

Note; This document is in English translation of “Kessan Tanshin” for the Second Quarter of the Fiscal Year Ending March 31, 2024, and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation of it, the Japanese version will govern.

## Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024 [IFRS]

November 6, 2023

Company name	: NTT DATA GROUP CORPORATION (“NTT DATA”)
Stock exchange on which the Company’s shares are listed	: Tokyo Stock Exchange Prime Segment
Code number	: 9613
URL	: <a href="https://www.nttdata.com/global/en/">https://www.nttdata.com/global/en/</a>
Representative	: Yo Honma, President and Chief Executive Officer, Representative Director
Contact	: Sota Endo, Senior Executive Manager, Investor Relations Office Tel.: +81-3-5546-8119
Scheduled date of filing of Quarterly Business Report	: November 8, 2023
Scheduled date of dividend payment	: December 1, 2023
Supplemental material on quarterly results	: Yes
Presentation on quarterly results	: Yes (for institutional investors and financial analysts)

(Amounts are rounded to the nearest 1 million yen)

### 1. Consolidated Financial Results in Q2 of FY2023 (From April 1, 2023 to September 30, 2023)

(1) Consolidated Results of Operations (accumulated total)

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

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders of NTT DATA		Comprehensive income attributable to shareholders of NTT DATA	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
<b>FY2023 Q2</b>	2,078,513	51.6	121,872	12.9	95,543	(13.6)	53,022	(27.1)	170,069	(10.2)
FY2022 Q2	1,371,423	13.1	107,929	(1.1)	110,627	(0.4)	72,771	1.3	189,342	70.8

	Net income per share	Net income per share (diluted)
<b>FY2023 Q2</b>	¥ 37.82	¥ -
FY2022 Q2	¥ 51.89	¥ -

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to shareholders of NTT DATA	Equity ratio attributable to shareholders of NTT DATA
<b>FY2023 Q2</b>	¥ million 6,712,371	¥ million 2,623,954	¥ million 1,599,674	% 23.8
FY2022	6,158,194	2,396,365	1,452,367	23.6

## 2. Dividends

	Cash dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
FY2022	¥ -	¥ 10.50	¥ -	¥ 11.50	¥ 22.00
<b>FY2023</b>	-	11.50			
<b>FY2023 (Forecast)</b>			-	11.50	23.00

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

## 3. Forecasts of Consolidated Results for FY2023(From April 1, 2023 to March 31, 2024)

(% of change from the previous fiscal year)

	Net sales		Operating income		Income before income taxes		Net income attributable to shareholders of NTT DATA		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
<b>Full year</b>	4,100,000	17.5	292,000	12.7	240,000	(1.2)	144,000	(4.0)	102.70

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

### \* Notes:

(1) Changes in significant subsidiaries in Q2 of FY2023 (From April 1, 2023 to September 30, 2023) : No  
(Changes in specified subsidiaries resulting in the change in consolidation scope)

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

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

(3) Number of shares outstanding (common stock)

- 1) Number of shares outstanding (inclusive of treasury stock)
 

FY2023 Q2 (September 30, 2023)	1,402,500,000 shares
FY2022 (March 31, 2023)	1,402,500,000 shares
- 2) Number of treasury stock
 

FY2023 Q2 (September 30, 2023)	508,118 shares
FY2022 (March 31, 2023)	507,571 shares
- 3) Average number of shares over the period (consolidated total for quarter)
 

FY2023 Q2 (From April 1, 2023 to September 30, 2023)	1,401,992,318 shares
FY2022 Q2 (From April 1, 2022 to September 30, 2022)	1,402,302,820 shares

Note: NTT DATA introduced a performance-based stock remuneration plan from the second quarter of FY2021.

The number of treasury stock at the end of the period and the number of treasury stock deducted when calculating average number of shares over the period include 496,900 treasury shares held by the stock delivery trust under the performance-based stock remuneration plan.

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

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

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

## Contents of Attachment

1. Matters Related to Summary Information (Notes) .....	2
(1) Changes in Accounting Policies .....	2
(2) Changes in Accounting Estimates .....	2
2. Condensed Quarterly Consolidated Financial Statements and Major Notes .....	3
(1) Condensed Quarterly Consolidated Statement of Financial Position .....	3
(2) Condensed Quarterly Consolidated Statement of Income and Condensed Quarterly Consolidated Statement of Comprehensive Income .....	5
(3) Condensed Quarterly Consolidated Statement of Changes in Equity .....	7
(4) Notes to Condensed Quarterly Consolidated Financial Statements .....	8
(5) Notes to Going Concern Assumptions .....	9

## **1. Matters Related to Summary Information (Notes)**

### **(1) Changes in Accounting Policies**

Effective from the first quarter of the current fiscal year, NTT DATA Group has applied the revision of IAS 12 "Income Taxes" (amended in May, 2021).

The amendments narrow the scope of the exemption from initial recognition of deferred taxes, making future additions and subtractions of temporary differences equal for leases and asset retirement obligations, and excluding offsetting transactions. For leases and asset retirement obligations, an entity is required to recognize the related deferred tax assets and liabilities at the beginning of the earliest comparative period, with the cumulative effect recognized as an adjustment to the opening balance of retained earnings or other components of equity on that date.

As a result, deferred tax assets and deferred tax liabilities will increase, respectively. However, the deferred tax assets and liabilities increased by the revision are offset in the consolidated statement of financial position because there is a legally enforceable right to offset current tax assets and current tax liabilities, and the income taxes are imposed on the same taxpayer by the same tax authority. There is no material impact on the opening retained earnings as of April 1, 2022 and the condensed quarterly consolidated financial statements due to the application of the amendment. The main impact for the Group relates to the disclosure of recognized deferred tax assets and deferred tax liabilities, which will be made in the annual consolidated financial statements.

### **(2) Changes in Accounting Estimates**

In the second quarter of the current consolidated cumulative period, the estimated cost was changed because the possibility of economic benefit outflow increased due to a new defect that occurred after the calculation of the total cost. As a result of this change, "Cost of sales," including provision for loss on order received, increased by 3,821 million yen.

## 2. Condensed Quarterly Consolidated Financial Statements and Major Notes

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

(Unit: ¥ million)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	415,359	481,357
Trade and other receivables	1,242,269	1,207,660
Contract asset	123,008	152,861
Inventories	76,221	78,667
Assets held for sale	48,712	64,215
Other financial assets	54,700	50,497
Other current assets	288,680	322,681
Total current assets	2,248,950	2,357,938
Non-current assets		
Property, plant and equipment	1,372,468	1,597,216
Right-of-use assets	234,813	245,147
Goodwill	1,133,559	1,259,294
Intangible assets	653,205	675,925
Investment property	26,953	26,870
Investments accounted for using the equity method	31,343	40,738
Other financial assets	136,882	157,604
Deferred tax assets	225,040	251,536
Other non-current assets	94,981	100,104
Total non-current assets	3,909,244	4,354,433
Total assets	6,158,194	6,712,371

(Unit: ¥ million)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	857,632	818,956
Contract liabilities	417,940	450,336
Bonds and borrowings	278,843	474,428
Lease liabilities	64,280	68,462
Other financial liabilities	13,366	11,873
Income taxes payable	43,550	42,959
Provisions	23,098	21,334
Liabilities directly associated with assets held for sale	16,409	19,007
Other current liabilities	89,186	81,460
<b>Total current liabilities</b>	<b>1,804,303</b>	<b>1,988,815</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	1,453,018	1,557,233
Lease liabilities	204,640	212,508
Other financial liabilities	17,167	20,919
Retirement benefit liability	183,404	190,108
Provisions	10,248	10,049
Deferred tax liabilities	45,466	62,302
Other non-current liabilities	43,583	46,483
<b>Total non-current liabilities</b>	<b>1,957,526</b>	<b>2,099,601</b>
<b>Total liabilities</b>	<b>3,761,829</b>	<b>4,088,417</b>
<b>Equity</b>		
<b>Equity attributable to shareholders of NTT DATA</b>		
Capital stock	142,520	142,520
Capital surplus	26,752	20,461
Retained earnings	1,091,214	1,129,171
Treasury shares	(1,034)	(1,035)
Other components of equity	192,915	308,557
<b>Total equity attributable to shareholders of NTT DATA</b>	<b>1,452,367</b>	<b>1,599,674</b>
Non-controlling interests	943,998	1,024,280
<b>Total equity</b>	<b>2,396,365</b>	<b>2,623,954</b>
<b>Total liabilities and equity</b>	<b>6,158,194</b>	<b>6,712,371</b>

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

Condensed Quarterly Consolidated Statement of Income		(Unit: ¥ million)	
	Six months ended September 30, 2022	Six months ended September 30, 2023	
Net sales	1,371,423	2,078,513	
Cost of sales	1,017,628	1,519,156	
Gross profit	353,795	559,357	
Selling, general and administrative expenses	245,867	437,485	
Operating income	107,929	121,872	
Financial income	5,799	11,886	
Financial costs	3,173	37,871	
Share of profit/loss of entities accounted for using equity method	72	(343)	
Income before income taxes	110,627	95,543	
Income taxes	33,539	44,230	
Net income	77,088	51,313	
Net income attributable to:			
Shareholders of NTT DATA	72,771	53,022	
Non-controlling interests	4,317	(1,709)	
Total	77,088	51,313	
Net income per share attributable to shareholders of NTT DATA			
Net income per share (yen)	51.89	37.82	

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Unit: ¥ million)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net income	77,088	51,313
Other comprehensive income (after taxes)		
Items that will not be reclassified to profit/loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	(6,325)	7,928
Remeasurements of defined benefit plans	(166)	(123)
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Items that may be reclassified subsequently to profit/loss		
Effective portion of cash flow hedges	379	420
Hedge cost	(359)	(385)
Exchange differences on translation of foreign operations	124,657	195,261
Share of other comprehensive income of entities accounted for using equity method	92	1,865
Total other comprehensive income (after taxes)	118,279	204,966
Comprehensive income	195,366	256,279
Comprehensive income attributable to:		
Shareholders of NTT DATA	189,342	170,069
Non-controlling interests	6,024	86,210
Total	195,366	256,279



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

(Six months ended September 30, 2022)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
As of April 1, 2022	142,520	102,340	915,853	(205)	110,365	1,270,874	57,393	1,328,267
<b>Comprehensive income</b>								
Net income	—	—	72,771	—	—	72,771	4,317	77,088
Other comprehensive income	—	—	—	—	116,572	116,572	1,707	118,279
Comprehensive income	—	—	72,771	—	116,572	189,342	6,024	195,366
<b>Transactions with shareholders</b>								
Dividends of surplus	—	—	(16,129)	—	—	(16,129)	(2,343)	(18,472)
Transfer to retained earnings	—	—	(17)	—	17	—	—	—
Acquisition and disposal of treasury stocks	—	—	—	(809)	—	(809)	—	(809)
Net changes in controlled subsidiaries' stocks	—	(579)	—	—	—	(579)	2,157	1,578
Stock-based remuneration transaction	—	60	—	—	—	60	—	60
Put options written on non-controlling interests	—	(3,779)	—	—	—	(3,779)	—	(3,779)
Other	—	(1,026)	—	—	—	(1,026)	(93)	(1,119)
Total transactions with shareholders	—	(5,325)	(16,146)	(809)	17	(22,263)	(279)	(22,542)
As of September 30, 2022	142,520	97,016	972,478	(1,014)	226,954	1,437,954	63,138	1,501,092

(Six months ended September 30, 2023)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
As of April 1, 2023	142,520	26,752	1,091,214	(1,034)	192,915	1,452,367	943,998	2,396,365
<b>Comprehensive income</b>								
Net income	—	—	53,022	—	—	53,022	(1,709)	51,313
Other comprehensive income	—	—	—	—	117,047	117,047	87,919	204,966
Comprehensive income	—	—	53,022	—	117,047	170,069	86,210	256,279
<b>Transactions with shareholders</b>								
Dividends of surplus	—	—	(16,129)	—	—	(16,129)	(2,607)	(18,735)
Transfer to retained earnings	—	—	1,405	—	(1,405)	—	—	—
Acquisition and disposal of treasury stocks <sup>0</sup>	—	—	—	(1)	—	(1)	—	(1)
Changes due to business combinations	—	—	—	—	—	—	926	926
Net changes in controlled subsidiaries' stocks	—	(1,776)	—	—	—	(1,776)	211	(1,565)
Stock-based remuneration transaction	—	(2,928)	—	—	—	(2,928)	(2,456)	(5,384)
Put options written on non-controlling interests	—	(494)	—	—	—	(494)	(1,721)	(2,214)
Other	—	(1,092)	(341)	—	—	(1,433)	(281)	(1,715)
Total transactions with shareholders	—	(6,291)	(15,065)	(1)	(1,405)	(22,762)	(5,928)	(28,689)
As of September 30, 2023	142,520	20,461	1,129,171	(1,035)	308,557	1,599,674	1,024,280	2,623,954

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

(Business combinations)

##### Transition to Holding Company structure

NTT DATA transitioned to a holding company structure on July 1, 2023, pursuant to an absorption type company split agreement (the “Absorption-Type Company Split Agreement”) regarding NTT DATA’s domestic business, which was approved at the Company’s ordinary general meeting of shareholders on June 20, 2023, and the rights and obligations in domestic business held by the Company, as defined in the Absorption-Type Company Split Agreement, have been transferred to its wholly-owned subsidiary, NTT DATA Japan Preparation Corporation (the “Domestic Business Split Preparation Corporation” or “Succeeding Company”). As of the same date, the trade name of the Company was changed to “NTT DATA Group Corporation” and the trade name of the Domestic Business Split Preparation Corporation was changed to “NTT DATA Japan Corporation.”

##### (1) Outline of the Business Combination

###### 1) Companies related to the business combination and their business details

###### a) Splitting Company

Name: NTT DATA Corporation

Business Details: Consulting, integrated IT solutions, system and software development, maintenance and support, etc.

###### b) Succeeding Company

Name: NTT DATA Japan Preparation Corporation

Business Details: Preparation for the succession of the Company’s business by an absorption-type company split, etc.

###### 2) Date of the business combination

July 1, 2023

###### 3) Legal form of the business combination

An absorption-type company split in which the Company is the splitting company and Domestic Business Split Preparation Corporation, a wholly owned subsidiary of the Company established on November 1, 2022, is the succeeding company.

###### 4) Allotment of shares to the splitting company

The Domestic Business Split Preparation Corporation allotted 999 shares of its common stock to the Company as consideration for this absorption-type split.

###### 5) Rights and obligations succeeded by the succeeding company

The succeeding company succeeded the assets, liabilities, contractual status, rights and obligations, etc., in domestic operations held by the Company, as defined in the Absorption Type Company Split Agreement, as of the effective date of the absorption type split.

6) Names after the business combination

I. Splitting Company

Name: NTT DATA Group Corporation (The trade name was changed from “NTT DATA Corporation” as of July 1, 2023)

II. Succeeding company

Name: NTT DATA Japan Corporation (The trade name was changed from “NTT DATA Japan Preparation Corporation” as of July 1, 2023)

7) Purpose and effect of transition to a holding company structure

Given the overseas business combination against the backdrop of accelerating efforts towards digital transformation on a global scale and more complex and diverse customer needs, we consider it essential to reconstruct the group management structure and further strengthen governance through speedy decision making in responding to changes in the external environment and local markets, improved mobility, flexible system designs, etc., and have decided to execute the transition to a holding company structure.

After transitioning to a holding company structure, NTT DATA, as a holding company, will specialize in the formulation and implementation of growth strategies from the perspective of optimizing the entire Group, business management, etc., in order to increase the corporate value of the entire Group.

(2) Summary of Accounting Procedures after the Transition

The transition to a holding company structure constitutes a business combination involving an entity or business under common control (a business combination in which all of the combining entities or businesses are ultimately controlled by the same parties both before and after the business combination and that control is not transitory). The Company accounts for transactions under common control based on book value.

(5) Notes to Going Concern Assumptions

N/A