

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 Update

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 mission, the NTT DATA Group has set the Medium-Term Management Plan from FY2022 to FY2025, aiming to realize a sustainable society together with clients by creating values for the future and connecting various people with technology as a Trusted Global Innovator.

We will further enhance our abilities to create systems using customer understanding and the high technological capabilities that we have accumulated so far. We will also support various corporate systems and industry infrastructure and connect people, businesses, and the society, in order to support the growth of clients' businesses and achieve a sustainable society together with clients.

To implement this initiative globally, NTT DATA will combine its overseas business with that of NTT Inc., a subsidiary of the NTT Group on October 1, 2022, so that we can evolve into a company offering comprehensive services that integrate IT and connectivity. We will not only offer consulting services and develop applications but also integrally develop service lineups necessary for digital transformation including the field of connectivity, so as to respond to increasingly complex and diverse client needs at a global level.

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.

(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 a majority of independent 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. (As of October 1, 2022, NTT, Inc. will no longer be the direct parent company, and NIPPON TELEGRAPH AND TELEPHONE CORPORATION will be the direct parent company.)

(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. In addition, NTT DATA delegates all or part of the important decision making to directors through resolution by the Board of Directors according to the Articles of Incorporation. 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

With an aim to foster corporate ethics and awareness of compliance and respond to recent changes in the business environment, NTT DATA has created the "NTT DATA Group Code of Conduct," which is the renewal version of behavior guidelines "Global Compliance Policy," to clearly state the specific actions to be taken by directors and employees of a global company. To make this effective, NTT DATA considers it necessary to implement a continuous educational campaign to promote awareness of such ethics and compliance. To that end, NTT DATA has been holding training sessions on compliance targeted at officers and employees and conducting attitude surveys on compliance. Aiming for more openness in its corporate culture, NTT DATA has created a whistle-blowing system, which can be used by all Group employees and partners, to receive any report whether anonymous or named. NTT DATA has a Group Whistle-Blowing Policy that states that whistle-blowers should not receive disadvantageous treatment for having made such reports.

[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.

On the other hand, NTT DATA classifies stocks held for pure investment purposes as those that profit from short-term fluctuations in interest rates, currency prices, quotations in securities markets, or other indicators, or from differences between markets, and are held for dividend purposes.

(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 FY2021, NTT DATA sold 19,700,000 shares out of 28,350,000 of Recruit Holdings Co., Ltd. common stock through the tender offer of treasury shares

As a result, the total amount of cross-shareholdings on the balance sheet totaled 67.8 billion yen, and the ratio of cross-shareholdings to consolidated net assets was 5.1% as of the end of FY2021.

NTT DATA confirmed the adequacy of holding all the listed shares currently held including the rest of Recruit Holdings Co., Ltd. common stock. If it proves to be inadequate to hold the shares due to changes in the situation, NTT DATA will keep taking measures including reducing the number of those 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, equity and inclusion are some 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

NTT DATA established the Diversity Promotion Office headed by the officer in charge of personnel affairs in 2008 and focused on 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. Currently, we have four female

Senior Vice Presidents. Such efforts of ours have been recognized, and we have been selected by the Nadeshiko Brand for the third consecutive year (in 2020, 2021, and 2022), 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 as of April 1, 2022: 35.1 %)

Goal 2 Increase the percentage of female managers to 10% by the end of FY2025 (7.5% as of the end of March 2022)

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 (30.3% as of the end of March 2022)

◆ Employment of people with previous work experience

Based on a strategy taking into account the business conditions and other factors, NTT DATA actively hires people who have worked for other companies and organizations at each employee level and hired 314 such mid-career employees in FY2021.

To promptly respond to changing business conditions, we established the Advanced Professional (ADP) system in 2018 for hiring external human resources with outstanding expertise for compensation that corresponds to their market value, aiming to employ more specialists with high expertise and skills in the fields of advanced technologies, such as AI, IoT, and cloud, and consulting. To enable not only managerial-level employees with management skills but also diverse human resources to unleash their potential and play active roles, we operate the Technical Grade (TG) system to help them achieve specialist career paths and demonstrate their expertise as core human resources.

Regarding the appointment to managerial positions and assignment to the TG system, we evaluate new graduates and mid-career employees equally and treat them appropriately without separating them from each other. In FY2022, we will make efforts to have mid-career employees account for 8.8% of employees in managerial positions, which is the same level as that at the end of March 2022.

◆ Employees with foreign nationalities, etc.

NTT DATA hires foreign nationals when recruiting new graduates and mid-career employees based on a strategy taking into account the business conditions, etc. When it comes to the appointment to managerial positions and assignment to the TG system, we equally evaluate employees with foreign nationalities without separating them from other employees and treat them appropriately.

The NTT DATA Group proactively promotes global management, operating in 203 cities in 52 countries and regions and having about 110,000 employees overseas as of March 2022. Believing that human resources are an important asset for our business, the NTT DATA Group actively hires people with previous work experience, helps personnel acquired through M&As to settle down to work quickly, and makes efforts to retain employees, especially in highly fluid overseas markets. By such means as implementing onboarding sessions for mid-career employees in respective areas, holding Values Week workshops,* and awarding prizes, we offer employees around the world to interact with each other in an equal and diverse manner beyond the border of a single organization.

*The Values Week workshop is held once a year to talk about practicing values in order to make the values of the NTT DATA Group more known to employees.

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

NTT DATA places emphasis on developing professionals with high expertise and the ability to respond to changes and talent who can play active roles globally. NTT DATA prepares a personnel training structure and a wide variety of contents that cater to diverse expertise and aspirations of employees, promotes co-creation through community learning, and creates a culture of mutual learning.

NTT DATA is also developing systems to foster the independent growth of employees, such as the provision of treatment according to the degree of expertise, while building an environment where employees can flexibly choose when and where to work according to the characteristics of their duties, etc., so as to promote diversity, equity, and inclusion and increase employee engagement.

We will evolve into a company that is more attractive to employees with organizational functions and culture to enable all our diverse employees to fully demonstrate their abilities and skills and play active roles. By doing so, we will maximize the capabilities of our employees and the organization that supports the implementation of various strategies for the new Medium-Term Management Plan and increase our corporate value going forward.

Specific measures are as follows:

- Support the independent growth of employees by certifying their expertise and implementing the Professional Career Development Program (Professional CDP), which is designed to develop employee capabilities
- Review the wage and duty system to make it more suitable for remote working or create a new system of that kind
- Realize online industrial health activities including consultations and implement health care measures for employees using pulse surveys* and other tools
- Hold unconscious bias training sessions for employees in managerial positions (awareness-raising training to end unconscious bias) and seminars to encourage male employees to take childcare leave etc.
- Create an environment where employees with disabilities can fully demonstrate their skills by establishing the special subsidiary NTT DATA DAICHI Corporation in 2008, among other measures
- Help employees continue their careers by such means as opening an in-house daycare center, Egg Garden, in 2011
- Extend all systems for spouses and families of employees to include same-sex partners, as part of the initiatives for employees who belong to LGBTQ or other sexual minorities

Note: A pulse survey is a tool to measure the impact of stress on employees and facilitate communication between superiors and subordinates by regularly conducting simple interviews.

[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 the President and Chief Executive Officer and Representative Director.

The Board of Directors monitors updates on the progress of our sustainability initiatives, whereas the Advisory Board comprised of corporate managers, experts, and others who are expected to provide the Company with knowledge and expertise of outside experts discusses measures to promote sustainability management.

Recently, the environment surrounding society has been changing significantly. NTT DATA will take this phase of big change as an opportunity to further grow, expand existing ESG management initiatives, and promote sustainability management with a long-term perspective.

Based on the three axes of "Clients' Growth," "Regenerating Ecosystems," and "Inclusive Society," NTT DATA will work to realize a sustainable society through corporate and business activities.

NTT DATA's mission, "Use information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society," is our raison d'etre in times of significant changes as well. Under the mission, NTT DATA will create values for the future and connect various people with technology to achieve a sustainable society together with clients in the future.

(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 new Medium-Term Management Plan (FY2022–FY2025) positions "Unleash our employees' potential that maximizes organizational strengths" as one of our growth strategies. We will develop systems to foster the independent growth of employees, such as a training system to learn advanced technologies on a global scale and the provision of treatment according to the degree of expertise while building an environment where employees can choose when and where to work flexibly according to the characteristics of their duties, etc., aiming to promote diversity, equity, and inclusion and increase employee engagement.

We will evolve into a company that is attractive to employees with organizational functions and culture to enable all our diverse employees to fully demonstrate their abilities and skills and play active roles. By doing so, we will fully unleash the potential of our employees and maximize our organizational capabilities to support the implementation of our strategies and increase our corporate value going forward.

(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, products 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.

The vision of the new Medium-Term Management Plan (FY2022–FY2025) is to create values for the future and connect various people with technology to realize a sustainable society together with clients. Of the five pillars that support the vision, we will actively invest in intellectual properties, especially for promoting "Evolve to an Asset-Based Business Model," and "Enhance Advanced & Development Technology."

To evolve to an asset-based business model, the knowledge that the Group has collected so far will be compiled into "Foresight" as an ideal future state, "Best practices" of know-how and case studies, "Software assets" that are finished and half-finished products intended to be delivered to clients, and "Development tools and methods" utilized by the Company. We will organize and consolidate them as our competitive edges to share and utilize globally.

To enhance advanced & development technology, we set the main technical fields each for "advanced technologies to ensure competitiveness" and "system development technologies for improving productivity" based on three separate areas of "Emerging," "Growth," and "Mainstream" according to technology readiness levels. We will make an investment in intellectual assets in the fields of technology development, accumulation of know-how, asset making, etc.

(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. In March 2022, NTT DATA was recognized as a certified Gold Partner of CDP*, an international nonprofit organization having strong presence in the field of climate change, and promotes initiatives globally in the fields of green consulting and software development in cooperation with the CDP.

*CDP: The world's most prestigious international environmental non-profit organization in the field of climate change

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, Executive Vice Presidents, and other heads of important sections or groups, 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 4-10-1] (View, authority, role, etc., regarding the independence of the Committees)

NTT DATA has independent outside directors who do not have any possibility of causing a conflict of interest with general shareholders and they make up the majority of the Board of Directors from the perspective of strengthening the supervising function of business execution.

[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 with the involvement of an external organization since FY2016 to ensure objectivity on the effectiveness of the Board of Directors. The Board implemented self-evaluation and analysis also in FY2021, just like the previous business year. General information is provided as below.

(1) Methods of implementation

When: December 2021–January 2022

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

Based on the analysis of the comparisons with the average scores of other companies regarding the results of the questionnaire survey conducted by an external organization, as well as individual interviews with outside directors and foreign directors, we deeply analyzed, discussed, and evaluated from February 2022 to April 2022. 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. 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 FY2021, 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:

- Hold strategic discussions based on an annual plan
- Enhance monitoring of companies in which NTT DATA invests
- Enhance communication opportunities between executive directors and outside directors
- Offer opportunities to deepen knowledge about IT and digital technologies and understanding of actual sites

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% |
|----------------------------|---------------------------|

[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) | 181,675,100 | 12.95 |
| Custody Bank of Japan, Ltd. (Trust Account) | 72,542,966 | 5.17 |
| Custody Bank of Japan, Ltd. (Securities Investment Trust Account) | 19,176,700 | 1.37 |
| JP MORGAN CHASE BANK 385635 | 18,597,400 | 1.33 |
| NTT DATA Employee Share-Holding Association | 14,158,300 | 1.01 |
| STATE STREET BANK WEST CLIENT TREATY 505234 | 11,313,072 | 0.81 |
| JP MORGAN CHASE BANK 380072 | 10,637,900 | 0.76 |
| STATE STREET BANK AND TRUST COMPANY 505025 | 8,465,603 | 0.60 |
| JP MORGAN CHASE BANK 385781 | 8,215,345 | 0.59 |

| | |
|---|--|
| 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 March 31, 2022.
- Percentage (%) has been calculated after deducting the treasury stock (1,149 shares).
- NTT, Inc. is planning to distribute all of its shares to NIPPON TELEGRAPH AND TELEPHONE CORPORATION in kind on October 1, 2022..

3. Corporate Attributes

| | | |
|---|---------------------------------------|------------------------------------|
| Listed Stock Market and Market Section | <input type="button" value="Update"/> | Tokyo Stock Exchange Prime 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 1,000 |
| 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 13 directors, including 7 independent outside directors. At present, independent outside directors account for the majority of all directors.

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

The group of companies centering on NIPPON TELEGRAPH AND TELEPHONE CORPORATION, the ultimate parent company of NTT DATA, engages mainly in the integrated ICT business, regional communications business, and global solution business. The parent company formulates management strategies for the entire NTT Group, and based on these strategies, NTT DATA assumes management responsibility and operates its business independently.

NTT DATA engages in the global solution 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 company owns a majority of NTT DATA's voting rights as described in "I.2. Capital Structure" of this report and has the right as 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 seven independent outside directors account for a majority of the all 13 directors, 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.

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 whole 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 |
|-------------------|--|

[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 <input type="button" value="Update"/> | 13 |
| Status of the appointment of Outside Directors | Appointed |
| Number of Outside Directors <input type="button" value="Update"/> | 8 |
| Number of Independent Directors <input type="button" value="Update"/> | 7 |

| |
|--|
| Outside Directors' Relationship with the Company (1) <input type="button" value="Update"/> |
|--|

| 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 | | | | | | | | | △ | | | |
| Shigenao Ishiguro | From another company | | | | | | | | | | | | |
| Testuya Obata | From another company | | | | | | | | | | | | |
| Katsura Sakurada | From another company | | | | | | | | | | | | |
| Akihiko Okada | From another company | | | | | | | | | | | | |
| Tomoko Hoshi | Certified public accountant | | | | | | | | | | | | |
| Mitsuko Inamasu | Lawyer | | | | | | | | | | | | |

* 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)

Update

| 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 3rd 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> |
| Shigenao Ishiguro | | ○ | | <p>He has extensive experience in management in global business and keen discernment of maximization of personnel and organizational capabilities. 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 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> |
| 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.</p> |

| | | | | |
|-----------------|---|---|---|--|
| | | | | Thus, we have deemed that there is no risk of conflicting interest with general shareholders. |
| 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> |
| Tomoko Hoshi | ○ | ○ | | <p>She has extensive experience at an independent auditor, in addition to abundant experience and broad knowledge in global finance and accounting as well as internal control audit. We expect that she will contribute to ensuring the corporate soundness of the Company and establishing a transparent and impartial management monitoring system through auditing and supervision of business execution using her experiences. She has never been engaged in the management of a company business. However, considering her background as stated above, we believe that she will be able to 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 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> |
| Mitsuko Inamasu | ○ | ○ | | <p>She has extensive experience as a lawyer, in addition to knowledge on legal affairs related to IT and informatization as well as abundant experience as an auditor of other companies. We expect that she will contribute to ensuring the corporate soundness of the Company and establishing a transparent and impartial management monitoring system through auditing and supervision of 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 will be able to 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 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> |

[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 |
|---|-----------|

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 |
|---|-----------------|

[Independent Directors]

| | | |
|---------------------------------|---------------------------------------|---|
| Number of Independent Directors | <input type="button" value="Update"/> | 7 |
|---------------------------------|---------------------------------------|---|

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 |
|----------------------------------|---------------------------------|

| | |
|---------------------------|---------------------------------------|
| Supplementary Explanation | <input type="button" value="Update"/> |
|---------------------------|---------------------------------------|

Refer to “II.1. Director Remuneration” in this report.

| | |
|-----------------------------|---|
| Recipients of Stock Options | — |
|-----------------------------|---|

Supplementary Explanation

—

[Director Remuneration]

| | |
|--|---|
| Disclosure of Individual Directors' Remuneration | No disclosure of individual director compensation |
|--|---|

Supplementary Explanation

—

| | |
|--|-------------|
| Policy on Determining Remuneration Amounts and Calculation Methods | Established |
|--|-------------|

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 independent outside directors, directors who are Audit and Supervisory Committee Members, and its parent company 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, Yo Honma, the President and Chief Executive Officer and Representative Director delegated by the Board of Directors, shall determine them. The reason for delegating the authority to the President and Chief Executive Officer and Representative Director is that we believe that this would enable appropriate decisions to be made while viewing NTT DATA's overall performance. In the delegation of the authority, NTT DATA takes measures to make the authority exercised while respecting the opinions of outside directors and the right of the Audit and Supervisory Committee to express opinions on remuneration, so as to make sure that the authority is exercised properly.

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. The reason for this is to make clearer the interrelations between remuneration for directors and NTT DATA's corporate value and increase motivation towards achieving goals in the Medium-Term Management Plan. Bonuses are calculated by converting the degree of year-on-year improvement for each goal or the degree of achievement of the plan into a payment rate using a predetermined method set for each indicator, weighting it based on the weight of each indicator, and multiplying it by the standard amount of bonus for each position. (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. We select consolidated net sales and consolidated operating income margin, both of which are permanent core financial indicators in the Medium-Term Management Plan, as performance indicators of stock compensation.

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 policy on determining remuneration for directors who are not Audit and Supervisory Committee members, etc., is as stated above, while remuneration amounts for individual directors and other matters are determined based on advice from multiple perspectives of independent outside directors, directors who are Audit and Supervisory Committee members, and its parent company and we consider remuneration for individual directors for this fiscal year, etc., consistent with the policy.

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. Additionally, in order to promote sustainability, the Company has made changes to the performance indicators for bonuses from FY2022 onward, including the additional three new indicators based on the themes required to realize a sustainable society.

[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.)

Update

| 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"> External activities to fulfill the Company's social responsibility such as participation in initiatives to solve social issues. Support to the Company's management such as strengthening external relationships by utilizing the human network he built. | <ul style="list-style-type: none"> Working pattern: Full-time Remuneration: Paid | June 19, 2018 | From June 19, 2018 to June 18, 2024 (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)

Update

(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 13 directors including 7 independent directors. There are 3 female directors and 1 foreign director among these 13 directors. The Board meeting is held once every month regularly and can also be held as an extraordinary meeting, if necessary, with 16 meetings held in FY2021. 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 outside directors who are members of the Audit and Supervisory Committee, including 2 female directors. It held the Audit and Supervisory Committee meeting 26 times in FY2021. In addition, the Committee regularly exchanges opinions with the Representative Directors and has 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 18 certified public accountants and other 27 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 whole 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.

From the perspective of enhancing the supervisory function of business execution, independent outside directors who do not have any possibility of causing a conflict of interest with general shareholders should include people who have management experience at other companies and make up the majority of the 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 independent outside directors, directors who are members of the Audit and Supervisory Committee, and the parent companies, 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 independent outside directors, directors who are members of the Audit and Supervisory Committee, and the parent companies 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

Update

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 8 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 2022 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 8 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 (http://www.nttdata.com/global/en/investor/index.html), 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 "NTT DATA Group Code of Conduct," 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. | The Medium-Term Management Plan (FY2022-FY2025) sets forth the "NTT DATA Sustainability Management," the basic policy on our sustainability initiatives, as well as the following 3 axes and 9 materiality under the slogan of "Realizing a Sustainable Future." Based on these materialities, NTT DATA will work to realize a sustainable society through corporate activities "of IT" and business activities "by IT." <ul style="list-style-type: none"> - "Clients' Growth: Companies achieving growth in ways that support a sustainable society" - "Regenerating Ecosystems: Preserving the global environment for future generations" - "Inclusive Society: Creating a society where everyone can live healthy and happy lives" <p>What sustainability means to NTT DATA is to: promote sustainability management in reference to SDGs based on NTT DATA Group's mission "Create new systems and values with information technology for a more affluent and harmonious society"; maximize two shared values – one is corporate value that NTT DATA Group can gain such as the expansion of our Group's business foundation and sustainable growth and the other is social value that the society can gain such as national and regional economic development and considerations to human rights and the environment – together with our clients and stakeholders by</p> |

| | |
|---|---|
| | <p>focusing on the 9 materiality newly set under the 3 axes; and aim for sustainable growth of both the NTT DATA Group and society.</p> <p>The latest sustainability initiatives are disclosed on the Integrated Report, Sustainability Report and our website. (https://www.nttdata.com/jp/ja/sustainability/)</p> |
| <p>Development of Policies on Information Provision to Stakeholders</p> | <p>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.</p> |

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 whole 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 "NTT DATA Group Code of Conduct" to ensure compliance in the whole Group.
 - 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 whole 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 whole 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 the Corporate Management Committee 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 whole 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 whole Group in order to promote efficient and effective group management.
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 FY2021

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.

To foster the awareness of corporate ethics and compliance, NTT DATA has created the "NTT DATA Group Code of Conduct," which is the renewal version of behavior guidelines "Global Compliance Policy" for directors and employees. NTT DATA will continue to spread the Code of Conduct within the Group to ensure and improve compliance within the whole Group.

Anti-bribery, anti-corruption, and other regulations are available on the in-house website, and we conduct anti-bribery and anti-corruption screening on our own and anti-bribery screening through contractors, etc.

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

The Compliance Department gave legal advice and confirmation when business departments concluded contracts and conducted a preliminary check on 43 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 whistle-blowing system is available for all Group employees in and outside Japan and is operated appropriately. NTT DATA's Corporate Ethics Committee is held once in each fiscal year to examine how many and what kind of reports were submitted, confirm the results, and report them to the Board of Directors. NTT DATA appropriately administers the rules for administering the whistle-blowing system, which conform to the whistleblower protection act and stipulates that whistle-blowers should not receive disadvantageous treatment on account of having made such reports.

The Internal Audit Department reports the annual audit plan and interim and annual audit results to the Board of Directors appropriately as well as conducting internal audits using a variety of auditing methods, taking into account risks in NTT DATA and risks common to the Group companies.

(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 organizes and stores documents by appointing personnel in charge of promoting information security to each section. These are administered properly by 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 FY2021, and the members enhanced governance following global deployment and expansion and tightened measures assuming the occurrence of security violation. From now on, similar measures will be rolled out in the Group companies.

(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. In accordance with the rules concerning the Internal Control Promotion Committee, the Internal Control Promotion Committee, chaired by the Senior Executive Vice President, plays a central role in establishing and administering the PDCA cycle for risk management. Meanwhile, the committee held meetings three times during FY2021 and deeply discussed to identify material risks, taking into account the frequency of risk occurrence and impact of the risk. It also discussed measures to reduce such risks, 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, 27 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. In FY2021, the Board of Directors comprises 15 directors including 5 independent outside directors (as of March 31, 2022), and held 16 meetings. The Corporate Management Committee, which discusses important decision making for NTT DATA, held 40 meetings in FY2021.

(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 Audit Department implemented an audit on the Group companies in and outside Japan using various auditing methods while taking into account the risks common to the whole Group and those specific to each region or Group company.

With regard to material risks common to the entire Group and risks specific to each Group company, 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 entire NTT DATA Group, NTT DATA created the "NTT DATA Group Code of Conduct," instructs the Group companies to implement compliance training sessions, and monitors the state of implementation of such training sessions. NTT DATA established and operates the internal whistle-blowing system that is available for all Group employees. The Group Whistle-Blowing Policy stipulates that whistle-blowers should not receive disadvantageous treatment on account of their whistle-blowing.

The fiscal conditions of the Group companies are appropriately reported every month to NTT DATA and reported as monthly monitoring updates to the Executive Committee meetings.

The financial conditions of the whole Group are monitored at the Corporate Management Committee meetings every quarter and reported to the Board of Directors.

(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, etc., NTT DATA has the Office for the Audit and Supervisory Committee comprising seven 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 Audit 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** Update

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 “NTT DATA Group Code of Conduct” stipulates that we will take a resolute attitude toward Anti-Social Forces and will not bow to unreasonable demands or have any relations with Anti-Social Forces. We are striving to educate all of our employees about the “NTT DATA Group Code of Conduct” 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 though 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 16 times/16 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 16 times/16times |
| 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 16 times/16 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 16 times/16 times |
| 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 16times/16 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 16 times/16 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 16 times/16 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 16 times/16 times |
| Shigenao Ishiguro | Director | He has extensive experience in management in global business and keen discernment of maximization of personnel and organizational capabilities. 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. | - |
| 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. | • Board of Directors' meetings 16 times/16 times • Audit & Supervisory Committee meetings 26 times/26 times |

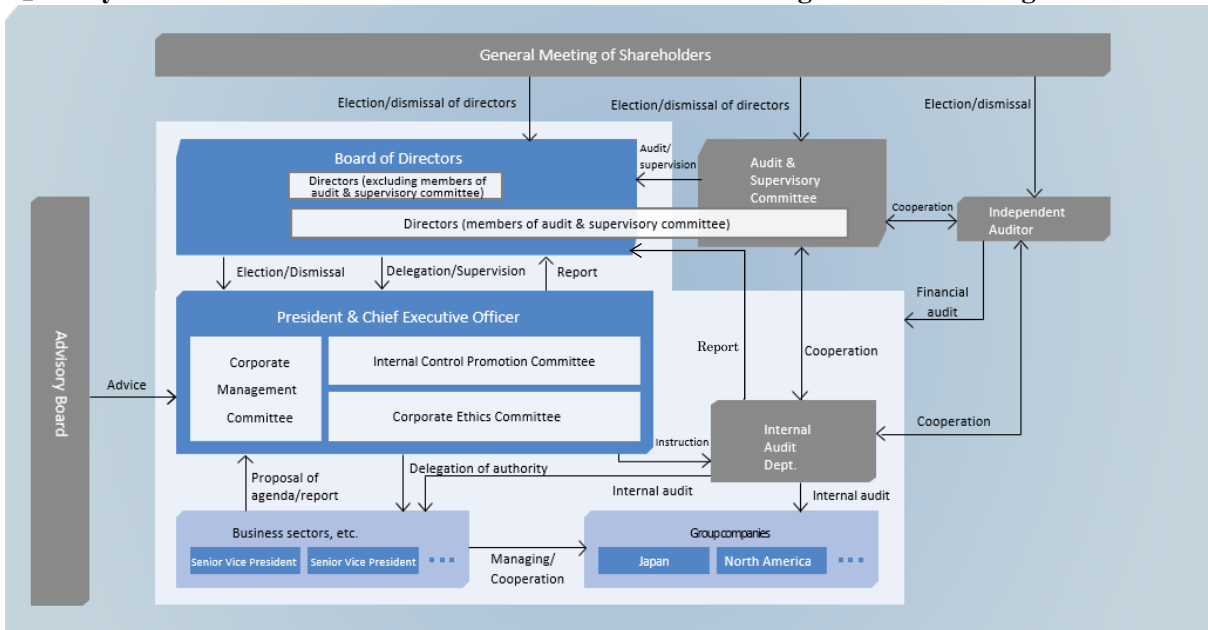
| | | | |
|-----------------|--|---|---|
| Akihiko Okada | Standing Audit & Supervisory Committee Member and Director | He has extensive experience in corporate management at the NTT Group, as well as experience in finance and sales. Since Mr. Okada, who was an executive officer of NIPPON TELEGRAPH AND 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. | <ul style="list-style-type: none"> • Board of Directors' meetings 12 times/12 times • Audit & Supervisory Committee meetings 18 times/18times |
| Tomoko Hoshi | Standing Audit & Supervisory Committee Member and Director | She has extensive experience as an independent auditor, in addition to abundant experience and broad knowledge in global finance and accounting as well as internal control audit. We expect that she will contribute to ensuring the corporate soundness of the Company and establishing a transparent and impartial management monitoring system through auditing and supervision of business execution using her experiences. She has never been engaged in the management of a company business. However, considering her background as stated above, we believe that she will be able to properly perform the duties as an outside director who is a member of the Audit and Supervisory Committee. | - |
| Mitsuko Inamasu | Audit & Supervisory Committee Member and Director | She has extensive experience as a lawyer, in addition to knowledge on legal affairs related to IT and informatization as well as abundant experience as an auditor of other companies. We expect that she will contribute to ensuring the corporate soundness of the Company and establishing a transparent and impartial management monitoring system through auditing and supervision of 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 will be able to properly perform the duties as an outside director who is a member of the Audit and Supervisory Committee. | - |

* Eiji Hirano, Mariko Fujii, Fumihiko Ike, Shigenao Ishiguro, Katsura Sakurada, Akihiko Okada, Tomoko Hoshi, and Mitsuko Inamasu are outside directors.

【Performance Indicators for Bonuses】

| Classification | Performance indicators | | Evaluation weight |
|------------------------------------|--|----------------------------------|-------------------|
| Degree of year-on-year improvement | Financial indicators | Operating Income | 35% |
| Degree of achievement of the plan | | ROIC | 5% |
| | | Overseas operating income margin | 10% |
| | | Sustainability indicators | GHG emissions |
| | B2B2X revenue | | 5% |
| | Ratio of women newly appointed to managerial positions | | 5% |

【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 | Legal & Administrative | (Reference) Particular field of expertise ※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 |
| Eiji Hirano | ● | ● | | | ● | ● | | — |
| Mariko Fujii | | ● | | | | | ● | — |
| Patrizio Mapelli | ● | ● | ● | | ● | | | — |
| Fumihiko Ike | ● | ● | ● | | ● | | | — |
| Shigenao Ishiguro | ● | ● | | ● | ● | | | — |
| Katsura Sakurada | | | | | ● | ● | ● | — |
| Akihiko Okada | ● | | ● | | ● | ● | | — |
| Tomoko Hoshi | | ● | | | | ● | | — |
| Mitsuko Inamasu | | | | | | | ● | — |

*1 ESG field is included in Business Management.

*2 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, 2022

| | Male (Number of Employees) | Female (Number of Employees) | Ratio of Female Employees (%) |
|----------------------|-------------------------------|---------------------------------|----------------------------------|
| Number of Employees | 9,520 | 2,831 | 22.9% |
| Manager level | 1,919 | 175 | 8.3% |
| Senior Manager level | 600 | 29 | 4.6% |

*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】

