

*Note: This document is the English translation of “Dai 33kai teiji kabunushisokai shoshu gotsuchi” (Notice of Convocation of the 33rd Ordinary General Meeting of Shareholders) and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation, the Japanese version will prevail.*

*Note: All times and dates in this document are Japan time.*

Securities code: 9613  
May 31, 2021

To the Shareholders of NTT DATA CORPORATION

NTT DATA CORPORATION  
3-3, Toyosu 3-chome, Koto-ku, Tokyo, Japan  
Yo Honma  
President and Chief Executive Officer, Representative Director

## NOTICE OF CONVOCATION OF THE 33rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that our 33rd Ordinary General Meeting of Shareholders will be held as follows. Recently, the Japanese government has declared a state of emergency and the Tokyo Metropolitan Government has taken emergency measures to prevent the spread of the new coronavirus infection (COVID-19). Accordingly, the government and prefectural governors strongly request for people to stay at home. After careful consideration of the situation, the Company has decided to hold this General Meeting of Shareholders after taking appropriate measures to prevent infection.

In order to avoid the risk of infection among shareholders and our officers and employees, **shareholders are urged to exercise their voting rights in advance via the Internet (or by mail) and refrain from coming to the meeting regardless of their health conditions.**

We will therefore provide a live distribution of the General Meeting of Shareholders online as described below. Also, after receiving questions from the shareholders in advance, we will answer to the matters that are mainly of their high interest as well as explain the “Purpose of the Meeting” in the general meeting and post the questions and answers on our website later.

Shareholders are kindly requested to exercise their voting rights by 6:00 p.m. on Wednesday, June 16, 2021, after reviewing the reference documents for the General Meeting of Shareholders set forth below.

### How to exercise your voting rights

#### By electronic method (via Internet)



Please access our voting website written on the Voting Rights Exercise Form at <https://www.web54.net> and enter your approval or disapproval following the instructions on the screen after examining the attached reference documents for the meeting or those on the website.

 For more information about exercising your voting rights via the Internet, please refer to page 4.

**Deadline** By 6:00 p.m., Wednesday, June 16, 2021

#### By mail



Please examine the attached reference documents for the meeting, indicate your approval or disapproval on the enclosed Voting Rights Exercise Form, and then send the Voting Rights Exercise Form back to us so that it arrives before the deadline below.

**Deadline** By 6:00 p.m., Wednesday, June 16, 2021

## Particulars

1	Date	Thursday, June 17, 2021 at 10:00 a.m.	
2	Venue	<p>5th Floor, Tokyo Conference Center Shinagawa                      NTT DATA Shinagawa Building (A,RE,A Shinagawa)                      1-9-36 Konan, Minato-ku, Tokyo</p> <p style="color: red;">*As mentioned above, in order to avoid the risk of infection of shareholders and officers and employees of the Company with COVID-19, we strongly request that shareholders refrain from attending the meeting.</p>	
3	Purposes of the Meeting	<p>To be reported</p> <p>To be resolved</p>	<p>1. Report on the business report, consolidated financial statements, and audit results of the consolidated financial statements by an independent audit and the Audit and Supervisory Committee for the 33rd fiscal year (from April 1, 2020 to March 31, 2021)</p> <p>2. Report on non-consolidated financial statements for the 33rd fiscal year (from April 1, 2020 to March 31, 2021)</p> <p>No.1 Appropriation of Surplus</p> <p>No.2 Election of 11 Directors Who Are Not Audit and Supervisory Committee Members</p> <p>No.3 Election of 1 Director Who is an Audit and Supervisory Committee Member</p> <p>No.4 Determination of the Amount and Details of Performance-Based Stock Compensation for Directors Who Are Not Audit and Supervisory Committee Members</p> <p>No.5 Revision of Amount of compensation for Directors Who Are Not Audit and Supervisory Committee Members</p>

- The operation of the General Meeting of Shareholders may be updated due to the spread of COVID-19 infection by the day of the General Meeting of Shareholders or announcements by the government. Please confirm the information from our website.
- The documents appended to this Notice of Convocation of the 33rd Ordinary General Meeting of Shareholders do not include the following items, since they are presented on the NTT DATA website (<https://www.nttdata.com/jp/ja>) in accordance with legal requirements and the provisions of the Company's articles of incorporation:
  1. Principal Centers of the Corporate Group
  2. Independent Audit
  3. Overview of resolution for improvement of systems for ensuring appropriate operations and overview of the state of operation of the system to ensure appropriate business operations
  4. The consolidated statements of changes in equity and the notes to consolidated financial statements in the consolidated financial statements
  5. The non-consolidated statements of shareholders' equity and the notes for the non-consolidated financial statements

- With respect to corporate governance, "Basic Views on Corporate Governance," "Overview of Corporate Governance Structure and Others," "Initiatives to Strengthen the Governance System," "Matters Related to Corporate Officers," "Meeting Agenda of Board of Directors, etc.," "Policies regarding Cross-Shareholdings and the Content of Verification" and "Assessment of effectiveness of the entire Board of Directors" are included in the documents appended to this Notice of Convocation, and "Systems for ensuring appropriate operations and overview of the state of operation of the systems" is provided on the NTT DATA website.
- Consolidated financial statements and non-consolidated financial statements that were audited by the independent audit include documents, which are described in the documents appended to this Notice of Convocation, and the consolidated statement of changes in equity, the notes to consolidated financial statements, the non-consolidated statements of shareholders' equity and the notes to the non-consolidated financial statements, which are presented on the NTT DATA website.
- If any revisions are made to the reference documents, business report or consolidated and non-consolidated financial statements by the day before the date of the ordinary general meeting of shareholders, we will inform you of the revisions by inserting a notice on the NTT DATA website.

NTT DATA website: <https://www.nttdata.com>

**Live distribution of the general meeting of shareholders on the Internet**  
**(Only available in Japanese)**

You will be able to see our live distribution of the general meeting of shareholders on the Internet. This will be for viewing only. Please exercise your voting rights in advance via Internet, etc. and submit questions, if you have any, in advance as described below.

1. Time/date of distribution:

From 10:00 AM on Thursday, June 17, 2021

\*In the video, you will only see the chairpersons and directors and the space close to their seats.

2. Access from PC, tablet, and smartphone

You can access the website from below:

URL: [https://www.nttdata.com/jp/ja/ir/share/shareholders\\_meeting/](https://www.nttdata.com/jp/ja/ir/share/shareholders_meeting/)

1) Please access the page from above.

2) Please enter the password on the enclosed sheet after you have accessed the page.

**Questions will be accepted in advance**  
**(Only available in Japanese)**

We will be accepting your questions in advance. The answers to those questions mainly focused on “Purposes of the Meeting” and matters on interest will be given at the time of Q&A during the general meeting of shareholders. For the answers, please view the live distribution mentioned above. They will also be posted on our website later.

[How to submit questions in advance]

We will be accepting your questions on our website below:

URL: [https://www.nttdata.com/jp/ja/ir/share/shareholders\\_meeting/](https://www.nttdata.com/jp/ja/ir/share/shareholders_meeting/)

Accepted period: 10:00 AM, Monday, May 31, 2021 to 18:00PM, Friday, June 11, 2021

We also accept questions by mail if you find it inconvenient to post them online. In that case, please send them to the following address during the period mentioned above. (Please write your name, address, and shareholder number).

“Reception desk for questions prior to the general meeting of shareholders,” ESG Promotion Dept.  
33F Toyosu Center Bldg., 3-3, Toyosu 3-chome, Koto-ku, Tokyo 135-6033, Japan

### **Exercising Your Voting Rights via the Internet**

Before exercising your voting rights via the Internet, please be aware of the following:

1. The exercise of your voting rights via the Internet is available only by accessing the following designated website:  
<https://www.web54.net> (in Japanese)  
When accessing the website for exercising your voting rights, through a smartphone and cellular phone is also available.
2. In case of exercising your voting rights via the Internet, please use the code and password indicated on the Form for Exercise of Shareholder Voting Rights enclosed herewith (or Convocation Mail) and follow the instructions on the screen.
3. Although your exercise of voting rights via the Internet is acceptable until 6:00 p.m. of the day before the ordinary general meeting of shareholders (Wednesday, June 16, 2021), please exercise your voting rights as soon as possible to help us in totalizing the results of exercise of voting rights.
4. In case of exercising your voting rights via the Internet, it is not necessary to send the Form for Exercise of Shareholder Voting Rights by mail.  
If you exercise your voting rights twice via the Internet and by mail, your vote via the Internet will be treated as valid.
5. If you exercise your voting rights more than once via the Internet, through a personal computer, a smartphone or a cellular phone, the last exercise of your voting rights will be treated as valid.
6. The costs of using the Internet website to exercise your voting rights, such as the connection fees of Internet service providers and applicable communications fees (i.e., call charges), will be borne by the shareholder.

### **Inquiries on Exercising Voting Rights via the Internet**

If you have any questions regarding the procedure for exercising your voting rights via the Internet, please contact:

Administrator of Shareholder Registry: Stock Transfer Agency Web support, Sumitomo Mitsui Trust Bank, Limited

[Direct line] 0120-652-031 (09:00 to 21:00)

<Other inquiries> 0120-782-031 (09:00 to 17:00, except for Sat/Sun/national holidays)

### **Electronic Voting Platform**

Nominal shareholders such as trust banks acting as administrator (including standing proxies) can also use the electronic voting platform as an electromagnetic means to exercise their voting rights at the ordinary general meeting of shareholders of NTT DATA, in addition to the exercising of voting rights via the Internet above, if they apply in advance for the use of the electronic voting platform operated by ICJ Inc., a joint venture company established by Tokyo Stock Exchange, Inc.

## Reference Documents for the Ordinary General Meeting of Shareholders

### Proposals and References

#### No.1 | Appropriation of Surplus

NTT DATA proposes to appropriate the surplus of this fiscal year as follows:

Matters concerning year-end dividends

NTT DATA's basic policy is to seek an increase of enterprise value in the mid- and long-term and to fairly distribute profits through the continuous growth of its business resulting from investment in new businesses, etc., efficient business management and other improvements.

With regards to dividends, based on a comprehensive assessment of the balance with business investments and technology development toward a sustainable growth in the future, and with expenditures for maintenance and reinforcement of financial strength in light of the consolidated operating results and financial position, NTT DATA proposes a stable payment of dividends. For determining the amount of a dividend, NTT DATA values the maintenance of the consolidated cash flow dividend payout ratio<sup>(\*)</sup> in the mid- and long-term.

Based on the policy above, NTT DATA proposes payment of a year-end dividend as follows:

(i) Matters concerning the appropriation of dividend assets to shareholders and total amount

9 yen per NTT DATA common share

12,622,490,415 yen in total

The annual dividend will be 18 yen per share including an interim dividend of 9 yen, which was already paid.

(ii) Effective date of dividend of surplus

June 18, 2021

\*Consolidated cash flow dividend payout ratio

Total amount of dividends/ (net income attributable to shareholders of NTT DATA<sup>(note)</sup> + depreciation cost + loss on retirement of fixed assets – capital investment)

## No. 2

## Election of 11 Directors Who Are Not Audit and Supervisory Committee Members

All 11 directors will complete their terms of office when the amendments to the articles of incorporation take effect. The Company requests shareholders to elect 11 directors who are not Audit and Supervisory Committee Members.

The profiles of the candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

Candidate No.		Name		Present position and areas of responsibility	Attendance at Board of Directors	Years served as Directors
1	Re-appointment	Yo Honma	Male	President and Chief Executive Officer, Representative Director	Regular: 12 times / 12 times Extraordinary: 2 times / 2 times	7
2	Re-appointment	Shigeki Yamaguchi	Male	Senior Executive Vice President and Representative Director Responsible for Social Design, Public & Social Infrastructure Segment, Enterprise & Solutions Segment, and China & APAC Segment	Regular: 12 times / 12 times Extraordinary: 2 times / 2 times	4
3	Re-appointment	Toshi Fujiwara	Male	Senior Executive Vice President and Representative Director Responsible for Corporate Management and Technology Management, Head of HR Headquarters	Regular: 12 times / 12 times Extraordinary: 2 times / 2 times	4
4	Re-appointment	Kazuhiro Nishihata	Male	Senior Executive Vice President and Representative Director Responsible for Americas & Europe Segment and Global Marketing	Regular: 10 times / 10 times Extraordinary: 1 times / 1 times	1
5	Re-appointment	Masanori Suzuki	Male	Executive Vice President and Director Deputy responsible for Corporate Management, Head of Strategy Headquarters, Head of Strategy Office, Strategy Headquarters	Regular: 10 times / 10 times Extraordinary: 1 times / 1 times	1
6	New	Yutaka Sasaki	Male	Executive Vice President Head of Manufacturing IT Innovation Sector, Head of Business Solutions Sector	—	—
7	Re-appointment	Eiji Hirano	Outside director Independent officer Male	Director	Regular: 12 times / 12 times Extraordinary: 2 times / 2 times	5
8	Re-appointment	Mariko Fujii	Outside director Independent officer Female	Director	Regular: 12 times / 12 times Extraordinary: 2 times / 2 times	2
9	Re-appointment	Patrizio Mapelli	Foreign national Male	Director	Regular: 10 times / 10 times Extraordinary: 1 times / 1 times	1
10	Re-appointment	Takeshi Arimoto	Male	Director	Regular: 10 times / 10 times Extraordinary: 1 times / 1 times	1
11	Re-appointment	Fumihiko Ike	Outside director Independent officer Male	Director	Regular: 10 times / 10 times Extraordinary: 1 times / 1 times	1



Candidate No. **1** **Yo Honma** (Born May 8, 1956) Reappointment Male

**Resume, Position, Areas of Responsibility and Principal Concurrent Positions**

- 1980 April Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
- 2014 June Executive Vice President and Director, and Company President of Enterprise IT Services Company of NTT DATA
- 2015 July Executive Vice President and Director of NTT DATA
- 2016 June Senior Executive Vice President and Representative Director of NTT DATA
- 2018 June President and Chief Executive Officer, Representative Director of NTT DATA (present post)

**Principal Concurrent Positions**  
Director of NTT, Inc.

**Reasons for the nomination**

He has extensive experience and record in management including organizational management in the financial sector and the enterprise sector over many years. In addition, he has been in charge of management as President and Chief Executive Officer, and Representative Director, since 2018. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his extensive experience and record of performance, he has been nominated for the candidate of Director.

Attendance at board of directors (FY 2020)

Regular: 12 times / 12 times (100%)  
Extraordinary: 2 times / 2 times (100%)

Years served as a Director 7 years  
(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held 47,200 shares



Candidate No. **2** **Shigeki Yamaguchi** (Born August 14, 1961) Reappointment Male

**Resume, Position, Areas of Responsibility and Principal Concurrent Positions**

- 1984 April Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
- 2016 June Executive Vice President, Head of IT Services & Payments Services Sector of NTT DATA
- 2017 June Executive Vice President and Director of NTT DATA
- 2018 June Senior Executive Vice President and Representative Director of NTT DATA (present post)

**Principal Concurrent Positions**

Representative Board Member and Vice Chairperson of Japan Institute of Information Technology, a public interest incorporated association

**Reasons for the nomination**

He has extensive experience and record in management including organizational management in the enterprise sector, public & social infrastructure sector, and China & APAC sector over many years. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Attendance at board of directors (FY 2020)

Regular: 12 times / 12 times (100%)  
Extraordinary: 2 times / 2 times (100%)

Years served as a Director 4 years  
(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held 22,000 shares



Candidate No. **3** **Toshi Fujiwara** (Born June 5, 1961)

Reappointment

Male

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1985 April Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION  
 2014 June Senior Vice President, Deputy Head of First Financial Sector of NTT DATA  
 2014 July Senior Vice President, Head of Fourth Financial Sector of NTT DATA  
 2015 July Senior Vice President, Head of First Financial Sector of NTT DATA  
 2017 June Executive Vice President and Director of NTT DATA  
 2018 June Senior Executive Vice President and Representative Director of NTT DATA (present post)

Principal Concurrent Positions

None

Reasons for the nomination

He has extensive experience and record in management including organizational management in the financial sector, technology research & development, and global business management over many years. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Attendance at board of directors (FY 2020)

Regular: 12 times / 12 times (100%)  
 Extraordinary: 2 times / 2 times (100%)

Years served as a Director 4 years (as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held 24,500 shares



Candidate No. **4** **Kazuhiro Nishihata** (Born March 16, 1957)

Reappointment

Male

Resume, position, Areas of responsibility and Principal Concurrent Positions

1981 April Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION  
 2006 June President and Representative Director of NTT EUROPE LTD.  
 2009 June Senior Vice President, Head of Global Business Sector of NTT DATA  
 2015 June Executive Vice President and Director of NTT DATA  
 2017 June Senior Executive Vice President and Representative Director of NTT DATA  
 2018 June Executive Advisor of NTT DATA  
 2020 June Senior Executive Vice President and Representative Director of NTT DATA (present post)

Principal Concurrent Positions

Director of the Board, NTT Data International L.L.C.

Reasons for the nomination

He has extensive experience and record of management in the Global Business Sector in NTT Group company and NTT DATA. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Attendance at board of directors (FY 2020)

Regular: 10 times / 10 times (100%)  
 Extraordinary: 1 times / 1 times (100%)

Years served as a Director 1 year (as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held 34,600 shares



Candidate No. **5** **Masanori Suzuki** (Born November 15, 1965)

Reappointment

Male

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1988	April	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2016	June	Senior Vice President, Head of Second Financial Sector of NTT DATA
2019	June	Senior Vice President, Head of Strategy Office of NTT DATA
2020	June	Executive Vice President and Director, Head of Strategy Office of NTT DATA
2020	July	Executive Vice President and Director, Head of Strategy Headquarters, Head of Strategy Office, Strategy Headquarters (present post)

Principal Concurrent Positions

None

Reasons for the nomination

He has extensive experience and record in the corporate management as well as including the organizational management in the financial sector. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Attendance at board of directors (FY 2020)

Regular: 10 times / 10 times (100%)

Extraordinary: 1 times / 1 times (100%)

Years served as a Director 1 year

(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held

10,700 shares



Candidate No. **6** **Yutaka Sasaki** (Born September 13, 1965)

New

Male

Resume, position, Areas of responsibility and Principal Concurrent Positions

1990	April	Joined NTT DATA
2016	June	Senior Vice President, Head of Business Solutions Sector of NTT DATA
2018	June	Senior Vice President, Head of Manufacturing IT Innovation Sector of NTT DATA
2020	June	Executive Vice President, Head of Manufacturing IT Innovation Sector and Head of Business Solutions Sector of NTT DATA (present post)

Principal Concurrent Positions

None

Reasons for the nomination

He has extensive experience and record in management including organizational management in the enterprise sector. Since he is expected to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Number of shares of NTT DATA held

15,500 shares



Candidate No. **7** **Eiji Hirano** (Born September 15, 1950)

Outside Director	Independent officer
Reappointment	Male

Attendance at board of directors (FY 2020)

Regular: 12 times / 12 times (100%)  
Extraordinary: 2 times / 2 times (100%)

Years served as a Director 5 years

(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held

7,700 shares

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1973	April	Joined Bank of Japan (Resigned in June 2006)
2006	June	Vice President and Director of Toyota Financial Services Corporation
2014	June	Special Advisor of Toyota Financial Services Corporation
2014	September	Vice Chairman and Director of MetLife Insurance K.K.
2015	May	Vice Chairman and Representative Executive Officer, Director of MetLife Insurance K.K.
2015	June	Director of RIKEN CORPORATION (present post)
2016	June	Director of NTT DATA (present post)
2016	July	Advisor of Toyota Financial Services Corporation (resigned in June 2017)
2017	September	Vice Chairman and Director of MetLife Insurance K.K. (present post)
2017	October	Chairperson of the Board of Governors, Government Pension Investment Fund (GPIF) (resigned in March 2021)

Principal Concurrent Positions

Director of RIKEN CORPORATION

Reason for the nomination as a candidate for outside director and outline of expected role

He has extensive experience in the Financial Sector, and wide perspectives concerning financial administration and international finance. He has been nominated for the candidate of Outside Director since he is expected to contribute, as an outside director, to the enhancement of supervisory function of business execution as well as the provision of advice using his wide range of perspectives.

[Matters related to independence]

Mr. Eiji Hirano satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the criteria of independence (\*) for independent officers stipulated by the Company.

The Company has business transaction with Government Pension Investment Fund, in which he served as Chairperson of the Board of Governors, and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.

He was Vice Chairman, Director and Representative Executive Officer of MetLife Insurance K.K. The Company has business transactions with MetLife Insurance K.K. and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.

He was Vice President and Director of Toyota Financial Services Corporation. The Company has business transactions with Toyota Financial Services Corporation and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.

In addition, he was an executive officer in the Bank of Japan. The Company has business transactions with the Bank of Japan and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.

Based on the above, the Company judges that independence of Mr. Hirano is ensured.

\* For the criteria of independence for independent officers stipulated by the Company, please see page 16

Note:

Mr. Eiji Hirano is the candidate for Outside Director. In addition, as described in the above section "Matters related to independence," he does not have any possibility of causing a conflict of interest with general shareholders, in light of the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the criteria of independence for independent officers stipulated by the Company. As such, NTT DATA has designated Eiji Hirano as independent director and has notified this to the Tokyo Stock Exchange. If he is elected as Outside Director, he will continue to serve as an independent officer.



Candidate No.

8

Mariko Fujii

(Born March 9, 1955)

Outside director

Independent officer

Reappointment

Female

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

- 1977 April Joined the Ministry of Finance
- 1997 July Director of International Affairs and Research Division, Customs and Tariff Bureau of the Ministry of Finance
- 2001 March Professor of Research Center for Advanced Economic Engineering of The University of Tokyo
- 2004 April Professor of Research Center for Advanced Science and Technology of National University Corporation, The University of Tokyo (resigned in October 2015)
- 2014 June Director of Electric Power Development Co., Ltd. (resigned in October 2015)
- 2015 October Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of Latvia (resigned in January 2019)
- 2016 June Emeritus Professor of The University of Tokyo (present post)
- 2019 June Director of NTT DATA (present post)
- 2019 June Director of Mitsubishi UFJ Financial Group, Inc. (present post)

Principal Concurrent Positions

Director of Mitsubishi UFJ Financial Group, Inc.

Attendance at board of directors (FY 2020)

Regular: 12 times / 12 times (100%)  
Extraordinary: 2 times / 2 times (100%)

Years served as a Director 2 years

(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held

4,200 shares

Reason for the nomination as a candidate for outside director and outline of expected role

She has keen discernment and extensive experience accumulated through her career in public administration, research on economics and foreign affairs. Based on this, she is expected to contribute to the enhancement of supervisory functions in executing management and the provision of opinions from broad viewpoints and has been nominated for the candidate of Outside director. Note that she has no experience of engagement in management of a company in any other manner than serving as an outside officer. However, based on the above reasons, the Company judges that she can perform the duties of Outside Director properly.

[Matters related to independence]

Ms. Mariko Fujii satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which the stocks of NTT DATA are listed and the criteria of independence (\*) for independent officers stipulated by the Company.

Based on the above, the Company judges that independence of Ms. Fujii is ensured.

\* For the criteria of independence for independent officers stipulated by the Company, please see page 16.

Note:

Ms. Mariko Fujii is a candidate for Outside Director. In addition, as described in the above section "Matters related to independence," she does not have any possibility of causing a conflict of interest with general shareholders, in light of the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the criteria of independence for independent officers stipulated by the Company. As such, if she is elected as Outside Director, the Company will continue to designate her as independent officer.



Candidate No. **9** **Patrizio Mapelli** (Born March 17, 1955)

Foreign national

Reappointment

Male

Resume, position, Areas of responsibility and Principal Concurrent Positions

- 1982 September Joined Olivetti
- 1995 July Senior Partner of Ernst & Young
- 2000 July Vice President of A.T. Kearney
- 2002 October Senior Partner of Value Partners S.p.A.
- 2002 October CEO of Value Team S.p.A. (current NTT DATA Italia S.p.A.)
- 2013 January CEO of NTT DATA EMEA LTD.
- 2018 April Chairman of the Board of NTT DATA Italia S.p.A.
- 2020 June Director of NTT DATA (present post)

Principal Concurrent Positions

- Board Member of Triboo S.p.A.
- Chairman of the Board of Directors of Eurotech S.p.A.
- Director of NTT DATA EMEA LTD.
- Director of EVERIS PARTICIPACIONES S.L.U.

Reasons for the nomination

He has extensive experience and record of performance in management in overseas market, mainly in Europe. Since he is expected to continue to promote management of the NTT DATA Group while assuming roles such as supervision of business execution by utilizing his experience and record of performance, he has been nominated for the candidate of Director.

Attendance at board of directors (FY 2020)

Regular: 10 times / 10 times (100%)

Extraordinary: 1 times / 1 times (100%)

Years served as a Director

1 year

(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held

0 shares



Candidate No. **10** **Takeshi Arimoto** (born July 20, 1969)

Reappointment

Male

Resume, position, Areas of responsibility and Principal Concurrent Positions

- 1993 April Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
- 2011 October Senior Manager of Strategic Business Development Division of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (transferred to NTT Knowledge Square Corporation (currently DOCOMO gacco, Inc.))
- 2015 July Senior Manager of the Corporate Strategy Planning Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
- 2015 July Auditor of NTT FINANCE CORPORATION
- 2018 June Auditor of NTT Urban Development Corporation
- 2020 June Director of NTT DATA (present post)
- 2020 November Senior Manager of the Finance and Accounting Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (present post)

Principal Concurrent Positions

Senior Manager of the Finance and Accounting Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION

Reasons for the nomination

He has experience in the Corporate Strategy Planning Department and in the Finance and Accounting department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION as well as a corporate auditor in NTT Group companies. Based on these experiences, he is expected to provide opinions from a wide perspective and has been nominated for the candidate of Director.

Attendance at board of directors (FY 2020)

Regular: 10 times / 10 times (100%)

Extraordinary: 1 times / 1 times (100%)

Years served as a Director

1 year

(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held

500 shares



Candidate No. **11** **Fumihiko Ike** (Born May 26, 1952)

Outside director	Independent officer
Reappointment	Male

Resume, Position, Areas of Responsibility and Principal Concurrent Positions

1982	February	Joined Honda Motor Co., Ltd.
2003	June	Chief Operating Officer for Power Products Operation and Director of Honda Motor Co., Ltd.
2006	April	Chief Financial Officer and Director of Honda Motor Co., Ltd.
2007	June	Chief Financial Officer and Managing Director of Honda Motor Co., Ltd.
2008	April	Chief Operating Officer for Asia and Oceania Region and Managing Director of Honda Motor Co., Ltd. President and Director of Asian Honda Motor Co., Ltd. (resigned in March 2011)
2011	April	Chief Financial Officer, Risk Management Officer, Chief Office for Information Systems and Senior Managing Director of Honda Motor Co., Ltd.
2012	April	Chief Financial Officer, Chief Information Officer, Risk Management Officer and Senior Managing Director of Honda Motor Co., Ltd.
2013	April	Chairman and Representative Director of Honda Motor Co., Ltd. (resigned in June 2016)
2014	May	President of Japan Automobile Manufacturers Association (resigned in May 2016)
2020	June	Director of NTT DATA (present post)

Principal Concurrent Positions

None

Attendance at board of directors (FY 2020)

Regular: 10 times / 10 times (100%)

Extraordinary: 1 times / 1 times (100%)

Years served as a Director

1 year

(as of the closing of this general meeting of shareholders)

Number of shares of NTT DATA held

14,000 shares

Reason for the nomination as a candidate for outside director and outline of expected role

He has extensive experience in management in global business and keen discernment of IT. He has been nominated for the candidate of Outside director since he is expected to contribute, as an outside director, to the enhancement of supervisory function of business execution as well as the provision of advice using his wide range of perspectives.

[Matters related to independence]

Mr. Fumihiko Ike satisfies the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which the stocks of NTT DATA are listed and the criteria of independence (\*) for independent officers stipulated by the Company.

From October 2016 to September 2017, he served as a member of the 3rd advisory board which was established for the purpose of obtaining opinions from experts outside the company with knowledge of IT and global businesses. The Company paid remunerations to Mr. Fumihiko Ike as an advisory board member and the amount was less than 5 million yen per year. Therefore, we are determined that there is no concern in relation to his independence.

He was Chairman of JAPAN AUTOMOBILE FEDERATION, a general incorporated association. The Company has business transactions with JAPAN AUTOMOBILE FEDERATION and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of the Company.

He was Chairman and Representative Director of Honda Motor Co., Ltd. The Company has business transactions with Honda Motor Co., Ltd. and the transaction value in any of the last three fiscal years is less than 1% of the non-consolidated sales amount of both the Company and Honda Motor Co., Ltd.

Based on the above, the Company judges that independence of Mr. Hirano is ensured.

\* For the criteria of independence for independent officers stipulated by the Company, please see page 16.

Note:

Mr. Fumihiko Ike is a candidate for Outside Director. As described in the above section "Matters related to independence," he has been designated as an independent director and notified to the Tokyo Stock Exchange because he does not have any possibility of causing a conflict of interest with general shareholders, in light of the criteria for independence stipulated by Tokyo Stock Exchange, Inc. on which stocks of NTT DATA are listed and the criteria of independence for independent officers stipulated by the Company. As such, if he is elected as Outside Director, the Company will continue to designate him as independent officer.

Notes:

1. NIPPON TELEGRAPH AND TELEPHONE CORPORATION is an ultimate parent company of NTT DATA Corporation and NTT, Inc. is a direct parent company NTT DATA Corporation. NTT FINANCE CORPORATION is a subsidiary of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. NTT Urban Development Corporation is a subsidiary of NTT Urban Solution, Inc. which is a subsidiary of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. NTT EUROPE LTD is a subsidiary of NTT Limited which is a subsidiary of NTT Inc.
2. Mr. Yo Honma concurrently serves as Chairman of the Japan Electronic Payment Promotion Organization. NTT DATA Corporation receives building rental fee and outsourcing fee from the Organization and pays annual membership fee to the Organization.  
There are no special interests between other candidates and NTT DATA Corporation.
3. If Mr. Eiji Hirano, Ms. Mariko Fujii, Mr. Patrizio Mapelli, Mr. Takeshi Arimoto and Mr. Fumihiko Ike are elected as directors, the Company will continue the liability agreement with the five directors under Article 427 (1) of the Companies Act, to limit their liabilities for damage compensation stipulated in Article 423 (1) of the same Act to the amount stipulated by law.
4. The Company shall enter into a Directors and Officers Liability insurance contract with an insurance company, as stipulated in Article 430(3)-1 of the Companies Act, and will use the insurance contract to cover damages that may arise from the insured directors and officers, etc. being held liable for the execution of their duties or receiving claims related to the pursuit of such liability. The insured parties are the Company's directors including Audit and Supervisory Committee Members, and executive officers, and the Company bears 90% of the insurance premiums. The candidate shall be included as an insured person under the insurance contract. The insurance contract will be renewed with the same terms and conditions at the next renewal.
5. For the past 10 years, Mr. Takeshi Arimoto has been an executor of NIPPON TELEGRAPH AND TELEPHONE CORPORATION and NTT Knowledge Square Corporation (Currently DOCOMO gacco, Inc.), all of which are specified associated companies of our company. He currently serves as an executor of NIPPON TELEGRAPH AND TELEPHONE CORPORATION and his position and responsibilities are described in "Resume, Position, Areas of Responsibility and Principal Concurrent Positions".

## Election of 1 Director Who Is an Audit and Supervisory Committee Member

Tetsuro Yamaguchi, an Audit and Supervisory Committee Member, will complete his term of office when the amendments to the articles of incorporation take effect. The Company requests shareholders to elect 1 director who is an Audit and Supervisory Committee Member.

Also, the Audit and Supervisory Committee has given its consent to this proposal.

The profile of the candidate for director who is an Audit and Supervisory Committee Member is as follows:



Number of shares of  
NTT DATA held  
0 shares

Candidate No.	<b>1</b>	<b>Akihiko Okada</b>	(born February 12, 1959)	Outside director	New	Male
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### Resume, position, Areas of responsibility and Principal Concurrent Positions

1981	April	Joined NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION
2002	July	Senior Manager of Department IV (current Finance and Accounting Department) of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
2011	June	Member of the Board, Senior Executive Manager of Marketing Headquarters and Executive Manager of Marketing Department of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION
2013	June	Representative Executive Vice President, Senior Executive Manager of Leasing Business Headquarters of NTT FINANCE CORPORATION
2016	June	Representative Director and Senior Executive Vice President, Senior Executive Manager of Leasing Business Headquarters of NTT FINANCE CORPORATION
2020	February	President of NTT TC Leasing Co., Ltd.
2020	July	Representative Director and Chairman of NTT TC Leasing Co., Ltd. (present post)

### Principal Concurrent Positions

Representative Director and Chairman of NTT TC Leasing Co., Ltd.

### Reason for the nomination as a candidate for outside director and outline of expected role

He has extensive experience in corporate management at the NTT Group, as well as experience in finance and sales. In the past, he was a business executive of NIPPON TELEGRAPH AND TELEPHONE CORPORATION, the ultimate parent company of NTT DATA, and affiliated companies. However, he is expected to secure the soundness of the company and establish a highly transparent and fair management monitoring system through the audit and supervision of business execution utilizing a wide range of perspectives and experience. Therefore, the Company has nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

(Note 1) Mr. Akihiko Okada is a candidate for an outside director.

(Note 2) NIPPON TELEGRAPH AND TELEPHONE CORPORATION is an ultimate parent company of NTT DATA Corporation, and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION and NTT FINANCE CORPORATION are subsidiaries of NIPPON TELEGRAPH AND TELEPHONE CORPORATION.

(Note 3) No relationship of interest to be noted exists between Mr. Akihiko Okada and NTT DATA.

(Note 4) If the election of Mr. Akihiko Okada is approved, the Company plans to enter into a liability limitation agreement pursuant to the provisions of Article 427(1) of the Companies Act to limit the liability for damages under Article 423(1) of the Companies Act to the amount stipulated by laws and regulations.

(Note 5) The Company shall enter into a Directors and Officers Liability insurance contract with an insurance company, as stipulated in Article 430(3)-1 of the Companies Act, and will use the insurance contract to cover damages that may arise from the insured directors and officers, etc. being held liable for the execution of their duties or receiving claims related to the pursuit of such liability. The insured parties are the Company's directors including Audit and Supervisory Committee Members, and executive officers, and the Company bears 90% of the insurance premiums.

(Note 6) For the past 10 years, Mr. Akihiko Okada has been an executive officer of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT FINANCE CORPORATION and NTT TC Leasing Co., Ltd., all of which are specified associated companies of our company. He currently serves as an executive of NTT TC Leasing Co., Ltd., and his position and responsibilities are described in "Resume, Position, Areas of Responsibility and Principal Concurrent Positions".

(Note 7) Mr. Akihiko Okada will resign from the post of Representative Director and Chairman of NTT TC Leasing Co., Ltd. On June 21, 2021.

### **Matters Regarding Election and Nomination**

(Election policy for directors who are not Audit and Supervisory Committee Members)

The candidates for directors who are not Audit and Supervisory Committee Members have been elected from personnel who have broad perspectives and experiences and can contribute to the development of the entire Group, excel in management ability and leadership, and are sophisticated in business management and motivated. The size of the Board of Directors is in direct proportion to the scale of business, and the Board of Directors is composed with consideration of having diversity (\*) including in terms of internationality, and the balance of expertise, etc.

From the viewpoint of strengthening the supervisory function of business execution, we have elected several candidates in principle, as independent outside directors with no concern of causing a conflict of interest with the general shareholders.

\*This includes factors such as gender, race, ethnicity, or cultural background.

(Election policy for candidate directors who are Audit and Supervisory Committee Members)

The candidate directors who are Audit and Supervisory Committee Members are to be elected from personnel that we can expect to conduct audits and supervision from viewpoints of specialized experience and knowledge. For fair audits of business execution of directors who are not Audit and Supervisory Committee Members, we have elected the majority of directors who are Audit and Supervisory Committee Members from the outside directors in compliance with the Companies Act.

(Procedures for election)

With regard to the procedures for selecting candidates for Directors, prior to the Board of Directors meeting, the Company shall explain the candidates to the parent company, Independent Outside Directors, and Directors who are Audit and Supervisory Committee Members, obtain appropriate advice from the candidates, make a resolution at the Board of Directors, and submit the resolution to the General Meeting of Shareholders. In addition to the above, with regard to the election of candidates for Directors who are not Audit and Supervisory Committee Members, the right to state opinions regarding the nomination by the Audit and Supervisory Committee shall be appropriately managed. In addition, the election of candidates for Directors who are Audit and Supervisory Committee Members shall be resolved by the Board of Directors after deliberation and consent of the Audit and Supervisory Committee, the majority of which are Outside Directors who are Audit and Supervisory Committee Members, and shall be submitted to the General Meeting of Shareholders.

### **Criteria of Independence**

NTT DATA designates outside officers who satisfy the following conditions, in addition to the criteria for independence stipulated by Tokyo Stock Exchange, Inc., as its independent officers.

- A person who does not fall under any of the following items for the most recent 3 fiscal years:

- (1) A business executor of NTT DATA's business partner exceeding the standards set forth by NTT DATA (\*1);
- (2) A business executor of NTT DATA's lender exceeding the standards set forth by NTT DATA (\*2);
- (3) An individual providing specialized services, such as a consultant, accountant or lawyer, who has received from NTT DATA any money or other property profit that is worth 10 million yen or more per year other than executive remuneration in any year of the most recent 3 fiscal years; or
- (4) A business executor of an organization that has received contributions exceeding NTT DATA's standards (\*3).

Even if a person falls under any of the conditions from (1) through (4) as stipulated above, any reason for judging that such person still has independence is required to be explained and disclosed when such person is appointed as an independent officer.

\*1 NTT DATA's business partner with a trading amount exceeding the standards set forth by NTT DATA refers to a business partner whose trading amount with NTT DATA is 2% of NTT DATA's non-consolidated annual sales or larger in any fiscal year out of the most recent 3 fiscal years.

\*2 NTT DATA's lender with an amount of lending exceeding the standards set forth by NTT DATA refers to a lender who lends to NTT DATA 2% or a larger percentage of NTT DATA's total assets in any fiscal year out of the most recent 3 fiscal years.

\*3 An organization that has received contributions exceeding the standards set forth by NTT DATA refers to an organization that has received contributions from NTT DATA that exceed 10 million yen per year or 2% of the total annual revenue of such organization, whichever is larger in amount, in any fiscal year out of the most recent 3 fiscal years.

(Reference) Composition of the Board of Directors (after the conclusion of this General Meeting of Shareholders)

Name		Corporate management	International	Sales / Marketing Consulting	Development / R&D	Business Management	Finance & Accounting	Legal & Administrative	(Reference) Particular field of expertise *Executors only
Yo Honma		●		●	●	●			Financial / Enterprise & Solutions Segments
Shigeki Yamaguchi		●		●	●	●			Public & Social Infrastructure / Enterprise & Solutions Segments
Toshi Fujiwara		●	●		●	●			Financial Segment
Kazuhiro Nishihata		●	●	●		●			Global business sector
Masanori Suzuki				●	●	●			Financial Segment
Yutaka Sasaki				●	●	●			Enterprise & Solutions Segment
Eiji Hirano	Outside director	●	●			●	●		—
	Independent director								
Mariko Fujii	Outside director		●					●	—
	Independent director								
Patrizio Mapelli	Foreign national director	●	●	●		●			—
Takeshi Arimoto						●	●		—
Fumihiko Ike	Outside director	●	●	●		●			—
	Independent director								
Tetsuya Obata	Outside director	●				●	●		—
Katsura Sakurada	Outside director					●	●	●	—
	Independent director								
Rieko Sato	Outside director					●		●	—
	Independent director								
Akihiko Okada	Outside director	●		●		●	●		—

(Note 1) Each candidate satisfies the Company's selection criteria, and this matrix shows the balance of the Board of Directors' areas of expertise.

(Note 2) ESG field is included in Business Management.

(Note 3) Up to four major skills possessed by each person are marked with "●".

## Determination of Amount and Details of Performance-based Stock Remuneration, etc. for Directors Who Are Not Audit and Supervisory Committee Members

### 1. Reasons for the proposal and reasons for the appropriateness of the remuneration system

The remuneration of our company's Directors (As described in 2., excluding Directors who are Audit and Supervisory Committee Members and Directors who are not Audit and Supervisory Committee Members who are Outside Directors and Part-time Directors, "Director" is hereinafter referred to in this proposal.) consists of "monthly fee" and "Bonus" This proposal seeks approval of the introduction of a new performance-linked stock Remuneration plan (Hereinafter referred to as "this system".) for Directors. For details, please refer to 2. You are cordially invited to attend the meeting of the Board of Directors of the Company.

The purpose of the Plan is to further clarify the link between the Remuneration of Directors and our company's corporate value, and to raise awareness among Directors of contributing to the improvement of medium- to long-term business performance and the increase of corporate value by sharing benefits and risks associated with stock price fluctuations with shareholders. In addition, at the Board of Directors meeting held on May 12, 2021, our company set forth the Policy on Determining the Content of New Individual Remuneration for Directors, etc., on the condition that this Proposal and Proposal 5 "Revision of Amount of Remuneration for Directors Who Are Not Audit and Supervisory Committee Members" are approved, an outline of which is as stated on page 58 of the Business Report, but the Company believes that the Plan is appropriate because it provides necessary and reasonable content for granting individual Remuneration, etc. to Directors in accordance with the Policy.

In addition to the maximum amount of remuneration for Directors who are not Audit and Supervisory Committee Members for which approval is requested in Proposal 5, this proposal proposes that new performance-linked stock remuneration be paid to Directors who are in office during one fiscal year (Hereinafter referred to as "Period covered".) up to the fiscal year ending March 31, 2022.

If Proposal 2 "Election of 11 Directors Who Are Not Audit and Supervisory Committee Members" is approved as originally proposed, the number of Directors subject to the System will be 6.

## 2. Amount and Details of Remuneration under the Plan

### (1) Outline of the Plan

The Plan is a stock Remuneration plan in which a trust established by our company through the contribution of money (Hereinafter referred to as "Trust".) acquires shares of our company and a number of our company shares are delivered to each director through the Trust in accordance with the points that our company grants to each director. The delivery of our company shares under the Plan shall be made to directors who hold office during the period covered by our company's medium-term management plan (Such period will hereinafter be referred to as the "Period covered" and the initial target period will be the one fiscal year ending March 31, 2022, which is the remaining period of the current medium-term management plan.), and the number of our company shares corresponding to the position of the subject director and the degree of achievement of the performance targets under the medium-term management plan shall be delivered to directors who hold office during the relevant period as Remuneration for officers. In principle, the timing of the issuance of our company Shares to Directors is upon retirement of Directors.

① Persons eligible for the Plan	Director (Directors who are Audit and Supervisory Committee Members and Directors who are not Audit and Supervisory Committee Members excluding Outside Directors and Part-time Directors.)
② Period covered	Period covered by our company's medium-term management plan (The initial target period is the business year ending March 31, 2022.)
③ The upper limit of the amount of money to be contributed by our company in a fiscal year as the funds to acquire our company shares necessary for delivering the shares to the Target Company set forth in ① above	Total 90 million yen
④ Method of acquiring our company shares	The method by disposing of treasury shares or by acquiring them from an exchange market (Including off-floor transactions.)
⑤ ① upper limit of the total number of points granted to the Target Company and the criteria for granting points	105,000 points per fiscal year Grant according to each rank up to the maximum of (Total)
⑥ Number and maximum number of shares to be issued	The number obtained by multiplying the cumulative number of reference points granted during the relevant period by the performance factor (Factor determined within a range of 0 to 150% based on the degree of achievement of performance targets under the Medium-term Management Plan)

	The upper limit is 105,000 points (105,000 shares equivalent) multiplied by the number of years in the applicable period
① timing of the delivery of our ⑦ company Shares to the Target Company	Upon resignation in principle

(2) Maximum amount of trust money to be contributed to the Trust as funds for the acquisition of shares

NTT DATA will contribute up to 90 million Japanese yen in total as remuneration to Directors who will be in office during the initial period as funds for the acquisition of NTT DATA shares necessary for delivering NTT DATA shares to Directors under the Plan during the initial applicable period, and establish the Trust with Directors who meet certain requirements as beneficiaries. The Trust will acquire NTT DATA shares using the money entrusted by NTT DATA as the fund, either by disposing of treasury shares from NTT DATA or by acquiring shares from an exchange market (Including off-floor trading).

Note: The amount of money actually entrusted by NTT DATA to the Trust will be the sum of the estimated amount of necessary expenses such as trust fees and trust administrator fees in addition to the funds for the acquisition of NTT DATA shares described above.

After the expiration of the applicable period, by a decision of the Board of Directors of NTT DATA, the period of the Medium-term Management Plan established by NTT DATA at the time may be set as a new period, and the trust period of the Trust may be extended for the same number of years as the new period (including substantially extending the trust period by transferring the trust property of the Trust to a trust established by NTT DATA under the same purpose as the Trust. The same applies to..) to continue the Plan. In this case, NTT DATA will contribute to the Trust an additional amount of money to the maximum of 90 million Japanese yen multiplied by the number of fiscal years in the new applicable period as funds for the additional acquisition of NTT DATA shares necessary to deliver to Directors under the Plan during the new applicable period, and will continue to grant points as described in (3) and deliver NTT DATA shares.

In addition, even if the Plan is not continued by setting a new applicable period as described above, if, at the expiration of the trust period, there are Directors who have already been granted points but have not yet retired, the trust period of the Trust may be extended until such directors resign and the delivery of NTT DATA shares is completed.

(3) Method and maximum number of shares of our company to be granted to directors

① How to grant points to Directors

At a certain time every year during the trust period and for each business year during the applicable period, based on the Share Delivery Rules established by the Board of Directors of NTT DATA, points (hereinafter referred to as "base points") calculated according to the following formula will be granted to each Director according to his or her position. Then, at a certain timing (It is expected to be around June 2022 for the initial Plan Period.) immediately after the last day of the final business year of the applicable period, the number of points is calculated by multiplying the cumulative number of base points granted for the applicable period by the performance-based coefficient (hereinafter referred to as "Number of stock delivery points").

The performance-based coefficient shall be determined within a range of 0 to 150% in accordance with the evaluation of the attainment level of targets such as financial indicators set forth in the Medium-term Management Plan. For the initial period, it shall be determined based on the attainment level of performance targets of consolidated net sales and consolidated operating income for the final fiscal year (fiscal year ending March 2022) of the applicable period.

(Formula for calculating the base point)

Standard stock remuneration amount determined by position / average closing price of NTT DATA shares on the Tokyo Stock Exchange in the month immediately preceding the month in which the applicable period started (For the first applicable period, the month prior to the month in which the trust agreement date falls)  
(Rounds down to the nearest whole number).

However, the total number of base points granted by NTT DATA to Directors shall be a maximum of 105,000 points per fiscal year, and the maximum number of points granted to Directors during the trust period of the Trust shall be the number of points obtained by multiplying 105,000 points by the number of years in the applicable period. In addition, the maximum number of NTT DATA shares that the Trust will acquire to deliver to Directors during the trust period and deliver to Directors shall be the number of shares equivalent to such maximum number of points (Hereinafter referred to as "Maximum number of shares to be granted"). Therefore, the maximum number of shares to be granted during the initial applicable period for one fiscal year will be 105,000 shares (One NTT DATA share per point). In addition, if the Trust is continued pursuant to (2), the maximum number of points to be granted to Directors during the extended trust period shall be 105,000 points multiplied by the number of years in the extended period, and the maximum number of NTT DATA shares to be acquired and delivered by the Trust to Directors during the trust period shall be the number of shares equivalent to the maximum number of points.

② Delivery of NTT DATA shares based on the number of stock delivery points

Directors shall receive the delivery of NTT DATA shares following the procedures set forth in (3)③ in accordance with the number of stock delivery points set forth in (3)① above. If a director resigns or dies during the trust period, the number of shares to be delivered will be determined using the number of base points accumulated up to that point as the number of stock delivery points. However, if a Director resigns for his or her own convenience against the will of NTT DATA, he or she shall not receive such shares.

One point shall be one share of NTT DATA. However, in the event that it is deemed reasonable to adjust the number of NTT DATA shares to be delivered, such as a stock split or a stock consolidation, the number of NTT DATA shares per point shall be adjusted according to such split ratio, consolidation ratio, etc.

### ③ Delivery of NTT DATA Shares to Directors

In principle, each Director shall acquire the beneficial interest of the Trust by following the prescribed procedures upon retirement, and shall receive the delivery of NTT DATA shares set forth in (3)② from the Trust as a beneficiary of the Trust.

However, with respect to a certain percentage of NTT DATA shares, NTT DATA may convert funds for tax payment, such as withholding income tax, into cash for sale in the Trust for the purpose of withholding tax, and deliver cash in lieu of NTT DATA shares. In addition, if NTT DATA shares in the Trust are converted into cash, such as when NTT DATA shares in the Trust are settled by tendering for a tender offer, cash may be delivered in lieu of NTT DATA shares.

In addition, if a director dies during the trust period, the heir of the director shall receive the cash equivalent to the cash conversion disposition after cashing NTT DATA shares corresponding to all the number of stock delivery points calculated at the time from the Trust.

### (4) Clawback provision, etc.

For the event that a director commits a serious misconduct or violation, or in the event that a director concludes an employment contract or a delegation contract with another company in the same industry without the permission of NTT DATA, certain rules will be established under which the director may forfeit or confiscate the right to receive NTT DATA shares based on the Plan (Malus) and request the return of money equivalent to NTT DATA shares (Clawback).

### (5) Exercise of voting rights

Voting rights pertaining to NTT DATA shares in the Trust shall not be exercised uniformly based on the instructions of a trust administrator who is independent from NTT DATA and its officers. Through this method, it is intended to ensure neutrality to NTT DATA management with respect to the exercise of voting rights pertaining to NTT DATA shares within the Trust.

### (6) Treatment of Dividends

Dividends on NTT DATA shares in the Trust will be received by the Trust and allocated to the acquisition fund of NTT DATA shares and the trust fees of the Trustee related to the Trust.

### (Reference)

If this proposal is approved as originally proposed by our company, our company plans to introduce a similar stock-based Remuneration plan for executive officers with whom Sony has concluded a delegation contract.

For details of the System, please refer to the "Notice Regarding Introduction of Performance-based Stock Remuneration Plan for Directors and Executive Officers" timely disclosure dated May 12, 2021.

## Revision of Amount of compensation for Directors Who Are Not Audit and Supervisory Committee Members

The total amount of remuneration, etc. for Directors who are not Audit and Supervisory Committee Members of our company (Hereinafter referred to as "Director" in this proposal.) was approved at the 32nd Ordinary General Meeting of Shareholders held on June 17, 2020 to be no more than 580 million yen per year (Including a maximum of 50 million yen for outside directors). However, with the our company aim of promoting initiatives for the enhancement of our company's corporate value over the medium to long term and promoting management from the same perspective as shareholders by encouraging Directors to have a stronger sense of responsibility as our company management, the Company proposes to revise the amount of remuneration, etc. (1)for Directors to be paid to Directors to no more than 460 million yen per year (Within 50 million yen per year for outside directors) as well as the amount of remuneration, etc. to be paid by our company to Directors (Excluding outside directors and part-time directors.) as funds for the acquisition of our company's common shares (Hereinafter referred to as "our company stock".) (2)through the Executive Shareholding Association (Hereinafter referred to as "this system".) to be within 30 million yen per year, separately from the amount of remuneration, etc. for Directors described in (1) above.

The maximum number of shares of our company Stock to be acquired by our company's directors (Excluding outside directors and part-time directors.) under the Plan shall be 35,000 shares per fiscal year (However, in the event of a stock split or reverse stock split, etc. with respect to our company Shares, the maximum number of shares shall be adjusted according to the split ratio, reverse stock split ratio, etc. of our company Shares.). Directors of our company (Excluding outside directors and part-time directors.) shall participate in the Executive Shareholding Association and acquire our company Shares by the monthly contribution prescribed in the Articles of Incorporation of the Executive Shareholding Association, and shall hold all our company Shares acquired under the Plan during their terms of office.

At the meeting of the Board of Directors held on May 12, 2021, our company established a new policy for determining the content of compensation, etc. for individual Directors, on the premise of approval of Proposal 4 "Determination of Amount and Details of Performance-Related Stock Compensation, etc. for Directors Who Are Not Audit and Supervisory Committee Members" and this Proposal. The outline of the policy is as described on page 58 of the Business Report. This proposal is necessary and reasonable in terms of the compensation frame in light of the standards for calculating individual monetary compensation set forth in the policy, the level of the ratio of such compensation to the total compensation of Directors, the number of Directors to be granted, etc., and is considered to be reasonable.

If Proposal 4 "Determination of Amount and Details of Performance-Related Stock Compensation, etc. for Directors Who Are Not Audit and Supervisory Committee Members" and this Proposal are approved as proposed, the total amount of remuneration, etc. for Directors including the amount of stock remuneration, etc. will be 580 million yen or less per year, and the previous level will be maintained. However, by configuring the remuneration system for Directors (Excluding outside directors and part-time directors.) into three types, monthly remuneration, bonuses, and a newly introduced performance-linked stock remuneration, the Company will aim to create a balanced remuneration system in which medium- to long-term corporate value is reflected in the remuneration in

addition to the corporate performance for the relevant fiscal year, and to clarify the performance responsibilities of Directors and strengthen the incentive function so as to further increase corporate value.

The current number of Directors is 11 (Of which, 3 Outside Directors), but if Proposal 2 " Election of 11 Directors Who Are Not Audit and Supervisory Committee Members " is approved as originally proposed, the number of Directors will be 11 (Of which, 3 Outside Directors).

END

# **BUSINESS REPORT**

(From April 1, 2020 to March 31, 2021)

## **1 MATTERS CONCERNING PRESENT CONDITION OF THE CORPORATE GROUP**

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

The economy and the business environment in the information services industry in this consolidated fiscal year are as follows.

While domestic and international economies are still under strict circumstances owing to the impact of the COVID-19 pandemic throughout the fiscal year, a trend for recovery continues in the second half. The economy is expected to recover as the level of socio-economic activities has been raised while we take measures to prevent COVID-19 from spreading. We must, however, pay careful attention to risk accompanied by the resurgence of COVID-19. We also need to be alert on change in financial and capital markets, and other impacts.

In the domestic information services industry, the IT market resulted in a negative growth as some clients reduced their investment in IT due to the influence of the spread of COVID-19. The needs to reduce costs, both in the existing domain and of maintenance/operation seem to continue, so do the fierce price competition.

On the other hand, the spread of COVID-19 has radically transformed people's lifestyle and accelerated digital transformation for the realization of a new society. The IT market is expected to recover from the next fiscal year onwards.

The international information services industry seems to have been under difficult circumstances for a while as investment in IT is suspended or postponed due to the impact of the spread of COVID-19. In Japan, as the needs to reduce costs in the existing domain and of maintenance/operation still seem to continue, the price competition will remain as fierce as ever. But each sector further accelerates its efforts in digital transformation. We, therefore, expect demand for investment in IT in the digital area to grow.

#### **Implementation of initiatives**

In the Global 3rd Stage to be reached by 2025, the NTT DATA Group aims to become a company trusted by customers worldwide as one of the Global Top 5 companies through "Diffuse of Trusted Brand."

The three years covered by the medium-term management plan (from FY2019 to FY2021) is important for us to achieve the Global 3rd Stage. These three years is also a period during which we need to clarify, completely refine, and demonstrate the strengths that we will use as a source of the future growth capability. To that end, we are pursuing a "profitable global growth with consistent belief and courage to change."

With our "consistent belief," in line with our mission statement that "NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society." and the fostered strengths of "Long-term Relationships," we are contributing to the achievement of SDGs through businesses and corporate activities and sustainably enhancing our corporate value.

Specifically, in Japan, we have provided the RPA solution to help local governments automate their benefit payment operations free of charge. Moreover, in other countries, we have offered a solution to support the remote learning environment for students in North America and a remote medical treatment solution to assist medical professionals in Europe, etc. In response to the global COVID-19 pandemic, we have made contributions globally through businesses.

Moreover, as decarbonization is becoming a global trend, the Company has established a committee on promoting climate change actions to reduce CO2 emissions not only from our own operations but also from the entire society and has been pushing forward with initiatives against climate change in all divisions and departments.

With our "courage to change," we are further accelerating digital initiatives and maximizing our global synergy to offer maximized values to our clients. To this end, we are driving initiatives based on the following four strategies and enhancing collaboration among NTT Group companies.

With "Strategy 1: Expand global digital offerings <sup>(Note 1)</sup>," we maximize our global synergy in the digital field, create tools we need to compete, and sophisticate our method of competing. Specifically, we are committed to the following three measures of "acceleration of global marketing," "development of digital offerings through proactive investments," and "expansion of our Center of Excellence (CoE <sup>(Note2)</sup>)."

As part of our efforts to accelerate global marketing, we established the Global One Team to develop strategies across the globe, make proposals and provide support to clients doing business on a global basis (global accounts) more promptly, promote sharing and making use of digital success stories, and enhance global marketing. In FY2020, as a result of these activities, we successfully won multiple contracts with clients doing business globally.

As part of our efforts to create offerings through proactive investments, we established the Digital Strategy Office (DSO), an organization for accelerating the entire company's digital businesses, and have promoted the creation of offerings in the global focus areas. In FY2020, we won a contract for a large-scale project in North America, thanks to a platform for insurance companies developed through DSO's efforts. Including the case, a total of 15 global offerings have reached the stage of providing services.

For the expansion of our CoE, we have globally promoted sharing and rollout of digital technologies, such as Blockchain, Digital Design, Agile/DevOps <sup>(Note 3)</sup>, and AI, as well as expertise in them. In FY2020, the efforts significantly contributed to the order receipt and the development of services utilizing Blockchain, Digital Design, and Agile/DevOps. Also, in FY2020, we established three new fields, namely, IoT, Intelligent Automation <sup>(Note 4)</sup>, and Software Engineering Automation <sup>(Note 5)</sup>.

With "Strategy 2: Deliver greater value to clients based on regional needs," we continue to provide attractive values to clients based on regional needs.

In Japan, the NTT DATA Group's strength is in the existing system domain based on Long-Term Relationships with clients; in North America and Europe, it is in the ITO and other outsourcing businesses. By combining these strengths with digital technologies, we are creating new values.

In FY2020, these efforts have led to orders for multiple large-scale projects, including those for core systems of government agencies, financial institutions, and corporate clients in Japan, and to an increase in orders for digital projects, such as the "TradeWaltz" trade platform utilizing the Blockchain technology, cashless payment services for digitalizing regional currencies, and the provision of next-generation global EC services.

In North America and Europe, we successfully won orders for multiple-year large-scale digital projects, including a national border control system using AI of a European agency and a digital transformation project of a major energy company.

With "Strategy 3: Unleash our employees' potential that maximizes organizational strength," we enable each employee to achieve self-actualization and enhance organizational capabilities to implement Strategies 1 and 2.

In FY2020, we utilized human resource systems that we developed in FY2019 including a training program to cultivate human resources that utilized digital technologies, the ADP system <sup>(Note 6)</sup>, and the TG system <sup>(Note 7)</sup>, to enhance human resources and transform the corporate culture and awareness of the Company. Furthermore, we have focused on the work-style reform through digital technology utilization and made use of the mechanism of digital knowledge sharing to have contents and know-how shared internally.

With regard to the enhancement of NTT Group Collaboration, to drive the collaboration, we aim to generate One NTT Synergies, such as technology utilization and cross-selling. In FY2020, we established the IOWN Promotion Office for the innovative application of IOWN's technologies, mainly the Digital Twin Computing (DTC) <sup>(Note 8)</sup>, to our clients and are working to develop new values. Furthermore, we have participated in multiple co-creation projects of the NTT Group, including one with Toyota Motor Corporation.

As described above, we could demonstrate resilience in FY2020 mainly in Japan under harsh circumstances where the COVID-19 pandemic negatively affected the economy and corporate activities.

At the same time, public administrations and corporations are increasingly collaborating with each other beyond the boundaries of sectors and industries in order to restore the economy and corporate activities as well as resolve various social issues. The environment surrounding the Company is changing.

To adapt to the change, we created the Social Design Office, which is a company-wide organization beyond the boundaries of public, financial, and corporate sectors. We will work to create new consumer-oriented services toward the digital transformation not only of public administrations but also of the entire society.

(Reference) Toward realizing the digital society: Establishment of the company-wide organization Social Design Office  
The Social Design Office is aimed at strengthening collaboration beyond the boundaries of sectors and industries, creating and rolling out best practices on a global level and contributing to the digitalization of the entire society.



## Implementation of business activities

We strove to expand businesses in the global market to respond to the acceleration of digital transformation initiatives on a global basis and meet diversified and sophisticated needs. We also made efforts to expand diverse IT services including digital offerings and system integration in response to market changes and to stably provide such services.

[Summary of financial results for the 33rd fiscal year]

**Despite the negative impacts by the spread of COVID-19 on our business, we achieved net sales growth for 32 consecutive years, and operating income increased.**

Despite an increase of winning the system renewals mainly in the domestic business, new orders received decreased due to fewer orders of large-scale projects than the previous fiscal year.

Net sales increased mainly due to expansion of domestic business.

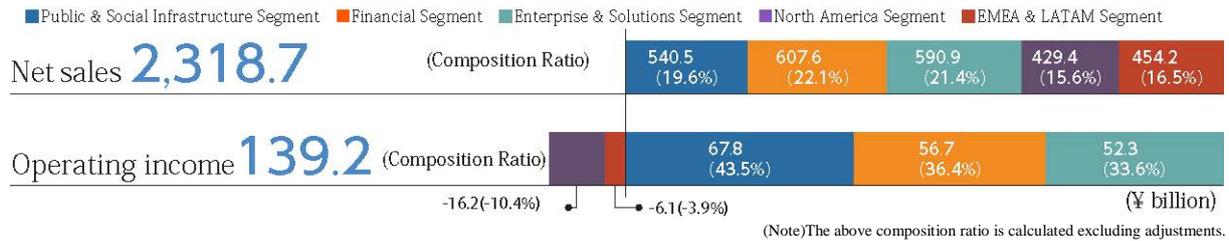
Operating income increased due to reducing unprofitable projects and growth in net sales, despite increase in structural transformation expenses.

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

Items	Year	33rd Fiscal Year (2020)	
		32nd Fiscal Year (2019)	
New orders received	2,275.2	2,223.3	(2.3%) (51.9)
Net sales	2,266.8	2,318.7	+2.3% +51.8
Operating income	130.9	139.2	+6.3% +8.2
Net income attributable to shareholders of NTT DATA	75.1	76.8	+2.3% +1.7
Net dividend per share	18	18	±0

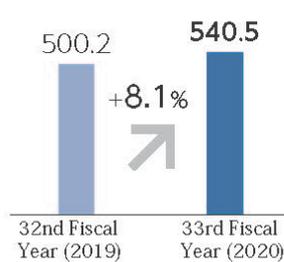
## NTT DATA GROUP

(Achievements in Fiscal 2020)

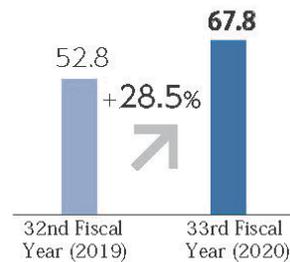


### Public & Social Infrastructure Segment

■ Net sales (¥ billion)



■ Operating income(¥ billion)

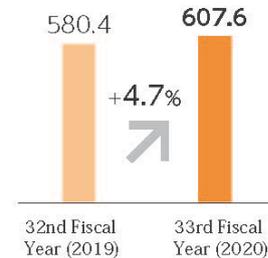


- The net sales was 540.5 billion yen (8.1% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for the central government and related agencies, and telecommunication industry.

- The operating income was 67.8 billion yen (28.5% increase compared to the previous fiscal year) due mainly to sales growth and reduced unprofitable projects.

### Financial Segment

■ Net sales (¥ billion)



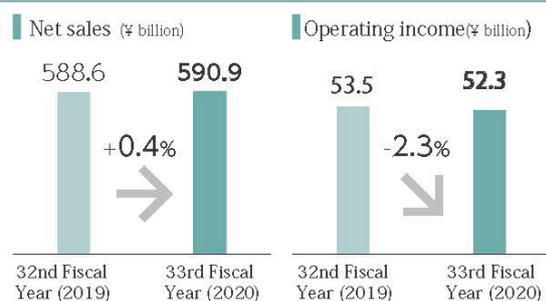
■ Operating income(¥ billion)



- The net sales was 607.6 billion yen (4.7% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for financial institutions.

- The operating income was 56.7 billion yen (12.6% increase compared to the previous fiscal year) due mainly to reduced unprofitable projects.

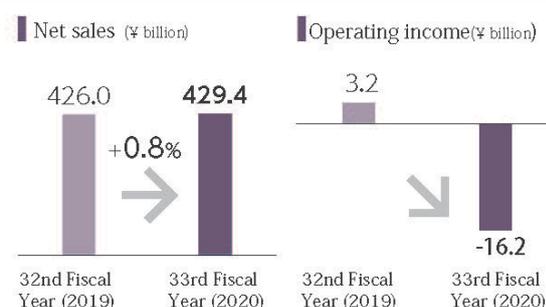
### Enterprise & Solutions Segment



- The net sales was 590.9 billion yen (0.4% increase compared to the previous fiscal year) due mainly to the expansion in the scale of services for manufacturing industry and payment business including M&A.

- Operating income was 52.3 billion yen (2.3% decrease compared to the previous fiscal year) due mainly to sales growth.

### North America Segment



- The net sales was 429.4 billion yen (0.8% increase compared to the previous fiscal year) due mainly to the expansion of scale from M&A and others despite the impact of COVID-19 and negative impact from yen appreciation in foreign exchange.

- The operating income was -16.2 billion yen (- % decrease compared to the previous fiscal year) due mainly to the increased costs related to structural transformation and the impact of COVID-19.

### EMEA & LATAM Segment



- The net sales was 454.2 billion yen (0.3% decrease compared to the previous fiscal year) due mainly to the impact of COVID-19, despite steady sales secured mainly in Italy.

- The operating income was -6.1 billion yen (57.8% increase compared to the previous fiscal year) due mainly to the effects of structural transformation and reduction of structural transformation expenses, despite the decrease in profit due to the impact of COVID-19.

The following shows the status of overseas bases during the period under review:

Approx. 99,400 employees deployed in 208 cities in 55 countries and regions outside of Japan (Approx.139,500 employees including Japan) (As of March 31, 2021)

## Public & Social Infrastructure Segment



While making sure to acquire new projects to renew core systems for the government and infrastructure companies, we created projects, taking advantage of the Group's achievements so far and the know-how that it had developed. With the aim of expanding our business, we also worked on new business to realize a new social system that integrates the government with the industry in line with the growth strategy based on Society 5.0 and the Digital Government Action Plan.

<Promoted digital businesses for public organizations>



- The Company promoted realized high security for public organizations and enhanced usability based on the Cloud-by-Default Principle (note 9) using its cloud/digital technologies, including the Digital Community Platform that it owns (note 10).
- In September 2020, as an additional function of the Digital Community Platform for central and local governments, the Company launched the DCPF Cloud Connect Services, which safely, securely, and conveniently connects the user information on existing systems with cloud services. Enabling user/authorization management on the existing on-premises (note 11), this service allows the user to simplify administrator business while continuing conventional operation. It further prevents information leaks, improves user convenience, and enhances compliance, thereby realizing safe and secure cloud services.

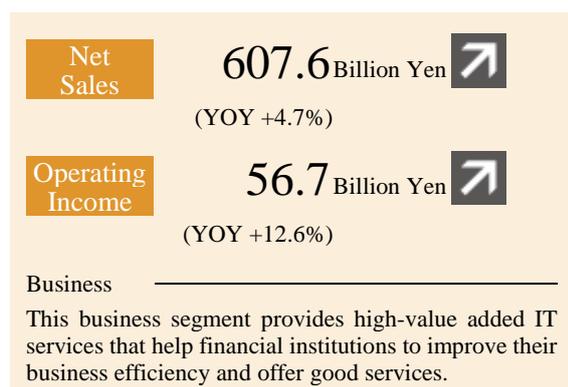
• In February 2021, the Company launched the OpenCanvas for Government (note 12) to promote the use of cloud in government information systems. This service supports a wide range of requirements such as cost reduction, improved agility, secured scalability, high reliability, and high availability, thus providing an optimal platform for clients. Using OpenCanvas (note 13) as a base enables the client to connect to financial institutions and other companies' cloud services; it can also provide high security and quality operation required for government information systems.

< A new brand established to realize a smart city >



In January 2021, we established a new brand, SocietyOS, to realize a smart city, and it is gaining attention as sustainable solutions for low birthrate and longevity, environmental issues, and other issues; as measures for digital administration; and as response to diversified and changing citizens' needs. SocietyOS contributes to realizing a smart city and building sustainable town through alignment with services/solutions, collecting and using wide-ranging data from systems/devices, cloud environment-enabled high-speed delivery of services, and taking advantage of the NTT Group's know-how and technological capabilities.

## Financial Segment



As deregulation and technological innovation transform the business environment of financial institutions, digital technology-enabled financial services emerged, which diversified players in the financial business. In such a situation, the Company continued to provide highly reliable and high-quality services to clients while anticipating the changing times to expand its business in the digital age.

<Promoted cross-industry trade digitalization leveraging blockchain technology>




- We jointly invested in TradeWaltz Inc., which runs a trade information alignment platform with six partner companies to provide a mechanism for creating documents that accompanies trading operations, solving consistency check and other issues, and delivering information more accurately and safely. TradeWaltz not only uses the blockchain technology to render trade documents that have been created in writing into smart data, enabling electronic trade data, while securing its originality, to be shared across the industries. This will make trading administrative process more efficient. TradeWaltz also promotes its practical application to realize the centralized management of all trade operations in electronic data. In the future, TradeWaltz will align with both domestic and international government agencies and service providers, seeking to contribute to the digitalization of trade business in the world, including ASEAN.

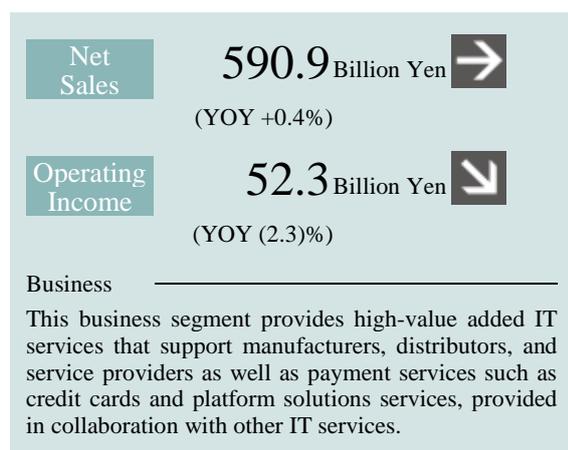
<Promoted open innovation in financial IT using a new architecture>



- We launched and started providing "Open Service Architecture" (Note 14) and related services, which is a new standard architecture in the New Normal. Using the Open Service Architecture, we will promote open innovation in financial IT together with many stakeholders, and contribute to the realization of a new society through co-creation with financial institutions, governments, and companies, which is required in the New Normal.

In January 2021, we also renewed "My Pallette", the banking application adopted by 27 financial institutions, and launched "My Pallette Full Service Version" as a solution related to Open Service Architecture. With this service, customers can open accounts and make other transactions immediately by using QR codes on the tablets at the counter of financial institutions. Furthermore, by linking up with "AnserParaSOL", an Internet banking service for individuals provided by NTT DATA, customers can use full banking services including application, account opening, balance inquiry, and transfer only with this application as well as eliminating paper applications for Internet banking.

## Enterprise & Solutions Segment



As digital utilization is further accelerated, the demand for reinforced global competitiveness increases, and as the global surge of the COVID-19 pandemic greatly transforms the market environment, the business environment in the manufacturing, the distribution, and the service industries are radically changing. By responding to these changes, continuously delivering high added values that combine business and expertise on advanced technologies, and supporting the clients' business growth, we have further expanded our business.

<Provided new technologies by promoting cashless related businesses>



The Company promoted the provision of more consumer-friendly new services in the cashless payment sector.

- In June 2020, the Public Money Payment Platform that handles utilities payments, such as taxes and water bill, added the PayPay Bill Payment. This is expected to improve usability for inhabitants and collection rates.
- In July 2020, CAFIS, an integrated payment platform, launched CAFIS Transaction Manager, a counter-abuse solution. This service reduces system load by communalizing part of credit card companies' functions to monitor fraudulent transactions on CAFIS.

<Provided/enhanced solutions for the COVID-19 pandemic>



We promoted the provision of new services to meet a new lifestyle in the New Normal Society.

- From October to December 2020, we conducted a proof of concept (PoC) on a digital store that remotely proposes merchandize via an avatar linked to the operator's movements, working together with TOKYU HANDS Inc. Through the PoC, we helped customers shop safely using an avatar that serves them to reduce human contact and verified flexible and diverse work style as shop assistants worked in various locations, including their home.
- As more and more companies recommended remote work as COVID-19 measures, we added BXO Managed UEBA, which reinforces the detection of risks, such as internal fraud to BizXaaS Office, our cloud services. BXO Managed UEBA was launched in October 2020. It is reinforced to detect risks such as internal frauds or targeted threats through machine learning and provides adequate security.

# North America Segment

Net Sales	429.4 Billion Yen	➔
	(YOY +0.8%)	
EBITA	(4.6) Billion Yen	➔
	(YOY - )	
Operating Income	(16.2) Billion Yen	➔
	(YOY - )	

Business

This Business segment provides high-value added IT services taking into consideration the market characteristics for North America business.

While the market environment changes significantly as well as growing new needs in the pandemic of COVID-19, we improved the efficiency of our business operations through business structure transformation. Creating new offerings and expanding our capabilities in the digital domain through proactive investment as well as combining them with our existing strengths, we accurately responded to our clients' needs for digital transformation.

<Further Enhance Digital Capabilities through Acquisitions>



NTT DATA Services, a subsidiary of NTT DATA Corporation, expanded ServiceNow and Snowflake capabilities through acquisitions to further enhance digital capabilities.

- NTT DATA Services acquired Acorio LLC, a ServiceNow Elite Partner (Note 15), in October 2020 and added unparalleled breadth and depth of experience in the ServiceNow ecosystem and unique industry approaches to help clients enable automated and intelligent digital workflows. By expanding on program acquired with the Acorio business, NTT DATA also advanced its digital talent development.
- NTT DATA Services acquired Hashmap, Inc., a Snowflake Premier Partner (Note 16), in December 2020 and added deep technical expertise with cloud data platforms such as Snowflake to support clients utilize data analytics.

<Support Accelerating Digital Transformation of Clients Using Cloud and AI Solutions>



NTT DATA Services, a subsidiary of NTT DATA Corporation, supported multiple clients by accelerating their digital transformation as a result of our initiatives to strengthen digital offerings.

- NTT DATA Services worked with Public Transport Victoria in Melbourne, Australia to create a new application called RideSpace that complements a mobile myki application, used for ticketing, by providing AI enabled real-time occupancy prediction powered by NTT Smart Solutions and in combination with Google Maps, to assist social distancing and encourage public transport ridership safety during the global pandemic. Predictive analytics generated by NTT Smart Solutions have also been enabling better decisions for Victoria DoT operators when it comes to design, and revise communication, operational and safety rules dynamically.
- Hashmap, Inc was selected as best-in-class technology partner with cloud and data expertise by a large environmental services company in North America. In collaboration, NTT DATA has helped prove out new analytics value across multiple operational areas with reliable and sustainable approaches, by using a combination of Snowflake's Data Cloud, Matillion, and AWS.
- NTT DATA Services was awarded a contract by the Retirement Systems of Alabama to provide cloud transformation support. By leveraging Microsoft Azure, Google Cloud, AWS, and local private cloud options as well as automation technologies, NTT DATA supported the client improve its operational efficiencies.

## EMEA & LATAM Segment

Net Sales	454.2 Billion Yen	➔
	(YOY 0.3%)	
EBITA	(1.4) Billion Yen	➔
	(YOY +83.2%)	
Operating Income	(6.1) Billion Yen	➔
	(YOY +57.8%)	
Business		
This Business segment provides high-value added IT services taking into consideration the market characteristics for the EMEA /Latin America business.		

While the market environment continuously changing, including growing new needs in the society of COVID-19 era, we will support our clients' digital transformation by further strengthening the digital and consulting domains through the results of the business structure transformation implemented last fiscal year, and by combining our existing strengths.

<Lightening medical professionals' workload by building a new solution for the era of Covid-19>



NTT DATA accelerated our efforts to contribute the society through our business to solve various issues and realize a new society during the Covid-19 pandemic.

- NTT DATA enabled remote medical care for patients with minor symptoms who can be treated at home by providing "ehCOS Remote Health", the cloud-based telemedicine solution specialized for dealing with Covid-19 infections, for free in Europe and LATAM.

We also received an order from CUF, the largest healthcare provider in Portugal, to carry out a project for introducing its new core system and accelerated new processes and innovation with a DX technology of "ehCOS".

- NTT DATA was selected as an IT services partner of the University Hospitals of Leicester (UHL), one of the largest NHS trusts <sup>(note 17)</sup> in the UK. By utilizing the latest technologies including artificial intelligence (AI) and robotic process automation (RPA), we supported UHL to provide emergency medical services in the midst of Covid-19 pandemic.

< Promoting digitalization of customers' businesses as a partner >



NTT DATA was highly evaluated for its rich experience in digital transformation of clients' businesses and utilizing advanced technologies, and has promoted digitalization as a strategic partner in several projects.

- NTT DATA received an order from Eni, a major Italian energy company, for a digital transformation project of application development, and provided consistent support for the customer's digital transformation, from consulting on the digitalization concept to implementation.
- NTT DATA was awarded a contract by a major Italian energy company for digital business promotion and product design using next-generation smart meters, and provided product design services and technical support through prototyping with a design thinking approach.
- NTT DATA signed a contract with eu-LISA and Frontex to develop IT systems for a safer and more efficient border control. In this project, we realized efficient development and operation using ALM tools<sup>(Note 18)</sup> and advanced technologies, as well as accelerating advanced security management with automated security alert solutions.

Notes:

(Note 1) Global Digital offerings

Products or services we provide to our clients by utilizing leading-edge technologies.

(Note 2) CoE (Center of Excellence)

A base that conducts advanced R&D activities and plays a central role in creating and developing human resources and businesses.

(Note 3) DevOps

A system that consists of tools and development methods that allow the development and operation teams to work together to meet clients' requirements for systems with high quality, flexibility, and in a short period of time.

(Note 4) Intelligent Automation

Technologies that run automated business processes through artificial intelligence (AI), machine learning, and data utilization.

(Note 5) Software Engineering Automation

Next-generation production technology aimed at drastically improving the productivity of the entire software development process.

(Note 6) ADP (Advanced Professional)

A system under which the Company recruits outstanding human resources from outside with excellent expertise in AI, IoT, cloud, and other advanced technology fields and the consulting field and compensates them according to market value.

(Note 7) TG (Technical Grade) system

A system under which the Company makes the best use of and evaluate the potential abilities of human resources with specialized skills.

(Note 8) Digital Twin Computing (DTC)

Digital twin computing, which is a part of the IOWN concept, is an innovative technology that expands on the conventional digital twin, a technology that reproduces and simulates real-world environments in virtual space, to create completely new value through advanced simulations that freely cross various industries and digital twins of people and things.

(Note 9) Digital Community Platform

Launched in March 2020, the Digital Community Platform is a multi-cloud solution that promotes the digitalization of public organizations, including central and local governments.

(Note 10) Cloud-by-Default Principle

In June 2018, the Government of Japan published the (draft) Cloud Adoption Policy for Government Information Systems, a policy in which the use of cloud services as the first option in building government information systems is considered.

(Note 11) On-premises

A mode of operation in which the hardware, such as servers, required to use an information system is installed on the premises of your organization.

(Note 12) OpenCanvas for Government

The OpenCanvas for Government is OpenCanvas-based community cloud services for the government.

(Note 13) OpenCanvas

OpenCanvas is a cloud platform equipped with both high reliability, which support mission-critical requirements, and security.

(Note 14) Open Service Architecture

A standard architecture based on the concept of "Open" which embodies a new form of financial IT with the three features: Open Platform, Open API, and Open Innovation.

(Note 15) ServiceNow Elite Partner.

ServiceNow is a cloud-based IT service management product provided by ServiceNow, Inc., and its elite partner is recognized as one of the top partners that has achieved a certain level of success in business operations using ServiceNow, such as an extensive implementation track record, customer satisfaction, and a large number of certified personnel among the ServiceNow, Inc. partner program.

(Note 16) Snowflake Premier Partner

A service partner that has a stable Snowflake practice among the partner network provided by Snowflake Inc.

(Note 17) NHS trust

An organizational unit within the National Health Service in England and Wales.

(Note 18) ALM (Application Lifecycle Management)

A method of continuously managing the process of software development and maintenance over the life cycle of each application.

## 2. Progress of Technical Development

We work on the “promotion of cutting-edge technologies and innovations,” in which we actively incorporate new technological trends in business to survive in the fierce global competition. We also conduct R&D related to “production technology innovations,” in which we accelerate and enhance the quality of system developments, build cloud platforms for cloud computing and digitalization, and so forth. In our medium-term management plan, we will build a foundation on which we will globally consolidate and utilize expertise and know-how on state-of-the-art technologies to promote innovations and refine production technologies of the next generation.

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

The R&D costs for the consolidated fiscal year under review were 22,739 million yen. The results of the R&Ds, which are commonly applicable to the Public & Social Infrastructure, the Financial, the Enterprise & Solutions, the North America and the EMEA & LATAM segments, are not separately recorded by each segment.

< Supported clients’ business transformation by using Agile development framework >



Working together with Scaled Agile, Inc. that owns the Scaled Agile Framework (note 1), a large-scale Agile methodology, we promoted DevOps (note 2), including Agile development. DevOps is one of the most cutting-edge technologies that the Company emphatically promotes as part of CoE (note 3) action, global cross-sectional activities based on its Mid-term Management Plan. Taking advantage of the Scaled Agile Framework, we will support our clients’ large-scale organizational reform and improve their business agility.

- In September 2020, the Company are recognized as became a Global Transformation Partner in Scaled Agile, Inc.’ s partner certification system, thus qualifying as a business transformation partner at the global level. Adopted by over 20,000 companies, the Scaled Agile Framework is a world-famous framework with the top market share globally. We are the third partner globally and the first as a company based in the Asian region, including Japan. In FY2022, we are looking at net sales of 50 billion yen a year globally from clients’ business transformation support, including the Scaled Agile Framework.
- NTT DATA INTELLILINK Corporation and the Company have added new courses on mind transformation for managers and Scaled Agile, Inc.’ s official training to the existing Agile development training menu for our clients. These courses are intended for companies or organizations that are considering digitalization while looking for clues regarding where to start. They help them to master the required mindset or understand the framework. They aim to provide services to 2,000 people by 2023.

< Established processes and a quality management methodology to promote AI system development >



To organize the development processes and quality assurance required for rapidly spreading AI-enabled systems, the Company promoted system development that clients can securely use by providing the process system and tools that integrate our know-how.

- We have established the AI Development Process that systematically defines processes common to AI system development. In July 2020, we began to apply it to all of our AI projects on a trial basis. The AI Development Process integrates know-how on social ethics, check points in compliance, pre-processing of data, and quality management. By applying this Process, we will realize AI systems that clients can securely use from a comprehensive standpoint, including performance, scalability, security, and privacy.
- We developed a quality assessment tool for AI system development by extracting risks inherent in AI system development from our internal use cases and analyzed their causes. In October 2020, we launched its trial service, aiming to improve the quality management of data and models that constitute AI, which the conventional software quality management method could not sufficiently handle. The quality assessment tool can be used to review and test systems as well as promote quality improvement activities. It thus helps developers to identify check items required for safe and secure development and set timing for verification and approval, thus leading to the early detection of risks.

(Note1) Scaled Agile Framework

Provided by Scaled Agile, Inc., the Scaled Agile Framework is a framework that constitutes a base for the realization of business agility that combines lean, agile, DevOps principles, practices, and competency.

(Note2) DevOps

A system that consists of tools and development methods that allow the development and operation teams to work together to meet clients' requirements for systems with high quality, flexibility, and in a short period of time.

(Note3) CoE (Center of Excellence)

A base that conducts advanced R&D activities and plays a central role in creating and developing human resources and businesses.

### 3. Challenges to be addressed

[Outlook of the business environment]

The impact of COVID-19 infection on the Group's business environment and the degree of impact are still uncertain, and we need to keep a close watch on the situation. On the other hand, while the trend of digital transformation accelerates due to further advances in technology, our clients' needs are increasingly diversified and sophisticated in terms of business expansion and new business creation through strategic IT utilization. For solving environmental/social challenges as typified by Sustainable Development Goals (SDGs) in addition to the further growth of clients' businesses, we believe that IT will play greater and more important roles globally.

[Medium-Term Management Plan]

The NTT DATA Group has set a medium-term management plan for the years between FY2019 and FY2021 as follows:

<Basic policy>

We will pursue profitable global growth with our consistent belief and courage to change.

<Medium-term strategy>

With our "consistent belief," we will stick to our basic principle of "shaping the future society with our clients" and contribute to society through co-creation with our clients based on our Group's source of competitive advantage that is "Long-Term Relationships" with clients. In parallel, we will practice ESG management for sustainable improvement of our corporate value by promoting work-style reforms and other initiatives in our corporate activities, thereby contributing to the realization of a society where people feel rewarded by working.

With our "courage to change," we will also implement the four strategies through which we will further accelerate digital transformation and maximize our global synergy to offer maximized value to our clients.

Strategy 1. Expand global digital offerings

By defining focus areas in industries and technologies and making aggressive investments in such fields, we will create "strength" (offering), accelerating global collaboration that is integrated with marketing/technology application support. Specifically, we will improve our loyalty programs to individual clients and accelerate collaboration in industries while advancing external relations and promoting sharing and acceleration of best practices.

By formulating a digital offering strategy which consolidates expertise in the industry and making aggressive investment in co-creation projects with clients while utilizing open innovation, we will create offerings with higher value.

In addition, we will realize prompt creation and rollout of offerings by accelerating consolidation and utilization of assets <sup>(Note 1)</sup> through enhancement of the Center of Excellence <sup>(Note 2)</sup>.

Through these measures, we will promote expansion of digital business through integrated efforts across the globe.

Strategy 2. Deliver greater value to clients based on regional needs

By increasing the values we provide to clients through promotion of 4D Value Cycle <sup>(Note 3)</sup> based on regional needs, we will further grow our client base that consisted of 78 companies <sup>(Note 4)</sup> as of the end of FY2020. Specifically, we will promote the following: "creation of new value by leveraging our strengths in existing areas" in Japan; "dramatic business expansion capitalizing on the market growth" in China and APAC; "expand our focused service portfolio and secure high-potential customers" in North America; and "enhance value for clients through unification of the three companies <sup>(Note 5)</sup>" in EMEA and LATAM.

Strategy 3. Unleash our employees' potential that maximizes organizational strengths

With globally shared value, we will promote collaboration and strive to maximize the organizational strength while improving the abilities of the individuals. Specifically, we will enhance the digital capabilities of all employees to maximize their professionalism while improving employee engagement by revising system frameworks according to their diverse forms of self-fulfillment.

As a work-style reform using digital technology, we will develop a platform through which expertise and know-how can be shared globally and promote collaboration while further increasing productivity by continuing to improve production technology for the next generation.

Moreover, to develop appropriate governance processes, we will reinforce our risk management by, for example, preventing unprofitable projects that were issues addressed under the previous Medium-term management plan as well.

In addition to the above-mentioned, we will promote enhanced collaboration with other NTT Group companies, create new value for the NTT Group as a whole, and increase our presence in the global market. Specifically, as a collaboration in advanced fields, we will globally leverage the results of basic R&D as well as R&D in the next-generation technologies and strive to provide advanced solutions and services.

As a collaboration in each region, we will set out to grow our business even more by providing our clients with total services which combine strengths of the NTT Group companies in infrastructure, security services, etc.

We will also promote collaboration to achieve economies of scale such as cost reduction by consolidating procurement of the entire NTT Group.

<Individual issues to be addressed>

In order to achieve the management targets, it is essential for us to focus on addressing significant management issues of “preventing unprofitable projects” and “improving the profitability of overseas businesses.”

#### **Prevention of unprofitable projects**

While the Project Review Committee took the initiative to prevent unprofitable projects so far, we face an issue of enhancing preventive measures for more complicated projects, in particular.

To solve the issue, based on lessons learned from unprofitable and highly complicated projects in the past, we will prevent unprofitable projects by implementing four measures: 1) Respond promptly to risks; 2) Strengthen teams’ capabilities; 3) Enhance management process; and 4) Leverage past learnings.

1. As measures to respond promptly to risks, we will move forward our response for large-scale projects, etc. by conducting Project Review Committee checks at the early, pre-proposal stage and extending to the details of orders received.

2. As measures to Strengthen teams’ capabilities, we will optimize the allocation of project managers according to project complexity and characteristics.

3. As measures to enhance management process, we will review our standards for accepting projects that have a tendency to present issues and augment the Project Review Committee’s effectiveness. In addition, we will provide early-stage, company-wide support for projects that are expected to generate additional losses.

4. As measures to leverage past learnings, in addition to projects that were unprofitable in the past, we will step up our efforts to accumulate and utilize expertise and know-how on highly complicated projects. We aim to increase our ability to curtail any type of unprofitable projects.

These four measures helped dramatically reduce the number of unprofitable projects in FY2020 and contributed to ensuring operating income.

#### **Improvement of the profitability of overseas businesses**

To improve the profitability of overseas businesses, we face the following four specific issues: 1) improvement of productivity in existing businesses; 2) expansion of operations in high-value-added consulting and digital fields; 3) selection and concentration of offerings and services; and 4) strengthening of solutions and technologies.

To address these issues, we have strategically shifted toward the consulting and digital fields and carried out the business structure reforms to improve the profitability.

In North America, we implemented the business structure reforms ahead of the schedule and quickly shifted to business domains centering on the digital field in order to respond to the rapid pace of digital transformation due to the COVID-19 pandemic. Henceforth, we will steadily implement measures to improve the profitability based on the outcomes of Structural Transformation.

In the EMEA & LATAM Segment, Structural Transformation that were implemented in FY2019 bore fruit, leading to orders for multiple digital projects mainly in Italy, Spain, and Germany. From here on, we will work to unify ourselves as a global brand and realize an integrated management of business companies at an early date.

Notes:

(Note 1) CoE (Center of Excellence)

A base that conducts advanced R&D activities and plays a central role in creating or developing human resources and businesses

(Note 2) Assets

Assets are the elements such as materials, software, and licenses that make up a system.

(Note 3) 4D Value Cycle

Shared value offering model of the Company. We will continue operating under the cycle (Discover, Design, Develop and Drive) and utilize this to increase the Long-Term Relationships with clients.

Discover: forecasting of the market and clients' needs and discovering new technology

Design: grand plan with a view to collaborating various businesses and services

Develop: creating and providing solutions based on advanced system development abilities and applicability

Drive: support for clients' maximum utilization of solutions

(Note 4) Included are the clients from whom we earn annual net sales of 5 billion yen or more (Japan) or 50 million U.S. dollars or more (outside of Japan).

(Note 5) Three companies are NTT DATA EMEA, everis and Business Solutions.

## 4. Changes in Assets and Profit and Loss

### Changes in Assets and Profit and Loss of the Corporate Group

(¥ million, except for net income per share [yen])

Items (according to JGAAP)	Year	JGAAP		IFRS			
		29th Fiscal Year (FY2016)	30th Fiscal Year (FY2017)	30th Fiscal Year (FY2017)	31st Fiscal Year (FY2018)	32nd Fiscal Year (FY2019)	33rd Fiscal Year (FY2020)
Net sales		1,732,473	2,117,167	2,039,690	2,163,625	2,266,808	2,318,658
Operating income		117,109	123,522	123,120	147,716	130,937	139,173
Income before income taxes		105,332	100,083	122,704	146,914	120,155	130,452
Net income attributable to shareholders of NTT DATA (Net income attributable to owners of parent)		65,686	58,173	82,392	93,616	75,148	76,843
Net income per share		47	41	59	67	54	55
Total assets		2,238,941	2,234,277	2,270,203	2,476,062	2,686,008	2,897,015
Total equity (Total net assets)		833,715	868,863	860,506	966,809	987,415	1,126,548
(Reference) New orders received		1,781,565	2,021,195	1,950,033	2,076,088	2,275,217	2,223,320

#### Notes:

1. Consolidated financial statements are prepared based on IFRS starting from FY2018. For a comparison purpose, the results of FY2017 based on IFRS are provided alongside.
2. Net income per share is calculated based on the average number of shares outstanding during the fiscal year.
3. Conducted stock split which shall split of common stock at a ratio of 1:5 as of the effective date of July 1, 2017. Net income per share is calculated based on the assumption that the stock split was conducted at the beginning of FY2016.
4. Beginning in fiscal year 2017, we have made some changes to our accounting policies. As this change in accounting policy has been applied retrospectively, total assets and total net assets for fiscal 2016 are shown in figures after retrospective application.

## 5. Capital Investments

The amount of capital investments and the like in this consolidated fiscal year under review is 169,502 million yen (decrease by 12.6% compared to the preceding term). The major component of them was the investment in the financial field.

## 6. External Financing

In the current consolidated fiscal year, 92.0 billion yen will be used to fund the repayment of borrowings and the acquisition of subsidiaries. We borrowed long-term funds mainly from NTT FINANCE CORPORATION.

## 7. Parent Company and Principal Subsidiaries

### (1) Relationship with parent company

Our direct parent company is NTT Inc., which holds 760,000,000 shares of NTT DATA (with a voting right ratio of 54.19%). NIPPON TELEGRAPH AND TELEPHONE CORPORATION holds 100% of NTT Inc.'s shares, thus being the ultimate parent company of NTT DATA.

Our commercial transactions with NTT, Inc. include convenience provided by NTT, Inc. for our promotion of global business. Also, our commercial transactions with NIPPON TELEGRAPH AND TELEPHONE CORPORATION include services and convenience for our company in relation to research and development of basic systems conducted by the company and its group management.

### (2) Principal subsidiaries

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
<b>■ Public &amp; Social Infrastructure Segment</b>			
NTT DATA i CORPORATION	100.0%	Tokyo	System design/development
NTT DATA KYUSHU CORPORATION	100.0%	Fukuoka Prefecture	System design/development
NTT DATA TOKAI CORPORATION	100.0%	Aichi Prefecture	System design/development
NTT DATA KANSAI CORPORATION	100.0%	Osaka Prefecture	System design/development
<b>■ Financial Segment</b>			
NTT DATA SYSTEM TECHNOLOGIES INC.	97.1%	Tokyo	System design/development
NTT DATA CUSTOMER SERVICE CORPORATION	100.0%	Tokyo	Systems operation/maintenance
NTT DATA FINANCIAL CORE CORPORATION	100.0%	Tokyo	System design/development
NTT DATA FORCE CORPORATION	90.0%	Kanagawa Prefecture	System design/development
NTT DATA FRONTIER CORPORATION	69.8%	Tokyo	System design/development
NTT DATA SOFIA CORPORATION	85.0%	Tokyo	System design/development
NTT DATA Getronics Corporation	100.0%	Tokyo	System design/development
XNET Corporation	51.0%	Tokyo	System sales
Japan Information Processing Service Co.,Ltd.	80.0%	Tokyo	System design/development
<b>■ Enterprise &amp; Solutions Segment</b>			
NTT DATA SMS CORPORATION	100.0%	Tokyo	Systems operation
NTT DATA INTRAMART CORPORATION	47.9%	Tokyo	Package software sales
NTT DATA WAVE CORPORATION	80.1%	Tokyo	System design/development
NTT DATA BUSINESS SYSTEMS CORPORATION	100.0%	Tokyo	System design/development
NTT DATA ENGINEERING SYSTEMS CORPORATION	100.0%	Tokyo	System design/development
NTT DATA CCS CORPORATION	60.0%	Tokyo	System design/development
NTT DATA MSE Corporation	45.0%	Kanagawa Prefecture	System design/development
JSOL Corporation	50.0%	Tokyo	System design/development
NJK CORPORATION	100.0%	Tokyo	System design/development
NTT DATA Global Solutions Corporation	100.0%	Tokyo	System design/development
NTT DATA MHI Systems Corporation	51.0%	Tokyo	System design/development

Name of Company	NTT DATA's Voting Right Ratio	Location	Main Line of Business
QUNIE CORPORATION	100.0%	Tokyo	Consulting
Netyear Group Corporation	48.5%	Tokyo	SIPS (Strategic Internet Professional Services) business (Note 3)
NTT DATA Smart Sourcing Corporation	100.0%	Tokyo	Contact Center Business
PAYGENT Co., Ltd.	50.0%	Tokyo	Payment processing services
<b>■ North America Segment</b>			
NTT DATA, Inc.	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
NTT Data International L.L.C.	100.0%	Texas, U.S.A.	Supervision of North American operating subsidiaries
NTT DATA Enterprise Services Holding, Inc.	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
NTT DATA Consulting, Inc.	100.0% (100.0%)	North Carolina, U.S.A.	Consulting, system design/development
NTT DATA Services International Holdings B.V.	100.0%	Amsterdam, Nederland	Consulting, system design/development
NTT DATA Services Holdings Corporation	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
NTT DATA Services, LLC	100.0% (100.0%)	Texas, U.S.A.	Consulting, system design/development
<b>■ EMEA &amp; LATAM Segment</b>			
<b>EMEA</b>			
NTT DATA EMEA LTD.	100.0%	London, England	Supervision of European operating subsidiaries
<b>everis</b>			
EVERIS PARTICIPACIONES, S.L.U.	100.0%	Madrid, Spain	Consulting, system design/development
Everis Spain, S.L.U.	100.0% (100.0%)	Madrid, Spain	Consulting, system design/development
Everis Aeroespacial y Defensa, S.L.U.	100.0% (100.0%)	Madrid, Spain	Consulting, system design/development
<b>Business Solutions</b>			
itelligence AG	100.0% (100.0%)	Bielefeld, Germany	Consulting, system design/development
NTT DATA EUROPE GmbH & CO. KG	100.0% (5.0%)	Bielefeld, Germany	Supervision of overseas SAP operating subsidiaries
<b>■ Others</b>			
NTT DATA MANAGEMENT SERVICE CORPORATION	70.0%	Tokyo	Administrative agent business
NTT DATA INTELLILINK CORPORATION	100.0%	Tokyo	System design/development
<b>APAC</b>			
NTT DATA ASIA PACIFIC PTE. LTD.	100.0%	Singapore	Supervision of APAC operating subsidiaries
VietUnion Online Services Corporation	90.4% (90.4%)	Ho Chi Minh City, Vietnam	Payment Processing Services
<b>China</b>			
NTT DATA (CHINA) INVESTMENT Co., LTD.	100.0%	Beijing, China	Supervision of China operating subsidiaries

Notes:

- In addition to the above, there were 269 subsidiaries as of March 31, 2021.
- Figures in parentheses in the column of NTT DATA's voting right ratio show the ratio of indirectly owned voting rights included therein.
- 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

## 8. Employees

Number of Employees (persons) <sup>(Note1)</sup>	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)
139,677	+6,481

(For reference) Employees of NTT DATA

Gender	Number of Employees (persons) <sup>(Note2)</sup>	Increase/Decrease Compared with the End of the Previous Fiscal Year (persons)	Average Age (years old)	Average Working Years (years) <sup>(Note3)</sup>
Male	9,293	+261	40.2	15.9
Female	2,662	+179	34.5	11.0
Total	11,955	+440	38.9	14.8

< Efforts to increase the number of female managers >

As part of the diversity and inclusion initiative, we have especially promoted women's active engagement and achieved all goals through our five years action plan from April, 2016 to March, 2021.

**Goal 1** Continuously aim to achieve a female employment rate of over 30% by the end of 2020

→ We have achieved this goal with over 30% continuously since FY2016.

(A female recruitment rate of 34.4% in April 2020) **Achieved**

**Goal 2** Achieve average 1,890 hours / year of total working hours per employee by the end of 2018

→ We achieved the goal with 1,889.6 hours in FY2018. **Achieved**

**Goal 3** Aim to have over 200 female managers by the end of FY2020

→ We achieved the goal with 200<sup>(Note4)</sup> as of April 1, 2020. **Achieved**

**Goal 4** Aim to have over 10 female executives (officers and heads of organizations) by the end of FY2020

→ We achieved the goal with 12 executives as of July 1, 2020. **Achieved**

We recognize it is important to promote diversity among executive officers involved in management, and the number of female executive officers has been increasing every year, reaching three in 2020. Specifically, we support our employees by providing career development support training, dispatching them to outside training programs, and providing managerial training. Through these ongoing efforts, we have been able to increase the number of female managers. Also, in recognition of these efforts, the Company was selected as a "Nadeshiko brand" in March 2021, following last year's selection.

Notes:

(Note1) 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.

(Note2) The number of employees above does not include the persons who transferred from NTT DATA to other companies, but includes the persons who transferred from other companies to NTT DATA.

(Note3) In calculating the average working years of employees, the number of working years in NIPPON TELEGRAPH AND TELEPHONE CORPORATION, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT Communications Corporation, and other companies are included in the above average working years in case the employees transferred from such companies.

(Note4) The number of employees above does not include the persons who transferred to NTT DATA from other companies, but includes the persons who transferred from NTT DATA to other companies.

## 9. Principal Lenders

Name of Lender	Borrowings Outstanding (¥ million)
NTT FINANCE CORPORATION	456,593
Mizuho Bank, Ltd.	21,203

## 10. Other Matters Concerning the Present Condition of the Corporate Group

In response to articles regarding the Company published on some weekly magazines, we set up a special investigation committee based on the resolution of the Board of Directors on March 9, 2021, for the purpose of elucidating the facts related to the issue. We are now cooperating with the investigation of the committee.

We deeply apologize to our shareholders, clients, and all parties concerned for all the trouble and worry that it caused.

## 2 MATTERS CONCERNING SHARES

1. Total number of shares authorized to be issued by the company 5,610,000,000shares
2. Total number of shares issued 1,402,500,000shares  
(Including 1,065 shares of treasury stock)
3. Number of shareholders 86,384persons
4. Principal shareholders

Name	Number of Shares Held	Ratio of Shareholding (%) <sup>(Note 1)</sup>
NTT, Inc.	760,000,000	54.19%
The Master Trust Bank of Japan, Ltd. (Trust Account)	140,902,500	10.05%
Custody Bank of Japan, Ltd. (Trust Account)	72,171,400	5.15%
NTT DATA Employee Share-Holding Association	14,710,800	1.05%
Custody Bank of Japan, Ltd. (Investment Trust Account)	13,214,700	0.94%
JP MORGAN CHASE BANK 385635	11,761,008	0.84%
STATE STREET BANK WEST CLIENT TREATY 505234	10,319,372	0.74%
Custody Bank of Japan, Ltd. (Trust Account 9)	9,128,500	0.65%
Custody Bank of Japan, Ltd. (Trust Account 7)	8,083,500	0.58%
Custody Bank of Japan, Ltd. (Trust Account 5)	8,011,400	0.57%

Notes:

1. Ratio of Shareholding has been calculated after deducting treasury stock (1,065 shares).

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

Financial Institutions	21.18%
Securities Companies	1.72%
Other Companies	54.56%
Non-Japanese Companies, etc.	15.91%
Individuals and Others	6.63%

### 3 STATUS OF ESG MANAGEMENT

#### 1. NTT DATA's ESG Management

In recent years, there has been a growing movement to evaluate companies and their relationship with society in terms of ESG (environmental, social, and governance) factors that stems from a demand that companies make a global response to social and environmental issues as represented by the SDGs.

In keeping with the mission statement of the Group, to “use information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society,” our business itself resolves issues faced by our clients and society, using the power of IT. In addition, we will contribute to the resolution of social issues through our corporate activities, which take into account cultivating IT talent, implementing workstyle transformation, respecting diversity, etc. We will contribute to resolve social issues through both business and corporate activities while sustainably enhancing our corporate value.

##### Points

- Although we promote ESG management from both business and corporate activities, we especially focus on social contribution and enhanced corporate value through business.
- In FY2019, we established 12 Material ESG Issues after discussions at the Board of Directors' meeting. In FY2020, we set KPIs for the 12 Material ESG Issues at each business sector or unit to set targets.
- We take measures to achieve KPI targets and spread ESG Management to employees.

##### **Contributing to society and increasing corporate value through “business”**

Resolve social issues with our clients and enhance our corporate value through our services and solutions.

##### **Contributing to society and increasing corporate value through “corporate activities”**

By resolving each of our material ESG issues and making use of know-how we have cultivated through our corporate activities in business, we will also resolve issues faced by our clients and society through business and increase corporate value.

##### **Reinforce corporate governance**

Aiming for more effective corporate governance, we are working on the reinforcement of our governance system and a more effective Board of Directors. We thereby promote the creation of an ESG management base in the NTT DATA Group as a whole, including overseas Group companies.

■ 12 Material ESG Issues

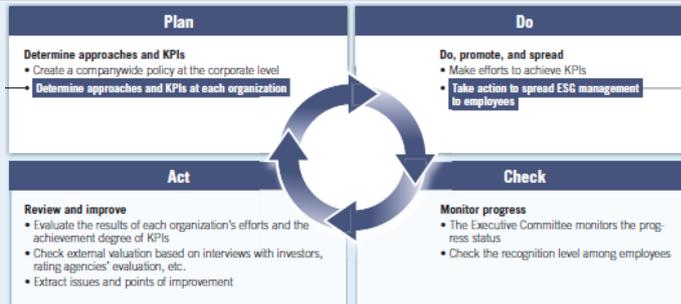
We are promoting company-wide ESG management by setting targets (KPIs) for each organization in response to the 12 Material ESG Issues selected in 2019.

Category	Material ESG Issues
<b>Business (Innovation)</b>	1. Offer social infrastructure and business category-specific solutions based on advanced technologies <span style="float: right;">▶P50 Case Studies</span>
	2. Build and ensure stable management / operation of IT infrastructure
	3. Secure and develop IT human resources
<b>Human Resources</b>	4. Promote diversity and inclusion
	5. Promote workstyle reform
<b>Security</b>	6. Ensure information security
	7. Protect data privacy
<b>Environment</b>	8. Respond to climate change <span style="float: right;">▶P51 Case Studies</span>
<b>Community</b>	9. Promote IT education
<b>Disaster Risk</b>	10. Respond to disaster risk <span style="float: right;">▶P50 Case Studies</span>
<b>Compliance</b>	11. Ensure compliance
<b>Supply Chain</b>	12. Promote responsible supply chain

**Each business sector or unit sets its own social contribution policy and targets for the Material ESG Issues**

■ Promote ESG Management

We manage all ESG activities under the supervision of the Senior Executive Vice President and Representative Director and Senior Vice Presidents. By implementing the following plan-do-check-act(PDCA) cycle, we promote ESG management.



## 2. Case Studies on Social Contribution through Business and Corporate Activities

### Social contribution through Business

Utilize drones through Grid Sky Way LLP to respond to the social issues including labor shortages and natural disasters

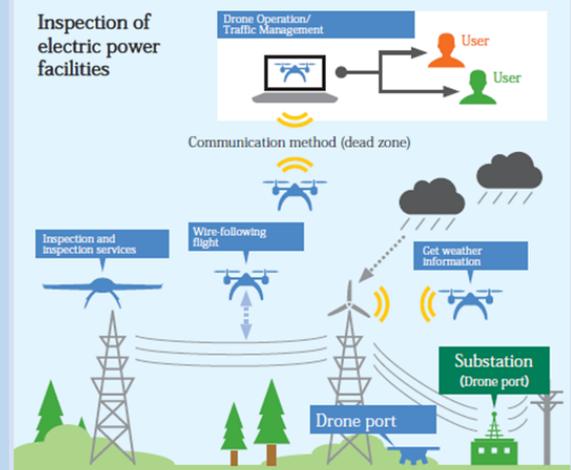


In order to solve various social issues including labor shortages and natural disaster countermeasures, expectations for expanded use of drones are rising.

In March 2020, TEPCO Power Grid Inc., NTT DATA Corporation, and Hitachi Ltd. established the Grid Sky Way LLP (hereinafter referred to as "Grid Sky Way") with the aim of improving facility inspections and creating new businesses using drones. In June 2020, Chugoku Electric Power Transmission & Distribution Co. Inc. joined us as a new partner.

#### Conducted PoC for drone flights beyond visual line of sight in Hiroshima and Ibaraki prefectures

In November 2020 and March 2021, Grid Sky Way conducted PoC in Hiroshima and Ibaraki prefectures to verify the safe flight of drones in mountainous areas and their applicability to infrastructure facility inspections, mainly patrol inspections of power lines. The flight test in Hiroshima Prefecture was a flight level 3 (uninhabited zone: a place where there is little possibility of a third party entering) as stipulated in the government's "Roadmap for the Industrial Revolution in the Skies," and is the first flight in Japan to include airspace of 150 meters or more above the ground surface. In addition, we confirmed the effectiveness of airspace and aircraft management through remote monitoring and control between Hiroshima, Ibaraki and Tokyo.



We aim to verify new business models through use case demonstrations with various businesses that are expected to utilize drones in the future, including logistics, agriculture, forestry, and fisheries. We will also organize and study the requirements for Route Platform that supports beyond visual line of sight drone flights from both technical and institutional perspectives, with the aim of utilizing drones for infrastructure maintenance and management and disaster countermeasures (strengthening resilience).

Grid Sky Way will continue to build and provide Route Platform, a sky infrastructure that can be safely and easily used by drones of many businesses to solve various social issues.

## Social contribution through Corporate Activities



### Respond to climate change

NTT DATA will take responsibility for the environmental impact of our corporate activities and business, and contribute to the greening of our clients and society through Green Innovation, aiming for a carbon-neutral society in 2050.

**Green Innovation by IT** : Contribute to realize carbon neutrality and enhance resilience of our customers and society against climate change through **co-innovation with our clients** by **utilizing our digital technologies**.

**Green Innovation of IT** : Carbon neutrality initiatives throughout IT lifecycle from suppliers to clients, including **large-scale mission-critical operations** and the developing new solutions **using digital technologies**

In November 2020, we established a company-wide cross-sectional Climate Change Action Promotion Committee to promote Green Innovation through subcommittees on green business, green electricity, green purchasing, and work style reform.

We also expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on March 30, 2021. We are promoting more proactive initiatives and information disclosure for climate change.

### Corporate Targets to Reduce Greenhouse Effect Gas Emissions in Accordance with the Paris Agreement (SBT)

We have set targets to reduce greenhouse gas emissions by 2030 and obtained certification from the SBT initiative.

The Group's targets for reducing greenhouse gas emissions	<b>Scope 1 and 2</b> Reduce emissions to 60% of FY2016 levels by FY2030 (target:1.5°C)
	<b>Scope3</b> Reduce emissions to 55% of FY2016 levels by FY2030

#### ■ Third-Party Evaluation (As of March 31, 2021)

The ESG efforts of the NTT DATA Group have received positive reviews from research agencies in Japan and overseas, and have been selected as a constituent of a number of indexes.



Dow Jones Sustainability World Index / Asia Pacific Index



FTSE4Good Index Series



FTSE4 Blossom Japan



S&P / JPX Carbon Efficient Index



ISS ESG Prime



RobecoSAM Sustainability Award



MSCI Japan Empowering Women Index\*

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### 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 systems 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.

Under this management philosophy, the NTT DATA Group has set the Medium-Term Management Plan from FY2019 to FY2021 to aim for “profitable global growth with consistent belief and courage to change.” With the “consistent belief,” under the basic concept of “shaping the future society with our clients,” we will promote ESG management with the aim of improving corporate value sustainably by contributing to a society through co-creation with clients as well as to efforts to realize a society where everyone is motivated to work through our corporate activities, including the work style innovations based on the “Long-Term Relationships” with clients, the source of the group’s competitive advantage. In addition, with “courage to change,” we will implement three strategies: “Expand global digital offerings,” “Deliver greater value to clients based on regional needs,” and “Unleash our employee’s potential that maximize organizational strengths.” Also, we will maximize value for our clients by further accelerating digital transformation and enhancing our global synergy.

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.

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: (1) to ensure transparency and soundness in business management; (2) to achieve appropriate and swift decision making and business execution; and (3) 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 enterprise value.

NTT DATA transitioned to a company with an Audit and Supervisory Committee upon approval of the required amendments to the Articles of Incorporation at the 32nd Ordinary General Meeting of Shareholders on June 17, 2020. This is to further strengthen the supervisory function of the Board of Directors and the corporate governance structure to enhance the soundness and efficiency of management.

#### ① Ensuring 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. When transacting with NTT Inc., our direct parent company; NIPPON TELEGRAPH and TELEPHONE CORPORATION, our ultimate parent company; and each company of the NTT Group, we also pay attention to the maximization of the profit of our shareholders.

#### ② Achievement of appropriate and swift decision making and business execution

Decision making at NTT DATA is carried out under the supervision of the Board of Directors in accordance with “Authority Rules,” which stipulates the responsibility and authority of the President and CEO, Senior Executive Vice Presidents, officers responsible for regions and segments, and heads of each section or group. For smooth and swift decision making and supervision in its business operations, NTT DATA has established the “Corporate Management Committee,” which is made up of the President and CEO, Senior Executive Vice Presidents, officers responsible for regions and segments,

and other heads of important section or group, and has prior discussions at such “Corporate Management Committee” for effective deliberations about the items to be resolved at the Board of Directors including outside directors. In addition, NTT DATA pursues appropriate and swift decision making and business execution by placing Senior Vice Presidents in charge of business execution, assigning most of the authority relating to business execution to such Senior Vice Presidents from directors, with each Section or Group executing business operations independently and responsibly in accordance with the “Organizational Regulations.”

### ③ Thorough implementation of compliance

NTT DATA is determined to operate its business in accordance with high ethical standards as well as compliance by setting up “Global Compliance Policy,” targeted at all officers and employees of the NTT DATA Group, in order to clarify its basic policy and specific behavior guidelines relating to corporate ethics. To make such business operation effective, NTT DATA considers it necessary to implement a continuous educational campaign to promote the awareness of such ethics and compliance. Therefore, it has been holding training sessions on compliance targeted at officers and employees and conducting attitude surveys. Aiming for more openness in its corporate culture, NTT DATA has placed “the Whistle Line,” which is a cross-sectional internal reporting system in the Group, receiving any declaration from the inside and the outside of the company, whether anonymous or named. Moreover, NTT DATA ensures that reporters to the Line will not be unfavorably treated because of their reporting.

### (2) Overview of Corporate Governance Structure and Others

NTT DATA transitioned to a company with an Audit and Supervisory Committee according to a resolution of the 32nd Ordinary General Meeting of Shareholders on June 17, 2020. 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 and corporate governance of the Board of Directors and further enhance the soundness and efficiency of management. Also, The General Meeting of Shareholders, the Board of Directors, and the Audit and Supervisory Committee are established as the company’s organizations. In addition to this, as mentioned above, we established the Corporate Management Committee in an effort to perform decision making in our business execution as fast as possible.

The Board of Directors consists of 15 directors, including five independent outside directors, two of whom are female directors (as of March 31, 2021.) 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 an extraordinary meeting as necessary.

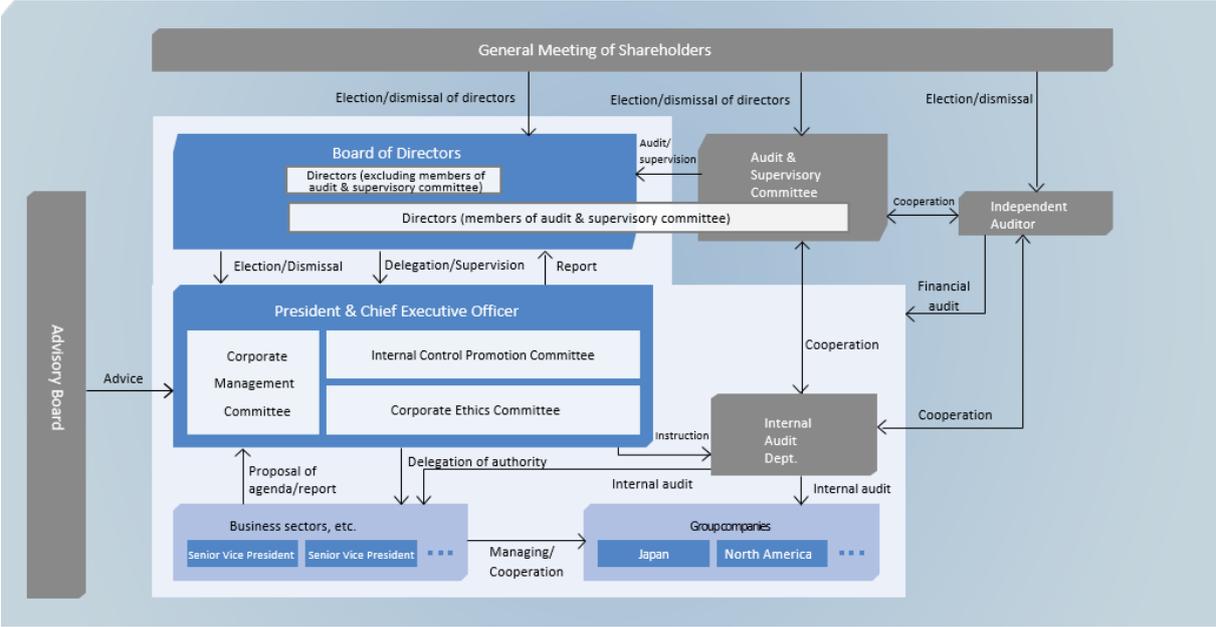
The Audit and Supervisory Committee consists of four outside directors who are Audit and Supervisory Committee Members, including one female member. In principle, it is held once every month to make decisions on the policies, plans, and methods of the audit as well as other important matters related 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” of directors who are not Audit and Supervisory Committee Members and “remunerations,” 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, officers responsible for regions and segments, directors executing the business, and heads of other related important organizations. It is held once every week in principle to perform smooth and quick decision making and monitoring on matters related to business operation. To increase the transparency of decision making, one director who is an Audit and Supervisory Committee Member takes part in the Corporate Management Committee.

The Company’s corporate governance structure is presented in the bellow.

(Reference) Corporate Governance Structure

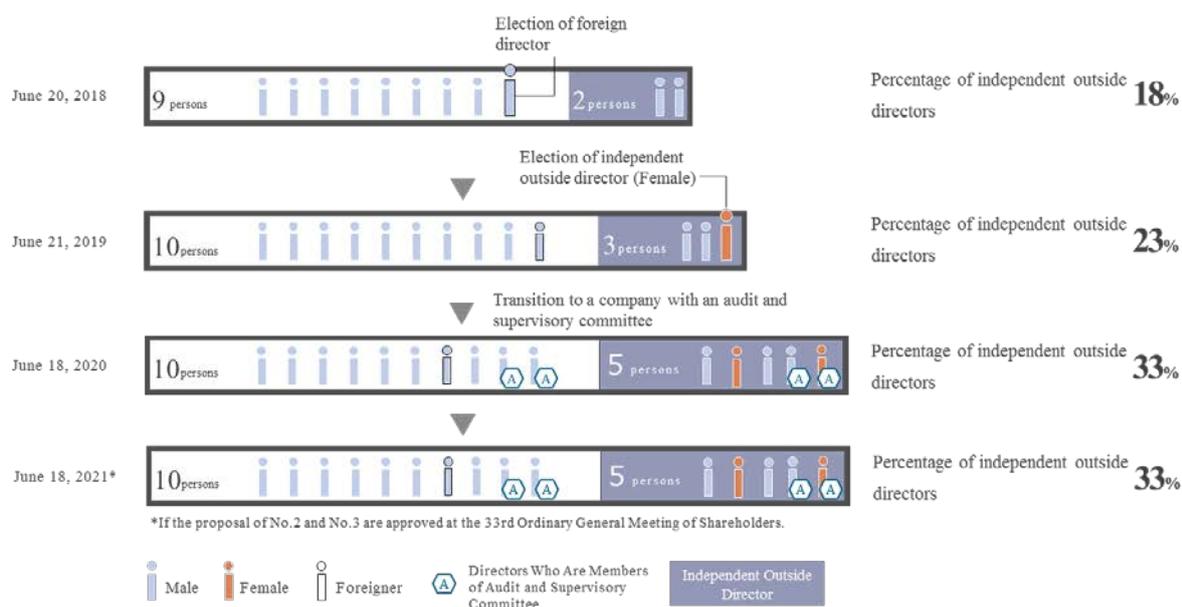
The corporate governance structure of the Company is shown below.



### (3) Initiatives to Strengthen the Governance System

The Company transitioned to a company with an Audit and Supervisory Committee in June 2020 and increased the number of outside directors from two to seven (including directors who are Audit and Supervisory Committee Members) to improve the monitoring of management. We have five independent outside directors (including two female directors), and the ratio of independent outside directors to all directors is at least one-third. We also appoint human resources in line with the human resource policy of selecting candidates on the basis of superior character, insight, and management ability regardless of age, gender, or nationality. Currently, we have two female directors and one foreign director (as of June 18, 2020.)

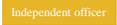
#### Changes in the Composition of the Board of Directors



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

##### ① Names of Directors

Position	Name	Areas of Responsibility and Principal Concurrent Positions
President and Chief Executive Officer Representative Director	Yo Honma	Director of NTT Inc.
Senior Executive Vice President and Representative Director	Shigeki Yamaguchi	Responsible for Social Design, Public & Social Infrastructure Segment, Enterprise & Solutions Segment, and China & APAC Segment Representative Board Member and Vice Chairperson of Japan Institute of Information Technology, a public interest incorporated association
Senior Executive Vice President and Representative Director	Toshi Fujiwara	Responsible for Corporate Management and Technology Management Head of HR Headquarters
Senior Executive Vice President and Representative Director	Kazuhiro Nishihata	Responsible for Americas & Europe Segment and Global Marketing Director of the Board, NTT Data International L.L.C.
Executive Vice President and Director	Hisashi Matsunaga	Responsible for Financial Segment Head of Banking Headquarters Board Member of The Center for Financial Industry Information Systems, a public interest incorporated foundation
Executive Vice President and Director	Masanori Suzuki	Deputy responsible for Corporate Management Head of Strategy Headquarters Head of Strategy Office, Strategy Headquarters Director of NTT DATA MANAGEMENT SERVICE Corporation
Director	  Eiji Hirano	Director of RIKEN CORPORATION
Director	  Mariko Fujii	Director of Mitsubishi UFJ Financial Group, Inc.
Director	Patrizio Mapelli	Board Member, Triboo S.p.A. Chairman of the Board of Directors, Eurotech S.p.A. Director of the Board, EVERIS PARTICIPACIONES, S.L.U. Director of the Board, NTT DATA EMEA LTD.
Director	Takeshi Arimoto	Senior Manager of the Finance and Accounting Department of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Director	  Fumihiko Ike	

Position	Name	Areas of Responsibility and Principal Concurrent Positions
Director (Standing Audit and Supervisory Committee Member) 	Tetsuro Yamaguchi	
Director (Standing Audit and Supervisory Committee Member) 	Tetsuya Obata	
Director (Standing Audit and Supervisory Committee Member)  	Katsura Sakurada	
Director (Audit and Supervisory Committee Member)  	Rieko Sato	Lawyer Partner of Ishii Law Office Director (Audit and Supervisory Committee Member) of Dai-ichi Life Holdings, Inc. Director of J. FRONT RETAILING Co., Ltd. Auditor of Mitsubishi Corporation

- (Note 1) The Company transitioned to a company with an Audit and Supervisory Committee at the conclusion of the 32nd Ordinary General Meeting of Shareholders on June 17, 2020.
- (Note 2) Director Yukio Okamoto passed away on April 24, 2020, and retired. Five directors, namely, Keiichiro Yanagi, Tsuyoshi Kitani, Shunichi Takeuchi, Koji Ito, and Takashi Ebihara, retired as their terms ended at the conclusion of the 32nd Ordinary General Meeting of Shareholders on June 17, 2020.
- (Note 3) In the current fiscal year, Director Toshi Fujiwara retired from the posts of Director of the Board, NTT Data International L.L.C., and Executor of business for the Limited Liability Partnership of Regional Revitalization/Value Partner 2020, and Director Masanori Suzuki also retired from the post of Executor of business for the Limited Liability Partnership of Regional Revitalization/Value Partner 2020.
- (Note 4) NTT DATA has entered into agreements with Directors Eiji Hirano, Mariko Fujii, Patrizio Mapelli, Takeshi Arimoto, and Fumihiko Ike 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) NTT DATA 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 any loss or damage that may arise due to the insured directors and officers assuming responsibilities with regard to the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. The insurance covers directors, including directors who are Audit and Supervisory Committee Members, and officers executing the business of the Company. The Company pays 90% of the insurance premiums.
- (Note 6) To ensure the effectiveness of audits through attendance to meetings on internal control and gathering of information, NTT DATA selects standing Audit and Supervisory Committee Members.
- (Note 7) Director (standing Audit and Supervisory Committee Member) Tetsuya Obata, who has worked in the financial division of NIPPON TELEGRAPH AND TELEPHONE CORPORATION, has considerable expertise in finance and accounting. Director (standing Audit and Supervisory Committee Member) Katsura Sakurada, who has engaged in operations at the Board of Audit of Japan, has considerable expertise in finance and accounting.
- (Note 8) Director Mariko Fujii also works for Mitsubishi UFJ Financial Group, Inc., with which NTT DATA has a business relationship. However, its transaction value is below 1% of NTT DATA's non-consolidated net sales in the current fiscal year. Director (Audit and Supervisory Committee Member) Rieko Sato also works for Ishii Law Office, Dai-ichi Life Holdings, Inc., J. FRONT RETAILING Co., Ltd., and Mitsubishi Corporation. NTT DATA has business relations with all of them, and each of their transaction values is below 1% of NTT DATA's non-consolidated net sales in the current fiscal year.

## ② Policies concerning and total remuneration of Directors and Auditors

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

The Board of Directors adopted a resolution at a meeting held on May 12, 2021, on a new policy for determining remunerations for individual directors (hereinafter the “Determining Policy”) on a condition that Proposal No. 4 and No. 5 is approved at the current General Meeting of Shareholders. The Determining Policy is a partially amended version of the policy for determining remunerations for individual directors at the end of the current fiscal year (hereinafter the “Fiscal Year-End Determining Policy”). With regard to non-monetary remuneration, if the current General Meeting of Shareholders approves Proposal No. 4 and No. 5, the Determining Policy will be 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 its parent companies, 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 15 directors, including five independent outside directors, determines the amount of remuneration within the limits resolved at a shareholders’ meeting. With regard to remunerations for individual directors, the President and Chief Executive Officer and Representative Director delegated by the Board of Directors shall determine them.

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-linked remuneration) as well as stock purchasing through the Executive Shareholding Association and stock compensation (medium- and long-term performance-linked remuneration). 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 medium-term management plan, and evaluation is made based on them. (Please refer to [Performance Indicators for Bonuses]).

Regarding the acquisition of our own shares, to reflect the medium- to long-term performance, standing directors are required to purchase the Company’s stock through the Executive Shareholding Association by paying certain amount of money <sup>(Note 1)</sup> every month. They must hold 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-linked coefficient is decided based on the achievement levels of the performance indicators in June in the year after the final year of the medium-term management plan. Then, the number of stocks granted is calculated by multiplying the performance-linked coefficient by accumulated points. The stocks shall be granted at the time of retirement of the director. <sup>(Note 2)</sup>

The remuneration composition in a standard performance case is approximately 50% for fixed remuneration, 30% for short-term performance-linked remuneration, and 20% for medium- and long-term performance-linked remuneration. <sup>(Note 3)</sup>

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 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.

(Note 1) In the Fiscal Year-End Determining Policy, it shall be “certain amount of money from their monthly remuneration and bonuses.”

(Note 2) The Fiscal Year-End Determining Policy does not have provision for the stock compensation system.

(Note 3) In the Fiscal Year-End Determining Policy, the remuneration composition is 70% for fixed remuneration and 30% for performance-linked remuneration.

#### [Performance Indicators for Bonuses]

The Company sets the financial targets set forth in the Medium-Term Management Plan as performance indicators, and evaluates them based on the degree of improvement over the previous year and the degree of achievement of the plan. Bonuses are calculated by converting each performance indicator into a payment rate using a predetermined method, weighting each performance indicator based on the evaluation weights in the table below, and then multiplying this by a certain number of monthly remuneration for each position.

Classification	Performance Indicators			
	Operating Income	ROIC	Overseas sales	Overseas operating income ratio
Improvement from the previous year	35.0%	—	—	—
Degree of achievement of the plan	35.0%	7.5%	10.0%	10.0%

(Note) In addition to the above, the Company evaluates the degree of achievement of the planned number of the B2B2X projects.

(b) Total amount of remuneration for directors and auditors during the fiscal year

The remuneration for directors who are not Audit and Supervisory Committee Members (excluding outside directors) consists of monthly remuneration and bonuses. The monthly remuneration is a fixed monthly remuneration and 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 performance for the fiscal year. The Performance Indicators for Bonuses is evaluated based on the targets set in the Medium-Term Management Plan. (Please refer to [Performance Indicators for Bonuses] on the previous page.) Of the indicators for the current fiscal year, NTT DATA achieved the targets for operating income, ROIC, overseas net sales, and the number of B2B2X projects, but it failed to achieve the plan for overseas operating income margin.

To reflect the medium- to long-term performance, standing directors are required to purchase the Company's stock through the Executive Shareholding Association by paying certain amount of money from their monthly remuneration and bonuses. They must hold the purchased stocks while in office. Accordingly, the remuneration composition including bonuses, in a standard performance case, is approximately 70% for fixed remuneration and 30% for performance-linked remuneration. With regard to the level of remuneration for the President and Chief Executive Officer and Representative Director, the Company obtains advice from independent outside directors and directors who are Audit and Supervisory Committee Members.

As for the specific contents of remunerations for individual directors in the current fiscal year, President, Chief Executive Officer, and Representative Director Yo Honma shall decide them based on the "Policy for determining remunerations for individual directors" resolved by the Board of Directors pursuant to Article 361(7) of the Companies Act. The authority delegated by the Board of Directors to the President and Chief Executive Officer and Representative Director is the "determination of the amount of remuneration for individual directors." The reason for the delegation of authority is that NTT DATA considers that this would make it possible to make appropriate decisions while taking a comprehensive view of the Company's overall performance. In addition, to ensure that such authority is exercised appropriately, the Company takes measures to ensure that it is exercised while respecting the opinions of outside directors and the right of the Audit & Supervisory Committee to state their opinions on remuneration when delegating such authority.

The method to decide the policy for determining remuneration for individual directors and the outline of the Determining Policy are in line with the Fiscal Year-End Determining Policy described above. As for the determination of remunerations for individual directors, because the perspective of audit and external stakeholders can be incorporated through consultation with Audit and Supervisory Committee Members and outside directors, the Board of Directors respects the decisions and judges that the content of remuneration for individual directors in the current fiscal year would conform to the Determining Policy.

To ensure a high degree of independence, remuneration for outside directors who are not Audit and Supervisory Committee Members is not linked to business results, and they receive monthly remuneration only.

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

Position	Number of Persons	Total Amount of Remuneration	Total Amount of Remunerations by Type	
			Fixed Remuneration (Monthly Remuneration)	Performance-Linked Remuneration (Bonus)
Directors who are not Audit and Supervisory Committee Members	15 persons	355 million yen	286 million yen	69 million yen
Directors who are Audit and Supervisory Committee Members	4 persons	85 million yen	85 million yen	—
Auditors	4 persons	25 million yen	25 million yen	—
Total	23 persons	466 million yen	397 million yen	69 million yen

(Note 1) The table above includes five directors who retired at the conclusion of the 32nd Ordinary General Meeting of Shareholders held on June 17, 2020.

(Note 2) The table above includes one director who passed away on April 24, 2020, and retired.

(Note 3) For the remunerations of auditors, the 18th Ordinary General Meeting of Shareholders held on June 22, 2006, resolved to limit the auditors' remuneration within 150 million yen per annum.

(Note 4) For the remunerations of directors who are not Audit and Supervisory Committee Members, the 32nd Ordinary General Meeting of Shareholders held on June 17, 2020, resolved to limit the 11 directors' remuneration within 580 million yen per annum (of them, the remuneration of seven outside directors within 50 million yen per annum.)

(Note 5) For the remunerations of four directors who are Audit and Supervisory Committee Members, the 32nd Ordinary General Meeting of Shareholders on June 17, 2020, resolved to limit the directors' remuneration within 150 million yen per annum.

### 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 NTT DATA.

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

Position	Name	Board of Directors meetings	Audit & Supervisory Board meetings	Audit & Supervisory Committee meetings	Main activities
		No. of attendances (Attendance rate)	No. of attendances (Attendance rate)	No. of attendances (Attendance rate)	
Outside directors who are not Audit and Supervisory Committee Members	Eiji Hirano	14/14 (100%)	— (—)	— (—)	At the Board of Directors meetings, he made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business. He provided opinions based on his abundant experience, especially in the financial segment and his extensive expertise in financial affairs and international finance. On other occasions than the Board of Directors meetings, he also provided advice based on relevant experience and expertise as necessary. Therefore, he played an expected role as an outside director by providing advice.
	Mariko Fujii	14/14 (100%)	— (—)	— (—)	At the Board of Directors meetings, she made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business. She provided opinions based on her keen discernment and extensive experience accumulated through her career in public administration, research on economics, and foreign affairs. On other occasions than the Board of Directors meetings, she also provided advice based on relevant experience and expertise as necessary. Therefore, she played an expected role as an outside director.
	Fumihiko Ike	11/11 (100%)	— (—)	— (—)	At the Board of Directors meetings, he made statements necessary for deliberating proposals from a point of view that was independent of the members executing the business. He provided opinions based on extensive experience in management in global business and keen discernment of IT. On other occasions than the Board of Directors meetings, he also provided advice based on relevant experience and expertise as necessary. Therefore, he played an expected role as an outside director.

Note: The description of Mr. Fumihiko Ike, an outside director, demonstrates his main activities since his appointment in June 2020.

Position	Name	Board of Directors meetings	Audit & Supervisory Board meetings	Audit & Supervisory Committee meetings	Main activities
		No. of attendances (attendance rate)	No. of attendances (attendance rate)	No. of attendances (attendance rate)	
Outside director who are Audit & Supervisory Committee member	Tetsuro Yamaguchi	14/14 (100%)	4/4 (100%)	19/19 (100%)	At the Board of Directors meetings, he made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business. He also provided opinions from his wide perspective and experience based on a tremendous track record in corporate management in the NTT Group, including overseas operations. On other occasions than the Board of Directors meetings, he also conducted audit and provided advice based on relevant experience and expertise as necessary. Therefore, he played an expected role as an outside director.
	Tetsuya Obata	14/14 (100%)	4/4 (100%)	19/19 (100%)	At the Board of Directors meetings, he made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business. He also provided opinions based on his experience in the finance and general affairs sectors as well as a tremendous track record in corporate management in the NTT Group. On other occasions than the Board of Directors meetings, he also conducted audit and provided advice based on relevant experience and expertise as necessary. Therefore, he played an expected role as an outside director.
	Katsura Sakurada	14/14 (100%)	4/4 (100%)	19/19 (100%)	At the Board of Directors meetings, he made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business. He provided opinions based on his abundant experience and extensive expertise concerning audits for finance, accounting, and business execution gained from his long years of professional services at the Board of Audit of Japan. On other occasions than the Board of Directors meetings, he also conducted audit and provided advice based on relevant experience and expertise as necessary. Therefore, he played an expected role as an outside director.
	Rieko Sato	14/14 (100%)	4/4 (100%)	19/19 (100%)	At the Board of Directors meetings, she made statements from the viewpoint of compliance with laws and regulations and the Articles of Incorporation, and other viewpoints, independent of the members executing the business and from the professional standpoint as a lawyer. On other occasions than the Board of Directors meetings, she also conducted audit and provided advice based on relevant experience and expertise as necessary. Therefore, she played an expected role as an outside director. Also, she heads a special investigation committee established upon the resolution of the Board of Directors in response to news reports about NTT DATA reported by some weekly magazines.

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

Position	Number of persons	Total amount of remuneration	Total amount of remunerations by type	
			Fixed remuneration (Monthly remuneration)	Performance-linked remuneration (Bonus)
Outside directors who are not Audit and Supervisory Committee Members	4 persons	34 million yen	34 million yen	—
Outside directors who are Audit and Supervisory Committee Members	4 persons	85 million yen	85 million yen	—
Outside Auditors	4 persons	25 million yen	25 million yen	—
Total	12 persons	145 million yen	145 million yen	—

Note:

The above is included in the section “②.(b) Total amount of remuneration for directors and auditors during the 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 investments</li> <li>• Matters related to new orders received and investments in operation</li> <li>• Results and plans for the next year of internal control efforts</li> <li>• Results and plans for the next year of internal audits</li> <li>• Monitoring of key projects</li> <li>• Report on IR activities and investors' opinions</li> </ul>	<ul style="list-style-type: none"> <li>• Business environment surrounding each segment in Japan and overseas and future directions</li> <li>• Strengthening of global governance</li> <li>• Risk management in business, etc.</li> <li>• Strategy toward realizing the digital society</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.

In FY2020, as a result of the close verification, the appropriateness of possession was confirmed for all listed shares NTT DATA holds. We will conduct reviews when we consider cross-shareholdings inappropriate, depending on the changes in future circumstances, and take measures, such as reducing cross-held shares.

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

The Board of Directors decides important matters concerning management of the Company and the Group and supervises how directors execute their duties through the quarterly status report on the execution of duties.

Since FY2016, the Board of Directors has been implementing a self-evaluation and analysis of the effectiveness of the Board of Directors to improve its function and further to enhance corporate values. In FY2020, a questionnaire survey was conducted on all directors (including the Audit and Supervisory Committee Members). In addition, outside directors were interviewed, based on the report of the summary result from the external organization, to deepen the analysis, discussion, and evaluation. The results of the evaluation have been reported to the Board of Directors, which verifies the content and discusses policies for further improvement.

	Results of effectiveness measurement on measures in the current fiscal year	Key measures for the next fiscal year
FY2018	With regard to deeper and more enhanced discussions on management strategies, as well as enhanced reporting on investors' opinions, it received a higher evaluation score and a certain level of evaluation that improvements had been made.	<ul style="list-style-type: none"> <li>• Further deepening and enhancement of discussions on management strategies (to be continued.)</li> <li>• Obtaining more information and opportunities to acquire further knowledge of the latest technological trends and the Company's businesses.</li> <li>• Further increasing opportunities for communication between outside directors and auditors.</li> </ul>
FY2019	With regard to more communications between outside directors and auditors, it received a higher evaluation score and a certain level of evaluation that improvements had been made.	<ul style="list-style-type: none"> <li>• Increasing the weight of discussions on strategies and risk management</li> <li>• Enhanced monitoring of matters that have a significant impact on the Company's management</li> </ul>
FY2020	Careful explanations were provided in advance, which helped deepen and strengthen discussions at the Board of Directors meetings on management strategies and other important matters. For that, it received a certain level of evaluation that improvements had been made.	<ul style="list-style-type: none"> <li>• Securing more time for discussion by increasing efficiency in operation</li> <li>• Increasing simple and clear explanations and materials</li> <li>• Increasing opportunities for communication between directors</li> <li>• Increasing opportunities to explain the IT industry, technological trends, etc.</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.

# **BUSINESS REPORT**

(From April 1, 2020 to March 31, 2021)

## Consolidated Statement of Financial Position

(Unit: ¥ million)

By fiscal year	33rd FY (As of March 31, 2021)	[Reference] 32nd FY (As of March 31, 2020)	By fiscal year	33rd FY (As of March 31, 2021)	[Reference] 32nd FY (As of March 31, 2020)
Account title			Account title		
<b>Assets</b>			<b>Liabilities</b>		
Current assets	1,110,056	966,890	Current liabilities	924,387	883,038
Cash and cash equivalents	287,058	205,356	Trade and other payables	419,012	359,508
Trade and other receivables	601,883	572,175	Contract liabilities	270,224	256,740
Contract asset	101,496	74,828	Bonds and borrowings	105,748	157,094
Inventories	14,476	13,727	Lease liabilities	41,439	39,143
Other financial assets	16,522	13,296	Other financial liabilities	4,075	4,604
Other current assets	88,621	87,509	Income taxes payable	39,602	32,002
Non-current assets	1,786,959	1,719,118	Provisions	4,224	4,273
Property, plant and equipment	339,158	344,922	Other current liabilities	40,064	29,674
Right-of-use assets	153,357	160,005	Non-current liabilities	846,080	815,555
Goodwill	415,272	391,017	Bonds and borrowings	473,154	440,861
Intangible assets	477,495	477,716	Lease liabilities	117,866	122,219
Investment property	26,825	27,113	Other financial liabilities	13,631	12,155
Investments accounted for using the equity method	5,756	8,366	Retirement benefit liability	202,323	207,854
Other financial assets	216,942	142,211	Provisions	4,268	4,131
Deferred tax assets	86,182	110,946	Deferred tax liabilities	16,366	18,868
Other non-current assets	65,973	56,823	Other non-current liabilities	18,472	9,466
			<b>Total liabilities</b>	<b>1,770,468</b>	<b>1,698,593</b>
			<b>Equity</b>		
			Equity attributable to shareholders of NTT DATA		
			Capital stock	142,520	142,520
			Capital surplus	105,988	111,596
			Retained earnings	721,565	659,563
			Treasury shares	(1)	(1)
			Other components of equity	102,827	26,005
			Total equity attributable to shareholders of NTT DATA	1,072,899	939,683
			Non-controlling interests	53,648	47,732
			<b>Total equity</b>	<b>1,126,548</b>	<b>987,415</b>
<b>Total assets</b>	<b>2,897,015</b>	<b>2,686,008</b>	<b>Total liabilities and equity</b>	<b>2,897,015</b>	<b>2,686,008</b>

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

## Consolidated Statements of Income

(Unit: ¥ million)

Account title	By fiscal year	33rd FY (2020/4/1-2021/3/31)	[Reference] 32nd FY (2019/4/1-2020/3/31)
Net sales		2,318,658	2,266,808
Cost of sales		1,734,083	1,694,577
Gross profit		584,575	572,231
Selling, general and administrative expenses		445,402	441,294
Operating income		139,173	130,937
Financial income		6,661	6,026
Financial costs		9,083	17,117
Share of profit/loss of entities for using equity method		(6,299)	308
Income before income taxes		130,452	120,155
Income taxes		48,751	40,383
Net income		81,701	79,772
Net income attributable to			
Shareholders of NTT DATA		76,843	75,148
Non-controlling interests		4,857	4,624

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

## Non-Consolidated Balance Sheets

(Unit: ¥ million)

By fiscal year	33rd FY	[Reference] 32nd	By fiscal year	33rd FY	[Reference] 32nd
Account title	(As of March 31, 2021)	FY (As of March 31, 2020)	Account title	(As of March 31, 2021)	FY (As of March 31, 2020)
<b>(Assets)</b>			<b>(Liabilities)</b>		
Current assets	475,524	467,024	Current liabilities	551,785	655,794
Cash and deposits	41,320	60,751	Accounts payable -trade	105,593	91,970
Accounts receivable - trade	269,810	241,005	Short-term loans payable	29,316	57,922
Lease investment assets	17,887	15,795	Current portion of long-term loans payable	63,788	87,090
Inventories	18,557	13,503	Lease obligations	145	248
Prepaid expenses	26,971	24,375	Accounts payable -other	21,939	19,882
Other	101,373	111,903	Accrued expenses	10,269	9,985
Allowance for doubtful accounts	(395)	(308)	Income taxes payable	18,774	13,526
Non-current assets	1,851,953	1,720,227	Advances received	223,629	218,737
Property, plant and equipment	300,453	301,677	Deposits received	71,037	149,500
Data communication facilities	108,726	107,973	Provision for loss on order received	193	2,764
Buildings	82,047	81,414	Asset retirement obligations	99	31
Structures	2,356	2,400	Other	7,003	4,140
Machinery, equipment and vehicles	12,802	12,016	Non-current liabilities	667,566	544,669
Tools, furniture and fixtures	14,958	14,463	Bonds payable	49,996	49,993
Land	56,064	56,064	Long-term loans payable	418,032	387,035
Leased assets	323	476	Lease obligations	214	283
Construction in progress	23,176	26,870	Provision for retirement benefits	104,290	100,224
Intangible assets	329,776	324,977	Asset retirement obligations	759	827
Software	274,942	267,876	Other	94,276	6,307
Software in progress	52,772	55,063	<b>Total liabilities</b>	<b>1,219,351</b>	<b>1,200,463</b>
Other	2,062	2,038	<b>(Net assets)</b>		
Investments and other assets	1,221,724	1,093,573	Shareholders' equity	999,331	931,937
Investment securities	172,959	95,992	Capital stock	142,520	142,520
Shares of subsidiaries and associates	219,453	207,451	Capital surplus	139,300	139,300
Investments in other securities of subsidiaries and associates	695,181	654,772	Legal capital surplus	139,300	139,300
Long-term loans receivable	690	540	Retained earnings	717,512	650,118
Long-term loans receivable from subsidiaries and associates	83,820	62,032	Legal retained earnings	2,288	2,288
Deferred tax assets	1,535	26,674	Other retained earnings	715,224	647,831
Other	49,805	47,456	Reserve for reduction entry	83	99
Allowance for doubtful accounts	(1,720)	(1,344)	General reserve	288,000	288,000
			Retained earnings brought forward	427,141	359,731
			Treasury shares	(1)	(1)
			Valuation and translation adjustments	108,795	54,850
			Valuation difference on available-for-sale securities	108,789	54,866
			Deferred gains or losses on hedges	5	(16)
			<b>Total net assets</b>	<b>1,108,125</b>	<b>986,787</b>
<b>Total assets</b>	<b>2,327,477</b>	<b>2,187,251</b>	<b>Total liabilities and net assets</b>	<b>2,327,477</b>	<b>2,187,251</b>

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

## Non-Consolidated Statements of Income

(Unit: ¥ million)

Account title	By fiscal year	33rd FY (2020/4/1-2021/3/31)	[Reference] 32nd FY (2019/4/1-2020/3/31)
Net sales		1,016,897	972,422
Cost of sales		745,444	725,894
Gross profit		271,452	246,528
Selling, general and administrative expenses		165,754	161,245
Operating income		105,699	85,283
Non-operating income		20,934	18,112
Interest income		1,370	1,910
Dividend income		14,338	12,280
Other		5,226	3,922
Non-operating expenses		4,826	7,044
Interest expenses		1,990	2,155
Interest on bonds		437	1,352
Loss on valuation of stocks of subsidiaries and affiliates		1,465	1,670
Loss on valuation of investment securities		112	117
Other		822	1,748
Ordinary income		121,807	96,351
Extraordinary income		3,388	9,314
Gain on sales of investment securities		3,388	9,314
Income before income taxes		125,194	105,665
Income taxes -current		31,225	29,263
Income taxes -deferred		1,331	(1,255)
Net income		92,638	77,657

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

Copy of Audit Report Pertaining to Consolidated Financial Statements by Accounting Auditor

Independent Auditor's Report

May 10, 2021

NTT Data Corporation  
To the Board of Directors

KPMG AZSA LLC			
designated limited partner	certified public accountant		Kenji Tanaka
executive member			
designated limited partner	certified public accountant		Takeyuki Nakatani
executive member			
designated limited partner	certified public accountant		Tomokazu Kayama
executive member			

Audit opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of NTT Data Corporation for the year from April 1, 2020 to March 31, 2021. In our opinion, the consolidated financial statements referred to above, which are prepared by omitting certain disclosure items required under the International Financial Reporting Standards in accordance with the second sentence of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies, fairly present, in all material respects, the financial position and the results of operations of NTT DATA Corporation and its consolidated subsidiaries for the period covered by the consolidated financial statements.

Basis for the audit opinion

We conducted our audits in accordance with auditing standards generally accepted in our country. Our responsibility for auditing standards is set forth in "Auditors' Responsibilities in Auditing the Consolidated Financial Statements". We are independent of the Company and its consolidated subsidiaries and fulfill our other ethical responsibilities as an auditor in accordance with the provisions concerning professional ethics in our country. We believe that we have obtained sufficient and appropriate audit evidence to support our opinion.

Responsibilities of the Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

The management's responsibility is to prepare and properly present the consolidated financial statements in accordance with the second sentence of Article 120, Paragraph 1 of the Rules of Corporate Accounting, which authorizes the preparation of the consolidated financial statements by omitting some of the disclosure items required by International Accounting Standards. This includes the development and operation of internal controls deemed necessary by management to prepare and present consolidated financial statements that are free from material misstatement due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing whether it is appropriate for management to prepare the Consolidated Financial Statements based on the Going Concern Assumption, unless it intends to liquidate or suspend the business or there is no other realistic alternative, and for disclosing matters related to the Going Concern under the second sentence of Article 120, paragraph (1) of the Rules of Corporate Accounting, which allows the preparation of the Consolidated Financial Statements by omitting some of the disclosure items required by International Accounting Standards.

The Audit and Supervisory Committee's responsibility is to monitor the performance of directors' duties in the development and operation of financial reporting processes.

#### Auditors' Responsibilities in Auditing the Consolidated Financial Statements

The auditor's responsibility is to express an opinion on the consolidated financial statements from an independent standpoint in the audit report, based on an audit conducted by the auditor, with reasonable assurance as to whether the consolidated financial statements as a whole contain material misstatement due to fraud or error. Fictitious representations are deemed to be material if they are likely to arise from fraud or error and if they are reasonably expected to affect the decision-making of users of the consolidated financial statements either individually or in aggregate.

In accordance with auditing standards generally accepted in our country, the auditor shall, throughout the audit process, make professional judgments and maintain professional skepticism:

- Identify and assess the material misstatement risk of fraud or error. We also plan and implement audit procedures to address material misstatement risks. The selection and application of audit procedures shall be at the discretion of the auditor. In addition, sufficient and appropriate audit evidence should be obtained to form the basis for the opinion.
- Although the purpose of audits of the Consolidated Financial Statements is not to express an opinion on the effectiveness of internal controls, in conducting risk assessments, the auditor shall consider internal controls related to audits in order to design audit procedures that are appropriate in the circumstances.
- The appropriateness of the accounting policies and the method of application adopted by management, the reasonableness of accounting estimates made by management, and the appropriateness of related notes shall be assessed.
- Conclude whether it is appropriate for management to prepare the consolidated financial statements on the going concern assumption and whether, based on the audit evidence obtained, there are significant uncertainties regarding events or circumstances that could raise significant doubts about the going concern assumption. In cases where significant uncertainty is found with respect to the going concern assumption, the audit report is required to call attention to the notes to the consolidated financial statements, or to express an opinion with an exception to the consolidated financial statements if the notes to the consolidated financial statements with respect to significant uncertainty are inappropriate. The auditor's conclusions are based on audit evidence obtained by the date of the audit report, but future events and circumstances may prevent the entity from continuing as a going concern.
- Assess whether the presentation and notes in the Consolidated Financial Statements comply with the provisions of the second sentence of Article 120, paragraph 1 of the Ordinance on Corporate Accounting, which allows the preparation of certain disclosure items required by International Accounting Standards, and whether the presentation, structure and contents of the Consolidated Financial Statements, including related notes, and the transactions and accounting events on which the Consolidated Financial Statements are based are presented appropriately.
- Obtain adequate and appropriate audit evidence of the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. Auditors are responsible for the direction, supervision and implementation of audits of the Consolidated Financial Statements. The auditor is solely responsible for the audit opinion.

The auditor shall report to the Audit and Supervisory Committee on the scope and timing of the planned audit, important findings in the audit, including material deficiencies in internal control identified in the audit process, and other matters required by the audit standards.

The auditor shall report to the Audit and Supervisory Committee on compliance with the provisions on professional ethics in our country with respect to independence, matters that are reasonably believed to affect the auditor's independence, and, if safeguards are in place to eliminate or mitigate impediments, the details thereof.

#### Interest

There are no interests that should be stated pursuant to the provisions of the Certified Public Accountants Act between the Company and its consolidated subsidiaries and the audit corporation or its executive partners.

END

A transcript of the audit report pertaining to the financial statements and annexed detailed statements thereof of the accounting auditor

<u>Independent Auditor's Report</u>		May 10, 2021
NTT Data Corporation		
To the Board of Directors		
	KPMG AZSA LLC	
	designated limited partner	certified public accountant
	executive member	Kenji Tanaka
	designated limited partner	certified public accountant
	executive member	Takeyuki Nakatani
	designated limited partner	certified public accountant
	executive member	Tomokazu Kayama
<b>Audit opinion</b>		
Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements, namely the balance sheet, profit and loss statement, statement of changes in net assets and notes to non-consolidated financial statements of NTT Data Corporation for the 33rd fiscal year from April 1, 2020 to March 31, 2021 (Hereinafter referred to as "Financial Statements, etc.").		
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations for the period as set forth above, in accordance with accounting principles generally accepted in our country.		
<b>Basis for the audit opinion</b>		
We conducted our audits in accordance with auditing standards generally accepted in our country. Our responsibility for auditing standards is set forth in "Auditor's Responsibility in Auditing Financial Statements". We are independent of the Company and fulfill our other ethical responsibilities as an auditor in accordance with the provisions regarding professional ethics in our country. We believe that we have obtained sufficient and appropriate audit evidence to support our opinion.		
<b>Responsibilities of the Management and the Audit and Supervisory Committee to the Financial Statements, etc.</b>		
Management's responsibility is to prepare and present the financial statements in an appropriate manner in accordance with accounting principles generally accepted in our country. This includes the development and operation of internal controls that management deems necessary for the preparation and fair presentation of financial statements, etc. that are free from material misstatement due to fraud or error.		
In preparing the financial statements, management is responsible for assessing whether it is appropriate to prepare the financial statements based on the Going Concern Assumption and for disclosing matters related to the Going Concern if it is necessary to disclose such matters in accordance with business accounting standards generally accepted in our country.		
The Audit and Supervisory Committee's responsibility is to monitor the performance of directors' duties in the development and operation of financial reporting processes.		

#### Auditor's Responsibility in Auditing Financial Statements

The auditor's responsibility is to express an opinion on the financial statements, etc. from an independent standpoint in the audit report by obtaining reasonable assurance as to whether the financial statements, etc. as a whole contain any material misstatement due to fraud or error based on the audit conducted by the auditor. Fictitious representations are judged to be material when they may arise from fraud or error and when individually or tabulated, they are reasonably expected to affect the decision making of users of financial statements, etc.

In accordance with auditing standards generally accepted in our country, the auditor shall, throughout the audit process, make professional judgments and maintain professional skepticism:

- Identify and assess the material misstatement risk of fraud or error. We also plan and implement audit procedures to address material misstatement risks. The selection and application of audit procedures shall be at the discretion of the auditor. In addition, sufficient and appropriate audit evidence should be obtained to form the basis for the opinion.
- The purpose of audits of the non-consolidated financial statements, etc. is not to express an opinion on the effectiveness of internal controls. However, in conducting risk assessments, the auditor shall consider internal controls related to audits in order to design audit procedures appropriate to the circumstances.
- The appropriateness of the accounting policies and the method of application adopted by management, the reasonableness of accounting estimates made by management, and the appropriateness of related notes shall be assessed.
- Conclude whether it is appropriate for management to prepare financial statements, etc. assuming the going concern, and whether, based on the audit evidence obtained, there are significant uncertainties regarding events or circumstances that may raise significant doubts about the going concern assumption. In cases where significant uncertainty is found with respect to the going concern assumption, the audit report is required to call attention to the matters to be noted in the financial statements, etc., or, in cases where the matters to be noted in the financial statements, etc. with respect to significant uncertainty are inappropriate, to express an opinion with an exception in the financial statements, etc. The auditor's conclusions are based on audit evidence obtained by the date of the audit report, but future events and circumstances may prevent the entity from continuing as a going concern.
- Assess whether the presentation and notes in the financial statements, etc. comply with business accounting standards generally accepted in our country, and whether the presentation, structure and content of the financial statements, etc. including related notes, and the transactions and accounting events on which the financial statements, etc. are based are presented appropriately.

The auditor shall report to the Audit and Supervisory Committee on the scope and timing of the planned audit, important findings in the audit, including material deficiencies in internal control identified in the audit process, and other matters required by the audit standards.

The auditor shall report to the Audit and Supervisory Committee on compliance with the provisions on professional ethics in our country with respect to independence, matters that are reasonably believed to affect the auditor's independence, and, if safeguards are in place to eliminate or mitigate impediments, the details thereof.

#### Interest

There are no interests between the Company and our audit corporation or executive partners that should be stated pursuant to the provisions of the Certified Public Accountants Act.

END

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

### AUDIT REPORT

With respect to the performance of duties by directors during the 33rd fiscal year from April 1, 2020 to March 31, 2021, the Audit & Supervisory Committee has audited. The methods and results of the audit as follows:

#### 1. Audit methodology adopted by the Audit & Supervisory Committee

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

- (1) In accordance with the auditing policies and allocation of duties, etc., the Audit & Supervisory Committee attended the important meetings, received reports from directors, employees, and 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 & Supervisory Committee communicated and exchanged information with their directors and auditors, and received their business reports when necessary.
- (2) The Audit & 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) 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 & Supervisory Committee monitored and verified whether or not the independent audit maintained its independence and appropriately performed audits, received reports from the independent audit on the progress of its duties, and requested explanations when necessary.

They also received a notice from the independent audit that "the system to ensure that the independent audit's duties are appropriately performed" (items stipulated in Article 131 of the Regulation on Corporate Accounting) has been established based on "Quality Control Standards for Audit" (made public by Business Accounting Council on October 28, 2005), etc. and requested explanations when necessary.

Based on the methods described above, the Audit & 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 non-consolidated notes to 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 & 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 & 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 & 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 & 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.

The Audit and Supervisory Committee will closely monitor the status and results of the investigation by the Special Investigation Committee established in March, and will take necessary actions.

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

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

May 10, 2021

NTT DATA Corporation

Audit & Supervisory Committee

Standing Audit & Supervisory Committee Member (Outside Director)	Tetsuro Yamaguchi
Standing Audit & Supervisory Committee Member (Outside Director)	Tetsuya Obata
Standing Audit & Supervisory Committee Member (Outside Director)	Katsura Sakurada
Audit & Supervisory Committee Member (Outside Director)	Rieko Sato

END