

**NTT DATA and NTT will combine their IT services organizations (outside Japan) into a new operating company.**

May 9th, 2022

NTT DATA

# Agenda

## 1. **Business Environment Changes**

- Social trend Changes
- Edge-to-Cloud is becoming more important
- A data-driven society where everything is connected

## 2. **NTT DATA's Growth Direction**

- Our Journey to Business Growth
- New competitive advantage
- New value propositions for the realization of a sustainable society

## 3. **Combination with NTT Ltd.**

- Value of Business Combination
- Overview of NTT Ltd.
- Enhanced Value Proposition
- Business Combination Structure
- High-Level Timeline

Reference :Joint Investment in overseas operating company

# 1

## Business Environment Changes

# Social Trend Changes

The broad adoption of IT & digital has accelerated changes for companies and individuals. The issues & needs that society must address are complex & diverse.

**Preservation of the Global Environment**  
Accelerating efforts to address environmental issues, from decarbonization to circular economy to biodiversity.



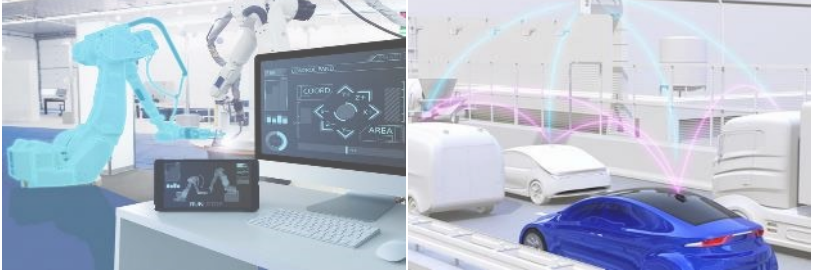
*Decarbonization*



*Circular Economy*

*Biodiversity*

**Expansion of Connected Objects**  
Innovative services that transcend conventional frameworks are created by connecting various goods and people.



*Supply Chain Innovation*

*IoT*



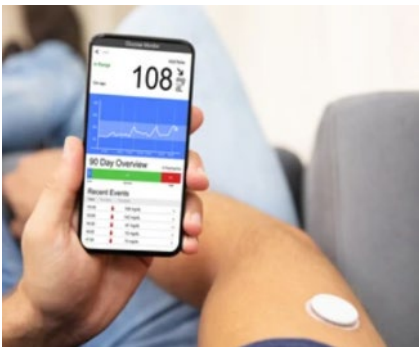
*Smart City*

**Changes in Consumption and Lifestyles**  
Shift from ownership to use through sharing, and improvement of quality of life through personalization.



*Sharing*

*Food Delivery*



*Biosensing*

# Edge to Cloud is becoming more important

Realizing a data-driven society where everything and everyone is connected, requires highly-reliable platforms that securely collect & utilize data from the Edge-to-the-Cloud.

## Devices & Sensory

## Machines & Vehicles

## Smart Cities

Use Cases

Data collection by sensors, and device management

High speed & advanced control through the computing power of edge devices

Autonomous control of multiple devices through an advanced data platform

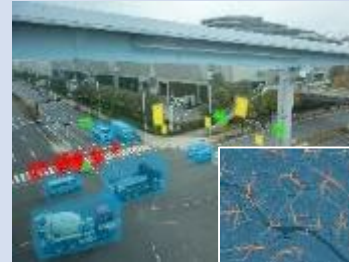
Cloud



Digital twin computing

Data collection analysis

Back-end services



Digital twin computing

Data collection analysis

Back-end services



Digital twin computing

Data collection analysis

Back-end services

Edge



Edge computing

Devices

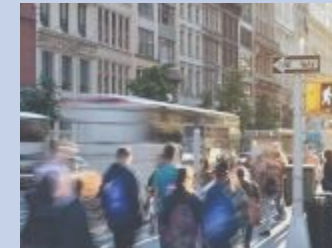
Agents



Edge computing

Devices

Agents



Edge computing

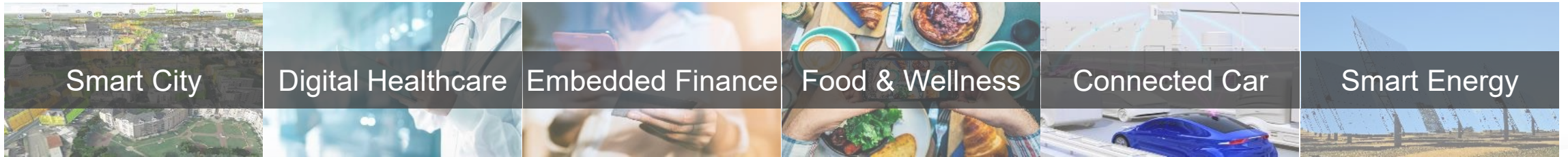
Devices

Agents



# A data-driven society where everything is connected

Realizing a data-driven society requires integration with edge devices, secure data collection and analysis, leveraged by cross-industry platforms & solutions.



## Cross companies & industries data utilization

Digital twin computing

Data collection analysis

Edge computing

## Secure data collection

Various contact-points with customers



# 2

## NTT DATA's Growth Direction

# Our Journey to Business Growth

3

Stage

## Realizing a Sustainable Future

Connect people with technology to create value and a sustainable future with our clients.

### Midpoint to Global 3<sup>rd</sup> Stage (2019-21)

Pursuing profitable global growth with consistent belief and courage to change.

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### Recognized Global Brand(2016-18)

NTT DATA: Ascend; Rise & grow our global Brand

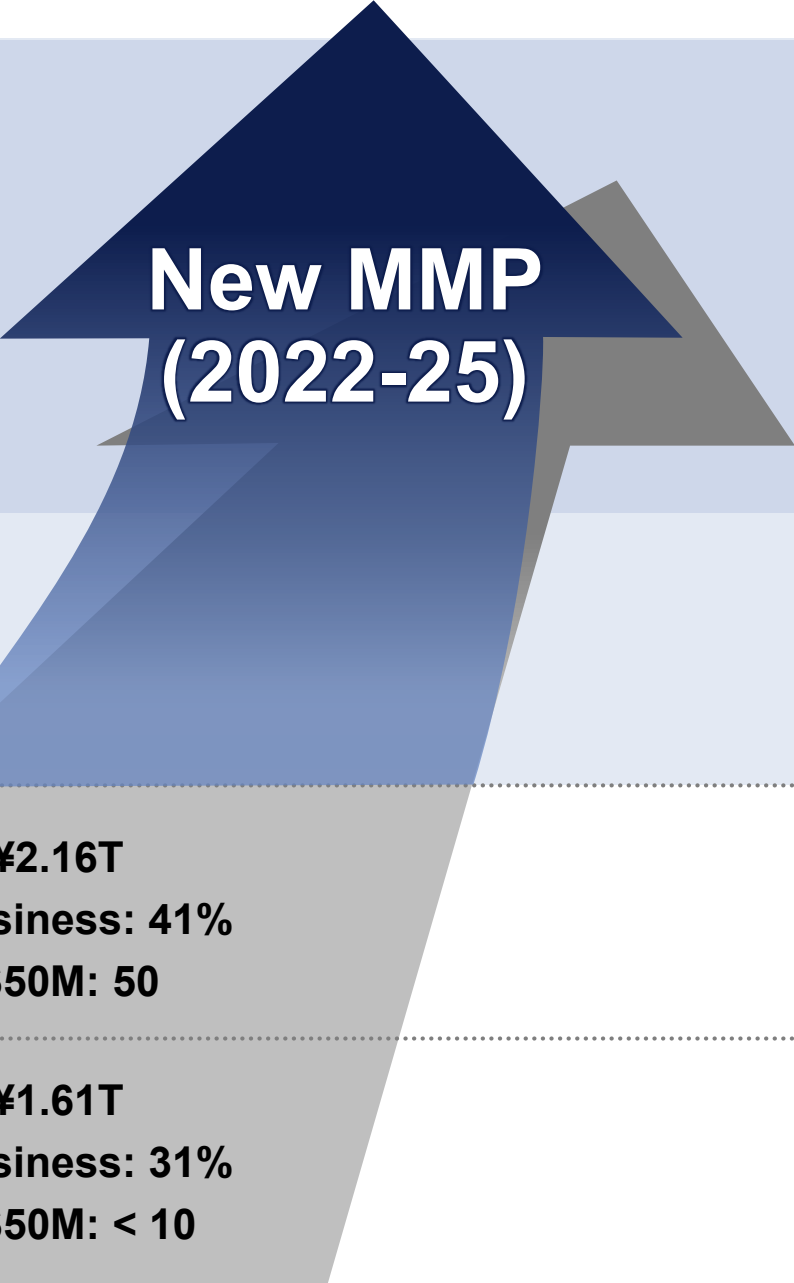
- Revenue: ¥2.16T
- Global Business: 41%
- Clients > \$50M: 50

1

### Increased Global Coverage (2005 -2015)

A global corporate group that provides diverse IT services

- Revenue: ¥1.61T
- Global Business: 31%
- Clients > \$50M: < 10





# New competitive advantage

By combining the ability to connect with our ability to create, we can more effectively help our clients grow while enabling societies to meet their changing needs.

## *We Create*

Ability to build a system with deep customer understanding & advanced technology

**Trusted Innovator**

## *We Connect*

Power to support various corporate systems & industry infrastructure

# New value propositions for the realization of a sustainable society

This combined power will enable us to deliver new forms of value for our clients and contribute to the realization of a sustainable future.

## *We Create*

Consulting ability starting from Foresight

Asset-based high agility system development ability



## *We Connect*

Cross-industry collaboration that connects companies

Edge-to-Cloud that connects everything

With NTT Ltd. industry leading services portfolio, we will increase our competitive advantage with the power to “connect”

# 3

## Combination with NTT Ltd.

# Value of combining NTT DATA and NTT Ltd. business

This combination with NTT Ltd. will enable us to capitalize on the convergence of IT & connectivity services helping our clients address changing market dynamics.

## NTT DATA

### Consulting & Apps and SI capabilities

- **Long-term Relationships** with leading clients
- **Deep business understanding & consulting capability** with many global companies
- **SI & technical capabilities** represented by App. services
- **Innovation creation capability** in digital business

Revenue\*  
~ ¥3.5T

\*Simple sum of FY21 earnings forecasts

## Combination

## NTT Ltd.

### Edge-to-Cloud services

- Depth across **data center & network infrastructure, systems integration and managed services**
- **Diverse client base** (including hyper scalers)
- Serving **~190 countries**

Employees  
~ 180k

Overseas sales ratio  
~ 60%

# Overview of NTT Ltd.

Leading IT infrastructure & services company.

Summary of NTT Ltd.

**Revenue** (as of FY20)

**\$9,980**M\*

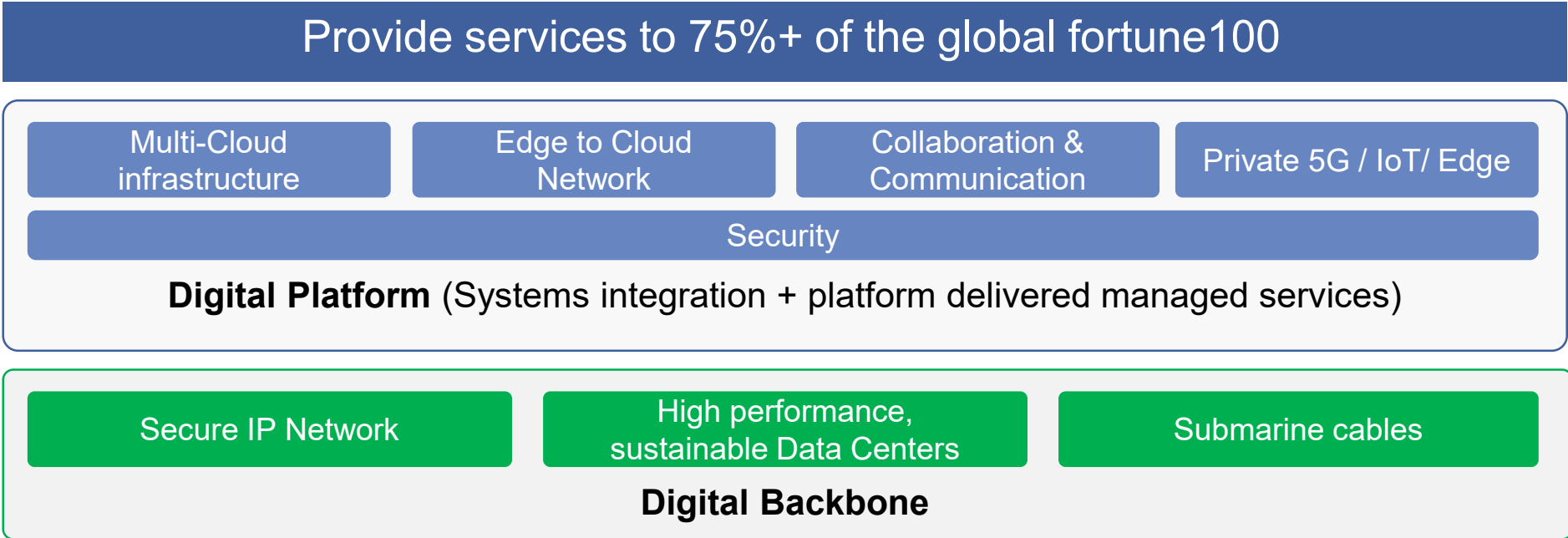
**Employees** (as of FY20)

**38,150** people

**Network Coverage Countries**

**approx. 190**

NTT Ltd.'s Business



\*\$1=¥106.1 basis



# Enhanced Value Proposition

Our unique combination of IT & connectivity services better positions us to help clients with their business transformations and solve complex societal challenges.

## Promotion of an integrated strategy

Centralized Client Support

Consistent Service Provisioning

Focused Investments

Customer business transformation by DX full-stack service

Social innovation by convergence of IT & Connectivity

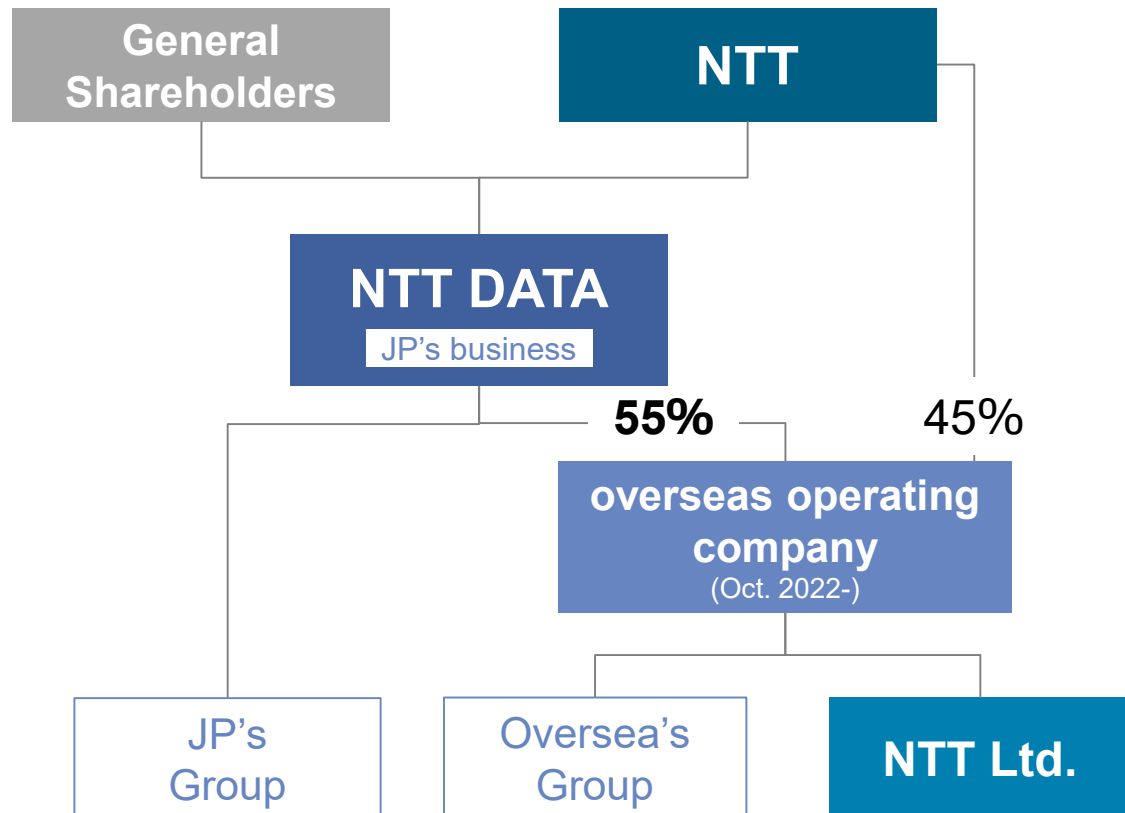




# Business Combination Structure

Establish an overseas operating company in Oct. 2022 with 55% NTT DATA & 45% NTT to accelerate collaboration and growth of our combined overseas business.

## Structure after establishing overseas operating company



## Objectives of overseas operating company

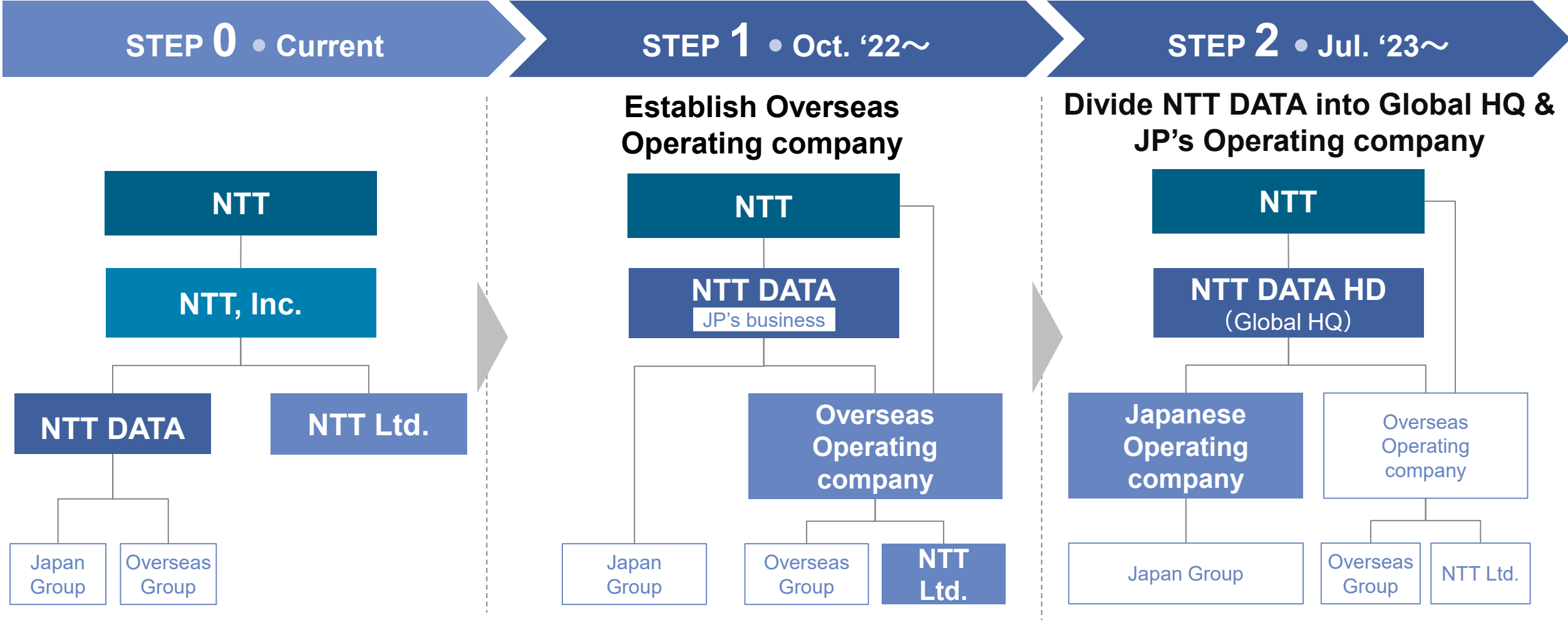
**Promote One-NTT business**  
(Smart World, 5G etc...)

**Promote collaboration of R&D**  
(IOWN etc...)

**Strengthen governance by consolidating knowledge & human resources related to overseas business**

# High-Level Timeline

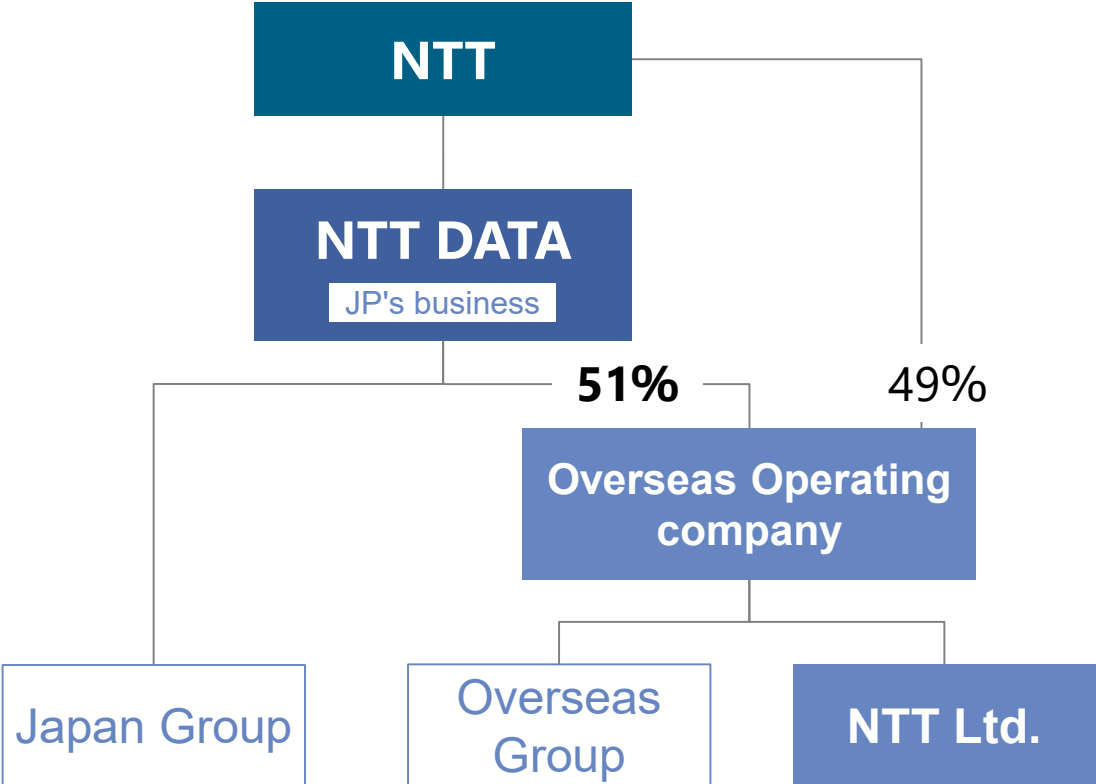
Will evolve to a global management system that will support both the overseas operating company (Oct. 2022) and our Japan domestic business (July 2023).



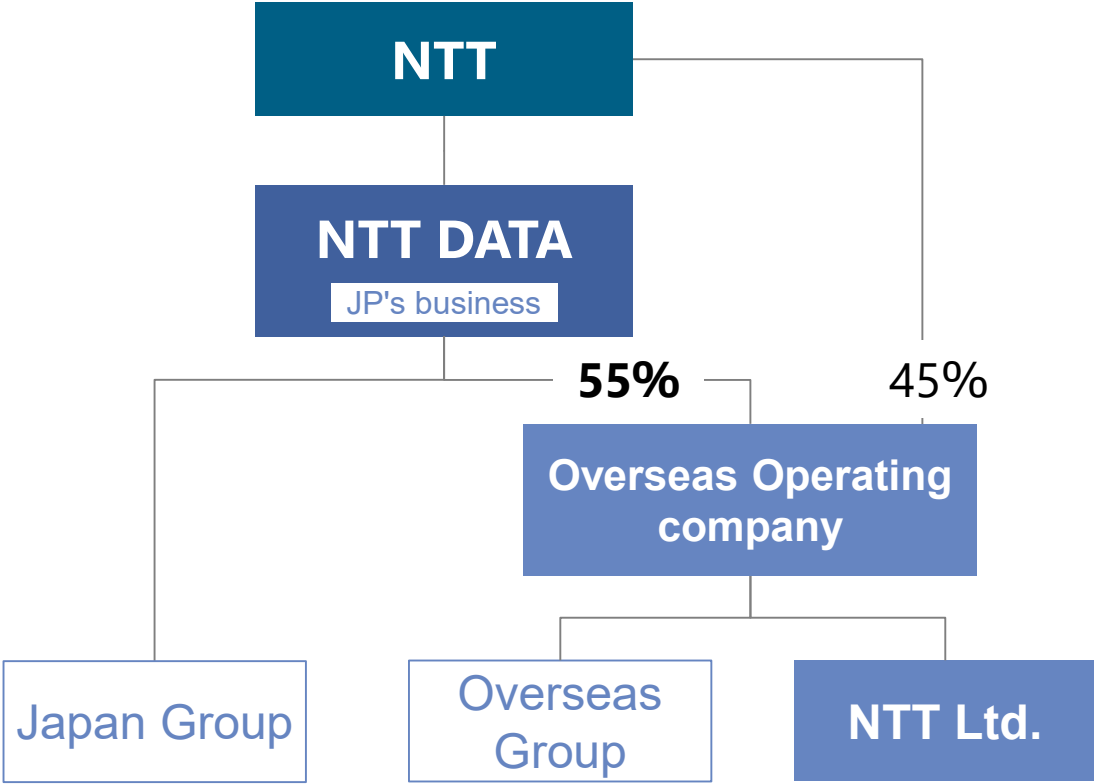
# Reference | Joint investment in overseas operating company

Overseas operating company initially valued at 51% / 49%.  
NTT DATA will own 55% after acquiring the requisite shares from NTT.

**Initial valuation**



**After shares acquisition**



The logo for NTT DATA, featuring the company name in a bold, white, sans-serif font. The letters 'N', 'T', and 'T' are spaced out, and the 'a' is lowercase. The background consists of a dark blue gradient with a large, light blue semi-circle on the left side.

**NTT DATA**

Trusted Global Innovator