

Company Presentation for the First Quarter of Fiscal Year Ending March 31, 2024

August 8, 2023 NTT DATA Group Corporation

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

INDEX

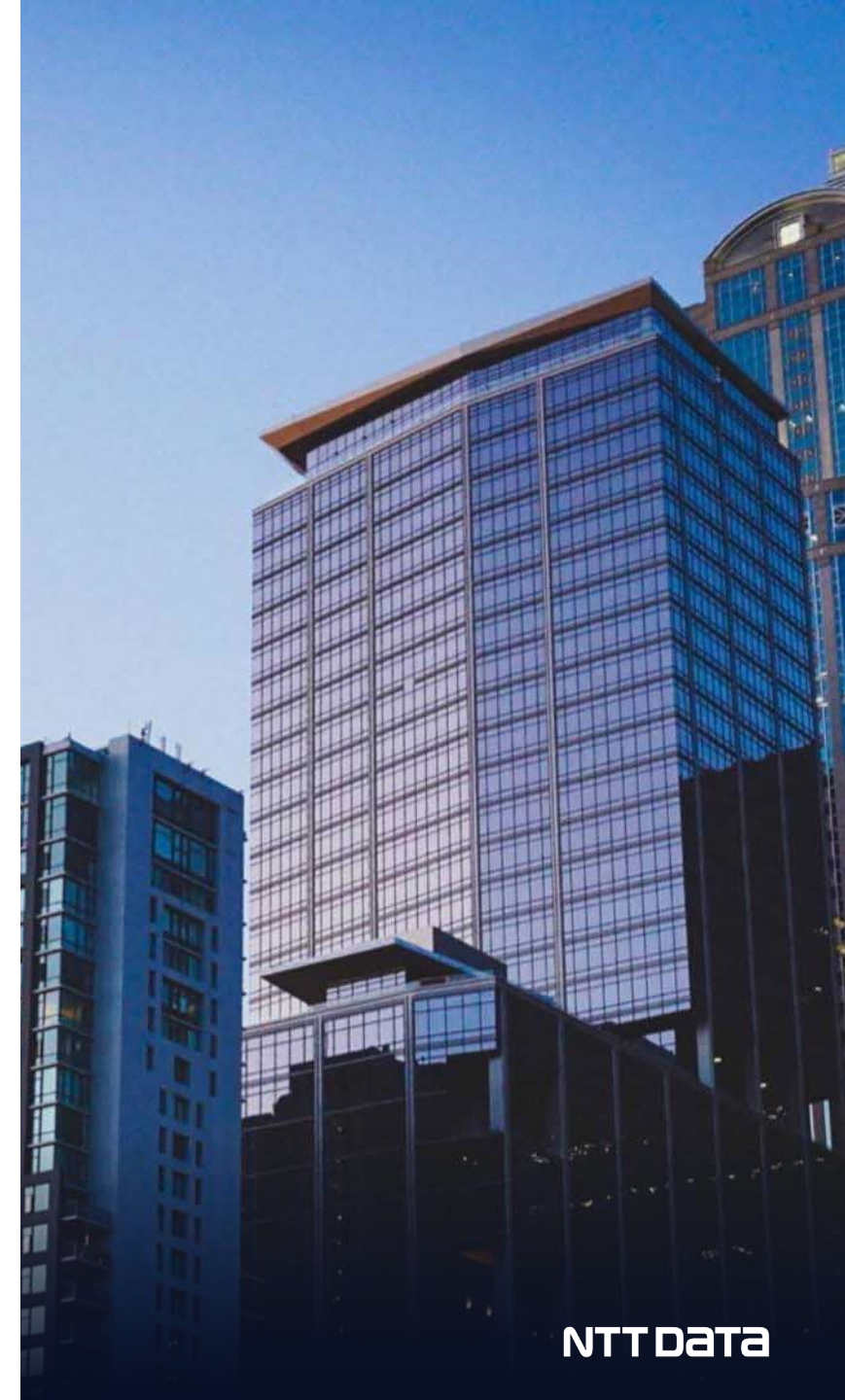
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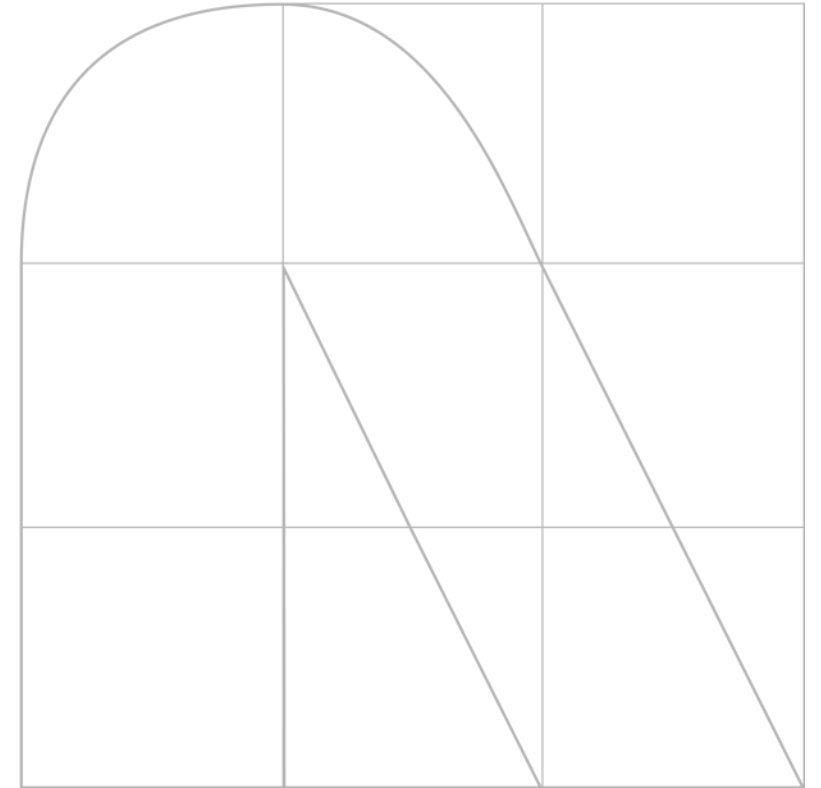
Cautionary Statement Regarding Forward-looking Statements

- * 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 cannot guarantee their accuracy.
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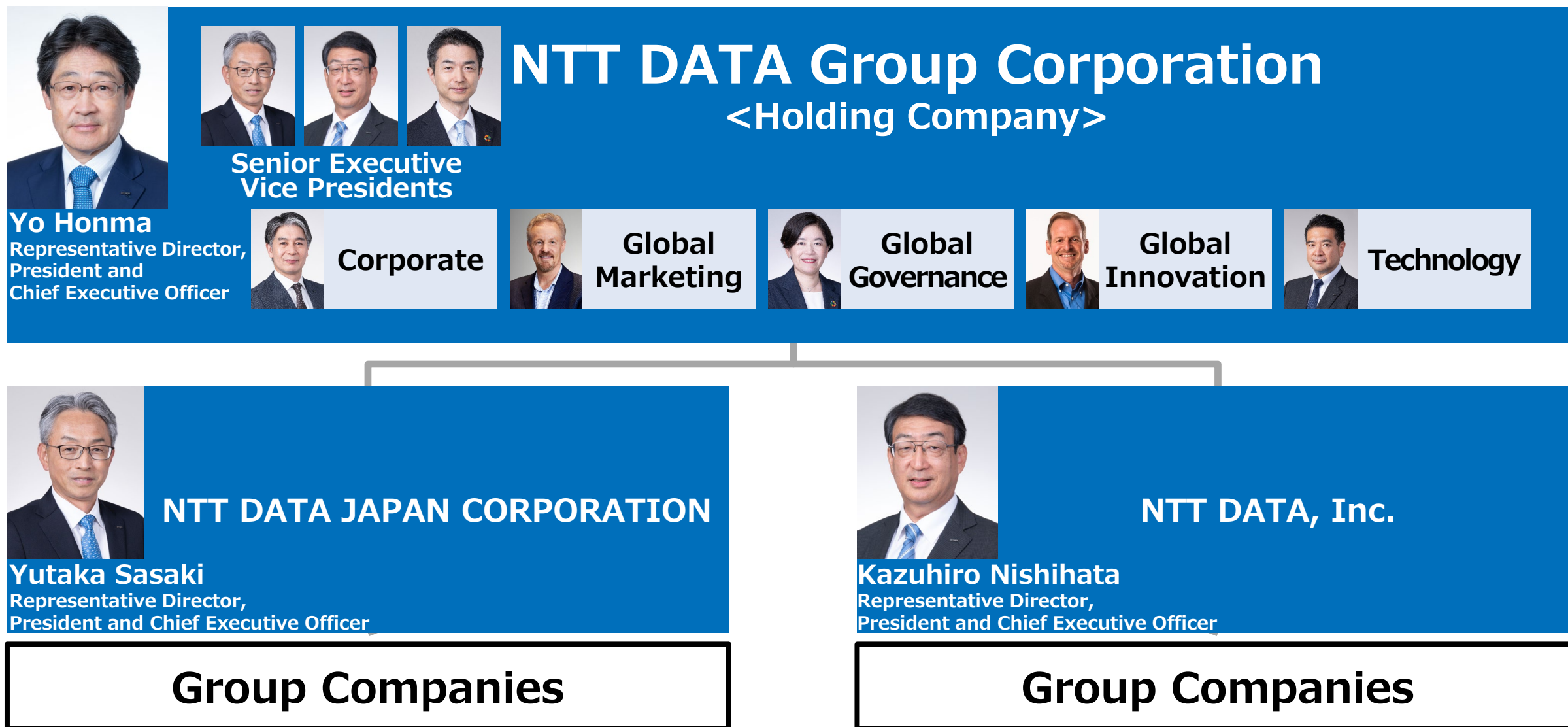
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Establishment of the Three-Company Structure



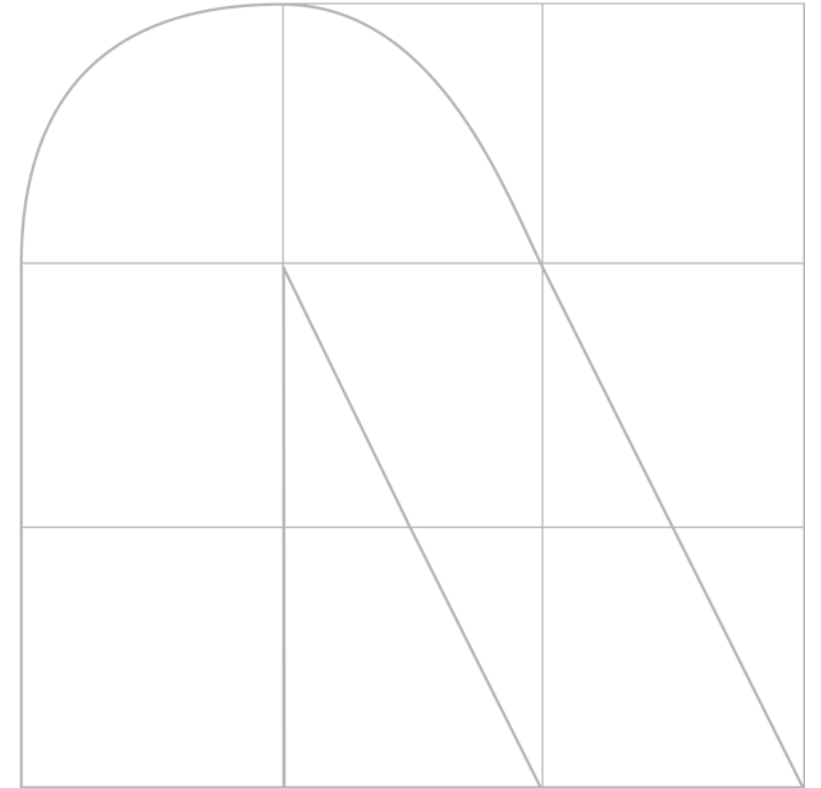
Establishment of the Three-Company Structure

The Holding Company will drive strategies, synergy creation, and governance enhancement on a global basis.



2





Results for the First Quarter of Fiscal Year Ending March 31, 2024



Results for the First Quarter of Fiscal Year Ending March 31, 2024

- Net sales increased due to the effect of expanded consolidation of NTT Ltd. as well as the business growth in Japan and Europe and the impact of foreign exchange rates.
- Operating income remained unchanged due to **an increase in overseas integration and restructuring costs** and an increase in company-wide strategic investments despite the effect of expanded consolidation of NTT Ltd. and sales growth.
- Net income decreased due to **an increase in financial expenses** accompanied with the effect of expanded consolidation of NTT Ltd.
- New orders received increased due to the effect of expanded consolidation of NTT Ltd. and winning of large projects in Japan.

(Billions of Yen, %)

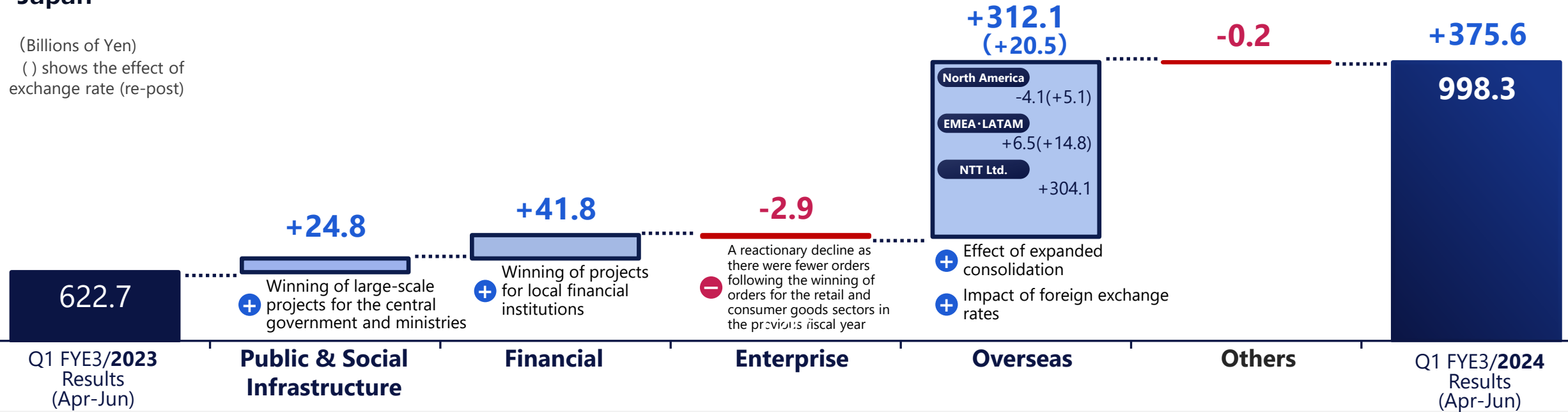
	Q1 FYE3/2023 (Apr-Jun)	Q1 FYE3/2024 (Apr-Jun)	YoY (Amount)	YoY (Rate)	
Net Sales	677.4	1,015.0	+337.6	+49.8%	
Operating Income (Operating income margin)	57.5 (8.5%)	58.3 (5.7%)	+0.8 (-2.7P)	+1.4%	
Net Income Attributable to Shareholders of NTT DATA	39.7	27.7	-12.1	-30.4%	
(Reference) New Orders Received^(*)	622.7	998.3	+375.6	+60.3%	

(*) Including NTT Ltd. from Q1 FYE3/2024

[Ref.] New Orders Received | YoY Changes by Business Segment (Q1 Results of FYE3/2024)

New orders received increased due to the effect of expanded consolidation of NTT Ltd. and winning of large projects in Japan

(Billions of Yen)
() shows the effect of exchange rate (re-post)



New Orders Received		Q1 FYE3/2024 (Apr-Jun)	Q1 FYE3/2023 (Apr-Jun)	YoY Comparison in Results	FYE3/2024 Forecasts	Progress toward Forecasts
Total		998.3	622.7	+375.6	2,850.0	-
Public & Social Infrastructure		164.5	139.7	+24.8	520.0	31.6%
Financial		127.8	86.0	+41.8	520.0	24.6%
Enterprise		82.8	85.7	-2.9	390.0	21.2%
Overseas(*)		603.6	291.5	+312.1	Excl. NTT Ltd. 1,341.0	-
Re-post	North America	91.1	95.2	-4.1	547.0	16.7%
	EMEA-LATAM	196.6	190.0	+6.5	761.0	25.8%
	NTT Ltd.	304.1	-	+304.1	-	-
Others		19.6	19.8	-0.2	79.0	-

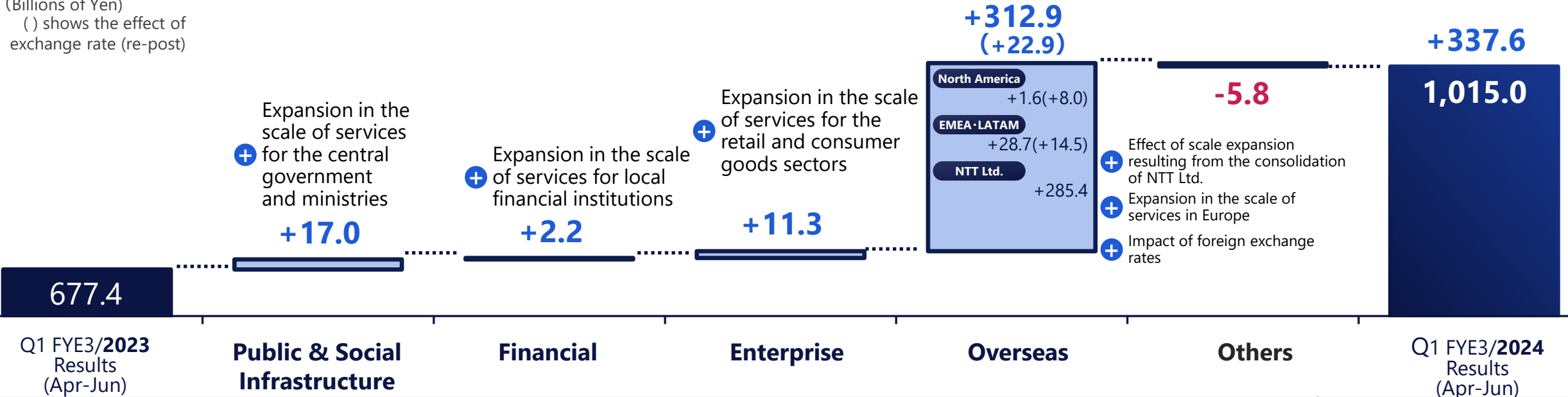
(*) New orders received includes NTT Ltd. from FYE3/2024.

Net Sales | YoY Changes by Business Segment (Q1 Results of FYE3/2024)

Net sales increased due to the effect of expanded consolidation of NTT Ltd. as well as the business growth in Japan and Europe and the impact of foreign exchange rates

(Billions of Yen)

(-) shows the effect of exchange rate (re-post)



Net Sales		Q1 FYE3/2024 (Apr-Jun)	Q1 FYE3/2023 (Apr-Jun)	YoY Comparison in Results	FYE3/2024 Forecasts	Progress toward Forecasts
Total		1,015.0	677.4	+337.6	4,100.0	24.8%
Public & Social Infrastructure		146.7	129.7	+17.0	665.0	22.1%
Financial		165.6	163.4	+2.2	692.0	23.9%
Enterprise ^(*)		130.3	119.0	+11.3	550.0	23.7%
Overseas		618.2	305.3	+312.9	2,436.0	25.4%
Re-post	North America	140.9	139.3	+1.6	577.0	24.4%
	EMEA-LATAM	191.0	162.3	+28.7	711.0	26.9%
	NTT Ltd.	285.4	-	+285.4	1,167.0	24.5%
Others ^(*)		-45.9	-40.0	-5.8	-243.0	-

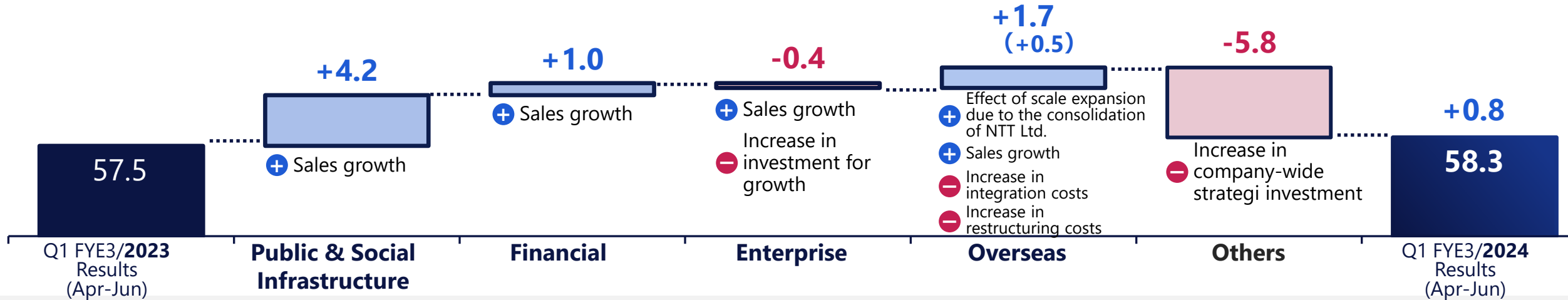
(*) Following the reorganization in April 2023, reclassification has been made between "Enterprise" and "Others" for the Q1 of the fiscal year ending March 31, 2023.

Operating Income | YoY Changes by Business Segment (Q1 Results of FYE3/2024)

Operating income remained unchanged due to an increase in overseas integration and restructuring costs and an increase in company-wide strategic investments despite the effect of expanded consolidation of NTT Ltd. and sales growth

(Billions of Yen)

() shows the effect of exchange rate (re-post)



Operating Income (operating income margin)					(Billions of Yen, %)	
	Q1 FYE3/2024 (Apr-Jun)	Q1 FYE3/2023 (Apr-Jun)	YoY Comparison in Results	FYE3/2024 Forecasts	Progress toward Forecasts	
Total	58.3	57.5	+0.8	292.0	20.0%	
Public & Social Infrastructure	15.5 (10.6%)	11.3 (8.7%)	+4.2 (+1.8P)	80.0 (12.0%)	19.4%	
Financial	17.2 (10.4%)	16.2 (9.9%)	+1.0 (+0.5P)	73.0 (10.5%)	23.5%	
Enterprise	12.8 (9.8%)	13.1 (11.0%)	-0.4 (-1.2P)	55.0 (10.0%)	23.2%	
Overseas	15.0 (2.4%)	13.3 (4.4%)	+1.7 (-1.9P)	99.0 (4.1%)	15.2%	
Others	-2.2	3.6	-5.8	-15.0	-	

[Ref.] Breakdown of Overseas Business

(Billions of Yen)

		Q1 FYE3/2023 Results	Q1 FYE3/2024 Results	YoY (amount)	YoY (rate)	
					Forex Effects ^(*4)	
Net Sales		305.3	618.2	+312.9	+22.9	+102.5%
Re-post	North America	139.3	140.9	+1.6	+8.0	+1.2%
	EMEA·LATAM	162.3	191.0	+28.7	+14.5	+17.7%
	NTT Ltd. ^(*2)	-	285.4	+285.4	-	-
EBITA ^(*1)		18.5 6.1%	26.1 4.2%	+7.6 -1.8P	+0.9	+40.8%
Re-post	North America	10.1 7.2%	10.1 7.2%	+0 -0.0P	+0.6	+0.0%
	EMEA·LATAM	8.1 5.0%	5.5 2.9%	-2.6 -2.1P	+0.4	-32.0%
	NTT Ltd. ^(*2)	-	11.4 4.0%	+11.4 -	-	-
(Ref.) New Orders Received		291.5	603.6	+312.1	+20.5	+107.1%
Re-post	North America	95.2	91.1	-4.1	+5.1	-4.3%
	EMEA·LATAM	190.0	196.6	+6.5	+14.8	+3.4%
	NTT Ltd. ^(*2,3)	-	304.1	+304.1	-	-

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

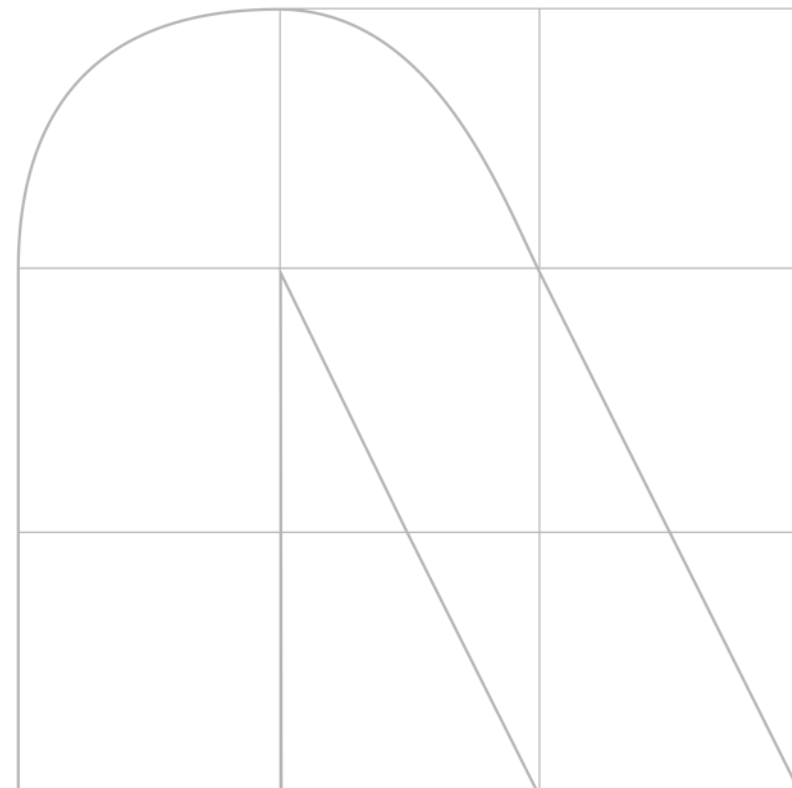
(*2) NTT Ltd. has been consolidated since Q3 FYE3/2023.

(*3) NTT Ltd is included from Q1 FYE3/2024.

(*4) Foreign exchange rate (average rate) : For FYE3/24 Q1 average rate, USD 137.49 yen and EUR 149.58 yen; For FYE3/23 Q1 average rate, USD 129.73 yen and EUR 138.26 yen.

3

Progress of Overseas Business Combination

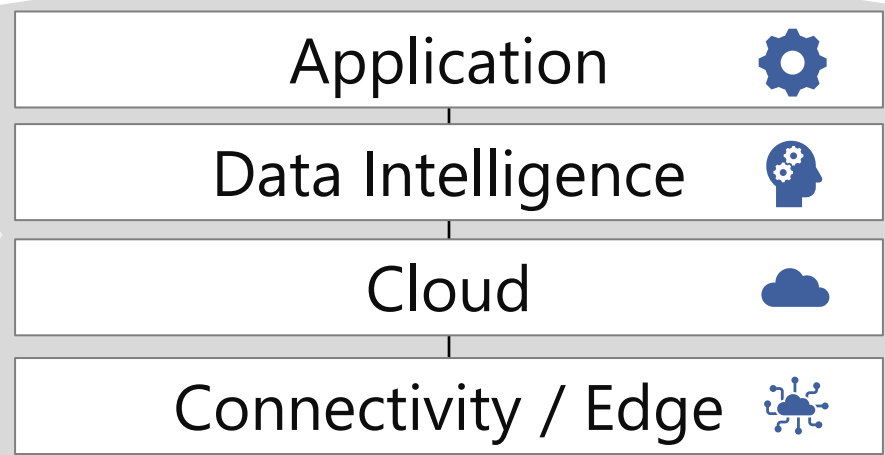


Aims of Overseas Business Combination

By combining “Power to Connect of NTT Ltd.” to “Power to Create of NTT DATA,” we create systems and value that only NTT DATA can provide



NTT DATA
Ability to build a system with deep customer understanding and advanced technology



NTT Ltd.
Strength in Edge-to-Cloud Operation Services



Combination of Capabilities of NTT DATA and NTT Ltd.

Supporting our client's businesses by providing total service including network, infrastructure, and application services by combining the strengths of both NTT DATA and NTT Ltd.

IT environment development project for a global operating company following its divestiture from the parent company

NTT DATA Services

System integration capabilities centered on consulting and application services

Provide multiple applications and related services such as ERP, HCM, expense management, IT service management (Oracle, Workday, Service Now, etc.)



NTT Ltd.

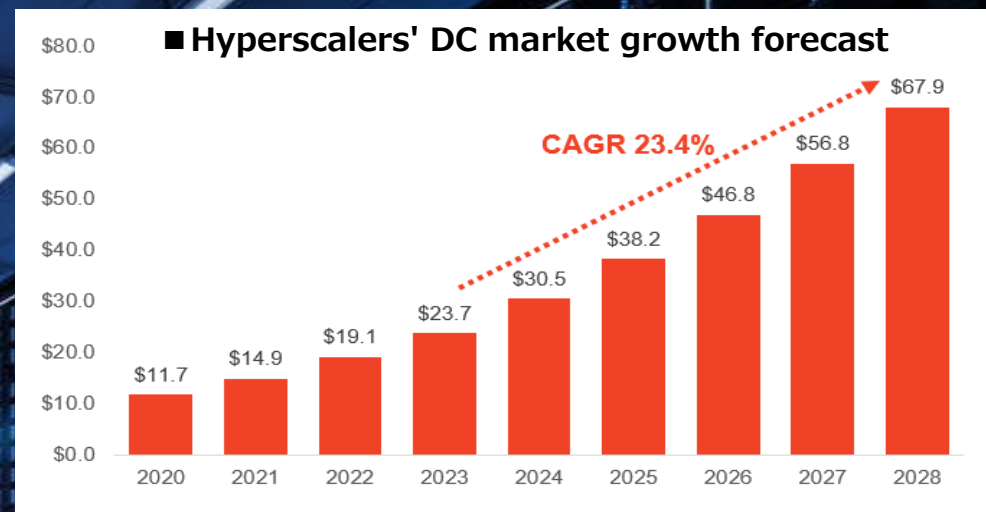
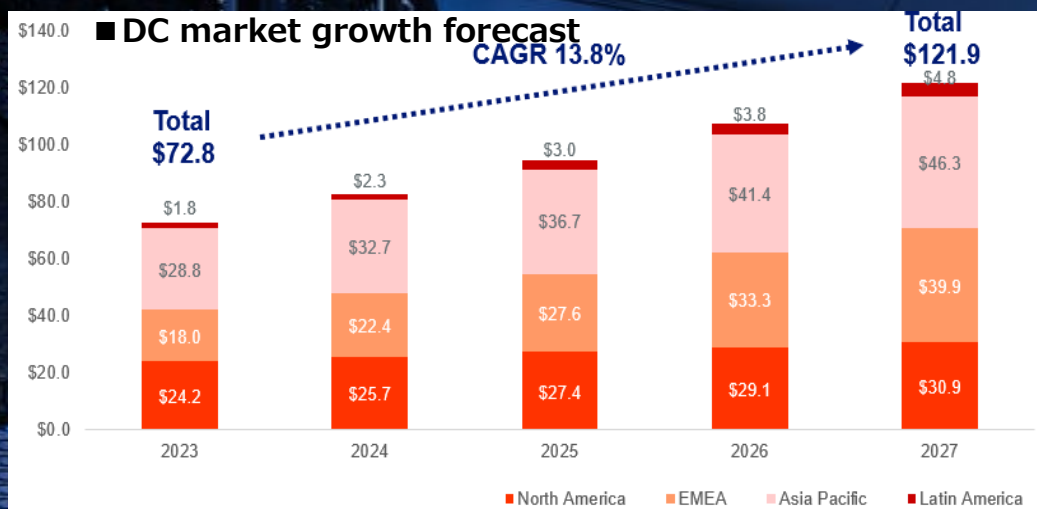
Service operations capabilities in the infrastructure area

Provide infrastructure and related services such as network, security, cloud platform (Microsoft Azure, AWS, etc.)

Enabling Full-Stack Solution Offering

Data Center Market Growth Rate

DC market growth forecast indicates solid growth, especially for hyperscalers, with CAGR of over 20%. NTT DATA has positioned the DC business as a future revenue source and actively invest in it.



Source : Structure Research Report May 2023

FY2023 (Plan)
NTT DATA's Data Center Investment
Approx. **2.7B USD**

NTT DATA aims to expand at a rate equal to or greater than the market growth rate.

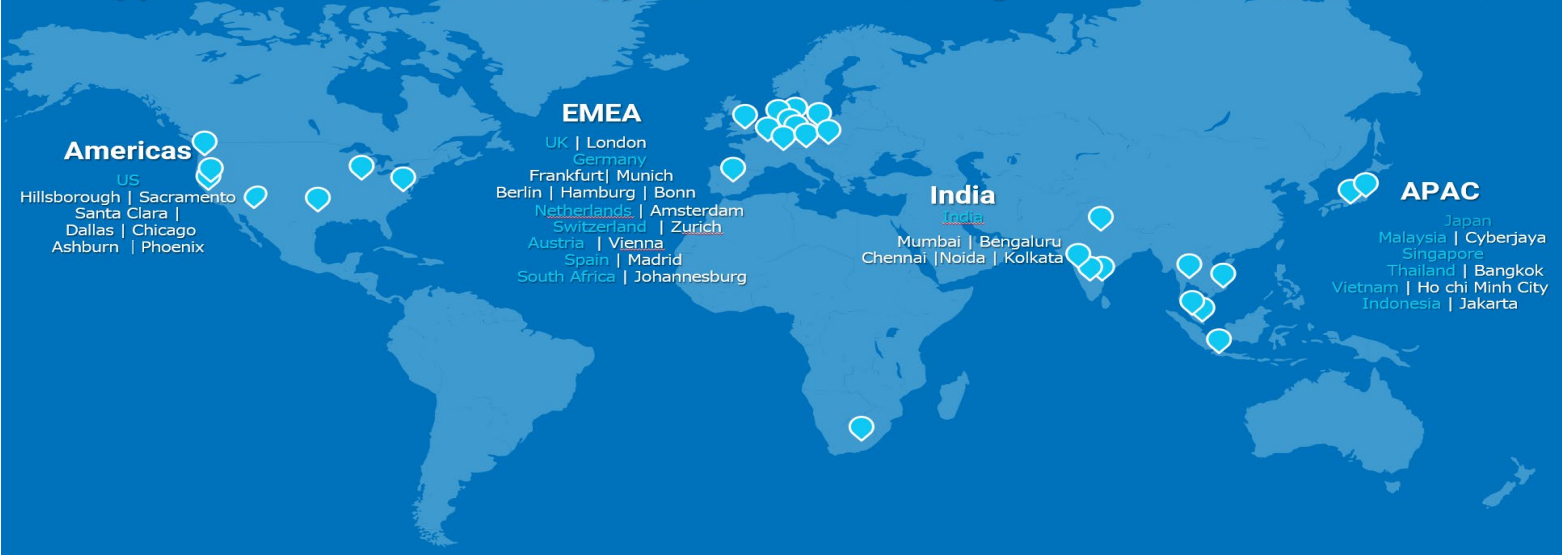
Data Center Locations and Growth Strategy

NTT DATA offers approx. 100 data centers in about 30 markets worldwide

Drive Global DCs platform growth across the globe (including Japan) based on Growth Strategy by Region

Data Center Locations

Approx. **30** markets, Approx. **100** buildings, **950** MW IT Power



Americas

Broaden current metro footprints + neighboring Tier 2 market and LATAM/Canada entry

EMEA

Double-down in FLAP + link with hyperscalers in neighboring Tier 2 markets

India

Sustained investment required to capitalize on market opportunity

APAC

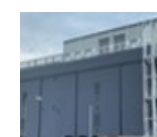
Regain regional growth momentum

More than 10 data centers to be launched in FY2023

India



Germany



Malaysia



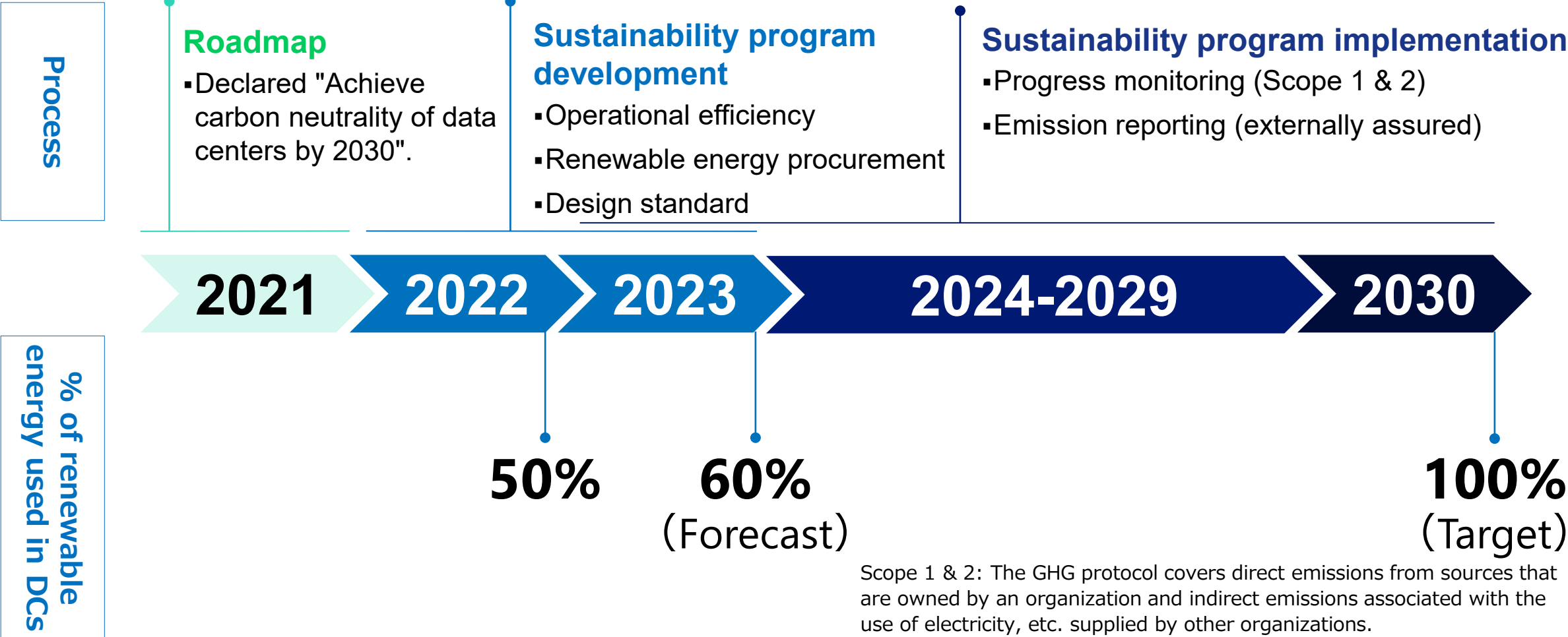
US



Underlined are data centers launched in FY2023 Q1

Data Center: Roadmap for Net Zero

Reduce energy consumption at data centers accounting for approx. 70% of the NTT DATA's total energy consumption
 Setting a target of 100% use of renewable energy at all data centers by 2030

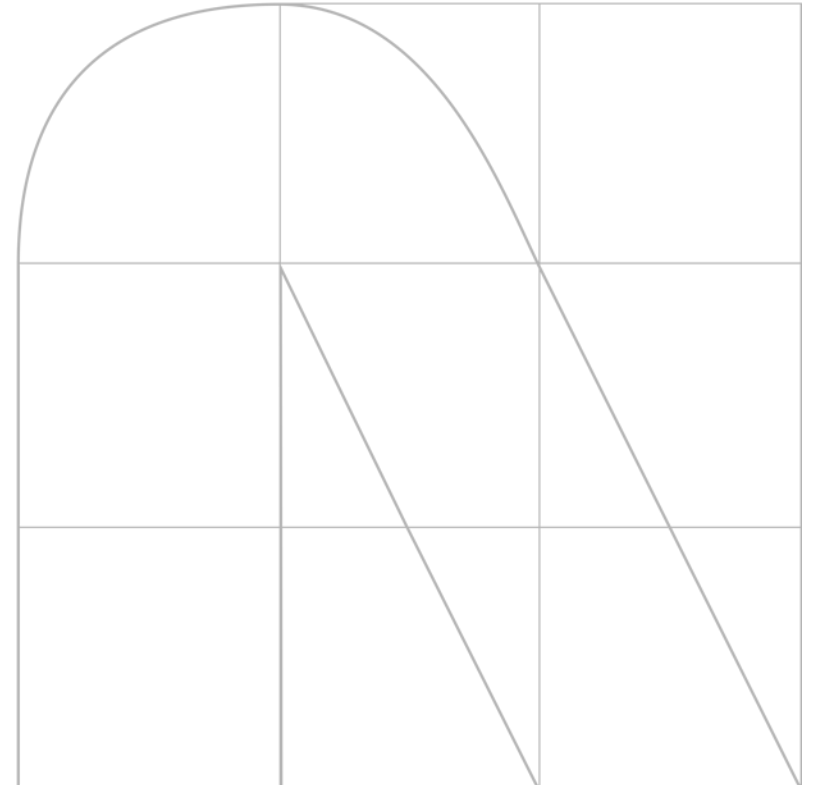


Scope 1 & 2: The GHG protocol covers direct emissions from sources that are owned by an organization and indirect emissions associated with the use of electricity, etc. supplied by other organizations.

References

- Overseas Business Integration
- Investment and Financial Strategies

(Re-post from the Company Presentation material for the Fiscal Year Ended March 31, 2023)



Overseas Business Growth Accompanied by Quality

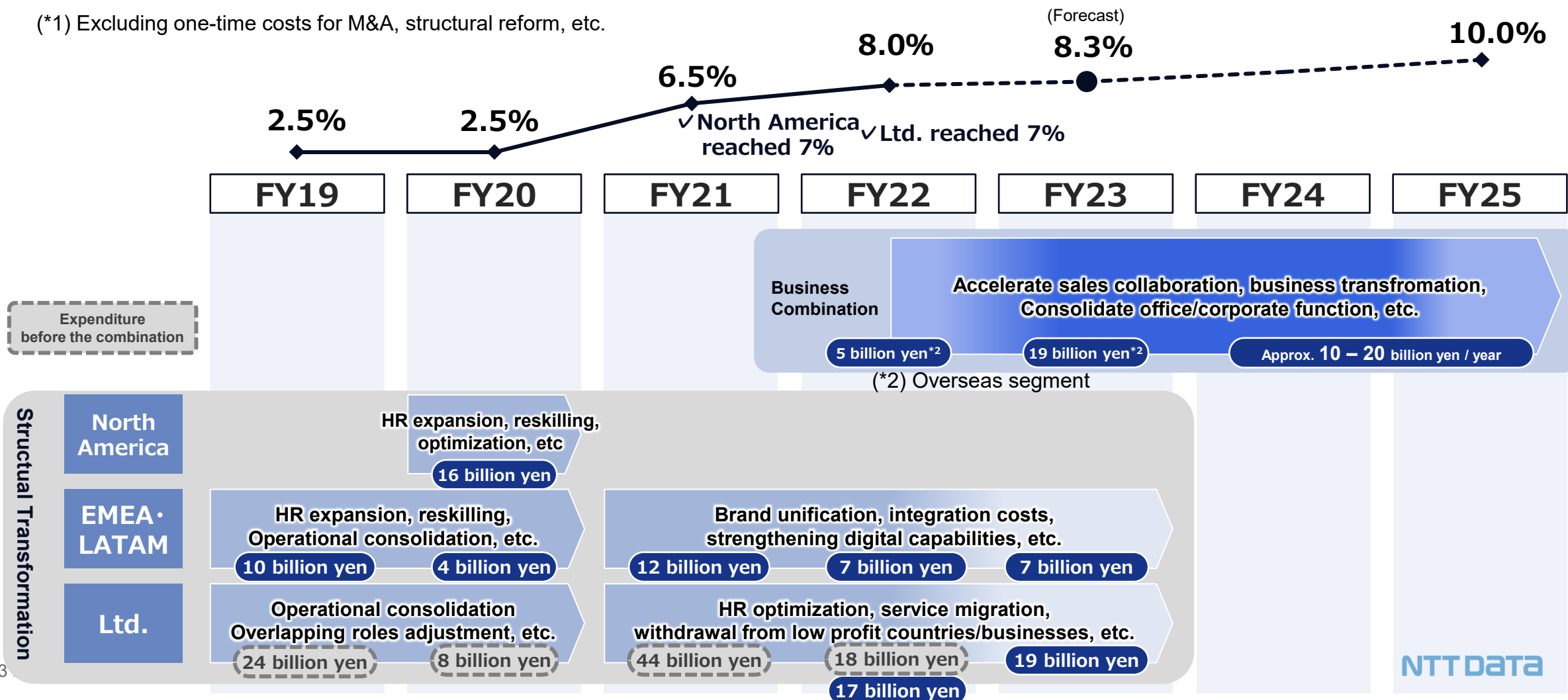
Achieved solid profit growth as a result of structural transformation that had been implemented since before the overseas business combination.

Promote full-fledged transformation in the future to achieve the MMP target EBITA margin of 10%*1.

(*1) Excluding one-time costs for M&A, structural reform, etc.

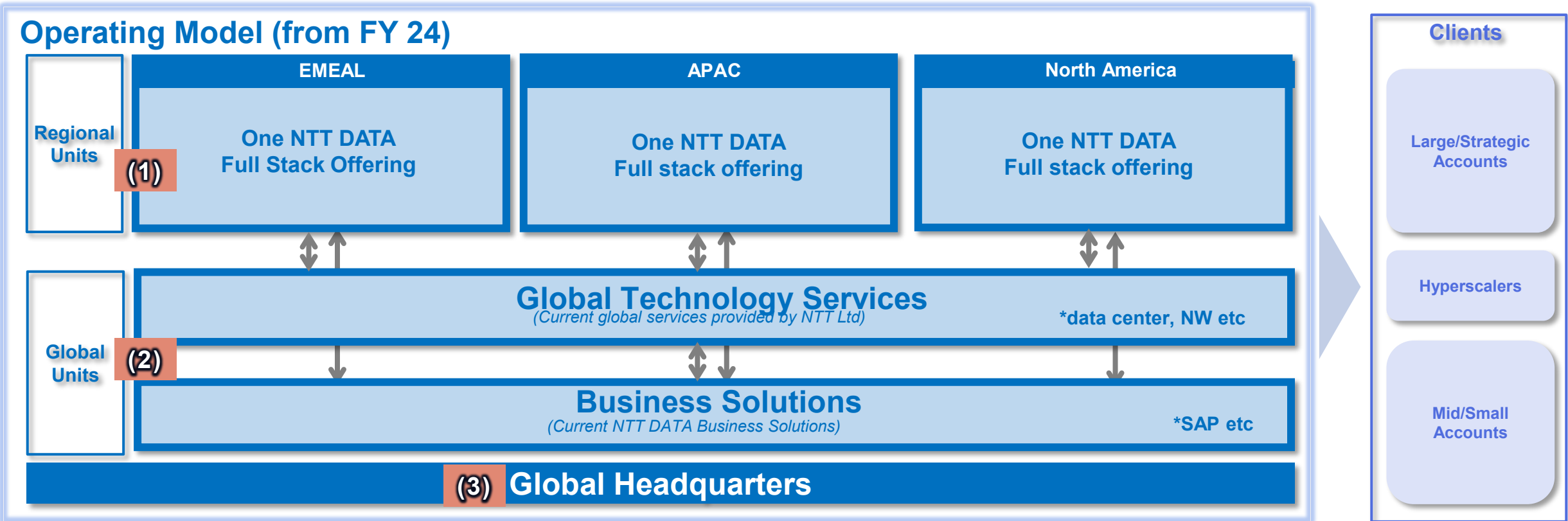
Overseas EBITA margin*

Measures taken / Cost



Accelerating synergy creation through the transformation of overseas business structure

- (1) Establish an integrated business operating structure by region to further strengthen client engagement and to provide a full stack offering through a single contact
- (2) Strengthen our capability to provide common services on a global basis (data centers, network, etc.) by taking advantage of economies of scale
- (3) Optimization of corporate functions as a whole



Maintaining and strengthening mid- to long-term competitive advantage through active investments

Investment period

Profit contribution period

(1) Strategic Investments

- Strengthen focused technologies and industries
- Develop next-generation businesses for mid-to long-term growth

(FY 23 approx. **32** billion yen)

(2) M&A

- Acquisition of digital-related capabilities
- Enhance presence by sales growth and expanding market share

(3) Data center investments

- Acquire market position based on high market growth and strong demands

From FY2022

From FY2026

Current MMP

Future MMP

Make strategic investments to thoroughly enhance digital strengths toward achieving the sales and profit targets of the current MMP.

Execute M&A flexibly that helps acquire digital talents and capabilities to gain competitive advantages over current MMP and mid- to long-term.

Make aggressive investments to strengthen our presence fueled by strong demands from HyperScalers. The business area that will significantly contribute to profits in the mid- to long-term.

Return on Investment and Financial Soundness

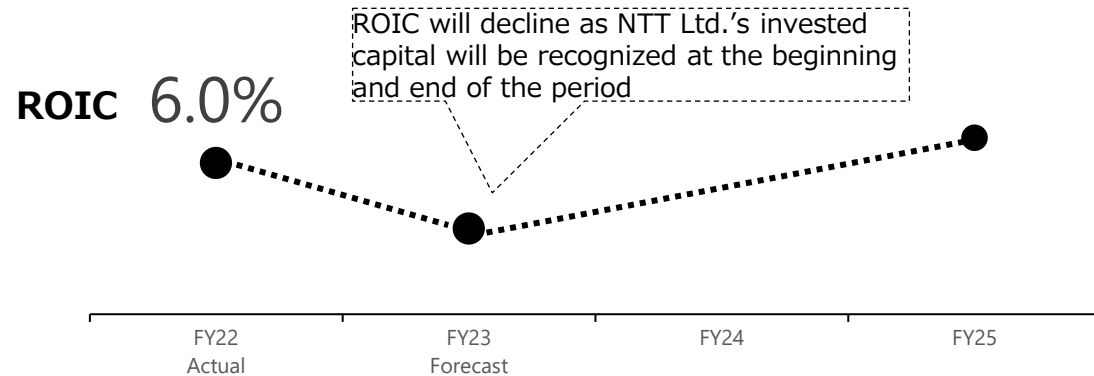
We make leveraged strategic investments to gain long-term profitability.

Although return on investment and financial soundness will deteriorate as it takes time for returning on data center investments, etc., we aim to bottom out in FY 23 and improve them through the use of third-party capital, etc.

Return on Investment

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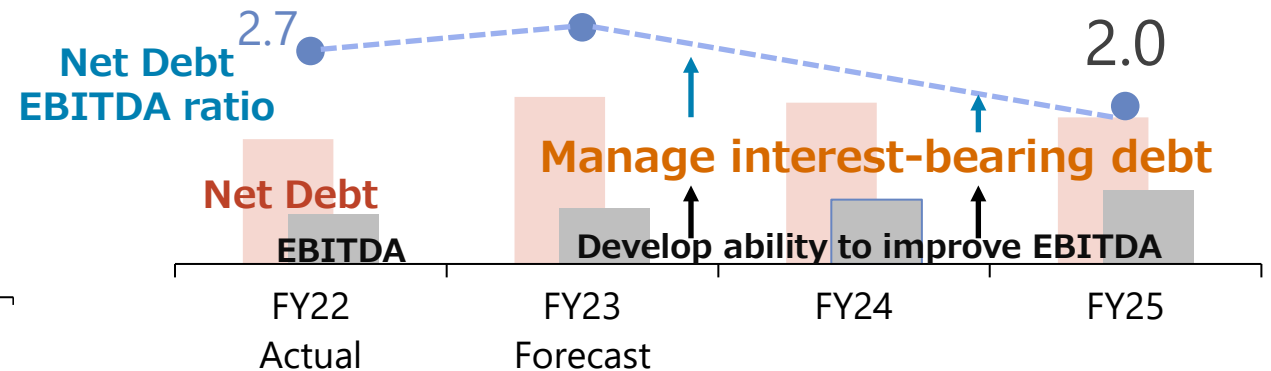
Recover to a level above the cost of capital in FY 25



Financial Soundness

<Net Debt/EBITDA ratio>

Maintain a certain level of financial soundness with a target of 2x



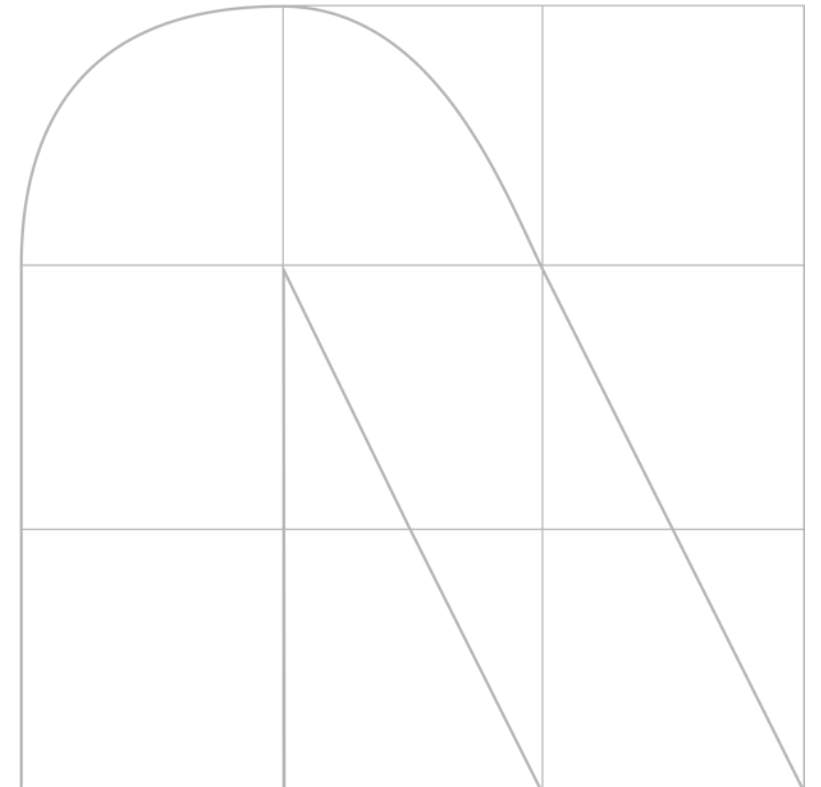
Measures

- Develop ability to improve EBITDA through growth with quality
- Shorter payback period through third-party capital in data center business
- Improve EBITDA and manage interest-bearing debt, while identifying the best use of third-party capital

4

Appendices

- Explanatory details of financial results and forecasts -



Overview of Consolidated Results

(Billions of yen, %)

	Q1 FYE3/2023 Results (Apr-Jun)	Q1 FYE3/2024 Results (Apr-Jun)	YoY (%)
New Orders Received ^(*)	622.7	998.3	+60.3
Order Backlog ^(*)	2,962.9	5,050.8	+70.5

Net Sales	677.4	1,015.0	+49.8
Cost of Sales	499.5	747.8	+49.7
Gross Profit	177.9	267.2	+50.2
SG&A Expenses ^(*)	120.4	208.9	+73.5
Personnel Expenses	68.6	111.3	+62.2
Outsourcing Expenses	23.1	37.0	+60.6
Other Expenses	28.7	60.5	+110.8
Operating Income	57.5	58.3	+1.4
Operating Income Margin(%)	8.5	5.7	-2.7P
Financial Income and Costs/Shares of Profit/Loss of Entities for Using Equity Method	1.4	-10.1	-
Income Before Income Taxes	58.9	48.2	-18.1
Income Taxes and Others ^(*)	19.2	20.6	+7.4
Net Income Attributable to Shareholders of NTT DATA	39.7	27.7	-30.4

Capital Expenditures	43.6	114.8	+163.5
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles ^(*)	44.5	70.5	+58.6

	FYE3/2023 Results (Full Year)	FYE3/2024 Forecasts (Full Year)
	Excl. NTT Ltd. 2,725.6	Excl. NTT Ltd. 2,850.0
	4,653.9	Excl. NTT Ltd. 2,960.0

	3,490.2	4,100.0
	2,567.9	2,993.0
	922.2	1,107.0
	663.1	815.0
	348.6	-
	136.3	-
	178.2	-
	259.1	292.0
	7.4	7.1
	-16.3	-52.0
	242.8	240.0
	92.8	96.0
	150.0	144.0

	381.7	590.0
	223.1	278.0

(*) New orders received includes NTT Ltd. from Q1 FYE3/2024. FYE3/2023 excludes the effect of expanded consolidation of NTT Ltd.

(*) "SG&A Expenses" was reclassified according to nature.(reclassified from Q3 of FYE3/23)

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

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

Consolidated Net Sales

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

(Billions of Yen)

	Q1 FYE3/2023 Results (Apr-Jun)	Q1 FYE3/2024 Results (Apr-Jun)	FYE3/2023 Results (Full Year)	FYE3/2024 Forecasts (Full Year)
Public & Social Infrastructure	105.5	120.3	523.1	553.0
(Main item) Central Government and Related Agencies, Local Government, and Healthcare	55.7	62.7	290.9	307.0
Telecom and Utility	27.1	32.5	127.3	130.0
Financial ^(*)	138.8	138.0	552.1	597.0
(Main item) Major Financial Institutions	60.0	53.4	216.8	223.0
Regional Financial Institutions, Cooperative Financial Institutions	40.5	44.7	173.0	177.0
Financial Infrastructure/Network Services, Insurance	34.3	35.5	144.0	150.0
Enterprise ^(*)	108.5	119.9	459.5	484.0
(Main item) Distribution, Services, and Payments	45.6	-	194.1	-
Manufacturing and consulting	63.0	-	265.4	-
Manufacturing and Services	-	21.2	-	101.0
Retail and Consumer Packaged Goods	-	27.8	-	103.0
Consulting and Payments	-	71.0	-	280.0
Overseas	303.7	615.5	1,866.1	2,436.0

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

Consulting	102.8	121.0	460.4	470.0
Integrated IT Solution	163.2	170.3	694.8	700.0
System & Software Development	161.0	168.9	717.6	730.0
Maintenance & Support	227.6	248.8	943.8	950.0
IT Infrastructure ^(*)	-	129.7	278.5	505.0
Telecommunications Terminal and Network Equipment ^(*)	-	153.1	299.6	650.0
Others	22.7	23.0	95.5	95.0
Net Sales by Products and Services Total	677.4	1,015.0	3,490.2	4,100.0

(*1) Financial segments are reclassified. (The reclassification was made at the time of Q2/2022 results announcement.)

(*2) Enterprise Segment was reclassified into "Manufacturing and Services" (automotive, machinery, transportation, etc.), "Retail and Consumer Packaged Goods" (distribution and retail, food, etc.) and "Consulting and Payments" from FY2023 Forecasts, following the reorganization in April 2023.

(*3) "IT Infrastructure" is the business operated by former NTT Ltd. and mainly consist of its managed services and data center businesses. "Telecommunications Terminal and Network Equipment" is the business operated by former NTT Ltd. and mainly consist of IT product sales and its maintenance services

Consolidated New Orders Received and Order Backlog

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

(Billions of Yen)

		Q1 FYE3/2023 Results (Apr-Jun)	Q1 FYE3/2024 Results (Apr-Jun)	FYE3/2023 Results (Full Year)	FYE3/2024 Forecasts (Full Year)
Public & Social Infrastructure		139.7	164.5	495.7	520.0
(Re-post)	Central Government and Related Agencies, Local Government, and Healthcare	79.7	101.6	259.8	283.0
	Telecom and Utility	25.2	28.6	125.4	126.0
Financial ^(*1)		86.0	127.8	486.6	520.0
(Re-post)	Major Financial Institutions	36.4	47.0	223.7	237.0
	Regional Financial Institutions, Cooperative Financial Institutions	27.5	56.3	163.6	180.0
	Financial Infrastructure/Network Services, Insurance	18.7	20.5	82.4	83.0
Enterprise ^(*2)		85.7	82.8	404.3	390.0
(Re-post)	Distribution, Services, and Payments	23.2	-	127.9	-
	Manufacturing and Consulting	62.5	-	276.4	-
	Manufacturing and Services	-	12.6	-	85.0
	Retail and Consumer Packaged Goods	-	23.3	-	95.0
	Consulting and Payments	-	46.9	-	210.0
Overseas ^(*3)		291.5	603.6	Excl. NTT Ltd. 1,267.7	Excl. NTT Ltd. 1,341.0

Details of Consolidated Order Backlog

Order Backlog		2,962.9	5,050.8	4,653.9	2,960.0
Public & Social Infrastructure		619.1	609.1	562.5	533.0
Financial		820.5	864.3	858.2	839.0
Enterprise		139.1	172.5	181.6	208.0
Overseas ^(*3)		1,351.9	3,373.1	3,022.5	Excl. NTT Ltd. 1,336.0

(*1) Financial Segment was reclassified. (The reclassification has been made at the time of Q2 of FYE3/2023 result announcement.)

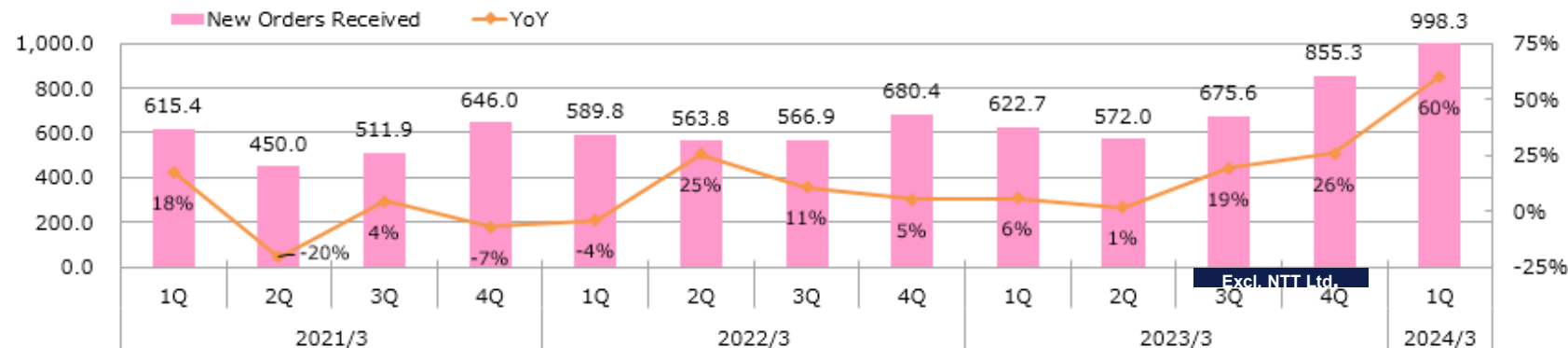
(*2) Enterprise Segment was reclassified into "Manufacturing and Services" (automotive, machinery, transportation, etc.), "Retail and Consumer Packaged Goods" (distribution, retail, food, etc.) and "Consulting and Payments" from FY2023 Forecasts, following the reorganization in April 2023.

(*3) New orders received includes NTT Ltd. from Q1 FYE3/2024. FYE3/2023 excludes the effect of expanded consolidation of NTT Ltd.

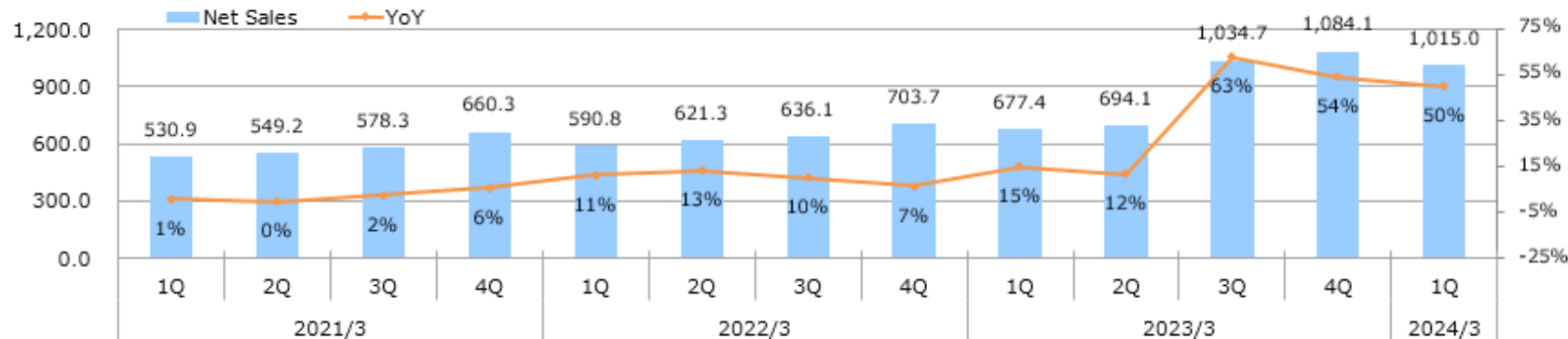
Trends in Quarter (Consolidated)

(Billions of Yen)

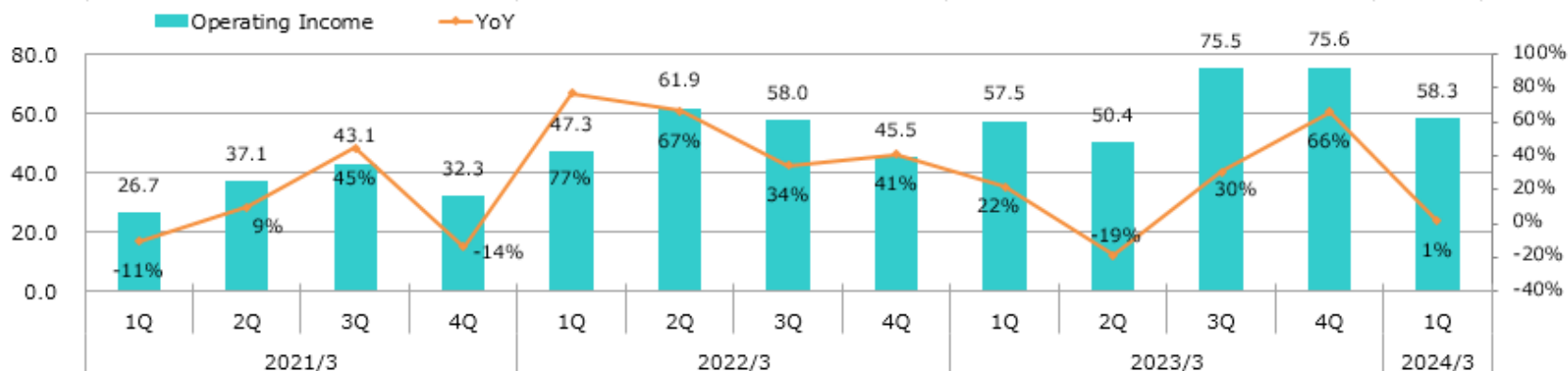
■ New Orders Received(*1)



■ Net Sales



■ Operating Income



(*1) 3Q and 4Q of FY2022 exclude the effect of scale expansion resulting from the consolidation of NTT Ltd. NTT Ltd. is included from FY2023.

Quarterly Consolidated Statement of Financial Position

(Breakdown items are re-post)

(Billions of Yen)

	Q1 FYE3/2023 Results (Apr-Jun)	Q1 FYE3/2024 Results (Apr-Jun)	YoY (Amount)
Current assets	2,249.0	2,322.7	+73.7
Cash and cash equivalents	415.4	531.1	+115.7
Trade and other receivables	1,114.5	1,035.1	-79.4
Inventories	76.2	77.1	+0.9
Assets held for sale	48.7	57.9	+9.2
Non-current assets	3,909.2	4,206.4	+297.1
Current assets	1,372.5	1,511.7	+139.2
Intangible assets	653.2	668.6	+15.4
Goodwill	1,133.6	1,227.5	+93.9
Deferred tax assets	225.0	234.4	+9.4
Total assets	6,158.2	6,529.1	+370.9

Current liabilities	1,804.3	1,950.1	+145.8
Trade and other payables	399.4	352.8	-46.7
Contract liabilities	417.9	453.2	+35.3
Bonds and borrowings	278.8	393.6	+114.7
Non-current liabilities	1,957.5	2,018.3	+60.7
Bonds and borrowings	1,453.0	1,497.6	+44.6
Lease liabilities	204.6	212.9	+8.2
Total liabilities	3,761.8	3,968.4	+206.6
Equity attributable to shareholders of NTT DATA	1,452.4	1,554.0	+101.6
Non-controlling interests	944.0	1,006.7	+62.7
Total equity	2,396.4	2,560.7	+164.3
Total liabilities and equity	6,158.2	6,529.1	+370.9

NTT DATA