

## Questioner 1

### Q&A 1

[Question] Financial costs have increased rapidly since Q1 of FY2023, and interest rates continue to rise in FY2023. I was afraid that NTT DATA would bear more financial costs in FY2023. However, I heard an answer that financial costs would fall within the range of 40 billion to 50 billion yen. At the same time, I heard that the Company recorded a temporary profit of six billion yen in Q4. Is there any reason why the Company has successfully avoided the damage from higher interest rates? Or did higher interest rates damage the Company and bore financial costs of 50 billion yen, which was more than the expectation at 40 billion yen? Please share the premise of the earnings forecast for FY2023 with us.

[Answer] As we have explained at the earnings result briefing session, NTT DATA temporarily capitalized some of the financial costs in Q4 of FY2022. Excluding that, the financial costs in Q4 would have been almost the same as those in Q3. In FY2023, we expect to incur financial costs as much as those in FY2022.

[Question] You said that quarterly financial costs would remain unchanged from those recorded in Q3 or Q4 of FY2022. This means that financial costs in FY2023 would amount a little more than 50 billion yen, not 40 billion yen as you mentioned before, right?

[Answer] Financial costs for Q3 and Q4, net of financial income, would be about 10 billion yen.

[Question] I see. There are few impacts of higher interest rates. What is the reason? I thought that higher interest rates strongly impacted NTT DATA's financial performance because it has received short-term loans.

[Answer] The financial performance has been affected by higher interest rates since Q3. However, the impact in Q4 was not more than in Q3.

[Question] Did the Company absorb all of the damage from higher interest rates in Q3?

[Answer] Impacts from higher interest rates were reflected in the performance of Q3 and Q4. In FY2023, the performance will be affected by interest rates for refinancing.

[Question] Common sense told me that the Company refinances one or two-year loans every quarter, and interest rates are rising sequentially. But, this is not true for the next twelve months.

[Answer] Another factor is how we expect interest rates in the future.

### Q&A 2

[Question] In FY2023, NTT DATA will incur integration costs and costs for the structural transformation of NTT Ltd. Based on the material for the briefing session, these costs will be almost zero in FY2024. Does this mean that the Company will finish the integration and the structural transformation of NTT Ltd. by the end of FY 2023, ahead of schedule?

[Answer] As you may understand from the information on Page 11 of the material for the briefing session, in principle, we identify FY2023 as the final year of each company's structural transformation. Concerning NTT Ltd., we will withdraw from unprofitable businesses or areas to record all losses in FY2023. In FY2024 and onward, as we explained in the material for the briefing session, we will focus on the transformation and shift to a new business structure. The integration costs related to the transformation and the shift will amount to 10 to 20 billion yen annually.

[Question] So, the sum of the amounts for FY2023, encircled with an ellipse, will be 45 billion yen in total. In FY2024, the amount will decrease to about 15 billion yen, an average number between 10 billion and 20 billion yen. The reduced costs will result in an increase in profit by 30 billion yen. The Company should benefit from three factors: cost reduction, structural transformation, and organic growth.

[Answer] In this regard, we will shape and check how we act in FY2024 and FY2025. We will do as much as possible in FY2024, ahead of schedule, so that people do not think that we are still in the process of the structural transformation even in FY2025, the final year of the medium-term management plan.

[Question] As I need to make forecasts for FY2024 and FY2025, I would like to know a simple premise of the Company's forecasts. In the chart below, the lines for the structural transformation costs of seven billion yen for EMEA & LATAM and 19 billion yen for NTT Ltd. do not extend to FY2024. But do you mean that such costs may be generated?

[Answer] Actually, the Company spends money on a usual basis. In Europe and the US, not in Japan,

it regularly reduces redundant personnel. As it will usually continue restructuring, two to three billion yen, not shown in this chart, will be generated in these regions.

[Question] If the amount is at the usual level, no problem. How much effect do you expect in FY2023 from total costs of 45 billion yen for FY2023? 20 to 30 billion yen?

[Answer] In this regard, we identify the costs as an investment to create a synergy of 30 billion yen in FY2025, which we promise, and an investment to raise the non-consolidated adjusted EBITA margin for NTT Ltd. to around 10%.

[Question] Figures for FY2024 have not been disclosed yet. But do you mean that the effect will increase profit by 30 billion yen in total from FY2024 to FY2025?

[Answer] Yes. As the graph on Page 11 of the material for the briefing session shows, the profit margin of overseas businesses in FY2022 was higher than expected. We set an internal target of achieving the adjusted EBITA margin, excluding temporary costs for M&A, structural transformation, and others, at 7% in FY2022, 8% in FY2023, and 9% in FY2024. We try to make results steadily in line with the upward-sloping curve.

## Questioner 2

### Q&A 1

[Question] I would like to know your rough idea of the breakdown of the forecasted net sales of NTT Ltd. for FY2023. I think the detailed information on the actual net sales in FY2022 is disclosed in the supplementary material. However, I would like you to share your idea about the forecasts for high-value-added and other services, respectively.

[Answer] The actual data for FY2022 has been disclosed, and my explanation may be a little repetitive. The data center business saw huge year-on-year growth from 173.9 billion yen in FY2021 to 241.8 billion yen in FY2022. The managed service business grew from 147.9 billion yen in FY2021 to 170.6 billion yen in FY2022. The network business also grew from 54.3 billion yen in FY2021 to 69.7 billion yen in FY2022. Other businesses, including the cloud communication business, grew from 80.1 billion yen in FY2021 to 80.8 billion yen in FY2022. The telecommunication equipment sales and other businesses grew from 598.5 billion yen in FY2021 to 626 billion yen in FY2022. Overall, we basically expect the data center business will see increases in net sales and operating income to some extent. Regarding the telecommunication equipment sales business, we expected slower growth, but it contributed to net sales unexpectedly due partly to the recovery of the supply chain. The numbers I shared with you are disclosed in Excel sheets included in the Historical Financial Data section on the Company's website. Please note that the figures are for a full year, including the first half of FY2022, when these businesses were under the control of the holding company, NTT, and only the results for the second half of FY2022 were consolidated with the results of NTT DATA. For your reference, the telecommunication equipment sales business saw a year-on-year decrease in net sales in real terms from FY2021 to FY2022 due to a great impact of foreign exchange.

In FY2023, we do not specifically segment the businesses but disclose results only for two categories: IT Infrastructure and Telecommunications Terminal and Network Equipment.

### Q&A 2

[Question] I think that NTT DATA identifies the number of clients with annual sales of five billion yen or more as a KPI for the medium-term management plan. Please tell me the number of such clients as of FY2022 ends and how much effect the consolidation with NTT Ltd. has on the increase.

[Answer] The Company is making efforts to increase the number to 120 under the current medium-term management plan from about 80 under the previous medium-term management plan. Now, we have 98 clients with annual sales of five billion yen or more. Although we cannot sort out the effect of the consolidation with NTT Ltd. from the effect of the Company's organic growth, you can understand that our client base is expanding steadily.

## Questioner 3

### Q&A 1

[Question] I have a somewhat detailed question about the overall plan for overseas businesses. I think the net sales forecast to outside entities is the same as the net sales forecast, including net sales between group companies. Is there any significance to the projection that there would be no gap between the two types of net sales?

[Answer] Your question is about the FY2022 net sales of overseas segments disclosed on Page 38 of the material for the earnings result briefing session, isn't it? As the disclosure shows, the actual net sales amounted to 1,880.4 billion yen in FY2022. This is a gross number. Meanwhile, overseas net sales to outside entities in FY2022 were 1,866.1 billion yen, as shown in the table on Page 41 of the Appendix to the material for the earnings result briefing session. The gap, about 20 billion yen, represents an intercompany elimination. Our forecast for net sales is 2,436 billion yen, the same as net sales to outside entities. Would you like to know why net sales to group companies are not considered for the forecast?

[Question] Yes. Is this because of structural transformation?

[Answer] This is just a forecast. The reason the forecast net sales of the outside entities would be the same as net sales, including net sales between group companies, is because the amount of intercompany elimination is quite small compared to the overall net sales of about 2,400 billion yen.

### Q&A 2

[Question] The forecasted gap between EBITA and operating income of the Overseas Segment in FY2023 is 46 billion yen. The actual gap in FY2022 was 30 billion yen, which means that the gap in FY2023 would increase by 16 billion yen. Based on the results in previous fiscal years, out of the gap, I estimate that 20 billion yen could be attributable to North America and EMEA & LATAM, and about 13 billion yen could be attributed to NTT Ltd. on a full-year basis, although it was actually consolidated from the beginning of the second half of FY2022. To what factor would be the remaining 13 billion yen attributable?

[Answer] The gap between EBITA and operating income consists of PPA amortization costs and costs and management fees related to the entire Overseas Segment. The first reason for the increase in the gap in FY2023 is that PPA amortization costs for NTT Ltd. would double from FY2022 because it will be consolidated on a full-year basis in FY2023. The second reason is that overall costs for overseas segments would also increase from FY2022 due to large business and management areas. However, we estimate that the remaining amount of the gap would be about 10 billion yen, not 13 billion yen.

[Question] So, the size of PPA amortization of intangible assets and costs and management fees related to the entire Overseas Segment out of the gap of 46 billion yen would remain unchanged for some time without M&A or other deals.

[Answer] Yes, it would. Of course, intangible assets are amortized over a certain period. The gap will be narrowed when the amortization period ends, but please understand that the size will remain almost unchanged.

### Q&A 3

[Question] NTT Ltd. recorded tax income in Q4. Please show me the reason. The Company forecasts a decrease in net sales and an increase in profit. EBITA is expected to increase by 26 billion yen. I understand that this increase can be explained by a decrease in structural transformation costs by 16 billion yen and effects from the transformation of over 10 billion yen as you told us last year. Is my understanding correct?

[Answer] The reason for the tax income was the difference between the actual and the declared tax amounts. The Company calculates a tax amount quarterly. When settling its account at the end of Q4, the Company recalculated tax amounts and found that tax amounts calculated for the first three quarters were more than the amount it actually owed. The difference was adjusted in Q4. This is the reason why the Company recorded tax income irregularly.

[Question] So, the Company estimates a tax amount for a quarter by equally dividing a full-year amount into four. This is the basis of the estimation. Right?

[Answer] Right.

For the second question, NTT Ltd.'s EBITA was 39.8 billion yen for FY2022 and is expected to be 79 billion yen for FY2023. As NTT Ltd. will be consolidated on a full-year basis, its

EBITA will nearly double in FY2023. In addition, substantive structural transformation costs will increase by two billion yen, and positive impacts from sales of low-profit businesses, etc., on operating income will amount to billions of yen. These factors will have a net positive impact on profit.

#### Questioner 4

##### Q&A 1

[Question] I would like to know the actual figures of unprofitable projects in FY2022. For public projects, I think that the cutover was scheduled at the end of the fiscal year. Was it successful? Also, I would like you to explain the status of unprofitable businesses.

[Answer] NTT DATA recorded a loss of seven billion yen from an unprofitable project in Q2 of FY2022 and additionally recorded a loss of 3.9 billion yen from the same project in Q4. Concerning the project, most of its services were launched in January, but additional costs were generated due to on-site responses, resulting in the additional costs recorded in Q4. Unreleased service functions will be provided from FY2023, and all services are expected to be launched in the first half. Please understand that the Company recorded additional costs that will be generated in the first half of FY2023 in Q4 of FY2022.

[Question] I see. How much was the total loss from unprofitable projects in FY2022?

[Answer] In FY2022, the Company recorded a loss of 13.8 billion yen for the entire company, including overseas segments.

[Question] So, based on the material on hand, I think the Company recorded a loss of about 5.4 billion yen from unprofitable projects in Q4. This comprises a loss of 3.9 billion yen from public projects and smaller losses from overseas projects, doesn't it?

[Answer] Yes, you are correct.

##### Q&A 2

[Question] Secondly, I would like to make a brief check. At the earnings results briefing session, you said that some new orders received in North America would be recorded in other accounting periods. You also said that the amount of such orders would be about 100 billion yen, excluding the impacts of foreign exchange. Please tell me when such orders would be recorded in FY2023, if you know.

[Answer] NTT DATA does not disclose a specific amount of new orders to be recorded in other periods. Since other factors will contribute to the potential increase in new orders to be received in North America in FY2023, we estimate that the impact of new orders to be recorded in other accounting periods would probably be lower tens of billions of yen.

[Question] You mean that new orders as much as lower tens of billions of yen will be deferred?

[Answer] I do not have data regarding individual projects on hand, but based on new orders received in North America in previous years, I think that new orders as much as lower tens of billions of yen will be deferred. Rather, it would be better for you to understand that the increase in annual new orders received by 79 billion yen was due to the buildup of the entire pipeline.

[Question] I understand. The amount of deferred new orders received is lower tens of billions of yen, not a big number.

[Answer] I am happy if you understand it that way.

#### Questioner 5

##### Q&A 1

[Question] I would like to check the premise for NTT Ltd.'s EBITA for the current fiscal year. On a net basis, structural transformation costs were 17 billion yen for the second half of FY2022 and will be 19 billion yen for the full-year of FY2023 as it was consolidated from the second half of FY2022. So, such costs will increase. Right?

[Answer] Yes. The costs will increase by two billion yen.

[Question] OK. Now, I would like to know the probability of recording EBITA of 79 billion yen in FY2023. Your forecast amount is almost equal to the amount calculated simply by multiplying the amount of FY2022 by two. Since the consolidation, NTT Ltd. has probably seen negative

growth in net sales when excluding the impacts of foreign exchange. Its profit increased irregularly in Q4 as I think there should have been a major temporary factor of sale of a data center. NTT Ltd. seems to have faced a little difficult situation in terms of top and bottom lines from the second half. Under such circumstances where costs for structural transformation will increase, too, I wonder if NTT Ltd. could double its profit. What plan do you have to achieve this?

[Answer] Looking at each segment, the data center business will contribute to operating income, which will have positive impacts in FY2023, basically.

Also, we expect to see a small recovery of the supply chain in the second half and a considerable recovery of net sales of the telecommunication equipment sales business. Given these, we forecast that profit will pick up to a certain extent. In addition, you can recognize that we made the forecast by considering sale of data centers in FY2023. These factors will contribute to increases in operating profit and EBITA.

[Question] Thank you. So, how much do you think the temporary profit on sale, unseen to us, will increase when comparing the second half of FY2022 with the full year of FY2023 based on the premise? I do not feel it is unusual for NTT Ltd. to earn temporary profit irregularly during a quarter.

[Answer] NTT DATA no longer considers it as a temporary factor. The Company needs to create a certain cash inflow every year to ease the burden of interest payments related to data centers. For this purpose, it intends to carry out an operation of selling part of fully-occupied data centers every year. I cannot show an exact number but expect a profit as much as in FY2022.

[Question] Do you mean profit for the full year of FY2022?

[Answer] Yes. You can think it that way.

## Q&A 2

[Question] I understand. My second question is about North America in the Overseas Segment. Profit in North America has grown due to favorable foreign exchange rates, and NTT DATA's strategy focused on profitability, which has been successful. However, in my view, North America saw a decrease in profit in Q4. I believe the Company made a temporary investment for growth or implemented other measures. Every global company's performance in the US is far poorer than in any other country. The Company forecasts increased net sales in FY2023, while I am afraid that it recorded a decrease in profit in Q4 and will have no tailwind from foreign exchange. Please show me the basis for the forecast, for example, the Company's view on the top line, temporary factors, or cost reduction effects.

[Answer] About North America, the effects of the digital shift have appeared steadily, and we expect that the effects of shoring will appear, too. Although it recorded a minor decrease in profit in Q4 of FY2022, it will see a certain increase in net sales because new orders received have grown to some extent. Its profit margin has recovered strongly. The gross margin ratio at the time of receiving new orders has risen by about one point every year, contributing to the final result, in my view.

[Question] I see. I understand that North America will achieve the goal at least because it has shown improvement with order backlogs, and the profit plan is not so aggressive.

[Answer] Yes.

[Question] In terms of new orders received, North America appears to have performed well without seeing a big drop. Have you read any sign of a downturn in new orders received in the US?

[Answer] So far, to the extent that I heard from members of overseas businesses, we have not seen any sign of a recession.

## Questioner 6

### Q&A 1

[Question] I have two questions, too. The first question is about NTT Ltd.'s tax assets. I estimate that they amount to about 100 billion yen by calculating the difference between figures on a balance sheet. Is my estimation correct? Also, I would like to know if you have a prospect of what portion of such assets it can use.

- [Answer] We do not disclose these items. So, I would like to refrain from answering the question.
- [Question] Actually, tax assets increased by about 100 billion yen from the end of Q2 to Q3 and Q4. Is this largely attributable to NTT Ltd.?
- [Answer] You can interpret it that way.

#### Q&A 2

- [Question] The second question is about the forecasted figure combining tax expenses and non-controlling interests. This seems that if tax expenses increase, expenses related to non-controlling interests will not increase. Please show me the ratio between them.
- [Answer] As we do not show the ratio, we disclose a figure under the heading of income taxes and others. The reason for the increase in income taxes and others was withdrawal from low-profit businesses under the structural transformation program. Please understand that tax expenses increased because the withdrawal costs were excluded from tax-deductible expenses.
- [Question] In principle, expenses related to non-controlling interests should increase proportionately to North America's profit. However, the Company does not forecast an increase. Are there any factors, for example, a decrease or deficit, which would decrease expenses related to non-controlling interests?
- [Answer] As the Company made a forecast based on the actual result in the previous year, there is no special reason for the decrease. You can understand it that way.

#### Questioner 7

##### Q&A 1

- [Question] You said that NTT DATA considers sales of data centers as a business, not a factor that generates temporary profit. Does the Company identify it as a developer business of building a data center by itself, inviting tenants to achieve full occupancy, developing the property's attractiveness as an investment, and finally selling it for profit?
- [Answer] In this regard, the Company aims to run the business while generating cash.
- [Question] The Company intends to run a developer business but not providing information services by holding assets eternally. I am sorry for being mean.
- [Answer] The business is not a full developer business. Take the case of data centers sold to hyper scalers, for instance. The Company often leases whole buildings to such companies, and when a certain time has passed, may sell the assets to them. In some cases, the Company establishes a fund to sell the assets to them via leasing company.
- [Question] I understand that the Company carries out this kind of sale rather than removing the assets off the balance sheet by using REIT or other investments. In this case, has the Company set a target profit margin for this kind of developer-like business?
- [Answer] No.
- [Question] I see. Investors always tell us that IT services companies operating overseas are risky because recession can affect them. As I said before, other companies also identify recession risks in overseas countries. However, there is little sign of deterioration in IT and digitalization. We need to know the difference between the economic condition and demands for IT and digitalization.
- [Answer] I agree with you in this regard. Currently, we see no sign of the impacts of a recession. Meanwhile, we have received strong requests for cost reduction from clients whose purpose is BPO or cost saving. For these reasons, the Company is accelerating its portfolio transformation.  
In my view, demand for digitalization will still be strong even during a recession.

#### Questioner 8

##### Q&A 1

- [Question] You said the Public & Social Infrastructure Segment reported an additional loss of about 3.9 billion yen from unprofitable projects in Q4 of FY2022. So, the segment's loss from unprofitable projects was nearly 11 billion yen in FY2022, right?

[Answer] Yes, you are correct.

[Question] If so, I think that the degree of the profit increase is small given the Company's forecast of the segment's operating income at 73 billion yen in FY2023. Is this because the Company did not consider the possibility that a loss from an unprofitable project would decrease significantly? Or are there any factors specific to the segment that could increase costs besides company-wide strategic costs that may be recorded under the heading of Others? I think that it is strange that profit would increase only slightly even though the unprofitable project was a temporary factor, and the segment got through the worst of it. Please share your view on the segment's profit in the current fiscal year.

[Answer] NTT DATA forecasts the segment's operating income at 80 billion yen, an increase by 11.4 billion yen from 68.6 billion yen in FY2022. You can see that operating income will rebound slightly above a level after recovering from the impact of unprofitable projects. Your question may be about how the Company spent profit due to increased net sales. Our answer to it is that, in FY 2022, the Company aggressively reduced selling and general administrative expenses to recover from the impact of the unprofitable projects. In FY2023, it will increase the expenses to a normal level. For this reason, the Company forecasts more than 11-billion-yen profit as a result of eliminating losses from unprofitable projects. It forecasts a profit margin of about 12%, which seems to be reasonable compared to the past trend. We believe that our forecast of the profit level is not conservative.

[Question] I understand. You mean that profit will be normalized in FY2023, don't you? If the Company receives new orders without fail, you can expect increases in net sales, profit, and improvement of profit margin in the next fiscal year and onward.

[Answer] Yes.

[Question] I see. The Company has got through the worst of the unprofitable projects.

[Answer] You can understand it that way.

## Questioner 9

### Q&A 1

[Question] I would like to ask a question about PMI. As the Company's new forecast falls within an expected range and gives no surprise to me. I think the difficulty of doing PMI in Europe is very high because many countries are in the region. The forecast is set to be the upper limit of the range. How have the Company's views on the difficulty of PMI or execution changed from the past?

[Answer] NTT Ltd. has an advantage in infrastructure and product-oriented culture and is good at selling established products. The difficulty of this PMI would be integrating different types of cultures. In this context, as each region's leadership will become very important, I think that exerting leadership carefully is critical to this PMI. Meanwhile, as part of the existing structural transformation, the Company has integrated internal IT platforms and carried out restructuring to some extent. Therefore, it needs to merge sophisticated organizations into one this time. In this sense, I think that integrating different types of cultures is more difficult than organizing things separately in different fields as in the past.

## Questioner 10

### Q&A 1

[Question] I have two questions. First, I would like to ask about the balance between the capex and depreciation amounts. For FY2023, NTT DATA forecasts a capex of 590 billion yen, almost two times larger than the depreciation of 278 billion yen. I think the reason for the large amount of capex is that the Company will focus on investing in data centers. Meanwhile, I am afraid that depreciation of the investment would increase expenses significantly in FY2024 and onward, not in FY2023. Please show me your view on the imbalance between the depreciation and the investments, about two times larger than the depreciation, including how the depreciation amount would increase in FY2024 and onward.

[Answer] As you pointed out, the Company has boosted investments in data centers. Please understand that the gap between them is due to the time lag until the commencement of

depreciation, as it takes time to complete the construction of a data center.

[Question] I understand that the gap will be gradually narrowed over time, and the depreciation amount will be increased to the level of the investment amount. Is my understanding correct?

[Answer] Yes, it is. If the Company continues to spend capex at the current pace, the gap between them will be narrowed in the long term as it will launch services and commence depreciation sequentially.

## Q&A 2

[Question] My second question is about the overall profitability of NTT DATA, in the meantime. In FY2022, the Public & Social Infrastructure Segment actually recorded losses from unprofitable projects. However, other segments inside and outside Japan have seen a steady improvement in profit margin since FY2021. Of course, they have seen a minor quarterly rise and fall, but I think they have performed very well on a full-year basis. Now, I would like to know the background and circumstances behind profitability improvement. I think Japan's improvement is partly because clients have accepted price increases. Has NTT DATA successfully raised prices or won contracts with highly profitable clients inside and outside Japan? Or does cost reduction contribute to the improvement? Please explain the circumstances in Japan and other countries, including the background of the improved profitability.

[Answer] One of the common things that can be said about Japan and other countries is that digital projects can be set higher prices, considered by clients as an investment, than those for non-digital projects. Both inside and outside Japan, the Company now has the capabilities to provide services that are worth the money. In North America, we check the ratio of digital projects and other indicators, and we know that as the ratio rises, the gross margin ratio at the time of receiving new orders rises, too. The Company aims to raise profit margin to some extent in Europe, too, as the number of digital projects will increase in the future. In Japan, in this context, pricing becomes more important. One of the circumstances peculiar to Japan is that foreign vendors have become competitive, and as Japanese companies have built business relationships with companies that provide higher-priced services, more clients would like to pay extra money for the excellence of NTT DATA's employees.

[Question] Thank you. I would like to ask a question in connection with this matter. Both in Japan and overseas countries, there is a concern that an increase in labor costs leads to an increase in overall costs. I understand that the current demand environment allows costs to rise. Is my understanding basically correct?

[Answer] Yes, it is. Rising labor costs are a more serious problem in overseas countries than in Japan. Costs for personnel, including sales representatives, are very high. NTT DATA has successfully passed higher costs on to service prices.

## Questioner 11

### Q&A 1

[Question] Looking at the forecast for the Public & Social Infrastructure Segment in FY2023, I expect that it is about time for NTT DATA to receive new orders for system redevelopment or data coordination from central government ministries concerning the digitalization of administration. Does the Company expect to receive such orders? Please share your vision over the next few years.

[Answer] Concerning the Public & Social Infrastructure Segment, since the establishment of the Digital Agency, NTT DATA has helped the agency promote businesses, including those related to the Individual Number ("My Number"). We are working on the digitalization of society along with the digitalization of administration. We strategically aim to provide more services across the public and financial segments by combining the Company's financial platforms. Also, the Company aims to build a solid business foundation across industries, such as inter-ministerial and private-public initiatives, during the current medium-term management plan.

[Question] Is there any move to redevelop a whole system at a ministry with which NTT DATA has a strong relationship?

[Answer] One big stream is that, as a mainframe provider, Fujitsu, will withdraw from the business,



and ministries are considering a major modification of ministry systems and making them cloud-based around 2030, which is a long way off. The Company did not consider a big project in this context when establishing the current medium-term management plan. However, in FY2023, the Company aims to win a contract for the project of replacement in a mainframe computer from a ministry with which it has a strong relationship. It is very important for the Company to win such a contract successfully.