

Q&A —Company Presentation for Individual Investors—

Date: Wednesday, December 12, 2018

Venue: Daiwa Conference Hall (Chiyoda-ku, Tokyo)

Q1. There was a press release saying that NTT is establishing a global holding company the other day. Please tell me the reason and the advantage that it has. Also, will there be a change in how NTT DATA conducts its business?

A1. Regarding why NTT is establishing a global holding company, I think there are various reasons as NTT Group. I will tell you a reason which is one of the biggest I feel. NTT has a law called “Act on Nippon Telegraph and Telephone Corporation, etc.” (NTT Act). One of the provisions in this law stipulates that directors and audits of NTT must have Japanese nationality. There is also a provision which stipulates that in appointing and dismissing directors and auditors of NTT, an authorization by the Minister of Internal Affairs and Communications is required.

When NTT Group starts to expand globally with NTT DATA as a key player, the entire group will have to be organized and have strategies developed from various perspectives. Naturally, a global strategy cannot be developed just by Japanese members so we must include top executives from overseas in discussions to decide on the policies. However, this is difficult under the restraint of current NTT Act.

I think that the biggest purpose of the global holding company is to integrate overseas businesses and IT businesses like the one NTT DATA is engaged in, to enable dynamic and speedy operations with effective diversity.

Naturally, the role of NTT DATA in the group would be significant. However, as we retain the status as a listed company, we will firmly maintain our brand as NTT DATA. Even if there is a case which may be beneficial for the overall NTT Group, if it is not so for NTT DATA, we intend to continue to object in order to represent the interests of our shareholders.