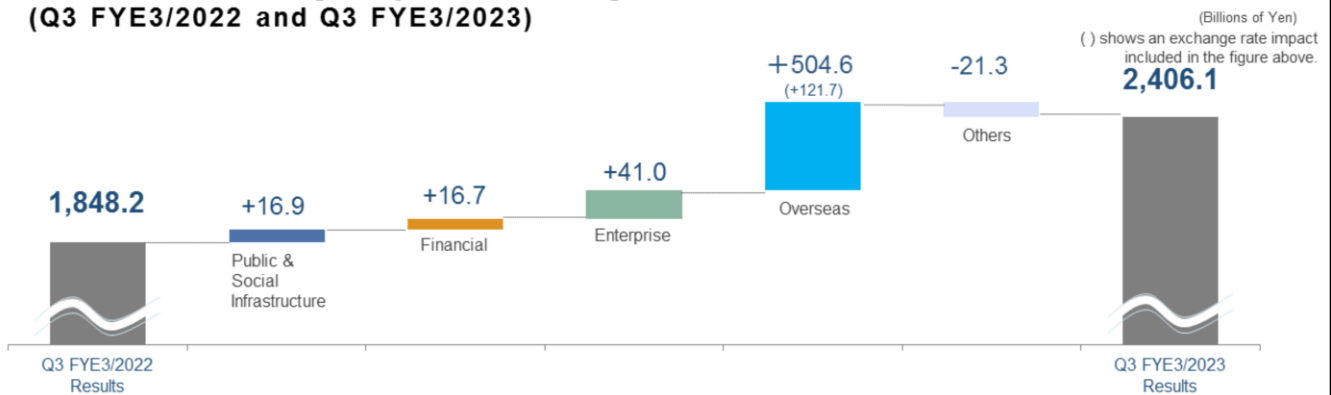
Enterprise & Solutions Segment saw an increase mainly due to winning of projects for the distribution and services sectors and manufacturing industries.

Overseas Segment saw an increase mainly due to winning of projects in Europe and the impact of foreign exchange rates.

As I mentioned earlier, new orders received by Overseas Segment excludes the effect of the consolidation of NTT Ltd.

Please see Page 5.

Net Sales: YoY Changes by Business Segment (Q3 FYE3/2022 and Q3 FYE3/2023)



Public & Social Infrastructure	Increased mainly due to the expansion in the scale of services for the telecom and utilities industry as well as the central government and ministries.
Financial	Increased mainly due to the expansion in the scale of services associated with the projects for major financial institutions.
Enterprise	Increased mainly due to the expansion in the projects for the manufacturing industry and the retail and service sectors as well as the scale of services for payment business.
Overseas	Increased due to the effect of scale expansion resulting from the consolidation of NTT Ltd., the impact of foreign exchange rate, and the expansion in the scale of services in Europe.

Next, we will look at net sales.

Net sales increased in all segments due to the continuous and steady business expansion.

Public & Social Infrastructure Segment saw an increase mainly due to the expansion in the scale of services for the telecom and utilities industry as well as the central government and ministries.

Financial Segment saw an increase mainly due to the expansion in the scale of services for major financial institutions.

Enterprise & Solutions Segment saw an increase mainly due to the receipt of orders from the manufacturing industry and the distribution and service sectors as well as the business expansion of payment services.

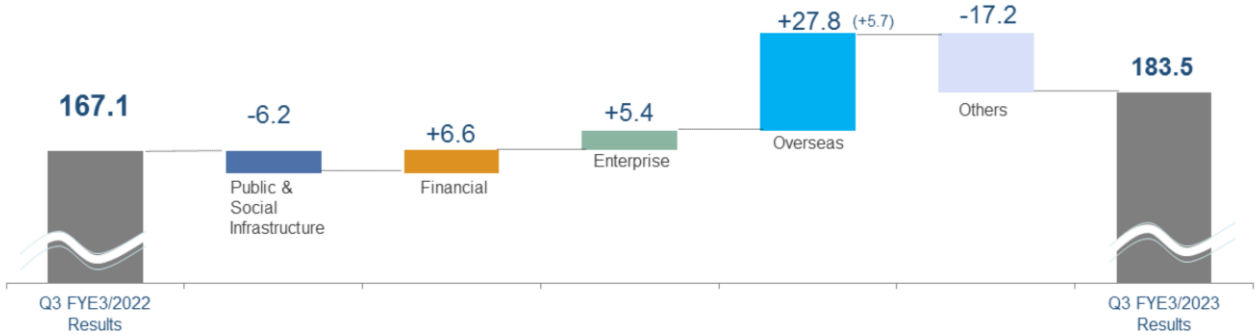
Overseas Segment saw a significant growth of about 500 billion yen.

Of the growth, about 300 billion yen was attributable to the effect of scale expansion resulting from the consolidation of NTT Ltd., and about 120 billion yen was due to the impact of foreign exchange rates. However, net sales increased even after these impacts were excluded, mainly due to the scale expansion in Europe.

Please see Page 6.

Operating Income: YoY Changes by Business Segment (Q3 FYE3/2022 and Q3 FYE3/2023)

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



Public & Social Infrastructure	Decreased mainly due to occurrence of unprofitable projects recorded in 2Q despite sales growth.
Financial	Increased mainly due to sales growth.
Enterprise	Increased mainly due to sales growth.
Overseas	Increased mainly due to the effect of scale expansion resulting from the consolidation of NTT Ltd. and sales growth.
Others	Decreased mainly due to an increase in company-wide strategic investment

Next, let's look at operating income.

Public & Social Infrastructure Segment saw a decrease mainly due to losses from unprofitable projects recorded in the second quarter, despite income increases from sales growth.

Financial Segment and Enterprise & Solutions Segment both saw increases mainly due to sales growth.

Overseas Segment saw an increase mainly due to the effect of scale expansion resulting from the consolidation of NTT Ltd. and sales growth.

One of the main reasons for the decline in the **Others** was increased expenses associated with the company-wide strategic investments, which had already been incorporated in the initial business forecasts, just like in the first half.

As the following slides show the details that I have just explained by segment, I will omit explanations. Next, I will provide supplementary explanations about the effect of NTT Ltd. on Overseas Segment.

Please turn to Page 11.

Public & Social Infrastructure (Q3 FYE3/2022 and Q3 FYE3/2023)

(Billions of Yen, %)




	Q3 FYE3/2022 Results (Apr-Dec)	Q3 FYE3/2023 Results (Apr-Dec)	YoY (Amount)	YoY (Rate)	
New Orders Received	404.7	328.6	-76.1	-18.8%	↓
Net Sales	406.6	423.5	+16.9	+4.2%	↑
Operating Income (Operating income margin)	44.1 (10.9%)	37.9 (9.0%)	-6.2 (-1.9P)	-14.1%	↓

New Orders Received	Decreased mainly due to a reactionary decline as there were fewer orders of large-scale projects following the winning of large-scale orders for the central government and ministries in the previous fiscal year.
Net Sales	Increased mainly due to the expansion in the scale of services for the telecom and utilities industry as well as the central government and ministries.
Operating Income	Decreased mainly due to occurrence of unprofitable projects recorded in 2Q despite sales growth.

(Explanation omitted)

Financial (Q3 FYE3/2022 and Q3 FYE3/2023)

(Billions of Yen, %)




	Q3 FYE3/2022 Results (Apr-Dec)	Q3 FYE3/2023 Results (Apr-Dec)	YoY (Amount)	YoY (Rate)	
New Orders Received	294.9	285.0	-9.9	-3.4%	
Net Sales	465.5	482.2	+16.7	+3.6%	
Operating Income (Operating income margin)	44.0 (9.5%)	50.6 (10.5%)	+6.6 (+1.0P)	+14.9%	

New Orders Received	Decreased mainly due to a reactionary decline as there were fewer orders of large-scale projects following the winning of large-scale orders for banks in the previous fiscal year.
Net Sales	Increased mainly due to the expansion in the scale of services associated with the projects for major financial institutions.
Operating Income	Increased mainly due to sales growth.

(Explanation omitted)

Enterprise (Q3 FYE3/2022 and Q3 FYE3/2023)

(Billions of Yen, %)

	Q3 FYE3/2022 Results (Apr-Dec)	Q3 FYE3/2023 Results (Apr-Dec)	YoY (Amount)	YoY (Rate)	
New Orders Received	240.5	285.4	+44.9	+18.7%	
Net Sales	339.0	380.0	+41.0	+12.1%	
Operating Income (Operating income margin)	36.2 (10.7%)	41.6 (11.0%)	+5.4 (+0.3P)	+14.9%	

New Orders Received	Increased mainly due to winning of projects for the distribution and service sectors and manufacturing industries.
Net Sales	Increased mainly due to the expansion in the projects for the manufacturing industry and the retail and service sectors as well as the scale of services for payment business.
Operating Income	Increased mainly due to sales growth.

(Explanation omitted)

Overseas (Q3 FYE3/2022 and Q3 FYE3/2023)

(Billions of Yen, %)

	Q3 FYE3/2022 Results (Apr-Dec)	Q3 FYE3/2023 Results (Apr-Dec)	YoY (Amount)	Impact of foreign exchange rates	YoY (Rate)	
Net Sales	760.7	1,265.3	+504.6	+121.7	+66.3%	➔
EBITA ^(*) (EBITA margin)	38.1 (5.0%)	72.3 (5.7%)	+34.2 (+0.7P)	+7.7	+89.8%	➔
Operating Income (Operating income margin)	24.7 (3.2%)	52.5 (4.1%)	+27.8 (+0.9P)	+5.7	+112.8%	➔
(Ref.) New Orders Received	^(*) Excl. NTT Ltd. 731.3	919.8	+188.5	+107.0	+25.8%	➔

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

(**) Excluding the effect of scale expansion resulting from the consolidation of NTT Ltd.

Net Sales	Increased due to the effect of scale expansion resulting from the consolidation of NTT Ltd., the impact of foreign exchange rate, as well as the expansion in the scale of services in Europe.
EBITA	Increased mainly due to the effect of scale expansion resulting from the consolidation of NTT Ltd. and sales growth.
Operating Income	Increased mainly due to the effect of scale expansion resulting from the consolidation of NTT Ltd. and sales growth.
(Ref.) New Orders Received	Increased mainly due to winning of projects in Europe as well as the impact of foreign exchange rates.

(Explanation omitted)

(Reference) Breakdown of Overseas Business

(Billions of Yen, %)

		Q3 FYE3/2022 Results (Apr-Dec)	Q3 FYE3/2023 Results (Apr-Dec)	YoY (Amount)	Impact of foreign exchange rates	YoY (Rate)
Net Sales		760.7	1,265.3	+504.6	+121.7	+66.3%
Re-post	North America	348.7	445.8	+97.1	+82.8	+27.9%
	EMEA&LATAM	403.9	508.3	+104.4	+36.1	+25.8%
	NTT Ltd.	–	302.4	+302.4	–	–
EBITA ^(*)		38.1 5.0%	72.3 5.7%	+34.2 +0.7P	+7.7	+89.8%
Re-post	North America	21.1 6.0%	32.0 7.2%	+11.0 +1.1P	+5.9	+52.0%
	EMEA&LATAM	17.5 4.3%	23.6 4.6%	+6.1 +0.3P	+1.7	+34.6%
	NTT Ltd.	–	16.1 5.3%	+16.1	–	–
(Ref.) New Orders Received ^(*)		731.3	919.8	+188.5	+107.0	+25.8%
Excl. NTT Ltd.	Re-post North America	313.5	350.3	+36.8	+64.7	+11.7%
	EMEA&LATAM	405.3	550.6	+145.4	+39.2	+35.9%

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

^(*) Excluding the effect of scale expansion resulting from the consolidation of NTT Ltd.

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The breakdown of the results of Overseas Segment includes NTT Ltd.'s results for the three months from October to December.

With net sales of 302.4 billion yen and EBITA of 16.1 billion yen, the same amounts contributed to the year-on-year growth.

Other details on the effect of the consolidation of NTT Ltd. will be provided later.

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Forecasts for Fiscal Year Ending March 31, 2023

Next, let me explain the forecasts for the entire company again.

Please see Page 13.

Forecasts for the Fiscal Year Ending March 31, 2023 (Figures announced on May 12, 2022)^{(*)1}

- Net sales increased due to the business combination with NTT Ltd. during the Fiscal Year as well as business expansion mainly in Japan and the impact of foreign exchange rates.
- Operating income increased due to higher sales, despite increase in expenses for business integration with NTT Ltd. and increased strategic investments to achieve the goals of the new medium-term management plan

(Unit: billions of yen,%)

	FY ended 2022/3 Results	FY ending 2023/3 Forecasts ^{(*)2}	YoY (Amount)	YoY (Rate)	
Net Sales	2,551.9	3,270.0	+718.1	+28.1%	
Operating Income (Operating income margin)	212.6 (8.3%)	236.0 (7.2%)	+23.4 (-1.1P)	+11.0%	
Net Income Attributable to Shareholders of NTT DATA	143.0	136.0	-7.0	-4.9%	
Annual dividend per share (yen)	21	21	±0 ^{(*)3}	—	

^{(*)1} Including the effect of scale expansion resulting from the consolidation of NTT Ltd.

^{(*)2} Assumed exchange rate: USD/JPY 120 yen, EUR/JPY 133 yen

^{(*)3} Ordinary dividend: +2 yen (+10.5%) year-on-year | Results for FY2021: 19 yen / Forecast for FY2022: 21 yen

This page shows the business forecasts, including those for NTT Ltd., which were announced on May 12, 2022.

There is no change to the full-year forecasts for the entire company that were announced at the beginning of this fiscal year.

Net sales remain strong due to sales growth in all segments until the third quarter and the impact of foreign exchange rates.

We aim to achieve the full-year operating income forecasts by increasing income through sales growth, although expenses such as the company-wide strategic investments will continue.

Please see Page 14.

【Ref.】 Forecast for the fiscal year ending March 31, 2023 (after reclassification) – by Segment

		FY Ended 3/2022 2022 Results	FY Ending 3/2023 Forecasts (reclassified) ^{(*)5}	YoY (amount)	(Unit: billions of yen, %) YoY (%)
Public & Social Infrastructure ^{(*)1} ^{(*)4}	New Orders Received	544.3	479.0	-65.3	-12.0%
	Net Sales	590.2	611.0	+20.8	+3.5%
	Operating Income (operating income margin)	68.1 (11.5%)	74.0 (12.1%)	+5.9 (+0.6P)	+8.7%
Financial ^{(*)2} ^{(*)4}	New Orders Received	438.1	490.0	+51.9	+11.8%
	Net Sales	639.8	648.0	+8.2	+1.3%
	Operating Income (operating income margin)	60.8 (9.5%)	65.0 (10.0%)	+4.2 (+0.5P)	+6.9%
Enterprise ^{(*)3} ^{(*)4}	New Orders Received	337.4	349.0	+11.6	+3.4%
	Net Sales	466.6	485.0	+18.4	+3.9%
	Operating Income (operating income margin)	43.4 (9.3%)	47.0 (9.7%)	+3.6 (+0.4P)	+8.4%
Overseas ^{(*)5}	Net Sales	1,039.8	1,727.0	+687.2	+66.1%
	EBITA ^{(*)6} (EBITA margin)	50.7 (4.9%)	97.5 (5.6%)	+46.8 (+0.8P)	+92.5%
	Operating Income (operating income margin)	31.1 (3.0%)	64.0 (3.7%)	+32.9 (0.7P)	+105.7%
	Excl. NTT Ltd. (Ref.) ^{(*)7} New Orders Received	1,015.3	1,048.0	+32.7	+3.2%

^{(*)1} Due to organizational changes within the segment on July 1, 2022, some reclassifications were made to the results for the fiscal year ended March 31, 2022.

^{(*)2} Due to reorganization on July 1, 2022, some group companies were reclassified to "Others". Figures for FY Ended 3/2022 Results are after reclassification.

^{(*)3} Due to reorganization on July 1, 2022, some organizations were reclassified to "Other (Technology Consulting & Solutions)" and the segment name was changed from "Enterprise & Solutions" to "Enterprise"; figures for FY Ended 3/2022 Results are after reclassification.

^{(*)4} The reclassification has been made at the time of Q2/2022 results announcement.

^{(*)5} "North America," "EMEA/LATAM," and "China/APAC" which was previously included in "Others" were integrated into "Overseas." Figures include the effect of scale expansion resulting from the consolidation of NTT Ltd. except "New Orders Received."

^{(*)6} EBITA = operating income + amortization of intangible assets subject to purchase price allocation (PPA) arising from acquisition and others.

^{(*)7} Excluding the effect of scale expansion resulting from the consolidation of NTT Ltd.

^{(*)8} Assumed exchange rate: USD/JPY 120 yen, EUR/JPY 133 yen

This page shows the full-year forecasts for each segment.

Net sales, EBITA, and operating income for Overseas Segment were updated to include NTT Ltd.

As for domestic segments, the effect of reclassification associated with the organizational change in July 2022 was already included when the financial results for the second quarter were announced. For that reason, there was no change in the third quarter.

Please see Page 15.

3

Recent Updates on the Overseas Business Combination

Next, I will provide updates on the progress after the overseas business combination.

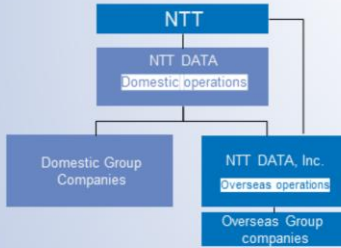
Please see Page 16.

Progress in Transition to Holding Company Structure

- NTT and NTT DATA established NTT DATA, Inc., an overseas operation company, in October, 2022.
- NTT DATA established NTT DATA Japan Preparation Corporation in November, 2022 to transition to a holding company structure in July, 2023

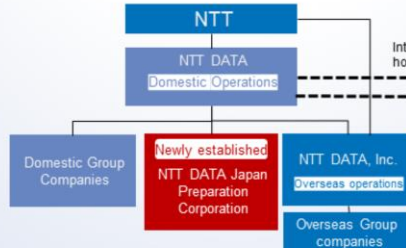
October 1st 2022

- Establishment of NTT DATA, Inc.



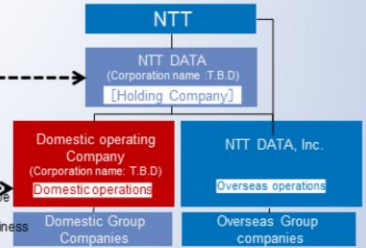
November 1st 2022

- Establishment of NTT DATA Domestic Business Preparation Company



July 1st 2023 (scheduled)

- Absorption-type demerger of domestic business to a domestic operating company
- Current NTT DATA transitions to a holding company structure



Initiatives after the establishment of NTT DATA, Inc.

Business growth through expansion

Expansion of digital businesses by combining infrastructure foundations of NTT Ltd. with System Integration capabilities of NTT DATA.

Design of optimal operating models

Design operating models focused on strengthening sales collaboration among operating companies, optimizing portfolios, creating digital assets, and increasing the efficiency of corporate functions

This is an overall timeline for our transition to a holding company structure.

The business combination between NTT DATA and NTT Ltd. was implemented in October 2022. NTT DATA, Inc. was founded as an overseas business company.

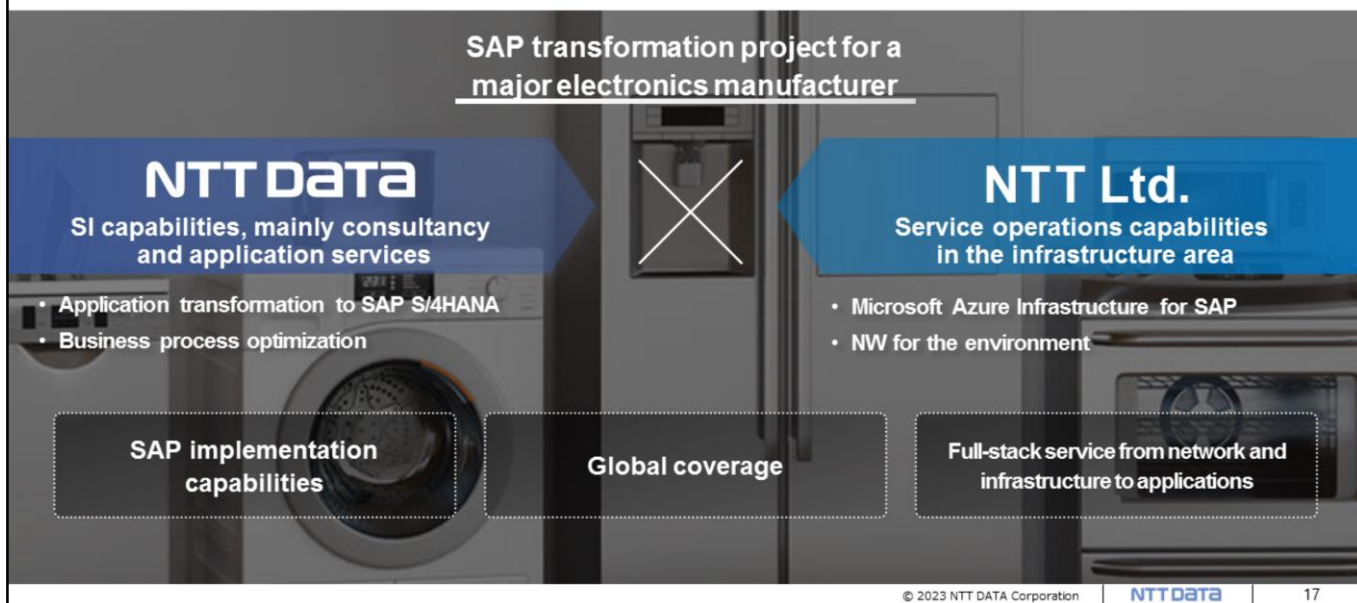
With a domestic business preparation company founded in November, we are steadily preparing for our transition to the holding company structure scheduled for July 2023.

As an initiative after the founding of NTT DATA, Inc., we are developing business projects that combine NTT Ltd.'s strengths with ours and designing optimal operation models.

Please refer to Page 17 for specific collaboration cases with NTT Ltd.

Combination of Capabilities of NTT Ltd. and NTT DATA

Supporting client's businesses by providing total services including network, infrastructure, and application services by combining the strengths of both NTT DATA and NTT Ltd.



Since the implementation of the overseas business combination, there have been some collaboration cases in which the strengths of the two companies were well utilized. I will introduce some of such cases.

NTT DATA Business Solutions, which has strengths in the field of SAP, and NTT Ltd. jointly received an order for an SAP transition project from a major home appliance manufacturer.

In the project, NTT DATA Business Solutions migrates applications to SAP S/4HANA and optimizes business processes, while NTT Ltd. offers Microsoft Azure Infrastructure where the SAP environment works and networks to connect environments.

We were able to win the project in recognition of our global coverage, expanded by the overseas business combination, and ability to offer comprehensive services, including networks, infrastructure, and applications, as well as our records in the field of SAP application.

NTT DATA will continue to deepen a comprehensive understanding of customers around the world and their industries through actual projects and increase trust in the brand, aiming to enhance our market competitiveness and corporate value.

Please see Page 18.

Business shift to high value-added services centered on managed IT services being implemented



Expansion of high-value-added services

- Sales expansion
- Focused proposals for targeted clients
- Investments in data centers



Structural reforms

- Withdraw from unprofitable services and shift to cloud
- Delivery through outsourcing
- Streamline overhead operations

This is a description of initiatives at NTT Ltd.

NTT Ltd. has implemented measures aimed to increase sales and structural reforms to shift its business to high-value-added services centered on managed IT services.

To increase sales of high-value-added services, NTT Ltd. is developing a highly professional sales force capable of offering high-value-added services through the assignment of appropriate personnel, reskilling, and employment of outside talent while formulating and implementing account plans, including proposals of high-value-added commercial materials for each targeted client as intensive offerings for targeted clients. Also, as part of its investments in data centers, NTT Ltd. continues to make active investments, aiming to meet strong demands from hyperscalers and others.

As for structural reforms aimed at establishing a more efficient business foundation, NTT Ltd. is withdrawing from unprofitable services and migrating to cloud by implementing migration of less profitable services as well as service migration associated with the restructuring of security businesses, while optimizing personnel structures through outsourcing of operations and delivery, streamlining of overhead operations, among other measures.

With this, I would like to conclude my presentation. From here on, Kazuo Kakeya, Head of Finance Department, will explain the effect of the consolidation of NTT Ltd. by referring to numerical data in the appendices.

Thank you very much.

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Appendices

- Explanatory details of financial results and forecasts -

I am Kazuo Kakeya, Head of Finance Department.

I will provide supplementary information about the effect of the consolidation of NTT Ltd.

Please see Page 20.

(Reference) Foreign Exchange Rates

Due to the rapid depreciation of the yen since the end of last fiscal year, the yen weakened in 3Q more than we had expected in the full-year earnings forecast.

(Unit: yen)

Currency	(1)FYE 3/23 3Q Average Rate (April-December, 2022)	(2)FYE 3/23 Full Year Forecast Rate	(Ref.) FYE 3/22 3Q Average Rate (April-December, 2021)	(Ref.) FYE 3/22 Full Year Average Rate (April, 2021-March, 2022)
USD	136.46^(*)	120.00	111.11	112.42
Difference	-	Difference from(1) +16.46	Difference from(1) +25.35	Difference from(2) +7.58
EUR	140.59	133.00	130.60	130.55
Difference	-	Difference from(1) +7.59	Difference from(1) +9.99	Difference from(2) +2.45

Foreign exchange sensitivity:

The impact of a 1 yen depreciation on the full-year forecast is as follows

Sales: USD Approx. + 10 billion yen EUR Approx.+4 billion yen
 EBITA: USD Approx.+0.5 billion yen EUR Approx.+0.2 billion yen

(*)1 The results of NTT Ltd. were converted to yen using the three-month average rate of 141.38 yen for the period of our consolidated period of October-December 2022.

This page shows the impact of foreign exchange rates.

In the third quarter, the yen was weaker than expected in the full-year business forecasts. Compared with the rates expected in the full-year business forecasts, the yen is about 16 yen weaker against the US dollar and about 8 yen weaker against the euro.

The impact on the full-year business forecasts, including the effect of the consolidation of NTT Ltd. in the second half of the year, would be an about 10 billion yen increase in net sales if the yen depreciates by 1 yen against the US dollar.

Please see Page 21.

Overview of Consolidated Result

(Billions of Yen,%)

	Q3 FYE3/2022 Results (Apr-Dec)	Q3 FYE3/2023 Results (Apr-Dec)	YoY (%)	FY Ended 3/2022 Results (Full Year)	FY Ending 3/2023 Forecasts ⁽³⁾ (Full Year)
New Orders Received ⁽¹⁾	1,720.4	1,870.2	+8.7	2,400.8	2,430.0
Order Backlog ⁽¹⁾	2,773.2	2,867.5	+3.4	2,860.6	2,800.0
Net Sales	1,848.2	2,406.1	+30.2	2,551.9	3,270.0
Cost of Sales	1,358.0	1,770.9	+30.4	1,875.9	2,394.0
Gross Profit	490.2	635.2	+29.6	676.0	876.0
SG&A Expenses ⁽²⁾	323.1	451.8	+39.8	463.4	640.0
Personnel Expenses	182.2	238.8	+31.1	247.8	-
Outsourcing expenses	55.7	87.1	+56.3	88.3	-
Other Expenses	85.2	125.9	+47.8	127.3	-
Operating Income	167.1	183.5	+9.8	212.6	236.0
Operating Income Margin(%)	9.0	7.6	-1.4P	8.3	7.2
Financial Income and Costs/Share of Profit/Loss of Entities for Using Equity Method	2.1	-10.4	-	3.3	-6.0
Income Before Income Taxes	169.2	173.1	+2.3	215.8	230.0
Income Taxes and Others ⁽³⁾	59.0	67.4	+14.2	72.9	94.0
Net Income Attributable to Shareholders of NTT DATA	110.2	105.7	-4.1	143.0	136.0
Capital Expenditures	125.2	196.6	+57.0	176.7	286.0
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles ⁽⁴⁾	133.9	155.0	+15.8	182.0	233.0

⁽¹⁾ Excluding the effect of scale expansion resulting from the consolidation of NTT Ltd.

⁽²⁾ "SG&A Expenses" was reclassified according to nature. For Q3/FY2022, R&D expenses cost 15.7 billion yen.

⁽³⁾ "Income Taxes and Others" includes "corporate income taxes" and "net income attributable to non-controlling interests."

⁽⁴⁾ The figures for FYE 3/2020 and later are calculated excluding lease depreciation expenses.

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NTT DATA

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This page presents the details of the consolidated financial results.

Until the first half of this fiscal year, tables on this and the following pages have not included the effect of the consolidation of NTT Ltd. However, from this quarter, those tables present numerical data reflecting the effect of the consolidation of NTT Ltd. on each item, except for new orders received and order backlogs.

As I explained earlier, both net sales and operating income increased, while nearly half of the about 30% year-on-year growth in net sales was due to the effect of scale expansion resulting from consolidation of NTT Ltd. NTT Ltd.'s sales and operating income for the third quarter were 302.4 billion yen and 12.8 billion yen, respectively.

The decline in the quarterly income was mainly due to increased financial and tax expenses.

The increase in costs in "Financial Income and Costs/Share of Profit/Loss of Entities for Using Equity Method" resulted from increased interest-bearing liabilities due to NTT Ltd.'s data center business, which by its nature requires advance and large-scale capital investment, and an increase in interest costs caused by the recent surge in interest rates.

The increase in "Income Taxes and Others" was mainly due to increased tax expenses as a result of the latest consolidation of NTT Ltd. and a part of the profit/loss of NTT DATA Inc. being reported as "Profit/Loss of Non-controlling Interests."

Please see Page 22.

Consolidated Net Sales

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

(Billions of Yen)

	Q3 FYE3/2022 Results (Apr-Dec)	Q3 FYE3/2023 Results (Apr-Dec)	FY Ended 3/2022 Results (Full-Year)	FY Ending 3/2023 Forecasts ^(*) (Full-Year)
Public & Social Infrastructure	337.0	344.9	486.6	515.0
(Main item)				
Central Government and Related Agencies, Local Government, and Healthcare	180.0	182.4	271.8	288.0
Telecom and Utility	84.9	90.2	116.9	125.0
Financial ^(*)	391.0	405.4	533.3	545.0
(Main item)				
Major Financial Institutions	147.4	160.0	198.8	207.0
Regional Financial Institutions, Cooperative Financial Institutions	131.2	125.1	179.2	171.0
Financial Infrastructure/Network Services, Insurance	102.5	106.8	141.3	147.0
Enterprise ^(*)	302.5	335.8	415.1	436.0
(Main item)				
Retail, Payment and Other Service	130.6	143.0	176.4	188.0
Manufacturing Industry, Consulting Service	171.9	192.8	238.8	248.0
Overseas	754.6	1,258.0	1,029.1	1,701.0

Net Sales by Products and Services (to Clients Outside the NTT DATA Group)

(Billions of Yen)

Consulting	253.1	328.1	357.0	380.0
Integrated IT Solution	470.8	517.5	638.1	645.0
System & Software Development	430.3	491.1	615.5	665.0
Maintenance & Support	629.0	698.8	856.6	880.0
IT Infrastructure ^(*)	-	143.6	-	230.0
Telecommunications Terminal and Network Equipment ^(*)	-	156.4	-	380.0
Others	65.0	70.5	84.6	90.0
Net Sales by Products and Services Total	1,848.2	2,406.1	2,551.9	3,270.0

^(*) Financial and Enterprise segments are reclassified. (The reclassification has been made at the time of Q2/2022 results announcement.)

^(*) "IT Infrastructure" is the business operated by former NTT Ltd. and mainly consist of its managed services and data center businesses.

^(*) "Telecommunications Terminal and Network Equipment" is the business operated by former NTT Ltd. and mainly consist of IT product sales and its maintenance services.

This page shows the breakdown of net sales to clients outside the NTT DATA Group.

Results and forecasts for Overseas Segment reflect the effect of the consolidation of NTT Ltd. from the third quarter and onward.

As for the breakdown of "by product and service" in the bottom of the table, two categories, "IT Infrastructure" and "Telecommunications Terminal and Network Equipment," were newly added as businesses operated by NTT Ltd. in addition to the existing five categories.

Please turn to Page 25.

Consolidated New Orders Received and Order Backlog

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

(Billions of Yen)

	Q3 FYE3/2022 Results (Apr-Dec)	Q3 FYE3/2023 Results (Apr-Dec)	FY Ended 3/2022 Results (Full-Year)	FY Ending 3/2023 Forecasts ^(*) (Full-Year)
Public & Social Infrastructure	404.7	328.6	544.3	479.0
(Re-post) Central Government and Related Agencies, Local Government, and Healthcare	244.5	159.9	325.1	255.0
Telecom and Utility	85.2	89.8	118.9	125.0
Financial ^(*)	294.9	285.0	438.1	490.0
(Re-post) Major Financial Institutions	132.3	124.7	193.3	224.0
Regional Financial Institutions, Cooperative Financial Institutions	90.5	89.2	142.0	150.0
Financial Infrastructure/Network Services, Insurance	60.4	60.1	84.9	96.0
Enterprise ^(*)	240.5	285.4	337.4	349.0
(Re-post) Retail, Payment and Other Services	68.6	97.2	91.9	95.0
Manufacturing Industry, Consulting Service	171.9	188.2	245.5	254.0
Overseas ^(*) Excl. NTT Ltd.	731.3	919.8	1,015.3	1,048.0

Detail of Consolidated Order Backlog

(Billions of Yen)

Order Backlog	2,773.2	2,867.5	2,860.6	2,800.0
Public & Social Infrastructure	592.6	572.5	582.0	548.0
Financial	848.8	787.9	863.9	865.0
Enterprise	130.9	162.0	137.4	150.0
Overseas ^(*) Excl. NTT Ltd.	1,169.9	1,313.1	1,248.8	1,204.0

(*1) Financial and Enterprise segments were reclassified. (The reclassification has been made at the time of Q2/2022 results announcement.)

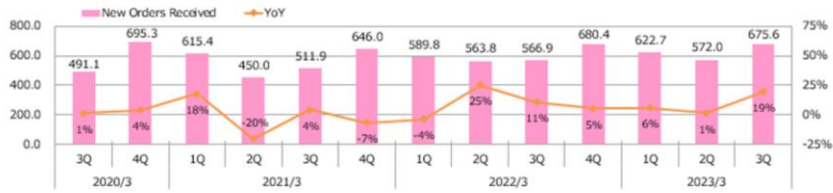
(*2) Excluding the effect of scale expansion resulting from the consolidation of NTT Ltd.

(Explanation omitted)

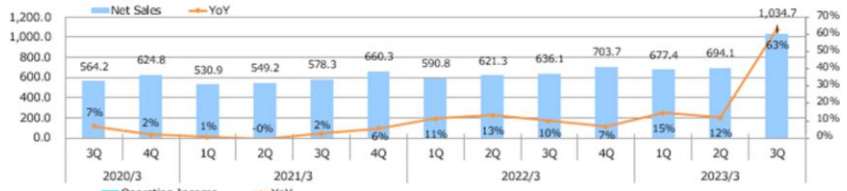
Trends in Quarter (Consolidated)

(Billions of Yen, %)

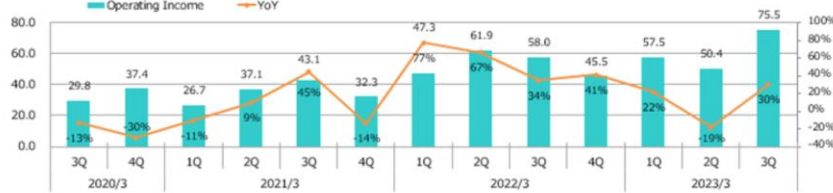
■ New Orders Received^(*) Excl. NTT Ltd.



■ Net Sales



■ Operating Income

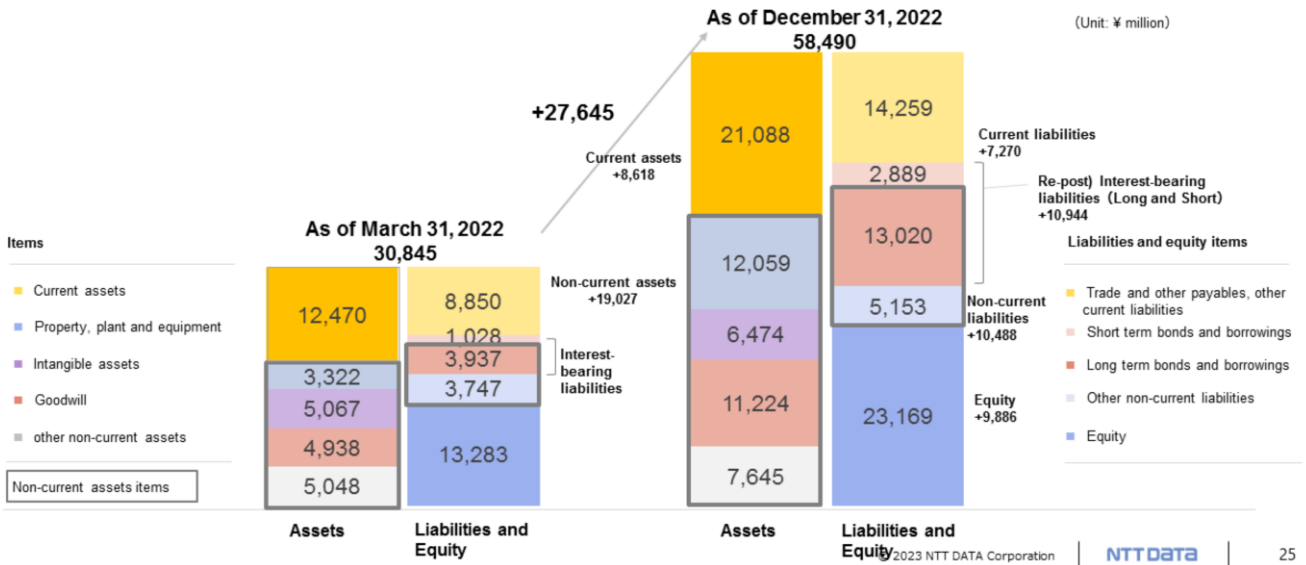


(*1) Excluding the effect of scale expansion resulting from the consolidation of NTT Ltd.

(Explanation omitted)

Quarterly Consolidated Statement of Financial Position

- Total assets increased by approx. 2.8 trillion yen from the end of FY2021 due to the expansion of scale resulting from the integration of overseas operations.
- Assets increased by approx. 860 billion yen in current assets and approx. 1.9 trillion yen in non-current assets. Non-current assets increased mainly due to increases in property, plant and equipment, goodwill, and PPA (intangible assets).
- Liabilities increased by approx. 1.8 trillion yen from the end of FY2021, mainly due to an increase of approx. 1.1 trillion yen in interest-bearing liabilities.



This page shows the comparison between the balance sheet for the third quarter and that at the end of the previous fiscal year.

As a result of the effect of scale expansion resulting from the consolidation of NTT Ltd., the total assets grew by about 2.8 trillion yen from the end of the previous fiscal year.

Major causes for the increase include an about 860 billion yen increase in current assets and an about 1.9 trillion yen increase in non-current assets owing to the growth of property, plant and equipment, goodwill, and PPA (intangible assets), among others.

Liabilities increased by about 1.8 trillion yen from the end of the previous fiscal year due to an about 1.1 trillion yen increase in interest-bearing liabilities and for other reasons.

This concludes my supplementary explanation. Thank you for listening.



(Explanation omitted)