

## Corporate Governance Report

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### NTT DATA Corporation

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The corporate governance of NTT DATA is described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### 1. Basic Views

The NTT DATA Group aims to establish a business structure that produces stable profits through continuous growth by carrying out the mission to create new systems and values with information technology for a more affluent and harmonious society, and also by forecasting future trends to swiftly and accurately respond to the changing market environment, client needs and the cutting-edge technology trend.

Under this management philosophy, the NTT DATA Group has set the Medium-Term Management Plan from FY2019 to FY2021 to aim for “profitable global growth with consistent belief and courage to change.”

With the “consistent belief,” under the basic concept of “shape the future society with our clients,” we will promote ESG management with the aim of improving corporate value sustainably by contributing to a society through co-creation with clients as well as to efforts to realize a society where everyone is motivated to work through our corporate activities including the work style innovations based on the “Long-Term Relationships” with clients, the source of the group’s competitive advantage.

In addition, with “courage to change,” we will implement three strategies: “Expand global digital offerings,” “Deliver greater value to clients based on regional needs,” and “Unleash our employee’s potential that maximize organizational strengths.” Also, we will maximize value for our clients by further accelerating digital transformation and enhancing our global synergy.

The NTT DATA Group will play an active role in overcoming the various issues that face society through the appropriate provision of various information services by the Group’s officers and employees based on common sense, as well as in complying with laws and contracts at home and abroad and in respecting international standards including those of human rights.

Under these concepts, NTT DATA is working on the following basic policies in accordance with the purpose of each principle of the Corporate Governance Code to ensure that corporate governance will effectively function: (1) to ensure transparency and soundness in business management; (2) to achieve appropriate and swift decision making and business execution; and (3) to implement compliance thoroughly. The purpose of working on such basic policies is to meet the various expectations of stakeholders, including shareholders, investors, clients, business partners and employees, and to maximize enterprise value.

NTT DATA transitioned to a company with an Audit and Supervisory Committee upon approval of the required amendments to the Articles of Incorporation at the 32nd Ordinary General Meeting of Shareholders on June 17, 2020. This is to further strengthen the supervisory function of the Board of Directors and the corporate governance structure to enhance the soundness and efficiency of management.

#### (1) Ensuring transparency and soundness in business management

NTT DATA strives to disclose information in a just, fair and timely manner in accordance with the “Disclosure Policy,” based on the “Disclosure Guidelines.” Such disclosure is important in that it enables the market to appraise NTT DATA appropriately. For this reason, NTT DATA holds a meeting for explanation of financial results when financial results are announced quarterly, and often holds other meetings for domestic and international investors and analysts, in order to ensure transparency in business management. To reinforce the function of supervising and auditing the fairness in business execution, NTT DATA has assigned outside directors and directors who are members of the audit and supervisory committee to ensure soundness in its business management through supervision by the Board of Directors and audit/supervision by the audit and supervisory committee. NTT DATA also pays attention to maximize the profit of its shareholders when transacting business with NTT, Inc., the direct parent company, and NIPPON TELEGRAPH AND TELEPHONE CORPORATION, the ultimate parent company, and the companies of the NTT Group.

#### (2) Achievement of appropriate and swift decision making and business execution

Decision making at NTT DATA is carried out under the supervision of the Board of Directors in accordance with “Authority Rules,” which stipulate the responsibility and authority of the President and CEO, Senior Executive Vice Presidents, officers responsible for regions and segments and heads of each department. For smooth and swift decision making and supervision in its business operations, NTT DATA has established the “Corporate Management Committee,” which is made up of the President and CEO, Senior Executive Vice Presidents, officers responsible for regions and segments, Executive Vice Presidents, and other heads of important section or group, and has prior discussions at such “Corporate Management Committee” for effective deliberations about the items to be resolved at the Board of Directors including outside directors. NTT DATA has transitioned to a company with audit and supervisory committee so that all or part of important decision makings could be delegated to directors through resolution by the Board of Directors according to the Articles of Incorporation. In addition, NTT DATA pursues appropriate and swift decision making and business execution by placing Senior Vice Presidents in charge of business execution, assigning most of the authority relating to business execution to such Senior Vice President from directors, with each Section or Group executing business operations independently and responsibly in accordance with the “Organizational Regulations.”

#### (3) Thorough implementation of compliance

NTT DATA is determined to operate its business in accordance with high ethical standards as well as compliance by setting up “Global

Compliance Policy,” targeted at all officers and employees of the NTT DATA Group, in order to clarify its basic policy and specific behavior guidelines relating to corporate ethics. To make such business operation effective, NTT DATA considers it necessary to implement a continuous educational campaign to promote the awareness of such ethics and compliance. Therefore, it has been holding training sessions on compliance targeted at officers and employees and conducting attitude surveys. Aiming for more openness in its corporate culture, NTT DATA has placed “the Whistle Line,” which is a cross-sectional internal reporting system in the Group, receiving any declaration from employees and others, whether anonymous or named. Moreover, NTT DATA ensures that reporters to the Line will not be unfavorably treated because of their reporting.

## [Reasons for Non-compliance with the Principles of the Corporate Governance Code] [Update](#)

[Supplementary Principle 4-10-1](Having independent directors involved appropriately and receiving their advice by setting up independent nomination and remuneration committees)

NTT DATA has not set up nomination and remuneration committees. However, the Company holds briefings with both independent outside directors and directors that serve as the Audit and Supervisory Committee members to obtain appropriate advice on the remunerations for members of management, appointment of candidates for directors, diversity\* of the Board of Directors including the balanced allocation of expertise and internationality among the directors, and agendas for the General Meeting of Shareholders, etc., including the appointment of executive directors as successor candidates, ahead of resolution at the Board of Directors. The Company believes that these will sufficiently ensure the independence, objectivity, and accountability of the Board of Directors.

\*Diversity includes elements such as gender, age, career, race, ethnicity, and cultural background.

## [Disclosure Based on the Principles of the Corporate Governance Code] [Update](#)

[Principle 1-4] (Cross-Shareholdings)

(A) Policy relating to cross-shareholdings

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

(B) Assessment of cross-shareholdings

NTT DATA assesses the meaningfulness of cross-shareholding for each share every year, in a comprehensive manner, from the viewpoint of whether benefits and risks from holding the shares are commensurate with capital costs and in line with the purposes of holding: to maintain the medium-to long-term relationship, to expand trading volume, to create synergy with clients and business partners and so forth and reports to the Board of Directors, then decides whether to hold or sell such shares. In FY2020, as a result of this assessment, we have confirmed the adequacy of holding all the listed shares held. If it proves to be inadequate to hold a share due to changes in situations, NTT DATA will take measures including reduction of the number of shares.

(C) Standards for ensuring the exercise of its proper voting right in relation to cross-shareholdings

With regard to standards for ensuring the exercise of its proper voting right in relation to cross-shareholdings, NTT DATA judges in a comprehensive manner whether the exercise of its voting right in relation to cross-shareholdings will lead to continuous growth and improvement in the medium- to long-term enterprise value of an issuing company. For example, NTT DATA will vote against a proposal if it has a negative impact on the financial soundness of the issuing company or the company’s illegal action is discovered. NTT DATA considers that such comprehensive judgment will enhance its own enterprise value and medium- to long-term profit for its shareholders and investors.

[Principle 1-7] (Related Party Transactions)

With respect to transactions involving a conflict of interest stipulated in Companies Act, including direct transactions between NTT DATA and its own individual officers and transactions between NTT DATA and other organizations or companies represented by directors of NTT DATA, it stipulates that prior approval is necessary in accordance with its “Regulations of the Board of Directors.” Such approval from the Board of Directors is first examined by the Legal Department and then looked into in terms of appropriateness and economic practicality, including whether the said transaction is in the same condition as general trade terms. After obtaining such approval, the status of the said transaction is regularly reported to the Board of Directors.

Transactions between NTT DATA and the parent companies undergo prior examination and are then approved by the Legal Department in accordance with the “Authority Rules,” based on opinions of third-party specialists, if necessary, while the practicality and appropriateness of the transactions are being investigated.

Also refer to “I .4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder” in this report.

[Supplementary Principle 2-4-1] (Ensuring diversity in the appointment of core human resources, etc. )

(1) View on ensuring diversity

NTT DATA recognizes that diversity and inclusion are one of the most important management strategies for success in global competition. Believing that ensuring more diverse perspectives and abilities within the group is important, we have the diversity-focused guidelines for the selection of candidates for directors (refer to II-2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System). (3) Appointment, Dismissal, and Nomination) and make efforts to conduct equal and fair recruitment and employment activities while respecting diversity. We will continue to promote the recruitment of new graduates and people with previous work experience, employment of people with disabilities, reemployment of retired employees and other activities so that employees with diverse values can work together regardless of gender, nationality, age and academic background and create distinctive value of NTT DATA that can respond to the changes of the times.

(2) Initiatives to ensure diversity

We established the Diversity Promotion Office headed by the officer in charge of personnel affairs in 2008 and have focused on the two key issues: “promoting active participation of diverse human resources” and “workstyle innovations.” Since 2012, we have been putting efforts into “promoting active participation by women” and “optimizing overall work hours through workstyle innovations” to create an environment where various human resources including women can fully demonstrate their skills and continue to play an active part. Moreover, NTT DATA has made continuous and company-wide efforts on raising awareness of the employees (including managers) through constant messages from executives, support for career development and work style innovations.

◆ Advancing women’s careers

We hold external training sessions for female leader candidates, career development seminars for employees on childcare leave and those who have not taken such leave yet and seminars to provide case studies about balancing work and child-rearing. For that and other reasons, the female employment rate has been over 30% since 2016 and the percentage of female employees who return from childcare leave has been nearly 100%. As these figures show, our efforts have borne fruit, including the improvement of various ratios related to women and the increase in the number of female employees in managerial positions. We also find promoting diversity among Senior Vice Presidents involved in corporate management important; therefore, we increase the number of Woman Senior Vice Presidents every year. In FY2021, we had four women among the Senior Vice Presidents. Such efforts of ours have been recognized, and we have been selected by the Nadeshiko Brand for second consecutive year (in 2020 and 2021), Platinum Kurumin Certification (2019) and Eruboshi Level 3 (2017). More and more women have been advancing in the workplace. Furthermore, we actively encourage male employees to take childcare leave as part of the initiatives to advance women in the workplace and employees’ workstyle innovation.

• Goals

Following the enactment of the Act on the Promotion of Women’s Participation and Advancement in the Workplace in 2016, NTT DATA formulated a general business action plan for the period from April 2016 to March 2021 and implemented various measures based on the action plan. As a result, we have achieved targets for all categories. We have compiled a new five-year plan starting from FY2021 to further promote women’s advancement in the workplace.

[General business action plan based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace (compiled in 2021)]

Plan period: From April 1, 2021 to March 31, 2026 (five years)

Goal 1 Continuously aim to achieve a female employment rate of over 30% by the end of FY2025

(Hiring rate of new female graduates in April 2021: 33.5 %)

Goal 2 Increase the percentage of female managers to 10% by the end of FY2025 (7.2% as of the end of March 2021)

Goal 3 Aim to have at least 15 female executives (officers, heads of organizations, etc.) by the end of FY2025 (11 as of July 2021)

Goal 4 Increase the percentage of male childcare leaves to 30% by the end of FY2025 (18.8% as of the end of March 2021)

NTT DATA hires people who have worked for other companies and organizations based on a strategy taking into account business conditions and other factors and hired 325 such mid-career employees in FY2020. We do not separate employees by whether they were hired as new graduates or as mid-career employees. We aim to raise the percentage of mid-career employees in managerial positions to the same level as that of mid-career employees to all employees, which is achieved at the moment. From here on, we will set numerical targets to create a workplace where diverse human resources can unleash their potential while giving consideration to changes in business conditions and capabilities of our human resources, so as to improve working conditions. Meanwhile, the same policy applies to employees with foreign nationalities.

(3) Policy for human resource development and policy for in-house environment improvement

We believe human resources are the source of NTT DATA’s competitiveness and one of the most important management assets. For that reason, the Medium-Term Management Plan positions “Unleash our employees’ potential that maximize organizational strengths” as one of our growth strategies. To fully unleash our employees’ expertise, we work on the following initiatives.

- We focus on enhancing digital capabilities of all employees and provide on and off the job training opportunities to develop “Digital Core Talent” leading research and development on cutting-edge digital technologies, “Digital Talent” designing and developing services utilizing digital technologies and “Digital Utilization Talent” utilizing digital technologies to create new value in business. Specifically, we have been developing human resources leading the digital business through the Digital Acceleration Program that involves assignments to actual projects in the advanced technology field and Digital Core Talent through CoE activities to accumulate knowledge on advanced technologies all over the world, with numerical targets set for each category. Moreover, we have digitalized the learning environment and prepared a platform where lectures are available online on demand, including via mobile devices. We will gradually prepare contents to cater to employees’ needs for recurrent education and make use of them for human resource development.
- The labor mobility of IT talent is increasing and there is a growing interest in Japan not only in traditional membership-type employment but also in job-type employment. More and more workers prefer ways of working that allow them to demonstrate their skills regardless of time and place, and NTT DATA believes that introducing a system that matches people and jobs will help employees further demonstrate their diverse skills. For that, we created the Advanced Professional (ADP) system in December 2018 that allows us to hire outside professionals with excellent knowledge and expertise who are ready to hit the ground running and lead latest businesses. Furthermore, we created the Technical Grade (TG) system in October 2019 to help employees achieve specialist career paths, aiming to unleash the expertise of employees with diverse skills by supporting the growth of each individual employee based on their respective careers.
- With an eye on the post-COVID era, we have promoted remote working (flexible workstyles not tied to particular places) so that employees will be healthy both mentally and physically and more productive. To this end, we promote measures such as: reviewing the wage and duty system and creating new ones; realizing online industrial health activities including consultations; and promoting the health management including healthcare measures for employees using pulse surveys\* and other tools.  
\* A pulse survey is to regularly conduct simple interviews and used as a tool to measure the impact of stress on employees and facilitate communication between superiors and subordinates.
- On top of the above measures, we hold diversity management training sessions for employees in managerial positions and seminars to

encourage male employees to take childcare leave, with an aim to foster understanding and behavioral changes regarding diversity and inclusion. Also, we established NTT DATA DAICHI Corporation, a special subsidiary, in 2008 to help employees with disabilities to fully demonstrate their skills and opened an in-house daycare center Egg Garden in 2011. As for LGBTQ and other sexual minorities, we promote various efforts such as extending all systems for spouses and families of employees to include same-sex partners.

[Principle 2-6] (Roles of Corporate Pension Funds as Asset Owners)

Based on the fact that management of corporate pension funds affects the stability of employee assets, and also has an effect on the company's financial condition, NTT Group is working to allocate and develop personnel with the necessary experience and qualifications to be able to conduct monitoring and other appropriate activities with respect to the organization in charge of the corporate pension.

[Principle 3-1] (Full Disclosure)

(1) The goal, management strategy and plan of NTT DATA

Refer to "I.1. Basic views" in this report.

NTT DATA has also set its philosophy and vision in its Group management as "Our Way." Refer to NTT DATA's website for details. (<https://www.nttdata.com/global/en/about-us/our-way>)

(2) Basic attitude and policy toward corporate governance

Refer to "I.1. Basic views" in this report

(3) Policy and procedures for determining directors' remuneration

Refer to "II.1. Director Remuneration" in this report.

(4) Policy and procedures for appointment/nomination candidates for directors, and dismissal of the senior management

Refer to "II.2 (3) Appointment, Dismissal, and Nomination" in this report.

(5) Explanation for appointment, dismissal, and nomination of individual candidates for directors

Refer to the [Attached chart] "Explanation for the appointment/nomination of individual directors" to this report and the reference documents for shareholders' meetings. Refer to NTT DATA's website for details.

(<https://www.nttdata.com/global/en/investors/stock-information?tab=Shareholders'-Meeting>)

[Supplementary Principle 3-1-3] (Sustainability initiatives)

As for NTT DATA Group's sustainability initiatives, the Business Strategy Office in charge of management strategies, organizations executing relevant business operations, ESG Promotion Department's sustainability team and others discuss, design, formulate and implement policies, targets and initiatives under the leadership of Senior Executive Vice Presidents and executive directors.

NTT DATA's business itself uses the power of IT to resolve issues faced by customers and society, as reflected in its Mission Statement: "NTT DATA uses information technology to create new paradigms and values, which helps contribute to a more affluent and harmonious society." As technology dramatically advances and the pace of digital transformation picks up, we feel society's growing expectations for us to fulfill this duty.

With this in mind, the current Medium-Term Management Plan (from FY2019 to FY2021) that was discussed and formulated by the Board of Directors defines "NTT DATA's ESG management," a basic policy for our sustainability initiatives, which was incorporated into our management strategy. The Board of Directors will monitor updates on the progress of our sustainability initiatives while the "Advisory Board," comprising corporate managers, academic experts and others who are expected to provide the Company with knowledge and expertise of outside experts, discusses measures to promote ESG management.

With the "consistent belief," under the basic concept of "shape the future society with our clients," we will provide solutions for the sustainable development of our clients and society. At the same time, we will help solve social issues and enhance corporate value by pursuing business activities that emphasize human resource development, workstyle innovations and respect for diversity.

(1) Human assets

Human resources are the source of NTT DATA's competitiveness and one of the most important management resources. As our Group Vision states, we aim to "enhance our creativity by respecting diversity" from a longer-term perspective.

For that background, our Medium-Term Management Plan for FY2019-FY2021 positions, "Unleash our employee's potential that maximize organizational strengths" as one of our growth strategies. To fully unleash our employees' expertise, we strengthen our global response capabilities and reform workstyles by enhancing our digital response capabilities, designing systems that cater to the needs of diverse human resources and improving employee engagement.

(2) Intellectual property

As for intellectual property, we think that intellectual property includes not only intellectual property rights such as patents, trademarks and copyrights but also other various assets that help us execute business and secure competitive edge, such as technology, know-how and brand. We accumulate, share and utilize these intellectual properties on a global scale. Also, investment in such intellectual properties and activities to use them are aimed not only at economically developing NTT DATA Group, but also at solving environmental and social issues through social digitalization and maximizing the wellbeing of all people.

Concrete initiatives are described below.

- Expand global digital offerings: We define focus areas in industries and technologies as one global company, make strategic investment and create intellectual property that will be our strength. We accelerate global collaboration that is integrated with marketing/technology application support.

- Realize "Society DX": Through strategic investment in advanced technologies like the "Digital Twin Computing" in the Innovative Optical and Wireless Network (IOWN) concept and co-creation with our partner companies and customers, NTT DATA will realize the digital transformation of the entire society (Society DX) by linking data beyond the boundaries of industries and business types and integrating services, aiming to solve environmental and social issues and maximize the wellbeing of various people.

- Promote Green Innovation: Through the utilization of digital technologies and co-creation with clients, we work to contribute to achieving carbon neutrality for both NTT DATA and the whole society and strengthening responses to climate change. In September 2021, NTT DATA

joined the Green Software Foundation. By providing information based on to the reality of system development and operation and joining debates, we help formulate development criteria necessary for the reduction of CO2 emissions by software (green software development) and draw up development tools and best practices. Through these activities, we contribute to establishing assets that could serve as global standards and rolling them out.

(3) Impacts of climate risks and revenue opportunities on NTT DATA's business activities, revenue, etc.

Today, global environmental issues range from climate change, biodiversity to conservation of water resources, so handling these issues requires sustainability from a broad perspective. We believe that NTT DATA Group should be responsible for the impacts of our corporate activities and businesses on the environment, while we are also aware of the importance of understanding the impacts of these environmental issues on our group's management and various systems that we provide to support social infrastructure and taking appropriate measures.

We will promote the "greening of our group" to take the environment into consideration in all aspects of our corporate activities. We will also keep working on progressive projects to encourage the "greening of customers and society" through products and services to help solve various environmental issues and continuously enhance our corporate value.

In March 2021, our group declared support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In order to further strengthen responses to the risks and opportunities of climate change as one global company, we established the Green Innovation Office in October 2021 and joined the Green Software Foundation, including the standardization for decarbonization of the entire software development industry, in September 2021.

For other sustainability initiatives of our group, please consult our website "Sustainability." Updates on our measures concerning human assets and intellectual property are available on the "Integrated Report" and the "Sustainability Report."

- NTT DATA website "Sustainability"

<https://www.nttdata.com/global/en/sustainability/>

- Integrated Report

<https://www.nttdata.com/global/en/investors/financials?year=2021&tab=Integrated-Report>

- Sustainability Report

<https://www.nttdata.com/global/en/sustainability/report>

[Supplementary Principle 4-1-1] (Overview of roles and responsibilities of the Board of Directors)

The Board of Directors determines any matter stipulated in the "Regulations of the Board of Directors," including matters stipulated by law and important matters relating to management of the company and the Group, and supervises the performance of directors' duties by regularly receiving reports on the status of such performance from directors.

The Board of Directors grants to NTT DATA's management the authority to determine business based on the direction of the management strategy and the management plan formulation discussed in the Board of Directors.

Specifically, NTT DATA has placed Senior Vice Presidents specializing in and responsible for business execution to ensure that the Board of Directors properly implements important decision making and supervises the execution, and has been expediting decision making by granting most of the authority to engage in business execution to such Senior Vice Presidents from directors. Also, in order for the President and CEO to make proper decisions about the basic policy of business and any other important matters relating to management, the "Corporate Management Committee," which is made up of the President and CEO, the Senior Executive Vice President, officers responsible for regions and segments and other heads of important section or group, has been established and has a meeting once a week in principle for smooth and swift decision making and supervision relating to business operations. For details, refer to "II.2 (1) Business Execution" in this report.

[Principle 4-9] (Independence Standards and Qualification for Independent Directors)

NTT DATA designates outside directors who satisfy the following conditions, in addition to the criteria for independence stipulated by Tokyo Stock Exchange, Inc., as its independent directors.

- A person who does not fall under any of the following items for the most recent 3 financial years:

- (1) A business executor of NTT DATA's business partner with a trading amount exceeding the standards set forth by NTT DATA (\*1);
- (2) A business executor of NTT DATA's lender with an amount of lending exceeding the standards set forth by NTT DATA (\*2);
- (3) An individual providing specialized services, such as a consultant, accountant or lawyer, who has received from NTT DATA any money or other property profit that is worth 10 million yen or more per year other than executive remuneration in any year of the most recent 3 financial years; or
- (4) A business executor of an organization that has received contributions exceeding NTT DATA's standards (\*3).

Even if a person falls under any of the conditions from (1) through (4) as stipulated above, any reason for judging that such person still has independence is required to be explained and disclosed when such person is appointed as an independent director.

\*1 NTT DATA's business partner with a trading amount exceeding the standards set forth by NTT DATA refers to a business partner whose trading amount with NTT DATA is 2% of NTT DATA's non-consolidated annual sales or larger in any financial year out of the most recent 3 financial years.

\*2 NTT DATA's lender with an amount of lending exceeding the standards set forth by NTT DATA refers to a lender who lends to NTT DATA 2% or a larger percentage of NTT DATA's total assets in any financial year out of the most recent 3 financial years.

\*3 An organization that has received contributions exceeding the standards set forth by NTT DATA refers to an organization that has received contributions from NTT DATA that exceed 10 million yen per year or 2% of the total annual revenue of such organization, whichever is larger in amount, in any financial year out of the most recent 3 financial years.

[Supplementary Principle 4-11-1] (Composition of the Board of Directors, Nomination Procedures of Directors, etc.)

With regard to the balance of knowledge, experience, and capability, and the attitude toward the diversity and scale of the Board of Directors as a whole, refer to (Policy for appointment and dismissal of candidates for directors) specified in "II.2 (3) Appointment, Dismissal, and Nominate" in this report.

[Supplementary Principle 4-11-2] (Concurrent Positions Held by Directors)

Directors spend time and labor required to perform their appropriate roles and duties for the operations of directors, and therefore, the number of their concurrent posts shall be within reasonable extent. Concurrent posts of directors at different listed companies are disclosed in the business report and the reference documents for the Shareholders' Meeting. Refer to NTT DATA's website for details.  
(<https://www.nttdata.com/global/en/investors/stock-information?tab=Shareholders'-Meeting>)

[Supplementary Principle 4-11-3] (Evaluation of effectiveness of the Board of Directors)

The Board of Directors determines important matters, etc. related to company management and group management and implements the monitoring of the execution status of directors with the job execution status report every quarter.

Additionally, with the purpose of enhancing the functions of the Board of Directors and to enhance corporate value, the Board of Directors has been implementing self-evaluation and analysis on the effectiveness of the Board of Directors since FY2016. The Board implemented self-evaluation and analysis also in FY2020, just like the previous business year. General information is provided as below.

(1) Methods of implementation

When: November-December 2020

Evaluation method: Implemented a questionnaire for all directors (including Audit and Supervisory Committee members) who were members of the Board of Directors.

(Each question was answered in a five-grade scale. In addition, each question category provided a field available for any comment.)

Response method: Directly responded to external organization in order to secure anonymity.

(2) Evaluation results

In addition to the questionnaire survey, outside directors were interviewed based on the report of the summary result from the external organization. From December 2020 to March 2021, we deeply analyzed, discussed, and evaluated both the summary report from the external institution and interviews that we conducted with outside directors. We reported the evaluation results to the Board of Directors, which in turn verified the content and discussed policies for further improvement.

As a result, the structure and management of the Board of Directors on the whole received positive evaluation, leading to the recognition that the effectiveness of the entire Board of Directors is secured.

In response to the issues came to surface regarding this approach in the last fiscal year, we implemented measures to help deepen and strengthen discussion at the Board of Directors meetings on management strategies and other important matters. By providing careful explanations prior to the Board of Directors meetings, we received a certain level of evaluation that improvements had been made.

(3) Actions based on evaluation results, etc.

While confirming certain evaluation on our efforts for improvements in FY2020, we saw some recurring challenges that we had to continuously address. We will work on the following projects, innovations in running the Board of Directors, and management policy for improvement:

- Have more effective meeting operation to secure more time for discussion
- Enhance the clarity of explanation and documents
- Enhance communication opportunities among directors
- Enhance briefings opportunities on the IT industry or technological trends.

We will continuously implement evaluation on the effectiveness of the Board of Directors and proceed with the approach to improve its functions.

[Supplementary Principle 4-14-2] (Training for Members of the Board of Directors and the Audit & Supervisory Board Members)

Directors are appointed from those who have broad knowledge about business, financial affairs and organizations, etc., and they are trained if necessary. After taking office, the training program targeted at directors and audits continues with a wide range of training sessions on market trends and economic and social issues at home and abroad.

[Principle 5-1] (Policy for Constructive Dialogue with Shareholders)

NTT DATA promotes constructive communication with shareholders and investors. To contribute to continuous growth and improvement in the medium- to long-term enterprise value of NTT DATA, our policy takes the following measures:

(1) Appointment of a director in charge of communication with shareholders

To achieve constructive communication with shareholders and investors, a director responsible for Investor Relations (IR) is appointed.

(2) Policy for systematic cooperation among internal offices

NTT DATA has opened an office specializing in IR (the Investor Relations Office). It has also set up the Disclosure Committee, which is made up of the President and CEO, the Head of Finance Department and also the heads of all significant organizations which are required to join by the Head of Finance etc. The said Committee is operated by the Investor Relations Office and has regular discussion on the formation of the disclosure policy relating to, and disclosure of, the following management information:

- (A) Quantitative information, such as the Medium-term Management Plan, the background to the formation of the Management Plan, the trend of clients and solutions by area, and the business scale of individual businesses;
- (B) Qualitative information, such as the Medium-term Management Policy, the policy for returning profit to shareholders (including dividend policy), and the trend in each industry; and
- (C) Any information considered important for investors etc. other than (A) and (B).

(3) Efforts for the sufficiency of conversational procedure except for individual interviews.

Please refer the "III.2. IR Activities" of this report.

(4) Policy for effective feedback on shareholders' opinions and concerns

NTT DATA has established an office specializing in IR under the direct control of the President and CEO, and properly reports on feedback such as the opinions or concerns of shareholders and investors to the Board of Directors, a regular meeting participated in by the President and CEO etc., and the Disclosure Committee. NTT DATA also creates opportunities for NTT DATA's directors and Senior Vice Presidents to directly communicate with shareholders and investors to understand their opinions and concerns.

(5) Policy for the management of inside information in communication

NTT DATA has established the provisions for handling the matters of the company's significant information before disclosed in such as "Rules for Prevention of Insider Trading" and "Policy (Rules) for Information Security," and strictly control the information, and also provides the periodical training to the all employees based on our same rules, and strive to prevent the occurrence of insider trading.

Also NTT DATA has established the "Disclosure Guidelines" striving to provide timely and fair disclosure of information with the purpose of contribution for the shareholders and investors' fair and appropriate investment decision, and disclose the information with the purpose of clarifying our position toward the information disclosure to the outside by establishing and disclosing "Disclosure Policy."

## 2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%
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### [Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
NTT, Inc.	760,000,000	54.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	167,896,700	11.97
Custody Bank of Japan, Ltd. (Trust Account)	72,289,306	5.15
JP MORGAN CHASE BANK 385635	18,177,400	1.30
Custody Bank of Japan, Ltd. (Investment Trust Account)	15,409,800	1.10
NTT DATA Employee Share-Holding Association	14,356,500	1.02
STATE STREET BANK WEST CLIENT TREATY 505234	11,328,272	0.81
JP MORGAN CHASE BANK 380072	9,577,500	0.68
STATE STREET BANK AND TRUST COMPANY 505103	8,403,796	0.60
JP MORGAN CHASE BANK 385781	8,204,245	0.58

Controlling Shareholder (except for Parent Company)	—
Parent Company	NIPPON TELEGRAPH AND TELEPHONE CORPORATION (listed in Tokyo Stock Exchange markets) (code) 9432

### Supplementary Explanation

- [Status of Major Shareholders] shown above is as of September 30, 2021.
- Percentage (%) has been calculated after deducting the treasury stock (1,065 shares).

## 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Information & Communication
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 300

## 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

As NTT DATA's basic policy for the relationship with its parent companies, NTT DATA strives to cooperate with the parent companies while fully respecting each other's mutual independence and autonomy, and carries out any trading with the companies properly in accordance with laws and regulations. In the case of any business trading with the parent companies, NTT DATA handles such trading under the same conditions as other business partners with regard to the trading terms and the method of determining such trading terms.

NTT DATA makes decisions on important contracts concluded with the parent companies after legal examination by the Legal Department. Particularly for important contracts, we make it mandatory that they are approved by the Board of Directors and strive to ensure decision making independent of the parent companies. In addition, the Board of Directors consists of 15 directors, including 5 independent outside directors. At present, independent outside directors account for not less than one-third of all directors.

## 5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

The group of companies centering on NIPPON TELEGRAPH AND TELEPHONE CORPORATION, the ultimate parent company of NTT DATA, engages mainly in the regional communications business, long distance and international communications business, mobile communications business and data communications business. The parent company formulates management strategies for the entire NTT Group, and based on these strategies, our company assumes management responsibility and operates its business independently.

NTT DATA engages in the data communications business out of the above-mentioned business areas based on the following 5 main segments: Public & Social Infrastructure Segment, Financial Segment, Enterprise & Solutions Segment, North America Segment, and EMEA & LATAM Segment, in mutual cooperation with NTT Group companies.

The parent companies own 54.19% of NTT DATA's voting rights with the right of the majority shareholder of NTT DATA.

In order for NTT DATA to adopt broad management viewpoints, an employee of NIPPON TELEGRAPH AND TELEPHONE CORPORATION took office as one of the directors of NTT DATA. Taking into consideration that the ratio of the 5 independent outside directors to all 15 directors is not less than one third, NTT DATA recognizes that this situation does not prevent its own management decisions.

Any important matter in NTT DATA's business operations is required to be discussed with or reported to the parent companies. Meanwhile, in daily business operations, NTT DATA and the parent companies respect each other's mutual independence and autonomy while keeping in close contact with each other, and strive for continuous growth and development, and improved business performance.

Also, there will be no material impact on the corporate governance, because NTT DATA will retain its present management structure and the status as a listed company even after the restructuring of NTT Group, which took place in November 2018.

NTT DATA owns NTT DATA INTRAMART CORPORATION, XNET Corporation and Netyear Group Corporation in Japan, as listed companies. NTT DATA also understands the business characteristics, respects self-initiative, autonomy, and independence of these subsidiaries, and works closely with them, to maximize the corporate value of the entire group and to achieve sustainable growth and development. The purpose of holding listed subsidiaries is to secure social credibility and human resources. The holding significance of each listed subsidiary is as follows:

- As for NTT DATA INTRAMART CORPORATION, since it is listed, it can cooperate with and form capital alliances with companies that could compete with its parent company. This has made it possible for NTT DATA INTRAMART CORPORATION to flexibly develop its business in the web system infrastructure business and package software development and sales business.

- As for XNET Corporation, since it is listed, it is possible to maintain independence from the parent company and to conduct management that respects individuality, enabling flexible business development in various securities-related services.

- As for Netyear Group Corporation, since it is listed, it is possible to enhance the strength of the company's brand and enable flexible business development for marketing support business using digital technology.

NTT DATA makes it a basic policy to ensure appropriate business operation throughout the entire NTT DATA Group by establishing rules for consultation and reporting between the Company and each Group company. We have also established a system of cooperation within the company, including the establishment of divisions responsible for cooperation with Group companies.



## II. Business Management Organization and Other Corporate Governance Systems regarding Decision - making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with audit and supervisory committee
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	15
Status of the appointment of Outside Directors	Appointed
Number of Outside Directors	7
Number of Independent Directors	5

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Eiji Hirano	From another company									△			
Mariko Fujii	From another company												
Fumihiko Ike	From another company									△			
Testuya Obata	From another company												
Katsura Sakurada	From another company												
Rieko Sato	Lawyer									○			
Akihiko Okada	From another company												

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

#### Outside Directors' Relationship with the Company (2)

Name	Member of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Eiji Hirano	—	○	<p>Mr. Eiji Hirano was Chairperson of the Board of Governors of Government Pension Investment Fund(resigned in March 2021). The Company has business transactions with Government Pension Investment Fund and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.</p> <p>He was Vice Chairman, Director and Representative Executive Officer of MetLife Insurance K.K. The Company has business transactions with MetLife Insurance K.K. and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.</p> <p>He was Vice President and Director of Toyota Financial Services Corporation (retired in June 2014). The Company has business transactions with Toyota Financial Services Corporation and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.</p> <p>In addition, he was an executive officer in the Bank of Japan (retired in June 2006). The Company has business transactions with the Bank of Japan and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.</p>	<p>He has extensive experience in the Financial Sector, and wide perspectives concerning financial administration and international finance. He is expected to contribute, as an outside director, to the enhancement of supervisory function of business execution as well as the provide advice using his wide range of perspectives.</p> <p>NTT DATA appointed him as an independent director. He was a chairperson of Government Pension Investment Fund, and an executive of MetLife Insurance K.K.,Toyota Financial Services Corporation, and the Bank of Japan with which the Company has business transactions. However, he satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the standards for judgment of independence of independent directors stipulated by the Company. Thus, we have deemed that there is no risk of conflicting interest with general shareholders.</p>
Mariko Fujii	—	○	—	<p>She has keen discernment and extensive experience accumulated through her career in public administration, research on economics and foreign affairs. Based on this, she is expected to contribute to the enhancement of supervisory functions in executing management and the provision of opinions from broad viewpoints. Note that she has no experience of engagement in management of a company in any other manner than serving as an outside director or an outside audit. However, based on the above reasons, the Company judges that she can perform the duties of Outside Director properly.</p> <p>NTT DATA appointed her as an independent director because she satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the standards for judgment of independence of independent directors stipulated by the Company. Thus, we have deemed that there is no risk of conflicting interest with general shareholders.</p>

Fumihiko Ike	—	○	<p>From October 2016 to September 2017, Fumihiko Ike served as a member of the 3<sup>rd</sup> advisory board which was established for the purpose of obtaining opinions from experts outside the company with knowledge of IT and global businesses. The Company paid remunerations to Mr. Fumihiko Ike as an advisory board member and the amount was less than 5 million yen per year. Therefore, we are determined that there is no concern in relation to his independence.</p> <p>He was Chairman of JAPAN AUTOMOBILE FEDERATION, a general incorporated association. The Company has business transactions with JAPAN AUTOMOBILE FEDERATION and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.</p> <p>He was Chairman and Representative Director of Honda Motor Co., Ltd. The Company has business transactions with Honda Motor Co., Ltd. and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of both the Company and Honda Motor Co., Ltd.</p>	<p>He has extensive experience in management in global business and keen discernment of IT. He is expected to contribute, as an outside director, to the enhancement of supervisory function of business execution as well as provide advice using his wide range of perspectives.</p> <p>NTT DATA appointed him as an independent director. He was Chairman of JAPAN AUTOMOBILE FEDERATION, a general incorporated association, and Chairman and Representative Director of Honda Motor Co., Ltd with which the Company has business transaction. However, he satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the standards for judgment of independence of independent directors stipulated by the Company. Thus, we have deemed that there is no risk of conflicting interest with general shareholders.</p>
Testuya Obata	○	—	—	<p>He has experience in the finance and general affairs sectors as well as a tremendous track record in corporate management in the NTT Group. Since Mr. Obata, who was an executive officer of NIPPON TELEGRAPH AND TELEPHONE CORPORATION which is an ultimate parent company of NTT DATA Corporation and its affiliated company, he is expected to help the Company ensure the corporate soundness and establish a transparent and fair structure to monitor management through audits and supervising of business execution by utilizing his wide perspectives and experience.</p>
Katsura Sakurada	○	○	—	<p>He has extensive experience and wide perspectives concerning audits for finance, accounting and business execution based on his long years of professional experience in the Board of Audit of Japan. He is expected to help the Company ensure the corporate soundness and establish a transparent and fair structure to monitor management through auditing and supervision of the business execution. Mr. Sakurada has never been engaged in the management of a company business other than as an outside director or outside corporate auditor. However, considering his background as stated above, we believe that he can properly perform the duties as an outside director who is a member of the audit and supervisory committee.</p> <p>NTT DATA appointed him as an independent director because he satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the standards for judgment of independence of independent directors stipulated by the Company. Thus, we have deemed that there is no risk of conflicting interest with general shareholders.</p>

Rieko Sato	○	○	Ms. Sato is an executive officer in Ishii Law Office. The Company has business transactions with Ishii Law Office, however, the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.	<p>Ms. Sato has extensive experience as a director and corporate auditor at other companies in addition to legal expertise based on her experience of working as a lawyer for many years. We expect that she will contribute to ensuring of the integrity of the Company and establishment of a transparent and impartial management monitoring system through auditing and supervision of the business execution using her experiences. Ms. Rieko Sato has never been engaged in the management of a company business other than as an outside director or outside corporate auditor. However, considering her background as stated above, we believe that she can properly perform the duties as an outside director who is a member of the audit and supervisory committee.</p> <p>NTT DATA appointed her as an independent director. She is an executive officer in Ishii Law Office. However, she satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the standards for judgment of independence of independent directors stipulated by the Company. Thus, we have deemed that there is no risk of conflicting interest with general shareholders.</p>
Akihiko Okada	○	—	—	<p>He has extensive experience in corporate management at the NTT Group, as well as experience in finance and sales. Since Mr. Okada, who was an executive officer of NIPPON TELEGRAPH AND TELEPHONE CORPORATION which is an ultimate parent company of NTT DATA Corporation and its affiliated company, he is expected to help the Company ensure the corporate soundness and establish a transparent and fair structure to monitor management through audits and supervising of business execution by utilizing his wide perspectives and experience.</p>

### [Audit & Supervisory Committee]

#### Structure of the Committee and Attribute of the Chairman

	Number of All Committee Members	Number of Standing Committee Members	Number of Inside Directors	Number of Outside Directors	Chairman
Audit & Supervisory Committee	4	3	0	4	Outside Director

Availability of directors and employees who are to assist the duties of the audit & supervisory committee	Available
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#### Matters related to independence of the directors and employees from directors executing business

NTT DATA has set up the audit and supervisory committee office to assist members of the audit and supervisory committee in fulfilling their duties and to facilitate better performance and has assigned dedicated staff to the office.

Staff at the audit and supervisory committee office are dedicated to the office and follow instructions and orders from the committee. They do not follow instructions and orders from directors who are not members of the audit and supervisory committee. Moreover, the personnel transfer and appraisal of the staff are subject to the consent of the audit and supervisory committee. Thus, NTT DATA ensures that the staff is independent from business execution divisions and instructions given by the Committee to the staff of the audit and supervisory committee office are effective.

#### Cooperation among Audit & Supervisory Committee, Accounting Audits and Internal Audit Departments

The Audit and Supervisory Committee receives reports from account audits on audit plans and the results of audits conducted during and at the end of a financial year and asks about and checks the quality management system relating to the audit conducted by account audits. Audits are also striving to strengthen the alliance with account audits by exchanging opinions from time to time.

NTT DATA has established the Internal Audit Department as an internal audit department independent of the business execution departments.

The Audit and Supervisory Committee has been striving for efficient audit and improvement in the quality of the audit by regularly receiving reports on internal audits from the Internal Audit Department, adjusting audit plans, and sharing other information. Also, when particularly necessary, we have a framework in which Internal Audit Department can conduct a research after receiving instructions from the Audit and Supervisory Committee .

### [Voluntary Committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Not established
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### [Independent Directors]

Number of Independent Directors	5
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#### Matters relating to Independent Directors

We have appointed all of the outside directors who satisfy the requirements for independent Directors/Audit as independent Directors/Audit.

### [Incentives]

Incentive Policies for Directors	Performance-linked Remuneration
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#### Supplementary Explanation

The remuneration for individual directors who are not Audit and Supervisory Committee Members (excluding outside directors) consists of monthly remuneration (basic remuneration) and bonuses (short-term performance-linked remuneration) as well as stock purchasing through the Executive Shareholding Association and stock compensation (medium- and long-term performance-linked remuneration). Monthly remuneration is a fixed monthly remuneration provided in accordance with the duties and scope of responsibility of each director's position. Bonuses are provided in June every year in consideration of the Company's performance in the current fiscal year. The performance indicators for bonuses are based on the targets set out in the medium-term management plan, and evaluation is made based on them. (Please refer to [Attached chart] "Performance Indicators for Bonuses").

Regarding the acquisition of our own shares, to reflect the medium- to long-term performance, standing directors are required to purchase the Company's stock through the Executive Shareholding Association by paying certain amount of money every month. They must hold the purchased stocks while in office. As for stock compensation, points are granted through a trust designated by NTT DATA in June every year in accordance with the position of each director. Moreover, a performance-linked coefficient is decided based on the achievement levels of the performance indicators in June in the year after the final year of the medium-term management plan. Then, the number of stocks granted is calculated by multiplying the performance-linked coefficient by accumulated points. The stocks shall be granted at the time of retirement of the director.

The remuneration composition in a standard performance case is approximately 50% for fixed remuneration, 30% for short-term performance-linked remuneration, and 20% for medium- and long-term performance-linked remuneration.

Outside directors who are not Audit and Supervisory Committee Members are paid only monthly remuneration, unrelated to business performance, to ensure a high degree of independence.

The remuneration for directors who are Audit and Supervisory Committee Members shall be determined by directors who are Audit and Supervisory Committee Members after consultation. To ensure a high degree of independence, their remuneration is not linked to business results, and the directors receive monthly remuneration only.

[Performance Indicators for Bonuses]

The Company sets the financial targets set forth in the Medium-Term Management Plan as performance indicators, and evaluates them based on the degree of improvement over the previous year and the degree of achievement of the plan. Bonuses are calculated by converting each performance indicator into a payment rate using a predetermined method, weighting each performance indicator based on the evaluation weights in [Attached chart] "Performance Indicators for Bonuses", and then multiplying this by a certain number of monthly remuneration for each position.

Recipients of Stock Options	—
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#### Supplementary Explanation

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### [Director Remuneration]

Disclosure of Individual Directors' Remuneration	No disclosure of individual director compensation
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Supplementary Explanation

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Policy on Determining Remuneration Amounts and Calculation Methods	Established
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### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

As for policies, composition, and standard of remuneration of our directors who are not Audit and Supervisory Committee Members, NTT DATA explains the policy for determining remunerations for directors to its parent companies, independent outside directors, and directors who are Audit and Supervisory Committee Members to ensure objectivity and transparency. Upon receiving their appropriate advice, the Board of Directors consisting of 15 directors, including five independent outside directors, determines the amount of remuneration within the limits resolved at a shareholders' meeting. With regard to remunerations for individual directors, the President and Chief Executive Officer and Representative Director delegated by the Board of Directors shall determine them.

The remuneration for individual directors who are not Audit and Supervisory Committee Members (excluding outside directors) consists of monthly remuneration (basic remuneration) and bonuses (short-term performance-linked remuneration) as well as stock purchasing through the Executive Shareholding Association and stock compensation (medium- and long-term performance-linked remuneration). Monthly remuneration is a fixed monthly remuneration provided in accordance with the duties and scope of responsibility of each director's position. Bonuses are provided in June every year in consideration of the Company's performance in the current fiscal year. The performance indicators for bonuses are based on the targets set out in the medium-term management plan, and evaluation is made based on them. ( Please refer to [Attached chart] "Performance Indicators for Bonuses").

Regarding the acquisition of our own shares, to reflect the medium- to long-term performance, standing directors are required to purchase the Company's stock through the Executive Shareholding Association by paying certain amount of money every month. They must hold the purchased stocks while in office. As for stock compensation, points are granted through a trust designated by NTT DATA in June every year in accordance with the position of each director. Moreover, a performance-linked coefficient is decided based on the achievement levels of the performance indicators in June in the year after the final year of the medium-term management plan. Then, the number of stocks granted is calculated by multiplying the performance-linked coefficient by accumulated points. The stocks shall be granted at the time of retirement of the director.

The remuneration composition in a standard performance case is approximately 50% for fixed remuneration, 30% for short-term performance-linked remuneration, and 20% for medium- and long-term performance-linked remuneration.

Outside directors who are not Audit and Supervisory Committee Members are paid only monthly remuneration, unrelated to business performance, to ensure a high degree of independence.

The remuneration for directors who are Audit and Supervisory Committee Members shall be determined by directors who are Audit and Supervisory Committee Members after consultation. To ensure a high degree of independence, their remuneration is not linked to business results, and the directors receive monthly remuneration only.

[Performance Indicators for Bonuses]  
The Company sets the financial targets set forth in the Medium-Term Management Plan as performance indicators, and evaluates them based on the degree of improvement over the previous year and the degree of achievement of the plan. Bonuses are calculated by converting each performance indicator into a payment rate using a predetermined method, weighting each performance indicator based on the evaluation weights in [Attached chart] "Performance Indicators for Bonuses", and then multiplying this by a certain number of monthly remuneration for each position.

### [Supporting System for Outside Directors]

NTT DATA has established the audit and supervisory committee office to support the duties of the audit and supervisory committee (including outside directors who are members of the audit and supervisory committee).

When the Board of Directors' meeting is held, the office sends documents and provides explanation on important projects to outside directors in advance.

**[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]**

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Toshio Iwamoto	Chief Corporate Adviser	<ul style="list-style-type: none"> <li>External activities to fulfill the Company's social responsibility such as participation in initiatives to solve social issues.</li> <li>Support to the Company's management such as strengthening external relationships by utilizing the human network he built.</li> </ul>	<ul style="list-style-type: none"> <li>Working pattern: Full-time</li> <li>Remuneration: Paid</li> </ul>	June 19, 2018	From June 19, 2018 to June 18, 2022 (Renewed every 2 years)

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

1

Others

—

**2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)**

(1) Business Execution

NTT DATA has set up shareholders' meetings, the Boards and the audit and supervisory committee as its own institutions. In addition, it has also set up the Corporate Management Committee to expedite decision making in business execution.

The decision making at NTT DATA is carried out under the supervision of the Board of Directors in accordance with "Authority Rules," which stipulate the responsibility and authority of the President and CEO, the Senior Executive Vice President, officers responsible for regions and segments and heads of each section or group. Each of the relevant duties is executed in accordance with "Organization Rules," which stipulate the responsible operations of the respective organizations.

The Board of Directors is made up of all 15 directors including 5 independent directors. There is 2 female directors and 1 foreign director among these 15 directors. The Board meeting is held once every month regularly and can also be held as an extraordinary meeting, if necessary, with 14 meetings held in FY2020. Such meetings determine and supervise legal matters and other important matters relating to the company and Group management.

The Corporate Management Committee is made up of the President and CEO, Senior Executive Vice Presidents, officers responsible for regions and segments, Executive Vice Presidents, and heads of each section or group. The Corporate Management Committee meeting is held once a week in principle for smooth and swift decision making and supervision relating to business operations. A director who is a member of the audit and supervisory committee also participates in such meeting to enhance the transparency of decision making.

The Internal Control Promotion Committee, chaired by the officer in charge of corporate management (Mr. Fujiwara, Representative Director and Senior Executive Vice President) and consists of the heads of related corporate organizations, holds the committee meeting twice every year for the purpose of establishing the Company's internal control system. The result is reported to the Board of Directors.

The Corporate Ethics Committee consists of an officer in charge of business strategy as the chairperson (Mr. Fujiwara, Representative Director and Senior Executive Vice President) and heads and others of departments related to corporate ethics. The committee meeting is held once every year for the purpose of developing a corporate culture of complying with laws and regulations and corporate ethics. Compliance with corporate ethics is reported to the Board of Directors.

NTT DATA's system for business execution and its mechanism of monitoring management and of internal control are as shown in the [Attached chart] "The system of business execution and the mechanism of management monitoring and internal control" to this report.

Each officer's attendance at meetings of the Board of Directors is as shown in the [Attached chart] "Explanation for the appointment/nomination of individual for directors and audits" to this report.

(2) Audit and Supervision

NTT DATA is a company with Audit and Supervisory Committee. The Audit and Supervisory Committee consists of 4 directors who are members of the audit and supervisory committee, including a woman. It held the Audit and Supervisory Board meeting as a company with corporate auditors 4 times in FY2020. After NTT DATA transitioned to the company with the Audit & Supervisory Committee, pursuant to the resolution at the 32nd Ordinary General Meeting of Shareholders held on June 17, 2020, it held 19 Audit & Supervisory Committee meetings. In addition, regularly exchange opinions with the Representative Directors and have discussions with the Representing Directors, etc. of the Group companies on the status of the management. Through these measures, the Audit and Supervisory Committee is able to understand the actual status of execution of duties by directors, and provides recommendations, if necessary. No personal, capital or business relationships exist between these 4 directors who are members of the Audit and Supervisory Committee and NTT DATA that may cause a conflict of interest with general shareholders. Each director who are members of the Audit and Supervisory Committee attends important meetings including the Board meeting, exercises the right to vote in the Board of Directors' meetings and appropriately use the right to state opinions regarding personnel affairs and remunerations of directors who are not members of the Audit and Supervisory Committee at the general shareholders' meetings to audit/supervise the status of directors' business execution from time to time. NTT DATA has also established the Internal Audit Department as an internal audit department to conduct internal audits from a position independent of business execution. The directors who are members of the audit and supervisory committee exchange information with the Internal Audit Department by inquiring about the results of internal audits from such department. The directors who are members of the Audit and Supervisory Committee conduct audits in corporation with other audits and the like of the Group companies.

To support the duties of the audit and supervisory committee, the Audit and Supervisory Committee office has been set up.

NTT DATA considers it important to conduct efficient accounting audits while maintaining or improving the quality of audits. Therefore, directors who are members of the Audit and Supervisory Committee strive to strengthen the audit system by closely cooperating with account

audits, including regularly exchanging information on audit plans or results.

The certified public accountants who performed the accounting services were Mr. Kenji Tanaka, Mr. Takeshi Nakatani and Mr. Tomokazu Kayama, all of whom belong to KPMG AZSA LLC. NTT DATA's assistants engaging in accounting services were made up of 15 certified public accountants and other 19 employees.

Each officer's attendance at meetings of the Audit and Supervisory Committee is as shown in the [Attached chart] "Explanation for the appointment/nomination of individual candidates for directors and audits" to this report.

(3) Appointment, Dismissal, and Nomination  
(Appointment policy for candidates for directors)

The candidates for directors who are not members of the Audit and Supervisory Committee have been appointed from personnel who have broad perspectives and experience and can contribute to the development of the entire Group, excel in management ability and leadership, and are sophisticated in business management and energetic, for improvement in the enterprise value of the entire NTT DATA Group.

Candidates for directors who are members of the audit and supervisory committee shall be appointed from human resources who are expected to conduct audits and supervision based on his/her viewpoint of specialized experience and knowledge, etc. Further, with the objective of fair audit and supervision of execution of duties by the directors who are not members of the audit and supervisory committee, the majority of directors who are members of the Audit and Supervisory Committee shall be appointed from outside directors in accordance with the Companies Act.

The size of the Board of Directors is in direct proportion to the scale of business, and it is composed with consideration of having the balance (\*1) of specializations, and the diversity (\*2) from various standpoints including internationality.

To strengthen the supervising function of business execution, we appoint independent outside directors who do not have any possibility of causing a conflict of interest with general shareholders and who, in principle, have management experience at other companies. The number of independent outside directors will be one-third or more of the entire Board of Directors.

\*1. The balanced allocation of expertise in the Board of Directors is presented by [Attached chart] "The Board of Directors (Skill Matrix)"

\*2. This includes elements such as gender, age, career, race, ethnicity, and cultural background.

(Procedures for appointment)

The procedures for appointing candidates for directors are to be carried out as follows: the backgrounds of candidates are first explained to the parent companies, independent outside directors, and directors who are members of the Audit and Supervisory Committee prior to the Board of Directors meeting; then the parent companies, independent outside directors, and directors who are members of the audit and supervisory committee provide appropriate advice and the Board of Directors adopts the resolution, and such resolution is referred to at a shareholders' meeting. Besides the above, we appropriately have the Audit and Supervisory Committee exercise the right to state its opinions about the nomination of candidates for directors who are not members of the Audit and Supervisory Committee. Moreover, regarding the selection of candidates for directors who are members of the Audit and Supervisory Committee, the Board of Directors makes a resolution and proposes it at a general meeting of shareholders based on deliberations and consent of the Audit and Supervisory Committee with a majority of outside directors who are members of the Audit and Supervisory Committee.

(Dismissal policy and procedures for the senior management)

The policy and procedures for dismissing a senior management are as follows: If a management executive is found not to perform his or her role well, the reasons of the dismissal is explained in advance to the parent companies, independent outside directors and directors who are members of the Audit and Supervisory Committee prior to the Board of Directors; then the parent companies, independent outside directors and directors who are members of the Audit and Supervisory Committee provide appropriate advice and the Board of Directors adopts the resolution, and such resolution is referred to at a shareholders' meeting. Besides the above, we appropriately have the Audit and Supervisory Committee exercise the right to state its opinions about the nomination.

(4) Others

Matters relating to the remuneration for directors who are members of the Audit and Supervisory Committee are determined through discussions by the directors who are members of the Audit and Supervisory Committee.

NTT DATA, directors (excluding the one who is a managing director) and audits have executed an agreement that limits liability for damages stipulated in Article 423.1 of the Companies Act in accordance with Article 427.1 of the Companies Act. The limit on liability for damages based on such agreement is the minimum liability amount as stipulated in Article 425.1 of the Companies Act.

The Company shall enter into a Directors and Officers Liability insurance contract with an insurance company, as stipulated in Article 430(3)-1 of the Companies Act, and will use the insurance contract to cover damages that may arise from the insured directors and officers, etc. being held liable for the execution of their duties or receiving claims related to the pursuit of such liability. The insured parties are the Company's directors including Audit and Supervisory Committee Members, and executive officers, and the Company bears 90% of the insurance premiums.

### 3. Reasons for Adoption of Current Corporate Governance System

NTT DATA judged it more effective for the enhancement of the supervising function of the Board of Directors and corporate governance to have the Audit and Supervisory Committee members with duties of auditing and supervising who retain voting rights to be exercised at meetings of the Board of Directors as well as the Audit and Supervisory Committee, majority of which consists of outside directors. Therefore, we have applied a system of a company with the Audit and Supervisory Committee.

NTT DATA strengthens the function of supervising the fairness of business execution by appointing outside directors.

NTT DATA has appointed the current 7 outside directors, expecting them to apply their management viewpoints from broad perspectives acquired through their experience.

Outside directors who are not members of Audit and Supervisory Committee cooperate with the audit and supervisory committee and the Internal Audit Department mutually and supervise business operations by receiving reports on audit plans and results from the audit and supervisory committee and the Internal Audit Department and making comments, if necessary.



### III. Implementation of Measures for Shareholders and Other Stakeholders

Update

#### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The notices calling for the shareholders' meeting held in June 2021 were dispatched earlier than the date fixed by law by 3 business days.
Scheduling AGMs Avoiding the Peak Day	NTT DATA has set the shareholders' meeting avoiding the date on which other companies' meetings are concentrated to ensure that as many shareholders as possible can attend its meeting.
Allowing Electronic Exercise of Voting Rights	NTT DATA had created a website for execution of voting rights at the website of a manager of a shareholders' list so that it can accept the execution until 6 p.m. on the day before the day of the shareholders' meeting.
Participation in Electronic Voting Platform and Other Measures to Enhance Environment for Exercise of Voting Rights by Institutional Investors	Voting rights can be executed through the ICJ platform targeted at institutional investors that is operated by Investor Communications Japan (ICJ). Starting from the ordinary general meeting of shareholders held in June 2018, investors can execute the voting rights by using smartphones or other devices.
Providing Convocation Notice in English	A notice calling for a shareholders' meeting is translated in English and such translated version is uploaded on NTT DATA's website at the same time as the Japanese version is uploaded.
Other	The notice calling for a shareholders' meeting is digitized and uploaded on NTT DATA's website 9 business days prior to the dispatch of such notice. The notice of resolution is also uploaded on NTT DATA's website in Japanese.

#### 2. IR Activities

	Supplementary Explanations	Explained by the representative
Preparation and Publication of Disclosure Policy	NTT DATA has formed the "Disclosure Policy" in accordance with the "Disclosure Guidelines." The basic policy of the said Policy is stipulated in "The formulation of the policy relating to information provision for stakeholders."	
Regular Investor Briefings for Individual Investors	NTT DATA holds meetings targeted at individual investors to explain NTT DATA's business overview and advantages, growth strategy and returns to shareholders.	No
Regular Investor Briefings for Analysts and Institutional Investors	NTT DATA holds 4 meetings annually to explain its financial results at the 1Q, 2Q, 3Q and 4Q, and explains the overview of its financial results, the business environment and initiative in a relevant quarter period. Such explanation is made by the President and CEO (Representative Director) and directors.	Yes
Regular Investor Briefings for Overseas Investors	NTT DATA holds individual meetings from time to time to explain its most recent results, future initiative and returns to shareholders.	Yes
Posting of IR Materials on Website	On the URL relating to IR ( <a href="http://www.nttdata.com/global/en/investor/index.html">http://www.nttdata.com/global/en/investor/index.html</a> ), NTT DATA provides information on financial results such as a summary of accounts, materials timely disclosed other than the information on financial results, financial statements and quarterly reports, materials used at a meeting for explanation of financial results, notices calling for a shareholders' meeting, and the latest financial data. It also distributes videos of presentations at meetings for explaining financial results, and uploads the text version of the content and Q&A of such presentations on the said URL.	
Establishment of Department and/or Manager in Charge of IR	NTT DATA has established the Investor Relations Office as an office in charge of IR.	

#### 3. Measures to Ensure Due Respect for Stakeholders

Update

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The "Global Compliance Policy," which is NTT DATA's business conduct, stipulates that it is vital for NTT DATA's continuous growth to gain trust by satisfying the expectations of stakeholders, including clients, shareholders, business partners, society and the employees, and also stipulates how NTT DATA needs to behave toward each of such stakeholders.
Implementation of Environmental Activities, CSR Activities etc.	NTT DATA has clarified and included its view on ESG as "NTT DATA's ESG management" in the Medium-Term Management Plan (FY2019 to FY2021). NTT DATA, with its basic concept of "shaping the future society with our clients" stemming from our "consistent belief," and with 12 Material ESG Issues established in 2019, to particularly focus on, provides solutions for sustainable development of our clients and society, and implements corporate activities mindful of nurturing human resources, work style reform, respect for diversity, etc., to contribute to the resolution of social issues and to sustainably enhance its corporate value. As for environment, we will reduce greenhouse gas emissions through our supply chain by way of Green Innovation toward a carbon-neutral society in 2050 and also contribute to advance greening of customers and society. To achieve this goal, we will promote activities (green business, green electricity, green procurement, and work style reform) across the Company by the Climate Action Committee. The latest ESG activities are disclosed in the Sustainability Report and our website. <a href="https://www.nttdata.com/global/en/sustainability/environment">https://www.nttdata.com/global/en/sustainability/environment</a>
Development of Policies on Information Provision to Stakeholders	In accordance with the Disclosure Policy, NTT DATA promotes understanding of its business by all stakeholders including shareholders and investors. To evaluate the Disclosure Policy properly, NTT DATA stipulates a timely and appropriate disclosure of the important information relating to NTT DATA.

## IV. Matters Related to the Internal Control System

### 1. Basic views on Internal Control System and the Progress of System Development Update

#### 1. Basic Policy for Establishing Internal Control Systems

- (1) In building its internal control systems, NTT DATA will further the basic policy that it will take various measures to efficiently conduct fair and transparent business activities in compliance with applicable laws and its Articles of Incorporation, as a matter of course, and at all times being aware of risks increasing as its business expands.
- (2) The president, as the chief executive officer, takes responsibility and improves and operates the internal control systems.
- (3) In order to make its internal control systems function smoothly and efficiently, NTT DATA will establish an internal control promotion committee that will hold meetings on a regular basis.
- (4) NTT DATA sets up the Internal Audit Department, which assesses whether or not the activities of each Sector are performed in compliance with applicable laws, its Articles of Incorporation, internal rules, and management policies and plans and gives practical advice and recommendations from a position independent of operations of businesses for the purpose of sound performance of businesses.
- (5) NTT DATA sets an officer who supervises the risk management structure from the entire group's point of view and at the compliance division, conduct review for the purpose of ensuring the legality of business activities.
- (6) NTT DATA is taking appropriate measures to realize high reliability of its internal control systems over financial reporting under the Financial Instruments and Exchange Act and other related laws.

#### 2. Individual Systems for Establishing Internal Control Systems

- (1) Systems to ensure that the directors and employees are performing their duties in compliance with applicable laws and the Articles of Incorporation.

Setting our sights on becoming a reliable company and raising the basic policy to conduct sound business activities by establishing corporate ethics, NTT DATA proceeds with the following activities:

  - Establish the "Global Compliance Policy," which is the guideline for behaviors including compliance with applicable laws, for the directors and employees.
  - Raise employees' consciousness of compliance through educational and training programs concerning the corporate ethics.
  - Check the business activities by the compliance division and give advice, guidance, and other assistance to Sectors in order for legal and appropriate business activities.
  - Have no relation or transaction with antisocial forces, and reject illegal demands in a resolute attitude.
  - For sound management, establish a whistle-blowing system to receive information from employees and others whether anonymous or named to ensure a channel of communication which is different from the ordinary execution of business, and establish a system to ensure that the employees and others who made those reports through the whistle-blowing system and will not receive disadvantageous treatment for having made such reports.
  - Have the Internal Audit Department and submit an annual plan to the Board of Directors independently to the department for the internal audit and regularly report the results to the Board of Directors.
- (2) Systems for storage and management of information concerning execution of duties by directors

While NTT DATA appropriately stores, manages, and willingly shares information for effective uses according to the policy that it will protect personal and confidential information from leakage or unauthorized use, it proceeds with the following activities:

  - Record and store documents concerning the performance of duties by directors including minutes of the Board of Directors' meetings/written approvals (including electromagnetic records) and appropriately manage them in compliance with applicable laws, the Articles of Incorporation and internal rules.
  - Improve the internal information system in order to timely and properly use information arising out of business activities.
  - Establish internal rules for the purpose of formulating rules required for the appropriate handling of information and efficient clerical work.
  - Establish an information security committee to expedite measures for the entire group concerning the handling of information and hold a meeting regularly.
- (3) Rules and other systems concerning risk management

Assuming various business risks, NTT DATA has a policy that each division shall improve its own voluntary risk management system by risk so that it may take the best measure upon occurrence of any of such risks and proceeds with the following activities:

  - Organize a system to continuously monitor and supervise the situation of risk management in each Sector and evaluate the effectiveness to organize and promote the risk management from the entire group's point of view.
  - Work on the business risks after the prioritization considering the frequency and the impact of occurrence.
  - Organize a system in accordance with the internal rules based on our quality management point of view, etc. for the risks assumed to be related to our system development and operational security as our main business. In addition, especially for projects that are assumed to contain high risks, the committee directly reporting to the President & CEO should examine the adequacy of them and try to prevent the occurrence of major unprofitable projects that may have an impact on the business.
- (4) Systems to ensure efficient performance of duties by directors

Having the basic policy that it shall enhance each of the functions of making important decisions, supervision of performance of duties, and performance of operations, and that it shall work for vitalization of operations, NTT DATA proceeds with the following activities:

  - In order for the Board of Directors to make important decisions and appropriately supervise the performance of duties, it will appoint executive officers as responsible persons who specialize in the performance of duties and, by transferring substantial part of authority from directors to the executive officers, expedite decision making to pursue speedy operations.
  - Include outside directors who are in a position independent of the Board of Directors in order to strengthen the function to supervise the fairness of business execution.
  - Establish a management meeting for the president to make appropriate decisions pertaining to the basic policy of a business or other important matters.
  - For the purpose of appropriate and efficient performance of affairs, improve the systems to clarify the official authority and exercise appropriate restraints by setting internal rules pertaining to the decision making for, and performance of, business affairs.
- (5) Systems to ensure appropriate operations of NTT DATA Group, etc.

Having the basic policy that it shall ensure appropriate operations of the entire NTT DATA Group through consultations, reports, instructions and requests concerning important matters, NTT DATA and its Group proceed with the following activities:

- Establish a division responsible for coordination with each group company and improve the coordination system including the related divisions.
- Monitor the activities by the Internal Audit Department for the purpose of ensuring the soundness of businesses of the group companies.
- Oversee and promote the situation of risk management of the entire group by the internal control promotion committee of NTT DATA and at the same time, each group company will appoint an officer in charge of risk management for the purpose of improvement of the risk management system.
- In order to prevent the occurrence of scandals, conduct employee education and training and establish a whistle-blowing system that receives information from identified and anonymous employees of the Group and other parties as well as establish a system to ensure that employees and other parties who have made reports using the whistle-blowing system and other channels will not receive disadvantageous treatment on account of having made such reports.
- Organize a system with Group companies with compliance with the laws to submit appropriate financial status reports.
- Group companies conduct autonomous management by company-wise based on the basic policy of group business and at the same time the Corporate Management Committee of NTT DATA will monitor the management situation of the entire group in order to promote efficient and effective group management. Furthermore, in between with the parent companies, there is the basic policy that either party will coordinate with the other, respecting the other party's independency and autonomy and the parties appropriately have dealings with the other in compliance with the laws.

Furthermore, between NTT DATA and its parent companies, there is the basic policy that all parties will coordinate with each other, respecting the other party's independency and autonomy and that NTT DATA appropriately have dealings with the parent companies in compliance with the laws.

- (6) Matters concerning employees who assist the duties of the audit and supervisory committee and independence of such employees from directors who are not members of the audit and supervisory committee

Having the basic policy to establish a system to assist the duties of the audit and supervisory committee in order to ensure the effective audits, etc. by the audit and supervisory committee, NTT DATA will proceed with the following activities:

- NTT DATA sets up the audit and supervisory committee office to appropriately assist the duties of the audit and supervisory committee as an important organization under the Companies Act.
- Allocate the number of employees to assist the duties of the audit and supervisory committee required for conducting audits according to the auditing standards determined by the audit and supervisory committee.
- The audit and supervisory committee office shall be an organization independent from the directors who are not member of the audit and supervisory committee and the employees assisting the duties of the audit and supervisory committee shall perform their duties under instructions and directions from the audit and supervisory committee.
- Handle the matters concerning personnel changes and evaluation of the employees assisting the duties of the audit and supervisory committee by respecting opinions of members of the audit and supervisory committee.

- (7) Systems for directors who are not members of the audit and supervisory committee and employees to report to the audit and supervisory committee and for ensuring effective auditing, etc. by the audit and supervisory committee

Having a basic policy to improve the systems, etc. for directors who are not members of the audit and supervisory committee and employees to report material matters regarding the execution of business to the audit and supervisory committee in order to ensure the effective audits, etc. by the audit and supervisory committee, NTT DATA will proceed with the following activities:

- The directors who are not members of the audit and supervisory committee and the audit and supervisory committee shall determine after discussions, the meetings attended, materials browsed, and matters related to NTT DATA and the Group companies to be reported regularly or when necessary by members of the audit and supervisory committee and shall report from time to time as determined. Also, information on risks such as occurrence of damages and incidents is promptly reported to the audit and supervisory committee.
- Upon request of the audit and supervisory committee for a report on the performance of duties, the directors who are not members of the audit and supervisory committee and employees shall promptly report to the audit and supervisory committee about the relevant matter. However, the directors who are not members of the audit and supervisory committee and employees shall not be subjected to unfavorable treatment because of the report.
- In addition to the above, the directors who are not members of the audit and supervisory committee, independent audit, and Internal Audit Department shall respectively have an exchange of opinions regularly and when necessary upon request of the audit and supervisory committee.
- The audit and supervisory committee may independently engage external experts and receive advice on audit operations.
- The members of the audit and supervisory committee may claim payment for expenses necessary for the execution of duties and NTT DATA will make payments based on such claims.

### 3. Overview of the State of Operation of the System to Ensure Appropriate Business Operations in FY2020

The following is the overview of the state of operation of the system to ensure appropriate business operations within the NTT DATA Group based on the basic policy concerning the establishment of internal control systems within the NTT DATA Group.

- (1) Systems to ensure that the directors and employees are performing their duties in compliance with applicable laws and regulations and the Articles of Incorporation.

NTT DATA makes efforts to maintain and improve the awareness of corporate ethics and compliance in order to operate businesses with a strong sense of ethics, let alone compliance with laws and regulations.

With regard to corporate ethics, the Global Compliance Policy and the Bribery and Corruption Prevention Regulations are available on the in-house website.

In addition, we have established an organization to address global compliance and are working to complete and reinforce compliance throughout the company on a global basis.

To maintain and improve the awareness of compliance, NTT DATA implements compliance training sessions for officers and employees, and introduces cases that have problems in terms of corporate ethics on the in-house website to help officers and employees improve their understanding.

The Compliance Department conducted a preliminary check on 46 cases before being discussed by important organs such as the Board of Directors. With regard to transactions with antisocial forces, NTT DATA made it mandatory under the company's sales provisions and detailed purchase rules to conduct a credit investigation on business partners. In addition, when an organization subscribes to our services, NTT DATA thoroughly examines the state of activities of the organization, the purpose of the subscription, etc. to prevent us from engaging

in any relations with antisocial forces.

The NTT DATA's Corporate Ethics Committee was held once in FY2020 to examine reports submitted to the section in charge of receiving reports made using the whistleblowing system, and report the results of the examination to the Board of Directors, along with a report on how these reports were handled. In FY2020, 78 cases were reported to the section. Meanwhile, it is stipulated in the rules for administering the whistleblowing system that employees should not receive disadvantageous treatment on account of having made such reports, and this rule is administered appropriately.

The Internal Auditing Department reports interim and annual audit results and the annual audit plan to the Board of Directors appropriately.

(2) Systems for storage and management of information concerning execution of duties by directors

With regard to the management of in-house information, including the handling of information concerning the execution of duties by directors, rules for the handling of documents and the information security policies are instituted, and they are available on the in-house website. Concerning the storage of documents (including those recorded electronically,) besides the storage based on types of documents specified by laws and regulations, they are stored for a term necessary for the completion of duties. In addition, NTT DATA appropriately administers the maintenance and storage of documents by appointing personnel in charge of promoting information security to each section and introducing a system to enable the management of documents (files) in accordance with applicable rules, among other measures.

NTT DATA set up the information security committee to report and discuss the company-wide security subjects under the Chief Information Security Officer. This committee held the meeting twice during FY2020, and the members discussed on enhancement of governance following global deployment and expansion, tightening of measures assuming the occurrence of security violation.

(3) Rules and other systems concerning risk management

For risk management, NTT DATA assumes and prevents the occurrence of familiar potential risks. NTT DATA has a risk management system to minimize the damage in the event of risks becoming obvious, and for other purposes. The Internal Control Promotion Committee, chaired by Senior Executive Vice President, plays a central role in establishing and administering the PDCA cycle for risk management. Meanwhile, the committee held the meeting twice during FY2020 and discussed measures to specify risks that could influence the whole Company and to reduce such risks. In addition, the committee also examined the levels of progress and achievement of goals and evaluated the effectiveness while reflecting the results of the examination in each measure.

NTT DATA appropriately handles risks concerning system developments and operational security, etc. within the quality management system (QMS) that was established based on the quality management rules. In addition, the project review committee examines large-scale projects that are new in terms of clients, operations or technologies for the adequacy of the order receiving plan and processes through the delivery.

(4) Systems to ensure efficient performance of duties by directors

The Company's duties are executed based on the organizational rules that specify jurisdictional tasks for each organ, and under the supervision of the Board of Directors, 25 executive officers are appointed and decision-making is made based on the authority regulations that stipulate the distribution of authorities.

The Board of Directors decides the issues prescribed in laws and regulations and important issues set forth in the rules for the Board of Directors such as those concerning management strategies, company management including investment, the management of the NTT DATA Group, etc. In addition, the Board of Directors supervises the performance of duties by directors by having them report the state of performance of their duties on a regular basis and by other means. The Board of Directors comprises 15 directors including 5 independent outside directors (as of March 31, 2021), and held 14 meetings in FY2020. The Corporate Management Committee, which discusses important decision-making for NTT DATA, held 37 meetings in FY2020.

(5) Systems to ensure appropriate operations of NTT DATA Group, etc.

With regard to an important issues for the management of the NTT DATA Group, such as the occurrence of emergencies that could influence the whole group, NTT DATA establishes an organization in the Company to promote businesses in cooperation with respective group companies and created systems to consult these matters with, and report them to, NTT DATA, and the systems are administered appropriately.

NTT DATA's Internal Auditing Department implemented an internal audit on group companies in a unified manner by reflecting important risks common to the whole group and risks specific to each group company in the audit.

Group companies set the important risks every year and the Internal Control Promotion Committee confirms the state of implementation of risk management led by CRO and risk management promotion officers in each company.

To maintain and improve the awareness of compliance in the whole NTT DATA Group, NTT DATA instructs group companies to implement compliance training sessions and monitors the state of implementation of such training sessions. NTT DATA has established the reception desk for the internal whistle-blowing system in Japan. The rules for administering the whistle-blowing system stipulate that whistle-blowers will not receive disadvantageous treatment on account of their whistle-blowing, and the rules are administered appropriately. It has also set up the reception desks for the internal whistle-blowing systems abroad.

The fiscal conditions of group companies are appropriately reported every month to NTT DATA, in addition to quarterly financial reports. The results are reported not only to the Board of Directors quarterly but also to the Executive Committee monthly as a monitoring status.

Financial conditions of the NTT DATA Group are reported every quarter to the Corporate Management Committee.

(6) Matters concerning employees who assist the Audit and Supervisory Committee's duties and independence of such employees from the directors who are not Audit and Supervisory Committee Members

As a system to assist the Audit and Supervisory Committee's auditing, NTT DATA has the Office for the Audit and Supervisory Committee comprising six full-time employees, and duties are carried out appropriately on the basis of the instructions and orders of the Audit and Supervisory Committee. Meanwhile, the transfer and evaluation of the employees at the Office for the Audit and Supervisory Committee shall be conducted by making adjustments with Audit and Supervisory Committee Members.

(7) Systems for the directors who are not Audit and Supervisory Committee Members and employees to report to the Audit and Supervisory Committee and for ensuring effective auditing by the Audit and Supervisory Committee

The Audit and Supervisory Committee Members attend important meetings including the Board of Directors, Corporate Management Committee, Internal Control Promotion Committee meetings and review important documents. In addition, regularly, they exchange opinions with the Representative Director and have discussions on specific topics with directors. On these occasions, they receive reports on the state of execution of duties specified in the basic policies and make recommendations as needed.

Moreover, the Audit and Supervisory Committee Members regularly exchange opinions with independent audits and the Internal Auditing Department. The explanation of an audit plan, the status of internal control systems, and other matters are reported to the Audit and Supervisory Committee Members while they make recommendations as needed.

In addition, NTT DATA uniquely contracts with outside experts such as lawyers to receive advice on auditing duties. Including the costs necessary for them, NTT DATA bears the costs needed to perform auditing duties.

## 2. Basic Views on Eliminating Anti-Social Forces

Our basic policy sets forth that we will have no relation with any Anti-Social Force including any business relation and will take resolute measures against any of their unreasonable demands.

Our “Global Compliance Policy” stipulates that we will take a resolute attitude toward Anti-Social Forces. We are striving to educate all of our employees about the “Global Compliance Policy” with prints of the Policy being distributed to them. We are also preparing a manual for how to respond to unreasonable demands from Anti-Social Forces, striving to exclude any relation with Anti-Social Forces through these efforts.

Being led by the risk management promotion framework, which is placed under a director responsible for risk management’s command, we are striving to collect information relating to Anti-Social Forces in cooperation with external special agencies including the police, and also striving to prevent any trouble with Anti-Social Forces through the risk management promotion framework information sharing initiatives with the entire frameworks. The risk management promotion framework is also calling our employees’ attention by holding regular training sessions for each framework and building managers.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

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### 2. Other Matters Concerning to Corporate Governance System

#### [Overview of the timely disclosure system]

With regard to the management of information relating to important matters, NTT DATA pays attention to timely, just and fair disclosure of the information relating to NTT DATA Group by having established “Policy (Rules) for Information Security,” “Disclosure Guidelines,” and “Rules for Prevention of Insider Trading” for appropriate operations.

The timely disclosure of important management information is made public through the stock exchange on which the shares of NTT DATA are listed, the press, and NTT DATA’s website after consultation at the Corporate Management Committee and determination by the President and CEO.

With respect to the handling of information, the Heads of each Section or Group manage the management information relating to relevant organizations in accordance with the “Policy (Rules) for Information Security” and the “Disclosure Guidelines.” The important management information deemed appropriate for timely disclosure is disclosed only after the Heads of each Section or Group consult with the Corporate Management Committee and gain the consent from the President and CEO. In such a case, the information NTT DATA is not obligated to disclose according to the rules for the timely disclosure may require consultation with Disclosure Committee for its disclosure if such information is judged to have the possibility of affecting investors’ judgment.

With regard to the education for the handling of information, NTT DATA holds regular training sessions targeted at all employees while thoroughly managing the important information that has not been released to the general public yet in accordance with the “Rules for Prevention of Insider Trading.”

An outline of facts described above is shown in the [Attached chart] “Overview of the timely disclosure system” to this report.

NTT DATA is determined to continue improving its corporate governance in order to enhance its enterprise value through strengthening the management by achieving a more efficient and transparent management system while grasping the latest trends and listening to opinions from external parties.

**[Attached chart]**

**【Explanation for the appointment/nomination of individual candidates for directors and audits】**

Name	Position	Reasons of Appointment	Number of meetings attended
Yo Honma	President and Chief Executive Officer, Representative Director	He has extensive experience and record in management including organizational management in the financial sector and the enterprise sector over many years. In addition, he has been in charge of management as President and Chief Executive Officer, and Representative Director, since 2018. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his extensive experience and record of performance, he has been appointed.	• Board of Directors' meetings 14 times/14 times
Shigeki Yamaguchi	Senior Executive Vice President and Representative Director	He has extensive experience and record in management including organizational management in the enterprise sector, public & social infrastructure sector, and China & APAC sector over many years. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been appointed.	• Board of Directors' meetings 14 times/14 times
Toshi Fujiwara	Senior Executive Vice President and Representative Director	He has extensive experience and record in management including organizational management in the financial sector, technology research & development, and global business management over many years. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been appointed.	• Board of Directors' meetings 14 times/14 times
Kazuhiro Nishihata	Senior Executive Vice President and Representative Director	He has extensive experience and record of management in the Global Business Sector in NTT Group companies and NTT DATA. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been appointed.	• Board of Directors' meetings 11 times/11 times
Masanori Suzuki	Executive Vice President and Director	He has extensive experience and record in the cooperate department in addition to organizational management in the financial sector. Since he is expected to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been appointed.	• Board of Directors' meetings 11 times/11 times
Yutaka Sasaki	Executive Vice President and Director	He has extensive experience and record in management including organizational management in the enterprise sector. Since he is expected to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been appointed.	—
Eiji Hirano	Director	He has extensive experience in the Financial Sector, and wide perspectives concerning financial administration and international finance. He has been appointed based on the fact he is expected to contribute, as an outside director, to the enhancement of supervisory function of business execution as well as the provision of advice using his wide range of perspectives.	• Board of Directors' meetings 14 times/14 times
Mariko Fujii	Director	She has keen discernment and extensive experience accumulated through her career in public administration, research on economics and foreign affairs. Based on this, she is expected to contribute to the enhancement of supervisory functions in executing management and the provision of opinions from broad viewpoints and has been nominated for the candidate of Outside director. Note that she has no experience of engagement in management of a company in any other manner than serving as an outside director or an outside audit. However, based on the above reasons, the Company judges that she can perform the duties of Outside Director properly.	• Board of Directors' meetings 14 times/14 times
Patrizio Mapelli	Director	He has extensive experience and record of performance in management in overseas market, mainly in Europe. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been appointed.	• Board of Directors' meetings 11 times/11 times
Takeshi Arimoto	Director	He has experience in the Corporate Strategy Planning Department and in the Finance and Accounting department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION as well as a corporate auditor in NTT Group companies. Based on these experiences, he is expected to provide opinions from a wide perspective and he has been appointed.	• Board of Directors' meetings 11 times/11 times
Fumihiko Ike	Director	He has extensive experience in management in global business and keen discernment of IT. He has been appointed since he is expected to contribute, as an outside director, to the enhancement of supervisory function of business execution as well as the provision of advice using his wide range of perspectives.	• Board of Directors' meetings 11 times/11 times

Tetsuya Obata	Standing Audit & Supervisory Committee Member and Director	He has experience in the finance and general affairs sectors as well as a tremendous track record in corporate management in the NTT Group. Since Mr. Obata, who was an executive officer of NIPPON TELEGRAPH AND TELEPHONE CORPORATION which is an ultimate parent company of NTT DATA Corporation and its affiliated company, is expected to help the Company ensure the corporate soundness and establish a transparent and fair structure to monitor management through audits and supervising of business execution by utilizing his wide perspectives and experience, he has been appointed as an outside director who is a member of the audit and supervisory committee.	<ul style="list-style-type: none"> <li>• Board of Directors' meetings 14 times/14 times</li> <li>• Audit &amp; Supervisory Board meetings 4 times/4 times</li> <li>• Audit &amp; Supervisory Committee meetings 19 times/19 times</li> </ul>
Katsura Sakurada	Standing Audit & Supervisory Committee Member and Director	He has extensive experience and wide perspectives concerning audits for finance, accounting and business execution based on his long years of professional experience in the Board of Audit of Japan. Since he is expected to help the Company ensure the corporate soundness and establish a transparent and fair structure to monitor management through auditing and supervision of the business execution, he has been appointed as an outside director who is a member of the audit and supervisory committee. Mr. Sakurada has never been engaged in the management of a company business other than as an outside director or outside corporate auditor. However, considering his background as stated above, we believe that he can properly perform the duties as an outside director who is a member of the audit and supervisory committee.	<ul style="list-style-type: none"> <li>• Board of Directors' meetings 14 times/14 times</li> <li>• Audit &amp; Supervisory Board meetings 4 times/4 times</li> <li>• Audit &amp; Supervisory Committee meetings 19 times/19 times</li> </ul>
Akihiko Okada	Standing Audit & Supervisory Committee Member and Director	He has extensive experience in corporate management at the NTT Group, as well as experience in finance and sales. Since Mr. Okada, who was an executive officer of NIPPON TELEGRAPH AND TELEPHONE CORPORATION which is an ultimate parent company of NTT DATA Corporation and its affiliated company, is expected to help the Company ensure the corporate soundness and establish a transparent and fair structure to monitor management through audits and supervising of business execution by utilizing his wide perspectives and experience, he has been appointed as an outside director who is a member of the audit and supervisory committee.	—
Rieko Sato	Audit & Supervisory Committee Member and Director	She has extensive experience as a director and corporate auditor at other companies in addition to legal expertise based on her experience of working as a lawyer for many years. We appointed her as an outside director who is a member of the audit and supervisory committee as we expect that she will contribute to ensuring of the integrity of the Company and establishment of a transparent and impartial management monitoring system through auditing and supervision of the business execution using her experiences. She has never been engaged in the management of a company business other than as an outside director or outside corporate auditor. However, considering her background as stated above, we believe that she can properly perform the duties as an outside director who is a member of the audit and supervisory committee.	<ul style="list-style-type: none"> <li>• Board of Directors' meetings 14 times/14 times</li> <li>• Audit &amp; Supervisory Board meetings 4 times/4 times</li> <li>• Audit &amp; Supervisory Committee meetings 19 times/19 times</li> </ul>

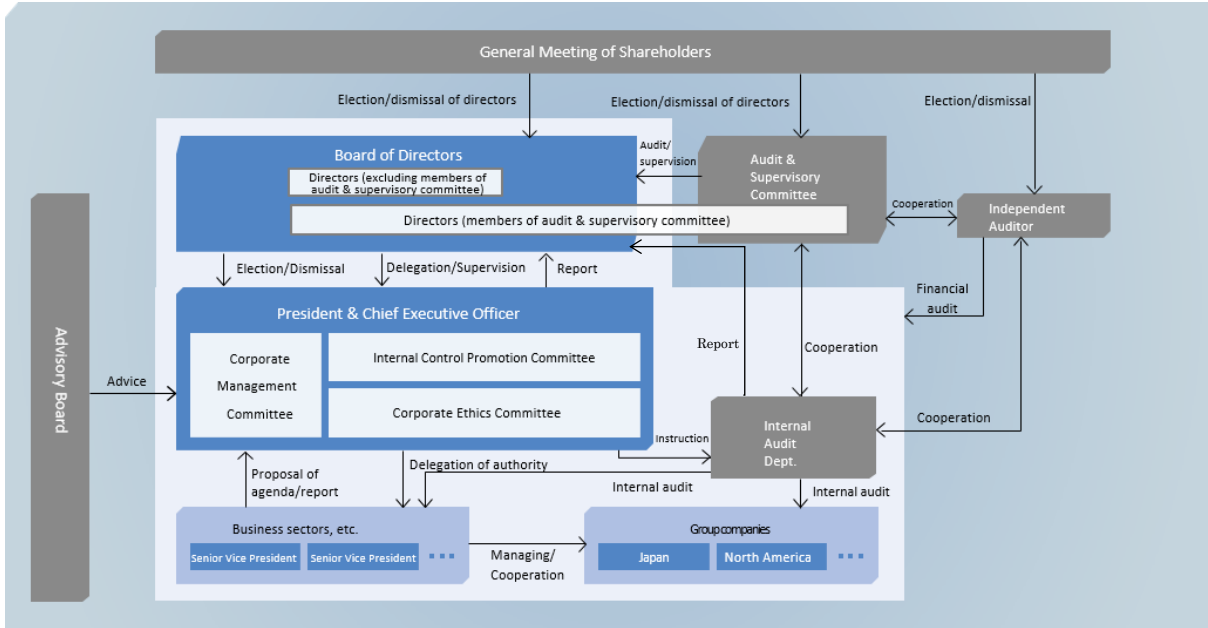
\* Eiji Hirano, Mariko Fujii, Fumihiko Ike, Testuya Obata, Katsura Sakurada, Akihiko Okada, and Rieko Sato are outside directors.

## 【Performance Indicators for Bonuses】

Classification	Performance Indicators			
	Operating Income	ROIC	Overseas sales	Overseas operating income ratio
Improvement from the previous year	35.0%	—	—	—
Degree of achievement of the plan	35.0%	7.5%	10.0%	10.0%

\* In addition to the above, the Company evaluates the degree of achievement of the planned number of the B2B2X projects.

## 【The system of business execution and the mechanism of management monitoring and internal control】





## 【The Board of Directors (Skill Matrix)】

Name	Corporate management	International	Sales / Marketing Consulting	Development/ R&D	Business Management	Finance & Accounting	Finance & Accounting	(Reference) Particular field of expertise *1 Executors only
Yo Honma	●		●	●	●			Financial / Enterprise & Solutions Segments
Shigeki Yamaguchi	●		●	●	●			Public & Social Infrastructure / Enterprise & Solutions Segments
Toshi Fujiwara	●	●		●	●			Financial Segment
Kazuhiro Nishihata	●	●	●		●			Global business sector
Masanori Suzuki			●	●	●			Financial Segment
Yutaka Sasaki			●	●	●			Enterprise & Solutions Segment
Eiji Hirano	●	●			●	●		—
Mariko Fujii		●					●	—
Patrizio Mapelli	●	●	●		●			—
Takeshi Arimoto					●	●		—
Fumihiko Ike	●	●	●		●			—
Tetsuya Obata	●				●	●		—
Katsura Sakurada					●	●	●	—
Akihiko Okada	●		●		●	●		—
Rieko Sato					●		●	—

\*2 ESG field is included in Business Management.

\*3 Up to four major skills possessed by each person are marked with "●".

## 【The gender ratio of the employees of NTT DATA Corporation】

As of March 31, 2021

	Male (Number of Employees)	Female (Number of Employees)	Ratio of Female Employees (%)
Number of Employees	9,293	2,662	22.3%
Manager level	1,902	163	7.9%
Senior Manager level	563	29	4.9%

\*The number of employees above does not include the persons who transferred to NTT DATA from other companies, but includes the persons who transferred from NTT DATA to other companies.

### **【Overview of the timely disclosure system】**

