

Note: This document is the English translation of “Kessan Tanshin” for the Fiscal Year Ended March 31, 2024 and is provided solely for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

May 9, 2024

Company name : NTT DATA GROUP CORPORATION (“NTT DATA”)  
 Stock exchange on which the Company’s shares are listed : Tokyo Stock Exchange Prime Market  
 Code number : 9613  
 URL : <https://www.nttdata.com/global/en/>  
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Scheduled date of the ordinary general meeting of shareholders : June 18, 2024  
 Scheduled date of dividend payment : June 19, 2024  
 Scheduled date of filing securities report : June 19, 2024  
 Supplemental material on annual results : Yes  
 Presentation on annual results : Yes (for institutional investors and financial analysts)

(Amounts are rounded to the nearest 1 million yen)

### 1. Consolidated Financial Results for FY2023 (From April 1, 2023 to March 31, 2024)

#### (1) Consolidated Results of Operations

(% indicate changes from the previous fiscal year)

	Net sales		Operating profit		Profit before tax		Profit attributable to shareholders of NTT DATA		Comprehensive income attributable to shareholders of NTT DATA	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
<b>FY2023</b>	4,367,387	25.1	309,551	19.5	248,602	2.4	133,869	(10.7)	300,899	35.4
<b>FY2022</b>	3,490,182	36.8	259,110	21.9	242,800	12.5	149,962	4.9	222,223	(2.4)

	Net income per share	Net income per share (diluted)	ROE (Ratio of Profit to Equity attributable to shareholders of NTT DATA)	ROA (Ratio of Profit before tax to Total assets)	Operating profit margin (Ratio of Operating profit to Net sales)
	¥	¥	%	%	%
<b>FY2023</b>	95.48	—	8.4	3.7	7.1
<b>FY2022</b>	106.95	—	11.0	5.3	7.4

Reference: Share of profit (loss) of investments accounted for using equity method:  
 FY2023 304 million yen, FY2022 405 million yen

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to shareholders of NTT DATA	Equity ratio attributable to shareholders of NTT DATA	Equity attributable to shareholders of NTT DATA per share
	¥ million	¥ million	¥ million	%	¥
<b>FY2023</b>	7,219,429	2,780,414	1,719,204	23.8	1,226.23
<b>FY2022</b>	6,158,194	2,396,365	1,452,367	23.6	1,035.93

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
<b>FY2023</b>	498,789	(624,508)	109,166	431,774
<b>FY2022</b>	350,568	(322,281)	135,659	415,359

## 2. Dividends

	Cash dividends per share					Total amount of cash dividends for the year	Dividends payout ratio (consolidated)	Ratio of total amount of dividends to Equity attributable to shareholders of NTT DATA (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	Year-end	Total			
<b>FY2022</b>	¥ —	¥ 10.50	¥ —	¥ 11.50	¥ 22.00	¥ million 30,855	% 20.6	% 2.3
<b>FY2023</b>	—	11.50	—	11.50	23.00	32,257	24.1	2.0
<b>FY2024 (Forecasts)</b>	—	12.50	—	12.50	25.00		25.6	

## 3. Forecasts of Consolidated Results for FY2024 (From April 1, 2024 to March 31, 2025)

(% indicate changes from the previous fiscal year)

	Net sales		Operating profit		Profit before tax		Profit attributable to shareholders of NTT DATA		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
<b>FY2024</b>	4,430,000	1.4	336,000	8.5	255,000	2.6	137,000	2.3	97.72

\* Notes:

(1) Changes in significant subsidiaries during the current period: Yes

(Changes in specified subsidiaries resulting in the change in consolidation scope)

Newly included: 2 companies (Name) NTT GLOBAL DATA CENTERS HOLDING ASIA NAV2 PTE. LTD.,  
NTT Global Data Centers NAV2 Private Limited

Excluded: 1 company (Name) NTT DATA Consulting, Inc.

(2) Changes in accounting policies, changes in accounting estimates

- 1) Changes in accounting policies required by IFRS : Yes  
 2) Changes in accounting policies other than 1) : No  
 3) Changes in accounting estimates : Yes

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding (inclusive of treasury stock)

FY2023 (March 31, 2024) 1,402,500,000 shares

FY2022 (March 31, 2023) 1,402,500,000 shares

2) Number of treasury stock

FY2023 (March 31, 2024) 475,618 shares

FY2022 (March 31, 2023) 507,571 shares

3) Average number of shares over period

FY2023 (From April 1, 2023 to March 31, 2024) 1,401,999,642 shares

FY2022 (From April 1, 2022 to March 31, 2023) 1,402,149,613 shares

Note: NTT DATA introduced a performance-based stock compensation system from the second quarter of FY2021.

The number of treasury stock at the end of the period and the number of treasury stock deducted when calculating average number of shares over the period include the number of treasury shares held by the stock delivery trust under the performance-based stock compensation plan.

Number of shares held at the end of the period: FY2023: 464,400 shares FY2022: 496,900 shares

\* “Kessan Tanshin” is an unaudited financial report.

\* Explanations for the appropriate use of results forecasts, and other noteworthy items

- The results forecasts contained in this document are based on certain premises derived from information available to the NTT DATA Group at this time. As a result of various factors that may arise in the future, actual results may differ from the Group’s forecasts.
- Supplemental material on financial results will be uploaded on TDnet today, and will also be uploaded on our homepage. Presentation on financial results will be held today. This report will be uploaded on our homepage soon.
- Products and services referred to on this report (including the attachment) are trademarks or registered trademarks of NTT DATA or other companies.

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## **1. Overview of Business Results**

### (1) Analysis on Business Results of the Current Fiscal Year

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

The Japanese and global economies are on a gradual recovery trend overall, despite the effects of global monetary tightening, rising prices, and other factors.

Although the economic outlook is expected to continue to improve, we must pay close attention to risks such as a downturn in overseas economies due to geopolitical issues and other factors, and volatility in financial capital markets.

In the Japanese IT services industry, client companies continue to intensify their efforts in digital transformations (DX). Although a price hike and other factors may discourage them from investing in IT, the demand environment is expected to grow more steadily.

In overseas IT services markets, while there are concerns about a decrease in IT investment due to the impact of global monetary tightening, and weaknesses are observed in some regions, client companies continue to demand acceleration of DX and shifts to digital domains. The demand environment is therefore expected to grow steadily.

#### [Progress on Management Policies]

Toward the achievement of the Global 3rd Stage in 2025, the NTT DATA Group aims to realize a sustainable society together with our clients by creating value for the future and connecting various people with technology under the slogan “Realizing a Sustainable Future.” To this end, we implemented the five strategies set out in the Medium-Term Management Plan (MMP) and promoted sustainability management. In July 2023, we completed the transition to a holding company structure and our trade name has been changed to NTT DATA Group Corporation (“NTT DATA” or “the Company”; together with its subsidiaries and affiliates, “NTT DATA Group” or “the Group”).

#### [Strategy 1. Capitalize on the Convergence IT & Connectivity]

We provide comprehensive managed services, ranging from edge to cloud, born out of the convergence of IT & connectivity. We are working to realize cross-industry partnerships beyond enterprise and industry boundaries and create new social platforms and innovative services.

In fiscal 2023, we continued to see results of alignment between NTT DATA Group’s ability to build systems, our existing strength, and service operations capabilities of NTT Ltd., a new member of the Group from 2022, in Edge to Cloud. In North America, for example, we won a contract from a globally operating manufacturer for building a platform to automatically control forklifts in a warehouse.

As part of our efforts to solve social issues, we have reached an agreement to provide a disaster management information transmission system (DPIS) for Indonesia. This system will enable the Indonesian government to deliver disaster information quickly to protect people’s safety and security. In the future, we aim to integrate and standardize information from multiple disaster prevention organizations in Indonesia. Furthermore, we aim to roll out Japan’s DX solutions and knowledge about disaster prevention.

#### [Strategy 2. Strengthen Consulting with Foresight]

We will 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, we will seek to support the growth of clients' businesses as a co-creative partner and to promote business transformation.

Taking advantage of our ability to provide value for our clients with foresight, in fiscal 2023, we won the contract that transcended the existing business areas by approaching the management challenges of a client in the transportation industry and completing the project from suggesting transformation to producing results.

#### [Strategy 3. Evolve to an Asset-Based Business Model]

We will maximize the values we provide for our clients by turning the NTT DATA Group's global technologies, expertise, and experiences into assets to achieve their efficient use.

In fiscal 2023, we applied "PITON,"<sup>(Note 1)</sup> a framework for operating a core banking system on an open infrastructure, to a shared system for regional banks "MEJAR,"<sup>(Note 2)</sup> and began operating the banking industry's first multi-banking open core banking system. We will continue to utilize PITON to make financial core banking systems open while working to realize a Cloud dedicated to banking systems in the future.

#### [Strategy 4. Enhance Advanced & Development Technology]

We are working to enhance both advanced technology utilization capabilities for securing future competitiveness and system development technology capabilities for improving productivity. In fiscal 2023, we established the Global Generative AI Office to focus on transforming clients' value chains through global generative AI roll-out strategies and promote internal major transformations, including generative-AI-enabled radical improvement of business efficiency, promotion of innovations, and development of corporate culture. Leveraging on our more than 10 generative-AI-related assets, we are rolling out more than 200 co-creative projects with clients globally, and we internally promote the use of generative AI to enhance productivity in software development.

These efforts have been evaluated to be selected as one of the Horizon 3 Market Leaders, which is the highest rating in the HFS Horizons: Generative Enterprise Services, 2023 report published by HFS Research Ltd.

#### [Strategy 5. Be the Best Place to Work]

With "Best Place to Work" as the keyword, we aim to transform ourselves into an attractive company where diverse human resources can grow and play an active role. We are working to implement training programs to learn advanced technologies, support autonomous career development, introduce systems that enable diverse human resources to play an active role, and organize advanced workplace environments.

We promote the Digital Boot Camp, a 2-month intensive program enabling learners to acquire digital skills, the Digital Acceleration Program, to acquire business experiences in advanced areas; development of digital human resources through the alliance with our partner companies, including AWS, Microsoft, and Google Cloud; the creation of workplaces where woman employees, young and management alike can play an active

role; projects on LGBTQ and other sexual minorities; and diversity, equity, and inclusion<sup>(Note 3)</sup> through promotional measures to hire the challenged.

As a result of these efforts, we have been recognized by the Top Employers Institute as Top Employer in 29 countries and four regions worldwide and become one of the 17 companies certified as Global Top Employer 2024.

In May 2023, we acquired the Global Equality Standard accreditation, which comprehensively rates companies in the areas of diversity, equity, and inclusion.

#### [Sustainability Management]

Toward the realization of a sustainable society and under the slogan of “Realizing a Sustainable Future,” we will grow with our clients by solving social issues and contributing to global environments through business and corporate activities. In July 2022, we set up a total of nine material issues to work on to promote sustainability management, in addition to “Clients’ Growth,” “Regenerating Ecosystems,” and “Inclusive Society” as three focuses.

As part of “Regenerating Ecosystems: Contributing to global environments” in fiscal 2023, in accord with the globally accelerating request for net-zero action, we revised 2021 version of our vision in response to climate change and newly established the NTT DATA NET-ZERO Vision 2040 in which we aim at virtually eliminating GHG emissions (Scopes 1 to 3) in both our company and our supply chain by 2040, instead of 2050.

According to this plan, we will adopt renewable energy and promote lower PUE at data centers, aiming at virtually eliminating both direct and indirect GHG emissions at the data centers we operate (Scopes 1 and 2) by 2030 and targeting virtually zero emission from the entire company, including its offices and others in Scopes 1 and 2 by 2035. We have received the net-zero target certification from the Science Based Targets initiative.

We also promote the creation of sustainability offerings that contribute to our clients’ sustainability management, including C-Turtle, which has been successfully implemented in a cumulative total of 1,000 companies.

These efforts of ours have been evaluated, and we were selected as the Supplier Engagement Leader, the highest in CDP<sup>(Note 4)</sup>’s supplier engagement ratings, for two consecutive years. We were also among the top 1% in the Information Technology and Internet Software Services in The S&P Sustainability Yearbook 2024 published by S&P Global in the United States.

In addition, in April 2024, we established the Sustainability Innovation Committee as the governance system for promoting domestic and global sustainability management with Director and Senior Executive Vice President Responsible for Corporate Management as the chair.

#### [The Transition to a Holding Company Structure with New Overseas Businesses Management Structure]

Our Japanese businesses have continuously been expanding, and our overseas businesses have been also rapidly expanding thanks to the business combination with NTT Ltd. implemented in October 2022.

In light of these situations, the NTT DATA Group will shift to a global management structure toward the further expansion of its businesses. Under strategies that assume globalization, we will build mechanisms for

innovations, marketing, governance, and delivery based on both domestic and global needs, commercial practices, and laws and regulations to respond to changing business environments rapidly. To achieve these objectives, we completed the transition to a holding company structure in July 2023.

Under this structure in which the Company commands and manages the Group's management while NTT DATA Japan Corporation, the operating company in Japan, and NTT DATA, Inc., the operating company overseas, autonomously manage their respective businesses, we will promote agile business management and appropriate governance.

In addition, in April 2024 NTT DATA, Inc. shifted to a new global business management structure. NTT DATA, Inc. is composed of regional units that provide one-stop offerings in each region, global units that provide globally common services, and global headquarters that assume corporate functions. It strengthens its engagement with clients as well as enhances its capabilities to provide global services by leveraging economies of scale.

[Status of business activities and results]

To respond to the global acceleration of DX and diversified/sophisticated needs, we have expanded our offerings and cross-selling, taking advantage of the Group's strengths, "Ability to Create" and "Ability to Connect."

In July 2023, we completed the transition to a holding company structure to enhance our agility and worked to provide diverse IT services, ranging from consulting through application development to infrastructure services.

Net sales and operating profit increased mainly due to the business growth in Japan and Europe, in addition to the expanded consolidation of NTT Ltd. and impact of foreign exchange rates. On the other hand, profit decreased due to higher tax expenses, as well as increased financial expenses resulting from the increase in interest-bearing debts, etc.

• Net sales	4,367.4 billion yen	(up 25.1% year-on-year)
• Operating profit	309.6 billion yen	(up 19.5% year-on-year)
• Profit before tax	248.6 billion yen	(up 2.4% year-on-year)
• Profit attributable to shareholders of NTT DATA	133.9 billion yen	(down 10.7% year-on-year)

The following are summaries of initiatives by segment.

(Japan)

We utilized the world's cutting-edge best practices and technologies, focusing on five strategies established under the Medium-Term Management Plan, to provide services that contribute to strengthening Japan's competitiveness, especially within Japan. While elevating the value of our services, we made efforts to adjust transaction prices appropriately with regard to service fees, considering the current rise in expenses such as labor, material, and energy costs.

The results of the Japan Segment for this fiscal year are as follows

- The net sales was 1,757.0 billion yen (6.2% increase compared to the previous fiscal year) mainly due to expansion in the scale of services for the central government and ministries.
- The operating profit was 186.7 billion yen (9.9% increase compared to the previous fiscal year) mainly due to higher profit resulting from business growth.

The following are summaries of initiatives by business in the Japan Segment.

[Public & Social Infrastructure Business]

Efforts are increasingly underway toward a digital society, such as the expansion of digital services in government and quasi-public sectors (healthcare, education, disaster prevention, mobility, etc.) proposed in the “Priority Policy Program for Realizing Digital Society.” To realize them, NTT DATA Group envisioned the future of a society with foresight-oriented approaches and aimed to expand our businesses by deepening client-focused business through application of advanced technology and value-added proposals, and developing social systems from a user’s perspective.

<Contributing to creating a highly resilient society both domestically and internationally>

- Commencement of providing D-Resilio Collaboration Platform  
We began providing the D-Resilio Collaboration Platform, which supports the collection and linkage of disaster management information held by governments and companies. This platform focuses on aggregating and linking disaster management information, enabling proactive responses to disasters by assisting governments and companies in collecting precise information immediately when a disaster occurs.
- Commencement of developing the Disaster Management Information Transmission System (DPIS) in Indonesia

In Indonesia, we launched a project aimed at developing the Disaster Management Information Transmission System (DPIS), a system that will enable the government to disseminate disaster information promptly to protect the safety and security of its people. Through this project, the country will be the first nation in which the L-Alert, a Japanese disaster information sharing system, will be implemented by the NTT DATA Group. Based on the L-Alert architecture, we will utilize our information distribution know-how cultivated through the D-Resilio Collaboration Platform to quickly disseminate information about tsunamis and earthquakes and urge people to evacuate, thereby contributing to Indonesian disaster preparedness measures. Furthermore, we plan to expand the scope to include information about other disasters, such as volcanic eruptions and floods.

The NTT DATA Group will accumulate know-how in disaster management DX solutions and know-hows both domestically and internationally and contribute to creating a highly resilient society.

<Developing a decarbonization support app that utilizes both environmental behaviors and energy consumption data, etc.>

GDBL Corp.,<sup>(Note 5)</sup> in which the NTT DATA Group invests to solve social issues by using energy



consumption data, has launched ZeroCa (“this service”) which supports decarbonization based on the scoring of environmental behaviors<sup>(Note 6)</sup> and the utilization of household energy consumption data.

These days approaches to and efforts for decarbonization are gradually taking root, but there are still issues. Both individuals and households find it difficult to make efforts to perform environmental behaviors and even if they do they can hardly feel its effects immediately. Enterprises and local governments, on the other hand, find it difficult to capture areas with high CO<sub>2</sub> emissions and to prioritize their policies, with few means to make individuals’ behavioral changes take root.

With the concept of “Making environmental behaviors more comfortable,” this service supports the realization of a zero-carbon society by making environmental behaviors habits to prompt behavioral change centering on energy consumption that accounts for a majority of CO<sub>2</sub> emissions. Visualizing in a user-friendly way the scores of the user’s environmental behaviors as well as their energy consumption data help individuals and households to effortlessly continue with environmental behaviors by providing them with both a sense of certainty and new awareness in their efforts for decarbonization. Further, visualizing both CO<sub>2</sub> emissions from energy consumption and the status of power supply and demand based on actual values of energy consumption data can help enterprises and local governments engaging in decarbonization-related businesses and town developments to develop plans, take measures, and promote reflection towards decarbonization. The NTT DATA Group has built a system associated with the provision of this service.

Working together with GDBL, Corp., the NTT DATA Group makes individuals’ and households’ environmental behaviors more comfortable and helps enterprises and local governments to promote decarbonization, while aiming at becoming a signpost for the realization of a sustainable society.

#### [Financial Business]

As society has become more digitalized, financial services that cater to daily needs have appeared one after another. Amid such a situation, financial systems are increasingly required to balance reliability and progressiveness.

NTT DATA continued to support safe and secure financial infrastructure permanently to achieve a sustainable society while aiming to develop and expand new financial services that connect industries.

#### <Initiatives for cloud migration of a joint-use core banking system>

The NTT DATA Group applied PITON, a framework the Group offers, to MEJAR, a system that is jointly used by five regional financial institutions, completed the transition to an open system, and launched the first multi-bank open core banking system in the Japanese banking industry.

Through this accomplishment, the NTT DATA Group confirmed the strong possibility of cloud migration of a joint-use core banking scheme. It took a step forward, and decided to apply the Integrated Banking Cloud, which is designed to provide a safe, secure, and continuous banking service at affordable costs, to the Regional Bank Integrated Services Center<sup>(Note 7)</sup> around January 2028, and started the development. The Integrated Banking Cloud is a domestically made cloud computing system designed specifically for banking systems that has the utmost reliability required for financial institutions. It will consolidate data centers,

hardware, middleware, etc., and by providing a one-stop service, it will not only contribute to effective operation and reduction of financial institutions' administrative burden but also offer sustainable services.

The NTT DATA Group will continue to utilize cutting-edge digital technologies, proceed with the cloud migration of banking systems, and contribute to accelerating DX for enhancing customer experience value as a business partner of financial institutions based on the Open Service Architecture (OSA)<sup>(Note 8)</sup> concept.

<Supporting open co-creation of financial institutions in the digital asset market>

- Collaboration toward the development of a “standardized infrastructure” of digital corporate bonds

The NTT DATA Group and Mitsubishi UFJ Trust and Banking Corporation (“MUTB”) agreed to develop a standardized infrastructure for digital corporate bonds (“Infrastructure”) by connecting NTT DATA Group’s corporate bond management platform, which boasts its dominant share in the domestic market, and MUTB’s Progmat services<sup>(Note 9)</sup>, a platform for digital asset issuance and management. Additionally, MUFG Bank, Ltd. will begin to support digital corporate bond issuance through the Infrastructure.

Japan is still in the trial stage of issuing digital corporate bonds. To encourage the broad adoption of digital corporate bonds using blockchain technologies, it is essential to provide specific added value, increase convenience, and reduce burdens financial institutions and operating firms as market participants have to endure for the adoption and the shift. The development of the Infrastructure will facilitate the handling of digital corporate bonds using the Progmat services, lower the hurdle for market participants to enter the digital corporate bond market, and vitalize the market.

- Participation in a project to establish a corporation for the development of national infrastructures in the digital asset market

Eight companies including the NTT DATA Group<sup>(Note 10)</sup> have founded the Progmat services that play a role in the Infrastructure and Progmat, Inc. (“Progmat”) that runs the Digital Asset Co-Creation Consortium<sup>(Note 11)</sup>.

The eight companies have acknowledged that in-depth knowledge of the financial market domain and the overwhelming capability to build infrastructures are essential to develop the Infrastructure, which is aimed at becoming the national infrastructure in the digital asset market. Financial institutions and the NTT DATA Group, as a software company having a wealth of experience, have worked together hand in hand to establish a “joint venture” and have aspired to become a development group with the ability to deliver impacts on a wider range more quickly. The NTT DATA Group will contribute to the success of the Progmat in cooperation with concerned parties by leveraging our know-how in financial infrastructures, advanced technologies, and blockchain. By establishing Progmat, the eight companies will smoothly implement “co-creation areas” with “standardized format” with the united efforts of the industry as a whole, and realize an overwhelming improvement in convenience for market participants, thereby enhancing the development and competitiveness of the digital asset market in Japan.

[Enterprise Business]

In April 2023, NTT DATA reorganized its Enterprise Segment. It will promote a matrix management that consists of organizations taking advantage of their expertise in consultation, payment, and technology and

industry organizations that manage them by industry to offer value to clients in a foresight-oriented, end-to-end manner. As a partner to help clients in various industries accelerate their business transformation, we, along with our clients, envisioned a desired state of business for particular industries and clients and consistently offered high value to realize it ranging from planning to business transformation by utilizing its advanced and development technologies.

#### <End-to-end participation in a DX project of JR Central>

The NTT DATA Group participated in the DX project of Central Japan Railway Company (JR Central) and successfully enhanced the client's membership base by connecting the digital marketing platform and the common station building operation system.

The railway sector has had to quicken new efforts to adjust to changes in the business environment since the COVID-19 crisis. JR Central had an idea of establishing a group's common point program<sup>(Note 12)</sup> with a vision that aims to enhance the value of cities along their railway lines and of traveling, in order to accelerate revenue growth for its entire business, including businesses of their group companies outside of the railway business.

In light of this challenge, the NTT DATA Group is working together with JR Central throughout the project to realize the vision, offering end-to-end assistance from consulting on specific point program designs and business process planning to proposing system implementation methods, developing systems, establishing concrete plans to expand services in the future, verifying effects, etc.

By connecting the digital marketing platform and the common station building operation system, this initiative allows the JR Central group to collectively manage customer information and point balances across the group businesses. In addition, by linking the program with the EX Service<sup>(Note 13)</sup>, it contributes to the value enhancement of both businesses.

In our role of a business partner of our clients, the NTT DATA Group will continue to not only work in improving the current services but also suggest ways for the growth of clients' membership base and contribute to their business expansion.

#### (Overseas Segment)

We expanded offerings mainly in consultation and digital businesses and increased the profitability in existing business fields by means such as promoting automation, and developed and enhanced digital talent as global basis. In addition, we provided services demanded amidst the acceleration of digital transformation by adding NTT Ltd.'s strengths in infrastructure, such as data centers and network services, and connectivity to our total offerings, responding to increasingly complex and diverse needs on a global level.

The results of the Overseas Segment for this fiscal year are as follows.

- The net sales was 2,654.5 billion yen (41.2% increase compared to the previous fiscal year) due to the effect of expanded consolidation of NTT Ltd. as well as the business growth in Europe and the impact of foreign exchange rates, despite a decrease due mainly to the scrutiny of projects in North America.
- The operating profit was 115.8 billion yen (41.9% increase compared to the previous fiscal year) due to the effect of expanded consolidation of NTT Ltd. and sales growth, despite an increase in overseas

business combination costs and structural transformation costs.

Business activities in Overseas Segment are as follows.

< Developing Robotic Lift Truck Technology with Hyster-Yale Group >

- NTT DATA Services, in collaboration with NTT Ltd., was selected by Hyster-Yale Group, a leading global lift truck manufacturer, to create a traffic management platform (TMP) to support the movement of autonomous lift trucks. Launch by NTT DATA <sup>(Note 14)</sup>, who supports clients' digital experience, leads the development of a TMP.
- Launch by NTT DATA's expertise in developing a Minimum Viable Product (MVP <sup>(Note 15)</sup>) for the client to prove out the TMP concept and NTT Ltd.'s infrastructure capabilities were highly evaluated, leading to an order for this platform construction project. NTT DATA Services provides the platform to the client and their customers as a SaaS product license, and NTT Ltd. provides managed services for the network related to the platform, thereby enabling End to End delivery as One NTT DATA.
- NTT DATA Services helps the client promote DX related to IT outsourcing by moving to the Azure cloud, introducing AI into service desk operations, and introducing support for device renewal. NTT Ltd. supports infrastructure modernization by improving and renewing networks.

< Enabling Full-Stack Solution Offering to Major Multinational Corporation >

- NTT DATA Services and NTT Ltd. have been awarded a contract to provide an IT environment for a global operating company following its divestiture from the parent company. NTT Ltd. carefully conducted requirements hearings, and by adding the capabilities of the application area of NTT DATA Services, we were able to meet the client's requirements not only in the infrastructure area but also in the application area, which led to winning the order for this project.
- The company needed to separate the application and infrastructure from its parent company, following its divestiture from the parent company, and to run it as a stand-alone operation.
- NTT DATA Services is in charge of the application area and NTT Ltd. is in charge of the infrastructure area. As One NTT DATA, NTT DATA Services and NTT Ltd. supported the company and completed the entire planned migration of its IT environment by March 2024.

<Active investments in the data center business>

NTT DATA Group is actively investing in the data center business, which is expected to grow on the back of strong demand. In fiscal year 2023, we launched 13 data centers in India, Germany, the United States, and Malaysia (226 MW in power capacity). We provide our data center services in 30 cities worldwide, with approximately 120 centers and a size of approximately 1,120 MW.

We are also developing a partnership with other companies. In fiscal year 2023, we signed an agreement with the TEPCO Power Grid, Inc. to establish a new company to jointly develop and operate data centers in the Inzai-Shiroi area, Chiba Prefecture. We also decided on the joint operation of the data center business in Chicago, USA, with the Tokyo Century Corporation's group company.

The status of major overseas offices at the end of this fiscal year is as follows  
Approx. 193,500 employees deployed in over 50 countries and regions including Japan.  
(As of March 31, 2024)

## Progress of Technical Development

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

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

The R&D costs for the consolidated fiscal year under review were 20,491 million yen. The results of the R&Ds, which are commonly applicable to the Japan and Overseas Segments, are not separately recorded by each segment.

### <Globally promoting the utilization of generative AI technologies>

The NTT DATA Group established the Global Generative AI Office to focus on clients’ value chain transformation through the global strategy for generative AI business expansion and promote drastic improvement of operational efficiency, innovation, and internal value chain transformation, including fostering corporate culture, by using generative AI technologies.

With regard to generative AI technologies, the NTT DATA Group has long worked with clients to conduct PoC for multiple use cases and has applied the technologies to real projects. The establishment of the Global Generative AI Office has accelerated the application of generative AI technologies to the software development area, the promotion of co-creation with clients, investments in creating assets related to generative AI technologies and global expansion of their application, and the establishment of guidelines and a global governance structure for alliance with hyperscalers and utilization of generative AI technologies.

One example of the initiative is connecting the NTT DATA Group’s document reading AI (natural language processing AI) solution LITRON with a large-scale language model developed by Nippon Telegraph and Telephone Corporation “tsuzumi” to commence a service of a text search and answer generation system capable of generating Japanese answers that are more tailored for operational purposes. Additionally, by utilizing a variety of generative AI assets owned by each base of the NTT DATA Group, we will provide the solution to a larger clientele worldwide.

The NTT DATA Group will strive to develop and commercialize more generative AI-related assets and accelerate our efforts to apply the technologies to more diverse areas around the world.

### <Enhancement of digital platforms through the utilization of generative AI technologies>

The NTT DATA Group added generative AI capabilities to a conversation AI platform “eva” to increase clients’ digital platform competitiveness. This initiative has allowed NIHON L’ORÉAL K.K. (“L’Oréal”), which uses the eva service, to offer personalized product proposals to customers in real time and conduct effective sales promotions by providing support to customers throughout their purchasing life cycle.

The eva platform offered by the NTT DATA Group was trained based on extensive user data including previous customer communications, surfing histories, purchase patterns, and other statistical information. With generative AI capabilities added, the platform has enabled more personalized product suggestions. Through this initiative, the NTT DATA Group has successfully helped L'Oréal lower contact center management expenses and raise its customer satisfaction level. We plan to integrate eva equipped with generative AI capabilities into the company's various channels such as SNS and chatbot.

The NTT DATA Group will contribute to the transformation of clients' value chains by providing a wide selection of services using generative AI technologies.

<Year-on-Year Changes by Business Segment>

(Unit: billion yen)

Description		FY2022	Share	FY2023	Share	Change (%)
			(%)		(%)	
Net Sales	Japan Segment	1,654.4	45.8	1,757.0	39.1	6.2
	Overseas Segment	1,880.4	52.0	2,654.5	59.0	41.2
	Others	78.8	2.2	84.7	1.9	7.4
	Adjustments	(123.4)	-	(128.8)	-	-
Total		3,490.2	-	4,367.4	-	25.1
Operating Profit	Japan Segment	169.9	65.8	186.7	60.3	9.9
	Overseas Segment	81.6	31.6	115.8	37.4	41.9
	Others	6.6	2.6	7.3	2.3	10.6
	Adjustments	1.0	-	(0.2)	-	-
Total		259.1	-	309.6	-	19.5



(Note 1) PITON

This is a framework for making systems built on mainframes work on open infrastructure, offered by the NTT DATA Group.

(Note 2) MEJAR (Most Efficient Joint Advanced Regional banking-system)

It is a center for joint-use core banking systems for first- and second-tier regional banks developed by NTT DATA Group and operated mainly by banks. The next-term MEJAR is scheduled to start around 2030.

The participating banks are the Bank of Yokohama, Ltd.; Hokkaido Bank, Ltd.; Hokuriku Bank, Ltd.; The 77 Bank, Ltd.; and Higashi-Nippon Bank, Ltd. The Hiroshima Bank, Ltd. will join them in fiscal year 2030.

(Note 3) Diversity, equity, and inclusion : Diversity, equity, and inclusion that need to be addressed to achieve a sustainable society.

(Note 4) CDP: Carbon Disclosure Project is a nongovernmental organization that is run by a UK-based charity organization and collects environment-related information from companies and municipalities around the world. The information that CDP discloses serves as global standards for environmental information disclosure. It operates a global information disclosure system to allow investors, companies, countries, regions, and cities to manage their own environmental effect.

(Note 5) GDBL, Corp.: GDBL, Corp. is a company established in April 2022 co-funded by the NTT DATA Group; TEPCO Power Grid, Incorporated; Chubu Electric Power Company, Incorporated; and Kansai Transmission and Distribution Inc. In addition to providing various services that utilize energy consumption data, we will develop initiatives to create new services, including verification for value enhancement and new value creation as well as consultation by combining energy consumption data along with data from different industries.

(Note 6) Environmental behavior: In order to develop sustainable growths without shrinking everyday life or economic activities, both individuals and businesses voluntarily and actively make efforts to give consideration for environmental conservation vis-à-vis global warming and other environmental issues.

(Note 7) Regional Bank Integrated Services Center

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

(Note 8) OSA (Open Service Architecture)

It is a standard architecture promoted by the NTT DATA Group that embodies a new financial information technology required in the post-COVID-19 world.

(Note 9) Progmatt services

Currently, the services belong to Progmatt, Inc.

(Note 10) Eight companies including the NTT DATA Group

They refer to NTT DATA Japan Corporation; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Trust & Banking Co., Ltd.; Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; SBI Holdings, Inc.; Japan Exchange Group, Inc.; and Datachain, Inc.

(Note 11) Digital Asset Co-Creation Consortium

This is a framework that aims to promote the co-creation of a new ecosystem across industries targeting overall digital assets. With cooperation from member companies (228 companies as of March 2024), the consortium forms working groups across relevant parties and examines individual projects with a focus on the “Progmatt services.”

(Note 12) Group’s common point program

It means the TOKA STATION POINT, a common reward point program for JR Central group’s in-station commercial facilities and shops.

(Note 13) EX Service

It means the Express Reservation Service and smartEX Service, an online reservation service and ticketless boarding service for the Tokaido, Sanyo, and Kyushu Shinkansen

(Note 14) Launch by NTT DATA

A service line launched in April 2023 in North America region that combines the capabilities of five companies recently acquired

through M&A aiming for expansion of our consulting and digital transformation business and existing capabilities from NTT DATA Services - Modern Applications and User/Customer Experience. By providing offerings such as Digital Experience and IoT, it helps organizations create distinctive digital experiences that drive customer engagement and growth.

(Note 15) MVP (Minimum Viable Product)

A development method in which a cycle of implementing minimum necessary product development, releasing, and receiving effective feedback from users, is repeated to improve the product.

## (2) Analysis on Financial Conditions of the Current Fiscal Year

The assets at the end of this consolidated fiscal year increased by 1,061.2 billion yen to 7,219.4 billion yen from the end of the previous fiscal year due mainly to the increase in property, plant and equipment and goodwill, including the impact of foreign exchange rates. The liabilities increased by 677.2 billion yen to 4,439.0 billion yen from the end of the previous fiscal year due mainly to the increase in interest-bearing debt, including the impact of foreign exchange rates. The equity increased by 384.0 billion yen to 2,780.4 billion yen from the end of the previous fiscal year due mainly to an increase in retained earnings.

## (3) Analysis on Cash Flow of the Current Fiscal Year

Cash and cash equivalents at the end of this consolidated fiscal year were 431.8 billion yen, an increase by 16.4 billion yen from the end of the previous fiscal year.

Cash flows provided by operating activities amounted to 498.8 billion yen (an increase in cash inflow of 148.2 billion yen compared to the previous fiscal year) due mainly to the recording of profit of 145.5 billion yen and depreciation and amortization of 341.5 billion yen, despite payment of income taxes, etc.

Cash flows used in investing activities amounted to 624.5 billion yen (an increase in cash outflow of 302.2 billion yen compared to the previous fiscal year) due mainly to the recording of purchase of property, plant and equipment, and intangible assets of 654.5 billion yen. As a result, the free cash flow was a negative 125.7 billion yen (a positive 28.3 billion yen in the previous fiscal year).

Cash flows provided by financing activities amounted to 109.2 billion yen (a decrease in cash inflow of 26.5 billion yen compared to the previous fiscal year) due mainly to interest-bearing debt financing, despite dividend payments, etc.

The NTT DATA Group's cash flow indicators are summarized as follows.

Indicator	FY2022	FY2023
Debt Equity Ratio (Times)	1.19	1.27

Note: Debt Equity Ratio: Interest-bearing debt / Shareholders' equity (Total net assets – Non-controlling interests)  
Interest-bearing debt consists of Bonds and borrowings, which are a portion of liabilities reported on the Consolidated Statement of Financial Position.

#### (4) Forecast for the Next Term

[Forecast for Fiscal Year Ending March 31, 2025]

In FY2024, we will pursue “growth accompanied by quality” to achieve the targets under the Medium-Term Management Plan (to reach the Global 3rd Stage), which concludes in FY2025.

Net sales are expected to achieve an increase of above 4% excluding the exchange rate impact, due to business growth in Japan and Overseas. Operating profit is expected to increase mainly due to absence of structural transformation costs and sales growth, despite a rise in costs associated with overseas business combination and other factors.

In light of the above, for FY2024, we forecast net sales of 4,430.0 billion yen and operating profit of 336.0 billion yen.

Our segment-by-segment forecast is as follows.

##### (Japan Segment)

We will seek to expand the consulting and digital related projects by establishing offerings that target the business and management issues of various industries and clients. We will also enhance profitability by selecting and focusing on highly profitable projects and limiting unprofitable businesses.

Net sales and operating profit are forecasted to be 1,840.0 billion yen (sales to external clients of 1,780.0 billion yen) and 193.0 billion yen, respectively.

The following are the policies regarding initiatives for each business in the Japan Segment.

##### [Public & Social Infrastructure Business]

As social issues such as the aging population combined with the low birthrate and environmental challenges come to light, the NTT DATA Group will design a society through consulting from users’ perspective with foresight, and to realize this, we will collaborate beyond boundaries between private and public sectors and industries, implement measures including non-IT fields, and build an ecosystem co-created by all associated players, thereby striving to solve social issues while expanding our business at the same time.

##### [Financial Business]

As society has become more digitalized, financial services that cater to daily needs have appeared one after another. Amid such a situation, we have confirmed the necessity for financial systems to balance reliability and progressiveness. Based on our success in migrating the joint-use core banking scheme MEJAR to an open system in January 2024 by adopting PITON, our framework to run core banking systems on open platforms, we will embark on the development of the Integrated Banking Cloud and establish an organizational framework to provide reliable and cutting-edge financial systems. Through these initiatives, we will continue to support safe and secure financial infrastructure permanently to achieve a sustainable society while aiming to develop and expand new financial services that connect industries.

[Enterprise Business]

We will aim to increase the value we offer by taking advantage of our expertise in consultation, payment, and technology. Also, we will bring together insights into industries and draw a picture of an ideal business for the industry and clients together with them, in a foresight-oriented manner.

Additionally, to realize the ideal business, we will consistently offer high value ranging from planning to business transformation by utilizing our advanced and development technologies, aiming to achieve our clients' business transformation and service creation in collaboration with them.

(Overseas Segment)

With the formal formation of NTT DATA, Inc., we are on a cusp of a new chapter of transformation. This includes not only consolidation and streamlining but also modernizing our portfolio with cutting edge services like Gen AI. We will accelerate our pace of innovation and globalize the assets and capabilities across our priority industries and offerings. We will continue to transform our operating model including delivery to meet our clients where they are – global capabilities but with local intimacy. Some of our focus industries globally would include BFSI, Manufacturing/Auto, TMT, Healthcare, Public sector. In addition, we will streamline our corporate functions and continue to be a great place to work for our employees. These initiatives will unlock the full potential of our synergies, delivering the value we promised.

Net sales and operating profit are forecasted to be 2,650.0 billion yen (sales to external clients of 2,640.0 billion yen) and 129.0 billion yen, respectively.

The following are the policies regarding initiatives for each unit in the Overseas Segment.

[North America]

The North American IT market accounts for approximately 40% of the global IT market and is the world's largest IT market. We aim to drive growth (both in existing accounts and winning new accounts) leveraging our modernized portfolio – consulting, Cloud transformation, digital offerings, new Gen AI services etc. – organically and through acquisitions. We will also right size cost structure in line with the revenue.

[EMEA\*]

In EMEA and Latin America, we will focus disproportionately on growing in our key markets like UK, Germany and Spain. We will also invest in services like Digital BPS, CX, Cloud transformation, D&A and Gen AI. At the same time, we will strengthen our delivery capabilities for speed, quality and cost of services.

\*Stands for “Europe, Middle East, Africa and Latin America”

[Asia Pacific]

We expect APAC to be a strong growth market, and we will continue to grow by focusing on both account expansions and new clients acquisition in key markets like India, Australia and Singapore through digital business and ERP related offerings. We also expect inorganic growth in selected strategic areas.

[Global Technology Services]

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

[Business Solutions]

With continued focus on SAP we expect to drive growth through consulting, application and data services. We will enrich our delivery capability through right shoring, automation and use of differentiated IP.

Capital investment in the next term is expected to reach 565.0 billion yen.

NTT DATA manages its business performance on an annual basis only; therefore, no results forecast for the period to the end of the second quarter have been included in this report.

Note: This material contains descriptions of future plans and strategies and of forecasts and projections relating to business performance. These descriptions reflect certain assumptions derived from judgments based on information currently available to the NTT DATA Group. The material also incorporates an unquantifiable degree of risk and uncertainty relating to factors such as economic trends, the fierce competition within the information service industry, market demand, and the tax and other systems. In view of this, excessive reliance should not be placed on these results or forecasts, and it should be noted that actual results may differ from the NTT DATA Group's forecasts.

## **2. The Basic Stance Concerning the Selection of Accounting Standards**

NTT DATA has adopted International Financial Reporting Standards (IFRS) since the 1<sup>st</sup> quarter of the fiscal year ended March 31, 2019. In order to prepare appropriate consolidated financial statements in accordance with IFRS, we have prepared group accounting policies and other information in accordance with IFRS, and have adopted accounting procedures based on these policies.

## **3. Matters Related to Summary Information (Notes)**

### (1) Changes in accounting policies

Effective from the current fiscal year, NTT DATA Group has applied the revision of IAS 12 “Income Taxes” (amended in May 2021).

The amendments narrow the scope of the exemption from initial recognition of deferred taxes, making future additions and subtractions of temporary differences equal for leases and asset retirement obligations, and excluding offsetting transactions. For leases and asset retirement obligations, an entity is required to recognize the related deferred tax assets and deferred tax liabilities at the beginning of the earliest comparative period, with the cumulative effect recognized as an adjustment to the opening balance of retained earnings or other components of equity on that date.

As a result, deferred tax assets and deferred tax liabilities will increase, respectively. However, the deferred tax assets and deferred tax liabilities increased by the revision are offset in the consolidated statement of financial position because there is a legally enforceable right to offset current tax assets and current tax liabilities and the income taxes are imposed on the same taxpayer by the same tax authority. There is no material impact on the opening retained earnings as of April 1, 2022, and the disclosure of the consolidated financial statements due to the application of the amendment.

### (2) Changes in accounting estimates

In the current consolidated fiscal year, the estimated cost was changed because the possibility of economic benefit outflows increased due to new defects that occurred after the time of the total cost calculation. As a result of this change, “Cost of sales,” including provision for loss on order received, has increased by 3,821 million yen in the Japan Segment.

#### **4. Consolidated Financial Statements and major notes**

##### **(1) Consolidated Statement of Financial Position**

(Unit: ¥ million)

	<b>As of March 31, 2023</b>	<b>As of March 31, 2024</b>
Assets		
Current assets		
Cash and cash equivalents	415,359	431,774
Trade and other receivables	1,242,269	1,396,396
Contract assets	123,008	150,738
Inventories	76,221	51,243
Assets held for sale	48,712	4,480
Other financial assets	54,700	62,662
Other current assets	288,680	335,662
Total current assets	2,248,950	2,432,955
Non-current assets		
Property, plant and equipment	1,372,468	1,914,447
Right-of-use assets	234,813	259,883
Goodwill	1,133,559	1,321,773
Intangible assets	653,205	693,716
Investment property	26,953	25,323
Investments accounted for using equity method	31,343	48,758
Other financial assets	136,882	173,358
Deferred tax assets	225,040	234,943
Other non-current assets	94,981	114,271
Total non-current assets	3,909,244	4,786,473
Total assets	6,158,194	7,219,429



(Unit: ¥ million)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	857,632	975,530
Contract liabilities	417,940	480,651
Bonds and borrowings	278,843	755,830
Lease liabilities	64,280	70,096
Other financial liabilities	13,366	21,856
Income taxes payable	43,550	70,646
Provisions	23,098	20,878
Liabilities directly associated with assets held for sale	16,409	978
Other current liabilities	89,186	117,418
<b>Total current liabilities</b>	<b>1,804,303</b>	<b>2,513,881</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	1,453,018	1,419,483
Lease liabilities	204,640	206,105
Other financial liabilities	17,167	19,328
Retirement benefit liability	183,404	170,219
Provisions	10,248	9,714
Deferred tax liabilities	45,466	53,323
Other non-current liabilities	43,583	46,961
<b>Total non-current liabilities</b>	<b>1,957,526</b>	<b>1,925,133</b>
<b>Total liabilities</b>	<b>3,761,829</b>	<b>4,439,015</b>
<b>Equity</b>		
<b>Equity attributable to shareholders of NTT DATA</b>		
Share capital	142,520	142,520
Capital surplus	26,752	25,451
Retained earnings	1,091,214	1,209,212
Treasury shares	(1,034)	(972)
Other components of equity	192,915	342,993
<b>Total equity attributable to shareholders of NTT DATA</b>	<b>1,452,367</b>	<b>1,719,204</b>
Non-controlling interests	943,998	1,061,210
<b>Total equity</b>	<b>2,396,365</b>	<b>2,780,414</b>
<b>Total liabilities and equity</b>	<b>6,158,194</b>	<b>7,219,429</b>

## (2) Consolidated Statement of Income and Statement of Comprehensive Income

### Consolidated Statement of Income

(Unit: ¥ million)

	<b>FY ended March 31, 2023</b>	<b>FY ended March 31, 2024</b>
Net sales	3,490,182	4,367,387
Cost of sales	2,567,948	3,172,421
Gross profit	922,234	1,194,966
Selling, general and administrative expenses	663,124	885,416
Operating profit	259,110	309,551
Finance income	16,388	26,847
Finance costs	33,102	88,100
Share of profit (loss) of investments accounted for using equity method	405	304
Profit before tax	242,800	248,602
Income tax expense	75,929	103,062
Profit	166,871	145,541
Profit attributable to		
Shareholders of NTT DATA	149,962	133,869
Non-controlling interests	16,910	11,671
Total	166,871	145,541

#### Net income per share attributable to shareholders of NTT DATA

Net income per share (yen)	106.95	95.48
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**Consolidated Statement of Comprehensive Income**

(Unit: ¥ million)

	<b>FY ended March 31, 2023</b>	<b>FY ended March 31, 2024</b>
Profit	166,871	145,541
Other comprehensive income (net of taxes)		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	(9,107)	21,719
Remeasurements of defined benefit plans	13,582	15,611
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	(399)	36
Hedge cost	(200)	(210)
Exchange differences on translation of foreign operations	26,043	230,588
Share of other comprehensive income of entities accounted for using equity method	(566)	2,590
Total other comprehensive income (net of taxes)	29,353	270,334
Comprehensive income	196,224	415,875
Comprehensive income attributable to:		
Shareholders of NTT DATA	222,223	300,899
Non-controlling interests	(25,999)	114,976
Total	196,224	415,875

### (3) Consolidated Statement of Changes in Equity

(FY ended March 31, 2023)

(Unit: ¥ million)

	<b>Equity attributable to shareholders of NTT DATA</b>						<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Capital surplus</b>	<b>Retained earnings</b>	<b>Treasury shares</b>	<b>Other</b>	<b>Total</b>		
As of April 1, 2022	142,520	102,340	915,853	(205)	110,365	1,270,874	57,393	1,328,267
Comprehensive income								
Profit	—	—	149,962	—	—	149,962	16,910	166,871
Other comprehensive income	—	—	—	—	72,262	72,262	(42,909)	29,353
Comprehensive income	—	—	149,962	—	72,262	222,223	(25,999)	196,224
Transactions with shareholders								
Dividends of surplus	—	—	(22,875)	—	—	(22,875)	(19,531)	(42,406)
Transfer to retained earnings	—	—	13,384	—	(13,384)	—	—	—
Purchase and disposal of treasury shares	—	—	—	(829)	—	(829)	—	(829)
Increase (decrease) by business combination	—	(75,067)	34,890	—	23,672	(16,505)	930,480	913,975
Changes in ownership interest in subsidiaries	—	(584)	—	—	—	(584)	1,470	886
Stock-based remuneration transaction	—	3,068	—	—	—	3,068	2,423	5,490
Put options written on non-controlling interests	—	(1,936)	—	—	—	(1,936)	(2,122)	(4,058)
Other	—	(1,068)	—	—	—	(1,068)	(117)	(1,185)
Total transactions with shareholders	—	(75,589)	25,399	(829)	10,288	(40,730)	912,604	871,874
As of March 31, 2023	142,520	26,752	1,091,214	(1,034)	192,915	1,452,367	943,998	2,396,365

(FY ended March 31, 2024)

(Unit: ¥ million)

	<b>Equity attributable to shareholders of NTT DATA</b>						<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Capital surplus</b>	<b>Retained earnings</b>	<b>Treasury shares</b>	<b>Other</b>	<b>Total</b>		
As of April 1, 2023	142,520	26,752	1,091,214	(1,034)	192,915	1,452,367	943,998	2,396,365
Comprehensive income								
Profit	—	—	133,869	—	—	133,869	11,671	145,541
Other comprehensive income	—	—	—	—	167,030	167,030	103,304	270,334
Comprehensive income	—	—	133,869	—	167,030	300,899	114,976	415,875
Transactions with shareholders								
Dividends of surplus	—	—	(32,257)	—	—	(32,257)	(3,550)	(35,807)
Transfer to retained earnings	—	—	16,952	—	(16,952)	—	—	—
Purchase and disposal of treasury shares	—	—	—	62	—	62	—	62
Increase (decrease) by business combination	—	—	—	—	—	—	10,487	10,487
Changes in ownership interest in subsidiaries	—	(1,819)	—	—	—	(1,819)	(638)	(2,458)
Stock-based remuneration transaction	—	506	—	—	—	506	281	786
Put options written on non-controlling interests	—	748	—	—	—	748	(410)	339
Other	—	(735)	(566)	—	—	(1,302)	(3,934)	(5,235)
Total transactions with shareholders	—	(1,301)	(15,872)	62	(16,952)	(34,062)	2,236	(31,826)
As of March 31, 2024	142,520	25,451	1,209,212	(972)	342,993	1,719,204	1,061,210	2,780,414

#### (4) Consolidated Statement of Cash Flows

(Unit: ¥ million)

	FY ended March 31, 2023	FY ended March 31, 2024
Cash Flows from Operating Activities		
Profit	166,871	145,541
Depreciation and amortization	273,052	341,541
Interest and dividend income	(11,942)	(21,903)
Interest expenses	29,495	80,054
Share of loss (profit) of investments accounted for using equity method	(405)	(304)
Income tax expense	75,929	103,062
Decrease (increase) in trade and other receivables	(106,234)	(16,427)
Decrease (increase) in contract assets	(12,459)	(21,054)
Decrease (increase) in inventories	985	30,105
Increase (decrease) in trade and other payables	45,279	(22,651)
Increase (decrease) in contract liabilities	11,129	29,985
Increase (decrease) in allowance for contract losses	7,061	(3,060)
Other	(2,507)	(11,366)
Subtotal	476,255	633,523
Interest and dividends received	11,957	21,673
Interest paid	(28,967)	(63,019)
Income taxes refund (paid)	(108,676)	(93,388)
Net cash provided by (used in) operating activities	350,568	498,789
Cash Flows from Investing Activities		
Purchase of property, plant and equipment, and intangible assets	(366,761)	(654,473)
Purchase of other financial assets	(49,178)	(55,179)
Proceeds from sale and redemption of other financial assets	87,732	45,022
Payments for acquisition of subsidiaries	(7,968)	(36,809)
Proceeds from sale of subsidiaries	1,938	71,291
Other	11,955	5,640
Net cash provided by (used in) investing activities	(322,281)	(624,508)
Cash Flows from Financing Activities		
Net increase (decrease) in short-term borrowings	(37,953)	444,669
Proceeds from issuance of bonds and long-term borrowings	386,115	114,929
Redemption of bonds and repayments of long-term borrowings	(106,235)	(333,713)
Repayments of lease liabilities	(58,765)	(76,795)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(4,843)	(4,185)
Dividends paid	(22,872)	(32,254)
Dividends paid to non-controlling interests	(19,513)	(3,547)
Other	(275)	62
Net cash provided by (used in) financing activities	135,659	109,166
Net increase (decrease) in cash and cash equivalents	163,946	(16,553)
Cash and cash equivalents at beginning of period	246,941	415,359
Effect of exchange rate changes on cash and cash equivalents (decrease)	4,473	32,967
Cash and cash equivalents at end of period	415,359	431,774

(5) Notes to Consolidated Financial Statement

(Notes to Going Concern Assumptions)

N/A

(Segment information)

Given the overseas business combination against the backdrop of accelerating efforts towards digital transformation on a global scale and more complex and diverse customer needs, we consider it essential to reconstruct the group management structure and further strengthen governance through speedy decision making in responding to changes in the external environment and local markets, improved mobility, flexible system designs, etc., and have executed the transition to a holding company structure in July 2023.

After transitioning to a holding company structure, NTT DATA, as a holding company, specializes in the formulation and implementation of growth strategies from the perspective of optimizing the entire Group, business management, etc., in order to increase the corporate value of the entire Group.

With the transition to a holding company structure, effective from the current consolidated fiscal year, the reporting segments that were previously “Public & Social Infrastructure,” “Financial,” “Enterprise,” and “Overseas” have been changed to “Japan” and “Overseas.”

The segment information for the previous fiscal year is disclosed based on the reporting segment classification after the change. From the current consolidated fiscal year, results calculation method was changed to appropriate corporate expenses, etc. to reportable segments. Accordingly, such expenses included in the “adjustments” in the previous fiscal year are reclassified and appropriated to each reportable segment.

(Japan)

Mainly providing high-value-added IT services that take into account market characteristics in Japan.

(Overseas)

Mainly providing high-value added IT services that take into account market characteristics in overseas business.

(Segment information)

For the fiscal year ended March 31, 2023

Information regarding net sales, profit or loss by reportable segment

(Unit: ¥ million)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated financial statement amount (Note 3)
	Japan	Overseas	Total				
Net sales							
Sales to outside clients	1,611,699	1,866,131	3,477,830	11,903	3,489,733	449	3,490,182
Intersegment sales and others	42,718	14,220	56,938	66,927	123,866	(123,866)	—
Total	1,654,418	1,880,351	3,534,769	78,830	3,613,599	(123,417)	3,490,182
Operating profit or loss (the number shown in parentheses)	169,946	81,597	251,543	6,586	258,130	980	259,110
					Finance income		16,388
					Finance costs		33,102
					Share of profit (loss) of investments accounted for using equity method		405
					Profit before tax		242,800

Information regarding other items by reportable segment

(Unit: ¥ million)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated financial statement amount (Note 3)
	Japan	Overseas	Total				
Depreciation and amortization	153,878	108,957	262,835	935	263,770	4,001	267,771
Investments in non-current assets	142,332	214,590	356,923	2,007	358,930	22,751	381,681

(Notes) 1. The “Other” category includes subsidiaries and other entities that focus on the Technology Consulting & Solution Segment and businesses that support headquarter division functions.

- (1) Adjustment of operating profit or (loss) totaling 980 million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
- (2) Adjustment of depreciation and amortization totaling 4,001 million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
- (3) Adjustment of investments in non-current assets totaling 22,751 million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
3. Operating profit or loss is adjusted with current operating profit under consolidated statement of income.
4. Investments in non-current assets do not include long-term prepaid expenses, financial instruments, deferred tax assets and assets related to retirement benefits that are not managed by reportable segments.

For the fiscal year ended March 31, 2024

Information regarding net sales, profit or loss by reportable segment

(Unit: ¥ million)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated financial statement amount (Note 3)
	Japan	Overseas	Total				
Net sales							
Sales to outside clients	1,718,378	2,636,275	4,354,653	12,681	4,367,334	53	4,367,387
Intersegment sales and others	38,584	18,273	56,857	71,984	128,842	(128,842)	—
Total	1,756,962	2,654,548	4,411,510	84,665	4,496,175	(128,789)	4,367,387
Operating profit or loss (the number shown in parentheses)	186,735	115,779	302,514	7,284	309,798	(247)	309,551
					Finance income		26,847
					Finance costs		88,100
					Share of profit (loss) of investments accounted for using equity method		304
					Profit before tax		248,602

Information regarding other items by reportable segment

(Unit: ¥ million)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Consolidated financial statement amount (Note 3)
	Japan	Overseas	Total				
Depreciation and amortization	152,476	173,056	325,533	1,588	327,120	11,991	339,111
Investments in non-current assets	175,872	455,900	631,772	4,400	636,173	21,271	657,444

(Notes) 1. The “Other” category includes subsidiaries and other entities that focus on the Technology Consulting & Solution Segment and businesses that support headquarter division functions.

2. (1) Adjustment of operating profit or (loss) totaling (247) million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
- (2) Adjustment of depreciation and amortization totaling 11,991 million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
- (3) Adjustment of investments in non-current assets totaling 21,271 million yen mainly consist of consolidated adjustments not appropriated to each reportable segment.
3. Operating profit or loss is adjusted with current operating profit under consolidated statement of income.
4. Investments in non-current assets do not include long-term prepaid expenses, financial instruments, deferred tax assets and assets related to retirement benefits that are not managed by reportable segments.



## (Business combination)

### Transition to a holding company structure

As of July 1, 2023, the Company transitioned to a holding company structure based on the absorption-type company split agreement with respect to the Company's domestic business (hereafter, the "Absorption-Type Company Split Agreement") approved by the Ordinary General Meeting of Shareholders held on June 20, 2023. The Company transferred the rights and obligations that it has in relation to the domestic business that are prescribed in the Absorption-Type Company Split Agreement to its wholly-owned subsidiary, NTT DATA Japan Preparation Corporation (hereafter, the "Domestic Business Split Preparation Company" or the "Succeeding Company"). As of the same date, the Company changed its trade name to NTT DATA Group Corporation and the Domestic Business Split Preparation Company to NTT DATA Japan Corporation.

### (1) Outline of the transaction

#### (i) Parties to the business combination and details of their businesses

##### a) Splitting company in absorption-type company split

Name: NTT DATA Corporation

Details of business: Consulting, integrated IT solutions, system and software development, maintenance and support, etc.

##### b) Succeeding company in absorption-type company split

Name: NTT DATA Japan Preparation Corporation

Details of business: Preparations, etc. for taking over the business operated by the Company through an absorption-type company split

#### (ii) Business combination date

July 1, 2023

#### (iii) Legal form of the business combination

Absorption-type company split where the Company is the splitting company and the Domestic Business Split Preparation Company, which is a wholly-owned subsidiary of the Company established on November 1, 2022, is the succeeding company.

#### (iv) Allotment to the splitting company

The Domestic Business Split Preparation Company will allot 999 shares of its common stock to the Company as consideration for the absorption-type company split.

#### (v) Rights and obligations succeeded by the Succeeding Company

On the effective date of the absorption-type company split, the Succeeding Company will succeed the assets, liabilities, contractual status, and rights and obligations that the Company has in relation to the domestic business that are prescribed in the Absorption-Type Company Split Agreement.

#### (vi) Name of the company after the business combination

##### a) The splitting company in absorption-type company split

Name: NTT DATA Group Corporation (the Company's trade name will change from NTT DATA Corporation as of July 1, 2023)

##### b) Succeeding company in absorption-type company split

Name: NTT DATA Japan Corporation (the Succeeding Company's trade name will change from NTT DATA Japan Preparation Corporation as of July 1, 2023)

(vii) Objectives and effects of becoming a holding company

Given the overseas business combination against the backdrop of accelerating efforts towards digital transformation on a global scale and more complex and diverse customer needs, we consider it essential to reconstruct the group management structure and further strengthen governance through speedy decision making in responding to changes in the external environment and local markets, improved mobility, flexible system designs, etc., and thus execute the transition to a holding company structure.

After transitioning to a holding company structure, NTT DATA will, as a holding company, specialize in the formulation and implementation of growth strategies from the perspective of optimizing the entire Group, business management, etc., in order to increase the corporate value of the entire Group.

(2) Outline of the accounting treatment implemented

The transition to a holding company structure falls under the business combination involving entities or businesses under common control (a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory). The Company implements the accounting treatment based on book values for transactions under common control.

(Per share information)

	FY ended March 31, 2023	FY ended March 31, 2024
Equity attributable to shareholders of NTT DATA per share	1,035.93 yen	1,226.23
Net income per share	106.95 yen	95.48