NTT DATA
Trusted Global Innovator

Company Presentation for the Second Quarter of Fiscal Year Ending March 31, 2020

November 1, 2019
NTT DATA Corporation

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

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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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Results for the Second Quarter of Fiscal Year Ending March 31, 2020 (The whole company basis)

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Results for the Second Quarter of Fiscal Year Ending March 31, 2020

- The expansion of robust domestic and overseas businesses contributed to a stable increase in new orders received and net sales.
- Operating income increased due to the decrease of PMI cost and sales growth, despite an increase of costs for business expansion.

(Billions of Yen, %)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	920.4	1,088.8	+168.4	+18.3%	
Net Sales	1,022.7	1,077.8	+55.1	+5.4%	
Operating Income (Operating income margin)	60.1 (5.9%)	63.8 (5.9%)	+3.7 (+0.0P)	+6.1%	
Net Income Attributable to Shareholders of NTT DATA	38.7	40.2	+1.5	+3.9%	

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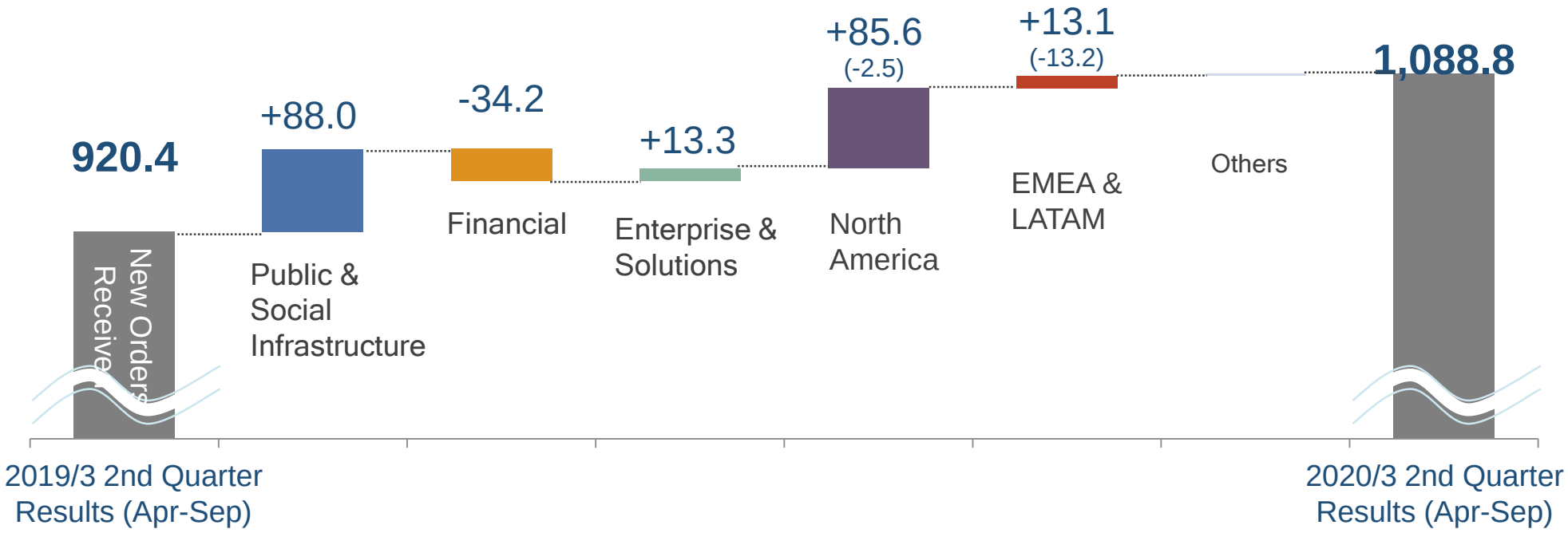
2

Results for the Second Quarter of Fiscal Year Ending March 31, 2020 (By business segment)

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New Orders Received: YoY Changes by Business Segment (2Q FYE3/2019 and 2Q FYE3/2020)

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

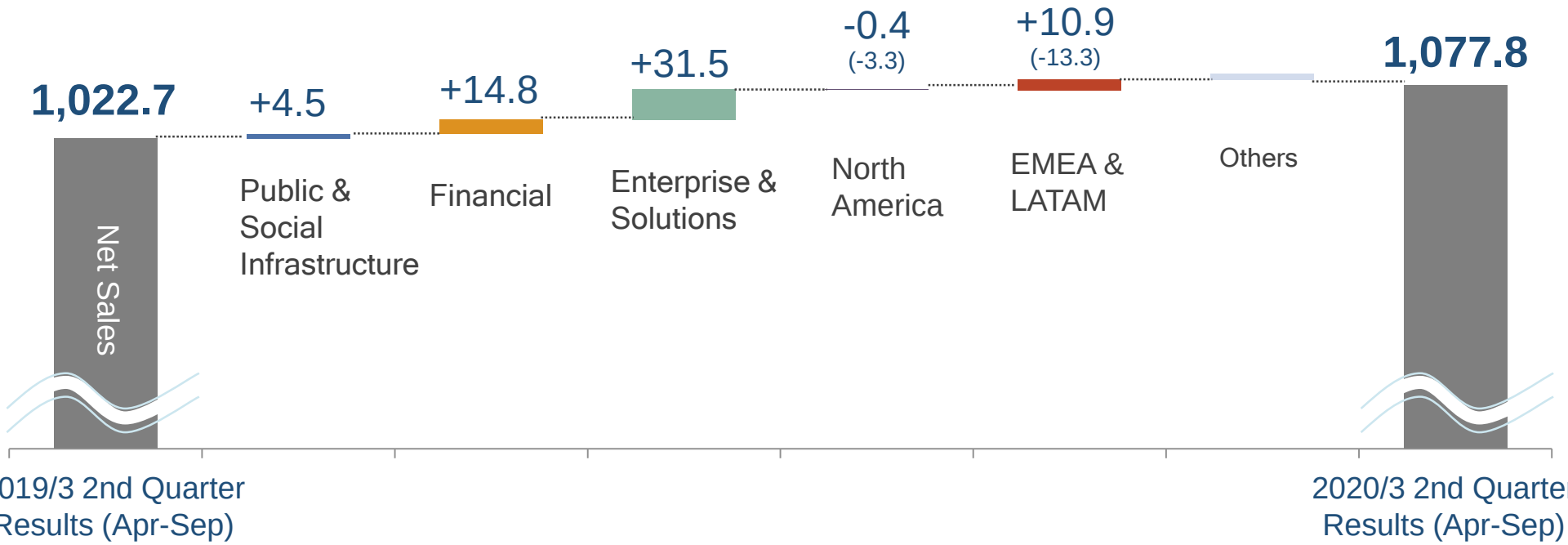


Public & Social Infrastructure	Increased due mainly to winning projects for government ministries.
Financial	Decreased due mainly to less orders compared to the previous fiscal year such as for projects for banks.
Enterprise & Solutions	Increased due mainly to winning projects for manufacturing industry.
North America	Increased due mainly to winning projects for public sector and healthcare.
EMEA & LATAM	Increased due mainly to winning projects in Europe mainly in Spain, despite a decrease due to the negative impact from yen appreciation in foreign exchange.

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Net Sales: YoY Changes by Business Segment (2Q FYE3/2019 and 2Q FYE3/2020)

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

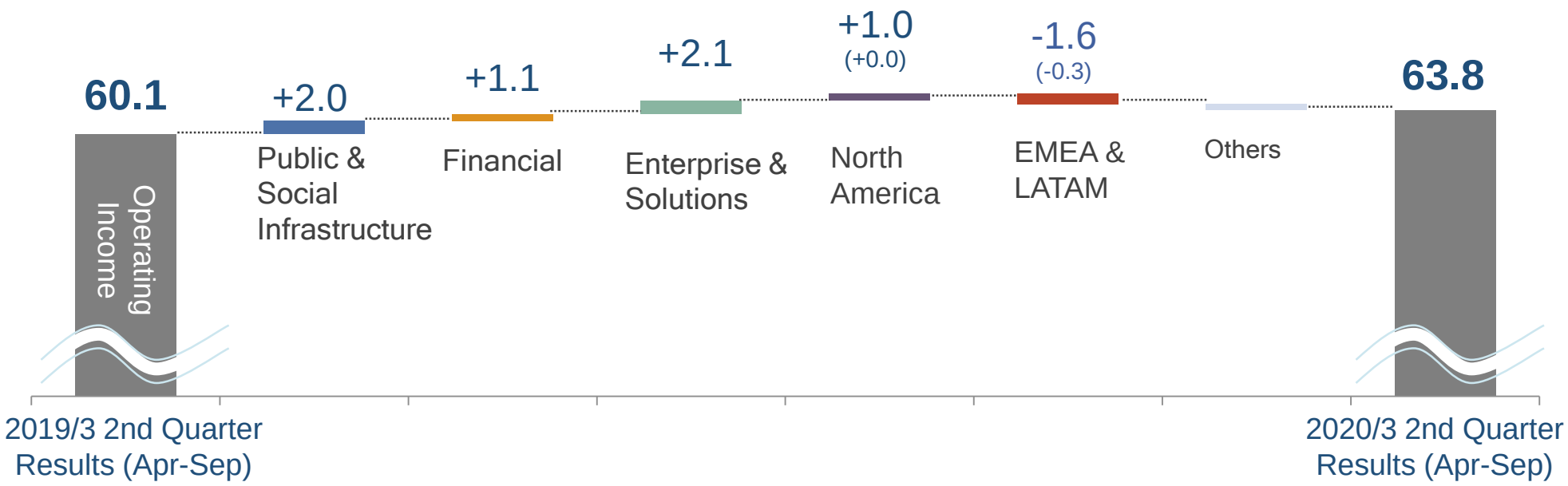


Public & Social Infrastructure	Increased due mainly to the expansion in the scale of services for utility and telecom industries, despite less sales compared to the previous fiscal year such as for services for government ministries.
Financial	Increased due mainly to the expansion in the scale of services for financial institutions.
Enterprise & Solutions	Increased due mainly to the expansion in the scale of services for manufacturing industry and payment including M&A.
North America	Remained on par with the previous fiscal year due mainly to negative impact from yen appreciation in foreign exchange, despite the expansion of scale from M&A.
EMEA & LATAM	Increased due mainly to the expansion of scale in Europe mainly in businesses in Spain, despite a decrease due to the negative impact of yen appreciation in foreign exchange.

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Operating Income: YoY Changes by Business Segment (2Q FYE3/2019 and 2Q FYE3/2020)

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



Public & Social Infrastructure	Increased due mainly to sales growth and a decrease in the amount of loss from unprofitable projects.
Financial	Increased due to sales growth.
Enterprise & Solutions	Increased due to sales growth.
North America	Increased due mainly to a decrease of PMI cost.
EMEA & LATAM	Decreased due mainly to an increase of costs for business expansion, despite an increase due to sales growth.

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Public & Social Infrastructure (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	172.1	260.1	+88.0	+51.2%	
Net Sales	208.4	213.0	+4.5	+2.2%	
Operating Income (Operating income margin)	11.4 (+5.4%)	13.3 (6.3%)	+2.0 (+0.8P)	+17.4%	

New orders received	Increased due mainly to winning projects for government ministries.
Net sales	Increased due mainly to the expansion in the scale of services for utility and telecom industries, despite less sales compared to the previous fiscal year such as for services for government ministries.
Operating income	Increased due mainly to sales growth and a decrease in the amount of loss from unprofitable projects.

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Financial (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	225.0	190.9	-34.2	-15.2%	
Net Sales	266.1	280.9	+14.8	+5.6%	
Operating Income (Operating income margin)	23.8 (8.9%)	24.8 (8.8%)	+1.1 (-0.1P)	+4.4%	

New orders received	Decreased due mainly to less orders compared to the previous fiscal year such as for projects for banks.
Net sales	Increased due mainly to the expansion in the scale of services for financial institutions.
Operating income	Increased due to sales growth.

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Enterprise & Solutions (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	144.2	157.5	+13.3	+9.3%	
Net Sales	250.5	282.1	+31.5	+12.6%	
Operating Income (Operating income margin)	24.4 (9.7%)	26.5 (9.4%)	+2.1 (-0.3P)	+8.7%	

New orders received	Increased due mainly to winning projects for manufacturing industry.
Net sales	Increased due mainly to the expansion in the scale of services for manufacturing industry and payment including M&A.
Operating income	Increased due to sales growth.

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North America (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	157.4	243.0	+85.6	+54.3%	↗
Net Sales	208.9	208.5	-0.4	-0.2%	→
EBITA (*1) (EBITA margin)	4.2 (2.0%)	5.6 (2.7%)	+1.4 (+0.7P)	+34.3%	↗
Operating Income (Operating income margin)	-0.9 (-0.4%)	0.1 (0.1%)	+1.0 (+0.5P)	-	↗

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

New orders received	Increased due mainly to winning projects for public sector and healthcare.
Net sales	Remained on par with the previous fiscal year due mainly to negative impact from yen appreciation in foreign exchange, despite the expansion of scale from M&A.
EBITA	Increased due mainly to a decrease of PMI cost.
Operating income	Increased due mainly to a decrease of PMI cost.

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EMEA & LATAM (2Q FYE3/2019 and 2Q FYE3/2020)

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (Amount)	YoY (Rate)	
New Orders Received	205.7	218.8	+13.1	+6.4%	↗
Net Sales	206.6	217.5	+10.9	+5.3%	↗
EBITA (*1) (EBITA margin)	6.4 (3.1%)	3.6 (1.6%)	-2.9 (-1.5P)	-44.8%	↘
Operating Income (Operating income margin)	2.6 (1.2%)	1.0 (0.5%)	-1.6 (-0.8P)	-61.6%	↘

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

New orders received	Increased due mainly to winning projects in Europe mainly in Spain, despite a decrease due to the negative impact from yen appreciation in foreign exchange.
Net sales	Increased due mainly to the expansion of scale in Europe mainly in businesses in Spain, despite a decrease due to the negative impact of yen appreciation in foreign exchange.
EBITA	Decreased due mainly to an increase of costs for business expansion, despite an increase due to sales growth.
Operating income	Decreased due mainly to an increase of costs for business expansion, despite an increase due to sales growth.

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3

Progress of Mid-Term Management Plan

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Profitable global growth : FY2021 BUSINESS GOALS

Growth

Net Sales : 2.5 trillion yen
Client Base : Over 80

Earnings

Operating income margin : 8%
Overseas EBITA : 7%

COURAGE TO CHANGE : Maximize Value for our Clients

Transformation & Synergy

Strategy1

Expand global digital offerings

Strategy2

Deliver greater value to clients based on regional needs

Strategy3

Unleash our employee's potential that maximize organizational strengths

DRIVE NTT GROUP COLLABORATION

CONSISTENT BELIEF : Shape the future society with our clients

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Implementing 4 strategies as the courage to change to maximize customer value

Strategy 1	Expand global digital offerings
Strategy 2	Deliver greater value based on regional needs
Strategy 3	Maximize individual & organizational strengths
NTT Group Collaboration	Drive NTT Group Collaboration

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Implementing 4 strategies as the courage to change to maximize customer value

Strategy 1	**Expand global digital offerings**
Strategy 2	Deliver greater value based on regional needs
Strategy 3	Maximize individual & organizational strengths
NTT Group Collaboration	Drive NTT Group Collaboration

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Accelerate global synergy by creating strong offerings backed by aggressive investment for focus areas, and deliver them along with proactive marketing and leveraging technology

Build our strengths & improve how we compete



Accelerate Global Marketing

Client & Market Needs

Leverage Offerings

Develop Digital Offerings

Provide support to create & leverage offerings

Expand CoE

- Blockchain
- Design
- DevOpS
- AI

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Accelerate global synergy by creating strong offerings backed by aggressive investment for focus areas, and deliver them along with proactive marketing and leveraging technology

Build our strengths & improve how we compete



Accelerate Global Marketing

Client & Market Needs

Leverage Offerings

Develop Digital Offerings

Provide support to create & leverage offerings

Expand CoE

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- DevOpS
- AI

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Established Global Industries Teams to strengthen collaboration Respond to complex client requirements

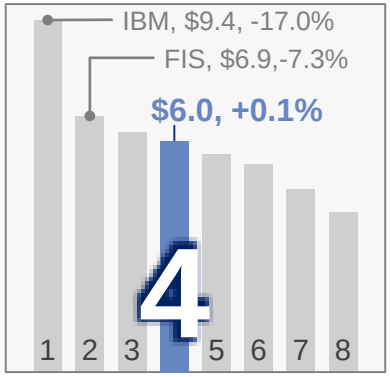


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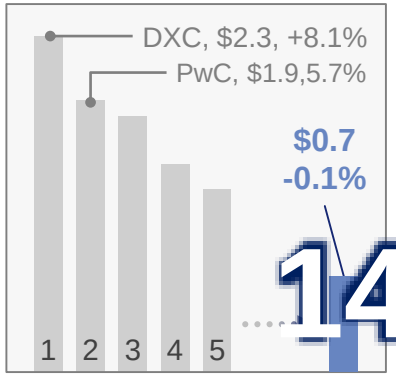
WIN #1 in the industry we are best
Aim for TOP 5 for all NTT DATA

2018 Market Share - IT Services

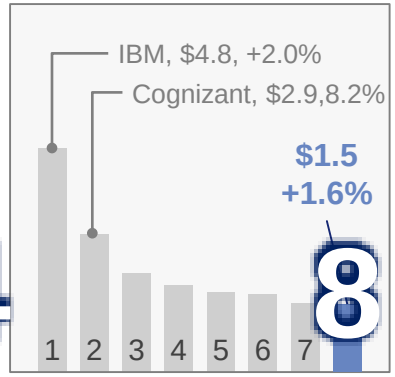
Rev in 2018 (US$B), Rev growth in 2017-18



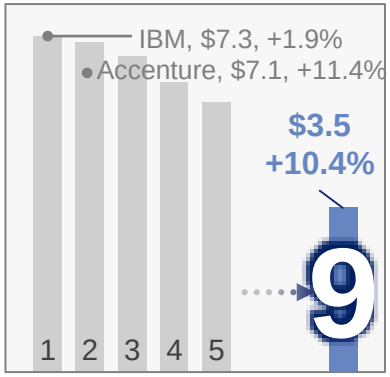
Finance



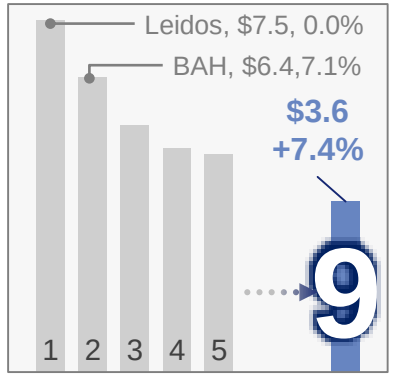
Healthcare



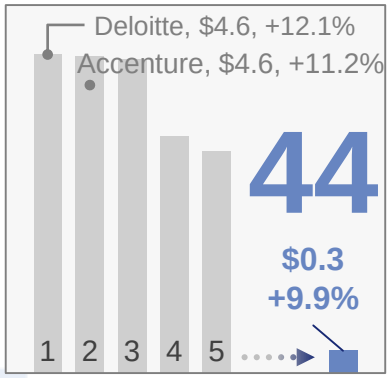
Insurance



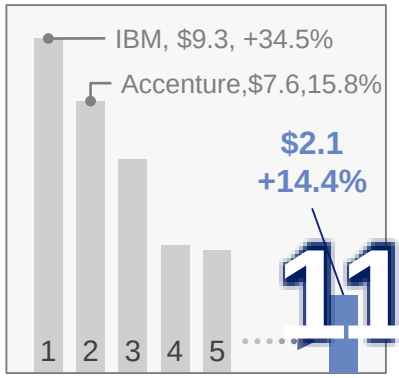
Manufacture



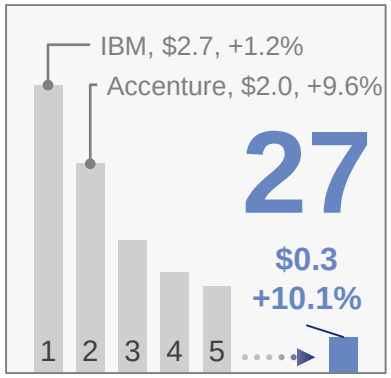
Public



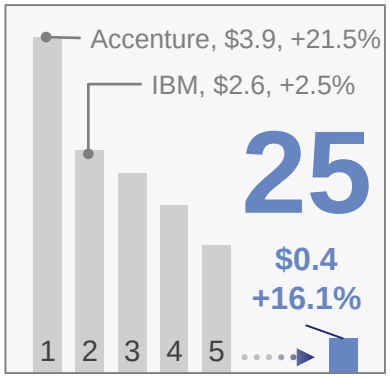
Retail



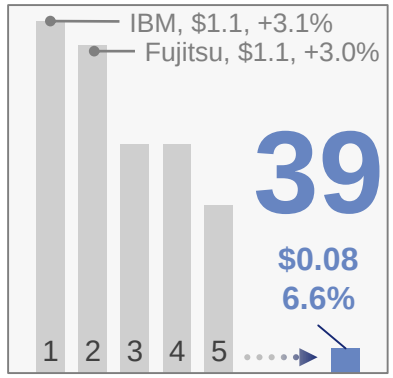
Teleco/Media



Transportation



Utility



Wholesale

Graphs are created by NTT DATA based on Gartner Research. Source : Gartner, Market Share: IT Services, 2018, Dean Blackmore et al., 8 April 2019
Finance：Banking & Securities, Healthcare：Healthcare Providers, Insurance：Insurance, Manufacture：Manufacturing & Natural Resources, Public：Government, Retail：Retail, Teleco/Media：Communications, Media & Services, Transportation：Transportation, Utility：Utilities, Wholesale：Wholesale Trade

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Formed One Teams for Global Industries and developing strategies

Automotive	Banking	Insurance	Healthcare	Telco / Media	Retail



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Accelerate global synergy by creating strong offerings backed by aggressive investment for focus areas, and deliver them along with proactive marketing and leveraging technology

Build our strengths & improve how we compete



Accelerate Global Marketing

Client & Market Needs

Leverage Offerings

Develop Digital Offerings

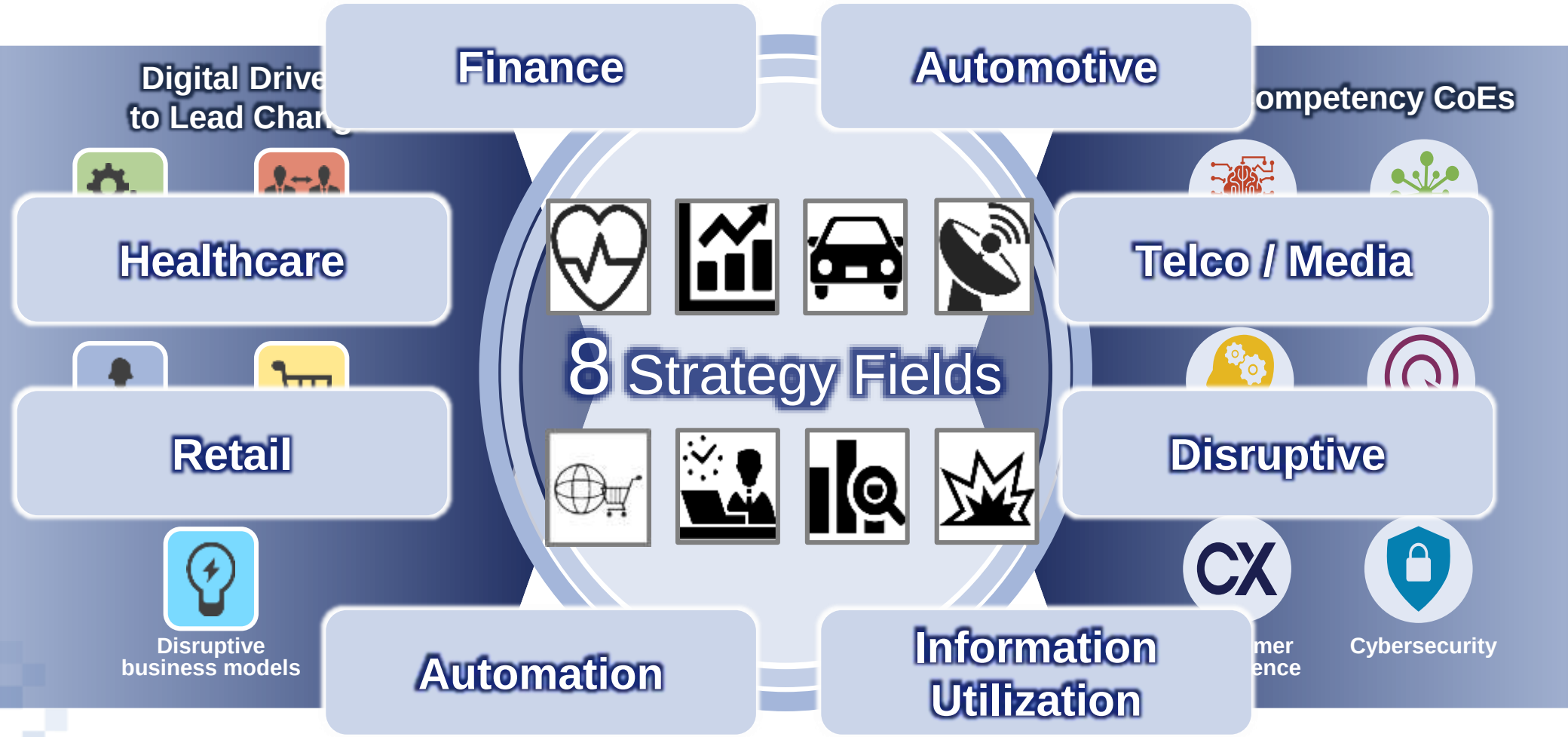
Provide support to create & leverage offerings

Expand CoE

- Blockchain
- Design
- DevOpS
- AI

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Focus on 8 fields to strengthen capabilities & build solutions

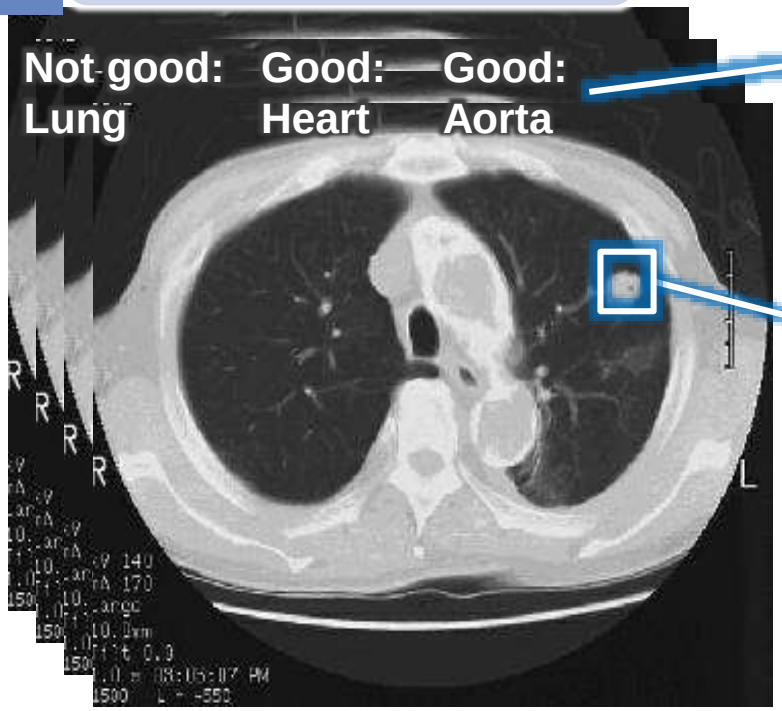


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Faster detection reduces the burden on doctors
More accurate diagnosis

Healthcare



AI Diagnostic Imaging

A: Abnormality Detection Algorithm
Detect abnormalities in each organ

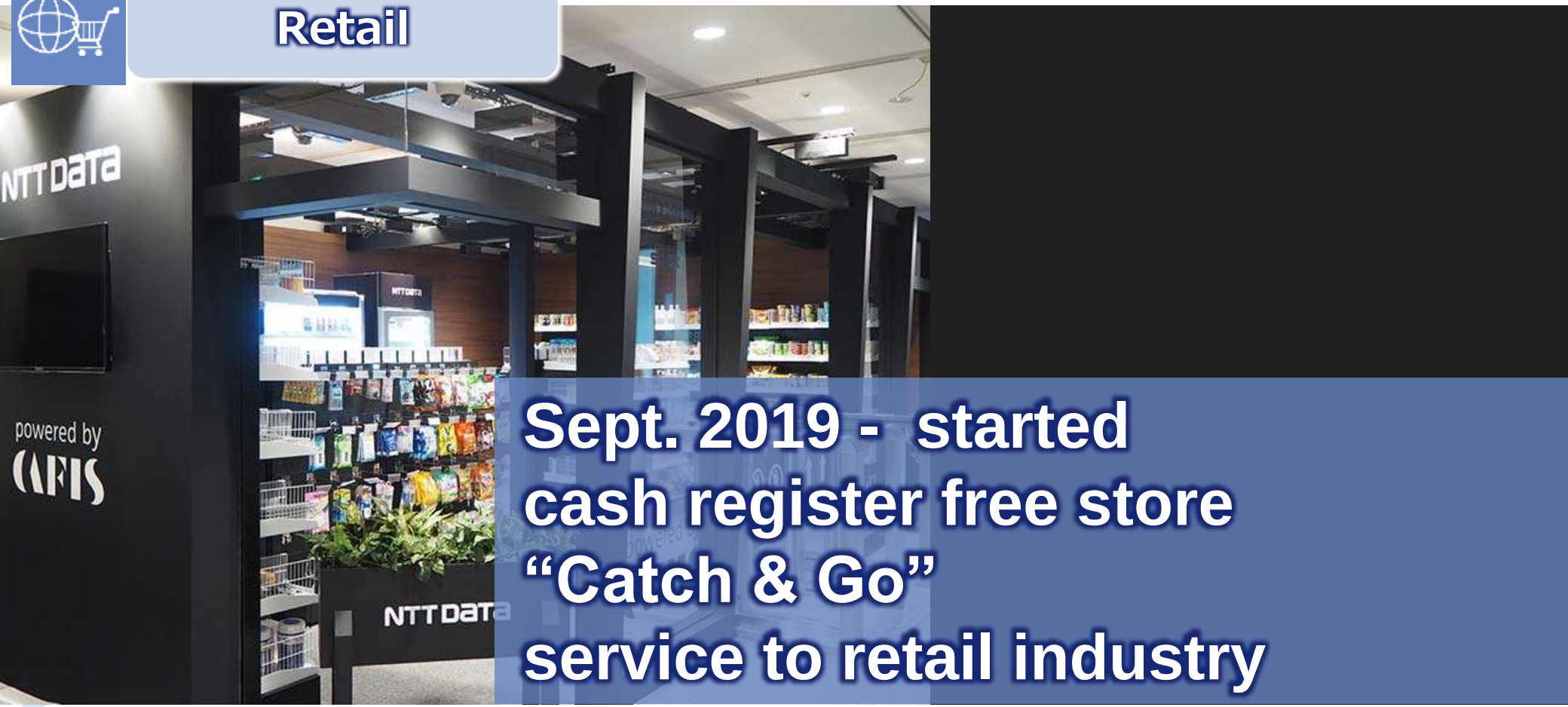
B: location algorithm
Locate abnormalities in organ

Demonstration experiments were conducted with Miyazaki University from March to August 2019. It was confirmed that the system has high detection accuracy, especially for the detection of renal cancer.

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Create new ways to gather & utilize data by digitizing real stores

Retail



Sept. 2019 - started cash register free store “Catch & Go” service to retail industry

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Accelerate global utilization
Gather & utilize knowledge in advanced technologies

Block Chain



Ranked as a **“Leader”**

Design

RMA CHAZZ Digital Experience Research Center

everis LivingLab Barcelona ENSO The Space for Creators Digital ntity AQUAIR

Ranked as a **“Leader”**

Use Case : **80** projects

Center of Excellence

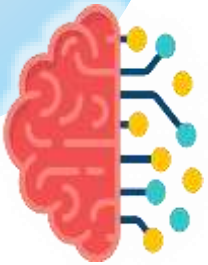
DevOpS

ALT EMI STA

Number of project uses

Altemista Cloud: **172**

AI



Newly Established

2019

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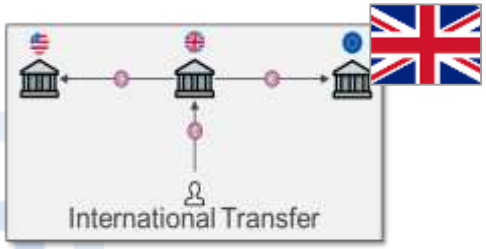
Established team of 300+ professionals from 24 countries
World's 1st commercialized blockchain technology

Promote CoE

Technical support HR development - commercialization
Know-how of cutting edge technology



Commercialization



ABI Lab
Tecnologia utile
Spunta:
Italian Banking Project

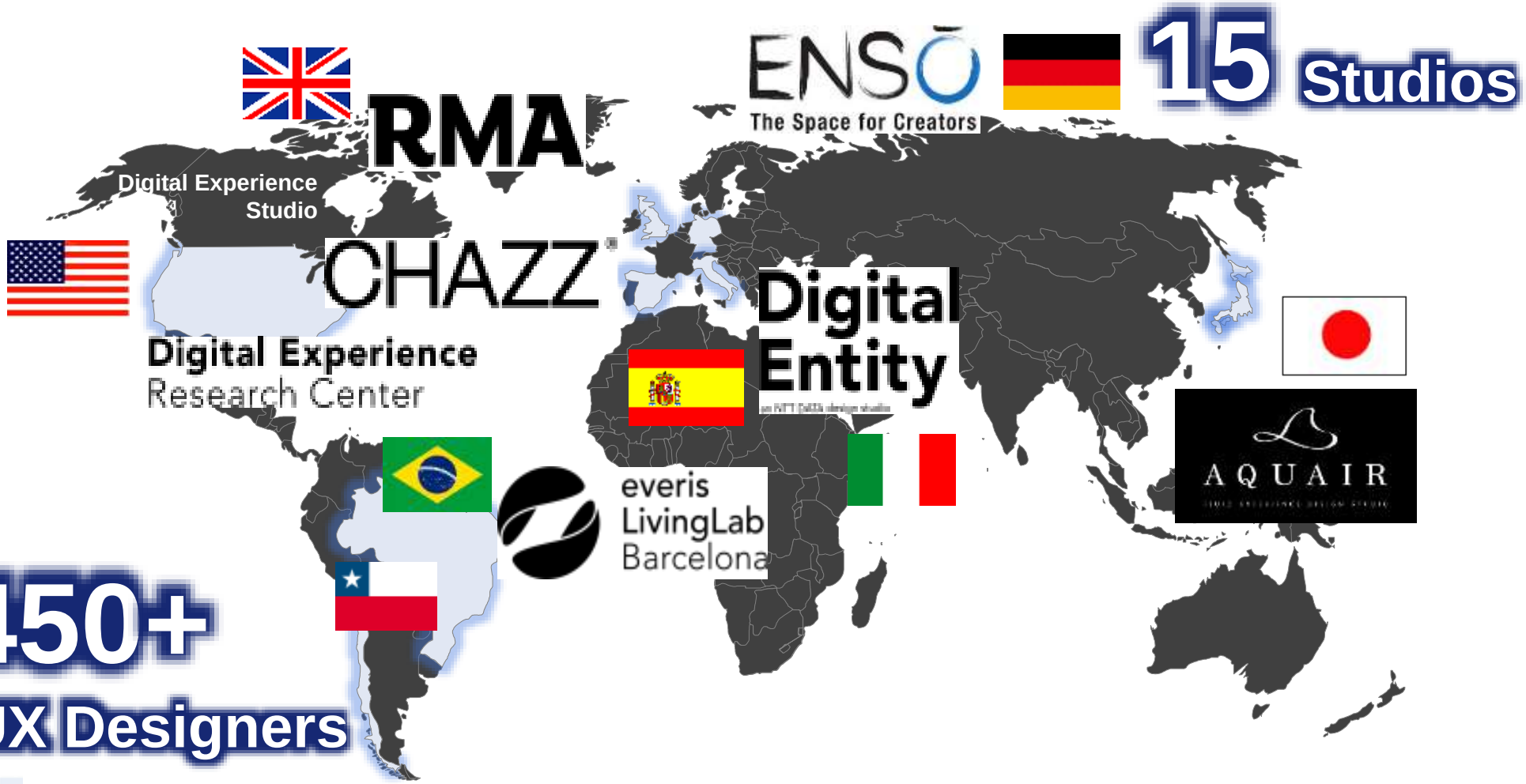


Develop PoC

LACCHAIN
Multi Sector
National Consortiums

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Established team of 450+ professionals from 8 countries
Share design expertise with each other to accelerate customer DX



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Implementing 4 strategies as the courage to change to maximize customer value

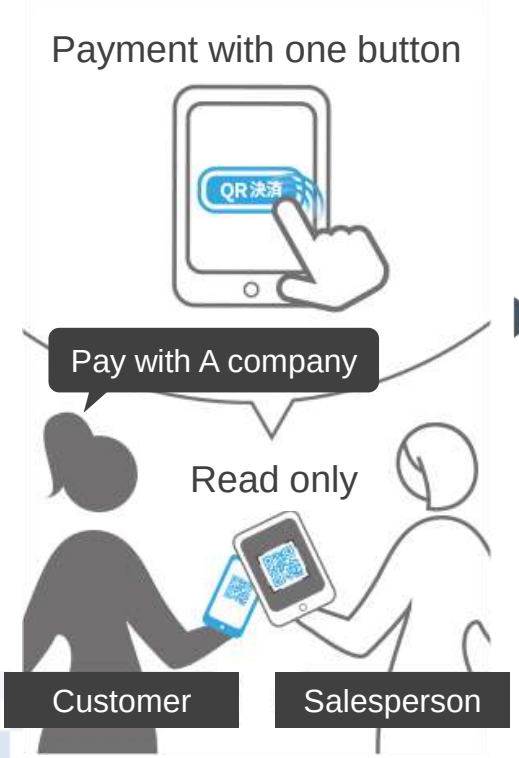
Strategy 1	Expand global digital offerings
Strategy 2	**Deliver greater value based on regional needs**
Strategy 3	Maximize individual & organizational strengths
NTT Group Collaboration	Drive NTT Group Collaboration

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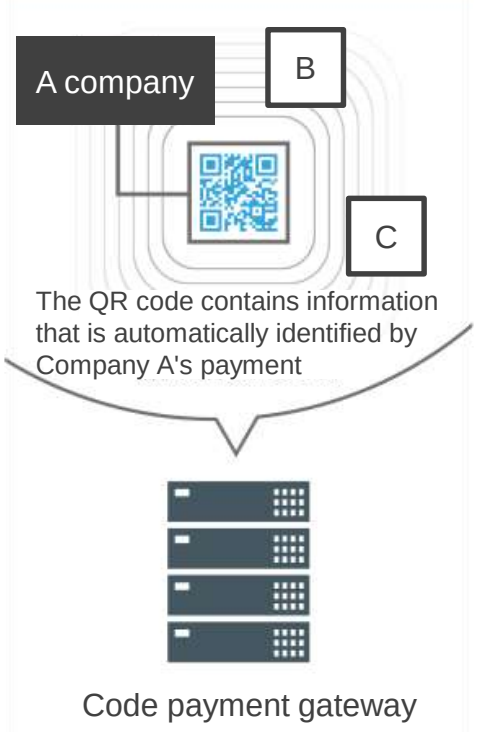
Started to provide a “code payment gateway” to accept a wide variety of domestic and overseas code payments

Read the QR code

Payment with one button



Automatically determine code



Code payment completed



支付宝 ALIPAY
微信支付 WeChat Pay
au PAY
Pay ORIGAMI
d払い
PayPay
pring
Pay
LINE Pay
R Pay

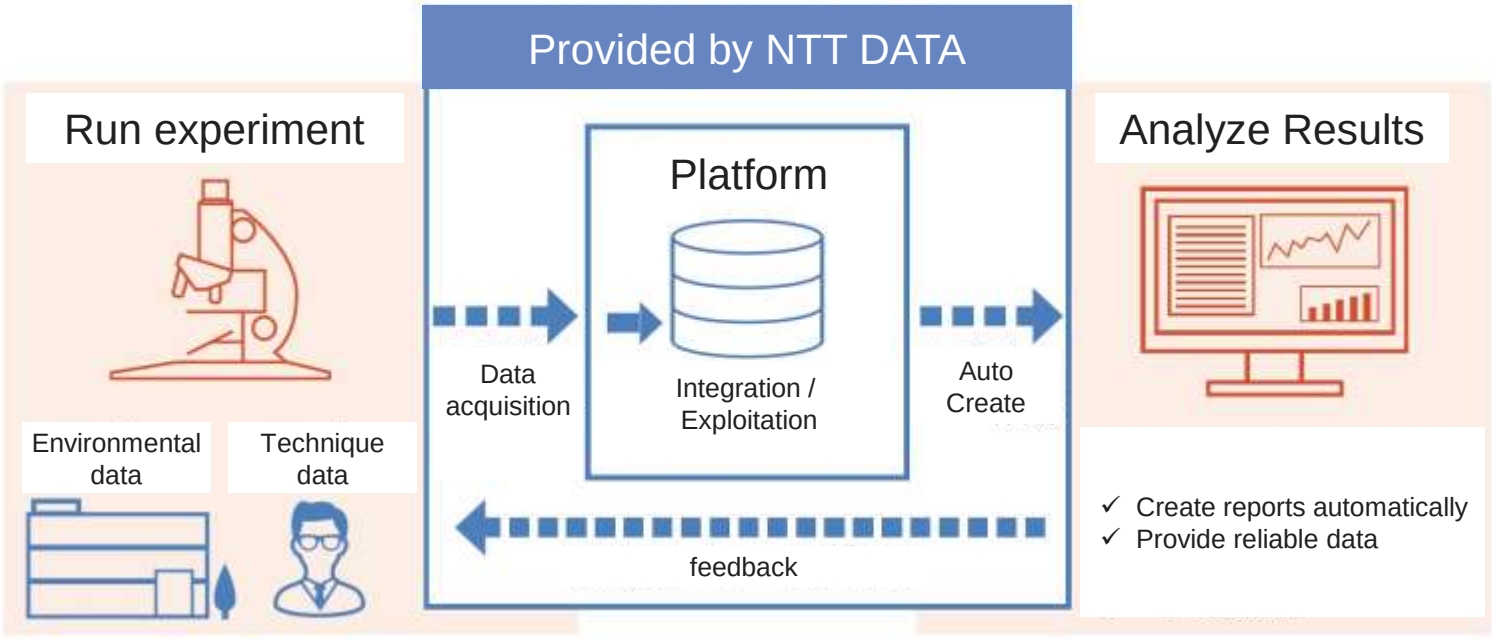
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NTT DATA

Aim to provide next-generation laboratories for handling iPS cells 8 companies formed a consortium & leverage digital technology

COTO LABO Consortium

Communication Tool Oriented/Originated LABOratory



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Awarded a new large-scale IT Service contract with the United States Agency for International Development

Won a new five-year $218 million contract with USAID



NTT DATA Services built a strong relationship with the client by leveraging a deep understanding of the USAID environment, years of government expertise, and proven performance with public client. We also leveraged our corporate capabilities to infuse innovation and automation to help improve overall efficiencies of USAID's operations.

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Launched a new large-scale Dynamic Workplace Services to a leading U.S. chemical manufacturer

TCV
over $150 million/5yrs
Dynamic Workplace Services



NTT DATA Services has a long standing and firm relationship with the client, and has supported the client's IT integration initiative over the last two years. After successfully completing the wide ranging and complex initiative, we will be providing Dynamic Workplace Services to the client, realizing automation of business processes and providing integrated IT support based on data analysis to improve its operational efficiency and user satisfaction using advanced technologies.

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Naturgy, a gas and electricity provider operating in Europe and Latin America selects everis as its strategic partner

The total sales in the next 10 years is estimated to exceed 500 million Euros



Naturgy awarded the contract to everis, because it highly appreciated everis' approach to drive innovation and automation along with the Long-Term Relationships everis has built with Naturgy and its past achievements in providing rich outsourcing services.

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Implementing 4 strategies as the courage to change to maximize customer value

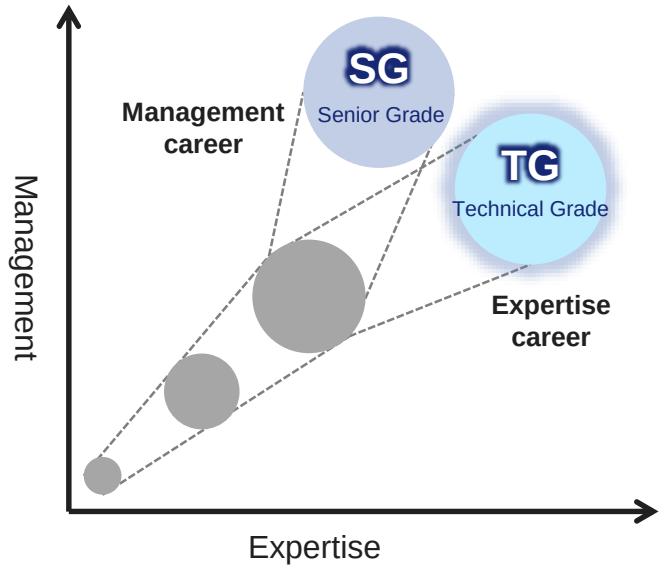
Strategy 1	Expand global digital offerings
Strategy 2	Deliver greater value based on regional needs
Strategy 3	**Maximize individual & organizational strengths**
NTT Group Collaboration	Drive NTT Group Collaboration

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Created systems tailored to diverse expertise to expand the digital business

Creation of systems of expertise

- **Established the ADP System to strengthen the recruitment of external personnel （4 people now）**
- **Established "Technical Grade System" to maximize employee potential**



Expand definition of expertise

- **Defined new expertise to address diverse expertise**

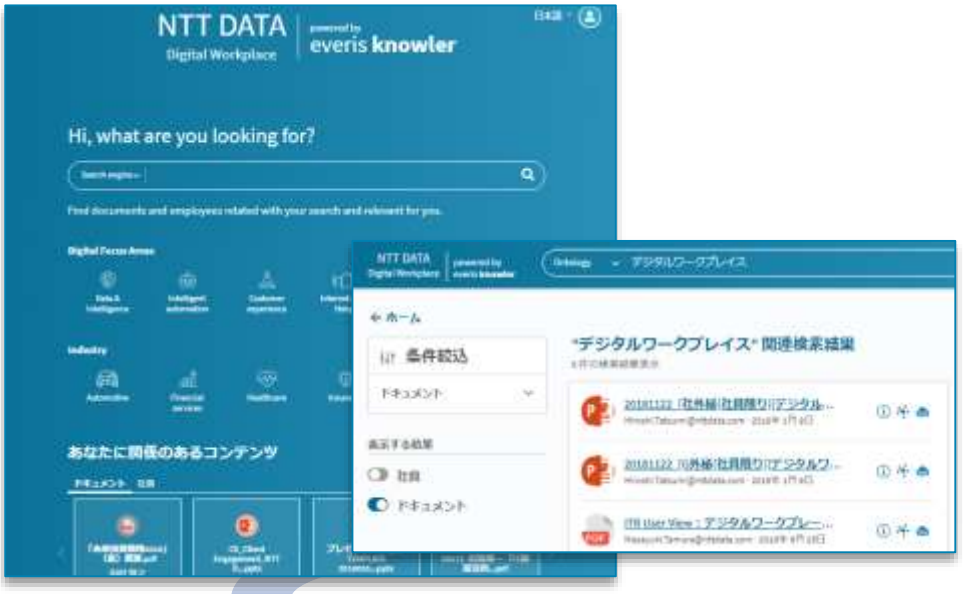
Develop / Operate	Project Manager
	Application Specialist
	IT Service Manager
Technology	IT Architect
	IT Specialist
	R&D Specialist
	Data Scientist New
Sales	Customer Sales
	Solution Sales
	Consultant
Business Developer New	
Staff	

※Advanced Professional System：
A system to hire outside personnel with outstanding expertise in advanced technology and consulting at a rate commensurate with market value(Established in December 2018)

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Introduction of a system to share knowledge and provide mutual support across groups to maximize group synergies

Digital Workplace



Shared Contents



Digital Knowledge Share

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Implementing 4 strategies as the courage to change to maximize customer value

Strategy 1	Expand global digital offerings
Strategy 2	Deliver greater value based on regional needs
Strategy 3	Maximize individual & organizational strengths
NTT Group Collaboration	**Drive NTT Group Collaboration**

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Realized Public Safety Solution for the city of Las Vegas by NTT Group's joined forces. NTT Data Services as Prime SIer collaborates with NTT Ltd. to offer total service

Street / Event Venue





Appropriate action for crime

IoT Sensors

Aggregating Data

Authorities(e.g. Police Station Dispatch)





Information

NTT's Smart City Solution



Real-time Coordination

- ✓ Real-time Analysis
- ✓ Trend Analysis
- ✓ Sensor Control
- ✓ PaaS / IaaS / NW

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NTT DATA

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Appendices -Business topics-

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Principal Measures Taken in the 2nd Quarter of Fiscal Year Ending March 31, 2020(1/4)

After completing a proof of concept (PoC), NTT DATA started considering commercialization of AI prediction service for customers' fund needs



NTT DATA, together with its subsidiary, NTT DATA Mathematical Systems Inc., completed a PoC of a prediction service for customers' fund needs at a Shinkin bank using an AI prediction model which was built based on the know-how of Shinkin banks' operations. We began considering the commercialization of this service from July 2019, after the validity of its accuracy was confirmed in the PoC. The accuracy of the prediction of potential customers' fund needs improved by threefold compared to the past loan records. The service supports making customer visit lists by using AI which learns various data retained by Shinkin banks and predicts customers who are in need of funds. The service will enable more effective and efficient customer visits, passing on of know-how by visualizing how to determine which customers to visit, and improvement of customer satisfaction with timely proposals based on the prediction of fund needs. It will also contribute to improving profitability.

Going forward, NTT DATA will work to provide AI services to support sales activities of the Shinkin banks such as "visit planning," "face-to-face negotiations," "negotiations recording," and "case management" from all angles.

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Principal Measures Taken in the 2nd Quarter of Fiscal Year Ending March 31, 2020(2/4)

Started to provide “Catch&GO,” a service to help clients open a digital store without a cash register



In September 2019, NTT DATA began to offer “Catch&GO,” a service that allows customers to purchase products using QR codes specifying a payment method authenticated when they enter the store, thereby eliminating the process of paying at the cash register. Through this service, we support the retail industry clients in digitalizing their brick-and-mortar shops by utilizing our digital business knowledge that we have gained through the provision of customer touchpoint solutions, such as omni-channels and e-commerce (EC) sites, and jointly conducting hypothesis tests with the clients. A digital store without a cash register will help consumers reduce the hassle of paying at a cash register and allow them to enjoy convenient and money-saving purchase experience with special campaigns based on their behaviors at the stores. For store employees and store owners/franchise headquarters, the service will increase operational efficiency by eliminating cash register operations and maximize the purchase opportunity by saving waiting time for checkout. They will also be able to utilize the flow and action data of consumers at the stores to take opportunities to promote sales and for store designing and marketing.

NTT DATA aims to provide this service to 1,000 retail stores by the end of fiscal 2022. Additionally, to enhance this service, we will develop a next-generation digital store platform (Note 1) that will offer payment points including various payment methods and devices both for brick-and-mortar stores and EC sites, while collaborating with NTT DATA’s “CAFIS”—Japan’s largest comprehensive cashless payment platform that we provide. Moreover, we will collaborate with start-ups possessing advanced technologies to add new features in series.

(Note 1) Next-generation digital store platform
A platform we plan to develop to co-create a store business model driven by digital technologies with our clients. With this platform, in addition to “Catch&Go,” we aim to provide functions and services, including shopping navigation tools, remote customer services via avatars, and purchase data marketing.

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Principal Measures Taken in the 2nd Quarter of Fiscal Year Ending March 31, 2020(3/4)

NTT DATA Services to provide new large-scale Dynamic Workplace Services(Note2) to a leading U.S. chemical manufacturer after successful support in IT integration



NTT DATA Services, a subsidiary of NTT DATA Corporation, has launched new large-scale IT outsourcing services for a leading U.S. chemical manufacturer under a five-year contract with a total value of over $150 million.

NTT DATA Services has a long standing and firm relationship with the client, and has supported the client's IT integration initiative over the last two years during its reorganization. After successfully completing the wide ranging and complex initiative, we will be providing support for seamless business processes through maintenance of IT infrastructure environment, which is now the client's top priority. Specifically, NTT DATA Services will provide Dynamic Workplace Services to the client, realizing automation of business processes and providing integrated IT support based on data analysis to improve its operational efficiency and user satisfaction using advanced technologies.

NTT DATA Services will support the client in expanding its business, leveraging our expertise gained through the long-term relationship, as well as help achieve further growth as its trusted IT partner.

(Note 2) Dynamic Workplace Services
Outsourcing services for collectively providing IT infrastructure environment to clients to achieve cost reduction and operational efficiency improvement.

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Principal Measures Taken in the 2nd Quarter of Fiscal Year Ending March 31, 2020(4/4)

Naturgy, a gas and electricity provider operating in Europe and Latin America selects everis as its strategic partner



In August 2019, everis Group (“everis”), a Spanish subsidiary of NTT DATA Corporation, was selected as a strategic partner for the digital transformation project of Naturgy Energy Group, SA (“Naturgy”). Naturgy is based in Spain and provides gas and electricity in more than 30 countries, mainly in Europe and Latin America. everis will be providing BPO/ITO services for maintaining and operating systems related to gas and electricity distribution and various operations related to utility retail service using advanced platform among others that it had developed. The total sales in the next 10 years is estimated to exceed 500 million Euros.

Naturgy awarded the contract to everis, because it highly appreciated everis’ approach to drive innovation and automation along with the Long-Term Relationships everis has built with Naturgy and its past achievements in providing rich outsourcing services. everis will continue to work on rationalization, digitalization and optimization of Naturgy’s business processes, as well as support its delivery of innovative services to gas and electricity users as its strategic partner.

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Appendices -Explanatory details of financial results and forecasts-

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Overview of Consolidated Result

(Billions of Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	YoY (%)	FY Ended 2019/3 Results (Full-Year)	FY Ending 2020/3 Forecasts (Full-Year)
New Orders Received	920.4	1,088.8	+18.3	2,076.1	2,000.0
Order Backlog	2,399.7	2,512.5	+4.7	2,457.1	2,380.0
Net Sales	1,022.7	1,077.8	+5.4	2,163.6	2,240.0
(Main item) Overseas Net Sales(*1)	425.8	439.8	+3.3	881.1	910.0
Cost of Sales	773.0	809.6	+4.7	1,618.6	1,658.0
Gross Profit	249.7	268.2	+7.4	545.0	582.0
SG&A Expenses	189.7	204.5	+7.8	397.3	434.0
Selling Expenses	70.1	73.4	+4.6	146.7	160.0
R&D Expenses	6.5	9.1	+39.6	15.1	22.0
Other Administrative Expenses	113.0	122.0	+7.9	235.5	252.0
Operating Income	60.1	63.8	+6.1	147.7	148.0
Operating Income Margin(%)	5.9	5.9	+0.0	6.8	6.6
Financial Income and Costs/Share of Profit/Loss of Entities for Using Method	1.0	-0.8	-	-0.8	-3.0
Income Before Income Taxes	61.0	62.9	+3.1	146.9	145.0
Income Taxes and Others(*2)	22.4	22.8	+1.7	53.3	53.0
Net Income Attributable to Shareholders of NTT DATA	38.7	40.2	+3.9	93.6	92.0
Capital Expenditures	78.4	84.0	+7.1	179.2	202.0
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles(*3)	77.5	81.4	+5.0	160.7	162.0

(*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) “2020/3 2nd Quarter Results” and “FY Ending 2020/3 Forecasts (Full-Year)” were calculated excluding the effect (2nd quarter estimate of 17.3 billion yen and full-year estimate of 34.5 billion yen) of IFRS 16 (new lease standard) which has been applied since April 2019.

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Consolidated New Orders Received and Order Backlog

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

(Billions of Yen)

		2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sep)	FY Ended 2019/3 Results (Full-Year)	FY Ending 2020/3 Forecasts (Full-Year)
Public & Social Infrastructure		172.1	206.1	391.1	402.0
(Main item)	Central Government and Related Agencies, Local Government, and Healthcare	86.9	159.6	194.5	226.0
	Telecom and Utility	43.0	55.7	114.0	93.0
Financial(*1)		225.0	190.9	458.2	389.0
(Main item)	Banks, Insurance, Securities, Credit Corporations, Financial Infrastructure/Network Services	177.1	125.1	361.8	278.0
	Cooperative financial institutions	33.1	54.8	69.9	93.0
Enterprise & Solutions(*2, 3)		144.2	157.5	307.7	297.0
(Main item)	Retail, Logistics, Payment and Other Service	33.7	35.4	73.0	73.0
	Manufacturing	88.1	98.0	188.8	184.0
	Data Center, Network, and Other Solutions	18.3	19.8	38.0	33.0
North America		157.4	243.0	427.6	414.0
EMEA & LATAM		205.7	218.8	457.4	466.0

Detail of Consolidated Order Backlog

(Billions of Yen)

Order Backlog		2,399.7	2,512.5	2,457.1	2,380.0
	Public & Social Infrastructure	403.3	501.1	416.8	416.0
	Financial	835.9	799.2	828.8	757.0
	Enterprise & Solutions	137.8	130.2	131.0	112.0
	North America	732.5	796.7	784.7	767.0
	EMEA & LATAM	278.3	270.6	282.4	303.0

(*1) The figures for Financial for the results and “FY Ending 2020/3 Forecasts (Full-Year)” were revised, following the change of category in which Financial Network Services is recorded.
(*2) New Orders Received of Enterprise & Solutions does not include orders taken via other segments.
(*3) The figures for Enterprise & Solutions for “2019/3 2nd Quarter Results” show results based on revision of the details recorded as of March 31, 2019.

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Consolidated Net Sales

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

(Billions of Yen)

		2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sept)	FY Ended 2019/3 Results (Full-Year)	FY Ending 2020/3 Forecasts (Full-Year)
Public & Social Infrastructure		174.6	176.8	399.6	407.0
(Main item)	Central Government and Related Agencies, Local Government, and Healthcare	96.5	93.3	224.6	230.0
	Telecom and Utility	41.1	43.8	91.1	90.0
Financial(*1)		235.9	247.6	491.6	507.0
(Main item)	Banks, Insurance, Security, Credit Corporations and Financial Infrastructure/Network Services	177.7	183.8	369.2	381.0
	Cooperative financial institutions	52.2	50.0	105.4	101.0
Enterprise & Solutions(*2,3)		180.9	207.4	379.2	406.0
(Main item)	Retail, Logistics, Payment and Other Service	59.7	70.8	121.7	147.0
	Manufacturing	90.5	103.6	191.7	190.0
	Data Center, Network, and Other Solutions	28.9	28.5	57.0	62.0
North America		206.6	205.8	416.5	435.0
EMEA & LATAM		205.0	215.5	433.9	439.0

Net Sales by Products and Services (to Clients Outside the NTT DATA Group) (*4)

(Billions of Yen)

	2019/3 2nd Quarter Results (Apr-Sep)	2020/3 2nd Quarter Results (Apr-Sept)	FY Ended 2019/3 Results (Full-Year)	FY Ending 2020/3 Forecasts (Full-Year)
Consulting	107.2	120.6	233.9	345.0
Integrated IT Solution	286.9	294.2	584.9	582.0
System & Software Development	276.6	279.1	602.1	573.0
Maintenance & Support	318.8	343.2	666.7	650.0
Others	33.2	40.7	76.0	90.0
Net Sales by Products and Services Total	1,022.7	1,077.8	2,163.6	2,240.0

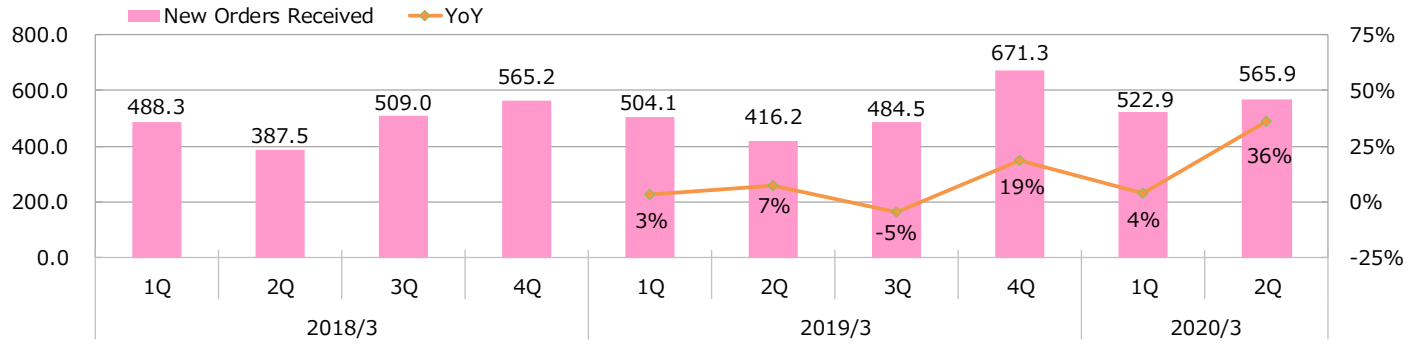
(*1) The figures for Financial for the results and "FY Ending 2020/3 Forecasts (Full-Year)" were revised, following the change of category in which Financial Network Services is recorded.
(*2) Net Sales of Enterprise & Solutions does not include sales of projects undertaken through other segments.
(*3) The figures for Enterprise & Solutions for "2019/3 2nd Quarter Results" show results based on revision of the details recorded as of March 31, 2019.
(*4) The figures for Net Sales by Products and Services (to Clients Outside the NTT DATA Group) show results based on revision of the categories and the details recorded.

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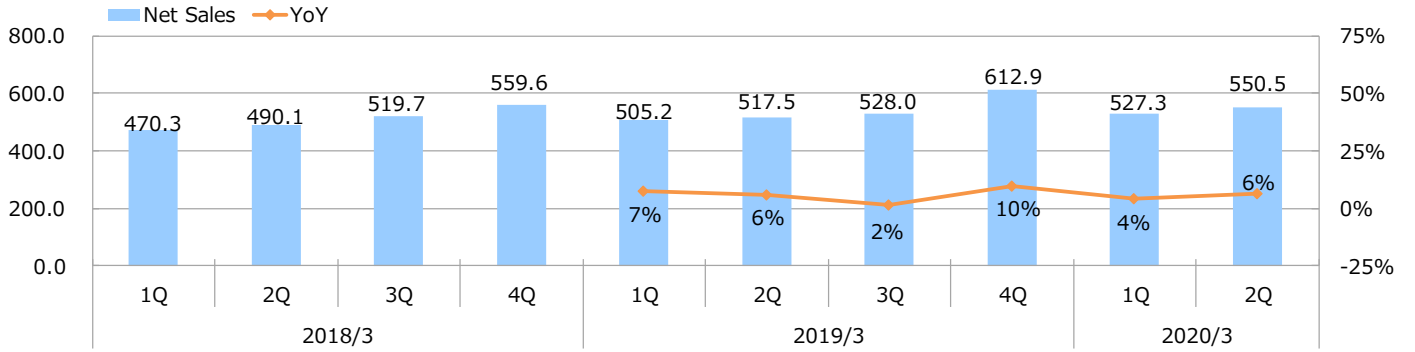
Trends in Quarter (Consolidated)

(Billions of Yen,%)

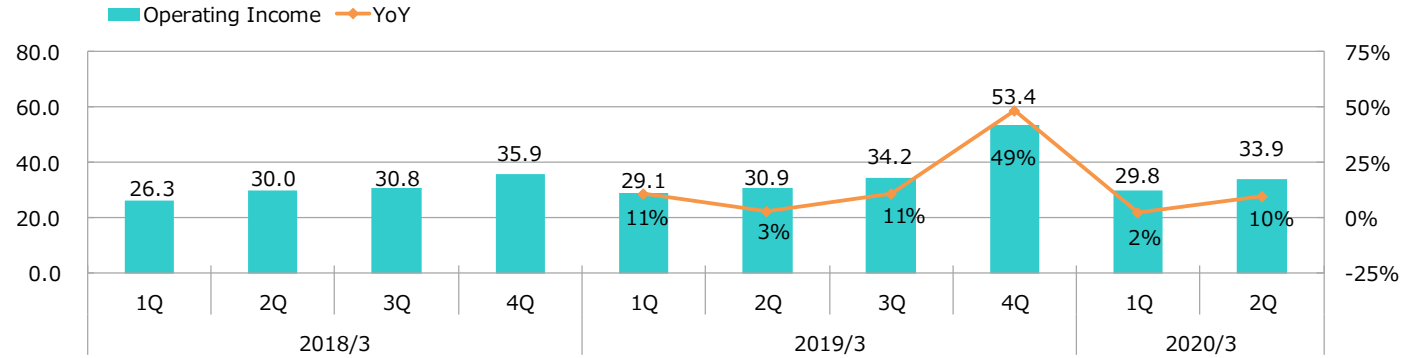
■ New Orders Received



■ Net Sales



■ Operating Income



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Foreign exchange rates
(used for the conversion of the amount of orders received and incomes and expenditures)

(Yen,%)

	2019/3 2nd Quarter Results (Apr-Sep) ①	2020/3 2nd Quarter Results (Apr-Sep) ②	YoY (%) (②-①)/ ①	FY Ended 2019/3 Results (Full-Year) ③	FY Ending 2020/3 Forecasts (Full-Year) ④	YoY (%) (④-③) / ③
USD	110.26	108.50	-1.6%	110.88	109.00	-1.7%
EUR	129.79	121.44	-6.4%	128.37	124.00	-3.4%

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Appendices

- Mid- to long-term financial trends -

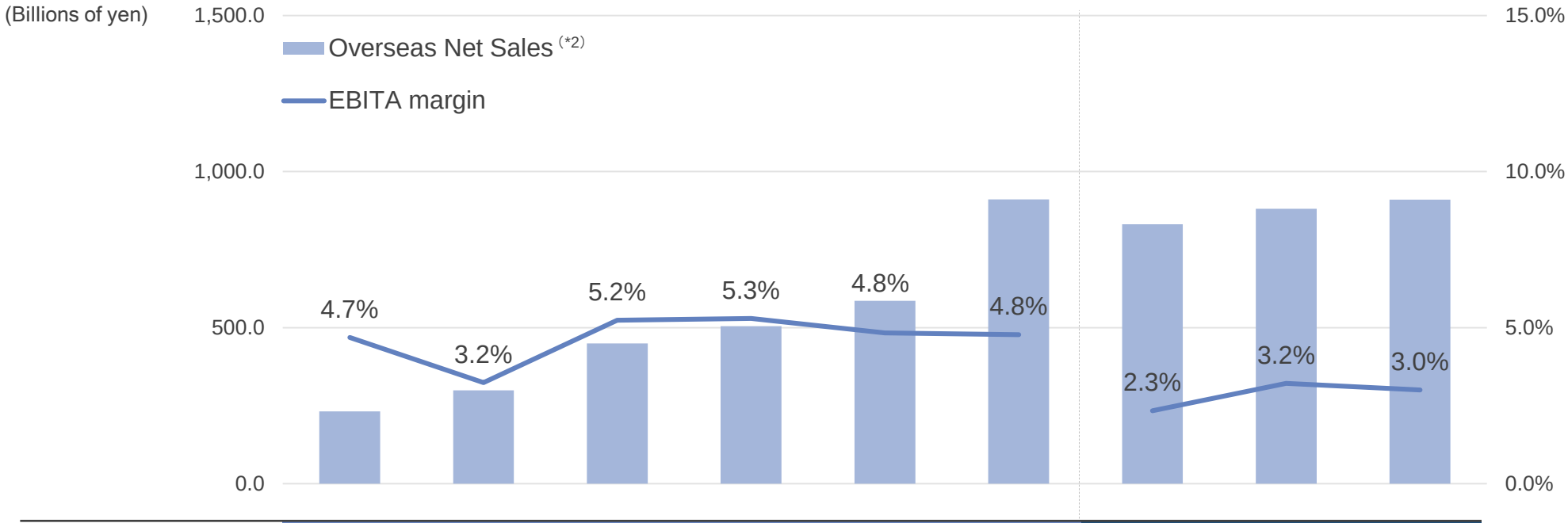
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Trend of Order Backlog and Net Sales



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Overseas Net Sales and Profitability of Trends (*1)

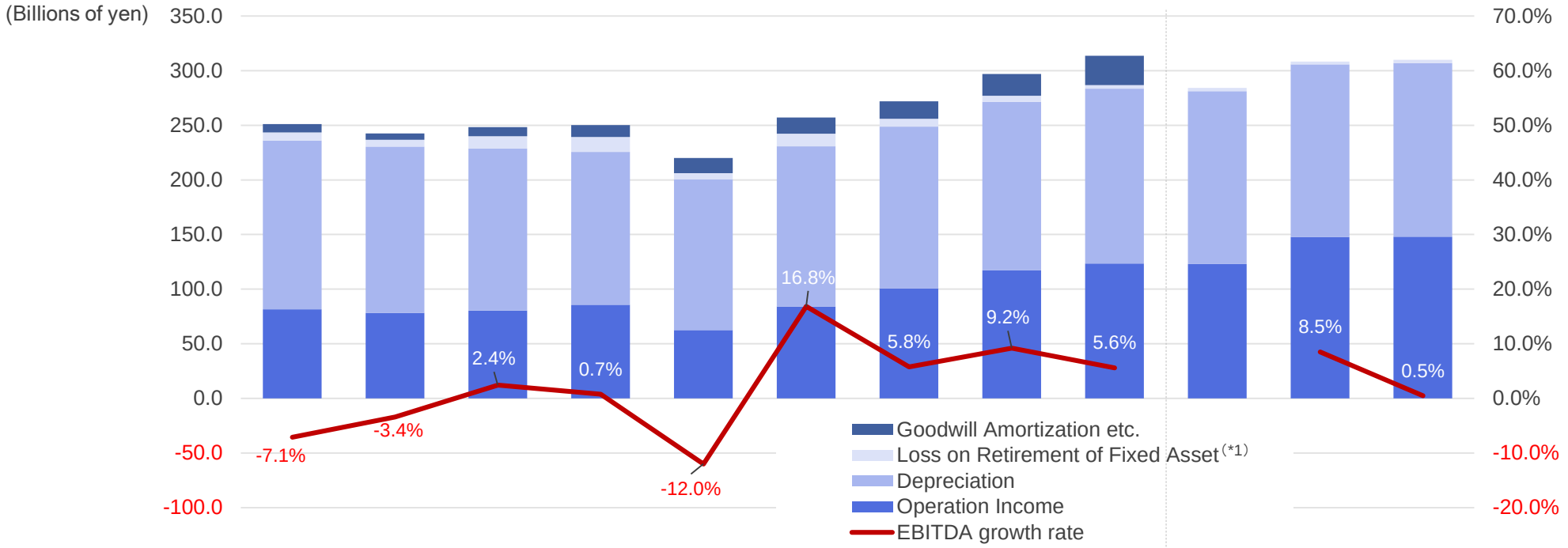


	JGAAP						IFRS		
(Billions of yen)	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3	2020/3 Forecasts
Overseas net sales (*2)	231.3	298.7	449.0	504.4	586.3	911.1	831.3	881.1	910.0
EBITA (*3)	10.8	9.6	23.5	26.6	28.2	43.4	19.4	28.3	27.0

(*1) The figures for the periods until FYE 3/2017 are those for the former Global Segment, and from FYE 3/2018 and later, are the total of North America/EMEA & LATAM Segments and China and APAC.
(*2) Net sales to Clients Outside the NTT DATA Group.
(*3) EBITA (JGAAP) = operating income (JGAAP) + amortization of goodwill and intangible assets subject to purchase price allocation (PPA) arising from acquisition and others
(*3) EBITA (IFRS) = operating income (IFRS) + amortization of intangible assets subject to purchase price allocation (PPA) arising from acquisition and others

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EBITDA Trend

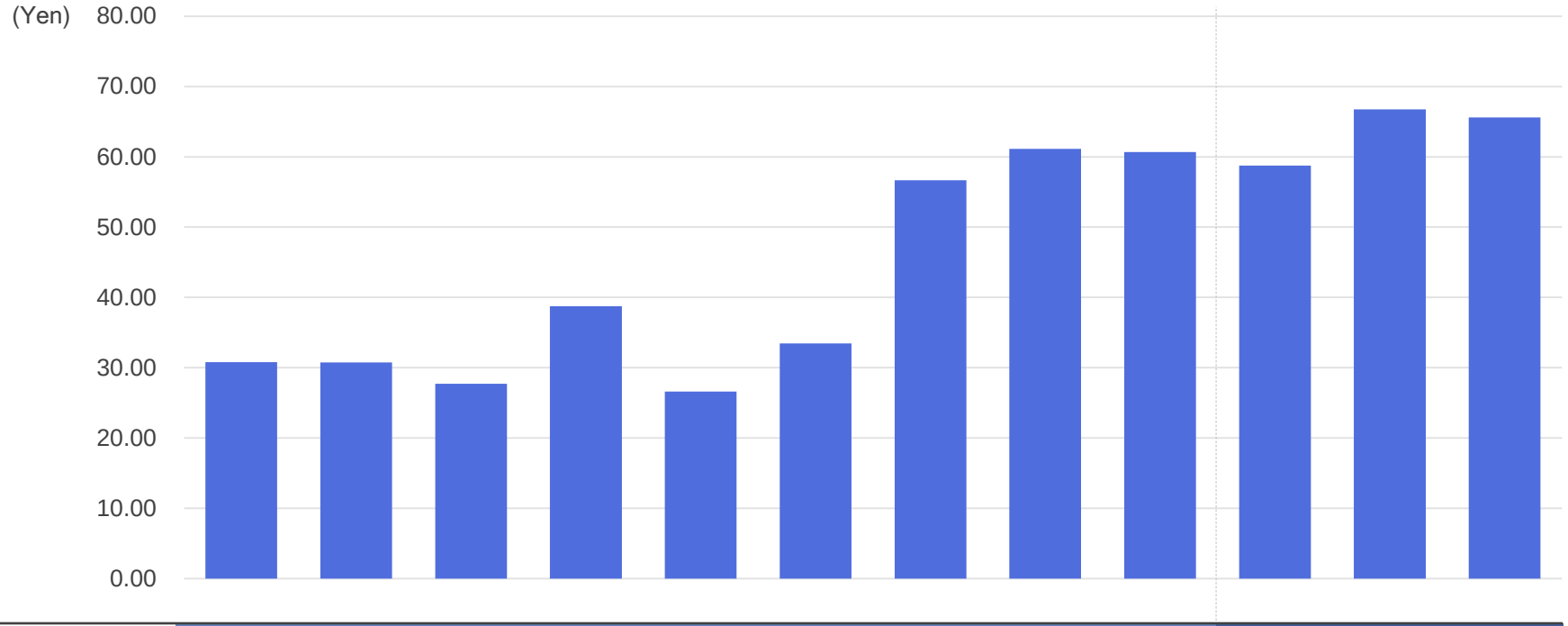


	JGAAP									IFRS		
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3	2020/3 Forecasts
Operation Income	81.6	78.3	80.4	85.6	62.5	84.0	100.8	117.1	123.5	123.1	147.7	148.0
Depreciation(*1)	154.5	152.2	148.3	140.0	138.0	146.8	147.9	154.5	160.0	158.1	158.0	159.0
Loss on Retirement of Fixed Asset	7.4	6.3	11.3	13.8	5.6	11.6	7.2	5.4	3.2	3.1	2.7	3.0
Goodwill Amortization etc.	7.5	5.7	8.3	10.7	14.0	14.7	16.0	20.0	26.9	-	-	-
EBITDA(*2)	251.1	242.6	248.5	250.3	220.2	257.3	272.1	297.1	313.7	284.2	308.4	310.0

(*1) The figures for the forecasts for FYE 3/2020 were calculated excluding the impact amount of 34.5 billion yen (estimate) of IFRS 16 (new lease standard) which will be applied from April 2019.
(*2) Figures based on JGAAP include adjustments for goodwill amortization and others (including impairment loss).

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EPS Trend

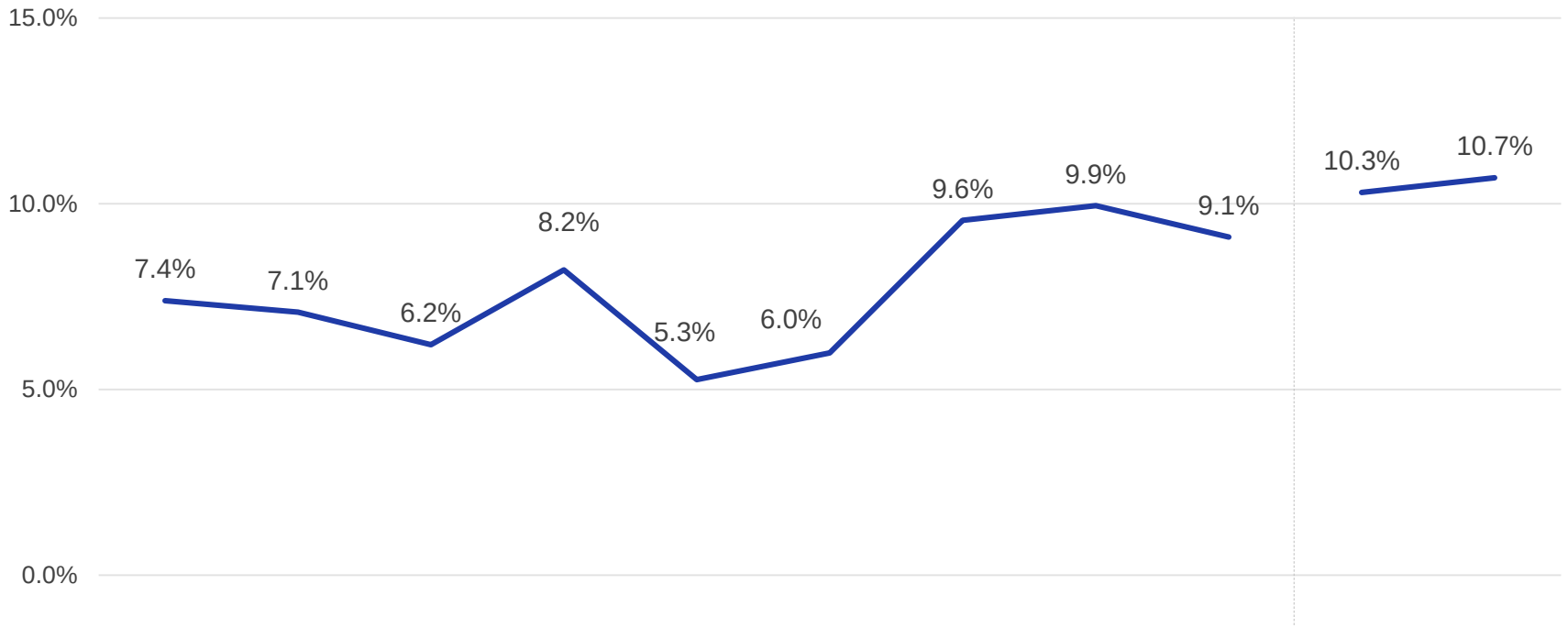


	JGAAP									IFRS		
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3	2020/3 Forecasts
Net Income Attributable to Shareholders of NTT DATA (*1,2)	43.1	43.0	38.8	54.3	37.2	46.9	79.4	85.7	85.1	82.4	93.6	92.0
EPS (yen) (*3)	30.78	30.73	27.69	38.73	26.59	33.45	56.64	61.15	60.68	58.75	66.75	65.60

(*1) “Net Income Attributable to Owners of Parent” based on JGAAP.
(*2) Figures based on JGAAP include adjustments for goodwill amortization and others (including impairment loss).
(*3) Conducted stock split which shall split of common stock at a ratio of 1:5 as the effective date of July 1, 2017. EPS is referring the amount after stock split.

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ROE (*1) Trend

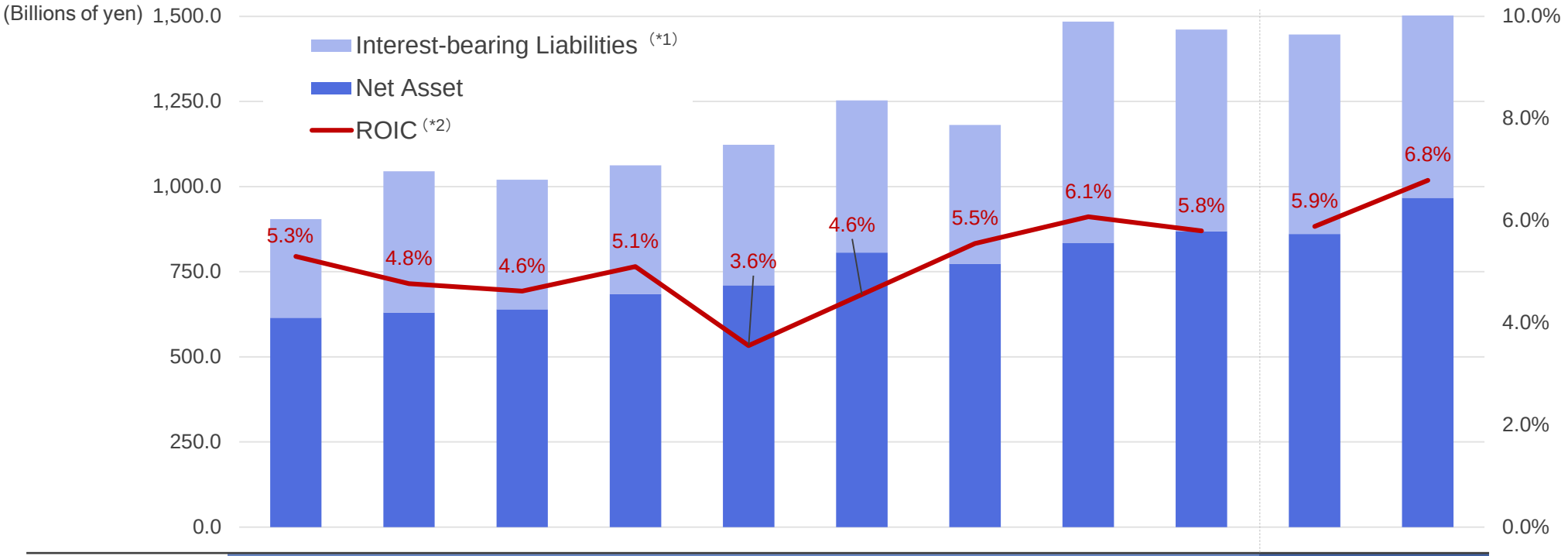


	JGAAP									IFRS	
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3
Net Income Attributable to Shareholders of NTT DATA (*2,3)	43.1	43.0	38.8	54.3	37.2	46.9	79.4	85.7	85.1	82.4	93.6
Equity EOY (*3)	597.1	620.0	632.5	688.9	728.4	839.8	823.3	904.6	963.3	826.2	925.7

(*1) ROE = Net Income attributable to shareholders of NTT DATA / average equity during the period.
(*2) "Net Income Attributable to Owners of Parent" based on JGAAP.
(*3) Figures based on JGAAP include adjustments for goodwill amortization and others (including impairment loss).

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ROIC Trend

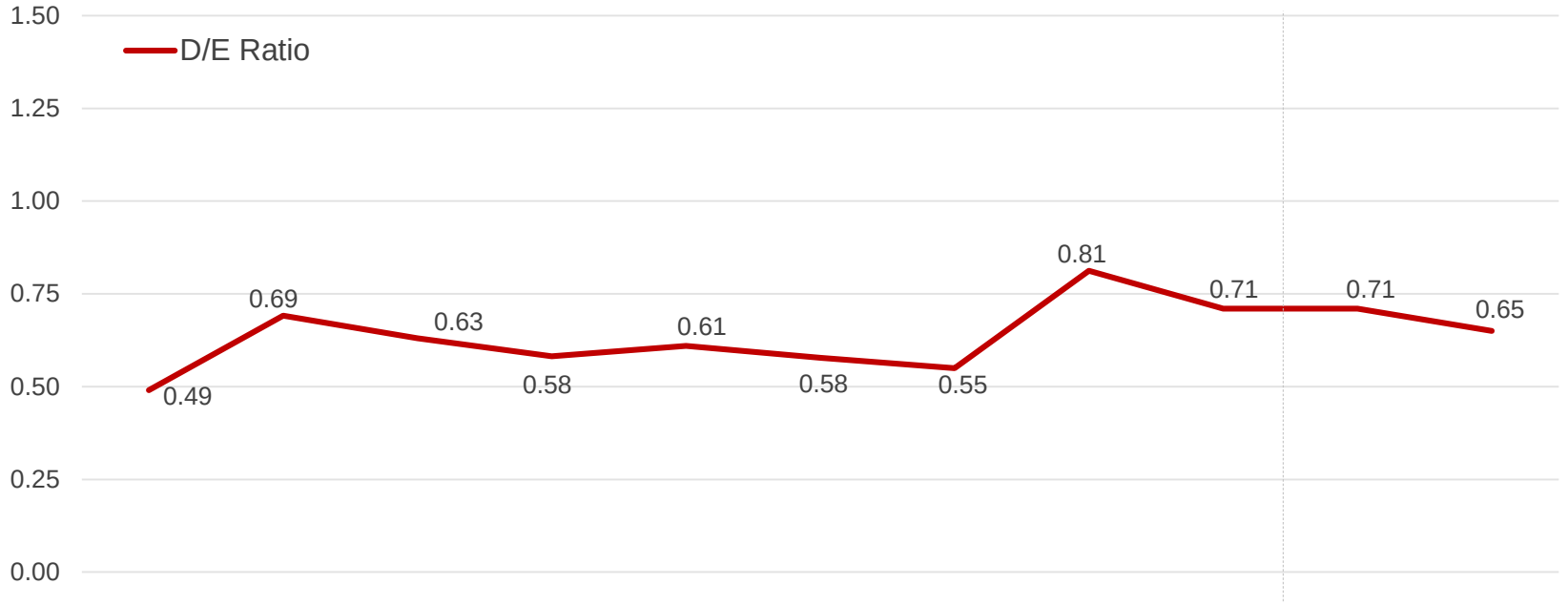


	JGAAP									IFRS	
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3
Operating Income	81.6	78.3	80.4	85.6	62.5	84.0	100.8	117.1	123.5	123.1	147.7
Effective Tax Rate	40.69%	40.69%	40.69%	38.01%	38.01%	35.64%	33.06%	30.86%	30.86%	30.86%	30.62%
Net Asset	615.1	630.3	639.7	684.2	709.8	806.2	773.6	833.7	868.8	860.5	966.8
Interest-bearing (*1) Liabilities	289.1	414.4	380.2	378.3	412.9	446.9	407.0	650.8	592.0	586.3	605.0

(*1) The figures based on JGAAP are the total of borrowings, bonds, and lease payables. The figures based on IFRS are the total of borrowings and bonds.
(*2) ROIC = (operating income × (1- effective tax rate)) / (average net assets during the period + average interest-bearing liabilities during the period)

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D/E Ratio (*1) Trend

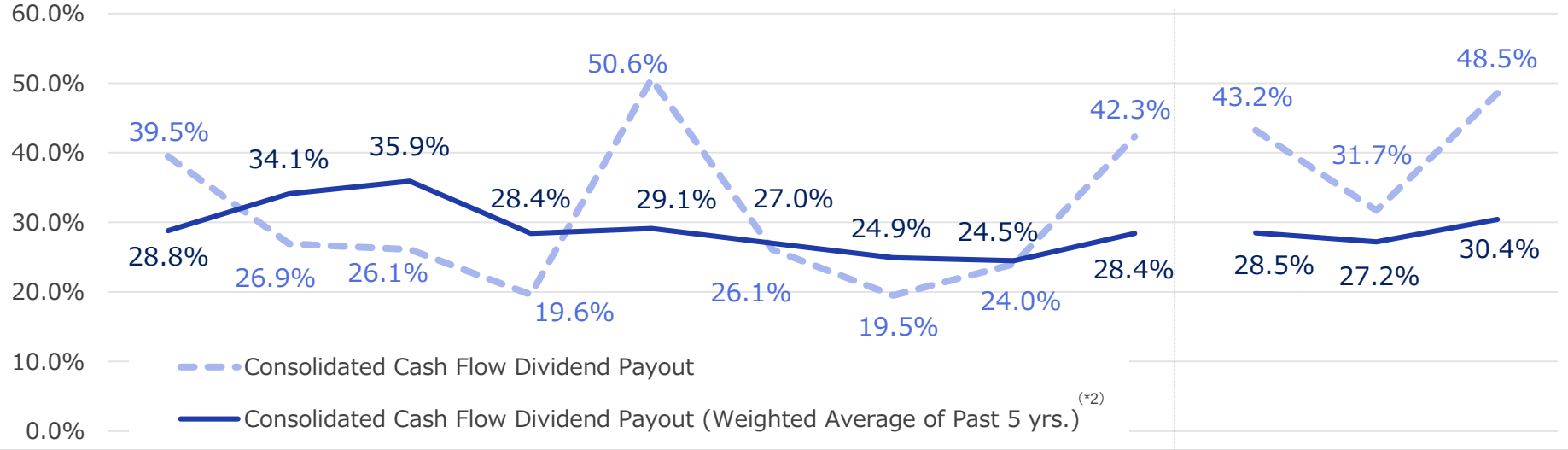


	JGAAP									IFRS	
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3
Net Asset	615.1	630.3	639.7	684.2	709.8	806.2	773.6	833.7	868.8	860.5	966.8
(Main Item)Net Asset Non-controlling interests	30.6	28.7	34.0	32.8	32.9	32.7	32.7	31.5	35.0	34.3	41.1
Interest-bearing Liabilities (*2)	289.1	414.4	380.2	378.3	412.9	446.9	407.0	650.8	592.0	586.3	605.0

(*1) D/E ratio = interest-bearing liabilities / (net asset – non-controlling interests)
(*2) The figures based on JGAAP are the total of borrowings, bonds, and lease payables. The figures based on IFRS are the total of borrowings and bonds.

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Consolidated Cash Flow[(*1)] Dividend Payout Trend



	JGAAP									IFRS		
(Billions of yen)	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2018/3	2019/3	2020/3 Forecasts
Net Income Attributable to Shareholders of NTT DATA (*3,4)	43.1	43.0	38.8	54.3	37.2	46.9	79.4	85.7	85.1	82.4	93.6	92.0
Depreciation (*5)	154.5	152.2	148.3	140.0	138.0	146.8	147.9	154.5	160.0	158.1	158.0	159.0
Loss on Retirement of Fixed Asset	7.4	6.3	11.3	13.8	5.6	11.6	7.2	5.4	3.2	3.1	2.7	3.0
Capital Investment	-162.5	-139.0	-133.9	-122.1	-147.7	-140.9	-134.0	-158.1	-198.6	-194.8	-179.2	-202.0
Consolidated Cash Flow	42.5	62.5	64.5	86.0	33.2	64.5	100.6	87.6	49.6	48.7	75.1	52.0
Dividends per Share(JPY) (*6)	12	12	12	12	12	12	14	15	15	15	17	18
Total Dividends	16.8	16.8	16.8	16.8	16.8	16.8	19.6	21.0	21.0	21.0	23.8	25.2

(*1) Consolidated Cash Flow = net income attributable to shareholders of NTT DATA + depreciation cost + loss on retirement of fixed assets − capital investment
(*2) For "weighted average of past 5 yrs." in IFRS, figures based on JGAAP are used in FYE 3/2017 and earlier.
(*3) "Net Income Attributable to Owners of Parent" based on JGAAP.
(*4) Figures based on JGAAP include adjustments for goodwill amortization and others (including impairment loss).
(*5) The figures for the forecasts for FYE 3/2020 were calculated excluding the impact amount of 34.5 billion yen (estimate) of IFRS 16 (new lease standard) which will be applied from April 2019.
(*6) Conducted stock split which shall split of common stock at a ratio of 1:5 as the effective date of July 1, 2017. EPS is referring the amount after stock split.

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