

*Note: This document is the English translation of “Dai 36kai jigyou houkoku” (36th Business Report) and is provided solely for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.*

## **BUSINESS REPORT**

(From April 1, 2023 to March 31, 2024)

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

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

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

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 diversity, equity, and inclusion<sup>(Note 3)</sup> through 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 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 Management Innovation Committee as the governance system for promoting domestic and global sustainability management with Senior Executive Vice President and Director 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.

## Progress on Business Activities

To respond to the global acceleration of DX and diversified/sophisticated needs, we have expanded our offerings and cross-selling, taking advantage of our “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.

[Summary of financial results for the 36th fiscal year]

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.



The annual dividend is expected to be 23 yen per share, an increase of 1 yen from FY2022.

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

Items	Year	36th Fiscal Year (FY2023)	
		35th Fiscal Year (FY2022)	
Net sales		3,490.2	4,367.4 +25.1% +877.2
Operating profit		259.1	309.6 +19.5% +50.4
Profit attributable to shareholders of NTT DATA		150.0	133.9 -10.7% -16.1
Annual dividend per share		22	23 +4.5% +1

## Japan

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

<b>Net Sales</b>	1,757.0 Billion Yen (YOY +6.2%)		We utilized the world's cutting-edge best practices and technologies, focusing on five strategies established under the MMP, 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.
<b>Operating Profit</b>	186.7 Billion Yen (YoY +9.9%)		

The activities of each business in the Japan Segment are as follows.

- Public & Social Infrastructure

We operate a business that provides high-value added IT services that play important roles in social infrastructure, such as government, medical, communication, and utility systems as well as in regional development.

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.

## • Financial

We operate a business that provides high-value added IT services that help financial institutions to improve their services and business efficiency.

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 5)</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 6)</sup> concept.

## • Enterprise

We operate a business that provides high-value added IT services that support manufacturers, distributors, and service providers, as well as payment services, provided in collaboration with other IT services.

In April 2023, NTT DATA reorganized its Enterprise business. 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 7)</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 8)</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

Mainly engaged in the business of providing high value-added IT services that take into account market characteristics in global businesses.

<b>Net Sales</b>	2,654.5 Billion Yen (YoY +41.2%)	↗	Aiming to transform our business structure to create synergies globally, we expanded offerings mainly in consultation and digital businesses and increased the profitability in existing business fields by means such as promoting automation, and developing and enhancing digital talent as global basis. Furthermore, we have added NTT Ltd.' strengths in infrastructure and connectivity, such as data center and network services, to our services, which are demanded in accelerating DX environment, to offer comprehensive services on a global scale and have responded to more complex and diverse digital needs of clients.
<b>EBITA</b>	166.5 Billion Yen (YoY +49.2%)	↗	
<b>Operating Profit</b>	115.8 Billion Yen (YoY +41.9%)	↗	

### < 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 9)</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 10)</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.

Overview of a collaboration deal for Hyster-Yale Group

### Selected by Hyster-Yale Group to build traffic management platform





< 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 approximately 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.



●For reference: Breakdown of results by Segment

Japan Segment

(Billions of Yen, %)

			FYE3/2023 Results	FYE3/2024 Results	YoY (Rate)
Net Sales			1,654.4	1,757.0	+6.2%
	Re-post	Public & Social Infrastructure	635.9	692.3	+8.9%
		Financial	662.2	696.2	+5.1%
		Enterprise	505.2	535.2	+5.9%
Operating Profit			169.9	186.7	+9.9%
	Re-post	Public & Social Infrastructure	68.6	89.3	+30.1%
		Financial	68.8	71.4	+3.8%
		Enterprise	51.4	54.4	+5.7%

Overseas Segment

(Billions of Yen, %)

			FYE3/2023 Results	FYE3/2024 Results	YoY (Rate)
Net Sales			1,880.4	2,654.5	+41.2%
	Re-post	North Americas	594.3	586.7	-1.3%
		EMEA&LATAM	692.5	828.5	+19.6%
		NTT Ltd.	582.8	1,241.0	+113.0%
EBITA			111.6	166.5	+49.2%
	Re-post	North Americas	41.9	42.3	+1.0%
		EMEA&LATAM	29.9	37.6	+25.8%
		NTT Ltd.	39.8	88.1	+121.6%

<Failure of the Zengin Data Telecommunications System>

In October 2023, the Zengin Data Telecommunications System, operated by the Japanese Banks' Payment Clearing Network (hereafter, the "Zengin System"), experienced a glitch. We sincerely apologize to the member financial institutions and their customers, as well as our shareholders, for any inconvenience and concern it may have caused.

The NTT DATA Group has completed the full-scale corrective actions to integrate the fixed program. We have taken this failure so seriously and established the Comprehensive System Inspection Task Force, which is led by the President and comprised of experts from various divisions including quality assurance and technical divisions. The Task Force conducted thorough inspections of the Zengin System and other important systems under the supervision of the responsible officer in each field.

The stable operation of systems is the NTT DATA Group's mission. The entire group is committed to developing and operating more reliable systems to further contribute to our clients and society.

Notes:

(Note 1) 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 2) PITON

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

(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) 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 6) 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 7) Group's common point program

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

(Note 8) 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 9) 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 10) 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. 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, 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.

### 3. Challenges to be addressed

[Outlook of the Business Environment]

The social environment is changing every day, and requirements for corporate management are becoming more diverse, in terms of creating a balance between solving social issues, including contribution to the global environment, and improving economic value, including creation of new value. Furthermore, as technology advances, various things and people are connected so that social trends are changing from corporate activities to consumer consumption and lifestyle. These help to diversify and sophisticate clients' needs and continue to increase the importance of IT services. Consequently, the demand environment is expected to grow steadily.

Conversely, there are concerns over an economic downturn as the global monetary tightening and price hikes discourage companies from investing in IT; geopolitical problems are also contributors to these concerns. In the IT market, the competitive environment is still intensifying as the competition with consulting firms continues, and new players are entering the market.

For the Group to continue to contribute to our clients in such an environment, we believe that we must further enhance our competitiveness on a global level and ensure our financial soundness.

[Issues to be Addressed]

#### **Growth of overseas businesses accompanied by quality**

As our overseas businesses are less profitable than our domestic counterparts, we recognize that we must continuously improve their profitability.

#### **Strengthen our competitiveness**

To respond to the increased importance of IT services as symbolized by DX as well as the intensified competitive environment, we recognize the need to promote the acquisition of more digital-related capabilities and other measures.

#### **Investment for business growth**

We recognize the necessity of investment for further business growth and of appropriate investment management that considers investment profitability as well as financial soundness.

#### **Expansion of human resources**

As the competition for acquiring human resources is intensifying worldwide, we recognize the need to transform our environment and culture into those where diverse human resources can play an active role for a long time.

[Addressing the Issues]

#### **Growth of overseas businesses accompanied by quality**

We are working to transform the overseas business structure to enhance both the profitability and competitiveness of the entire overseas business. The overseas EBITA margin\* improved from 8.0% in fiscal 2022 to 8.6% in fiscal 2023. In April 2024, we reorganized the overseas business into three regional units and two global units to aim at achieving an overseas EBITA margin of 10%\* in fiscal 2025 through business growth, including synergy creation, as well as the emerging effects of the overseas business structural transformation.

\*Excluding one-time costs for M&A and structural transformation, etc.

#### **Strengthen our competitiveness**

We will seek to enhance our competitive advantage through continuing thorough implementation of the five strategies in the MMP, and respond to sophisticated needs, technologies, etc.

#### **Investment for business growth**

To establish a virtuous cycle of investment and growth and to achieve business growth toward the Global 3rd Stage, we continue to invest actively in the framework of strategic investments, M&A investments, and data center investments.

The current MMP has greatly expanded the investment limits for strategic investments, which enable the focus technologies and industries to be strengthened and create next-generation businesses. In fiscal 2023, we implemented measures that involved an expenditure of approximately 30 billion yen. In fiscal 2024, too, we continue to make investments of similar size. We will make M&A investments to acquire digital-related capabilities and expand our market share in North America and other major markets. In Japan, we will actively make investments in M&A to enhance consulting, digital technology, and system development capabilities, expand our assets, and further expand our businesses. As for data center investments, since the Group is a data center business operator with a globally high presence and this business is projected to continuously grow in the future, we identify it as a key area in the mid-to-long-term business base and actively invest in it.

Conversely, as the data center business procures its capital investments through interest-bearing debts, financial costs are on the rise. We continue to control the increase in interest-bearing debts in proportion to the increased capability to create EBITDA, with a net debt-to-EBITDA ratio as an indicator of financial soundness.

#### **Expansion of human resources**

In Japan, we will increase and expand digital human resources by utilizing, in addition to the expanded recruitment of new graduates, new employment systems, including the Flexible Grade in which job-based employment is applied to strengthen mid-career employment and the Technical Grade that realizes career paths for specialists, as well as enhancing external branding.

In overseas countries, we are working to secure the human resources required for our global growth strategies by means of M&A, etc.

We also believe that the diverse abilities of thus acquired human resources must be connected to our new competitiveness and increase our responsiveness to increasingly sophisticated needs, technologies, etc. We will therefore expand our systems where human resources can play an active role, establish globally common training menus, and promote interaction among human resources from a mid-to-long-term perspective.

#### 4. Capital Investments

The amount of capital investments and the like in the current consolidated fiscal year is 657,444 million yen (72.2% increase compared to the previous fiscal year). The major component of them was the capital investment for the data center business in the Overseas Segment.

#### 5. External Financing

During the consolidated fiscal year 2023, NTT DATA procured funds to conduct active investments mainly in the data center business, resulting in an interest-bearing debt balance of 2,175.3 billion yen (up 443.5 billion yen compared to the end of the previous fiscal year).

The main source of funding for this fiscal year were short-term and long-term borrowings from NTT FINANCE CORPORATION.

#### 6. Principal Lenders

Name of Lender	Borrowings Outstanding (¥ million)
NTT FINANCE CORPORATION	2,020,759

#### 7. Parent Company and Principal Subsidiaries

##### (1) Relationship with parent company

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

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

##### (2) Principal subsidiaries

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
■ Japan			
Public & Social Infrastructure business			
NTT DATA Japan Corporation	100.0%	Tokyo	Consulting, integrated IT solutions, system/software development, maintenance/support
Financial business			
NTT DATA i CORPORATION	100.0% (100.0%)	Tokyo	System design/development
NTT DATA FINANCIAL TECHNOLOGIES INC.	100.0% (100.0%)	Tokyo	System design/development
NTT DATA CUSTOMER SERVICE CORPORATION	100.0% (100.0%)	Tokyo	Systems operation/maintenance
XNET Corporation <sup>(Note 7)</sup>	51.3% (51.3%)	Tokyo	System sales
Enterprise business			
NTT DATA MSE Corporation	45.0% (Note 3) (45.0%)	Kanagawa Prefecture	System design/development
JSOL Corporation	50.0% (Note 3) (50.0%)	Tokyo	System design/development

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
Netyear Group Corporation	48.5% (Note 3) (48.5%)	Tokyo	SIPS (Strategic Internet Professional Services) business (Note 4)
Other business			
NTT DATA INTRAMART CORPORATION	47.8% (Note 3) (47.8%)	Tokyo	Packaged software sales
■ Overseas Segment			
NTT DATA, Inc.	55.0%	Tokyo	Governance and strategy formulation for global business and promotion of measures
North America			
NTT DATA, Americas, Inc.	100.0% (100.0%)	U.S.A.	Consulting, system design/development
NTT Data International L.L.C.	100.0% (100.0%)	U.S.A.	Supervision of North American operating subsidiaries
NTT DATA Services International Holdings B.V.	100.0% (100.0%)	Nederland	Consulting, system design/development
NTT DATA Services Holdings Corporation	100.0% (100.0%)	U.S.A.	Consulting, system design/development
NTT DATA Services, LLC	100.0% (100.0%)	U.S.A.	Consulting, system design/development
EMEA & LATAM			
NTT DATA Europe & Latam, S.L.U	100.0% (100.0%)	Spain	Supervision of European operating subsidiaries
NTT DATA EMEA LTD.	100.0% (100.0%)	England	Consulting, system design/development
NTT DATA Spain, S.L.U.	100.0% (100.0%)	Spain	Consulting, system design/development
NTT DATA Business Solutions AG	100.0% (100.0%)	Germany	Consulting, system design/development
NTT DATA EUROPE GmbH & CO. KG	100.0% (100.0%)	Germany	Supervision of overseas SAP operating subsidiaries
APAC			
NTT DATA ASIA PACIFIC PTE. LTD.	100.0% (100.0%)	Singapore	Supervision of APAC operating subsidiaries
VietUnion Online Services Corporation	89.1% (89.1%)	Vietnam	Payment Processing Services
NTT Limited	100.0% (100.0%)	England	Provision of IT services and communications and internet-related services for corporations
Dimension Data Investments South Africa (Pty) Ltd	85.0% (85.0%)	South Africa	Management of certain subsidiaries of NTT Ltd. in South Africa
NTT America Holdings II, Inc.	100.0% (100.0%)	U.S.A.	Management of certain subsidiaries of NTT Ltd. in America
NTT Australia Pty Ltd	100.0% (100.0%)	Australia	Provision of ICT Services in Australia and management of certain subsidiaries of NTT Ltd in Australia
NTT Cloud Communications International Holdings SAS	100.0% (100.0%)	France	Provision of teleconference, web conference and video conference services
NTT Cloud Infrastructure Australia Pty Ltd	100.0% (100.0%)	Australia	Provision of ICT Services in Australia

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
NTT Global Data Centers Holding Asia Pte. Ltd.	100.0% (100.0%)	Singapore	Management of certain data center subsidiaries and affiliates of NTT Ltd. in Asia
NTT Global Data Centers EMEA S.a r.l.	100.0% (100.0%)	Luxembourg	Provision of data center-related services in Europe
NTT Security Corporation	100.0% (100.0%)	Tokyo	Provision of professional security services
NTT Singapore Pte. Ltd.	100.0% (100.0%)	Singapore	Provision of ICT Services in Singapore
PT NTT Global Data Centers Indonesia	100.0% (100.0%)	Indonesia	Provision of Data Center services in Indonesia
NTT GLOBAL DATA CENTERS HOLDING ASIA NAV2 PTE. LTD,	70.0% (70.0%)	Singapore	Provision of data center-related services in India
NTT Global Data Centers NAV2 Private Limited	100.0% (100.0%)	India	Provision of data center-related services in India
■ Others			
NTT DATA INTELLILINK CORPORATION	100.0%	Tokyo	System design/development

Notes:

- In addition to the above, there were 563 subsidiaries as of March 31, 2024.
- Figures in parentheses in the column of NTT DATA's voting right ratio show the ratio of indirectly owned voting rights included therein.
- Although the Company owns less than half of the voting interest, it has determined that it substantially controls these companies considering the dispersion of voting rights, nomination rights of directors, and other factors.
- SIPS (Strategic Internet Professional Services) business:  
Business that provides support, etc. for marketing activities based on the internet technology
- There are no subsidiaries that fall under the category of designated wholly-owned subsidiary.
- The Company transferred its domestic business to NTT DATA Japan Preparation Corporation (currently NTT DATA Japan Corporation) through absorption-type company split on July 1, 2023.
- As per the "Notice concerning the result of purchase of treasury shares through ToSTNeT-3, completion of such purchase, and changes in the parent company, major shareholders, and the largest shareholder who is a major shareholder" released on May 1, 2024 by XNET Corporation, NTT DATA Japan Corporation, a subsidiary of the Company, does not fall under the parent company of XNET Corporation any more.



## 8. Employees

Number of Employees (persons) <sup>(Note1)</sup>	Increase (Decrease) Compared with the End of the Previous Fiscal Year (persons)
193,513	(1,593)

### (For reference) Initiatives for promoting diverse human resources

As part of the diversity, equity and inclusion (DEI) initiative, we have promoted women's active engagement. With the expiration of previous action plan and the achievement of the goals, we have formulated the General Employer Action Plan (5 years from April 2021 to March 2026) for NTT DATA Group Corporation, NTT DATA Japan Corporation, and NTT DATA, Inc. (10,065 male employees and 3,362 female employees, total of 13,427 employees (as of the end of FY2023)).

**Goal 1** Aim to retain a female employment rate of over 30% until the end of FY2025

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

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

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

Specifically, we positioned DEI as part of sustainability management efforts, continuously provided all employees with IBT training that covers basic concepts of unconscious bias and diversity management and promotes behavioral change (about 12,000 participants, attendance rate of 100%). We also help employees succeed, for example, by providing training programs to support the career development of female employees, having employees attend external training sessions, and sending messages on promoting the active participation of women in the workplace from officers. Through these ongoing efforts, we have been able to increase the number of female managers, and the number of female executives, which is one of the goals under the General Employer Action Plan, reached 14 in FY2023.

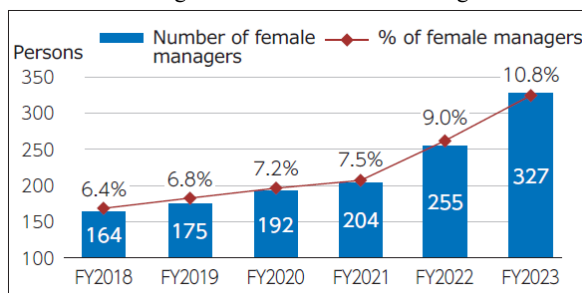
As part of efforts for the active participation of women in the workplace and workstyle reform, we also actively encourage male employees to take childcare leave. The childcare leave ratio among male employees is growing every year and reached 60.3%<sup>(Note 2)</sup>, with an average childcare leave of 86.9 days, at the end of FY2023.

Owing to such initiatives on human resources utilization, in January 2024, we achieved global and Japanese certifications as the Top Employer 2024. We have also been selected as a constituent of the MSCI Japan Empowering Women Index (WIN), a stock price index composed of companies empowering women with high gender diversity scores.

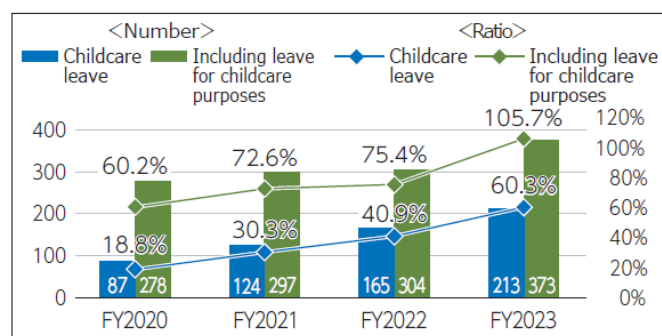
(Note 1) The number of employees above does not include the persons who transferred to other companies from the NTT DATA Group, but includes the persons who transferred to the NTT DATA Group from other companies.

(Note 2) The ratio of male employees taking childcare leave is 60.3%. The ratio of male employees taking childcare leave and leave for childcare purposes is 105.7%.

#### Historical change in number of female managers



#### Historical change in number of male employees taking childcare leave



#### Certified as Top Employer 2024



## 2 MATTERS CONCERNING SHARES

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

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

(Including 464,400 shares held by stock delivery trust under performance-based stock compensation plan and 11,218 shares of treasury stock)

3. Number of shareholders 86,913 persons

### 4. Principal shareholders

Name	Number of Shares Held	Ratio of Shareholding (%) <sup>(Note)</sup>
Nippon Telegraph and Telephone Corporation	809,677,800	57.73
The Master Trust Bank of Japan, Ltd. (Trust Account)	164,437,700	11.72
Custody Bank of Japan, Ltd. (Trust Account)	88,238,818	6.29
HSBC HONGKONG TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	15,565,812	1.11
NTT DATA Employee Share-Holding Association	14,427,100	1.03
JP MORGAN CHASE BANK 385632	14,352,375	1.02
STATE STREET BANK WEST CLIENT TREATY 505234	12,213,872	0.87
JP MORGAN CHASE BANK 380072	9,267,900	0.66
JP MORGAN CHASE BANK 385781	8,732,301	0.62
SSBTC CLIENT OMNIBUS ACCOUNT	7,292,569	0.52

Note: Ratio of Shareholding has been calculated after deducting treasury stock (11,218 shares).

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

Financial Institutions	19.15 %
Securities Companies	1.12 %
Other Companies	58.07 %
Non-Japanese Companies, etc.	15.88 %
Individuals and Others	5.78 %

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

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

Category	Number of Shares	Number of Eligible Officers
Directors (excluding outside directors)	14,966 shares	2

Notes:

- The details of the Company's stock compensation are described in "3. (4) (2) Policies concerning and total remuneration of directors."
- The above number of shares are those that had been issued to the directors of the Company who retired.

## 3 Circumstances of Corporate Governance

### (1) Basic Views on Corporate Governance

The NTT DATA Group aims to establish a business structure that produces stable profits through continuous growth by carrying out the mission to create new paradigms and values with information technology for a more affluent and harmonious society, and also by forecasting future trends to swiftly and accurately respond to the changing market environment, client needs, and the cutting-edge technology trend.

The NTT DATA Group formulated the MMP for FY2022–2025 under this corporate mission. With the aim of creating future-oriented value and connecting people by technology to realize a sustainable society together with our clients, we set the slogan “Realizing a Sustainable Future.”

For “Realizing a Sustainable Future,” we developed our past ESG management into sustainability management and work on nine material issues based on three pillars (Environment, Economy, Society). Based on the idea of “Business with Sustainability” that balances improvement of economic value and creation of social and environmental value, we will continue to pursue business activities that contribute to society.

Furthermore, the NTT DATA Group will play an active role in overcoming the various issues that face society through the appropriate provision of various information services by the Group's officers and employees based on common sense, as well as in complying with laws and contracts in Japan and overseas and in respecting international standards, including those of human rights.

The Company Group has transitioned to a holding company structure in July 2023, and 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, to promote agile business management and appropriate governance.

Under these concepts, NTT DATA is working on the following basic policies in accordance with the purpose of each principle of the Corporate Governance Code to ensure that corporate governance will effectively function: (i) to ensure transparency and soundness in business management; (ii) to achieve appropriate and swift decision-making and business execution; and (iii) to implement compliance thoroughly. The purpose of working on such basic policies is to meet the various expectations of stakeholders, including shareholders, investors, clients, business partners, and employees, and to maximize corporate value.

#### (i) Ensure transparency and soundness in business management

NTT DATA strives to disclose information in a just, fair, and timely manner in accordance with the “Disclosure Policy” based on the “Disclosure Guidelines.” Such disclosure is important in that it enables the market to appraise NTT DATA appropriately. For this reason, NTT DATA holds a meeting for explanation of financial results when financial results are announced quarterly, and often holds other meetings for domestic and international investors and analysts, in order to ensure transparency in business management. NTT DATA places outside directors and directors who are Audit and Supervisory Committee members to reinforce the function of supervising and auditing the fairness in business execution, thereby ensuring soundness in its business management. Furthermore, when transacting with Nippon Telegraph and Telephone Corporation, our parent company; and each company of the NTT Group, we pay attention to maximize the profits of our shareholders.

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

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

(iii) Implement compliance thoroughly

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

(2) Overview of Corporate Governance Structure and Others

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

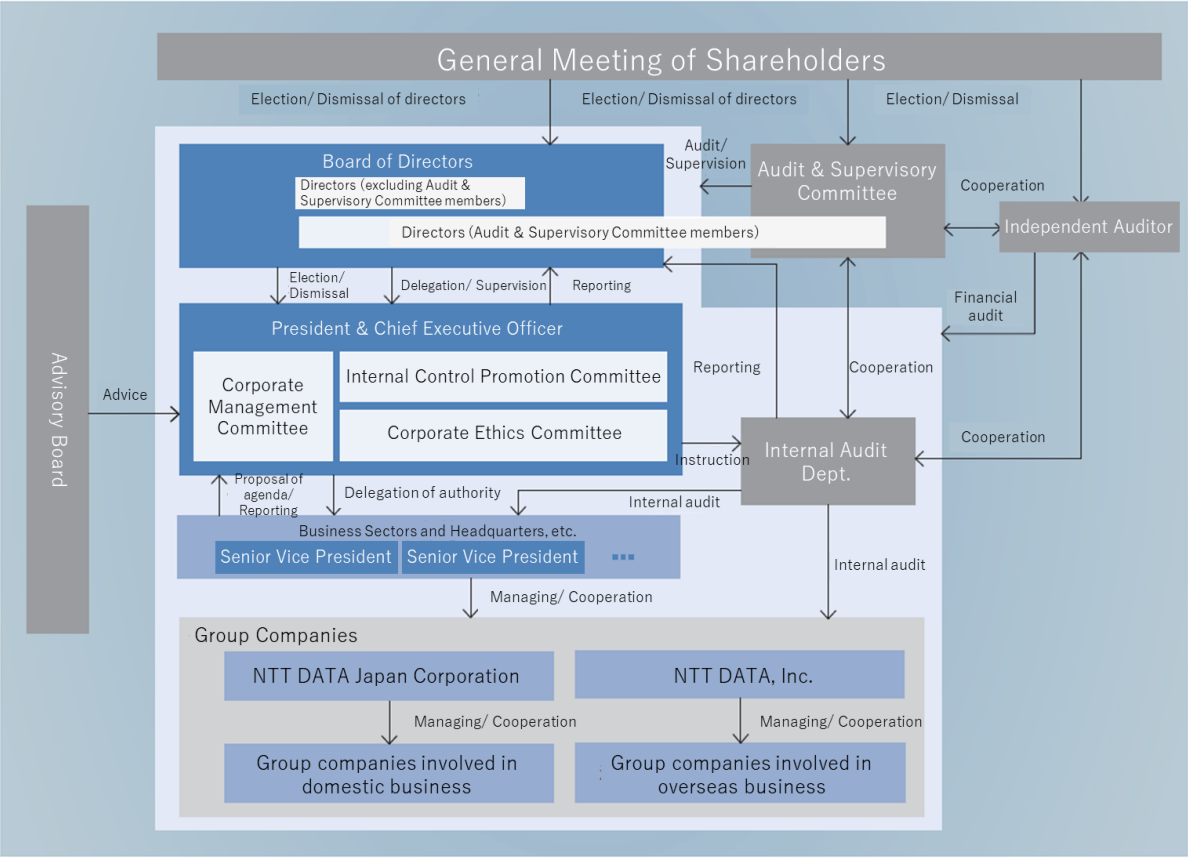
The Board of Directors consists of 13 directors, including 7 independent outside directors, 3 of whom are female directors, and 1 foreign director (as of March 31, 2024.) The Board of Directors engages in decision-making and monitoring of important matters related to corporate management and items stipulated under the laws and regulations by holding an ordinary meeting once a month and extraordinary meetings as necessary.

The Audit and Supervisory Committee consists of 4 outside directors who are Audit and Supervisory Committee members, including 2 female members. In principle, it is held once every month to make decisions on the policies, plans, and methods of the audit as well as other important matters related to the audit. Each of these members participates in important meetings, such as Board of Directors meetings, communicates with directors executing the business as well as outside directors, and implements audits on the status of business execution as appropriate. In addition, a specialized organization (Office for Audit and Supervisory Committee members) is established to support it. With regard to the "election, dismissal, or resignation" and "remunerations, etc." of directors who are not Audit and Supervisory Committee members, NTT DATA allows the responsible officers to explain proposals for the election of directors and the reasons, and the remuneration system and amount of remuneration, and carefully confirms their legality and appropriateness in cooperation with outside directors, so as to serve the purpose of the opinion statement system.

The Corporate Management Committee consists of the President and CEO, Senior Executive Vice Presidents, Executive Vice Presidents, and 12 heads of other related important organizations. It is held once every week in principle to perform smooth and quick decision-making and monitoring on matters related to the Group's business operation. To increase the transparency of decision-making, one director who is an Audit and Supervisory Committee member takes part in the Corporate Management Committee.

The Company's corporate governance structure is presented on the next page.

**(Reference) Corporate Governance Structure**  
 The corporate governance structure of the Company is shown below.

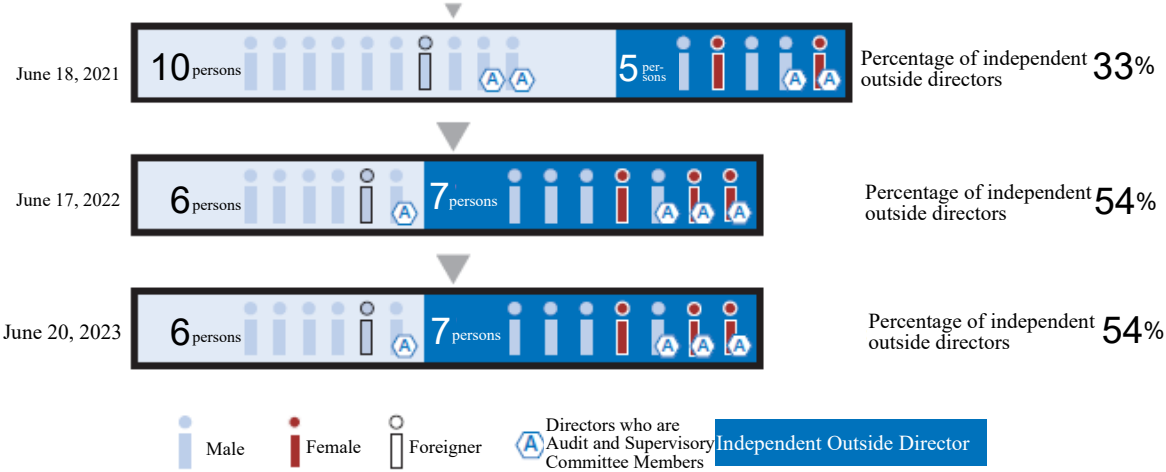


(3) Initiatives to Strengthen the Governance System

The Company appoints individuals with superior character, insight, and management ability to management executives, regardless of age, gender, or nationality, in line with the human resource policy of the Company.

As of June 2023, the Board of Directors consists of thirteen directors, including seven independent outside directors (of which three are female directors) and one non-Japanese director, and the independent outside directors make up the majority of the board.

Changes in the Composition of the Board of Directors



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

##### (1) Names of Directors

Position	Name	Areas of Responsibility and Principal Concurrent Positions
President and CEO, Representative Director	Yo Honma	
Senior Executive Vice President and Representative Director	Yutaka Sasaki	Responsible for Japan Region Responsible for Technology Management President and CEO, Representative Director of NTT DATA Japan Corporation
Senior Executive Vice President and Director	Kazuhiro Nishihata	Responsible for Overseas Region President and CEO, Representative Director of NTT DATA, Inc.
Senior Executive Vice President and Director	Kazuhiko Nakayama	Responsible for Corporate Management
Director Outside director Independent officer	Eiji Hirano	Director of NPR-RIKEN CORPORATION Director of Ichiyoshi Securities Co., Ltd.
Director Outside director Independent officer	Mariko Fujii	Director of Mitsubishi UFJ Financial Group, Inc.
Director	Patrizio Mapelli	Director of the Board, NTT DATA Europe & Latam, S.L.U. Director of NTT DATA, Inc.
Director Outside director Independent officer	Fumihiko Ike	Director of Eisai Co., Ltd. Director of Resona Holdings, Inc.
Director Outside director Independent officer	Shigenao Ishiguro	Chairman & Director of TDK Corporation Director of Ricoh Company, Ltd.

Position	Name	Areas of Responsibility and Principal Concurrent Positions
Director (Full-time Audit and Supervisory Committee Member) <span style="background-color: #90EE90; padding: 2px;">Outside director</span>	Akihiko Okada	Auditor of NTT DATA Japan Corporation
Director (Full-time Audit and Supervisory Committee Member) <span style="background-color: #90EE90; padding: 2px;">Outside director</span> <span style="background-color: #6A5ACD; padding: 2px;">Independent officer</span>	Tomoko Hoshi	Certified Public Accountant Company Auditor of NTT DATA, Inc.
Director (Full-time Audit and Supervisory Committee Member) <span style="background-color: #90EE90; padding: 2px;">Outside director</span> <span style="background-color: #6A5ACD; padding: 2px;">Independent officer</span>	Nobuyuki Tainaka	
Director (Audit and Supervisory Committee Member) <span style="background-color: #90EE90; padding: 2px;">Outside director</span> <span style="background-color: #6A5ACD; padding: 2px;">Independent officer</span>	Mitsuko Inamasu	Lawyer Audit & Supervisory Board Member of Seven & i Holdings Co., Ltd.

(Note 1) Directors Shigeki Yamaguchi and Toshi Fujiwara retired after their term expired at the conclusion of the 35th Ordinary General Meeting of Shareholders held on June 20, 2023.

(Note 2) Director (full-time Audit and Supervisory Committee member) Katsura Sakurada resigned at the conclusion of the 35th Ordinary General Meeting of Shareholders held on June 20, 2023.

(Note 3) In the current fiscal year, Director Yo Honma retired from the post of President and Representative Director of NTT DATA Japan Preparation Corporation (currently, NTT DATA Japan Corporation), Director Eiji Hirano retired from the post of Director of RIKEN CORPORATION, and Director Patrizio Mapelli retired from the post of Chairman of the Board of Directors of Eurotech S.p.A. and Director of the Board of NTT DATA EMEA LTD.

(Note 4) The Company has entered into agreements with Directors Eiji Hirano, Mariko Fujii, Fumihiko Ike, and Shigenao Ishiguro and four directors who are Audit and Supervisory Committee members, limiting their liability for damage compensation pursuant to Article 423 (1) of the Companies Act under Article 427 (1) of the Act. The maximum amount of compensation shall be the minimum liability amount prescribed in Article 425 (1) of the Companies Act.

(Note 5) The Company has concluded a directors and officers liability insurance contract with an insurance firm, as stipulated in Article 430(3)-1 of the Companies Act, which covers liability for damages and litigation costs incurred by an insured person that arises from compensation claims to the insured person for damages due to the insured person's acts, including inaction, in the use of his or her position as a corporate officer, etc. However, the Company takes measures to ensure that any damage suffered by an insured person as a result of his or her commitment to criminal activities such as giving or accepting a bribe or intentional conduct of illegal activities is not covered by the insurance so that the properness of duties of corporate officers will not be impaired by the contract.

The insurance covers all directors (including directors who are Audit and Supervisory Committee members), company auditors, and Senior Vice Presidents of the Company, as well as of NTT DATA Japan Corporation and NTT DATA, Inc., which are subsidiaries of the Company.

(Note 6) To ensure the effectiveness of audits through attendance to meetings on internal control and gathering of information, the Company selects Full-time Audit and Supervisory Committee members.

(Note 7) Director (full-time Audit and Supervisory Committee member) Akihiko Okada, who has worked in the financial division of Nippon Telegraph and Telephone Corporation, has considerable expertise in finance and accounting. Director (full-time Audit and Supervisory Committee member) Tomoko Hoshi, who is a certified public accountant, has considerable expertise in finance and accounting.

(Note 8) Director Eiji Hirano also works for Ichiyoshi Securities Co., Ltd., with which the Company and/or its major subsidiaries\* have a business relationship. However, the transaction value is below 1% of the combined annual net sales of the Company and its major subsidiaries\* in the current fiscal year. Director Mariko Fujii also works for Mitsubishi UFJ Financial Group, Inc., with which the Company and/or its major subsidiaries\* have a business relationship. However, the transaction value is below 1% of the combined annual net sales of the Company and its major subsidiaries\* in the current fiscal year. Director Fumihiko Ike also works for Eisai Co., Ltd. and Resona Holdings, Inc. The Company and/or its major subsidiaries\* have a business relationship with both of them, and each of their transaction values is below 1% of the combined annual net sales of the Company and its major subsidiaries\* in the current fiscal year. Director Shigenao Ishiguro also works for Ricoh Company, Ltd., with which the Company and/or its major subsidiaries\* have a business relationship. However, the transaction value is below 1% of the combined annual net sales of the Company and its major subsidiaries\* in the current fiscal year. Director (Audit and Supervisory Committee member) Mitsuko Inamasu also works for Seven & i Holdings Co., Ltd., with which the Company and/or its major subsidiaries\* have a business relationship. However, the transaction value is below 1% of the combined annual net sales of the Company and its major subsidiaries\* in the current fiscal year.

\*Means NTT DATA Japan Corporation and NTT DATA, Inc.



## (2) Policies concerning and total remuneration of directors

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

At the Board of Directors meeting held on May 11, 2023, a new policy regarding the decision on the content of individual remuneration of directors (hereinafter referred to as the “Determining Policy”) was resolved. The Determining Policy is as follows.

As for policies, composition, and standard of remuneration of our directors who are not Audit and Supervisory Committee members, NTT DATA explains the policy for determining remunerations for directors to the parent company, independent outside directors, and directors who are Audit and Supervisory Committee members to ensure objectivity and transparency. Upon receiving their appropriate advice, the Board of Directors consisting of 13 directors, including seven independent outside directors, determines the amount of remuneration within the limits resolved at a shareholders' meeting. With regard to remunerations for individual directors, Yo Honma, the President and CEO, and Representative Director, delegated by the Board of Directors, shall determine them. The reason for delegating the authority to the President and CEO, and Representative Director, is that we believe that this would enable appropriate decisions to be made while viewing the Company's overall performance. In the delegation of the authority, the Company takes measures to make the authority exercised while respecting the opinions of outside directors and the right of the Audit and Supervisory Committee to express opinions on remuneration, so as to make sure that the authority is exercised properly.

The remuneration for individual directors who are not Audit and Supervisory Committee members (excluding outside directors) consists of monthly remuneration (basic remuneration) and bonuses (short-term performance-based remuneration) as well as stock purchasing through the Executive Shareholding Association and stock compensation (medium- and long-term performance-based compensation). Monthly remuneration is a fixed monthly remuneration provided in accordance with the duties and scope of responsibility of each director's position. Bonuses are provided in June every year in consideration of the Company's performance in the current fiscal year. The performance indicators for bonuses are based on the targets set out in the MMP. The reason for this is to clarify the link between the remuneration of directors and the corporate value of the Company and increase the motivation towards achieving the targets in the MMP. Bonuses are calculated by converting the degree of year-on-year improvement for each target or the degree of achievement of the plan into a payment rate using a method predetermined for each indicator, weighting it based on the weight of each indicator, and then multiplying it by the standard amount of bonus for each position. (Please refer to [Performance Indicators for Bonuses]).

Regarding the acquisition of our own shares, to reflect the medium- to long-term performance, full-time directors are required to purchase the Company's stock through the Executive Shareholding Association by paying certain amount of money every month. They must hold all of the purchased stocks while in office. As for stock compensation, points are granted through a trust designated by NTT DATA in June every year in accordance with the position of each director. Moreover, a performance-based coefficient is decided based on the achievement levels of the performance indicators in June in the year after the final year of the MMP. Then, the number of stocks granted is calculated by multiplying the performance-based coefficient by accumulated points. The stocks shall be granted at the time of retirement of the director. We have selected consolidated net sales and consolidated operating profit margin, both of which are permanent core financial indicators in the MMP, as performance indicators of stock compensation.

The remuneration composition in a standard performance case is approximately 50% for fixed remuneration, 30% for short-term performance-based remuneration, and 20% for medium- and long-term performance-based remuneration.

The remuneration for a director who concurrently serves as a director of a group company is determined and paid by the group company in accordance with the duties and scope of responsibilities of the director's position and is based on how the director executed his or her operations.

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

The outline of the policy regarding the decision on the content of individual remuneration of directors who are not Audit and Supervisory Committee members is as described above. The resolution is based on the advice of the independent outside directors, directors who are Audit and Supervisory Committee members, and the parent company from various perspectives, and it is judged that the content of individual remuneration of the directors for the current fiscal year is in line with the Determining Policy.

The remuneration for directors who are Audit and Supervisory Committee members shall be determined by directors who are Audit and Supervisory Committee members after consultation. To ensure a high degree of independence, their remuneration is not linked to business results, and the directors receive monthly remuneration only.

[Performance Indicators for Bonuses]

The Company sets the financial targets set forth in the MMP as performance indicators, and evaluates them based on the degree of improvement over the previous year and the degree of achievement of the plan. Bonuses are calculated by converting each performance indicator into a payment rate using a method predetermined for each indicator, weighting each payment rate based on the evaluation weights specified in the table below, and then multiplying this by the standard amount of bonus for each position.

Divisions	Key Performance Indicators	Evaluation weight	Evaluation method
Financial indicators	EBITDA	25%	Year-on-year improvement
	Operating profit	10%	
Sustainability indicators	Employee engagement rate	2.5%	
Divisions	Key Performance Indicators	Evaluation weight	Evaluation method
Financial indicators	EBITDA	25%	Plan achievement
	Operating profit	10%	
	Overseas operating profit ratio	10%	
	ROIC	2.5%	
	Capital investment (only DC)	2.5%	
Sustainability indicators	Greenhouse gas emissions	5%	
	B2B2X revenue amount	2.5%	
	Appointment rate of new female managers	5%	

We will continue to use the indicators listed in the MMP as the performance indicators for bonuses in FY2024 and beyond.

Divisions	Key Performance Indicators	Evaluation weight	Divisions
Financial indicators	EBITDA	25%	Year-on-year improvement
	Operating profit	10%	
Sustainability indicators	Employee engagement rate	3.75%	
Divisions	Key Performance Indicators	Evaluation weight	Divisions
Financial indicators	EBITDA	25%	Plan achievement
	Operating profit	10%	
	Overseas operating profit ratio	10%	
	ROIC	2.5%	
	Capital investment (only DC)	2.5%	
Sustainability indicators	Greenhouse gas emissions	7.5%	
	Appointment rate of new female managers	3.75%	

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

The table below shows the total amount of remuneration, etc. for directors for the current fiscal year, including performance-based remuneration based on the results of each indicator. The performance indicators for bonuses for directors who are not Audit and Supervisory Committee members (excluding outside directors) mentioned above have achieved the targets for EBITDA, operating profit, overseas operating profit ratio, ROIC, capital investment, greenhouse gas emissions, and B2B2X revenue amount, but have not achieved the goal for appointment rate of new female manager as it fell slightly short of the target figure.

Position	Number of persons	Total amount of remuneration	Fixed	Short term	Mid-to-long term	
			Fixed remuneration (Monthly remuneration)	Performance-based remuneration (Bonus)	Compensation for stock acquisition purposes	Performance-based compensation (Stock compensation)
Directors who are not Audit and Supervisory Committee members	11 persons	325 million yen	192 million yen	92 million yen	14 million yen	26 million yen
Directors who are Audit and Supervisory Committee members	5 persons	122 million yen	122 million yen	-	-	-
Total	16 persons	447 million yen	315 million yen	92 million yen	14 million yen	26 million yen

(Note 1) The table above includes two directors who are not Audit and Supervisory Committee members and one director who is an Audit and Supervisory Committee member, retired at the conclusion of the 35th Ordinary General Meeting of Shareholders held on June 20, 2023.

(Note 2) Regarding the amount of remuneration for directors who are not Audit and Supervisory Committee members, at the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021, a proposal was resolved as follows: (1) Amount of monetary compensation: up to 460 million yen per year (including the maximum amount for outside directors of 50 million yen); (2) Amount to be paid to directors to fund the acquisition of the Company's shares through the executive stockholding association: up to 30 million yen per year; and (3) Money contributed to the performance-based stock compensation plan: up to 90 million yen per year. However, at the 34th Ordinary General Meeting of Shareholders held on June 16, 2022, a proposal was adopted to change the maximum monetary compensation for outside directors (1) to 80 million yen. At the end of the General Meeting of Shareholders, there were nine directors (including four outside directors) who are not Audit and Supervisory Committee members.

(Note 3) For the 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 were four directors who are Audit and Supervisory Committee members.

(Note 4) The amount of stock compensation paid is the amount calculated by multiplying the number of points confirmed to be granted for the current period by the market price (2,115 yen per share) when the trust acquired the Company's shares.

### (3) Outside Directors

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

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

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

Position	Name	Board of Directors meetings	Audit and Supervisory Committee meetings	Main activities
		No. of attendances (Attendance rate)	No. of attendances (Attendance rate)	
Outside directors who are not Audit and Supervisory Committee members	Eiji Hirano	18/18 (100%)	— (—)	At the Board of Directors’ meetings, Mr. Hirano gives opinions necessary for deliberation of the agenda from a standpoint independent from the Company’s executives, based on his rich experience in finance and extensive insight into financial affairs and international finance. He also gives advice based on his experience and insight outside the Board of Directors’ meetings. He thus fulfills his role as an outside director.
	Mariko Fujii	18/18 (100%)	— (—)	At the Board of Directors’ meetings, Ms. Fujii gives opinions necessary for deliberating the agendas from a standpoint independent from the Company’s executives, based on her extensive insight and rich experience nurtured through research on administrative affairs and economics as well as diplomacy. She also gives advice based on her experience and insight outside the Board of Directors’ meetings. She thus fulfills her role as an outside director.
	Fumihiko Ike	18/18 (100%)	— (—)	At the Board of Directors’ meetings, Mr. Ike gives opinions necessary for deliberating the agendas from a standpoint independent from the Company’s executives, based on his rich experience in global business management and extensive insight of IT. He also gives advice based on his experience and insight outside the Board of Directors’ meetings. He thus fulfills his role as an outside director.
	Shigenao Ishiguro	18/18 (100%)	— (—)	At the Board of Directors’ meetings, Mr. Ishiguro gives opinions necessary for deliberating the agendas from a standpoint independent from the Company’s executives, based on his rich experience in global business management and extensive insight of IT. He also gives advice based on his experience and insight outside the Board of Directors’ meetings. He thus fulfills his role as an outside director.

Position	Name	Board of Directors meetings	Audit and Supervisory Committee meetings	Main activities
		No. of attendances (attendance rate)	No. of attendances (attendance rate)	
Outside directors who are Audit and Supervisory Committee members	Akihiko Okada	18/18 (100%)	25/25 (100%)	At the Board of Directors' meetings, Mr. Okada gives opinions from a standpoint independent from the Company's executives, in the aspect of compliance with laws and regulations and articles of incorporation, based on his rich achievements in corporate management at the NTT Group and experience in financial and sales departments. He also carries out supervision and gives advice based on his experience and insight outside the Board of Directors' meetings. He thus fulfills his role as an outside director.
	Tomoko Hoshi	18/18 (100%)	25/25 (100%)	At the Board of Directors' meetings, Ms. Hoshi gives opinions from a standpoint independent from the Company's executives, in the aspect of compliance with laws and regulations and articles of incorporation, based on her rich experience and extensive insight in global financial affairs, accounting, and internal control audit acquired through her long service at an audit corporation. She also carries out supervision and gives advice based on her experience and insight outside the Board of Directors' meetings. She thus fulfills her role as an outside director.
	Nobuyuki Tainaka	15/15 (100%)	19/19 (100%)	At the Board of Directors' meetings, Mr. Tainaka gives opinions from a standpoint independent from the Company's executives, in the aspect of compliance with laws and regulations and articles of incorporation, based on his extensive insight in legal affairs and rich experience in promotion and management of human resources and organizational restructuring. He also carries out supervision and gives advice based on his experience and insight outside the Board of Directors' meetings. He thus fulfills his role as an outside director.
	Mitsuko Inamasu	17/18 (94%)	25/25 (100%)	At the Board of Directors' meetings, Ms. Inamasu gives opinions from a standpoint independent from the Company's executives, in the aspect of compliance with laws and regulations and articles of incorporation, based on her insight in legal affairs related to IT information acquired through her long service as a lawyer and her rich experience as an auditor of other companies. She also carries out supervision and gives advice based on her experience and insight outside the Board of Directors' meetings. She thus fulfills her role as an outside director.

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

Position	Number of persons	Total amount of remuneration	Fixed	Short term	Mid-to-long term	
			Fixed remuneration (Monthly remuneration)	Performance-based remuneration (Bonus)	Compensation for stock acquisition purposes	Performance-based compensation (Stock compensation)
Directors who are not Audit and Supervisory Committee members	4 persons	53 million yen	53 million yen	-	-	-
Directors who are Audit and Supervisory Committee members	5 persons	122 million yen	122 million yen	-	-	-
Total	9 persons	175 million yen	175 million yen	-	-	-

Note: The above is included in the section “(2).(b) Total amount of remuneration, etc. for directors for the current fiscal year.”

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

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

Key Matters for Resolution/Report	Key Matters Discussed
<ul style="list-style-type: none"> <li>• Matters related to transition to a holding company structure</li> <li>• Matters related to overseas structural transformation</li> <li>• Matters related to funding and investments</li> <li>• Matters concerning cross-shareholdings</li> <li>• Result of actions related to internal control and plans for the next fiscal year</li> <li>• Result of internal audit and plans for the next fiscal year</li> <li>• Monitoring of key projects</li> <li>• Report on IR activities and opinions of investors</li> </ul>	<ul style="list-style-type: none"> <li>• Matters related to transition to a holding company structure</li> <li>• M&amp;A Strategy</li> <li>• Data center business strategy</li> <li>• Investment and financial strategies</li> <li>• Human resources strategy</li> <li>• Sustainability strategy</li> <li>• Technology strategy</li> <li>• Global governance</li> <li>• IT services market trends</li> <li>• Evaluation of the effectiveness of the Board of Directors</li> </ul>

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

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

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

The total amount of cross-shareholdings recorded on the balance sheet as of the end of FY2023 was 84.4 billion yen, and the ratio of cross-shareholdings to consolidated net assets was 3.0%.

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

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

Furthermore, to improve the function of the Board of Directors and therefore the Company's corporate value, we have been carrying out self-evaluation and analysis regarding the effectiveness of the Board of Directors' meetings since FY2016. In FY2023, we conducted a questionnaire to all directors (including Audit and Supervisory Committee members), and based on the report on the result from an external organization, held individual interviews with outside directors and a foreign-national director to deepen the analysis, discussion, and evaluation while also taking into account advice from multiple external organizations. We reported the evaluation results to the Board of Directors, which then verifies the report and discusses policies for further improvement.

	Result of the effectiveness of measures in each fiscal year	Key measures for the next fiscal year
FY2021	Received a certain level of evaluation for enabling sufficient discussions on the management strategies and plans during the Board of Directors meetings by setting up meetings dedicated to discussing strategies, narrowing down the agenda items, providing careful prior explanations, and setting opportunities to provide information to outside directors outside the Board of Directors meetings.	<ul style="list-style-type: none"> <li>• Implement strategic discussions based on the annual plan</li> <li>• Strengthen monitoring of investee companies</li> <li>• Enhance communication opportunities for executives and outside directors</li> <li>• Provide opportunities to deepen knowledge and on-site understanding of IT / digital</li> </ul>
FY2022	Received a certain level of evaluation for making independent outside directors account for the majority of directors to strengthen the supervision function; vitalizing discussion on management strategies at the Board of Directors' meetings, including setting up meetings dedicated to discussing strategies; and providing training, event participation opportunities, and discussions with executive members to outside directors to deepen their understanding of the Company.	<ul style="list-style-type: none"> <li>• Strengthen monitoring under the holding company structure</li> <li>• Promote further understanding of overseas businesses</li> <li>• Enhance strategic discussions on highly important themes and topics</li> </ul>
FY2023	Received a certain level of evaluation for establishing a process to ensure smooth information distribution and escalation decisions, holding strategic discussions of high importance on an ongoing basis, and deepening understanding of the Company by providing outside directors with opportunities to participate in events and exchange opinions with the President and CEO and Senior Executive Vice Presidents, in order to implement appropriate monitoring under the holding company structure.	<ul style="list-style-type: none"> <li>• Improve group governance in a holding company structure</li> <li>• Strengthen discussions on management issues and strategies under the holding company structure</li> <li>• Share accurate information on market trends and overseas business conditions and strengthen discussions on overseas strategies</li> </ul>

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

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

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

# Consolidated Financial Statements

## Consolidated Statement of Financial Position

(Unit: ¥ million)

By fiscal year	36th FY (As of March 31, 2024)	[Reference] 35th FY (As of March 31, 2023)	By fiscal year	36th FY (As of March 31, 2024)	[Reference] 35th FY (As of March 31, 2023)
Account title			Account title		
Assets			Liabilities		
Current assets	2,432,955	2,248,950	Current liabilities	2,513,881	1,804,303
Cash and cash equivalents	431,774	415,359	Trade and other payables	975,530	857,632
Trade and other receivables	1,396,396	1,242,269	Contract liabilities	480,651	417,940
Contract assets	150,738	123,008	Bonds and borrowings	755,830	278,843
Inventories	51,243	76,221	Lease liabilities	70,096	64,280
Assets held for sale	4,480	48,712	Other financial liabilities	21,856	13,366
Other financial assets	62,662	54,700	Income taxes payable	70,646	43,550
Other current assets	335,662	288,680	Provisions	20,878	23,098
Non-current assets	4,786,473	3,909,244	Liabilities directly associated with assets held for sale	976	16,409
Property, plant and equipment	1,914,447	1,372,468	Other current liabilities	117,418	89,186
Right-of-use assets	259,883	234,813	Non-current liabilities	1,925,133	1,957,526
Goodwill	1,321,773	1,133,559	Bonds and borrowings	1,419,483	1,453,018
Intangible assets	693,716	653,205	Lease liabilities	206,105	204,640
Investment property	25,323	26,953	Other financial liabilities	19,328	17,167
Investments accounted for using equity method	48,758	31,343	Retirement benefit liability	170,219	183,404
Other financial assets	173,358	136,882	Provisions	9,714	10,248
Deferred tax assets	234,943	225,040	Deferred tax liabilities	53,323	45,466
Other non-current assets	114,271	94,981	Other non-current liabilities	46,961	43,583
			<b>Total liabilities</b>	<b>4,439,015</b>	<b>3,761,829</b>
			Equity		
			Equity attributable to shareholders of NTT DATA		
			Share capital	142,520	142,520
			Capital surplus	25,451	26,752
			Retained earnings	1,209,212	1,091,214
			Treasury shares	(972)	(1,034)
			Other components of equity	342,993	192,915
			Total equity attributable to shareholders of NTT DATA	1,719,204	1,452,367
			Non-controlling interests	1,061,210	943,998
			<b>Total equity</b>	<b>2,780,414</b>	<b>2,396,365</b>
<b>Total assets</b>	<b>7,219,429</b>	<b>6,158,194</b>	<b>Total liabilities and equity</b>	<b>7,219,429</b>	<b>6,158,194</b>

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



## Consolidated Statements of Income

(Unit: ¥ million)

Account title	By fiscal year	36th FY (2023/4/1-2024/3/31)	[Reference] 35th FY (2022/4/1-2023/3/31)
Net sales		4,367,387	3,490,182
Cost of sales		3,172,421	2,567,948
Gross profit		1,194,966	922,234
Selling, general and administrative expenses		885,416	663,124
Operating profit		309,551	259,110
Finance income		26,847	16,388
Finance costs		88,100	33,102
Share of profit (loss) of investments accounted for using equity method		304	405
Profit before tax		248,602	242,800
Income tax expense		103,062	75,929
Profit		145,541	166,871
Profit attributable to			
Shareholders of NTT DATA		133,869	149,962
Non-controlling interests		11,671	16,910

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

# Non-Consolidated Financial Statements

## Non-Consolidated Balance Sheets

(Unit: ¥ million)

By fiscal year	36th FY	[Reference]	By fiscal year	36th FY	[Reference]
Account title	(As of March 31, 2024)	35th FY (As of March 31, 2023)	Account title	(As of March 31, 2024)	35th FY (As of March 31, 2023)
<b>(Assets)</b>			<b>(Liabilities)</b>		
Current assets	204,991	569,401	Current liabilities	240,039	649,519
Cash and deposits	5,044	27,066	Accounts payable -trade	11,912	111,944
Accounts receivable - trade	34,696	285,899	Contract liability	125	194,204
Lease investment assets	-	25,940	Short-term borrowings	1,150	7,450
Contract assets	-	46,003	Current portion of long- term borrowings	-	53,037
Inventories	539	11,948	Current portion of bonds	-	25,000
Prepaid expenses	4,457	32,250	Lease obligations	12	140
Other	160,333	140,523	Accounts payable -other	18,647	31,130
Allowance for doubtful accounts	(78)	(229)	Accrued expenses	2,096	12,910
Non-current assets	1,379,541	1,982,112	Income taxes payable	-	947
Property, plant and equipment	165,437	281,648	Deposits received	203,174	201,586
Data communication facilities	202	91,440	Provision for loss on order received	-	7,627
Buildings	81,909	79,972	Asset retirement obligations	565	97
Structures	2,379	2,145	Other	2,358	3,448
Machinery, equipment and vehicles	15,901	12,419	Non-current liabilities	107,453	663,268
Tools, furniture and fixtures	6,338	14,649	Long-term borrowings	-	506,378
Land	55,743	55,743	Lease obligations	22	259
Leased assets	31	334	Provision for retirement benefits	23,385	110,508
Construction in progress	2,935	24,944	Asset retirement obligations	798	1,255
Intangible assets	59,400	369,303	Special account for shares arising from restructuring	40,136	-
Software	12,483	267,255	Other	43,113	44,868
Software in progress	46,744	99,996	<b>Total liabilities</b>	<b>347,493</b>	<b>1,312,787</b>
Other	173	2,052	<b>(Net assets)</b>		
Investments and other assets	1,154,703	1,331,161	Shareholders' equity	1,235,520	1,208,106
Investment securities	4,122	56,213	Share capital	142,520	142,520
Shares of subsidiaries and associates	1,001,693	1,074,153	Capital surplus	139,300	139,300
Investments in other securities of subsidiaries and associates	17,431	19,470	Legal capital surplus	139,300	139,300
Long-term loans receivable	-	690	Retained earnings	954,672	927,319
Long-term loans receivable from subsidiaries and associates	58,829	66,599	Legal retained earnings	2,288	2,288
Deferred tax assets	62,729	66,256	Other retained earnings	952,384	925,031
Other	11,595	49,567	Reserve for reduction entry	22	49
Allowance for doubtful accounts	(1,695)	(1,787)	General reserve	288,000	288,000
			Retained earnings brought forward	664,362	636,983
			Treasury shares	(972)	(1,034)
			Valuation and translation adjustments	1,519	30,619
			Valuation difference on available-for-sale securities	1,722	30,816
			Deferred gains or losses on hedges	(202)	(196)
			<b>Total net assets</b>	<b>1,237,039</b>	<b>1,238,725</b>
<b>Total assets</b>	<b>1,584,532</b>	<b>2,551,512</b>	<b>Total liabilities and net assets</b>	<b>1,584,532</b>	<b>2,551,512</b>

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

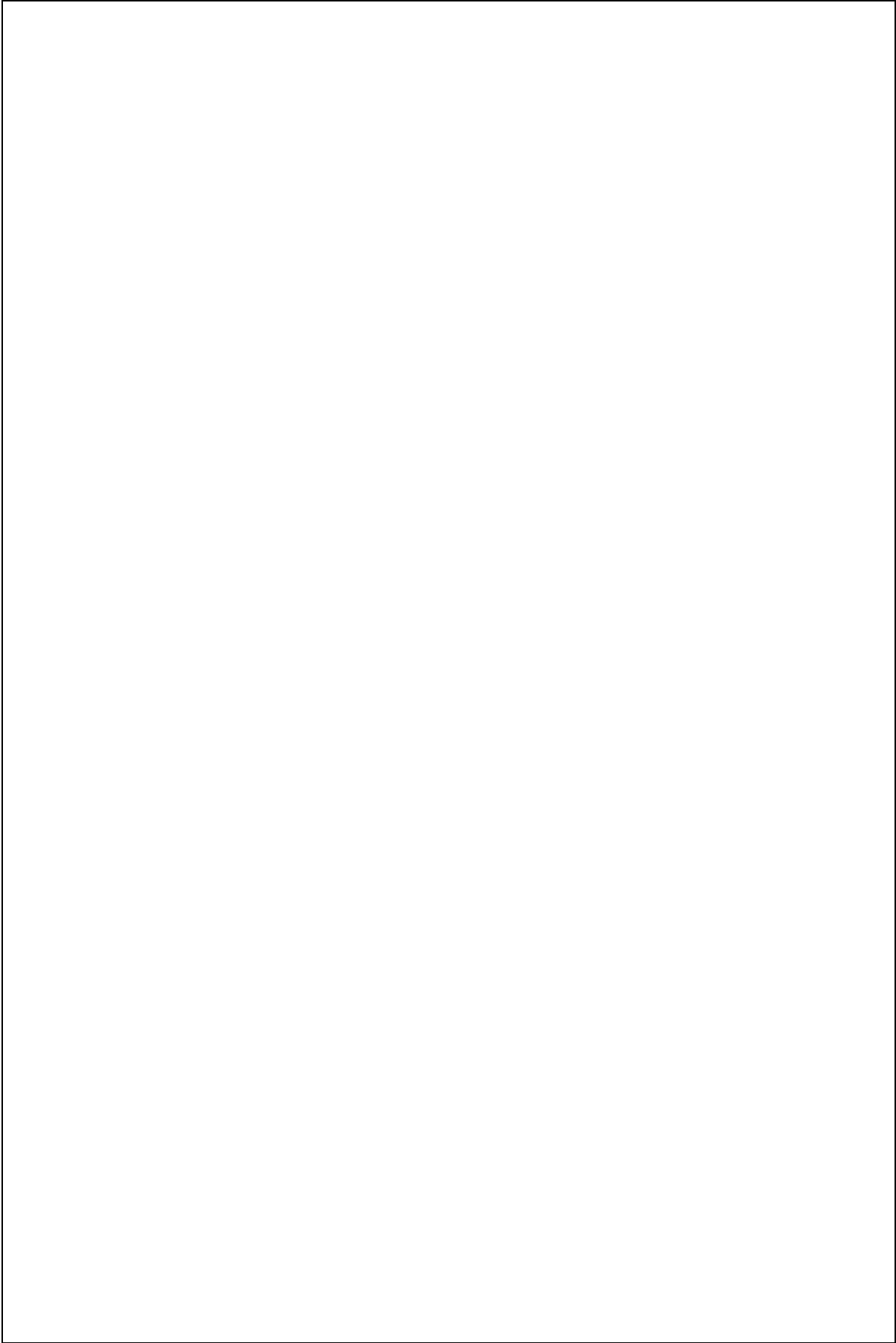
## Non-Consolidated Statements of Income

(Unit: ¥ million)

Account title	By fiscal year	36th FY (2023/4/1-2024/3/31)	[Reference] 35th FY (2022/4/1-2023/3/31)
Net sales		283,084	1,153,230
Operating revenues		118,214	—
Revenues from group management		76,206	—
Dividends received		543	—
Other services		41,465	—
Cost of sales		206,253	853,181
Gross profit		195,045	300,049
Selling, general and administrative expenses		50,572	201,580
Operating expenses		118,543	—
Operating profit		25,929	98,469
Non-operating income		44,237	49,762
Interest income		3,883	1,021
Dividend income		33,877	39,248
Other		6,477	9,492
Non-operating expenses		3,446	4,435
Interest expenses		1,877	2,245
Interest on bonds		50	279
Loss on sales of non-current assets		33	1,004
Foreign exchange losses		938	—
Other		547	907
Ordinary profit		66,720	143,796
Profit before income taxes		66,720	143,796
Income taxes -current		5,798	25,262
Income taxes -deferred		533	3,976
Profit		60,390	114,558

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

Note: The Company has transitioned to a holding company structure on July 1, 2023. With this transition, revenues and expenses derived from the holding company business during the period from July 2023 to March 2024 are presented as “operating revenues” and “operating expenses,” respectively. Gross profit is calculated by deducting the cost of sales for the period before the transition, which is from April 2023 to June 2023, from the net sales for the same period, and then adding the operating revenues generated on and after July 2023. Operating profit is calculated by deducting the selling, general and administrative expenses for the period from April 2023 to June 2023 from gross profit, and then subtracting the operating expenses for the period starting from July 2023.



AUDIT REPORT

The Audit and Supervisory Committee has audited the performance of duties by directors during the 36th fiscal year from April 1, 2023 to March 31, 2024. The methods and results of the audit are as follows:

1. Audit methodology adopted by the Audit and Supervisory Committee

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

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

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

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

2. Audit results

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

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

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

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

May 8, 2024

NTT DATA Group Corporation

Audit and Supervisory Committee

Standing Audit and Supervisory Committee Member (Outside Director)	Akihiko Okada
Standing Audit and Supervisory Committee Member (Outside Director)	Tomoko Hoshi
Standing Audit and Supervisory Committee Member (Outside Director)	Nobuyuki Tainaka
Audit and Supervisory Committee Member (Outside Director)	Mitsuko Inamasu

END