

The logo graphic consists of several overlapping squares and circles in shades of blue, red, and yellow. The squares are arranged in a grid-like pattern, with some circles overlapping them. The colors include light blue, dark blue, red, and yellow.

NTT DATA's Businesses

December 12, 2018

NTT DATA Corporation

Representative Director and Senior Executive Vice President

Keiichiro Yanagi

Good evening. I am Keiichiro Yanagi, Senior Executive Vice President of NTT DATA.
Thank you for giving me the opportunity to speak to you today.

- 1. Introducing NTT DATA**
- 2. Status and Strategy of Mid-Term Management Plan**
- 3. Status and Strategy of Overseas Businesses**
- 4. ESG Efforts**
- 5. Concept of Shareholder Returns**



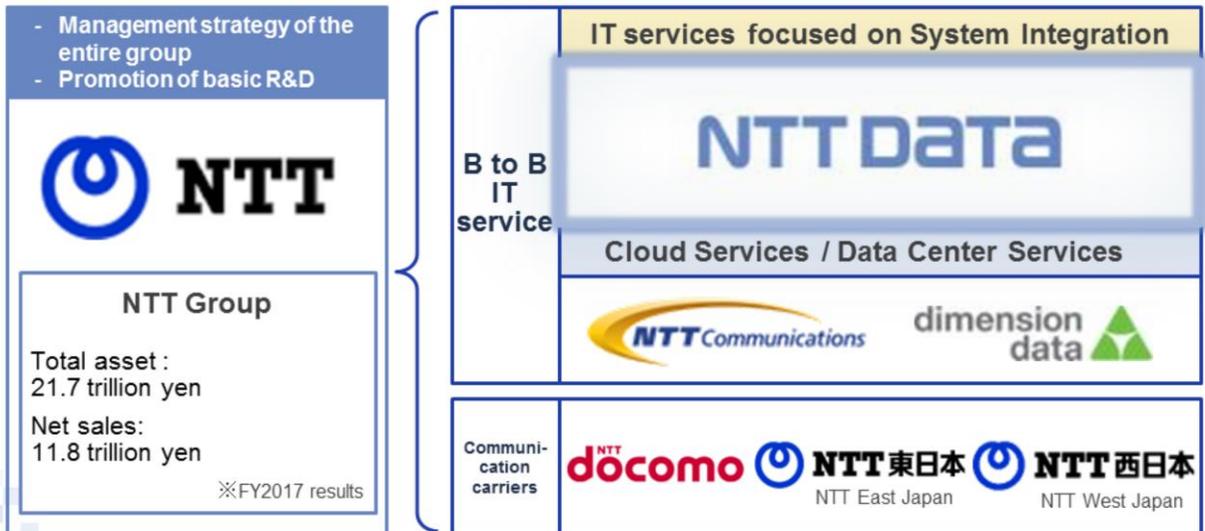
Today, as you can see on the slide, I'd like to explain the details of our businesses and strategies, our ESG efforts, and in the end, our concept of shareholder returns.

1. Introducing NTT DATA

(Description omitted)

Where we stand within NTT Group

The only player within NTT Group to engage in IT service businesses centered on System Integration



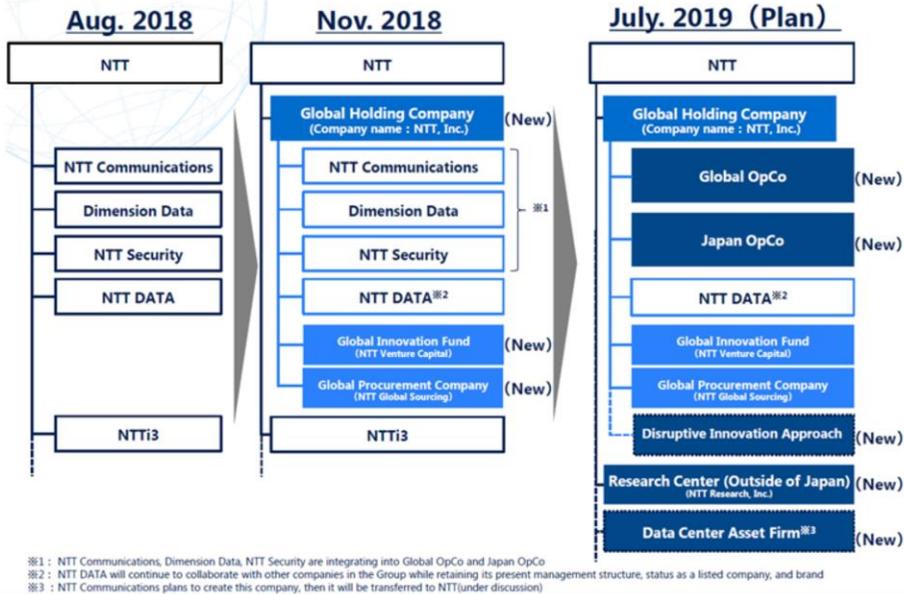
First of all, I would like to explain where we stand within NTT Group.

There are various companies in NTT Group. I am sure that many of you are familiar with NTT Docomo, NTT East Japan, and NTT West Japan, the telecommunication service providers, because they provide various services to individual customers. NTT DATA, however, is a company providing B to B services, which is for corporate customers.

There are several companies within NTT Group that are in B to B business, like NTT Communications and Dimension Data, which provide foundations for IT services, such as cloud and data centers. However, NTT DATA is the only player within the Group to provide IT services centered on System Integration.

Where we stand within NTT Group

Aiming to increase competitiveness and profitability in the global market under the newly established global holding company

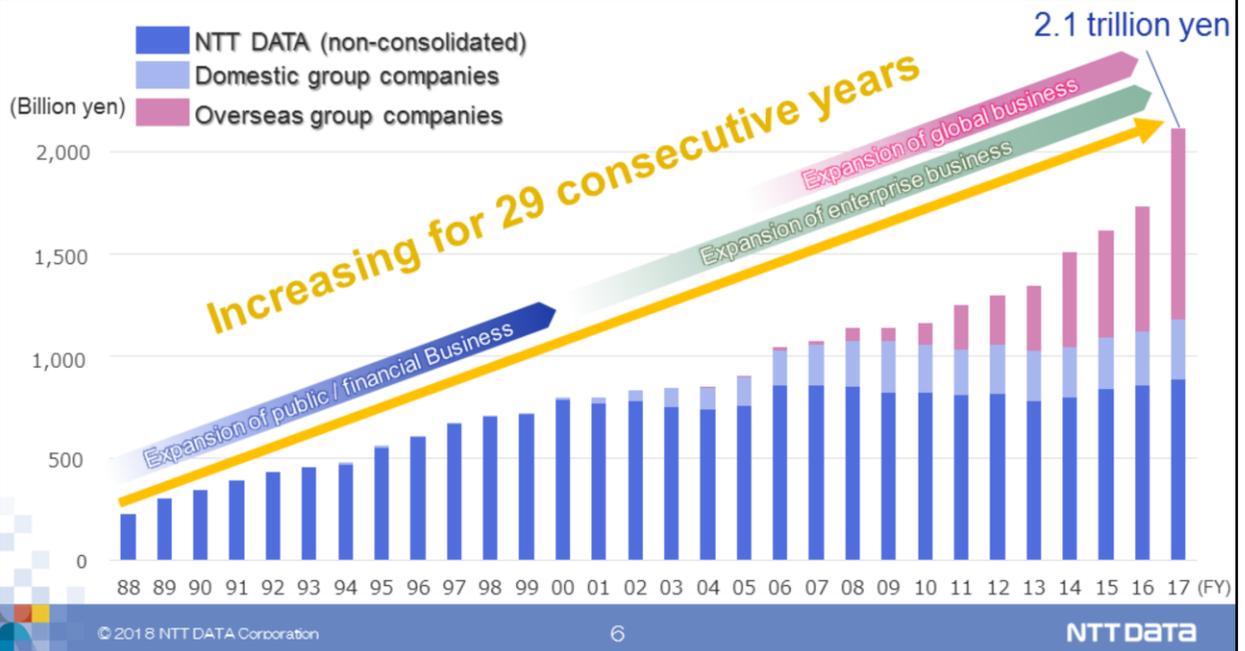


Moreover, NTT DATA, NTT Communications, and Dimension Data, the B to B service providers, will be aiming to increase competitiveness and profitability in the global market by collaborating more than ever under the global holding company, which was newly established under NTT this November.

We, as NTT DATA, also intend to develop our global business further together with the NTT Group companies, while retaining our present management structure and the status as a listed company.

Changes in net sales

Net sales has been increasing for 29 consecutive years since the Company was founded



Next, I'd like to explain the changes in our company's net sales.

Ever since the Company was founded in 1988 after spinning off as a separate company from NTT, net sales has been increasing for 29 consecutive years until last fiscal year and the business scale has expanded continuously. In order to achieve such a result, we have progressed through 3 stages of growth.

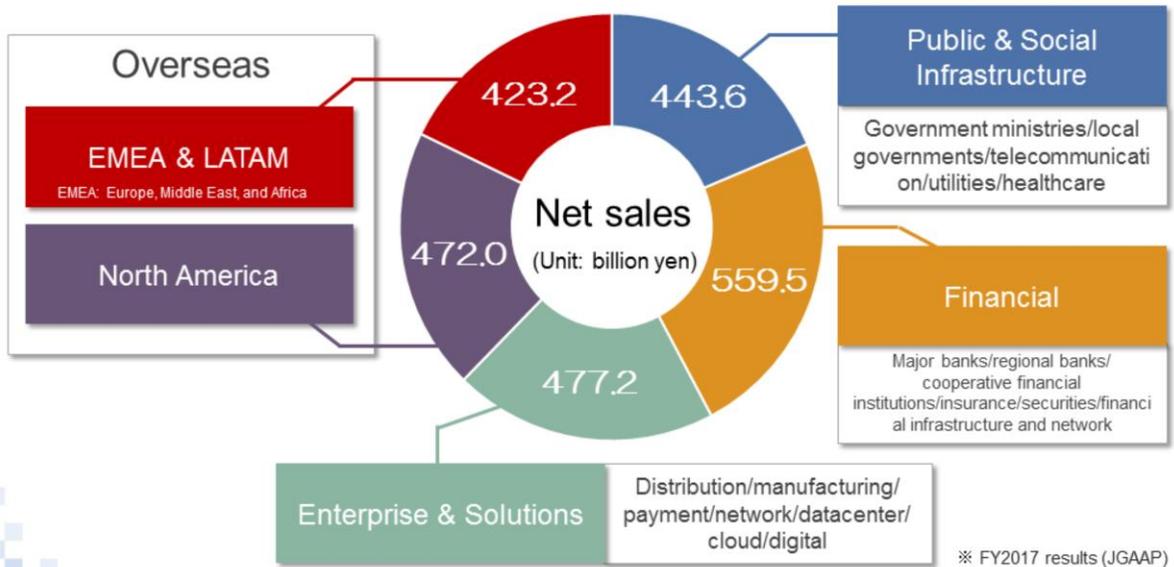
First of all, at the beginning of our foundation, we grew our business mainly in public and financial sectors. This was our first stage of growth which continued until around 2000.

Then, around 2000, aiming for further growth, we started expanding enterprise business, which made up the largest market in Japan. This business is for companies in manufacturing, distribution, and various types of other industries. Therefore, we acquired information systems companies which were subsidiaries and affiliated companies of the client companies in manufacturing and distribution industries to obtain the know how of the industries, and expanded our enterprise business. This was our second stage.

Our next turning point was around 2005. Many of the domestic leading companies at the time were expanding their businesses overseas and we started receiving requests from those companies to provide support for their IT systems in their overseas deployment. Also, based on the fact that the global IT market was far larger than the domestic market and had a higher growth rate, we changed our direction to expanding our global business around 2005. This was our third stage.

Through these 3 stages of growth, the net sales which was about 220 billion yen in fiscal 1988 increased to over 2.1 trillion yen, which is about 10 times larger, in fiscal 2017.

Well-balanced business expansion in Japan and overseas



Our business domain includes 3 domestic businesses, Public & Social Infrastructure, Financial, and Enterprise & Solutions, and 2 overseas businesses, North America and EMEA & LATAM. Net sales in every segment is about 400 to 500 billion yen, making our business portfolio extremely well-balanced.

Looking at our major clients in each segment, clients in Public & Social Infrastructure Segment consist mainly of public institutions such as government ministries, local governments, and companies supporting telecommunications, utilities, and other public infrastructures. In Financial Segment, banks, insurers, and securities companies are the major clients. We are the top domestic vendor in this Financial Segment, providing services to many financial institutions. In Enterprise & Solutions Segment, we provide services mainly to clients in distribution and manufacturing industries.

Our overseas businesses, as a result of business expansion primarily by M&A in North America and EMEA & LATAM with large markets, have grown into a scale comparable to those in the domestic segments.

Our presence in domestic markets

While having large market shares in financial, government, and healthcare markets, we still have a large room to grow in the enterprise market

NTT DATA's domestic rankings

NTT DATA's market share and market scale

**Government/
healthcare
market**

2nd

12.6%

(Market scale: 2.2 trillion yen)

**Financial
market**

1st

16.1%

(Market scale: 3.0 trillion yen)

**Enterprise
market**

5th

4.9%

(Market scale: 6.2 trillion yen)

(*) Source: Gartner "Market Share: IT Services, 2017" 11 June, 2018 Net sales base

(*) Chart created by NTT DATA based on Gartner research

Government and healthcare: Government, Education, Healthcare Providers

Financial: Banking & Securities, Insurance

Enterprise: Transportation, Utilities, Wholesale Trade, "Communications, Media & Services", "Manufacturing & Natural Resources", & Retail

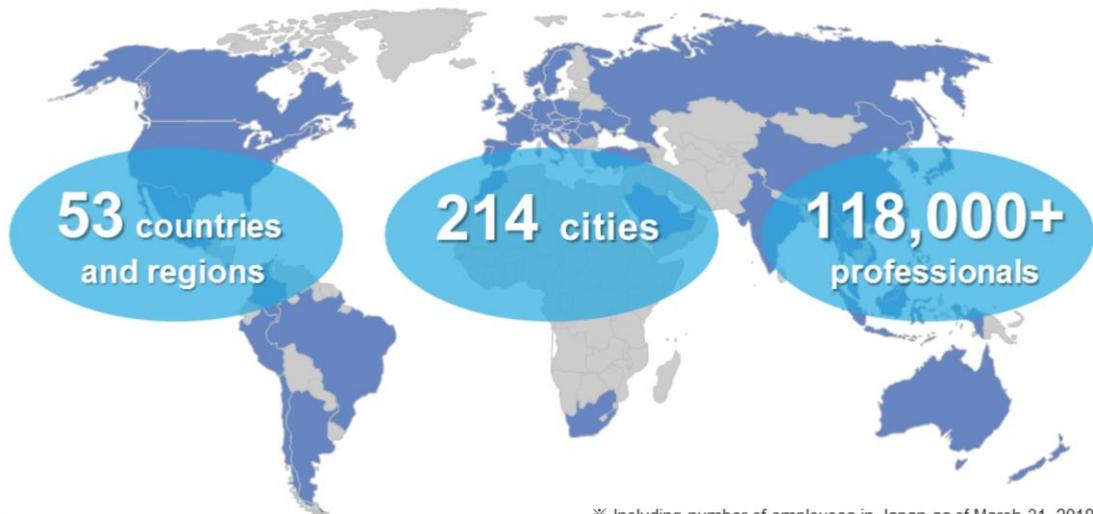
All descriptions attributable to Gartner in this report are interpretation of NTT DATA regarding data, research opinion or viewpoints published as part of a syndicated subscription service for clients of Gartner, Inc. ("Gartner") and have not been reviewed by Gartner. Gartner's publications speak as of its original publication date and not as of the date of this presentation/report. Opinions expressed in Gartner's publications are not representations of fact and are subject to change without prior notice.

Regarding our market share in the domestic market, we have a strong presence especially in government/healthcare and financial markets. We have been showing strength in these markets from the beginning of our foundation. We come in second in the government/healthcare market with a market share of 12.6%. We come in first in the financial market with a market share over 16%.

Meanwhile, we come in fifth in the enterprise market which is the largest, and our market share is about 5%. As I have mentioned earlier, we began focusing seriously on this market around 2000. Our business in the enterprise market such as for distribution and manufacturing industries in Japan has been growing steadily. It is the fastest growing segment at the moment. There are many customers who are promoting global expansion, and those who want to leverage IT services to differentiate themselves from other companies. Also, as we still have a large room for growth considering the market size, we intend to keep focusing on this segment.

Status of overseas bases

Covering wide areas with many of our overseas bases,
we have more than 118,000 employees working worldwide including in Japan



※ Including number of employees in Japan as of March 31, 2018.

Regarding the status of our overseas bases, we have offices in 53 countries and regions as of the end of last fiscal year. We are expanding businesses in an extremely wide area. We have more than 118,000 employees worldwide, among which 80,000 are working overseas.

I am sure that you can see we have already considerably expanded globally in terms of areas in which we deliver services and the number of employees.

**Our competitive advantage based on
“long-term relationship of trust” with our clients**

Group Vision

Trusted Global Innovator

~Penetration of a trusted brand~
**Aiming to become a company trusted by clients worldwide
with Global Top 5 status**



Next, I would like to talk about our company’s strengths. For 30 years since our foundation, we have maintained our principle of “clients first” by making efforts to “shape an affluent society using information technology” without just pursuing short term profit and shying away from challenges that we faced. Presently, our clients say that the long-term relationships of trust built upon this principle are the cornerstone of NTT DATA’s competitive advantage.

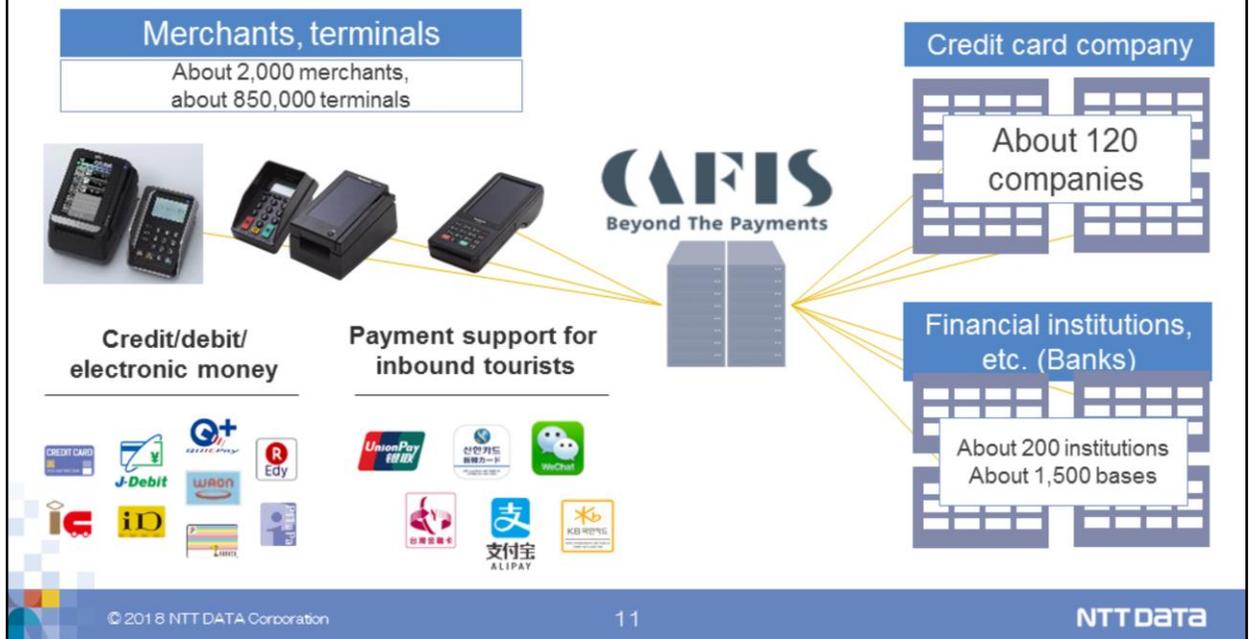
Upon our 30th anniversary in May 2018, we established a new group vision: “Trusted Global Innovator.” Since around 2005, our company has been working to build a global business base. Now, we have about 120,000 employees working in 53 countries and regions around the world and have succeeded in becoming a global company.

We cannot predict accurately how the world would be in the future, but as I have mentioned before, we acknowledge that long-term relationships of trust with clients are important. We will work side by side with our clients as a trusted partner, connecting their abundant ideas with cutting-edge technologies throughout the world to help create business innovations and address social issues. Once we have embarked on a project, we will never turn our back on it, working closely with clients as their partner through to the very end. This is what we aim for as a “Trusted Global Innovator.”

Our goal is to differentiate ourselves by gaining “trust” to continuously win out in the coming age.

Familiar example: card payment network system “CAFIS”

While contributing to expansion of card settlement by facilitating credit card payments, we also support newly increasing payment methods and globalization by leveraging the existing network



Now, in order for you to understand our company, I will introduce a service that we provide, which you are familiar with.

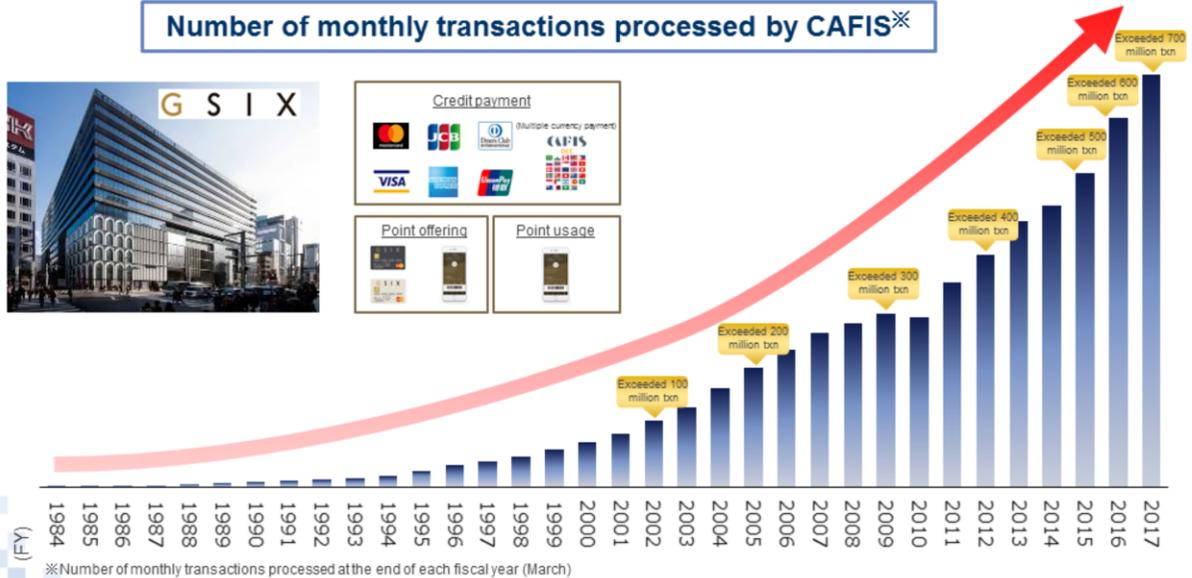
It is a system called CAFIS provided by our company. This system is used for exchanging information between merchants and credit card companies/financial institutions, etc. when a customer makes a purchase with a credit card. The system has been in service for more than 30 years.

Before that, there was a time when paper slips were used to process card payments. When CAFIS was introduced, merchants did not have to install a card reading terminal for each card company and were able to process payments smoothly using a single terminal. As a result, since the launch of the service in 1984, credit card payments increased rapidly.

Familiar example: card payment network system “CAFIS”

While contributing to expansion of card settlement by facilitating credit card payments, we also support newly increasing payment methods and globalization by leveraging the existing network

Number of monthly transactions processed by CAFIS[※]



Currently, cashless payments are gathering attention, and the number of transactions processed by CAFIS is increasing. Last fiscal year, the number of monthly transactions processed by CAFIS exceeded 700 million. Various new payment methods other than credit cards are also emerging. Therefore, we are adding new features and services so that CAFIS can support such newly increasing payment methods and globalization.

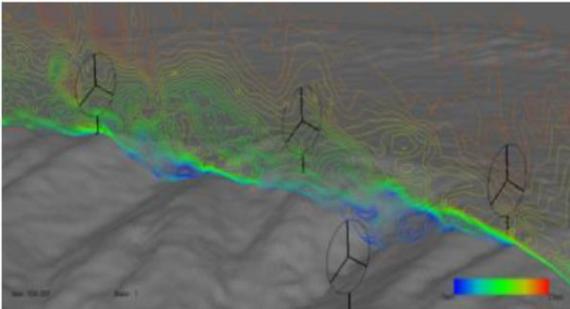
We are also supporting surrounding services. For example, for GINZA SIX, a commercial facility which opened on April 20, 2017, we were also involved in planning and designing of its point services as a strategic partner and have started processing the transactions with CAFIS. In addition to support for co-brand credit cards, we have introduced a multiple currency payment service of CAFIS.

Moreover, we intend to contribute to the expansion of cashless payments going forward, also by leveraging our advantage of being already connected with almost all credit companies and financial institutions in Japan.

Efforts in cutting edge technology: digital 3D map solution “AW3D®”

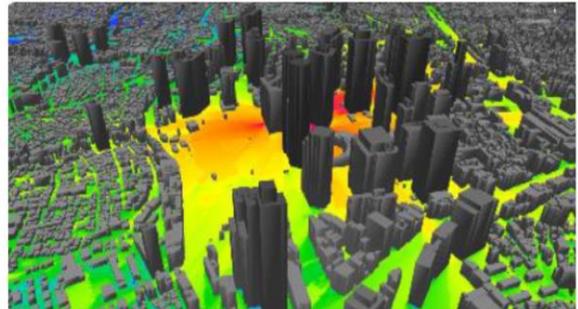
Displays global topography with highest accuracy in the world. Used in more than 70 countries in disaster prevention/resource/construction/telecommunication/electric power, and other fields.

Improving efficiency of investigation
for wind power generation location



Analyze risk of wind turbulence using wind situation analysis software to select potential locations of the wind turbines

Improving efficiency for selecting
locations for wireless base station



Select locations of base station by referring to the result of simulation of radio wave intensity

*“AW3D” is a registered trademark of NTT DATA and Remote Sensing Technology Center of Japan (RESTEC).

I will introduce another example of the use of cutting edge technology.

“AW3D” is a digital 3D map that displays global surface undulation. By using satellite images of a private satellite company, we achieved a maximum resolution of 0.5 meters, and enabled display of fine undulations at a “building” level mainly in urban areas. We are now capable of providing such service with short delivery time and low cost using AI and big data technologies. The service is used in more than 70 countries around the world in disaster prevention, resource, construction, telecommunication, electric power, and other fields. Also, as the service enables investigation of sites without actually being there, it contributes to reduced environmental load through reduced operations.

In 2018, the technology was declared the “Winner,” which is the grand prize at JISA Awards, which honors creators of highly original and internationally applicable systems. Going forward, with usage of AW3D in self-driving and other purposes in view, we will continue to provide data speedily and on real-time basis, expand the use of geospatial information, and promote market creation.

Efforts in innovation creation: Open Innovation Forum

Aiming for sustainable emergent business innovation with our clients and advanced startups from all over the world

NTT DATA
OPEN INNOVATION

"Lets' change the world together."

Countries and cities, in which Open Innovation Contest 9.0 is scheduled to be held

- Madrid
- Barcelona

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NTT DATA

Finally, I would like to introduce our efforts on emergent innovation. As raised in “Sustainable Development Goals (SDGs)” adopted by United Nations in September 2015, there are all kinds of difficult problems in the world. Therefore, in order to solve these problems, an “open innovation” to create unprecedented solutions with companies reaching across border to combine advanced technologies and new business models has become more and more important.

NTT DATA is now promoting ICT businesses in more than 210 cities in the world. In order to solve the mounting problems in the world, we have hosted open innovation contests aimed at emergence of new businesses 8 times since 2014, leveraging our experience and network. Currently, the 9th Open Innovation Contest is taking place with preliminary contests in 20 cities in 18 countries, and Grand Finale contest will be held next March in Toyosu where our headquarters is.

2. Strategy and Status of Mid-Term Management Plan

Up until now, I have explained the overview of our company and the characteristics of our businesses. From now on, I would like to talk about the strategy and status of our mid-term management plan.

Goals of the mid-term management plan

Target net sales and operating income were set in our mid-term management plan from FY2016 to FY2018

Target for FY2018

**Net Sales
>2 trillion yen**

**Operating income
+50%***

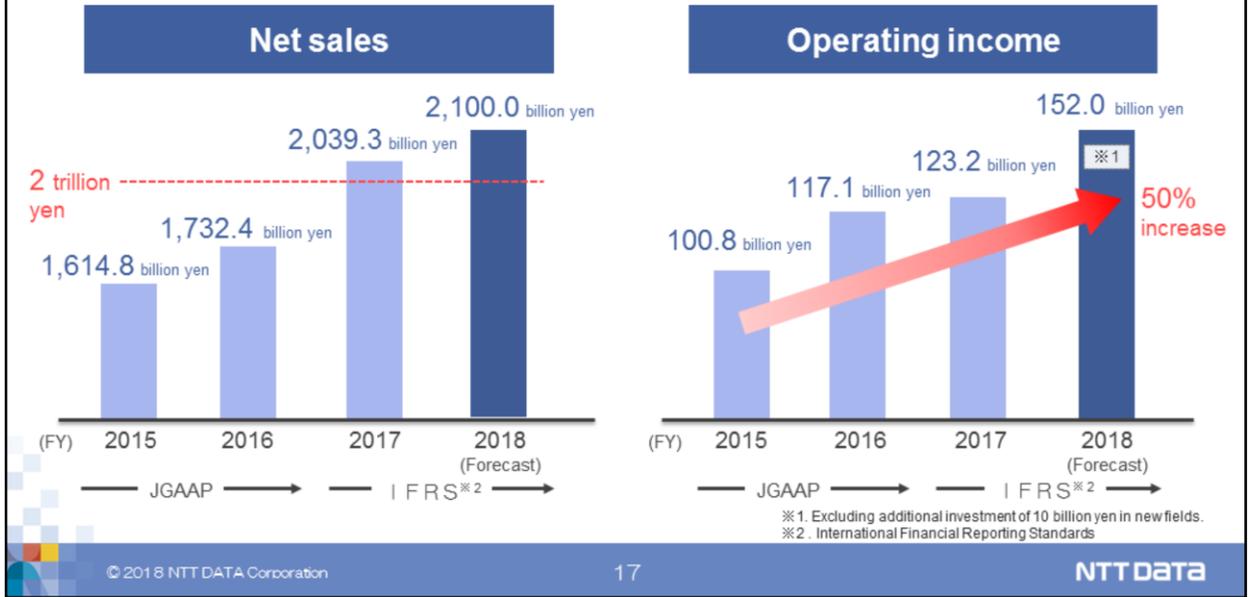
※ Compared to FY2015 (After adjustment for incremental investments in new fields)



We have been carrying out our mid-term management plan since 2016, with this fiscal year (FY2018) as its final fiscal year. In this plan, we set the target values of more than 2 trillion yen for consolidated net sales and 50% or higher increase for adjusted operating income. Since our operating income was about 100 billion yen in fiscal 2015, we are targeting 150 billion yen, which is a 50% increase from that figure.

Status of mid-term management plan

Expecting to achieve our goal in FY2018, the final fiscal year in the mid-term management plan, with sustainable growth both in domestic and overseas businesses



Regarding the status in relation to each of the target values, net sales has already exceeded 2 trillion yen last fiscal year and we expect to achieve the target for the operating income in this fiscal year as both domestic and overseas businesses have grown sustainably.

The forecast of the operating income represents a figure after adjustment. In the IT service industry we are engaged in, technology innovation is extremely rapid and competition severe. Therefore, we are planning to invest about 10 billion yen this fiscal year in new fields, looking ahead into the future. 152.0 billion yen of this fiscal year is a figure after excluding 10 billion yen for the investment.

Strategy of the mid-term management plan

Promoting “Game-Changing Approach” and “Breakthrough Technology” as our global strategies

Mid-Term Management Plan NTT DATA: ASCEND

Rise and grow our global brand

FY2016 - FY2018

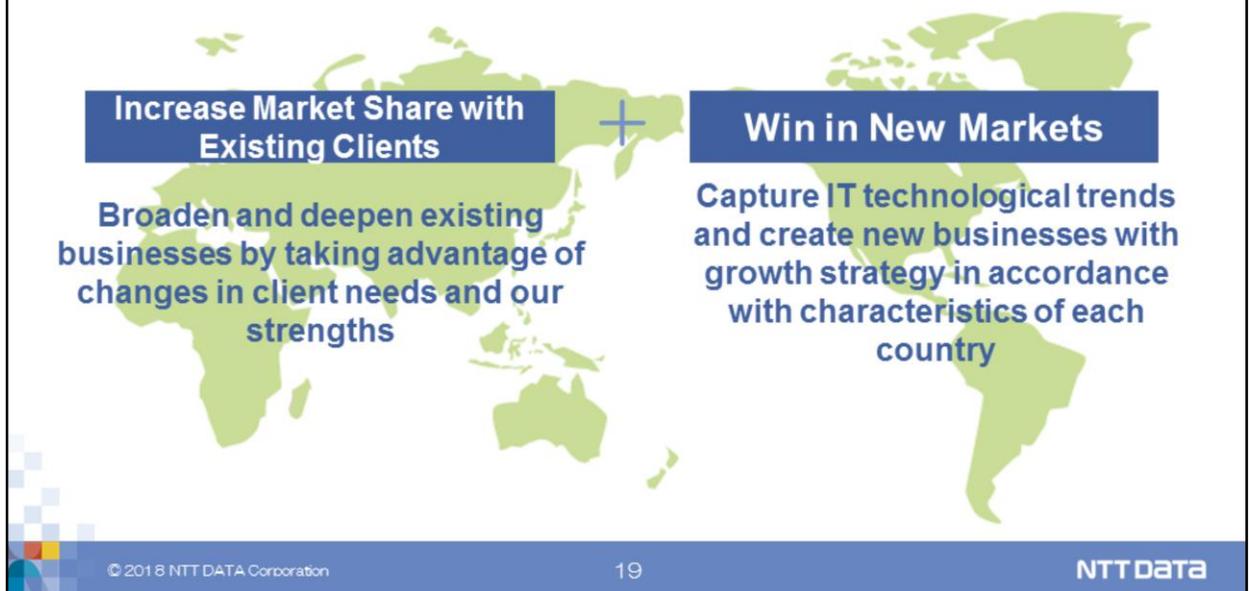
**Game-Changing
Approach**

**Breakthrough
Technology**

One of our goals in our present mid-term management plan is to have the world recognize NTT DATA as a global brand. As specific efforts, we have two pillars of “Game-Changing Approach” and “Breakthrough Technology.” I will explain each one in detail using the following slides.

Strategy of the mid-term management plan① “Game-Changing Approach”

**Accelerating market expansion based on
“Increase Market Share with Existing Clients” and “Win in New Markets”**



With the first pillar of “Game-Changing Approach,” we are working to expand our market share based on the two concepts of “Increase Market Share with Existing Clients” and “Win in New Markets.”

Regarding “Increase Market Share with Existing Clients,” for example, we currently have the top market share for mission critical systems for regional banks but we are also working to increase the market share while clients make proactive changes such as management integration and collaboration with other regional banks. Therefore, new clients using our systems are increasing. We are also getting better results overseas, winning large-scale outsourcing projects by capturing the changes of client environments and leveraging our strengths, such as in Spain and Australia.

As for “Win in New Markets,” we are creating new businesses by capturing IT technology trends and using growth strategy in accordance with the characteristics of each country.

Strategy of the mid-term management plan② “Breakthrough Technology”

Creating new paradigms and values with our clients by “Production Technology Innovation” and “Leveraging Cutting-Edge Technologies”

Production Technology Innovation

Innovate technologies to provide systems and services that are the core of clients’ competitiveness with agility and flexibility



Leveraging Cutting-Edge Technologies

Leverage global cutting-edge technologies for co-innovation of unprecedented paradigm and business with clients

With our second pillar of “Breakthrough Technology,” we aim to create new paradigms and values with our clients by “Production Technology Innovation” and “Leveraging Cutting-Edge Technologies.”

“Production Technology Innovation” has enabled us to develop systems in a shorter period of time with a higher quality by introducing a new automation technology in programming and other operations which used to be performed manually. This has led to strengthening of our competitiveness such as reduced costs and time for delivery.

As for “Leveraging Cutting-Edge Technologies,” we use R&D results of NTT, our parent company, which possesses world-class laboratories when using AI, IoT, and other cutting-edge technologies. We, as NTT DATA, also work on R&D to provide technologies matching the needs of our clients.

However, technology is evolving rapidly these days, so to realize technology innovation swiftly can be difficult if we are to just hone our technology within NTT DATA Group. Therefore, we are collaborating with universities, partner companies, and startups. Also, we are spending much of the investment amount of 100 million yen for new areas that I mentioned previously on such collaborative activities.

I would like to introduce two examples of Leveraging Cutting-Edge Technologies.

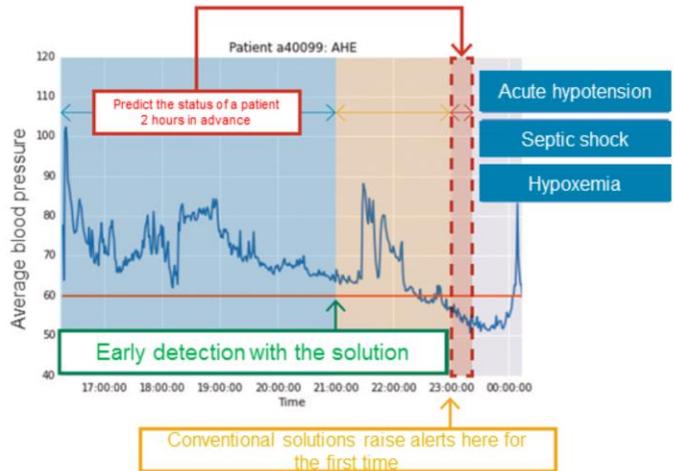
Example of “Leveraging Cutting-Edge Technologies”: Smart Alert Solution

Detecting a sign of patient’s deterioration in real-time for early discovery of patients at a risk of falling into a critical condition

Constant monitoring of vital sensor data



Predict symptoms and raise alerts for necessary medication and treatment



The first one, is an example from overseas by NTT DATA and a group company in Spain.

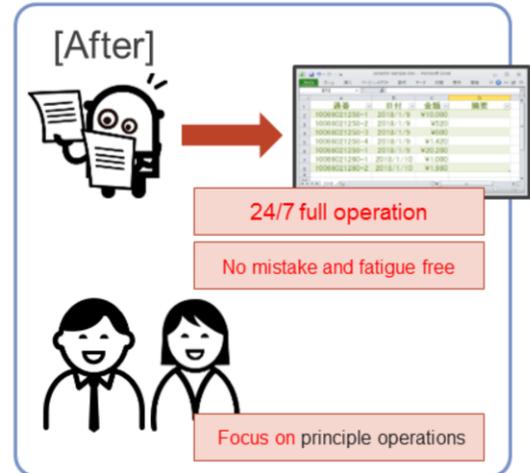
We have been developing a system which alerts doctors when treatments and medications are necessary faster than before. This is done by analyzing blood pressure and other various data sent through sensors connected to patients in real time using our AI technology, and predicting the status of patients two hours in advance. We began conducting PoC of this system from 2017. We can expect this system to enable doctors to start treating patients before their conditions deteriorate, leading to early discharges and recovery rate improvement.

In the healthcare sector, in addition to this example, a PoC has been going on for a service in which AI points out places where diseases may exist by analyzing CT images. Areas in which cutting-edge technologies can contribute to higher quality healthcare are increasing.

**Automating routine tasks using a robot,
enhancing operational efficiency and quality**

Large amount of paperwork
processed manually

Automated processing by a robot



The second is an example using NTT Group’s technology.

It is called “Winactor,” an ‘All Made in Japan’ RPA solution, the core of which uses the research technique cultivated by NTT Group. RPA stands for “Robotic Process Automation” and is a mechanism which improves efficiency of and automates office work. For example, by making RPA learn the operating procedures that you want it to perform by implementing the operations on a PC, you can make the software robot replicate the operations from next time onward.

Thus, a significant reduction of office workloads is expected by expanding the use of RPA. Improving productivity using RPA is an important method for solving the problem of labor shortage in the present world in which working population is decreasing due to lower birth rate and ageing population.

We have introduced the solution in 1,250 companies as of August 2018 and have achieved No. 1 in domestic market share. Moreover, leveraging such cutting-edge technology not only promotes work style reform of our clients, but also leads to advancing ours. We will continue to apply the cutting-edge technologies in various projects of various industries.

3. Strategy and Status of Overseas Businesses

Next, I will talk about the strategies and statuses of our overseas businesses, which is one of our major growth drivers.

Size of global IT services market

While the growth of Japanese IT services market will stay moderate, global IT services market is expected to expand steadily

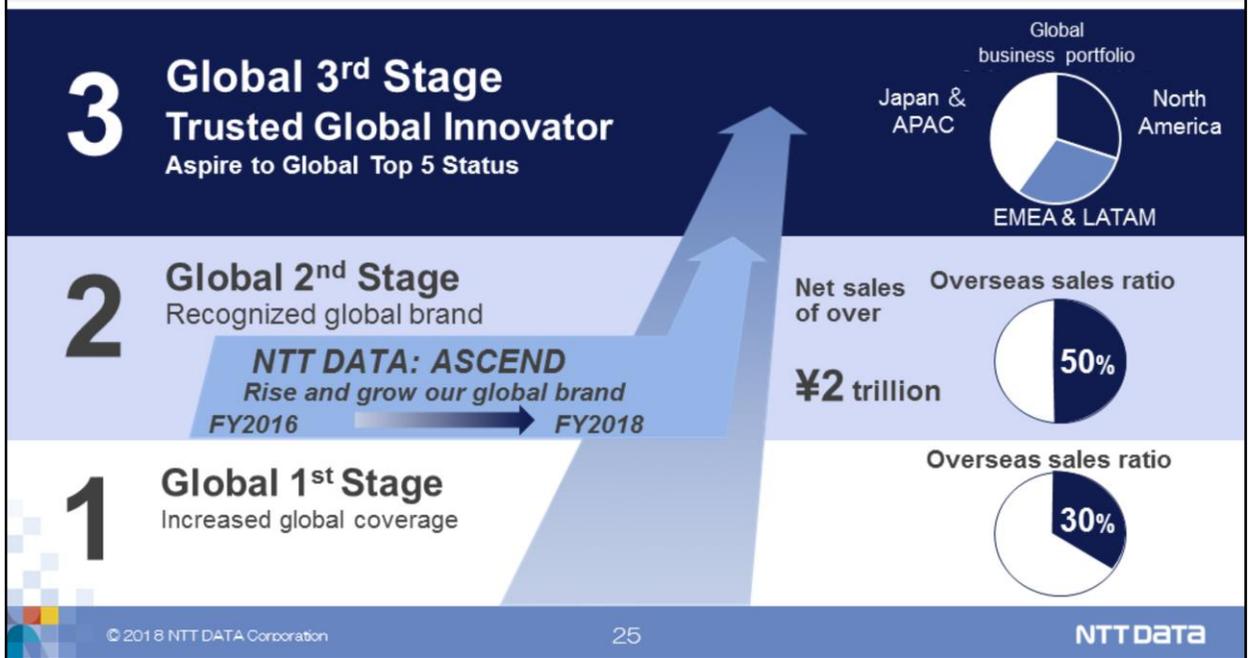


First of all, I would like to explain the status of the global IT services market. The size of the IT services market already exceeds 100 trillion yen worldwide and its annual average growth rate is estimated as about 5%. Meanwhile, the size of the market in Japan is about 10 trillion yen, which is one tenth of the size of the global market, with a growth rate still at a level of 1%. When you look at this status, I think that you will see why NTT DATA is now focusing on global expansion seeking for further growth.

The overseas markets that we're focusing on are North America, which is the largest market in the world, and Europe, which is the next largest. Both of these markets' growth rate is at a level of 4%, which is higher than that of Japan. We intend to grow our company by increasing market shares in these growing markets that are much larger than in Japan.

Corporate image that NTT DATA envisions

Aiming to become a brand trusted globally and continuing to focus on overseas operations moving toward Global 3rd Stage



In such market environment, our company’s global expansion is proceeding through stages as you can see.

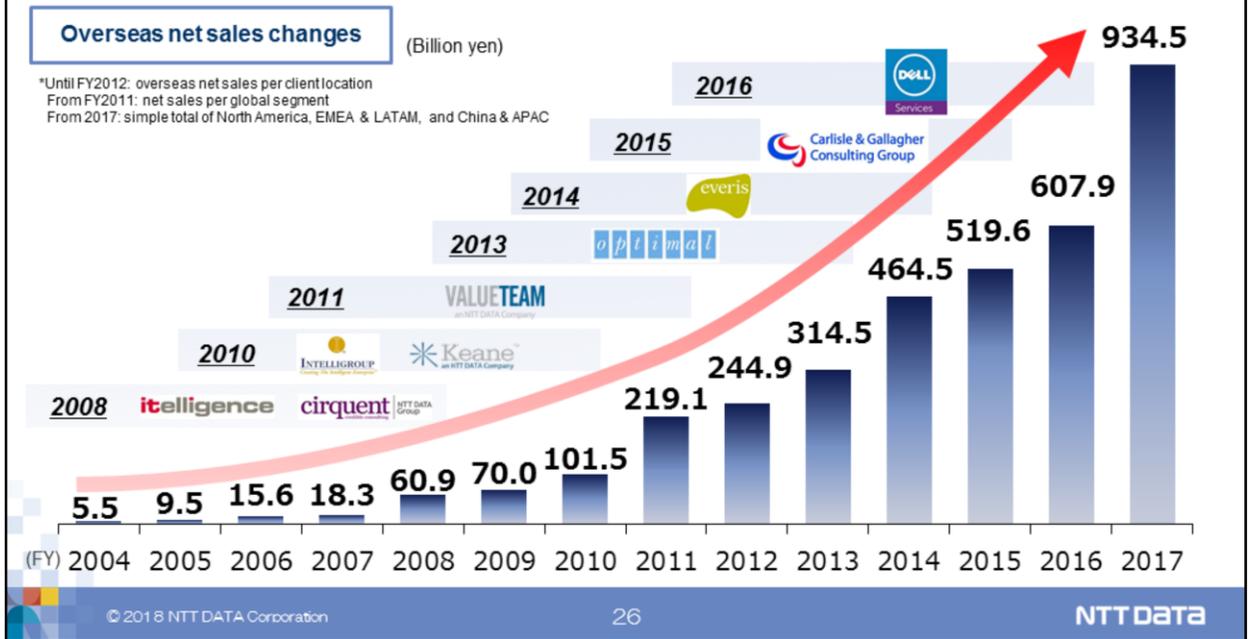
When we started to expand globally 13 years ago, our first goal was to build a structure which is capable of supporting multinational companies. Therefore, in the Global 1st Stage, we aimed to expand covered areas. Four years ago, everis, a Spanish company joined our group, and Spanish speaking countries in Latin America were included in our area of service delivery.

We are now working to establish our global brand in the “Global 2nd Stage.” We had set a goal to exceed 2 trillion yen in consolidated net sales and increase overseas sales ratio to roughly 50%. However, since our net sales has already surpassed 2 trillion yen and overseas sales ratio is over 40%, we consider that we have basically reached the 2nd Stage.

We have also set Global 3rd Stage to be accomplished around 2025, as our vision for the future. We intend to expand our business in North America, Europe, and other countries, further increase overseas sales ratio, aim to be among the Global Top 5 in net sales, and expand NTT DATA brand as an innovation company trusted by customers around the world.

Changes in overseas net sales

Proactive M&A with promotion of globalization as our growth strategy



Next, I will explain about the changes in overseas net sales up until now. Company logos in the slide are those of the major companies with which we conducted M&A in each fiscal year. I think you can see that we have been increasing our overseas net sales steadily through proactive M&A. Around 2005, when we changed our direction toward global business, our overseas net sales was at a level of less than 10 billion yen. However, in fiscal 2017, our global business has grown to a scale exceeding 900 billion yen.

Notably, in fiscal 2017, net sales increased significantly after we acquired an IT service unit in fiscal 2016 from a company called Dell, which is well known as a PC manufacturer. The acquisition had various advantages in addition to the increase of net sales. I will explain this later in detail.

Global ranking

Up one rank to 8th in the global ranking of net sales in 2017



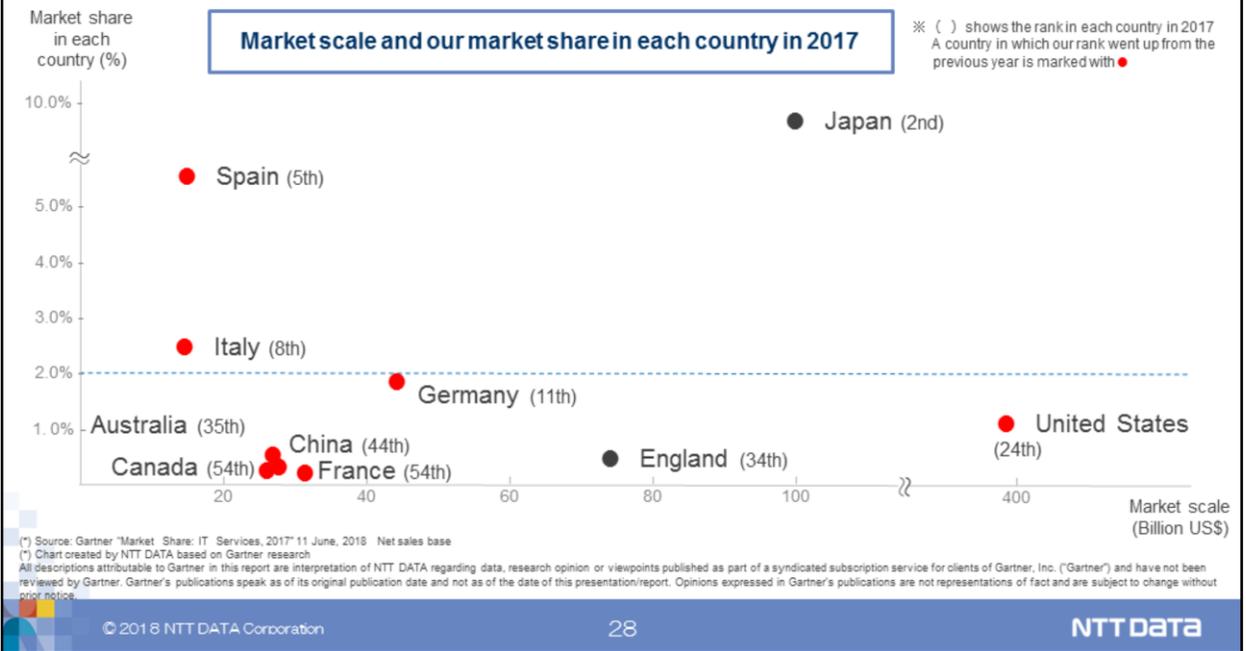
(*) Source: Gartner "Market Share: IT Services, 2017" 11 June, 2018 Net sales base
 (*) Chart created by NTT DATA based on Gartner research
 All descriptions attributable to Gartner in this report are interpretation of NTT DATA regarding data, research opinion or viewpoints published as part of a syndicated subscription service for clients of Gartner, Inc. ("Gartner") and have not been reviewed by Gartner. Gartner's publications speak as of its original publication date and not as of the date of this presentation/report. Opinions expressed in Gartner's publications are not representations of fact and are subject to change without prior notice.

In terms of net sales ranking of the global IT services market, NTT DATA went up one rank to 8th in 2017 from 9th in the previous year. As the world's top players, IBM and Accenture have net sales that are significantly higher than the rest, but as there's not much difference from the 4th place and lower, I think that you can see that any company including NTT DATA has a chance.

However, since all the companies will keep on growing, and the market is changing drastically, we intend to keep paying attention to the movement of the other companies while we focus on expanding our overseas business.

Increasing our local presence

Aiming to rank within top 10 (≧ market share of 2% or higher) and increasing our presence in each country



Next, I will explain about the scale of IT services market, the market shares and the rank of our company in each country. We think that in order to increase our net sales globally, “a market share of 2% or higher and ranking within top 10 for net sales in each country” is necessary. This is because we know from our past experience, that if a company has a market share of 2% or higher in a country, in general, the company will be ranked within top 10 for net sales. Further, if you’re ranked within top 10, you will have more chances of making IT services proposals to government offices and large companies of the country.

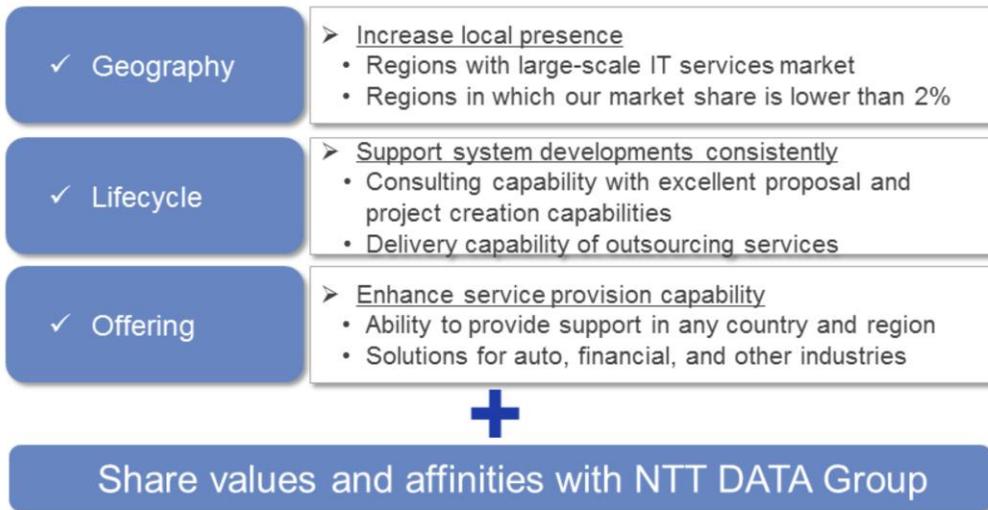
Countries in which our net sales is ranked within top 10 as of 2017, are Spain and Italy as well as in Japan. As a matter of fact, in Spain and Italy, in which we are ranked within top 10, our business performance is strong because we have been getting more and more chances to make proposals from companies we have never dealt with before, let alone existing clients. This has contributed greatly in increasing our net sales in Europe.

We will aim to improve our ranking mainly in countries with large markets, let alone United States, as we are ranked 24th in the country which has the largest IT services market in the world.

M&A strategy

Continuing to leverage M&A as one of the important means for global growth

What NTT DATA values in M&A



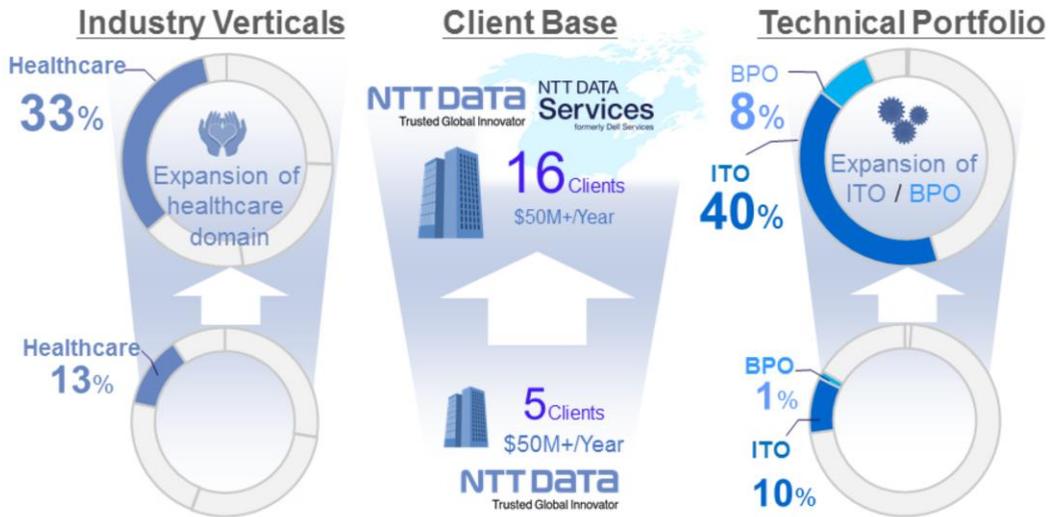
We consider continuing M&A activity as one of the important means for increasing overseas net sales. I will explain the things we value when we conduct M&A.

First one is a regional perspective. As I have mentioned before, we intend to conduct M&A with an aim to increase our presence in countries with large-scale markets where our market share is lower than 2%. Second one is a range of service. We intend to obtain the capabilities that we are lacking in order to provide a series of flow that starts with a consultation in which we propose optimal systems, after which we actually develop the systems, and then maintain and operate the systems. Third is a quality of service. This includes our intention to enable delivery of our various services similarly in any region, and our desire to enhance solutions that are industry specific, such as for auto and financial industries.

Additionally, what we value the most is whether a company shares the same values with NTT DATA Group. Therefore, in order to have companies and managers with good local clients and employees join our group, we are expanding our business by carefully selecting companies whose corporate culture is similar to ours.

Example: acquisition of the former Dell Services

Acquired Dell Group’s IT services-related business in November 2016, increasing our presence in North America



*The values represent those right before/after the acquisition.

As an example of our M&A efforts, I will introduce our acquisition of Dell Group’s services unit in North America in 2016.

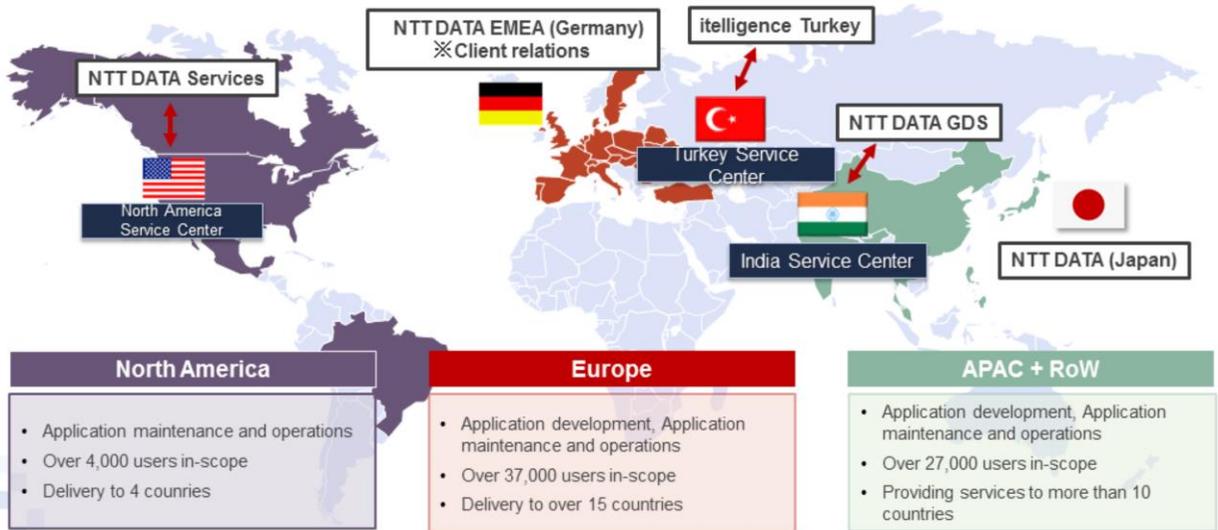
First, looking at the industry ratio, the percentage of healthcare domain in our North American business was about 13% before the acquisition. However, business with clients such as those of hospitals increased, which lead to expansion of the healthcare domain, and our industry ratio in North American business became more well-balanced. Also, in terms of the number of major clients, the number of clients with annual sales of about more than 50 million dollars or more has increased from 5 companies to 16 companies. To have many large-account clients is extremely important in maintaining stable net sales. Therefore, this significant increase was a big advantage for us.

Further, by also looking at the service ratio, in addition to system developments, we have more businesses in which we are entrusted by clients to handle part of their operations, such as BPO (Business Process Outsourcing) and ITO (IT Outsourcing), giving good balance to our business portfolio.

As you can see, M&A not only increases our net sales, but it is an effective means to reinforce various aspects where we are lacking.

Example: collaboration between global bases

Received a large-scale project order from a German automaker through collaboration among regions

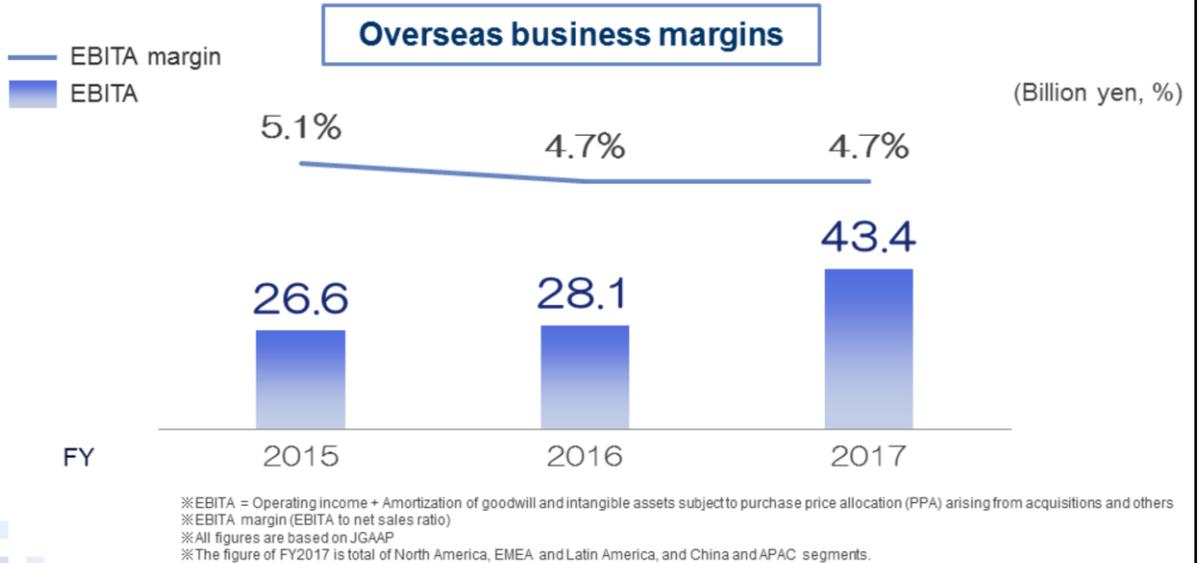


I mentioned earlier, that it is important to enable providing services similarly in each region from a standpoint of conducting M&A. As one of the examples, I would like to talk about an order that we received for a large-scale project from a leading German auto maker, as a result of collaboration between North America, Europe, and Asia.

We received this order and signed a multiple year contract for the project as a strategic partner in developing, operating, and maintaining the systems, because our global-scale achievements in the auto industry was highly regarded. High-quality service is provided to 70,000 users in 25 countries and 30 locations with our office in Germany acting as a point of contact for customers, and service centers in North America, India, and Turkey in collaboration. In order to receive orders for large-scale projects, it is indispensable to have offices all over the world and to enhance our service delivery capability for clients.

Overseas business issue

Increasing net sales followed by profitability improvement is our challenge for the future



As I have explained so far, we have steadily achieved an increase in net sales in our overseas business. However, on the other hand, we are aware that our future challenge is to improve profitability.

Compared to the profitability of domestic business which is a little less than 10%, the profitability of the past 3 years has been changing by about 5% by looking at an index called EBITA margin, which represents the profitability based on actual value of overseas business. We intend to raise our profitability by increasing cost efficiency and other measures in tandem with further increase of the net sales going forward.

4. ESG (Environmental, Social, and Governance) Efforts

Next, I will explain our ESG efforts.

For sustainable corporate value

Enhancing corporate value sustainably by conducting business activities taking social/environmental issues into account



Important themes for sustainable growth



Recently, business has become more and more evaluated in terms of its relationships with society, which hinge on environmental, social, and governance (ESG) activities.

Based on our mission statement, “NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society,” we are striving to increase sustainable corporate value by conducting business activities, taking into account social and environmental issues. Our business is to solve the issues of clients and societies using IT services. Therefore, I think we can say that the efforts made for environment and society that are currently gathering attention, originally have high affinity with our business.

NTT DATA raises 3 important themes for sustainable growth: Human resource management, which will be necessary for providing stable and high-quality services; Service provision for solving social issues; and Environmental management, for providing services and managing our business with reduction of environmental load in consideration.

Specific measures

Promoting efforts taking human resource/ social issues/environmental load into account

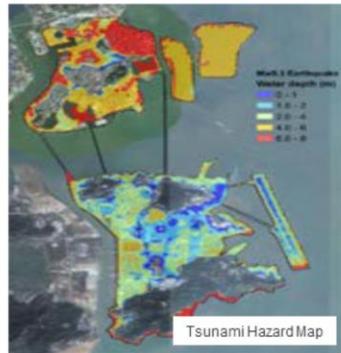
Human resource management

- ✓ Secure talented and diverse personnel globally
- ✓ Prepare training systems/develop professional employees
- ✓ Win Diversity Management Selection 100 Prime Award
- ✓ Promote active participation of women
- ✓ Enrich childcare/nursing systems
- ✓ Work style reform initiatives



Service provision for solving social issues

- ✓ The world's most accurate global digital 3D map, AW3D



Environmental management

- ✓ Contribute to reduction of environmental load with "Mitaka Data Center EAST" equipped with state-of-the-art facilities



To be specific, first of all, regarding human resource, in order to capture the demand of clients and cutting edge technology in the significantly advancing IT industry and to continue progressing innovatively, diverse and talented human resource is indispensable. We aim to increase the number of highly skilled and professional human resources through diversity management valuing diversity, promotion of women's active participation and work style reform, let alone hiring talented people. In fiscal 2017, we received an award of Diversity Management Selection 100 Prime, given only to 2 Japanese companies that are advanced in diversity from Ministry of Economy, Trade, and Industry.

We are also focusing on providing various services that can solve social issues. AW3D, which has been mentioned in the beginning is exactly a good example of a service for solving social issues.

From an environmental standpoint, we are making efforts to reduce environmental loads in our business operations. For example, "Mitaka Data Center East" which is equipped with state-of-the-art facilities began its operation in April 2018. This data center has a top class power usage effectiveness in Japan with improved cooling efficiency and applied outside-air cooling system using natural energy.

Third-party evaluation

Our ESG efforts have received positive reviews from research agencies in Japan and overseas, and we have been selected as a constituent of numbers of ESG indexes



Dow Jones Sustainability World Index / Asia Pacific Index

NTT DATA was selected as a constituent of the Dow Jones Sustainability Index (DJSI) World and Asia Pacific indexes. The DJSI is managed cooperatively by S&P Dow Jones Indices and RobecoSAM and evaluates business sustainability from the three perspectives of economy, environment, and society.



Oekom Prime

NTT DATA has been rated Prime by Germany-based oekom research AG, designating the Company as one of the top leaders for CSR in the Internet and software industry.



FTSE4Good

FTSE4Good Index

NTT DATA was selected as a constituent of the FTSE4Good Index, a socially responsible investment (SRI) index designed to promote investment in companies that meet global ESG standards.



FTSE Blossom Japan

FTSE Blossom Japan

NTT DATA has been selected as a constituent of the FTSE Blossom Japan Index, which recognizes Japanese companies deemed exceptional by international ESG standards set by FTSE Russell.



Morningstar Socially Responsible Investment Index

NTT DATA was selected as a constituent of the Morningstar Socially Responsible Investment Index (MS-SRI), the first SRI in Japan. Morningstar selects listed companies in Japan that excel in social responsibility and indexes their stock prices.



RobecoSAM Sustainability Award

NTT DATA received the RobecoSAM Sustainability Award as a Bronze Class Company by RobecoSam, a Swiss SRI evaluation company and research agency. The award is given by evaluating sustainability and was awarded to NTT DATA for its exceptional CSR efforts.

These NTT DATA Group's efforts for ESG have been highly evaluated by research agencies in Japan and overseas and we have been selected as a constituent of numbers of ESG indexes.

Particularly, by Dow Jones Sustainability Indices at the top left, we have been selected as "World Index," which is the highest rank. Moreover, among companies in IT services industry that are selected, we received an extremely high evaluation and were ranked as No. 2 in the world. Going forward, we will make efforts to enhance our corporate value sustainably by managing business with ESG in consideration.

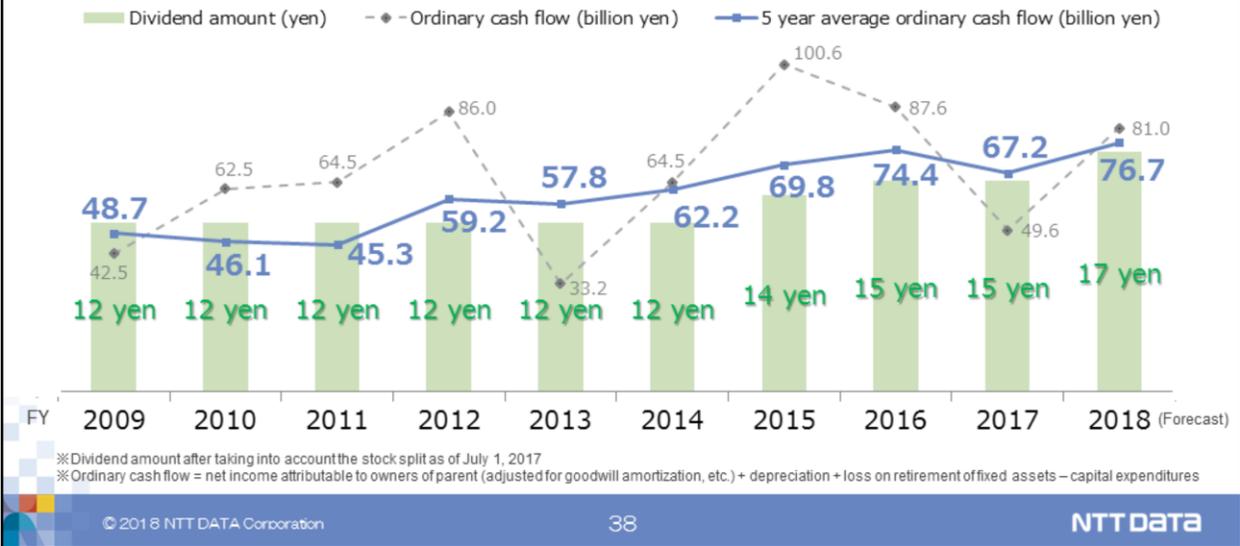
5. Concept of Shareholder Returns

Finally, I would like to explain our concept of returns and dividends for our shareholders.

Changes of dividend amount

Placing emphasis on maintaining medium- to long-term cash flow dividend payout ratio for dividend amount, which increases along with an increase of ordinary cash flow

Dividend amount[※] and ordinary cash flow[※]



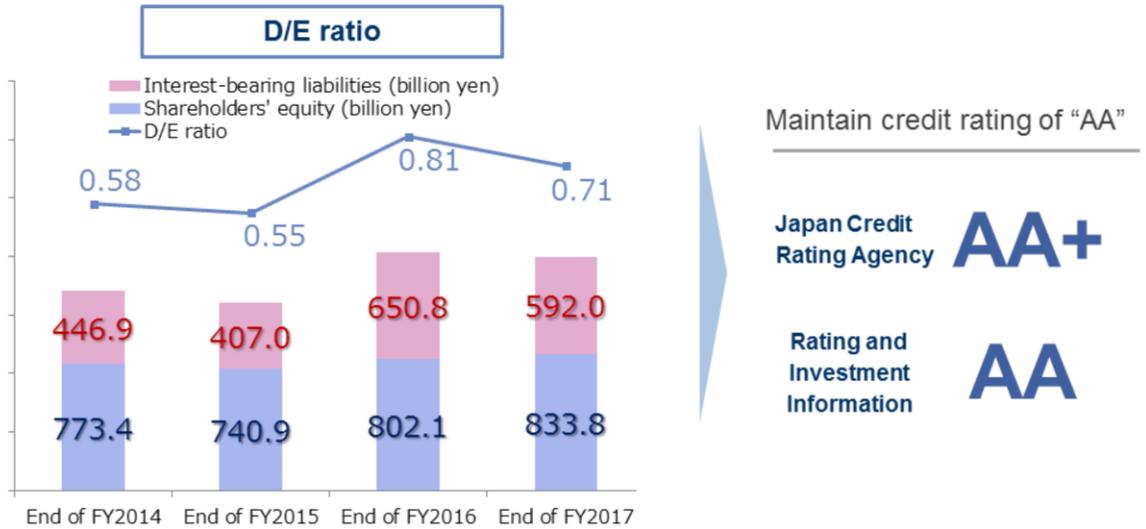
I will first of all explain our dividend policy.

Though the amount has changed depending on the year, we have maintained a stable dividend standard for mid- to long-term relative to cash that we have generated. This fiscal year, we plan to pay a dividend of 17 yen per share, a little less than 24 billion yen in total. The amount of cash generated from the average of 5 years has increased. We intend to maintain this trend going forward, and manage our business so that we can increase the amount of dividends.

As for the remaining cash of little over 50 billion yen, we intend to use it for investments such as M&A and other activities, so that we can generate more profit in the future, as we recognize that our industry has not matured yet and can still continue to grow.

Maintaining soundness of financial base

Paying attention to maintain credit rating and realizing long-lastingly reliable financial base for clients



Next, I would like to talk about the soundness of our financial base.

The ratio between our interest-bearing liabilities and shareholders' equity, the so-called D/E ratio, is within the range of a certain level. As a result, we have been given relatively high ratings from the rating agencies and are evaluated as a financially sound and stable company. We have many contracts with government agencies, financial institutions, and large companies for long-term projects and services, which in some cases last for 8 years. It is essential for clients that the company with which they're concluding a long-term contract is financially sound. Therefore, the soundness of our financial base is important for us to maintain our social infrastructure business.

For this reason, we intend to manage our business so that D/E ratio will not increase by taking into account the ratio of borrowings and shareholders' equity in order to retain the rating.

Stock split

Stock split conducted in July 2017, creating an easy-to-purchase investment environment

Before stock split



Reference date: June 30, 2017

After stock split



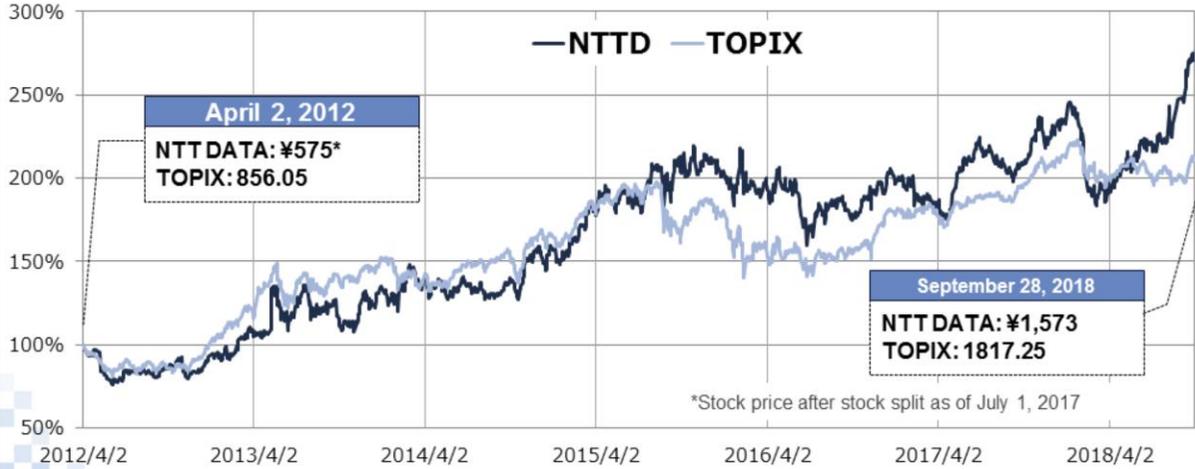
Effective date: July 1, 2017

I think many of you already know that we have conducted a stock split of our company share in July 2017. By splitting the stock into five, the minimum investment amount decreased to one fifth. We believe that we have created an environment in which more individual investors could invest in our company.

Changes of our stock price

Stock price changing on a level higher than TOPIX's

- Total number of Shares Issued: 1,402,500,000 shares
- Unit: 100 shares



Our stock price has been changing on a level higher than TOPIX's.

We intend to work on managing our business in a way you will continue to appreciate, by steadily moving forward with the strategies that I have explained today and increasing the scale of business and profitability in each country.

Thank you for your attention.

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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.

This concludes my presentation.

I hope that you would continue to be interested in NTT DATA, which will keep on growing.

Thank you very much for your kind attention.