

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 are vibrant and the shapes are semi-transparent.

## NTT DATA Company Briefing Session

December 18, 2020

NTT DATA Corporation

Executive Vice President and Director

Masanori Suzuki

Thank you very much for attending this session despite your busy schedule.  
I am Masanori Suzuki, Executive Vice President of NTT DATA.

First of all, I would like to express my deepest sympathies to all victims of the COVID-19 pandemic, those who have tragically succumbed to the disease and to their families. My thoughts and prayers are also with all those currently struggling to overcome the infection, and I would like to express my sincerest appreciation to the healthcare workers fighting on the front lines to protect us, as well as government and municipal workers and all those helping to keep our lifeline infrastructure running.

- 1. About NTT DATA**
- 2. Growth Strategy**
- 3. Shareholder Returns**

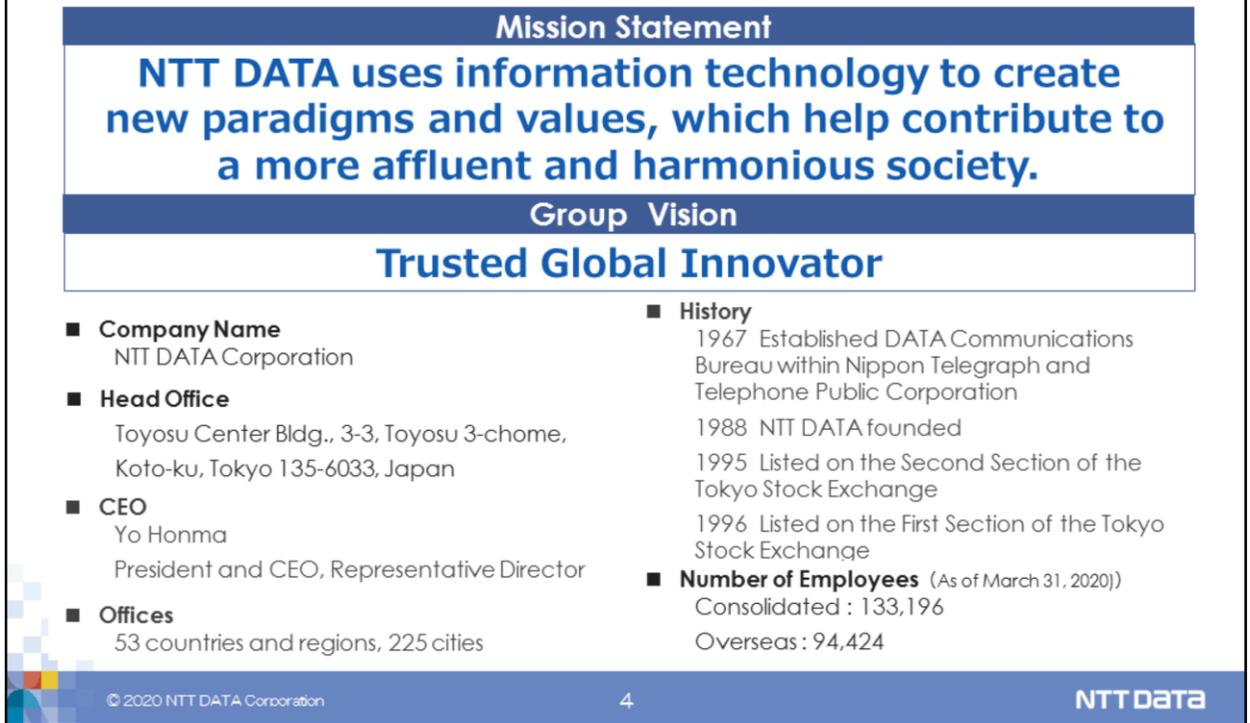


Today, as you can see on the slide, I'd like to introduce the details of our business and the strength of our company. After that, I'd like to explain our growth strategy, focusing on our mid-term management plan which we are working on, and finally about how we consider the returns for our shareholders. I hope this will give you an opportunity to learn more about us.

# 1. About NTT DATA

I would like to begin by introducing NTT DATA.

## NTT DATA's Profile



The slide features a blue header with the text "Mission Statement" in white. Below this, a white box with a blue border contains the mission statement in blue text: "NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society." Underneath, another blue header reads "Group Vision" in white, followed by a white box with a blue border containing the vision statement "Trusted Global Innovator" in blue text. The main content area is divided into two columns of bullet points. The left column lists: Company Name (NTT DATA Corporation), Head Office (Toyosu Center Bldg., 3-3, Toyosu 3-chome, Koto-ku, Tokyo 135-6033, Japan), CEO (Yo Honma, President and CEO, Representative Director), and Offices (53 countries and regions, 225 cities). The right column lists: History (1967 Established DATA Communications Bureau within Nippon Telegraph and Telephone Public Corporation; 1988 NTT DATA founded; 1995 Listed on the Second Section of the Tokyo Stock Exchange; 1996 Listed on the First Section of the Tokyo Stock Exchange) and Number of Employees (As of March 31, 2020) (Consolidated: 133,196; Overseas: 94,424). The footer is a blue bar with the text "© 2020 NTT DATA Corporation" on the left, the number "4" in the center, and the "NTT DATA" logo on the right.

**Mission Statement**

**NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society.**

**Group Vision**

**Trusted Global Innovator**

- **Company Name**  
NTT DATA Corporation
- **Head Office**  
Toyosu Center Bldg., 3-3, Toyosu 3-chome,  
Koto-ku, Tokyo 135-6033, Japan
- **CEO**  
Yo Honma  
President and CEO, Representative Director
- **Offices**  
53 countries and regions, 225 cities
- **History**  
1967 Established DATA Communications  
Bureau within Nippon Telegraph and  
Telephone Public Corporation  
1988 NTT DATA founded  
1995 Listed on the Second Section of the  
Tokyo Stock Exchange  
1996 Listed on the First Section of the Tokyo  
Stock Exchange
- **Number of Employees** (As of March 31, 2020)  
Consolidated : 133,196  
Overseas : 94,424

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NTT DATA

First, let me introduce NTT DATA's profile.

As you can see the slide, NTT DATA is part of NTT group, and our mission is using information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society.

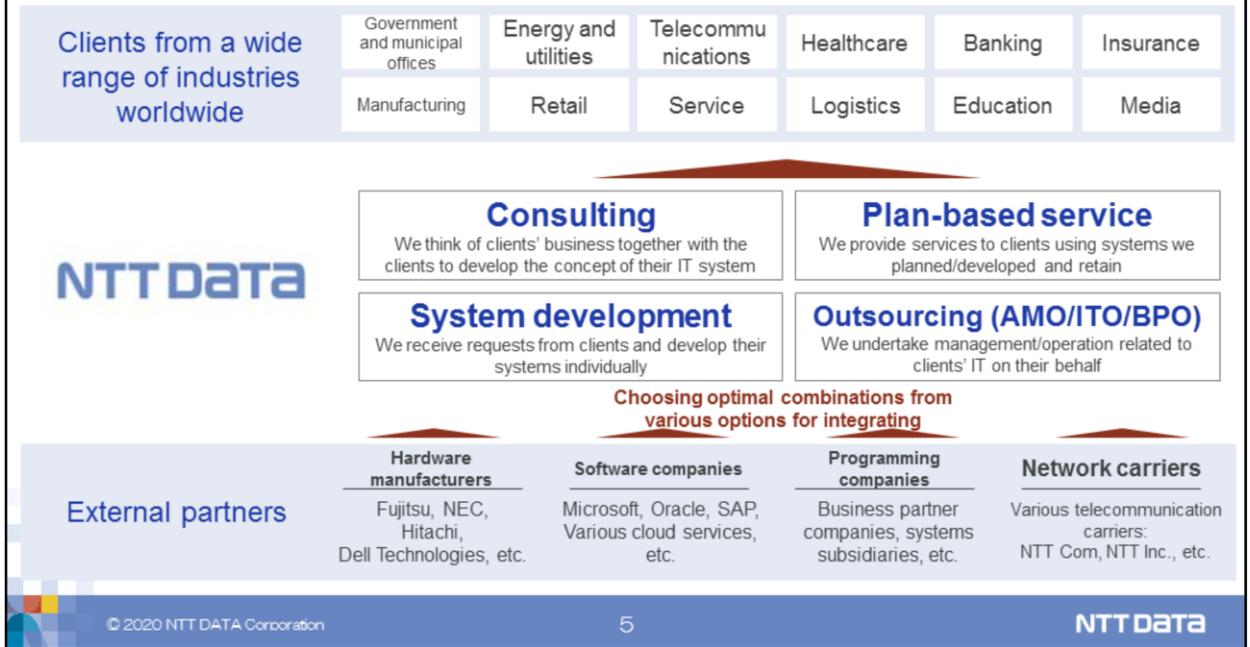
NTT DATA was founded in 1988, spun off into a separate company from DATA Communications Bureau within Nippon Telegraph and Telephone Public Corporation.

NTT Group might remind you of telephone infrastructure or domestic business, but NTT DATA started increasing global coverage around 2005, and today, NTT DATA Group operates in 225 cities in 53 countries and regions, and has more than 130,000 employees worldwide, of which more than 90,000 work overseas.

In May 2018, we celebrated the 30th anniversary of NTT DATA's founding. On this auspicious occasion, we presented an updated corporate vision and tagline—Trusted Global Innovator—to reflect our aim to be a company trusted by clients worldwide.

## 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.

As I mentioned before, our mission is “NTT DATA uses information technology to create new paradigms and values.”. We provide information technology services.

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 best IT services for clients' business development, providing such services worldwide.

In order to provide service that contribute to the development of clients, it is important to familiarize ourselves with their business 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 aim to be a partner to our clients, who co-creates and develops business with them.

## NTT DATA's Strengths

The unwavering Long-Term Relationships with clients are the cornerstone of NTT DATA's competitive advantage

- A multi-vendor, which does not solely provide certain hardware / software
- The partnership with players in various products and service segments
- Develop a social infrastructure system that would require coordination of a lot of vendors

### Long-Term Relationships — Unwavering Bonds of Trust —

NTT DATA's Competitive Advantage Brought about by Long-Term Relationships

Provision of high added value / client satisfaction

Sharing knowledge with Group companies

Stability

NTT DATA has maintained the principle of Clients First ever since it was founded.

We provide wide variety of services to customers in a wide range of industries around the world. All of these are underpinned by our competitive characteristics; a multi-vendor, which does not solely provide certain hardware / software products and services segments; have partnerships with players in various products and services segments; have much experience and expertise to develop a social infrastructure system that require coordination of a lot of vendors.

The long-term and solid relationships of trust built upon this principle and the value of Clients First is the greatest strengths of our company.

Long-Term Relationships bring us three competitive advantages.

First, it is provision of high added value and client satisfaction. The accumulation of knowledge in clients' business through Long-Term Relationships enables us to understand their needs accurately and make high value-added proposals that are unique to us.

Second, we can share knowledge with Group companies. By sharing knowledge in business accumulated through long-term business relationships with specific clients with Group companies, we can take an approach incorporating the Group's expertise in various industries and sectors around the world.

Third, it is stability. Long-Term Relationships with clients lead to stable earnings for a long period and allow us to make investments from a long-term perspective and improve the corporate value sustainably.

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 hope to be. We intend to survive in the future by differentiating ourselves by gaining trust.

## Changes in Net Sales

Net sales has been increasing steadily since our founding, and keep growing in three phases



I have explained general information so far, now let me explain our operational performance. 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 31 straight years. The business scale has also been expanding. To achieve such result, the company has undergone 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, which is the largest market in Japan, aiming for further growth. To this end, we acquired system subsidiaries in the manufacturing and other industries and expanded our corporate business by acquiring know-how in each industry. You can see from the graph that the sales of our group companies in Japan have been increasing since 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 at that time. We started receiving many requests from those companies to provide IT services in their overseas deployment. As the global IT market is far larger than domestic market, and has higher growth rate, we made a big turn in direction 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 2.2 trillion yen in fiscal 2019. Of these, overseas sales account for more than 40% of total sales.

## 1. About NTT DATA

### 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 2019\*

#### NTT DATA's market share and the size of domestic markets in 2019\*

**Public & Social Infrastructure market**

2<sup>nd</sup>

13.4%

(Market size: 2.5 trillion yen)

**Financial market**

1<sup>st</sup>

17.3%

(Market size: 3.2 trillion yen)

**Enterprise & Solutions market**

4<sup>th</sup>

5.6%

(Market size: 6.9 trillion yen)

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

Source Gartner "Market Share: IT Services, Worldwide 2019", Dean Blackmore et al., 13 April 2020

(2019 : 1\$ = ¥109.02) 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 in Current US\$.

Now, I would like to talk about our rankings and market shares as of 2019, 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 markets in which our company has a competitive edge since our foundation.

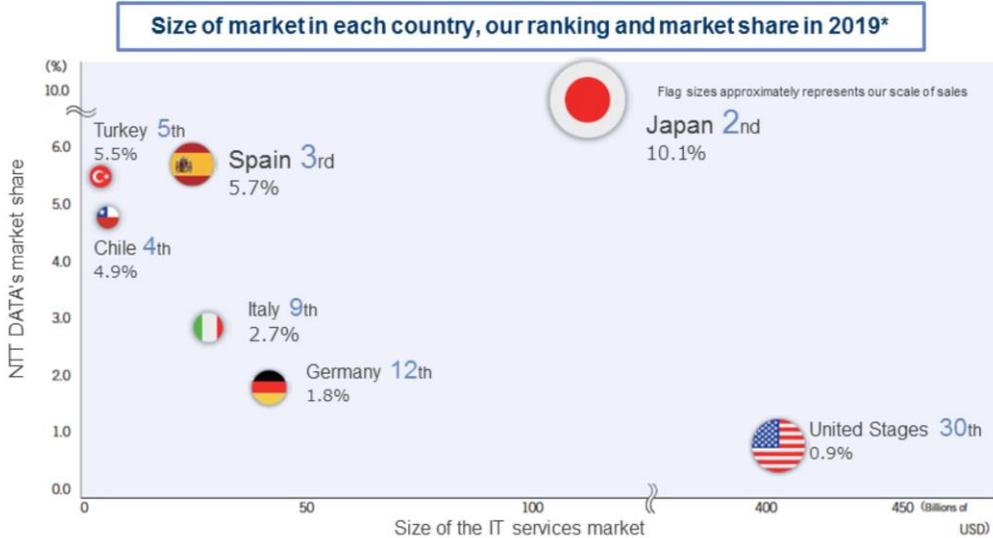
In the public & social infrastructure market, we come in second, with a market share of 13%. We come in first in the financial market and our market share is over 17%.

Meanwhile, the largest market is the enterprise market, in which we come in 4th 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 of the size of the market, 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



\*Graphs/charts are created by NTT DATA based on Gartner Research.  
Source Gartner "Market Share : IT Services, WorldWide 2019, Dean Blackmore et al., 13 April 2020" Share in Current US\$.

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

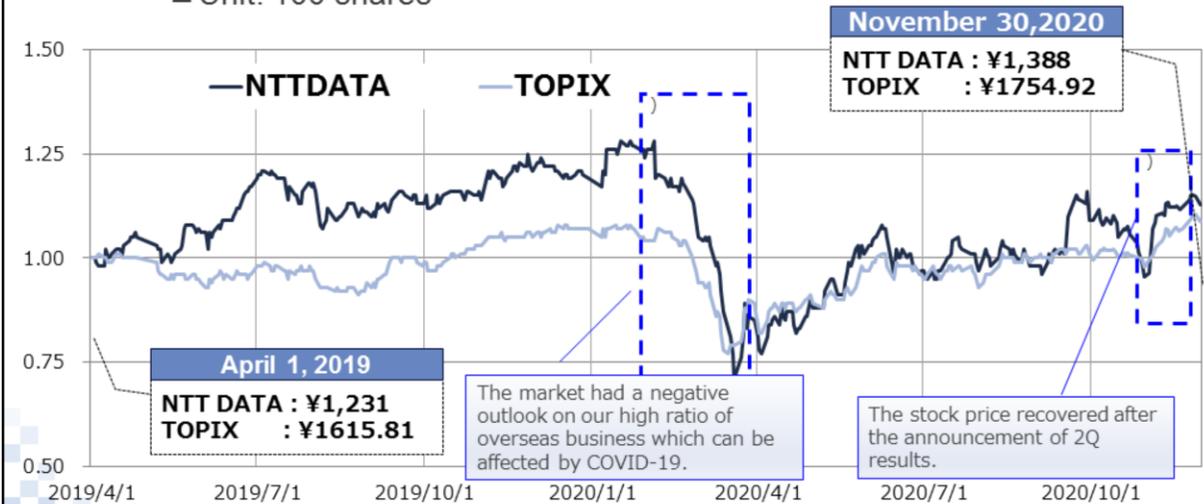
We pride ourselves in having large shares in Spain, Italy, Turkey and Chile as well as Japan, ranking within top 10. In these countries, our opportunities to make proposals to government agencies and global enterprises have increased following the growth in the market share. We are in a positive growth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

In the U.S., which is the world's largest market, our sales are quite large, but our ranking is 30th, so we believe that there is still room for us to expand in terms of market share.

## Our Stock Price Trend

### Stock price trending higher than TOPIX

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



I would like to introduce the trend of our stock price. As you can see, our stock price has been slightly higher than TOPIX since April 2019, the start of the current medium-term management plan.

Please pay attention to the two areas in this chart: one is near the center, where the stock price dropped significantly from February to March this year. The other is on the right side, where the stock price once fell after October, but has rebounded significantly after the announcement of the second quarter results. We assume the market were affected by the COVID-19 pandemic. Now, let me explain about the impact of COVID-19 on our business.



Minus  
influence

- **Negative impact is expected broadly, although the level varies by country and by industry**, since investment appetite is likely to decline due to deterioration in business confidence and restrained investment on the side of clients who would strive to maintain and improve their businesses. **Delays, downsizing, or suspension of development are expected** mainly with existing expanded projects and additional projects.
- **Greater negative impact is expected on the enterprise market, new projects, and business targeting SMEs markets both in Japan and abroad**, since those businesses are likely to reduce IT spend



Plus  
influence

- On the other hand, in order to build back better in new normal with COVID-19 or in Post-COVID-19 era, **businesses leveraging digital technologies to build new society are expected to accelerate, which would provide more business opportunities for NTTD to contribute to.**
- **Many of such businesses would be recognized in our business performance from FY21 and onwards**, since clients would start to consider and spend for such projects from FY20.

The slide shows the impact of COVID-19 on whole our business as of August 7, when we announced our full-year forecast for fiscal 2020.

We assumed there would be different among countries and industries, but there would be a negative impact in general. We expected delays, downsizing, or suspension of development with existing projects, and greater negative impact was expected on the enterprise market, new projects and business targeting SMEs market both in Japan and overseas, as those businesses were likely to reduce IT spending.

As I mentioned earlier in the stock price chart, there was a major drop in our stock price in February and March of this year, which was exactly the time when the COVID-19 began to spread overseas ahead of other countries. The market had a negative outlook on our high ratio of overseas business which can be affected by COVID-19.

On the other hand, there is a positive impact. We believe businesses leveraging digital technologies to build a new society with COVID-19 era are expected to accelerate, which would provide more business opportunities for NTT DATA to contribute to. Since clients would start to consider and spend for such projects from this year, many of such businesses would be recognized in our business performance in 2021 and onward.

## Full Year Forecasts for Fiscal Year Ending March 31, 2021

Forecast as of  
Aug. 7, 2020

- Assume negative impact of COVID-19, though the situation differs depending on a country or an industry.
  - New orders received will decrease due mainly to less orders from the previous fiscal year such as for large-scale projects and IT investment restraint overseas.
  - Net sales will decrease due mainly to a decrease of sales from orders of the current fiscal year, despite stable conversion of order backlogs.
  - Operating income will decrease due mainly to sales decline, despite a decrease of temporary costs of the previous fiscal year.
- Aim to secure the same level of operating income margin as the previous fiscal year while carrying out structural transformation for the future.

	FY ended 2020/3 (Results)	FY ending 2021/3 (Forecasts)	YoY (Amount)	YoY (Rate)	(Billions of Yen, %)
New Orders Received	2,275.2	1,900.0	-375.2	-16.5%	➔
Net Sales	2,266.8	2,170.0	-96.8	-4.3%	➔
Operating Income (Operating income margin)	130.9 (5.8%)	120.0 (5.5%)	-10.9 (-0.2P)	-8.4%	➔
Net Income Attributable to Shareholders of NTT DATA	75.1	71.0	-4.1	-5.5%	➔
Dividends per share (JPY)	18	18	-	-	➔

Taking into account the impact of COVID-19, I would like to explain the earnings forecast for the fiscal year ending March 31, 2021, which was announced on August 7 this year. As I told you earlier, although there would be differences among countries and industries, we assumed that we would be negatively affected by COVID-19 in general.

New orders received are expected to decrease significantly due to a reactionary decline from the previous fiscal year which won the large-scale projects won, as well as the impact of clients' IT investment restraint due to the impact of COVID-19 especially overseas.

Although there will be stable sales development from the order backlog, net sales are expected to decrease due to a significant decrease in projects with relatively short development periods, etc., compared to the previous fiscal year, which will be received in the current fiscal year and developed into sales in the current fiscal year due to the impact of COVID-19.

Operating income will decrease due mainly to sales decline, despite a decrease of temporary costs of the previous fiscal year. We aim to secure the same level of operating profit margin as the previous fiscal year while carrying out structural transformation for the future.

## Results for the Second Quarter of Fiscal Year Ending March 31, 2021

**We are making stable progress toward our full year forecast, despite negative impacts by the spread of COVID-19 on our entire business, particularly in North America, EMEA & LATAM, and Enterprise & Solutions segments.**

- New orders received decreased due mainly to less orders compared to the previous fiscal year such as for large scale projects.
- Net sales remained on par with the previous fiscal year due mainly to a stable conversion of order backlogs.
- Operating income remained on par with the previous fiscal year due mainly to reduced unprofitable projects despite an increase in expenses for structural transformation.

	2020/3 2nd Quarter Results (Apr-Sep)	2021/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	(Billions of Yen. %)
New Orders Received	1,088.8	1,065.5	-23.3	-2.1%	➡
Net Sales	1,077.8	1,080.1	+2.3	+0.2%	➡
Operating Income (Operating income margin)	63.8 (5.9%)	63.8 (5.9%)	+0.1 (-0.0P)	+0.1%	➡
Net Income Attributable to Shareholders of NTT DATA	40.2	41.2	+1.0	+2.6%	➡

Next slide shows the results for the second quarter of the fiscal year ending September 30, 2020, the most recent financial results announced on November 2.

Similarly to the first quarter, there was a negative impact on our entire business due to the COVID-19, mainly in the North America Segment, the EMEA & LATAM Segment, and the Enterprise & Solutions Segment in Japan. However, we have made steady progress to achieve the full-year target.

New orders received decreased in the second quarter mainly because of less orders than in the previous fiscal year, such as those for large-scale projects in Japan and overseas countries.

Net sales remained the same as the previous fiscal year, mainly because orders received in previous years contributed to sales as expected.

Despite factors including the impact due to the COVID-19 and an increase in expenses for structural transformation overseas, operating income also remained on par with the previous fiscal year mainly because of the reduced number of unprofitable in Japan.

Overall, the negative impact has not been as severe as we had assumed when we announced the business forecast on August 7.

I mentioned earlier that the stock price trend, once dropped after October, has recovered significantly. We believe this is because the impact of COVID-19 was not severe than we expected.

## Impact of COVID-19 on NTTD Business

- By and large, the negative impact of COVID-19 was smaller than expected at the time of the announcement of the earnings forecast in this August. The situation has been steady mainly in existing businesses and digital related projects. However, we will continue to monitor the impact of regional economies and corporate activities, including the re-spread of COVID-19 in Europe.

	Assumptions at the time of announcement of earnings forecasts (2020/8/7)	Second Quarter Status against Forecast
Japan	<b>Public &amp; Social Infrastructure Segment</b> Despite the small impact on critical social infrastructure, mainly of the central government and ministries, the negative impact would be expected in regions in enterprise businesses and telecom sector due to restraint on IT investment.	Although there is an impact on some enterprise businesses in the regions, impact on telecom sector was smaller than expected and businesses for central government and ministries remained strong.
	<b>Financial Segment</b> Despite the positive impact of the digitalization in banking, insurance and securities sector, the downturn in the local economy would gradually have a negative impact such as the extension of development projects in the banking sector.	Despite the impact of cancellation or postponement of some projects, mainly in the banking sector, the Financial Segment remained stronger than expected due to the expansion of projects for financial institutions centered on banks, insurance and securities companies.
	<b>Enterprise &amp; Solutions Segment</b> Despite the expected expansion of the demand in the payment sector, the negative impact would be significant, caused by decreasing demand due to self-restraint in the retail and service industry and the manufacturing industry, and restraint on IT investment.	Although the impact from the Covid-19 particularly in the manufacturing industry is continuing, the result has remained stronger than expected due to the expansion of demand in the payment sector and digital projects in the retail and service industry.
NA / EMEA	<b>North America Segment</b> Despite the steady progress in the public sector, the negative impact would be significant, caused by temporary decreasing orders for large-scale ITO and BPO projects due to restraint on IT investment in the manufacturing industry and medical institutions.	In spite of some negative impact caused by restraint on IT investment in the manufacturing industry and medical institutions, the impact has been smaller than expected due to the recovery of large-scale projects and revitalization of digital-related projects.
	<b>EMEA &amp; LATAM Segment</b> Despite the steady progress in public and utility sectors especially in Spain, negative effects would be significant in the automotive sector in Germany and hospitality and retail sectors in Spain. In addition, there will be a negative impact of foreign exchange due to currency depreciation in Latin America.	Despite the impact on financial institutions in Spain and automotive industry in Germany from the new lockdown and travel restraints as well as the negative impact of foreign exchange due to currency depreciation in Latin America, the impact is smaller than expected due mainly to the revitalization of digital-related projects particularly in Italy.

This chart shows the status of our business segments such as Public & Social Infrastructure, Financial, Enterprise, North America, and EMEA & LATAM segments as of the announcement of the forecast on August 7 and as of the end of the second quarter.

As mentioned before, the negative impact of COVID-19 was generally lower than expected. The situation has been steady mainly in existing businesses and digital-related projects. However, because of unpredictable factors such as the third wave of infections, the resurgence of COVID-19 cases in the world, we will keep monitoring the impact on regional economies and corporate activities.

In addition to the impact of COVID-19 on our business, the financial results by segment are posted on our website as materials of the financial results briefing. Please visit our website for more information.

## DX Solution Accelerated with Co-Existing COVID-19

Announcement of the "DX solution accelerated co-existing COVID-19" for the realization of a new society  
Accelerate contributions to society and companies that are expected to transform themselves  
as our initiatives to resolve issues through our business activities.

### New designs required by companies and industries

- Need for supply chains and data linkages adaptable to uncertain conditions
- Every contact point will be replaced by a non-face-to-face contact point, and every customer contact point will be converted into data and serve a source of new value creation.
- Remote work has become mainstream and made the role of the office change, in addition, has made the IT infrastructure and security for support the business environment evolve.

### DX solution accelerated With COVID-19

Digital supply chain in an era of uncertainty	New Normal Customer Contact Utilizing Data	Design a workplace - For diversified work styles.	Cyber security in the zero-trust era	System Operation in the With COVID-19 Era
<p>block chain SCM inter-enterprise collaboration</p>	<p>non-facing channel digital success CRM, AI, and BI data utilization</p>	<p>office transformation remote work</p>	<p>Cloud Security EDR</p>	<p>IT Infrastructure Managed Services Automation unmanned Remote/Home Support</p>
© 2020 NTT DATA Corporation		15	NTT DATA	

Now, I would like to talk about the positive effects of the COVID-19.

The unexpected virus has struck and are still raging the world including Japan, Europe, and the U.S. In Japan, the delay in digitization of society and companies has become apparent in this situation. Therefore, in order to realize a new society with and after COVID-19, companies and industries are required to design a new society.

The supply chain and data collaboration are required to adapt to the uncertain situations, especially in the manufacturing industry. In addition, communication with customers in all industries will become non-face-to-face, and the utilization of customer contact data will become a source of new value. Also, as working from home is becoming the new normal, the role of offices will change, and IT infrastructure and security will play key roles.

In order to contribute to the society and companies expected to change, we provide solutions from five perspectives: supply chains, sales and marketing, working styles, security, and IT operations. All of these are in need of a major overhaul in this dynamic period of social change.

We hope that NTT DATA's solutions will help our society to overcome this difficult situation, and be the part of the new society.

## Initiatives for a Digital Society (1/2)

In the first quarter, we started to solve various social issues in with COVID-19 era, accelerate social contribution through our business activities, and promote reform of ourselves to realize a new society.

### NTT DATA's Vision for a New Society

Impact of the COVID-19



A society where people can use things freely according to their purpose  
= best mix of real and online

Accelerating Social Contribution through Business  
~ Solving Challenges for the Realization of a New Society ~

**Society**  
A new nation  
A new society

**Life**  
New daily living  
New consumer  
behavior

**Industry**  
A new industry  
New corporate  
structure

Transformation of NTT DATA  
Reforming working styles to realize a new society

Diverse ways  
of working

Advanced  
Business  
processes

Safe and secure  
Workplace  
environment

As I mentioned earlier, the spread of COVID-19 has accelerated the movement adjusting to new normal around the world.

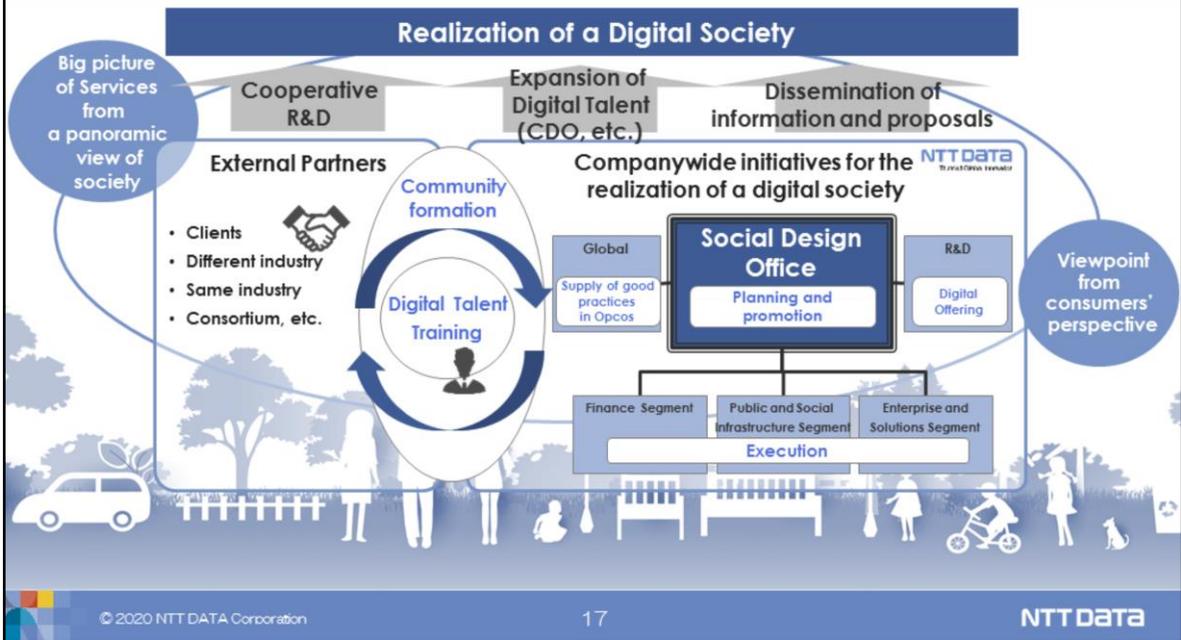
In our view, the kind of society we ought to aim for is one that evolves the online world into a new reality that preserves the conventional real world of flesh-and-blood human activity, while also providing an optimum mixture of both worlds perfect for all sorts of purposes.

The period so called With COVID-19 era will continue for a while, but NTT DATA will always envision a society that is changing for the better, and aim to realize this vision by leveraging the strengths and digital technologies which have cultivated over the years.

NTT DATA uses information technology to create better future society. Together with colleagues around the world, we take all the effort to realize our mission with consistent belief.

## Initiatives for a Digital Society (2/2)

In order to contribute to the DX of whole society, we have established the Social Design Office and will accelerate activities as a company-wide initiative across industries.



NTT DATA newly established the Social Design Office on October 29 to contribute digital transformation of the entire society. In near future, the digitization of the government services and the services of financial institutions and companies will be accelerated.

At NTT DATA, the Financial, Public and Enterprise segments, overseas units, and R&D sections will work together closely across organizational boundaries to contribute to digital transformation for the entire society.

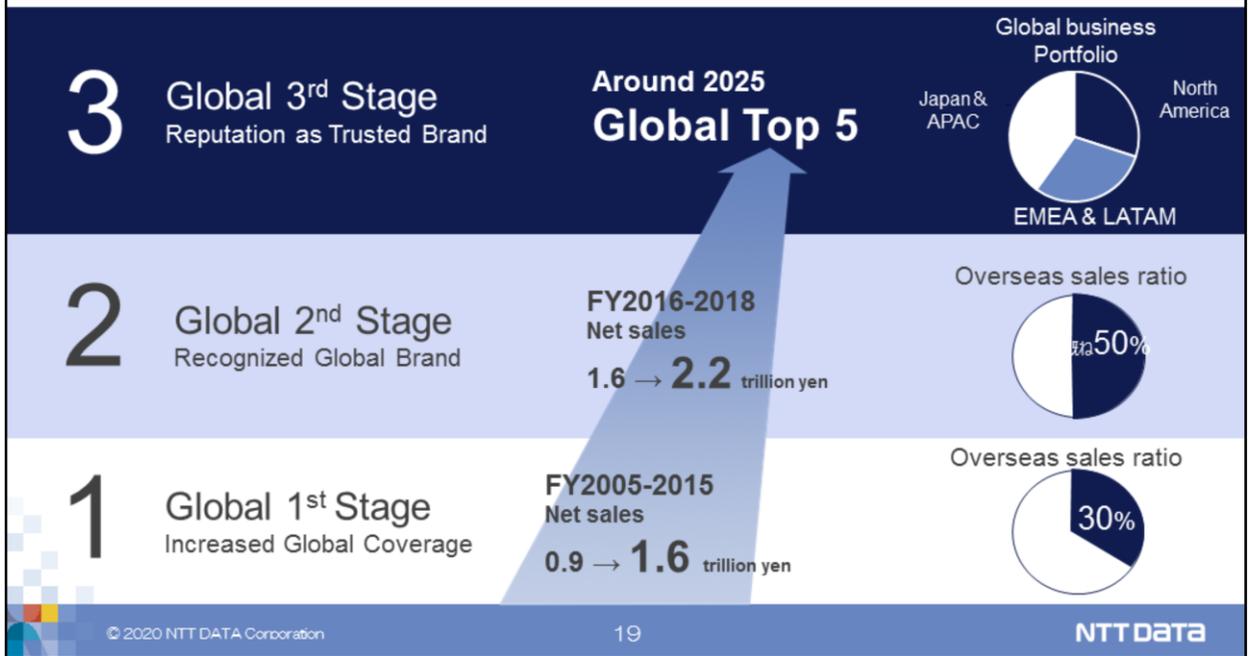
We will also send talents such as CDOs and CTOs and teams to society, and actively help clients to foster digital talents.

## 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 we are currently working on.

## The Road to Trusted Global Innovator

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 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 6 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 0.9 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 “penetration of a trusted brand.” Our desire is to have customers all over the world recognize our company 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.

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

Aiming for profitable global growth with courage to change and consistent belief 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 yen  
Client Base: over 80

#### Earnings

Operating Income Margin: 8%  
Overseas EBITA: 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.

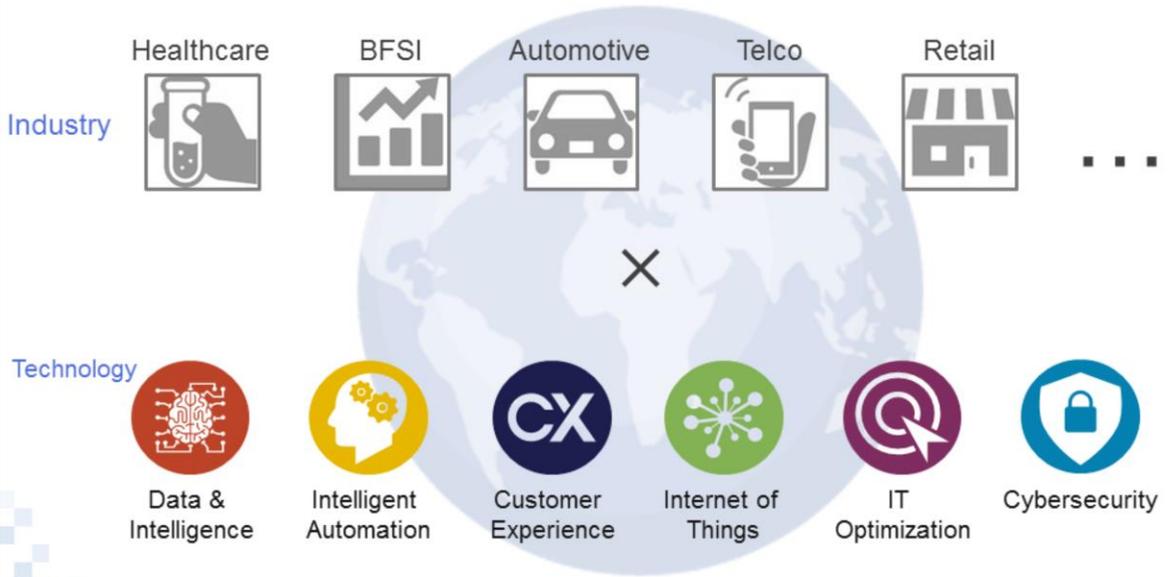
Also, in terms of profitability, we will aim to achieve an operating income margin of 8%. Especially for our overseas business, improving profitability is one of our key business challenges. Therefore, we have set a goal to increase overseas EBITA from the FY2018 level of 3% to 7% to clearly demonstrate that we are also enhancing profitability, while maintaining sales growth. Overseas EBITA 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 on this slide.

Next, I would like to talk about the strategies and our 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 target to globally and actively invest in by narrowing down the industries into those we can globally exert our strengths in. These are the five industries that were determined.

By investment, what we mean is to create weapons in order to compete. What we are investing in is new technology. We have also narrowed down the technology and identified six.

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.

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

Common value offering model



Regional strategy



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

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" (use the system) 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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Clients First

Foresight

Values

Teamwork

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 at the same time.

To digitize our work environment, we will implement cutting-edge schemes to enable global sharing of expertise and know how 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 collaboration across NTT Group

Enhance our presence in the global market by creating new values with NTT Group, 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 is to drive collaboration across NTT Group.

First, we will 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, to collaborate in each region, we will increase cross-selling in areas and regions where NTT Group companies have advantages.

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

## 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 talked about the Courage to Change. Now, I will talk about the Constant 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 call 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 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 facts, we defined our concepts towards ESG, NTT DATA's ESG Management, in the new mid-term management plan, which reflects 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, and so on.

This is our Consistent Belief.

## NTT DATA's ESG Management

### Concepts of ESG Management

#### Contributing to society and increasing corporate value through business

- Resolve social issues with our clients through our services and solutions

#### Contributing to society and increasing corporate value through corporate activities

- Resolve each of our material ESG issues
- Make use of know-how we have cultivated through our corporate activities

#### Reinforce Corporate Governance

- The reinforcement of our governance system
- More effective Board of Directors.

This slide shows the concept of our ESG Management.

While we are promoting ESG Management through both business and corporate activities, we especially focus on contributing society and increasing corporate value through business.

In some cases, NTT DATA's corporate activities themselves contribute to society, but in the environment surrounding us, we believe that we can ultimately transform an entire society for the better by supporting our clients' social contributions through our business.

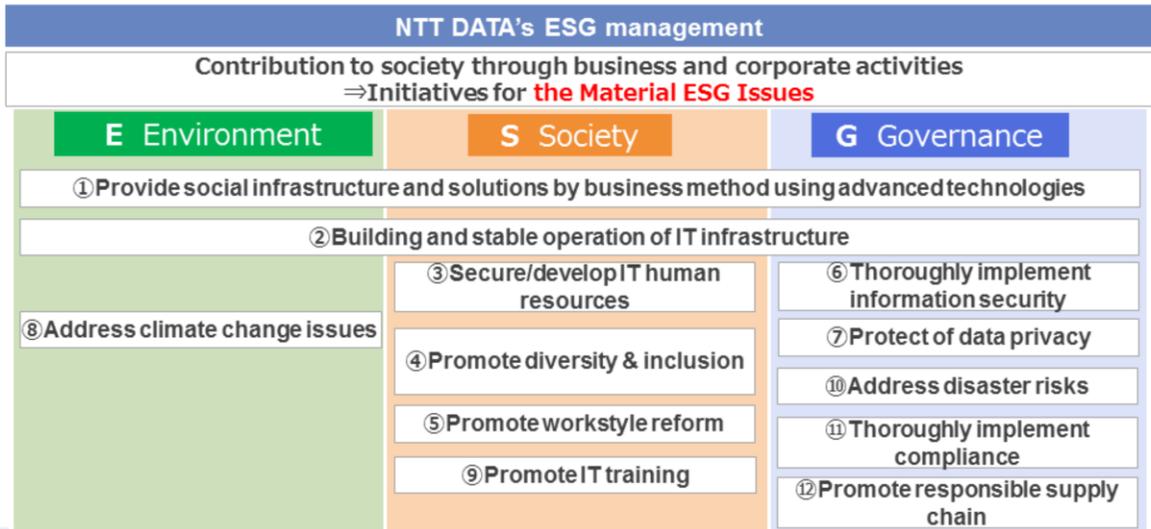
We are also working on to reinforce our corporate governance as a foundation for ESG Management.

For example, in order to further strengthen our governance structure, we shifted from a company with a board of corporate auditors to a company with audit and supervisory committee in June of this year.

To ensure the meaningful discussion at meetings of the Board of Directors, briefings on important agenda items are provided to outside directors prior to each meeting. After all questions are cleared and items are fully understood, the Board of Directors meeting are hold.

## NTT DATA's ESG Management

We set KPIs for the 12 Material ESG Issues to further promote our ESG management



In 2019, we selected 12 Material ESG Issues to address in NTT DATA's ESG management for sustainable growth and are now working to contribute to society through both our business and corporate activities.

We selected these 12 Material ESG 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 2020, we set KPIs for the Material ESG Issues so that each employee becomes aware of ESG management and helps to realize SDGs in their business and corporate activities. By making these KPIs each organization's management evaluation indices, we aim to further promote our ESG management.

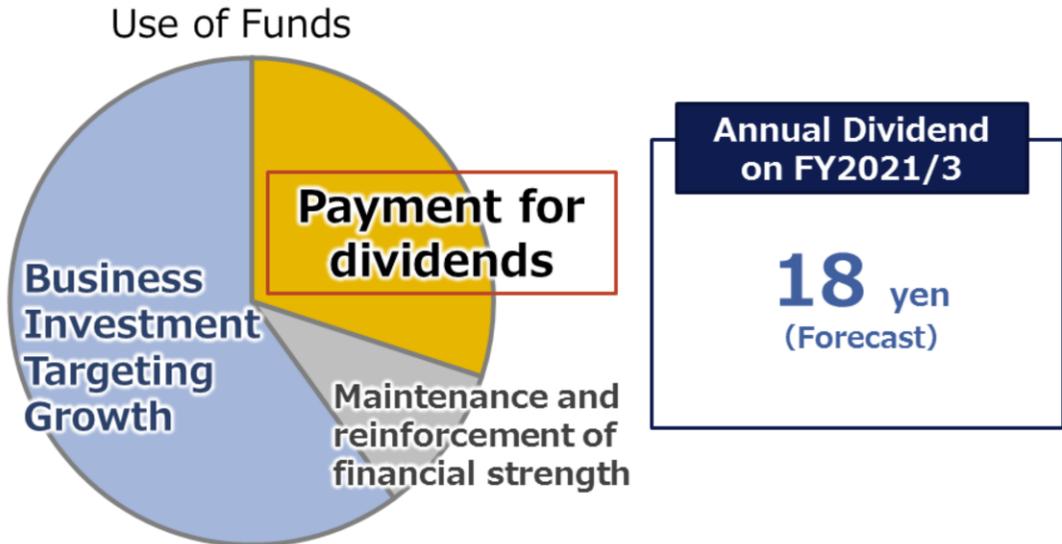
The KPIs for the 12 Material ESG Issues are described in our annual report, which is also available on our website.

This concludes our growth strategy.

## 3. Shareholder Returns

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

Cash flow based on the balance of **growth investment, shareholder returns, and maintaining financial strength.**



Our IT services have a high growth potential, and we believe that we are still in the process of growing.

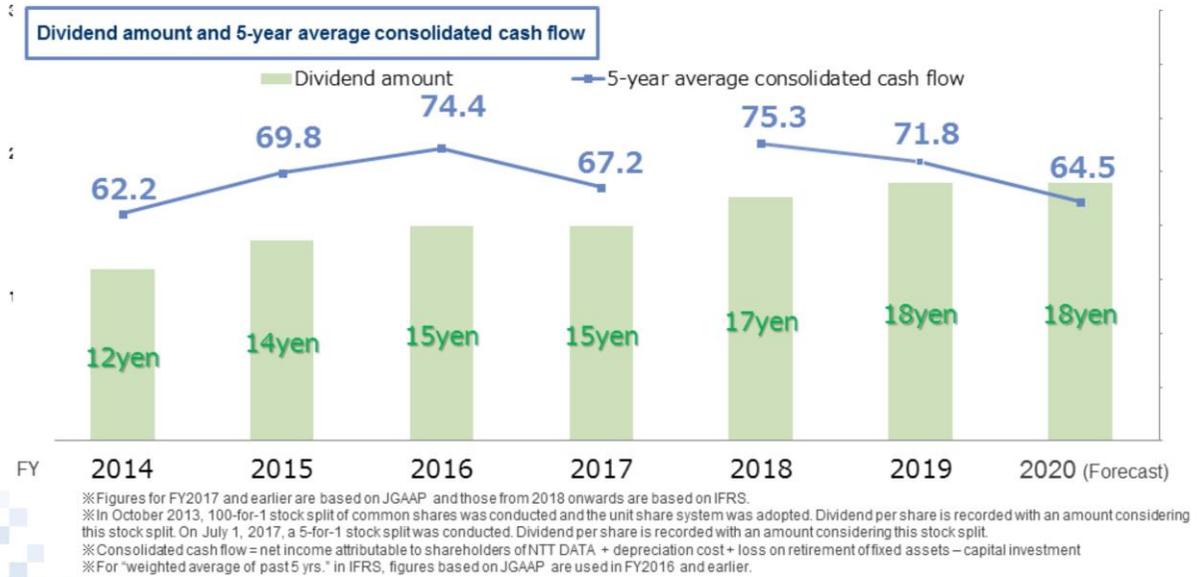
Aiming for further growth, it is important to make upfront investments in M&A, new technologies and services. We intend to make further growth investments to expand the cash flow to be generated in the future.

It is also important for us to maintain and strengthen our financial position in order to be a company trusted by clients over the long term.

We place value on paying dividends at a stable rate to return profits to our shareholders. For this year, we are planning to pay a dividend of 18 yen per share, which is the same as the previous year.

## 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



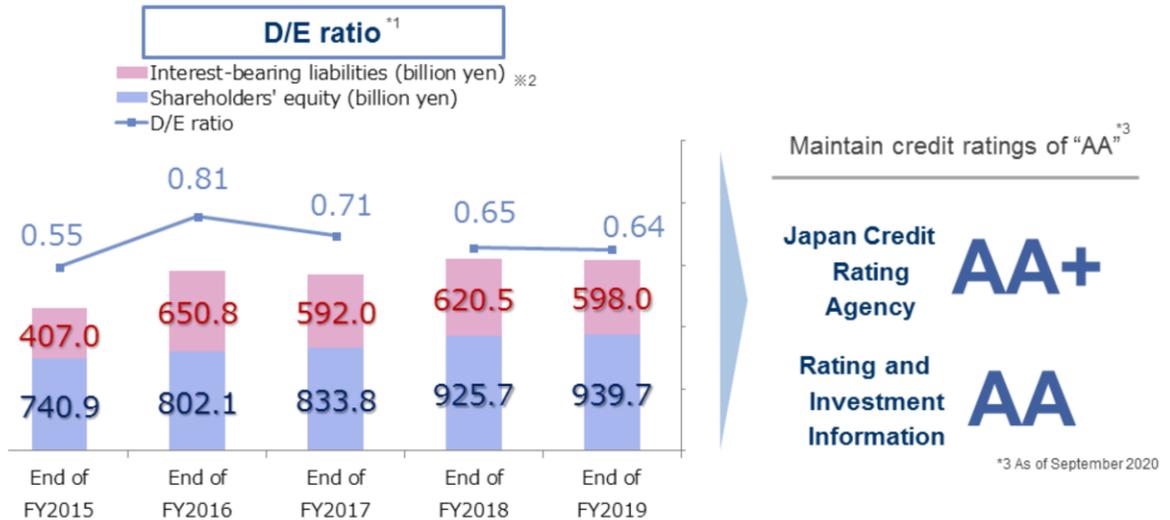
Next, I will explain our dividend policy.

NTT DATA places value on paying dividends at a stable rate for mid- to long-term against generated cash flows.

The blue line on the chart shows the 5-year average cash flow. We intend to maintain this growth trend over the long-term through growth investment, and increase the dividend payment.

## Maintaining Soundness of Financial Base

Paying attention to maintain the credit ratings and creating 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 onwards.

<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.

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

The ratio between our interest-bearing liabilities and shareholders' equity, 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. Some cases continue over eight years. Clients require the company they conclude a long-term contract with to be financially sound. Therefore, having a sound financial basis is essential to maintain our infrastructure business.

Meanwhile, we believe that M&A and other growth investments are still necessary for further growth. To maintain our D/E ratio, we intend to finance with a combination of borrowing, bond issuance and cash from operations.

# 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 you will find of interest in NTT DATA which has further growth potential.

Thank you very much for your kind attention.