



FY2019 Business Briefing
(NTT DATA's Digital Strategy)

December 10, 2019
NTT DATA Corporation

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Notes

- ※ Descriptions and predictions in this document are based on the current information and may change due to domestic and international economy, trend in the information service industry, development of new services and technologies. Therefore, our Group will not guarantee its certainty.
- ※ Services and products described in this document are a registered trademark or trademark of NTT DATA CORPORATION and each of other companies.

Part 1: “Strategy 1” of Mid-Term Management Plan - Overview

Masanori Suzuki
Head of Strategy Office and Senior Vice President

I am Suzuki, a Senior Vice President of NTT DATA.
I am going to explain the overview of “Strategy 1” of the Mid-term
Management Plan.

Profile



Masanori Suzuki
Head of Strategy Office
and
Senior Vice President

■ Career History

April 1988	Joined NTT DATA Communications Systems Corporation
August 1998	The Company's name was changed to NTT DATA Corporation
July 2003	Head of Financial System Sector
May 2004	Head of Regional Banking System Sector
April 2008	Head of BeSTA Planning Section, General Banking Business Unit, Regional Banking System Sector
July 2009	Head of First Banking Section, First Regional Banking Business Unit, Second Financial Sector
June 2012	Head of New Business Planning Headquarters
October 2012	Head of New Business Planning Headquarters, Second Financial Sector
April 2013	Head of First Banking Division and Head of Planning Department, Second Financial Sector
July 2015	Head of Business Strategy Department, Financial Segment
June 2016	Head of Second Financial Sector and Senior Vice President
June 2019	Head of Strategy Office and Senior Vice President (current post)

1. Global 3rd Stage Overview and Positioning of Current Mid-Term Management Plan

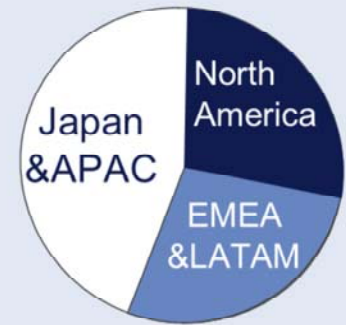


I will explain the positioning of the Mid-term Management Plan in our global strategy.

We have executed the global strategy for more than 10 years. We have achieved a certain level of success in establishing our global brand—the goal for the Global 2nd Stage—by FY2018. Therefore, starting from this fiscal year, we are aiming to become one of the global top 5 companies, which is our goal for the Global 3rd Stage.

Vision for the Global 3rd Stage

- ▶ **Global TOP 5**
- ▶ **Well-balanced portfolio**
of net sales in Japan & APAC, North America,
and EMEA & LATAM
- ▶ Increasing the number of clients from whom NTT
DATA earns annual net sales of over 5 billion yen
70 ⇒ More than 100 companies



Our vision for the Global 3rd Stage is to have a well-balanced portfolio among Japan & APAC, North America, and Europe.

Positioning of Current Mid-Term Management Plan

Corporate Philosophy

The NTT DATA Group uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society.

Mid-Term Management Plan (FY2019→2021)

Pursuing profitable global growth with consistent belief and courage to change

Define and refine our strengths and use them as a source for our future growth

Shape the future society with our clients



We will contribute toward achieving the SDGs and cultivate ongoing increases in corporate value by creating value based on Long-Term Relationships with clients

Growth

2
Global 2nd Stage

FY2018

**Midpoint to
Global 3rd Stage**

Net Sales : ¥2.5 trillion
Client Base : Over 80 companies
Operating Income Margin : 8%
Overseas EBITA Margin : 7%

FY2021

3
Global 3rd Stage

Trusted Global Innovator
Global Top 5
Optimize global business portfolio
Client base : more than 100 companies

FY2025

FY2030

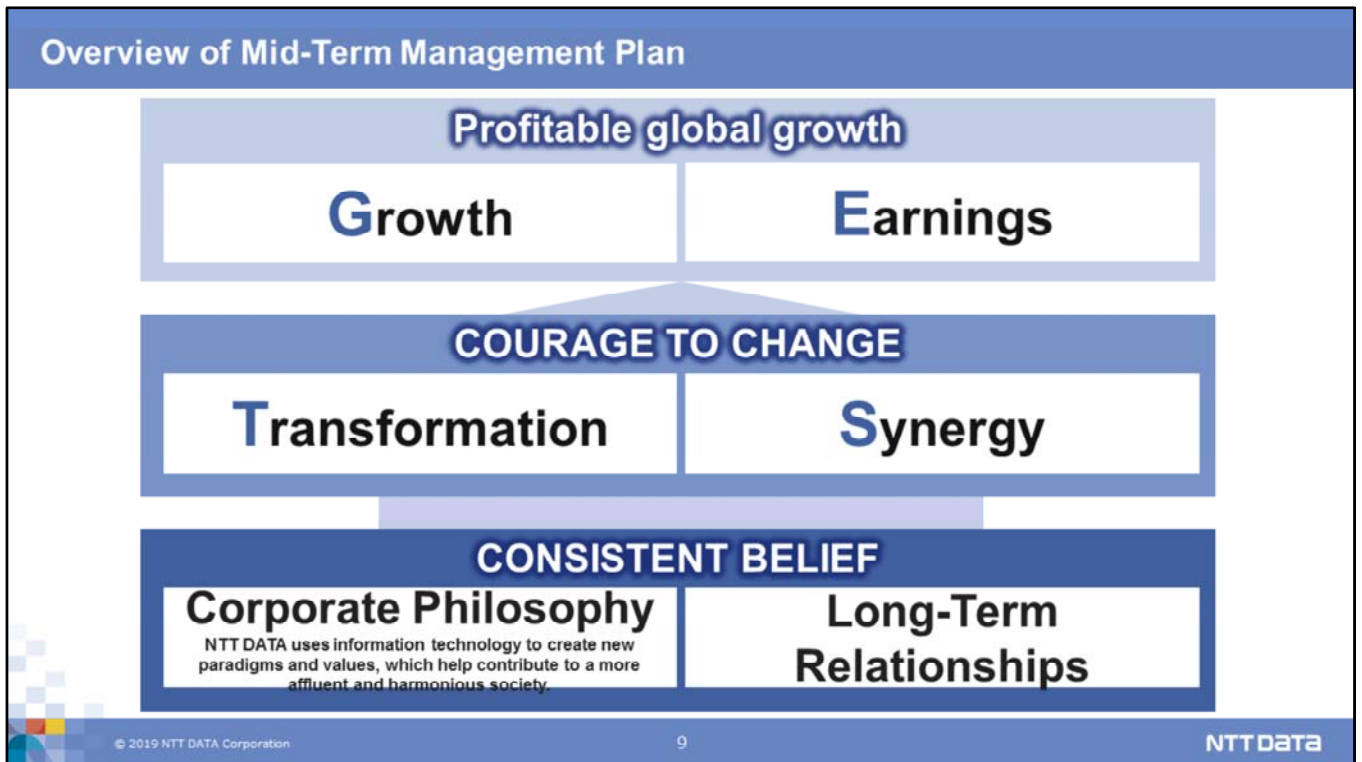
Time

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The first 3 years of the Global 3rd Stage are covered by the new Mid-Term Management Plan, which has started in this fiscal year. With the consistent belief and the courage to change, we will aim to achieve profitable global growth.



Based on our corporate philosophy, long-term relationships which is a strength that we have built and our consistent belief, we will aim to achieve profitable global growth with the courage to change.

Overview of Mid-Term Management Plan



**Pursue profitable global growth with
courage to change underpinned by
consistent belief**

Maximize value for our clients

Further accelerate digital transformation
Maximize global synergy



Strategy 1

Expand global digital offerings



Strategy 2

Deliver greater value to clients based on regional needs



Strategy 3

Unleash our employees' potential that maximize organizational strengths

With the courage to change, we will execute digital strategies. In particular, we will implement three strategies with the aim of maximizing the value we provide to our clients.

Maximize value for our clients

Further accelerate digital transformation
Maximize global synergy



Strategy 1

Expand global digital offerings



Strategy 2

Deliver greater value to clients based on regional needs

Strategy 1 as a key to further accelerate digital transformation and maximize global synergy

Strategy 1, which is one of the three strategies, is a strategy to further accelerate the maximization of global synergy and digital transformation, using global and digital as key words.

2. Overview of Strategy 1 (Expand Global Digital Offerings)

Maximize value for our clients

Further accelerate digital transformation
Maximize global synergy



Strategy 1

Expand global digital offerings



Strategy 2

Deliver greater value to clients based on regional needs



Strategy 3

Unleash our employees' potential that maximize organizational strengths

Strategy 1 Expand Global Digital Offerings



Strategy 1

Build our strengths & improve how we compete

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



To compete with our global competitors, we need to make efforts by focusing on three factors: Accelerate Global Marketing, Develop Digital Offerings, and Expanding CoE(Center of Excellence). I will explain these factors one by one.

Strategy 1 Expand Global Digital Offerings



Strategy 1

Build our strengths & improve how we compete

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

Accelerate Global Marketing

Client & Market Needs
Leverage Offerings

Develop Digital Offerings

Provide support to create & leverage offerings

Expand CoE

Blockchain

Design

DevOps

AI

The first factor is to Accelerate Global Marketing.

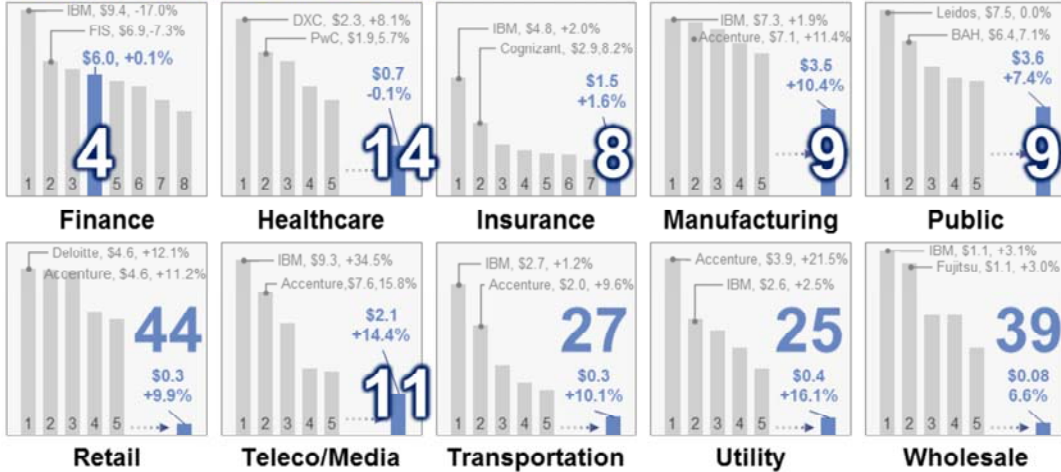


We will identify globally common target industries and accounts and approach them by collaborating as Global One Team to accelerate global marketing.

Accelerate Global Marketing ~Strengthen global collaboration~

Win leading positions in the fields where we have a competitive advantage.
 Aim for Global Top 5 for All NTT DATA

2018 Market Share - IT Services



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

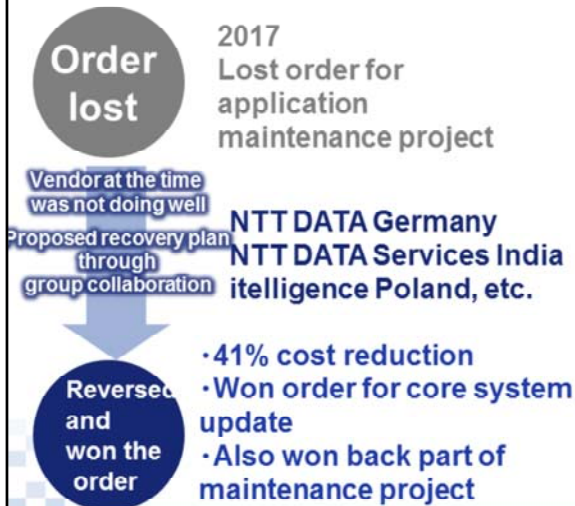
We aim to achieve Global Top 5 in total consolidated net sales by becoming one of the leading companies in industries where we have a competitive advantage.



We identified six industries—automotive, banking, insurance, healthcare, telco/media, and retail—where we have competitive advantages. Then we formed a Global One Team for each industry to accelerate marketing activities.

Accelerate Global Marketing ~Strengthen Global Collaboration~

Companies of EMEA and India collaborated to win back a lost order for updating a large-scale core system of a leading global reinsurance company



This is a case in which we won back a contract for an existing business of a leading global reinsurance company after we had once lost it. This was accomplished by reforming the team as Global One Team and submitting a new proposal. Now that we can take such action, we intend to use the power to further accelerate global expansion.

Strategy 1 Expand Global Digital Offerings



Strategy 1

Build our strengths & improve how we compete

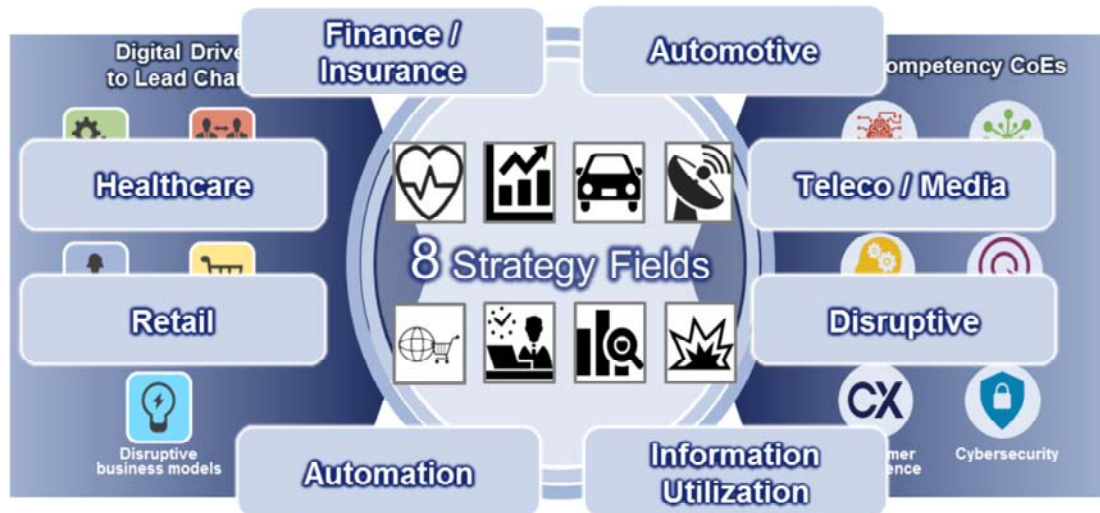
Accelerate global synergy by creating strong offerings backed by aggressive investment for focus areas, and deliver them along with proactive marketing and leveraging technology



The second factor is to Develop Digital Offerings.

Develop Digital Offering ~Digital Strategy Office~

Focus on 8 fields to strengthen capabilities & build solutions



We established the Digital Strategy Office (DSO) to aggressively make digital investments in eight fields. We will be explaining DSO in Part 2 afterwards, so I will skip it for now.

Strategy 1 Expand Global Digital Offerings



Strategy 1

Build our strengths & improve how we compete

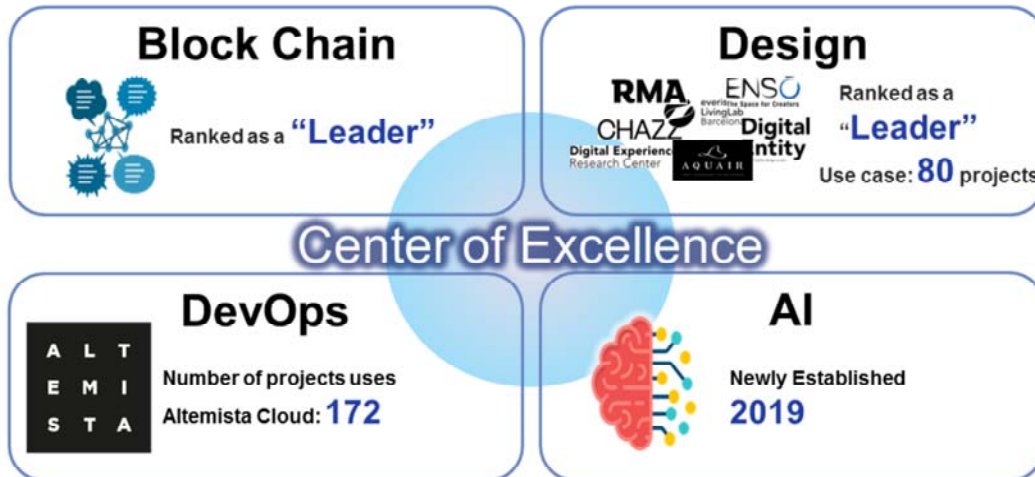
Accelerate global synergy by creating strong offerings backed by aggressive investment for focus areas, and deliver them along with proactive marketing and leveraging technology



The third factor is to Expand CoE. Here, we globally gather and promote the use of expertise on cutting-edge technologies.

Expand CoE

Accelerate global utilization
Gather & utilize knowledge in advanced technologies



Currently, there are CoEs working on four themes: blockchain, design, DevOps, and AI. Among them, the blockchain and design CoEs were named leaders in a global analyst report.

Expand CoE Blockchain CoE

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

Promote CoE

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



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Blockchain CoE is currently working as an organization of about 500 members from 24 countries and regions, which is an increase from 300 members upon its establishment. In the UK, Italy, and Japan, our blockchain solutions will be commercialized very soon.

Expand CoE Design CoE

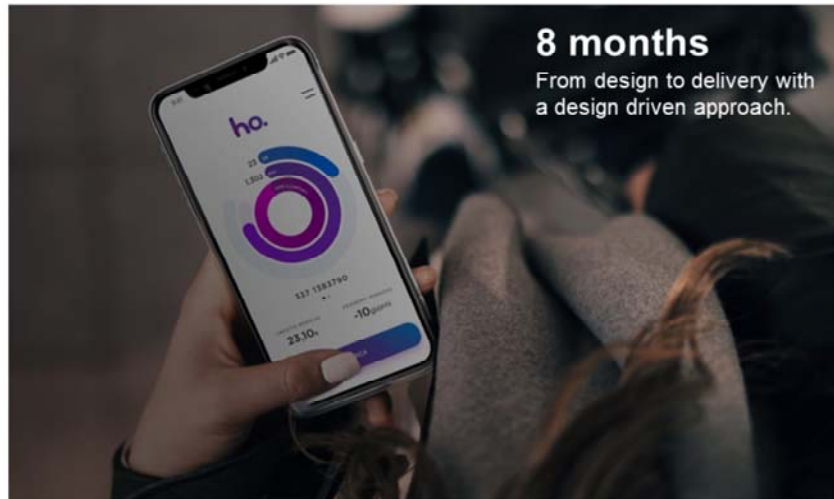
Established team of 450+ professionals from 8 countries
Share design expertise with each other to accelerate customer DX



Design CoE, under the organizational structure consisting of more than 450 people across eight countries, has established design studios in each country for design-focused development.

Example of Design CoE

In a short period of only 8 months launched service of Vodafone Italia's second brand ho



In Italy, for example, we developed a system after designing business details/processes and mechanism for “ho” the second brand of Vodafone Italia. The service was launched in a short period of just eight months after we started considering the development. We received high praise from the client.

In this way, we intend to steadily drive various efforts based on digital strategy and aim to achieve the goals of the new mid-term management plan and Global 3rd Stage.

This is the end of my presentation. Thank you.

Part 2: Digital Strategy Office's (DSO) Efforts

Yutaka Sasaki

Senior Vice President

※ Leader of digital strategy at DSO since 2017

I am Sasaki, Senior Vice President. I will be explaining our “DSO Efforts.”

As we are already seeing some results, I would like to talk about that too.

Profile



Yutaka Sasaki

Senior Vice President

※Leader of the digital strategy
at DSO since 2017

■ Career History

April 1990	Joined NTT DATA Communications Systems Corporation
August 1998	The Company's name was changed to NTT DATA Corporation
April 2003	Head of Enterprise System Sector
July 2008	Head of Enterprise Business Promotion Department
July 2009	Head of Global IT Services Business Promotion Department
October 2010	Head of Logistics Services Sector
November 2011	Head of Planning Promotion Department, manufacturing Business Sector
April 2012	Head of KIRIN Business Division, Fourth Enterprise Sector
July 2015	Head of KIRIN Business Division, Manufacturing IT Innovation Sector
June 2016	Head of Business Solutions Sector and Senior Vice President
June 2018	Head of Manufacturing IT Innovation Sector and Senior Vice President

1. DSO Overview

DSO's Mission and Roles

> In July 2017, NTT DATA established DSO, an office for promoting the company's digital business in preparation for the expansion of the digital business market.

Mission

Vitalize digital-related activities and grow the digital-related business rapidly by narrowing the gap between NTT DATA's business and technologies and increasing the speed



Roles

- ① Establish digital strategy of NTT DATA Group and promote digital investments based on it
- ② Understanding forward-looking efforts in the digital business within the NTT DATA Group

DSO stands for Digital Strategy Office, which was launched in July 2017.

Up until now, we have conducted many M&As and each of the companies that we acquired had been dealing with digital businesses. DSO however, is a team established to further accelerate digital businesses by well understanding the global digital capability of NTT DATA Group to contribute to clients in a market where digital technologies are expanding and to globally promote a consistent strategy.

I was appointed as a leader of this team.

DSO 3 Planks

➤ In order to enable NTT DATA to make a leap forward as a leading company in the digital field, DSO promotes activities with “3 Planks” of making digital investments with clients, global alliance, and developing digital talents.

Digital Leading Company

- | | | |
|---|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Direct Investments | <ul style="list-style-type: none">• Co-investments with clients• Corporate funding for strategic digital initiatives |
| 2 | Strategic Partnerships | <ul style="list-style-type: none">• Collaborate with Universities, Ventures and IT Giants• Digital business models (DSO Silicon Valley) |
| 3 | Talent Transformation | <ul style="list-style-type: none">• Enhance digital business skills• Become a destination for ‘digital natives’ |

DSO is promoting efforts based on three major pillars: Direct Investments, Strategic Partnerships, and Talent Transformation. With Direct Investments, we provide financial support to various digital projects that are ongoing globally, especially to those that are carried out jointly with advanced clients. For Strategic Partnerships, we deliberate on the manner in which we can collaborate with universities, ventures, and IT giants, and also on how we should develop an open innovation business model. With Talent Transformation, we are working to enhance our employees’ digital skills. The main focus of this pillar is how to develop digital talents. We aim to become a leading company in the digital field through these efforts.

2 . Example of DSO Efforts

Direct Investments

> For the first plank of “Direct Investments,” it is important to make co-investments and speedily promote projects with them.

Digital Leading Company

1

Direct Investments

- Co-investments with clients
- Corporate funding for strategic digital initiatives

2

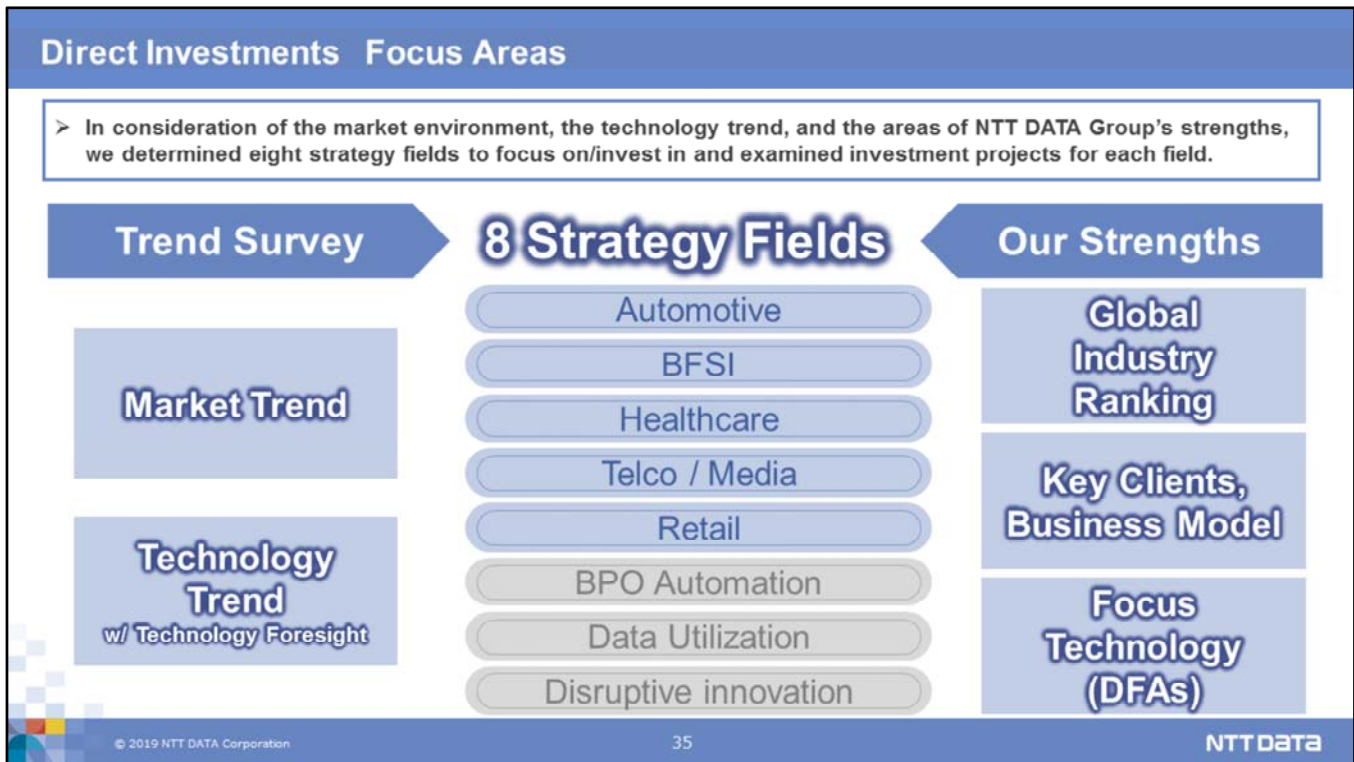
Strategic Partnerships

- Collaborate with Universities, Ventures and IT Giants
- Digital business models (DSO Silicon Valley)

3

Talent Transformation

- Enhance digital business skills
- Become a destination for ‘digital natives’



I would first like to explain the focus areas of Direct Investments. We defined these focus areas based on two inputs. The first input is the trend of future market and technology captured by Technology and Innovation General Headquarters from the various surveys they conducted. The second input consists of industries where we have a competitive advantage, key clients, our self-developed business models, and technology fields such as AI, IoT, and CX that are defined as Digital Focus Areas (DFAs). Based on these two inputs, we have defined eight strategic focus areas. Five of them are focused on industries and three of them on technology fields.

Case 1: Insurance ~Global Insurance Digital Platform~

Integrate insurance solutions of each overseas company on a common foundation to build a microservices architecture, develop a platform that can be deployed in the global market quickly at a low cost, and enhance the deployment in North America, South America and EMEA

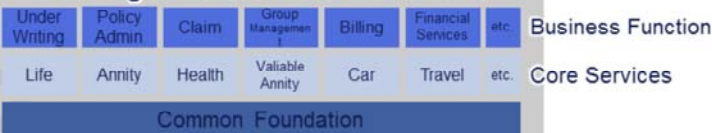
Overseas companies' solutions/external services



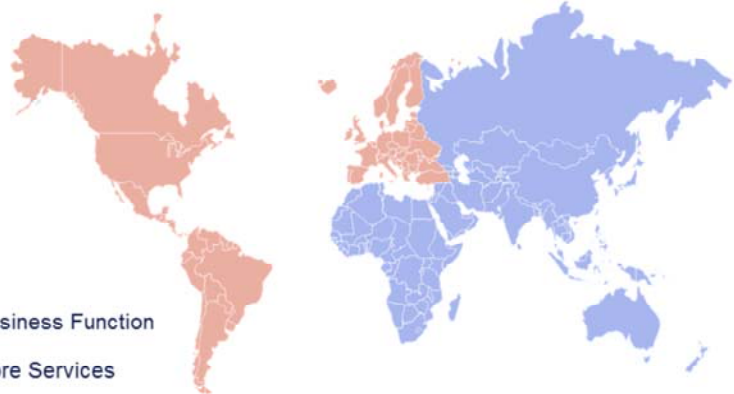
Integrating solutions on a common foundations



Building a microservices architecture



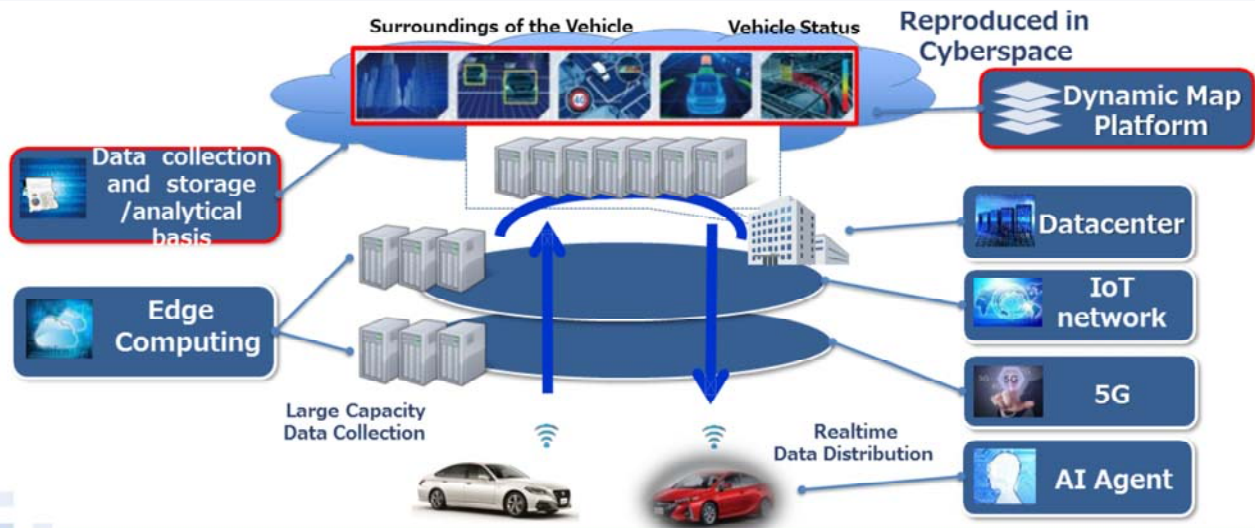
Enhancing the deployment in North America, South America and EMEA



From here, I would like to give several examples of Direct Investments. The first example is our investment in an auto-insurance global platform. The companies we acquired had and have possessed platforms such as LIFESYS, First Gen and First Life. We migrated the parts that were developed using existing technologies to a common cloud-native platform and are providing global microservices. Going forward, we will provide various services for insurance businesses on this platform. We are currently enhancing the effort mainly in North America, South America, and EMEA.

Case 2: Automotive ~Connected Car~

In order to realize a connected car and self-driving platform, we have developed a platform for collecting CAN and sensor data from vehicles and a dynamic map/space-time data management technology that reproduce the data in a spatio-temporal manner.



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The second example is NTT Group's R&D collaboration with Toyota in the automotive field. We have conducted R&D for the fundamental areas of connected cars. As connected cars are increasing these days, the volume and quality of data collected from the vehicles are changing significantly.

In terms of volume, we are now able to collect sensor data called CAN data. In terms of quality, there is a move to gather drive-recorder images at the centers. As a large volume of data must be processed at the centers in the future, we are studying on architecture, etc. for implementation.

Case 3: Retail ~Global CX Hub~

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

Then, we integrated these data with online data to achieve digital marketing PDCA based on more accurate understanding of customers.



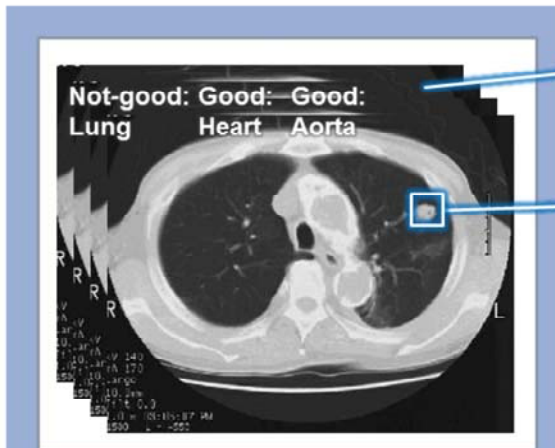
Sept.2019 - started cash register free store "Catch&Go" service to retail industry

- Supporting digitalization of brick-and-mortar stores, leveraging know how of omnichannel and EC site
- Streamlining store operations by reducing labor costs, etc.
- Capturing opportunity to increase sales by understanding movements and actions of consumers inside the stores through data

The third example is "Catch&Go," a digital store with no cash register. We launched a trial run of this service for the retail industry. We set up a demo store of "Catch&Go" at "AQUAIR," our design studio in Roppongi, using a start-up's technology. Here, we had several retailers observe the operations and are now working to provide full-scale service with some of them.

Case 4 : Healthcare ~Diagnostic Imaging × AI~

Developing AI diagnostic imaging solution to reduce the time for diagnosis and prevent overlooking diseases. In the PoC conducted this fiscal year, its effectiveness in actual practices of diagnosing kidney cancer was verified.



A: Abnormality Detection Algorithm

Detect abnormalities in each organ

B: Location Algorithm

Locate abnormalities in organ

Demonstration experiments were conducted with University of Miyazaki from March to August 2019. It was confirmed that the system has high detection accuracy, especially for the detection of renal cancer. A PoC for verifying the effect of reducing doctors' workload in actual diagnostic practices is scheduled in FY2020.

AI Diagnostic Imaging

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The fourth example is a case of healthcare, an industry where we have a considerable track record of success in North America and Japan. We are currently developing an algorithm to detect multiple diseases from one medical image at the same time, which is different from the existing AI technology that judges whether a person's condition falls into a certain disease category.

As a result of PoC with University of Miyazaki from March to August 2019, we verified that the technology has a high detection accuracy especially for detecting renal cancer. We plan to further proceed with the PoC and to complete it some time during fiscal 2020.

Strategic Partnerships

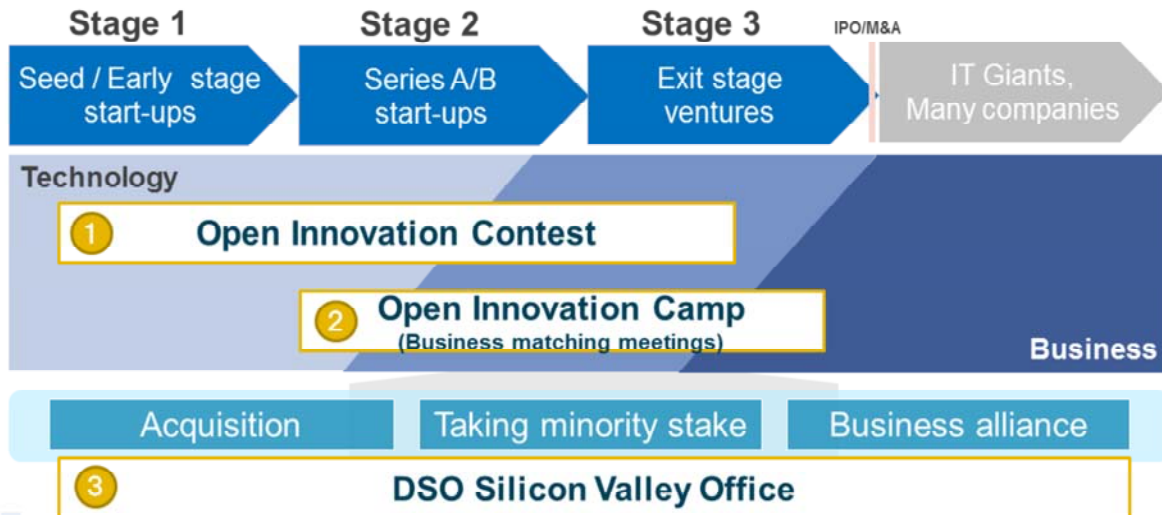
> For the second plank of "Strategic Partnerships," it is important to collaborate with a wide range of partners from start-ups and universities to IT giants in the digital business field which is evolving exponentially.

Digital Leading Company

- | | | |
|---|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Direct Investments | <ul style="list-style-type: none">• Co-investments with clients• Corporate funding for strategic digital initiatives |
| 2 | Strategic Partnerships | <ul style="list-style-type: none">• Collaborate with Universities, Ventures and IT Giants• Digital business models (DSO Silicon Valley) |
| 3 | Talent Transformation | <ul style="list-style-type: none">• Enhance digital business skills• Become a destination for 'digital natives' |

Strategic Partnerships: Development of Global Partnerships

- > In order to expand the digital business, it is necessary to accelerate the move toward a global alliance.
- > ① Open Innovation Contest ② Open Innovation Camp ③ Establishment of DSO Silicon Valley Office



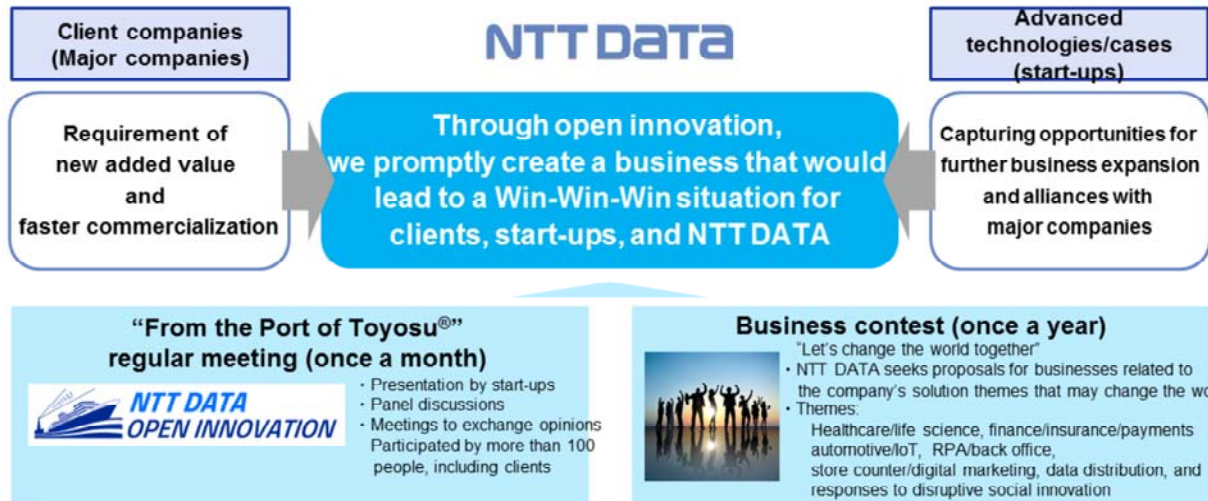
Next I will talk about the Strategic Partnership.

I am sure you often hear the word "open innovation." Nowadays, in the current era, it is said that one company does not do everything. Various start-ups are emerging particularly in the digital field. European and American vendors are demonstrating strong performance in the cloud field. We are collaborating with such companies and university research centers to examine new digital businesses.

We are working on three initiatives for the Strategic Partnership. First, in the Open Innovation Contest, we have start-up companies make presentations and are promoting collaboration. The Open Innovation Camp is a program for holding meetings to closely match businesses together. We also set up an office in Silicon Valley to research start-up companies and support funding.

① Open Innovation Contest (“From the Port of Toyosu” and Business Contest)

Through “From the Port of Toyosu” and a business contest, we aim to create new businesses that would lead to a “Win-Win-Win” situation for start-ups, NTT DATA’s clients (major companies), and NTT DATA.



The Open Innovation Contest is an activity for creating new businesses that would lead to “Win-Win-Win” situations for start-ups, clients, and NTT DATA. What makes it special is that we hold regular monthly meetings where we exchange information, etc. and annual business contests.

① Open Innovation Contest

(Open Innovation Contest - held in 16 cities for this fiscal year)












Winners from all regions will gather in Tokyo to attend the Grande Finale on January 24

The business contests for this fiscal year are held globally in 16 cities. The Grande Finale, which is a world conference called Innovation Conference, is scheduled on January 24 in Tokyo. Winner companies from each region will gather in this conference to decide on the final winner company.

① Open Innovation Contest (List of Commercialized Proposals of Open Innovation)

About 10 collaborative projects have been launched from activities of the open innovation forum “From the Port of Toyosu” and global innovation contests

Type	Company/Project	Description
Platform linkage type	 iRidge	Recommendation marketing utilizing CAFIS Presh by linking with the general payment service “CAFIS”
	 Sassor	IoT electricity management service by linking with an IoT energy platform “ECONO-CREA”
	 Fintech companies like MoneyForward	Fintech service through the API connection with an online banking platform “ANSER”
	 Payke	Inbound marketing utilizing CAFIS Attendant by linking with a general payment service “CAFIS”
	 Modiface (TechPower)	Killer application on the “Kendo Daiichi” application platform of the Dai-ichi Life Insurance Company to enhance health
	 Japan Medical Data Center	Adding functions to the “Kenko Daiichi” application platform of the Dai-ichi Life Insurance Company to enhance health
Disruptive type	 Daon	“Polarify,” a biometric identification platform developed by a joint venture with Sumitomo Mitsui Financial Group
	 Unerry	PoC for real-time marketing utilizing beacon-based location information
	 MarkLogic	Expansion of next-generation database business utilizing structured and unstructured data
	 Social Coin	A platform for solving social issues utilizing AI technologies

Various collaborative projects have already been created in the past. There are total of more than 10 projects that can be roughly divided into: 1) “platform linkage type” that works together by combining various platforms on the Internet; and 2) “disruptive type” which applies unique technologies in NTT DATA’s businesses.

② Open Innovation Camp

Defining missing pieces, creating tailored plans to meet the needs of fields/sectors, involving heads of divisions who can make prompt decisions on resource investments, holding camps in advanced regions of the field, and judging the appropriateness of forming an alliance.



In the Open Innovation Camp, we have venture capitals search for companies that specialize in certain industries and business areas, interview these companies and develop collaboration.

② Open Innovation Camp Examples

- Setting themes in line with business issues of each field and examining collaboration for creating mid- to long-term businesses by individually holding interviews start-ups in locations based in the cities of the world where innovation is advanced (held in Silicon Valley, Boston, and London this fiscal year)

FY2019 Target fields	Themes (Missing Piece)
Field 1 (Healthcare)	Projecting future healthcare and identifying enhancement points of offerings
Field 2 (Banking)	Examining new technologies for the next-generation banking business
Field 3 (Automotive)	Examining new technologies for realizing smart cities and self-driving car society

Example of the new business

- Based on this initiative, a partnership agreement was closed with Data Robot providing a machine-learning platform (1H/2017)
- The platform was introduced in more than 30 client companies as of the 1H/2019 and NTT DATA received the DataRobot Partner Award (Best DataScientist / Best Biz-Dev).



Specifically, we identified target industries such as healthcare, banking, and automotive and had meetings with some of the companies in those industries in Silicon Valley, London, etc. to explore opportunities for collaboration. To give you an example, as a result of this effort, we closed a partnership contract with DataRobot in Boston in the first half of 2017, and have expanded the business for numerous clients.

③ DSO in Silicon Valley

Established DSO in Silicon Valley in April 2019 to enhance and accelerate the promotion of the structure for gathering alliance-related information. Analyzed the gap between "As-Is" and "To-Be" in the digital business for each industrial field and closed partnership agreements strategically.

AS-IS Understanding

Digital Business Gap Analysis



Mark Fulgham
Head of
DSO Silicon Valley



Partnership Possibilities

Unique partnerships



Innovative Business Models

Go To Market Optimization

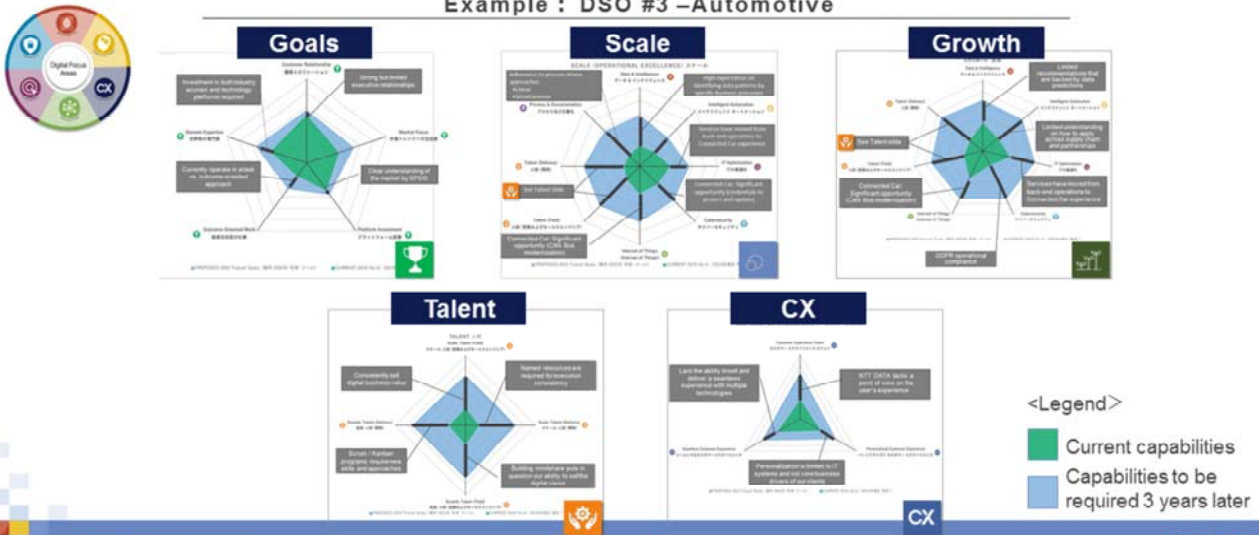


In April 2019, we set up an office in Silicon Valley to accelerate our efforts to enhance the function to collect information on alliances and to promote the alliances. This fiscal year, we analyzed the gap between As-Is and To-Be and considered which fields we should promote strategic partnerships in. There are several patterns of partnership. One of them is "Buy" which indicates M&A, and "Build" is a pattern where we create a solution together. "Partner" is a pattern where we collaborate by building partnership. We intend to drive Co-Investments and Co-Development with these patterns.

③ DSO in Silicon Valley

- > Conducting gap analysis based on interviews with players in each field to “visualize” NTT DATA’s capabilities.
- > Examining a strategic partnership based on identified gap.

Example : DSO #3 –Automotive



This is an example of using gap analysis in the automotive industry. We analyze the gap between our current capability and the capability that we should have in the future, and discuss what kind of start-up we should partner with. Going forward, we will push forward with a specific alliance plan based on the result of gap visualization.

Talent Transformation

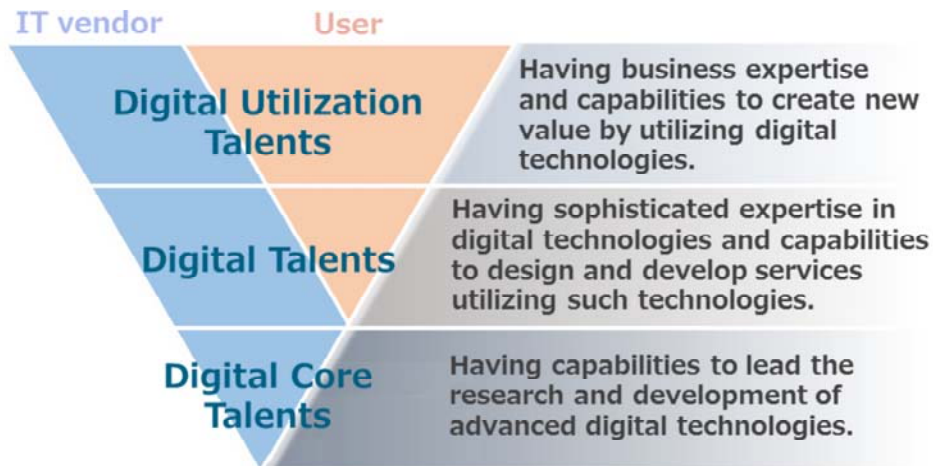
➤ For the third plank of “Talent Transformation,” we will promote transformation of human resources into digital talents in collaboration with HR Headquarters.

Digital Leading Company

- 1** Direct Investments
 - Co-investments with clients
 - Corporate funding for strategic digital initiatives
- 2** Strategic Partnerships
 - Collaborate with Universities, Ventures and IT Giants
 - Digital business models (DSO Silicon Valley)
- 3** Talent Transformation
 - Enhance digital business skills
 - Become a destination for ‘digital natives’

NTT DATA's Definition of Digital Talents

> NTT DATA defines three types of digital talents and strengthens the efforts to develop human resources.



For talent transformation, how we develop human resources suitable for digital businesses is important. NTT DATA classifies digital talents into three types: “digital core talents” with deep expertise who have capabilities to lead R&D of advanced digital technologies; “digital talents” who have sophisticated expertise in digital technologies and capabilities to design and develop services; and “digital utilization talents” who work with clients and deliberate how to apply digital technologies to businesses with them. We define and develop these three types of human resources as digital talents.

We promote measures and system reforms to unleash employees' potential

Increase Employee Engagement

Enhance Digital & Global Capabilities

Digital Boot Camp

Digital Assignment Program

Global Talent Training Course

Design Systems Focusing on Talents

Enhance Hiring/ADP System (Advanced Professional)

TG System (Technical Grade)

Add P-CDP Talent Type

Corporate Culture/Awareness Change

Self-Innovation Time

In developing the talents, we take various approaches. One of the approaches is our system that we have established called Advanced Professional (ADP) System, which is a flexible remuneration system. We added a career path for specialists called Technical Grade (TG) in October.

We also added and are nurturing a type of talent suitable for the digital era in Professional Career Development Program (P-CDP).

Moreover, under the self-innovation time program, we encourage all employees to take time to learn digital technologies voluntarily.

Case Study: "Harmonic Innovation Week," a Workshop Initiated in Italy to Create Businesses

As part of DSO's efforts to develop digital talents, NTT DATA Italy hosted an event for creating businesses. Employees from NTT DATA Group, client companies, accelerators, and start-ups participated in the event to co-create ideas.

Lectures and workshops were held in a village in Southern Italy with a concept of envisaging businesses in the future based on social and human nature.

Day 1-2 INSPIRING SESSIONS

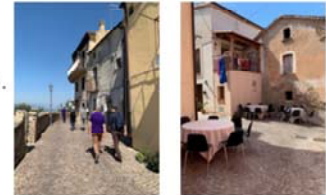
- ✓ Input of issues from speeches, panel discussions, and presentations by start-ups.
- ✓ Forming eight teams of five people playing different roles.

Day 3-4 WORKSHOPS

- ✓ Each group provided ideas for the issues and developed a prototype.
- ✓ Shared progress with the guests, including local residents.

Day 5 INNOVATION FESTIVAL

- ✓ Each group presented the results of their discussions.
- ✓ Feedback and reviews from experts.

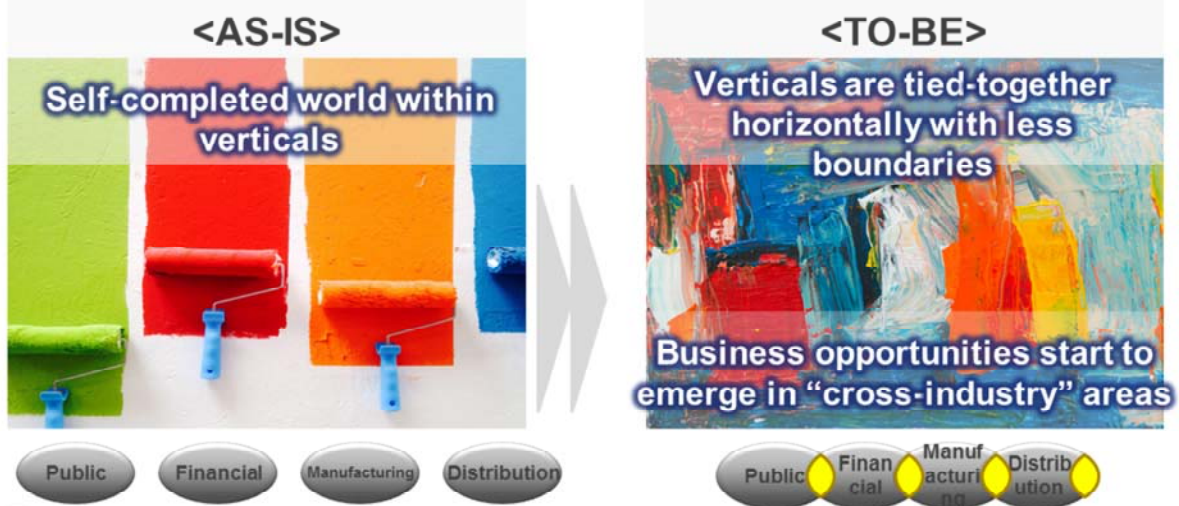


In the education field, we also use global best practices. An Italian group company held a business workshop in which Japanese staff participated to study together. This workshop was held in the form of a week-long training program which also involved our clients. What I would like to stress here is that now we have overseas group companies taking initiatives in using global best practices while involving staff from Japan.

3. Future Outlook

Creation of Cross-Industry Business

- > In the digital era, all industries have become rapidly tied together, which started to generate new business opportunities in “cross-industry” areas outside the existing industries.



Finally, I would like to talk a bit about what will happen to the future digital market.

Until now, businesses completed within each vertical. However, a digital business has a characteristic of getting connected with all sorts of things. It is said that in the future, markets will be created with digital technologies connecting various industries horizontally. Therefore, business opportunities will inevitably arise in “cross-industry” areas that do not belong to a specific industry. We take various approaches when such opportunities arise.

Case 1: Supply Chain Finance for Manufacturers and Financial Companies

By sharing the supply chain information of iQuattro with financial institutions, enabling them to extend loans secured by information on commercial flows and logistics to companies belonging to a supply chain in order to improve cash flow and balance sheets.

Keywords

Key technology

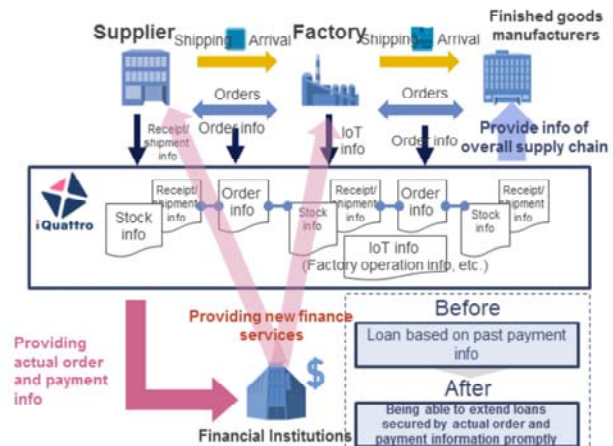
IoT, Blockchain

Target

Manufacturers Financial Institutions

Targeting Smart Supply Chain Aiming to find new borrowers of loans under a new finance scheme

Service Overview



I would like to introduce examples of our cutting-edge initiatives. The first example is a case of supply chain finance market. In cases where there is a finished goods manufacturer, a factory (its business partner), and a supplier providing parts and components, each company normally holds stock and deals with the finances. However, financial institutions are eyeing an opportunity to provide a new financial service. They are now working to create a new financial service by conducting real-time inventory management and physical distribution management.

Case 2: Marketing Using NeuroAI

With NeuroAI, which provides a quantitative assessment of the creativity of an advertisement, companies can see whether the intent of the advertisement has been conveyed to the consumers properly by comparing the “contents recognized by the brain” and the “intent of the advertisement.”

Keywords

Key technology

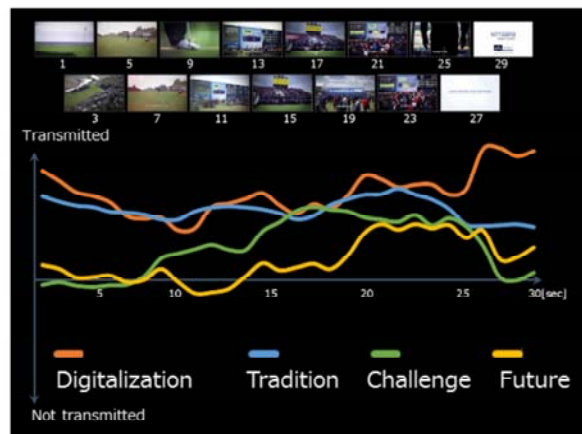
AI, Neuroscience

Target

Advertisement X
Consumers



Service Overviews



The next example is a case of neuroscience marketing. NeuroAI analyzes what sorts of things people think and the words they recall when they see an image from the way their brains react, after which they create a model. By using that model, we can assess the impressions that commercials give to people of each generation in advance. We are currently rolling out this service for the advertising market.

Case 3: Information Bank (PDS Providers)

Improving convenience of everyday life by voluntarily depositing personal data at an information bank to be provided/distributed to companies using data, saving time and effort when applying for services of private and public entities

Keywords

Key technology

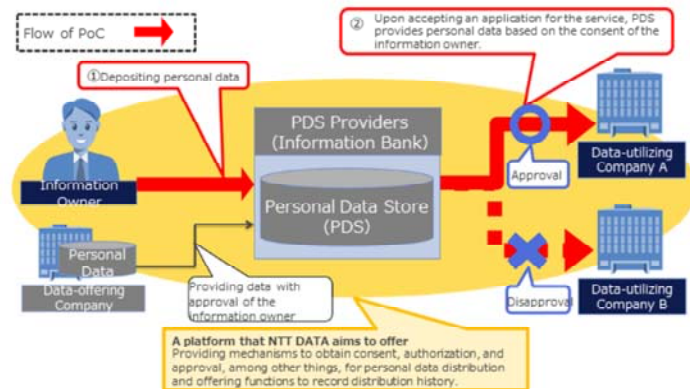
Security

Target

All entities,
including public
agencies that need
personal data



Service Overview



This is the third example. We have started working on the initial stage of an information banking business. Although various companies are collecting personal data, NTT DATA thinks that those data originally belong to consumers. Based on this concept, we are operating personal data store (PDS) where data is centrally managed for seamless usage. We are now in the stage of conducting PoC with several clients.

This concludes my presentation. Thank you.



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