

Note: This document is the English translation of “Kessan Tanshin” for the First Quarter of the Fiscal Year Ending March 31, 2025 and is provided solely for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025

August 6, 2024

Company name	: NTT DATA Group Corporation (“NTT DATA”)
Stock exchange on which the Company’s shares are listed	: Tokyo Stock Exchange Prime Market
Code number	: 9613
URL	: https://www.nttdata.com/global/en/
Representative	: Yutaka Sasaki, President and Chief Executive Officer, Representative Director
Contact	: Sota Endo, Senior Executive Manager, Investor Relations Office Tel.:+81-3-5546-8119
Scheduled date of dividend payment	: -
Supplementary material on financial results	: Yes
Financial results presentation	: Yes (for institutional investors and financial analysts)

(Amounts are rounded to the nearest 1 million yen)

1. Consolidated Financial Results for Q1 of FY2024 (From April 1, 2024 to June 30, 2024)

(1) Consolidated Results of Operations (accumulated total)

(% indicate changes from the corresponding quarterly period of the previous fiscal year)

	Net sales		Operating profit		Profit before tax		Profit attributable to shareholders of NTT DATA		Comprehensive income attributable to shareholders of NTT DATA	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2024 Q1	1,112,098	9.6	58,626	0.6	41,916	(13.1)	21,245	(23.2)	107,454	(12.6)
FY2023 Q1	1,014,955	49.8	58,302	1.4	48,238	(18.1)	27,661	(30.4)	122,916	10.4

	Net income per share	Net income per share (diluted)
FY2024 Q1	¥ 15.15	¥ —
FY2023 Q1	¥ 19.73	¥ —

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to shareholders of NTT DATA	Equity ratio attributable to shareholders of NTT DATA
FY2024 Q1	¥ million 7,600,578	¥ million 2,921,303	¥ million 1,804,973	% 23.7
FY2023	7,219,429	2,780,414	1,719,204	23.8

2. Dividends

	Cash dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total
FY2023	¥ —	¥ 11.50	¥ —	¥ 11.50	¥ 23.00
FY2024	—	—	—	—	—
FY2024 (Forecasts)	—	12.50	—	12.50	25.00

(Note) ・ Revisions to the forecasts of dividends announced most recently: No

3. Forecasts of Consolidated Results for FY2024 (From April 1, 2024 to March 31, 2025)

(% indicate changes from the previous fiscal year)

	Net sales		Operating profit		Profit before tax		Profit attributable to shareholders of NTT DATA		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	4,430,000	1.4	336,000	8.5	255,000	2.6	137,000	2.3	97.72

(Note) ・ Revisions to the forecasts of consolidated results announced most recently: No

* Notes:

(1) Significant changes in the scope of consolidation during Q1 of FY2024 (From April 1, 2024 to June 30, 2024): Yes
Excluded: 1 company (XNET Corporation)

(2) Changes in accounting policies, changes in accounting estimates

- 1) Changes in accounting policies required by IFRS : No
- 2) Changes in accounting policies other than 1) : No
- 3) Changes in accounting estimates : No

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding (inclusive of treasury stock)

FY2024 Q1 (June 30, 2024)	1,402,500,000 shares
FY2023 (March 31, 2024)	1,402,500,000 shares

2) Number of treasury stock

FY2024 Q1 (June 30, 2024)	475,618 shares
FY2023 (March 31, 2023)	475,618 shares

3) Average number of shares over period (consolidated total for quarter)

FY2024 Q1 (From April 1, 2024 to June 30, 2024)	1,402,024,382 shares
FY2023 Q1 (From April 1, 2023 to June 30, 2023)	1,401,992,429 shares

Note: NTT DATA introduced a performance-based stock compensation plan from the second quarter of FY2021.

The number of treasury stock at the end of the period and the number of treasury stock deducted when calculating average number of shares over the period include 464,400 treasury shares held by the stock delivery trust under the performance-based stock compensation plan.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* Explanations for the appropriate use of results forecasts, and other noteworthy items

1. The results forecasts contained in this document are based on certain premises derived from information available to the NTT DATA Group at this time. As a result of various factors that may arise in the future, actual results may differ from the Group's forecasts.
2. Supplemental material on financial results will be uploaded on TDnet today, and will also be uploaded on our homepage. Presentation on financial results will be held today. This report will be uploaded on our homepage soon.
3. Products and services referred to on this report (including the attachment) are trademarks or registered trademarks of NTT DATA or other companies.

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1. Overview of Business Results

(1) Overview of business results for the three months ended June 30, 2024

[Status of business activities]

To respond to the global acceleration of digital transformation and diversified/sophisticated needs, we are striving to expand our business in the global market, while also working on expansion and stable provision of diverse IT services ranging from consulting through application development to infrastructure services. The following are examples of initiatives implemented during the three months ended June 30, 2024.

<Expansion of payment business in the ASEAN region>

The NTT DATA Group made GHL Systems Berhad (hereinafter, GHL Systems), a leading payment service provider in Malaysia, a subsidiary* in May 2024. The Group has been operating overseas payment business since 2011 and providing local and cross-border e-commerce payment services via existing subsidiaries in Vietnam, Malaysia, and India. Through the acquisition of GHL Systems, the Group will launch and expand the payment business through payment terminals in Malaysia, the Philippines, and Thailand.

GHL Systems has market advantages in cashless services with a full line-up of payment methods and bill payment services for utilities, etc. through its more than 480,000 payment terminals. GHL Systems also operates businesses in ASEAN countries, such as the Philippines and Thailand, using the same service model as in Malaysia. By combining the Group's payment services and know-how, such as the payment platform CAFIS, payment terminal CAFIS Arch, and value-added services for merchants, the Group will contribute to realizing a more convenient and secure cashless society for consumers in countries where the Group and GHL Systems operate.

In Malaysia, in collaboration with an existing subsidiary having strength in e-commerce payment services, the Group will also provide a one-stop payment service that covers both physical stores and e-commerce to enhance its omnichannel service for merchants.

*GHL Systems is expected to become a wholly-owned subsidiary of the Company, as the percentage of voting rights in GHL Systems held by the NTT DATA Group met the squeeze-out requirements in July. This will enable even stronger collaboration.

<Deals won in the Overseas Segment by leveraging the strengths of NTT DATA >

In North America, we were awarded a deal from a leading global ingredients solution company to meet critical cyber requirements through leading cloud-based security solution. We will provide a global managed SD-WAN ^{*1} and Cloud-based SASE ^{*2} solution for 23 countries 88 sites to contribute to accelerating the client's digital growth and business transformation. This project is a collaboration between the North America Unit and the Global Technology Services Unit, and our highly-evaluated capabilities as "One NTT DATA" in delivering best-in-class integrated global networking solutions also led to winning this deal.

In EMEAL,* we signed a long-term contract with a multinational oil and gas company in Europe for the extension of the evolution and operation of the system to manage all their payment processes for all the

Network in Spain and Portugal and the Sales and Inventory Management for the franchise Network in Spain. This contract is the result of a 20-year relationship with the client, established through the deployment of various solutions from the NTT DATA Group, and also of the highly-rated capabilities of NTT DATA to provide Critical Systems Operation and Support with systems in Cloud that are managing more than 1 million transactions per day. NTT DATA Group's asset utilization enables the rapid service delivery across thousands of client sites, enhancing business agility. As a result, we will contribute to the client's long term efficiencies on the services.

*Stands for "Europe, Middle East, Africa and Latin America"

In APAC, we were awarded a managed service contract by a leading financial institution in India to supply, implement and manage Software Defined Network (SDN)^{*3} for their data centers. This project includes migration of existing 500+ applications from traditional network to SDN and provides centralized support for the operation and maintenance of the client's complex infrastructure environment. One of the key success factors that led to this contract is our accumulated expertise in data center service which can meet the bank's expected outcome, and which also complies with India regulatory framework.

*1 SD-WAN (Software Defined-Wide Area Network)

SD-WAN is a technology that applies Software Defined Networking (SDN), which controls networks with software, to WANs built with physical network equipment. It enables flexible network configuration, traffic control, etc. for connections between corporate locations and cloud connectivity.

*2 SASE (Secure Access Service Edge)

A concept to comprehensively provide, in the cloud, network services such as VPN, remote access, and SD-WAN, and security services including UTM (Unified Threat Management), which integrates firewalls, IPS/IDS (Intrusion Prevention System/Intrusion Detection System), anti-virus, etc.

Conventional perimeter security, in which firewalls, UTMs, proxies, etc. are installed at the boundary between the internal network and the Internet, is no longer adequate in situations where the things that need to be protected are outside the perimeter, such as data stored in the cloud outside the internal network. SASE is a solution to this problem.

*3 SDN (Software Defined Network)

SDN is a generic term for a technology that enables centralized control of network devices through a single software platform, allowing for flexible changes to network configurations and settings. Unlike traditional physical networks, which require adjustments such as unplugging/plugging cables or configuring routers, switches, and firewalls individually when adding servers or network devices or changing network configurations, SDN allows users to dynamically modify network configurations, performance, and functions by pre-configuring settings through a management tool.

[Consolidated results and each segment's policies regarding initiatives and results]

As for the consolidated results for the three months ended June 30, 2024, net sales increased due to the strong performance of the data center business and SAP business in overseas Global Technology and Solution Services, as well as the Social & Public Infrastructure business in Japan, in addition to the positive impact of foreign exchange rates on sales. Operating profit remained at the same level year on year, mainly due to the impact of a sales decline in the Communication Terminal Equipment Sales business in each regional Unit and the increase in amortization, etc. of a new internal system, although the absence of overseas structural transformation costs recorded in the previous fiscal year and other similar factors, as well as the impact of foreign exchange rates, increased the profit. Profit attributable to shareholders of NTT DATA decreased due to higher financial expenses resulting from an increase in interest-bearing debt, etc., along with higher tax expenses.

• Net sales	1,112,098 million yen	(up 9.6% year-on-year)
• Operating profit	58,626 million yen	(up 0.6% year-on-year)
• Profit before tax	41,916 million yen	(down 13.1% year-on-year)
• Profit attributable to shareholders of NTT DATA	21,245 million yen	(down 23.2% year-on-year)
• New orders received	1,462,293 million yen	(up 46.7% year-on-year)

Our segment-by-segment policies regarding initiatives and results are as follows.

(Japan)

We will seek to expand the consulting and digital related projects by establishing offerings that target the business and management issues of various industries and clients. We will also enhance profitability by selecting and focusing on highly profitable projects and limiting unprofitable businesses.

The results for the three months ended June 30, 2024 are as follows.

- The net sales were 421,240 million yen (up 3.9% year on year) mainly due to expansion in the scale of services for the central government and ministries.
- The operating profit was 31,854 million yen (down 20.6% year on year) mainly due to a reactionary decline from the absence of the highly profitable projects we had in the previous fiscal year and the increase in amortization, etc. of a new internal system, despite an increase in profits from higher sales and other factors.

The following are the policies regarding initiatives for each business in the Japan Segment.

- Public & Social Infrastructure Business

As social issues such as the aging population combined with the low birthrate and environmental challenges come to light, this business will design a society through consulting from users' perspective with foresight, and to realize this, we will collaborate beyond boundaries between private and public sectors and industries, implement measures including non-IT fields, and build an ecosystem co-created by all associated players, thereby striving to solve social issues while expanding our business at the same time.

- Financial Business

As society has become more digitalized, financial services that cater to daily needs have appeared one after another. Amid such a situation, we have confirmed the necessity for financial systems to balance reliability and progressiveness. Based on its success in migrating the joint-use core banking scheme MEJAR to an open system in January 2024 by adopting PITON, our framework to run core banking systems on open platforms, this business will embark on the development of the Integrated Banking Cloud and establish an organizational framework to provide reliable and cutting-edge financial systems. Through these initiatives, we will continue to support safe and secure financial infrastructure permanently to achieve a sustainable society while aiming to develop and expand new financial services that connect industries.

- Enterprise Business

We will aim to increase the value we offer by taking advantage of our expertise in consultation, payment, and technology. Also, we will bring together insights into industries and draw a picture of an ideal business for the industry and clients together with them, in a foresight-oriented manner.

Additionally, to realize the ideal business, we will consistently offer high value ranging from planning to business transformation by utilizing our advanced and development technologies, aiming to achieve our clients' business transformation and service creation in collaboration with them.

(Overseas Segment)

With the formal formation of NTT DATA, Inc., we are on a cusp of a new chapter of transformation. This includes not only consolidation and streamlining but also modernizing our portfolio with cutting edge services like Gen AI. We will accelerate our pace of innovation and globalize the assets and capabilities across our priority industries and offerings. We will continue to transform our operating model including delivery to meet our clients where they are – global capabilities but with local intimacy. Some of our focus industries globally would include BFSI, Manufacturing/Auto, TMT, Healthcare, Public sector. In addition, we will streamline our corporate functions and continue to be a great place to work for our employees. These initiatives will unlock the full potential of our synergies, delivering the value we promised.

The results for the three months ended June 30, 2024 are as follows.

- Net sales were 697,579 million yen (up 12.8% year on year) due mainly to expansion in the scale of the data center business and SAP business in Global Technology and Solution Services, in addition to the positive impact of foreign exchange rates on sales, despite a sales decline in Communication Terminal Equipment Sales business in each regional Unit.
- Operating profit was 17,480 million yen (up 16.4% year on year) due to an increase in profit resulting from the absence of structural transformation costs recorded in the previous fiscal year and other similar factors, as well as the impact of foreign exchange rates, despite the impact of the sales decline in Communication Terminal Equipment Sales business in each regional Unit.

The following are the policies regarding initiatives for each Unit in the Overseas Segment.

[North America]

The North American IT market accounts for approximately 40% of the global IT market and is the world's

largest IT market. We aim to drive growth (both in existing accounts and winning new accounts) leveraging our modernized portfolio – consulting, Cloud transformation, digital offerings, new Gen AI services etc. – organically and through acquisitions. We will also right size cost structure in line with the revenue.

[EMEA]

In EMEA and Latin America, we will focus disproportionately on growing in our key markets like UK, Germany and Spain. We will also invest in services like Digital BPS, CX, Cloud transformation, D&A and Gen AI. At the same time, we will strengthen our delivery capabilities for speed, quality and cost of services.

[Asia Pacific]

We expect APAC to be a strong growth market, and we will continue to grow by focusing on both account expansions and new clients acquisition in key markets like India, Australia and Singapore through digital business and ERP related offerings. We also expect inorganic growth in selected strategic areas.

[Global Technology Services]

Leveraging our strengths as a globally prominent global data center operator and IP network provider, we will continue to provide reliable digital backbone services globally. We will also continue to grow our strength in the Network services, Cloud services, and Edge connectivity (private 5G) and compute. We will be a one stop shop for suite of services as part of NTT DATA, Inc.'s digital solutions.

[Business Solutions]

With continued focus on SAP we expect to drive growth through consulting, application and data services. We will enrich our delivery capability through right shoring, automation and use of differentiated IP.

(2) Overview of financial position for the three months ended June 30, 2024

(Assets, Liabilities)

Assets as of the end of the three months ended June 30, 2024 were 7,600,578 million yen, up 381,149 million yen compared to the end of the previous fiscal year. This increase was mainly due to an increase in property, plant and equipment and intangible assets including the impact of foreign exchange rates. Liabilities also increased by 240,260 million yen from the end of the previous fiscal year to 4,679,275 million yen due mainly to an increase in interest-bearing debt.

(Analysis of Cash Flows)

Cash flows provided by operating activities amounted to 115,592 million yen (a decrease in cash inflow of 86,967 million yen compared to the same period of the previous fiscal year) due mainly to the recording of profit of 17,183 million yen and depreciation and amortization of 90,372 million yen.

Cash flows used in investing activities amounted to 157,251 million yen (an increase in cash outflow of 36,094 million yen compared to the same period of the previous fiscal year) due mainly to the recording of purchase of property, plant and equipment, and intangible assets and payments for acquisition of subsidiaries. As a result, the free cash flow for the period under review was a negative 41,659 million yen (a positive 81,042 million yen in the same period of the previous fiscal year).

Cash flows provided by financing activities amounted to 113,290 million yen (an increase in cash inflow of 98,501 million yen from the same period of the previous fiscal year) due mainly to interest-bearing debt financing, despite dividend payments, etc.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Unit: ¥ million)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	431,774	517,247
Trade and other receivables	1,396,396	1,285,733
Contract assets	150,738	166,862
Inventories	51,243	66,568
Assets held for sale	4,480	382
Other financial assets	62,662	84,372
Other current assets	335,662	396,620
Total current assets	<u>2,432,955</u>	<u>2,517,783</u>
Non-current assets		
Property, plant and equipment	1,914,447	2,062,240
Right-of-use assets	259,883	269,322
Goodwill	1,321,773	1,439,917
Intangible assets	693,716	706,983
Investment property	25,323	25,211
Investments accounted for using equity method	48,758	50,861
Other financial assets	173,358	175,215
Deferred tax assets	234,943	235,649
Other non-current assets	114,271	117,397
Total non-current assets	<u>4,786,473</u>	<u>5,082,795</u>
Total assets	<u>7,219,429</u>	<u>7,600,578</u>

(Unit: ¥ million)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Trade and other payables	975,530	984,156
Contract liabilities	480,651	490,471
Bonds and borrowings	755,830	1,109,433
Lease liabilities	70,096	73,178
Other financial liabilities	21,856	14,446
Income taxes payable	70,646	39,177
Provisions	20,878	19,972
Liabilities directly associated with assets held for sale	976	—
Other current liabilities	117,418	96,354
Total current liabilities	2,513,881	2,827,187
Non-current liabilities		
Bonds and borrowings	1,419,483	1,332,812
Lease liabilities	206,105	212,830
Other financial liabilities	19,328	21,123
Retirement benefit liability	170,219	171,398
Provisions	9,714	9,514
Deferred tax liabilities	53,323	58,638
Other non-current liabilities	46,961	45,774
Total non-current liabilities	1,925,133	1,852,088
Total liabilities	4,439,015	4,679,275
Equity		
Equity attributable to shareholders of NTT DATA		
Share capital	142,520	142,520
Capital surplus	25,451	19,900
Retained earnings	1,209,212	1,214,359
Treasury shares	(972)	(972)
Other components of equity	342,993	429,165
Total equity attributable to shareholders of NTT DATA	1,719,204	1,804,973
Non-controlling interests	1,061,210	1,116,330
Total equity	2,780,414	2,921,303
Total liabilities and equity	7,219,429	7,600,578

**(2) Condensed Quarterly Consolidated Statement of Income and
Condensed Quarterly Consolidated Statement of Comprehensive Income**

Condensed Quarterly Consolidated Statement of Income

(Unit: ¥ million)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	1,014,955	1,112,098
Cost of sales	747,798	819,741
Gross profit	267,157	292,357
Selling, general and administrative expenses	208,855	233,731
Operating profit	58,302	58,626
Finance income	9,721	11,081
Finance costs	19,814	27,680
Share of profit (loss) of investments accounted for using equity method	29	(112)
Profit before tax	48,238	41,916
Income tax expense	21,736	24,733
Profit	26,502	17,183
Profit attributable to		
Shareholders of NTT DATA	27,661	21,245
Non-controlling interests	(1,159)	(4,062)
Total	26,502	17,183
Net income per share attributable to shareholders of NTT DATA		
Net income per share (yen)	19.73	15.15

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Unit: ¥ million)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	26,502	17,183
Other comprehensive income (net of taxes)		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	7,863	12,270
Remeasurements of defined benefit plans	(116)	(124)
Share of other comprehensive income of entities accounted for using equity method	0	0
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	334	572
Hedge cost	(4)	(28)
Exchange differences on translation of foreign operations	156,046	130,923
Share of other comprehensive income of entities accounted for using equity method	1,602	2,078
Total other comprehensive income (net of taxes)	165,725	145,690
Comprehensive income	192,226	162,873
Comprehensive income attributable to:		
Shareholders of NTT DATA	122,916	107,454
Non-controlling interests	69,311	55,419
Total	192,226	162,873

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Three months ended June 30, 2023)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other	Total		
As of April 1, 2023	142,520	26,752	1,091,214	(1,034)	192,915	1,452,367	943,998	2,396,365
Comprehensive income								
Profit	—	—	27,661	—	—	27,661	(1,159)	26,502
Other comprehensive income	—	—	—	—	95,255	95,255	70,470	165,725
Comprehensive income	—	—	27,661	—	95,255	122,916	69,311	192,226
Transactions with shareholders								
Dividends of surplus	—	—	(16,129)	—	—	(16,129)	(2,199)	(18,328)
Transfer to retained earnings	—	—	129	—	(129)	—	—	—
Changes in ownership interest in subsidiaries	—	2	—	—	—	2	(17)	(15)
Stock-based remuneration transaction	—	(4,255)	—	—	—	(4,255)	(3,501)	(7,756)
Put options written on non-controlling interests	—	316	—	—	—	316	(636)	(320)
Other	—	(901)	(333)	—	—	(1,235)	(274)	(1,509)
Total transactions with shareholders	—	(4,839)	(16,332)	—	(129)	(21,301)	(6,628)	(27,929)
As of June 30, 2023	142,520	21,913	1,102,543	(1,034)	288,040	1,553,982	1,006,681	2,560,663

(Three months ended June 30, 2024)

(Unit: ¥ million)

	Equity attributable to shareholders of NTT DATA						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other	Total		
As of April 1, 2024	142,520	25,451	1,209,212	(972)	342,993	1,719,204	1,061,210	2,780,414
Comprehensive income								
Profit	—	—	21,245	—	—	21,245	(4,062)	17,183
Other comprehensive income	—	—	—	—	86,209	86,209	59,481	145,690
Comprehensive income	—	—	21,245	—	86,209	107,454	55,419	162,873
Transactions with shareholders								
Dividends of surplus	—	—	(16,129)	—	—	(16,129)	(2,802)	(18,930)
Transfer to retained earnings	—	—	37	—	(37)	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	7,237	7,237
Stock-based remuneration transaction	—	(4,161)	—	—	—	(4,161)	(3,434)	(7,595)
Put options written on non-controlling interests	—	(1,546)	—	—	—	(1,546)	(1,074)	(2,619)
Other	—	155	(6)	—	—	150	(226)	(76)
Total transactions with shareholders	—	(5,551)	(16,098)	—	(37)	(21,685)	(299)	(21,984)
As of June 30, 2024	142,520	19,900	1,214,359	(972)	429,165	1,804,973	1,116,330	2,921,303

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Unit: ¥ million)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash Flows from Operating Activities		
Profit	26,502	17,183
Depreciation and amortization	82,190	90,372
Interest and dividend income	(6,903)	(6,602)
Interest expenses	19,621	25,693
Share of loss (profit) of investments accounted for using equity method	(29)	112
Income tax expense	21,736	24,733
Decrease (increase) in trade and other receivables	166,262	177,325
Decrease (increase) in contract assets	(545)	(11,101)
Decrease (increase) in inventories	2,987	(13,221)
Increase (decrease) in trade and other payables	(55,447)	(36,163)
Increase (decrease) in contract liabilities	15,677	(5,774)
Increase (decrease) in provision for loss on orders received	(3,228)	(1,907)
Other	(18,330)	(84,612)
Subtotal	250,491	176,038
Interest and dividends received	6,958	7,007
Interest paid	(18,129)	(15,925)
Income taxes refund (paid)	(36,761)	(51,527)
Net cash provided by (used in) operating activities	202,560	115,592
Cash Flows from Investing Activities		
Purchase of property, plant and equipment, and intangible assets	(118,810)	(124,083)
Purchase of other financial assets	(21,906)	(17,191)
Proceeds from sale and redemption of other financial assets	18,234	19,999
Payments for acquisition of subsidiaries	(993)	(43,347)
Proceeds from sale of subsidiaries	—	5,397
Other	2,318	1,974
Net cash provided by (used in) investing activities	(121,157)	(157,251)
Cash Flows from Financing Activities		
Net increase (decrease) in short-term borrowings	77,583	153,946
Proceeds from issuance of bonds and long-term borrowings	21,581	20,427
Redemption of bonds and repayments of long-term borrowings	(45,508)	(24,032)
Repayments of lease liabilities	(18,928)	(19,965)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,797)	(2,334)
Dividends paid	(15,945)	(15,981)
Dividends paid to non-controlling interests	(2,197)	(2,801)
Other	—	4,030
Net cash provided by (used in) financing activities	14,789	113,290
Net increase (decrease) in cash and cash equivalents	96,191	71,631
Cash and cash equivalents at beginning of period	415,359	431,774
Effect of exchange rate changes on cash and cash equivalents (decrease)	19,552	13,843
Cash and cash equivalents at end of period	531,103	517,247

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Segment Information)

(i) Outline of the reportable segments

The reportable segments of NTT DATA Group submitting the consolidated financial statements are components of the Group for which separate financial information is available and are regularly reviewed by the Group's Board of Directors in order to facilitate the allocation of management resources and the assessment of performance for the segments.

Given the overseas business combination against the backdrop of accelerating efforts towards digital transformation on a global scale and more complex and diverse customer needs, we consider it essential to reconstruct the group management structure and further strengthen governance through speedy decision making in responding to changes in the external environment and local markets, improved mobility, flexible system designs, etc., and have executed the transition to a holding company structure in July 2023.

After transitioning to a holding company structure, NTT DATA, as a holding company, specializes in the formulation and implementation of growth strategies from the perspective of optimizing the entire Group, business management, etc., in order to increase the corporate value of the entire Group.

(ii) Change in segments

With the transition to a holding company structure stated above, effective from the second quarter of the previous consolidated fiscal year, the reportable segments that were previously "Public & Social Infrastructure," "Financial," "Enterprise," and "Overseas" have been reclassified to "Japan" and "Overseas."

The segment information for the three months ended June 30, 2023 is disclosed based on the reportable segment classification after the change. From the second quarter of the previous fiscal year, results calculation method was changed to allocate corporate expenses, etc. to reportable segments. Accordingly, such expenses included in the "adjustments" for the three months ended June 30, 2023 have been reclassified and allocated to each reportable segment.

A summary of each reportable segment is as follows.

(Japan)

Mainly providing high-value-added IT services that take into account market characteristics in Japan.

(Overseas)

Mainly providing high-value added IT services that take into account market characteristics in overseas business.

(iii) Calculation method of net sales, profit or loss, and other items of each reportable segment

Profits of the reportable segments are based on operating profits.

Intersegment sales and others are determined based on the amount calculated by adding appropriate profit to the cost.

(iv) Information on reportable segments

For the three months ended June 30, 2023

(Unit: ¥ million)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Condensed quarterly consolidated financial statement amount (Note 3)
	Japan	Overseas	Total				
Net sales							
Sales to outside clients	396,378	615,524	1,011,902	2,953	1,014,856	100	1,014,955
Intersegment sales and others	8,999	2,698	11,697	15,756	27,453	(27,453)	—
Total	405,377	618,222	1,023,600	18,709	1,042,308	(27,353)	1,014,955
Operating profit (loss)	40,108	15,011	55,119	998	56,117	2,185	58,302
					Finance income		9,721
					Finance costs		19,814
					Share of profit (loss) of investments accounted for using equity method		29
					Profit before tax		48,238

- (Notes) 1. "Others" includes subsidiaries and other entities that mainly engage in businesses that support headquarter division functions.
2. Adjustment of operating profit or loss (the number shown in brackets) totaling 2,185 million yen mainly consists of intersegment transaction eliminations for accounting purposes and other adjustments.
3. Operating profit or loss (the number shown in brackets) is adjusted with current operating profit under condensed quarterly consolidated statement of income.

For the three months ended June 30, 2024

(Unit: ¥ million)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Condensed quarterly consolidated financial statement amount (Note 3)
	Japan	Overseas	Total				
Net sales							
Sales to outside clients	413,725	695,018	1,108,743	3,539	1,112,282	(185)	1,112,098
Intersegment sales and others	7,515	2,561	10,075	19,256	29,331	(29,331)	—
Total	421,240	697,579	1,118,819	22,794	1,141,613	(29,516)	1,112,098
Operating profit (loss)	31,854	17,480	49,333	1,749	51,082	7,545	58,626
						Finance income	11,081
						Finance costs	27,680
						Share of profit (loss) of investments accounted for using equity method	(112)
						Profit before tax	41,916

- (Notes) 1. “Others” includes subsidiaries and other entities that mainly engage in businesses that support headquarter division functions.
2. Adjustment of operating profit or loss (the number shown in brackets) totaling 7,545 million yen mainly consists of intersegment transaction eliminations for accounting purposes and other adjustments.
3. Operating profit or loss (the number shown in brackets) is adjusted with current operating profit under condensed quarterly consolidated statement of income.

(Notes to Going Concern Assumptions)

N/A