Business Briefing (Technology and Innovation General Headquarters)

Q1

Is my understanding correct that development automation is contributing to cost reduction? Does further application of the automation allow for further reduction of the development cost?

A1

Regarding the cost, as it differs considerably depending on a project, there are exceptions, but I believe it does contribute to the company as a whole. Cost reduction is an important factor, but it is not the primary goal of the development automation. As there is an extremely strong demand from customers for a shorter development period and quality improvements, we have been promoting it as technology to ensure that those demands are met, and are actually achieving results.

Q2

As the needs for agile development is strong, is my understanding correct that customers' needs are met by the development automation?

A2

The development automation is intended for a Waterfall model and is not much related to agile development.

Q3

At which stage is the Cloud development environment now? How is your development frame different from other companies?

A3

Other companies too, have already reconsidered a per-project preparation of development environment on-premise and started shifting to its preparation on cloud platform. We are not especially ahead of other companies that are advancing in the same pace.

Basically, we are using a development environment which is commonly used in the world and not differentiating ourselves from other companies'. As companies we have merged and acquired so far have a range of development know-how and cumulative knowledge of development environments, we are trying to consolidate and optimize those in NTT DATA group and use a common platform within the group. We think that is our feature.

Q4

Don't you think the development automation could possibly lead to unprofitable projects?

A4

Basically the development automation is not related to unprofitable projects. Reasons why projects are getting unprofitable may include insufficient definition of upstream requirements, but the development automation itself does not cause unprofitable projects.

Q5

The Integrated Development Cloud has started to be applied fully from around April, 2017. From when will a profit ratio start to improve?

A5

Similar to the previous development automation, difficulties and costs of the development depend on projects, so we cannot give you a general answer here. This year is our trial year still but, the number of relevant projects keeps growing significantly. As it keeps growing like, a doubled number next year, which will further be doubled the next year after, we estimate that certain cost advantages will appear from next year around.

Q6

You presented some prosperous areas including IoT and AI, etc., but isn't it necessary to invest a certain amount on research and development in the initial stage? Which area do you think will particularly require development costs among focus areas? In addition, do you expect that investments will keep growing from next year, the year after and onwards?

A6

We would not make vast research and development investments on AI as we are not manufacturing a core AI engine. However, we are significantly focused on utilization of technologies in the world, including those in NTT LABORATORIES, especially on AI. We would like to increase investments on such focus areas as AI and Blockchain, etc. The absolute amount of investments will be expected to increase from the next season onwards.