

*Note: This document is the English translation of “Teiji kabunushisokai shoshu gotsuchi tennpu syorui\_Dai 34kai jigyō hōkoku” (34th Business Report) and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation, the Japanese version will prevail.*

## **BUSINESS REPORT**

(From April 1, 2021 to March 31, 2022)

### **1 Matters Concerning the Current Status of the Corporate Group**

#### **1. Business Progress and Results**

Economies and the management environment of the IT services industry in the current consolidated fiscal year are as follows:

As a result of the COVID-19 pandemic, both the Japanese and global economies remained in a difficult position. However, they began to improve in the second half as the severe situation was mitigated. While economic society was being normalized through the implementation of all possible anti-COVID-19 measures, the economic outlook was expected to improve further, as various policies were implemented effectively and overseas economies improved. However, it is necessary to pay close attention to the uncertainty surrounding the situation in Ukraine and the spread of diseases such as COVID-19 variants in the latter half of the second half, which may have an impact on the volatile financial and capital market and economy.

The Japanese IT services market has improved as IT investments have become increasingly important to respond to changes in social conditions due to the spread of COVID-19, while demand for upgrading and/or innovating existing systems has recovered, and Digital Transformation (DX) projects have been expedited.

Despite the concerns including the infections caused by COVID-19 variants, which may curtail our clients' IT investment, we expect the favorable demand environment to continue and anticipate continued improvement in the coming fiscal year and beyond.

As COVID-19 spreads, the global IT services market responded to changes in social situations, and digital business expanded for recovery and growth. From now on, DX projects in various industries are expected to further accelerate. However, we must continue to focus on the impact of the situation in Ukraine on our clients, particularly those in the European region, and the rebound of infections caused by COVID-19 variants, which we are concerned about.

#### **Progress on Management Policies**

As Global Top 5 in the Global 3<sup>rd</sup> Stage in 2025, the NTT DATA Group aims to become a company trusted by clients worldwide by being a “Trusted Global Innovator.”

The previous Medium-Term Management Plan (FY2019–FY2021) promoted “Pursuing profitable global growth with consistent belief and courage to change” as the period in which we clarified our strengths, which would become sources of our future growth and which we would thoroughly refine. We aimed to achieve the following previous midterm management goals: “consolidated net sales of over 2.5 trillion yen,” “a client base of over 80 companies,” “consolidated operating income margin of 8%,” and “overseas EBITA margin of 7%.”<sup>(note 1)</sup>

With “courage to change,” we further accelerated our digital projects and realize the maximization of global synergies to provide maximum values for our clients. In so doing, we have promoted our projects on the basis of the following four strategies.

##### **Strategy 1: Expand global digital offerings<sup>(note 2)</sup>**

In “Accelerate global marketing” and “Develop digital offerings through active investment,” we created seven commercialized offerings by working to create offerings through active investment in the focused industries as specified in “Accelerate global marketing.” Life insurance BPaaS among the seven offerings acquired a large-scale project in North America, continuing from FY2020.

In “Expand Center of Excellence (CoE<sup>(note 3)</sup>)”, the expanded CoE globally promotes the sharing and rolling out of digital technologies and expertise in the seven areas, including blockchain, digital design, agile/DevOps<sup>(note 4)</sup>, and AI.

Strategy 2: Deliver greater value to clients based on regional needs

In Japan, we acquired multiple large-scale projects of core systems from central governments, financial institutions, and corporate clients. Additionally, new services are getting created, solving social issues or creating new social mechanisms across fields and industries, such as cashless treasury money services.

In North America and Europe, Strategy 2 led to the acquisition of multiple-year large-scale digital projects, such as becoming a digital partner of a leading service company and the MaaS platform project for a railway company.

Strategy 3: Unleash our employees' potential that maximizes organizational strengths

We aimed to reach each employee's self-fulfillment and reinforced organizational strengths. Besides making use of human resources systems, e.g., an educational program to improve digitally enabled human resources, the ADP system <sup>(note 5)</sup>, and the TG system <sup>(note 6)</sup>, we expanded job-type employment and promoted women's empowerment to diversify human resources in FY2021, whereby expanding our human resources and transforming our corporate culture and awareness.

We also promoted digitally enabled workstyle reforms by rolling out digital knowledge sharing, in which to share content and expertise internally, to the Group companies.

#### Drive NTT Group Collaboration

An NTT Group's co-creation project in which we participated was to build, run, and support "myki", a ticket system that supports the transportation system in Victoria, Australia. In this project, we contributed to a digital project for the AI-enabled capturing of real-time congestion status through NTT Smart Solutions.

We also took part in the NTT Group's co-creation projects and promoted the Digital Social Transformation through the IOWN Concept. For the Digital Social Transformation through the IOWN Concept, we established the IOWN Promotion Office in FY2020, which centrally gathers internal business ideas for feasible IOWN results, such as a data linkage infrastructure plan. Hence, we promote infrastructural projects toward the utilization of the IOWN technology.

In addition, we have worked on key management issues "The curtailment of unprofitable projects" and "Improving profitability in oversea business" toward the completion of the medium-term management plan.

In "The curtailment of unprofitable projects", we implemented the following four initiatives to prevent unprofitable projects from arising: 1. Enhanced early response to risk, 2. Further enhancement of field capabilities, 3. Enhanced management processes, and 4. Further accumulation and utilization of knowledge. Thereby we significantly reduced unprofitable projects and contributed to securing operating income.

In "Improving profitability in oversea business", the results of Structural Transformation implemented in North America and the EMEAL segments have borne fruit, and our digital businesses have been expanding rapidly.

#### Consistent Belief

With "consistent belief," we will contribute to achieving the SDGs through our business and corporate activities and enhance sustainable corporate values based on our mission statement of "NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society" and "Long-Term Relationships."

In March 2019, we signed the WEPs (Women's Empowerment Principles), a set of principles established by UN Global Compact (UNGC) and United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), which globally leads the promotion of women's careers and the development of business. In June 2020, NTT DATA transitioned to the company with Audit and Supervisory Committee structure to further enhance the corporate governance system and realize sustainable improvements in corporate value.

Furthermore, in October 2021, in response to the growing social demand for carbon neutrality, we established Green Innovation Office to promote our clients' and the industry's carbon emission reduction, thereby contributing to realize a decarbonized society.

These projects helped us to achieve the midterm management goals of "consolidated net sales of over 2.5 trillion yen," "a client base of over 80 companies," and "consolidated operating income margin of 8%." <sup>(Note1)</sup> Although we were temporarily behind "overseas EBITA margin of 7%" <sup>(Note1)</sup> due to the impact of the COVID-19 pandemic, we met the goal in North America.

## Progress on Business Activities

Digital transformations globally accelerated, and our clients' needs became more diverse and sophisticated, prompting us to respond by expanding our business in the global market and improving digital offerings specific to market changes, providing system integration services. Thus, we worked to expand diverse IT services that were stably provided.

[Summary of financial results for the 34th fiscal year]

**Reported record highs in all accounting items including net income. Our overseas business expanded with improved profitability, while our domestic business also steadily increased.**

The number of new orders received increased due to expanded overseas businesses and the impact of foreign exchanges.

Net sales has increased for the 33rd consecutive fiscal year due to the impact of foreign exchanges and growth in all segments.

Operating income increased due to increased sales and the effects of overseas Structural Transformation.

(¥ billion, except for net dividend per share [yen])

Items	Year	33rd Fiscal Year (FY2020)	34th Fiscal Year (FY2021)	
New orders received		2,223.3	2,400.8	+8.0% +177.5
Net sales		2,318.7	2,551.9	+10.1% +233.2
Operating income		139.2	212.6	+52.8% +73.4
Net income attributable to shareholders of NTT DATA		76.8	143.0	+86.1% +66.1
Net dividend per share		18	21*	+16.6% +3

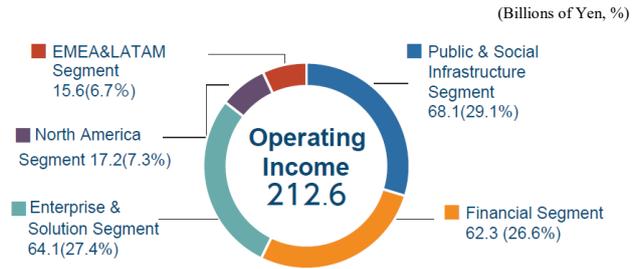
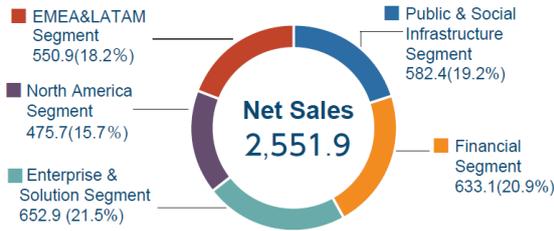
\*includes special dividend of 2 yen

## Highlight of the Results for the Fiscal Year Ended March 31, 2022



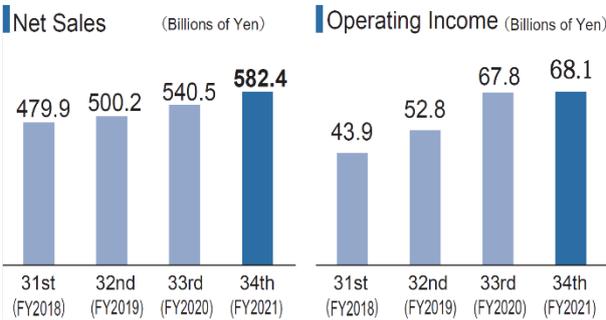
# NTT DATA GROUP

(Achievements in Fiscal 2021)



(Note)The above composition ratio is calculated excluding adjustments.

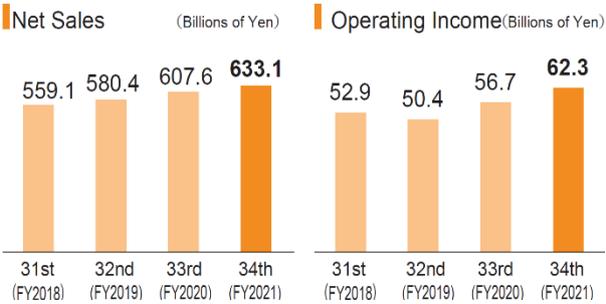
## Public & Social Infrastructure Segment



- The net sales was 582.4 billion yen (7.8% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for the central government and related agencies, and telecommunication industry.

- The operating income was 68.1 billion yen (0.4% increase compared to the previous fiscal year) due mainly to increased sales, regardless of upfront investments in expanded businesses and the rise of unprofitable projects.

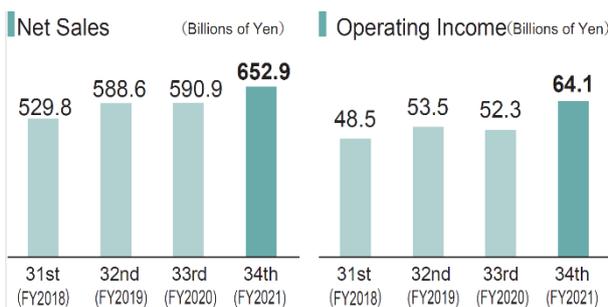
## Financial Segment



- The net sales was 633.1 billion yen (4.2% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for banks.

- The operating income was 62.3 billion yen (9.9% increase compared to the previous fiscal year) due mainly to sales growth.

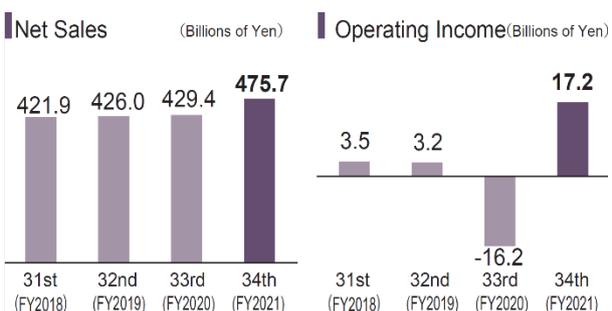
### Enterprise & Solutions Segment



- The net sales was 652.9 billion yen (10.5% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for manufacturing industry and retail and service sectors.

- Operating income was 64.1 billion yen (22.6% increase compared to the previous fiscal year) due mainly to sales growth as well as improved personnel utilization rates resulting from sales growth, despite the increased costs of upfront investments in expanded businesses.

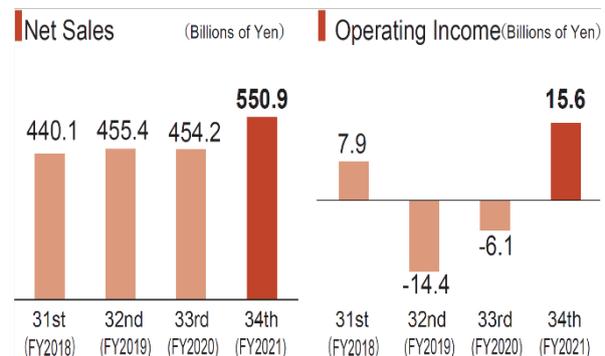
### North America Segment



- The net sales was 475.7 billion yen (10.8% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for healthcare institutions, as well as M&As and the impact of foreign exchange rate, despite a decrease in revenue from the sale of several businesses.

- The operating income was 17.2 billion yen (- % compared to the previous fiscal year) due mainly to a decrease in the expense and seeing results of Structural Transformation as well as sales growth.

### EMEA & LATAM Segment



- The net sales was 550.9 billion yen (21.3% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services mainly in Spain and Germany, as well as the impact of foreign exchange rate.

- The operating income was 15.6 billion yen (- % compared to the previous fiscal year) due mainly to temporary costs in the previous fiscal year of reviewing businesses with low profitability decreased, sales growth and seeing results of Structural Transformation despite an increase in expenses for global brand unification and additional measures.

The following shows the status of overseas bases during the period under review:

Approx. 110,700 employees deployed in 203 cities in 52 countries and regions outside of Japan (Approx. 151,600 employees including Japan) (As of March 31, 2022)

## Public & Social Infrastructure Segment



Backed by the review of the IT Basic Law, the launch of the Digital Agency, and other events, efforts to build a digital society have been accelerated. Against this backdrop, NTT DATA steadily won renewal projects for mission-critical systems of government agencies and infrastructure companies, while aiming to expand its businesses by creating new businesses from the user's perspective to realize a new social system in line with the growth strategy based on Society 5.0 and the Digital Government Implementation Plan.

<Quick disaster response and promotion of information sharing among relevant organizations>

- In July 2021, NTT DATA launched "D-Resilio," a digital disaster-prevention platform that comprehensively supports disaster response operations for local governments and infrastructure companies. Using NTT DATA's advanced technologies, such as digital satellite images and drones to get a grasp of the situation in a wider area and Twitter to collect real-time information about residents in disaster-hit areas, we gather information in the event of a disaster and help disaster response headquarters make decisions through the visualization and analysis of the collected data, which would allow them to take quick disaster responses.

In addition, NTT DATA utilizes its disaster-mitigation communication system to enable sending information with a single operation to various communication media

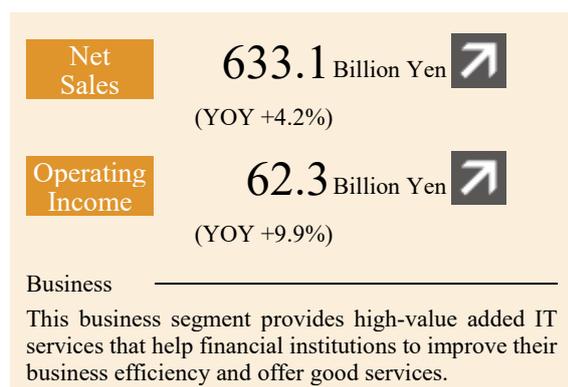
such as outdoor horn speakers and smartphones all at once. We help clients perform their operations by utilizing digital technologies in all phases of disaster response. This platform can be easily linked to other systems including existing disaster response systems and each prefecture's comprehensive disaster prevention information system, while also supporting information sharing among local governments, infrastructure companies, and other organizations concerned.

<Contributing to digitalization and efficiency improvement of government organizations and financial institutions and realization of their ESG goals>



- Toward the digitalization of deposit and savings query operations from government organizations to financial institutions, NTT DATA launched a service called "pipitLINQ" in 2019. The usefulness of this service to improve operational efficiency has been recognized so widely. In the fiscal year 2021, it was introduced into the National Tax Agency, the Japan Pension Service, 206 local governments across the country, and 51 financial institutions and life insurance companies, including all Resona Group companies and the Japan Post Bank. By having both government organizations, financial institutions, and life insurance companies join the pipitLINQ service, it is possible to digitalize the deposit and savings query operations, which used to be conducted entirely on paper. This helps drastically reduce the paperwork burden, postage costs, and time lag between inquiries and responses, leading to quick and appropriate operations. As shown in the illustration, the service is built on OpenCanvas <sup>(Note7)</sup>, a highly reliable and secure cloud service, and makes the most of AnserDATAPORT <sup>(Note8)</sup> and Common Gateway for Insurance Companies <sup>(Note9)</sup> to realize a secure, low-cost service.

## Financial Segment



Deregulation and technological innovations have brought about significant changes in the business environment surrounding financial institutions. Furthermore, the COVID-19 pandemic has considerably changed people's values and lifestyles and accelerated digital shifts such as cashless and paperless transactions. Amid such circumstances, NTT DATA continued to support highly reliable and high-quality financial infrastructure, aiming to expand the businesses that would help build a better society through co-creation with clients and new technologies.

<Realizing open-source framework to ensure the safety and reliability of accounting systems for financial institutions>



● In 2024, NTT DATA will start to provide “PITON” a safe open-source framework <sup>(Note10)</sup> for accounting systems for financial institutions and other systems that require high reliability—for the first user—MEJAR <sup>(Note11)</sup>. Additionally, the Shinkin Kyodo Center had decided to adopt the framework for its next-generation accounting system that is scheduled to be renewed around 2026. The PITON™ allows existing operational applications that were developed for mainframe computers <sup>(Note12)</sup> to operate on an open-source platform without making changes, helping reduce transition risks to open-source systems. The open-source framework offered by the PITON enables users to secure hardware and products that make up systems in the medium- and long term, ensuring the continuity of systems. This makes it easier to secure IT talent necessary to develop, maintain, and operate systems because there are more open-source engineers than mainframe engineers. Since PITON allows applications for mainframe computers to operate on open-source platforms, the system's compatibility with the latest technologies has increased, which helps user financial institutions digitalize operations and reduce costs. Furthermore, the introduction of the open-source framework promotes the usage of cloud accounting systems and data centers and that is expected to

contribute to clients' decarbonization by reducing electricity consumption and by other means in the future.

<Promoting digitalization beyond industries>



● In October 2021, NTT DATA opened the “API gallery,” a market for open-source API <sup>(Note13)</sup>, which is an open platform connecting “API users”, such as FinTech companies and local governments, and “API provider” financial institutions. About 50 companies joined the API gallery as of the end of fiscal year 2021. Based on the concept of the new financial IT strategy “Open Service Architecture (OSA)” <sup>(Note14)</sup>, we will promote digitalization across industries by connecting systems between embedded finance, financial institutions, and government organizations to further expand the use of NTT DATA's “ANSER” and other financial IT infrastructures.

<Balancing the strict monitoring of transactions and the flexibility to changes in regulation and responding to Japan's largest number of accounts and customers>



● In July 2021, NTT DATA started the development of an anti-money laundering (AML) <sup>(Note15)</sup> system for the Japan Post Bank, which aimed to launch the service in 2024. The system is equipped with four functions of monitoring, risk rating, screening, and customer management and balances the strict monitoring of transactions and the flexibility to changes in regulation to prevent money laundering and terrorism financing. This ensures performance that enables the Japan Post Bank, which has the largest number of accounts and customers in Japan, to continue to offer services for several business transactions. The AML solution falls under the category of data analytics of One Service Architecture (OSA).

## Enterprise & Solutions Segment

Net Sales	652.9 Billion Yen	
	(YOY +10.5%)	
Operating Income	64.1 Billion Yen	
	(YOY +22.6%)	
<b>Business</b>		
This business segment provides high-value added IT services that support manufacturers, distributors, and service providers as well as payment services such as credit cards and platform solutions services, provided in collaboration with other IT services.		

NTT DATA rode the wave of digitalization, which has been accelerated by the COVID-19 pandemic, and steadily grasped demand recovery opportunities. Through these efforts, we, together with leading Japanese companies, speeded up initiatives in the advanced digital field and contributed to business growth, aiming to further expand businesses. We also enhanced its global competitiveness by consolidating its unique strengths in the utilization of advanced technologies and global solutions and thus offering higher added value.

<Establishing the process to promote and roll out Lion Corporation's digital transformation (DX) <sup>(Note16)</sup> and enhancing its human resource development>



- In January 2022, NTT DATA entered into a business alliance with Lion Corporation (hereafter “Lion”) aimed at promoting digital transformation (DX). To establish a digital foundation that would help realize Lion’s purpose—“Make a difference in everyday lives by redesigning habits: ReDesign”—and achieve business transformation by fully utilizing the foundation, NTT DATA will establish and roll out a DX promotion process and enhance human resource development.

Specifically, we will utilize the Digital Success Program <sup>(Note17)</sup> that we offer to create a strategy for Lion’s DX, implement it, and spread it across the company. We will also develop special training courses for Lion employees and let them participate in NTT DATA’s training programs in order to develop various human resources that promote Lion’s DX.

<Launching initiatives for achieving carbon neutrality>



- With regard to the green consulting service that NTT DATA has been offering since January 2022, we optimized the service for the manufacturing sector by using ENERGY CLOUD®, an AI solution offered by Mitsubishi Heavy Industries, Ltd., and have begun offering it. One of the characteristics of the service is to enable understanding of the carbon footprint <sup>(Note18)</sup> of each product, production period, and production line; visualize greenhouse gas (GHG) emissions including those from the supply chain; and use the visualized data to reduce GHG Protocol Scope 1 and Scope2 <sup>(Note19)</sup>.

In February 2022, NTT DATA began offering a platform to visualize GHG emissions. While companies are required to visualize their GHG emissions, they have difficulty selecting an optimal calculation method, among other challenges and difficulties. NTT DATA makes use of a proven method to obtain and examine activity volumes needed to calculate emissions from business activities and data, create a calculation scenario that helps a client take actions to reduce emissions, and make calculations to help the client company visualize their emissions. In addition, we apply a method to reflect the emissions reduction effects of supplier companies in the client company’s emissions. When we adopt the method, we establish a process for the time-consuming early stage and grasp the emission intensity <sup>(Note20)</sup> of each supplier. Furthermore, we offer a hybrid calculation method combining multiple other calculation methods according to the client company’s needs so as to support their visualization.

## North America Segment

Net Sales	475.7 Billion Yen	↗
	(YOY +10.8%)	
EBITA	30.8 Billion Yen	↗
	(YOY - )	
Operating Income	17.2 Billion Yen	↗
	(YOY - )	
Business		
This Business segment provides high-value added IT services taking into consideration the market characteristics for North America business.		

In the society after COVID-19, new needs are emerging and market conditions continue to change. Amid such circumstances, NTT DATA worked to further strengthen the digital and consulting areas through the outcomes of the structural transformation implemented in the fiscal year 2020 and supported clients' DX by combining its existing strengths.

< Further Accelerate Enhancement of Digital Capabilities and Shifts to Digital through M&A and Divestitures >



NTT DATA Services, a subsidiary of NTT DATA Corporation, expanded digital capabilities to drive the next phase of our digital transformation in the market, through M&A and divestitures.

- NTT DATA Services acquired Vectorform, LLC, a digital transformation and innovation company, in March 2022 to expand our design, customer experience (CX) (Note21) and product development services especially in digital application development and modernization (Note22) capabilities. Vectorform added to our recent acquisitions of Nexient, LLC and Chainalytics, Inc., to further accelerate strengthening our digital capabilities and digital offerings.
- NTT DATA Services completed the divestiture of non-digital businesses. Transitioning to digital-centric business domain helped accelerating shifts to digital and margin improvement.

<Support Accelerating Digital Transformation of Clients in Financial Sector with Digital Offering and Cloud >



NTT DATA Services, a subsidiary of NTT DATA Corporation, received multiple contracts from multiple financial sector clients to support their digital transformation journeys, by utilizing our digital capabilities and digital offerings.

- NTT DATA Services was awarded a large contract extension by a large bank in the US in January 2022, to support their digital transformation initiatives through our application modernization services and developing and enhancing digital experience (Note23) among others. NTT DATA Services contributed to supporting clients' journey in building their digital services by providing digital capabilities enabling cloud migration, CX improvement, Omni-channel (Note24) experience and so forth.
- NTT DATA Services was awarded large contracts for Third-Party Administrator (TPA) services (Note25) by multiple clients in the Life & Annuity industry, including Everlake Life Insurance Company. Our TPA services are leveraging Global Insurance Digital Platform (GIDP), a cloud based, digital platform and partner ecosystem. Combining various functions, services, and solutions best suited for Life & Annuity industry, NTT DATA Services contributed to the consistent provision of services ranging from consulting to digital platform implementation, BPO migration, and operations.

We believe these contracts highlight our deep insights in financial industries, as well as our recent investment success in digital areas. We continue to support clients in accelerating digital transformation.

## EMEA & LATAM Segment

Net Sales	550.9 Billion Yen	↑
	(YOY +21.3%)	
EBITA	19.9 Billion Yen	↑
	(YOY - )	
Operating Income	15.6 Billion Yen	↑
	(YOY - )	
Business		
This Business segment provides high-value added IT services taking into consideration the market characteristics for the EMEA /Latin America business.		

In the society after COVID-19, new needs are emerging and market conditions are significantly changing. Amid such a situation, we worked to expand the digital business by enhancing digital talent and assets, standardized our global brand, integrated management of operating companies at an early date, and appropriately responded to clients' needs for DX.

<Unification and integration of operating companies for a trusted brand in global markets >



By integrating business operations in the EMEAL region, NTT DATA will promote more integrated global business development than ever before and supported the digital transformation of our customers and society. Operational efficiencies, such as streamlining staff departments and promoting near-shore and off-shore operations, have also improved market response and third-party brand value evaluations

- NTT DATA has integrated its group companies everis and itelligence, into the NTT DATA brand in April 2021. The change is aimed at enhancing the presence of NTT DATA as a trusted brand in global markets.
- NTT DATA has newly established NTT DATA Europe & Latam, S.L.U. and started its operation from September 2021. ※NTT DATA Europe & Latam, S.L.U. does not include itelligence (Currently NTTDATA Business Solutions AG).

<Contribute to solving social issues through digital businesses>



NTT DATA was selected as a strategic partner in several projects such as below for its highly evaluated rich experience in digital transformation of clients' business, utilizing advanced technologies.

- NTT DATA EMEAL has been awarded a 5-year contract by the Spanish national railway operator Renfe Operadora for the definition of requirements, development, deployment and operation of a MaaS (Mobility as a Service) platform. This platform integrates various transportation providers, hotels, leisure facilities, etc., and provides a comprehensive solution that enables users to plan trips, arrange transportation, and book services during their trips, regardless of time or location, through the use of the web and applications.
- NTT DATA EMEAL works together with the European Medicines Agency (EMA) in the development of the Clinical Trials Information System (CTIS), launched in January, 2022. It will be the single system for monitoring clinical trials, from registration to evaluation, for sponsors and regulatory entities in the European Union and the European Economic Area. This system will increase the efficiency of trials in Europe by allowing collaboration within the Member States and avoiding duplication or repetition of trials.

Notes:

(Note 1) The targets of the previous medium-term management plan are based on the following assumptions:

- Client base means the clients from whom we earn annual net sales of 5 billion yen or more (Japan) or 50 million U.S. dollars or more (outside of Japan).
- Consolidated operating income margin and overseas EBITA margin exclude temporary costs such as M&As and structural transformation.

(Note 2) Global Digital offerings

Products or services we provide to our clients by utilizing leading-edge technologies.

(Note 3) CoE (Center of Excellence)

A base that conducts advanced R&D activities and plays a central role in creating and developing human resources and businesses.

(Note 4) DevOps

A system that consists of tools and development methods that allow the development and operation teams to work together to meet clients' requirements for systems with high quality, flexibility, and in a short period of time.

(Note 4) Intelligent Automation

Technologies that run automated business processes through artificial intelligence (AI), machine learning, and data utilization.

(Note 5) ADP (Advanced Professional)

A system under which the Company recruits outstanding human resources from outside with excellent expertise in AI, IoT, cloud, and other advanced technology fields and the consulting field and compensates them according to market value.

(Note 6) TG (Technical Grade) system

A system under which the Company makes the best use of and evaluate the potential abilities of human resources with specialized skills.

(Note 7) OpenCanvas

A cloud service with high reliability and security standards used by government organizations and financial institutions.

(Note 8) AnserDATAPORT

A data transmission service that enables secure transactions between government organizations and financial institutions.

(Note 9) Common Gateway for Insurance Companies

A new web-based network infrastructure based on standardized system specifications common to the life and nonlife insurance sectors.

(Note 10) Open-source framework

A system structure comprised mainly of general-purpose products available on the market, such as using open-server products.

(Note 11) MEJAR

An accounting system used by the five banks of the Bank of Yokohama, Ltd., Higashi-Nippon Bank, Ltd., both under the Concordia Financial Group, Ltd., the Hokuriku Bank, Ltd., the Hokkaido Bank, Ltd., both under the Hokuohoku Financial Group Inc., and the 77 Bank, Ltd.

(Note 12) Mainframe computers

Large computers with high performance and reliability that use maker-specific CPU and OS. They have been offered for core systems of public offices and financial institutions to deal with large amounts of data and transactions for many years.

(Note 13) API (Application Programming Interface)

An interface to develop applications that use various systems and services, including web services.

(Note 14) OSA (Open Service Architecture)

Standard architecture that embodies the state of new financial IT required by the post Covid-19 pandemic society.

(Note 15) Anti-money laundering (AML) system

The AML solution falls under the category of data analytics of One Service Architecture (OSA).

(Note 16) DX (Digital transformation)

DX is to use digital technologies as a means to bring about revolutionary changes to businesses and workstyles.

(Note 17) Digital Success Program

A program/methodology to enable a gradual digital shift toward transformation into a data-driven company. To lead our clients to "digital success," a successful state of digital utilization, NTT DATA has systematically developed know-how based on our abundant DX support experiences over more than 10 years, such as success factors for DX, DX realization processes, and more than 400 data utilization cases.

(Note 18) Carbon footprint

The amount of CO<sub>2</sub> calculated from GHG emissions from the entire life cycle stages of a product or a service, from the procurement of raw materials, production, and distribution to disposal and recycling.

(Note 19) GHG Protocol Scope 1 and Scope 2

GHG Protocol is an international standard to calculate and report GHG emissions from the entire supply chain. The protocol categorizes GHG emissions into the following three scopes based on how GHG emissions are generated and who emits GHG and regards the total of Scopes 1, 2, and 3 as emissions from the entire supply chain.

Scope 1: Direct GHG emissions from a business operator (fuel combustion, industrial processes)

Scope 2: Indirect emissions from the use of electricity, heat, and steam supplied by other companies

Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions by other companies related to the business operator's activities)

(Note 20) Emission intensity

The emission rate of a given pollutant relative to the intensity of a specific activity.

(Note 21) Customer experience (CX)

To evaluate the value of a customer's experience when using a product or service from the customer's perspective.

(Note 22) Software Modernization

A method of transforming legacy IT assets to new systems creating new value by updating them with cutting-edge technologies.

(Note 23) Digital experience

A mechanism that enables companies to provide optimized processes and experiences for users by leveraging digital technologies including AI and IoT.

(Note 24) Omni-channel

A multichannel approach to sales that seeks to provide customers with a seamless shopping experience, whether they're shopping online through e-commerce sites, SNSs, or in a brick-and-mortar store.

(Note 25) Third-Party Administrator (TPA) services

An outsourcing service of insurance policy administration, etc.

## 2. Progress of Technical Development

In order to survive the intense global competition, the NTT DATA Group works on the “promotion of advanced technology and innovation” to actively introduce new technological trends in business while promoting research and development on “production technology innovation,” such as speeding up and increasing quality of system development and building a cloud foundation that takes into account the greater use of cloud services and digitalization. We create platforms that globally collect and utilize knowledge and know-how on advanced technologies to facilitate innovations and improve next-generation production technologies.

Through collaborative R&D with NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT), we utilize the results for fundamental R&D themes to focus our resources on applied R&D themes.

The R&D costs for the consolidated fiscal year under review were 19,707 million yen. The results of the R&Ds, which are commonly applicable to the Public & Social Infrastructure, the Financial, the Enterprise & Solutions, the North America and the EMEA & LATAM segments, are not separately recorded by each segment.

### <Stepping up efforts to enhance employees’ digital capabilities>



Given an increasing demand for speedy development of systems using advanced information technologies like cloud and artificial intelligence, NTT DATA caught up with those changes in the society and focused on the enhancement of employees’ digital capabilities. We strengthen strategic collaboration with partners designed to promote digital business using cloud technology and, as part of that initiative, we work to enhance digital talent development. By using training programs and other assets provided by our partners, we train and develop human resources that can provide consulting or support the utilization of advanced technologies so as to contribute to the digital transformation of our clients.

- We strengthen strategic collaboration with partners designed to promote digital business using cloud technology and, as part of that initiative, we work to enhance digital talent development. By using training programs and other assets provided by our partners, we train and develop human resources that can provide consulting or support the utilization of advanced technologies so as to contribute to the digital transformation of our clients.
- We developed a digital talent certification system for our employees and business partners <sup>(Note1)</sup>. We increased the market value of highly-skilled talent with the level-specific management of digital talent, visualization of the quality of engineers, and clear manifestation of training pass and boosted the overall level of our digital capabilities.
- In fiscal 2021, NTT DATA rolled out Gitohon Academy (an education program) where our company’s top leading engineers give training directly to trainees to the whole NTT DATA Group. We are working to train and develop top-level engineers across the group.
- To train and develop talent promoting digital business, we implement a program to have employees have experience in projects in advanced technology fields at different departments for two years and then return to their original departments. The program is aimed at having program participants acquire skills needed to lead digital projects at their original departments.

### <Joining the Green Software Foundation as a Steering Member >



As global efforts have been stepped up to reduce CO2 emissions toward carbon neutrality, discussions on the issue have also begun in the field of software. In September 2021, NTT DATA joined the Green Software Foundation (GSF) <sup>(Note2)</sup> as a Steering Member, which was the first from Asia. The GSF is an organization working globally to reduce CO2 emissions caused by software.

To accurately understand the amount of CO2 emissions, which is the first step in reducing emissions caused by software, NTT DATA worked with other GSF member companies to develop an alpha version of the Software Carbon Intensity (SCI) <sup>(Note3)</sup>—a method for evaluating carbon emissions. Using this method, we can compare the environmental impact of operating software with the same functions and understand the effects of modifications made to the software on CO2 emissions. It also enables us to select software with low environmental impact and develop software and operation techniques with low carbon emissions.

With these activities, NTT DATA will establish technologies and methodologies for software development and operation with less environmental impact and contribute to the decarbonization of the society by providing green software and services.

< Ensuring high level of security and quickly responding to cyberattacks to contribute to mitigating damage from security incidents >



As part of measures for the expansion of global digital offerings, an initiative that is stipulated in the previous Medium-Term Management Plan, NTT DATA positioned security as one of the focus areas and worked on it.

In November 2021, we began offering “Zero Trust Security,”<sup>(Note4)</sup> which provides a comprehensive service from consulting to architecture implementation and operation. As cyberattacks are increasingly sophisticated and complex day by day, we see them as a key risk that affects corporate management. Therefore, the NTT DATA Group introduced and operates the zero trust architecture used by 150,000 employees in more than 50 countries around the world. Using the know-how, NTT DATA, together with strategic partner companies, created a structure with more than 1,000 specialists around the world able to provide service. The service allows us to offer a work environment suited to flexible workstyles, not tied to specific workplaces or devices. It also contributes to damage reduction from security incidents by providing a high level of security with technologies, such as multi-factor authentication and log monitoring, and allowing for rapid detection, response, and recovery in the event of external cyberattacks.

(Note 1) Business partners

An employee of our business partner company with which NTT DATA works together on development.

(Note 2) Green Software Foundation (GSF)

A nonprofit organization jointly founded in May 2021 by the Linux Foundation, in collaboration with four companies—Accenture, GitHub, Microsoft, and Thoughtworks. It has a total of 594 members from 28 companies and organizations as of the end of April 2022.

(Note 3) Software Carbon Intensity (SCI)

A method to evaluate the carbon footprint using scores based on the usages of power and hardware and the carbon intensity of power usage, which constitutes carbon emissions in software operations.

(Note 4) Zero Trust Security

Since the increased use of cloud services has caused data and systems that should be protected to be scattered, Zero Trust Security provides security measures without trusting all communications.

### 3. Challenges to be addressed

[Outlook of the business environment]

The environment surrounding society is changing significantly day by day, and the elements required for business management are diversifying, such as balancing contributions to addressing social issues and the environment, exemplified by SDGs (Sustainable Development Goals), and increasing economic value beginning with the creation of new value. As various things and people become connected, backed by technological evolution, all manner of societal trends are in flux, from business activities to individual consumption and lifestyles, and digital-related investments for business growth are accelerating in every industry.

On the other hand, the competitive environment in the IT market has intensified, and as global consulting firms and mega-cloud vendors expand their service line-ups to meet societal and technological changes, there is a greater need for us to further strengthen our business competitiveness on a global level in order to continue to contribute to our clients.

[Issues to be Addressed]

In the previous Medium-Term Management Plan (FY2019 to FY2021), we aimed for quality global growth and promoted the further acceleration of digital initiatives and improvements in overseas business profitability.

With regard to improvements in overseas business profitability, North America Segment achieved an EBITA rate of 7% as a result of business structural reforms. However, we realize that its profitability is still low in comparison to the domestic business, and that there is a need for continued measures to improve profitability and promote the shift to digital, aiming for the further growth of the overseas business.

With further acceleration of digital initiatives, we were able to deliver various results such as expanding the global business through global offerings and obtaining various digital businesses in each region. On the other hand, as also stated in the Outlook of the Business Environment, we realize that digital transformations aimed at addressing social issues and contributing to the global environment are accelerating, and that further measures are needed to improve competitiveness. Quality growth of overseas business and strengthened competitiveness in the digital domain are ongoing issues in aiming for the Global 3rd Stage. In addition, considering that competition to secure talent is intensifying worldwide, we recognize that there are issues

in environmental and cultural reforms so that diverse talent can actively participate in the long term, and in growing to become a truly global enterprise.

[New Medium-Term Management Plan]

Considering the business environment and issues, our group has formulated a new Medium-Term Management Plan for FY2022 to FY2025 as follows.

#### 1. Basic Policy

As a Trusted Global Innovator, we aim to realize a sustainable society together with our clients by creating future-oriented value and connecting various people through technology.

#### 2. Medium-Term Strategy

To support our clients' businesses and realize a sustainable society together with our clients, we will further increase our ability to build systems with customer understanding and high technical abilities that we have cultivated so far, and our ability to support various enterprise systems and industry infrastructure to connect people with enterprises and society. Specifically, we will aim to strengthen our end-to-end capabilities from formulation of management change and business change concepts through realization by providing change proposals based upon industry and technology foresight and providing asset-based value to realize high agility, and to realize inter-industry partnerships connecting enterprises across industries and create new social platforms and innovative services going beyond enterprise and industry frameworks through the Edge to Cloud Service <sup>(Note 1)</sup> connecting various things and data.

To promote these measures on a global basis, we will integrate NTT, Inc., under the umbrella of the NTT Group, with our overseas business, and evolve into an enterprise that provides total services integrating IT and connectivity. We will centrally maintain the service line-up necessary for digital transformation, not limited to consulting and application development but including the connectivity field, and respond to increasingly complicated and diverse customer needs on a global level.

▶ Figure 1: New Medium-Term Management Plan Overall Strategy Diagram: see p. 18

#### Strategy 1. Creation of New Services through Fusion of IT and Connectivity

We will strengthen our ability to provide Edge to Cloud services <sup>(Note 1)</sup> through further strengthening of the partnership with the NTT Group. By securely connecting

different customer contact points and data in combination with strengths in providing systems to a wide array of industries, we will realize cross-industry partnerships beyond enterprise and industry boundaries and create new societal platforms and innovative services. Within Japan, we will strengthen partnerships between different fields with a focus on our Social Design Office, and overseas, we will work to create and expand cross-industry partnership business with a focus on the Smart City<sup>(Note 2)</sup> field and 5G-related business.

#### Strategy 2. Strengthening Foresight-Driven Consulting Abilities

In addition to building expert consulting organizations in each field, we will establish functions for lateral support across fields such as development of methodologies for clients and industries to envision the future (foresight), supporting implementation of the same, and development of talent for consulting. In addition, we will build a network to gather and utilize the varied knowledge of industry and service specialists throughout the world.

Through these initiatives, we will strengthen our capabilities in industry consulting to conceptualize the future of clients and industries, as well as technology consulting to conceptualize the future from a technology perspective and realize business transformation by supporting client growth as a creative partner.

#### Strategy 3. Evolving to an Asset-Based Business Model

We will consolidate foresight and best practices in the industry and business, software, in-house tools, and other value that we can provide to our clients in a reusable form and utilize them to provide consulting service and promote Delivery Managed Services<sup>(Note 3)</sup> on a worldwide basis. We will maximize the value we provide to clients by transforming from the prior contracted SI-based business model to one in which we make proposals and suggestions, with business agility appropriate for the digital age.

Furthermore, we will establish a “Consulting and Asset Business Transformation Headquarters” in July 2022 as a head office organization reporting directly to the president to accelerate transformation through company-wide collaboration on the Strategy 2 and Strategy 3 initiatives.

#### Strategy 4. Strengthening Abilities in Advanced Technology Application and System Development Technology

We will promote activities in three areas based upon the

maturity level of technologies—Emerging, Growth, and Mainstream— and proceed to strengthen both our ability to utilize advanced technologies to obtain future competitiveness and our ability to system development technologies to improve productivity.

(Emerging Technologies)

We will obtain technology and know-how to gain future competitiveness by building Innovation Centers in seven countries around the world with high sensitivity to advanced technologies, forming a team in each region, and carrying out joint R&D with innovative clients.

(Growth Technologies)

Based upon the Competency Center policy developed through CoE activities under the prior Medium-Term Management Plan, we will promote the formulation and validation of business hypotheses, broadening of awareness, and pre-sales and delivery support for technology for which future growth is expected, and develop future technology focus areas.

(Mainstream Technologies)

We will designate technology focus areas and promote the development and expansion of mainstream global technology assets with an aim toward global business expansion.

#### Strategy 5. Maximization of Talent and Organizational Strengths

We will promote Diversity, Equity, and Inclusion<sup>(Note 4)</sup> and improve employee engagement by maintaining systems to support the self-directed growth of staff, such as realizing treatment commensurate with high degrees of specialization and training systems to teach leading-edge technologies globally, and realizing an environment in which working hours and locations can be flexibly configured based on factors such as the characteristics of work.

We will maximize our talent and organizational capabilities to support the execution of each strategy and increase our future corporate value by transforming into an attractive company for employees, with organizational functions and cultures enabling active participation of diverse talent.

#### Strategic Investments and Strengthening Global Partnership Functions for Business Growth

As a mechanism to support these five strategies, we will realize business growth toward the Global 3rd Stage by strengthening our Marketing, Innovation, and Governance functions on a global basis to quickly respond to changes in the business environment, as well as establishing a

virtuous cycle of investment and growth.

Specifically, in addition to the focus areas of industries and technologies, we will create new investment lines for themes for the realization of social change, such as sustainability and IOWN <sup>(Note 5)</sup>, and promote strategic investments for future business creation throughout the world.

#### Sustainability Management

As indicated in the Outlook of the Business Environment above, the environment surrounding society is changing significantly day by day. Seeing this major phase of change as an opportunity for further growth, we will expand our existing ESG management initiatives and promote them as sustainability management with a long-term perspective.

In the new Medium-Term Management Plan, we laid out the following three axes and established nine key issues (materiality) based on the slogan “Realizing a Sustainable Future.”

“Clients’ Growth: Growth of Enterprises Supporting Sustainable Society”

“Regenerating Ecosystems: Protecting the Global Environment for the Future”

“Inclusive Society: Realizing a Society Where Anyone Can Live Healthily and Happily”

Based on these key issues (materiality), we will work to realize a sustainable society through business and corporate activities.

▶ Figure 2. NTT DATA Sustainability Management: see p. 18

In July 2022, we will establish a Sustainability Management Promotion Division to oversee business strategy with a focus on non-financial indicators, with an aim toward the promotion of sustainability management.

Our mission statement, “NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society,” is our significance of existence even in this era of great changes. Going forward, based on this mission statement, NTT DATA will continue to realize a sustainable society with our clients by creating value for the future and connecting various people with technology.

#### 3. New Medium-Term Management Goals\*1

Consolidated Net Sales:	Over JPY 4 trillion
Consolidated Operating income Margin*2:	10%
Overseas EBITA Margin*2:	10%
Customer Base*3:	120 companies

\*1: These figures are based on the premise of the business integration of the Company and NTT, Inc. which is subject to the approval of Proposal 2 at the 34th Ordinary General Meeting of Shareholders of the Company.

The forecast figures of NTT, Inc. are based on certain assumptions that are currently available.

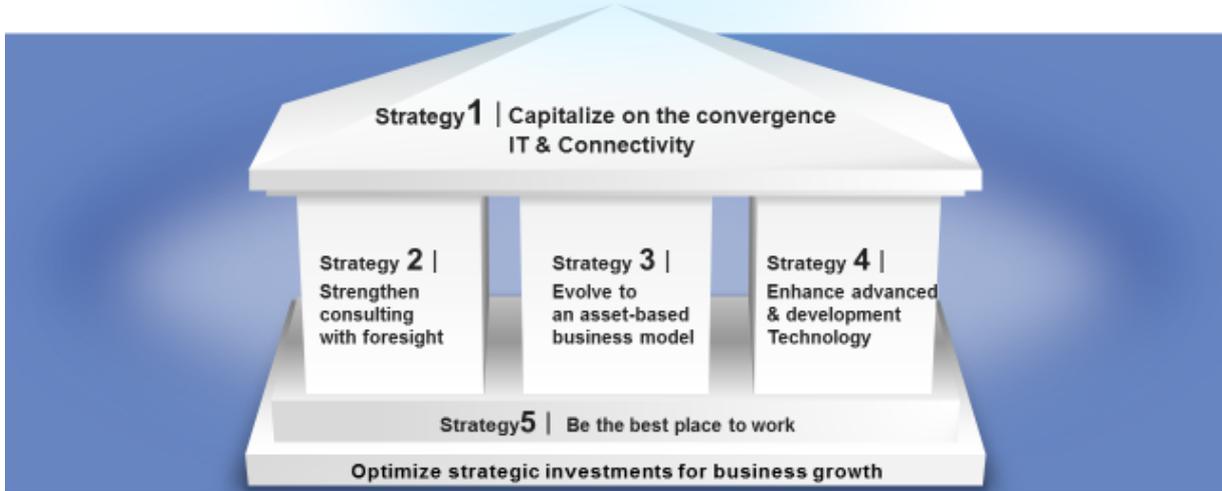
\*2: Excluding temporary costs such as M&As and structural transformation

\*3: Clients with annual sales of JPY 5 billion or more (Japan) or \$50 million or more (excluding Japan)

► **Figure 1: New Medium-Term Management Plan Overall Strategy**

## Realizing a Sustainable Future

Create value and connect people with technology to realize a sustainable society together.



► **Figure 2 : NTT DATA Sustainability Management**

Grow together with clients by addressing social issues & contributing to improving the global environment through business (by IT) & corporate (of IT) activities toward realizing a sustainable society.



Notes:

(Note 1) Edge to Cloud Service

An architecture that combines edge computing, in which data processing and analysis are performed on IoT terminals, smart devices, and servers installed nearby, with cloud computing, in which data is centrally managed and processed.

(Note2) Smart City

A next-generation city utilizing IT technology in infrastructure, etc.

(Note3) Delivery Managed Services

Services ancillary to IT services that are provided on an integrated basis, from creation of environments, such as installation of hardware and software, to management and operations.

(Note4) Diversity, Equity, and Inclusion

Diversity, equity, and inclusion to be worked on to realize a sustainable society.

(Note5) IOWN

Abbreviation for Innovative Optical and Wireless Network, a network and information processing infrastructure, including terminals, that utilizes innovative technologies centered on optical technology to provide high-speed, large-capacity communications and vast computing resources beyond the limits of conventional infrastructure.

#### 4. Changes in Assets and Profit and Loss

##### Changes in Assets and Profit and Loss of the Corporate Group

(¥ million, except for net income per share [yen])

Items (according to JGAAP)	Year	JGAAP	IFRS				
		30th Fiscal Year (FY2017)	30th Fiscal Year (FY2017)	31st Fiscal Year (FY2018)	32nd Fiscal Year (FY2019)	33rd Fiscal Year (FY2020)	34th Fiscal Year (FY2021)
Net sales		2,117,167	2,039,690	2,163,625	2,266,808	2,318,658	2,551,906
Operating income		123,522	123,120	147,716	130,937	139,173	212,590
Income before income taxes		100,083	122,704	146,914	120,155	130,452	215,849
Net income attributable to shareholders of NTT DATA (Net income attributable to owners of parent)		58,173	82,392	93,616	75,148	76,843	142,979
Net income per share		41	59	67	54	55	102
Total assets		2,234,277	2,270,203	2,476,062	2,686,008	2,897,015	3,084,513
Total equity (Total net assets)		868,863	860,506	966,809	987,415	1,126,548	1,328,267
(Reference) New orders received		2,021,195	1,950,033	2,076,088	2,275,217	2,223,320	2,400,817

Notes:

1. Consolidated financial statements are prepared based on IFRS starting from FY2018. For a comparison purpose, the results of FY2017 based on IFRS are provided alongside.
2. Net income per share is calculated based on the average number of shares outstanding during the fiscal year.
3. Conducted stock split which shall split of common stock at a ratio of 1:5 as of the effective date of July 1, 2017. Net income per share is calculated based on the assumption that the stock split was conducted at the beginning of FY2017.

## 5. Capital Investments

The amount of capital investments and the like in this consolidated fiscal year under review is 176,746 million yen (4.3% increase compared to the preceding term). The major component of them was the investment in the financial field.

## 6. External Financing

No significant external financing in this current consolidated fiscal year.

## 7. Parent Company and Principal Subsidiaries

### (1) Relationship with parent company

Our direct parent company is NTT Inc., which holds 760,000,000 shares of NTT DATA (with a voting right ratio of 54.19%). NIPPON TELEGRAPH AND TELEPHONE CORPORATION holds 100% of NTT Inc.'s shares, thus being the ultimate parent company of NTT DATA.

Our commercial transactions with NTT, Inc. include convenience provided by NTT, Inc. for our promotion of global business. Also, our commercial transactions with NIPPON TELEGRAPH AND TELEPHONE CORPORATION include services and convenience for our company in relation to research and development of basic systems conducted by the company and its group management.

\*as of March 31, 2022

### (2) Principal subsidiaries

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
<b>■ Public &amp; Social Infrastructure Segment</b>			
NTT DATA i CORPORATION	100.0%	Tokyo	System design/development
NTT DATA KYUSHU CORPORATION	100.0%	Fukuoka Prefecture	System design/development
NTT DATA TOKAI CORPORATION	100.0%	Aichi Prefecture	System design/development
NTT DATA KANSAI CORPORATION	100.0%	Osaka Prefecture	System design/development
NTT DATA CHUGOKU CORPORATION	100.0%	Hiroshima Prefecture	System design/development
<b>■ Financial Segment</b>			
NTT DATA SYSTEM TECHNOLOGIES INC.	100.0%	Tokyo	System design/development
NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.	100.0%	Tokyo	Consulting
NTT DATA CUSTOMER SERVICE CORPORATION	100.0%	Tokyo	Systems operation/maintenance
NTT DATA FINANCIAL CORE CORPORATION	100.0%	Tokyo	System design/development
NTT DATA FORCE CORPORATION	90.0%	Kanagawa Prefecture	System design/development
NTT DATA FRONTIER CORPORATION	75.5%	Tokyo	System design/development
NTT DATA SOFIA CORPORATION	85.0%	Tokyo	System design/development
NTT DATA Luweave Corporation	100.0%	Tokyo	System design/development
XNET Corporation	51.1%	Tokyo	System sales
Japan Information Processing Service Co.,Ltd.	80.0%	Tokyo	System design/development
<b>■ Enterprise &amp; Solutions Segment</b>			
NTT DATA SMS CORPORATION	100.0%	Tokyo	Systems operation
NTT DATA INTRAMART CORPORATION	47.9%	Tokyo	Package software sales
NTT DATA WAVE CORPORATION	80.1%	Tokyo	System design/development
NTT DATA BUSINESS SYSTEMS CORPORATION	100.0%	Tokyo	System design/development
NTT DATA CCS CORPORATION	60.0%	Tokyo	System design/development
NTT DATA MSE Corporation	45.0%	Kanagawa Prefecture	System design/development
JSOL Corporation	50.0%	Tokyo	System design/development
NTT DATA NJK CORPORATION	100.0%	Tokyo	System design/development

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
NTT DATA Global Solutions Corporation	100.0%	Tokyo	System design/development
NTT DATA MHI Systems Corporation	51.0%	Tokyo	System design/development
QUNIE CORPORATION	100.0%	Tokyo	Consulting
Netyear Group Corporation	48.5%	Tokyo	SIPS (Strategic Internet Professional Services) business (Note 3)
NTT DATA Smart Sourcing Corporation	100.0%	Tokyo	Contact Center Business
PAYGENT Co., Ltd.	50.0%	Tokyo	Payment processing services
<b>■ North America Segment</b>			
NTT DATA, Inc.	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
NTT Data International L.L.C.	100.0%	Texas, U.S.A.	Supervision of North American operating subsidiaries
NTT DATA Consulting, Inc.	100.0% (100.0%)	North Carolina, U.S.A.	Consulting, system design/development
NTT DATA Services International Holdings B.V.	100.0%	Amsterdam, Nederland	Consulting, system design/development
NTT DATA Services Holdings Corporation	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
NTT DATA Services, LLC	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
<b>■ EMEA &amp; LATAM Segment</b>			
<b>Europe &amp; Latam</b>			
NTT DATA Europe & Latam, S.L.U	100.0%	Madrid, Spain	Supervision of European operating subsidiaries
NTT DATA EMEA LTD.	100.0% (100.0%)	London, England	Consulting, system design/development
NTT DATA Spain, S.L.U.	100.0% (100.0%)	Madrid, Spain	Consulting, system design/development
Everis Aeroespacial y Defensa, S.L.U.	100.0% (100.0%)	Madrid, Spain	Consulting, system design/development
<b>Business Solutions</b>			
NTT DATA Business Solutions AG	100.0% (100.0%)	Bielefeld, Germany	Consulting, system design/development
NTT DATA EUROPE GmbH & CO. KG	100.0% (5.0%)	Bielefeld, Germany	Supervision of overseas SAP operating subsidiaries
<b>■ Others</b>			
NTT DATA MANAGEMENT SERVICE CORPORATION	70.0%	Tokyo	Administrative agent business
NTT DATA INTELLILINK CORPORATION	100.0%	Tokyo	System design/development
<b>APAC</b>			
NTT DATA ASIA PACIFIC PTE. LTD.	100.0%	Singapore	Supervision of APAC operating subsidiaries
VietUnion Online Services Corporation	90.1% (90.1%)	Ho Chi Minh City, Vietnam	Payment Processing Services
<b>China</b>			
NTT DATA (CHINA) INVESTMENT Co., LTD.	100.0%	Beijing, China	Supervision of China operating subsidiaries

Notes:

- In addition to the above, there were 266 subsidiaries as of March 31, 2022.
- Figures in parentheses in the column of NTT DATA's voting right ratio show the ratio of indirectly owned voting rights included therein.
- SIPS (Strategic Internet Professional Services) business:  
Business that provides support, etc. for marketing activities based on the internet technology
- There are no subsidiaries that fall under the category of designated wholly-owned subsidiary

## 8. Employees

Number of Employees (persons) <sup>(Note1)</sup>	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)
151,991	+12,314

(For reference) Employees of NTT DATA

Gender	Number of Employees (persons) <sup>(Note2)</sup>	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)	Average Age (years old)	Average Working Years (years) <sup>(Note3)</sup>
Male	9,520	+227	40.3	15.8
Female	2,831	+169	34.7	11.1
Total	12,351	+396	39.0	14.7

< Efforts to increase the number of female managers >

As part of the diversity and inclusion initiative, we have especially promoted women's active engagement. With the expiration of previous action plan and the achievement of the goals, we newly established and announced general employer action plans (companies, etc.) (5 years from April 2021 to March 2026).

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

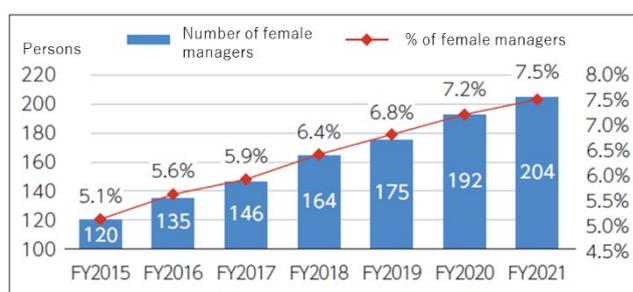
**Goal 2** Aim to achieve 10% of female managers by the end of FY2025

**Goal 3** Aim to have over 15 female executives (officers and heads of organizations) by the end of FY2025

**Goal 4** Aim to achieve over 30% of male childcare leave ratio by the end of FY2025

We recognize it is important to promote diversity among executive officers involved in management, and the number of female executive officers has been increasing every year, reaching four in 2021. Specifically, we provide unconscious bias training for all managers (approx. 2,800 participants, 98.1% attendance rate), support our employees by providing career development support training, dispatching them to outside training programs, and providing managerial training. Through these ongoing efforts, we have been able to increase the number of female managers. Also, in recognition of these efforts, the Company was selected as a "Nadeshiko brand" in March 2022, following three consecutive year's selection.

(For reference) Historical change in ratio of female managers<sup>(Note2)</sup> (For reference) NADESHIKO BRAND 2022



Notes:

(Note1) The number of employees above does not include the persons who transferred to other companies from the NTT DATA Group, but includes the persons who transferred to the NTT DATA Group from other companies.

(Note2) The number of employees above does not include the persons who transferred from NTT DATA to other companies, but includes the persons who transferred from other companies to NTT DATA.

(Note3) In calculating the average working years of employees, the number of working years in NIPPON TELEGRAPH AND TELEPHONE CORPORATION, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT Communications Corporation, and other companies are included in the above average working years in case the employees transferred from such companies.

## 9. Principal Lenders

Name of Lender	Borrowings Outstanding (¥ million)
NTT FINANCE CORPORATION	377,644
Mizuho Bank, Ltd.	18,885

## 10. Other Matters Concerning the Present Condition of the Corporate Group

We received an investigation report on June 7, 2021, from the special investigation committee established in response to the news about our company in some weekly magazines, and some of the existence of inappropriate meeting meal plans with civil servants and internal regulations regarding this. Problems such as violations have been confirmed.

We take these issues seriously, and under the supervision of the Board of Directors, we send a clear message to ensure thorough compliance by our executives, educate our executives to ensure thorough compliance awareness, and establish new internal rules. We have formulated and steadily implemented measures to prevent recurrence, such as strengthening audits.

We deeply apologize for causing a great deal of inconvenience and concern to our shareholders, clients and related parties.

## 2 MATTERS CONCERNING SHARES

1. Total number of shares authorized to be issued by the company 5,610,000,000shares

2. Total number of shares issued 1,402,500,000shares

(Including 115,200 shares held by stock delivery trust under performance-based stock compensation system and 1,149 shares of treasury stock)

3. Number of shareholders 86,705persons

### 4. Principal shareholders

Name	Number of Shares Held	Ratio of Shareholding (%) <small>(Note 1)</small>
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. (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	0.6%
JP MORGAN CHASE BANK 385781	8,215,345	0.59%

Notes:

1. Ratio of Shareholding has been calculated after deducting treasury stock (1,149 shares).

### < Composition of Shareholders (percentage of shares held) >

Financial Institutions	20.92%
Securities Companies	1.04%
Other Companies	54.53%
Non-Japanese Companies, etc.	17.52%
Individuals and Others	5.99%

### 3. Circumstances of Corporate Governance

#### (1) Basic Views on Corporate Governance

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 statement, the NTT DATA Group had set the Medium-Term Management Plan from FY2019 to FY2021 to aim for "profitable global growth with consistent belief and courage to change." With the "consistent belief," under the basic concept of "shaping the future society with our clients," we promoted ESG management with the aim of improving corporate value sustainably by contributing to a society through co-creation with clients as well as to efforts to realize a society where everyone is motivated to work through our corporate activities, including the work style innovations based on the "Long-Term Relationships" with clients, the source of the group's competitive advantage. In addition, with "courage to change," we implemented three strategies: "Expand global digital offerings," "Deliver greater value to clients based on regional needs," and "Unleash our employee's potential that maximize organizational strengths." Also, we maximized value for our clients by further accelerating digital transformation and enhancing our global synergy. From FY2022, we aim to realize a sustainable society based on the new Medium-Term Management Plan.

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 contacts in Japan and overseas 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: (i) to ensure transparency and soundness in business management; (ii) to achieve appropriate and swift decision making and business execution; and (iii) 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 corporate value.

#### (i) 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. NTT DATA places outside directors and directors who are Audit and Supervisory Committee Members to reinforce the function of supervising and auditing the fairness in business execution, thereby ensuring soundness in its business management. When transacting with NTT Inc., our direct parent company; NIPPON TELEGRAPH and TELEPHONE CORPORATION, our ultimate parent company; and each company of the NTT Group, we also pay attention to the maximization of the profit of our shareholders.

#### (ii) 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 stipulates the responsibility and authority of the President and CEO, Senior Executive Vice Presidents, officers responsible for regions and segments, and heads of each section or group. 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, 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 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 Presidents from directors, with each Section or Group executing business operations independently and responsibly in accordance with the Organizational Regulations.

(iii) Thorough implementation of compliance

With the aim of fostering awareness of corporate ethics and compliance and responding to recent changes in the business environment, NTT DATA Group has renewed the Global Compliance Policy, which has been the code of conduct for directors and employees. We have established the NTT Data Group Code of Conduct. We believe that it is necessary to carry out continuous enlightenment activities in order to make this effective, and we will carry out compliance training for officers and employees and continue to conduct compliance awareness surveys. Furthermore, in order to foster a more open corporate culture, we have set up an internal reporting system that can be used by all Group employees and accept filings from inside and outside the company regardless of whether they are anonymous or registered. The Group Internal Reporting Policy stipulates that the filer will not be treated unfavorably because the tax return has been filed at the relevant counter.

(2) Overview of Corporate Governance Structure and Others

NTT DATA has adopted a structure of a company with an Audit and Supervisory Committee. Since the Audit and Supervisory Committee Members who are responsible for auditing must also participate in the resolutions of the Board of Directors and the majority of the Audit and Supervisory Committee Members must be outside directors, the Company has determined that it can further strengthen the supervisory function and corporate governance of the Board of Directors and further enhance the soundness and efficiency of management. Also, The General Meeting of Shareholders, the Board of Directors, and the Audit and Supervisory Committee are established as the company's organizations. In addition to this, as mentioned above, we established the Corporate Management Committee in an effort to perform decision making in our business execution as fast as possible.

The Board of Directors consists of 15 directors, including five independent outside directors, two of whom are female directors, and one foreign director (as of March 31, 2022.) The Board of Directors engages in decision making and monitoring of important matters related to corporate management and items stipulated under the laws and regulations by holding an ordinary meeting once a month and an extraordinary meeting as necessary.

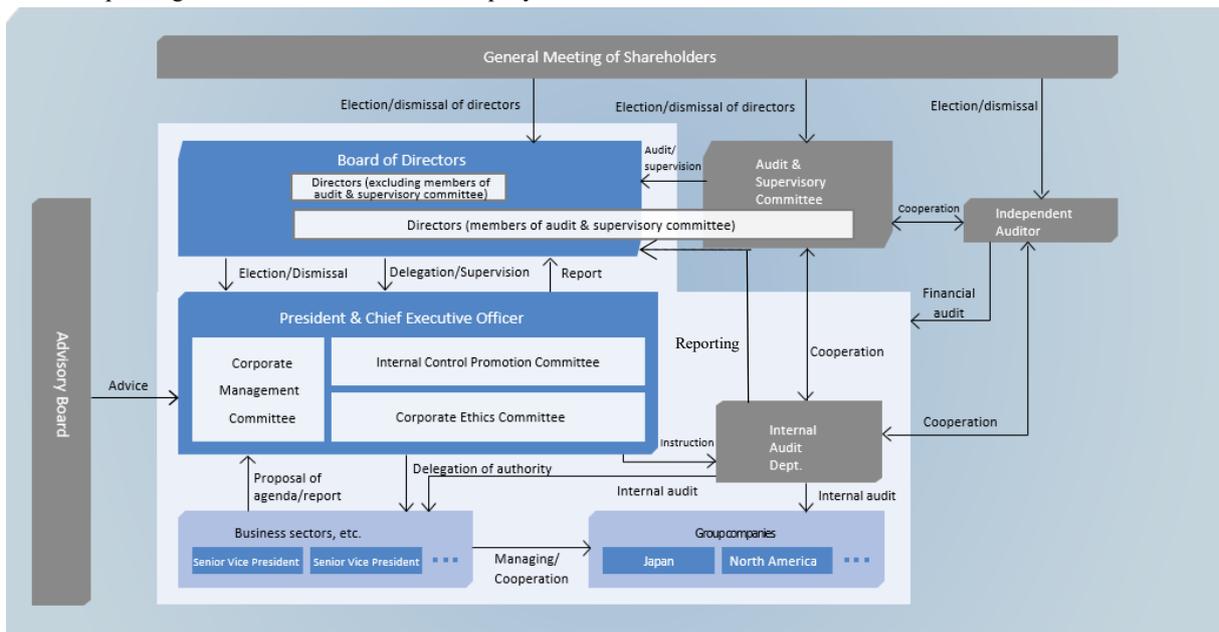
The Audit and Supervisory Committee consists of four outside directors who are Audit and Supervisory Committee Members, including one female member. In principle, it is held once every month to make decisions on the policies, plans, and methods of the audit as well as other important matters related to the audit. Each of these members participates in important meetings, such as Board of Directors meetings, communicates with directors executing the business as well as outside directors, and implements audits on the status of business execution as appropriate. In addition, a specialized organization (Office for Audit and Supervisory Committee Members) is established to support it. With regard to the "election, dismissal, or resignation" of directors who are not Audit and Supervisory Committee Members and "remunerations, etc.", NTT DATA allows the responsible officers to explain proposals for the election of directors and the reasons, and the remuneration system and amount of remuneration, and carefully confirms their legality and appropriateness in cooperation with outside directors, so as to serve the purpose of the opinion statement system.

The Corporate Management Committee consists of the President and CEO, Senior Executive Vice Presidents, officers responsible for regions and segments, directors executing the business, and heads of other related important organizations. It is held once every week in principle to perform smooth and quick decision making and monitoring on matters related to business operation. To increase the transparency of decision making, one director who is an Audit and Supervisory Committee Member takes part in the Corporate Management Committee.

The Company's corporate governance structure is presented in the bellow.

(Reference) Corporate Governance Structure

The corporate governance structure of the Company is shown below.

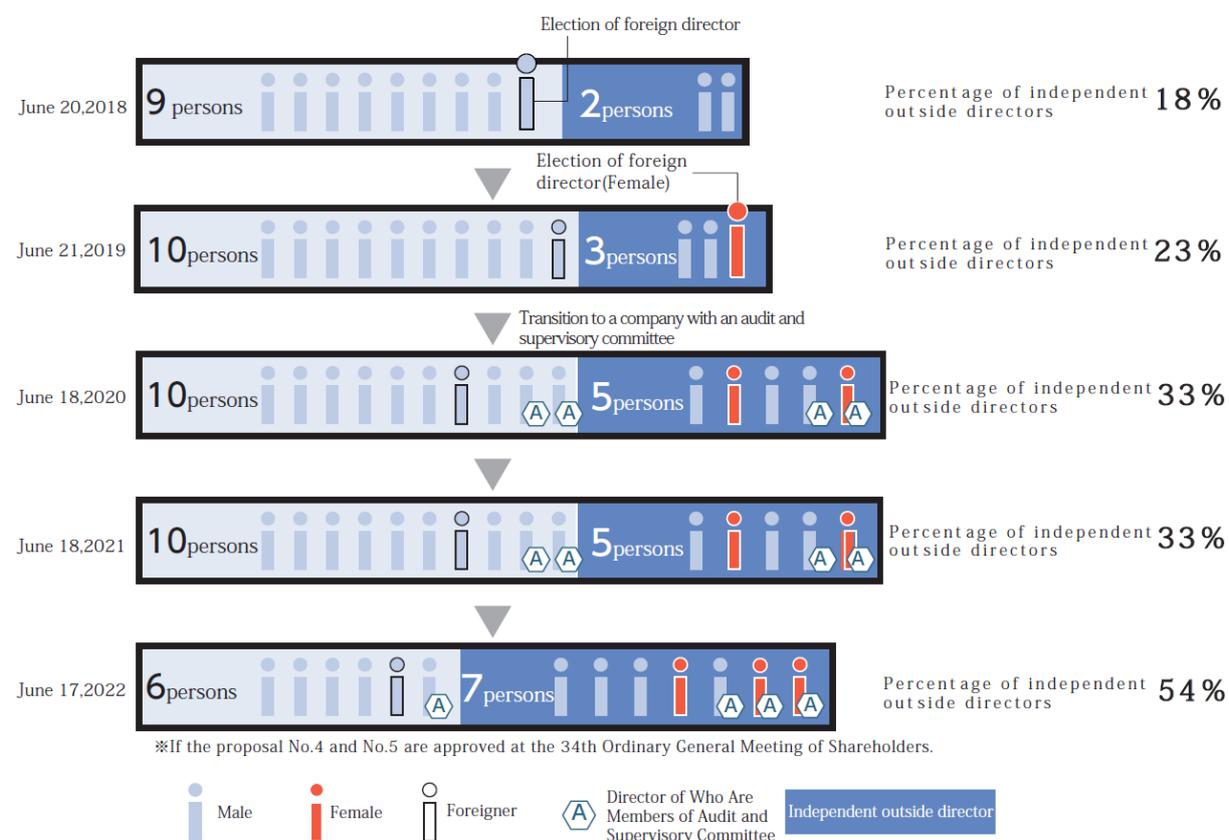


### (3) Initiatives to Strengthen the Governance System

The Company transitioned to a company with an Audit and Supervisory Committee in June 2020 and increased the number of outside directors from two to seven (including directors who are Audit and Supervisory Committee Members) to improve the monitoring of management. We have five independent outside directors (including two female directors), and the ratio of independent outside directors to all directors is at least one-third. We also appoint human resources in line with the human resource policy of selecting candidates on the basis of superior character, insight, and management ability regardless of age, gender, or nationality. Currently, we have two female directors and one foreign director (as of June 18, 2021.)

At the 34th Ordinary General Meeting of Shareholders held on June 16, 2022, seven independent outside directors (including three female directors) and one foreign director are scheduled to be appointed, and if the appointment of each director is approved as originally proposed, the majority of the directors will be independent outside directors.

#### Changes in the Composition of the Board of Directors



#### (4) Matters Related to Corporate Officers

##### ① Names of Directors

Position	Name	Areas of Responsibility and Principal Concurrent Positions
President and Representative Director	Yo Honma	Director of NTT Inc.
Senior Executive Vice President and Representative Director	Shigeki Yamaguchi	Responsible for Social Design, Public & Social Infrastructure Segment, and China & APAC Segment Representative Board Member and Vice Chairperson of Japan Institute of Information Technology, a public interest incorporated association
Senior Executive Vice President and Representative Director	Toshi Fujiwara	Responsible for Corporate Management and Technology Management Head of HR Headquarters, Corporate Headquarters
Senior Executive Vice President and Representative Director	Kazuhiro Nishihata	Responsible for Americas & Europe Segment and Global Marketing Chairman of NTT Data International L.L.C. Vice Chairman of NTT DATA Europe & Latam, S.L.U.
Executive Vice President and Director	Masanori Suzuki	Responsible for Financial Segment Head of Banking Headquarters
Executive Vice President and Director	Yutaka Sasaki	Deputy responsible for Corporate Management, Head of Corporate Management Headquarters, and Head of Business Strategy Office of Corporate Management Headquarters
Director	  Eiji Hirano	Director of RIKEN CORPORATION
Director	  Mariko Fujii	Director of Mitsubishi UFJ Financial Group, Inc.
Director	Patrizio Mapelli	Board Member, Triboo S.p.A. Chairman of the Board of Directors, Eurotech S.p.A. Director of the Board, NTT DATA Europe & Latam, S.L.U. Director of the Board, NTT DATA EMEA LTD.
Director	Takeshi Arimoto	Senior Manager of the Finance and Accounting Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Director	  Fumihiko Ike	Director of Eisai Co., Ltd. Director of Resona Holdings, Inc.

Position	Name	Areas of Responsibility and Principal Concurrent Positions
Director (Full-time Audit and Supervisory Committee Member) 	Tetsuya Obata	
Director (Full-time Audit and Supervisory Committee Member)  	Katsura Sakurada	
Director (Full-time Audit and Supervisory Committee Member) 	Akihiko Okada	
Director (Audit and Supervisory Committee Member)  	Rieko Sato	Lawyer Partner of Ishii Law Office Director (Audit and Supervisory Committee Member) of Dai-ichi Life Holdings, Inc. Director of J. FRONT RETAILING Co., Ltd. Auditor of Mitsubishi Corporation

- (Note 1) Director Hisashi Matsunaga retired after his term expired at the conclusion of the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021.
- (Note 2) Director (Full-time Audit and Supervisory Committee Member) Tetsuro Yamaguchi resigned at the conclusion of the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021.
- (Note 3) In the current fiscal year, Director Masanori Suzuki retired from the post of Director of NTT DATA MANAGEMENT SERVICE Corporation, and Director Akihiko Okada also retired from the post of Representative Director and Chairman of NTT TC Leasing Co., Ltd.
- (Note 4) NTT DATA has entered into agreements with Directors Eiji Hirano, Mariko Fujii, Takeshi Arimoto, and Fumihiko Ike and four directors who are Audit and Supervisory Committee Members, limiting their liability for damage compensation pursuant to Article 423 (1) of the Companies Act under Article 427 (1) of the Act. The maximum amount of compensation shall be the minimum liability amount prescribed in Article 425 (1) of the Companies Act.
- (Note 5) NTT DATA has concluded a directors and officers liability insurance contract with an insurance firm, as stipulated in Article 430(3)-1 of the Companies Act, which covers any loss or damage that may arise due to the insured directors and officers assuming responsibilities with regard to the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. The insurance covers directors, including directors who are Audit and Supervisory Committee Members, and officers executing the business of the Company. The Company pays 90% of the insurance premiums.
- (Note 6) To ensure the effectiveness of audits through attendance to meetings on internal control and gathering of information, NTT DATA selects standing Audit and Supervisory Committee Members.
- (Note 7) Director (standing Audit and Supervisory Committee Member) Tetsuya Obata and Akihiko Okada, who have worked in the financial division of NIPPON TELEGRAPH AND TELEPHONE CORPORATION, have considerable expertise in finance and accounting. Director (standing Audit and Supervisory Committee Member) Katsura Sakurada, who has engaged in operations at the Board of Audit of Japan, has considerable expertise in finance and accounting.
- (Note 8) Director Mariko Fujii also works for Mitsubishi UFJ Financial Group, Inc., with which NTT DATA has a business relationship. However, its transaction value is below 1% of NTT DATA's non-consolidated net sales in the current fiscal year. Director Fumihiko Ike also works for Eisai Co., Ltd. and Resona Holdings Co., Ltd., with which NTT DATA has a business relationship. However, its transaction value is below 1% of NTT DATA's non-consolidated net sales in the current fiscal year. Director (Audit and Supervisory Committee Member) Rieko Sato also works for Ishii Law Office, Dai-ichi Life Holdings, Inc., J. FRONT RETAILING Co., Ltd., and Mitsubishi Corporation. NTT DATA has business relations with all of them, and each of their transaction values is below 1% of NTT DATA's non-consolidated net sales in the current fiscal year.

## (2) Policies concerning and total remuneration of Directors and Auditors

### (a) Policy for determining remunerations for individual Directors

At the Board of Directors meeting held on May 12, 2021, a new policy for determining regarding the content of individual remuneration for directors (hereinafter referred to as the "Determining Policy") was resolved. The Determining Policy is as follows.

As for policies, composition, and standard of remuneration of our directors who are not Audit and Supervisory Committee Members, NTT DATA explains the policy for determining remunerations for directors to its parent companies, independent outside directors, and directors who are Audit and Supervisory Committee Members to ensure objectivity and transparency. Upon receiving their appropriate advice, the Board of Directors consisting of 15 directors, including five independent outside directors, determines the amount of remuneration within the limits resolved at a shareholders' meeting. Regarding remunerations for individual directors, the President and Chief Executive Officer and Representative Director delegated by the Board of Directors shall determine them. The reason for delegating this authority to the President and Representative Director is that we believe that we can make appropriate decisions while taking a bird's eye view of the overall business performance of the Company. In addition, the Company has taken measures to ensure that the authority is exercised appropriately while respecting the opinions of outside directors and the right to express opinions on the remuneration of the Audit and Supervisory Committee.

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. As for the performance indicators for bonuses, the target set in the medium-term management plan is set as the indicator, and the reason is that the link between the remuneration of directors and the corporate value of the Company is clarified and the medium-term management plan. This is to increase the motivation to achieve the goal. In addition, the bonus calculation method is to convert the degree of improvement of each target from the previous year or the degree of achievement of the plan into the payment rate by a predetermined method for each indicator, and then weighted average based on the weight of each indicator. It is calculated by multiplying by another bonus standard amount. (Please refer to [Performance Indicators for Bonuses]).

Regarding the acquisition of our own shares, to reflect the medium- to long-term performance, full-time 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. For the performance indicators of stock-based compensation, we have selected consolidated sales and consolidated operating margin, which are the financial indicators that are permanently core in the medium-term management plan.

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 outline of the policy regarding the decision on the content of individual remuneration of directors who are not Audit and Supervisory Committee members is as described above. The resolution is based on the advice of the directors and the parent company from various perspectives, and it is judged that the content of individual remuneration of the directors for the current fiscal year is in line with the Determining 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 the table below, and then multiplying this by a certain number of monthly remuneration for each position.

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

(Note) In addition to the above, the Company evaluates the degree of achievement of the planned number of the B2B2X projects.

From the perspective of promoting sustainability, we will make changes to the performance indicators for bonuses from 2022 onward, such as adding three new indicators based on the themes needed to realize a sustainable society

Divisions	Key Performance Indicators		Evaluation weight
Year-on-year improvement	Financial indicators	Operating Income	35%
Plan Achievement		Overseas operating income ratio	10%
	ROIC	5%	
	Sustainability indicators	Greenhouse gas emissions	5%
		B2B2X Revenue Amount	5%
		Appointment rate of new female managers	5%

(b) Total amount of remuneration, etc. for directors for the current fiscal year

The table below shows the total amount of remuneration for directors, etc. for the current fiscal year, including performance-linked remuneration based on the results of each indicator. All directors who are not Audit and Supervisory Committee Members(excl. outside directors) have achieved the goals of the bonus and stock-based compensation performance indicators described in the preceding paragraph as planned.

Position	Number of persons	Total amount of remuneration	Total amount of remuneration by type		
			Fixed remuneration (Monthly remuneration)	Performance-linked remuneration (Bonus)	Performance-linked compensation (Stock compensation)
Directors who are not Audit and Supervisory Committee Members	11 persons	458 million yen	274 million yen	134 million yen	49 million yen
Directors who are Audit and Supervisory Committee Members	5 persons	130 million yen	130 million yen	—	—
Total	16 persons	588 million yen	404 million yen	134 million yen	49 million yen

(Note 1) The table above includes one director who is not an Audit and Supervisory Committee Member and one director who is an Audit and Supervisory Committee Member, retired at the conclusion of the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021.

(Note 2) Regarding the amount of remuneration for directors who are not Audit and Supervisory Committee Members, at the 32nd Ordinary General Meeting of Shareholders held on June 17, 2020, the amount of remuneration for directors (11 persons) who are not Audit and Supervisory Committee members is within 580 million yen per year (of them, the remuneration of 7 outside directors within 50 million yen per year). However, it was changed as following three types at the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021: (1) Amount of monetary compensation: up to 460 million yen per year, (2) Amount to be paid to directors to fund the acquisition of the Company's shares through the executive stockholding association: up to 30 million yen per year, (3) Money contributed to the performance-linked stock compensation system Member: within 90 million yen per year. At the end of the general meeting of shareholders, there are 11 directors who are not Audit and Supervisory Committee Members.

(Note 3) For the remunerations of four directors who are Audit and Supervisory Committee members, the 32nd Ordinary General Meeting of Shareholders held on June 17, 2020, resolved to limit the directors' remuneration within 150 million yen per annum. At the conclusion of the General Meeting of Shareholders, there are four directors who are Audit and Supervisory Committee members.

(Note 4) The amount of stock compensation paid is the amount calculated by multiplying the number of points confirmed to be granted for the current period by the market price (1,804 yen per share) when the trust acquired the Company's shares.

### (3) Outside Directors

#### (a) Additional posts in other companies of outside directors

The status of outside directors, including outside directors who are Audit and Supervisory Committee Members, regarding important concurrent positions held at other companies is as indicated in “(4)① Names of Directors” above, and there is no significant transaction between these companies and NTT DATA.

#### (b) Main activities during the fiscal year

Position	Name	Board of Directors meetings	Audit & Supervisory Committee meetings	Main activities
		No. of attendances (Attendance rate)	No. of attendances (Attendance rate)	
Outside directors who are not Audit and Supervisory Committee Members	Eiji Hirano	16/16 (100%)	— (—)	At the Board of Directors meetings, he made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business. He provided opinions based on his abundant experience, especially in the financial segment and his extensive expertise in financial affairs and international finance. On other occasions than the Board of Directors meetings, he also provided advice based on relevant experience and expertise as necessary. Therefore, he played an expected role as an outside director by providing advice. In addition, he served as a chairman of the Special Committee which established by the decision of the Board of Directors meeting as fairness ensuring measures to confirm there was no disadvantage to the Company’s minority shareholders while carrying out the integration of NTT DATA group’s overseas business and the group overseas business of NTT, Inc. group.
	Mariko Fujii	16/16 (100%)	— (—)	At the Board of Directors meetings, she made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business. She provided opinions based on her keen discernment and extensive experience accumulated through her career in public administration, research on economics, and foreign affairs. On other occasions than the Board of Directors meetings, she also provided advice based on relevant experience and expertise as necessary. Therefore, she played an expected role as an outside director. In addition, she served as a member of the Special Committee which established by the decision of the Board of Directors meeting as fairness ensuring measures to confirm there was no disadvantage to the Company’s minority shareholders while carrying out the integration of NTT DATA group’s overseas business and the group overseas business of NTT, Inc. group.
	Fumihiko Ike	16/16 (100%)	— (—)	At the Board of Directors meetings, he made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business. He provided opinions based on extensive experience in management in global business and keen discernment of IT. On other occasions than the Board of Directors meetings, he also provided advice based on relevant experience and expertise as necessary. Therefore, he played an expected role as an outside director. In addition, he served as a member of the Special Committee which established by the decision of the Board of Directors meeting as fairness ensuring measures to confirm there was no disadvantage to the Company’s minority shareholders while carrying out the integration of NTT DATA group’s overseas business and the group overseas business of NTT, Inc. group.

Position	Name	Board of Directors meetings	Audit & Supervisory Committee meetings	Main activities
		No. of attendances (attendance rate)	No. of attendances (attendance rate)	
Outside director who are Audit & Supervisory Committee member	Tetsuya Obata	16/16 (100%)	26/26 (100%)	At the Board of Directors meetings, he made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business. He also provided opinions based on his experience in the finance and general affairs sectors as well as a tremendous track record in corporate management in the NTT Group. On other occasions than the Board of Directors meetings, he also conducted audit and provided advice based on relevant experience and expertise as necessary. Therefore, he played an expected role as an outside director.
	Katsura Sakurada	16/16 (100%)	26/26 (100%)	At the Board of Directors meetings, he made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business. He provided opinions based on his abundant experience and extensive expertise concerning audits for finance, accounting, and business execution gained from his long years of professional services at the Board of Audit of Japan. On other occasions than the Board of Directors meetings, he also conducted audit and provided advice based on relevant experience and expertise as necessary. Therefore, he played an expected role as an outside director.
	Akihiko Okda	12/12 (100%)	18/18 (100%)	At the Board of Directors meetings, he made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business. In particular, he makes statements based on his extensive experience in corporate management with NTT group as well as in Finance and Sales divisions. Also provides auditing and advice based on such experience and knowledge outside of Board of Directors meetings as appropriate. In this way fulfills the role expected of an outside director.
	Rieko Sato	16/16 (100%)	26/26 (100%)	At the Board of Directors meetings, she made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business and from the professional standpoint as a lawyer. On other occasions than the Board of Directors meetings, she also conducted audit and provided advice based on relevant experience and expertise as necessary. Therefore, she played an expected role as an outside director. In addition, she chaired the Special Investigation Committee established by a resolution of the Board of Directors in response to reports about the Company in certain weekly newspapers.

(c) Total amount of remuneration for outside directors and auditors for this fiscal year

Position	Number of persons	Total amount of remuneration	Total amount of remuneration by type		
			Fixed remuneration (Monthly remuneration)	Performance-linked remuneration (Bonus)	Performance-linked compensation (Stock compensation)
Outside directors who are not Audit and Supervisory Committee Members	3 persons	48 million yen	48 million yen	—	—
Outside directors who are Audit and Supervisory Committee Members	5 persons	130 million yen	130 million yen	—	—
Total	8 persons	178 million yen	178 million yen	—	—

Note:

The above is included in the section "(2).(b) Total amount of remuneration for directors and auditors during the fiscal year."

(5) Meeting Agenda of Board of Directors, etc.

The Board of Directors made resolutions and reports with regard to important matters related to management at the Board of Directors meetings and actively discussed management strategies and other issues both in and outside of the meetings.

Key matters for Resolution/Report	Key Matters discussed
<ul style="list-style-type: none"> <li>• Matters regarding the integration of NTT DATA group's overseas business and the group overseas business of NTT, Inc. group.</li> <li>• Matters related to investments</li> <li>• Matters related to new orders received and investments in operation</li> <li>• Matters related to cross-shareholdings</li> <li>• Results of efforts on current year internal control and plans for the next year</li> <li>• Results of current year internal audit and plans for the next year</li> <li>• Monitoring of key projects</li> <li>• Report on IR activities and investors' opinions</li> </ul>	<ul style="list-style-type: none"> <li>• Matters regarding the integration of NTT DATA group's overseas business and the group overseas business of NTT, Inc. group.</li> <li>• Medium-Term Management Plan</li> <li>• Response to the revised Corporate Governance Code</li> <li>• Clod strategy</li> <li>• Business strategy in the finance field</li> <li>• Evaluation of the effectiveness of the Board of Directors</li> <li>• Establishment of Group Code of Conduct</li> </ul>

(6) Policies regarding Cross-Shareholdings and the Content of Verification

NTT DATA considers that cross-shareholdings are to "allow for maintaining medium- and long-term relationships, expanding business transactions, and creating synergies by holding shares of our clients and business partners" and has a policy to hold cross-held shares only when we believe that holding the shares of the issuing company would help increase our corporate value and benefit our shareholders.

To verify the significance of cross-shareholdings, NTT DATA comprehensively examines each cross-shareholding every year whether the benefits and risks associated with the cross-shareholding match the capital costs and whether the cross-shareholding is in line with the purposes of possession, such as maintaining medium- and long-term relationships, expanding business transactions, and creating synergies. The results of the verification shall be reported to the Board of Directors to decide whether to hold or sell the cross-held shares.

In FY 2021, 19.7 million shares of the 28.35 million shares of Recruit Holdings Co., Ltd. ("RHC") held by the Company were sold by the Company through the subscription to the tender offer of treasury shares conducted by RHC.

As a result, the total amount of cross-shareholdings recorded on the balance sheet as of the end of 2021 was 67.8 billion yen, and the ratio of cross-shareholdings to consolidated net assets was 5.1%.

We have confirmed the appropriateness of possession for all listed shares held by the Company, including the remaining shares of RHC.

## (7) Evaluation of the Effectiveness of the Entire Board of Directors

The Board of Directors decides important matters concerning management of the Company and the Group and supervises how directors execute their duties through the quarterly status report on the execution of duties.

Since FY2016, the Board of Directors has been implementing a self-evaluation and analysis of the effectiveness of the Board of Directors to improve its function and further to enhance corporate values. In FY2021, a questionnaire survey was conducted on all directors (including the Audit and Supervisory Committee Members). In addition, outside directors were interviewed, based on the report of the summary result from the external organization, to deepen the analysis, discussion, and evaluation. The results of the evaluation have been reported to the Board of Directors, which verifies the content and discusses policies for further improvement.

	Result of the effectiveness of measures in each fiscal year	Key measures for the next fiscal year
2019	Regarding more communications between outside directors and auditors, it received a higher evaluation score and a certain level of evaluation that improvements had been made.	<ul style="list-style-type: none"> <li>Increasing the weight of discussions on strategies and risk management</li> <li>Enhanced monitoring of matters that have a significant impact on the Company's management</li> </ul>
2020	Careful explanations were provided in advance, which helped deepen and strengthen discussions at the Board of Directors meetings on management strategies and other important matters. For that, it received a certain level of evaluation that improvements had been made.	<ul style="list-style-type: none"> <li>Securing more time for discussion by increasing efficiency in operation</li> <li>Increasing simple and clear explanations and materials</li> <li>Increasing opportunities for communication between directors</li> <li>Increasing opportunities to explain the IT industry, technological trends, etc.</li> </ul>
2021	Sufficient management strategies at the Board of Directors meetings, such as setting the number of times for strategic discussions, narrowing down the agenda items, providing careful prior explanations, and setting opportunities to provide information to outside directors outside the Board of Directors meetings. We received a certain degree of evaluation regarding the implementation of discussions on the management plan.	<ul style="list-style-type: none"> <li>Implementation of strategic discussions based on the annual plan</li> <li>Strengthening monitoring of investee companies</li> <li>Enhancing communication opportunities for executives and outside directors</li> <li>Providing opportunities to deepen knowledge and on-site understanding of IT / digital</li> </ul>

In this Business Report, amounts are rounded off to the indicated unit.

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

Please note that statements concerning the future are based on a certain assumption made from information available to NTT DATA Group at the end of the fiscal year under review and that actual business performance can greatly vary due to various factors in the future.

## BUSINESS REPORT

(From April 1, 2021 to March 31, 2022)

### Consolidated Statement of Financial Position

(Unit: ¥ million)

By fiscal year	34th FY (As of March 31, 2022)	[Reference] 33rd FY (As of March 31, 2021)	By fiscal year	34th FY (As of March 31, 2022)	[Reference] 33rd FY (As of March 31, 2021)
Account title			Account title		
<b>Assets</b>			<b>Liabilities</b>		
Current assets	1,247,041	1,110,056	Current liabilities	987,797	924,387
Cash and cash equivalents	246,941	287,058	Trade and other payables	462,231	419,012
Trade and other receivables	672,665	601,883	Contract liabilities	283,854	270,224
Contract asset	105,477	101,496	Bonds and borrowings	102,829	105,748
Inventories	25,429	14,476	Lease liabilities	42,560	41,439
Other financial assets	79,342	16,522	Other financial liabilities	3,572	4,075
Other current assets	117,187	88,621	Income taxes payable	47,319	39,602
Non-current assets	1,837,472	1,786,959	Provisions	7,650	4,224
Property, plant and equipment	332,225	339,158	Other current liabilities	37,781	40,064
Right-of-use assets	151,794	153,357	Non-current liabilities	768,449	846,080
Goodwill	493,769	415,272	Bonds and borrowings	393,651	473,154
Intangible assets	506,705	477,495	Lease liabilities	124,004	117,866
Investment property	29,423	26,825	Other financial liabilities	15,098	13,631
Investments accounted for using the equity method	5,570	5,756	Retirement benefit liability	193,170	202,323
Other financial assets	123,049	216,942	Provisions	5,863	4,268
Deferred tax assets	123,268	86,182	Deferred tax liabilities	22,764	16,366
Other non-current assets	71,669	65,973	Other non-current liabilities	13,898	18,472
			<b>Total liabilities</b>	<b>1,756,246</b>	<b>1,770,468</b>
			<b>Equity</b>		
			Equity attributable to shareholders of NTT DATA		
			Capital stock	142,520	142,520
			Capital surplus	102,340	105,988
			Retained earnings	915,853	721,565
			Treasury shares	(205)	(1)
			Other components of equity	110,365	102,827
			Total equity attributable to shareholders of NTT DATA	1,270,874	1,072,899
			Non-controlling interests	57,393	53,648
			<b>Total equity</b>	<b>1,328,267</b>	<b>1,126,548</b>
<b>Total assets</b>	<b>3,084,513</b>	<b>2,897,015</b>	<b>Total liabilities and equity</b>	<b>3,084,513</b>	<b>2,897,015</b>

Note: Amounts less than one million yen are rounded off.

## Consolidated Statements of Income

(Unit: ¥ million)

Account title	By fiscal year	34th FY (2021/4/1-2022/3/31)	[Reference] 33rd FY (2020/4/1-2021/3/31)
Net sales		2,551,906	2,318,658
Cost of sales		1,875,904	1,734,083
Gross profit		676,002	584,575
Selling, general and administrative expenses		463,411	445,402
Operating income		212,590	139,173
Financial income		9,665	6,661
Financial costs		6,201	9,083
Share of profit/loss of entities for using equity method		(205)	(6,299)
Income before income taxes		215,849	130,452
Income taxes		65,747	48,751
Net income		150,102	81,701
Net income attributable to			
Shareholders of NTT DATA		142,979	76,843
Non-controlling interests		7,123	4,857

Note: Amounts less than one million yen are rounded off.

## Non-Consolidated Balance Sheets

(Unit: ¥ million)

Account title	By fiscal year 34 <sup>th</sup> FY (As of March 31, 2022)	[Reference] 33rd FY (As of March 31, 2021)	Account title	By fiscal year 34 <sup>th</sup> FY (As of March 31, 2022)	[Reference] 33rd FY (As of March 31, 2021)
<b>(Assets)</b>			<b>(Liabilities)</b>		
Current assets	488,504	475,524	Current liabilities	656,838	551,785
Cash and deposits	11,097	41,320	Accounts payable -trade	105,333	105,593
Accounts receivable - trade	229,769	269,810	Contract liability	215,578	-
Lease investment assets	29,308	17,887	Short-term loans payable	1,594	29,316
Contract asset	49,450	-	Current portion of long- term loans payable	62,000	63,788
Inventories	17,451	18,557	Current portion of bonds	25,000	-
Prepaid expenses	28,937	26,971	Lease obligations	134	145
Other	122,895	101,373	Accounts payable -other	29,769	21,939
Allowance for doubtful accounts	(401)	(395)	Accrued expenses	11,130	10,269
Non-current assets	1,865,544	1,851,953	Income taxes payable	28,829	18,774
Property, plant and equipment	294,207	300,453	Advances received	-	223,629
Data communication facilities	105,046	108,726	Deposits received	166,631	71,037
Buildings	80,719	82,047	Provision for loss on order received	1,312	193
Structures	2,245	2,356	Asset retirement obligations	31	99
Machinery, equipment and vehicles	11,626	12,802	Other	9,497	7,003
Tools, furniture and fixtures	15,462	14,958	Non-current liabilities	532,991	667,566
Land	56,064	56,064	Bonds payable	24,999	49,996
Leased assets	342	323	Long-term loans payable	358,521	418,032
Construction in progress	22,703	23,176	Lease obligations	243	214
Intangible assets	342,539	329,776	Provision for retirement benefits	107,427	104,290
Software	269,226	274,942	Asset retirement obligations	778	759
Software in progress	71,255	52,772	Other	41,024	94,276
Other	2,057	2,062	<b>Total liabilities</b>	<b>1,189,829</b>	<b>1,219,351</b>
Investments and other assets	1,228,799	1,221,724	<b>(Net assets)</b>		
Investment securities	67,954	172,959	Shareholders' equity	1,125,231	999,331
Shares of subsidiaries and associates	221,095	219,453	Capital stock	142,520	142,520
Investments in other securities of subsidiaries and associates	760,214	695,181	Capital surplus	139,300	139,300
Long-term loans receivable	690	690	Legal capital surplus	139,300	139,300
Long-term loans receivable from subsidiaries and associates	61,414	83,820	Retained earnings	843,616	717,512
Deferred tax assets	66,530	1,535	Legal retained earnings	2,288	2,288
Other	52,668	49,805	Other retained earnings	841,329	715,224
Allowance for doubtful accounts	(1,766)	(1,720)	Reserve for reduction entry	66	83
			General reserve	288,000	288,000
			Retained earnings brought forward	553,262	427,141
			Treasury shares	(205)	(1)
			Valuation and translation adjustments	38,989	108,795
			Valuation difference on available-for-sale securities	39,149	108,789
			Deferred gains or losses on hedges	△160	5
<b>Total assets</b>	<b>2,354,049</b>	<b>2,327,477</b>	<b>Total net assets</b>	<b>1,164,220</b>	<b>1,108,125</b>
			<b>Total liabilities and net assets</b>	<b>2,354,049</b>	<b>2,327,477</b>

Note: Amounts less than one million yen are rounded off.

## Non-Consolidated Statements of Income

(Unit: ¥ million)

Account title	By fiscal year	34th FY (2021/4/1-2022/3/31)	[Reference] 33rd FY (2020/4/1-2021/3/31)
Net sales		1,095,466	1,016,897
Cost of sales		804,228	745,444
Gross profit		291,238	271,452
Selling, general and administrative expenses		183,288	165,754
Operating income		107,950	105,699
Non-operating income		18,986	20,934
Interest income		983	1,370
Dividend income		11,346	14,338
Other		6,657	5,226
Non-operating expenses		5,413	4,826
Interest expenses		1,292	1,990
Interest on bonds		462	437
Loss on valuation of stocks of subsidiaries and affiliates		1,393	1,465
Loss on valuation of investment securities		568	112
Other		1,698	822
Ordinary income		121,523	121,807
Extraordinary income		85,090	3,388
Gain on sales of investment securities		85,090	3,388
Income before income taxes		206,613	125,194
Income taxes -current		54,963	31,225
Income taxes -previous period		33,785	-
Income taxes -deferred		(34,187)	1,331
Net income		152,051	92,638

Note: Amounts less than one million yen are rounded off.

# AUDIT & SUPERVISORY COMMITTEE'S REPORT

(English translation of the certified copy)

## AUDIT REPORT

With respect to the performance of duties by directors during the 34th fiscal year from April 1, 2021 to March 31, 2022, the Audit & Supervisory Committee has audited. The methods and results of the audit as follows:

### 1. Audit methodology adopted by the Audit & Supervisory Committee

The Audit & Supervisory Committee determined auditing policies, allocation of duties, etc. and in accordance with the auditing policies and allocation of duties, etc., the Audit & Supervisory Committee communicated with directors, the Internal Audit Department and employees of other divisions, made efforts to collect information and establish the audit environment, and performed the Audit & Supervisory Committee using the following methods:

- (1) In accordance with the auditing policies and allocation of duties, etc., the Audit & Supervisory Committee attended the important meetings, received reports from directors, employees, and etc. on the performance of their duties, requested explanations when necessary, reviewed documents of important decisions, etc. and investigated the business and financial conditions at the head office and principal branch offices. Further, as to the subsidiaries, the Audit & Supervisory Committee communicated and exchanged information with their directors and auditors, and received their business reports when necessary.
- (2) The Audit & Supervisory Committee has received regular reports from directors, employees, etc., requested explanations as necessary and expressed opinions on the situations of establishment and operation of the system (internal control system) which is established based on the Board of Directors' discussions and resolutions concerning the establishment of the system to ensure that directors perform their duties in conformity with laws and regulations and the Articles of Incorporation and other systems necessary to ensure that the Kabushiki Kaisha and their corporate group consisting of subsidiaries are operated appropriately.
- (3) The Audit & Supervisory Committee monitored and verified whether or not the independent audit maintained its independence and appropriately performed audits, received reports from the independent audit on the progress of its duties, and requested explanations when necessary.

They also received a notice from the independent audit that "the system to ensure that the independent audit's duties are appropriately performed" (items stipulated in Article 131 of the Regulation on Corporate Accounting) has been established based on "Quality Control Standards for Audit" (made public by Business Accounting Council on October 28, 2005), etc. and requested explanations when necessary.

Based on the methods described above, the Audit & Supervisory Committee examined the business reports and supplementary schedules attached thereto, the financial statements for the fiscal year (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of shareholders' equity, and non-consolidated notes to financial statements) and supplementary schedules attached thereto, and the consolidated financial statements (the consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements).

### 2. Audit results

#### (1) Audit results of the Business Report, etc.

- (i) The Audit & Supervisory Committee finds that the Business Report and supplementary schedules attached thereto fairly present the situation of NTT DATA in accordance with the laws and the Articles of Incorporation.
- (ii) The Audit & Supervisory Committee ascertains that there is no fraudulent act or fact of a materials breach of applicable laws or regulations or the Articles of Incorporation with respect to the performance of duties by directors.
- (iii) The Audit & Supervisory Committee finds that the details of the resolution of the meeting of the Board of Directors concerning the internal control system are adequate. In addition, the Audit & Supervisory Board ascertains that there is no matter that needs to be indicated with respect to the contents of business reports concerning the internal control system and the performance of duties by directors.

As a results of the Special Investigation Committee's investigation, the existence of inappropriate meals with public officials in some cases, as well as other problems such as violations of internal rules related to this matter were confirmed. The Audit & Supervisory Committee confirmed that efforts to prevent recurrence of these problems have been implemented under the supervision of the Board of Directors. The Audit and Supervisory Committee will continue to closely monitor and verify the thoroughness of efforts to prevent recurrence.

- (2) Audit results of financial statements, supplementary schedules attached thereto, and consolidated financial statements  
The Audit & Supervisory Board finds that the audit methodology adopted by the independent audit, KPMG AZSA LLC and the audit results are adequate.

May 10, 2022

NTT DATA Corporation

Audit & Supervisory Committee

Standing Audit & Supervisory Committee Member (Outside Director)	Tetsuya Obata
Standing Audit & Supervisory Committee Member (Outside Director)	Katsura Sakurada
Standing Audit & Supervisory Committee Member (Outside Director)	Akihiko Okada
Audit & Supervisory Committee Member (Outside Director)	Rieko Sato

END