

Note: This document is the English translation of “Dai 36kai teiji kabunushisokai shoshu gotsuchi ni saishite no sonota no denshiteikyou sochijikou” (The Notice of Convocation of The 36th Ordinary General Meeting of Shareholders: Other Matters for Which Information is Provided in Electronic Format) and is provided solely for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

To the Shareholders of NTT DATA GROUP CORPORATION

THE NOTICE OF CONVOCATION OF THE 36th  
ORDINARY GENERAL MEETING OF  
SHAREHOLDERS: Other Matters for Which  
Information is Provided in Electronic Format  
(Matters Excluded from Paper-Based Documents  
Delivered)

NTT DATA GROUP CORPORATION

## Changes in Assets and Profit and Loss

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

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

Items	Year	IFRS				
		32nd Fiscal Year (FY2019)	33rd Fiscal Year (FY2020)	34th Fiscal Year (FY2021)	35th Fiscal Year (FY2022)	36th Fiscal Year (FY2023)
Net sales		2,266,808	2,318,658	2,551,906	3,490,182	4,367,387
Operating profit		130,937	139,173	212,590	259,110	309,551
Profit before tax		120,155	130,452	215,849	242,800	248,602
Profit attributable to shareholders of NTT DATA		75,148	76,843	142,979	149,962	133,869
Net income per share		54	55	102	107	95
Total assets		2,686,008	2,897,015	3,084,513	6,158,194	7,219,429
Total equity		987,415	1,126,548	1,328,267	2,396,365	2,780,414

Note: Net income per share is calculated based on the average number of shares outstanding during the fiscal year.

## Principal Centers of the Corporate Group

(1) Principal Offices of NTT DATA Group Corporation (“NTT DATA” or “the Company”; together with its subsidiaries and affiliates, “NTT DATA Group” or “the Group”)

Head Office : 3-3, Toyosu 3-chome, Koto-ku, Tokyo, Japan

Headquarters : Corporate Headquarters  
Global Marketing & Communications Headquarters  
Global Governance Headquarters  
Global Innovation Headquarters  
Consulting & Asset Business Transformation Headquarters  
Internal Audit Department  
Technology and Innovation General Headquarters

(2) Principal offices of principal subsidiaries

As listed in the “Location” column in (2) “Principal subsidiaries” of Section 7 “Parent Company and Principal Subsidiaries” of the Business Report.

## Independent Auditor

### 1. Name of Independent Auditor of NTT DATA

KPMG AZSA LLC

### 2. Remuneration Paid to Independent Auditor by NTT DATA for This Fiscal Year

Remuneration for the services set forth in Article 2 (1) of the Certified Public Accountants Act (1948 Act No. 103)

¥ 366 million

Note 1: The audit contract between NTT DATA and its independent auditor does not segregate the amount of the remuneration to audits pursuant to the Companies Act and those pursuant to the Financial Instruments and Exchange Act. As these amounts cannot, as a practical matter, be calculated separately, the amount above is the total for both categories of remuneration.

Note 2: The Audit and Supervisory Committee gives consent, pursuant to the provisions of Article 399, paragraph (1) of the Companies Act, to remunerations for the independent auditor after confirming and examining the contents of the audit plans of the independent auditor, the state of the execution of accounting audit duties, the calculation basis of remuneration estimates, etc.

### 3. Total Amount Payable to Independent Auditor by NTT DATA and Its Subsidiaries

Total amount payable by NTT DATA and its subsidiaries to independent auditor

¥ 980 million

Note: In addition to the above, among NTT DATA’s principal subsidiaries, the following are audited by KPMG member firms: NTT Data International LLC; NTT DATA Europe & Latam, S.L.U., NTT DATA ASIA PACIFIC PTE. LTD.; NTT DATA Business Solutions AG; NTT DATA EUROPE GmbH & CO. KG and NTT Limited.

### 4. Non-Audit Services

With regard to services other than those prescribed in Article 2, (1) of the Certified Public Accountants Act (non-auditing business), NTT DATA consigns to the independent auditor the preparation of assurance reports pursuant to the Assurance Engagements Practical Guideline 3402 (practical guidelines for assurance reports on internal control of entrusted services).

## 5. Policy of Decision of Dismissal or Non-reelection of Independent Auditor

The Audit and Supervisory Committee resolves the policy of decision of dismissal or non-reelection of independent auditor at NTT DATA. Details of the resolution are as follows.

### (1) Policy of Decision of Dismissal of Independent Auditor

If any of the provisions of Article 340 (1) applies to the independent auditor, and if the Audit and Supervisory Committee finds it considerably difficult for the independent auditor to carry out proper audits, the Audit and Supervisory Committee shall dismiss the independent auditor upon consent of all the Audit and Supervisory Committee members.

In addition to the above, if the Committee finds it difficult for the independent auditor to carry out proper audits, it decides on the resolution about the dismissal of the independent auditor to be submitted to the General Meeting of Shareholders.

### (2) Policy of Decision of Non-reelection of Independent Auditor

The Audit and Supervisory Committee evaluates the independent auditor according to the criteria that it has established. If the Audit and Supervisory Committee judges the non-reelection of the independent auditor to be appropriate on the ground that the Audit and Supervisory Committee finds it difficult for the independent auditor to carry out proper audits, it decides on the resolution for the non-reelection of the independent auditor to be submitted to the General Meeting of Shareholders.

## Systems for Ensuring Appropriate Operations and Overview of the State of Operation of the Systems

### 1. Overview of resolution for design of systems for ensuring appropriate operations

With the transition to a holding company structure in July 2023, the Company reviewed the basic policy for designing internal control systems to ensure effectiveness of internal control of the entire Group. In light of the global business expansion, we will continue to work on the enforcement of internal control of the entire Group.

The details of the basic policy for designing internal control systems resolved by the Board of Directors in compliance with Article 399-13 of the Companies Act are as follows:

#### ●Basic Concept for Designing Internal Control Systems

- (1) In designing the internal control system of the Company and its group companies, the Company shall not only observe laws, regulations, and the Articles of Incorporation in the execution of the Group's business activities but also make 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.
- (2) As a holding company overseeing group businesses, the Company shall establish basic policies for group management, promote independent management at each group company, and establish a monitoring system to be implemented by the Company.
- (3) The President and CEO of the Company, as the chief executive officer of the Group, shall be responsible for designing and operating the internal control system in the Group.
- (4) The Internal Control Committee shall be set up in the Company, which shall periodically hold a meeting to enable smooth and effective functions of the internal control system of the Group.
- (5) The internal audit department shall be set up in the Company and major group companies. The department shall verify independently from operation execution that the Group's business activities are performed in accordance with the laws, articles of incorporation, internal rules, and the management policy and plan of the Group, and maintain the soundness of the Group's business activities by providing specific advice and recommendations.
- (6) An officer shall be appointed to supervise the Group's risk management system from a group-wide perspective. In addition, NTT DATA Japan Corporation, which manages domestic business, and NTT DATA, Inc., which manages overseas business, shall each appoint an officer to supervise the risk management and work together to design the Group's risk management system.
- (7) Between the Company and the Group, a reporting system to the Company concerning the execution of group operations shall be established through discussions, reports, instructions, requests, etc. concerning important matters.
- (8) NTT DATA shall take appropriate measures to realize high reliability of its internal control over financial reporting under the Financial Instruments and Exchange Act and other related laws.

#### ●Individual Internal Control Systems

- (1) Systems to ensure that the Company and the Group are performing their duties in compliance with applicable laws and the Articles of Incorporation

NTT DATA's basic policy is to conduct sound business activities by establishing corporate ethics aiming to become a reliable company group, and to this end it proceeds with the following activities:

- Establish the Code of Conduct for the NTT DATA Group and various Group policies and internal regulations and make sure of the compliance of the entire Group.
- Cultivate the compliance awareness among officers, employees, etc. through educational and training programs concerning the corporate ethics.
- For legal and proper business activities, we will strive to enhance our compliance program and, through assessments of group companies, etc., design and improve a system for deterring and detecting severe illegal activities and responding to them when they occur.
- Have no relation or transaction with antisocial forces, and reject illegal demands in a resolute attitude.
- Establish a whistle-blowing system to receive information from the identified and anonymous employees and other parties, and establish a system to ensure that employees and other parties who made those reports through the whistle-blowing system will not receive disadvantageous treatment for having made such reports.
- The internal audit department will report the annual plan to the board of directors of the Company, execute an internal audit independently from execution of operations based on the report, and periodically report the result to the board of directors of the Company.

Furthermore, between Nippon Telegraph and Telephone Corporation, the parent company of the Company, there is a basic policy that each party will coordinate with another respecting their independency and autonomy, and appropriately perform transactions with each other in compliance with the laws.

- (2) System for storage and management of information concerning execution of duties by directors of the Company and the Group.

NTT DATA's basic policy is to appropriately store, manage, and willingly share information for effective uses, while protecting personal and confidential information from leakage or use for purposes other than the intended purposes. To this end, it proceeds

with the following activities:

- Establish internal rules at each group company to set up the necessary matters for appropriate handling of information and efficient paperwork.
- Record, store, and manage documents related to the execution of duties such as the minutes of the Board of Directors meetings and approved documents(including electromagnetic records) at each Group company appropriately in compliance with laws, the articles of incorporation, and the internal rules.
- Establish an internal information system and Group Information Security Policy to ensure the timely and appropriate use of information generated in the course of business activities and thoroughly implement information management throughout the Group.
- Foster awareness of information handling among officers and employees through ongoing education and training related to information security and the protection of personal information.
- Establish an Information Security Committee within the Company to actively promote measures for the entire group concerning the handling of information and hold a meeting regularly.

(3) System for risk management of the Company and the Group

NTT DATA's basic policy is to assume a variety of risks in its business operations and to design a system for responding to such risks from a group-wide perspective by defining priority risk items under the Group Risk Management Policy, based on the viewpoint that NTT DATA must be able to take optimal countermeasures in the event of the occurrence of such risks. To this end, it proceeds with the following activities:

- In addition to appointing an officer at the Company to supervise risk management from a company-wide perspective, an officer in charge of risk management shall be appointed at each Group company, thereby establishing a system for collaboration across the entire Group.
- Develop a system to continuously monitor and supervise the implementation of risk management in each department in charge of risk management. In addition, the Company's Internal Control Committee will evaluate the effectiveness of the system and oversee and promote it from the group-wide perspective.
- The Company shall promote activities to identify and respond to changes in risks dynamically while addressing various risks after prioritizing them in consideration of their relationship with management policies, strategies, etc.

(4) System to ensure efficient execution of duties by the Company and the Group

NTT DATA's basic policy is to enhance each of the functions of making important decisions, supervising execution, and executing operations, as well as to revitalize operations. To this end, it proceeds with the following activities:

- In order for the Company's Board of Directors to make important decisions and supervise the execution of duties appropriately, appoint Senior Vice Presidents at the Company as responsible persons who specialize in the execution of duties. In addition, promote delegation of authority to Group companies to expedite decision-making and pursue speedy operations.
- In order to strengthen the function of supervising business execution, the Company's Board of Directors shall include outside directors with a certain degree of independence.
- Set up a Corporate Management Committee for the President and CEO of the Company to make appropriate decisions on the basic policy of business and other important matters.
- In order to ensure proper and efficient business operations of the Group, the Company shall design a system that functions for efficient execution and control through delegation of authority by establishing various Group policies and internal regulations concerning decision-making and business execution of the Company's operations.

(5) System for reporting to the Company of matters related to the execution of duties at group companies

NTT DATA's basic policy is to develop a system between the Company and the group companies for reporting to the Company on matters related to the execution of duties in the Group through discussions, reports, instructions, requests, etc., concerning important matters, and to this end, it proceeds with the following activities:

- For domestic business, develop a system to cooperate with our group companies through NTT DATA Japan Corporation, which manages domestic business.
- For overseas business, develop a system to cooperate with our group companies through NTT DATA, Inc., which manages overseas business.
- To ensure soundness of the group companies, the Internal Audit Department of the Company shall monitor the activities of the group companies.
- In order to design a group-wide risk management system, the Company's Internal Control Committee shall supervise and promote the implementation of risk management for the entire group. In addition, a system shall be developed for prompt reporting by group companies to the Company in the event of a crisis or any other matter that may significantly impact group management.

- In order to prevent the occurrence of scandals, conduct employee education and training and establish a whistle-blowing system that receives information from identified and anonymous employees of the group companies and other parties as well as establish a system to ensure that employees and other parties who have made reports using the whistle-blowing system and other channels will not receive disadvantageous treatment on account of having made such reports.
- For transactions between the Company and the group companies, etc., comply with the laws and develop a system to ensure appropriate financial reports from group companies.
- Establish a system to ensure that the business execution by group companies is carried out appropriately and efficiently by establishing various group policies on important matters or other means.

(6) Matters concerning employees who assist the duties of the Company's Audit and Supervisory Committee and independence of such employees from the directors who are not Audit and Supervisory Committee Members of the Company

NTT DATA's basic policy is to develop a system to assist the duties of the Audit and Supervisory Committee of the Company in order to ensure effective audits, etc. of the Audit and Supervisory Committee, and to this end, it proceeds with the following activities:

- Set up the Office for Audit and Supervisory Committee in the Company to appropriately assist the Audit and Supervisory Committee's duties as an important organization under the Companies Act.
- Assign the necessary number of employees who assist the Audit and Supervisory Committee's duties to enable the Audit and Supervisory Committee to perform audits in conformity to the auditing standards set by the Committee itself.
- The Office for Audit and Supervisory Committee shall be an organization independent from the Company's directors who are not Audit and Supervisory Committee members, and the employees assisting the Audit and Supervisory Committee's duties shall perform their duties under instructions and directions from the Audit and Supervisory Committee.
- Respect the opinions of the Audit and Supervisory Committee members for personnel changes, evaluations, etc. of employees who assist the Audit and Supervisory Committee's duties.

(7) System for directors who are not the Company's Audit and Supervisory Committee members and employees to report to the Audit and Supervisory Committee/Other systems to ensure effective audits, etc. by the Audit and Supervisory Committee.

NTT DATA's basic policy is to develop a system for directors who are not the Company's Audit and Supervisory Committee members and employees to report important matters related to execution of duties to the Audit and Supervisory Committee and other systems to ensure effective audits, etc. by the Audit and Supervisory Committee. To this end, it proceeds with the following activities:

- Upon consultation between the directors who are not Audit and Supervisory Committee members and the Audit and Supervisory Committee, determine the meetings to be attended and materials to be inspected by the Audit and Supervisory Committee members, as well as the matters related to the Company and the group companies to be reported to the Audit and Supervisory Committee members periodically or extraordinarily and other matters, and make reports accordingly. In addition, promptly report risk information, such as the occurrence of damage or an incident, to the Audit and Supervisory Committee.
- The directors who are not the Company's Audit and Supervisory Committee members and employees shall immediately report matters related to execution of operations if requested by the Audit and Supervisory Committee, and shall not be treated disadvantageously as a result of such reporting.
- In addition, the directors who are not the Company's Audit and Supervisory Committee members, the independent auditors, and the Internal Audit Department, etc. shall each have an exchange of opinions regularly and when necessary upon request of the Audit and Supervisory Committee.
- The Audit and Supervisory Committee may independently engage external experts and receive advice on audit operations.
- The Audit and Supervisory Committee members may claim payment for expenses necessary for the execution of duties, and the Company shall make payments based on such claims.

## 2. Overview of the management status of the system to ensure the appropriateness of operations

The following is the overview of the state of operation of the system to ensure appropriate business operations within the Company and the Group.

### (1) Systems to ensure that the Company and the Group are performing their duties in compliance with applicable laws and regulations and the Articles of Incorporation

Aiming to be a company group trusted by clients, the Company and the Group establish corporate ethics as a basic policy to conduct sound business activities, and make efforts to maintain and improve the awareness of corporate ethics and compliance in order to operate businesses with a strong sense of ethics, let alone compliance with laws and regulations.

To foster awareness of corporate ethics and compliance in the Group, we have established the NTT DATA Group Code of Conduct, a basic code that indicates what we value in conducting our business and how directors and employees should conduct their business activities. We also conduct compliance training for directors, employees, and others at each Group company.

In addition, an internal reporting system has been established for use by all Group employees in Japan and overseas. The system is operated appropriately in accordance with the Whistleblower Protection Act, which stipulates that no disadvantageous treatment is to be inflicted on the reporting party for reporting.

We will steer away from any transactions with antisocial forces, by performing credit investigations, etc. of counterparties according to its regulations and reviewing the activities, purposes, etc. of organizations which we will join, in order to avoid any relationships with antisocial forces.

The Internal Audit Department reported the annual audit plan and the interim and annual audit results to the Board of Directors of the Company.

### (2) System for storage and management of information concerning execution of duties of the Company and the Group

The Company and the Group strive to protect personal information and confidential information from being leaked or used for purposes other than its intended purpose while storing and managing information appropriately, actively sharing it, and effectively using it.

The NTT DATA Group Code of Conduct stipulates that information should be accurately recorded and properly stored and that confidential and personal information should be properly protected to ensure the proper handling of information and efficient office operations in the Group. In addition, we have established the NTT DATA Group Information Security Policy, which aims to handle information assets appropriately and actively share and utilize information. We have also established an internal information system for appropriate management.

As part of the Group's information security management system, the Information Security Committee, chaired by our Senior Vice Presidents, has been established to promote cooperation with each Group company. The Committee met twice during the fiscal year under review to discuss measures against internal fraud, such as voluntary inspections of systems handling personal information, promotion of information security after the transition to the three-company structure, and measures to strengthen security.

Information security training is provided to directors and employees of group companies to maintain and improve their awareness of information security and personal information protection.

### (3) System for risk management of the Company and the Group

In order to implement integrated risk management for the entire group, the Company and the Group have established a basic policy (Group Risk Management Policy) that defines standardized matters to be addressed, and under this policy, a consistent risk management framework is established and operated by the group companies.

As part of the Group's risk management system, the Company has established an Internal Control Committee, chaired by the Director and Senior Executive Vice President of the Company, which promotes cooperation with each group company. The Committee met four times during the fiscal year under review to identify the most recent risk situation, discuss issues related to the Group's risk management, and reflect the results of these discussions in various measures.

The Company's Board of Directors selects risks that could have a significant impact on the achievement of the Group's business plan and its existence. It monitors the status of these risks as "material risks."

(4) System to ensure the efficient execution of duties by the Company and the Group

To realize agile business operations, the Company and the Group are promoting the transfer of authority to NTT DATA, Inc. and NTT DATA Japan Corporation to achieve governance that balances business agility with oversight and supervision.

The execution of the Group's business operations is conducted by 13 Senior Vice Presidents assigned to the Company, under the oversight of the Company's Board of Directors, and in accordance with the division of authority based on the Company's regulations.

The Board of Directors of the Company makes resolutions on matters stipulated by laws and regulations, important matters related to group management, and other matters stipulated in the rules for the Board of Directors. It also oversees the execution of duties of the Company's directors by receiving periodic reports from directors on the status of their duties. The Company's Board of Directors consists of 13 directors, including 7 independent outside directors (as of March 31, 2024), and met 18 times during the current fiscal year. The Corporate Management Committee, which deliberates the Company's important business operations, was held 35 times during the fiscal year under review.

As rules for the proper and efficient execution of group business operations, the Company has established and is operating a group policy for areas requiring consistent group business implementation.

(5) System for reporting to the Company of matters related to the execution of duties at group companies

A system is in place between the Company and the group companies for reporting to the Company on matters related to the execution of duties in the Group through discussions, reports, instructions, requests, etc., concerning important matters.

The Group has established rules and systems to ensure that important group management matters are discussed and reported to the Company through NTT DATA, Inc. for overseas business and through NTT DATA Japan Corporation for domestic business. In addition, risks that may significantly impact the achievement of the Group's business plan and the foundation of the Group's existence are selected as "material risks," and the Internal Control Committee confirms the status of such risks and controls. To deter misconduct, etc., as described in "(1) Systems to ensure that the Company and the Group are performing their duties in compliance with applicable laws and regulations and the Articles of Incorporation"

The financial conditions of the group companies are reported appropriately to the Company monthly, to the Corporate Management Committee and Executive Committee monthly, and to the Board of Directors quarterly.

The Company's Internal Audit Department audited domestic and overseas group companies using diverse audit methods, considering the Group's material risks and the risks of each region and company.

(6) Matters concerning employees who assist the duties of the Company's Audit and Supervisory Committee and independence of such employees from directors who are not Audit and Supervisory Committee members of the Company

As a system to support the audits by the Company's Audit and Supervisory Committee, etc., the Office for Audit and Supervisory Committee which consists of 7 dedicated employees has been set up and appropriately implement its operations under the instructions and orders of the Audit and Supervisory Committee. The personnel transfer, evaluation, etc. of employees of the Office for Audit and Supervisory Committee are handled with respect to the opinions of Audit and Supervisory Committee members.

(7) System for directors who are not the Company's Audit and Supervisory Committee members and employees to report to the Audit and Supervisory Committee/Other systems to ensure effective audits by the Audit and Supervisory Committee, etc.

The Audit and Supervisory Committee members attend important meetings such as those of the Board of Directors, the Corporate Management Committee, and the Internal Control Committee, review important documents, exchange opinions periodically with the President and CEO and Senior Executive Vice Presidents, and discuss the specified themes with directors, etc. In these occasions, they receive reports of the status of the execution of duties shown in the basic policy, etc. and provide recommendations as needed.

Moreover, the Audit and Supervisory Committee Members regularly exchange opinions with independent auditors and the Internal Auditing Department. The explanation of an audit plan, the status of internal control systems, and other matters are reported to the Audit and Supervisory Committee Members while they make recommendations as needed

In addition, the Company uniquely contracts with outside experts such as lawyers to receive advice on auditing duties. Including the costs necessary for them, the Company bears the costs needed to perform auditing duties.

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

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

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

## Consolidated Statement of Changes in Equity 36th FY (2023/4/1-2024/3/31)

(Unit: ¥ million)

|                                                  | Equity attributable to shareholders of NTT DATA |                 |                   |                 |                            |           |
|--------------------------------------------------|-------------------------------------------------|-----------------|-------------------|-----------------|----------------------------|-----------|
|                                                  | Share capital                                   | Capital surplus | Retained earnings | Treasury shares | Other components of equity | Total     |
| Balance at beginning of current period           | 142,520                                         | 26,752          | 1,091,214         | (1,034)         | 192,915                    | 1,452,367 |
| Comprehensive income                             |                                                 |                 |                   |                 |                            |           |
| Profit                                           | –                                               | –               | 133,869           | –               | –                          | 133,869   |
| Other comprehensive income                       | –                                               | –               | –                 | –               | 167,030                    | 167,030   |
| Comprehensive income                             | –                                               | –               | 133,869           | –               | 167,030                    | 300,899   |
| Transactions with shareholders                   |                                                 |                 |                   |                 |                            |           |
| Dividends of surplus (Note 1)                    | –                                               | –               | (32,257)          | –               | –                          | (32,257)  |
| Transfer to retained earnings                    | –                                               | –               | 16,952            | –               | (16,952)                   | –         |
| Purchase and disposal of treasury shares         | –                                               | –               | –                 | 62              | –                          | 62        |
| Increase (decrease) by business combination      | –                                               | –               | –                 | –               | –                          | –         |
| Changes in ownership interest in subsidiaries    | –                                               | (1,819)         | –                 | –               | –                          | (1,819)   |
| Stock-based remuneration transaction             | –                                               | 506             | –                 | –               | –                          | 506       |
| Put options written on non-controlling interests | –                                               | 748             | –                 | –               | –                          | 748       |
| Other                                            | –                                               | (735)           | (566)             | –               | –                          | (1,302)   |
| Total transactions with shareholders             | –                                               | (1,301)         | (15,872)          | 62              | (16,952)                   | (34,062)  |
| Balance at end of current period                 | 142,520                                         | 25,451          | 1,209,212         | (972)           | 342,993                    | 1,719,204 |

|                                                  | Non-controlling interests | Total equity |
|--------------------------------------------------|---------------------------|--------------|
| Balance at beginning of current period           | 943,998                   | 2,396,365    |
| Comprehensive income                             |                           |              |
| Profit                                           | 11,671                    | 145,541      |
| Other comprehensive income                       | 103,304                   | 270,334      |
| Comprehensive income                             | 114,976                   | 415,875      |
| Transactions with shareholders                   |                           |              |
| Dividends of surplus                             | (3,550)                   | (35,807)     |
| Transfer to retained earnings                    | –                         | –            |
| Purchase and disposal of treasury shares         | –                         | 62           |
| Increase (decrease) by business combination      | 10,487                    | 10,487       |
| Changes in ownership interest in subsidiaries    | (638)                     | (2,458)      |
| Stock-based remuneration transaction             | 281                       | 786          |
| Put options written on non-controlling interests | (410)                     | 339          |
| Other                                            | (3,934)                   | (5,235)      |
| Total transactions with shareholders             | 2,236                     | (31,826)     |
| Balance at end of current period                 | 1,061,210                 | 2,780,414    |

Notes:

1. This is the item of appropriation of retained earnings resolved at the ordinary general meeting of shareholders held on June 20, 2023 and at the meeting of the Board of Directors held on November 6, 2023.
2. Amounts less than one million yen are rounded off.

## Notes to Consolidated Financial Statements

### (Important Basic Matters for Preparation of Consolidated Financial Statements)

1. Standard of preparation of the consolidated statements

NTT DATA Group uses the International Financial Reporting Standards (hereinafter referred to as “IFRS”), in the preparation of its consolidated financial statements pursuant to the first paragraph of Article 120 of the Ordinance on Accounting of Companies. Pursuant to the provisions of the latter part of the same paragraph, the consolidated financial statements omit some items required to be disclosed by IFRS.

2. Matters related to the scope of consolidation

NTT DATA’s consolidated subsidiaries amount to 599 companies.

Major consolidated subsidiaries are NTT DATA Japan Corporation, NTT Limited, NTT DATA, Inc. etc.

3. Matters related to application of the equity method

The equity-method companies are 49, including KIRIN BUSINESS SYSTEM COMPANY, LIMITED.

For those companies accounted for using the equity method whose account closing date differs from the consolidated account closing date, the financial statements for their respective fiscal years are used.

4. Matters related to the fiscal years of consolidated subsidiaries

In the consolidated financial statements, the financial statements of subsidiaries whose account closing date differ from NTT DATA Group are included because it is impossible in practice to set it on the same date as ours due to relations with other shareholders. The account closing date of such subsidiaries is basically at the end of December. Adjustments are made for important transactions or impact of events that have occurred between the account closing date of subsidiaries and our account closing date.

5. Matters related to accounting policy

(1) Financial assets

Financial assets are divided into financial assets measured at fair value through profit or loss upon initial recognition, debt instruments measured at fair value through other comprehensive income, and financial assets measured at amortized cost. In NTT DATA Group, trade and other receivables measured at amortized cost are initially recognized on the day when they occur and other financial assets are initially recognized on the day of transaction.

NTT DATA Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired, or when it has transferred the contractual rights to the cash flows from the financial asset and substantially all the risks and rewards of ownership of the said asset to another entity.

Financial assets measured at amortized cost

Financial assets which meet both of the following conditions are classified as financial assets measured at amortized cost:

- Assets are managed within a business model which aims to own assets to receive contractual cash flows from the said assets
- Contract terms of financial assets stipulate that cash flows which consist only of payments of principal and interest for the principal balance shall be generated on specific dates.

Financial assets measured at amortized cost are measured by adding transaction costs which are directly attributable to the acquisition of the said assets to their fair values at the time of the initial recognition. After the initial recognition, they are measured at amortized cost based on the effective interest method. However, trade receivables which do not include significant financial factors are measured at their transaction prices.

#### Debt instruments measured at fair value through other comprehensive income (FVOCI)

Financial assets which meet both of the following conditions are classified as financial assets measured at fair value through other comprehensive income:

- Assets are managed within a business model whose objective is both to collect contractual cash flows and to sell the said assets.
- Contract terms of financial assets stipulate that cash flows which consist only of payments of principal and interest for the principal balance shall be generated on specific dates.

Debt instruments measured at fair value through other comprehensive income are measured by adding transaction costs which are directly attributable to the acquisition of the said assets to their fair values at the time of the initial recognition. After the initial recognition, they are measured at fair value and subsequent changes in value are recognized as other comprehensive income. When value recognized as other comprehensive income is derecognized, the cumulative value is reclassified to profit or loss. However, debt instruments measured at fair value through other comprehensive income do not exist in the reported fiscal year.

#### Equity instruments measured at fair value through other comprehensive income (FVOCI)

Some financial assets are decided to be measured at fair value through profit or loss as they are not classified as financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income. They include investments in equity instruments that are not held for trading. It is permitted to make an irrevocable election to present in other comprehensive income the subsequent changes in the fair value of an investment in an equity instrument that is not held for trading when the said investment is initially recognized. NTT DATA Group designates each financial instrument accordingly.

Equity instruments measured at fair value through other comprehensive income are measured by adding transaction costs which are directly attributable to the acquisition of the said assets to their fair values at the time of the initial recognition. After the initial recognition, they are measured at fair value and subsequent changes in value are recognized as other comprehensive income. When value recognized as other comprehensive income is derecognized, the cumulative value is reclassified to retained earnings and not profit or loss. With respect to dividends, they are recognized in profit or loss.

#### Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets other than the above are classified as financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are measured at fair value at the time of the initial recognition and transaction costs which are directly attributable to the acquisition of the said assets are recognized in profit or loss when they occur. After the initial recognition, they are measured at fair value and subsequent changes in value are recognized in profit or loss.

“Financial assets at FVTPL – Net changes in fair value” includes changes in fair value, received interest, received dividends and foreign exchange gains or losses.

## (2) Impairment of financial assets

Based on the expected credit loss, NTT DATA Group examines the impairment of financial assets which are measured at amortized cost, financial assets measured at fair value through other comprehensive income (except equity instruments), and contract assets.

When recognizing and measuring expected credit loss, the company uses information on the past events, the current situation, and the future economic forecast that is available and reasonable and can be corroborated as of the day of report. NTT DATA Group examines the availability of objective evidence concerning the existence of impairment through individual assessment in individually significant cases and collective assessment in the other case since the credit characteristics are the same, and objective evidence that shows impairment of the financial asset concerned includes the debtor's payment default or delinquency and indications that the debtor or the issuer may go bankrupt among others.

If credit risk of a financial instrument at the end of the term has not significantly grown from the initial recognition, the amount of provision for loss is calculated based on the expected credit loss (12-month expected credit loss) resulting from default in payment that could arise during the 12 month period after the day of report. On the other hand, if credit risk of a financial instrument at the end of the term has significantly grown from the initial recognition, the amount of provision for loss is calculated based on the expected all credit loss (expected credit loss of the entire period) resulting from default in payment that could arise during the said financial instrument's expected period of existence. Despite the above, the amount of provision for loss is always calculated based on the expected credit loss of the entire period with regard to trade receivables not including significant financial factors, other receivables (lease receivables), and contract assets. There are no trade receivables and others with a significant financial component.

In principle, NTT DATA Group decides that credit risk of a financial asset has significantly grown from the time of initial recognition if payment is 30 days behind the due date as stipulated in contract and decides that default in payment has occurred if payment is 90 days overdue. If default in payment is the case or there is evidence of impairment including significant financial difficulties of issuers and debtors, we recognize credit impairment. If a financial asset is reasonably decided to be irrecoverable no matter what recovery measures are taken, we directly write off the carrying amount of the financial asset concerned.

## (3) Financial liabilities

Financial liabilities are divided into those measured at fair value through profit or loss upon initial recognition and those measured at amortized cost. In NTT DATA Group, financial liabilities measured at amortized cost are initially recognized on the day of issuance and other financial liabilities are initially recognized on the day of transaction.

NTT DATA Group derecognizes financial liabilities when they are extinguished, i.e., when obligations specified under a contract are discharged, cancelled or expired.

### Financial liabilities measured at amortized cost

Non-derivative financial liabilities are classified as financial liabilities measured at amortized cost. Financial liabilities measured at amortized cost are measured by subtracting transaction costs which are directly attributable to the issuance of the said liabilities from their fair values when they are initially recognized. After the initial recognition, they are measured at amortized cost based on the effective interest method.

### Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are measured at fair value when they are initially recognized. After the initial recognition, they are measured at fair value and subsequent changes in value are recognized in profit or loss. There were no non-derivative financial liabilities measured at fair value through profit or loss in this fiscal year.

(4) Derivatives and hedge accounting

NTT DATA Group uses derivatives and non-derivatives such as foreign currency deposits and others primarily for hedging foreign exchange risk and interest rate risk. NTT DATA Group shall not conduct derivative transactions for purposes other than hedging risk except in cases individually approved pursuant to the business objectives.

When initiating a hedge, NTT DATA Group formally designates and documents the hedging relationship and initiation of such hedge based on its risk management policy. Such documentation includes the hedging instrument, the hedged item, methods of assessing the hedging instrument's effectiveness, analysis of causes of ineffective portions, and methods of determining the hedge ratio among others.

After designating a hedge, NTT DATA Group assesses on an ongoing basis for the effectiveness of such hedging relationship for the future. Specifically, NTT DATA Group decides that a hedge is effective if all of the following items are applicable:

- There is an economic relationship between a hedged item and a hedging instrument.
- The impact of credit risk does not overwhelm the change in value resulting from the said economic relationship.
- The hedge ratio is the same as the ratio resulting from the volume of the actual hedged item and the hedge instrument.

Derivatives are initially recognized at fair value. After the initial recognition, they are measured at fair value and changes in fair value are accounted for as follows:

Cash flow hedges

With regard to hedges which meet the requirements concerning hedge accounting, effective portions of the change in fair value of derivatives which are hedge instruments are recognized as other comprehensive income and accumulate in other components of equity. Amounts accumulated in components of other equity are transferred to profit when the hedged transaction affects profit, but are included in the measurement of the purchase price of the hedged non-financial asset if the hedged item is a forecasted transaction. Changes in foreign exchange forward contracts are accumulated in other components of equity as hedging costs.

Derivatives not designated as hedging instruments

The changes in fair value of such derivatives are recognized in profit or loss.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash, cash in the bank that may be withdrawn at any time, and short-term investments with maturity of three months or less from the acquisition date that are readily convertible into cash and subject to only minor price fluctuation risk.

(6) Inventories

Inventories comprise products, work in process and stores and are measured at the lower of acquisition cost and net realizable value. Work in process is principally based on the cost of goods purchased concerning equipment sales, etc. and the specific identification method is adopted. Costs of products and stores are calculated mainly based on the first-in-first-out method.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost to completion and estimated selling expenses.

(7) Property, plant and equipment

Based on the cost model, property, plant and equipment are measured at cost less any accumulated depreciation and accumulated impairment losses. The costs of property, plant and equipment include costs directly attributable to the acquisition of such assets, costs relating to scrap, removal/retirement, and restoration, and borrowing costs to be recognized as assets.

As for depreciation costs, amounts that can be depreciated are calculated under the straight-line method over the estimated useful life of each component. Amounts that can be depreciated are obtained by subtracting residual values from the assets' acquisition costs. Land or construction in progress is not depreciated.

The estimated useful lives of major items of property, plant and equipment are as follows:

|                                   |         |       |
|-----------------------------------|---------|-------|
| Data communication facilities     | 3 - 8   | years |
| Buildings and structures          | 10 - 60 | years |
| Machinery, equipment and vehicles | 3 - 15  | years |
| Furniture, fixtures and tools     | 4 - 15  | years |

The depreciation methods, estimated useful lives and residual values of assets are reviewed at every reporting date and adjusted prospectively as a change in an accounting estimate when there is a change.

(8) Goodwill and intangible assets

(a) Goodwill

Goodwill generated from acquisition of subsidiaries is measured at cost less any accumulated impairment losses. Goodwill is not amortized but tested for impairment whenever there is an indication that a cash-generating unit may be impaired and at a certain time of each reporting period regardless of whether there is an indication of such impairment.

(b) Research and development expenses

Expenses concerning research activities are recognized in profit or loss when they occur. With regard to expenses concerning development activities, those which meet all requirements for being recognized as assets are measured at a total amount of expenses incurred during the period from the day when such expenses met requirements for being recognized as assets to the completion of development, and presented in the consolidated statements of financial position. NTT DATA Group primarily develops system operation software and computer software.

(c) Other intangible assets

Based on the cost model, intangible assets are recorded at cost less any accumulated depreciation and accumulated impairment losses.

At initial recognition, intangible assets acquired individually are measured at cost. Intangible assets acquired from business combinations are recognized separately from goodwill at initial recognition and measured at fair value at the date of acquisition.

Major intangible assets for which expected useful lives may be determined include software for communication services based on contracts with specific clients to provide NTT DATA Group's services and computer software for internal use. Depreciation costs for software for data communication services are calculated under the straight-line method over the period of fee payment based on contracts with clients whereas in-house computer software is depreciated under the same method over the estimated period of useful life.

Useful lives of each intangible asset is as follows;

|                         |        |       |
|-------------------------|--------|-------|
| Software                | 2 - 14 | years |
| Other intangible assets | 7 - 38 | years |

The depreciation methods, estimated useful lives and residual values of assets are reviewed at every reporting date and adjusted prospectively as a change in an accounting estimate when there is a change.

(9) Lease

NTT DATA Group determines whether a contract is of a lease, or contains a lease, based on the substance of the contract start date.

(a) Lease as a lessee

The Group recognizes a right-of-use asset and lease liability on the lease start date. The Group uses the cost method for measuring a right-of-use asset, and the book value is gained by deducting the accumulated depreciation and the accumulated impairment loss from the acquisition cost. The acquisition cost is initially measured by adjusting the initially-measured value of the lease liability with the initial direct cost owned by the lessee, prepaid lease fee, etc.

Depreciation is calculated using the straight-line method over a service life period from the lease start date or the lease term. Estimated useful lives for a right-of-use asset are determined in the same method applicable to the lessee's own tangible fixed assets.

A right-of-use asset is, if applicable, adjusted in re-measuring specific lease liability.

Lease liability is initially measured at the present value discounting the lease fee that has not been paid at the time of the lease start date based on the Group's incremental borrowing rate. The incremental borrowing rate is used as a discount rate because the interest rate of the lease cannot be easily calculated. The payment of the lease fee is accounted for as the payment of calculated interest and repayment of the lease liability based on the effective interest method, and on the consolidated income statement, interest payment is indicated as finance cost.

For short-term leases or leases of small assets, the Company uses an exemption that recognizes the total lease payments as a lease expense on a straight-line basis over the lease term.

(b) Lease as a lessor

At the Group, leases are classified as a finance lease transaction when the terms of the lease transfer almost all the risks and economic values of ownership to the lessee on the lease start date, and other lease transactions are classified as operating lease transactions. When the lease term is for the major part of the economic life of the asset or the present value of the minimum lease payments amounts to almost all of the fair value of the leased asset, it is judged that the Group has transferred almost all the risks and economic values of the ownership.

(10) Investment property

An investment property is a property held either to earn rental income or for capital appreciation or for both. An investment property does not include a property held for sale in the ordinary course of business or property used for the production or supply of goods or service or for other administrative purposes.

NTT DATA Group initially recognizes investment property at cost and then applies the cost model, in which investment property is measured at cost less any accumulated depreciation and accumulated impairment losses.

Depreciation of an investment property is computed under the straight-line method over the applicable estimated useful life. The estimated useful lives are between 10 years and 60 years. The depreciation methods, estimated useful lives and residual values are reviewed at every reporting date.

(11) Impairment

(a) Impairment of property, plant and equipment, intangible assets, and investment property

NTT DATA Group assesses at the end of each reporting period whether there is any indication of impairment in property, plant and equipment, intangible assets, or investment property. If any such indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful lives and intangible assets which are yet to be available for use are tested for impairment whenever there is an indication of impairment and at a certain time of each reporting period regardless of whether there is an indication of such impairment. If the recoverable amount of an asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of other assets or groups of assets. In NTT DATA Group, a cash-generating unit is usually a group of assets which function with each other in an integrated manner as a system.

A recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in profit or loss.

At the end of a reporting period, NTT DATA Group determines whether there is an indication of decrease or non-existence of impairment losses of assets except goodwill which were recognized in prior fiscal years. If there is an indication of a reversal of an impairment loss, a recoverable amount of the asset or the cash-generating unit concerned is estimated. If the recoverable

amount exceeds the carrying amount of the asset or the cash-generating unit concerned, the impairment loss is reversed up to the lower of its recoverable amount and the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior fiscal years.

(b) Impairment of goodwill

Goodwill is allocated to a cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the business combination and NTT DATA Group performs an impairment test whenever there is an indication of impairment of such a cash-generating unit and at a certain time of each reporting period regardless of whether there is an indication of such impairment. NTT DATA Group assesses whether there is an indication that goodwill may be impaired at the end of every fiscal year. If the recoverable amount of a cash-generating unit falls below its carrying amount in an impairment test, the difference is reduced from the carrying amount of goodwill allocated to the cash-generating unit or group of cash-generating units and then from the carrying amounts of each assets according to the proportional ratio of the carrying amount of other assets in the cash-generating unit or group of cash-generating units.

An impairment loss for goodwill is recognized in profit or loss and is not reversed in a subsequent period.

(12) Allowances

Allowances are recognized when NTT DATA Group has a present obligation (legal or constructive) as a result of a past event, and is probable that it will be required to settle the obligation, and at the same time a reliable estimate can be made of the amount of the obligation.

In measuring an allowance, the estimated future cash flows which take into account the risks and uncertainties concerning the obligation at the end of a fiscal year are discounted to their present value using an interest rate that reflects the time value of money and the risks specific to the liability

NTT DATA Group recognize allowances, primarily for allowance for contract losses.

Allowance for contract losses

An estimated amount of loss related to a contract of an order as of the end of a fiscal year is calculated separately and recognized as an allowance for contract losses in order to prepare for future loss related to the contract of order.

(13) Revenues

With regard to transactions covered by IFRS 15 “Revenue from Contracts with Customers” (hereinafter IFRS 15), NTT DATA Group recognizes revenue at the amount which reflects the consideration to which NTT DATA Group expects to be entitled in exchange for transfer of goods or services to clients based on the following five-step approach.

Step 1: Identify the contract(s) with a client

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the separate performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

With regard to the transaction concerned, NTT DATA Group determines at the start of a contract whether the performance obligation is to be satisfied over time and performance obligations that are not to be satisfied over time are considered as those to be satisfied at a point in time.

Performance obligations to be satisfied over time are recognized in earnings over the same period based on the progress concerning satisfaction of performance obligations measured at the end of a reporting period if their value of order or total cost incurred until completion can be reliably estimated. For measuring the progress, the input method based on cost incurred (cost-to-cost method) is used. If value of order or total cost incurred until completion cannot be reliably estimated, earnings are recognized at the same amount as portions of cost incurred that are deemed to be highly recoverable (cost recovery method).

Since the consideration for the transaction is received primarily within one year of satisfying the performance obligation, we have used practical expedients and have not adjusted for significant financial factors.

(14) Employee benefits

(a) Defined contribution plans

Contributions already paid under the defined contribution plans are recognized as expenses in the period in which the employees provided services and contributions to be paid in future are recognized as liabilities.

(b) Defined benefit plans

The liability recognized relating to defined benefit plans (defined benefit liability) is the present value of the defined benefit plan obligation at the end of a reporting period less the fair value of plan assets.

The defined benefit plan obligation is calculated by independent actuaries using the projected unit credit method. Expenses for defined benefit comprise service cost, net interest on the net defined benefit liability (asset) and remeasurements of the net defined benefit liability (asset). Service cost and net interest are recognized in profit or loss and net interest is calculated by multiplying the net defined benefit liability (asset) at the beginning of a reporting period by the discount rate used for measuring the defined benefit plan obligation at the beginning of the same period.

Remeasurements of the net defined benefit liability (asset) are recognized in other components of equity and when they are incurred, they are reclassified directly from other components of equity to retained earnings without going through profit or loss.

(c) Short-term employee benefits

Short-term employee benefits are not discounted. Instead, they are recognized as expenses at the time related services are provided.

With regard to bonuses and paid leave expenses, NTT DATA Group has contractual obligations to pay them, and recognizes the amount estimated to be paid based on the systems concerned are recognized as liabilities.

(15) Investments in jointly controlled entities

A jointly controlled entity is an investee in which several parties (including NTT DATA and its subsidiaries) have rights to the investee's net assets under a joint control agreement where each party has rights to the investee's net assets. Joint control is the contractually agreed upon sharing of control over an arrangement and exists only when decisions regarding related activities require the unified agreement of the parties sharing control.

Investments in a jointly controlled entity are recognized on the basis of acquisition cost at the time of acquisition and thereafter accounted for using the equity method. When applying the equity method, the amounts of investments are adjusted for the NTT DATA Group's share of the profit or loss and other comprehensive income of the equity method investee after initial recognition and up to the date when the Group no longer has a significant influence, and included in the consolidated financial statements. If the loss of an equity-method investee exceeds the amount of the Group's investment in the investee, the long-term investment, which effectively constitutes part of the net investment in the investee, is reduced to zero, and no further losses are recognized unless the Group has a legal or constructive obligation to the investee, or makes payments on its behalf. Unrealized gains arising from transactions between the Group and jointly controlled entities are deducted from the Group's investment in the jointly controlled entity up to the Group's ownership equity. Unrealized losses are accounted for in the same manner as unrealized gains unless there is evidence of impairment.

The amount by which the cost of an investment in a jointly controlled entity exceeds the Group's share of identifiable net assets recognized at the acquisition date is included in the book value of the investment in the jointly controlled entity. Excess amounts are tested for impairment when there is objective evidence to suggest that the investment may be impaired.

### **(Changes in Accounting Policies)**

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

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

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

### **(Notes to accounting estimates)**

NTT DATA has posted the amounts of accounting estimates to the current consolidated financial statements for the fiscal year under review, of which the following may have a material impact on the consolidated financial statements for the next fiscal year.

#### 1. Valuation of non-financial assets

NTT DATA has posted 1,914,447 million yen for property, plant and equipment, 259,883 million yen for right-of-use assets, 1,321,773 million yen for goodwill, 693,716 million yen for intangible assets, and 25,323 million yen for investment property to the Consolidated Statement of Financial Position for the current consolidated fiscal year.

The impairment test uses the higher of value in use and fair value less cost of disposal to calculate the recoverable amount. Some impairment tests use fair value less cost of disposal, as the recoverable amount, for which both the discounted cash flow method and the comparable multiple valuation method are used as a valuation method. The discounted cash flow method is based on the future plan approved by management to estimate the future cash flow, which is discounted by the weighted average cost of capital. This calculation assumes the perpetual growth rate, the weighted average cost of capital, and other factors. If such assumptions change, impairment loss may be incurred.

#### 2. Evaluation of total cost estimates related to the allowance for contract losses

An allowance for contract losses of 8,433 million yen (after offsetting against inventories) was recorded in the consolidated statement of financial position for the fiscal year ended March 31, 2024.

The total cost estimate related to the allowance for contract losses is highly individualized in terms of development due to the novelty of the customer or technology, and includes assumptions about the scale of development, productivity, development man-hours, and outsourcing monies, etc. If these assumptions change, the amount of the provision may be revised.

#### 3. Deferred tax assets

Deferred tax assets of 234,943 million yen were recorded in the consolidated statement of financial position for the fiscal year ended March 31, 2024.

Deferred tax assets are recognized for temporary differences, net operating loss carryforwards, and tax credit carryforwards to the extent that it is probable that they will be recovered through future taxable income. However, the amount of deferred tax assets considered to be recoverable may change due to changes in assumptions about future taxable income.

#### 4. Liabilities related to retirement benefits

In the consolidated statement of financial position for the fiscal year ended March 31, 2024, liabilities for retirement benefits of 170,219 million yen were recorded.

The liability for retirement benefits is calculated by deducting the fair value of plan assets from the present value of the defined benefit plan obligation at the end of the fiscal year. The measurement of the defined benefit plan obligation involves assumptions such as the discount rate, and the amount of the liability for retirement benefits may fluctuate due to changes in these assumptions.

#### (Changes in accounting estimates)

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

#### (Notes Related to the Consolidated Statement of Financial Position)

##### 1. Breakdown of inventories

|                                    |                    |
|------------------------------------|--------------------|
| Merchandise and manufactured goods | 33,081 million yen |
| Work in process                    | 15,753 million yen |
| Raw materials and supplies         | 2,410 million yen  |

##### 2. Assets offered as security and liabilities related to security

###### (1) Assets offered as security

|                                                           |                    |
|-----------------------------------------------------------|--------------------|
| Cash and deposits                                         | 41 million yen     |
| Accounts receivable                                       | 41,284 million yen |
| Buildings and structures                                  | 5,172 million yen  |
| Machinery, equipment, and vehicles                        | 439 million yen    |
| Furniture, fixtures, and tools                            | 222 million yen    |
| Land                                                      | 32 million yen     |
| Investment property                                       | 4,958 million yen  |
| Stock                                                     | 0 million yen      |
| Investments and other assets (long-term loan receivables) | 690 million yen    |

###### (2) Secured liabilities

|                                                                    |                   |
|--------------------------------------------------------------------|-------------------|
| Corporate bonds<br>(including those redeemable within one year)    | 100 million yen   |
| Short-term loans                                                   | 4,344 million yen |
| Long-term loans<br>(including long-term loans due within one year) | 938 million yen   |

##### 3. Accumulated depreciation of tangible fixed assets

|  |                       |
|--|-----------------------|
|  | 1,360,629 million yen |
|--|-----------------------|

4. In inventories related to construction contracts for which potential losses are expected, the amount is presented by offsetting with the corresponding allowance for contract losses, 1,100 million yen (all of them are an allowance for contract losses related to work in process).

**(Notes related to Consolidated Statement of Income)**

1. Transfer to allowance for contract losses included in cost of sales 2,636 million yen
2. Principal categories and amounts of selling, general and administrative expenses
 

|                                 |                     |
|---------------------------------|---------------------|
| Employees' salary and allowance | 403,301 million yen |
| Retirement benefit expenses     | 14,658 million yen  |
| Subcontractor expenses          | 183,887 million yen |

(Note) Research and development expenses included in selling, general and administrative expenses totaled 20,491 million yen.

**(Notes related to Consolidated Statement of Changes in Equity)**

1. Class and number of shares outstanding at the consolidated fiscal year-end
 

|              |                      |
|--------------|----------------------|
| Common stock | 1,402,500,000 shares |
|--------------|----------------------|
2. Class and number of treasury stock at the consolidated fiscal year-end
 

|              |               |
|--------------|---------------|
| Common stock | 11,218 shares |
|--------------|---------------|

(Note) The above does not include the 464,400 shares of the Company's stock held by the trust for the performance-based stock compensation plan.
3. Dividends
  - (1) Dividends paid

| Approval                                                  | Classes of Shares | Total Amount of Dividends (million yen) | Dividend per Share (yen) | Record Date        | Effective Date   |
|-----------------------------------------------------------|-------------------|-----------------------------------------|--------------------------|--------------------|------------------|
| Ordinary General Meeting of Shareholders on June 20, 2023 | Common stock      | 16,129                                  | 11.5                     | March 31, 2023     | June 21, 2023    |
| Board of Directors' Meeting on November 6, 2023           | Common stock      | 16,129                                  | 11.5                     | September 30, 2023 | December 1, 2023 |

(Note) The total amount of dividends resolved at the Ordinary General Meeting of Shareholders on June 20, 2023 includes a dividend of 6 million yen from the Company's shares held by the trust for the performance-based stock compensation plan.

(Note) The total amount of dividends resolved at the Board of Directors meeting on November 6, 2023 includes a dividend of 6 million yen from the Company's shares held by the trust for the performance-based stock compensation plan.

- (2) Dividends whose record date is within the consolidated fiscal year ended March 31, 2024, but to be effective in the following consolidated fiscal year

| Approval                                                  | Classes of Share | Dividend Source   | Total Amount of Dividends (million yen) | Dividend per Share (yen) | Record Date    | Effective Date |
|-----------------------------------------------------------|------------------|-------------------|-----------------------------------------|--------------------------|----------------|----------------|
| Ordinary General Meeting of Shareholders on June 18, 2024 | Common stock     | Retained earnings | 16,129                                  | 11.5                     | March 31, 2024 | June 19, 2024  |

## (Notes related to Financial Instruments)

### 1. Matters related to the status of financial instruments

#### (1) Financial risks

NTT DATA Group is exposed to various financial risks (exchange risk, price risk, interest rate risk, credit risk, and liquidity risk) in the course of its business activities. To prevent and mitigate such financial risks, NTT DATA Group manages risks in accordance with certain policies.

With regard to derivative transactions, NTT DATA Group limits and performs them within the actual demand by taking specified procedures for trade execution in accordance with the derivative transaction management rules.

#### (2) Credit risks

In conducting business, NTT DATA Group is exposed to clients' credit risks in trade and other receivables and other financial assets (deposits, stocks, receivables and derivatives among others.)

In the Company, with regard to trade receivables, the person in charge of the trade receivables of each sector, etc. conducts regular monitoring of the collection status of individual clients to manage due dates as well as the credit balance in accordance with credit management rules, etc., and at the same time, delays in trade receivables are reported to the Corporate Management Committee on a quarterly basis so that early and secured collections can be achieved. Consolidated subsidiaries also conduct credit risk control using similar methods to those of the Company.

The counterparty to the derivative transactions is a financial institution with a high credit rating, and the Company considers that there is little risk (credit risk) of the counterparty's default.

We strive to prevent or reduce credit risk through the above risk management procedures and do not have credit risk exposures that are excessively concentrated.

#### (3) Liquidity risks

Liquidity risks refer to risks of NTT DATA Group facing difficulties in fulfilling obligations relating to financial liabilities to be settled with cash or other financial assets by NTT DATA Group. In raising funds to support its business activities, NTT DATA Group is committed to achieving a goal of securing funds at low cost in a stable manner.

NTT DATA Group manages liquidity risks by certain means, for example, formulating and updating monthly funding plans. The Company also makes use of bank loans and NTT Group Finance for financing and has received ratings of long-term bonds and commercial paper from two rating institutions in Japan for more stable financing. Accordingly, the Company has secured enough funding liquidity which could substitute cash and cash equivalents.

NTT DATA Group has introduced a group cash management system, which aims to improve the fund efficiency by letting the Company centrally manage the Group's funds and lend needed funds to each group company.

#### (4) Market risks

Market risks refer to risks concerning fluctuations in market prices, such as foreign exchange rates, interest rates and equity prices and affect NTT DATA Group's earnings or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

With regard to foreign currency denominated assets and liabilities, NTT DATA Group basically hedges foreign exchange risk by possessing foreign currency liability in the same currency or other currency which links with the currency in question, making forward exchange contracts, currency swap transactions, currency option transactions, or combinations of them. With regard to variable rate assets and liabilities, the Company basically hedges interest rate risk by possessing liabilities which are linked to the industry interest rate, interest rate swap transactions, interest rate option transactions, or combinations of them.

With regard to stocks, their market risk is managed by grasping their fair value and checking the financial position of the issuers regularly. Derivatives are used in accordance with risk control rules and the Finance Department of the Company manages them centrally. The use of derivatives by consolidated subsidiaries is subject to prior discussion with the Company.

(a) Foreign exchange risk management

NTT DATA Group conducts corporate activities globally and is subject to risk of foreign exchange fluctuations as the group companies based in various regions of the world conduct trade, financing, and investment in non-functional currencies. To maintain economic value of cash flows in non-functional currencies, NTT DATA Group manages foreign exchange fluctuation risks by using contracts such as forward exchange contracts. NTT DATA Group considers that these transactions effectively offset the impact of exchange fluctuations. Main hedged currencies are US dollars and Euros.

(b) Interest rate risk management

In conducting business activities, NTT DATA Group pays interest accrued by raising funds necessary for working capital and capital investment among others. With regard to borrowings with interest rate risks, NTT DATA Group usually hedges such interest rate risks by using an interest rate swap.

(c) Equity price fluctuation risk control

NTT DATA Group is exposed to equity price fluctuation risks as it holds marketable shares especially those of clients and affiliated companies at the end of the fiscal year under review. Based on its risk control strategy, NTT DATA Group manages equity price fluctuation risks by regularly monitoring fair value and unrealized profit and loss for each investee.

2. Matters related to fair values of financial assets and financial liabilities

Carrying amounts and fair values of major financial instruments at the end of the fiscal year under review are as follows. Other financial instruments are not included in the table as their carrying amounts are largely equivalent to their fair values..

Assets and liabilities not measured at fair value on a recurring basis

(Unit: million yen)

|                                                          | End of the current consolidated fiscal year<br>(March 31, 2024) |            |
|----------------------------------------------------------|-----------------------------------------------------------------|------------|
|                                                          | Carrying amount                                                 | Fair value |
| Long-term loans (incl. those to be repaid within a year) | 1,555,390                                                       | 1,581,538  |
| Bonds (incl. those to be redeemed within a year)         | 100                                                             | 99         |

Fair value is defined as “a price that is assumed to be paid to transfer a price that is assumed to be received for selling an asset or a liability in an ordinary transaction between market participants on the day of the measurement.” In IFRS, there are 3 levels of fair values. Inputs used for measuring fair values are prioritized according to observability. Each input are as described below:

Level 1: market price of the same asset and liability in an active market

Level 2: observable input other than the market price included in Level 1 regarding asset and liability

Level 3: unobservable input regarding asset and liability

Assets and liabilities measured ordinarily at fair value

(Unit: ¥ million)

|                                  | Fair value |         |         |         |
|----------------------------------|------------|---------|---------|---------|
|                                  | Total      | Level 1 | Level 2 | Level 3 |
| Other financial assets :         |            |         |         |         |
| Stocks, etc.                     | 98,209     | 80,526  | –       | 17,683  |
| Derivative financial assets      | 26,586     | –       | 26,586  | –       |
| Total                            | 124,795    | 80,526  | 26,586  | 17,683  |
| Other financial liabilities :    |            |         |         |         |
| Derivative financial liabilities | 533        | –       | 533     | –       |
| Total                            | 533        | –       | 533     | –       |

There is no reclassification between Level 1 and Level 2.

The reconciliation of Level 3 assets and liabilities measured ordinarily at fair value for the current consolidated fiscal year is as follows:

Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Unit: ¥ million)

| Classification         | Balance at the beginning of the year | Gain/Loss                  | Increase by purchase | Decrease by selling | Other | Balance at the end of the year |
|------------------------|--------------------------------------|----------------------------|----------------------|---------------------|-------|--------------------------------|
|                        |                                      | Other comprehensive income |                      |                     |       |                                |
| Other financial assets |                                      |                            |                      |                     |       |                                |
| Stocks, etc.           | 16,715                               | 370                        | 1,241                | (153)               | (490) | 17,683                         |

(Notes)

1. “Gain/Loss” included in “Other comprehensive income” is related to equity instruments measured at fair value through other comprehensive income at the end of the reporting period.
2. There are no significant reclassifications in the current consolidated fiscal year.

#### Measurement method of fair values

Fair values of financial assets and financial liabilities are determined as follows. In case a market price could be obtained in estimating fair values of a financial instrument, the market price is used. For the fair value of a financial instrument whose market price cannot be obtained, estimation is made using a method of discounting future cash flow or other appropriate methods.

“Trade and other receivables”, “trade and other payables”, and “short-term loan”

Mainly because the payments are made over a short term, carrying amounts are largely equivalent to their fair values.

“Other financial assets (current)” and “other financial assets (non-current)”

Fair values of marketable securities are measured with a market price of the same asset in an active market.

Other financial assets include common stock issued by unlisted companies not accounted for by equity method such as clients. Fair values of unlisted common stocks are calculated using assessment model based on discount future cash flow, revenue, profitability, and net asset, comparable multiple valuation method, and other assessment methods.

Derivatives are interest rate swap contracts, currency option transactions and forward exchange contracts. Their fair values are assessed based on observable market data, and are classified as Level 2. Also, appraisal value is regularly verified using observable market data such as foreign exchange rate.

“Long-term loan” (including those to be repaid within a year) and “Bonds” (including those to be redeemed within a year)

Fair values of long-term loan (including those to be repaid within a year) and bonds (including those to be redeemed are estimated based on the future discount cash flow using interest rate used in case NTT DATA Group borrows an equivalent new loan.

Fair values are assessed and verified based on observable market data and is classified as Level 2.

“Other financial liabilities (current)” and “other financial liabilities (non-current)”

Derivatives are interest rate swap contracts, currency option transactions and forward exchange contracts. Their fair value is assessed based on observable market data, and is classified as Level 2. Also, appraisal value is regularly verified using observable market data such as foreign exchange rate.

Quantitative information concerning assets classified as Level 3

In NTT DATA Group, financial instruments classified as Level 3 are mainly comprised of unlisted stocks. The fair value of unlisted stocks is measured with available data using assessment methods and inputs that can most appropriately reflect the nature, characteristics, and risks of financial instruments concerned. The result of the measurement is reviewed and approved by an appropriately authorized person.

With regard to financial instruments classified as Level 3, increase and decrease of an important fair value in case unobservable input is changed to an alternative and reasonable assumption are not anticipated.

**(Business combination, etc.)**

1. Transition to a holding company structure

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

(1) Outline of the transaction

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

a) Splitting company in absorption-type company split

Name: NTT DATA Corporation

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

b) Succeeding company in absorption-type company split

Name: NTT DATA Japan Preparation Corporation

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

(ii) Business combination date

July 1, 2023

(iii) Legal form of the business combination

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

(iv) Allotment to the splitting company

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

(v) Rights and obligations succeeded by the Succeeding Company

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

(vi) Name of the company after the business combination

a) The splitting company in absorption-type company split

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

b) Succeeding company in absorption-type company split

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

(vii) Objectives and effects of becoming a holding company

The overseas business integration is being carried out against a backdrop of accelerating initiatives toward global digital transformation and complicated and diverse customer needs. In keeping with that, the Company is seeking to reconstruct the group management system, and has deemed it essential to further strengthen governance by making quick decisions that respond to changes in the external environment and regional markets, improving mobility, and designing flexible systems. The Company will therefore perform the transition to a holding company structure.

After implementing the transition to a holding company structure, the Company will, as a holding company, formulate and execute growth strategies from the perspective of total optimization of the Group, and specialize in business management, making efforts to improve the corporate value of the Group as a whole.

(2) Outline of the accounting treatment implemented

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

2. Acquisition of NTT Global Data Centers Holding Asia NAV2 Pte. Ltd.

In the consolidated fiscal year under review, the NTT DATA Group acquired 30% of the issued shares of NTT Global Data Centers Holding Asia NAV2 Pte. Ltd. (hereafter, "NAV2 Holding") owned by Tokyo Century Corporation, in return for a cash payment of 9,539 million yen, some of which still remains unpaid. The Group had already owned some of NAV2 Holding's shares.

This has increased our shareholding ratio of NAV2 Holding, which accordingly became our consolidated subsidiary in the consolidated fiscal year under review. The main objective of this acquisition is to further improve the Group's corporate value by expanding its data center business in India. The acquisition method was used to account for this acquisition. On the control acquisition date, we acquired assets of 63,478 million yen and undertook liabilities of 40,439 million yen.

The disclosure of pro forma information has been omitted as no materiality is involved.

**(Assets held for sale)**

Sale of shares of a company that holds data centers

The NTT DATA Group classified, as assets held for sale, some of the shares of the company it owned in North America that holds data centers. In the consolidated fiscal year under review, the Group completed the sale of the shares of such company that holds data centers.

The Group reported 15,553 million yen as gain on sale for this transaction under operating profit in the Consolidated Statement of Income for the consolidated fiscal year under review.

As the sale above was completed, there is no material balance in assets held for sale and liabilities directly associated with assets held for sale at the end of the consolidated fiscal year under review.

**(Notes related to investment property)**

1. Matters related to investment property

Increase/decrease in carrying amounts, fair values, costs, accumulated depreciation and accumulated impairment losses of investment property in the current consolidated fiscal year are as follows:

(1) Carrying amounts

|                                                            | (Unit: ¥ million)                                                         |
|------------------------------------------------------------|---------------------------------------------------------------------------|
|                                                            | Current consolidated fiscal year<br>(April 1, 2023, to March 31,<br>2024) |
| Balance at beginning of year                               | 26,953                                                                    |
| Acquisitions                                               | 752                                                                       |
| Disposals                                                  | (553)                                                                     |
| Depreciation expenses                                      | (1,077)                                                                   |
| Reclassification                                           | (1,251)                                                                   |
| Exchange translation differences for<br>foreign operations | 9                                                                         |
| Other changes                                              | 489                                                                       |
| Balance at end of year                                     | 25,323                                                                    |

(2) Costs, accumulated depreciation and accumulated impairment losses

|                                                               | (Unit: ¥ million)                                                  |
|---------------------------------------------------------------|--------------------------------------------------------------------|
|                                                               | End of the current consolidated fiscal<br>year<br>(March 31, 2024) |
| Costs                                                         | 47,928                                                             |
| Accumulated depreciation and<br>accumulated impairment losses | (22,605)                                                           |

Note: Depreciation expenses are recognized in “Cost of sales” on the consolidated statement of income.

(3) Fair values

Fair values of investment property are mainly calculated on the basis of market transaction prices, etc., which reflect transaction prices of similar assets based on assessment by an independent external appraiser.

|            | (Unit: ¥ million)                                                  |
|------------|--------------------------------------------------------------------|
|            | End of the current consolidated fiscal<br>year<br>(March 31, 2024) |
| Fair value | 76,326                                                             |

2. Earnings and expenses concerning investment property

Earnings concerning investment property and direct sales expenses incurred are included in “Net sales” and “Cost of sales” on the consolidated statement of income.

|                                                    | (Unit: ¥ million)                                                         |
|----------------------------------------------------|---------------------------------------------------------------------------|
|                                                    | Current consolidated fiscal year<br>(April 1, 2023, to March 31,<br>2024) |
| Rental income                                      | 4,084                                                                     |
| Direct sales expenses for earning rental<br>income | 3,539                                                                     |

**(Note to per-share information)**

- |                                                              |              |
|--------------------------------------------------------------|--------------|
| 1. Equity attributable to shareholders of NTT DATA per share | 1,226.23 yen |
| 2. Net income per share                                      | 95.48 yen    |

Note: To calculate net income per share for the current fiscal year, 464,400 shares of the Company’s stock held by the trust for the performance-based stock compensation plan is included in the treasury shares that are deducted when calculating the average number of common shares during the reporting period.

## (Notes for revenue recognition)

### 1. Details of goods and services

#### Consulting

In the consulting business, we provide services that involve transfer of deliverables to clients, including preparation of requirements definition that does not accompany system software development and market research, or that does not involve transfer of deliverables to clients such as consulting for improving clients' business.

In case of involving transfer of deliverables, as the benefits are transferred to clients according to the progress of the deliverables, revenues are recognized over the course of the installation period depending on the progress of the installation. As cost is deemed to arise in proportion to the degree of installation progress, we use the input method based on the cost incurred (cost-to-cost method) to measure the progress. Contract considerations are normally charged upon delivery and considerations for the services are collected mainly within 30 days from the next day of the invoice date.

In case of not involving transfer of deliverables, since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenues are recognized when clients have used the services. Consideration is charged every month, according to results such as the number of days when services were provided to clients or with a fixed amount depending on the actual usage by clients and collected within 30 days from the next day of the invoice date.

#### Integrated IT solutions

The NTT DATA Group owns facility assets and provides services to clients.

In the order-based integrated IT solutions businesses, we provide services covering the full life cycle of clients' systems, from requirements definition to maintenance/operation. The NTT DATA Group makes capital investments according to orders from clients and owns the facilities as assets. Since goods or services are transferred as a result of clients using the same services that the NTT DATA Group provides every month, revenues are recognized according to the contract period mainly at a fixed amount.

In the plan-based integrated IT solutions businesses, we provide services mainly in the payment area. The NTT DATA Group makes capital investments, owns the facilities as assets by anticipating the use of multiple clients, and collects considerations for the services as usage fees according to the actual usage by the clients. Revenues are recognized when clients have used the services.

In both order-based and plan-based businesses, contract considerations are normally charged mainly every month, according to results such as the number of days when services were provided to clients or with a fixed amount depending on the actual usage by clients and considerations for the services are collected within 30 days from the next day of the invoice date.

#### System software development

We are entrusted with plans, designs, development, etc., for clients' information systems and deliver them to the clients.

Since control over developed assets is transferred to clients according to the progress of the system software development, revenues are recognized over the course of the installation period depending on the progress of the installation. As cost is deemed to arise in proportion to the degree of installation progress, we use the input method based on the cost incurred (cost-to-cost method) to measure the progress. Contract considerations are normally charged and collected upon delivery and considerations for the services are collected within 30 days from the next day of the invoice date.

When losses are expected to arise, allowance for losses is recorded in the consolidated fiscal year in which the date when the losses became apparent belongs.

## Maintenance support

In the maintenance support business, we provide technical support for system development, etc. that does not involve transfer of deliverables to clients, such as AMO (Note 1), ITO (Note 2), and BPO (Note 3) services, or services in which we perform the maintenance and operation. Since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenues are recognized over the period in which clients use the services. Considerations for services are charged every month, according to the results such as the number of days when the services were provided or with a fixed amount depending on the actual usage by clients and collected within 30 days from the next day of the invoice date.

Note 1 : Application Management Outsourcing: Outsourcing service for operation and maintenance of client's custom applications

Note 2 : IT Outsourcing: One-stop service for maintenance and operation of internal systems, etc. used by clients

Note 3 : Business Process Outsourcing: Outsourcing service implementing efficient business operation by undertaking part of the clients' operations

## IT infrastructure business

IT infrastructure business is operated by NTT Ltd. and primarily includes managed services and data center business.

Managed services include the provision of maintenance and operation services for IT infrastructure such as servers and network equipment or applications. Since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenues are recognized over the period in which clients use the services. The Group charges based on actual service usage by clients, either based on the number of days the service is provided, or on a fixed amount, primarily monthly.

For the data center business, the NTT DATA Group owns assets such as data centers and provides operation and management services, including power supply and networking. The Group invests in the assets in response to orders from clients or in anticipation of multiple clients' use of the assets. Since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenues are recognized over the period in which clients use the services. The Group charges based on actual service usage by clients, either based on the number of days the service is provided, or on a fixed amount, primarily monthly.

## Telecommunications equipment sales, etc.

Telecommunications equipment sales business is operated by NTT Ltd. and primarily includes sales of telecommunications terminal equipment and its maintenance services.

For telecommunication terminal equipment sales, NTT Ltd. sells telecommunication terminal equipment for use in corporate networks and its revenue is recognized primarily at the time the equipment is received. Contract consideration is usually charged at the time of delivery.

For maintenance services, since goods or services are transferred as a result of clients using services that the NTT DATA Group provides, revenues are recognized over the period in which clients use the services. The Group charges based on actual service usage by clients, either based on the number of days the service is provided, or on a fixed amount, primarily monthly.

## Other services

These services mainly include leasing of facilities other than information equipment such as buildings, electric power, and network facilities, as well as fee collection agency services.

## 2. Breakdown of net sales

Net sales are broken down into major services. The relationship between the breakdown of net sales and each reportable segment are as follows:

Revenue recognized from other sources is revenue from lease under IFRS 16. As its importance increased in the consolidated fiscal year under review, it was separately disclosed from revenue recognized from contracts with clients.

Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Unit: ¥million)

|                                                | Reportable segment |           | Other  | Total     |
|------------------------------------------------|--------------------|-----------|--------|-----------|
|                                                | Japan              | Overseas  |        |           |
| Consulting                                     | 57,829             | 479,776   | 7      | 537,612   |
| Integrated IT solutions                        | 502,469            | 185,698   | 8      | 688,174   |
| System software development                    | 455,035            | 322,374   | —      | 777,409   |
| Maintenance support                            | 620,017            | 401,728   | 12,595 | 1,034,339 |
| IT infrastructure business                     | —                  | 591,499   | —      | 591,499   |
| Telecommunications equipment sales, etc.       | —                  | 638,673   | —      | 638,673   |
| Other services                                 | 83,028             | 16,529    | 124    | 99,681    |
| Total                                          | 1,718,378          | 2,636,275 | 12,734 | 4,367,387 |
| Revenue recognized from contracts with clients | 1,718,378          | 2,402,090 | 12,734 | 4,133,202 |
| Revenue recognized from other sources          | —                  | 234,185   | —      | 234,185   |

Note: The amounts after deducting internal transactions among group companies are shown.

## 3. Contract balance

The NTT DATA Group records contract assets for consideration for system development services in progress, etc. The contract assets are reclassified to trade receivables as soon as the right to payment becomes unconditional. The Group also records contract liabilities for considerations received in advance from clients. Contract liabilities cease to be recognized when goods or services for considerations received in advance are transferred to clients.

The balance of contract assets and liabilities are as follows:

|                                                                                                                         | (Unit: ¥ million)                                                      |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|                                                                                                                         | As of the end of the current consolidated fiscal year (March 31, 2024) |
| Contract assets                                                                                                         | 150,738                                                                |
| Contract liabilities                                                                                                    | 506,883                                                                |
| Of recognized revenues, those that were included in the balance of contract liabilities as of the beginning of the year | 269,947                                                                |

There is no significance in the amount of revenue recognized from the performance obligation satisfied in the past periods in the fiscal years ended March 31, 2024.

#### 4. Transaction price allocated to the unsatisfied performance obligation

Revenues expected to be recognized in the future related to the unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2024 are as follows. The NTT DATA Group does not apply the practical expedient of Paragraph 121 of IFRS 15 and includes performance obligations related to contracts expected to be satisfied within one year. There are no considerations for contracts with clients that are not included in transaction prices.

(Unit: ¥ million)

|                                 | As of the end of the current consolidated fiscal year<br>(March 31, 2024) |
|---------------------------------|---------------------------------------------------------------------------|
| Within 1 year                   | 2,328,967                                                                 |
| Over 1 year and within 2 years  | 1,012,067                                                                 |
| Over 2 years and within 3 years | 706,536                                                                   |
| Over 3 years                    | 1,812,035                                                                 |
| Total                           | 5,859,605                                                                 |

(Note) The above transaction prices allocated to the unsatisfied performance obligations include those related to lease income in accordance with IFRS 16. The amount related to such lease income in accordance with IFRS 16 is 1,881,701 million yen.

#### 5. Contract costs

There are no significant assets recognized from contract costs in the fiscal years ended March 31, 2024.

In case the amortization period of the assets to be recognized is within 1 year, the practical expedient is applied and incremental costs of obtaining a contract are recognized as expenses at the time they are incurred.

#### (Additional information)

##### Uncertainty regarding the treatment of corporate income tax

On May 28, 2021, NTT DATA received a notice of correction for income tax, etc., for the year ended March 31, 2019 from the Tokyo Regional Taxation Bureau.

The notice of correction is about the timing of recognizing profits under tax law. Since there is a distinct difference between NTT DATA's view and the bureau's claim, we will seek cancellation of the disposition in accordance with the law with the advice of expert.

## Non-Consolidated Statements of Shareholders' Equity 36th FY (from April 1, 2023 to March 31, 2024)

(Unit: ¥ million)

|                                                      | Net assets           |                       |                         |                        |          |                 |           |                                                       |                                   |          |           |
|------------------------------------------------------|----------------------|-----------------------|-------------------------|------------------------|----------|-----------------|-----------|-------------------------------------------------------|-----------------------------------|----------|-----------|
|                                                      | Shareholders' equity |                       |                         |                        |          |                 |           | Shareholders' equity                                  |                                   |          | Total     |
|                                                      | Share capital        | Capital surplus       | Retained earnings       |                        |          | Treasury shares | Total     | Valuation difference on available-for-sale securities | Deferred gains or losses on hedge | Total    |           |
|                                                      |                      | Legal capital surplus | Legal retained earnings | Other retained earning | Total    |                 |           |                                                       |                                   |          |           |
| Balance at beginning of current period               | 142,520              | 139,300               | 2,288                   | 925,031                | 927,319  | (1,034)         | 1,208,106 | 30,816                                                | (196)                             | 30,619   | 1,238,725 |
| Changes of items during period                       |                      |                       |                         |                        |          |                 |           |                                                       |                                   |          |           |
| Dividends of surplus (Note 1)                        | -                    | -                     | -                       | (16,129)               | (16,129) | -               | (16,129)  | -                                                     | -                                 | -        | (16,129)  |
| Dividends of surplus (Note 2)                        | -                    | -                     | -                       | (16,129)               | (16,129) | -               | (16,129)  | -                                                     | -                                 | -        | (16,129)  |
| Profit                                               | -                    | -                     | -                       | 60,390                 | 60,390   | -               | 60,390    | -                                                     | -                                 | -        | 60,390    |
| Acquisition of treasury stock                        | -                    | -                     | -                       | -                      | -        | (1)             | (1)       | -                                                     | -                                 | -        | (1)       |
| Disposition of treasury stock                        | -                    | -                     | -                       | -                      | -        | 63              | 63        | -                                                     | -                                 | -        | 63        |
| Other                                                | -                    | -                     | -                       | (780)                  | (780)    | -               | (780)     | -                                                     | -                                 | -        | (780)     |
| Net changes of items other than shareholders' equity | -                    | -                     | -                       | -                      | -        | -               | -         | (29,094)                                              | (6)                               | (29,100) | (29,100)  |
| Total changes of items during period                 | -                    | -                     | -                       | 27,352                 | 27,352   | 62              | 27,415    | (29,094)                                              | (6)                               | (29,100) | (1,686)   |
| Balance at end of current period                     | 142,520              | 139,300               | 2,288                   | 952,384                | 954,672  | (972)           | 1,235,520 | 1,722                                                 | (202)                             | 1,519    | 1,237,039 |

### Breakdown of Other Retained Earnings

|                                         | Other retained earnings     |                 |                                   |          |
|-----------------------------------------|-----------------------------|-----------------|-----------------------------------|----------|
|                                         | Reserve for reduction entry | General reserve | Retained earnings brought forward | Total    |
| Balance at beginning of current period  | 49                          | 288,000         | 636,983                           | 925,031  |
| Changes of items during period          |                             |                 |                                   |          |
| Dividends of surplus (Note1)            | -                           | -               | (16,129)                          | (16,129) |
| Dividends of surplus (Note2)            | -                           | -               | (16,129)                          | (16,129) |
| Reversal of reserve for reduction entry | (27)                        | -               | 27                                | -        |
| Profit                                  | -                           | -               | 60,390                            | 60,390   |
| Other                                   | -                           | -               | (780)                             | (780)    |
| Total changes of items during period    | (27)                        | -               | 27,380                            | 27,352   |
| Balance at end of current period        | 22                          | 288,000         | 664,362                           | 952,384  |

Notes:

1. This is the item of appropriation of retained earnings resolved at the ordinary general meeting of shareholders held on June 20, 2023.
2. This is the item resolved at the meeting of the Board of Directors held on November 6, 2023.
3. Amounts less than one million yen are rounded off.

## Notes to Non-Consolidated Financial Statements

### (Matters related to important accounting policy)

1. Basis and method of valuation of securities

Shares of subsidiaries and affiliates: The cost method based on the moving average method is used.

Other securities:

  - (1) Securities other than shares that do not have a market value:

The fair value method based on the fair market value, etc. at the end of the fiscal year is used (valuation difference is recognized directly as net assets in full and the cost of securities sold is computed using the moving average method).
  - (2) Shares that do not have a market value:

The cost method based on the moving average method is used.
2. Basis and method of valuation of inventories

Stores: At cost based on the first-in-first-out method (the balance sheet amount is calculated at the lowered book values reflecting a potential decline).
3. Method of depreciation of fixed assets
  - (1) Property, plant and equipment (excluding lease assets)

The straight-line method is applied.
  - (2) Intangible fixed assets (excluding lease assets)

The straight-line method is applied for intangible fixed assets (excluding software).

The depreciation methods for software are as follows:

Software for internal use:

Depreciated using the straight-line method based on its estimated usable period in the Company (within five years).

However, among software for service provision purposes, for data communication service software based on a contract with specific customers, the equal installment method is used over the contracted fee payment period.
  - (3) Lease assets
    - (a) Tangible lease assets

For the lease assets related to finance lease transactions without the transfer of ownership, mainly the straight-line method of computing depreciation costs assuming the lease term is its useful life and the residual value of 0 is applied.
    - (b) Intangible lease assets

The straight-line method is used.
4. Valuation basis for superior allowances
  - (1) Allowance for doubtful receivables

In order to provide for possible losses due to the uncollectibility of general account receivables, such an allowance is calculated based on historical collection losses. There is an allowance for specific account receivables such as doubtful accounts receivables, a case-by-case review for collectability is conducted and an estimation of the uncollectible amount is booked.
  - (2) Allowance for contract losses

In order to provide for possible future losses related to contracts of orders on hand at the end of the current fiscal year, those with a high probability of generating losses and where it is possible to reasonably estimate the amount of such losses, the estimated amount of losses to be incurred in the future is provided as an allowance for contract losses and presented by offsetting with corresponding work in process.
  - (3) Allowance for retirement benefits

The Company books the necessary amount for a year-end payment based on the estimated amount of retirement benefit obligations and the pension assets at the end of the current fiscal year to appropriate the payment for retirement benefit for our employees.

    - (a) Period allocation of projected retirement benefits to be incurred

In calculating the retirement benefit obligations, a method based on the benefit formula is used to allocate the projected retirement benefits to the years of service up to the end of the current fiscal year under review.

(b) The recognition method for actuarial differences, and prior service cost

The actuarial gains and losses are recognized in the expenses of the proportionally divided amount calculated by the straight-line method over a period of the average remaining service years of employees at the time of recognition of each fiscal year, commencing with the year following their fiscal year.

The prior service cost is recognized in expenses by the straight-line method over the average remaining service years of employees at the time of recognition.

5. Valuation basis for superior revenues and expenses

As of July 1, 2023, the Company transitioned to a holding company structure. Its valuation basis for revenues and expenses before it transitioned to a holding company structure are stated in the Notes to Consolidated Financial Statements (Important Basic Matters for Preparation of Consolidated Financial Statements) 5. Matters related to accounting policy (13) Revenues.

On and after the said date, as a holding company, the Company provides management instructions for its subsidiaries and is entrusted with management business by them. Its main revenues derive from the Group management operations and dividend income, etc.

For revenues from Group management operations, the Company assumes performance obligations of providing entrusted business according to agreements with its subsidiaries. Since the Company's performance obligation is satisfied over time, it recognizes revenue according to the provision of the said business over the contract period.

As the Company receives consideration for a transaction within a year from the satisfaction of its performance obligation, it uses practical expedient and does not account for significant financing components.

6. Method of hedge accounting

Deferred hedge accounting is applied.

However, with regard to foreign currency monetary receivables and payables with forward exchange contracts, designated hedge accounting ("furiate-shori") is applied.

Also among the interest-rate swap transactions, for the transactions which meet the requirements for exceptional accounting ("tokurei-shori"), exceptional accounting is applied.

7. Accounting method related to retirement benefits

In the financial statements, unrecognized actuarial gains and losses and the unprocessed amount of unrecognized prior services cost in the balance sheet are processed differently from the consolidated financial statements. In the non-consolidated balance sheet, the amount for which unrecognized actuarial gains and losses and the unprocessed amount of unrecognized prior services cost is added or deducted from the retirement benefit obligations, and the amount of pension asset is deducted, is presented as the allowance for retirement benefit.

**(Notes to Accounting Estimates)**

The items for which an amount is recorded in the financial statements based on the accounting estimates for the current fiscal year and which could have a material impact on the consolidated financial statements for the following fiscal year are as follows:

## 1. Deferred tax assets

Deferred tax assets of 62,729 million yen are recorded in the balance sheet for the current fiscal year.

Other information that contributes to the understanding of the content of the estimates is the same as that described in the notes to the consolidated financial statements (Notes to accounting estimates) 3. Deferred Tax Assets.

## 2. Allowance for retirement benefits

An allowance for retirement benefits of 23,385 million yen was recorded in the balance sheet for the current fiscal year.

Other information that contributes to the understanding of the content of the estimates is the same as that described in the notes to the consolidated financial statements (Notes to accounting estimates) 4. Liabilities related to retirement benefits.

**(Changes in presentation)**

(Notes to Statements of Income)

As for “loss on valuation of investment securities” listed separately under non-operating expenses in the previous fiscal year, since the significance in its amount decreased, it is included in “other,” starting in the fiscal year under review. “Loss on valuation of investment securities” which is included in “other” under non-operating expenses in the previous fiscal year amounted to 98 million yen.

Regarding “foreign exchange loss,” the significance in its amount increased and it is separately listed, starting in the fiscal year under review. Note that in the previous fiscal year, “foreign exchange gain” of 997 million yen was included in “other” under non-operating income.

As of July 1, 2023, the Company transitioned to a holding company structure. Along with this, its main business became management instructions for its subsidiaries and affiliates on and after the said date, it presents revenues earned from the business as “operating revenues” and expenses incurred by the business as “operating expenses.” Accordingly, dividend income from its subsidiaries and affiliates, which was listed as “dividend income” under non-operating income in the previous fiscal year is now included in “operating revenue.”

**(Notes to the Balance Sheet)**

|                                                                                                    |                     |
|----------------------------------------------------------------------------------------------------|---------------------|
| 1. Breakdown of inventories                                                                        |                     |
| Supplies                                                                                           | 539million yen      |
| 2. Accumulated depreciation of tangible fixed assets                                               | 263,813 million yen |
| 3. Guarantee obligations                                                                           |                     |
| Performance warranties for system development/operation contracts                                  |                     |
| NTT DATA Canada, Inc.                                                                              | 73,195 million yen  |
| NTT DATA Services, LLC                                                                             | 12,250 million yen  |
| NTT DATA Americas Inc.                                                                             | 5,063 million yen   |
| 4. Monetary claims/liabilities against affiliated companies (excluding those presented separately) |                     |
| Short-term monetary claims                                                                         | 100,891 million yen |
| Short-term monetary liabilities                                                                    | 222,933 million yen |
| Long-term monetary liabilities                                                                     | 42,380 million yen  |

**(Notes to the Income Statement)**

|                                                                                     |                     |
|-------------------------------------------------------------------------------------|---------------------|
| 1. Transactions with subsidiaries and affiliated companies                          |                     |
| Net sales and operating revenues                                                    | 125,038 million yen |
| Cost of sales, selling, general and administrative expenses, and operating expenses | 165,482 million yen |
| Non-trade transactions                                                              | 45,105 million yen  |
| 2. Transfer to allowance for contract losses included in cost of sales              | 4 million yen       |

**(Notes to the Statement of Shareholders' Equity)**

|                                                                                                                                             |               |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. Class and number of treasury stock at the current fiscal year-end                                                                        |               |
| Common stock                                                                                                                                | 11,218 shares |
| Note: The above does not include 464,400 shares of the Company's stock held by the trust for the performance-based stock compensation plan. |               |

**(Notes to Tax Effect Accounting)**

## 1. Breakdown of deferred income taxes and liabilities by major cause

|                                                                 |                      |
|-----------------------------------------------------------------|----------------------|
| Deferred income taxes                                           |                      |
| Affiliates' shares related to company split                     | 60,059 million yen   |
| Provision for retirement benefits                               | 7,160 million yen    |
| Depreciation in excess of limit                                 | 7,142 million yen    |
| Others                                                          | 5,318 million yen    |
| Deferred income taxes subtotal                                  | 79,679 million yen   |
| Valuation allowance                                             | (3,389) million yen  |
| Total deferred income taxes                                     | 76,291 million yen   |
| Deferred tax liabilities                                        |                      |
| Valuation difference on available-for-sale securities           | (760) million yen    |
| Fixed assets                                                    | (3,007) million yen  |
| Difference on book value of affiliates' shares by restructuring | (3,400) million yen  |
| Others                                                          | (6,394) million yen  |
| Total deferred tax liabilities                                  | (13,561) million yen |
| Net deferred income taxes                                       | 62,729 million yen   |

## 2. Breakdown of major items which caused differences between the statutory effective tax rate and the income tax and other burden rates after tax effect accounting

|                                                                     |          |
|---------------------------------------------------------------------|----------|
| Statutory effective tax rate                                        | 30.62%   |
| (Adjustments)                                                       |          |
| Entertainment and other expenses that are permanently nondeductible | 0.24%    |
| Dividends income                                                    | (15.30)% |
| Per-capita inhabitant tax                                           | 0.02%    |
| Tax credit by R&D tax reduction                                     | (2.74)%  |
| Valuation allowance increase/(decrease)                             | 0.04%    |
| Others                                                              | (3.39)%  |
| Income tax and other burden rates after tax effect accounting       | 9.49%    |

**(Notes to Related-Party Transactions)**

Directors and Principal Individual Shareholders, etc.

| Attribute | Name of the related party | Address | Capital (million yen) | Detail of business or occupation                                                             | % of held voting rights, etc. (owned) | Relationship between the related parties |                    | Transaction details                       | Transaction amount (million yen) | Account items | Year-end balance (million yen) |
|-----------|---------------------------|---------|-----------------------|----------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|--------------------|-------------------------------------------|----------------------------------|---------------|--------------------------------|
|           |                           |         |                       |                                                                                              |                                       | Additional posts held by the directors   | Operating relation |                                           |                                  |               |                                |
| Officer   | Yo Honma                  | —       | —                     | President and Chief Executive Officer, Representative Director of NTT DATA Group Corporation | (Owned) Direct 0.0                    | —                                        | —                  | System development and service use income | 31                               | —             | —                              |
|           |                           |         |                       | Chairman of the Japan Electronic Payment Promotion Organization                              |                                       |                                          |                    | Business revenue including building lease | 4                                | —             | —                              |
|           |                           |         |                       | Payment of an annual membership fee                                                          |                                       |                                          |                    | —                                         | —                                | —             |                                |

Note: The terms and conditions of the transactions above and the determination policies for such conditions are the same as those for other business partners.

Affiliated companies, etc.

| Attribute                | Company name               | % of held voting rights, etc. (owned) | Relationship between the related parties                                    | Transaction details               | Transaction amount (million yen) | Account items                                     | Year-end balance (million yen) |
|--------------------------|----------------------------|---------------------------------------|-----------------------------------------------------------------------------|-----------------------------------|----------------------------------|---------------------------------------------------|--------------------------------|
| Affiliated company, etc. | NTT DATA Japan Corporation | (Ownership) Direct 100.0              | Exercise of rights, advice, mediation and other assistance as a shareholder | Lending of funds                  | 165,098                          | Short-term loans receivable from affiliates       | 7,886                          |
|                          |                            |                                       |                                                                             | Return of funds                   | 157,212                          |                                                   |                                |
|                          |                            |                                       |                                                                             | Group management fees received    | 69,034                           | Accounts receivable - trade                       | 28,513                         |
|                          |                            |                                       |                                                                             | Rent received                     | 23,373                           |                                                   |                                |
|                          | JSOL Corporation           | (Ownership) Indirect 50.0             | Exercise of rights, advice, mediation and other assistance as a shareholder | Receiving of funds                | 4,000                            | Other non-current liabilities (advances received) | 18,000                         |
|                          |                            |                                       |                                                                             | Interest paid for deposited funds | 5                                | Accrued interest expenses                         | —                              |

Note 1: With regard to the lending of funds, interest rates are determined rationally by taking industry interest rates into consideration. There are no securities accepted.

Note 2: The terms and conditions of the above transactions and the method of determining the terms and conditions are the same as those of other business partners.

Note 3: As the transaction amounts of receiving and lending of funds, the average balances of the advances received and short-term loans receivables are presented.

Affiliated companies, etc.

| Attribute                | Company name                           | % of held voting rights, etc. (owned) | Relationship between the related parties                                    | Transaction details                     | Transaction amount (million yen) | Account items                                                                                | Year-end balance (million yen) |
|--------------------------|----------------------------------------|---------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------|--------------------------------|
| Affiliated company, etc. | NTT DATA, Inc.                         | (Ownership)<br>Indirect 55.0          | Exercise of rights, advice, mediation and other assistance as a shareholder | Lending and receiving of funds (Note 3) | 24,229                           | Advances received                                                                            | 20,821                         |
|                          |                                        |                                       |                                                                             | Interest paid for deposited funds       | 13                               | Accrued interest expenses                                                                    | —                              |
|                          |                                        |                                       |                                                                             | Lending of funds                        | 40,200                           | Short-term loans receivable from affiliates                                                  | 35,486                         |
|                          |                                        |                                       |                                                                             | Return of funds                         | 4,714                            |                                                                                              |                                |
|                          |                                        |                                       |                                                                             | Interest received on lent funds         | 97                               | Accrued interest                                                                             | 4                              |
|                          | NTT DATA Europe & Latam Finance S.L.U. | (Ownership)<br>Indirect 55.0          | Entering into contract of term loan                                         | Lending of funds                        | —                                | Long-term loans receivable from affiliates (including the current portion of long-term debt) | 69,678                         |
|                          |                                        |                                       |                                                                             | Return of funds                         | 3,309                            |                                                                                              |                                |
|                          | NTT DATA Services, LLC                 | (Ownership)<br>Indirect 100.0         | Performance warranties for system development/operation contracts, etc.     | Debt guarantee                          | 12,250                           | —                                                                                            | —                              |
|                          | NTT DATA Canada, Inc.                  | (Ownership)<br>Indirect 100.0         | Performance warranties for system development/operation contracts, etc.     | Debt guarantee                          | 73,195                           | —                                                                                            | —                              |
|                          | NTT DATA Americas, Inc.                | (Ownership)<br>Indirect 100.0         | Performance warranties for system development/operation contracts, etc.     | Debt guarantee                          | 5,063                            | —                                                                                            | —                              |

Note 1: With regard to the lending of funds, interest rates are determined rationally by taking industry interest rates into consideration. There are no securities accepted.

Note 2: The terms and conditions of the above transactions and the method of determining the terms and conditions are the same as those of other business partners.

Note 3: As the transaction amounts of receiving and lending of funds, the average balances of the advances received and short-term loans receivables are presented.

Group companies

| Attribute                    | Company name            | % of held voting rights, etc. (owned) | Relationship between the related parties | Transaction details                            | Transaction amount (million yen) | Account items                                                         | Year-end balance (million yen) |
|------------------------------|-------------------------|---------------------------------------|------------------------------------------|------------------------------------------------|----------------------------------|-----------------------------------------------------------------------|--------------------------------|
| Subsidiary of parent company | NTT FINANCE CORPORATION | (Owned)<br>Direct 0.0                 | Fund deposit, etc.                       | Fund deposit (Note 2)                          | 75,958                           | Other (Deposits paid)                                                 | 63,526                         |
|                              |                         |                                       |                                          | Interest revenue accompanying the fund deposit | 27                               |                                                                       |                                |
|                              |                         |                                       | Fund borrowing                           | Fund borrowing                                 | —                                | Long-term borrowing (including the current portion of long-term debt) | —                              |
|                              |                         |                                       |                                          | Return of funds                                | 14,997                           |                                                                       |                                |
|                              |                         |                                       |                                          | Fund borrowing (Note 2)                        | 1,609                            | Short-term borrowing                                                  | 150                            |
|                              |                         |                                       |                                          | Interest paid for borrowing funds              | 787                              | Accrued interest                                                      | 3                              |

Note 1: The terms and conditions of the transactions above and the determination methods for such conditions are the same as those for other business partners

Note 2: As the transaction amounts of fund deposits and borrowings, the average balances of the deposits paid and short-term borrowings are presented.

**(Notes to the Per-Share Information)**

- |                         |            |
|-------------------------|------------|
| 1. Net assets per share | 882.32 yen |
| 2. Net income per share | 43.07 yen  |

Note: To calculate net income per share for the current fiscal year, 464,400 shares of the Company's stock held by the trust for the performance-based stock compensation plan is included in treasury shares that are deducted when calculating the average number of common shares during the reporting period.

**(Notes for revenue recognition)**

The Company has transitioned to a holding company structure on July 1, 2023, and the notes on information that provides a basis for understanding revenue from contracts with customers for the period before the transition are omitted as the same content is described in "Notes to Consolidated Financial Statements (Notes for revenue recognition)."

The notes on information that provides a basis for understanding revenue from contracts with customers for the period from July 1, 2023 onward are omitted as the same content is described in "Notes to Non-Consolidated Financial Statements (Valuation basis for superior revenues and expenses)."

**(Business combination, etc.)**

Notes are omitted as the same content is described in "Notes to Consolidated Financial Statements (Business combination, etc.) Transition to a holding company structure."

**(Additional information)**

Uncertainty regarding the treatment of corporate income tax is omitted because the same information is provided in "Notes to Consolidated Financial Statements (Additional information)."

[Reference] Consolidated Statement of Comprehensive Income

(Unit: ¥ million)

| By fiscal year                                                                                         | 36th FY<br>2023/4/1-2024/3/31 | 35th FY<br>2022/4/1-2023/3/31 |
|--------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| Account item                                                                                           |                               |                               |
| Profit                                                                                                 | 145,541                       | 166,871                       |
| Other comprehensive income (net of taxes)                                                              |                               |                               |
| Items that will not be reclassified to profit or loss                                                  |                               |                               |
| Net change in fair value of financial assets measured at fair value through other comprehensive income | 21,719                        | (9,107)                       |
| Remeasurements of defined benefit plans                                                                | 15,611                        | 13,582                        |
| Share of other comprehensive income of entities accounted for using equity method                      | 0                             | (0)                           |
| Items that may be reclassified to profit or loss                                                       |                               |                               |
| Cash flow hedges                                                                                       | 36                            | (399)                         |
| Hedge cost                                                                                             | (210)                         | (200)                         |
| Exchange differences on translation of foreign operations                                              | 230,588                       | 26,043                        |
| Share of other comprehensive income of entities accounted for using equity method                      | 2,590                         | (566)                         |
| Total other comprehensive income (net of taxes)                                                        | 270,334                       | 29,353                        |
| Total comprehensive income                                                                             | 415,875                       | 196,224                       |
| Total comprehensive income attributable to:                                                            |                               |                               |
| Shareholders of NTT DATA                                                                               | 300,899                       | 222,223                       |
| Non-controlling interests                                                                              | 114,976                       | (25,999)                      |
| Total                                                                                                  | 415,875                       | 196,224                       |

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

[Reference] Consolidated Statement of Cash Flows

(Unit: ¥ million)

| Account item                                                                         | By fiscal year | 36th FY            | 35th FY            |
|--------------------------------------------------------------------------------------|----------------|--------------------|--------------------|
|                                                                                      |                | 2023/4/1-2024/3/31 | 2022/4/1-2023/3/31 |
| <b>Cash Flows from Operating Activities</b>                                          |                |                    |                    |
| Profit                                                                               |                | 145,541            | 166,871            |
| Depreciation and amortization                                                        |                | 341,541            | 273,052            |
| Interest and dividend income                                                         |                | (21,903)           | (11,942)           |
| Interest expenses                                                                    |                | 80,054             | 29,495             |
| Share of loss (profit) of investments accounted for using equity method              |                | (304)              | (405)              |
| Income tax expense                                                                   |                | 103,062            | 75,929             |
| Decrease (increase) in trade and other receivables                                   |                | (16,427)           | (106,234)          |
| Decrease (increase) in contract assets                                               |                | (21,054)           | (12,459)           |
| Decrease (increase) in inventories                                                   |                | 30,105             | 985                |
| Increase (decrease) in trade and other payables                                      |                | (22,651)           | 45,279             |
| Increase (decrease) in contract liabilities                                          |                | 29,985             | 11,129             |
| Increase (decrease) in allowance for contract losses                                 |                | (3,060)            | 7,061              |
| Other                                                                                |                | (11,366)           | (2,507)            |
| Subtotal                                                                             |                | 633,523            | 476,255            |
| Interest and dividends received                                                      |                | 21,673             | 11,957             |
| Interest paid                                                                        |                | (63,019)           | (28,967)           |
| Income taxes refund (paid)                                                           |                | (93,388)           | (108,676)          |
| Net cash provided by (used in) operating activities                                  |                | 498,789            | 350,568            |
| <b>Cash Flows from Investing Activities</b>                                          |                |                    |                    |
| Purchase of property, plant and equipment, and intangible assets                     |                | (654,473)          | (366,761)          |
| Purchase of other financial assets                                                   |                | (55,179)           | (49,178)           |
| Proceeds from sale and redemption of other financial assets                          |                | 45,022             | 87,732             |
| Payments for acquisition of subsidiaries                                             |                | (36,809)           | (7,968)            |
| Proceeds from sale of subsidiaries                                                   |                | 71,291             | 1,938              |
| Other                                                                                |                | 5,640              | 11,955             |
| Net cash provided by (used in) investing activities                                  |                | (624,508)          | (322,281)          |
| <b>Cash Flows from Financing Activities</b>                                          |                |                    |                    |
| Net increase (decrease) in short-term borrowings                                     |                | 444,669            | (37,953)           |
| Proceeds from issuance of bonds and long-term borrowings                             |                | 114,929            | 386,115            |
| Redemption of bonds and repayments of long-term borrowings                           |                | (333,713)          | (106,235)          |
| Repayments of lease liabilities                                                      |                | (76,795)           | (58,765)           |
| Payments for acquisition of interests in subsidiaries from non-controlling interests |                | (4,185)            | (4,843)            |
| Dividends paid                                                                       |                | (32,254)           | (22,872)           |
| Dividends paid to non-controlling interests                                          |                | (3,547)            | (19,513)           |
| Other                                                                                |                | 62                 | (275)              |
| Net cash provided by (used in) financing activities                                  |                | 109,166            | 135,659            |
| Net increase (decrease) in cash and cash equivalents                                 |                | (16,553)           | 163,946            |
| Cash and cash equivalents at beginning of period                                     |                | 415,359            | 246,941            |
| Effect of exchange rate changes on cash and cash equivalents (decrease)              |                | 32,967             | 4,473              |
| Cash and cash equivalents at end of period                                           |                | 431,774            | 415,359            |

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