

Note; This document is in English translation of “Kessan Tanshin” for the final Quarter of the Fiscal Year Ended March 31, 2023 and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation of it, the Japanese version will govern.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

May 11, 2023

Company name	: NTT DATA CORPORATION (“NTTDATA”)
Stock exchange on which the Company’s shares are listed	: Tokyo Stock Exchange Prime Segment
Code number	: 9613
URL	: https://www.nttdata.com/global/en/
Representative	: Yo Honma, President and Chief Executive Officer, Representative Director
Contact	: Sota Endo, Senior Executive Manager, Investor Relations Office Tel.:+81-3-5546-8119
Scheduled date of the ordinary general meeting of shareholders	: June 20, 2023
Scheduled date of dividend payment	: June 21, 2023
Scheduled date of filing securities report	: June 21, 2023
Supplemental material on annual results	: Yes
Presentation on annual results	: Yes (for institutional investors and financial analysts)

(Amounts are rounded to the nearest 1 million yen)

1. Consolidated Financial Results for FY2022 (From April 1, 2022 to March 31, 2023)

(1) Consolidated Results of Operations

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

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders of NTT DATA		Comprehensive income attributable to shareholders of NTT DATA	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2022	3,490,182	36.8	259,110	21.9	242,800	12.5	149,962	4.9	222,223	Δ2.4
FY2021	2,551,906	10.1	212,590	52.8	215,849	65.5	142,979	86.1	227,773	37.9

	Net income per share	Net income per share (diluted)	ROE (Ratio of Net income to Equity attributable to shareholders of NTT DATA)	ROA (Ratio of Income before income taxes to Total assets)	Operating income margin (Ratio of Operating income to Net sales)
	¥	¥	%	%	%
FY2022	106.95	—	11.0	5.3	7.4
FY2021	101.95	—	12.2	7.2	8.3

Reference: Equity in net income (losses) of affiliates: FY2022 405million yen, FY2021 (205) million yen

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to shareholders of NTT DATA	Equity ratio attributable to shareholders of NTT DATA	Equity attributable to shareholders of NTT DATA per share
	¥ million	¥ million	¥ million	%	¥
FY2022	6,158,194	2,396,365	1,452,367	23.6	1,035.93
FY2021	3,084,513	1,328,267	1,270,874	41.2	906.22

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
FY2022	350,568	(322,281)	135,659	415,359
FY2021	310,404	(196,487)	(166,513)	246,941

2. Dividends

	Cash dividends per share					Total amount of cash dividends for the year	Dividends payout ratio (consolidated)	Ratio of total amount of dividends to Equity attributable to shareholders of NTT DATA (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2021	—	9.50	—	11.50	21.00	29,452	20.6	2.5
FY2022	—	10.50	—	11.50	22.00	30,855	20.6	2.3
FY2023 (Forecasts)	—	11.50	—	11.50	23.00		22.4	

Note: The year-end dividend of 11.50 yen for the fiscal year ended March 31, 2022 includes a special dividend of 2.0 yen.

3. Forecasts of Consolidated Results for FY2023 (From April 1, 2023 to March 31, 2024)

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

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders of NTT DATA		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	
FY2023	4,100,000	17.5	292,000	12.7	240,000	(1.2)	144,000	(4.0)	102.70

* Notes:

(1) Changes in significant subsidiaries during the current period: Yes

(Changes in specified subsidiaries resulting in the change in consolidation scope)

New: 11 companies* (Name)NTT Limited, etc. *The number is as of March 31, 2022. The number of new companies was 15 as of the end of Q3 of FY2022.

(2) Changes in accounting policies, changes in accounting estimates

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

(3) Number of shares outstanding (common stock)

- 1) Number of shares outstanding (inclusive of treasury stock)
 FY2022 (March 31, 2023) 1,402,500,000 shares
 FY2021 (March 31, 2022) 1,402,500,000 shares
- 2) Number of treasury stock
 FY2022 (March 31, 2023) 507,571 shares
 FY2021 (March 31, 2022) 116,349 shares
- 3) Average number of shares over period
 FY2022 (From April 1, 2022 to March 31, 2023) 1,402,149,613 shares
 FY2021 (From April 1, 2021 to March 31, 2022) 1,402,427,584 shares

* “Kessan Tanshin” is an unaudited financial report.

* Explanations for the appropriate use of results forecasts, and other noteworthy items

- The results forecasts contained in this document are based on certain premises derived from information available to the NTT DATA Group at this time. As a result of various factors that may arise in the future, actual results may differ from the Group’s forecasts.
- Supplemental material on quarterly results will be uploaded on TDnet today, and will also be uploaded on our homepage. Presentation on quarterly results will be held today. This report will be uploaded on our homepage soon.
- Products and services referred to on this report (including the attachment) are trademarks or registered trademarks of NTT DATA or other companies.

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1. Overview of Business Results

(1) Analysis on Business Results of the Current Fiscal Year

Economies and the management environment of the IT services industry in the current consolidated fiscal year are as follows:

The Japanese and global economies began to improve as the impact of the COVID-19 pandemic was mitigated, and an increasing number of countries have balanced infection control and economic activities.

The economic outlook is expected to further improve, while concerns over the slowdown of overseas economies mainly due to global monetary tightening pose a risk of recession in Japan. Close attention should be paid to the impact of rising resource and commodity prices, restricted supplies, financial capital market fluctuations, etc.

Regarding the Japanese IT services market, as social activities are starting to return to normal, thanks to the containment of infections, digital transformation efforts by client companies have been increased. While there are factors, such as rising prices, that could discourage IT investment, the favorable demand environment is expected to continue.

In the global IT services market, despite the global monetary tightening that could curtail IT investment, client companies' demand for digital transformation is growing. Given these, the demand environment is expected to remain strong.

[Progress on Management Policies]

In May 2022, the NTT DATA Group announced the new Medium-Term Management Plan (MMP). For the Global 3rd Stage in 2025, we aim to realize a sustainable society together with our clients by creating value for the future and connecting various people with technology under the slogan “Realizing a Sustainable Future.”

To this end, we have implemented the five strategies set out in the current MMP to promote sustainability management while steadily preparing for the transition to a holding company structure scheduled in July 2023.

Strategy 1. Capitalize on the Convergence IT & Connectivity

We have been strengthening our capability to offer Edge to Cloud^(Note1) services through greater collaboration with the NTT DATA Group. By securely connecting different customer contact points and data in combination with our strength in providing systems to a wide array of industries, we are realizing cross-industry partnerships beyond enterprise and industry boundaries and creating new social platforms and innovative services.

In fiscal 2022, NTT DATA created a solution to monitor the location and transportation status of cargo during transportation using our connectivity capabilities and won a smart city^(Note2) project. Furthermore, we utilized our knowledge on public and financial sectors and created public-private partnership solutions, such as “KOKO PASS,^(Note3)” thereby expanding cross-industry projects where NTT DATA excels.

In addition, in order to respond to strong demand from Hyper Scaler^(Note4) and provide high-quality services to enterprises in the globally expanding digital transformation market, etc., the Company has positioned the data center business as one of the important pillars of its business foundation over the medium to long term and plans to make aggressive investments in this business.

Strategy 2. Strengthen Consulting with Foresight

In July 2022, we established the Consulting & Asset Business Transformation Headquarters as a head office organization reporting directly to the president to accelerate transformation through a company-wide collaboration on the Strategy 2 and Strategy 3 initiatives.

As a methodology for clients and industries to envision the future (foresight), we developed the Foresight Design Method and introduced ways of using the Method and actual cases of using it on the portal of our intranet. We have been promoting initiatives to facilitate practical utilization at organizations in respective fields.

In fiscal 2022, NTT DATA combined the knowledge and experience we have cultivated in the insurance and healthcare industries to envision the desired state of the insurance industry, which led us to create new offering values and receive an order for a project that went beyond existing business boundaries.

Strategy 3. Evolve to an Asset-Based Business Model

We are working to consolidate foresight and best practices in industries and businesses, software, in-house tools, and other values that we can provide to our clients in a reusable form and utilize them to provide consulting service and promote delivery and managed services^(Note5) worldwide.

In July 2022, we newly established the Technology Consulting & Solution Segment to consolidate assets that can be repeatedly utilized across industries. We are currently applying them to projects and accumulating know-how. In fiscal 2022, we made use of our “Open Canvas” cloud platform as an asset and created the “Open Canvas for Government,” the community cloud service for the government. The Global Innovation Headquarters established in July 2022 and other organizations have developed a scheme to create global assets in order to acquire global competitiveness and began to create and use the assets worldwide.

As we are evolving to an asset-based business model, we maximize the value we provide to clients by transforming from the prior contracted SI-based business model to one in which we make proposals and suggestions, with business agility appropriate for the digital age.

Strategy 4. Enhance Advanced & Development Technology

We are promoting activities in three areas based on the maturity level of technologies – Emerging, Growth, and Mainstream – and seeking to strengthen both advanced technology utilization capabilities for securing future competitiveness and system development technology capabilities for improving productivity.

With regard to Mainstream Technologies, we designated areas with high market growth potential as focus areas and aim to accelerate business growth by incorporating the high market growth in our business.

In fiscal 2022, we provided a customer information management system using EAS (ServiceNow), one of our focus areas, in a speedy manner. In the area of Cyber Security, another area of focus, we received an order for a global-scale project through cooperation between domestic and overseas centers to build a service provision scheme for a client operating business globally.

In the area of Emerging Technologies, we aim to gain future competitiveness and established Innovation Center in six countries worldwide in August 2022 with high sensitivity to advanced technologies. The center is the core of our effort, and we carry out R&D with innovative clients and gain technology and know-how on a global scale.

Strategy 5. Be the Best Place to Work

We aim to transform into an attractive company for employees with organizational functions and cultures, allowing each of our diverse talents to express themselves and actively participate. We promote diversity, equity, and inclusion^(Note6) by developing systems to support the self-directed growth of staff, such as realizing treatment commensurate with high degrees of specialization and training systems to learn leading-edge technologies globally and building an environment in which working hours and locations can be flexibly configured based on factors such as the characteristics of work.

Regarding talent development, NTT DATA introduced a new human resource development platform “Olive One” in April 2022 to support employees’ learning and development according to their diverse expertise and aspirations. Furthermore, NTT DATA’s unique human resource development program “Professional Career Development Program (CDP)” is being improved so that it can respond to technological and business changes; the contents of the program are also being enhanced.

We will actively work to build an environment that supports diverse work styles, e.g., encouraging the use of human resource systems, such as the Flexible Grade system^(Note7), that respond to the shift to the job-type employment from the traditional membership-type employment and establishing a telework system assuming the combination of remote working and office working in July 2022. We also promote diversity, equity, and inclusion through measures for women’s empowerment, for sexual minorities such as LGBTQ, and for employment of people with disabilities. In addition, we are increasing our efforts to hire people with working experience to acquire various talents.

As a result, we have become a company group that not only provides consulting services and develops applications but also has capabilities necessary for digital transformation, including the field of connectivity, on a worldwide basis. We established a system capable of addressing clients’ needs that are increasingly complex and diverse at a global level. From now on, we will demonstrate synergies from the business combination and further increase efforts to promote the five strategies set out in the MMP, aiming to realize a sustainable society together with our clients worldwide.

Promotion of Sustainability Management

Under the slogan of “Realizing a Sustainable Future” set out in the current MMP, we established the Sustainability Innovation Department in July 2022 to oversee business strategy with a focus on nonfinancial indicators and an aim to promote sustainability management. In addition to the three axes of “Clients’ Growth,” “Regenerating Ecosystems,” and “Inclusive Society,” we established nine key issues (materiality) to be tackled in promoting sustainability management.

We have been implementing initiatives in both business and corporate activities, such as launching C-Turtle, the greenhouse gas emission visualization service, as well as formulating “NTT DATA Carbon-neutral Vision 2050” aimed at net-zero GHG emissions. We are also highly recognized worldwide, as we became the first Japanese company to be recognized as a CDP^(Note 8) Gold Accredited Solutions Provider from CDP, an international nongovernmental organization in the field of climate change.

Overseas Business Combination and Transition to a Holding Company System/Strengthening of Global Coordination Function

To support the growth of our clients’ businesses and realize a sustainable society together with our clients,

we believe that we should further increase our ability to build systems with customer understanding and high technical abilities that we have cultivated so far and our ability to support various enterprise systems and industry infrastructure to connect people with enterprises and society. To achieve this, NTT DATA integrated the group overseas business of NTT Inc. (current trade name: NTT DATA, Inc.), which was a subsidiary of Nippon Telegraph and Telephone Corporation, into the NTT DATA group's overseas business through an absorption-type company split in October 2022.

Based on the overseas business combination, we plan to transition to a holding company structure in July 2023 to strengthen the global management system and ensure the flexibility and mobility of Japanese and overseas business operations. In October 2022, NTT DATA and NTT Ltd. combined overseas business operations and established NTT DATA, Inc. In November 2022, the NTT DATA domestic business preparation company was established as a company to prepare for the founding of a new domestic business company, which is scheduled to take place at the same time of the founding of a holding company. We are steadily preparing for a transition to a new structure.

Aiming to enhance corporate functions under the global management system, we reorganized the Global Marketing Headquarters in July 2022 and newly created the Global Governance Headquarters and the Global Innovation Headquarters. Since the establishment of the NTT DATA, Inc., we have promoted measures to create synergies in overseas businesses, including cross-selling approaches to clients and collaboration between NTT DATA's existing application development capabilities and newly acquired strengths in the connectivity areas such as network and infrastructure platforms, which enabled us to receive an order from a major home appliance manufacturer.

[Status of business activities and results]

To respond to the digital transformation that is accelerating globally and clients' needs that are becoming more diverse and sophisticated, we expanded our business in the global market and enhanced digital offerings specific to market changes. The business combination with NTT Ltd. allowed us to acquire capabilities in the field of connectivity globally, and we worked to provide various IT services ranging from consulting, application development, to infrastructure services.

[Summary of financial results for the 35th fiscal year]

Net sales, operating income, and net income increased due to the effect of scale expansion resulting from the consolidation of NTT Ltd. due to overseas business integration.

Net sales increased due to the effect 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 effect of expanded consolidation and sales growth despite increase in company-wide strategic investments as well as loss from unprofitable projects.

▪ Net Sales	3,490.2 billion yen	(up 36.8% year-on-year)
▪ Operating Income	259.1 billion yen	(up 21.9% year-on-year)
▪ Income before income taxes	242.8 billion yen	(up 12.5% year-on-year)
▪ Net income attributable to shareholders of NTT DATA	150.0 billion yen	(up 4.9% year-on-year)

The following are summaries of initiatives by segment.

[Public & Social Infrastructure Segment]

As efforts are accelerating to realize a digital society, including digital transformation, which is driven mainly by the establishment of the Digital Agency, and structural reforms, NTT DATA Group deepened client-focused business by applying advanced technology to core operations of the government and infrastructure companies and making value-added proposals. Furthermore, we aimed to expand our business by developing social systems from a user's perspective in line with the "Priority Policy Program for Realizing Digital Society.

< Launches services to allow patients with cancer to manage their "vital data" and "diet">

In July 2022, NTT DATA, along with Omron Healthcare Co., Ltd. (Omron Healthcare); Mitsui Fudosan Co., Ltd.; and Link & Communication Inc. (Link & Communication), launched the vital data management service "Health Data Bank for Medical," which uses digital technology and a dietary treatment course in the "Calomama Plus" diet management service for patients with cancer who are staying at Mitsui Garden Hotel Kashiwa-no-ha Park Side (Note9).

In Health Data Bank for Medical, Omron Healthcare's medical and wearable devices are rented to patients so that they can see their vital data recorded on their own while the data also can be viewed, with patient's consent, by medical professionals treating the patients at National Cancer Center Hospital East and the hotel staff to allow them to have better understanding of patients' conditions. In addition, the dietary treatment course (Note10) in the Calomama Plus offered by Link & Communication provides advice on diet for patients with cancer based on information about their diet, exercise, sleeping, etc.

Health Data Bank for Medical uses multiple accumulated vital data for examining ways to improve the operational efficiency of the hospital and hotel as well as the quality of treatment. In the future, we aim to continually create value by utilizing, with patients' consent, the data and know-how obtained using the Dot to Dot platform (Note11) to develop new services for patients. Through this service, we will establish a model in which companies support patients with cancer in cooperation with medical institutions.

< Developing platform business to connect cultural asset and other contents holder with its supporters >

NTT DATA, along with the Vatican Apostolic Library (Vatican Library), conducted a demonstration experiment on the "Vatican Library Web3 (Note12) Support Project" to support cultural activities combining digital content and NFT (Note13) from February to March 2023.

Since 2014, NTT DATA and the Vatican Library have been working on the digital archiving project "DigiVatLib" (Note14), aimed at preserving valuable handwritten documents for long periods and disclosing them to the public using the digital archive solution technology AMLAD® (Note15). In the demonstration experiment, we sought supporters for the Vatican Library online and released two systems: one to certify their support activities with the NFT and blockchain technology (Note16) and the other one in which only users with the proof are allowed to view the high-resolution data provided by the Vatican Library especially for the project. During the demonstration examination period, over 20,000 users viewed the data. NTT DATA examined the possibility of expanding a community of a cultural organization and its supporters on the Internet using the Web3 technology. We confirmed its technological and operational feasibility as well as its business feasibility such as whether to attract customers or not.

On the basis of the results of the demonstration experiment, NTT DATA will fully develop services using Web3 technology, aiming to provide those services to cultural and art organizations including museums. We will contribute to preserving valuable cultural properties and building new communities of relevant authorities in various countries and their supporters.

The results of the Public and Social Infrastructure Segment for this fiscal year are as follows

- The net sales was 635.9 billion yen (7.8% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for the central government and related agencies, and telecommunication industry.
- The operating income was 68.6 billion yen (0.8% increase compared to the previous fiscal year) due mainly to sales growth and reduced unprofitable projects.

[Financial Segment]

To meet the needs for digitalizing society, financial and nonfinancial companies are increasingly collaborating with each other beyond the boundaries of industries and new financial services that help solve social issues are appearing one after another.

As the safety of financial infrastructure attracts attention again, NTT DATA continued to support safe, secure, and high-quality financial infrastructure to achieve a sustainable society. Cooperating with the Public & Social Infrastructure and Enterprise Segments, we aimed to expand new financial services to help solve social issues along with clients beyond the boundaries of industries.

< Contributing to improving the efficiency of payment operations with one-stop payment service >

In July 2022, NTT DATA and Resona Bank, Limited (Resona Bank), launched a new payment service “Resona onestop payment” for corporations and self-employed customers. In this joint project, NTT DATA built a system with our technological capabilities and partnerships to address the issues and needs in customers' payment operations, which Resona Bank had found in its customer base, such as slow computerization.

The service automatically creates payment data from the invoice information uploaded by AI-OCR, which is seamlessly linked to Resona Bank's Internet banking service “Resona Business Direct” to make payments. Moreover, the paid invoice data are automatically stored electronically and can be searched easily at any time. On February 13, 2023, a credit card payment function was added to the service to promote credit card payment in the business-to-business industry where credit cards are used rarely and offer various payment methods to help clients digitalize their businesses and improve their operational efficiency.

In the future, NTT DATA aims to help solve payment operation-related social issues, such as analogue operations due to slow computerization, and inefficient operations by realizing efficient intercompany payment based on the revised Act on Book and Record Keeping through Electronic Methods (Note17).

<Starting to study “integrated banking cloud” for Japan's first joint-use core banking system>

In November 2022, NTT DATA started to study the feasibility of providing an “integrated banking cloud” aimed at ensuring high reliability required for financial institutions on a cloud environment and offering safe, secure, low-priced, and permanent services.

The service is an Ultra-high Service Level Agreement (SLA) (Note18) Cloud made in Japan, which dedicated for banking systems. It consolidates data centers, hardware, and middleware, and NTT DATA provides the service in a one-stop manner, which helps financial institutions operate efficiently and reduce management burden. This enables financial institutions to concentrate their resources on competitive fields other than core banking systems and enhance ability to respond to digital transformation, leading to develop new customer value.

NTT DATA considers implementing a joint-use core banking system that we currently offer in the cloud in a phased manner, aiming to apply it to the Chigin Kyodo Center (Note19) and MEJAR (Note20) banking system and other business sectors by approximately 2028 and 2030, respectively. NTT DATA and banks using MEJAR agreed to start discussions on the participation of Hiroshima Bank, Ltd., and the fourth-term MEJAR including the application of the aforementioned cloud.

NTT DATA contributes to accelerating DX for enhancing customer experience value as a business partner of financial institutions based on the Open Service Architecture (OSA) (Note21) concept, which we promote.

The results of the Financial Segment for this fiscal year are as follows

- The net sales was 662.2 billion yen (3.5% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for financial institutions.
- The operating income was 68.8 billion yen (13.1% increase compared to the previous fiscal year) due mainly to sales growth.

[Enterprise Segment]

In a rapidly digitalized business environment, we presented management issues and strategies for clients based on industry and technology forecasts and offered optimized value by utilizing advanced technology and global solutions, thereby transforming clients' businesses and developing services together with clients.

<Initiatives for carbon neutrality>

NTT DATA has been implementing various initiatives for carbon neutrality. We contribute to a carbon-neutral society by offering consultations and solutions that help reduce greenhouse gas (GHG) emissions from entire supply chains.

- In May 2022, NTT DATA, jointly with Asahi Kasei Corporation (Asahi Kasei), developed a product management platform for managing and evaluating the carbon footprint of products (CFP) (Note22) for each final product and started to provide CFP data for clients in Asahi Kasei's Performance Materials Division. The platform not only helps decarbonize Asahi Kasei but also promotes the decarbonization of the company's entire supply chain by offering CFP data for each final product for clients in downstream supply chains. Furthermore, we utilize the Internal Carbon Pricing that sets a value on a company's own CFP and focus on balancing profit and CFP; thus, we can offer services with an eye on the possibilities of increasing product competitiveness, expanding business, and changing behaviors in the future.

- In August 2022, NTT DATA became the first Japanese company to sign a license agreement with Carbon Disclosure Project (CDP), an international nongovernmental organization renowned in the field of climate change, to use its global database of companies' GHG emissions. This allows NTT DATA to use CDP's data

on the GHG emissions visualization platform “C-Turtle” and efficiently calculate the effect of emission reductions of suppliers using the “Company-wide Emission Allocation Method,” thereby promoting emission reductions throughout the entire supply chain.

< NTT DATA and Anaplan embarks on the joint rollout of a service in the field of multi-enterprise collaboration >

In January 2023, NTT DATA strengthened a partnership with Anaplan Japan in the field of multi-enterprise collaboration and embarked on the joint rollout of NTT DATA’s “iQuattro” (Note23) and Anaplan Japan’s “Anaplan” (Note24).

“iQuattro” is a platform that promotes the utilization of data dispersed across companies and operational processes. By linking it to “Anaplan,” a platform that supports budgeting, planning such as supply-demand adjustment, and performance management operations, it becomes possible to effectively collecting, accumulating, and utilizing large-scale supply chain data and accelerating the establishment of sustainable supply chains for companies. It also enables companies to quickly respond to the needs for sustainability management, including the visualization of GHG emissions, which has become more important lately.

In the future, we will jointly promote businesses by taking advantage of the client bases of both companies and develop a service to quickly link and use various large-scale data generated across companies and projects. We will introduce the service for complex supply chains of industry-leading large companies, aiming to offer it for around 500 companies by 2025.

The results of the Enterprise Segment for this fiscal year are as follows

- The net sales was 520.4 billion yen (11.5% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for manufacturing industry and payment business.
- Operating income was 51.4 billion yen (18.6% increase compared to the previous fiscal year) due mainly to sales growth.

[Overseas Segment]

We expanded offerings mainly in consultation and digital businesses and increased the profitability in existing business fields by means such as promoting automation, and developing and enhancing digital talent as global basis. Furthermore, we have added NTT Ltd.’ strengths in infrastructure and connectivity, such as data center and network services, to our services, which are demanded in accelerating DX environment, to offer comprehensive services on a global scale and have responded to more complex and diverse digital needs of clients.

< North America: Winning a contract through global digital offerings >

MetLife, Inc. through its subsidiaries and affiliates, is one of the world’s leading financial services companies, and has been a strategic client of NTT DATA Services for over 10 years. NTT Data Services provides services that support MetLife’s Voluntary Worksite Group Benefit products. In supporting MetLife under this relationship, NTT DATA Services is leveraging our Global Insurance Digital Platform (GIDP) (Note25) to improve customer experience and drive operational efficiencies. The platform especially helps us

automate key claims processes, and it also provides a single view to our insurance agents to help them create superior customer experiences for MetLife policyholders.

< EMEA & LATAM: Providing advanced systems for sustainability in water utilities >

Since FY2020, NTT DATA ITALIA S.p.A. and Italy's largest multi-utility company Acea S.p.A. have been providing the Waidy Management System, a digital platform to manage the entire water cycle using advanced technologies such as cloud, IoT, and AI. We added functions to detect abnormalities in the water supply zones and to monitor and control the balance of water inflow and outflow in 2022.

The system is integrated with organizations' eco-systems to plan, develop, distribute, and manage the optimal use of safe water resources throughout the entire water cycle. It controls the balance of water inflow and outflow, reduces the loss of water due to leaks from pipes, and monitors water quality in order to conserve and expand water resources.

As water management is important in terms of achieving Goal 6 of the SDGs, "Ensure access to and sustainable management of water and sanitation for all," and water scarcity is a key issue in the UN's "2030 Agenda," we will continue to work toward achieving sustainable water use through the continuity of the service.

< NTT Ltd.: Promoting factory innovation by combining the Group's SI and infrastructure development capabilities >

NTT Ltd., NTT DATA EMEAL, BMW Group, Intel Corporation and Microsoft Corporation are collaborating at the innovation hub (Note 26), a place for open innovation across those companies, at BMW Group's factory in Germany, which was opened in June 2022 and is used to initiate and implement use cases for the digitization of factory and logistics operations. One of the use cases, "Autonomous driving in Factory," automatically guides vehicles from the assembly line to the shipping yard. In this use case, NTT Ltd. has deployed a private 5G network and NTT DATA EMEAL is contributing as the system integrator to control vehicles based on data acquired from perception sensors in the factory, thus contributing to the digitalization of production processes.

We will continue to contribute to the promotion of innovation in various fields by combining the strengths of our group, such as SI and ICT infrastructure capabilities.

The results of the Oversea Segment for this fiscal year are as follows

- The net sales was 1,880.4 billion yen (80.8% increase compared to the previous fiscal year) due mainly to the expansion of consolidation of NTT Ltd, foreign exchange rates, and the Winning of projects in Europe.
- The operating income was 81.6 billion yen (162.3% increase compared to the previous fiscal year) due mainly to the expansion of consolidation of NTT Ltd. including temporary income.

The status of major overseas offices at the end of this fiscal year is as follows

Approx.152,700 employees deployed in over 50 countries and regions outside of Japan.

(Approx.195,100 employees including Japan)

(AS of March 31, 2023)

Progress of Technical Development

In order to survive the intense global competition, the NTT DATA Group works on the “promotion of advanced technology and innovation” to actively introduce new technological trends in business while promoting research and development on “production technology innovation,” such as speeding up and increasing quality of system development and building a cloud foundation that takes into account the greater use of cloud services and digitalization. We create platforms that globally collect and utilize knowledge and know-how on advanced technologies to facilitate innovations and improve next-generation production technologies.

Through collaborative R&D with NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), we utilize the results for fundamental R&D themes to focus our resources on applied R&D themes.

The R&D costs for the consolidated fiscal year under review were 24,937 million yen. The results of the R&Ds, which are commonly applicable to the Public & Social Infrastructure, the Financial, the Enterprise, and Overseas Segment, are not separately recorded by each segment.

<Launch of Innovation Center in six countries>

In August 2022, NTT DATA launched Innovation Center in six countries worldwide, aiming to acquire world-leading capabilities for utilizing advanced technology.

The organizational structure of the centers comprises Strategy Headquarters, which formulates technology strategies, and local centers in six countries (Japan, the U.S., Italy, Germany, China, and India). Technology themes are set for each center based on relevant technology strategies from Strategy Headquarters. Through joint R&D with leading companies as well as cooperation with universities and startups, these centers quickly collect information on the advanced technology application cases that are underway in their corresponding regions. Such information then become input for next-technology strategies. The centers consist of approximately 100 experts from all over the world, who are mainly researchers, consultants, and engineers.

These centers conduct Proof of Concept ^(Note27) with leading companies in each country. This fiscal year, an innovation partnership agreement was concluded in the field of industrial digital twin with an Italian media company. Orders for large-scale joint projects were also received in fields such as metaverse and quantum computing with leading companies, including the heavy and automobile manufacturing industries.

In the future, we aim to expand its organization to 300 experts by the end of fiscal year 2025 and conclude medium- to long-term R&D project partnerships with 50 or more leading companies. In fiscal year 2023, we set three fields as priorities for the Growth Area, which is the next step of the Emerging Area set forth in Strategy 4 “Enhance Advanced & Development Technology” of the Medium-term Management Plan. The three fields are the industrial digital twin, quantum computing, and blockchain, where NTT DATA was recognized as a world-leading IT service provider that supports clients in the Everest Group PEAK Matrix ^(Note28). Through these, we will accelerate our efforts to expand real-world projects to help innovate our clients’ businesses.

<Utilization of combinatorial optimization technology with Ising machines ^(Note 29) >

From November 2022 to March 2023, NTT DATA, Komi Hakko Corp. (Komi Hakko), and Nippon Telegraph and Telephone Corporation (NTT) jointly conducted an examination using actual equipment on a

method to calculate optimal combinations from several thousands of odor components and instantly reconstruct various odors and fragrances with a few odor components.

This examination applied optimization calculation using NTT's next-generation optical Ising machine LASOLV and NTT DATA's analysis technology ^(Note30) for the optimization of odor component combinations to calculate optimal combinations from the Komi Hakko odor database and conducted comparison evaluation with existing methods. With the existing methods, odor combination calculation can cover up to 1,000 types of odor components at most, whereas the new method is confirmed to be able to increase the types of odor components to 8,000 or more. Additionally, the method is confirmed to be effective in improving the optimization calculation accuracy and supporting processes for odor AB testing ^(Note31).

Given the aforementioned results, NTT DATA concluded a partnership agreement with Komi Hakko in April 2023 and started discussions on the conclusion of business partnership and other issues. In the future, the two companies will work not only on the efficiency improvement and advancement of fragrance development but also on the development of new businesses, such as adding smell information to the video industry and metaverse, aiming to develop at least 10 odor or fragrance businesses by 2025. Moreover, NTT DATA will promote business innovations by applying new methods to the issue of combination optimization not only in the odor or fragrance industry but also in other industries. We will conduct quantum computing business and next-generation architecture lab services globally and improve business operations with 100 or more new methods over the next three years.

<Year-on-Year Changes by Business Segment>

(Unit: billion yen)

Description		FY2021		FY2022		Change (%)
			Share (%)		Share (%)	
Net Sales	Public & Social Infrastructure Segment	590.2	19.1	635.9	15.6	7.8
	Financial Segment	639.8	20.7	662.2	16.2	3.5
	Enterprise Segment	466.6	15.1	520.4	12.8	11.5
	Overseas Segment	1,039.8	33.7	1,880.4	46.1	80.8
	Others	348.9	11.4	379.7	9.3	8.8
	Adjustments	(533.3)	—	(588.4)	—	—
Total		2,551.9	—	3,490.2	—	36.8
Operating Income	Public & Social Infrastructure Segment	68.1	29.2	68.6	23.1	0.8
	Financial Segment	60.8	26.0	68.8	23.1	13.1
	Enterprise Segment	43.4	18.6	51.4	17.3	18.6
	Overseas Segment	31.1	13.3	81.6	27.5	162.3
	Others	30.2	12.9	26.9	9.0	(11.1)
	Adjustments	(21.0)	—	(38.2)	—	—
Total		212.6	—	259.1	—	21.9

(Note 1) Edge to Cloud: It is an architecture that combines edge computing, in which data processing and analysis is performed on IoT terminals, smart devices, and servers installed nearby, with cloud computing, in which data is centrally managed and processed.

(Note 2) Smart city: A next-generation city that utilizes information technology for its infrastructure operation, etc.

(Note 3) KOKO PASS : A next-generation city that utilizes information technology for its infrastructure operation, etc.

(Note 4) Hyper Scaler : It is a company that owns huge server resources and provides cloud and data center services.

(Note 5) Delivery and managed services : It is an integrated service that provides everything from environment construction to management and operation, including the installation of hardware, software, etc. associated with IT services.

(Note 6) Diversity, equity, and inclusion : Diversity, equity, and inclusion that need to be addressed to achieve a sustainable society.

(Note 7) Flexible Grade system: It is a personnel system that appropriately allocates and treats diverse business contributions, including management skills.

(Note 8) CDP: Carbon Disclosure Project is a nongovernmental organization that is run by a UK-based charity organization and collects environment-related information from companies and municipalities around the world. The information that CDP discloses serves as global standards for environmental information disclosure. It operates a global information disclosure system to allow investors, companies, countries, regions, and cities to manage their own environmental effect.

(Note 9) Mitsui Garden Hotel Kashiwa-no-ha Park Side: It is a hotel on the premises of National Cancer Center Hospital East that offers accommodation with around-the-clock support for patients with cancer and their families.

(Note 10) Dietary treatment course: It is a course for cancer patients within “Calomama Plus.” In the dietary treatment course, patients input the side effects of anticancer drugs, cancer types, and everyday physical conditions by filling a questionnaire to receive appropriate dietary advice. They can also view records of water intake and exercise contents.

(Note 11) Dot to Dot: It is a platform that has been offered in Kashiwa-no-ha Smart City since November 2020. This platform is managed and operated jointly by UDCK Town Management and BIPROGY Inc. (former Nihon Unisys, Ltd.). We will develop new services, increase value, and promote R&D activities through safe data distribution based on two concepts: “personal data sovereignty,” in which the use of personal data should be decided by individuals to whom the data belongs, and “distributed data management,” in which the data that a company obtained from its own services are linked to other companies only when necessary.

(Note 12) Web3: It is a distributed Internet achieved by blockchain technology. As digital data are stored in a distributed network, it becomes possible to utilizing data across countries and companies, thereby generating wider communities.

(Note 13) NFT: It is a token registered on the blockchain and has characteristics including “not being able to alter the information,” “remaining permanently,” and “being transparent (easy to share and consult).” In the project, NFT was used to certify that the owner supported the Vatican Library and have the right to view the high-resolution images available on the website. This NFT does not grant supporters a right to use the high-resolution images for purposes other than viewing them on their own.

(Note 14) DigiVatLib : It is a digital archiving project aimed at preserving valuable handwritten documents owned by the Vatican Library for long periods and disclosing them to the public.

(Note 15) AMLAD: It is a digital archiving solution that manages digital contents owned by museums and others in an integrated manner and turn them into usable resources, making it possible to search and view the information easily on various devices such as personal computers.

(Note 16) Blockchain technology: It is a database that does not have any central administrator and is managed by multiple participants in a distributed manner. Compared with a database managed by a specific service operator, blockchain technology has advantages in ensuring transparency and reliability of data. The blockchain foundation used in the demonstration experiment uses BlockTrace provided by NTT DATA.

(Note 17) The revised Act on Book and Record Keeping through Electronic Methods: It is a law that allows storage of national tax-related books and records in the form of electronic records (electronic data) with certain conditions satisfied and obliges businesses and organizations to preserve electronically received transaction information, among other provisions. After the Act became effective in January 2022 (with a safe harbor rule period), all digital transaction information is required to be stored as electronic data with no exception.

(Note 18) SLA (Service Level Agreement) : SLA refers to quality assurance levels for services provided (definition, range, content, target to be achieved, etc.)

(Note 19) Chigin Kyodo Center: It is a center for joint-use core banking systems established and operated by NTT DATA for first- and second-tier regional banks.

(Note 20) MEJAR (Most Efficient Joint Advanced Regional) banking system: It is a center for joint-use core banking systems for first- and second-tier regional banks developed by NTT DATA and operated mainly by banks. The fourth-term MEJAR is scheduled to start in fiscal year 2030.

The participating banks are (start of service use and bank code order) the Bank of Yokohama, Ltd.; Hokkaido Bank, Ltd.; Hokuriku Bank, Ltd.; The 77 Bank, Ltd.; Higashi-Nippon Bank, Ltd.; and Hiroshima Bank, Ltd.

(Note 21) OSA (Open Service Architecture™): It is a standard architecture that embodies a new financial information technology required in the post-COVID-19 world.

(Note 22) CFP: Carbon footprint of products is quantitatively calculated by converting total GHG emissions generated from the entire life cycle of products and services, from raw material procurement to disposal and recycling, into the equivalent amount of CO₂, making it possible to discuss effective reduction measures for each manufacturing process. Asahi Kasei's CFP calculation is based on the "cradle-to-gate" assessment, which combines upstream emissions from raw materials and transportation and in-house manufacturing process and energy-related emissions, such as electricity used during manufacturing.

(Note 23) iQuattro: It is a platform that NTT DATA has been providing since 2017. It has a proven track record for digitalization projects such as a project for a large-scale supply chain of the assembly manufacturing industry consisting of several hundreds of companies. We offer comprehensive support for companies aiming to advance their supply chains, from planning and implementation to successful completion.

(Note 24) Anaplan: It is a platform which offers innovative methods for business analysis, planning, and implementation. Anaplan's unique technology Hyperblock enables quicker and reliable decision-making by analyzing performance in real time and predicting future results and helps clients advance their businesses, thereby realizing integrated strategies and plans within an entire company. Anaplan Inc., headquartered in San Francisco, U.S., has more than 200 partner companies and 2,000 client companies worldwide.

(Note 25) GIDP: GIDP provides best-in-class consulting, partnerships, Business Process as a Service, Third-party Administration, and technology for the Life & Annuity market. GIDP addresses disruptive conditions by combining business process outsourcing, IT infrastructure, security, compliance and automation in a single platform.

(Note 26) Innovation hub: In this case, it refers to an environment set up in an actual factory training center to verify new technologies in a real-world environment.

(Note 27) Proof of Concept: Simple trial experiments to demonstrate the feasibility of a new concept or idea.

(Note 28) NTT DATA was recognized as a world-leading IT service provider that supports clients in Everest Group PEAK Matrix: NTT DATA was named as a "Leader" in a US company's survey report "Enterprise Blockchain Services PEAK Matrix® Assessment 2022," issued in December 2021.

(Note 29) Ising machine: Next-generation optical Ising machine LASOLV is a new principle-based calculation device that has been researched and developed by NTT Inc. LASOLV can be used at room temperature and imitate Ising models with multiple optical pulse phase combinations, so called "optical physical phenomenon." It develops interactions in which the closer a possible solution is to the optimum one, the fewer phase combination changes occur (that means stable), thereby leading to a solution. As LASOLV can solve the issue of combination optimization at quite high speed, it is expected to solve issues that have not been solved so far.

(Note 30) NTT DATA's analysis technology: NTT DATA provides services to verify and evaluate various real business issues, regardless of industry, based on business requirements by appropriately utilizing quantum computers and Ising machines that perform efficient combinatorial optimization calculations.

(Note 31) AB testing: It is a testing method that compares two patterns and determines the better one.

(2) Analysis on Financial Conditions of the Current Fiscal Year

The assets at the end of this consolidated fiscal year increased by 3,073.7 billion yen to 6,158.2 billion yen from the end of the previous fiscal year due mainly to the effect of consolidation expansion resulting from the integration of overseas businesses. The liabilities increased by 2,005.6 billion yen to 3,761.8 billion yen from the end of the previous year due mainly to the effect of consolidation expansion and related increase in interest-bearing debt, etc.

The equity increased by 1,068.1 billion yen to 2,396.4 billion yen from the end of the previous fiscal year due mainly to an increase in retained earnings.

(3) Analysis on Cash Flow of the Current Fiscal Year

Cash and cash equivalents at the end of this consolidated fiscal year were 415.4 billion yen, increased by 168.4 billion yen from the end of the previous fiscal year.

Cash flows from operating activities was 350.6 billion yen (40.2 billion yen increase compared to the previous fiscal year) due mainly to an increase in net income before income taxes and depreciation and amortization despite income tax expenses.

Cash flows from investing activities was 322.3 billion yen (125.8 billion yen increase compared to the previous fiscal year) due mainly to the acquisition of additional shares of NTT DATA, Inc. and the effect of related cash and cash equivalents received, as well as payments for acquisition of property, plant and equipment, intangible fixed assets and subsidiaries. As a result, the free cash flow was a positive 28.3 billion yen (85.6 billion yen decrease compared to the previous fiscal year).

Cash flows from financing activities was 135.7 billion yen (302.2 billion yen increase compared to the previous fiscal year) due mainly to long-term financing, etc.

The NTT DATA Group's cash flow indicators are summarized as follows.

Indicator	FY2021	FY2022
Debt Equity Ratio (Times)	0.39	1.19

Notes: Debt Equity Ratio: Interest-bearing debt / Shareholders' equity (Total net assets – Non-controlling interests)
Interest-bearing debt consists of Bonds and borrowings, which are a portion of liabilities reported on the Consolidated Statement of Financial Position.

(4) Forecast for the Next Term

[Forecast for Fiscal Year Ending March 31, 2024]

FY2023 is the second year of the Medium-Term Management Plan (MMP), which concludes in FY2025, and we are working to achieve the Global 3rd Stage by accelerating the implementation of the five strategies of MMP, including the transition to a holding company structure(three-company structure), full-scale promotion of overseas businesses restructuring, evolution to an asset-based business model. While capitalizing on the favorable demand environment and improved profitability from the previous fiscal year, we aim to increase sales and profits both in Japan and overseas.

In light of the above, for FY2023, we forecast net sales of 4,100 billion yen and operating income of 292 billion yen. In F2022, NTT Ltd. was only consolidated for the second half year, but from FY2023 onward, the consolidated effect will be reflected for the full year.

Our segment-by-segment forecast is as follows.

[Public & Social Infrastructure Segment]

Efforts are increasingly underway toward a digital society, such as the expansion of the use of My Number cards proposed in the “Priority Policy Program for Realizing Digital Society.” To realize them, NTT DATA Group will envision the future of a society with foresight-oriented approaches and aim to expand our businesses by deepening client-focused business through application of advanced technology and value-added proposals, and developing social systems from a user’s perspective.

Net sales and operating income are forecasted to be 665.0 billion yen (sales to external clients of 553.0 billion yen) and 80.0 billion yen, respectively.

[Financial Segment]

As society has become more digitalized, financial services that cater to daily needs have appeared one after another. Amid such a situation, financial systems are increasingly required to balance reliability and progressiveness.

NTT DATA continues to support safe and secure financial infrastructure permanently to achieve a sustainable society while aiming to develop and expand new financial services that connect industries.

Net sales and operating income are forecasted to be 692.0 billion yen (sales to external clients of 597.0 billion yen) and 73.0 billion yen, respectively.

[Enterprise Segment]

In April 2023, NTT DATA reorganized its Enterprise Segment. It will promote a matrix management that consists of organizations taking advantage of their expertise in consultation, payment, and technology and industry organizations that manage them by industry to offer value to clients in a foresight-oriented, end-to-end manner. As a partner to help clients in various industries accelerate their business transformation, we, along with our clients, envision a desired state of business for particular industries and clients and consistently offer high value to realize it ranging from planning to business transformation by utilizing its advanced and development technologies.

Net sales and operating income are forecasted to be 550.0 billion yen (sales to external clients of 484.0 billion yen) and 55.0 billion yen, respectively.

[Oversea Segment]

Aiming to transform our business structure to create synergies across the globe, we will expand offerings mainly in consultation and digital businesses and increased the profitability in existing business fields by means such as promoting automation, and developing and enhancing digital talent as global basis. In addition, we will provide services demanded amidst the acceleration of DX by adding NTT Ltd.'s strengths in infrastructure and connectivity to our total offerings, responding to increasingly complex and diverse needs on a global level. Net sales and operating income are forecasted to be 2,436.0 billion yen (sales to external clients of 2,436.0 billion yen) and 990 billion yen, respectively.

Capital investment in the next term is expected to reach 590.0 billion yen.

NTT DATA manages its business performance on an annual basis only; therefore, no results forecast for the period to the end of the second quarter have been included in this report.

Notes: This material contains descriptions of future plans and strategies and of forecasts and projections relating to business performance. These descriptions reflect certain assumptions derived from judgments based on information currently available to the NTT DATA Group. The material also incorporates an unquantifiable degree of risk and uncertainty relating to factors such as economic trends, the fierce competition within the information service industry, market demand, and the tax and other systems. In view of this, excessive reliance should not be placed on these results or forecasts, and it should be noted that actual results may differ from the NTT DATA Group's forecasts.

2. The Basic Stance Concerning the Selection of Accounting Standards

NTT DATA has adopted International Financial Reporting Standards (IFRS) since the 1st quarter of the fiscal year ended March 31, 2019. In order to prepare appropriate consolidated financial statements in accordance with IFRS, we have prepared group accounting policies and other information in accordance with IFRS, and have adopted accounting procedures based on these policies.

3. Summary information (Notes)

(Changes in accounting estimates)

In the current consolidated fiscal year, the estimated cost was changed because the possibility of economic benefit outflows increased due to new defects that occurred after the time of the total cost calculation. As a result of this change, "Cost of sales," including provision for loss on order received, has increased by 10,929 million yen in the Public & Social Infrastructure Segment.

4. Consolidated Financial Statements and major notes

(1) Consolidated Statement of Financial Position

(Unit: ¥ million)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	246,941	415,359
Trade and other receivables	672,665	1,242,269
Contract asset	105,477	123,008
Inventories	25,429	76,221
Assets held for sale	-	48,712
Other financial assets	79,342	54,700
Other current assets	117,187	288,680
Total current assets	1,247,041	2,248,950
Non-current assets		
Property, plant and equipment	332,225	1,372,468
Right-of-use assets	151,794	234,813
Goodwill	493,769	1,133,559
Intangible assets	506,705	653,205
Investment property	29,423	26,953
Investments accounted for using the equity method	5,570	31,343
Other financial assets	123,049	136,882
Deferred tax assets	123,268	225,040
Other non-current assets	71,669	94,981
Total non-current assets	1,837,472	3,909,244
Total assets	3,084,513	6,158,194

(Unit: ¥ million)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trade and other payables	462,231	857,632
Contract liabilities	283,854	417,940
Bonds and borrowings	102,829	278,843
Lease liabilities	42,560	64,280
Other financial liabilities	3,572	13,366
Income taxes payable	47,319	43,550
Provisions	7,650	23,098
Liabilities directly associated with assets held for sale	-	16,409
Other current liabilities	37,781	89,186
Total current liabilities	987,797	1,804,303
Non-current liabilities		
Bonds and borrowings	393,651	1,453,018
Lease liabilities	124,004	204,640
Other financial liabilities	15,098	17,167
Retirement benefit liability	193,170	183,404
Provisions	5,863	10,248
Deferred tax liabilities	22,764	45,466
Other non-current liabilities	13,898	43,583
Total non-current liabilities	768,449	1,957,526
Total liabilities	1,756,246	3,761,829
Equity		
Equity attributable to shareholders of NTT DATA		
Capital stock	142,520	142,520
Capital surplus	102,340	26,752
Retained earnings	915,853	1,091,214
Treasury shares	(205)	(1,034)
Other components of equity	110,365	192,915
Total equity attributable to shareholders of NTT DATA	1,270,874	1,452,367
Non-controlling interests	57,393	943,998
Total equity	1,328,267	2,396,365
Total liabilities and equity	3,084,513	6,158,194

(2) Consolidated Statement of Income and Statement of Comprehensive Income

Consolidated Statement of Income

(Unit: ¥ million)

	FY ended March 31, 2022	FY ended March 31, 2023
Net sales	2,551,906	3,490,182
Cost of sales	1,875,904	2,567,948
Gross profit	676,002	922,234
Selling, general and administrative expenses	463,411	663,124
Operating income	212,590	259,110
Financial income	9,665	16,388
Financial costs	6,201	33,102
Share of profit/loss of entities accounted for using equity method	(205)	405
Income before income taxes	215,849	242,800
Income taxes	65,747	75,929
Net income	150,102	166,871
Net income attributable to		
Shareholders of NTT DATA	142,979	149,962
Non-controlling interests	7,123	16,910
Total	150,102	166,871

Net income per share attributable to shareholders of NTT DATA

Net income per share (yen)	101.95	106.95
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Consolidated Statement of Comprehensive Income

(Unit: ¥ million)

	FY ended March 31, 2022	FY ended March 31, 2023
Net income	150,102	166,871
Other comprehensive income (after taxes)		
Items that will not be reclassified to profit/loss		
Profit/Loss from investments in equity instruments designated at fair value through other comprehensive income	(4,554)	(9,107)
Remeasurements of defined benefit plans	13,075	13,582
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Items that may be reclassified subsequently to profit/loss		
Effective portion of cash flow hedges	750	(399)
Hedges cost	134	(200)
Foreign currency translation adjustment	76,787	26,043
Share of other comprehensive income of entities accounted for using equity method	116	(566)
Total other comprehensive income (after taxes)	86,307	29,353
Comprehensive income	236,409	196,224
Comprehensive income attributable to:		
Shareholders of NTT DATA	227,773	222,223
Non-controlling interests	8,637	△25,999
Total	236,409	196,224

(3) Consolidated Statement of Changes in Equity

(FY ended March 31, 2022)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other	Total		
As of April 1, 2021	142,520	105,988	721,565	(1)	102,827	1,072,899	53,648	1,126,548
Comprehensive income								
Net income	—	—	142,979	—	—	142,979	7,123	150,102
Other comprehensive income	—	—	—	—	84,793	84,793	1,514	86,307
Comprehensive income	—	—	142,979	—	84,793	227,773	8,637	236,409
Transactions with shareholders								
Dividends of surplus	—	—	(25,946)	—	—	(25,946)	(1,866)	(27,813)
Transfer to retained earnings	—	—	77,255	—	(77,255)	—	—	—
Purchase/disposal of treasury shares	—	—	—	(204)	—	(204)	—	(204)
Increase/decrease by business combination	—	—	—	—	—	—	86	86
Net changes in controlled subsidiaries' stocks	—	(1,314)	—	—	—	(1,314)	(2,702)	(4,016)
Stock-based remuneration transaction	—	104	—	—	—	104	—	104
Put options written on non-controlling interests	—	(1,300)	—	—	—	(1,300)	—	(1,300)
Other	—	(1,138)	—	—	—	(1,138)	(409)	(1,547)
Total transactions with shareholders	—	(3,648)	51,309	(204)	(77,255)	(29,798)	331	(34,690)
As of March 31, 2022	142,520	102,340	915,853	(205)	110,365	1,270,874	57,393	1,328,267

(FY ended March 31, 2023)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other	Total		
As of April 1, 2022	142,520	102,340	915,853	(205)	110,365	1,270,874	57,393	1,328,267
Comprehensive income								
Net income	—	—	149,962	—	—	149,962	16,910	166,871
Other comprehensive income	—	—	—	—	72,262	72,262	(42,909)	29,353
Comprehensive income	—	—	149,962	—	72,262	222,223	(25,999)	196,224
Transactions with shareholders								
Dividends of surplus	—	—	(22,875)	—	—	(22,875)	(19,531)	(42,406)
Transfer to retained earnings	—	—	13,384	—	(13,384)	—	—	—
Purchase/disposal of treasury shares	—	—	—	(829)	—	(829)	—	(829)
Increase/decrease by business combination	—	(75,067)	34,890	—	23,672	(16,505)	930,480	913,975
Net changes in controlled subsidiaries' stocks	—	(584)	—	—	—	(584)	1,470	886
Stock-based remuneration transaction	—	3,068	—	—	—	3,068	2,423	5,490
Put options written on non-controlling interests	—	(1,936)	—	—	—	(1,936)	(2,122)	(4,058)
Other	—	(1,068)	—	—	—	(1,068)	(117)	(1,185)
Total transactions with shareholders	—	(75,589)	25,399	(829)	10,288	(40,730)	912,604	871,874
As of March 31, 2023	142,520	26,752	1,091,214	(1,034)	192,915	1,452,367	943,998	2,396,365

(4) Consolidated Statement of Cash Flows

(Unit: ¥ million)

	FY ended March 31, 2022	FY ended March 31, 2023
Cash Flows from Operating Activities		
Net income	150,102	166,871
Depreciation and amortization	219,939	273,052
Interest and dividend income	(4,197)	(11,942)
Interest expenses	5,685	29,495
Share of (profit)/loss of entities accounted for using equity method	205	(405)
Income tax expenses	65,747	75,929
(Increase)/decrease in trade and other receivables	(42,933)	(106,234)
(Increase)/decrease in contract assets	(1,593)	(12,459)
(Increase)/decrease in inventories	(10,780)	985
Increase/(decrease) in trade and other payables	27,833	45,279
Increase/(decrease) in contract liabilities	920	11,129
Increase/(decrease) in allowance for contract losses	1,512	7,061
Other	(17,695)	(2,507)
Sub total	394,746	476,255
Interest and dividends received	4,214	11,957
Interest paid	(5,169)	(28,967)
Income taxes (paid) / refunded	(83,387)	(108,676)
Net cash provided by (used in) operating activities	310,404	350,568
Cash Flows from Investing Activities		
Payments for acquisition of property, plant, equipment, and intangible fixed assets	(174,994)	(366,761)
Payments from acquisition of other financial assets	(83,521)	(49,178)
Proceeds from sales and redemption of other financial assets	113,258	87,732
Payments for investments in subsidiaries	(59,132)	(7,968)
Proceeds from sales of subsidiaries	5,826	1,938
Other	2,076	11,955
Net cash provided by (used in) investing activities	(196,487)	(322,281)
Cash Flows from Financing Activities		
Net increase/(decrease) in commercial paper	—	—
Net increase/(decrease) in short-term borrowings	(28,773)	(37,953)
Proceeds for long-term loans payable and issuance of bonds	170	386,115
Repayment of long-term loans payable and redemption of bonds	(62,613)	(106,235)
Repayments of lease liabilities	(43,821)	(58,765)
Purchase of equity interests of subsidiaries from non-controlling interests	(3,576)	(4,843)
Cash dividends paid	(25,944)	(22,872)
Cash dividends paid to non-controlling interests	(1,923)	(19,513)
Other	(34)	(275)
Net cash provided by (used in) financing activities	(166,513)	135,659
Net increase/(decrease) in cash and cash equivalents	(52,596)	163,946
Cash and cash equivalents at beginning of fiscal year	287,058	246,941
Effect of exchange rate changes on cash and cash equivalents (decrease)	12,479	4,473
Cash and cash equivalents at end of fiscal year	246,941	415,359

(5) Notes to Consolidated Financial Statement

(Notes to Going Concern Assumptions)

N/A

(Segment information)

Effective from the current consolidated fiscal year, the reporting segments that were previously "Public & Social Infrastructure," "Financial," "Enterprise & Solutions," "North America," and "EMEA & LATAM" have been changed to "Public & Social Infrastructure," "Financial," "Enterprise," and "Overseas." The segment information for the previous fiscal year is disclosed based on the reporting segment classification after the change.

A summary of each reporting segment is as follows.

(Public & Social Infrastructure)

Providing high-value added IT services that support government, medical, telecommunication, electric power, and other social infrastructure that revitalize regions.

(Financial)

Providing high-value added IT services that contribute to operational efficiency and services, with a focus on financial institutions.

(Enterprise)

Providing high-value added IT services that support business activities in the manufacturing, distribution, and service industries, as well as payment services and platform solutions such as credit cards, etc. linked with IT services in each area.

(Overseas)

Providing high-value added IT services that take into account market characteristics in overseas business.

(Segment information)

For the fiscal year ended March 31, 2022

Information regarding net sales, income or loss by reportable segment

(Unit: ¥ million)

	Reportable segment					Others (Note 1)	Total	Adjustments (Note 2)	Consolidated financial statement amount (Note 3)
	Public & Social Infrastructure	Financial	Enterprise	Overseas	Total				
Net sales									
Sales to outside clients	486,599	533,277	415,136	1,029,138	2,464,150	87,192	2,551,342	564	2,551,906
Intersegment sales and others	103,594	106,518	51,486	10,622	272,220	261,691	533,911	(533,911)	—
Total	590,193	639,794	466,623	1,039,761	2,736,371	348,883	3,085,253	(533,347)	2,551,906
Operating income or loss (the number shown in parentheses)	68,092	60,806	43,358	31,114	203,370	30,233	233,603	△21,013	212,590
							Financial income		9,665
							Financial costs		6,201
							Share of profit/loss of entities accounted for using equity method		(205)
							Income before Income taxes		215,849

Information regarding other items by reportable segment

(Unit: ¥ million)

	Reportable segment					Others (Note 1)	Total	Adjustments (Note 2)	Consolidated financial statement amount (Note 3)
	Public & Social Infrastructure	Financial	Enterprise	Overseas	Total				
Depreciation and amortization	25,027	87,278	21,156	53,157	186,618	24,073	210,691	2,662	213,353
Investments in non-current assets	18,206	81,073	15,633	20,514	135,426	19,708	155,135	21,611	176,746

(Note) 1. The "Other" category includes subsidiaries and other entities that focus on the Technology Consulting & Solution Segment and businesses that support headquarter division functions.

- (1) Adjustment of operating income or (loss) totaling (21,013) million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
- (2) Adjustment of depreciation and amortization totaling 2,662 million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
- (3) Adjustment of investments in non-current assets totaling 21,611 million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
3. Operating income or loss is adjusted with current operating income under consolidated income statements.
4. Investments in non-current assets do not include long-term prepaid expenses, financial instruments, deferred tax assets and assets related to retirement benefits that are not managed by reportable segments.

For the fiscal year ended March 31, 2023

Information regarding net sales, income or loss by reportable segment

(Unit: ¥ million)

	Reportable segment					Others (Note 1)	Total	Adjustments (Note 2)	Consolidated financial statement amount (Note 3)
	Public & Social Infrastructure	Financial	Enterprise	Overseas	Total				
Net sales									
Sales to outside clients	523,120	552,139	459,487	1,866,131	3,400,877	88,856	3,489,733	449	3,490,182
Intersegment sales and others	112,822	110,017	60,922	14,220	297,980	290,864	588,844	(588,844)	—
Total	635,942	662,155	520,409	1,880,351	3,698,857	379,720	4,078,577	(588,395)	3,490,182
Operating income or loss (the number shown in parentheses)	68,648	68,798	51,403	81,597	270,446	26,883	297,329	(38,219)	259,110
							Financial income		16,388
							Financial costs		33,102
							Share of profit/loss of entities accounted for using equity method		405
							Income before Income taxes		242,800

Information regarding other items by reportable segment

(Unit: ¥ million)

	Reportable segment					Others (Note 1)	Total	Adjustments (Note 2)	Consolidated financial statement amount (Note 3)
	Public & Social Infrastructure	Financial	Enterprise	Overseas	Total				
Depreciation and amortization	24,476	83,440	21,524	108,957	238,397	25,374	263,770	4,001	267,771
Investments in non-current assets	18,415	78,805	19,319	214,590	331,128	27,801	358,930	22,751	381,681

(Note) 1. The "Other" category includes subsidiaries and other entities that focus on the Technology Consulting & Solution Segment and businesses that support headquarter division functions.

2. (1) Adjustment of operating income or (loss) totaling (38,219) million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
- (2) Adjustment of depreciation and amortization totaling 4,001 million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
- (3) Adjustment of investments in non-current assets totaling 22,751 million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
3. Operating income or loss is adjusted with current operating income under consolidated income statements.
4. Investments in non-current assets do not include long-term prepaid expenses, financial instruments, deferred tax assets and assets related to retirement benefits that are not managed by reportable segments.

(Business combination)

(1) Consolidation of Apisero Holdings Corporation as a subsidiary of NTT DATA Group

1) Outline of the Business Combination

On October 27, 2022, NTT DATA CORPORATION, the company submitting consolidated financial statements, acquired equity interest of Apisero Holdings Corporation (headquartered in Arizona, USA; hereinafter “Apisero”), to obtain 100% of voting rights and control of the company through NTT DATA Inc., the subsidiary of the group. The details of the transaction are as follows.

Name of acquired company	Apisero Holdings Corporation
Details of business	Provision of full lifecycle support for MuleSoft products
Main reason for the business combination	<p>Apisero is a leading global MuleSoft consulting firm and one of the largest partners of MuleSoft with over 1,500 certified MuleSoft consultants. MuleSoft is part of the Salesforce family and is a cloud-based integration platform that connects multiple systems under different environments via API. As a leader in the iPaaS market, which offers solutions to support the digital transformation, MuleSoft has been introduced by many leading global companies. Apisero provides full lifecycle support for MuleSoft products to help customers promote digital strategies and differentiate themselves from competitors.</p> <p>The acquisition added approximately 2,100 personnel of Apisero, including certified MuleSoft and Salesforce consultants, to the Company. By combining them with digital response capabilities that we have acquired through past acquisitions, we will be able to further strengthen our competitiveness. For these reasons, NTT DATA conducted the business combination.</p>
Date of acquisition	October 27, 2022
Method adopted by the acquirer company to take control of the acquired company	Acquisition of equity interest in exchange for cash payment
Percentage of the voting rights acquired	100%

2) Consideration for the transfer

The following table presents the fair-value consideration for the transfer as of the date of acquisition.

(Unit: ¥ million)

	Date of acquisition (October 27, 2022)
Cash	25,748
Contingent consideration	3,654
Total acquisition price	29,402

(Note) The share transfer agreement includes a clause that requires the price to be adjusted when the transfer is completed. Under this agreement, NTT DATA Group will revise the acquisition price and the goodwill amount by deeming that such payment was made upon the acquisition.

3) Amount and Item of Acquisition-Related Costs

The following table shows the items and amounts of acquisition-related costs.

(Unit: ¥ million)	
Item	Amount
Advisory expenses	70
Legal expenses	190
Others	80
Total acquisition-related costs	340

(Note) The expenses are included and processed in “selling, general and administrative expenses” in the Condensed Quarterly Consolidated Statement of Income.

4) Fair value of acquired assets and assumed liabilities and goodwill as of the date of acquisition

The following table shows the details and fair value of acquired assets and assumed liabilities and goodwill as of the date of acquisition.

		(Unit: ¥ million)
		Date of acquisition (October 27, 2022)
Assets		
Trade and other receivables (Note 1)		2,634
Tangible fixed assets		200
Intangible assets (Note 2)		5,880
Other		284
Liabilities		
Trade and other payables		1,067
Other		206
Net amount of acquired assets and assumed liabilities		7,725
Consideration for the transfer		29,402
Difference Goodwill (Note3)		21,677

The value of goodwill and assets recorded at the end of this fiscal year is provisionally based on the estimation with currently accessible information given that identifiable assets and liabilities are now under evaluation and acquisition cost allocation is not completed.

(Notes)

1. These items are all trade receivables. Of these, no important items are deemed unrecoverable.
2. This amount is identifiable assets of 5,880 million yen.
3. Goodwill mainly comprises synergies and excess earning power expected to be obtained from integration with the NTT DATA Group.

5) Impact on the NTT DATA Group's performance

The period of performance recognized in the current fiscal year is from October 27, 2022 to March 31, 2023. Net sales are 5,354 million yen and net income is 837 million yen.

In the pro forma information based on the assumption that the business combination took place at the beginning of the current consolidated fiscal year, net sales are 12,172 million yen and net income is 1,454 million yen.

The pro forma information indicates the estimated amount that has not been audited.

(2) Consolidation of Aspirent Consulting, LLC as a subsidiary of NTT DATA Group

1) Outline of the Business Combination

On November 16, 2022, NTT DATA CORPORATION, the company submitting consolidated financial statements, acquired equity interest of Aspirent Consulting, LLC (headquartered in Georgia, USA; hereinafter “Aspirent”), to obtain 100% of voting rights and control of the company through NTT DATA Inc., the subsidiary of the Group. The details of the transaction are as follows.

Name of acquired company	Aspirent Consulting, LLC
Details of business	Data analytics services (advisory services, introduction of solutions, integration, etc.)
Main reason for the business combination	Aspirent supports customers in data utilization and digital transformation by taking advantage of their strength in advisory services in the field of data analytics. This acquisition will add approximately 230 staff of Aspirent to the Company, which will enable us to significantly expand the delivery capability in this field and further strengthen the ability to offer cloud-based data solutions such as Microsoft Azure, AWS, Databricks, and Snowflake. For these reasons, NTT DATA conducted the business combination.
Date of acquisition	November 16, 2022
Method adopted by the acquirer company to take control of the acquired company	Acquisition of equity interest in exchange for cash payment
Percentage of the voting rights acquired	100%

2) Consideration for the Transfer

The following table presents the fair-value consideration for the transfer as of the date of acquisition.

	(Unit: ¥ million)
	Date of acquisition (November 16, 2022)
Cash	29,413
Total acquisition price	29,413

(Note) The share transfer agreement includes a clause that requires the price to be adjusted when the transfer is completed. Under this agreement, NTT DATA Group will revise the acquisition price and the goodwill amount by deeming that such payment was made upon the acquisition.

3) Amount and Item of Acquisition-Related Costs

The following table shows the items and amounts of acquisition-related costs.

	(Unit: ¥ million)
Item	Amount
Advisory expenses	68
Legal expenses	122
Others	88

Total acquisition-related cost	277
--------------------------------	-----

(Note) The expenses are included and processed in “selling, general and administrative expenses” in the Condensed Quarterly Consolidated Statement of Income.

4) Fair value of acquired assets and assumed liabilities and goodwill as of the date of acquisition

The following table shows the details and fair value of acquired assets and assumed liabilities and goodwill as of the date of acquisition.

	(Unit: ¥ million)
	Date of acquisition (November 16, 2022)
Assets	
Trade and other receivables (Note 1)	2,024
Intangible assets (Note 2)	5,883
Other	33
Liabilities	
Trade and other payables	505
Other	86
Net amount of acquired assets and assumed liabilities	7,348
Consideration for the transfer	29,413
Difference Goodwill (Note 3)	22,065

The value of goodwill and assets recorded at the end of this third quarter is provisionally based on the estimation with currently accessible information given that identifiable assets and liabilities are now under evaluation and acquisition cost allocation is not completed.

(Notes)

1. These items are all trade receivables. Of these, no important items are deemed unrecoverable.
2. This amount is identifiable assets of 5,883 million yen.
3. Goodwill mainly comprises synergies and excess earning power expected to be obtained from integration with the NTT DATA Group.

5) Impact on the NTT DATA Group’s performance

The period of performance recognized in the current fiscal year is from November 16 to December 31, 2022. Net sales are 2,480 million yen and net loss is 9 million yen.

In the pro forma information based on the assumption that the business combination took place at the beginning of the current consolidated fiscal year, net sales are 7,600 million yen and net loss is 251 million yen.

The pro forma information indicates the estimated amount that has not been audited.

(3) Consolidation of NTT, Inc. as a subsidiary of NTT DATA Group

1) Overview of business combination

With October 1, 2022 as the effective date, and based on an absorption-and-split agreement concluded on May 9, 2022, NTT DATA Corporation conducted an absorption-and-split (hereinafter referred to as “the Overseas Business Split”), transferring rights and duties in overseas operations held by NTT DATA to NTT, Inc. The name of the transferred company after the split of overseas operations is NTT DATA, Inc. The split of overseas operations corresponds to a “transaction under joint control, etc.” based on the accounting policy of the NTT DATA Group, such that, once the transaction was implemented, the conditions for control that are required in the accounting standards related to the consolidated financial statements were satisfied, making NTT, Inc. a subsidiary of the NTT DATA Group.

The details of the transaction are as follows.

Name of acquired company	NTT, Inc. (currently, NTT DATA, Inc.)
Name of acquired company	Data centers, networks and managed services
Main reason for the business combination	<p>This business combination combines within the NTT Group the overseas operations for business users previously operated individually by NTT DATA, NTT, Inc. and NTT, Ltd., to be operated by the Group on a unified basis. The Company has long supported a wide variety of corporate systems and industry infrastructure through its deep understanding of customers and its advanced technological capabilities. With this business combination, the Company combines its strengths with the linking capabilities of NTT Ltd. to deliver enhanced value.</p> <p>Specifically, the business combination combines the system integration capabilities of NTT DATA, primarily consisting of consulting and application development (Power to Create), with the strengths in edge-to-cloud service operations in which NTT Ltd. excels, with focus on data centers, networks and managed services (Power to Connect), thereby advancing NTT DATA into a Company able to provide total service integrating IT with connectivity. The business combination centralizes the service lineup necessary to implement DX, including the connectivity domain, enabling response on a global level to customers’ increasingly complex and diverse needs.</p> <p>In addition, by mobilizing NTT Group personnel active in overseas operations, this business combination enables rapid decision-making according to the unique characteristics of each business and customer in each overseas region. The Company will build a robust global governance framework to support business growth going forward.</p> <p>Over the medium-to-long term, the Company will deliver comprehensive management services from edge to cloud, integrating IT and connectivity to provide secure links between resources. This enhancement will enable the Company can direct its attention to creating new social platforms and innovative services that transcend the boundaries among companies and industries. Moreover, the Company will be able to deploy globally innovative services using NTT’s IOWN, aiming to become a Company that can create frameworks for a sustainable future.</p> <p>This integration of overseas operations will promote a unified understanding of customers worldwide. In so doing, NTT DATA will build a brand that enjoys even greater trust among customers, while strengthening its competitiveness to achieve further growth and improvement of corporate value.</p>
Date of acquisition	October 1, 2022
Method adopted by the acquirer company to take control of the acquired company	Absorption-split of the Company’s overseas operations and acquisition of equity interest in exchange for cash payment
Percentage of the voting rights acquired	55%

2) Consideration for the Transfer

The following table presents the fair-value consideration for the transfer as of the date of acquisition.

	(Unit: ¥ million)
	Date of acquisition (October 1, 2022)
Cash	112,000
Shares related to the overseas business split, etc. (Note)	442,113
Total acquisition price	554,113

(Note) This constitutes a non-cash transaction.

The difference between the consideration of 112,000 million yen paid in cash for the transfer and the cash and cash equivalents held by NTT, Inc. that we received in connection with the integration, amounting to 66,995 million yen (proceeds), is included in "Payments for acquisition of subsidiaries" under the category of "Cash flows from Investing Activities" in the Consolidated Statements of Cash Flows.

3) Amount and Item of Acquisition-Related Costs

The following table shows the items and amounts of acquisition-related costs.

	(Unit: ¥ million)
Item	Amount
Advisory expenses	706
Legal expenses	341
Others	37
Total acquisition-related cost	1,084

(Note) The expenses are included and processed in "selling, general and administrative expenses" in the Condensed Quarterly Consolidated Statement of Income.

4) Fair value of acquired assets and assumed liabilities and goodwill as of the date of acquisition

The following table shows the details and fair value of acquired assets and assumed liabilities and goodwill as of the date of acquisition.

	(Unit: ¥ million)
	Date of acquisition (October 1, 2022)
Assets	
Trade and other receivables	975,363
Tangible fixed assets	971,376
Goodwill	560,493
Intangible assets	119,879
Other	180,585
Liabilities	
Trade and other payables	621,976
Bonds and borrowings(Note 1)	1,041,612
Other	115,272
Net amount of acquired assets and assumed liabilities	1,028,835
Equity interests assumed in a business combination under common control	50,969
Non-controlling interests	472,595
Consideration for the transfer in a business combination (Refer 2))	554,113
Difference (subtracted from capital surplus)	48,842

(Note 1) The amount includes 979,075 million yen in transaction balances with NTT FINANCE CORPORATION, a related party. Changes in equity resulting from the absorption-type demerger of the Company's overseas business and the acquisition of equity interests for cash are included in "Changes due to business combinations" in the consolidated statement of changes in equity.

5) Impact on the NTT DATA Group's performance

The period of performance recognized in the current consolidated fiscal year is from October 1, 2022 to March 31, 2023. Net sales are 582,760 million yen and net income is 13,593 million yen.

In the pro forma information based on the assumption that the business combination took place at the beginning of the current consolidated fiscal year, net sales are 1,188,778 million yen and net income is 22,207 million yen.

The pro forma information indicates the estimated amount that has not been audited.

(Per share information)

	FY ended March 31, 2022	FY ended March 31, 2023
Equity attributable to shareholders of NTT DATA per share	906.22 yen	1,035.93yen
Net income per share	101.95 yen	106.95yen

(Additional information)

(Transition to Holding Company structure)

NTT DATA has resolved at the Board of Directors meeting on May 9, 2022, to establish a Domestic Business Split Preparation Company as a wholly-owned subsidiary of the Company and by having the Domestic Business Split Preparation Company take over the domestic business of the Company by or around July 1, 2023, through an absorption-type company split (the “Domestic Business Split”), shift to a holding company with two subsidiaries, i.e., NTT DATA Inc. and the Domestic Business Split Preparation Company (the “Transition to Holding Company Structure”).

Purpose and Effects of the Transition to Holding Company Structure

Given the overseas business combination against the backdrop of accelerating efforts towards digital transformation on a global scale and more complex and diverse customer needs, we consider it necessary to reconstruct the group management structure and further strengthen governance through speedy decision-making in responding to changes in the external environment and local markets, improved mobility, flexible system designs, etc., and have decided to execute the Transition to Holding Company Structure.

After transitioning to a holding company structure, NTT DATA, as a holding company, will specialize in the formulation and implementation of growth strategies from the perspective of optimizing the entire Group, business management, etc., in order to increase the corporate value of the entire Group.

1. Outline of the Transition to Holding Company Structure

(1) Schedule for the Domestic Business Split

Board of directors meeting to approve the establishment of the Domestic Business Split Preparation Company	May 9, 2022
Establishment of the Domestic Business Split Preparation Company	November 1, 2022
Board of directors meeting to approve execution of the absorption-type company split agreement	May 12, 2023 (scheduled)
Execution of the absorption-type company split agreement	May 12, 2023 (scheduled)
Resolution at general shareholders meeting regarding the absorption-type company split agreement	June 20, 2023 (scheduled)
Effective date of the Domestic Business Split	July 1, 2023 (scheduled)

(2) Method of the Domestic Business Split

The method of the Domestic Business Split is expected to be an absorption-type company split where the Company is the splitting company and the Domestic Business Split Preparation Company, a wholly-owned subsidiary of the Company, is the succeeding company.