

Integrated Report 2024

Our Way

Many areas of the operating environment that touch our business are undergoing rapid change.

For NTT DATA to continue growing, every manager and employee at our company is encouraged to decide what they should accomplish, implement changes that will enable their goals to be achieved, and propose how our business should be transformed to ensure our continued success.

To explain this approach, we have created “Our Way,” which outlines our Mission Statement, Group Vision, and Values and aims to set out our way for navigating the future.

Employee Creed

1. We will do our utmost to serve our customers.
2. We will meet the challenges of our work with an active and positive spirit.
3. We will create a lively and vibrant company.

Group Vision

Trusted Global Innovator

A partner trusted by clients over the long term

We realize the dreams of our clients around the world through Long-Term Relationships.

We develop evolving ecosystems with our clients through leading-edge technologies.

We enhance our creativity by respecting diversity.

Values

Clients First

First, and above all else, we place the needs of our clients.

We work continuously to understand your business and we strive to resolve every concern to your satisfaction.

We feel responsibility to ensure your success and we let this obligation set the direction of our work and guide our actions.

Foresight

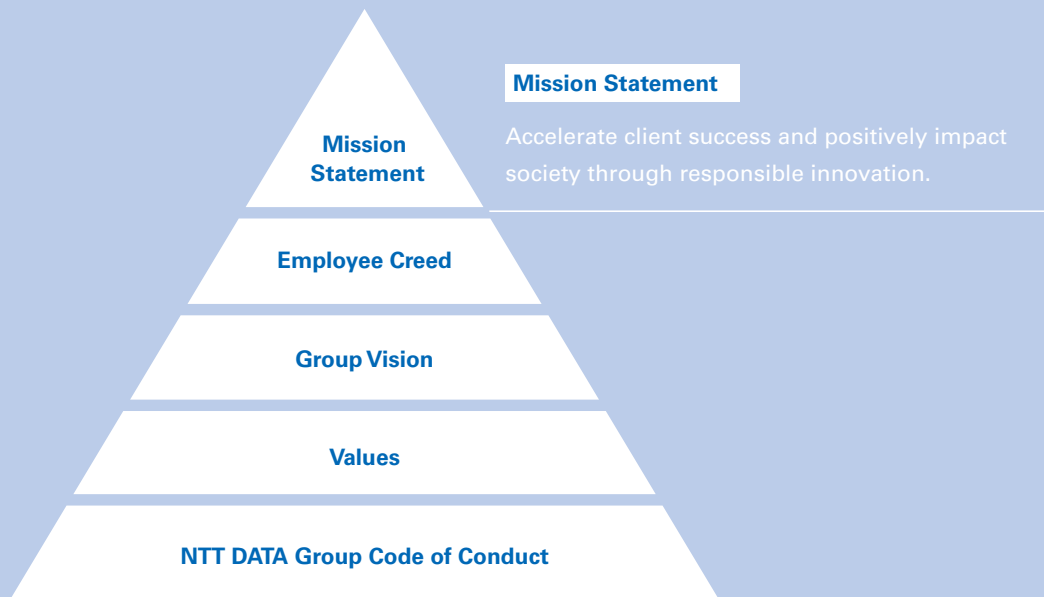
We never settle for the status quo. Instead, with speed and foresight, we anticipate challenges that lay ahead.

We consider the future of IT as well as the future of your business, work to enhance our ability to picture the future, and with our ecosystems, adapt to the changing business environment. In this way, we help you to meet your goals and create a brighter future for society.

Teamwork

We put great importance on enabling our employees to achieve their best through their work with each other.

We believe that when a diverse group of individuals brings their unique world views together, shares their wisdom, and works toward a common goal, the results are extraordinary and far beyond what can be achieved by any one person.

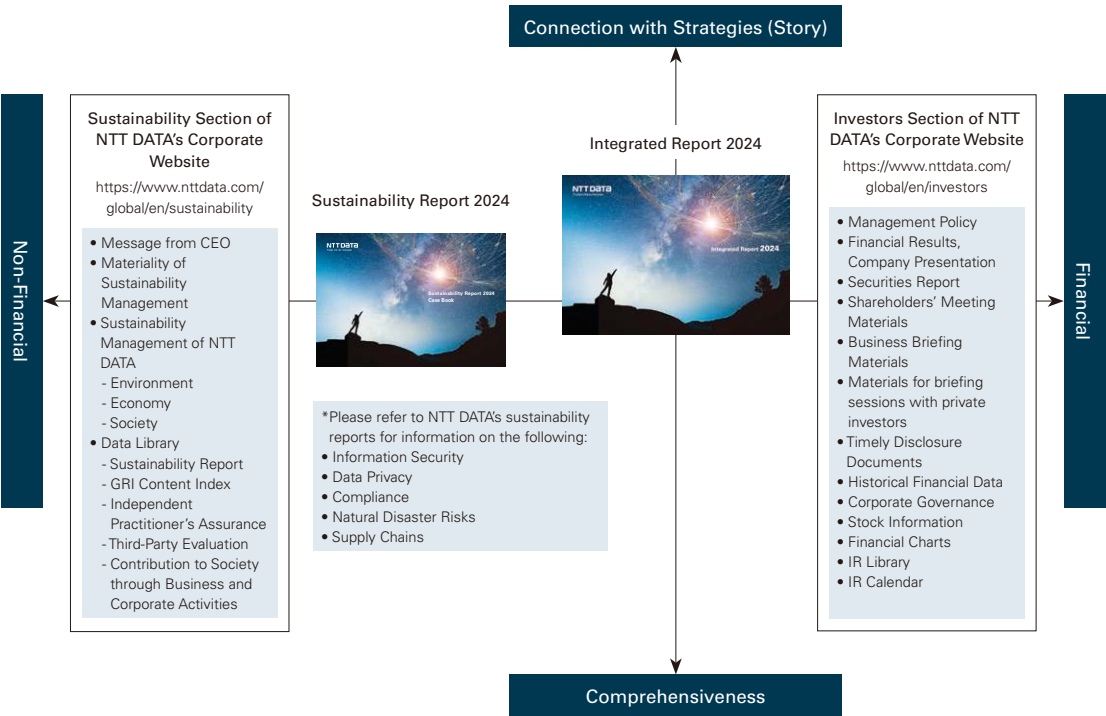


NTT DATA Group Code of Conduct
https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/about-us/our-way/ntt-data-group-code-of-conduct.pdf?la=en&hash=564D4DB

Editorial Policy

We position the Integrated Report 2024 as a medium for communicating with shareholders, investors, and a wide range of other stakeholders as part of our efforts to achieve sustainable enhancement of corporate value through constructive dialogue.

The report integrates information particularly important to shareholders and investors, such as our business strategies, business performance trends, etc., as well as environmental, social, and governance (ESG) data. We consider this report as an integrated report to explain our initiatives in creating sustainable value. For more information, please see the investors and sustainability sections on our website.



Referenced Guidelines

- International Integrated Reporting Framework (International Integrated Reporting Council, or IIRC)
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation (Ministry of Economy, Trade and Industry)
- GRI Standards (Global Reporting Initiative, or GRI) (2018 version, Ministry of the Environment)

Cautionary Statement Regarding Forward-Looking Statements

This integrated report contains forward-looking statements concerning our future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent assumptions and beliefs based on economic, financial, and competitive data currently available. Forward-looking statements include information preceded by, followed by, or that include the words "predicts," "expects," "anticipates," "could," "may," or similar expressions. Furthermore, they are subject to a number of risks and uncertainties that without limitation, relate to the COVID-19 pandemic, economic conditions, fierce competition in the information service industry, client demand, tax rules, regulations, and other factors. Readers of this integrated report are cautioned not to place undue reliance on these forward-looking statements. The NTT DATA Group therefore wishes to caution readers that actual results may differ materially.

Scope

NTT DATA Group Corporation, NTT DATA Japan Corporation, Group companies in Japan, NTT DATA, Inc., and Group companies outside Japan. The labels used to refer to these companies in this report are as follows.

Subject	Labels in This Report
The Group as a whole NTT DATA Group Corporation (Holding company) NTT DATA Japan Corporation (Operating company in Japan) Group companies in Japan NTT DATA, Inc. (Operating company outside Japan) Group companies outside Japan	
	NTT DATA
	NTT DATA Group Corporation
	Operating company in Japan (NTT DATA Japan Corporation)*
	Group companies in Japan
	Operating company outside Japan (NTT DATA, Inc.)
	Group companies outside Japan

The names of NTT DATA's products and services referred to in this integrated report are trademarks or registered trademarks of NTT DATA Group Corporation in Japan and other countries. The names of other companies, products, services, etc., are the trade names, trademarks, or registered trademarks of the companies concerned.

Note: Former NTT DATA (non-consolidated) refers to the prior NTT DATA Corporation that existed up until FY2022 and does not include Group companies.

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Top Message

Message from the CEO

We will create an asset-based business model with “Quality Growth” as the most important theme.



Yutaka Sasaki

President and Chief Executive Officer, Representative Director

Profile

Joined NTT DATA Communications Systems Corporation (now NTT DATA Group Corporation) in 1990. In 2016, he was appointed as a Senior Vice President and was engaged in businesses responsible for developing IT solutions and providing services that can be used across industries. Subsequently, he led and expanded the business supporting the business transformation of clients in the manufacturing industry. In 2020, he was appointed Executive Vice President. From 2021, he led the transition to NTT DATA's holding company structure for nearly three years, leading the business combination with the operating company outside Japan and the establishment of the operating company in Japan. In 2023, he took up the position of President and CEO, Representative Director of the newly established operating company in Japan (NTT DATA Japan Corporation) and Senior Executive Vice President and Representative Director of NTT DATA Group Corporation, the holding company. From June 2024, he assumed the position of President and CEO, Representative Director of both NTT DATA Japan Corporation (operating company in Japan) and NTT DATA Group Corporation (holding company).

Born in Tokyo, he graduated from the Graduate School of Engineering at the University of Tokyo.

His hobbies are tennis, golf, watching soccer, and cooking.

Message from the CEO

Operating Company Outside Japan (NTT DATA, Inc.)
CEO Interview

My Role

Making the New Structure Work

For strategic reasons, in July 2023 NTT DATA transitioned to a three-company structure under which NTT DATA Group Corporation functions as the Group's holding company overseeing NTT DATA Japan Corporation and NTT DATA, Inc., which serve as operating companies respectively managing the Group's operations in Japan and overseas. I have served as the President of NTT DATA Japan Corporation since that transition, and now that I have accepted the baton from former President Honma, I have also taken over as the President of the NTT DATA Group Corporation, which means that I will assume global management responsibilities in addition to managing the business in Japan.

Overseas business now accounts for 60% of total consolidated net sales, and it is humbling to think that there is still significant room for growth in overseas markets going forward. In 2022, I was appointed Head of Corporate Headquarters and, in my other role as Head of Strategy Office, I discussed the scheme for a three-company structure with former President Honma, and we worked closely together to advance the integration project with NTT Ltd., which boasts sales of around ¥1 trillion. Furthermore, in April 2024, NTT DATA, Inc. was reorganized into three regional units and two global units. Since I was actively involved in the creation of this new structure, I recognize that my primary role is to make sure that it functions properly.

Strengths and Vision

On the Same Level as Our Global Competitors

The Group has been pursuing a strategy to capture a 2% market share in major countries. This will enable us to rank among the top ten IT services companies in each country, and increase our chances of winning big deals, including government projects. As a result of the integration, the number of countries where we have a market share of 2% or higher jumped from five*¹ to 15*² in fiscal 2023, and we now rank sixth*² in the ranking of global IT service providers by sales and are effectively in the global top five when excluding hyperscalers*², which are not our direct competitors. We are finally able to stand on the same level as our global competitors.

Furthermore, since the IT services business essentially creates value by collaborating with global players such as the hyperscalers, SAP, Salesforce, and so on, a major benefit of this increased market presence will be the ability to work more closely with these well-known players. I recognize that the important task that has been assigned to me is how to link these results to corporate value going forward and how to manage the Company as a global company originating in Japan.

Leveraging the Strength of the Full Stack that Has Abilities to Create and Connect

NTT DATA has always focused on its ability to create, for example in consulting and application services. The former NTT Ltd., on the other hand, was a company based on the

NTT DATA's share of each country's IT services market (2023)*²



ability to connect, for example in data centers and networks. The integration of these two companies has created a full-stack player with both an ability to create and an ability to connect at a level unparalleled in the world. This is the defining feature and strength of NTT DATA.

As digitalization advances, we are entering an era when people and things are connected through networks and big data is used at an advanced level. In this era, there is a need for comprehensive services that combine the ability to create and the ability to connect, and I am confident that NTT DATA Group has the strength to deliver these services.

The advent of generative artificial intelligence (AI) has also greatly increased the demand for data centers. Furthermore, IT services are entering a stage where they create added value by connecting data. NTT DATA Group has the engineering capabilities to establish these connections as the only company among the world's leading IT service providers with origins in the

Message from the CEO



telecommunications industry, and I believe this will be a major advantage in the future.

At the Group's Global Conference held in July, approximately 150 executives from around the world gathered to reaffirm the Group's growth direction. We also shared the news that the various services we have developed in Japan have been well received by the Japanese market and are contributing to increased sales and improved profits. Overseas, we have expanded our business scale through repeated M&As, but by leveraging our above-mentioned strengths in Japan on a global scale, I hope to further accelerate the Group's growth.

Convergence of Data Centers and IT Services

With the spread of cloud services and the emergence of generative AI, the importance of data centers is rapidly increasing. At first glance, the data center business resembles the real estate business: find a good piece of land, buy it, build a facility, and offer it to hyper-scalers and others under long-term contracts. However, we have been operating data centers in Japan for many years, and

we can add unique value to our offerings by, for example, installing servers and providing private cloud services, or developing community clouds for multiple specific clients.

For example, we are currently working on the development of an "integrated banking cloud" in Japan. This is about integrating data centers, hardware, and middleware to provide a secure and reliable banking system to financial institutions in a one-stop solution. The idea is to link data centers and IT services, demonstrate through our track record that this is leading to added value for clients, and then spread these best practices globally.

On the other hand, owning data centers as assets also increases liabilities, changing the balance sheet significantly from the type of balance sheet associated with a "flow business" in which revenue is generated from individual purchases of goods and services. We are therefore carefully considering how much financial leverage should be used to take on risk based on indicators such as the net debt to EBITDA ratio and our forecast of future returns. Liquidation of data center assets is one option to maintain an asset-light balance sheet, but whichever path we choose, we aim to maximize cash generation through leverage to achieve a balance between achieving greater investment returns and financial soundness.

Growth Strategy

Stay Close to Clients Starting from Upstream Concept Formulation

At the Global Conference I mentioned earlier, in addition to affirming the future overall direction of the Company, I gave a lecture directly to the executives on the subject

of "Quality Growth," which is the challenge before us.

"Quality Growth" is a topic I have been discussing passionately with Abhijit Dubey, the CEO of NTT DATA Inc., who is in charge of the Group's overseas operations.

"Quality Growth" means growth accompanied by profits. Delivering high-value services naturally increases profitability, so ultimately it is about increasing the value we provide. I think of high-value services as solutions that address the real business challenges of our clients. To this end, I intend to strengthen our consulting capabilities to ensure close communication with our clients.

Until now, the job of a system integrator has been to build and operate IT systems according to the requirements set by the client. However, IT systems are now used strategically in all departments, including marketing, manufacturing, product development, and R&D, making it difficult for clients to determine requirements on their own. For this reason, we are expected to be more than just a systems integrator; we must accompany our clients in their business transformation from the upstream concept formulation stage onwards. In other words, to achieve "Quality Growth," it is very important to consider the "what" (what needs to be done to solve the challenges of the client's business or department) and to prepare the "how" (a variety of solutions that will produce the desired outcome).

Core Concept: an Asset-based Business Model

The current medium-term management plan includes five strategies. The one I would particularly like to emphasize

Message from the CEO

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CEO Interview

is “Evolve to an Asset-based Business Model.” This is the core concept on which the other strategies are based. The strategy is to offer consulting starting from the upstream “what” and new services that combine IT and connectivity, and then transform the technology, knowledge, and experience gained through these activities into explicit knowledge and ultimately into assets. In this way we will evolve into a business model based on assets that can be used as the “how” for a wide range of projects. As a contract-based system integrator that primarily focuses on custom-made orders, we have assets filed away that can be offered to multiple clients and markets and that can be leveraged to add value to the platform. Providing services in this way is an essential strategy for achieving “Quality Growth.”

In the Japanese market, we are already actively developing our asset-based business. For example, BeSTA, our standard banking application, is a typical asset business, serving multiple financial institutions with a single piece of software. In fiscal 2023, we applied PITON, our framework for operating a core banking system on an open infrastructure, to MEJAR^{*3}, a shared system for regional banks, and began operating the banking industry’s first multi-banking open core banking system. Similarly, in overseas markets, we are leveraging our private 5G engineering capabilities as an asset in projects such as factory automation. I believe that by expanding these models globally we will be able to achieve “Quality Growth” across the entire company. Of course, in addition to capitalizing on these intangible assets, we own data centers as tangible assets, and we will enhance profitability by adding value to these as well.

The IT services industry has continued to grow over the long term, but the main players have changed significantly every decade. In recent years, with the expansion of demand as a driving force, some of our competitors have been promoting a model of mobilizing a huge number of people to boost profits by increasing the number of employees. However, looking to the future, I believe that, in addition to talent, the key to success lies in building up high-quality assets. Traditionally, the IT services industry has been more of a man-month-based business, but we are shifting to an asset-based business model to maximize value.

Toward the Next Medium-Term Management Plan

Operating Profit Margin of 10% is a Hurdle that Must be Cleared

In the current medium-term management plan, the Group has announced that it will increase net sales to ¥4.7 trillion by fiscal 2025 and increase the operating profit margin excluding one-time costs to 10%. This profit target is quite challenging given the current operating profit, but it is not a high standard compared to competing IT service providers, and we see it as a hurdle that must be cleared. In the next medium-term management plan, we will pursue “Quality Growth” while asking ourselves how to take action that is unique to the Group, based on two developments: the significant expansion of our business portfolio, and the increase in business opportunities associated with the advent of generative AI.

Focus on the North American Market

When expanding overseas to drive growth, it is necessary to consider strategies based on each country’s business and work practices. In particular, we place great importance on the North American market. North America is a leader in advanced technology and an indispensable market in terms of scale and medium- to long-term growth potential. Above all, establishing a solid position in North America will directly lead to an increase in our global presence. Starting in April 2024, NTT DATA embarked on a bold business transformation in North America, led by Abhijit, who oversees our overseas operations. Specifically, with a focus on “Quality Growth,” we are strengthening our approach to large accounts and are working to secure large-scale deals, and this approach is starting to produce positive results. In North America, the executive management has been rejuvenated, led by Eric, and a very aggressive mindset has been instilled.

Sustainability Management

Contributing to Society Using our Ability to Connect for a Long Time to Come

The NTT DATA Group’s mission statement is “to positively impact society through responsible innovation,” and there is no doubt that IT will continue to be a key driver to enrich society and solve social issues. We have a lot of knowledge about how to leverage IT for the greater good. Looking ahead to 2030 and 2040, even as society as a whole changes, I believe that NTT DATA can remain as a top global leader and continue to contribute to society by

Message from the CEO

solving social issues, sometimes through our clients and sometimes directly.

For example, as needs related to wellness become more sophisticated, we are researching how IT can contribute. As part of these efforts, in July 2024 we entered the health promotion business by opening a capsule hotel specializing in sleep analysis on the first floor of our company-owned AREA Shinagawa shopping center. The plan is to acquire sleep data for 10 million people globally by 2027 and provide the world's largest-scale service for accumulating and analyzing sleep data. This data can be used to provide feedback on whether or not people have sleep apnea and which supplements would improve their quality of sleep, providing useful data to food and supplement manufacturers. This is just one example. I believe that by connecting previously unconnected data, we will be able to provide better solutions and greatly increase our opportunities to be of service to society.

The Group is also contributing to solving social issues through participation in and utilization of major initiatives. Specifically, we joined the World Economic Forum (WEF) in October 2023 and Business for Social Responsibility (BSR) in March 2024.

In April 2024, we established the Sustainability Committee with the aim of further strengthening our sustainability governance. We are linking directors' remuneration to sustainability indicators and working to achieve sustainability for society, our clients, and our own company through our sustainability-related business offerings and various award-winning sustainability-related initiatives.

Making IT Services a Sustainable Business

The NTT DATA Group is making significant contributions to addressing the issue of climate change, for which there is strong popular demand, through IT-driven solutions under the "B to B to Society" model. However, as digital transformation and the use of AI continues to grow, data centers will consume increasing amounts of power. We are therefore promoting energy conservation and the introduction of renewable energy, aiming to achieve net zero greenhouse gas emissions (Scope 1-3) in our company and our supply chain in 2040, earlier than our initial target of 2050. As part of this process, the NTT Group is conducting research on high-capacity optical transmission technology, "Photonics-Electronics Convergence" devices (optical semiconductors), and other technologies that are expected to significantly reduce power consumption. Advancements are also expected in server cooling technologies. As one of the top global industry leaders, we will quickly incorporate these technologies to make IT services sustainable in terms of the environment.

Human Resources Strategy **Brand Awareness in the Global Market is a Challenge**

Needless to say, the source of competitiveness in IT services is human capital. To create assets and grow our business, it is essential to secure talented people around the world. This is why it is important to further increase the Group's presence.

Competition for IT talent is intensifying, but the NTT DATA Group ranks high in the popularity rankings for job hunters in Japan every year and been recognized as a "Global Top Employer 2024"*4 in global evaluations. However, we are still not well known overseas. Therefore, the Global Marketing & Communications Headquarters is taking the lead in working to improve our brand value in the talent market as well. However, the mobility of human capital varies greatly from region to region. We will also expand our business by broadening the scope of the business ecosystem in which we mutually create and provide value, while paying attention to human capital, not only within the Group but also with our business partners.

In terms of personnel development, we are focusing on strengthening our engineering capabilities. I ask our employees to propose good solutions, but even if you have a good proposal, it is meaningless if you cannot implement it. We are therefore promoting projects to strengthen our engineering capabilities. Furthermore, based on the hypothesis that there will be a shortage of IT architects, we have established an internal certification system to allow management to determine the adequacy of the number and skill level of our IT personnel, and we have begun efforts to recruit and re-skill candidates to expand our talent pipeline.

In fiscal 2024, we held a technology competition. It was a game-like contest in which participants competed for points by completing tasks set up on the cloud. Approximately 40 teams, including from Group companies, participated, and awards were given at the end. Overall, it was a fruitful event where participants were exposed to new technologies and learned what kinds

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of expertise they still lacked. I would like to continue to actively undertake such initiatives in the future.

Focus on Developing the Next Generation of Leaders

Although I have only recently assumed the position of CEO, I recognize that because a company needs to grow continuously, establishing a robust pipeline of candidates for current and future management positions is an important management issue. The qualifications I am looking for in managers are excellent strategic thinking and the market sensitivity to grasp business trends from a global perspective and consider the Group's position within it. I am also focused on developing strategists who support management. With the increased scale resulting from the business combination with NTT Ltd., our executive candidates will have the opportunity to think in a variety of positions, and I hope they will use this opportunity to hone their leadership qualities.

Governance

Governing NTT DATA, Inc. in Partnership with the Parent Company, Nippon Telegraph and Telephone (NTT)

I believe it is very important to work closely with Abhijit, who is in charge of overseas operations in the new business structure, both in terms of strategy and business operations. We communicate frequently, not only about the progress of our plans, but also about areas of business where we could potentially expand and ideas for new

strategies. I do not intend to give him detailed instructions on how to run the overseas business. I plan to visit the leaders of each business unit supporting Abhijit in turn every month to get a firsthand feel of the situation on the ground.

I currently also serve as president of NTT DATA Japan Corporation, our operating company in Japan, but I don't think serving in both roles is inefficient. On the contrary, I believe this is an efficient management structure for expanding the strengths of a Japan-originated company overseas. However, some people say that it is difficult to understand the scheme in which we invest 55% and NTT 45% in NTT DATA, Inc., our operating company outside Japan. This ratio was determined at the time of the business combination with NTT Ltd., taking into consideration the balance between the financial soundness and leverage of the former NTT DATA. Furthermore, since NTT had accumulated considerable know-how in global data center operations, I believe that this was an appropriate scheme from the perspective of increasing the value of NTT DATA, Inc. through cooperation between the two companies.

Although we operate our business independently and autonomously, we have a parent-child relationship with NTT and are basically aligned in direction. Naturally, NTT also hopes that its ability to create and ability to connect will enhance the corporate value of the entire Group, and we will govern NTT DATA, Inc. based on a coordinated strategy achieved through ongoing rational discussion.

To Our Stakeholders

A Very Exciting Company

I believe that as the transformation of society and



business through IT becomes more obvious, society's expectations of the NTT DATA Group will continue to increase. This is why I often say to my employees, "You are lucky to be working here in such an interesting time." As I mentioned before, now that the NTT DATA Group is a player on the global stage, I think it has become a very exciting company for employees, clients, shareholders and investors alike. On the other hand, we are also involved in businesses such as data centers that aim for a return on investment in ten years, so compared to our competitors, I think we operate our business with a long-term perspective. I hope that shareholders and investors will view us as a company with great long-term potential.

*1 As of 2021. Please see page 109 for sources

*2 Please see page 109 for sources

*3 Abbreviation for "Most Efficient Joint Advanced Regional banking-system."

MEJAR is a core Integrated Services Center for regional and second tier regional banks established by NTT DATA and managed mainly by the banks.

*4 In January 2024, NTT DATA was certified as a Top Employer 2024 globally and in Japan by Top Employers Institute, headquartered in Amsterdam, Netherlands.

Operating Company Outside Japan (NTT DATA, Inc.) CEO Interview



Abhijit Dubey

NTT DATA Inc.
President and Chief Executive Officer,
Representative Director

We are on our journey to becoming a preeminent global IT services powerhouse (“only NTT DATA can do”), delivering unparalleled value to all our stakeholders, responsibly.

Background and Journey to Lead NTT DATA, Inc.

I grew up in Jamshedpur, an industrial city in eastern India. I graduated from the Indian Institute of Technology, Bombay with a degree in Mechanical Engineering and my final project was in neural networks, a key element of AI. After working for several years at Schlumberger, one of the world’s largest oilfield services companies, I went back to university during the height of the IT bubble in the early 2000s, completing a master’s degree in industrial engineering at Stanford University. Subsequently, I joined the leading management consulting firm, McKinsey & Company, where I founded their Cloud practice, and ultimately rose to the position of senior partner. At McKinsey, I advised CEOs and the C-Suite of global technology and telecommunications companies, including the NTT Group.

Initially, I was advising the NTT Group on growth strategies for their business outside of Japan. After working closely with the NTT Group for over ten years, I was asked to lead their overseas operating company, NTT

Ltd., as CEO. Following the operating companies merger of NTT DATA with NTT Ltd. forming a \$30 billion IT services powerhouse, I was appointed president and CEO of the newly formed NTT DATA, Inc. – NTT DATA’s \$18 billion business outside Japan. I am honored to have been given this responsibility, as I believe our company has an incredible portfolio, assets and capabilities. I am committed to expanding NTT DATA, Inc.’s truly global presence under a new management style that combines elements of the eastern and western philosophies – marrying Silicon Valley with the Japanese management approach.

Management Policy and Key Priorities

NTT DATA is a \$30 billion company and a top 5 IT services provider, if you exclude hyperscalers. We have an opportunity to create a Japan-based global IT services champion like the ones from North America, Europe and India. We have a huge opportunity to not just be a leader, but to define the role of IT services in clients’ successes, employees’ fulfilment and the planet’s sustainability. To

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achieve this potential, we have five key priorities:

- Our first priority is to become one company – one team, one culture – as we integrate various business entities into a single global company.
- The second priority is to become the greatest place to work for our employees. We need to recruit, attract, and retain the best talent in the industry. Presently, we are the top employer* in 29 countries, which we intend to expand to 40 countries and achieve industry-leading eNPS scores. We also need to transform our organization to be future proof in the age of generative AI.

*In January 2024, NTT DATA was certified as a Top Employer 2024 globally and in Japan by Top Employers Institute, headquartered in Amsterdam, Netherlands

- The third priority is to ignite “Quality Growth.” “Quality Growth” means growing revenue with expanded profit margin.
- Fourth, we need to elevate our profitability to the industry’s top quartile. This is a work in progress for the entire team.
- Finally, we must also be at the forefront of the industry in generative AI. We are not only developing new generative AI services for the future but also adopting generative AI in the services we currently offer, i.e. power our current services with generative AI.

As the CEO, I ensure we have clarity of strategy and priorities, and the right allocation of investments and talent to execute them.

Leadership is about leading from the front. I am setting the tone and leading by example as we create a culture that promotes and incentivizes collaboration. Another example of leading from the front is around the important priority of achieving “Quality Growth.” I get personally involved in developing new clients and help originate and win large transformation deals. Last but not least, I am committed to re-inventing our company and industry in a responsible way.

The Unique Strengths of NTT DATA, Inc.

NTT DATA, Inc. operates in a rapidly growing yet complex, evolving and highly competitive market. We are confident that we can achieve our goals of profitable, sustainable and responsible growth based on the following unique strengths that we have invested in and built deliberately in our way of operating:

- First, by combining the systems integration capabilities of former NTT DATA and edge to cloud infrastructure and connectivity services of former NTT Ltd., we have become the only global company that possesses a full-stack portfolio to help our clients transform their core business and “build the new.” Specifically, we offer advisory, system integration, outsourcing, managed services across infrastructure, applications, data, and AI, and global connectivity. This means we can address our clients’ global transformation needs, whether that

involves a total migration to the cloud, complete digitalization at edge, or deploying generative AI through new use cases. We can deliver on these transformational projects by ourselves with single accountability.

- Second, we have the optimal balance of global capabilities and scale with local intimacy and proximity to our clients.
- Third, our standing in the industry today is testimony to our history and continued capability to drive innovation. We can rapidly deliver new services by utilizing existing horizontal and industry specific assets, platform-enabled services and engineering and leveraging our innovation ecosystem – NTT R&D (\$3.6B investment per year), start ups (through NTT Venture Capital, our Silicon Valley based venture fund), and our strategic partners (e.g. hyperscalers).
- Fourth – rooted in a 150-year Japanese heritage, diligence and commitment are deeply ingrained in our DNA. We have a culture of responsibility, one that values always doing what is right and making a positive impact in the long term, for the benefit of our clients, for our employees and for the world. We reinvent ourselves responsibly and help clients do the same.

These strengths have helped us achieve a leading market share in many countries – we are one of the top 5 players in 10+ countries* already.

*Excluding hyperscalers that are not in direct competition

Operating Company Outside Japan (NTT DATA, Inc.) CEO Interview

Moving to a New Operating Model

We are transforming our operating model – a “fit-for-purpose” operating model is essential for us to not only drive growth and cost synergies but also deliver exceptional value to our clients, employees and communities. To that effect, we have organized ourselves into five units, which we will continue to evolve to best position the portfolio that we have. From a growth perspective, we are focusing on key clients and high impact deals and have identified specific services to position for growth. We are making strides in creating talent capacity in the right places and further developing the capability of our employees in both sales and delivery.

I would also like to mention two special initiatives we have launched. First is around Sustainability, both for our business and “Sustainability as a business” offering services to help our clients meet their sustainability goals. Second is around Generative AI – we are introducing new service offerings while simultaneously reimagining our existing services. Beyond external innovation, we are leveraging generative AI to transform our internal operations and are committed to upskilling our entire 150,000+ workforce in this transformative technology.

We are making progress in implementing the new operating model bringing together the leadership and teams into one company and under one culture.

30 Billion Yen in Synergies

The merger of NTT DATA's overseas business and NTT Ltd. is expected to generate several revenue and cost synergy benefits for NTT DATA, Inc. We estimate that these synergies will together contribute around 30 billion yen to operating profit in FY2025, and all indications are that we are on track to reach this figure.

Revenue synergies are being driven primarily by cross selling between former NTT Ltd. and NTT DATA accounts and by creating and taking to market more powerful solutions bringing together the capabilities of the two organizations. Our progress is highlighted by a five-fold increase in joint win TCV from the second half of FY2022 to FY2023. This momentum, coupled with a robust pipeline, positions us for continued success.

We are steadily realizing cost synergies through consolidating our office footprint – which also helps with one team culture, merging teams, and streamlining operations. We are simplifying systems and processes and optimizing third-party costs like software licensing. The new operating model has accelerated our efforts to optimize business portfolios and corporate functions globally. These initiatives are enhancing our competitive position as we work towards achieving our financial targets.

Growth Strategies and a 10% EBITA Margin

As I mentioned earlier, igniting “Quality Growth” and elevating our profitability to the top quartile in the industry are two of our key priorities. We aim to increase our top line revenue while getting to an EBITA margin of 10% or higher.

For igniting the “Quality Growth,” we will be focusing on five key levers:

1. Increase our wallet share with existing clients
2. Win our fair share of large \$100m+TCV deals
3. Accelerate joint GTM with our strategic Tier1 partners
4. Shift our portfolio to high growth services like industry and business consulting, cloud transformation, security, CX, design, data and AI, etc.
5. Leverage assets and capabilities, especially industry consulting capabilities, from Japan

Our future growth strategy also includes the view that generative AI, the biggest technological advancement since the internet, will bring about transformation in every industry. Our comprehensive capabilities position us as a leading provider of generative AI solutions, spanning from consulting and use case development to curated platform and infrastructure and related services, including GPU-as-a-Service.

Message from the CEO

Operating Company Outside Japan (NTT DATA, Inc.)

CEO Interview

We need to significantly accelerate the adoption of platform and assets in the services we offer, including the assets from Japan. We are also driving right shoring and increased automation through AI/generative AI in our delivery. Furthermore, we need to right size our G&A cost structure to be in line with our peers through streamlining teams, technology landscape, business processes and office footprint and optimizing 3rd party spend, etc. We are already starting to deliver on many of these initiatives as part of realizing the cost synergies from the merger.

As the world's third-largest*¹ global data center operator, NTT DATA Group will continue to invest aggressively in order to meet burgeoning demand, especially from hyperscalers. With data center operations anticipating higher levels of demand by AI and generative AI, our cumulative investment over the period of FY2023 to FY2027 is expected to reach \$12 billion. We currently operate over 120 data centers globally, with a total capacity of more than 1,300 MW. We are, however, committed to expanding our data center business responsibly along with net zero greenhouse gas emissions.

*1 Excluding Chinese operators. Survey conducted by NTT based on the Structure Research 2023.5 Report.

To achieve our ambitious growth and profitability targets, we need to significantly enhance our industry and business consulting capabilities and capacity, aligned with our go-to-market strategy. Strengthening

our solutioning and commercial expertise is crucial for securing and delivering large, complex deals. Additionally, we require more technical talent, particularly in data and analytics, generative AI, security and CX/design, amongst others.

Attracting and Retaining Talent

Human capital is undeniably the true source of competitive advantage in the IT service industry. Attracting and retaining top talent requires a clear and compelling employee value proposition (EVP). Our EVP is rooted in a steadfast commitment to our employees, offering clear pathways for learning and growth, opportunities to make a meaningful impact, and a fair and rewarding work environment.

I am committed to making our organization the "Best Place to Work" by fostering a workplace that fully embodies these principles. Our progress is evident in our recent recognition as a "Top Employer 2024*²," with exceptional scores in human capital acquisition, career development, and diversity and inclusion policy.

*2 In January 2024, NTT DATA was certified as a Top Employer 2024 globally and in Japan by Top Employers Institute, headquartered in Amsterdam, Netherlands.

To leverage the full potential of the capabilities of our talented and diverse workforce, we need a clearly articulated vision, aspiration and strategy that the entire organization of 150,000+ people can rally behind. It's

also important that all forms of recognition and incentives, irrespective of rank or position, are aligned with the vision and strategies of the organization and enable "one company" culture that drives us towards our collective success.

Group Governance

Although NTT DATA, Inc. is officially the overseas operations arm of the NTT DATA Group and is 45% owned by NTT, our authority in relation to management decisions has been clearly defined under a set of metrics, and an authority matrix has been created to ensure agile and rapid decision-making and execution. We also hold informal discussions with the leadership across the organizations on issues such as investment allocation, M&A proposals, strategic partnerships, executive appointments, and the progress of key strategic initiatives.

Given the scale of transformation happening in the global IT services industry, it is critical that we effectively utilize all the capabilities and assets across the NTT Group and pursue a consistent strategy throughout the group not only in Japan, but on a global scale. For this purpose, we are actively communicating and collaborating with the NTT Group, including the NTT DATA Group, at all levels of the organization.

Introduction

NTT DATA At a Glance

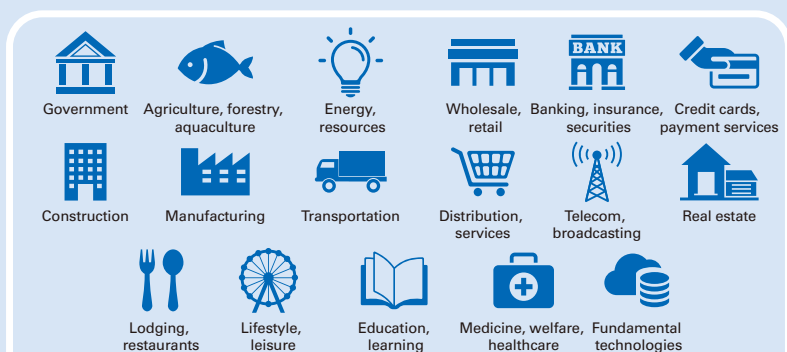
NTT DATA's Business

Embodying our mission statement
to "positively impact society
through responsible innovation,"
our business has been
an integral part of the global
community in the past, now,
and into the future.
This is what defines
NTT DATA's businesses.

►P18 History of Self-Transformation

Clients and Global Coverage

Our IT services are utilized in a diverse range of industries and in social infrastructure that transcends corporate and industry boundaries. These services contribute to the growth of our client's businesses and the solution of societal issues. As a result, we have cultivated long-term relationships—trust and connections with clients.



Network of bases in more than
50 countries and regions

Number of Employees
Approx. **194,000**

►P24 Management Resources

Competitive Advantage and Differentiating Factors

A diversified business portfolio
that makes business possible in a wide range of countries,
regions, and industries

World-class engineering capabilities
and the leveraging of cutting-edge technologies

Project management capabilities
for working on large-scale projects

**A leading global player in
infrastructure services,**
including data centers and networks

NTT DATA's Achievements

Net Sales

¥ **4.37** trillion
35
consecutive years of growth

Global Brand Recognition

IT services brands*1

No.6

Global Market

IT Services Market Vendor Ranking in
Global Market by Revenue*2

No.6

(No. 4 excluding hyperscalers)

Japan Market

IT Services Market Vendor Ranking in
Japan Market by Revenue*2

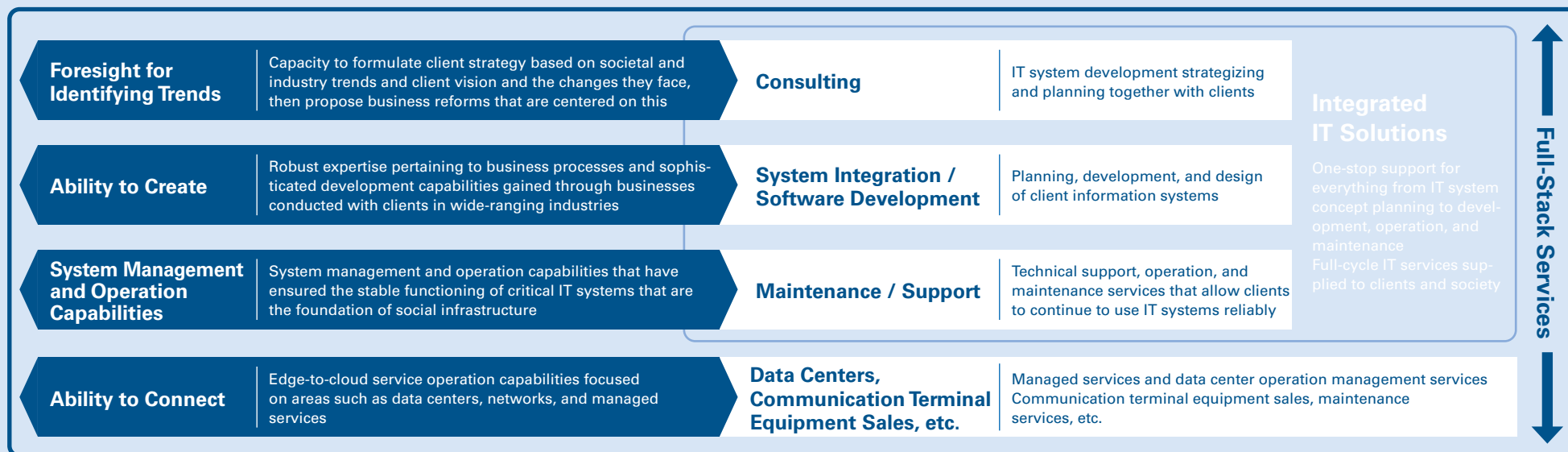
No.1

*1 Position in Brand Finance IT Services 25 2024 ranking of Brand Finance of the United Kingdom

*2 As of 2023. Calculated by NTT DATA based on Gartner Research. See page 109 for sources.

Strengths

Major Services ▶P16 Principal Business Models



Human Resources and Organizational Capabilities

A team of over 190,000 professionals with expertise across various fields, fully leveraging organizational capabilities to complete projects

Top Employer

Certified as a Top Employer 2024*1 in 29 countries and four regions



World-Leading Digital Technologies

Recognized as a leader in various fields, including **generative AI**.

Data Center Operator Share*2

No.3 globally

▶P34 Data Center Business Overview

History of Providing IT Services

Since the Data Communications Bureau of Nippon Telegraph and Telephone Public Corporation was established in 1967

57 years

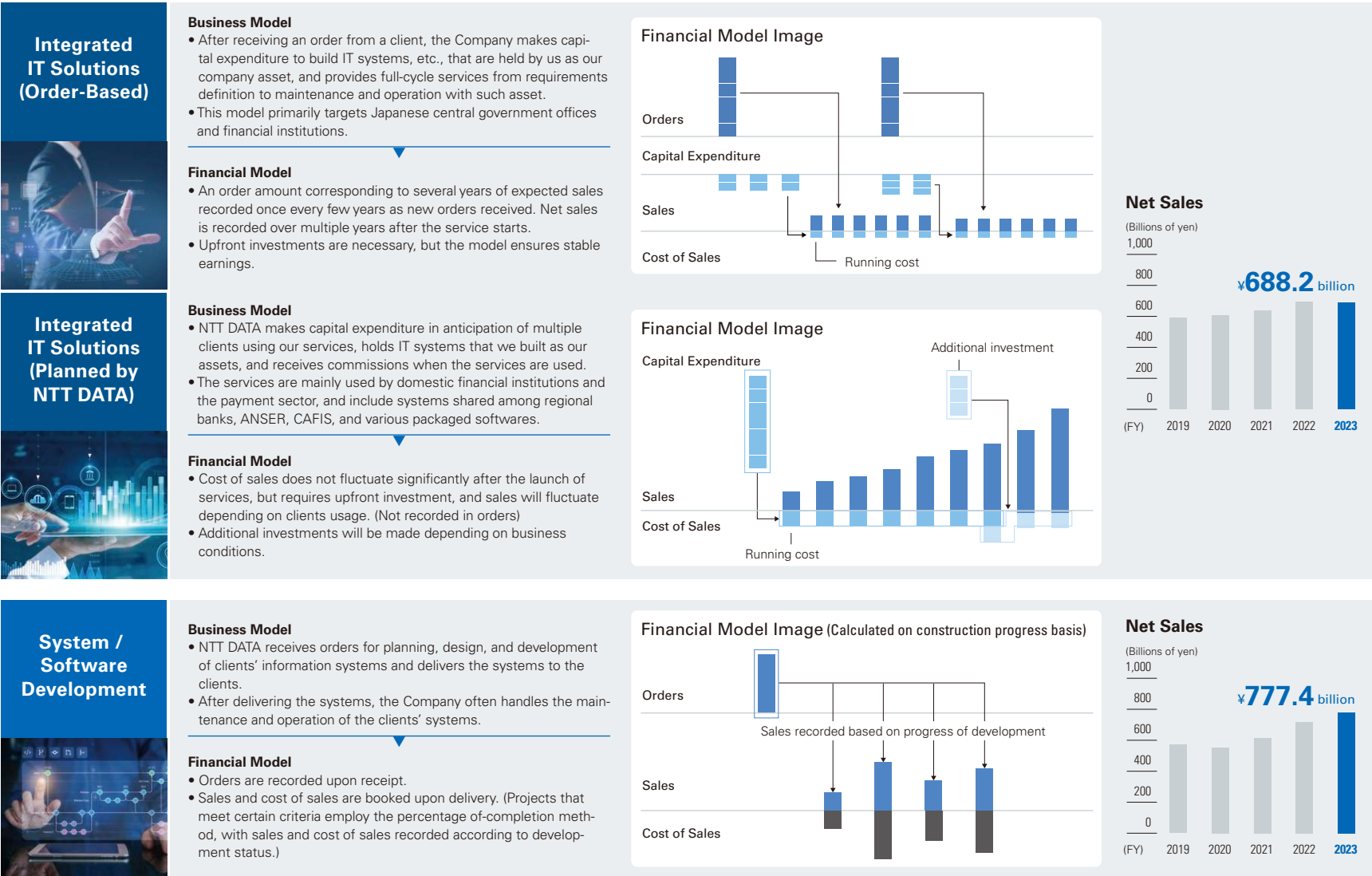
*1 In January 2024, we received Global and Japan recognition in the Top Employers Institute's (headquartered in Amsterdam, Netherlands) Top Employers 2024.

*2 Excluding Chinese operators. Survey conducted by NTT based on the Structure Research 2023.5 Report.

Principal Business Models

Each service* provided by the NTT DATA Group has its own financial model, and sales and cost of sales from orders received or capital investments made are recorded at different timings. The Group secures stable revenue by combining different financial models.

*Regarding the Group's services, following the adoption of a new global operation structure in April 2024, "IT Infrastructure," "Communication Terminal Equipment Sales, etc.," and "Other Services" have been reclassified as "Data Center" and "Communication Terminal Equipment Sales, etc. and others."



Consulting



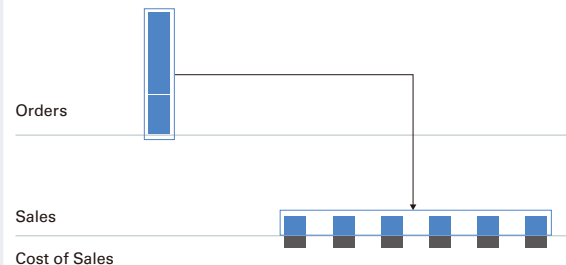
Business Model

- NTT DATA co-creates new business value by taking advantage of industry and business expertise, envisioning the future of clients and industries from a technology perspective.

Financial Model

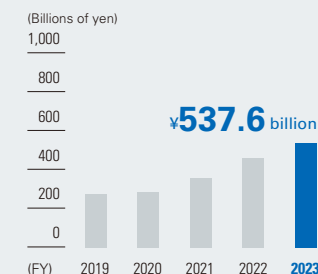
- After receiving an order from a client, net sales and cost of sales are recorded according to the provision of services and operations.

Financial Model Image



*Under a time and material contract, sales and cost of sales are recorded in accordance with time.

Net Sales



Maintenance Support



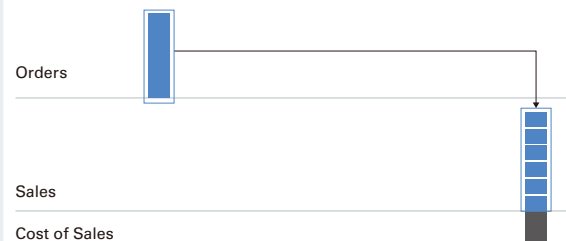
Business Model

- The Company provides technology support for system development, etc., that does not involve transfer of deliverables to clients, such as AMO, ITO, and BPO services, or services in which we perform maintenance and operation.

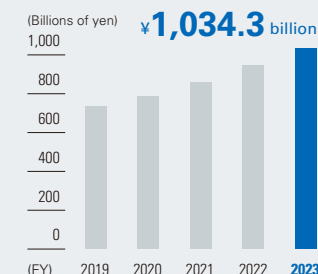
Financial Model

- The Company considers the use of its services by clients as the transfer of goods or services and recognizes revenue according to the record of service use.
- The contract period for AMO, ITO, and BPO services often spans multiple years.

Financial Model Image (When sales and cost of sales are recognized at the time of delivery and acceptance inspection)



Net Sales



Data Center



Business Model

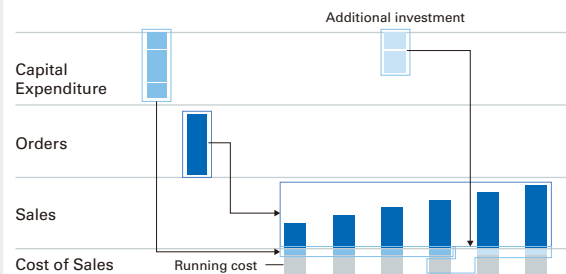
The NTT DATA Group makes capital expenditure on land and buildings for data centers in anticipation of multiple clients using our services, holds the land and buildings as the Group's assets, and receives commissions when the services* are used.

*Power supply, network, and other operation and management services

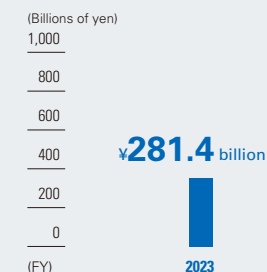
Financial Model

- The value of orders is recognized in accordance with the total contract value and estimated power use during the contract period.
- The Company considers the use of its services by clients as the transfer of goods or services and recognizes revenue according to the record of service use.
- Additional investment is made in accordance with the status of business.

Financial Model Image



Net Sales



12%

24%

6%

24%

Communication
Terminal Equipment
Sales and others

History of Self-Transformation

Driven by consistent belief and courage to change, NTT DATA has continued to transform itself in a flexible manner in response to technological progress and changes in client needs and the operating environment. This dedication to transformation has allowed us to continue growing our business while achieving higher net sales for 35 consecutive years since our founding.

Bold self-transformation for creating new paradigms

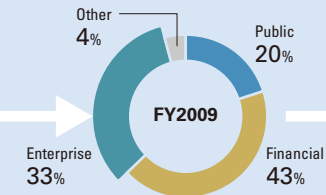
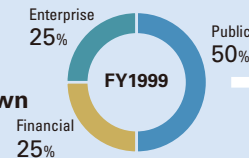
Founding—Expansion of businesses centered on the public and financial sectors
Development of social infrastructure and data communications businesses in Japan

1995 Listing on the Second Section of the Tokyo Stock Exchange

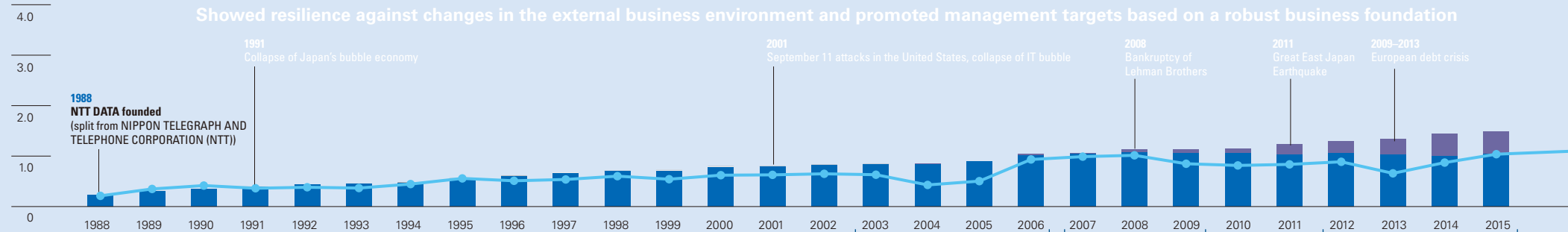
2000s—Reinforcement and expansion of operations in the enterprise sector
Aggressive expansion of IT partnership businesses founded on M&A activities

2005—Full-fledged global expansion
Expansion of global coverage through aggressive M&A activities

Segment portfolio Net sales breakdown



Net sales
(Trillions of yen)



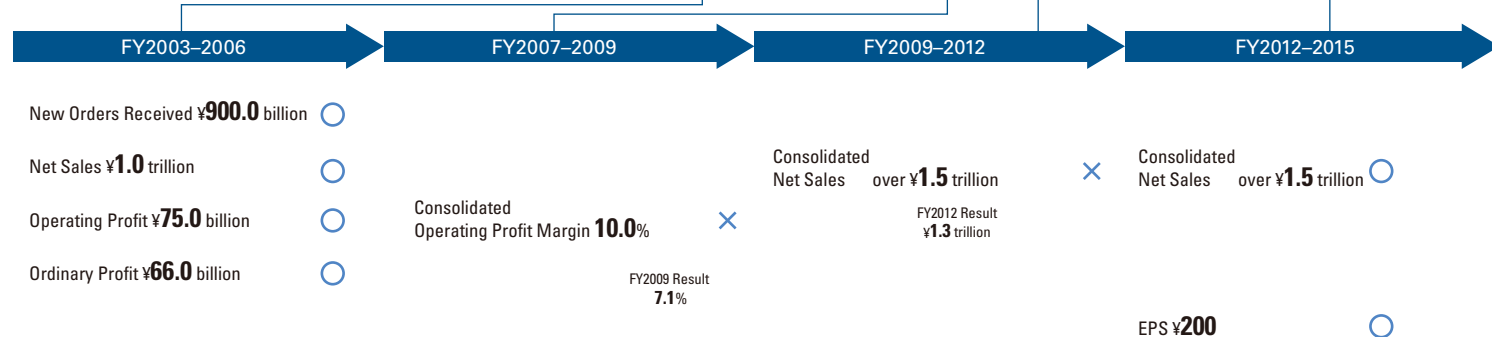
Showed resilience against changes in the external business environment and promoted management targets based on a robust business foundation

Net sales (left)

<FY1988-2022>
 ■ Group companies outside Japan
 ■ Former NTT DATA (Non-consolidated) + Group companies in Japan
 <FY2023>
 ■ NTT DATA Group Overseas segment
 ■ NTT DATA Group Japan segment + Other
 ● Operating profit (right)

**Medium-term management plan
Transition of management targets**

○: Achieved
 ×: Not achieved



2015 Shift to the enterprise sector in the payment business
Shift to the public & social infrastructure sector in
the telecom business

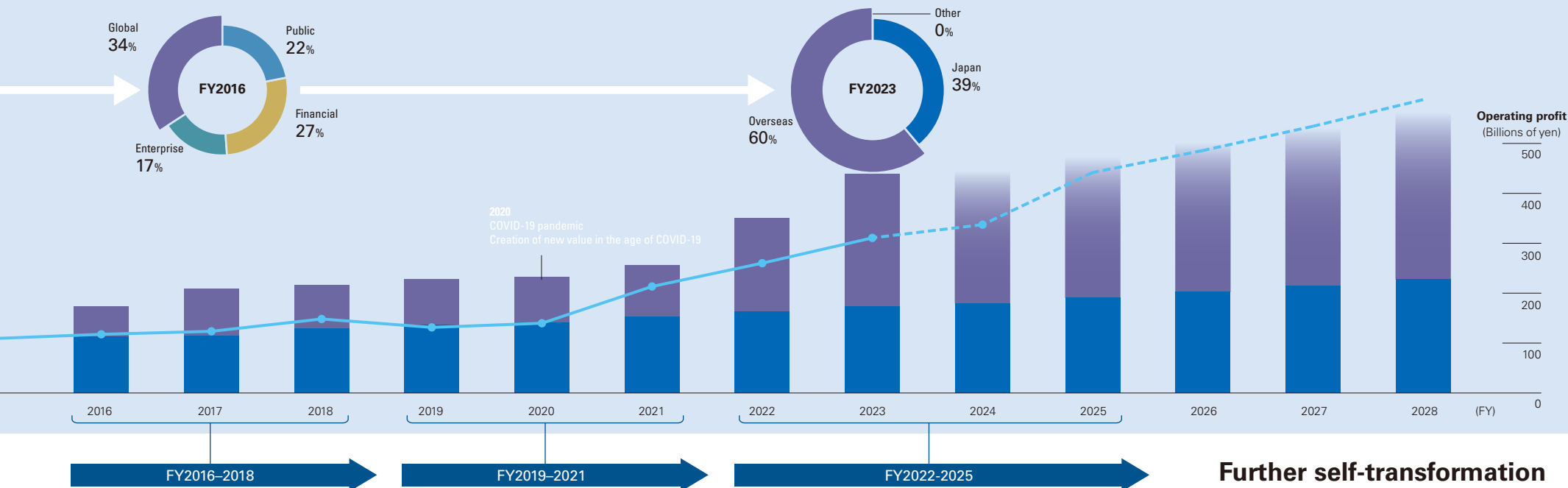
2019– Structural transformations
Enhancement of digital capabilities

2022– Business combination with the overseas business of NTT Ltd. Integration of global data center and network business

2016 Large-scale M&A transaction in North America
(integration of former Dell Services)

2020s– Acceleration of digital transformation (DX)
Increase in social needs for cross-industry
coordination

2023– Shift to a three-company structure
Shift to a global management structure



Consolidated Net Sales over **¥2.0 trillion** ○
Consolidated Adjusted Operating Profit **+50%** ○
(Reference)
Consolidated Operating Profit:
¥142 billion

Consolidated Net Sales **¥2.5 trillion** ○
Consolidated Operating Profit Margin **8.0%** ○
Overseas EBITA Margin **7.0%** ○
Client Base **80** companies or more ○
FY2021 Result **6.5%** ×

Consolidated Net Sales over **¥4 trillion** —Revision of plan→ **¥4.7 trillion**^{*2}
Consolidated Operating Profit Margin **10.0%**^{*1*}
Overseas EBITA Margin **10.0%**^{*1*}
Client Base **120** companies ○

^{*1} Excluding one-time costs for M&A, structural transformation, etc.
^{*2} Used the same exchange rate level as in FY2024.

**Further self-transformation
is under way, toward the
achievement of the
medium-term management
plan for FY2025**

►P04 Message from the CEO

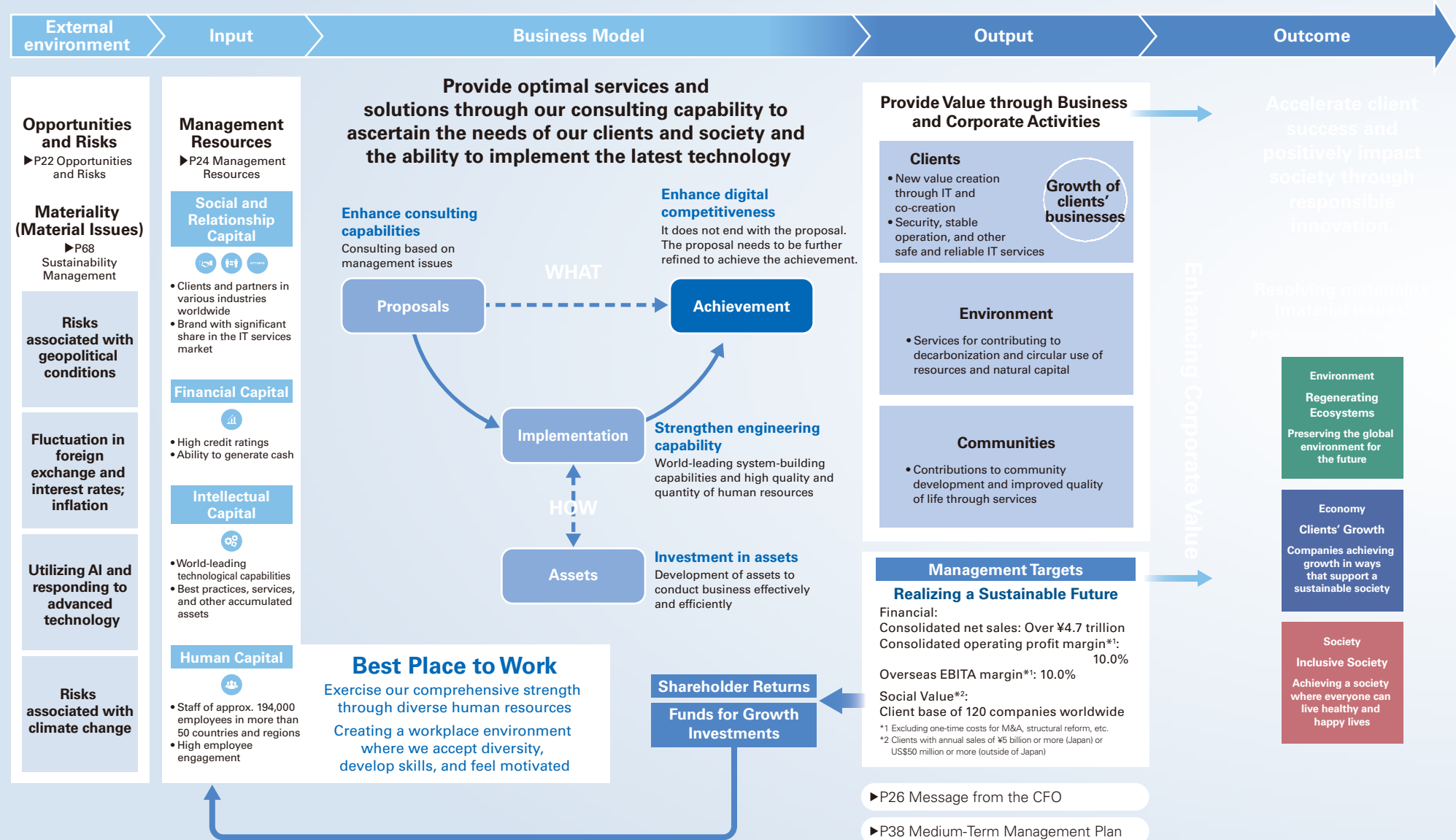
►P10 NTT DATA, Inc. CEO Interview

►P38 Medium-Term Management Plan / Business
Strategies by Segment

Growth Story

Value Creation Process

As a trusted partner, NTT DATA accelerates client success and positively impact society through responsible innovation. This is how we raise enterprise value and embody our mission statement.



Value Creation Process

Message from the CFO
 Medium-Term Management Plan (FY2022–2025)
 Business Strategies by Segment
 Sustainability Management



NTT DATA Group Sustainability Report: Case Book

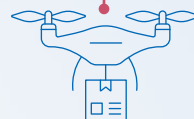
URL: <https://www.nttdata.com/global/en/about-us/sustainability/report>

Creating social impact by implementing our mission statement



Improving the health, safety, and lives of people in remote areas

Wingcopter is a service that efficiently and accurately delivers medical supplies to people in remote areas in Malawi.



Promotion of cashless payments

CATCH&GO is a service where customers don't need to wait in line at the cash register; they can buy products by just picking them up and leaving the store, thereby increasing convenience for shoppers and reducing the need for store staff.



Promotion of workstyle innovation

Work Re:Invention is a service that takes the best of offline and online environments, and improves company productivity and employees' job satisfaction.



Open mainframes

PITON is a framework for financial core banking systems running on mainframes that ensures safe and secure migration and system continuity.



Support for an aging society

We use connected car data to infer brain health from daily driving behavior, enabling early detection of cognitive decline and preventing driving accidents.



Promoting decarbonization

C-Turtle is a service that realizes decarbonization by sharing efforts to reduce GHG emissions across the supply chain.



Improvement of disaster response efficiency

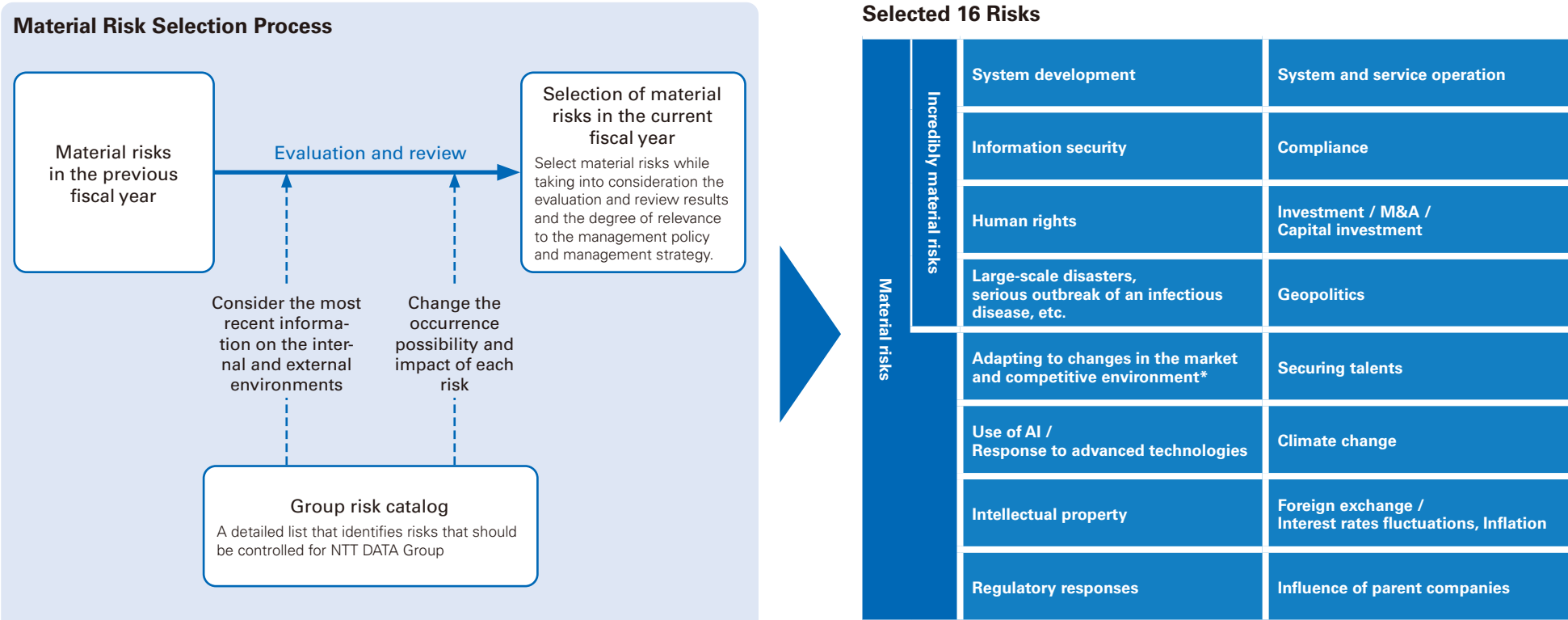
D-Resillio is a digital disaster prevention platform that leverages satellite images and drones for information gathering, visualization and analysis.

Opportunities and Risks

NTT DATA aims to grow sustainably by understanding the constantly changing business environment, and opportunities and risks to the Company, and by promoting flexible change and adaptation to contribute to the realization of a sustainable society.

Our Board of Directors has designated risks with the potential to severely impact the Group’s business plans or the foundations required for its survival as “material risks,” and those risks that require control under normal circumstances and swift emergency responses in the event of materialization as “incredibly material risks.”

The 16 material risks below were selected through the following process: updating the most recent information on the internal and external environments as well as the occurrence possibility and impact of each risk in the group risk catalog, which describes risk items that should be controlled for NTT DATA Group, evaluating and reviewing the material risk items in the previous fiscal year, and considering the degree of relevance between each risk and the management policy and management strategy.



*Risks reviewed in the current fiscal year

Value Creation Process

Message from the CFO
Medium-Term Management Plan (FY2022–2025)
Business Strategies by Segment
Sustainability Management

Opportunities and Risk Impacts of Incredibly Material Risks



*For other material risks, please see the Annual Securities Report for the fiscal year ended March 31, 2024.
URL: <https://www.nttdata.com/global/en/investors/library/earnings/2023>

Risk	Opportunities	Risks and Potential Impacts	Actions	Pick up!
System development	- Needs for a business model reform utilizing digital technologies - Needs for the improvement of efficiency of the existing operations and systems utilizing digital technologies	Expectation-exceeding costs, claims for damages resulted from delivery delays, etc., as a result of a project becoming unprofitable	Third-party surveys for new large-scale orders and regular progress checks for high-risk projects that may become unprofitable	- Generative AI ▶P36 - Corporate Governance ▶P84 - Response to risks associated with system development - Response to risks associated with system and service operation ▶P93
System and service operation		Claims for damages or damage to social reputation or brand image due to failures in the systems and services operated by the Group	Internal sharing of analysis results regarding causes of past system failures and recurrence prevention measures, and establishment of system failure response drills and failure reporting structures	
Information security	Needs for system investments to strengthen and sophisticate security measures	Damage to social reputation or brand image, claims for damages, or penalties for legal violations due to security incidents as a result of a cyberattack or leaks of confidential information stemming from human error	Formulation of NTT DATA Group Security Policy and introduction of solutions for preventing and detecting cyberattacks	- Countermeasures to Risks Related to Information Security ▶P94 - Medium-term management plan (FY2022 to FY2025) Strategy 4 Enhance Advanced and Development Technology ▶P42
Compliance	- Needs for system investments to enhance compliance - Prevention of turnover of talented employees and acquisition of higher levels of loyalty from diverse employees	Claims for damages, fees or other economic losses associated with misconduct, or damage to social reputation or brand image, in the event that the Group is found to have been involved in accounting fraud, misconduct along the supply chain, misappropriation of funds, or other illegal activities	Formulation of NTT DATA Group Code of Conduct, implementation of education and training programs, and improvement and operation of internal reporting system	Corporate Governance ▶P84
Human rights	Prevention of turnover of talented employees and acquisition of higher levels of loyalty from diverse employees	Damage to social reputation due to inappropriate handling of human rights violations or harassment	Promotion of diversity and inclusion based on NTT Group Human Rights Policy and implementation of human rights due diligence	Human Rights ▶P72
Investment / M&A / Capital investment	- Expansion of business through strategic investments in growth fields and M&A activities - Growth in demand in the data center business driven by generative AI	- Impairments on goodwill as a result of failure to secure expected returns due to sales or profit falling significantly below projections because of inability to create sufficient synergies with investees or to achieve smooth business operation at investees - Decline in sales in the case of shrinking demand in the data center business due to the occurrence of an unexpected event	Due diligence activities when making M&A investment decisions, post-merger integration process after investment, and consideration of action to enable the use of owned assets for other purposes in the case of shrinking demand in the data center business	- Message from the CFO ▶P26 - Investment Management ▶P30 - Investments for Business Growth ▶P30
Large-scale disasters, serious outbreak of an infectious disease, etc.	Needs for system investments to address huge earthquakes, climate change, other large-scale natural disasters, or serious outbreak of an infectious disease, etc.	Damage to social reputation or brand image, or need to pay massive recovery costs, as a result of impediments to ability to provide services due to a huge earthquake, climate change, other large-scale natural disasters, or serious outbreak of an infectious disease, etc.	Establishment of business continuity plans and frameworks and securing of infrastructure to allow for business continuity and employee safety in the event of a natural disaster or outbreak of an infectious disease	NTT DATA's Sustainability Management ▶P68
Geopolitics	Needs for system investments to adapt to changes in numerous factors including social infrastructures, such as electricity and telecommunication infrastructures, laws and regulations, such as tax acts and other regulations, and political and economic situations in various countries	Halts to service provision or impediments to business continuity as a result of changes in political, economic, or social conditions of relevant countries or terrorism, war, or other international conflicts	Group-wide cross-organizational structure to maintain up-to-date understanding of necessary information and respond to derivative risks	NTT DATA's Clients and Global Coverage ▶P14

Management Resources



Human Resources and Organizational Capabilities

- Vital need for diverse and talented human resources around the world to respond to client needs and technology trends and continue creating innovation
- Importance of developing human resources with specialized skills and responsiveness toward change, creating a culture of mobilizing diverse human resources alongside providing such an environment, and improving the employee engagement rate to maximize human resources' potential and organizational capabilities

NTT DATA Group's Human Resources

Approx. **194,000**
individuals

in more than 50 countries and regions
(152,000 as of March 31, 2022)

Number of Certified Professionals*1

Approx. **129,000**
in total

(Approx. 87,000 in total as of March 31, 2022)

Recognition as Top-Level Global Employer

Received "Global Top Employer 2024"*2



- Certified in Japan, 29 other countries, and four regions around the world
- 17 companies certified worldwide including two Japanese companies, one of which is NTT DATA (as of January 2024)

Employee Engagement

Global **83%***3
(76% as of March 31, 2022)

NTT DATA Group Corporation, NTT DATA Japan Corporation, and NTT DATA, Inc.

Ranking as the Most Popular Employer for New Graduates*4

Overall **No. 2** (Top 3 for six consecutive years)
IT Industry **No. 1** (for 15 consecutive years)

Turnover rate*5

2019	2020	2021	2022	2023
2.6%	2.2%	2.9%	3.3%	3.0%



Technologies

- Technological base indispensable for producing innovation and continuously providing competitive services over the medium to long term
- Critical importance of ongoing enhancement of capabilities related to systems development technologies, generative AI, and other cutting-edge technologies for proposing optimal solutions in response to customer needs, and of achieving growth that surpasses the market growth rate

World-Leading Digital Technologies

Areas Where NTT DATA Is Deemed a Leader

*Text in bold indicates areas in which NTT DATA is highly rated

GenAI

Cloud
Low-Code Application
5G

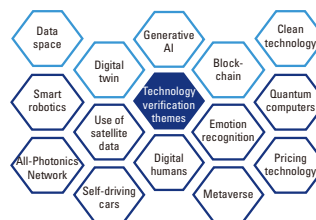
Blockchain **SAP**

(Over 20,000 SAP specialists in the NTT DATA Group)

Managed Network

Workplace Services Life Science Manufacturing

Development of Advanced Technology—Innovation Centers



NTT Group

R&D Investments in Collaboration with the NTT Group

Approx. **¥250.0 billion**
(Annual R&D expenses of the NTT Group)



Partners

- Need to not limit ourselves to Company resources and to incorporate superior products and technologies from partners around the world in order to provide optimal services to clients
- Construction of stable and flexible delivery system built on strong relationships with partners
- Strong partnership with the NTT Group important to increasing presence in the global market

Partnerships with IT Companies Worldwide

SAP

Global Strategic Service Partner

Cisco

Global Gold Integrator
(Only 6 companies in the world)

Microsoft

Global System Integrator Partner

Snowflake

Elite Service Partner

Number of Partner Qualifications We Hold

Approx. **48,000**
(Sum obtained from NTT DATA's survey results)

NTT DATA Group Corporation, NTT DATA Japan Corporation, and NTT DATA, Inc.

Business Partners*6

Approx. **170** companies Approx. **60,000** people

*1 Total number of certified Professional Career Development Program (CDP) employees and U.S. subsidiary-certified NTT DATA Learning Certification Institute (NLCI) employees.

*2 Certified in January 2024 as Top Employer 2024 in Japan and globally by Top Employers Institute, head-quartered in Amsterdam, Netherlands.

*3 This is the sum of global results, excluding group companies in Japan. An engagement survey is conducted overseas under the title "One Voice," and in Japan under the title "NTT Standard Engagement Survey." The employee engagement rate for the NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (in Japan) is 71%.

*4 Source: Ranking of Popular IT Companies for Job Hunting New Graduates 2024, Rakuten Minshu *5 Only voluntary retirees *6 Business partnership system that evaluates management status from multiple angles to certify excellent partners as Business Partner Companies

Value Creation Process

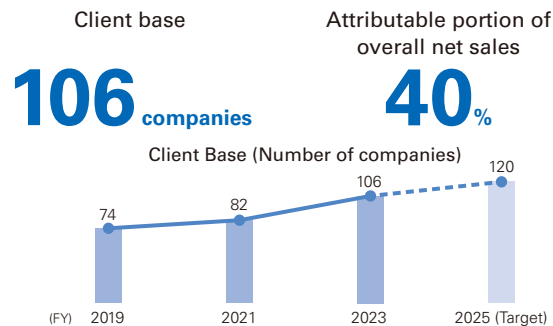
Message from the CFO
Medium-Term Management Plan (FY2022–2025)
Business Strategies by Segment
Sustainability Management



Client Base

- Solid client base, created through Long-Term Relationships with clients, indispensable for providing high-value-added IT services that accurately reflect clients' needs
- Long-standing solid client base enhancing business stability and enabling stable investments in the future

Clients with annual sales of ¥5 billion or more (Japan) or US\$50 million or more (outside of Japan)



Breakdown of 106 companies



A balanced composition of companies from different segments and industries

Japan

Client Satisfaction*7

Ratio of clients stating that they want to build stronger, ongoing relationships with NTT DATA as their best partner

97%

*7 Based on FY2023 client satisfaction survey administered to domestic clients

*8 Position in Brand Finance IT Services 25 2024 ranking of Brand Finance of the United Kingdom



Finance

- Strategic use and management of finances and capital imperative to generate cash to be used for business and strategic investments necessary for achieving growth accompanied by quality on a global scale; to maintain a healthy financial position for ensuring stable operation of the information infrastructures that support society, finance, and the economy; and to issue consistent shareholder returns

Credit Ratings

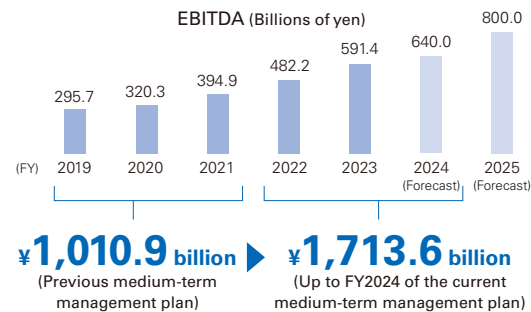
Rating and Investment
Information, Inc.

AAA

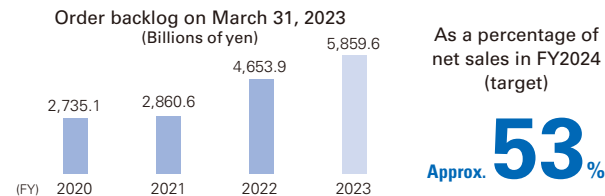
Japan Credit Rating
Agency, Ltd.

AA+

Ability to Generate Cash



Sales Conversion Rate from Order Backlog



Brand

- Brand value, comprised of reputation and reliability, which is an important element emphasized by clients given the nature of a business providing intangible value in the form of IT services and developing systems that support social infrastructure
- Importance of increasing global penetration of the NTT DATA brand to acquiring new business opportunities and improving profitability

The Company with the Highest Brand Value in the Global IT Services Industry

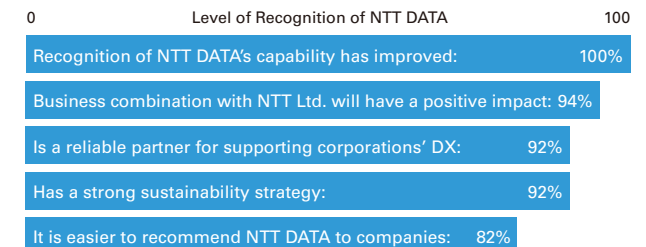
IT Services brands*8

No. 6

NTT DATA's Brand Strength Improvement by IT Analysts

Analyst Day 2023 was held in Japan, North America, APAC and Europe

Feedback from around 100 participating analysts



Promoting collaborations with global leaders, and brand appeal



World Economic Forum

At the World Economic Forum Annual Meeting (Davos meeting), contributed to discussions on global climate change measures and AI regulations with world leaders. Promoted our brand throughout the year with various initiatives.

Message from the CFO

Recent Earnings

FY2023 Results

Our current medium-term management plan was launched in fiscal 2022 and is set to conclude in fiscal 2025, so we have now reached the halfway point.

In fiscal 2023, buoyed by a favorable operating environment, operating profit increased by ¥50.4 billion year on year. I believe we are making steady progress toward achieving the targets of the medium-term management plan, given that consolidated net sales, consolidated operating profit, and overseas EBITA all exceeded last year's results, and that our client base continues to expand.

On the other hand, profit attributable to shareholders of NTT DATA ("profit") decreased by ¥16.1 billion year on year. This owed to an increase in financial costs due to higher interest-bearing debt and an increase in tax expenses, both of which were affected primarily by the full-year incorporation of NTT Ltd.'s financial figures.

FY2024 Earnings Forecasts

For fiscal 2024, even though earnings will be negatively

impacted by our forex assumption of a stronger yen than last year, we forecast growth in both sales and profit. We forecast a net sales increase of over 4%, excluding forex impacts, driven by scale expansion in Japan and overseas.

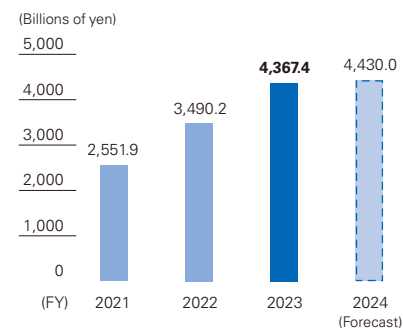
We expect to record higher profit on the back of operating profit growth, despite rising financial costs associated with continued aggressive investments. We think financial costs will not increase as significantly as last year because the impact of fully consolidating NTT Ltd. through last year will have dropped out.

Management Targets in Current Medium-Term Management Plan

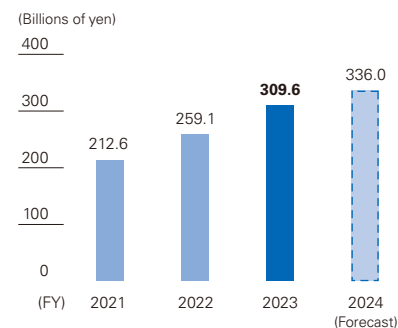
►P96 Progress on KPIs

Consolidated net sales came to ¥4.37 trillion in fiscal 2023, driven by solid growth in the Japan segment and the impact of the expanded consolidation of NTT Ltd., among other factors. In light of this situation, we have revised up our consolidated net sales target for fiscal 2025, the final year of the current medium-term management plan, from over ¥4.0 trillion to ¥4.7 trillion.

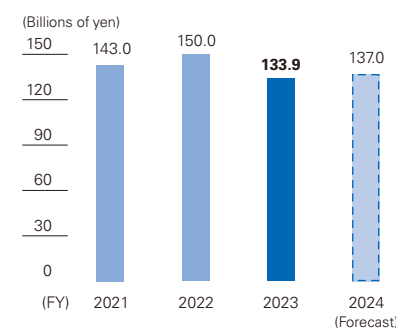
Net sales



Operating profit



Profit attributable to shareholders of NTT DATA



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We continue to target a 10% consolidated operating profit margin and a 10% overseas EBITA margin (*excluding one time costs, such as those related to M&As). To achieve a 10% consolidated operating profit margin, we will need an increase of approximately ¥100 billion in operating profit on top of our fiscal 2024 forecast of ¥336 billion. In order to realize this, in addition to sales and profit growth supported by a robust operating environment, we will look to generate synergies in the form of business expansion and cost reductions by leveraging overseas business transformation, and also expand profits through margin improvement with the use of generative AI and by shifting to high-value-added areas.

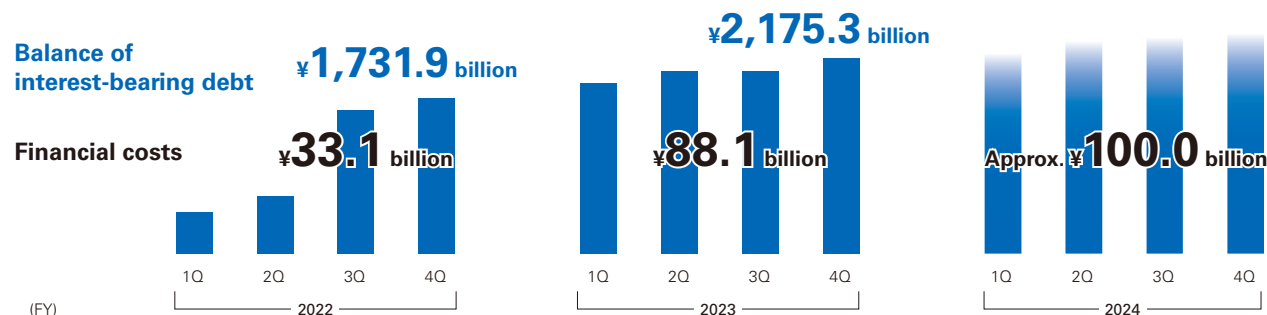
Also, alongside operating profit growth, we will aim to achieve growth in profit by keeping a lid on rising financial costs and the like.

Interest-Bearing Debt and Financial Costs

The overseas business combination with NTT Ltd. in October 2022 significantly changed our financial situation and resulted in a Group-wide interest-bearing debt balance of roughly ¥2.2 trillion as of the end of March 2024, an increase of about ¥0.44 trillion from the end of March 2023. This increase is partly due to forex impacts reflecting a weaker yen, but the main reason is that we are financing upfront investments with loans in order to construct the facilities needed in the global data center business operated by NTT Ltd.

From fiscal 2024 onward, we think financial costs will not rise as sharply as last year because the impact of the expanded consolidation of NTT Ltd. up to last year will have dropped out.

Consolidated interest-bearing debt balance and financial costs



Cash Allocation

We are currently in a growth stage, implementing strategies based on our medium-term management plan with a view to reaching the Global 3rd Stage. As we continue to strike an optimal balance with financial soundness, we will prioritize the allocation of funds to the following items. We plan to make investments in excess of free cash flow, primarily focusing on the data center business, a medium-to-long-term growth field.

Data Center Investments (►P33)

We will press ahead with aggressive investments in the data center business, which is expected to grow over the long term, while ensuring financial soundness. As the world's third-largest* data center operator, we anticipate continued strong market growth for the data center business in the future, especially with the rise of generative AI. And driven by the strong level of enquiries from clients, we need to keep pace with market growth. We will actively invest in the data center business as a long-term source

of earnings and undertake high-value-added business operations, such as collaborations with hyperscalers and services for enterprises.

*Not including Chinese operators; Research conducted by NTT based on the Structure Research 2023.5 Report

M&A (►P32)

We will continue to actively utilize M&As to acquire digital technology-related capabilities and expand our share of key markets. In the past, most of our M&As tended to be overseas, but we are now considering M&As in Japan as well. We have earmarked ¥100 billion for M&As through fiscal 2025 during the current medium-term management plan period, with the aim of flexibly acquiring the necessary capabilities for business expansion. In fiscal 2024, we are engaged in the acquisition of Jastec, a company boasting strong technical know-how related to open platforms for mission-critical systems, and forming a business and capital alliance with TerraSky, which specializes in Salesforce capabilities.

Message from the CFO

Strategic investments (►P31)

With our strategic investments, we will be focusing on strengthening our focus technologies and industries to achieve our management targets. We will expand our business and improve profit margins by focusing investments on areas with high growth potential where the Group can build a competitive advantage.

More specifically, this includes investments in cutting-edge technologies such as generative AI, as well as industry-specific investments aimed at enhancing competitiveness in certain sectors. Moreover, we will invest in medium-to-long-term opportunities, including more forward-looking technologies and initiatives that promote sustainability. By discovering next-generation focus technologies and creating growth and new businesses, we will aim to achieve sustainable growth.

Investment Management

We invest in domestic and international companies and organizations with the aim of acquiring new technologies, solutions, development resources, and establishing strategic partnerships. However, if an unexpected situation arises after an investment, the Group's business results and financial condition could be significantly affected, which is why we strive to establish an appropriate governance system by taking the following measures during the decision-making process and for post-investment management. As goodwill has sharply increased owing to the business combination with NTT Ltd., we intend to regularly monitor business and financial results going forward.

During decision making

- We evaluate the return on investment by using such indicators as net present value (NPV), with a focus on capital efficiency, and assess financial soundness through third-party evaluations.
- We require due diligence with a focus on business aspects to be conducted by internal business divisions and external experts such as financial advisors, accountants, and lawyers, as well as compliance-focused due diligence that considers the country risks of the investment target. Decisions are made after each identified risk is checked and countermeasures are considered.
- We prioritize the sustained growth of acquired companies through synergies with the Group, utilizing schemes such as long-term incentives (compensation based on continued service over a certain period) and earn-outs (payment of acquisition price in installments) depending on the scale and nature of the deal. (This helps prevent situations where synergies with the Group are not fully realized and expected returns are not achieved.)
- We develop a post-merger integration (PMI) plan to maximize the benefits and implement the integration process from an early stage.

Post investment

- For a fixed period, we intensively monitor the progress of the PMI, including the situation around synergies with the Group and the integration plan.
- For companies that breach designated standards, such as a deterioration in earnings or revised business plans, we will formulate separate business improvement plans and conduct company-wide approvals and focused monitoring.

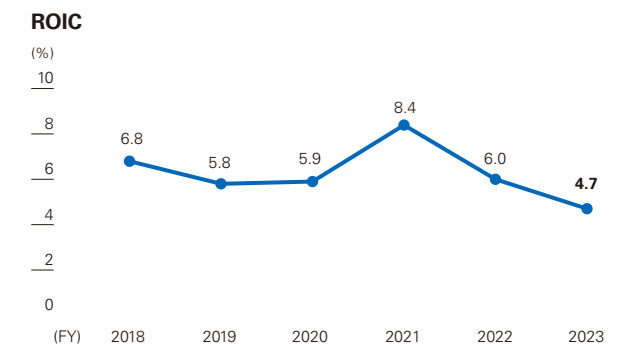
Improvement of Capital Efficiency

The market wants to see a style of management that is mindful of capital efficiency, and our basic policy is to ensure that ROIC (return on invested capital) exceeds the cost of capital in each business over the medium-to-long term. Owing to the increase in invested capital associated with the overseas business combination with NTT Ltd., our consolidated ROIC decreased to 4.7% in fiscal 2023.

As we continuously improve returns on investment in existing businesses, our policy is to secure future revenue sources through M&As and proactive investments in the data center business.

In particular, our data center business has a very high level of profitability—namely, an EBITDA margin in the upper-30% range and an operating profit margin in the vicinity of 16%–19%. However, it operates under a business model where upfront investments are recouped over a long period, which means contributions to greater returns on investment take some time to materialize.

Centered around the data center business, we will look to slim down assets, including with the use of a REIT, and keep a lid on increases in interest-bearing debt and financial costs,



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while at the same time generating funds for the next round of investments. This will help sustain the investment cycle and further enhance our capacity to generate EBITDA.

We expect the utilization of a REIT will deliver certain benefits. For example, it should bring the value of the data center business into the open and improve efficiency compared to outright asset sales.

As part of our efforts to slim down assets, in fiscal 2024 we sold off shares in XNET Corporation, a former listed subsidiary, for approximately ¥6.0 billion, and disposed of shares in Recruit Holdings, which we held as strategic shareholdings, for around ¥79.0 billion.

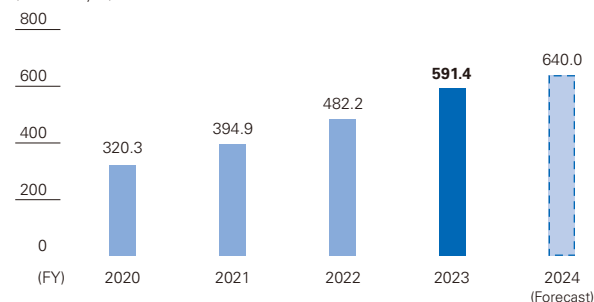
By expanding operating profit to achieve the aforementioned targets of the medium-term management plan, and through efforts to minimize increases in interest-bearing debt by adopting an asset-light strategy, we will aim to achieve investment returns that exceed the cost of capital in each business by fiscal 2025.

Ensuring Financial Soundness

As a company responsible for the development and operation of large-scale, mission-critical systems that underpin

EBITDA

(Billions of yen)



society and the economy, we believe that maintaining a sound financial foundation is essential for ensuring stable business continuity and enhancing medium-to-long-term corporate value. The development and operation of information infrastructure that supports society requires substantial upfront investments. Accordingly, securing funds under favorable terms, in a timely and reliable manner, is a key financial mission for us.

Following the overseas business combination with NTT Ltd., the balance of our interest-bearing debt has risen sharply. However, we will work to curb this increase by adopting an asset-light strategy. In addition, as our earnings capacity in the form of EBITDA is also growing, I believe that there will be no significant impact on our ability to maintain and ensure financial soundness.

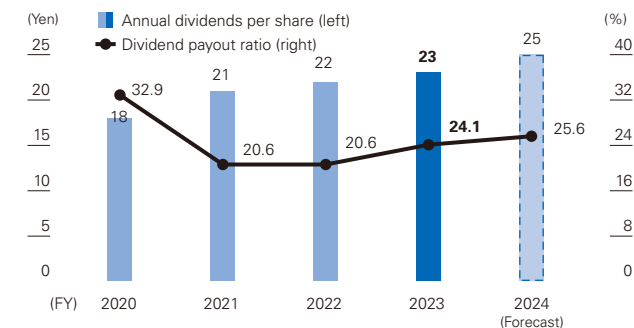
Plus, as a means of stably securing funds under favorable terms, in addition to borrowing from financial institutions, we have established a system to flexibly procure necessary funds from NTT Finance, the core financial company of the NTT Group, by participating in the Group's cash management system. We have also secured sufficient backup funds in preparation for any deterioration in economic conditions. We have also been awarded very high long- and short-term credit ratings by credit rating agencies. (►P24 Management Resources)

Shareholder Return Policy

Our policy is to steadily provide shareholder returns with an emphasis on dividends. For fiscal 2023, we paid an annual dividend of ¥23 per share, an increase of ¥1 compared to the previous year. For fiscal 2024, we expect to pay ¥25 (+¥2 YoY).

We believe we are on a growth trajectory and intend to allocate funds to business investments and technology

Dividend payout ratio and annual dividends per share



development necessary for sustained growth. At this juncture, we are not considering share buybacks; instead, we will aim to enhance corporate value and continuously return value to shareholders by boosting profit through business investments and the development of technology.

Going forward, we will continue to steadily increase profit, thereby ensuring returns to shareholders through dividends.

To our investors and shareholders

I believe that enhancing corporate value through earnings improvement over the medium-to-long term is key to a sustained rise in the share price.

To that end, we will endeavor to steadily implement the management strategies called for in the medium-term management plan, increase sales and profits, and enhance corporate value.

In addition to the above, we will make every effort to further enhance information disclosure, including updates on the data center business and the progress of our investment and financial strategies, in a bid to provide shareholders and investors with a deeper understanding of our initiatives.

Investments for Business Growth

- NTT DATA is strengthening its marketing, innovation, and governance functions with a focus on global implementation to furnish the frameworks needed for supporting Strategies 1–5 and to allow for swift responses to changes in the operating environment. We also aim to develop a virtuous cycle of investment and growth in order to spur the growth of our business toward the Global 3rd Stage.
- During the current medium-term management plan period, the Company will advance investments throughout its global operations with a focus on three pillars: Strategic Investments, M&A Investments, and Data Center Investments.
 - The timings at which the benefits of investments appear can vary. Accordingly, NTT DATA will practice appropriate investment portfolio management in order to facilitate ongoing improvements to its competitiveness.

1 Strategic Investments

- Enhancement of focus technologies and operations in focus industries
- Development and expansion of next-generation businesses to drive medium- to long-term growth

Focus Technologies

Edge
 Cloud
 D&I
 Cyber Security
 EAS
 ADM

Focus Industries

Healthcare / Life Science
 Auto
 Insurance
 Telco
 Banking

2 M&A

- Acquisition of digital technology-related capabilities
- Improvement of presence through growth in overseas sales and market shares

3 Data Center Investments

- Establishment of market position in light of high market growth rates and robust demand
- Development of high-value-added businesses

Appropriate Strategic Decisions and Management on a Global Scale

		FY2022— Current Medium-Term Management Plan	FY2026— Future Medium-Term Management Plans
1	Strategic Investments	Investment Earnings contribution Strategic investments for heightening digital technology-related capabilities to accomplish sales and income targets of current medium-term management plan	
2	M&A	Investment Earnings contribution Secure a competitive edge by flexibly engaging in M&A activities to bring in digital technology talent and capabilities when the opportunity arises	
3	Data Center Investments	Investment Earnings contribution Significantly contribute to mid- to long-term profit through aggressive upfront investment aimed at enhancing our presence on the momentum of the strong demand of hyperscalers	

1

Following FY2023, NTT DATA will continue to invest approximately ¥40.0 billion in the current fiscal year to create next-generation businesses, while improving profit margin through the expansion of digital businesses and initiatives such as the generative AI field and related cloud computing technology, security, and alliances with partners.

Investments in focus technologies



Generative AI



Cloud computing



Security

Cross-industry
coordinationResolution of
societal issues

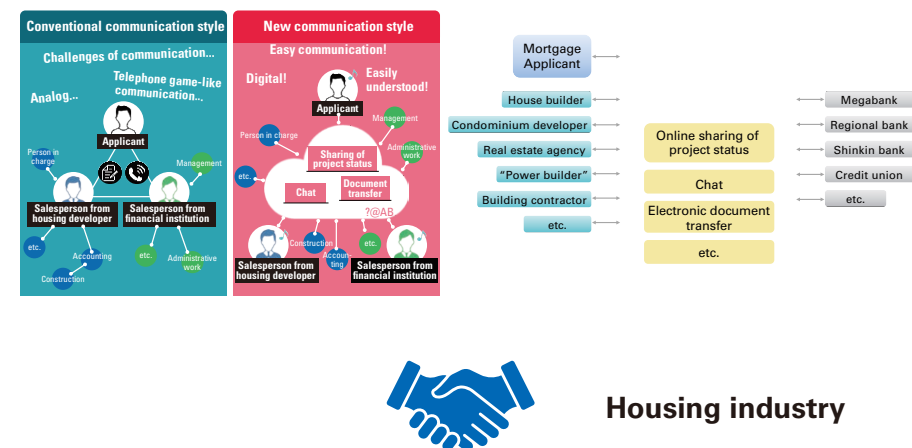
Alliances

Expansion of digital businesses

Investment to Create Next-Generation Businesses

Mortgage DX platform that contributes to the further growth of the housing industry

- After conducting a demonstration aimed at realizing the digital transformation (DX) of the mortgage business, NTT DATA set up the Mortgage DX Committee together with nine housing developers and 12 financial institutions to consider the service specifications of the mortgage DX platform.
- To further accelerate the initiative, the Mortgage DX Consortium was also established to share issues the industry is facing and to exchange opinions on resolving the issues through digitalization.
(The consortium currently consists of more than 100 companies.)
- By encouraging housing developers, financial institutions, and non-life insurance companies to support this concept, NTT DATA aims to enhance convenience and improve work efficiency for the people involved in home purchases, and to contribute to the further growth of the housing industry.



Investments for Business Growth

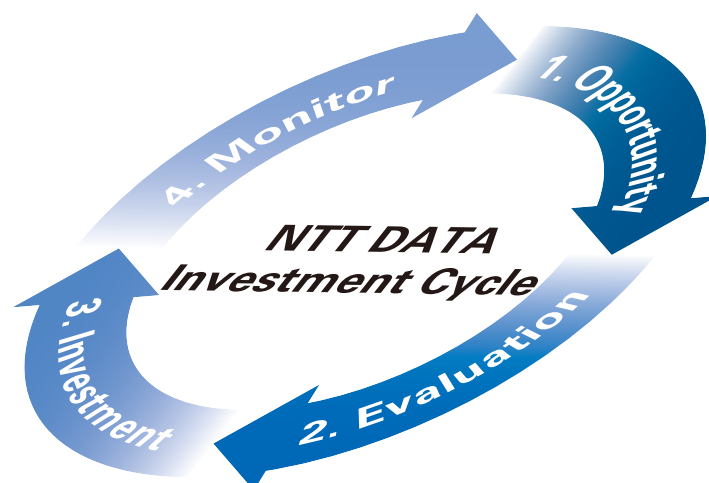
2

M&A investments totaled approximately ¥150.0 billion over the period of the previous medium-term management plan (FY2019–2021). Including domestic investments of around ¥100.0 billion, M&A investments in this medium-term management plan (FY2022–2025) are expected to surpass those in the previous medium-term management plan.

As a part of our efforts to enhance digital capabilities as specified in the medium-term management plan, we will aim for inorganic growth through active M&A.

Acquisition of digital technology-related capabilities, including the reinforcement of consulting capabilities and digital technology and system development capabilities, as well as expansion of assets

Growth in sales and share and improvement of presence in major markets



Investment to Reinforce System Development Capabilities

Made JASTEC a wholly owned subsidiary to acquire talented engineers and strengthen technological capabilities

- JASTEC is an independent software development company in Japan that has steadily expanded its business with advanced technology, expertise, and track record of achievements.
- NTT DATA acquired JASTEC's shares in a takeover bid on May 23, 2024, and made the company a wholly owned subsidiary. By acquiring talented engineering resources, we aim to further strengthen the competitiveness of our domestic businesses.

JASTEC Co., Ltd.	
Number of employees *As of November 2023	1,391
Business scale *As of November 2023	¥20.7 billion



Investment to Acquire Digital Capabilities

Formed a business alliance with TerraSky Co., Ltd. to expand the business scale to ¥50.0 billion in three years

- With a focus on Salesforce delivery, NTT DATA, which has the sixth largest number of Salesforce-certified professionals in Japan, has secured a total of 4,928 certified resources by partnering with TerraSky Co., Ltd., Japan's Salesforce leader. (As of June 1, 2024)
- This collaboration in the area of customer experience (CX) is aimed at expanding the business scale to ¥50.0 billion in three years.

	Collaborative service planning in specifically targeted industries — Combine with NTT DATA's industry assets such as finance, utility, and transportation—
	Planning of new services using generative AI — Make the most of NTT Group's assets such as tsuzumi, as well as human resources in the field of AI—
	Acquisition and development of Salesforce-certified professionals in Japan(Tokyo and other areas in Japan) — Work together to promote the development of digital talent, which TerraSky Co., Ltd. is advancing in cooperation with local governments—
	Global business expansion mainly into APAC — Expand assets owned by both companies into global markets—



Value Creation Process

Message from the CFO

Medium-Term Management Plan (FY2022–2025)

Business Strategies by Segment

Sustainability Management

3

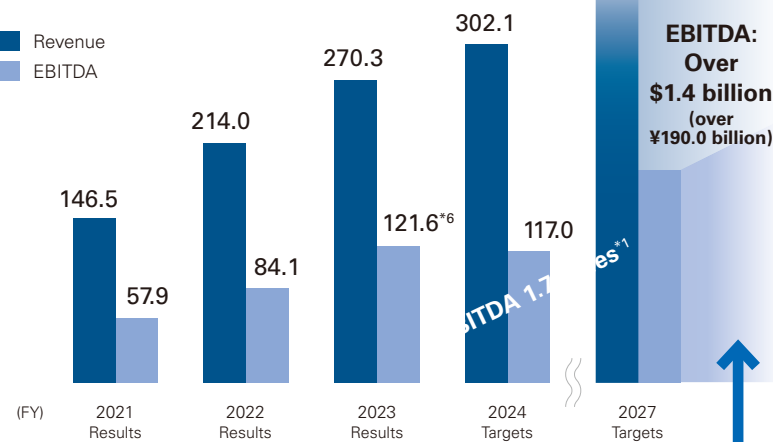
Since the data center market is a growth field where higher demand is expected in the future due to cloud computing and generative AI, NTT DATA plans aggressive investments of more than approximately ¥1.5 trillion from FY2023 to FY2027 by positioning the data center business as one of its future revenue sources, aiming to achieve a 1.7-times increase*¹ in EBITDA.

Revenue and EBITDA *², *⁴, *⁵

Ratio to company-wide EBITDA: Approx. 20% *³

Billions of yen

■ Revenue
■ EBITDA

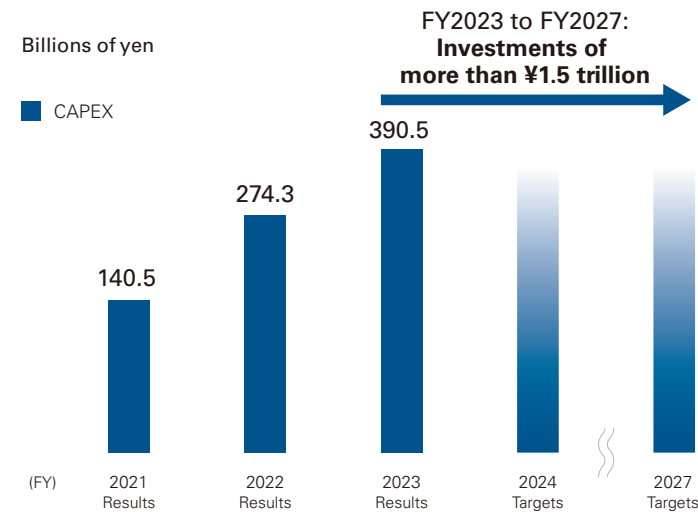


CAPEX *⁵

Capital investments nearly the same level as the previous fiscal year continuing in FY2024 and beyond

Billions of yen

■ CAPEX



Return

- The EBITDA margin is about 40%, which shows higher profitability than NTT DATA's other businesses even in terms of operating profit margin.
- Regarding investment returns (ROIC, etc.), a certain amount of time will be required to improve profitability as this business employs an upfront investment model.

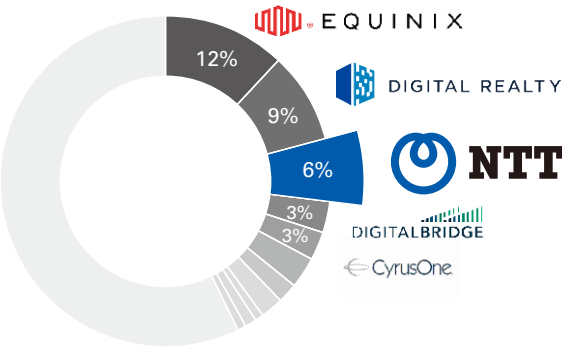
*¹ Growth rate on a \$ basis*² EBITDA excludes depreciation of property, plant and equipment and software, amortization of intangible assets related to acquisitions, and certain common head office costs.*³ FY2023 results*⁴ These are the figures used in management accounting to calculate the income and expenses of the data center business division of Global Technology Services Unit. They include intercompany transactions between NTT, the parent company, and our group, and are calculated in a certain way, such as allocation of common expenses with other businesses of Global Technology Services Unit.*⁵ Exchange rate (to U.S. dollar) FY2021: ¥112.42, FY2022: ¥135.45, FY2023: ¥144.65, and FY2024 to FY2027: ¥138*⁶ Includes approx. 15.6 billion yen from the sale of the data center in North America

Investments for Business Growth

►P55 Business Strategies by Segment Overseas Business Field

As the world's third-largest global data center operator, NTT DATA Group leverages its full stack services to operate in the expanding data center market.

Data Center Operator Share*1 and Demand Forecast

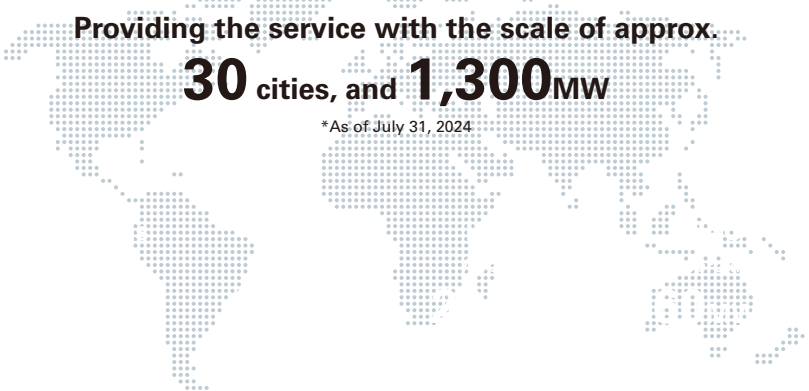


- The world's third-largest data center operator with a share of 6%
- Demand for data centers is expected to rapidly increase



*1 Excluding Chinese operators. Created by NTT based on the Structure Research 2023.5 Report
 *2 Source: Structure Research, 2023
 *3 Forecast by NTT based on market research

Status of Data Center Service Delivery*4



Service Delivery Performance of Data Centers for FY2023*4

During FY2023, a total of 227MW has been put into service across four regions



*4 Services under the management of the Global Technology Services Unit of NTT DATA, Inc.

Value Creation Process

Message from the CFO

Medium-Term Management Plan (FY2022–2025)

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Business Scale

	Amount	Percentage of total
Order received	¥791.0 billion	17%
Revenue	¥270.3 billion (Services provided to hyperscalers account for about 60%.)	6%
Order backlog (as of the end of fiscal year)	¥1,855.1 billion	32%

Synergy Examples

Renewal of ITO services and provision of a data center for U.S. major life insurance company National Life Group



An approximately



Infrastructure



5-year extension of strategic partnership with the client

Expansion of collaboration

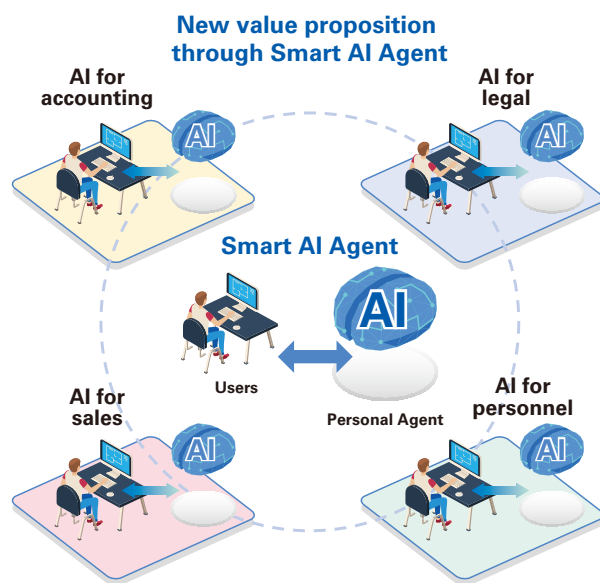
- In December 2023, an NTT DATA Group company and TEPCO Power Grid agreed to establish a new company to jointly develop and operate data centers in the Inzai-Shiroi area of Chiba Prefecture.
- The two companies plan to launch services at the data centers in the area in the second half of 2026.
- They aim to realize an advanced data center model that helps solve societal issues, such as achieving carbon neutrality, by coupling TEPCO Group's expertise in building various power facilities with the NTT DATA Group's expertise in building and managing data centers to global standards.

- The world's third-largest* in the global data center market
- The largest market share in India, where demand is strong
- Full stack IT services, from consulting to system integration to managed service in a wide range of segments
- Verification and phased implementation of advanced cooling technology by building strong relationships with AI-related companies
- Capable of accommodating hyperscaler-specific specifications

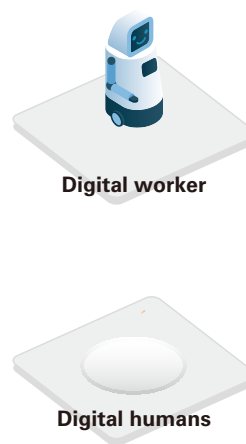
*Excluding Chinese operators.
Research conducted by NTT based on the Structure Research 2023.5 Report.



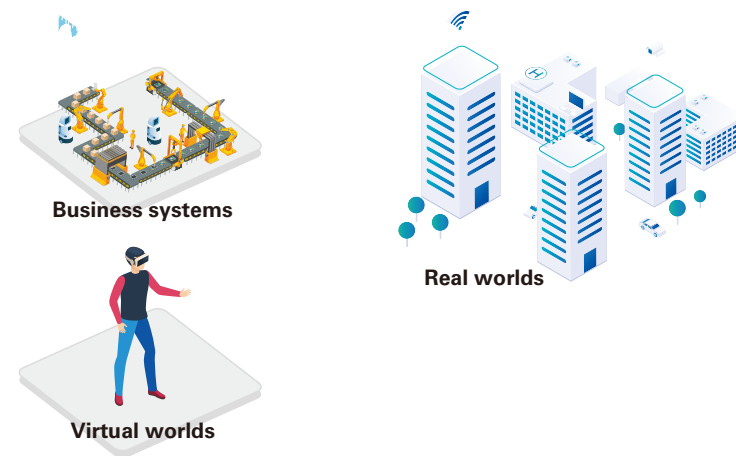
- Deploying data centers not only as IaaS but also as full stack services by providing application services, including generative AI, as standard features
- Providing high-quality services to enterprises by accelerating partnerships with hyperscalers
- Achieving distributed data centers by implementing IOWN APN (All Photonics Network) to realize a society that is not only carbon-neutral but also data-driven



Provision of new workforce



Transition of business models from labor-intensive to knowledge-intensive and AI-driven



Future Value Proposition by AI

- NTT DATA believes, as a future use of AI including generative AI, it can provide new value by realizing Smart AI Agent, where a Personal Agent works with multiple AI systems.
- Specifically, the Personal Agent coordinates AI for legal, accounting, and personnel, and AI that has learned the behavioral characteristics of the client to provide new user experiences and workforces.

Approach by NTT DATA

- Using the new workforce generated by AI, we will solve the societal issue of a labor shortage due to population decline and shift clients' business models from labor-intensive to knowledge-intensive and AI-driven for higher-value-added businesses.
- By leveraging its strength of proposal and implementation capabilities on the use of AI based on the ability to create and ability to connect, NTT DATA will provide new value to its clients to solve societal issues.

Value Creation Process

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Sustainability Management

Tokio Marine & Nichido Fire Insurance / Japan■ **Automation of document preparation in insurance claim payment operations using generative AI**

In the Claims Assessment Department, the company utilizes generative AI to automate the preparation of documents for insurance policyholders, including damage assessment results and insurance payment details. This initiative aims to reduce the workload on its employees and ensure the quality of the documents.

L'Oréal / EMEAL■ **Enhancement of the customer digital platform through interactive AI**

The company achieved a successful sales promotion by proposing products in real time and providing life cycle support for product purchase through the use of generative AI.

Digital Human (The Open) / Business Solutions■ **Information provision through interaction with digital human "Lottie"**

In the 152nd Open Championship, NTT DATA provided generative AI-powered digital human "Lottie" to provide insight and information on the tournament and golfers through conversations with visitors.

**Telecommunications Carriers**■ **Use of generative AI in network operation and management**

By using generative AI to support workflow creation and setting modifications in network operation and management, the company aims to reduce management costs.

Named as a Leader Position by HFS Research

NTT DATA was selected as one of the Horizon 3 Market Leader companies in the HFS Horizons: Generative Enterprise™ Services, 2023 report, released by HFS Research. This is the highest evaluation in the HFS Horizons reports.

NTT DATA will provide generative AI-related services to clients based on its industry-leading technical capabilities by continuing to heighten generative AI capabilities.

NTT DATA's Initiatives on Generative AI**1 Establishment of an organization to accelerate its generative AI business globally**

- To accelerate its generative AI business globally, NTT DATA established the Global Generative AI Office in 2023.
- Through our global generative AI deployment strategy, we will promote significant internal transformation, such as drastically increasing operational efficiency, facilitating innovation, and fostering a corporate culture, while focusing on the transformation of clients' businesses.

NTT DATA Group
Global Generative AI Office Co-Lead



Carlos Galve



Kenji Motohashi

2 Transformation of clients' businesses by providing various assets

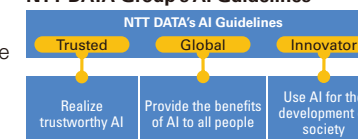
- NTT DATA is capable of providing over 10 types of generative AI-related assets through the development of generative AI technology using its strategy investments.
- NTT DATA created businesses by making more than 200 proposals in FY2023 using generative AI-related assets. Through co-creation with clients, we will continue to promote the transformation of their businesses.

**3 Drastic improvements in development productivity**

- NTT DATA demonstrated that it streamlined at least 70% of its manufacturing process in a specific case by applying Coding by NTT DATA, which is equipped with generative AI, to its development process.
- By expanding the application to other processes, we will improve software development productivity by 20% in all development processes by FY2025.

**4 AI governance to promote the appropriate use of AI**

- To promote AI-based businesses safely and securely, NTT DATA formulated AI guidelines in 2019, set up the AI Advisory Board in 2021, and established the AI Governance Office in 2023.
- We formulated the AI Risk Management Policy internally and have promoted it globally as an active initiative on AI governance.

NTT DATA Group's AI Guidelines

Medium-Term Management Plan (FY2022–2025)

Overview

- Based on the slogan of “Realizing a Sustainable Future,” the medium-term management plan aims for us to connect people with technology to create value and a sustainable future with our clients.
- By thoroughly advancing the five strategies of this plan and steadily optimizing strategic investments for growth, NTT DATA will continue to heighten its value proposition for clients.
- As we approach FY2025, the final year of the medium-term management plan, NTT DATA aims to pursue growth accompanied by quality, achieving consolidated net sales of ¥4.7 trillion by accelerating the growth of each region through the creation of assets and solutions and the incorporation of data center demands, with cross-functional support across regions as a growth driver. We will also strive to achieve our existing targets of a client base of 120 or more companies, a consolidated operating profit margin of 10.0%, and an overseas EBITA margin of 10.0%.

Mission Statement

Accelerate client success and positively impact society through responsible innovation.

Group Vision
Trusted Global Innovator

Realizing a Sustainable Future

Connect people with technology to create value and a sustainable future with our clients



Management Targets

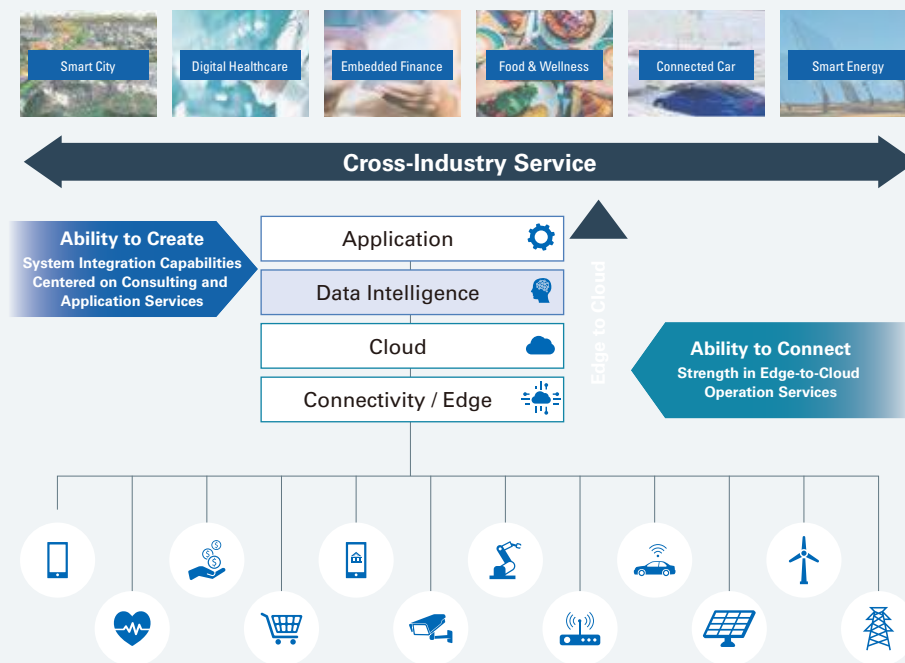
Consolidated Net Sales	Client Base ^{*2}	Consolidated Operating Profit Margin ^{*1}	Overseas EBITA Margin ^{*1}
¥ 4.7 trillion	120 companies	10.0%	10.0%

^{*1} Excluding one-time costs for M&A, structural reform, etc.

^{*2} Clients from which NTT DATA earns ¥5 billion or more (in Japan) or US\$50 million or more (outside of Japan)

Strategy
01Capitalize on the Convergence
IT & Connectivity

NTT DATA seeks to strengthen its edge-to-cloud service provision capabilities through coordination within the Group. By using cross-industry coordination in domestic businesses and coordination that leverages each region's ability to create and ability to connect in overseas businesses, we focus on creating new services and have shown steady results.



Case Study

Developing new services that utilize our competitive advantages across Global Regions

For Hyster-Yale Materials Handling, a leading global lift truck manufacturer in North America region, we have developed a traffic management platform for autonomous warehouse forklift operations that helps them maximize the value of their core products. The platform brings together our capabilities in creating and connecting across Global Regions (application development capabilities for autonomous operations and management and network building capabilities).

By supplying this traffic management platform in conjunction with next-generation automated forklifts, Hyster-Yale Materials Handling will be able to better serve their end users and develop new markets, while also addressing the industry's labor shortage problem.

Application development

for autonomous forklift operations and management in warehouses



Network installation/ expansion

— based on preliminary assessment of current network

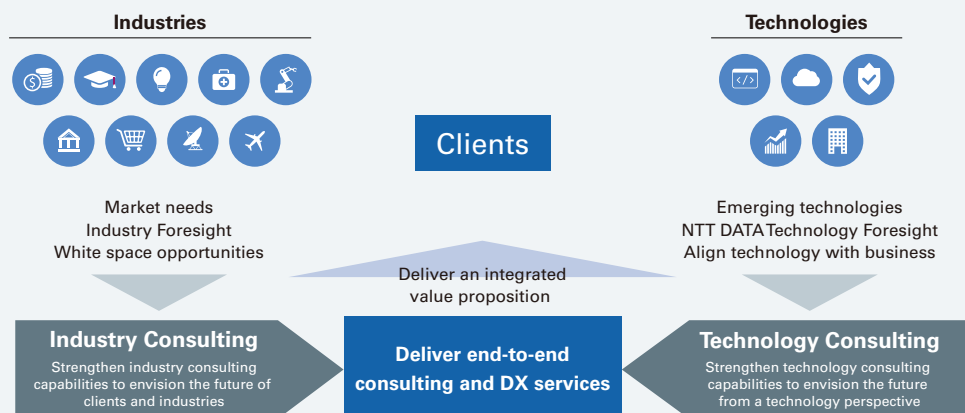
Medium-Term Management Plan (FY2022–2025)

Strategy 02

Strengthen Consulting with Foresight

NTT DATA offers consulting services based on foresight (insight pertaining to the society, industry, and clients), looking specifically to clients' envisioned future, in order to co-create new value together with clients. By strengthening our consulting capabilities through initiatives, we will create projects that contribute to solving clients' management issues and societal issues.

We are committed to improving our unique consulting method developed through past initiatives, and enhancing employees' skills through practical application in actual projects and training programs. The training participation rate was 130% (650 participants) in FY2023, and 1,200 people are scheduled to attend the training in FY2024. We have also conducted initiatives, such as publishing a book titled "Foresight Driven Social Innovation," which is a collection of our consultants' knowledge, and holding DX Institute, an event where researchers engaged in cutting-edge studies on global and digital transformation are invited to partake in discussions with clients.



Case Study

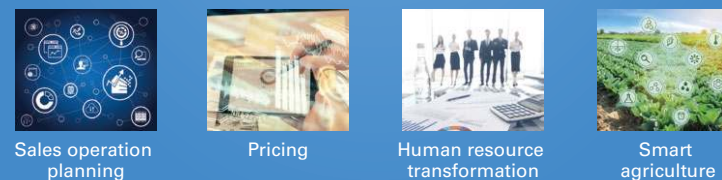
Received a business consulting offer by strengthening consulting capabilities

In this case study, NTT DATA offers management agenda-based business consulting to a major food manufacturer to accelerate company-wide DX promotion. While looking to the future of the industry, we conduct discussions with the client's management team and work with the client to solve various management issues together, such as sales operation planning, pricing, and human resource transformation.

Improve NTT DATA Group's consulting capabilities by deploying and promoting its unique consulting method



Solve management issues together with the client through business consulting

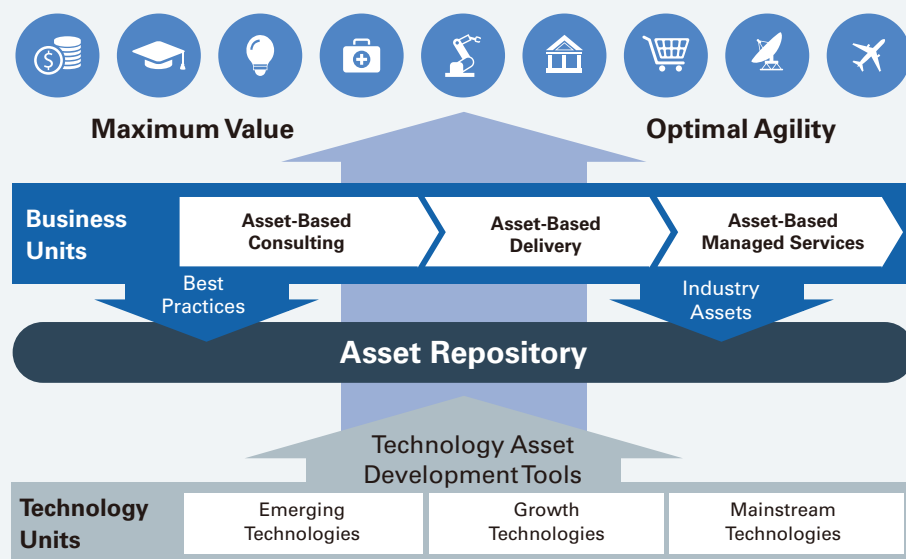


Value Creation Process
Message from the CFO
Medium-Term Management Plan (FY2022–2025)
Business Strategies by Segment
Sustainability Management

Strategy 03

Evolve to an Asset-based Business Model

NTT DATA seeks to translate the expertise accumulated through its domestic and overseas businesses in the form of tacit knowledge into a more explicit form of knowledge that can function as an asset. Through the widespread application of this knowledge, we will advance efforts to evolve from a labor-intensive business model to a knowledge-intensive one. Specific examples include the development of assets and the expansion of their application to projects based on business and technology, such as CX transformation and realization of data-driven management. We are also developing globally shared, reusable assets that can be applied to a variety of industries in the area of technology solutions, such as multi-cloud platform templates, data analysis platforms, and cybersecurity platforms, and consolidating them into a globally usable repository.

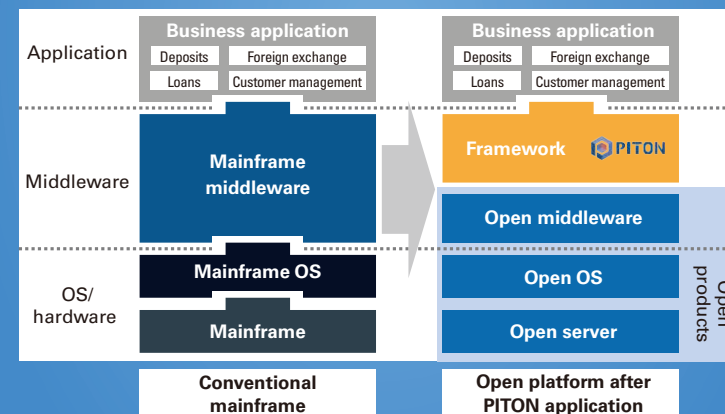


Case Study

Developed cross-industry and reusable assets

In this case study, NTT DATA developed PITON, a development framework to make business applications built on mainframes run on open platforms, and started operating the first multi-bank open accounting system in the Japanese banking industry. Going forward, we will work on expanding the migration to open systems using PITON in mission-critical areas for improved operational efficiency and reduced management load. We will also use it to drive the migration of accounting systems to the cloud (integrated banking cloud*).

*See "BCE Strategy and Open Service Architecture Initiative 1" (P49) in Business Strategies by Segment > Financial Segment > Growth Strategy.



Value provided by open platforms

Sustainability

Ensure continuity by securing medium- to long-term hardware and IT human resources.

Contribution to digitalization

Contribute to digitalization by improving compatibility with the latest open technology.

Green IT promotion

Reduce the power consumption of systems by using cloud computing and data centers.

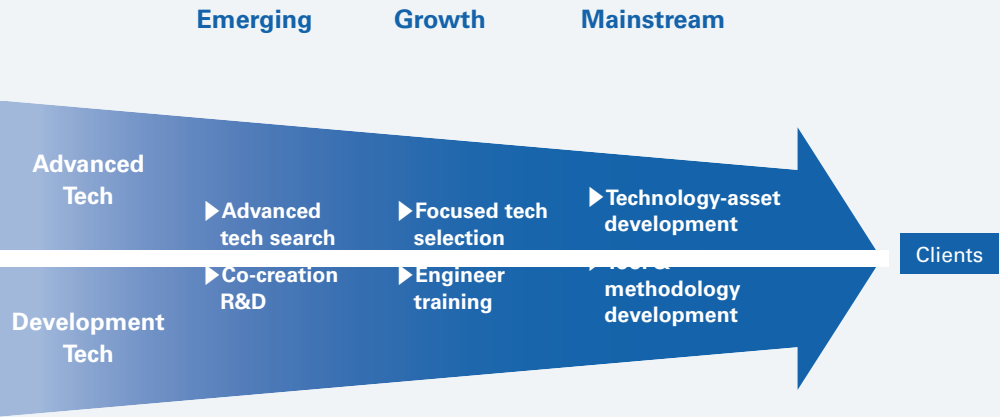
Medium-Term Management Plan (FY2022–2025)

Strategy
04

Enhance Advanced &
Development Technology

NTT DATA has divided its technology portfolio into three areas—emerging, growth, and mainstream—based on the level of maturity of the related technologies. Through activities in these areas, we will seek to strengthen both advanced technology utilization capabilities for securing future competitiveness and system development technology capabilities for improving productivity.

In the mainstream area, we will acquire sales by providing the following asset services: cybersecurity, operating platforms required to detect and respond to security incidents, automation, threat intelligence, and advanced incident responses. Meanwhile, in the emerging and growth areas, we aim to improve productivity by accelerating the use of advanced technology for business purposes. In FY2023, we were ranked in the top market position in the generative AI field.

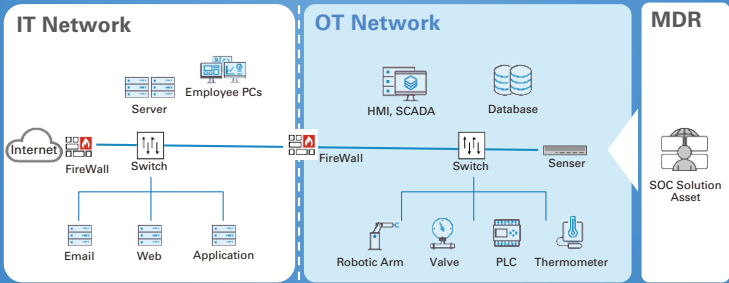


Case Study

Strengthened system development capabilities using technology assets

NTT DATA has started offering MDR*1 services by leveraging its expertise on security platform construction based on the zero trust model, which has been used by about 190,000 people in its global network of 56 countries and regions, and the expertise cultivated over two decades by NTTDATA-CERT, an advanced security specialist organization.

In this case study, NTT DATA received a large-scale OT*2 security order from a global chemical manufacturer. Using our cybersecurity technology assets, we established a global delivery framework, from construction to operation of an OT security detection system and an MDR system, for the client’s production bases in over 100 countries, and provided it as “One NTT DATA.”



*1 Managed Detection and Response (MDR) is a comprehensive service that provides support from detection to handling of security incidents.
 *2 Operational Technology (OT) controls hardware that runs in factories, plants, and buildings.

Value Creation Process

Message from the CFO

Medium-Term Management Plan (FY2022–2025)

Business Strategies by Segment

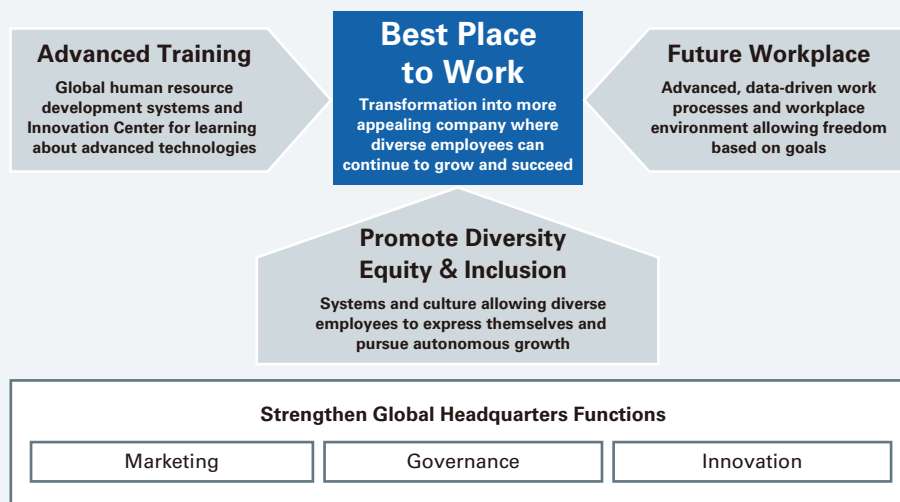
Sustainability Management

Strategy

05

Be the Best Place to Work

As stated in the motto, “Be the Best Place to Work,” NTT DATA is always striving to become a more appealing company. To ensure that all employees are able to fully exercise their diverse skills, we have begun introducing new job-type human resource systems while substantially increasing mid-career recruitment. We also promote diversity, equity, and inclusion and improve employees’ engagement by establishing a system that supports their autonomous growth, such as global human resource development systems for learning about cutting-edge technology and appropriate compensation that is commensurate with the level of expertise, as well as creating an environment that allows for flexibility in work locations and hours based on the job specifications.



Case Study

Initiatives for Being the Best Place to Work

Following 2023, NTT DATA was once again certified as Top Employer 2024 in 29 countries and 4 regions, including Japan, becoming one of 17 globally certified companies. This certification was presented to NTT DATA in recognition of its efforts to create a workplace that allows all employees to deliver their maximum performance.

We also received certification in May 2023 based on the Global Equality Standard for a comprehensive assessment of diversity, equity, and inclusion (DEI) initiatives.

Going forward, we will continue to enhance our corporate value while maximizing our human resources and organizational capabilities by creating an attractive workplace (Best Place to Work) where diverse employees can grow and succeed.



Business Strategies by Segment

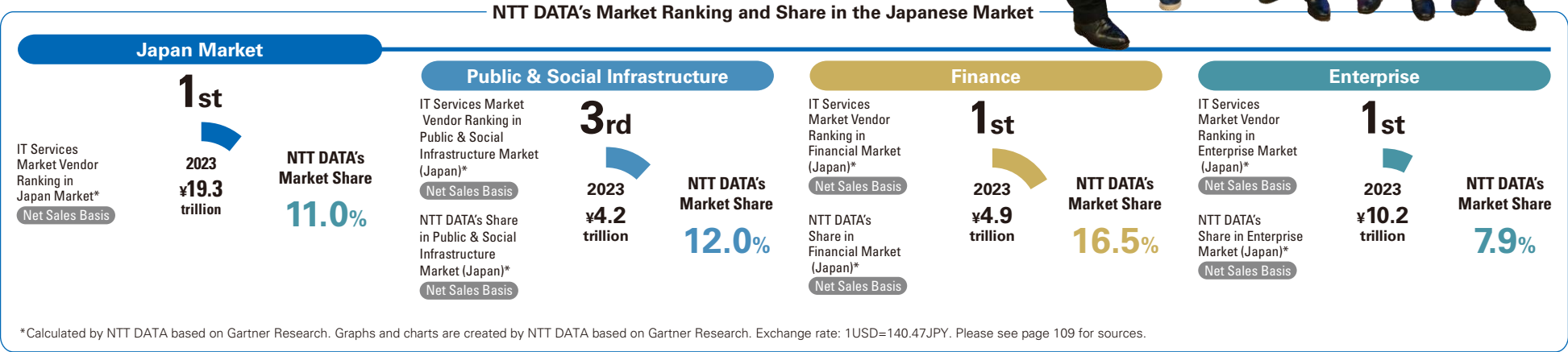
Operating Company in Japan (NTT DATA Japan)

New Structure, One Year On

It is already a year since NTT DATA Japan made a new start by taking over responsibility for the Japan business in July 2023.

After the transition to a three-company structure, our domestic business has grown steadily, and in fiscal 2023 we achieved the No. 1 share in the domestic IT market.* In order to further take lead in the use of IT throughout Japan and in addressing social issues, in addition to consolidating and enhancing the system development and operation capabilities that we have fostered over the years, we aim to strengthen our consulting capabilities and work with NTT DATA, Inc. to leverage global best practices in order to improve our solution proposal and implementation capabilities.

*Please refer to the graph below titled “NTT DATA’s Market Ranking and Share in the Japanese Market”



NTT DATA Japan’s Vision

Since its days as the Data Communications Bureau of Nippon Telegraph and Telephone Public Corporation, NTT DATA Japan has continued to drive responsible innovation for enhancing the resilience of various types of social infrastructure and corporate management through the use of information technology, thereby positively impacting society. Taking full responsibility for the entire process of IT-driven system concept, construction, and operation has always been our commitment and our strength, and will continue to be in the future.

As we work to address societal issues, our business portfolio has also changed. When the Company was first founded, it started out by building social infrastructure to promote the use of technology in Japan, and then expanded to the wider industrial structure (public, financial, and enterprise) based on its insights into societal issues, and has developed a number of assets across different industries.

In recent years, the business environment has undergone rapid changes, making the future difficult to predict. As a result, societal issues and the business challenges faced by our clients are becoming more complex. Furthermore, technology continues to evolve at a dizzying pace, and applying new technologies such as AI technology and cloud computing to our business requires facing up to new challenges. Against this backdrop, it is important that we consistently provide proposals that show the way forward for solving the problems of society and our clients, implementation to make them a reality, and the results that come from these initiatives. NTT DATA Japan is committed to achieving results for society and our clients by responding quickly and flexibly to changes in the social environment and in technology.

By continuing to deliver results, we will continue to work to make Japan even more vibrant, both now and in the future.

The Synergy of NTT DATA Japan

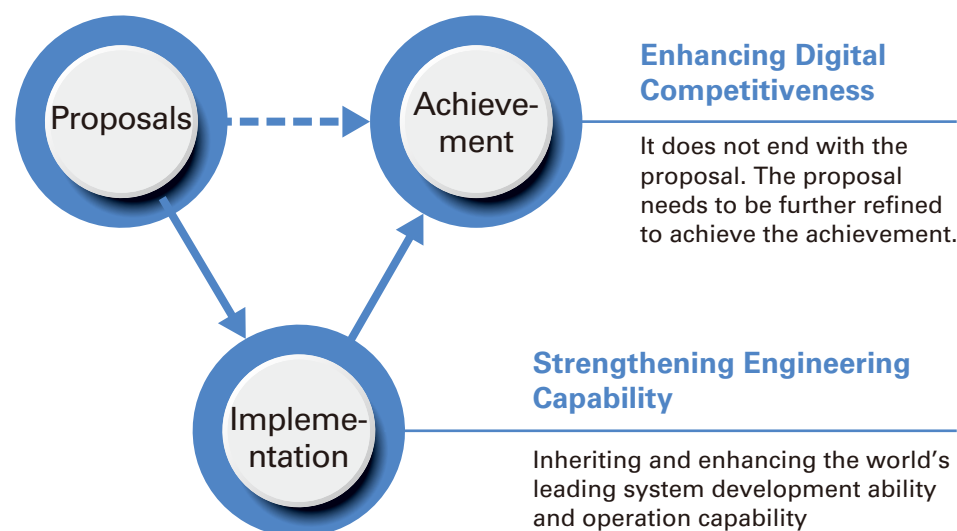
In addition to creating group synergies among NTT DATA Group Corporation, NTT DATA Japan and NTT DATA, Inc., we are also working to maximize synergy within NTT DATA Japan, which is responsible for the domestic business.

By enhancing collaboration among our vertical organizations of Public & Social Infrastructure, Financial, and Enterprise businesses, and our horizontal organization of TC&S business, we will create further synergy and maximize the value that NTT DATA Japan delivers.

Strategies for Realizing “Quality Growth”

We pursue “Quality Growth” in order to achieve our management targets for 2025.

While NTT DATA Japan’s business strategy will focus on the strategies in each of the business units described in the following sections, “Quality Growth” will be realized by implementing the Groupwide strategies of strategic investment and improving organizational capabilities as growth drivers.



(1) Improving organizational capabilities (proposals, implementation, results)

We will strengthen our consulting capabilities in order to deliver consulting-based proposals for our clients’ management agendas.

In addition to maintaining and strengthening the system development and operation capabilities that we have fostered over the years, we will also work to strengthen our implementation capabilities by deploying global best practices and flexibly responding to new architectures.

Through the initiatives described above, we make our clients’ results a reality.

(2) Strategic investment in growth areas

Active investment in growth areas and new technology fields, such as generative AI, will accelerate the expansion of our domestic business. Additionally, we will actively pursue M&A and capital alliance opportunities in order to flexibly acquire new capabilities.

(3) Initiatives to maintain quality

As a prerequisite for the implementation of the strategies described above, we will continue to carry out initiatives to maintain quality.

- Initiatives to prevent problem projects from occurring
- Development and investment to resolve the human resource shortage
- Strengthening cooperation with business partners

FY2025 Management Targets

By FY2025, which is the final year of the current medium-term management plan, our aim is to achieve a growth rate that exceeds that of the domestic IT market and an operating profit margin of 12%.

Business Strategies by Segment

Public & Social Infrastructure Business

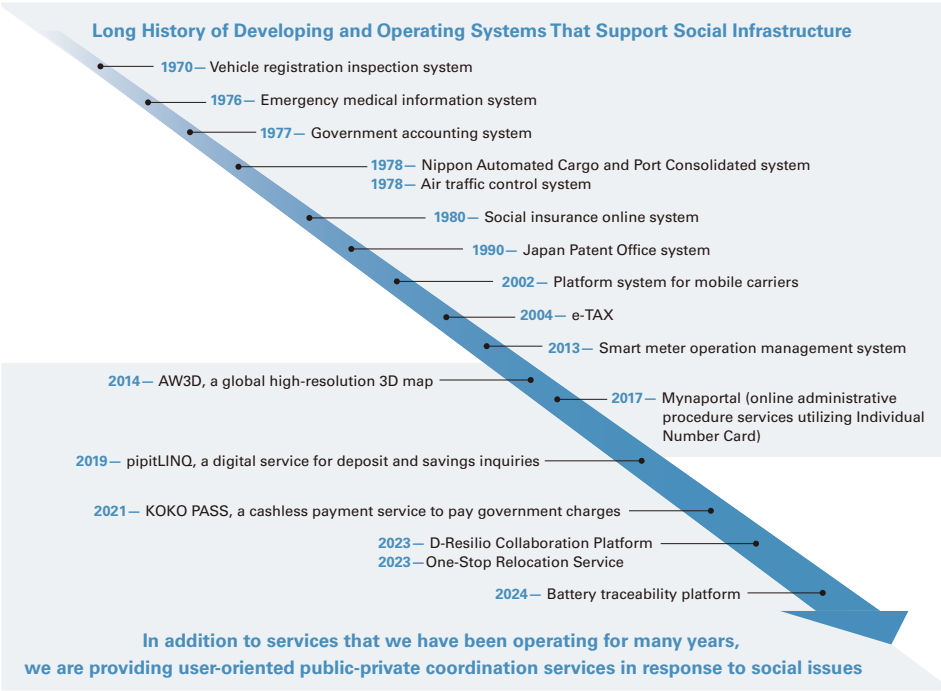
We provide high-value-added IT services that support government, medical, telecommunications, electric power, and other social infrastructures that revitalize regions, centered on Japan.

Katsuichi Sonoda
NTT DATA Japan
Senior Executive Vice President
Responsible for Public & Social Infrastructure Business



Strengths / Achievements

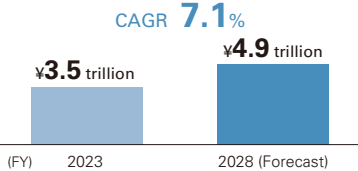
- Top-class technological and project management capabilities that facilitate the development and operation of mission-critical systems supporting social infrastructure, such as taxation, labor, trade, transportation, healthcare, communications, and power
- Deep understanding of client businesses fostered over a long history of developing and operating systems for central and municipal government agencies, healthcare institutions, telecom companies, power companies, and other clients
- Envisioning society's future and designing society through consulting that is based on the user's perspective and creativity and the ability to connect that leads to the solution of social issues together with our clients and relevant parties



Market Environment

The downward trend in Japanese Government's IT investment is continuing for existing IT operations. However, government investment is expected to increase on the whole as a result of investments as part of public-private partnerships and systematic medium- to long-term investments for addressing social issues. This investment is based on the Priority Plan for the Realization of a Digital Society as well as on the Basic Policy on Economic and Fiscal Management and Reform 2024 approved by the Cabinet Office in June 2024. Namely, we expect to see further promotion of DX in projects related to the Individual Number Card and unification of systems for national and local governments. We also anticipate this trend in the projects of various ministries and agencies and in semi-public sectors, including health, medical care, nursing care, education, and disaster prevention. In addition, we expect that IT investments in the energy market aimed at achieving a green society and improving energy self-sufficiency will lead to increased business opportunities in energy-related industries. The evolution of technology is also impacting the market. The rapid spread of generative AI and advancements in the use of AI technology are driving improvements in productivity and transforming customer services.

Scale and Growth Rates of Public & Social Infrastructure Market (Japan)*1



*1 Graphs and charts are created by NTT DATA based on Gartner Research. CAGR figures are calculated by NTT DATA. Please see page 109 for sources.

SWOT Analysis

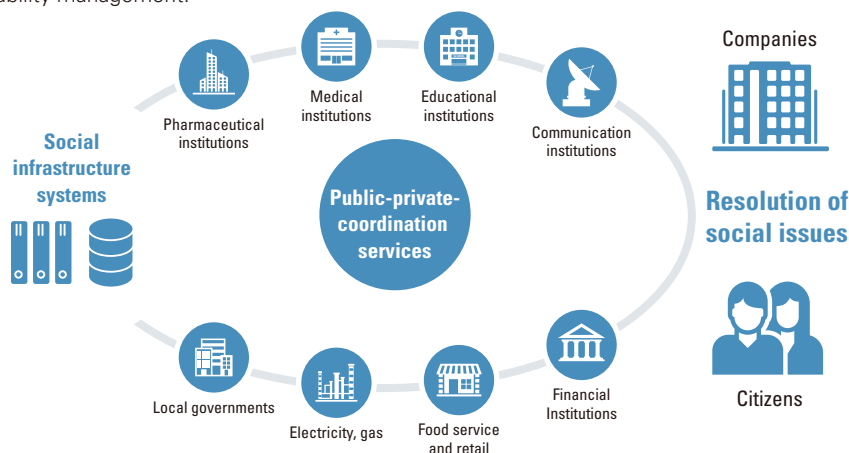
Although there are increasing demands for further cost reductions in IT investments within existing areas, there are also opportunities for expanding IT investments in new services and digitalization across many sectors. In the public & social infrastructure segment, we anticipate that we will achieve medium- to long-term growth based on our technical expertise, project management capabilities, in-depth understanding of client operations, and the strong relationships we have built.

S Strengths • Technological and project management capabilities that facilitate the development and operation of systems supporting social infrastructure • In-depth understanding of client businesses and strong, trusting relationships • Productivity improvements through leveraging cutting-edge technology such as generative AI • M&A strategy including venture capital • Creativity and the ability to connect that creates services to solve social issues	W Weaknesses • Securing resources • Reinforcement of risk management capabilities pertaining to upstream processes to prevent the occurrence of unprofitable projects • Training programs for digital talent capable of undertaking upstream processes
O Opportunities • Expansion of IT investment for addressing social issues • Expansion of investment aimed at improving convenience for citizens and streamlining government operations • Further speeding up the shift to DX in the medical field and medical data utilization • Shift from capital investment in the telecommunications infrastructure market to IT investments in new services • Increased IT investment based on energy and resource policies for GX, including decarbonization	T Threats • Emergence of venture companies that aggressively try to gain competitive advantage • Increase in security risks due to a rapid rise in cyberattacks, etc. • Increased impact of geopolitical conditions

Value Creation Process
Message from the CFO
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Business Strategies by Segment
Sustainability Management

Growth Strategy

In the public & social infrastructure business, we are focusing on initiatives to solve social issues. We will maintain existing projects through means such as consistently receiving upgrade orders for core processes from the government and infrastructure companies. At the same time, by leveraging the track record, expertise, and other strengths and assets we have cultivated thus far, we will enhance upstream consulting, including policy proposals. Based on this, our goal is to design the society we aspire to create by building an ecosystem through collaboration that transcends public-private and industry boundaries as well as co-creation with related key players. This will drive business expansion while addressing social challenges. Also, together with our clients and many relevant parties, we will create a society where diverse forms of happiness are achieved through the utilization of digital services as outlined in the Priority Plan for the Realization of a Digital Society as well as in the Basic Policy on Economic and Fiscal Management and Reform 2024. We will expand our businesses outside existing business areas based on trends in markets, government policy, and clients in pursuit of medium- to long-term growth with an awareness of sustainability management.



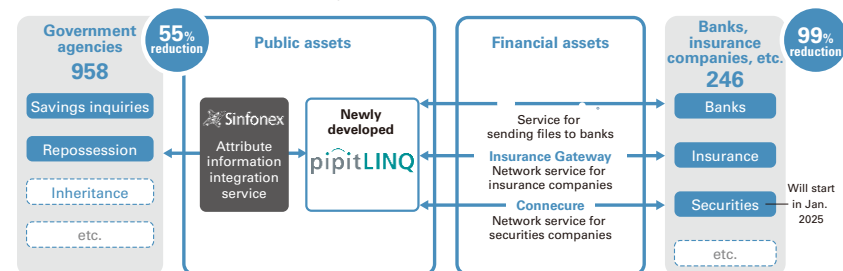
Initiatives for Redesigning Society Through Co-Creation

NTT DATA is committed to addressing social issues by redesigning a sustainable future where nature, society, the economy, and individuals coexist harmoniously. We take the approach of drawing up a vision of the future, redefining values, and creating paradigms for achieving these values with people who have diverse perspectives and skills. We have shared these ideas in a white paper.



Case Study 1: pipitLINQ, a Digital Service for Deposit and Savings Inquiries

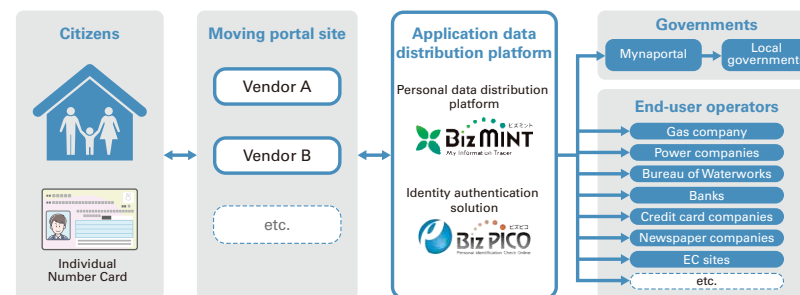
pipitLINQ is a platform service for public-private collaboration that connects government agencies and financial institutions and enables the digitalization of deposit and saving inquiry procedures among participating institutions. We leveraged our assets to achieve secure and efficient data integration for the service. Recognizing the significant costs associated with paper-based operations, we promoted the digitalization of administrative procedures through solution-oriented consulting services. These services included study sessions with government agencies and financial institutions to share the ideal future, pilot programs, and policy proposals that lead to national policy. By using pipitLINQ, government agencies can reduce their work time by up to 55%, and financial institutions by up to 99%. As of 2024, pipitLINQ is used by several central government ministries, over 950 local government agencies across Japan, and more than 240 financial institutions. We plan to expand the service to cover inheritance procedures.



Note: Number of institutions that have adopted the service as of Sept. 17, 2024

Case Study 2: One-Stop Relocation Service

The One-Stop Relocation Service is a platform service for public-private collaboration that allows users to complete all administrative procedures related to moving, as well as procedures for private companies, such as utilities, online. By utilizing assets such as the Individual Number Card, NTT DATA's personal data distribution platform (BizMINT), and identity authentication solution (BizPICO), the service provides a secure and reliable information-sharing system. We saw the inconvenience caused by the many procedures involved in moving and the complications resulting from missed procedures as an issue. In light of this, we developed and launched the service in collaboration with local governments and various service providers following a series of joint study meetings. We are working to expand the service's reach and broaden its scope to include one-stop services beyond relocation procedures.



Business Strategies by Segment

Financial Business

We provide high-value-added IT services that contribute to increased service and operational efficiency, with a focus on domestic financial institutions in Japan.

Masanori Suzuki

NTT DATA Japan
Senior Executive Vice President
Responsible for Financial
Business



Strengths / Achievements

Providing Large-Scale Financial Infrastructure Systems That Connect and Support the Industry

Network systems for connecting ATMs of financial institutions across Japan

Integrated ATMs
Connecting more than 1,000*¹, or over 99% of financial institutions across Japan

Digital banking platforms connecting financial institutions and users

Number of financial institutions connected to ANSER
Approx. 800*¹, or over 70% of financial institutions serving private and corporate clients

*1 Source: Number of Financial Institutions by Business Model, The Japan Financial News Co., Ltd., June 30 2024

Network system connecting life and non-life insurance

Number of companies using the common gateway service for insurance companies
Approx. 57, or over 70% of insurance companies
Approx. 10,000 agencies

Ability to Connect—Financial Infrastructure

Support for reliable financial system operation through supply of infrastructure offering connectivity to multiple financial institutions

- 1973 Start of Zengin System (nationwide bank data transmission system)
- 1981 Launch of ANSER service
- 1984 Commencement of CAFIS services
- 1988 Introduction of Bank of Japan financial network system
- 2002 Launch of joint insurance company gateway
- 2004 Commencement of integrated ATM migration services
- 2012 Release of AnserBizSQL corporate internet banking service
- 2013 Launch of AnserParaSQL private internet banking service
- 2017 Release of My Pallette banking app
- 2020 Introduction of BizSQL_Square comprehensive service platform for corporate and private business owners
- 2022 Launch of TradeWaltz trading information sharing platform
- 2023 Launch of Progrmat infrastructure for issuing and managing digital assets
Launch of TetraBRIDGE one-stop platform for invoicing and settlement

Strong Trusting Relationships with Clients

Client Coverage Ratio (Core banking systems)

Having strong trusting relationships with clients over long years by providing high-quality and highly reliable systems

Major banks / Japan Post Bank (5)	40%
Regional banks (99)	43%
Shinkin (254)	93%
Credit unions (143)	99%
Labor banks (13)	100%
JA Bank (506)	100%

As of June 2024

Long-Term Relationships—Sharing of Systems

Ongoing development of shared systems and evolution of these systems in line with the times through co-creation with clients

- 1971 Introduction of the Shinkin Tokyo Shared Operation Center
Predecessor to the Shinkin Shared System of today
- 1978 Launch of the Shinyo Kumiai System
- 1999 Launch of the JASTEM System
- 2004 Launch of the Regional Bank Integrated Services Center
Utilization of NTT DATA's proprietary BeSTA standardized banking application
- 2010 Start of the MEJAR Service
- 2011 Start of the STELLA CUBE Services
- 2014 Start of the BeSTAcloud Service
- 2014 Launch of the R1 System
- 2024 Start of the open platform service of MEJAR
Start of the operation of the first multi-bank open core banking system in the Japanese banking industry through the PITON* application Agreement and start of development of integrated cloud banking system to be adopted by the Regional Bank Integrated Services Center

*A framework offered by NTT DATA Group to migrate mainframe systems to open platforms.

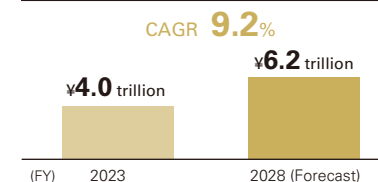
Market Environment

Amid the Japanese financial market witnessing the creation of new lifestyle-based businesses due to the advance of digitalization, increased attention is being turned toward the need for both reliability and innovativeness in financial systems.

IT investment in financial services is anticipated to grow going forward as these services are indispensable to achieving sustainable growth for both companies and society by resolving social issues pertaining to regional economic development, workforce decline, and climate change.

Financial institutions have been increasingly investing in streamlining and enhancing back-office functions through the use of digital technologies, such as reinforcement of customer contact points, big data analyses, and contract-related processes. With this trend more noticeable, driven by the advent of generative AI, the range of business opportunities available to NTT DATA is expected to expand.

Scale and Growth Rates of Financial Market (Japan)*²



*2 Graphs and charts are created by NTT DATA based on Gartner Research. CAGR figures are calculated by NTT DATA. Please see page 109 for sources.

SWOT Analysis

S
Strengths

- Sophisticated technological and project management capabilities for providing large-scale mission-critical financial infrastructure systems that connect and support the financial industry
- The PITON Framework, the first multi-bank open core banking system in the Japanese banking industry
- Deep understanding of client businesses and strong trusting relationships built over a long history of providing clients with high-quality, high-reliability systems

O
Opportunities

- Expansion of IT investment to strengthen customer contact points and utilize big data and AI
- Rising needs for coordination between financial institutions and with other industries for creating new business models and resolving social issues
- Increased IT investment accompanying transition to open platforms for mission-critical systems and other technological advancements

W
Weaknesses

- Recruitment of IT human resources capable of accommodating increases in IT investment stemming from accelerated society-wide digitalization trend
- Expansion of assets capable of accommodating new business opportunities arising from interindustry coordination and market entry to non-financial industries resulted from financial industry deregulation

T
Threats

- Intensified competition following management and system integration as a result of reorganization and coordination within the financial industry
- Rise of competition due to market participation by diverse players

Value Creation Process
 Message from the CFO
 Medium-Term Management Plan (FY2022–2025)
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Growth Strategy

New “BCE Strategy” Supporting Open Co-Creation with Financial Institutions

The Financial Business has continued to develop core assets while supplying our ANSER joint online network for financial institutions, integrated ATM switching service, BeSTA joint-use core banking system for regional banks, and other financial platforms. At the same time, we have proceeded to provide system integration and outsourcing services for individual financial institutions.

However, the accelerated society-wide digitalization trend has spurred changes to the businesses of financial institutions and given rise to more difficult social issues. There is thus a need to promote the use of digital technologies for resolving these issues and to advance initiatives that blur the lines between various industries, fields, and domains.

In response to these changes in the environment, we will capitalize on our existing strengths, including our assets, track record of accomplishments, and expertise, and expand our service offerings to include digital services and consulting that integrates into clients' upstream processes.

In addition, the Financial Business will implement the following new BCE (Beyond, Connect, Expand) strategy to support open co-creation with financial institutions and strengthen and expand its business.

BEYOND

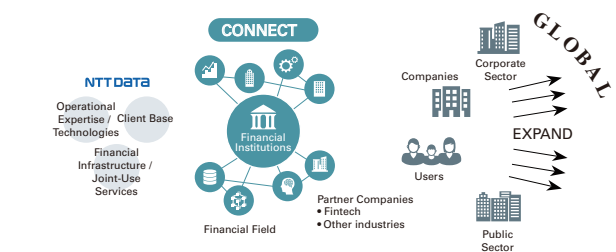
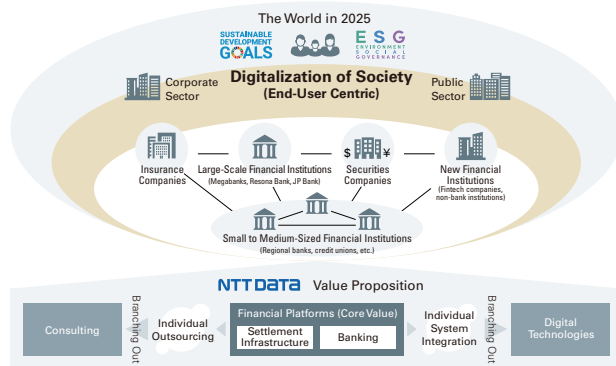
NTT DATA seeks to create new financial services with an eye to clients of the financial institutions to which it supplies IT services.

CONNECT

We will support connections among various financial institutions and between financial institutions and partner IT companies, fintech companies, and start-up firms while utilizing external resources in an open manner to create new services.

EXPAND

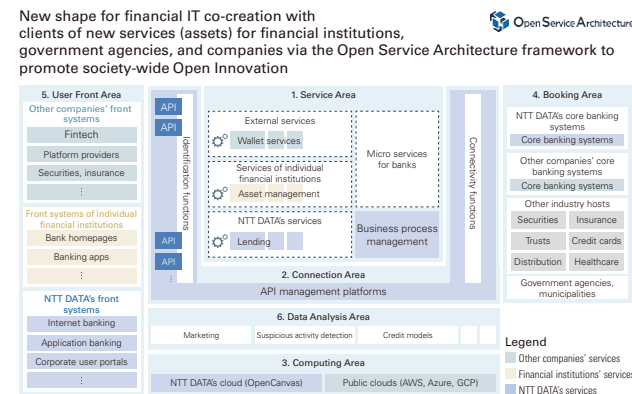
Expanding the scope of our services and partners to include industries outside of the financial industry, we will formulate a vision for the future society while creating new end-user centric services that contribute to society.



■ BEYOND: Move beyond existing business models
 ■ CONNECT: Connect through digital technologies
 ■ EXPAND: Expand scope of business and regional coverage

Initiatives of Open Service Architecture, a Standardized Financial IT Architecture for Accelerating New “BCE Strategy”

It is important for financial institutions to utilize various external resources in order to give shape to new ideas for responding to social needs. The Financial Business is bolstering its service lineup to assist with this undertaking. Specifically, we are augmenting our services for supporting connections of internal systems to external application programming interfaces (APIs) as well as our lineup of services that assist financial institutions in the development of new products through the utilization of external APIs and services. We have a long history of providing core banking and other systems for the financial industry, and these systems are expected to have rigorous security. Accordingly, we work to ensure the reliability of applications without altering them while providing ongoing services through migration to open platforms. When supplying new systems, we will seek to provide the optimal service platform based on the requirements for security and development flexibility. In addition, we will enhance our lineup of solutions for strengthening customer contact points and realizing more sophisticated data utilization in order to maximize the value financial institutions supply to their clients.

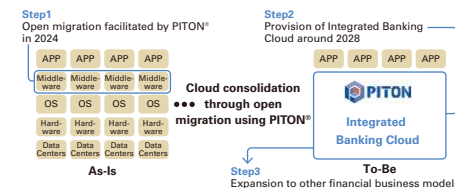


BCE Strategy and Open Service Architecture Initiative 1

Realization of the Integrated Banking Cloud, or Cloud Migration of Joint-use Core Banking Systems

By applying PITON, a framework provided by NTT DATA to the MEJAR system jointly used by five regional financial institutions, for migration to the open system, NTT DATA started operating the first multi-bank open core banking system in the Japanese banking industry.

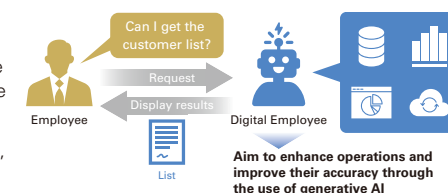
Through this achievement, our Group verified the feasibility of migrating a joint-use core scheme to the cloud. Taking this a step further to provide safe, secure, and continuous banking services at low prices, we decided to apply the Integrated Banking Cloud to the Regional Bank Integrated Services Center around January 2028 and have started development.



BCE Strategy and Open Service Architecture Initiative 2

Generative AI | Digital Employee

NTT DATA and IBM Japan agreed in December 2023 to collaborate on improving the productivity of employees in the insurance industry using AI. Both companies will work on the co-creation of new digital asset-based businesses to promote digital transformation through activities, such as jointly developing the virtual intelligence digital worker Digital Employee, which serves as a colleague who can understand employees' intentions and do their tasks for them, providing a strategic sales model, and jointly marketing it.



Business Strategies by Segment

Enterprise Business

Centering on Japan, we provide high-value-added IT services that support manufacturing, distribution, and service industries and other business activities, as well as payment services linked with IT services in various fields.

Isao Arima

NTT DATA Japan
Senior Executive Vice President
Responsible for Enterprise
Business



Strengths / Achievements

Industries

Together with our clients, we envision the ideal business for them and their industries.* Then, to bring their vision to life, we provide consistent high-value by offering end-to-end support, from proposal to implementation, and the realization of innovation and results.

*Key focus industries: Automotive, machinery & electronics, transportation & tourism, media, distribution & retail, food, pharmaceutical, etc.

	Automotive	Distribution and Retail	Transportation	Food
	Amid changes in the mobility industry driven by CASE, delivering value across the entire process, from customer contact points to the value chain and the shift to EVs.	Supply of comprehensive consulting, system development, and IT services for transforming communication between companies and consumers	Providing optimal services for railway line users while also promoting the establishment of an economic zone along railway lines and the integration of existing IDs and loyalty point systems	Resolution of consumer health issues and DX of entire value chains with a focus on contact points with consumers.
Strengths	- Consulting and development capabilities built on operational expertise pertaining to digital marketing and dealerships. - Platform technologies for collecting, analyzing, and utilizing data from millions of connected cars.	- Track record and knowledge pertaining to creation of customer contact points using omni-channel retailing approaches and e-commerce sites. - Track record and knowledge related to creation of new customer experiences by merging e-commerce sites (online) and physical stores (offline).	- Extensive track record in developing large-scale loyalty point systems and travel e-commerce sites, as well as operational know-how - Track record and know-how in developing railway group accounting systems	- End-to-end service provision capabilities for supplying personalized services. - Consulting and development capabilities based on experience in developing and operating SCM and large-scale core systems in the food industry - NTT Group's advanced sensing technology
Achievements	- Providing consulting for customer contact points and IT services for automotive manufacturers, including after-sales services - Launched the Battery Traceability Platform, an industry-wide ecosystem for EV batteries.*1	- Transforming customer contact points for large distributors through unified ID services that work among e-commerce platforms and group-wide - We provide end-to-end support to realize the entire process from planning to rapid development for the last mile, a management issue for clients.	- For JR Central, providing end-to-end support from examining marketing strategies and implementing a loyalty point system to back-end BPO for each tenant (TOKAI STATION POINT) - Developing group accounting systems and back-office BPR for various private railway companies.	- Providing consulting for S&OP*2 and SCM transformation to major food manufacturers - Opened the capsule hotel "9h nine hours Shinagawa Station Sleep Lab Powered by NTT DATA," which can collect sleep data with high accuracy.*3

*1 In response to European battery regulations which came into effect in August 2023, we enabled data integration between relevant companies to report CO₂ emissions and resource recycling rates throughout the battery's life cycle to the European Commission.

*2 S&OP (Sales and Operations Planning) refers to a business management method that optimizes the supply chain by coordinating sales and operational planning.

*3 A facility that can collect sleep data from hotel guests (with their consent) during their stay. We aim to provide personalized services by combining this data with wellness data and lifestyle and dietary recommendations.

Service lines

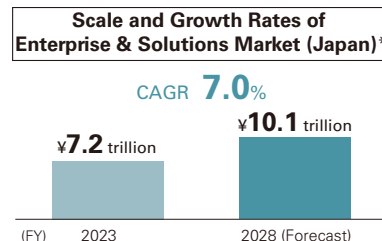
Through our service lines, we will enhance our specialization in cross-industry themes, and work with industries to provide high-value services that contribute to solving our clients' management and business issues.

	Consulting	Payment	System Integration
	Creating future industries with our clients by providing end-to-end support from the Foresight concept and Foresight-based business transformation to the transformation in organizational capabilities required for realization.	Provision of framework for building strong relationships between consumers and companies and eliminating inefficiencies by digitizing customer contact points.	Providing high-value and quality IT services that combine advanced business expertise in CX, data analysis, and SCM, with proprietary IT assets and components
Strengths	- Over 1,500 highly specialized professionals with consulting expertise to realize transformation in all areas, from business strategy and service design to technology and data utilization - Track record of providing advanced, specialized consulting and assets through close collaboration with industry businesses	- Track record of utilizing CAFIS data and providing CAFIS services connected to almost all domestic credit card companies and financial institutions as well as to credit card-accepting institutions of various industries and business models - Track record of creating new customer contact points through digital products, credit card-accepting institutions, and contactless and non-face-to-face customer service	- Proven track record and strengths: in CX areas, such as e-commerce, after-sales, and digital marketing; supply chain areas, such as sales, purchasing, and inventory optimization; and leveraging data for management transformation - Over 1300 consultants in the SAP business including group companies such as JSOL, GSL, who develop businesses in industries such as machinery, pharmaceuticals, and food
Achievements	- Proposing and formulating plans for S&OP reforms and DX transformation for clients in the food industry who are facing management issues such as increasing the profitability of existing businesses, pricing, and allocation of promotional expenses. - Providing end-to-end support for DX organizational transformation for clients in the transportation industry who see expansion of business scale as a management issue - Providing services for the utilization of HR data analysis to support data-driven management in HR	- Plan to launch Acquiring Joint Platform(TM) in April 2025, which provides an integrated IT system and operations to acquirers in the credit card industry - Began integrating the smartphone payment platform "CAFIS Pitt" with "dBarai" and BNPL service "atone" - Nankai Electric Railway decided to use the customer loyalty point management SaaS "CAFIS Explorer" for their minapita point service	- Working together with our large retail clients from planning to implementing IT services for driving DX transformation of e-commerce, client base, and last-mile services - Currently planning and developing a distribution platform for digital therapeutics (DTx) for the pharmaceutical industry, in addition to our track record in SAP-based core system implementation - Entered into a comprehensive partnership with Denso to accelerate and enhance in-vehicle software development for SDVs for the automotive industry, in addition to our track record in CX areas such as after-sales services

Value Creation Process
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Market Environment

While there are concerns about the impact of rising prices and exchange rate fluctuations, there is continued needs pertaining to digital transformation (DX) investments and sustainability management (environmental regulation response) from clients in industries such as manufacturing and distribution, and investments related to digital continuing to expand. Additionally, the cashless market is also expected to keep growing, with payment traffic likely to continue on an upward trend.



*Graphs and charts are created by NTT DATA based on Gartner Research. CAGR figures are calculated by NTT DATA. Please see page 109 for sources.

SWOT Analysis

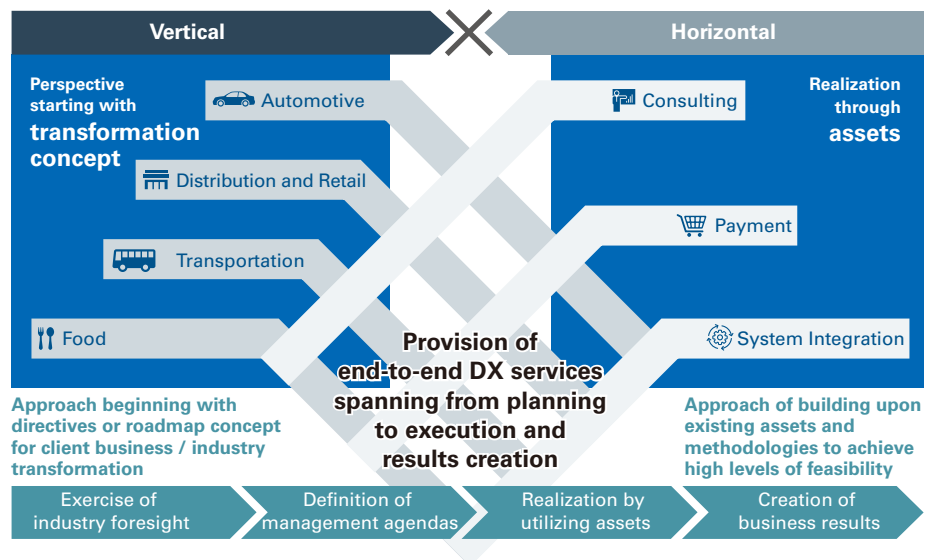
S Strengths - Track record of transforming society and industries together with leading Japanese companies - Expertise regarding use of world-leading technologies - Highly reliable system development and operation capabilities	W Weaknesses - Lingering impression of prior system integration model - Inability to maximize value proposition due to initiatives confined within individual organizations in areas such as consulting, customer contact point creation, and data utilization
O Opportunities - Rising needs for utilizing digital technologies by companies to address transformation of social and industry structures - Increasing attention regarding sustainability, an area where IT promises significant benefits - Growth in mobility and other markets in which synergies can be generated with the NTT Group	T Threats - Greater competition for recruiting digital human resources - Intensifying competition in consulting and system development fields - Opaque domestic economy (impacts of the COVID-19 pandemic, supply chain disruptions, rising energy prices, yen depreciation)

Growth Strategy



Focus Areas and Strategic Policies of the Medium-Term Management Plan (FY2022–2025)

We are strengthening our capabilities (industry insight and advanced technology utilization expertise) based on two approaches of Vertical and Horizontal to develop a collective wealth of expertise that can guide transformation processes in an integrated manner encompassing all tasks ranging from planning to execution. With these strengthened capabilities, we contribute to structural transformation in client businesses and industries.



Business Strategies by Segment

Technology Consulting & Solution Business

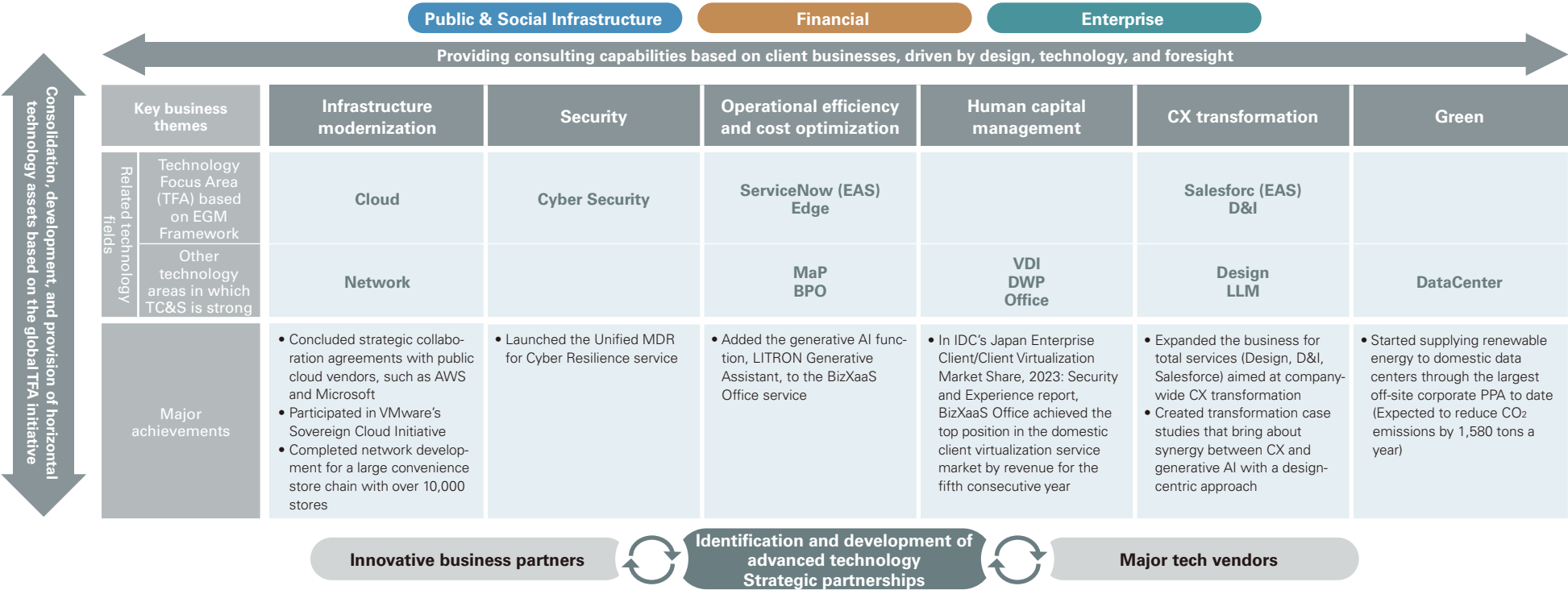
Through coordination with other domestic business units, we are aggressively expanding our business with technology consulting and asset-based offerings that can be used in the full spectrum of industries.

Hiroshi Tomiyasu
 NTT DATA Japan
 Director and Executive Vice President
 Responsible for the Technology Consulting & Solutions Business



Strengths / Achievements

As a horizontal organization that supports domestic business units, we work alongside our clients to provide end-to-end design technology, business-centered technology consulting with foresight, and technology assets. We excel in identifying innovative business partners and establishing strategic alliances with major tech vendors and we have the know-how and human resources to leverage advanced technology.



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Market Environment

In an era where technological advancements are leading to great uncertainty due to their impact on consumer lifestyles and corporate activity, we are expected to provide value in end-to-end process, from concept development to system implementation and business impact creation, as a business partner.

Regarding the utilization of advanced technologies, demand is increasing for security, cloud computing, D&I (Data & Intelligence), and generative AI. In terms of security, we will drive growth in domestic markets by leveraging global assets to meet security needs.

For cloud computing, we expect to see energy-efficiency-focused coordination with the data center business, and this sector is growing steadily in line with market expansion. Regarding data utilization and generative AI, we are aiming to not only leverage these technologies but also to expand with a focus on delivering business results, targeting growth beyond the market scale.

SWOT Analysis

S Strengths - Competitive pricing and product development capabilities through strong alliances with vendors, leveraging our market share in Japan - Data centers, cloud computing, networks, and applications - Advanced energy-efficient network computing environments that leverage NTT Research's IOWN optical technology - Solutions with high market shares (digital workspaces, etc.) - High-quality, high-resilience infrastructure services for meeting rigorous service level agreement demands - Ability to collaborate with advanced technologies on a global scale	W Weaknesses - Need for swift responses to rapidly changing operating environment - Value creation through use of advanced technologies tailored to needs of specific industries - Difficulty in securing talented IT engineers due to market-wide labor shortages - Lack of ability to provide comprehensive solution, despite our ability of providing individually optimized solutions
O Opportunities - Expected increase of investments related to workstyle reforms, following the reclassification of COVID-19 to Category 5 under Japan's Infectious Diseases Act, under which companies have yet to establish stable working practices - Growth of outsourcing demand pertaining to realization of more sophisticated operations accompanying shifts to teleworking and cloud services - Moves to improve energy efficiency and introduce green IT systems - Increasing demand for on-premise solutions in energy-efficient data centers, networks, and private cloud areas, driven by a high interest for generative AI	T Threats - Burgeoning of companies using new technologies - Expansion of scope of services provided by consulting firms and cloud service vendors - Commodification of network, cloud, security, and other technologies - Shortage of highly skilled architect talent that can comprehensively utilize various technologies, which is an issue within the perspective of human resource development - Need to address human resource recruiting challenges caused by geopolitical risks

Growth Strategy

• We will expand our business into service design and technology consulting, focusing on business themes by leveraging our know-how in advanced technologies. Additionally, we will maximize the value we provide to clients by offering end-to-end solutions from consulting to system development and operations.

• We will actively create solutions and assets related to horizontal themes such as security, CX transformation, and operational efficiency. We aim to increase revenue by providing these solutions across industries.

Key business themes		Infrastructure modernization	Areas to achieve substantial growth		Areas to achieve substantial growth		Areas to achieve substantial growth		Green			
What	Client value proposition	• Business acceleration • Optimization of infrastructure investment	Security	• Cyberattack prevention and countermeasures • Prevent employees leaking data	Operational efficiency and cost optimization	• Focus on business • Solving human resource shortages • Cost optimization	Human capital management	• Realizing diverse workstyles • Improving employee engagement	CX transformation	• Realizing sales reforms • Improving customer experience value • Creating new businesses	Green	• Reduction in CO₂ emissions • Optimization of infrastructure investment • Realize sustainable management
How	Strengths	Private cloud and closed network services spanning multiple industries	End-to-end services that leverage the know-how we have cultivated through many years of security operations	Managed services that cover a wide range of operational areas	Providing comprehensive OA consulting and environments, including AI and secure access, with Japan's No. 1 DaaS at its core	Providing comprehensive services that accelerate CX transformation through design, advanced technologies, value creation, and visualization	Enterprise-focused urban data centers with high power efficiency and AI-specialized data centers					
	Strategy to leverage strengths	• Providing comprehensive services with end-to-end support from formulating comprehensive concepts for IT systems based on client management issues, to infrastructure development and operation integrating latest technology	• Involvement in the formulation of client security strategies through upstream consulting and provision of advanced operation services which are the strength of the UnifiedMDR service	• Expanding support for complex operations using AI/LLM and enhancing customer business sophistication	• Expanding into other areas starting from complete OA system renewal • Increase revenue by providing additional functionality to existing DaaS clients	• Expanding digital BPS* in the CX domain • Recruiting and developing human resources to promote company-wide CX transformation • Further promoting the expansion and deployment of CX transformation assets such as LITRON and Knowler	• Expanding green data center business through end-to-end support for carbon neutrality for clients' IT infrastructure, from evaluating and optimizing the environment of clients' data centers through consulting, to repurposing assets made unnecessary by cloud lift • Business expansion through the provision of GPU platforms that consume large amounts of power, utilizing data centers operating in remote areas with renewable energy					

*BPS: Business Process Service

Business Strategies by Segment

Operating Company Outside Japan (NTT DATA, Inc.)

Our portfolio: ready for growth

As the only company with a full-stack transformation portfolio, we help our diverse and global client base achieve their business goals. Organizations expect their strategic technology service provider to help them be digital and AI-ready enterprises.

Client requirements



Our clients are looking to:

- Optimize their legacy technology stack
- Modernize the core of their technology, much of which has accumulated technical debt due to competing priorities
- Build new experiences, new products and new services using innovative technology and practices

To meet these goals, we bring our domain experience and technical expertise to bear as their digital catalyst and transformation enabler. Our industry-first go-to-market model and full-stack transformation portfolio are designed to help clients achieve their outcomes.

We have three distinct business areas that offer an impressive portfolio of expertise, solutions and services:

- 1 Capex-intensive businesses.....P55**
 Including our data centers, our subsea-cable business and our Global IP Network

2 IT services P56
 A comprehensive suite of capabilities, from consulting and systems integration to managed services that cover a range of segments

3 Technology solutions.....P66
 Using software and AI to help clients realize maximum value through our complete lifecycle service

These business areas are reflected in the financial disclosures for the overseas segment as follows:

Business areas					
		Capex-intensive businesses	IT services	Technology solutions	Total*
Units for disclosure under the overseas segment	North America		✓	✓	23%
	EMEAL		✓	✓	35%
	APAC		✓	✓	13%
	Global Technology and Solution Service	✓	✓		29%
	Total	~15%	~65%	~20%	100%

*Percentage split based on results for the first quarter of the fiscal year ending March 31 2025

The following sections show how these businesses are either on a growth trajectory or poised to lead in their growing market segments. A key element across these businesses, from data centers to applications, is the transformative impact of generative AI (GenAI). We are investing in GenAI to deliver new service offerings to the market and to reimagine our existing services.

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1 Capex-intensive businesses

Snapshot

- Our data centers, our subsea-cable business and our Global IP Network provide unprecedented connectivity and data services to global organizations.
- We are the third-largest data center provider in the world.
- Our data centers are experiencing increased demand from GenAI hypergrowth and are expected to continue growing through 2029. We are implementing innovative solutions such as liquid immersion cooling to meet this growing demand in a scalable and sustainable way.
- We are investing over \$10 billion in new data center development through FY2027 and prioritizing sustainability initiatives to reduce emissions and meet a net-zero commitment by 2030.

Our capex-intensive businesses comprise:

- **Data centers:** This business is on a growth trajectory in a fast-growing market segment.
- **Global IP Network:** We're a global leader in Tier 1 Global IP Network and offer highly reliable, secure access around the world, regardless of bandwidth and IP transit requirements.
- **Subsea cables:** We are a leading provider of subsea cables that connect continents to support increasing global demand for cloud solutions and lower-latency connectivity.

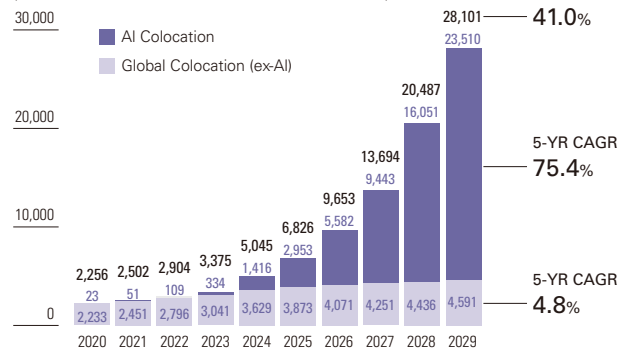
Data centers: rising demand driven by GenAI hypergrowth

We are the third-largest data center provider in the world, and we were named a Leader in the IDC MarketScope: Worldwide Datacenter Services 2023 Vendor Assessment*¹.

Net new data center colocation demand is expected to grow at a compound annual growth rate (CAGR) of 41% through 2029, driven largely by AI demand*². Our data center business is poised to capitalize on this increased demand by continuing to expand around the world and using our flexible design to

meet client requirements. NTT will invest over \$12 billion in new data center development through FY2027.

ANNUAL GLOBAL DATA CENTRE COLOCATION DEMAND: AI VS. NON-AI (IN MEGAWATTS OF CRITICAL IT LOAD CAPACITY)



*1 IDC. Oct 2023. IDC MarketScope: Worldwide Datacenter Services 2023 Vendor Assessment. Doc #US49435022

*2 Structure Research. Jul 2024. Market Share Report Series: Global Markets

AI is driving demand in all top global markets. Over the next five years, AI demand (in megawatts of critical IT) is expected to grow at a CAGR of 75%, according to Structure Research. AI is also driving innovative new infrastructure in data centers due to higher-density requirements.

All of our new data centers can handle AI workloads. We have also changed the mechanical systems in our older data centers to work with AI requirements. We have implemented several water-to-the-rack/chip deployments in the US and a liquid immersion cooling installation in India. We have over 200MW of AI deployments live or in development.

We continue to prioritize sustainability initiatives and programs to meet our ambitious net-zero commitment. This implies reducing operational emissions by at least 90% by 2030. In FY2023, we reduced our Scope 1 and 2 emissions by 26%, compared with the baseline year of FY2021, despite business growth. The biggest ways to reduce emissions are renewable energy

procurement (51% of the total in FY2023) and reducing energy consumption. In FY2023, we saved 10GWh by taking these steps.

The data center business will drive growth by increasing capacity to meet the critical demands of our clients. We continue to expand in all the regions in which we operate. Our growth strategy includes proactive land acquisition to secure land and power ahead of demand in key markets, highlighted by our recent campus land acquisition in Paris and our expansion in Berlin, enabling scalability for our clients.

Status of data center service delivery*³ Providing the service with the scale of approx.

30 cities, and 1,300MW

*As of the end of July 2024

Service Delivery Performance of Data Centers for FY2023*³

During FY2023, a total of 227MW has been put into service across four regions.



*³ Under the Global Technology Services Unit of NTT DATA, Inc.

To improve our position in the market, we continue to meet client needs through our global footprint and scalability, a financial strategy focused on growth, our expertise in product design and development, a consistent client experience, and the additional services offered to data center clients by our portfolio.

3rd largest global platform	Growth-focused finance strategy	Adaptable data center design	A "One NTT" client experience
Part of our platform	- Network services 5G - Cybersecurity	- Cloud & IT infrastructure - Edge services	

Business Strategies by Segment

Operating Company Outside Japan (NTT DATA, Inc.)

2 IT services: transformation through innovation

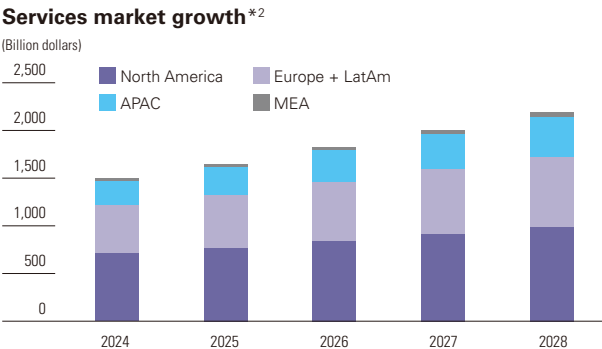
Snapshot

- The IT services market is expected to transform and grow significantly in 2024, driven largely by increased cloud spending, GenAI and related innovation.
- We are the only company in the world that can provide a full-stack transformation portfolio.
- We're recognized as a global leader in cloud and infrastructure services by prominent analyst firms.
- Our market-leading Private 5G solutions cover licensed spectrum, global connectivity for private/public roaming, 24x7 managed services, and application development and integration.
- We're a global leader in managed security services with an extensive research and development budget.
- In our enterprise platforms business, we're investing in AI to improve commercial efficiency, maintain a competitive edge, promote sustainability and bolster operational resilience.
- Our CX and Digital Products practice includes 15,700 design experts serving 2,000 clients from 20 design studios spanning nine countries – a worldwide presence that gives us a competitive edge.
- We are investing in next-generation technologies and collaborating with a range of exciting startups to implement GenAI throughout our Digital Workplace Services portfolio.
- We have received multiple recognitions from analysts for our GenAI leadership and innovation.

2024 marks the next wave of transformation and growth in IT services, driven by GenAI and related innovations. According to Gartner®, the worldwide services market is forecast to grow 9.4% in current US dollars in 2025 (8.1% in constant currency) and will reach \$2.33 trillion by 2028. The services market

continues to be characterized by cautious spending, uncertainty in the macroeconomy and higher capital costs*1.”

*1 Gartner, Forecast: Services, Worldwide, 2022-2028, 3Q24 Update, By Srujan Akurathi, Colleen Graham, et al., 27 September 2024. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.



*2 Charts/Graphs created by NTT DATA based on Gartner research. Source: Gartner, Forecast: Services, Worldwide, 2022-2028, 3Q24 Update, Srujan Akurathi et al., 27 September 2024, NTT DATA's own calculations using data from this research. Services End-user Spending basis.

Along with these growth rates, sustained trends in the IT services market include continued cloud spending, the modernization of mainframe workloads and challenges regarding insourced talent availability and cost. There are, however, also emerging trends that will define upcoming investment cycles:

- **GenAI is proving to be a significant driver for retooling and rescaling.**
- **Buyers continue to seek increased operational efficiencies and optimization from their existing investments.**
- **Business buyers continue to increase their role in technology purchases.**
- **There is an increased focus on existing assets and IP, and the ability for a provider to compose solutions and provide speed along with outcomes.**

We are poised to grow in this fast-changing market. We are also the only company in the world that can provide a full-stack transformation portfolio, spanning consulting, digital and AI-ready infrastructure that includes cloud, network and edge, integrated security, enterprise platforms, application development and digital workplace solutions. We offer clients flexibility in working with us, from systems integration and managed services to as-a-service consumption models. Our portfolio enables our clients to modernize from edge to core; build, run and transform applications; mine and automate processes; build frictionless customer and employee experiences; and infuse AI into everything.

Industry solutions

Banking, financial services and insurance

Manufacturing and automotive

Technology, media and telecommunications

Healthcare

Retail

Energy and utilities

Focus industries

NTT DATA Global Portfolio
 (Cloud, security, GenAI, CX and design, applications, digital workplace and other services)

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Our consulting practice allows us to go beyond just providing IT solutions. We also act as trusted advisors to our clients, helping them to align their technology strategies with their broader business goals. Our strategic insight is powered by our deep industry expertise, which enables us to offer tailored solutions that directly address the unique challenges and opportunities each client faces.

This positions us as a leader in various industries, with a reputation for delivering not just services but also true business value. Through our consulting engagements, we forge strong, long-term client relationships. These are built on trust, frequent interactions and a deep understanding of our clients' needs and aspirations.

Our consulting practice elevates us to the position of thought leader in our industry. By offering strategic insights and shaping technology trends, we deliver better business outcomes, foster valuable partnerships and draw top talent to our organization.

Our market-recognized industry solutions bring together different elements of our portfolio and our global assets to address key issues and provide innovative solutions for business transformation. Our consultants understand and advise our clients on business challenges and outcomes, providing much-needed guidance on adapting these industry solutions to clients' needs.

We are a global leader in:

- Banking, financial services and insurance
- Manufacturing and automotive
- Technology, media and telecommunications
- Healthcare
- Retail
- Energy and utilities

We also have a strong presence in the public sector in multiple regions.

For example, in banking, financial services and insurance, our

Core Banking Modernization solution provides a proven framework for banks to pay down their technical debt and to self-fund investments in providing superior CX at scale. This framework leverages our extensive cloud and cybersecurity capabilities as well as our CX and Digital Products practice and our consulting-led experience design capabilities. Then, our application services play a critical part in bringing this strategy to life by moving workloads to the cloud and using GenAI to accelerate the transformation.

In healthcare, our Smart Patient Relationship Suite: Hybrid Patient Care solution follows a proven, patient-centric approach to digitally transform the sensitive area of patient care. Our solution brings together our edge capabilities and networking expertise to enable an in-person experience, even in a virtual setting. Combining the power of cloud and security with a CX and Digital Products-led reinvention, we enable our healthcare clients to increase access to the right clinicians, regardless of the location of their patients. Our consulting team works with healthcare specialists to provide a blueprint for addressing the unique needs of each healthcare provider while factoring in local regulations and patient experience.

In manufacturing and automotive, our proven Software Defined Vehicle Suite: Autonomous Driving and Valet Parking solution is based extensively on our private 5G and edge computing capabilities, as well as our application and GenAI services, among others. Our consulting and design teams customize the solution to break logjams in automotive manufacturing, as it significantly reduces the time it takes for vehicles to be loaded into containers or onto shipping vessels. Most importantly, it reduces the dependency on expert drivers while almost eliminating human-caused accidents.

Below are highlights of some of the services we use to create, adapt and run these industry solutions for our clients and provide tangible business outcomes at an accelerated pace.

Cloud services: industry cloud changes the game

Despite maturing growth rates, cloud spending continues to outperform all other IT market segments. Nearly 50% of all large enterprise workloads run in infrastructure-, platform- or software-as-a-service (IaaS, PaaS or SaaS) environments. Purpose-driven clouds – like industry cloud, sovereign cloud, sustainable cloud and GenAI cloud – are all seeing higher adoption trends due to their ability to support business growth and improve CX. The cloud paradigm shift recognizes that cloud drives business growth, not just infrastructure improvements.

According to Gartner:

- By 2027, more than 70% of enterprises will use industry cloud platforms to accelerate their business initiatives, up from less than 15% in 2023^{*1}.
- By 2026, 80% of large software engineering organizations will establish platform engineering teams as integral providers of reusable services, components and tools for application delivery, up from 45% in 2022^{*2}.
- New workloads that are not cloud-native will be rare, and anything non-cloud will be considered legacy^{*3}.

^{*1} Gartner, Top Strategic Technology Trends for 2024: Industry Cloud Platforms, By Gregor Petri, Yefim Natis, Wataru Katsurashima, James Ingham, Andrew Meyer, 16 October 2023

^{*2} Gartner, Top Strategic Technology Trends for 2024, By Bart Willemsen, Gary Olliffe, Arun Chandrasekaran, 16 October 2023

^{*3} Gartner, Cloud Computing in 2028, From Technology to Business Necessity, By Dennis Smith, 25 September 2023

Business Strategies by Segment

Operating Company Outside Japan (NTT DATA, Inc.)

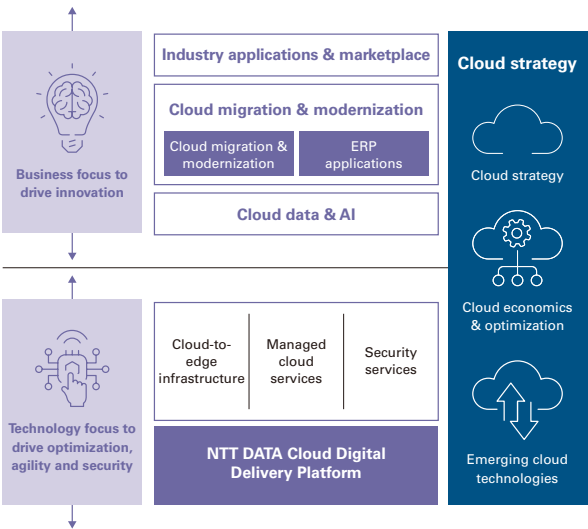
We help our clients create business advantages through:

- An industry cloud and marketplace with composable, sector-specific applications and services to improve time to value
- Cloud-native application development and application modernization and migration to improve agility, performance and operational excellence
- Managed services to help clients focus on their businesses, not on making their infrastructure work

Service offering

Our comprehensive, AI-powered services portfolio includes:

- Cloud strategy and transformation services
- Cloud architecture, application and mainframe modernization services
- Multicloud managed services
- Industry cloud solutions
- One NTT DATA platform with built-in automation and AI algorithms



Client successes



Royal Caribbean

We helped Royal Caribbean to improve their customer experience and application and infrastructure availability. We used automation to help the client understand problems in real time. Guests are now benefiting from more reliable digital and on-board apps and experiences.



Clarios

Clarios reinvented themselves with agile, secure and optimized Microsoft Azure services for 16,000 global employees. They partnered with us to refactor over 200 applications, moved 75% of enterprise applications to Azure and created a cloud-based data lake to better serve a growing hybrid and remote workforce.

Edge: transforming Industry 4.0

Industry 4.0 is changing how organizations make and use new technologies like private 5G, edge computing, IoT, global cellular connectivity and edge AI.

Private 5G, edge computing and edge AI are bridging the gap between IT and operational technology (OT) by using low-latency connections, real-time data processing and automation to improve operational efficiencies and realize business outcomes. The private 5G market is expected to reach \$7.5 billion to \$11 billion by 2027. Security, data management and privacy are the key drivers in private networks adoption*¹.

Edge computing is a \$232 billion market and is expected to reach \$350 billion by 2027*². The key benefits of edge computing include real-time data aggregation, data processing, decision-making and automation using local lightweight AI.

Our market-leading Private 5G solutions cover licensed spectrum, global connectivity for private/public roaming, 24x7 managed services, and application development and integration. Our global cellular connectivity solutions, integrated once, can scale beyond 190 countries and regions.

According to Kaleido, the travel eSIM market is projected to grow from \$1.25 billion in retail spending in 2023 to over \$7.5 billion by the end of 2028, with an average annual growth rate of 43%. Combined with traditional roaming, the total market value is expected to exceed \$30 billion. Edge computing and lightweight AI at the edge, when combined with low-latency connectivity, are accelerating this transformation in the marketplace*³.

¹ Omdia. 23 Oct 2023. Private LTE and 5G Network Enterprise Survey Insight 2023 – Drivers, Technologies, and Applications. Note: Refer to notes section of this paper for more details

² IDC. 14 Mar 2024. New IDC Spending Guide Forecasts Edge Computing Investments Will Reach \$232 Billion in 2024

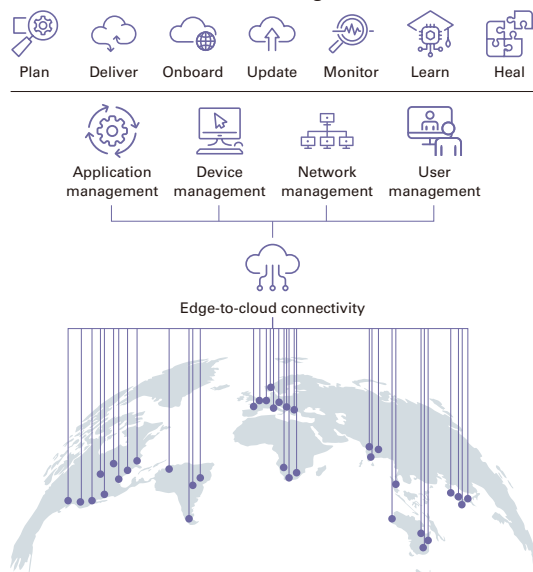
³ Travel eSIM Outlook 2024, Kaleido Intelligence.

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New service: an ultra-light edge AI platform

- We break down IT/OT silos with the industry's first fully managed edge AI solution, enabling advanced AI use cases for industrial use and manufacturing.
- The platform integrates and synthesizes data from sensors, devices and systems into a single data plane, facilitating seamless on-premises processing and real-time decisions.
- Smaller, task-specific AI models make advanced AI capabilities more accessible, reducing the costs and complexity of AI.

NTT DATA Edge AI



Unified orchestration layer over any infrastructure
Low-friction service creation and delivery

Client successes



LyondellBasell

We deployed multisite outdoor private wireless networks with ongoing managed services in a scalable solution to meet the client's global needs, with 89% of sites covered from day one.



BMW

BMW wanted to give their customers the ability to access infotainment apps (YouTube, gaming and video streaming) via a dedicated eSIM. We helped develop the Ubigi app to offer data-only connectivity to drivers.

Cybersecurity:

using the power of partners to meet evolving market needs

Cybersecurity market dynamics

- According to Gartner, "End-user spending for the information security market is expected to grow to \$184 billion in current US dollars in 2024, with a constant currency growth of 13.4%. The market will reach \$294 billion (current currency) in 2028, with a CAGR of 11.7% from 2023 to 2028 in constant currency and 12.6% in current US dollars*1."
- Omdia reports that 78% of organizations expect their security budget to increase in 2025*2.
- The cloud-security market is also forecast to grow. According to the same Gartner report, "The cloud security market, which includes cloud access security brokers (CASBs), cloud workload protection platforms (CWPPs) and cloud security posture management (CSPM), will reach \$21.8 billion in current currency by 2028, up from \$6.9 billion in 2023*1."

*1 Gartner, Forecast Analysis: Information Security, Worldwide, By Shailendra Upadhyay, Akshita Joshi, et al., 4 October 2024

*2 Omdia. 27 Aug 2024. Cybersecurity Decision Maker Survey 2024: Overall Findings

Global organizations trust us to align their cybersecurity programs with tangible business outcomes. We focus on delivering a sustainable cybersecurity and risk posture by simplifying digital risk management, securing sensitive information and building a sustainable framework for business resilience. This includes a unique, top-down risk-and resilience-based approach, which delivers better business outcomes by helping organizations align their enterprise risk with their business risk.

To execute this strategy, we are investing in building a comprehensive portfolio of services powered by in-depth expertise, meticulous threat intelligence, trusted partnerships and

Business Strategies by Segment

Operating Company Outside Japan (NTT DATA, Inc.)

unrivaled innovation and advisory capabilities. As a global leader in managed security services with an extensive research and development budget, we elevate cybersecurity from an industry concern to a best-practice profession.

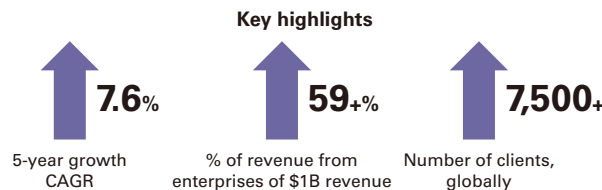
Our capabilities span the full spectrum of security offerings with a portfolio that includes consulting, integration and managed services across industries. We are also sharpening our offerings with AI and automation, and we place additional emphasis on effective solutions for resilience, risk automation, continuous risk monitoring and integrated security.

Partner recognition:

- Cisco: Multiple partner awards in 2023
- Palo Alto Networks: 2023 SASE Partner of the Year for North America and SI Partner of the Year for Europe, Middle East, Africa and Latin America
- Zscaler: Europe, Middle East and Africa Systems Integrator of the Year 2023
- Okta: Asia Pacific Customer Identity Cloud Partner of the Year 2023
- Claroty: Global Partner of the Year
- Google Cloud: Rising Star Award (Security) 2023

Enterprise platforms: continued growth momentum

We are a leader in delivering enterprise platform-based solutions, covering SAP, ServiceNow, Salesforce and other enterprise resource planners. We have a well-diversified client base, from mid-market enterprises to large organizations spread across the globe.



We are one of the largest providers of SAP-based solutions, and we focus on delivering consulting services, SAP Managed Services, and solutions and products that include sales of rights of use for SAP software. We operate this business in more than 90 locations in 33 countries, working for over 7,500 active clients.

We're investing in AI to improve commercial efficiency, maintain a competitive edge, promote sustainability and bolster operational resilience. We also invest in building high competency in SAP-specific AI functionality with advanced GenAI innovations like SAP Joule and with strategic integrations with IBM's watsonx.ai platform to deliver valuable and transformative AI capabilities to our clients.

Sapphire acquisition

In November 2023, NTT DATA announced the acquisition of Sapphire Group. Through partnerships with SAP, ServiceNow, Infor SunSystems, HxGN and Amazon Web Services, this British company provides digital operations software and services primarily for clients in the US and UK.

The purchase is part of our efforts to improve our position as a top SAP partner. It also shows our commitment to being a main provider in the SAP system integration market both for large clients and for small businesses in need of advanced digitalization solutions. Sapphire's core markets are the UK and the US. The acquisition makes it possible for us to expand our business in these countries.

Partner recognition

We received four 2024 SAP® Pinnacle Awards, which recognize our outstanding contributions as an SAP partner, in the categories "GROW with SAP," "Intelligent Enterprise Value Realization," "Customer Success Management" and "Partner-Led Demand Management."



Client successes

Rímac Seguros

We partnered with Rímac Seguros, a leading Peruvian insurance firm, to elevate their client engagement and set new standards in the insurance industry. Through the successful deployment of Salesforce Sales Cloud, we enabled deeper client insights and satisfaction, resulting in substantial commercial success and the establishment of a premier personalized service model. This project was a winner at the Salesforce Partner Innovation Awards 2023.



Novavax

We partnered with Novavax for a ServiceNow transformation to improve and expand their IT services globally. It resulted in accelerated speed of service, reduced costs and an improved employee experience without any business disruption.



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Application Development and Management: generative AI-driven transformation

Market opportunity

- The market segment “Application Implementation and Managed Services” total is projected to grow 39%, from \$461 billion in 2024 to \$640 billion by 2028, according to Gartner*.

* Gartner, Forecast: Services, Worldwide, 2022-2028, 3Q24 Update, By Srujan Akurathi, Colleen Graham, et al..., 27 September 2024.
 Calculations performed by NTT DATA
 Application Implementation and Managed Services

Our strategy to meet demand from GenAI investments include:

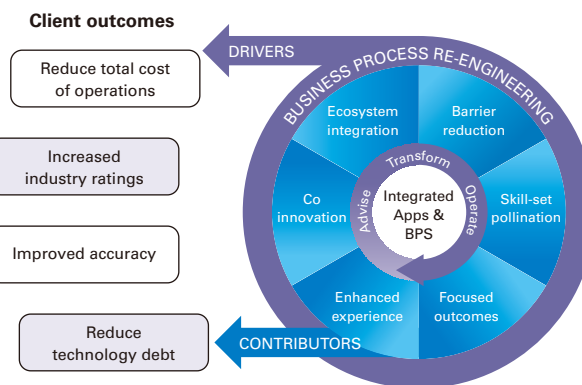
- Improving our offerings through composable, client-centric services and scaling our products and platforms
- Increasing our scale of investment in software, particularly GenAI, as well as committing to the value of platform engineering
- As a leader in this space, actively developing a dozen different GenAI accelerators

aXet

Our key strategy is integrating our systems with the proprietary workbench aXet. It offers secure, highly contextualized GenAI capabilities designed to improve the performance and quality of our application development, consulting and other business services. aXet provides the persona-based governance layer and serves as a gateway to third-party capabilities. The GenAI workbench supports 1,400 application projects for more than 400 clients in 15 countries and is expected to scale up. The large-scale enablement of aXet represents a fundamental step toward the optimization and automation of business processes, allowing us to offer tailor-made AI-driven solutions.

Combining strengths

We are going to market with outcome-based services that integrate expertise from both our Application Development and Management (ADM) and Business Process Services (BPS) practices for domain-specific business-process-as-a-service use cases. These offerings form a holistic platform, with accelerators providing a unique blend of solution tenets based on the insights provided by business process re-engineering. This approach adds greater business value for our clients in industries including healthcare, insurance, and banking and financial services.



Client successes



Metropolitan Transportation Authority (MTA)

NTT DATA MTA Mercury is a central CMS and source-of-truth communication platform for the MTA. It allows messages to be written once and published across many devices. This reduced operating costs for the product and associated platforms by more than 15%.



Salesforce, the #1 AI CRM

We support the management and development of hundreds of applications across Salesforce's organization, including their internal instance of Salesforce. By consolidating managed services across the Salesforce stack, Salesforce can focus on building new capabilities and helping their customers use data and AI to achieve better insights for their users and better productivity for their employees.

Business Strategies by Segment

Operating Company Outside Japan (NTT DATA, Inc.)

CX and Digital Products: transforming experiences through a design-led approach

Our CX and Digital Products services are undergoing substantial growth and changes, influenced by the evolving expectations of customers who demand tailored, anticipatory solutions that adapt in real time. To deliver against these expectations, brands need to consider the total experience.

The total CX market opportunity is projected to grow 18.6%, from \$67 billion in 2024 to \$132 billion by 2028, according to NTT DATA analysis.

According to Gartner: "By 2026, those organizations employing GenAI in their CX will achieve 10% higher CX maturity than those that do not." *1

*1 Gartner, Predicts 2024: Machine Customers, GenAI for CX, Composable DXP, By Irina Guseva, Don Scheibenreif, Michael Chiu, John Field, 23 November 2023

Key CX trends

- Hyperpersonalization
- A shift toward connected and intelligent CX
- GenAI transforming customer-facing functions
- Omnichannel-driven unification
- Data integration creating seamless, personalized experiences
- Total experience integrating all experience types

Our CX and Digital Products strategy prioritizes users' needs, challenges and opportunities to create intuitive experiences that foster deeper connections between brands and audiences in any industry. This approach drives customer satisfaction, loyalty and brand advocacy.

In this area, our work spans business consulting, design services, data and intelligence, front- and back-end engineering, and all manner of client touchpoints – from patient care and retail to connected cars and employee tools.

Our CX and Digital Products practice includes 15,700 experts serving 2,000 clients from 20 design studios spanning nine countries. Our worldwide presence gives us an edge over our competitors – especially for clients with global operations who need a partner to support them across multiple geographies.

With leading partners like Adobe, Microsoft, Salesforce and others, we are strongly positioned to offer the best tools and platforms to our clients.

We stand apart from our competitors because of our expertise in personalization and our adoption of GenAI, augmented and virtual reality, IoT and automated predictive analytics.

Our All Time rating based on 20 reviews on the Gartner® Peer Insights™ is 4.5/5 stars as of October 2024. *2

*2 Gartner, Peer Insights, NTT Data Digital Experience Services Reviews.

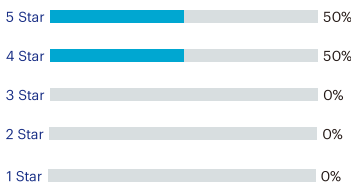
<https://www.gartner.com/reviews/market/digital-experience-services/vendor/ntt-data-group/product/ntt-data-digital-experience-services>
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NTT Data Digital Experience Services Ratings Overview *2

Review weighting ⓘ ☐ Reviewed in Last 12 Months [Email Page](#)

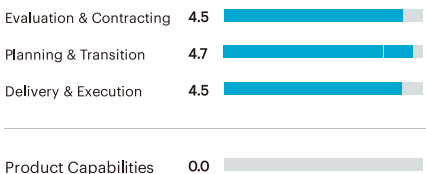
4.5 ★★★★★ 20 Ratings (All Time)

Rating Distribution



Distribution based on 20 ratings ⓘ

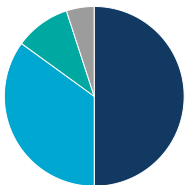
Customer Experience



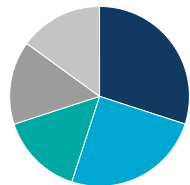
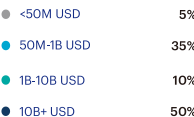
NTT Data Digital Experience Services Reviewer Insights

Peers Recommending This Product

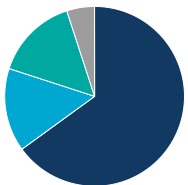
100%



Company Size



Industry



Region



As of Oct 2024 @Gartner, Inc

Gartner
Peer Insights.

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Client successes

Terra Kaffe

NTT DATA partnered with Terra Kaffe to develop the TK-02, an integrated IoT espresso machine with analytics and error tracking that allow for easy debugging and a better CX. User profiles enable drink preferences to be saved to the cloud and modified from the app or the touch-screen on the machine. Recognized by Fast Company's 2024 Innovation by Design Awards, the TK-02 delivers an unparalleled level of precision, customization and quality from whole-bean coffee like nothing before it.



DTE Energy

We worked with DTE Energy to find a solution to help them get smart meters, understand their community and make energy more efficient. They had challenges with how people saw smart meters, how they thought about them and how they felt about them. The DTE Insight experience gives homeowners a special mix of coaching, games and social elements to make their utility provider more friendly.



Puck News

Collaborating with Puck from its inception, NTT DATA built a publishing and subscription platform to power a new kind of media business: greater than the sum of its parts, driven by inimitable storytelling and powerful business intelligence. Puck's innovative approach to monetization aligns the needs of creators, audiences and advertisers with a sustainable, premium media business. Our team brought the Puck brand to life across platforms and built the editorial and audience development tools that have helped this new media business attract premium audiences, top-tier advertisers and world-class talent.



Carnival

Carnival Corporation's hospitality and travel brands offer best-in-class service and amenities, including its onboard casino gaming experience. Carnival sought to improve the guest experience and business performance for their cruise-ship casinos by modernizing the user interfaces of slot machines into something simple and accessible for everyone. NTT DATA married the strict requirements of casino hardware with insights from ethnographic research to design and build a new interface that dramatically improved the experience for 12 million guests on more than 100 cruise ships.



Digital Workplace Services: creating new generative workplace solutions

We are working with an ecosystem of partners and platforms to create new, generative workplace solutions for the modern workforce (including human and non-human actors) to magnify the value creation of our Digital Workplace Services. We are also investing in next-generation technologies and collaborating with a range of exciting startups to implement GenAI throughout this portfolio. Examples include technologies using agentic AI (designed to act as an autonomous agent) to improve quality and productivity in areas such as knowledge management, quality management and audit.

We also use GenAI-powered interactive avatar kiosks to simulate human behaviors. These digital humans provide empathetic, personalized employee interactions to augment desk-side support for IT issues or to address FAQs on operational parameters related to OT devices, among other use cases.



We use design-thinking models to define moments that matter in user journeys and contractually measure business outcomes through experience-level agreements.

We leverage our strategic partnerships with Microsoft, ServiceNow and Nexthink to offer GenAI solutions, including agentic AI, to automate end-to-end tasks such as rapid content generation and onboarding. We're also one of the first partners to introduce Copilot for Microsoft 365, using the power of large language models to improve employee experience and productivity.

Client successes



Large airlines

We built a connected workforce experience for a large airline by packaging our capabilities as a service and increasing productivity across their front-line, back-office and maintenance crews. Outcomes delivered:

- An improved overall satisfaction score of 9.5/10
- A 40% improvement in chat-channel adoption
- Better IT services availability for higher adoption
- Improved and automated workflows that improved cycle time and user empowerment



Grupo MASMOVIL

We helped Grupo MASMOVIL, the landline, mobile, broadband and TV services provider, adopt Copilot for Microsoft 365 for high-value use cases. The results were impressive:

- 76% of users reported productivity increases
- More than four hours per user saved per month
- 70% of users enjoyed positive experiences with Copilot for Microsoft 365

Business Strategies by Segment

Operating Company Outside Japan (NTT DATA, Inc.)

GenAI: the force for new disruption

GenAI is changing how organizations operate. It is a top priority for us and for our clients. The technology creates new revenue opportunities and can deliver significant improvements in productivity and efficiency across an enterprise.

The market for GenAI services is experiencing unprecedented growth, with projections indicating an increase from \$4.7 billion in 2023 to \$221.8 billion in 2028*. This growth is fueled by a 2023–28 CAGR for GenAI services of 115.9%, compared with a “classic” AI services CAGR of 11.3%*. “Generative AI (GenAI) services will be the focus of 25% of all AI services engagements by 2028, up from 8% in 2024*.”

*Gartner®, Forecast Analysis: Artificial Intelligence Services, Worldwide, Colleen Graham et al., 27 August 2024
Classic AI Services, GenAI Services

Services companies like NTT DATA, Inc. are expected to benefit the most from GenAI’s transversal and cross-functional role.

Our growth strategy to lead in the global marketplace has four imperatives:

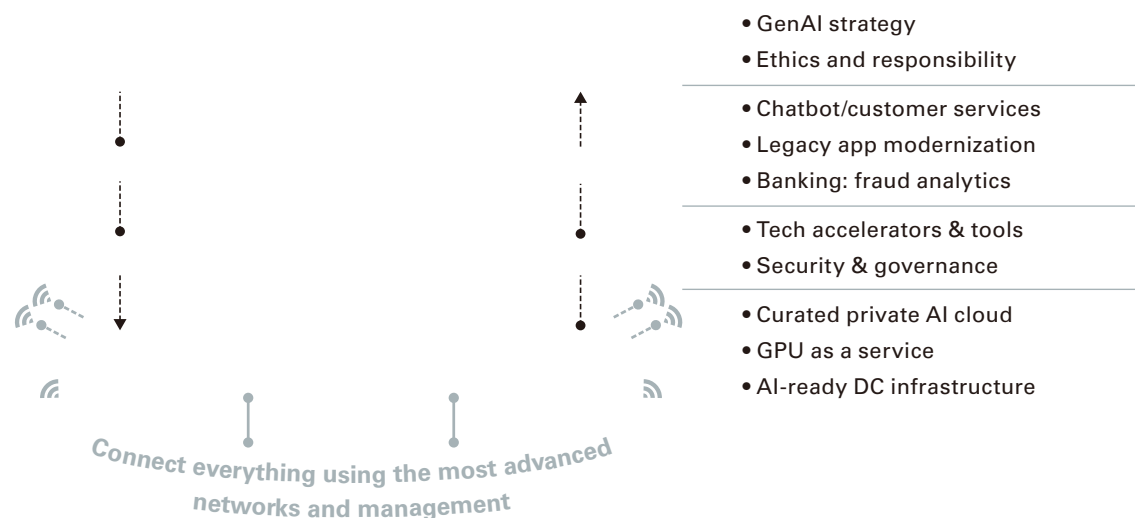
- **Global, multidisciplinary, localized:** We focus on driving our GenAI strategy, business and delivery models, and value offerings by deploying end-to-end, full-stack solutions at scale to meet regional and country-specific needs.
- **Full-stack and end-to-end GenAI services:** We specialize in creating AI and GenAI solutions that combine cutting-edge capabilities, industry expertise and a multidisciplinary view to achieve better outcomes. Our global distinction as a strategy-to-infrastructure partner means our solutions span consulting and advisory services on GenAI strategy, ethics and responsibilities; use-case development and the prioritization of specific use cases; curated, fit-for-purpose platforms with accelerators and tools; and infrastructure and related services, including GPU as a Service. Clients access solutioning on a large scale when they deploy GenAI using our TechHub coinnovation platform and components.

- **Partnerships and strategic alliances:** Our partner ecosystem includes key players like AWS, Google and Microsoft and focuses on co-creation and solution innovation in areas that include productivity, efficiency and human–AI interfaces.
- **Investment in research and development and a future-ready workforce:** We’ve invested in AI for over 40 years. We consistently develop and implement AI and GenAI assets, such as NTT DATA Coding, an AI model trained to produce and modernize custom software, and tsuzumi, our lightweight, high-performance, adaptable and multimodal large language model. Nearly all of our employees are completing a phased internal GenAI training program.

We help our clients benefit from GenAI in several areas. The most common use cases being implemented are:

- **Knowledge management:** GenAI is transforming how organizations manage and query their knowledge bases. It automates the generation of documents like reports and summaries. It also enables enhanced search capabilities to find relevant structured and unstructured information more efficiently – for example, in complex sets of policy documents, legal documents, contracts or instruction manuals.
- **Enhanced CX:** GenAI-powered virtual assistants and smart agents are handling complex customer inquiries, serving as digital shoppers, providing “next product to buy” recommendations and more. GenAI also helps develop highly personalized marketing campaigns nearly in real time based on customer profiles and actions.

Help clients realize the potential of GenAI



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- **Transforming software development:** GenAI accelerates legacy application modernization and the complete software development lifecycle by assisting in code generation, automated testing, bug fixing, document generation and more.
- **Risk assessment:** GenAI can assess risk in the modeling of complex political, social and financial systems and scenarios.
- **Supply chain management:** GenAI helps with supply chain optimization and resilience – for example, by simulating disruptions and developing contingency plans.
- **Domain-specific use cases:** GenAI assists in demand analysis and predictive maintenance in manufacturing, underwriting in insurance, drug and clinical research in the pharmaceutical industry and more.

Due to our Japanese heritage, we are committed to innovating responsibly. We strive to ensure that GenAI serves the goal of creating a better and more sustainable world. To that effect, we are guided by the following four principles for responsible reinvention through GenAI:

- **Trusted and fair:** GenAI needs to acknowledge and mitigate the impact of inherent biases in algorithms and ensure privacy to improve its trustworthiness by observing the secrecy of communications and by establishing a proper flow of personal data.
- **Secure:** GenAI systems must be secure throughout their operational lifetime and respond quickly to any errors or abuses.
- **Democratized:** GenAI benefits must be fairly distributed in society, and people must be given the right choices.

- **Sustainable:** GenAI development should center on benefiting people, society and the planet while respecting the norms of countries, regions and communities. A special focus is needed to minimize the carbon footprint of building, training and operating large language models.

tsuzumi

We have collaborated with Microsoft and recently announced the launch of tsuzumi on Microsoft Azure in Japan. This high-performing, resource-efficient large language model empowers business users with industry-tuned, cost-effective GenAI capabilities.

Client successes



Iberdrola

This Spanish global energy leader partnered with us to automate document classification and information extraction. Over 500,000 documents have been processed. Accuracy has increased to 95% for document classification and to 85% for information extraction.



L'Oréal

We created a chatbot that could understand natural language and connected it to Microsoft Azure OpenAI. This is making shopping easier for consumers on WhatsApp and Instagram. This solution helped double L'Oréal's conversion rate, improved customer communications and increased the brand's social commerce competitiveness.

Industry recognition for our IT services:

- A Leader and Star Performer in Everest Group's Life & Annuity (L&A) Insurance IT Services PEAK Matrix® Assessment 2024
- A Leader in IDC Marketscape for Worldwide Smart Manufacturing Strategy Service Providers
- A Leader in Everest Group's Healthcare Data and Analytics Services PEAK Matrix® Assessment 2023
- A Leader in NelsonHall's NEAT Evaluation 2023: Healthcare Payer Operational Transformation (Overall)
- A Leader in IDC MarketScape for Worldwide Cloud Professional Services 2024*¹
- Everest Group recognized us as a Leader in the 5G Engineering Services PEAK Matrix® Assessment 2023*²
- According to the 2024 Gartner Market Share Analysis: Application Implementation and Managed Services report, we rank sixth by revenue in Application Implementation and Managed Services combined segments*³
- A leader in Everest Group SAP Business Application Services PEAK Matrix® Assessment 2023 – Global*⁴
- A Leader in the 2024 Gartner® Magic Quadrant™ for Outsourced Digital Workplace Services*⁵
- A Leader in HFS Horizons: Generative Enterprise™ Services, 2023 report*⁶

Business Strategies by Segment

Operating Company Outside Japan (NTT DATA, Inc.)

- A Major Contender in Everest Group's Conversational AI Technology – Provider Compendium 2023 (December 2023 Update)*⁷
- A Major Player in IDC MarketScape: Worldwide General Purpose Conversational AI Software 2023 Vendor Assessment*⁸
- Listed among Notable Vendors in Forrester Research's The Conversational AI for Customer Service Landscape, Q4 2023*⁹

*1 IDC. Jun 2024. IDC MarketScape: Worldwide Cloud Professional Services 2024 Vendor Assessment, doc# US51406224

*2 Everest Group. 9 Jun 2023. 5G Engineering Services PEAK Matrix® Assessment 2023

*3 Gartner, Market Share Analysis: Application Implementation and Managed Services, Worldwide, 2023, By Ankit Singh, Robert Brown, Kratu Gupta, 18 June 2024

*4 Everest Group. Dec 2022. PEAK Matrix® Assessment for SAP Business Application Service Providers

*5 Gartner, Magic Quadrant for Outsourced Digital Workplace Services, 11 March 2024, Karl Rosander Et Al.
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*6 HFS Horizons. Oct 2023. Generative Enterprise™ Services, 2023

*7 Everest Group. Nov 2023 Update. Conversational AI Technology – Provider Compendium 2023

*8 IDC. Nov 2023. IDC MarketScape: Worldwide General Purpose Conversational AI Software 2023 Vendor Assessment. Document number:# US49988023

*9 Forrester Research. 15 Nov 2023. The Conversational AI For Customer Service Landscape, Q4 2023

3 Technology solutions: using software and AIOps to help clients modernize and optimize IT infrastructure

Snapshot

- Growth in technology solutions is expected across all areas, including Secure Networking, Cybersecurity, Hybrid Data Center and the Digital Workplace & CX.
- We serve over 4,000 clients globally – including more than 75% of Fortune 100 companies.
- With our deep multivendor technical expertise and global presence, we help our clients rapidly unlock value from their digital transformation.
- Our full-lifecycle Client Experience Platform (CXP2.0) offers a one-stop solution that orchestrates multivendor software adoption, case management, day-to-day product support and return-on-investment optimization.

Organizations are grappling with an explosion of complexity amid the biggest shift in 20 years: from hardware to software, from capex to subscription, and from services supporting technology to services that help organizations consume technology.

With our extensive technology know-how and services IP from NTT DATA's long heritage and experience, we serve more than 75% of Fortune 100 companies. We help clients design, build and modernize digital infrastructure solutions and business-critical services in over 50 countries around the world. We are well positioned for growth in a market that's projected to grow at a CAGR of 7%–10% through 2028.

Growth expectations

Our Technology Solutions business is poised for growth by taking advantage of:

- **Secure Networking:** The increasing need for edge-to-cloud networking solutions, particularly in cloud networks and full-stack visibility, is driving growth in the market, with emerging economies showing particular promise.
- **Cybersecurity:** The increasing sophistication of cyber threats and the need to protect critical assets are driving growth in the cybersecurity market.
- **Hybrid Data Center:** The need to modernise data centers to support hybrid-cloud strategies and AI workloads is driving growth, with a particular focus on high-performance and sustainable solutions.
- **Digital Workplace & CX:** The integration of AI and automation in digital workplace and customer experience solutions is driving growth, particularly in areas like AI-powered customer experience and workforce engagement management.

Value Creation Process
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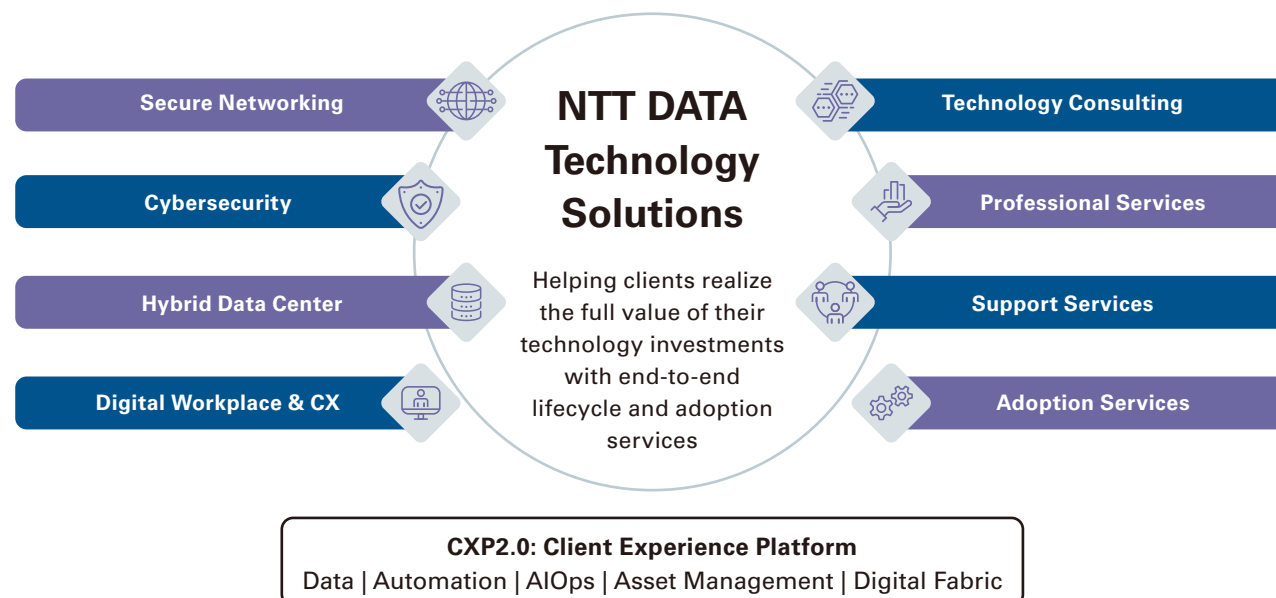
We serve over 4,000 clients globally. Our lifecycle service, enabled by our full-lifecycle Client Experience Platform (CXP2.0), offers a one-stop solution to orchestrate multivendor software adoption, case management, day-to-day product support and return-on-investment optimization. With our deep multivendor technical expertise and global presence, we help our clients rapidly unlock value and shift the focus from products to value realization from their digital transformation.

Our clients can design, build and realize value based on their modernization and optimization strategy, so they can become software-defined enterprises. We help them through each stage of the lifecycle. Our portfolio includes consulting,

professional services, ongoing and value-added software-defined infrastructure services, and adoption services across secure networking, cybersecurity, hybrid data center, and digital workplace and CX architectures.

Our deep global expertise augments our CXP2.0 offering. We have experts in more than 50 countries with over 21,000 specialist certifications, including advanced Black Belt, DevNet, security and lifecycle services certifications. Our hybrid delivery model combines remote services delivered by our fully ISO-compliant Global Delivery Centers and Global Capability Centers with local field expertise, ensuring the best possible outcomes for our clients.

**Empowering businesses with innovative technology solutions:
make NTT DATA your trusted partner to thrive in a connected world**



Client successes



Oil and gas company

A leading oil and gas player has awarded us a large, three-year lifecycle services optimization contract. Our ability to offer improved operational efficiency, business agility and flexibility through the inclusion of CXP2.0 set us apart from our competition.



Global airline

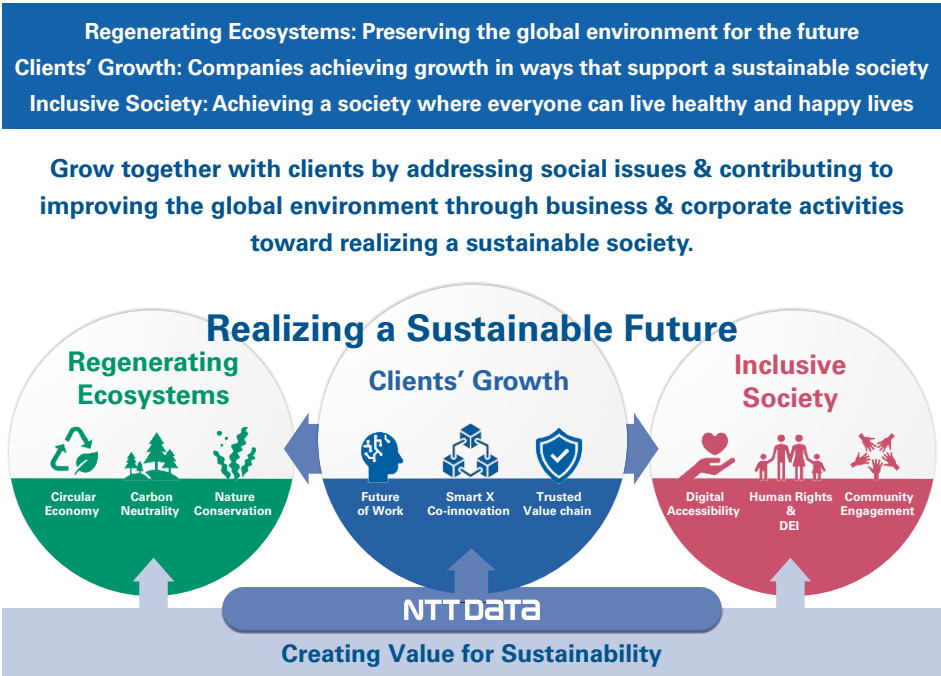
A leading airline chose us as their only partner for data center modernization with software infrastructure and lifecycle services. Our ability to offer increased agility, proactive advice and improved user experience through the inclusion of CXP2.0 positions us as an innovative partner.

Sustainability Management

Policy and Promotion System

Policy

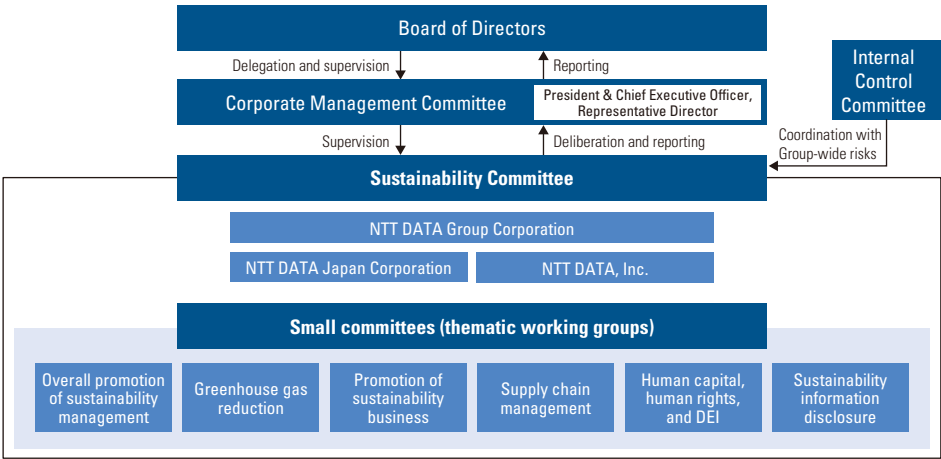
Since its founding, the NTT DATA Group has been dedicated to expanding business by diligently providing services to customers and society guided by its corporate mission of accelerate client success and positively impact society through responsible innovation. Under our medium-term management plan, we are aiming to create future-oriented value and connect people through technology to achieve a sustainable society together with our clients based on the slogan, “Realizing a Sustainable Future.” We view the current period of significant and continuous changes in the social and business environments as an opportunity for further growth. To drive sustainability management with a longer-term perspective, we have established three key axes—environment, economy, and society—and identified nine material issues to address, guiding our ongoing efforts.



Promotion System

In NTT DATA Group, sustainability-related critical issues are discussed at the Board of Directors meetings, where strategies are presented, policies are decided, and monitoring is conducted. Under the leadership of the President and CEO, Representative Director, discussions are held at the Strategy Office, the main entity in charge of management strategies; the Sustainability Innovation Department and other related entities to plan, formulate, and execute policies, goals, and measures to ensure the sustainability. We also monitor the progress of various plans set in the medium-term management plan (FY2022-2025).

The Sustainability Committee is chaired by the Senior Executive Vice President and Representative Director responsible for Corporate Management, and includes representatives from NTT DATA Group Corporation, NTT DATA Japan Corporation, and NTT DATA Inc. It continues to oversee the Board of Directors and provide recommendations regarding sustainability management by the President and CEO, Representative Director, while also formulating strategies and conducting monitoring activities. The content discussed is, in principle, reviewed or reported to the Board of Directors twice a year.



Note 1: In the past, we worked through the Green Action Committee to deliver solutions to help our customers and society to achieve decarbonization and to promote the Company’s own greenhouse gas emissions. From April, 2024, in order to promote sustainability management from a wider perspective, the Green Action Committee has evolved into the Sustainability Committee.

Note 2: Six topic-based subcommittees (topic-based working groups) have been established to hold practical discussions on various issues related to sustainability management.

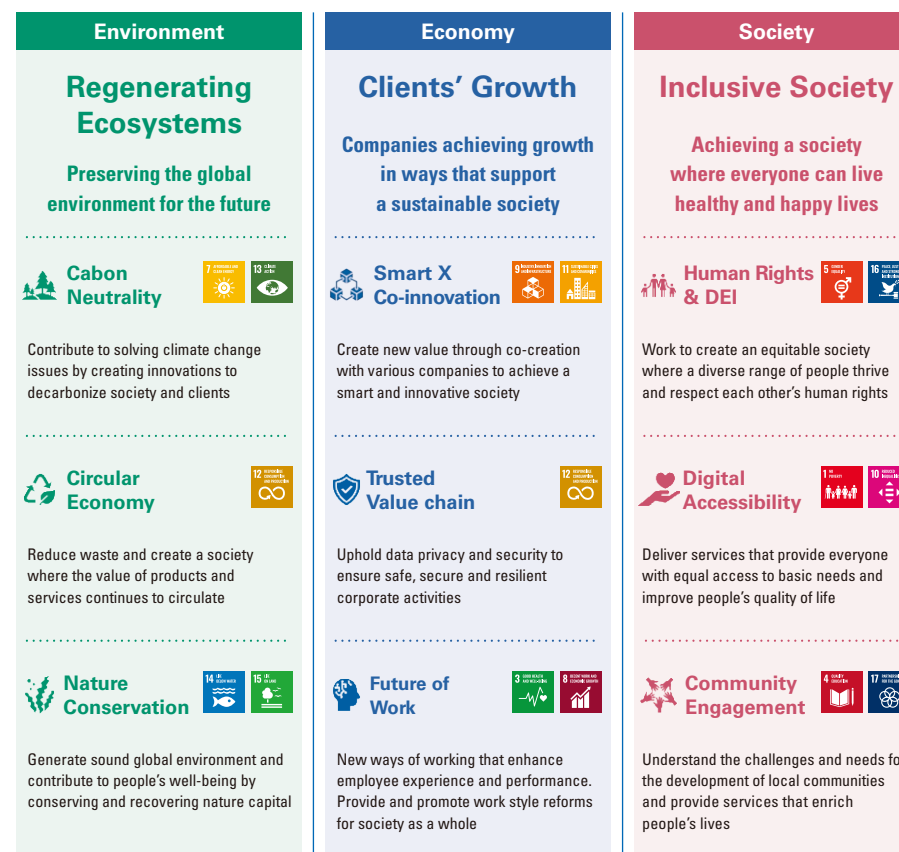
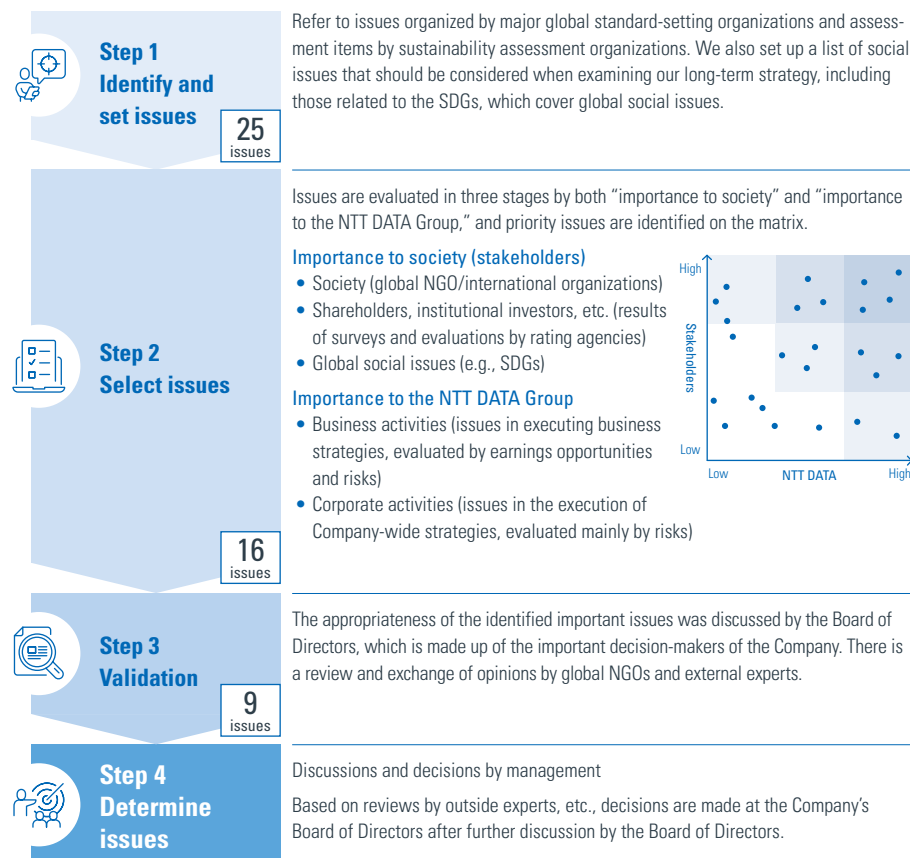
Sustainability Management

Process for determining materiality

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Based on changes in the external environment surrounding sustainability, such as trends in the international community and expectations from stakeholders, NTT DATA periodically reviews its materiality in accordance with the materiality identification process set forth in the GRI*, a global guideline. Under the slogan “Realizing a Sustainable Future,” the current materiality was defined in the current medium-term management plan announced in 2022. Three Axes were defined, and for each axis three material issues to be addressed in promoting sustainable management were identified. This materiality has been evaluated and verified by extracting issues from global standards organizations, etc. In the materiality assessment at NTT DATA, the expectations and risks from society (stakeholders), as well as the magnitude of their impact, have been extensively examined across the entire company, including operating divisions and the Group companies outside Japan. Based on the opinions of global NGOs and external experts, nine material issues have been set by the Board of Directors.

*GRI (Global Reporting Initiative): A global non-profit organization that provides guidelines for non-financial disclosure to companies and non-profit organizations.



Sustainability Management

Indices and Targets

The Group has set indices and targets related to materiality after discussions and the determination of strategies and policies in Board of Directors' meetings, and works to achieve the targets through monitoring the progress mainly by the Sustainability Innovation Department. For FY2024, 16 indices (including two with a target achievement year of FY2025) and four monitoring indices*1 have been set.

Progress in Relation to the Nine Material Issues and FY2024 Targets

Legend for Scope Items

Achievement Status: ◎ Achievement at least 100, ○ Target achieved, △ Target not achieved

Range: ① NTT DATA Group Corporation, NTT DATA Japan Corporation, NTT DATA, Inc. (Japan), ② In addition to ① includes Group companies in Japan, ③ In addition to ② includes Group companies outside Japan

	Material Issues	SDGs Goals	FY2023 Indicators	Company-wide Targets	Company-wide Achievement	Degree of Target Achievement	FY2024 Indicators	Scope	Company-wide Targets
Environment — Regenerating Ecosystems	Carbon Neutrality		Reductions in CO ₂ emissions	Bellow 461,000t-CO ₂ (including NTT Ltd.)	Scope1: 39,507t-CO ₂ Scope2: 307,009t-CO ₂	◎	GHG emissions (Scope1-2) <u>Indices linked to directors' remuneration*7</u>	③	341,000t-CO ₂ or bellow (Preliminary value as of October 2024 will be updated once finalized)
			Promotion of EVs for household use	Not disclosed	Not disclosed	◎			
	Circular Economy		Waste recycling rate	General and industrial waste: 99% or more Construction waste: 87%	General and industrial waste: 99% Construction waste: 95%	◎	Waste recycling rate	②	General and industrial waste: 99% or more Construction waste: 87%
						New	Number of regulatory violations related to new waste treatment (PCB)	②	0
	Nature Conservation		Paper consumption	40% reduction (as against 2020)	37%	△			
						New	Number of business facilities installed within nature preserves, and their percentage of total	③	Monitoring indicator*1
Economy — Clients' Growth	Smart X Co-innovation		B2B2X revenue	Not disclosed	Not disclosed	◎			
			Create offerings and expand business related to materiality across various business domains to realize a smart and innovative society						
	Trusted Value Chain		Number of security incidents	0	0	○	Number of security incidents*2	③	0
			Number of significant system failures	Not disclosed	2	○	Number of significant system failures*3	①	0*3
			Compliance IBT participation rate	100%	100%	○			
			Number of anti-competitive / bribery violations	0	0	○	Number of anti-competitive / bribery violations	③	0
	Future of Work		Ratio of direct communication with important suppliers	100%	100%	○	Ratio of direct communication with suppliers requested to make improvements	③	100%
			Employee satisfaction*4	73% or more	71% (reference: 83% for the global total excluding Group companies in Japan)	△	Employee engagement rate*5 <u>Indices linked to directors' remuneration*7</u>	①	73%
			Ratio of remote working	Monitoring indicator	63.2%	—	Ratio of remote working	①	Monitoring indicator*1
			Turnover rate	Monitoring indicator	3.0%	—	Turnover rate	①	Monitoring indicator*1
Society — Inclusive Society	Human Rights & DEI		Ratio of newly appointed female managers	30%	22.8%	△	Ratio of newly appointed female managers*5 <u>Indices linked to directors' remuneration*7</u>	①	30%
			Ratio of female managers	15% (by end of FY2025)	10.8%	—	Ratio of female managers	①	15% (by end of FY2025)
			Ratio of female directors	25% (by end of FY2025)	22.7%*8	—	Number of female directors*6	①	20 persons (by end of FY2025)
			Ratio of external hiring	30%	45.6%	◎	Ratio of external hiring*5	①	30%
			Ratio of male employees taking childcare leave	100%	105.7%	◎	Ratio of male employees taking childcare leave	①	100%
			Ratio of Sustainability management Internet Based Training participation	100%	100%	○			
			Number of confirmed human rights violations	0	1	△	Number of confirmed human rights violations	①	0
			Sustainability initiatives information dissemination	67 cases	Not disclosed	◎			
	Digital Accessibility		Ratio of participation in internal workshops or external support activities aimed at solving social issues	70% or more	88.2%	◎	Ratio of participation in internal workshops or external support activities aimed at solving social issues	①	80%
	Community Engagement								

*1 No target will be set, but performance will be monitored with this indicator to observe the levels.

*2 This indicator will be redefined in FY2024, and the official indicator name will include "the number of widely recognized incidents caused by cyberattacks, internal fraud, or negligence."

*3 The target value is set at zero, with an allowable limit based on recent performance at two incidents.

*4 Employee satisfaction: the percentage of employees who gave a positive evaluation to the statement "I take pride in working at this company" (NTT DATA Group Corporation, NTT DATA Japan Corporation, NTT DATA, Inc.(Japan)).

*5 Only the name has been changed; the definition of the indicator is the same as in FY2023

*6 Executive officers and organizational leaders, etc.

*7 P91 Decision and Process for Executive Remuneration

*8 Results from NTT DATA Group Corporation only

Sustainability Management

External Recognition /

Examples of Business Initiatives

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External Recognition

We have been highly praised by various external institutions in relation to our sustainability initiatives. For more information, please refer to page 13 of NTT DATA Sustainability Report 2024 Data Book.

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



An index created by S&P Global that evaluates corporate sustainability from an ESG perspective. Selected for inclusion in Dow Jones Sustainability indices World Index for 7 consecutive years, and their Asia Pacific index for 15 consecutive years.

U.S.-based S&P Global, a global ESG investment research and evaluation firm, has published “The S&P Sustainability Yearbook 2024,” in which NTT DATA has been selected as one of the top 1% of companies in the field of “Information Technology Services and Internet Software Services.”



CDP is an NGO that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. NTT DATA became a global partner of CDP in March 2022 in the field of climate change consulting and software.



NTT DATA was awarded a Silver rating following an external evaluation of sustainability across four aspects—environment, labor and human rights, ethics, and sustainable procurement—for companies in over 220 industries across more than 180 countries.



FTSE4Good

This Index selects companies with outstanding performance from ESG perspectives. NTT DATA has been included in this index.



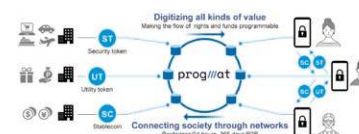
NTT DATA has achieved a Prime rating in the ESG Corporate Rating following an assessment of its ESG-related risks, opportunities, and impacts throughout its value chain.



Top Employers Institute, based in Amsterdam, Netherlands, conducts an annual international certification program that recognizes companies excelling in the utilization of exceptional talent through an assessment of six HR domains consisting of 20 topics. In January 2024, NTT DATA was certified as a Global Top Employer 2024 across 29 countries and four regions, receiving particularly high marks in the areas of talent acquisition, career development, and diversity, equity, and inclusion.

Examples of Business Initiatives

The Group contributes to the solving of societal issues through its business activities and is working to develop a sustainable society through engagement with stakeholders.

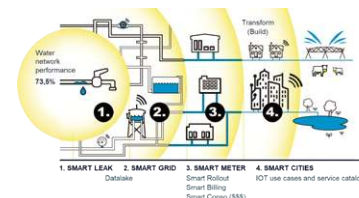


Progmatic established with the aim of creating a national infrastructure for the ST market

The Company will link “Progmatic” with our corporate bond management infrastructure to support the issuance of digital corporate bonds. By leveraging blockchain technology, we will provide added value such as more compact size, greater efficiency, lower cost, and reduced environmental impact, thereby contributing to the vitalization of the digital corporate bond market.

Progmatic (Only in Japanese)

<https://www.nttdata.com/global/ja/news/release/2023/091100/>



Water Conservation through Smart Monitoring by NTT Belgium

In the city of Liège (Belgium), which faces challenges in terms of water leakage and backflow, NTT Belgium developed a system to monitor water usage with the cooperation of CISCO and others. With the utilization of IoT devices, big data, and AI, they were able to construct a system that shows the status of the water distribution network in real time and helps replacing aging, prioritized pipelines, contributing to the conservation of water resources.

Smart monitoring (Both Japanese and English)

https://group.ntt.jp/sus_conf/B17.html

For information about our social contribution initiatives through other business and corporate activities, please refer to the “Sustainability Report Case Book,” which shows sustainability-related examples both in Japan and overseas, and the NTT Group Sustainability Conference, where NTT Group companies share measures to contribute to a sustainable society.



NTT DATA Group Sustainability Report: Case Book

URL: <https://www.nttdata.com/global/en/about-us/sustainability/report>



NTT DATA Group Sustainability Report

URL: <https://www.nttdata.com/global/en/about-us/sustainability/report/>



NTT Group Sustainability Conference

URL: https://group.ntt.jp/sus_conf/

Sustainability Management

Human Rights



Human Rights

Human Resources

For more details about our human rights initiatives, please refer to page 84 in the Sustainability Report.

Basic Policy

As a member of the NTT Group, NTT DATA acts in accordance with the NTT Group Human Rights Policy established in November 2021, based on the principle of the UN Guiding Principles on Business and Human Rights. This policy guides the Group in a concerted, organization-wide effort to promote respect for human rights. Our human rights policy specifically identifies four themes to focus on as human rights issues and requires that we implement human rights due diligence processes.

Our business is developed in a variety of countries and regions, meaning that our operations must adapt to operating environments with diverse cultures and business customs. This recognition shapes our approach toward business. In addition, the NTT DATA Group Code of Conduct, which was established in May 2022, contains clear stipulations pertaining to respect for human rights. The NTT DATA Group Code of Conduct delineates our stance toward sustainability, human rights, and other social issues as well as the important ethics and compliance policies that employees should emphasize in their business activities. Everyone at the NTT DATA Group is exercising these principles in their daily activities.

Defined clear policies that support international standards and address priority human rights issues from four perspectives	
Diversity and Inclusion • Prohibition of discrimination • Respect for freedom and rights • Fairness in the workplace • Issues of disparity and poverty	Promotion of “Healthy work in daily life (health management)” • Diverse work styles • Prohibition of forced labor and child labor • Workplace safety • Freedom of association and collective bargaining • Living wage • Extensive benefit programs
Promotion of “Technology that is based on high ethical standards” • Technology • Data bias • Privacy • Security • Personal information protection	Promotion of “appropriate expression, speech, and display” in consideration of human rights • Expressions in advertisements and displays • Freedom of expression • Accessibility

NTT Group Human Rights Policy (Full text)
<https://group.ntt/en/newsrelease/2021/11/10/pdf/211110ca.pdf>

NTT DATA Group Code of Conduct
https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/about-us/our-way/ntt-data-group-code-of-conduct.pdf?rev=0410003f9f4e464b89151ec109b14445

Promotion System

To promote the respect for human rights throughout the Company, it is important for all employees to first deepen their understanding and awareness of human rights. The Group has in place the Human Rights Awareness Activity Promotion Committee, which consists of leaders of each organizational unit and is chaired by the representative director and senior executive vice president, and we have assigned human rights awareness promotion officers to each organization and company within the Group. Furthermore, regular sustainability committee meetings and sub committee meetings (thematic working groups) are held with overseas Group companies to provide opportunities to discuss human rights management. In cooperation with the Human Rights Promotion Office in our Sustainability Innovation Department, employee training and other measures are conducted and a human rights helpline has been established as part of efforts to raise human rights awareness and strengthen human rights management.

Human rights have also been identified as a material risk subject to Group-wide risk management, and risk control plans and monitoring of the risk control status are reported to the Internal Control Committee on a regular basis.

Human Rights Initiatives

Monitoring across the Supply Chain

The Company has established the NTT DATA Group Guidelines for Sustainability in Supply Chain, which stipulate guidelines that suppliers are expected to observe. In addition, we administer self-assessment questionnaires and conduct on-site inspections of suppliers in order to assess the human rights and other sustainability risks of tier 1 suppliers. Specific objectives of human rights-related monitoring activities include ensuring respect for freedom of association and collective bargaining rights as well as preventing child labor and compulsory labor. Surveys conducted in fiscal 2023 did not reveal any human rights risks. Nevertheless, the Group will remain vigilant in confirming the initiatives of suppliers, tracking issues, and entrenching awareness of its guidelines.

Compliance with Human Rights Laws

NTT DATA is committed to compliance with human rights laws. For example, following the enactment of the Modern Slavery Act 2015 (MSA) in the UK in March 2015, NTT DATA UK complies with the MSA in all its activities, and surveys its suppliers to ensure that they too are complying with the MSA. In the case of major suppliers, compliance was confirmed through regular procurement reviews across many projects to ensure compliance with relevant laws and regulations, including the MSA. In the case of other suppliers, when investigations reveal any non-compliance with the MSA, this is noted immediately and prompt action is taken to address the violation.

Due Diligence Frameworks and Activities

We have revamped the NTT Group Human Rights Policy formulated in fiscal 2021, and in accordance with that policy, global action is taken to identify, prevent, reduce, and remedy human rights issues through Groupwide human rights due diligence processes. In this way, we are striving to improve human rights awareness. In fiscal 2022, based on the UN Guiding Principles on Business and Human Rights, we followed the human rights due diligence steps enumerated in the table below to check the situation within the Group and confirm that no human rights violations were occurring within the Group. In fiscal 2023, we prepared a human rights risk map based on suppliers' responses to a self-assessment questionnaire (SAQ). The SAQ consists of risk and vulnerability assessments of major Group companies in Japan and overseas as well as overseas Group companies in high-risk countries. The following three risks were identified as requiring attention: occupational safety and health/appropriate working environment, harassment, and accessibility. In fiscal 2024, if human rights issues arise, we will ascertain the details of the situation through dialogue with the relevant organization, and we will continue to promote risk reduction measures through the dissemination of best practices and the improvement of systems within Group companies.

Step	Details
(1) Screening of survey subjects	Select major Group companies in Japan and overseas and Group companies with bases in high-risk countries
(2) Implementation and analysis of self-checklist	Analyze the survey results and number of issues reported based on the Self-assessment Questionnaire (SAQ)
(3) Prepare human rights risk map	Map human rights issues based on severity of impact and likelihood of occurrence
(4) Consider and identify measures to mitigate high risks	Develop specific mitigation measures for risks identified as high
(5) Direct communication	Use the identified specific mitigation measures as the basis for discussions with each Group company
(6) Disclosure	Publish the results of human rights due diligence initiatives in our Sustainability Report and other forums

Human Rights Awareness Promotion

We have been holding Human Rights Awareness Workplace Seminars on the workplace level for domestic Group employees since fiscal 2010. The aims of the seminars are to raise awareness and promote understanding about human rights issues through discussions on human rights-related themes. In fiscal 2023, each employee was required to create a human rights risk map to further deepen their understanding of human rights issues in their daily work. We also held human rights slogan contests and other awareness-raising activities.

Overseas Group companies also arrange their own employee human rights education programs. Meanwhile, NTT DATA Business Solutions is preparing and distributing educational materials on the appropriate use of AI given the growing risk of AI infringing on human rights as it enhances education on the priority human rights issue of utilization of technology founded on high ethical standards. In North America, in-house training aimed at preventing harassment is conducted using a series of case studies. Going forward, we will continue to implement a variety of human rights awareness-raising measures on important human rights issues, including AI and harassment.

Human Rights Training Initiatives in Japan

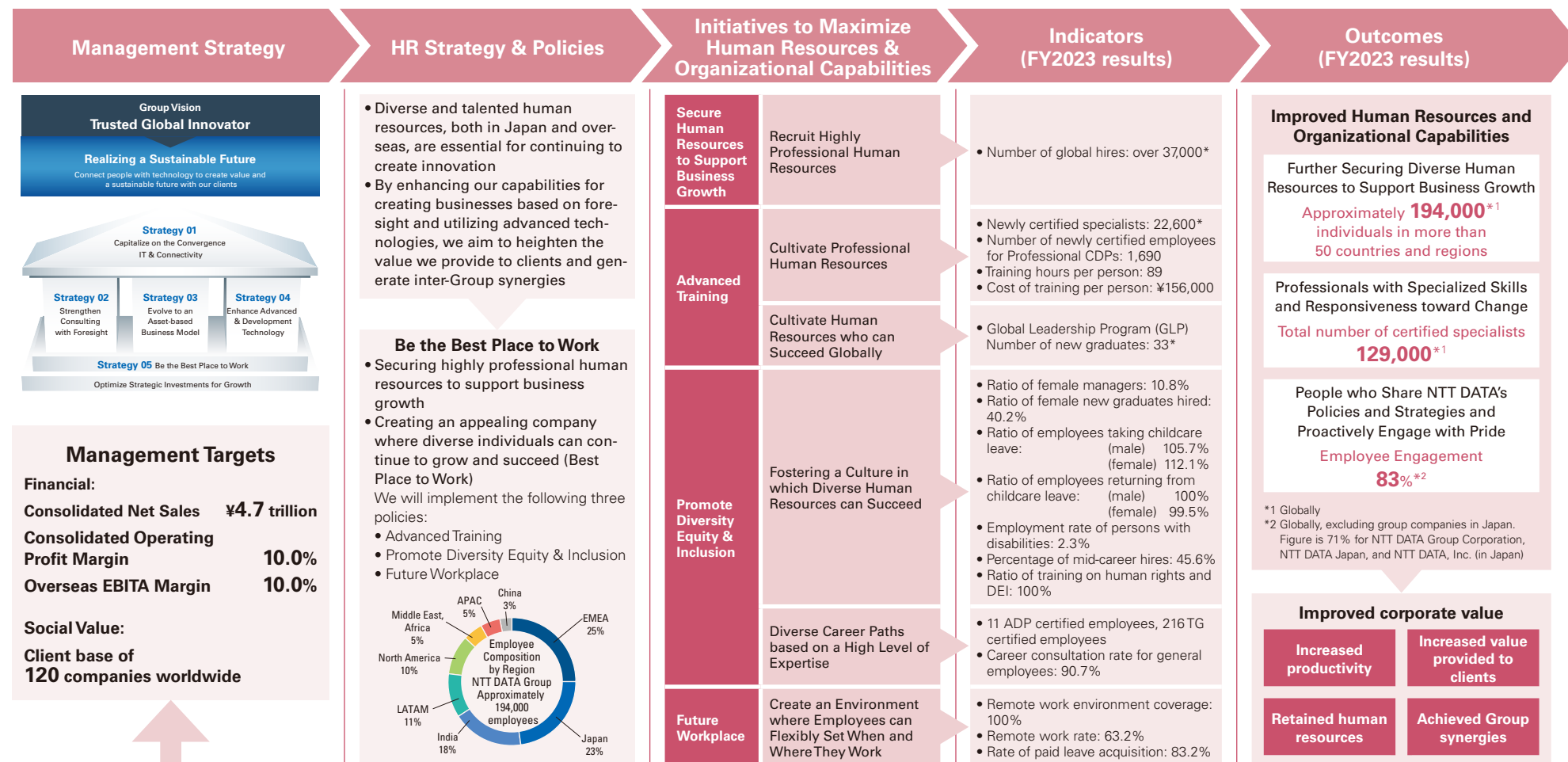
Initiatives	FY2022 Results	FY2023 Results
Human Rights Awareness Workplace Seminars	29,350 participants	29,486 participants
Human rights sessions in position-based training	3,298 participants	3,605 participants
Recruiters' training	438 participants	381 participants
Training prior to overseas assignment	39 participants in 15 countries	43 participants in 13 countries
Human rights slogan contest	579 submissions	649 submissions

Sustainability Management

Human Resources

Human Resource & DEI

People are the source of our competitiveness and our most important management resource. In the rapidly evolving IT services industry, diverse and excellent human resources are indispensable to capture clients' needs as well as technological trends and continue to produce innovations. We will therefore secure highly professional human resources to support business growth and maximize talent and organizational capabilities by creating an attractive company (Best Place to Work) where diverse individuals can grow and thrive, thereby increasing our corporate value in the future.



*Figures not marked with an asterisk are totals for NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc.

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Securing Human Resources to Support Business Growth

NTT DATA seeks to recruit and develop large numbers of highly skilled human resources who can support its business activities over the medium to long term. Accordingly, we are ramping up recruitment of human resources with backgrounds in digital technologies and global businesses and other industry-ready mid-career individuals. In hiring, we emphasize the aptitude, ambitions, and skills of applicants, as opposed to traits such as gender, nationality, age, or academic background, in order to acquire human resources suited to our business portfolio.

Recruiting Highly Professional Human Resources

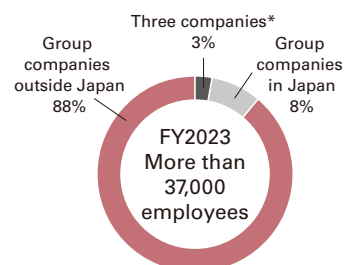
We are strengthening recruitment both in Japan and overseas, and in fiscal 2023, we hired more than 37,000 employees worldwide.

To continuously attract and recruit highly professional human resources to drive business growth on a global basis, we are strengthening our branding as an employer through a global career site that allows for worldwide job searches and are using social media and other means to disseminate information about our businesses and human resources worldwide.

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (in Japan) have a track record of recruiting new graduates from over 100 educational institutions, and hired 674 new graduates in fiscal 2023. In recent years, as we have expanded our business beyond Japan to the global market, we have been hiring employees of several foreign nationalities every year. In addition, the Company was ranked No. 2 in the overall ranking of the most popular employers among individuals graduating from university in 2025 by Rakuten Minshu, a word-of-mouth job-finding site, maintaining its position in the top 3 for six consecutive years, and No. 1 in the IT industry rankings for the 15th consecutive year.

Mid-career individuals are recruited through a diverse range of routes, including our website, direct recruiting, recruitment agents, referrals, and returning employees. In fiscal 2023, 565 mid-career employees were hired. With the increasing importance of consulting and technology talent and the intensifying competition to acquire it, we have been working to strengthen our ability to acquire human resources with high levels of expertise. As part of this effort, we have established an Advanced Professional (ADP) system, enabling us to recruit, from outside of the Group, industry-ready human resources with outstanding expertise who can lead new businesses; a Flexible Grade system as a job-type employment scheme; and a Technical Grade system to create a career path for specialists.

Breakdown of domestic and overseas Group hiring



*NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc. (in Japan)



Advanced Training

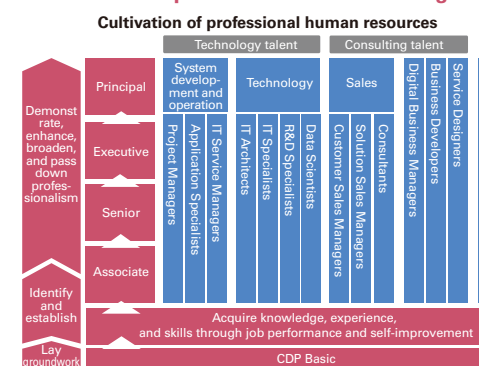
The Group is focusing on the cultivation of professionals with specialized skills and responsiveness toward change, as well as people who can lead digital businesses.

Cultivation of Professionals with Specialized Skills and Responsiveness toward Change

The Professional Career Development Program (CDP) has continued to be implemented for 20 years since its introduction in 2003. This program presents the ideal talent profiles and growth paths that employees should pursue at NTT DATA and provides certification based on their level of expertise with the goal of cultivating professionals with specialized skills and responsiveness toward change.

The Professional Career Development Program is based on the idea that professionals will be capable of fostering professionals and functions as a framework for cross-organizational instruction among employees of all ranks based on specialized skill categories that are not specific to any given organization.

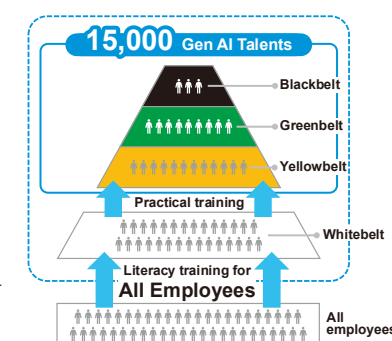
At overseas companies, certification of expertise is conducted through institutions such as the NTT DATA Learning Certification Institute (NLCI). In fiscal 2023, 22,600 employees in Japan and overseas were newly certified, bringing the total number of certified employees to more than 128,900.



Initiatives to Develop People who can Lead Digital Businesses

We have trained over 30,000 cloud engineers through a globally standardized educational program that teaches cutting-edge technologies in specified technology focus areas (Cloud, D&I, Cyber Security, EAS, ADM, Edge as a service). In addition, while focusing on client value chain transformation, we are using generative AI to promote internal value chain transformation through measures such as drastic improvement of work efficiency, promotion of innovation, and fostering corporate culture. To this end, we have established a Generative AI Office and are working on training talent in the field of generative AI. To train generative AI talent, we have drawn up a talent profile and training roadmap for three different levels or “belts” (white belt: basic knowledge for all employees; yellow belt and green belt: delivering value with projects that utilize generative AI; black belt: leading projects and training the next generation), with the aim of training 15,000 generative AI professionals by the end of fiscal 2024.

We are also strengthening our consulting capabilities to enhance our capabilities for creating businesses based on foresight. At the moment, more than 2,400 consultants are active at Group companies in Japan.



Sustainability Management

Human Resources

Advanced Training

We are also working to develop human resources who can thrive in the global market and to develop management personnel in the medium to long term who can lead the Group's operations.

Cultivation of Human Resources That Can Succeed in the Global Market

In conjunction with the rapid expansion of its overseas operations, NTT DATA is cultivating human resources that can succeed while flexibly responding to changes in markets and competition. Starting this fiscal year, we are focusing more on developing employees with global work experience. We are providing a variety of opportunities for employees to strengthen their global capabilities, for example through participation in the Business Acceleration Assignments (BAA) program, which supports the dispatch of young employees to overseas projects, and NTT University, where various opportunities can be obtained by participating in executive development programs. We have also been implementing the Global Leadership Program (GLP) for cultivating future senior management candidates who can operate globally through a joint effort between Group companies around the world since 2009 (there were 33 new GLP graduates in fiscal 2023). To date, a total of 930 individuals have completed these global programs.

GLP (Global Leadership Program)



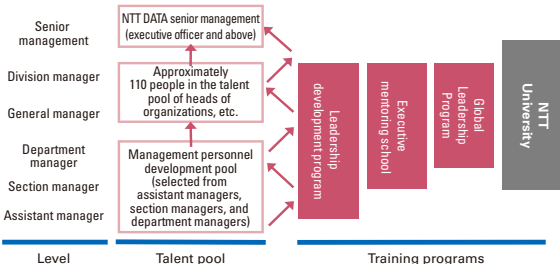
Development of Management Personnel

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (in Japan) are taking a multi-faceted approach to the medium- to long-term development of management personnel who can lead the Group's operations even in rapidly changing environments. We are cultivating the next generation of management personnel who are both motivated and capable through a wide range of measures, including assigning employees to directly work to solve Group management issues or to global operations, sending employees to external seminars and training sessions with the aim of acquiring systematic management knowledge and building external relationships, providing opportunities to learn management philosophy through dialogue with current executives (Executive Academy), and participation in NTT University, a management personnel development program hosted by NTT Corporation. As a result of our efforts to date, we now have approximately 110 Japanese personnel in our management talent pool, including heads of organizations.

We are also working on the integration of overseas human resources into these management human resource development programs. The number of overseas Group personnel who have participated in NTT DATA's Global Leadership Program (GLP) referred to above has already reached 350. When planning succession management for overseas executives, we use these graduates as a basic talent pool, and also rely on assessments from external organizations.

Going forward, we plan to further advance the development of management personnel globally to support the sustainable management of the Group.

Overview of management personnel development



Promote Diversity, Equity & Inclusion

NTT DATA Group is creating a culture where diverse human resources can thrive.

Fostering a Culture in which Diverse Human Resources can Succeed

A central pillar of our efforts to accomplish our Group Vision of becoming a Trusted Global Innovator is enhancing our creativity by respecting the diversity of all employees. For this reason, we are promoting DEI based on our Bloom the Power of Diversity global diversity, equity, and inclusion statement.



Empowerment of Female Employees

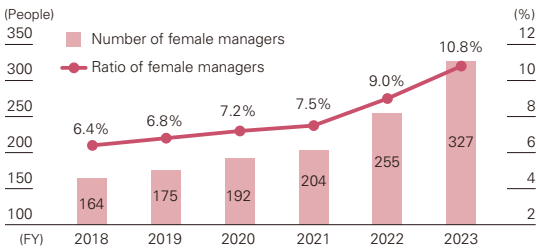
Our Diversity, Equity & Inclusion (DEI) efforts are particularly committed to the empowerment of female employees.

We have positioned DEI as part of our efforts to promote sustainability management. To promote the success of our employees, we continue to provide IBT training to promote basic concepts and behavior change on unconscious bias and diversity management for all employees (approx. 12,000 participants, 100% attendance rate). In addition, we are supporting female employees' career development through in-house and external training, dispatching them to workshops, and sending messages from executives regarding empowerment of female employees. Continuous efforts in these areas have led to an increase in the number of senior female managers as defined in the General Employer Action Plan, with the number reaching 14 in fiscal 2023. Another facet of our efforts to empower female employees and innovate workstyles is the promotion of childcare leave acquisition by male employees. The rate of male employees taking childcare leave* has increased every year, reaching 105.7% by the end of fiscal 2023, with the average number of days taken being 86.9 days.

In addition, after listening to employee feedback and their diverse workstyle needs, we established a leave of absence system for accompanying a partner on overseas transfers and similar situations in April 2024 and a leave of absence system for infertility treatments in July 2024.

*Includes those on leave for childcare purposes

Number of female managers



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Promote Diversity, Equity & Inclusion

We are also promoting the development of systems that enable diverse career paths based on a high level of expertise and support for autonomous career development.

Diverse Career Paths Based on a High Level of Expertise

To ensure that all employees are able to fully exercise their diverse skills, we have established systems that enable diverse career paths based on specialties.

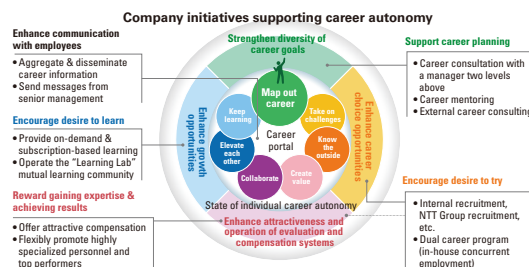
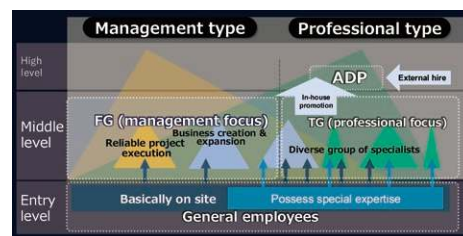
In December 2018 we established the Advanced Professional (ADP) system, enabling us to recruit, from outside of the Group, industry-ready human resources with outstanding expertise who can lead new businesses.

This system also allows for promotion within the company, and as of July 1, 2024, a total of 12 individuals have been certified, including 4 in-house promotions and 8 external hires. In October 2019, we established the Technical Grade (TG) system to create a career path for specialists. As of July 1, 2024, 215 employees have been certified under this system. We then set up the Flexible Grade (FG) system in July 2020 as a job-type employment scheme based on the value an individual creates in their given position. This system was designed to maximize the value generated as employees exercise their diverse skills. Moreover, the scope of the Flexible Grade system was expanded in July 2022 to include all management positions.

Support for Autonomous Career Development

We support the autonomous career development of each and every employee under the vision of creating a virtuous cycle in which the growth of employees drives the growth of the Company and the growth of the Company produces additional opportunities for employees to grow. We anticipate that such a cycle will allow us to provide greater value to clients and to society.

Starting in fiscal 2023, we introduced career consultations between employees and higher-ranked supervisors. The goal of this move is to allow us to maintain a better understanding of the medium- to long-term career visions of employees and to offer greater support in realizing these visions. In addition, since fiscal 2024, we have been strengthening our support for career development through our dual career program (concurrent employment within the company) and other programs aimed at pursuing diverse value creation through the demonstration of each individual's overall growth and capabilities. This support is facilitated through career mentoring, where employees can casually consult with in-house career experts, and through programs that allow employees to advance their current expertise and gain new expertise.



Future Workplace

The Group has established an infrastructure allowing for flexibility in work locations and hours based on processes and goals. We are also working to maintain and improve employee engagement and create a better workplace.

Infrastructure Allowing for Flexibility in Work Locations and Hours Based on Processes and Goals

To increase flexibility in terms of where and when work is done, we introduced hybrid work systems that support workstyle innovation by enabling employees to achieve the optimal combination of office and remote working. Each organization discusses their workstyle innovation policies based on their circumstances and projects, which makes it possible for employees to choose the system and workstyle that best matches their business goals (the rate of remote working was 63.2% in fiscal 2023). In terms of work hours, to promote more flexible workstyles, we offer flex-time and discretionary work systems. We also introduced the super flex-time system, which eliminates the core hour requirements present under prior systems. Approximately 70% of all employees use these systems.

In this way, we have established systems that can accommodate a variety of lifestyles and realize flexible workstyles for our employees.

Towards Further Improvement of Employee Engagement

Through Values Week workshops, global forums at which employees discuss our universal shared 'Values'; awards programs; and other initiatives, we provide equal and diverse opportunities for exchanges between more than 190,000 employees around the world that spread beyond the boundaries of individual organizations. In fiscal 2023 the ratio of employees stating they feel high engagement was 83% globally, excluding group companies in Japan, and 71% for NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (in Japan). In January 2024, NTT DATA was certified as a Top Employer 2024 globally in recognition of its efforts to create a workplace where each and every employee can maximize his or her potential.

In Japan, in pursuit of achieving our strategy of being the Best Place to Work, we are introducing new workstyles based on employee feedback. In fiscal 2024, in response to an employee proposal, we implemented a dual career program (in-house concurrent employment) that allows employees to use 20% of their prescribed work hours for work they want to do. In addition, the dialogue event "Let's Talk with YUTAKA" between President Yutaka Sasaki and NTT DATA employees began in September 2023, and has been held more than 20 times so far. We aim to further improve employee engagement by creating an open and transparent corporate environment where employees' voices are reflected in management.



Sustainability Management

Environment



Environment

Efforts to Regenerating Ecosystem through Corporate Activities and Business Activities

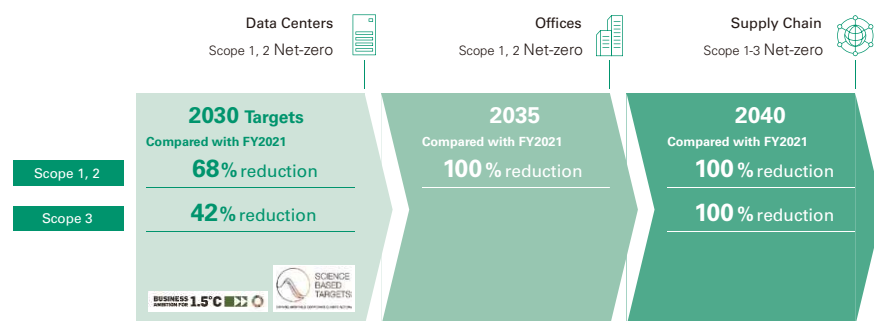
Under the theme “Regenerating Ecosystem,” the NTT DATA Group is addressing global environmental problems to positively impact society through responsible innovation through IT technology for the benefit of all people and future generations. We are advancing environmental initiatives on two fronts: (1) corporate activities that reduce NTT DATA’s negative impact on the global environment (“of IT”); and (2) business activities to transform companies’ efforts into customer value promotion (“by IT”).

NTT DATA NET-ZERO Vision 2040

The Group has responded to the growing global demand to achieve Net-Zero emissions by raising our GHG reduction targets to an even higher standard. Specifically, the timing for our targeted achievement of Net-Zero emissions, as described by SBTi*¹ was moved forward ten years from 2050 to 2040. This target was incorporated into our newly formulated NTT DATA NET-ZERO Vision 2040, and we obtained SBT certification in March 2024.

In terms of direct and indirect (Scope 1 and 2) emissions from our own operations, we aim to achieve Net-Zero emissions in our data centers by 2030, across our entire company including offices and other facilities by 2035, and across our entire supply chain by 2040.

NTT DATA NET-ZERO Vision 2040



*1 SBTi (Science Based Targets initiative) is an organization that encourages companies to set science-based emissions reduction targets for the purpose of limiting the rise in average global temperatures to 1.5°C above pre-industrial levels and that offers approval for such targets.

Of IT: Corporate Activities that Reduce NTT DATA’s Negative Impact on the Global Environment

Focus Sustainability Initiatives at Data Centers

In our data center business, we will promote energy efficiency, energy conservation, and the introduction of renewable energy, with the goal of achieving net zero direct and indirect (Scope 1 and 2) emissions from our data center operations by 2030.

In fiscal 2023, we opened 13 data centers in India, Germany, the United States, and Malaysia, providing services in approximately 30 cities around the world, and a capacity of approximately 1,120 MW.

Focus Challenging Net-Zero Across the Supply Chain

When procuring and selecting products and services, the Group considers not only price and quality but also factors such as the status of efforts to reduce greenhouse gas emissions.

We are also working with our suppliers to reduce greenhouse gas emissions throughout our supply chain. We use the CDP*² supply chain program to ascertain and analyze the status of suppliers’ efforts, and we have received responses from approximately 150 companies. For the second year in a row, our efforts with our suppliers have earned us the highest rating of “Supplier Engagement Leader” in CDP’s supplier engagement assessment.



Emi Matsukawa
Market Lead
CDP
Worldwide-Japan

Cooperation with CDP

The NTT DATA Group is the only premium member of the CDP Supply Chain Program in Japan, facilitating engagement with a large number of suppliers. I look forward to your continued success as a leading company in the net-zero movement who is spreading the word to downstream client companies that the results of their efforts to respond to and reduce emissions translate into value for them.

*2 CDP is an organization that encourages tens of thousands of companies around the world to disclose their progress on net-zero and nature-positive initiatives through responses to questionnaires.

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By IT: Business Activities to Transform Companies' Efforts into Customer Value Promotion

Aiming to contribute to the transition to a decarbonized society and to nature positivity, NTT DATA provides support globally for connecting the visualization and reduction of clients' environmental impact to value promotion for related companies and products.

 Carbon Neutrality initiatives

 Circular Economy initiatives

 Nature Conservation initiatives

Visualization

Support for the development and implementation of natural capital conservation strategies

In Spain, we developed "VALUES," which visualizes dependence on natural capital to support the development and implementation of natural capital conservation strategies.



C-Turtle, an initiative to visualize greenhouse gas emissions throughout the supply chain

(see below for details)

Building battery traceability platform to realize circular economy (▶P80)

Reduction

Sustainable agriculture

Aiming to reduce the use of plastic packaging for phytosanitary products in Argentina, we developed a traceability system called SISTEMA INTEGRA that utilizes blockchain technology, thereby contributing to reducing the environmental impact of agriculture and improving operational efficiency.



Value Promotion

Creation of high-quality forest-derived carbon credits

CO₂Sink, developed in Italy, uses satellite data and machine learning to precisely measure the amount of CO₂ absorbed by forests, contributing to the creation of high-quality carbon credits.



Consulting for TCFD and TNFD disclosure compliance

We provide support for strategy development and environmental impact assessment required for TCFD and TNFD disclosure. This includes assistance in calculating GHG emissions and setting reduction targets and formulating a reduction roadmap taking into account the procurement cost of renewable energy credits.



Consulting services to support information disclosure on nature and biodiversity (▶P80)

Focus Initiative to Visualize Greenhouse Gas Emissions Throughout the Supply Chain

The NTT DATA Group has developed and provides C-Turtle, a solution that automatically calculates and visualizes greenhouse gas emissions using primary data (actual measured values), including Scope 3, based on a Company-wide Emission Allocation Method* that links real emissions data from supplier companies. C-Turtle is the only greenhouse gas visualization solution in Japan that can use emissions data collected by CDP. To promote the decarbonization of small and medium-sized enterprises, which make up a large portion of the supply chain, we have established a system for providing the solution free of charge in order to connect individual companies' reduction efforts throughout the supply chain.

To date we have deployed the solution in the manufacturing and distribution industries, and since July 2023 we have been working to expand our client base in the financial industry. The plan is to introduce the solution to the NTT Group starting in February 2024 and then gradually increase the number of suppliers working with the NTT Group to reduce emissions to approximately 1,000 companies by fiscal 2027. Going forward, we will continue to introduce C-Turtle to various industries, including global deployment.



Solves the problem of "can calculate but can't reduce"

- Company-wide Emission Allocation Method that links suppliers' emissions data
- Emissions data set from CDP, an international NGO

Quickly define the calculation logic

- Data study to determine appropriate calculation logic
- Also supports Scope 3 and TCFD disclosures

Process automation

- Automatic calculation as a SaaS platform
- Avoid reliance on Excel calculations and prevent dependence on individual knowledge



Our GHG visualization solution is CDP's only data licensing agreement in Japan



* The Company-wide Emission Allocation Method extracts Scope 1, 2 and Scope 3 upstream emissions from the company's overall emissions and then allocates and links such emissions in proportion to the share of transaction value with business partners.

<https://www.nttdata.com/jp/ja/trends/data-insight/2022/1021/>

Sustainability Management

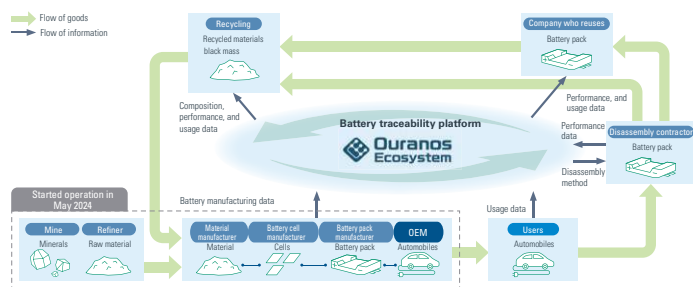
Environment

Focus Building Battery Traceability Platform to Realize Circular Economy

The European Battery Regulation^{*1}, which will become mandatory in 2025, requires the disclosure of CO₂ emissions and resource recycling rates throughout the entire lifecycle of batteries. NTT DATA has established a battery traceability platform that visualizes carbon footprint ("CFP") information across the supply chain, as well as recycling and reuse information. In May 2024, we launched a service that enables companies to aggregate and share CFP information during battery manufacturing.

By rolling out this platform to other industries in the future, we aim to contribute to the spread and advancement of the Ouranos Ecosystem^{*2}, an initiative of the Ministry of Economy, Trade and Industry that seeks to establish a platform for sharing and utilizing data across the borders between enterprises and industries as well as national boundaries.

Conceptual diagram of battery traceability platform



^{*1} In the European Union, the European Battery Regulation, which governs the entire lifecycle of battery products—from raw material sourcing to design, production processes, reuse, and recycling—came into effect on August 17, 2023.
<https://eur-lex.europa.eu/eli/reg/2023/1542/oj>

^{*2} NTT DATA Group Corporation has been selected for a public recruitment project related to the "Ouranos Ecosystem," an initiative led by the Ministry of Economy, Trade and Industry aimed at building a cross-border data collaboration framework across companies and industries. Since October 2023, we have been developing and demonstrating this initiative as part of the Digital Infrastructure Development Project for Industrial DX (JPNP22006), commissioned by the New Energy and Industrial Technology Development Organization (NEDO).
https://www.nedo.go.jp/english/activities/activities_ZZJP_100218.html
<https://www.nttdata.com/global/ja/news/release/2023/101301/>

Focus Consulting Services to Support Information Disclosure on Nature and Biodiversity

We provide consulting services to support regional analysis and assessment for information disclosure related to nature and biodiversity. We support the formulation of sustainability strategies and environmental impact assessments based on the TNFD framework. Our team of experts provides practical advice to support clients in goal setting and achieving comprehensive information disclosure.



Comments from Head Office of the Corporate Sustainability Department, Takenaka Corporation

As a TNFD Adopter, the Takenaka Group launched an internal project to prepare for our first TNFD disclosure in May 2024. From the beginning, we received consulting support from NTT DATA Kansai, Qunie Corporation, and the NTT DATA Group, driven by their passion to explore the unknown and their information analysis capabilities. This was our first foray into the world of nature and biodiversity, so we are grateful to everyone at the NTT DATA Group for their refined knowledge and sensitivity that enabled us to achieve early disclosure ahead of the industry.

Trends in nature-related information disclosure and client concerns

- 1 We don't know what to measure. There are so many specialized indicators, some of which are difficult to measure.
- 2 Disclosure of information throughout the supply chain is required.
- 3 We are increasing coordination with the TCFD, which already mandates disclosure, and the European Disclosure Directive.

Characteristics of green consulting services and examples of support

- Support for measuring dependence on and impact on nature**
From identifying indicators to be measured, to indicators that are difficult to measure in practice, such as farmland and land use changes, we use analysis of high-precision satellite data and other means to measure clients' dependence on and impact on nature and biodiversity.
- Ensuring a sustainable supply chain**
Our traceability solutions using blockchain technology ensure a sustainable supply chain and help improve product value.
- Integration with business management infrastructure**
Alongside financial and CFP data, we collect and manage information on natural capital and biodiversity, not only for disclosure purposes, but also to build the necessary foundation for sustainability management.

Global sustainability business promotion community: Sustainability Business One Team

The Green Business One Team was launched in September 2022 with the aim of expanding environment-related businesses on a global basis. In 2023 it was renamed the Sustainability Business One Team and entered a new phase that goes beyond just environmental issues. The team executes a consistent global strategy, aligning activities in each region with the overall strategy to improve operational efficiency, and works to grow our client base through knowledge sharing—for example, the development of a platform for sharing business case studies and offerings from around the world, and production of common sales materials. Team members possess expertise in a wide range of fields, including climate change, circular economy, and natural capital. These diverse and talented individuals work together to expand our business beyond national borders and raise the level of the sustainability business within the Group in terms of both quality and scale.

Disclosure Based on the TCFD and TNFD Recommendations

As part of our Carbon Neutrality and Nature Conservation initiatives, in addition to expressing support for the TCFD*¹ recommendations and participating in the TNFD*² Forum, we are actively analyzing and assessing risks and opportunities related to climate change and natural capital in line with the TCFD and TNFD frameworks and considering measures to address each risk and opportunity.

*1 Task Force on Climate-related Financial Disclosures

*2 Task Force on Nature-related Financial Disclosures

Governance

We have established a Sustainability Committee, administered it under the supervision of the Board of Directors and the leadership of the President and CEO, to make recommendations, formulate strategies, and conduct monitoring related to the promotion of sustainability management. We have also organized themed subcommittees to deal with a variety of issues. The subcommittees engage in practical discussions and the formulation and monitoring of strategies concerning climate change and the conservation and sustainable use of natural capital.

Strategies

In relation to climate change, we formulated NTT DATA NET-ZERO Vision 2040 based on the results of scenario analyses carried out in accordance with the TCFD framework, focusing on scenarios ranging from 1.5C° to 4C° (see NTT DATA NET-ZERO Vision 2040 on page 78). This plan has been certified as meeting the net zero target set by SBTi, and we are systematically working to achieve net zero emissions for ourselves and for our entire supply chain (see “Indicators and Targets” below).

Similarly, in relation to natural capital, we identified the financial impact of risks related to water use in data center cooling systems and other facilities based on the results of climate change scenario analysis in accordance with the TNFD framework, and then formulated a response policy to mitigate those risks.

Risks and opportunities related to climate change and natural capital

Scope	Details and Impacts of Risks		Time Horizon	Financial impact	Risk Response Measures	Response Costs
Climate change	Transition risks (reputational)	Lower reputation from ESG investors or financial institutions due to delay in addressing climate change	Short term	¥34.0 billion decrease in market capitalization	Establishment of Green Action Committee to promote decarbonization of NTT DATA and GX of clients and society	¥5.0 billion
	Physical risks (acute)	Data center communications shutdown due to disasters caused by extreme weather.	Short term	¥24.0 billion decrease in net sales	Enhancement and renewal of data centers, remote access, and maintenance infrastructure to ensure business continuity	¥19.0 billion
	Transition risks (regulatory)	Increased legal and other pressure on companies, and higher costs by introducing carbon pricing systems	Long term	¥23.0 billion decrease in operating profit	Promotion of energy conservation and introduction of renewable energy in data centers and offices	¥19.0 billion
Natural capital	Physical risk (acute)	Data center cooling system shutdown due to drought conditions	Short term	—* ³	Installation of cooling systems that do not consume water (e.g., closed-loop cooling) and water storage tanks to ensure water for business continuity during drought conditions	—* ³

*3 We do not disclose TNFD-related risks because their calculated financial impact is too small to meet our criteria for assessing material risks.

Scope	Details and Impacts of Opportunities		Time Horizon	Financial impact**	Opportunity Response Measures	Response Costs
Climate change	Opportunities from increased demand for products and services	Growth of sustainability-related businesses in various industries and expanded opportunities for utilizing digital technologies due to technological progress	Short term	¥200.0 billion increase	Investments in technology development and creation of sustainability-related offerings that contribute to society's and clients' response to climate change	¥51.0 billion
		Rise in opportunities for providing consulting services due to the growth of sustainability-related businesses in various industries	Short term	¥40.0 billion increase	Investments to enhance consulting services including the cultivation of sustainability-related consulting staff, training frameworks, etc.	¥4.0 billion
		Increased need for transition to resilient cloud services that contribute to decarbonization spurred by frequent extreme weather events and growing demand for decarbonization	Short term	¥210.0 billion increase	Investments in cloud-related technology development and strengthening of global delivery centers	¥25.0 billion
Natural capital	Opportunities from increased demand for products and services	Rise in opportunities for providing consulting services due to the growth of sustainability-related businesses in various industries	Short term	—	Investments to enhance consulting services including the cultivation of sustainability-related consulting staff, training frameworks, etc.	—
		Increased opportunities to provide solutions related to visualization and monitoring of contact points with nature	Short term	—	Investments in technological development and better delivery	—

*4 Increase in sales in fiscal 2025 compared to fiscal 2021. TNFD-related opportunities are not included in the integrated report as their calculated financial impact is small. We do not disclose TNFD-related opportunities because their calculated financial impact is too small to meet our criteria for assessing material risks and opportunities.

Risk Management

Risks related to climate change are positioned as significant risks across the entire company in company-wide risk management by the Internal Control Committee. Risks with the potential to severely impact the Group's business plans or the foundations required for its survival are designated as significant risks across the entire company. Climate change is one of them, and it is managed in an integrated manner along with other management risks.

Indicators and Targets

We aim to achieve decarbonization by setting reduction targets for each of the Scope 1, 2, and 3 greenhouse gas emissions.

Climate change-related	Greenhouse gas emissions reduction targets	By 2030: Scope 1 and 2 reduced by 68%, Scope 3 reduced by 42% (compared to FY2021) *SBT certified By 2035: Net zero for Scope 1 and 2 *SBT certified By 2040: Net zero (Scope 1 to 3) [Emissions in FY 2023 (thousand t-CO ₂ e)] Scope 1: 39.5, Scope 2: 307.0, Scope 3: 5,011.7
	Internal carbon price (FY2024)	¥6,500 per t-CO ₂ *Standard price for entire Group (to be updated annually)
	Compensation	Officer compensation and employee bonuses tied to climate change indicators

*Natural capital-related indicators are not listed as we are currently considering our disclosure policy for the next fiscal year and beyond.

Corporate Governance

Corporate Governance

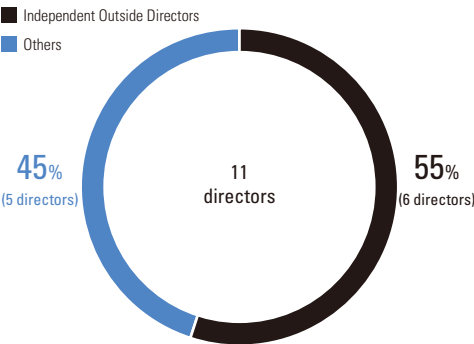
Introduction to Officers (Skill Matrix*1) (As of July 1, 2024)

The size of the Board of Directors is commensurate with the nature of NTT DATA's business and considers a balance of desired expertise and diversity, including factors such as gender, age, work experience, race, ethnicity, and cultural background.

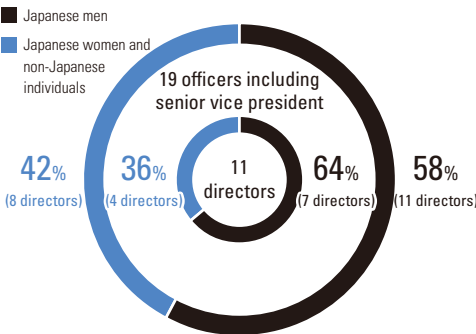
In line with our transition to a holding company structure, we have reduced the number of directors who are not Audit and Supervisory Committee Members by two from the previous year in order to improve the agility of Group management.

Breakdowns of Membership of the Board of Directors (Women / Non-Japanese individuals)

Ratio of Independent Outside Directors



Breakdown of Membership of the Board of Directors by Demographic



Directors*2



President and Chief Executive Officer,
Representative Director

Yutaka Sasaki

Years served: 1
(Total 2 including period between June 2021 and June 2022)

1990 Joined NTT DATA
2016 Senior Vice President, Head of Business Solutions Sector of NTT DATA
2018 Senior Vice President, Head of Manufacturing IT Innovation Sector of NTT DATA
2020 June Executive Vice President, Head of Manufacturing IT Innovation Sector and Head of Business Solutions Sector of NTT DATA
2021 Executive Vice President and Director, Head of Strategy Headquarters, Head of Strategy Office, Strategy Headquarters of NTT DATA
2022 Executive Vice President, Head of Corporate Headquarters, Head of Strategy Office, Corporate Headquarters of NTT DATA
2023 Senior Executive Vice President and Representative Director of NTT DATA
2023 President and Chief Executive Officer, Representative Director of NTT DATA Japan (present post)
2024 President and Chief Executive Officer, Representative Director of NTT DATA (present post)



Senior Executive Vice President and
Representative Director

Kazuhiko Nakayama

Years served: 1
Responsible for: Corporate Management*3

1989 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2007 General Accounting Manager, Accounts and Finance Department of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION
2012 Head of Investor Relations Office, Finance and Accounting Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2014 Chief of Staff, CEO's Office of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2018 Head of Finance Department of NTT Communications Corporation
2019 Director and Head of Finance Department of NTT Communications Corporation
2020 Senior Vice President and Head of Finance and Accounting Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2023 Senior Executive Vice President and Director of NTT DATA (present post)
2024 Senior Executive Vice President and Representative Director of NTT DATA (present post)



Senior Vice President and Director

Tadaoki Nishimura

Head of Strategy Office*4

1993 Joined NTT DATA
2018 Head of Fourth Public Segment, Second Public Sector of NTT DATA
2020 Head of First Public Segment, First Public Sector of NTT DATA
2021 Deputy Head of First Public Sector of NTT DATA
2022 Senior Vice President and Head of First Public Sector of Public Headquarters of NTT DATA
2023 Senior Vice President, Head of Corporate Headquarters, Head of Strategy Office, Corporate Headquarters of NTT DATA
2024 Senior Vice President and Director of NTT DATA (present post)
Director of NTT DATA, Inc. (present post)



Director

Patrizio Mapelli

Foreign national

Years served: 4

1982 Joined Olivetti
1995 Senior Partner of Ernst & Young
2000 Vice President of A.T. Kearney
2002 Senior Partner of Value Partners S.p.A. CEO of Value Team S.p.A. (Current NTT DATA Italia S.p.A.)
2013 CEO of NTT DATA EMEA LTD.
2018 Chairman of the Board of NTT DATA Italia S.p.A.
2020 Director of NTT DATA (present post)
2021 NTT DATA Europe & Latam, S.L.U. Director of the Board (present post)
2022 Director of NTT DATA, Inc. (present post)

	Enterprise field	Corporate	Public field	—
Corporate Management	●			●
International Perspective		●		●
Sales, Marketing, Consulting	●		●	●
Development R&D	●		●	
Business Management*5	●	●	●	●
Finance / Accounting		●		
Legal / Government Affairs				
(Reference) Business Fields Where Specialization Can Be Leveraged *Only business executors				

*1 ● denotes up to four main skills for each person

*2 Titles as of July 1, 2024

*3 Corporate Management includes responsibilities for business strategies, general affairs, legal/risk management, human resources (CHRO), finance and investor relations (CFO), purchasing, intellectual properties, and public relations.

*4 Head of Strategy Office is the role responsible for business strategy (CSO).

*5 Business management includes a sustainability perspective.

*6 Career history entries specifically related to the Skill Matrix are underlined.

Introduction to Officers (Skill Matrix)

Basic Policy & Corporate Governance Systems

Messages from Independent Outside Directors

Risk Management Structure

Outside Directors*2*6



Director

Mariko Fujii

Independent

Years served: 5

1977 Joined the Ministry of Finance of Japan
1997 Director, International Affairs and Research Division, Customs and Tariff Bureau, Ministry of Finance
2001 Professor of Research Center for Advanced Economic Engineering, The University of Tokyo
2004 Professor of Research Center for Advanced Science and Technology, National University Corporation, The University of Tokyo (Resigned in 2015)
2014 Director of Electric Power Development Co., Ltd. (Resigned in 2015)
2015 Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of Latvia (Resigned in 2019)
2016 Emeritus Professor of The University of Tokyo (present post)
2019 **Director of NTT DATA (present post)**
Member of the Board of Directors (Outside Director) of MUFG (present post)



Director

Fumihiko Ike

Independent

Years served: 4

1982 Joined Honda Motor Co., Ltd.
2003 Chief Director of Multi-purpose Business and Director of Honda Motor Co., Ltd.
2006 Chief Director of Business Administration and Director of Honda Motor Co., Ltd.
2007 Chief Director of Business Administration and Managing Director of Honda Motor Co., Ltd.
2008 Chief Director of Asia and Pacific and Managing Director of Honda Motor Co., Ltd. President and Director of Asian Honda Motor Co., Ltd. (Resigned in 2011)
2011 Chief Director of Business Administration, Senior Managing Officer, and Director concurrently serving as Risk Management Officer and General Supervisor of Information Systems of Honda Motor Co., Ltd.
2012 Chief Director of Business Administration, Senior Managing Officer, and Director concurrently serving as Chief Director of IT, Risk Management Officer and Liaison Manager of Honda Motor Co., Ltd.
2013 Chairman and Representative Director of Honda Motor Co., Ltd. (Resigned in 2016)
2014 Chairman of JAPAN AUTOMOBILE FEDERATION, a general incorporated association (Resigned in 2016)
2020 **Director of NTT DATA (present post)**
2021 Director of Eisai Co., Ltd. Director of Resona Holdings, Inc.
2022 Chairman of the Board of Directors of Eisai Co., Ltd. (present post)
2023 Chairman of the Board of Directors of Eisai Co., Ltd. (present post)



Director

Shigenao Ishiguro

Independent

Years served: 2

1982 Joined Tokyo Denki Kagyo Kogyo K.K. (current TDK Corporation)
2002 General Manager, Corporate Planning, European Sales Division, Recording Media & Solutions Business Group of TDK Corporation
2014 Corporate Officer of TDK Corporation
2015 CEO of Magnetic Heads and Sensors Business Company of TDK Corporation
2016 Senior Vice President of TDK Corporation
2016 President & Representative Director of TDK Corporation
General Manager of Humidifier Countermeasures HQ of TDK Corporation
2022 Chairman & Representative Director of TDK Corporation
Chairman & Director of TDK Corporation
Director of NTT DATA (retired in 2024)
Director of NTT DATA (present post)
2023 Director of Ricoh Company, Ltd. (present post)



Director, Audit and Supervisory Committee Member (Full-Time)

Tomoko Hoshi

Independent

Years served: 2

1985 Joined Nikko Securities Co., Ltd. (current SMBC Nikko Securities Inc., resigned in 1988)
1990 Joined Tohatsu & Co. (current Deloitte Touche Tohmatsu LLC)
1994 Registered as a Certified Public Accountant (present post)
2003 Partner at Tohatsu & Co. (current Deloitte Touche Tohmatsu LLC, resigned in 2021)
2022 Hoshi Tomoko Certified Public Accountant Office (present post)
Director, Audit and Supervisory Committee Member (Full-Time) of NTT DATA (present post)
Audit & Supervisory Committee Member of NTT DATA, Inc. (present post)



Director, Audit and Supervisory Committee Member (Full-Time)

Nobuyuki Tainaka

Independent

Years served: 1

1986 Joined Canon Inc.
2007 General Manager, Group Risk Management Division, Legal Administration Center of Canon Inc.
2009 General Manager, Workforce Configuration Reform Promotion Division, Human Resources Management & Organization Headquarters of Canon Inc.
2012 Deputy Senior General Manager of Legal Administration Center, and General Manager of Risk Management Division of Canon Inc.
2014 Executive Officer and Senior General Manager, Global Legal Administration Center of Canon Inc. (resigned in March 2023)
2023 **Director, Audit and Supervisory Committee Member (Full-Time) of NTT DATA (present post)**



Director, Audit and Supervisory Committee Member (Full-Time)

Eiichi Sakamoto

Independent

Years served: 1

1986 Joined NIPPON TELEGRAPH AND TELEPHONE (NTT) CORPORATION
2002 Visiting Fellow, Brookings Institution, USA (retired 2004)
General Manager of Planning Department at NTT EAST CORPORATION
2015 Executive Officer and General Manager of the enterprise sales area at NTT DOCOMO
2016 Director and Head of Corporate Planning at NTT CORPORATION
Director of NTT EAST CORPORATION
2018 Director and Head of General Affairs at NTT CORPORATION
2020 Vice President of NTT WEST CORPORATION, Head of Alliance Sales Headquarters
2021 Representative Director and Executive Vice President of NTT WEST CORPORATION
2024 **Director, Audit and Supervisory Committee Member (Full-Time) of NTT DATA (present post)**
Audit and Supervisory Committee Member of NTT DATA Japan (present post)



Director, Audit and Supervisory Committee Member

Mitsuko Inamasu

Independent

Years served: 2

2000 Registered as an Attorney at Law (Tokyo Bar Association, present post)
Joined Hattori Law Office (present post)
2018 Outside Audit & Supervisory Board Member of Seven & i Holdings Co., Ltd. (present post)
2022 **Director, Audit and Supervisory Committee Member of NTT DATA (present post)**

Special notes on experience and achievements	Possesses deep insight and extensive experience cultivated through research in administrative practices and economics, as well as diplomacy.	Possesses extensive management experience in global business and deep insight in IT.	Possesses extensive management experience in global business and deep insight in maximizing human resources and organizational capabilities.	Possesses extensive experience and broad insights into global financial, accounting, and internal control audits, based on many years of professional experience at auditing firms.	In addition to deep insight in legal affairs, has extensive experience in promoting personnel and organizational structural reforms and management.	In addition to extensive experience in corporate management within the NTT Group, possesses experience in sales.	In addition to knowledge of IT-related legal affairs based on many years of experience as an attorney, possesses ample experience as an auditor for other companies.
Corporate Management		●	●			●	
International Perspective	●	●	●	●			
Sales, Marketing, Consulting		●				●	
Development R&D			●				
Business Management*5		●	●		●	●	
Finance / Accounting				●			
Legal / Government Affairs	●				●		●

Corporate Governance

Basic Policy

In accordance with the principles of the Corporate Governance Code, NTT DATA is pursuing enhancements to the following policies.

1. Ensure transparency and soundness in business management
2. Achieve appropriate and swift decision-making and business execution
3. Implement compliance thoroughly

Basic Policy on Group Governance

In NTT DATA, each operating company within the Group promotes its businesses independently. At the same time, to enable integrated business operations across the Group as a whole, the Company is appropriately delegating authority at each company, developing global standard processes to control this, and building a supervisory function that is independent of business execution.

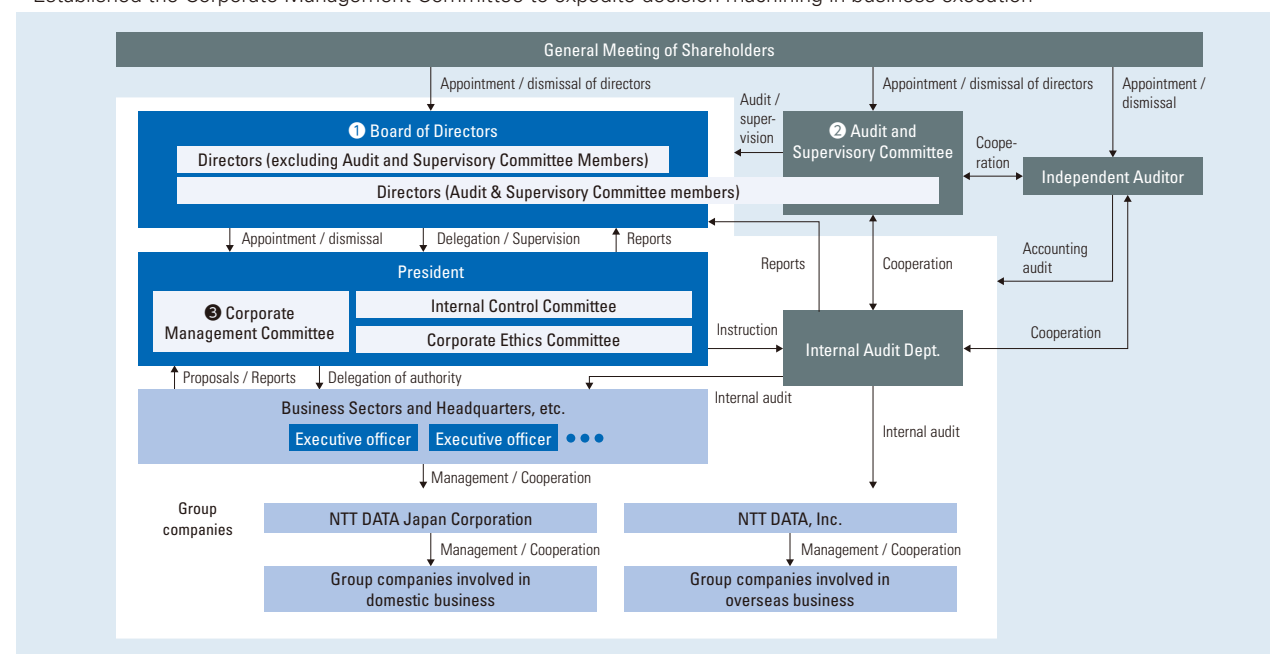
1. Appropriate Delegation of Authority:
Authority is delegated to NTT DATA, Inc. and NTT DATA Japan Corporation to facilitate flexible business operation while NTT DATA Group Corporation maintains authority for the overall strategies, business plans, and officer appointments of the operating companies.
2. Global Process Standardization:
NTT DATA Group Corporation, NTT DATA, Inc., and NTT DATA Japan Corporation employ standardized management processes that are consistent across global operations. The roles and responsibilities of companies are clearly defined, and frameworks are developed to support flexible operational execution while enabling efficient oversight and control via monitoring and audits.
3. Supervisory Functions That Are Independent of Executive Functions:
NTT DATA Group Corporation dispatches officers to fill positions at the boards of directors and other bodies of NTT DATA Japan Corporation and NTT DATA, Inc., to develop a governance system overseen by the Company.



For details on our efforts, please visit the Corporate Governance section of our website.
<https://www.nttdata.com/global/en/investors/corporate-governance>

Corporate Governance Systems

- Adopted the structure of a Company with Audit and Supervisory Committee, determining that it is effective for strengthening the supervisory functions of the Board of Directors and enhancing corporate governance
- Established the General Meeting of Shareholders, the Board of Directors, and the Audit and Supervisory Committee as corporate governance organizations
- Established the Corporate Management Committee to expedite decision-making in business execution



Organization	Membership	Meeting Frequency	Number of Times Held in FY2023	Details
① Board of Directors	11 directors (including seven outside directors)	Once a month in principle, extraordinary meetings when necessary	18	Oversight and decision-making regarding legally mandated matters and other important matters related to management and discussion of strategic management matters
② Audit and Supervisory Committee	Four Audit and Supervisory Committee members (including four outside directors who are Audit and Supervisory Committee members)	Once a month in principle	25	Decision-making regarding policies, plans, methods of audits, and other important matters related to audits
③ Corporate Management Committee	13 members including the president, senior executive vice presidents, executive vice presidents, and heads of important organizations	Once a week in principle	35	Smooth and swift decision-making and supervision relating to the Group's business operations (one director who is an Audit and Supervisory Committee member participates to enhance transparency)

Introduction to Officers (Skill Matrix)

Basic Policy & Corporate Governance Systems

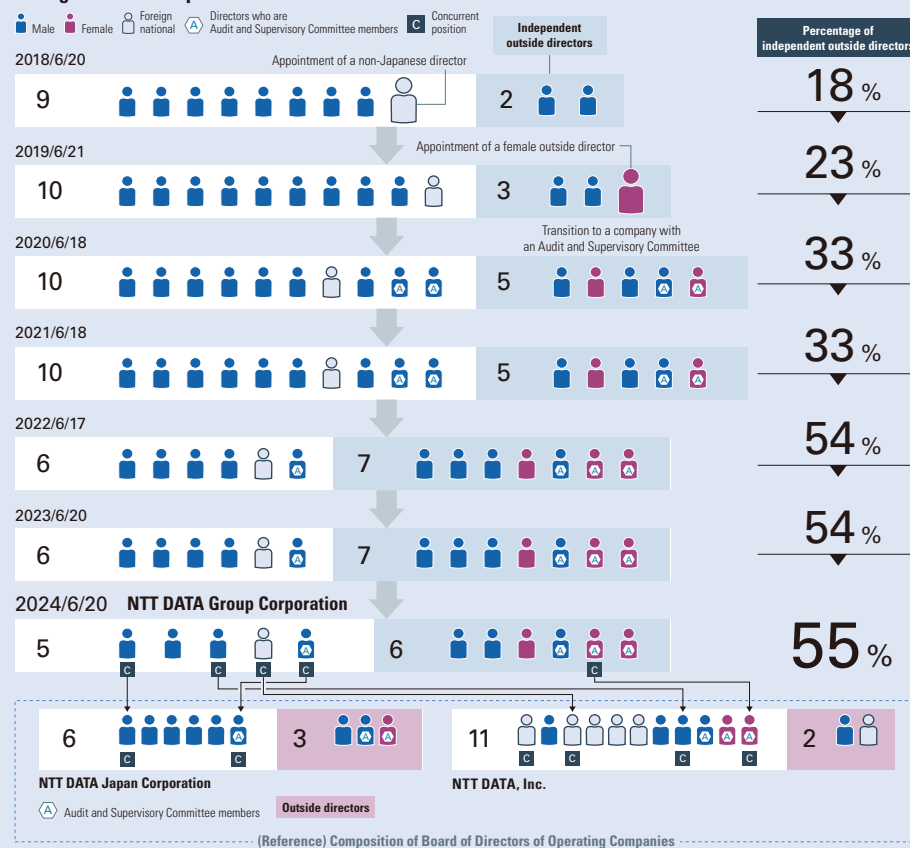
Messages from Independent Outside Directors

Risk Management Structure

Initiatives to Strengthen Governance

NTT DATA appoints human resources to management positions in line with the human resource policy of selecting candidates on the basis of superior character, insight, and management ability regardless of age, gender, or nationality. As of June 30, 2024, the Board of Directors was comprised of 11 directors, including six independent outside directors, three of whom are female, and one non-Japanese director, and independent outside directors represented a majority of the directors.

Changes in the Composition of the Board of Directors



Protection of Minority Shareholders

As the basic policy for the relationship between NTT DATA Group and its parent company, NTT DATA Group strives to cooperate with the parent company while fully respecting each other's mutual independence and autonomy and carries out any trading with the parent company properly in accordance with laws and regulations.

When conducting transactions with the parent company and NTT Group companies, the Company considers the need to maximize the interests of our shareholders as a whole. Specifically, the Company confirms the rationality and adequacy of transactions, and gives approval in accordance with Authority Rules after preliminary screening, with the Legal Department considering the opinions of third-party specialists when necessary. When the Company conducts a business transaction with those companies, the transaction conditions and determination methods are the same as those of other business partners.

NTT DATA makes decisions on important contracts with the parent company after conducting a legal examination by the Legal Department and obtaining opinions from outside lawyers as necessary. Furthermore, depending on their importance, contracts may require approval by the Board of Directors to ensure that decisions are made independently of the parent company. At present, the Company's Board of Directors consists of a majority of six independent outside directors out of a total of 11 directors.

Initiatives for Deepening Outside Director Understanding of Business and Operating Sites

Provision of Facility Tours

The Company arranges tours of various facilities each year to deepen the understanding of outside directors for its business and operating sites. As one facet of these activities, outside directors were invited to participate in the NTT R&D Forum held by NTT at its Musashino R&D Center in November 2023. With participation by executive directors, this tour was used as an opportunity to observe the latest products of NTT's research activities. In addition, in January 2024, we hosted a Foresight Day to share our vision of the future of the industry and technology.

In addition to the R&D Forum, the directors revisited the Musashino R&D Center in February 2024 to learn about the IOWN concept being advanced by the entire NTT Group. The event provided an opportunity to learn about the technology used in IOWN, the services that use the technology, and the latest information about IOWN's present and future. In addition, the exchange of opinions among the outside directors, including Audit and Supervisory Committee Members, deepened their understanding of our business and operating sites and led to discussions of the Company's strategy.

After the tours, the outside directors offered positive opinions, stating that this support for understanding the Group's initiatives was very comprehensive and they would like it to continue. On the other hand, there were also comments calling for measures to realize more substantial discussions, such as further communication among directors and more opportunities for communication with the operating sites. The Company therefore intends to keep offering such opportunities for promoting understanding of its business and operating sites, while incorporating input from outside directors.



Corporate Governance

Messages from Independent Outside Directors

Mariko Fujii
Independent Outside Director

Years served: 5

Attendance at Board of Directors meetings

Ordinary: 12/12 times (100%)
Extraordinary: 6/6 times (100%)



Accelerating growth as a global company

Our overseas business now accounts for more than 60% of net sales, but challenges remain. In this era of change, facing a fiercely competitive global market, we must accelerate the growth of the Group by unlocking the potential value held in our overseas business that was consolidated through our business combination with NTT Ltd.

It is said that global expansion requires various adaptations, such as integrating corporate cultures, aligning management styles, and penetrating local markets. The Group is in the process of taking the overseas business to the next level, which means that further efforts are required to develop personnel who can demonstrate their abilities globally, and spread the brand's power.

One of the key themes for the Board of Directors is to provide clients with high-quality, reliable services, drive innovation, and ensure that we take steps to accelerate growth as a global company. As an independent outside director, I will maintain a broad perspective as I strive to meet the expectations of minority shareholders and contribute to sustainable growth and the enhancement of corporate value over the medium to long term.

Fumihiko Ike
Independent Outside Director

Years served: 4

Attendance at Board of Directors meetings

Ordinary: 12/12 times (100%)
Extraordinary: 6/6 times (100%)



Aiming for effective governance under a three-company structure

We integrated our overseas business with NTT, which is our parent company, and reorganized into a three-company structure: two operating companies overseeing the domestic and overseas businesses, respectively, and a holding company (NTT DATA Group Corporation) overseeing the entire operation. This strengthening of the organization is aimed at significantly expanding the quality and quantity of our overseas business, which is in a highly competitive environment. The Group has more than 600 consolidated subsidiaries, including operating companies both in and outside Japan, so governance that allows these companies to function organically is essential. To ensure agile and efficient business operations, we are required to strengthen the governance function of our Board of Directors while delegating substantial authority to our operating companies in Japan and overseas. NTT DATA Group Corporation is not a company with a nominating committee, etc., which means that as a Board of Directors, we do not just focus on oversight, but are also deeply involved in execution. Now that we have established a three-company structure, recognizing the changing role of the Board of Directors, we must engage in constructive discussions with the executive team on a great sense of direction, including of business and technological strategies. The overseas business combination has increased opportunities to align our intention with our parent company, NTT, and to meet the expectations of our minority shareholders, I intend to work hard to improve the effectiveness of the Board of Directors, with a view to contributing to increasing our corporate value.

Shigenao Ishiguro
Independent Outside Director

Years served: 2

Attendance at Board of Directors meetings

Ordinary: 12/12 times (100%)
Extraordinary: 6/6 times (100%)



Aiming to become the NTT DATA Group that contributes globally

Recent digital innovations, particularly AI technology, are transforming the lives of people around the world. The advanced use of information systems and data that NTT DATA is engaged in will improve the convenience of our lives and contribute greatly to the creation of a peaceful, happy, and sustainable society.

Our mission is to bring together talented personnel and organizational capabilities from our globally deployed network to deliver high-quality value to clients around the world. To steadily make that happen, it will be essential to create:

1. A system that allows the timely sharing of best know-how and practices on a global basis; and
2. A system to support rapid decision-making and execution on the operational front lines.

Through Empowerment—that is, confidently delegating authority to the operational front lines—the Group's potential will be fully realized.

My mission is to build a proactive governance system to operate our global organization more efficiently and flexibly, resulting in the realization of the NTT DATA Group that can contribute to clients around the world.

Introduction to Officers (Skill Matrix)

Basic Policy & Corporate Governance Systems

Messages from Independent Outside Directors

Risk Management Structure

Tomoko HoshiIndependent Outside Director,
Audit and Supervisory
Committee member

Years served: 2

**Attendance at Board of
Directors meetings**

Ordinary: 12/12 times (100%)

Extraordinary: 6/6 times (100%)

**Nobuyuki Tainaka**Independent Outside Director,
Audit and Supervisory
Committee member

Years served: 1

**Attendance at Board of
Directors meetings**

Ordinary: 10/10 times (100%)

Extraordinary: 5/5 times (100%)

**Mitsuko Inamasu**Independent Outside Director,
Audit and Supervisory
Committee member

Years served: 2

**Attendance at Board of
Directors meetings**

Ordinary: 12/12 times (100%)

Extraordinary: 5/6 times (83%)

**Investment and financial strategies aimed at sustainable growth**

The Group presents its vision for the future in its medium-term management plan, which serves as the cornerstone of its management. To achieve the plan's targets, we formulate an investment strategy based on a clear identification of the issues facing the Group and review it annually. This fiscal year, the overall plan lays out a strategic direction that leverages the strengths of the Group, in addition to increased investments in generative AI.

On the financial side, every year we formulate a strategy with a focus on financial soundness. The addition of the data center business to the Group about two years ago caused a change in the debt-to-equity ratio and an increase in financial costs, which had a significant impact on profit attributable to shareholders of NTT DATA. The current medium-term management plan does not adequately reflect these circumstances, which is a problem. I believe it is important to address this in the next medium-term management plan and define relevant financial strategies with specific numerical targets such as ROIC.

We have a responsibility to our minority shareholders to explain our investment and financial strategies in a transparent manner. In order to fulfill this responsibility, I will keep a close eye on the situation in my capacity as an Audit and Supervisory Committee member. In this way, I will strive to achieve sustainable growth and increase shareholder value for the Group.

Initiatives for quality growth of overseas business and the role of the Board of Directors

The Group's operating companies outside Japan have different business characteristics, reflecting their respective origins and market environments. Therefore, we cannot hope to improve profitability by issuing one-size-fits-all instructions on how to proceed. Under a common Mission Statement, each company needs to come up with its own measures and follow the PDCA cycle. The companies must also eliminate waste by sharing digital assets and help each other by leveraging their respective technologies, knowledge, and other advantages. At the same time, it is essential that we put in place a system that allows us to take a bird's-eye view of the overall situation and quickly allocate management resources to areas that need strengthening. Such a system has been created and is now in operation. Going forward, we will need to accumulate successes such as cross-selling and flexibly modify the system in response to changes in the market environment. In addition, new domains are emerging—for example, Innovative Optical and Wireless Network (IOWN) and generative AI—where working as part of the NTT Group to expand our business is in the interest of all our shareholders. From this perspective, the Board of Directors will make strategic decisions for growth and monitor their execution.

Current and future state of governance under the three-company structure

When we shifted to a three-company structure in July 2023, our basic group governance policy was to achieve governance that balances flexibility and control in order to realize business growth for the entire Group as One NTT DATA.

With this policy as the foundation, we have established a framework of rules, further developed detailed systems and rule designs, and worked on instilling these throughout the entire Group, both in Japan and abroad. This is what we have been implementing over the past year.

The challenge of doing business under the three-company structure has just begun. The effectiveness of the governance policy is also scheduled to be reviewed and discussed at future meetings of the Board of Directors. I hope to engage in discussions at these meetings that will result in fruitful governance, while being mindful of potential issues and recognizing that there is no perfect solution. The topics I hope to discuss include whether our rule designs are conducive to the achievement of our objectives, and whether there are any problems that can be identified from the conditions and operations on the operational front lines.

Obviously, I also believe that discussion from the perspective of whether the interests of minority shareholders have been appropriately considered is a particularly important responsibility of outside directors.

Corporate Governance

Board of Directors' Meeting Agenda Items and Initiatives for Facilitating Meaningful Discussions

Activities by the Board of Directors in FY2023 included the following. To facilitate more meaningful discussions, NTT DATA will continue to take steps to ensure sufficient time for discussions and provide information and support to outside directors.

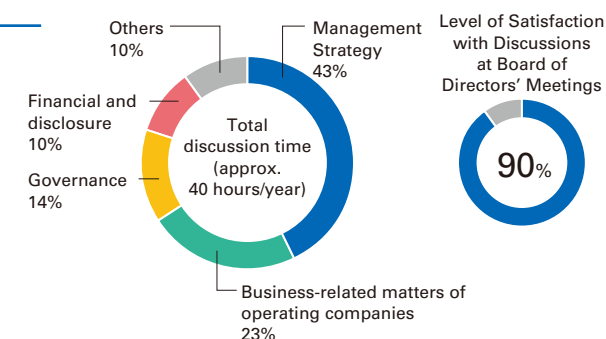
Major Agenda Items and Content

Category	Topic	Content	
●	Matters related to the transition to a holding company structure	Legal compliance, establishment of systems, development of rules, and post-transition improvements in preparation for the transition to a holding company structure that started in July 2023	New
●	Matters related to overseas business combination	Establishing a framework, establishing rules, creating synergies, etc. for the transition to a new operating model starting in April 2024	Ongoing
●	Investment and financial strategies	Budget allocation for investment and policies for financial strategies to support investment	Ongoing
●	Technology strategy	Status of initiatives and policies in technology focus areas	New
●	M&A strategy	Focus areas and policies for M&A	Ongoing
●	Data center business strategy	Medium- to long-term strategy of the data center business, status of initiatives, etc.	Ongoing
●	Monitoring of key projects	Periodic monitoring of the status of key projects within the Group and policies for dealing with them	Recurring
●	Matters related to financing and investments	Approval of individual investment projects within the Group, post-investment monitoring, etc.	New/Ongoing

Category	Topic	Content	
●	Global governance	Global governance system under a holding company structure	Ongoing
●	Results of internal control initiatives and plans for next fiscal year	Identification of material risks, action policies and plans, periodic status updates on dealing with risks	Recurring
●	Results of internal audits and plans for next fiscal year	Reporting on the results of internal audits and policies and plans for the next fiscal year based on the results	Recurring
●	Cross-shareholdings	Status of cross-shareholdings, status of sales, policy for external disclosure, etc.	Recurring
●	Sustainability strategy	Sustainability policy, global compliance status, non-financial indicators, disclosure policy including TCFD, etc.	Ongoing
●	Report on IR activities / investor opinions	Status of IR activities, policies for responding to investors' opinions, etc.	Recurring
●	IT service market trends	Trends in the IT service market, including macroeconomic conditions and the competitive landscape, and policies in response to these trends	New
●	Evaluation of the effectiveness of the Board of Directors	Report on the results of the evaluation of the effectiveness of the Board of Directors in FY2022 and the policy for FY2023	Recurring

Percentage of time spent on each Board meeting agenda item

- The most time was devoted to discussing management strategies.
- Free and open discussions, including opinions from outside directors, are conducted, with the annual deliberation time being just under 40 hours (the average discussion time for each agenda item is just under 20 minutes).
- We continuously strive to improve the operation of the Board of Directors by incorporating opinions and feedback from outside directors (see section on Evaluation of the Effectiveness of the Board of Directors for details.)



Cross-Shareholdings

The NTT DATA Group's purpose of cross-shareholdings is to maintain the medium-to long-term relationships, to expand the trading volume, and to create synergies with clients and business partners by holding shares issued by them. It is our policy to hold such shares only if holding them is likely enhance NTT DATA Group's enterprise value and lead to profit for our shareholders.

NTT DATA assesses the meaningfulness of cross-shareholding for each share comprehensively every year from the viewpoint of whether benefits and risks from holding the shares are commensurate with capital costs and the purpose of holding these shares is in line with the maintenance of the medium-to-long-term relationships, expansion of trading volume, creation of synergies and so forth. The Company tries to reduce shares that are considered inappropriate and report the results to the Board of Directors.

As a result, the total amount of cross-shareholdings on the balance sheet as of the end of March 2024 totaled ¥84.4 billion^{*1}, and the ratio of cross-shareholdings to consolidated net assets was 3.0%^{*2}. If it

proves to be inadequate to hold the shares due to changes in the situation, NTT DATA will keep taking measures including reducing the number of those share.

The details are described in our annual securities report.

Investors <https://www.nttdata.com/global/en/investors/>

^{*1} Total amount owned by NTT DATA Group Corporation and NTT DATA Japan Corporation

^{*2} Ratio of the total amount held by NTT DATA Group Corporation and NTT DATA Japan Corporation to the consolidated net assets

On July 10, 2024, NTT DATA Japan Corporation, one of the Company's subsidiaries, sold all of its 8.65 million shares of Recruit Holdings Co., Ltd. for approximately ¥79.2 billion. Based on this sale, the ratio of cross-shareholdings to the consolidated net asset value as of the end of March 2024 is estimated to be 0.9%^{*3}.

^{*3} The total amount of the shares of Recruit Holdings Co., Ltd. on the balance sheet as of March 31, 2024 is approximately ¥58 billion

Evaluation of the Effectiveness of the Board of Directors

With the purpose of enhancing the functions of the Board of Directors and subsequently corporate value, the Board of Directors has been implementing self-evaluations and analyses of its effectiveness since FY2016. In FY2023, evaluations were conducted through the following process.

We believe that the effectiveness of the Board of Directors as a whole has been established. However, we will continue our efforts in FY2024 to further deepen our functions as a holding company by considering measures to address the issues identified in the evaluation process.

Process for evaluation of the effectiveness of the Board of Directors



Issues Identified in FY2023 Evaluation and Response Measures	
Issues	Response Measures
Reinforcement of monitoring under the holding company structure	In preparation for the implementation of appropriate monitoring under the holding company structure launched in July 2023, we developed processes to facilitate information sharing and escalation of decision making, and reviewed operations as necessary even after the transition.
Enhancement of understanding regarding overseas businesses	In addition to several progress reports and discussions on the new operating model launched in April 2024, we sought to deepen our understanding of overseas business by expanding opportunities for input on market trends, including the competitive landscape, and for exchanges of opinions with our non-Japanese directors and managers of the operating company outside Japan.
Strengthening strategic discussions regarding critical themes and points	In addition to developing and implementing an annual plan to ensure the continued implementation of highly important strategic discussions, we made efforts to strengthen strategic discussions, such as holding multiple discussions on particularly critical themes.

Noteworthy opinions received from outside directors

- It is necessary to further clarify the functions as a holding company, strengthen the Group governance system under the holding company structure, and promote the delegation of authority to ensure business agility.
- It is necessary for the Board of Directors of the holding company to continue to deliberate on high-priority themes related to management strategies and plans in a systematic manner, and to strengthen the cycle of accurately monitoring their status.
- In particular, it is necessary to share information on business conditions and market trends related to overseas business, which accounts for the majority of sales, and to improve the quality of strategic discussions.

Issues for FY2024 and current response status

Issues for FY2024

- Improve Group governance under the holding company structure
- Further strengthen discussions of management issues and strategies under the holding company structure
- Share accurate information on market trends and overseas business conditions and strengthen discussions on overseas strategies

Current Response Measures

In addition to formulating an annual schedule focused on management issues, including overseas business, we are continuously reviewing governance rules and methods of communication and information sharing among executives, including committee meetings.

Corporate Governance

Appointment and Dismissal of Officers and Management Executives

The size of the Board of Directors is commensurate with the nature of NTT DATA's business and considers a balance of desired expertise and diversity, including factors such as gender, age, work experience, race, ethnicity, and cultural background.

Furthermore, in the interests of strengthening the supervisory function of business execution, independent outside directors who do not pose a risk of conflicts of interest with general shareholders, including those with management experience at other companies, shall be appointed to constitute a majority of the Board of Directors.

Number of members / Term of office	Directors Who Are Not Audit and Supervisory Committee Members: Up to 11 / 1 year Directors Who Are Audit and Supervisory Committee Members: Up to 4 / 2 years	
Number of concurrent positions	Directors allocate the time and labor required to appropriately perform their roles and duties, and therefore the number of their concurrent posts shall be within a reasonable range. (The status of directors who concurrently serve as officers of different listed companies is disclosed in business reports and in reference documents for the Ordinary General Meeting of Shareholders.	
	Directors Who Are Not Audit and Supervisory Committee Members	Directors Who Are Audit and Supervisory Committee Members
Policy for the appointment of director candidates	To improve the corporate value of the entire NTT DATA Group, candidates for directors who are not Audit and Supervisory Committee Members shall be appointed from human resources who have broad perspectives and experience that can contribute to Group-wide development, excel in management ability and leadership, and have a good sense of business management and passion.	The candidates for directors who are Audit and Supervisory Committee Members are to be appointed from personnel that NTT DATA can expect to conduct audits from the viewpoints of specialized experience and knowledge. To ensure impartiality in audits and supervision of the business execution of directors who are not Audit and Supervisory Committee Members, NTT DATA appoints outside directors to represent a majority of directors who are Audit and Supervisory Committee Members in accordance with the Companies Act.
Procedure for the appointment of directors	Regarding the appointment of director candidates, the proposed management structure for the entire NTT DATA Group is explained to the independent outside directors, directors who are Audit and Supervisory Committee Members, and the parent company, and after obtaining appropriate advice, the Board of Directors adopts a resolution and submits it to the General Meeting of Shareholders.	
	With regard to the appointment of candidates for directors who are not Audit and Supervisory Committee Members, the right to express opinions regarding nominations by the Audit and Supervisory Committee is appropriately exercised.	With regard to the appointment of candidates for directors who are Audit and Supervisory Committee Members, this is done with the deliberation and consent of the Audit and Supervisory Committee, of which the majority is composed of outside directors who are also Audit and Supervisory Committee Members.
Procedure for the dismissal of directors	If it is deemed that a member of the senior management team is not performing his or her functions adequately, the reasons for his or her dismissal are explained to the independent outside directors, directors who are Audit and Supervisory Committee Members, and the parent company prior to the Board of Directors meeting, and after obtaining appropriate advice, the Board of Directors adopts a resolution and submits it to the General Meeting of Shareholders. In addition to this, the right to express opinions regarding nominations shall be appropriately exercised by the Audit and Supervisory Committee.	

Policy and Process for Determining Director Remuneration

The remuneration policies for directors and the composition and level of remuneration are determined as follows.

Directors Who Are Not Audit and Supervisory Committee Members

- To ensure objectivity and transparency, the remuneration policies for the directors who are not Audit and Supervisory Committee Members and the composition and level of remuneration are determined by the Board of Directors, a majority of which consists of independent outside directors, within the scope of the amount resolved at the General Meeting of Shareholders, after explaining the policies for determining remuneration to the parent company, the independent outside directors, and the directors who are Audit and Supervisory Committee Members, and obtaining appropriate advice.
- The amount of remuneration for individual directors is determined by the President and Representative Director, who is delegated with this responsibility by the Board of Directors.

Directors Who Are Audit and Supervisory Committee Members

- For the purpose of securing a high degree of independence, the remuneration is determined via discussions among the directors who are Audit and Supervisory Committee members. Their remuneration is not linked to the business results and they receive monthly remuneration only.

Compensation Structure

Types and ratios of compensation paid to directors are as follows.

		Fixed Remuneration	Performance-Linked Compensation	
			Short Term	Medium to Long Term
Directors Who Are Not Audit and Supervisory Committee Members	Internal	● (50%)	● (30%)	● (20%)
	Outside	● (100%)	—	—
Directors Who Are Audit and Supervisory Committee Members		● (100%)	—	—

Fixed Remuneration	Monthly fixed compensation determined in accordance with degree of responsibility and extent of role of the position of given director	
Performance-Linked Compensation	Short Term	Bonuses determined in consideration of Company's performance during relevant period and paid in June of each year
	Medium to Long Term	Stock purchases through the Executive Shareholding Association and stock compensation

Introduction of Performance-Based Stock Compensation Plan and Clawback Provisions (2021)

Introduction of Sustainability Indicators for Performance-Linked Compensation (2022)

Introduction of EBITDA, Capital Investment, and Employee Engagement Rate among KPIs (2023)

Performance-Linked Compensation

Short Term Bonuses

- Evaluation of year-on-year improvement and degree of achievement of targets based on performance indicators (financial and sustainability indicators) set in accordance with financial targets of medium-term management plan, etc.
- Calculation method involving conversation of performance for each performance indicator to payment rate through predetermined methods, weighting and averaging of performance indicators based on evaluation weights shown in “Performance Indicators for Bonuses,” and then multiplying by the standard amount of bonus for each position

In FY2023, we were able to achieve the targets that were set for the following performance indicators for bonuses for directors (excluding outside directors) who are not Audit and Supervisory Committee Members: EBITDA, operating profit, overseas operating margin, ROIC, capital investment, greenhouse gas emissions, and B2B2X revenue amount. The appointment rate of new female managers fell slightly short of the target. The total amount of bonuses paid to directors (excluding outside directors) who are not Audit and Supervisory Committee Members in FY2023 was ¥92 million.

Performance Indicators for Bonuses

Category	KPIs	Evaluation Weight	Evaluation Method
Financial indicators	EBITDA	25%	Year-on-year improvement
	Operating profit	10%	
Sustainability indicators	Employee engagement rate	3.75%	

Category	KPIs	Evaluation Weight	Evaluation Method
Financial indicators	EBITDA	25%	Target achievement
	Operating profit	10%	
	Overseas operating profit margin	10%	
	ROIC	2.5%	
	Capital investment (data centers)	2.5%	
Sustainability indicators	Greenhouse gas emissions	7.5%	
	Appointment rate of new female managers	3.75%	

Medium to Long Term

Stock Purchases through Executive Shareholding Association

Each month, standing directors contribute a minimum amount to the Executive Shareholding Association for stock purchases. Each director is also required to retain all the shares purchased by himself or herself during their term of office as a reflection of medium- to long-term performance. A total of 10,300 shares were purchased in FY2023.

Medium to Long Term Stock Compensation

Using a trust set up by the Company and points assigned based on the position of each director as of June in each year, stock compensation is decided based on a performance-linked coefficient that reflects the degree of achievement of performance indicators as of June in the fiscal year after the final fiscal year of the medium-term management plan. The number of shares was calculated based on the number of points accumulated by each director (stock is transferred to directors when they retire).

Total Amount of Remuneration, etc., for Directors in FY2023*1

(Millions of yen)

Position	Number of Persons	Total Amount of Remuneration	Fixed	Short Term	Medium to Long Term	
			Monthly Remuneration	Performance-Linked Remuneration (Bonuses)	Remuneration for Stock Acquisition	Performance-Linked Compensation (Stock Compensation*4)
Directors Who Are Not Audit and Supervisory Committee Members*2	11	325	192	92	14	26
Directors Who Are Audit and Supervisory Committee Members*3	5	122	122	—	—	—
Total	16	447	315	92	14	26

*1 The table above includes two directors who are not Audit and Supervisory Committee Members and one director who is an Audit and Supervisory Committee Member that retired at the conclusion of the 35th Ordinary General Meeting of Shareholders held on June 20, 2023.

*2 At the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021, the following limits were set for annual compensation paid to directors who are not Audit and Supervisory Committee members:

1. Monetary remuneration: ¥460 million (including a ¥50 million limit for compensation paid to outside directors)

2. Amounts paid to directors for stock purchases through the Executive Shareholding Association: ¥30 million

3. Contributions to performance-based stock compensation plan: ¥90 million However, it was resolved at the 34th Ordinary General Meeting of Shareholders held on June 16, 2022, that the limit for monetary compensation paid to outside directors would be changed to ¥80 million. As of the conclusion of the 34th Ordinary General Meeting of Shareholders, the number of directors who are not Audit and Supervisory Committee members was nine (including four outside directors).

*3 For the remuneration of the four directors who are Audit and Supervisory Committee members, the 32nd Ordinary General Meeting of Shareholders, held on June 17, 2020, resolved to limit the directors' remuneration within ¥150 million per annum. As of the conclusion of the 32nd Ordinary General Meeting of Shareholders, the number of directors who are Audit and Supervisory Committee members was four.

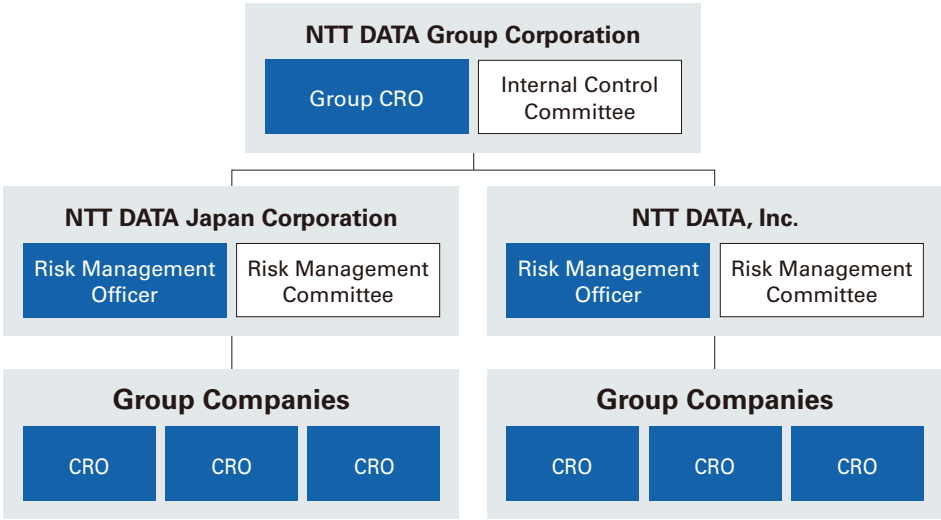
*4 The amount of stock compensation paid is the amount calculated by multiplying the number of points confirmed to be granted for the given period by the market price (¥2,115 per share) when the trust acquired the Company's shares.

Corporate Governance

Risk Management Structure

To ensure the healthy growth of the entire Group and to prevent or minimize the impact of risks on management, the NTT DATA Group has established a risk management policy that systematizes the ideal risk management approach to be pursued Groupwide and defines matters to be handled in a standard manner at the global level. On this basis, the Company appoints officers and assigns risk management divisions to practice risk management from a Groupwide perspective. In addition, officers in charge of risk management are assigned at major Group companies to make for a risk management structure founded on Groupwide coordination.

Risk Management Structure



Identification and Control of Material Risks

Risks with the potential to severely impact the Group’s business plans or the foundations required for its survival are designated by the Board of Directors as “material risks.” (▶P22 Opportunities and Risks)

For each material risk, focused control activities are implemented Groupwide, and the Internal Control Committee regularly monitors the status of controls, confirms their effectiveness, and makes recommendations for improvement. The Committee also deliberates and decides on other matters necessary for instilling and thoroughly implementing risk management. The minutes of the Committee’s meetings are then reported to the Board of Directors.

In addition to this Groupwide control of material risks, NTT DATA, Inc., our overseas operating company, and NTT DATA Japan, our domestic operating company, also identify, control, and monitor material risks according to the characteristics of their respective businesses. The Groupwide risk control activities and the risk control activities of each operating company are carried out in cooperation with each other under a system of coordination among the officers in charge of risk management at each company, and the Internal Control Committee monitors all of these activities in order to promote risk management across the Group.

The Internal Control Committee met four times in FY2023.

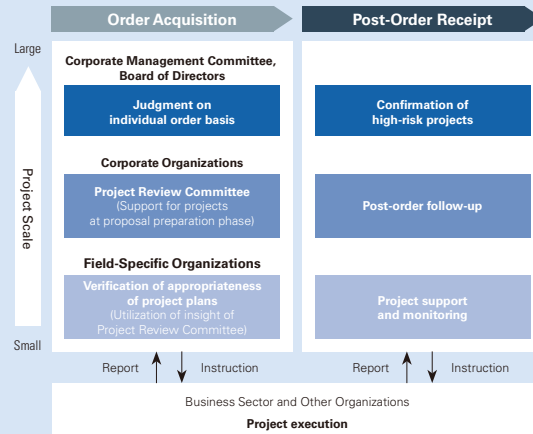
Case System Development Risk Countermeasures

Should an unprofitable project occur in the NTT DATA Group's mainstay system integration business, it could have a material impact on the Group's performance or financial position due to expectation-exceeding costs or claims for damages resulted from delivery delays. For this reason, system development risks have been defined as an incredibly material risk.

As part of countermeasures in response to this risk, the Project Review Committee assesses project plans, and we have thereby succeeded in limiting the number of unprofitable projects and the impacts of unprofitable projects on income.

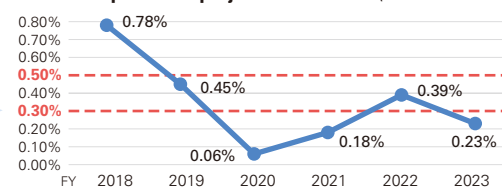
Project Review Committee Initiatives

- For challenging projects with highly technical requirements, proactive measures are taken including obtaining a feasibility assessment from a specialist when a proposal request is received from a client.
- Standards and processes regarding the receipt of orders for challenging or high-risk projects are reviewed and implemented.
- To prevent the occurrence of unprofitable projects, assessment items are reviewed or added as necessary for systems development projects requiring functions to be detached from legacy systems for which processes and programs have become overly complex so that these functions can be redeveloped while maintaining compatibility with the prior system.



The ratio of unprofitable projects to net sales in FY2023 was 0.23%, achieving the Group's target of 0.3-0.5% or less

Ratio of unprofitable projects to net sales (FY2018–FY2023)



*Figures from FY2022 onward include NTT Ltd.

Case System and Service Operation Risk Countermeasures

In the event that a system or service provided by the NTT DATA Group suffers an outage, this could have a significant impact on our clients' business and the lives of general users, and in the event that problems such as the loss of client data occur, we may have to pay compensation for the damages incurred. This is recognized as a particularly significant material risk as it could have a significant impact on our business performance and financial position.

As countermeasures to the above risks, we are implementing various activities to both prevent failures from occurring and minimize the impact of failures when they do occur.

In October 2023, a failure with major social consequences occurred in Japan's national bank data communication system. In response, we launched a comprehensive Companywide system inspection task force in November. Based on the results of analysis of the cause of the failure, we comprehensively checked the system development and operation processes of more than 200 systems, including those of Group companies, from the perspective of prevention and rapid recovery. Going forward, we will continue to work to prevent system failures and provide reliable services.

Comprehensive system inspection initiative

Inspection point of view

Prevention (development phase)	Address direct cause of failure
	In-house developed applications and OS/middleware Quality assurance regarding the setup of environments such as software
	Sufficiency of test data variation (e.g., use of commercial data)
Prevention (migration phase)	Mitigation of impacts during a failure
Rapid recovery (operation phase)	Adequate redundancy and fallback design
	Response system in the event of failure

Comprehensive inspection schedule

2023		2024		
Nov.	Dec.	Jan.	Feb.	Mar.
Preparation		Inspection implementation		

- More than 200 systems covered
- Implementation completed within FY2023 as scheduled

Corporate Governance

Case Countermeasures to Risks Related to Information Security

Basic approach to security

Believing that it is important to strike an appropriate balance between ensuring the security of information and actively utilizing and sharing information, the NTT DATA Group is implementing a variety of countermeasures from two perspectives: (1) administrative countermeasures such as formulating rules and conducting information security education and awareness-raising activities, and (2) technical countermeasures such as the introduction of solutions that prevent information leaks and a zero-trust architecture.

Security governance initiatives

Since FY2006, the NTT DATA Group has been working to ensure thorough information security based on the NTT DATA Group Security Policy (GSP). The GSP applies to our overseas locations as well, and under NTT DATA, Inc., we have established an information security promotion system overseas that achieves both the unification of baselines and flexibility for different regions.

Under the Information Security Committee*¹, we assess the status of Companywide activities and issues and decide on necessary measures. In addition, the status of control at each company is regularly audited and monitored*² to support the maintenance and improvement of control levels.

Security incident response

The Group operates NTTDATA-CERT as an in-house global computer security incident response team (CSIRT) to prevent information security incidents from occurring during normal activities, to detect incidents at an early stage, and to respond quickly and accurately in an emergency. In addition to collecting, analyzing, and disseminating a wide range of security-related information, including the latest attack methods and the status of incidents, NTTDATA-CERT carries out communication monitoring, emergency response, research and development, and external collaboration, and shares information in cooperation with the CSIRT of the NTT Group.

To reliably implement early detection and reporting of critical incidents, we have incident response organizations in place at our offices in Japan and overseas, thereby ensuring on-site readiness and the ability to respond to high-severity incidents.

When a serious incident occurs, we maintain a system where prompt reports are made from our domestic and overseas Group companies to the head office.

Protecting data privacy

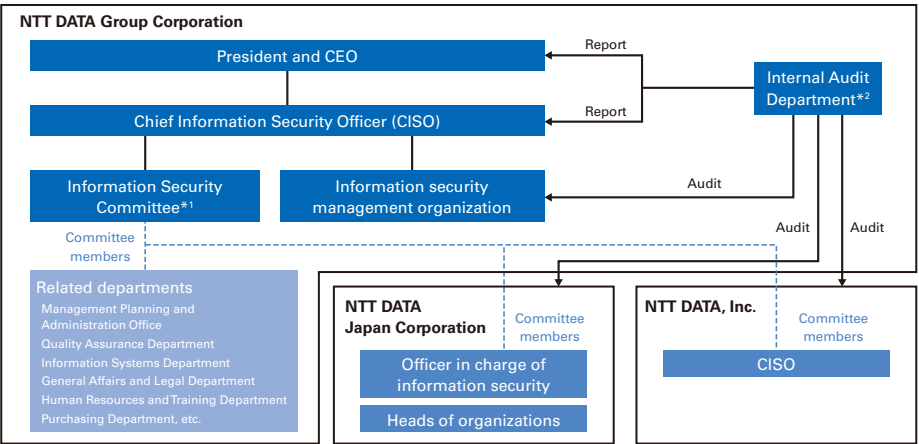
Regarding the protection of personal information (data privacy), we comply with various national and regional personal data protection laws and regulations by adhering to our NTT DATA Group Data Protection Policy (DP Policy). Furthermore, we appropriately protect personal information Groupwide by handling it in accordance with the rules of each company's guidelines.

Dissemination of education and awareness activities

We are actively working to train security personnel and improve their skills. As of April 2024, there were 1022 employees in Japan and overseas designated as certified security personnel by the NTT Group. In addition, NTT DATA provides information security education to Group employees and collaborators through e-learning and classroom training to promote understanding of the rules laid out in the Personal Information Protection Policy and the NTT DATA Group Security Policy, as well as understanding of information security-conscious behavior.

Deployment of IT infrastructure

To combat increasingly sophisticated cyberattacks, we have built and are operating a common global security infrastructure for the Group. This security infrastructure enhances security when using e-mail and cloud services and maintains a high level of security by centrally controlling the devices used on the network and their Internet connection points. In the unlikely event that there is an external intrusion into our network, the system is able to block off all of the Group's domestic and international bases to prevent the attack from spreading to other regions.



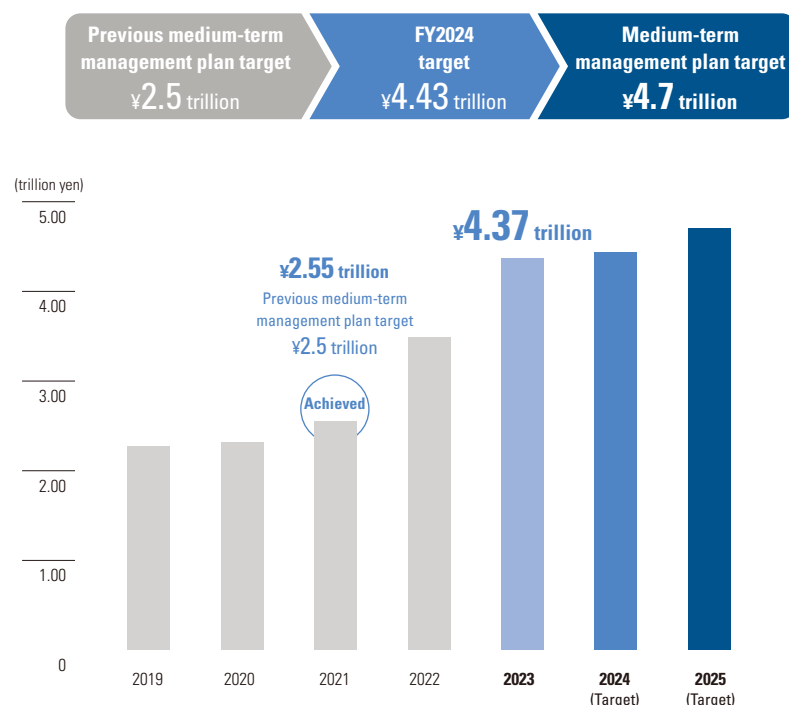
Financial and Non-Financial Data and Other Information

Progress of KPIs in the Medium-Term Management Plan

Highlights of Medium-Term Management Plan Indicators*1

We have set out four management targets in this medium-term management plan in pursuit of growth accompanied by quality on a global scale. We aim to achieve net sales of ¥4.7 trillion and a client base of 120 companies that will be the source of our growth. Furthermore, to strengthen our earning power, we will work on improving profitability with the goal of achieving 10%*2 not only for consolidated operating profit margin, but also for overseas EBITA margin.

Net sales



Domestic net sales*3

2023 Highlights
¥1.72 trillion

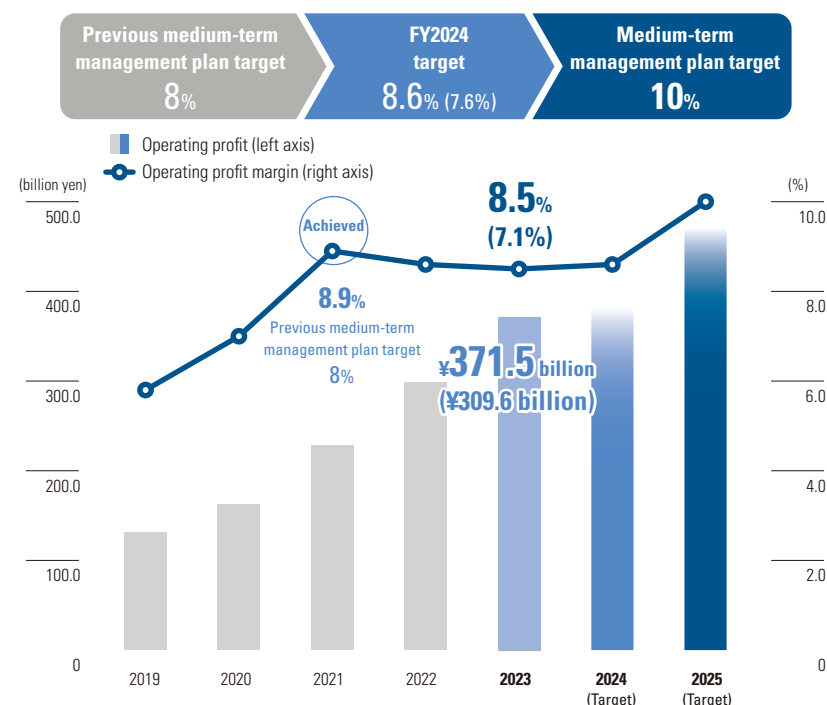


Overseas net sales*3

2023 Highlights
¥2.64 trillion



Operating Profit / Operating Profit Margin*4



Domestic operating profit margin

2023 Highlights
10.6%



Overseas operating profit margin

2023 Highlights
4.4%



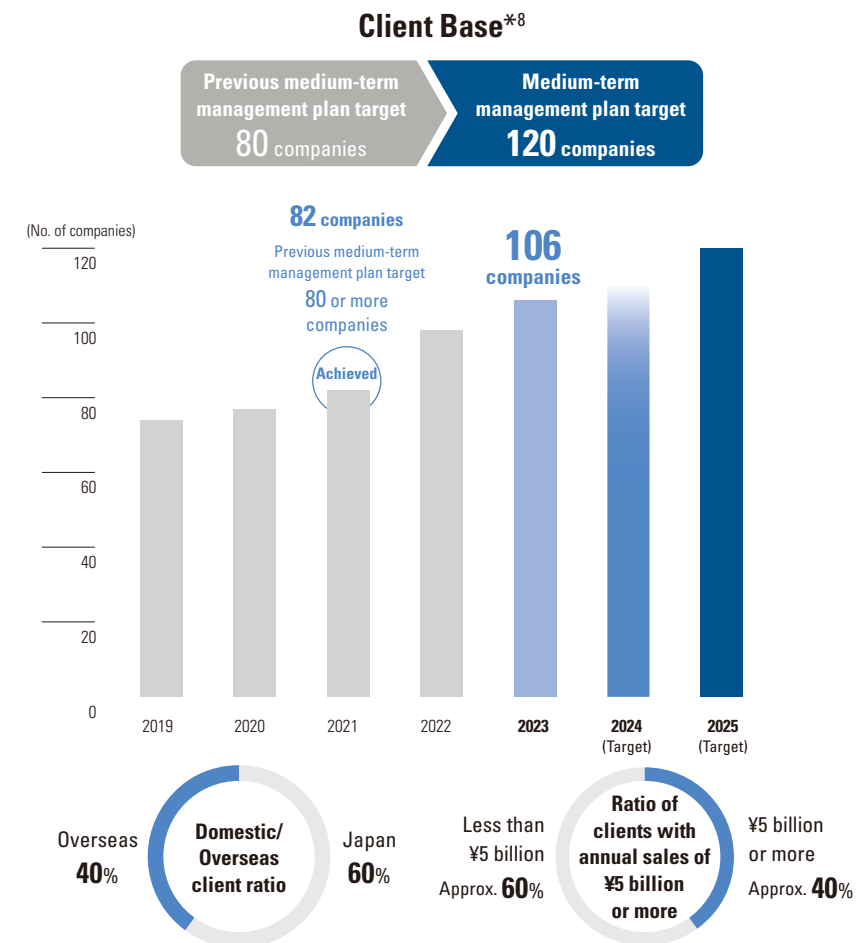
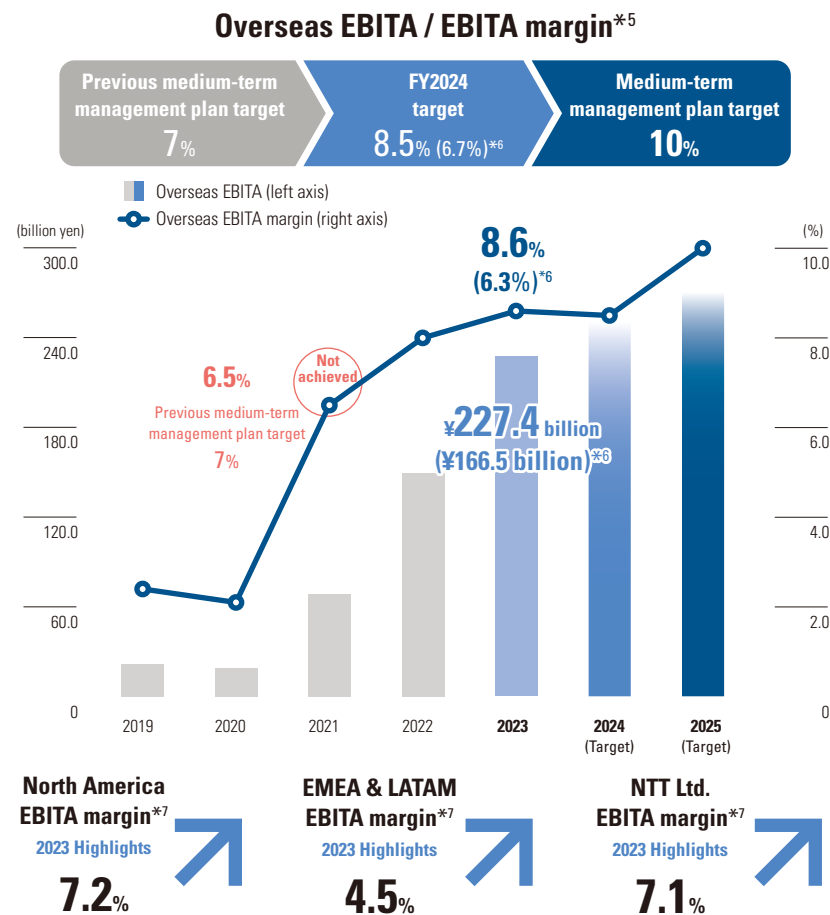
*1 Net sales, Operating profit/Operating profit margin, and Overseas EBITA/EBITA margin are calculated using the same exchange rates as those used in the financial results briefing materials.

*2 Excludes one-time costs for M&A, etc.

*3 Net sales to clients outside NTT DATA. Figures are for the Overseas Segment and include the effects of the business combination with NTT Ltd. in FY2022.

*4 Figures in parenthesis are before the exclusion of one-time costs for M&A, etc.

Highlights of Medium-term Management Plan Indicators



^{*5} EBITA = Operating profit + Amortization of intangible assets subject to PPA arising from acquisition and others

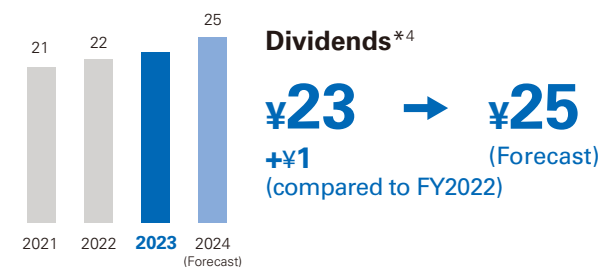
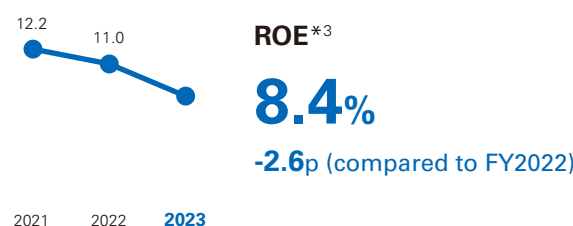
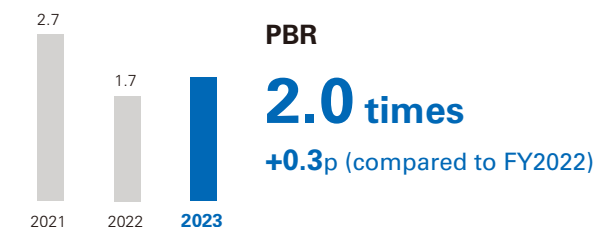
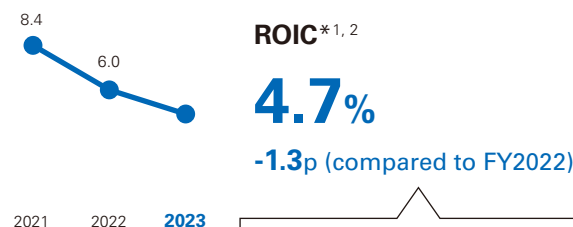
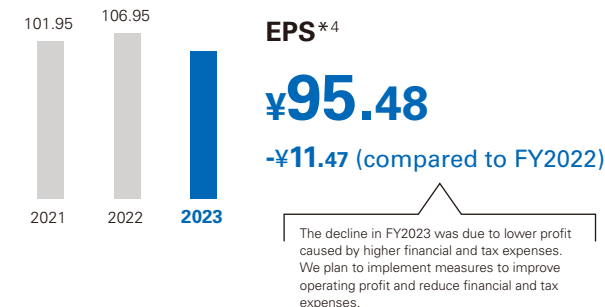
^{*6} Figures in parenthesis are before the exclusion of one-time costs for M&A, etc.

^{*7} North America EBITA margin, EMEA & LATAM EBITA margin, and NTT Ltd. EBITA margin are figures before the exclusion of one-time costs for M&A, etc.

^{*8} Clients with annual sales of ¥5 billion or more (Japan) or US\$50 million or more (outside of Japan)

Financial and Non-Financial Highlights

Financial Highlights



*1 ROIC = (Operating profit × (1 - Effective tax rate)) / (Average net assets during the period + Average interest-bearing debt during the period)

*2 Interest-bearing debt is the total of borrowings and bonds

*3 ROE = Profit attributable to shareholders of NTT DATA / Average equity during the period

*4 Amounts recorded take into consideration stock splits conducted in 2013 and 2017

Non-Financial Highlights

Japan

Japan



Number of Employees

193,513 people

149,204 people

(number of overseas employees)*5

▶ P24



Number of Hires*6

1,239 people

565 people

(number of mid-career hires)

▶ P75

Ratio of
Female Managers*7

10.8%

15% (Target)

▶ P76

Japan*8

Ratio of Employees
with Disabilities

2.32%

2.3% (Target)

▶ P74

Japan



Work Hours*6

1,988h

8-hour improvement

(per person per year,
compared to FY2022)

▶ P77

Greenhouse
Gas Emissions*9

347Kt

-46.5%

(compared to FY2021)*10

▶ P78

*5 Number of employees at overseas Group companies

*6 NTT DATA Group Corporation, NTT DATA Japan Corporation, and NTT DATA, Inc.

*7 Figures have been verified by third-party organizations for NTT DATA Group Corporation, NTT DATA Japan Corporation, and NTT DATA, Inc. The scope of third-party verification covers Group companies in Japan.

*8 Former NTT DATA (non-consolidated), specially classified subsidiary NTT DATA DAICHI Corporation (consolidated) (as of June 1, 2023)

*9 • NTT DATA/FY2023: 602 companies

• NTT DATA (all Group companies excluding NTT Ltd.) / FY2023: 158 companies *Reduction in emissions via the adoption of renewable energy

• Former NTT DATA (non-consolidated) and Group companies (Japan, some overseas / FY2021: 91 companies)

• The total of direct emissions from the use of fuels, etc. (Scope 1) and indirect emissions from the use of purchased electricity and heat (market-basis Scope 2), converted to CO₂ equivalent. The unit is 10 Kt-CO₂e (CO₂ equivalent).

• Figures have been verified by a third-party organization. The scope of third-party verification was Group companies in Japan until FY2019, and Group companies in Japan and some overseas Group companies for FY2020 and FY2021. Third-party verification was conducted for all Group companies excluding NTT Ltd. for 2022, and all Group companies including NTT Ltd. for 2023.

• Electricity used by clients at data centers is classified under Scope 3 with effect from FY2021 results.

• Increased due to the expanded scope of aggregation as a result of the business combination with NTT Ltd.

*10 Compared to FY2021, the base year for NET-ZERO Vision

Financial / Non-Financial Values (Historical Changes)

Statement of Financial Position

Total assets at the end of FY2023 stood at ¥7,219.4 billion, an increase of ¥1,061.2 billion from the end of the previous fiscal year, attributable mainly to the increase in property, plant and equipment and goodwill, including the impact of foreign exchange rates. Total liabilities amounted to ¥4,439 billion, up ¥677.2 billion from the end of the previous fiscal year, primarily

due to higher interest-bearing debt, including the impact of foreign exchange rates. Equity rose ¥384 billion from the end of the previous fiscal year, amounting to ¥2,780.4 billion, largely as a result of an increase in retained earnings.

Balance sheet (Assets)	Units	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	YoY
Current assets	Billions of yen	850.5	974.5	966.9	1,110.1	1,247.0	2,249.0	2,433.0	+184.0
Non-current assets	Billions of yen	1,419.8	1,501.6	171.9	1,787.0	1,837.5	3,909.2	4,786.5	+877.2
Property, plant and equipment	Billions of yen	348.4	355.7	344.9	339.2	332.2	1,372.5	1,914.4	+542.0
Goodwill	Billions of yen	335.9	357.0	391.0	415.3	493.8	1,133.6	1,321.8	+188.2
Intangible assets	Billions of yen	431.4	444.4	477.7	477.5	506.7	653.2	693.7	+40.5
Deferred tax assets	Billions of yen	95.8	98.2	110.9	86.2	123.3	225.0	234.9	+9.9
Total assets	Billions of yen	2,270.2	2,476.1	2,686.0	2,897.0	3,084.5	6,158.2	7,219.4	+1,061.2

Goodwill

Goodwill has continued to increase significantly year on year, due to the effect of expanded consolidation of NTT Ltd. in the third quarter of FY2022 and impact of foreign exchange rates.

Balance sheet (Liabilities and equity)	Units	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	YoY
Current liabilities	Billions of yen	707.2	816.9	883.0	924.4	987.8	1,804.3	2,513.9	+709.6
Bonds and borrowings	Billions of yen	97.4	134.6	157.1	105.7	102.8	278.8	755.8	+477.0
Trade and other payables	Billions of yen	307.9	359.0	359.5	419.0	462.2	857.6	975.5	+117.9
Non-current liabilities	Billions of yen	702.5	692.4	815.6	846.1	768.4	1,957.5	1,925.1	-32.4
Bonds and borrowings	Billions of yen	468.9	446.4	440.9	473.2	393.7	1,453.0	1,419.5	-33.5
Total liabilities	Billions of yen	1,409.7	1,509.3	1,698.6	1,770.5	1,756.2	3,761.8	4,439.0	+677.2
Total equity	Billions of yen	860.5	966.8	987.4	1,126.5	1,328.3	2,396.4	2,780.4	+384.0
Total liabilities and equity	Billions of yen	2,270.2	2,476.1	2,686.0	2,897.0	3,084.5	6,158.2	7,219.4	+1,061.2

Bonds and borrowings

The balance of interest-bearing debt rose significantly year on year, primarily attributed to an approximate ¥200 billion increase due to the impact of foreign exchange rates and increased capital investment in the data center business.

Consolidated Statement of Income

Despite a decline primarily due to a thorough examination of projects in North America focusing on profit margins, net sales saw a considerable increase of ¥877.2 billion driven by the effect of expanded consolidation of NTT Ltd. and the impact of foreign exchange rates, as well as scale expansion in Japan and Europe. Operating profit rose by ¥50.4 billion as

the increased costs of overseas business transformation and structural transformation were counteracted by the effect of expanded consolidation of NTT Ltd., increased sales in Japan and overseas, and other related factors.

Profit and loss statement	Units	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	YoY
Net sales	Billions of yen	2,039.7	2,163.6	2,266.8	2,318.7	2,551.9	3,490.2	4,367.4	+877.2
Cost of sales	Billions of yen	1,535.5	1,618.6	1,694.6	1,734.1	1,875.9	2,567.9	3,172.4	+604.5
Gross profit	Billions of yen	504.2	545.0	572.2	584.6	676.0	922.2	1,195.0	+272.7
Selling, general and administrative expenses	Billions of yen	381.0	397.3	441.3	445.4	463.4	663.1	885.4	+222.3
Operating profit	Billions of yen	123.1	147.7	130.9	139.2	212.6	259.1	309.6	+50.4
Finance income	Billions of yen	5.9	6.8	6.0	6.7	9.7	16.4	26.8	+10.5
Finance costs	Billions of yen	7.2	7.8	17.1	9.1	6.2	33.1	88.1	+55.0
Share of profit (loss) of investments accounted for using equity method	Billions of yen	0.9	0.2	0.3	-6.3	-0.2	0.4	0.3	-0.1
Profit before tax	Billions of yen	122.7	146.9	120.2	130.5	215.8	242.8	248.6	+5.8
Income tax expense*1	Billions of yen	37.0	49.2	40.4	48.8	65.7	75.9	103.1	+27.1
Profit attributable to shareholders of NTT DATA	Billions of yen	82.4	93.6	75.1	76.8	143.0	150.0	133.9	-16.1

Financial indicators	Units	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	YoY
Cost of sales ratio	%	75.3	74.8	74.8	74.8	73.5	73.6	72.6	-0.9p
SG&A ratio	%	18.7	18.4	19.5	19.2	18.2	19.0	20.3	+1.3p
Operating profit margin	%	6.0	6.8	5.8	6.0	8.3	7.4	7.1	-0.3p
Overseas EBITA margin*2*3	%	2.3	3.2	0.7	-0.5	5.1	6.0	6.3	+0.3p
Overseas net sales*3	Billions of yen	831.3	881.1	906.7	907.2	1,050.5	1,866.1	2,636.3	+770.1
Loss from unprofitable projects	Billions of yen	9.9	16.9	10.3	1.4	4.6	13.8	9.2	-4.6
Loss from unprofitable projects to consolidated net sales ratio	%	0.49	0.78	0.45	0.06	0.18	0.40	0.21	-0.2p
Capital expenditure	Billions of yen	194.8	179.2	193.8	169.5	176.7	381.7	657.4	+275.8
Depreciation and amortization / Loss on disposal of property and equipment and intangibles	Billions of yen	161.1	160.7	163.8	178.4	182.0	223.1	281.8	+58.7
R&D expenses	Billions of yen	14.6	15.1	21.8	22.7	19.7	24.9	20.5	-4.4
EBITDA*4	Billions of yen	284.2	308.4	295.7	320.3	394.9	482.2	591.4	+109.2

*1 Income tax expense and others includes income tax expense and profit attributable to non-controlling interests

*2 EBITA = Operating profit + amortization of intangible assets subject to PPA arising from acquisition and others

*3 Overseas net sales refer to net sales to clients outside NTT DATA

*4 EBITDA = operating profit + depreciation and amortization + loss on retirement of fixed assets + goodwill amortization, etc.

Net sales

Net sales increased year on year due to the effect of expanded consolidation of NTT Ltd., growth in all segments, and impact of foreign exchange rates.

Finance costs

Finance costs increased year on year, primarily due to the effect of expanded consolidation of NTT Ltd. and a rise in interest-bearing debt, as well as higher interest expenses resulting from rising interest rates.

Income tax expense

Income tax expense increased year on year due to higher tax expenses at NTT Ltd. and pre-tax profits in Japan.

Profit attributable to shareholders of NTT DATA

Profit decreased significantly year on year due to increased finance costs and income tax expense.

SG&A ratio

SG&A ratio increased year on year due to higher costs associated with the expanded consolidation of NTT Ltd. A year-on-year decrease in SG&A expenses is anticipated in FY2024, primarily attributed to reduced costs of structural transformation.

Loss from unprofitable projects

The Public & Social Infrastructure business undertook a project that resulted in a significant loss of profitability. The service has now been launched and is currently in the operation and maintenance phase. The system issue has been resolved, and the project is moving forward with the planned downsizing of the operational structure.

Capital expenditure

Of the total capital investment in FY2023, investment for Japan was ¥175.9 billion and ¥455.9 billion for overseas. Of the above, the capital investment for data centers amounted to ¥390.5 billion. Total capital investment for FY2024 is expected to be ¥565.0 billion, reflecting a year-on-year decrease due to reduced data center investments.

Financial / Non-Financial Values (Historical Changes)

Consolidated Statement of Cash Flows

Cash flows provided by operating activities in FY2023 amounted to ¥498.8 billion (an increase in cash inflow of ¥148.2 billion compared to the previous fiscal year) due mainly to the recording of profit of ¥145.5 billion and depreciation and amortization of ¥341.5 billion, despite payment of income taxes, etc. Cash flows used in investing activities amounted to ¥624.5 billion (an increase in cash outflow of ¥302.2 billion compared to the previous fiscal year) due

mainly to the recording of purchase of property, plant and equipment, and intangible assets and other expenses. As a result, the free cash flow was a negative ¥125.7 billion (a positive ¥28.3 billion in the previous fiscal year). Cash flows provided by financing activities amounted to ¥109.2 billion (a decrease in cash inflow of ¥26.5 billion compared to the previous fiscal year) due mainly to interest-bearing debt financing, despite dividend payments, etc.

C/F	Units	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	YoY
Free cash flow	Billions of yen	30.7	55.1	22.8	178.6	113.9	28.3	-125.7	-154.0
Cash flows from operating activities	Billions of yen	234.7	242.0	280.0	352.5	310.4	350.6	498.8	+148.2
Cash flows from investing activities	Billions of yen	-204.0	-186.9	-257.2	-173.9	-196.5	-322.3	-624.5	-302.2
Cash flows from financing activities	Billions of yen	-90.9	5.5	-66.1	-101.6	-166.5	135.7	109.2	-26.5
Cash and cash equivalents at end of period	Billions of yen	190.1	251.3	205.4	287.1	246.9	415.4	431.8	+16.4

Other Financial Indicators

Financial indicators	Units	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	YoY
Equity ratio	%	36.4	37.4	35.0	37.0	41.2	23.6	23.8	+0.2p
Debt-to-equity (D/E) ratio	Times	0.7	0.7	0.6	0.5	0.4	1.2	1.3	+0.1
ROIC*1*2	%	5.9	6.8	5.8	5.9	8.4	6.0	4.7	-1.3p
ROA*3	%	3.7	3.9	2.9	2.8	4.8	3.2	2.0	-1.2p
ROE*4	%	10.3	10.7	8.1	7.6	12.2	11.0	8.4	-2.6p
Net income per share	Yen	58.8	66.8	53.6	54.8	102.0	107.0	95.5	-11.5
Net assets per share	Yen	589.1	660.0	670.0	765.0	906.2	1,035.9	1,226.2	+190.3
Net dividend per share*5	Yen	15	17	18	18	21	22	23	+1
Dividend payout ratio (Annual)	%	25.5	25.5	33.6	32.9	20.6	20.6	24.1	+3.5p
Dividend payout ratio (5-year weighted average)	%	35.7	30.4	29.1	29.6	26.5	25.0	24.7	-0.3p
Total shareholder return (TSR) (Holding period of 5 years)	%	—	100.0	86.7	143.2	202.7	148.3	207.2	—
New orders received	Billions of yen	1,950.0	2,076.1	2,275.2	2,223.3	2,400.8	2,725.6	4,790.9	+2,065.4
Order backlog	Billions of yen	2,369.2	2,457.1	2,636.3	2,735.1	2,860.6	4,653.9	5,859.6	+1,205.7

*1 ROIC = (operating profit x (1 – effective tax rate)) / (average net assets during the period + average interest-bearing debt during the period)
*2 Interest-bearing debt is the total of borrowings and bonds
*3 ROA = profit attributable to shareholders of NTT DATA / average total assets during the period
*4 ROE = profit attributable to shareholders of NTT DATA / average equity during the period
*5 Amounts recorded take into consideration stock splits conducted in 2013 and 2017
*6 Clients with annual sales of ¥5 billion or more (Japan) or US\$50 million or more (outside of Japan)

*7 Number of employees at the overseas Group companies
*8 NTT DATA Group Corporation, NTT DATA Japan Corporation, and NTT DATA, Inc. for FY2023; former NTT DATA (non-consolidated) for FY2022 and earlier
*9 NTT DATA/FY2023: 602 companies
Total for all Group companies excluding NTT Ltd. (158 companies in FY2022)
*Reduction in emissions via the adoption of renewable energy
Former NTT DATA (non-consolidated) and Group companies (Japan, some overseas / FY2021: 91 companies)
*10 Increased due to the expanded scope of aggregation as a result of the business combination with NTT Ltd.

Non-financial indicators	Units	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	YoY
Client base*6	Companies	65	70	74	77	82	98	106	+8
Number of countries and regions	Countries / Regions	53	53	53	55	52	More than 50 countries and regions	More than 50 countries and regions	—
Number of cities	Cities	213	223	225	208	203	—	—	—
Number of employees	Employees	118,006	123,884	133,196	139,677	151,991	195,106	193,513	-1,593
Number of overseas employees*7	Employees	81,362	86,154	94,424	99,491	111,006	152,993	149,204	-3,789
Working hours*8	Hours	1,901	1,890	1,876	1,984	1,982	1,996	1,988	-8
Percentage of employees who return to work after childcare leave*8	%	97.3	100.0	98.8	97.2	99.2	98.4	99.7	+1.3p
Purchased power*9*10	10,000 kWh	48,063	47,678	46,726	46,084	33,592	37,223	143,396	+106,173
Water consumption*11*12	10,000 m ³	58	62	49	45	45	45	1.37	-43.63
Paper usage*13	t	765	689	581	349	304	245	229	-16
Greenhouse gas emissions*14	10 kt-CO ₂ e	13.1	12.9	11.9	15.0	12.7	9.8	34.7	+24.9
Number of new graduate hires*8	Employees	385	418	435	477	511	548	674	+126
Number of mid-career hires*8	Employees	26	96	199	325	314	507	565	+58
Number of female managers*15	%	424	4,434	4,919	5,087	5,341	7,685	7,487	-198
Ratio of female new graduates hired*8	%	36.4	36.4	36.1	34.6	33.5	35.2	40.2	+5.0p
Ratio of employees with disabilities*16	%	2.32	2.51	2.49	2.41	2.37	2.34	2.32	-0.02p

*11 NTT DATA Group Corporation, NTT DATA Japan Corporation, and Group companies in Japan / FY2022: 70 companies, FY2023: 68 companies
Former NTT DATA (non-consolidated) and Group companies (in Japan only) / FY2021: 75 companies
*12 Figures have been verified by third-party organizations. The scope of third-party verification covers Group companies in Japan.
*13 NTT DATA Group Corporation, NTT DATA Japan Corporation, and Group companies in Japan / FY2022: 70 companies, FY2023: 68 companies
Former NTT DATA (non-consolidated) and Group companies (in Japan only) / FY2021: 75 companies
*14 Refer to *9 on page 99 for notes on greenhouse gas emissions
*15 Former NTT DATA (non-consolidated) and Group companies in Japan for FY2017/NTT DATA for FY2018 and later
*16 Former NTT DATA (non-consolidated), specially classified subsidiary NTT DATA DAICHI Corporation (consolidated) (as of June 1 of each fiscal year)

Net Sales and Operating Profit by Segment

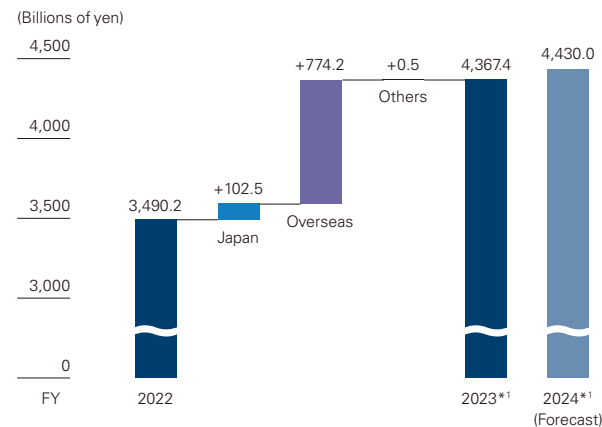
In FY2023, net sales in the Public & Social Infrastructure business increased, primarily due to the expansion in the scale of services for the central government and ministries and for telecom and utility industries. Net sales in the Financial business increased largely as a result of the expanded scale of services to financial institutions. Net sales in the Enterprise business were up following growth centered on consulting and payment services sales. Despite a decline in sales attributable to a thorough examination of projects in North America focusing on profit margins, net sales in the Overseas Segment rose due to the effect of expanded consolidation of NTT Ltd., growth in Europe, and impact of foreign exchange rates.

Operating profit in the Public & Social Infrastructure business increased, primarily due to the reduced provisions for unprofitable projects and expanded scale of projects for central government and ministries and services for telecom and utility industries. Operating profit in the Financial and Enterprise businesses remained relatively unchanged, centered on maintaining a certain level of profitability through

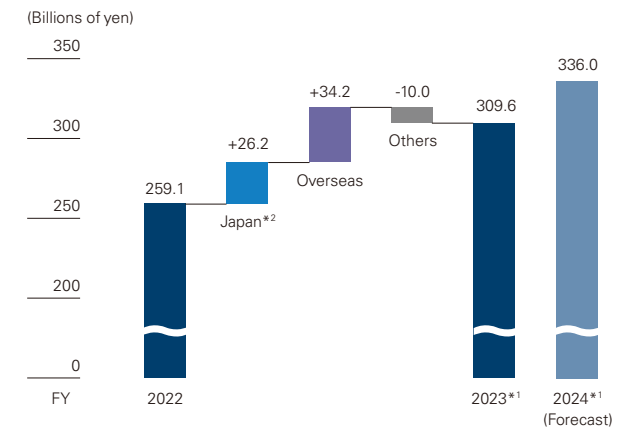
sales price optimization and service expansion, despite the impact of high-cost projects and the strengthening of offerings. Operating profit rose as the increased costs of overseas business transformation and structural transformation were counteracted by the expanded consolidation of NTT

Ltd., increased sales and other related factors. Operating profit in other businesses registered a decrease centered mainly on increased company-wide strategic investments, higher R&D expenses, and the strengthening of corporate staff functions to align with the three-company structure.

Net Sales



Operating Profit



(Billions of yen)			
Net sales	FY2023	YoY	FY2024 forecast
Japan	1,757.0	+102.5	1,840.0
Public & Social Infrastructure	692.3	+56.3	758.0
Financial	696.2	+34.0	727.0
Enterprise* ³	535.2	+30.0	578.0
Overseas	2,654.5	+774.2	2,650.0
North America	688.3	—	667.0
EMEAL	988.7	—	998.0
APAC	376.2	—	414.0
Global Technology and Global Services	726.0	—	746.0
Total	4,367.4	+877.2	4,430.0

(Billions of yen)			
Operating profit	FY2023	YoY	FY2024 forecast
Japan	186.7	+16.8	193.0
Public & Social Infrastructure	89.3	+20.7	94.0
Financial	71.4	+2.6	81.0
Enterprise	54.4	+2.9	62.0
Total of the three segments in Japan* ⁴	215.1	+26.2	237.0
Overseas	115.8	+34.2	129.0
Total	309.6	+50.4	336.0

(Billions of yen)			
EBITA* ⁵ * ⁶	FY2023	YoY	FY2024 forecast
Overseas	166.5	+54.9	178.0
North America	37.1	—	40.0
EMEAL	41.6	—	71.0
APAC	35.6	—	40.0
Global Technology and Global Services	85.5	—	84.0

*1 Foreign exchange rate: ¥144.65 per USD and ¥156.82 per EUR (actual rates for FY2023); ¥138 per USD and ¥150 per EUR (actual rates for FY2024)

*2 Combined results from the Public, Financial, and Enterprise businesses for operations in Japan are presented, consistent with the previous year

*3 Due to the corporate organizational restructuring in April 2023, the figures for the comparative fiscal year of FY2022 are also adjusted to reflect the figures after the restructuring

*4 Total for the Public & Social Infrastructure, Financial, and Enterprise businesses

*5 EBITA = Operating profit + amortization of intangible assets subject to PPA arising from acquisition and others

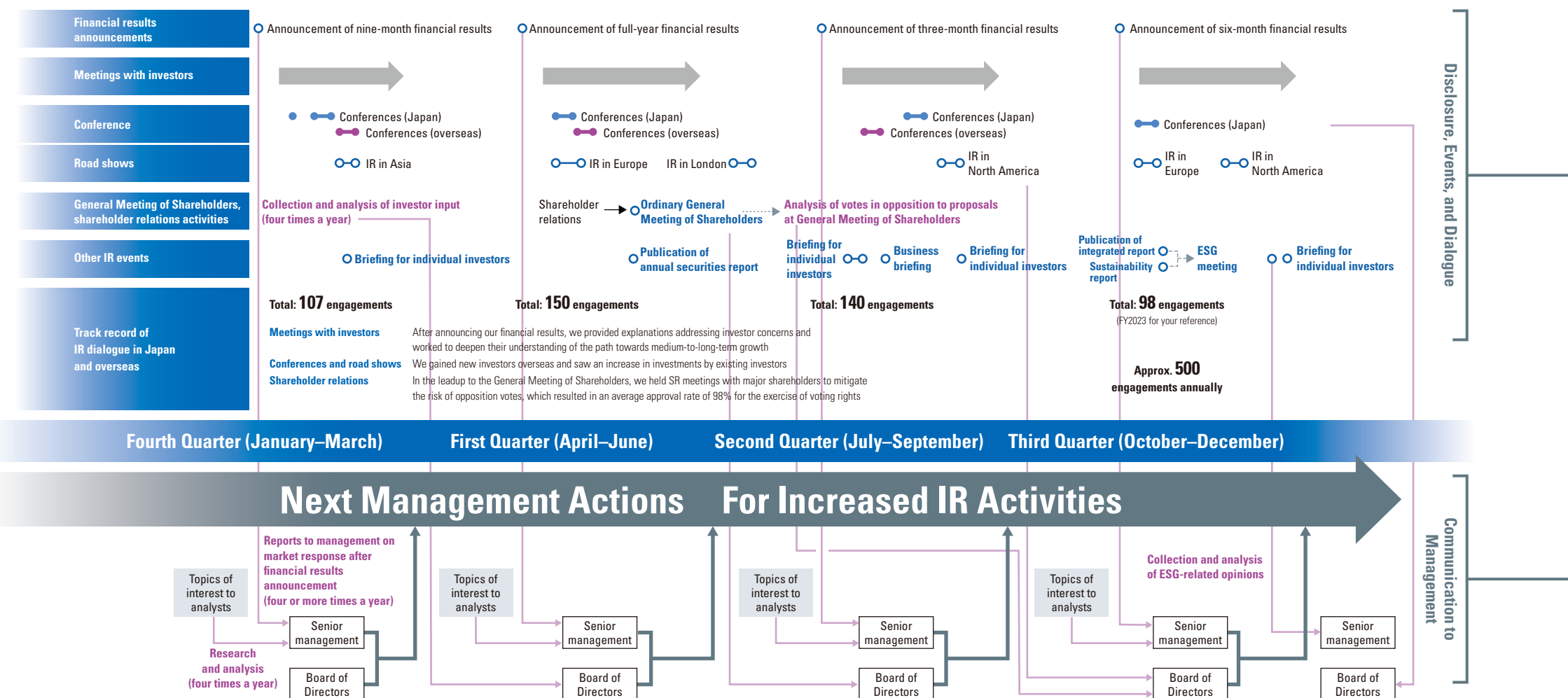
*6 The business transformation costs forecast for FY2024 are included in the overall EBITA forecast for the Overseas Segment but excluded from the EBITA forecast for each unit

Investor Relations Activities

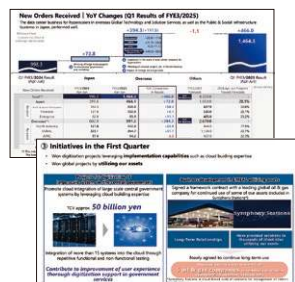
We regularly communicate the input gained from investors via events and other engagement opportunities to the Board of Directors and members of senior management, and this input is discussed to guide management action and the enhancement of investor relations (IR) activities.

Through an ongoing cycle of engagement and feedback, we aim to bolster communication with investors and thereby drive continuous improvements in corporate value.

In fiscal 2023, we stepped up our overseas roadshows in response to brisk demand related to Japanese equity investment. We also enhanced face-to-face communication with individual investors by participating in a *Nikkei*-hosted exhibition for the first time and by holding in-person briefing sessions in regional areas, thereby newly undertaking broader outreach efforts.



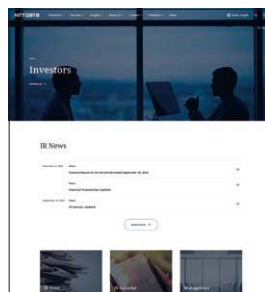
Enhancement of Disclosure Materials, Website, and Investor Briefing Sessions



Financial results briefing materials



Integrated reports



Corporate website



Briefings for individual investors

The individual investor briefings attracted over 10,000 attendees, with nearly 400 participants over the course of the two-day event

Notice of convocation, financial results summary, business report, annual securities report, quarterly report, corporate governance report, integrated report, summary of Q&As from the results briefing session, financial data, materials used for small meeting, etc.



IR information

<https://www.nttdata.com/global/en/investors/>

List of Speakers

Event	Speaker (positions as of the time of the event)	
Financial results announcements	• President and CEO, Representative Director	Investor Relations Office
	• Senior Executive Vice President and Representative Director (CFO)	
	• Senior Vice President and Director (Head of Corporate Headquarters)	
	• Senior Vice President (Head of Finance Department, Corporate Headquarters)	
Meetings with investors	• Senior Executive Vice President and Representative Director (CFO)	Investor Relations Office
	• Senior Vice President (Head of Finance Department, Corporate Headquarters)	
Conferences and road shows	• President and CEO, Representative Director	Investor Relations Office
	• Senior Executive Vice President and Representative Director (CFO)	
	• Senior Vice President and Director (Head of Corporate Headquarters)	
	• Senior Vice President (Head of Finance Department, Corporate Headquarters)	
Shareholder relations	• Senior Executive Vice President and Representative Director (CFO)	Investor Relations Office
	• Senior Vice President and Director (Head of Corporate Headquarters)	
ESG meeting	• Sustainability Innovation Department / HR Headquarters	Investor Relations Office
Business briefing	• Those responsible for each business unit	

Input from Investors and Topics of Interest to Analysts

Input from investors (following the investor meetings and conference after the announcement of FY23 Q4 results)

28%	Data Centers (DC)	- Why is it that NTT DATA holds DC assets and shoulders the financial costs, instead of NTT? What is the competitive advantage of doing so? What are the differences in strategies for hyperscalers and enterprises? - What are your investment plans for each region? What measures will be taken to maintain the profitability and soundness of the DC business? - How does the financial impact differ between selling each data center and the utilization of a REIT? Could you provide some specific details about scale and region?
23%	Overseas operations	- I get the impression that the effects of structural transformation are appearing and that the profit margin is improving. I have high expectations that the EBITA margin of 10% will be achieved. - What were the reasons for the increase in business transformation costs? When, and to what degree, do you think the synergies from the business combination will materialize? - Are you also keeping a close eye on the order environment in FY24? Do you see the profit margin improving?
16%	Domestic operations	- Is the order environment still firm? Although your operating profit margin is lower compared to industry peers, do you think you can achieve 12% in FY25? - What is the reason behind the YoY decline in the profit margin in FY24? When will sales from the large projects taken in FY23 be recognized? - Is the consulting business performing well? Is CAFIS traffic increasing because of inbound tourist demand?
15%	Earnings	- Why did tax expenses increase in FY23 Q4? When, and to what extent, will the high tax burden decrease? - What is the likelihood of achieving your FY25 targets? Specifically net sales of ¥4.7 trillion and operating profit margin of 10%. - What level of net profit are you targeting for the final year of the medium-term plan? Will you consider using EPS as a KPI?
4%	Financial	You are targeting net debt/EBITDA ratio of 2.0x, but how do you plan to improve it?
14%	Other	- Have you been able to pass on higher costs from rising labor and material prices to clients? What is your policy in this regard? - Can you tell me about your domestic and international M&A strategies? Are they aimed at addressing the shortage of human resources?

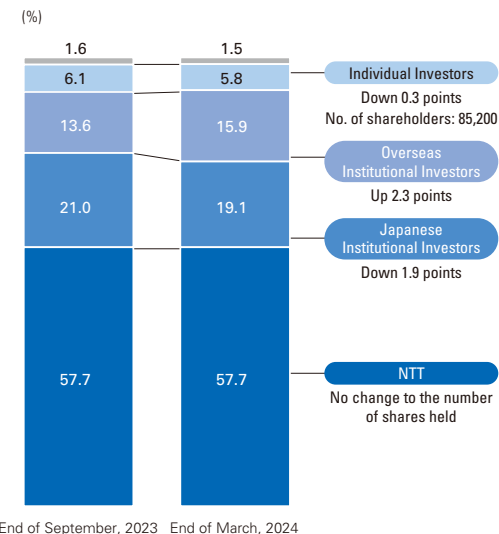
Analysis of Votes at General Meetings of Shareholders

The distribution of votes for each proposal at General Meetings of Shareholders is tracked (excluding those votes by parent company NTT), and those proposals with low rates of affirmative votes are analyzed and reported to the Board of Directors. In addition, timely reports on the voting policies of institutional investors are submitted to senior management.

ESG Meeting Reports

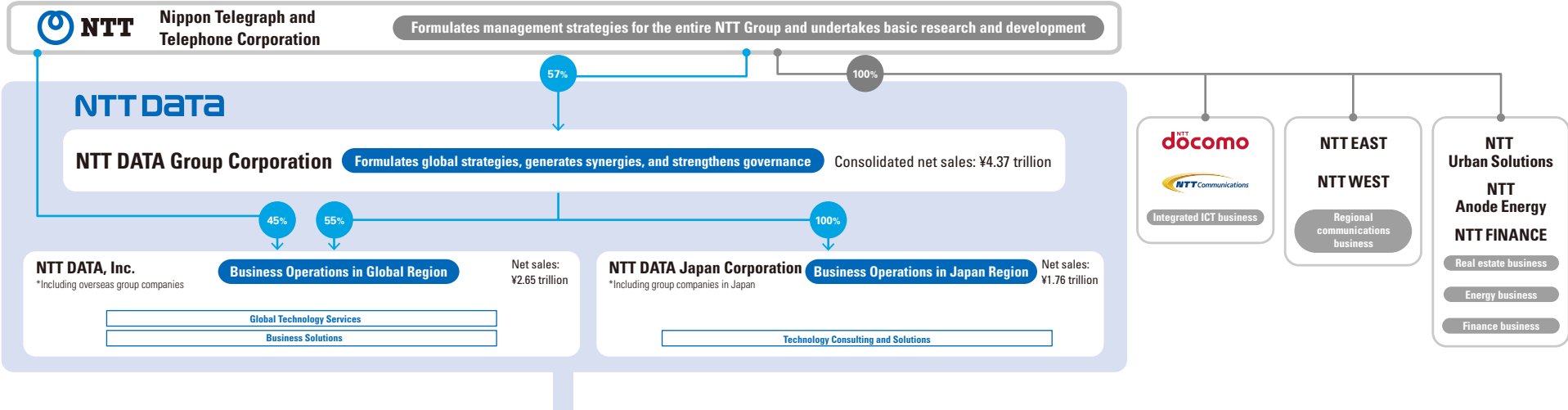
Following the timing of publication of integrated reports, meetings with institutional investors and ESG-related conferences are used as opportunities to receive opinions and feedback regarding sustainability-related disclosure activities. This input is reported to senior management to help enhance the Company's information disclosure activities.

Shareholder Composition



Company Information

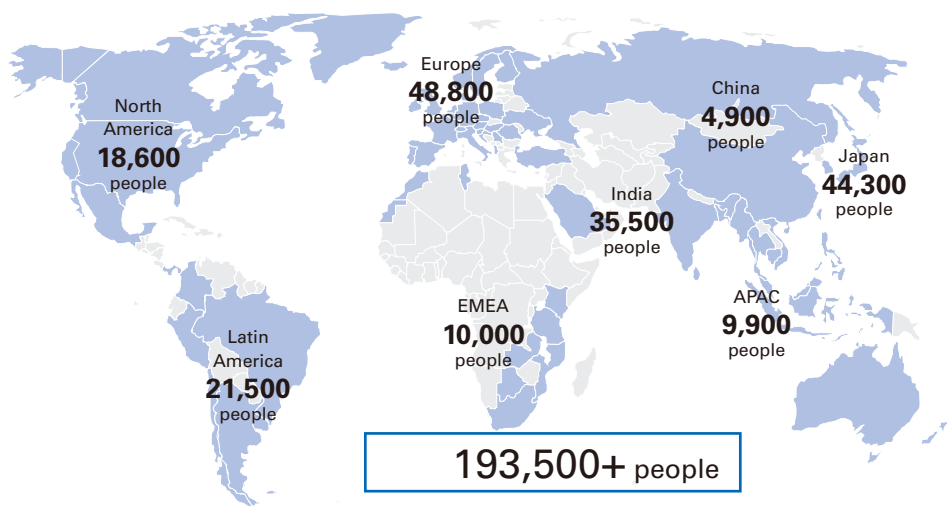
NTT Group Structure and Basic Information and Offices of NTT DATA Group



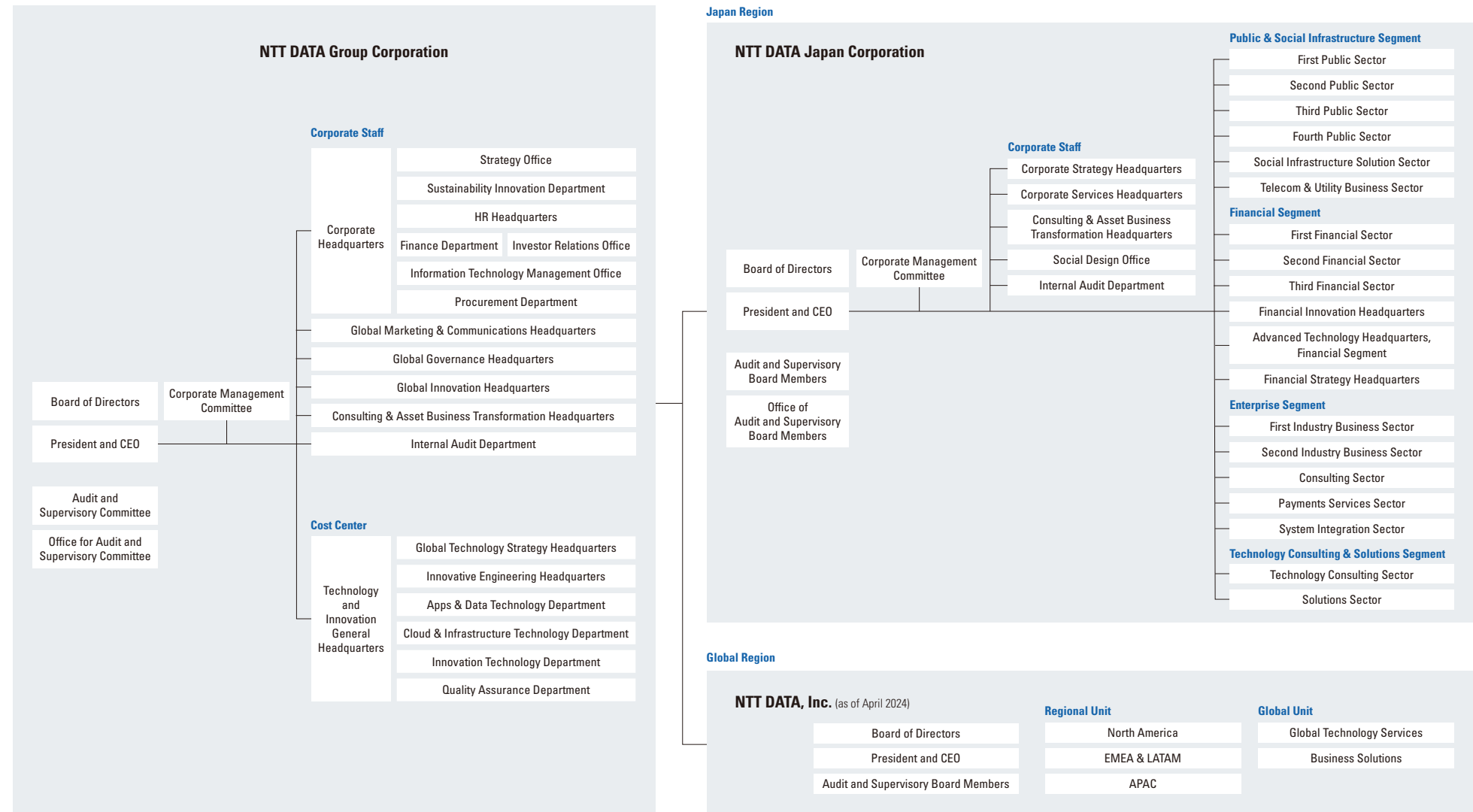
Basic Information

Company Name	NTT DATA Group Corporation
Head Office	Toyosu Center Bldg., 3-3, Toyosu 3-chome, Koto-ku, Tokyo 135-6033, Japan
Date of Establishment	May 23, 1988
Common Stock	¥142,520 million
Number of Employees (As of March 31, 2024)	Consolidated: 193,513 Non-consolidated: 1,702
Fiscal Year	April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	June
Stock Market	Tokyo Stock Exchange Prime Market Stock Code: 9613
Administrator of Register of Shareholders	Sumitomo Mitsui Trust Bank, Limited
Independent Auditors	KPMG AZSA LLC

Offices (As of March 31, 2024)



Organizational Structure (As of July 1, 2024)

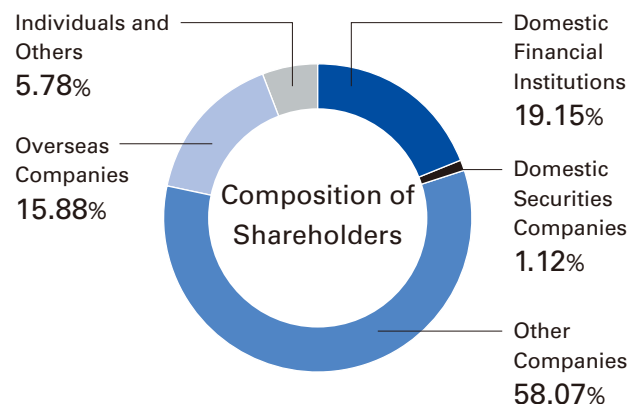


Company Information (As of March 31, 2024)

Number of Shares Issued and Number of Shareholders

Total Number of Shares Authorized to Be Issued by the Company:	5,610,000,000
Total Number of Shares Issued:	1,402,500,000
Number of Share Units:	100 shares
Number of Shareholders:	86,913

Composition of Shareholders (Percentage of Shares Held)



Stock Price Chart of NTT DATA Group (As of September 30, 2024)



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PBR	1.9	2.1	1.8	1.9	1.8	1.6	2.2	2.7	1.7	2
PER	45.6	25	22.5	19.3	18.3	19.4	31.3	23.7	16.2	25.4

*J-GAAP prior to March 2017

Principal Shareholders

Name	Number of Shares Held	Ratio of Shareholding (%)*
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	809,677,800	57.73
The Master Trust Bank of Japan Ltd. (Trust Account)	164,437,700	11.72
Custody Bank of Japan, Ltd. (Trust Account)	88,238,818	6.29
HSBC HONGKONG TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	15,565,812	1.11
NTT DATA Employee Share-Holding Association	14,427,100	1.03
JP MORGAN CHASE BANK 385632	14,352,375	1.02
STATE STREET BANK WEST CLIENT TREATY 505234	12,213,872	0.87
JP MORGAN CHASE BANK 380072	9,267,900	0.66
JP MORGAN CHASE BANK 385781	8,732,301	0.62
SSBTC CLIENT OMNIBUS ACCOUNT	7,292,569	0.52

*Ratio of shareholding is calculated excluding the treasury stock (11,218).

Shareholders' Memo

Fiscal year	April 1–March 31
General Meeting of Shareholders	June
Record date	Ordinary General Meeting of Shareholders (year-end dividend) March 31 Interim dividend September 30
Administrator of register of shareholders and special account management institution	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Administrative location for administrator of register of shareholders	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Stock market listing	Tokyo Stock Exchange Prime Market
Method of public notice	Electronic notice  Corporate website https://www.nttdata.com/global/en/ However, in the event that electronic distribution is impossible, due to an accident or other unavoidable circumstances, the Company's public notices will appear in Nihon Keizai Shimbun published in Japan.
Stock code	9613

Sources (Gartners, etc.)

P5*1

Source: Gartner®, "Market Share: IT Services, Worldwide, 2021, Neha Sethi et al., 8 April 2022 (This research provides a historical snapshot in time.) Vendor Revenue Constant Currency basis.

Five countries had a market share of at least 2% in 2021: Italy, Spain, Chile, Turkey, and Japan.

P5*2, 14, 44

Source: Gartner®, "Market Share: IT Services, Worldwide, 2023, Neha Sethi et al., 12 April 2024, Vendor Revenue Constant Currency basis
Hyperscalers: Amazon, Microsoft

P46, 48, 51

Source: Gartner®, "2024 2Q Industry-based Outlook for Japan's IT Services Market," Rika Narisawa, 19 September 2024

P44

Public and Social Infrastructure Markets = Government, Education, Healthcare, Power and Utilities / Financial Markets = Banking and Investment Services, Insurance /
Enterprise Markets = Transportation, Wholesale Trade, Communication Media and Services, Manufacturing and Natural Resources, Retail, Oil and Gas

P46

Public and Social Infrastructure Markets = Government / Local Government, Medical / Education, Electricity / Gas / Water / Energy Resources

P48

Financial Markets = Finance

P51

Enterprise Markets = Manufacturing / Natural Resources, Retail / Wholesale, Transportation, Communications / Media / Services

Procedures Related to Special Accounts

For procedures related to special accounts (share transfer from special accounts to securities company accounts), please contact Sumitomo Mitsui Trust Bank via the following number (toll free in Japan).

Contact:

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Telephone

0120-782-031

Hours: 9 a.m. to 5 p.m. JST

(excluding weekends and holidays and the period from Dec. 31 to Jan. 3)



URL

<https://www.smtb.jp/personal/procedure/agency/>
(in Japanese only)



Reports and Inquiries Regarding Shares

For changes of address or other reports or inquiries with regard to shareholders with securities company accounts, please contact the securities company with which you have established your account. For changes of address or other reports or inquiries with regard to shares in special accounts, please contact Sumitomo Mitsui Trust Bank via the aforementioned toll-free number.

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