



# Company Presentation for the First Quarter of the Fiscal Year ending March 31, 2014

July 31, 2013  
NTT DATA Corporation

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

**NTT DATA**

1. Results for the First Quarter of Fiscal Year Ending March 31, 2014  
and Forecasts of Earnings for Fiscal Year Ending March 31, 2014
2. Recent Business Climate and Major Initiatives
3. Appendices

**Cautionary Statement  
Regarding Forward-looking Statements**

- ※ Forecast figures in this document are based on current economic and market conditions. As changes in the global economy and information services market are possible, NTT DATA Group cannot guarantee their accuracy.
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1. Results for the First Quarter of Fiscal Year Ending March 31, 2014  
and Forecasts of Earnings for Fiscal Year Ending March 31, 2014

【Billions of yen (except EPS)】

	2014/3 1st. Quarter Results (Apr.-June.)	YoY (Amount)	YoY (Rate)	
New Orders Received	517.2	+ 84.1	+ 19.4 %	
Net Sales	294.1	+ 0.1	+ 0.1 %	
Operating Income	5.1	- 8.2	- 61.6 %	
Segment Profit (*1)	6.1	- 5.8	- 48.8 %	
Net Income	2.2	- 4.7	- 67.9 %	
EPS(yen) (*2)	802 yen	- 1,701 yen	- 67.9 %	

(\*1) Segment Profit is income before income taxes.

(\*2) Although 100-for-1 stock split is scheduled on October 1, 2013 as effective date, figures on this slide are calculated based on the total number of shares issued and outstanding prior to the stock split.

P&F and E-IT : Increased on the back of new orders of existing large-scale systems on a non consolidated basis, among other factors.

S&T : Increased reflecting an increase in new orders received by existing subsidiaries, etc.

GB : Increased due to an increase in new orders received by existing subsidiaries mainly in North America and the impact of foreign exchange fluctuations.

	2014/3 1st. Quarter Results (Apr.-June.)	YoY (Amount)	YoY (Rate)	(Billions of yen)
Public & Financial IT Services (P&F)	293.0	+ 19.3	+ 7.1 %	
Enterprise IT Services (EIT)	111.5	+ 20.9	+ 23.1 %	
Solutions & Technologies (S&T)	17.9	+ 3.0	+ 20.5 %	
Global Business (GB)	94.4	+ 40.8	+ 76.2 %	
<b>Consolidated values</b>	<b>517.2</b>	<b>+ 84.1</b>	<b>+ 19.4 %</b>	

(\*) Data for the 1st quarter of FY ended March 2013, a basis for YoY comparison, has been revised from the figures disclosed earlier to reflect the changes in reportable segments as of the 2nd quarter of FY ended March 2013.

(\*) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

- P&F : Declined owing mainly to the downsizing of existing large-scale systems on a non-consolidated basis.
- E-IT : Declined due primarily to the downsizing of the system and software development for existing customers on a non-consolidated basis.
- S&T : Increased on the back of an increase in system and software development on a non-consolidated basis as well as a rise in inter-company sales from existing subsidiaries, among other factors.
- GB : Sales was boosted as a result of an increase in sales from existing subsidiaries mainly in North America as well as the impact of foreign exchange fluctuations.

	2014/3 1st. Quarter Results (Apr.-June.)	YoY (Amount)	YoY (Rate)	(Billions of yen)
Public & Financial IT Services (P&F)	157.2	- 5.0	- 3.1 %	
Enterprise IT Services (EIT)	56.8	- 11.3	- 16.6 %	
Solutions & Technologies (S&T)	39.9	+ 1.9	+ 5.0 %	
Global Business (GB)	73.1	+ 15.5	+ 26.9 %	
<b>Consolidated values</b>	<b>294.1</b>	<b>+ 0.1</b>	<b>+ 0.1 %</b>	

(\*) Data for the 1st quarter of FY ended March 2013, a basis for YoY comparison, has been revised from the figures disclosed earlier to reflect the changes in reportable segments as of the 2nd quarter of FY ended March 2013.

(\*) Figures by segment include inter-company transactions.

(\*) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

P&F : Declined due to a decrease in sales from existing large-scale systems on a non-consolidated basis.  
 E-IT : Declined owing to the impact of unprofitable projects in addition to a decline in sales on a non-consolidated basis.  
 S&T : Increased reflecting revenue growth on a non-consolidated basis.  
 GB : Operating income excluding amortization of goodwill remained virtually unchanged from the previous fiscal year as a decline in profit in Europe was offset by an increase in profit in North America.

	2014/3 1st. Quarter Results (Apr.-June.)	YoY (Amount)	YoY (Rate)	(Billions of yen)
Public & Financial IT Services (P&F)	9.7	- 1.3	- 12.3 %	
Enterprise IT Services (EIT)	- 4.9	- 6.5	-	
Solutions & Technologies (S&T)	1.0	+ 0.5	+ 111.7 %	
Global Business (GB)	- 1.0 【1.6】	- 0.6 【- 0.0】	- 163.9 % 【- 0.7 %】	
<b>Consolidated values</b>	<b>5.1</b>	<b>- 8.2</b>	<b>- 61.6 %</b>	

(\*) Data for the 1st quarter of FY ended March 2013, a basis for YoY comparison, has been revised from the figures disclosed earlier to reflect the changes in reportable segments as of the 2nd quarter of FY ended March 2013.

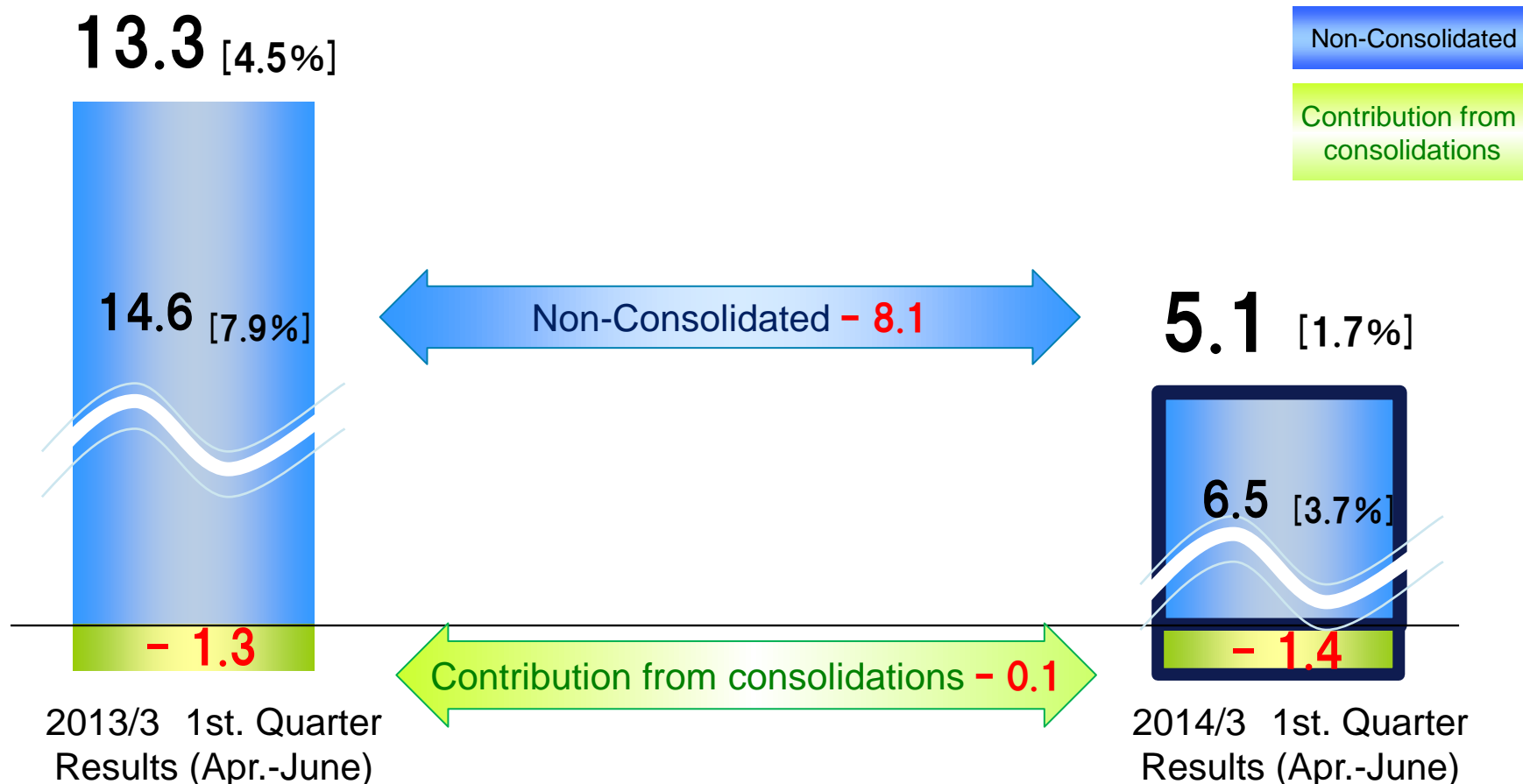
(\*) Figures by segment include inter-company transactions.

(\*) Figures in the bracket under "Global Business Segment" represent operating income after reversal of amortization of goodwill.

(\*) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

On a non-consolidated basis, operating income declined as a result of a decrease in sales from existing large-scale system and the impact of unprofitable project, among other factors. Contributions from consolidations remained virtually unchanged from the previous fiscal year as a decline in profit in Europe was offset by an increase in profit in North America, etc.

(¥ billion)  
[ ] indicates Operating Income Margin





All segments were affected by changes in operating income.

(Billions of yen)

	2014/3 1st. Quarter Results (Apr.-June.)	YoY (Amount)	YoY (Rate)	
Public & Financial IT Services (P&F)	10.2	- 0.9	- 8.4 %	
Enterprise IT Services (EIT)	- 4.4	- 6.5	—	
Solutions & Technologies (S&T)	1.0	+ 0.6	+ 156.0 %	
Global Business (GB)	- 1.6	- 0.8	- 105.3 %	
<b>Consolidated values</b>	<b>6.1</b>	<b>- 5.8</b>	<b>- 48.8 %</b>	

(\*) Segment Profit is income before income taxes.

(\*) Data for the 1st quarter of FY ended March 2013, a basis for YoY comparison, has been revised from the figures disclosed earlier to reflect the changes in reportable segments as of the 2nd quarter of FY ended March 2013.

(\*) Figures by segment include inter-company transactions.

(\*) Consolidated values include "Other/Elimination," which means that the such values does not correspond to the sum total of each segment.

Will aim to achieve initial earnings forecasts for the current fiscal year through an increase in sales and cost reduction efforts from the second quarter.

(Billions of yen [except EPS and %])

	FY ended 2013/3 Full-year Results	FY ending 2014/3 Full-year Forecasts	YoY (Amount)	YoY (Rate)
New Orders Received	1197.1	1220.0	+ 22.8	+ 1.9%
Net Sales	1301.9	1330.0	+ 28.0	+ 2.2%
Operating Income	85.6	90.0	+ 4.3	+ 5.0%
Operating Income Margin	6.6%	6.8%	+ 0.2P	-
Segment Profit <sup>(*1)</sup>	77.0	80.0	+ 2.9	+ 3.9%
Net Income	43.5	45.0	+ 1.4	+ 3.4%
EPS(yen) <sup>(*2)</sup>	15,514 yen	16,043 yen	+ 528 yen	+ 3.4%

(\*1) Segment Profit is income before income taxes.

(\*2) Although 100-for-1 stock split is scheduled on October 1, 2013 as effective date, figures on this slide are calculated based on the total number of shares issued and outstanding prior to the stock split.



## 2. Recent Business Climate and Major Initiatives

- Amid the anticipation of budget increase by the government aimed at economic stimulus as a result of the political shift, close attention must be paid to its impact on the IT budget policy.
- IT spending by financial institutions is expected to increase in the new fields such as cloud-computing, etc. on the back of the trend of economic rebound.

National Government	<ul style="list-style-type: none"> <li>• Amid the anticipation of budget increase by the government aimed at economic stimulus as a result of the political shift, close attention must be paid to its impact on the IT budget policy.</li> <li>• Bills related to the My Number System were enacted in May 2013. Movements toward the actual implementation are expected to get into full swing going forward.</li> </ul>
Local Government and Community-based Business	<ul style="list-style-type: none"> <li>• Amid overall belt-tightening, cost-cutting demand is increasingly for bidding, etc. while there are moves toward use of shares system as a way to reduce IT outlay.</li> <li>• Interest has been growing in safety and security area, especially disaster prevention systems and smart community area.</li> </ul>
Healthcare	<ul style="list-style-type: none"> <li>• Close attention must be paid to the future IT budget policy with regard to the health and medical fields which were designated as a key areas in the growth strategies and regulatory reform implementation plan formulated by the government in June 2013.</li> <li>• IT spending on regional medical cooperation is expected to remain strong for the time being on the back of the results of the regional healthcare revitalization plan and the experimental projects by respective ministries as well as the discussions on information sharing and cooperation with nursing care providers in the future.</li> </ul>
Major Banks	<ul style="list-style-type: none"> <li>• Close attention must be paid to trends in IT spending in line with signs of an increase in IT spending.</li> <li>• A certain level of needs are anticipated for the fields in which streamlining of the existing operations and the effects of cost reduction can be expected.</li> </ul>
Regional Banks	<ul style="list-style-type: none"> <li>• Despite signs of a recovery from a stagnant state in the overall category, cost-cutting demands remain strong, along with ongoing trend toward shared system use and outsourcing.</li> <li>• Demand is likely to increase for shared systems for strategic purposes (customer information management, etc.) to differentiate themselves from competitors.</li> </ul>
Cooperative Financial Institutions	<ul style="list-style-type: none"> <li>• Despite an upward trend in domestic economy including regional economies, operating environment remains severe and a full-blown growth in IT spending is not expected.</li> <li>• Minimum necessary spending is seen to meet legal requirement and for projects contributing to the improvement of cost efficiency.</li> </ul>
Insurance, Security and Credit Corporations, etc.	<ul style="list-style-type: none"> <li>• <b>[Insurance:]</b> Although the current IT spending is sluggish across the industry, we expect that IT spending related to new channels, new products, streamlining of administrative works, etc. will increase.</li> <li>• <b>[Securities:]</b> While the outlook of the global financial market is uncertain, the domestic market has been booming. Close attention must be paid to the future trend as there have been changes in investment stance as a result of system reforms among other measures.</li> <li>• <b>[Credit:]</b> Search for new businesses after the Money Lending Business Act continues. Focuses are placed on multi-functional electronic terminals, reinforcement of franchised outlets, points, etc.</li> </ul>

While there has been anticipation towards an increase in capital expenditure on the back of promising business sentiment mainly among large enterprises, it is still unclear if such sentiment will lead to an expansion of the domestic IT spending as some companies remain cautious about spending.

### Enterprise IT Services

#### Communication, Broadcasting and Utility Industry

- In the telecom industry, while IT spending to respond to an increase in data traffic in line with the rapid expansion of smartphone usage has run its course, IT spending for new services can be expected to remain strong. Meanwhile, in the existing service field, there has been further cost-cutting demand as a result of the intensified market competition.
- In the utilities industry, movements towards efficient energy usage (introduction of smart meters) and system changes (separation of electrical power generation from power distribution and transmission), etc. are expected to prompt an increase in IT spending.

#### Manufacturing Industry

- In spite of signs of earnings improvement mainly among export-oriented companies, strong demand persists for the curtailment of IT spending.
- Amid increasing globalization of Japanese companies, there have been increasing demands for global solution delivery.

#### Retail, Logistics and Other Service Industry

- Strong demands have remained for IT spending aimed at boosting sales through new marketing methods such as sales promotion activities connecting the Internet and brick-and-mortar stores.
- Reflecting strong appetite of overseas business expansion (especially in the APAC region) by Japanese companies, demands for overseas IT spending have emerged.

### Solutions & Technologies

From a perspective of BCP, demand for reliable network and data centers remains strong.

#### Network

- Demand for financial institutions remains steady. Demand for corporate customers is on an upward trend in areas including cloud-computing technology, wireless LAN, etc. IT spending is also expected to increase on the back of global business expansion.
- Increased needs are expected in association with redundant systems from the BCP perspective, virtualization related to advanced network environment and introduction of Open Flow technologies and M2M. In addition, investment in wireless LAN for smart devices is likely to increase.

#### Data Center Services

From a BCP perspective, we have continued to receive inquiries from customers about setting up data centers and BCP offices with quake-resistant or seismically isolated structure, in-house power generators, and a fault recovery environment. In addition, demand remains strong for energy-saving services resulting from the power shortage issue as well as global data centers and related support services in line with the globalization of business operations by our customers.

<p>North America</p>	<p>The U.S. economy is likely to remain solid overall including IT spending backed by the last employment statistics exceeding market expectations. Meanwhile, close attention must be paid to the impact of the sequester spending cuts by the federal government approved in March 2013 as the situation remains unclear.</p>
<p>EMEA</p>	<p>Economic recovery is expected to take some time although the European financial crisis tranquilized at least. Pressures on IT cost-cuts and price reduction persist as customers remain cautious about IT spending not only in the financial sector but also in the manufacturing industry and the public sector.</p>
<p>China</p>	<p>Amid the slowdown of growth, the Chinese government has been at the stage of promoting steady growth, structural adjustment and the progress of reforms in a unified manner while searching for the timing and scale of policy adjustments to ensure sustainable growth. Close attention must be paid to the policy changes by the current regime in the future.</p>
<p>APAC</p>	<p>Overall market conditions in APAC remain robust. In the market during the high-growth period, there is buoyant demand for IT services including sales and leasing of hardware from financial institutions among others. In the developed market during the stabilized period following the economic growth, on the other hand, there is significant demand for application services.</p>
<p>Solutions</p>	<p>In the SAP services for SME (small and medium-sized enterprises), SAP solutions and outsourcing businesses have shown strong growth although customers' stance toward IT spending vary depending on regions and industries. Expansion of new markets is also expected in the HANA (high-speed database), analytics, mobile technology and cloud-computing fields.</p>

1

### Acquisition of DACS Co., Ltd. as a subsidiary

- Equity investment aimed at creating synergy between DACS' customer base and knowhow on banking administrations and NTT DATA's system development and operational know-how.

2

### Further expansion of services for regional banks

- The Regional Bank Integrated Services Center started providing services to THE OITA BANK, LTD. and THE SENDAI BANK, LTD.
- Commenced the provision of accounting terminal software for regional banks "BeSTAlinc." The software can be used on tablet devices and thin client terminal, etc. in addition to designated financial terminals.

3

### Conclusion of basic agreement on the smart meter operation and management system for Tokyo Electric Power Company, Incorporated

- A system to operate and manage smart meters to be installed by approximately 27 million households. The system is expected to function as a platform for the new services.

4

### Launch of exclusive provision of "Weibo (Chinese version of microblogging)" data

- Launched the "Chinese Internet data provision service" following the conclusion of an agreement with FindJapan, Inc. with regard to the provision of "Weibo" data exclusively in Japan.

Solutions & Technologies

5

Development of an autonomous private/business mode switcher technology for smartphones

- The technology enables the introduction of safe and convenient BYOD and the usage of smart devices by multiple users.

6

Establishment of “Big Data Business Promotion Office”

- With 130 specialists who are well-versed in data usage, the Office will provide total support in the big data field from the perspective of client companies.

7

Establishment of NTT DATA Smart Sourcing Corporation

- Integration of NTT DATA 3C CORPORATION, NTT DATA R CORPORATION and NTT DATA CUBIT CORPORATION.
- Through the integration of the BPO business and the ITO business, etc., the new company aims to become a comprehensive outsourcing company that fully support operational activities of customers.

8

Conclusion of a partnership agreement between NTT DATA, Inc. in the U.S. and Texas Department of Transportation (TxDOT)

- Provision of comprehensive support including end-user support such as the development and maintenance of applications, service desk support, network and communications system support, etc.

9

Completion of squeeze out of itelligence AG in Germany and acquisition of the company as a wholly-owned subsidiary

- NTT DATA completed the acquisition of itelligence AG as a wholly-owned subsidiary by means of a takeover bid through NTT DATA EUROPE GmbH & Co. KG and squeeze out procedures.

Global Business





## 3. Appendices

# Overview of Consolidated Earnings and New Orders Received for the 1st Quarter of FY Ending March 31, 2014

(Billions of yen [except Operating Income Margin and %])

	2013/3 1st. Quarter Results (Apr.-June.)	2014/3 1st. Quarter Results (Apr.-June.)	YoY (%)	2014/3 Full-Year Forecasts
New Orders Received	433.0	517.2	+19.4	1,220.0
Orders on Hand	1,293.7	1,384.9	+7.1	1,128.0

Net Sales	294.0	294.1	+0.1	1,330.0
Cost of Sales	222.2	227.2	+2.3	1,000.0
Gross Profit	71.8	66.8	-6.9	330.0
SG&A Expenses	58.4	61.7	+5.6	240.0
Selling Expenses	26.3	28.8	+9.4	110.0
R&D Expenses	3.1	2.8	-10.1	13.0
Other Administrative Expenses	28.9	30.0	+3.8	117.0
Operating Income	13.3	5.1	-61.6	90.0
Operating Income Margin	4.5	1.7	-2.8	6.8
Ordinary Income	12.0	6.1	-48.8	82.0
Special Gains and Losses	-	-	-	-2.0
Income before Income Taxes	12.0	6.1	-48.8	80.0
Income Taxes and Others	4.9	3.9	-21.9	35.0
Net Income	7.0	2.2	-67.9	45.0

Capital Expenditures	21.8	27.1	+24.5	148.0
Depreciation and Amortisation/Loss on Disposal of Property and Equipment and Intangibles	37.7	35.8	-5.0	150.0

Note: Income Taxes and Others include Income, Residential and Enterprise Taxes, Adjustment to Income Taxes and Minority Interests.

# Consolidated Net Sales by Customer Sector and Service (to Customers Outside the NTT DATA Group)

(Billions of yen)

	2013/3 1st. Quarter Results (Apr.-June)	2014/3 1st. Quarter Results (Apr.-June.)	2014/3 Full-Year Forecasts
Public & Financial IT Services	158.6	153.4	714.0
Enterprise IT Services	66.5	55.2	294.0
Solutions & Technologies	14.2	15.2	65.0
Global Business	54.1	69.7	255.0

# Consolidated New Orders Received by Customer Sector and Service (to Japanese Customers Outside the NTT DATA Group)

(Billions of yen)

		2013/3 1st. Quarter Results (Apr.-June.)	2014/3 1st. Quarter Results (Apr.-June.)	2014/3 Full-Year Forecasts
<b>Public &amp; Financial IT Services</b>				
(Main item)	Central Government and Related Agencies, Overseas Public Institutions, etc.	58.3	101.5	200.0
	Local Government and Community-based Business	41.5	40.7	105.0
	Healthcare	6.8	5.9	16.0
	Banks	91.8	61.2	137.0
	Cooperative Financial Institutions	40.0	50.3	63.0
	Insurance, Security and Credit Corporations	26.9	28.1	96.0
	Settlement Services	7.2	4.5	13.0
<b>Enterprise IT Services</b>				
(Main item)	Communication, Broadcasting and Utility Industry	42.5	32.9	133.0
	Manufacturing Industry	30.2	53.6	93.0
	Retail, Logistics and Other Service Industry	12.1	16.2	41.0
<b>Solutions &amp; Technologies</b>				
(Main item)	Network Services	0.7	1.1	1.0
	Data Center Services	11.0	11.4	16.0

Note: Net Sales and New Orders Received of Solutions & Technologies Company does not include orders taken via other companies.

# Consolidated Net Sales by Customer Sector and Service

(to Customers Outside the NTT DATA Group)

(Billions of yen)

		2013/3 1st. Quarter Results (Apr.-June.)	2014/3 1st. Quarter Results (Apr.-June.)	2014/3 Full-Year Forecasts
<b>Public &amp; Financial IT Services</b>				
(Main item)	Central Government and Related Agencies, Overseas Public Institutions, etc.	29.9	27.5	142.0
	Local Government and Community-based Business	16.8	16.0	102.0
	Healthcare	5.7	3.3	18.0
	Banks	41.9	41.1	163.0
	Cooperative Financial Institutions	21.3	21.8	100.0
	Insurance, Security and Credit Corporations	23.9	23.0	104.0
	Settlement Services	18.4	20.0	85.0
<b>Enterprise IT Services</b>				
(Main item)	Communication, Broadcasting and Utility Industry	32.6	20.6	138.0
	Manufacturing Industry	21.0	21.6	96.0
	Retail, Logistics and Other Service Industry	9.2	8.6	45.0
<b>Solutions &amp; Technologies</b>				
(Main item)	Network Services	5.1	5.4	19.0
	Data Center Services	6.8	7.2	32.0

Integrated IT Solution	107.9	103.1	420.0
System & Software Development	72.8	68.7	379.0
Consulting & Support	100.7	108.8	473.0
Others	12.4	13.3	58.0
<b>Net Sales by Products and Services Total</b>	<b>294.0</b>	<b>294.1</b>	<b>1,330.0</b>

Note: Net Sales and New Orders Received of Solutions & Technologies does not include orders taken via other segments.

# Non-Consolidated Earnings and New Orders Received

(Billions of yen [except Operating Income Margin and %])

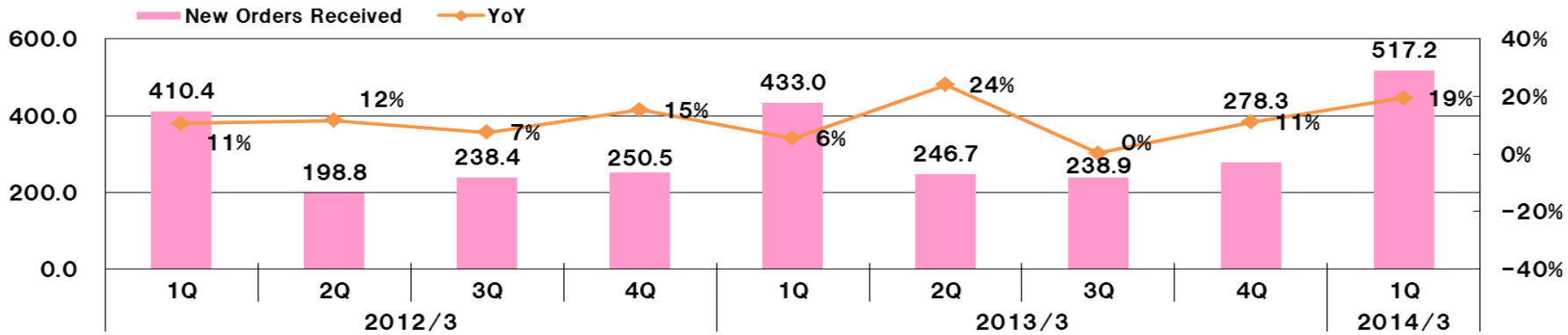
	2013/3 1st. Quarter Results (Apr.-June.)	2014/3 1st. Quarter Results (Apr.-June.)	2014/3 Full-Year Forecasts
New Orders Received	294.9	334.6	690.0
Orders on Hand	1,074.6	1,097.3	880.0
Net Sales	185.1	175.0	820.0
Cost of Sales	141.3	139.6	628.0
Gross Profit	43.7	35.3	192.0
SG&A Expenses	29.0	28.8	119.0
Selling Expenses	12.9	13.0	55.0
R&D Expenses	2.8	2.4	11.0
Other Administrative Expenses	13.2	13.3	53.0
Operating Income	14.6	6.5	73.0
Operating Income Margin	7.9	3.7	8.9
Ordinary Income	15.1	14.9	76.0
Special Gains and Losses	-	-	-
Income before Income Taxes	15.1	14.9	76.0
Income Taxes and Others	4.3	2.7	26.0
Net Income	10.7	12.1	50.0
Capital Expenditures	19.1	23.1	139.0
Depreciation and Amortisation/Loss on Disposal of Property and Equipment and Intangibles	32.8	30.2	127.0

Note: Income Taxes and Others include Income, Residential and Enterprise Taxes, Adjustment to Income Taxes.

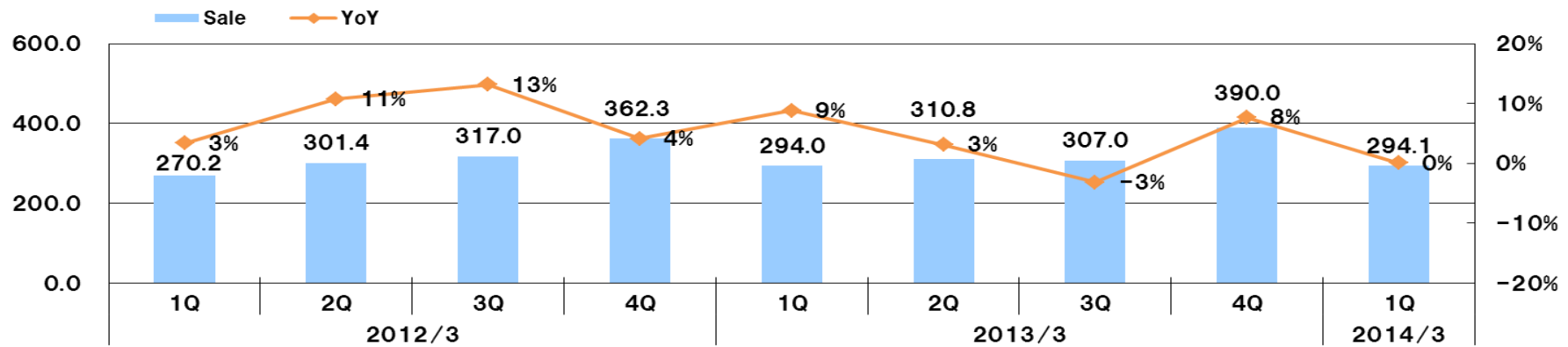
# Trends in Quarter (Consolidated)

(Billions of yen / %)

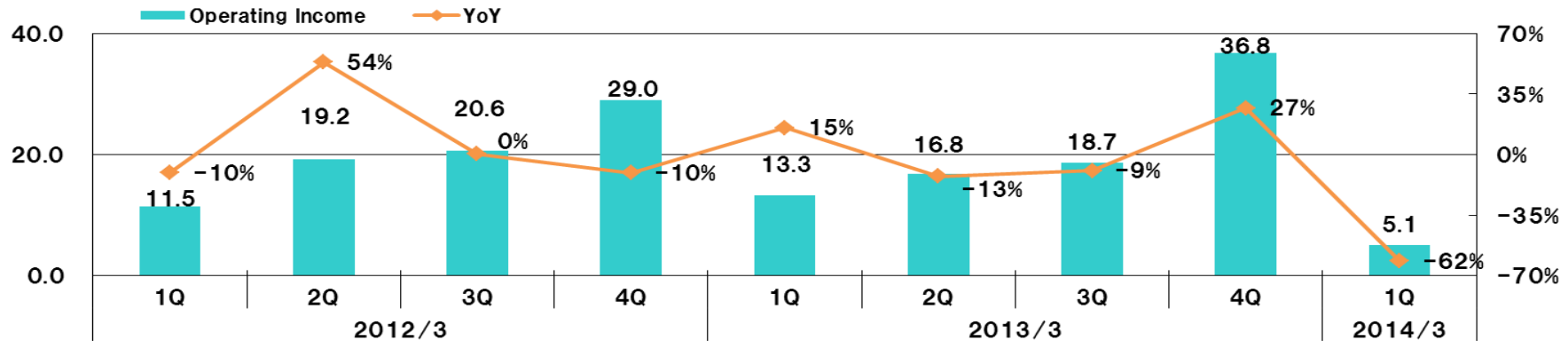
## New Orders Received

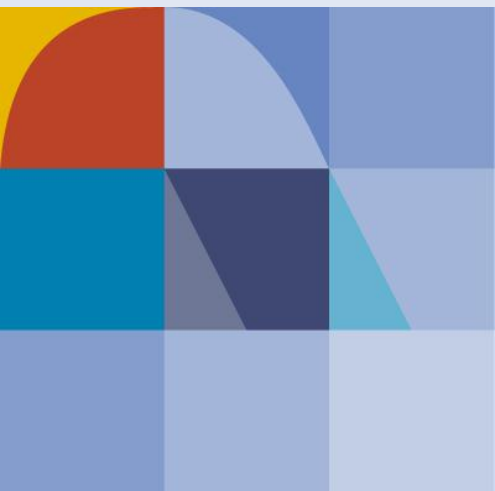


## Net Sales



## Operating Income





# NTT DATA

Global IT Innovator