

Company Presentation for the Third Quarter of Fiscal Year ending March 31, 2017

February 7, 2017
NTT DATA Corporation

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

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Cautionary Statement Regarding Forward-looking Statements

- ※ Forecast figures in this document are based on current economic and market conditions. As changes in the global economy and information services market are possible, NTT DATA Group cannot guarantee their accuracy.
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Results for the Third Quarter of Fiscal Year Ending March 31, 2017

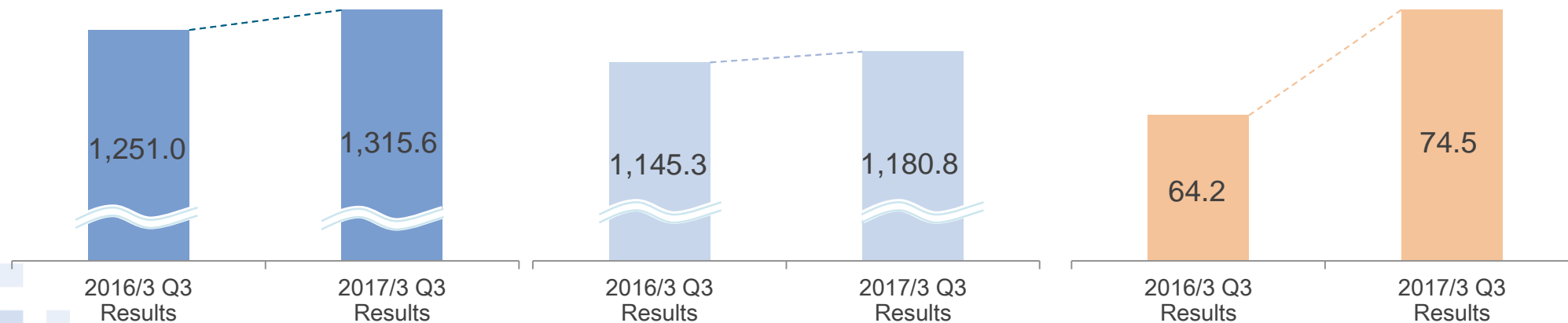
Results for the Third Quarter of Fiscal Year Ending March 31, 2017

	2016/3 Q3 Results (Apr.-Dec.)	2017/3 Q3 Results (Apr.-Dec.)	YoY (Amount)	YoY (Rate)	(Billions of Yen,%)
New Orders Received	1,251.0	1,315.6	+64.5	+5.2%	
Net Sales	1,145.3	1,180.8	+35.5	+3.1%	
Operating Income	64.2	74.5	+10.2	16.0%	
Income Before Income Taxes	76.0	71.4	-4.5	-6.0%	
Net income attributable to owners of parent	43.9	45.0	+1.1	+2.6%	

【New Orders Received】

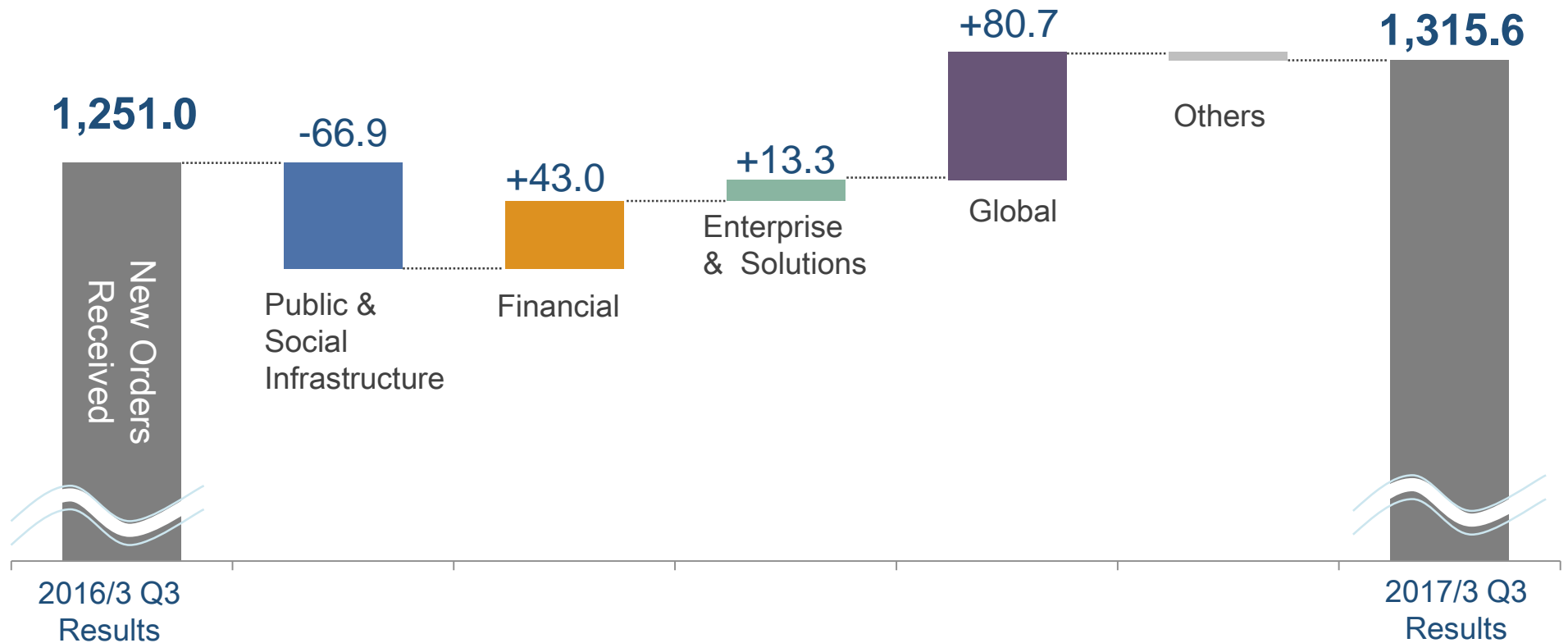
【Net Sales】

【Operating Income】



New Orders Received: YoY Changes by Business Segment

(Billions of yen)



- Public & Social Infrastructure Decreased due to a reactionary decline in large-scale projects for national government in the previous fiscal year.
- Financial Increased as a result of winning large-scale projects for banks.
- Enterprise & Solutions Increased reflecting the expansion of businesses mainly for the manufacturing industry.
- Global Increased based on newly obtained large-scale projects in Australia and Spain and the unification of accounting periods of European subsidiaries, etc., despite a decrease due to foreign exchange.

Net Sales: YoY Changes by Business Segment

(Billions of yen)



Public & Social Infrastructure

Increased reflecting the expansion of businesses for national government, etc., despite a decrease in businesses for the utilities industry.

Financial

Remained at the same level as the previous year, reflecting a decline against the large-scale projects ordered in the previous period, which offset the increased size of projects for banks.

Enterprise & Solutions

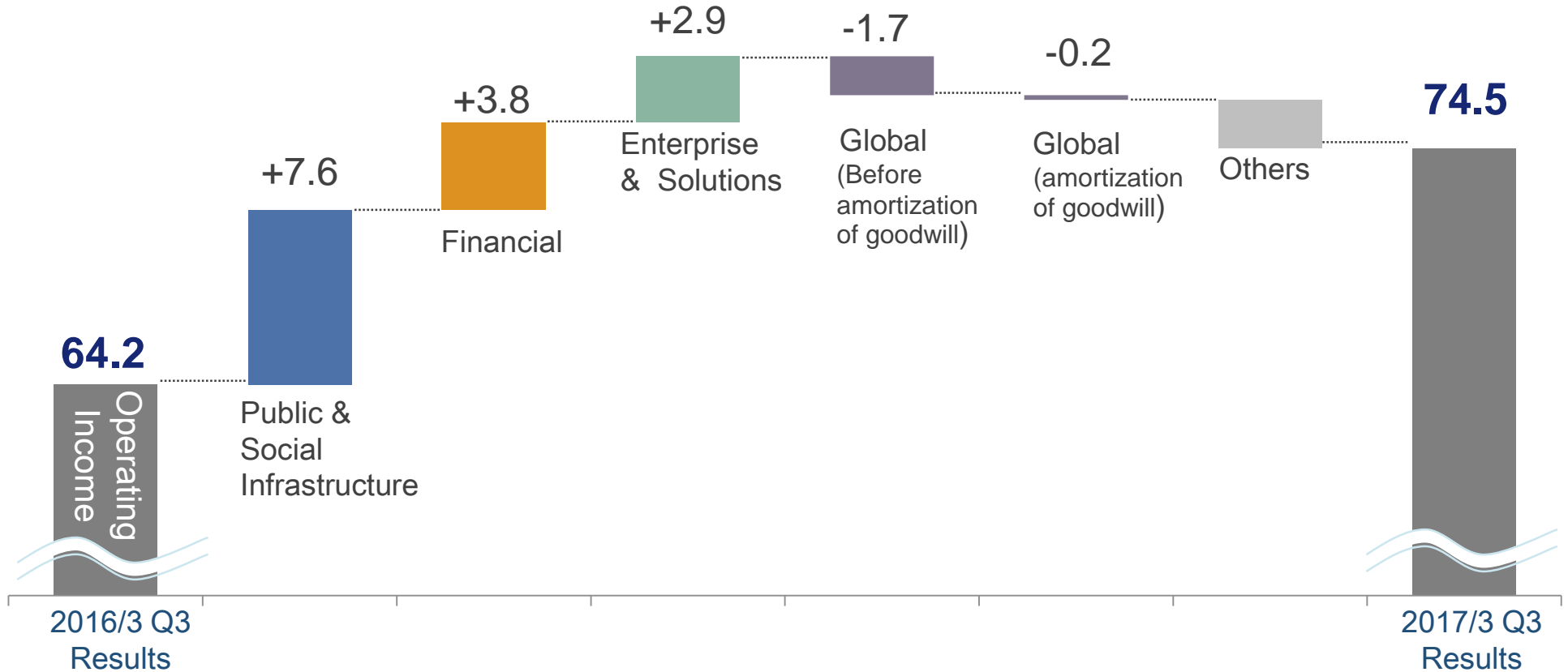
Increased reflecting the expansion of businesses for the retail, logistics, and services industry.

Global

Increased as a result of the unification of accounting periods of European subsidiaries and the expansion of businesses, etc., despite the impact of a decrease due to foreign exchange.

Operating Income: YoY Changes by Business Segment

(Billions of yen)



Public & Social Infrastructure
Financial

Increased due mainly to sales growth and a decrease in unprofitable projects.
Increased due to a decrease in unprofitable projects.

Enterprise & Solutions





Increased due to growth in sales.

Global

Declined due to factors such as advisory expenses associated with the large-scale business acquisition which more than offset revenue-increasing factors.

Public & Social Infrastructure

(Billions of Yen,%)





	2016/3 Q3 Results	2017/3 Q3 Results	YoY (Amount)	YoY (Rate)	
New Orders Received	312.7	245.7	-66.9	-21.4%	
Net Sales	277.5	296.3	+18.8	+6.8%	
Operating Income	18.8	26.5	+7.6	+40.6%	
Segment Profit(*)	19.0	26.8	+7.7	+40.6%	

(*)Segment Profit is income before income taxes

New orders received	Decreased due to a reactionary decline in large-scale projects for national government in the previous fiscal year.
Net sales	Increased reflecting the expansion of businesses for national government, etc., despite a decrease in businesses for the utilities industry.
Operating income	Increased due mainly to sales growth and a decrease in unprofitable projects.

Financial

(Billions of Yen,%)

	2016/3 Q3 Results	2017/3 Q3 Results	YoY (Amount)	YoY (Rate)	
New Orders Received	372.4	415.4	+43.0	+11.6%	
Net Sales	372.7	370.7	-1.9	-0.5%	
Operating Income	24.0	27.8	+3.8	+16.0%	
Segment Profit(*)	24.6	28.3	+3.6	+14.8%	

(*)Segment Profit is income before income taxes





New orders received Increased as a result of winning large-scale projects for banks.

Net sales Remained at the same level as the previous year, reflecting a decline against the large-scale projects ordered in the previous period, which offset the increased size of projects for banks.

Operating income Increased due to a decrease in unprofitable projects.

Enterprise & Solutions

(Billions of Yen,%)






	2016/3 Q3 Results	2017/3 Q3 Results	YoY (Amount)	YoY (Rate)	
New Orders Received	168.2	181.5	+13.3	+7.9%	
Net Sales	280.6	304.0	+23.3	+8.3%	
Operating Income	22.3	25.2	+2.9	+13.3%	
Segment Profit(*)	37.7	41.1	+3.4	+9.1%	

(*)Segment Profit is income before income taxes

New orders received	Increased reflecting the expansion of businesses mainly for the manufacturing industry.
Net sales	Increased reflecting the expansion of businesses for the retail, logistics, and services industry.
Operating income	Increased due to growth in sales.
Segment Profit	As in the previous year, included reflecting gains on sales of investment securities.

Global

(Billions of Yen,%)







	2016/3 Q3 Results	2017/3 Q3 Results	YoY (Amount)	YoY (Rate)	
New Orders Received	386.3	467.0	+80.7	+20.9%	
Net Sales	382.6	396.7	+14.1	+3.7%	
Operating income (before amortization of goodwill)	8.0	6.2	-1.7	-21.8%	
Operating Income	-3.4	-5.5	-2.0	-57.7%	
Segment Profit(*)	-5.5	-22.7	-17.2	-312.7%	

(*)Segment Profit is income before income taxes

New orders received	Increased based on newly obtained large-scale projects in Australia and Spain and the unification of accounting periods of European subsidiaries, etc., despite a decrease due to foreign exchange.
Net sales	Increased as a result of the unification of accounting periods of European subsidiaries and the expansion of businesses, etc., despite the impact of a decrease due to foreign exchange.
Operating income (Before amortization of goodwill)	Declined due to factors such as advisory expenses associated with the large-scale business acquisition which more than offset revenue-increasing factors.
Segment Profit	Decreased due to acquisition expenses and loss on restructuring of subsidiaries and affiliates.

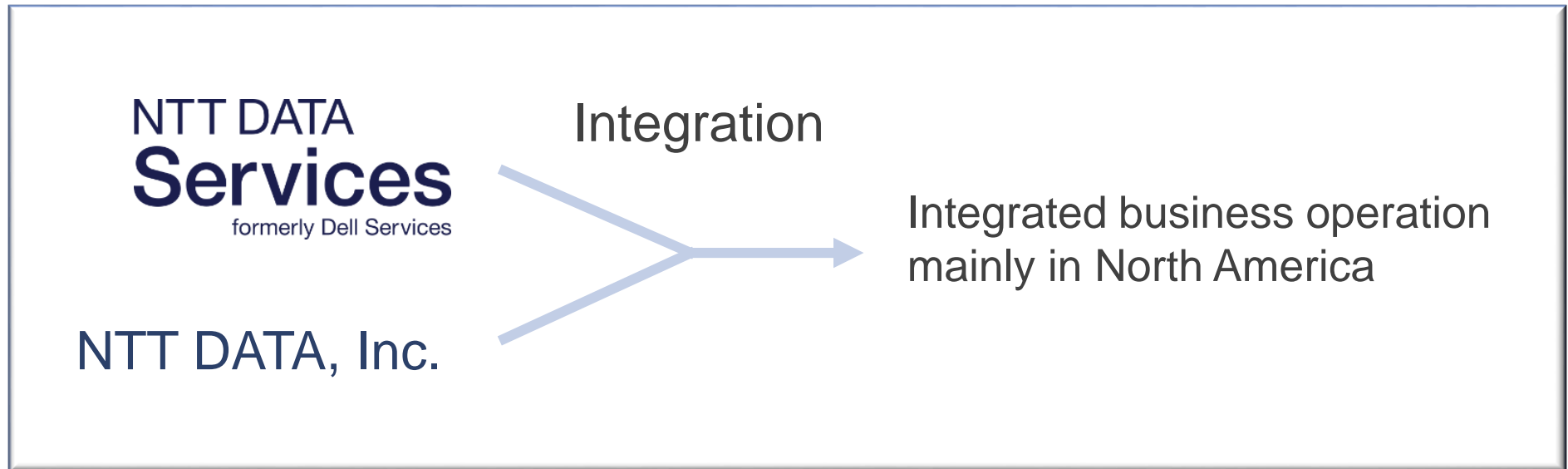
Full Year Forecasts of Business Performance for Fiscal Year Ending March 31, 2017

(Billions of Yen,%)

	2016/3 Results	2017/3 Forecasts	Amount Rate	YoY
New Orders Received	1,662.6	1,680.0	+17.3 +1.0%	
Net Sales	1,614.8	1,670.0	+55.1 +3.4%	
Operating Income	100.8	105.0	+4.1 +4.1%	
Income Before Income Taxes	107.7	86.0	-21.7 -20.2%	
Net income attributable to owners of parent	63.3	49.0	-14.3 -22.7%	
Cash Dividends per share (yen)	70	70	-	

NTT Data Services: Status of Integration

Operation under the new organization to start on April 1, 2017



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Operating Environment and Business

Operating Environment Surrounding NTT DATA and Business Outlook (1/4)

- Although we face severe market environment in the overall business for national government on the back of intensified competitions and more demands for cost reductions, we expect growth in business opportunities as the realization and achievement of society using the world's leading IT is required.
- The social security and tax number system under the so-called "Number Act" (the "My Number System") was launched in January 2016, and the government, local governments, financial institutions and private-sector corporations are continuing their efforts for setting up necessary frameworks for information sharing, etc.
- In the utilities industry, market changes arising from system changes including electricity and gas systems reforms are expected to prompt an increase in IT spending.

National Government	<ul style="list-style-type: none"> • With the "Declaration on the Creation of the World's Most Advanced IT Nation" revised in May 2016, we expect growth in business opportunities as demands for cost reduction in the administrative information systems are increasing while the realization and achievement of society using the world's leading IT such as IoT (Internet of Things) and AI (Artificial Intelligence) is required. • In relation to the My Number System, relevant authorities started issuing notifications of personal ID number (the "My Number") and accepting application for card issuance in October 2015. The My Number has been effective for use since January 2016, and preparation is continuing towards the expanded information sharing scheduled in July 2017.
Local Government	<ul style="list-style-type: none"> • Amid overall belt-tightening, the market environment is becoming harsher due to heightened demands for cost reduction and intensified competitions, but we expect growth in business opportunities reflecting the promotion of vitalization of local economy through the use of IT, etc. • As with national government, preparation in relation to the My Number System is also continuing for the expanded information sharing scheduled in July 2017.
Healthcare	<ul style="list-style-type: none"> • With "The improvement of environment for utilization of personal data" and "The full-scale implementation of ICT in the medical/nursing care industries" highlighted in the government policy, it is assumed that the ICT and the use of medical information in the medical industry will be accelerated more and more. At the same time, we expect that the government will need a careful examination in terms of general corporations' use of medical information, considering the scheduled implementation of the revised Personal Information Protection Law and the direction of individual legal systems with respect to protecting medical information. With advances in AI technology, the scope of AI application in the medical industry is expected to expand.
Telecom and Utility	<ul style="list-style-type: none"> • In the utilities industry, market changes arising from system changes including electricity and gas systems reforms are expected to prompt an increase in IT spending. • In the telecom industry, business focus will be shifted to non-telecom businesses and cross-sectoral collaboration responding to intensifying competitions. IT spending is also shifted from infrastructure and networking facilities to new services, continuously requiring further cost reduction in the IT spending for the existing domains.

Operating Environment Surrounding NTT DATA and Business Outlook (2/4)

While overall IT investments remain conservative partly reflecting the impact of negative interest rates, uncertain global financial situations, etc., it is expected that the investments will be made to meet the growing needs for availability of domestic inter-bank payments 24 hours a day and 365 days a year, sophistication of settlement activities, and globalization. Additionally, there are vigorous activities in relation to Fintech, and it is expected that investments in initiatives that are related to new services will increase.

Banks	<p>Careful attention must be paid to the increasing sense of uncertainty in the economy and the impacts of the revision to the Banking Act on the banking industry and IT investments.</p> <p>【Major Banks】</p> <ul style="list-style-type: none"> • We expect that the needs for services using the new technologies including Fintech will continue. It should be noted, however, that deterioration of their business performance may hinder their IT investments. • Given relaxing of regulations, the development of new services using IT and creation of subsidiaries are expected. • The trend of major banks' global development for supporting the overseas expansion of the Japanese companies centering in Asia has shifted from comprehensive investments to investments in the businesses in need. <p>【Regional Banks】</p> <ul style="list-style-type: none"> • There are growing needs for Fintech-related services. • Looking ahead, we expect to see active IT investments associated with business consolidation, as well as investments in anticipation of systems reform. • There are increasing needs related to online activities, including functions to prevent unauthorized accesses to internet banking services, as well as banking services through downloaded applications. • Profitability in the main businesses still faces tough environment in which the need for cutting running costs will continue. At the same time, needs for joint use of IT has been rising.
Insurance	<ul style="list-style-type: none"> • While IT spending in the overall industry faces tough situations, investments in new channels, new products, improvement of efficiency and other fields are expected.
Security	<ul style="list-style-type: none"> • While domestic markets remain unstable, appetite for investing in the areas of “regulatory compliance” and “wealth accumulation in the retail business” is observed.
Credit Corporations	<ul style="list-style-type: none"> • The credit card market has been growing steadily. With substantially improving investment environment in the relevant industry, IT spending is expected to increase for “cost-cutting projects” in addition to the “measures to increase the top line.” Cashless settlements seem to continue as seen in the NFC mobile settlements, the use of smartphones as a credit card terminal for settlement, branded prepaid cards and debit cards. • With diversifying means of payment and settlement, the risk of information leakage from the member stores' side is increasing. The payment card industry is now considering the methods of examination and management of member stores.
Cooperative Financial Institutions	<ul style="list-style-type: none"> • The overall regional economy, albeit slower recovery in certain regions, has shown a similar trend with the domestic economy and continued to recover at a moderate pace. Meanwhile, a substantial boost in IT spending cannot be expected taking into consideration the lingering fierce business environment such as uncertain outlook for the future economy as well as lowering lending rates on the back of competitions in interest rates. • Trends of improvement of cost efficiency through reorganizations and outsourcing operations, as well as promoting investments in IT strategic domains can be observed.
Financial Infrastructure and Financial Network Services	<ul style="list-style-type: none"> • Needs for sophisticated settlements are increasing on the back of the economic globalization and the improving convenience by using IT technology. The improvement of settlement infrastructure is being considered. In Japan, a movement for 24-hour/365-day operation has begun, thereby it is anticipated that financial institutions will implement IT spending to realize such operation systems.

Operating Environment Surrounding NTT DATA and Business Outlook (3/4)

Japan's overall economy has recovered at a moderate pace, which is evidenced by, such as, the improvement of consumer spending. However, it should be noted that in some areas, the attitude towards IT spending remains cautious. On the other hand, investments targeting "keen users of IT technology", aiming for increasing revenues at sales-customer contact points and transforming business by use of AI, have accelerated.

Retail, Logistics, Payment and Other Service Industry	<ul style="list-style-type: none"> ▪ Demands for IT spending aiming at increasing sales by using Omni-channel have been growing steadily. These investments remain promising for businesses aiming at foreign tourists visiting Japan. ▪ Demands for IT spending for peripheral functions of payment (electronic sign, point management, etc.) and inbound travelers service functions (overseas cards, multi-currency settlement, issuance of tax-exempt documents, etc.) were robust in addition to needs for conventional payment services. ▪ Needs for implementing foreign payment services through smartphones/new technologies have increased.
Manufacturing Industry	<ul style="list-style-type: none"> ▪ There are strong needs for enterprise system/ERP restructuring and integration within the company group. ▪ Growth in IT spending can be expected, particularly in the digital domains including signs of a possible breakdown indicated by the big data using IoT as well as digital marketing for consumer products, etc. ▪ As system improvement toward the enhancement of global competitiveness as well as measures for reinforcement of production facilities are consistently implemented, it is expected that the demand for visibility of supply chains and the reconstruction of logistics infrastructure will become apparent.
Network Services, Data Center Services, Cloud Services and Digital Services	<p>【Network Services】</p> <ul style="list-style-type: none"> ▪ Wired networks business continued to grow steadily, driven by the demand for building global operations, in addition to the BCP-related demand (network redundancy, etc.). ▪ In the wireless network business, the introduction of public relations terminals is under way in various industries, thereby it is expected that the use of tablet terminals, lines for mobile terminals and wireless LAN will expand further. <p>【Data Center Services and Cloud Services】</p> <ul style="list-style-type: none"> ▪ There are increasing needs for hybrid- and multi-cloud environment whereby a variety of cloud environment, including public cloud, are linked together. <p>【Digital】</p> <ul style="list-style-type: none"> ▪ In the big data-related businesses, which mainly consisted of demonstration testing, needs for large-scale, real time analysis and processing platforms in IoT and marketing automation have surfaced, and the relevant projects are under development. ▪ Needs for long-term business transformation using new IT spending, such as in AI, has increased.

Operating Environment Surrounding NTT DATA and Business Outlook (4/4)

Americas	<ul style="list-style-type: none"> • The US economic outlook for 2017 is experiencing a cyclical rebound. The dollar will remain strong. External trade will remain in deficit as exports struggle to remain competitive. From 2017 to 2018, the economic growth will be supported by firm consumer spending, stronger business investment, and steady government outlays. • IT services spending growth is modest overall with demand focused on solutions that drive operational efficiencies such as Cloud, and increased spending for consulting as companies look for help navigating business and technology complexities. Automation is expected to drive the next wave of cost reduction in the IT services space. • While the overall economy in the Latin America region has trended downward, in Brazil, the rate of decline in economic indicators is slowing with the bottoming out natural resource prices and Brazilian currency, indicating some signs of exit from the phase of economic slowdown. On the other hand, Mexico, despite the continued moderate growth led by the steady growth of the U.S. economy, is facing a growing concern over the new U.S. administration's trade policies.
EMEA	<ul style="list-style-type: none"> • The Eurozone economy continues to show steady recovery, mainly led by the demand within the region. The immediate effects of the U.K.'s decision to withdraw from European Union seems limited at this juncture. The moderate growth of the Eurozone economy is expected to continue based on ECB's monetary easing, etc. However, the future direction of countries in relation to the U.K.'s situation remains uncertain, and there are concerns over the impact of Brexit on corporates' plans for investment and consumer spending. • In the U.K., based on increased imports resulted from a sudden depreciation of the British pound, concerns over a sharp economic decline due to Brexit has been alleviated at this juncture. However, going forward, amid the increasing uncertainty towards the political and economic outlook, it is anticipated that the economy will be weighed down by the adjustment to investments from foreign countries, in addition to the decline in investments and consumption due to deteriorating business sentiment in the U.K. companies and households. • The IT services market remains robust at this juncture, but careful attention must be paid to the situation because it is likely that companies in Eurozone and the U.K. will strengthen cautious attitudes toward IT spending in the future.
Asia-Oceania	<ul style="list-style-type: none"> • The economy in India and Southeast Asia generally remained robust due to the increase in consumer spending on the back of lowering resource prices and rising disposable personal income. For the IT services market, in India and Indonesia, there is growing demand for innovative services using IT, in addition to conventional IT services. In Singapore, there is strong demand for cutting-edge technologies, such as big data analytics, AI and IoT. • As for the Chinese economy, the service sector continues to see stable growth, but the growth rate of the industrial sector remains low amid the strengthened efforts to eliminate overcapacity. IT spending maintained its strengths led mainly by vigorous investment appetite of the internet-related industry, but the overall growth of the IT service market is projected to somewhat slow down, reflecting the country's real economy.

Principal Measures Taken in Fiscal Year Ending March 31, 2017(1/4)

Tokyo Gas Co., Ltd. selects NTT Data's energy-trading/risk management package "Allegro"

NTT DATA and NTT DATA Financial Solutions Corporation, one of NTT DATA's subsidiaries, have begun providing Tokyo Gas Co., Ltd. with the ETRM (Energy Trading and Risk Management) integrated package product "Allegro," in partnership with Allegro Development Corporation. This initiative represents the first case in Japan that employs "Allegro" in the electric industry. "Allegro" conducts increasingly efficient trading as well as income and risk management through the control of spot and financial transactions in various products encompassing electricity, gas, coal and petroleum, and of schedules, dispatching (Note 1) and position risks (market and credit) in an integrated manner. The NTT DATA Group will actively promote the proposal and deployment of "Allegro" and will swiftly respond to the various needs of energy providers to assist them in enhancing their business performance.

Launch of Myanmar-version of NACCS/CIS (MACCS/MCIS) services

As part of a grant-aid project of the Japan International Cooperation Agency (JICA), NTT DATA has developed Myanmar versions of the Nippon Automated Cargo and Port Consolidated System (NACCS(Note2)) and the Customs Intelligence Database System (CIS(Note3))—the Japanese systems for trading and customs clearance. The Myanmar versions are called the Myanmar Automated Cargo Clearance System (MACCS) and Myanmar Customs Intelligence System (MCIS) respectively, and are now in service. The development and deployment of those systems have contributed to increased efficiency and swiftness in Myanmar's trading and logistics, which previously relied on human resources. The system has also enabled speedier trading procedures for Japanese companies than before because NTT DATA has developed those NACCS-type systems by targeting Southeast Asia, where numerous Japanese companies have expanded to, and the system has allowed operation similar to that of how it is carried out in Japan. NTT DATA intends to export the NACCS and CIS system infrastructures of Japan under the similar scheme to countries mainly in the ASEAN region.

1. Dispatching : Generally, this term refers to prioritizing and allotting tasks to be done. When it comes to "Allegro", this term means that energy providers judge what materials to purchase and to which customers to deliver and adjust the amounts of electricity output and supply in a timely manner to meet the continuously changing demand for energy.
2. NACCS (Nippon Automated Cargo and Port Consolidated System) : This term refers to an electronic application system shared by the public and private sectors to process governmental procedures (such as import and export declarations and arrival and departure procedures of vessels and airplanes) and non-governmental procedures relating to import and export procedures.
3. CIS (Customs Intelligence Database System) : This is an information system that centrally stores historical records of import and export customs clearance as well as information on importers and exporters.

Principal Measures Taken in Fiscal Year Ending March 31, 2017(2/4)

Launch of BeSTA FinTech Lab

Since September 2013, we have been working various activities, including holding business contests such as “From the Toyosu Port (Toyosu no minato kara),” which are aimed at swiftly creating new business through open innovation by connecting our client companies from a wide range of business fields, venture companies, and NTT DATA. As part of such efforts, NTT DATA has launched the “BeSTA FinTech Lab” to create new financial related services. The purpose of “BeSTA FinTech Lab” is to assist regional banks that use our core application “BeSTA” in putting more energy into the setup and use of open innovation, and in creating new financial related services. Of the systems and services employing “BeSTA,” NTT DATA is starting with the service to the banks participating in “the NTT DATA Regional Bank Integrated Services Center.” In this service, NTT DATA provides the latest information such as the trends in industries and regulations, conducts joint experiments on business ideas offered by the Lab, and introduces hopeful venture companies that NTT DATA has come to know through its open innovation activities. In the future, the Lab intends to create a large number of ideas and improve services by verifying such ideas through trial and error. It is also planning to make more attractive the spaces provided to the participating banks based on their demand to boost the cooperation with the regional banks.

Participation of Higashi-Nippon Bank in the shared banking system and San-in Godo Bank in “NTT Data Regional Bank Integrated Services Center”

Higashi-Nippon Bank, Ltd. has pledged to take part in a joint BeSTA-based system that has been in use by the following four banks: Bank of Yokohama, Ltd.; Hokuriku Bank, Ltd.; Hokkaido Bank, Ltd.; and 77 Bank, Ltd. Accordingly, NTT DATA has signed a master agreement with those five banks with respect to the joint system use. Similarly, the San-In Godo Bank, Ltd. has decided to join “the NTT DATA Regional Bank Integrated Services Center,” a BeSTA-based shared system that targets first- and second-tier regional banks. Thus, a total of 15 banks are now participating in this system. Both systems acquired a favorable reputation as a next-generation accounting system indispensable for carrying into practice future business strategies, thanks to their potential, progressiveness, expandability and flexibility. NTT DATA will continue to work on these advanced BeSTA-based systems for more extensive and improved functions. We will also strive to increase the number of banks participating in these systems by offering optimum solutions to a wide range of financial institutions.

Principal Measures Taken in Fiscal Year Ending March 31, 2017(3/4)

Efforts for digital business

As a business partner of our clients that are actively working on new initiatives employing digital technology, we are providing the following technological support and services: (1) We have begun providing the service that supports our clients' preventive maintenance work with a solution that can detect abnormal sounds, by visualizing the sounds of operating equipment at production sites. Detection of any changes in the sounds (abnormal sounds) of operating equipment has been enabled by the technology of analyzing audio signals that has been developed in the NTT Group and the artificial intelligence (AI) technology. This solution contributes to the visualization of skilled workers' know-how in maintenance, less-frequent equipment failures, and improved operating rates. (2) NTT DATA has formed a capital tie-up with Solairo, Inc., which has strength in the customer service that employs interactive chat systems on websites. This tie-up aims to increase sales to our clients by combining Solairo's services and NTT DATA's omnichannel platform. (3) NTT DATA has commenced providing the service that stores and manages video files of the Japan e-Sports League (Note 1). The use of this service enables user teams and athletes to train players and strengthen their teams. NTT DATA will conduct a more detailed analysis by multiplying the images and the data of games, including those of tournaments, teams, players and their careers. Through these initiatives, we intend to improve the e-Sports market condition and to contribute to further development of the market.

Enhancement of the embedded software development system

We have reached an agreement with Sharp Corporation to make Sharp Business Computer Software Inc.—known for its strong technical skills in embedded software development—a subsidiary of ours. Accordingly, the company has been renamed NTT DATA SBC Corporation and started its operations in January 2017 under a new structure. NTT DATA has also agreed to form a capital tie-up with Seltech Corporation, which is recognized for its advanced technology in the security for embedded equipment and AI. Previously, NTT DATA had been working mainly with its group companies such as NTT DATA MSE Corporation and NJK Corporation. However, we will put more effort into bolstering the embedded software development system, aiming to further grow the IoT and connected-vehicle businesses (Note 2).

Completion of the Dell Service acquisition; operation commenced as “NTT Data Services”

More than 98% of the assets of the Dell Services Division—based on the transferred asset value—was completely transferred to us on November 2, 2016, U.S. time, through our U.S. subsidiary NTT DATA International L.L.C., etc. As a result, the Dell Services Division has been renamed NTT DATA Services, LLC and has taken over existing operations. NTT DATA Services (the Dell Services Division) has a strong business base with their major clients including healthcare, manufacturing and service industries as well as financial institutions and the Federal Government. In particular, the Division has gained a reputation for its industry-specific digital solutions with the healthcare business and provision of BPO services. Through the acquisition of this Division, we will expand our businesses in the relevant industries of North America. At the same time, we will also strengthen our services that utilize our cutting-edge technology in cloud and BPO services.

1. JAPAN e-SPORTS LEAGUE : This is a national league of “e-Sports” for multiplayer games on a computer or TV.

2. Connected Vehicles : This term refers to a system that connects vehicles to the Internet around the clock and improves the safety and comfort of such vehicles.

Principal Measures Taken in Fiscal Year Ending March 31, 2017(4/4)

NTT Data and Goodpatch to collaborate in UX Design business

NTT DATA has reached an agreement with Goodpatch Inc. to collaborate in the user experience (UX) design (Note 1) field to provide an early-stage assist to our clients in creating new services. Under a UX-design category, one of the elements that matter most is the user interface (UI) design, which constitutes an interface between users and services. For this reason, highly valuable services require excellent UI design. NTT DATA and Goodpatch Inc. will make full use of NTT DATA's UX design processes for agile development and Goodpatch's UX design know-how focusing on its own UI design, as well as its prototyping tool "Prott." By doing so, we intend to provide the UX design processes and solutions that will achieve our clients' high satisfaction and their early service provision.

NTT Data, NTT Intellink and Oracle to collaborate in the hybrid cloud business utilizing "Oracle Cloud at Customer"

We have joined forces with NTT DATA INTELLILINK Corporation, one of our subsidiaries, and Oracle Corporation Japan in the hybrid cloud field, utilizing "Oracle Cloud at Customer." These days, the situation surrounding system development has changed drastically, with IT investment made not only to maintain and enhance the existing systems-of-record (SoR) (Note 2) area, but to create new business value in the systems-of-engagement (SoE) (Note 3) area and to connect both areas seamlessly. Given this background, we, a group of the three companies, are intending to provide a platform that reduces the total cost of ownership (TCO) of the existing systems while creating new business value, by embracing different system characteristics of SoR and SoE. Thus, we would like to assist our clients in creating new business value with the use of X-Tech (Note 4).

Practical application of remote operation support system using smart glasses

NTT DATA and Newson Co., Ltd. have jointly developed and released in the market "the Remote Assist System," which employs smart glasses. NTT DATA has worked on research and development for the utilization of wearable devices, and studied a system that supported remote operations. Aiming to put the system to practical use, both companies performed joint verification tests with numerous companies in the communications, electricity and manufacturing industries, which all require maintenance and inspection work as part of their operations. Having completed the development of functions necessary for the work-site operations using smart glasses, we have successfully verified the effectiveness of those functions on site. In the future, we will endeavor to achieve compatibility with other operational systems at companies that have adopted the system, and also compatibility with other technologies that constitute the IoT system, such as AI, robotics, and sensors.

1. User Experience Design (UX design) : This means designing the entire services from the upper to lower processes based on users' experience and incidental feelings obtained through the services.
2. Systems of Record (SoR) : This term refers to all conventional operational systems, such as core systems.
3. Systems of Engagement (SoE) : This term refers to a system that enables digital innovation, such as the innovation in corporate business processes and the creation of new business.
4. X-Tech : This refers to the trend in various industries in which sophisticated IT technology, in conjunction with other elements, offers new values or frameworks that did not exist before.



Appendices

Overview of Consolidated Earnings and New Orders Received

(Billions of Yen,%)

	2016/3 Q3 Results (Apr.-Dec.)	2017/3 Q3 Results (Apr.-Dec.)	YoY (%)	2017/3 Full-Year Forecasts
New Orders Received	1,251.0	1,315.6	+5.2	1,680.0
Orders on Hand	1,543.6	2,507.5	+62.4	2,310.0
Net Sales	1,145.3	1,180.8	+3.1	1,670.0
Cost of Sales	862.3	874.9	+1.5	1,253.0
Gross Profit	282.9	305.8	+8.1	417.0
SG&A Expenses	218.6	231.3	+5.8	312.0
Selling Expenses	100.1	104.5	+4.3	146.0
R&D Expenses	8.6	8.3	-3.2	13.0
Other Administrative Expenses	109.8	118.4	+7.8	153.0
Operating Income	64.2	74.5	+16.0	105.0
Operating Income Margin(%)	5.6	6.3	+0.7P	6.3
Ordinary Income	60.9	73.1	+20.0	98.0
Extraordinary Income and Loss	15.0	-1.7	-	-12.0
Income before Income Taxes	76.0	71.4	-6.0	86.0
Income Taxes and Others	32.0	26.3	-17.8	37.0
Net income attributable to owners of parent	43.9	45.0	+2.6	49.0
Capital Expenditures	88.1	105.6	+19.8	153.0
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles	115.8	112.5	-2.8	162.0

Note : Income Taxes and Others include Income, Residential and Enterprise Taxes, Adjustment to Income Taxes and Net income attributable to non-controlling interests.

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

(Billions of yen)

	2016/3 Q3 Results (Apr.-Dec.)	2017/3 Q3 Results (Apr.-Dec.)	2017/3 Full-Year Forecasts
Public & Social Infrastructure	227.0	244.3	354.0
Financial	335.9	329.8	466.0
Enterprise & Solutions	199.8	216.7	290.0
Global	371.7	384.8	554.0

Detail of Consolidated New Orders Received (to Japanese clients Outside the NTT DATA Group)

(Billions of yen)

		2016/3 Q3 Results (Apr.-Dec.)	2017/3 Q3 Results (Apr.-Dec.)	2017/3 Full-Year Forecasts
Public & Social Infrastructure				
(Main item)	Central government and related agencies, Local Government, and Healthcare	180.3	122.6	150.0
	Telecom and Utility	79.1	66.7	83.0
Financial				
(Main item)	Banks, Insurance, Security, Credit Corporations and Financial Infrastructure	191.3	254.8	350.0
	Cooperative financial institutions and Financial Network Services	163.3	145.4	177.0
Enterprise & Solutions				
(Main item)	Retail, Logistics, Payment and Other Service Industry	54.0	53.8	61.0
	Manufacturing Industry	84.7	90.2	110.0
	Network Services, Data Center Services, Cloud Services and Digital Services	25.5	32.3	46.0

Orders on Hand	1,543.6	2,507.5	2,310.0
Public & Social Infrastructure	462.5	425.0	370.0
Financial	729.1	901.1	914.0
Enterprise & Solutions	84.0	100.5	82.0
Global	264.7	1,079.2	941.0

Note : New Orders Received of Enterprise & Solutions does not include orders taken via other segments.

Detail of Consolidated Net Sales and Services Net Sales (to clients Outside the NTT DATA Group)

(Billions of yen)

		2016/3 Q3 Results (Apr.-Dec.)	2017/3 Q3 Results (Apr.-Dec.)	2017/3 Full-Year Forecasts
Public & Social Infrastructure				
(Main item)	Central government and related agencies, Local Government, and Healthcare	120.7	137.2	200.0
	Telecom and Utility	64.2	62.8	83.0
Financial				
(Main item)	Banks, Insurance, Security, Credit Corporations and Financial Infrastructure	228.8	235.6	333.0
	Cooperative financial institutions and Financial Network Services	89.0	87.0	119.0
Enterprise & Solutions				
(Main item)	Retail, Logistics, Payment and Other Service Industry	77.0	79.6	104.0
	Manufacturing Industry	83.2	82.5	114.0
	Network Services, Data Center Services, Cloud Services and Digital Services	35.3	48.9	65.0
Net Sales by Products and Services Total				
Integrated IT Solution		344.2	352.6	477.0
System & Software Development		291.8	304.4	460.0
Consulting & Support		464.7	481.1	678.0
Others		44.4	42.6	55.0
Net Sales by Products and Services Total		1,145.3	1,180.8	1,670.0

Note : Net Sales of Enterprise & Solutions does not include orders taken via other segments.

Non-Consolidated Earnings and New Orders Received

(Billions of Yen,%)

	2016/3 Q3 Results (Apr.-Dec.)	2017/3 Q3 Results (Apr.-Dec.)	2017/3 Full-Year Forecasts
New Orders Received	660.8	627.8	812.0
Orders on Hand	1,147.7	1,277.3	1,252.0

Net Sales	593.4	607.7	840.0
Cost of Sales	456.9	454.7	639.0
Gross Profit	136.5	153.0	201.0
SG&A Expenses	83.3	88.6	120.0
Selling Expenses	40.3	40.9	58.0
R&D Expenses	7.2	6.8	11.0
Other Administrative Expenses	35.7	40.7	51.0
Operating Income	53.1	64.4	81.0
Operating Income Margin(%)	9.0	10.6	9.6
Ordinary Income	56.4	70.6	82.0
Extraordinary Income and Loss	15.0	15.0	15.0
Income before Income Taxes	71.4	85.7	97.0
Income Taxes and Others	20.8	24.7	28.0
Net Income	50.6	60.9	69.0

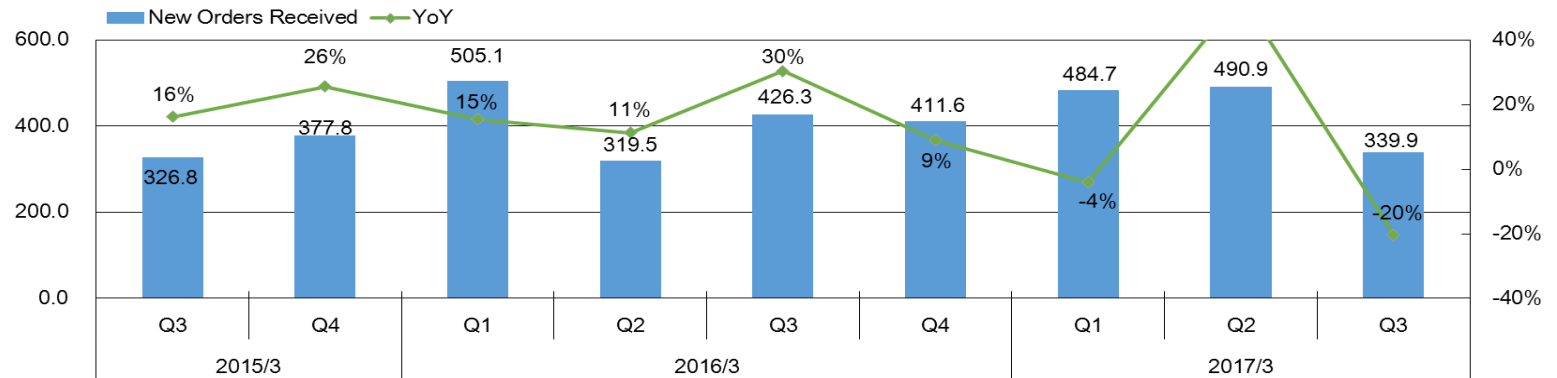
Capital Expenditures	68.8	84.0	124.0
Depreciation and Amortization /Loss on Disposal of Property and Equipment and Intangibles	91.3	90.6	124.0

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

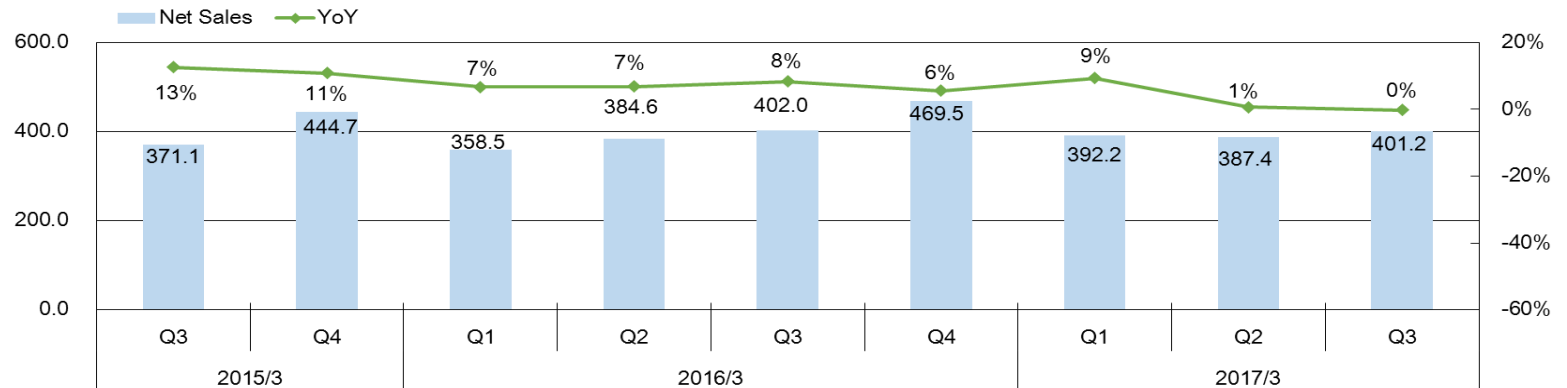
Trends in Quarter (Consolidated)

(Billions of Yen,%)

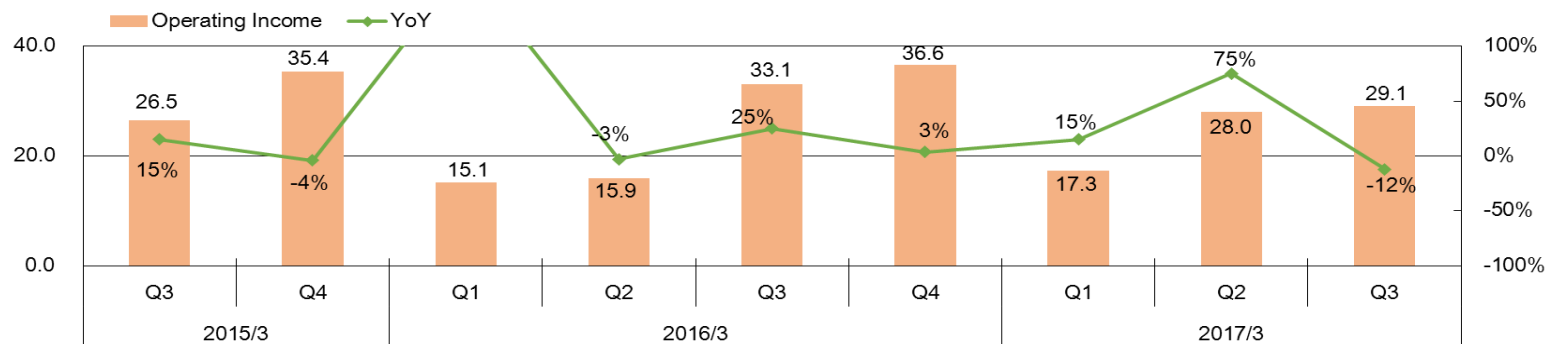
■ New Orders Received



■ Net Sales



■ Operating Income



Foreign exchange rates (used for the conversion of the amount of orders received and incomes of the overseas group companies)

(Yen / %)

	2016/3 Q3 Results (Apr.-Dec.)	2017/3 Q3 Results (Apr.-Dec.)	YoY (%)	2016/3 Results	2017/3 Full-year Assumed Rates	YoY (%)
	①	②	(②-①)/①		③	④
USD	121.66	106.36	- 12.6	120.01	103.00	- 14.2
EUR (For December-end companies)	134.71	121.09	- 10.1	134.28	119.00	- 11.4
EUR (For March-end companies)	134.39	118.00	- 12.2	132.57	115.00	- 13.3
RMB (Chinese Yuan Renminbi)	19.36	16.46	- 15.0	19.26	16.00	- 16.9



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