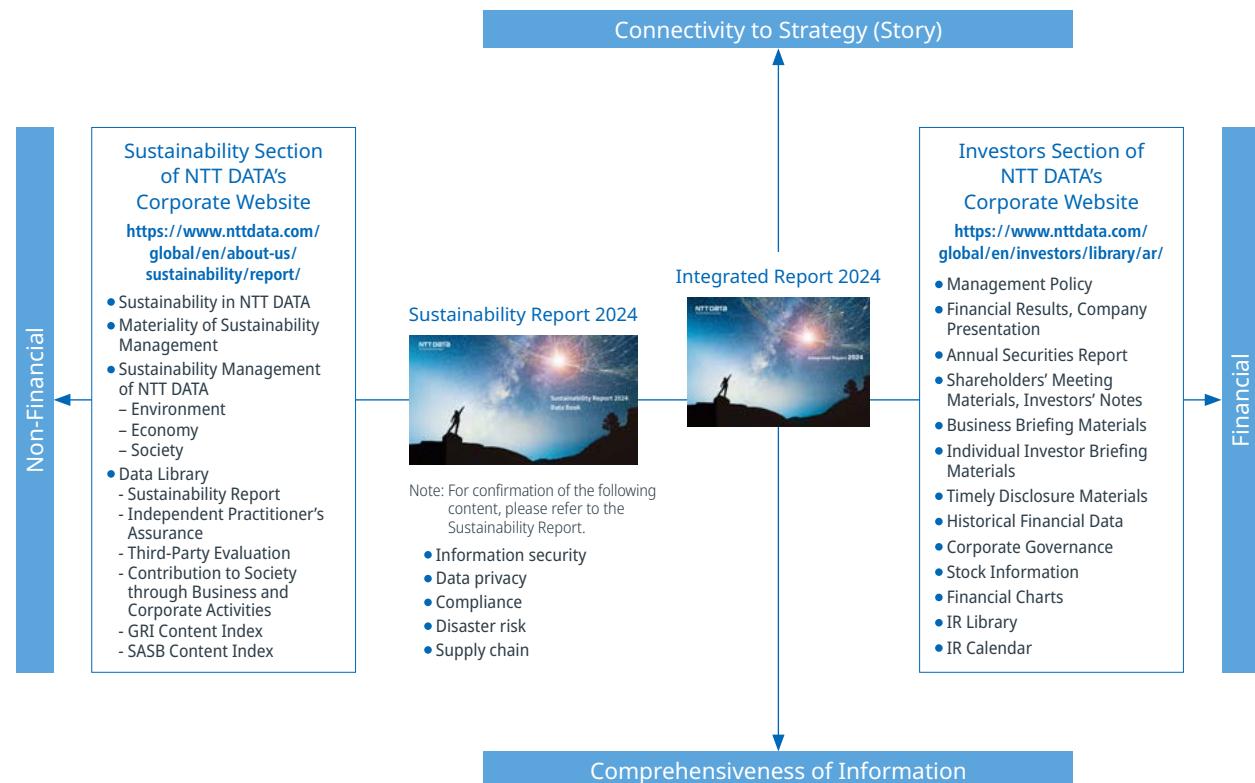




Sustainability Report 2024 Data Book

Editorial Policy

The NTT DATA Sustainability Report 2024 provides comprehensive and detailed non-financial information to all stakeholders with a focus on NTT DATA's approach to non-financial matters and specific initiatives taken in fiscal 2023 aimed at promoting sustainability management. From this fiscal year, we have enhanced our response to the disclosure requirements of the SASB Standards.



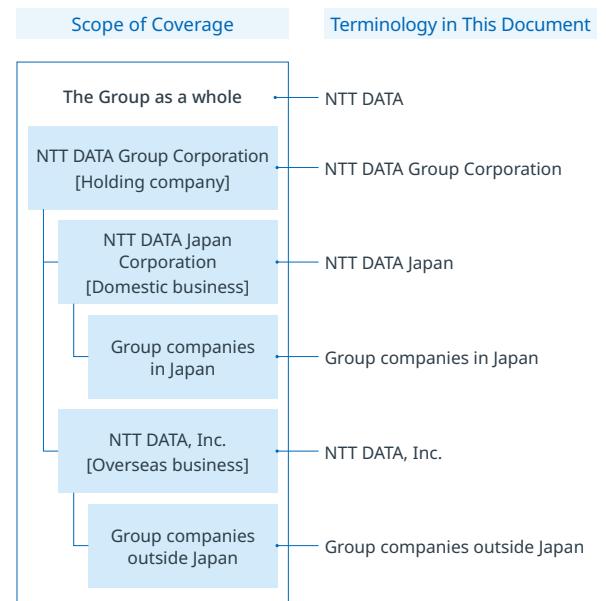
Using This Report

Relevant links: Links to relevant pages and external sites are provided in the main text.

- **Contents:** Click each item in the table of contents to go to the relevant page.
- **Reference pages:** [Reference page] and ↗ mark to go to the corresponding page.
- **Relevant sites:** Clicking on the ⓘ mark will redirect you to the website.

Scope of Coverage and Terminology

As a general principle, the information presented in this report pertains to the consolidated scope of the Group. However, for some data, the specific scope is indicated individually. The relationship between the scope of coverage and the terminology used in this document is as follows.



- The names of services and products listed in this document are trademarks or registered trademarks of NTT DATA Group Corporation or its respective companies.
- This report contains not only historical or current facts relating to NTT DATA and Group companies but also judgments, plans, and predictions based on information available at the time of publication. Readers are advised that actual results of future business activities and events might differ materially from the forecasts contained herein.

Period of Coverage

- This report mainly covers initiatives undertaken in fiscal 2023 (April 1, 2023–March 31, 2024).

Guidelines Referenced

- Ten Principles of the United Nations Global Compact (UNGCG)
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Sustainability Accounting Standards Board (SASB) Standards
- Japan's Ministry of the Environment Environmental Reporting Guidelines (2018)
- TCFD (Task Force on Climate-related Financial Disclosures)
- TNFD (Taskforce on Nature-related Financial Disclosures)

Publication Date

October 2024 (Sustainability Report 2023 was published in October 2022; Upcoming report scheduled for October 2025)

Third-Party Assurance

Independent assurances of the following environmental and social data for fiscal 2023 have been provided by Lloyd's Register Quality Assurance Limited. (See page 108, "Independent Practitioner's Assurances.") Check marks ✅ are attached to data that received such assurances.

Environmental data

- GHG emissions (Scope 1, Scope 2 (market-based and location-based), Scope 3) (tons-CO₂e)
- Energy consumption and renewable energy consumption (MWh)
- Water resources (water intake, water consumption (evaporation from cooling systems), total water consumption, and wastewater) (m³)

Social data

- Number of occupational accidents
- Number of female managers (%)
- Social contribution activity expenditure (¥)
- Number of employees with disabilities (employment ratio)

Contact

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

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Sustainability Management

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Sustainability in NTT DATA

Our Way

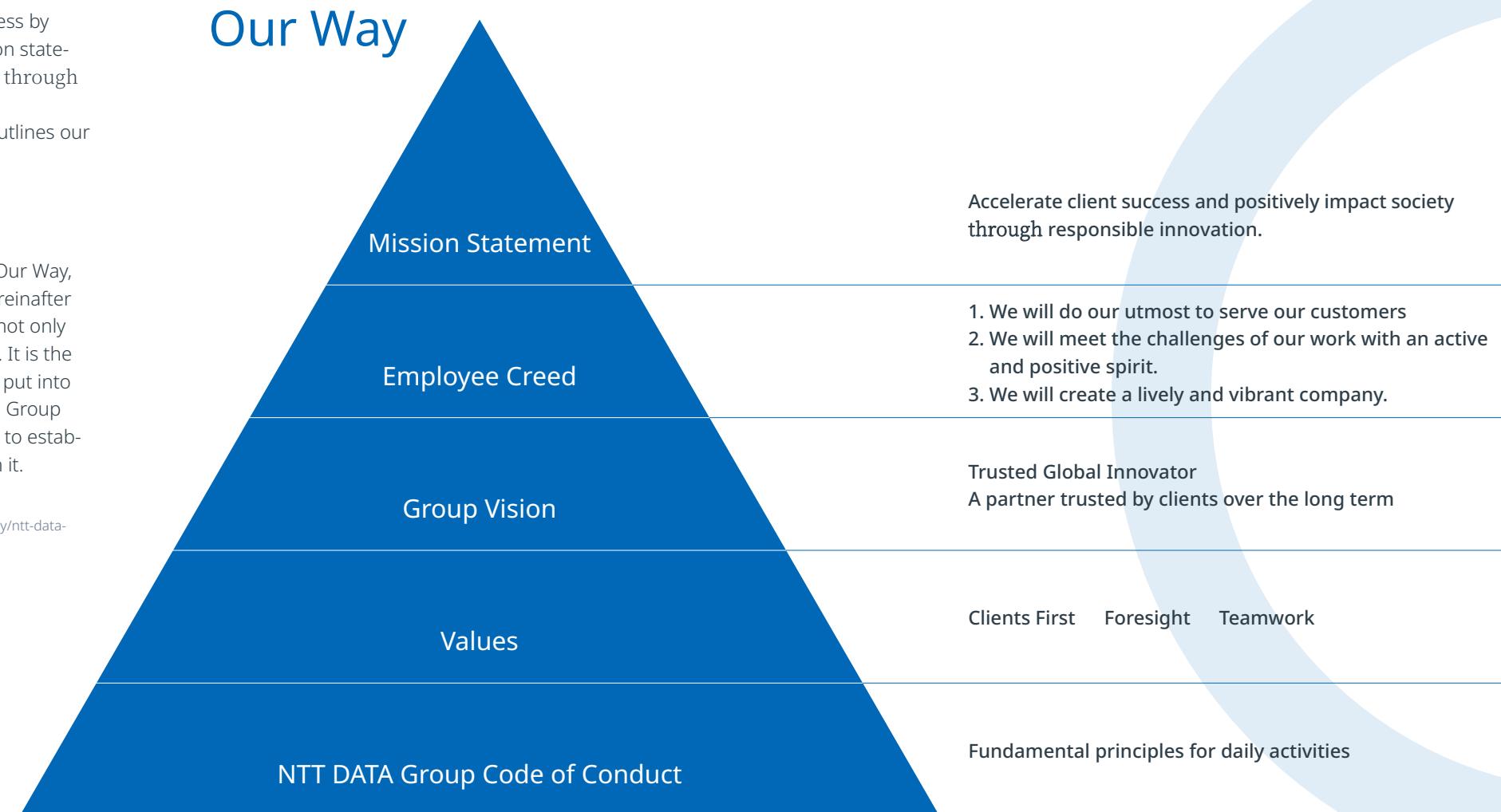
Since its foundation, NTT DATA has continued to grow its business by providing services to customers and society based on its mission statement of "Accelerate client success and positively impact society through responsible innovation."

To continue advancing, we have created "Our Way," which outlines our fundamental approach toward our vision.

 Our Way
<https://www.nttdata.com/global/en/about-us/our-way>

In May 2022, we revised our Code of Conduct, which is part of Our Way, and established the new NTT DATA Group Code of Conduct (hereinafter the NTT DATA Code of Conduct). This Code of Conduct reflects not only ethics and compliance but also the Group's sustainability policy. It is the responsibility of all employees to understand, comply with, and put into practice this Code of Conduct. The senior management of each Group company takes the lead in complying with the Code and strives to establish an environment that encourages employees to comply with it.

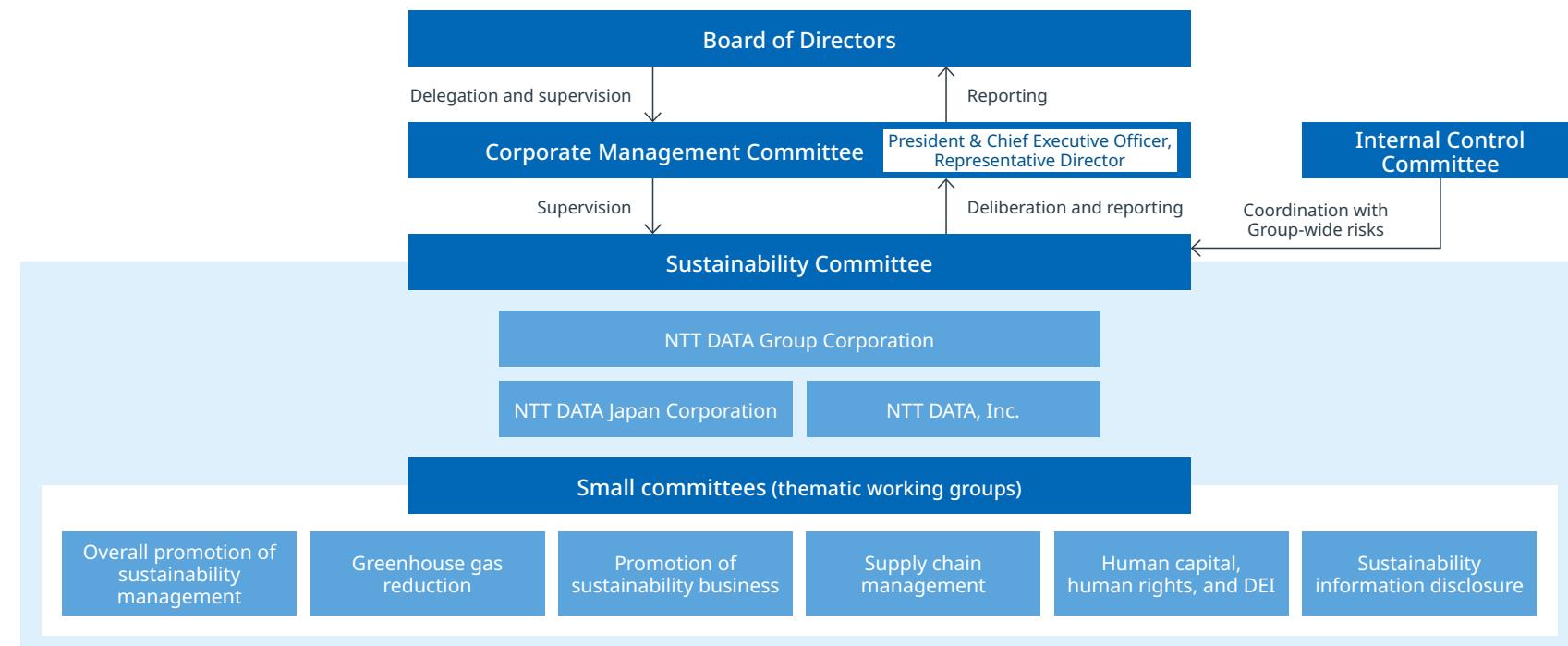
 NTT DATA Group Code of Conduct
https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/about-us/our-way/ntt-data-group-code-of-conduct.pdf?rev=0410003f9f4e464b89151ec109b14445



Promotion System

In the NTT DATA Group, sustainability-related critical issues are discussed at the Board of Directors meetings, where strategies are presented, policies are decided, and monitoring is conducted. Under the leadership of the President and CEO, Representative Director, discussions are held at the Strategy Office, the main entity in charge of management strategies; the Sustainability Innovation Department; and other related entities to plan, formulate, and execute policies, goals, and measures to ensure sustainability. We also monitor the progress of various plans set in the medium-term management plan (FY2022–2025). Until now, through the Green Innovation Committee, we have been promoting the provision of solutions for the decarbonization of customers and society and the reduction of our own greenhouse gas emissions. From April 2024, to drive sustainability management from a broader perspective, the Green Innovation Committee has evolved into the Sustainability Committee. The Sustainability Committee is chaired by the Senior Executive Vice President and Representative Director responsible for Corporate Management, and includes representatives from NTT DATA Group Corporation, NTT DATA Japan Corporation, and NTT DATA, Inc. Under the leadership of the President and CEO, Representative Director, it continues to oversee the Board of Directors and provide recommendations regarding sustainability management while also formulating strategies and conducting monitoring activities. In addition, six subcommittees (thematic working groups) have been established to conduct practical discussions on various issues related to sustainability management. The content discussed is, in principle, reviewed or reported to the Board of Directors twice a year.

Sustainability Management Promotion System



Note: As of October 2024

NTT DATA's Sustainability Management

Since its founding, the NTT DATA Group has been dedicated to expanding business by diligently providing services to customers and society guided by its corporate mission of accelerate our success and positively impact society through responsible innovation. Under our medium-term management plan, we are aiming to create future-oriented value and connect people through technology to achieve a sustainable society together with our clients based on the slogan, “Realizing a Sustainable Future.” We view the current period of significant and continuous changes in the social and business environments as an opportunity for further growth. To drive sustainability management with a longer-term perspective, we have established three key axes—environment, economy, and society—and identified nine material issues to address, guiding our ongoing efforts.

Regenerating Ecosystems:

Preserving the global environment for the future

Clients' Growth:

Companies achieving growth in ways that support a sustainable society

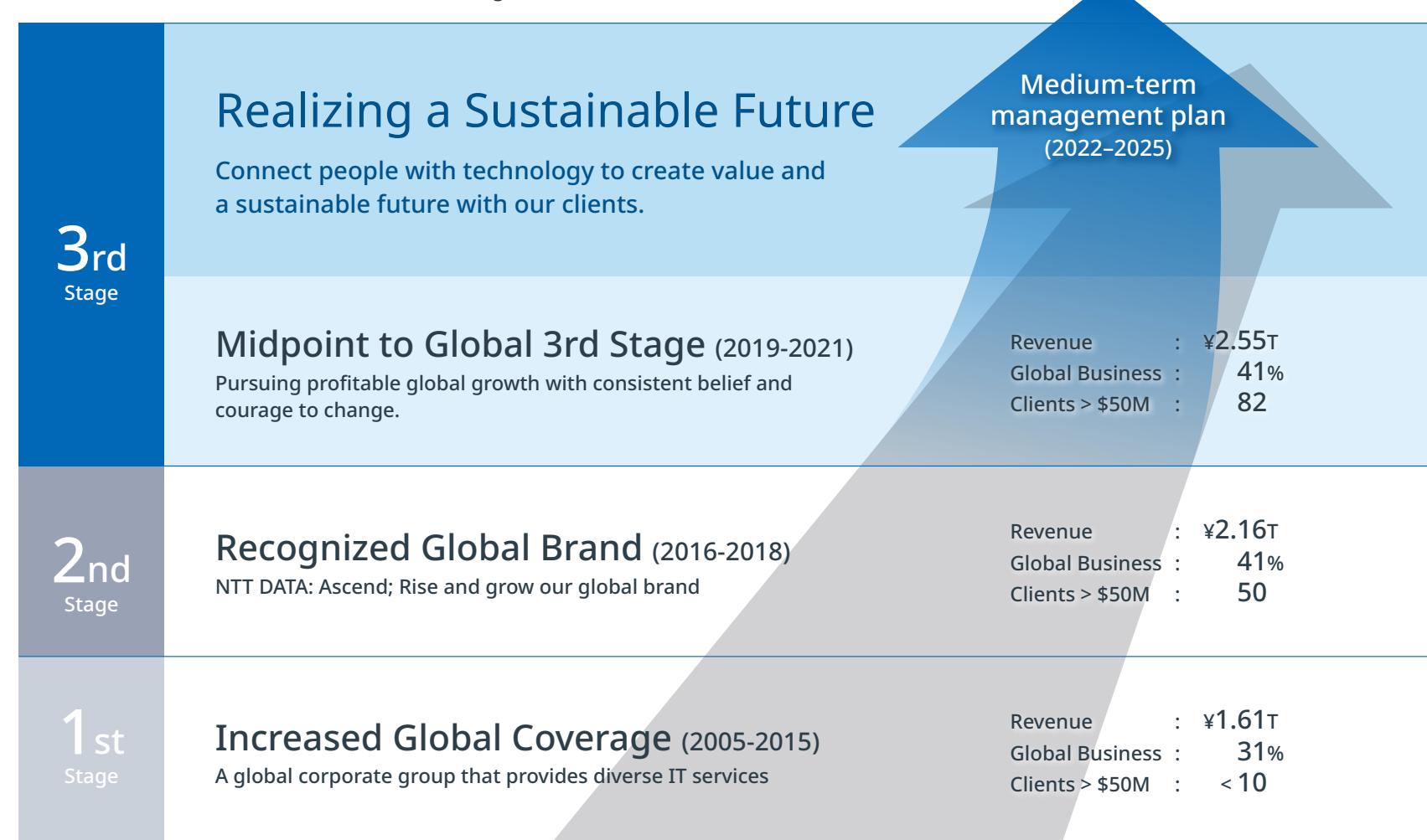
Inclusive Society:

Achieving a society where everyone can live healthy and happy lives

Furthermore, in our Securities Report, we have outlined (1) governance, (2) strategy, (3) risk management, and (4) metrics and targets regarding sustainability management, climate change, and human capital in accordance with our “Sustainability Philosophy and Initiatives.”

 Securities Report for fiscal 2024, page 18: (2) “Sustainability Philosophy and Initiatives.”
<https://www.nttdata.com/global/ja/investors/library/asr/> (Japanese only)

Vision Pursued in the Current Medium-Term Management Plan



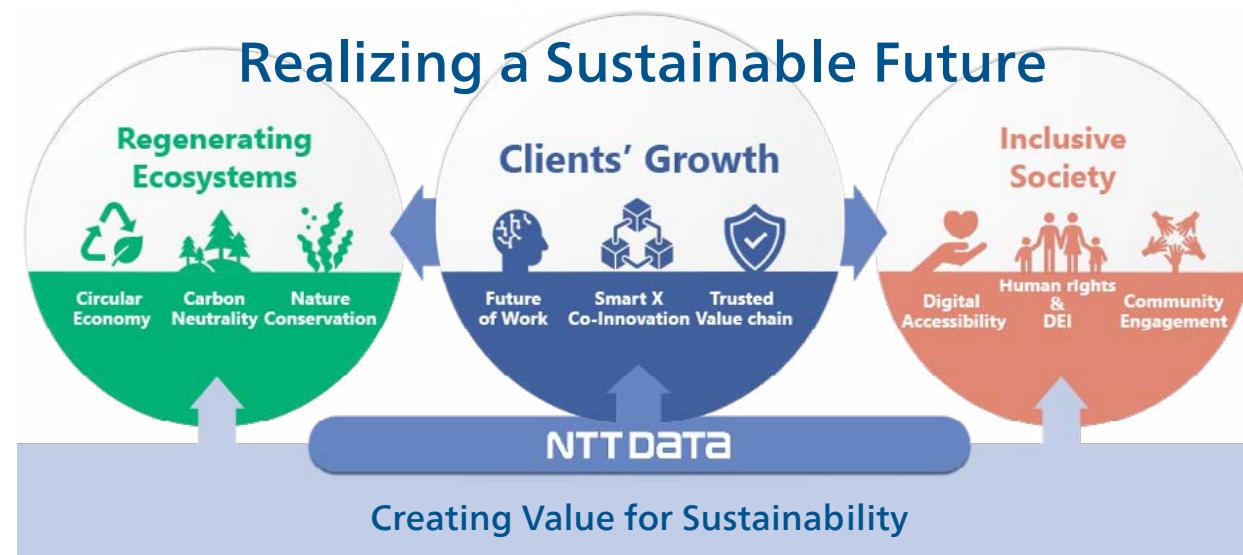
Nine Material Issues and Identification Process for Achieving a Sustainable Society

Nine Material Issues

Under the Three Axes of "Regenerating Ecosystems," "Clients' Growth," and "Inclusive Society," we set three material issues for each of them and are striving to contribute to the SDGs.

Sustainability Management

Grow together with clients by addressing social issues & contributing to improving the global environment through business & corporate activities toward realizing a sustainable society

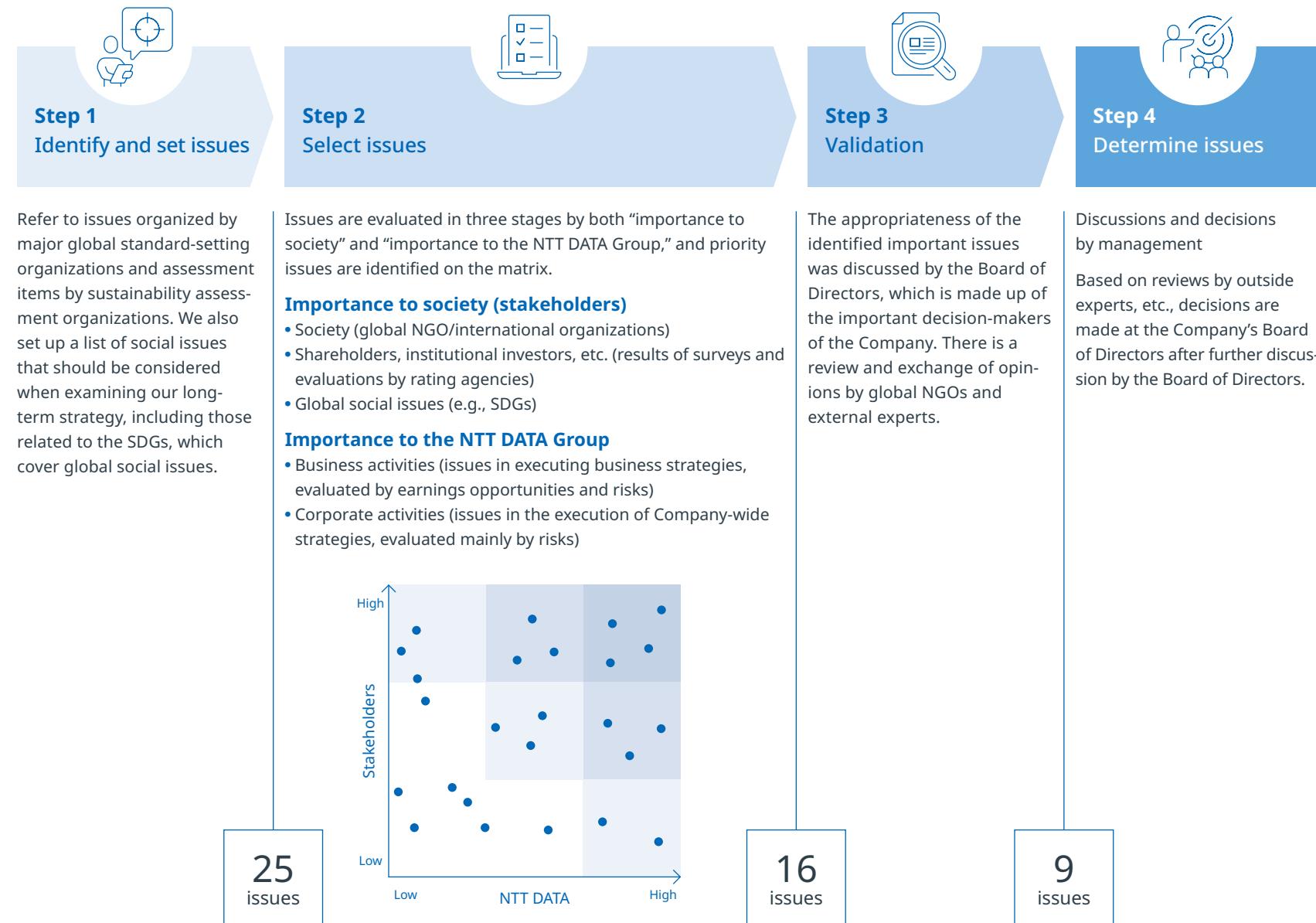


| Environment | Economy | Society |
|---|--|---|
| Regenerating Ecosystems <i>Preserving the global environment for the future</i> | Clients' Growth <i>Companies achieving growth in ways that support a sustainable society</i> | Inclusive Society <i>Achieving a society where everyone can live healthy and happy lives</i> |
| Carbon Neutrality <p>Contribute to solving climate change issues by creating innovations to decarbonize society and clients.</p> | Smart X Co-innovation <p>Create new value through co-creation with various companies to achieve a smart and innovative society.</p> | Human Rights & DEI <p>Work to create an equitable society where a diverse range of people thrive and respect each other's human rights.</p> |
| Circular Economy <p>Reduce waste and create a society where the value of products and services continues to circulate.</p> | Trusted Value Chain <p>Uphold data privacy and security to ensure safe, secure and resilient corporate activities.</p> | Digital Accessibility <p>Deliver services that provide everyone with equal access to basic needs and improve people's quality of life.</p> |
| Nature Conservation <p>Generate sound global environment and contribute to people's well-being by conserving and recovering nature capital.</p> | Future of Work <p>New ways of working that enhance employee experience and performance. Provide and promote work style reforms for society as a whole.</p> | Community Engagement <p>Understand the challenges and needs for the development of local communities and provide services that enrich people's lives.</p> |

Materiality Determination Process

Based on changes in the external environment surrounding sustainability, such as trends in the international community and expectations from stakeholders, NTT DATA periodically reviews its materiality in accordance with the materiality identification process set forth in the GRI, a global guideline. Under the slogan "Realizing a Sustainable Future," the current materiality was defined in the current medium-term management plan announced in 2022. The Three Axes were defined, and for each axis three material issues to be addressed in promoting sustainable management were identified.

This materiality has been evaluated and verified by extracting issues from global standards organizations, etc. In the materiality assessment at NTT DATA, the expectations and risks from society (stakeholders), as well as the magnitude of their impact, have been extensively examined across the entire company, including operating divisions and the Group companies outside Japan. Based on the opinions of global NGOs and external experts, nine material issues have been set by the Board of Directors.



Progress in Relation to the Nine Material Issues and FY2024 Targets

<Legend for Scope Items> Achievement Status: ○ Achieved at least 100%, □ Target achieved, △ Target not achieved
 Scope: ① NTT DATA Group Corporation, NTT DATA Japan Corporation, NTT DATA, Inc. (Japan)
 ② In addition to ①, includes Group companies in Japan
 ③ In addition to ②, includes Group companies outside Japan

| | Material Issues | SDGs Goals | FY2023 Indicators | Company-Wide Targets | Company-Wide Achievement | Degree of Target Achievement | FY2024 Indicators | Scope | Company-Wide Targets | Action Policy |
|---|-----------------------------|------------|--|---|--|--|---|--|--|---|
| Environment — Regenerating Ecosystems ④ P16 | Carbon Neutrality □ P21 | | Reductions in CO ₂ emissions Promotion of EVs for household use | Below 461,000 t-CO ₂ (including NTT Ltd.) Not disclosed | Scope 1: 39,507 t-CO ₂ Scope 2: 307,009 t-CO ₂ Not disclosed | ○ ○ | Ongoing → Removed | GHG emissions (Scope 1 & 2) Indices linked to directors' remuneration | ③ 341,000 t-CO ₂ or below (Preliminary value as of October 2024 will be updated once finalized) | Reduction of GHG emissions through renewable energy adoption and energy-saving initiatives Ongoing monitoring |
| | Circular Economy □ P36 | | Waste recycling rate | General and industrial waste: 99% or more Construction waste: 87% | General and industrial waste: 99% Construction waste: 95% | ○ | Ongoing → | Waste recycling rate | ② General and industrial waste: 99% or more Construction waste: 87% | Continue to promote the contracting of recycling collectors with high recycling rates |
| | Nature Conservation □ P38 | | Paper consumption | 40% reduction (from FY2020) | 37% | △ | Removed New New | Number of regulatory violations related to new waste treatment (PCB) Number of business facilities installed in nature reserves and their proportion of the total Number of business facilities installed in water risk areas and their proportion of the total | ② ③ ③ 0 Monitoring indicator* ¹ Monitoring indicator* ¹ | Aiming for zero regulatory violations by promoting proper management Ongoing monitoring Understanding the current status based on data center location information |
| Economy — Clients' Growth ④ P42 | Smart X Co-Innovation □ P44 | | B2B2X revenue Create offerings and expand business related to materiality across various business domains to realize a smart and innovative society | Not disclosed | Not disclosed | ○ | Removed | | | Removed from non-financial targets as the medium-term goals have been achieved and the establishment phase has concluded Create offerings and expand business related to materiality across various business domains to realize a smart and innovative society |
| | Trusted Value Chain □ P48 | | Number of security incidents Number of significant system failures Compliance IBT participation rate Number of anti-competitive/bribery violations Ratio of direct communication with important suppliers | 0 Not disclosed 100% 0 | 0 2 100% 100% | ○ ○ ○ ○ | Reviewed Ongoing → Removed Ongoing → Reviewed | Number of security incidents* ² Number of significant system failures* ³ Number of anti-competitive/bribery violations Direct dialogue ratio with suppliers requiring improvement requests Employee engagement rate* ⁵ Indices linked to directors' remuneration | ③ ① ③ ③ ① 0 0* ³ 0 73% | Continue efforts in accordance with new indicator definition Continue efforts to prevent significant system failures based on the comprehensive system inspection conducted at end of previous fiscal year Removed from non-financial targets due to high-level participation Continuously promote strict adherence to the NTT DATA Code of Conduct and various legal compliance measures Engage in dialogue with approximately 50 suppliers requested to make improvements regarding sustainability initiatives, in collaboration with the eight major companies of the NTT Group Continuously implement improvement activities based on survey results, engage in dialogue with management, and reflect employees' voices in our initiatives to maintain and enhance engagement |
| | Future of Work □ P68 | | Employee satisfaction* ⁴ Ratio of remote working Turnover rate | 73% or more Monitoring indicator Monitoring indicator | 71% 63.2% 3.0% | △ — — | Ongoing → Ongoing → Ongoing → Reviewed | Ratio of newly appointed female managers* ⁵ Indices linked to directors' remuneration | ① 1 30% 15% (by end of FY2025) 25% (by end of FY2025) | Promote initiatives to increase the number of female managers and further enhance the formation of a diverse talent pool |
| Society — Inclusive Society ④ P82 | Human Rights & DEI □ P84 | | Ratio of newly appointed female managers Ratio of female managers Ratio of female directors Ratio of external hiring Ratio of male employees taking childcare leave Ratio of Sustainability management Internet Based Training participation Number of confirmed human rights violations Sustainability initiatives information dissemination | 30% 15% (by end of FY2025) 25% (by end of FY2025) 30% 100% 100% 0 67 cases | 22.8% — — 45.6% 105.7% 100% 1 Not disclosed | △ — — ○ ○ ○ △ ○ | Ongoing → Ongoing → Reviewed Ongoing → Ongoing → Removed Ongoing → Removed | Ratio of female directors* ⁶ Number of female directors* ⁵ Ratio of male employees taking childcare leave Employee participation rate in workshops or external support activities leading to sustainability practices | ① ① ① 30% 15% (by end of FY2025) 20 persons (by end of FY2025) 30% 100% 0 80% | Promote initiatives to increase the number of female managers and further enhance the formation of a diverse talent pool Continue to maintain recruitment scale for both new graduates and experienced professionals and strengthen the hiring of experienced individuals who can immediately contribute as skilled personnel Further promote the creation of an environment that encourages men's participation in childcare to maintain and enhance the current level Removed from non-financial targets due to high-level participation Establish forums for dialogue among employees on topics such as harassment as part of human rights awareness to further raise consciousness Removed from non-financial targets due to high-level dissemination Add workshop menus that encourage employees to consider the relationship between our business operations and sustainability to further promote personal engagement, aiming to raise awareness of sustainability practices among all employees |
| | Digital Accessibility □ P91 | | Ratio of participation in internal workshops or external support activities aimed at solving social issues | 70% or more | 88.2% | ○ | Reviewed | | | |
| | Community Engagement □ P91 | | | | | | | | | |

*1 No target will be set, but performance will be monitored with this indicator to observe the levels.

*2 This indicator will be redefined in FY2024, and the official indicator name will include "the number of widely recognized incidents caused by cyberattacks, internal fraud, or negligence."

*3 The target value is set at zero, with an allowable limit based on recent performance at two incidents.

*4 Employee satisfaction: the percentage of employees who gave a positive evaluation to the statement "I take pride in working at this company" (NTT DATA Group Corporation, NTT DATA Japan Corporation, NTT DATA, Inc. (Japan)).

*5 Only the name has been changed; the definition of the indicator is the same as in FY2023.

*6 Executive officers and organizational leaders, etc.

*7 Results from NTT DATA Group Corporation only.

Dialogue with Stakeholders

NTT DATA emphasizes dialogue in daily operations and instills within the Group its commitment to stakeholders. At the same time, we work to resolve social issues while considering society's wide-ranging expectations of us.

| Stakeholders | Main Approach | Nine Related Material Issues |
|--|--|--|
|  Clients | All our clients, including corporations, that use services provided by NTT DATA <ul style="list-style-type: none"> Daily sales, proposal activities, and service provision activities Client satisfaction surveys (questionnaires, interviews) Workshops on addressing social issues | Nine material issues |
|  Shareholders and investors | Shareholders of NTT DATA and other individual and institutional investors <ul style="list-style-type: none"> Annual General Meeting of Shareholders One-on-one meetings with the CEO, CFO, corporate executives, and the IR office Company presentations for individual and institutional investors Financial reports | Nine material issues |
|  Governments | Central and local governments overseeing policies on the IT service industry, employment, the economy, and the environment <ul style="list-style-type: none"> Agreement on the utilization of technology by local governments Participation in councils, committees, and research meetings of public agencies Participation in various committees and study groups of industry associations | <ul style="list-style-type: none"> Smart X Co-Innovation Trusted Value Chain Future of Work Human Rights & DEI Digital Accessibility Carbon Neutrality |
|  Academic organizations and research institutions | Academic and research institutions involved in advancing technological innovation <ul style="list-style-type: none"> Participation in industry-government-academia collaboration projects Collaborative research | <ul style="list-style-type: none"> Smart X Co-Innovation Digital Accessibility Carbon Neutrality Human Rights & DEI Digital Accessibility Carbon Neutrality |
|  Regional communities, NPOs, and NGOs | Local communities and NPOs involved with NTT DATA through our core businesses <ul style="list-style-type: none"> Participation in community events Collaboration with/sponsoring of social contribution activities Feedback via our website | <ul style="list-style-type: none"> Advisory boards AI Advisory Board NPO and NGO workshops on addressing social issues Carbon Neutrality Trusted Value Chain Future of Work Human Rights & DEI Digital Accessibility Community Engagement |
|  Business partners | Business partners that cooperate in providing NTT DATA services <ul style="list-style-type: none"> Strategic collaboration for promoting clients' digital transformation Regular business activities Business Partner (BP) presidents' meetings | <ul style="list-style-type: none"> Discussion meetings Technological briefing sessions CSR questionnaires Smart X Co-Innovation Trusted Value Chain Digital Accessibility |
|  Employees | Employees of NTT DATA and their families <ul style="list-style-type: none"> Human resource system that allows employees to feel a sense of fulfillment Employee satisfaction surveys Management/employee town halls Proposals/helpline | <ul style="list-style-type: none"> Engagement with labor unions Counseling e-learning Establishment of a sustainability portal site for employees Future of Work Human Rights & DEI Digital Accessibility Community Engagement |

Advice from Outside Experts

Seeking to obtain opinions regarding our contribution to the realization of a sustainable society from outside experts with keen insights into social issues and global business matters, in July 2012 NTT DATA set up an advisory board consisting of five business owners and academic experts. Members are appointed every few years and meetings are held twice a year, where members receive advice on management and social issues for deployment in the Group's business operations.

Considering the ongoing expansion of the Group's domestic business and the rapid growth of our overseas operations through business integration, we have decided to appoint the following individuals to the 6th Term Advisory Board to obtain valuable advice on further strengthening the global management structure, ensuring the sustainable growth of domestic and overseas businesses, and enhancing corporate value.

 Decision on the Members of the 6th Term Advisory Board

<https://www.nttdata.com/global/ja/news/release/2024/031800/> (Japanese only)

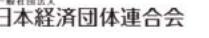
| | 5th Period | 6th Period |
|--|--|--|
| Term | April 2022 to March 2024 | April 2024- |
| Frequency of Meetings | Twice a year | |
| Advisory Board Members (Honorable titles omitted) | <ul style="list-style-type: none"> • Yuri Okina Chairman of the Japan Research Institute, Limited • Ken Kusunoki Professor of Hitotsubashi Business School • Tamotsu Saito Advisor of IHI Corporation • Tetsuro Tomita Chairman of the Board of Directors of East Japan Railway Co., Ltd. • Kumi Fujisawa Chairman of Institute for International Socio-Economic Studies (IISE) | <ul style="list-style-type: none"> • Mutsuo Iwai Chairperson of the Board, Japan Tobacco Inc. • Noboru Koshizuka Professor, Interfaculty Initiative in Information Studies, The University of Tokyo • Katsunori Hashimoto Professor, Graduate School of Business Administration, Tokyo Metropolitan University • Peter David Pedersen Representative Director, Nonprofit Organization NELIS • Chieko Matsuda Professor, Graduate School of Business Administration, Tokyo Metropolitan University |
| Agenda for Discussion | <ul style="list-style-type: none"> • Social change through our initiatives • Role of Global Headquarters for further growth • Sustainability management initiatives • Efforts to leverage the collective strength of our three-company structure • Initiatives aimed at maximizing value provision | <ul style="list-style-type: none"> • Further strengthening of the global management structure based on the transition to a three-company structure • Competitive strategies leading to sustainable growth of domestic and overseas businesses • Efforts to enhance corporate value |

Note: The content above is based on information at the time of the respective press releases.



Key Memberships and Initiatives

NTT DATA actively participates in various initiatives in Japan and overseas, including those listed below.

| Affiliated Organizations (Commitment to Principles) | |
|---|---|
| United Nations Global Compact | The United Nations Global Compact (UNGC) is the world's largest sustainability initiative, in which the United Nations and the private sector (corporations and organizations) work together to build a healthy global society. It is a voluntary initiative to achieve sustainable growth by endorsing 10 principles across four areas. NTT DATA signed and joined in July 2022 and reports on its activities annually.  |
| Women's Empowerment Principles (WEPs) | The Women's Empowerment Principles (WEPs) were established as a collaborative initiative between the United Nations Global Compact and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). Aimed at enhancing vitality and growth in corporate activities, these international principles advance women's economic empowerment. NTT DATA joined as a signatory of the WEPs in 2019.  |
| Affiliated Organizations | |
| World Economic Forum (WEF) | The World Economic Forum (WEF) aims to shape global, regional, and industry issues by collaborating with leaders from various sectors, including politics, economics, and academia, to improve the state of the world. NTT DATA joined in 2023 and participates in and contributes to various initiatives, including the Davos Conference. |
| World Economic Forum | |
| Business for Social Responsibility (BSR) | Business for Social Responsibility (BSR) is an initiative comprising more than 300 global companies aimed at promoting sustainability in the business world. It holds significant influence as a central player in shaping discussions and directions regarding global sustainability. NTT DATA joined as a signatory in 2023.  |
| Japan Business Federation | Japan Business Federation (Keidanren) is a comprehensive economic organization that aims to draw upon the vitality of corporations, individuals, and local communities to support corporate activities that contribute to the sustainable development of the Japanese economy and improvement in the quality of life for the Japanese people. NTT DATA adheres to its Charter of Corporate Behavior (9th revised edition).  |
| Keidanren Committee on Nature Conservation | This committee engages in various activities, including providing recommendations on international goals and domestic policies related to biodiversity, with a focus on participating companies from Japan Business Federation (Keidanren). NTT DATA joined the committee in March 2023.  |
| Green × Digital Consortium | This consortium was established to contribute to the realization of carbon neutrality by 2050 through digitalization and the creation of new business models in environmental fields. NTT DATA joined the consortium in October 2021 and has been actively participating in working groups such as the Visualization Working Group for standardizing inter-company distribution of GHG emission data.  |
| Green Software Foundation (GSF) | This nonprofit organization was established to promote the adoption of green software and build an ecosystem to achieve this goal. NTT DATA joined as a core member in May 2021.  |
| ESTAINIUM Association | This nonprofit organization aims to serve as a cross-industry hub for companies, organizations, and academic institutions, providing an open foundation for securely sharing GHG emission data (product carbon footprint data) among all companies in a supply chain and supporting industrial decarbonization. NTT DATA established the association with 14 affiliated companies in June 2022.  |

| Affiliated Initiatives | |
|---|---|
| Science Based Targets (SBT) | Science Based Targets (SBT) refer to science-based GHG emission-reduction targets aimed at limiting the increase in global average temperature to 1.5°C above pre-industrial levels. In June 2020, NTT DATA obtained SBT certification for its Scope 1 and Scope 2 targets in alignment with the 1.5°C goal.  |
| Business Ambition for 1.5°C | Business Ambition for 1.5°C is a campaign that urgently calls on companies to set science-based reduction targets, with the aim of lowering GHG emissions to net zero by 2050. NTT DATA signed the commitment in March 2021.  |
| 30by30 Alliance | This voluntary alliance was established by the Ministry of the Environment with the aim of generating momentum and promoting efforts toward the achievement of the "30by30" goal, which aims to conserve and protect more than 30% of land and sea as healthy ecosystems by 2030. NTT DATA joined the initiative in February 2023.  |
| Reporting | |
| Task Force on Climate-related Financial Disclosures (TCFD) | This privately led task force focuses on the disclosure of climate-related financial information and was established under the Financial Stability Board at the request of G20 finance ministers and central bank governors. NTT DATA has positioned climate change measures as important management challenges and is promoting transparency in Company-wide and external activities. We declared our support for the TCFD declaration in March 2021.  |
| TNFD Forum | The Taskforce on Nature-related Financial Disclosures (TNFD) is an international initiative aimed at establishing a framework for private companies and financial institutions to appropriately assess and disclose risks and opportunities related to natural capital and biodiversity. NTT DATA joined the forum in February 2023.  |
| CDP GOLD Accredited Provider | CDP is an NGO that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. NTT DATA became a global partner of CDP in March 2022 in the field of climate change consulting and software.  |
| Other | |
| <ul style="list-style-type: none"> • Japan Association of Corporate Executives • Japan Data Communications Association • The Telecommunications Association • Japan Electronic Payment Promotion Organization | |

External Recognition

(as of October 2024)

NTT DATA's sustainability initiatives have been highly rated by research agencies, and the Company has been selected for inclusion in multiple indexes.

| Rating Agency | Rating Agency |
|--|--|
| Dow Jones Sustainability Indices World Index/Asia Pacific Index  <p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p> <p>These indices by S&P Global evaluate the sustainability of a company from economic, environmental, and social (ESG) perspectives. NTT DATA has been selected for inclusion in both the Dow Jones Sustainability World Index (7th consecutive year) and the Asia Pacific Index (15th consecutive year).</p> | Top Employer  <p>Top Employers Institute, based in Amsterdam, Netherlands, conducts an annual international certification program that recognizes companies excelling in the utilization of exceptional talent through an assessment of six HR domains consisting of 20 topics. In January 2024, NTT DATA was certified as a Global Top Employer 2024 across 29 countries and four regions, receiving particularly high marks in the areas of talent acquisition, career development, and diversity, equity, and inclusion.</p> |
| The S&P Sustainability Yearbook 2024  <p>U.S.-based S&P Global, a global ESG investment research and evaluation firm, has published "The S&P Sustainability Yearbook 2024," in which NTT DATA has been selected as one of the top 1% of companies in the field of "Information Technology Services and Internet Software Services."</p> | Global Equality Standard  <p>NTT DATA obtained certification for the Global Equality Standard, which conducts a comprehensive assessment in the field of DE&I, in May 2023.</p> |
| FTSE4Good Index  <p>This Index selects companies with outstanding performance from ESG perspectives. NTT DATA has been included in this index.</p> | Eruboshi  <p>Since September 2017, NTT DATA has continuously received the highest rating (Grade 3) Eruboshi certification based on Japan's Act on the Promotion of Women's Participation and Advancement from the Ministry of Health, Labour and Welfare.</p> |
| FTSE Blossom Japan Index  <p>This Index is designed to measure the performance of Japanese companies with high ESG ratings. NTT DATA has been selected as a constituent of this index.</p> | Platinum Kurumin  <p>In November 2019, NTT DATA received Platinum Kurumin certification as an excellent parenting support company.</p> |
| S&P/JPX Carbon Efficient Index  <p>The S&P/JPX Carbon Efficient Index selects its constituents based on their performance within the TOPIX, a key stock price index representing the Japanese market. It assesses companies by considering their environmental information disclosure and carbon efficiency (carbon emissions per unit of revenue), determining their weights accordingly. NTT DATA has been included in this index.</p> | 100 Prime program  <p>In March 2018, NTT DATA was selected by the Ministry of the Economy, Trade and Industry and the Tokyo Stock Exchange for inclusion in the Diversity Management Selection 100 Prime program for our ongoing and Company-wide diversity management activities.</p> |
| ISS ESG Corporate Rating  <p>NTT DATA has achieved a Prime rating in the ESG Corporate Rating following an assessment of its ESG-related risks, opportunities, and impacts throughout its value chain.</p> | PRIDE Index Gold  <p>NTT DATA was awarded the Gold rating in the PRIDE Index, which was developed by work with Pride. This recognition marks our seventh consecutive year from 2017 of receiving this award for our efforts in creating an inclusive workplace for sexual minorities, including the LGBTQ+ community.</p> |
| Ecovadis  <p>NTT DATA was awarded a Silver rating following an external evaluation of sustainability across four aspects—environment, labor and human rights, ethics, and sustainable procurement—for companies in over 220 industries across more than 180 countries.</p> | White 500 Certification  <p>Five NTT DATA Group companies have received "White 500" certification, a certification given to corporations practicing excellent health management, from the Ministry of Economy, Trade and Industry and the Japan Health Council.</p> |

The NTT Group's Basic Policy

The NTT Group Sustainability Charter

In November 2021, the NTT Group established the NTT Group Sustainability Charter with the aim of simultaneously achieving corporate growth and solving social issues. In April 2024, based on the new medium-term management strategy and international standardization trends, the Group reviewed its activities and set nine challenges under three themes to promote various initiatives toward realizing a sustainable society.

Promoting a Sense of Unity in the NTT Group

In fiscal 2015, the NTT Group established its Group Sustainability Committee to implement sustainability management across the Group. The committee is chaired by an NTT vice president and consists of the chief sustainability officers (vice presidents and managing directors) of the eight major NTT Group companies, including NTT DATA. Group Sustainability Liaison Meetings, attended by the sustainability promotion officers of NTT Group companies, are held regularly to promote a sense of unity across the Group. Through these meetings, we promote cohesive sustainability activities by sharing common challenges and success stories from each company, while mutually confirming the implementation status of the PDCA cycle for priority sustainability activities.



Spreading Sustainability Awareness

Since fiscal 2013, the NTT Group has held the NTT Group Sustainability Conference (formerly NTT Group CSR Conference) with the goal of showcasing and sharing initiatives by NTT Group companies both in Japan and overseas that contribute to a sustainable society. The Group actively engages in the event each year, using it as an opportunity to deepen employees' understanding of and commitment to sustainability management principles.

In fiscal 2023, the event was held for the 11th time, with a record-breaking 149 initiatives submitted from Group companies in 22 countries and regions—the highest number to date. The dedicated website garnered approximately 600,000 page views (up from 270,000 the previous year), and the number of "like" votes from the website reached 260,000 (up from 60,000 the previous year), demonstrating growing enthusiasm. Through the sharing of best practices and horizontal dissemination of case studies, awareness and interest in sustainability continued to rise. Eight initiatives from the Group made it to the final selection, with three receiving top awards, including two that won the MVP award.

| | | | |
|---|--|---|---|
|  Nature Conservation | Water Conservation through Smart Monitoring — A water distribution network solution that detects and predicts leaks and backflow |  Carbon Neutrality | Decarbonizing Data Centers to Achieve Net-Zero Commitment — Global challenges of reducing environmental impact in data centers |
| Company | NTT Belgium | Company | NTT Global Data Centers (USA, India, Austria, Germany) |
| Overview | <p>To reduce water leakage, a social issue affecting approximately 40% of Europe, a system was developed in the city of Liège, which faces challenges in optimizing water usage, particularly in detecting leaks and backflow. With the cooperation of CISCO and others, the system monitors water consumption. Utilizing IoT devices, big data, and AI, the system provides real-time insights into the water distribution network's condition, allowing for the prioritized replacement of aging pipelines. Sensors detect problems such as leaks and backflow, enabling the optimization of water usage and improved hygiene management. Out of the city's total 245,000 devices, 65,000 devices have been installed, contributing to water savings of more than one million cubic meters in 2023, with expectations to double this to two million cubic meters in 2024.</p> <p>Building on the success in Liège, this system is being implemented in other regions as well. In preparation for cross-border water exchanges, measurements have begun to calculate bidirectional water flow, ensuring the appropriate amount of water is drawn. Efforts are also focused on raising awareness and fostering habits around water consumption among all stakeholders, including citizens and field workers.</p> | Overview | <p>We are undertaking initiatives to mitigate the environmental impact of our global data centers, which are susceptible to power shortages and increasing energy costs, while also applying the results and knowledge gained from pilot projects conducted in various regions.</p> <ul style="list-style-type: none"> ① Chicago, USA We transitioned our power management from Excel to data tracking, optimizing energy consumption. ② Mumbai, India We introduced two cooling methods: direct contact liquid cooling (DCLC)*1 and liquid immersion cooling (LIC)*2, significantly improving the annual power usage effectiveness (PUE) to between 1.2 and 1.25. ③ Vienna, Austria We adopted hydrogenated vegetable oil (HVO), a second-generation biofuel, as fuel for our cooling machines, achieving up to an 80% reduction in net greenhouse gas emissions, including CO₂, and an 8% reduction in nitrogen oxides (NOx). ④ Berlin, Germany We recover the heat from cooling water heated to approximately 60 degrees Celsius and provide it as heating for the nearby Marienpark commercial district, contributing to heating without the use of fossil fuels and promoting decarbonization through waste heat utilization. |

*1 Direct contact liquid cooling: A system where cooling water circulates inside IT equipment to extract heat.

*2 Liquid immersion cooling: A system where cooling water passes through the interior of IT equipment to remove heat.



Environment

— Regenerating Ecosystems

Conserving the Global Environment for the Future

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Initiatives toward Materiality and Achieving KPIs

To fulfill our role in addressing global environmental issues through our business and corporate activities for the benefit of all people and future generations, NTT DATA is focusing on three material issues: Carbon Neutrality, Circular Economy, and Nature Conservation.

[Reference page] Sustainability Management "Progress in Relation to Nine Material Issues and FY2024 Targets"

| | FY2023 Indicators | | | | FY2024 Indicators | |
|--|--|--|---|---|---|--|
| | Indicator | Target | Achievement | Concrete Activity Results | Indicator | Target |
|  Carbon Neutrality P21 Contribute to solving climate change issues by creating innovations to decarbonize society and clients. As the global society transitions toward decarbonization, it is imperative for companies to take the lead in addressing their own climate change issues and decarbonizing society. In addition to reducing greenhouse gas emissions through our own supply chain, NTT DATA will promote innovation to support clients to achieve carbon neutrality and strengthen their resilience to extreme weather events through digital technology and co-creation with clients and contribute to the achievement of society's carbon neutrality. | CO ₂ emissions | Below 461,000 t-CO ₂ t (including NTT Ltd.) | Scope 1: 39,507 t-CO ₂ Scope 2: 307,009 t-CO ₂ | Entered into a site corporate Power Purchase Agreement (PPA) and implemented energy-saving measures. Promoting engagement activities with suppliers to reduce GHG emissions throughout the supply chain. P22 |  GHG emissions (Scope 1 & 2) Removed Ongoing monitoring | 341,000 t-CO ₂ *1 |
| | Promotion of electrification in general vehicles | Not disclosed | Not disclosed | Actively promoted the electrification of vehicles that are nearing the end of their lease contracts in all business divisions of the company. P10 | | |
|  Circular Economy P36 Reduce waste and create a society where the value of products and services continues to circulate We are using finite resources and generating waste in our economic activities. We need to decouple economic activities from resource consumption and shift to a circular economy to realize a sustainable society and environment. In addition to our own initiatives, which include reusing and recycling used PCs and donating unneeded emergency rations, we aim to realize a society that produces zero waste and ensures that resources can be used and recycled sustainably through our support to clients using blockchain, AI, IoT, and other technologies. | Waste recycling rate | General and industrial waste: 99% or more Construction waste: 87% | General and industrial waste: 99% Construction waste: 95.5% | Confirmed the status of locations with low waste recycling rates and promoted outsourcing to recycling service providers with higher recycling rates. Established goals aimed at reducing waste plastics and implemented related activities from the perspective of forming a circular society. P36 |  Waste recycling rate New Number of regulatory violations related to new waste treatment (PCB) | General and industrial waste: 99% or more Construction waste: 87% |
| | | | | | | 0 |
|  Nature Conservation P38 Generate sound global environment and contribute to people's well-being by conserving and recovering nature capital We are losing our natural capital at a rapid pace due to land-use changes associated with economic and social development, as well as pollution, climate change, and biodiversity loss including the invasion of alien species. To conserve and sustainably use natural capital, we need to understand the relationship among economic, social, and corporate activities, plus natural capital, and take appropriate measures accordingly. We will promote a nature-positive approach throughout society by promoting initiatives that protect the natural capital associated with our company and by providing our clients with business support that utilizes our digital technologies. | Paper consumption | 40% reduction (from FY2020) | 37% | Set reduction targets for each of our environmental management systems and took steps to achieve them. P10 |  Removed Ongoing monitoring New Number of business facilities installed in nature reserves and their proportion of the total New Number of business facilities installed in water risk areas and their proportion of the total | Monitoring indicator*2 |
| | | | | | | Monitoring indicator*2 |
| | | | | | | Monitoring indicator*2 |

*1 Preliminary value as of October 2024. Will be updated upon confirmation.

*2 No target will be set, but performance will be monitored with this indicator to observe the levels.

Basic Policy and Management System

NTT DATA aims to realize a sustainable society together with its clients by creating value for the future and connecting various people with technologies. We are pursuing initiatives based on three pillars—"Environment, Economy, and Society"—to realize a sustainable society. With respect to the pillar of the Environment, we are steadily promoting environmental activities based on the following policies.

Environmental Policies of the NTT DATA

We believe that, given the increasingly serious nature of global environmental problems, we must address these as management issues and work to resolve the environmental challenges facing the world and society. The NTT DATA, which applies information technology to create new paradigms, contributes to environmental protection by providing systems and solutions that can replace or alleviate the need for actual movement of people and goods. At the same time, recognizing the major impact of business activities on the environment, we are promoting ongoing and planned approaches to environmental protection to realize a society that is in better harmony with the earth even as it enjoys the abundance of modern life.

1. Environmental considerations in conducting business

The NTT DATA is working to lessen the environmental impact of its business activities, setting quantitative goals and targets to the extent possible, and reviewing these periodically as part of an ongoing betterment program.

- (1) We are promoting environmentally responsible system development.
- (2) We are actively carrying out green purchasing.
- (3) We are working to prevent pollution and limit resource use by implementing policies for saving resources and energy, promoting reuse and recycling, and reducing waste.

2. Meeting legal obligations

In carrying out business activities, we observe all applicable environment-related laws and other agreements and obligations.

3. Raising awareness

Through environmental education and environmental and social contribution activities for our employees and partners, we are enhancing and boosting recognition of environmental awareness activities.

4. Promoting communications

We work proactively to promote environmental communications to stakeholders both within and outside the NTT DATA.

Yutaka Sasaki, Representative Director and President
NTT DATA Group Corporation

Notes: - The final approval of this policy is made by the Representative Director, President and Chief Executive Officer of NTT DATA Group Corporation. This Officer is the Chairperson of the Board. The Director and Senior Executive Vice President chairs the Eco Activity Promotion Committee. He takes accountability for the effectiveness of the environmental management system and promotes continuous improvement to fulfill the leadership and commitment regarding the environmental management system. We built a cross-Group environmental management system spearheaded by the "Eco Activity Promotion Committee" and the "Eco Activity Liaison Committee," which consist of environmental officers and advocates from each ISO 14001-certified division and Group company. Items of particular importance discussed by both committees are reported to the Board of Directors. The Eco Activity Liaison Committee meets several times a year to communicate with Group organizations and resolve issues through the PDCA cycle. Group companies that have not yet obtained ISO 14001 certification have also appointed environmental supervisors to strengthen our environmental management promotion system. For more details on our environmental management system and its framework, please refer to page 19, "Environmental Management System."

- We provide environmental education for employees and partners to promote understanding of the importance of working on environmental issues and how we can contribute to solving them through our business activities. The content of education is regularly reviewed based on external trends.

- This policy covers all business activities, investment due diligence, and mergers and acquisitions of the NTT DATA. We will also encourage our suppliers, distributors, logistics providers, waste disposal companies, and business partners to support the policy across our supply chain.

- This policy was established in June 2018 and has been updated to reflect the company name change following the transition to a holding company structure in July 2023, as well as the signature update due to the change in the President and Representative Director in June 2024.

Management System

In October 2021, we created the Green Innovation Office as a dedicated organization focused on advancing green innovation to lead our climate change initiatives and launched the Green Action Committee. From April 2024, to drive sustainability management from a broader perspective, the Green Action Committee has evolved into the Sustainability Committee. The Sustainability Committee is chaired by the Senior Executive Vice President and Representative Director, who holds the highest responsibility for our climate change initiatives. We also select committee members from our overseas Group companies actively involved in climate change initiatives, creating a global promotion system. The Sustainability Innovation Department acts as the secretariat, while the Green Innovation Office is responsible for driving our climate change efforts.

As of April 2024, we established six subcommittees under the Sustainability Committee, focusing on greenhouse gas reduction, promoting sustainability business, supply chain management, and sustainability information disclosure. These subcommittees are responsible for advancing the Group's initiatives related to climate change. In the subcommittees, executive officers and others serve as leaders, driving initiatives that involve stakeholders across the entire organization. The Board of Directors reviews reports on discussions that take place within the Sustainability Committee, deliberates on the content as vital components of management and business strategy, and supervises the formulation of policies and implementation plans for addressing climate change. We have appointed outside directors with high expertise in sustainability who provide objective and specialized oversight of our climate change response initiatives. In fiscal 2022, we established climate change-related Key Performance Indicators (KPIs). These KPIs, linked to executive and employee compensation, are designed to encourage greater engagement in achieving our goals. Since fiscal 2021, we have positioned climate change as a significant risk within our enterprise risk management framework under the Internal Control Committee.

Environmental Management System

Management System

NTT DATA Group Corporation, NTT DATA Japan Corporation, and Group companies in Japan integrate environmentally responsible practices throughout their operations and maintain a strong commitment to environmental initiatives. In 1998, we established the Environmental Management System (EMS) framework, and in 1999, we achieved ISO 14001 certification for our EMS, which is a recognized international standard for environmental management.

Starting from 2004, we extended our commitment to environmental management across the Group, including some Group companies in Japan, by implementing a Group-wide EMS. We also obtained ISO certification as the Group certification.

The Group-wide EMS comprises the Environmental Conservation Promotion Committee (formerly Eco Activity Promotion Committee), chaired by an executive officer of NTT DATA Group Corporation and composed of environmental preservation promotion officers from each department under the Group-wide EMS, and the Environmental Conservation Promotion Liaison Committee (formerly Eco Activity Liaison Committee), chaired by the head of the Green Innovation Office and composed of environmental managers and promotion officers from each department under the Group-wide EMS.

The Environmental Conservation Promotion Liaison Committee meets regularly to share information about our environmental activities, environmental goals, departmental initiatives, and other relevant topics within the NTT DATA Group. This information is then integrated into the environmental activities of each department.

In addition to the companies within the Group-wide EMS, there are Group companies in Japan and outside Japan that have independently established their own EMS and obtained ISO 14001 certification. Each of these companies conducts environmental activities. Since 2020, we have also been conducting environmental liaison meetings for Group companies in Japan outside of the Group-wide EMS, strengthening our environmental management across the organization.

Material Balance

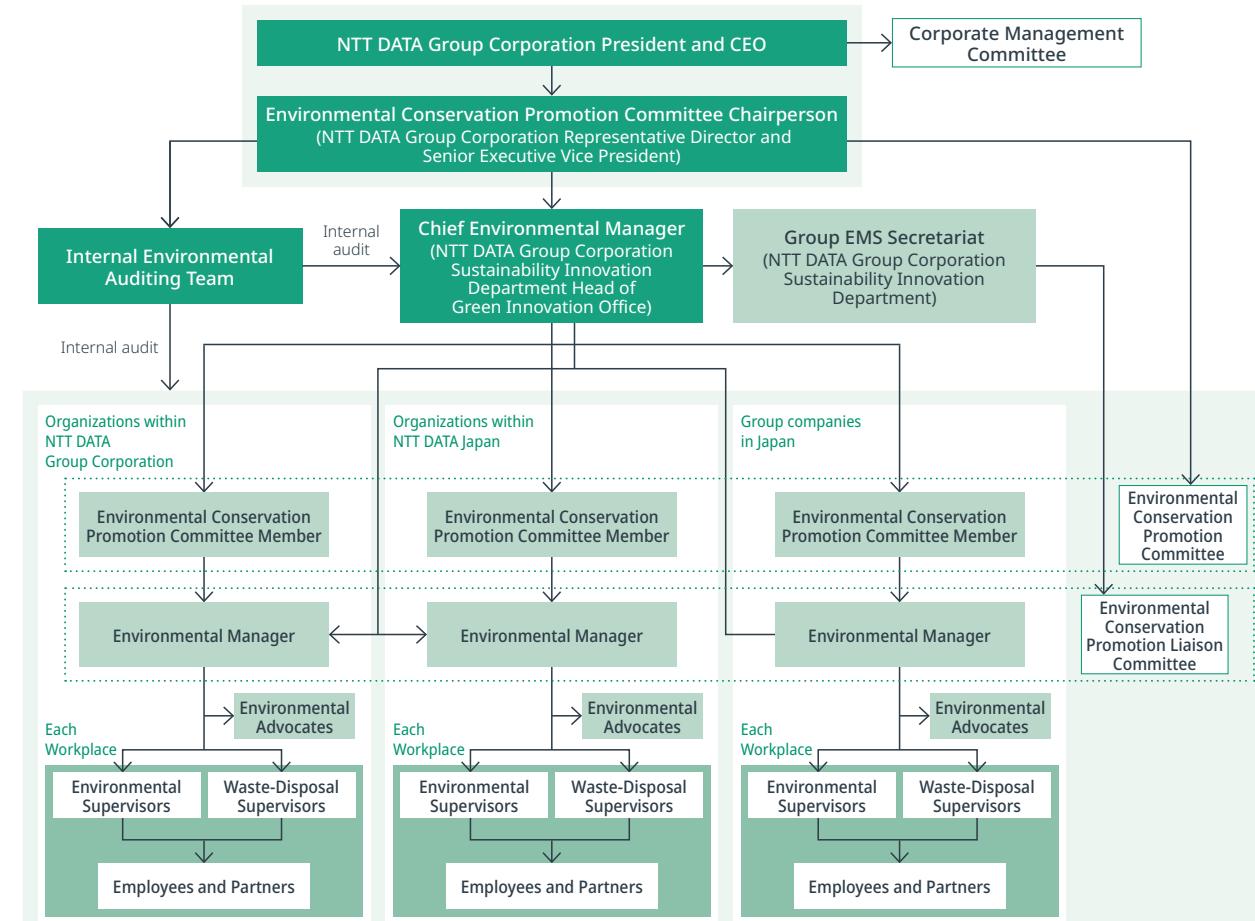
NTT DATA understands and analyzes how and at what stages resources and energy are used, as well as where environmental impacts occur, to reduce the environmental impact associated with our business activities. This impact primarily arises from GHG emissions due to energy consumption, mainly electricity.

Additionally, the use of paper resources, water resources, and activities such as data center construction also have various environmental impacts. We cannot ignore the environmental effects of energy consumption and other factors during the operation of our systems and services at our customers' sites.

Therefore, we accurately assess and analyze the environmental impact of our business activities and connect this information to various improvement initiatives.

 [Reference page] Non-Financial Data "Material Balance"

Group EMS Structure



Acquiring ISO 14001 Certification

As of July 31, 2024, 29 companies had obtained ISO 14001 certification through Group integration, with two domestic companies and 18 overseas companies achieving independent certification. This results in an environmental management system coverage rate of 46% in relation to the total number of employees.

The environmental management system of each company is audited annually by an auditing organization to maintain ongoing certification.

Status of ISO 14001 Certification (as of July 31, 2024)

NTT DATA Group Entities That Have Acquired Group Certification

NTT DATA Group Corporation
 NTT DATA Corporation
 NTT DATA HOKKAIDO Corporation
 NTT DATA TOHOKU Corporation
 NTT DATA SHINETSU Corporation (Head Office, Niigata Branch)
 NTT DATA TOKAI Corporation (Head Office)
 NTT DATA HOKURiku Corporation
 NTT DATA KANSAI Corporation (Head Office)
 NTT DATA CHUGOKU Corporation (Head Office)
 NTT DATA SHIKOKU Corporation (Head Office, Kagawa Office)
 NTT DATA KYUSHU Corporation
 NTT DATA i Corporation
 NTT DATA WAVE Corporation
 NTT DATA SMS Corporation
 NTT DATA CUSTOMER SERVICE Corporation (Head Office)
 NTT DATA NJK Corporation (Head Office)

NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.
 NTT DATA CCS CORPORATION (Head Office, data center)
 JSOL Corporation (Tokyo Head Office)
 NTT DATA SYSTEM TECHNOLOGIES INC.
 NTT DATA SEKISUI SYSTEMS Corporation (Osaka Head Office, Tokyo Head Office)
 NTT DATA INTELLILINK Corporation
 NTT DATA SOFIA Corporation (Head Office)
 NTT DATA DAICHI Corporation (Head Office)
 DACS Co., Ltd. (Head Office, Tokyo Branch, Osaka Data Center, BPO Center)
 NTT DATA BUSINESS SYSTEMS Corporation
 NTT DATA FRONTIER Corporation
 NTT DATA MANAGEMENT SERVICE Corporation (Head Office, Tokai Branch, Kansai Branch)
 NTT DATA UNIVERSITY Corporation

NTT DATA Group Entities That Have Acquired Certification Independently

Japan Information Processing Service Co., Ltd. (JIP)
 NTT DATA MSE CORPORATION
 NTT DATA SPAIN AND AFFILIATES
 EVERIS AEROESPECIAL Y DEFENSA, S.L.U.
 NTT DATA SPAIN INFRASTRUCTURES ENGINEERING, S.L.U.
 NTT DATA SPAIN INFRASTRUCTURES OPERATIONS, S.L.U.
 NTT DATA ITALIA S.P.A.
 NTT DATA UK LIMITED.
 NTT DATA ROMANIA S.A.
 NTT Australia Pty Ltd

NTT Australia Digital Pty Ltd
 NTT Communication ICT Solutions Pty Ltd
 NTT Australia Database Solutions Pty Ltd
 NTT Australia Workforce Solutions Pty Ltd
 NTT New Zealand Ltd
 NTT Netherlands BV
 NTT United Kingdom Ltd
 NTT Slovakia s.r.o
 NTT Spain Intelligent Technology and Services SLU
 GISA GmbH

Internal Environmental Audits

NTT DATA Group companies that have acquired ISO 14001 certification periodically conduct internal environmental audits to verify conformance with ISO 14001 specifications and PDCA cycle functionality.

In fiscal 2023, one actual internal audit of Group EMS organizations was conducted by external experts and internal environmental auditors from those organizations, along with one self-audit performed by internal environmental auditors within their own organizations. Prior to the audits, we hold meetings with all internal auditors to review key audit items, evaluation criteria, and legal regulations, as well as to share past findings. This ongoing effort aims to continually enhance the level of environmental conservation activities within the Group.

NTT DATA Group EMS organizations are required to elect at least one internal auditor. Our audit system includes 98 internal environmental auditors (as of July 31, 2024). Selected internal auditors are invited to participate as members of audit teams in the internal audits of other organizations so that they can learn about the successful activities of such organizations and utilize them to improve their own activities.

Results of Internal Environmental Audits in Fiscal 2023

| Implementation Period | Actual audits: | Self-audits: |
|-----------------------------|---|---|
| | July 28, 2023 to September 6, 2023 | Coordinated by each organization |
| Target organization/company | NTT DATA Group Corporation and NTT DATA Japan Group companies in Japan | 7 organizations, 3 buildings 11 companies |
| Audit results | 4 cases of non-compliance, 11 cases of room for improvement, 34 recommendations | 1 case of non-compliance, 14 cases of room for improvement, 4 recommendations |

Carbon Neutrality

Contribute to solving climate change issues by creating innovations to decarbonize society and our clients' operations

Basic Policy

Heatwaves, floods, and forest disasters are just a few examples of the various impacts that recent climate change has had on human life, making the response to climate change an urgent and critical social issue. Addressing climate change requires reducing greenhouse gas emissions, which necessitates a transformation in economic activities. It is essential to take action not only at the individual company level but also throughout the supply chain and across society as a whole to achieve this change. NTT DATA is pursuing the reduction of GHG emissions not only through our own activities but also across the entire supply chain and broader society through "Green Innovation," harnessing the power of digital technology. In addition, we will contribute to the realization of a decarbonized society by promoting the green transformation of the data centers, IT equipment, and software that are integral to the digital society.



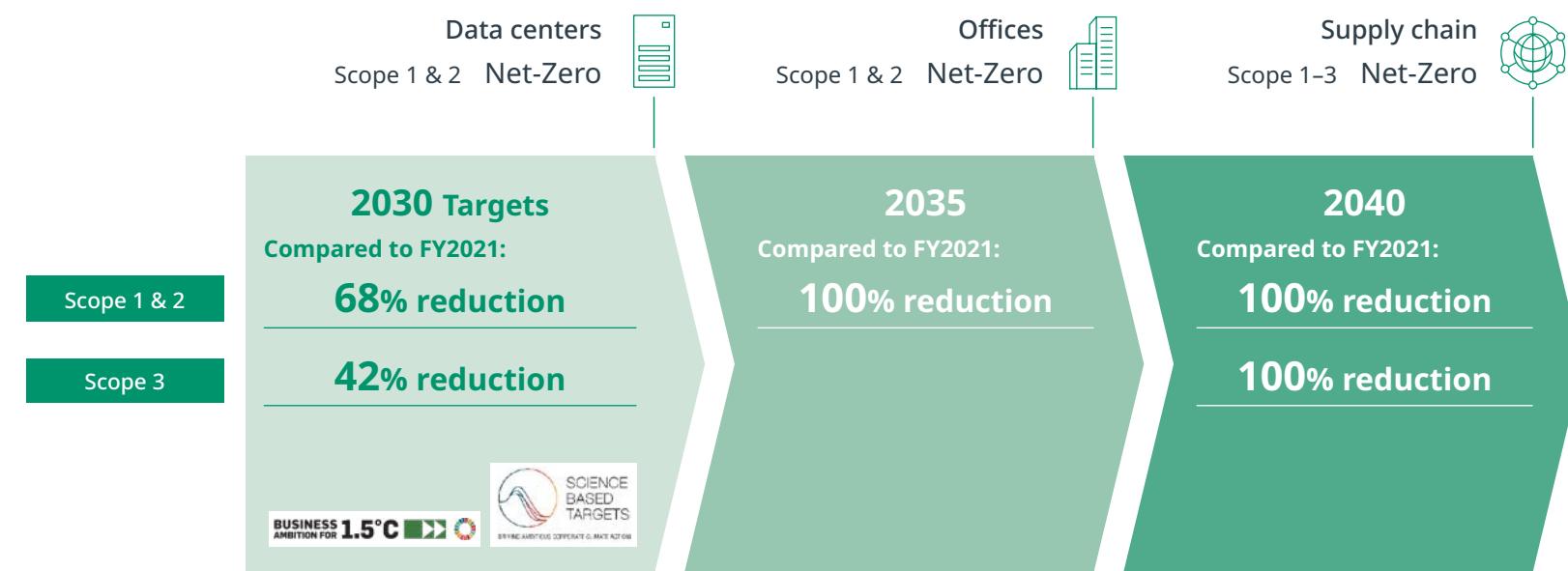
NTT DATA NET-ZERO Vision 2040 —Formulation of a vision for net-zero GHG emissions by 2040—

Amid the rising global demand for accelerated initiatives toward achieving Net-Zero emissions and given the expanded scope of operations resulting from the business combination with NTT Ltd., NTT DATA has revised its goal for achieving Net-Zero greenhouse gas emissions. In fiscal 2023, our new target for Net-Zero emissions, as described in SBTi,* has been moved forward from 2050 to 2040, and this target was incorporated into our newly formulated NTT DATA NET-ZERO Vision 2040. Based on this new vision, NTT DATA will continue efforts to reduce its Scope 1, 2, and 3 greenhouse gas emissions. These targets are now incorporated into the newly formulated NTT DATA NET-ZERO Vision 2040, for which we obtained SBT certification in March 2024.

NTT DATA aims to achieve net zero for direct and indirect emissions from its own operations (Scope 1 and 2) for data centers by 2030, the entire company including offices and other facilities by 2035, and its entire supply chain (Scope 3) by 2040.

* The Science Based Targets initiative (SBTi) is a global initiative that supports and certifies organizations in setting science-based targets aimed at limiting the rise in the world's average temperature to below 1.5 degrees Celsius compared to pre-industrial levels.

NTT DATA NET-ZERO Vision 2040



NTT DATA's Greenhouse Gas Emissions

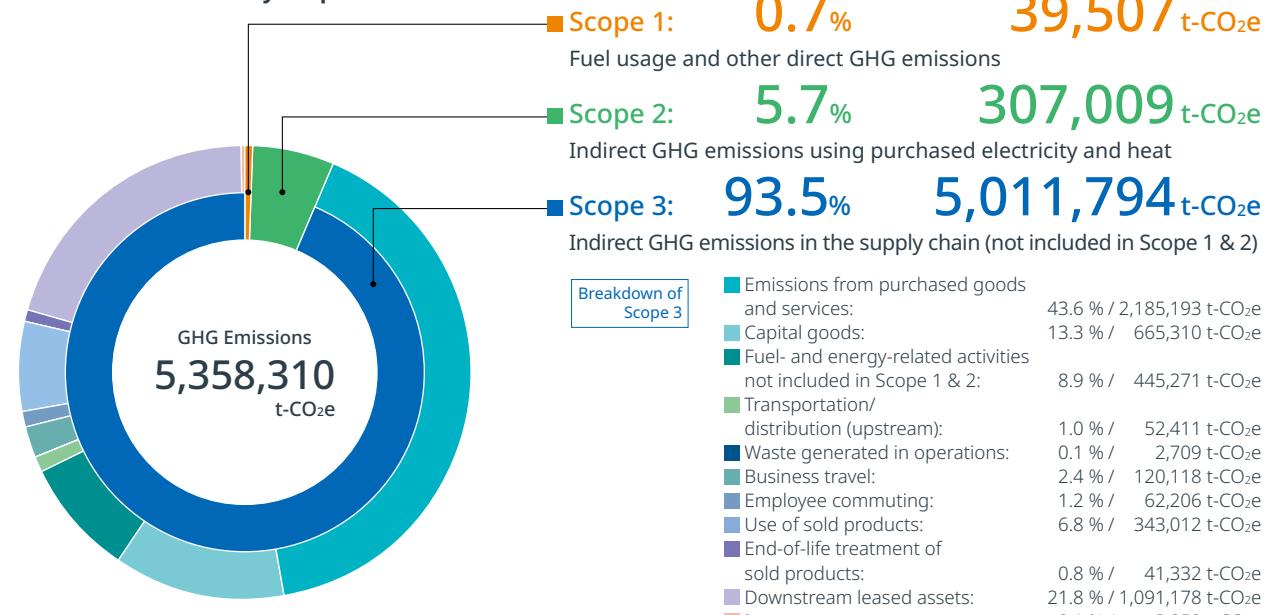
To visualize and reduce greenhouse gas emissions both within the Company and across our supply chain, we calculate Scope 1, 2, and 3 emissions.

Scope 1 refers to GHG emissions that are directly emitted from the Company's business activities, such as emissions from fuel usage and refrigerants. Scope 2 pertains to GHG emissions generated by other companies when producing the electricity, heat, or steam energy that we utilize. Scope 3 encompasses GHG emissions that occur upstream and downstream within our supply chain.

In fiscal 2023, our GHG emissions were as follows: Scope 1 amounted to 39,507 tons of CO₂ equivalent (t-CO₂e), Scope 2 totaled 307,009 t-CO₂e, and Scope 3 reached 5,011,794 t-CO₂e.

Scope 3 emissions account for 93.5% of our total emissions, and of this, purchased goods and services accounted for 43.6% and downstream leased assets made up 21.8%. Together, these categories represent approximately 65% of our overall emissions.

GHG Emission Rates by Scope in Fiscal 2023



In fiscal 2023, we received third-party assurance of our GHG emissions (Scope 1, 2, and 3), energy consumption, renewable energy consumption, water intake, water consumption (evaporation from cooling systems), and wastewater discharge from LRQA Limited.

Summary of Third-Party Certified Data* in Fiscal 2023

| | |
|--|-------------------------------|
| Direct GHG emissions (Scope 1) | 39,507 t-CO ₂ e |
| Indirect GHG emissions from energy sources (Scope 2, market basis) | 307,009 t-CO ₂ e |
| Indirect GHG emissions from energy sources (Scope 2, location basis) | 665,870 t-CO ₂ e |
| Other indirect GHG emissions (Scope 3) | 5,011,794 t-CO ₂ e |
| Overall energy consumption | 1,574,312 MWh |
| Overall renewable energy consumption | 770,784 MWh |
| Water withdrawal | 413,779 m ³ |
| Water consumption (evaporation from cooling system) | 203,297 m ³ |
| Water discharge | 210,482 m ³ |

* The scope of data assurance for Scope 1, 2, and 3 emissions, as well as energy consumption and renewable energy consumption, encompasses all NTT DATA companies. For water resources, it pertains to 14 domestic facilities owned by NTT DATA Japan Corporation.

Efforts to Achieve NTT DATA NET-ZERO Vision 2040

Examples of Initiatives to Achieve Net-Zero by 2040

Note: Details of each initiative will be explained in the following sections.

| | |
|--|---|
| Scope 1 and 2 <ul style="list-style-type: none"> (NTT DATA) <ul style="list-style-type: none"> • Optimize energy consumption through digital technology in data centers and similar facilities • Achieve a 100% implementation rate for renewable energy at data centers and offices | Upstream (Suppliers) <ul style="list-style-type: none"> • Reduce power consumption through the development of green software,^{*1} efficient power use, and scaling back of hardware use through consolidation • Prioritize procurement from suppliers who are reducing emissions at the same level as NTT DATA (SBT 1.5°C approved level) |
| Scope 3 <ul style="list-style-type: none"> Downstream (usage and disposal of services provided to clients) <ul style="list-style-type: none"> • Facilitate fundamental measures such as moving IT services to the cloud to reduce GHG emissions at client sites and shifting business models from equipment sales to service provision • Introduce renewable energy for the services used by our clients as a GHG emission-reduction partner • Contribute to reductions in client emissions through sustainable IT^{*2}, which enables visibility of GHG emissions and enhances energy efficiency | |

*1 The Green Software Foundation is a global nonprofit organization focused on promoting green software and building an ecosystem for its realization. It defines green software as software with low GHG emissions. The main characteristics of green software are 1) power consumption by the software itself is low; 2) the software uses fewer hardware resources; and 3) the way power is used is optimized, with the software running on electricity derived from renewable energy.

*2 Sustainable IT refers to IT systems designed to reduce social and environmental impact across their components, including data centers, hardware, and software.

Toward Achieving Sustainable IT

To reduce environmental impact in a society where digitalization is accelerating, NTT DATA has been intensifying efforts to reduce GHG emissions across various IT systems, including data centers, hardware such as IT equipment, and software. Specifically, we analyze the current state of GHG emissions, identify areas where reductions are possible, define priority areas for action based on the analysis, and then execute GHG emission-reduction initiatives accordingly. NTT DATA, through our own initiatives, aims to reduce environmental impact across our clients and the broader IT landscape within society.

Green Data Centers®

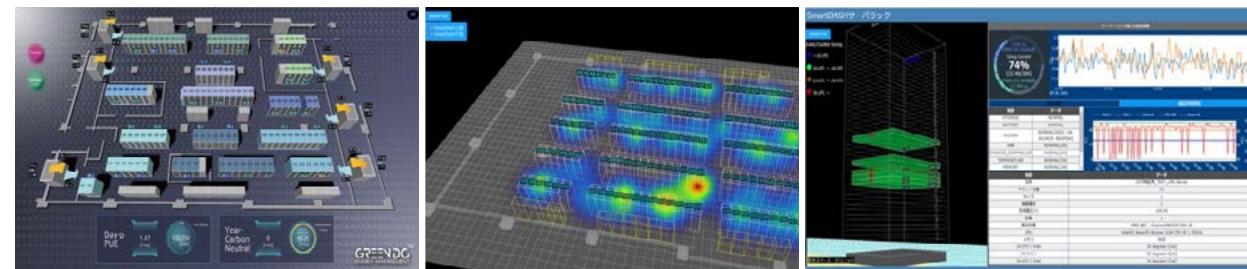
With the advancement of digitalization, the rapid growth in demand for data processing, storage, and communication services provided by data centers has resulted in an increase in GHG emissions, in tandem with energy consumption. In October 2022, we integrated NTT Ltd., which operates data center businesses globally, establishing a framework to meet the digital demands of our clients and society. In fiscal 2023, we commenced operations at 13 data centers located in India, Germany, the United States, and Malaysia, providing services across approximately 30 cities worldwide, with a scale of about 120 facilities and around 1,120 MW. We ensure the safety and security of systems that serve as social infrastructure while promoting energy efficiency, energy conservation, and the introduction of renewable energy. Our goal is to achieve net-zero direct and indirect emissions (Scope 1 and 2) from our data centers by 2030. By providing clients with sustainable data centers, we also contribute to reducing GHG emissions for both our clients and society as a whole.

 [Reference page] Sustainability Management "Spreading Sustainability Awareness"

Reducing Environmental Impact from Both Facility and IT Perspectives

We are actively engaged in reducing the environmental impact from both the facility (including buildings and equipment) and IT perspectives. For instance, we operate systems that enable real-time visualization of the indoor environment in server rooms. These systems centralize the management of data from sensors embedded in servers, including the supply air temperature, current values, power consumption, CPU utilization, cooling energy, and the amount of renewable energy introduced. Furthermore, to achieve energy efficiency in power-intensive air-conditioning equipment within data centers, we combine temperature data obtained from room sensors with machine learning algorithms to create an air-conditioning AI system. This system identifies hot spots within the room on a per-server basis, enabling the concentration of cooling energy where it is needed, thus reducing overall cooling energy consumption.

Image of a Real-Time Visualization System in a Server Room, "Green DC energy management™"



Green Software

NTT DATA takes the lead in promoting the green transformation of IT for our clients and society, aiming to realize a sustainable society while reducing environmental impact.

Leading Standards for Developing Software with Reduced Environmental Impact

Software has a significant impact on GHG emissions from IT equipment and data centers. In March 2024, NTT DATA, in collaboration with other companies, formulated one of the first CO₂ emissions calculation rules for custom-developed software products, which aligns with the Ministry of Economy, Trade, and Industry's Carbon Footprint Guidelines. This rule covers CO₂ emissions from the development stage, from order receipt to production and delivery, and promotes the standardization of green procurement for software products.

In addition, as a member of the Green Software Foundation (GSF), a global nonprofit organization aiming to reduce the CO₂ emissions of software, NTT DATA is actively leading efforts to promote green software and to build an ecosystem that supports environmentally friendly software development.

Note: The logo of the Green Software Foundation is a trademark of the Linux Foundation in the United States and other countries.



In December 2022, GSF released version 1.0 of Software Carbon Intensity (SCI), a methodology for evaluating GHG emissions when software is used. This involves assessing carbon emissions as a score based on factors such as power consumption during software use, hardware utilization, and the carbon intensity* of power consumption. By leveraging SCI, it becomes possible to compare the environmental impact of multiple software to similar functions and allows for the comparison of the carbon emissions' impact resulting from modifications made to the software. As an operational member, we collaborated with other member companies to develop SCI 1.0. SCI 1.0 has been officially recognized as an international standard, now known as ISO/IEC 21031:2024.

* Carbon intensity indicates how many grams of carbon dioxide emissions are measured when 1 kWh of electricity is consumed (unit: gCO₂eq/kWh).

Examples of Client Support through Software Carbon Intensity (SCI)

At NTT DATA Italy, SCI 1.0 was utilized to measure the energy consumption and GHG emissions of IT systems, while designing a framework for reducing emissions. Intesa Sanpaolo, Italy's largest bank, faced challenges in accurately measuring and monitoring the GHG emissions of its IT systems to reduce environmental impact and improve operations. With NTT DATA Italy's solution, the bank successfully achieved reductions in both GHG emissions and energy consumption, leading to cost savings. Today, the bank is recognized as a financial institution that achieves sustainability through its IT systems and services.

Overview of Solution:
https://group.ntt.jp/sus_conf/B42.html#

Dashboard Visualizing GHG Emissions



Challenging Net-Zero across the Supply Chain

At NTT DATA, Categories 1 (purchased goods and services), 2 (capital goods), and 11 (use of sold products) account for approximately 63.7%* of the total emissions in Scope 3. It is essential to enhance engagement with suppliers and collaborate with them to reduce GHG emissions across the entire supply chain. To achieve this, we are advancing the reduction of Scope 3 emissions by establishing environmental evaluation criteria for the procurement and selection of products and services, and by requesting suppliers to cooperate in addressing climate change.

Group companies outside Japan are also working in coordination, tailored to their business characteristics, to reduce GHG emissions across the global supply chain.

* Of the total emissions within Scope 3, the breakdown by category is approximately 43.6% for Category 1 (purchased goods and services), approximately 13.3% for Category 2 (capital goods), and approximately 6.8% for Category 11 (use of sold products).

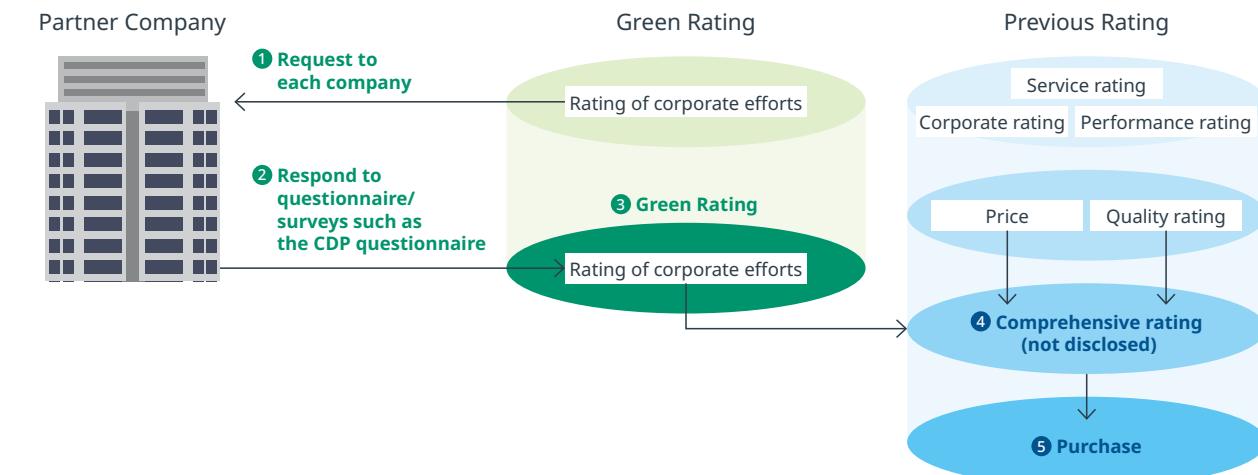
Green Purchasing

Assessments of Corporate Efforts and Products

To promote sustainability and ESG-related initiatives across the entire supply chain, we have published the NTT DATA Group Supply Chain Sustainability Guidelines, which clearly outline the expectations for compliance from our suppliers. In addition, we have released the NTT Group Green Procurement Standards to complement the environmental content. Through these guidelines, we request that our suppliers implement measures to reduce GHG emissions within the supply chain.

In its procurement and selection of products and services, NTT DATA makes judgments based on price and quality as well as on environment-related factors. Specifically, we assess compliance with environmental regulations and initiatives for reducing GHG emissions within the supply chain. In particular, we monitor progress in GHG emission-reduction efforts using detailed indicators.

Mechanism to Evaluate a Supplier's Corporate Stance



Process of Managing Progress in Reducing Greenhouse Gas Emissions

| Classification | Initiative Steps | Status of Initiatives |
|---------------------------------------|--|--|
| Formulation of an implementation plan | STEP 0: No response plan for climate change | Not started (no plan to be formulated in the future) |
| Visualization | STEP 1: Have an implementation plan within a year | Formulated a plan to implement within a year |
| Target setting | STEP 2: Visualization of Scope 1 and 2 | Tracked Scope 1 and 2 |
| | STEP 3: Visualization of Scope 3 | Tracked Scope 3 |
| | STEP 4: Set reduction targets | Established voluntary reduction targets |
| | STEP 5: Set reduction targets at SBT-approved levels | Established reduction targets that meet the SBT-approved level |

Strengthen Green Procurement Initiatives to Reduce GHG Emissions

The NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan are formulating green procurement measures tailored to the characteristics of domestic businesses. In February 2022, to strengthen efforts to reduce GHG emissions across the supply chain, we specified evaluation criteria for suppliers and products in the NTT Group Green Procurement Standards. In addition, we established the Hardware Procurement Rules*, which serve as a reference for hardware procurement. We have commenced implementation for approximately 80 Group companies in Japan. Specifically, these rules recommend purchasing from hardware vendors that have received SBT validation or have announced GHG emissions targets and results at the SBT validation level.

In addition, starting from fiscal 2023, we have initiated training sessions targeting all employees responsible for procurement across Group companies in Japan to promote awareness and understanding of green procurement principles.

 * On the Establishment of the Hardware Procurement Rules
<https://www.nttdata.com/global/ja/news/release/2022/022802/> (Japanese only)

Supplier Engagement

Main Efforts to Achieve the SBT 1.5°C Target

NTT DATA defines our major suppliers as those accounting for approximately 70% of our total procurement amount, and we promote their climate change initiatives through measures such as supplier briefing sessions.

In fiscal 2023, we continued to hold online supplier briefing sessions for our top suppliers, accounting for approximately 80% of purchases from NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan, with around 120 companies participating. We hold briefing sessions annually, requesting cooperation for emissions reduction at SBT certification levels and introducing social trends related to climate change initiatives. To support each company's efforts, we provide follow-up information, including the Q&A content from the sessions, to approximately 230 target companies.

In addition, we are strengthening efforts to gather and analyze information on our suppliers' climate change initiatives. As a result of our initiatives, in April 2022 we became the first Japanese company to become a CDP Supply Chain Premium Member. In fiscal 2023, NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan requested that suppliers accounting for 80% or more of total purchases of hardware and outsourced software development answer questions in the CDP questionnaire related to the visualization of GHG emissions and reduction target setting. We received responses from about 150 companies, allowing us to understand the status of initiatives by industry. Based on the results of the analysis, we updated and distributed the explanatory document created in fiscal 2022 regarding the calculation of GHG emissions and the setting of reduction targets for suppliers of outsourced software development to promote their initiatives.

These efforts have been recognized, and for two consecutive years, we have been selected as a Supplier Engagement Leader, the highest rating in the supplier engagement assessment conducted by CDP. In fiscal 2024, we will increase the number of suppliers from whom we request responses, and we will begin engaging suppliers using the CDP Supply Chain Program, including overseas Group companies.

In addition, we engage in regular discussions with suppliers that are making advanced efforts to provide low-environmental-impact products and solutions. By sharing the necessary information with NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan, we are creating an environment that allows for procurement considerations—including green purchasing—based not only on pricing but also on environmental information, thereby promoting the reduction of GHG emissions on a product-by-product basis.

Business Partner (BP)* Engagement

NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan hold a BP Presidents' Meeting, attended by the heads of our BPs, to foster understanding and secure their cooperation in our climate change efforts. We also organized workshops aimed at building a community of environmental representatives from our BPs. During these workshops, we provide explanations and have group discussions on GHG emission visualization and reduction goal setting using materials created by NTT DATA. Through this, we strive to increase understanding of our climate change initiatives. In addition, based on the responses to the CDP questionnaire, we identify the challenges each company is facing and support their efforts by participating in the Ministry of the Environment's program aimed at promoting decarbonization in small and medium-sized enterprises and conducting individual dialogue sessions with companies. Through these measures, we aim to continue to lead BPs' climate change initiatives.

* NTT DATA Group Corporation selects Japanese outsourcing partners that are expected to provide continuous cooperation for our business development in the future, as part of our efforts to jointly promote quality assurance activities for our clients.

Information Disclosure Based on the TCFD

In March 2021, NTT DATA expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Since then, we have been promoting climate change initiatives across the entire organization and ensuring transparency in our external activities. Addressing climate change has been positioned as a top management priority. In line with the TCFD framework, we are actively analyzing and assessing climate-related risks and opportunities from a long-term perspective.



TCFD Recommendations, Activity Summary

| TCFD Recommendations | Recommended Disclosure Content | Activity Summary |
|---|---|---|
| Governance Organizational governance around climate-related risks and opportunities | a) The board's oversight of climate-related risks and opportunities b) Management's role in assessing and managing climate-related risks and opportunities | <ul style="list-style-type: none"> Established six subcommittees by theme within the Sustainability Committee, which meets twice a year in principle to discuss and report to the Board of Directors Formulated strategies and conducted monitoring through the Sustainability Committee under the supervision of the Board of Directors and the leadership of the Representative Director and President |
| Strategy Actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning | a) Climate-related risks and opportunities the organization has identified over the short, medium, and long term b) Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning c) The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | <ul style="list-style-type: none"> Identified particularly important short-term, medium-term, and long-term climate-related risks and opportunities based on scenario analysis, analyzing the impacts on business strategy and operations due to transition risks related to reputational decline, disaster risks, and increased demand for sustainability-related services Implemented measures for each risk and opportunity to reduce risks and maximize opportunities, while calculating the costs of these measures and organizing the financial impacts |
| Risk Management How the organization identifies, assesses, and manages climate-related risks | a) The organization's processes for identifying and assessing climate-related risks b) The organization's processes for managing climate-related risks c) How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management | <ul style="list-style-type: none"> Evaluated climate-related risks relative to other types of risks in the Internal Control Committee using two axes: degree of impact and likelihood of occurrence, defining them as one of the major company-wide risks Executed risk management through the subcommittees focused on greenhouse gas reduction, sustainability business promotion, supply chain management, and sustainability information disclosure within the Sustainability Committee, while the Internal Control Committee supervised and controlled this effort alongside other risks, integrating these risk management activities into a comprehensive management approach for the organization |
| Metrics and Targets Metrics and targets used to assess and manage relevant climate-related risks and opportunities | a) The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process b) Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks c) The targets used by the organization to manage climate-related risks and opportunities and performance against targets | <ul style="list-style-type: none"> Developed the NTT DATA NET-ZERO Vision 2040 in fiscal 2023 for risk management, aiming for net-zero emissions by 2040, and based on this vision, set medium- and long-term reduction targets for GHG emissions, including Scope 1, 2, and 3 emissions, and conducted measurement activities Implemented employee bonuses linked to the evaluation of climate-related opportunities, incorporating the status of sustainability-related offerings and social contribution activities into the assessment criteria |

Prioritization of Risks

The Internal Control Committee, chaired by the Representative Director and Senior Executive Vice President, who also serves as the NTT DATA Group's CRO, defines key financial or strategic risks to our business operations.

In selecting material risks, we classified around 100 nominated risks using a matrix consisting of two axes—degree of impact (high, medium, low) and likelihood of occurrence (high, medium, low)—and defined material risks (see figure at right). In fiscal 2022, we discussed this matrix at the Board of Directors, which subsequently defined climate change as a material risk.

In addition, the evaluation of climate change risks and opportunities is based on scenario analysis. Given that climate-related risks and opportunities have a longer time horizon than other significant risks, they are assessed not only by the Internal Control Committee but also by the Sustainability Committee from medium- to long-term perspectives.



Matrix of Material Risk Selection



| Time Horizon | Financial Impact | | | Likelihood of Occurrence |
|--------------|------------------|-------------|---|--------------------------|
| | Short term | FY2022–2025 | High | |
| Medium term | FY2025–2030 | Medium high | Impact on net sales of ¥10 billion–¥100 billion, operating income of ¥1 billion–¥10 billion, or market capitalization of ¥1 billion–¥10 billion | Very likely |
| Long term | FY2030–2040 | Medium | Impact on net sales of ¥1 billion–¥10 billion, operating income of ¥100 million–¥1 billion, or market capitalization of ¥100 million–¥1 billion | Likely |
| | | Low | Impact on net sales of less than ¥1 billion, operating income of less than ¥100 million, or market capitalization of less than ¥100 million | Unlikely |

Climate Change Risks and Response

Risk
1

Loss of reputation due to delayed responses [Transitional risk: Reputational]

Time horizon: Short term

Assumed business and financial impacts

In recent years, various regulations are anticipated globally due to the growing trend toward environmental consideration, and companies' attitudes toward sustainability have increasingly influenced the decision-making of stakeholders, including shareholders and consumers. If companies delay in responding to investor demands for climate change-related information disclosure or fail to adequately implement GHG emission-reduction initiatives, they face risks such as declining stock prices from negative investor evaluations and deteriorating funding conditions in the market.

Financial impact

If our stock price were to decline 1% due to a diminished reputation among ESG investors and financial institutions, we estimate that our market capitalization would decrease by ¥34 billion* (based on the assumption that this event occurs once between fiscal 2022 and fiscal 2025).

* Estimated based on the stock price and the number of issued shares as of the end of fiscal 2023

Measures and costs

Establishment of the Sustainability Committee and advancement of in-house initiatives

To promote the Group's initiatives regarding climate change, we established the Green Innovation Office as a dedicated organization in October 2021 and launched the Green Action Committee. In April 2024, we evolved this into the Sustainability Committee (Reference page) Sustainability Management "Promotion System") to advance sustainability management from a broader perspective.

Costs

The Green Innovation Office is engaged in various initiatives that include developing and providing services aimed at accelerating the transition to greener solutions for our clients and society, as well as promoting innovation for GHG emission visualization and reduction actions aimed at achieving our own net-zero goal. We have allocated ¥6 billion for the activities and innovation-based investments of the Green Innovation Office for the cumulative period from fiscal 2022 to fiscal 2025.

Risk
2

Data center shutdown due to abnormal weather [Physical risk: Acute]

Time horizon: Short term

Assumed business and financial impacts

The physical risks associated with extreme weather events, such as severe typhoons and sudden heavy rainfall, can be significant, leading to disasters such as flooding. As a globally prominent data center operator, we regard our data center business as a key area for medium- to long-term business foundation, with continuous growth expected in the future. We also own data centers located in high-risk areas to meet client demands, which pose physical risks of operational shutdown in the event of extreme weather occurrences.

Financial impact

Some of our data centers are located in high-risk areas identified in the International Panel on Climate Change (IPCC)'s Sixth Assessment Report, but we ensure business continuity by implementing various measures based on hazard maps and other tools. If a typhoon were to cause a five-day shutdown of our major data centers around the world, we estimate that the negative impact on net sales would be ¥24 billion* (based on the assumption that this event occurs once between fiscal 2022 and fiscal 2025).

* Estimated based on the revenue from integrated IT solutions and maintenance support in fiscal 2023

Measures and costs

Strengthen data center resilience

Since the 2020 COVID-19 pandemic, we have increased internal network bandwidth with the aim of establishing and improving teleworking environments for employees. Indirectly, this has also helped increase the resilience of our data centers to climate change. In addition, we conducted disaster response drills, including for data center clients, to ensure a swift initial response during emergencies. Looking ahead, we plan to invest in upgrading our disaster response systems and will work with our clients to develop the necessary system requirements.

Costs

NTT DATA has been continually enhancing its Business Continuity Plan (BCP) for data centers, offices, and communication facilities. For enhancing and upgrading our data centers, remote access, and maintenance environments to ensure business continuity, we have budgeted a total of ¥19 billion for the cumulative period from fiscal 2022 to fiscal 2025.

Climate Change Risks and Response

Risk
3

Increase in costs due to carbon pricing (e.g., carbon tax)

[Transition risk: Regulations]

Assumed business and financial impacts

With the rapid expansion of IT usage, as seen in digital transformation and generative AI, the environmental burden imposed by IT systems on the planet is on the rise. Our energy consumption might also increase within our cloud services and data centers. A significant portion of our consolidated net sales comes from regions that have already implemented carbon pricing (such as carbon taxes), such as the European Union and Japan, or from regions where such measures are being considered. If carbon pricing is fully introduced in Japan, where many of our clients are located, it could significantly impact at least 40% of our net sales and pose a risk of reduced business profitability.

Financial impact

We expect achieving net zero by 2050 to become widely accepted at a global level, leading to increased regulatory demands on businesses to adhere to these standards. Assuming that carbon pricing is applied to our residual emissions between fiscal 2022 and 2040 based on the International Energy Agency (IEA)'s Net-Zero scenario, we estimate that carbon pricing costs will total ¥23 billion for the cumulative period from fiscal 2022 to fiscal 2025.

 Net Zero by 2050

<https://www.iea.org/reports/net-zero-by-2050>
 World Energy Outlook 2022

<https://www.iea.org/reports/world-energy-outlook-2022>

Time horizon: Long term

Measures and costs

Energy-saving measures for data centers

As part of energy-saving measures in our data centers, we successfully reduced cooling energy consumption by approximately 35%. This was achieved by utilizing temperature data collected from sensors in AI-controlled air conditioning to identify and intensively cool high-temperature areas at the server level. In addition, we continue to invest in other energy-saving initiatives using IoT technology.

Introduction of renewable energy

By promoting the adoption of renewable energy, we plan to achieve net-zero emissions for our data centers by fiscal 2030 and for our offices by fiscal 2035. As part of our efforts to increase the use of renewable energy in data centers and offices, we signed an offsite physical corporate PPA* in March 2024 to supply renewable energy to our Mitaka Data Center EAST. This PPA will cover approximately 20% of the electricity used by the Mitaka Data Center EAST with solar power, which is expected to reduce CO₂ emissions by about 1,580 tons annually. In addition, we are conducting a pilot test by installing film-based perovskite solar panels on the building's exterior walls to verify power generation efficiency and GHG reduction effects. Moving forward, we aim to expand the installation of these panels on the exterior walls of data centers and offices to promote local production and consumption of renewable energy and broader adoption.



Installed on walls (provided by NEDO)

* An offsite physical corporate Power Purchase Agreement (PPA) refers to a long-term electricity purchase agreement in which a company buys renewable energy at a fixed price from a retail electricity provider. The electricity is supplied from a power generation facility located away from the demand site through a general transmission and distribution network, ensuring 30-minute real-time matching of supply and demand, with the provider delivering both the electricity and its environmental benefits to the client.

Costs

To ensure the continuity of NTT DATA's operations, we anticipate the need for procuring electricity from renewable sources. As a result, we are driving decarbonization of our own supply chain through energy efficiency measures and the adoption of renewable energy. We have budgeted a cumulative investment of ¥19 billion for energy-saving measures and the introduction of renewable energy from fiscal 2022 to fiscal 2025.

Opportunities Related to Products and Services (Opportunity 1, 2, and 3)

Opportunity
1

Increasing needs to create sustainability-related offerings

Time horizon: Short term

Business and financial impacts

With the increasing demand for the disclosure of sustainability information, companies are required to visualize GHG emissions through their supply chains and create new business opportunities and operational transformations to mitigate climate change. The investments in systems and related areas that accompany these changes could lead to business opportunities for NTT DATA. We define "sustainability-related offerings" as services and systems for sustainability in general, including climate-related solutions, and have identified the creation of such offerings as a strategic domain in the current medium-term management plan.

Financial impact

We expect client decarbonization efforts to speed up, increasing opportunities for sustainability-related businesses in various industries and digital technology applications through technological innovation. We estimate that the creation of new sustainability-related offerings will generate cumulative net sales of ¥200 billion from fiscal 2022 to fiscal 2025.

Strategies and costs

Sustainability-related offerings, including the final product-specific carbon footprint platform

NTT DATA provides support for visualizing, reducing, and disclosing GHG emissions to clients in various industries. An example of our sustainability-related offerings is C-Turtle ForeSus, a sustainability management platform that automatically calculates product-specific GHG emissions (carbon footprint). Under the concept of managing both sustainability and profitability, this system allows for the integration of sustainability-related data and product revenue information. To expand our sustainability-related offerings, we are developing various carbon footprint visualization platforms and training technical experts. We are also investing in the creation of new businesses by applying advanced technologies to social challenges.

Creation and management of carbon credits through CO₂ absorption by forests

As we move toward a net-zero society, the use of carbon credits is expected to expand. However, there are challenges in ensuring the quality of these credits, including vintage, prevention of double counting, and assurance of permanence. In response, NTT DATA is utilizing a solution called "CO₂Sink" in Calabria, Italy, to measure GHG absorption by forests on a large scale and with transparency. We combine satellite data with data from sensors installed in the forests, using machine learning to accurately quantify the amount of GHG absorption. This also facilitates the simple and continuous monitoring of thousands of hectares of forest. This initiative aims to create high-quality carbon credits, encouraging companies to disclose and assert their appropriate use of credits, thus contributing to decarbonization.

Costs

We have allocated a total of ¥51 billion for fiscal 2022 to fiscal 2025 for the development of technologies and the creation of sustainability-related offerings that contribute to climate change adaptation and mitigation across society and various companies.

Opportunity
2

Increasing demand for sustainability-related consulting services

Time horizon: Short term

Business and financial impacts

Given the rapid changes in external factors such as requests and levels related to climate change response, we predict an increase in business opportunities in climate change consulting. We have been recognized as a Gold Accredited Solutions Provider by CDP, allowing us to offer climate change consulting services since fiscal 2021.

Financial impact

We anticipate an increase in consulting service opportunities as sustainability-related businesses continue to expand across various industries. Based on the proportion of sustainability-related business within the Group's consulting sales, we project an increase in revenue of ¥40 billion over the cumulative period from fiscal 2022 to fiscal 2025.

Opportunities Related to Products and Services (Opportunity 3)

Strategies and costs

Development and acquisition of consulting talent

We are enhancing our consulting capabilities as a key strategy in our current medium-term management plan by promoting the development and acquisition of consultants who support strategic planning and execution. We are implementing project placements in areas such as climate change and conducting off-the-job training for internal talent development. At the same time, we are strengthening global recruitment efforts for individuals with consulting experience in climate change and related fields, as well as those with experience in government and corporate sectors. Moreover, we are advancing knowledge sharing within the Group companies through our IT solutions, including the information sharing platform, Digital Work Place; online seminars; and our website.

Costs

We have allocated a total of ¥4 billion from fiscal 2022 to fiscal 2025 for investments related to strengthening our consulting capabilities, including the development and acquisition of sustainability-related consulting talent and the establishment of relevant environmental frameworks.

 Opportunity
3

Increasing needs for resilient cloud services

Time horizon: Short term

Business and financial impacts

We anticipate an increasing demand for resilient cloud solutions that contribute to decarbonization, driven by the rise in extreme weather events and the growing need for decarbonization efforts to prevent data loss. Shared cloud services, exemplified by community cloud services, not only rely on robust infrastructure but also contribute to energy savings, thereby expanding business opportunities even further.

In addition, we have declared our intention to achieve net-zero emissions for Scope 1 and 2 of our data centers by 2030. All cloud services utilizing our assets through our data centers are planned to be operated using renewable energy.

Financial impact

In addition to an increase in abnormal weather events, such as typhoons and localized heavy rains, we expect the growing demand for decarbonization to lead to energy conservation through shared use and consolidation of equipment and the introduction of renewable energy, as well as increasing demand for migration to the cloud, which is resilient and contributes to decarbonization. We estimate that the cumulative increase in cloud-related sales across the entire Group will amount to ¥210 billion from fiscal 2022 to fiscal 2025.

Strategies and costs

Utilization of renewable energy in cloud services

To support the adoption of renewable energy in the cloud, we ensure that all power used in the operation of services such as OpenCanvas®, a highly reliable and secure cloud service, is sourced from 100% renewable energy. We have declared our commitment to achieving net-zero GHG emissions from the use of our services in data centers by fiscal 2030. By transitioning our cloud services utilizing our data centers to renewable energy operations, we aim to contribute to the reduction of GHG emissions throughout our clients' supply chains.

Costs

We have allocated a total of ¥25 billion for cloud-related investments, including technology development and the enhancement of global delivery centers, for the cumulative period from fiscal 2022 to fiscal 2025.

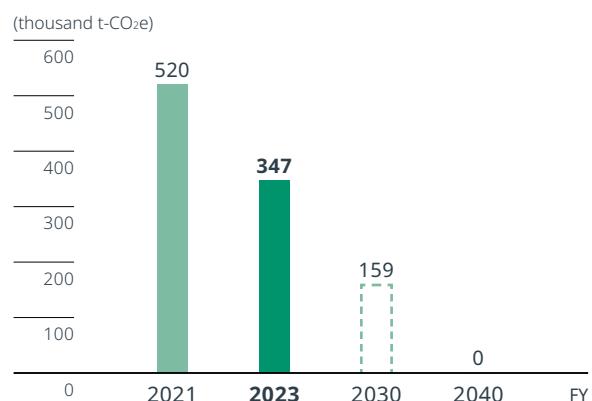
Metrics and Targets (Management Metrics and Targets for Climate-Related Risks and Opportunities)

Metrics and targets set for climate-related risk management and opportunity-related strategies are below.

| Metrics Category | Metrics, Targets, Results, etc. |
|-----------------------|--|
| GHG emissions | <p>Metrics: Scope 1, 2, and 3 emissions Targets: GHG emissions Medium term: Make the following reductions by FY2030 compared with FY2021. Scope 1 and 2: Reduce by 68% (SBT1.5°C level) Scope 3: Reduce by 42% <small>Note: SBT certification</small></p> <p>Long term: Achieve net-zero by FY2040 (Scope 1, 2, and 3) Achieve net-zero for Scope 1 and 2 by 2035 <small>Note: SBT certification</small></p> |
| Internal carbon price | <p>Internal carbon price (FY2023): ¥6,500/t-CO₂ <small>Note: NTT Group unified price (to be updated annually)</small></p> |
| Compensation | <p>Implementing the following performance-linked compensation:</p> <ol style="list-style-type: none"> For non-Audit and Supervisory Committee directors (excluding outside directors), executive compensation is partly linked to the evaluation of progress in achieving GHG emission-reduction plans. For employees, bonuses are partly linked to the evaluation of the promotion of sustainability-related offerings and social contribution activities. |

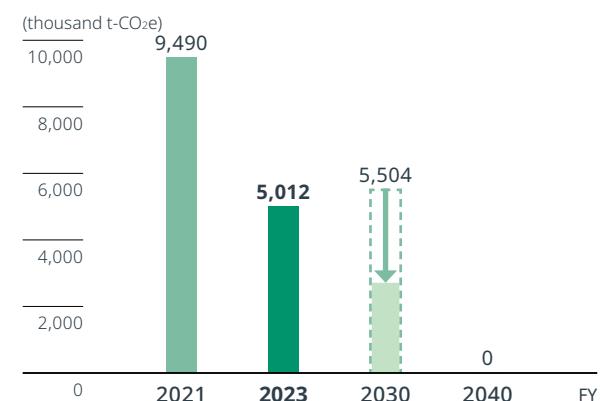
NTT DATA's GHG emission-reduction targets, certified by the SBTi, aim to achieve a 68% reduction in Scope 1 and 2 emissions by fiscal 2030 and a 42% reduction in Scope 3 emissions by fiscal 2030, both compared with fiscal 2021. Fiscal 2023 results were as follows. In this year, a review of the emission factors and calculation methods for Scope 3 emissions has led to a reduction in overall emissions. Moreover, a reassessment of the baseline and target values is currently being considered.

Total GHG Emissions (Scope 1 & 2*¹)



In fiscal 2023, total GHG emissions (Scope 1 and 2) decreased by 33.4% compared with the baseline year (fiscal 2021).

Total GHG Emissions (Scope 3)



In fiscal 2023, total GHG emissions (Scope 3) decreased by 47.2% compared with the baseline year (fiscal 2021).

Notes:

- Scope 2 figures are market-based (calculated based on the amount of electricity procured by each electric power company and its emission factor, etc.).
- The bar for fiscal 2030 represents a revised projection.

Climate Change Scenario Analyses

► Reasons for Conducting Scenario Analyses and Setting Boundaries and Time Horizons

Scenario identification

We conduct scenario analyses with the aim of understanding the impacts of climate change on our business and evaluating the resilience of our strategies to climate-related risks and opportunities.

We started scenario analyses in fiscal 2018 and have since expanded the boundaries and time horizons in a step-wise manner. In fiscal 2022, our analyses focused on the 1.5°C scenario, in which a transition to a low-carbon economy is made based on the Paris Agreement, and the 4°C scenario, in which climate change measures are not implemented beyond what is currently planned.

We used IPCC reports and the IEA's World Energy Outlook (WEO) as the main inputs for examining the scope of the projected future world and analysis documents issued by the USEPA, EEA, and MOE* as reference. For scenarios, we adopted the SSP5-8.5 scenario (no climate change action) cited in the IPCC's Sixth Assessment Report, the SSP1-1.9 scenario (1.5°C), the IEA's Sustainable Development Scenario, and the IEA's Net-Zero Emissions by 2050 Scenario, then assessed the potential impact on our business and value chain.

* USEPA (United States Environmental Protection Agency) is a federal government administrative agency in the United States with the mission to protect human health and the environment.

EEA (European Environment Agency) is an agency of the European Union that delivers knowledge and data to support Europe's environment and climate goals.

MOE (Ministry of the Environment of Japan)

Boundary (target range)

NTT DATA operates in Japan across three sectors: Public & Social Infrastructure, Financial, and Enterprise. Globally, we have established operations in numerous countries, and it is anticipated that all our clients and suppliers in each sector will be affected by climate-related factors. For this reason, we have defined a boundary of "all businesses and their

associated value chains" to identify risks and opportunities and assess their financial impacts.

Time horizon

For time horizon, we selected the long-term period up to fiscal 2050 to meet the expectations of clients, shareholders, society, and other stakeholders who demand a long-term vision for climate change in line with the Paris Agreement, given the nature of NTT DATA as a provider of systems that supports the foundations of society. As an intermediate point, we have set a medium-term horizon up to fiscal 2030, which coincides with the SBT target setting.

► Results of Scenario Analysis

We used two main scenarios to provide a detailed assessment of climate-related risks and opportunities. The first is the SSP1-1.9 scenario, which keeps the temperature rise below 1.5°C under sustainable development, and the other is the SSP5-8.5 (maximum emissions) scenario that assumes continued dependence on fossil fuels and no climate policy. While setting targets based on the SSP1-1.9 scenario, we also identified climate-related risks under the SSP5-8.5 scenario and are planning and implementing countermeasures. We are including the IEA STEPS scenario within SSP2-4.5 in our analysis, but we prioritize analyzing the SSP1-1.9 and SSP5-8.5 scenarios. This is because the latter scenarios are expected to have a greater impact on our risks and opportunities, as they involve implementing climate change policies under assumptions of temperature rise at intermediate levels.

SSP1-1.9 scenario analysis

In the SSP1-1.9 scenario, we assessed that promoting renewable energy deployment in our data centers and offices globally would reduce both

the financial risk of current and long-term carbon pricing and the risk of reputational damage due to insufficient response to climate-related investor requests in all segments of NTT DATA. The results of this assessment will be reflected in our overall climate strategy. Through energy conservation and the realization of net zero through the introduction of renewable energy, we plan to achieve net zero in service use at our data centers by fiscal 2030 and at our offices and other facilities by fiscal 2035.

Furthermore, based on the results of scenario analysis, in May 2023, we accelerated NTT DATA's long-term goal of achieving net-zero emissions, moving the target year from 2050 to 2040, a decade ahead. We also deemed the creation of sustainability-related offerings (such as IT services and systems) linked to social systems and regulations in the SSP1-1.9 scenario to be important. To ensure access to advanced technologies, we will invest in joint R&D with external innovators, as well as technical support, pre-sales activities, and training of engineers. In addition, we will invest in sustainability-related market research, new business model studies, and the development of IT technology-based infrastructure so that we can create new businesses that apply advanced technologies to social issues.

We expect demand from clients for climate-related consulting services to increase alongside the growing need to develop climate change strategies and reduce emissions in corporate management and business. With this in mind, we are working to provide consulting services by creating templates of our data collection process, calculation methodologies, and data utilization methods. We are also strengthening the development and acquisition of talent to support our climate change-related consulting business.

Based on the results of scenario analysis, we plan to increase investments in sustainability-related offerings from fiscal 2023 to fiscal 2025.

Climate Change Scenario Analyses

SSP5-8.5 scenario analysis

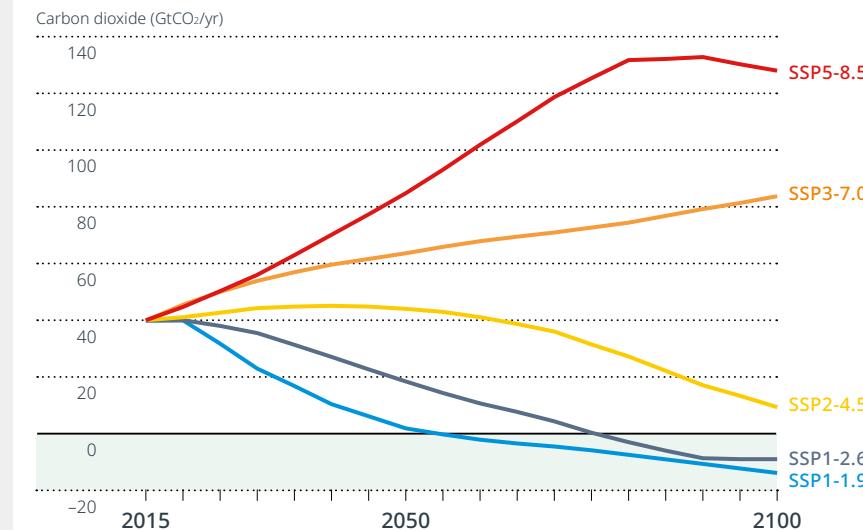
In the SSP5-8.5 scenario, we assessed the impact on net sales at a slightly higher level due to the risk of increasing abnormal weather events and the resulting social and economic damage and a decline in business profit of clients. In our three focal areas in Japan—Public & Social Infrastructure, Financial, and Enterprise—where precipitation is on the rise, we assessed that frequent typhoons and sudden heavy rains will increase the risk of flooding at data centers and offices.

On the other hand, because clients need to address the same risks, we see opportunities from increased demand for our cloud and shared-use services, in which we employ hazard countermeasures and data loss countermeasures with double redundancy.

As of August 2021, we made the decision to establish data centers equipped with resilience features to reduce physical risks and commenced service deployment in June 2023.

Based on the results of scenario analysis, we plan to increase investment in resilient cloud services from fiscal 2023 through fiscal 2025.

Impact of Climate Change Scenarios on the Group



References: IPCC, 2021 Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change
 SSP (Shared Socioeconomic Pathways): Five scenarios showing future social and economic changes along two axes (climate change mitigation measures and adaptation difficulties)

SSP5-8.5 Worldview

- Global average temperature increase of 1.9–3.0°C (2041–2060)
- Extreme temperature event that occurred once in 10 years occurs 5.6 times more: ▶ Once in two years or more
- Extreme temperature event that occurred once in 50 years occurs 13.9 times or more: ▶ Once in 5 years or more
- Extreme weather events become more extreme (e.g., fewer but more intense typhoons)

SSP1-1.9 Worldview

- Global average temperature increase of 1.2–2.0°C in 2041–2060 (1°C increase at present)
- Extreme temperature event that occurred once in 10 years occurs 2.8 times more: ▶ Once in 5 years or more
- Extreme temperature event that occurred once in 50 years occurs 4.8 times more: ▶ Once in 10 years
- Exceeds 1.5°C around 2030 but declines to below 1.5°C

Initiatives of the Scenario Analysis Committee

We formed a company-wide scenario analysis working group aimed at enhancing resilience throughout the Group through the establishment of boundaries and timelines for climate change scenario analysis. We selected members from various business divisions, corporate departments, and Group companies outside Japan to participate. We set the focal question as follows: "What impact will climate change events have on NTT DATA's business by 2050?" Specifically, we conducted external trend analysis using the STEEP model* as recommended by the TCFD and created scenarios based on a four-quadrant framework, considering uncertainties and potential impact levels. As a result of our deliberations, we identified several aspects. These included content that complements our current risks and opportunities over a medium- to long-term horizon, short-term risks such as a decrease in labor force due to heat waves, and medium- to long-term opportunities stemming from sustainability businesses that leverage regional characteristics and the business characteristics of Group companies outside Japan. Our aim is to incorporate the outcome of deliberations into our future sustainability management and longer-term strategic planning beyond 2025.

* The "STEEP model" is a method used to identify elements within the macro-environment surrounding a company that could currently or in the future have the potential to impact its business activities. It involves assessing the impact and changes associated with these elements.

Reference: Guidance on Scenario Analysis for Non-Financial Companies (October 2020)

Circular Economy

Reduce waste and create a society where the value of products and services continues to circulate

Basic Policy

We need to separate economic activities from resource consumption globally and shift to a circular economy to realize a sustainable society and environment. NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan are working continuously to reduce waste to achieve a waste recycling rate of 99% or higher in 2030 in line with the NTT Group's "Eco Strategy 2030."

In addition to efforts to shift to a circular economy globally, we aim to realize a society that produces no waste and ensures that resources can be used and recycled sustainably through our support to clients using blockchain, AI, IoT, and other technologies.

Recycling Related to Our Business

Waste Reduction

NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan continue their efforts to achieve a waste recycling rate of 99% or higher by 2030 in line with the NTT Group's environmental targets for 2030. This includes entrusting waste disposal to operators with higher recycling rates. In fiscal 2023, the following results were achieved.

- General and industrial waste: 99%
- Construction waste: 95%

We are also pursuing the following initiatives to reduce generated waste.

- ① Recycling and donation of disused PCs after implementing information security measures
Fiscal 2023 result:
 - Recycled: Approximately 8,000 units
- ② Donation of emergency rations (that are no longer needed because they have been replaced) to a volunteer organization
Fiscal 2023 result:
 - Donation to Second Harvest Japan, a certified nonprofit organization: 15,922 items

Compliance with the Act on Promotion of Resource Circulation for Plastics

NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan are actively engaged in efforts to reduce the emission of industrial waste from plastic products and promote recycling. In April 2024, we signed a basic agreement with Circular PET Co., Ltd. ("Circular PET"), to work toward the horizontal recycling of used PET bottles generated through our business activities. Circular PET has the technology to recycle used PET bottles, even those with caps and labels that are typically difficult to recycle, back into raw materials for PET bottles. Beginning in spring 2024, NTT DATA Group Corporation will collect used PET bottles generated from the NTT DATA Dojima Building, where NTT DATA Kansai Corporation is located, and supply them to Circular PET, contributing to the promotion of the horizontal recycling of PET bottles.

We will continue to contribute to the realization of a circular society where waste is reduced and the value of products and services keeps circulating.

 [Reference page] Non-Financial Data "Environmental Performance Data"

 Conclusion of a Basic Agreement on the Supply of Used PET Bottles for Horizontal Recycling
<https://www.nttdata.com/global/ja/news/topics/2024/051602/> (Japanese only)

Proper Management of Hazardous Materials

NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan store manufactured goods containing waste polychlorinated biphenyl (PCB), which is designated as a specified toxic industrial waste material, and dispose of materials, including waste acid from batteries. We properly manage and dispose of these specified industrial waste materials in full compliance with the Waste Management and Public Cleansing Law and all other relevant laws and regulations. Since fiscal 2013, we have been systematically disposing of PCB-containing waste materials based on the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes and guidance from related ministries and agencies.

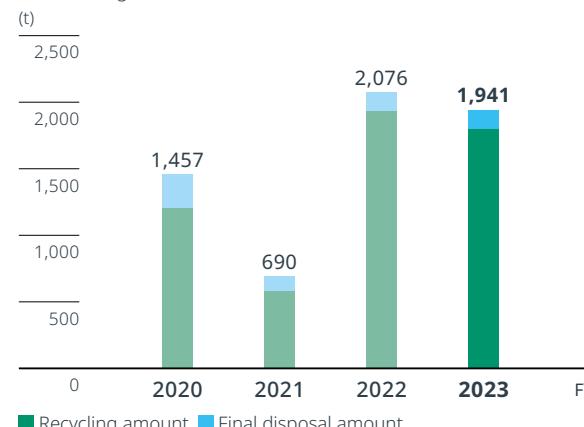
Office Waste

(Waste generated from offices and data centers)



Construction Waste

(Waste generated from construction and demolition of the Company's own buildings)



Promotion through Co-Creation with Clients

We are using NTT DATA's digital technologies to help create a circular economy for clients and society. To this end, we deploy blockchain technology to build various mechanisms and AI and IoT technologies to achieve advances in industrial waste treatment. We are also building a platform to manage the cycle, from collection to disposal of waste, in compliance with laws and regulations while developing a prototype platform that can be interconnected with "GAIA-X*," an international data distribution platform used mainly in Europe.

* "GAIA-X" is an initiative announced by the German and French governments in October 2019 aimed at supporting data exchange while safeguarding security and data sovereignty.

Commencement of Battery Traceability to Achieve a Circular Economy

The European Battery Regulation^{*1}, which will become mandatory in 2025, requires the disclosure of CO₂ emissions and resource recycling rates throughout the entire life cycle of batteries.

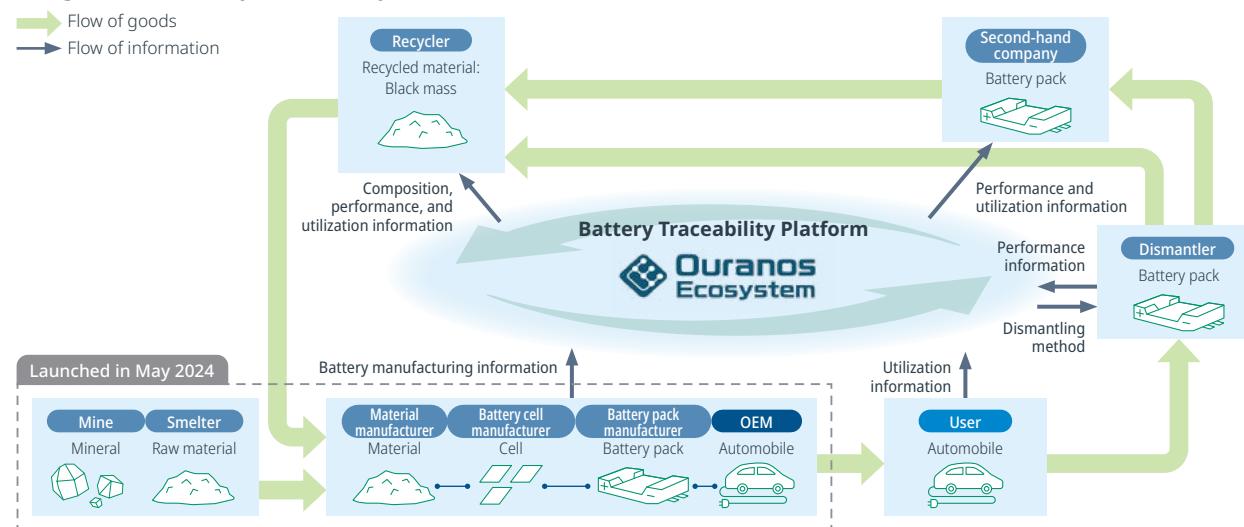
NTT DATA has established a battery traceability platform that visualizes carbon footprint (CFP) information across the supply chain, as well as recycling and reuse information. In May 2024, we launched a service that enables companies to aggregate and share CFP information during battery manufacturing.

Moving forward, we will promote the establishment of interoperability with overseas data spaces, global expansion, and initiatives related to a circular economy targeting rare minerals. By advancing the deployment of this platform across various industries, we aim to drive Japan's international competitiveness while contributing to the Ministry of Economy, Trade and Industry's initiative, the "Ouranos Ecosystem^{*2}," which seeks to build a cross-border data collaboration framework across companies and industries, in support of achieving carbon neutrality and promoting green transformation (GX) across various sectors.

*1 In the European Union, the European Battery Regulation, which governs the entire life cycle of battery products—from raw material sourcing to design, production processes, reuse, and recycling—came into effect on August 17, 2023.
<https://eur-lex.europa.eu/eli/reg/2023/1542/oj>

*2 NTT DATA Group Corporation has been selected for a public recruitment project related to the "Ouranos Ecosystem," an initiative led by the Ministry of Economy, Trade and Industry aimed at building a cross-border data collaboration framework across companies and industries. Since October 2023, we have been developing and demonstrating this initiative as part of the Digital Infrastructure Development Project for Industrial DX (JPNP22006), commissioned by the New Energy and Industrial Technology Development Organization (NEDO).
https://www.nedo.go.jp/koubo/IT3_100282.html
<https://www.nttdata.com/global/ja/news/release/2023/101301/>

Image of the Battery Traceability Platform



Nature Conservation

Generate a sound global environment and contribute to people's well-being by conserving and recovering nature capital

Basic Policy

To conserve nature capital and ensure its sustainable use, it is essential to understand the relationship between economic and social activities, corporate activities, and natural capital, and to take appropriate measures. We identify regions with high risks related to water and biodiversity and engage in activities such as reducing water withdrawals and discharge and conserving natural capital. We also aim to achieve a nature-positive society by providing support to our clients through blockchain, AI, IoT, and other technologies. Furthermore, by disclosing information in accordance with TNFD v1.0, we will further strengthen our efforts toward a sustainable future and contribute to enhancing transparency and trust across society.

Information Disclosure Based on the TNFD

General Remarks

| | General Requirements | General Requirements | |
|-------------------------|--|--|--|
| Approach to materiality | NTT DATA has established nine material issues based on standards such as IFRS* ¹ and GRI, with one of them being "Nature Conservation." In alignment with the TNFD framework, our analysis utilizing ENCORE* ² focuses on areas in the information technology sector that are associated with dependencies and impacts on "water usage," "water pollution," and "soil pollution." | Location of nature-related issues | We conducted an analysis using WRI Aqueduct* ³ , the WWF Water Risk Filter* ⁴ , and IBAT* ⁵ to identify water stress regions and significant interactions with nature for all 120 of our data centers. In regions where risks were deemed high, we considered the relevant stakeholders who could be affected in those areas. |
| Scope of disclosures | We primarily focused on direct and upstream supply chains operations in the data center business. We have utilized scenario analysis related to climate change in accordance with the TCFD guidelines. | Integration with other sustainability issues | We ensured alignment with the TCFD framework in our information disclosures and considered changes related to dependencies on and impacts to nature based on the results of our climate change scenario analysis. |
| Time horizon | We have derived the risks and opportunities related to our business and nature through an assessment of our dependencies on nature and its impacts. In this context, our primary focus areas for analysis have been water usage and wastewater in data center cooling systems and sanitation services. In our risk and opportunity analysis, we aimed to align with the TCFD framework for information disclosure, considering time horizons of short term (up to FY2025), medium term (FY2025–2030), and long term (FY2030–2040). Moving forward, we plan to expand the disclosure of risks and opportunities while establishing time horizons. | Stakeholder engagement | We identified a wide range of stakeholders, including clients, employees, investors, local communities, NGOs, water utility companies, and fellow water users in the same river basin as part of our analysis. |

*1 International Financial Reporting Standards (IFRS): Accounting standards established by the International Accounting Standards Board (IASB).

*2 Tool developed in collaboration between the Natural Capital Finance Alliance (NCFA) and the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). It visualizes the impact of environmental changes on the economy.

*3 Global tool developed by the World Resources Institute (WRI). It assesses water risk in regions where facilities are located. It enables evaluation based on aspects such as water quantity, water quality, regulations, and reputation.

*4 The Water Risk Filter, developed by the WWF and the German financial institution DEG, is a key online tool designed to investigate, assess, and address risks related to the water environment. Used by hundreds of thousands of users, including multinational corporations, small and medium-sized enterprises, and financial institutions, it serves as a primary and reliable data source for verifying risks.

*5 The United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) has developed a global database that integrates biodiversity information from around the world. This database provides specific information about biodiversity and crucial habitats worldwide. It enables governments, development banks, companies, and other stakeholders to conduct risk assessments for biodiversity and ecosystems during the planning stages of development strategies and projects.

General Discussion

| Disclosure Recommendations | Recommended Disclosure Content | Activity Summary |
|--|--|--|
| Governance | Disclose the organisation's governance around nature-related dependencies, impacts, risks, and opportunities | NTT DATA discusses and supervises the achievement status of its sustainability management strategy and company-wide KPIs at the Board of Directors. The Representative Director and Senior Executive Vice President, who serves as the chair of the Eco Activity Promotion Committee, oversees the activities of the Sustainability Committee and the Nature Conservation Task Force, which promotes the conservation of nature and biodiversity, directing cross-organizational initiatives. |
| Strategy  Strategy and Risks/ Opportunities [Details] | Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities | <p>NTT DATA uses water for the cooling systems and sanitary services of its data centers and faces serious drought risks due to increased extreme weather in areas with high water stress. One of its data center locations in Southeast Asia is situated in a region assessed to have very high water stress, prompting the establishment of a Business Continuity Plan (BCP) in case of severe water shortages and encouraging water-saving actions.</p> <p>In terms of environmental impact, we produce domestic wastewater, but we do not discharge industrial effluent. We do, however, own fuel storage facilities for the backup generators in our data centers. In the event of a fuel spillage incident, there is a risk of water and soil pollution.</p> <p>Addressing these risks effectively and engaging in conservation efforts present potential new business opportunities. In addition, we expect an increase in the availability of solutions and consulting services focused on supporting nature conservation.</p> |
| Management of Risks and Impacts  Strategy and Risks/ Opportunities [Details] | Disclose how the organisation identifies, assesses, and manages nature-related dependencies, impacts, risks, and opportunities | <p>In fiscal 2022, we began analyzing our dependencies, impacts, risks, and opportunities related to nature and are currently reviewing the processes and actions for managing these aspects. In particular, our data centers in Southeast Asia operating in areas with very high water stress are equipped with emergency water storage tanks. We also confirm that the water utility supplying our data centers is actively purifying sewage for use as recycled water in industrial applications, ensuring stable supply. These risk responses and supplier mitigation measures have significantly maintained business continuity.</p> <p>We apply the standards of the Internal Control Committee to manage nature-related risks and opportunities, categorizing their impact into four levels: "High," "Medium-High," "Medium," and "Low." In assessing the risk of water shortages at our data centers in Southeast Asia, we have estimated the financial impact and categorized the risk as "Low."</p> |
| Metrics and Targets | Metrics and targets used to assess and manage relevant nature-related dependencies, impacts, risks, and opportunities | We confirm the presence or absence of operations in water-stressed areas and areas of significant biodiversity, monitoring water usage and wastewater indicators at all sites. In addition to management focused on targets for compliance with various national regulations, including the Water Pollution Prevention Act and Occupational Safety and Health Act, we are considering setting goals based on opportunity assessments, such as the need for offerings that contribute to a nature-positive society and the provision of consulting services. |

Strategy and Risks/Opportunities [Details]

- A. Describe the nature-related dependencies, impacts, risks, and opportunities the organisation has identified over the short, medium, and long term.

Regarding nature-related dependencies, NTT DATA uses water for cooling equipment and sanitation services in data centers. In regions facing water stress, there is a risk of being unable to use water for these purposes during periods of severe drought or other abnormal weather events associated with climate change.

In terms of nature-related impacts, NTT DATA generates domestic wastewater at its data centers, but we do not discharge industrial effluent. We do, however, own fuel storage facilities for the backup generators in our data centers. In the event of a fuel spillage incident, there is a risk of water and soil pollution.

Regarding nature-related opportunities, in addition to contributing to nature and biodiversity by appropriately addressing anticipated risks, the acceleration of conservation efforts might increase the demand for offerings. This could lead to more opportunities to provide solutions that support efficient water delivery for water service providers and consulting services that assist with nature-related disclosures. Several examples of these opportunities will be detailed in the disclosure recommendations section.

Among the above, regarding nature-related dependencies, we have confirmed that one data center operating in Southeast Asia is located in a region with very high water stress.

Nature-related dependencies, impacts, potential risks, and opportunities

Risks

Opportunities

Strategy

Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.

| Dependencies | Utilization of water for data center cooling management Utilization of water for hygiene services in data centers | Risks | Shutdown of water-cooled cooling systems due to water scarcity Challenges in providing hygiene services to employees | Opportunities | Implementation of water-saving cooling systems Encouraging water-saving behaviors and establishing Business Continuity Plans (BCPs) for drought conditions |
|--------------|--|-------|---|---|---|
| Impacts | Fuel storage facilities for operating backup generators in data centers | | Water and soil contamination due to oil spills | Proper management of oil storage facilities | |
| Other | — | | — | Increased opportunities to offer services and consulting due to the acceleration of efforts in nature and biodiversity conservation | |

- B. Describe the effect nature-related dependencies, impacts, risks, and opportunities on the organisation's business model, value chain, strategy, and financial planning, as well as any transition plans or analysis in place.

As a potential risk with significant impact, data centers located in water-stressed areas could face severe drought, resulting in the shutdown of water-cooled cooling systems due to water shortages and other potential impacts. Furthermore, if a fuel spill occurs from the fuel stored for generators, recovery costs will arise. There are also concerns about reputational damage in both scenarios.

- C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.

Data centers in Southeast Asia, located in water-stressed areas, have implemented water-consuming cooling systems. We will establish a BCP that accounts for the potential severe drought arising from climate change scenarios and encourage water-saving actions. Moreover, we will manage oil storage facilities in accordance with legal regulations.

- D. Disclose the locations of assets and/or activities in the organisation's direct operations, and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.

One data center operating in Southeast Asia is located in a region assessed to have very high water stress.

Strategy and Risks/Opportunities [Details]

A-(i) Process for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in direct operations

We analyze whether our locations are in proximity to regions with water stress and significant biodiversity. We also collect water usage and wastewater data for each site through surveys (see the table below). In cases where our sites are in proximity to significant regions, we gather secondary data to confirm the local context and conduct individual site-specific verifications. Subsequently, we identify and assess risks and opportunities.

We also regularly monitor the management status of our fuel storage facilities.

NTT DATA water withdrawal and discharge data in direct operations^{*1}

| | |
|---------------------------------|---------------------|
| Water withdrawal (total volume) | 2,098 |
| Surface water and rainwater | 820 |
| Groundwater and spring water | 21 |
| Third-party water sources | 1,257 ^{*2} |

| | |
|--------------------------------|-----|
| Water discharge (total volume) | 728 |
| Discharge into surface water | 0 |
| Discharge to third parties | 728 |

Unit: 1,000 m³

| | |
|----------------------------------|-------|
| Water consumption (total volume) | 1,371 |
|----------------------------------|-------|

Number of facilities operating within 25 km of important biodiversity areas

| Distance from site | KBAs ^{*3} | World Heritage Sites | Natura 2000 |
|--------------------|---------------------|----------------------|---------------------|
| Number of sites | 92 out of 120 sites | 0 out of 120 sites | 29 out of 120 sites |

We conducted an investigation using IBAT to examine the connection with Key Biodiversity Areas (KBAs), World Heritage Sites, and Natura 2000 sites. The results of the survey covering 120 sites in 14 countries indicated that none of our sites are operating within protected areas of KBA/World Heritage/Natura 2000. In addition, for sites located within 25 kilometers of important areas, it was found that these are urban areas, leading to a low level of impact.

^{*3} Key Biodiversity Areas (KBAs) are critical regions for biodiversity conservation identified based on international standards.

Management of Risks and Impacts

Disclose how the organisation identifies, assesses, and manages nature-related dependencies, impacts, risks, and opportunities.

*1 Due to rounding, the total volume and the total of the breakdown might not match.

*2 Of the water withdrawal from third parties, the water withdrawal volume for one data center located in a water-stressed area in Southeast Asia is 61,000 m³.

A-(ii) Organization's process for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in the upstream value chain

We request that our suppliers take environmental initiatives in accordance with the NTT DATA Group Guidelines for Sustainability in the Supply Chain. Approximately 70% of our suppliers have signed the agreement to adhere to these guidelines based on procurement amounts. In addition, we identify nature-related risks through a Self-Assessment Questionnaire (SAQ).

B. Organization's processes for managing nature-related dependencies, impacts, risks, and opportunities, along with actions taken in accordance with these processes

Analysis to identify nature-related dependencies, impacts, risks, and opportunities began in fiscal 2022, and we are currently reviewing processes and actions to manage these factors. Our current analysis revealed that data centers operating in very high water-stressed areas in Southeast Asia consume water through cooling systems that experience evaporation. Meanwhile, the water service providers supplying water to the data centers have confirmed that they adequately consider stable water supply, as they regenerate wastewater into industrial water using reverse osmosis membranes, covering 40% of water demand with recycled water. Furthermore, the data centers are equipped with water storage tanks, which enhances their resilience for business continuity.

Regular training is conducted at each facility to prepare for potential oil spill incidents in oil storage facilities.

C. How the processes for identifying, assessing, and managing nature-related risks are integrated into the organization's overall risk management

Nature-related risks and opportunities are controlled through the Internal Control Committee. Similar to climate change-related risks, we define the impact levels in four categories: high, high-medium, medium, and low. One data center operating in a very high water-stressed area in Southeast Asia has estimated its financial impact and is classified as having a "low" risk.

Metrics and Targets

Metrics and targets used to assess and manage relevant nature-related dependencies, impacts, risks, and opportunities

A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.

We monitor the presence or absence of operations in water-stressed areas and key biodiversity areas, as well as the water intake and discharge volumes at all sites.

B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.

When sites are located in water-stressed areas or key biodiversity regions, we are considering the adoption of Water Usage Effectiveness (WUE) as a water management metric to minimize impacts and promote water conservation activities.

C. Metrics and targets used by the organization to manage nature-related dependencies, impacts, risks, and opportunities.

In Japan, we ensure strict compliance with relevant items of the Water Pollution Prevention Act and the Industrial Safety and Health Act. Similarly, outside Japan, we undertake appropriate measures in accordance with the regulations of the respective countries. Metrics and targets for sites located in important regions are currently under consideration.

We are monitoring the creation of offerings and consulting opportunities related to nature that contribute to achieving a nature-positive society through the activities of themed subcommittees of the Sustainability Committee.

Economy

— Clients' Growth

Corporate Growth to Support a Sustainable Society



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Initiatives toward Materiality and Achieving KPIs

Aiming to grow as a company that supports a sustainable society, NTT DATA is working on three material issues: "Smart X Co-innovation," "Trusted Value Chain," and "Future of Work."

[Reference page] Sustainability Management "Progress in Relation to Nine Material Issues and FY2024 Targets"

| | FY2023 Indicators | | | | FY2024 Indicators | |
|---|---|----------------------|---|---|---|---|
| | Indicator | Target | Achievement | Concrete Activity Results | Indicator | Target |
| Smart X Co-innovation □ P44 | B2B2X revenue | Not disclosed | Not disclosed | — | Removed | Removed from non-financial targets as the medium-term goals have been achieved and the establishment phase has concluded. |
| <p>Create new value through co-creation with various companies to achieve a smart and innovative society.</p> <p>To realize the SDGs (Sustainable Development Goals), great expectations are placed on connecting diverse people, corporations, companies, technologies, systems, data, services, and industries; solving social issues that could not be solved before; and creating new value in society. NTT DATA will promote co-creation with various companies to realize a smart and innovative society while properly identifying and managing the social impact and value created by digital technology.</p> | | | | | | |
| Trusted Value Chain □ P48 | Number of security incidents | 0 | 0 | Based on the NTT DATA Group Security Policy (GSP), the Information Security Committee identifies and evaluates issues and determines strategies. The information security steering organizations promote and implement measures across the entire Group. Daily monitoring is conducted to prevent incidents from occurring. □ P53 | Number of security incidents*1 | 0 |
| | Number of significant system failures | Not disclosed | 2 | Established a company-wide system review task force to check the system development and operation processes for more than 200 systems, including those of Group companies. We are continuously working to prevent system failures and ensure stable service delivery. □ P55 | Number of significant system failures | 0*2 |
| | Compliance IBT participation rate | 100% | 100% | Ensured the penetration of corporate ethics among all employees. □ P65 | Removed | Due to high-level participation |
| | Number of anti-competitive/bribery violations | 0 | 0 | Promoted adherence to the NTT DATA Code of Conduct and compliance with various laws and regulations among all employees. □ P65 | Number of anti-competitive/bribery violations | 0 |
| | Rate of direct communication with key suppliers | 100% | 100% | Conducted in-person reviews with key executives from our important suppliers to assess their initiatives in accordance with the NTT DATA Group Supply Chain CSR Promotion Guidelines. □ P63 | Reviewed | Rate of direct communication with suppliers requested to make improvements |
| Future of Work □ P68 | Employee satisfaction*3 | 73% or more | 71% (Reference: 83% for the global total excluding Group companies in Japan) | <ul style="list-style-type: none"> Promoted improvement activities based on the results of the annual survey for employees hired in Japan and the biennial survey, which includes global employees. □ P80 Promoted initiatives that reflect dialogue with management and employee voices. □ P80 | Employee engagement rate*4 | 73% |
| | Remote work rate | Monitoring indicator | 63.2% | Ongoing monitoring □ P77 | Monitoring indicator | — |
| | Turnover rate | Monitoring indicator | 3.1% | Ongoing monitoring □ P69 | Monitoring indicator | — |

*1 This indicator will be redefined in FY2024, and the official indicator name will include "the number of widely recognized incidents caused by cyberattacks, internal fraud, or negligence."

*2 The target value is set at zero, with an allowable limit based on recent performance at two incidents.

*3 Employee satisfaction: the percentage of employees who gave a positive evaluation to the statement "I take pride in working at this company" (NTT DATA Group Corporation, NTT DATA Japan Corporation, NTT DATA, Inc. (Japan)).

*4 Only the name has been changed; the definition of the indicator is the same as in FY2023.

Smart X Co-Innovation

Creating new value through co-creation with various companies to realize a smart and innovative society

Basic Policy

NTT DATA will promote the creation of new value through co-creation with various customer companies to realize a smart and innovative society through IT technology. IT solutions play a wide range of roles in solving social issues. We need to develop and provide innovative solutions by appropriately connecting people, companies, technologies, systems, data, services, and industries. To create cross-cutting solutions and services that are not limited to specific industries or the customers in front of us, we will set up a cross-organizational working team within the Group to accelerate the creation and implementation of business ideas.

Recognizing the critical importance of providing clients with safe and secure services, we have established an organized and systematic quality management system and adopted advanced development methods to provide highly reliable solutions. We also conduct customer satisfaction surveys. Based on the opinions and requests that we receive, we carry out improvement activities to provide better services from the customers' perspective.

Initiatives for Creating Innovation

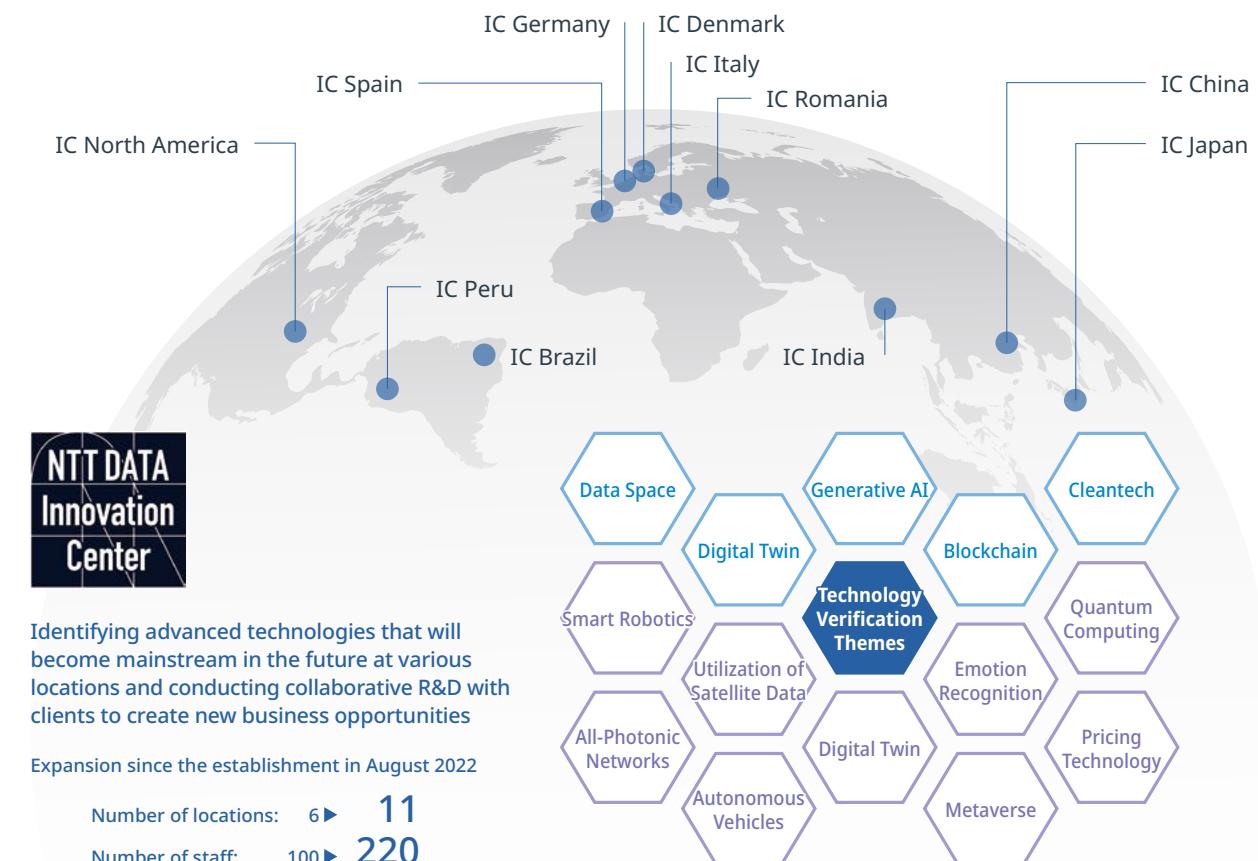
"Innovation Center" Activities at 11 Sites Around the World

In August 2022, Innovation Centers were established in six locations worldwide, namely Japan, North America, Italy, Germany, China, and India. These centers collaborate across global locations and serve as hubs for advancing technology development in growing and emerging sectors. They aim to identify technologies that will become mainstream in 3-10 years and create new business opportunities through co-creation R&D with customers.

In addition to the strategy group that formulates technology strategies, approximately 220 experts, including researchers, consultants, and engineers, have been placed across 11 expanded centers as of July 2024. These experts advance the verification and application of technology themes selected based on the technology strategies. They promote collaborative R&D with innovative clients and, through partnerships with universities and startups, quickly gather leading local technology information to apply to the next technology strategy. By the end of fiscal 2025, we aim to increase the number of staff to 300 and drive innovation in our clients' businesses.

Innovation Center

Establishment of Innovation Centers as hubs for advanced technology development
Gathering innovative talent from around the world to acquire top-class capabilities in utilizing advanced technologies and conduct collaborative R&D



Utilizing Combinatorial Optimization in Exploring Synthetic Scent Patterns

NTT DATA Group Corporation, in collaboration with Komi Hakko Corporation, has developed a method to efficiently explore synthetic scent techniques that were previously challenging to discover. Through joint experiments that generate a wide range of scents from a limited number of components, combinatorial optimization was applied using digitized scent data and an Ising machine, which can solve equations known as Ising models. This process resulted in the discovery of new synthetic patterns, including a novel approach to creating cinnamon scent.

 Development of a Method for Exploring Synthetic Patterns of Odors That Are Difficult for Humans to Detect
<https://www.nttdata.com/global/ja/news/topics/2024/012500/> (Japanese only)

Establishment of a Consortium for Decentralized ID and Digital Certificates

NTT DATA Japan has established the DID/VC Co-Creation Consortium in collaboration with Mitsubishi UFJ Trust and Banking Corporation, Itochu Techno-Solutions Corporation, TOPPAN Digital Inc., Hakuhodo Key 3 Inc., Hitachi, Ltd., Fujitsu Limited, and Anderson Mori & Tomotsune. This consortium aims to co-create business opportunities related to decentralized identifiers (DIDs) and verifiable credentials (VCs). The Blockchain team from the Innovation Center is also contributing to this initiative. By developing interoperability rules and fostering business collaboration for the social implementation and promotion of DIDs and VCs, the consortium seeks to realize a safe and secure digital society.

 Establishment of DID/VC Co-Creation Consortium Focused on Decentralized IDs and Digital Certificates
<https://www.nttdata.com/global/ja/news/release/2023/101000/> (Japanese only)

Other Notable Global Measures

In addition to the initiatives mentioned above, many other efforts are being conducted in collaboration with local offices in various countries. Here are four representative examples.

- ① Utilizing satellite imagery and soil data to predict agricultural yield and CO₂ emissions, contributing to green agriculture (India)
- ② Automating factory equipment inspection tasks, traditionally performed by humans, using robots (Japan)
- ③ Collaborating with NVIDIA to visualize and simulate manufacturing plants with digital twins, enhancing production efficiency (Italy)
- ④ Streamlining urban management operations of city council command centers using digital twins and cloud architecture, improving planning costs and increasing citizen satisfaction (Spain)

 NTT DATA Group Expands Collaboration with NVIDIA to Promote the Enterprise Utilization of Digital Twins
<https://www.nttdata.com/global/ja/news/topics/2023/100500/> (Japanese only)

Activities Based on the NTT Group's R&D

— Realizing a Social Infrastructure Supporting Secure Data Flow among Organizations

Data utilization is now indispensable for solving management challenges and enhancing market competitiveness. Organizations must not only manage and utilize their data effectively but also actively share it with relevant parties to address industry and societal issues and generate added value. In particular, for achieving carbon neutrality and establishing a resource-circulating society, it is essential for companies involved in the entire product life cycle—from manufacturing and usage to reuse, recycling, and disposal—to ensure the proper circulation of data related to CO₂ emissions and material composition at each stage.

NTT DATA is developing a system that enables multiple organizations to securely exchange necessary data with trusted counterparts. By collaborating with clients across various industries and government bodies, we are working to establish this as a new social infrastructure. The results of this initiative are utilized in applications such as the battery traceability platform (☞ see page 37).

R&D on Data Integration Technologies for Smooth and Secure Data Exchange

In January 2023, NTT DATA submitted a proposal to the New Energy and Industrial Technology Development Organization (NEDO) as part of its research-and-development project focused on post-5G information and communication systems and their enhanced infrastructures. The proposal specifically pertained to the development of technology for the secure distribution of highly sensitive data, and it was subsequently selected, designating NTT DATA as the implementing entity for this project.

The project aims to develop the technology required for post-5G information and communication systems, which are expected to include features such as ultra-low latency and multiple simultaneous connections. Specifically, we are undertaking research-and-development efforts aimed at creating technologies for secure, confidential, and portable execution of data and algorithms. These technologies are essential to enable safe and secure data distribution while allowing data owners to manage their data appropriately.

Through this project, we aim to leverage our advanced technologies to enable numerous stakeholders to securely share data with confidence, realizing a world where new value can be created through the effective utilization of data.

 Commenced Research and Development on Data Collaboration Technologies Aimed at Achieving Smooth and Secure Data Flow
<https://www.nttdata.com/global/ja/news/information/2023/021700/> (Japanese only)

Standardization Efforts for Realizing a Society Where Domestic and International Data Ecosystems Are Interconnected

Currently, various sectors both domestically and internationally are working toward the realization of frameworks known as "data collaboration platforms" or "data spaces," and NTT DATA is actively involved in several projects to

support their development. Each initiative might require different technological and institutional designs to facilitate data exchange between organizations, depending on legal frameworks, industry regulations, and the characteristics of specific use cases. By participating in discussions within domestic and international organizations responsible for setting the technical standards necessary for inter-organizational data exchange, NTT DATA contributes to building a society where multiple data ecosystems are interconnected, enabling safe data exchange between organizations across different countries and industries.

Activities Based on the NTT Group's R&D

— Toward Global Expansion of Advanced Communication through IOWN APN

Successful Demonstration of Long-Distance Data Center Connections via IOWN APN

NTT DATA Group Corporation, in collaboration with NTT, successfully conducted a demonstration connecting NTT Group-owned data centers located approximately 100 kilometers apart in the United Kingdom and the United States using the Innovative Optical and Wireless Network (IOWN) APN*. This connection achieved ultra-low latency of less than one millisecond, allowing the two data centers to function as an integrated IT infrastructure comparable to being housed in the same facility. The demonstration showcased the potential applications of this technology in distributed real-time AI analysis and the financial sector. Moving forward, we plan to conduct business demonstrations with clients to implement data center business leveraging IOWN APN on a global scale.

* APN stands for All Photonics Network. By introducing new optical technologies from networks to terminals and chips, APN achieves ultra-low power consumption and ultra-high-speed processing, which has been difficult to achieve until now.

 **Successful Demonstration of Connecting Long-Distance Data Centers in the U.K. and the U.S.A.**
<https://group.ntt/jp/newsrelease/2024/04/12/240412a.html> (Japanese only)
<https://www.nttdata.com/global/ja/news/topics/2024/041200> (Japanese only)

NTT DATA Technology Foresight

Every year, NTT DATA Group Corporation publishes NTT DATA Technology Foresight, which forecasts future changes driven by information technology. During the formulation process, we analyze political, economic, social, and technological trends. We also gather and discuss a wide range of information through interviews with NTT DATA and experts in various fields in Japan and overseas.

Based on these efforts, the "Introduction" section, which provides an overview of the future while reviewing the changes that IT brings to the world, and the "Latest Trends" section, which summarizes the latest information technology and foresees the future, describe trends and clarify the ways that companies should move forward in the future.

In the 2023 edition, we published three "Introduction" sections and 10 "Latest Trends" sections. We reviewed the changes that information technology brings to the world and gave an overview of the future. We then delved into these

changes for each technological element and presented them together with future forecasts. The report is used on various occasions as a source of information for formulating client strategies and as a starting point for discussions.

 **NTT DATA Technology Foresight 2024**
<https://www.nttdata.com/jp/ja/foresight/trend-listing/> (Japanese only)

Operation of "INFORIUM Toyosu Innovation Center"

We established the "INFORIUM Toyosu Innovation Center" within our Toyosu Center building Head Office. As a place for creating new businesses with clients, the Center offers space for workshops on co-creation activities, as well as other collaborative initiatives. This space is available to both domestic and international customers.

 **INFORIUM Toyosu Innovation Center**
<https://www.nttdata.com/global/en/about-us/profile/inforium/>

DATA INSIGHT

NTT DATA Group's blog media, "DATA INSIGHT," is a platform that delivers knowledge and foresight to society. It shares insights on future societal trends and the latest technological advancements.

 **DATA INSIGHT**
<https://www.nttdata.com/jp/ja/data-insight/> (Japanese only)

Global Open Innovation "From the port of Toyosu®"

NTT DATA promotes open innovation by collaborating with global venture companies that have advanced business models and technologies, as well as large client companies, to accelerate the creation of innovative businesses and build mutually beneficial relationships. Since the inception of this initiative in 2013, we have formed a community of more than 4,000 individuals both inside and outside NTT DATA and have successfully realized multiple business ventures in various fields, including FinTech, energy, digital marketing, and healthcare.

Since fiscal 2016, we have held a global open innovation contest, and in 2018, we launched the SDGs Startup Program. As a result, we now continuously explore innovative venture companies throughout the year through the network we have built up over the years. In addition, in Europe and South America, we conduct contests led by local offices tailored to regional characteristics. As an example of our achievements through open innovation activities, in September 2021 we opened a walk-through store in Toyosu that enables cashless payments without the need for a cash register.

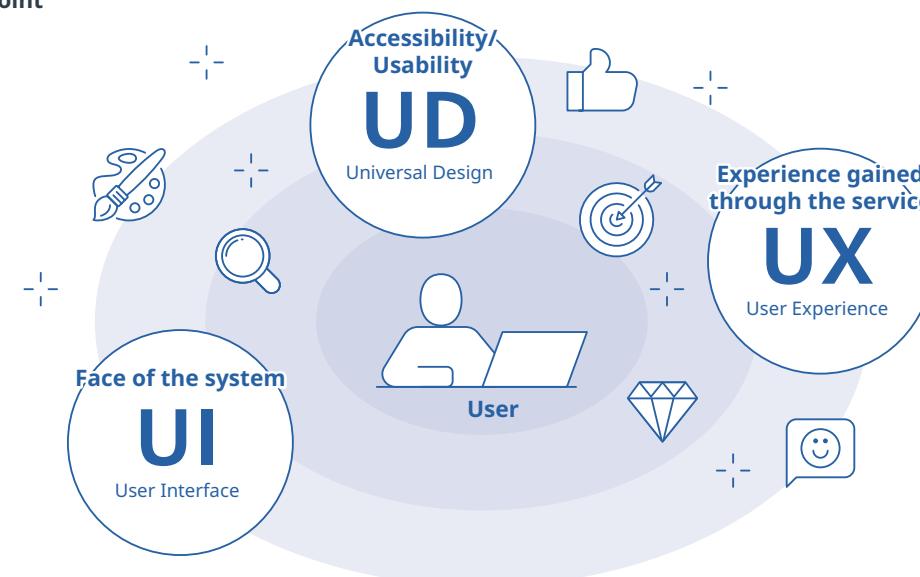
 **NTT DATA OPEN INNOVATION**
<https://oi.nttdata.com/> (Japanese only)

 **Opening of a Walk-Through Store**
<https://www.nttdata.com/global/ja/news/release/2021/083001/> (Japanese only)

Human-Centered Design Initiatives

We pay close attention to each individual IT user, whom we view as a potential innovator. With this in mind, we promote the creation of human-friendly information systems based on the human-centered design (HCD)*¹ approach. HCD is a step forward from the universal design (UD)*² concept for systems and services and places greater emphasis on user-friendliness. With HCD, we engage in wide-ranging activities from the user's perspective. These include adopting a "UX design"*³ approach that extends to user satisfaction. To achieve good UX, it is important to adopt a user-focused approach to design in addition to traditional approaches rooted in technology or markets. Since 2002, NTT DATA has been developing human-friendly systems by applying user-oriented design to the system development process in the ICT and IoT fields.

HCD Viewpoint



*¹ The concept of designing services and systems according to the needs of users.

*² Design that emphasizes ease of use for all people, irrespective of age, gender, nationality, disability, or individual experience and abilities.

*³ UX (user experience) refers to users' experience and emotions obtained by using a particular product or service. UI (user interface) is the point of contact for users of a product or service.

Tangity™ Design Group

NTT DATA operates 17 Design Studios* that provide a seamless experience for all aspects of a digital business, from new service planning to prototyping, demonstration testing, and development. We also formed the NTT DATA Design Network, which connects each studio, to facilitate the sharing of human resources and know-how. In addition, we are planning and developing new services in various countries with a wide range of customers, including financial institutions, manufacturing and distribution companies, and government agencies.

In 2020, we launched a new brand called Tangity™ for the group of designers belonging to this network. By strengthening collaboration among studios, we aim to develop and attract designers in service design fields, including UX-UI, and maximize the value provided by designers to customers and society. In fiscal 2023, more than 1,000 designers, both in Japan and overseas, worked on more than 600 design-related projects throughout the year.



Establishment of New Brand "Tangity™" through NTT DATA and a Collective of Designers
<https://www.nttdata.com/global/ja/news/release/2020/061501/> (Japanese only)

* Our Design Studios provide a seamless experience for all aspects of a digital business, from planning to prototyping and beyond. NTT DATA currently has 17 locations, in Tokyo, Milan, Rome, Venice, Cluj-Napoca, Madrid (two locations), Barcelona (two locations), London, Munich, Dallas, San Paolo (two locations), Santiago, Lima, and Shanghai.

Trusted Value Chain

Protecting security and data privacy to realize safe, secure, and resilient corporate activities

As corporate activities expand globally, the risks associated with activities such as information security, disasters, and compliance have become more diverse. NTT DATA aims to build a reliable value chain by accurately identifying, managing, and appropriately addressing such risks across the entire chain. This approach enables the realization of secure, safe, and resilient corporate activities.

Quality Management

Providing reliable systems and services 24 hours a day, 365 days a year is a key responsibility and forms the basis of our customer service commitment. NTT DATA aims to build social infrastructure that people can use with peace of mind. To this end, we are working on a Group-wide basis to create mechanisms for quality management to provide services with a focus on enhancing system reliability.

Initiatives to Improve Quality

—Building a Management System Based on ISO 9001 and Promoting Continuous Improvement Activities

NTT DATA is ISO 9001 certified and has established and operates an organizational and systematic quality management system based on this standard. We are committed to improving quality and productivity, as well as preventing unprofitable projects.

In addition, we recognize the importance of enhancing quality assurance capabilities, and we are actively working to develop quality assurance mechanisms within each Group company. We are also facilitating information exchange through initiatives such as quality exchange meetings among them to strengthen our quality management system. Moreover, we are conducting cross-regional efforts through initiatives such as the Global PMO Workshop to develop quality assurance mechanisms tailored to each region and the business situations of Group companies outside Japan.

Enhancing and Standardizing Project Management

Group companies in Japan endeavor to enhance and standardize project management to improve the quality and efficiency of system development. For example, we established the Agile Specialized Team, which applies the agile development methodology to collaborate with clients in creating new businesses and services. We also integrated our R&D organization for production technologies, which includes project management, with our project support organization to establish an innovative Project Management Team.

Quality Management System (QMS)



Establishment of Project Management for Agile Development

Project management for agile development was established to create new businesses in collaboration with clients in response to the growing business need for innovation. Around the world, we have established agile development bases through which we are reinforcing three functions: the cultivation of agile and professional human resources, advanced R&D, and an on-demand, agile development system.

Establishment of Innovative Project Management Techniques

A system was established to conduct R&D on innovative project management methods, reinforce them through verifiable methods familiar to actual worksites, and provide them within the Group in a user-friendly manner. We also established the NTT DATA Global Standards, which have unified our standard operating procedures for system development throughout the world, and are taking responsibility for developing next-generation management tools that will raise the efficiency of tracking, quality assurance, and other aspects of management. The system provides complete, one-stop support for the adoption, introduction, and full utilization of solutions. Through expanded utilization of R&D outcomes, the system is improving our Group-wide capabilities and reducing the number of problematic projects.

Quality Management Portal Site

NTT DATA operates its Quality Management Portal Site to enable the sharing of all kinds of quality-related information among our different development locations, including those of Group companies in Japan. This site offers responses to quality-related industry standards and consolidates internal rules and expertise, making this information accessible to all employees. We will continue deploying our quality assurance expertise to achieve more effective quality control operations.

Human Resource Development Emphasizing System Management Stability

Seeking to stabilize system operations, NTT DATA's Quality Assurance Department promotes IT-SM community activities to develop human resources who will engage in system operation and maintenance.

Our IT-SM community activities include IT service management improvement training, which involves learning through examples of system failure response and prevention, and IT-SM community seminars to serve as forums for presenting and sharing those examples. In addition, we provide support through our IT-SM training (mentoring) school for IT service managers. At this school, an executive IT service manager serves as a mentor to pass on skills and expertise, provide psychological support (discussion of concerns), and facilitate personal network building (vertical relationships between IT service managers).

Furthermore, we support and develop personnel involved in system operation and maintenance by offering various tools. These include a standardized on-site inspection checklist for stable system operations, a portal site

to provide expertise on stable system operations and IT service management, a collection of example failure cases for recovery training, a system development guide aimed at improving operational quality during the development phase, and a guide for reducing human errors that contains well-explained strategies and case studies.

Addressing Serious Issues

At Group companies in Japan, executives and employees are required to promptly notify the quality assurance desk in the event of any serious quality issue with a commercial system. The Quality Assurance Department and external relations desk have an emergency contact system in place, whereby the Corporate Management Committee deliberates countermeasures to highly serious issues. Particularly serious incidents are reported swiftly to senior managers. We also investigate the cause of each incident, consider measures to prevent recurrence, report to the competent authorities as necessary according to laws and regulations, and disclose appropriate information to customers through our website.

In October 2023, when a disruption occurred in the nationwide banking data communication system and caused a significant social impact, the necessary procedures were promptly followed according to the steps outlined above. Subsequently, in November, a Company-wide system inspection task force was established. The task force conducted a comprehensive review of the system development and operation processes for more than 200 systems, including those of Group companies, from a preventive and quick recovery perspective, based on the results of the root cause analysis of the disruption. Efforts to prevent a recurrence will continue moving forward.

Initiatives to Improve Customer Satisfaction

We undertake activities based on our belief that a client-oriented approach lies at the root of sustainable corporate growth, which has resulted in a high level of customer satisfaction. Specifically, we conduct annual oral and written surveys of our regular clients with whom our Group companies in Japan have ongoing transactions, using the results to enhance business activities. This self-monitoring exercise aims to ensure that we deliver improved services from the client's standpoint.

In fiscal 2023, we conducted interviews with people from 51 client companies and organizations, obtaining information regarding their opinions and requests. We also gained feedback through questionnaires received from 426 people in 185 client companies and organizations.

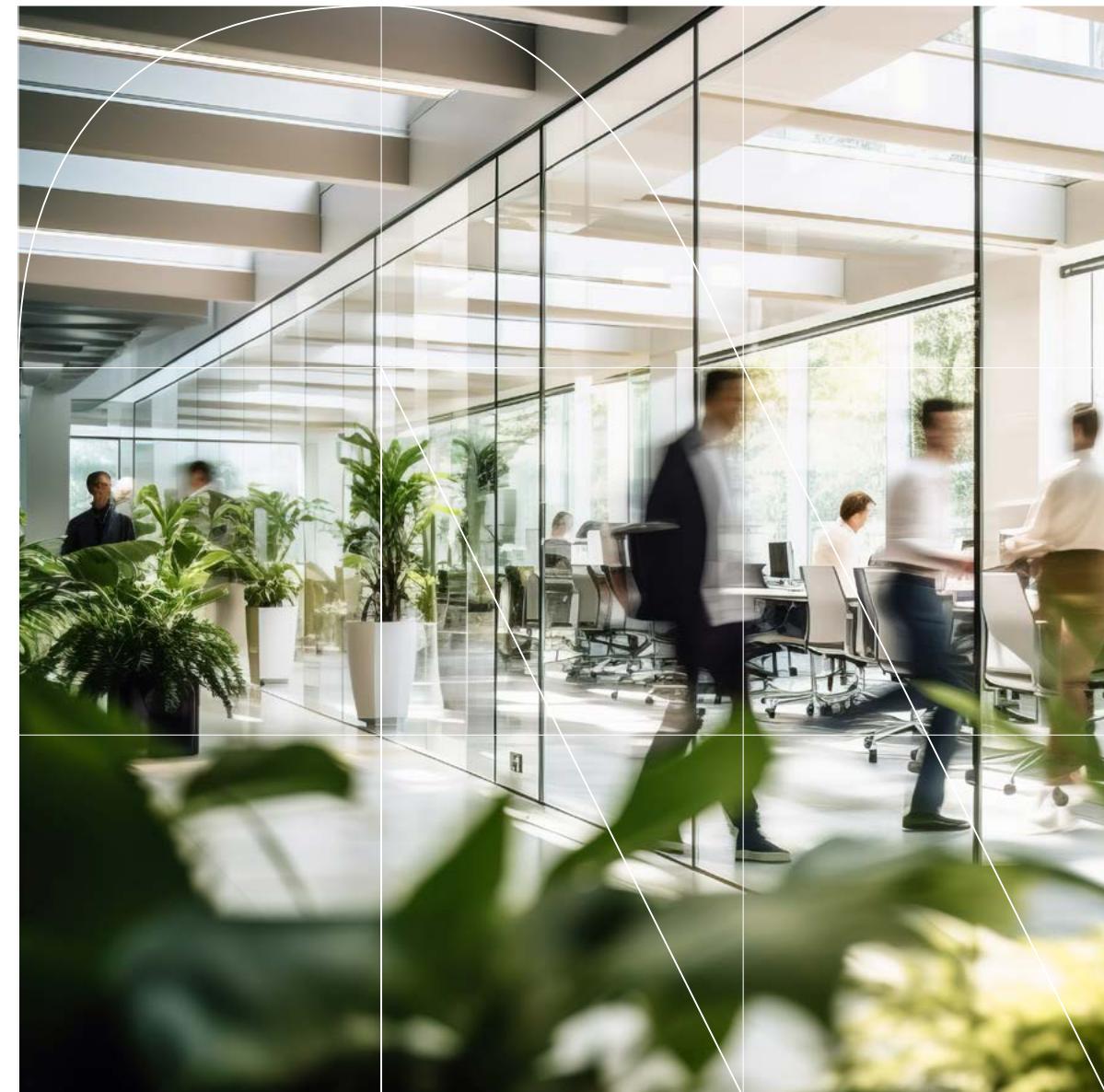
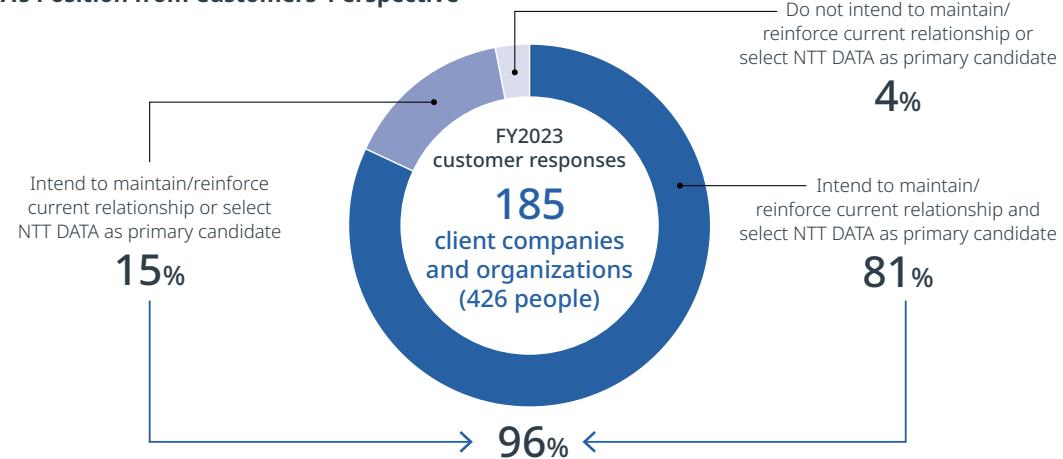
Overall satisfaction, the main item in the questionnaire, was rated at 7.9 out of 10, with 96% of clients positively stating that they would like to continue and strengthen the relationship going forward and that NTT DATA is their first choice for consultation.

We will continue to make further improvements based on interviews and survey results.

Changes in Overall Satisfaction

| Evaluation Item | FY2021 | FY2022 | FY2023 |
|----------------------------------|--------|--------|--------|
| Overall Satisfaction (out of 10) | 7.8 | 8.1 | 7.9 |

NTT DATA's Position from Customers' Perspective



Promotion of Risk Governance

Basic Policy and Promotion System

NTT DATA has established a systematic approach to risk management, focusing on ensuring the healthy growth of the entire Group and minimizing the impact of risks on its operations. To achieve this, we have developed a risk management policy that outlines the standard procedures to be followed at the global level. In line with this, we have appointed an officer in charge of supervising and promoting risk management from a Group-wide perspective and established the Risk Management Division. We have also appointed officers responsible for overseeing risk management at major Group companies as part of our coordinated risk management framework across the Group.

Within the Group's risk management structure, we have established a system for Group companies to promptly report significant matters, including crises that could impact the Group's management, ensuring swift responses to risks.

Risk Management Structure



Dealing with Material Risks

Identification and Control of Material Risks

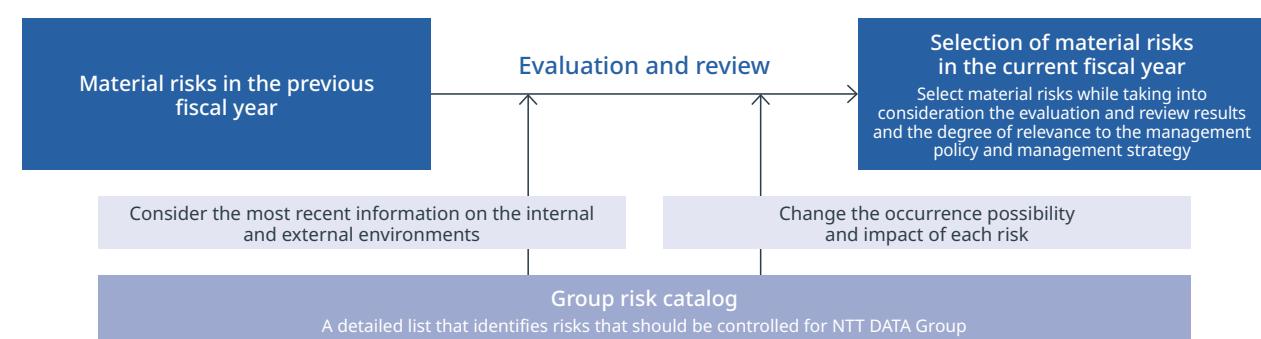
The Board of Directors has designated risks with the potential to severely impact the Group's business plans or the foundations required for its survival as "material risks" and those risks that require control under normal circumstances and swift emergency responses in the event of materialization as "Incredibly material risks."

The material risks are documented in the Group risk catalog, which includes risk items that we need to control. This catalog reflects the most recent internal and external environments, as well as the likelihood and impact of each risk. After evaluating and reviewing the material risks from the previous fiscal year, we select each risk based on its relevance to our management policies and strategies.

For each material risk we prioritize control activities across the Group. The Internal Control Committee regularly monitors the control status, verifies its effectiveness, and makes recommendations for improvements.

In addition to the control of material risks at the Group level, NTT DATA, Inc., our overseas operating company, and NTT DATA Japan, our domestic operating company, select material risks based on their respective business characteristics and conduct control and monitoring of those risks. The risk control activities at the Group level and those at each operating company are carried out in coordination under the collaborative structure among the risk management officers of each company. These activities are monitored as a whole by the Internal Control Committee to promote comprehensive Group-wide risk management initiatives.

Selection of Key Risks



Fiscal 2024 Key Risks

NTT DATA has identified the following risks (1–16) as material risks for fiscal 2024. Of these, risks 1–8 have been designated as material risks that require swift response in addition to regular controls. We conduct control activities with a particular focus on these risks, including response in crisis situations.

| Category | Risk |
|---|---|
| Material risks Risks that could significantly impact the achievement of our Group's business plans and its overall foundation | Incredibly material risks Risks requiring swift crisis response in addition to normal control |

- ① System development
- ② System/Service operation
- ③ Information security
- ④ Compliance
- ⑤ Investment/M&A/Capital investment
- ⑥ Large-scale disasters, serious outbreak of an infection disease, etc.
- ⑦ Human rights
- ⑧ Geopolitics
- ⑨ Adapting to changes in the market and competitive environment
- ⑩ Use of AI/Response to advanced technologies
- ⑪ Intellectual property
- ⑫ Securing talents
- ⑬ Climate change
- ⑭ Foreign exchange/Interest rates fluctuations, Inflation
- ⑮ Regulatory responses
- ⑯ Influence of Parent Company

 For details on the material risks for fiscal 2024, please refer to the securities report.
<https://www.nttdata.com/global/ja/investors/library/asr/> (Japanese only)

Risk Management Training

To ensure rigorous risk management throughout the Group, we continuously conduct compliance training (such as e-learning) for all employees of domestic and overseas Group companies. We also provide ongoing training on legal roles and responsibilities for newly appointed directors (including those who are also Audit and Supervisory Committee Members) and newly appointed Audit and Supervisory Committee Members of both NTT DATA and its Group companies.

In fiscal 2023, we conducted compliance training in October for all employees of NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc. (Japan), and Group companies in Japan, as well as training in August for newly appointed directors and Audit and Supervisory Committee Members of domestic Group companies. We will continue to implement various training programs to enhance awareness of risk management and strengthen our response capabilities.



Ensure Information Security

NTT DATA recognizes the importance of achieving an appropriate balance between ensuring the safety of information and the active utilization and sharing of information. We implement a wide range of measures that cover both the human and technological aspects of information security. Administrative measures include formulating rules and providing education and training in information security, while technological measures involve solutions that prevent information leaks and the adoption of zero trust architecture.

To share knowledge and expertise across the entire Group, we work with domestic Group companies to host NTT DATA Group information security forums in Japan, and with Group companies outside Japan to host global security meetings. Through this distribution of knowledge within the Group, we are working to establish unified information security governance.

Basic Policy

NTT DATA has established rules and regulations including the NTT DATA Group Security Policy (GSP). The GSP includes a code of conduct to protect information assets from serious security breaches, such as information leakage and unauthorized access, and a code of conduct for the active utilization and sharing of information. These policies apply across the entire Group, including domestic and overseas Group companies. In addition, these codes of conduct, which also apply to business partners to whom we outsource operations, help us ensure that our information assets are handled appropriately.

Promotion System

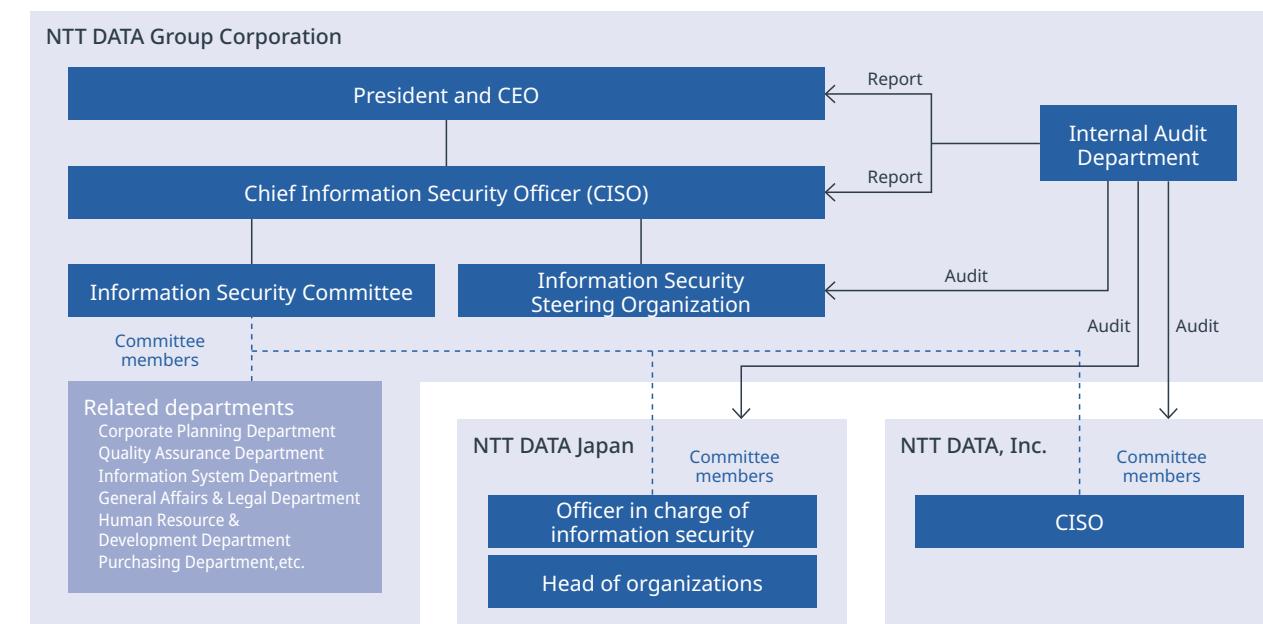
Since fiscal 2006, NTT DATA has been working diligently to ensure information security based on the NTT DATA Group Security Policy (GSP), which also applies to the Group companies outside Japan. Since fiscal 2012, we have been building a global framework for promoting information security, centered on the five regional headquarters (NDS (North America), EMEAL (the EMEAL region), NDAP (the APAC region), Business Solutions, and NTT Limited, as of October 2023). We manage information security according to unified baselines, as well as in a flexible manner that meets the specific needs of each region.

Global Security through Collaboration

To ensure meticulous information security governance on a global scale, we manage information security through information security steering organizations within various Group companies such as NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc., and the holding company.

The information security steering organizations at each level cooperate closely to maintain and develop information security policies, monitor the progress of measures under way, and take preventive measures against incidents. They also serve as task forces in times of emergency.

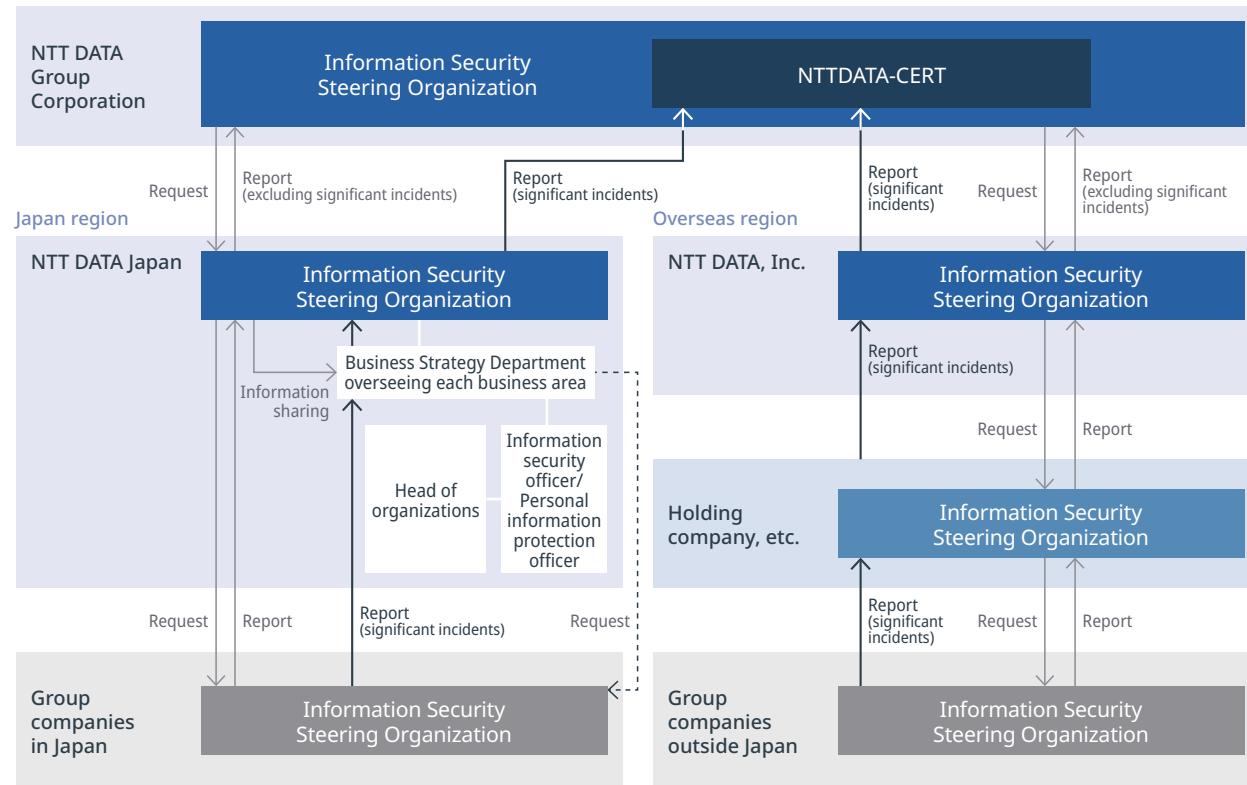
Information Security Governance Structure of NTT DATA Group Corporation



Roles in NTT DATA Group Corporation's Information Security Governance

| | |
|---|--|
| Chief Information Security Officer (CISO) | <p>These officers promote information security management to establish information security governance across the Group.</p> <p>Note: Technology management includes the Chief Technology Officer (CTO; technology development and research), Chief Digital and AI Officer (CDAO; digital strategy), Chief Information Security Officer (CISO; security), Chief Knowledge Officer (CKO; information management), Chief Information Officer (CIO; internal systems), and quality assurance.</p> |
|---|--|

Collaboration among Information Security Management Organizations within the NTT DATA Group



The Main Structure and Initiatives in Our Information Security Governance and Operations

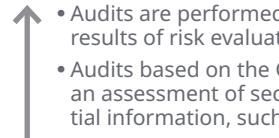
| | |
|--|--|
| Meetings and organizations related to information security governance | <p>[Meeting body] [Evaluation/orientation]</p> <ul style="list-style-type: none"> Information Security Committee (NTT DATA Group Corporation) <p>This is chaired by the Chief Information Security Officer (CISO) in charge of technology management at NTT DATA Group Corporation and consists of the heads of various departments within NTT DATA Group Corporation, the officer responsible for information security at NTT DATA Japan, the Chief Information Security Officer (CISO) of NTT DATA, Inc., and the heads of various business divisions within NTT DATA Corporation. Audit and Supervisory Committee Members also participate in the meetings. They assess and evaluate the overall activities and challenges within NTT DATA to determine the information security strategy for the entire organization, including protection of confidential and personal information.</p> |
| Information security management organizations | <p>[Organization] [Promotion/monitoring]</p> <ul style="list-style-type: none"> Information Security Steering Organization (NTT DATA Group Corporation) <p>This organization runs meetings as the secretariat of NTT DATA Group Corporation's Information Security Committee. It collaborates with NTT DATA Japan, NTT DATA, Inc., and regional headquarters companies to share information about the Group's overall information security policies and action plans. It also regularly monitors the status of control at NTT DATA Corporation, NTT DATA, Inc., and various regional headquarters to ensure control levels are maintained and improved, providing support as needed.</p> |
| Information sharing between Group companies | <p>The information security management organizations established within NTT DATA Japan, NTT DATA, Inc., each regional headquarters, and each Group company are based on the information security policies and action plans developed by NTT DATA Group Corporation. They consider the characteristics and circumstances of each region and establish a management structure to implement information security measures.</p> <ul style="list-style-type: none"> NTT DATA Group information security forums for Japan <p>These forums are sponsored by NTT DATA with participation by the CISOs and information security promotion managers of domestic Group companies. Their role is to share Group information security strategies and policies.</p> <ul style="list-style-type: none"> Global security meetings <p>These meetings are hosted by NTT DATA and attended by key figures such as the CISO of NTT DATA, Inc. The governance of overseas regions is also discussed. The meetings strengthen information sharing and collaboration to promote governance in overseas regions.</p> <ul style="list-style-type: none"> Knowledge sharing meetings <p>These meetings are regularly hosted by NTT DATA, with members responsible for security operations from both domestic and overseas Group companies participating, where they share operational know-how on security infrastructure and other relevant information.</p> |

NTT DATA's Audit and Monitoring System**Audit and monitoring system**

- We established an audit and monitoring system covering domestic and overseas Group companies based on meticulous information security under the NTT DATA Group Security Policy (GSP) (since fiscal 2006).
 - We promote security audits from the three perspectives listed below. Risk-based audits enable focused and efficient audits in high-risk areas.
1. Rigorous basic tasks: Check the safety management status of the organization based on the GSP and the safety management status of systems that handle personal information.
 2. Response to external improprieties: With increasingly sophisticated cyberattacks, the effectiveness of systematic measures such as protection against vulnerabilities and detection/interception of attacks has been confirmed.
 3. To prevent information leakage due to internal improprieties, in addition to systematic and physical measures such as access control and removal management, the effectiveness of measures, including management of outsourced parties, shall be confirmed.

Internal Auditing System

Group companies (individual) Performed annually and internally in accordance with GSP



- Audits are performed on targets selected based on results of risk evaluations.
- Audits based on the GSP are conducted, including an assessment of security measures for confidential information, such as personal data.



- We monitor audit items shared between Group companies.

NTT DATA Group Corporation
NTT DATA Japan
NTT DATA, Inc.

(Head Office)

Internal Auditing Department

Security Incident Prevention, Detection, and Responses

NTT DATA operates NTTDATA-CERT as an organizational CSIRT to prevent the occurrence of information security incidents* through its day-to-day activities. NTTDATA-CERT works to detect incidents early and provide quick and appropriate emergency responses.

* Actualization of security threats related to information management and system operation, such as computer malware infection, unauthorized access, and information leakage

Activities to Prepare for New Security Risks

We gather, analyze, and communicate a wide range of security-related information including the newest attack methods and incident occurrences, while engaging in communication monitoring, emergency responses, research and development, and collaboration with external organizations.

Wide-Ranging Internal and External Collaborations

In addition to internal activities, NTT DATA is a member of FIRST*, a global CSIRT community. We also collaborate broadly with external security organizations, including the JPCERT Coordination Center (JPCERT/CC) and CSIRT teams from all member companies of the Nippon CSIRT Association (NCA). With these efforts, we quickly share security-related information and enable early detection and responses to security concerns.

* Abbreviation of Forum of Incident Response and Security Teams: A global community of 762 CSIRT teams (as of October 2024) from government agencies, educational institutions, corporations, and the like.

CSIRT Operation Utilizing OSINT

We employ an approach that incorporates Open Source Intelligence (OSINT) into the operation of NTTDATA-CERT, our computer security incident response team (CSIRT). This involves actively utilizing legally accessible information from government official announcements, mass media reports, papers, technical documents, and other sources. Our team of information analysis experts at NTTDATA-CERT daily collects, analyzes, and predicts security trends based on this information. The insights gained are then disseminated to our various companies as news updates or in the form of the Quarterly Report on Global Security Trends*. Furthermore, we bolster our cyberattack monitoring capabilities and integrate this valuable information into our overall security strategy and measures.



* For past issues of the Quarterly Report on Global Security Trends, please refer to this link.
<https://www.nttdata.com/global/en/about-us/sustainability/governance/security>

Incident Response Training

We hold workshops for Group companies in Japan so that, in the event of an information security incident, we can respond systematically and promptly to minimize the impact and ensure that the incident is terminated. Referring to the NTT DATA Group Information Security Incident Response Standard for Japan, workshop participants learn how to respond appropriately to cyberattacks by learning the actions they should take from an incident's occurrence to its termination. They also learn from exercises using past incidents that occurred within NTT DATA.

In addition, to enhance NTTDATA-CERT's response capabilities to cyberattacks, we continuously participate in external training exercises such as cross-sector exercises hosted by NCA/NISC and "Locked Shields" hosted by the NATO Cooperative Cyber Defense Center of Excellence (CCDCOE).

Stepping Up Security Governance Efforts

We are stepping up our security governance efforts to better understand and methodically respond to the security risks that NTT DATA faces globally.

In fiscal 2023, we engaged in improving global governance maturity, worked to strengthen and ensure the stable operation of our global security infrastructure, and reliably escalated our responses to serious incidents.

Improving Global Governance Maturity

NTT DATA has established a protocol process for aggregating the security risks faced by each regional headquarters and determining security measures that should be prioritized by all global Group companies. Moreover, we reflect the latest amendments of global standards such as ISO/IEC 27001 and NIST CSF in the Group's regulations.

Global Security Infrastructure

To respond to diversifying working styles and to prepare for cyberattacks, which are increasingly sophisticated, we have built and now operate a global security platform common to NTT DATA as the first phase. Using this security platform to strengthen security when using e-mail and cloud services and to centrally manage Internet connection points helps us maintain a high level of security across NTT DATA. Moreover, we can block connection points between NTT DATA's bases in and outside Japan, allowing us to prevent any damage from spreading to other areas in the event of an intrusion in the network. We also monitor daily using an advanced log analysis system that enables us to detect even advanced cyber threats.

Since fiscal 2020, we have strengthened e-mail security and implemented a zero trust architecture to enhance users' IT environments, as the second phase of our global security infrastructure development.

Early Escalation to Address Serious Incidents

To ensure early detection and report responses in the event of a serious incident, we systematically established incident response organizations at NTT DATA's bases in and outside Japan. This guarantees our ability to respond immediately to problems on site and deal with high-level incidents. In addition, we have rules within the Group that clearly define the various roles, responsibilities, and reporting standards. In the event of a serious incident, this system ensures prompt reporting from NTT DATA's Group companies in and outside Japan to the Head Office via the holding company.

 [Reference page] Non-Financial Data "Security, Critical System Failures, Compliance, Anti-Competitive Practices, and Bribery"

Initiatives in Security Business

Comprehensive Security Management to Ensure Safe and Secure System Environments

NTT DATA harnesses the expertise it has gathered from its experience and track record to propose optimal solutions that reflect changes in its clients' business structure.

For example, NTT DATA has built a Zero Trust environment that is utilized by 190,000 users across 56 countries and regions, leveraging security know-how developed through various client projects. Based on this expertise, approximately 1,000 security specialists globally are establishing security governance, providing high-level security technologies necessary for systems handling critical information, and implementing Zero Trust security to facilitate safe remote work environments that support new ways of working.

Moreover, information security incidents in recent years have highlighted the importance of preparing against contingencies on the assumption that protective security measures might be bypassed altogether by sophisticated targeted attacks or information leaks caused by internal misconduct. To contain and localize any damage, we must provide reliable detection of an attack and swift response and recovery. We help reinforce the security measures of our clients by offering security consulting to identify risks and providing solutions and services for neutralizing and protecting against risks. Furthermore, we offer construction services for detection, response, and recovery as well as operational monitoring services to support our clients' security measures.

Initiatives to Ensure Security

Ensuring the Security of Commercial Systems

In addition to known attacks against which countermeasures are available, more and more attacks exploit vulnerabilities that even software developers and system development vendors are not aware of. To address such unknown attacks, we must adopt security measures across our systems without leaving any vulnerabilities.

We share the latest trends in security technology and vulnerability information across the Group in a timely manner. When building and operating our systems, we incorporate processes to maintain the necessary level of security and establish mechanisms to enable the system to maintain that security level. We strive to continuously provide safe and secure systems and services, including by subjecting our system to regular diagnostic testing by security experts and appropriately responding to newly discovered vulnerabilities.

Education and Awareness on Information Security and Personal Data Protection

NTT DATA provides information security education for employees and temporary workers. We have delivered this education and training via e-learning and classroom instruction to promote understanding of the Group's policy on the protection of personal information, the rules contained in the NTT DATA Group Security Policy, and the need to be constantly aware of the importance of information security. In fiscal 2023, we continued implementing various measures to ensure that every employee rigorously takes basic actions to maintain information security. In addition, every year, all employees and collaborators of NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc., undergo training to identify targeted and phishing e-mails and ensure they respond correctly.

Information Security Training at NTT DATA in Fiscal 2023

(current NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc.)

| Target | Content and Format | Participation |
|---------------------------------------|---|---|
| All employees | Information security and personal information protection training (e-learning) | Target: 13,530 eligible employees (completion 100%) Achieved: 13,530 eligible employees (completion 100%) |
| Position based | Information security lectures (on-site learning) | Incorporated in position-based training conducted by the Human Resource Department |
| | Internal security training for qualified personnel (e-learning) | Learning materials were provided online to applicable personnel. |
| Business partners and temporary staff | Personal information protection introduction training and information security education (e-learning) | Target: Parties registered on our company system 49,180 people (completion 100%) Achieved: Parties registered on our company system 49,180 people (completion 100%) |
| | Information Security Training Handbook | Booklets available to new business partners and temporary staff via download |
| All employees and collaborators | Targeted e-mail response training | We send training e-mails to all employees and collaborators (approximately 53,000 people) and conduct exercises to test their ability to identify and respond to phishing attempts. |

Information Security Training at Key Group Companies in Fiscal 2023

| Target | Content and Format | Participation |
|---|---|--|
| Group company employees, business partners, and temporary staff | GSP security training and personal information protection training (e-learning; in three languages) | 35,615 persons (66 Group companies in Japan) |

Note: In addition to the above, information security education was provided for Group companies outside Japan under the control of each regional head office.

Certifications Acquired (as of March 31, 2024)

| | |
|----------------|--|
| Certifications | <ul style="list-style-type: none"> • Information Security Management Systems (ISMS) certification: 39 companies in Japan, including NTT DATA Japan (out of a total of 65 companies: approx. 60%) • ISO/IEC 27001: Multiple overseas Group companies outside Japan (including in Europe, China, and India) • PrivacyMark of the Japan Institute for Promotion of Digital Economy and Community (JIPDEC): 40 companies in Japan, including NTT DATA Japan (out of a total of 65 companies: approx. 62%) |
|----------------|--|

Security Personnel

We actively invest in the development and skill improvement of security personnel. As of April 2024 , we had 1,024 individuals with certification as security personnel, a program promoted by the NTT Group, who are actively contributing both domestically and internationally.

| Level | Certified Persons |
|-----------------------|--|
| Security master | Leading experts with industry-leading accomplishments and influential outreach |
| Security principal | Specialists who provide security strategy recommendations to the management team |
| Security professional | Experts with extensive experience and exceptional judgment |

Personnel Type

Security management/security consulting

Security operations

Security development



Protect Data Privacy

Basic Policy

NTT DATA address data privacy protection in accordance with the NTT DATA Group Data Protection Policy (DP Policy) while thoroughly implementing compliance with personal data protection regulations in various countries and regions, such as the EU General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), the Personal Information Protection Law (PIPL) in China, and the Act on the Protection of Personal Information (APPI) in Japan.

Specifically, we establish guidelines such as a privacy policy, requiring the proper handling of personal information in accordance with these rules, ensuring that personal data is appropriately protected across the entire Group. These standards of conduct also apply to partner companies that we outsource operations to, enabling the proper management of information assets.

NTT DATA recognizes the importance of personal information and ensures the protection and safeguarding of its customers' personal information as a fundamental principle of its business and its responsibility to society. Accordingly, we have established the Personal Information Protection Policy described below and ensure that all our officers, employees, and business partners thoroughly understand and fully comply with the Policy.

 Privacy Statement (Personal Information Protection Policy)
<https://www.nttdata.com/global/en/info/privacy-statement>

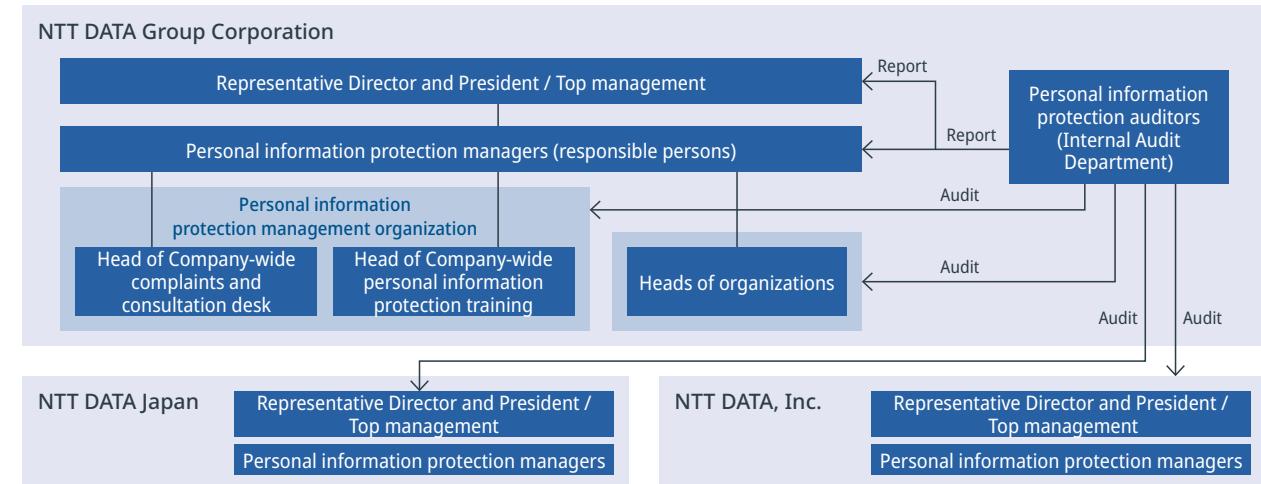
As stated in NTT DATA Group Corporation's Personal Information Protection Policy, we will clarify the purpose of use of personal information to the individual and obtain consent, except in cases where there is a risk of harming the rights and interests of the individual or a third party. The personal information obtained will not be used for any purpose other than the one for which consent was given. Furthermore, unless mandated by laws or regulations, we will not provide the obtained personal information to third parties without obtaining prior consent from the individual.

We collect personal information only to the extent necessary to achieve the purpose of use, and after the designated retention period for its use or storage has elapsed, we will promptly dispose of or return it.

We appropriately implement and protect safety management measures for personal information obtained from our clients. Safety management measures include organizational measures, technical measures (such as encryption, pseudonymization, and anonymization), and physical measures.

In the event that a request is made by the individual concerned regarding their personal data held by us (such as for disclosure, correction, addition or removal, suspension of use, or deletion), we will respond in accordance with the prescribed procedures.

Promotion System



Roles in Personal Information Protection (Privacy Protection)

| | |
|--|---|
| Representative Director and President / Top management | The representative director and president oversees personal information protection as top management and appoints personal information protection managers and the personal information protection auditors. |
| Personal information protection managers (responsible persons) | Appointed by the president, these officers have the responsibility and authority for the planning and operation of the personal information protection management system, leading efforts in personal information protection from a Group-wide perspective. The officers appoint managers responsible for personal information protection training and for handling complaints and consultations on a Company-wide basis. They also direct each organizational head to oversee the handling of personal information within their respective areas of operation. |
| Managers responsible for personal information protection training | These managers are responsible for planning and implementing Company-wide education programs on personal information protection, as well as overseeing training operations for employees and staff. |
| Managers responsible for handling complaints and consultations on a Company-wide basis | These managers are responsible for receiving and addressing inquiries and complaints related to personal information on a Company-wide basis. |
| Personal information protection auditors (Internal Audit Department) | Appointed by the president, this role carries the responsibility and authority to conduct internal audits and report findings from an impartial and objective standpoint independent of the personal information protection manager. |

 [Reference page] "Ensure Information Security"

Specific Initiatives

Our initiatives for personal information protection are implemented as a component of our broader information security efforts.

Our audit system is detailed in "[NTT DATA's Audit and Monitoring System](#)." For measures addressing security incidents, please refer to "[Security Incident Prevention, Detection, and Responses](#)" and "[Stepping Up Security Governance Efforts](#)." In addition, information on our education and awareness efforts can be found in "[Education and Awareness on Information Security and Personal Data Protection](#)." All of these initiatives are located within the "[Ensure Information Security](#)" section.

The status of obtaining the Privacy Mark can be found in the "Certifications Acquired" section under "Education and Awareness on Information Security and Personal Data Protection."

Moreover, in fiscal 2023, NTT DATA Group Corporation received no specific complaints regarding breaches of client privacy or loss of client data.

We are addressing past incidents related to personal information by analyzing the causes. For more details, please refer to the press release below.

 Regarding the inappropriate information acquisition in certified projects under the Next-Generation Medical Infrastructure Act.
<https://www.nttdata.com/global/ja/news/release/2022/100700/> (Japanese only)



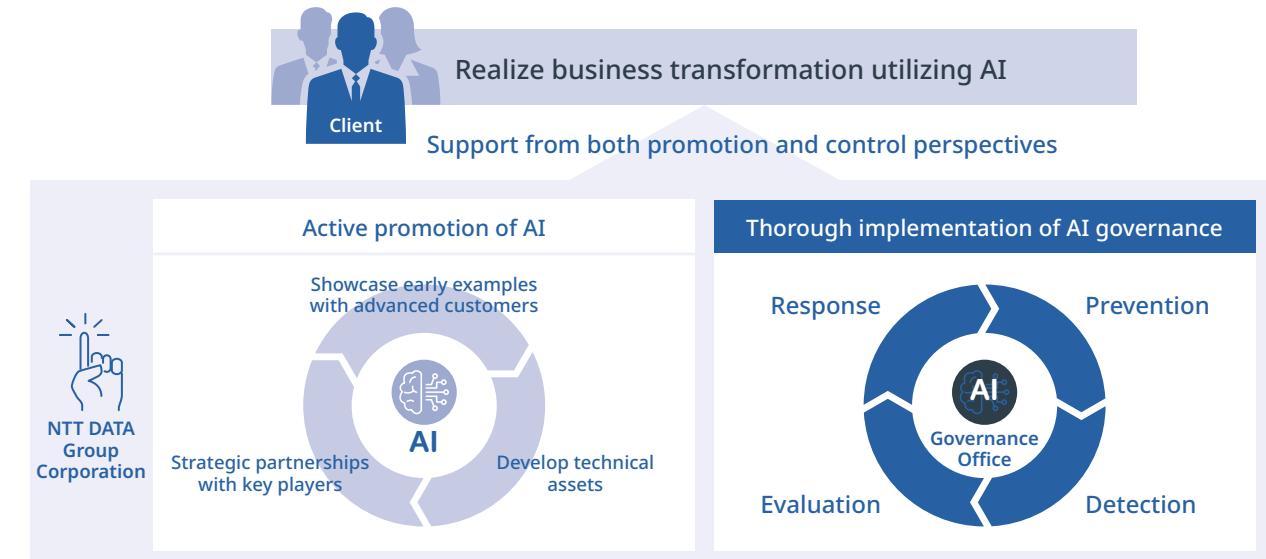
AI Governance

Basic Policy

Artificial intelligence (AI) will increasingly permeate society and influence people's behavior and decision-making. Especially with the rapid proliferation since 2022, generative AI possesses accuracy approaching human capabilities and is readily accessible to the general user. However, its use entails the need to address various risks, such as misjudgments based on inaccurate responses, data leaks, and violations of others' rights.

NTT DATA Group Corporation is committed to expanding its business through both promotion and control, utilizing AI to achieve customers' business transformation. In particular, it has positioned itself as a promoter of AI research, development, operation, and utilization. To mitigate risks related to ethics and societal acceptability, such as issues related to discrimination and the dissemination of false information by AI, and to truly realize a human-centric society where humans and AI coexist, we formulated the NTT DATA Group's AI Guidelines in May 2019.

 **NTT DATA Introduces AI Guidelines**
<https://www.nttdata.com/global/en/news/press-release/2019/may/ntt-data-introduces-ai-guidelines>



Promotion System

To manage the risks arising from the inappropriate use of AI and promote the proper utilization of AI, we established the AI Governance Office on April 1, 2023, as a specialized organization. In advancing AI governance globally, the AI Governance Office plays a central role, forming the Global AI Governance CoE, which is composed of experts from various fields, including legal, intellectual property, risk management, information security, and AI technology, from Group companies.

 Establishment of a New AI Governance Office Aimed at Strengthening AI Risk Management
<https://www.nttdata.com/global/ja/news/release/2023/032301> (Japanese only)

| | |
|----------------------|--|
| Guidelines | <ul style="list-style-type: none"> Realizing Well-being and Sustainability of Society Co-Creating New Values by AI Data Protection Fair, Reliable, and Explainable AI Contribution to Dissemination of Sound AI |
| Policies | <ul style="list-style-type: none"> Risks to be managed Risk management framework |
| Rules and Guidelines | <ul style="list-style-type: none"> Internal management rules Generative AI usage guidelines |
| Support Activities | <ul style="list-style-type: none"> Employee training Risk assessment and mitigation planning Governance construction support for Group companies |



AI Governance Office

- A dedicated organization responsible for AI risk management
- Collaborates with AI risk-related departments across Group companies to build a global AI governance system



AI Advisory Board

- Participation of external experts from various fields such as technology, law, and consumer perspectives
- Discusses the state of our AI governance and individual projects

NTT DATA will reduce the occurrence of problems in AI projects from various perspectives and improve the reliability of the AI solutions that we provide. This will enable society and customers to maximize the benefits of AI utilization and create an environment that will enable them to realize a sustainable society.

Specific Initiatives

Establishment of the Global AI Risk Management Policy

To ensure that global businesses leveraging AI technology operate in a sound and risk-managed manner, we have established the AI Risk Management Policy. This policy defines the AI risks to be managed at both global and Group-wide levels and outlines the management framework for effectively addressing these risks.

Establishment and Implementation of Rules and Guidelines for AI Risk Management

To achieve policy-based risk management, we have established concrete and practical management rules for AI in general. In addition, we have developed internal guidelines tailored to generative AI that summarize considerations and approaches from the perspectives of development, deployment, and use. In this process, we are collaborating with NTT DATA Japan and NTT DATA, Inc., to advance our initiatives globally. Furthermore, we have defined AI risks to be addressed based on the European Union's AI Act and various domestic and international guidelines, standardizing the detection process for these risks. Starting in fiscal 2023, we are implementing risk checks for AI projects at NTT DATA Group Corporation and NTT DATA Japan.

Support Activities for Establishing AI Governance

We create and provide educational content to enhance employees' awareness of AI ethics and conduct risk assessments for individual projects and develop strategies for risk avoidance and mitigation. Furthermore, we support the establishment of AI governance within our Group companies.

AI Advisory Board

With the aim of strengthening AI-related governance, we established the AI Advisory Board in April 2021, composed of external experts. In this Board, outside experts and members of NTT DATA's AI projects discuss technology trends, laws, regulations, and civil society's awareness of AI utilization, incorporating the findings into concrete measures for AI governance.

Response to Disaster Risks

Basic Policy

NTT DATA prioritizes the protection of human life during disasters. We aim to support the recovery of our clients, households, and businesses while also contributing to the restoration and reconstruction of society through our disaster response activities.

Promotion System

NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc. (Japan), and Group companies in Japan provide numerous information systems and services that support social infrastructure. If any of these systems or services go down or are interrupted in the event of a disaster, there would be serious impacts on society and people's lives. For this reason, we are developing and continuously improving business continuity plans (BCPs) to prepare for disasters, as well as contingency plans for systems and services related to social infrastructure.

Recently, as telecommuting has become one of the primary modes of work, we are advancing our response measures for large-scale earthquakes and similar disasters.

| | |
|--|---|
| Management promotion officer | Representative Director, President and CEO of NTT DATA Group Corporation |
| Management system | <ul style="list-style-type: none"> The Representative Director, President and CEO (who is the executive responsible for disaster responses) determines the disaster countermeasure policies and actions. The operations manager, the head of the Global Governance Division assisting the operations manager, and the head of the Disaster Response Office establish the necessary processes for disaster management and ensure the implementation and maintenance of those processes. They also spearhead planning, implementation, evaluation, and continuous improvement of disaster response processes at the Head Office Disaster Response Headquarters. At each business division, the head of the organization is responsible for planning, implementation, evaluation, and continuous improvement of disaster response processes at the disaster response headquarters of the division's head office within the scope of his/her authority and duties. |
| Plans and frameworks | <ul style="list-style-type: none"> NTT DATA has developed disaster BCPs and contingency plans. Implementation of various types of training to minimize disaster risk: In addition to Company-wide training, such as safety confirmation training for all employees and the establishment of the Head Office Disaster Response Headquarters, each organization conducts individual training according to its own requirements. |
| Certifications (as of March 31, 2021) | <ul style="list-style-type: none"> BCMS certification according to the ISO 22301:2019 international standard Proper facility maintenance such as that for data center buildings, electric power, air-conditioning systems, and security systems is an important foundation for information system operations. Therefore, all NTT DATA's buildings have been certified for business continuity management. We also have systems in place to respond to incidents such as large-scale earthquakes and wide-area power outages. |

Specific Initiatives

NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc. (Japan), and Group companies in Japan are advancing extensive system failure response measures based on the dual perspectives of prevention and response. These measures include inspections based on a comprehensive perspective in line with the Information Technology Infrastructure Library (ITIL®), ISO 20000, and other standards, as well as deployment of response know-how at the time of a failure and development of IT service managers. To ensure NTT DATA and Group companies' business continuity when a disaster occurs, we have formulated BCPs and regularly review education, training, and business continuity planning. This is because each organization must be able to recover operations as quickly as possible and restore business to standard levels in short periods.



Promoting a Responsible Supply Chain

Basic Policy

NTT DATA believes that our mission and responsibility as a company is to contribute to the development of our customers and society through the creation of new paradigms and values while practicing sound and transparent management, and to contribute to the realization of an affluent and harmonious society that is safe and secure. We have established a basic policy on procurement to fulfill our responsibilities in procurement activities and contribute to society.

Procurement Policy

- ① We shall foster mutual understanding and build relationships of trust while providing opportunities for fair competition among our suppliers around the world.
- ② We shall procure competitive products and services according to our business needs based on economic rationality and a comprehensive assessment of quality, price, delivery time, and reliability.
- ③ We shall contribute to the realization of a sustainable society, while strictly adhering to laws, regulations, and social norms and conducting procurement with a focus on human rights, the environment, and safety.

 Procurement and Purchasing
<https://www.nttdata.com/global/ja/about-us/proc/procurement/> (Japanese only)

Promotion System

We have published the NTT DATA Group Supply Chain Sustainability Guidelines and other related documents to advance our efforts toward realizing a sustainable society. In addition, we are conducting supplier engagement activities to ensure that all suppliers constituting our supply chain adhere to these guidelines and documents.

Our overseas Group companies also apply the NTT DATA Group Supply Chain Sustainability Guidelines and other related documents. Starting in fiscal 2023, the Procurement Department of NTT DATA Group Corporation has taken the lead in establishing a global supply chain sustainability promotion system under the sustainability promotion framework through a supply chain management working group that is composed of the procurement departments of domestic and overseas Group companies. We hold regular meetings, including with the procurement departments of overseas Group companies, to engage in improvement initiatives.

 [Reference page] Sustainability Management "Promotion System"

Specific Initiatives

Dissemination of Procurement Policy

We publishes its Basic Policy Regarding Procurement on its website as a basic guide for procurement transactions. We created procedures and regulations for the proper execution of purchasing transactions and our Fair Transaction Rules as a compilation of laws, regulations, rules, and codes of conduct that must be followed in transactions and contracts with clients and suppliers.

Revision and Dissemination of Guidelines

We revised the Supplier Code of Conduct in October 2022 to clarify the matters that our suppliers are expected to comply with, in order to promote sustainability and ESG-related initiatives throughout our entire supply chain, and established the NTT DATA Group Supply Chain Sustainability Guidelines. This is a restructured version of the previous NTT DATA Group Supply Chain Sustainability Guidelines. These guidelines have been deployed to all companies, including overseas Group companies.

Based on these guidelines, we will continue to inform our suppliers about the items they should comply with in seven sustainability areas: human rights and labor, occupational health and safety, environment, fair business and ethics, quality and safety, information security, and business continuity planning. We will also continue our efforts to enhance suppliers' understanding of NTT DATA's initiatives in these areas.

 Procurement and Purchasing
<https://www.nttdata.com/global/ja/about-us/proc/procurement/> (Japanese only)

In relation to these guidelines, we are implementing compliance measures that include obtaining consent forms, incorporating conditions into existing trade agreements with suppliers, and obtaining consent as a prerequisite for initiating new transactions with suppliers. In Japan, we have obtained consent for compliance from suppliers covering 87.4% of our procurement amount.

In addition, we have included compliance requirements based on these guidelines in the common contract template for NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan. Similarly, we have implemented compliance with the guidelines in contract documents for Group companies outside Japan, adapting them to the unique characteristics and business practices of each region.

Note: NTT DATA Group Corporation selects suppliers in Japan with which we anticipate ongoing cooperation to support our business expansion, with a focus on jointly promoting quality assurance activities for customers.

Implementation of Surveys for Suppliers

NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan conduct assessments of supplier sustainability risks through various means, including joint surveys conducted by the NTT Group, a Self-Assessment Questionnaire (SAQ), and sustainability assessments conducted by EcoVadis, a French evaluation agency. We initially started our efforts with top suppliers in terms of procurement amounts within Japan. In fiscal 2023, we received responses from suppliers who accounted for 70.2% of the total procurement amount. Based on the survey results, for areas where sustainability efforts were deemed insufficient, we are working with our suppliers to consider improvement measures through on-site investigations and other means, as described below.

Supporting Sustainability Risk Assessment

In the IT industry, sustainability efforts are not yet fully mature, and some suppliers might not be able to respond immediately to assessments conducted by rating agencies. Therefore, to support such suppliers in assessing sustainability risks, we launched our own Self-Assessment Questionnaire (SAQ). In fiscal 2023, we received responses from approximately 220 suppliers, combining the sustainability assessment conducted by EcoVadis with our own SAQ. In addition to expanding the scope of on-site surveys, we plan to strengthen cooperation and resolve issues according to the supplier's situation.

Through these initiatives, we are working to build and maintain supply chains for the realization of a sustainable society by visualizing risks in the supply chain and implementing improvements.

[\[Reference page\] Non-Financial Data "Supply Chain Status"](#)

Monitoring

NTT DATA conducts on-site investigations through direct dialogues, such as via corporate visits, to monitor sustainability risks with our key suppliers. During these investigations, our aim is to engage in dialogues with suppliers to request the establishment of sustainability management systems and to confirm the identified risk items through the SAQ. In fiscal 2023, on-site investigations were conducted jointly with the NTT Group for approximately 40 of the top suppliers in terms of procurement amounts in the NTT Group. As a result, no significant sustainability risks, including human rights issues, were identified.

In addition, during on-site investigations, we confirm each supplier's initiatives, identify areas of concern, and promote the understanding and adoption of our guidelines.

Communication with Suppliers

In fiscal 2023, NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan organized networking events focusing on key suppliers, including business partners companies, to promote awareness and initiatives related to sustainability throughout the supply chain, particularly in the areas of the environment and human rights.

Furthermore, we have established common whistleblowing systems across NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan, where suppliers can seek advice and make reports. Our Group Internal Reporting Policy stipulates that no adverse treatment shall be taken against those who report through this channel.

[\[Reference page\] Whistleblowing Systems](#)



Ensuring Corporate Ethics and Compliance

Basic Policy

We have established the NTT DATA Group Code of Conduct with the purpose of fostering corporate ethics and compliance awareness and adapting to the changing business environment. This Code serves as a fundamental set of guidelines for the daily activities of every NTT DATA employee. We are advancing efforts to mitigate compliance risks through the dissemination and practice of this Code.

 **NTT DATA Group Code of Conduct**

https://www.nttdata.com/global/en/-/media/nttdataglobal/1_files/about-us/our-way/ntt-data-group-code-of-conduct.pdf?rev=0410003f9f4e464b89151ec109b14445

Promotion System

To enhance corporate ethics and reduce and prevent compliance risks such as legal violations, we have identified compliance risks as key risks to be monitored globally, and we are implementing Company-wide measures and monitoring via the Corporate Ethics Committee to address these risks effectively. This committee is chaired by the executive in charge of corporate management and consists of the heads of departments related to corporate ethics. It meets twice a year in principle, with the proceedings reported to the Board of Directors.

In addition, we are striving to strengthen compliance by establishing a global compliance program to deter, detect, and respond to compliance risks, and by continuously evaluating and improving this program.

 [Reference page] Corporate Governance "Corporate Governance System"

Specific Initiatives

Assessments of Compliance Risk

NTT DATA conducts compliance and risk assessments at all Group companies outside Japan to verify the engagement status of compliance systems and raise awareness.

These compliance and risk assessments are conducted in a questionnaire format, particularly focusing on issues related to bribery and corruption. For Group companies where higher risks are anticipated, individual interviews are conducted to gain a more detailed understanding of the status of control. This information is then used to enhance the compliance program for the following fiscal year.

Promoting Compliance Awareness among Officers and Employees

NTT DATA conducts compliance training (including e-learning) for all employees at Group companies in Japan and overseas. We also arrange lectures on corporate ethics at position-based training sessions that are conducted as

part of our promotional milestones. Our compliance-related training is tailored to the business characteristics of each organization and Group company to steadily increase compliance awareness among employees.

Given the growing global reach of our business activities, meanwhile, we are enriching our training content to foster greater awareness about stricter anti-bribery and anti-corruption regulations in the global business community. We are also drawing attention to outsourcing contracts in view of changes to competition laws and other legal revisions. Furthermore, we provide employees with the NTT DATA Group Ethics Guide: Learning About Compliance through Familiar Cases to explain examples of ambiguous cases that could occur in one's daily operations, with the aim of enhancing understanding of the NTT DATA Group Code of Conduct. This guide is posted on our intranet site so that it can be accessed any time.

Whistleblowing Systems

To maintain sound management through the early detection and correction of behavior that contravenes laws and corporate ethics, we operate a whistleblowing hotline to receive reports from and provide consultation to all NTT DATA Group personnel, including employees and temporary staff, as well as business partners. It is stipulated in the NTT DATA Group Internal Reporting Policy that a whistleblower shall not be treated disadvantageously due to his/her reporting to this hotline.

Operation of Whistleblowing Systems

- Develop and operate an internal reporting hotline and system in compliance with the NTT DATA Group Whistleblowing Policy at the head office and all regional headquarters overseas.
- Whistleblowers can report to the hotline set up at each regional headquarters or to the hotline at the head office.
- Whistleblowing is handled under the responsibility of the Chief Risk Officer (CRO) of each company. If a violation of laws and regulations, the NTT DATA Group Code of Conduct, or various regulations is found, disciplinary actions, such as pay cuts or suspension, are taken in accordance with the disciplinary rules set by each Group company, and, depending on the situation, are reflected in assessments and personnel changes.

 [Reference page] Non-Financial Data "Reports to Corporate Ethics Helpline and Details"

Promoting Ethical and Responsible Activities

Based on the NTT DATA Group Code of Conduct, we present our approach to ethics and compliance that should be referred to in our businesses.

Tax Transparency

Basic Tax Policy

NTT DATA complies with tax-related laws and regulations throughout the entire Group, including Group companies outside Japan. We established basic guidelines on tax affairs in view of the growing importance of adopting a global perspective on properly addressing and managing tax risks posed by the multinationalization of Group companies and the increase in international transactions. By extending the guidelines to Group companies in and outside Japan, including regional head offices, we aim to maintain and improve tax compliance and optimize the tax burden on the entire Group.

Raising Awareness among Employees

In practice, we have established internal regulations and provide guidance on appropriate tax treatment to employees. NTT DATA (and its consolidated subsidiaries) has established basic guidelines on taxation and strives to rigorously observe laws and regulations and reduce tax risks through employee education, guidance, and operational improvements.

Relationship with Tax Authorities

We have established relationships of trust with tax authorities by providing appropriate and timely information and consulting on accounting procedures. If issues are discovered by tax authorities, we immediately work to determine their causes, except when filing an objection or litigation against the actions or opinions of tax authorities. We then prevent recurrences by adopting appropriate corrective and reform measures.

The amounts for 'Revenue,' 'Profit before tax,' 'Taxes incurred,' and 'Tax amount paid,' shown to the right, are based on the 'Country-by-country reporting(CbCR)' submitted to the Japanese tax authorities and are not directly related to the consolidated financial statements.

Revenue (FY2022)

(Billions of yen)

| | |
|----------------|-----------------|
| Japan | 2,085.0 |
| United States | 583.3 |
| Spain | 271.1 |
| Germany | 148.5 |
| India | 93.5 |
| United Kingdom | 91.2 |
| Italy | 89.7 |
| Brazil | 44.0 |
| Canada | 42.6 |
| Other | 340.9 |
| Total | Approx. 3,789.8 |

Profit before Tax (FY2022)

(Billions of yen)

| | |
|---------------|---------------|
| Japan | 225.6 |
| India | 16.3 |
| United States | 5.7 |
| Brazil | 5.7 |
| Other | 22.2 |
| Total | Approx. 275.5 |

Taxes Incurred (FY2022)

(Billions of yen)

| | |
|----------------|--------------|
| Japan | 52.9 |
| India | 4.4 |
| Germany | 2.1 |
| Australia | 1.5 |
| United Kingdom | 1.5 |
| United States | 1.4 |
| Italy | 1.3 |
| Other | 6.5 |
| Total | Approx. 71.6 |

Tax Amount Paid (FY2022)

(Billions of yen)

| | |
|---------------|---------------|
| Japan | 83.4 |
| India | 4.3 |
| Brazil | 2.3 |
| United States | 2.1 |
| Canada | 1.8 |
| Other | 9.7 |
| Total | Approx. 103.6 |

Prohibiting Bribery and Corruption

NTT DATA takes measures to prevent corruption based on its NTT DATA Group Code of Conduct and rigorously complies with the laws and regulations of each country. No cases of corruption and bribery or disputes were identified in fiscal 2023.

 [\[Reference page\] Non-Financial Data "Security, Critical System Failures, Compliance, Anti-Competitive Practices, and Bribery"](#)

Response to Political Actions

We ensure that all political donations made in Japan are conducted in accordance with the NTT DATA Group Code of Conduct and in strict observance of the Political Funds Control Act. NTT DATA's total political donations in Japan for fiscal 2023 amounted to ¥7.5 million.

Measures to Prevent Unfair Competition

NTT DATA takes measures to prevent antitrust and anticompetitive practices based on the NTT DATA Group Code of Conduct and the NTT DATA Group Competition Law Compliance Policy, and rigorously complies with the laws and regulations of each country. No violations or disputes were identified in Japan or overseas in fiscal 2023.

Appropriate Corporate Branding

NTT DATA, as part of our global business development, is promoting activities aimed at gaining appropriate recognition of our corporate brand in each country and area. We are also promoting advertising activities in compliance with the laws and regulations of each country and area. In fiscal 2023, there were no cases of violations or disputes.



Future of Work

Provide new ways of working to enhance performance and Employee eXperience (EX) and promote work-style innovation throughout society

We recognize that our personnel are develop, the source of the Group's competitiveness and the most important management resource. Our fundamental policy is to establish a human resource system that allows each employee to find fulfillment in their work. We are committed to creating an environment where diverse expertise can be demonstrated according to job responsibilities and to securing the personnel necessary to support business growth.

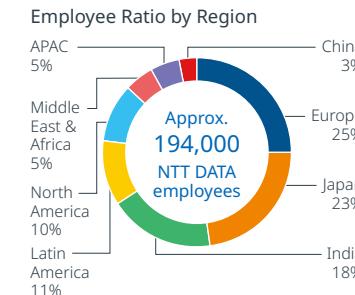
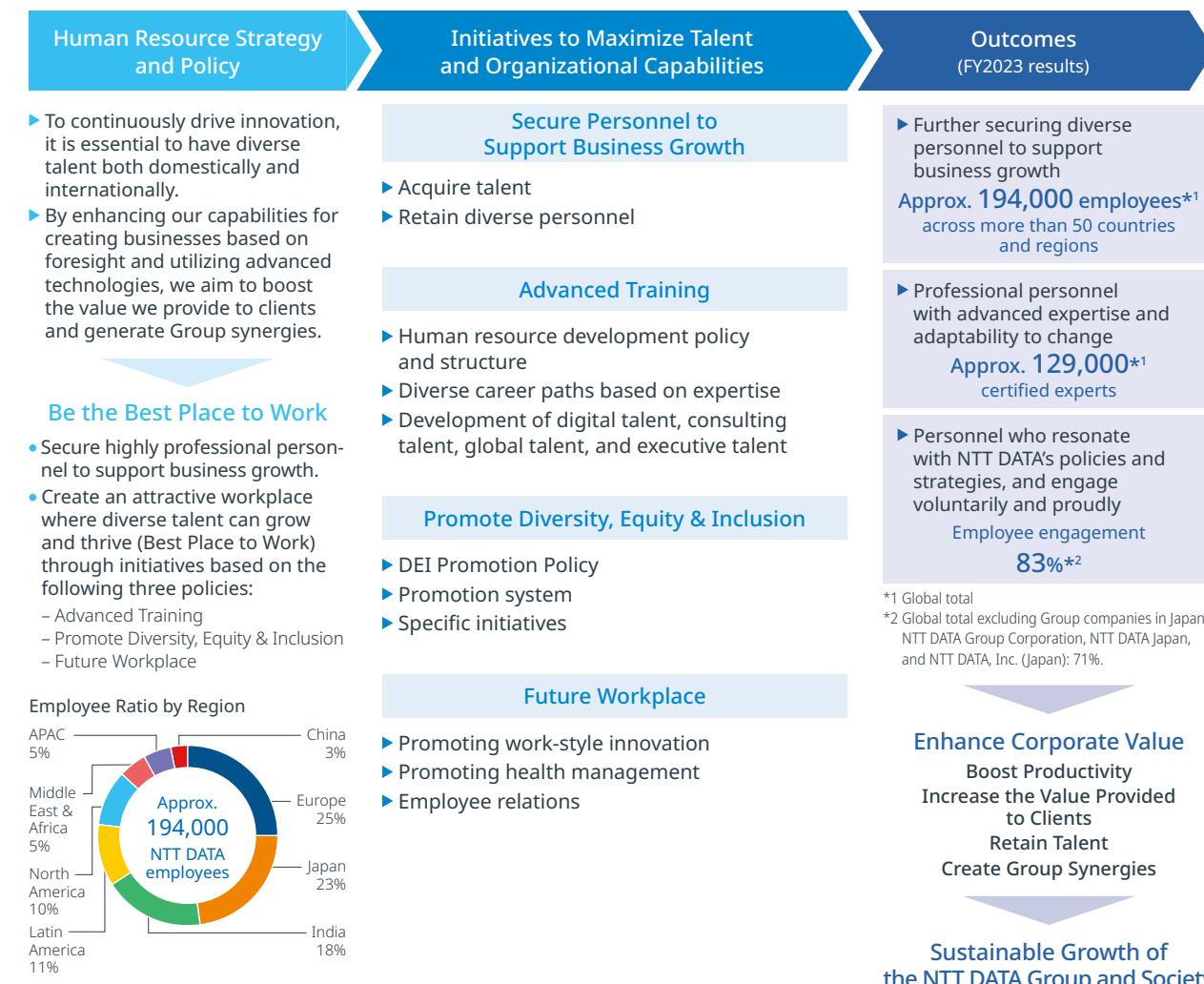
As a holding company, NTT DATA Group Corporation manages human resource functions globally by developing human resource systems, cultivating and appointing executive talent, and monitoring the status of human capital that supports our business. Each operating company implements agile human resource practices (recruitment, development, placement, and evaluation) tailored to its business portfolio.

Human Resources Strategy and Policy

To capture clients' needs and technological trends and continuously create innovation in the IT services industry where technological evolutions are salient, diverse and outstanding human resources are indispensable. In light of this, the current medium-term management plan for FY2022 to FY2025 identifies "Be the best place to work" as the basis for realizing a sustainable society and gives priority to this theme. By enhancing our capabilities for creating businesses based on foresight (consulting talent) and utilizing advanced technologies (digital talent), we aim to boost the value we provide to clients and generate Group synergies.

We will secure highly professional personnel to support business growth and maximize our human resources and organizational capabilities by creating an attractive workplace where diverse talent can grow and thrive (Best Place to Work). Through these efforts, we aim to enhance our corporate value for the future and grow together with our clients toward the realization of a sustainable society.

Overview of "Be the Best Place to Work"



Secure Highly Professional Personnel to Support Business Growth

NTT DATA seeks to recruit and develop, retain highly skilled human resources who can support its business activities over the medium to long term. Accordingly, we are ramping up recruitment of human resources with backgrounds in digital technologies and global businesses and other industry-ready mid-career individuals.

Securing Talent

When hiring, we prioritize aptitude, motivation, and ability over gender, nationality, age, and academic record to secure talent befitting our business portfolio.

 [Reference page] Non-Financial Data "Status of Employment"

Talent Acquisition at NTT DATA

We are actively strengthening our recruitment efforts both domestically and internationally, and in fiscal 2023, we hired approximately 37,000 individuals worldwide. To consistently attract and retain highly skilled professionals necessary for our business growth, we are implementing the following initiatives.

- We are strengthening NTT DATA's global employer branding by utilizing country-specific career sites tailored to each market and a global career site that brings these sites together to enable worldwide job searches.
- To prepare for the competitive acquisition of IT talent across borders, we are utilizing social media to showcase NTT DATA's business activities and the talents thriving within our organization worldwide.
- We ensure stable recruitment of new graduates through ongoing alliances with local universities in countries such as Japan, the United States, Spain, Italy, and India.

Talent Acquisition in Japan

In Japan, NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), have hired new graduates from more than 100 educational institutions nationwide. In fiscal 2023, we hired 674 individuals. In recent years, we have expanded our business not only in Japan but also in the global market, and every year we hire foreign employees from several countries. In addition, on Rakuten Minshu, a word-of-mouth employment site, we ranked No. 2 in the overall rankings of the most popular employers among new graduates from university in 2025 (maintaining a Top 3 position for the sixth consecutive year) and first in the IT industry rankings for the 15th consecutive year.

Mid-career individuals are recruited through various channels, including our website, direct recruiting, recruitment agents, referral hiring, and rehiring former employees. In fiscal 2023, we successfully hired 565 individuals. In response to the increasing importance of consulting and technology talent, and the intensifying competition for such

professionals, we are focusing on enhancing our capability to attract highly specialized professionals. To support this effort, we have introduced the Advanced Professional (ADP) system, enabling us to recruit industry-ready human resources with outstanding expertise who can lead new business. In addition, we have implemented the Flexible Grade system, which promotes a job-based employment structure, and the Technical Grade system, which facilitates career paths as specialists. This initiative aims to enhance our ability to attract highly specialized human resources.

We are building a talent pool composed of individuals we have engaged with during our recruitment activities, those considering their career options, and alumni registrants, thereby strengthening the formation of a medium-to-long-term talent pipeline. Furthermore, when promoting to managerial positions, we operate on a system that evaluates and treats all employees, regardless of whether they are new graduates or experienced hires, equally and fairly. This approach allows employees with diverse career backgrounds to excel on the front lines of our business.

Retaining Diverse Talent at NTT DATA

We also move quickly to retain employees who have joined the entire Group as part of our efforts to keep people working for us. Especially in highly mobile overseas markets, for newly hired employees, we hold onboarding sessions in various locations. Through initiatives such as the Values Week workshops, where employees worldwide discuss the Values we cherish, as well as recognition programs, we provide opportunities for more than 190,000 employees across the globe to interact equally and diversely, transcending organizational boundaries. In recognition of these efforts, in January 2024, we were certified as a Global Top Employer 2024 by the Top Employers Institute, which recognizes companies that excel in utilizing their talent effectively.

In Japan, we are promoting the retention of experienced hires through various initiatives, including providing training for business understanding and IT skills, utilizing pulse surveys to monitor conditions and follow up, enhancing communication, and conducting individual skill training and networking events within each accepting department.



Advanced Training

We promote the development of training systems and a wide range of content tailored to the diverse expertise and aspirations of our employees. In addition, we encourage the cultivation of a culture of co-creation and mutual learning through community-based learning.

 [Reference page] Non-Financial Data "Information on Talent Development"

Development Policy and Structure

The starting point of the Group's personnel training and development is rooted in the desire of our employees to learn and grow by setting their own goals.

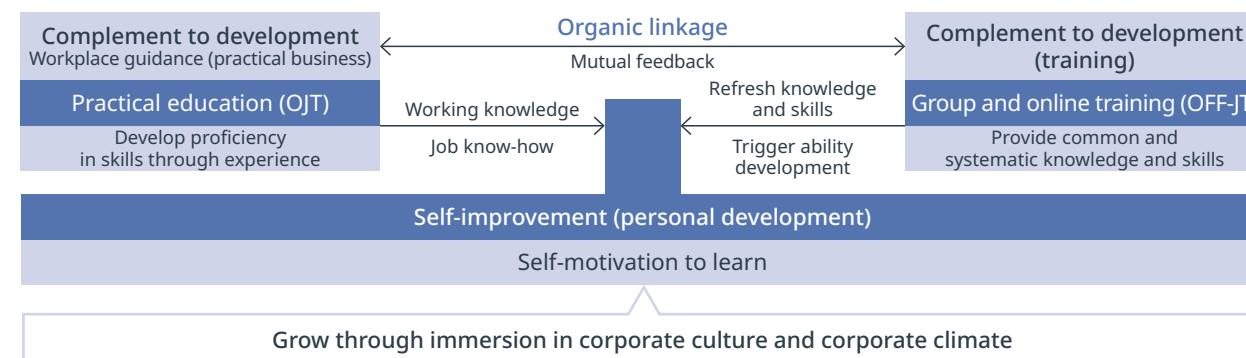
We are dedicated to fostering professional human resources with advanced expertise and adaptability to change, as well as individuals who can excel on a global scale.

Development of Human Resources in Japan

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), provide on-the-job training (OJT) as the core, which is complemented and enhanced by group and online off-the-job training (OFF-JT).

At each workplace, we clearly define the roles of staff responsible for personnel development and guidance under a system in which employees set their own yearly learning plans. By systematically addressing both workplaces and employees in this way, we aim to raise the motivation to learn. In April 2022, we introduced a new human resource development platform, OliveOne, to provide a wide range of content tailored to employees'

Approach to Personnel Education and Development

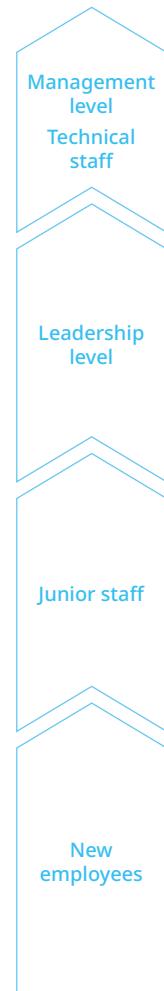


diverse expertise and aspirations, to design learning and visualize acquired skills, and to promote co-creation and foster a culture of learning through community learning.

Training System

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), provide a comprehensive training environment for employees, tailored to their roles and duties, with a focus on enhancing both general business skills (generality) and professional expertise (specialty). Employees are free to select courses attuned to their position and job assignment when needed. The training programs evolve in response to changes in business environments and technology. In fiscal 2024, the new employee training program has strengthened curricula in logical thinking and documentation with consulting elements, in addition to developing skills necessary for job performance. Furthermore, training at various levels includes programs aimed at building the mindset and foundational abilities needed for employees to become self-driven professionals.



Human Resource Development System**General Business Skills (Generality)****Tiered Training = Acquiring skills required for each position**

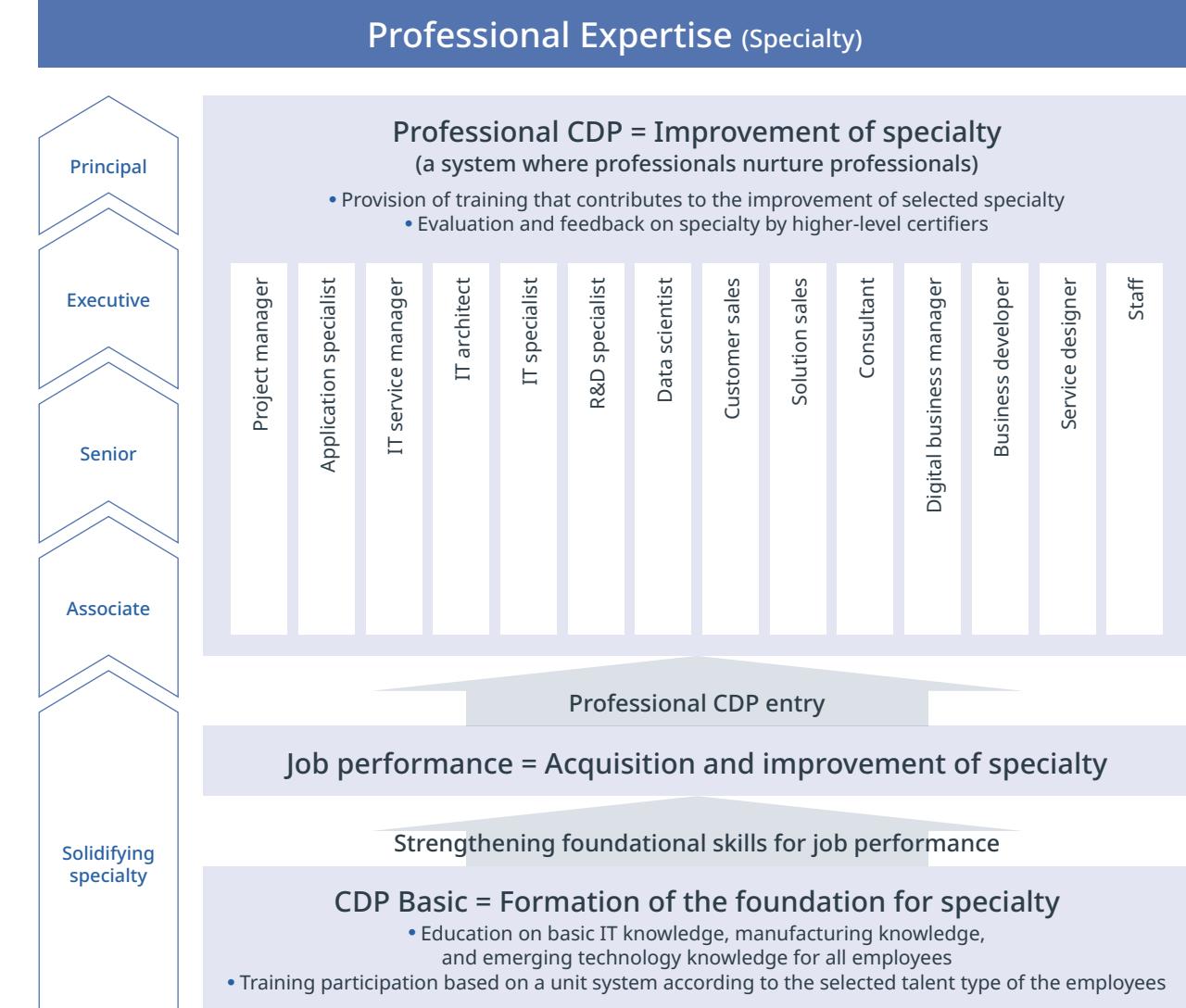
- Providing training based on the skill levels required for each tier
- Creating a development plan with supervisors based on the training results

| Generality skills | | | | | | | Essential knowledge |
|---|--|---|--|---|--|--|---|
| Information gathering and analysis | Planning and formulation | Relationship building | Business execution | Organizational management | Human resource development | Autonomous career development support (self/subordinate support) | Compliance, legal affairs, labor management, etc. |
| <ul style="list-style-type: none"> • Information gathering • Statistics • Analysis and application | <ul style="list-style-type: none"> • Medium-term strategy • Business plan • Value creation • Hypothesis building • Proposal writing | <ul style="list-style-type: none"> • Network formation • Leadership • Negotiation • Stakeholder management • Conflict management | <ul style="list-style-type: none"> • Risk management • Productivity improvement • Stakeholder management • Problem-solving • Autonomous execution | <ul style="list-style-type: none"> • Goal setting • Organizational design • Culture building • Line care • Self-management • Followership | <ul style="list-style-type: none"> • Development planning • Placement and evaluation • Mentoring • Self-growth | | |
| | | | | | | | |

Knowledge and experience gained through OJT

New employee training program = Foundation for business professionals

- Development of mindset and basic behaviors as business professionals and NTT DATA employees
 - Development of skills necessary for business execution, such as communication, logical thinking, and documentation

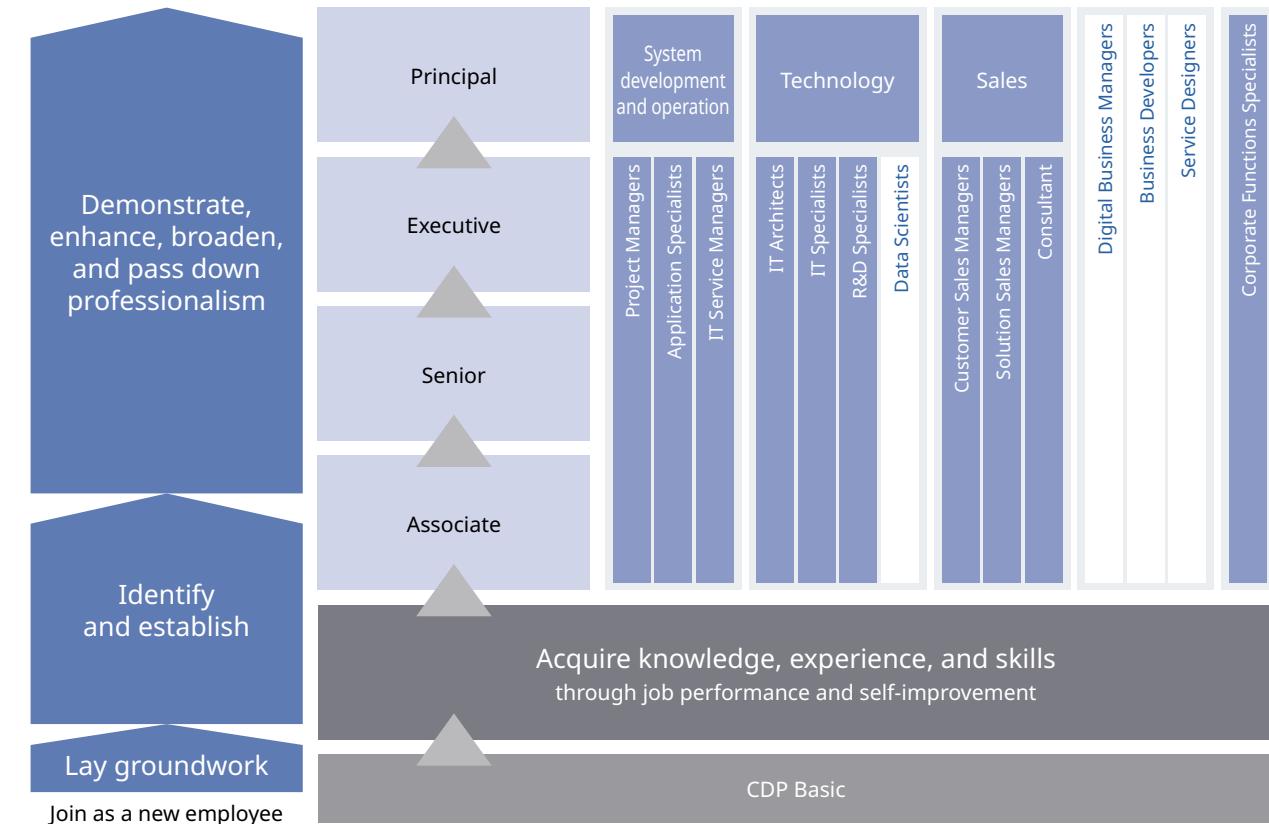


Human Resources Development Based on Professional CDP

With the aim of developing employees into professionals with advanced expertise and the adaptability to change, NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), have been operating the Professional CDP (Career Development Program) for nearly 20 years since 2003. This program outlines the desired talent profile and growth trajectory within our organization, as well as provides certifications. Professional CDP is designed to support the autonomous growth of each individual from young employees to executives and operates based on the philosophy of "professionals nurturing professionals." This system encourages not only vertical relationships within the organizational hierarchy but also serves as a mechanism for lateral and diagonal mentoring among individuals with expertise that transcends organizational boundaries. At overseas companies, we are conducting specialty certification through initiatives such as the NTT DATA Learning Certification Institute (NLCI) carried out by our Group company in the United States. In fiscal 2023, 22,600 employees were newly certified under the program, and we now have over 128,900 certified employees in total in the Group companies in and outside Japan.

Professional CDP continues to evolve in response to changes in the business environment and technology. In fiscal 2019, we added "business developer" and "data scientist" and, in fiscal 2020, we added "cloud" to our specialized IT fields. In fiscal 2021, we added "digital business manager" and "service designer," who proposes new value from the end user's perspective, as human resources leading the digital business, and "agile" as a new category of project managers. In fiscal 2022, we added the facet of improving customer value to our "IT service manager."

Professional CDP Human Resource Types

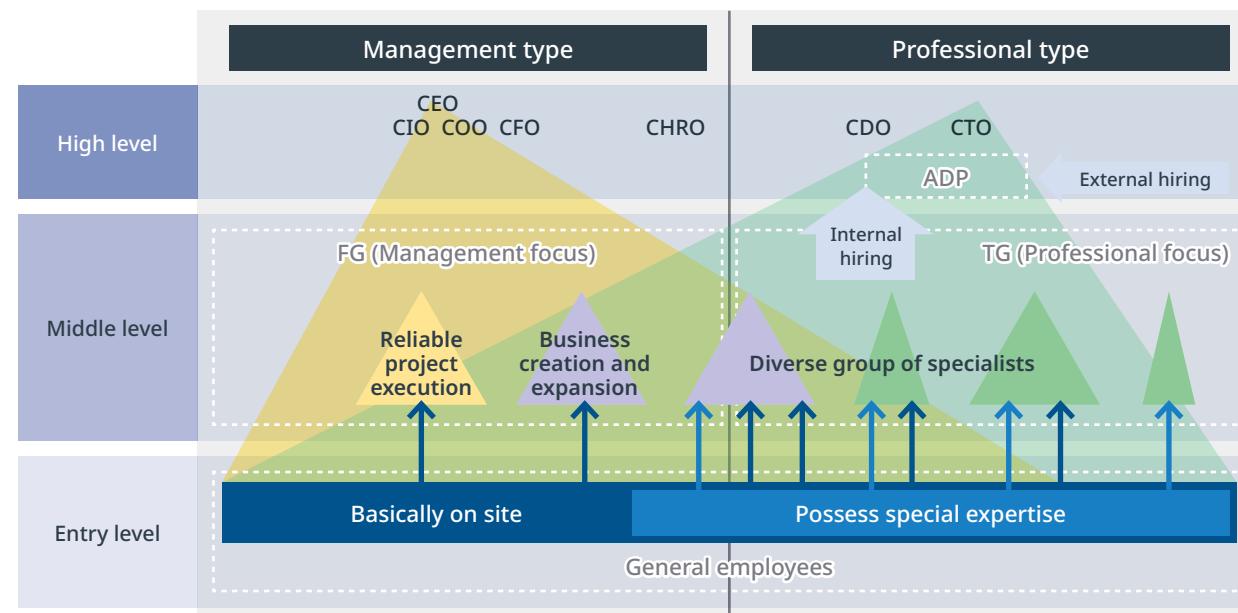


Diverse Career Paths Aligned with Specialization

To further harness diverse skills, we have established a system that allows each employee to realize various career paths according to their expertise.

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), established the Advanced Professional (ADP) system in December 2018 to attract external talent who are proficient in their fields and can immediately contribute to leading cutting-edge businesses with their exceptional expertise. This system allows for internal promotions, and as of July 1, 2024, a total of 12 individuals had been certified, including four internal promotions and eight external hires. In addition, in October 2019, we established the Technical Grade (TG) system to facilitate the career path for specialists. As of July 1, 2024, a total of 215 individuals had been certified under this system. In July 2020, to maximize value creation through the diverse strengths of our employees, we established the Flexible Grade (FG) system, a job-based employment system based on the value generated by their roles. This system has been applied to all management positions since July 2022.

Career Development

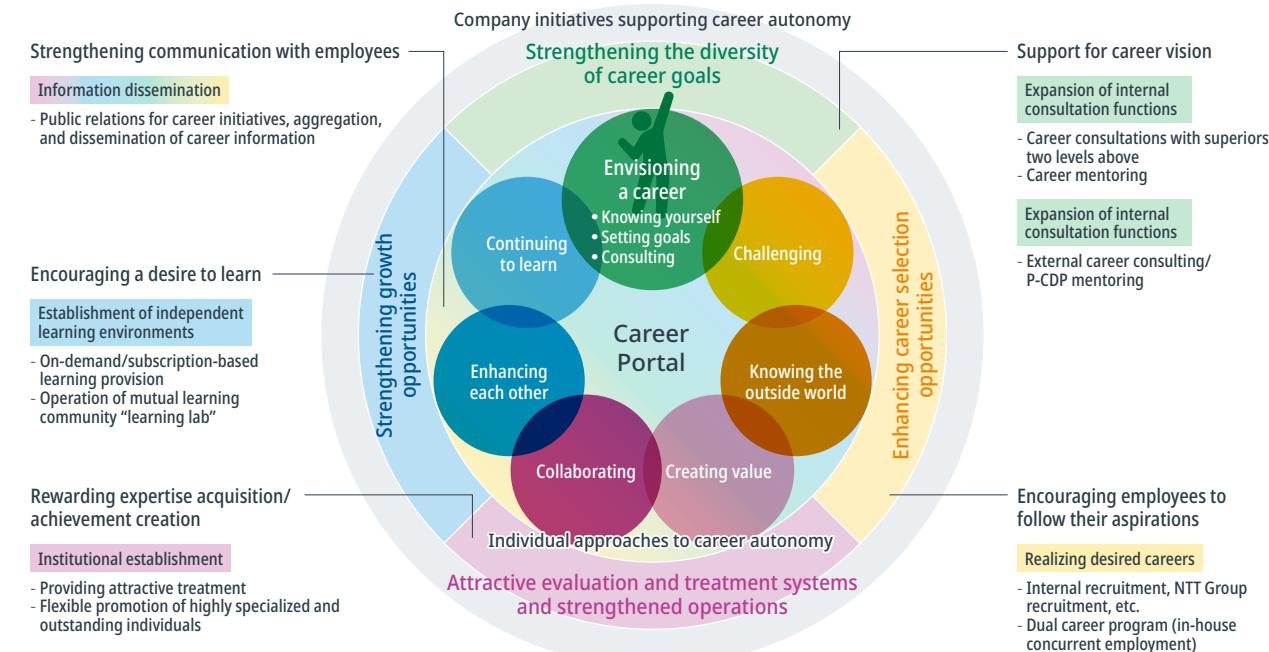


Support for Autonomous Career Development

Regarding autonomous career development, we emphasize that employees should envision their career paths and actively seek to learn and grow autonomously. This principle fosters a virtuous cycle of growth, where individual employee development contributes to the company's growth, and in turn, the company's growth creates further opportunities for employee advancement. Ultimately, this approach aims to deliver high value to our clients and society.

Traditionally, employees aligned their career aspirations through communication with their direct supervisors. However, starting in fiscal 2023, as part of efforts to further encourage autonomous career development, we expanded on these existing practices. Higher-level superiors now engage in career discussions with employees to understand their medium- and long-term career visions and provide support to help them achieve their desired career goals.

Platform for Autonomous Career Development



From fiscal 2024, we are enhancing our career development support through initiatives such as career mentoring, which allows employees to consult with in-house career experts easily, and a dual career program (internal side jobs) aimed at fostering diverse value creation through the evolution of existing expertise and the acquisition of new specialties, enabling each individual to demonstrate their comprehensive abilities as they grow.

We aim to create a company that provides employees with opportunities to take on challenges and enables diverse talent to thrive through various working styles, where each employee can feel their growth toward their individual goals alongside the company's development, making it an attractive organization where people want to work and continue working.

Evaluation System

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), have established a compensation system that emphasizes results, performance, and behavior, regardless of employees' employment status. Each employee is encouraged to practice the doctrines of our vision, enhance their own professionalism, and establish results and performance as a fundamental aspect of their behavior style.

Regarding performance evaluations, each employee meets with their supervisor to set individual goals and evaluate their achievements. In addition, multiple evaluators participate in the assessment process to ensure transparency from various perspectives for all employees. Individual meetings with supervisors are held four times a year: beginning-of-term goal-setting meeting, mid-term goal review meeting, end-of-term goal review meeting, and behavior and performance evaluation feedback meeting (around April), all of which are open to all employees. During the goal-setting meeting, supervisors and subordinates align their understanding of the goals for the year and the supervisor provides advice. In the mid-term goal review meeting, end-of-term goal review meeting, and behavior and performance evaluation feedback meeting, supervisors and subordinates reflect together on the achieved results and performance, offering advice and motivation for further improvement and growth.

For contract employees, a system has been introduced to reflect their performance and achievement in their compensation. In addition, if they are deemed capable of contributing long term, they might be hired as full-time employees.

Initiatives for Developing Human Resources and Management Personal to Support Business Growth

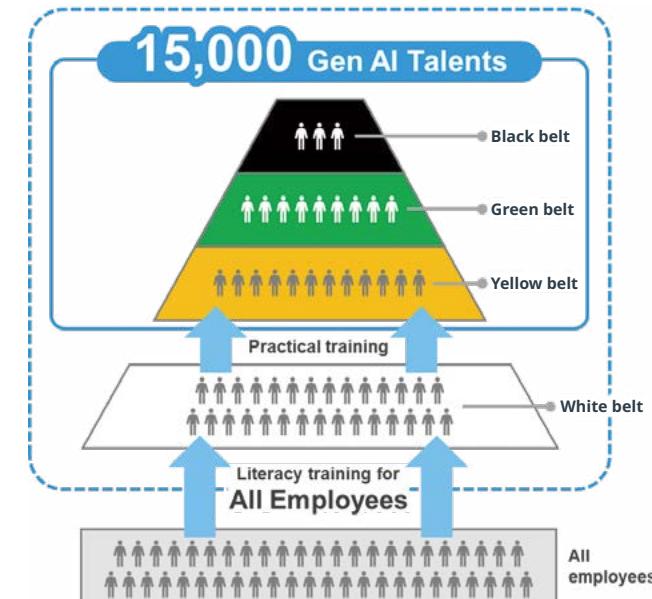
Initiatives for Nurturing Talent to Lead Digital Business

We are strengthening the development of digital talent, and in fiscal 2019, we initiated training programs such as the "Digital Boot Camp," a concentrated two-month program for acquiring digital skills. This initiative aims to advance the training of engineers. In addition, we have identified core focus areas (Cloud, D&I, Cybersecurity, EAS, ADM, Edge as a Service) and are realizing the development of more than 30,000 cloud engineers through a globally standardized education program that allows participants to learn cutting-edge technologies.

We are focusing on transforming our clients' value chains while promoting internal value chain transformation through significant improvements in operational efficiency and innovation using generative AI, as well as fostering a strong corporate culture. To support these initiatives, we have established the Global Generative AI Office and are committed to developing talent in generative AI. For generative AI talent development, we have outlined a talent framework and development road map that ranges from a foundational knowledge level for all employees (White belt) to a level capable of providing value in projects utilizing generative AI (Yellow belt, Green belt) and further to a level where individuals can lead projects and mentor others (Black belt). Our goal is to cultivate 15,000 professionals in generative AI by the end of fiscal 2024.

Furthermore, in response to the expanding demand for business and technology consulting driven by digital transformation, we are enhancing our consulting capabilities starting from "Foresight." For the development of consulting talent, we are improving methodologies (Foresight Design Method) and developing and implementing training programs to reskill existing employees, including sales personnel and systems engineers. In fiscal 2023, 650 individuals participated in the training, with plans for 1,200 participants in fiscal 2024. Currently, more than 2,400 individuals are active as consultants across Group companies in Japan.

Generative AI Human Resource Development System



Developing Human Resources Who Can Excel on the Global Stage

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), are advancing the development of talent that can flexibly thrive in response to changes in the market and competitive environment, driven by the rapid expansion of overseas operations.

For employees hired in Japan, we offer position-based programs with the aim of developing human resources/talent who can play an active role in the global market. Since fiscal 2024, we have focused on the development of employees by giving them practical global experience. We support young employees slated for overseas assignments through the Business Acceleration Assignments (BAA) program and offer participation in programs for developing management executives through NTT University, where employees can gain diverse opportunities and strengthen their global responsiveness.

To foster management human resources who can succeed in the global market, together with Group companies across the world, we have been implementing the Global Leadership Program (GLP) since 2009 for cultivating future management candidates. In the GLP, participants discuss issues related to NTT DATA's global and local strategies. The program encourages them to independently consider what is needed to realize "One NTT DATA" both globally and locally. The Group has already enrolled 350 overseas employees in the GLP, with 33 new graduates from the program in fiscal 2023.

Our training platforms teach respect for the diversity and individuality of our employees in more than 50 countries and regions, and are a symbol of the Group's dynamism. The total number of graduates from various global programs has reached 930, serving as a driving force for taking on higher-level business challenges.

Global Human Resource Development Framework

| | Executive/ Division manager | Executive Division manager | OJT | OFF-JT | Language coach |
|---------------------|-----------------------------------|--|-----------------------------|---|---|
| Manager | Department head | Section head | Overseas dispatch CAP | NTT Group common overseas dispatch NTT University - Next EC - Future EC | Multinational leadership training Global Leadership Program (GLP), etc. |
| General employee | Assistant section head | Practical overseas experience Business Acceleration Assignments | | • Language Language acquisition support - TOEIC test - TSST test | |
| | Supervisor | Employee | | • Literacy Training by hierarchy - Global lectures - New employee training | |

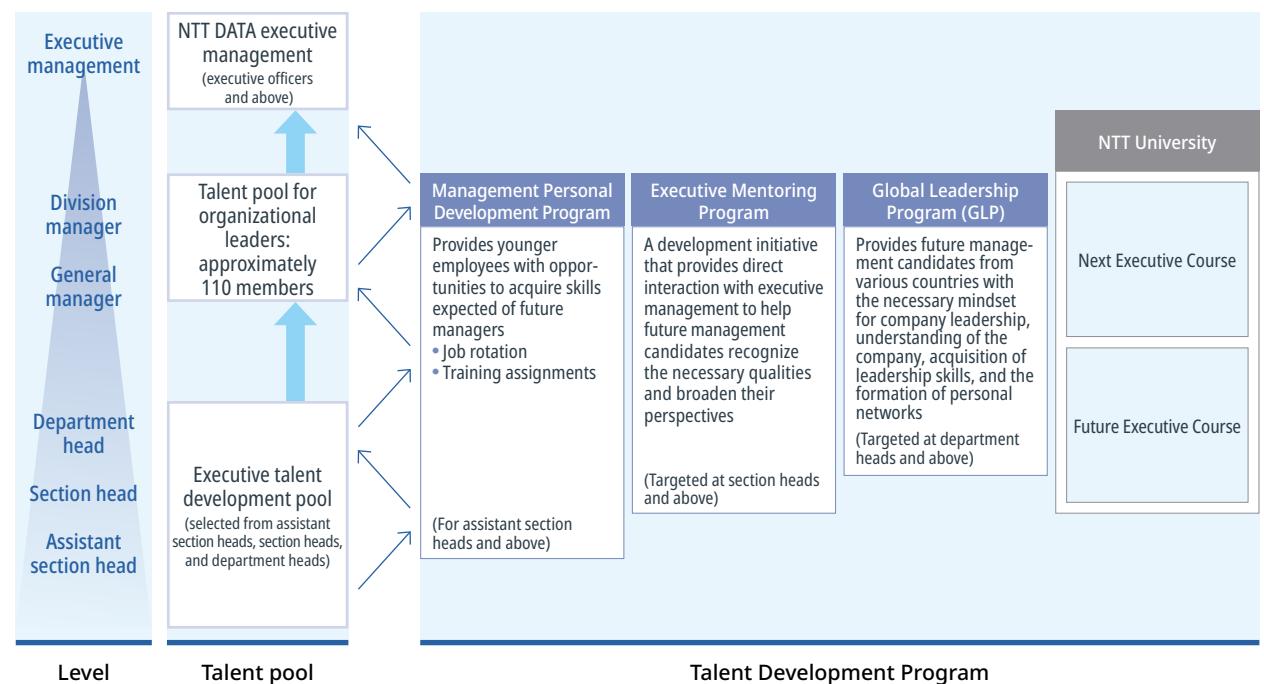
In addition, we established Innovation Centers in six countries around the world in August 2022. In these Centers, we collaborate on co-creation R&D with innovative clients who have a high sensitivity to advanced technologies. We have formed global teams with expertise in the utilization of world-class advanced technologies, and our participation in projects and network-building efforts in various regions around the world contributes to the development of the human resources we hire in Japan. By July 2024, we had expanded our presence to 11 countries worldwide and increased our team size from an initial 100 to approximately 220, thereby enhancing our capability to respond to the global market. As part of global training initiatives, an overseas study program is also offered, supporting employees in obtaining MBAs at universities in Europe and the United States.

[Reference page] "Initiatives for Creating Innovation"

Development of Management Personal

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), are actively pursuing a multifaceted approach to developing management personal over the medium to long term capable of leading the Group in rapidly changing environments. Through a wide range of initiatives, we are cultivating the next generation of management personal, equipped with both motivation and capability. This includes job assignments addressing the Group's management challenges, assignments to global business roles, participation in external seminars and training aimed at acquiring systematic knowledge in management and building external relationships, opportunities to learn management philosophy through dialogues with current executives (Executive Academy), and participation in the NTT Group's management personal development program, NTT University, hosted by NTT Holdings. As a result of these and other efforts, approximately 110 Japanese individuals are currently part of the talent pool for leadership positions.

Overview of Management Personal Development



In addition, we are integrating overseas human resources into these management training programs. As mentioned earlier, the number of the Group's overseas human resources participating in the GLP organized by NTT DATA Group Corporation has already reached 350. Succession management for overseas executives is conducted using these individuals as the primary talent pool, utilizing external assessment organizations.

We plan to further enhance the global development of management personal that supports the sustainable management of the Group going forward.



Future Workplace

By creating an environment where employees can flexibly select a workplace and working hours based on business processes and objectives, we are transforming into a company where each individual can thrive more easily.

Promoting Work-Style Innovation

Our business is expanding, and securing a workforce has become a critical issue due to the increase in workload and intensified competition for talent acquisition. On the other hand, we believe it is also essential to enhance our workforce by creating an attractive company that fosters a comfortable work environment, allowing each employee to feel fulfilled while working healthily and safely.

In innovating work styles, our goal is for each employee to improve the quality of his or her work in the limited time available, while also making effective use of the time created through reduced working hours for self-fulfillment pursuits. We want every employee to continue growing and playing an active role in the Company, which will help us create our strong competitive edge.

We also aim to become "the company of choice in the labor market" by promoting diverse work styles that allow employees to flexibly choose their work locations and hours according to their lifestyles, the establishment of various leave systems, improvement of the working environment, and the implementation of welfare programs that enable employees to maintain their health and continue to work with high motivation.

Main Systems Supporting Flexible Work Styles

| | |
|---------------------------------------|--|
| Optimization of Working Hours | <ul style="list-style-type: none"> Management and monitoring of total working hours targets Enhancement and encouragement of paid leave systems |
| Transformation of Work Environment | <ul style="list-style-type: none"> Creation of a highly flexible work environment Development of an internal portal site with advanced information accessibility |
| Enhancement of Human Resource Systems | <ul style="list-style-type: none"> Improvement of systems related to work styles Enhancement of welfare programs |

Management and Monitoring of Total Working Hours

Long working hours has been an ongoing problem in the IT industry, and NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), are working Company-wide to reduce total working hours based on proper working hour management.

Since the COVID-19 pandemic in fiscal 2020, the average total working hours per employee have increased compared with fiscal 2019, reaching 1,988 hours in fiscal 2023. The average total working hours over the four years from fiscal 2020 to fiscal 2023 have remained stable. This situation is influenced by various factors, including changes in work styles following the pandemic, an increase in business volume due to expansion, and the challenges in securing resources caused by greater employee mobility.

Because constant long working hours have a significant impact on employee health, we are working to prevent excessive working hours by using our BI platform (Tableau) to visualize the results of analysis of data related to working hours in a secure and timely manner and distribute them throughout the Company. Through position-based training and our internal website, we motivate employees to reduce working hours by raising awareness about the need for rationalizing working hours and embracing a shift in work styles. Since fiscal 2023, we have set organization-specific targets for average total working hours and monitored performance quarterly in an effort to reduce these hours. As a result of these efforts, we achieved an improvement of eight hours per person per year compared with the previous fiscal year. We will continue these initiatives in fiscal 2024.

Enhancing Paid Leave Systems and Encouraging Their Use

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), promote a work-life balance for employees by encouraging them to be proactive in taking paid leave, such as refreshment leave, anniversary leave, and life planning leave. As a result, employees took an average of 16.2 days of paid leave per person, with an uptake rate of 83.2% in fiscal 2023. We will continue to promote a balanced work style among our employees through training and other initiatives.

 [Reference page] Non-Financial Data "Internal System Users and Working Hours"

Realizing a Highly Flexible Work Environment

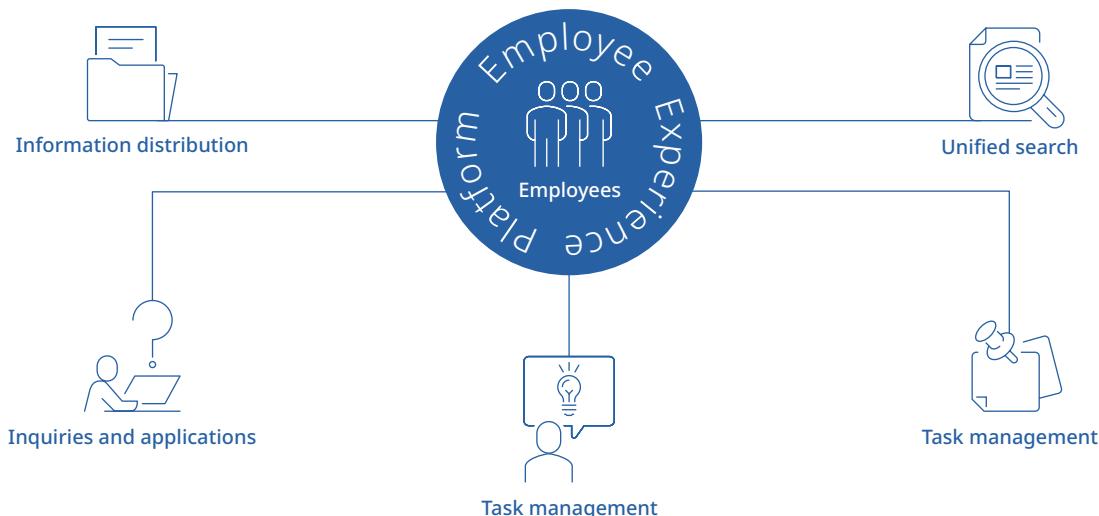
NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), have established an environment that allows for flexible work locations based on business processes and objectives. Since November 2022, we have implemented a new system to support diverse work styles, embracing a hybrid work approach that combines both in-person and remote work for the optimal mix. Under this hybrid work system, each organization discusses their work-style reform policies based on the situation of their teams and projects, enabling them to choose service systems and work styles that align with their business goals, incorporating both in-person and remote options. The remote work rate for fiscal 2023 was 63.2%.

 [Reference page] Non-Financial Data "Internal System Users and Working Hours"

Internal Portal Site with High Information Accessibility

NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc. (Japan), and Group companies in Japan provide an Employee Experience Platform designed with the concept of employee centricity, focusing on the behaviors of employees as users. This platform aims to enhance business and decision-making processes, strengthen inter-organizational collaboration, and accelerate knowledge sharing.

Enhancing Employee Experience Centered on Employees



Enhancing Systems Related to Work Styles

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc., have enhanced systems related to work styles to achieve diverse and flexible working arrangements.

Since February 2008, we have allowed telework from home with a monthly limit of eight days. However, in April 2018, we reviewed the existing telework system, eliminating the upper limit on the number of telework days and enabling work from locations other than home, such as nearby satellite offices during outings. In October 2020, in response to the increase in at-home work and the growing burden of expenses on employees, we established a remote work allowance.

In addition, in labor time management, we have implemented a flextime system and a discretionary labor system, and in October 2020, we introduced a "Super-Flex time" system, which eliminates core hours. Approximately 70% of all employees utilize these systems.

We have established systems that accommodate various lifestyles, enabling employees to work flexibly.

Enhancement of Employee Benefits

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), have implemented various employee benefit programs throughout the entire life cycle to ensure that employees can maintain their health and continue to work with high motivation. These include health promotion initiatives such as health checkups and the "best doctor" referral service, which connects employees with excellent physicians in Japan based on their medical conditions. The employee stock purchase program allows employees to accumulate shares of the Company's stock continuously, while the wealth formation program offers incentives for various savings plans, including defined contribution pensions, to prepare for the future. In addition, housing-related programs provide housing assistance that adapts to changes in life stages, starting from the moment of hiring. Employees can freely combine these programs according to their individual needs.

Moreover, in addition to the flexible benefits plans, we have established a consultation room on life design where employees can receive advice on financial planning triggered by life events such as marriage and childbirth. We also offer a matchmaking service exclusively to select companies, thereby providing a system that meets a wide range of employee needs.

As a long-term incentive, we provide a retirement allowance system that accumulates based on the length of service, as well as corporate pension plans (both defined benefit and defined contribution) and individual pension plans, enhancing support for employees' lives after retirement.

Main Menu of Welfare and Benefit Programs

| | |
|---------------------------|---|
| Health Promotion | Health checkups (including support for optional examinations), introduction to best doctors, multi-opinion services, acquisition of health IT devices like wearable technology, and discounted access to partner fitness gyms, etc. |
| Wealth Formation | Deferred compensation savings, employee stock ownership plan, defined contribution pension plans, and NTT Group individual pension plans, etc. |
| Housing-Related | Housing assistance, support funds for new employee independence, access to company housing and dormitories, and various support options after home acquisition (long-term living expenses and loan repayment assistance), etc. |
| Childcare Support | Subsidies for babysitter services, introduction to partner nurseries, and consultation services, etc. |
| General Lifestyle Support | Life planning consultation room, massage room, special discounts for leisure facilities, restaurants, and goods sales, as well as matchmaking services offered exclusively to partner companies, etc. |

Promoting Health Management

Basic Policy and Promotion System

As part of our management strategy, NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), have adopted "health management." Our aim is to create an environment in which employees are healthy and can continue to work safely with motivation and energy. We also place the highest priority on employee safety and strive to provide a safe working environment. Our management works with occupational physicians from our Health Promotion Office, as well as public health nurses, to spearhead efforts to improve employee health, provide mental healthcare, and such in cooperation with our health insurance association and each workplace.

Set Health Targets and Initiatives

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), have set medium-term and single-year targets for promoting health management, and we are taking various measures to reach those targets.

 [Reference page] Non-Financial Data "Internal System Users and Working Hours"

- Implementation of "fatigue accumulation check" interviews for employees who work more than 45 hours of overtime per month, along with measures to reduce workload
- Conducting annual stress checks for all employees, addressing workplaces identified for improvement based on the stress check results, and promoting successful case studies internally
- Providing specific health guidance for individuals aged 40 and older who are at risk of lifestyle-related diseases
- Identifying health challenges in light of the diversification of work styles and implementing various awareness initiatives to promote health
- Ongoing efforts related to infection control measures

In addition, five NTT DATA Group companies have received "White 500" certification, a certification given to corporations practicing excellent health management, from the Ministry of Economy, Trade and Industry and the Japan Health Council.

Improving Health Education and Health Literacy

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), conduct training to raise awareness among employees about self-care and care for those around them during milestone training for managers and employees, and we engage in educational initiatives to improve the health literacy of our employees.

Self-Care Health Education for Young Employees

To foster health awareness among employees younger than the ages subject to statutory specific health guidance, we provide health education for all employees in their first and second years of employment, who are building the foundation of their lifestyles, and to all employees at the age of 35.

In addition, we offer personalized education programs for high-risk employees in their 30s.

Monitor-Care Support for Training Instructors and Managers

We provide line-care support so that employees can smoothly communicate with each other, provide guidance and support for their growth, and so that they can recognize signs of health problems and take prompt action during telework.

Provision of Healthcare Content for All Employees

As we promote a telework-oriented work style, we are striving to foster and improve employee health awareness by posting various health-related topics on our website every month as "Healthcare Communication" so that employees do not become ill due to lack of exercise, loss of opportunities for refreshment, or disruption of life rhythms.

Efforts to Support the Balance between Medical Treatment and Work

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), provide comprehensive support to ensure that employees can continue to work energetically while taking the necessary time off for medical treatment. We have established systems covering medical leave and flexible work arrangements for outpatient visits. Our employees, supervisors, workplace, and occupational health nurses collaborate closely to provide personalized assistance and accommodations tailored to each employee's health and treatment needs, promoting a harmonious balance between work and treatment.

Preventing Occupational Accidents

In addition to conducting two annual workplace safety patrols, NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), work hard to raise in-house awareness about National Safety Week, National Industrial Health Week, and the Accident-Free Holiday Campaign organized by the Ministry of Health, Labour and Welfare and the Japan Industrial Safety and Health Association. There were five cases of occupational accidents in fiscal 2023.

We will continue to raise the safety awareness of our employees with the aim of zero occupational accidents under the leadership of the Health and Safety Committee.

 [Reference page] Non-Financial Data "Internal System Users and Working Hours"

Employee Relations

Labor-Management Dialogue to Enhance Work Environments

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), conduct labor-management talks with NTT DATA unions regarding issues pertaining to working conditions as they arise. Our basic stance is to emphasize comprehensive dialogue between labor and management in addressing various issues. Moreover, essentially 100% of our employees are members of labor unions, excluding managers, who are not permitted to join unions because they are responsible for the administration of operations.

In addition, in accordance with an agreement on employee transfers stipulated in the labor agreement with the labor union, we notify employees at least 10 days in advance when implementing changes related to job assignments.

Whistleblowing Systems

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), have established an internal reporting system, "Whistle Line," to foster a more open corporate culture. This system accepts reports from full-time employees, contract employees, and part-time employees, as well as from external parties, either anonymously or with identification. It ensures that no disadvantageous treatment is given to the whistleblower as a result of submitting a report through the system.

 [Reference page] Whistleblowing Systems

Employee Engagement Surveys (annually in Japan/biennially across the global organization)

With the aim "To be the No. 1 employer for the best talent worldwide!" we conduct an engagement survey of all employees worldwide to understand the status and feedback of our global workforce. In Group companies overseas, the survey is conducted every two years under the name "One Voice." In Japan, since 2022, we have been conducting the "NTT Unified Engagement Survey" annually using the Group-wide system experience platform, Qualtrics. In fiscal 2023, the percentage of highly engaged employees stating they are proud to work at NTT DATA across the Group, including overseas, was 83%*¹. Domestically*², this figure was 71%.

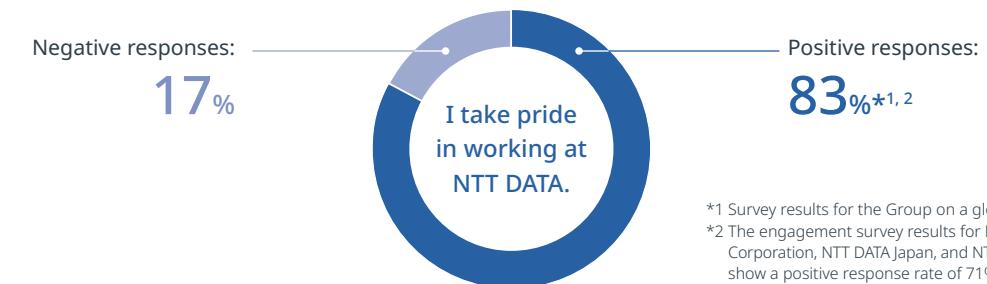
*1. Global total excluding Group companies in Japan

*2. Target values for NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan)

In addition, based on the survey results, we conduct workshops across the globe to appropriately interpret the survey findings. These workshops compare the current results with the previous ones to assess the contribution of activities implemented by each company to the latest outcomes. We are developing action plans accordingly. By continuously following this cycle, we strive to maintain and improve employee engagement and create a better workplace. In Japan, we regularly facilitate dialogue and communication between senior management, including

the president, and employees. President Yutaka Sasaki launched a dialogue event, "Talk with Yutaka," in September 2023, and it has been held more than 20 times to date. Following the recommendations of the "100-Person Future Discussion Project," where young employees envision NTT DATA 10 years from now and present proposals to executives, we introduced a dual career program (internal side jobs) starting in fiscal 2024. This program allows employees to dedicate 20% of their prescribed working hours to projects they personally wish to pursue. In December 2023, operating companies in Japan updated the internal venture system to further encourage innovative activities among employees. Furthermore, respecting the autonomy of various communities, we will launch a trial of an employee resource group (ERG) in the second half of fiscal 2024 that aims to support and promote these communities, transforming diverse capabilities into collective strength. By fostering an open corporate environment where employee voices are reflected in business operations, we aim to further enhance employee engagement.

Engagement Survey Results (Fiscal 2023)



*1 Survey results for the Group on a global basis.

*2 The engagement survey results for NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), show a positive response rate of 71% for FY2023.

Initiatives to Enhance Engagement



Human Capital-Related Metrics and Targets

NTT DATA Group Corporation NTT DATA Japan, and NTT DATA, Inc. (Japan), have established metrics and targets related to human capital based on the three policies of Strategy 5 of the medium-term management plan, "Be the best place to work": "Advanced Training," "Promote Diversity, Equity & Inclusion," and "Future Workplace." In addition, the ratio of female managers and the ratio of male employees taking childcare leave, which are part of the indicators related to human capital, are linked to the goals of promoting women's empowerment (Promote Diversity, Equity & Inclusion).

As a result of these initiatives, we aim to improve employee engagement rates and other related metrics.



| Initiatives | Indicators | Results (FY2023) | | Targets (FY2023, FY2024)* ¹ |
|--|--|--|----------------------------|--|
| Development of professional talent | Number of new certified professionals (CDP) | 1,690* ² (22,600* ³) | 1,500* ² | <ul style="list-style-type: none"> Employee engagement rate: 73% or more*⁴ (FY2023 result: 71%) Improvement rate of three human resource strategy items in the employee engagement survey: 10% or more*⁵ (by FY2025) |
| | Number of new graduates from the Global Leadership Program (GLP) | 33* ³ | 20* ³ | |
| | Ratio of female managers (Human Rights & DEI) | 10.8% | 15% or more (FY2025) | |
| | Ratio of new female graduates hired (Human Rights & DEI) | 40.2% | Over 30% | |
| | Ratio of males/females taking childcare leave (Human Rights & DEI) | (Male) 105.7% | (Female) 112.1% | |
| | Parental leave return rate | (Male) 100% | (Female) 99.5% | |
| | Employment rate of persons with disabilities | 2.3% | 2.5% or more* ⁶ | |
| | Employment rate of experienced employees | 45.6% | 30% | |
| | Rate of training on human rights and DEI | 100% | 100% | |
| | Rate of career discussions for general employees | 90.7% | 75% | |
| Fostering a culture for diverse talent | Remote work environment adoption rate | 100% | 100% | |
| | Rate of paid leave taken | 83.2% | 87% | |

Note: Unless otherwise specified, the aggregated values are for NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc.

*1 Although some indicators reached their target values in fiscal 2023, the current medium-term management plan sets the same target values for fiscal 2024, as it is essential to maintain these key indicators in the pursuit of becoming the "Best place to work."

*2 The aggregated values include NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc., Group companies in Japan, and some overseas Group companies, representing the consolidated figures for the entire Group (including domestic and overseas Group companies).

*3 The aggregated values represent the consolidated figures for the entire Group (including domestic and overseas Group companies).

*4 The employee engagement rate is surveyed annually in Japan and biennially overseas (the consolidated figure for the entire Group, including overseas, for fiscal 2023 was 82.8%).

*5 The goal is to achieve a total improvement rate of 10 or more percentage points relative to the fiscal 2022 results in the three human resource strategy areas in the employee engagement survey, related to growth opportunities, diversity, and culture/environment. These targets are part of a three-year plan established under the current medium-term management plan, beginning in fiscal 2022 and concluding in fiscal 2025.

*6 In response to the increase in the statutory employment rate for persons with disabilities effective April 2024, the target value for fiscal 2023 has been revised from 2.3%.



Society

— Inclusive Society

Realization of a Society for Healthy and Happy Lives

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Initiatives toward Materiality and Achieving KPIs

To achieve a society where everyone can live healthy and happy lives, NTT DATA is committed to the following three material issues: Human Rights & DEI, Digital Accessibility, and Community Engagement.

[Reference page] Sustainability Management "Progress in Relation to Nine Material Issues and FY2024 Targets"

| | FY2023 Indicators | | | | FY2024 Indicators | |
|-------------------------------|---|-------------------------------|---------------------|---|---|-------------------------------|
| | Indicator | Target | Achievement | Concrete Activity Results | Indicator | Target |
| Human Rights & DEI | Ratio of newly appointed female managers | 30% | 22.8% | <ul style="list-style-type: none"> Implementing initiatives to increase the number of women in management positions and further enhance the talent pool. Conducting executive messaging, mentoring by female executives, dispatching employees to external training, and visualizing women's advancement through dashboards. Operating a community for female managers, led by employee volunteers, to facilitate information exchange. | Ratio of newly appointed female managers* ² | |
| | Ratio of female managers | 15% (by the end of FY2025) | 10.8% | | Ratio of female managers | 15% (by the end of FY2025) |
| | Ratio of female directors | 25% (by the end of FY2025) | 22.7%* ³ | | Reviewed Number of female directors* ¹ | 20 (by the end of FY2025) |
| | Ratio of external hiring | 30% | 45.6% | Strengthened recruitment efforts for both new graduates and experienced hires, hiring 674 new graduate employees and 565 experienced hire employees in FY2023. | Ratio of hiring experienced professionals* ² | 30% |
| | Ratio of male employees taking childcare leave | 100% | 105.7% | Providing information through a portal specifically for male employees that provides information on systems, procedures, and employee experiences related to childcare leave, as well as seminars featuring experiences shared by employees who have taken parental leave. | Ratio of male employees taking childcare leave | 100% |
| Digital Accessibility | Sustainability management IBT participation rate | 100% | 100% | Promoting understanding through IBT (Internet-based training) materials that allow learning about global trends in sustainability and the Company's initiatives. | Removed Due to high-level participation | |
| | Confirmed human rights violations | 0 | 1 | Conducting and strengthening awareness-raising initiatives to prevent harassment that could lead to human rights violations through IBT, workplace learning sessions, and a human rights slogan contest. | Confirmed human rights violations | 0 |
| | Number of communications on sustainability initiatives | 67 times | Not disclosed | Conducting internal workshops aimed at understanding social issues and disseminating the latest trends in sustainability to all employees. | Removed Due to high-level establishment | |
| Community Engagement | Ratio of participation in internal workshops or external support activities for contributing to the resolution of social issues | 70% or more | 88.2% | Planned and conducted internal workshops to create opportunities for understanding social issues. | Reviewed Employee participation rate in workshops leading to sustainability practices or external support activities | 80% |
| | | | | | | |

*1 Executives and organizational leaders, etc.

*2 Only the name will be changed; the definition of the indicator is the same as in FY2023.

*3 The target value was revised from a ratio to a headcount during FY2023.

Human Rights & DEI

Work to create an equitable society where a diverse range of people thrive and respect each other's human rights

Respect for Human Rights

Basic Policy

As a member of the NTT Group, NTT DATA operates in a concentrated and organized manner in accordance with the NTT Group Human Rights Policy (established in November 2021), which incorporates the concepts of the UN Guiding Principles on Business and Human Rights.

As we operate in many countries and regions around the world, we must adapt to operating environments with diverse cultures and business customs. At the same time, we have clearly stated "respect for human rights" in

NTT Group Human Rights Policy

This policy supports international norms and explicitly outlines our approach to addressing key human rights issues that require particular attention from four perspectives.

Diversity & Inclusion

- Prohibition of discrimination
- Respect for freedom and rights
- Fairness in the workplace
- Issues of disparity and poverty

Healthy work in daily life (health management)

- Diverse work styles
- Prohibition of forced labor and child labor
- Living wage
- Freedom of association and collective bargaining
- Workplace safety
- Extensive benefit programs

Technology that is based on high ethical standards

- | | |
|--------------|-----------------------------------|
| • Technology | • Personal information protection |
| • Data bias | • Security |
| • Privacy | |

Appropriate expression, speech, and display

- Expressions in advertisements and displays
- Freedom of expression
- Accessibility

 NTT Group Human Rights Policy (full text)

<https://group.ntt/en/newsrelease/2021/11/10/pdf/211110ca.pdf>

the NTT DATA Group Code of Conduct (established in May 2022), which sets forth NTT DATA's stance on recent social issues, including sustainability and human rights, as well as the important ethics and compliance policies that employees should refer to in their business activities. Everyone at the NTT DATA Group is exercising these principles in their daily activities.

NTT DATA Group Code of Conduct (respect for human rights)

NTT DATA Group complies with the Universal Declaration of Human Rights and other international treaties and conventions which are discussed and adopted from a global perspective, as common standards that all people and countries should achieve. As a member of the NTT Group, the NTT DATA Group understands fully and strives to realize the NTT Group Global Human Rights Policy, which is part of NTT Group's core policies.

NTT DATA Group endeavors not to cause or exacerbate any negative impact on human rights in the course of our business activities, and will not tolerate any forced labor or child labor. Further, NTT DATA Group endeavors to introduce and implement human rights due diligence procedures to identify and take measures on the risks concerning human rights, and to take serious action to resolve negative consequences to human rights.



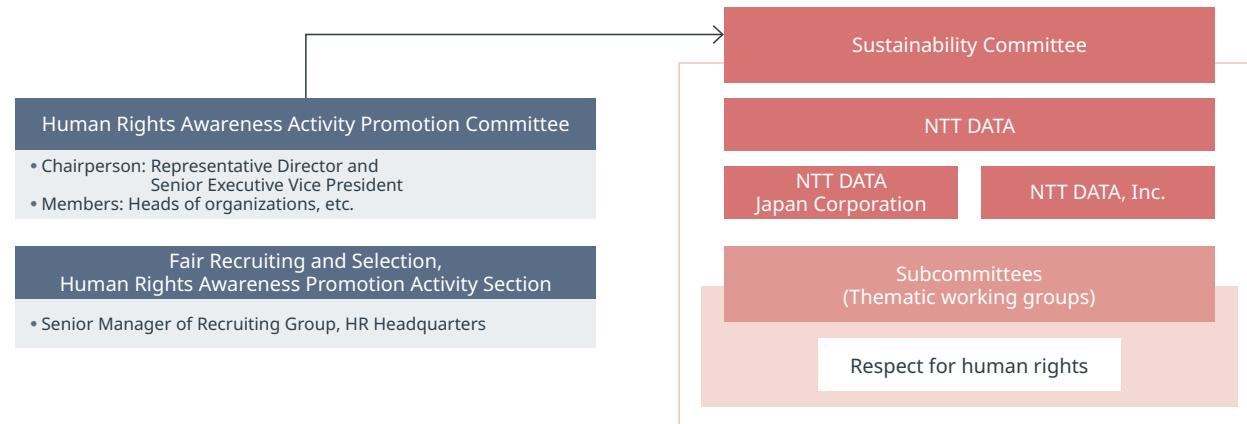
NTT DATA Group Code of Conduct

https://www.nttdata.com/global/en/-/media/nttdata/global/1_files/about-us/our-way/ntt-data-group-code-of-conduct.pdf?rev=0410003f9f4e464b89151ec109b14445

Promotion System

To promote respect for human rights throughout NTT DATA, it is important for all employees to deepen their understanding and awareness of human rights. NTT DATA convenes meetings of its Human Rights Awareness Activity Promotion Committee. The committee consists of leaders of each organizational unit and is headed by the NTT DATA Group Corporation Representative Director and Senior Executive Vice President. We have assigned human rights awareness promotion officers to each organization and company within the Group. In addition, we regularly hold sustainability committees and subcommittees (thematic working groups) with overseas Group companies to discuss human rights management and risks. In cooperation with the Human Rights Promotion Office in our Sustainability Innovation Department, employee training and other measures are conducted, and a human rights helpline has been established as part of efforts to raise human rights awareness and strengthen human rights management.

System to Promote Human Rights Awareness



Specific Initiatives

Due Diligence Framework and Activities

NTT DATA, which provides optimum services and solutions for its customers on a global basis, must not only comply with laws and regulations in each country and region but also act appropriately in compliance with international standards. Following the NTT Group's Human Rights Charter established in fiscal 2021, we have been advancing the identification, prevention, mitigation, and remediation of human rights issues on a global scale through a human rights' due diligence process, while striving to raise awareness of human rights. Based on the United Nations' Guiding Principles on Business and Human Rights, we assessed the internal situation and verified whether any human rights violations occurred through the following steps as part of our human rights' due diligence.

| Step | Details of Activities |
|--|---|
| ① Screen targets for survey | <ul style="list-style-type: none"> Select major Group companies both domestically and internationally, as well as overseas Group companies located in high-risk countries. |
| ② Implement SAQ and evaluate its result | <ul style="list-style-type: none"> Analyze the results of the Self-Assessment Questionnaire (SAQ) and the number of reported incidents. |
| ③ Create human rights risk map | <ul style="list-style-type: none"> Map human rights issues based on the axes of severity of impact and likelihood of occurrence. |
| ④ Consider and specify mitigation measures for high-risk items | <ul style="list-style-type: none"> Develop specific mitigation measures for the risks determined to be high risk. |
| ⑤ Engage in direct dialogue | <ul style="list-style-type: none"> Discuss the specific risk mitigation measures developed with each Group company. |
| ⑥ Disclose information | <ul style="list-style-type: none"> Announce the results of the human rights' due diligence efforts in the Company's sustainability report and other publications. |

In fiscal 2023, we created a human rights risk map based on responses to a self-assessment questionnaire (SAQ) consisting of risk and vulnerability assessments, which was conducted at major domestic and international Group companies, and overseas Group companies located in high-risk countries. The priority risks identified were "occupational safety and health, and an appropriate work environment," "harassment," and "accessibility issues." In fiscal 2024, we will identify the detailed situations through discussion with the organizations where issues were identified and continue to promote risk reduction measures such as establishing systems and implementing best practices from the Group. At the same time, we will begin discussions on formulating human rights due diligence policies and guidelines in line with the requirements of CSDDD*1, and actively engage in dialogue through joining external organizations such as BSR*2 and the United Nations Global Compact to enhance our human rights due diligence and discussions regarding human rights business practices.

We have also begun to closely assess minimum risk aversion content to avoid damage to the Group's reputation when making new investments. Specifically, a checklist is used to confirm that we are addressing situations where negative impacts on human rights are anticipated.

[Reference page] Non-Financial Data "Status of Human Rights Violations" and "Information on Activities Addressing Social Issues"

*1 CSDDD (Corporate Sustainability Due Diligence Directive): A directive that mandates companies of a certain size, based on criteria such as employee count and revenue, to implement due diligence for adverse impacts on human rights and the environment.

*2 BSR (Business for Social Responsibility): A sustainability consultancy with a global network of expertise in areas such as climate change, equity, inclusion, human rights issues, ecosystems, and sustainable supply chains.

Promotion of Human Rights Awareness

NTT DATA has been holding Human Rights Awareness Workplace Seminars at each workplace for Group employees in Japan since fiscal 2010. The aims of the seminars are to raise awareness and promote understanding about human rights issues through discussion. In fiscal 2023, we narrowed down the theme to "Business and Human Rights" and focused on content that enhances understanding of human rights issues in day-to-day business operations. Furthermore, with the aim of providing more targeted awareness, in fiscal 2023, we continued to conduct human rights education as part of position-based training and recruitment-related training. Given the increasing number of employees assigned to overseas posts, we conduct pre-overseas assignment training to help such employees gain a proper understanding of the religions, cultures, and customs of the countries and regions to which they have been assigned. In fiscal 2022, a total of 43 employees assigned to 13 countries participated in this training.

In addition, from September to October 2022, we held a human rights slogan contest for NTT DATA employees in Japan, partner company employees, and family members from whom we solicited slogans on the theme of human rights awareness. We awarded the outstanding slogans at an event during the UN-designated Human Rights Week. Our overseas Group companies also conduct employee education individually on human rights. As part of our business solutions, in response to the growing concerns of AI infringing on human rights, we have created educational materials on responsible AI use and distributed them to all employees. This effort aims to strengthen awareness of the crucial human rights issue of technology based on high ethical standards.

Major Initiatives on Human Rights Awareness (Japan)

| Initiative | Unit | Participation in FY2022 | Participation in FY2023 |
|---|--------------|-------------------------|-------------------------|
| Human rights awareness workplace seminars | Persons | 29,350 | 29,486 |
| Human rights awareness position-based training (human rights awareness) | Persons | 3,298 | 3,605 |
| Training for recruiters | Persons | 438 | 381 |
| Training prior to overseas assignment | Persons | 39 (15 countries) | 43 (13 countries) |
| Human rights slogan contest | Applications | 579 | 649 |

Compliance with Human Rights-Related Laws

NTT DATA rigorously adheres to laws related to human rights. For example, based on the U.K.'s Modern Slavery Act (MSA), which was passed in March 2015, NTT DATA UK complies with the MSA for all activities and investigations. We are also asking all our suppliers to comply with the MSA. We conduct procurement checks of our top suppliers on a regular basis to thoroughly implement compliance with many business-related laws and regulations, including the MSA, and surveys conducted since 2015 have confirmed compliance with the MSA. We have also investigated other suppliers, and if we find any noncompliance we swiftly point it out and take prompt action. We have also established an external and internal reporting system and conduct training as necessary. The Board of Directors conducts annual surveys on compliance. We will continue to verify compliance with human rights-related legislation as part of our human rights due diligence process.

 [Reference page] Non-Financial Data "Status of Human Rights Violations"

Governance for Procurement Sources

Regarding human rights management upstream, we are promoting the NTT DATA Group Guidelines for Sustainability in Supply Chain throughout the Company. Based on these guidelines, we inform our suppliers of the compliance requirements in areas related to sustainability, including human rights, and enhance their understanding of our initiatives.

 [Reference page] Clients' Growth "Promoting a Responsible Supply Chain"

AI Governance

To mitigate the risks of ethics and social acceptability in human rights management downstream and to realize a human-centered society where humans and AI coexist, we established the NTT DATA Group AI Guidelines in May 2019 and are advancing initiatives in AI governance.

 [Reference page] Clients' Growth "AI Governance"

Promoting Diversity, Equity & Inclusion

We aim to create a culture where diverse talent can thrive, regardless of gender, nationality, sexual orientation, disabilities, skills, or work history.

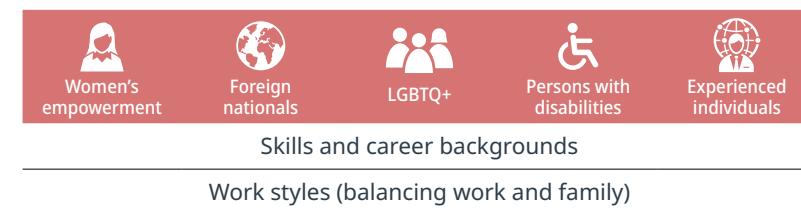
DEI Promotion Policy

Promoting and realizing DEI (Diversity, Equity & Inclusion) leads to innovation in the world and sustainable growth and the development of society. Therefore, we consider DEI to be essential for the advancement of the Company.

We will respect all people (e.g., customers, business partners, employees) and their diverse personalities, backgrounds, ideas, and values. We are also working to realize a fair society in which every employee can play an active role in society by utilizing their talents, sharing their wisdom, and cooperating with all people. We aim to create new corporate value based on the two pillars of "Diverse Human Resources" and "Work-Style Innovation" by promoting activities under the global "Diversity, Equity, and Inclusion Statement—Bloom: The Power of Diversity."

In March 2019, we signed a statement to support the objectives of the WEPs (Women's Empowerment Principles) and to act in accordance with these principles. This has facilitated global information gathering and networking, allowing us to share insights and accelerate DEI efforts worldwide. Furthermore, our DEI promotion policy is explicitly outlined in the NTT DATA Group Code of Conduct to ensure its penetration among employees.

Bloom: The Power of Diversity Concept



Promotion System

NTT DATA established the Diversity Promotion Office in 2008 under the leadership of the Chief Human Resources Officer. Since 2012, we have focused on two key issues: "promoting active participation by women" and "optimizing overall work hours through work-style innovations" to create an environment where various human resources including women can fully demonstrate their skills and continue to play an active role. Moreover, we have made continuous and Company-wide efforts to raise the awareness of employees, including managers,

through constant messages from executives regarding diversity, support for career development, and work-style innovations. While responding to changing times, NTT DATA has incorporated the concept of "equity." Since fiscal 2023, we have continued activities as the DEI Promotion Office.

Moreover, at the NTT DATA Global Conference, where leaders from around the world gather, sessions focusing on women's empowerment are regularly held, promoting DEI initiatives throughout the Company.

Specific Initiatives

Promoting the Advancement of Women's Careers

Following the enactment of Japan's Act on Promotion of Women's Participation and Advancement in the Workplace, NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), formulated an action plan to develop the workplace environments needed for the advancement of women. We are working as a united company to pursue our various goals consistently and steadily.

Targets for Advancing Women's Careers

| Plan period | April 1, 2021, to March 31, 2026 |
|----------------------|--|
| NTT DATA issues | <p>1. While there were no outstanding issues regarding gender discrimination in hiring or the state of continuous employment between men and women, we must continue working to increase job applications by female students and develop the population of female science students applying for jobs.</p> <p>2. The percentage of women in management and leadership positions is low and needs to be increased.</p> <p>3. For the further empowerment of women, we need to create an environment and culture that allow both men and women to share childcare and housework tasks equally, and to balance work and family life.</p> |
| Quantitative targets | <p>Target 1 Continue raising the percentage of female recruits to more than 30% by the end of fiscal 2025 ▶ Continuously more than 30% since 2016 (As of April 1, 2024, the ratio of new graduate female hires was 39.2%).</p> <p>Target 2 Increase the percentage of women in management positions to 15% by the end of fiscal 2025 ▶ 10.8% as of March 31, 2024</p> <p>Target 3 Increase the number of women in senior management positions (e.g., directors, heads of organizations) to 20 by the end of fiscal 2025 ▶ 18 as of July 1, 2024</p> <p>Target 4 Aim for 100% of eligible male employees to take childcare leave* by the end of fiscal 2025 ▶ 105.7% as of March 31, 2024</p> |

* Including childcare leave.

Initiatives for Advancing Women in the Workplace

- Messages from executives promoting the realization of various DEI themes are communicated to employees through internal portals and other channels
- Messages from executives are published on the official website for International Women's Day
- A discussion forum for female employees organized by a voluntary initiative "Self As We" led by female executives of the NTT Group
- Women's Initiative @NTT DATA (voluntary activities by women in senior management positions)
- Implementation of a mindset transformation training program for management
- Education for management on managing diverse talent and supporting the career development of subordinates
- Seminars for female employees focused on positive career development strategies
- Promotion of Women's Initiative (implementation of sessions on women's advancement at the NTT DATA Global Conference)
- Dashboard implementation for monitoring indicators of female employee performance
- Seminars focused on balancing work and parenting for employees on parental leave, along with tri-party meetings for employees returning to work
- Operation of a community for working mothers, expectant mothers, and female managers, facilitated by employee volunteers for information exchange
- Signed the Women's Empowerment Principles (WEPs)
- Support for the Japan Business Federation (Keidanren) initiative "Challenge to 30% by 2030"

Creating an Environment for Balancing Work with Childcare and Nursing Care

To help employees balance work with childcare and nursing care commitments, NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), have established a consultation service for childcare and nursing care, through which we provide information and advice on our systems and address questions and concerns that arise in employees' daily lives. To support nursing care, since 2011 we have enabled employees to use the remote nursing care support services provided by Sea Care (nickname for Umi wo Koeru Care no Te, a specified nonprofit organization) with the aim of offering direct support to employees with nursing care responsibilities. Every year, we hold seminars to help employees balance work and nursing care with themes that reflect their needs. As the number of employees working remotely has increased, we are improving the way we provide online formats and seminar videos so that they can be viewed at any time. We provide a wide range of information and awareness training on an ongoing basis.

 [Reference page] Non-Financial Data "Internal System Users and Working Hours"

Principal Systems

Principal Childcare Systems

- **Childcare leave**
Childcare leave can be extended until the child reaches three years of age.
The deadline for application to return to work is one month prior to the expected return.
- **Shorter working hours for childcare**
Shorter working hours for childcare are available until the child completes his or her third year of elementary school.
The application deadline for shorter working hours is two weeks prior to the start.
- **Life planning leave (accumulation of unused annual paid leave plus five days granted for every five years of continuous service)**
Available for various reasons, including childcare, nursing care, infertility treatment, and others, without restrictions on the reasons for taking the leave.
A maximum of 40 days can be accumulated.

Principal Nursing Care Systems

- **Nursing care leave**
Nursing care leave can be extended up to a maximum of 18 months.

- **Shorter working hours for nursing care**
Shorter working hours for nursing care are available for a maximum of three years separate from nursing care leave.



[Reference] Systems That Support Work Styles

<https://nttdata-recruit.com/womens/female-workstyle.html> (Japanese only)

Enabling employees to select a childcare center close to home

Since 2011, we have been operating the in-house daycare facility called "Egg Garden" so employees feel secure taking time off for maternity and paternity leave and can return to work as planned. However, considering the changing landscape of remote work and various societal factors that have reduced utilization of these facilities, in January 2023, we transitioned to a service where employees can choose childcare centers near their place of residence in partnership with corporate-led childcare centers, providing them with greater flexibility and convenience. We will continue to create an environment where employees can balance work and childcare with peace of mind, supporting their ongoing careers.

New Initiatives for Balancing Work and Life Events

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), believe that it is essential to respond to the voices of employees and their diverse needs for various work styles to enable a diverse workforce to thrive.

We have already established a system to rehire employees who had to resign due to unavoidable circumstances, such as partner relocations, within a certain period after leaving the Company. However, to further expand the options available to employees and to address a wide range of employment needs, we introduced a new leave system (accompanying leave) effective April 2024. This system allows for leave due to accompanying a partner on overseas assignments.

In response to employees expressing a desire to focus on infertility treatment, we established a leave system specifically for this purpose in July 2024. Moving forward, we will continue to develop flexible systems that can accommodate the diverse needs for various work styles, taking employee feedback into account.

Support for Continuing Careers

To help employees continue their careers while balancing work with childbirth, childcare, and nursing care commitments, NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), are enhancing their systems while increasing employee understanding and improving workplace environments to make those systems more accessible.

Other Primary Initiatives to Support Career Continuation

- Offer an environment in which employees on childcare or nursing care leave can continue to view Company information
- Offer a communication handbook that introduces childcare and nursing care leave systems to provide support for those balancing care and work
- Hold seminars that support simultaneous management of work and nursing care
- Hold seminars on balancing work and childcare commitments
- Hold three-way interviews to support career development for employees who have returned to work after childcare or nursing care leave

LGBTQ+ and Sexual Minority Initiatives

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), promote initiatives related to the LGBTQ+ community and diversity in the workplace. In addition to messages from top management, we pursue other initiatives, such as workplace seminars to enhance understanding about LGBTQ+ issues, an LGBTQ+ helpline, annual LGBTQ+ seminars, and recruiting and behavior guidelines for "allies" (straight supporters of LGBTQ+ rights), who now number more than 650 at the Company. Since fiscal 2018, we have expanded systems for employees' spouses and families in traditional households to include same-sex partners. Since 2019, we have participated in Tokyo Rainbow Pride, Japan's largest LGBTQ+ parade, as the NTT Group. We hosted a booth in addition to taking part in the parade in 2023 and 2024.



In June 2021, we established a new set of guidelines for using the LGBTQ+ ALLY logo for all Group operations worldwide. We actively promote initiatives using the common ALLY logo for events, news releases, internal use, and more across various countries.

Our initiatives to create a workplace that is conducive to LGBTQ+ and other sexual minorities have been recognized with the Gold rating in the PRIDE Index, which was developed by work with Pride, for seven consecutive years since 2017.

Initiatives Promoting the Employment and Advancement of Persons with Disabilities

NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc. (Japan), and Group companies in Japan established the NTT DATA Group Policy for the Advancement of People with Disabilities in June 2022 to promote the employment and advancement of individuals with disabilities.

To create a more accessible workplace for employees with disabilities, we established a consultation desk in April 2024.

In addition, in collaboration with our special subsidiary NTT DATA DAICHI Corporation, which was established in 2008, we are working to create various employment opportunities for employees with disabilities. Across our national offices, employees with severe disabilities are engaging in IT work utilizing remote work options.

NTT DATA Group Policy for the Advancement of People with Disabilities

Vision: Become a company where people with disabilities and those around them thrive and contribute together

[Employment rate of people with disabilities]

Aim for at least **2.5%** by April 2024 and at least **2.7%** by July 2026

NTT DATA DAICHI Primary Activities

NTT DATA DAICHI engages in various activities, including office services (answering and redirecting calls made to main switchboards, long-term storage and management of internal documents, confidential document collection and shredding, creation of employee IC cards, office cleaning, sanitizing and wiping) and IT services (maintenance and upgrades of websites for NTT DATA and customers outside the Group, web accessibility diagnostics, design services, server construction and maintenance, and data entry). It is also engaged in an agricultural cooperative project in Nasu-machi, Tochigi Prefecture.

Promoting Reemployment of Retired Workers

NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc. (Japan), and some Group companies in Japan have introduced a "Meister System" (full-time employment with a fixed monthly salary, where employees utilize their job experience, performance abilities, knowledge, and skills to independently and proactively carry out tasks, offer advice and support to juniors, and achieve specific results and performance), and the "Career Staff System" (offers routine work on an hourly basis and allows employees to choose from a variety of work styles such as full-time work, short-time work, and three- or four-day work weeks) for employees who wish to be rehired after mandatory retirement, enabling them to continue working vigorously until age 65.

In April 2021, we introduced an employment continuation system for employees who meet our requirements and wish to extend their employment after the age of 66. This allows them to continue working until the age of 70.

Life Plan Training

NTT DATA Group Corporation, NTT DATA, Inc., and Group companies in Japan offer comprehensive support for our employees' life plans. We provide support and motivation for employees to design their life plans through self-education and self-study by fully utilizing available online resources, allowing them to obtain necessary information according to their life events. We will continue offering training to help employees design life plans that include their professional aspirations.

Initiatives for Promoting the Success of Foreign and Experienced Employees

NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc. (Japan), ensure fair evaluation and appropriate treatment of employees regardless of nationality or employment category. In addition, in consideration of religious practices, we provide prayer spaces within our Head Office building upon request and offer halal and vegetarian menu options in our restaurant.



Digital Accessibility / Community Engagement

We will provide services that enable everyone to access basic needs equally, improve people's quality of life, understand the issues and needs for the development of local communities, and provide services that enrich people's lives.

Basic Policy

The systems and services that emerge from connecting people, goods, and information through information technology have the potential to improve the living conditions of individuals who have been unable to access basic needs such as healthcare, welfare, and education, as well as contribute to the revitalization of communities. NTT DATA is committed to contributing to the realization of an inclusive society where no one is left behind by creating systems and services through information technology.

With a focus on IT education, we will make donations and encourage employees to volunteer in programs that can contribute to the development of local communities.

Promotion System

NTT DATA Group Corporation, led by its Sustainability Innovation Department and Public Relations Department, collaborates with Group companies in and outside Japan, as well as NTT Group companies, to pursue social contribution activities and socially responsible business initiatives. In the process, we identify social issues through communication with NGOs/NPOs and local communities, and focus on developing next-generation IT human resources by leveraging our strengths in technology.

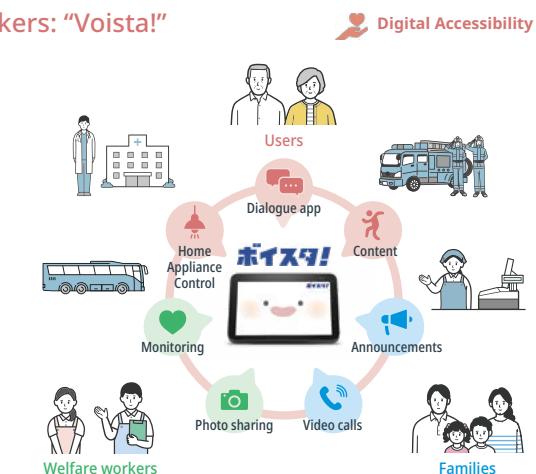
 [Reference page] Non-Financial Data "Information on Activities for Resolving Social Issues"

Specific Initiatives

Contributions through Co-Creation with Customers

A New Communication Tool for Seniors Using Smart Speakers: "Voista!"

"Voista!" is a new communication tool for seniors that utilizes the Amazon Echo Show, a screen-equipped smart speaker with Alexa provided by Amazon. It allows seniors, even those who are not tech-savvy, to use voice commands like "Call [name]" to make calls easily. We have begun implementing this service at senior facilities, home care providers, and local governments. Moving forward, NTT DATA plans to offer this service not only to businesses and municipalities but also as a platform connecting seniors with local stakeholders such as financial institutions. By building relationships between the local community and seniors that transcend job types and industries, we aim to contribute to resolving social issues related to an aging society.



Supporting Autonomous Digital Utilization for One Million People, Including Those with Disabilities

NTT DATA Brazil is implementing initiatives to ensure that diverse individuals, including those with visual impairments, can access digital products and online services. Since 2016, it has partnered with the nonprofit organization ADEVA to support vocational training and employment for visually impaired individuals. It also collaborates with clients such as Itaú Bank and the telecommunications giant VIVO to provide initiatives, testing, and consulting aimed at making digital products and services accessible to everyone. Through these efforts, it has supported the



autonomous digital utilization of more than one million end users and unlocked their economic potential, including employment opportunities. Furthermore, the company conducts workshops and training to raise awareness about the importance of digital accessibility, striving to enhance consciousness both internally and externally. NTT DATA aims to create a more inclusive and equitable society through technology.

"V-BALLER™" System for Enhancing Baseball Batting Power with VR and Sensing Technology

NTT DATA's "V-BALLER™" batting training system leverages head-mounted displays and various sensors to analyze and improve a batter's swing tendencies and habits. This system allows players to experience realistic pitching (pitch type and speed) from actual pitchers within a VR environment, enabling effective practice without the constraints of location or time. In the Oki Islands of Shimane Prefecture, where geographical challenges limit skill development opportunities, "V-BALLER" is being provided to local children. This initiative also addresses the social issue of young athletes leaving the islands due to limited access to training partners and competitive environments.

 V-BALLER™
<https://v-baller.com/> (Japanese only)

Contributing to the Eradication of Illegal Wildlife Trade in India with "HAWK"

NTT DATA, Inc., is collaborating with the Wildlife Trust of India to combat illegal wildlife trade in Kerala and Karnataka in India using the real-time intelligence management system HAWK (Hostile Activity Watch Kernel), developed in partnership with the organization. This system focuses on countering criminal networks that target high-value products like ivory and tiger skins. By monitoring wildlife carcasses, identifying illegal activities, and consolidating related incident data, HAWK provides advanced digital tracking and analytical capabilities, enabling proactive and effective measures against wildlife crime.



 Community Engagement



 Community Engagement

NTT DATA's Initiatives

NTT DATA supports the improvement of IT skills and IT literacy of children and NPOs/NGOs by encouraging employees to volunteer in programs that utilize the expertise of employees and financial and technical support in the IT field, which is our strength, for programs that can create impact in solving a wide range of social challenges related to the environment, health , poverty, gender, and so forth.

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

Development of Next-Generation IT Personnel

To promote the development of next-generation IT talent, NTT DATA provides a variety of IT educational opportunities globally, ranging from preschool and elementary school to high school and university levels. In Japan, we host programming experience workshops called "NTT DATA Academia" across the country for preschool and elementary school students, teaching them programming and the fundamentals of IT. For junior high school students, we offer free teaching materials for information technology classes, sponsor the Information Olympiad, and focus on STEAM (Science, Technology, Engineering, Arts, and Mathematics) education for female students.

Globally, we provide next-generation IT talent education programs developed against the backdrop of the social challenges faced by each region.



Support for NPOs and NGOs

NTT DATA is committed to the "NPTech Initiative," which focuses on supporting NPOs and NGOs working to address social issues through IT education. In collaboration with the Japan NPO Center, Dell Technologies, Intel, TIS, and Itochu Techno-Solutions have joined our initiative, conducting seminars to promote IT utilization within NPOs. Through these efforts, we aim not only to support NPOs and NGOs but also to enhance our own organization's awareness and understanding of social issues, thereby fostering the development of socially impactful business initiatives.



Activity Results

As a global corporate group, NTT DATA engages in a variety of activities to help build better societies in regions around the world.

Cost of Contribution Activities and Number of Participants by Fiscal Year

| By Region | FY2021 | | | FY2022 | | | FY2023*1 | | |
|---------------------------|--------------------------------------|--|--|--------------------------------------|--|--|--|--|--|
| | Donation Amount (Millions of yen) | Social Contribution-Related Expenses (Millions of yen) | Number of Social Contribution Participants (Persons) | Donation Amount (Millions of yen) | Social Contribution-Related Expenses (Millions of yen) | Number of Social Contribution Participants (Persons) | Donation Amount*2 (Millions of yen) | Social Contribution-Related Expenses*2 (Millions of yen) | Number of Social Contribution Participants (Persons) |
| Japan | 370.68 | 18.05 | 1,121 (including APAC region) | 204.74 | 16.13 | 7,401 (including APAC region) | 250.81 | 7.53 | 6,858 |
| North America | 218.69 | — | 803 | 341.43 | — | 479 | 6.58 | 1.87 | 3,656 |
| Central and South America | — | — | — | — | — | — | 6.26 | 244.51 | 603 |
| Europe | 301.51 | — | 2,008 | 164.38 | — | 5,134 | 418.28 | 154.23 | 26,258 |
| APAC region | 5.27 | — | — | 0.11 | — | — | 189.57 | 6.92 | 9,892 |
| Total by Region | 896.15 | 18.05 | 3,932 | 710.66 | 16.13 | 13,014 | 871.5 | 415.06 | 47,267 |

| By Unit | FY2021 | | | FY2022 | | | FY2023*2 | | |
|------------------|--------------------------------------|--|--|--------------------------------------|--|--|--|--|--|
| | Donation Amount (Millions of yen) | Social Contribution-Related Expenses (Millions of yen) | Number of Social Contribution Participants (Persons) | Donation Amount (Millions of yen) | Social Contribution-Related Expenses (Millions of yen) | Number of Social Contribution Participants (Persons) | Donation Amount*2 (Millions of yen) | Social Contribution-Related Expenses (Millions of yen) | Number of Social Contribution Participants (Persons) |
| Regional Units*3 | — | — | — | — | — | — | 303.56 | 394.76 | 15,484 |
| Global Units*4 | — | — | — | — | — | — | 317.13 | 12.76 | 24,925 |
| Total by Unit | — | — | — | — | — | — | 620.69 | 407.52 | 40,409 |

*1 From fiscal 2023, the scope of regional aggregation has been refined, and costs related to social contribution activities are aggregated globally.

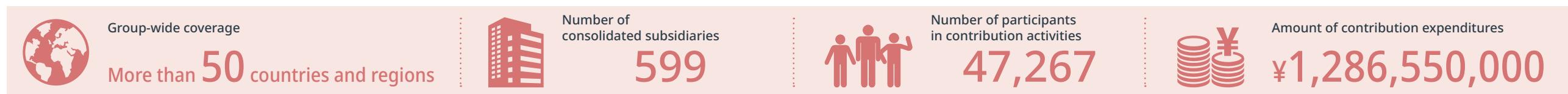
*2 Currency conversion to yen is based on NTT DATA's full-year exchange rate for fiscal 2023.

*3 NTT DATA, Inc., and NTT Ltd. have restructured their operations into three distinct Regional Units: EMEA, APAC, and North America. This integrated structure allows unified offerings on a regional basis to enhance customer engagement (EMEA includes Europe, the Middle East, Africa, and Latin America).

*4 The Global Units provide services through NTT DATA Business Solutions AG and NTT Ltd., enhancing the ability to deliver standardized global services (such as data centers and networks) by leveraging economies of scale. For further details, please refer to the press release below.

 NTT DATA, Inc. Unveils New Global Operating Model and Executive Leadership for 2024

<https://www.nttdata.com/global/en/news/press-release/2023/october/ntt-data-inc-unveils-new-global-operating-model-and-executive-leadership-for-2024>



Corporate Governance



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Basic Policies and Promotion System

Basic Policy

The NTT DATA Group aims to establish a business structure that produces stable profits through continuous growth by carrying out the mission to accelerate client success and positively impact society through responsible innovation, and by forecasting future trends to swiftly and accurately respond to the changing market environment, client needs, and cutting-edge technology trends.

Initiatives to Strengthen Governance

The NTT DATA Group transitioned to a holding company structure in July 2023. As a result, NTT DATA will be responsible for the operation and control of Group management, whereas NTT DATA Japan, which is a domestic operating company, and NTT DATA, Inc., which is an international operating company, operate autonomously. In this way, we are able to achieve both flexible operations and appropriate control. In addition, 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: improve transparency and soundness in business management, achieve appropriate and swift decision-making and business execution, and thoroughly implement compliance.

 Please refer to the Annual Securities Report for details on the three policies for strengthening corporate governance.
<https://www.nttdata.com/global/ja/investors/library/asr/> (Japanese only)

Basic Policy on Group Governance

In NTT DATA, each operating company within the Group promotes its businesses independently. At the same time, to enable integrated business operations across the Group as a whole, we are appropriately delegating authority at each company, developing global standard processes to control this, and building a supervisory function that is independent of business execution.

① Appropriate Delegation of Authority

Authority is delegated to NTT DATA Corporation and NTT DATA, Inc., to facilitate flexible business operation, whereas NTT DATA Group Corporation maintains authority for the overall strategies, business plans, and officer appointments of the operating companies.

② Global Process Standardization

NTT DATA Group Corporation, NTT DATA Corporation, and NTT DATA, Inc., employ standardized management processes that are consistent across global operations. The roles and responsibilities of companies are clearly defined, and frameworks are developed to support flexible operational execution while enabling efficient oversight and control via monitoring and audits.

③ Supervisory Functions That Are Independent from Executive Functions

NTT DATA Group Corporation dispatches internal and external officers to fill positions at the boards of directors and other bodies of NTT DATA Corporation and NTT DATA, Inc., to develop a governance system overseen by the Company.

Corporate Governance System

NTT DATA believes that having Audit and Supervisory Committee Members who have auditing and supervisory duties and hold voting rights on the Board of Directors and an Audit and Supervisory Committee, where a majority of the members are Outside Directors, further strengthens the Board of Directors' supervisory functions and corporate governance, therefore the "Company with an Audit and Supervisory Committee" structure has been adopted.

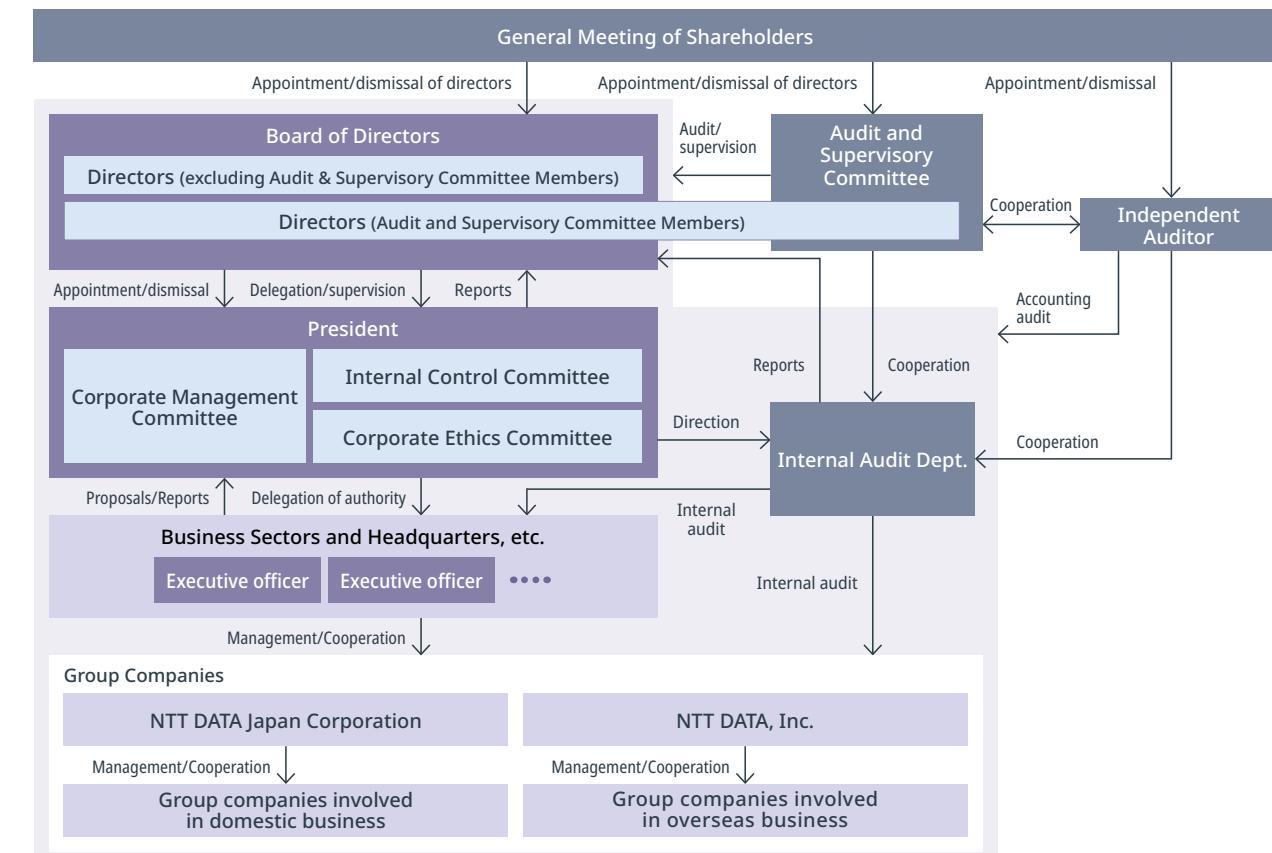
By appointing outside directors, NTT DATA is strengthening its functions to ensure the fairness of its business supervision.

We expect that the current seven outside directors will incorporate management opinions from broad perspectives that draw on their respective experience.

Outside directors who are not Audit and Supervisory Committee Members will receive reports on audit plans and audit results from the Audit and Supervisory Committee and the Internal Audit Department and provide opinions as necessary to cooperate with the Audit and Supervisory Committee and Internal Audit Department and supervise business operations.



Corporate Governance Systems



Summary of Meetings

| | |
|--|--|
| Board of Directors Number of meetings held in fiscal 2023: 18 | <ul style="list-style-type: none"> Consists of 13 directors, including seven independent outside directors (three of whom are women and one of whom is a foreign national) Meets once a month in principle and otherwise as necessary to make decisions and supervise important management matters, other matters as required by law, and to discuss strategic management issues |
| Audit and Supervisory Committee Number of meetings held in fiscal 2023: 25 | <ul style="list-style-type: none"> Consists of four directors from outside NTT DATA (including two women) Meets once a month in principle to make decisions on audit policies, plans, methods, and other important audit-related matters Each member attends meetings of the Board of Directors and other important meetings to communicate with executive directors and outside directors and audit the status of business execution as appropriate. (A dedicated organization called the Audit and Supervisory Committee Office has been established to support these efforts.) The Committee expresses opinions on such matters as appointment, dismissal, or resignation, as well as compensation and other matters, related to directors who are not Audit and Supervisory Committee Members. |
| Corporate Management Committee Number of meetings held in fiscal 2023: 35 | <ul style="list-style-type: none"> Consists of the President, Vice-President, and Managing Executive Officer, and the heads of other relevant key organizations Meets once a week in principle to make smooth and prompt decisions and supervise Group business operations One director who is an Audit and Supervisory Committee Member participates in these meetings to increase the transparency of decision-making. |
| Internal Control Committee | <ul style="list-style-type: none"> Works to establish the Group internal control system and to promote risk management; consists of the heads of relevant corporate organizations and the executive officers in charge of risk management at Group companies in Japan and overseas, and is chaired by the Executive Officer in charge of Corporate Affairs; and reports the results to the Board of Directors (meets four times a year in principle) |
| Corporate Ethics Committee | <ul style="list-style-type: none"> Consists of the heads of organizations related to corporate ethics and the executive officers in charge of risk management at Group companies in Japan and overseas and is chaired by the executive officer in charge of corporate control with the aim of fostering a corporate culture of compliance with laws, regulations, corporate ethics, and the like, and reports to the Board of Directors on the status of compliance with corporate ethics (meets twice a year in principle) |

 [Reference page] Non-Financial Data "Status of the Board of Directors, Audit and Supervisory Committee, Independent Officers, and Executive Compensation"

Board of Directors

Independence of the Board of Directors

Although NTT DATA does not have uniform criteria or policies regarding the independence of outside directors from NTT DATA, NTT DATA appoints independent directors who meet the criteria set by the Tokyo Stock Exchange, including those who have management experience at other companies, and the majority of the Board of Directors is independent outside directors. When appointing outside directors designated by NTT DATA as independent directors/auditors, NTT DATA makes judgments based on its own standards in addition to the independence standards set by the Tokyo Stock Exchange.

 [Reference page] Non-Financial Data "Number of Directors"

Independence Standards and Qualification

A person who does not fall under any of the following items for the three most recent financial years:

- ① A business executor of NTT DATA's business partner with a trading amount exceeding the standards set forth by NTT DATA*¹;
- ② A business executor of NTT DATA's lender with an amount of lending 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 and its major subsidiaries*³ any money or other property profit that is worth ¥10 million or more per year other than executive remuneration in any year of the three most recent financial years; or
- ④ A business executor of an organization that has received contributions exceeding NTT DATA's set standards*⁴

Even if a person falls under any of the conditions as stipulated in ① to ④ 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 director.

*¹ A business partner whose trading amount with NTT DATA and its major subsidiaries is 2% of NTT DATA and its major subsidiaries' non-consolidated annual sales or larger in any financial year out of the three most recent financial years.

*² A lender who lends to NTT DATA and its major subsidiaries 2% or a larger percentage of NTT DATA and its major subsidiaries' total assets in any financial year out of the three most recent financial years.

*³ Major subsidiaries refer to NTT DATA Corporation and NTT DATA, Inc.

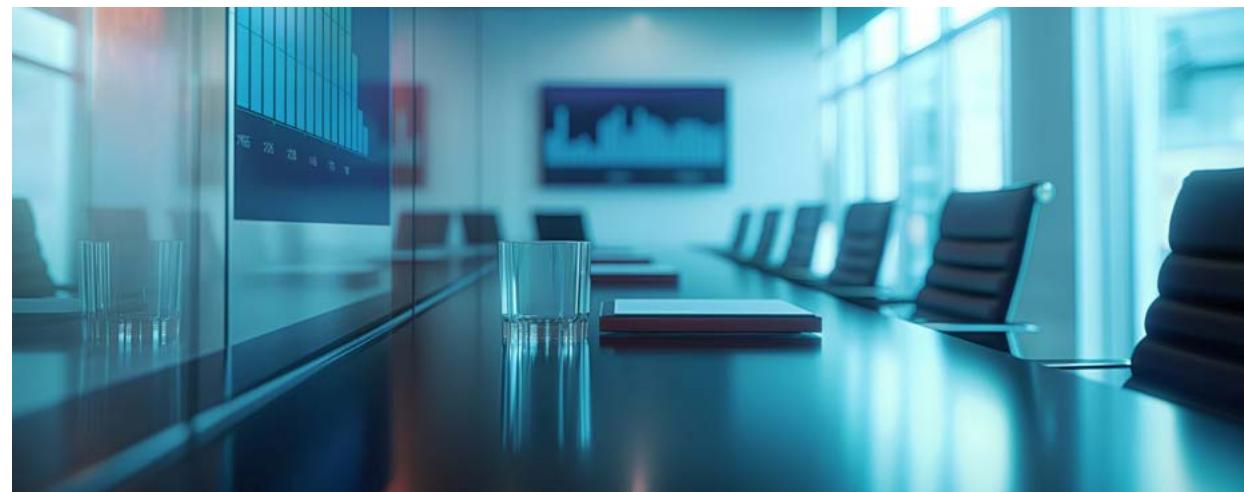
*⁴ An organization that has received contributions exceeding the standards set by NTT DATA refers to an organization that has received contributions from NTT DATA and its major subsidiaries*³ that exceed ¥10 million per year or 2% of the total annual revenue of such organization, whichever is larger in amount, in any financial year out of the three most recent financial years.

Board Diversity

To diversify the Board of Directors, NTT DATA has appointed foreign national directors and outside directors. At the 36th Ordinary General Meeting of Shareholders held in June 2024, three female directors and one foreign national were approved, reflecting our emphasis on diversity with respect to nationality and gender. Our aim is to increase the number of women in senior management positions (e.g., directors, heads of organizations) to at least 15 by the end of fiscal 2025. We are also diversifying the management decision-making processes in the Corporate Management Committee and other organizations, with the addition of female heads of organizations and foreign officers.

Incorporating Diverse Perspectives into Management

NTT DATA continues to strengthen functions that oversee fairness in business execution by inviting directors from outside NTT DATA. As of June 2024, we had seven outside directors (four of whom are also Audit and Supervisory Committee Members). In appointing outside officers, NTT DATA provides selection criteria that anticipate that they will bring to management opinions from broad perspectives that draw on their respective experience. We have six outside directors registered as independent directors/auditors who meet the requirements of Tokyo Stock Exchange regulations, as well as our own in-house requirements. In 2012, moreover, we established an Advisory Board for the purpose of receiving advice from experts outside NTT DATA. Since then, we have used the board to broaden management's multifaceted perspectives and promote growth and sound business operations.



The Board of Directors (Skill Matrix)

The size of the Board of Directors is commensurate with the nature of NTT DATA's business and considers a balance of expertise and other aspects of diversity including factors such as gender, age, work experience, race, ethnicity, and cultural background.

| Name | Corporate Management | International Perspective | Sales/Marketing, Consulting | Development R&D | Business Management | Finance/Accounting | Legal/Government Affairs | (Reference) Business Fields Where Specialization Can Be Leveraged (only business executors) |
|-------------------|----------------------|---------------------------|-----------------------------|-----------------|---------------------|--------------------|--------------------------|---|
| Yutaka Sasaki | ● | | ● | ● | ● | | | Enterprise field |
| Kazuhiko Nakayama | | ● | | | ● | ● | | Corporate |
| Tadaoki Nishimura | | | ● | ● | ● | | | Public field |
| Mariko Fujii | | ● | | | | | ● | — |
| Patrizio Mapelli | ● | ● | ● | | ● | | | — |
| Fumihiko Ike | ● | ● | ● | | ● | | | — |
| Shigenao Ishiguro | ● | ● | | ● | ● | | | — |
| Tomoko Hoshi | | ● | | | | ● | | — |
| Nobuyuki Tainaka | | | | | ● | | ● | — |
| Eiichi Sakamoto | ● | | ● | | ● | | | — |
| Mitsuko Inamasu | | | | | | | ● | — |

Notes: 1. The seven areas of expertise that the NTT DATA Board of Directors must possess are defined as Corporate Management, International Perspective, Sales/Marketing Consulting, Development/R&D, Business Management, Finance/Accounting, and Legal/Government Affairs.

2. Business management includes a sustainability perspective.

3. ● denotes up to four main skills for each person

Initiatives for Active Discussions at the Board of Directors

Board of Directors Agenda Items

The implemented items at the Board of Directors and the details of implementation in fiscal 2023 are as follows.

- Decided on matters stipulated in the Regulations of the Board of Directors, including matters stipulated by laws and regulations, and important matters related to corporate management and Group management, such as management strategies and investments.
- Supervised the execution of duties by directors by receiving periodic reports on the status of the execution of duties from directors.
- Implemented initiatives to hold discussions both in and outside the Board of Directors with the aim of strengthening discussions on strategic management matters. (In fiscal 2023, active discussions were held on a variety of issues, focusing on the transition to a holding company structure, overseas business structure reform, and important management strategies.)

Major Agenda Items

| Type | Details |
|-------------------------|--|
| Resolutions and Reports | <ul style="list-style-type: none"> Matters related to the transition to a holding company system Overseas business structure reform Matters related to equity investment and investment Matters related to cross-shareholdings <ul style="list-style-type: none"> Results of internal control initiatives and plans for next fiscal year Results of internal audits and plans for next fiscal year Monitoring of key projects Reports on IR activities/investor opinions, analysis of votes at the General Meeting of Shareholders |
| Deliberations | <ul style="list-style-type: none"> Matters related to the transition to a holding company system Investment and financial strategies pertaining to the IT services market Technology strategies M&A strategies <ul style="list-style-type: none"> Data center business strategies Human resources strategies Sustainability strategies Global governance IT service market trends Evaluation of effectiveness of the Board of Directors |

Initiatives for Active Discussion

Ensuring sufficient time for discussion

- Set important themes such as management strategies that should be addressed mainly by the Board of Directors.
- Develop plans for the annual schedule of the Board of Directors and rough agenda items in advance.
- Delegation of authority related to business operations to each Director and Executive Officer.
- By narrowing down the number of proposals, the Board of Directors will discuss mainly matters that will have a significant impact on NTT DATA's management.

Provision of information and support to outside directors

- Explain the content of important proposals to outside directors before each Board of Directors meeting and resolve any questions.
- During Board of Directors deliberations, directors responsible for the implementation of each proposal provide supplementary explanations on important points and their strategic significance.
- Enhance detailed explanations to outside directors on the business environment, business status, etc.

Training of directors

Directors are appointed from those who have broad knowledge about business, financial affairs, and organizations, etc., and they are trained if necessary. After taking office, the training program targeted at directors and auditors continues with a wide range of training sessions on market trends and economic and social issues at home and abroad. We provide opportunities for outside directors to deepen their understanding of the business environment and business conditions by providing detailed explanations, visiting various facilities, holding seminars for lawyers, and exchanging opinions with members of the executive team.



Please refer to the NTT DATA Integrated Report 2024 for details.
<https://www.nttdata.com/global/en/investors/library/ar/>

Evaluation of Effectiveness of the Board of Directors

With the purpose of enhancing the functions of the Board of Directors and subsequently corporate value, the Board of Directors has been implementing self-evaluation and analyses of its effectiveness of the Board of Directors since fiscal 2016. In fiscal 2023, NTT DATA conducted a survey of all directors (including Audit and Supervisory Committee Members). Based on an analysis of the results of the survey conducted by an external organization, NTT DATA also conducted individual interviews with outside directors and foreign directors to further deepen their analysis, discussion, and evaluation based on advice from multiple external organizations. The evaluation results are then reported to the Board of Directors, where the results are verified and discussed to explore policies for further improvement.

Effectiveness Measurement Results and Response

| Issues Identified in FY2023 Evaluation and Response Measures | |
|--|--|
| Issues | Response Measures |
| ► Reinforcement of monitoring under holding company system | With the aim of implementing appropriate monitoring in the holding company system from July 2023, we have developed a process that facilitates the sharing of information and escalation decisions and revised the operation as necessary after the transition. |
| ► Enhancement of understanding regarding overseas business | Progress reports and discussions on the new operating model launched in April 2024 were held several times. In addition, opportunities for input on market trends, including competition, were expanded, and opportunities for exchanges of opinions involving NTT DATA's foreign-national directors and managers of overseas operating companies were expanded to deepen understanding of our international operations. |
| ► Expansion of strategic discussion regarding critical themes and points | We worked to strengthen strategic discussions by formulating and implementing annual plans so that critical strategic discussions could be held on an ongoing basis and by holding multiple discussions on particularly important themes. |



Noteworthy Opinions from Outside Directors

- It is necessary to further clarify the functions as a holding company, strengthen the structure of group governance under the holding company system, and promote the transfer of authority to ensure business mobility.
- It is necessary for the Board of Directors of the holding company to continue to systematically discuss high-priority themes concerning management strategies and management plans and strengthen the cycle to appropriately monitor the situation.
- In particular, it is necessary to share information on the management status and market trends of overseas businesses, which account for a majority of sales, and to improve the quality of strategy discussions.

Issues for FY2024 and Current Response Measures

- Improve group governance under the holding company system
- Further strengthen discussion of management issues and strategies under the holding company system
- Accurate information sharing on market trends and the status of international businesses, and strengthening discussions of international strategies

(Current Response Measures)

In addition to formulating an annual schedule that focuses on management issues, including overseas operations, NTT DATA is continuously reviewing governance rules and ways of communicating and sharing information among directors and executive officers, including meetings.

Appointment and Dismissal of Directors and Senior Management

Policies and Procedures for Appointment and Dismissal of Directors and Senior Management

The size of the Board of Directors is commensurate with the nature of NTT DATA's business and considers a balance* of desired expertise and diversity, including factors such as gender, age, work experience, race, ethnicity, and cultural background.

To strengthen the supervision of business execution, NTT DATA appoints and nominates personnel who do not have any possibility of causing a conflict of interest with the general shareholders as independent directors, including those who have management experience at other companies. Independent directors are to be appointed in numbers such that they constitute the majority of the Board of Directors.

* "The Board of Directors (Skill Matrix)" defines the desired fields of specialization and their balance on the Board of Directors.

 [Reference page] The Board of Directors (Skill Matrix)



| | |
|---|---|
| Number of members and term | Directors who are not Audit and Supervisory Committee Members: up to 11 people/1 year Directors who are Audit and Supervisory Committee Members: up to 4 people/2 years |
| Nomination policy for candidates for Director who are not Audit and Supervisory Committee Members | To improve the corporate value of the entire NTT DATA Group, candidates for director who are not Audit and Supervisory Committee Members shall be appointed from human resources who have broad perspectives and experience that can contribute to Group-wide development, excel in management ability and leadership, and have a good sense of business management and passion. |
| Nomination policy for candidates for Director who are Audit and Supervisory Committee Members | The candidates for director who are Audit and Supervisory Committee Members are to be appointed from human resources that NTT DATA can expect to conduct audits and supervision based on his/her viewpoint of specialized experience and knowledge. To ensure impartiality in audits and supervision of the business execution of directors who are not Audit and Supervisory Committee Members, NTT DATA appoints outside directors to represent a majority of directors who are Audit and Supervisory Committee Members in accordance with the Companies Act. |
| Procedure for appointment | For appointing candidates for director, the proposed management structure of the entire NTT DATA Group is first explained to independent outside directors, directors who are Audit and Supervisory Committee Members, and the parent company, and after obtaining appropriate advice from them, the Board of Directors adopts the resolution, and then the proposal will be submitted to a shareholders' meeting. For appointing candidates for director who are not Audit and Supervisory Committee Members, we appropriately have the Audit and Supervisory Committee exercise the right to state its opinions on the nomination of candidates, while candidates for director who are Audit and Supervisory Committee Members are appointed based on the deliberations and consent of the Audit and Supervisory Committee, a majority of which are outside directors who are Audit and Supervisory Committee Members. |
| Procedures for dismissing senior management | If a management executive is found not to perform his or her role well, the reason of the dismissal is explained in advance to independent outside directors, directors who are Audit and Supervisory Committee Members, and the parent company prior to the Board of Directors. After obtaining appropriate advice from them, the Board of Directors adopts the resolution, and then the proposal will be submitted to a shareholders' meeting. Besides the above, we appropriately have the Audit and Supervisory Committee exercise the right to state its opinions on the nomination. |
| Number of concurrent positions | Directors allocate the time and labor required to appropriately perform their roles and duties, and therefore the number of their concurrent posts shall be within a reasonable range. (The status of directors who concurrently serve as officers of different listed companies is disclosed in business reports and in reference documents for the Ordinary General Meeting of Shareholders.) |

Director Remuneration

Policy for Determining Director Remuneration

To ensure objectivity and transparency, the remuneration policies for the directors who are not Audit and Supervisory Committee Members and the composition and level of remuneration are determined by the Board of Directors, comprising 13 members, including a majority of 7 independent outside directors, within the scope of the amount resolved at the General Meeting of Shareholders, after explaining the policies for determining remuneration to the parent company, the independent outside directors, and the directors who are Audit and Supervisory Committee Members, and obtaining appropriate advice on May 11, 2023. The amount of individual compensation is determined by Yo Honma, President and Representative Director (as of the disclosed date of the report, Hiroshi Sasaki, President and Representative Director), who is entrusted by the Board of Directors. NTT DATA has delegated this authority to the President and Representative Director because it believes that appropriate decisions can be made while giving an overview of NTT DATA's overall business performance. In addition, to ensure the appropriate exercise of such authority, NTT DATA has taken measures to exercise such authority while respecting the opinions of outside directors and the right to state opinions on the Audit and Supervisory Committee's remuneration.

Compensation Structure

The compensation structure and compensation breakdown ratios for each director are as follows.

| | | Performance-Linked Compensation | | |
|---|----------|---------------------------------|------------|---------------------|
| | | Fixed Remuneration | Short Term | Medium to Long Term |
| Directors Who Are Not Audit and Supervisory Committee Members | Internal | ●(50%) | ●(30%) | ●(20%) |
| | Outside | ●(100%) | — | — |
| Directors Who Are Audit and Supervisory Committee Members | | ●(100%) | — | — |

Fixed Remuneration: Medium- to long-term monthly fixed compensation determined in accordance with degree of responsibility and extent of role of the position of given director

Performance-Linked Compensation (Short Term): Bonuses determined in consideration of the Company's performance during the relevant period and paid in June of each year

Performance-Linked Compensation (Medium to Long Term): Stock compensation and stock purchased via officers' shareholding association

With regard to stock compensation, in the event of serious misconduct or a violation by a director, or in the event of a director entering into an employment agreement or a delegation agreement with another company in the same industry without the approval of NTT DATA, a clawback provision has been established that allows for the forfeiture or confiscation (malus clause) of the right to receive NTT DATA's shares and for a demand to return money equivalent to the value of the shares granted.

Performance Indicators for Bonuses

Financial targets set out in the medium-term management plan are set as performance indicators and evaluated based on the year-on-year improvement and the achievement level of the plan. Bonuses are calculated by converting the payment rates using the predetermined method for each performance indicator, weighting them based on the evaluation weights specified in the table below, and multiplying them by the standard amount of bonuses for each position.

| Category | KPIs | Evaluation Weight | Evaluation Method |
|---------------------------|---|-------------------|--------------------------|
| Financial indicators | EBITDA | 25% | Year-on-year improvement |
| | Operating income | 10% | |
| Sustainability indicators | Employee engagement rate | 3.75% | |
| Category | KPIs | Evaluation Weight | Evaluation Method |
| Financial indicators | EBITDA | 25% | Target achievement |
| | Operating income | 10% | |
| | Overseas operating margin | 10% | |
| | ROIC | 2.5% | |
| | Capital investment (data centers) | 2.5% | |
| | Greenhouse gas emissions | 7.5% | |
| Sustainability indicators | Appointment rate of new female managers | 3.75% | |

[Reference page] Non-Financial Data "Status of the Board of Directors, Audit and Supervisory Committee, Independent Officers, and Executive Compensation"

Total Remuneration for Directors and Remuneration Ratio to Employees

Total Amount of Remuneration, etc., for Directors in FY2023*¹

| Position | Number of Persons | Total Amount of Remuneration | Fixed | Short Term | (Millions of yen) | |
|---|-------------------|------------------------------|----------------------|---|------------------------------------|--|
| | | | Monthly Remuneration | Performance-Linked Remuneration (Bonus) | Remuneration for Stock Acquisition | Performance-Linked Compensation* ⁴ (Stock Compensation) |
| Directors Who Are Not Audit and Supervisory Committee Members* ² | 11 persons | 325 | 192 | 92 | 14 | 26 |
| Directors Who Are Audit and Supervisory Committee Members* ³ | 5 persons | 122 | 122 | — | — | — |
| Total | 16 persons | 447 | 315 | 92 | 14 | 26 |

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

*2 At the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021, the following limits were set for annual compensation paid to directors who are not Audit and Supervisory Committee Members: 1. Monetary remuneration: ¥460 million (including a ¥50 million limit for compensation paid to outside directors) 2. Amounts paid to directors for contributions to purchase stock via officers' shareholding association: ¥30 million 3. Contributions to performance-linked stock compensation system: ¥90 million However, it was resolved at the 34th Ordinary General Meeting of Shareholders held on June 16, 2022, that the limit for monetary compensation paid to outside directors would be changed to ¥80 million.

*3 For the remuneration of the four directors who are Audit and Supervisory Committee Members, the 32nd Ordinary General Meeting of Shareholders, held on June 17, 2020, resolved to limit the directors' remuneration within ¥150 million per annum. As of the conclusion of the 32nd Ordinary General Meeting of Shareholders, the number of directors who are Audit and Supervisory Committee Members was four.

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

Total Remuneration for Persons Whose Total Remuneration is ¥100 Million or More (Fiscal 2023)

| Classification | Total Remuneration | Fixed | Short Term | Medium to Long Term | |
|------------------------------------|--------------------|--------------|---|------------------------------------|--|
| | | Paid Monthly | Performance-Linked Compensation (Bonus) | Compensation for Share Acquisition | Performance-Linked Compensation (Stock Compensation) |
| Yo Honma (Representative Director) | 101 | 44 | 39 | 6 | 11 |

Director-Employee Remuneration Ratio (Fiscal 2023)

The ratio of remuneration per director to that per employee was 3.3:1. The ratio of remuneration per President and Representative Director to that per employee was 11.2:1.

[Reference page] Non-Financial Data "Status of the Board of Directors, Audit and Supervisory Committee, Independent Officers, and Executive Compensation"



Measures Concerning Shareholders and Other Interested Parties

Protection of Minority Interests

As the basic policy for the relationship between the NTT DATA Group and its parent company, the NTT DATA Group strives to cooperate with the parent company while fully respecting each other's mutual independence and autonomy and carries out any trading with the parent company properly in accordance with laws and regulations. In the case of when NTT DATA Group conducts a business transaction with these companies, the transaction conditions and determination methods are the same as those of other business partners.

NTT DATA makes decisions on important contracts with the parent company after conducting a legal examination by the Legal Department and obtaining opinions from outside lawyers as necessary. Furthermore, depending on their importance, contracts may require approval by the Board of Directors to ensure that decisions are made independently of the parent company. At present, the Company's Board of Directors consists of a majority of six independent outside directors out of a total of 11 directors.

Measures to Vitalize the General Shareholders Meetings

Measures to vitalize the General Shareholders Meetings and ensure the smooth exercise of voting rights are as follows:

| Content of Measures | Supplementary Explanations |
|--|--|
| Early Notification of General Shareholders Meeting | The notices calling for the shareholders' meeting held in June 2024 were dispatched earlier than the date fixed by law by three business days. |
| Scheduling of the General Shareholders Meeting during Non-Peak Days | NTT DATA has set the shareholders' meeting avoiding the date on which other companies' meetings are concentrated to ensure that as many shareholders as possible can attend its meeting. |
| Electronic Exercise of Voting Rights | NTT DATA has created a website for the execution of voting rights at the website of a manager of a shareholders' list so that it can accept the execution until 6 p.m. on the day before the day of the shareholders' meeting. |
| Participation in Electronic Voting Platform and Other Measures to Enhance the Environment for the Exercise of Voting Rights by Institutional Investors | Voting rights can be executed through the ICJ platform targeted at institutional investors that is operated by Investor Communications Japan (ICJ). Starting from the ordinary general meeting of shareholders held in June 2018, investors can execute the voting rights by using smartphones or other devices. |
| Providing the Convocation Notice in English | NTT DATA prepares an English version of the convocation notice and uploads that on NTT DATA's website at the same time as the Japanese version. |
| Other | The notice calling for a shareholders' meeting is digitized and uploaded on NTT DATA's website seven business days before the dispatch of such notice. By doing so, we ensure that shareholders have sufficient time to consider the proposals. The notice of resolution is also uploaded on NTT DATA's website. |

Conflicts of Interest by Directors

With respect to transactions involving a conflict of interest stipulated in the Companies Act, including direct transactions between NTT DATA and its own individual officers and transactions between NTT DATA and other organizations or companies represented by directors of NTT DATA, it stipulates that prior approval is necessary in accordance with its "Regulations of the Board of Directors." Such approval from the Board of Directors is first examined by the Legal Department and then reviewed for appropriateness and economic practicality, including whether the said transaction is in compliance with the general trade terms. After obtaining such approval, the status of the said transaction is regularly reported to the Board of Directors.

Transactions between NTT DATA and the parent companies undergo prior examination and are then approved by the Legal Department in accordance with the Authority Rules based on opinions of third-party specialists, if necessary, while the practicality and appropriateness of the transactions are being investigated.

Cross-Shareholdings

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

NTT DATA assesses the meaningfulness of cross-shareholding for each share comprehensively every year from the viewpoint of whether benefits and risks from holding the shares are commensurate with capital costs and the purpose of holding these shares is in line with the maintenance of the medium- to long-term relationships, expansion of trading volume, creation of synergies, and so forth. We try to reduce shares that we consider are inappropriate and report the results to the Board of Directors.

As a result, the total amount of cross-shareholdings on the balance sheet as of the end of March 2024 totaled ¥84.4 billion*1, and the ratio of cross-shareholdings to consolidated net assets was 3.0%*2. If it proves to be inadequate to hold the shares due to changes in the situation, NTT DATA will keep taking measures including reducing the number of those shares.

*1 Total amount owned by NTT DATA Group Corporation and NTT DATA Japan Corporation

*2 Ratio of the total amount held by NTT DATA Group Corporation and NTT DATA Japan Corporation to the consolidated net assets

On July 10, 2024, NTT DATA Japan Corporation, one of our subsidiaries, sold all of its 8.65 million shares of Recruit Holdings Co., Ltd., for approximately ¥79.2 billion.

Based on this sale, the ratio of cross-shareholdings to the consolidated net asset value as of the end of March 2024 is estimated to be 0.9%*³.

Details are provided in the securities report.

*3 Total amount of Recruit Holdings Co., Ltd., shares on the balance sheet as of March 31, 2024: approximately ¥58.0 billion

 IR Information
<https://www.nttdata.com/global/en/investors/>

Principal Shareholders

The status of our efforts to invigorate the General Meeting of Shareholders and to facilitate the exercise of voting rights is as follows.

| Name | Number of Shares Held | Ratio of Shareholding (%) |
|--|-----------------------|---------------------------|
| NIPPON TELEGRAPH AND TELEPHONE CORPORATION | 809,677,800 | 57.73 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 164,437,700 | 11.72 |
| Custody Bank of Japan, Ltd. (Trust Account) | 88,238,818 | 6.29 |
| HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES | 15,565,812 | 1.11 |
| NTT DATA Employee Share-Holding Association | 14,427,100 | 1.03 |
| JP MORGAN CHASE BANK 385635 | 14,352,375 | 1.02 |
| STATE STREET BANK WEST CLIENT - TREATY 505234 | 12,213,872 | 0.87 |
| JP MORGAN CHASE BANK 380072 | 9,267,900 | 0.66 |
| JP MORGAN CHASE BANK 385781 | 8,732,301 | 0.62 |
| SSBTC CLIENT OMNIBUS ACCOUNT | 7,292,569 | 0.52 |

Note: As of March 31, 2024.

Adoption of Anti-Takeover Measures

Not adopted.



Audit System and Ensuring the Effectiveness of Audits

Attendance of Audit & Supervisory Committee Members at Meetings Other Than Board of Directors and Audit & Supervisory Committee Meetings

At NTT DATA, full-time Audit & Supervisory Committee Members primarily attend important internal meetings such as management meetings, Internal Control Committee meetings, and Information Security Committee meetings. They also listen to reports and explanations of individual issues from various department heads and organizations and confirm the status of directors' duties related to those issues.

Understanding of Risk and Specific Discussions by Audit & Supervisory Committee Members

At NTT DATA, full-time Audit & Supervisory Committee Members, through their attendance at the Internal Control Committee and Board of Directors meetings, gain an understanding of NTT DATA's risks. They also assess specific individual risks through interactions with various departments and engage in discussions with relevant departments on topics essential for business operations.

Evaluation Process and Disclosure of Results for the Independent Auditor

NTT DATA has appointed Azusa Audit Corporation as its independent auditor since 2006.

We consider it essential that the independent auditor conducts the audit process efficiently while maintaining and enhancing audit quality. When selecting candidates for independent auditor, the Audit & Supervisory Committee evaluates the suitability of reappointing the independent auditors based on this fundamental principle, considering their independence and expertise as well as the appropriateness and validity of their audit activities.



Internal Control

Basic Policy and Promotion System

NTT DATA makes it a basic policy to take various measures to ensure the efficient implementation of fair and transparent business activities, always taking into consideration the uncertainties (risks) arising from the development of business activities. Accordingly, we are promoting the establishment and maintenance of an internal control system to manage the entire Group with respect to compliance, information security, risk management, Group company management, and other matters.

 Please refer to the Securities Report for the Basic Policy on the Establishment of the Internal Control System and the Operating Status.
<https://www.nttdata.com/global/ja/investors/library/asr/> (Japanese only)

Specific Initiatives

About the Internal Control Committee

To establish an internal control system and promote risk management, the Internal Control Committee is held four times a year in principle. The Committee is chaired by the Executive Officer in charge of Corporate Affairs and consists of the heads of relevant corporate organizations and the executive officers in charge of risk management at Group companies in Japan and overseas. The Committee reports its decisions to the Board of Directors.

To assess the effectiveness of the internal control systems, the Internal Control Committee confirms that the internal control system defined in the basic policies for the development of internal control systems resolved at the Board of Directors is properly established and functioning effectively in business activities each fiscal year.

As a result of the transition to a three-company structure in July 2023, the functions and composition of the Internal Controls Promotion Committee of NTT DATA Group Corporation have been revised. For example, the authority of the Internal Controls Committee as an organization to promote risk management throughout the Group has been strengthened in addition to its existing functions. At the same time, the frequency of meetings of the Internal Controls Promotion Committee was increased to ensure the effectiveness of Group-wide internal controls. We will continue to strengthen Group-wide internal controls considering our global expansion.

Implementation Status of Internal Audits

NTT DATA's Internal Audit Department conducts audits from a standpoint that is independent from operational divisions. The number of personnel involved in the internal audit and assessment of internal control over financial reporting is 38 (as of March 31, 2024). In conducting effective audits from an independent standpoint, the General Manager of the Audit Department reports audit plans and results to the Board of Directors as well as to the Corporate Management Committee. Also, individual reports are made to the Audit and Supervisory Committee and opinions are exchanged to promote cooperation.

As part of our internal audit initiatives, in fiscal 2023, the department audited NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc. (in Japan), and 28 domestic and overseas Group companies under audit themes focusing on business process compliance, labor management, BCPs, and information security, and monitored the internal audit activities of 13 domestic and overseas Group companies. In addition, as part of Group-wide efforts to enhance internal auditing, 98 domestic and overseas Group companies conducted voluntary inspections based on unified audit items.

In addition, we are conducting symptom audits to analyze data extracted from various information systems using CAAT* tools, and have applied that to NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc. (in Japan), and 95 domestic and overseas Group companies in fiscal 2023.

NTT DATA will continue collaborating with the internal audit departments and Audit and Supervisory Committee Members of domestic and overseas Group companies, with the aim of establishing a global internal audit system while increasing the quality and quantity of internal audits.

* Abbreviation for Computer-Assisted Audit Techniques. Method of audit implementation.

Internal Control over Financial Reporting

We are committed to ensuring the reliability of our internal control system for financial reporting. We confirm the development and operation of company-wide internal controls such as our management philosophy and systems, and various regulations, and internal controls related to business processes and IT. In principle, these evaluation plans and results are reported to the Steering Committee, which meets regularly, to evaluate the effectiveness of internal controls over financial reporting.

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Status of the Board of Directors, Audit and Supervisory Committee, Independent Officers, and Executive Compensation

Non-Financial Data

Boundaries

Non-financial data is disclosed for the consolidated Group, with some information provided within the scope outlined below.

- ① NTT DATA Group Corporation, NTT DATA Japan Corporation, NTT DATA, Inc. (Japan)
- ② Group companies in Japan in addition to ①
- ③ Group companies outside Japan in addition to ②
- ④ NTT DATA Group
- ⑤ NTT DATA
- ⑥ NTT DATA, Inc. (Japan)
- ⑦ Group companies in Japan
- ⑧ Group companies outside Japan



Third-Party Assurance

Environmental data and social data are assured by LRQA Limited.

Check marks are attached to data that received such assurances.

Environmental data

- GHG emissions (Scope 1, Scope 2 (market-based and location-based), Scope 3) (t-CO₂e)
- Energy consumption and renewable energy consumption (MWh)
- Water resources (water intake, water consumption (evaporation from cooling systems), total water consumption and wastewater) (m³)

Social data

- Number of occupational accidents/Number of female managers (%) /Social contribution activity expenditure (¥)/Number of employees with disabilities (employment ratio)

LRQA

LRQA Independent Assurance Statement

Relating to NTT DATA Group Corporation's Environmental and Social Data for the fiscal year 2023

This Assurance Statement has been prepared for NTT DATA Corporation in accordance with our contract.

Terms of Engagement

LRQA engaged by NTT DATA Group Corporation ("the Company") to provide independent assurance on its environmental and social data disclosed in NTT DATA Sustainability Report 2024, Integrated Report 2024 and Sustainability page of its corporate website ("the report") for the fiscal year 2023 (1/4/2023-31/3/2024), against the assurance criteria set out in the Assurance Statement, using the International Standard for Assurance Engagements and ISO 19011 (Revised); and ISO 14064-3:2016 for greenhouse gas (GHG) emissions.

Our assurance engagement covered the Company and its group companies' operations and activities in Japan and overseas countries and specifically the following requirements:¹

- GHG emissions (Scope 1, Scope 2 [Market-based and Location-based], and Scope 3) (tCO₂e)
- Energy consumption and renewable energy consumption (MWh)
- Water Resources (Water withdrawal, Water consumption (evaporation from cooling system) and Water discharge)² (m³)
- Total energy consumption from renewable sources
 - Consumption of fuel from renewable sources
 - Consumption of purchased/required heat from renewable sources
 - Consumption of purchased/required steam from renewable sources
 - Consumption of purchased/required electricity from renewable sources
 - Consumption of self-generated non-fuel renewable sources
 - Total energy consumption from non-renewable sources
 - Consumption of fuel from non-renewable sources
 - Consumption of purchased/required steam from non-renewable sources
 - Consumption of purchased/required electricity from non-renewable sources
 - Consumption of purchased/required cooling from non-renewable sources
- Number of occupational accidents
- Number of women in management positions (%)
- Expenditure for social contribution activities (in Japanese yen)
- Number of employees with disabilities (employment ratio)

LRQA's responsibility, up to the Company, is the Company's responsibility to collect, aggregating, analysing and presenting all the data

¹LRQA maintains a detailed assurance register of the environmental and social data model within NTT DATA Sustainability Report 2024 and Integrated Report 2024.
²GHG emissions is subject to scope 1 and scope 2 only. NTT DATA's operation and its group companies in Japan and overseas, including the verified result of NTT Limited and NTT DATA Europe B.V., etc.
*Some companies do not have data for some items.
**Number of occupational accidents covers NTT DATA Corporation only. The number of employees with disabilities (employment ratio) covers NTT DATA Corporation and its consolidated subsidiaries in Japan.
***Number of employees with disabilities covers NTT DATA Corporation and its consolidated subsidiaries in Japan.
****Number of employees with disabilities is as of 31 March 2023.

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and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of the Company.

LRQA's Opinion

Notwithstanding LRQA's approach nothing has come to our attention that would cause us to believe that the Company has met all the requirements:

- Met the requirements of the criteria listed above
- Disclosed accurate and reliable environmental and social data

The opinion expressed is formed on the basis of a limited level of assurance³ and at the materiality of the professional judgment of the auditor.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE 3000 (Revised) and ISO 19011:2013. The following describes the methodology as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, investigating with those key people responsible for compiling the data and drafting the report.
- Sampling data and traced activity data back to aggregated levels;
- Verifying the historical environmental and social data and records for the fiscal year 2023; and
- Conducting the remote verification to NTT DATA Mitaka west Building, NTT DATA Business Solutions AG and HQ of the Company for confirming the effectiveness of its data management systems via emails and Microsoft Teams.

Observations

It is expected that the Company will continue to maintain the high level data management systems to ensure efficient and accurate aggregation and calculation of environmental and social data.

LRQA's Standard, Competence and Independence

LRQA independently maintains a comprehensive management system that meets accreditation requirements for ISO 14064 Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and IAF/IEC 17021-1 Conformity assessment - Requirements for bodies providing certification of management systems and products. LRQA is also accredited for LRQA's audit services according to the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience of the audit verification and confirmation processes and they are internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LRQA for the Company and as such does not compromise our independence or impartiality.

Signed

Kazuyuki Yukinaka
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On behalf of LRQA Ltd
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³The nature of evidence gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of sources obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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Greenhouse Gas Emissions

| Scope and Category | Calculation Scope and Method | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023*1 |
|---|---|----------|--------------------------------|-----------|-----------|-----------|-----------|
| GHG emissions (Scope 1+2+3) | | (3) | t-CO ₂ e | 1,833,665 | 2,172,672 | 1,935,854 | 5,358,310 |
| Scope 1 (Direct emissions) | | (3) | t-CO ₂ e | 7,241 | 9,613 | 14,018 | 39,507 |
| Scope 2 (Indirect emissions from energy use) | | (3) | t-CO ₂ e (Location) | 170,807 | 165,748 | 165,792 | 665,870 |
| | | | (Market) | 155,165 | 130,066 | 83,912 | 307,009 |
| Scope 3 (Indirect emissions from the value chain) | | (3) | t-CO ₂ e | 1,671,259 | 2,032,993 | 1,837,925 | 5,011,794 |
| Category 1 Purchased Products and Services | Calculated based on the number of units and monetary value of purchases of devices and services sold to customers | (3) | t-CO ₂ e | 782,868 | 746,721 | 717,508 | 2,185,193 |
| Category 2 Capital Goods | Calculation based on capital investment costs on telecommunications and other equipment | (3) | t-CO ₂ e | 211,494 | 208,849 | 182,471 | 665,310 |
| Category 3 Fuel- and Energy-Related Activities Not Included in Scope 1 or 2 | Calculation based on annual consumption by energy type | (3) | t-CO ₂ e | 31,945 | 27,124 | 18,944 | 445,271 |
| Category 4 Upstream Transportation and Distribution | Calculation based on weight and distance, or number of devices with regard to the transport of devices sold to customers | (3) | t-CO ₂ e | 56,532 | 52,966 | 49,269 | 52,411 |
| Category 5 Waste Generated in Operations | Calculation based on volume of waste by type | (3) | t-CO ₂ e | 3,417 | 3,944 | 4,129 | 2,709 |
| Category 6 Business Travel | Calculation based on paid expenses for business travel | (3) | t-CO ₂ e | 20,292 | 22,018 | 45,063 | 120,118 |
| Category 7 Employee Commuting | Calculation based on paid expenses for employee commuting | (3) | t-CO ₂ e | 13,189 | 30,912 | 32,874 | 62,206 |
| Category 8 Upstream Leased Assets | Excluded from calculation | (3) | t-CO ₂ e | 0 | 0 | 0 | 0 |
| Category 9 Downstream Transportation and Distribution | Excluded from calculation | (3) | t-CO ₂ e | 0 | 0 | 0 | 0 |
| Category 10 Processing of Sold Products | Excluded from calculation | (3) | t-CO ₂ e | 0 | 0 | 0 | 0 |
| Category 11 Use of Sold Products | Calculation based on number of service subscriptions, number of devices, and monetary value of telecommunications services and devices used by customer | (3) | t-CO ₂ e | 455,556 | 842,495 | 709,613 | 343,012 |
| Category 12 End-of-Life Treatment of Sold Products | Calculation based on number of service subscriptions, number of devices and monetary value of communications devices used by customer | (3) | t-CO ₂ e | 2,170 | 1,983 | 1,925 | 41,332 |
| Category 13 Downstream Leased Assets | Calculation based on amount of electricity consumption such as equipment by other businesses | (3) | t-CO ₂ e | 93,797 | 95,981 | 76,128 | 1,091,178 |
| | Calculation based on average use of leased assets | | | | | | |
| Category 14 Franchises | Calculation based on total floor area of sales franchises | (3) | t-CO ₂ e | 0 | 0 | 0 | 0 |
| Category 15 Investments | Calculation based on Scope 1 and 2 emissions from data centers partially owned and operated by NTT Ltd. (with less than 50% ownership)*2 | (3) | t-CO ₂ e | 0 | 0 | 0 | 3,052 |

*1 Before FY2022, all Group companies excluding NTT Ltd.

*2 NTT Ltd., which was integrated into the NTT DATA Group in FY2023, previously adopted a management control-based approach for GHG calculations.

However, with the integration, the approach has been changed to a financial

Environmental Performance Data 1

| | | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023*¹ |
|--|---|---------------------------|-------------------|---------|---------|---------|-----------|
| ISO 14001 certification status (employee coverage rate) | | ③*² | % | — | — | — | 46 |
| Greenhouse gas direct emissions (Scope 1) | | ③ | t-CO₂e | 7,241 | 9,613 | 14,018 | 39,507 |
| Greenhouse gas direct emissions (Scope 2) | | ③ | t-CO₂e (Location) | 170,807 | 165,748 | 165,792 | 665,870 |
| | | | (Market) | 155,165 | 130,066 | 83,912 | 307,009 |
| | | | | 198,227 | 100,537 | 52,297 | 33,677 |
| CO₂ emissions from business activities*¹,³ | Total CO₂ emissions | | t-CO₂e | 190,799 | 93,970 | 46,792 | 28,306 |
| | Breakdown | Electricity use | | 3,673 | 2,972 | 2,089 | 2,014 |
| | | Gas/fuel use | | 1,322 | 1,242 | 1,203 | 1,078 |
| | | Company vehicle use | | 2,433 | 2,353 | 2,214 | 2,279 |
| | | Heat use | | 186 | 495 | 452 | 790 |
| Greenhouse gas emissions other than CO₂ (CO₂ equivalent) | Total greenhouse gases other than CO₂ | | t-CO₂e | 9 | 8 | 6 | 6 |
| | Breakdown | CH₄(Methane) | | 60 | 57 | 55 | 51 |
| | | N₂O(Dinitrogen monoxide) | | 106 | 417 | 353 | 722 |
| | | HFC(Hydrofluorocarbon) | | 0 | 2 | 27 | 0 |
| | | PFC(Perfluorocarbon) | | 11 | 11 | 11 | 12 |
| | | SF₆(Sulfur hexafluoride) | | 0 | 0 | 0 | 0 |
| | | NF₃(Nitrogen trifluoride) | | 608,474 | 329,633 | 372,225 | 1,433,959 |
| Electricity consumption | Purchased electricity | | MWh | 59,938 | 92,077 | 187,028 | 770,750 |
| | Renewable energy and new energy consumption | | | 641,483 | 406,116 | 413,000 | 1,574,312 |

*1 CO₂ emissions from business activities are the values obtained by subtracting “greenhouse gases other than CO₂” from “total greenhouse gases.”

*2 The list of ISO-certified companies is on p.20.

*3 NTT DATA has classified the electricity used by customers at data centers as Scope 3, starting from the fiscal year 2021 actual results.

*4 Total energy consumption is the value obtained by adding the Wh equivalent of fuel consumption, such as gasoline and city gas, to purchased electricity.

*5 In October 2022, the NTT DATA Group combined the overseas business of NTT, Inc., a wholly owned subsidiary of Nippon Telegraph and Telephone Corporation, into its overseas business.

Although data related to NTT, Inc.’s overseas business is not included within the data scope for fiscal 2022, it is included for fiscal 2023. Consequently, some data for fiscal 2023 may show increases compared to fiscal 2022.

Environmental Performance Data 2

| | | | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 ^{*1} |
|--------------------------------------|--|------------------------------|------------------------|------------------------|--------|--------|--------|----------------------|
| Waste treatment | Waste recycling rate | General and industrial waste | ② | % | — | — | 99 | 99.3 |
| | | Construction waste | ② | % | — | — | 95 | 95.5 |
| | Total amount reused/recycled | | ③ | tons | 2,656 | 4,220 | 3,166 | 3,495 |
| | Total waste treatment volume | | ③ | tons | 1,604 | 969 | 1,590 | 3,885 |
| | Amount sent to landfill | | ③ | tons | 733 | 40 | 229 | 832 |
| | Amount incinerated with energy recovery | | ③ | tons | 739 | 912 | 1,181 | 795 |
| | Amount incinerated without energy recovery | | ③ | tons | 132 | 17 | 18 | 305 |
| | Amount disposed of using other methods | | ③ | tons | — | — | 162 | 16 |
| | Amount disposed of using unknown methods | | ③ | tons | — | — | — | 1,937 |
| Water resource usage ^{*1,2} | Data coverage (percentage of total) | | ③ | % | — | — | — | 79 |
| | Water intake (tap water, surface water, rainwater) | | ③ | million m ³ | 0.86 | 0.93 | 0.48 | 2.10 |
| | Wastewater | | ③ | million m ³ | — | — | 0.32 | 0.73 |
| Water consumption | | ③ | million m ³ | — | — | — | 0.16 | 1.37 |

*1 From fiscal 2023, water data for the NTT DATA Group's data center business, including data centers operated by NTT DATA, Inc., is disclosed for Boundary 3.

*2 Wastewater data has been disclosed since fiscal 2022, and water intake data, including surface water and rainwater, has been disclosed since fiscal 2023.

Material Balance

The scope of aggregation is as follows:

FY2020: NTT DATA and 79 Group companies (Japan and some outside Japan)

FY2022: NTT DATA (all Group companies excluding NTT Ltd.); Total of 158 companies

FY2021: NTT DATA and 79 Group companies (Japan and some outside Japan)

FY2023: NTT DATA; Total of 602 companies

Acquired third-party assurance ✓

| | | Unit | FY2020 | FY2021 | FY2022 | FY2023 | | | | |
|--------------------------------------|--|------------|----------|----------|----------|-------------|--|--|--|--|
| Energy | Purchased electricity and self-generated electricity*1 | 10,000 kWh | 58,759*4 | (57,045) | (58,582) | (417,142)*6 | | | | |
| | Kerosene | kl | 0 | 0 | 0 | 0 | | | | |
| | Diesel fuel (excluding company vehicles) | kl | 83*4 | 143 | 439*4 | 8,862*6 | | | | |
| | A-C heavy oil | kl | 122 | 4 | 78 | 139 | | | | |
| | City gas | 10,000 m³ | 136 | 119 | 76 | 66 | | | | |
| | Gasoline (company vehicles) | kl | 541 | 510 | 499 | 454 | | | | |
| | Diesel fuel (company vehicles) | kl | 25 | 22 | 17 | 15 | | | | |
| | Steam, cooling and heating | GJ | 42,680 | 41,277 | 38,836 | 39,982 | | | | |
| Water resources | Water intake | 10,000 m³ | 45 | 45 | 45 | 41 | | | | |
| Paper resources | Copy paper | t | 336 | 300 | 240 | 219 | | | | |
| | Flyers for clients, etc. | t | 13 | 4 | 4 | 8 | | | | |
| Air conditioning using specific CFCs | Number of air conditioners using specific CFCs | Units | 11 | 11 | 10 | 8 | | | | |
| Construction materials | Construction materials, cables, etc. | | | | | | | | | |

Outside NTT DATA Group



*1 Including private power generation from FY2022

*2 Indicates CO₂ equivalent

*3 Calculated considering thermal recycling

*4 Increase due to expansion of overseas business scope

*5 Electricity used by customers at data centers classified as Scope 3 from fiscal 2021 actual values

*6 Increase due to the expanded aggregation scope resulting from integration with NTT Ltd.

Status of Employment 1

| | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | |
|----------------------------------|-------------|---------|---------|---------|---------|---------|--------|---|
| Total number of employees | ③ | Persons | 139,677 | 151,991 | 195,106 | 193,513 | — | |
| By company | ① | Persons | 11,955 | 12,351 | 12,714 | 13,427 | — | |
| Group Companies (Japan) | ⑦ | Persons | 28,231 | 28,634 | 29,399 | 30,882 | — | |
| Group Companies (Overseas) | ⑧ | Persons | 99,491 | 111,006 | 152,993 | 149,204 | — | |
| Ratio of overseas employees | ③ | % | 71.2 | 73.0 | 78.4 | 77.1 | — | |
| By gender | ③ | Persons | 139,677 | 151,991 | 195,106 | 193,513 | — | |
| Male | ③ | Persons | 97,963 | 104,808 | 133,881 | 130,892 | — | |
| Female | ③ | Persons | 41,714 | 47,183 | 61,225 | 62,621 | — | |
| Ratio of female employees | ③ | % | 29.9 | 31.0 | 31.4 | 32.4 | — | |
| Number of employees by age group | Under 30 | ① | Persons | 2,298 | 2,520 | 2,777 | 3,166 | — |
| | Male | ① | Persons | 1,438 | 1,596 | 1,775 | 1,969 | — |
| | Female | ① | Persons | 860 | 924 | 1,002 | 1,197 | — |
| | 30–39 | ① | Persons | 4,187 | 4,171 | 4,140 | 4,196 | — |
| | Male | ① | Persons | 3,025 | 2,958 | 2,900 | 2,895 | — |
| | Female | ① | Persons | 1,162 | 1,213 | 1,240 | 1,301 | — |
| | 40–49 | ① | Persons | 3,449 | 3,504 | 3,526 | 3,645 | — |
| | Male | ① | Persons | 3,026 | 3,038 | 3,008 | 3,043 | — |
| | Female | ① | Persons | 423 | 466 | 518 | 602 | — |
| | 50–59 | ① | Persons | 2,020 | 2,153 | 2,269 | 2,417 | — |
| | Male | ① | Persons | 1,803 | 1,925 | 2,018 | 2,155 | — |
| | Female | ① | Persons | 217 | 228 | 251 | 262 | — |
| | 60 or older | ① | Persons | 1 | 3 | 2 | 3 | — |
| | Male | ① | Persons | 1 | 3 | 2 | 3 | — |
| | Female | ① | Persons | 0 | 0 | 0 | 0 | — |

Status of Employment 2

| | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|--------------------------|---------|-----------|-----------|-----------|-----------|--------|
| Number of managerial positions | (3) | Persons | 27,419 | 28,316 | 36,531 | 34,764 | — |
| | Male | (3) | Persons | 22,332 | 22,975 | 28,846 | 27,277 |
| | Female | (3) | Persons | 5,087 | 5,341 | 7,685 | 7,487 |
| | Ratio of female managers | (3) | % | 18.6 | 18.9 | 21.0 | 21.5 |
| Number of male managers | (1) | Persons | 2,465 | 2,519 | 2,588 | 2,700 | — |
| Of which, department manager level and above | (1) | Persons | 563 | 600 | 826 | 920 | — |
| Male executives (including executive officers) | (1) | Persons | 29 | 30 | 31 | 49 | 47 |
| Of which, executive officers/Executive Vice Presidents | (1) | Persons | 16 | 17 | 21 | 28 | 28 |
| Number of female managers  | (1) | Persons | 192 | 204 | 255 | 327 | — |
| Of which, department manager level and above | (1) | Persons | 29 | 29 | 45 | 65 | — |
| Female executives (including executive officers) | (1) | Persons | 5 | 6 | 7 | 9 | 10 |
| Of which, executive officers/Executive Vice Presidents | (1) | Persons | 3 | 4 | 4 | 4 | 4 |
| Non-Japanese executives (including executive officers) | (1) | Persons | 3 | 4 | 6 | 8 | 10 |
| Of which, executive officers/Executive Vice Presidents | (1) | Persons | 2 | 3 | 5 | 5 | 5 |
| Ratio of female managers  | (1) | % | 7.2 | 7.5 | 9.0 | 10.8 | — |
| Of which, department manager level and above | (1) | % | 4.9 | 4.6 | 5.2 | 6.6 | — |
| Ratio of female executives (including executive officers) | (1) | % | 14.7 | 16.7 | 18.4 | 15.5 | 17.5 |
| Of which, executive officers / Executive Vice Presidents | (1) | % | 15.8 | 19.0 | 16.0 | 12.5 | 12.5 |
| New managerial appointments | (1) | Persons | 218 | 262 | 279 | 312 | — |
| Number of new managerial appointments as of April 1 of the following year | Male | (1) | Persons | 192 | 202 | 202 | 241 |
| | Female | (1) | Persons | 26 | 60 | 77 | 71 |
| | Ratio of female managers | (1) | % | 11.9 | 22.9 | 27.6 | 22.8 |
| Average age | (1) | Age | 38.9 | 39.0 | 39.0 | 38.7 | — |
| | Male | (1) | Age | 40.2 | 40.3 | 40.2 | 40.1 |
| | Female | (1) | Age | 34.5 | 34.7 | 34.8 | 34.6 |
| Average length of service | (1) | Years | 14.8 | 14.7 | 14.5 | 14.1 | — |
| | Male | (1) | Years | 15.9 | 15.8 | 15.6 | 15.2 |
| | Female | (1) | Years | 11.0 | 11.1 | 11.0 | 10.6 |
| Average salary | (1) | Yen | 8,416,000 | 8,521,000 | 8,670,000 | 8,858,000 | — |

Status of Employment 3

| | | | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|--|--------------------|----------|---------|---------|---------|---------|---------|---------|
| Starting monthly salary for new graduates New graduates hired in April of each fiscal year | Doctoral Degree | | ① | Yen | 300,070 | 300,610 | 301,310 | 328,260 | 338,160 |
| | Master's Degree | | ① | Yen | 251,520 | 251,930 | 252,630 | 265,040 | 274,790 |
| | Bachelor's Degree | | ① | Yen | 222,020 | 222,430 | 223,130 | 253,040 | 262,790 |
| | College of Technology Graduate | | ① | Yen | 192,220 | 192,630 | 193,330 | 235,040 | 244,790 |
| Gender ratio of basic salary and compensation per employee*¹ | Management positions | Basic salary | ① | Yen | 1:1.04 | 1:1.05 | 1:1.06 | 1:1.07 | — |
| | | Total compensation | ① | Yen | 1:1.04 | 1:1.05 | 1:1.07 | 1:1.09 | — |
| | General positions | Basic salary | ① | Yen | 1:1.16 | 1:1.16 | 1:1.15 | 1:1.15 | — |
| | | Total compensation | ① | Yen | 1:1.17 | 1:1.16 | 1:1.16 | 1:1.14 | — |
| Number of newly recruited graduates*² | | | ① | Persons | 477 | 511 | 548 | 674 | 697 |
| | University graduates and master's degree holders | | ① | Persons | 474 | 508 | 544 | 668 | 693 |
| | Male | | ① | Persons | 310 | 337 | 351 | 397 | 420 |
| | Female | | ① | Persons | 164 | 171 | 193 | 271 | 273 |
| | Non-university graduates | | ① | Persons | 3 | 3 | 4 | 6 | 4 |
| | Male | | ① | Persons | 2 | 3 | 4 | 6 | 4 |
| | Female | | ① | Persons | 1 | 0 | 0 | 0 | 0 |
| | | | | | | | | | |
| Number of mid-career hires | | | ① | Persons | 325 | 314 | 507 | 565 | — |
| | University graduates and master's degree holders | | ① | Persons | 311 | 309 | 492 | 551 | — |
| | Male | | ① | Persons | 242 | 242 | 368 | 399 | — |
| | Female | | ① | Persons | 69 | 67 | 124 | 152 | — |
| | Non-university graduates | | ① | Persons | 14 | 5 | 15 | 14 | — |
| | Male | | ① | Persons | 8 | 4 | 13 | 12 | — |
| | Female | | ① | Persons | 6 | 1 | 2 | 2 | — |
| | | | | | | | | | |
| Percentage of mid-career hires | | | ① | % | 40.5 | 38.1 | 48.1 | 45.6 | — |

*1 The salary structure applies the same system for both genders. Differences arise from age composition, grade structure, etc. (the ratio of females to males)

*2 The number of new graduates hired includes those employed during the fiscal year. The number of reemployment system users is as of April 1 of each fiscal year.

Status of Employment 4

| | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | |
|---|--------------------------------|---------|---------|--------|--------|--------|--------|------|
| Employee engagement rate | (3)*3 | % | 71 | 76 | 76 | 83 | — | |
| | ① | % | — | — | 73 | 71 | — | |
| Non-Japanese recruitment rate | ① | % | 2.5 | 2.4 | 4.1 | 2.7 | — | |
| Number of employees with disabilities*¹ | ① | Persons | 312 | 316 | 322 | 336 | 381 | |
| Employment rate of people with disabilities | ① | % | 2.41 | 2.37 | 2.34 | 2.32 | 2.5 | |
| Number of job leavers*² | ① | Persons | 455 | 547 | 612 | 616 | — | |
| | Male | Persons | 381 | 457 | 503 | 521 | — | |
| | Female | Persons | 74 | 90 | 109 | 95 | — | |
| Number of voluntary resignations | ① | Persons | 265 | 372 | 441 | 416 | — | |
| | Male | Persons | 204 | 293 | 339 | 335 | — | |
| | Female | Persons | 61 | 79 | 102 | 81 | — | |
| Turnover rate | Overall employee turnover rate | % | 3.8 | 4.2 | 4.6 | 4.4 | — | |
| | Voluntary turnover rate | % | 2.2 | 2.9 | 3.3 | 3.0 | — | |
| Reemployment system | New recruitment | ① | Persons | 17 | 61 | 60 | 92 | 103 |
| | Continued recruitment | ① | Persons | 89 | 95 | 144 | 191 | 257 |
| | Number of users | ① | Persons | 106 | 156 | 204 | 283 | 360 |
| | User ratio | ① | % | 56.7 | 81.3 | 88.2 | 80.7 | 85.8 |

*1 The number of employed persons with disabilities is counted as of June 1 each year (severe disabilities count as two persons per individual).

*2 The number of leavers includes those retiring at the age of retirement.

*3 Globally, excluding domestic Group companies

Internal System Users and Working Hours 1

| | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|----------|---------|--------|--------|--------|--------|--------|
| Number of childcare leave users* | ① | Persons | 443 | 464 | 484 | 540 | — |
| | | | 278 | 297 | 304 | 373 | — |
| | | | 165 | 167 | 180 | 167 | — |
| | | % | 60.2 | 72.6 | 75.4 | 105.7 | — |
| | | | 100.0 | 101.2 | 101.7 | 112.1 | — |
| | | | 97.2 | 99.2 | 98.4 | 99.7 | — |
| Number of employees on reduced hours for childcare | ① | Persons | 333 | 285 | 294 | 293 | — |
| | | | 10 | 11 | 13 | 13 | — |
| | | | 323 | 274 | 281 | 280 | — |
| | | Persons | 3 | 4 | 11 | 9 | — |
| | | | 1 | 1 | 5 | 5 | — |
| | | | 2 | 3 | 6 | 4 | — |
| Number of employees on nursing care leave | ① | Persons | 66.7 | 100.0 | 100.0 | 75.0 | — |
| | | | 100.0 | 100.0 | 100.0 | — | — |
| | | % | 3 | 2 | 1 | 2 | — |
| | | | 0 | 2 | 0 | 1 | — |
| Number of employees on reduced hours for nursing care | ① | Persons | 3 | 2 | 1 | 2 | — |
| | | | 0 | 2 | 0 | 1 | — |
| | | | 3 | 0 | 1 | 1 | — |
| Average paid leave taken | ① | Days | 16.2 | 16.5 | 16.6 | 16.2 | — |
| Average rate of paid leave taken | ① | % | 81.0 | 84.6 | 85.2 | 83.2 | — |

* The number of men who have taken childcare leave, including leave for the purpose of childcare

Internal System Users and Working Hours 2

| | | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|--|----------|---------|--------|--------|--------|--------|---------------|
| Working hours | Annual total working hours | ① | Hours | 1,984 | 1,982 | 1,996 | 1,988 | — |
| | Annual average overtime hours | ① | | 329.0 | 335.3 | 350.4 | 345.0 | — |
| | Monthly average overtime hours | ① | | 25.8 | 27.9 | 29.2 | 28.7 | — |
| Number of work-related accidents | Occupational accidents  | ① | Cases | 2 | 1 | 2 | 5 | — |
| | Incidence rate | | % | 0.0 | 0.0 | 0.0 | 0.0 | — |
| Regular medical checkup uptake rate* | | ① | % | 100 | 100 | 100 | 100 | 100 |
| Target rate for specific health guidance* | | ① | % | 24.5 | 23.0 | 22.2 | 21.8 | 18.2 or below |
| Specific health guidance completion ratio* | | ① | % | 47.5 | 57.0 | 54.5 | 51.9 | 45 |
| Ratio of non-smokers* | | ① | % | 83.7 | 84.5 | 85.2 | 85.8 | 82 |
| Stress check uptake ratio* | | ① | % | 94.4 | 91.4 | 89.5 | 82.2 | 98.5 |
| Statutory overwork interview ratio* | | ① | % | 100 | 100 | 100 | 100 | 100 |
| Number of participants in the Japan Overseas Cooperation Volunteers program | | ① | Persons | 0 | 0 | 0 | 2 | — |
| Annual paid leave | Days granted | ① | Days | 19.6 | 19.6 | 19.5 | 19.4 | — |
| | Days taken | ① | Days | 15.8 | 16.5 | 16.6 | 16.2 | — |
| | Acquisition rate | ① | % | 81 | 84.6 | 85.2 | 83.2 | — |
| Remote work utilization (implementation) rate | | ① | % | — | 75 | 71.1 | 63.2 | — |

* The figures for FY2024 are target values.

Reports to Corporate Ethics Helpline and Details

| | | Boundary | FY2020 | | FY2021 | | FY2022 | | FY2023 | | | | | |
|----------------------------------|---|----------|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|----|-----|---|----|
| | | | No. of Reports | | No. of Reports | | No. of Reports | | No. of Reports | | | | | |
| | | | Disciplinary actions | Severe warnings | | | | |
| Total | Number of reports | (2) | 78 | 2 | 34 | 100 | 1 | 42 | 147 | 2 | 35 | 165 | 2 | 24 |
| | Compliance violations | (2) | — | — | — | — | — | — | — | — | — | 26 | 2 | 24 |
| | Internal rule violations | (2) | — | — | — | — | — | — | — | — | — | 25 | 1 | 24 |
| | Legal violations | (2) | — | — | — | — | — | — | — | — | — | 1 | 1 | 0 |
| | No violation | (2) | — | — | — | — | — | — | — | — | — | 139 | — | — |
| Harassment | Number of reports | (2) | 54 | 1 | 22 | 78 | 0 | 36 | 109 | 2 | 35 | 125 | 0 | 22 |
| | Compliance violations | (2) | 23 | 1 | 22 | 36 | 0 | 36 | 37 | 2 | 35 | 22 | 0 | 22 |
| | Internal rule violations | (2) | 23 | 1 | 22 | 36 | 0 | 36 | 37 | 2 | 35 | 22 | 0 | 22 |
| | Legal violations | (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | No violation | (2) | 31 | — | — | 42 | — | — | 72 | — | — | 103 | — | — |
| Inappropriate business practices | Number of reports | (2) | 17 | 1 | 7 | 14 | 1 | 5 | 22 | 0 | 0 | 23 | 2 | 0 |
| | Compliance violations | (2) | 8 | 1 | 7 | 6 | 1 | 5 | 0 | 0 | 0 | 2 | 2 | 0 |
| | Internal rule violations | (2) | 8 | 1 | 7 | 6 | 1 | 5 | 0 | 0 | 0 | 1 | 1 | 0 |
| | Legal violations | (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 |
| | No violation (e.g., bribery, accounting irregularities, forged contracts) | (2) | 9 | — | — | 8 | — | — | 22 | — | — | 21 | — | — |
| Personal use of company expenses | Number of reports | (2) | 2 | 0 | 1 | 2 | 0 | 0 | 8 | 0 | 0 | 8 | 0 | 0 |
| | Compliance violations | (2) | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Internal rule violations | (2) | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Legal violations | (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | No violation | (2) | 1 | — | — | 2 | — | — | 8 | — | — | 8 | — | — |
| Others | Number of reports | (2) | 5 | 0 | 4 | 6 | 0 | 1 | 8 | 0 | 0 | 9 | 0 | 2 |
| | Compliance violations | (2) | 4 | 0 | 4 | 1 | 0 | 1 | 0 | 0 | 0 | 2 | 0 | 2 |
| | Internal rule violations | (2) | 1 | 0 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 2 | 0 | 2 |
| | Legal violations | (2) | 3 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | No violation | (2) | 1 | — | — | 5 | — | — | 8 | — | — | 7 | — | — |

Information on Talent Development

| | | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|----------|-----------------|--------|--------|--------|--------|
| Education (per employee) | Annual average training hours (global) | ③ | Hours | — | 49 | 41 | 40 |
| | Annual average training hours (HQ, ND, Inc) | ① | Hours | — | 96 | 91 | 89 |
| | Annual average training cost (global) | ③ | 10 thousand yen | — | 12 | 10.3 | 11.1 |
| | Annual average training cost (HQ, ND, Inc) | ① | 10 thousand yen | — | 15 | 16.2 | 15.6 |
| Internal job postings | Number of applications | ① | Persons | 201 | 185 | 268 | 291 |
| | Number of transfers | | | 114 | 113 | 173 | 169 |
| NTT Group Job Board | Number of applications ^{*1} | ① | | 31 | 33 | 21 | 87 |
| | Number of transfers ^{*1} | ① | | 17 | 12 | 13 | 37 |
| Number of newly certified specialists ^{*2} | | ③ | Persons | — | — | 19,400 | 22,600 |
| Number of new professional CDP certifications | | ② | | — | — | 1,470 | 1,690 |

*1 Includes applications and transfers to and from NTT DATA and other companies

*2 Number of new certifications for programs such as Professional CDP and the NTT DATA Learning Certification Institute (NLCI) in our U.S. subsidiary

Supply Chain Status

| | | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 |
|--|---------------------|----------|------------|--------|--------|--------|--------|
| Rate of direct communication with important suppliers | | ③ | % | — | — | 100 | 100 |
| Supply chain CSR survey (SAQ) implementation and collection rate for important suppliers | Implementation rate | ② | % Cases | 100 | 100 | 100 | 100 |
| | Collection rate | ② | | 62.9 | 58.6 | 66.1 | 88.8 |
| Number of high-risk suppliers identified | | ② | Cases | — | — | 0 | 0 |
| ESG training rate for procurement staff | Implementation rate | ① | % | — | 100 | 100 | 100 |

Security, Critical System Failures, Compliance, Anti-Competitive Practices, and Bribery

| | | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 |
|--|--|----------|-------|--------|--------|--------|--------|
| Number of security incidents(widely recognized incidents caused by cyberattacks) | | ② | Cases | 0 | 0 | 0 | 0 |
| Number of significant system failures | | ① | Cases | — | — | — | 2 |
| Number of anti-competitive/bribery violations | | ③ | Cases | — | — | 0 | 0 |

Status of Human Rights Violations

| | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 |
|---|----------|-------|--------|--------|--------|--------|
| Number of confirmed human rights violations | ① | Cases | — | — | 2 | 1 |

Information on Activities for Resolving Social Issues

| | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 |
|--|----------|------|--------|--------|--------|--------|
| Participation rate in internal workshops or external support activities related to resolving social issues | ① | % | — | — | 81.6 | 88.2 |

Number of Directors

| | | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | | |
|--|--------|----------|---------|--------|--------|--------|--------|--------|--|--|
| Total number of directors | | (4) | Persons | 15 | 15 | 13 | 13 | 11 | | |
| Directors who are not Audit and Supervisory Committee Members | | | | 11 | 11 | 9 | 9 | 7 | | |
| Internal | Male | | | 8 | 8 | 5 | 5 | 4 | | |
| | Female | | | 0 | 0 | 0 | 0 | 0 | | |
| | Total | | | 8 | 8 | 5 | 5 | 4 | | |
| Outside (including independent outside directors in parentheses) | Male | | | 2 (2) | 2 (2) | 3 (3) | 3 (3) | 2 (2) | | |
| | Female | | | 1 (1) | 1 (1) | 1 (1) | 1 (1) | 1 (1) | | |
| | Total | | | 3 (3) | 3 (3) | 4 (4) | 4 (4) | 3 (3) | | |
| Directors who are Audit and Supervisory Committee Members | | (4) | Persons | 4 | 4 | 4 | 4 | 4 | | |
| Internal | Male | | | 0 | 0 | 0 | 0 | 0 | | |
| | Female | | | 0 | 0 | 0 | 0 | 0 | | |
| | Total | | | 0 | 0 | 0 | 0 | 0 | | |
| Outside (including independent outside directors in parentheses) | Male | | | 3 (1) | 3 (1) | 2 (1) | 2 (1) | 2 (1) | | |
| | Female | | | 1 (1) | 1 (1) | 2 (2) | 2 (2) | 2 (2) | | |
| | Total | | | 4 (2) | 4 (2) | 4 (3) | 4 (3) | 4 (3) | | |
| Ratio of female directors | | (4) | % | 13.33 | 13.33 | 23.08 | 23.08 | 27.27 | | |
| Internal directors responsible for business execution | | (4) | Persons | 6 | 6 | 4 | 4 | 3 | | |
| Internal directors not involved in business execution | | (4) | Persons | 2 | 2 | 1 | 1 | 1 | | |
| Outside directors | | (4) | Persons | 7 | 7 | 8 | 8 | 7 | | |

Corporate Governance

Status of the Board of Directors, Audit and Supervisory Committee, Independent Officers, and Executive Compensation

| | | Boundary | Unit | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|----------|-----------------|---|---|--------|--------|
| Board of Directors | Number of meetings | ④ | Times | 14 | 16 | 19 | 18 |
| | Attendance rate | | % | 100 | 100 | 100 | 99.6 |
| | Attendance rate of independent outside directors | | | 100 | 100 | 100 | 99.2 |
| Audit and Supervisory Committee | Number of meetings | ④ | Times | 19 | 26 | 29 | 25 |
| | Attendance rate | | % | 100 | 100 | 100 | 100 |
| | Attendance rate of independent outside Audit and Supervisory Committee Members | | | 100 | 100 | 100 | 100 |
| Total remuneration for directors (number of recipients) | Directors who are not Audit and Supervisory Committee Members (excluding outside directors) | ④ | Millions of yen | 321 | 410 | 335 | 272 |
| | Outside officers | | | 145 | 178 | 176 | 175 |
| | Total | | | 466 | 588 | 511 | 447 |
| Audit fees | Fees based on mandatory audit certification | ③ | Millions of yen | 568 | 573 | 796 | 851 |
| | Fees based on non-audit obligations | | | 68 | 93 | 94 | 128 |
| | Total | | | 636 | 666 | 890 | 979 |
| Ratio of compensation per director to per employee | | ④ | — | 2.8:1 | 4.8:1 | 4.5:1 | 3.3:1 |
| Ratio of fixed to performance-linked compensation in total executive compensation | | ④ | % | Fixed 70 Short Term 20 Medium to Long Term 10 | Fixed 50 Short Term 30 Medium to Long Term 20 | | |