First we load the fs class using the require command. Then we call the readFile method that gets 3 parameters: The name of the file ('DATA' in this case), the encoding of the file ('utf8' in the examples), and a function. This function is going to be called when the file-reading operation has finished. The function will get two parameters. The first is the information about any error conditions, the second is the actual content of the file.

Once this is called Node starts to read the file in the background, but it also keeps executing our program. That is, it will call the console.log('after calling readFile'); and will print that text to the console. Then, once the file has been read into memory, Node will run the function we provided to the readFile method and that will print the content of the file.