

Company Presentation for the Third Quarter of  
Fiscal Year ending March 31, 2018

February 6, 2018  
NTT DATA Corporation

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

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(Description abbreviated)

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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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Thank you for being with us today.

I am going to give a presentation on the overall results for the third quarter of the fiscal year ending March 31, 2018.

1

# Results for the Third Quarter of Fiscal Year Ending March 31, 2018 (The whole company basis)

(Description abbreviated)

## Results for the third Quarter of Fiscal Year Ending March 31, 2018

- Steady progress was observed in line with the full-year forecasts due to the robust domestic businesses and the expansion of overseas businesses.
- The PMI of the former Dell Services showed steady progress.

(Billions of Yen, %)

	2017/3 3 <sup>rd</sup> .Quarter Results(Apr.-Dec.)	2018/3 3 <sup>rd</sup> .Quarter Results(Apr.-Dec.)	YoY (Amount)	YoY (Rate)	
New Orders Received	1,315.6	1,455.9	+140.3	+10.7%	➔
Net Sales	1,180.8	1,536.2	+355.3	+30.1%	➔
Operating Income w/o goodwill amortization	86.4	102.8	+16.3	+18.9%	➔
Operating Income	74.5	82.0	+7.5	+10.1%	➔
Net income attributable to owners of parent w/o goodwill amortization	56.9	56.7	-0.2	-0.4%	➔
Net income attributable to owners of parent	45.0	36.0	-9.0	-20.1%	➔

First, let me show you the overview of the group-wide consolidated results.

In summary, we have achieved steady progress in line with the full-year forecasts, led by overseas businesses that have grown steadily as well as continued strong domestic businesses.

New orders received had shown a year-on-year decrease from first to second quarter due to the large orders received during the previous fiscal year. However, they marked a year-on-year increase in the third quarter due to the increased number of new orders received by both domestic and overseas offices.

Net sales show a significant year-on-year increase due to the expanded scope of consolidation following the acquisition of the former Dell Services in the previous fiscal year, organic growth in EMEA & LATAM resulting in the overseas business expansion as well as the robust growth of domestic businesses.

Operating income shows an increase from the previous fiscal year due mainly to the increased profit associated with higher net sales at both domestic and overseas offices.

Our Post Merger Integration (PMI) of the former Dell Services has been proceeding steadily as scheduled. The year-on-year decrease of the net income attributable to owners of parent of the quarter resulted mainly from costs for PMI.

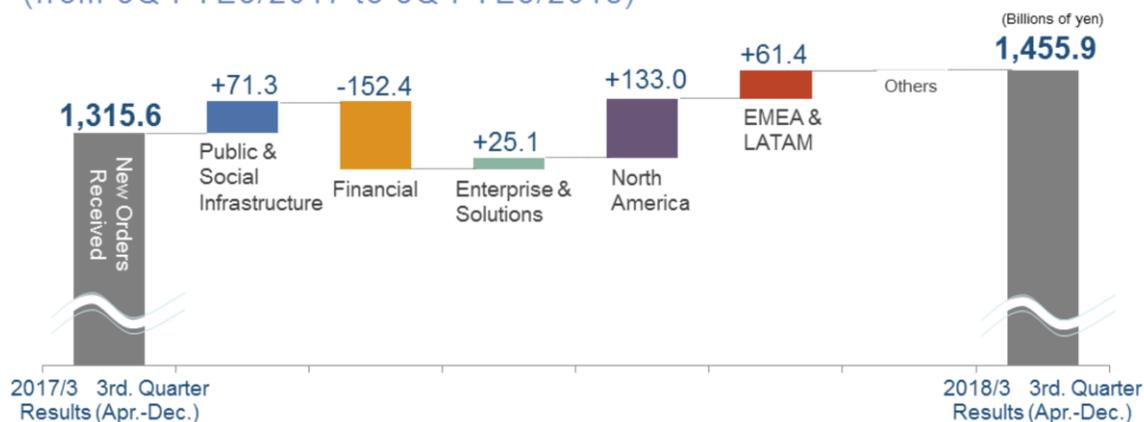
Next, I am going to show you details of the increases and decreases for each business segment.

2

## Results for the Third Quarter of Fiscal Year Ending March 31, 2018 (By Business Segment)

(Description abbreviated)

## New Orders Received: YoY Changes by Business Segment (from 3Q FYE3/2017 to 3Q FYE3/2018)



Public & Social Infrastructure	Increased due mainly to winning large-scale projects for government ministries and the telecom industry.
Financial	Decreased due mainly to a reactionary decline in large-scale projects for banks and cooperative financial institutions in the previous fiscal year.
Enterprise & Solutions	Increased due mainly to growth in the businesses for the manufacturing industry in addition to the expansion of digital-related businesses including M&A in the previous fiscal year.
North America	Increased due mainly to the expansion of businesses as a result of the acquisition of the former Dell Services and the increase in months to be consolidated associated with the unification of accounting periods of the Group companies despite a reactionary decline in large-scale projects in the previous fiscal year.
EMEA & LATAM	Increased due mainly to the increase in months to be consolidated associated with the unification of accounting periods of some Group companies, and as a result of winning more projects in Germany.

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This slide shows the year-on-year change of the new orders received.

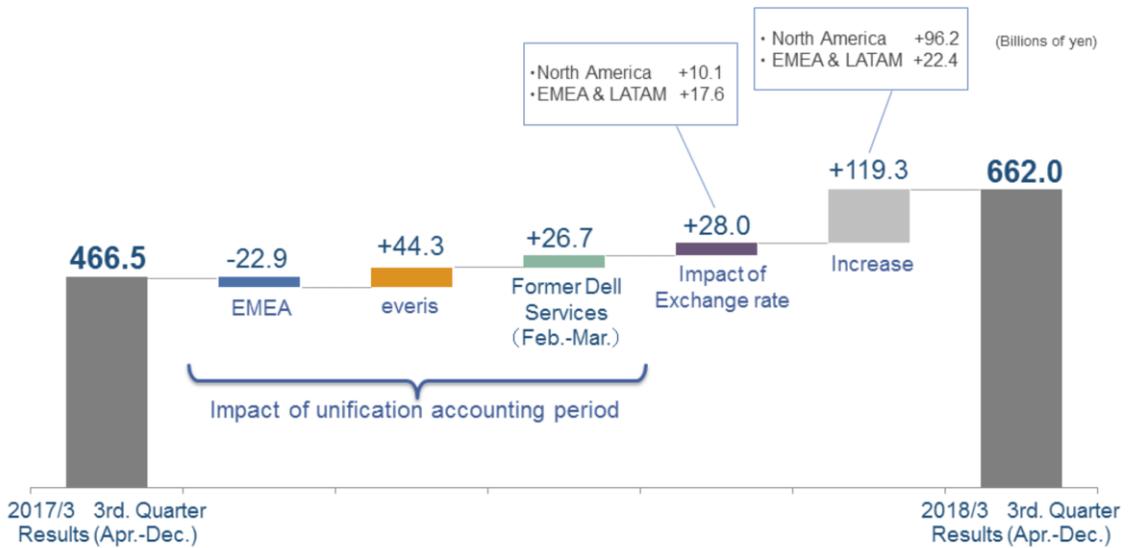
In the Financial segment, the new orders received show a significant reactionary decline due to the large orders received during the previous fiscal year and the result is what we expected. Excluding such decline, the result was robust.

For the Public & Social Infrastructure segment, the new orders received grew well due to steadily winning large-scale projects for government ministries and the telecom industry.

In the Enterprise & Solutions segment, the businesses for the manufacturing industry grew due mainly to having made NTT DATA MHI Systems Corporation, which was established in October, a consolidated subsidiary in addition to the expansion of digital-related businesses.

I will show you the results for North America and EMEA & LATAM using the next slide.

## New Orders Received: Global \* Factors of increase and decrease

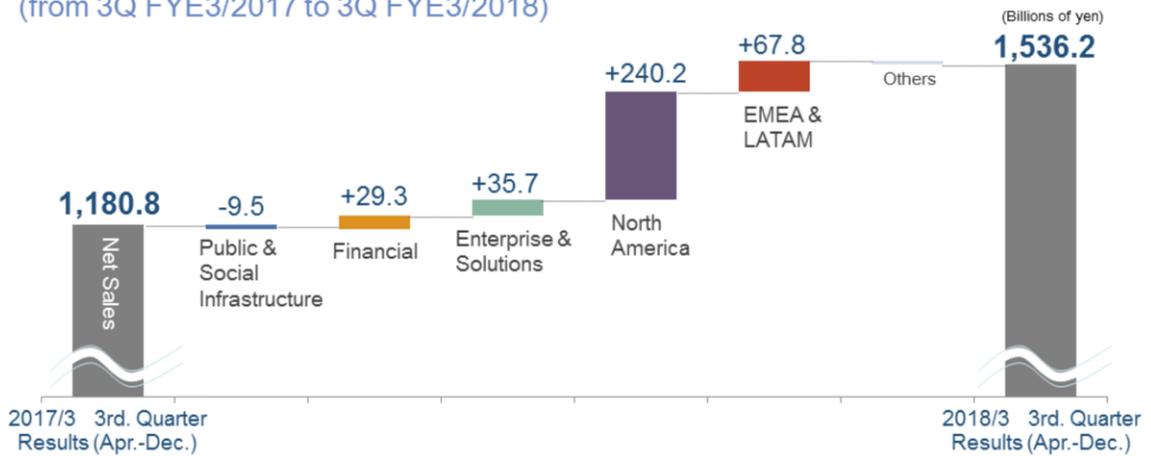


(\*) A total of North America, EMEA and Latin America, and China and APAC segments.

This slide shows you how the unification accounting period and exchange rate affected the new orders received for global businesses.

“Increase” means the increase in the new orders received without taking into account the impacts of the unification accounting period and exchange rate. In North America, the new orders received significantly increased due to the acquisition of the former Dell Services. In EMEA & LATAM, the figure grew organically due mainly to the increased new orders received in Germany.

## Net Sales: YoY Changes by Business Segment (from 3Q FYE3/2017 to 3Q FYE3/2018)



Public & Social Infrastructure	Decreased due mainly to a reactionary decline in the services for the utility industry and government ministries in the previous fiscal year.
Financial	Increased due mainly to the expansion of businesses for banks.
Enterprise & Solutions	Increased due mainly to growth in the businesses for the manufacturing industry in addition to the expansion of digital-related businesses including M&A in the previous fiscal year.
North America	Increased due mainly to the expansion of businesses as a result of the acquisition of the former Dell Services and the increase in months to be consolidated associated with the unification of accounting periods of the Group companies.
EMEA & LATAM	Increased due mainly to the increase in months to be consolidated associated with the unification of accounting periods of some Group companies, and the growth in businesses in Spain and Germany.

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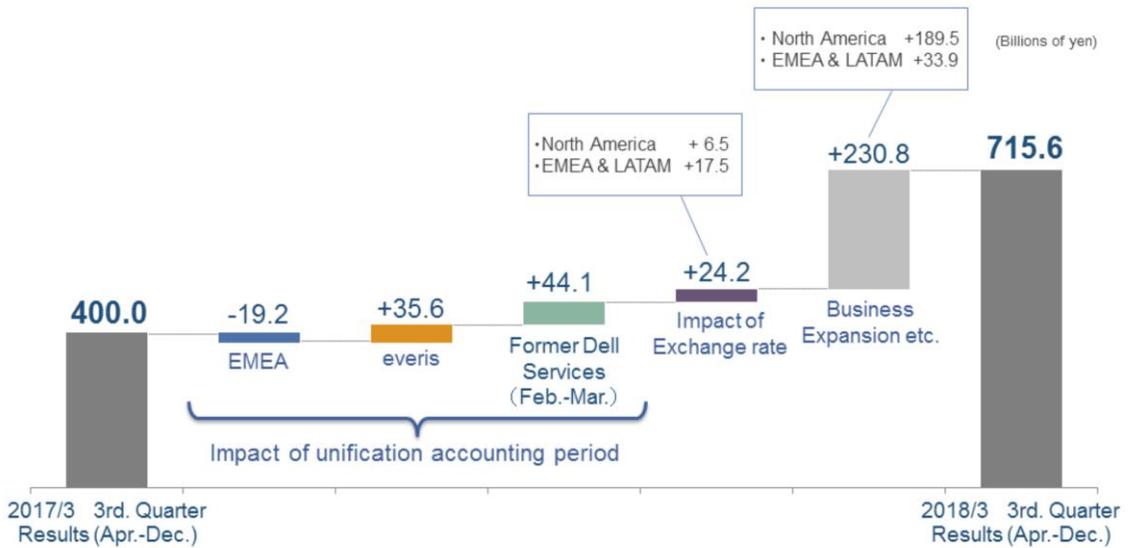
NTT DATA

Let us now look at the net sales.

For the Public & Social Infrastructure segment, the net sales decreased due mainly to a reactionary decline in the services for the utility industry and government ministries in the previous fiscal year and the result is what we expected.

For the Financial segment, the expansion of businesses for banks continued to contribute to the increase. For the Enterprise & Solutions segment, the increase resulted from the growth in the digital-related businesses and the businesses for the manufacturing industry.

## Net Sales: Global \* Factors of increase and decrease

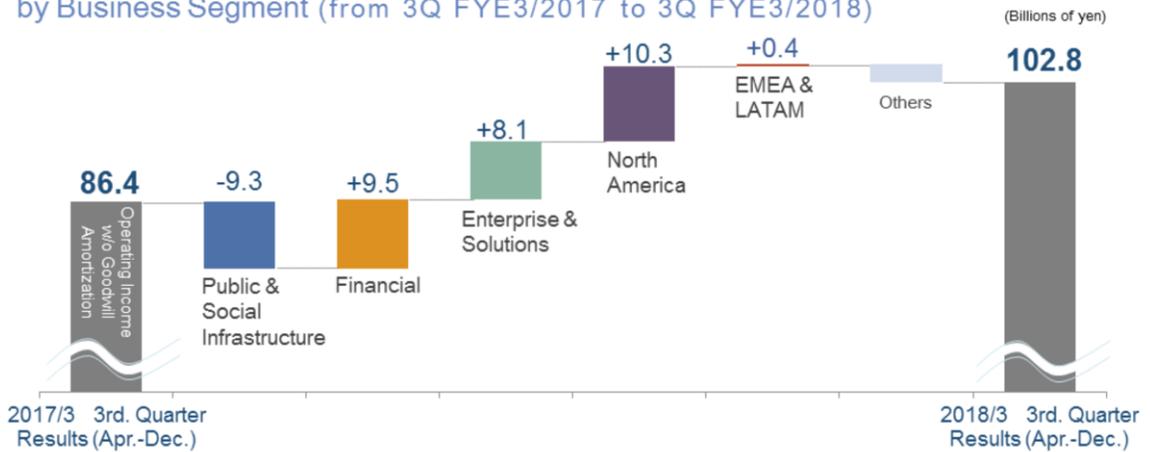


(\*) A total of North America, EMEA and Latin America, and China and APAC segments.

This slide shows you the factors of increase and decrease that had impacts on the net sales for the global businesses.

Even excluding the impacts of the unification accounting period and exchange rate, the North American businesses significantly expanded due to the acquisition of the former Dell Services and the EMEA & LATAM businesses continued to grow organically mainly in Spain and Germany.

Operating Income w/o Goodwill Amortization: YoY Changes  
by Business Segment (from 3Q FYE3/2017 to 3Q FYE3/2018)



Public & Social Infrastructure	Decreased due mainly to a decline in sales and the increase in the amount of unprofitable projects.
Financial	Increased due mainly to growth in sales and the improvement in cost of sales ratio mainly attributable to a decrease in depreciation of some systems.
Enterprise & Solutions	Increased due mainly to growth in sales.
North America	Increased due mainly to contribution by the acquisition of the former Dell Services, and the increase in months to be consolidated associated with the unification of accounting periods of the Group companies.
EMEA & LATAM	Increased due to the increase in months to be consolidated associated with the unification of accounting periods of some Group companies.

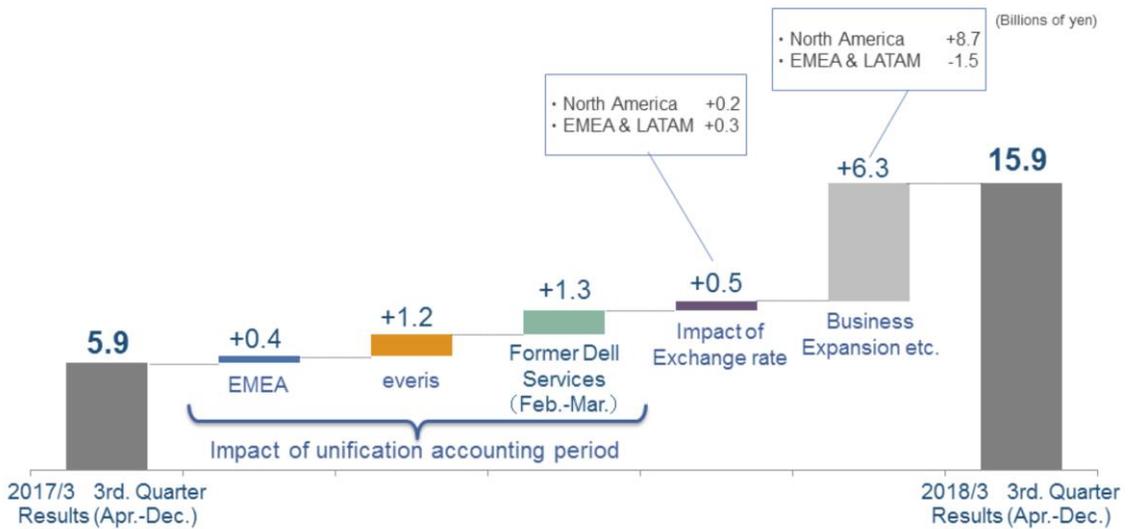
Let us now turn to the operating income without goodwill amortization.

The Public & Social Infrastructure segment shows a decrease due to a decline in sales and the increase in the amount of loss from unprofitable projects.

The total amount of loss from unprofitable projects across the company is 9.4 billion yen, which was accrued mostly in the Public & Social Infrastructure segment. We will continue to make efforts to control the risk of unprofitable projects mainly through monitoring.

The Financial and Enterprise & Solutions segments continued to mark a steady increase in the operating income due to growth in sales.

Operating Income w/o Goodwill Amortization:  
Global \* Factors of increase and decrease



(\* ) A total of North America, EMEA and Latin America, and China and APAC segments.

I will show you the factors of increase and decrease that had impacts on the operating income without goodwill amortization for the global businesses, too.

In North America, even excluding the impacts of the unification accounting period and exchange rate, the operating income without goodwill amortization increased due mainly to the acquisition of the former Dell Services.

The figure for EMEA & LATAM, however, shows a minor decrease in terms of organic growth due mainly to recruiting costs following expanded businesses and selling expenses spent to win large-scale contracts.

## Public & Social Infrastructure (from 3Q FYE3/2017 to 3Q FYE3/2018)

(Billions of Yen, %)

	2017/3 Results	3rd. Quarter (Apr.-Dec.)	2018/3 Results	3rd. Quarter (Apr.-Dec.)	YoY (Amount)	YoY (Rate)	
New Orders Received	245.7		317.1		+71.3	+29.0%	
Net Sales	296.3		286.7		-9.5	-3.2%	
Operating Income	26.5		17.1		-9.3	-35.3%	
Segment Profit(*)	26.8		17.5		-9.2	-34.5%	

(\*)Segment Profit is income before income taxes

**New orders received** Increased due mainly to winning large-scale projects for government ministries and the telecom industry.

**Net sales** Decreased due mainly to a reactionary decline in the services for the utility industry and government ministries in the previous fiscal year.

**Operating income** Decreased due mainly to a decline in sales and the increase in the amount of unprofitable projects.

I will skip the following pages because the information shown in these pages is a recompilation of information we previously reviewed by segment. However, I would like to provide some supplemental remarks.

## Financial (from 3Q FYE3/2017 to 3Q FYE3/2018)

(Billions of Yen, %)

	2017/3 Results	3rd. Quarter (Apr.-Dec.)	2018/3 Results	3rd. Quarter (Apr.-Dec.)	YoY (Amount)	YoY (Rate)	
New Orders Received	415.4		263.0		-152.4	-36.7%	
Net Sales	370.7		400.0		+29.3	+7.9%	
Operating Income	27.8		37.4		+9.6	+34.6%	
Segment Profit(*)	28.3		38.0		+9.7	+34.5%	

(\*)Segment Profit is income before income taxes

<b>New orders received</b>	Decreased due mainly to a reactionary decline in large-scale projects for banks and cooperative financial institutions in the previous fiscal year.
<b>Net sales</b>	Increased due mainly to the expansion of businesses for banks.
<b>Operating income</b>	Increased due mainly to growth in sales and the improvement in cost of sales ratio mainly attributable to a decrease in depreciation of some systems.

(Description abbreviated)

## Enterprise & Solutions (from 3Q FYE3/2017 to 3Q FYE3/2018)

(Billions of Yen,%)

	2017/3 Results	3rd. Quarter (Apr.-Dec.)	2018/3 Results	3rd. Quarter (Apr.-Dec.)	YoY (Amount)	YoY (Rate)	
New Orders Received		181.5		206.6	+25.1	+13.8%	
Net Sales		304.0		339.7	+35.7	+11.8%	
Operating Income		25.2		33.3	+8.0	+32.0%	
Segment Profit(*)		41.1		34.6	-6.4	-15.8%	

(\*)Segment Profit is income before income taxes

<b>New orders received</b>	Increased due mainly to growth in the businesses for the manufacturing industry in addition to the expansion of digital-related businesses including M&A in the previous fiscal year.
<b>Net sales</b>	Increased due mainly to growth in the businesses for the manufacturing industry in addition to the expansion of digital-related businesses including M&A in the previous fiscal year.
<b>Operating income</b>	Increased due mainly to growth in sales.
<b>Segment Profit</b>	Decreased due to the impact of gains on sale of investment securities in the previous fiscal year despite an increase in operating income.

The segment profit of the Enterprise & Solutions segment shows a year-on-year decrease by 6.4 billion yen due to the impact of gains on the sale of investment securities in the previous fiscal year.

## North America (from 3Q FYE3/2017 to 3Q FYE3/2018)

(Billions of Yen,%)

	2017/3 Results (Apr.-Dec.)	3rd. Quarter Results (Apr.-Dec.)	2018/3 Results (Apr.-Dec.)	3rd. Quarter Results (Apr.-Dec.)	YoY (Amount)	YoY (Rate)	
New Orders Received		201.7		334.8	+133.0	+66.0%	➔
Net Sales		130.2		370.4	+240.2	+184.4%	➔
EBITA <sup>(*)1</sup>		6.9 (5.4% <sup>(*)3</sup> )		21.3 (5.8% <sup>(*)3</sup> )	+14.3	+205.1%	➔
Operating Income w/o goodwill amortization		2.6		12.9	+10.3	+385.1%	➔
Operating Income		-2.7		-1.6	+1.0	+38.7%	➔
Segment Profit <sup>(*)2</sup>		-6.3		-15.9	-9.5	-150.0%	➔

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

(\*)2 Segment profit indicates Earnings before income taxes

(\*)3 EBITA margin (EBITA to net sales ratio)

New orders received	Increased due mainly to the expansion of businesses as a result of the acquisition of the former Dell Services and the increase in months to be consolidated associated with the unification of accounting periods of the Group companies despite a reactionary decline in large-scale projects in the previous fiscal year.
Net sales	Increased due mainly to the expansion of businesses as a result of the acquisition of the former Dell Services and the increase in months to be consolidated associated with the unification of accounting periods of the Group companies.
EBITA	Increased due mainly to contribution by the acquisition of the former Dell Services, and the increase in months to be consolidated associated with the unification of accounting periods of the Group companies.
Segment Profit	Decreased due to the impact of loss on restructuring subsidiaries and affiliates arising from the acquisition of the former Dell Services.

The segment profit in North America decreased by 9.5 billion yen from the previous fiscal year due mainly to PMI costs related to the acquisition of the former Dell Services as I explained at the beginning.

## EMEA & LATAM (from 3Q FYE3/2017 to 3Q FYE3/2018)

(Billions of Yen,%)

	2017/3 Results (Apr.-Dec.)	3rd. Quarter (Apr.-Dec.)	2018/3 Results (Apr.-Dec.)	3rd. Quarter (Apr.-Dec.)	YoY (Amount)	YoY (Rate)	
New Orders Received	254.6		316.1		+61.4	+24.1%	➔
Net Sales	249.4		317.3		+67.8	+27.2%	➔
EBITA <sup>(*)1</sup>	8.0	(3.2% <sup>(*)3</sup> )	10.2	(3.2% <sup>(*)3</sup> )	+2.1	+26.8%	➔
Operating Income w/o goodwill amortization	3.5		4.0		+0.4	+14.0%	➔
Operating Income	-2.7		-1.6		+1.0	+38.3%	➔
Segment Profit <sup>(*)2</sup>	-16.8		-3.3		+13.4	+80.2%	➔

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

(\*)2 Segment profit indicates Earnings bf income taxes

(\*)3 EBITA margin (EBITA to net sales ratio)

New orders received	Increased due mainly to the increase in months to be consolidated associated with the unification of accounting periods of some Group companies, and as a result of winning more projects in Germany.
Net sales	Increased due mainly to the increase in months to be consolidated associated with the unification of accounting periods of some Group companies, and the growth in businesses in Spain and Germany.
EBITA	Increased due to the increase in months to be consolidated associated with the unification of accounting periods of some Group companies.
Segment Profit	Increased due to the impact of acquisition expenses in the previous fiscal year.

The segment profit in EMEA & LATAM shows a year-on-year increase by 13.4 billion yen due to the impact of acquisition expenses for everis in the previous fiscal year.

## Forecasts of consolidated financial results for Fiscal Year Ending March 31, 2018

(Billions of Yen,%)

	2017/3 Results ①	2018/3 Forecasts ②	YoY ②-①
New Orders Received	1,781.5	1,940.0	+158.4 +8.9%
Net Sales	1,732.4	2,060.0	+327.5 +18.9%
Operating Income w/o goodwill amortization	134.3	146.0	+11.6 +8.7%
Operating Income	117.1	120.0	+2.8 +2.5%
Net income attributable to owners of parent w/o goodwill amortization	82.9	85.0	+2.0 +2.5%
Net income attributable to owners of parent	65.6	59.0	-6.6 -10.2%

This slide shows the full-year forecasts of consolidated financial results. No change was made to the already-published forecasts.

While there were some minor differences in the progress between segments, the overall results have been positive. Therefore, we hold the forecasts unchanged as there are uncertainties including a change of timing of receiving new orders and exchange rate fluctuations although the actual performance, particularly in the new orders received and the net sales, may be better than expected.

We will manage businesses to raise our performance further.

Please see the appendices that include business topics and numerical information.

That wraps up my presentation for today. Thank you for your kind attention.

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## Appendices -Business topics-

(Description abbreviated)

## Principal Measures Taken in Fiscal Year Ending March 31, 2018(1/5)

Public & Social Infrastructure	1	<p><b>Commenced the provision of services of the sixth NACCS and the fourth CIS</b></p> <p>In October 2017, NTT DATA provided the services of "the sixth NACCS," an online processing system shared between public and private sectors that processes customs clearance and ports-related procedures, and "the fourth CIS," a customs system. With "the sixth NACCS", the largest upgrade of NACCS ever, we succeeded in improving the stability and reliability of the system, enabled it to respond to institutional changes, and enhanced functions and convenience of the public and private sectors' comprehensive logistics information platform. For "the fourth CIS," we achieved optimization through the enhancement of functions designed to facilitate trading and intensify crackdown on crimes at borders, and integration of system platforms. We will continue to place top priority on stable operations and make efforts to improve services for users by improving convenience of the systems.</p>
	2	<p><b>Efforts for a society with self-driving cars</b></p> <p>In October 2017, NTT DATA conducted the first ever demonstration of automated driving on a public road in the center of Sapporo City in cooperation with No Maps <sup>(Note 1)</sup>, Sapporo City, Nippon Telegraph and Telephone Corporation (NTT) and National University Corporation Gunma University. Since November 2017, we have also been participating in the demonstration experiment of autonomous driving of regular bus services in Maebashi city, Gunma prefecture, to provide a system that controls self-driving buses and to verify the technology and business feasibility of giving instructions for operation and implementing emergency responses when trouble occurs. It would be the first successful case in Japan, if we realize an autonomous driving service on a bus line while collecting fares. We will continue to study on highly-convenient, safe and secure services and functions required for societies with self-driving cars and aim to build and provide new public transportation services most suitable for the actual conditions of local governments.</p>
	3	<p><b>ECONO-CREA won the "Minister of Internal Affairs and Communications Award" and the "Grand Prize in the ASP/SaaS Category" in the 11th ASPIC IoT/Cloud Award 2017</b></p> <p>In November 2017, ECONO-CREA, a cloud service provided by NTT DATA for electric power providers, won the "Minister of Internal Affairs and Communications Award" <sup>(Note 3)</sup> and the "Grand Prize in the ASP/SaaS Category" in the 11th ASPIC IoT/Cloud Award <sup>(Note 2)</sup> 2017 that is managed by the specified non-profit organization, ASP-SaaS-IoT Cloud Consortium (ASPIC). This great honor reflects "ECONO-CREA's" ability to provide a one-stop solution for customer management, demand-and-supply management, portal functions, business-intelligence, and data-warehouse functions, which are necessary for electric power businesses, and the fact that it is a service platform that will contribute in creating services as an intermediary between various industries in the future. We will continue to expand the service menu in a step-by-step fashion depending on the electric power providers' value chain and needs, and will try new things, including creating new services and support businesses for the electricity industry and our clients in the industry.</p>

(Note 1) No Maps:

An organization that runs convention, exhibition, entertainment, exchange, and experiment businesses under the name "Sapporo Creative Convention." The organization is operated by the executive committee, in which leading private companies, public sectors, and universities in Hokkaido participate as committee members and advisors.

(Note 2) ASPIC IoT/Cloud Award:

"ASPIC IoT/Cloud Award" is an event to honor excellent and socially valuable IoT/Cloud services in Japan and support IoT/Cloud service providers and users in expanding their businesses for the purpose of growing and establishing cloud services as social information infrastructure.

(Note 3) Minister of Internal Affairs and Communications Award:

An award that is given to the top-ranked service among services winning the grand prize in each category.

(Description abbreviated)

## Principal Measures Taken in Fiscal Year Ending March 31, 2018(2/5)

Financial

### 1 Commenced the provision of the Shinkin industry's first smartphone application with banking functions to 9 Shinkin banks

In October 2017, NTT DATA commenced the provision of "Appli Banking," a smartphone application with banking functions for nationwide Shinkin banks using Shinkin's shared system for the first nine users: Johoku Shinkin Bank, The Tama Shinkin Bank, Hamamatsu Shinkin Bank, The Mishima Shinkin Bank, Seto Shinkin Bank, The Toyota Shinkin Bank, The Hekikal Shinkin Bank, The Nishio Shinkin Bank, and Fukuoka Hibiki Shinkin Bank. Shinkin bank customers using this service can check their account balance and transaction details on a real-time basis without subscribing to an Internet banking service, and can receive information such as changes in their account balance, as well as useful campaign closely related to daily life. A Shinkin bank can enhance touchpoints with its customers like sending them helpful information at an effective timing. We will continue to support Shinkin Banks' efforts to strengthen ties with their customers by expanding services to help them live a comfortable life.

### 2 Commenced a demonstration experiment on linking the trade data sharing platform using blockchain technology with Singapore's trade platform

In November 2017, NTT DATA and The Bank of Tokyo-Mitsubishi UFJ, Ltd. agreed on a start of a demonstration experiment with a view to linking NTT DATA's "trade data sharing platform using blockchain technology" (Note 4) with Singapore's National Trade Platform (Note 5) (hereinafter referred to as NTP) with NTP Project Office, an organization promoting NTP. We will identify issues and seek for solutions to make electronic exchange of trade documents for cross-border trading between Japan and Singapore more secure, efficient, and transparent through this experiment and seek to contribute to the facilitation of domestic and international trade for the entire trade industry, not only in Japan, but also in Asia.

(Note 4) Trade data sharing platform using blockchain technology:

A trade data sharing platform used to examine solutions for issues across companies and business categories that is examined by the "Consortium to develop trade data sharing platform using blockchain technology" that was launched in August 2017 by NTT DATA as the secretariat and 13 major companies from various sectors involved in trade-related business, including banking, insurance, integrated logistics, and import and export.

(Note 5) National Trade Platform:

This is a one-stop trade information ecosystem that enables companies and the Singapore government to share and reuse digital data of trade transactions between them. Digitalization of paper documents and trade/supply chain data will improve productivity and minimize risks of frauds inherent in operations assuming paper exchange.

(Description abbreviated)

## Principal Measures Taken in Fiscal Year Ending March 31, 2018(3/5)

Enterprise & Solutions

1

### The Tokyu group's development of a shared accounting system on a cloud platform using "Bizj<sup>®</sup>"

The NTT DATA group built the ERP-packaged software "Bizj<sup>®</sup>," which is distributed by a subsidiary NTT DATA Biz Integral Corporation, on a cloud platform for a shared accounting system of the Tokyu group, with Tokyu Corporation as the core company. In November 2017, six Tokyu group companies, including Tokyu Department Store Co., Ltd., started to use it on a full scale. While capitalizing on its strength of serving various business types and categories, the Tokyu group will be able to optimize business allocation across the group of companies and standardize their accounting operations by adopting a common accounting system utilizing "Bizj<sup>®</sup>." They will improve the efficiency and sophistication of operations and increase management control quality by leveraging ICT such as RPA (Robotic Process Automation). Our group will continue to support the Tokyu group as they introduce and incorporate the shared accounting system to 121 group companies<sup>(\*)</sup> by FY2020.

(\*) As of the end of September 2017, the subject companies to which the shared accounting system would be introduced were Tokyu Corporation and its consolidated subsidiaries, except for certain subsidiaries. The list of subject companies may be added to or changed.

2

### Developed a long-term partnership with the Mitsubishi Heavy Industries group

NTT DATA developed a partnership with Mitsubishi Heavy Industries, Ltd. and jointly established NTT DATA MHI Systems Corporation in October 2017. By utilizing the technological and organizational capabilities of the NTT DATA group, which has achieved a great deal in network services and system integration businesses, we will be able to more promptly and efficiently advance IT services such as IT infrastructure building, operation, and maintenance, and business applications development, as well as enhance the ability to address global issues for the Mitsubishi Heavy Industries group. Besides, NTT DATA and Mitsubishi Heavy Industries Aero Engines, Ltd. conducted demonstration experiments on solutions to detect non-conforming products early and improve processes of manufacturing aero-engine blades from 2016 to 2017 by using "AICYCLE,"<sup>(Note 6)</sup> a framework that automates analysis operations at companies by utilizing AI. As the experiments showed, effects included reduction of the occurrence possibility of non-conforming products by 47%. Mitsubishi Heavy Industries Aero Engines, Ltd. will work with us and examine the application of "AICYCLE" to more areas in order to advance supply chain management and realize a smart factory by leveraging IoT and AI. Through a long-term partnership with the Mitsubishi Heavy Industries group, we will aim to contribute to its efforts toward the advancement, digitalization, and globalization of IT services.

(Note 6) AICYCLE:

A technology to maintain the prediction accuracy (quality of a prediction model) by automatically evaluating and updating the "prediction model," which is a judgment logic used by AI for prediction, using various business-related data, results of AI prediction and actual results (whether predictions and actual results matched or not).

(Description abbreviated)

## Principal Measures Taken in Fiscal Year Ending March 31, 2018(4/5)

North America	1	<p><b>Announcement of the new Unified Clinical Analytics and Management Platform based on AI and analytics in the healthcare segment</b></p> <p>Our U.S. subsidiary, NTT DATA Services, announced the new Unified Clinical Analytics and Management Platform based on AI and analytics in November 2017. The platform is designed to integrate imaging analytics in the workflows of clinical teams and radiologists to meet the new standards of “value-based care” requirements for achievement of both goals of having a good therapeutic outcome (value for a patient) and reducing costs. Specifically, the platform has various functions, including the one to add an annotation as a care guideline to a medical image stored in the digital image storage and communication system. Through the development and provision of solutions such as this, we will continue to support our clients, like medical organizations, in providing medical services of a higher quality.</p>
EMEA & LATAM	1	<p><b>Opened hub offices to promote innovation and digital transformation in Germany and Chile</b></p> <p>NTT DATA and its subsidiary, NTT DATA EMEA Ltd., opened the Innovation Lab “Ensō” in Munich, Germany in October 2017. The lab will investigate the potential for local applications of research and development outcomes and facilitate open innovation activities across EMEA, working with leading business partners, as well as managing best practices among all of the innovation teams within the NTT DATA group of companies. Furthermore, the lab will work very closely with NTT DATA’s other regional research and development teams in Madrid, Spain, and Cosenza, Italy, as well as research centers in Japan and Silicon Valley, U.S.A., and play the role of a co-working place where we can try out new technologies with clients and business partners in an innovative manner.</p> <p>NTT DATA’s subsidiary, everis Group in Spain, opened the Industrialization and Digitization Competency Center (hereinafter referred to as CCI&amp;D) in Chile in November 2017. CCI&amp;D will support clients in digital transformation by organizing the reference model of capability maturity levels for continuous provision of services, including CMMI <sup>(Note 7)</sup> and utilizing the technological platform. Furthermore, we will work very closely with the Quality and Testing Competence Center in Brazil, which has the same functions as CCI&amp;D, to play a core role in the Latin American ecosystem.</p>
	2	<p><b>Commenced the provision of the first VMS product that includes the biometrics technology</b></p> <p>NTT DATA’s subsidiary, everis Group in Spain (hereinafter referred to as everis) and Mirasys Ltd. in Finland (hereinafter referred to as Mirasys), one of the key providers of Video Management Software (VMS), commenced the provision of the first VMS product that includes the biometrics technology developed by everis Aerospace, Defense, and Security group. Thanks to the use of high-performance GPU technology <sup>(Note 8)</sup>, the system works promptly and accurately for facial recognition, even in situations in which a face is not clearly registered due to partial screening, lighting, glasses, beard, etc. By combining everis technologies like this and Mirasys’s know-how in the VMS area, we will provide highly reliable and advanced security solutions.</p>

(Note 7) CMMI (Capability Maturity Model Integration):

An indicator to evaluate the maturity level of a software development process, which is widely used as an international standard model for the development process.

(Note 8) GPU (Graphics Processing Unit):

An arithmetic unit specializing in real-time image processing.

(Description abbreviated)

## Principal Measures Taken in Fiscal Year Ending March 31, 2018(5/5)

Technology and Innovation General Headquarters

1	<p><b>Commenced collaboration with Red Hat, Inc. and EMC Japan Corporation for the purpose of promoting digitalization of existing IT assets</b></p> <p>NTT DATA commenced collaboration with Red Hat, Inc. and EMC Japan Corporation and started to provide a platform to encourage digitalization of existing IT assets for companies in October 2017. The purpose of this initiative is to enable a system development with high speed and in easy-to-migrate environment, while securing high reliability and performance, etc., and to contribute to digitalization of existing IT assets. With a cloud platform whose performance was fully verified based on Integrated Development Cloud used by NTT DATA group companies and OpenCanvas, a cloud service for financial institutions, our clients will be able to migrate their existing IT assets to the cloud platform safely in a short time. In addition, the development of a structure in which the three companies collaborate in providing the platform will promote smooth and secure system implementation and allow us to provide total client support, from system development to maintenance.</p>
2	<p><b>Closed a business partnership agreement with Pivotal Japan K.K.</b></p> <p>In November 2017, NTT DATA closed a business partner agreement with Pivotal Japan K.K. (hereinafter referred to as Pivotal). Under this agreement, the NTT DATA group will foster about 1,000 cloud-native technical persons <sup>(Note 9)</sup> by using fostering programs, including Pivotal's Platform Acceleration Lab, and enhance sales to external parties of "Altemista Cloud" <sup>(Note 10)</sup>, NTT DATA's cloud-based open service development platform utilizing Pivotal's "Pivotal Cloud Foundry." These initiatives will ease the administrative work for system development and operation, and support companies in accelerating the creation of a new service and continuously improving such service.</p>
3	<p><b>Joined "Enterprise Ethereum Alliance," an organization for blockchain technology</b></p> <p>In order to utilize blockchain technology in the enterprise segment involving companies and public organizations, we will be required to control accesses for the improvement of security of business data and securing scalability, not to disclose all information on a network like BitCoin. To meet these needs, NTT DATA joined "Enterprise Ethereum Alliance," an organization studying the utilization of Ethereum <sup>(Note 11)</sup> in the enterprise segment in October 2017. Through this move, we will promote business examinations with many Japanese and overseas clients who study the utilization of Ethereum, and contribute to the development and standardization of a blockchain platform that can be applied to a highly reliable system based on our many years of knowledge and experience in building and operating core systems.</p>
4	<p><b>Commenced a demonstration experiment on AI-based analysis of English speaking levels</b></p> <p>NTT DATA commenced a demonstration experiment on a new English conversation learning method based on the analysis of English speaking levels with GABA Corporation in December 2017. The purpose of the experiment was to determine whether the company could propose learning methods and materials appropriate to a student's level with greater accuracy by analyzing conversation between a student and an instructor during a lesson through a voice recognition engine using the voice analysis technology of "corevo," the NTT group's AI-based technology, mechanically identifying the individual's vocabulary skills, which is difficult to quantitatively measure, with AI, and providing the feedback to the student. After FY2018, we plan to link the results of the demonstration experiment with the existing services to build a mechanism that can be used for preparing and reviewing a lesson, as well as during a lesson, and will work with GABA for examination of a new service and a demonstration experiment to contribute to the improvement of English learners' skills.</p>

(Note 9) Cloud-native technical person:

A developer of an application that can utilize advantages of a cloud platform and an infrastructure technical person who builds and operates the cloud platform.

(Note 10) Altemista Cloud:

This is a cloud-based open service development platform that collectively supports the next generation ecosystem. It collectively supports a service lifecycle and speeds up service development.

(Note 11) Ethereum:

A platform for distributed applications using blockchain technology that has been developed under an open source project since 2013.

(Description abbreviated)

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## Appendices -Explanatory details of financial results and forecasts-

(Description abbreviated)

## Overview of Consolidated Earnings and New Orders Received

(Billions of Yen, %)

	2017/3 3rd. Quarter Results (Apr.-Dec.)	2018/3 3rd. Quarter Results (Apr.-Dec.)	YoY ( % )	FY ending 2018/3 Full-Year Forecasts
New Orders Received	1,315.6	1,455.9	+10.7	1,940.0
Orders on Hand	2,507.5	2,395.1	-4.5	2,372.0
Net Sales	1,180.8	1,536.2	+30.1	2,060.0
Cost of Sales	874.9	1,156.0	+32.1	1,548.0
Gross Profit	305.8	380.2	+24.3	512.0
SG&A Expenses	231.3	298.2	+28.9	392.0
Selling Expenses	104.5	129.2	+23.7	196.0
R&D Expenses	8.3	9.6	+15.7	17.0
Other Administrative Expenses	118.4	159.2	+34.4	179.0
Operating Income	74.5	82.0	+10.1	120.0
Operating Income Margin(%)	6.3	5.3	-1.0P	5.8
Ordinary Income	73.1	80.0	+9.5	116.0
Extraordinary Income and Loss	-1.7	-13.8	-713.7	-15.0
Income before Income Taxes	71.4	66.1	-7.4	101.0
Income Taxes and Others	26.3	30.1	+14.3	42.0
Net income attributable to owners of parent	45.0	36.0	-20.1	59.0
Capital Expenditures	105.6	143.9	+36.3	192.0
Depreciation and Amortization/Loss on Disposal of Property and Equipment and Intangibles	112.5	121.3	+7.8	172.0

Note : Income Taxes and Others include Income, Residential and Enterprise Taxes, Adjustment to Income Taxes and Net income attributable to non-controlling interests.

(Description abbreviated)

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

(Billions of Yen)

	2017/3 3rd. Quarter Results (Apr.-Dec.)	2018/3 3rd. Quarter Results (Apr.-Dec.)	FY ending 2018/3 Full-Year Forecasts
Public & Social Infrastructure	244.3	233.5	370.0
Financial	329.8	355.6	479.0
Enterprise & Solutions	216.7	240.9	313.0
North America	126.8	366.7	509.0
EMEA & LATAM	247.4	314.7	360.0

(Description abbreviated)

## Consolidated New Orders Received and Orders On Hand

(Billions of Yen)

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

	2017/3 3rd. Quarter Results (Apr.-Dec.)	2018/3 3rd. Quarter Results (Apr.-Dec.)	FY ending 2018/3 Full-Year Forecasts
<b>Public &amp; Social Infrastructure</b>			
(Main item) Central government and related agencies, Local Government, and Healthcare	122.6	170.9	187.0
Telecom and Utility	66.7	85.1	95.0
<b>Financial</b>			
(Main item) Banks, Insurance, Security, Credit Corporations and Financial Infrastructure	254.8	180.6	280.0
Cooperative financial institutions and Financial Network Services	145.4	72.1	82.0
<b>Enterprise &amp; Solutions</b>			
(Main item) Retail, Logistics, Payment and Other Service	53.8	57.6	70.0
Manufacturing	90.2	103.6	121.0
Network Services, Data Center Services, Cloud Services and Digital Services	32.3	39.8	56.0
North America	201.7	334.8	556.0
EMEA & LATAM	254.6	316.1	366.0

### Detail of Consolidated Orders On Hand

Orders on Hand	2,507.5	2,395.1	2,372.0
Public & Social Infrastructure	425.0	412.7	334.0
Financial	901.1	769.5	732.0
Enterprise & Solutions	100.5	111.8	85.0
North America	857.0	824.1	971.0
EMEA & LATAM	219.5	268.4	246.0

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

(Description abbreviated)

## Consolidated Net Sales

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

(Billions of Yen)

	2017/3 3rd. Quarter Results (Apr.-Dec.)	2018/3 3rd. Quarter Results (Apr.-Dec.)	FY ending 2018/3 Full-Year Forecasts
<b>Public &amp; Social Infrastructure</b>			
(Main item) Central government and related agencies, Local Government, and Healthcare	137.2	133.3	206.0
Telecom and Utility	62.8	54.3	86.0
<b>Financial</b>			
(Main item) Banks, Insurance, Security, Credit Corporations and Financial Infrastructure	235.6	258.0	341.0
Cooperative financial institutions and Financial Network Services	87.0	90.9	121.0
<b>Enterprise &amp; Solutions</b>			
(Main item) Retail, Logistics, Payment and Other Service	79.6	81.6	109.0
Manufacturing	82.5	93.9	119.0
Network Services, Data Center Services, Cloud Services and Digital Services	48.9	59.4	75.0
North America	126.8	366.7	509.0
EMEA & LATAM	247.4	314.7	360.0

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

Integrated IT Solution	352.6	509.2	659.0
System & Software Development	304.4	332.4	485.0
Consulting & Support	481.1	641.3	857.0
Others	42.6	53.2	59.0
Net Sales by Products and Services Total (to Clients Outside the NTT DATA Group)	1,180.8	1,536.2	2,060.0

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

(Description abbreviated)

## Non-Consolidated Earnings and New Orders Received

(Billions of Yen,%)

	2017/3 3rd. Quarter Results (Apr.-Dec.)	2018/3 3rd. Quarter Results (Apr.-Dec.)	FY ending 2018/3 Full-Year Forecasts
New Orders Received	627.8	564.1	700.0
Orders on Hand	1,277.3	1,176.9	1,075.0
Net Sales	607.7	626.0	865.0
Cost of Sales	454.7	467.6	650.0
Gross Profit	153.0	158.4	215.0
SG&A Expenses	88.6	97.7	133.0
Selling Expenses	40.9	45.6	61.0
R&D Expenses	6.8	8.4	13.0
Other Administrative Expenses	40.7	43.6	59.0
Operating Income	64.4	60.6	82.0
Operating Income Margin(%)	10.6	9.7	9.5
Ordinary Income	70.6	68.3	84.0
Extraordinary Income and Loss	15.0	-	-
Income before Income Taxes	85.7	68.3	84.0
Income Taxes and Others	24.7	18.9	24.0
Net Income	60.9	49.3	60.0
Capital Expenditures	84.0	109.7	146.0
Depreciation and Amortization /Loss on Disposal of Property and Equipment and Intangibles	90.6	85.2	119.0

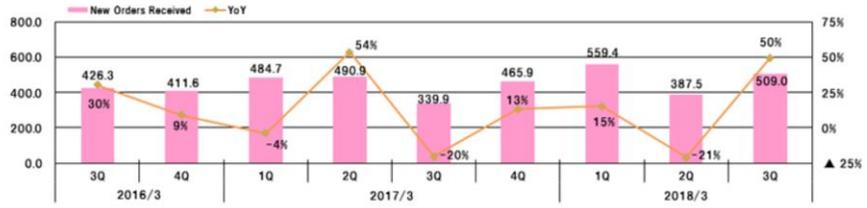
Note : Income Taxes and Others include Income, Residential and Enterprise Taxes, Adjustment to Income Taxes.

(Description abbreviated)

# Trends in Quarter (Consolidated)

(Billions of Yen,%)

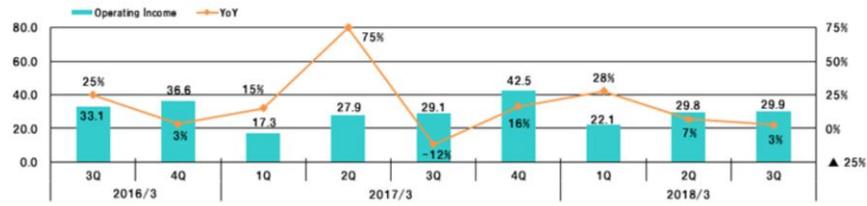
## ■ New Orders Received



## ■ Net Sales



## ■ Operating Income



(Description abbreviated)

## Global <sup>(\*)</sup> (from 3Q FYE3/2017 to 3Q FYE3/2018)

(Billions of Yen,%)

	2017/3 3rd. Quarter Results (Apr.-Dec.)	2018/3 3rd. Quarter Results (Apr.-Dec.)	YoY (Amount)	YoY (Rate)	
<b>New Orders Received</b>	466.5	662.0	+195.5	+41.9%	
<b>Net Sales</b>	400.0	715.6	+315.5	+78.9%	
<b>EBITA<sup>(*)</sup></b>	15.5 (3.9% <sup>(*)</sup> )	31.5 (4.4% <sup>(*)</sup> )	+16.0	+103.1%	
Operating Income w/o goodwill amortization	5.9	15.9	+9.9	+166.6%	
<b>Operating Income</b>	-5.8	-4.6	+1.1	+20.1%	
<b>Segment Profit<sup>(*)</sup></b>	-23.1	-20.4	+2.6	+11.3%	

(\*) A total of North America, EMEA and Latin America, and China and APAC segments.

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

(\*) Segment profit indicates Earnings b/f income taxes

(\*) EBITA margin (EBITA to net sales ratio)

(Description abbreviated)

## Global <sup>(\*)</sup> Profit Adjustment

(Billions of Yen,%)

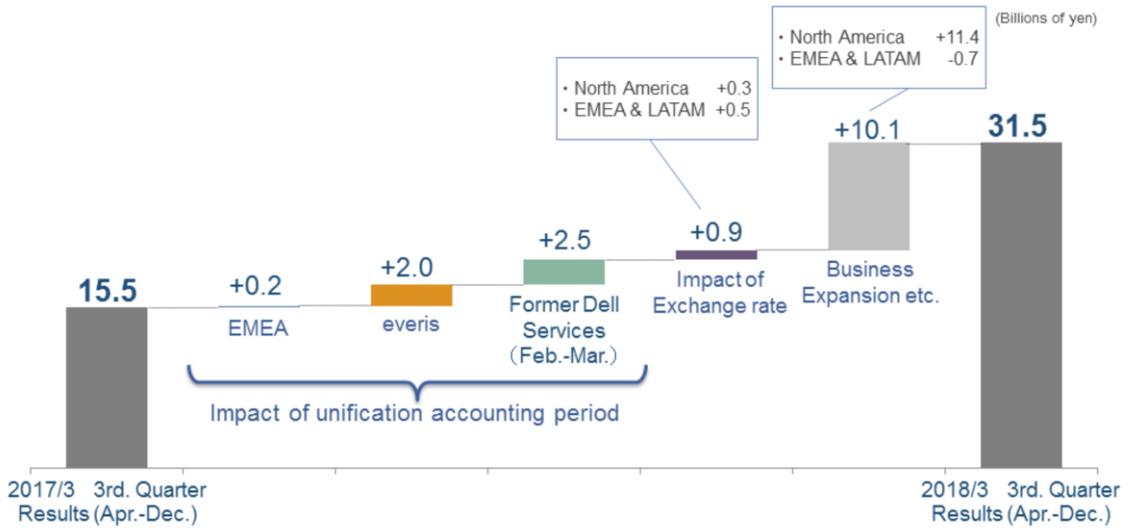
		2017/3 3rd. Quarter Results (Apr.-Dec.)	2018/3 3rd. Quarter Results (Apr.-Dec.)	YoY (Amount)	YoY (Rate)
EBITA	①	15.5	31.5	+16.0	+103.1%
PPA intangible fixed asset amortization expenses <sup>(*)2</sup>	②	9.5	15.5	+6.0	+63.3%
Operating income w/o goodwill amortization	③=①-②	5.9	15.9	+9.9	+166.6%
Goodwill amortization	④	11.8	20.6	+8.8	+74.7%
<b>Operating income</b>	<b>⑤=③-④</b>	<b>-5.8</b>	<b>-4.6</b>	<b>+1.1</b>	<b>+20.1%</b>

(\*)1 A total of North America, EMEA and Latin America, and China and APAC segments.

(\*)2 PPA amortization related to corporate acquisition and other temporary cost

(Description abbreviated)

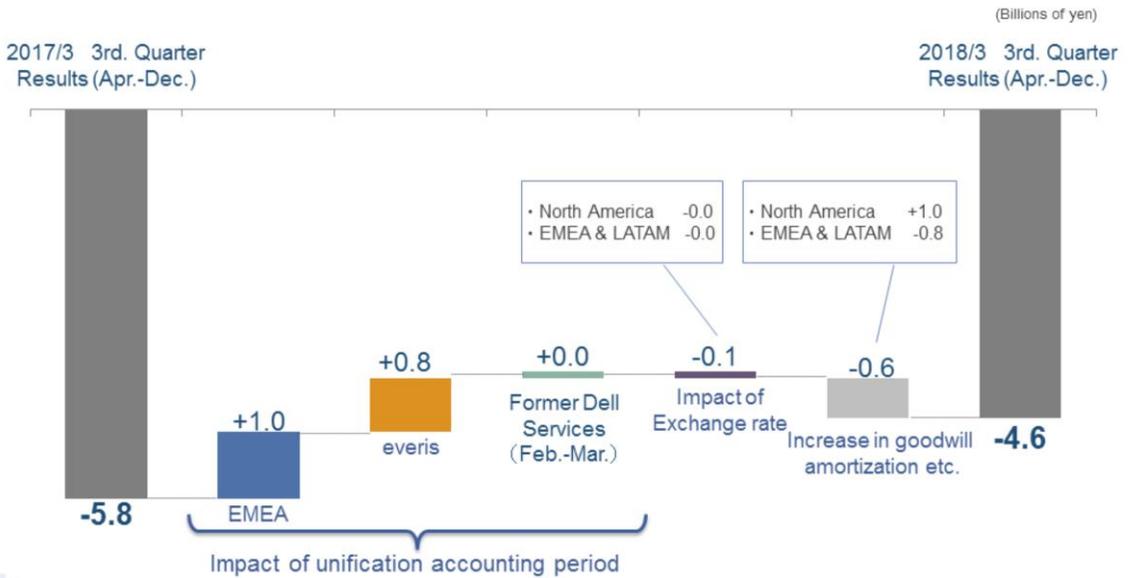
## EBITA: Global\* Factors of increase and decrease



(\*) A total of North America, EMEA and Latin America, and China and APAC segments.

(Description abbreviated)

# Operating income: Global \* Factors of increase and decrease



(\*) A total of North America, EMEA and Latin America, and China and APAC segments.

(Description abbreviated)

## Foreign exchange rates

(used for the conversion of the amount of orders received and incomes)

(Yen,%)

	2017/3 3rd. Quarter Results (Apr.-Dec.)	2018/3 3rd. Quarter Results (Apr.-Dec.)	YoY (%)	FY ended 2017/3 (Results)	FY ending 2018/3 (Assumed Rates)	YoY (%)
	①	②	(②-①)/①	③	④	(④-③)/③
USD	106.36	111.69	+ 5.0%	108.14	110.00	+1.7%
USD (Former Dell Services)	-	112.95 (*)	-	113.36	110.00	-3.0%
EUR (For December-end companies)	121.09	124.56	+2.9%	120.28	120.00	-0.2%
EUR (For March-end companies)	118.00	128.55	+8.9%	118.76	120.00	+1.0%
RMB (Chinese Yuan Renminbi)	16.46	16.43	-0.2%	16.34	16.40	+0.4%

(\*) 2018/3 1st. Quarter Results (Feb.-Mar.)

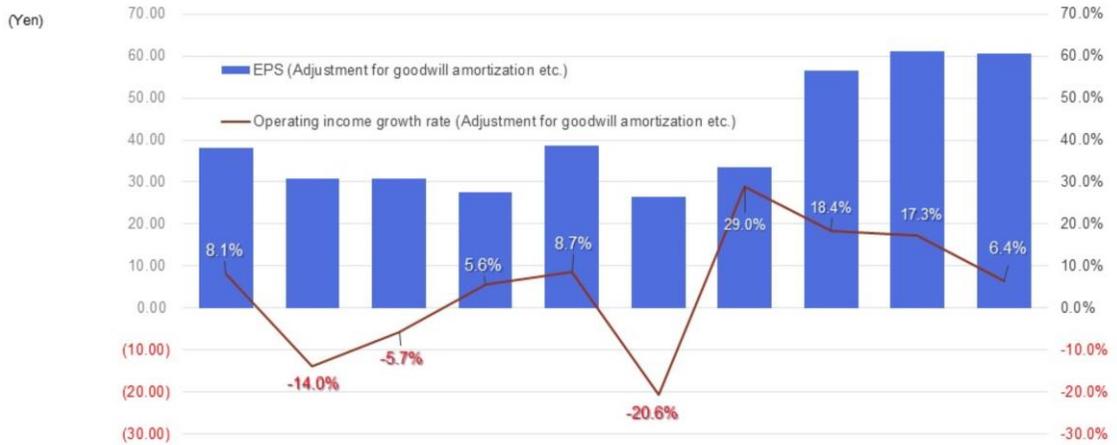
(Description abbreviated)

3

## Appendices -EPS, EBITDA, ROE, etc.-

(Description abbreviated)

## EPS and Operating Income Growth Rate



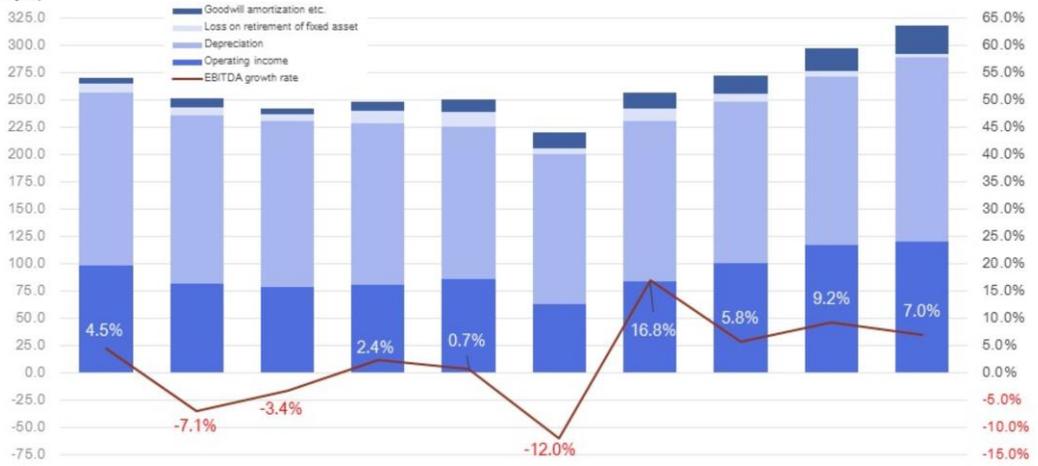
	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3 Forecasts
Net income attributable to owners of parent (JPY billions)	48.3	35.6	37.3	30.4	43.5	23.2	32.1	63.3	65.6	59.0
Goodwill amortization etc. (JPY billions)	5.1	7.5	5.7	8.3	10.7	14.0	14.7	16.0	20.0	26.0
Net income attributable to owners of parent (Adjustment for goodwill amortization etc.) (JPY billions)	53.5	43.1	43.0	38.8	54.3	37.2	46.9	79.4	85.7	85.0
EPS (Adjustment for goodwill amortization etc.)	38.15	30.78	30.73	27.69	38.73	26.59	33.45	56.64	61.15	60.61

(\*) 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.

(Description abbreviated)

# EBITDA Trend

(Billions of yen)

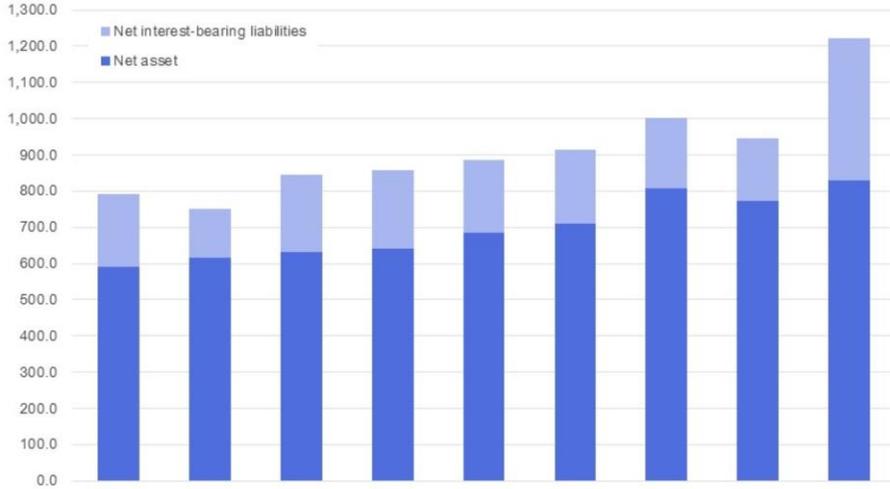


	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3 Forecasts
Operating income	98.5	81.6	78.3	80.4	85.6	62.5	84.0	100.8	117.1	120.0
Depreciation	157.8	154.5	152.2	148.3	140.0	138.0	146.8	147.9	154.5	169.0
Loss on retirement of fixed asset	8.7	7.4	6.3	11.3	13.8	5.6	11.6	7.2	5.4	3.0
Goodwill amortization etc.	5.1	7.5	5.7	8.3	10.7	14.0	14.7	16.0	20.0	26.0
EBITDA	270.3	251.1	242.6	248.5	250.3	220.2	257.3	272.1	297.1	318.0

(Description abbreviated)

# Invested Capital Trend

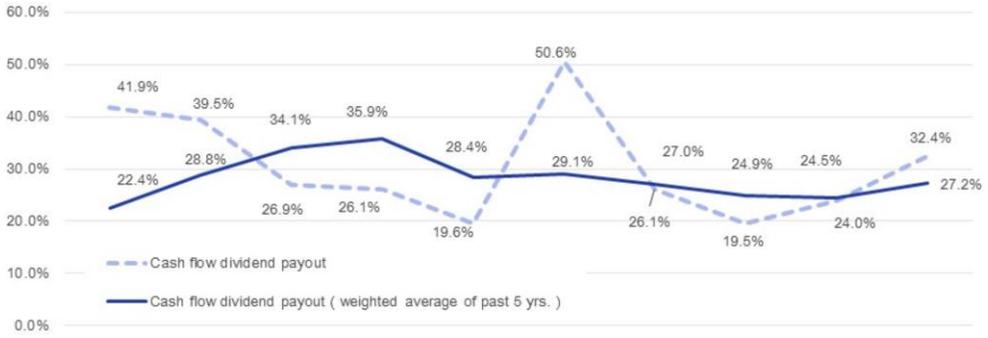
(Billions of yen)



	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3
Net asset	592.0	615.1	630.3	639.7	684.2	709.8	806.2	773.6	830.2
Interest-bearing liabilities	331.5	289.1	414.4	380.2	378.3	412.9	446.9	407.0	650.8
Cash and cash equivalents	131.8	152.1	198.6	161.1	176.9	207.2	250.8	233.5	260.0
Invested capital	791.7	752.1	846.1	858.8	885.6	915.5	1,002.3	947.1	1,221.0

(Description abbreviated)

## Cash Flow Dividend Payout

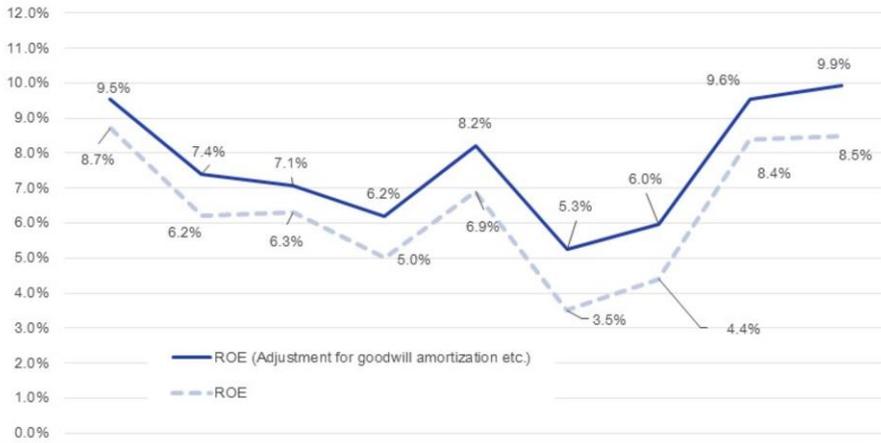


(Billions of yen)	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3 Forecasts
Net income attributable to owners of parent (Adjustment for goodwill amortization etc.)	53.5	43.1	43.0	38.8	54.3	37.2	46.9	79.4	85.7	85.0
Depreciation	157.8	154.5	152.2	148.3	140.0	138.0	146.8	147.9	154.5	169.0
Loss on retirement of fixed asset	8.7	7.4	6.3	11.3	13.8	5.6	11.6	7.2	5.4	3.0
Capital investment	-180.0	-162.5	-139.0	-133.9	-122.1	-147.7	-140.9	-134.0	-158.1	-192.0
Ordinary cash flow	40.1	42.5	62.5	64.5	86.0	33.2	64.5	100.6	87.6	65.0
Dividends per share(JPY)	12	12	12	12	12	12	12	14	15	15
Total dividends	16.8	16.8	16.8	16.8	16.8	16.8	16.8	19.6	21.0	21.0

(\*) Conducted stock split which shall split of common stock at a ratio of 1:5 as the effective date of July 1, 2017. Dividend per share is referring the amount after stock split.

(Description abbreviated)

## ROE Trend



(Billions of yen)	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3
Net income attributable to owners of parent (Adjustment for goodwill amortization etc.)	53.5	43.1	43.0	38.8	54.3	37.2	46.9	79.4	85.7
Net asset EOY	566.3	584.5	601.6	605.7	651.3	676.8	773.4	740.9	798.7
Accumulated goodwill amortization etc. (After 2009/3)	5.1	12.6	18.4	26.8	37.6	51.6	66.4	82.4	102.5
Net asset EOY (Adjustment for goodwill amortization etc.)	571.4	597.1	620.0	632.5	688.9	728.4	839.8	823.3	901.2

(Description abbreviated)



(Description abbreviated)