



NTT DATA

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

November 6, 2023 NTT DATA Group Corporation

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

I am Kazuhiko Nakayama, Senior Executive Vice President and Director of NTT DATA Group.

First and foremost, I apologize for the great inconvenience and worries caused to many people by the glitch in the Zengin Data Telecommunication System that occurred on October 10 and 11, 2023.

The recent system glitch is a grave problem that could shake the country's payment platform. We are taking this seriously and are working on the issue with the entire NTT DATA Group.

We established a dedicated investigation task force, led by President Yo Honma, on October 30, 2023. Not only will the task force deal with the latest Zengin System glitch and discuss measures to prevent future occurrences, but it will also conduct a comprehensive inspection of key systems related to NTT DATA while keeping the details of the system glitch in mind.

Now, let me explain the results for the second quarter of the fiscal year ending March 31, 2024.

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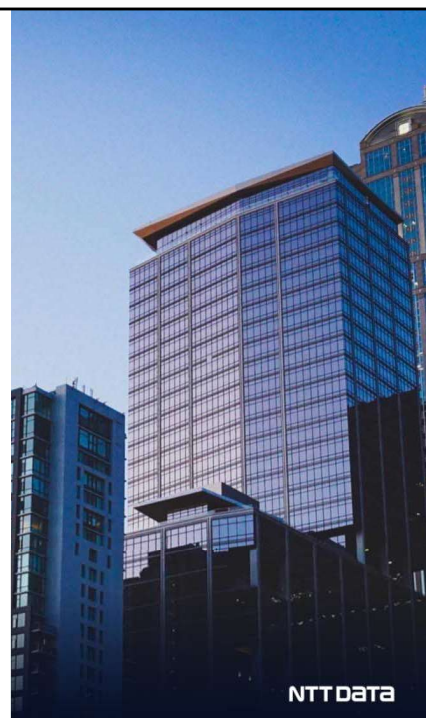
1. Results for the Second Quarter of Fiscal Year Ending March 31, 2024
2. Progress of the Medium-Term Management Plan
3. Investment and Financial Strategies
4. Appendices
 - Explanatory details of financial results and forecasts

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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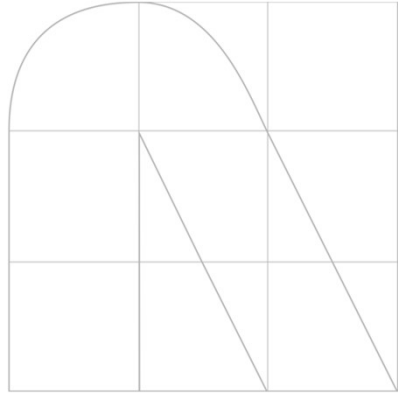
This is today's agenda.

First, I will explain the results for the second quarter of the fiscal year ending March 31, 2024.

Please see Page 4.

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



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(Explanation omitted)

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

Despite increased costs associated with overseas business integration and structural reforms, performance has remain strong. Aiming to achieve full-year forecasts, including net income.

- 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 increased due to the effect of expanded consolidation of NTT Ltd. and sales growth despite an increase in overseas integration and restructuring costs
- 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.

	Q2 FYE3/2023 (Apr-Sep)	Q2 FYE3/2024 (Apr-Sep)	YoY (Amount)	YoY (Rate)		FYE3/2024 Forecasts	Progress toward Forecasts
Net Sales	1,371.4	2,078.5	+707.1	+51.6%	↗	4,100.0	50.7%
Operating Income (Operating income margin)	107.9 (7.9%)	121.9 (5.9%)	+13.9 (-2.0P)	+12.9%	↗	292.0 (7.1%)	41.7%
Net Income Attributable to Shareholders of NTT DATA	72.8	53.0	-19.7	-27.1%	↘	144.0	36.8%
(Reference) New Orders Received ^(*1)	1,194.7	2,166.6	+971.9	+81.4%	↗	Excl. NTT Ltd. 2,850.0	—

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

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This is the overview of the second quarter results.

On a year-on-year basis, net sales and operating income increased, whereas net income declined.

Net Sales saw a significant growth of 707.1 billion yen due to the effect of the expanded consolidation of NTT Ltd., the scale expansion in the Public & Social Infrastructure, Financial, and Enterprise businesses of the Japan Segment and in Europe, and the impact of foreign exchange rates.

Operating income increased by 13.9 billion yen due to the effect of the expanded consolidation of NTT Ltd. and the sales growth despite an increase in integration and restructuring costs in the Overseas Segment, which was included in the full-year forecasts, and company-wide strategic investments.

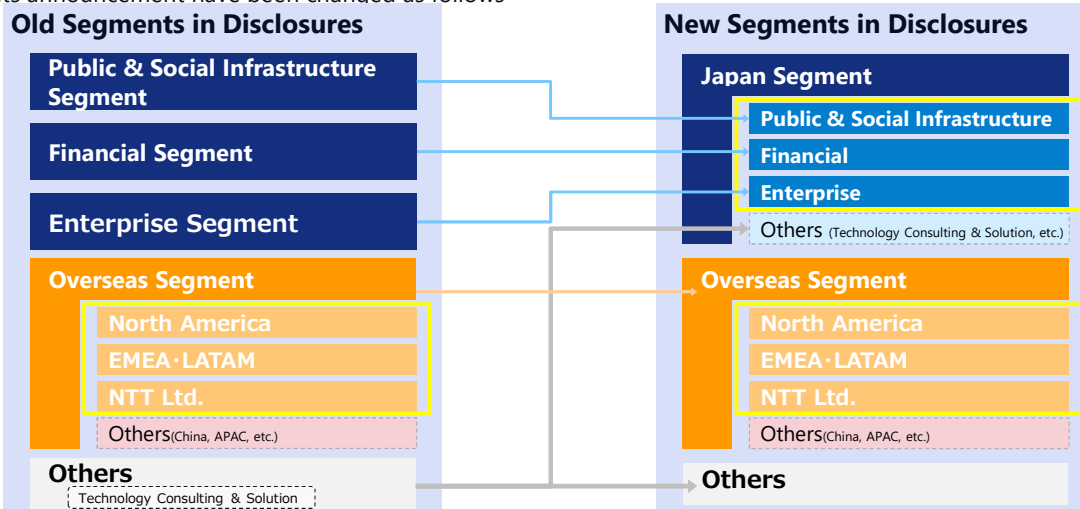
Net income declined mainly due to increased financial expenses accompanied with the effect of the expanded consolidation of NTT Ltd.

For the Overseas Segment, the progress rate of the second quarter results is slightly low compared with the forecasts. However, as the Japan Segment remained strong, we aim to achieve the full-year forecasts across the entire company.

Before moving on to the details of each item, let me explain the segment disclosures, which we began reviewing this second quarter. Please see Page 5.

Reclassification of Segments in Disclosures

Due to the transition to a three-company structure effective July 1, 2023, the segments disclosed in the financial results announcement have been changed as follows



* Details of the reclassification of Forecasts by Segment due to the change in disclosed segments are provided in the Appendices section of this material.
 * There is no change in the Overseas Segment. However, breakdown within Overseas Segment will be revised from the fiscal year ending March 31, 2025, in line with the new global business management structure.
 * Strategic Investments (companywide strategic investment), which were included in "Other" in the old segments, are included in the Japan and Overseas segments in the new segments.
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Along with the transition to the three-company structure effective on July 1, 2023, segments disclosed in the financial results announcement were changed.

The “Public & Social Infrastructure Segment,” “Financial Segment,” and “Enterprise Segment” will be included in the “Japan Segment,” while disclosing information on these businesses will continue so that we can provide the same level of explanation.

There is no change to the “Overseas Segment” in the latest revision.

Details of the forecasts for each segment after the change are provided in the Appendices.

Now, I will explain the details of each item.

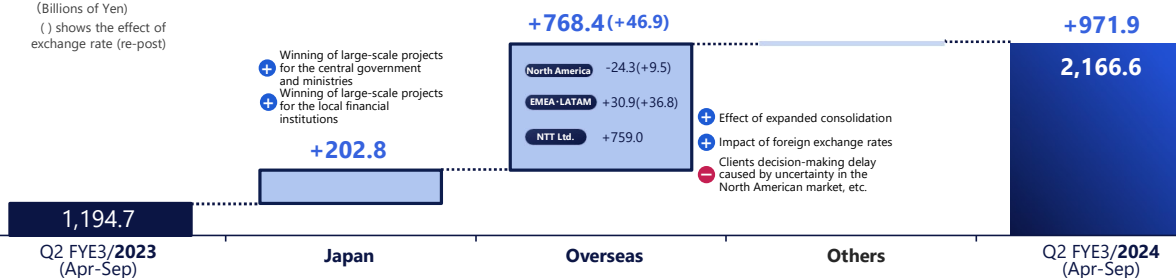
Please see Page 6.

[Ref.] New Orders Received | YoY Changes by Business Segment (Q2 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	Q2 FYE3/2023 (Apr-Sep)		Q2 FYE3/2024 (Apr-Sep)		YoY Comparison in Results	FYE3/2024 Forecasts	Apr-Sep Progress toward Full-year Forecasts	Q2 FYE3/2024 (Apr-Sep)		YoY Comparison in Results
	Q2 FYE3/2023	Q2 FYE3/2024	Q2 FYE3/2023	Q2 FYE3/2024				Q2 FYE3/2023	Q2 FYE3/2024	
Total	1,194.7	2,166.6	1,194.7	2,166.6	+971.9	2,850.0	-	572.0	1,168.3	+596.3
Japan	604.9	807.7	604.9	807.7	+202.8	1,484.0	54.4%	277.1	416.3	+139.2
Public & Social Infrastructure	235.3	364.8	235.3	364.8	+129.5	520.0	70.1%	95.6	200.2	+104.7
Financial	171.3	238.6	171.3	238.6	+67.3	520.0	45.9%	85.3	110.7	+25.5
Enterprise	169.0	173.2	169.0	173.2	+4.2	390.0	44.4%	83.3	90.4	+7.1
Overseas(*)	583.9	1,352.3	583.9	1,352.3	+768.4	1,341.0	-	292.3	748.7	+456.3
North America	216.9	192.6	216.9	192.6	-24.3	547.0	35.2%	121.7	101.5	-20.2
EMEA-LATAM	355.0	385.9	355.0	385.9	+30.9	761.0	50.7%	165.0	189.3	+24.4
NTT Ltd.	-	759.0	-	759.0	+759.0	-	-	-	454.9	+454.9
Others	5.9	6.6	5.9	6.6	+0.7	25.0	26.5%	2.5	3.3	+0.7

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

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First, new orders received marked a significant growth of 971.9 billion yen mainly due to the effect of the expanded consolidation of NTT Ltd. and the winning of large projects in the Japan Segment.

In the Japan Segment, we won large projects in the Public & Social Infrastructure business while also steadily winning projects in all the other businesses, achieving a growth of 202.8 billion yen.

In the Overseas Segment, the uncertainty in the North American market led to slow decision-making by clients, which resulted in declining new orders received. However, the entire segment saw a growth of 768.4 billion yen in total due to the effect of the expanded consolidation of NTT Ltd. and the impact of foreign exchange rates.

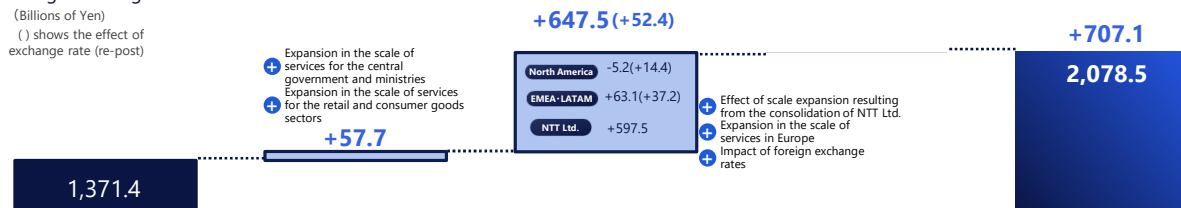
Please see Page 7.

Net Sales | YoY Changes by Business Segment (Q2 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	Q2 FYE3/2023 (Apr-Sep)		Japan		Overseas		Others		Q2 FYE3/2024 (Apr-Sep)	
	Q2 FYE3/2023	Q2 FYE3/2024	YoY Comparison in Results	FYE3/2024 Forecasts	Apr-Sep Progress toward Full year Forecasts	Q2 FYE3/2023	Q2 FYE3/2024	YoY Comparison in Results	Q2 FYE3/2023	Q2 FYE3/2024
Total	1,371.4	2,078.5	+707.1	4,100.0	50.7%	694.1	1,063.6	+369.5	694.1	1,063.6
Japan	765.2	822.8	+57.7	1,700.0	48.4%	384.6	417.5	+32.8	384.6	417.5
Re-post										
Public & Social Infrastructure	270.5	304.9	+34.4	665.0	45.9%	140.8	158.2	+17.4	140.8	158.2
Financial	320.9	330.6	+9.7	692.0	47.8%	157.5	165.0	+7.4	157.5	165.0
Enterprise(*)	240.2	263.4	+23.2	550.0	47.9%	121.2	133.2	+12.0	121.2	133.2
Overseas	625.4	1,272.9	+647.5	2,436.0	52.3%	320.1	654.7	+334.6	320.1	654.7
Re-post										
North America	292.6	287.4	-5.2	577.0	49.8%	153.3	146.5	-6.8	153.3	146.5
EMEA-LATAM	325.4	388.5	+63.1	711.0	54.6%	163.1	197.5	+34.4	163.1	197.5
NTT Ltd.	-	597.5	+597.5	1,167.0	51.2%	-	312.1	+312.1	-	312.1
Others	-19.2	-17.2	+1.9	-36.0	47.9%	-10.6	-8.6	+2.1	-10.6	-8.6

(*) Following the reorganization in April 2023, the comparative year, Q2 2023, also reflects figures after this reorganization.

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Next, let's look at net sales.

Net sales significantly grew by 707.1 billion yen due to the effect of the expanded consolidation of NTT Ltd., the impact of foreign exchange rates, and the scale expansion in the Japan Segment and Europe.

Please see Page 8.

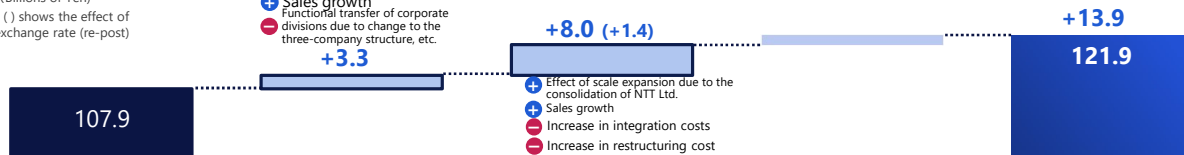
Operating Income | YoY Changes by Business Segment (Q2 Results of FYE3/2024)

Operating income increased due to the effect of expanded consolidation of NTT Ltd. and sales growth despite an increase in overseas integration and restructuring costs

(Billions of Yen)

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

- + Sales growth
- + Sales growth
- Functional transfer of corporate divisions due to change to the three-company structure, etc.



Operating Income (operating income margin)	Q2 FYE3/2023	Q2 FYE3/2024	YoY Comparison in Results	FYE3/2024 Forecasts	Apr-Sep Progress toward Full-year Forecasts	Q2 FYE3/2023	Q2 FYE3/2024	YoY Comparison in Results
	Apr-Sep	Apr-Sep				Jul-Sep	Jul-Sep	
Total	107.9	121.9	+13.9	292.0	41.7%	50.4	63.6	+13.2
Japan	76.7	80.0	+3.3	181.0	44.2%	35.1	39.9	+4.7
Re-post								
Public & Social Infrastructure	19.1 (7.1%)	30.8 (10.1%)	+11.7 (+3.0P)	80.0 (12.0%)	38.4%	7.8 (5.5%)	15.2 (9.6%)	+7.5 (+4.1P)
Financial	33.1 (10.3%)	35.0 (10.6%)	+1.9 (+0.3P)	73.0 (10.5%)	47.9%	16.9 (10.8%)	17.8 (10.8%)	+0.8 (+0.0P)
Enterprise	27.1 (11.3%)	28.0 (10.6%)	+0.9 (-0.7P)	55.0 (10.0%)	50.9%	14.0 (11.5%)	15.2 (11.4%)	+1.3 (-0.1P)
Overseas	26.2 (4.2%)	34.2 (2.7%)	+8.0 (-1.5P)	99.0 (4.1%)	34.5%	12.9 (4.0%)	19.2 (2.9%)	+6.3 (-1.1P)
Others	5.1	7.7	+2.6	12.0	64.1%	2.4	4.5	+2.1

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As for operating income, the Japan Segment saw an increase in operating income due to sales growth mainly in the Public & Social Infrastructure business, among other reasons.

Operating income in the Overseas Segment grew due to the effect of the expanded consolidation of NTT Ltd., while the business integration and restructuring costs increased, as expected in the full-year forecasts.

Please see Page 9.

[Ref.] Breakdown of Overseas Business

(Billions of Yen)

	Q2 FYE3/2023 Apr-Sep	Q2 FYE3/2024 Apr-Sep	YoY (Amount)		YoY (Rate)	FYE3/2024 Forecasts	Progress toward Forecasts	Q2 FYE3/2023 Jul-Sep	Q2 FYE3/2024 Jul-Sep	YoY (Amount)
				Forex Effects						
Net Sales	625.4	1,272.9	+647.5	+52.4	+103.5%	2,436.0	52.3%	320.1	654.7	+334.6
Re-post										
North America	292.6	287.4	-5.2	+14.4	-1.8%	577.0	49.8%	153.3	146.5	-6.8
EMEA·LATAM	325.4	388.5	+63.1	+37.2	+19.4%	711.0	54.6%	163.1	197.5	+34.4
NTT Ltd.	-	597.5	+597.5	-	-	1,167.0	51.2%	-	312.1	+312.1
EBITA (*1)	36.8 5.9%	57.9 4.6%	+21.2 -1.3P	+2.3	+57.5%	145.0 6.0%	40.0%	18.3 5.7%	31.8 4.9%	+13.6 -0.8P
Re-post										
North America	19.9 6.8%	17.8 6.2%	-2.2 -0.6P	+0.9	-10.8%	44.0 7.6%	40.4%	9.9 6.4%	7.7 5.2%	-2.2 -1.2P
EMEA·LATAM	16.5 5.1%	15.1 3.9%	-1.5 -1.2P	+1.4	-8.8%	40.0 5.6%	37.7%	8.4 5.1%	9.5 4.8%	+1.2 -0.3P
NTT Ltd.	-	25.6 4.3%	+25.6 -	-	-	79.0 6.8%	32.4%	-	14.2 4.6%	+14.2 -
(Ref.) New Orders Received	583.9	1,352.3	+768.4	+46.9	+131.6%	Excl. NTT Ltd. 1,341.0	-	292.3	748.7	+456.3
Re-post										
North America	216.9	192.6	-24.3	+9.5	-11.2%	547.0	35.2%	121.7	101.5	-20.2
EMEA·LATAM	355.0	385.9	+30.9	+36.8	+8.7%	761.0	50.7%	165.0	189.3	+24.4
NTT Ltd.	-	759.0	+759.0	-	-	-	-	-	454.9	+454.9

(*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 Q2 FYE3/24, USD 141.06 yen and EUR 153.45 yen; for Q2 FYE3/23, USD 134.00 yen and EUR 138.76 yen.

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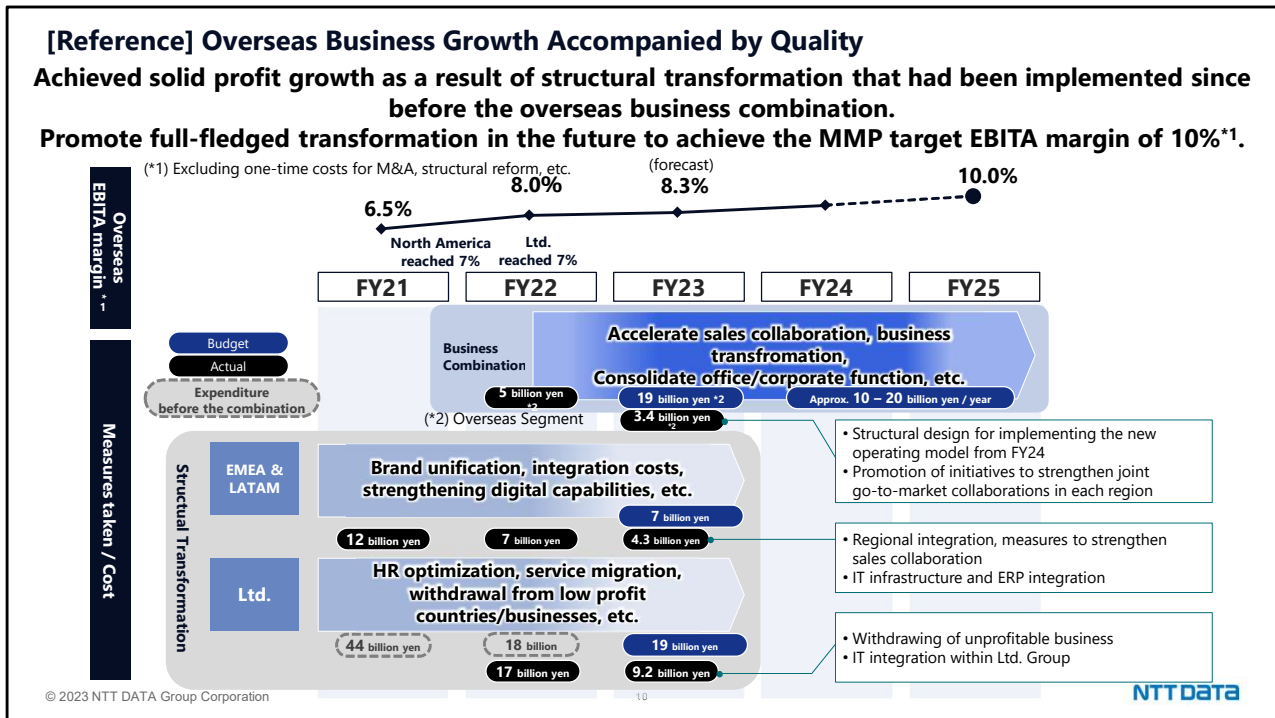
This page shows information on the Overseas Segment. Here, I provide supplementary information about EBITA.

North America marked a year-on-year decline of 2.2 billion yen in EBITA due to a reactionary decline from the increase caused by a one-time asset sales deal that occurred in the first quarter of the previous year.

EMEA/LATAM fell by 1.5 billion yen year-on-year, while income increased after excluding costs on business integration and restructuring that are included in the full-year forecasts.

NTT Ltd.'s EBITA includes the restructuring costs, and its EBITA margin is 4.3%.

Please see Page 10.



Here, I will talk about overseas business combination and structural transformation.

In this second quarter, we spent 3.4 billion yen on business combination mainly in EMEA/LATAM.

In our annual plan, the budget for the entire Overseas Segment is 19 billion yen. In the second half of this fiscal year, we appointed a leadership team towards a new global business management structure from fiscal year 2024, accelerating integration efforts.

In this second quarter, we spent 4.3 billion yen on IT infrastructure and ERP integration, among others in EMEA/LATAM.

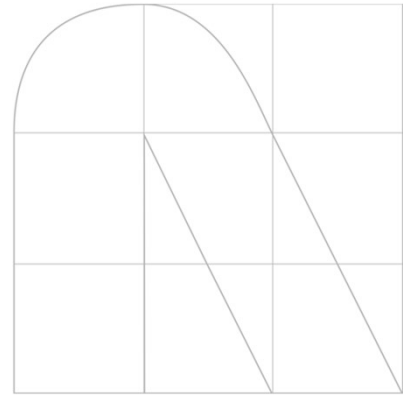
NTT Ltd. spent 9.2 billion yen to withdraw from an unprofitable project and promote IT integration within the Group. All progressed well against the annual plan.

In the future, we will promote overseas business restructuring and create synergistic effects, aiming to achieve an EBITA margin of 10%, a target set in the Medium-term Management Plan.

With this, I would like to finish my explanation about the second quarter results.

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Progress of the Medium-Term Management Plan

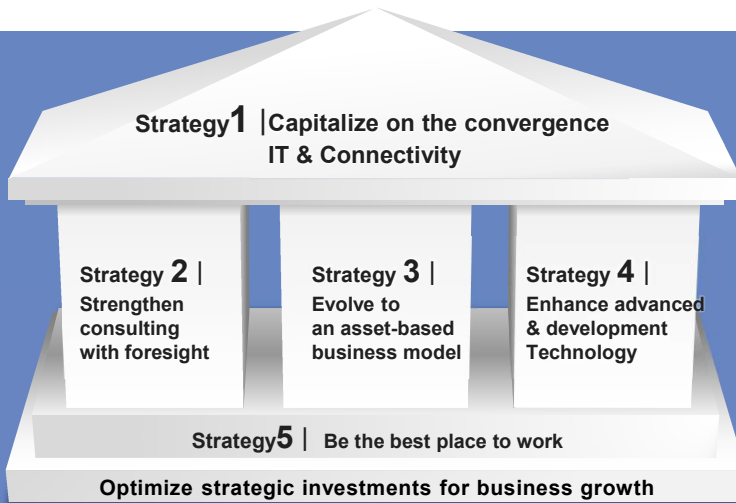


From here on, I will explain the progress of the Medium-term Management Plan.

Please see Page 12.

Achieving the MMP goals through 5 strategies (FY2022–2025)

To achieve MMP goals, maximize the value to our clients by implementing 5 strategies.



What to be realized

Solve social issues through collaboration across industries and improve value provided through the utilization of Connectivity

Pillars of strategy

Enhance *competitiveness* and shift business portfolio by strengthening consulting and technological capabilities, which are thoroughly used as assets.

Base of strategy

Recruit and develop talents to maintain mid- to long-term competitiveness and create proactive workplaces.

This is the overall picture of the Medium-term Management Plan. We will continue to increase the value to our clients by thoroughly implementing these strategies.



Development of PITON, a framework for operating an accounting system on an open infrastructure

PITON, a framework for making systems built on mainframes work on open infrastructure, is scheduled to be launched in 2024.

About PITON

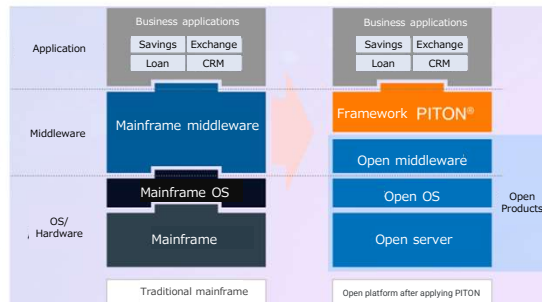


We developed PITON as a development framework for running business applications that run on mainframes on open servers. Eliminates the need to make changes to existing business applications with stable operating results, thereby reducing the risk of migration to open systems built on mainframes.

Development is progressing steadily towards the start of service provision in 2024

After being adopted for the next MEJAR system in 2024, it will be adopted for the SHINKIN Joint Center's next accounting system in 2026.

Aiming for further expansion of application, mainly in mission-critical areas



Values

Sustainability
Achieving continuity by securing medium- to long-term hardware and IT human resources

Contribute to digitalization
Contributing to digitalization by improving compatibility with the latest open technologies

Promoting Green IT
Reduce system power consumption by utilizing cloud and data centers

Let me introduce the PITON initiative as an example of our efforts to help solve social issues.

Traditionally, mainframes have been provided for many years mainly for mission-critical systems of financial institutions and government ministries and agencies.

The supply of mainframes has been declining yearly, and the number of engineers engaged in the development of mainframes is on a downward trend.

Under these circumstances, our Company has continued its research and development of “PITON,” a framework designed to operate applications that run on mainframes on versatile open servers.

We will start to provide PITON service in 2024. PITON will be applied to the joint regional banking system, “MEJAR,” while there is a plan to adopt the framework for the SHINKIN Joint Center’s next accounting system.

We will aim to offer new values such as “realization of system continuity,” “contribution to digitalization,” and “promotion of green IT through improved energy efficiency” by applying open systems to mainframes.

Provision of Indonesia's Disaster Management Information Transmission System (DPIS)

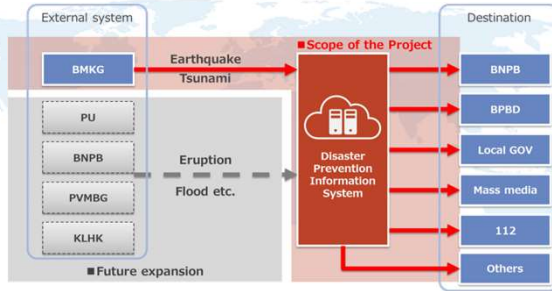


Global deployment of Japan's Disaster Management Information Transmission System (DPIS)
Aiming at the deployment of Japan's disaster management DX solutions and disaster management know-how to countries around the world

Disaster Management Information Transmission System (DPIS)

Based on the architecture of the disaster information sharing system "L Alert" operated in Japan, the Indonesian government has provided disaster relief information by utilizing the information distribution know-how cultivated through the disaster response support system "D-Resilio Collaboration Platform".

A system to promptly disseminate information to protect the safety and security of the public.



Officially signed a contract with the Indonesian Ministry of Information and Communications regarding the construction and export of a disaster prevention information transmission system.

Contributing to disaster countermeasures such as facilitating the evacuation of Indonesian citizens by quickly transmitting tsunami and earthquake information

Developing DX solution know-how for disaster prevention to countries around the world Aiming to realize a highly resilient society

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This page presents a global case of rolling out the know-how on disaster management and response, which has been cultivated in Japan, to a foreign country.

Starting in 2024, we will provide Indonesia with a system called DPIS to disseminate government information on national disasters to the public in a quick manner.

DPIS is based on the architecture of the L Alert, the disaster information sharing system operated in Japan, and offers a solution using the information distribution know-how that has been cultivated through our disaster response support system, "D-Resilio Collaboration Platform."

We will help Indonesia, which has been affected by disasters as often as Japan, quickly transmit information on disasters such as tsunami and earthquakes to its people and contribute to the country's disaster countermeasures.

Combination of Capabilities of NTT DATA Services and NTT Ltd.



**Awarded a deal to build traffic management platform
from a leading global lift truck manufacturer in North America region**

**NTT DATA Services, in collaboration with NTT Ltd., provides a traffic management platform that allows autonomous movement of lift trucks in the warehouse.
Together we contribute to maximizing the value of the client's core products.**

Build, Host and Manage a Traffic Management Platform that directs autonomous operations of lift trucks in the warehouse

**NTT DATA Services
Launch***

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



NTT Ltd.

Strength in
Edge-to-Cloud Operation Services

Perform network assessments and enhancements to support truck operations



The client will be able to provide next-generation autonomous forklift products and a Traffic Management Platform as SaaS to control its movements, enabling it to better serve end-users and develop new markets.

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* "Launch by NTT DATA" is a service line that combines the capabilities of five recently acquired companies and existing capabilities from NTT DATA Service. This new digital practice was revealed in April 2023 in NA region by NTT DATA Services.

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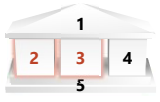
Since the implementation of the overseas business combination, there have been some collaborations in which the strengths of the two companies were well utilized. I will introduce some of such cases.

NTT DATA Services, in collaboration with NTT Ltd., received a deal to create a traffic management platform (TMP) that allows the autonomous movement of lift trucks in the warehouse from a leading global lift truck manufacturer.

The client will be able to provide a traffic management platform as Software as a Service (SaaS), enabling it to better serve end-users and develop new markets.

GHG emission visualization system “C-Turtle”


Successfully installed the system for a cumulative total of 500 companies
 (Number of inquiries: doubled from last year)
 Support activities for Scope 3 reduction^{※1} through consulting for accurate emission visualization



Adopting a total emissions allocation method that links emissions of supplier companies to transactions

Make it possible to incorporate reduction efforts implemented and realized by supplier companies into the client companies' emissions

Propose solutions to reduce emissions through consulting in addition to visualization.



C-Turtle
by NTT DATA

Visualization Assets × **Green Consulting**

※1
 Scope1: Direct emission of greenhouse gases by the operator (Fuel combustion, industrial processes)
 Scope2: Indirect emission of electricity, heat and steam supplied by other companies
 Scope3: Indirect emission in the supply chain of companies other than Scope1 and 2

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This page describes C-Turtle, the platform to visualize greenhouse gas emissions.

As the shift to a decarbonized society is required, the need for C-Turtle is surging. Now, more than 500 companies have introduced the C-Turtle system.

NTT DATA will continue to contribute to realizing a sustainable society by using IT.

Besides those cases, there are other successful cases in various businesses such as those in retail and finance based on respective strategies. As some of such cases are introduced on Pages 17 and 18, please take a look at them later.

Please see Page 19.

Japan's first* walk-through store "CATCH & GO"



Daiei's AEON FOOD STYLE opened a walk-through store "CATCH & GO" in Yokohama West Entrance
 Achieves both a walk-through purchasing experience and a labor-saving employee experience



AI models analyze the movement of humans and products captured by ceiling cameras and weight sensors.

Payment is automatically completed just by picking up items and leaving the store.

Envision the future of retailing and create a new store model in collaboration with Daiei.



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*As a store attached to a supermarket on a general street

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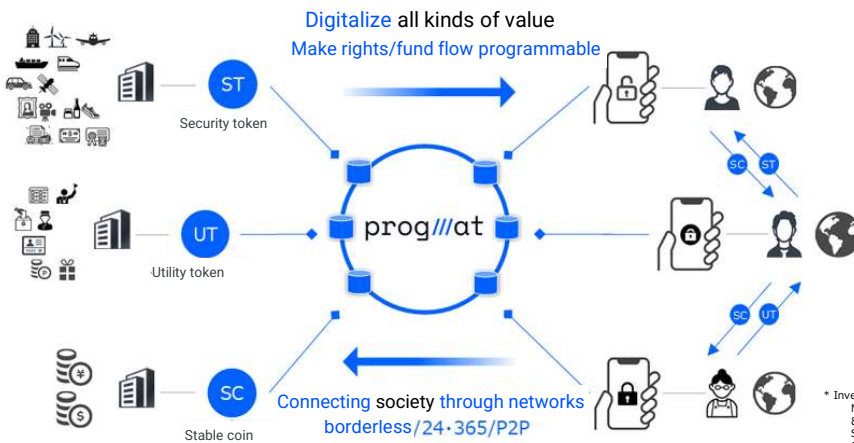
(Explanation omitted)

Co-founding of Progmat Inc.



Developed and manage **the national infrastructure** for the digital asset market through joint investment with major financial companies

Through co-creation, contribute to the enhancement of the convenience of digital assets and the expansion of the market



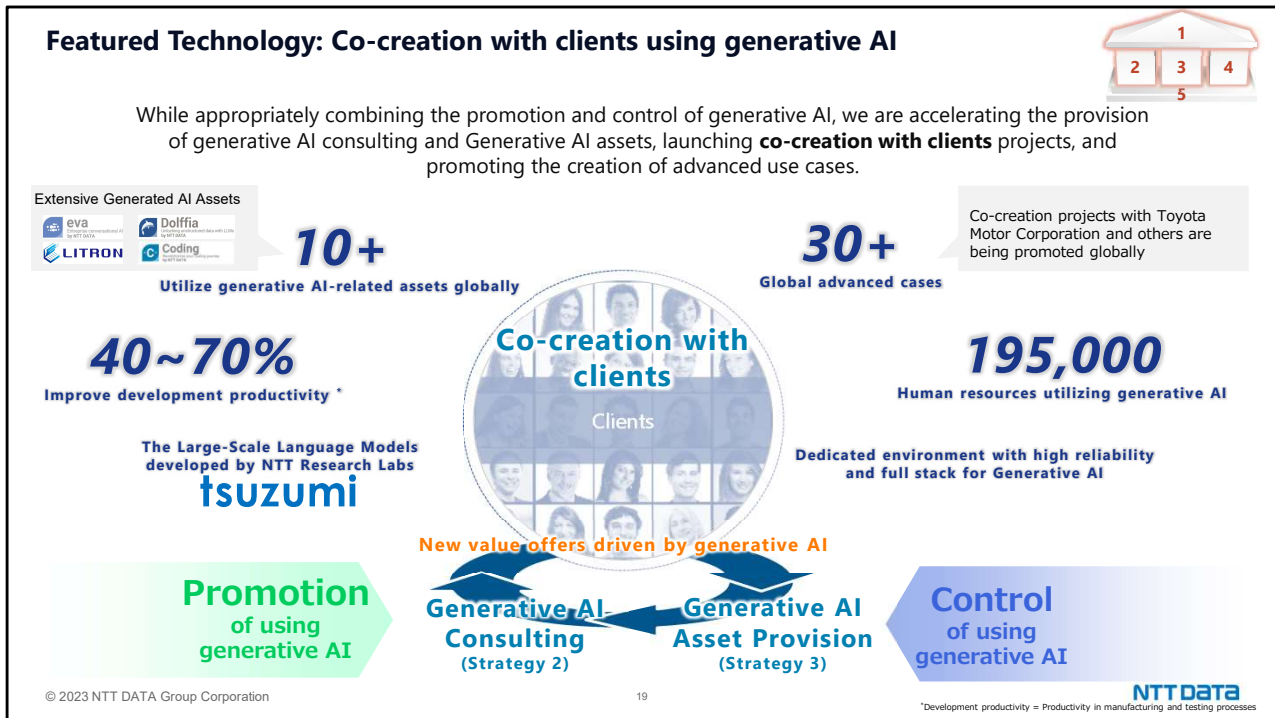
Utilize blockchain technology acquired through strategic investment

Providing know-how regarding financial infrastructure and advanced technology

Collaboration with existing corporate bond management infrastructure that has a high market share

* Investments:
 MUFG Trust & Banking Corporation., NTT Data Japan Corporation, Mizuho Trust & Banking Co., Ltd.
 Sumitomo Mitsui Trust Bank, Ltd., Sumitomo Mitsui Financial Group, Inc.
 SBI PTS Holdings, Inc., JPX Market Innovation & Research, Inc., DataChain, Inc.

(Explanation omitted)



This shows NTT DATA’s measures related to generative AI.

We plan to launch about 30 co-creation projects with our clients this fiscal year by demonstrating our deep understanding of clients and advanced technology application capabilities, both of which are our strengths.

We will develop more than 10 generative AI-related assets and offer them to our clients.

In addition, we will increase productivity by having all 200,000 global employees utilize generative AI in their operations.

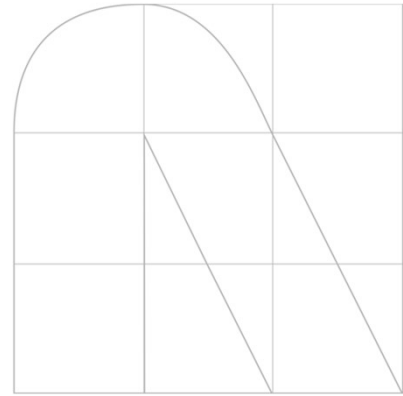
We will also actively utilize “tsuzumi,” which was announced by NTT the other day.

In October, we announced a joint exhibition on generative AI with Toyota Motor Corporation.

We will continue to expand generative AI-related measures on a global scale while appropriately combining its promotion and control.

3

Investment and Financial Strategies

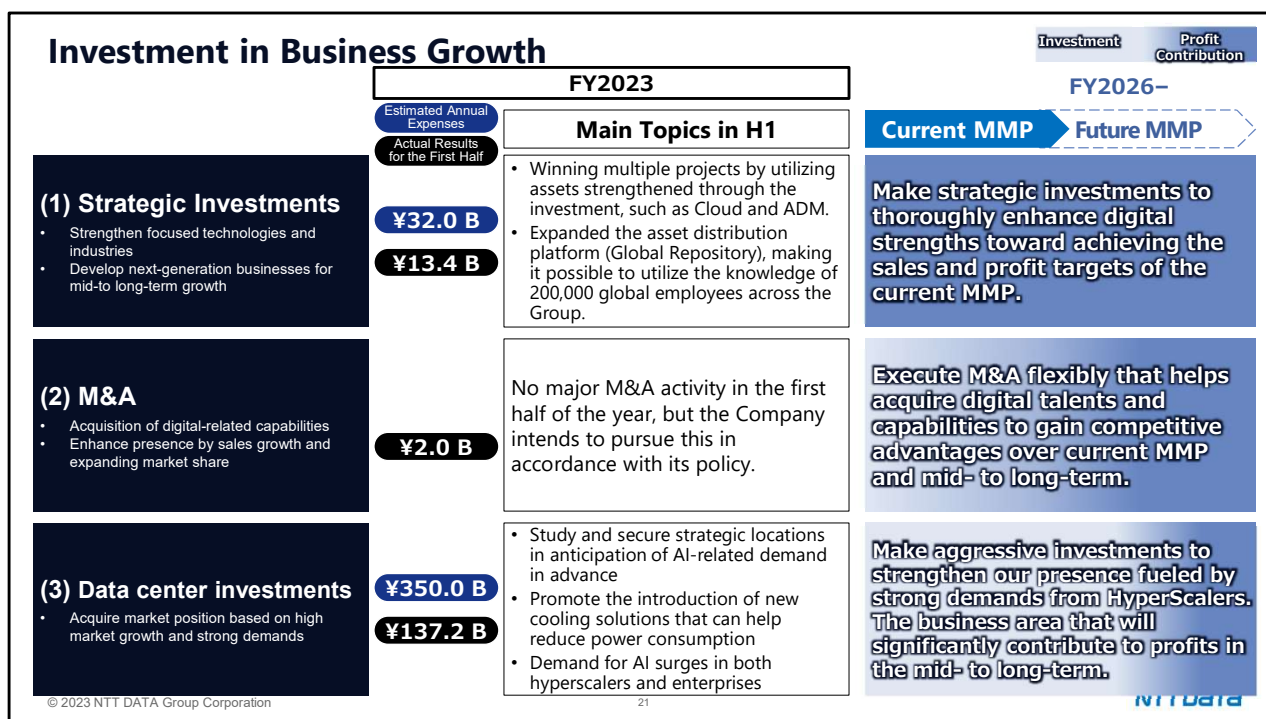


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Next, I will explain our investment and financial strategies.
Please see Page 21.



This page summarizes main topics in the first half of this fiscal year regarding three investments for business growth.

Regarding company-wide strategic investments, we focused our investments on areas with potential for high growth and competitive advantage concerning the “Strengthen focused technologies and industries,” and spent 13.4 billion yen in the first half out of the estimated annual expense of 32 billion yen.

As a result of these investments, we won multiple projects both at home and abroad, including a development project in the field of Cloud utilizing assets developed through strategic investments. Also, we expanded the asset distribution platform, which allows us to utilize the knowledge of our 200,000 global employees across the Group.

As for M&As, we will continue to seek M&A deals aiming to acquire further digital capabilities.

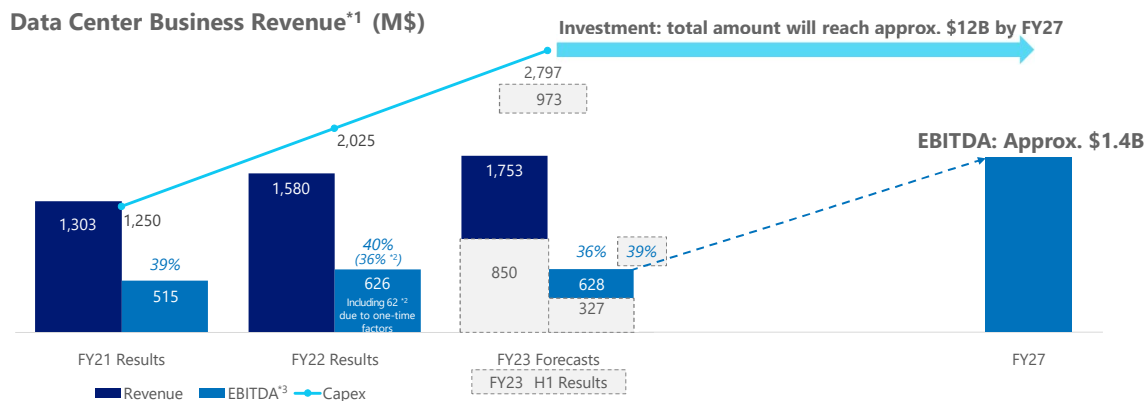
I will explain data center investment in detail on the next page.

Data Center Investment

The data center business takes time to contribute to profits, and EBITDA is expected to increase only slightly in the current fiscal year, but the company is aggressively investing in this market, which is expected to grow on the back of strong demand.

- The data center market size is expected to exceed \$150 billion by 2028, driven by additional growth in AI demand.
- We will capitalize on our strength as a data center* provider to meet high power density demand and capitalize on strong demand.

*The data center is designed to reduce power consumption through improved cooling technology for servers and other equipment, enabling the installation of more servers per rack.



*1: These are the figures used in management accounting to calculate the income and expenses of the data center business division of NTT Ltd. Including intercompany transactions between NTT, the parent company, and our group, and calculated in a certain way, such as allocation of common expenses with other businesses of NTT Ltd.

*2: Transitory factors in FY2022 are due to build-to-suit transactions. Figures in parentheses exclude one-time factors.

*3: EBITDA excludes depreciation of property, plant and equipment and software, amortization of intangible assets related to acquisitions, and certain common head office costs.

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The data center business remained highly profitable, reporting an EBITDA margin of 39% in the first half.

The business requires time to contribute to profits.

However, along with the high medium- and long-term growth rate of the market, it is a business area where additional growth driven by AI demand can be expected.

For these reasons, we will actively invest in the data center business, aiming to generate an EBITDA of about 1.4 billion dollar in fiscal year 2027.

We keep working to improve investment profitability and financial soundness, which is our current challenge.

Please see Page 23.

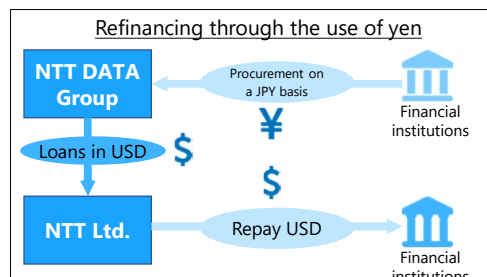
Status of measures to improve investment profitability and financial soundness

Improvement measures are being considered and implemented to recover investment profitability and maintain financial soundness in FY2025.

FY2025 Investment Profitability Target	Recover ROIC to a level above the cost of capital	Improvement measures	<ul style="list-style-type: none"> Improve EBITDA generation through growth with quality Shorten the payback period by utilizing third-party capital in the data center business. Improve EBITDA generation and control interest-bearing debts while monitoring the use of third-party capital
FY2025 financial Soundness Target	Control interest-bearing debt to a Net Debt EBITDA multiple of about 2x .		

Apart from the medium-term improvement measures, measures to control the increase in interest expenses due to rising interest rates, especially for the US dollar, were implemented.

Refinancing to a fixed interest rate	<ul style="list-style-type: none"> Refinance existing floating rate USD borrowings to fixed rate Reduce interest expense by leveraging reverse yield on USD market interest rates
Refinancing through the use of yen	<ul style="list-style-type: none"> NTT DATA raises funds in yen at a low interest rate and lends to NTT Ltd. NTT Ltd. repays existing USD debt Reduce interest expenses by utilizing the difference in borrowing rates between JPY and USD



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Here, I will explain how we have implemented measures to improve investment profitability and financial soundness.

In the medium- and long-term, we will work to increase the ability to generate EBITDA by achieving growth with quality and shorten the payback period by utilizing third-party capital in the data center business while controlling interest-bearing debts.

Recently, we have refinanced floating rate USD borrowings to fixed rate ones by leveraging reverse yield and made other refinancings through the use of yen with a low interest rate. With these measures, we are trying to control an increase in interest expenses due to rising interest rates mainly for the US dollar.

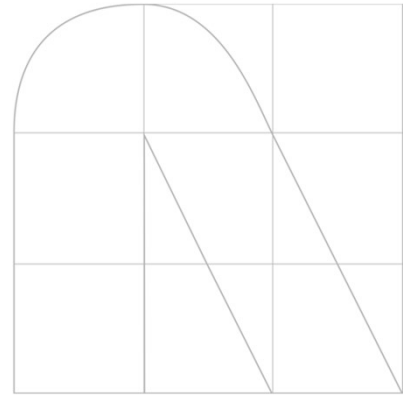
I would like to omit explanations for the following pages, which show numerical information.

This concludes my presentation. Thank you for your kind attention.

4

Appendices

- Explanatory details of financial results and forecasts -



(Explanation omitted)

[Ref.] Forecasts for the FYE3/2024 (after reclassification) – by Segment

The forecast for FY ending March 2024 has been implemented to reflect the change in segments in conjunction with the transition to a three-company structure in July 2023. Due to the addition of the Japan segment and the reclassification of Others, the forecasts for the whole Company, Public & Social Infrastructure, Financial Services, and Enterprise within the Japan segment, and the Overseas segment remain unchanged.

		FYE3/2023 Results	FYE3/2024 Forecasts (after reclassification)	YoY (amount)	YoY (rate)	FYE3/2024 Initial Forecasts	
Japan	New Orders Received	1,445.2	1,484.0	+38.8	+2.7%	-	
	Net Sales	1,654.4	1,700.0	+45.6	+2.8%	-	
	Operating Income (Operating income margin)	169.9 (10.3%)	181.0 (10.6%)	+11.1 (+0.4P)	+6.5%	-	
Re-post	Public & Social Infrastructure	New Orders Received	495.7	520.0	+24.3	+4.9%	520.0
		Net Sales	635.9	665.0	+29.1	+4.6%	665.0
		Operating Income (Operating income margin)	68.6 (10.8%)	80.0 (12.0%)	+11.4 (+1.2P)	+16.5%	80.0 (12.0%)
	Financial	New Orders Received	486.6	520.0	+33.4	+6.9%	520.0
		Net Sales	662.2	692.0	+29.8	+4.5%	692.0
		Operating Income (Operating income margin)	68.8 (10.4%)	73.0 (10.5%)	+4.2 (+0.2P)	+6.1%	73.0 (10.5%)
Enterprise	New Orders Received	404.3	390.0	-14.3	-3.5%	390.0	
	Net Sales	505.2	550.0	+44.8	+8.9%	550.0	
	Operating Income (Operating income margin)	51.4 (10.2%)	55.0 (10.0%)	+3.6 (-0.2P)	+7.0%	55.0 (10.0%)	
Overseas	Net Sales	1,880.4	2,436.0	+555.6	+29.6%	2,436.0	
	EBIT A ^(*) (EBIT A margin)	111.6 (5.9%)	145.0 (6.0%)	+33.4 (+0.0P)	+30.0%	145.0 (6.0%)	
	Operating Income (Operating income margin)	81.6 (4.3%)	99.0 (4.1%)	+17.4 (-0.3P)	+21.3%	99.0 (4.1%)	
Excl. NTT Ltd.	(Ref) New Orders Received	1,267.7	1,341.0	+73.3	+5.8%	1,341.0	
Others	New Orders Received	12.6	25.0	+12.4	98.3%	79.0	
	Net Sales	-44.6	-36.0	+8.6	-19.3%	-243.0	
	Operating Income	7.6	12.0	+4.4	+58.6%	-15.0	

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

(**) Assumption of foreign exchange rate: USD 130 yen and EUR 141 yen

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(Explanation omitted)

[Ref.] FYE3/2024 Forecasts - Breakdown of Overseas Business [No change]

(Billions of yen)

		FYE3/2023 Results	FYE3/2024 Forecasts ^{(*)3}	YoY (Amount)	Forex Effects	YoY (Rate)
Net Sales		1,880.4	2,436.0	+555.6	-85.9	+29.6%
Re-post	North America	594.3	577.0	-17.3	-24.0	-2.9%
	EMEA·LATAM	692.5	711.0	+18.5	+0.1	+2.7%
	NTT Ltd. ^{(*)2}	582.8	1,167.0	+584.2	-61.9	+100.3%
EBITA^{(*)1}		111.6 5.9%	145.0 6.0%	+33.4 +0.0P	-5.7	+30.0%
Re-post	North America	41.9 7.1%	44.0 7.6%	+2.1 +0.6P	-1.8	+5.0%
	EMEA·LATAM	29.9 4.3%	40.0 5.6%	+10.1 +1.3P	+0.0	+33.9%
	NTT Ltd. ^{(*)2}	39.8 6.8%	79.0 6.8%	+39.2 -0.1P	-3.9	+98.7%
(Ref.) New Orders Received		1,267.7	Excl. NTT Ltd. 1,341.0	+73.3	-22.7	+5.8%
Re-post	North America	468.0	547.0	+79.0	-22.8	+16.9%
	EMEA·LATAM	774.6	761.0	-13.6	+0.1	-1.8%

^{(*)1} EBITA = operating income + amortization of intangible assets subject to purchase price allocation (PPA) arising from acquisition and others. (EBITA for FYE3/2024 Forecasts includes approx. 19 billion yen for overseas business integration expenses.)

^{(*)2} The consolidation of NTT Ltd. effects for the full year FYE3/2024.

^{(*)3} Foreign exchange rate assumptions: USD130 yen, EUR 141 yen

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(Explanation omitted)

Overview of Consolidated Results

(Billions of yen, %)

	Six months ended September 30, 2022	Six months ended September 30, 2023	YoY (%)	FYE 3/2023 Results (Full Year)	FYE 3/2024 Forecasts (Full Year)
New Orders Received ⁽¹⁾	1,194.7	2,166.6	+81.4	Excl NTT Ltd. 2,725.6	Excl. NTT Ltd. 2,850.0
Order Backlog ⁽¹⁾	2,938.7	5,361.1	+82.4	4,653.9	Excl. NTT Ltd. 2,960.0
Net Sales	1,371.4	2,078.5	+51.6	3,490.2	4,100.0
Cost of Sales	1,017.6	1,519.2	+49.3	2,567.9	2,993.0
Gross Profit	353.8	559.4	+58.1	922.2	1,107.0
SG&A Expenses ⁽²⁾	245.9	437.5	+77.9	663.1	815.0
Personnel Expenses	134.9	220.3	+63.4	348.6	-
Outsourcing Expenses	48.0	85.9	+78.9	136.3	-
Other Expenses	63.0	131.3	+108.3	178.2	-
Operating Income	107.9	121.9	+12.9	259.1	292.0
Operating Income Margin(%)	7.9	5.9	-2.0P	7.4	7.1
Financial Income and Costs/Shares of Profit/Loss of Entities for Using Equity Method	2.7	-26.3	-	-16.3	-52.0
Income Before Income Taxes	110.6	95.5	-13.6	242.8	240.0
Income Taxes and Others ⁽³⁾	37.9	42.5	+12.3	92.8	96.0
Net Income Attributable to Shareholders of NTT DATA	72.8	53.0	-27.1	150.0	144.0
Capital Expenditures	88.2	252.3	+186.1	381.7	590.0
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles ⁽⁴⁾	89.5	138.1	+54.3	223.1	278.0

⁽¹⁾ New orders received includes NTT Ltd. from Q1 FYE3/2024. FYE3/2023 excludes the effect of expanded consolidation of NTT Ltd.

⁽²⁾ "SG&A Expenses" was reclassified according to nature.(reclassified from Q3 of FYE3/23)

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⁽³⁾ "Income Taxes and Others" includes "corporate income taxes" and "net income attributable to non-controlling interests."

⁽⁴⁾ The figures for FYE 3/2020 and later are calculated excluding lease depreciation expenses.

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(Explanation omitted)

Consolidated Net Sales

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

(Billions of Yen)

		Six months ended September 30, 2022	Six months ended September 30, 2023	FYE 3/2023 Results (Full Year)	FYE 3/2024 Forecasts (Full Year)
Japan		744.6	804.8	1,611.7	1,700.0
Re-post	Public & Social Infrastructure	218.8	250.4	523.1	553.0
	Central Government and Related Agencies, Local Government, and Healthcare	114.6	133.6	290.9	307.0
	Telecom and Utility	58.2	63.4	127.3	130.0
	Financial ⁽¹⁾	270.8	275.6	552.1	597.0
	Major Financial Institutions	108.6	107.4	216.8	223.0
	Regional Financial Institutions, Cooperative Financial Institutions	82.7	86.6	173.0	177.0
	Financial Infrastructure/Network Services, Insurance	71.0	72.5	144.0	150.0
	Enterprise ⁽²⁾	219.4	242.3	459.5	484.0
	Distribution, Services, and Payments	93.2	-	194.1	-
	Manufacturing and Consulting	126.2	-	265.4	-
	Manufacturing and Services	-	43.7	-	101.0
	Retail and Consumer Packaged Goods	-	53.3	-	103.0
	Consulting and Payments	-	145.3	-	280.0
Overseas	621.1	1,266.6	1,866.1	2,436.0	

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

Consulting	205.5	245.0	460.4	470.0
Integrated IT Solution	337.9	342.2	694.8	700.0
System & Software Development	323.2	345.4	717.6	730.0
Maintenance & Support	457.8	491.0	943.7	950.0
IT Infrastructure ⁽³⁾	-	275.3	278.5	505.0
Telecommunications Terminal and Network Equipment ⁽³⁾	-	317.1	299.6	650.0
Others	47.0	62.6	95.5	95.0
Net Sales by Products and Services Total	1,371.4	2,078.5	3,490.2	4,100.0

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

⁽²⁾ The Enterprise area 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

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(Explanation omitted)

Consolidated New Orders Received and Order Backlog

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

(Billions of Yen)

		Six months ended September 30, 2022	Six months ended September 30, 2023	FYE 3/2023 Results (Full Year)	FYE 3/2024 Forecasts (Full Year)
Japan		604.9	807.7	1,445.2	1,484.0
Re-post	Public & Social Infrastructure	235.3	364.8	495.7	520.0
	Central Government and Related Agencies, Local Government, and Healthcare	114.0	246.5	259.8	283.0
	Telecom and Utility	61.5	53.7	125.4	126.0
	Financial ^(*)	171.3	238.6	486.6	520.0
	Major Financial Institutions	71.9	97.0	223.7	237.0
	Regional Financial Institutions, Cooperative Financial Institutions	57.4	89.2	163.6	180.0
	Financial Infrastructure/Network Services, Insurance	34.5	42.3	82.4	83.0
	Enterprise ^(**)	169.0	173.2	404.3	390.0
	Distribution, Services, and Payments	46.9	-	127.9	-
	Manufacturing and Consulting	122.1	-	276.4	-
	Manufacturing and Services	-	35.4	-	85.0
	Retail and Consumer Packaged Goods	-	46.3	-	95.0
Consulting and Payments	-	91.5	-	210.0	
Overseas ^(***)	583.9	1,352.3	Excl. NTT Ltd. 1,267.7	Excl. NTT Ltd. 1,341.0	

Details of consolidated Order Backlog

Order Backlog		2,938.7	5,361.1	4,653.9	2,960.0
Re-post	Japan	1,557.8	1,731.5	1,627.3	1,620.0
	Public & Social Infrastructure	601.7	680.1	562.5	533.0
	Financial	791.7	855.3	858.2	839.0
	Enterprise	136.6	167.2	181.6	208.0
	Overseas ^(***)	1,376.5	3,625.2	3,022.5	Excl. NTT Ltd. 1,336.0

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

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

(**) The Enterprise area 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.

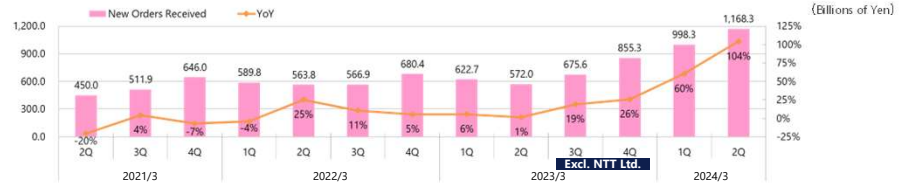
29

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(Explanation omitted)

Trends in Quarter (Consolidated)

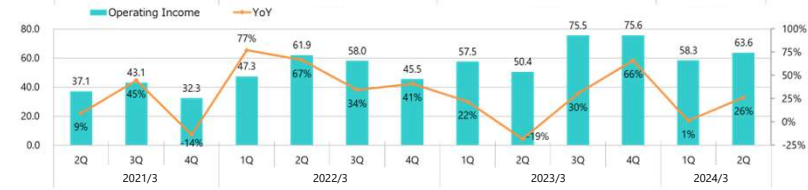
■ New Orders Received(*)



■ Net Sales



■ Operating Income



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

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(Explanation omitted)

Quarterly Consolidated Statement of Financial Position

Breakdown items are reposted information

(Billions of yen)

	As of March 31, 2023	As of September 30	Difference from the previous six-month period (amount)
Current assets	2,249.0	2,357.9	+109.0
Cash and cash equivalents	415.4	481.4	+66.0
Trade and other receivables	1,114.5	1,114.7	+0.3
Inventories	76.2	78.7	+2.4
Assets held for sale	48.7	64.2	+15.5
Non-current assets	3,909.2	4,354.4	+445.2
Property, plant and equipment	1,372.5	1,597.2	+224.7
Intangible assets	653.2	675.9	+22.7
Good will	1,133.6	1,259.3	+125.7
Deferred tax assets	225.0	251.5	+26.5
Total assets	6,158.2	6,712.4	+554.2
Current liabilities	1,804.3	1,988.8	+184.5
Trade and other payables	399.4	359.7	-39.8
Contract liabilities	417.9	450.3	+32.4
Bonds and borrowings	278.8	474.4	+195.6
Non-current liabilities	1,957.5	2,099.6	+142.1
Bonds and borrowings	1,453.0	1,557.2	+104.2
Lease liabilities	204.6	212.5	+7.9
Total liabilities	3,761.8	4,088.4	+326.6
Equity attributable to shareholders of NTT DATA	1,452.4	1,599.7	+147.3
Non-controlling interests	944.0	1,024.3	+80.3
Total equity	2,396.4	2,624.0	+227.6
Total liabilities and equity	6,158.2	6,712.4	+554.2

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(Explanation omitted)

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