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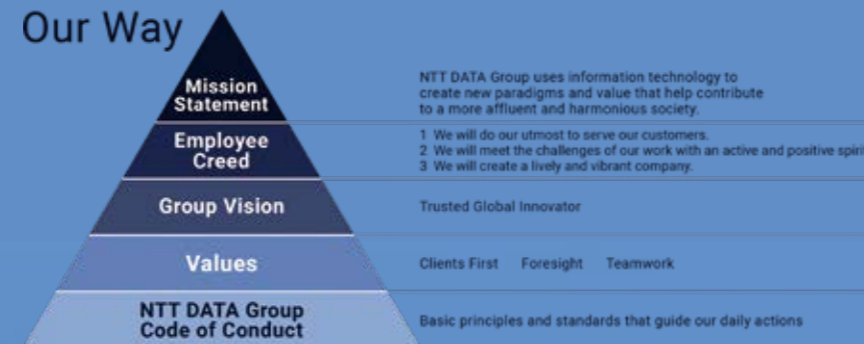





# Realizing a Sustainable Future

Many areas of the operating environment that touch our business are undergoing rapid change.

For NTT DATA to continue growing, every manager and employee at our company is encouraged to decide what they should accomplish; implement changes that will enable their goals to be achieved, and propose how our business should be transformed to ensure our continued success. To explain this approach, we have created "Our Way," which outlines our Mission Statement, Group Vision, and Values and aims to set out our way for navigating the future.



In May 2022, we revised the code of conduct that was part of Our Way to create the NTT DATA Group Code of Conduct. This new code of conduct contains provisions related to ethics and compliance along with policies for Groupwide sustainability initiatives. All members of the NTT DATA Group are expected to understand, observe, and act in accordance with this code of conduct. Moreover, managers of Group companies should set a good example with regard to the observation of the NTT DATA Group Code of Conduct to create an environment in which employees are inspired to adhere to the code.

 [https://www.nttdata.com/global/en/-/media/nttdataglobal/1\\_files/about-us/our-way/ntt-data-group-code-of-conduct.pdf?la=en&hash=564D4DBF79E7D6174E7D31899536B7E5B292CFF6](https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/about-us/our-way/ntt-data-group-code-of-conduct.pdf?la=en&hash=564D4DBF79E7D6174E7D31899536B7E5B292CFF6)

## Mission Statement / Group Vision / Values

### Mission Statement

NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society.

### Group Vision – What We Aim to Become in 10 Years –

**Trusted Global Innovator**  
A partner trusted by clients over the long term

We realize the dreams of our clients around the world through Long-Term Relationships. We develop evolving ecosystems with our clients through leading-edge technologies. We enhance our creativity by respecting diversity.

### Values

#### Clients First

First, and above all else, we place the needs of our clients. We work continuously to understand your business and we strive to resolve every concern to your satisfaction. We feel responsibility to ensure your success and we let this obligation set the direction of our work and guide our actions.

#### Foresight

We never settle for the status quo. Instead, with speed and foresight, we anticipate challenges that lay ahead. We consider the future of IT as well as the future of your business, work to enhance our ability to picture the future, and with our ecosystems, adapt to the changing business environment. In this way, we help you to meet your goals and create a brighter future for society.

#### Teamwork

We put great importance on enabling our employees to achieve their best through their work with each other. We believe that when a diverse group of individuals brings their unique world views together, shares their wisdom, and works toward a common goal, the results are extraordinary and far beyond what can be achieved by any one person.





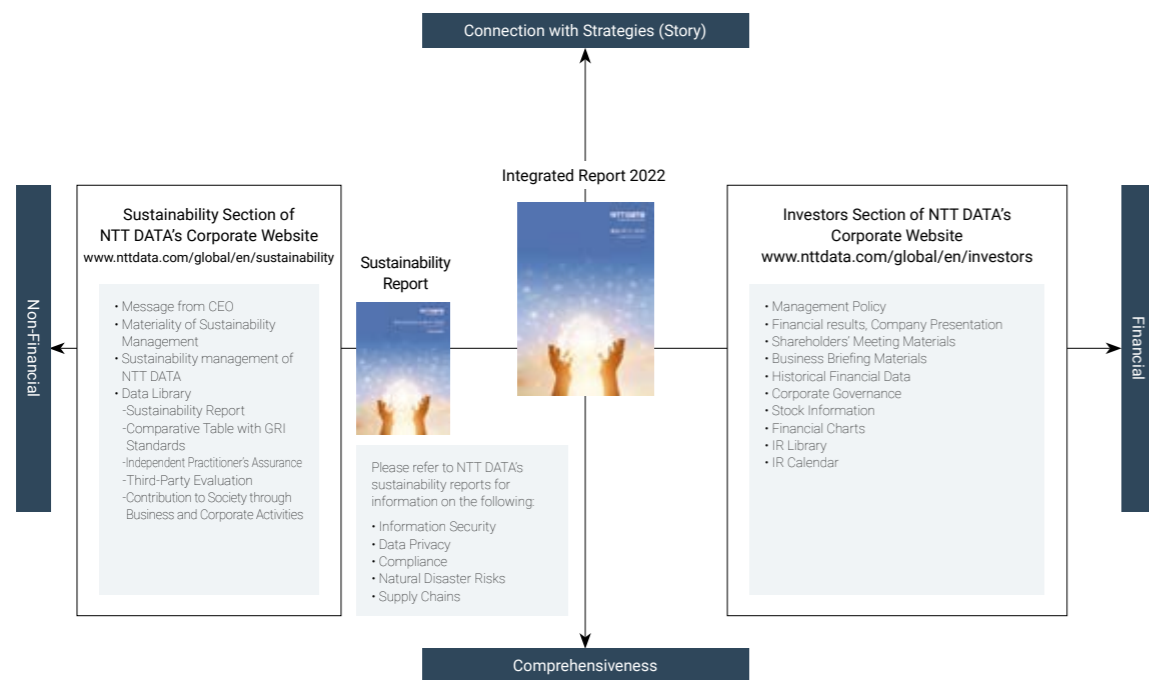
# Editorial Policy and Greetings on the Publication of the Integrated Report

## Editorial Policy

NTT DATA Integrated Report 2022 has been positioned as a medium for communicating with shareholders, investors, and a wide range of other stakeholders as part of NTT DATA's efforts to achieve sustainable enhancement of corporate value through constructive dialogue.

The report integrates information particularly important to shareholders and investors, such as business strategies, business performance trends, etc., as well as environmental, social, and governance (ESG) data. We consider this report as an integrated report to explain the NTT DATA Group's initiatives in creating sustainable value.

For more information, please see the investors and sustainability sections on our website.



## Greetings on the Publication of the Integrated Report

NTT DATA has launched a new medium-term management plan designed to guide its march toward its Global 3<sup>rd</sup> Stage with an eye to FY2025. Client needs are growing more diverse and complicated in the changing operating environment. Against this backdrop, we welcomed NTT Ltd. into the Group in October 2022. This new addition to the Group has poised us to boost our global competitiveness and pursue growth accompanied by quality over the medium term.

This report was compiled with a focus on facilitating understanding with regard to the current situation at NTT DATA and our outlook for the future. To this end, we sought to provide a robust range of information on topics such as the combination of our overseas businesses with those of NTT Ltd. and the new medium-term management plan while also expanding the Human Resources and Environment sections in NTT DATA's Sustainability Management. We hope that this report will function as a tool for improving the quality of engagement and fostering shared understanding with shareholders, investors, and other stakeholders. We will continue to further enhance and improve the transparency of information disclosure, and ask for your ongoing understanding and support.

*Toshi Fujwara*

Senior Executive Vice President and Representative Director

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### Referenced Guidelines

International Integrated Reporting Framework (IFRS Foundation)  
 Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation: ESG Integration, Non-Financial Information Disclosure, and Intangible Assets into Investment (Ministry of Economy, Trade and Industry)  
 Environmental Reporting Guidelines (2018 version, Ministry of the Environment)

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

### Cautionary Statement Regarding Forward-Looking Statements

This integrated report contains forward-looking statements concerning the NTT DATA Group's future plans, strategies, and performance. These forward-looking statements are not historical facts; rather, they represent assumptions and beliefs based on economic, financial, and competitive data currently available. Forward-looking statements include information preceded by, followed by, or that include the words "predicts," "expects," "anticipates," "could," "may," or similar expressions.

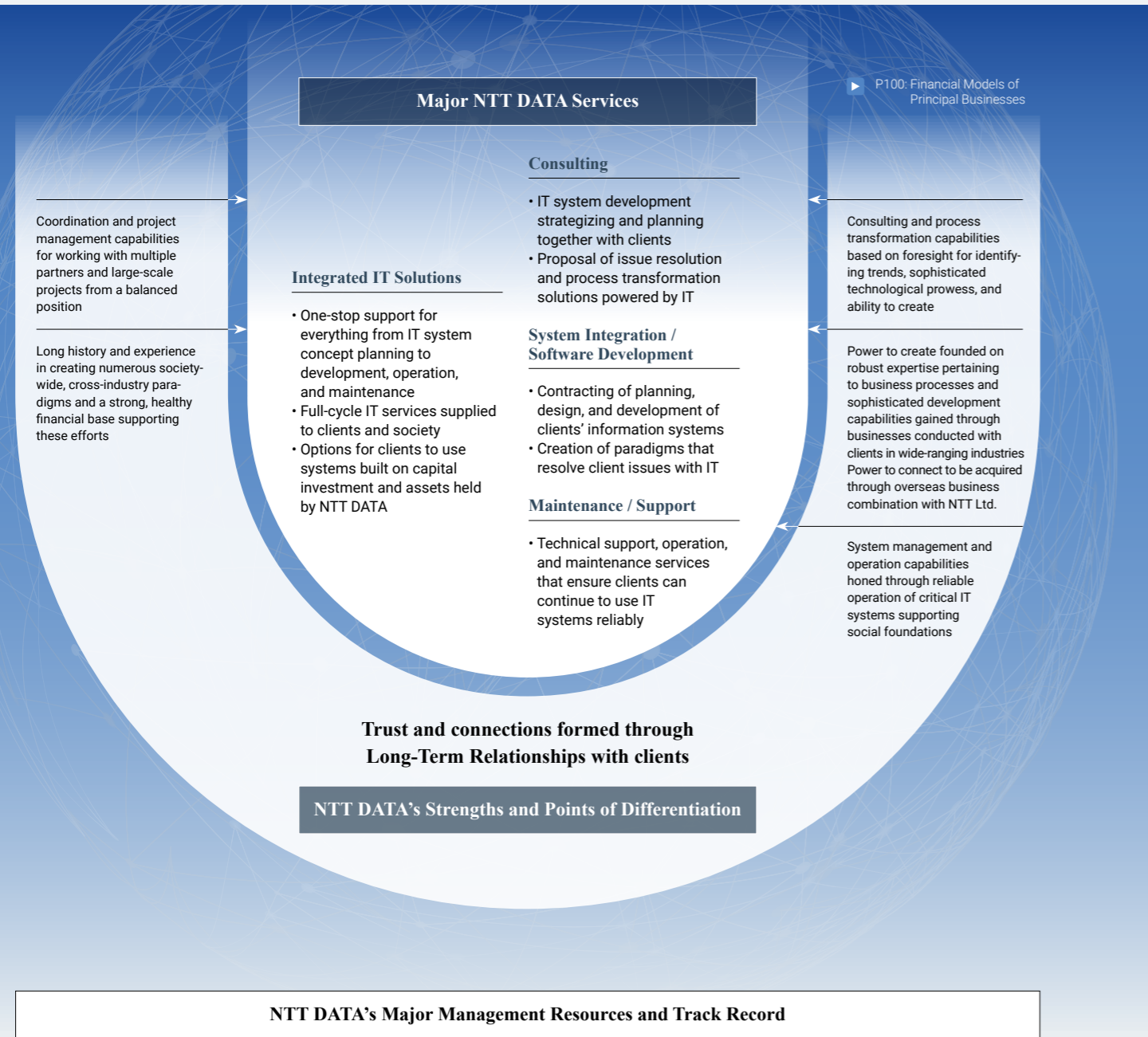
Furthermore, they are subject to a number of risks and uncertainties that without limitation, relate to the COVID-19 pandemic, economic conditions, fierce competition in the information service industry, client demand, tax rules, regulations, and other factors. Readers of this integrated report are cautioned not to place undue reliance on these forward-looking statements. The NTT DATA Group therefore wishes to caution readers that actual results may differ materially.

### Scope

NTT DATA Corporation and Group companies

# NTT DATA's Businesses

NTT DATA combines various IT services and advanced technologies to deliver the optimal services and solutions to clients around the world.

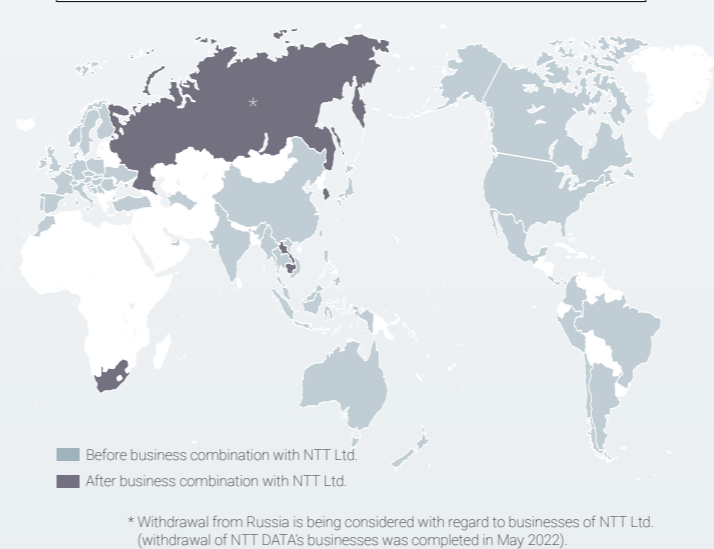


## NTT DATA's Major Management Resources and Track Record

<p><b>Total Assets</b> ¥3,084.5 billion</p>	<p><b>Number of Employees</b> Approx. 151,600 <small>(Reference) After business combination with NTT Ltd.: Approx. 190,000</small></p>	<p><b>Net Sales</b> ¥2,551.9 billion <b>33</b> consecutive years of growth</p>	<p><b>Consolidated Subsidiaries</b> <b>312</b> companies</p>
<p><b>Credit Ratings</b> <b>AA+</b> Rating and Investment Information, Inc. (R&amp;I) Japan Credit Rating Agency, Ltd. (JCR)</p>	<p><b>Business Partners*</b> Approx. 160 companies, approx. 62,000 people <small>* In Japan only</small></p>	<p><b>Net Sales (after business combination with NTT Ltd.)</b> Over ¥3,600.0 billion</p>	

▶ P20: Management Resources

## NTT DATA's Global Coverage



**Offices**

NTT DATA: **52** countries and regions

NTT DATA + NTT Ltd.: **56** countries and regions

## Major NTT DATA Clients (Industries / Society)



NTT DATA supplies services that contribute to the growth of clients' businesses and to the resolution of social issues for various companies and for social infrastructure that extends beyond the boundaries of companies and industries.

**Client Base 82** companies  
Clients with annual sales of ¥5 billion or more (Japan) or US\$50 million or more (outside of Japan)

## Principal NTT DATA Services and Solutions

Japan	<p><b>Public &amp; Social Infrastructure</b></p> <ul style="list-style-type: none"> <li>Important national infrastructure</li> <li>Government accounting system (ADAMS II)</li> <li>Electronic vehicle registration and inspection information processing system (MOTAS)</li> <li>Air traffic control information processing systems</li> <li>Nippon Automated Cargo and Port Consolidated System (NACCS)</li> <li>Electronic national tax reporting and payment systems (e-Tax), etc.</li> <li>Public-private partnership platforms (mint, pipitLINO, etc.)</li> <li>Drone operation management systems</li> <li>Digital archives for public documents</li> <li>Robot nursing care monitoring services</li> <li>Disaster mitigation communication systems</li> </ul>	<p><b>Financial</b></p> <ul style="list-style-type: none"> <li>Financial infrastructure systems</li> <li>Inter-bank settlement systems (Bank of Japan / Japanese Bankers Association networks)</li> <li>Integrated ATM migration services</li> <li>Joint-use settlement network (ANSER)</li> <li>Joint-use banking system for regional banks (BeSTA)</li> <li>Next-generation banking apps (My Palette, etc.)</li> <li>Joint insurance company gateway</li> <li>Paperless insurance sales solutions</li> <li>OpenCanvas cloud system for financial institutions</li> <li>Financial electronic data interchange system</li> <li>Aisaku farming support platform</li> </ul>	<p><b>Enterprise</b></p> <ul style="list-style-type: none"> <li>Comprehensive cashless payment platform (CAFIS)</li> <li>Cash register-free digital store opening support service (Catch&amp;Go)</li> <li>Enterprise resource planning (ERP) production management systems for manufacturers</li> <li>Connected car data collection platforms (vehicles, images, sensor data, etc.)</li> <li>Workstyle innovation support (digital workplace development)</li> <li>Client data analysis support (platforms, artificial intelligence (AI), etc.)</li> <li>Next-generation point and member management cloud systems</li> <li>Greenhouse gas measurement and visualization solutions</li> <li>Map data distribution platforms</li> <li>Personal identification number collection, storage, and submission support services</li> <li>WinActor robotic process automation (RPA) solution</li> <li>Convenience store payment proxy services</li> </ul>
	Overseas	<p><b>North America</b></p> <ul style="list-style-type: none"> <li>Public transformation prediction analysis and digital app development (Victoria, Australia)</li> <li>AI image diagnosis support solutions</li> <li>Global supply chain management solutions</li> <li>SAP solutions introduction support</li> </ul>	<p><b>EMEA</b></p> <ul style="list-style-type: none"> <li>Digital transformation (DX) support for public institutions in Europe</li> <li>Digital archives for public documents (Vatican, etc.)</li> <li>Citizen service channel digitization and operation (Madrid, Spain)</li> <li>Mobility as a Service (MaaS) platform development (Renfe-Operadora, Spain)</li> <li>Global support for German automotive companies</li> <li>Next-generation smart meter business support (major Italian energy companies)</li> <li>Introduction of digital solutions for gasoline stands (major Spanish petroleum companies)</li> <li>SAP solutions introduction support</li> </ul>

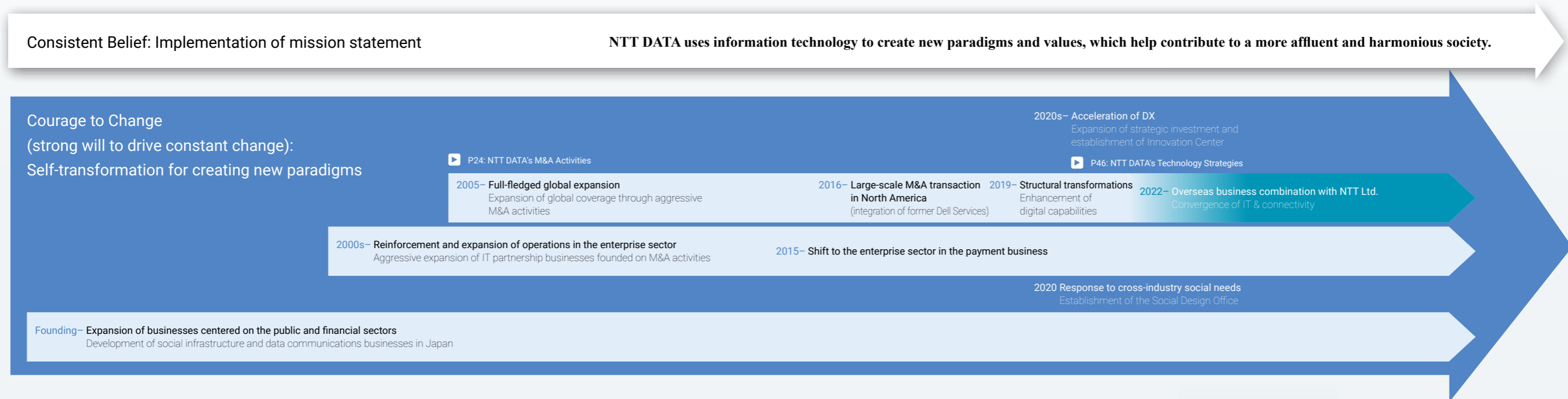
**(Reference) Businesses of NTT Ltd.**

- Data centers (No. 3 in the world)
- Managed services
- Networks
- Cloud communication
- Equipment sales



# NTT DATA's History of Self-Transformation

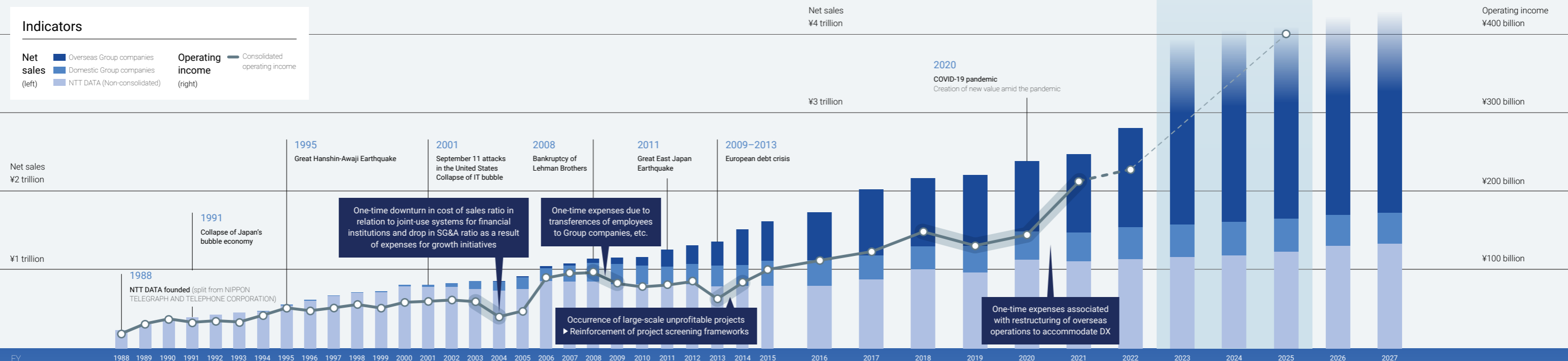
Driven by consistent belief and courage to change, the NTT DATA Group has continued to transform itself in a flexible manner in response to technological progress and changes in client needs and the operating environment. This dedication to transformation has allowed us to continue growing our business while achieving higher net sales for 33 consecutive years since our founding.



## Changes in Net Sales and Operating Income

- Accomplishment of 33 consecutive years of net sales growth since founding despite operating environment changes
- Transformation toward accomplishment of the targets of the new medium-term management plan for FY2025 of net sales of over ¥4 trillion, operating income of ¥400 billion, and an operating income margin of 10%

**Ratio of overseas sales projected to increase to over 60% following overseas business combination with NTT Ltd.**







NTT DATA

*Yo Honma*

**Yo Honma**  
President and Chief Executive Officer,  
Representative Director

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## Fully demonstrating its strength in the global market, NTT DATA will rapidly complete final preparations for its transition to the Global 3<sup>rd</sup> Stage.

### 1. IT Matched to People's Lives

In October 2020, NTT DATA established a dedicated digital transformation promotion organization in my hometown of Sakata City, Yamagata Prefecture, and I was appointed to the position of CDO\*1 of this organization. I am offering advice from my specialized IT perspective, but I am also receiving various suggestions pertinent to management. This CDO position helped remind me of the severity of birth rate declines, population aging, and depopulation in local cities. Gaining an understanding of the lifestyles and actual issues of people in such cities has opened my eyes to potential for economically rational autonomous driving systems and digital frameworks to reduce the burden placed on government officials while also helping minimize damages in times of disaster.

More than two and a half years have passed since the start of the COVID-19 pandemic. During this time, lifestyles and work styles that adapt to the pandemic have become the norm, and digital transformation has brought about changes to numerous industries. **IT and digital technologies will be increasingly used to address the various social issues that have emerged amid the pandemic. These issues are evident in relation to online education, supply chains, and the linkage of public- and private-sector systems.** In contributing to the resolution of these issues, we cannot adopt a "one size fits all" approach, nor can we become preoccupied with our perspective of a supplier as an IT vendor. Rather, it is important for us to **adopt the perspective of the end-users, like I experienced in Sakata City, to design IT services matched to people's lives that are convenient and easy to use for people living in such areas.** This is the approach that the NTT DATA Group should take toward contributing to society based on the mission statement it has embraced since its founding of "NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society."

\*1 Highest authority for digital transformation in Sakata City

### 2. Consistent Belief and Courage to Change

Based on the mission statement put forth at the time of its inception, NTT DATA has continued to contribute to the development of clients' businesses and of society. We have made these contributions by persevering together with clients to create new paradigms built on IT and then proceeding to refine these paradigms after they have been put into place. **One of our core competencies is our ability to develop systems based on a deep understanding of clients and sophisticated technical capabilities.** This ability

has been fostered through Long-Term Relationships with clients that we have forged with the client-first mindset apparent in our ongoing contributions.

If we are to continue to create corporate value, it will be crucial that we preserve this corporate stance as a consistent belief. Japan's existing IT systems are currently plagued with issues pertaining to their growing obsolescence, rising complexity, and indecipherable nature. These issues are creating obstacles to digital transformation. Another issue faced with this regard is the so-called 2025 Digital Cliff, which will make it difficult for existing systems to continue to receive ongoing maintenance. If all we wanted was short-term profits, we could imagine an approach of refraining from performing maintenance on older systems to focus purely on digital transformation. However, NTT DATA is not going to give up maintaining these systems that are important paradigms for society. NTT DATA is a company that accomplishes both approaches of maintaining these systems while promoting digital transformation.

Moreover, as we help advance the digitalization of society as a whole, we will not limit ourselves to high-margin undertakings. Rather, we will pursue a codified goal of contributing to a more affluent and harmonious society. This does not mean that we will be deemphasizing earnings; we recognize that it is important for NTT DATA to prove its worth to society by being a company that **creates both social value and economic value through the development of paradigms that are superior in terms of cost reductions and cost performance.** This is why we must continue to exercise the courage to change (strong will to drive constant change) in order to constantly transform our approach.

The previous medium-term management plan, which covered the period from FY2019 to FY2021, called on us to maintain a consistent belief in our mission statement and our Long-Term Relationships while having the courage to change as necessary for ongoing transformation in order to maximize the value we deliver to clients.

### 3. Strong Position as We Pass the Midpoint toward Achieving Global 3<sup>rd</sup> Stage

Boldly advancing on to the global market in 2005, NTT DATA pursued increased global coverage during its Global 1<sup>st</sup> Stage before going on to build a recognized global brand based on the Group Vision of being a "Trusted Global Innovator" in the Global 2<sup>nd</sup> Stage. As we steadily advanced forward, the profitability of our ever-growing global business has been a constant area of concern. This is why, when I took up the mantle of president in 2018, I set the personal goals of enhancing the earnings



capacity of our global business and of strengthening our digital capabilities to ensure that we could seize upon the then-emerging digital transformation trend. The previous medium-term management plan exhibited my commitment to profits in its targets for the consolidated operating income margin and the overseas EBITA margin. This commitment guided us in pursuing profitable global growth.

It was in **FY2021**, the final year of the previous medium-term management plan, that I was reminded of the true value of the NTT DATA Group's strong on-site capabilities. In this year, **we posted our 33rd consecutive year of higher sales, accented by record highs for new orders received, net sales, and operating income.** This impressive feat was a result of growth and improved profitability in overseas operations combined with the steady expansion of our domestic operations. We were thus able to **achieve the previous medium-term management plan's targets for FY2021 of consolidated net sales of ¥2.5 trillion, a client base to be comprised of more than 80 companies,\*2 and a consolidated operating income margin of 8%.** We failed to accomplish the target for the overseas **EBITA margin\*3** of 7%, but we did make strong progress toward this target with a **figure of 6.5%, representing a massive improvement** from the level of 3.2% seen on March 31, 2019. This improvement was a result of structural transformations meant to help us better promote digital transformation. I also want to highlight the fact that we succeeded in achieving an **EBITA margin of 7% in the highly competitive North American market.** For this, we have to thank our local staff in North America, who completed their structural transformations ahead of schedule, despite the adversity presented by the COVID-19 pandemic.

▶ For more details, please refer to "Business Performance Review" in "Message from the CFO" on **page 26.**

In this manner, the dedicated efforts of our employees have placed us at a strong position as we pass the midpoint toward achieving the Global 3<sup>rd</sup> Stage.

These successes have built a foundation that poises the NTT DATA Group to complete final preparations for its transition to the Global 3<sup>rd</sup> Stage as it seeks to become a Global Top 5 IT company relied upon by clients around the world as a "Trusted Global Innovator," by 2025.

\*2 Clients with annual sales of ¥5 billion or more (in Japan) or US\$50 million or more (outside of Japan)

\*3 Excluding temporary costs such as M&A activities and structural transformation

#### 4. "Power to Create and Connect" toward the Global 3<sup>rd</sup> Stage

In the Meiji period, a period of great change for Japan, the country's capitalist foundations were built by Eiichi Shibusawa, an individual who was involved in the establishment and management of more than 500 companies. Shibusawa has been credited as being a master at discovering, training, and connecting talented human resources. Today, Japan once again finds itself in a period of great change. Rather than one genius, I believe it will be IT and digital technologies that perform the function of forming these connections in this new period of change.

If we can transcend prior frameworks for government agencies, companies, communities, and society as a whole to form connections among such entities, it will no doubt contribute to massive improvements in convenience for end-users.

Furthermore, connections between people and things will facilitate the collection and utilization of data. If this data can be used to contribute to the realization of a data-driven society, it will then be possible to address increasingly more diverse and complex issues and needs related to decarbonization, circular economies, biodiversity protection, and changes in lifestyles and consumption habits. I think that the realization of such a society will be supported by technologies for edge-to-cloud connections. Amid the rapid increase in use of device sensors, improvements to the capabilities of edge computing, and other technological advancements, edge-to-cloud connection technologies have the potential to collect data from the physical world in a secure manner and to analyze and utilize this data.

**The ability to connect is also a core competency that NTT DATA has honed throughout its history.** NTT DATA was originally established to lead the development of paradigms that contribute to the public good by connecting bases through data transmissions. With this purpose, we have continued to supply society with new paradigms that support corporate systems and business infrastructure by capitalizing on our abilities to create and connect.

The new medium-term management plan, which covers the period from FY2022 to FY2025, lays out our intent to contribute to the realization of a sustainable society together with customers. This objective is to be accomplished by strengthening and combining our ability to create with our ability to connect in order to generate value for the future and connect various people through technology. At the same time, **we will merge our overseas operations with those of NTT Ltd. with the goal of substantially reinforcing our ability to connect on a global scale.**

#### 5. Overseas Business Combination to Strengthen Global Business

You may have noticed that NTT DATA's stock price plummeted in May 2022. This drop took place after our May 9, 2022 announcement of the overseas business combination with NTT Ltd., a wholly owned subsidiary of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. I would like to take this opportunity to apologize to our shareholders and other investors for the confusion this caused on the day of the announcement as well as for any other concerns we might have sparked. At the same time, I hope you will understand that this **decision was made based on NTT DATA's strong commitment to drive the growth of the overseas operations of the entire NTT Group.**

NTT Ltd. boasts net sales in the area of ¥1 trillion and is a leading company in terms of its ability to connect. This ability has led it to supply access to its 130 data centers and its edge-to-cloud operation services, which are largely comprised of network and managed service offerings, to more than 75% of Fortune Global 100 companies. Our integration with this company will allow us to combine the ability to connect of NTT Ltd.

with the ability to create that can be found in the overseas operations of the NTT DATA Group. We thereby aim to respond to increasingly more complex and diverse needs on a global level by providing a comprehensive lineup of the services required among the accelerating digital transformation trend based on uniform strategies. **After the integration, the new NTT DATA Group will have a scale of net sales of around ¥3.6 trillion, roughly 60% of which will be generated overseas, as well as a staff of approximately 190,000 employees.** NTT DATA has defined a 2% market share as the minimum level that it needs to maintain in order to receive opportunities to propose solutions to global companies. This integration will **increase the number of countries and regions in which our share exceeds this level from five to 23,** which will grant us access to greater business opportunities on a global scale. For this reason, the **CEOs of major overseas operating companies have welcomed this integration as an exciting new development that they anticipate will broaden their possibilities.**

Based on my conversations with shareholders and other investors, I believe that concerns regarding this integration can largely be divided into two categories: **concerns in relation to the structural transformations underway at NTT Ltd. and concerns pertaining to synergies.** NTT DATA has acquired numerous companies, and we have been making steady progress in transforming our business structure for the purpose of promoting digital transformation in overseas operations. Accordingly, we have both the know-how and the confidence needed to ensure a successful post-merger integration (PMI) process. However, I also understand that concerns cannot be completely dispelled until this integration starts producing results that are apparent in the numbers. In the short term, performance will be impacted by the recording of costs associated with the integration. **Nevertheless, we are committed to producing results by advancing structural transformations at NTT Ltd., including a shift in its business to managed services and other high-value-added services.** I pledge to offer transparent reports on the PMI process and on the synergies being generated going forward.

▶ For more details, please refer to "Special Feature—Overseas Business Combination with NTT Ltd." on **page 14.**

The new medium-term management plan is comprised of five strategies formulated with the integration in mind.

#### 6. Strategic Narrative Crafted by Five Strategies

The new medium-term management plan encapsulates my strong commitment toward profits. In this plan, we have set targets of **consolidated net sales of more than ¥4.0 trillion, a client base to be comprised of 120 companies,\*2 a consolidated operating income margin\*3 of 10%, and an overseas EBITA margin\*3 of 10% for FY2025.** We will be working toward these targets while monitoring the indicators defined for each of the five strategies that I will be talking about in a moment. The new plan calls on us to acquire the capabilities required to bolster our global competitiveness and to advance and accelerate M&A activities for growing our share in major markets. We have earmarked between **¥300.0 billion and ¥500.0 billion for investment**



Message from the CEO

for this purpose over the four-year period of the plan.

We will also be directing investments toward the focus areas of industry and technology as well as toward social changes, such as those related to sustainability. **We plan to invest ¥32.0 billion in these areas in FY2022.** In this manner, we have **massively expanded our budget for strategic investment in comparison to the previous medium-term management plan.**

#### ■ Strategy 1—Capitalize on the Convergence IT & Connectivity

NTT DATA has a track record of building countless platforms for financial industry and other clients. Looking ahead, I think it might be possible for us to contribute to improved efficiency in a wide range of industries by creating platforms for sharing paradigms between companies in non-competing areas. A prime example of the type of paradigms of which I speak would be TradeWaltz, a trading platform that completely digitizes previous inefficient trading processes. This platform uses the blockchain technology we have been developing through co-creation across industries including general trading, banking, insurance, and shipping companies. If we were to take a broader look at digitalization, examining society as a whole, it would be clear that there is a need for platforms like those for utilizing personal identification numbers. **It is therefore our policy to combine our ability to create with our ability to connect in order to produce platforms and innovative services for connecting government agencies with various industries and diverse companies through cross-industry collaboration that exceeds the boundaries of companies and industries.** Specifically, this will entail strengthening our ability to connect by merging the capabilities we have previously supplemented through coordination with the NTT Group into the overseas operations of NTT Ltd. in order to internalize these capabilities within the NTT DATA Group.

### ■ Three Pillars for Advancing Strategy 1 (Strategies 2–4)

Strategies 2, 3, and 4, which function as the three pillars on which we will advance Strategy 1, represent the evolution of the three strategies implemented to maximize value for our clients under the previous medium-term management plan.

One of the strategies under the previous medium-term management plan was to “expand global digital offerings.” Through this strategy, we sought to codify our tacit knowledge, customer-specific optimization expertise, and best practices so that these assets could be consolidated and shared on a global basis. This strategy was evolved to become **Strategy 3—Evolve to an asset-based business model**. Under this strategy, we look to consolidate industry best practices, technologies, insight, and experience to transform these into **reusable assets and to make effective use of these assets on a global scale**. We anticipate that this process will allow us to transition away from our previous labor-intensive business model focused on system integration subcontracting and toward a **knowledge consolidation business model in order to improve development productivity and provide greater value to clients**.

**Strategy 4—Enhance advanced & development technology—**is a more advanced and robust approach toward the Centers of Excellence (CoEs) that we developed under the previous medium-term management plan by consolidating global insight and expertise in seven technical fields while refining and utilizing the associated technologies. The new strategy will involve us **bolstering our technical capabilities from a medium- to long-term perspective based on our degree of technical maturity** in the respective areas. In **emerging areas**, where our technologies

lack maturity, we will exercise foresight to predict future trends while using our discerning eye to identify advanced technologies. We will thereby seek to acquire such technologies through co-creation with companies around the world involved in cutting-edge initiatives. The technologies of **growth areas** acquired and selected through this process will be evolved into assets for driving future progress and enhancing competitiveness. Meanwhile, in **mainstream areas**, where our technologies are the most mature, we are cultivating technical human resources and developing frameworks with an eye toward global expansion. In this manner, Strategy 4 is designed to continuously build upon the assets created through Strategy 3. Moreover, both Strategy 3 and Strategy 4 will help us move forward with **Strategy 2—Strengthen consulting with foresight**.

Clients’ goals for IT investment are growing more sophisticated, now sometimes representing an integral part of management strategies pertaining to tasks such as reforming business models through digital transformation. Accordingly, there is a rising need for comprehensive services that encompass everything from concept planning to implementation. Against this backdrop, we have seen consulting firms, mega cloud vendors, and other non-traditional competitors expanding their operations into the system integration field. We therefore look to compete, not by mimicking these companies, but by differentiating ourselves through unique consulting services that capitalize on the distinctive strengths of NTT DATA.

We have forged Long-Term Relationships with major companies representing Japan as well as with government agencies. These relationships have allowed us to develop deep insight regarding various operating processes and industries while also honing our ability to predict future technological trends and to exercise responsibility in seeing systems development projects through to the end. These exclusive management resources will be strengthened through Strategies 3 and 4. At the same time, **we aim to enhance our feasible consulting capabilities** in terms of both industry consulting and technology consulting. **These services will be backed by an architecture that begins with foresight regarding future changes and ideal conditions and goes on to include the identification of tasks for realizing these conditions and the proposal of the ideal methods of tackling these tasks**. The previous medium-term management plan positioned our 4D Value Cycle as a shared model for Groupwide value provision activities. The new plan targets the enhancement of the first two steps of this cycle—Discover and Design—for the purpose of facilitating the more effective implementation of this cycle.

▶ For more details, please refer to “Value Creation Process” on page 18.

The newly established Consulting & Asset Business Transformation Headquarters will lead efforts on this front by setting up dedicated organizations for specific fields. At the same time, we will develop methodologies for shaping the future,

promote coordination with around 7,000 consultants around the world, and enhance the consulting capabilities of a wide range of human resources.

### ■ Strategy 5—Be the Best Place to Work (Foundation for Advancing Strategies 1–4)

I am always reminding employees of the importance of being professional. As a company in the business of IT services, human resources are among our most central management resources. I am therefore convinced that we will see direct increases in the value we provide to clients if we are able to bolster our organizational capabilities by having every employee act with a high degree of awareness as a professional while fully exercising their skills. This is the thinking that led us to put forth **Strategy 5—Be the best place to work. This is a top priority strategy as it will form the foundation for advancing the other four strategies** I have spoken of.

**By promoting diversity, equity, and inclusion (DEI), we are committed to evolving into a more appealing company in which diverse human resources can grow and succeed.** To this end, we will develop foundations that allows diverse human resources to express themselves and pursue autonomous growth; install advanced, data-driven business processes; and foster a workplace environment in which people can excel while exercising freedom in choosing their workstyles.

Digital transformation demand will undoubtedly continue to grow going forward. Meanwhile, Japan’s workforce is estimated to be short by as many as 790,000 people in 2030,\*4 meaning that the current lack of IT personnel is only going to get worse.

This issue is not exclusive to Japan, as such labor shortfalls are also seen around the world. It is for this reason that NTT DATA has put forth the goal of making all of its employees digital talent by 2025. This goal will be pursued by utilizing the assets cultivated through Strategy 3 to introduce new human resource development systems for sharing knowledge, improving productivity, and learning about various advanced technologies. We thereby aim to heighten the digital capabilities of employees.

▶ For more details, please refer to “New Medium-Term Management Plan (FY2022–2025)” on page 36.

\*4 Source: Study of Recent Trends and Future Estimates Concerning IT Human Resources, Ministry of Economy, Trade and Industry, June 2016

### 7. Acceleration of Sustainability Promotion in Management Convergence

Under the new medium-term management plan, the NTT DATA Group will evolve its prior ESG management practices to place even greater emphasis on sustainability in management from a longer-term perspective. Our evolved approach toward ESG management touts the slogan of “Realizing a Sustainable Future,” based on which **we have defined the economic focus of Clients’ Growth, the environmental focus of Regenerating Ecosystems, and the social focus of Inclusive Society. With these focuses, we will accelerate initiatives from the perspectives of business activities targeting clients and society (by IT) and our own corporate activities (of IT)**. In addition, the Sustainability Innovation Department was established in July

2022 to oversee business strategies with an emphasis on non-financial indicators. This department will help us to entrench and practice sustainability management based on the **key performance indicators (KPIs) identified for each of our nine material issues**, which were revised in conjunction with the formulation of the new medium-term management plan.

▶ For more details, please refer to “Sustainability Management” on page 48.

In regard to the environmental focus of Regenerating Ecosystems, we will target net zero emission of greenhouse gas emissions by 2050 in accordance with NTT DATA Carbon-neutral Vision 2050, our vision for responding to climate change. A two-pronged approach will be taken toward accomplishing this goal. First, Green Innovation by IT will be promoted through co-creation and digital technologies to help achieve carbon neutrality for clients and for society as a whole and to enhance our responsiveness toward climate change. Second, Green Innovation of IT will be used as a methodology for reducing CO<sub>2</sub> emissions at NTT DATA and across its supply chain.

NTT DATA established the Green Innovation Office in October 2021. This organization is responsible for providing green consulting services that comprehensively encompass everything from tracking direct and indirect CO<sub>2</sub> emissions from business activities to formulating response strategies and supporting the implementation of these strategies. We are already receiving a large number of inquiries regarding these services. NTT DATA is accelerating its initiatives for contributing to the realization of a decarbonized society based on the keyword of “Green Innovation.”

▶ For more details, please refer to “Environment” on page 60.

### 8. “Continuing to Do Thoroughly What You Set Out to Do” and Driving Constant Change

In the past, I have had the opportunity to talk with Masters Tournament champion golfer Hideki Matsuyama. He told me that, after he overcame the massive obstacles to compete in the U.S. PGA Tour in 2014, he continued to face even more difficult-to-surmount obstacles. However, even as these obstacles threatened to break his spirit, he remained strong and persevered, driven by his dedication to become the best in the world. Hearing this untold tale of the quest of the first Japanese man to win a major title in golf, I felt that Mr. Matsuyama’s dedication was an embodiment of my favorite saying, “Continue to do thoroughly what you set out to do,” reaffirming to me the importance of such dedication.

Looking ahead, the NTT DATA Group will need to exercise its strengths to an even greater degree as it seeks to win out against the competition on the global stage. **I am dedicated to creating a virtuous cycle in which we generate earnings from our investments and use these earnings to fund future investments and thereby maximize the value we supply to clients and ultimately live up to the expectations of stakeholders.** Maintaining this strong sense of dedication, I will continue to evolve together with our equally dedicated employees.






# Overview of Overseas Business Combination

## Overseas Business Combination of NTT DATA and NTT Ltd.

NTT DATA has continued to support the systems of various companies and the infrastructure of numerous industries with its deep understanding of clients and its power to create with sophisticated technical skills. The business combination with NTT Ltd. is anticipated to allow us to incorporate this company's power to connect, and to thereby evolve into a company that can comprehensively supply services born out of the convergence of IT & connectivity. This newfound capacity will be used to bolster the competitiveness of our overseas operations. After the business combination, the new NTT DATA Group will have net sales of around ¥3.6 trillion, roughly 60% of which will be generated overseas, as well as a staff of approximately 190,000 employees.

By combining the strengths of NTT Ltd. and NTT DATA under the unified strategies, we will seek to contribute to the growth of clients of both companies while helping resolve social issues.

Power to Create of NTT DATA		Power to Connect of NTT Ltd.
<p><b>System Integration Capabilities Centered on Consulting and Application Services</b></p> <ul style="list-style-type: none"> <li>Long-Term Relationships with clients in advanced fields</li> <li>Consulting capabilities and deep understanding of clients in various industries</li> <li>Application and other services combining systems integration and technical capabilities</li> <li>Capacity to create innovation in digital businesses</li> </ul>		<p><b>Strength in Edge-to-Cloud Operation Services</b></p> <ul style="list-style-type: none"> <li>Experience in businesses related to data centers and network infrastructure</li> <li>System integration, managed services, and other capabilities</li> <li>Broad client base including hyper-scalers</li> <li>Services supplied to approx. 190 countries around the world</li> </ul>
<p>Net sales*1</p> <p><b>Approx. ¥3.6 trillion</b></p>	<p>Number of employees</p> <p><b>Approx. 190,000</b></p>	<p>Ratio of overseas sales*1</p> <p><b>Approx. 60%</b></p>

\*1 Figures are simple addition of FY2021 results.

## Business Overview of NTT Ltd.

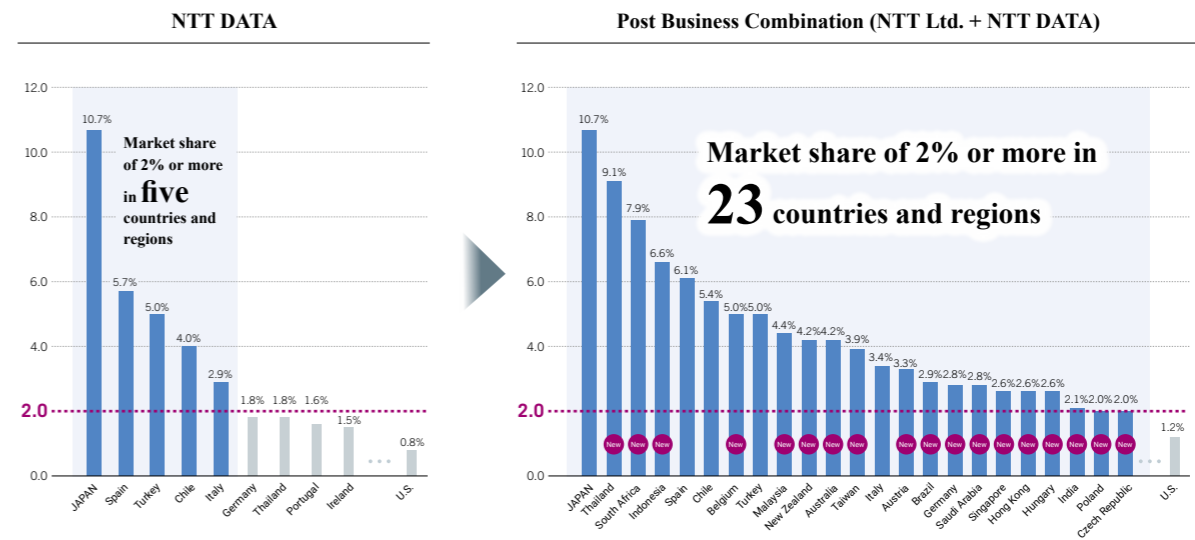
NTT Ltd. boasts net sales in the area of ¥1 trillion and provides data center, network, edge-to-cloud, and other IT infrastructure and services to more than 75% of Fortune Global 100 companies.

Summary of NTT Ltd.	<p>Net sales (FY2021)*2</p> <p><b>¥1,054.7 billion</b></p>	<p>Number of employees (FY2021)*2</p> <p><b>Approx. 36,150</b></p>	<p>Number of countries supplied with network services</p> <p><b>Approx. 190</b></p>
NTT Ltd.'s Business	<p>Provision of services to more than 75% of Fortune Global 100 companies</p>		
	<p>Multi-Cloud Infrastructure    Edge to Cloud Network    Collaboration &amp; Communication    P5G / IoT/ Edge</p>		
	<p>Security</p>		
	<p>Digital Platform (Systems Integration + Platform Delivered Managed Services)</p>		
	<p>Secure IP Network    High Performance, Sustainable Data Centers    Submarine Cables</p>		
	<p>Digital Backbone</p>		

\*2.Source: IR Presentation, NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION, May 12, 2022

## Expansion of Market Share\*3 through Business Combination

The business combination with NTT Ltd. will increase the number of countries and regions in which the Company boasts a market share of 2% or more\*4 to 23, compared with five before the integration.

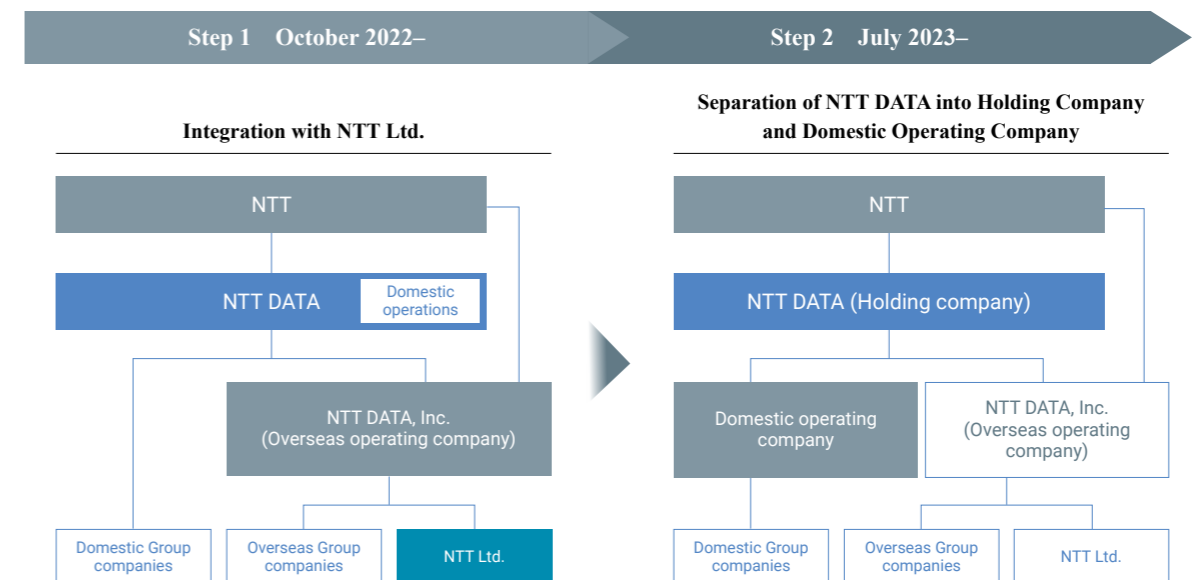


\*3 Graphs and charts are created by NTT DATA based on Gartner Research, and market share (%) is calculated by NTT DATA. Please see page 107 for sources.

\*4 If the Company achieves market share of 2% or more in a country or a region, its level is estimated as sufficient for ranking among the top 10 sellers within the given country or region. Figures are calculated based on revenue in 2021.

## Business Combination Schedule

Through the business combination, the Company aims to transition to a global management structure comprised of a holding company and regional operation organizations. This structure will be created by establishing NTT DATA, Inc., an overseas operating company, in October 2022 and then setting up a domestic operating company and transitioning to a holding company system in July 2023.



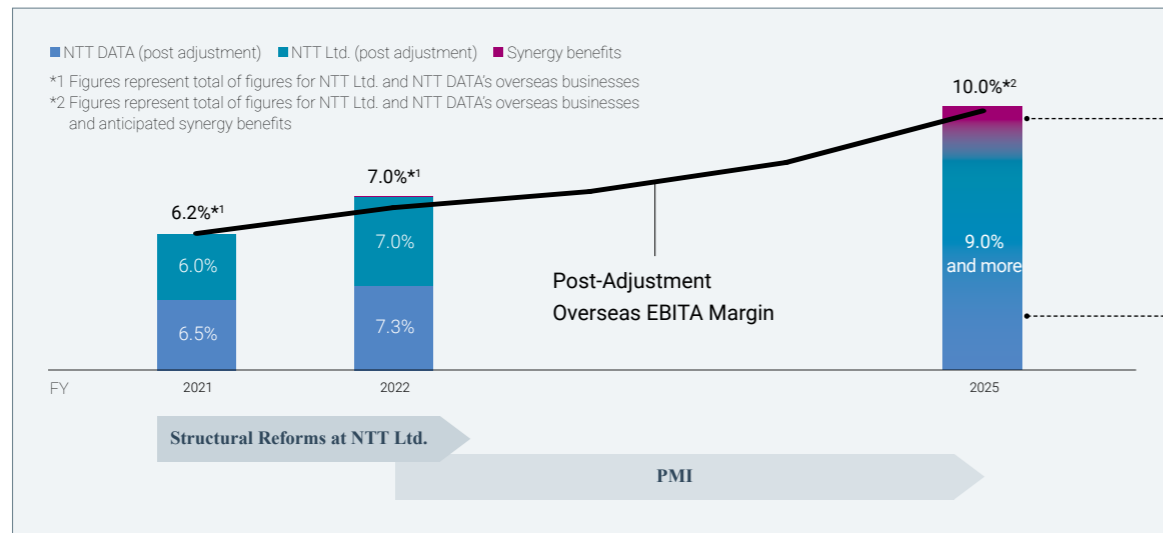
# Post-Integration Growth Scenario and Initiatives

## Growth Scenario for Achieving Overseas EBITA Margin\*1 of 10%

The new medium-term management plan, which covers the period from FY2022 to FY2025, targets an overseas EBITA margin\*1 of 10%.

Although the business combination with NTT Ltd. will result in a temporary rise in costs, we remain committed to generating synergies between the two companies to move us toward this goal through the following initiatives.

\*1 Excluding temporary costs such as M&A activities and structural transformation



### Growth Directives for NTT Ltd.

Steady advancement of structural reforms and expansion of high-value-added services

- Development of sales structure for accelerating sales of high-value-added services
- Establishment of account plans for target clients
- Expansion of the number of sales professionals well-versed in service provision
- Introduction of new incentives that place emphasis on high-value-added services

- Reduction of costs
  - Streamlining of shared operations through digital transformation, outsourcing, etc.
  - Selective focus on services and concentration of resources based on future business portfolio
- Ongoing investment in existing services
  - Ongoing investment in market-leading IT platform (data centers, IP backbone)
- Development of new solutions
  - Expansion of cloud, edge computing, and IoT services

### Growth Directives for Overseas Businesses of NTT DATA

Pursuit of growth that accompanies quality through ongoing profitability improvements, shift to digital technologies to bolster competitiveness, expansion of share and presence under the new medium-term management plan

- P92: Business Strategies by Segment—Global Segment (North America)
- P94: Business Strategies by Segment—Global Segment (EMEA & LATAM)

### Synergies through Overseas Business Combinations

Generation of synergy benefits equating to increase of ¥30.0 billion in FY2025 operating income by improving market presence, complementing operations through cross-selling, and reducing costs through post-integration rationalization

#### 3. Reduction of costs through business combination

- Reduction of costs through business combination of redundant IT infrastructure and corporate functions, etc.

#### 1. Improvement of market presence—Expansion of operations in growth fields

- Improvement of market presence to capitalize on wider range of business opportunities in cloud and other areas of specialty
- Expansion of operations in smart world, 5G, IoT, edge to cloud, and other growth fields

#### 2. Complementation of operations to grow businesses through cross-selling

- Expansion of digital businesses by combining business, client, and infrastructure foundations of NTT Ltd. with consulting capabilities of NTT DATA
- Growth of businesses targeting medium-sized clients by integrating managed services of NTT Ltd. with SAP development capabilities of NTT DATA

## Structural Reforms at NTT Ltd.

In FY2019, NTT Ltd. began conducting structural reforms with the goal of transitioning to a business that supplies managed IT services and other high-value-added services. Specific initiatives implemented as part of these reforms are indicated below. These reforms will be advanced in a concentrated manner in FY2022 and their completion is expected to entail expenditures totaling approximately ¥38.0 billion.

### Structural Reform Initiatives

Migration	Business Reorganization
<ul style="list-style-type: none"> <li>Migration away from underperforming services</li> <li>Streamlining of assets and base network in conjunction with migration</li> </ul>	<ul style="list-style-type: none"> <li>Reorganization of security business</li> </ul>
Withdrawal from Unprofitable Businesses	Operational Streamlining
<ul style="list-style-type: none"> <li>Withdrawal from unprofitable countries and service lines</li> </ul>	<ul style="list-style-type: none"> <li>Streamlining of operations (outsourcing, etc.)</li> </ul>

## PMI Plan (Expenses, Timing, etc.)

The PMI process following the business combination with NTT Ltd. will be advanced via a project using a system established for this purpose. Through this project, we will seek to promote cross-selling and create joint offerings to grow our business while addressing redundant IT infrastructure and optimizing corporate functions. We plan to have transitioned almost completely to integrated operations by FY2025, and the total cost of integration is estimated to amount to between ¥10.0 billion and ¥20.0 billion a year over this period.

## Transition to a Global Management Structure

The business combination with NTT Ltd. will allow us to consolidate the overseas business talents of the NTT Group in order to facilitate swift decision-making matched to the characteristics of operations and customers in given regions of overseas operations. In this manner, we will develop a robust global governance system for supporting future business growth.

Moreover, we plan to transition to a global management structure centered on a holding company system over the medium to long term. In this structure, Japan will be identified as a single region, and we will establish region-specific operation organizations that flexibly operate businesses based on the needs and regulatory environment of their respective regions.

16 NTT DATA

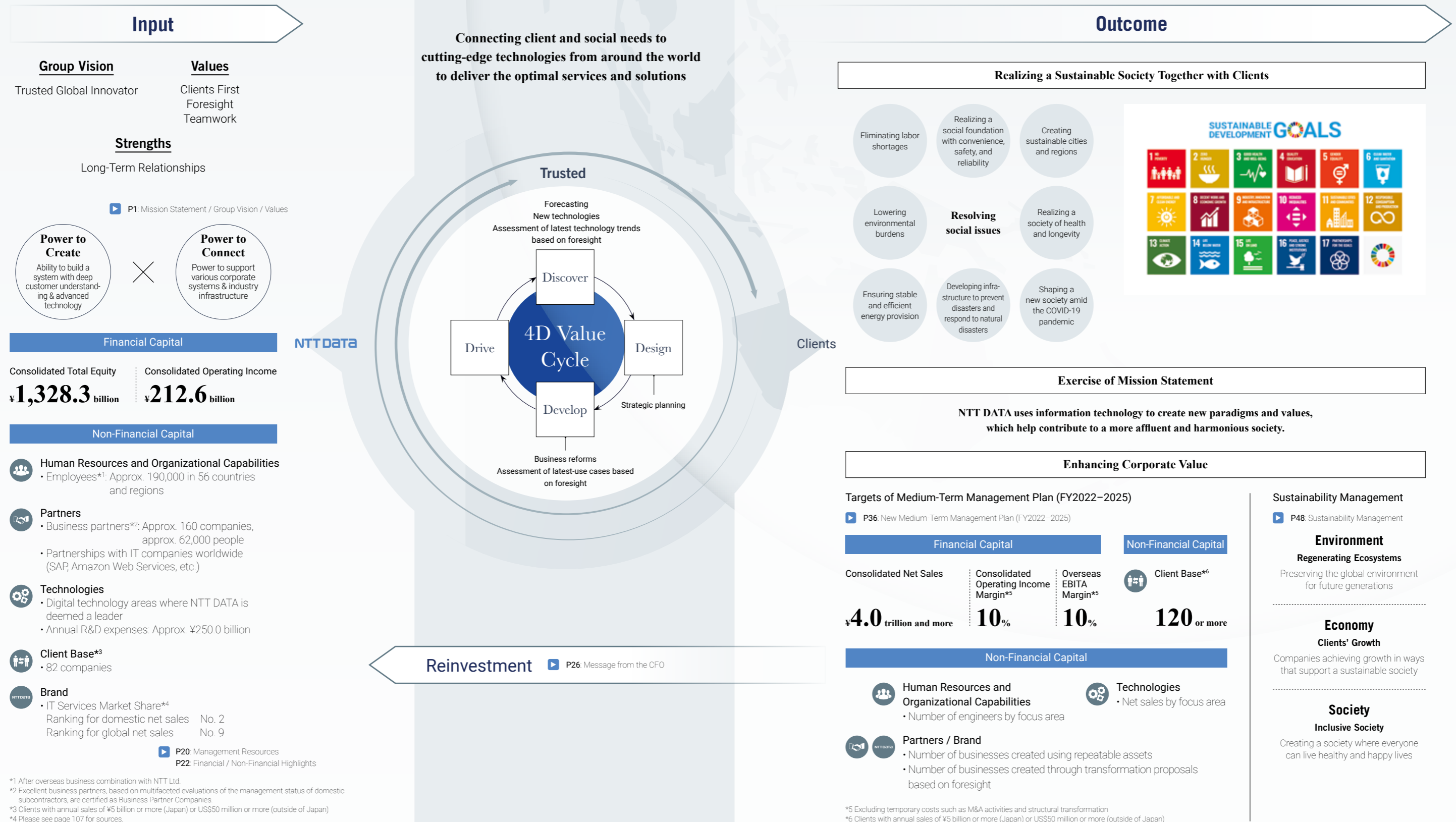
Integrated Report 2022 17

Special Feature—Overseas Business Combination with NTT Ltd.



# Value Creation Process

NTT DATA designs new paradigms and value for society while utilizing digital and other cutting-edge technologies to contribute to the realization of a sustainable society together with clients as a trusted partner. This is how we raise corporate value and is the embodiment of our mission statement.



Significance of Management Resources

Management Resource Statistics

Sustainability Management Material Issues (Materiality)

Relevant Strategies of the New Medium-Term Management Plan



## Human Resources and Organizational Capabilities

- Vital need for diversity and talented human resources to respond to client needs and technology trends and continue creating innovation
- Cultivation in human resources and organizations (sources of competitiveness) of insight and expertise pertaining to client business processes and applications gained from long-standing solid client base

Professional Human Resources\*1  
**Approx. 190,000**  
 individuals in 56 countries and regions

Ranking as the Most Popular Employer for New Graduates in 2023\*2  
 Overall **No. 1**  
 IT Industry **No. 1**  
 (for 13 consecutive years)

Ratio of Employees Stating They Feel High Engagement\*3  
**76%**  
 (Industry average: 69%)

P57 Workstyle Innovation

Human Rights & DEI

Future of Work

Strategy 5 Be the Best Place to Work

- Transition to organization functions and culture suited to a global company to maximize human resources and organizational capabilities and achieve further growth



## Technologies

- Technological base from which we propose optimal solutions for clients crucial to producing innovation and continuously providing competitive services
- Rising needs for strengthening of competitiveness and transformation of business models using digital technologies such as AI and the Internet of Things (IoT), increasing importance of enhancing digital capabilities

World-Leading Digital Technologies  
**Areas Where NTT DATA Is Deemed a Leader**

Automation  
 Blockchain  
 Data & Analytics/AI/ML  
 Digital Transformation & Consulting  
 SAP  
 BPO  
 Workplace

R&D Investments in Collaboration with the NTT Group  
**Approx. ¥250.0 billion**  
 (Annual R&D expenses of the NTT Group)

Smart X Co-innovation

Carbon Neutrality

Nature Conservation

Digital Accessibility

Strategy 4 Enhance Advanced & Development Technology

- Approach focused on strengthening both advanced technological capabilities for securing future competitiveness and system development technological capabilities for improving productivity through initiatives tailored to level of technological maturity
- Optimize Strategic Investments for Growth**
- Investment in five focus technology areas



## Partners

- Need to not limit ourselves to Company resources and to incorporate superior products and technologies from partners around the world in order to provide optimal services to clients
- Construction of stable and flexible delivery system built on strong relationships with partners
- Strong partnership with the NTT Group important to increasing presence in the global market

Partnerships with IT Companies Worldwide

**SAP AWARD OF EXCELLENCE\*4**

**AWS Public Sector Partner of the Year-Japan**  
 (Two consecutive years)

Business Partners\*5  
**Approx. 160 companies**  
**Approx. 62,000 people**

Trusted Value Chain

Human Rights & DEI

Strategy 3 Evolve to an Asset-based Business Model

- Maximization of value provided to clients by converting industry best practices and global technologies into assets and improving business agility
- Optimize Strategic Investments for Growth**
- Strategic partnerships for strengthening competitiveness



## Client Base

- Solid client base, created through Long-Term Relationships with clients, indispensable for providing high-value-added IT services that accurately reflect clients' needs
- Long-standing solid client base enhancing business stability and enabling stable investments in the future

Long-Term Relationships with Clients  
 Client base\*6 **82 companies**  
 Attributable portion of overall net sales **46%**

FY2025 Target of the New Medium-Term Management Plan  
 Client base\*6 **120 companies**  
 P36 New Medium-Term Management Plan (FY2022-2025)

Smart X Co-innovation

Trusted Value Chain

Circular Economy

Strategy 2 Strengthen Consulting with Foresight

- Support for client growth and business transformation as co-creative partner through consulting capabilities built on future-oriented foresight pertaining to industries and technologies
- Optimize Strategic Investments for Growth**
- Investment in five focus technology areas



## Brand

- Brand value, comprised of reputation and reliability, which is an important element emphasized by clients given the nature of a business providing intangible value in the form of IT services and developing systems that support social infrastructure
- Importance of increasing global penetration of the NTT DATA brand to acquiring new business opportunities and improving profitability

2021 IT Services Market Share\*7  
 Ranking for domestic (Japan) revenue **No. 2**  
 Ranking for global revenue **No. 9**

Client Satisfaction\*8  
 Ratio of clients stating that they want to build stronger, ongoing relationships with NTT DATA as their best partner **96%**

Brand Image\*9  
 IT services brand ranking **No. 9**

Digital Accessibility

Community Engagement

Trusted Value Chain

Strategy 1 Capitalize on the Convergence IT & Connectivity

- Provision of edge-to-cloud services that utilize various customer contact points and data to create new social platforms that surpass the boundaries of companies and industries



## Finance

- Strategic use and management of finances and capital imperative to generate cash to be used for business and strategic investments necessary for achieving growth accompanied by quality on a global scale, to maintain a healthy financial position for ensuring stable operation of the information infrastructures that support society, finance, and the economy; and to issue consistent shareholder returns

P22 Financial / Non-Financial Highlights

Credit Ratings  
 Rating and Investment Information, Inc. **AA+**  
 Japan Credit Rating Agency, Ltd. **AA+**

Ability to Generate Cash  
 Consolidated free cash flow **¥315.0 billion**  
 (Medium-Term Management Plan: FY2019-2021)

Smart X Co-innovation

Trusted Value Chain

FY2025 Management Targets  
 Consolidated net sales: Over **¥4.0 trillion**  
 Consolidated operating income margin\*10: **10.0%**  
 Overseas EBITA margin\*10: **10.0%**

P36 New Medium-Term Management Plan (FY2022-2025)

Optimize Strategic Investments for Growth

P26 Message from the CFO

\*1 After overseas business combination with NTT Ltd.

\*2 Source: Ranking of Popular IT Companies for Job Hunting New Graduates 2023, Rakuten Minshu

\*3 Based on FY2021 results from One Voice, an engagement survey on the employees, including those working for overseas Group companies

\*4 SAP AWARD OF EXCELLENCE 2022 received by QUNIE CORPORATION, NTT DATA Global Solutions Corporation, and JSOL Corporation

\*5 Business partnership system that evaluates management status from multiple angles to certify excellent partners as Business Partner Companies

\*6 Clients with annual sales of ¥5 billion or more (Japan) or US\$50 million or more (outside of Japan)

\*7 Please see page 107 for sources.

\*8 Based on 2021 client satisfaction survey administered to domestic clients

\*9 Source: Brand Finance IT Services 25 2022, Brand Finance (United Kingdom)

\*10 Excluding temporary costs such as M&A activities and structural transformation

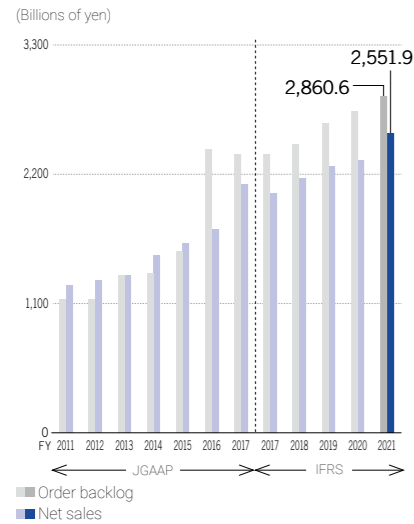


# Financial / Non-Financial Highlights

## Financial Highlights ▶ P96: Financial Position and Business Results Analysis

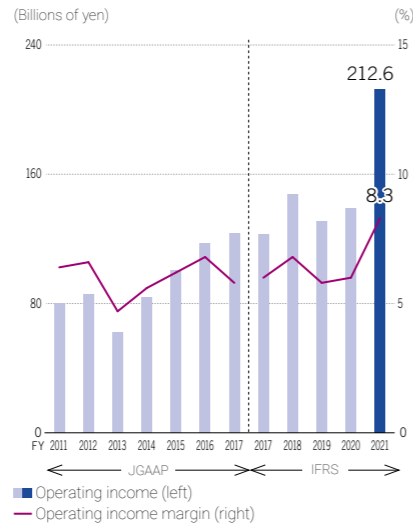
### Order Backlog / Net Sales

**P26** Message from the CFO, Overview of FY2021  
Order backlog remained at a high level due to the acquisition of orders in all segments except the Financial Segment, which was impacted by the reactionally decline due to the absence of the large-scale orders recorded in the previous fiscal year. Higher net sales were posted for the 33rd consecutive fiscal year following growth in all segments and beneficial foreign exchange influences.



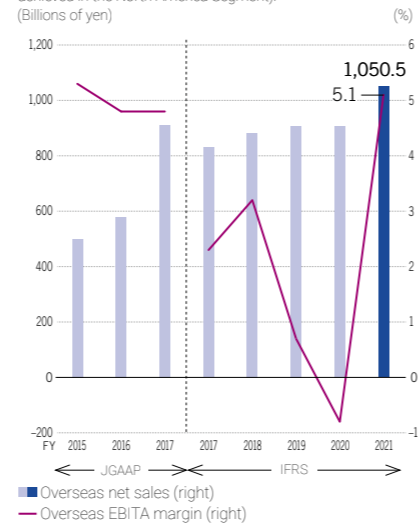
### Operating Income / Operating Income Margin

**P26** Message from the CFO, Overview of FY2021  
Operating income increased due to higher sales, the benefits of structural transformations performed overseas, and the absence of the expenses associated with structural transformations.



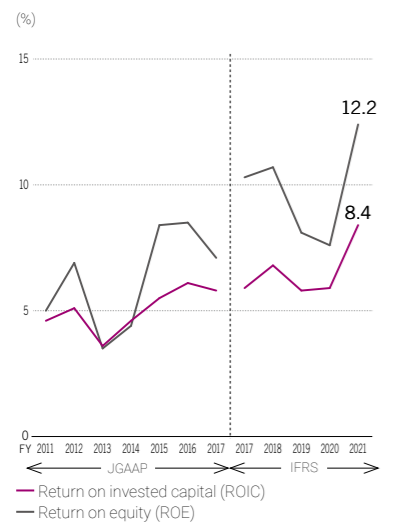
### Overseas Net Sales\*1 / Overseas EBITA Margin\*1, 2

**P82** Business Strategies by Segment  
Overseas net sales increased following business growth, especially in the operations in Spain and Germany of the EMEA & LATAM Segment. The overseas EBITA margin rose as a result of higher sales as well as the benefits of structural transformations and the absence of the expenses associated with structural transformations in the North America Segment and the EMEA & LATAM Segment. The post-adjustment overseas EBITA ratio was 6.5% (the target of 7.0% was achieved in the North America Segment).



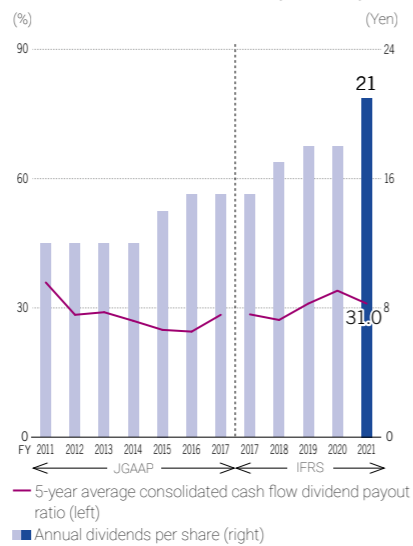
### Return on Invested Capital (ROIC)\*3, 4 / Return on Equity (ROE)\*5

**P28** Message from the CFO, Improvement of Capital Efficiency  
ROIC and ROE increased due to higher operating income and net income attributable to shareholders of NTT DATA.



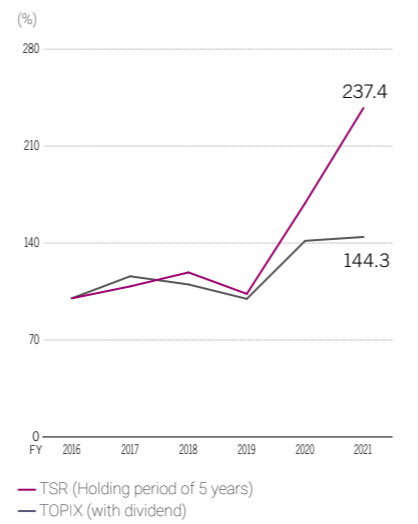
### 5-Year Average Consolidated Cash Flow Dividend Payout Ratio\*6, 7 / Annual Dividends per Share\*8

**P29** Message from the CFO, Shareholder Return Policy  
The annual dividend per share for FY2021 was increased to ¥21 per share, consisting of an ordinary dividend of ¥19 per share and a special dividend of ¥2 per share. These amounts were decided based on the upward revision to performance forecasts instituted in the third quarter of FY2021 as well as the accomplishment of the targets of the previous medium-term management plan of consolidated net sales of ¥2.5 trillion and a consolidated operating income margin of 8%.



### Total Shareholder Return (TSR)

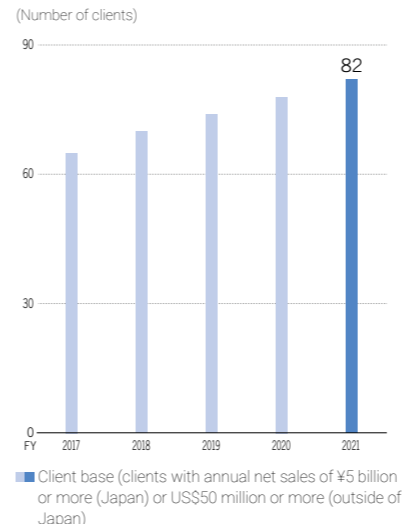
**P29** Message from the CFO, Shareholder Return Policy  
The total shareholder return (TSR) for holding the Company's shares over the last five years is 237.4%, a level that surpasses the performance of the TOPIX index, which includes dividends.



## Non-Financial Highlights

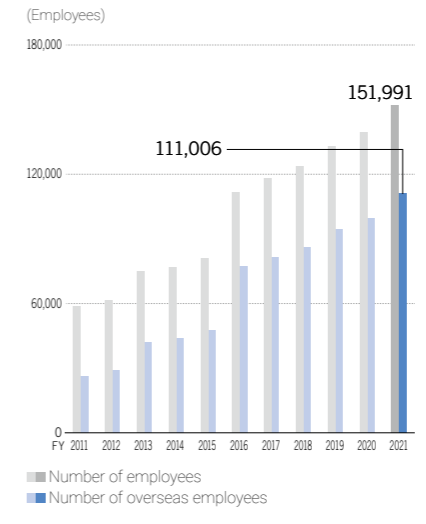
### Client Base

**P20** Management Resources  
As a result of our efforts under the previous medium-term management plan, the number of clients with annual sales of ¥5 billion or more (Japan) or US\$50 million or more (outside of Japan) was 12 higher than the number of 70 as of the end of FY2018.



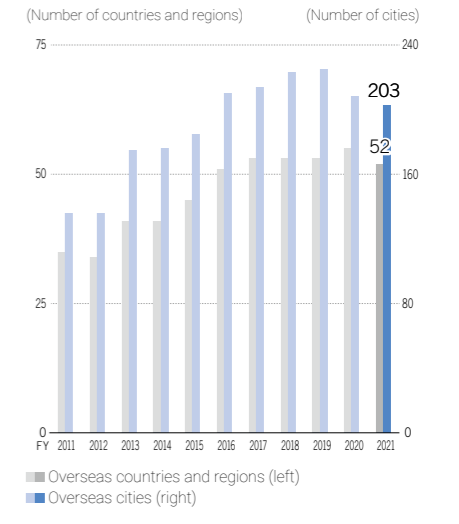
### Number of Employees / Number of Overseas Employees

**P24** NTT DATA's M&A Activities  
The number of employees increased significantly in the past 10 years mainly due to expansion of scale of business through means including M&A activities, especially in FY2016, when the number of overseas employees grew greatly due to the acquisition of the former Dell Services.



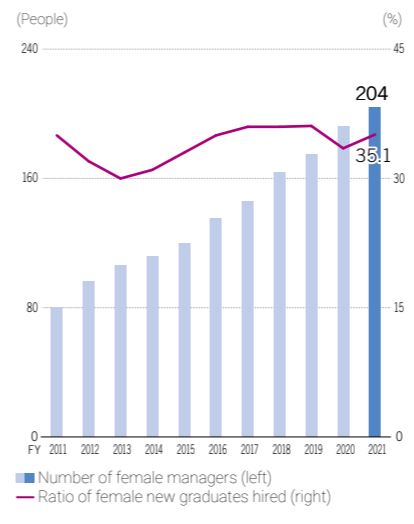
### Number of Countries and Regions / Cities Overseas

**P24** NTT DATA's M&A Activities  
The number of overseas countries, regions, and cities we operate in increased as a result of our focusing on increasing global coverage until FY2015 (Global 1<sup>st</sup> Stage). In FY2016, the number significantly increased due to acquisition of the former Dell Services.



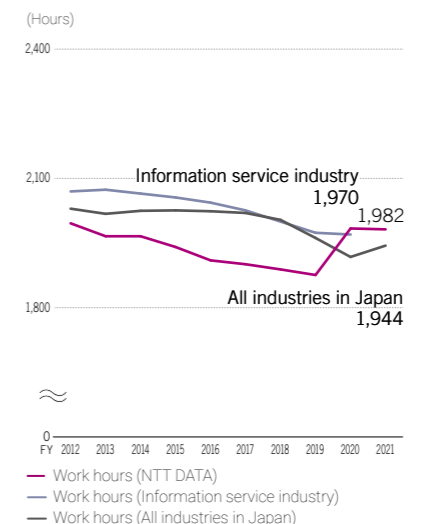
### Number of Female Managers\*9, 10 / Ratio of Female New Graduates Hired\*9

**P58** Human Resources, Active Participation of Diverse Human Resources  
Having positioned diversity, equity, and inclusion (DE&I) as one of our key business strategies, we are focusing on promoting the active participation of women. As a result, the number of female managers and the ratio of female new graduates hired have been increasing in recent years.



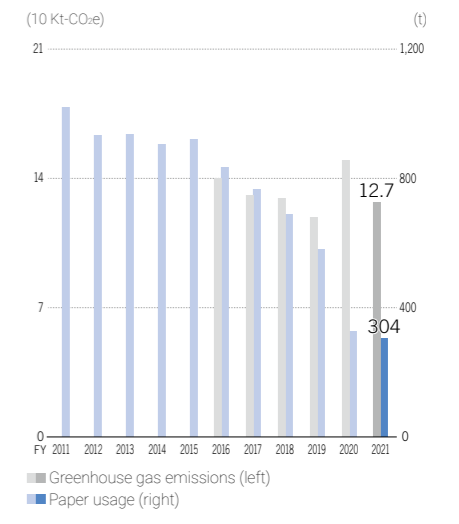
### Work Hours\*9

**P57** Human Resources, Workstyle Innovation  
NTT DATA has been working to reduce work hours through workstyle innovation since before the importance of such workstyle reforms was widely recognized as a social issue. Work hours continued to decrease until FY2019, but increased beginning in FY2020 as a result of the rapid operating environment changes brought about by the COVID-19 pandemic.



### Greenhouse Gas Emissions (Scope 1 and 2)\*10, 11, 12, 14 / Paper Usage\*13

**P60** Environment  
The Climate Action Committee was established to promote Companywide green innovation initiatives. Two-thirds of NTT DATA's greenhouse gas emissions are from data centers, but these emissions are now decreasing as a result of our introducing data centers equipped with cutting-edge facilities, among other efforts. The volume of paper use is also decreasing mainly due to the promotion of paperless meetings.



\*1 Net sales to clients outside the NTT DATA Group. The figures for the periods until FY2016 are those for the former Global Segment, and from FY2017 and later, are the total of North America / EMEA & LATAM Segments and China & APAC.  
\*2 Excluding temporary costs such as M&A activities and structural transformation  
EBITA (JGAAP) = operating income (JGAAP) + amortization of goodwill and intangible assets subject to purchase price allocation (PPA) arising from acquisition and others  
EBITA (IFRS) = operating income (IFRS) + amortization of intangible assets subject to PPA arising from acquisition and others  
\*3 ROIC = (operating income × (1 - effective tax rate)) / (average net assets during the period + average interest-bearing liabilities during the period)  
\*4 Figures for the interest-bearing liabilities based on JGAAP are the total of borrowings, bonds, and lease payables. Figures based on IFRS are the total of borrowings and bonds.  
\*5 ROE = net income attributable to shareholders of NTT DATA / average equity during the period  
\*6 Total dividends / (net income attributable to shareholders of NTT DATA + depreciation cost + loss on retirement of fixed assets - capital investment), calculated excluding lease amortization expense from FY2019  
\*7 Figures for weighted average of past 5 years in IFRS. Figures based on JGAAP are used in FY2016 and earlier.

\*8 In October 2013, a 100-for-1 stock split of common shares was conducted and the unit share system was adopted. Dividend per share is recorded with an amount considering this stock split. In July 2017, a 5-for-1 stock split of common shares was conducted. Dividend per share is recorded with an amount considering this stock split.  
\*9 Figures for NTT DATA (non-consolidated).  
\*10 Numbers guaranteed by a third party. For details, please see 'Third-Party Verification' on page 65.  
\*11 Total for NTT DATA (non-consolidated) and domestic Group companies (207 companies in FY2021).  
\*12 Total of direct gas emissions by use of fuels (Scope 1) and indirect gas emissions by use of purchased electricity and heat (market-basis Scope 2) is converted to CO<sub>2</sub>. The unit is CO<sub>2</sub>e (CO<sub>2</sub> equivalent).  
\*13 Total for NTT DATA (non-consolidated) and domestic Group companies (FY2021: 75 companies, FY2020: 77 companies, FY2019: 71 companies, FY2018: 68 companies, FY2017: 68 companies, FY2016: 69 companies, FY2015: 75 companies, FY2014: 73 companies, FY2013: 69 companies, FY2012: 64 companies, and FY2011: 65 companies).  
\*14 Some figures after FY2016 have been restated following changes to the scope of data center operations.

# NTT DATA's M&A Activities

Aggressive M&A activities have been consistently used to expand operations targeting the Enterprise Segment in Japan as well as other businesses around the world. Going forward, we will continue to position M&A activities as an important tool as we approach our Global 3<sup>rd</sup> Stage.

## Overseas M&A Activities

Overseas, NTT DATA conducts M&A activities as a means of complementing and accelerating its organic growth. Primary targets of M&A activities include North America and Europe, which are principal IT service markets for our global operations, and these activities are conducted based on the policies of expanding coverage and increasing local presence and strengthening consulting, digital service provision, and other capabilities.

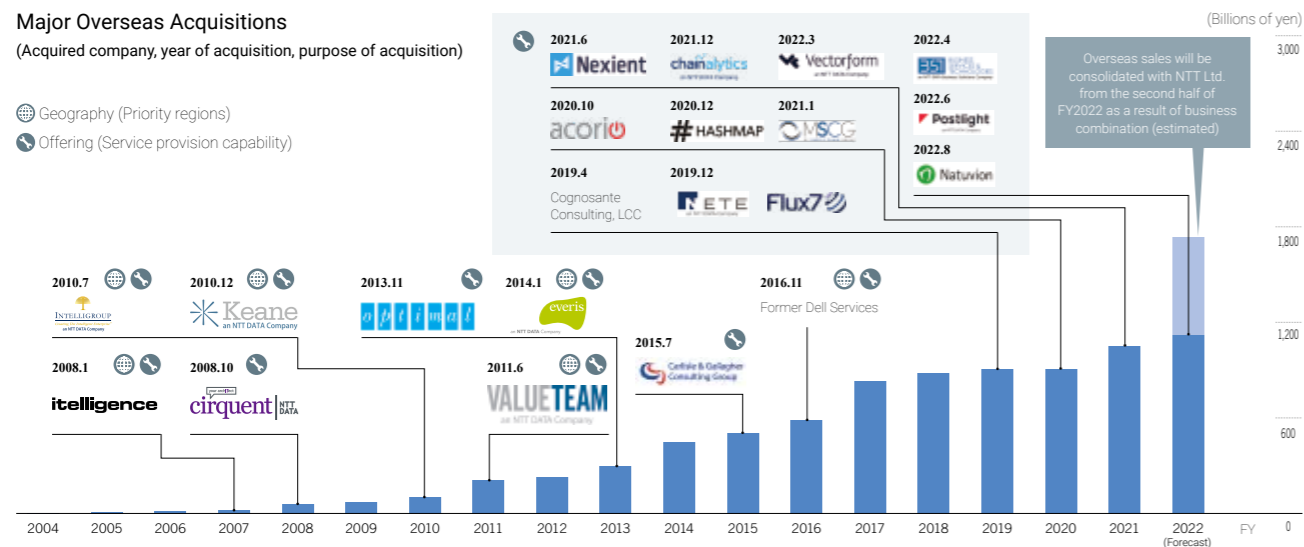
To speed us toward our Global 3<sup>rd</sup> Stage, we will aggressively advance M&A activities in North America, Europe, and other parts of the world to expand our digital field operations and grow our shares in the respective countries.



## Major Overseas Acquisitions

(Acquired company, year of acquisition, purpose of acquisition)

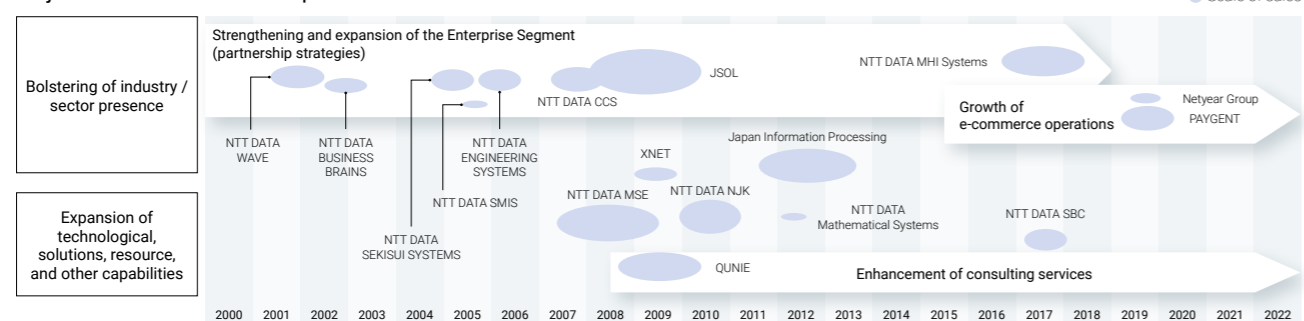
- Geography (Priority regions)
- Offering (Service provision capability)



## M&A Activities and Capital Alliances in Japan

In the 2000s, NTT DATA undertook the expansion of its operations in the Enterprise Segment through aggressive M&A activities and capital alliances. The new companies acquired through this process have proceeded to achieve smooth growth in performance since joining the Group. Going forward, we will continue to engage in M&A activities and capital and business alliances, regardless of the size of the target company, as necessary to acquire the capabilities and position needed to accelerate the growth of our business.

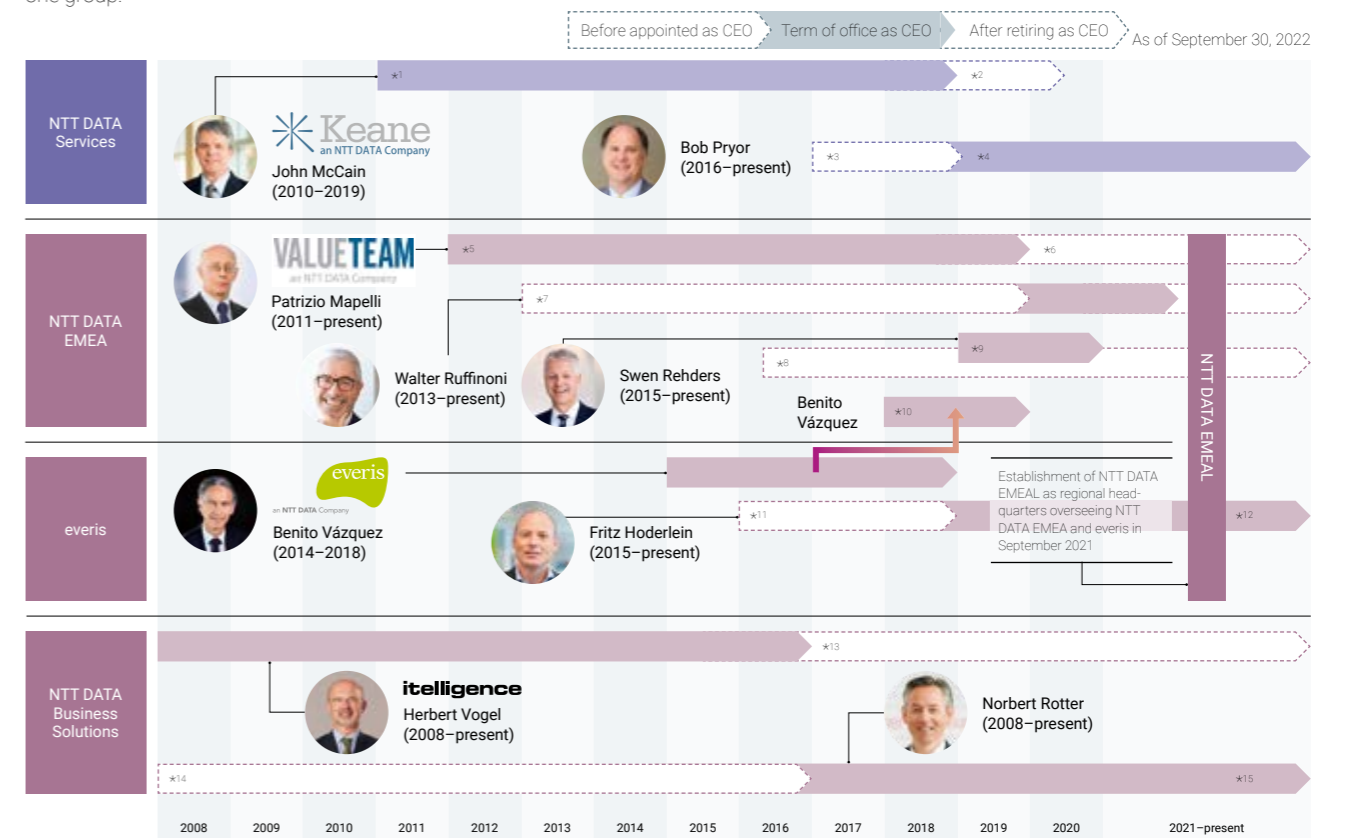
## Major M&A Activities and Capital Alliances



## Transition of CEOs at Companies Acquired in North America and Europe

NTT DATA, in conducting M&A activities, considers it important that the top management of target companies, including the CEOs, share the same values and have affinity with the Group.

Retaining top management of acquired companies for a certain period of time at the NTT DATA Group helps enhance competitiveness as one group.

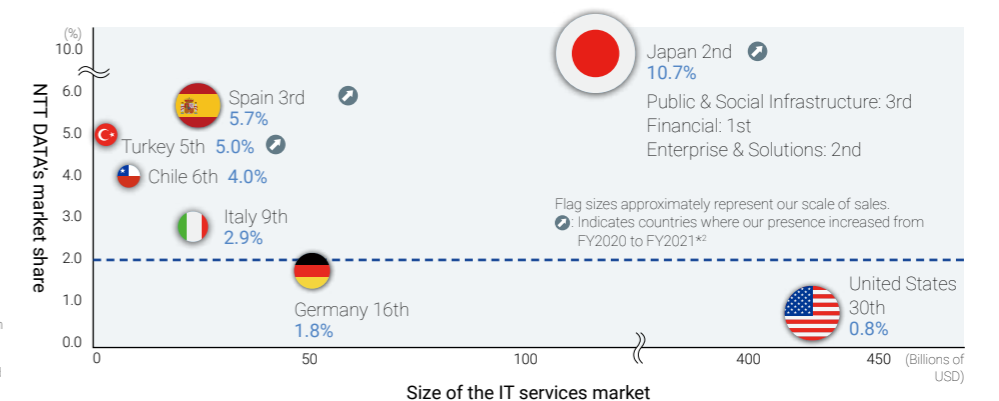


- \*1 2012-2018 Senior Vice President of NTT DATA / 2018-2019 Director of NTT DATA
- \*2 2018-2019 Executive Chairman of the Board of NTT DATA Services
- \*3 2016-2018 Chief Operating Officer of NTT DATA Services / Chief Integration Officer of NTT DATA Services
- \*4 2019-present Senior Vice President of NTT DATA
- \*5 2011-2013 Chief Executive Officer of ValueTeam
- \*6 2018-2020 Senior Advisor of NTT DATA EMEA, Chairman of the Board of NTT DATA Italy / 2020-present Director of NTT DATA, Director of the Board of NTT DATA EMEA / 2021-present Director of NTT DATA EMEA
- \*7 2013-present Chief Executive Officer of NTT DATA Italy
- \*8 2015-2020 Chief Executive Officer of NTT DATA Deutschland GmbH / 2020-present Managing Director of NTT DATA Deutschland GmbH
- \*9 2019-2020 Acting CEO of NTT DATA EMEA / 2020 Co-CEO of NTT DATA EMEA
- \*10 2018-2019 Senior Vice President of NTT DATA
- \*11 2015-2018 Chief Executive Officer of everis Europe Region
- \*12 2021-present Senior Vice President of NTT DATA
- \*13 2016-present Chairman of the supervisory board of NTT DATA Deutschland
- \*14 2008-2016 Chief Financial Officer of intelligence
- \*15 2022-present Senior Vice President of NTT DATA

## Increasing Our Presence in Major Countries in the IT Services Market

We aim to increase the number of opportunities to propose IT services to a variety of key clients, including national governments and multinational corporations. To achieve this goal, we believe NTT DATA needs to gain a market share of 2% or higher, which we equate with a top 10 sales ranking, and we worked to augment our presence in major countries.

## FY2021 Market Scale and Market Share in Each Country\*1 by revenue



\*1 Graphs and charts are created by NTT DATA based on Gartner Research. Please see page 107 for sources.  
 \*2 Countries where our market share ranking increased or, if our ranking remained the same, where sales increased



# Message from the CFO (Business Performance Review, Financial and Capital Strategy)



Toshi Fujiwara

Senior Executive Vice President  
and Representative Director

## Financial and Capital Strategy

### Essential Business Investment Targeting Growth to Accomplish Goals of the New Medium-Term Management Plan

Cash generated from business activities during the period of the new medium-term management plan will be used to invest in the focus areas of industry and technologies as well as to conduct strategic investments in sustainability and other areas that contribute to the transformation of society. At the same time, we will prioritize business investments in overseas business expansion including overseas business combination with NTT Ltd., profitability improvement, and M&A activities. It is possible that we will procure external funds for some of these business investments. If this route is taken, it will be done while carefully monitoring the soundness of our financial base.

Free cash flow showed a massive improvement during the period of the previous medium-term management plan. Despite business investments needed for growth, a positive free cash flow of ¥113.9 billion was posted in FY2021 following improvements to profits and working capital. Under the new medium-term management plan, we will maintain our focus on a good balance between aggressive business investments and financial health.

NTT DATA is currently moving ahead with the strategies delineated in the new medium-term management plan to further it on its journey to reach the Global 3<sup>rd</sup> Stage. As we are still in a growth stage, we will continue to act in accordance with the following policies.

Our policy regarding the use of funds is to prioritize business investments and M&A activities necessary for enhancing digital capabilities and achieving growth accompanied by quality on a global scale. The goal of these activities will be to move us toward the Global 3<sup>rd</sup> Stage while striking a balance with financial soundness.

We aim to raise capital efficiency through efforts centered on expanding returns from business investments.

Our shareholder return policy is to enhance returns over the medium to long term while considering an overall balance between the need to maintain a sound financial base and the business investments necessary for growth.

### Performance Summary

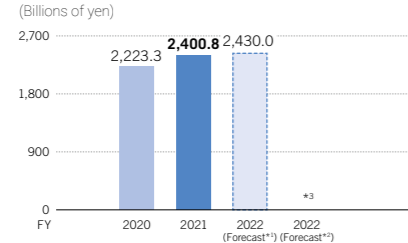
- 1 Strong performance growth amid incredibly favorable operating environment
- 2 Solid financial base as a result of increase in free cash flow, significant improvement in ROIC, and reduction of D/E ratio achieved during period of the previous medium-term management plan
- 3 Despite increases in capital investment and interest-bearing debt anticipated in conjunction with overseas business combination with NTT Ltd., improvements in corporate value pursued through ongoing aggressive and efficient business investments, including strategic investments ramped up under the new medium-term management plan, aimed at reaching the Global 3<sup>rd</sup> Stage

## Performance Review

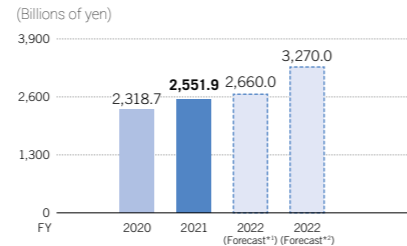
**FY2021 Performance**  
Record-breaking new orders received, net sales, and operating income achieved through expansion and improvement of profitability of overseas operations as well as smooth growth of domestic operations

**FY2022 Forecast**  
Growth in net sales stemming from overseas business combination with NTT Ltd. to result in increased operating income despite higher expenses associated with business combination

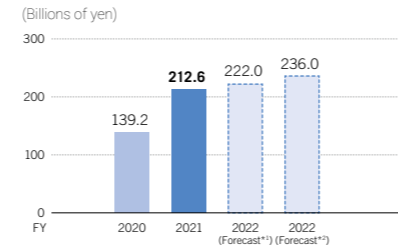
### New Orders Received



### Net Sales



### Operating Income



\*1 Excluding impacts of overseas business combination with NTT Ltd. \*2 Including impacts of overseas business combination with NTT Ltd. \*3 Unable to be disclosed as of October 2022

### Overview of FY2021

In FY2021, we posted strong financial results. Our impressive performance was a product of the expansion and improved profitability of overseas operations and the smooth growth of domestic operations amid robust demand for digital technologies and other offerings seen around the world.

New orders received increased year on year. Although orders were impacted by a reactionary decline due to the absence of large-scale orders in the Financial Segment recorded in FY2020, overall orders were up due to the acquisition of large-scale financial and enterprise sector orders in the North America Segment, the receipt of orders in Spain and Germany in the EMEA & LATAM Segment, and the impact of foreign exchange rates.

Net sales were up in all segments, and we were able to post our 33rd consecutive year of higher sales since the founding of NTT DATA. Factors behind this feat included growth of services operations targeting the manufacturing, distribution, and service industries in the Enterprise & Solutions Segment, the expansion of digital businesses overseas, and the impact of foreign exchange rates.

Operating income was negatively impacted by factors such as upfront investments for growing operations and unprofitable projects in Japan as well as increased expenses associated with global brand integration initiatives and additional measures implemented in the EMEA & LATAM Segment. Nevertheless, we achieved higher operating income as a result of growth in net sales and the benefits of structural transformations in overseas operations.

Thanks to these impressive results, we were able to accomplish the targets defined for FY2021, the final year of the previous medium-term management plan, of consolidated net sales of ¥2.5 trillion, a client base\*4 of 80 or more companies, and a consolidated operating income margin\*3 of 8.0%. Although we were unable to reach the target of 7.0% set for the overseas EBITA margin\*4 we did achieve strong improvements with this regard. Specifically, the EBITA margin climbed to 7.0% in the North America Segment due to the benefits of structural transformation while the overall overseas EBITA margin, including the EMEA & LATAM Segment, rose from 3.2% at the start of the plan to 6.5%. Looking ahead, NTT DATA will continue to pursue higher profitability and shift toward digital technologies in its overseas operations.

\*3 Clients with annual sales of ¥5 billion or more (Japan) or US\$50 million or more (outside of Japan)  
\*4 Excluding temporary costs such as M&A activities and structural transformation

### Forecasts for FY2022\*5

NTT DATA has embarked on a new medium-term management plan beginning with FY2022, through which we aim to reach our Global 3<sup>rd</sup> Stage by FY2025. Having welcomed NTT Ltd. into the NTT DATA Group in October 2022, we will target consolidated net sales of ¥4.0 trillion, a client base of 120 or more companies, a consolidated operating income margin of 10.0%, and an overseas EBITA margin of 10.0%.

I would now like to talk in detail about each item of our forecast for FY2022, the first year of the new medium-term management plan.\*5

Not accounting for the impacts of overseas business combination with NTT Ltd., we are projecting a year-on-year increase of ¥29.2 billion in new orders received. Despite a reactionary decline due to the absence of the multiple large-scale orders recorded in the Public & Social Infrastructure Segment in FY2021, we anticipate that overall orders will grow thanks to a favorable environment for digital technology-related and other orders.

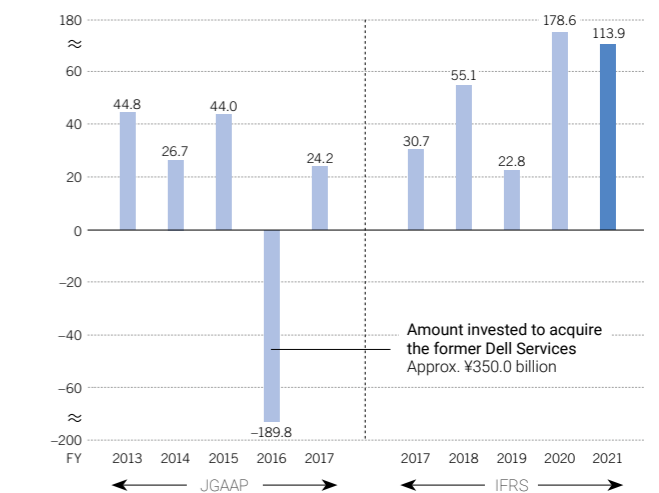
Net sales are anticipated to increase ¥108.1 billion year on year as we steadily convert the order backlog in all segments to sales and incorporate the growth from new digital technology-related and other orders and beneficial impact of foreign exchange from yen depreciation. When accounting for overseas business combination with NTT Ltd., we expect net sales to increase significantly by ¥718.1 billion year on year.

Operating income is projected to grow ¥9.4 billion year on year following the rise in net sales. The higher net sales will outweigh the impacts of increased expenses for strategic investments, sales activities, and recruitment initiatives for accomplishing the targets of the new medium-term management plan. If we include the impacts of overseas business combination with NTT Ltd., we anticipate a ¥23.4 billion year-on-year increase in operating income as the substantial sales benefits of the combination will surpass the associated expenses.

\*5 For items for which forecasts accounting for overseas business combination with NTT Ltd. cannot be disclosed at this point in time, forecasts will be disclosed promptly after formulation based on careful examination.

### Free Cash Flow

(Billions of yen)



Amount invested to acquire the former Dell Services  
Approx. ¥350.0 billion

P43 Optimize Strategic Investments for Growth  
P98 Consolidated Statement of Cash Flows

**Message from the CFO**  
**(Business Performance Review, Financial and Capital Strategy)**

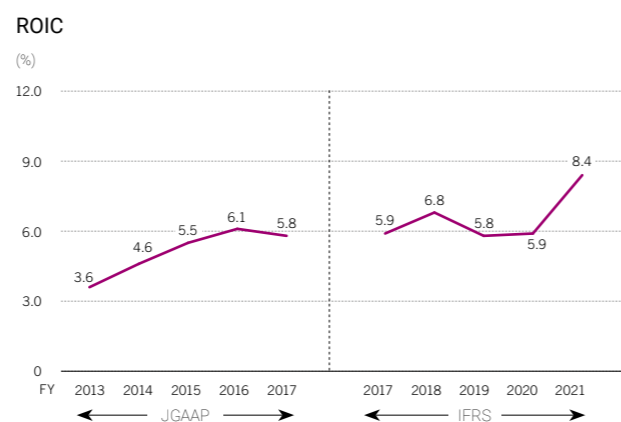
**Improvement of Capital Efficiency**

We are facing higher demand for management conscious of capital efficiency. Our basic policy concerning return on invested capital (ROIC)\*1,2 is to ensure a level that exceeds weighted average cost of capital (WACC) over the medium to long term.

In terms of improving capital efficiency, we are currently in a growth stage and will thus proactively allocate cash to the business investments necessary for achieving growth. Accordingly, we aim to increase ROIC by improving profitability through the achievement of growth accompanied by quality.

Significant contributions were seen to ROIC during the period of the previous medium-term management plan, particularly from the record-breaking operating income posted in FY2021, the final year of the plan. Regardless, ROIC is expected to decline in FY2022 due to the increase in invested capital and the structural reform efforts to be advanced at NTT Ltd. following our overseas business combination with this company. Having set a target of 10.0% for both the consolidated operating income margin\*3 and the overseas EBITA margin\*3 in the new medium-term management plan, we will

continue to pursue improvements in ROIC by bolstering profitability through business investments and other efforts.



\*1 ROIC = (operating income x (1 - effective tax rate)) / (average net assets during the period + average interest-bearing debt during the period)  
 \*2 Figures for the interest-bearing debt based on JGAAP are the total of borrowings, bonds, and lease payables. Figures based on IFRS are the total of borrowings and bonds.  
 \*3 Excluding temporary costs such as M&A activities and structural transformation

**Investment Management**

To acquire new digital technologies, solutions, and development resources and develop strategic partnerships, the NTT DATA Group invests in companies and organizations inside and outside Japan. However, it is possible that the performance or financial condition of the Group could be materially impacted should we face issues with smoothly operating businesses because of a failure to appropriately control especially overseas investees or should we be unable to secure the anticipated returns due to an inability to achieve sufficient synergies between the investee and the Group. Based on this recognition, we are seeking to develop appropriate governance systems through the following measures regarding the management of decision-making and post-investment companies. In addition, overseas business combination with NTT Ltd. is anticipated to result in a large increase in goodwill. We will be regularly monitoring the status of our business and performance accordingly.

price in installments), and other schemes depending on the project scale and details with a focus on the continuous growth of acquired companies by creating synergies with the Group

- Formulation of post-merger integration plans to maximize the benefits of investments by starting integration process at early stage

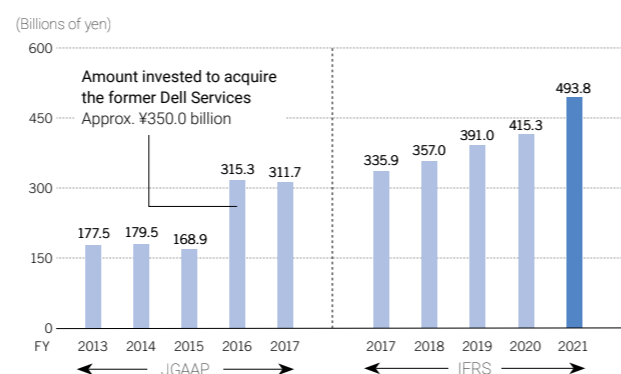
**Post Investment**

- Intensive monitoring of synergies with the Group, integration plans, and other aspects of post-merger integration progress for a fixed period
- Formulation of company-specific management improvement plans, receipt of Companywide approval, and focused monitoring for companies becoming applicable under defined standards such as suffering from deteriorated performance, or required business plan revisions

**Decision-Making**

- Assessment of investment benefits based on return on investment and other indicators and utilization of third-party evaluations of financial health
- Requirement of due diligence from business perspective, through efforts by internal business divisions, financial advisors, accountants, lawyers, and other external specialists, and from compliance perspective, based on country risks of investee followed by verification of identified risks and decision-making based on countermeasures
- Utilization of long-term incentives (compensation for a predetermined period of service), earnout (payment of acquisition

**Goodwill Balance**



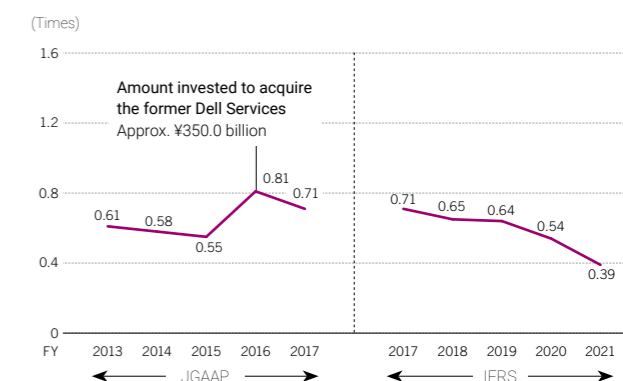
**Maintenance of a Sound Financial Base**

As a company tasked with developing and operating large-scale systems that support society, finance, and the economy, we believe it is essential to maintain a robust financial base to enhance corporate value over the medium to long term and stably continue business activities. Developing and operating information infrastructure supporting society requires large-scale upfront investment. We therefore position the debt-to-equity (D/E) ratio\*4,5 as an important indicator, considering it our critical mission to secure funds for such purposes favorably, flexibly, and reliably.

Under the previous medium-term management plan, we maintained a consistently low D/E ratio by using our ample free cash flow to limit increases in interest-bearing debt. We were thereby able to reduce the D/E ratio to 0.39 times in FY2021, which has contributed to higher credit ratings, AA+ ratings from both Japan Credit Rating Agency, Ltd. and Rating and Investment Information, Inc., specifically. Interest-bearing debt is anticipated to rise during the period of the new medium-term management plan as a result of overseas business combination with NTT Ltd., higher business investments, and M&A activities. The D/E ratio will continue to be monitored as an important indicator of the soundness of our financial base going forward. The net debt-to-EBITDA ratio\*6 will be another indicator focused on in practicing management that enables aggressive investment while securing a healthy balance sheet.

In addition to borrowing from financial institutions and issuance of corporate bonds, we have developed a mechanism that allows us to procure necessary funds flexibly from NTT FINANCE CORPORATION, a core financial company of the NTT Group, through participation in the NTT Group's cash management system. The mechanism allows us to secure funds favorably and stably. We have also secured sufficient backup funds in case the operating environment deteriorates.

**D/E Ratio\*4,5**



\*4 D/E ratio = interest-bearing debt / (net assets - non-controlling interests)  
 \*5 Figures for the interest-bearing debt based on JGAAP are the total of borrowings, bonds, and lease payables. Figures based on IFRS are the total of borrowings and bonds.  
 \*6 Net debt-to-EBITDA ratio = (interest-bearing debt - cash and deposits) / (operating income + depreciation and amortization + loss on retirement of fixed assets + goodwill amortization, etc.)

**Shareholder Return Policy**

Due to our policy of allotting cash to the business investment necessary for growth, we are not currently considering share buybacks. For the foreseeable future, we will conduct shareholder returns primarily through the consistent issuance of dividends.

We intend to provide stable dividends in light of overall consideration for business trends and financial conditions on a consolidated basis. Such consideration includes achieving a balance between business investments, technological developments, and the maintaining and strengthening of our financial structure. When determining the dividend amount, we emphasize maintaining the medium- to long-term consolidated cash flow dividend payout ratio.\*7 In FY2022, we plan to issue a dividend of ¥21 per share, an increase of ¥2 per share above the previous fiscal year's ordinary dividend.\*10

Going forward, in the event of changes to the balance between the scale of free cash flow and growth investment, we will also consider changes to the shareholder return balance.

**5-Year Average Consolidated Cash Flow Dividend Payout Ratio\*7,8 / Annual Dividends per Share\*9**



\*7 Consolidated cash flow dividend payout ratio = total dividends / (net income attributable to shareholders of NTT DATA + depreciation cost + loss on retirement of fixed assets - capital investment)  
 Figures for FY2019 and onward were calculated excluding lease amortization.  
 \*8 Figures are for weighted average of the past five years based on IFRS. Figures based on JGAAP are used for FY2016 and earlier.  
 \*9 In October 2013, a 100-for-1 stock split of common shares was conducted, and the unit share system was adopted. Dividend per share is recorded with an amount considering this stock split. In July 2017, a 5-for-1 stock split of common shares was conducted. Dividend per share is recorded with an amount considering this stock split.  
 \*10 In fiscal 2021, a special dividend of ¥2 per share was issued to reflect strong performance in addition to the ordinary dividend of ¥19 per share.



# Opportunities and Risks

The NTT DATA Group aims to grow sustainably by understanding the constantly changing business environment, and opportunities and risks to the Company, and by promoting flexible change and adaptation to contribute to the realization of a sustainable society.

■ Areas highlighted in yellow represent risks of particular importance.

	Opportunities	Risks	Potential Impacts	Actions
Technology innovations		<ul style="list-style-type: none"> <li>Risk that a delay in response to unexpected disruptive technology innovations could reduce competitiveness in markets and brand value</li> </ul>	<ul style="list-style-type: none"> <li>Diminishment of competitiveness and brand value</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of dedicated bases in overseas countries with high receptiveness toward advanced technologies</li> <li>Incorporation of research successes of NTT Research, Inc.</li> </ul>
System development	<ul style="list-style-type: none"> <li>Needs for a business model reform utilizing digital technologies</li> <li>Needs for the improvement of efficiency of the existing operations and systems utilizing digital technologies</li> </ul>	<ul style="list-style-type: none"> <li>Risk that a project could become unprofitable</li> </ul>	<ul style="list-style-type: none"> <li>Expectation-exceeding costs, claims for damages resulted from delivery delays, etc.</li> </ul>	
System operation		<ul style="list-style-type: none"> <li>Risk that a failure is caused on a system in operation</li> </ul>	<ul style="list-style-type: none"> <li>Claims for damages, etc.</li> <li>Damage to social reputation or brand image</li> </ul>	<ul style="list-style-type: none"> <li>Internal third-party surveys for new large-scale orders</li> <li>Regular checks for high-risk projects</li> </ul>
Investments / M&A	<ul style="list-style-type: none"> <li>Expansion of business through strategic investments in growth fields and M&amp;A activities</li> </ul>	<ul style="list-style-type: none"> <li>Risk that expected returns would not be realized</li> <li>Risk of impairment of goodwill or others</li> </ul>	<ul style="list-style-type: none"> <li>Impairments on goodwill as a result of inability to secure expected returns due to sales or profit falling significantly below projects because of inability to create sufficient synergies with investees</li> </ul>	<ul style="list-style-type: none"> <li>Internal sharing of analysis results regarding causes of past system failures and reoccurrence prevention measures</li> <li>Regular inspections using checklists</li> <li>Establishment of reporting structures for the event of system failures</li> <li>System failure response drills</li> </ul>
Large-scale disasters, serious outbreak of an infectious disease, etc.	<ul style="list-style-type: none"> <li>Needs for system investments to address huge earthquakes, climate change, other large-scale natural disasters, or serious outbreak of an infectious disease, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Risk that providing services would become more difficult when a huge earthquake, climate change, other large-scale natural disasters, or serious outbreak of an infectious disease, etc., occurs</li> </ul>	<ul style="list-style-type: none"> <li>Damage to social reputation or brand image, or need to pay massive recovery costs, as a result of damages to many systems or employees that impede ability to provide services</li> </ul>	<ul style="list-style-type: none"> <li>Due diligence activities by specialists when making investment decisions</li> <li>Monitoring of post-merger integration process and post-investment performance of the Group companies</li> </ul>
Geopolitical conditions	<ul style="list-style-type: none"> <li>Needs for system investments to adapt to changes in numerous factors including social infrastructures, such as electricity and telecommunication infrastructures, laws and regulations, such as tax acts and other regulations, and political and economic situations in various countries</li> </ul>	<ul style="list-style-type: none"> <li>Risk of changes in political, economic, or regulatory conditions of relevant countries or terrorism, war, or other international conflicts</li> </ul>	<ul style="list-style-type: none"> <li>Halts to provision of systems or services to clients</li> <li>Need to respond to new regulations from perspective of security</li> <li>Cyberattacks</li> <li>Difficulties in procuring necessary materials</li> <li>Rapid fluctuations in foreign exchange rates</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of online infrastructure</li> <li>Establishment of business continuity plans</li> </ul>
Climate change	<ul style="list-style-type: none"> <li>Rising need to create sustainability-related offerings</li> <li>Increase in consulting services to contribute to the realization of a sustainable society</li> <li>Growing demand for resilient cloud services that contribute to decarbonization</li> </ul>	<ul style="list-style-type: none"> <li>Risk of damage to reputation due to low evaluation of climate change response initiatives</li> <li>Risk of increased natural disasters stemming from abnormal weather events</li> <li>Risk of higher costs due to introduction of carbon pricing systems</li> </ul>	<ul style="list-style-type: none"> <li>Reduced evaluations from overseas ESG investors or domestic financial institutions</li> <li>Damage to social reputation or brand image, or need to pay massive recovery costs, due to halts to provision of systems or services</li> <li>Additional costs arising from carbon pricing</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of activities of Climate Action Committee through establishment of Green Innovation Office</li> <li>Augmentation and renovation of data centers, remote access environments, and maintenance infrastructure necessary for business continuity</li> <li>Reduction of emissions through energy conservation and promotion of supply chain decarbonization utilizing renewable energy</li> </ul>
Securing human resources	<ul style="list-style-type: none"> <li>Creation of new competitive services through innovations achieved by excellent IT human resources and diverse personnel</li> </ul>	<ul style="list-style-type: none"> <li>Risk that providing services would become more difficult if excellent human resources are not secured or fostered</li> </ul>	<ul style="list-style-type: none"> <li>Inability to effectively implement business plans</li> <li>Difficulties in supplying systems or services</li> </ul>	<ul style="list-style-type: none"> <li>Acceleration of recruitment of digital human resources and those capable of promoting global businesses</li> <li>Enhancement of recruitment of mid-career hires able to immediately begin making contributions</li> <li>Recruitment through Advanced Professional and Technical Grade systems</li> </ul>
Influence of parent companies	<ul style="list-style-type: none"> <li>Business expansion by increasing presence in the global market through collaboration with the NTT Group</li> </ul>	<ul style="list-style-type: none"> <li>Risk that NTT would take actions that might be best for itself but not necessarily beneficial to other shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Impacts on performance or financial position</li> </ul>	<ul style="list-style-type: none"> <li>Requirement of decisions regarding important agreements contracted with the parent company to be made after legal reviews by the legal sector and for approval of particularly important agreements by the Board of Directors, which sees participation by independent outside directors</li> </ul>
Information security	<ul style="list-style-type: none"> <li>Needs for system investments to strengthen and sophisticate security measures</li> </ul>	<ul style="list-style-type: none"> <li>Risk that a security incident would occur as a result of a cyberattack</li> </ul>	<ul style="list-style-type: none"> <li>Damage to social reputation or brand image, claims for damages, or penalties for legal violations</li> </ul>	<ul style="list-style-type: none"> <li>Formulation of NTT DATA Group Security Policy</li> <li>Introduction of solutions for preventing and detecting cyberattacks</li> <li>Establishment of NTTDATA-CERT as a CSIRT for emergency response to incidents</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>Needs for system investments to enhance compliance</li> <li>Prevention of turnover of talented employees and acquisition of higher levels of loyalty from diverse employees</li> </ul>	<ul style="list-style-type: none"> <li>Risk of compliance violations</li> </ul>	<ul style="list-style-type: none"> <li>Need to pay large fines or fees to authorities due to legal violations</li> <li>Claims for damages or fees associated with misconduct in the event that the Group is found to have been involved in accounting fraud, misconduct along the supply chain, or misappropriation of funds</li> <li>Damage to social reputation or brand image</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of NTT DATA Group Code of Conduct as basic guideline for daily business activities</li> <li>Development of internal control systems</li> <li>Education and training programs for officers and employees</li> <li>Implementation and operation of internal reporting system</li> </ul>
Intellectual property	<ul style="list-style-type: none"> <li>Business expansion through solution development and platform offering</li> </ul>	<ul style="list-style-type: none"> <li>Risk of being unable to provide certain services due to a failure to obtain a necessary license, etc.</li> <li>Risk of being claimed for damages from violating other parties' intellectual property rights</li> </ul>	<ul style="list-style-type: none"> <li>Inability to supply specific services due to a failure to obtain a necessary license, etc.</li> <li>Claims for damages from violating other parties' intellectual property rights</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of dedicated organization for promoting intellectual property activities</li> <li>Internal education and training programs</li> </ul>
Increased competition	<ul style="list-style-type: none"> <li>Expansion of business driven by market growth and improvement of market share and profit margins through acceleration of open coordination</li> </ul>	<ul style="list-style-type: none"> <li>Risks of diversification of expectations of corporate management regarding contribution to resolution of social issues, preservation of the environment, etc.</li> <li>Risk of other parties expanding their service lineups in response to changes in society or technologies</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of market share due to other parties expanding their service lineups in response to changes in society or technologies</li> </ul>	<ul style="list-style-type: none"> <li>Development of comprehensive lineup of services necessary for DX</li> <li>Enhancement of end-to-end capabilities that span from management and business transformation planning to implementation</li> <li>Strategic investment on global scale for creating future businesses</li> </ul>
Human rights	<ul style="list-style-type: none"> <li>Prevention of turnover of talented employees and acquisition of higher levels of loyalty from diverse employees</li> </ul>	<ul style="list-style-type: none"> <li>Risks of inability to engage in corporate activities in compliance with international standards</li> </ul>	<ul style="list-style-type: none"> <li>Economic losses</li> <li>Damage to social reputation or brand image</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of NTT DATA Group Code of Conduct</li> <li>Corporate activities based on NTT Group Human Rights Policy</li> </ul>

Please refer to the following pages for information on the material risk identification process.

▶ P80, 81: Corporate Governance  
 • Internal Control / Risk Management  
 • Risk Management Methods  
 • Process for Identifying Material Risks

Please refer to the following pages for information on opportunities and risks (SWOT analyses) by segment.

▶ P84: Public & Social Infrastructure Segment  
 P86: Financial Segment  
 P88: Enterprise Segment

▶ P90: Technology Consulting & Solution Segment  
 P92: Global Segment (North America)  
 P94: Global Segment (EMEA & LATAM)

# Changes in the Growth Strategy and Positioning of the Medium-Term Management Plan

Trusted Global Innovator

Aiming to become a company trusted by clients worldwide with

**Global Top 5**  
status

**Global 1<sup>st</sup> Stage**  
Increased Global Coverage

**Global 2<sup>nd</sup> Stage**  
Recognized Global Brand

**Global 3<sup>rd</sup> Stage**  
Reputation as Trusted Brand

FY2012–2015

FY2016–2018

FY2019–2021

FY2022–2025

Changes in the Medium-Term Management Plan

Evolving into a corporate group that can efficiently provide diverse IT services worldwide

NTT DATA: ASCEND  
Rise and grow our global brand

—Midpoint to Global 3<sup>rd</sup> Stage—  
Pursuing profitable global growth with consistent belief and courage to change

## Realizing a Sustainable Future

Connect people with technology to create value and a sustainable future with our clients

P36 New Medium-Term Management Plan (FY2022–2025)

Management Targets

Net Sales **Over ¥1.5 trillion**

EPS **¥200**

Net Sales **Over ¥2.0 trillion**

Adjusted Operating Income **+50%\*1** (Operating Income: ¥142 billion)

Consolidated Net Sales	FY2018	FY2021	
Target: ¥2.5 trillion	¥2.16 trillion	¥2.55 trillion	
Consolidated Operating Income Margin*3	FY2018	FY2021	
Target: 8%	6.8%	8.3%	
Overseas EBITA Margin*3	FY2018	FY2021	
Target: 7%	3.2%	6.5%	
		North America: 7.0% EMEA & LATAM: 5.9%*4	
Client Base*2	FY2018	FY2021	
80 companies or more	70 companies	82 companies	

Consolidated Net Sales **Over ¥4.0 trillion**

Consolidated Operating Income Margin\*3 **10.0%**

Overseas EBITA Margin\*3 **10.0%**

Client Base\*2 **120 companies**

\*1 Compared to FY2015 (adjusted item: incremental investment in new areas)

\*2 Clients with annual sales of ¥5 billion or more (in Japan) or US\$50 million or more (outside of Japan)  
\*3 Excluding temporary costs such as M&A activities and structural transformation  
\*4 Target of EBITA margin of 7% scheduled to be achieved in EMEA & LATAM in FY2023

Strategy Overview and Major Achievements

**Expansion of new business fields and reinforcement of product competitiveness**

- We used game-changing approaches to increase our share of existing markets (client base\*2: 50 companies) and successfully enter new business fields.

**Expansion, enhancement, and reinforcement of global business**

- We achieved an overseas sales ratio of more than 30%, and overseas sales exceeded ¥500.0 billion.

**Pursuit of overall optimization**

- By introducing shared service centers, we reduced management expenses by more than ¥10.0 billion compared with FY2011.

**Strengthen local presence**

- In the IT services market, we increased our presence in 8 of major 10 countries.

**Game-changing approach**

- We built a stronger client base and established a stable business foundation (client base\*2: 70 companies).

**Breakthrough technology**

- We reduced costs through standardization, automation, and other production technology innovations, and formed globally consistent R&D facilities to support client digitalization initiatives.

**Strategy 1: Expand global digital offerings**

- The efforts of global marketing (Global One Team), the Digital Strategy Office, and the Centers of Excellence (CoE) have achieved a lot.

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

- We provided new value to clients while creating digital use cases matched to industry characteristics.

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

- We enhanced various measures and programs for human resource development.
- We successfully curbed the ratio of unprofitable projects to net sales to below 0.3%.

**Drive NTT Group collaboration**

- We participated in businesses with tier 1 clients such as TOYOTA Connected Corporation and Victoria Department of Transport.

**Strategy 1: Capitalize on the Convergence IT & Connectivity**

- Provide edge-to-cloud services that utilize various customer contact points and data to create new social platforms that surpass the boundaries of companies and industries

**Strategy 2: Strengthen Consulting with Foresight**

- Support client growth and business transformation as co-creative partner through consulting capabilities built on future-oriented foresight pertaining to industries and technologies

**Strategy 3: Evolve to an Asset-based Business Model**

- Maximize the value provided to clients by converting industry best practices and global technologies into assets and improving business agility

**Strategy 4: Enhance Advanced & Development Technology**

- Focus on strengthening both advanced technology utilization capabilities to ensure future competitiveness and system development technology capabilities to improve productivity through initiatives based on technological maturity

**Strategy 5: Be the Best Place to Work**

- Through a transition to organizational functions and culture suitable for a global company, maximize human resources and organizational capabilities, and achieve further growth

Issues

**Prevent unprofitable projects**

- The Company has introduced a variety of measures to curtail unprofitable projects, including the establishment of the Project Review Committee in FY2013. However, we recognize the need for further curtailment efforts, as a large amount of loss from unprofitable projects occurred in FY2015.

**Maximize value for our clients**

- To maximize value for our clients, we recognize the need to further accelerate DX and maximize global synergy.

**Prevent unprofitable projects**

- With the exception of a specific project, we succeeded in reducing the number below our target level\*5 through such methods as establishing the Project Review Committee. Due in particular to increasingly complex technologies, we need to further step up curtailment efforts.

**Improve profitability of overseas businesses**

- Although net sales grew significantly, profitability remains low, so substantial improvement is necessary.

\*5 0.3%–0.5% of consolidated net sales

**Accelerate overseas profitability**

- Ongoing improvement of profitability to achieve growth accompanied by quality
- Promotion of digital shift to boost competitiveness and expansion of share and presence

**Strengthen digital competitiveness**

- Enhancement of end-to-end capabilities that span from management and business transformation planning to implementation
- Creation of business alliances to resolve social issues and shape the future of society

**Transform organization for human resources to grow**

- Swift alleviation of chronic personnel shortages through strategic staff augmentations
- Transformation of environment and culture to allow diverse human resources to achieve long-term success

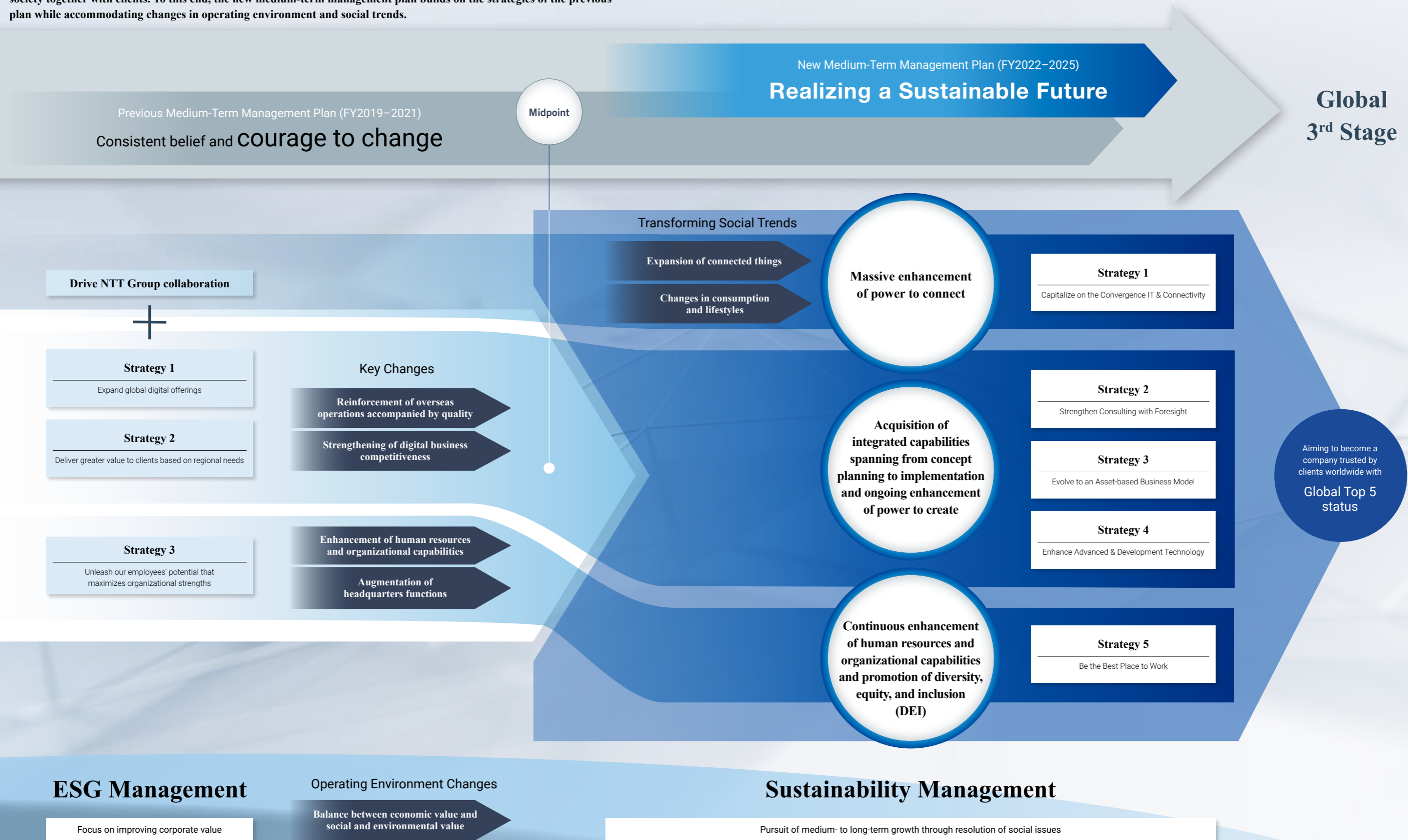
**Strengthen the HQ functions to become a global company**

- Enhancement of global governance to ensure sound business operation and facilitate growth
- Transformation of headquarters functions to grow as truly global company



# Evolution from the Previous Medium-Term Management Plan to the New Medium-Term Management Plan

NTT DATA is committed to supporting growth of clients' businesses and contributing to the realization of a sustainable society together with clients. To this end, the new medium-term management plan builds on the strategies of the previous plan while accommodating changes in operating environment and social trends.



# New Medium-Term Management Plan

(FY2022–2025)

## Vision for the Global 3<sup>rd</sup> Stage

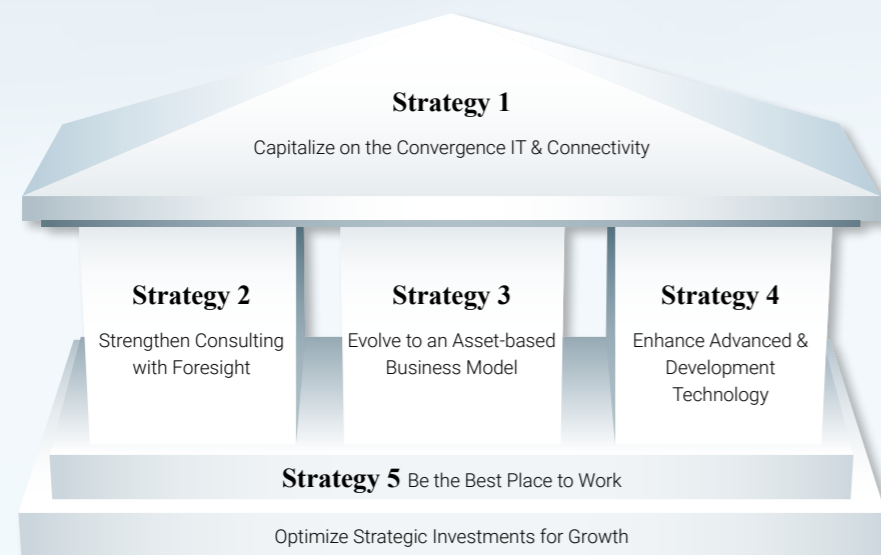
The new medium-term management plan represents the next step on the path laid out by the previous plan, and thus calls on NTT DATA to advance toward its Global 3<sup>rd</sup> Stage by becoming a company trusted by clients worldwide.

Based on our mission statement and Group Vision, the new plan puts forth the goal of realizing a sustainable future. In accordance with this goal, we will seek to connect people with technology to create value and a sustainable future with our clients.

<b>Mission Statement</b>
NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society.
<b>Group Vision</b> <b>Trusted Global Innovator</b>
<b>Realizing a Sustainable Future</b> Connect people with technology to create value and a sustainable future with our clients

## Overview of Strategies

Our human resources and organizational capabilities form the fundamental foundation for our business activities. The new medium-term management plan prescribes ongoing measures for maximizing these capabilities through Strategy 5. Meanwhile, Strategies 2, 3, and 4 entail transforming our prior approach and business initiatives to respond to social changes, heighten our competitiveness, and make greater contributions to clients' businesses. As we advance these strategies based on a comprehensive perspective, we will also seek to create services through the convergence of IT & connectivity in accordance with Strategy 1. In this manner, NTT DATA will endeavor to create new social platforms and innovative services that defy the boundaries of companies and industries.



## Management Targets

Following the business combination with NTT Ltd., NTT DATA will target consolidated net sales of over ¥4.0 trillion, a client base of 120 companies with annual sales of ¥5 billion or more (Japan) or US\$50 million or more (outside of Japan), a consolidated operating income margin of 10.0%, and an overseas EBITA margin of 10.0%. Moreover, we aim to achieve operating income of ¥400 billion, double the level from FY2021.

Consolidated Net Sales	Client Base <sup>*3</sup>	Consolidated Operating Income Margin <sup>*4</sup>	Overseas EBITA Margin <sup>*4</sup>
Over <b>¥4.0</b> trillion	<b>120</b> companies	<b>10.0%</b>	<b>10.0%</b>

\*1 Figures account for overseas business combination with NTT Ltd.

\*2 Forecasts for the performance of NTT Ltd. use figures that are based on the information available at the time of publication of this report and certain assumptions deemed to be rational.

\*3 Clients from which NTT DATA earns ¥5 billion or more per year (in Japan) or US\$50 million or more per year (outside of Japan)

\*4 Excluding temporary costs such as M&A activities and structural transformation

## Strategic Indicators

NTT DATA has put forth strategic indicators comprised of financial and non-financial indicators to promote the advancement and entrenchment of the strategies of the new medium-term management plan. Moreover, quantitative targets and principal organizations have been defined for each strategy, based on which the progress of strategies will be monitored.

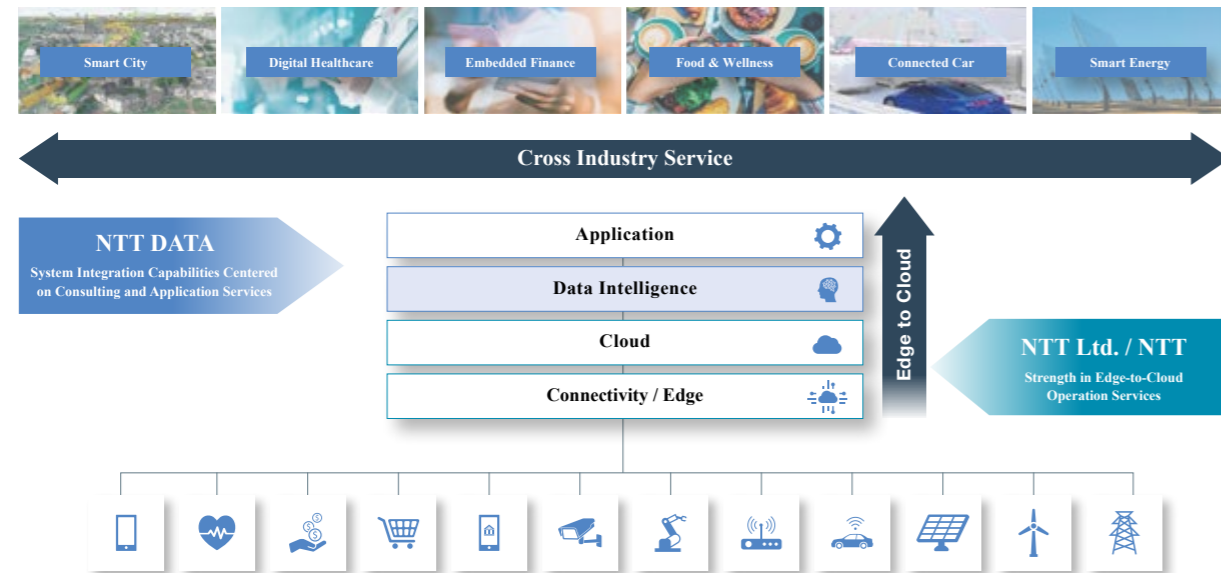
Indicators by Strategy				
<b>Strategy 1</b> Capitalize on the Convergence IT & Connectivity	<b>Strategy 2</b> Strengthen Consulting with Foresight	<b>Strategy 3</b> Evolve to an Asset-based Business Model	<b>Strategy 4</b> Enhance Advanced & Development Technology	<b>Strategy 5</b> Be the Best Place to Work
<b>Client Base*</b> <b>Management Targets</b>	Number of businesses created through transformation proposals based on foresight	Number of businesses created using repeatable assets	Net sales by focus area	Number of engineers by focus area
	Transformation proposals based on foresight for client managers with responsibility for transforming management and businesses	Business created with repeatable assets in consulting, system development, and other areas	Business growth surpassing market growth in focus areas to enhance digital capabilities	Recruitment and cultivation of engineers necessary to grow business in focus areas

\* Clients with annual sales of ¥5 billion or more (in Japan) or US\$50 million or more (outside of Japan)



### Strategy 1 Capitalize on the Convergence IT & Connectivity

NTT DATA will seek to strengthen its edge-to-cloud service provision capabilities through greater coordination with the NTT Group. By means of such coordination, we aim to combine our strengths pertaining to the supply of systems to various industries. In Japan, this will entail ramping up coordination between business fields centered on the Social Design Office. Overseas, we will seek to achieve secure contact points between customer contacts and data with a focus on smart city- and 5G-related businesses. By developing and growing businesses that coordinate business models in a way that surpasses the boundaries of companies and industries, we will seek to create new social platforms and innovative services.



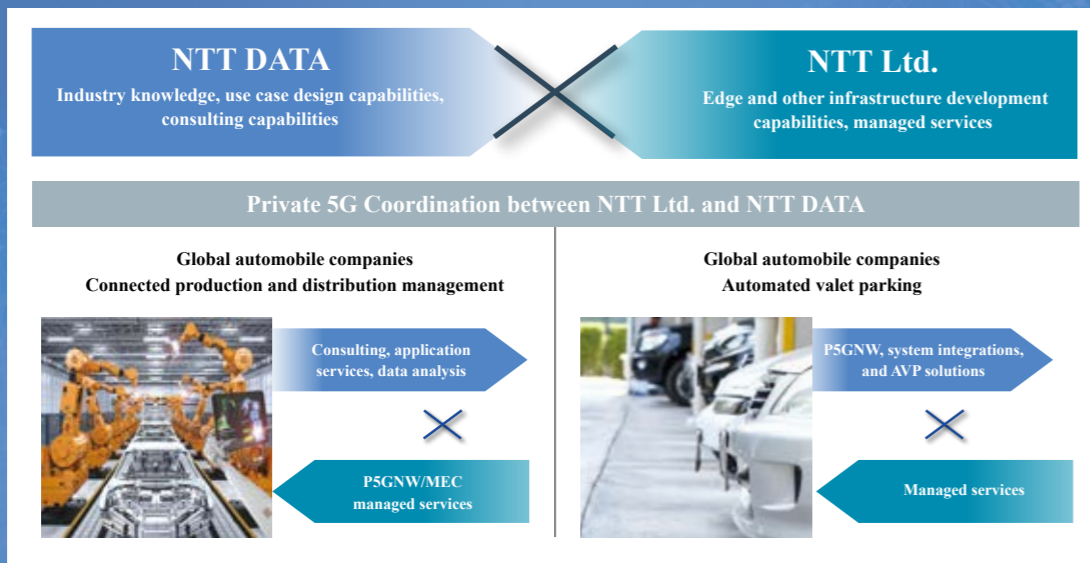
### Strategy 2 Strengthen Consulting with Foresight

NTT DATA has set up dedicated consulting organizations for specific business fields. In addition, we are installing cross-field support functions for aiding in the formulation and implementation of clients and industry foresight methodologies and for developing consulting human resources. We are also building networks that will allow us to consolidate and utilize the insight of industry and business specialists from around the world. This network will be used to enhance our industry consulting capabilities based on foresight pertaining to clients and industries as well as our technology consulting capabilities shaped by foresight related to technologies. With these enhanced capabilities, NTT DATA will seek to support the growth of clients' businesses as a co-creative partner and to promote business transformation.



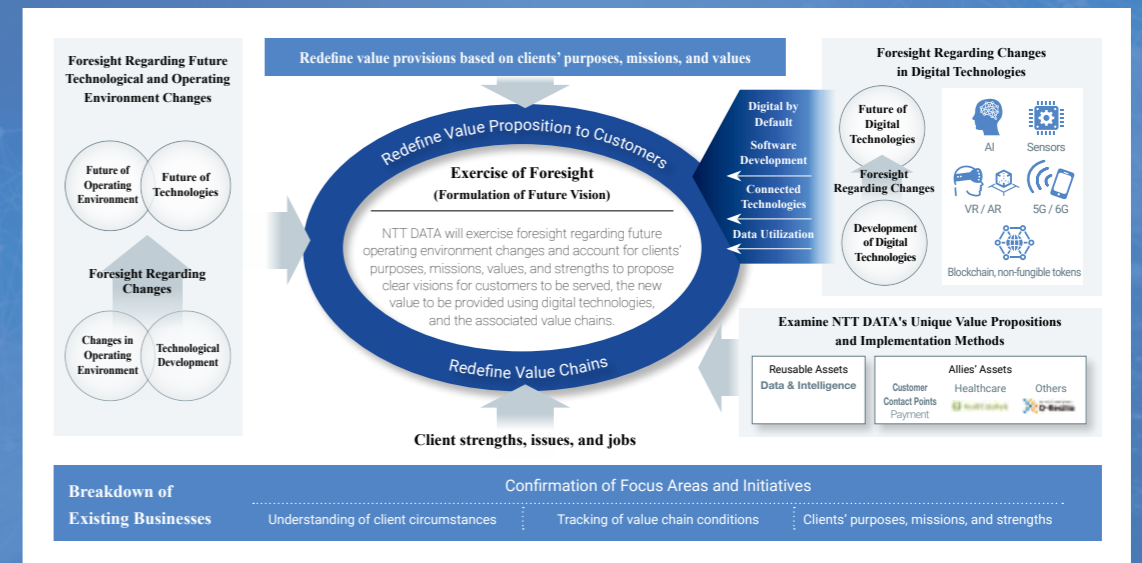
### Case Study Combination of Capabilities of NTT Ltd. and NTT DATA

The infrastructure development capabilities of NTT Ltd. and the system integration capabilities of NTT DATA are being combined to advance initiatives such as those detailed below. Through such initiatives, we are providing full stack IT services, spanning from business consulting and application development to network development and managed services, and building business ecosystems.



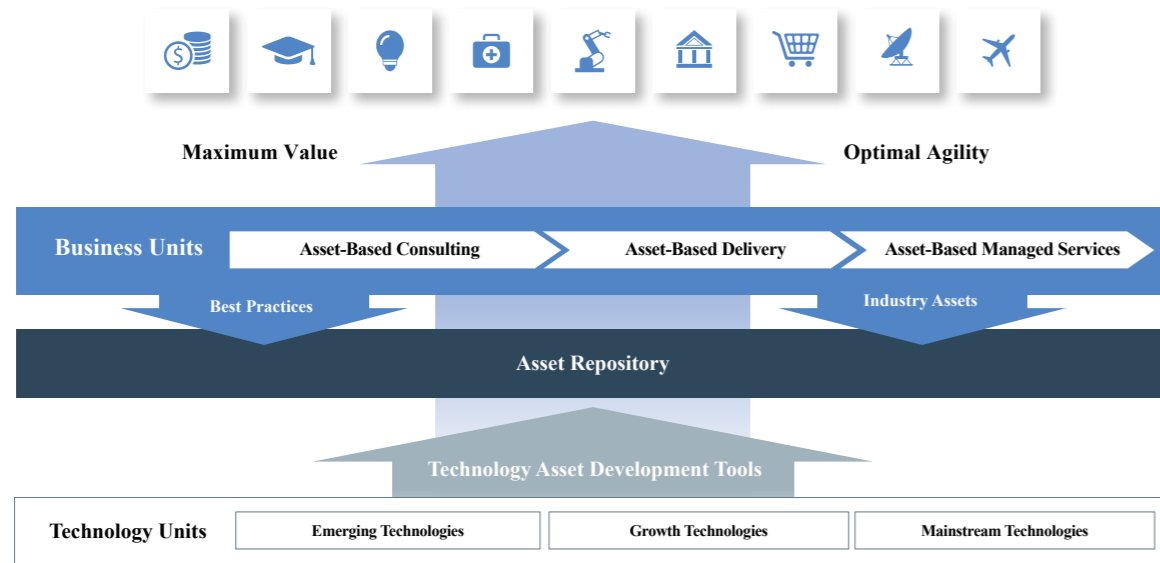
### Focus Overview of the Foresight Design Method

NTT DATA aspires to provide value to clients and society by leading projects from planning to implementation based on who are clients' customers and how we transform clients' business processes. These projects are designed with a vision for the ideal future founded on foresight regarding future technological developments and operating environment changes.



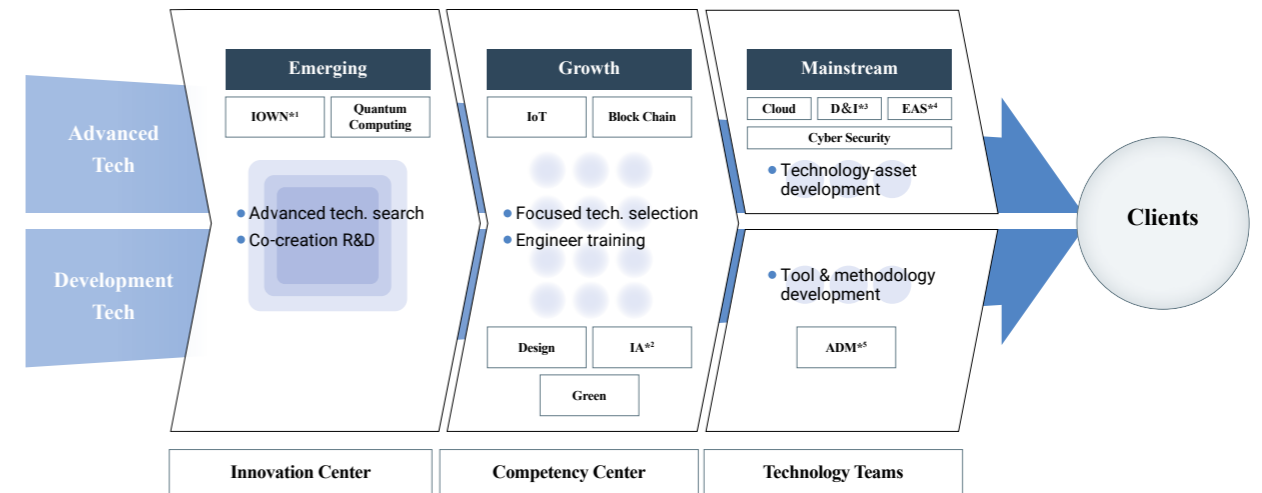
**Strategy 3 Evolve to an Asset-based Business Model**

NTT DATA is working to consolidate its industry and business foresight, best practices, software assets, internal tools, and other insight to develop reusable assets that can be used to provide value to clients. With these assets, we will promote consulting services as well as delivery and managed services on a global scale. Moreover, NTT DATA looks to evolve from its prior business model focused on contract system integration services to a new business model in which the Company proactively proposes and transmits value. We thereby aim to acquire business agility suited to the digital age in order to maximize the value we supply to clients.



**Strategy 4 Enhance Advanced & Development Technology**

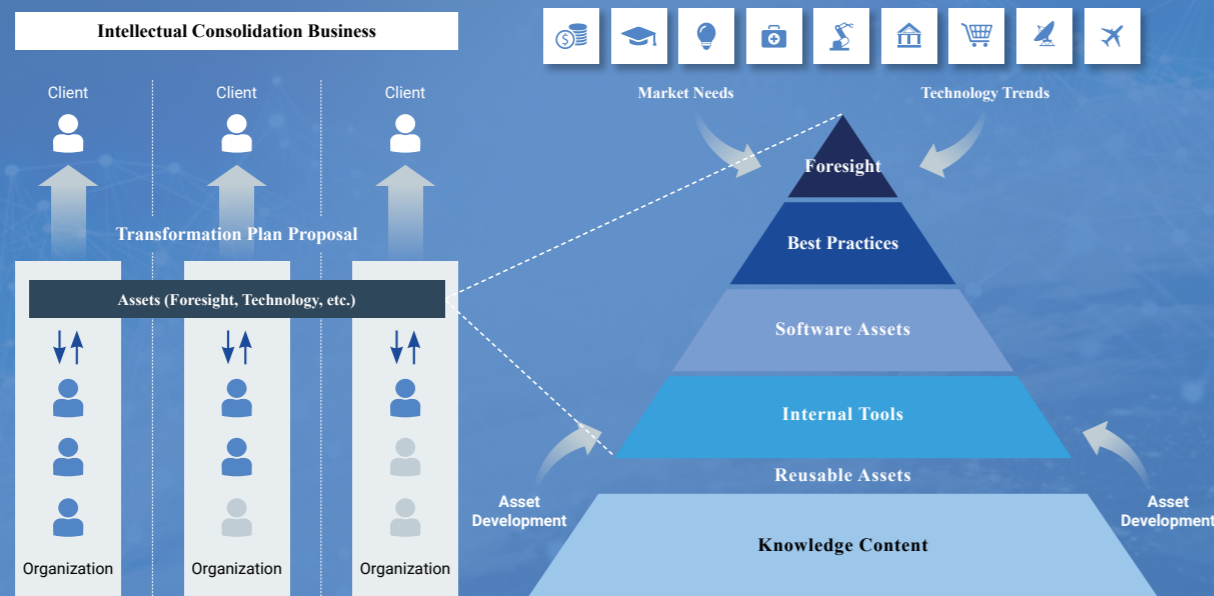
NTT DATA has divided its technology portfolio into three areas—emerging, growth, and mainstream—based on the level of maturity of the related technologies. In these areas, our Innovation Center is promoting co-creation in research and development on a global scale while the Competency Center advances business proof of concept (PoC) tests and presales activities in growing areas and frontline, business-specific technology teams develop human resources and technology assets. Through these activities, we will seek to strengthen both advanced technology utilization capabilities for securing future competitiveness and system development technology capabilities for improving productivity.



\*1 IOWN: Innovative Optical and Wireless Network  
 \*2 IA: Information Architecture  
 \*3 D&I: Data and Intelligence  
 \*4 EAS: Enterprise Application Services  
 \*5 ADM: Application Development and Management

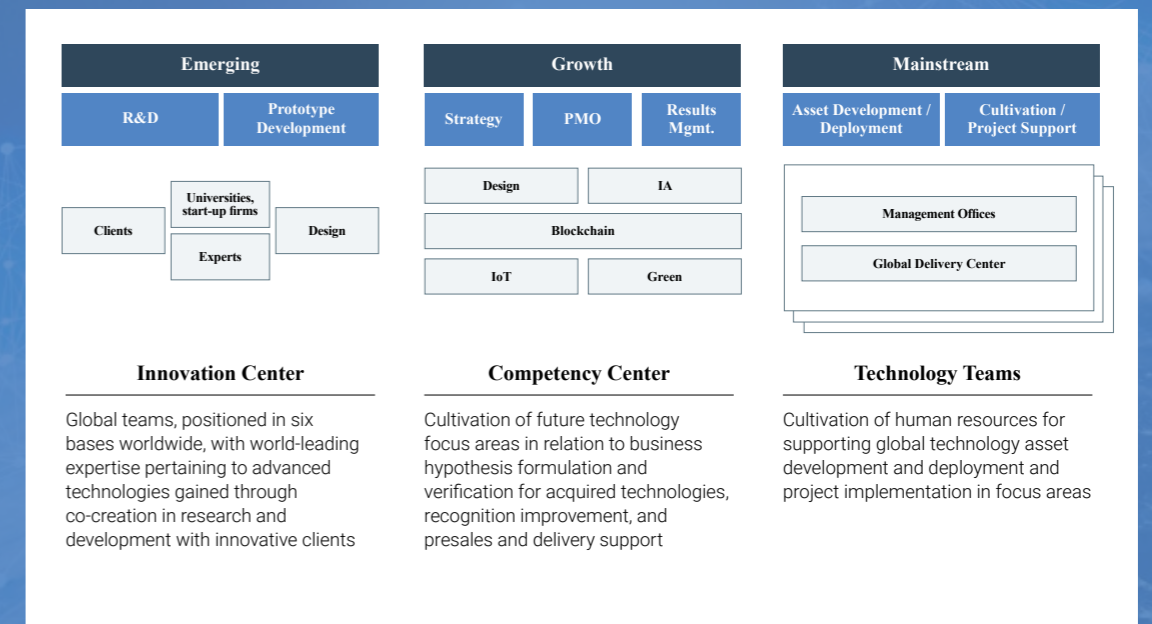
**Focus Asset-Based Business Model**

Armed with internal expertise, wisdom, and insight, NTT DATA will transition to a high-efficiency, high-value-added business model to maximize the value it provides to clients.



**Focus Initiatives for Strengthening Technological Capabilities**

NTT DATA is building upon the initiatives of the previous medium-term management plan and arranging these initiatives based on the maturity levels of specific technologies in order to secure technological capabilities and competitiveness over the short, medium, and long term.





**Strategy 5 Be the Best Place to Work**

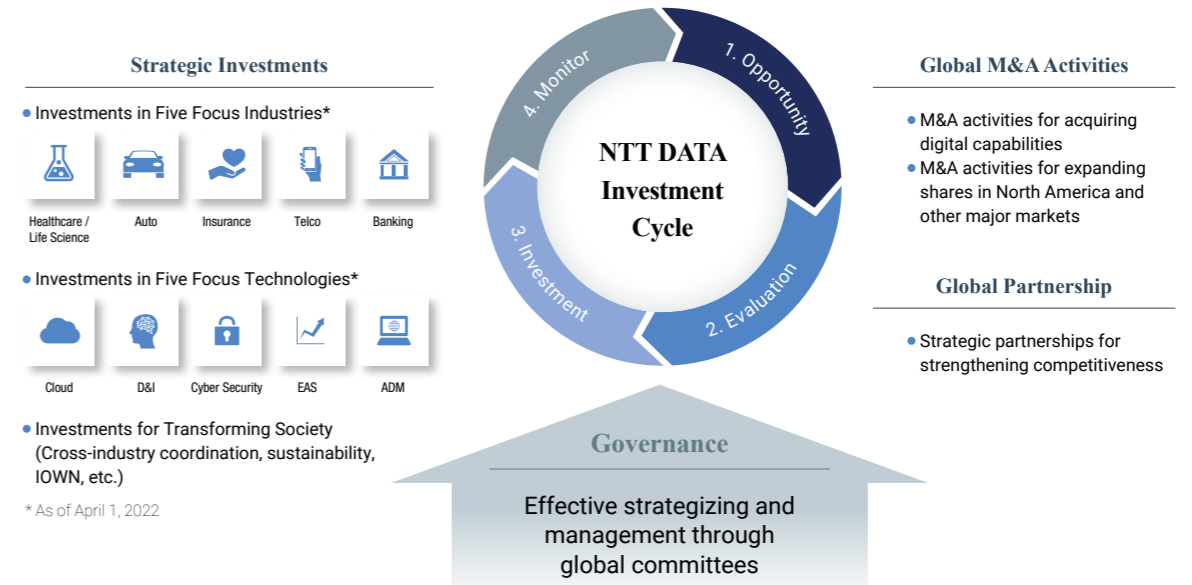
NTT DATA is implementing global scale human resource development systems to enable employees to learn about the latest technologies, providing compensation schemes matched to levels of specialized expertise, and instituting other measures to contribute to the autonomous growth of employees. Moreover, we are cultivating a workplace environment that allows employees to flexibly choose where and when they work based on the characteristics of their job. Through these measures, we seek to promote diversity, equity, and inclusion (DEI) and to improve employee engagement. NTT DATA thereby seeks to transform into a more appealing company that boasts organizational functions and a culture allowing diverse employees to express themselves. This transformation is anticipated to help us maximize the human resources and organizational capabilities that underpin the implementation of our strategies while heightening our corporate value going forward. We are also reinforcing management frameworks to facilitate future growth as a global company.



**Optimize Strategic Investments for Growth**

NTT DATA is strengthening its marketing, innovation, and governance functions with a focus on global implementation to furnish the frameworks needed for supporting Strategies 1–5 and to allow for swift responses to changes in the operating environment. We also aim to develop a virtuous cycle of investment and growth in order to spur the growth of our business toward the Global 3<sup>rd</sup> Stage.

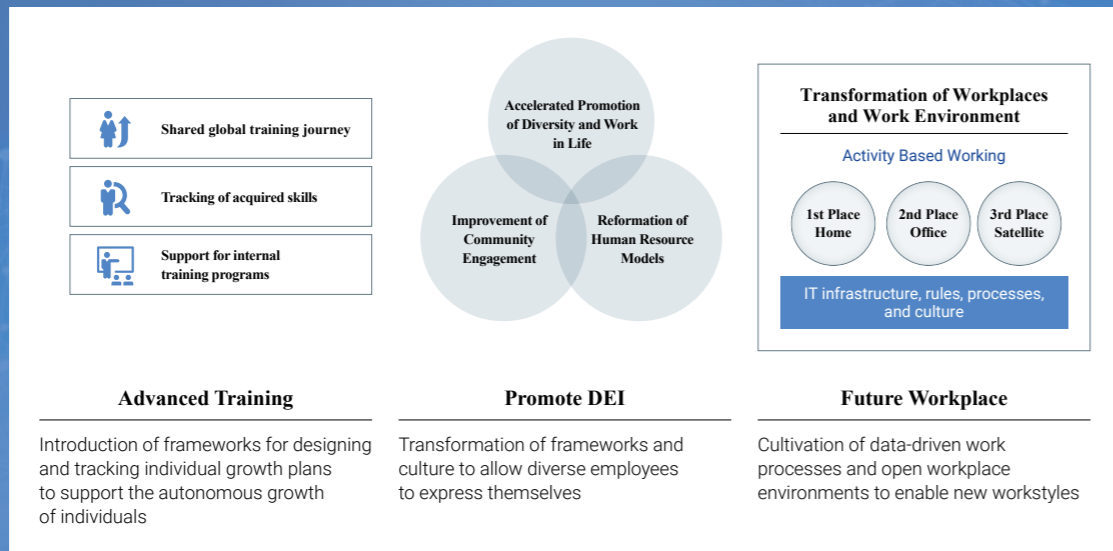
Specifically, new investment budgets will be assigned to themes that contribute to social transformation, such as sustainability and the Innovative Optical and Wireless Network (IOWN) concept. Investments in these areas will be conducted alongside those in the traditional focus areas for industry and technologies. This approach will be used to drive strategic investment for creating new future businesses on a global scale.



\* As of April 1, 2022

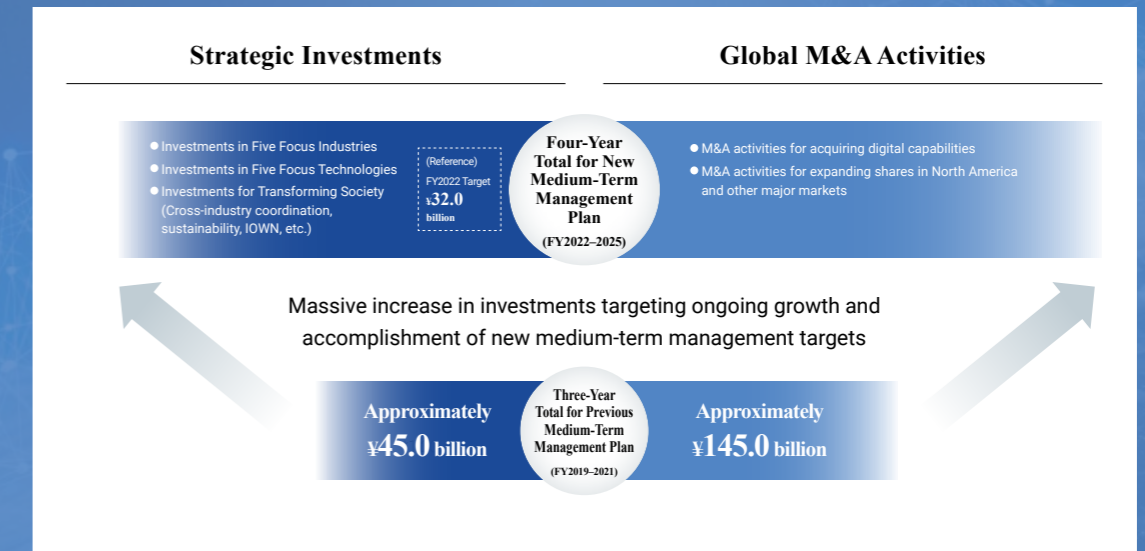
**Focus Initiatives for Being the Best Place to Work**

Our initiatives for being the best place to work go beyond ongoing programs for developing human resources and enhancing specialized skills to drive individual growth. We also seek to transform our corporate culture by cultivating a workplace environment that is in line with the times, accelerating the promotion of diversity, improving community engagement, and reforming internal human resource models.



**Focus Strategic Investments**

The targets of the new medium-term management plan will be pursued by massively increasing investments for accelerating initiatives such as M&A activities for achieving future growth and for enhancing corporate functions.





NTT DATA's

# Guiding Compass

Indicating the Present and Future of IT and Business

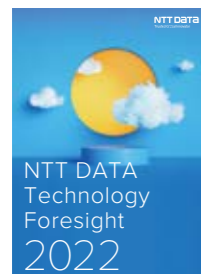


## Technology Trends

Every year, NTT DATA publishes NTT DATA Technology Foresight to present the IT and business trends of present and future that function as its guiding compass. This publication illustrates the path we will take in the future based on trends identified through ongoing research into cutting-edge technologies and social tendencies.

The 2022 edition features an evolved format and puts forth three introduction trends and six emerging technology trends. We hope this publication will be used as a source of information and a starting point for discussions at a variety of events.

Through this initiative to present information about the latest technologies, which are becoming increasingly sophisticated, and to create a compass for guiding us into the future, NTT DATA is proud to broadly disseminate its foresight and technological capabilities to customers, in a bid to gain and strengthen their confidence in NTT DATA while co-creating innovation.



NTT DATA Technology Foresight  
<https://www.nttdata.com/global/en/foresight/trend-listing>

### View of the Future while Reviewing the Changes IT Is Bringing to the World

#### 01 IT as a Growth Leader

Business growth is led by IT and expanded by AI. The competition to rapidly and continuously improve services for optimal delivery walks hand in hand with the evolution of software, hardware, and data. The breakneck speed of technological innovation in AI is accelerating the growth of business.



#### 02 IT for Transcending Established Boundaries

As IT becomes increasingly linked to the physical world and indispensable for facilitating business activities, it has given organizations the power to transcend established boundaries, expand into new industries, and realize vertical integration. Meanwhile, the growing application of IT to the realm of science is finding solutions to long-standing problems.



#### 03 IT for Searching for New Norms

The rapid permeation of technology is shaking existing value systems and challenging sustainability. Discussions have begun on the search for a new kind of balance that can arbitrate the many conflicts that arise at the point of contact between the world of IT and the existing world. The people who control technology will need to participate in the coming revision of rules.



### Explore in Detail the Changes in Each Technological Element and Present Them along with Future Predictions

#### 01 Massive AI will Unlock New Possibilities

There is an intense, ongoing competition to develop new AI models with increasingly massive numbers of parameters, resulting in dramatic improvements in the ability of AI to recognize and utilize language and images. A new kind of AI is emerging that will be able to learn and solve problems by itself and be applied to a multiplicity of uses not limited to specific fields.



#### 02 Shape-Shifting IT Infrastructure

IT infrastructure is being reconfigured into a means of creating and expanding businesses that are deeply fused to software. This evolution, coupled with further semiconductor technology development, will give organizations the flexibility to keep pace with change and to accumulate best practices directly linked to real business achievements.



#### 03 Software will Become a Point of Growth

Software is the driving force that grows business and opens new paths forward. It is no longer just a way of getting work done. It is now a moving force that can enlist the involvement of many different stakeholders to realize new ideas and adapt to continuous change. As such, it is a crucible for integrating business know how.



#### 04 Renewed Recognition of Data as the Driver

Your new business territory is defined by your ability to use data to grasp and analyze current situations and decide upon strategies. To achieve leadership in business, organizations need to go beyond data-driven marketing and secure the technology to accumulate and utilize detailed, real-time data to fuel continuous improvement and machine learning.



#### 05 Approaches to the Physical World

Bold attempts to infuse the myriad activities of the physical world with the value of IT continue unabated. By expanding the tools that support complicated autonomous and synergistic work, we not only improve the productivity of people but also accelerate the arrival of a new world that links the virtual to the real and enables continuous, high-speed improvement.



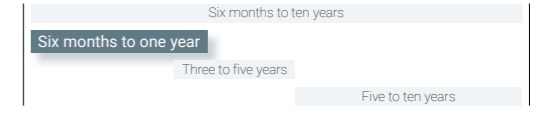
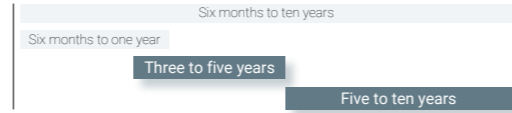
#### 06 Opening the Way to the Unknown Future

AI-based IT will intervene in the remaining areas of our world that have not yet been penetrated by human intelligence, from optimal content delivery plans to the discovery of new materials and the search for the origins of life itself. It will open the way to the future of humankind by changing the way we research and develop and how we verify, radically shortening the time it takes to solve problems.



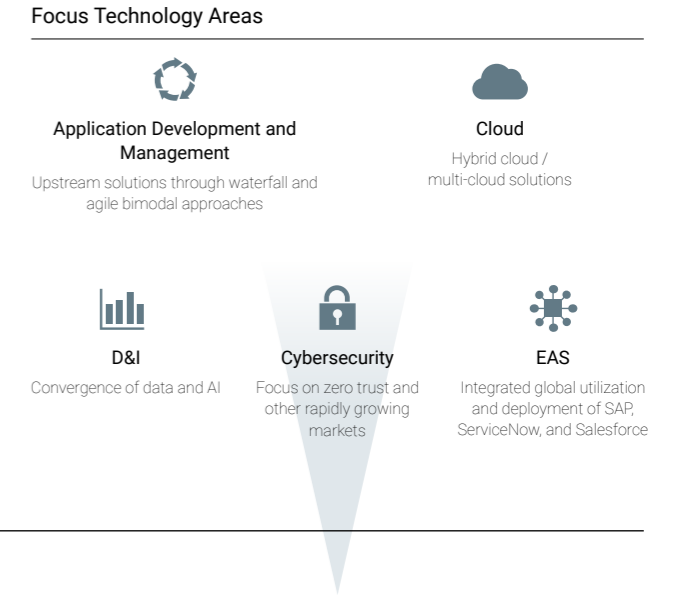
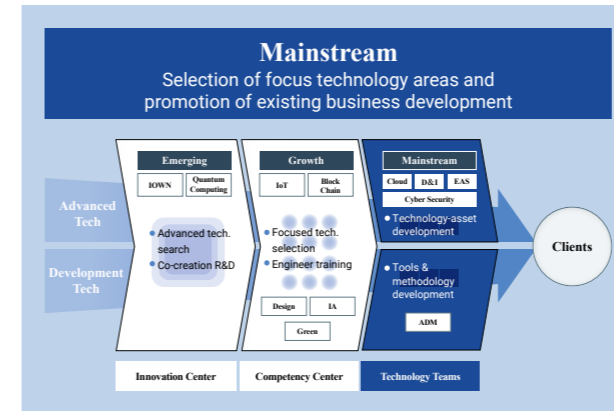
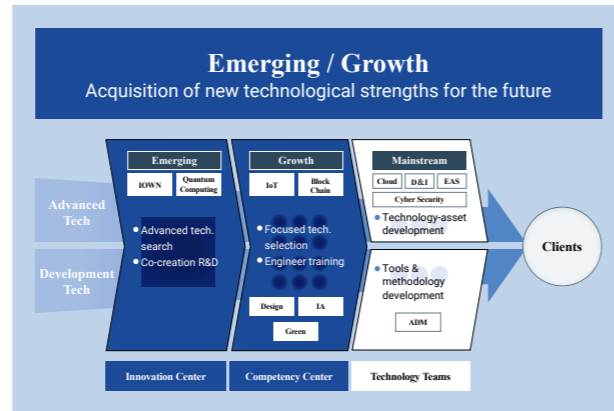


**NTT DATA's Guiding Compass**  
**Indicating the Present and Future of IT and Business**



**NTT DATA's Technology Strategies**

NTT DATA's technology strategies entail three phases for research and development, making for a framework in which we can take action based on the timing of technology use and applicable technology area. In the emerging phase, we explore advanced technologies and conduct co-creative research and development with an eye to five to 10 years in the future. Our focus in the growth phase is to develop technologies and cultivate the engineers that will provide the strength necessary for business growth three to five years in the future. The mainstream phase, meanwhile, involves the development of technology assets in focus technology areas for existing businesses and the promotion of business development and sales in Japan, North America, and Europe. Through this framework, we are accelerating medium-term technology strategies and preparing for growing business opportunities based on the trends identified in NTT DATA Technology Foresight.



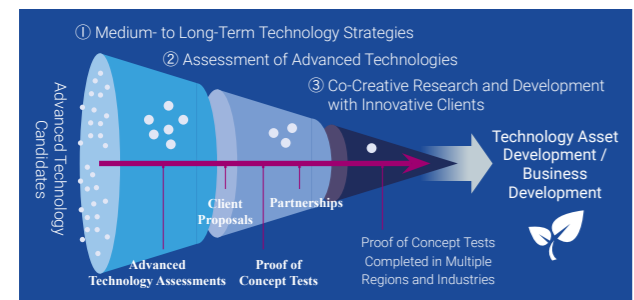
**Concrete Initiatives**

**Innovation Center Initiatives**

**Establishment of Global Innovation Center Network in Six Countries**  
 The new medium-term management plan defines focus technologies with a view to five to 10 years in the future, based on which NTT DATA will bolster its advanced technological capabilities for creating new value in order to strengthen global competitiveness.  
 To facilitate these efforts, the Company launched activities through the global network of six innovation centers it established in August 2022. Positioned in countries that are highly receptive to new technologies, these innovation centers work to identify advanced technologies that will become mainstream in five to 10 years and to develop new businesses through co-creative R&D activities with clients.

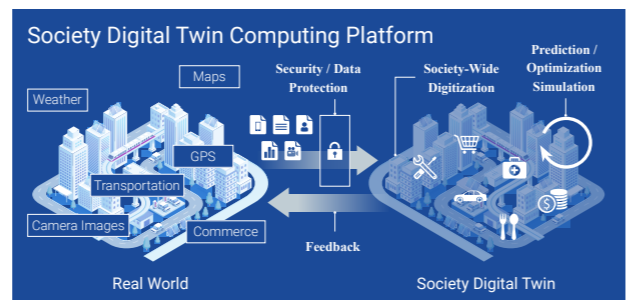
**Innovation Center Structure and Roles**

Our innovation center structure comprises the Strategy Headquarters, which formulates the technology strategies, and local centers in six countries. These organizations are staffed by around 100 experts, mainly researchers, consultants, and engineers.  
 Technology themes will be established for each center based on our technology strategies. Through co-creative research and development with leading companies, as well as cooperation with universities and start-up firms, these centers will be among the first to accumulate information on the advanced technologies in their regions. Such information will be used as input for shaping future technology strategies.  
 NTT DATA is currently pursuing initiatives for technology assessment and client proposals in cutting-edge areas such as quantum computing and the metaverse. By conducting ongoing technology trend surveys, we will regularly review our technology portfolio and revise focus technology themes and add new themes as deemed necessary.  
 Going forward, innovation centers will strengthen their networks for global collaboration and accumulate expertise in advanced technologies, aiming to establish partnerships for co-creative R&D activities with innovative customers.



**Utilization of Digital Twin Technologies across Society**

Digital transformation (DX) initiatives, which were previously confined within specific companies and industries, are evolving to become more society-oriented initiatives that spread across wider areas of society and encompass multiple industries. To accelerate such social DX, NTT DATA is moving forward with the development of a society digital twin computing platform.  
 This platform will create digital twins for the entirety of society, including its myriad of businesses and industries, based on a variety of real-world data. The digital twins will then be used to conduct predictions and optimization simulations, and the results of these simulations will be used to guide action in the real world to create various forms of value for all of society. One of the principal areas in which such social DX has the potential to resolve social issues is urban development. For example, society-wide digital twins can be used to inform dynamic pricing decisions for alleviating traffic congestion and to help realize optimal mobility by combining options such as trains, buses, and taxis.  
 NTT DATA is developing the technologies that will be key for implementing this society digital twin computing platform. These technologies include people traffic analysis technologies for tracking and analyzing the movement of people over time and secure analysis technologies for safe use of the private information contained in data on the movement of people.  
 At the moment, we are advancing a development project aimed at resolving transportation network issues and realizing new transportation management approaches. Part of the increasing 4D digital platform™ advocated by the NTT Group, this project seeks to reduce congestion and optimize transportation in order to address the increased transportation demand expected to be seen in conjunction with Expo 2025 Osaka Kansai, which is projected to exceed current transportation capabilities.  
 Going forward, we will continue our efforts to build digital twins for the entirety of society in order to help resolve social issues and transform society.



**Global Launch of Zero Trust Security Services**

NTT DATA has undertaken the global launch of zero trust security services. These new services will provide organizations with a work environment suited to the new flexibility in workstyles, without restricting users by work location, such as the office or home, or by type of device, whether smartphone or PC. Furthermore, the services will contribute to damage reduction from security incidents by providing a high level of security, with technologies such as multi-factor authentication and log monitoring, and by allowing for rapid detection, response, and recovery in the event of an external cyberattack.  
 NTT DATA considers today's increasingly sophisticated and complex cyberattacks to be a management risk and has revised its security governance practices on a global basis, introducing a zero trust architecture used by 150,000 employees in 52 countries and regions worldwide. These efforts have enabled NTT DATA to identify and resolve the following issues related to security measures for companies with multiple locations spread across the globe.

**Issue 1 Strengthening Security Governance**

There has been an increasing number of cases recently where damage from security incidents at overseas locations of global companies has spread to their head offices. The following issues are particularly notable:

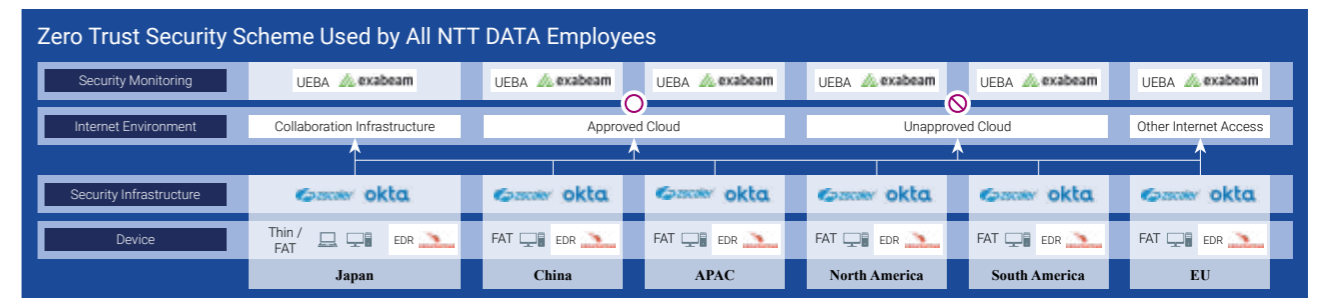
- When a security incident occurs overseas, it takes considerable time for the head office to become aware of the event.
- Cyberattacks at locations with low levels of security provide a springboard, threatening the entire global organization.
- A uniform level of security is difficult to implement due to such factors as differences in business practices, business models, and company size in each country, or the availability of on-site security engineers.

**Issue 2 Responding to the Diversification of the IT Environment**

The diversification of IT environments and workstyles, such as the spread of remote work and so-called bring your own device practices and increased collaboration with outside firms, have led to the following issues:

- Use within the company of unapproved applications or cloud services leads to greater risk of information leaks.
- Malware infections create increased risk of information leaks or business suspension.
- Delays in digitization can result in diminished business competitiveness and loss of business opportunities.

Based on its know-how, NTT DATA has systematized its expertise to provide clients with comprehensive service spanning from consulting to architecture implementation and operation. Together with strategic partner companies with extensive global track records in a wide range of technical fields, NTT DATA has created a structure with more than 1,000 specialists able to provide services.



NTT DATA will utilize the expertise regarding the implementation and operation of large-scale zero trust architecture of its 150,000 employees in 52 countries and regions worldwide to provide clients with comprehensive services, ranging from consulting to implementation and operation. By providing these services, we aim to grow business in this area to generate annual net sales of ¥30 billion by the end of FY2025.



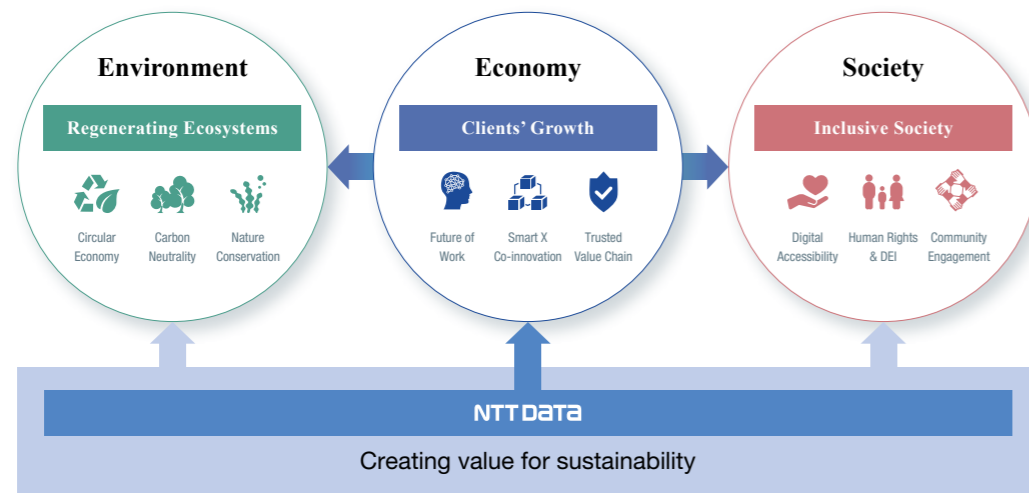
# NTT DATA's Sustainability Management

## Sustainability Management

The social environment is undergoing significant changes, and companies are thus asked to help preserve the global environment and address various social issues as they go about their business activities. In the past, NTT DATA has taken an approach toward ESG management that entailed advancing sustainability initiatives alongside business activities. However, we recognize the increased need to account for our impact on the economy, the environment, and society. We have thus begun expanding our sustainability initiatives based on a global and long-term perspective as we integrate these initiatives into management.

Based on the slogan of "Realizing a Sustainable Future," NTT DATA seeks to grow together with clients by helping preserve the environment and address social issues to contribute to the realization of a sustainable society through its business activities (by IT) and its corporate activities (of IT).

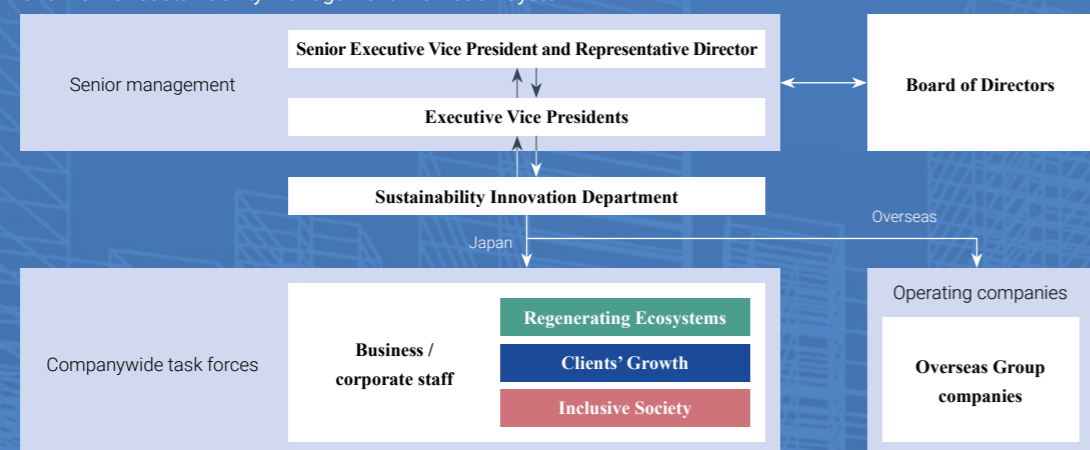
### Realizing a Sustainable Future



### Sustainability Management Promotion System

The Sustainability Innovation Department was established in July 2022 to promote sustainability management by overseeing business strategies with an emphasis on non-financial indicators. This department is tasked with practicing sustainability management on a global and Companywide basis in accordance with the KPIs identified for each of our nine material sustainability issues (Materiality), which were formulated together with the new medium-term management plan.

#### Overview of Sustainability Management Promotion System



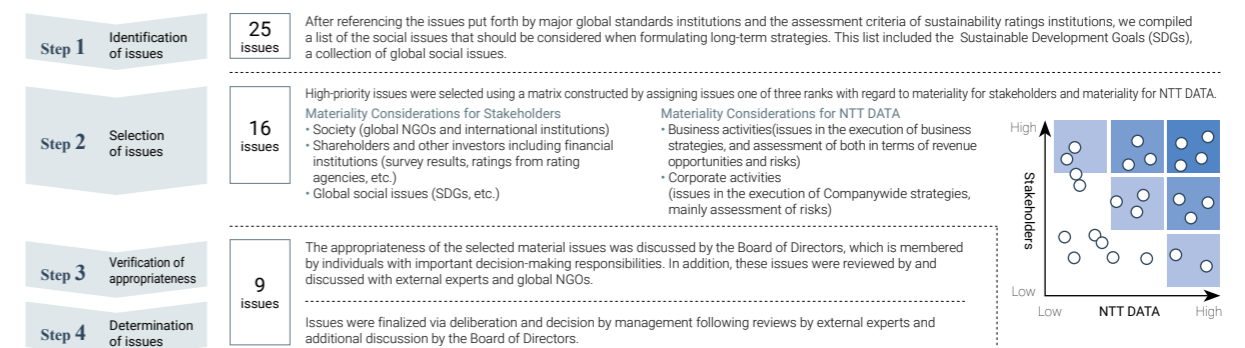
### Materiality

For more information, please refer to "Process for Identifying Nine Material Issues for Contributing to the Realization of a Sustainable Society" on page 8 of NTT DATA Sustainability Report 2022 Data Book.

The new medium-term management plan defines nine material issues as Materiality and sets three pillars—Clients' Growth, Regenerating Ecosystems, and Inclusive Society—along with three material issues based on each of these focuses to indicate the priority issues to be tackled when practicing sustainability management.

The material ESG issues under the previous medium-term management plan were based on the social issue lists contained in the NTT DATA Technology Foresight publication. Our new material issues (Materiality), meanwhile, were selected by evaluating and assessing the issues put forth by global standards institutions and other organizations. The materiality assessments of NTT DATA involved wide-ranging evaluations based on social expectations, risks, and degrees of impact on a Companywide basis, including business divisions and overseas Group companies. After these assessments, material issues were selected by the Board of Directors while taking into account the opinions of global NGOs and external experts.

### Materiality Selection Process

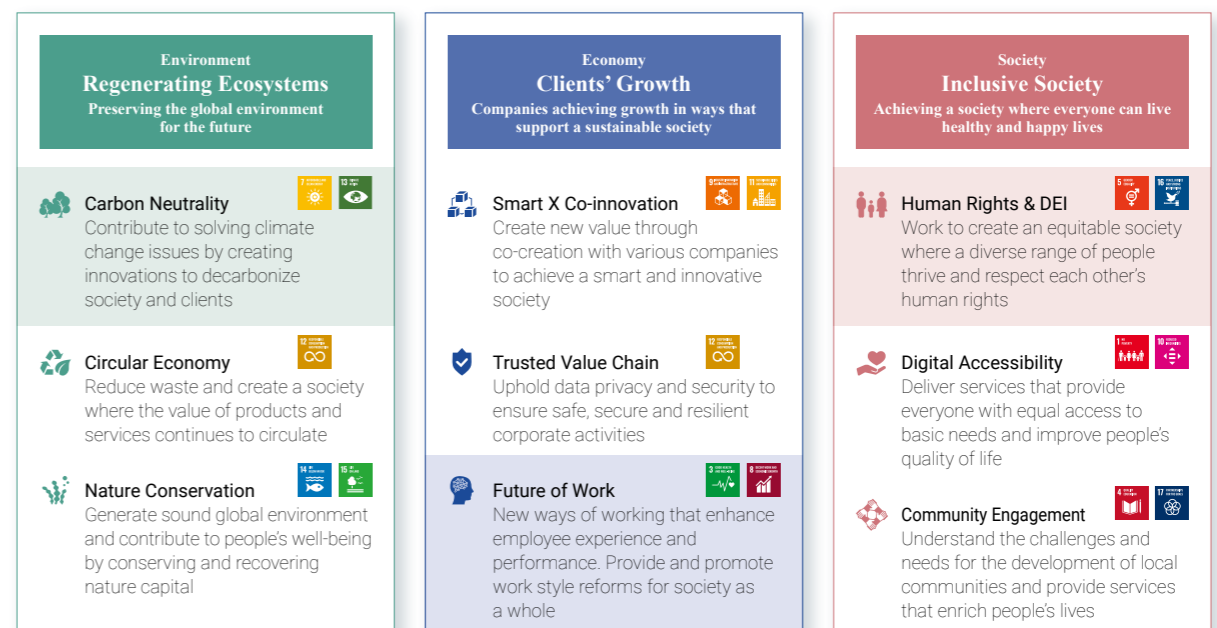


### Nine Material Issues

The following nine material issues were selected through the aforementioned process. The relationship of these issues to the material ESG issues defined under the previous medium-term management plan is as described below.

#### Relationship with Material ESG Issues in the Previous Medium-Term Management Plan

- Expansion of prior issue of "Respond to climate change" to more concrete issues of "Carbon Neutrality," "Circular Economy," and "Nature Conservation" to reflect increased importance of environmental issues
- Identification of "Human Rights & DEI" as material issue to place greater emphasis on human rights in business activities
- Establishment of new issue of "Digital Accessibility" based on theme of inclusion, which is one of the major themes of the SDGs



• P60 Environment • P52 Human Resources



Nine Material Issues and KPIs

The key performance indicators (KPIs) and targets for FY2022 associated with the nine material issues are as shown below.

	Material Issues	Shared	Indicators	Companywide Targets
 Environment Regenerating Ecosystems	<b>Carbon Neutrality</b> Contribute to solving climate change issues by creating innovations to decarbonize society and clients	Number of sustainability-related offerings	CO <sub>2</sub> emissions* <sup>1</sup>	Please see page 60 for medium- to long-term targets.
	<b>Circular Economy</b> Reduce waste and create a society where the value of products and services continues to circulate		Promotion of EVs for household use	Not disclosed
			<b>Nature Conservation</b> Generate sound global environment and contribute to people's well-being by conserving and recovering nature capital	Waste recycling rate
<b>Smart X Co-innovation</b> Create new value through co-creation with various companies to achieve a smart and innovative society	Number of participants in environmental preservation initiatives			More than 5,000 participants (FY2022)
	<b>Trusted Value Chain</b> Uphold data privacy and security to ensure safe, secure and resilient corporate activities		Volume of paper used	25% reduction from FY2020 (FY2022)
<b>Future of Work</b> New ways of working that enhance employee experience and performance. Provide and promote work style reforms for society as a whole			Earnings from B2B2X operations	Not disclosed
			Number of cyberattacks and service disruptions	0 (FY2022)
<b>Human Rights &amp; DEI</b> Work to create an equitable society where a diverse range of people thrive and respect each other's human rights			Number of leaks of important personal data	0 (FY2022)
			Number of security incidents	0 (FY2022)
			Number of long-lasting system failures	Not disclosed
			Ratio of employees undergoing corporate ethics training* <sup>1</sup>	100% (FY2022)
			Number of incidents of anti-competitive acts or bribery	0 (FY2022)
	Ratio of direct discussions with important suppliers	100% (FY2022)		
<b>Digital Accessibility</b> Deliver services that provide everyone with equal access to basic needs and improve people's quality of life	Rate of remote working	70% (FY2022)* <sup>2</sup>		
	Employee satisfaction	Not disclosed		
<b>Community Engagement</b> Understand the challenges and needs for the development of local communities and provide services that enrich people's lives	Employee turnover rate	Not disclosed		
	Ratio of newly appointed female managers	30% (FY2022)		
 Economy Clients' Growth	Ratio of female managers	15% (by FY2025)		
	Ratio of female officers	25% (by FY2025)		
	Ratio of mid-career hires among new recruits	30% (FY2022)		
	Ratio of employees undergoing human rights and DE&I training	100% (FY2022)		
 Society Inclusive Society	Number of confirmed human rights violations	0 (FY2022)		
	Number of information communications for improving diversity	More than 52 cases (FY2022)		
 Community	Number of participants in social contribution activities	23,000 participants (FY2022)		

\*1 Includes overseas Group companies  
\*2 Monitoring indicators

(Reference) FY2021 KPIs and Performance for Material ESG Issues

In FY2021, we pursued KPI targets set by each organization based on our concepts for ESG management, namely "Contributing to society and increasing corporate value through business" and "Contributing to society and increasing corporate value through corporate activities."

Category	Material ESG Issues	FY2021 KPIs	FY2021 KPI Results
 Business (Innovation)	<b>1 Offer social infrastructure and business category-specific solutions based on advanced technologies</b>	<ul style="list-style-type: none"> <li>The number of new consumer-oriented business proposals and projects</li> <li>The number and amounts of digital business orders</li> <li>Sales of technology offerings</li> </ul>	<ul style="list-style-type: none"> <li>Target accomplished*<sup>1</sup></li> <li>Target surpassed*<sup>1</sup></li> <li>Target surpassed*<sup>1</sup></li> </ul>
	<b>2 Build and ensure stable management / operation of IT infrastructure</b>	<ul style="list-style-type: none"> <li>The number of efficiency improvement measures implemented digital tools in existing businesses</li> <li>Application rate of standardization solutions to critical projects</li> </ul>	<ul style="list-style-type: none"> <li>Target surpassed*<sup>1</sup></li> <li>Target surpassed*<sup>1</sup></li> </ul>
 Human Resources	<b>3 Secure and develop IT human resources</b>	<ul style="list-style-type: none"> <li>The number of specialized human resources capable of leading frontline operations</li> <li>The number of hours spent on self-innovation</li> <li>The number of seminars based on themes for addressing material ESG issues</li> <li>Establish and increase in usage of training platforms for promoting autonomous learning</li> <li>The number of specified skilled workers hired</li> </ul>	<ul style="list-style-type: none"> <li>Target surpassed*<sup>1</sup></li> <li>Target surpassed*<sup>1</sup></li> <li>Target accomplished*<sup>1</sup></li> <li>Target surpassed*<sup>1</sup></li> <li>Target surpassed*<sup>1</sup></li> </ul>
	<b>4 Promote diversity and inclusion</b>	<ul style="list-style-type: none"> <li>Improvement in scores of One Voice (employee engagement survey)</li> <li>Increase the ratio of female employee to 30% or more, the number of female executives to at least 15, the ratio of female managers to 10%, and the ratio of male employees taking childcare leave to 30% by March 31, 2026</li> </ul>	<ul style="list-style-type: none"> <li>Target surpassed*<sup>1</sup></li> <li>Ratio of female employees of 35%, 11 female managers, ratio of female managers of 7.5%, ratio of male employees taking childcare leave of 30% (as of July 1, 2022)</li> </ul>
	<b>5 Promote workstyle innovation</b>	<ul style="list-style-type: none"> <li>The number of orders received for projects that contribute to workstyle innovation for clients (promote remote working, etc.)</li> <li>Improvement in workstyles via teleworking</li> <li>The number of ESG initiative examples announced to employees via Digital Work Place</li> </ul>	<ul style="list-style-type: none"> <li>Target surpassed*<sup>1</sup></li> <li>Target accomplished*<sup>1</sup></li> <li>Target surpassed*<sup>1</sup></li> </ul>
 Security	<b>6 Ensure information security</b>	<ul style="list-style-type: none"> <li>The number of individuals undergoing cybersecurity human resource training</li> </ul>	<ul style="list-style-type: none"> <li>Target surpassed*<sup>1</sup></li> </ul>
	<b>7 Protect data privacy</b>	<ul style="list-style-type: none"> <li>Expansion of coverage of information security audits</li> </ul>	<ul style="list-style-type: none"> <li>Target surpassed*<sup>1</sup></li> </ul>
 Environment	<b>8 Respond to climate change</b>	<ul style="list-style-type: none"> <li>Social decarbonization initiatives (tracking and prediction of electricity consumption volumes)</li> <li>The number of online webinar programs to expand green businesses</li> <li>The number of initiatives conducted in FY2021 based on climate change action plan for 2030</li> </ul>	<ul style="list-style-type: none"> <li>Target accomplished*<sup>1</sup></li> <li>Target surpassed*<sup>1</sup></li> <li>Target surpassed*<sup>1</sup></li> </ul>
 Community	<b>9 Promote IT education</b>	<ul style="list-style-type: none"> <li>The number of external IT workshops held and IT workshop instructors cultivated through NTT DATA Academia program</li> <li>External information provision activities by core digital human resources</li> </ul>	<ul style="list-style-type: none"> <li>Target surpassed (66 workshops, 78 workshop instructors cultivated)</li> <li>Target surpassed*<sup>1</sup></li> </ul>
 Disaster Risks	<b>10 Respond to disaster risk</b>	<ul style="list-style-type: none"> <li>The number of business ideas proposed for addressing climate change issues or disaster risks</li> <li>BCP drills held based on work environment centered on teleworking</li> </ul>	<ul style="list-style-type: none"> <li>Target accomplished*<sup>1</sup></li> <li>Target accomplished*<sup>1</sup></li> </ul>
 Compliance	<b>11 Ensure compliance</b>	<ul style="list-style-type: none"> <li>The number of cases utilizing insights and know-how (digital audits, online audits, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Target accomplished*<sup>1</sup></li> </ul>
 Supply Chain	<b>12 Promote responsible supply chain</b>	<ul style="list-style-type: none"> <li>Ratio of Group companies implementing bribery risk assessment based on the NTT Group Third-Party Due Diligence Policy</li> </ul>	<ul style="list-style-type: none"> <li>Target accomplished (100%)</li> </ul>
<b>Common to 1 - 12</b>		N/A (target accomplished in FY2020)	—

⊙ Target surpassed (rate of accomplishment: 100% or more) ○ Target accomplished / Target generally accomplished (rate of accomplishment: 80-100%)  
△ Target not accomplished (rate of accomplishment: 0-79%)

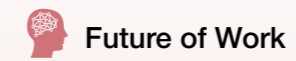
\*1 Figures not disclosed  
\*2 Targets that are not organization-specific KPI targets, but are established and disclosed in a general employer action plan to promote women's active participation  
▶ P58 Human Resources: Active Participation of Diverse Human Resources

# Human Resources

## Human Resource Strategies

In order to capture clients' needs as well as technological trends and continue to produce innovations in the IT services industry with remarkable technological evolution, diverse and excellent human resources are indispensable. Accumulated in people and organization, our know-how on both clients' businesses and applications, which we have acquired from our solid client base over a long period of time, is the source of our competitiveness and the most important management resource. As our Group Vision states, we aim to "enhance our creativity by respecting diversity" from a long-term perspective.

Following the overseas business combination with NTT Ltd. conducted in October 2022, the NTT Group has a staff of approximately 190,000 employees.



**NTT DATA seeks to be an appealing company where diverse human resources can express themselves and succeed.**

### External Recognition ▶ P59

- Highest level of certification in Eruboshi corporate certification program by the Ministry of Health, Labour and Welfare
- Platinum Kurumin certification maintained since November 2019, indicating the Company excels in supporting parents
- Inclusion in the Nadeshiko Brand selection in 2021 (three consecutive years)
- Rating of 4.5 stars in 5th Nikkei Smart Work Management survey
- Receipt of White 500 certification as a company with excellent health and productivity management
- Gold award in the PRIDE Index from work with Pride in reflection of superior initiatives for supporting members of LGBTQ+ community in the workplace

### Diversity and Human Rights ▶ P58

- Signatory to the Women's Empowerment Principles since March 2019
- Approximately 100% rate of female employees returning from childcare leave
- Rate of male employees acquiring childcare leave of 72.6% (FY2021)
- Seminars for raising employee awareness
- Participation in LGBTQ+ pride events

### Workstyle Innovation ▶ P57

- Digital knowledge sharing frameworks for sharing insight and expertise on a global scale
- Teleworking system and internal infrastructure available to all employees (75% rate of remote working)
- Short, frequent surveys for promoting communication between supervisors and subordinates amid widespread teleworking
- Engagement surveys targeting all domestic and overseas Group companies



### Recruitment and Assignment ▶ P54

- Ranked No. 1 overall in ranking of the most popular employers among individuals graduating from university in 2023 by Rakuten Minshu
- Recruitment of 314 mid-career hires (FY2021)
- Receipt of recruiting success award in innovation category of HR SUCCESS SUMMIT AWARD 2022

### Training ▶ P55

- Unique Professional Career Development Program
- Dedicated organization for strengthening consulting capabilities
- Digital Boot Camp and other training programs for cultivating digital human resources
- Readiness Drive Program for enhancing global capabilities
- Advanced Professional, Technical Grade, and Flexible Grade systems for diversifying career paths

### Retention ▶ P54

- Onboarding training for new hires
- Opportunities for exchanges with other employees through Values Week workshops, NTT DATA Awards, etc.
- Alleviation of anxiety regarding M&A activities through opportunities for discussion between senior management and employees

**New Medium-Term Management Plan Strategy 5:**

**Be the Best Place to Work**

▶ P42



# Human Resources

## Recruitment and Retention of Human Resources

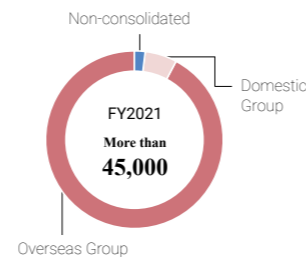
For more information, please refer to "Proactive Recruitment of Diverse Human Resources" on page 89 of NTT DATA Sustainability Report 2022.

### Achievements in Global Recruitment

In FY2021, NTT DATA hired around 45,000 individuals on a global basis. The workforce in the IT services industry is highly fluid, meaning that there is a need to continuously attract and recruit highly professional human resources in order to drive business growth. The following initiatives are being implemented to this end.

- Consistent global NTT DATA recruitment branding through local recruitment sites tailored to the market and a global career site that integrates the local sites
- Expansion of follower base by continuously posting about NTT DATA's global business and talent with social recruiting tools to prepare for cross-border competition in IT hiring
- Reliable recruitment of new graduates through ongoing alliances with local universities in Japan, the United States, Spain, Italy, India, and other countries
- Enhancement of processes for recruiting and cultivating human resources capable of working with cloud-native apps and agile development through M&A activities in North America

Breakdown of New Hires in FY2021



### NTT DATA's Non-Consolidated Achievements in Recruiting

Overall rankings in recruitment of new graduates by Rakuten Minshu

**No. 1**

(Top 3 for four consecutive years)

- No. 1 in overall ranking of the most popular employers among individuals graduating from university in 2023 by Rakuten Minshu, a word-of-mouth job-finding site (maintaining its position in the top 3 for three consecutive years), No. 1 in the IT industry rankings for the 13th consecutive year
- Enhancement of digital talent recruitment activities by having specialists conduct interviews to confirm candidates' qualifications
- Acceleration of recruitment of human resources with high global aptitude through overseas career forums (in London and Boston)

Mid-career hires 199 (FY2019)

**314**

(FY2021)

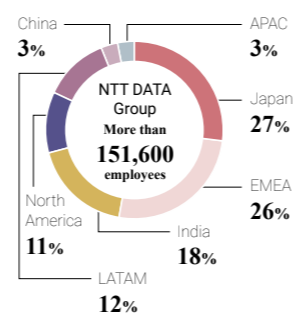
- Acceleration of mid-career recruitment to expand utilization of diverse human resources
- Aspirational target of having mid-career hires represent 8.8% of management in FY2022 set while taking steps to ensure fair and appropriate treatment, regardless of whether individuals were new graduate or mid-career hires, pertaining to promotion to management positions
- Receipt of recruiting success award in innovation category of HR SUCCESS SUMMIT AWARD 2022 program for recognizing companies transforming human resource and recruitment processes and engaging in advanced recruitment initiatives

	FY2019	FY2020	FY2021
Number of new graduate hires	430	477	511
Number of mid-career hires	199	325	314

### Retention of Diverse Human Resources

NTT DATA believes that human resources are its most valuable asset. Particularly in overseas markets with higher labor mobility, we are actively working to help human resources acquired through new graduate or mid-career recruitment or M&A activities settle in early and to retain employees. We hold onboarding sessions as appropriate in various locations for new hires. In addition, through Values Week workshops, NTT DATA Awards, and other venues, we provide diverse opportunities for employees around the world to raise their awareness and to interact with others on equal footing and in a cross-organizational manner. With regard to M&A activities and reorganizations, forums for engagement between senior management and employees are arranged to resolve employees' anxiety at an early stage, thus promoting the creation of better workplaces.

Employee Composition by Region



## Human Resource Development

For more information, please refer to "Cultivation of Human Resources with Diverse Specialties" on page 89 of NTT DATA Sustainability Report 2022.

NTT DATA is focused on cultivating professionals with sophisticated expertise who are adept at adapting to change as well as human resources who can succeed on the global stage. Based on this focus, we introduced the new Olive One human resource development platform in April 2022. This platform is used to assist employees in learning in accordance with their diverse expertise and aspirations. In addition, we have implemented systems that encourage the autonomous growth of employees through compensation that reflects high-level expertise.

### Unique Human Resources Development Program

We have implemented our unique human resources development program, Professional Career Development Program (CDP),\* across the entire Group. In FY2021, roughly 14,290 employees were newly certified in Japan and overseas, making for a total of approximately 86,900 employees certified on a Groupwide basis.

In the Professional CDP, we have established phased human resource types matched to business requirements, and these levels have been adjusted to changes in technology and business. "Business Developers" and "Data Scientists" were added as human resource types in FY2019, and "Cloud" was recently added as IT specialists' area of expertise in FY2020. In FY2021, the "Digital Business Managers" and "Service Designers" types, which refer to human resources capable of driving digital technology businesses, were introduced along with the new "Agile" category under the "Project Managers" type. This program was further augmented with the addition of a client value perspective to the "IT Service Managers" type in 2022.

### Human Resource Types at NTT DATA

System development and operation	Project Managers	
	Application Specialists	
	IT Service Managers	
Technology	IT Architects	
	IT Specialists	
	R&D Specialists	
	Data Scientists	Added in FY2019
Sales	Customer Sales Managers	
	Solution Sales Managers	
	Consultants	
	Business Developers	Added in FY2019
	Digital Business Managers	Added in FY2021
	Service Designers	Added in FY2021
	Corporate Functions Specialists	

\* The Professional CDP uses this name at domestic Group companies, but is implemented under the name of NTT DATA Learning Certification Institute (NLCI) at overseas Group companies. The number of certified employees represents a total of both domestic and overseas programs.

### Cultivation of Human Resources with Diverse Specialties

#### Digital Human Resource Training Programs

NTT DATA is ramping up training of human resources that can lead digital businesses. For this purpose, we are implementing training programs such as the Digital Boot Camp, a concentrated two-month program for acquiring digital skills, and the Digital Acceleration Program, which provides opportunities for employees to gain practical experience in advanced fields. We are also consolidating our shared global training programs to provide learning venues and programs through which employees can obtain knowledge on cutting-edge technologies in focus areas (Cloud, D&I, Cyber Security, EAS, ADM).

#### Training through Partner Alliances

Through strategic alliances with partner companies, such as Amazon Web Services, Inc., Microsoft Corporation, and Google LLC, NTT DATA is accelerating coordination on the front of digital human resource training. These alliances have enabled us to utilize education content on a global scale and to thereby cultivate more than 10,000 cloud engineers.

#### Gitohon Academy

The Gitohon Academy educates junior and mid-level employees with the potential to become future top engineers through direct instruction by the top engineers (certified by Advanced Professional system, Technical Grade system, etc.) who represent NTT DATA. To date, more than 300 individuals have taken part in this program.

#### Enhancement of Consulting Capabilities

In response to the rising need for digitalization-related business and technology consulting, NTT DATA has established a dedicated organization tasked with enhancing its consulting capabilities founded on foresight in its corporate headquarters and under the direct control of the president. Organizations with similar roles have also been set up for specific business fields. Furthermore, we are advancing consulting training programs through global collaboration. At the moment, approximately 1,700 consultants are active at domestic Group companies

#### Cultivation of Human Resources that Can Succeed in the Global Market

NTT DATA offers the Global Leadership Program, a discussion forum for executive trainees from around the world. An aggregate total of 870 employees have participated in this program to date. In addition, we provide a wealth of growth opportunities, including the Readiness Drive Program, which is intended to nurture the global responsiveness of junior and mid-level employees, and deployment to overseas subsidiaries for training.

Furthermore, NTT DATA's International Network of NextGEN (NINGEN) has been formed as a community through which employees around the world can share their knowledge via the internet. This community is a new initiative for supporting new employees no matter where they are recruited, and is being used to bolster our global responsiveness in a manner that incorporates overseas Group companies. The creation of a forum for learning founded on respect for the diversity and individuality of our employees in 52 countries and regions is an expression of our dynamism and an embodiment of the force that drives us to pursue new pinnacles of business.

## Human Resources

### Diversification of Career Paths

The rising fluidity of the IT workforce is generating increased interest in job-type employment schemes, in addition to traditional membership employment schemes, in the domestic market. The number of individuals seeking to choose the workstyle that best matches their unique skills, without being bound by time or place, is growing. NTT DATA thus recognizes that the implementation of frameworks for matching people based on their work skills is imperative to utilizing the diverse talents of employees. This recognition led us to establish the Advanced Professional (ADP) system in December 2018, enabling us to recruit, from outside of the Group, industry-ready human resources with outstanding expertise who can lead new businesses. In October 2019, we established the Technical Grade system to create a career path for specialists. We then set up the Flexible Grade system in July 2020 for adequately appointing and compensating diverse business contributors, including those with management skills. By implementing and expanding such systems in a timely manner, NTT DATA will seek to achieve an ideal portfolio of professionals who can deliver strong performance with diverse skills.

#### Interview with an ADP Certified Employee

#### I am making full use of my security expertise at NTT DATA.

**Yu Arai**

Executive Security Analyst  
Cyber Security Department  
Technology and Innovation General  
Headquarters



#### Overview of the ADP System

- System introduced in December 2018 to recruit highly specialized human resources from outside of the Group
- Recruitment with compensation based on market value to secure external human resources with high-level expertise in consulting and advanced technologies including AI, IoT, Cloud, etc.

#### Could you please tell us about your career prior to joining NTT DATA and the background and reasons behind your application to the ADP system?

After graduating from university, I joined a cybersecurity company, where I proceeded to uncover multiple vulnerabilities in such well-known software as Windows and Internet Explorer. I also published a book based on my research into malware. I transferred to a major cybersecurity company in 2013, taking up a position in which I was responsible for responding to targeted malware attacks before going on to join NTT DATA as an executive security analyst through the ADP system in July 2019.

As for my reason for applying, I had been working in the cybersecurity field for two decades, and I was starting to have concerns regarding the future of my career. It was around this time when I heard that NTT DATA was recruiting, and that sparked my interest. I applied because I saw joining NTT DATA as an opportunity to gain knowledge regarding a wide range of cybersecurity and other IT technologies given that the Company advances a broad business encompassing the Public & Social Infrastructure, Financial, Enterprise, Global, and other segments.

#### What are your main work responsibilities at the moment?

My primary job is to research cybercrimes. I therefore find myself looking into things like phishing scams and ransomware. Recently, I have also been researching cybersecurity measures based on mathematical models and machine learning methodologies. Other areas of responsibility include internal information security projects and the development of human resources for advancing these projects. I have also received numerous requests for TV and other media appearances and for the provision of statements for newspapers. These requests have helped me contribute to higher recognition for NTT DATA. A major draw of the ADP system is how it lets you focus on your own area of expertise, without having to get too involved in management. I had envisioned NTT companies as being rather strict, but NTT DATA betrayed this image, in a positive manner, by being much more open than I had expected.

#### What are your future plans?

Lately, I have been receiving a growing number of requests to give lectures to clients. This is probably a result of my increased recognition both inside and outside of the Company. When I give such lectures, I get a lot of questions from clients. These activities also help me pinpoint new needs and issues that can unlock the door to future opportunities. Cybersecurity is something that will become more and more important as time goes on, and this will be true regardless of the field or industry. I therefore hope to contribute to NTT DATA's business as I respond to new cybersecurity needs.

## Workstyle Innovation

For more information, please refer to "Workstyle Innovation" on page 93 of NTT DATA Sustainability Report 2022.

NTT DATA is endeavoring to develop an environment in which employees are free to choose when and where they work as best suited to the characteristics of their job. Through these efforts, we seek to promote diversity, equity, and inclusion and to transform NTT DATA into an appealing company with organizational functions and a culture that allows diverse individuals to express themselves and succeed. This undertaking is anticipated to contribute to future improvements in corporate value.

Furthermore, the workstyle innovation expertise gained through in-house initiatives will be utilized to supply solutions for supporting the workstyle innovation efforts of clients.

#### Digital Knowledge Sharing

We have implemented a digital system for sharing expertise and know-how across the globe to promote collaboration and innovate business processes.

On a global scale, we are able to share 35,774\* pieces of know-how and know-who content from 14,310 employees,\* which has proven effective in numerous proposal activities.

\* As of June 30, 2022



#### Ability to Work Anywhere

We enable employees to work at the office, on the go, or at home. In addition, we have a system and internal infrastructure environment in place so that all employees can telework.

Furthermore, we are pursuing greater improvements in productivity in preparation for the upcoming new normal by promoting remote workstyles to create safer workplace environments and facilitate cutting-edge workstyles. To this end, we established a remote work allowance system, changed commuting allowances to reflect actual commuting costs, and introduced the super flex-time system in October 2020. Moreover, internal frameworks were augmented in July 2022 by expanding the prior teleworking system to facilitate new communication styles prefaced on hybrid workstyles that combine teleworking and office commuting. This move was meant to offer additional support for diverse workstyles.

The Company has also begun conducting short, frequent surveys as a means of promoting communication between supervisors and subordinates and helping employees realize issues with their condition. Implemented to address the lack of opportunities for face-to-face workplace communication arising as we promote teleworking, these surveys are designed to promote the management and improvement of employee health.

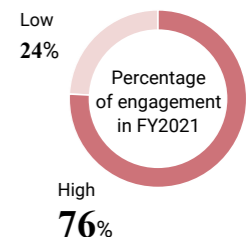
Rate of remote working  
**75%**  
(FY2021)

#### Improvement of Employee Engagement

"To be a No. 1 employer, for the best talent worldwide," we conduct One Voice, a twice annual engagement survey of all employees, including those who work for overseas Group companies, and make concerted efforts to create a satisfying workplace.

The FY2021 survey resulted in a high engagement rate of 76%, in excess of 69%, the average rate of participating companies.

Global workshops are held to effectively analyze the survey results as we work to determine the benefits of action plans implemented by the Group companies based on the results of prior surveys and to formulate action plans for future initiatives. This cycle is anticipated to help improve employee engagement and create a better workplace.





## Human Resources

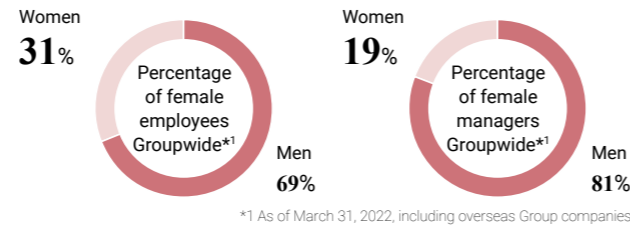
### Active Participation of Diverse Human Resources

For more information, please refer to "Diversity, Equity, and Inclusion" on page 107 of NTT DATA Sustainability Report 2022.

#### Accelerating Promotion of Diversity Worldwide

NTT DATA became a signatory to the United Nations Women's Empowerment Principles in March 2019.

Based on the Diversity and Inclusion Statement—Bloom the Power of Diversity, which was put forth as our shared worldwide diversity and inclusion declaration in March 2021, we are proactively promoting diversity, equity, and inclusion on a global scale.



#### Goals for Promoting the Active Participation of Women

Following the implementation of the Act on the Promotion of Female Participation and Career Advancement in the Workplace, NTT DATA has created an action plan to prepare a fuller environment to promote the active participation of women in the workplace in addition to its existing programs. In FY2020, we were able to accomplish all of the goals of this action plan, which was established in FY2016, as a result of our concerted Companywide effort. Today, we have a nearly 100% rate of female employees returning from childcare leave while the rate of male employees acquiring childcare leave\*2 has been rising each year (rate of 72.6% in FY2021). A new action plan was established in FY2021 to guide future initiatives for promoting the active participation of women.

\*2 The number of male employees acquiring childcare leave is calculated including male employees who acquire other forms of leave for childcare purposes.

#### NTT DATA (Non-Consolidated) General Employer Action Plan (Announced in March 2021)

Plan period: April 1, 2021–March 31, 2026

<b>Goal 1</b>	Female employment rate of over 30% maintained until March 31, 2026
<b>Goal 2</b>	Ratio of female managers of 10% to be achieved by March 31, 2026
<b>Goal 3</b>	15 or more female managers (officers, organization heads, etc.) by March 31, 2026
<b>Goal 4</b>	Rate of childcare leave acquisition by male employees of 30% to be achieved by March 31, 2026

#### Initiatives for Accommodating LGBTQ+ Community and Other Gender Minorities

We have continuously promoted initiatives for gender minorities such as members of the LGBTQ+ community through human rights awareness-raising activities, seminars for employees, participation in Tokyo Rainbow Pride events, and the development of internal systems that accommodate such minorities. Since April 2018, we have applied, in principle, all spouse-related systems to same-sex partners recognized as equivalent to a spouse. As a result of these initiatives, we have been presented with a gold award in the PRIDE Index from work with Pride for five consecutive years beginning with 2017 and leading up to 2021. In this manner, we are actively working to create an environment where diverse human resources can exercise their abilities to the fullest and continue to play an active role.

#### Enhancement of Childcare and Family Care Support Systems

NTT DATA has set up a childcare and family care helpdesk as part of its efforts to ensure that employees can have peace of mind as they seek to balance their work with childcare or family care. This helpdesk provides information and advice in response to various questions and concerns employees might have with regard to these systems or the everyday life aspects of working while using the systems. For its various efforts to support childcare, NTT DATA was awarded Kurumin mark certification in 2008 under the Ministry of Health, Labour and Welfare's program based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Later, in 2019, we received Platinum Kurumin certification indicating that we had achieved an even higher level in our childcare support initiatives. As for family care support, we enrolled in the remote nursing care support services provided by the NPO Umi wo Koeru Care no Te in 2011 to offer support directly to employees engaged in family care. Moreover, we hold annual seminars on balancing work with family care based on themes pertinent to employee needs in an effort to continue raising awareness and supplying employees with a breadth of information.

#### Employment of People with Disabilities

The NTT DATA Group Policy on Employment of People with Disabilities was formulated in June 2022. In addition, we established NTT DATA DAICHI in July 2008 as a specially classified subsidiary. This company is working to create new opportunities for people with disabilities to contribute in the workforce in order to help employees with disabilities fully exercise their skills. NTT DATA DAICHI is primarily engaged in IT services and office-related activities, but it also takes part in collaborative businesses with dairy farmers. While tackling an expanding range of duties in these fields, this company engages in ongoing recruitment activities together with work skill development schools for people with disabilities.

### Respect for Human Rights

For more information, please refer to "Respect for Human Rights" on page 103 of NTT DATA Sustainability Report 2022.

As a member of the NTT Group, NTT DATA acts in accordance with the NTT Group Human Rights Policy established in November 2021, based on the principle of the United Nations (UN) Guiding Principles on Business and Human Rights. This policy guides the Group in a concerted, organization-wide effort to promote respect for human rights. Our business is developed in a variety of countries and regions, meaning that our operations must adapt to operating environments with diverse cultures and business customs. This recognition shapes our approach toward business. In addition, the NTT DATA Group Code of Conduct, which was established in May 2022, contains clear stipulations pertaining to respect for human rights. The NTT DATA Group Code of Conduct delineates our stance toward sustainability, human rights, and other social issues as well as the important ethics and compliance policies that employees should emphasize in their business activities. Everyone at the NTT DATA Group is exercising these principles in their daily activities.

#### Promotion System

In order to promote respect for human rights on a Groupwide basis, it is important for us to raise the understanding and awareness of human rights among all employees. The NTT DATA Groups has in place the Human Rights Awareness Activity Promotion Committee, which consists of leaders of each organizational unit and is chaired by the representative director and senior executive vice president. We have assigned human rights awareness promotion officers to each organization and company within the Group. In cooperation with the Human Rights Promotion Office in our Sustainability Innovation Department, these promotion officers conduct employee training and other measures and have established a human rights helpline as part of efforts to raise human rights awareness and strengthen human rights management.



#### Human Rights Awareness Promotion

We have been holding Human Rights Awareness Workplace Seminars on the workplace level for domestic NTT DATA Group employees since FY2010. The aims of the seminars are to raise awareness and promote understanding about human rights issues. In FY2021, we continued conducting sessions on human rights in position-based training, recruiters' training, and other programs to instill even deeper awareness.

In light of the increasing number of employees assigned to overseas posts, we conduct pre-overseas assignment training to help such employees gain a proper understanding of the religions, cultures, and customs of the countries and regions to which they have been assigned. In FY2021, a total of 32 employees assigned to 12 overseas posts took part in the program. In addition, over the period from September to December 2021, we held a human rights slogan contest for domestic NTT DATA Group employees, partner company employees, and family

members from whom we solicited slogans on the theme of human rights awareness. We awarded outstanding slogans at an event during the UN-designated Human Rights Week.

#### Due Diligence Frameworks and Activities

The NTT DATA Group is committed to supplying clients around the world with the ideal services and solutions. Accomplishing this objective requires us to conduct our corporate activities in a manner that is compliant with the laws and regulations of countries and regions of operation and adherent to international standards. Acting in accordance with the NTT Group's Human Rights Charter established in 2014, we are moving forward with a phased implementation of human rights due diligence processes while taking global action to identify, prevent, reduce, and remedy human rights issues. We are also striving to improve human rights awareness.

### External Recognition

- Since September 2017, NTT DATA has maintained Grade 3 (highest level) Eruboshi certification based on Japan's Act on the Promotion of Female Participation and Career Advancement in the Workplace from the Ministry of Health, Labour and Welfare.
- The Company received Platinum Kurumin certification in November 2019 as an excellent parenting support company.
- In March 2022, NTT DATA was included in the Nadeshiko Brand section by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for the third consecutive year as a listed company that excels in promoting the active advancement of women.
- In March 2018, NTT DATA was selected for inclusion in the Diversity Management Selection 100 Prime program for our ongoing and Companywide diversity management activities.
- In November 2021, the Company was awarded 4.5 stars in the 5th Nikkei Smart Work Management survey, in which Nihon Keizai Shimbun, Inc., selects leading companies that promote major advances in productivity through workstyle innovation.
- NTT DATA was presented with a gold award in the PRIDE Index from work with Pride for five consecutive years, beginning with 2017, in reflection of its efforts to create a workplace environment that is comfortable for members of the LGBTQ+ community and other gender minorities.
- Four NTT Group companies have received certification through the White 500 program, which awards companies with excellent health and productivity management jointly hosted by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. Moreover, the Company has maintained certification under this program for five consecutive years.



# Environment

## Carbon Neutrality

### NTT DATA Carbon-neutral Vision 2050

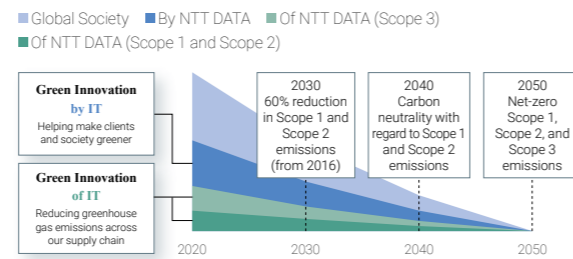
To realize carbon-neutral society by 2050, NTT DATA promotes Green Innovation to reduce greenhouse gas emissions across its supply chain, while contributing to the greening of clients and society. We commit to achieving carbon neutrality in Scope 1 and Scope 2 by 2040, and net zero in Scope 1, Scope 2, and Scope 3 by 2050.

#### New Carbon Neutral Vision Set to Achieve “Net-Zero” Greenhouse Gas Emissions by 2050

Based on its support for the net-zero standards announced by the Science Based Targets (SBT) initiative in October 2021, the NTT DATA Group revised its NTT DATA Carbon-neutral Vision 2050 in May 2022, which entailed the establishment of the long-term target of achieving net-zero greenhouse gas emissions by 2050.

Based on this vision, we will strive to reduce our total greenhouse gas emissions from business activities and energy use (Scope 1 and Scope 2) and from across our supply chain (Scope 3) by more than 90% by 2050. The remaining less than 10% of emissions will be addressed through carbon removal endorsed by the SBT initiative.

#### Greenhouse Gas Emissions Reduction Scheme of NTT DATA Carbon-neutral Vision 2050 (After May 2022 revision)



Certification was received from the SBT initiative in June 2020 for NTT DATA's goal of reducing Scope 1 and Scope 2 greenhouse gas emissions by 60% (from 2016).

#### Memberships in and Partnership with Global Initiatives

In September 2021, NTT DATA became the first Asian company to join the Green Software Foundation,\* a global NPO established in May 2021, as a steering member. In this role, we will continue to pursue the reduction of greenhouse gas emissions associated with software in the ICT field.

Furthermore, the Company became the first Japanese gold accredited partner of global NGO CDP in the categories of climate change consultancy and software in March 2022. Later, in April of the same year, we joined the CDP Supply Chain program as a premium member, which put us in a position to pursue reductions to greenhouse gas emissions across the entire supply chain. Also in April, we established the Estainium Association, an NPO, together with companies and organizations primarily based in Europe. The Estainium Association is tasked with promoting carbon neutrality in the industrial sector through the development of open platforms that allow for safe exchanges of greenhouse gas emissions information (product carbon footprint information) by companies across the supply chain.

\* The Green Software Foundation logo is a trademark of The Linux Foundation registered in the United States and other countries.

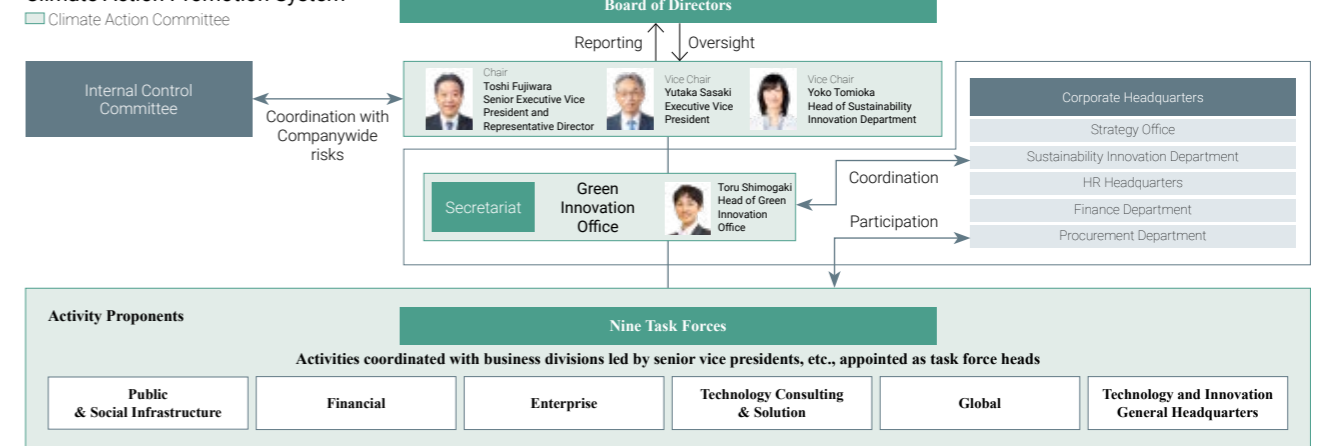


## Climate Change Management System

### Companywide Initiatives Spearheaded by the Climate Action Committee

At NTT DATA, the senior executive vice president and representative director who chairs the Climate Action Committee is the highest authority for our response to climate change. The Green Innovation Office functions as the secretariat of the Climate Action Committee. The committee is comprised of nine task forces, which are headed by leaders such as senior vice presidents, who advance initiatives in their respective areas together with relevant individuals from across the organization. Meanwhile, the Board of Directors discusses management and business strategies, sets policies, and oversees actions plans for addressing climate change issues based on the results of discussions by the Climate Action Committee.

#### Climate Action Promotion System



#### Activities of Climate Action Committee

Purpose and Activity Progress of Task Forces (As of September 30, 2022)

Task Forces	Client-Oriented Initiatives	Internal Initiatives	Purpose	Progress
Business Development Task Force	●		Establishment of green and sustainability businesses	Launch of green consulting services, in January 2022, that support client's carbon neutrality initiatives from strategic planning to implementation; IT service offerings such as emissions visualization platform "C-Turtle™" and product-specific carbon footprint management platform
Marketing Communication Task Force	●		Increasing market presence and branding activities in green and sustainability fields	26 news releases on NTT DATA's green initiatives, including both internal activities and services to clients (September 2021–September 2022)
Standardization Task Force	●	●	Development of industry-wide and cross-industry emissions calculation standards	Involvement in standardization, platform development, and government policy advisory activities together with global initiatives through participation in Green x Digital Consortium (Japan Electronics and Information Technology Industries Association); establishment of NPO Estainium Association together with companies and organizations primarily based in Europe; joining of Green Software Foundation in September 2021
Emissions Reduction Task Force	●	●	Visualization of emissions, reduction plan development and implementation management	Introducing of renewable energy for use in service provision; promotion of energy conservation; commercial release of services for reducing electricity consumption for data center air-conditioning and power supply equipment
Investment Strategy Task Force		●	Formulation of investment strategies and budget allocations	Agreement with internal business divisions regarding directives for expanding greening businesses and enactment of strategies for next phase
Global Coordination Task Force	●	●	Development of global sustainability promotion systems	Development of frameworks for providing clients worldwide with greening solutions building on knowledge of overseas business companies and other Group constituents
Behavior Reform Task Force		●	Formulation of greening strategies and development of internal systems for reforming behavior	Provision of support for formulating and enacting greening strategies through Companywide coordination; advancement of measures for raising internal greening awareness and changing behavior
Initiative Task Force	●	●	Enhancement of coordination with green and sustainability field initiatives	Promotion of global business activities for combating climate change including partnership with international environmental NGO CDP and membership in United Nations Global Compact
Disclosure Task Force		●	Promotion of disclosure based on TCFD recommendations and other standards	Disclosure of information on strategies, risks, opportunities, and financial impacts related to climate change based on new TCFD recommendations in annual securities report issued in June 2022, etc.



**Environment** Realization of Corporate Carbon Neutrality

**Green Innovation by IT**

■ Green Consulting Services

Support for the Realization of a Carbon-Neutral Society in Various Fields

NTT DATA began offering green consulting services in January 2022. We provide one-stop services, ranging from organization environment analysis to strategic planning and implementation, to clients in various public and private sectors. Disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) has become a de facto requirement for listed companies on the Prime Market section of the Tokyo Stock Exchange. With our track record of more than 100 disclosure consulting cases based on the TCFD recommendations and our portfolio of digital technologies, we launched a line of TCFD disclosure support services in July 2022 to aid in the ongoing

disclosure activities of clients. We also take a variety of approaches toward supporting clients with visualizing their greenhouse gas emissions, which is an imperative part of such disclosure. Furthermore, in August we signed a license agreement with international NGO CDP to use its global database of companies' greenhouse gas emissions. This agreement will make our C-Turtle™ greenhouse gas emissions visualization platform the first solution in Japan to use CDP's database and will thus help clients reduce emissions across the value chain.



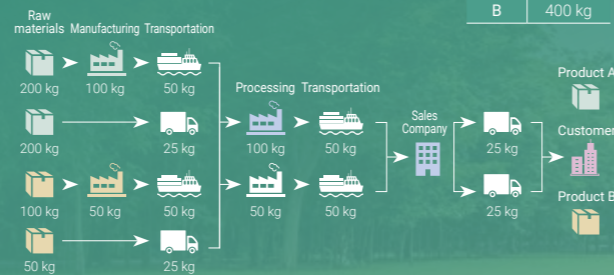
■ Product-Specific Carbon Footprint Management Platform for Manufacturers

—Joint Development with Asahi Kasei

Manufacturers use a wide variety of materials, and it is difficult to visualizing greenhouse gas emissions across the supply chains of all of these materials. Digital technologies are anticipated to be a power tool for visualizing such emissions. In 2022, NTT DATA teamed up with leading Japanese chemical manufacturer Asahi Kasei Corporation and jointly developed a product carbon footprint management platform tailored for functional resin products. These platforms are effective not only for visualizing Scope 1 and Scope 2, but also for Scope 3 emissions on a by-product and by-manufacturing process basis.

Asahi Kasei's Performance Material business division, which handles one of this company's mainstays (functional resins), provides more than 10,000 products from a global network comprised of over 10 bases. The resulting complicated supply chain makes it difficult to track the carbon footprints of individual products. NTT DATA's Consulting & Marketing Business Department has been involved in developing a product-specific integrated global earnings management system for this company. With this track record, the department developed a platform for visualizing product carbon footprints across all manufacturing processes and linking emissions to end-products. To realize more accurate calculations of greenhouse gas emissions, this system aggregates data on emissions from manufacturing processes at Asahi Kasei factories (Scope 1 and Scope 2) as well as emissions from the processing activities of material suppliers and subcontractors (Scope 3). By consolidating product carbon footprint data, which previously scattered at various bases, this platform can manage each product carbon footprint in terms of internal carbon pricing. This makes it possible to compare and assess ROI of each emissions reduction activity, and is anticipated to be used in eco-conscious investment decisions by management for this purpose.

Carbon Footprint Management by End-Product, including the Entire Manufacturing Processes



Members of Asahi Kasei Corporation  
From left:  
Takehiro Sakita (Manager) and Ko Kunita (Performance Materials Planning & Coordination Dept., Mobility & Industrial SBU, Asahi Kasei Corporation)  
Masaki Shirota (Consultant), Takafumi Kondo (Senior Consultant), and Akari Tobita (Consultant)  
Business Resilience Section, Consulting & Marketing Division, Enterprise Segment, Consulting & Marketing Sector, Enterprise Segment, NTT DATA Corporation  
Note: All positions are as of September 30, 2022.

**Green Innovation of IT**

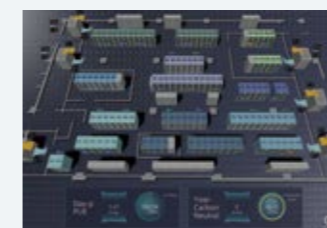
Realization of Carbon-Neutral Data Centers by 2030

NTT DATA aims to realize carbon-neutral data centers by 2030. This goal will be achieved by reducing electricity consumption and promoting energy conservation at data centers, which account for approximately 80% of the Company's total electricity use. At the same time, we look to source 100% of the electricity used in data centers from renewable energy.

On this front, NTT DATA took part in a joint development project with Sumitomo Densetsu Co., Ltd., which led to the creation of the Green DC energy management system for real-time visualizing and integrated management of server room environments. This system was put into operation in July 2022. The Green DC energy management system is capable of integrated management of temperature and humidity within server rooms. It can also manage data on temperatures of supplied air, electric current, electricity consumption, CPU use rates, energy used for cooling, and amounts for renewable energy used. Such data is collected from sensors installed in servers.



Conventional methods of server room operation entail cooling server rooms based on temperature and humidity conditions set on an individual room basis. However, this method can result in excessive cooling that does not take full advantage of the ability of IT equipment to self-regulate temperature and humidity levels and has often led to energy waste. NTT DATA is utilizing the Green DC energy management system at data centers powered by 100% renewable energy. Information at these data centers is collected from server room temperature sensors, and this information is combined with machine learning AI control systems that automatically control air conditioning. By preventing excessive cooling through this process, the system has produced cooling energy savings of around 35%.



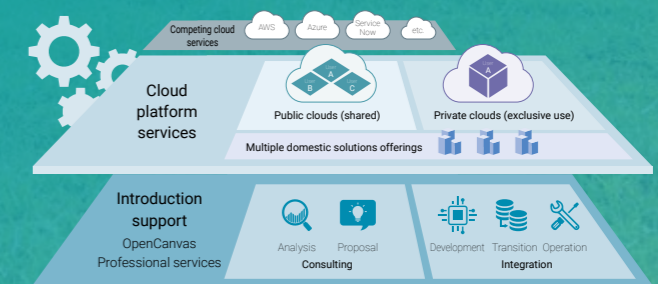
Furthermore, NTT DATA undertook a verification test of a new cooling system over the period from March to April 2022. This system employs a liquid immersion cooling approach through which servers and other equipment are cooled directly in specialized liquids. The test confirmed that the liquid immersion cooling approach can reduce cooling energy use by as much as 97% in comparison to conventional air-cooling systems. As the digitalization of society advances and data traffic volumes grow rapidly, it can be expected that energy consumption by data centers will continue to increase. NTT DATA will thus keep exploring data center energy conservation measures with the aim of curbing such use.

■ Renewable Energy Use for Achieving Net-Zero Emissions

As part of its efforts for achieving net-zero Scope 1, Scope 2, and Scope 3 emissions by 2050, NTT DATA is utilizing renewable energy for the systems, data centers, businesses, and facilities it operates. Specifically, in April 2022 we began utilizing 100% renewable energy for all of the electricity used at the NTT DATA offices in the Toyosu Center Building and its annex and for the supply of major services. The services supplied using renewable energy include the ANSER financial transaction service, the CAFIS payment platform, and the OpenCanvas DX platform.

OpenCanvas

With regard to OpenCanvas, we supply cloud platform services matched to client needs as well as support for introducing solutions founded on NTT DATA's experience and technological capabilities.





# Environment



## Disclosure Based on TCFD Recommendations

For more information, please refer to "Disclosure Based on TCFD Recommendations" on page 26 of NTT DATA Sustainability Report 2022.

### Proactive Information Disclosure Accordance with TCFD Recommendations

NTT DATA declared its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in March 2021, and we have since proceeded to engage in Companywide climate change response actions while taking steps to ensure these actions are transparently visible by external stakeholders.

Addressing climate change has been positioned as a top management priority. We are thus conducting analyses and assessments of climate-related risks and opportunities in accordance with the TCFD framework as we explore such risks and opportunities from a long-term perspective.

### Governance (Climate Change Management System)

The Climate Action Committee was established in November 2020 to guide Groupwide climate change response actions. In addition, the Internal Control Promotion Committee identified climate change as a material risk in the Companywide risk management framework in FY2021. Meanwhile, the Green Innovation Office was set up as a dedicated organization for greening initiatives on October 1, 2021, and this organization is promoting initiatives on a Groupwide basis. Reports on the discussions of the Climate Action Committee are issued to the Board of Directors, which then deliberates on important management and business strategies, sets policies, and oversees the implementation of action plans for addressing climate change. For more information on the structure and activities of the Climate Action Committee, please refer to "Climate Change Management System" on page 61.

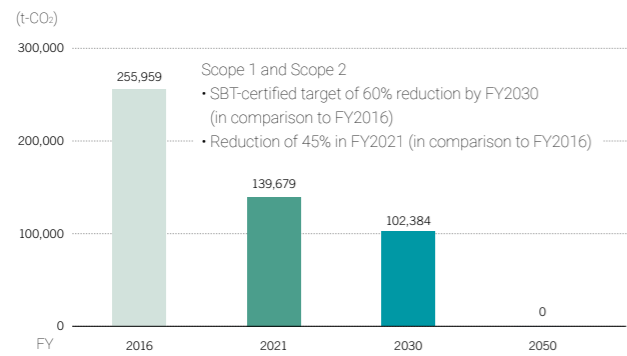
### Strategies to Climate Change Risks and Opportunities

The NTT DATA Group has conducted analyses of climate change scenarios to formulate predictions on the potential impacts of climate-related risks and opportunities, which have been reflected in the new medium-term management plan (FY2022–2025) announced in May 2022. Based on these predictions, we are addressing the risks related to climate change while working to take advantage of the associated opportunities. Moreover, the medium-term management plan calls on us to approach climate-related opportunities by developing sustainability-related businesses that help accelerate client decarbonization initiatives, to provide consulting services, to cater to demand for resilient cloud systems, and to respond to transition and physical risks.

### Greenhouse Gas Emissions Indicators and Targets

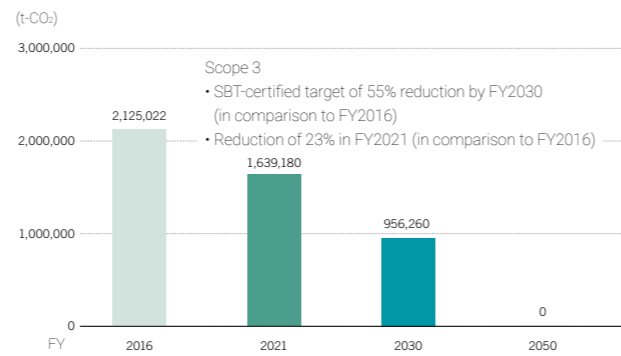
#### Greenhouse Gas Emissions Volume

##### Scope 1 and Scope 2 (Market Basis\*)



\*1 Calculated based on power company-specific procurement volumes and emissions coefficients

##### Scope 3



For more information, please refer to "Environmental Data" on page 51 of NTT DATA Sustainability Report 2022.

### Climate-Related Risks and Opportunities

#### Climate-Related Risks

Risks	Details and Impacts	Time Horizon	Degree of Impact	Likelihood of Occurrence	Estimated Financial Impact	Response Measures	Response Costs
<b>Risks 1</b>	Transition risks (reputational) Decrease in valuation from overseas ESG investors or domestic financial institutions due to delay in addressing climate change, calculated as the stock price impact of a hypothetical 1% decline in stock market capitalization due to lower valuations	Short term	High	Virtually certain	¥34.0 billion decrease in market capitalization (compared to March 31, 2022)	Development of internal frameworks for promoting supply chain decarbonization and greening of clients and society	¥5.0 billion
<b>Risks 2</b>	Physical risks (acute) Increased natural disasters stemming from abnormal weather events; implementing various measures at bases locating in high-risk areas of the IPCC Sixth Assessment Report in order to business continuity	Short term	Mid-high	Virtually certain	¥13.0 billion decrease in net sales	Enhancement and renewal of data centers, remote access and maintenance infrastructure to ensure business continuity	¥8.0 billion
<b>Risks 3</b>	Transition risks (regulatory) Higher costs by introducing carbon pricing systems; rise in regulatory requirements of companies as global social consensus to achieve net-zero emissions by 2050	Long term	Mid-high	Virtually certain	¥7.0 billion decrease in operating income	Supply chain decarbonization through energy conservation and renewable energy use	¥5.0 billion

Total response costs **¥18.0 billion**

#### Climate-Related Opportunities

Opportunities	Details and Impacts	Time Horizon	Degree of Impact	Likelihood of Occurrence	Estimated Financial Impact	Response Measures	Investment Amount
<b>Opportunity 1</b>	Products and services Growth of sustainability-related businesses in various industries as decarbonization initiatives of clients accelerate; expanded opportunities for digital technologies	Short term	High	Virtually certain	¥200.0 billion increase in FY2025 sales	Investments in technology development and creation of sustainability-related offerings that contribute to society's and clients' response to climate change	¥32.0 billion
<b>Opportunity 2</b>	Products and services Rise in opportunities for providing sustainability related consulting to various industries; projected to result in sustainability-related businesses accounting for a significant portion of consulting sales	Short term	Mid-high	Virtually certain	¥20.0 billion increase in FY2025 sales	Investments to enhance consulting services including the cultivation of sustainability-related consulting staff, training frameworks, etc.	¥4.0 billion
<b>Opportunity 3</b>	Products and services Increased need for transition to resilient cloud services that contribute to decarbonization spurred by frequent abnormal weather events and requests for decarbonization	Short term	High	Virtually certain	¥150.0 billion increase in FY2025 sales	Investments in cloud-related technology development and strengthening of global delivery centers	¥19.0 billion

Total investment amount **¥55.0 billion**

#### Definitions of Periods

Assessment	Time Frame	Greenhouse Gas Emissions Reduction Targets
<b>Short term</b>	Until FY2025	73,000-ton reduction in Scope 1 and Scope 2 emissions by FY2025
<b>Medium term</b>	Until FY2030	60% reduction in Scope 1 and Scope 2 emissions (1.5°C target by SBT standards) and 55% reduction in Scope 3 emissions by FY2030 (in comparison to FY2016)
<b>Long Term</b>	Until FY2050	Net-zero Scope 1, Scope 2, and Scope 3 emissions as long-term target set in NTT DATA Carbon-neutral Vision 2050

#### Capital Allocation

Total climate-related response costs and investment amount over period of new medium-term management plan (FY2022–2025) **Approx. ¥73.0 billion**

#### Internal Carbon Pricing\*2 (FY2022)

¥6,500 per t-CO<sub>2</sub>

\*2 Standard price for entire NTT DATA Group (to be updated annually)

#### Compensation

Officer compensation and employee bonuses tied to greenhouse gas emissions reductions

#### Third-Party Verification

To enhance the reliability of the information presented in this integrated report, the following information associated with social and environmental performance data provided herein has been reviewed by an independent practitioner. A check mark  is attached to data subject to independent assurance.

#### Data Subject to Independent Assurance






Greenhouse gas emissions volume (pages 23 and 102), water consumption (page 102), and number of female managers (page 23)  
For information on items not subject to independent assurance, please refer to NTT DATA Sustainability Report 2022.

<https://www.nttdata.com/global/en/sustainability/report>



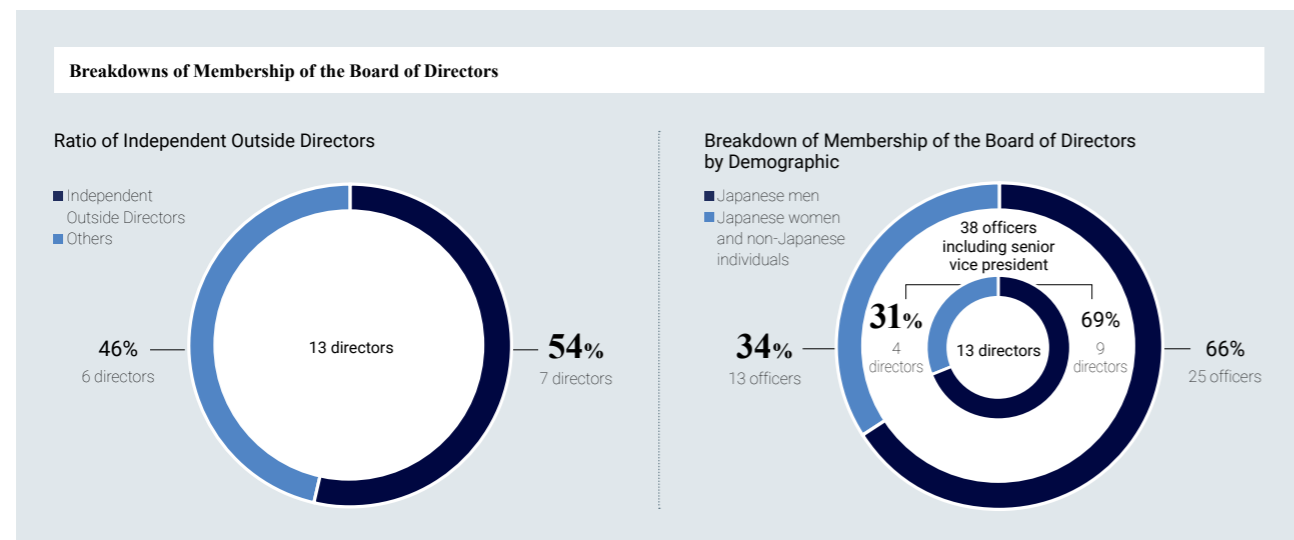
# Corporate Governance

## Introduction to Officers (Skill Matrix\*1) (As of July 1, 2022)

Directors*2			Corporate Management	International Perspective	Sales, Marketing, Consulting	Development R&D	Business Management	Finance / Accounting	Legal / Government Affairs	(Reference) Business Fields Where Specialization Can Be Leveraged * Only business executives
	President and Chief Executive Officer, Representative Director <b>Yo Honma</b> Years served: 8	1980 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION 1988 <b>Joined NTT DATA Communications Systems Corporation (currently NTT DATA Corporation)</b> 2014 Executive Vice President and Director, and Company President of Enterprise IT Services Company of NTT DATA 2015 Executive Vice President and Director of NTT DATA 2016 Senior Executive Vice President and Representative Director of NTT DATA 2018 <b>President and Chief Executive Officer, Representative Director of NTT DATA (present post)</b>	●		●	●	●			Financial and enterprise fields
	Senior Executive Vice President and Representative Director <b>Shigeki Yamaguchi</b> Representative Director and Senior Executive Vice President Responsible for Technology Consulting & Solution, Social Design, Consulting & Asset Business Transformation Headquarters Years served: 5	1984 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION 1988 <b>Joined NTT DATA Communications Systems Corporation (currently NTT DATA Corporation)</b> 2013 Senior Vice President, Head of Enterprise Business Consulting and Marketing Sector of NTT DATA 2014 Senior Vice President, Head of Third Enterprise Sector of NTT DATA 2015 Senior Vice President, Head of IT Services & Payments Services Sector of NTT DATA 2016 Executive Vice President, Head of IT Services & Payments Services Sector of NTT DATA 2017 Executive Vice President and Director of NTT DATA 2018 <b>Senior Executive Vice President and Representative Director of NTT DATA (present post)</b>	●		●		●			Public administration and enterprise fields
	Senior Executive Vice President and Representative Director <b>Toshi Fujiwara</b> Representative Director and Senior Executive Vice President Responsible for Corporate Management** (CFO, CHRO, CRO, CIO, CSO), Technology Management** (CTO, CISO) Head of HR Headquarters, Corporate Headquarters Years served: 5	1985 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION 1988 <b>Joined NTT DATA Communications Systems Corporation (currently NTT DATA Corporation)</b> 2014 Senior Vice President, Deputy Head of First Financial Sector of NTT DATA 2015 Senior Vice President, Head of Fourth Financial Sector of NTT DATA 2016 Senior Vice President, Head of First Financial Sector of NTT DATA 2017 Executive Vice President and Director of NTT DATA 2018 <b>Senior Executive Vice President and Representative Director of NTT DATA (present post)</b>	●	●		●	●			Financial field
	Senior Executive Vice President and Representative Director <b>Kazuhiro Nishihata</b> Representative Director and Senior Executive Vice President Responsible for Global Segment Years served: 2 (Total 5 including period between June 2015 and June 2018)	1981 Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION 2006 President and Representative Director of NTT EUROPE LTD. 2009 <b>Senior Vice President, Head of Global Business Sector of NTT DATA</b> 2015 Executive Vice President and Director of NTT DATA 2017 Senior Executive Vice President and Representative Director of NTT DATA 2018 Executive Advisor of NTT DATA 2020 <b>Senior Executive Vice President and Representative Director of NTT DATA (present post)</b>	●	●	●		●			Global field
	Director <b>Patrizio Mapelli</b> Foreign national Years served: 2	1982 Joined Olivetti 1995 Senior Partner of Ernst & Young 2000 Vice President of A.T. Kearney 2002 <b>Senior Partner of Value Partners S.p.A.</b> 2002 <b>CEO of Value Team S.p.A. (currently NTT DATA Italia S.p.A.)</b> 2013 CEO of NTT DATA EMEA LTD. 2018 Chairman of the Board of NTT DATA Italia S.p.A. 2020 <b>Director of NTT DATA (present post)</b>	●	●	●		●			-

Outside Directors*2			Corporate Management	International Perspective	Sales, Marketing, Consulting	Development R&D	Business Management	Finance / Accounting	Legal / Government Affairs
	Director <b>Eiji Hirano</b> Independent Years served: 6	1973 Joined Bank of Japan (Resigned in 2006) 2006 Vice President and Director of Toyota Financial Services Corporation 2014 Special Advisor of Toyota Financial Services Corporation 2015 Vice Chairman and Director of MetLife Insurance K.K. 2015 Vice Chairman and Representative Executive Officer, Director of MetLife Insurance K.K. 2016 <b>Director of NTT DATA (present post)</b> Advisor of Toyota Financial Services Corporation (Resigned in 2017) 2017 Vice Chairman and Director of MetLife Insurance K.K. (present post) Chairperson of the Board of Governors, Government Pension Investment Fund (GPIF) (present post) 2022 Director of Ichiyoshi Securities Co., Ltd. (present post)	●	●			●	●	
	Director <b>Mariko Fujii</b> Independent Years served: 3	1977 Joined the Ministry of Finance of Japan 1997 Director, International Affairs and Research Division, Customs and Tariff Bureau, Ministry of Finance 2001 Professor of Research Center for Advanced Economic Engineering, The University of Tokyo 2004 Professor of Research Center for Advanced Science and Technology, National University Corporation, The University of Tokyo (Resigned in 2015) 2014 Director of Electric Power Development Co., Ltd. (Resigned in 2015) 2015 Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of Latvia (Resigned in 2019) 2016 Emeritus Professor of The University of Tokyo (present post) 2019 <b>Director of NTT DATA (present post)</b> Member of the Board of Directors (Outside Director) of MUFG (present post)		●					●
	Director <b>Fumihiko Ike</b> Independent Years served: 2	1982 Joined Honda Motor Co., Ltd. 2003 Chief Director of Multi-purpose Business and Director of Honda Motor Co., Ltd. 2006 Chief Director of Business Administration and Director of Honda Motor Co., Ltd. 2007 Chief Director of Business Administration and Managing Director of Honda Motor Co., Ltd. 2008 Chief Director of Asia and Pacific and Managing Director of Honda Motor Co., Ltd. 2011 President and Director of Asian Honda Motor Co., Ltd. (Resigned in 2011) 2011 Chief Director of Business Administration, Senior Managing Officer and Director concurrently serving as Risk Management Officer and General Supervisor of Information Systems of Honda Motor Co., Ltd. 2012 Chief Director of Business Administration, Senior Managing Officer and Director concurrently serving as Chief Director of IT, Risk Management Officer and Liaison Manager of Honda Motor Co., Ltd. 2013 Chairman and Representative Director of Honda Motor Co., Ltd. (Resigned in 2016) 2014 Chairman of JAPAN AUTOMOBILE FEDERATION, a general incorporated association (Resigned in 2016) 2020 <b>Director of NTT DATA (present post)</b> 2021 Director of Esai Co., Ltd. (present post) Director of Resona Holdings, Inc. (present post)	●	●	●		●		
	Independent Outside Director <b>Shigenao Ishiguro</b> Independent	1982 Joined Tokyo Denki Kagaku Kogyo K.K. (current TDK Corporation) 2014 Corporate Officer of TDK Corporation 2015 CEO of Magnetric Heads and Sensors Business Company of TDK Corporation 2016 Senior Vice President of TDK Corporation 2016 President & Representative Director of TDK Corporation General Manager of Humidifier Countermeasures HQ of TDK Corporation 2022 Chairman & Representative Director of TDK Corporation Chairman & Director of TDK Corporation (present post) <b>Director of NTT DATA (present post)</b>	●	●		●	●		
	Director, Audit and Supervisory Committee member (Full-Time) <b>Katsura Sakurada</b> Independent Years served: 2	1980 Joined the Board of Audit of Japan 2014 Director General for Secretariat of General Executive Bureau of the Board of Audit of Japan 2015 Director General of 1st Bureau of the Board of Audit of Japan 2016 Deputy Secretary General of the Board of Audit of Japan 2017 Secretary General of the Board of Audit of Japan (Resigned in 2018) 2018 <b>Standing Audit &amp; Supervisory Board Member of NTT DATA</b> 2020 <b>Director, Audit and Supervisory Committee member (Full-Time) of NTT DATA (present post)</b>					●	●	●
	Director, Audit and Supervisory Committee member (Full-Time) <b>Akihiko Okada</b> Years served: 1	1981 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION 2002 General Manager of Department IV (currently Finance and Accounting Department) of NIPPON TELEGRAPH AND TELEPHONE CORPORATION 2011 Director, Head of Sales Headquarters, Head of Marketing Department of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION 2013 Representative Managing Director of NTT FINANCE CORPORATION, Head of Leasing Operations Headquarters 2016 Representative Director and Vice President of NTT FINANCE CORPORATION, Head of Leasing Operations Headquarters 2020 Representative Director of NTT TC Leasing Co., Ltd. 2021 Representative Chairman of NTT TC Leasing Co., Ltd. (Resigned in 2021) <b>Director, Audit and Supervisory Committee member (Full-Time) of NTT DATA (present post)</b>	●		●		●	●	
	Director, Audit and Supervisory Committee member (Full-Time) <b>Tomoko Hoshi</b> Independent	1985 Joined Nikko Securities Co., Ltd. (current SAI:IBI Nikko Securities Inc. resigned in 1988) 1990 Joined Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC) 1994 Registered as a Certified Public Accountant (present post) 2003 Partner at Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC, resigned in 2021) 2022 <b>Hoshi Tomoko Certified Public Accountant Office (present post)</b> <b>Director, Audit and Supervisory Committee member (Full-Time) of NTT DATA (present post)</b>		●				●	
	Director, Audit and Supervisory Committee member <b>Mitsuko Inamasu</b> Independent	2000 Registered as an Attorney at Law (Tokyo Bar Association, present post) Joined Hattori Law Office (present post) 2018 Outside Audit & Supervisory Board Member of Seven & i Holdings Co., Ltd. (present post) 2022 <b>Director, Audit and Supervisory Committee member of NTT DATA (present post)</b>							●

\*1 ● denotes up to four main skills for each person  
\*2 Titles as of July 1, 2022  
\*3 Corporate Management includes responsibilities for business strategy, digital strategy, public relations, ESG promotion, legal, risk management (CRO), information management and intellectual property (CIO), human resources (CHRO), finance and investor relations (CFO), purchasing, and IT systems (CIO).  
\*4 Technology Management includes responsibilities for technology development and research (CTO), quality assurance, and information security (CISO).  
\*5 Business management includes ESG perspectives



**Messages from  
Newly Appointed Independent  
Outside Directors**

(As of July 1, 2022)



**NTT DATA has appointed three new independent outside directors in order to incorporate diverse insight into the management.**

**Shigenao Ishiguro**

Independent Outside Director

- 1982 Joined Tokyo Denki Kagaku Kogyo K.K. (current TDK Corporation)
- 2014 Corporate Officer of TDK Corporation
- 2015 CEO of Magnetic Heads and Sensors Business Company of TDK Corporation  
Senior Vice President of TDK Corporation
- 2016 President & Representative Director of TDK Corporation  
General Manager of Humidifier Countermeasures HQ of TDK Corporation
- 2022 Chairman & Representative Director of TDK Corporation  
Chairman & Director of TDK Corporation (present post)  
Director of NTT DATA (present post)

**Tomoko Hoshi**

Independent Outside Director  
(Full-Time Audit and Supervisory Committee Member)

- 1985 Joined Nikko Securities Co., Ltd.  
(current SMBC Nikko Securities Inc., resigned in 1988)
- 1990 Joined Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC)
- 1994 Registered as a Certified Public Accountant (present post)
- 2003 Partner at Tohmatsu & Co.  
(current Deloitte Touche Tohmatsu LLC, resigned in 2021)
- 2022 Hoshi Tomoko Certified Public Accountant Office (present post)  
Director, Audit and Supervisory Committee member (Full-Time) of NTT DATA (present post)

**Mitsuko Inamasu**

Independent Outside Director  
(Audit and Supervisory Committee Member)

- 2000 Registered as an Attorney at Law (Tokyo Bar Association, present post)  
Joined Hattori Law Office (present post)
- 2018 Outside Audit & Supervisory Board Member of Seven & i Holdings Co., Ltd.  
(present post)
- 2022 Director, Audit and Supervisory Committee member of NTT DATA  
(present post)

**Passion for Energizing Global Organizations**

Greetings, my name is Shigenao Ishiguro, and I became a member of the Board of Directors in June 2022. For more than four decades, I have worked in the electronic component industry, which is subject to intense international competition. Throughout my career, I have always sought to maintain a global perspective. I am incredibly grateful for the opportunity to utilize my experience as a new member of NTT DATA.

Today, the digital transformation (DX) trend is radically transforming society. Through such transformation, digital technologies are being used to create massive value by taking advantage of previously unutilized information. In addition, this trend is making the world a lot smaller, thereby greatly accelerating the pace of business and other activities.

NTT DATA is at the center of DX, giving it a prime position to explore an endless expanding market together with clients. Our ability to fully capitalize on business opportunities and create extensive global value will dictate our success going forward. I believe that how much we can energize and enhance our global organizations and human resources will be key to accomplishing this objective.

As someone who has long been involved in managing global organizations, I see my mission as contributing to the energization of organizations and human resources.

**Development and Reinforcement of Global Corporate Governance Systems**

As a company that is integral to the digital era, NTT DATA has embarked on a quest to practice sustainability management in order to maximize corporate value while living up to the expectations of shareholders, investors, and other stakeholders. As one step on this journey, the Company is scheduled to integrate its overseas operations with those of NTT, Inc., a subsidiary of Nippon Telegraph and Telephone Corporation (NTT), in October 2022. Furthermore, NTT DATA intends to transition to a holding company system in July 2023.

Amid this Group reorganization, I believe that developing and reinforcing solid global corporate governance systems will be tasks of utmost importance. It will also be crucial to practice appropriate and timely disclosure of initiatives in order to bolster sustainability management and governance.

In my years at auditing firms, I have had the opportunity to conduct accounting and internal control audits of numerous global companies from both Japan and the United States. I hope to use the auditing, accounting, disclosure, and governance insight I have gained through this experience to help NTT DATA tackle these tasks. Fulfilling my responsibility with this regard will require a keen understanding of the Company. It is for this reason that I am committed to engaging with management and to visiting frontline organizations and communicating with the employees therein.

**Role as a New Independent Outside Director and Audit and Supervisory Committee Member**

My name is Mitsuko Inamasu, and I joined the Board of Directors and Audit and Supervisory Committee in FY2022.

I have worked as an attorney for more than two decades. While setting legal disputes, or performing some other duty, I have maintained an awareness of the legal issues that could arise in relation to IT and digital technologies. Compliance and governance issues are rapidly becoming recognized as an important aspect of corporate activities, though the speed of this change is nowhere near that of the progress of IT and digital technologies. Some compliance and governance requirements have been formalized in legislation. Some of them take the form of soft law standards, such as those of Japan's Corporate Governance Code, while still others are just broadly interpreted as social norms.

In its new medium-term management plan, NTT DATA defines its aspirations for globalization. I am still rather new to my position, but I have already noticed a number of areas where further evolution, new provisions, additional examination, or innovation may be needed with regard to the global governance methodologies the Group has built thus far to ensure that it can effectively practice this globalization.


My perspective differs based on whether I view matters as an independent outside director or as an attorney. From either perspective, though, I am committed to using my legal affairs experience to contribute to improved corporate value by fulfilling my role as an independent outside director and as an Audit and Supervisory Committee member.



## Basic Policy

Based on the principles of Japan's Corporate Governance Code, NTT DATA is pursuing improvements with regard to the following policies.

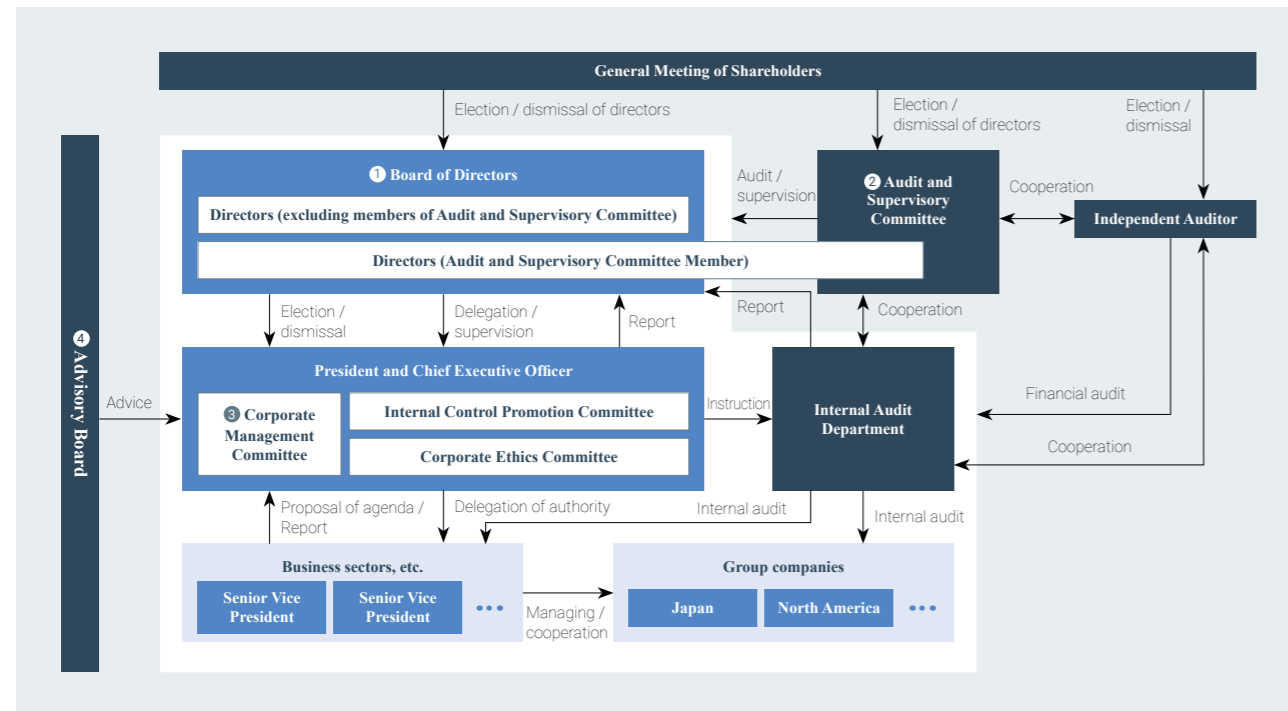
1. Improvement of transparency and soundness in business management
2. Achievement of appropriate and swift decision-making and business execution
3. Thorough implementation of compliance

 For details on our efforts, please visit the Corporate Governance section of our website.  
[www.nttdata.com/global/en/investors/corporate-governance](http://www.nttdata.com/global/en/investors/corporate-governance)

## Corporate Governance Systems

- Adoption of the Company with Audit and Supervisory Committee structure based on judgment that this structure will be effective for enhancing the supervisory functions of the Board of Directors and other aspects of corporate governance
- Maintenance of General Meeting of Shareholders, Board of Directors, and Audit and Supervisory Committee as corporate governance organizations
- Establishment of Corporate Management Committee to expedite decision-making in business execution

Organization	Membership	Meeting Frequency	Number of Times Held in FY2021	Details
1 Board of Directors	All 13 directors	Once a month in principle, extraordinary meetings held when necessary	16	Oversight and decision-making regarding legally mandated matters and other important matters related to management and discussion of strategic management matters
2 Audit and Supervisory Committee	Four outside directors who are Audit and Supervisory Committee members	Once a month in principle	26	Decision-making regarding policies, plans, methods of audits, and other important matters related to audits



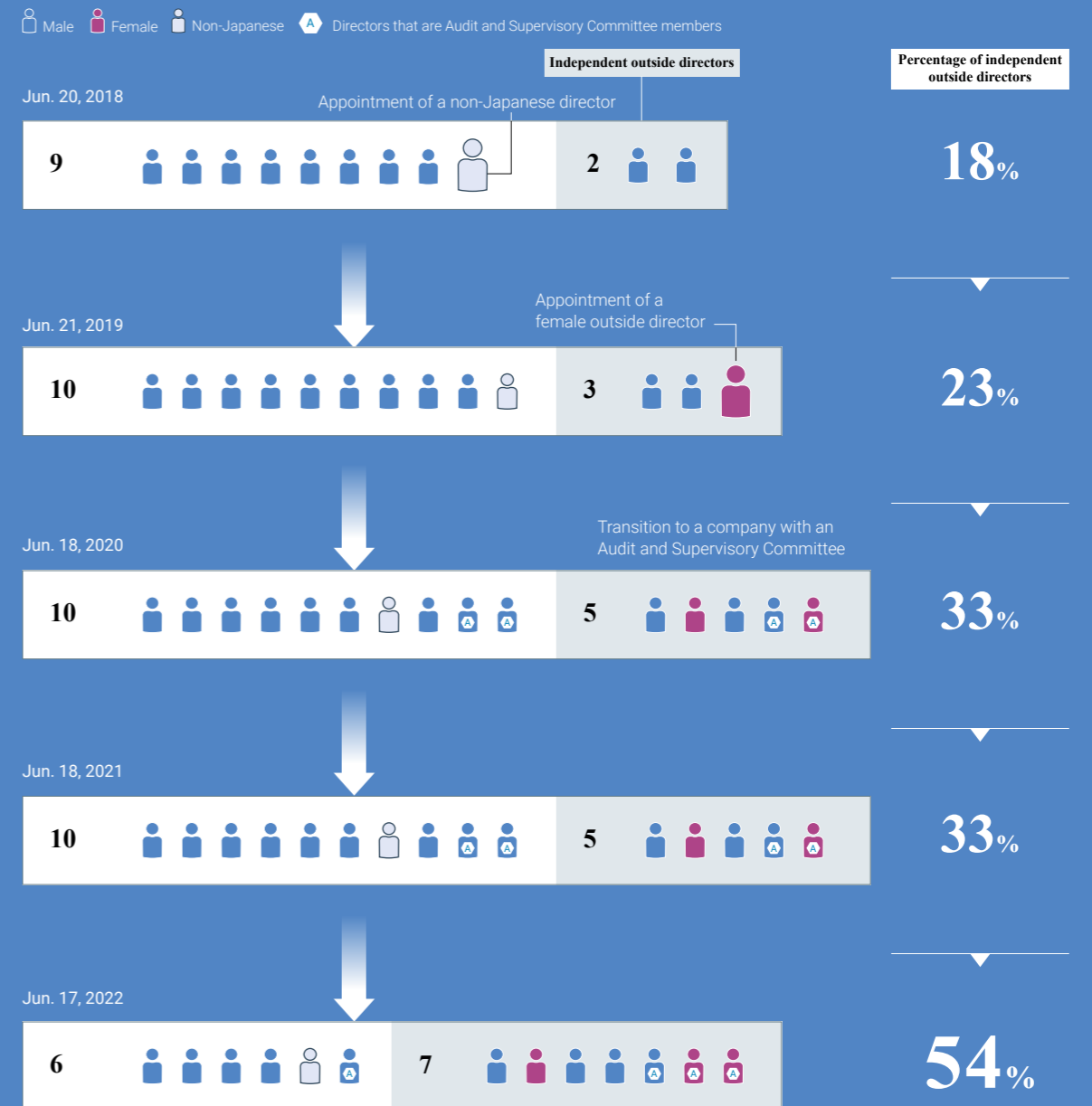
Organization	Membership	Meeting Frequency	Number of Times Held in FY2021	Details
3 Corporate Management Committee	President, senior executive vice presidents, officers responsible for specific fields, executive vice presidents, and heads of important organizations	Once a month in principle	40	Smooth and swift decision-making and supervision relating to business operations (one director who is an Audit and Supervisory Committee member participates to enhance transparency)
4 Advisory Board	Five members including corporate managers, academic specialists, etc.	Twice a year	September 2021 and February 2022	Receipt of advice regarding management and social issues for use in business management from outside experts with insight regarding IT and global businesses

## Initiatives to Strengthen Governance

NTT DATA appoints human resources to management positions in line with the human resource policy of selecting candidates on the basis of superior character, insight, and management ability regardless of age, gender, or nationality.

The Board of Directors is comprised of 13 directors, including seven independent outside directors, three of whom are female, and one non-Japanese director. As of June 30, 2022, independent outside directors represented a majority of the directors.

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



## Board of Directors' Meeting Agendas

Activities by the Board of Directors in FY2021 included the following.

- Decisions regarding matters stipulated in the Regulations of the Board of Directors, including matters stipulated by law and important matters relating to management strategies, investment, and other aspects of the management of the Company and the Group
- Supervision of the performance of directors' duties by regularly receiving reports on the status of such performance from directors
- Discussions with members of the Board of Directors and others with the aim of enhancing discussions on strategic management matters (proactive discussion on various matters in FY2021 including the new medium-term management plan and the overseas business combination of the NTT, Inc. Group and the NTT DATA Group; see page 73 for details)

### Major Agenda Items

Type	Details
Resolutions	<ul style="list-style-type: none"> <li>• Overseas business combination of the NTT, Inc. Group and the NTT DATA Group</li> <li>• Matters related to financing</li> <li>• Matters related to receiving orders and on investments</li> <li>• Consolidation and reorganization of regional headquarters in the EMEAL region</li> <li>• Redevelopment of area around NTT Shinagawa TWINS buildings</li> </ul>
Reports	<ul style="list-style-type: none"> <li>• Results of internal control initiatives and plans for next fiscal year</li> <li>• Results of internal audits and plans for next fiscal year</li> <li>• Monitoring of key projects (verification of progress of measures to prevent unprofitable projects, etc.)</li> <li>• Report on IR activities / investor opinions, analysis of votes at General Meeting of Shareholders</li> <li>• Cross-shareholdings (verification of meaningfulness of specific holdings)</li> </ul>
Deliberations	<ul style="list-style-type: none"> <li>• Overseas business combination of the NTT, Inc. Group and the NTT DATA Group</li> <li>• Matters related to medium-term management plans (review of previous medium-term management plan and formulation of next medium-term management plan)</li> <li>• Response to revised Japan's Corporate Governance Code</li> <li>• Cloud strategies (strategies for ongoing expansion of cloud businesses)</li> <li>• Financial business strategies (strategies for catering to regional banks)</li> <li>• Evaluation of effectiveness of the Board of Directors</li> <li>• Establishment of the NTT DATA Group Code of Conduct</li> </ul>

## Protection of Minority Shareholders

With regard to the relationship between NTT DATA and our parent companies, NTT DATA's basic policies shall respect each other's autonomy and independence while cooperating, and shall adequately conduct transactions, etc., between the companies complying with laws and regulations.

When conducting transactions with the parent companies and NTT Group companies, NTT DATA considers the maximization of profit for NTT DATA's entire shareholders. Specifically, NTT DATA confirms the rationality and adequacy of transactions, and gives approval in accordance with "Authority Rules" after preliminary screening, with the legal sector considering the opinions of the third-party specialists when necessary. When NTT DATA conducts a business transaction with those companies, the transaction condition and its determination method are the same as those of other business partners.

Decisions regarding important agreements contracted with the parent companies shall be made after legal reviews by the legal sector. Particularly important agreements require approval by the Board of Directors, and steps will be taken to ensure that decisions are made independent from the parent companies. The Board of Directors is comprised of 13 directors, including seven independent outside directors, and independent outside directors represent a majority of the directors.

## Discussion Process Regarding Overseas Business Combination of the NTT, Inc. Group and the NTT DATA Group

The overseas business combination of the NTT, Inc. Group and the NTT DATA Group was examined on a monthly basis beginning with July 2021, including not only decision-making but also confirmation of strategic significance, corporate value assessments, and post-combination businesses. This process made for smooth and effective discussions leading up to the final decisions regarding this undertaking by allowing us to clarify the points to be negotiated with NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION and to talk about post-combination strategies.



## Measures for Ensuring Impartiality of Discussions and Negotiations

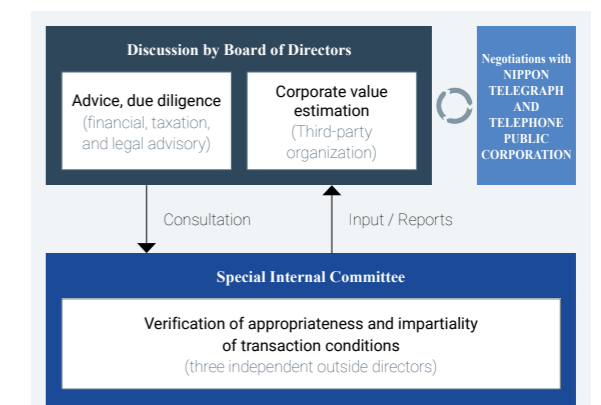
As the business combination with NTT, Inc., constitutes a transaction with a controlling shareholder, the following measures were implemented to ensure the impartiality of discussions and negotiations and to prevent conflicts of interests. Moreover, it was confirmed that this transaction is appropriate and will not adversely impact the interests of minority shareholders through ample discussion by the Board of Directors and through verification by a special internal committee comprised of three independent outside directors.

### Measures for Ensuring Impartiality

- Acquisition of estimates from independent third-party organizations
- Receipt of advice from independent legal firms
- Acquisition of estimates and fairness reports from independent third-party organizations by special internal committee

### Measures for Avoiding Conflicts of Interest

- Receipt of reports from special internal committee comprised of members without any conflict of interests
- Verification by all directors who do not have any conflicts of interests (including Audit and Supervisory Committee members)





## Initiatives for Lively Discussions among Directors and Others

To have meaningful discussions among Directors and others, NTT DATA will take the following steps to ensure sufficient time for discussions and that outside directors receive information and assistance.

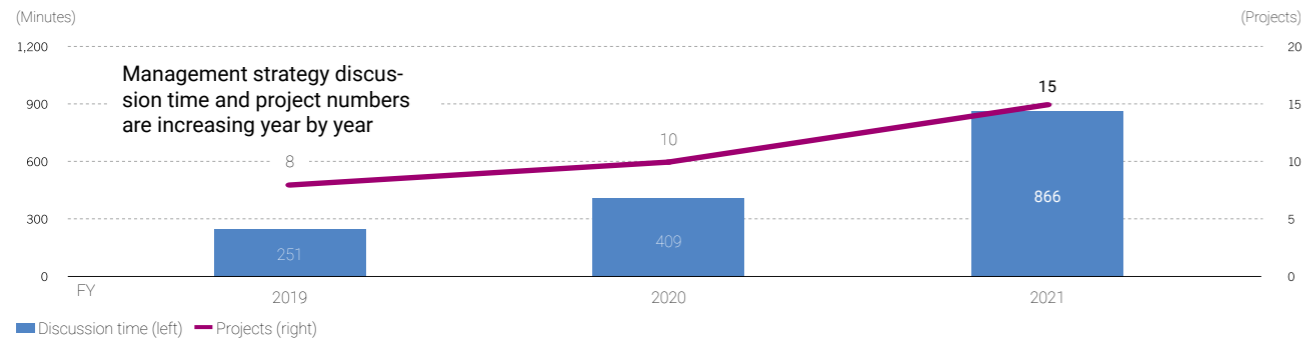
### Ensure Sufficient Time for Discussions

- Schedule Board of Directors' meetings for the year and make rough overviews for agenda items
- Classify agenda items as resolutions, reports, or deliberations to ensure sufficient time for discussions on highly important resolution and deliberation items
- Organization of forums for deliberation on projects designated for intensive discussion (four times within fiscal year)
- Authority for business operation is delegated to directors and executive officers to enable the Board of Directors to focus on discussion of items with a particularly large impact on the management of the Company and thereby secure sufficient discussion time by narrowing the scope of the agenda items discussed

### Ensure Outside Directors Receive Information and Assistance

- Provide briefings on important agenda items to outside directors prior to each meeting to allow for discussions to be held after any questions have been addressed and items have been fully understood
- During the Board of Directors' meetings, each director who is in charge of the agenda provides supplementary explanations of key points and strategic implications
- Detailed explanations and various facility tours for outside directors to deepen understanding regarding NTT DATA's business and operating environment

Change in Management Strategy Discussion Time and Project Numbers



## Initiatives for Deepening Outside Director Understanding of Business and Operating Sites

### Provision of Facility Tours

In March 2022, tours of the Musashino R&D Center of NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION and NTT DATA's Mitaka Data Center EAST were arranged for outside directors. With participation by executive directors, these tours were used as an opportunity to deepen the understanding of outside directors for NTT DATA's business and operating sites.

At the Mitaka Data Center EAST, outside directors learned about our energy conservation initiatives by viewing our cutting-edge equipment. We also arranged a session for information on the directives for our data center business based on the new medium-term management plan.

The tour of the Musashino R&D Center included a presentation on the Innovative Optical and Wireless Network (IOWN) concept being advanced by the entire NTT Group. Including demonstrations by researchers, this presentation helped attendees better understand IOWN concept technologies and how this concept will be implemented.

After the tours, the outside directors offered positive opinions, stating how they were able to gain a better understanding from explanations at actual operating sites and how they hope that such meaningful events will be arranged in future fiscal years.

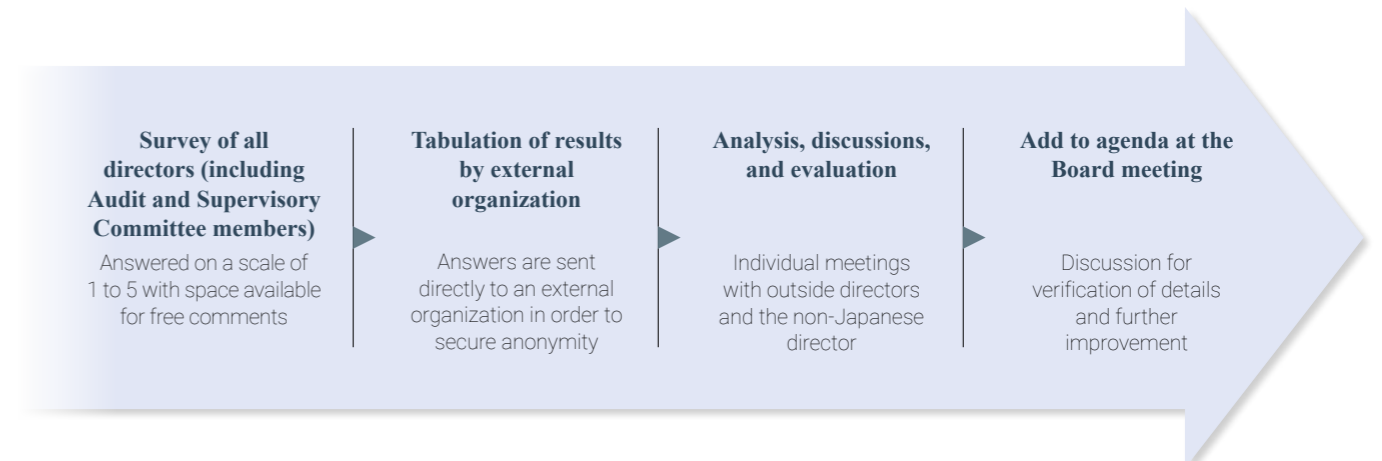


Mitaka Data Center EAST (top) and Musashino R&D Center (bottom)

## Evaluation of Effectiveness of the Board of Directors

With the purpose of enhancing the functions of the Board of Directors and subsequently corporate value, the Board of Directors has been implementing self-evaluations and analyses of its effectiveness through the following process.

- Self-evaluation and analysis with involvement by external organization to secure objectivity
- Administration of questionnaires to all directors (including Audit and Supervisory Committee members) followed by analysis based on comparison with average scores of other companies through external organization (FY2021)
- Individual meetings with outside directors and the non-Japanese director to gain more insight into analysis, discussions, and evaluations based on results of above analysis
- Mostly positive evaluation received in relation to structure and operation of Board of Directors indicating overall effectiveness (FY2021)



Issues Identified in FY2021 Evaluation and Response Measures	
Issues	Response Measures
Ensure sufficient time for discussions by increasing efficiency of meetings	Steps were taken to increase the amount of time for discussions regarding management strategies as well as the number of projects discussed by arranging forums dedicated to discussions of strategies, limiting agenda items, and providing details in advance of briefings. In addition, a higher evaluation was received in relation to meeting proceedings in effectiveness evaluation questionnaires.
Provide further clear and understandable briefings and documents	Supplementary explanations are being provided by directors responsible for proposals to be discussed to provide additional insight into key points and strategic significance.
Increase opportunities for communications among directors	Detailed explanations and various facility tours were arranged for outside directors to provide information and deepen their understanding regarding NTT DATA's business and operating environment.
Provide more opportunities to explain trend in IT industry and technologies	

### Noteworthy Opinions Received from Outside Directors on Questionnaire

- Room for improvement with regard to discussions on investment directives, M&A strategies, and other matters pertaining to business portfolios
- Need for stronger monitoring of investees via means such as macroeconomic-perspective assessments of whether investees are contributing to business plans and growth
- Need for deeper discussions on sustainability management
- Potential for improvements by holding strategic discussions in line with annual plans

### Issues for FY2022

- Holding strategic discussions in line with annual plans
- Strengthening of monitoring of investees
- Expansion of opportunities for communication between outside directors and executive team
- Provision of opportunities for gaining knowledge regarding IT and digital technologies and deepening understanding of operating sites

## Policies Regarding Executive Remuneration

The following policies, composition, and standards have been implemented for remuneration of directors.

Directors That Are Not Audit and Supervisory Committee Members	Directors That Are Audit and Supervisory Committee Members
<ul style="list-style-type: none"> <li>To ensure objectivity and transparency, NTT DATA explains policies for determining the compensation for directors to independent outside directors, directors that are Audit and Supervisory Committee members, and the parent company. Upon receiving appropriate advice from them, the Board of Directors, which is comprised of a majority of independent outside directors, determines the amount of compensation within limit approved at General Meeting of Shareholders.</li> <li>The amount of remuneration for individual directors is determined by the Representative Director &amp; President, who is delegated with this responsibility by the Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>For the purpose of securing a high degree of independence, the remuneration is determined via discussions among the directors that are Audit and Supervisory Committee members. Their remuneration is not linked to the business results and they receive monthly remuneration only.</li> </ul>

## Revisions to Compensation Systems

### ■ Introduction of Performance-Linked Stock Compensation System and Clawback Provisions (2021)

The Company has introduced a performance-linked stock compensation system for directors in order to clarify the link between director compensation and corporate value and to have directors share the benefits and risks of stock price fluctuations with shareholders. The purpose of this system is to raise director awareness regarding contributions to medium- to long-term improvements in performance and corporate value. An equivalent system has also been introduced for senior vice presidents.

In addition, clawback provisions have been implemented based on which the Company is able to force forfeiture of share allocation rights, seize allocated shares, or issue claims for monetary payments equivalent to the amount of shares allocated through the performance-linked stock compensation system. These provisions may be used in the event that a director is found to have been involved in a major act of misconduct or a legal violation or to have concluded an employment or subcontracting contract with a competitor without authorization by the Company.

### ■ Introduction of Sustainability Indicators for Performance-Linked Compensation (2022)

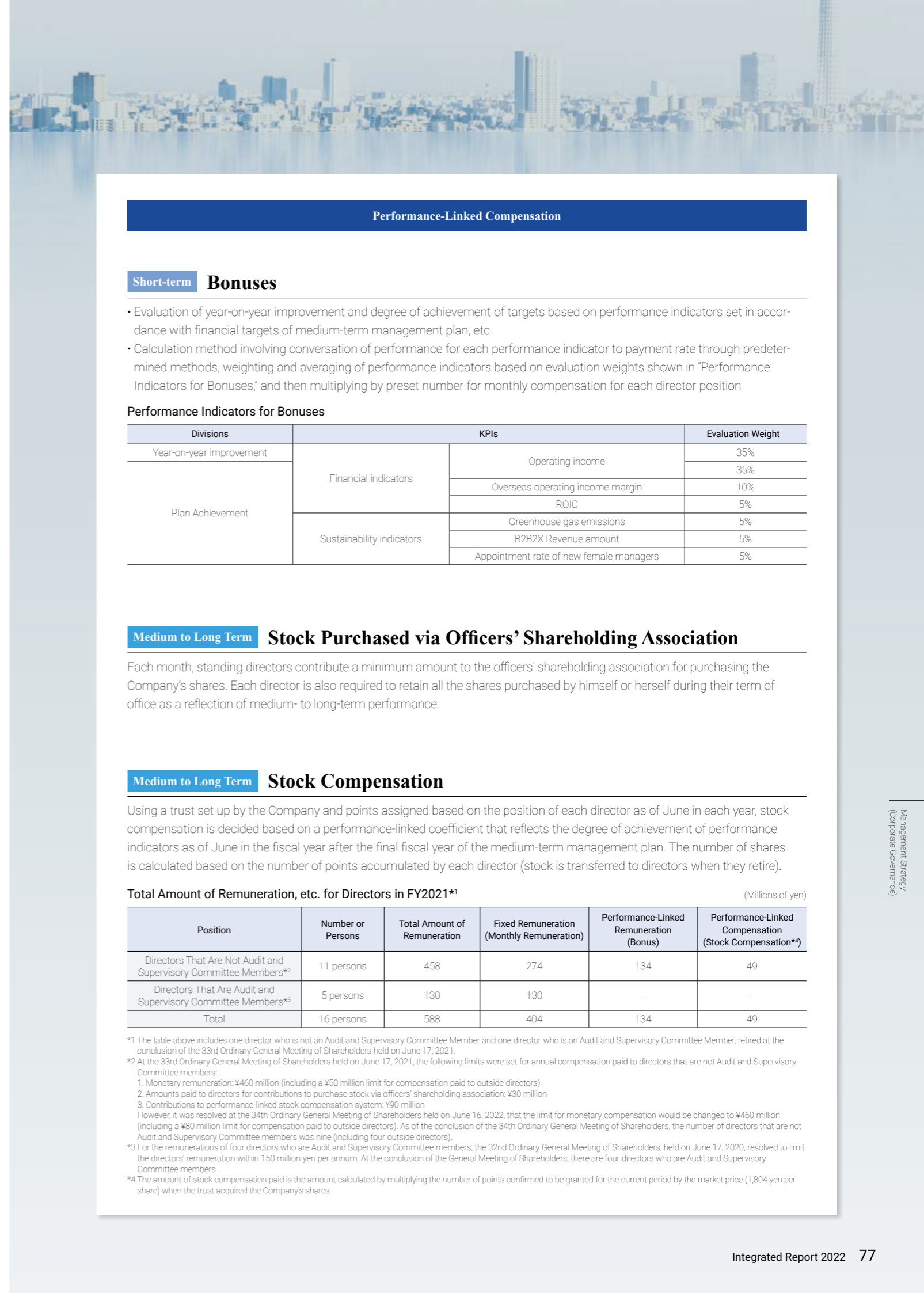
Three sustainability indicators have been introduced for performance-linked compensation (bonuses) to be paid in FY2022 and onward. These indicators were selected based on themes necessary for contributing to the realization of a sustainable society.

## Compensation Structure

Types and ratios of compensation paid to directors are as follows.

		Fixed remuneration	Performance-linked compensation	
			Short-term	Medium- to long-term
Directors That Are Not Audit and Supervisory Committee Members	Inside	● (50%)	● (30%)	● (20%)
	Outside	●	—	—
Directors That Are Audit and Supervisory Committee Members		●	—	—

<b>Fixed remuneration</b>	Monthly fixed compensation determined in accordance with degree of responsibility and extent of role of the position of given directors	
<b>Performance-linked compensation</b>	<b>Short-term</b>	Bonuses determined in consideration of Company's performance during relevant period and paid in June of each year
	<b>Medium- to long-term</b>	Stock compensation and stock purchased via officers' shareholding association



## Performance-Linked Compensation

### Short-term Bonuses

- Evaluation of year-on-year improvement and degree of achievement of targets based on performance indicators set in accordance with financial targets of medium-term management plan, etc.
- Calculation method involving conversation of performance for each performance indicator to payment rate through predetermined methods, weighting and averaging of performance indicators based on evaluation weights shown in "Performance Indicators for Bonuses," and then multiplying by preset number for monthly compensation for each director position

#### Performance Indicators for Bonuses

Divisions	KPIs	Evaluation Weight
Year-on-year improvement	Operating income	35%
	Overseas operating income margin	35%
Plan Achievement	ROIC	10%
	Greenhouse gas emissions	5%
	B2B2X Revenue amount	5%
	Appointment rate of new female managers	5%

### Medium to Long Term Stock Purchased via Officers' Shareholding Association

Each month, standing directors contribute a minimum amount to the officers' shareholding association for purchasing the Company's shares. Each director is also required to retain all the shares purchased by himself or herself during their term of office as a reflection of medium- to long-term performance.

### Medium to Long Term Stock Compensation

Using a trust set up by the Company and points assigned based on the position of each director as of June in each year, stock compensation is decided based on a performance-linked coefficient that reflects the degree of achievement of performance indicators as of June in the fiscal year after the final fiscal year of the medium-term management plan. The number of shares is calculated based on the number of points accumulated by each director (stock is transferred to directors when they retire).

#### Total Amount of Remuneration, etc. for Directors in FY2021\*1

(Millions of yen)

Position	Number or Persons	Total Amount of Remuneration	Fixed Remuneration (Monthly Remuneration)	Performance-Linked Remuneration (Bonus)	Performance-Linked Compensation (Stock Compensation**)
Directors That Are Not Audit and Supervisory Committee Members*2	11 persons	458	274	134	49
Directors That Are Audit and Supervisory Committee Members*3	5 persons	130	130	—	—
Total	16 persons	588	404	134	49

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

\*2 At the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021, the following limits were set for annual compensation paid to directors that are not Audit and Supervisory Committee members:

1. Monetary remuneration: ¥460 million (including a ¥50 million limit for compensation paid to outside directors)  
 2. Amounts paid to directors for contributions to purchase stock via officers' shareholding association: ¥30 million  
 3. Contributions to performance-linked stock compensation system: ¥90 million  
 However, it was resolved at the 34th Ordinary General Meeting of Shareholders held on June 16, 2022, that the limit for monetary compensation would be changed to ¥460 million (including a ¥80 million limit for compensation paid to outside directors). As of the conclusion of the 34th Ordinary General Meeting of Shareholders, the number of directors that are not Audit and Supervisory Committee members was nine (including four outside directors).

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

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



## Governance Policy for Listed Subsidiaries

NTT DATA has listed subsidiaries in Japan comprising NTT DATA INTRAMART CORPORATION, XNET Corporation, and Netyear Group Corporation. These subsidiaries aim for sustained growth and development while maximizing the corporate value of the entire Group, working in concert together based on an understanding of the business characteristics of each company and respecting their identity, autonomy and independence.

NTT DATA makes it a basic policy to ensure appropriate business operation throughout the entire NTT DATA Group by establishing rules for consultation and reporting between the Company and Group companies. We have also established a system of cooperation within the Company, including the establishment of divisions responsible for cooperation with Group companies.

	NTT DATA INTRAMART CORPORATION	XNET Corporation	Netyear Group Corporation
<b>Field</b>	Technology Consulting & Solution	Financial	Enterprise
<b>Main Business Activities</b>	Packaged software sales	System sales	SIPS (Strategic Internet Professional Services) business
<b>Meaning for Holding</b>	Listing allows for cooperation and capital alliances with companies that could compete with the parent company, thereby making it possible for NTT DATA INTRAMART CORPORATION to flexibly develop web system infrastructure businesses and package software development and sales businesses	Listing makes it possible to maintain independence from the parent company and to conduct management that respects individuality, enabling flexible business development in various securities-related service fields	Listing makes it possible to enhance the strength of the company's brand and enable flexible development of marketing support businesses using digital technologies
<b>Ratio of Voting Rights Owned</b>	47.9%	51.1%	48.5%
<b>Composition of Board of Directors (As of July 1, 2022)</b>	5 	9 	9 

Directors that are executive officers or employees of the Company Directors that are not executive officers or employees of the Company

## Cross-Shareholdings

NTT DATA's purpose of cross-shareholdings is to maintain the medium- to long-term relationships, to expand trading volume, and to create synergy with clients and business partners by holding shares issued by them. It is our policy to hold such shares if holding them is likely to enhance NTT DATA's enterprise value and lead to profit for our shareholders.

NTT DATA assesses the meaningfulness of cross-shareholdings for each stock every year, in a comprehensive manner, from the viewpoint of whether benefits and risks from holding the shares are commensurate with capital costs and in line with the purposes of holding, which include maintaining medium- to long-term relationships, expanding trading volume, and creating synergy with clients and business partners, and reports to the Board of Directors and then decides whether to hold or sell such shares.

Following the sale of a portion of cross-shareholdings, the amount of cross-shareholdings on the balance sheet came to ¥67.8 billion on March 31, 2022, representing 5.1% of consolidated net assets. If the reason for a given holding proves to be inadequate due to changes in situations, NTT DATA will take measures including reduction of the number of shares.

## Group Governance

For more information, please refer to "Group Governance" on page 123 of NTT DATA Sustainability Report 2022.

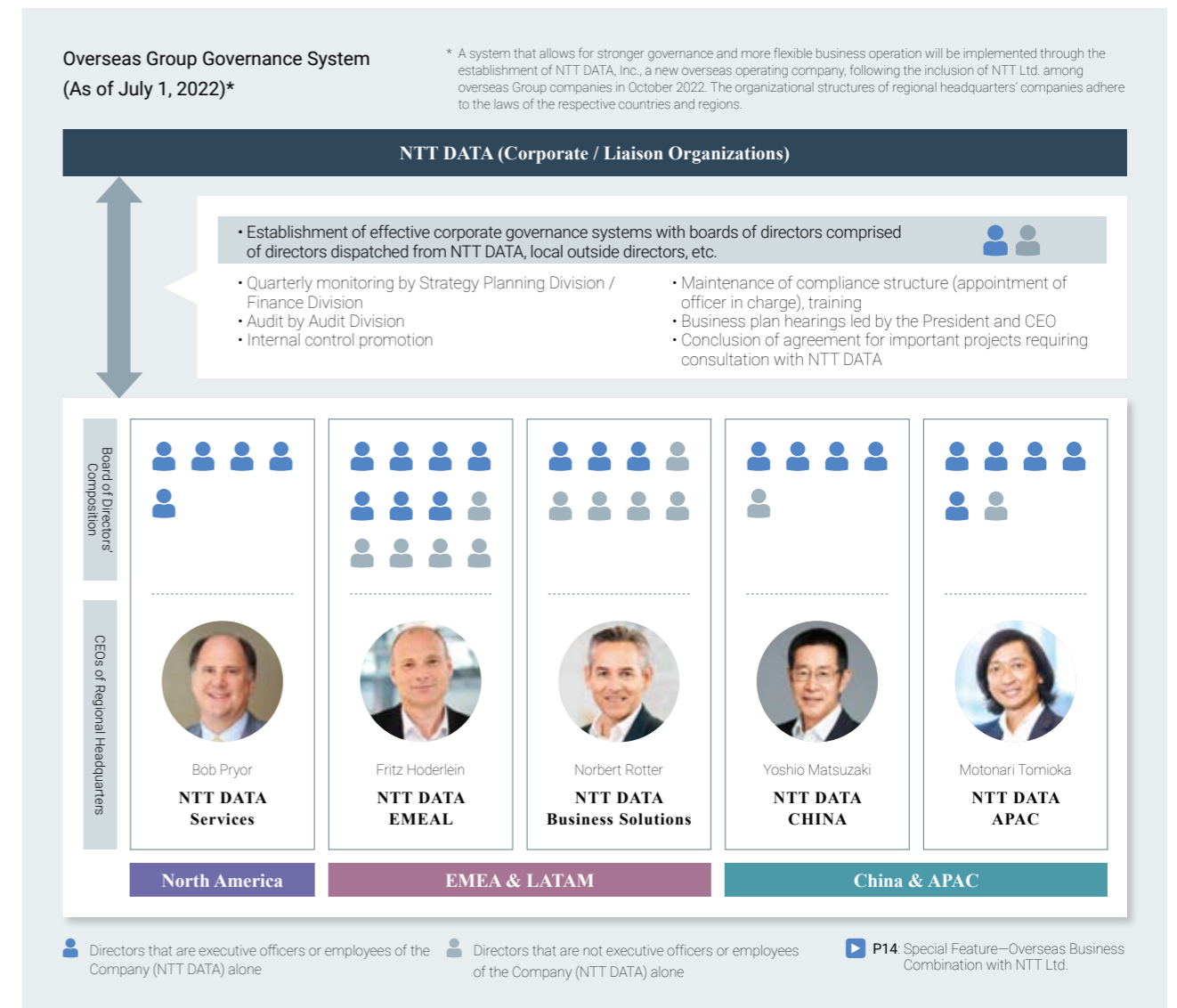
For important matters such as business planning, internal control, and compliance, NTT DATA's basic policy is to ensure appropriate business operations throughout the Group by establishing rules for consultation and reporting between the Company and each Group company. Based on this policy, the Company has established a cooperative system through the establishment of a liaison department in NTT DATA that connects to each Group company.

The Global Governance Headquarters was established in July 2022 to consolidate legal, intellectual property, risk management, disaster response, and other functions. With this organization, we are bolstering global governance by formulating governance and compliance policies and monitoring their implementation on a global basis. We thereby aim to build frameworks for supporting sound Groupwide management and facilitate global business growth based on consistent strategies. This approach is anticipated to help transform the NTT DATA Group in its pursuit of ongoing improvements in corporate value and to further it toward its Global 3<sup>rd</sup> Stage.

Particularly in recent years, Group governance has been reinforced in response to the rapid expansion of overseas operations through M&A activities and other measures. Specifically, the Company has established a rule to discuss and report on important matters such as business plans, large-scale projects, internal control, and compliance between the Head Office of NTT DATA in Toyosu and each of the two axes including four operating regions—North America, EMEA (Europe, the Middle East, Africa) and Latin America, China, and APAC (the Asia-Pacific region)—and business solutions.

Furthermore, NTT DATA has established nomination and compensation committees and audit committees within regional headquarters' boards of directors to delegate responsibility for business management to each regional integrated company while building a governance system that enables the unified management of the Group.

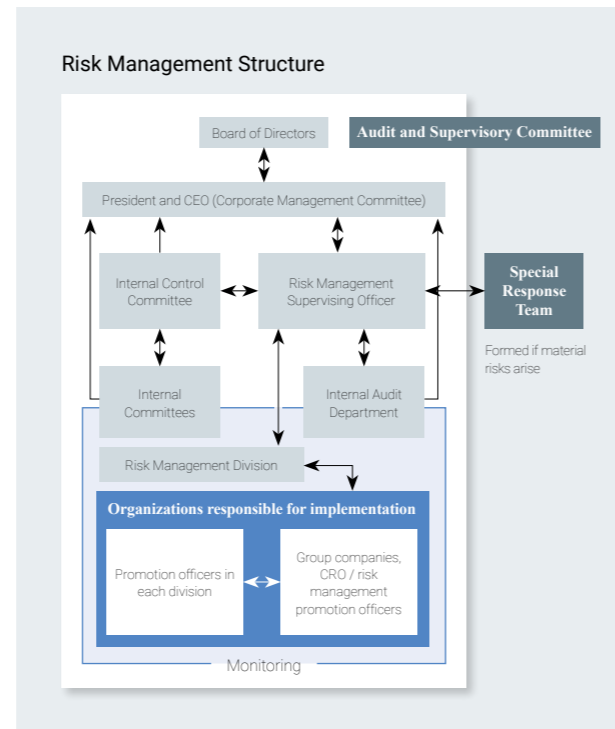
Meanwhile, the Group is establishing a system that facilitates the appropriate and timely sharing of information about risks and other important matters of concern by building a comprehensive internal control system that includes overseas organizations.



## Internal Control / Risk Management

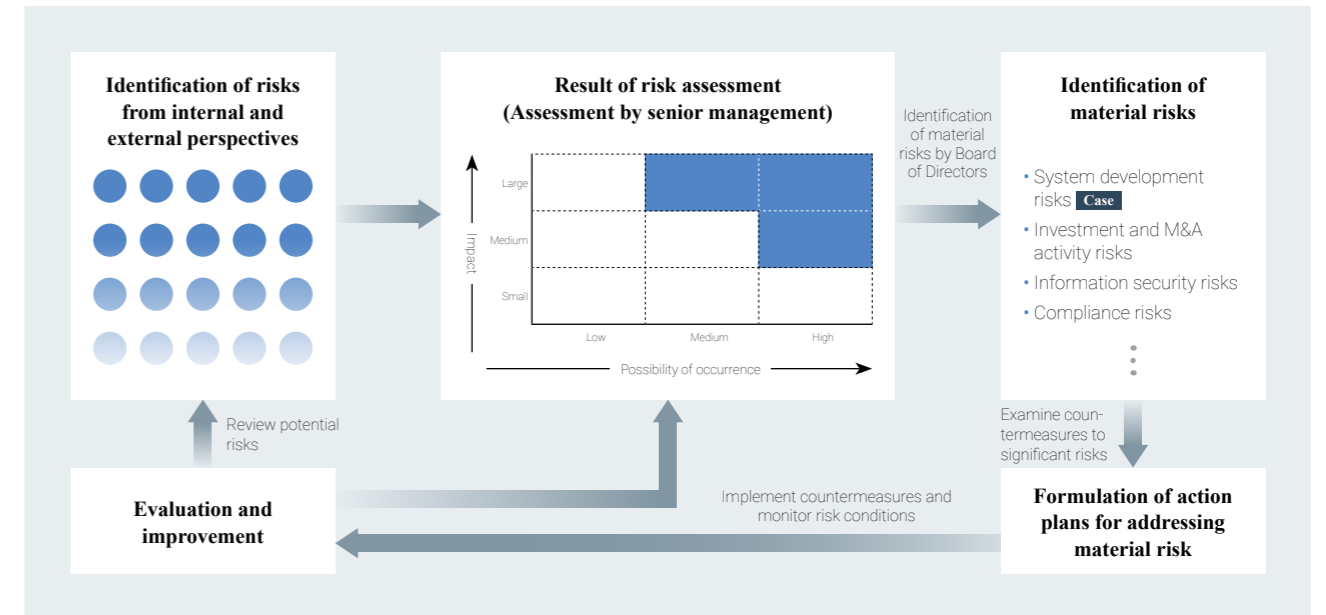
In building its internal control systems, NTT DATA will further the basic policy that it will take various measures to efficiently conduct fair and transparent business activities in compliance with applicable laws and its Articles of Incorporation, as a matter of course, and at all times being aware of risks increasing as its business expands.

The NTT DATA Group seeks to ascertain all risks associated with business activities to minimize the frequency of occurrence of these risks and limit their impact on operations should they materialize. To facilitate this effort, in 2002 we appointed an officer in charge of supervising and promoting risk management from a Companywide perspective. In addition, CRO / risk management promotion officers were appointed to the Risk Management Division as well as other divisions and Group companies to enable them to respond proactively and independently to various risks.



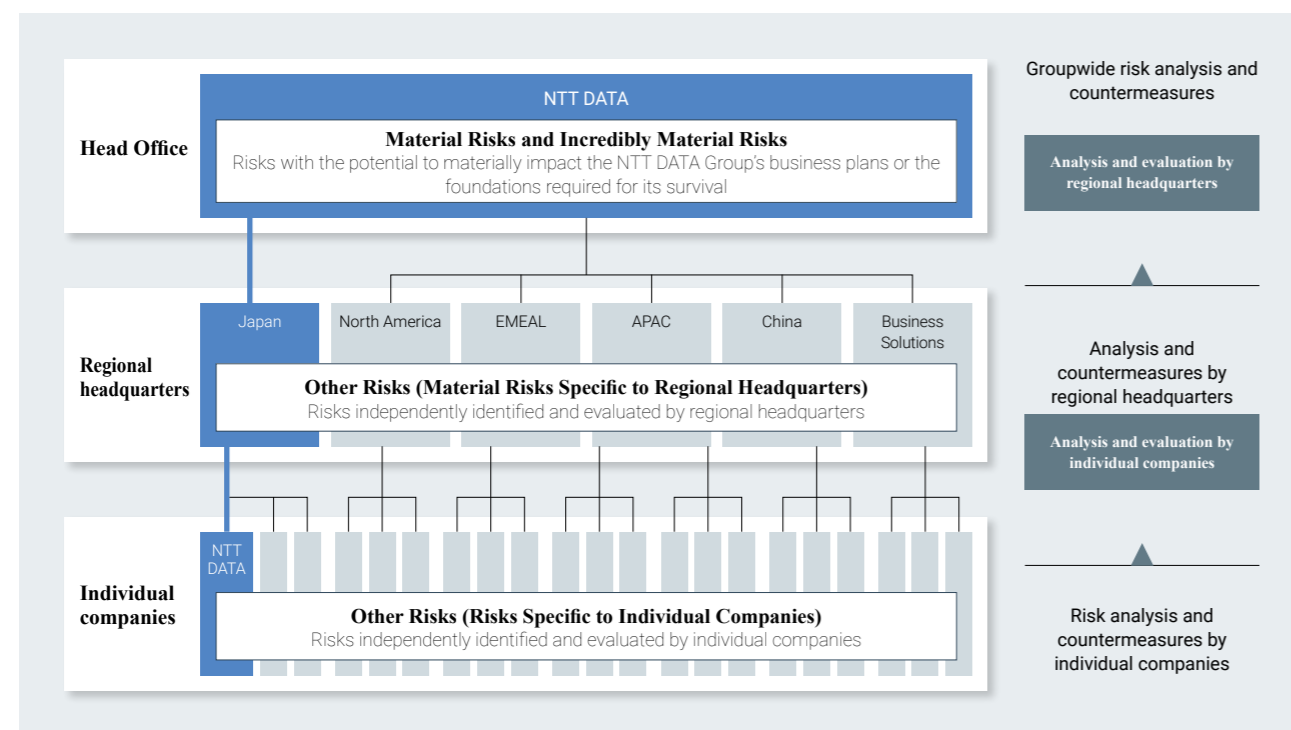
## Process for Identifying Material Risks

Material risks are identified each year by the Board of Directors. Meanwhile, the Internal Control Committee meets twice a year to examine reports on action plans related to the material risks defined by specific organizations. This committee assesses and reviews the initiatives implemented based on these actions plans and reports its findings to the Board of Directors.



## Risk Management Classifications

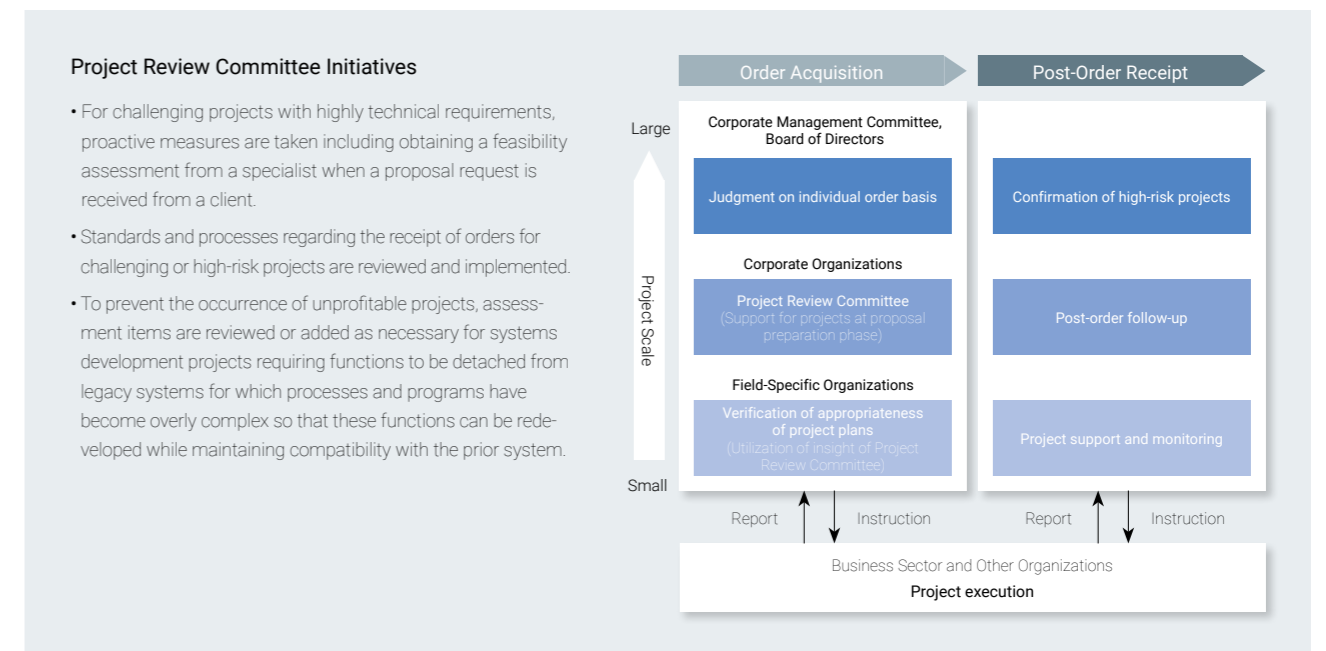
NTT DATA classifies risks with the potential to materially impact the entire Group as "material risks" or "incredibly material risks." Meanwhile, risks defined by regional headquarters or individual companies are classified as "other risks." Based on these classifications, the Risk Management Division and other organizations analyze, evaluate, and monitor risks.



## Case System Development Risk Countermeasures

Should an unprofitable project occur in the NTT DATA Group's mainstay system integration business, it could have a material impact on the Group's performance or financial position due to expectation-exceeding costs or claims for damages resulted from delivery delays. For this reason, system development risks have been defined as an incredibly material risk.

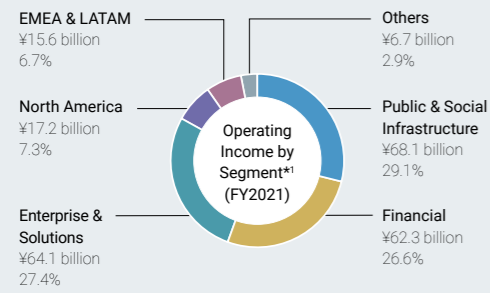
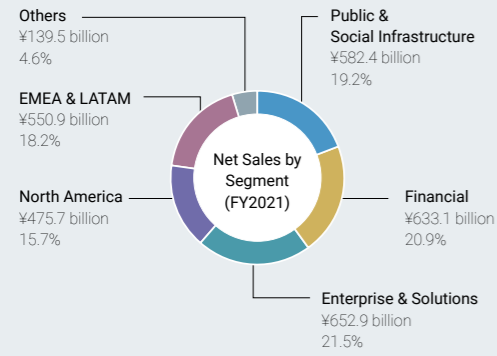
As part of countermeasures in response to this risk, the Project Review Committee assesses project plans, and we have thereby succeeded in limiting the impacts of unprofitable projects on income.





# Business Strategies by Segment

## Performance Summary (FY2021)



\*1 Above ratios are calculated excluding adjustments.

### Organization Restructuring as of July 1, 2022



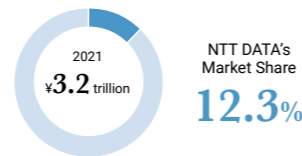
\*2 Segment consolidating North America, EMEA & LATAM, and China & APAC segments

### Public & Social Infrastructure

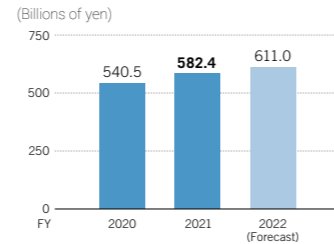
IT Services Market Vendor Ranking in Public & Social Infrastructure Market (Japan)\*3 by revenue

**3rd**

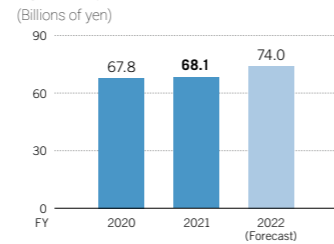
Public & Social Infrastructure Market (Japan) and NTT DATA's Market Share\*3 by revenue



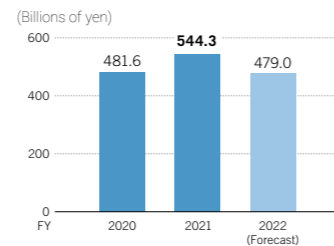
#### Net Sales



#### Operating Income



#### New Orders Received

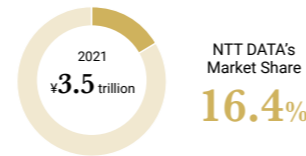


### Financial

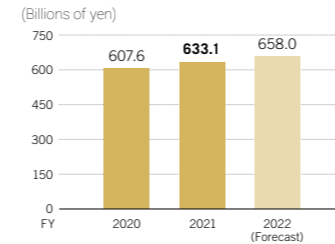
IT Services Market Vendor Ranking in Financial Market (Japan)\*3 by revenue

**1st**

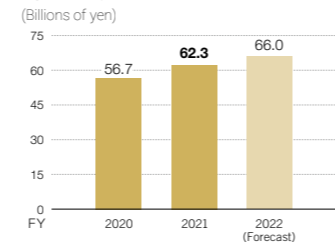
Financial Market (Japan) and NTT DATA's Market Share\*3 by revenue



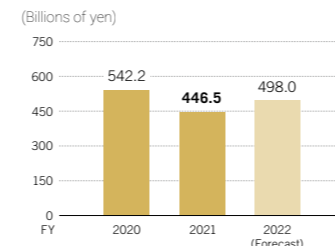
#### Net Sales



#### Operating Income



#### New Orders Received

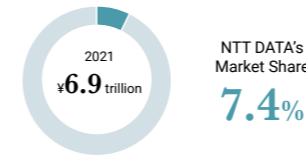


### Enterprise & Solutions

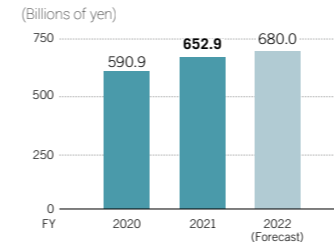
IT Services Market Vendor Ranking in Enterprise & Solutions Market (Japan)\*3 by revenue

**2nd**

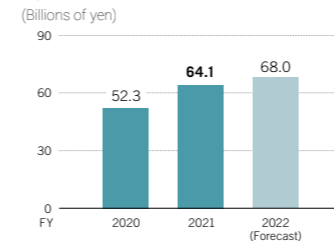
Enterprise & Solutions Market (Japan) and NTT DATA's Market Share\*3 by revenue



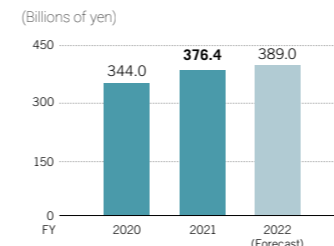
#### Net Sales



#### Operating Income



#### New Orders Received

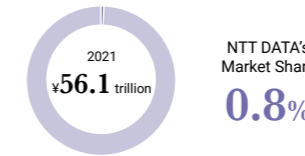


### North America

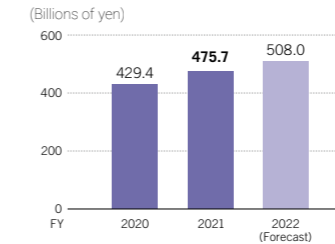
IT Services Market Vendor Ranking in North America Market\*3 by revenue

**31st**

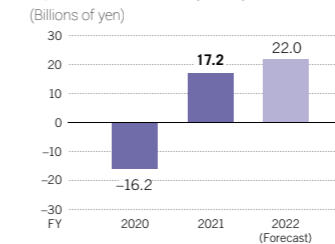
North America Market and NTT DATA's Market Share\*3 by revenue



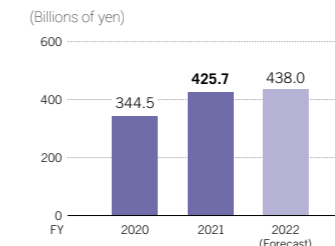
#### Net Sales



#### Operating Income (Loss)\*1



#### New Orders Received

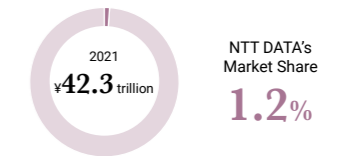


### EMEA & LATAM

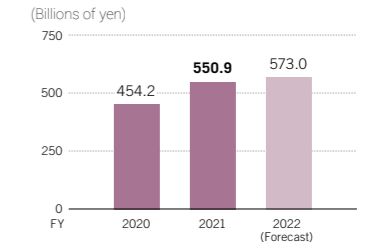
IT Services Market Vendor Ranking in EMEA & LATAM Market\*3 by revenue

**17th**

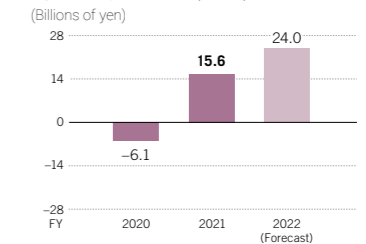
EMEA & LATAM Market and NTT DATA's Market Share\*3 by revenue



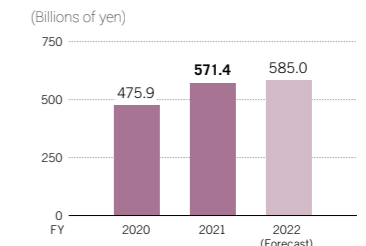
#### Net Sales



#### Operating Income (Loss)\*1



#### New Orders Received



\*3 Graphs / charts are created by NTT DATA based on Gartner Research. Figures are calculated by NTT DATA. Please see page 107 for sources.

## Public & Social Infrastructure Segment

We provide high-value-added IT services that support government, medical, telecommunications, electric power, and other social infrastructures that revitalize regions, centered on Japan.

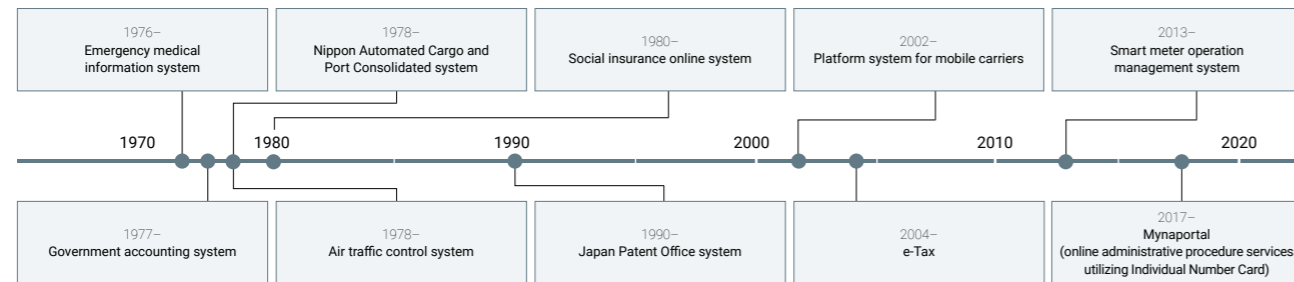
Hidehiko Chihara  
Executive Vice President  
Responsible for Public & Social Infrastructure Segment  
Head of Public Headquarters



### Strengths / Achievements

- Top-class technological and project management capabilities that facilitate the development and operation of mission-critical systems supporting social infrastructure
- Deep understanding of client businesses and Long-Term Relationships fostered over a long history of developing and operating systems for central and municipal government agencies, healthcare institutions, telecom companies, power companies, and other clients

#### Long History of Developing and Operating Systems that Support Social Infrastructure

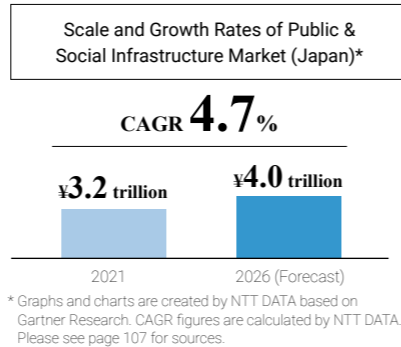


### Market Environment

Although the Japanese government's IT investment is on a downward trend for existing IT operations, government investment is expected to increase on the whole as a result of IT investments in digitalization measures for addressing social issues and for realizing Society 5.0, a government-proposed concept advocating a

new image for the future of society, following the Cabinet approval for Priority Plan for the Realization of a Digital Society in June 2022. IT investment in the energy market is expected to expand business opportunities in energy-related businesses with the aim of realizing a green society and improving energy self-sufficiency in 2050.

<ul style="list-style-type: none"> <li>Accelerated public-private coordination in digitalization efforts</li> <li>Promotion of green growth strategies targeting carbon neutrality in 2050</li> <li>Advancement of growth strategies based on Society 5.0</li> <li>Invigoration of regional economies</li> <li>Reinforcement of economic security</li> </ul>	<ul style="list-style-type: none"> <li>Soaring raw material prices as a result of yen depreciation</li> <li>Reduced industry competitiveness</li> <li>Tight supply and demand balance for energy</li> <li>Need for sustainable food sources</li> </ul>
<ul style="list-style-type: none"> <li>Acceleration of workforce shrinkage, population aging, and birth rate decline</li> <li>Diversification of lifestyles and values</li> <li>Increasing severity of natural disasters</li> <li>Greater disparities between regions</li> </ul>	<ul style="list-style-type: none"> <li>Practical application of AI, IoT, 5G, and other digital technologies</li> <li>Popularization of cloud servers, smartphones, and other digital infrastructure</li> <li>Development of API and other methodologies for utilizing digital data</li> <li>Reinforcement of cybersecurity for combating increasingly more sophisticated cyberattacks</li> </ul>



### SWOT Analysis

Although there is a threat of requests for additional reductions to costs in relation to investment in existing domains, we expect opportunities for increased IT investment in new services and digitalization in various fields. Accordingly, the Public & Social Infrastructure

Segment is anticipated to see growth over the medium to long term supported by the top-class technological and project management capabilities, deep understanding of client businesses, and strong trusting relationships it has cultivated thus far.

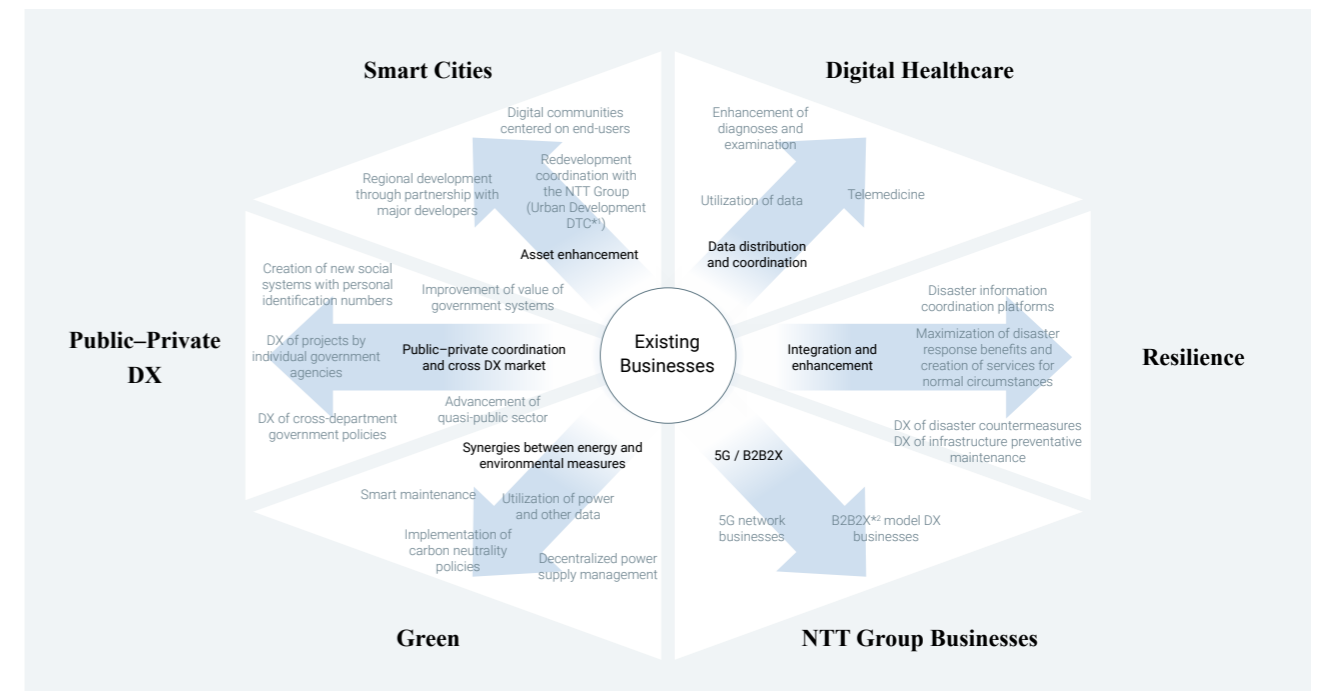
<ul style="list-style-type: none"> <li>Top-class technological and project management capabilities that facilitate the development and operation of mission-critical systems supporting social infrastructure</li> <li>Deep understanding of client businesses and strong trusting relationships built over years of developing and operating clients' systems</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of risk management capabilities pertaining to upstream processes to prevent the occurrence of unprofitable projects</li> <li>Enhancement of social design human resources and digital talent to accelerate social design activities</li> </ul>
<ul style="list-style-type: none"> <li>Expansion of IT investment for addressing social issues</li> <li>Growth in investment aimed at improving resident services focused on users and at realizing efficient government operation</li> <li>Acceleration of trend toward digitalization in medical and other fields and effective utilization of medical information</li> <li>Shift from investment in telecommunications infrastructure and network system equipment to IT investments in new services</li> <li>Increased IT investment based on energy and resource policies for promoting decarbonization</li> </ul>	<ul style="list-style-type: none"> <li>Requests for further cost reductions of IT investment in existing domains</li> <li>Intensification of competition due to market participation from other industries</li> </ul>

### Growth Strategy

In the Public & Social Infrastructure Segment, we will maintain existing projects through means such as consistently receiving upgrade orders for core processes from the government and infrastructure companies. At the same time, we will encourage clients to shift to digital technologies by leveraging the track record, expertise, and other strengths and assets we have cultivated thus far. In addition, foresight will be exercised in formulating a vision for the society of the future as we promote the DX of society as a whole together with clients and other partners. We thereby aim to develop the social systems that merge the public and private sectors advocated by the Japanese government's Priority Plan for the Realization of a Digital Society and Vision for a Digital Garden City Nation: Achieving Rural-Urban Digital Integration and Transformation. This segment will also

develop smart energy businesses for contributing to the realization of a green society and consequently achieving our greenhouse gas emissions reduction targets for FY2030 and our goal of carbon neutrality by 2050. Furthermore, we will expand businesses outside of existing business areas based on trends in markets, government policy, and clients in pursuit of medium- to long-term growth with an awareness of sustainability management principles.

The new medium-term management plan focuses on the expansion of digital businesses that capitalize on existing strengths to facilitate the implementation of growth strategies to reach the Global 3<sup>rd</sup> Stage (2025). To realize a remote and digital society amid new lifestyles in the post-COVID-19 society, we will concentrate on the following fields and draw up action plans to accelerate the related initiatives.

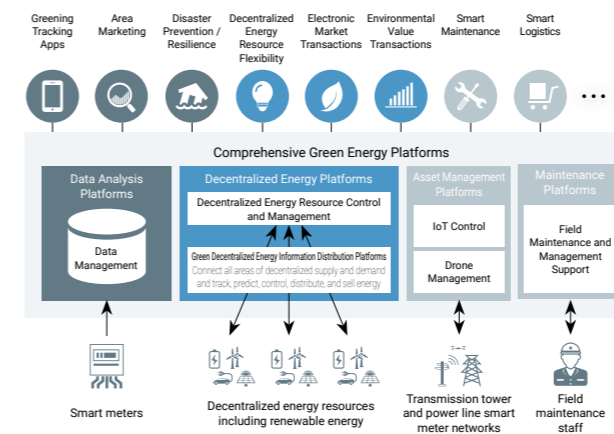


\*1 DTC: Digital twin computing  
\*2 B2B2X: Provision of services through business partners

### Initiatives in Medium-Term Focused Fields 1

#### Green

Contributing to efficient energy consumption and realization of carbon neutrality through the provision of platforms necessary for the next-generation energy business



### Initiatives in Medium-Term Focused Fields 2

#### Resilience

With our D-Resilio digital disaster prevention platform, we aim to enhance the resilience (response and recovery capabilities) of companies and other organizations against a wide variety of crises. By allowing a consistent understanding to be developed across companies and other organizations and supporting unprecedented levels of coordination between such organizations, we will work to improve the comprehensive crisis management and disaster prevention capabilities of society as a whole.





## Financial Segment

We provide high-value-added IT services that contribute to increased service and operational efficiency, with a focus on domestic financial institutions in Japan.

Masanori Suzuki  
Executive Vice President  
Responsible for Financial  
Segment



### Strengths / Achievements

#### Providing Large-Scale Financial Infrastructure Systems That Connect and Support the Industry

Network systems for connecting ATMs of financial institutions across Japan

##### Integrated ATMs

Connecting more than **1,000\***,  
or over **99%**  
of financial institutions across Japan

Digital banking platforms connecting financial institutions and users

##### Number of financial institutions connected to ANSER

Approx. **800**, or over **70%**  
of financial institutions serving  
private customers

Approx. **800**, or over **70%**  
of financial institutions serving  
corporate clients

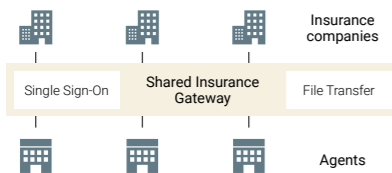
\* Source: Number of Financial Institutions by Business Model, The Japan Financial News Co., Ltd., July 31, 2022

Network system connecting life and non-life insurance companies and agencies

##### Number of companies using the common gateway service for insurance companies

Approx. **57**,  
or over **70%** of insurance companies

Approx. **10,000** agencies



#### Strong Trusting Relationships with Clients

Client Coverage Ratio (Core banking systems)  
Having strong trusting relationships with clients over long years by providing high-quality and highly reliable systems

Major banks / Japan Post Bank (5)	<b>40%</b>
Regional banks (99)	<b>40%</b>
Shinkin (254)	<b>92%</b>
Credit unions (145)	<b>98%</b>
Labor banks (13)	<b>100%</b>
JA Bank (551)	<b>100%</b>

As of June 2022

Sharing of Systems through Long-Term Relationships  
Ongoing development of shared systems and evolution of these systems in line with the times through co-creation with clients

- 1968 Launch of the system of Regional Banks Association of Japan System that allows for transfers between regional bank associations across Japan
- 1971 Introduction of the Shinkin Tokyo Shared Operation Center Predecessor to the Shinkin Shared System of today
- 1978 Launch of the Shinyo Kumiai System
- 1997 Commencement of the STAR-ACE Service First shared outsourcing center for the online banking systems of regional banks
- 1999 Launch of the JASTEM System
- 2004 Launch of the Regional Bank Integrated Services Center Utilization of NTT DATA's proprietary BeSTA standardized banking application
- 2010 Start of the MEJAR Service
- 2014 Launch of the R1 System
- 2021 Agreement for open provision of the MEJAR Service Aiming to develop the first shared core system for the banking industry by applying open mission-critical platform

#### Innovative Initiatives

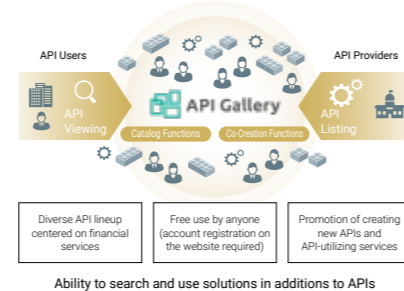
New framework that delivers unchanged connectivity of programs previously operated through mainframe platform together with same levels of reliability through open platforms

- PITON open and cloud platform technology
- 2024 Launch of next-generation MEJAR service and related products
- 2026 Adoption as next-generation core banking system for Shinkin Kyodo Center

Conventional Mainframe	Open Platform Adopted through Application of PITON
Business applications	Safe, secure, affordable, and ongoing open platform
Mainframe middleware	Reduced transition risks through extensive asset use
Mainframe OS / Mainframe	High reliability through alternative control provisions
	PITON framework
	Ability to choose ideal product based on client strategies
	Open products

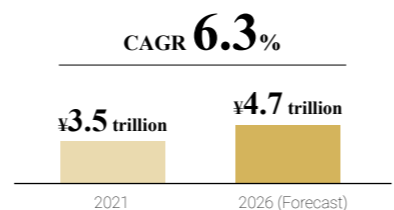
Platform for creating API-utilizing businesses by connecting fintech companies and other API users with financial institutions and other API providers

#### More than 60 companies participating in API Gallery



- Diverse API lineup centered on financial services
- Free use by anyone (account registration on the website required)
- Promotion of creating new APIs and API-utilizing services

#### Scale and Growth Rates of Financial Market (Japan)\*



\* Graphs and charts are created by NTT DATA based on Gartner Research. CAGR figures are calculated by NTT DATA. Please see page 107 for sources.

### Market Environment

The Japanese financial market is witnessing the creation of new businesses amid accelerated coordination between financial and non-financial industries. At the same time, the digitalization trend is advancing throughout society and increased attention is being turned toward the need for safety for important infrastructure. IT investment in financial services is anticipated to grow going forward as these services are indispensable to achieving sustainable growth for both companies and society by resolving social issues pertaining to regional economic development, workforce decline, and climate change. Financial institutions have been conducting full-scale IT investments in reinforcing customer contact points and utilizing big data and IT. In addition, these institutions have been increasingly investing in streamlining and enhancing back-office functions, through means such as adopting digital technologies for use in contract-related processes. Accordingly, the range of business opportunities available to NTT DATA is expected to expand.

### SWOT Analysis

<ul style="list-style-type: none"> <li>Sophisticated technological and project management capabilities for providing large-scale mission-critical financial infrastructure systems that connect the financial industry</li> <li>Deep understanding of client businesses and strong trusting relationships built over a long history of providing clients with high-quality, high-reliability systems</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment of IT human resources capable of accommodating increases in IT investment stemming from accelerated society-wide digitalization trend</li> <li>Expansion of assets capable of accommodating new business opportunities arising from inter-industry coordination and market entry to non-financial industries resulted from financial industry deregulation</li> </ul>
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Expansion of IT investment for strengthening customer contact points and stepping up data utilization</li> <li>Rising needs for coordination between financial institutions and with other industries for creating new business models and resolving social issues</li> <li>Increased IT investment accompanying transition to open platforms for mission-critical systems and other technological advancements</li> </ul>	<ul style="list-style-type: none"> <li>Intensified competition following management and system integration as a result of reorganization and coordination within the financial industry</li> <li>Rise of competition due to market participation by diverse players</li> </ul>
Opportunities	Threats

### Growth Strategy

#### New BCE Strategy Supporting Open Co-Creation with Financial Institutions

The Financial Segment has continued to develop core assets while supplying our ANSER joint online network for financial institutions, integrated ATM network, BeSTA joint-use core banking system for regional banks, and other financial platforms. At the same time, we have proceeded to provide system integration and outsourcing services for individual financial institutions.

However, the accelerated society-wide digitalization trend has spurred changes to the businesses of financial institutions and given rise to more difficult social issues. There is thus a need to promote the use of digital technologies for resolving these issues and to advance initiatives that blur the lines between various industries, fields, and domains.

To address these changes in the operating environment, the Financial Segment will capitalize on its existing strengths, such as its assets, track record, and expertise, while broadening the scope of its services to include consulting in upstream areas of digital technologies and client operations.

#### Beyond

NTT DATA seeks to create new financial services with an eye to customers of the financial institutions to which it supplies IT services.

#### Connect

We will support connections among various financial institutions and between financial institutions and partner IT companies, fintech companies, and start-up firms while utilizing external resources in an open manner to create new services.

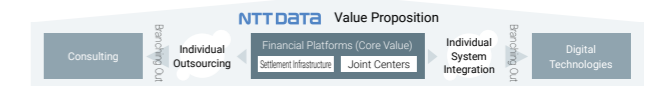
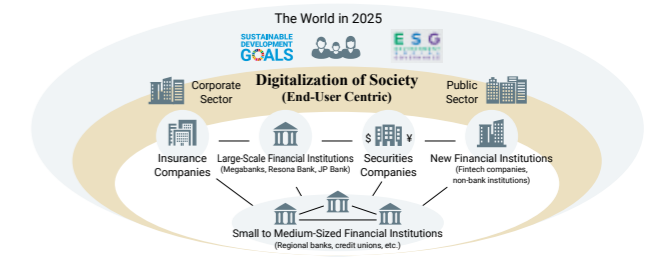
#### Expand

Expanding the scope of our services and partners to include industries outside of the financial industry, we will formulate a vision for the future society while creating new end-user centric services that contribute to society.

#### Initiatives of Open Service Architecture, a Standardized Financial IT Architecture for Accelerating New BCE Strategy

It is important for financial institutions to utilize various external resources in order to give shape to new ideas for responding to social needs. The Financial Segment is bolstering its service lineup to assist with this undertaking. Specifically, we are augmenting our services for supporting connections of internal systems to external application programming interfaces (APIs) as well as our lineup of services that assist financial institutions in the development of new products through the utilization of external APIs and services. We have a long history of providing core banking and other systems for the financial industry, and these systems are expected to have rigorous security. Accordingly, we work to ensure the reliability of applications without altering them while providing ongoing services through open platforms. When supplying new systems, we will seek to provide the optimal service platform based on the requirements for security and development flexibility. In addition, the Financial Segment will enhance its lineup of solutions for strengthening customer contact points and realizing more

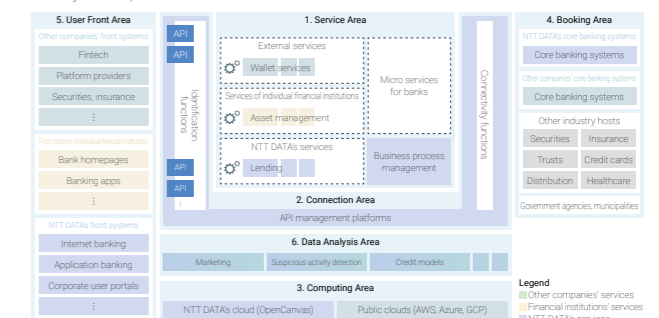
In addition, the Financial Segment will implement its new BCE (Beyond, Connect, Expand) strategy to support open co-creation with financial institutions and strengthen and expand its business. Details of this strategy can be found below.



- Beyond:** Move beyond existing business models
- Connect:** Connect through digital technologies
- Expand:** Expand scope of business and regional coverage

sophisticated data utilization in order to maximize the value financial institutions supply to their customers.

New Shape for Financial IT Open Service Architecture  
Co-creation with clients of new services (assets) for financial institutions, government agencies, and companies via the Open Service Architecture framework to promote society-wide open innovation



## Enterprise Segment

Centering on Japan, we provide high-value-added IT services that support manufacturing, distribution, and service industries and other business activities, as well as payment services and platform solutions linked with IT services in different fields.

Isao Arima  
Executive Vice President  
Responsible for  
Enterprise Segment



### Strengths / Achievements

#### Industries

The Enterprise Segment supplies services targeting clients in a wide range of industries, including the manufacturing, distribution, and service industries. We also contribute to the structural transformation of client businesses and industries.

	Healthcare	Retail	Mobility	Food
<b>Strengths</b>	<ul style="list-style-type: none"> <li>Development of businesses that contribute to improved quality of life through smooth and safe use and coordination of information from healthcare institutions, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Supply of comprehensive consulting, system development, and IT services for transforming communication between companies and consumers</li> </ul>	<ul style="list-style-type: none"> <li>Provision of new mobility experiences centered on mobility for consumers by combining vehicles with technologies</li> </ul>	<ul style="list-style-type: none"> <li>Resolution of consumer health issues and digital transformation (DX) of entire value chains with a focus on contact points with consumers</li> </ul>
<b>Achievements</b>	<ul style="list-style-type: none"> <li>Ability to utilize medical data from large-scale healthcare institutions as nationally certified business operator</li> <li>Analytical capabilities and knowledge pertaining to medical data gained from past projects</li> </ul>	<ul style="list-style-type: none"> <li>Track record and knowledge pertaining to creation of customer contact points using omni-channel retailing approaches and e-commerce sites</li> <li>Track record and knowledge related to creation of new customer experiences by merging e-commerce sites (online) and physical stores (offline)</li> </ul>	<ul style="list-style-type: none"> <li>Consulting and development capabilities built on operational expertise pertaining to digital marketing and dealerships</li> <li>Platform technologies for collecting, analyzing, and utilizing data from millions of connected cars</li> </ul>	<ul style="list-style-type: none"> <li>End-to-end service provision capabilities for supplying personalized services (support for establishing direct-to-consumer businesses, system development and operation, data utilization, etc.)</li> <li>Robust track record and operational expertise in handling expansive large-scale databases of personal and medical information</li> </ul>
	<ul style="list-style-type: none"> <li>First company in Japan to acquire data viable for determining drug therapy efficacy from electronic medical records (through joint project with University of Miyazaki and Pfizer Inc.)</li> </ul>	<ul style="list-style-type: none"> <li>Opening of walkthrough store that realizes contactless, non-face-to-face, and cashierless transactions while contributing to reductions in food loss</li> </ul>	<ul style="list-style-type: none"> <li>Growth of connected domain businesses and expansion into smart city field (joint research with TOYOTA Connected Corporation)</li> </ul>	<ul style="list-style-type: none"> <li>Launch of Food &amp; Wellness Platform service providing infrastructure for developing personalized services utilizing consumer health information (health diagnosis, vital signs, genetics, etc.)</li> </ul>

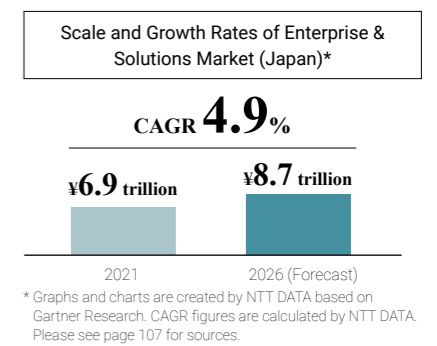
#### Offerings (Service Lines)

Provision of offerings including technologies and solutions that allow for creation of new customers through data utilization, customer contact points, supply chains, etc.

	Data Utilization (Green)	Customer Contact Points (Payment)	Supply Chains
<b>Strengths</b>	<ul style="list-style-type: none"> <li>Consulting</li> <li>Green technologies, etc.</li> </ul> <p>Analyses of diverse internal and external data for use in corporate management and business decision-making</p>	<ul style="list-style-type: none"> <li>Payment services</li> <li>Remote avatar-based customer service</li> <li>Cashierless digital stores, etc.</li> </ul> <p>Provision of framework for building strong relationships between consumers and companies and eliminating inefficiencies by digitizing customer contact points</p>	<ul style="list-style-type: none"> <li>Platforms for utilizing information shared between companies and bases</li> </ul> <p>Transformation of supply chain processes to allow for swift decision-making by connecting, tracking, managing, and utilizing various types of data</p>
<b>Achievements</b>	<ul style="list-style-type: none"> <li>Extensive digital transformation support track record spanning more than a decade and expertise gained from over 400 data utilization projects</li> <li>Client business support capabilities encompassing businesses, human resources, organizations, data analytics, IT, and technologies</li> </ul>	<ul style="list-style-type: none"> <li>CAFIS services connected to almost all domestic credit card companies and financial institutions as well as to credit card-accepting institutions of various industries and business models</li> <li>Track record of creating new customer contact points through digital products, credit card-accepting institutions, and contactless and non-face-to-face customer service</li> </ul>	<ul style="list-style-type: none"> <li>iQuattro business collaboration platform for creating digital supply chains</li> </ul>
	<ul style="list-style-type: none"> <li>Business alliance with Lion Corporation regarding digital transformation (formulation, implementation, and entrenchment of digital transformation strategies using the Digital Success program)</li> <li>Launch of green consulting services for manufacturers (tracking of greenhouse gas emissions from downstream supply chain and other areas using the ENERGYCLOUD Service AI solution of Mitsubishi Heavy Industries, Ltd.) to contribute to realization of a carbon-neutral society</li> </ul>	<ul style="list-style-type: none"> <li>Launch of payment service provider services for online merges with offline field, which entails union of e-commerce sites and physical stores</li> </ul>	<ul style="list-style-type: none"> <li>Start of trial operation of iQuattro business collaboration platform, capable of analyzing approximately 50,000 points of production data a second, at Shiga factories of Kirin Brewery Company, Limited and Kirin Beverage Company, Limited</li> </ul>

### Market Environment

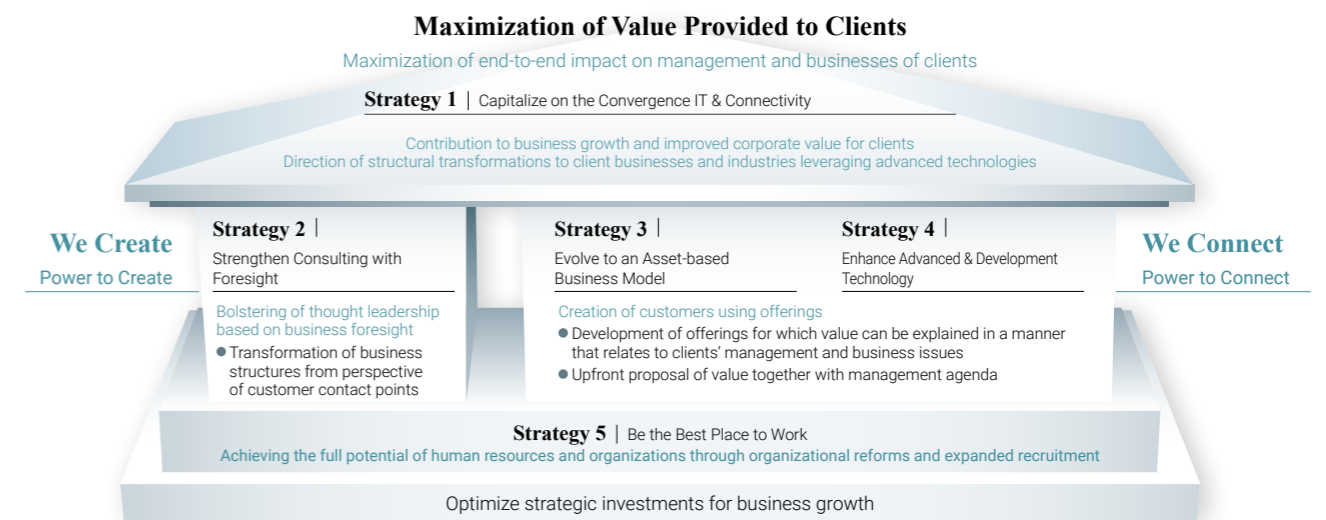
The domestic economy is currently highly opaque due to factors such as economic stagnation and supply chain disruptions stemming from the COVID-19 pandemic, tensions surrounding the war in Ukraine, rising energy and commodity prices, and rapid yen depreciation. Nevertheless, upward trends are being seen in digital transformation (DX)-related investment among clients, and this strong growth is expected to continue. In Japan, shortages of IT human resources threaten the risk of losses of business opportunities given the increasing demand for digitalization.



### SWOT Analysis

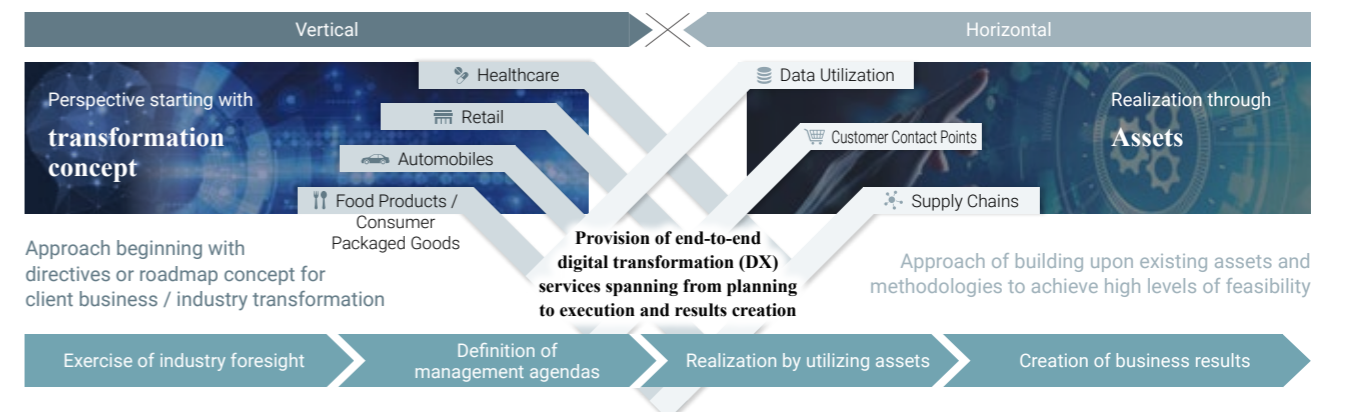
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Track record of transforming society and industries together with leading Japanese companies</li> <li>Expertise regarding use of world-leading technologies</li> <li>Highly reliable system development and operation capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Lingering impression of prior system integration model</li> <li>Inability to maximize value proposition due to initiatives confined within individual organizations in areas such as consulting, customer contact point creation, and data utilization</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Rising needs for utilizing digital technologies by companies to address transformation of social and industry structures</li> <li>Increasing attention regarding sustainability, an area where IT promises significant benefits</li> <li>Growth in mobility and other markets in which synergies can be generated with the NTT Group</li> </ul>	<ul style="list-style-type: none"> <li>Greater competition for recruiting digital human resources</li> <li>Intensifying competition in consulting and system development fields</li> <li>Opaque domestic economy (impacts of the COVID-19 pandemic, supply chain disruptions, rising energy prices, yen depreciation)</li> </ul>

### Growth Strategies



### Focus Areas and Strategic Policies of the New Medium-Term Management Plan (FY2022–2025)

The Enterprise Segment is strengthening its capabilities (industry insight and advanced technology utilization expertise) based on two approaches of Vertical and Horizontal to develop a collective wealth of expertise that can guide transformation processes in an integrated manner encompassing all tasks ranging from planning to execution. With these strengthened capabilities, we will contribute to structural transformation in client businesses and industries.





## Technology Consulting & Solution Segment

Through coordination with domestic and overseas segments, we are aggressively expanding our business with technology consulting and asset-based offerings that can be used in the full spectrum of industries.

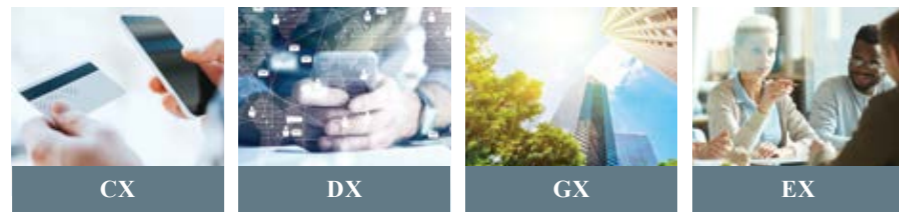
**Shigeki Yamaguchi**  
 Representative Director and Senior Executive Vice President  
 Responsible for Technology Consulting & Solution Segment and Social Design  
 Head of Consulting & Asset Business Transformation Headquarters



### Strengths / Achievements

The Technology Consulting & Solution Segment provides solutions and offerings backed by its strength in advanced technologies to government agencies, financial institutions, and clients in a full spectrum of industries. We thereby lead the transformation of

clients' businesses. Our services go beyond concept planning to comprehensively include all processes for creating the environment necessary for transformation.



Companies    Financial Institutions    Government Agencies

### Gain Insights into the Impact of Advanced Technology on Clients, and Plan and Implement Transformation

<p><b>Concept planning including consulting and architecture engineering using technology and design capabilities</b></p> <ul style="list-style-type: none"> <li>Digital technology direction services</li> <li>Tangity</li> </ul>	<p>Based on prior usage case studies and high-level expertise pertaining to technologies and solutions, we assess the business impacts of advanced technologies from a forward-looking perspective. We are thereby able to formulate feasible concepts using our design capabilities and propensity for addressing architecture issues.</p> <ul style="list-style-type: none"> <li>Digital transformation (DX) strategy planning for AEON CREDIT SERVICE CO., LTD. based on provision of digitalization consulting services</li> <li>Supply of Enterprise BizOps program for supporting ongoing creation of new businesses</li> </ul>
<p><b>Utilization of data to facilitate data-driven management approaches</b></p> <ul style="list-style-type: none"> <li>Digital Success<sup>®</sup> program</li> <li>DataRobot</li> <li>TrustedDataFoundation</li> <li>Snowflake</li> <li>Tableau</li> <li>BizXaaS MaP</li> </ul>	<p>We support companies in adopting data-driven approaches through comprehensive concept planning capabilities, which encompass strategies, operations, and organizations in data utilization-related areas; our robust track record and log of usage case studies; platform development; and assistance for education programs and operations to entrench approaches.</p> <ul style="list-style-type: none"> <li>Business alliance with Lion Corporation for promoting DX</li> <li>Receipt of Japan Partner of the Year award for Tableau for two consecutive years</li> <li>Receipt of APJ Global SI Partner of the Year award for Snowflake for two consecutive years</li> <li>Provision of BizXaaS MaP people traffic analysis service for predicting people traffic in real time</li> </ul>
<p><b>Agile system implementation and support</b></p> <ul style="list-style-type: none"> <li>Salesforce</li> <li>UIPath</li> <li>ServiceNow</li> <li>celonis</li> </ul>	<p>We have consulting capabilities to propose the best customer relationship management systems for our clients, including the utilization of Salesforce and other collaborative solutions. Our track record of delivering CRM systems for various industries and capacity for promoting DX support the introduction and use of Salesforce.</p> <ul style="list-style-type: none"> <li>Development of digital management platforms using Anaplan and Salesforce for functional materials business of Asahi Kasei Corporation</li> <li>Start of provision of enterprise business platforms through coordination with MUFG Bank, Ltd., Business Tech Co., Ltd., and Salesforce, Inc.</li> <li>Compatibility of A-gate with Salesforce allowing for automatic restoration of configurations to address information leakage risks</li> <li>Receipt of 2022 ServiceNow APJ Accelerated Growth Partner of the Year</li> </ul>
<p><b>Sophisticated operation and managed services supported by advanced technologies</b></p> <ul style="list-style-type: none"> <li>ManaPlaS</li> <li>OpenCanvas</li> <li>BizXaaS Office</li> <li>Workstyle Innovation</li> <li>iRES</li> <li>EXFORT</li> <li>ICT Work Site</li> </ul>	<p>We have provided numerous comprehensive outsourcing services in on-premise, cloud, and other infrastructure areas to allow clients to focus on their core business while offering safe and secure infrastructure backed by our extensive track record. These efforts are supported by levels of agility and quality made possible by our digital technologies. Moreover, our vast solution lineup enables us to accommodate diverse workstyles.</p> <ul style="list-style-type: none"> <li>Launch of observability and security services specialized for cloud environments</li> <li>Commencement of provision of OpenCanvas client certificates in March 2022</li> <li>Top share in domestic market for virtual desktop infrastructure maintained for three consecutive years*</li> <li>* Source: Japan Virtual Client Computing Market Shares, 2021, International Data Corporation Japan</li> <li>Renovation of six offices in the headquarters building, consolidation of three bases, and relocation of the headquarters of two Group companies as part of workstyle innovation efforts in preparation for post-COVID-19 society</li> </ul>

Utilization of advanced technologies



## Market Environment

Rapid technological progress is transforming consumer lifestyles and corporate activities, prompting companies, financial institutions, and government agencies to respond by transforming themselves. This trend has resulted in particularly pronounced growth in demand for data utilization, stimulating strong interest in data visualization and usage methods, high-resilience IT and other infrastructure, and the cultivation of human resources capable of using data.

At the same time, we continue to see growth in needs related to cloud technologies and to new workstyles that allow for the continuation of social and economic activities while preventing the spread of COVID-19. This demand is directing increased attention toward personal information protection and cybersecurity measures.

Demand for related services and solutions is also being driven by rising interest in low-code development, agile development, and other rapid development approaches, which can be used to create swift business benefits, amid operating environment changes and human resource shortages.

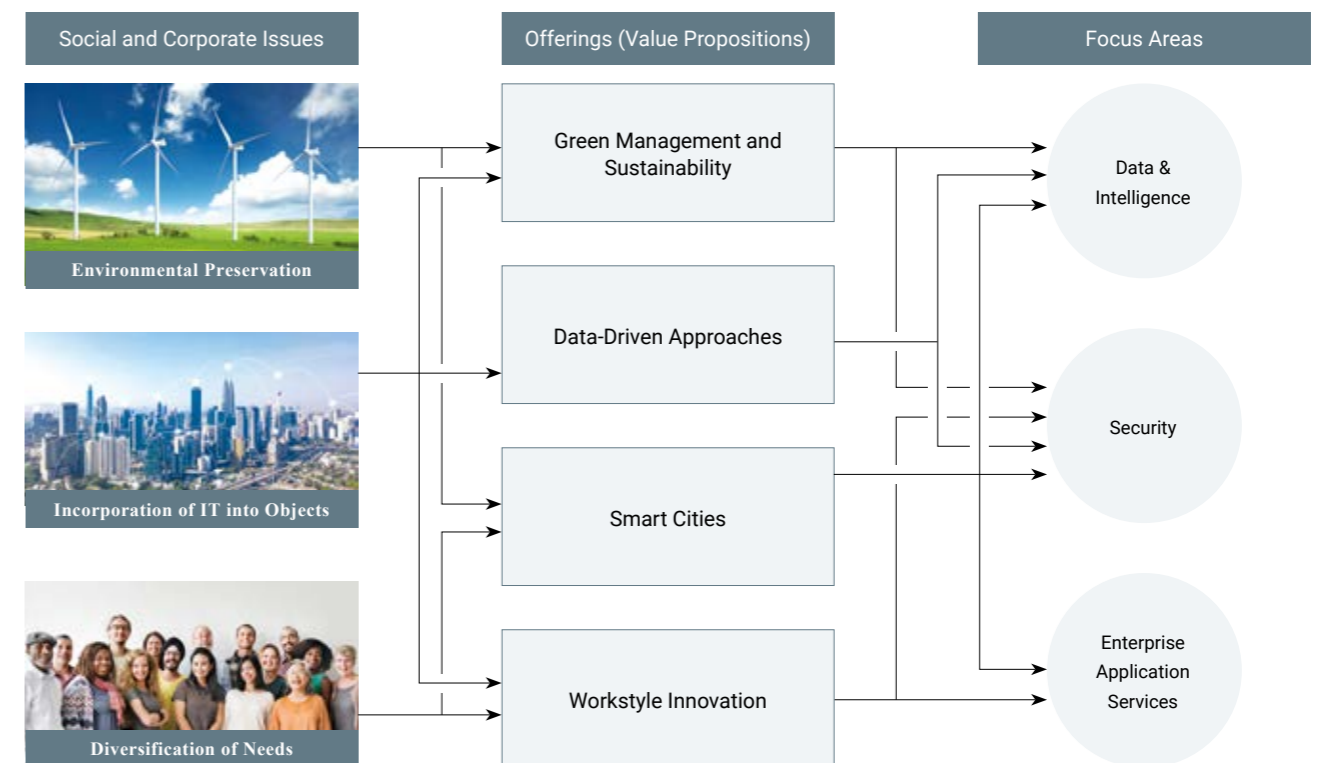
## SWOT Analysis

<ul style="list-style-type: none"> <li>Consulting capabilities that facilitate concept planning for addressing business issues based on assessments of impact of technologies on clients' businesses as well as robust experience and human resources supporting these capabilities</li> <li>Solutions with high market shares (digital workspaces, etc.)</li> <li>High-quality, high-resilience infrastructure services for meeting rigorous service level agreement demands</li> <li>Ability to collaborate with advanced technologies on a global scale</li> </ul>	<ul style="list-style-type: none"> <li>Need for swift responses to rapidly changing operating environment</li> <li>Value creation through use of advanced technologies tailored to needs of specific industries</li> <li>Difficulty in securing talented IT engineers due to market-wide labor shortages</li> </ul>
<ul style="list-style-type: none"> <li>Advent of technology-based society</li> <li>Transformation of clients and consumers</li> <li>Rising needs related to impacts of the COVID-19 pandemic (workstyle innovations, improvement of employee engagement, security countermeasures)</li> <li>Growth of outsourcing demand pertaining to realization of more sophisticated operations accompanying shifts to teleworking and cloud services</li> <li>Increased investment in DX and data utilization</li> </ul>	<ul style="list-style-type: none"> <li>Burgeoning of companies using new technologies</li> <li>Expansion of scope of services provided by consulting firms and cloud service vendors</li> <li>Commodification of network, cloud, security, and other technologies</li> </ul>

## Growth Strategy

As a technology-specialized organization not confined to a specific industry, the Technology Consulting & Solution Segment provides value to Companywide organizations and to clients in various industries through its consulting services and solutions founded on technology.

Specifically, we aim to identify the offerings (value propositions) that contribute to the resolution of social and corporate issues in order to create value with our technologies and solutions.



**Business Strategies by Segment**

**Global Segment (North America)**

**While advancing acquisitions and structural transformation to strengthen its consulting and digital capabilities, the Global Segment delivers high-value-added consulting and industry solutions, digital transformation (DX), and digital operations to major companies and government agencies primarily based in North America.**

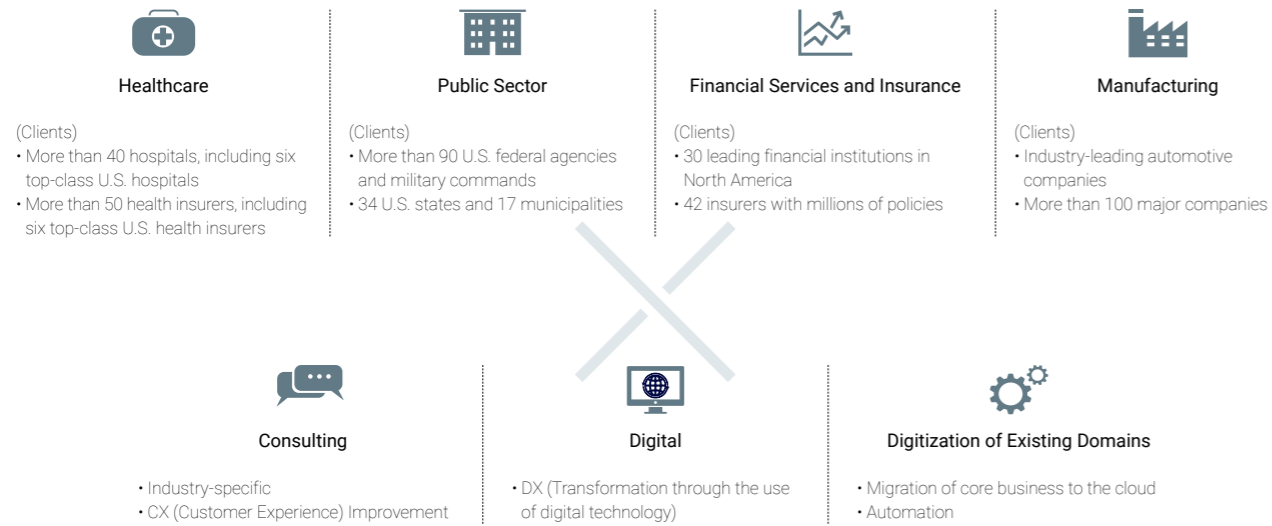
Kazuhiro Nishihata  
Representative Director and Senior Executive Vice President Responsible for Global Segment



**Strengths / Achievements**

The Global Segment (North America) supports the DX of clients through cloud computing, data intelligence, automation, security, and other digital projects. We are also advancing structural transformation while conducting ongoing strategic investments in order to augment our competitiveness in digital fields by bolstering our digital human resources and strengthening our lineup of offerings.

The goal of these efforts is to help us fuel the further growth of the digital technology market. We have steadily built trust with our clients by winning additional orders for large-scale projects in the public sector, including U.S. federal government agencies and municipalities, and from financial services and insurance providers and other major financial institutions.



**Third-Party Evaluation**

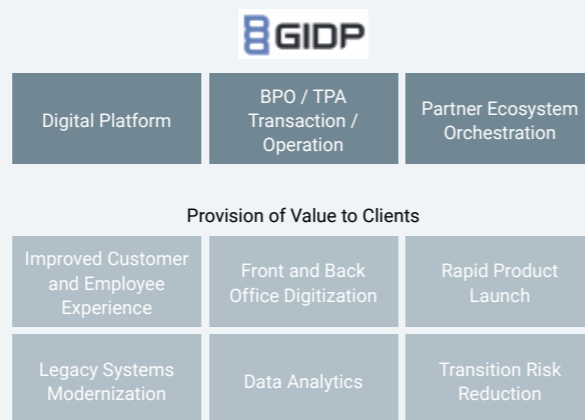
**Life Science Services: A Leader\***  
IDC, MarketScape: Worldwide Life Science R&D Strategic Consulting Services 2021 Vendor Assessment

**Workplace Services: A Leader**  
Everest Group, PEAK Matrix® for Digital Workplace Service Provider 2022

\*1 IDC MarketScape: Worldwide Life Science R&D Strategic Consulting Services 2021 Vendor Assessment, US48159321, Aug. 2021

**Digital Project Order Received in Focus Areas**

NTT DATA is aggressively investing in focus areas in order to develop services and solutions on a global scale. GDP (Global Insurance Digital Platform), for example, is a digital offering for the pension and life insurance industries that supplies the optimal combinations of functions, services, and solutions to match the needs of individual clients. Moreover, this offering is a one-stop solution for services ranging from consulting to digital platform instruction and adoption and utilization of business process outsourcing (BPO). We have won high levels of praise from clients for our digital capabilities related to GDP and other offerings as well as for our robust lineup of services for the pension and life insurance industries. This praise has enabled us to conclude a large-scale, multi-year contract for third-party administration (TPA) services, which involve outsourcing of insurance contract management, from a major U.S. insurance provider. In addition, major pension and life insurance product providers have renewed their large-scale, multi-year TPA service contracts with the Company, allowing us to contribute to the supply of digital operation support and reliable services by clients.



**SWOT Analysis**

<ul style="list-style-type: none"> <li>● Solid client base founded on trust-based relationships built over a long history of reliably supplying services</li> <li>● Digital capabilities made possible by enhancements to digital human resources and digital offerings through strategic digital investment</li> <li>● Deep understanding, insight, and expertise related to client business processes in focus areas (healthcare, public sector, financial) based on a long history of supplying services</li> </ul>	<ul style="list-style-type: none"> <li>● Transformation of portfolio to shift away from traditional businesses and toward high-value-added consulting and digital businesses</li> <li>● Improvement of profit margin in the short term by reflecting costs in project prices to account for inflation and rising personnel expenses</li> <li>● Improvement of presence in North American IT service and job markets</li> </ul>
<ul style="list-style-type: none"> <li>● Expansion of IT investments by clients to promote business innovation through DX</li> <li>● Rising technology investment and government spending in sustainability and green transformation areas</li> <li>● Increased IT investment for streamlining operations and reducing costs through utilization of AI, IoT, big data analytics, mobile, cloud computing, and automation technologies</li> <li>● M&amp;A opportunities for driving growth</li> </ul>	<ul style="list-style-type: none"> <li>● Human resource shortages and increases in employee turnover and personnel expenses due to greater competition for securing human resources</li> <li>● Pressure to limit IT investment and reduce costs in certain industries as a result of economic slowdown</li> <li>● Rising cybersecurity and supply chain risks following deterioration of global conditions</li> <li>● Risks of diminished competitiveness due to accelerated M&amp;A activities of competitors and higher acquisition prices stemming from competition</li> </ul>

**Growth Strategy**

**Increase value provided to clients in the digital field to accelerate growth accompanied by quality with digital-centric business portfolio**

In North America, we have proceeded to bolster our service provision capabilities through growth investments in the digital field. Maintaining a focus on digital businesses, including high growth potential areas such as consulting, and transitions to cloud and application services have also been increasing the value provided to clients by enhancing our digital human resource staff and our lineup of offerings. We were thus able to achieve an EBITA margin\*2 of 7% in FY2021.

Going forward, we will accelerate growth accompanied by quality to work toward an EBITA margin\*2 of 10% in FY2025. Measures to this end will include expanding our consulting and digital businesses through M&A activities and other means, improving profitability via approaches such as promoting automation in existing business fields, cultivating digital human resources, and enhancing our offering lineup. We thereby aim to make strides in maximizing the value provided to clients.

\*2 Excluding temporary costs such as M&A activities and structural transformation

**Market Environment**

North America is the world's largest market for IT services in 2021, representing approximately 42%\*3 of the total global market by revenue. This market is expected to grow by around 8% annually.\*4

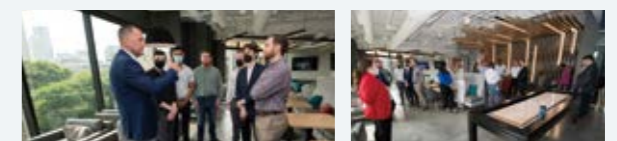
\*3, 4 Please see page 107 for sources.

**CAGR: 8.3%** over 2021–2026 (Forecast)

**Further Enhancement of Digital Capability**

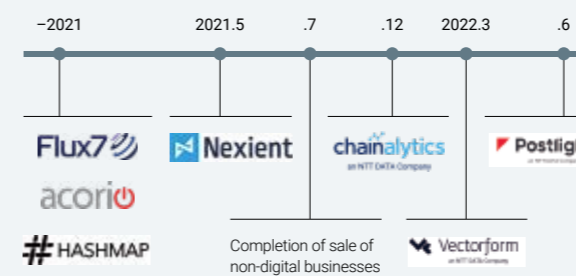
**Cultivation of Digital Human Resources and Creation of Businesses Using Advanced Technologies**

NTT DATA established the Nashville Innovation & Delivery Center in the city Nashville in the U.S. state of Tennessee to advance strategic initiatives for expanding its digital IT resource portfolio. We have also set up a base tasked with identifying the advanced technologies that will become mainstream five to 10 years from now and developing new businesses through co-creative research and development with clients. In addition to engaging in such co-creative efforts with clients boasting advanced technologies, the Company is collaborating with universities and start-up firms to swiftly gather information regarding the latest technologies and to utilize this information in technology strategies.



**Reinforcement of Digital Capabilities through Ongoing Strategic Investment**

Strategic investments are being conducted on an ongoing basis in order to reinforce our digital capabilities. In this manner, we endeavor to acquire digital human resources and expand our lineup of digital offerings through M&A activities.



**Provision of Smart Solutions to Indianapolis 500**



**Provision of mobile application development and other smart solutions**

INDYCAR Mobile App, Smart Venue, INDYCAR Data Experience

At the Indianapolis 500 event held in May 2022, NTT DATA capitalized on its accumulated digital capabilities to provide smart solutions that utilize data analytics, AI, and digital twin technologies to improve fan viewing experiences and make for a smarter race site.



## Business Strategies by Segment

### Global Segment (EMEA & LATAM)

Through the integrated global brand, we will further enhance our presence as “Global One NTT DATA” and promote business synergies.

Kazuhiro Nishihata  
Representative Director and Senior Executive Vice President Responsible for Global Segment



### Strengths / Achievements

In FY2021, through the transition to a globally integrated NTT DATA brand and the establishment of NTT DATA EMEAL, a regional headquarters company for Europe, the Middle East, Africa, and Latin America, we advanced initiatives as a united Global One NTT DATA in these regions. We were thereby able to cement our platforms for supplying clients with optimal, high-value-added services.

Clients highly appreciate our robust track record in the field of DX and our commitment to utilizing advanced technologies. As a strategic partner, we are working on multiple digitalization projects together with our clients.

#### Unification under the Global One NTT DATA Brand, Establishment of a Regional Headquarters Company, and Promotion of Structural Transformation

<b>Integrated the Global Brand</b>	In April 2021, we integrated the brands of the two Group companies that had been conducting business activities as everis and itelligence into the NTT DATA brand. Through this brand integration, we accelerated Global One NTT DATA in various countries and regions around the world.
<b>Establishment of a Regional Headquarters Company</b>	NTT DATA EMEAL, a regional headquarters company for Europe, the Middle East, Africa, and Latin America, was established in September 2021. This move was an important step for the Group to develop its global business in a more integrated manner in the EMEAL region.
<b>Promotion of Structural Transformation</b>	Through structural transformation, we are making strong progress in streamlining operations through the integration of management functions, the optimization of human resources centered on Germany, the consolidation of office facilities, and the reorganization of small-scale bases. These advancements are helping us transition to more robust business structures and take part in projects that span across Europe and collaborative projects that require the use of capabilities from multiple companies.

#### Industries and Domains of Expertise ( ) shows IT services market vendor ranking in each country\*1 by revenue in 2021

<b>Spain (3rd)</b>	<b>Italy (9th)</b>	<b>Germany (16th)</b>
We provide broad-ranging IT services on a global scale, especially for Spanish banks and telecom companies, and have strong client relationships. We respond to a wide range of needs for digitization with multiple design studios, strong consulting capabilities, and the application of advanced digital technologies. We have strong delivery capabilities that make use of our development bases in Europe and Latin America, with Spain as the main Spanish-speaking country.	We provide IT services that mainly target telecom & media, energy & utility, and financial services companies headquartered in Italy and other parts of Europe, and have strong client relationships. We respond to a wide range of needs for digitization with a design-oriented method, our strength, according to market trend and speed. In addition, in response to demands for digitization for our clients, we have human resources skilled in digital technologies and strong global delivery capabilities.	We provide IT services globally for large companies, especially those in the German automotive industry, and have robust client relationships. For small and medium-sized German companies, we also provide consulting services for introduction of the software of SAP SE, the market leader of the ERP service, and have a solid client base. Our delivery capabilities take advantage of our development base in Romania, which has excellent German-speaking human resources.

<b>Third-Party Evaluation</b>	<b>SAP S/4HANA Application Services: A Leader*2 in the 2021</b> Gartner® Magic Quadrant™ for SAP S/4 HANA Application Services, Worldwide
	<b>Sustainability: A Major Contender</b> Everest Group, PEAK Matrix® for Sustainability Enablement Technology Service Provider 2022

\*1, 2 Please see page 107 for sources.

### Promote Digitization of Clients' Businesses

In cooperation with Siemens Mobility, NTT DATA EMEAL has started developing and operating a MaaS digital platform that connects various Renfe transportation services. This system allows users to set their own travel plans, search for seats in multiple transportation modes, make reservations, and make payments all in one place. Once completed, the platform will be available across all the country, including such major metropolitan areas as Madrid, Barcelona, Valencia, Bilbao, and Seville, and is expected to attract at least 650,000 new rail passengers. Despite the rise in user numbers, the efficiency of travel will increase, which we expect to reduce congestion and expand the range of travel, thus improving convenience for users. In addition, Europe is encouraging greater use of railways, which produce relatively low CO<sub>2</sub> emissions, as a measure to combat climate change. The increased use of railways will also contribute to a significant reduction in greenhouse gas emissions. Going forward, we will deploy mobility-related data to provide new mobility services that help meet the needs of users and create more opportunities to go out.



## SWOT Analysis

<ul style="list-style-type: none"> <li>● Strong trust-based relationships and solid client base fostered through advisory services, position as a partner, and a long history of working with clients</li> <li>● Asset-based consulting business track record and capabilities allowing for end-to-end provision of high-value-added services, spanning from digital and consulting services to outsourcing, that leverage industry insight</li> <li>● Global strategies in advanced, cross-technical fields, and a structure enabling provision of services across Europe to Latin America</li> <li>● Recognized as experts in different industries with a large number of skilled professionals and specialists ranging from consulting to IT services due to the strong ability to attract high-performance talent and engagement throughout the region</li> <li>● Industry-leading track record and capabilities in SAP S/4-HANA area</li> </ul>	<ul style="list-style-type: none"> <li>● Need to grow businesses in major European markets including the United Kingdom, Germany, France, and Benelux</li> <li>● Improved penetration and recognition of the NTT DATA brand in markets of various countries</li> </ul>
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>● Expansion of IT investment in cloud, data and intelligence, cybersecurity, customer experience design, automation, and other areas</li> <li>● Increase in digitalization measures and IT investment stimulated by economic measures in Europe and rapid growth of the LATAM market</li> <li>● Opportunities for growth as Europe leads market in all industries with new technologies and offerings in business areas related to sustainability</li> <li>● M&amp;A opportunities for driving growth</li> </ul>	<ul style="list-style-type: none"> <li>● Human resource shortages in consulting and technology industries, increased employee turnover stemming from aggressive recruitment strategies of competitors and clients, and pressure to raise wages due to historically high levels of inflation</li> <li>● Impacts of the COVID-19 pandemic, stagnancy in European and global economies due to geopolitical risks associated with the war in Ukraine and its prolongation, limited IT investment among clients, and pressure to reduce prices</li> <li>● Political unrest in Latin America</li> </ul>
<b>Opportunities</b>	<b>Threats</b>

## Growth Strategy

### Acceleration of growth accompanied by quality through global partnerships and aggressive digital investment

In the EMEA & LATAM region, the benefits of previous brand integration and structural transformation measures have begun appearing, allowing us to accelerate our acquisition of digital projects. In FY2022, we will seek to acquire orders for higher-quality digital projects and expand our business through a concerted effort among all NTT DATA Group constituents in this region with the goal of achieving an EBITA margin\*3 of 7% in FY2023.

Furthermore, we will accelerate the expansion of our business and our social contributions in Europe and other markets to help promote sustainability, address social issues, and shape a new society.

\*3 Excluding temporary costs such as M&A activities and structural transformation

## Market Environment

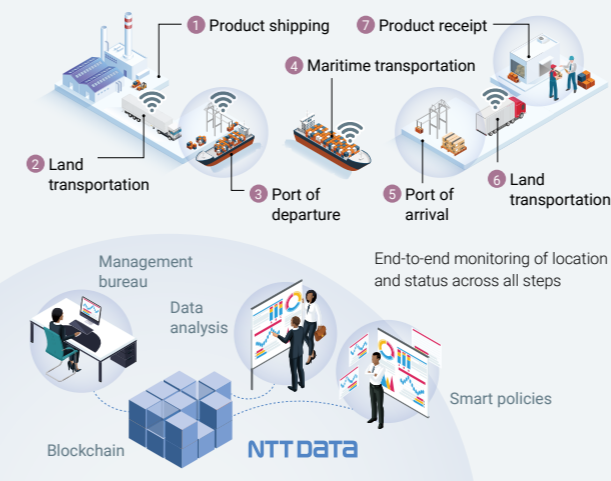
The scale of the EMEA & LATAM IT market accounts for approximately 32%\*4 by revenue in 2021 of the global IT market, and this market is expected to grow by about 8% annually.\*5

\*4, 5 Please see page 107 for sources.

**CAGR: 7.6%** over 2021–2026 (Forecast)

### Promoting Global Partnerships

In July 2022, NTT DATA announced the new Connected Product solution, which packages services for enhancing supply chain insurance management. This solution was developed jointly by SAP SE and NTT DATA as part of the strategic alliance between this company and NTT announced in 2020. NTT DATA members from Germany, Spain, and Japan are teaming up with SAP's Connected Product team to investigate possible applications for the Connected Product solution together with partners, namely a Spanish logistics company and a German insurance company, as part of the process of applying this solution to actual businesses.



### Acquisition of Digital Human Resources and Development of Appealing Workplace Environment

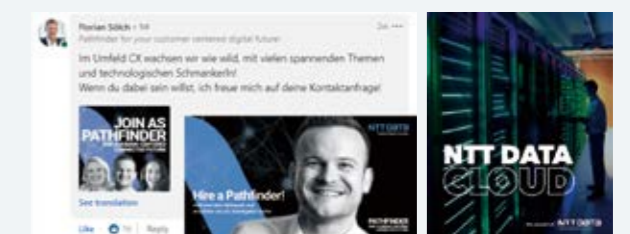
The recruitment and utilization of human resources is crucial to expanding digital businesses. In the EMEA & LATAM region, we are taking the following approaches toward recruiting, retaining, and utilizing digital human resources.

#### Expansion of Digital Human Resource Recruitment

We are expanding acquisition of digital human resources by sharing realistic images of our employees with focusing on each actual employee at NTT DATA as well as conducting recruitment activities that are personalized to individuals based on the local job markets and technology segments.

#### Development of Appealing Workplace Environment

NTT DATA introduced new work styles including remote working. Furthermore, we offer an appealing workplace environment for digital human resources providing opportunities to grow and advance their careers while promoting a mindset focused on fostering our employees.



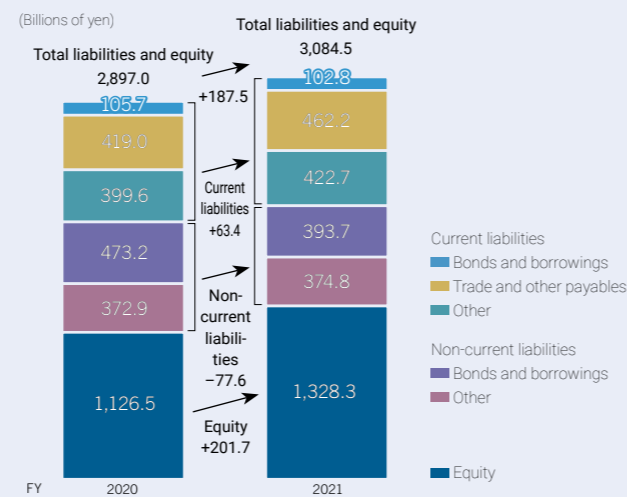
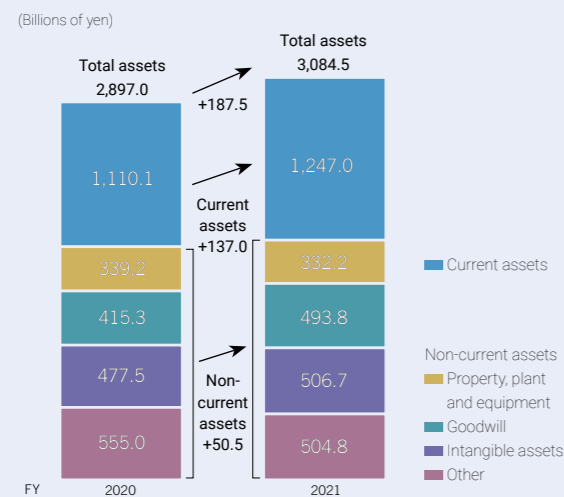
# Financial Position and Business Results Analysis

## Consolidated Statement of Financial Position

Total assets on March 31, 2022, amounted to ¥3,084.5 billion, up ¥187.5 billion from a year earlier, due to increases in goodwill and intangible assets stemming from M&A activities, which offset a decrease in other financial assets under non-current assets resulted from the sale of securities. Total liabilities on March 31, 2022, stood at ¥1,756.2 billion, a decrease of ¥14.2 billion from the

previous fiscal year-end, as a result of the repayment of interest-bearing debt, which decreased liabilities to a greater extent than the increase associated with higher trade and other payables.

Equity rose ¥201.7 billion from March 31, 2021, amounting to ¥1,328.3 billion on March 31, 2022, as a result of an increase in retained earnings.



## (Consolidated) New Orders Received / Order Backlog

New orders received for FY2021 increased ¥177.5 billion compared to the previous fiscal year, to ¥2,400.8 billion.

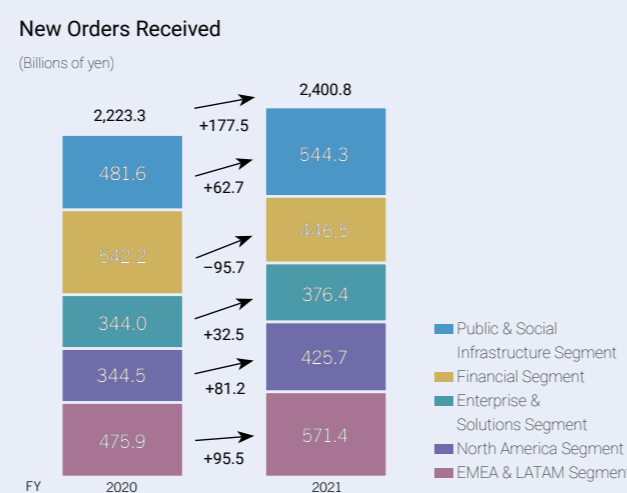
Orders in the Public & Social Infrastructure Segment were up year on year as a result of acquisition of new orders and system renewal orders from central government agencies.

The absence of large-scale orders from banks acquired in the previous fiscal year resulted in a year-on-year decrease in orders for the Financial Segment.

The Enterprise & Solutions Segment enjoyed higher orders as a result of orders acquired from manufacturers.

Orders increased in the North America Segment as a result of foreign exchange influences as well as the acquisition of large-scale orders from the financial and enterprise sectors.

The benefits of foreign exchange influences coupled with orders acquired in Spain and Germany resulted in higher orders in the EMEA & LATAM Segment.



## Order Backlog and Recognition Period of Net Sales (Forecast)

Order backlog on March 31, 2022, came to ¥2,860.6 billion, an increase of ¥125.5 billion from a year earlier.

Year-on-year increases in order backlog were seen in all segments except the Financial Segment, enabling the Company to once again secure a high order backlog.

The Financial Segment maintained a high order backlog, despite the decrease from the beginning of the fiscal year as a result of the large-scale orders acquired from banks in previous fiscal years being converted into sales.

Order backlog is growing smoothly in conjunction with the expansion of business scale, and we have secured a backlog that exceeds one year's worth of net sales.

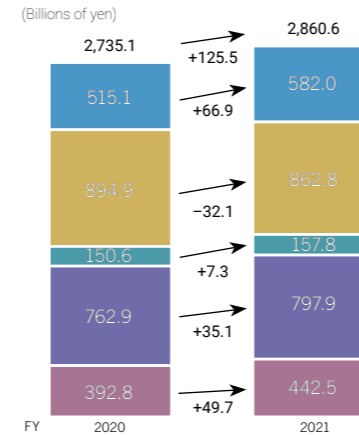
Order backlog is particularly large in the Financial Segment, the North America Segment, and the Public & Social

Infrastructure Segment, reflecting the tendency to receive many large-scale and long-term projects in these segments.

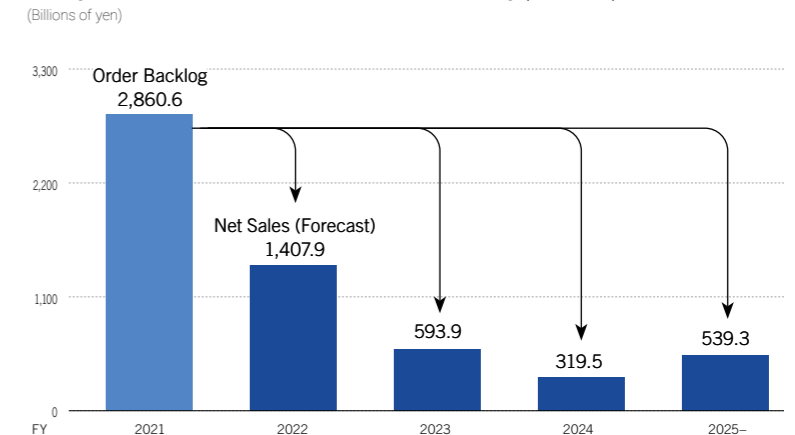
As for the forecasted timing of the recognition of the order backlog on March 31, 2022, as net sales, a little less than half is expected to be recognized within a year.

We then expect to sequentially recognize net sales in FY2023, FY2024, and FY2025 onward. The more time passes, the larger the portion of net sales represented by orders from the North America Segment, the Financial Segment, and the EMEA & LATAM Segment will become, also reflecting the tendency to receive many large-scale and long-term projects in these segments.

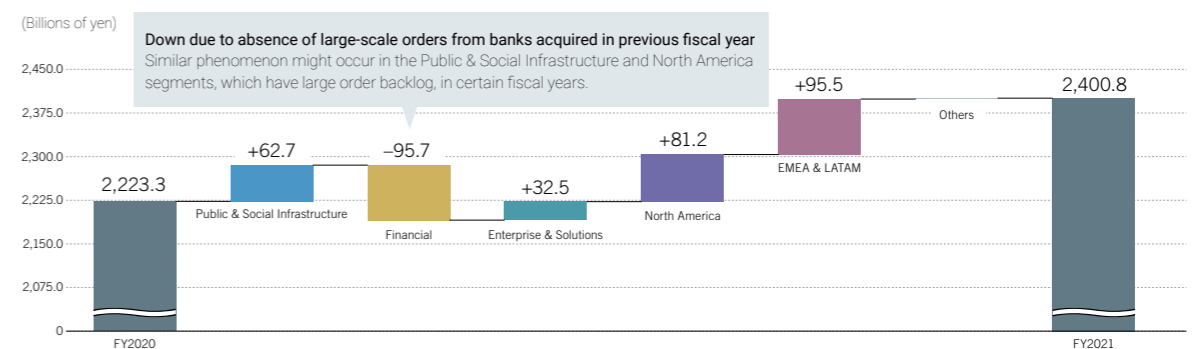
### Order Backlog



### Recognition Period of Net Sales from Order Backlog (Forecast)



### New Orders Received





## Financial Position and Business Results Analysis

### Consolidated Statement of Income

Net sales increased ¥233.2 billion year on year due to growth in all segments and foreign exchange influences.

Operating income was up ¥73.4 billion, as a result of higher sales and the benefits of overseas structural transformation.

Financial income and costs / share of profit / loss of entities accounted for using equity method rose ¥12.0 billion as the rapid yen depreciation led to beneficial foreign exchange translations and the impacts of reorganizations of underperforming businesses conducted in the EMEA & LATAM Segment in FY2020 were not felt.

Income taxes and others increased ¥19.3 billion primarily as a result of higher non-consolidated income before income taxes as well as growth in the income before income taxes of domestic and overseas subsidiaries.

As a result, net income attributable to shareholders of NTT DATA increased ¥66.1 billion year on year.

(Billions of yen)

	FY2020	FY2021	YoY
Net sales	2,318.7	<b>2,551.9</b>	+233.2
Cost of sales	1,734.1	<b>1,875.9</b>	+141.8
Gross profit	584.6	<b>676.0</b>	+91.4
SG&A expenses	445.4	<b>463.4</b>	+18.0
Selling expenses	171.7	<b>179.7</b>	+8.0
R&D expenses	22.7	<b>19.7</b>	-3.0
Other administrative expenses	250.9	<b>264.0</b>	+13.1
Operating income	139.2	<b>212.6</b>	+73.4
Operating income margin (%)	6.0	<b>8.3</b>	+2.3p
Financial income and costs / Share of profit / Loss of entities accounted for using equity method	-8.7	<b>3.3</b>	+12.0
Income before income taxes	130.5	<b>215.8</b>	+85.4
Income taxes and others*	53.6	<b>72.9</b>	+19.3
Net income attributable to shareholders of NTT DATA	76.8	<b>143.0</b>	+66.1

\* "Income taxes and others" includes corporate income taxes and net income attributable to non-controlling interests.

### Consolidated Statement of Cash Flows

Net cash provided by operating activities in FY2021 was ¥310.4 billion (down ¥42.1 billion from the previous fiscal year) as income tax expenses counterbalanced higher net income. Net cash used in investing activities was ¥196.5 billion (up ¥22.6 billion from the previous fiscal year) due to payments for acquisition of property, plant and equipment and intangible fixed assets and payments for

investments in subsidiaries, which outweighed proceeds from sales of investment securities. As a result, free cash flow was a positive ¥113.9 billion (down ¥64.7 billion from the previous fiscal year). Net cash used in financing activities totaled ¥166.5 billion (up ¥64.9 billion from the previous fiscal year), primarily due to repayments of interest-bearing debt and cash dividends paid.

(Billions of yen)

	FY2020	FY2021	YoY
Free cash flow			
Cash flows from operating activities	352.5	<b>310.4</b>	-42.1
Cash flows from investing activities	-173.9	<b>-196.5</b>	-22.6
Cash flows from financing activities	178.6	<b>113.9</b>	-64.7
Cash flow at end of the year	-101.6	<b>-166.5</b>	-64.9
	287.1	<b>246.9</b>	-40.1

### Net Sales and Operating Income (Loss) by Segment

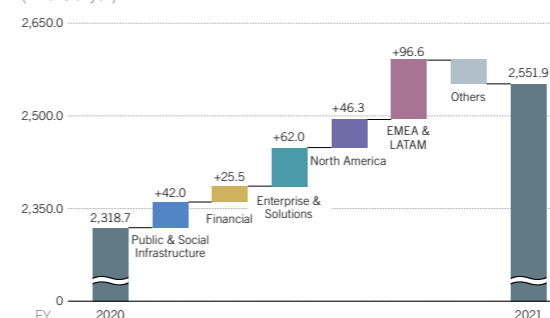
In FY2021, net sales in the Public & Social Infrastructure Segment increased primarily due to the expanded scale of services provided to central government agencies and the telecom industry. Net sales in the Financial Segment increased largely as a result of higher sales of services to banks. Net sales in the Enterprise & Solutions Segment were up following growth in sales of services to the manufacturing, retail, and service industries. Despite sales of certain businesses, the North America Segment posted higher net sales due to growth in services provided to the healthcare industries as well as the benefits of M&A activities and foreign exchange influences. The EMEA & LATAM Segment achieved growth in net sales following the expansion of operations in Spain and Germany and beneficial foreign exchange influences.

Operating income in the Public & Social Infrastructure Segment was relatively unchanged year on year as higher net

sales counteracted the impacts of upfront investments in business growth and unprofitable projects. In the Financial Segment, operating income grew together with net sales. The Enterprise & Solutions Segment achieved an increase in operating income due to the higher net sales and accompanied improvements in personnel utilization rates, which counteracted the impacts of a rise in expenses associated with upfront investments in business growth. Operating income in the North America Segment was up due to the cost reduction benefits of structural transformation and the higher net sales. The EMEA & LATAM Segment achieved higher operating income, despite the rise in expenses for global brand integration and additional measures, as a result of increased net sales, the benefits of structural reforms, and the absence of the one-time expenses recorded in the previous fiscal year due to the reorganization of underperforming businesses.

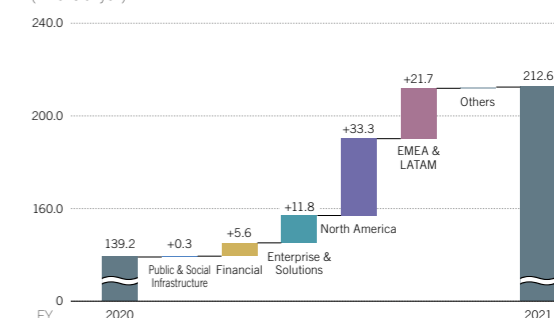
#### Net Sales

(Billions of yen)



#### Operating Income

(Billions of yen)



(Billions of yen)

		FY2021 1Q		FY2021 2Q		FY2021 3Q		FY2021 4Q		FY2021	
		Apr-Jun	YoY	Jul-Sep	YoY	Oct-Dec	YoY	Jan-Mar	YoY	Apr-Mar	YoY
Net sales	Public & Social Infrastructure	121.9	+12.6	138.7	+17.6	140.9	+14.8	181.0	-3.0	582.4	+42.0
	Financial	146.6	+8.5	160.7	+14.3	150.4	-1.1	175.4	+3.7	633.1	+25.5
	Enterprise & Solutions	147.7	+11.5	159.5	+14.4	164.0	+18.3	181.7	+17.9	652.9	+62.0
	North America	114.0	+9.0	114.9	+11.6	118.4	+9.2	128.3	+16.4	475.7	+46.3
	EMEA & LATAM	131.6	+25.7	128.1	+22.1	144.7	+26.1	146.6	+22.8	550.9	+96.6
	<b>Total</b>	<b>590.8</b>	<b>+59.9</b>	<b>621.3</b>	<b>+72.1</b>	<b>636.1</b>	<b>+57.8</b>	<b>703.7</b>	<b>+43.4</b>	<b>2,551.9</b>	<b>+233.2</b>
Operating income (loss)	Public & Social Infrastructure	10.6	-0.4	17.8	+4.8	15.8	+1.3	24.0	-5.5	68.1	+0.3
	Financial	12.6	+2.0	16.6	+3.9	14.9	-0.8	18.2	+0.5	62.3	+5.6
	Enterprise & Solutions	15.2	+5.5	20.1	+6.9	19.6	+4.2	9.2	-4.7	64.1	+11.8
	North America	4.3	+5.6	2.8	+4.2	4.4	+7.2	5.7	+16.3	17.2	+33.3
	EMEA & LATAM	4.0	+5.7	6.0	+4.9	4.4	+1.1	1.1	+10.0	15.6	+21.7
	<b>Total</b>	<b>47.3</b>	<b>+20.6</b>	<b>61.9</b>	<b>+24.7</b>	<b>58.0</b>	<b>+14.9</b>	<b>45.5</b>	<b>+13.2</b>	<b>212.6</b>	<b>+73.4</b>

# Financial Models of Principal Businesses

## Integrated IT Solutions (Order-Based)

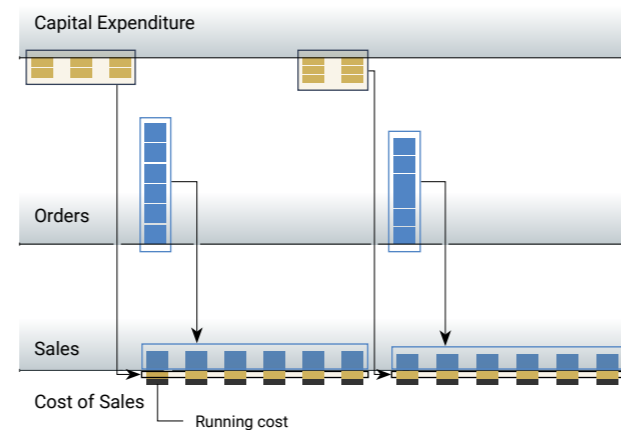
### Business Model

- After receiving an order from a client, the Company makes capital expenditure to build IT systems, etc., that are held by us as our company asset, and provides full-cycle services from requirements definition to maintenance and operation with such asset.
- This model primarily targets Japanese central government offices and financial institutions.

### Financial Model

- An order amount corresponding to several years of expected sales recorded once every few years as new orders received. Net sales is recorded over multiple years after the service starts.
- The model accounts for the largest portion of the Company's capital expenditure.
- Upfront investments are necessary, but the model ensures stable earnings.

### Financial Model Image



## System / Software Development

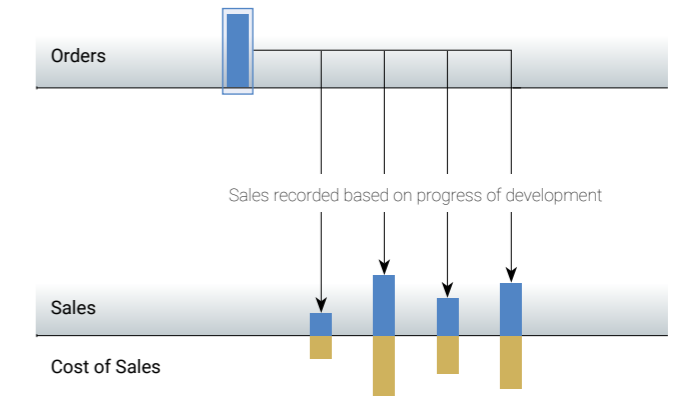
### Business Model

- NTT DATA receives orders for planning, design, and development of clients' information systems and delivers the systems to the clients.
- After delivering the systems, the Company often handles the maintenance and operation of the clients' systems.

### Financial Model

- Orders are recorded upon receipt.
- Sales and cost of sales are booked upon delivery. (Projects that meet certain criteria employ the percentage-of-completion method, with sales and cost of sales recorded according to development status.)

### Financial Model Image (Calculated on construction progress basis)



## Integrated IT Solutions (Planned by NTT DATA)

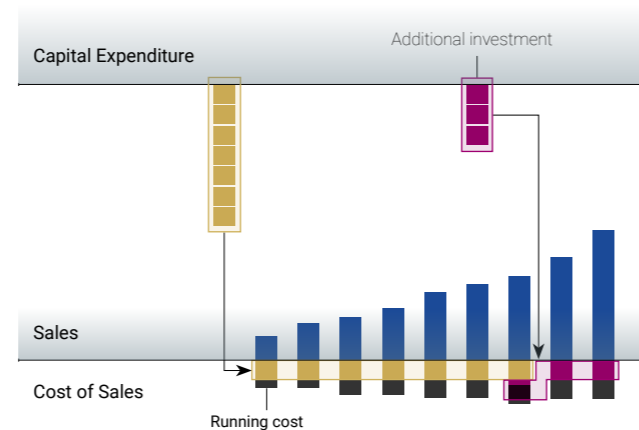
### Business Model

- NTT DATA makes capital expenditure in anticipation of multiple clients using our services, holds IT systems that we built as our assets, and receives commissions when the services are used.
- The services are mainly used by domestic financial institutions and the payment sector, and include systems shared among regional banks, ANSER, CAFIS, and various packaged softwares.

### Financial Model

- Cost of sales does not fluctuate significantly after the launch of services, but requires upfront investment, and sales will fluctuate depending on clients usage. (Not recorded in orders)
- Additional investments will be made depending on business conditions.

### Financial Model Image



## Consulting Maintenance Support

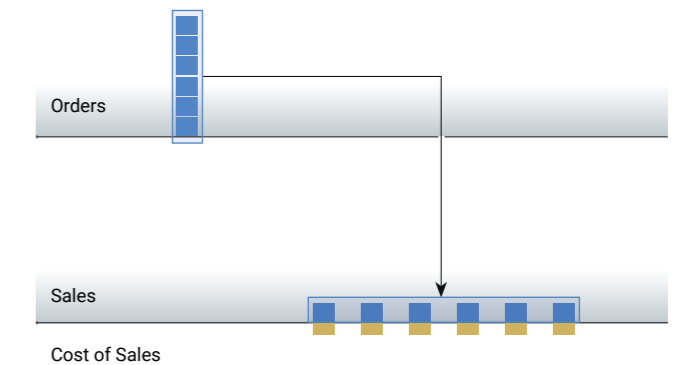
### Business Model

- Consulting: The Company considers clients' businesses together and defines the concepts of their IT system concepts, etc.
- Maintenance support: The Company provides technology support for system development, etc., that does not involve transfer of deliverables to clients, such as AMO, ITO, and BPO services, or services in which we perform maintenance and operation.

### Financial Model

- After receiving an order from a client, net sales and cost of sales are recorded according to the provision of services and operations.
- The contract period for outsourcing services often spans multiple years.

### Financial Model Image



### Relation between Business Models and Products / Services

(Billions of yen, figures in parentheses represent composition ratio)

Business Model	Products / Services	FY2021 Results (Net Sales to Clients Outside the NTT DATA Group)	
Integrated IT Solutions (Order-Based)	Integrated IT Solutions	638.2	(25%)
Integrated IT Solutions (Planned by NTT DATA)			
System / Software Development	System / Software Development	616.6	(24%)
Consulting	Consulting	357.5	(14%)
Maintenance Support	Maintenance Support	855.7	(34%)
—	Other Services	84.0	(3%)

### Results by Product and Service per Segment (Net sales to clients outside the NTT DATA Group)

(Billions of yen, figures in parentheses represent composition ratio)

	Public & Social Infrastructure	Financial	Enterprise & Solutions	North America	EMEA & LATAM
Integrated IT Solutions	105.5 (22%)	282.6 (52%)	96.0 (21%)	130.2 (28%)	23.4 (4%)
System / Software Development	149.9 (31%)	104.5 (19%)	121.5 (26%)	126.3 (27%)	100.3 (18%)
Consulting	8.1 (2%)	14.2 (3%)	23.4 (5%)	62.9 (13%)	243.2 (45%)
Maintenance Support	214.3 (44%)	135.4 (25%)	166.6 (36%)	148.5 (32%)	171.5 (32%)
Other Services	8.8 (2%)	4.8 (1%)	53.2 (12%)	—	4.4 (1%)

Note: Figures above exclude elimination or corporate.



# Financial / Non-Financial Values (Historical Changes)

	Units	JGAAP							IFRS				
		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2017	FY2018	FY2019	FY2020	FY2021
<b>Fiscal year</b>													
New orders received	Billions of yen	1,098.4	1,197.1	1,400.2	1,429.1	1,662.6	1,781.5	2,021.1	1,950.0	2,076.1	2,275.2	2,223.3	2,400.8
Net sales	Billions of yen	1,251.1	1,301.9	1,343.7	1,511.8	1,614.8	1,732.4	2,117.1	2,039.7	2,163.6	2,266.8	2,318.7	2,551.9
Cost of sales	Billions of yen	941.8	980.5	1,031.2	1,147.3	1,216.7	1,293.6	1,592.7	1,535.5	1,618.6	1,694.6	1,734.1	1,875.9
Cost of sales ratio	%	75.3	75.3	76.7	75.8	75.4	74.7	75.2	75.3	74.8	74.8	74.8	73.5
Selling, general and administrative expenses (SG&A)	Billions of yen	228.8	235.7	249.9	280.4	297.2	321.7	400.8	381.0	397.3	441.3	445.4	463.4
SG&A ratio	%	18.3	18.1	18.6	18.6	18.4	18.6	18.9	18.7	18.4	19.5	19.2	18.2
Operating income	Billions of yen	80.4	85.6	62.5	84.0	100.8	117.1	123.5	123.1	147.7	130.9	139.2	212.6
Operating income margin	%	6.4	6.6	4.7	5.6	6.2	6.8	5.8	6.0	6.8	5.8	6.0	8.3
Operating income (w/o goodwill amortization) <sup>*1</sup>	Billions of yen	87.5	96.4	75.2	98.5	112.9	134.3	150.4	—	—	—	—	—
Net income attributable to shareholders of NTT DATA <sup>*2</sup>	Billions of yen	30.4	43.5	23.2	32.1	63.3	65.6	58.1	82.4	93.6	75.1	76.8	143.0
Overseas net sales <sup>*3</sup>	Billions of yen	—	231.3	298.7	449.0	504.4	586.3	911.1	831.3	881.1	906.7	907.2	1,050.5
Overseas EBITA margin <sup>*3, *4</sup>	%	—	4.7	3.2	5.2	5.3	4.8	4.8	2.3	3.2	0.7	-0.8	5.1
Loss from unprofitable projects	Billions of yen	—	5.3	31.5	15.5	15.9	7.4	9.9	9.9	16.9	10.3	1.4	-4.6
Loss from unprofitable projects to consolidated net sales ratio	%	—	0.41	2.34	1.03	0.98	0.43	0.47	0.49	0.78	0.45	0.06	0.18
Capital expenditure	Billions of yen	133.9	122.1	147.7	140.9	134.0	158.1	198.6	194.8	179.2	193.8	169.5	176.7
Depreciation and amortization / Loss on disposal of property and equipment and intangibles	Billions of yen	159.7	153.8	143.6	158.5	155.2	160.0	163.2	161.1	160.7	163.8	178.4	182.0
R&D expenses	Billions of yen	13.5	12.1	12.8	12.9	12.4	12.3	14.5	14.6	15.1	21.8	22.7	19.7
Free cash flow	Billions of yen	30.4	46.2	44.8	26.7	44.0	-189.8	24.2	30.7	55.1	22.8	178.6	113.9
EBITDA <sup>*5</sup>	Billions of yen	248.5	250.3	220.2	257.3	272.1	297.1	313.7	284.2	308.4	295.7	320.3	394.9
<b>At year-end</b>													
Order backlog	Billions of yen	1,131.9	1,140.2	1,341.4	1,355.8	1,544.5	2,411.3	2,371.5	2,369.2	2,457.1	2,636.3	2,735.1	2,860.6
Total assets	Billions of yen	1,474.8	1,524.3	1,689.9	1,822.8	1,860.3	2,238.9	2,234.2	2,270.2	2,476.1	2,686.0	2,897.0	3,084.5
Interest-bearing debt <sup>*6</sup>	Billions of yen	380.2	378.3	412.9	446.9	407.0	650.8	592.0	586.3	605.0	598.0	578.9	496.5
Total equity	Billions of yen	605.7	651.3	676.8	773.4	740.9	802.1	833.8	826.2	925.7	939.7	1,072.9	1,270.9
Equity ratio	%	41.1	42.7	40.1	42.4	39.8	35.8	37.3	36.4	37.4	35.0	37.0	41.2
Invested capital	Billions of yen	858.8	885.6	915.5	1,002.3	947.1	1,224.5	1,270.8	1,256.7	1,320.5	1,380.0	1,218.4	10,863.0
Debt-to-equity (D/E) ratio	Times	0.63	0.58	0.61	0.58	0.55	0.81	0.71	0.71	0.65	0.64	0.54	0.39
<b>Other information</b>													
Return on invested capital (ROIC) <sup>*6, *7</sup>	%	4.6	5.1	3.6	4.6	5.5	6.1	5.8	5.9	6.8	5.8	5.9	8.4
Return on assets (ROA) <sup>*8</sup>	%	2.1	2.9	1.4	1.8	3.4	3.2	2.6	3.7	3.9	2.9	2.8	4.8
Return on equity (ROE) <sup>*9</sup>	%	5.0	6.9	3.5	4.4	8.4	8.5	7.1	10.3	10.7	8.1	7.6	12.2
Net income per share <sup>*10</sup>	Yen	21.7	31.0	16.6	22.9	45.2	46.8	41.5	58.8	66.8	53.6	54.8	102.0
Net assets per share <sup>*10</sup>	Yen	431.9	464.4	482.6	551.5	528.3	571.9	594.6	589.1	660.0	670.0	765.0	906.2
Net dividend per share <sup>*10</sup>	Yen	12	12	12	12	14	15	15	15	17	18	18	21
Consolidated cash flow payout ratio <sup>*11</sup>	%	26.1	19.6	50.6	26.1	19.5	24.0	42.3	43.2	31.7	56.0	29.5	19.9
5-year average consolidated cash flow dividend payout ratio <sup>*11, *12</sup>	%	35.9	28.4	29.1	27.0	24.9	24.5	28.4	28.5	27.2	31.0	34.0	31.0
Total shareholder return (TSR) (holding period of 5 years)	%	—	—	—	—	100	95	103	103	112	98	159	237
<b>Non-Financial</b>													
Client base <sup>*13</sup>	Companies	—	—	—	—	50	62	65	65	70	74	78	82
Number of countries and regions	Countries / Regions	35	34	41	41	45	51	53	53	53	53	55	52
Number of cities	Cities	136	136	175	176	185	210	214	214	223	225	208	203
Number of employees	Employees	58,668	61,369	75,020	76,642	80,526	111,664	118,006	118,006	123,884	133,196	139,677	151,991
Number of overseas employees	Employees	26,007	28,820	42,241	43,781	47,541	77,123	81,362	81,362	86,154	94,424	99,491	111,006
Working hours <sup>*14</sup>	Hours	1,991	1,996	1,966	1,966	1,941	1,910	1,901	1,901	1,889	1,876	1,984	1,982
Percentage of employees who return to work after childcare leave <sup>*14</sup>	%	95.5	92.5	97.6	98.1	98.3	98.0	97.0	97.0	100.0	98.8	97.2	98.9
Purchased power <sup>*15</sup>	10,000 kWh	52,213	48,878	48,342	49,169	47,661	49,437	48,063	48,063	47,678	46,726	46,084	33,592
Water consumption <sup>*16, *20</sup>	10,000 m <sup>3</sup>	57	59	50	61	34	55	58	58	62	49	45	45
Paper usage <sup>*17</sup>	t	1,019	932	936	905	920	835	765	765	689	581	349	304
Greenhouse gas (GHG) emissions <sup>*18, *19, *20, *21</sup>	10 kt-CO <sub>2</sub> e	21.5	23.9	25.9	26.1	24.1	14.0	13.1	13.1	12.9	11.9	15.0	12.7

\*1 Figures based on JGAAP include adjustments for goodwill amortization and others (including impairment loss).

\*2 The name of the item based on JGAAP is "net income attributable to owners of parent."

\*3 Net sales to clients outside the NTT DATA Group. Figures for the former Global Segment is used until FY2016, and the total of the North America Segment, EMEA & LATAM Segment, and China & APAC is used from FY2017 onward.

\*4 EBITA (JGAAP) = operating income (JGAAP) + amortization of goodwill and intangible assets subject to purchase price allocation (PPA) arising from acquisition and others EBITA (IFRS) = operating income (IFRS) + amortization of intangible assets subject to purchase price allocation (PPA) arising from acquisition and others

\*5 EBITDA = operating income + depreciation and amortization + loss on retirement of fixed assets + goodwill amortization, etc.

\*6 Figures for the interest-bearing liabilities based on JGAAP are the total of loans, corporate bonds, and lease obligations. Figures based on IFRS are the total of loans and corporate bonds.

\*7 ROIC = (operating income x (1 - effective tax rate)) / (average net assets during the period + average interest-bearing liabilities during the period)

\*8 ROA = net income attributable to shareholders of NTT DATA / average total assets during the period

\*9 ROE = net income attributable to shareholders of NTT DATA / average equity during the period

\*10 In October 2013, a 100-for-1 stock split of common shares was conducted and the unit share system was adopted. Dividend per share is recorded with an amount considering this stock split.

In July 2017, a 5-for-1 stock split was of common shares was conducted. Dividend per share is recorded with an amount considering this stock split.

\*11 Consolidated cash flow payout ratio = total dividends / (net income attributable to shareholders of NTT DATA + depreciation cost + loss on retirement of fixed assets - capital investment). From FY2019 onward, this is calculated excluding lease amortization expense.

\*12 Figures for weighted average of the past five years based on IFRS. Figures based on JGAAP are used in FY2016 and earlier.

\*13 Clients from which NTT DATA earns ¥5 billion or more per year (in Japan) or US\$50 million per year (ex-Japan)

\*14 Figures for NTT DATA (non-consolidated)

\*15 Total for NTT DATA (non-consolidated), domestic Group companies, and certain overseas Group companies (91 companies in FY2021, 78 companies in FY2020)

\*16 Total for NTT DATA (non-consolidated) and domestic Group companies (FY2021: 75 companies, FY2020: 73 companies, FY2019: 71 companies, FY2018: 68 companies, FY2017: 68 companies, FY2016: 69 companies, FY2015: 75 companies, FY2014: 73 companies, FY2013: 69 companies, FY2012: 64 companies, and FY2011: 65 companies)

\*17 Total for NTT DATA (non-consolidated) and domestic Group companies (FY2021: 75 companies, FY2020: 77 companies, FY2019: 71 companies, FY2018: 68 companies, FY2017: 68 companies, FY2016: 69 companies, FY2015: 75 companies, FY2014: 73 companies, FY2013: 69 companies, FY2012: 64 companies, and FY2011: 65 companies)

\*18 Total for NTT DATA (non-consolidated) and domestic Group companies (207 companies in FY2021)

\*19 Total of direct gas emissions by use of fuels (Scope 1) and indirect gas emissions by use of purchased electricity and heat (market-basis Scope 2) is converted to CO<sub>2</sub>. The unit is CO<sub>2</sub>e (CO<sub>2</sub> equivalent).

\*20 Numbers guaranteed by a third party. The scope of third-party verification was limited to domestic companies up to and including FY2019 but includes some overseas companies from FY2020. For details, please see "Third-Party Verification" on page 65.

\*21 Some figures after FY2016 have been restated following changes to the scope of data center operations.

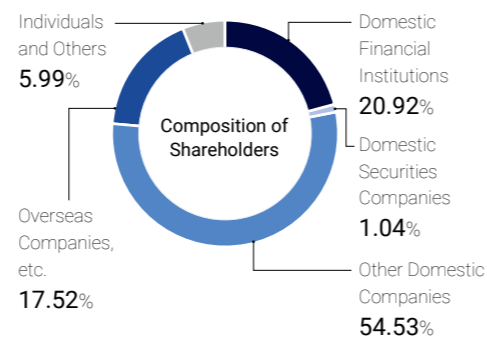
# Company Information (As of March 31, 2022)

<b>Company Name</b> NTT DATA Corporation	<b>Common Stock</b> ¥142,520 million	<b>Stock Market</b> Tokyo Stock Exchange Prime Market Stock Code: 9613
<b>Head Office</b> Toyosu Center Bldg., 3-3, Toyosu 3-chome, Koto-ku, Tokyo 135-6033, Japan Telephone: +81-3-5546-8202	<b>Number of Employees</b> Consolidated: 151,991 Non-consolidated: 12,351	<b>Administrator of Register of Shareholders</b> Sumitomo Mitsui Trust Bank, Limited
<b>Date of Establishment</b> May 23, 1988	<b>Fiscal Year</b> April 1 to March 31 of the following year	<b>Independent Auditors</b> KPMG AZSA LLC
	<b>Ordinary General Meeting of Shareholders</b> June	

## Number of Shares Issued and Number of Shareholders

Total Number of Shares Authorized to Be Issued by the Company	5,610,000,000 shares
Total Number of Shares Issued	1,402,500,000 shares
Number of Share Units	100 shares
Number of Shareholders	86,705 shareholders

## Composition of Shareholders (Percentage of Shares Held)

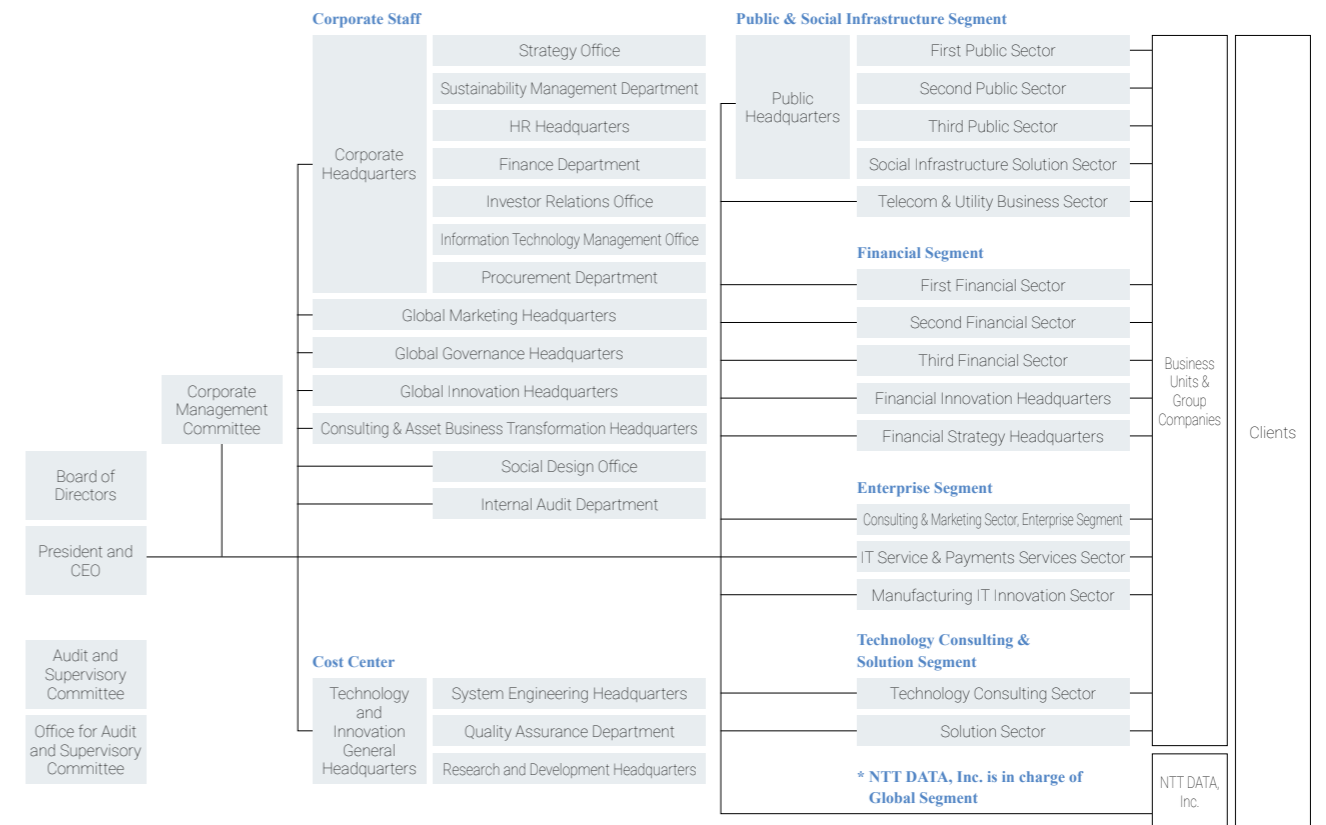


## Principal Shareholders

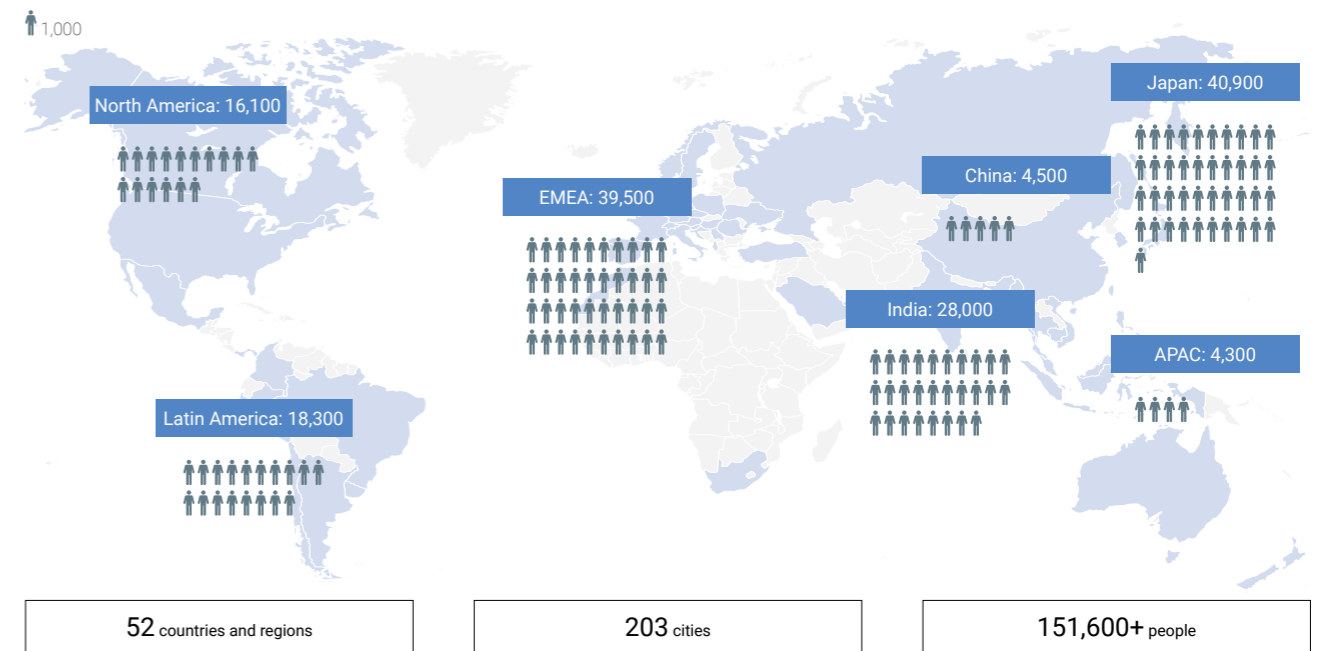
Name	Number of Shares Held	Ratio of Shareholding (%) <sup>*</sup>
NTT, Inc.	760,000,000	54.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	181,675,100	12.95
Custody Bank of Japan, Ltd. (Trust Account)	72,542,966	5.17
Custody Bank of Japan, Ltd. (Investment Trust Account)	19,176,700	1.37
JP MORGAN CHASE BANK 385635	18,597,400	1.33
NTT DATA Employee Share-Holding Association	14,158,300	1.01
STATE STREET BANK WEST CLIENT TREATY 505234	11,313,072	0.81
JP MORGAN CHASE BANK 380072	10,637,900	0.76
STATE STREET BANK AND TRUST COMPANY 505025	8,465,603	0.60
JP MORGAN CHASE BANK 385781	8,215,345	0.59

<sup>\*</sup> Ratio of shareholding is calculated excluding the treasury stock (1,149).

## Organizational Structure (As of October 1, 2022)



## Offices (As of March 31, 2022)





## Company Information

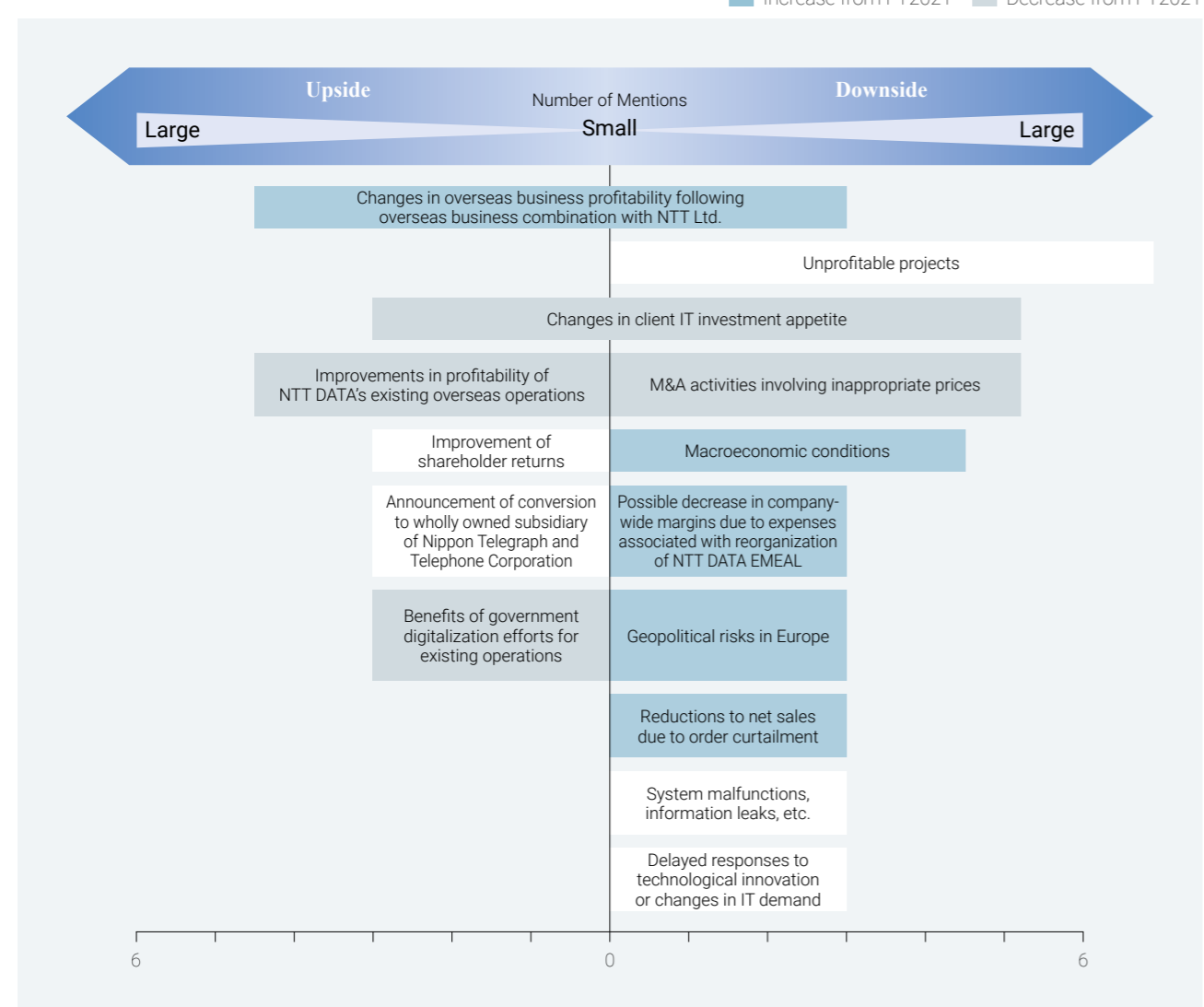
(As of March 31, 2022)

### Stock Price Chart



### Factors of Interest to Analysts Influencing Stock Price

(Based on reports by six analysts as of June 2022\*)



\* SMBC Nikko Securities Inc., Goldman Sachs (Japan) Ltd., JPMorgan Securities Japan Co., Ltd., Jefferies Japan Limited, Citigroup Global Markets Japan Inc., and Daiwa Securities Co. Ltd.

### Shareholders' Memo

Fiscal year	April 1–March 31
General Meeting of Shareholders	June
Record date	Ordinary General Meeting of Shareholders (year-end dividend) March 31 Interim dividend September 30
Administrator of register of shareholders and special account management institution	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Administrative location for administrator of register of shareholders	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Stock market listing	Tokyo Stock Exchange Prime Market (as of April 4, 2022)
Electronic notice	Company website <a href="https://www.nttdata.com/global/en/">https://www.nttdata.com/global/en/</a>
Method of public notice	However, in the event that electronic distribution is impossible, due to an accident or other unavoidable circumstances, the Company's public notices will appear in <i>The Nihon Keizai Shimbun</i> published in Japan.
Stock code	9613

### Sources (Gartner, etc.)

- P18, 21, 82, 83, 93\*\* 94\*\* 95\*\*  
Source: Gartner "Market Share: IT Services, Worldwide 2021, Neha Sethi, et al., 8 April 2022"
- P15, 25  
Source: Gartner "Market Share: IT Services, World-wide 2021, Neha Sethi, et al., 8 April 2022" Revenue in Current US\$basis
- P84, 86, 89  
Source: Gartner "Prediction of 2022 1Q IT Service Market (Japan) Size by Industry", Rika Narisawa, et al., 1 June 2022.
- P93\*\*, 95\*\*  
Source: Gartner "Forecast: IT Services, Worldwide, 2020-2026, 3Q22 Update", Colleen Graham, et al., 26 September 2022
- P94\*\*  
Source: Gartner, Magic Quadrant for SAP S/4 HANA Application Services, Worldwide Jaideep Thyagarajan, et al., 27 June 2022
- P82, 83  
Public and Social Infrastructure Markets = Government, Education, Healthcare and Life Sciences, Power and Utilities / Financial Markets = Banking and Investment Services, Insurance / Enterprise & Solution Markets = Transportation, Wholesale Trade, Communication Media and Services, Manufacturing and Natural Resources, Retail, Oil and Gas
- P83, 93\*\* 95\*\*  
North America Market = North America / EMEA & LATAM Market = Western Europe, Eastern Europe, Middle East and North Africa, Sub-Saharan Africa, Latin America based on vendor Revenue in Current US\$basis
- P84  
Public and Social Infrastructure Markets = Government / Local Government, Medical / Welfare, Electricity / Gas / Water / Energy Resources, Education
- P86  
Financial Markets = Finance
- P89  
Enterprise & Solution Markets = Manufacturing / Natural Resources, Retail / Wholesale, Transportation, Communications / Media / Services

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### Procedures Related to Special Accounts

For procedures related to special accounts (transfer-ence shares from special accounts to security company accounts), please contact Sumitomo Mitsui Trust Bank via the following number (toll free in Japan).

Contact: Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Tel: 0120-782-031  
Hours: 9 a.m. to 5 p.m. JST (excluding weekends and holidays and the period from Dec. 31 to Jan. 3)

URL: <https://www.smtb.jp/personal/procedure/agency/> (in Japanese only)



### Reports and Inquiries Regarding Shares

For changes of address or other reports or inquiries with regard to shareholders with securities company accounts, please contact the securities company with which you have established your account. For changes of address or other reports or inquiries with regard to shares in special accounts, please contact Sumitomo Mitsui Trust Bank via the aforementioned toll-free number.