*Note 1: This document is the English translation of "*Dai 37kai jigyou houkoku*" (37th Business Report) and is provided solely for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.*

*Note 2: In this document, NTT DATA Group Corporation (the holding company) is referred to as "NTT DATA" or "the Company;" NTT DATA Japan Corporation (the operating company in Japan) as "NTT DATA Japan Corporation;" NTT DATA, Inc. (the operating company overseas) as "NTT DATA, Inc.;" and the entire group comprising the three companies and their subsidiaries and affiliates as "the NTT DATA Group" or "the Group."*

# BUSINESS REPORT

(From April 1, 2024 to March 31, 2025)

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

### 1. Business Progress and Results

In the fiscal year ended March 31, 2025 (hereinafter, "the fiscal year under review"), the Japanese economy saw improvements in corporate earnings and business sentiment as well as a recovery in capital investment, while the economy overseas also showed signs of recovery despite some regions continuing to stagnate.

As for the outlook for the economies both in Japan and overseas, they are expected to improve, but uncertainty has been increasing due to policy developments such as the U.S. administration's introduction of additional tariffs. Close attention must also be paid to continuing price increases, geopolitical situations, volatility in financial and capital markets, and other risks.

**Progress on Management Policies**

Toward achieving the Global 3rd Stage in 2025 in the Medium-Term Management Plan for FY2022-FY2025, the NTT DATA Group, based on the slogan "Realizing a Sustainable Future," aims to connect people with technology to create value and a sustainable future with our clients.

Toward that end, we have established the following management targets under the five strategies: Strategy 01 Capitalize on the Convergence of IT & Connectivity; Strategy 02 Strengthen Consulting with Foresight; Strategy 03 Evolve to an Asset-based Business Model; Strategy 04 Enhance Advanced & Development Technology; and Strategy 05 Be the Best Place to Work, while making strategic investments for further business growth.

Management Targets

In FY2025, we aim at consolidated net sales of 4.7 trillion yen, a client base of 120 companies (from which we earn annual net sales of 5 billion yen or more in Japan or 50 million U.S. dollars or more overseas), a consolidated operating profit margin* of 10%, and an overseas EBITA margin* of 10%.

*One-time costs, such as expenses associated with M&A and structural transformation, are excluded.

As an important challenge that needs to be addressed to drive sustainability management, in July 2022, we set three key axes "Regenerating Ecosystems," "Clients' Growth," and "Inclusive Society," and formulated nine material issues. As one initiative, we have established "NTT DATA NET-ZERO Vision 2040" with the aim of realizing net-zero greenhouse gas emissions (Scope 1-3) in the Group and across the entire supply chain by 2040. Under the vision, we are working on the introduction of renewable energy and the lowering of the PUE ratio at our data centers. In addition, we assess the impacts of our businesses on society and disclose the results as case studies, etc. Furthermore, in an effort to ensure governance in sustainability management, we set up in April 2024 the Sustainability Committee chaired by the officer responsible for corporate management to promote and supervise concerned operations on a global scale.

For more information on sustainability at NTT DATA, please refer to the following documents:
- Integrated Report 2024: https://www.nttdata.com/global/en/investors/library/ar
- NTT DATA Group Sustainability Report 2024 Data Book: https://www.nttdata.com/global/en/about-us/sustainability/report

## Progress on Business Activities

In the fiscal year under review, the NTT DATA Group expanded the business in the global market to cope with the global acceleration of digital transformation (DX), etc., and to respond to diversified and sophisticated needs. The Group also engaged in expansion and stable provision of diverse IT services ranging from consulting to application development to infrastructure-related services.

**Highlights of the 37th Fiscal Year (FYE3/2025)**

- Enjoyed increases in net sales, operating profit, and profit, buoyed by the robust performances of the Japan Segment, the Data Center and SAP businesses of the Overseas Segment, etc.
- Plans to pay an annual dividend of 25 yen, up 2 yen from FY2023

(Unit: billions of yen)

| | FYE3/2024 Results | FYE3/2025 Results | YoY Comparison (Amount) | YoY Comparison (Rate) | |
|---|---|---|---|---|---|
| Net Sales | 4,367.4 | 4,638.7 | +271.3 | +6.2% | ↗ |
| Operating Profit (Operating Profit Margin) | 309.6 (7.1%) | 323.9 (7.0%) | +14.3 (-0.1P) | +4.6% | ↗ |
| Profit Attributable to Shareholders of NTT DATA | 133.9 | 142.5 | +8.6 | +6.4% | ↗ |
| Annual Dividend per Share (yen) | 23 | 25 | +2 | +8.7% | ↗ |

# Japan

The Group is mainly engaged in provision of high-value-added IT services that take into account market characteristics in Japan.

| | | |
|---|---|---|
| Net Sales | 1,933.2 billion yen (+10.0% YoY) | We aimed to expand consulting and digital related projects by establishing offerings to deal with business and management challenges faced by various industries and clients. We also enhanced profitability by selecting and focusing on more highly profitable projects and curtailing unprofitable businesses. |
| Operating Profit | 205.2 billion yen (+9.9% YoY) | |

Business activities, etc. conducted by each business in the Japan Segment are as follows.

## • Public & Social Infrastructure

In the Public & Social Infrastructure business, the Japanese government has increased its IT investments with the aim of realizing public-private partnerships and addressing social issues, as illustrated by its introduction of "Priority Plan for the Realization of a Digital Society." In addition, further progress is expected in My Number Card-related businesses, standardization of systems across national and local public entities, and DX in the businesses spearheaded by various ministries and in semi-public sectors (health/medical care/nursing case, education, disaster prevention, etc.).

In this business, as social issues such as the aging population combined with the low birthrate and environmental challenges had come to light, we aimed to design a society through consulting from users' perspective with foresight, and toward that end, we sought to solve social issues while also expanding our business by collaborating beyond boundaries between private and public sectors and industries, implementing measures including those in non-IT fields and building an ecosystem co-created by all associated players.

<Commencement of the development of a high-resolution, high-frequency satellite system>



The NTT DATA Group established Marble Visions Inc., a provider of Earth observation satellite services, with the aim of developing a satellite observation system capable of high-resolution and high-frequency imaging and building a mechanism that can offer one-stop services from providing satellite imagery to supporting users' decision-making. The company was selected by JAXA(Note 1) for its Space Strategy Fund's technological development project titled "High-resolution, high-frequency optical satellite observation system "(hereinafter, "the Project").

Furthermore, for the successful execution of the Project, the NTT DATA Group agreed to a capital and business alliance with PASCO CORPORATION and Canon Electronics Inc. The Group has been contributing to the aerospace business through a digital 3D mapping business called "AW3D" (Note 2), which provides value-added content for satellite imagery. We will accelerate the vertical integration from satellite development to the utilization of satellite data in collaboration with PASCO CORPORATION and Canon Electronics Inc. by incorporating the use cases of satellite data and the specific needs of clients into the satellite system. Marble Visions Inc. is expected to launch its first satellite by 2027, with seven additional launches scheduled by 2028.

Through Marble Visions Inc., the Group aims to contribute to solving social challenges by developing a satellite observation system that can be used for a diverse range of public sectors and industries domestically and internationally, and promptly offering insights from a space-based perspective.

## • Financial

In the Financial business, major financial institutions are increasing their IT service investments to strengthen customer contact points and customer experience, as well as to realize financial services that transcend industry boundaries. As for regional financial institutions, although IT investments remain flat, the reorganization of regional banks is expected to encourage new IT investments and accelerate the implementation of an open architecture for their core banking systems.

As society has become more digitalized, financial services that cater to daily needs have appeared one after another. Amid such a situation, we have confirmed the need to balance reliability and progressiveness in financial systems. In this business, we have embarked on the development of the Integrated Banking Cloud based on its success in migrating the joint-use core banking scheme MEJAR to an open system in January 2024 by adopting PITON, which is our framework to run core banking systems on open platforms, and established an organizational framework to balance reliability and progressiveness in financial systems. Through these initiatives, we continued to support safe and secure financial infrastructure permanently while aiming to develop and expand new financial services that connect industries.

<Full implementation of the "Branch Office Automation" solution, a next-generation joint-use branch office system>



The NTT DATA Group, in collaboration with participating banks in the Regional Bank Integrated Services Center(Note 3), developed the "Branch Office Automation" solution, a next-generation joint-use branch office system. The NISHI-NIPPON CITY BANK, LTD., one of the participating banks, fully implemented the system.

This is the banking industry's first joint-use branch office system that leverages tablets.

The participating banks have faced a common challenge regarding how branch offices as customer touchpoints and their systems should be, due partly to the more frequent use of non-face-to-face channels, such as Internet banking, and the innovation of digital technologies. Traditionally, each bank operates its own branch office system using dedicated terminals to serve customers at its branches. This new solution replaces those with a joint-use system that leverages common devices, including tablets. It enables customers to complete procedures on tablet terminals by themselves, which results in a reduction in wait times at branch offices, and enhances users' convenience through integration with non-face-to-face channels, such as banking apps. For bankers, the system displays procedural scenarios on the tablet, ensuring greater accuracy in administrative tasks. This operational efficiency generates more time for value-added activities, such as proposing solutions to customers.

The NTT DATA Group will contribute to solving the social issue of a declining workforce in regional areas by rolling out this solution to participating banks in the Regional Bank Integrated Services Center and other financial institutions, expanding services, and digitalizing user touchpoints, such as branch offices of financial institutions.

## • Enterprise

In the Enterprise business, business opportunities related to DX, generative AI, and sustainability are growing steadily in all industries including manufacturing and retail. As management issues and their solutions become more diverse, a one-stop service that proactively supports the resolution of their management issues through consulting and engineering capabilities is being sought.

In this business, we aimed to increase the value we offer by taking advantage of our expertise in consultation, payment, and technology. Also, we brought together insights into industries and envisioned an ideal business for the industry and our clients together with them in a foresight-oriented manner. Additionally, we also helped clients realize business transformation and service creation, by consistently offering high value in planning to transformation based on our capabilities to utilize advanced technologies and to develop systems.

<"Hakuhodo Inc x NTT DATA" to promote demand chain transformation>



With the aim of providing companies with comprehensive services ranging from development of management themes, formulation of strategies, and designing of consumer experience to utilization of data technologies and system implementation, the NTT DATA Group, together with Hakuhodo Incorporated, established a joint venture, HAKUHODO ITTENI Co., Ltd. The venture, which began operations in April 2025, aims to drive companies' "demand chain transformation" by viewing the corporate value chain from consumers' perspective.

We have the advantage of a wealth of experience in supporting companies' DX using information technologies as a starting point. Hakuhodo's strengths lie in its creativity in the domain of customer touchpoint, based on a deep understanding of consumers. By combining their insights, capabilities, solutions, etc., the two companies will promote proposals in a wider range of fields, which neither could achieve alone.

Looking ahead, we will contribute to client companies' sales and profit growth by advancing the "demand chain transformation" and aim to introduce new value across business domains and industries that will lead to a more prosperous society and life.

# Overseas

The Group is mainly engaged in provision of high value-added IT services that take into account market characteristics in overseas business, data center business, etc.

| | | |
|---|---|---|
| Net Sales | 2,750.9 billion yen (+3.6% YoY) | The Group made a fresh start under a new organizational structure comprising three regional units (North America, EMEAL, APAC) and the global unit (Global Technology and Solution Services). We aimed to increase the value we offer to clients by accelerating innovation through the utilization of generative AI and other state-of-the-art technologies, despite an increase in business transformation costs associated with the optimization of corporate functions and other initiatives. |
| EBITA | 154.7 billion yen (-7.1% YoY) | |
| Operating Profit | 100.2 billion yen (-13.4% YoY) | |

Business activities, etc. conducted in the Overseas Segment are as follows.

## • North America

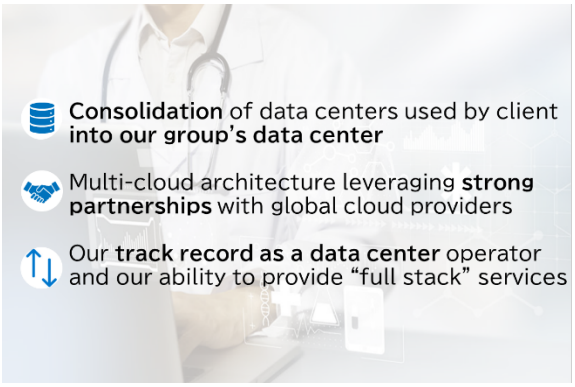
The U.S. IT market is experiencing robust growth driven by the demand for AI, cloud computing, and cybersecurity, but at the same time, it also has inherent growth-inhibiting factors, such as uncertainty over policy developments interfering with the IT investment and shortage of human resources for business growth.

In this unit, North America accounts for approximately 40% of the global IT market and one of the world's largest IT markets. We aimed to drive growth (both in existing accounts and winning new accounts) leveraging our modernized portfolio – consulting, Cloud transformation, digital offerings, new generative AI services, etc. – organically and through acquisitions. We also worked to optimize our cost structure in line with the revenue.

<Awarded a large-scale contract from our key client>

In North America, we were awarded a large-scale, 7-year contract to enhance IT environment from a major US public healthcare solutions provider. In this contract, the data center used by the client will be consolidated into data centers managed by our group and the client's IT environment will be migrated to a multi-cloud platform, to achieve flexible business operations and reduce costs. Our Key success factors in winning this deal are being the only partner who could provide full stack capabilities including data center services and leveraging strong partnerships with Global Cloud Providers.

Key success factors for winning a new large-scale project



## • EMEAL

While Europe economic trends project low GDP growth, IT investment is growing steadily. By country, IT investment in Spain is robust due to strong manufacturing industry demand, while in Germany, IT investments are being constrained in the manufacturing industry, especially in the automotive. In Latin America, economic trends project low GDP growth, but IT demand is strong.

In this unit, we focused disproportionately on growing in our key markets like UK, Germany and Spain. We also invested in services like Digital BPS, CX, Cloud transformation, Data & Analytics, and generative AI. At the same time, we worked to strengthen our delivery capabilities for speed, quality and cost of services.

<Providing comprehensive support to a global renewable energy company>



In EMEAL, we signed a contract with a global leader in renewable energy for the modernization and cloud migration of most of their core business applications. In this project, we aim to boost the client's business and enhance efficiency by optimizing the system for controlling renewable energy production, the core business of the client. We also plan to increase productivity in the development process through Agile methodology and the application of generative AI. We were able to secure this contract because we have been recognized as a strategic partner of the client, having built a relationship over more than 10 years through the development, implementation and internationalization of their core IT systems, and because of our high local presence in each country overseas, as well as our ability to provide global support from strategy planning to implementation.

## • APAC

In APAC, the IT market is growing steadily. In particular, strong demand exists for Cloud services. On the other hand, GDP growth rate in countries such as Australia is slow, and uncertainty from inflation and exchange rate volatility may negatively impact corporate IT investment across the region.

In this unit whose market has steady growth potential, we continued to grow by strengthening the technology solutions(Note 4) domain, while also focusing on both account expansions and new clients acquisition in key markets like India, Australia and Singapore through digital business and ERP related offerings. We also accelerated inorganic growth in selected strategic areas.

<Promoting the further enhancement of cloud service solutions>



In APAC, we have expanded our strategic partnership with Google Cloud to accelerate the adoption of cloud-based data analytics and generative AI solutions tailored to industry-specific needs. By combining NTT DATA’s technology and industry expertise with Google Cloud’s best-in-class data analytics, AI and cloud capabilities, we will develop solutions that drive innovation and enhance business agility for our clients.

In addition, as part of our efforts to strengthen our cloud business through this initiative, we announced that we have signed a definitive agreement to acquire Niveus Solutions Pvt. Ltd. (Niveus Solutions), a premier cloud engineering company specializing in Google Cloud Platform (GCP) services. Niveus Solutions, an award-winning leader in Google Cloud services, will add 1,000 GCP engineering professionals with expertise in GCP native modernization, data engineering and AI to enhance NTT DATA's Google Cloud business. The acquisition accelerates NTT DATA's strategy to expand its cloud capabilities to meet the global demand for transformative cloud solutions across industries. It also solidifies the company as a leading global system integrator for Google Cloud.

## • GTSS (Global Technology and Solution Services)

In the GTSS sector, we are mainly engaged in Data Center, SAP, and other network businesses.

Demand for the Data Center business is expected to remain robust, with additional growth due to generative AI, etc. being expected.

The SAP business is expected to grow at a high rate due to continued strong demand from businesses for migration to cloud ERP and expectations for generative AI-enabling solutions.

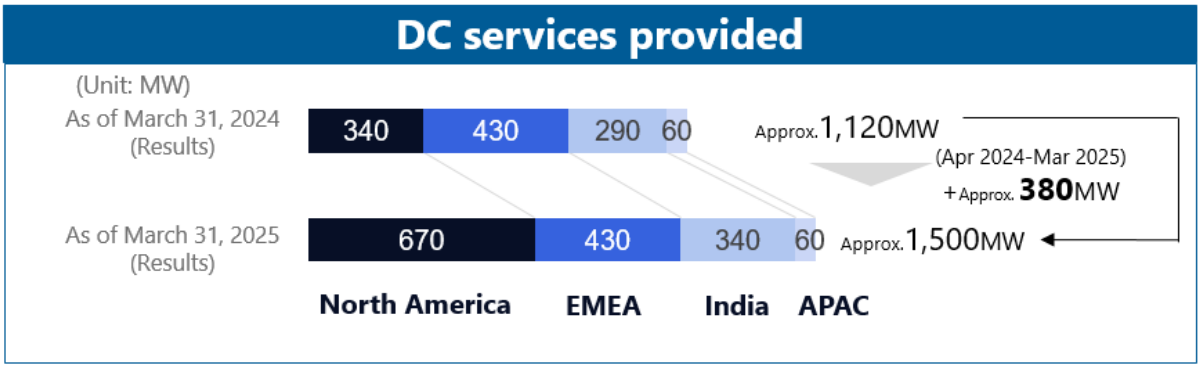
In this unit, leveraging our strengths as a globally prominent global data center operator and IP network provider, we provided reliable digital backbone services globally. We also continued to grow our strength in the Network services, Cloud services, and Edge connectivity (private 5G) and compute. We became a one stop shop for suite of services as part of NTT DATA, Inc.'s digital solutions.

In addition, with continued focus on the SAP business, we drove growth through consulting, application and data services. We enriched our delivery capability through right shoring, automation and use of differentiated IP.

<Expanding the ability to deliver services in the DC business>

In the Data Center business, the NTT DATA Group is making proactive investments as further growth is expected on the back of strong demand and in FY2024, our total investments came to 413.0 billion yen. In FY2024, we newly increased our DC service capacity by approximately 380 MW and our current capacity totals approximately 1,500 MW worldwide.

In Japan, we were tentatively selected by Tochigi City to acquire a site for a new data center in the Tochigi prefectural city, north of Tokyo. The site is currently being developed as a new DC facility in the Tokyo metropolitan area and two buildings are expected to provide DC services with a combined capacity of approximately 100 MW.



●(Reference) Breakdown of Results by Segment

Japan Segment

(Unit: billions of yen)

| | | | FYE3/2024 Results | FYE3/2025 Results | YoY (%) |
|---|---|---|---|---|---|
| Net Sales | | | 1,757.0 | 1,933.2 | +10.0 |
| | Repost | Public & Social Infrastructure | 692.3 | 808.3 | +16.8 |
| | | Financial | 696.2 | 749.5 | +7.7 |
| | | Enterprise | 535.2 | 565.6 | +5.7 |
| Operating Profit (Operating Profit Margin) | | | 186.7 (10.6%) | 205.2 (10.6%) | +9.9 |
| | Repost | Public & Social Infrastructure | 89.3 (12.9%) | 108.3 (13.4%) | +21.2 |
| | | Financial | 71.4 (10.3%) | 79.5 (10.6%) | +11.3 |
| | | Enterprise | 54.4 (10.2%) | 61.3 (10.8%) | +12.8 |

Overseas Segment

(Unit: billions of yen)

| | | | FYE3/2024 Results | FYE3/2025 Results | YoY (%) |
|---|---|---|---|---|---|
| Net Sales | | | 2,654.5 | 2,750.9 | +3.6 |
| | Repost | North America | 688.3 | 662.6 | -3.7 |
| | | EMEAL | 988.7 | 997.1 | +0.9 |
| | | APAC | 376.2 | 363.5 | -3.4 |
| | | GTSS | 726.0 | 852.0 | +17.4 |
| EBITA (EBITA Margin) | | | 166.5 (6.3%) | 154.7 (5.6%) | -7.1 |
| | Repost | North America | 37.1 (5.4%) | 37.5 (5.7%) | +1.2 |
| | | EMEAL | 41.6 (4.2%) | 40.3 (4.0%) | -3.2 |
| | | APAC | 35.6 (9.5%) | 25.3 (7.0%) | -28.7 |
| | | GTSS | 85.5 (11.8%) | 100.1 (11.8%) | +17.2 |

(Note 1) JAXA
This is the abbreviated name of the Japan Aerospace Exploration Agency, which is a National Research and Development Agency.

(Note 2) AW3D
This is the world's first digital 3D map that captures all terrain on Earth with a 5-m resolution, and it was offered by NTT DATA Japan Corporation and the Remote Sensing Technology Center of Japan. The 3D map data created from satellite imagery have been used in more than 4,000 projects across over 130 countries and regions.

(Note 3) Regional Bank Integrated Services Center
It is a center for joint-use core banking systems established and operated by NTT DATA Group for first- and second-tier regional banks. The participating banks are (in order of start of service use and bank code) The Bank of Kyoto, Ltd.; the Chiba Kogyo Bank, Ltd.; the Bank of Iwate, Ltd.; the Senshu Ikeda Bank, Ltd.; the Aichi Bank, Ltd.; the Fukui Bank, Ltd.; the Aomori Michinoku Bank, Ltd.; the Akita Bank, Ltd.; the Shikoku Bank, Ltd.; the Tottori Bank, Ltd.; the Nishi-Nippon City Bank, Ltd.; the Oita Bank Ltd.; and the San-in Godo Bank, Ltd.

(Note 4) Technology solutions
This refers to solutions using communication terminal equipment such as rooters.

## 2. Progress of Technical Development

The NTT DATA Group has been working on the "utilization of advanced technologies and promotion of innovation" to actively introduce new technological trends in business. In the field of research and development on "production technology innovation," we are making continuous efforts on speeding up and increasing quality of system development, utilizing generative AI technology, building a cloud foundation, etc. We will globally collect and utilize knowledge and know-how on advanced technologies to facilitate innovation and improve next-generation production technologies.

In addition, we utilize the outcome of our collaborative research and development with NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT) for fundamental research and development themes to focus our resources on applied research and development themes.

Research and development costs for the fiscal year under review were 28,258 million yen. The costs are commonly applicable to the Japan and Overseas Segments and thus are not separately recorded by each segment.



<Efforts toward the realization of SmartAgent, a generative AI utilization concept>

The Group announced the SmartAgent concept, where AI agents deliver a new workforce (hereinafter, "the Concept"), and started to provide "LITRON Sales," an AI agent service for salespersons as the first initiative of the Concept, ahead of its planned global launch.

The Concept is characterized by the autonomous collaboration of the "personal agent," which is optimized for specific operations, and the "specialized agent" with several expertise areas, to support the entire operational process for users in an end-to-end manner. "LITRON Sales" reduces administrative burdens for salespersons by autonomously handling tasks, including data entry, appointment arrangement, proposal documentation, agreement creation, and internal paperwork. This will enable them to create additional time for value-added operations, such as proposals to customers, and improve the capabilities of forming hypotheses and making proposals through the utilization of a diverse set of internal and external inputs. Looking ahead, we will offer SmartAgent to various operational areas, including marketing, legal affairs, accounting, etc. in addition to sales.

The Group will contribute to solving the social issue of workforce shortages caused by population decline by utilizing a new workforce. In addition, we will shift clients' businesses to higher value-added ones by transforming their labor-intensive business models to knowledge-based AI-driven business models, aiming to achieve global sales of 300 billion yen in FY2027 in the business related to generative AI technologies.

## 3. Challenges to be Addressed

(1) Changes in the Business Environment

In the social environment that changes at a rapid pace day by day, company managements are required to deal with diverse needs such as balancing of their efforts to solve social challenges including contribution to the global environment and to improve economic value including new value creation. Technological advancements have also facilitated the connections between different people and things, changing corporate activities, people's consumption and lifestyles, and various other social trends.

In recent times, the advancement of AI technologies, the widespread use of cloud computing, etc. have enabled companies to further optimize their traditional business operations and launch new business models. The expansion of demand for such technologies has underscored the significance of data centers and networks. IT services and infrastructure are thus playing an increasingly important role, serving as growth engine for various business fields and industries.

(2) Challenges to be Addressed and Corresponding Measures

The NTT DATA Group is expected to achieve the targets set in the Medium-Term Management Plan, as the Japan Segment steadily grows while the Data Center and SAP businesses in the Overseas Segment also remain strong. However, the Group recognizes the need to continuously work to improve profitability for the regional units of the Overseas Segment.

The Group stands within the top 10 in sales rankings in the global IT services market.* In order to ensure global competitiveness and sustainable growth, the NTT DATA Group, as a data center operator with a strong global presence, also recognizes the need to actively invest in growth areas and promote strategic M&As, while taking into consideration the impacts of these activities on financial soundness, and to transform its environment and culture to enable diverse human resources to demonstrate their capabilities in the long term.

To address these challenges, the Group will implement the following measures:

● Growth accompanied by quality in the Overseas Segment

To improve profitability and competitiveness in the Overseas Segment, we aim to improve business processes and optimize business operations, in addition to the promotion of business transformation through the integration of corporate functions and IT systems, business portfolio reforms, etc.

In optimization of business operations, we will facilitate business growth by forming cross-unit organizations to strengthen each unit's business and enhancing sales capabilities, delivery efficiency, etc. on a global sale.

● Investment in growth areas

To maintain and reinforce the sustainable growth and competitive edge of the Group, we will continue to make proactive investments in generative AI-related businesses, data centers with strong growth potential, etc. We will also acquire new capabilities and work on strategic M&As that are expected to contribute to reinforcing our business in North America. In Japan, while considering the expansion of human resources in such areas as consulting and architecture, we will proceed with M&As to develop a human capital foundation that can maintain the stability of social infrastructure.

Furthermore, to create funds for active investments in growth areas, we will utilize REITs. By selling assets in the Data Center business in a stable and sustained way, we will expedite the investment recovery cycle.

● Expansion of human resources

We will focus our effort on acquiring and developing diverse human resources who match our business portfolio and highly professional human resources who can support business growth in such areas as generative AI and consulting, while also aiming create an engaging workplace to be "Be the Best Place to Work."

* Gartner®, Market Share: Services, Worldwide, 2024, Neha Sethi et al., 11 April 2025, Vendor Revenue Basis

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## 4. Capital Investments

Capital investments, etc. in the fiscal year under review totaled 675,683 million yen (a 2.8% increase compared to the previous fiscal year). The major component was a capital investment for the Data Center business in the Overseas Segment.

## 5. External Financing

In the fiscal year under review, NTT DATA secured funds to make proactive investments mainly in the Data Center business. The interest-bearing debt balance came to 2,599.1 billion yen (an increase of 423.8 billion yen compared to the end of the previous fiscal year), despite our efforts to curb the increase of the balance through the sale of assets, etc.

The source of the funds for the fiscal year under review were short-term and long-term borrowings from NTT FINANCE CORPORATION.

## 6. Principal Lenders

| Name of Lender | Borrowings Outstanding (millions of yen) |
|---|---|
| NTT FINANCE CORPORATION | 2,412,133 |

## 7. Parent Company and Principal Subsidiaries

(1) Relationship with Parent Company

The Company's parent company is Nippon Telegraph and Telephone Corporation, which holds 809,677,800 shares of the Company (57.73% of voting rights).

Business transactions between the Company and Nippon Telegraph and Telephone Corporation include services, benefits, etc. to the Company regarding the latter's basic research and development as well as group management.

(2) Principal Subsidiaries

| Name of Companies | NTT DATA's Voting Rights Ratio | Location | Main Line of Business |
|---|---|---|---|
| ■ Japan | | | |
| NTT DATA Japan Corporation | 100.0% | Tokyo | Consulting, integrated IT solutions, system/software development, maintenance/support |
| NTT DATA i CORPORATION | 100.0% (100.0%) | Tokyo | System design/development |
| NTT DATA INTRAMART CORPORATION | 47.7% (Note 3) (47.7%) | Tokyo | Packaged software sales |
| NTT DATA MSE Corporation | 45.0% (Note 3) (45.0%) | Kanagawa Prefecture | System design/development |
| NTT DATA CUSTOMER SERVICE CORPORATION | 100.0% (100.0%) | Tokyo | Systems operation/maintenance |
| NTT DATA FINANCIAL TECHNOLOGY CORPORATION | 100.0% (100.0%) | Tokyo | System design/development |
| JSOL Corporation | 50.0% (Note 3) (50.0%) | Tokyo | System design/development |
| Netyear Group Corporation | 48.5% (Note 3) (48.5%) | Tokyo | SIPS (Strategic Internet Professional Services) business (Note 4) |

■ Overseas Segment

| | | | |
|---|---|---|---|
| NTT DATA, Inc. | 55.0% | Tokyo | Governance and strategy formulation for global business and promotion of measures |
| NTT America Holdings II, Inc. | 100.0% (100.0%) | U.S.A. | Management of certain subsidiaries of NTT Ltd. in America |
| NTT DATA, Americas, Inc. | 100.0% (100.0%) | U.S.A. | Consulting, system design/development |
| NTT Data International L.L.C. | 100.0% (100.0%) | U.S.A. | Supervision of North American operating subsidiaries |
| NTT DATA Services Holdings Corporation | 100.0% (100.0%) | U.S.A. | Consulting, system design/development |
| NTT DATA Services, LLC | 100.0% (100.0%) | U.S.A. | Consulting, system design/development |
| NTT DATA Business Solutions AG | 100.0% (100.0%) | Germany | Consulting, system design/development |
| NTT DATA EUROPE GmbH & Co. KG | 100.0% (100.0%) | Germany | Supervision of overseas SAP operating subsidiaries |
| NTT DATA Europe & Latam, S.L.U. | 100.0% (100.0%) | Spain | Supervision of European operating subsidiaries |
| NTT DATA Spain, S.L.U. | 100.0% (100.0%) | Spain | Consulting, system design/development |
| NTT Cloud Communications International Holdings SAS | 100.0% (100.0%) | France | Provision of teleconference, web conference and video conference services |
| NTT DATA EMEA LTD. | 100.0% (100.0%) | U.K. | Consulting, system design/development |
| NTT Limited | 100.0% (100.0%) | U.K. | Provision of IT services and communications and internet-related services for corporations |
| NTT Global Data Centers EMEA Finance S.à r.l. | 100.0% (100.0%) | Luxembourg | Provision of data center-related services in Europe |
| NTT Global Data Centers EMEA S.à r.l. | 100.0% (100.0%) | Luxembourg | Provision of data center-related services in Europe |
| NTT DATA Services International Holdings B.V. | 100.0% (100.0%) | Nederland | Consulting, system design/development |
| Dimension Data Investments South Africa (Pty) Ltd | 75.0% (75.0%) | South Africa | Management of certain subsidiaries of NTT Ltd. in South Africa |
| NTT Australia Pty Ltd | 100.0% (100.0%) | Australia | Provision of ICT Services in Australia and management of certain subsidiaries of NTT Ltd in Australia |
| NTT Cloud Infrastructure Australia Pty Ltd | 100.0% (100.0%) | Australia | Provision of ICT Services in Australia |
| PT NTT Global Data Centers Indonesia | 100.0% (100.0%) | Indonesia | Provision of data center services in Indonesia |
| NTT Global Data Centers NAV2 Private Limited | 100.0% (100.0%) | India | Provision of data center-related services in India |
| NTT Security Corporation | 100.0% (100.0%) | Tokyo | Provision of professional security services |
| NTT Asia Pacific Pte. Ltd. | 100.0% (100.0%) | Singapore | Supervision of APAC operating subsidiaries, |
| NTT DATA ASIA PACIFIC PTE. LTD. | 100.0% (100.0%) | Singapore | Supervision of APAC operating subsidiaries engaged in application services |
| NTT GLOBAL DATA CENTERS HOLDING ASIA NAV2 PTE. LTD, | 70.0% (70.0%) | Singapore | Provision of data center-related services in India |
| NTT Global Data Centers Holding Asia Pte. Ltd. | 100.0% (100.0%) | Singapore | Management of certain data center subsidiaries and affiliates of NTT Ltd. in Asia |

| | | | |
|---|---|---|---|
| NTT Singapore Pte. Ltd. | 100.0%<br>(100.0%) | Singapore | Provision of ICT Services in Singapore |
| VietUnion Online Services Corporation | 88.6%<br>(88.6%) | Vietnam | Payment Processing Services |
| ■ Others | | | |
| NTT DATA INTELLILINK Corporation | 100.0% | Tokyo | System design/development |

(Note 1) In addition to the above, there were 574 subsidiaries as of March 31, 2025.
(Note 2) The figures in parentheses in "NTT DATA's Voting Rights Ratio" show the ratio of indirectly owned voting rights included therein.
(Note 3) Although the Company owns 50% or less of the voting rights, it has determined that it substantially controls these companies considering the dispersion of voting rights, nomination rights of directors, and other factors.
(Note 4) SIPS (Strategic Internet Professional Services) business refer to a business that provides support, etc. for marketing activities based on the Internet technology
(Note 5) There are no subsidiaries that fall under the category of a specified wholly-owned subsidiary.

## 8. Employees

| Number of Employees (persons)(Note) | Change Compared to the End of the Previous Fiscal Year (persons) |
|---|---|
| 197,777 | +4,264 |

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

**(Reference) Initiatives to "Be the Best Place to Work"**

Under one of our strategies outlined in the Medium-Term Management Plan "Strategy 05 Be the Best Place to Work," we aim to obtain and develop highly professional human resources who can support our business growth, and promote the creation of an engaging workplace where various human resources can grow and demonstrate their capabilities. The global workforce supporting our business growth now totals approximately 198,000.

Major initiatives for FY2024 are as follows.

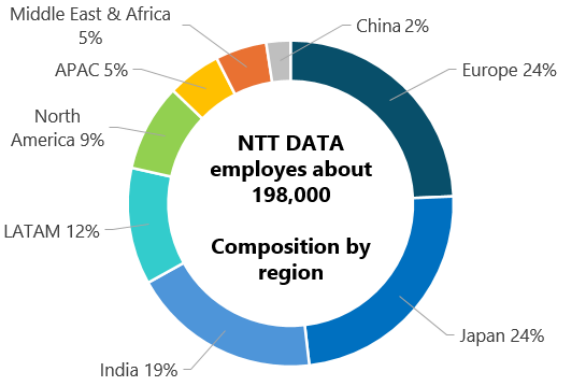
[Development of highly professional human resources]

We are currently developing highly professional human resources who can adapt to changes and human resources who can lead the digital industry. In FY2024, we focused our effort particularly on the development of human resources with AI capabilities. Specifically, we offered tiered training programs on a global basis, which were Yellow-belt and Green-belt programs designed to train human resources who can provide value in generative AI projects, and Black-belt program designed to train human resources who can take a lead in such projects and develop next generations. As a result, we achieved the global target of developing about 1,500 such employees.

[Creation of an engaging workplace]

We hold Values Week workshops, award programs, etc. globally to provide employees with the opportunity to discuss our shared "Values." In a global survey conducted among employees of major subsidiaries in Japan and overseas, 78% of the respondents gave positive responses to the statement "I take pride in working at NTT DATA."

■Diverse human resources supporting business growth




■Employee engagement



## 2 Matters Concerning Shares

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

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

(Including 402,100 shares held by stock delivery trust under the performance-linked Stock Compensation Plan and 11,232 treasury shares)

### 3. Number of shareholders 98,598 persons

### 4. Principal shareholders

| Name of Shareholders | Number of Shares Held | Ratio of Shareholding (%) (Note) |
|---|---|---|
| Nippon Telegraph and Telephone Corporation | 809,677,800 | 57.73 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 163,115,100 | 11.63 |
| Custody Bank of Japan, Ltd. (Trust Account) | 86,381,600 | 6.16 |
| NTT DATA Employee Share-Holding Association | 14,157,300 | 1.01 |
| HSBC HONGKONG TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES | 12,704,417 | 0.91 |
| STATE STREET BANK WEST CLIENT TREATY 505234 | 12,691,772 | 0.90 |
| STATE STREET BANK AND TRUST COMPANY 505325 | 12,663,363 | 0.90 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 11,603,565 | 0.83 |
| JP MORGAN CHASE BANK 385781 | 8,246,901 | 0.59 |
| MSCO CUSTOMER SECURITIES | 7,084,875 | 0.51 |

(Note) Ratio of Shareholding has been calculated after deducting treasury shares (11,232 shares).

< Composition of Shareholders (percentage of shares held) >

| | |
|---|---|
| Financial Institutions | 18.92 % |
| Securities Companies | 1.20 % |
| Other Companies | 58.09 % |
| Non-Japanese Companies, etc. | 16.09 % |
| Individuals and Others | 5.71 % |

### 5. Shares issued to corporate officers as compensation for execution of duties during the fiscal year under review

The details of stock compensation issued during the fiscal year under review are as follows.

| Category | Number of Shares | Number of Eligible Officers |
|---|---|---|
| Directors (excluding outside directors) | 26,357 shares | 2 |

(Note 1) The details of the Company's stock compensation are described in "3. (3) (ii) Policy regarding director remuneration, etc. and total amount of remuneration."

(Note 2) The above figure refers to shares that had been issued to the directors of the Company who retired.

# 3 Circumstances of Corporate Governance

## (1) Basic Policies on Corporate Governance

NTT DATA believes that it is important to ensure that corporate governance functions effectively in order to meet the expectations of various stakeholders including shareholders, investors, clients, partners, and employees, and to maximize corporate value at the same time.

Based on the belief, the Company has set basic policies on corporate governance: (i) ensure transparency and soundness in business management; (ii) achieve swift and appropriate decision-making and business execution; and (iii) implement compliance thoroughly, and has been taking the following actions in accordance with the policies.

(i) Ensure 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 independent 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. Furthermore, when transacting with Nippon Telegraph and Telephone Corporation, our parent company; and each company of the NTT Group, we pay attention to maximize the profits of our shareholders.

(ii) Achieve swift and appropriate decision-making and business execution

NTT DATA strives to realize appropriate and swift decision-making and business execution by promoting delegation of authority to NTT DATA Japan Corporation and NTT DATA, Inc., our operating companies, while reserving certain authority to the Company. Specifically, the Company is consulted by the operating companies on important matters related to business operations, such as overall strategy, business plan, executive personnel changes, and the Board of Directors, the President, or heads of each organization makes decisions in accordance with the authority specified in the Authority Rules and depending on the importance of the matter, thereby ensuring the appropriateness of the operation of the entire Group. In addition, we have formulated a group-wide policy to standardize the business management processes for important matters related to business operation, and deployed and applied it to the operating companies to establish a system to implement an effective supervision and control while ensuring agility of execution.

(iii) Implement compliance thoroughly

NTT DATA has set the NTT Data Group Code of Conduct as basic rules for daily activities by each Group employee, in order to foster corporate ethics and compliance awareness and respond to recent changes in the business environment. Continuous awareness activities are necessary for it to be effective, and we continuously communicate these messages from the management regarding compliance across the company and have been holding training sessions on compliance to all officers and employees. Furthermore, in order to foster a more open corporate culture, we have set up an internal reporting system that can be used by all officers and employees of the Group as well as employees of business partners, and accept reports regardless of anonymous or named. The Group Internal Reporting Policy stipulates that the filer will not be treated unfavorably because the reporting has been filed at the contact point.

## (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 of the Board of Directors and corporate governance 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.

In line with our human resources policy, the Company appoints individuals with outstanding personality, insight, and management ability as management executives, and structures its Board of Directors with consideration for a balance of areas of expertise and other factors, as well as diverse backgrounds such as global experience (also including such various characteristics as gender, race, ethnicity, and cultural background). The Board of Directors consisted of 11 directors, including six independent outside directors (of which three were female directors) and one non-Japanese director, and the independent outside directors made up the majority of the Board. By convening monthly and ad hoc meetings, the Board of Directors oversees and makes decisions on matters stipulated by laws and regulations, important matters regarding management, etc.

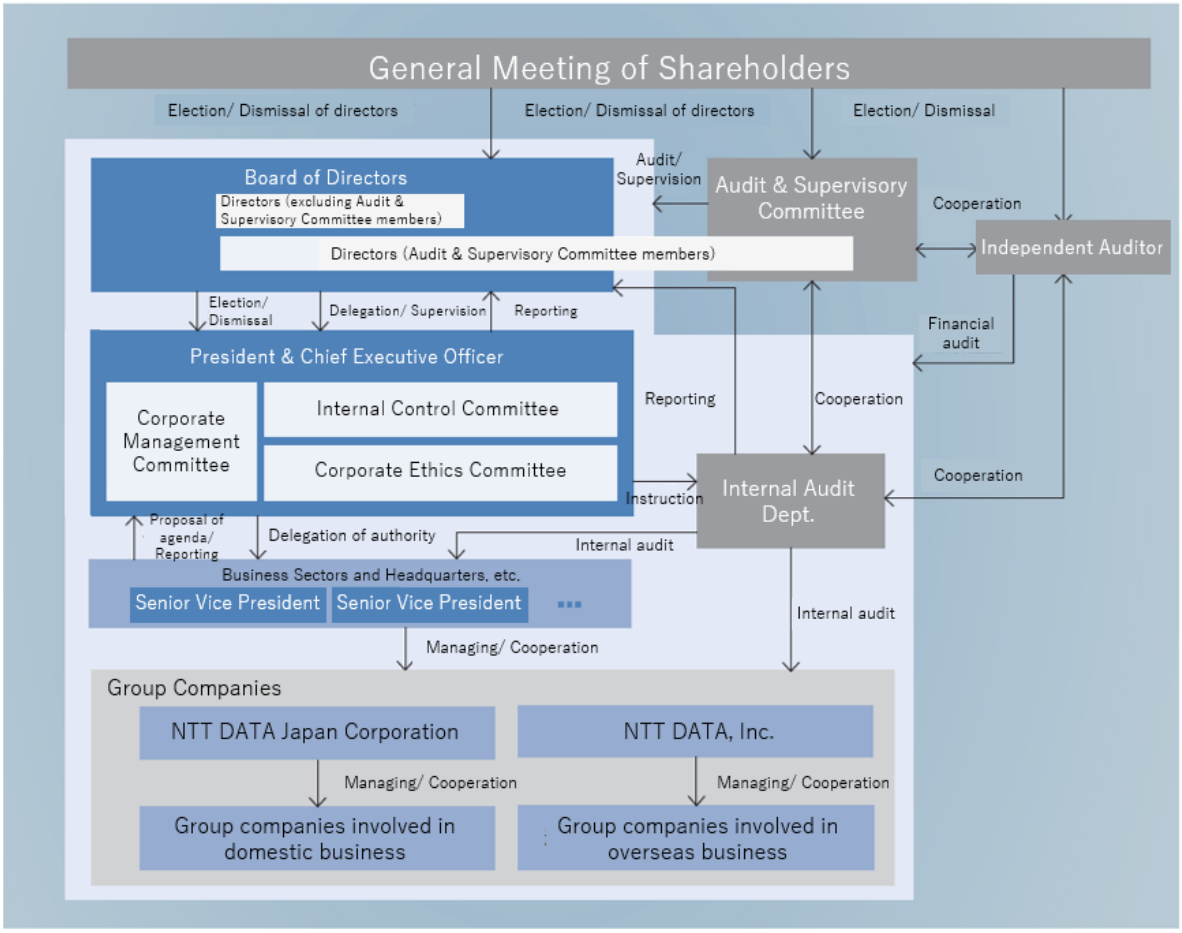
The Audit and Supervisory Committee consists of four outside directors who are Audit and Supervisory Committee members (of which two are female directors). In principle, it is held once every month to make decisions on the policies, plans, and methods of the audit as well as other important matters related to the audit. Each of these members participates in important meetings, such as Board of Directors meetings, communicates with the President and CEO, Senior Executive Vice Presidents, other directors, etc., 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 “remuneration, 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, 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, Executive Vice Presidents, and 13 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 on the next page.

(Reference) Corporate Governance Structure

The corporate governance structure of the Company is shown below.



(3) Matters Related to Corporate Officers

(i) Name of Directors

| Position | Name | Area of Responsibility and Principal Concurrent Position |
|---|---|---|
| President and Chief Executive Officer, Representative Director | Yutaka Sasaki | President and CEO, Representative Director of NTT DATA Japan Corporation |
| Senior Executive Vice President and Representative Director | Kazuhiko Nakayama | Responsible for Corporate Management |
| Senior Vice President and Director | Tadaoki Nishimura | Responsible for Business Strategy<br>Head of the Corporate Headquarters<br>Concurrently Head of the Strategy Office, Corporate Headquarters<br>Director of NTT DATA, Inc. |
| Director Outside director Independent officer | Mariko Fujii | Director of Mitsubishi UFJ Financial Group, Inc. |
| Director | Patrizio Mapelli | Director of NTT DATA, Inc. |
| Director Outside director Independent officer | Fumihiko Ike | Director and Chair of the Board of Directors of Eisai Co., Ltd.<br>Director and Chairperson of Board of Directors of Resona Holdings, Inc. |
| Director Outside director Independent officer | Shigenao Ishiguro | Director of Ricoh Company, Ltd. |
| Director (Full-time Audit and Supervisory Committee Member) Outside director Independent officer | Tomoko Hoshi | Certified Public Accountant<br>Company Auditor of NTT DATA, Inc. |
| Director (Full-time Audit and Supervisory Committee Member) Outside director Independent officer | Nobuyuki Tainaka | |
| Director (Full-time Audit and Supervisory Committee Member) Outside director | Eiichi Sakamoto | Auditor of NTT DATA Japan Corporation |
| Director (Audit and Supervisory Committee Member) Outside director Independent officer | Mitsuko Inamasu | Lawyer<br>Outside Audit & Supervisory Board Member of Seven & i Holdings Co., Ltd. |

(Note 1) Directors Yo Honma, Kazuhiro Nishihata, Eiji Hirano and Akihiko Okada retired after their term expired at the conclusion of the 36th Ordinary General Meeting of Shareholders held on June 18, 2024.

(Note 2) In the fiscal year under review, Director Patrizio Mapelli retired from the post of Director of the Board of NTT DATA Europe & Latam, S.L.U., and Director Shigenao Ishiguro retired from the post of Chairman & Director of TDK Corporation.

(Note 3) The Company has entered into agreements with Directors Mariko Fujii, Fumihiko Ike, and Shigenao Ishiguro and four directors who are Audit and Supervisory Committee members, limiting their liability for damages pursuant to Article 423, paragraph (1) of the Companies Act (hereinafter, "the Act") under Article 427, paragraph (1) of the Act. The maximum amount of compensation shall be the minimum liability amount prescribed in Article 425, paragraph (1) of the Act.

(Note 4) The Company has concluded a directors and officers liability insurance contract with an insurance firm, as stipulated in Article 430 (3)-1 of the Act, which covers liability for damages and litigation costs incurred by an insured person that arises from compensation claims to the insured person for damages due to the insured person's acts, including inaction, in the use of his or her position as a corporate officer, etc. However, the Company takes measures to ensure that any damage suffered by an insured person as a result of his or her commitment to criminal activities such as giving or accepting a bribe or intentional conduct of illegal activities is not covered by the insurance so that the properness of duties of corporate officers will not be impaired by the contract. The insurance covers all directors (including directors who are Audit and Supervisory Committee members), company auditors, and Senior Vice Presidents of the Company, etc., as well as of NTT DATA Japan Corporation and NTT DATA, Inc., which are subsidiaries of the Company.

(Note 5) To ensure the effectiveness of audits through attendance to meetings on internal control and gathering of information, the Company selects Full-time Audit and Supervisory Committee members.

(Note 6) Director (full-time Audit and Supervisory Committee member) Tomoko Hoshi, who is a certified public accountant, has considerable expertise in finance and accounting.

(Note 7) Director Mariko Fujii also works for Mitsubishi UFJ Financial Group, Inc., with which the Company and its major subsidiaries* have a business relationship. However, the transaction value is below 1% of the combined annual net sales of the Company and its major subsidiaries in the fiscal year under review. Director Fumihiko Ike also works for Eisai Co., Ltd. and Resona Holdings, Inc. The Company and its major subsidiaries have a business relationship with both of them, and each of their transaction values is below 1% of the combined annual net sales of the Company and its major subsidiaries in the fiscal year under review. Director Shigenao Ishiguro also works for Ricoh Company, Ltd., with which the Company and its major subsidiaries have a business relationship. However, the transaction value is below 1% of the combined annual net sales of the Company and its major subsidiaries in the fiscal year under review. Director (Audit and Supervisory Committee member) Mitsuko Inamasu also works for Seven & i Holdings Co., Ltd., with which the Company and its major subsidiaries have a business relationship. However, the transaction value is below 1% of the combined annual net sales of the Company and its major subsidiaries in the fiscal year under review.

*Refers to NTT DATA Japan Corporation and NTT DATA, Inc.

(ii) Policy regarding director remuneration, etc. and total amount of remuneration

(a) Policy regarding decisions on the content of individual remuneration, etc.

At the meeting held on May 11, 2023, the Board of Directors resolved on a policy regarding decisions on the content of individual remuneration, etc. of directors (hereinafter, “the Determining Policy”).

With regard to the policy, composition, and standard of remuneration of directors who are not Audit and Supervisory Committee members, in order to ensure objectivity and transparency, NTT DATA shall explain the policy regarding decisions on remuneration for directors to independent outside directors, directors who are Audit and Supervisory Committee members, and the parent company. Upon receiving their appropriate advice, the Board of Directors consisting of 13 directors, including seven independent outside directors, shall determine the amount of remuneration within the limits resolved at a general meeting of shareholders.

With regard to remuneration for individual directors who are not Audit and Supervisory Committee members (excluding outside directors), the President and Chief Executive Officer and Representative Director(note) delegated by the Board of Directors, shall determine the remuneration. The authority is delegated to the President and Chief Executive Officer and Representative Director, as the Company believes that he is capable of gaining an overview of the Company’s overall performance and making appropriate decisions. In the authority delegation, the Company shall take measures to ensure that the authority is exercised properly, while respecting the opinions of outside directors and the Audit and Supervisory Committee’s right to express opinions on remuneration.

The individual remuneration shall consist of monthly remuneration (basic remuneration), bonuses (short-term performance-linked remuneration), acquisition of shares through the Executive Shareholding Association, and stock compensation (medium- to long-term performance-linked remuneration). In terms of remuneration composition, the ratio of monthly remuneration, short-term performance-linked remuneration, and medium- to long-term performance-linked remuneration stands at approximately 50%, 30%, and 20%, respectively, in case of standard performance.

Monthly remuneration shall be fixed and paid on a monthly basis in accordance with the scope and significance of responsibility of each director’s position. Bonuses shall be paid in June every year in consideration of the Company's performance in the applicable fiscal year. Targets set out in the Medium-Term Management Plan are used as performance indicators for bonuses. This is intended to clarify the link between the remuneration of directors and the corporate value of the Company and to increase their commitment towards achieving the targets in the Medium-Term Management Plan. Bonuses are calculated by converting the degree of year-on-year improvement for each target or the degree of achievement of the plan into a payment rate using a method predetermined for each indicator, weighting it based on the weight of each indicator, and then multiplying it by the standard amount of bonus for each position. (Please refer to [Performance Indicators for Bonuses]). With regard to acquisition of shares, in order to link their medium- to long-term performance, full-time directors shall purchase the Company's shares through the Executive Shareholding Association by paying more than a certain amount of money every month and hold all of the purchased shares 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 following year of the final year of the Medium-Term Management Plan. The number of shares to be granted is calculated by multiplying the performance-linked coefficient by accumulated points. The shares shall be granted at the time of retirement of the director. Consolidated net sales and consolidated operating profit margin, which are both permanent core financial indicators in the Medium-Term Management Plan, are used as performance indicators of stock compensation.

The remuneration for directors who concurrently serve as directors of group companies shall be determined and paid by the said group companies in accordance with the scope and significance of responsibility of each director’s position and the actual status of business execution.

Outside directors who are not Audit and Supervisory Committee members shall be paid only monthly remuneration, not linked to performance, to ensure a high degree of independence.

As described above, decisions on the content of individual remuneration, etc. of directors who are not Audit and Supervisory Committee members are made based on the advice of independent outside directors, directors who are Audit and Supervisory Committee members, and the parent company from various perspectives, and it is judged that the content of individual remuneration, etc. of the directors for the fiscal year under review is in line with the Determining Policy.

Meanwhile, 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 performance, and the directors receive monthly remuneration only.

At the meeting held on May 9, 2025, the Board of Directors resolved on a policy regarding decisions on the content of individual remuneration for new directors and decided to change part of the policy. For the purpose of increasing directors'

commitment to the enhancement of medium- to long-term corporate value and sustainable growth, the Company plans to raise the ratio of performance-linked remuneration in the director remuneration composition. The ratio of monthly remuneration, short-term incentive, and medium- to long-term incentive is determined in accordance with their responsibilities. For the President and Chief Executive Officer and Representative Director, the ratio of monthly remuneration, short-term incentive, and medium- to long-term incentive is 40%, 35%, and 25%, respectively, and for the remaining directors, it is 50%, 30%, and 20%, respectively.

(Note) Yutaka Sasaki, who assumed the post of President and Chief Executive Officer and Representative Director on June 18, 2024, pursuant to a resolution adopted by the Board of Directors to delegate authority, determined the specific content of individual remuneration in the fiscal year under review.

[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 method predetermined for each indicator, weighting each payment rate based on the evaluation weights specified in the table below, and then multiplying this by the standard amount of bonus for each position.

| Category | Indicator | Weight | Method |
|---|---|---|---|
| Financial indicators | EBITDA | 25% | YoY improvement |
| | Operating profit | 10% | |
| Sustainability indicator | Employee engagement rate | 3.75% | |
| Financial indicators | EBITDA | 25% | Plan achievement |
| | Operating profit | 10% | |
| | Overseas operating profit margin | 10% | |
| | ROIC | 2.5% | |
| | Capital investment (only DC) | 2.5% | |
| Sustainability indicators | Greenhouse gas emissions | 7.5% | |
| | Appointment rate of new female managers | 3.75% | |

In FY2025, we will use the indicators listed in the Medium-Term Management Plan as the performance indicators for bonuses.

| Category | Indicator | Weight | Method |
|---|---|---|---|
| Financial indicators | EBITDA | 25% | YoY improvement |
| | Operating profit | 10% | |
| | EBITDA | 25% | Plan achievement |
| | Operating profit | 10% | |
| | Overseas operating profit margin | 10% | |
| | ROIC | 5% | |
| Sustainability indicators | Greenhouse gas emissions | 7.5% | |
| | Employee engagement rate | 3.75% | |

## (b) Total amount of remuneration, etc. for directors for the fiscal year under review

The table below shows the total amount of remuneration, etc. for directors for the fiscal year under review, including performance-linked remuneration based on the results of each indicator. The performance indicators for bonuses for directors who are not Audit and Supervisory Committee members (excluding outside directors) for the fiscal year under review achieved the target for capital investment and greenhouse gas emissions, but failed to achieve the targets for EBITDA, operating profit, overseas operating profit margin, ROIC, and appointment rate of new female managers.

| Position | Number of persons | Total amount of remuneration | Fixed | Short term | Medium to long term | |
|---|---|---|---|---|---|---|
| | | | Fixed remuneration (Monthly remuneration) | Performance-linked remuneration (Bonus) | Remuneration for stock acquisition | Performance-linked remuneration (Stock compensation) |
| Directors who are not Audit and Supervisory Committee members | 10 persons | 237 million yen | 160 million yen | 48 million yen | 10 million yen | 19 million yen |
| Directors who are Audit and Supervisory Committee members | 5 persons | 122 million yen | 122 million yen | - | - | - |
| Total | 15 persons | 359 million yen | 283 million yen | 48 million yen | 10 million yen | 19 million yen |

(Note 1) The table above includes three directors who are not Audit and Supervisory Committee members and one director who is an Audit and Supervisory Committee member, retired at the conclusion of the 36th Ordinary General Meeting of Shareholders held on June 18, 2024.

(Note 2) Regarding the amount of remuneration for directors who are not Audit and Supervisory Committee members, at the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021, a proposal was resolved as follows: (1) Amount of monetary compensation: up to 460 million yen per year (including the maximum amount for outside directors of 50 million yen); (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; and (3) Money contributed to the performance-linked Stock Compensation Plan: up to 90 million yen per year. However, at the 34th Ordinary General Meeting of Shareholders held on June 16, 2022, a proposal was adopted to change the maximum monetary compensation for outside directors (1) to 80 million yen. At the end of the General Meeting of Shareholders, there were nine directors (including four outside directors) who are not Audit and Supervisory Committee members.

(Note 3) For the remuneration 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 were 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 (2,115 yen per share) when the trust acquired the Company's shares.

(iii) Outside Directors

(a) Principal concurrent positions of outside directors

The status of outside directors, including outside directors who are Audit and Supervisory Committee members, regarding principal concurrent positions held at other companies is as indicated in "(3) (i) Names of Directors" above, and there are no significant transactions between these companies and the Company.

(b) Main activities during the fiscal year

| Position | Name | BOD meetings | Audit and 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 | Mariko Fujii | 17/17 (100%) | – (–) | At the Board of Directors' meetings, Ms. Fujii gives opinions necessary for deliberating the agendas from a standpoint independent from the Company's executives, based on her extensive insight and rich experience nurtured through research on administrative affairs and economics as well as diplomacy. She also gives advice based on her experience and insight outside the Board of Directors' meetings. She thus fulfills her role as an outside director. In addition, regarding Nippon Telegraph and Telephone Corporation's plan to make the Company a wholly-owned subsidiary through its tender offer for the Company's common shares, she served as a member of the special committee formed by resolution of the Board of Directors as a measure to prevent disadvantages to the Company's minority shareholders. |
| | Fumihiko Ike | 17/17 (100%) | – (–) | At the Board of Directors' meetings, Mr. Ike gives opinions necessary for deliberating the agendas from a standpoint independent from the Company's executives, based on his rich experience in global business management and extensive insight of IT. He also gives advice based on his experience and insight outside the Board of Directors' meetings. He thus fulfills his role as an outside director. In addition, regarding Nippon Telegraph and Telephone Corporation's plan to make the Company a wholly-owned subsidiary through its tender offer for the Company's common shares, he served as the chairperson of the special committee formed by resolution of the Board of Directors as a measure to prevent disadvantages to the Company's minority shareholders. |
| | Shigenao Ishiguro | 16/17 (94%) | – (–) | At the Board of Directors' meetings, Mr. Ishiguro gives opinions necessary for deliberating the agendas from a standpoint independent from the Company's executives, based on his rich experience in global business management and strong insight into maximizing human resource and organizational capabilities. He also gives advice based on his experience and insight outside the Board of Directors' meetings. He thus fulfills his role as an outside director. In addition, regarding Nippon Telegraph and Telephone Corporation's plan to make the Company a wholly-owned subsidiary through its tender offer for the Company's common shares, he served as a member of the special committee formed by resolution of the Board of Directors as a measure to prevent disadvantages to the Company's minority shareholders. |

| Position | Name | BOD meetings | Audit and Supervisory Committee meetings | Main activities |
|---|---|---|---|---|
| | | No. of attendances (attendance rate) | No. of attendances (attendance rate) | |
| Outside directors who are Audit and Supervisory Committee members | Tomoko Hoshi | 17/17 (100%) | 24/24 (100%) | At the Board of Directors' meetings, Ms. Hoshi gives opinions from a standpoint independent from the Company's executives, in the aspect of compliance with laws and regulations as well as the Articles of Incorporation, based on her rich experience and extensive insight in global financial affairs, accounting, and internal control audit acquired through her long service at an audit corporation. She also carries out supervision and gives advice based on her experience and insight outside the Board of Directors' meetings. She thus fulfills her role as an outside director. |
| | Nobuyuki Tainaka | 17/17 (100%) | 24/24 (100%) | At the Board of Directors' meetings, Mr. Taninaka gives opinions from a standpoint independent from the Company's executives, in the aspect of compliance with laws and regulations as well as the Articles of Incorporation, based on his extensive insight in legal affairs and rich experience in promotion and management of human resources and organizational restructuring. He also carries out supervision and gives advice based on his experience and insight outside the Board of Directors' meetings. He thus fulfills his role as an outside director. |
| | Eiichi Sakamoto | 14/14 (100%) | 19/19 (100%) | At the Board of Directors' meetings, Mr. Sakamoto gives opinions from a standpoint independent from the Company's executives, in the aspect of compliance with laws and regulations as well as the Articles of Incorporation, based on his extensive experience in corporate management within the NTT Group and in the field of sales. He also carries out supervision and gives advice based on his experience and insight outside the Board of Directors' meetings. He thus fulfills his role as an outside director. |
| | Mitsuko Inamasu | 16/17 (94%) | 24/24 (100%) | At the Board of Directors' meetings, Ms. Inamasu gives opinions from a standpoint independent from the Company's executives, in the aspect of compliance with laws and regulations as well as the Articles of Incorporation, based on her insight in legal affairs related to IT information acquired through her long service as a lawyer and her rich experience as an auditor of other companies. She also carries out supervision and gives advice based on her experience and insight outside the Board of Directors' meetings. She thus fulfills her role as an outside director. |

(c) Total amount of remuneration for outside directors and auditors for the fiscal year under review

| Position | Number of persons | Total amount of remuneration | Fixed | Short term | Medium to long term | |
|---|---|---|---|---|---|---|
| | | | Monthly remuneration | Performance-linked remuneration (Bonus) | Remuneration for stock acquisition | Performance-linked remuneration (Stock compensation) |
| Directors who are not Audit and Supervisory Committee members | 4 persons | 48 million yen | 48 million yen | - | - | - |
| Directors who are Audit and Supervisory Committee members | 5 persons | 122 million yen | 122 million yen | - | - | - |
| Total | 9 persons | 171 million yen | 171 million yen | - | - | - |

(Note) The above is included in the section "(2). (b) Total amount of remuneration, etc. for directors for the fiscal year under review."

## (4) Meeting Agenda of Board of Directors, etc.

In addition to making resolutions and reports regarding important matters at meetings, the Board of Directors also held active discussions on management strategies and other issues in and outside the Board.

**Main matters to be discussed**

Matters related to management strategies
- Matters related to overseas structural transformation
- Investment and financial strategies
- Strategic investment and technology strategy
- Strategy on the Data Center business
- Human resources strategy
- Sustainability strategy
- IT services market trends
- Nippon Telegraph and Telephone Corporation's plan to make the Company a wholly-owned subsidiary through its tender offer for the Company's common shares

Matters related to businesses of operating companies
- Matters related to financing and investments

Matters related to governance
- Monitoring of key projects
- Results of internal control initiatives and plans for the next fiscal year
- Results of internal audits and plans for the next fiscal year
- Matters related to cross-shareholdings
- Evaluation of the effectiveness of the Board of Directors

Matters related to finance and disclosure
- Report on IR activities and opinions of investors

## (5) 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. We have confirmed the appropriateness of possession for all listed shares held by the Company.

The total amount of cross-shareholdings recorded on the balance sheet as of the end of FY2024 was 27.7 billion yen, and the ratio of cross-shareholdings to consolidated net assets was 1.0%.

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

The Board of Directors determines the important matters as regards corporate and group management and supervises execution status of the directors in the quarterly report on execution of duties.

Furthermore, to improve the function of the Board of Directors and therefore the Company's corporate value, we have been carrying out self-evaluation and analysis regarding the effectiveness of the Board of Directors' meetings since FY2016. In FY2024, we conducted a questionnaire to all directors (including Audit and Supervisory Committee members), and based on the report on the result from an external organization, held individual interviews with outside directors and a foreign-national director to deepen the analysis, discussion, and evaluation while also taking into account advice from multiple external organizations. We reported the evaluation results to the Board of Directors, which then verifies the report and discusses policies for further improvement.

| | Results of the effectiveness of measures | Key measures for the next fiscal year |
|---|---|---|
| FY2022 | Received a certain level of evaluation for having made independent outside directors account for the majority of directors to strengthen the supervision function; vitalized discussion on management strategies at the Board of Directors' meetings, including setting up meetings dedicated to discussing strategies; and provided training, event participation opportunities, and discussions with executive members to outside directors to deepen their understanding of the Company. | ● Strengthen monitoring under the holding company structure<br>● Promote further understanding of overseas businesses<br>● Enhance strategic discussions on highly important themes and topics |
| FY2023 | Received a certain level of evaluation for having established the process to ensure smooth information distribution and escalation decisions, held strategic discussions of high importance on an ongoing basis, and deepened understanding of the Company by providing outside directors with opportunities to participate in events and exchange opinions with the President and CEO and Senior Executive Vice Presidents, in order to implement appropriate monitoring under the holding company structure. | ● Improve group governance under the holding company structure<br>● Further strengthen discussions on management issues and strategies under the holding company structure<br>● Share accurate information on market trends and overseas business conditions, and strengthen discussions on overseas strategies |
| FY2024 | Received a certain level of evaluation for having formulated an annual schedule to enable discussions focusing on management issues under the holding company structure, constantly held strategic discussions on matters of high importance, and deepened understanding of the Company by providing outside directors with opportunities to participate in events and exchange opinions with officers in charge of business execution and setting up opinion exchange sessions, etc. for outside directors including Audit and Supervisory Committee members. | ● Improve monitoring of key projects and strategies<br>● Further enhance input to deepen strategic discussions on management issues<br>● Promote appropriate transfer of power to focus on strategic discussions on management issues |

In this Business Report, amounts are rounded off to the indicated unit.
Products, services etc. stated in this document are registered trademarks or trademarks of NTT DATA and/or other companies. Forward-looking statements in this document are based on certain assumptions derived from information available to the NTT DATA Group as of March 31, 2025 and actual results may differ from the statements due to various factors that may arise in the future.

## Consolidated Statement of Financial Position

(Unit: millions of yen)

| Item | As of March 31, 2025 | As of March 31, 2024 | Item | As of March 31, 2025 | As of March 31, 2024 |
|---|---|---|---|---|---|
| Assets | | | Liabilities | | |
| Current assets | 2,754,729 | 2,432,955 | Current liabilities | 2,833,056 | 2,513,881 |
| Cash and cash equivalents | 444,635 | 431,774 | Trade and other payables | 1,059,195 | 975,530 |
| Trade and other receivables | 1,535,492 | 1,396,396 | Contract liabilities | 471,839 | 480,651 |
| Contract assets | 197,069 | 150,738 | Bonds and borrowings | 969,666 | 755,830 |
| Inventories | 55,900 | 51,243 | Lease liabilities | 70,418 | 70,096 |
| Assets held for sale | 93,060 | 4,480 | Other financial liabilities | 26,747 | 21,856 |
| Other financial assets | 86,332 | 62,662 | Income taxes payable | 102,116 | 70,646 |
| Other current assets | 342,242 | 335,662 | Provisions | 19,907 | 20,878 |
| Non-current assets | 5,022,655 | 4,786,473 | Liabilities directly associated with assets held for sale | 4,411 | 976 |
| Property, plant and equipment | 2,178,203 | 1,914,447 | Other current liabilities | 108,758 | 117,418 |
| Right-of-use assets | 230,599 | 259,883 | Non-current liabilities | 2,075,836 | 1,925,133 |
| Goodwill | 1,351,114 | 1,321,773 | Bonds and borrowings | 1,629,411 | 1,419,483 |
| Intangible assets | 694,725 | 693,716 | Lease liabilities | 168,280 | 206,105 |
| Investment property | 24,824 | 25,323 | Other financial liabilities | 12,149 | 19,328 |
| Investments accounted for using equity method | 52,826 | 48,758 | Retirement benefit liability | 158,605 | 170,219 |
| Other financial assets | 91,066 | 173,358 | Provisions | 9,539 | 9,714 |
| Deferred tax assets | 265,082 | 234,943 | Deferred tax liabilities | 57,236 | 53,323 |
| Other non-current assets | 134,217 | 114,271 | Other non-current liabilities | 40,615 | 46,961 |
| | | | Total liabilities | 4,908,892 | 4,439,015 |
| | | | Equity | | |
| | | | Equity attributable to shareholders of NTT DATA | | |
| | | | Share capital | 142,520 | 142,520 |
| | | | Capital surplus | 16,315 | 25,451 |
| | | | Retained earnings | 1,382,731 | 1,209,212 |
| | | | Treasury shares | (839) | (972) |
| | | | Other components of equity | 289,734 | 342,993 |
| | | | Total equity attributable to shareholders of NTT DATA | 1,830,461 | 1,719,204 |
| | | | Non-controlling interests | 1,038,031 | 1,061,210 |
| | | | Total equity | 2,868,492 | 2,780,414 |
| Total assets | 7,777,384 | 7,219,429 | Total liabilities and equity | 7,777,384 | 7,219,429 |

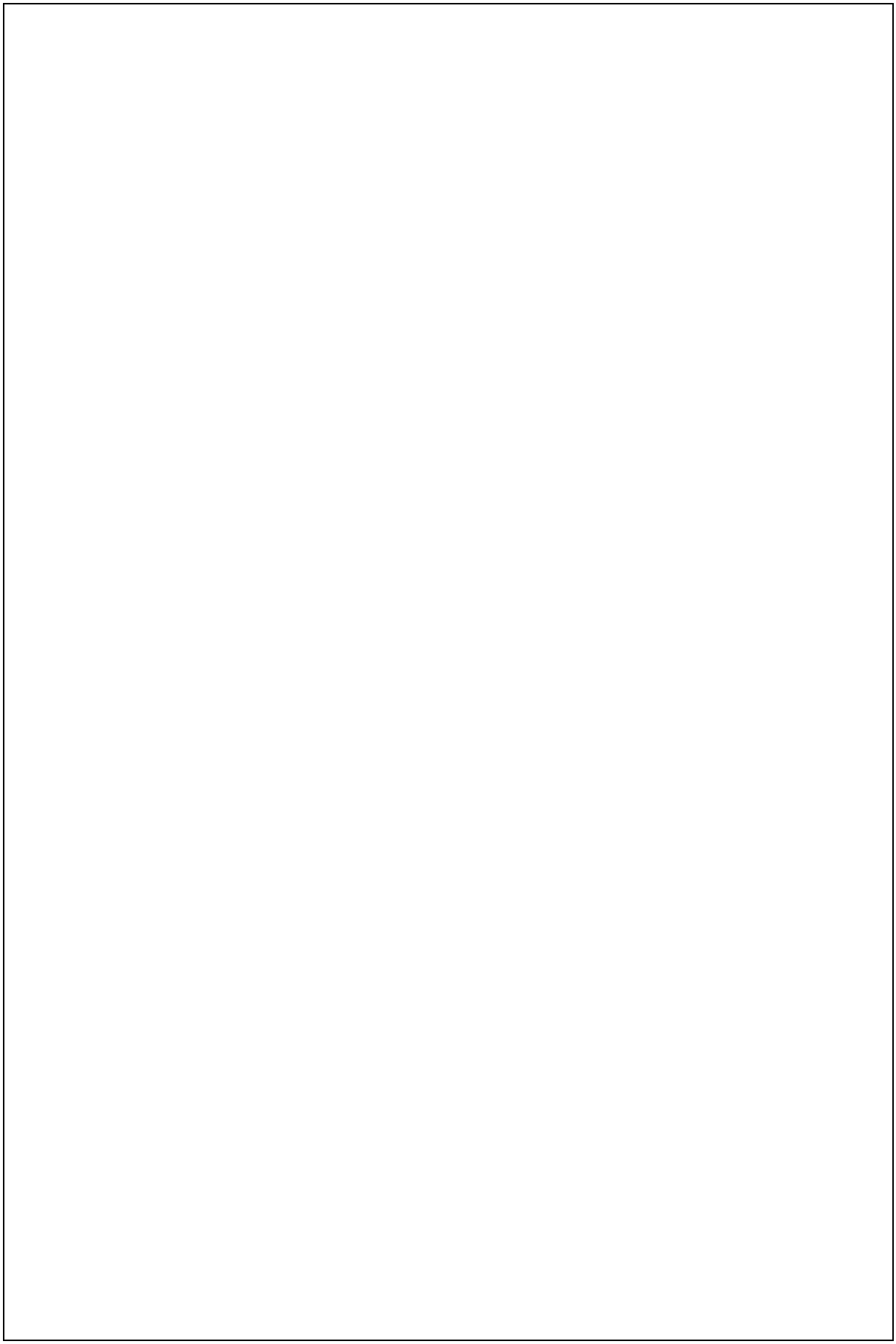
(Note) Amounts less than one million yen are rounded off.

## Consolidated Statement of Income

(Unit: millions of yen)

| Item | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2024 |
|---|---|---|
| Net sales | 4,638,721 | 4,367,387 |
| Cost of sales | 3,351,333 | 3,172,421 |
| Gross profit | 1,287,388 | 1,194,966 |
| Selling, general and administrative expenses | 963,525 | 885,416 |
| Operating profit | 323,862 | 309,551 |
| Finance income | 29,586 | 26,847 |
| Finance costs | 105,838 | 88,100 |
| Share of profit (loss) of investments accounted for using equity method | 1,395 | 304 |
| Profit before tax | 249,006 | 248,602 |
| Income tax expense | 109,746 | 103,062 |
| Profit | 139,260 | 145,541 |
| | | |
| Profit attributable to | | |
| Shareholders of NTT DATA | 142,454 | 133,869 |
| Non-controlling interests | (3,194) | 11,671 |

(Note) Amounts less than one million yen are rounded off.



## AUDIT and SUPERVISORY COMMITTEE'S REPORT (English translation of the certified copy)

### AUDIT REPORT

The Audit and Supervisory Committee has audited the performance of duties by directors during the 37th fiscal year from April 1, 2024 to March 31, 2025. The methods and results of the audit are as follows:

1. Audit methodology adopted by the Audit and Supervisory Committee

The Audit and Supervisory Committee determined auditing policies, allocation of duties, etc. and in accordance with the auditing policies and allocation of duties, etc., the Audit and 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 an audit using the following methods:

(1) In accordance with the auditing policies and allocation of duties, etc., the Audit and Supervisory Committee attended the important meetings, received reports from directors, employees, 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 and Supervisory Committee communicated and exchanged information with their directors and auditors, and received their business reports when necessary.

(2) The Audit and 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) described in the Business Report 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 as well as 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 and Supervisory Committee monitored and verified whether or not the independent auditor maintained its independence and appropriately performed audits, received reports from the independent auditor on the progress of its duties, and requested explanations when necessary.

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

Based on the methods described above, the Audit and 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 notes to non-consolidated 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 and Supervisory Committee finds that the Business Report and supplementary schedules attached thereto fairly present the situation of NTT DATA in accordance with laws and regulations as well as the Articles of Incorporation.

(ii) The Audit and Supervisory Committee ascertains that there is no fraudulent act or fact of a materials breach of applicable laws and regulations or the Articles of Incorporation with respect to the performance of duties by directors.

(iii) The Audit and 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 and Supervisory Committee 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.

(2) Audit results of financial statements, supplementary schedules attached thereto, and consolidated financial statements

The Audit and Supervisory Committee finds that the audit methodology adopted by the independent auditor, KPMG AZSA LLC and the audit results are adequate.

May 7, 2025
NTT DATA Group Corporation
Audit and Supervisory Committee

| | |
|---|---|
| Full-time Audit and Supervisory Committee Member (Outside Director) | Tomoko Hoshi |
| Full-time Audit and Supervisory Committee Member (Outside Director) | Nobuyuki Tainaka |
| Full-time Audit and Supervisory Committee Member (Outside Director) | Eiichi Sakamoto |
| Audit and Supervisory Committee Member (Outside Director) | Mitsuko Inamasu |

END