

Note; This document is in English translation of “Kessan Tanshin” for the Second Quarter of the Fiscal Year Ending March 31, 2022 and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation of it, the Japanese version will govern.

## Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022 [IFRS]

November 9, 2021

Company name	: NTT DATA CORPORATION (“NTT DATA”)
Stock exchange that lists the Company’s shares	: Tokyo Stock Exchange 1st Section
Code number	: 9613
URL	: <a href="https://www.nttdata.com/global/en/">https://www.nttdata.com/global/en/</a>
Representative	: Yo Honma, President and Chief Executive Officer
Contact	: Sota Endo, Senior Executive Manager, Investor Relations Office Tel.:+81-3-5546-8119
Scheduled date of filing of Quarterly Business Report	: November 12, 2021
Scheduled date of dividend payment	: December 1, 2021
Supplemental material on quarterly results	: Yes
Presentation on quarterly results	: Yes (for institutional investors and financial analysts)

(Amounts are rounded to the nearest 1 million yen)

### 1. Consolidated Financial Results in Q2 of FY2021 (From April 1, 2021, to September 30, 2021)

(1) Consolidated Results of Operations (accumulated total)

(% represents changes from the corresponding quarterly period of the previous fiscal year)

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders of NTT DATA		Comprehensive income attributable to shareholders of NTT DATA	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
<b>FY2021 Q2</b>	1,212,079	12.2	109,138	71.0	111,047	76.9	71,869	74.4	110,857	77.0
FY2020 Q2	1,080,117	0.2	63,821	0.1	62,781	(0.3)	41,206	2.6	62,631	265.0

	Net income per share	Net income per share (diluted)
<b>FY2021 Q2</b>	¥ 51.24	¥ -
FY2020 Q2	29.38	-

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to shareholders of NTT DATA	Equity ratio attributable to shareholders of NTT DATA
<b>FY2021 Q2</b>	¥ million 2,884,215	¥ million 1,222,474	¥ million 1,167,584	% 40.5
FY2020	2,897,015	1,126,548	1,072,899	37.0

## 2. Dividends

	Cash dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
FY2020	¥ -	¥ 9.00	¥ -	¥ 9.00	¥ 18.00
<b>FY2021</b>	-	9.50			
<b>FY2021 (Forecast)</b>			-	9.50	19.00

Notes: Revisions to the forecasts of dividends announced most recently: No

## 3. Forecasts of Consolidated Results for FY2021 (From April 1, 2021, to March 31, 2022)

(% of change from the previous fiscal year)

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders of NTT DATA		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
<b>Full year</b>	2,360,000	1.8	180,000	29.3	175,000	34.1	106,000	37.9	75.58

Notes: Revisions to the forecasts of consolidated results announced most recently: No

### \* Notes:

(1) Changes in significant subsidiaries in Q2 of FY2021 (From April 1, 2021, to September 30, 2021): No  
(Changes in specified subsidiaries resulting in the change in consolidation scope)

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

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

(3) Number of shares outstanding (common stock)

- |  |  |                      |
|--|--|----------------------|
| 1) Number of shares outstanding (inclusive of treasury stock)                    |  |                      |
| FY2021 Q2 (September 30, 2021)   |  | 1,402,500,000 shares |
| FY2020 (March 31, 2021)  |  | 1,402,500,000 shares |
| 2) Number of treasury stock  |  |                      |
| FY2021 Q2 (September 30, 2021)   |  | 116,265 shares       |
| FY2020 (March 31, 2021)  |  | 1,065 shares         |
| 3) Average number of shares over the period (consolidated total for the quarter) |  |                      |
| FY2021 Q2 (From April 1, 2021, to September 30, 2021)                            |  | 1,402,471,237 shares |
| FY2020 Q2 (From April 1, 2020, to September 30, 2020)                            |  | 1,402,499,031 shares |

Note:

NTT DATA introduced performance-based stock compensation in the second quarter of the fiscal year 2021.

The number of treasury stock at the end of the period and the number of treasury stock deducted when calculating average number of shares over the period include 115,200 treasury shares held by the stock delivery trust under the system.

\* “Kessan Tanshin” is an unaudited financial report.

\* Explanations relating to the appropriate use of results forecasts, and other noteworthy items

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

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## **1. Condensed Quarterly Consolidated Financial Statements and Major Notes**

### (1) Condensed Quarterly Consolidated Statement of Financial Position

(Unit: ¥ million)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and cash equivalents	287,058	237,643
Trade and other receivables	601,883	515,836
Contract asset	101,496	108,183
Inventories	14,476	22,362
Other financial assets	16,522	26,664
Other current assets	88,621	125,640
Total current assets	1,110,056	1,036,327
Non-current assets		
Property, plant and equipment	339,158	335,856
Right-of-use assets	153,357	148,067
Goodwill	415,272	455,271
Intangible assets	477,495	479,504
Investment property	26,825	26,752
Investments accounted for using the equity method	5,756	5,697
Other financial assets	216,942	262,220
Deferred tax assets	86,182	70,988
Other non-current assets	65,973	63,532
Total non-current assets	1,786,959	1,847,888
Total assets	2,897,015	2,884,215

(Unit: ¥ million)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	419,012	359,704
Contract liabilities	270,224	271,703
Bonds and borrowings	105,748	113,287
Lease liabilities	41,439	39,463
Other financial liabilities	4,075	5,180
Income taxes payable	39,602	30,634
Provisions	4,224	5,202
Other current liabilities	40,064	28,200
<b>Total current liabilities</b>	<b>924,387</b>	<b>853,373</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	473,154	428,135
Lease liabilities	117,866	117,516
Other financial liabilities	13,631	13,859
Retirement benefit liability	202,323	208,158
Provisions	4,268	4,074
Deferred tax liabilities	16,366	17,453
Other non-current liabilities	18,472	19,174
<b>Total non-current liabilities</b>	<b>846,080</b>	<b>808,368</b>
<b>Total liabilities</b>	<b>1,770,468</b>	<b>1,661,741</b>
<b>Equity</b>		
<b>Equity attributable to shareholders of NTT DATA</b>		
Capital stock	142,520	142,520
Capital surplus	105,988	102,641
Retained earnings	721,565	780,803
Treasury shares	(1)	(205)
Other components of equity	102,827	141,824
<b>Total equity attributable to shareholders of NTT DATA</b>	<b>1,072,899</b>	<b>1,167,584</b>
Non-controlling interests	53,648	54,890
<b>Total equity</b>	<b>1,126,548</b>	<b>1,222,474</b>
<b>Total liabilities and equity</b>	<b>2,897,015</b>	<b>2,884,215</b>

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

Condensed Quarterly Consolidated Statement of Income

(Unit: ¥ million)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	1,080,117	1,212,079
Cost of sales	809,163	892,838
Gross profit	270,954	319,241
Selling, general and administrative expenses	207,133	210,103
Operating income	63,821	109,138
Financial income	3,690	4,832
Financial costs	4,521	2,892
Share of profit/loss of entities accounted for using the equity method	(209)	(31)
Income before income taxes	62,781	111,047
Income taxes	20,446	35,638
Net income	42,335	75,409
Net income attributable to		
Shareholders of NTT DATA	41,206	71,869
Non-controlling interests	1,128	3,540
Total	42,335	75,409
Net income per share attributable to shareholders of NTT DATA		
Net income per share (yen)	29.38	51.24

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Unit: ¥ million)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net income	42,335	75,409
Other comprehensive income (after taxes)		
Items that will not be reclassified to profit/loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	30,062	30,123
Remeasurements of defined benefit plans	(155)	(10)
Share of other comprehensive income of entities accounted for using the equity method	0	(0)
Items that may be reclassified subsequently to profit/loss		
Effective portion of cash flow hedges	462	293
Hedge cost	(28)	436
Foreign currency translation adjustment	(9,365)	8,418
Share of other comprehensive income of entities accounted for using the equity method	32	31
Total other comprehensive income (after taxes)	21,008	39,291
Comprehensive income	63,343	114,700
Comprehensive income attributable to:		
Shareholders of NTT DATA	62,631	110,857
Non-controlling interests	712	3,842
Total	63,343	114,700

### (3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Six months ended September 30, 2020)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
As of April 1, 2020	142,520	111,596	659,563	(1)	26,005	939,683	47,732	987,415
<b>Comprehensive income</b>								
Net income	—	—	41,206	—	—	41,206	1,128	42,335
Other comprehensive income	—	—	—	—	21,424	21,424	(417)	21,008
Comprehensive income	—	—	41,206	—	21,424	62,631	712	63,343
<b>Transactions with shareholders</b>								
Dividends of surplus	—	—	(12,622)	—	—	(12,622)	(1,834)	(14,456)
Transfer to retained earnings	—	—	2,195	—	(2,195)	—	—	—
Purchase and disposal of treasury shares	—	—	—	(0)	—	(0)	—	(0)
Increase/decrease by business combination	—	—	—	—	—	—	309	309
Net changes in controlled subsidiaries' stocks	—	(29)	—	—	—	(29)	(99)	(128)
Put options written on non-controlling interests	—	(366)	—	—	—	(366)	—	(366)
Other	—	(235)	(1,047)	—	—	(1,282)	(8)	(1,290)
Total transactions with shareholders	—	(630)	(11,474)	(0)	(2,195)	(14,299)	(1,632)	(15,931)
As of September 30, 2020	142,520	110,966	689,295	(1)	45,235	988,015	46,811	1,034,826

(Six months ended September 30, 2021)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
As of April 1, 2021	142,520	105,988	721,565	(1)	102,827	1,072,899	53,648	1,126,548
<b>Comprehensive income</b>								
Net income	—	—	71,869	—	—	71,869	3,540	75,409
Other comprehensive income	—	—	—	—	38,989	38,989	302	39,291
Comprehensive income	—	—	71,869	—	38,989	110,857	3,842	114,700
<b>Transactions with shareholders</b>								
Dividends of surplus	—	—	(12,622)	—	—	(12,622)	(1,568)	(14,190)
Transfer to retained earnings	—	—	(9)	—	9	—	—	—
Purchase and disposal of treasury shares	—	—	—	(204)	—	(204)	—	(204)
Net changes in controlled subsidiaries' stocks	—	(1,047)	—	—	—	(1,047)	(623)	(1,670)
Stock-based remuneration transaction	—	32	—	—	—	32	—	32
Put options written on non-controlling interests	—	(2,187)	—	—	—	(2,187)	—	(2,187)
Other	—	(145)	—	—	—	(145)	(409)	(554)
Total transactions with shareholders	—	(3,347)	(12,631)	(204)	9	(16,173)	(2,600)	(18,773)
As of September 30, 2021	142,520	102,641	780,803	(205)	141,824	1,167,584	54,890	1,222,474



#### (4) Notes to Condensed Quarterly Consolidated Financial Statements

##### Business combination

Six months ended September 30, 2021 (From April 1, 2021, to September 30, 2021)

##### 1) Outline of the business combination

On June 23, 2021, NTT DATA Corporation, the company submitting consolidated financial statements, acquired equity interest of Nexient, LLC, a company based in California, U.S.A. (hereinafter referred to as Nexient), to obtain 100% of voting rights and control of the company through NTT DATA Services, the subsidiary in North America. The outline of this deal is shown below.

Name of the acquired company	Nexient, LLC
Main business	Application development, etc.
Main reason for the business combination	The acquisition will enable NTT DATA not only to have talents capable of cloud-native application development and agile development but also to enhance capabilities in the field by acquiring the recruitment and training processes. Also, by combining Nexient's model of delivering the U.S. resources and NTT DATA's global delivery network, we will be able to provide solutions that will better satisfy clients' needs.
Date of acquisition	June 23, 2021
Method adopted by the acquirer company to take control of the acquired company	Acquisition of equity interest in exchange for cash payment
Percentage of the voting rights acquired	100%

##### 2) Consideration of the transfer

The fair value in consideration of the transfer as of the date of acquisition is as follows.

	(Unit: ¥ million)
	Date of acquisition (June 23, 2021)
Cash	45,654
Total acquisition price	45,654

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

### 3) Amount and item of acquisition-related costs

The item and amount of acquisition-related costs are as follows.

(Unit: ¥ million)	
Item	Amount
Advisory expenses	2
Legal expenses	166
Others	115
Total acquisition-related cost	283

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

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

The details and fair value of acquired assets and assumed liabilities, and goodwill as of the date of acquisition are as follows.

(Unit: ¥ million)	
	Date of acquisition (June 23, 2021)
Assets	
Trade and other receivables (Note 1)	2,602
Property, plant and equipment	1,299
Intangible assets (Note 2)	5,958
Other	67
Liabilities	
Trade and other payables	1,375
Bonds and borrowings	814
Other	48
Net assets	7,690
Goodwill (Note 3)	37,963
Total	45,654

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

(Notes)

1. They are all trade receivables, out of which nothing significant is estimated as unrecoverable.
2. They include identifiable assets of 5,813 million yen.
3. Goodwill mainly represents the synergy effect and excess earning power expected to be obtained by integrating with NTT DATA Group.

5) Impact on NTT DATA Group's performance

The period of performance recognized in the second quarter of FY2021 is from July 1, 2021, to September 30, 2021, and the net sales are 4,195 million yen. The net income is 154 million yen.

According to the pro forma information assuming that the business combination took place at the beginning of the current fiscal year, the net sales are 7,582 million yen, and the net income is 269 million yen.

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

(5) Notes to Going Concern Assumptions

N/A