Note 1: This document is the English translation of "Dai 37kai teiji kabunushisokai shoshu gotsuchi ni saishite no sonota no denshiteikyou sochijikou" (Notice of Convocation of the 37th Ordinary General Meeting of Shareholders: Other Matters for Which Information is Provided in Electronic Format) 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."

To the Shareholders of NTT DATA GROUP CORPORATION

NOTICE OF CONVOCATION OF THE 37th ORDINARY GENERAL MEETING OF SHAREHOLDERS: Other Matters for Which Information is Provided in Electronic Format

(Matters Excluded from Paper-Based Documents Delivered)

Business Report

- Changes in Assets and Profit and Loss
- Main Offices, etc.
- Independent Auditor
- Systems to Ensure Appropriate Business Operations and the Operational Status of the Systems

Consolidated Financial Statements

- Consolidated Statement of Changes in Equity
- Notes to Consolidated Financial Statements

Non-Consolidated Financial Statements

- Non-Consolidated Balance Sheet
- Non-Consolidated Statement of Income
- Non-Consolidated Statement of Shareholders' Equity
- Notes to Non-Consolidated Financial Statements

NTT DATA GROUP CORPORATION

Changes in Assets and Profit and Loss

Changes in Assets and Profit and Loss of the Corporate Group

(Million yen, except for net income per share, which is shown in yen)

	IFRS				
	33rd Fiscal Year (FY2020)	34th Fiscal Year (FY2021)	35th Fiscal Year (FY2022)	36th Fiscal Year (FY2023)	37th Fiscal Year (FY2024)
Net sales	2,318,658	2,551,906	3,490,182	4,367,387	4,638,721
Operating profit	139,173	212,590	259,110	309,551	323,862
Profit before tax	130,452	215,849	242,800	248,602	249,006
Profit attributable to shareholders of NTT DATA	76,843	142,979	149,962	133,869	142,454
Net income per share	55	102	107	95	102
Total assets	2,897,015	3,084,513	6,158,194	7,219,429	7,777,384
Total equity	1,126,548	1,328,267	2,396,365	2,780,414	2,868,492

(Note) Net income per share is calculated based on the average number of shares outstanding during the respective fiscal year.

Main Offices

(1) Main Offices of NTT DATA Group Corporation

Head Office : 3-3, Toyosu 3-chome, Koto-ku, Tokyo, Japan

Headquarters : Corporate Headquarters
Global Marketing & Communications Headquarters
Global Governance Headquarters
Global Innovation Headquarters
Consulting & Asset Business Transformation Headquarters
Internal Audit Department
Technology and Innovation General Headquarters

(2) Main Offices of Principal Subsidiaries

Please refer to the locations listed in (2) “Principal Subsidiaries” of Section 7 “Parent Company and Principal Subsidiaries” of the Business Report.

Independent Auditor

1. Name of the Independent Auditor of NTT DATA

KPMG AZSA LLC

2. Remuneration Paid to the Independent Auditor by NTT DATA for the Fiscal Year Under Review

Remuneration for the services set forth in Article 2, paragraph (1) of the Certified Public Accountants Act (Act No. 103 of 1948)

386 million yen

(Note 1) The audit contract between NTT DATA and its independent auditor does not segregate the amount of the remuneration to audits pursuant to the Companies Act and those pursuant to the Financial Instruments and Exchange Act. As these amounts cannot, as a practical matter, be calculated separately, the amount above refers to the total.

(Note 2) The Audit and Supervisory Committee gives consent, pursuant to the provisions of Article 399, paragraph (1) of the Companies Act, to remuneration for the independent auditor after confirming and examining the contents of the audit plans of the independent auditor, the state of the execution of accounting audit duties, the calculation basis of remuneration estimates, etc.

3. Total of Monetary and Other Economic Benefits Payable by NTT DATA and Its Subsidiaries

Total amount payable by NTT DATA and its subsidiaries to independent auditor

992 million yen

(Note) In addition to the above, among NTT DATA’s principal subsidiaries, the following are audited by KPMG member firms: NTT Data International L.L.C.; NTT DATA Europe & Latam, S.L.U.; NTT DATA ASIA PACIFIC PTE. LTD.; NTT DATA Business Solutions AG; NTT DATA EUROPE GmbH & CO. KG; and NTT Limited.

4. Policy for Determining Dismissal or Non-Reelection of the Independent Auditor

The Audit and Supervisory Committee resolves the policy for determining dismissal or non-reelection of independent auditor at NTT DATA. Details of the policy are as follows.

(1) Policy for Determining Dismissal of Independent Auditor

If any of the provisions of Article 340, paragraph (1) applies to the independent auditor, and if the Audit and Supervisory Committee finds it considerably difficult for the independent auditor to carry out proper audits, the Audit and Supervisory Committee shall dismiss the independent auditor upon consent of all the Audit and Supervisory Committee members.

In addition to the above, if the Committee finds it difficult for the independent auditor to carry out proper audits, it shall decide on the proposal regarding the dismissal of the independent auditor to be submitted to the general meeting of shareholders.

(2) Policy for Determining Non-Reelection of Independent Auditor

The Audit and Supervisory Committee evaluates the independent auditor according to the criteria that it has established. If the Audit and Supervisory Committee judges the non-reelection of the independent auditor to be appropriate on the ground that the Committee finds it difficult for the independent auditor to carry out proper audits, it shall decide on the proposal regarding the non-reelection of the independent auditor to be submitted to the general meeting of shareholders.

Systems to Ensure Appropriate Business Operations and the Operational Status of the System

1. Overview of the Resolution on Design of Systems to Ensure Appropriate Business Operations, etc.

With the transition to a holding company structure in July 2023, the Company reviewed the basic policy for designing an internal control system to ensure effectiveness of internal control of the entire Group. In light of the global business expansion, we will continue to work on the enforcement of internal control of the entire Group.

Details of the basic policy for designing an internal control system resolved by the Board of Directors in compliance with Article 399-13 of the Companies Act are as follows:

●Basic Concept for Designing Internal Control System

(1) In designing the internal control system of the Company and its group companies, the Company shall not only observe laws and regulations as well as the Articles of Incorporation in the execution of the Group's business activities, but also make it a basic policy to take various measures to ensure the efficient implementation of fair and transparent business activities, always taking into consideration the uncertainties (risks) arising from the development of business activities.

(2) As a holding company overseeing group businesses, the Company shall establish basic policies for group management, promote independent management at each group company, and establish a monitoring system to be implemented by the Company.

(3) The President and CEO of the Company, as the chief executive officer of the Group, shall be responsible for designing and operating the internal control system in the Group.

(4) The Internal Control Committee shall be set up in the Company, which shall periodically hold a meeting to enable smooth and effective functions of the internal control system of the Group.

(5) The Internal Audit Department shall be set up in the Company and its major group companies. The Department shall verify independently from operation execution that the Group’s business activities are performed in accordance with the laws and regulations, as well as the Articles of Incorporation, internal rules, and the management policy and plan of the Group, and maintain the soundness of the Group's business activities by providing specific advice and recommendations.

(6) An officer shall be appointed to supervise the Group's risk management system from a group-wide perspective. In addition, NTT DATA Japan Corporation, which manages domestic business, and NTT DATA, Inc., which manages overseas business, shall each appoint an officer to supervise the risk management and work together to design the Group’s risk management system.

(7) Between the Company and the Group, a reporting system to the Company concerning the execution of group operations shall be established through discussions, reports, instructions, requests, etc. concerning important matters.

(8) NTT DATA shall take appropriate measures to realize high reliability of its internal control over financial reporting under the Financial Instruments and Exchange Act and other related laws.

●Individual Internal Control System

(1) Systems to ensure that the Company and the Group are performing their duties in compliance with applicable laws and regulations as well as the Articles of Incorporation

NTT DATA’s basic policy is to conduct sound business activities by establishing corporate ethics aiming to become a reliable company group. To this end, the Company will implement the following initiatives:

- Establish the NTT DATA Group Code of Conduct, various Group policies, and internal rules, and ensure the compliance of the entire Group
- Cultivate the compliance awareness among officers, employees, etc. through educational and training programs concerning the corporate ethics
- Strive to improve the compliance program to ensure legal and proper business activities, and, through assessments of group companies, etc., design and improve a system for deterring and detecting serious illegal acts and dealing with such acts
- Have no relation or transaction with antisocial forces, and reject unreasonable demand in a resolute attitude
- Establish a whistleblowing system to receive information from employees, etc., regardless of anonymous or named, and develop a system to ensure that such employees, etc. will not receive disadvantageous treatment on the grounds for making a whistleblowing report
- The Internal Audit Department of the Company will report an annual plan to the Board of Directors of the Company, execute an internal audit independently from execution of operations based on the plan, and periodically report the result to the Board of Directors of the Company.

Furthermore, the Company sets a basic policy under which it collaborates with NIPPON TELEGRAPH and TELEPHONE CORPORATION, the parent company of the Company, while respecting each other’s independence and autonomy, and it appropriately performs transactions with the said company in compliance with laws and regulations.

(2) System for keeping and managing information concerning execution of duties by the Company and the Group

NTT DATA's basic policy is to appropriately keep, manage, and actively share information for effective usage, while protecting personal and confidential information from leakage or use for purposes other than the intended purposes. To this end, the Company will implement the following initiatives:

- Establish internal rules at each group company to set up the necessary matters for appropriate handling of information and efficient paperwork
- Record, keep, and manage documents related to execution of duties such as the minutes of the Board of Directors meetings and approved documents (including electromagnetic records) at each Group company appropriately in compliance with laws and regulations, the Articles of Incorporation, as well as internal rules
- Establish an internal information system and the Group Information Security Policy to ensure the timely and appropriate use of information generated in the course of business activities and thoroughly implement information management throughout the Group
- Foster awareness of information handling among officers and employees through ongoing education and training related to information security and the protection of personal information.
- Establish an Information Security Committee within the Company to actively promote measures for the entire group concerning the handling of information and hold a meeting regularly

(3) System for managing risks of the Company and the Group

NTT DATA's basic policy is to assume a variety of risks in its business operations and to design a system for responding to such risks from a group-wide perspective by defining priority risk items under the Group Risk Management Policy, based on the viewpoint that NTT DATA must be able to take optimal countermeasures in the event of the occurrence of such risks. To this end, the Company will implement the following initiatives:

- In addition to appointing an officer at the Company to supervise risk management from a company-wide perspective, an officer in charge of risk management shall be appointed at each Group company, thereby establishing a system for collaboration across the entire Group.
- Develop a system to continuously monitor and supervise the implementation of risk management in each department in charge of risk management. In addition, the Internal Control Committee of the Company will evaluate the effectiveness of the system and oversee and promote it from the group-wide perspective.
- The Company shall promote activities to identify and respond to changes in risks dynamically while addressing various risks after prioritizing them in consideration of their relationship with management policies, strategies, etc.

(4) System for ensuring efficient execution of duties by the Company and the Group

NTT DATA's basic policy is to enhance each of the functions of making important decisions, supervising execution, and executing operations, as well as to revitalize operations. To this end, it will implement the following initiatives:

- In order for the Board of Directors of the Company to make important decisions and supervise the execution of duties appropriately, appoint Senior Vice Presidents at the Company as responsible persons who specialize in the execution of duties. In addition, promote delegation of authority to Group companies to expedite decision-making and pursue speedy operations.
- In order to strengthen the function of supervising business execution, the Board of Directors of the Company shall include outside directors with a certain degree of independence.
- Set up a Corporate Management Committee for the President and CEO of the Company to make appropriate decisions on the basic policy of business and other important matters
- In order to ensure proper and efficient business operations of the Group, the Company shall design a system that functions for efficient execution and control through delegation of authority by establishing various Group policies and internal rules concerning decision-making and business execution of the Company's operations.

(5) System for reporting to the Company of matters related to the execution of duties at group companies

NTT DATA's basic policy is to develop a system between the Company and the group companies for reporting to the Company on matters related to the execution of duties in the Group through discussions, reports, instructions, requests, etc., concerning important matters. To this end, it will implement the following initiatives:

- For domestic business, develop a system to cooperate with our group companies through NTT DATA Japan Corporation, which manages domestic business
- For overseas business, develop a system to cooperate with our group companies through NTT DATA, Inc., which manages overseas business
- To ensure soundness of the group companies, the Internal Audit Department of the Company shall monitor the activities of the group companies

- In order to design a group-wide risk management system, the Internal Control Committee of the Company shall supervise and promote the implementation of risk management for the entire group. In addition, a system shall be developed for prompt reporting by group companies to the Company in the event of a crisis or any other matter that may significantly impact group management.
- In order to prevent the occurrence of scandals, conduct employee education and training and establish a whistle-blowing system that receives information from identified and anonymous employees of the group companies and other parties as well as establish a system to ensure that employees and other parties who have made reports using the whistle-blowing system and other channels will not receive disadvantageous treatment on account of having made such reports
- For transactions between the Company and the group companies, etc., comply with laws and regulations, and develop a system to ensure appropriate financial reports from group companies
- Establish as system to ensure that the business execution by group companies is carried out appropriately and efficiently by establishing various group policies on important matters or other means

(6) Matters regarding employees who assist the duties of the Audit and Supervisory Committee of the Company, and matters regarding independence of such employees from the directors who are not Audit and Supervisory Committee Members

NTT DATA's basic policy is to develop a system to assist the duties of the Audit and Supervisory Committee of the Company in order to ensure effective audits, etc. of the Audit and Supervisory Committee. To this end, it will implement the following initiatives:

- Set up the Office for Audit and Supervisory Committee in the Company to appropriately assist the Audit and Supervisory Committee's duties as an important organization under the Companies Act
- Assign the necessary number of employees who assist the Audit and Supervisory Committee's duties to enable the Audit and Supervisory Committee to perform audits in conformity to the auditing standards set by the Committee itself
- The Office for Audit and Supervisory Committee shall be an organization independent from the Company's directors who are not Audit and Supervisory Committee members, and the employees assisting the Audit and Supervisory Committee's duties shall perform their duties under instructions and directions from the Audit and Supervisory Committee.
- Respect the opinions of the Audit and Supervisory Committee members for personnel changes, evaluations, etc. of employees who assist the Audit and Supervisory Committee's duties

(7) System under which directors of the Company who are not Audit and Supervisory Committee members make reports to the Audit and Supervisory Committee, and system for ensuring the effective execution of audits, etc. by the Audit and Supervisory Committee

NTT DATA's basic policy is to develop a system for directors who are not the Company's Audit and Supervisory Committee members and employees to report important matters related to execution of duties to the Audit and Supervisory Committee and other systems to ensure effective audits, etc. by the Audit and Supervisory Committee. To this end, it will implement the following initiatives:

- Upon consultation between the directors who are not Audit and Supervisory Committee members and the Audit and Supervisory Committee, determine the meetings to be attended and materials to be inspected by the Audit and Supervisory Committee members, as well as the matters related to the Company and the group companies to be reported to the Audit and Supervisory Committee members periodically or extraordinarily and other matters, and make reports accordingly. In addition, promptly report risk information, such as the occurrence of damage or an incident, to the Audit and Supervisory Committee
- Directors who are not the Company's Audit and Supervisory Committee members and employees shall immediately report matters related to execution of operations if requested by the Audit and Supervisory Committee, and shall not be treated disadvantageously as a result of such reporting
- In addition, directors who are not the Company's Audit and Supervisory Committee members, the independent auditor, and the Internal Audit Department, etc. shall exchange opinions with one another on a regular and ad-hoc basis, upon request of the Audit and Supervisory Committee.
- The Audit and Supervisory Committee may independently forge contracts with external experts to receive advice on audit operations.
- The Audit and Supervisory Committee members may claim expenses necessary for the execution of duties, and the Company shall make payments based on such claims.

2. Overview of the Operational Status of the Systems to Ensure Appropriate Business Operations

The following is the overview of the state of operation of the systems to ensure appropriate business operations within the Company and the Group.

(1) Systems to ensure that the Company and the Group are performing their duties in compliance with applicable laws and regulations and the Articles of Incorporation

Aiming to be a company group trusted by clients, the Company and the Group establish corporate ethics as a basic policy to conduct sound business activities, and make efforts to maintain and improve the awareness of corporate ethics and compliance in order to operate businesses with a strong sense of ethics, let alone compliance with laws and regulations.

To foster awareness of corporate ethics and compliance in the Group, we have established the NTT DATA Group Code of Conduct, a basic code that indicates what we value in conducting our business and how directors and employees should conduct their business activities. We also conduct compliance training for directors, employees, and others at each Group company.

In addition, an internal reporting system has been established for use by all Group employees in Japan and overseas. The system is operated appropriately in accordance with the Whistleblower Protection Act, which stipulates that no disadvantageous treatment is to be inflicted on the reporting party for reporting.

We will steer away from any transactions with antisocial forces, by performing credit investigations, etc. of counterparties according to its regulations and reviewing the activities, purposes, etc. of organizations which we will join, in order to avoid any relationships with antisocial forces.

The Internal Audit Department reported the annual audit plan and the interim and annual audit results to the Board of Directors of the Company.

(2) System for storage and management of information concerning execution of duties of the Company and the Group

The Company and the Group strive to protect personal information and confidential information from being leaked or used for purposes other than its intended purpose while storing and managing information appropriately, actively sharing it, and effectively using it.

The NTT DATA Group Code of Conduct stipulates that information should be accurately recorded and properly stored and that confidential and personal information should be properly protected to ensure the proper handling of information and efficient office operations in the Group. In addition, we have established the NTT DATA Group Information Security Policy, which aims to handle information assets appropriately and actively share and utilize information. We have also established an internal information system for appropriate management.

As part of the Group's information security management system, the Information Security Committee, chaired by our Senior Vice Presidents, has been established to promote cooperation with each Group company. The Committee met twice during the fiscal year under review to discuss expansion of internal fraud inspections into the overseas domain, strengthening of measures against internal fraud, and other measures to strengthen security.

Information security training is provided to directors and employees of group companies to maintain and improve their awareness of information security and personal information protection.

(3) System for risk management of the Company and the Group

In order to implement integrated risk management for the entire group, the Company and the Group have established a basic policy (Group Risk Management Policy) that defines standardized matters to be addressed, and under this policy, a consistent risk management framework is established and operated by the group companies.

As part of the Group's risk management system, the Company has established an Internal Control Committee, chaired by the Director and Senior Executive Vice President of the Company, which promotes cooperation with each group company. The Committee met four times during the fiscal year under review to identify the most recent risk situation, discuss issues related to the Group's risk management, and reflect the results of these discussions in various measures.

The Company's Board of Directors selects risks that could have a significant impact on the achievement of the Group's business plan and its existence. It monitors the status of these risks as "material risks."

(4) Systems to ensure the efficient execution of duties by the Company and the Group

To realize agile business operations, the Company and the Group are promoting the transfer of authority to NTT DATA, Inc. and NTT DATA Japan Corporation to achieve governance that balances business agility with oversight and supervision.

The execution of the Group's business operations is conducted by 11 Senior Vice Presidents assigned to the Company, under the oversight of the Company's Board of Directors, and in accordance with the division of authority based on the Company's regulations.

The Board of Directors of the Company makes resolutions on matters stipulated by laws and regulations, important matters related to group management, and other matters stipulated in the rules for the Board of Directors. It also oversees the execution

of duties of the Company's directors by receiving periodic reports from directors on the status of their duties. The Company's Board of Directors consists of 11directors, including 6 independent outside directors (as of March 31, 2025), and met 17 times during the current fiscal year. The Corporate Management Committee, which deliberates the Company's important business operations, was held 24 times during the fiscal year under review.

As rules for the proper and efficient execution of group business operations, the Company has established and is operating a group policy for areas requiring consistent group business implementation.

(5) System for reporting to the Company of matters related to the execution of duties at group companies

A system is in place between the Company and the group companies for reporting to the Company on matters related to the execution of duties in the Group through discussions, reports, instructions, requests, etc., concerning important matters.

The Group has established rules and systems to ensure that important group management matters are discussed and reported to the Company through NTT DATA, Inc. for overseas business and through NTT DATA Japan Corporation for domestic business. In addition, risks that may significantly impact the achievement of the Group's business plan and the foundation of the Group's existence are selected as "material risks," and the Internal Control Committee confirms the status of such risks and controls. To deter misconduct, etc., as described in "(1) Systems to ensure that the Company and the Group are performing their duties in compliance with applicable laws and regulations and the Articles of Incorporation"

The financial conditions of the group companies are reported appropriately to the Company monthly, to the Corporate Management Committee and Executive Committee monthly, and to the Board of Directors quarterly.

The Company’s Internal Audit Department audited domestic and overseas group companies using diverse audit methods, considering the Group's material risks and the risks of each region and company.

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

As a system to support the audits by the Company’s Audit and Supervisory Committee, etc., the Office for Audit and Supervisory Committee which consists of 9 dedicated employees has been set up and appropriately implement its operations under the instructions and orders of the Audit and Supervisory Committee. The personnel transfer, evaluation, etc. of employees of the Office for Audit and Supervisory Committee are handled with respect to the opinions of Audit and Supervisory Committee members.

(7) System for directors who are not the Company’s Audit and Supervisory Committee members and employees to report to the Audit and Supervisory Committee/Other systems to ensure effective audits by the Audit and Supervisory Committee, etc.

The Audit and Supervisory Committee members attend important meetings such as those of the Board of Directors, the Corporate Management Committee, and the Internal Control Committee, review important documents, exchange opinions periodically with the President and CEO and Senior Executive Vice Presidents, and discuss the specified themes with directors, etc. In these occasions, they receive reports of the status of the execution of duties shown in the basic policy, etc. and provide recommendations as needed.

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

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

In this document, 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 Changes in Equity 37th FY (2024/4/1-2025/3/31)

(Unit: millions of yen)

	Equity attributable to shareholders of NTT DATA					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total
Balance at beginning of fiscal year	142,520	25,451	1,209,212	(972)	342,993	1,719,204
Comprehensive income						
Profit	–	–	142,454	–	–	142,454
Other comprehensive income	–	–	–	–	11,424	11,424
Comprehensive income	–	–	142,454	–	11,424	153,878
Transactions with shareholders						
Dividends of surplus (Note 1)	–	–	(33,660)	–	–	(33,660)
Transfer to retained earnings	–	–	64,683	–	(64,683)	–
Purchase and disposal of treasury shares	–	–	–	132	–	132
Increase (decrease) by business combination	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	(50)	–	–	–	(50)
Stock-based remuneration transaction	–	(6,703)	–	–	–	(6,703)
Put options written on non-controlling interests	–	(3,459)	–	–	–	(3,459)
Other	–	1,076	42	–	–	1,118
Total transactions with shareholders	–	(9,136)	31,065	132	(64,683)	(42,622)
Balance at end of fiscal year	142,520	16,315	1,382,731	(839)	289,734	1,830,461

	Non-controlling interests	Total equity
Balance at beginning of fiscal year	1,061,210	2,780,414
Comprehensive income		
Profit	(3,194)	139,260
Other comprehensive income	(14,692)	(3,268)
Comprehensive income	(17,886)	135,992
Transactions with shareholders		
Dividends of surplus	(3,860)	(37,519)
Transfer to retained earnings	–	–
Purchase and disposal of treasury shares	–	132
Increase (decrease) by business combination	3,197	3,197
Changes in ownership interest in subsidiaries	9,784	9,735
Stock-based remuneration transaction	(5,459)	(12,162)
Put options written on non-controlling interests	(4,489)	(7,948)
Other	(4,466)	(3,348)
Total transactions with shareholders	(5,292)	(47,914)
Balance at end of fiscal year	1,038,031	2,868,492

(Note 1) Refers to appropriations of retained earnings resolved at the Ordinary General Meeting of Shareholders held on June 18, 2024 and at the Board of Directors meeting held on November 6, 2024.

(Note 2) Amounts less than one million yen are rounded off.

Notes to Consolidated Financial Statements

(Notes – Significant accounting policies for preparation of consolidated financial statements)

1. Standard of preparation of the consolidated statements

The NTT DATA Group uses the International Financial Reporting Standards (hereinafter "IFRS"), in the preparation of its consolidated financial statements pursuant to Article 120, paragraph 1 of the Ordinance on Accounting of Companies. Pursuant to the provisions of the latter part of the same paragraph, the consolidated financial statements omit some items required to be disclosed by IFRS.

2. Matters related to the scope of consolidation

NTT DATA's consolidated subsidiaries amount to 611 companies.

Major consolidated subsidiaries are NTT DATA Japan Corporation, NTT Limited, NTT DATA, Inc., etc.

3. Matters related to application of the equity method

The number of equity-method companies is 51, including KIRIN BUSINESS SYSTEM COMPANY, LIMITED.

Among the companies, those whose closing dates differ from the closing date of consolidated financial results use financial statements for each fiscal year.

4. Matters related to the fiscal years, etc. of consolidated subsidiaries

The consolidated financial statements include the financial statements of subsidiaries whose closing dates differ from NTT DATA as it is impossible in practice to align the closing date partly due to relations with other shareholders. The closing dates of such subsidiaries are mainly December 31. Possible impacts of significant transactions and events arising in a period between the closing dates of subsidiaries and the Company's closing date are adjusted.

5. Matters related to accounting policy

(1) Financial assets

Financial assets are divided into financial assets measured at fair value through profit or loss upon initial recognition, debt instruments measured at fair value through other comprehensive income, and financial assets measured at amortized cost. In the NTT DATA Group, trade and other receivables measured at amortized cost are initially recognized on the day when they occur and other financial assets are initially recognized on the day of transaction.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired, or when it has transferred the contractual rights to the cash flows from the financial asset and substantially all the risks and rewards of ownership of the said asset to another entity.

Financial assets measured at amortized cost

Financial assets which meet both of the following conditions are classified as financial assets measured at amortized cost:

・Assets are managed within a business model which aims to own assets to receive contractual cash flows from the said assets.

・Contract terms of financial assets stipulate that cash flows which consist only of payments of principal and interest for the principal balance shall be generated on specific dates.

Financial assets measured at amortized cost are measured by adding transaction costs which are directly attributable to the acquisition of the said assets to their fair values at the time of the initial recognition. After the initial recognition, they are measured at amortized cost based on the effective interest method. However, trade receivables which do not include significant financial factors are measured at their transaction prices.

Debt instruments measured at fair value through other comprehensive income (FVOCI)

Financial assets which meet both of the following conditions are classified as financial assets measured at fair value through other comprehensive income:

・Assets are managed within a business model whose objective is both to collect contractual cash flows and to sell the said assets.

・Contract terms of financial assets stipulate that cash flows which consist only of payments of principal and interest for the principal balance shall be generated on specific dates.

Debt instruments measured at fair value through other comprehensive income are measured by adding transaction costs which are directly attributable to the acquisition of the said assets to their fair values at the time of the initial recognition. After the initial recognition, they are measured at fair value and subsequent changes in value are recognized as other comprehensive income. When value recognized as other comprehensive income is derecognized, the cumulative value is reclassified to profit or loss. However, Debt instruments measured at fair value through other comprehensive income do not exist in the reported fiscal year.

Equity instruments measured at fair value through other comprehensive income (FVOCI)

Some financial assets are decided to be measured at fair value through profit or loss as they are not classified as financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income. They include investments in equity instruments that are not held for trading. It is permitted to make an irrevocable election to present in other comprehensive income the subsequent changes in the fair value of an investment in an equity instrument that is not held for trading when the said investment is initially recognized. The NTT DATA Group designates each financial instrument accordingly.

Equity instruments measured at fair value through other comprehensive income are measured by adding transaction costs which are directly attributable to the acquisition of the said assets to their fair values at the time of the initial recognition. After the initial recognition, they are measured at fair value and subsequent changes in value are recognized as other comprehensive income. When value recognized as other comprehensive income is derecognized, the cumulative value is reclassified to retained earnings and not profit or loss. With respect to dividends, they are recognized in profit or loss.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets other than the above are classified as financial assets measured at fair value thorough profit or loss.

Financial assets measured at fair value through profit or loss are measured at fair value at the time of the initial recognition and transaction costs which are directly attributable to the acquisition of the said assets are recognized in profit or loss when they occur. After the initial recognition, they are measured at fair value and subsequent changes in value are recognized in profit or loss.

“Financial assets at FVTPL – Net changes in fair value” includes changes in fair value, received interest, received dividends and foreign exchange gains or losses.

(2) Impairment of financial assets

Based on the expected credit loss, the NTT DATA Group examines the impairment of financial assets which are measured at amortized cost, financial assets measured at fair value through other comprehensive income (except equity instruments), and contract assets.

When recognizing and measuring expected credit loss, the company uses information on the past events, the current situation, and the future economic forecast that is available and reasonable and can be corroborated as of the day of report. The Group examines the availability of objective evidence concerning the existence of impairment through individual assessment in individually significant cases and collective assessment in the other case since the credit characteristics are the same, and objective evidence that shows impairment of the financial asset concerned includes the debtor's payment default or delinquency and indications that the debtor or the issuer may go bankrupt among others.

If credit risk of a financial instrument at the end of the term has not significantly grown from the initial recognition, the amount of provision for loss is calculated based on the expected credit loss (12-month expected credit loss) resulting from default in payment that could arise during the 12 month period after the day of report. On the other hand, if credit risk of a financial instrument at the end of the term has significantly grown from the initial recognition, the amount of provision for loss is calculated based on the expected all credit loss (expected credit loss of the entire period) resulting from default in payment that could arise during the said financial instrument’s expected period of existence. Despite the above, the amount of provision for loss is always calculated based on the expected credit loss of the entire period with regard to trade receivables not including significant financial factors, other receivables (lease receivables), and contract assets. There are no trade receivables and others with a significant financial component.

In principle, the Group decides that credit risk of a financial asset has significantly grown from the time of initial recognition if payment is 30 days behind the due date as stipulated in contract and decides that default in payment has occurred if payment is 90 days overdue. If default in payment is the case or there is evidence of impairment including significant financial difficulties of issuers and debtors, we recognize credit impairment. If a financial asset is reasonably decided to be irrecoverable no matter what recovery measures are taken, we directly write off the carrying amount of the financial asset concerned.

(3) Financial liabilities

Financial liabilities are divided into those measured at fair value through profit or loss upon initial recognition and those measured at amortized cost. In the NTT DATA Group, financial liabilities measured at amortized cost are initially recognized on the day of issuance and other financial liabilities are initially recognized on the day of transaction.

The Group derecognizes financial liabilities when they are extinguished, i.e., when obligations specified under a contract are discharged, cancelled or expired.

Financial liabilities measured at amortized cost

Non-derivative financial liabilities are classified as financial liabilities measured at amortized cost. Financial liabilities measured at amortized cost are measured by subtracting transaction costs which are directly attributable to the issuance of the said liabilities from their fair values when they are initially recognized. After the initial recognition, they are measured at amortized cost based on the effective interest method.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are measured at fair value when they are initially recognized. After the initial recognition, they are measured at fair value and subsequent changes in value are recognized in profit or loss. There were no non-derivative financial liabilities measured at fair value through profit or loss in this fiscal year.

(4) Derivatives and hedge accounting

The NTT DATA Group uses derivatives and non-derivatives such as foreign currency deposits and others primarily for hedging foreign exchange risk and interest rate risk. The Group shall not conduct derivative transactions for purposes other than hedging risk except in cases individually approved pursuant to the business objectives.

When initiating a hedge, the Group formally designates and documents the hedging relationship and initiation of such hedge based on its risk management policy. Such documentation includes the hedging instrument, the hedged item, methods of assessing the hedging instrument's effectiveness, analysis of causes of ineffective portions, and methods of determining the hedge ratio among others.

After designating a hedge, the Group assesses on an ongoing basis for the effectiveness of such hedging relationship for the future. Specifically, the Group decides that a hedge is effective if all of the following items are applicable:

・There is an economic relationship between a hedged item and a hedging instrument.
・The impact of credit risk does not overwhelm the change in value resulting from the said economic relationship.
・The hedge ratio is the same as the ratio resulting from the volume of the actual hedged item and the hedge instrument.

Derivatives are initially recognized at fair value. After the initial recognition, they are measured at fair value and changes in fair value are accounted for as follows:

Cash flow hedges

With regard to hedges which meet the requirements concerning hedge accounting, effective portions of the change in fair value of derivatives which are hedge instruments are recognized as other comprehensive income and accumulate in other components of equity. Amounts accumulated in components of other equity are transferred to profit when the hedged transaction affects profit, but are included in the measurement of the purchase price of the hedged non-financial asset if the hedged item is a forecasted transaction. Changes in foreign exchange forward contracts are accumulated in other components of equity as hedging costs.

Derivatives not designated as hedging instruments

The changes in fair value of such derivatives are recognized in profit or loss.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash, cash in the bank that may be withdrawn at any time, and short-term investments with maturity of three months or less from the acquisition date that are readily convertible into cash and subject to only minor price fluctuation risk.

(6) Inventories

Inventories comprise products, work in process and stores and are measured at the lower of acquisition cost and net realizable value. Work in process is principally based on the cost of goods purchased concerning equipment sales, etc. and the specific identification method is adopted. Costs of products and stores are calculated mainly based on the first-in-first-out method.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost to completion and estimated selling expenses.

(7) Property, plant and equipment

Based on the cost model, property, plant and equipment are measured at cost less any accumulated depreciation and accumulated impairment losses. The costs of property, plant and equipment include costs directly attributable to the acquisition of such assets, costs relating to scrap, removal/retirement, and restoration, and borrowing costs to be recognized as assets.

As for depreciation costs, amounts that can be depreciated are calculated under the straight-line method over the estimated useful life of each component. Amounts that can be depreciated are obtained by subtracting residual values from the assets' acquisition costs. Land or construction in progress is not depreciated.

The estimated useful lives of major items of property, plant and equipment are as follows:

Data communication facilities	3	-	8	years
Buildings and structures	10	-	60	years
Machinery, equipment and vehicles	3	-	15	years

Furniture, fixtures and tools 4 - 15 years

The depreciation methods, estimated useful lives and residual values of assets are reviewed at every reporting date and adjusted prospectively as a change in an accounting estimate when there is a change.

(8) Goodwill and intangible assets

(a) Goodwill

Goodwill generated from acquisition of subsidiaries is measured at cost less any accumulated impairment losses. Goodwill is not amortized but tested for impairment whenever there is an indication that a cash-generating unit may be impaired and at a certain time of each reporting period regardless of whether there is an indication of such impairment.

(b) Research and development expenses

Expenses concerning research activities are recognized in profit or loss when they occur. With regard to expenses concerning development activities, those which meet all requirements for being recognized as assets are measured at a total amount of expenses incurred during the period from the day when such expenses met requirements for being recognized as assets to the completion of development, and presented in the consolidated statements of financial position. The NTT DATA Group primarily develops system operation software and computer software.

(c) Other intangible assets

Based on the cost model, intangible assets are recorded at cost less any accumulated depreciation and accumulated impairment losses.

At initial recognition, intangible assets acquired individually are measured at cost. Intangible assets acquired from business combinations are recognized separately from goodwill at initial recognition and measured at fair value at the date of acquisition.

Major intangible assets for which expected useful lives may be determined include software for communication services based on contracts with specific clients to provide the NTT DATA Group's services and computer software for internal use. Depreciation costs for software for data communication services are calculated under the straight-line method over the period of fee payment based on contracts with clients whereas in-house computer software is depreciated under the same method over the estimated period of useful life.

Useful lives of each intangible asset are as follows;

Software 2 – 14 years

Other intangible assets 7 – 38 years

The depreciation methods, estimated useful lives and residual values of assets are reviewed at every reporting date and adjusted prospectively as a change in an accounting estimate when there is a change.

(9) Lease

The NTT DATA Group determines whether a contract is of a lease, or contains a lease, based on the substance of the contract start date.

(a) Lease as a lessee

The Group recognizes a right-of-use asset and lease liability on the lease start date. The Group uses the cost method for measuring a right-of-use asset, and the book value is gained by deducting the accumulated depreciation and the accumulated impairment loss from the acquisition cost. The acquisition cost is initially measured by adjusting the initially-measured value of the lease liability with the initial direct cost owned by the lessee, prepaid lease fee, etc.

Depreciation is calculated using the straight-line method over a service life period from the lease start date or the lease term. Estimated useful lives for a right-of-use asset are determined in the same method applicable to the lessee's own tangible fixed assets.

A right-of-use asset is, if applicable, adjusted in re-measuring specific lease liability.

Lease liability is initially measured at the present value discounting the lease fee that has not been paid at the time of the lease start date based on the Group's incremental borrowing rate. The incremental borrowing rate is used as a discount rate because the interest rate of the lease cannot be easily calculated. The payment of the lease fee is accounted for as the payment of calculated interest and repayment of the lease liability based on the effective interest method, and on the consolidated income statement, interest payment is indicated as finance cost.

For short-term leases or leases of small assets, the Company uses an exemption that recognizes the total lease payments as a lease expense on a straight-line basis over the lease term.

(b) Lease as a lessor

At the Group, leases are classified as a finance lease transaction when the terms of the lease transfer almost all the risks and economic values of ownership to the lessee on the lease start date, and other lease transactions are classified as operating lease transactions. When the lease term is for the major part of the economic life of the asset or the present value of the minimum lease payments amounts to almost all of the fair value of the leased asset, it is judged that the Group has transferred almost all the risks and economic values of the ownership.

(10) Investment property

An investment property is a property held either to earn rental income or for capital appreciation or for both. An investment property does not include a property held for sale in the ordinary course of business or property used for the production or supply of goods or service or for other administrative purposes.

The NTT DATA Group initially recognizes investment property at cost and then applies the cost model, in which investment property is measured at cost less any accumulated depreciation and accumulated impairment losses.

Depreciation of an investment property is computed under the straight-line method over the applicable estimated useful life. The estimated useful lives are between 10 years and 60 years. The depreciation methods, estimated useful lives and residual values are reviewed at every reporting date.

(11) Impairment

(a) Impairment of property, plant and equipment, intangible assets, and investment property

The NTT DATA Group assesses at the end of each reporting period whether there is any indication of impairment in property, plant and equipment, intangible assets, or investment property. If any such indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful lives and intangible assets which are yet to be available for use are tested for impairment whenever there is an indication of impairment and at a certain time of each reporting period regardless of whether there is an indication of such impairment. If the recoverable amount of an asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of other assets or groups of assets. In the Group, a cash-generating unit is usually a group of assets which function with each other in an integrated manner as a system.

A recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in profit or loss.

At the end of a reporting period, the Group determines whether there is an indication of decrease or non-existence of impairment losses of assets except goodwill which were recognized in prior fiscal years. If there is an indication of a reversal of an impairment loss, a recoverable amount of the asset or the cash-generating unit concerned is estimated. If the recoverable amount exceeds the carrying amount of the asset or the cash-generating unit concerned, the impairment loss is reversed up to the lower of its recoverable amount and the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior fiscal years.

(b) Impairment of goodwill

Goodwill is allocated to a cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the business combination and the NTT DATA Group performs an impairment test whenever there is an indication of impairment of such a cash-generating unit and at a certain time of each reporting period regardless of whether there is an indication of such impairment. The Group assesses whether there is an indication that goodwill may be impaired at the end of every fiscal year. If the recoverable amount of a cash-generating unit falls below its carrying amount in an impairment test, the difference is reduced from the carrying amount of goodwill allocated to the cash-generating unit or group of cash-generating units and then from the carrying amounts of assets according to the proportional ratio of the carrying amount of other assets in the cash-generating unit or group of cash-generating units.

An impairment loss for goodwill is recognized in profit or loss and is not reversed in a subsequent period.

(12) Allowances

Allowances are recognized when the NTT DATA Group has a present obligation (legal or constructive) as a result of a past event, and is probable that it will be required to settle the obligation, and at the same time a reliable estimate can be made of the amount of the obligation.

In measuring an allowance, the estimated future cash flows which take into account the risks and uncertainties concerning the obligation at the end of a fiscal year are discounted to their present value using an interest rate that reflects the time value of money and the risks specific to the liability

The Group recognizes allowances, primarily for allowance for contract losses.

Allowance for contract losses

An estimated amount of loss related to a contract of an order as of the end of a fiscal year is calculated separately and recognized as an allowance for contract losses in order to prepare for future loss related to the contract of order.

(13) Revenues

With regard to transactions covered by IFRS 15 “Revenue from Contracts with Customers” (hereinafter IFRS 15), the NTT DATA Group recognizes revenue at the amount which reflects the consideration to which the Group expects to be entitled in exchange for transfer of goods or services to clients based on the following five-step approach.

Step 1: Identify the contract(s) with a client
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the separate performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

With regard to the transaction concerned, the Group determines at the start of a contract whether the performance obligation is to be satisfied over time and performance obligations that are not to be satisfied over time are considered as those to be satisfied at a point in time.

Performance obligations to be satisfied over time are recognized in earnings over the same period based on the progress concerning satisfaction of performance obligations measured at the end of a reporting period if their value of order or total cost incurred until completion can be reliably estimated. For measuring the progress, the input method based on cost incurred (cost-to-cost method) is used. If value of order or total cost incurred until completion cannot be reliably estimated, earnings are recognized at the same amount as portions of cost incurred that are deemed to be highly recoverable (cost recovery method).

Since the consideration for the transaction is received primarily within one year of satisfying the performance obligation, we have used practical expedients and have not adjusted for significant financial factors.

(14) Employee benefits

(a) Defined contribution plans

Contributions already paid under the defined contribution plans are recognized as expenses in the period in which the employees provided services and contributions to be paid in future are recognized as liabilities.

(b) Defined benefit plans

The liability recognized relating to defined benefit plans (defined benefit liability) is the present value of the defined benefit plan obligation at the end of a reporting period less the fair value of plan assets.

The defined benefit plan obligation is calculated by independent actuaries using the projected unit credit method. Expenses for defined benefit comprise service cost, net interest on the net defined benefit liability (asset) and remeasurements of the net defined benefit liability (asset). Service cost and net interest are recognized in profit or loss and net interest is calculated by multiplying the net defined benefit liability (asset) at the beginning of a reporting period by the discount rate used for measuring the defined benefit plan obligation at the beginning of the same period.

Remeasurements of the net defined benefit liability (asset) are recognized in other components of equity and when they are incurred, they are reclassified directly from other components of equity to retained earnings without going through profit or loss.

(c) Short-term employee benefits

Short-term employee benefits are not discounted. Instead, they are recognized as expenses at the time related services are provided.

With regard to bonuses and paid leave expenses, the NTT DATA Group has contractual obligations to pay them, and recognizes the amount estimated to be paid based on the systems concerned are recognized as liabilities.

(15) Investments in jointly controlled entities

A jointly controlled entity is an investee in which several parties (including NTT DATA and its subsidiaries) have rights to the investee's net assets under a joint control agreement where each party has rights to the investee's net assets. Joint control is the contractually agreed upon sharing of control over an arrangement and exists only when decisions regarding related activities require the unified agreement of the parties sharing control.

Investments in a jointly controlled entity are recognized on the basis of acquisition cost at the time of acquisition and thereafter accounted for using the equity method. When applying the equity method, the amounts of investments are adjusted for the NTT DATA Group's share of the profit or loss and other comprehensive income of the equity method investee after initial recognition and up to the date when the Group no longer has a significant influence, and included in the consolidated financial statements. If the loss of an equity-method investee exceeds the amount of the Group's investment in the investee, the long-term investment, which effectively constitutes part of the net investment in the investee, is reduced to zero, and no further losses are recognized unless the Group has a legal or constructive obligation to the investee, or makes payments on its behalf. Unrealized gains arising from transactions between the Group and jointly controlled entities are deducted from the Group's investment in the jointly controlled entity up to the Group's ownership equity. Unrealized losses are accounted for in the same manner as unrealized gains unless there is evidence of impairment.

The amount by which the cost of an investment in a jointly controlled entity exceeds the Group's share of identifiable net assets recognized at the acquisition date is included in the book value of the investment in the jointly controlled entity. Excess amounts are tested for impairment when there is objective evidence to suggest that the investment may be impaired.

(Notes - Accounting estimates)

NTT DATA has posted the amounts of accounting estimates to the current consolidated financial statements for the fiscal year under review, of which the following may have a material impact on the consolidated financial statements for the next fiscal year.

1. Valuation of non-financial assets

NTT DATA has posted 2,178,203 million yen for property, plant and equipment, 230,599 million yen for right-of-use assets, 1,351,114 million yen for goodwill, 694,725 million yen for intangible assets, and 24,824 million yen for investment property to the Consolidated Statement of Financial Position for the fiscal year under review.

The impairment test uses the higher of value in use and fair value less cost of disposal to calculate the recoverable amount. Some impairment tests use fair value less cost of disposal, as the recoverable amount, for which the discounted cash flow method is used as a valuation method. The discounted cash flow method is based on the future plan approved by management to estimate the future cash flow, which is discounted by the weighted average cost of capital. This calculation assumes the perpetual growth rate, the weighted average cost of capital, and other factors. If such assumptions change, impairment loss may be incurred.

2. Evaluation of total cost estimates related to the allowance for contract losses

An allowance for contract losses of 6,348 million yen (after offsetting against inventories) was recorded in the consolidated statement of financial position for the fiscal year under review.

The total cost estimate related to the allowance for contract losses is highly individualized in terms of development due to the novelty of the customer or technology, and includes assumptions about the scale of development, productivity, development man-hours, and outsourcing monies, etc. If these assumptions change, the amount of the provision may be revised.

3. Deferred tax assets

Deferred tax assets of 265,082 million yen were recorded in the consolidated statement of financial position for the fiscal year under review.

Deferred tax assets are recognized for temporary differences, net operating loss carryforwards, and tax credit carryforwards to the extent that it is probable that they will be recovered through future taxable income. However, the amount of deferred tax assets considered to be recoverable may change due to changes in assumptions about future taxable income.

4. Liabilities related to retirement benefits

In the consolidated statement of financial position for the fiscal year under review, liabilities for retirement benefits of 158,605 million yen were recorded.

The liability for retirement benefits is calculated by deducting the fair value of plan assets from the present value of the defined benefit plan obligation at the end of the fiscal year. The measurement of the defined benefit plan obligation involves assumptions such as the discount rate, and the amount of the liability for retirement benefits may fluctuate due to changes in these assumptions.

(Notes regarding consolidated statement of financial position)

1. Breakdown of inventories

Merchandise and manufactured goods	32,052	million yen
Work in process	19,412	million yen
Raw materials and supplies	4,436	million yen

2. Assets offered as security and liabilities related to security

(1) Assets offered as security

Cash and deposits	39	million yen
Accounts receivable	37,702	million yen
Buildings and structures	23,424	million yen
Machinery, equipment, and vehicles	409	million yen
Furniture, fixtures, and tools	208	million yen
Land	32	million yen
Investment property	4,930	million yen
Stock	0	million yen
Investments and other assets (long-term loan receivables)	690	million yen

(2) Secured liabilities

Corporate bonds (including those redeemable within one year)	100	million yen
Short-term loans	6,845	million yen
Long-term loans (including long-term loans due within one year)	13,826	million yen

3. Accumulated depreciation of tangible fixed assets 1,406,783 million yen

4. In inventories related to construction contracts for which potential losses are expected, the amount is presented by offsetting with the corresponding allowance for contract losses, 36 million yen (all of them are an allowance for contract losses related to work in process).

(Notes regarding consolidated statement of income)

1. Transfer to allowance for contract losses included in cost of sales 924 million yen

2. Principal categories and amounts of selling, general and administrative expenses

Employees' salary and allowance	428,819	million yen
Retirement benefit expenses	14,879	million yen
Subcontractor expenses	188,279	million yen

(Note) Research and development expenses included in selling, general and administrative expenses totaled 28,258 million yen.

(Notes regarding consolidated statement of changes in equity)

1. Class and number of shares outstanding at the end of the fiscal year under review

Common stock	1,402,500,000	shares

2. Class and number of treasury stock at the end of the fiscal year under review

Common stock	11,232	shares

(Note) The above does not include the 402,100 shares of the Company's stock held by the trust for the performance-linked Stock Compensation Plan.

3. Dividends

(1) Dividends paid

Approval	Classes of Shares	Total Amount of Dividends (million yen)	Dividend per Share (yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 18, 2024	Common stock	16,129	11.5	March 31, 2024	June 19, 2024
Board of Directors' Meeting on November 6, 2024	Common stock	17,531	12.5	September 30, 2024	December 2, 2024

(Note) The total amount of dividends resolved at the Ordinary General Meeting of Shareholders on June 18, 2024 includes a dividend of 6 million yen from the Company's shares held by the trust for the performance-linked Stock Compensation Plan.

(Note) The total amount of dividends resolved at the Board of Directors meeting on November 6, 2024 includes a dividend of 5 million yen from the Company's shares held by the trust for the performance-linked Stock Compensation Plan.

(2) Dividends whose record date is within the fiscal year under review, but to take effect in the next fiscal year

Approval	Classes of Share	Dividend Source	Total Amount of Dividends (million yen)	Dividend per Share (yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 16, 2025	Common stock	Retained earnings	17,531	12.5	March 31, 2025	June 17, 2025

(Notes regarding financial instruments)

1. Matters related to the status of financial instruments

(1) Financial risks

The NTT DATA Group is exposed to various financial risks (exchange risk, price risk, interest rate risk, credit risk, and liquidity risk) in the course of its business activities. To prevent and mitigate such financial risks, the Group manages risks in accordance with certain policies.

With regard to derivative transactions, the Group limits and performs them within the actual demand by taking specified procedures for trade execution in accordance with the derivative transaction management rules.

(2) Credit risks

In conducting business, the NTT DATA Group is exposed to clients' credit risks in trade and other receivables and other financial assets (deposits, stocks, receivables and derivatives among others.)

In the Company, with regard to trade receivables, the person in charge of the trade receivables of each sector, etc. conducts regular monitoring of the collection status of individual clients to manage due dates as well as the credit balance in accordance with credit management rules, etc., and at the same time, delays in trade receivables are reported to the Corporate Management Committee on a quarterly basis so that early and secured collections can be achieved. Consolidated subsidiaries also conduct credit risk control using similar methods to those of the Company.

The counterparty to the derivative transactions is a financial institution with a high credit rating, and the Company considers that there is little risk (credit risk) of the counterparty's default.

We strive to prevent or reduce credit risk through the above risk management procedures and do not have credit risk exposures that are excessively concentrated.

(3) Liquidity risks

Liquidity risks refer to risks of the NTT DATA Group facing difficulties in fulfilling obligations relating to financial liabilities to be settled with cash or other financial assets by the Group. In raising funds to support its business activities, the Group is committed to achieving a goal of securing funds at low cost in a stable manner.

The Group manages liquidity risks by certain means, for example, formulating and updating monthly funding plans. The Company also makes use of bank loans and NTT Group Finance for financing and has received ratings of long-term bonds and commercial paper from two rating institutions in Japan for more stable financing. Accordingly, the Company has secured enough funding liquidity which could substitute cash and cash equivalents.

The Group has introduced a group cash management system, which aims to improve the fund efficiency by letting the Company centrally manage the Group's funds and lend needed funds to each group company.

(4) Market risks

Market risks refer to risks concerning fluctuations in market prices, such as foreign exchange rates, interest rates and equity prices and affect the NTT DATA Group's earnings or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

With regard to foreign currency denominated assets and liabilities, the Group basically hedges foreign exchange risk by possessing foreign currency liability in the same currency or other currency which links with the currency in question, making forward exchange contracts, currency swap transactions, currency option transactions, or combinations of them. With regard to variable rate assets and liabilities, the Company basically hedges interest rate risk by possessing liabilities which are linked to the industry interest rate, interest rate swap transactions, interest rate option transactions, or combinations of them.

With regard to stocks, their market risk is managed by grasping their fair value and checking the financial position of the issuers regularly. Derivatives are used in accordance with risk control rules and the Finance Department of the Company manages them centrally. The use of derivatives by consolidated subsidiaries is subject to prior discussion with the Company.

(a) Foreign exchange risk management

The NTT DATA Group conducts corporate activities globally and is subject to risk of foreign exchange fluctuations as the

group companies based in various regions of the world conduct trade, financing, and investment in non-functional currencies. To maintain economic value of cash flows in non-functional currencies, the Group manages foreign exchange fluctuation risks by using contracts such as forward exchange contracts. the Group considers that these transactions effectively offset the impact of exchange fluctuations. Main hedged currencies are US dollars and Euros.

(b) Interest rate risk management

In conducting business activities, the NTT DATA Group pays interest accrued by raising funds necessary for working capital and capital investment among others. With regard to borrowings with interest rate risks, the Group usually hedges such interest rate risks by using an interest rate swap.

(c) Equity price fluctuation risk control

The NTT DATA Group is exposed to equity price fluctuation risks as it holds marketable shares especially those of clients and affiliated companies at the end of the fiscal year under review. Based on its risk control strategy, the Group manages equity price fluctuation risks by regularly monitoring fair value and unrealized profit and loss for each investee.

2. Matters related to fair values of financial assets and financial liabilities

Carrying amounts and fair values of major financial instruments at the end of the fiscal year under review are as follows. Other financial instruments are not included in the table as their carrying amounts are largely equivalent to their fair values.

Assets and liabilities not measured at fair value on a recurring basis

(Unit: millions of yen)

	As of March 31, 2025	
	Carrying amount	Fair value
Long-term loans (incl. those to be repaid within a year)	2,015,665	2,028,774
Bonds (incl. those to be redeemed within a year)	100	101

Fair value is defined as “a price that is assumed to be paid to transfer a price that is assumed to be received for selling an asset or a liability in an ordinary transaction between market participants on the day of the measurement.” In IFRS, there are 3 levels of fair values. Inputs used for measuring fair values are prioritized according to observability. Each input is described below:

Level 1: market price of the same asset and liability in an active market
Level 2: observable input other than the market price included in Level 1 regarding asset and liability
Level 3: unobservable input regarding asset and liability

Assets and liabilities measured ordinarily at fair value (Unit: millions of yen)

	Fair value			
	Total	Level 1	Level 2	Level 3
Other financial assets：				
Stocks, etc.	41,975	23,911	－	18,064
Derivative financial assets	25,182	－	25,182	－
Total	67,157	23,911	25,182	18,064
Other financial liabilities：				
Derivative financial liabilities	2,636	－	2,636	－
Total	2,636	－	2,636	－

There is no reclassification between Level 1 and Level 2.

The reconciliation of Level 3 assets and liabilities measured ordinarily at fair value for the fiscal year under review is as follows:

Fiscal year ended March 31, 2025

(Unit: millions of yen)

Classification	Balance at beginning of fiscal year	Gain/Loss	Increase by purchase	Decrease by selling	Other	Balance at end of fiscal year
		Other comprehensive income				
Other financial assets						
Stocks, etc.	17,683	281	1,293	(901)	(292)	18,064

(Note 1) "Gain/Loss" included in "Other comprehensive income" is related to equity instruments measured at fair value through other comprehensive income at the end of the reporting period.

(Note 2) There are no significant reclassifications in the fiscal year under review.

Measurement method of fair values

Fair values of financial assets and financial liabilities are determined as follows. In case a market price could be obtained in estimating fair values of a financial instrument, the market price is used. For the fair value of a financial instrument whose market price cannot be obtained, estimation is made using a method of discounting future cash flow or other appropriate methods.

"Trade and other receivables", "trade and other payables", and "short-term loan"

Mainly because the payments are made over a short term, carrying amounts are largely equivalent to their fair values.

"Other financial assets (current)" and "other financial assets (non-current)"

Fair values of marketable securities are measured with a market price of the same asset in an active market.

Other financial assets include common stock issued by unlisted companies not accounted for by equity method such as clients. Fair values of unlisted common stocks are calculated using assessment model based on discount future cash flow, revenue, profitability, and net asset, comparable multiple valuation method, and other assessment methods.

Derivatives are interest rate swap contracts, currency option transactions and forward exchange contracts. Their fair values are assessed based on observable market data, and are classified as Level 2. Also, appraisal value is regularly verified using observable market data such as foreign exchange rate.

"Long-term loan" (including those to be repaid within a year) and "Bonds" (including those to be redeemed within a year)

Fair values of long-term loan (including those to be repaid within a year) and bonds (including those to be redeemed are estimated based on the future discount cash flow using interest rate used in case the NTT DATA Group borrows an equivalent new loan.

Fair values are assessed and verified based on observable market data and is classified as Level 2.

"Other financial liabilities (current)" and "other financial liabilities (non-current)"

Derivatives are interest rate swap contracts, currency option transactions and forward exchange contracts. Their fair value is assessed based on observable market data, and is classified as Level 2. Also, appraisal value is regularly verified using observable market data such as foreign exchange rate.

Quantitative information concerning assets classified as Level 3

In the NTT DATA Group, financial instruments classified as Level 3 are mainly comprised of unlisted stocks. The fair value of unlisted stocks is measured with available data using assessment methods and inputs that can most appropriately reflect the nature, characteristics, and risks of financial instruments concerned. The result of the measurement is reviewed and approved by an appropriately authorized person.

With regard to financial instruments classified as Level 3, increase and decrease of an important fair value in case unobservable input is changed to an alternative and reasonable assumption are not anticipated.

(Business combination, etc.)

The Company has elected to disclose the combined amount of business combinations that, while not individually significant, are collectively significant. Information on the combined amounts is as follows:

(1) Consideration for the transfer

(Unit: millions of yen)

	Amount
Cash	75,348
Total acquisition price	75,348

(2) Amount and Item of Acquisition-Related Costs

The following table shows the items and amounts of acquisition-related costs.

(Unit: millions of yen)

Item	Amount
Advisory expenses	694
Legal expenses	88
Others	200
Total acquisition-related costs	982

(Note) The expenses are included and processed in “selling, general and administrative expenses” in the consolidated statement of income.

(3) Fair value of acquired assets and assumed liabilities and goodwill

The following table shows the details and fair value of acquired assets and assumed liabilities and goodwill.

(Unit: millions of yen)

	Amount
Assets	
Cash and cash equivalents	18,964
Trade and other receivables (Note 1)	11,098
Property, plant and equipment	3,428
Intangible assets (Note 2)	16,797
Other	11,621
Liabilities	
Trade and other payables	11,272
Other	7,580
Net amount of acquired assets and assumed liabilities	43,054
Consideration for the transfer	75,348
Difference Goodwill (Note 3)	32,294

(Notes) 1 These items are mainly trade receivables. Of these, no important items are deemed unrecoverable.

2 This amount is identifiable assets of 16,253 million yen.

3 Goodwill mainly comprises synergies and excess earning power expected to be obtained from integration with the NTT DATA Group.

(4) Impacts on business performance of the Group

The Company has not disclosed the profit/loss information following the acquisition date associated with the business combination nor the profit/loss information assuming the business combination had occurred at the beginning of the fiscal year under review, as this information does not have a significant impact on the consolidated financial statements.

(Notes regarding assets held for sale)

The key assets held for sale and the liabilities directly associated with assets held for sale at the end of the fiscal year under review are as follows:

The NTT DATA Group plans to sell some of the shares of the company it owned that holds data centers. These shares have been classified as the assets held for sale.

Impact on accounting treatment and consolidated financial statements

In the third quarter of the fiscal year under review, the Group resolved to conduct procedures for the sale within one year of assets related to the sale of shares of the company that holds data centers, which are included in the Overseas Segment, and the liabilities directly associated with such assets, and classified them as assets held for sale and liabilities directly associated with assets held for sale. The assets and liabilities have been measured at their book value, as the fair value less costs of disposal exceeded the book value.

As of March 31, 2025

(Unit: millions of yen)

Account items		Account items	
(Assets)		(Liabilities)	
Cash and cash equivalents	3,513	Trade and other payables	2,796
Trade and other receivables	4,658	Other	1,614
Property, plant and equipment	82,811		
Other	1,585		
Total	92,567	Total	4,411

(Notes regarding investment properties)

1. Matters related to investment property

Increase/decrease in carrying amounts, fair values, costs, accumulated depreciation and accumulated impairment losses of investment property in the fiscal year under review are as follows:

(1) Carrying amounts

(Unit: millions of yen)

	Fiscal year ended March 31, 2025
Balance at beginning of fiscal year	25,323
Acquisitions	621
Sale or Disposals	(7)
Depreciation expenses	(1,030)
Reclassification	(449)
Exchange translation differences for foreign operations	3
Other changes	362
Balance at end of fiscal year	24,824

(2) Costs, accumulated depreciation and accumulated impairment losses

(Unit: millions of yen)

	As of March 31, 2025
Costs	47,437
Accumulated depreciation and accumulated impairment losses	(22,613)

(Note) Depreciation expenses are recognized in “Cost of sales” on the consolidated statement of income.

(3) Fair values

Fair values of investment property are mainly calculated on the basis of market transaction prices, etc., which reflect transaction prices of similar assets based on assessment by an independent external appraiser.

(Unit: millions of yen)

	As of March 31, 2025
Fair value	78,262

2. Earnings and expenses concerning investment property

Earnings concerning investment property and direct sales expenses incurred are included in “Net sales” and “Cost of sales” on the consolidated statement of income.

(Unit: millions of yen)

	Fiscal year ended March 31, 2025
Rental income	4,316
Direct sales expenses for earning rental income	3,681

(Notes regarding per-share information)

1. Equity attributable to shareholders of NTT DATA per share 1,305.53 yen
2. Net income per share 101.60 yen

(Note) To calculate net income per share for the current fiscal year, 402,100 shares of the Company’s stock held by the trust for the performance-linked Stock Compensation Plan is included in the treasury shares that are deducted when calculating the average number of common shares during the reporting period.

(Notes - Revenue recognition)

1. Details of goods and services

Consulting

In the consulting business, we provide services that involve transfer of deliverables to clients, including preparation of requirements definition that does not accompany system software development and market research, or that does not involve transfer of deliverables to clients such as consulting for improving clients' business.

In case of involving transfer of deliverables, as the benefits are transferred to clients according to the progress of the deliverables, revenues are recognized over the course of the installation period depending on the progress of the installation. As cost is deemed to arise in proportion to the degree of installation progress, we use the input method based on the cost incurred (cost-to-cost method) to measure the progress. Contract considerations are normally charged upon delivery and considerations for the services are collected mainly within 30 days from the next day of the invoice date.

In case of not involving transfer of deliverables, since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenues are recognized when clients have used the services. Consideration is charged every month, according to results such as the number of days when services were provided to clients or with a fixed amount depending on the actual usage by clients and collected within 30 days from the next day of the invoice date.

Integrated IT Solution

The NTT DATA Group owns facility assets and provides services to clients.

In the order-based integrated IT solutions businesses, we provide services covering the full life cycle of clients' systems, from requirements definition to maintenance/operation. The Group makes capital investments according to orders from clients and owns the facilities as assets. Since goods or services are transferred as a result of clients using the same services that the Group provides every month, revenues are recognized according to the contract period mainly at a fixed amount.

In the plan-based integrated IT solutions businesses, we provide services mainly in the payment area. The Group makes capital investments, owns the facilities as assets by anticipating the use of multiple clients, and collects considerations for the services as usage fees according to the actual usage by the clients. Revenues are recognized when clients have used the services.

In both order-based and plan-based businesses, contract considerations are normally charged mainly every month, according to results such as the number of days when services were provided to clients or with a fixed amount depending on the actual usage by clients and considerations for the services are collected within 30 days from the next day of the invoice date.

System & Software Development

We are entrusted with plans, designs, development, etc., for clients' information systems and deliver them to the clients. Since control over developed assets is transferred to clients according to the progress of the system software development, revenues are recognized over the course of the installation period depending on the progress of the installation. As cost is deemed to arise in proportion to the degree of installation progress, we use the input method based on the cost incurred (cost-to-cost method) to measure the progress. Contract considerations are normally charged and collected upon delivery and considerations for the services are collected within 30 days from the next day of the invoice date.

When losses are expected to arise, allowance for losses is recorded in the fiscal year in which the date when the losses became apparent belongs.

Maintenance & Support

In the maintenance support business, we provide technical support for system development, etc. that does not involve transfer of deliverables to clients, such as AMO (*1), ITO (*2), and BPO (*3) services, or services in which we perform the maintenance and operation. Since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenues are recognized according to the period that clients use the services. Considerations for services are charged every month, according to the results such as the number of days when the services were provided or with a fixed amount depending on the actual usage by clients and collected within 30 days from the next day of the invoice date.

*1. Application Management Outsourcing: Outsourcing service for operation and maintenance of client's custom applications

*2. IT Outsourcing: One-stop service for maintenance and operation of internal systems, etc. used by clients

*3. Business Process Outsourcing: Outsourcing service implementing efficient business operation by undertaking part of the clients' operations

Communication Terminal Equipment Sales, etc. and others

Communication terminal equipment sales business is operated by NTT Ltd. and primarily includes sales of communication terminal equipment and its maintenance services.

For communication terminal equipment sales, NTT Ltd. sells communication terminal equipment for use in corporate networks and its revenue is recognized primarily at the time the equipment is received. Contract consideration is usually charged at the time of delivery.

For maintenance services, since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenue is recognized over the course of the period in which clients use the services. Considerations for services are primarily charged monthly according to results depending on the actual usage of service by clients, such as the number of days service was provided, or with fixed amount.

Others primarily includes managed services, leasing of facilities other than information equipment such as buildings, electric power, and network facilities, as well as fee collection agency services.

For managed services, we engage in maintenance and operation of IT infrastructure such as servers, network equipment, etc., and applications. Since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenues are recognized over the course of the period in which clients use the services. Considerations for services are primarily charged monthly according to results depending on the actual usage of service by clients, such as the number of days service was provided, or with fixed amount.

Data Center

The Data Center business is operated by NTT Ltd. and the Group holds data centers and other assets and provides operation and management services including electric power supply, network, etc. The Group responds to orders from clients, or invest in capital equipment and holds them as assets assuming that several clients will use them. Since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenues are recognized according to the period that clients use the services. Considerations for services are primarily charged monthly according to results depending on the actual usage of service by clients, such as the number of days service was provided, or with fixed amount.

2. Breakdown of net sales

Net sales are broken down into major services. The relationship between the breakdown of net sales and each reportable segment are as follows:

Revenue recognized from other sources is lease revenue under “IFRS 16 Leases.”

Fiscal year ended March 31, 2025

(Unit: millions of yen)

	Reportable segment		Other	Total
	Japan	Overseas		
Consulting	74,247	499,288	−	573,535
Integrated IT Solution	510,476	192,520	−	702,996
System & Software Development	553,652	336,161	73	889,886
Maintenance & Support	666,006	436,025	12,908	1,114,940
Communication Terminal Equipment Sales, etc. and others	89,511	889,566	457	979,534
Data Center	−	377,830	−	377,830
Total	1,893,893	2,731,390	13,438	4,638,721
Revenue recognized from contracts with clients	1,893,893	2,428,527	13,438	4,335,858
Revenue recognized from other sources	−	302,863	−	302,863

(Note) The amounts after deducting internal transactions among group companies are shown.

3. Contract balance

The NTT DATA Group records contract assets for consideration for system development services in progress, etc. The contract assets are reclassified to trade receivables as soon as the right to payment becomes unconditional. The Group also records contract liabilities for considerations received in advance from clients. Contract liabilities cease to be recognized when goods or services for considerations received in advance are transferred to clients.

The balance of contract assets and liabilities are as follows:

	(Unit: millions of yen)
	As of March 31, 2025
Contract assets	197,069
Contract liabilities	495,570
Of recognized revenues, those that were included in the balance of contract liabilities as of the beginning of the year	264,608

There is no significance in the amount of revenue recognized from the performance obligation satisfied in the past periods in the fiscal year under review.

4. Transaction price allocated to the unsatisfied performance obligation

Revenues expected to be recognized in the future related to the unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2025 are as follows. The NTT DATA Group does not apply the practical expedient of Paragraph 121 of IFRS 15 and includes performance obligations related to contracts expected to be satisfied within one year. There are no considerations for contracts with clients that are not included in transaction prices.

(Unit: millions of yen)

	As of March 31, 2025
Within 1 year	2,425,405
Over 1 year and within 2 years	1,032,258
Over 2 years and within 3 years	785,402
Over 3 years	2,158,154
Total	6,401,219

(Note) The above transaction prices allocated to the unsatisfied performance obligations include those related to lease income in accordance with IFRS 16. The amount related to such lease income in accordance with IFRS 16 is 2,260,960 million yen.

5. Contract costs

There are no significant assets recognized from contract costs in the fiscal year under review.

In case the amortization period of the assets to be recognized is within 1 year, the practical expedient is applied and incremental costs of obtaining a contract are recognized as expenses at the time they are incurred.

(Additional information)

Uncertainty regarding the treatment of corporate income tax

On May 28, 2021, NTT DATA received a notice of correction for income tax, etc., for the year ended March 31, 2019 from the Tokyo Regional Taxation Bureau.

The notice of correction is about the timing of recognizing profits under tax law. Since there is a distinct difference between NTT DATA’s view and the bureau’s claim, we will seek cancellation of the disposition in accordance with the law with the advice of expert.

Non-Consolidated Financial Statements
Non-Consolidated Balance Sheet

(Unit: millions of yen)

Item	37th FY (As of March 31, 2025)	[Reference] 36th FY (As of March 31, 2024)	Item	37th FY (As of March 31, 2025)	[Reference] 36th FY (As of March 31, 2024)
(Assets)			**(Liabilities)**		
Current assets	286,498	204,991	Current liabilities	288,763	240,039
Cash and deposits	1,678	5,044	Accounts payable -trade	10,856	11,912
Accounts receivable - trade	37,749	34,696	Contract liability	11	125
Inventories	596	539	Short-term borrowings	1,070	1,150
Prepaid expenses	5,674	4,457	Lease obligations	16	12
Deposits paid	101,376	63,526	Accounts payable –other	17,708	18,647
Short-term loans receivable from subsidiaries and associates	128,045	65,169	Accrued expenses	2,380	2,096
Other	11,413	31,638	Income taxes payable	3,791	–
Allowance for doubtful accounts	(33)	(78)	Deposits received	251,958	203,174
Non-current assets	1,358,696	1,379,541	Asset retirement obligations	31	565
Property, plant and equipment	167,397	165,437	Other	943	2,358
Data communication facilities	157	202	Non-current liabilities	104,379	107,453
Buildings	82,856	81,909	Lease obligations	35	22
Structures	2,316	2,379	Provision for retirement benefits	21,302	23,385
Machinery, equipment and vehicles	17,053	15,901	Asset retirement obligations	148	798
Tools, furniture and fixtures	5,924	6,338	Special account for shares arising from restructuring	40,136	40,136
Land	55,547	55,743	Other	42,757	43,113
Leased assets	47	31			
Construction in progress	3,497	2,935			
Intangible assets	57,149	59,400			
Software	48,011	12,483			
Software in progress	8,971	46,744	Total liabilities	393,141	347,493
Other	168	173	**(Net assets)**		
Investments and other assets	1,134,149	1,154,703	Shareholders' equity	1,250,849	1,235,520
Investment securities	3,287	4,122	Share capital	142,520	142,520
Shares of subsidiaries and associates	1,002,203	1,001,693	Capital surplus	139,300	139,300
Investments in other securities of subsidiaries and associates	17,413	17,431	Legal capital surplus	139,300	139,300
Long-term loans receivable from subsidiaries and associates	36,735	58,829	Retained earnings	969,869	954,672
Deferred tax assets	65,999	62,729	Legal retained earnings	2,288	2,288
Other	8,665	11,595	Other retained earnings	967,581	952,384
Allowance for doubtful accounts	(152)	(1,695)	Reserve for reduction entry	9	22
			General reserve	288,000	288,000
			Retained earnings brought forward	679,572	664,362
			Treasury shares	(839)	(972)
			Valuation and translation adjustments	1,203	1,519
			Valuation difference on available-for-sale securities	1,406	1,722
			Deferred gains or losses on hedges	(202)	(202)
			Total net assets	1,252,053	1,237,039
Total assets	1,645,194	1,584,532	Total liabilities and net assets	1,645,194	1,584,532

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

Non-Consolidated Statement of Income

(Unit: millions of yen)

Item	37th FY (2024/4/1-2025/3/31)	[Reference] 36th FY (2023/4/1-2024/3/31)
Net sales	–	283,084
Operating revenues	211,528	118,214
Revenues from group management	119,363	76,206
Dividends received	36,833	543
Other services	55,333	41,465
Cost of sales	–	206,253
Gross profit	211,528	195,045
Selling, general and administrative expenses	–	50,572
Operating expenses	164,293	118,543
Operating profit	47,235	25,929
Non-operating income	6,670	44,237
Interest income	2,709	3,883
Dividend income	230	33,877
System usage fees	985	579
Other	2,745	5,898
Non-operating expenses	7,029	3,446
Interest expenses	2,418	1,877
Interest on bonds	–	50
Loss on sales of non-current assets	627	33
Foreign exchange losses	3,126	938
Other	858	547
Ordinary profit	46,876	66,720
Extraordinary income	2,677	–
Gain on sale of non-current assets	2,677	–
Profit before income taxes	49,553	66,720
Income taxes -current	3,852	5,798
Income taxes -deferred	(3,156)	533
Profit	48,857	60,390

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

Non-Consolidated Statement of Shareholders' Equity 37th FY (from April 1, 2024 to March 31, 2025)

(Unit: millions of yen)

	Net assets										
	Shareholders' equity							Shareholders' equity			Total
	Share capital	Capital surplus	Retained earnings			Treasury shares	Total	Valuation difference on available-for-sale securities	Deferred gains or losses on hedge	Total	
		Legal capital surplus	Legal retained earnings	Other retained earning	Total						
Balance at beginning of fiscal year	142,520	139,300	2,288	952,384	954,672	(972)	1,235,520	1,722	(202)	1,519	1,237,039
Changes of items during period											
Dividends of surplus (Note 1)	–	–	–	(16,129)	(16,129)	–	(16,129)	–	–	–	(16,129)
Dividends of surplus (Note 2)	–	–	–	(17,531)	(17,531)	–	(17,531)	–	–	–	(17,531)
Profit	–	–	–	48,857	48,857	–	48,857	–	–	–	48,857
Acquisition of treasury stock	–	–	–	–	–	(0)	(0)	–	–	–	(0)
Disposition of treasury stock	–	–	–	–	–	132	132	–	–	–	132
Net changes of items other than shareholders' equity	–	–	–	–	–	–	–	(316)	–	(316)	(316)
Total changes of items during period	–	–	–	15,197	15,197	132	15,329	(316)	–	(316)	15,013
Balance at end of fiscal year	142,520	139,300	2,288	967,581	969,869	(839)	1,250,849	1,406	(202)	1,203	1,252,053

Breakdown of Other Retained Earnings

	Other retained earnings			
	Reserve for reduction entry	General reserve	Retained earnings brought forward	Total
Balance at beginning of fiscal year	22	288,000	664,362	952,384
Changes of items during period				
Dividends of surplus (Note1)	–	–	(16,129)	(16,129)
Dividends of surplus (Note2)	–	–	(17,531)	(17,531)
Reversal of reserve for reduction entry	(13)	–	13	–
Profit	–	–	48,857	48,857
Total changes of items during period	(13)	–	15,210	15,197
Balance at end of fiscal year	9	288,000	679,572	967,581

(Note 1) This is the item of appropriation of retained earnings resolved at the ordinary general meeting of shareholders held on June 18, 2024.

(Note 2) This is the item resolved at the meeting of the Board of Directors held on November 6, 2024.

(Note 3) Amounts less than one million yen are rounded off.

Notes to Non-Consolidated Financial Statements

(Notes – Significant accounting policies)

1. Basis and method of valuation of securities

Shares of subsidiaries and affiliates: The cost method based on the moving average method is used.

Other securities:

(1) Securities other than shares that do not have a market value:

The fair value method based on the fair market value, etc. at the end of the fiscal year is used (valuation difference is recognized directly as net assets in full and the cost of securities sold is computed using the moving average method).

(2) Shares that do not have a market value:

The cost method based on the moving average method is used.

2. Basis and method of valuation of inventories

Stores: At cost based on the first-in-first-out method (the balance sheet amount is calculated at the lowered book values reflecting a potential decline).

3. Method of depreciation of fixed assets

(1) Property, plant and equipment (excluding lease assets)

The straight-line method is applied.

(2) Intangible fixed assets (excluding lease assets)

The straight-line method is applied for intangible fixed assets (excluding software).

The depreciation methods for software are as follows:

Software for internal use:

Depreciated using the straight-line method based on its estimated usable period in the Company (within 7 years).

However, among software for service provision purposes, for data communication service software based on a contract with specific customers, the equal installment method is used over the contracted fee payment period.

(3) Lease assets

(a) Tangible lease assets

For the lease assets related to finance lease transactions without the transfer of ownership, mainly the straight-line method of computing depreciation costs assuming the lease term is its useful life and the residual value of 0 is applied.

(b) Intangible lease assets

The straight-line method is used.

4. Valuation basis for superior allowances

(1) Allowance for doubtful receivables

In order to provide for possible losses due to the uncollectibility of general account receivables, such an allowance is calculated based on historical collection losses. There is an allowance for specific account receivables such as doubtful accounts receivables, a case-by-case review for collectability is conducted and an estimation of the uncollectible amount is booked.

(2) Allowance for contract losses

In order to provide for possible future losses related to contracts of orders on hand at the end of the current fiscal year, those with a high probability of generating losses and where it is possible to reasonably estimate the amount of such losses, the estimated amount of losses to be incurred in the future is provided as an allowance for contract losses and presented by offsetting with corresponding work in process.

(3) Allowance for retirement benefits

The Company books the necessary amount for a year-end payment based on the estimated amount of retirement benefit obligations and the pension assets at the end of the current fiscal year to appropriate the payment for retirement benefit for our employees.

(a) Period allocation of projected retirement benefits to be incurred

In calculating the retirement benefit obligations, a method based on the benefit formula is used to allocate the projected

retirement benefits to the years of service up to the end of the current fiscal year under review.

(b) The recognition method for actuarial differences, and prior service cost

The actuarial gains and losses are recognized in the expenses of the proportionally divided amount calculated by the straight-line method over a period of the average remaining service years of employees at the time of recognition of each fiscal year, commencing with the year following their fiscal year.

The prior service cost is recognized in expenses by the straight-line method over the average remaining service years of employees at the time of recognition.

5. Valuation basis for superior revenues and expenses

As of July 1, 2023, the Company transitioned to a holding company structure. Its valuation basis for revenues and expenses before it transitioned to a holding company structure are stated in the Notes to Consolidated Financial Statements (Important Basic Matters for Preparation of Consolidated Financial Statements) 5. Matters related to accounting policy (13) Revenues.

On and after the said date, as a holding company, the Company provides management instructions for its subsidiaries and is entrusted with management business by them. Its main revenues derive from the Group management operations and dividend income, etc.

For revenues from Group management operations, the Company assumes performance obligations of providing entrusted business according to agreements with its subsidiaries. Since the Company's performance obligation is satisfied over time, it recognizes revenue according to the provision of the said business over the contract period.

As the Company receives consideration for a transaction within a year from the satisfaction of its performance obligation, it uses practical expedient and does not account for significant financing components.

6. Method of hedge accounting

Deferred hedge accounting is applied.

However, with regard to foreign currency monetary receivables and payables with forward exchange contracts, designated hedge accounting ("furiate-shori") is applied.

In addition, among the interest-rate swap transactions, for the transactions which meet the requirements for exceptional accounting ("tokurei-shori"), exceptional accounting is applied.

7. Accounting method related to retirement benefits

In the financial statements, unrecognized actuarial gains and losses and the unprocessed amount of unrecognized prior services cost in the balance sheet are processed differently from the consolidated financial statements. In the non-consolidated balance sheet, the amount for which unrecognized actuarial gains and losses and the unprocessed amount of unrecognized prior services cost is added or deducted from the retirement benefit obligations, and the amount of pension asset is deducted, is presented as the allowance for retirement benefit.

(Notes - Accounting estimates)

The items for which an amount is recorded in the financial statements based on the accounting estimates for the current fiscal year and which could have a material impact on the consolidated financial statements for the following fiscal year are as follows:

1. Deferred tax assets

Deferred tax assets of 65,999 million yen are recorded in the balance sheet for the current fiscal year.

Other information that contributes to the understanding of the content of the estimates is the same as that described in the notes to the consolidated financial statements (Notes - Accounting estimates) 3. Deferred Tax Assets.

2. Allowance for retirement benefits

An allowance for retirement benefits of 21,302 million yen was recorded in the balance sheet for the current fiscal year.

Other information that contributes to the understanding of the content of the estimates is the same as that described in the notes to the consolidated financial statements (Notes - Accounting estimates) 4. Liabilities related to retirement benefits.

(Notes – Changes in presentation)

(Notes – Balance sheet)

"Deposit paid" and "Short-term loans receivable from subsidiaries and associates" that were included in "Other" under "Current assets" in the previous fiscal year are presented separately from the fiscal year under review in line with the increasing importance of the amounts. To reflect the change in presentation, we reclassified the balance sheet of the previous fiscal year.

As a result, 160,333 million yen presented in "Other" under "Current assets" in the Balance Sheet in previous fiscal year were reclassified into 63,526 million yen for "Deposits paid," 65,169 million yen for "Short-term loans receivable from subsidiaries and associates," and 31,638 million yen for "Other."

(Notes – Statement of income)

"System usage fees" that was included in "Other" under "Non-operating income" in the previous fiscal year is presented separately from the fiscal year under review in line with the increasing importance of the amount. To reflect the change in presentation, we reclassified the statement of income of the previous fiscal year.

As a result, 6,477 million yen presented in "Other" under "Non-operating income" in the Statement of Income in the previous fiscal year was reclassified into 579 million yen for "System usage fees" and 5,898 million yen for "Other."

(Notes – Balance sheet)

1. Breakdown of inventories

Supplies	596 million yen

2. Accumulated depreciation of tangible fixed assets 267,230 million yen

3. Guarantee obligations

Performance warranties for system development/operation contracts

NTT DATA Canada, Inc.	57,442 million yen
NTT DATA Services, LLC	4,636 million yen
NTT DATA Americas Inc.	2,316 million yen

4. Monetary claims/liabilities against affiliated companies (excluding those presented separately)

Short-term monetary claims	167,653 million yen
Short-term monetary liabilities	269,205 million yen
Long-term monetary liabilities	41,600 million yen

(Notes – Statement of income)

1. Transactions with subsidiaries and affiliated companies

Net sales and operating revenues	211,213 million yen
Operating expenses	84,440 million yen
Non-trade transactions	5,579 million yen

2. Gain on sale of non-current assets

The gain on sale of non-current assets recorded ae extraordinary income primarily consists of gains on land sales.

(Notes – Statement of changes in equity)

1. Class and number of treasury stock at the current fiscal year-end

Common stock 11,232 shares

(Note) The above does not include 402,100 shares of the Company’s stock held by the trust for the performance-linked Stock Compensation Plan.

(Notes – Tax effect accounting)

1. Breakdown of deferred income taxes and liabilities by major cause

Deferred income taxes		
Affiliates' shares related to company split	61,824	million yen
Provision for retirement benefits	6,706	million yen
Depreciation in excess of limit	7,478	million yen
Others	4,939	million yen
Deferred income taxes subtotal	80,947	million yen
Valuation allowance	(3,672)	million yen
Total deferred income taxes	77,275	million yen
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(649)	million yen
Fixed assets	(2,896)	million yen
Difference on book value of affiliates' shares by restructuring	(3,500)	million yen
Others	(4,231)	million yen
Total deferred tax liabilities	(11,276)	million yen
Net deferred income taxes	65,999	million yen

2. Breakdown of major items which caused differences between the statutory effective tax rate and the income tax and other burden rates after tax effect accounting

Statutory effective tax rate	30.62%
(Adjustments)	
Entertainment and other expenses that are permanently nondeductible	0.28%
Dividends income	(22.45)%
Per-capita inhabitant tax	0.02%
Tax credit by R&D tax reduction	(2.04)%
Valuation allowance increase (decrease)	0.56%
Change in tax rate due to tax system reform	(3.90)%
Others	(1.69)%
Income tax and other burden rates after tax effect accounting	1.40%

3. Revision of deferred tax assets and deferred tax liabilities in line with the change in tax rates for income taxes, etc.

In line with the enactment by the Diet on March 31, 2025 of the law to revise part of the Income Tax Act, etc. the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities for the fiscal year under review (applicable only to those to be reversed on April 1, 2026 or later) has been changed to 31.52% from 30.62%. The rate applies to those to be collected or paid on April 1, 2026 or later.

Deferred tax assets (net of deferred tax liabilities) increased by 1,912 million yen, while income taxes – deferred recorded for the fiscal year under review decreased by 1,930 million yen, and valuation difference on available-for-sale securities decreased by 18 million yen.

(Notes – transactions with related parties)

Affiliated companies, etc.

Attri-bute	Company name	% of held voting rights, etc. (owned)	Relationship between the related parties	Details of transaction	Transaction (¥ million)	Item	Balance at end of fiscal year (¥ million)
Affiliated company, etc.	NTT DATA Japan Corporation	(Ownership) Direct 100.0	Exercise of rights, advice, mediation and other assistance as a shareholder	Lending of funds	425,770	Short-term loans receivable from subsidiaries and associates	39,309
				Return of funds	394,346		
				Group management fees received	105,089	Accounts receivable - trade	31,792
				Rent received	31,673		
	JSOL Corporation	(Ownership) Indirect 50.0	Exercise of rights, advice, mediation and other assistance as a shareholder	Receiving of funds	2,500	Other non-current liabilities (advances received)	18,000
				Return of funds	2,500		
				Interest paid for deposited funds	115	Accrued interest expenses	277

(Note 1) With regard to the lending of funds, interest rates are determined rationally by taking industry interest rates into consideration. There are no securities accepted.

(Note 2) The terms and conditions of the above transactions and the method of determining the terms and conditions are the same as those of other business partners.

(Note 3) As the transaction amounts of receiving and lending of funds, the average balances of the advances received and short-term loans receivables are presented.

Affiliated companies, etc.

Attri-bute	Company name	% of held voting rights, etc. (owned)	Relationship between the related parties	Details of transaction	Transaction (¥ million)	Item	Balance at end of fiscal year (¥ million)
Affiliated company, etc.	NTT DATA, Inc.	(Ownership) Direct 55.0	Exercise of rights, advice, mediation and other assistance as a shareholder	Lending and receiving of funds(*3)	25,469	Advances received	14,740
				Interest paid for deposited funds	80	Accrued interest expenses	–
				Lending of funds	33,600	Short-term loans receivable from subsidiaries and associates	33,600
				Return of funds	35,486		
				Interest received on lent funds	251	Accrued interest	109
	NTT DATA Europe & Latam S.L.U.	(Ownership) Indirect 100.0	Exercise of rights, advice, mediation and other assistance as a shareholder	Lending and receiving of funds(*3)	6,378	Advances received	19,803
				Interest paid for deposited funds	254	Accrued interest expenses	37
	NTT DATA Europe & Latam Finance S.L.U.	(Ownership) Indirect 100.0	Entering into contract of term loan	Lending of funds	–	Long-term loans receivable from affiliates (including the current portion of long-term debt)	56,224
				Return of funds	13,077		

(Note 1) With regard to the lending of funds, interest rates are determined rationally by taking industry interest rates into consideration. There are no securities accepted.

(Note 2) The terms and conditions of the above transactions and the method of determining the terms and conditions are the same as those of other business partners.

(Note 3) As the transaction amounts of receiving and lending of funds, the average balances of the advances received and short-term loans receivables are presented.

Affiliated companies, etc.

Attri-bute	Company name	% of held voting rights, etc. (owned)	Relationship between the related parties	Details of transaction	Transaction (¥ million)	Item	Balance at end of fiscal year (¥ million)
Affiliated company, etc.	NTT Limited	(Ownership) Indirect 100.0	Entering into contract of term loan	Lending of funds	28,420	Short-term loans receivable from subsidiaries and associates	28,411
				Return of funds	–		
	NTT DATA Services, LLC	(Ownership) Indirect 100.0	Performance warranties for system development/ operation contracts, etc.	Debt guarantee	4,636	–	–
	NTT DATA Canada, Inc.	(Ownership) Indirect 100.0	Performance warranties for system development/ operation contracts, etc.	Debt guarantee	57,442	–	–
	NTT DATA Americas, Inc.	(Ownership) Indirect 100.0	Performance warranties for system development/ operation contracts, etc.	Debt guarantee	2,316	–	–
			Exercise of rights, advice, mediation and other assistance as a shareholder	Lending and receiving of funds(*3)	15,661	Advances received	38,821
				Interest expenses related to fund lending and borrowing	892	Accrued interest expenses	124

(Note 1) With regard to the lending of funds, interest rates are determined rationally by taking industry interest rates into consideration. There are no securities accepted.

(Note 2) The terms and conditions of the above transactions and the method of determining the terms and conditions are the same as those of other business partners.

(Note 3) As the transaction amounts of receiving and lending of funds, the average balances of the advances received and short-term loans receivables are presented.

Group companies

Attribute	Company name	% of held voting rights, etc. (owned)	Relationship between the related parties	Details of transaction	Transaction (¥ million)	Item	Balance at end of fiscal year (¥ million)
Subsidiary of parent company	NTT FINANCE CORPORATION	(Owned) Direct 0.0	Fund deposit, etc.	Fund deposit (Note 2)	88,729	Other (Deposits paid)	101,376
				Interest revenue accompanying the fund deposit	1,161		

(Note 1) The terms and conditions of the transactions above and the determination methods for such conditions are the same as those for other business partners

(Note 2) As the transaction amounts of fund deposits and borrowings, the average balances of the deposits paid and short-term borrowings are presented.

(Notes to per-share information)

1. Net assets per share 892.99 yen
2. Net income per share 34.85 yen

(Note) To calculate net income per share for the current fiscal year, 402,100 shares of the Company's stock held by the trust for the performance-linked Stock Compensation Plan is included in treasury shares that are deducted when calculating the average number of common shares during the reporting period.

(Notes - Revenue recognition)

The Company has transitioned to a holding company structure on July 1, 2023, and the notes on information that provides a basis for understanding revenue from contracts with customers for the period before the transition are omitted as the same content is described in "Notes to Consolidated Financial Statements (Notes for revenue recognition)."

The notes on information that provides a basis for understanding revenue from contracts with customers for the period from July 1, 2023 onward are omitted as the same content is described in "Notes to Non-Consolidated Financial Statements (Valuation basis for superior revenues and expenses)."

(Additional information)

Uncertainty regarding the treatment of corporate income tax is omitted because the same information is provided in "Notes to Consolidated Financial Statements (Additional information)."

[Reference] Consolidated Statement of Comprehensive Income

(Unit: millions of yen)

By fiscal year / Item	37th FY 2024/4/1-2025/3/31	36th FY 2023/4/1-2024/3/31
Profit	139,260	145,541
Other comprehensive income (net of taxes)		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	14,864	21,719
Remeasurements of defined benefit plans	10,779	15,611
Share of other comprehensive income of entities accounted for using equity method	0	0
Items that may be reclassified to profit or loss		
Cash flow hedges	622	36
Hedge cost	(374)	(210)
Exchange differences on translation of foreign operations	(28,705)	230,588
Share of other comprehensive income of entities accounted for using equity method	(454)	2,590
Total other comprehensive income (net of taxes)	(3,268)	270,334
Total comprehensive income	135,992	415,875
Total comprehensive income attributable to:		
Shareholders of NTT DATA	153,878	300,899
Non-controlling interests	(17,886)	114,976
Total	135,992	415,875

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

[Reference] Consolidated Statement of Cash Flows

(Unit: millions of yen)

Item \ By fiscal year	37th FY 2024/4/1-2025/3/31	36th FY 2023/4/1-2024/3/31
Cash Flows from Operating Activities		
Profit	139,260	145,541
Depreciation and amortization	364,161	341,541
Interest and dividend income	(22,754)	(21,903)
Interest expenses	102,217	80,054
Share of loss (profit) of investments accounted for using equity method	(1,395)	(304)
Income tax expense	109,746	103,062
Decrease (increase) in trade and other receivables	(143,722)	(16,427)
Decrease (increase) in contract assets	(45,488)	(21,054)
Decrease (increase) in inventories	(3,905)	30,105
Increase (decrease) in trade and other payables	104,086	(22,651)
Increase (decrease) in contract liabilities	(7,930)	29,985
Increase (decrease) in allowance for contract losses	(2,062)	(3,060)
Other	(42,277)	(11,366)
Subtotal	549,935	633,523
Interest and dividends received	23,565	21,673
Interest paid	(59,642)	(63,019)
Income taxes refund (paid)	(116,711)	(93,388)
Net cash provided by (used in) operating activities	397,148	498,789
Cash Flows from Investing Activities		
Purchase of property, plant and equipment, and intangible assets	(690,036)	(654,473)
Purchase of other financial assets	(53,051)	(55,179)
Proceeds from sale and redemption of other financial assets	131,803	45,022
Payments for acquisition of subsidiaries	(77,472)	(36,809)
Proceeds from sale of subsidiaries	8,287	71,291
Other	10,726	5,640
Net cash provided by (used in) investing activities	(669,743)	(624,508)
Cash Flows from Financing Activities		
Net increase (decrease) in short-term borrowings	(72,352)	444,669
Proceeds from issuance of bonds and long-term borrowings	738,544	114,929
Redemption of bonds and repayments of long-term borrowings	(266,694)	(333,713)
Repayments of lease liabilities	(80,020)	(76,795)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(3,232)	(4,185)
Dividends paid	(33,658)	(32,254)
Dividends paid to non-controlling interests	(3,879)	(3,547)
Other	10,700	62
Net cash provided by (used in) financing activities	289,409	109,166
Net increase (decrease) in cash and cash equivalents	16,814	(16,553)
Cash and cash equivalents at beginning of period	431,774	415,359
Effect of exchange rate changes on cash and cash equivalents (decrease)	(3,953)	32,967
Cash and cash equivalents at end of period	444,635	431,774

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

