

Company Presentation for the First Quarter of Fiscal Year Ending March 31, 2023

August 5, 2022
NTT DATA Corporation

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the Japanese original. The Japanese
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I am Toshi Fujiwara, Senior Executive Vice President and Representative Director. Thank you for attending the financial results briefing session today despite your busy schedules.

I would like to explain the results for the first quarter of the fiscal year ending March 31, 2023.

Please see Page 1.

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Cautionary Statement Regarding Forward-looking Statements

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Here is the agenda for today. I will firstly explain the results for the first quarter, then provide updates on the progress of the business combination with NTT Ltd. as well as an explanation about the organization restructuring that we implemented in July.

Please see Page 3.

1

Results for the First Quarter of Fiscal Year Ending March 31, 2023

(Explanation omitted)

Results for the First Quarter of Fiscal Year Ending March 31, 2023

Favorable financial results due to steady expansion of domestic and overseas businesses and the impact of foreign exchanges.

- The number of New Orders Received increased due to expanded overseas businesses and the impact of foreign exchange rates.
- Net Sales has increased due to the business growth in all segments as well as the impact of foreign exchange rates.
- Operating Income increased mainly due to sales growth.

(Billions of Yen, %)

	Q1 FYE3/2022 Results (Apr-Jun)	Q1 FYE3/2023 Results (Apr-Jun)	YoY (Amount)	YoY (Rate)	
New Orders Received	589.8	622.7	+32.9	+5.6%	
Net Sales	590.8	677.4	+86.5	+14.6%	
Operating Income (Operating income margin)	47.3 (8.0%)	57.5 (8.5%)	+10.3 (+0.5P)	+21.7%	
Net Income Attributable to Shareholders of NTT DATA	31.1	39.7	+8.7	+27.9%	

This is the overview of the results for the first quarter of the fiscal year ending March 31, 2023.

First of all, the first-quarter results do not include the results of NTT Ltd. Performance related to the overseas business combination is scheduled to be consolidated from the second half of the year.

The results for the first quarter were strong due to steady expansion of domestic and overseas business thanks to the continues demand from clients for digital transformation since the previous fiscal year. The impact of foreign exchange rates also contributed to the favorable results.

New orders received increased due to the expansion in the scale of overseas businesses and the impact of foreign exchange rates.

Net sales increased due to the scale expansion in all segments and the impact of foreign exchange rates.

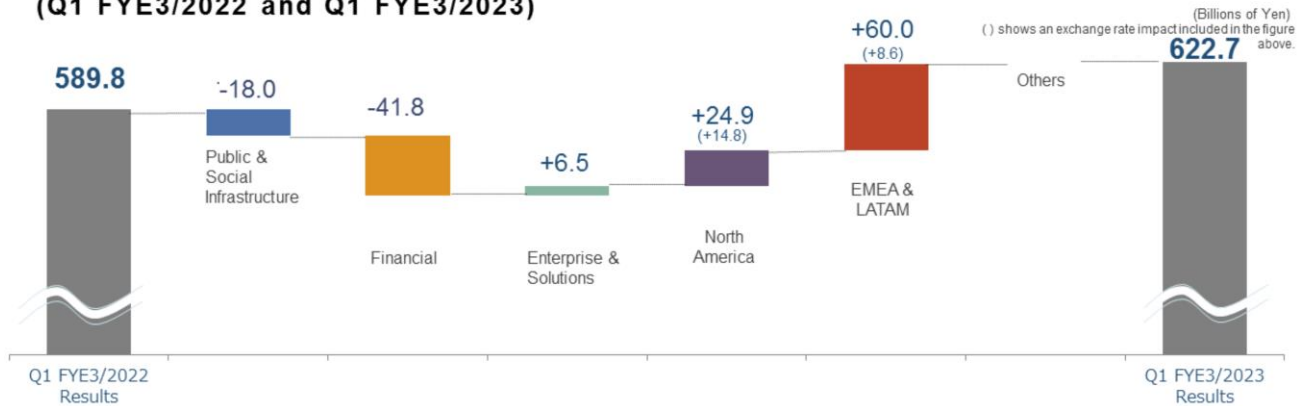
Operating income increased in all segments mainly due to sales growth.

I will describe the impact of foreign exchange rates in detail later.

Next, I will explain year on year changes by business segment.

Please turn to Page 4.

New Orders Received: YoY Changes by Business Segment (Q1 FYE3/2022 and Q1 FYE3/2023)



Public & Social Infrastructure	Decreased mainly due to fewer orders of large-scale projects for the central government and ministries than in the previous fiscal year.
Financial	Decreased mainly due to fewer orders of large-scale projects for banks than in the previous fiscal year.
Enterprise & Solutions	Increased mainly due to winning of projects for the manufacturing industry.
North America	Increased mainly due to winning of projects for corporate clients and the impact of foreign exchange rates.
EMEA & LATAM	Increased mainly due to winning of projects in Europe, especially in Spain, as well as the impact of foreign exchange rates.

Let me begin with new orders received.

The Public & Social Infrastructure Segment saw a decrease due to fewer orders of large-scale projects for the central government and ministries than in the previous fiscal year.

The Financial Segment saw a decrease due to fewer orders of large-scale projects for banks than in the previous year.

These decreases in the Public & Social Infrastructure Segment and the Financial Segment are included in the full-year forecasts and are just as we expected.

The Enterprise & Solutions Segment saw an increase mainly due to the winning of projects for the manufacturing industry.

The North America Segment reported significant growth mainly due to the winning of projects for corporate clients and the impact of foreign exchange rate.

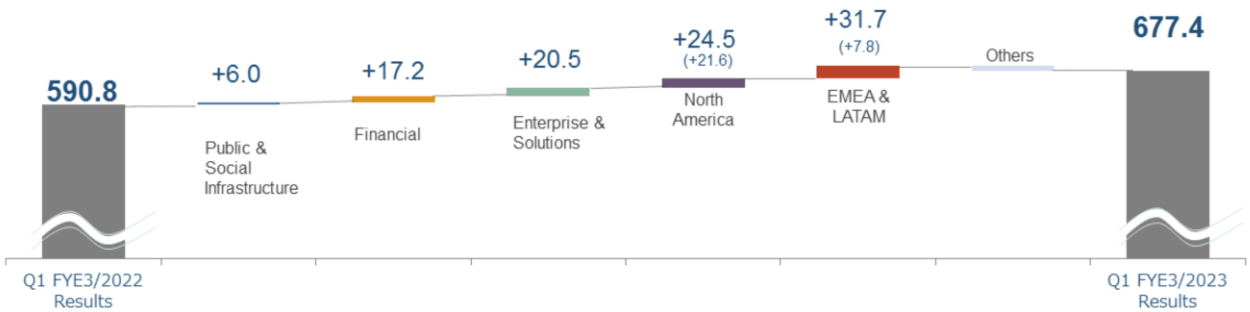
The EMEA & LATAM Segment also reported significant growth mainly due to the winning of projects in Europe, especially in Spain, as well as the impact of foreign exchange rate.

Please see Page 5.

Net Sales: YoY Changes by Business Segment (Q1 FYE3/2022 and Q1 FYE3/2023)

(Billions of Yen)

() shows an exchange rate impact included in the figure above.



Public & Social Infrastructure	Increased mainly due to the expansion in the scale of services for the central government and ministries.
Financial	Increased mainly due to the expansion in the scale of services associated with the projects for banks won in the previous fiscal year.
Enterprise & Solutions	Increased mainly due to the expansion in the projects for the manufacturing industry and the retail and service sectors as well as the scale of services for payment business.
North America	Increased mainly due to the impact of foreign exchange rate.
EMEA & LATAM	Increased due to the expansion in the scale of services in Europe, especially in Spain, as well as the impact of foreign exchange rate.

Let's look at net sales.

The Public & Social Infrastructure Segment saw an increase mainly due to the expansion in the scale of services for central government and ministries.

The Financial Segment saw an increase mainly due to the expansion in the scale of services for banks associated with a project that we had received in the previous year.

The Enterprise & Solutions Segment saw an increase mainly due to the expansion in the projects for the manufacturing industry, retail and service sectors as well as the scale of payment business.

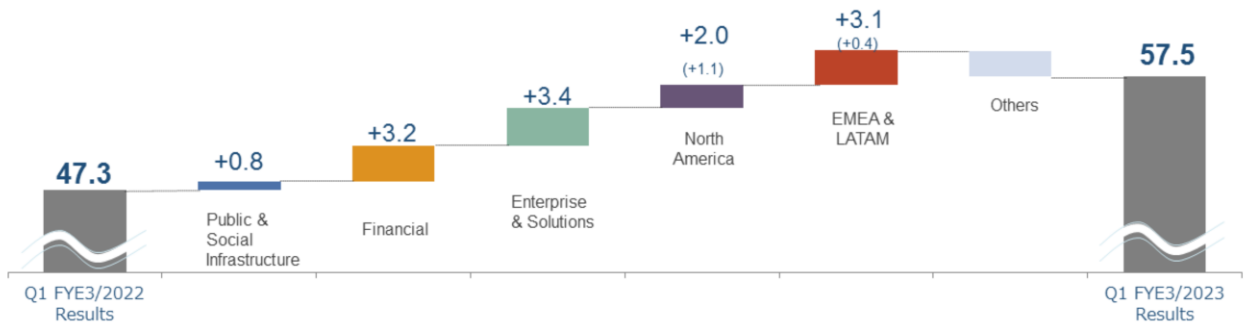
The North America Segment saw an increase mainly due to the impact of foreign exchange rate.

The EMEA & LATAM Segment saw an increase mainly due to the expansion in the scale of services in Europe, especially in Spain, as well as the impact of foreign exchange rate.

Please see Page 6.

Operating Income: YoY Changes by Business Segment (Q1 FYE3/2022 and Q1 FYE3/2023)

(Billions of Yen)
() shows an exchange rate impact included in the figure above.



Public & Social Infrastructure	Increased mainly due to sales growth.
Financial	Increased mainly due to sales growth.
Enterprise & Solutions	Increased mainly due to sales growth.
North America	Increased mainly due to transient profit.
EMEA & LATAM	Increased mainly due to sales growth.

Let's move on to operating income.

The Public & Social Infrastructure Segment, the Financial Segment, and the Enterprise & Solutions Segment posted growth due to sales growth.

The North America Segment posted growth due to transient profit and other reasons.

The EMEA & LATAM Segment reported growth due to sales growth.




I will omit explanations for the following slides, as they show descriptions that I have just provided by segment. So I would like to conclude my explanation about the results for the first quarter of the year ending March 31, 2023.

Next, I will explain the impact of foreign exchange rates.

Please turn to Page 12.

Public & Social Infrastructure (Q1 FYE3/2022 and Q1 FYE3/2023)

(Billions of Yen, %)

	Q1 FYE3/2022 Results (Apr-Jun)	Q1 FYE3/2023 Results (Apr-Jun)	YoY (Amount)	YoY (Rate)	
New Orders Received	157.7	139.7	-18.0	-11.4%	
Net Sales	121.9	127.9	+6.0	+4.9%	
Operating Income (Operating income margin)	10.6 (8.7%)	11.3 (8.9%)	+0.8 (+0.2P)	+7.1%	

New Orders Received Decreased mainly due to fewer orders of large-scale projects for the central government and ministries than in the previous fiscal year.




Net Sales Increased mainly due to the expansion in the scale of services for the central government and ministries.

Operating Income Increased mainly due to sales growth.

(Explanation omitted)

Financial (Q1 FYE3/2022 and Q1 FYE3/2023)

(Billions of Yen, %)

	Q1 FYE3/2022 Results (Apr-Jun)	Q1 FYE3/2023 Results (Apr-Jun)	YoY (Amount)	YoY (Rate)	
New Orders Received	130.9	89.1	-41.8	-32.0%	
Net Sales	146.6	163.9	+17.2	+11.8%	
Operating Income (Operating income margin)	12.6 (8.6%)	15.9 (9.7%)	+3.2 (+1.1P)	+25.6%	

New Orders Received Decreased mainly due to fewer orders of large-scale projects for banks than in the previous fiscal year.




Net Sales Increased mainly due to the expansion in the scale of services associated with the projects for banks won in the previous fiscal year.

Operating Income Increased mainly due to sales growth.

(Explanation omitted)

Enterprise & Solutions (Q1 FYE3/2022 and Q1 FYE3/2023)

(Billions of Yen, %)

	Q1 FYE3/2022 Results (Apr-Jun)	Q1 FYE3/2023 Results (Apr-Jun)	YoY (Amount)	YoY (Rate)	
New Orders Received	91.2	97.7	+6.5	+7.1%	
Net Sales	147.7	168.3	+20.5	+13.9%	
Operating Income (Operating income margin)	15.2 (10.3%)	18.6 (11.1%)	+3.4 (+0.7P)	+22.1%	

New Orders Received Increased mainly due to winning of projects for the manufacturing industry.

Net Sales Increased mainly due to the expansion in the projects for the manufacturing industry and the retail and service sectors as well as the scale of services for payment business.

Operating Income Increased mainly due to sales growth.

(Explanation omitted)

North America (Q1 FYE3/2022 and Q1 FYE3/2023)

(Billions of Yen, %)

	Q1 FYE3/2022 Results (Apr-Jun)	Q1 FYE3/2023 Results (Apr-Jun)	YoY (Amount)	YoY (Rate)	
New Orders Received	70.3	95.2	+24.9	+35.4%	
Net Sales	114.0	138.5	+24.5	+21.5%	
EBITA ^(*) (EBITA margin)	7.2 (6.3%)	10.1 (7.3%)	+2.8 (+0.9P)	+39.2%	
Operating Income (Operating income margin)	4.3 (3.7%)	6.3 (4.5%)	+2.0 (+0.8P)	+47.6%	

(*) EBITA = operating income + amortization of intangible assets subject to purchase price allocation (PPA) arising from acquisition and others.

New Orders Received	Increased mainly due to winning of projects for corporate clients and the impact of foreign exchange rates.
Net Sales	Increased mainly due to the impact of foreign exchange rate.
EBITA	Increased mainly due to transient revenue.
Operating Income	Increased mainly due to transient revenue.

(Explanation omitted)

EMEA & LATAM (Q1 FYE3/2022 and Q1 FYE3/2023)

(Billions of Yen, %)

	Q1 FYE3/2022 Results (Apr-Jun)	Q1 FYE3/2023 Results (Apr-Jun)	YoY (Amount)	YoY (Rate)	
New Orders Received	130.1	190.0	+60.0	+46.1%	
Net Sales	131.6	163.2	+31.7	+24.1%	
EBITA ^(*) (EBITA margin)	5.0 (3.8%)	8.3 (5.1%)	+3.2 (+1.2P)	+63.7%	
Operating Income (Operating income margin)	4.0 (3.1%)	7.1 (4.4%)	+3.1 (+1.3P)	+76.1%	

(*) EBITA = operating income + amortization of intangible assets subject to purchase price allocation (PPA) arising from acquisition and others.

New Orders Received	Increased mainly due to winning of projects in Europe, especially in Spain, as well as the impact of foreign exchange rates.
Net Sales	Increased mainly due to winning of projects in Europe, especially in Spain, as well as the impact of foreign exchange rates.
EBITA	Increased mainly due to sales growth.
Operating Income	Increased mainly due to sales growth.

(Explanation omitted)

(Reference) Foreign Exchange Rates

Due to the rapid depreciation of the yen since the end of previous fiscal year, the yen is currently weaker than we had previously expected in our full-year earnings forecast.

We will continue to monitor the impact of foreign exchange rates on full-year results.

Currency	(Yen)			
	(1)FYE 3/23 1Q Average Rate	(2)FYE 3/23 Full Year Forecast Rate	(Ref.) FYE 3/22 1Q Average Rate	(Ref.) FYE 3/22 Full Year Average Rate
USD	129.73	120.00	109.52	112.42
Difference	-	+9.73	+20.21	+17.31
EUR	138.26	133.00	131.94	130.55
Difference	-	+5.26	+6.32	+7.71

Foreign exchange sensitivity :

The impact of a 1 yen depreciation on the full-year forecast* is as follows (Both USD and EUR):

New Orders Received and Sales : Approx. +4 billion yen

EBITA and Operating Income : Approx. +0.2 billion yen

*Stand-alone business forecast that does not include NTT Ltd.

As the yen has been rapidly falling since the end of previous fiscal year, it is currently weaker than expected in the full-year earning forecasts. The yen against the US dollar was weaker by about 10 yen and the yen against the euro was weaker by about 5 yen in the first quarter, compared to the forecast rates. As this slide shows, the foreign exchange sensitivity to NTT DATA's stand-alone business forecast that does not include NTT Ltd. is expected to have a positive impact on all figures.

The depreciation of the yen has some positive impact on the performance. However, given the business environment that is becoming increasingly uncertain, we will closely look at future effects on the full-year results including currency movements.

Let's move on to updates on the progress of the overseas business combination. Please see Page 14.



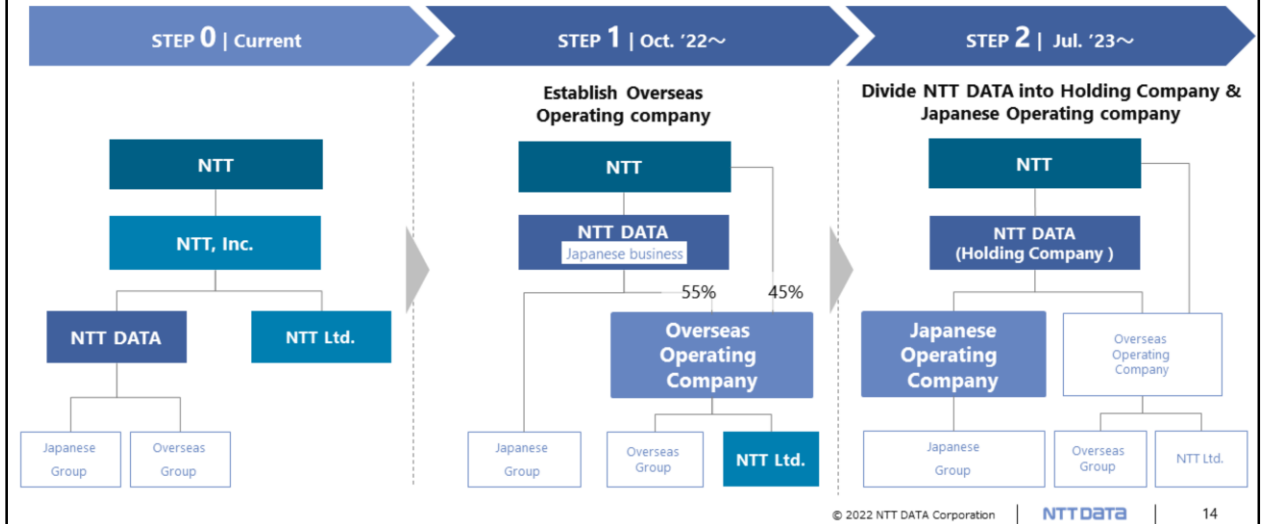
2

Progress of Overseas Business Combination

(Explanation omitted)

Schedule of Business Combination

Through the establishment of Overseas Operating Company in October 2022, NTT Data Holding Company and Japanese Operating Company in July 2023, we will strengthen our global management structure



This slide shows the overall timeline of NTT DATA's transition to a global management structure.

As STEP 1, we plan to establish an overseas operating company in October this year by combining NTT DATA's overseas business and NTT Ltd.

STEP 2 is making NTT DATA a holding company and transferring businesses to a Japanese operating company after July 2023, aiming to strengthen our global management structure.

Next, I will explain updates on the progress towards each STEP.

Please turn to Page 15.

Schedule and Progress of Business Combination

Schedule

STEP 1 | from Oct. 2022

NTT DATA will establish the overseas operating company and combine operations with NTT Ltd.

STEP 2 | from July 2023

NTT DATA will be divided into the holding company and the Japanese operating company, and the holding company structure will be introduced.

Progress report and plans in detail

- Approved at the General Meeting of Shareholders in June 2022
- Started to optimize the management structure of overseas operations by establishing "Global Segment" through the integration of the Americas & Europe and China & APAC segments.
- Scheduled to be consolidated from October 2022
- Scheduled to establish NTT DATA Japan Preparation Corporation in October 2022
- Considering an absorption-type split of the domestic business into NTT DATA Japan Preparation Corporation*

*To be proposed at the General Meeting of Shareholders in June 2023

The overseas business combination in STEP 1 was approved at the General Meeting of Shareholders held in June.

Based on this, preparations for the combination are going well at the moment and an overseas operating company will be consolidated in October 2022, as scheduled.

Towards STEP 2, we are currently preparing to establish NTT DATA Japan Preparation Corporation in October 2022.

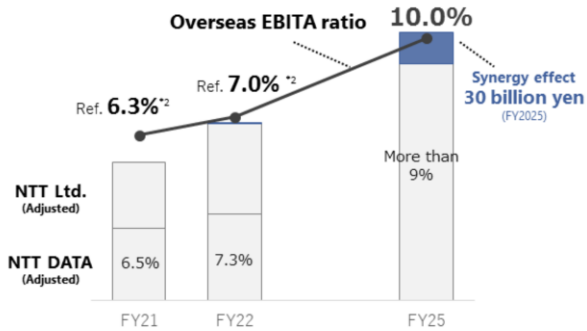
The next topic is about synergies that the overseas business combination aims for.

Please see Page 16.

Synergies in Overseas Business Combination

Create synergy effect of approx. ¥30 billion in FY 2025, aiming for 10% of overseas EBITA ratio

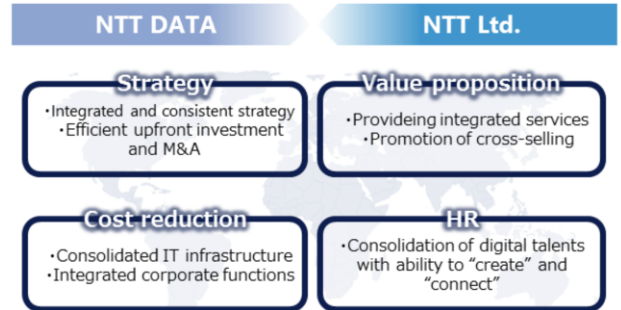
Synergies and overseas EBITA ratio^{*1}



Company policies to improve EBITA ratio

- NTT DATA** Digital shift to establish competitiveness and increase market share and presence
- NTT Ltd.** Steady implementation of structural reforms and expansion of high value services

Synergy effect



*1: EBITA ratio is an adjusted figure that excludes one-time costs such as M&A and restructuring costs.

*2: It is the overseas OP margin (adjusted) announced by NTT. The scope of the margin aggregation includes subsidiaries that were attributable to NTT, Inc. at the time the NTT Medium-Term Plan was set (e.g., NTT DATA overseas business, NTT Ltd. and NTT Communications overseas business).

Regarding the overseas business profitability, respective companies including NTT Ltd. do not disclose their detailed information. With this in mind, I would like to explain, while referring to NTT Group's overall adjusted operating income margin, which is currently available.

Meanwhile, figures shown in this slide are adjusted figures excluding temporary costs such as restructuring costs, as described in the Notes.

First, the adjusted overseas operating income margin of the entire NTT Group is 6.3% in the year ended on March 31, 2022 and is estimated at 7.0% in the year ending on March 31, 2023.

NTT DATA's adjusted EBITA ratio, which is included in the above-mentioned figures, has been improved to 6.5% by the previous year after implementing measures to improve the overseas business profitability.

Similarly, while NTT Ltd.'s EBITA ratio is not disclosed, it has been improved to the same level as ours.

From here on, the two companies will work respectively to improve the profitability and as described in this slide, by fiscal year 2025, create synergy effects worth about 30 billion yen through the overseas business combination, aiming to increase the adjusted EBITA ratio of the entire overseas business to 10%.

Next, I would like to explain the organization restructuring designed to help achieve the new Medium-Term Management Plan.

Please see Page 18.

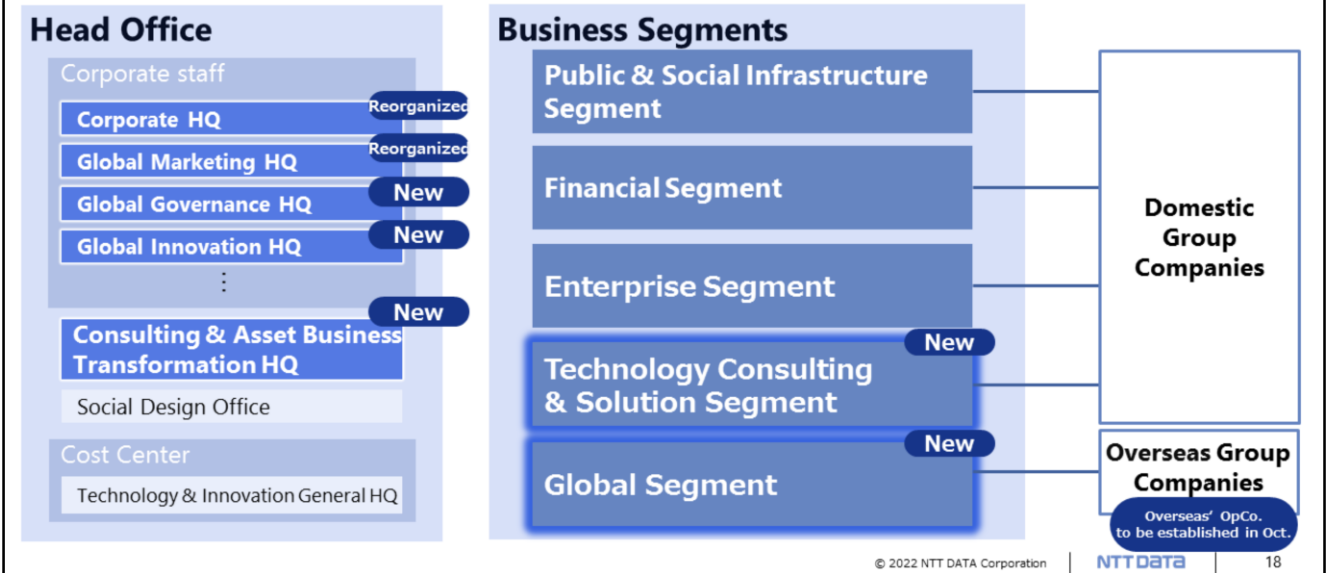
3

Organization Restructuring

(Explanation omitted)

New Organization Chart | July 1, 2022-

To achieve new Medium-Term Management Plan, we started new organization on July 1 to strengthen functions with the strategy as well as overseas business toward establishment of overseas operating company in Oct. 2022.



NTT DATA restructured its organizations as of July 1 with an aim to enhance functions according to the strategies in the new Medium-Term Management Plan and strengthen our overseas businesses ahead of establishing an overseas operating company in October.

I will explain the points in the latest organization restructuring in the next two pages. Please see Page 19.

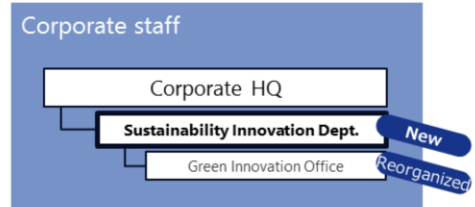
Overview of the reorganization (1/2)

As a part of strengthening functions to achieve the new Medium-Term Management Plan, we newly established strategic promotion organizations responsible for “Strengthen consulting capabilities” and “Evolve to asset based business models” and an organization responsible for sustainability management.

- Newly established segment / organization which strengthen consulting capabilities and evolve to asset-based business models



- Newly Established Sustainability Management Promotion Organization
 - Promote company-wide strategies focusing on non-financial indicators



We newly created strategic promotion organizations in charge of “Strengthen consulting capabilities” and “Evolve to asset-based business models,” both important strategies to achieve the new Medium-Term Management Plan, and an organization responsible for promoting sustainability management.

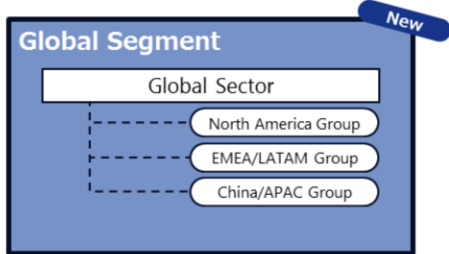
Please see Page 20.

Overview of the reorganization (2/2)

Prior to the establishment of an overseas operating company, we optimized management system of overseas business and enhanced the global functions for further growth as a global company.

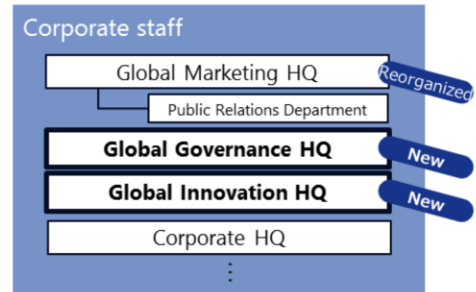
■ Consolidated global organizations and established a new segment

- Optimize management system by integrating each region including NA, EMEA/LATAM, China and APAC



■ Newly established an organization to enhance global function

- Strengthen globally unified marketing activities
- Strengthen global governance
- Strengthen global strategic investment



Prior to the establishment of an overseas operating company in October 2022, NTT DATA consolidated organizations related to global businesses to optimize the management system while creating and restructuring organizations to enhance the global headquarters function.

Through the reorganization, we aim to support the growth of clients' businesses as a Trusted Global Innovator and realize a sustainable society as well as make efforts to achieve the new Medium-Term Management Plan.

I will omit explanations for the following slides, as they show topics and numerical information for each segment.

With this, I would like to conclude my presentation.

Thank you for listening.

4

Appendices

- Business Topics -

(Explanation omitted)

Principal Measures Taken in the First Quarter of FYE March 31, 2023 (1/3)

Verification tests to collect, visualize, and analyze renewable energy information comprehensively



Working with Nissin Systems Co., Ltd. and NEXTEMS, the Company is preparing for verification tests on an information distribution infrastructure that comprehensively collects, visualizes, analyzes, monitors, and controls information on distributed renewable energy sources (Note 1), aiming to promote decarbonization for the local governments.

In these verification tests, an area aggregation system (Note 2) collects information from the distributed renewable energy source equipment installed on Miyako Island. The information distribution infrastructure summarizes information from each area to visualize power demand or supply and capture/analyze a self-sufficiency rate of renewable energy in each area. We will also consider adding social infrastructure information (water, gas, and transportation) indispensable to decarbonization for the verification tests on the information distribution infrastructure.

The verification tests are an initiative ahead of our domestic competitors. The three companies will jointly provide solutions based on verifications for these local governments aiming to become Decarbonization Leading Areas (Note 3) in 2022 or later, thereby promoting the use of renewable energy and local decarbonization.

In FY2026, infrastructure technology for promoting the real-time use of a cluster of distributed renewable energy information will also be provided, which will be implemented on a scale of tens of millions in 2030. This will enable us to align with business operators dealing with local transmission and distribution while accurately predicting power demand and supply, thus contributing to a stable power supply.

(Note 1) Distributed renewable energy source

A distributed renewable energy source is a generic term for power sources that are used and distributed to houses, the public sphere, and industries, including renewable energy (e.g., solar and wind power) and battery storage systems for renewable energy.

(Note 2) Area aggregation system

An area aggregation system is a system for controlling power demand and supply. It efficiently controls surplus power by making effective use of multiple energy sources, e.g., battery storage systems, ecological water heaters, and electric vehicle power chargers, to respond to the radically changing energy business environment as renewable energy expands its scope.

(Note 3) Decarbonization Leading Area

Decarbonization Leading Area refers to an area that realizes substantial zero CO₂ emission caused by the power consumption in the civic sector (both the household sector and the business and other sectors) leading toward carbon neutrality in 2050. Consistent with Japan's goals in FY2030, it also aims to reduce other greenhouse gas emissions, including those caused by the transportation sector and heat usage, according to local characteristics.

(Explanation omitted)

Principal Measures Taken in the First Quarter of FYE March 31, 2023 (2/3)

Our approaches to realize carbon neutrality



The Company has implemented approaches to carbon neutrality.

- The Company developed a Carbon Footprint of Products (CFP [Note 1]) management infrastructure for each finished product, together with Asahi Kasei Corporation (hereafter, Asahi Kasei), and started to provide CFP data for clients in May 2022.

This infrastructure adds CFP from procured raw material and outsourced processing (Scope 3 [Note 2]) to CFP from internal manufacturing processes (Scopes 1 and 2 [Note 2]) in order to summarize CFP of each finished product that covers the entire manufacturing processes. This enables clients to consider the effective reduction measures of the manufacturing process. In addition, it uses internal carbon pricing that helps the clients to compare product costs in the income and expenditure plan with CFP reduction costs by product to evaluate return on investment, or to determine investment priority in converting to the latest energy-saving equipment.

We aim to receive over 20 orders in the Enterprise and Solutions Segment by the end of FY2025, by providing the infrastructure and other greenhouse gas-related businesses for diverse industries with a focus on the manufacturers.

- We promote the reduction of electricity consumption in data centers. As part of this, we implemented a liquid immersion cooling method (Note 3) as cooling system and conducted verification tests on the equipment at Mitaka Data Center EAST.

Through the verification tests, we confirmed that the electricity consumption for cooling the data center was reduced by up to 97% (Note 4) compared to the conventional systems, realizing the world's most energy efficiency while keeping the server equipment and networks operating stably.

We aim to implement and provide energy-saving data center services using the cooling system during FY2023.

(Note 1) Carbon Footprint of Products

CFP is the total greenhouse gas emissions caused by a life cycle, from the procurement of raw material to the disposal/recycling of a product or service. The emissions are converted into carbon dioxide, which is quantitatively calculated. The CFP calculated by Asahi Kasei is based on the concept of cradle to gate or cumulative process data, which is the sum of greenhouse gas emissions caused by the raw material, which is procured from Asahi Kasei's upstream suppliers or by transportation, Asahi Kasei's manufacturing processes, and energy, such as power, used in the manufacturing of the products.

(Note 2) Scopes 1, 2, and 3

Scopes 1, 2, and 3 are international standards for calculating and reporting greenhouse gas emissions of entire supply chain. Greenhouse gas emissions are divided into the following three categories based on emission methods or emitters to calculate total emissions caused by the entire supply chain from Scopes 1 to 3.

Scope 1: Greenhouse gas emissions which directly caused by the enterprise itself (e.g., burning fuels, industrial processes, etc.).

Scope 2: Greenhouse gas emissions which indirectly caused by the use of electricity, heat, and steam provided by other companies.

Scope 3: Greenhouse gas emissions which indirectly caused by factors other than Scopes 1 and 2 (greenhouse gas emissions caused by other companies related to the enterprise's activities).

(Note 3) Liquid immersion cooling method

Liquid immersion cooling is a method for directly cooling ICT equipment, such as servers by immersing it in a special liquid. It is a next-generation cooling method that is more energy-efficient than the conventional air-cooling system.

(Note 4) Up to 97% reduction

This is a reduction effect when compared to the total power consumption in a data center with 1.7 power usage effectiveness (PUE), which is one of the indices for cooling effectiveness in data centers. To arrive at this, divide the energy consumed by the entire data center (annual power consumption) by IT equipment's energy consumption (annual power consumption). If the value is closer to 1.0, then the data center is more energy-efficient. We estimate the annual PUE as 1.07 based on the verification test results, considering everything, such as weather data and conditions of each equipment's capability.

(Explanation omitted)

Principal Measures Taken in the First Quarter of FYE March 31, 2023 (3/3)

NTT DATA Services Increased Awareness of our Digital Capabilities at the Indianapolis 500, One of the Largest Motor Sports Events, by utilizing Enhanced Digital Capabilities from Acquisitions



NTT DATA Services, a subsidiary of NTT DATA Corporation, accelerated our digital expertise through acquisition as part of our continued multi-year strategy to drive the next phase of digital transformation in the market. In addition, by utilizing these digital capabilities, NTT DATA Services, as NTT Group, provided NTT's Smart Solutions and transformed the venue of the Indianapolis 500 into a Smart Venue, improving the fan experience and supporting operations in one of the largest and longest running traditions in sports. This also led to increased awareness of our digital capabilities.

NTT DATA Services acquired Postlight LLC, a digital strategy, design, and engineering company, in June 2022. As part of our continued multi-year strategy, the acquisition will build on NTT DATA's successful acquisitions, Nexient, LLC in June 2021 and Vectorform LLC in March 2022, by strengthening its digital application development and modernization capabilities, adding innovation and high-end design with a customer experience focus.

NTT DATA Services, as a member of NTT group, provided NTT's Smart Solutions and transformed the venue of the Indianapolis 500 into a Smart Venue, with its data analytics, AI and digital twin capabilities, improving the fan experience and supporting operations at the 106th running of the Indianapolis 500 in May 2022. For this success, we leveraged our digital capabilities that we have been long cultivated throughout the group. Through our sponsorship and technology support to NTT INDYCAR SERIES, we will continue to transform the race fan experience utilizing our digital expertise. Additionally, by using these events as an opportunity to further advance the mutual communication with our clients, we will increase awareness of our digital capabilities to clients as well as build new capabilities for serving them more effectively. We will accelerate the provision of our full stack and effective digital transformation service across the One NTT portfolio, ranging from infrastructure to application, by combining digital strength of our recent acquisitions and throughout NTT group.

NTT DATA further continues to focus on bringing the best and brightest capabilities and talent to our clients in North America and globally, as part of our continued multi-year strategy to drive the next phase of digital transformation in the market.

(Explanation omitted)

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Appendices

- Explanatory details of financial results and forecasts -

* Subsequent forecasts for the fiscal year ending March 31, 2023 exclude the impact of the business combination between NTT DATA and NTT Ltd.

(Explanation omitted)

Overview of Consolidated Result

(Billions of Yen,%)

	Q1 FYE3/2022 Results (Apr-Jun)	Q1 FYE3/2023 Results (Apr-Jun)	YoY (%)	FY Ended 3/2022 Results (Full Year)	FY Ending 3/2023 Forecasts ⁽⁴⁾ (Full Year)
New Orders Received	589.8	622.7	+5.6	2,400.8	2,430.0
Order Backlog	2,794.7	2,962.9	+6.0	2,860.6	2,800.0
Net Sales	590.8	677.4	+14.6	2,551.9	2,660.0
(Main item) Overseas Net Sales ⁽¹⁾	253.2	309.5	+22.2	1,050.5	1,117.0
Cost of Sales	437.9	499.5	+14.1	1,875.9	1,938.0
Gross Profit	152.9	177.9	+16.3	676.0	722.0
SG&A Expenses	105.6	120.4	+14.0	463.4	500.0
Selling Expenses	40.8	47.4	+16.2	179.7	192.0
R&D Expenses	4.0	4.2	+6.1	19.7	24.0
Other Administrative Expenses	60.8	68.7	+13.0	264.0	284.0
Operating Income	47.3	57.5	+21.7	212.6	222.0
Operating Income Margin(%)	8.0	8.5	+0.5P	8.3	8.3
Financial Income and Costs/Share of Profit/Loss of Entities for Using Equity Method	1.7	1.4	-20.5	3.3	-
Income Before Income Taxes	49.0	58.9	+20.2	215.8	222.0
Income Taxes and Others ⁽²⁾	17.9	19.2	+6.9	72.9	75.0
Net Income Attributable to Shareholders of NTT DATA	31.1	39.7	+27.9	143.0	147.0
Capital Expenditures	35.8	43.6	+21.8	176.7	175.0
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles ⁽³⁾	44.3	44.5	+0.3	182.0	180.0

⁽¹⁾ The total of external net sales of North America and EMEA & LATAM Segments and China & APAC regions.

⁽²⁾ "Income Taxes and Others" includes "corporate income taxes" and "net income attributable to non-controlling interests."

⁽³⁾ The figures for FYE 3/2020 and later were calculated excluding lease depreciation expenses.

⁽⁴⁾ The forecast excludes the business combination between NTT DATA and NTT Ltd.

(Explanation omitted)

Consolidated New Orders Received and Order Backlog

Details of Consolidated New Orders Received (to Clients Outside the NTT DATA Group)

(Billions of Yen)

	Q1 FYE3/2022 Results (Apr-Jun)	Q1 FYE3/2023 Results (Apr-Jun)	FY Ended 3/2022 Results (Full-Year)	FY Ending 3/2023 Forecasts ^(*) (Full-Year)
Public & Social Infrastructure	157.7	139.7	544.3	479.0
(Main item): Central Government and Related Agencies, Local Government and Healthcare	93.3	79.7	325.1	255.0
Telecom and Utility	28.1	25.2	118.9	125.0
Financial ^(*)	130.9	89.1	446.5	498.0
(Main item): Banks, Insurance, Securities, Credit Corporations, Financial Infrastructure/Network Services	101.6	66.3	321.1	374.0
Cooperative Financial Institutions	19.3	15.7	96.2	97.0
Enterprise & Solutions ^(*) ^(*)	91.2	97.7	376.4	389.0
(Main item): Retail, Payment and Other Services	22.7	23.2	91.9	95.0
Manufacturing	52.1	56.3	226.9	236.0
Data Center, Network, and Other Solutions	16.5	18.2	57.7	58.0
North America	70.3	95.2	425.7	438.0
EMEA & LATAM	130.1	190.0	571.4	585.0

Detail of Consolidated Order Backlog

(Billions of Yen)

Order Backlog	2,794.7	2,962.9	2,860.6	2,800.0
Public & Social Infrastructure	576.4	619.1	582.0	548.0
Financial	916.8	821.7	862.8	864.0
Enterprise & Solutions	158.8	161.0	157.8	172.0
North America	728.4	849.1	797.9	734.0
EMEA & LATAM	397.7	491.2	442.5	463.0

(*)1 In Financial and Enterprise & Solutions, the figure of New Orders Received were reviewed in terms of the recorded details.

(*)2 In Enterprise & Solutions, New Orders Received to Clients Outside the NTT DATA Group does not include orders taken via other segments.

(*)3 The forecast excludes the business combination between NTT DATA and NTT Ltd.

(Explanation omitted)

Consolidated Net Sales

Detail of Consolidated Net Sales (to Clients Outside the NTT DATA Group)

(Billions of Yen)

	Q1 FYE3/2022 Results (Apr-Jun)	Q1 FYE3/2023 Results (Apr-Jun)	FY Ended 3/2022 Results (Full-Year)	FY Ending 3/2023 Forecasts ^{(*)3} (Full-Year)
Public & Social Infrastructure	101.3	105.5	486.6	515.0
(Main item) Central Government and Related Agencies, Local Government, and Healthcare	50.9	55.7	271.8	288.0
Telecom and Utility	28.0	27.1	116.9	125.0
Financial ^{(*)1}	127.3	139.5	541.4	553.0
(Main item) Banks, Insurance, Securities, Credit Corporations, Financial Infrastructure/Network Services	98.4	110.9	414.9	425.0
Cooperative Financial Institutions	25.5	23.9	105.8	99.0
Enterprise & Solutions ^{(*)1} ^{(*)2}	105.6	119.6	460.6	483.0
(Main item) Retail, Payment and Other Service	37.3	41.5	160.8	167.0
Manufacturing	49.7	58.1	221.2	232.0
Data Center, Network, and Other Solutions	18.0	19.5	77.2	84.0
North America	112.5	136.5	467.9	502.0
EMEA & LATAM	130.0	162.1	542.8	566.0

Net Sales by Products and Services (to Clients Outside the NTT DATA Group)

(Billions of Yen)

Consulting	78.0	102.7	357.5	380.0
Integrated IT Solution	151.6	163.2	638.2	645.0
System & Software Development	130.6	161.2	616.6	665.0
Maintenance & Support	209.4	227.5	855.7	880.0
Others	21.3	22.7	84.0	90.0
Net Sales by Products and Services Total	590.8	677.4	2,551.9	2,660.0

^{(*)1} In Financial and Enterprise & Solutions, Net Sales were reviewed in terms of the recorded details.

^{(*)2} In Enterprise & Solutions, Net Sales to Clients Outside the NTT DATA Group does not include sales of projects undertaken through other segments.

^{(*)3} The forecast excludes the business combination between NTT DATA and NTT Ltd.

(Explanation omitted)

Trends in Quarter (Consolidated)

■ New Orders Received



■ Net Sales



■ Operating Income



(Explanation omitted)



(Explanation omitted)