

The logo graphic consists of a grid of squares in various shades of blue, red, and yellow, with a large blue circle partially overlapping the bottom-left corner.

## NTT DATA's Growth Strategy

December 11, 2019

NTT DATA Corporation

Senior Executive Vice President and Representative Director

Keiichiro Yanagi

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. Growth strategy**
- 3. Our view on shareholder returns**



Today, I'd like to introduce the details of our business and the strength of the company. After that, I'd like to explain our growth strategy, focusing on our new mid-term management plan which was announced this May, and finally about how we consider the returns for the shareholders.

# 1. Introducing NTT DATA

I would like to begin by introducing NTT DATA.

## Our positioning within NTT Group

A player within NTT Group to engage in comprehensive IT service businesses

- Entire group management strategy development
- Basic R&D promotion

Contributing to the achieving a smart society utilizing ICT\*  
\*Information and Communication Technology



NTT Group

Total asset: 22.3 trillion yen

Net sales: 11.9 trillion yen

\*FY2018 results

Providing comprehensive IT services

**NTT DATA**



**NTT Ltd.**

**NTT docomo**



NTT East Japan

**NTT 西日本**

NTT West Japan

First of all, I would like to explain our positioning within NTT Group. There are various companies within NTT Group.

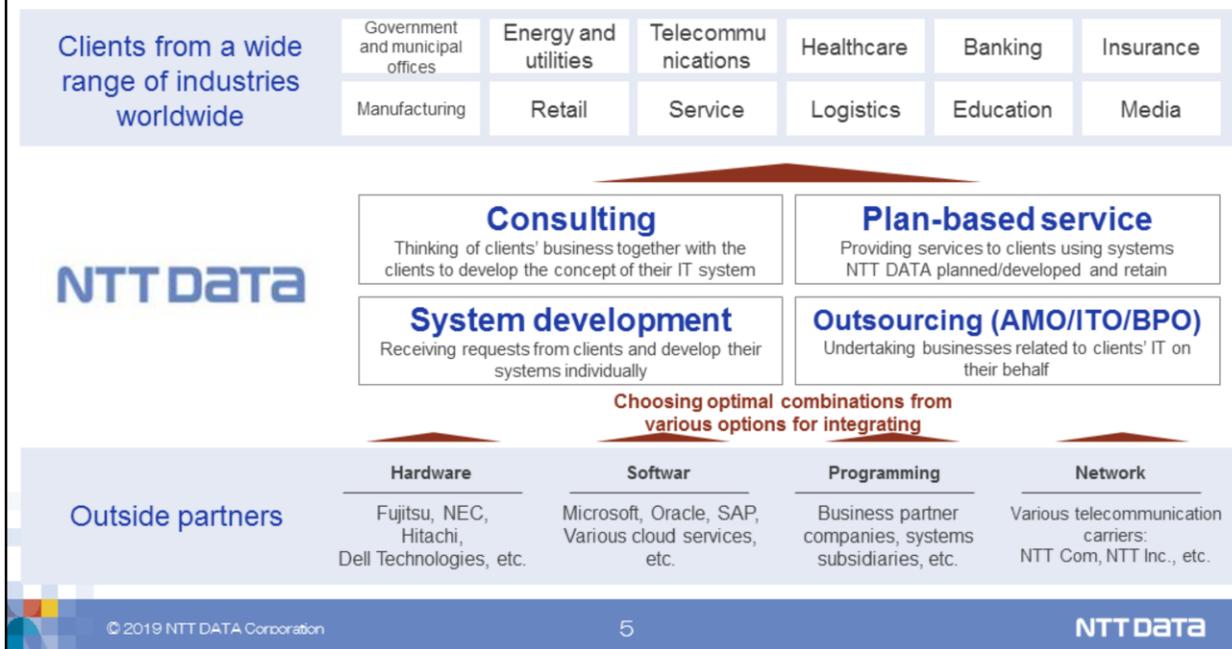
I believe you are all familiar with NTT Docomo, NTT East Japan/NTT West Japan, and NTT Communications, as they provide all kinds of services to individual customers. These companies mainly specialize in the fields of telecom and communications, and excel at Communication services—with a “C” from ICT.

Meanwhile, speaking of ICT, NTT DATA is a company which is expanding its business mainly in “IT”, primarily providing services to clients of public agencies, financial institutions, and enterprises. With a rapid spread of IT technology, systems used by clients in their businesses are also becoming large in scale and are varying. I would like you to know that NTT DATA is a company that develops those systems and is also a professional company that builds these systems through integration, making full use of the cutting-edge technologies such as AI and IoT.

As for NTT, it is required by law to conduct basic R&D apart from being responsible for business strategies for the entire group. In the past, the company was actively conducting R&D in the fields of telecom and communications centered on network. However, in the recent years, it is actively conducting R&D on the cutting-edge technologies represented by AI and IoT as well. Therefore, we feel our importance increasing within the NTT Group. We drive our business using achievements of such R&Ds conducted by the entire group. This is one of the greatest benefits of belonging to the NTT Group.

## NTT DATA's business

Familiarizing with the businesses of clients to globally provide them with optimal IT services chosen from various options



Next, I would like to talk about our business in more detail.

We provide all kinds of services, mainly consisting of: consulting service in which we think about our clients' businesses together with the clients to define their to-be IT systems; system development in which we build systems individually after receiving requests from the clients; plan-based service in which we take initiative to plan, build, and retain systems and provide services to our clients using those systems; and outsourcing service in which we undertake IT related operations and maintenance services on behalf of our clients.

Also, in providing these services, we need to exploit the power of many of our external partners. NTT DATA verifies various options from a neutral viewpoint, produces the optimal IT services for clients' business development, providing such services worldwide.

In order to provide service that contribute to the development of clients' business, it is important to familiarize ourselves with their operation and build a Long-Term Relationship of trust, instead of conducting a so-called sellout type business which is like a one-time project. We are aiming to become a partner to our clients, who co-creates and develops business with them.

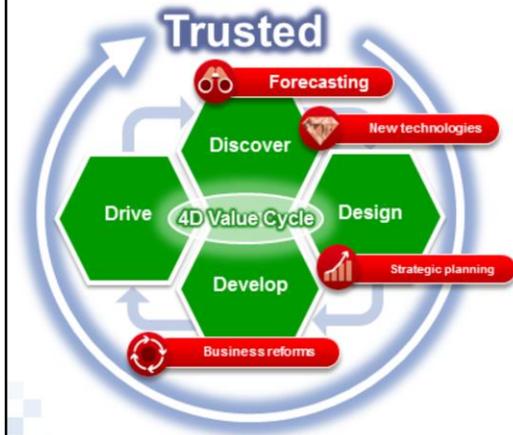
This actually is what makes our company unique. I think that individual investors would first think of names like "Google" or "Amazon," when you hear a word, "IT-related company." These companies globally provide IT services that are for general purpose and convenient. Meanwhile, we differ from these companies significantly in a sense that we stand by individual clients in their business and that we provide an optimal system for each client respectively.

## NTT DATA's strengths

Building "Long-Term Relationships" with a common value offering model  
Using worldwide knowledge in providing our services globally

### Common value offering model

### Providing services globally



※ As of March, 2019

In order to provide services to such individual clients and to build long-term relationships of trust, it is important that we are responsible for the entire life cycle of our IT services.

Our common value offering model is illustrated on the left, showing the process of discovering the future needs and new technologies of our clients, designing, proposing their optimal IT systems, and developing these systems without fail, and driving and supporting their use of the systems even after delivery. By repeating this cycle again and again, we are providing a value, which is "trust," to our clients.

We have already expanded our business worldwide, but this "trust," the value we provide to our clients, is the very differentiating factor in the global market. Also, building trust is our path to enhancing corporate value sustainably.

Also, the fact that we have many offices and employees around the world and that we provide IT services globally itself is our significant competitive advantage especially when compared to Japanese IT service-related companies and is also one of our strengths.

## NTT DATA's strengths

“Long-Term Relationships” with our clients  
creates the basis of NTT DATA's competitive edge

### Group Vision

# Trusted Global Innovator

## Long-Term Relationships

As we have been explaining, NTT DATA has maintained the principle of “Clients First” ever since it was founded.

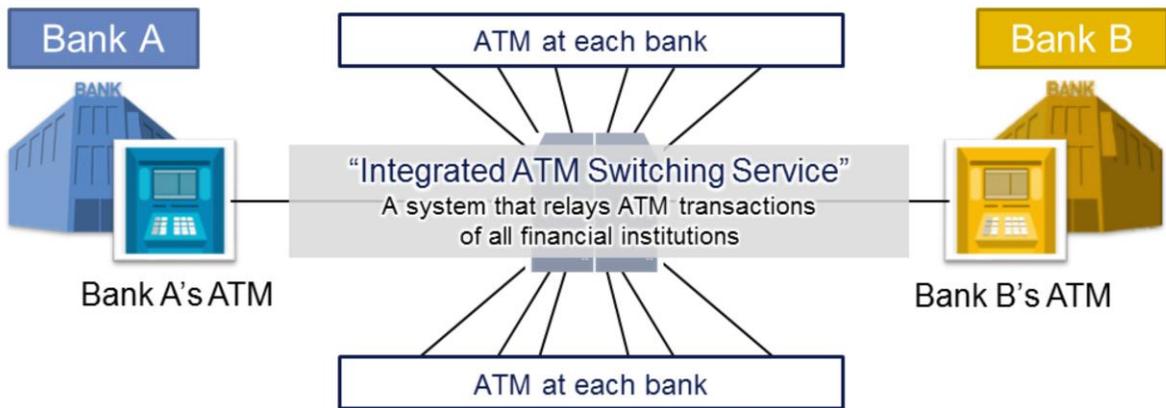
Long-Term Relationships of trust built upon this principle is the very strength of our company.

Upon our 30th anniversary in May last year, we established a new group vision: “Trusted Global Innovator.”

We wish to stay as a partner to our clients, always working side by side with them, connecting their rich ideas with cutting-edge technologies around the world, creating business innovations and addressing social issues. This is the Trusted Global Innovator we are aiming to become. We intend to survive in the future by differentiating ourselves by gaining trust.

## Familiar example (1) Integrated ATM Switching Service

Relaying ATM transactions like withdrawal/deposit and balance inquiries between financial institutions from other banks' ATMs



Now, I will introduce some of our services that you are particularly familiar with.

First, I will talk about Integrated ATM Switching Service.

I am sure that many of you have withdrawn cash from your bank account at an ATM in another bank or at a convenience store when you are in an urgent need of money, for example. In such case, data needs to be exchanged between the banks. Integrated ATM Switching Service is the only service in Japan that enables such ATM transactions by connecting various financial institutions such as city banks, local financial institutions and net banks.

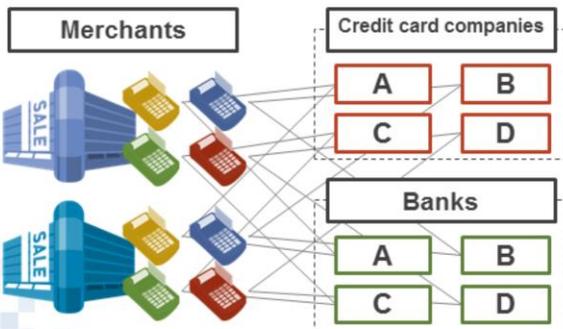
I don't think anyone would be aware of this service that NTT DATA provides when using an ATM, but actually, this service has been helping to improve your daily convenience as a financial infrastructure for over many years.

## Familiar example (2) CAFIS: Integrated Platform for Cashless Payment

Using CAFIS, the existing network, provides significant advantage to merchants and consumers in credit card payments

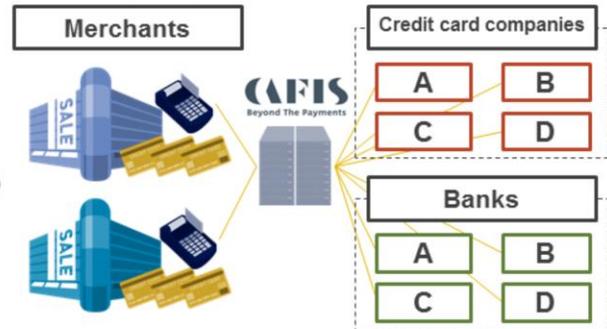
### Without CAFIS

- ✓ Large initial investment is necessary in case of building a new network
- ✓ Processing card payments is complicating because it uses multiple terminals and networks



### Using CAFIS

- ✓ Using CAFIS, building a new network will not be necessary
- ✓ Card payments will be processed seamlessly using single terminal and network



The second familiar example, is CAFIS(Credit And Finance Information Switching system), the integrated platform for cashless payments.

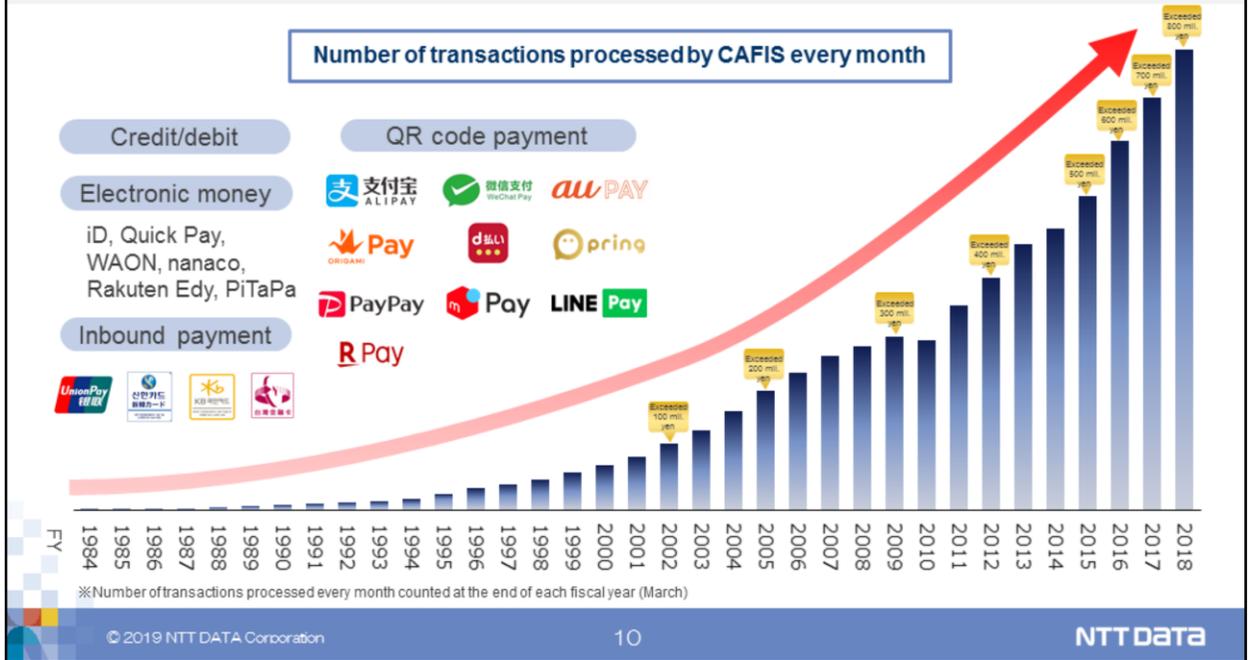
When you buy something with a credit card, your payment is usually processed with a terminal at the counter. The card data is instantly transmitted from the store to the card company. The system that processes that data is CAFIS, which was launched in 1984.

When exchanging information, an enormous network is needed. Therefore, in case a specific company or a financial institution is building a new network, an extremely large investment will be required. With NTT DATA's CAFIS, as an enormous network has already been built and various financial institutions and card companies are connected in advance, new player have only to use this network. Also, it contributes to enabling seamless payment processing by use of a single card reader for all kinds of cards.

Thanks to these efforts, credit card payment has expanded widely.

## Familiar example (2) CAFIS: Integrated Platform for Cashless Payment

NTT DATA's CAFIS is playing an active role behind the scenes of cashless payments that are increasing every year



This chart shows the change in the number of transactions processed every month by CAFIS. Apparently, the number has increased steadily.

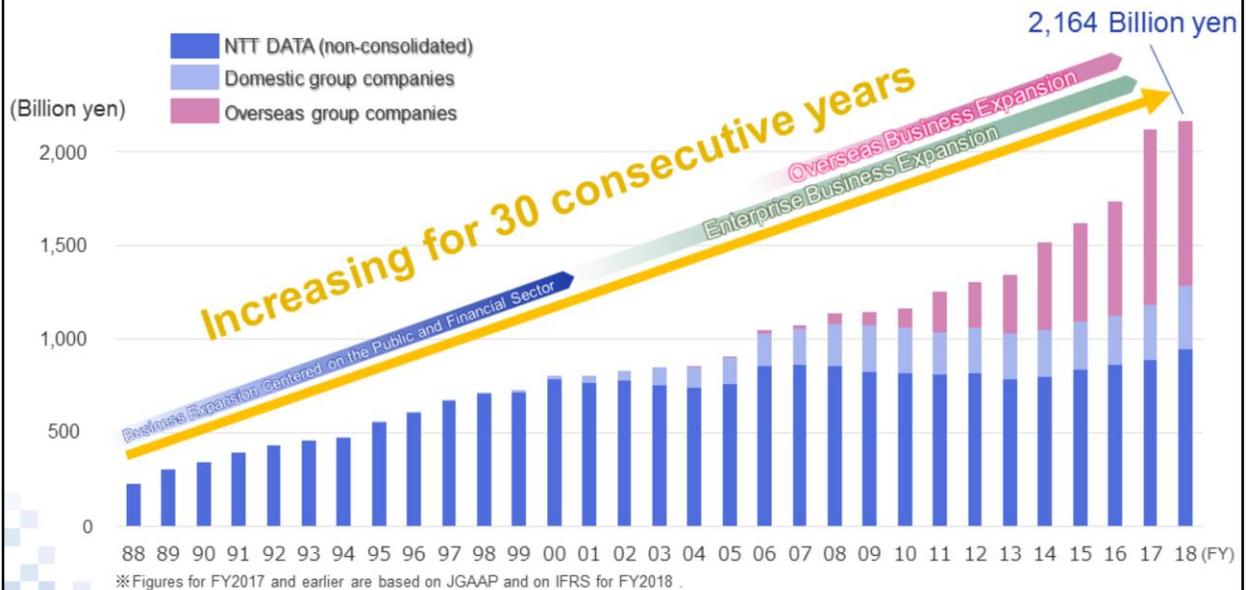
Nowadays, payment methods other than credit card, such as QR code and barcode payments are attracting great attention, and CAFIS also handles those transactions. The number of transactions processed in the month of March this year exceeded 800 million.

Also in October, following the rise in consumption tax, “cashless/consumer returns businesses” led by the government has started. There are also international events held in Japan such as the recent Rugby World Cup in this year, Tokyo Olympics/Paralympics in 2020, and Osaka-Kansai World Expo in 2025, that are raising demand of inbound tourists. We believe that these businesses and international events will work positively for our CAFIS business and that we can expect the number of transactions processed will increase steadily going forward.

As the cashless market is changing very rapidly with a possibility of new payment methods still emerging in the future, NTT DATA intends to keep on adding new features to enhance CAFIS.

## Changes in net sales

Net sales has been increasing for 30 consecutive years since the company was founded, and has kept growing in three phases



So our company is engaged in IT service businesses that I have been explaining until just now, and now I would like to talk about the size of our businesses.

This slide shows the changes in net sales of our company.

Ever since our company was founded in 1988, net sales has been increasing for 30 consecutive years. The scale of our business has also been expanding. In achieving such results, the company has gone through three growth phases.

First, in the beginning, as we spun off from NTT, our parent company, our growth was centered on businesses in public and financial sectors with highly public nature. This is the first phase of our growth, which continued until around 2000.

Around 2000, we started to expand our business in the enterprise sector—the largest domestic market—for further growth. We proceeded by acquiring subsidiaries of manufacturing companies, which specialize in systems development and integration, to obtain the know-how of the industries. Looking at this chart, you will see that the net sales of our domestic group companies has started to increase around 2000. This was our second phase.

Our next turning point was around 2005. Many of the domestic leading companies were expanding their businesses overseas. We started receiving many requests from those companies to provide IT support in their overseas deployment. As the global IT market is far larger than the domestic market, and has higher growth rate, we changed directions to expand our business overseas around 2005. This was our third phase.

Through these three growth phases, the net sales which was about 220 billion yen in fiscal 1988 increased to over 2.1 trillion yen in fiscal 2018.

## Our presence in domestic markets

While possessing a large market share in Financial and Public & Social Infrastructure markets, there is still a large room to grow in Enterprise & Solutions market

### NTT DATA's domestic rankings in 2018\*

### NTT DATA's market share and the size of domestic markets in 2018\*



\*Graphs/charts are created by NTT DATA based on Gartner Research.  
 Source: Gartner "Market Share: IT Services, 2018," Dean Blackmore et al., 8 April 2019  
 (2018: \$ = ¥110.42) Public & Social Infrastructure market = Government, Education, Healthcare Providers, Utilities/Financial market = Banking & Securities, Insurance/Enterprise & Solutions market = Transportation, Wholesale Trade, Communications, Media & Services, Manufacturing & Natural Resources, Retail based on vendor revenue  
 The Gartner Reports described herein (the "Gartner Report(s)") represent(s) opinion or viewpoints published as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Prospectus) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

Now, I would like to talk about our current rankings and market shares in domestic and overseas market respectively.

First of all, in the domestic market, we have large market shares especially in public & social infrastructure and financial market in which our company has a competitive edge since our foundation.

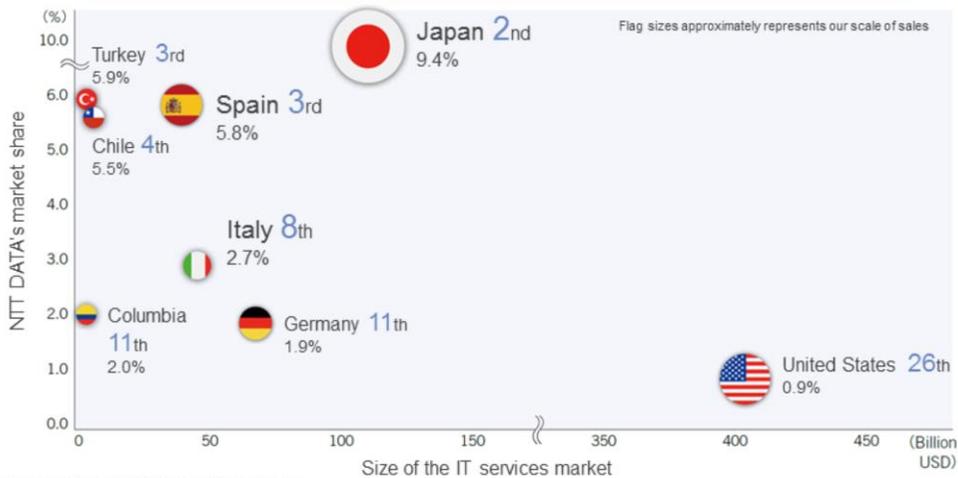
In the public & social infrastructure market, we come in second, with a market share of 13%. We come in first in the financial market and our market share is over 15%.

Meanwhile, the largest market is the enterprise & solutions market, in which we come in 5th with a market share of about 5%. As I have mentioned earlier, we started focusing on this market since around 2000 and have steadily built our strength mainly in distribution and manufacturing industries. These are currently the fastest growing industries. Many customers are driving global expansion and wish to leverage IT service to differentiate themselves from other companies. Considering its size, there is still a large room for us to grow, and we intend to keep focusing on this market.

## Our presence in overseas markets

We pride ourselves in also having large market shares overseas, such as in Spain and Italy, but keep on aiming to increase our presence mainly in countries with a large market size

Size of market in each country, our ranking and market share in 2018\*



\*Graphs/charts are created by NTT DATA based on Gartner Research.

Source: Gartner "Market Share: IT Services, 2018," Dean Blackmore et al., 9 April 2019

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You can see our ranking and market share in each country on this slide.

We pride ourselves in having large shares in Spain, Italy, Turkey and Chile besides Japan, ranking within top 10. In these countries, opportunities to make proposals to government agencies and global enterprises have increased following the growth in the market share. We are in a good cycle where large market shares create new opportunities.

Meanwhile, in the United States whose market size is the No. 1 in the world, our net sales is considerably strong, but we believe that we still have room to expand in terms of market share.

## Growth phases of overseas business

Aiming to become a company trusted by worldwide clients as one of the Global Top 5 companies around 2025



I would like to explain a little more in detail about what we're aiming for in our overseas business expansion.

As I have mentioned before, we began accelerating our overseas business since around 2005. We started out by increasing regional area of coverage. We conducted M&As all over the world and we welcomed everis, a Spanish company, to our group 5 years ago, which enabled us to deliver our services in Spanish-speaking countries in Latin America. This also allowed us to reach the Global 1<sup>st</sup> Stage in 2015. During this time, our net sales grew significantly from 0.8 trillion yen to 1.6 trillion yen.

Our next step was to establish NTT DATA as a global brand. Our net sales significantly exceeded the then target of 2.0 trillion yen and the overseas sales ratio reached nearly 50% last fiscal year. Therefore, we believe we have achieved our Global 2<sup>nd</sup> Stage. During this three years period, the net sales has also increased significantly, letting us accomplish dramatic growth.

And now, we have started advancing toward Global 3<sup>rd</sup> Stage where we aim for "Diffuse of Trusted Brand." Our desire is to have customers all over the world recognize NTT DATA as a trustworthy innovation company, while aiming to become one of the Global Top 5 companies in terms of net sales as well as raise our overseas sales ratio.

## 2. Growth strategy

I have explained business and strengths of NTT DATA. Now I would like to talk about our growth strategy, focusing on the new mid-term management plan, which started this fiscal year.

## Overview of the New Mid-Term Management Plan for FY2019-2021

Pursuing profitable global growth with consistent belief and courage to change during the next three critical years to achieve the Global 3<sup>rd</sup> Stage

### Profitable Global Growth : FY2021 Business Goals

#### Growth

Net Sales: ¥2.5 trillion  
Client Base: over 80

#### Earnings

Operating Income Margin: 8%  
Overseas EBITA Margin: 7%

### COURAGE TO CHANGE: Maximize value for clients

#### Transformation & Synergy

##### Strategy 1

Expand global digital offerings

##### Strategy 2

Deliver greater value to clients based on regional needs

##### Strategy 3

Unleash our employees' potential that maximize organizational strengths

Drive NTT Group collaboration

### CONSISTENT BELIEF: Shape the future society with our clients

In order to achieve the Global 3<sup>rd</sup> Stage that I have mentioned earlier, the new three-year mid-term management plan which started this fiscal year is extremely important. This slide shows the overall image of this plan.

First of all, speaking of our quantitative target, we are aiming to make net sales of 2.5 trillion yen which is about 340 billion yen increase from FY2018, as a business goal.

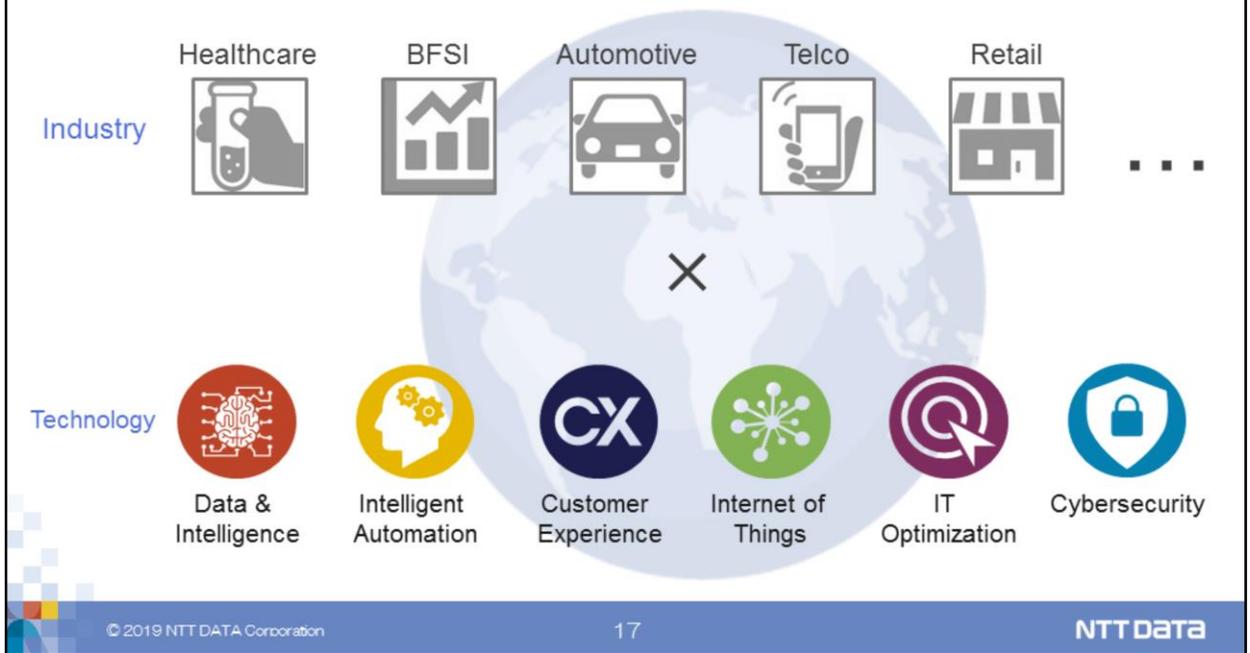
Also, in terms of profitability, we will aim to achieve an operating income margin of 8%. Especially for our overseas business, improving profitability is one of our key business challenges. Therefore, we have set a goal to increase overseas EBITA margin from the FY2018 level of 3% to 7% to clearly demonstrate that we are also enhancing profitability, while maintaining sales growth. Overseas EBITA margin is a figure representing a profit margin of the overseas business on real performance basis, excluding special impacts that result from M&As.

In order to achieve our quantitative target, we must maximize value for clients, and our strategy for that purpose is as shown on this slide.

From now on, I would like to talk about the strategies and the “CONSISTENT BELIEF” which support these strategies.

**COURAGE TO CHANGE** Strategy 1: Expand global digital offerings

Setting specific industries and technologies as areas of focus  
and creating strengths from active investments



First of all, I would like to talk about Strategy 1.

This is a strategy for thoroughly enhancing our strengths as one global company, and to arm ourselves and improve our ways of competing globally.

Until the end of our mid-term management plan, we have been operating our businesses based on strategies according to the needs of each region. However, we believe that in order to grow further to achieve our Global 3<sup>rd</sup> Stage, we need to build our strengths as one global team.

For this purpose, we identified our targets to globally and actively invest in by narrowing down the industries to those in which we can exert our strengths globally. These are the five industries that we have identified so far. Also, we invest on new technologies that we use as tools to compete, and we have also narrowed down technologies to six fields.

We intend to combine these industries and technologies to create “weapons” that would be our own unique strengths and roll them out globally.

Now, let me introduce three examples so that you would have a specific image of Strategy 1.

## Supporting detection of serious diseases by using patients' medical images to determine the presence or absence of abnormalities

### Healthcare



### Data & Intelligence



#### Solution for AI Diagnostic Imaging Support

- ✓ Determine the presence or absence and the place of abnormality in a specific organ from patients' medical images using AI technology
- ✓ Improve efficiency of diagnosis and prevent overlooking at the same time with a single AI which covers various organ diseases



#### PoC summary and result

- Developed AI using over 19.5 billion data held within the U.S.
- Conducted global differences verification in University of Miyazaki in Japan
- Verified developing countries' model using X-ray images of India

#### Future plans

- Continue to identify issues at hospitals in multiple countries in order to address the differences of diseases depending on countries and regions
- Acceleration of wide adoption leveraging global presence by overseas group companies

The first example is the “Solution for AI Diagnostic Imaging Support.” This is an example of our area of focus combining “Healthcare” and “Data & Intelligence.”

This solution was validated in Japan after verifying an AI technology which was originally developed based on rich medical data in the U.S. in a Japanese medical university.

Going forward, in order to address differences between countries and regions, we intend to continue to hone our technology in multiple countries and roll out the solution globally mainly from our overseas group companies.

## Capturing patients' conditions on real-time basis and automatically administering appropriate medication

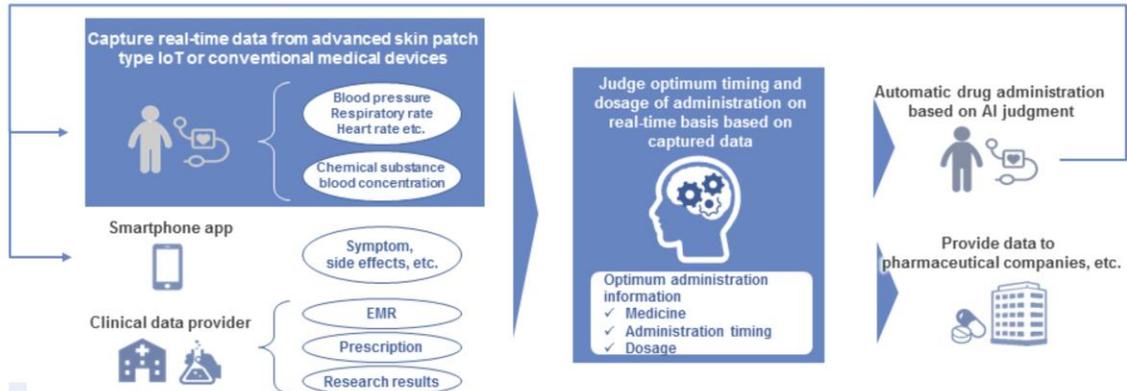
Healthcare



Internet of Things



### Personal drug administration solution



The second example is the “Personal drug administration solution.” In terms of focus area, this case is focused on “Healthcare” x “Internet of Things,” and we are working with everis in Spain, a company of NTT DATA Group.

We are developing a technology that uses advanced skin patch type IoT to capture blood pressure, respiratory rate, and other data as well as drug concentration in blood on real-time basis and determine the optimal timing and dosage for administration based on that data.

Optimal timing and dosage differ between individuals, which could cause a risk of toxic symptoms if the appropriate amount of dosage is exceeded depending on medicines. However, as we are now able to capture real-time data thanks to the advancement of technology, we can determine the optimal administration for an individual.

The technology is now at its development stage, but we will be accelerating these kinds of efforts on cutting-edge technology going forward.

## Providing service to help clients open unmanned shops which enable cashierless payments



The third example is the “Cashierless digital store opening service.” This is a case in which we focused on “Retail” and “Customer Experience” as areas of focus.

This solution supports opening of a store where consumers scan a QR code at the gate to enter, pick up a product and leave without paying at the cashier, and payments are completed automatically.

In this service, we use the know-how we gained through providing solutions such as omni-channels and EC sites while we proceeded with a concept of designing consumers’ purchase experiences. It helps to realize labor saving in store management—which is one of the social challenges faced by domestic retail industry—by digitalizing the stores. This not only reduces stress of paying at cashiers for consumers, but also offers a purchase experience along with sense of convenience and benefit. For the stores, they can improve work efficiency and eliminate waiting time to maximize purchase opportunity. They can also capture data of consumers’ movements and actions inside the stores to be used to obtain sales expansion opportunity, design stores, for marketing, etc.

Providing enhanced value to our clients  
by promoting consistent value offering model and regional strategy

### Common value offering model



Discover : Forecasting on the market and clients' needs, discovering new technology  
 Design : Grand plan with a view to collaboration of various businesses and services  
 Develop : Creating and offering solutions based on advanced system construction abilities and applicability  
 Drive : Support for clients' maximum utilization of solutions

### Regional strategy



Next, I would like to talk about Strategy 2. I explained this at the beginning of this presentation as “NTT DATA’s Strength,” but we have also included as a strategy in the new mid-term management plan.

In this strategy, we will repeat the “4D Value Cycle,” which is our globally consistent value offering model, in accordance with market characteristics and our strength that differ by region. The cycle consists of four processes, which is to: forecast the future needs of the clients and “Discover” new technologies; “Design” optimal IT system for the clients; “Develop;” and support clients to “Drive” after the systems are delivered. We will further enhance the value we provide to our clients by continuing this cycle.

The key to this cycle is to “Discover” optimal technology for our clients’ business expansion, by predicting the future while new technologies emerge one after another.

As described above, we will be responsible for the whole life cycle of our IT services and provide services by considering the needs of each individual clients to build a solid, long-term relationship of trust with the clients.

Promoting collaboration among all employees based on globally consistent values and maximizing organizational strengths by enhancing individual power

 <p><b>Unleash employees' potential</b></p> <ul style="list-style-type: none"> <li>✓ Enhance digital capabilities</li> <li>✓ Ensure our workplace enhances the diversity of our professionals</li> <li>✓ Improve employee engagement</li> </ul>	 <p><b>Digitize our work environment</b></p> <ul style="list-style-type: none"> <li>✓ Share knowledge, promote collaboration &amp; transform business process leveraging digital</li> <li>✓ Transform the system development process by the next generation production technology</li> </ul>	 <p><b>Enhance our governance processes</b></p> <ul style="list-style-type: none"> <li>✓ Enhance risk management</li> <li>✓ Advance project management</li> </ul>
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Next, I would like to talk about Strategy 3.

The aim of this strategy is to unleash our employees' potential that maximize our organizational strengths.

Specifically, in order to “unleash employees' potential,” we will enhance digital and global capabilities of all employees and ensure that our workplace contributes to self realization of each employee.

To “digitize our work environment,” we will implement cutting-edge schemes to enable global sharing of expertise and knowledge to promote internal collaboration. We will also aim to further improve our productivity by continuing to refine our production technology.

To “enhance our governance processes,” we will globally enhance risk management as well as work on advancing project management.

## COURAGE TO CHANGE Drive NTT Group Collaboration

Enhancing our presence in the global market by creating new values for NTT Group as a whole, while continuing to strengthen the NTT DATA brand



### Collaboration in advanced fields

Leverage global solution-based R&D<sup>\*1</sup> as well as R&D in next-generation science<sup>\*2</sup>

### Collaboration in each region

Expand business by cross-sell and provision of total service (B2B2X etc.)

### Collaboration utilizing economy of scale

Drive reduced costs through NTT Global Procurement Organization

\*1 AI, IoT, etc. \*2 Quantum computing science, cryptography information theory, biological information processing

The fourth topic is about “Drive NTT Group collaboration.”

We will first drive collaboration in advanced fields. We will globally make use of the results of R&D by NTT which possesses top class technical capabilities in the world to enhance the solutions that we provide.

Also, in collaborating in each region, we will increase cross-selling in areas and regions that NTT Group companies have advantages in.

Moreover, we will be driving collaboration utilizing economy of scale, such as in reducing costs by NTT Global Procurement Organization.

**COURAGE TO CHANGE** Drive NTT Group Collaboration (case example)

Testing use of NTT’s “corevo” AI technology to predict lifestyle diseases for an insurance company

**Tests to predict lifestyle diseases with an insurance company**

Examination data	Gender	Blood pressure
	Height	Blood glucose level
	Weight	Medical interview (lifestyle diseases), etc.

Technology for predicting the risk of lifestyle diseases



Prediction of onset risk



“corevo”  
NTT Group’s AI technologies that support the creation of a safe, secure society

Understand words and actions of a human  
**Agent-AI**

Understand subconscious emotions  
**Heart-Touching-AI**

Predict future based on social information  
**Ambient-AI**

Optimize overall society  
**Network-AI**

Here, I would like to introduce a case example of NTT Group collaboration in advanced fields.

An AI technology “corevo” developed by NTT enables high accuracy analysis, even if data is heterogeneous or rare.

NTT DATA succeeded in predicting an onset probability of future lifestyle diseases based on examination data by applying this technology. The increase of medical expenses due to lifestyle diseases is becoming a social problem. Individuals are required to improve their lifestyles and understand health risks in order to prevent diseases. Going forward, we aim to launch services for insurance companies using this technology after verifying its effectiveness in developing products, underwriting for enrollment, health improvement after the enrollment, etc.

## CONSISTENT BELIEF

Contributing to solving social issues through business/corporate activities and constantly increasing corporate value

# “Shape the future society with our clients”



I have been talking about the “COURAGE TO CHANGE” up until now. Now, I will talk about the “CONSISTENT BELIEF” supporting those strategies and efforts.

NTT DATA Group’s mission statement is: NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society. This is what we can describe as our DNA since the company foundation.

Recently, companies are expected to address social issues globally. There is an increasing trend of evaluating the way companies are involved with the society according to the themes called ESG which stands for “Environment/Society/ Governance.”

As for NTT DATA, as you can see from our mission statement above, our business itself is to solve social or clients’ issues using the power of IT. We feel that expectations towards our company is increasing while technology is developing dramatically.

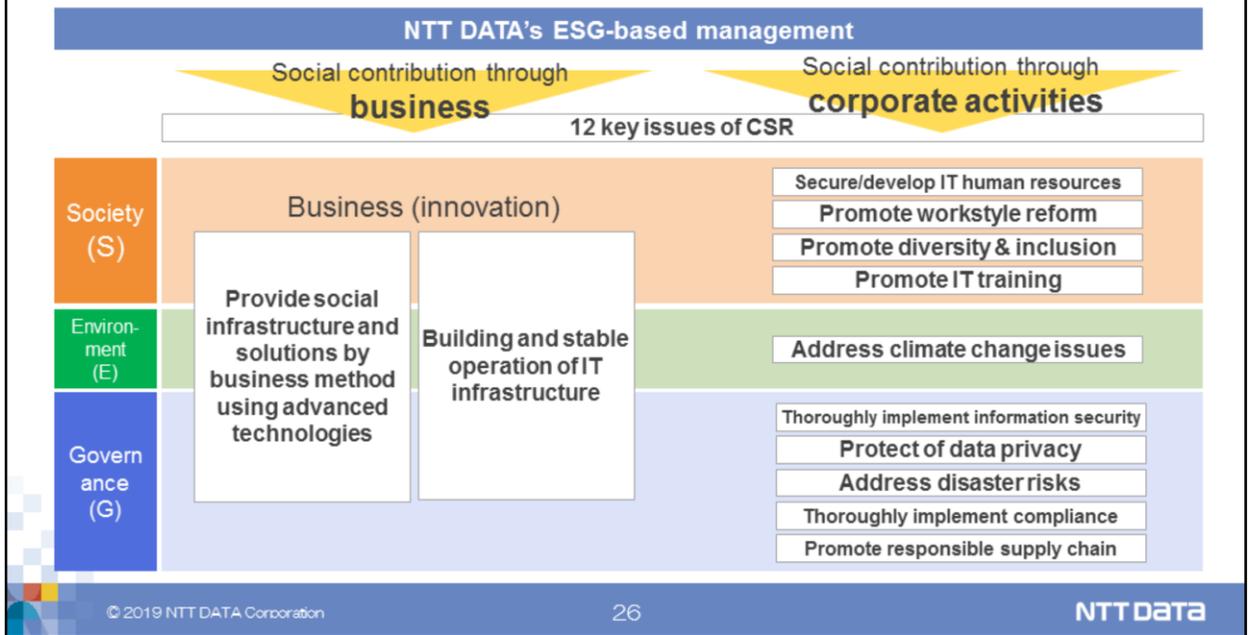
Based on these concepts, we defined our concepts towards ESG in the new mid-term management plan as “NTT DATA’s ESG-based management,” and reflected the concepts in our management strategy.

We intend to continue providing solutions for sustainable development of our clients and society based on our long-term relationship of trust with the clients. At the same time, we intend to constantly increase our corporate value through our corporate activities, which take into account development of human resources, innovation of workstyle, and respect for diversity, etc.

This is our “CONSISTENT BELIEF.”

## NTT DATA's ESG-based management

With focus on 12 key issues of CSR,  
we co-create value with all clients and stakeholders



We have selected 12 key CSR issues to address in NTT DATA's ESG-based management for sustainable growth and are now working to contribute to society through both our business and corporate activities.

We selected these 12 key CSR issues as those that are particularly significant, using two evaluation points: "materiality for society" and "materiality for the Company," from 60 issues that we think would have both internal and external impact.

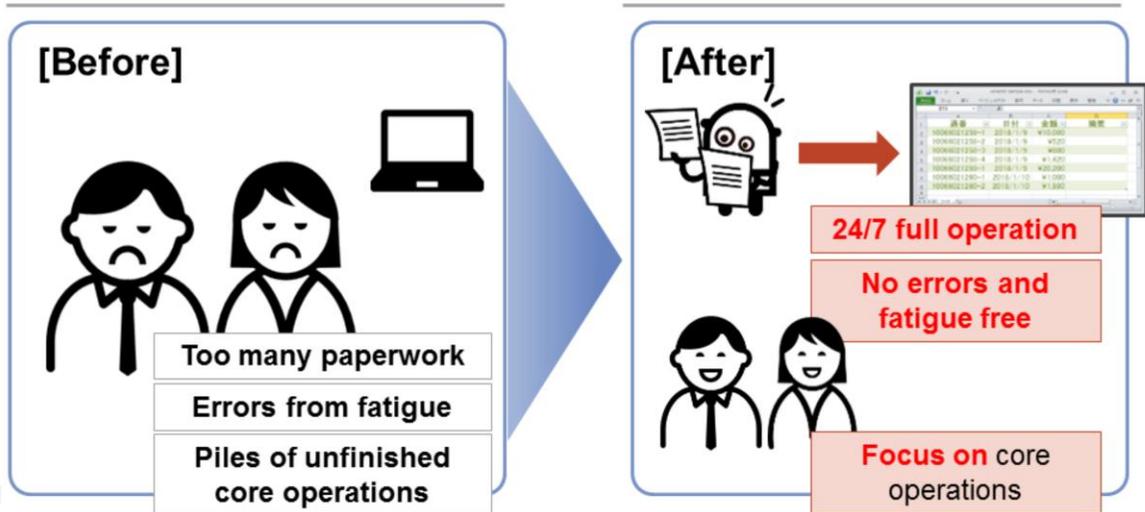
In selecting the key issues, we paid special attention to "contributing to society through business." Although our corporate activities also contribute to society, in the environment surrounding our company, we considered it more important that we do so through our business by supporting our clients' social contribution. Therefore, we decided to be aware of the social contribution through society for all 12 key CSR issues.

We will continue to respond to trust and meet expectations of our stakeholders by contributing to society through business and corporate activities, and steadily enhance our ESG-based management going forward.

“WinActor,” work automation software robot, helps solve social issues such as labor shortage while contributing to increase our earnings

Large amount of paperwork processed manually

Automated process by WinActor



I will introduce an example of one of our important issues, which is to “provide social infrastructure and solutions by business method using advanced technologies.”

WinActor is a system which was developed in NTT Group’s R&D and it enables office streamlining and automation, which used to be considered as challenging. For example, you can execute simple operations on PC to make WinActor learn the operational procedures you want it to implement on your behalf. Then, from next time onward, WinActor will perform the operations in your place. WinActor, unlike humans, is capable of 24/7 full operation, with zero fatigue and error. There was a case in which a personnel cost was reduced to one-tenth for a certain client. From this experience, we were able to see a large effect on labor-shortage countermeasures. This WinActor has been introduced in approximately 4,000 companies and organization and is a solution with No. 1 market share in the domestic market according to research of IDC Japan among others.

We intend to accelerate this type of effort, in which we help solve social issues such as labor shortage due to aging population, and contribute to increasing the size of our business at the same time.

## Third-party evaluation of our ESG management

We received high recognition from research agencies in Japan and overseas and have been selected as a constituent of numbers of indexes

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM



\*As of August 2019

The ESG efforts of the NTT DATA Group have received positive reviews from research agencies in Japan and overseas, and have been selected as a constituent of numbers of indexes.

Particularly, “Dow Jones Sustainability Indices” shown on the upper row recognizes corporate sustainability from the three aspects of economy, environment and society. NTT DATA is selected as a “World Index,” which is the highest rank, and has also received an extremely high recognition. We also received the highest evaluation of Gold Class in Robeco SAM’s Sustainability Award.

We intend to constantly increase our corporate value by conducting businesses taking ESG into consideration, going forward.

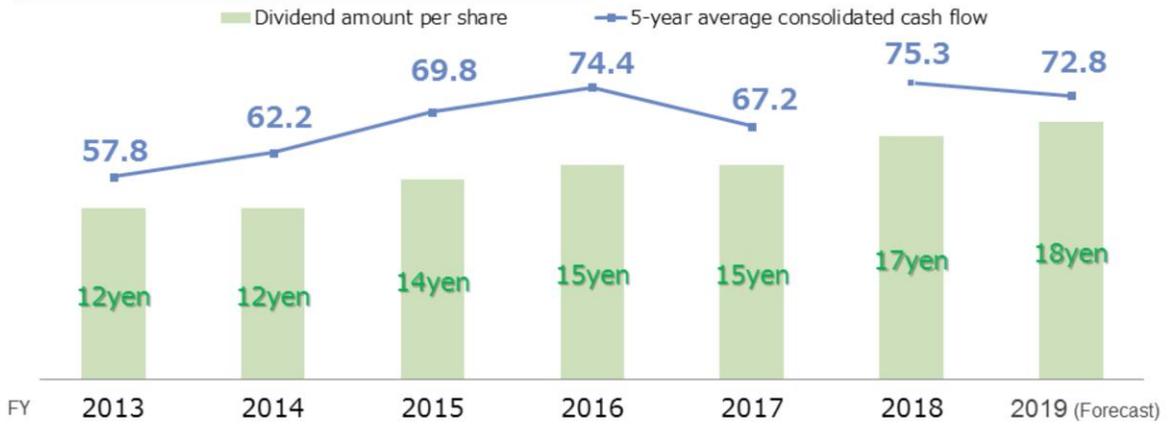
### 3. Our view on shareholder returns

Finally, I would like to explain our view regarding shareholder returns.

## Changes of dividend amount

Placing value on maintaining mid- to long-term cash flow dividend payout ratio for dividend amount, which increases along with an increase in consolidated cash flow

Dividend amount and 5-year average consolidated cash flow



※ Figures for FY2017 and earlier are based on JGAAP and those from 2018 are based on IFRS.  
 ※ In October 2013, 100-for-1 stock split of common shares was conducted and the unit share system was adopted. Dividend per share is recorded with an amount considering this stock split. On July 1, 2017, a 5-for-1 stock split was conducted. Dividend per share is recorded with an amount considering this stock split.  
 ※ Consolidated cash flow = net income attributable to shareholders of NTT DATA + depreciation cost + loss on retirement of fixed assets – capital investment  
 ※ For "weighted average of past 5 yrs." in IFRS, figures based on JGAAP are used in FY2016 and earlier.

I will first explain our dividend policy.

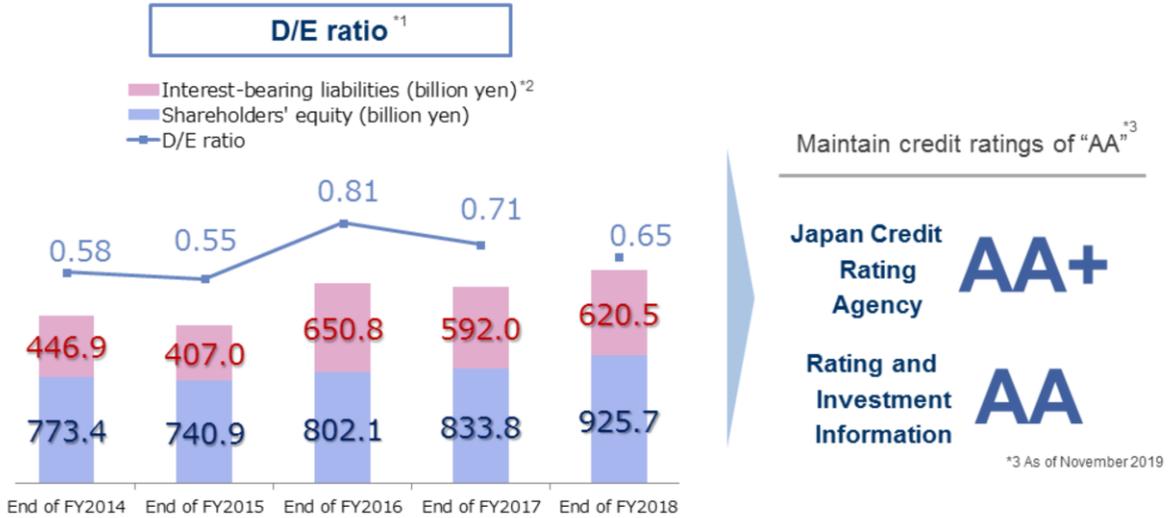
NTT DATA places value on paying dividends at a stable rate for mid- to long-term against generated cash flows. This fiscal year, we plan to pay a dividend of 18 yen per share, which is one yen increase from the previous fiscal year.

As you can see from the blue line graph on the slide, the 5-year average cash flow is increasing in a long term. We intend to maintain this trend going forward so that we can also increase the dividend payment.

As for the remaining cash, we intend to use them for growth investments such as M&A to increase the cash flows in the future, because we think our company is still in the growth stage.

## Maintaining soundness of financial base

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



<sup>\*1</sup> Figures for FY2017 and earlier are based on JGAAP and on IFRS for those from FY2018.

<sup>\*2</sup> Interest-bearing liabilities, based on JGAAP, are the total of borrowings, corporate bond, and lease payables. Those based on IFRS are the total of borrowings and corporate bond.

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 trending within a certain range. As a result, we received relatively high ratings from rating agencies and are recognized as financially sound and stable company.

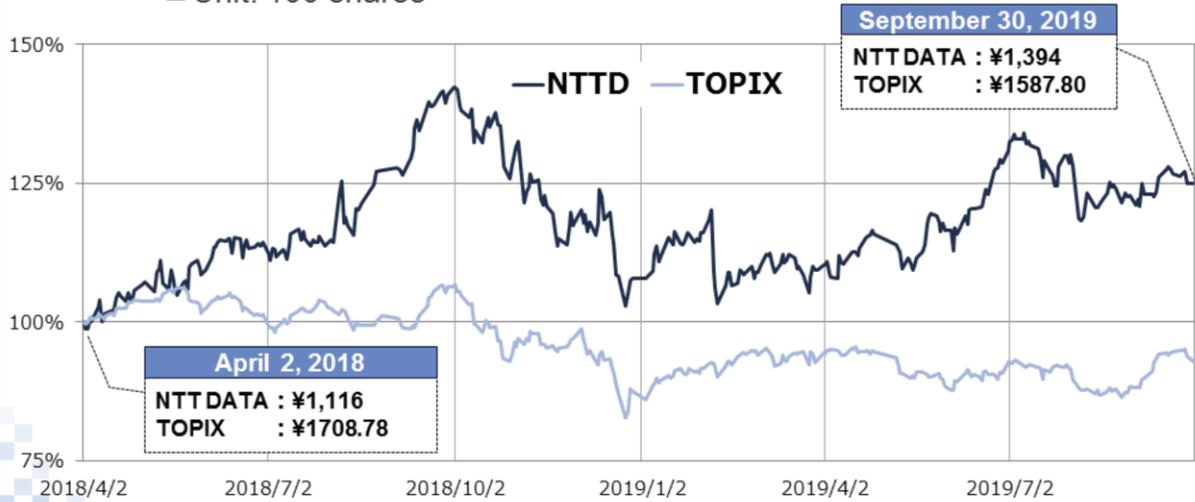
We have been awarded many contracts with government agencies, financial institutions, and major firms for long-term projects and services, which in some cases last for eight years. It is essential for clients that the company they conclude a long-term contract with is financially sound. Therefore, the soundness of our financial base is important to maintain our infrastructure business.

Meanwhile, we consider that M&A and other growth investments are still necessary for further growth. Therefore, in order to finance acquisitions, we intend to combine external financing such as borrowings and bond issuance with cash from our businesses, and be careful not to drastically increase the D/E ratio.

### Our stock price trend

## Stock price trending higher than TOPIX

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



Finally, regarding our stock price, it is trending higher than TOPIX.

We intend to operate our business in a way you will appreciate by driving the strategies that I have explained today and proceed to increase the size of our business and the profit margin.

# 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 will continue to be interested in NTT DATA which has yet to grow.

Thank you very much for your kind attention.