



# Company Presentation for the Second Quarter of the Fiscal Year ending March 31, 2016

October 29, 2015  
NTT DATA Corporation

This English text is a translation of  
the Japanese original. The Japanese  
Original is authoritative.

**NTT DATA**

1. Results for the Second Quarter of Fiscal Year Ending March 31, 2016  
and Forecasts of Earnings for Fiscal Year Ending March 31, 2016
2. Revision to the Business Segments
3. Results for the Second Quarter of Fiscal Year Ending March 2016 by the New  
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**Cautionary Statement  
Regarding Forward-looking Statements**

- ※ Forecast figures in this document are based on current economic and market conditions. As changes in the global economy and information services market are possible, NTT DATA Group cannot guarantee their accuracy.
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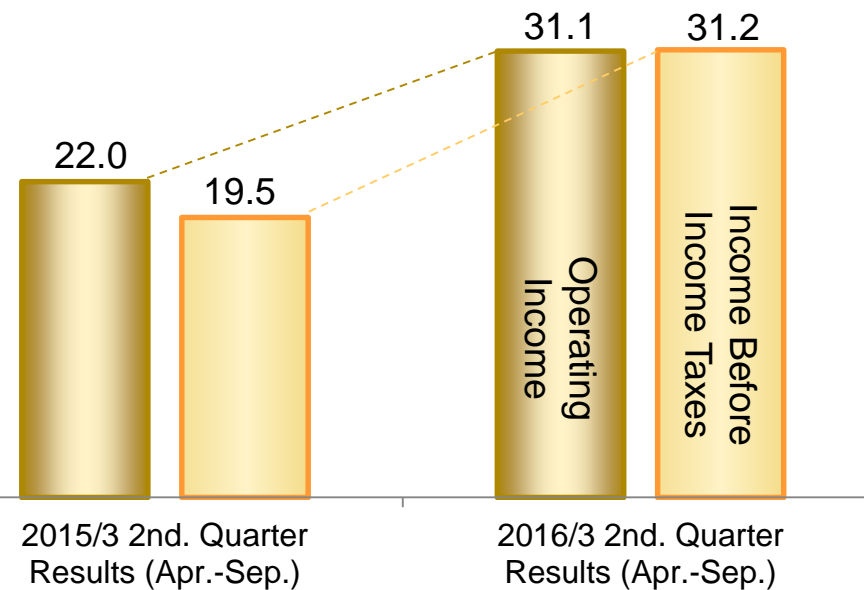
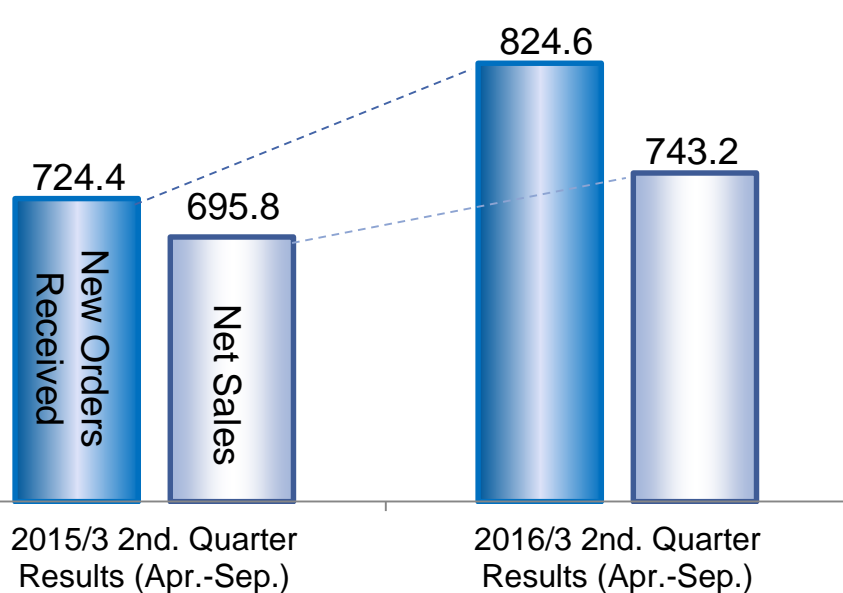


1. Results for the Second Quarter of Fiscal Year Ending March 31, 2016  
and Forecasts of Earnings for Fiscal Year Ending March 31, 2016

# Results for the Second Quarter of Fiscal Year Ending March 31, 2016 and Overview of year-on-year changes in earnings








【Billions of yen,% 】

	2015/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 2nd. Quarter Results (Apr.-Sep.)	YoY (Amount)	YoY (Rate)	
New Orders Received	724.4	824.6	+100.2	+13.8%	↗
Net Sales	695.8	743.2	+47.4	+6.8%	↗
Operating Income	22.0	31.1	+9.0	+41.3%	↗
Income Before Income Taxes	19.5	31.2	+11.6	+59.8%	↗
Net income attributable to owners of parent	7.1	15.7	+8.6	+120.9%	↗



# Earnings Forecasts for Fiscal Year Ending March 31, 2016 and Results for Fiscal Year Ended March 31, 2015

【Billions of yen (except EPS, Cash Dividends per share), %】

	FY ended 2015/3 Results	FY ending 2016 / 3 Forecasts	YoY	
New Orders Received	1,429.1	1,450.0	+20.8 +1.5%	
Net Sales	1,511.8	1,540.0	+28.1 +1.9%	
Operating Income	84.0	100.0	+ 15.9 +19.0%	
Income Before Income Taxes	73.9	95.0	+21.0 +28.4%	
Net income attributable to owners of parent	32.1	56.0	+23.8 +74.2%	
EPS (yen)	115 yen	200 yen	+85 yen +74.2%	
Cash Dividends per share (yen)	60 yen	70 yen	+10 yen +16.7%	



## 2. Revision to the Business Segments

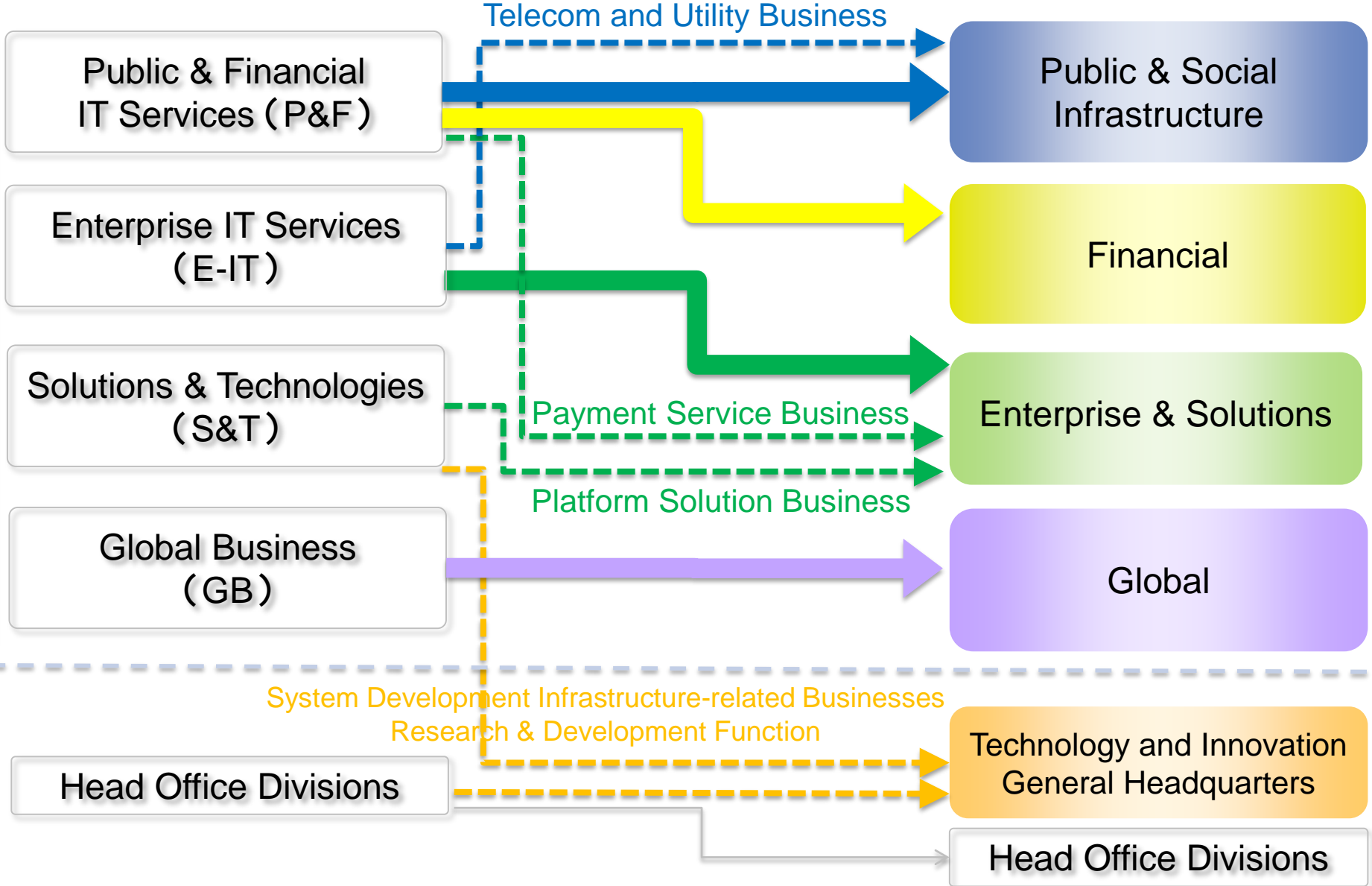
# Outline of the Organizational Changes and the Revision to the Business Segments

~2015.6.30

2015.7.1~

Old Segment

New Segment



## Public & Social Infrastructure

Providing IT services of greater quality to support the social infrastructure that leverages our regional bases and networks by adding the telecommunication and electric power industries as highly public and regional business domains.

## Financial

Business that provides high-value added IT services that help financial institutions to improve their business efficiency and offer good services.

## Enterprise & Solutions

Providing highly sophisticated solutions responding to the progress of IT technology to meet our diverse corporate customer needs such as collaboration between payment services and omni-channels such as distribution and retailing industries.

## Global

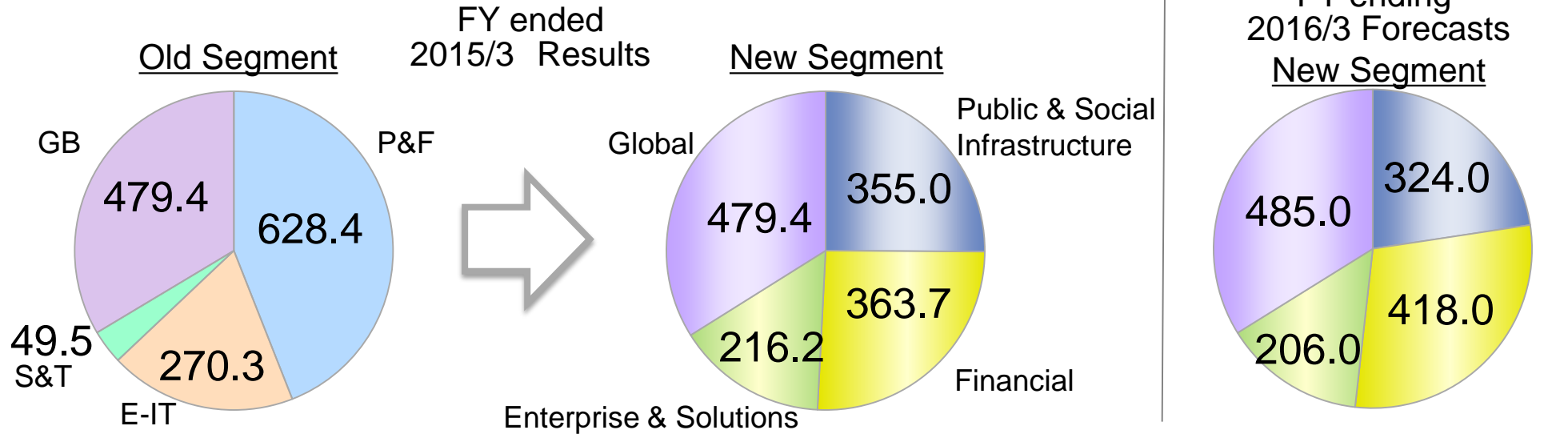
Global business that provides high-value added IT services offered in each region and across regions.

## Technology and Innovation General Headquarters

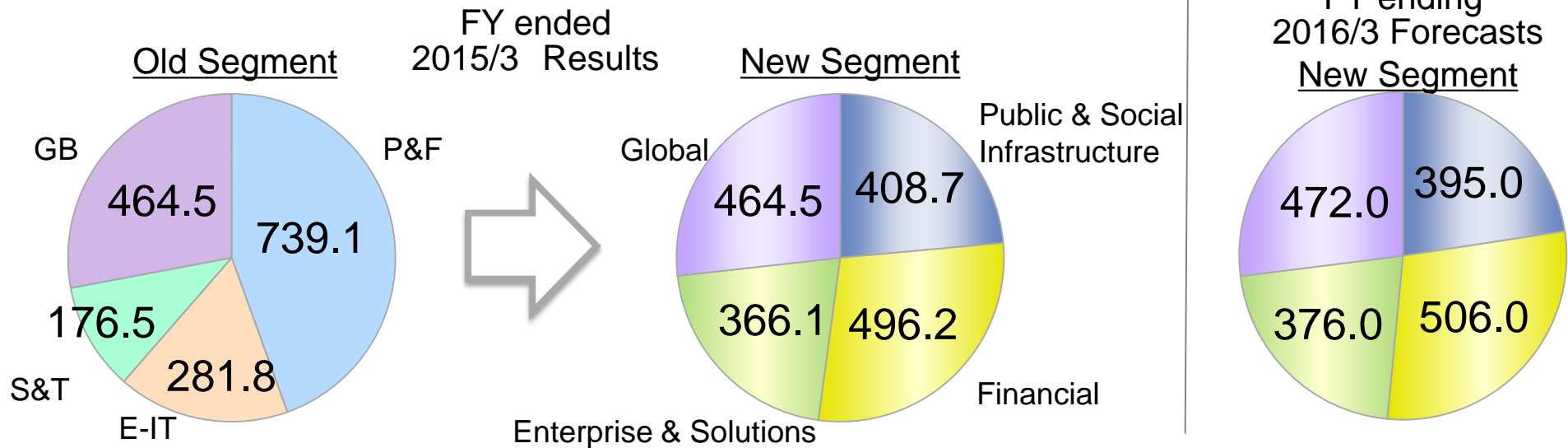
We have newly established the Technology and Innovation General Headquarters to keep us up to date with our growing global business and rapidly improving IT technology, which we believe will lead to the improved productivity of our entire group and more globally competitive business models.



New Orders Received



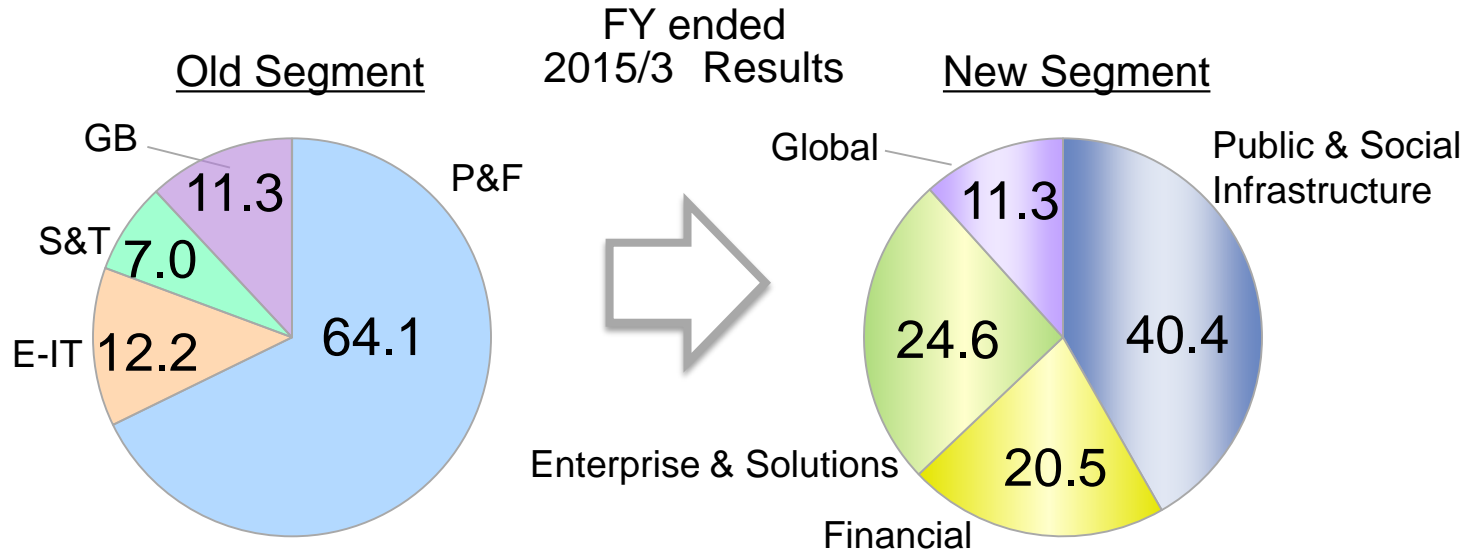
Net Sales



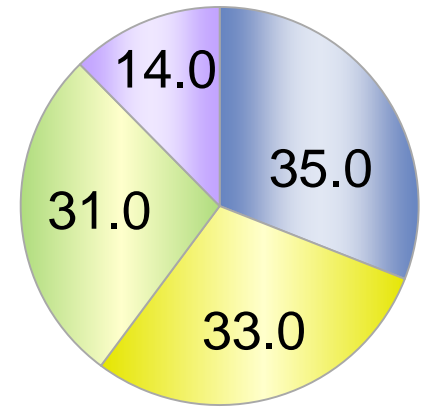
## Operating Income

\* Figures of GB and Global represent those before amortization of goodwill.

【Billions of yen,%】

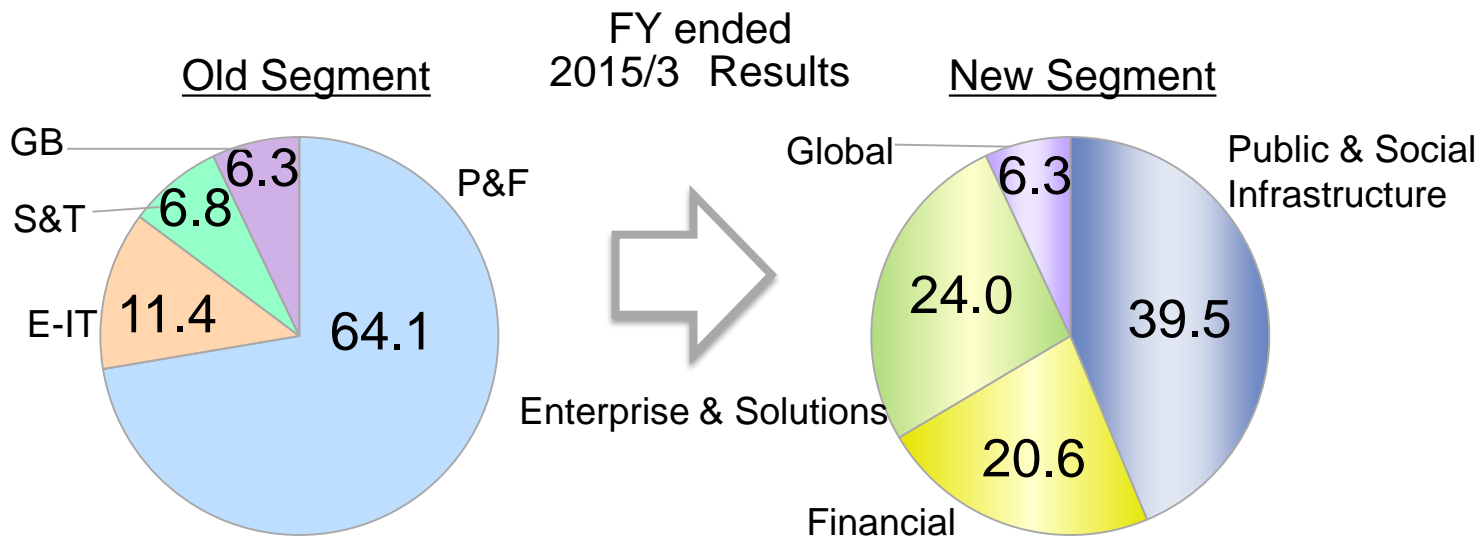


## FY ending 2016/3 Forecasts New Segment

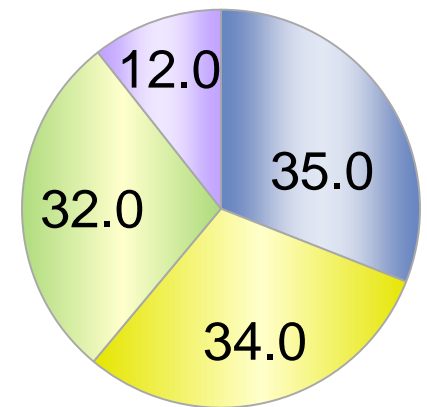


## Segment Profit

\* Figures of GB and Global represent those before amortization of goodwill.



## FY ending 2016/3 Forecasts New Segment

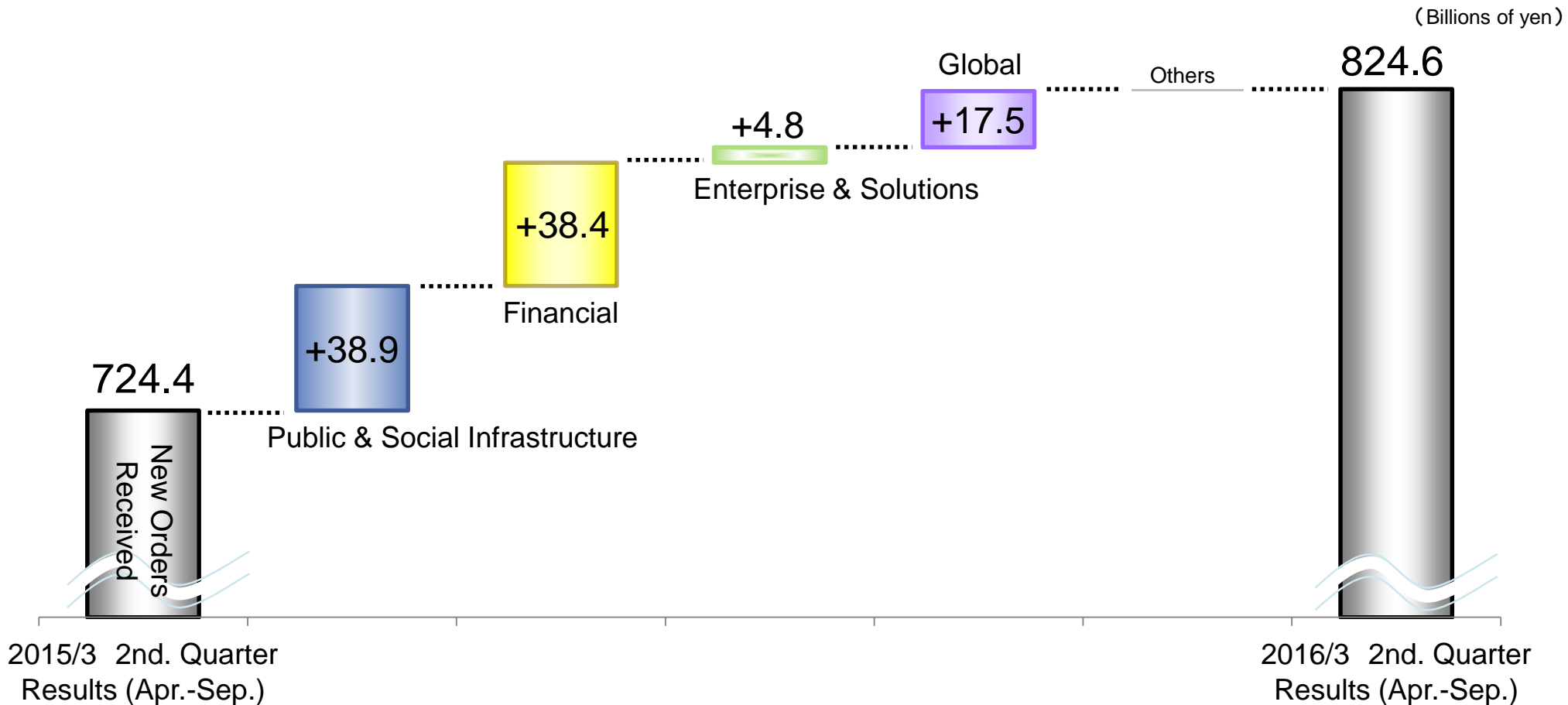




### 3. Results for the Second Quarter of Fiscal Year Ending March 2016 by the New Business Segment

# New Orders Received: YoY Changes by Business Segment

Public & Social Infrastructure: Increased mainly due to receipt of orders of large-scale projects for national government.  
 Financial: Increased mainly due to receipt of orders of projects for banks and cooperative financial institutions.  
 Enterprise & Solutions: Increased mainly due to the expansion of business for the distribution industry.  
 Global: Increased due to the expanded scale of overseas subsidiaries and the impact of foreign exchange, etc.



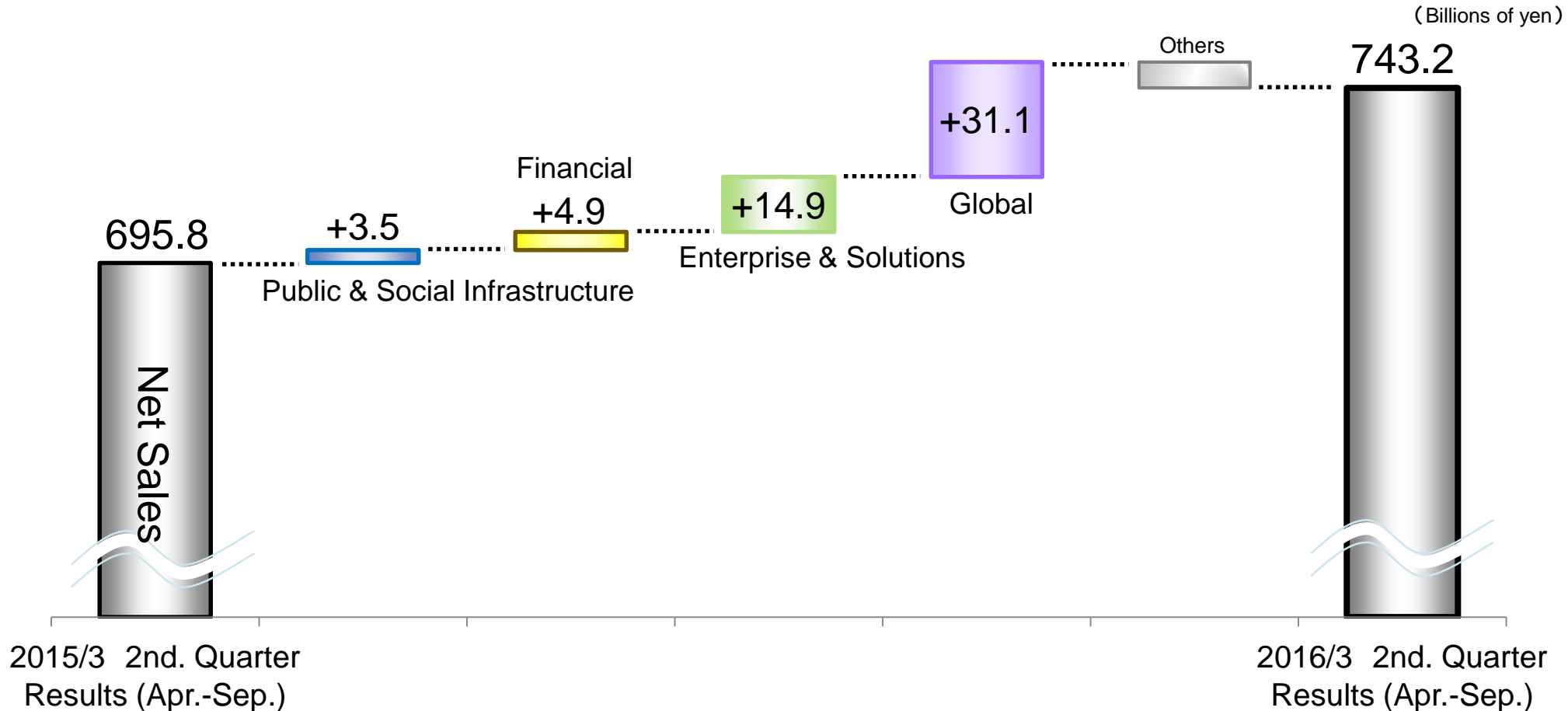
# Net Sales: YoY Changes by Business Segment

Public & Social Infrastructure: Increased mainly due to growth of business scale mainly for the utility industry despite a reduction in business scale for national government and the telecom industry.

Financial: Increased reflecting the expansion of new and existing businesses for banks and cooperative financial institutions, etc.

Enterprise & Solutions: Increased mainly due to the expansion of business for distribution and manufacturing industries.

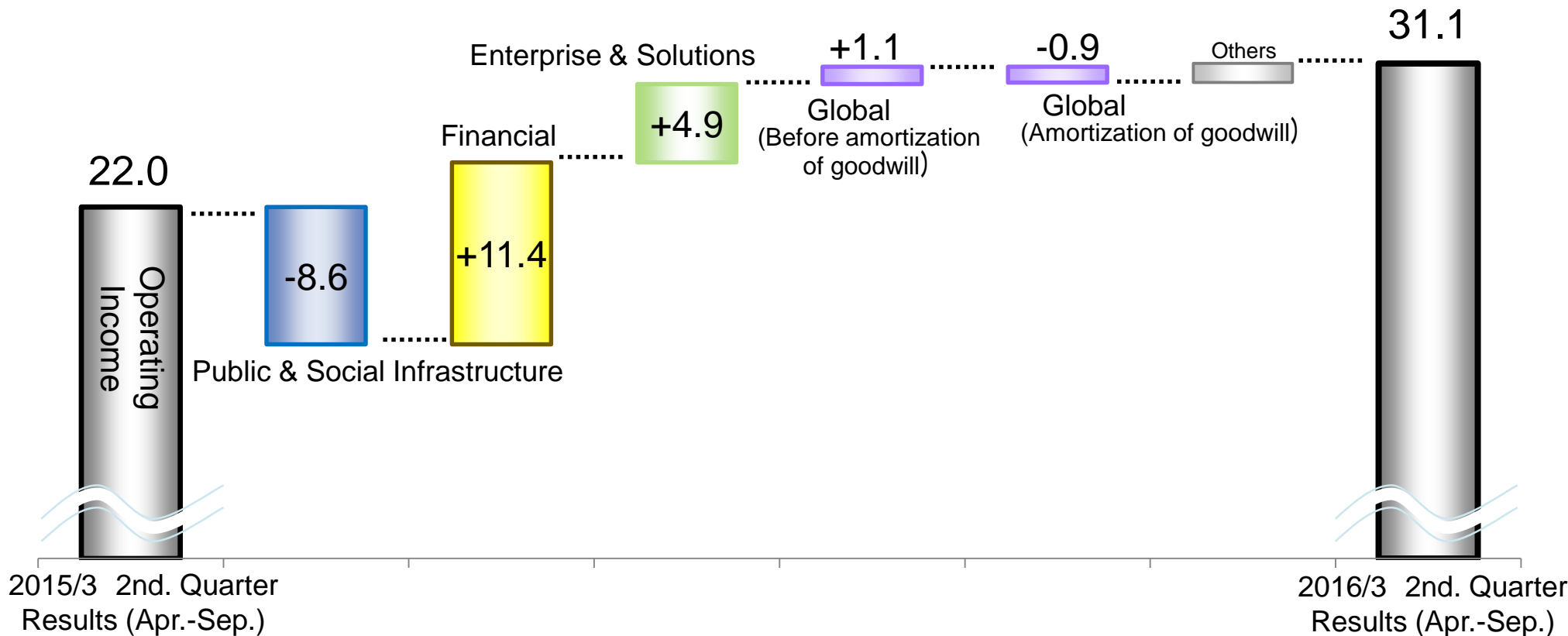
Global: Increased due to the expanded scale of overseas subsidiaries and the impact of foreign exchange, etc.







# Operating Income: YoY Changes by Business Segment

Public & Social Infrastructure: Decreased due to occurrence of unprofitable projects in addition to the impact of downsizing of existing large-scale projects.  
 Financial: Increased reflecting a reduction of unprofitable projects, etc. in addition to the impact of the increased sales.  
 Enterprise & Solutions: Increased reflecting the growth of sales, etc.  
 Global: Increased due to the expanded sales of overseas subsidiaries.

(Billions of yen)







(Billions of Yen,%)

	2015/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 2nd. Quarter Results (Apr.-Sep.)	YoY (Amount)	YoY (Rate)	
New Orders Received	186.0	225.0	+38.9	+21.0%	
Net Sales	173.1	176.7	+ 3.5	+2.1%	
Operating Income	14.7	6.0	- 8.6	- 58.9%	
Segment Profit(*)	14.4	6.2	- 8.1	- 56.6%	

- New orders received :Increased mainly due to receipt of orders of large-scale projects for national government.
- Net sales :Increased mainly due to growth of business scale mainly for the utility industry despite a reduction in business scale for national government and the telecom industry.
- Operating income :Decreased due to occurrence of unprofitable projects in addition to the impact of downsizing of existing large-scale projects.

(\*)Segment Profit is income before income taxes

(Billions of Yen,%)





	2015/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 2nd. Quarter Results (Apr.-Sep.)	YoY (Amount)	YoY (Rate)	
New Orders Received	192.3	230.7	+38.4	+20.0%	
Net Sales	231.6	236.6	+4.9	+2.1%	
Operating Income	1.2	12.6	+11.4	+956.9%	
Segment Profit(*)	1.7	13.2	+11.5	+649.8%	

- New orders received :Increased mainly due to receipt of orders of projects for banks and cooperative financial institutions.
- Net sales :Increased reflecting the expansion of new and existing businesses for banks and cooperative financial institutions, etc.
- Operating income :Increased reflecting a reduction of unprofitable projects, etc. in addition to the impact of the increased sales.

(\*)Segment Profit is income before income taxes








(Billions of Yen,%)

	2015/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 2nd. Quarter Results (Apr.-Sep.)	YoY (Amount)	YoY (Rate)	
New Orders Received	117.2	122.0	+4.8	+4.1%	
Net Sales	171.6	186.5	+14.9	+8.7%	
Operating Income	8.3	13.3	+4.9	+59.4%	
Segment Profit(*)	8.6	14.4	+5.8	+67.8%	

- New orders received :Increased mainly due to the expansion of business for the distribution industry.
- Net sales :Increased mainly due to the expansion of business for distribution and manufacturing industries.
- Operating income :Increased reflecting the growth of sales, etc.

(\*)Segment Profit is income before income taxes

	2015/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 2nd. Quarter Results (Apr.-Sep.)	YoY (Amount)	YoY (Rate)	(Billions of Yen,%)
New Orders Received	222.2	239.8	+17.5	+7.9%	
Net Sales	221.5	252.6	+31.1	+14.1%	
Operating income (before amortization of goodwill)	3.3	4.5	+1.1	+33.6%	
Operating Income	- 3.4	- 3.2	+0.1	+5.6%	
Segment Profit(*)	- 4.8	- 3.7	+1.1	+23.2%	

- New orders received :Increased due to the expanded scale of overseas subsidiaries and the impact of foreign exchange, etc.
- Net sales :Increased due to the expanded scale of overseas subsidiaries and the impact of foreign exchange, etc.
- Operating income (Before amortization of goodwill) :Increased due to the expanded sales of overseas subsidiaries.

(\*)Segment Profit is income before income taxes



## 4. Operating Environment and Business

- Although we face severe market environment on the back of intensified competitions and more demands for cost reductions, the social security and tax number system was set forth under the so-called “Number Act,” which was enforced in May 2013, and the introduction of the system toward the commencement of utilization in January 2016 is in the works by the government, local governments, financial institutions and private-sector corporations.
- In the utilities industry, market changes arising from system changes including electricity system reforms are expected to prompt an increase in IT spending.

<p><b>National Government</b></p>	<ul style="list-style-type: none"> <li>• With the “Declaration on the Creation of the World’s Most Advanced IT Nation” revised in June 2015, while IT spending to fortify security are expected to continue to increase, we face severe market environment on the back of intensified competitions and more demands for cost reductions. Furthermore, procurements relating to “My Number System” to be used as personal identification for social security and taxation have been started by the government, municipalities, financial institutions, private sector companies, etc. towards its introduction in January 2016.</li> </ul>
<p><b>Local Government</b></p>	<ul style="list-style-type: none"> <li>• Amid overall belt-tightening, the market environment is becoming harsher due to heightened demands for cost reduction and intensified competitions.</li> <li>• In relation to the social security and tax number system, relevant demand is rising from the assignment and notification of the numbers in October 2015 toward the cooperation between the government and local public bodies in 2017. We will likely to see growth in business opportunities in relation to child care support and employment, driven by the Act on Overcoming Population Decline and Vitalizing Local Economy in Japan enacted in November 2014 for the purpose of vitalizing local economy.</li> </ul>
<p><b>Healthcare</b></p>	<ul style="list-style-type: none"> <li>• In the “Revised Japan Revitalization Strategy 2015” as approved at the Cabinet meeting on June 30, 2015, “The improvement of environment for utilization of personal data” and “The full-scale implementation of ICT in the medical/nursing care industries” are highlighted. Given that the intensive implementations of the number system in the medical industry, the promotion of information digitalization, standardization and cooperation, the full use of data for the government policies, and the improvement of environment for full use of data in private sector companies are considered for the five-year period until 2020, it is assumed that the ICT will be accelerated in the medical industry.</li> </ul>
<p><b>Telecom and Utility</b></p>	<ul style="list-style-type: none"> <li>• In the utilities industry, market changes arising from system changes including electricity system reforms are expected to prompt an increase in IT spending.</li> <li>• In the telecom industry, investment targets are shifted from infrastructure and networking facilities to new services responding to intensifying competitions. Meanwhile, further cost reduction is required in the IT spending for the existing domains.</li> </ul>

- On the back of the major banks' global business development for supporting the overseas expansion of the Japanese companies mainly in Asia, a growth in IT spending is expected.
- While the overall IT investments face cautious trend in Japan, there are some signs of investment in new services utilizing IT.

### Banks

#### 【Major Banks】

- Appetites for IT spending persists, and consistent investments are expected.
- Given deregulation, IT spending is expected to grow due to development of new services using IT and creation of subsidiaries.
- It is expected that the trend of major banks' global development for supporting the overseas expansion of the Japanese companies centering in Asia will bring an increased IT spending.

#### 【Regional Banks】

- Consolidation of regional banks is becoming active, as seen in the merger between The Bank of Yokohama, Ltd. and The Higashi-Nippon Bank, Limited., Kyushu Financial Group (merger between The Higo Bank, Ltd. and The Kagoshima Bank, Ltd.), TOMONY Holdings, Inc. and The Taisho Bank, Ltd., and Tokyo TY Financial Group, Inc. with ShinGinko Tokyo, Limited.
- Profitability in the main businesses (net interest margin) faces tough environment in which the need for cutting running costs will continue.

### Insurance

- The current IT spending is sluggish across the industry despite expectations for investments in new channels, new products, streamlining of administrative works, etc.

### Security

- While domestic markets remain unstable, appetite for investing in the areas of “regulatory compliance” and “wealth accumulation in the retail business” is observed.

### Credit Corporations

- The credit card market has been growing steadily. With substantially improving investment environment in the relevant industry, IT spending is expected to increase for “cost-cutting projects” in addition to the “measures to increase the top line.” Cashless settlements seem to continue as seen in the NFC mobile settlements, the use of smartphones as a credit card terminal for settlement, branded prepaid cards and debit cards. Measures for further convenience, safety and security are expected to accelerate towards 2020 under the “Revised Japan Revitalization Strategy” of the Japanese government.

### Cooperative Financial Institutions

- A moderate recovery trend of the domestic economy including regions continues despite slow movement in some areas. While lending activities for small- and medium-sized enterprises are on an upward trend, a substantial boost in IT spending cannot be expected taking into consideration the lingering fierce business environment such as interest rate competitions with neighboring financial institutions.
- Trends of improvement of cost efficiency through reorganizations and outsourcing operations, as well as promoting investments in IT strategic domains can be observed.

### Financial Infrastructure and Financial Network Services

- Needs for sophisticated settlements are increasing on the back of the economic globalization and the improving convenience by using IT technology. The improvement of settlement infrastructure is being considered. In Japan, a movement for 24-hour/365-day operation has begun, thereby it is anticipated that financial institutions will implement IT spending to realize such operation systems.

• On the back of the uncertain perspectives of the overall domestic economy, a cautious attitude toward domestic IT spending has continued. Under such circumstances, new IT spending such as omni-channels and IoT has been activating despite a sign of sluggish business sentiment in the manufacturing industry. Furthermore, from a perspective of BCP, demands for more reliable network and data centers remain strong.

### Retail, Logistics, Payment and Other Service Industry

- Demands for IT spending aiming at increasing sales by using Omni-channel strategy including sales promotion activities connecting e-commerce to real stores have been growing steadily. These investments can be also expected for businesses aiming at foreign tourists visiting Japan.
- Robust growth can be expected in IT investment for the advancement of customer analyses (business intelligence and demand forecasting) by using POS data and information obtained from social media.

### Manufacturing Industry

- Growth in IT spending can be expected, particularly in the digital domains including signs of a possible breakdown indicated by the big data using IoT as well as digital marketing for consumer products, etc.
- As system improvement toward the enhancement of global competitiveness as well as measures for reinforcement of production facilities are consistently implemented, it is expected that the demand for visibility of supply chains and the reconstruction of logistics infrastructure will become apparent.

### Network Services, Data Center Services, Cloud Services and Digital Services

#### 【Network Services】

- Wired networks business continued to grow steadily due to demands for establishment of new network services such as Hikari Collaboration Model in addition to demand for the continuation of business continuity plans (network redundancy, etc.) in the financial industry.
- In the wireless network business, the introduction of public relations terminals is under way in various industries, thereby it is expected that the use of tablet terminals, lines for mobile terminals and wireless LAN will expand further.

#### 【Data Center Services and Cloud Services】

- For the purpose of business continuity planning, there are solid needs for data centers that maintain high level of business continuity with quake-absorbing/ earthquake-resistant structure and private power generation equipment.
- There are increasing needs for hybrid- and multi-cloud environment whereby a variety of cloud environment, including public cloud, are linked together.

#### 【Digital Services】

- The IT spending in the sales and customer contact domains has been growing with the aim of preventing opportunity losses by diversifying sales channels and upgrading customer experience based on customer analyses. Projects associated with omni-channels, data integration, business intelligence (BI), marketing automation, etc. have been further developed.
- In the big data-related businesses which formerly consisted of consulting services and demonstration tests, needs for large-scale real time analysis and processing platforms in the IoT and marketing automation domains have surfaced, and the relevant projects are under development.

## Americas

- The U.S. economy is expected to show a sustained trend of modest growth into the second half of FY 2015 on the back of lower energy prices, growth of sales in the retail industry, an increase in shipment of durable consumer goods, an expansion of the housing market, etc. in addition to robust growth in employment. While domestic demand remains strong mainly in the personal sector, there are concerns over the negative impacts of the stronger dollar, a decrease in demand from outside the U.S., swelling inventories, etc. on the production activities of companies.
- In the U.S. IT service investments, while demands for highly efficient delivery techniques, introduction of package software and cost-cutting solutions were sluggish, demands for consulting services for the application of cutting-edge technologies to businesses are increasing. Particularly, consulting services relating to building digital businesses have been drawing more attention, and further expansion of investments is expected for 2016.
- The economy in Latin America is decelerating. Currency depreciations advanced as resource prices dropped and fiscal situations of the government deteriorated, and the resulting worsened business sentiment is affecting the spending budgets of the governments and companies. Meanwhile, the IT service market is likely to continue to grow, leading to demands for IT spending that contributes to the standardization and improvement of efficiency of business operations.

## EMEA

- The Eurozone economy has maintained a modest recovery led by consistently robust personal consumption. In particular, the Spanish economy showed strong recovery. Although business sentiment among companies is improving, active expansion of investment seems unlikely for a while, given concerns over slowdown in emerging economies like China and decreasing exports. While the U.K. economy has sustained growth mainly in personal consumption, decreasing demand in emerging countries such as China will be a concern.
- Given continuing customer requests for price reduction amid cautious stance shown by companies, IT spending is unlikely to recover, especially in Italy, in the short run. Meanwhile, the IT service market in Germany, the U.K. and Spain is expected to continue to see robust growth.

## Asia-Oceania

- The Chinese economy's swelling uncertainty has been a pressure on the Southeast Asia including Singapore, Malaysia, Thailand and Indonesia which are the key markets of the NTT DATA Group. In the IT service market, there is also a concern over possible changes in investment attitudes due to the worsening business sentiment.
- The Chinese economy is on the decelerating trend under the downward pressure of weaker investments in fixed assets. While the favorable effects of financial policies including the depreciation of the renminbi and interest rate cuts are expected to become apparent by the end of the second half of FY 2015, further downturn risks are also feared. Demands for IT spending remain strong, but a modest slowdown in the growth rate of the IT service market is anticipated in the short run reflecting the decelerating real economy.

## 1 Received orders of “Equipment for Electronic National Tax Filing and Payment System (e-Tax)”

We received the order of “Equipment for Electronic National Tax Filing and Payment System (e-Tax)” from the National Tax Agency. The e-tax system facilitates tax declaration processes and others related to national taxes online by taxpayers.

## 2 Confirmed the effects of video advertising and contents through the evaluation of demonstration tests using decoding technologies of brain activity patterns

As our first attempt to adopt Neuromarketing <sup>(Note 1)</sup> approaches, our group carried out a demonstration experiment <sup>(Note 2)</sup> on decoding brain information by working together with the National Institute of Information and Communications Technology and TM'S Co., Ltd. We confirmed that the brain information decoding technology can be applied to other technologies to evaluate and improve video advertisements and project the effects of them before the issuance. Based on this result, we started to provide a trial service <sup>(Note 3)</sup> that evaluates TV commercials and other materials, which is the world's first service where the brain information decoding technology is used to evaluate video advertisements.

## 3 Started development of “Disaster Prevention Information Transmission System for Sukumo City, Kochi Prefecture”

NTT DATA SHIKOKU CORPORATION, one of our subsidiaries, received an order for a “disaster information transmission system” from Sukumo City, Kochi Prefecture. This system is designed to make sure the residents are informed of necessary information at the time of disaster by using our “disaster reduction communication system” that sends information directly to the residents' devices such as smartphones and cell phones so that they can receive evacuation advisories and disaster information quickly and accurately.

### Notes:

#### 1. Neuromarketing

An approach to understand consumer sentiment and behavior and apply them to marketing strategies by measuring the brain response of customers from the viewpoint of brain science.

#### 2. Demonstration experiment

A test to prove that the evaluation of video advertisements provided by viewers can be visualized by analyzing the complicated patterns of their brain activity during viewing.

#### 3. Trial service

A service that analyzes the impression given by each scene of a video advertisement, evaluates impacts as a video advertisement material, analyzes the quantitative difference between the advertisers' intentions behind video advertisements and their actual effects, makes detailed creative proposals to improve materials, and projects and evaluates video advertisements using storyboards before the issuance.



## Financial

- 4** **Launch of “Digital Corporate Accelerate Program (DCAP),” an open innovation assistance program**  
We have started to provide the Digital Corporate Accelerate Program that supports corporations in their efforts to create new business in collaboration with venture companies. This system enables client corporations to work with leading venture companies in the world and build business models by using our technology and business start-up knowledge. This means that our corporate clients can make a more promising start in their new business. Mizuho Bank, Ltd. — the bank that aims to create new business through the use of Fintech <sup>(Note)</sup> — has decided to adopt this system as our first user as they appreciate our group’s outstanding focusing ability and latest information and human resources network relating to venture companies.
- 5** **Launch of “ANSER® Phishing Site Detection Service” that detects, blocks and shuts down phishing sites of financial institutions**  
For the financial institutions that use our shared-use Internet banking service (AnserBizSOL for corporations and AnserParaSOL for individuals) we have started to provide an “ANSER unauthorized trading detection and rejection service,” which monitors and helps prevent unauthorized trading in an efficient way. Many banks, such as The Bank of Kyoto Ltd., THE NISHI-NIPPON CITY BANK, LTD., THE BANK OF FUKUOKA, LTD., THE HOKURIKU BANK, LTD., The Bank of Yokohama, Ltd., and The Senshu Ikeda Bank, Ltd., plan to adopt this service. This ANSER unauthorized trading detection and rejection service is unique and unrivalled with its advantages of large-scale coverage: for example, the member banks can share all the information on the unauthorized trading.

## Enterprise &amp; Solutions

- 6** **The number of companies that introduced our ERP package “Bizj” exceeded 500**  
The number of companies using Bizj (enterprise resource planning [ERP] package), a flagship product provided by NTT DATA BIZINTEGRAL CORPORATION, one of our subsidiaries, is now over 500. The standard features of Bizj include intercompany, multilingual, multiple currency, and the International Financial Reporting Standards (IFRS) solutions, and it is often adopted as a “group” or “global” management platform. Recently, by increasing templates tailored to the needs of various types of business and industries, Bizj has been used increasingly in a wide range of related fields.
- 7** **NTT DATA Smart Sourcing Corporation executed an alliance agreement with Concur Japan, Ltd. to start a cloud-based BPO service of travel expense management**  
NTT DATA Smart Sourcing Corporation, one of our subsidiaries, has entered a partnership with a Japanese subsidiary of Concur Technologies, Inc., the leading company in the cloud-based travel-and-expense management field. NTT DATA Smart Sourcing Corporation has started to provide Japan’s first travel-and-expense management BPO services using Concur Technologies’ cloud service, Concur Travel & Expense. By offering a full outsourcing service ranging from a preliminary review before a business trip to registration and payment examination after an expense is incurred, this service will contribute to companies’ initiatives for optimization of their expenditures and reduction in expense management cost.

Global

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## Acquisition of Carlisle & Gallagher Consulting Group, Inc. to become a wholly owned subsidiary

Through our American subsidiary, NTT DATA, Inc., we reached a final agreement to acquire the total ownership of Carlisle & Gallagher Consulting Group, Inc. (CG), a U.S. financial IT consulting firm. By combining NTT DATA, Inc.'s broad range of services and technologies and CG's professional consulting skills in the financial industry, we promote our services where our expertise is needed, such as the bank industry and asset management and investment industries.

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## Business expansion of itelligence AG in Czech and France

itelligence AG, our German subsidiary, has acquired the whole ownership of Pontech s.r.o (Pontech). Moreover, itelligence AG acquired a SAP business from Artaud, Courthéoux & Associés S.A. (ACA). Through these business relationships, we will expand our business and market share primarily in the energy and manufacturing industries, the areas of Pontech's expertise, and will increase our presence by expanding our recurring business where ACA has a strong client base.

Technology and Innovation  
General Headquarters

## Established "AI Solutions Promotion Office" for promoting AI-applied business

For the purpose of promoting our group's AI <sup>(Note)</sup> application business, we have established the AI Solutions Promotion Office within our Research and Development Headquarters (October 1). In order to meet the growing need for applying AI technology to business, we will create wide-ranging AI system services such as humanoid robot receptionist services by combining the world's top-class AI technology provided by NIPPON TELEGRAPH AND TELEPHONE CORPORATION and our know-how and platform for information utilization.

## Wearable device is used for maintenance and operation of in-house IT infrastructure

We have developed a support system for maintaining and managing IT systems on site by using smart glasses (wearable computers) technology, and started to use the newly developed system on our IT platform in our management operation. This enables supervisors (experts) in a remote location to check the progress of work and the results, resulting in operation cost reduction and stable quality. While increasing the use of this system within our company, including our overseas units, we work on the trial application of the system with our clients for the launch of the solution service.

Notes:AI: Artificial Intelligence

Study and technology that contribute to making a computer perform equal to or better than humans in terms of intellectual activities, such as memorizing and learning.



## 5. Appendices

# Overview of Consolidated Earnings and New Orders Received for the 2nd Quarter of FY Ending March 31, 2016

(Billions of yen [except Operating Income Margin and %])

	2016/3 2nd. Quarter Results (Apr.-Sep.)	YoY (%)	2016/3 2nd. Quarter Results (Jul.-Sep.)	YoY (%)	2016/3 Full-Year Forecasts
New Orders Received	824.6	+13.8	319.5	+11.3	1,450.0
Orders on Hand	1,494.7	+5.4			1,367.0
Net Sales	743.2	+6.8	384.6	+6.9	1,540.0
Cost of Sales	566.6	+5.8	296.0	+7.6	1,155.0
Gross Profit	176.6	+10.2	88.6	+4.5	385.0
SG&A Expenses	145.5	+5.2	72.6	+6.3	285.0
Selling Expenses	66.0	+3.8	32.6	+0.5	135.0
R&D Expenses	5.6	-9.1	2.7	-13.4	13.0
Other Administrative Expenses	73.7	+7.8	37.2	+14.1	137.0
Operating Income	31.1	+41.3	15.9	-3.1	100.0
Operating Income Margin	4.2	+1.0P	4.2	-0.4P	6.5
Ordinary Income	31.2	+59.8	15.8	+4.9	95.0
Special Gains and Losses	-	-	-	-	-
Income before Income Taxes	31.2	+59.8	15.8	+4.9	95.0
Income Taxes and Others	15.4	+24.7	7.5	-10.6	39.0
Net income attributable to owners of parent	15.7	+120.9	8.3	+24.3	56.0
Capital Expenditures	58.2	+0.1	31.3	-1.7	130.0
Depreciation and Amortisation/Loss on Disposal of Property and Equipment and Intangibles	77.9	+1.1	37.6	-3.0	157.0

# Consolidated Net Sales by Customer Sector and Service (to Customers Outside the NTT DATA Group)

(Billions of yen)

	2015/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 2nd. Quarter Results (Apr.-Sep.)
Public & Social Infrastructure	144.3	144.3
Financial	206.0	213.4
Enterprise & Solutions	124.2	133.0
Global	214.3	245.6

2015/3 Full-Year Results	2016/3 Full-Year Forecasts
341.0	332.0
441.5	461.0
264.1	269.0
449.0	461.0

# Detail of Consolidated New Orders Received

(to Japanese Customers Outside the NTT DATA Group)

(Billions of yen)

		2015/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 2nd. Quarter Results (Apr.-Sep.)	2015/3 Full-Year Results	2016/3 Full-Year Forecasts
<b>Public &amp; Social Infrastructure</b>					
(Main item)	Central government and related agencies, Local Government, and Healthcare	100.2	129.1	192.6	172.0
	Telecom and Utility	43.5	53.9	88.7	79.0
<b>Financial</b>					
(Main item)	Banks, Insurance, Security, Credit Corporations and Financial Infrastructure	120.0	147.1	230.6	255.0
	Cooperative financial institutions and Financial Network Services	56.2	71.3	101.6	138.0
<b>Enterprise &amp; Solutions</b>					
(Main item)	Retail, Logistics, Payment and Other Service Industry	36.6	40.4	64.8	56.0
	Manufacturing Industry	60.4	58.2	109.9	122.0
	Network Services, Data Center Services, Cloud Services and Digital Services	17.3	20.3	36.2	26.0

Note: Net Sales and New Orders Received of Enterprise & Solutions does not include orders taken via other segments.

# Detail of Consolidated Net Sales and Services Net Sales (to Customers Outside the NTT DATA Group)

(Billions of yen)

		2015/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 2nd. Quarter Results (Apr.-Sep.)	2015/3 Full-Year Results	2016/3 Full-Year Forecasts
<b>Public &amp; Social Infrastructure</b>					
(Main item)	Central government and related agencies, Local Government, and Healthcare	77.0	76.8	189.3	181.0
	Telecom and Utility	40.5	42.4	85.1	78.0
<b>Financial</b>					
(Main item)	Banks, Insurance, Security, Credit Corporations and Financial Infrastructure	136.7	142.2	293.1	316.0
	Cooperative financial institutions and Financial Network Services	59.3	58.9	121.3	119.0
<b>Enterprise &amp; Solutions</b>					
(Main item)	Retail, Logistics, Payment and Other Service Industry	44.8	51.8	95.1	97.0
	Manufacturing Industry	53.6	55.1	115.8	127.0
	Network Services, Data Center Services, Cloud Services and Digital Services	23.1	23.3	46.1	45.0
<b>Integrated IT Solution</b>					
	Integrated IT Solution	223.0	229.0	458.9	461.0
	System & Software Development	170.7	176.2	402.8	422.0
	Consulting & Support	275.6	308.2	595.3	609.0
	Others	26.3	29.7	54.5	48.0
	<b>Net Sales by Products and Services Total</b>	<b>695.8</b>	<b>743.2</b>	<b>1,511.8</b>	<b>1,540.0</b>

Note: Net Sales and New Orders Received of Enterprise & Solutions does not include orders taken via other segments.

# Non-Consolidated Earnings and New Orders Received

(Billions of yen)

	2015/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 2nd. Quarter Results (Apr.-Sep.)	2016/3 Full-Year Forecasts
New Orders Received	355.5	433.4	695.0
Orders on Hand	1,062.4	1,108.3	988.0
Net Sales	369.3	380.8	815.0
Cost of Sales	293.6	298.1	623.0
Gross Profit	75.6	82.7	192.0
SG&A Expenses	55.0	55.1	115.0
Selling Expenses	26.0	26.6	55.0
R&D Expenses	5.3	4.7	11.0
Other Administrative Expenses	23.6	23.7	49.0
Operating Income	20.6	27.5	77.0
Operating Income Margin	5.6	7.2	9.4
Ordinary Income	26.4	32.1	79.0
Special Gains and Losses	-	-	-
Income before Income Taxes	26.4	32.1	79.0
Income Taxes and Others	7.1	8.5	25.0
Net Income	19.2	23.5	54.0
Capital Expenditures	44.7	45.3	105.0
Depreciation and Amortisation /Loss on Disposal of Property and Equipment and Intangibles	60.1	61.4	126.0

Note: Income Taxes and Others include Income, Residential and Enterprise Taxes, Adjustment to Income Taxes.



# Non-Consolidated Earnings, New Orders Received by Segment and Others

(Billions of Yen)

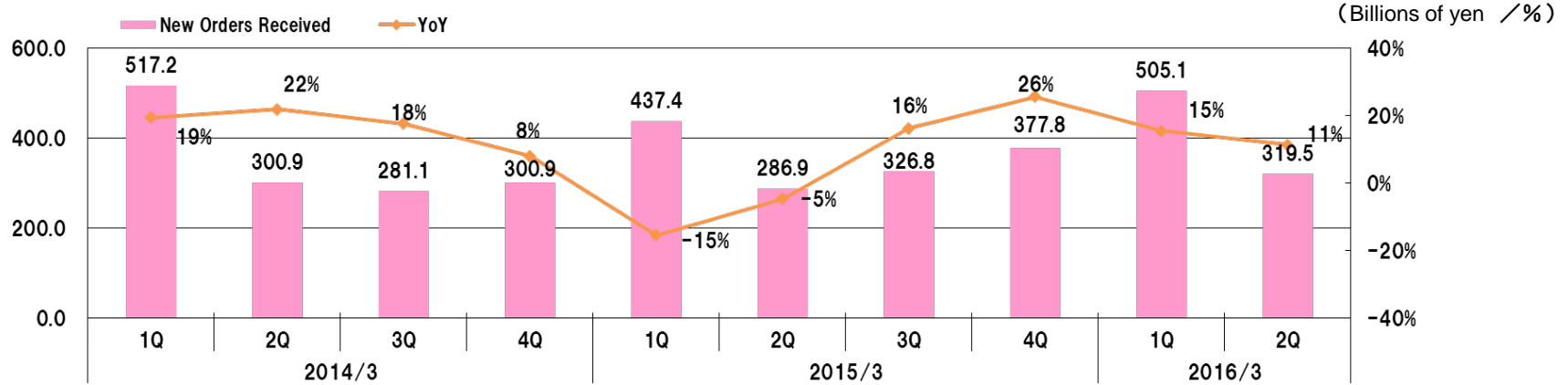
	2015/3 Full-Year Results	2016/3 Full-Year Forecasts
New Orders Received	681.2	695.0
Public & Social Infrastructure	281.5	253.0
Financial	282.2	339.0
Enterprise & Solutions	115.0	100.0
Global	0.1	-

Net Sales (to Customers Outside the NTT DATA Group)	799.3	815.0
Public & Social Infrastructure	271.8	259.0
Financial	365.5	384.0
Enterprise & Solutions	159.3	169.0
Global	0.1	-

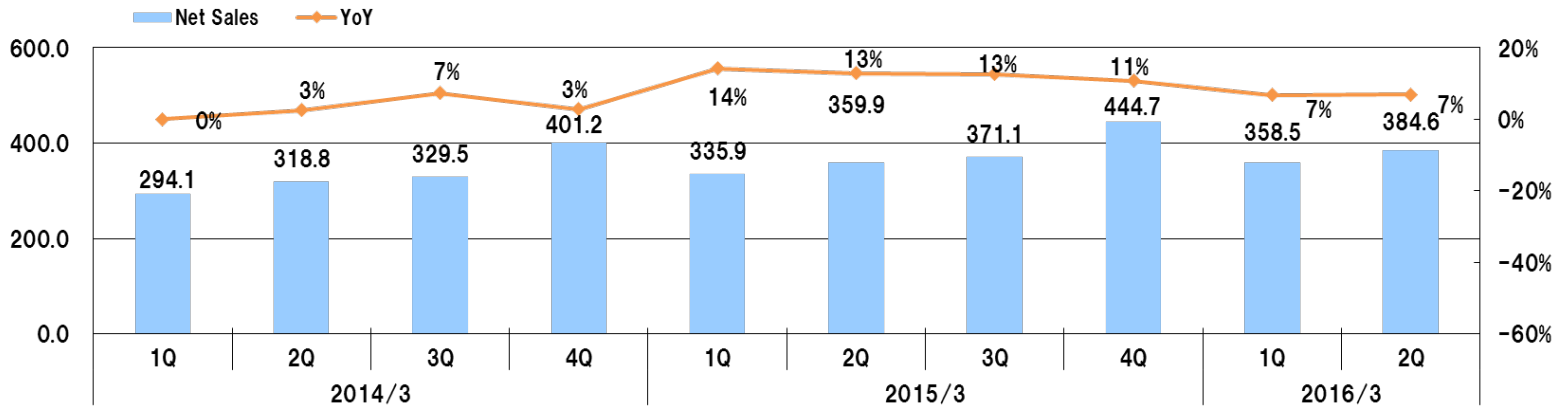
Note: Net Sales and New Orders Received of Enterprise & Solutions does not include orders taken via other segments.

# Trends in Quarter (Consolidated)

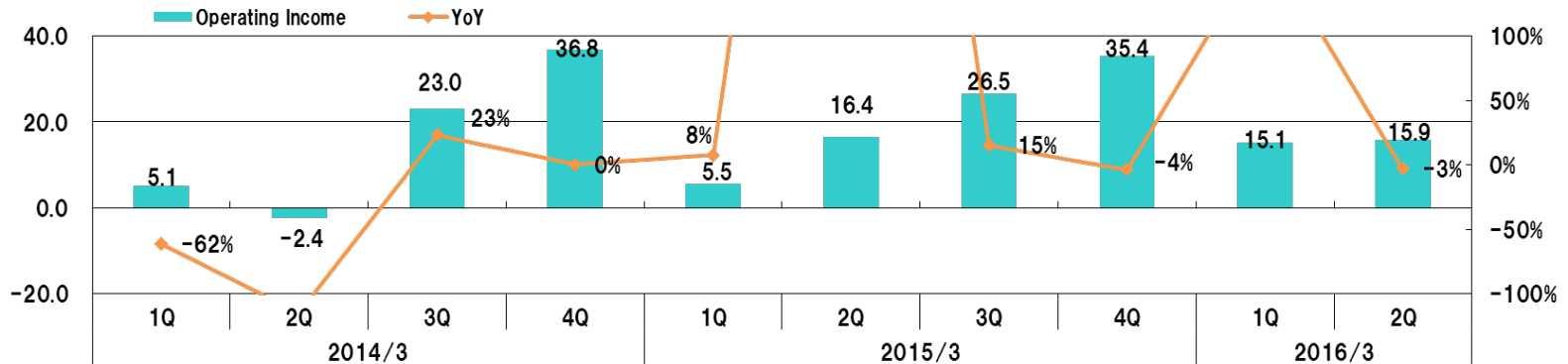
## New Orders Received



## Net Sales



## Operating Income



# Foreign exchange rates (used for the conversion of the amount of orders received and incomes of the overseas group companies)

(Yen / %)

	2015/3 (Apr.-Sep.) Results	2016/3 (Apr.-Sep.) Results	YoY (%)	2015/3 Results	2016/3 Full-year Assumed Rates	YoY (%)
	①	②	(②-①)/①			
USD	102.96	121.85	+18.3%	109.85	118.00	+7.4%
EUR (For December-end companies)	140.38	134.08	- 4.5%	140.30	130.00	- 7.3%
EUR (For March-end companies)	138.82	135.09	- 2.7%	138.60	130.00	- 6.2%
RMB (Chinese Yuan Renminbi)	16.61	19.34	+16.4%	17.16	19.00	+10.7%



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