

One
NTT
DATA

NTT Data
Trusted Global Innovator

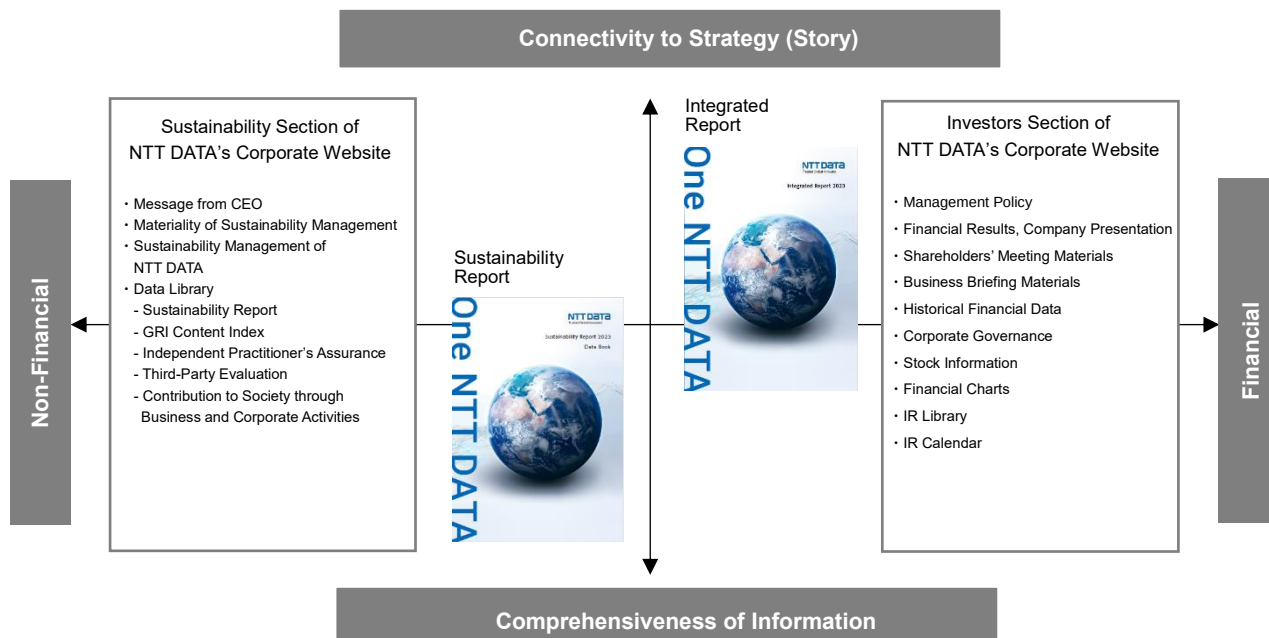
Sustainability Report 2023

Data Book



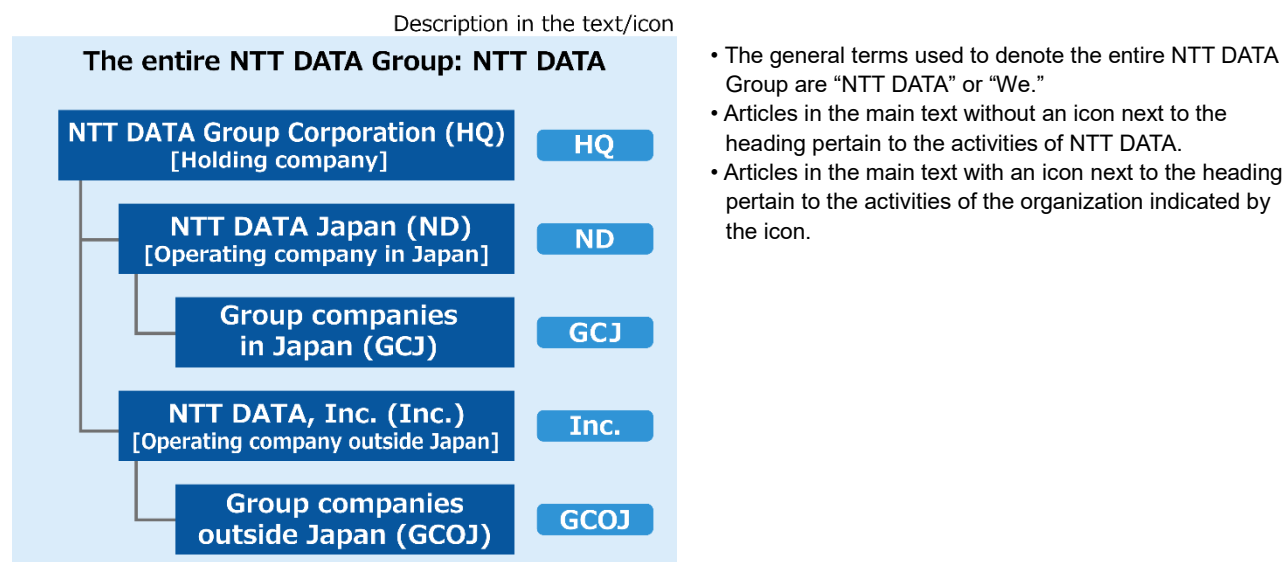
Editorial Policy

The NTT DATA Sustainability Report 2023 provides comprehensive and detailed non-financial information to all stakeholders with a focus on NTT DATA's approach to non-financial matters and specific initiatives taken in fiscal 2022 aimed at promoting sustainability management. From this fiscal year, we have enhanced our response to the disclosure requirements of the Global Reporting Initiative (GRI) Standards.



◆ Organizations Covered

The report focuses on NTT DATA Group Corporation (holding company), NTT DATA Japan (operating company in Japan), and NTT DATA, Inc. (operating company outside Japan), with certain information pertaining to Group companies in Japan and Group companies outside Japan also included.



◆ Period of Coverage

- This report mainly covers initiatives undertaken in fiscal 2022 (April 1, 2022–March 31, 2023), but also includes some historical context, activities under the new three-company structure since July 2023, and plans for future initiatives.
- Some of the information includes activities following the transition to a holding company structure on July 1, 2023, as well as the activities of the domestic operating company established on the same date, and NTT DATA, Inc., which was established in October 2022 and is now under the umbrella of the holding company and manages overseas operations.

◆ Guidelines Referenced

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Japan's Ministry of the Environment Environmental Reporting Guidelines (2018)
- TCFD (Task Force on Climate-related Financial Disclosures)
- TNFD (Taskforce on Nature-related Financial Disclosures)

◆ Publication Date

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

◆ Third-Party Assurance

Independent assurances of the following environmental and social data for fiscal 2022 have been provided by Lloyd's Register Quality Assurance Limited. (See page 130, "Independent Practitioner's Assurances.") Check marks are attached to data that received such assurances.

Environmental data

- GHG emissions (Scope 1, Scope 2, Scope 3) (tons-CO₂e)
- Energy consumption and renewable energy consumption (MWh)
- Water resources (water consumption and wastewater) (m³)

Social data

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

◆ Using This Report

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

- **Contents:** Click each item in the table of contents to go to the relevant page.
- **Reference pages:** Click [Reference page] to go to the corresponding page.
- **Relevant sites:** Click to go to the relevant website page.
- **PDF bookmark function:** Display the PDF bookmark () function to navigate to the desired item.

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Sustainability Management

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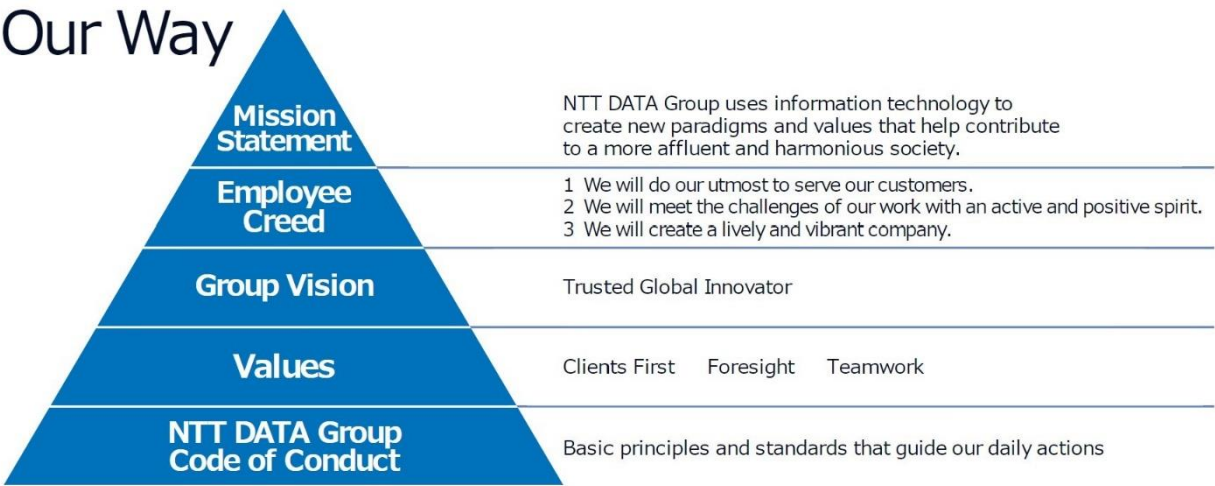
Sustainability in NTT DATA

Our Way

Since its foundation, NTT DATA has continued to grow its business by providing services to customers and society based on its mission statement of “NTT DATA uses information technology to create new paradigms and values, which help contribute to a more affluent and harmonious society.” To continue advancing, we have established our fundamental approach toward our vision as “Our Way.”

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

Our Way



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

[The NTT DATA Code of Conduct](#)

Sustainability Management in NTT DATA

As per the medium-term management plan (FY2022–2025) (hereinafter the current medium-term management plan), NTT DATA aims to create value for the future and work toward achieving a sustainable society alongside customers by connecting various people through technology.

Alongside shifting environmental dynamics such as population concerns, climate change, and rising disaster risks, the widespread adoption of IT and digital technologies has catalyzed transformations in societal trends. These changes impact not just corporate operations but also consumer behavior and lifestyles. Consequently, the challenges and demands that companies must confront have grown more intricate and varied. We view this period of significant change as an opportunity for further growth and have established the following three axes and nine material issues under the slogan “Realizing a Sustainable Future” to expand our previous efforts in ESG management and promote sustainability management with a long-term perspective.

“Regenerating Ecosystems: Preserving the global environment for the future”

“Clients’ Growth: Companies achieving growth in ways that support a sustainable society”

“Inclusive Society: Achieving a society where everyone can live healthy and happy lives”

By creating value for the future and connecting various people with technology, NTT DATA will work with customers to realize a sustainable society.

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

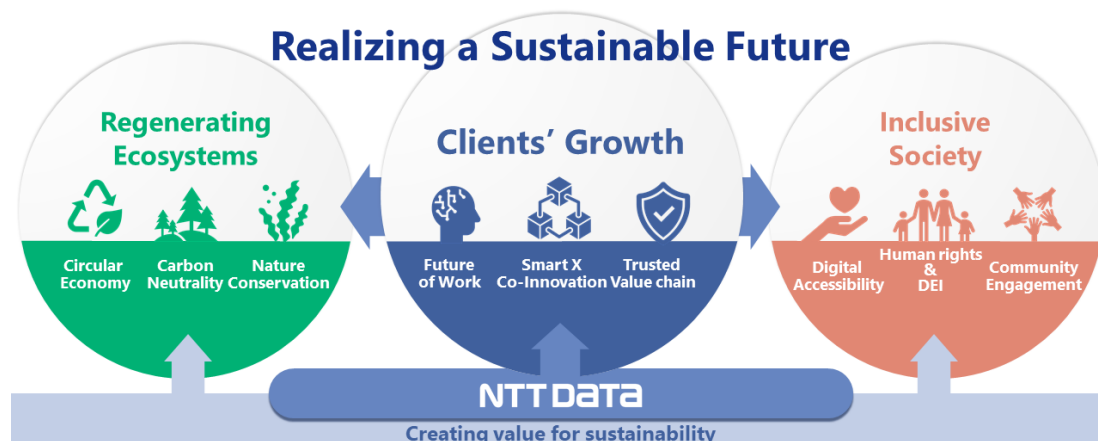
<https://www.nttdata.com/global/ja/investors/library/asr/> (Japanese only)

Securities Report for fiscal 2022, page 21: (2) “Sustainability Philosophy and Initiatives.”

➤ Vision Pursued in the Current Medium-term Management plan



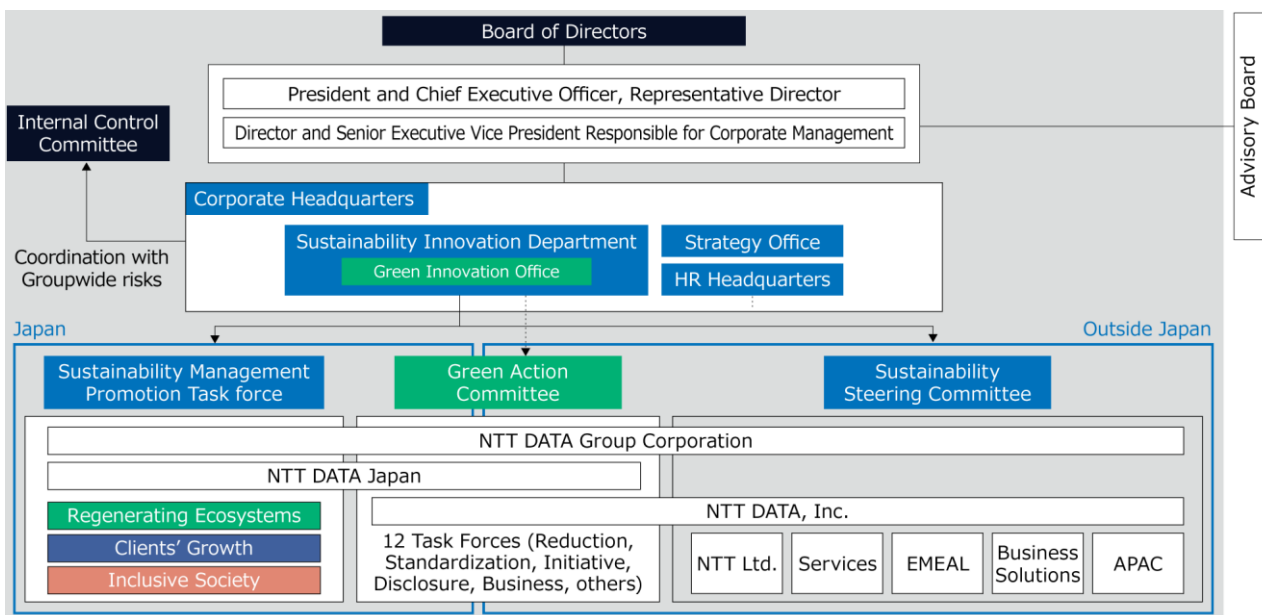
➤ Sustainability Management



Promotion System

NTT DATA engages in discussions on sustainability-related issues at the Board of Directors' meetings, where we establish strategic policies and then conduct monitoring. Under the leadership of the Representative Director and President of NTT DATA Group Corporation, these discussions are primarily led by the Strategy Office, which is responsible for our management strategies; other related organizations; and the Sustainability Innovation Department. These organizations plan, formulate, and execute policies, objectives, and measures related to sustainability, while also supervising the progress of associated plans outlined in the current medium-term management plan. We engage in an ongoing process of discussions and examination of long-term sustainability issues to ensure that we can grow in a sustainable manner. We have also established an advisory board consisting of five business owners and academic experts with insights into social issues and global business. We seek advice from this board to address our management challenges and initiatives for expanding our global business from a specialized perspective. We will continue to incorporate the insights of external experts in our Company-wide sustainability initiatives to adapt to future changes in the external environment.

➤ Sustainability Management Promotion System



Note: As of October 2023

Nine Material Issues and Identification Process for Achieving a Sustainable Society

◆ Nine Material Issues

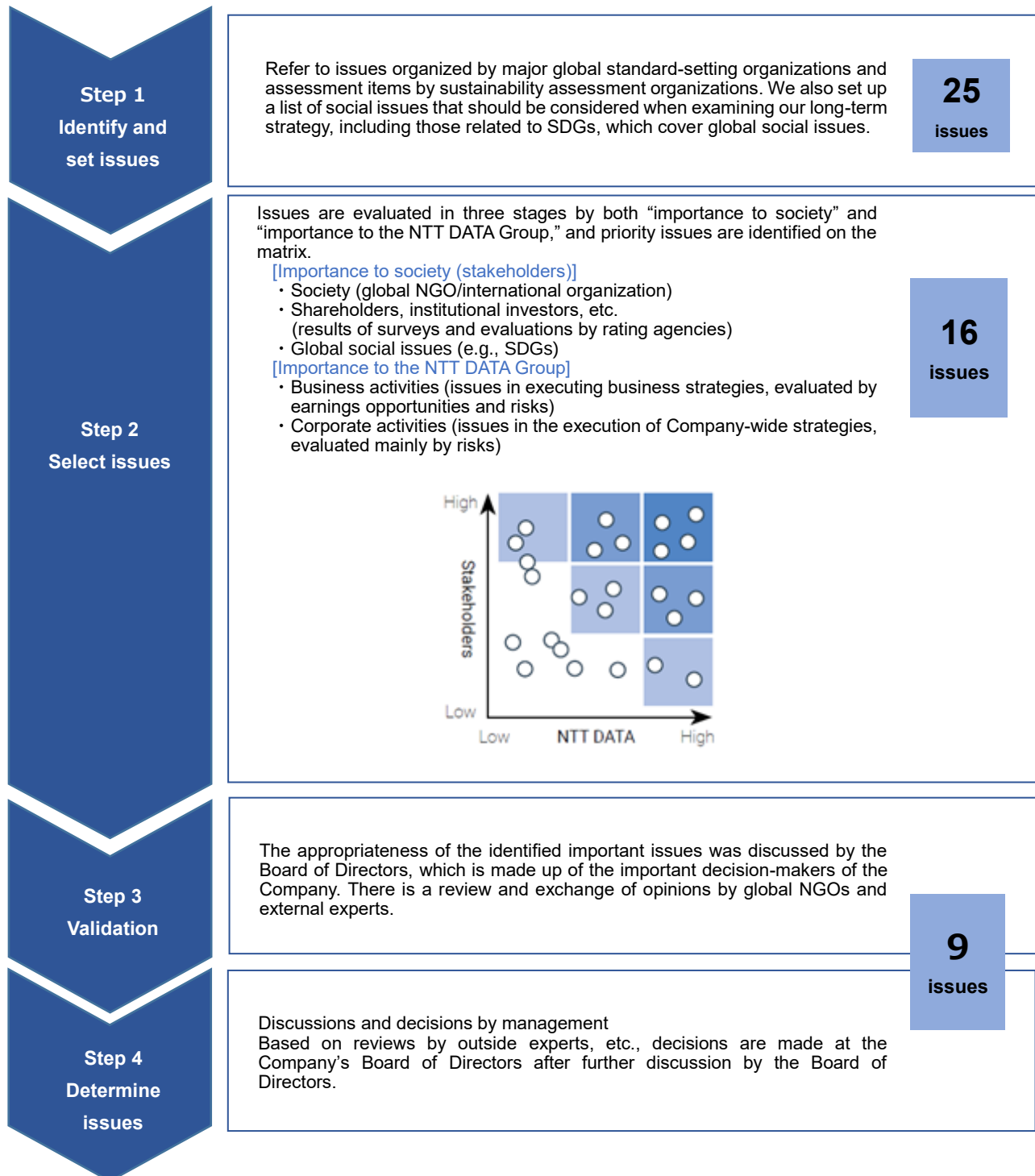
Under the Three Axes of “Regenerating Ecosystems,” “Clients’ Growth,” and “Inclusive Society,” we set three material issues for each of them and are striving to contribute to the SDGs.



◆ Materiality Determination Process

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

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



FY2022 actual, FY2023 indicators and targets are as bellow.

Three axes	Material issues	Relevant Goals of the SDGs	FY2022 Indicators	FY2022			Companywide Targets for FY2023		FY2023	
				Companywide Targets for FY2022	FY2022 Companywide Results	Degree of Target Achievement in FY2022			Companywide Targets for FY2023	Policy
Shared	Nine Material Issues		Number of sustainability-related offerings	Not disclosed	Achieved	100%	Ongoing	Number of sustainability-related offerings	Not disclosed	—
Environment Regenerating Ecosystems	Carbon Neutrality		Reductions in CO ₂ emissions* ¹	30-kt reduction from FY2020	78-kt reduction from FY2020 (excluding NTT Ltd.)	100%	Ongoing	CO ₂ emissions* ¹	461-kt or less (including NTT Ltd.)	Include NTT Ltd. data in the Integrated Report from FY2023 and promote initiatives for energy conservation and the adoption of renewable energy
			Promotion of EVs for household use	Not disclosed	Achieved	100%	Ongoing	Promotion of EVs for household use	Not disclosed	Continue to encourage the transition to EVs for general vehicles whose leases expire this fiscal year
	Circular Economy		Waste recycling rate	General and industrial waste: 99% or more Construction waste: 87%	General and industrial waste: 99% Construction waste: 95%	General and industrial waste: 100% Construction waste: 109%	Ongoing	Waste recycling rate	General: 99% or more, Construction: 87%	Continue to promote the contracting of recycling collectors with high recycling rates
	Nature Conservation		Number of participants in environmental conservation initiatives	More than 5,000 people	Approx. 9,000 participants	180%	Reviewed and integrated* ²	—		
			Paper consumption	25% reduction (from FY2020)	29% reduction	100%	Ongoing	Paper consumption	40% reduction (from FY2020)	Set and implement a target for reducing paper usage in the Group's EMS, excluding paper used for customer proposals
Economy Clients' Growth	Smart X Co-innovation		B2B2X revenue	Not disclosed	Achieved	100%	Ongoing	B2B2X revenue	Not disclosed	—
	Trusted Value Chain		Number of cyberattacks and service outages* ¹	0	0	0	Redefined	Number of security incidents (indicators originating from cyberattacks or widely acknowledged outside the Company)	0	Continue efforts in accordance with new indicator definition
			Number of significant personal data loss cases* ¹	0	2	2	Redefined			
			Number of security incidents* ¹	0	0	100%	Redefined			
			Number of long-term failures	Not disclosed	Achieved	100%	Redefined	Number of serious system failures	Not disclosed	—
			Ratio of Ethics Code Training	100%	99.5%	99.5%	Ongoing	Ratio of participation in compliance internet-based testing programs	100%	Promote the thorough permeation of corporate ethics among all employees
			Number of anti-competitive / bribery violations	0	0	100%	Ongoing	Number of anti-competitive / bribery violations	0	Continuously promote strict adherence to the NTT DATA Code of Conduct and various legal compliances
			Rate of direct communication with important suppliers	100%	100%	100%	Ongoing	Ratio of direct communication with important suppliers	100%	Visit approximately 40 top suppliers in terms of procurement volume within the NTT Group that were not visited in FY2022 while sharing responsibilities with the main eight companies of the NTT Group
			Ratio of remote working	70%	71.1%	101.6%	Reviewed	Indicator for ongoing internal monitoring		
	Future of Work		Employee satisfaction	Not disclosed	Achieved	100%	Redefined	Employee engagement rate	73% or more	Through initiatives in development and career growth, strategic/change management, and the use of surveys, aim to achieve an employee engagement rate of 73% or more among employees in Japan for FY2023
			Turnover rate	Not disclosed	3.3%	3.3%	Reviewed	Indicator for ongoing monitoring		
Society Inclusive Society			Ratio of newly appointed female managers	30%	27.6%	92%	Ongoing	Ratio of newly appointed female managers	30%	Address barriers to progress and focus on building a pool of potential candidates based on the data gathered last fiscal year
			Ratio of female managers	15% (by end of FY2025)	9.0%	60%* ²	Ongoing	Ratio of female managers	15% (by end of FY2025)	Same as above
			Ratio of female directors	25% (by end of FY2025)	20.6%	82.4%* ²	Ongoing	Ratio of female directors	25% (by end of FY2025)	Focus on building a pool of potential executive candidates while advancing efforts to increase the number of female managers
			Ratio of external hiring	30%	48.1%	160.3%	Ongoing	Ratio of external hiring	30%	Continue to maintain recruitment scale for both new graduates and experienced professionals and strengthen the hiring of experienced individuals who can immediately contribute as skilled personnel
	Human Rights&DEI		Ratio of male employees taking childcare leave				New	Ratio of male employees taking childcare leave	100% (FY2023)	Promote understanding of male parental leave, introduce role models for taking leave, and implement procedures and provide information to support taking such leave to foster a culture where men can participate in childcare as they wish
			Ratio of training on human rights and DEI	100%	100%	100%	Ongoing	Ratio of participation in sustainability management internet-based testing programs	100%	Continue to provide IBT to raise awareness of human rights risks and to promote the prevention of harassment across the value chain
			Number of confirmed human rights violations	0	2	2 incidents recorded	Ongoing	Number of confirmed human rights violations	0	Establish forums for dialogue among employees on topics such as harassment as part of human rights awareness, to further raise consciousness
			Number of communications aimed at improving diversity	At least 52 times	72 times	138%	Redefed	Number of communications on sustainability initiatives	67 times	Expand the range of targeted activities and continue these efforts as part of communications on sustainability initiatives
	Digital Accessibility		Ratio of participation in internal workshops or external support activities aimed at solving social issues	50% or more	81.6%	163.2%	Ongoing	Ratio of participation rate in internal workshops or external support activities aimed at solving social issues* ³	70% or more	Participation rate in some organizations was under 70% in FY2022, so continue aiming to raise overall activity participation rate companywide while promoting initiatives to enhance quality in FY2023
	Community Engagement									

1. Includes overseas Group companies. 2. Indicator for which target is set for future fiscal years. 3. Integrated ratio of participation in internal workshops and external support activities aimed at solving social issues from FY2023.

Dialogue with Stakeholders

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

	Stakeholders	Nine Related Material Issues	Main Approach
Clients	All our clients, including corporations, that use services provided by NTT DATA	Nine material issues	• Regular sales and proposal activities • Client satisfaction surveys (questionnaires, interviews) • Workshops on addressing social issues
Shareholders and investors	Shareholders of NTT DATA and other individual and institutional investors	Nine material issues	• Annual General Meeting of Shareholders • Financial reports • Dialogue with ESG investors • Integrated reports • Investor relations (IR) website • Financial results briefings • Shareholder newsletters
Governments	Central and local governments overseeing policies on the IT service industry, employment, the economy, and the environment	• Smart X Co-Innovation • Trusted Value Chain • Future of Work • Human Rights & DEI • Digital Accessibility • Carbon Neutrality	• Various applications and reports • Consultative meetings, committee meetings, and research committees of government agencies • Committee meetings and investigative meetings of industry groups and organizations
Academic organizations and research institutions	Academic and research institutions involved in advancing technological innovation	• Smart X Co-Innovation • Digital Accessibility • Carbon Neutrality	• Participation in industry-government-academia collaboration projects • Collaborative research
Regional communities, NPOs, and NGOs	Local communities and NPOs involved with NTT DATA through our core businesses	• Carbon Neutrality • Trusted Value Chain • Future of Work • Human Rights & DEI • Community Engagement	• Participation in community events • Collaboration with/sponsoring of social contribution activities • Feedback via our website • Advisory boards • AI Advisory Board • NPO and NGO workshops on addressing social issues
Business partners	Business partners that cooperate in providing NTT DATA services	• Smart X Co-Innovation • Trusted Value Chain • Digital Accessibility	• Strategic collaboration for promoting clients' digital transformation • Regular business activities • Business Partner (BP) presidents' meetings • Discussion meetings • Technological briefing sessions • CSR questionnaires
Employees	Employees of NTT DATA and their families	• Future of Work • Human Rights & DEI • Digital Accessibility • Community Engagement	• Employee satisfaction surveys • Management/employee town halls • Proposals/helpline • Engagement with labor unions • Counseling • e-learning (online sustainability management briefings) • Establishment of a sustainability portal site for employees

Advice from Outside Experts

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

<https://www.nttdata.com/global/ja/news/release/2022/031400/> (Japanese only)

Period	4th period	5th period
Term	From February 2019~	From April 2022~
Frequency of Meetings	Twice a year	
Advisory Board Members (Honorific titles omitted)	• Shinichiro Ito Chairman of the Board, ANA Holdings Inc. • Naoyuki Iwashita Professor, Graduate School of Government, Kyoto University • Isao Endo Chairman (Japan), Roland Berger Ltd. • Kazuhiro Mishina Professor, Graduate School of Business Administration, Kobe University • Atsuko Muraki Guest Professor, Tsuda University	• Yuri Okina Chairman of the Japan Research Institute, Limited • Ken Kusunoki Professor of Hitotsubashi Business School • Tamotsu Saito Advisor of IHI Corporation • Tetsuro Tomita Chairman of the Board of Directors of East Japan Railway Co., Ltd. • Kumi Fujisawa Chairman of Institute for International Socio-Economic Studies (IISE)
Agenda for Discussion	• Issues in the previous medium-term management plan • Dissemination and penetration of the current medium-term management plan • Promoting ESG management (e.g., work-style innovation) • Initiatives for digital government • Initiatives aimed at realizing an ideal new society • Direction of the next medium-term management plan	• Social change through our initiatives • Role of Global Headquarters for further growth • Sustainability management initiatives • Efforts to leverage the collective strength of our three-company structure (status of establishing overseas operating companies and progress toward establishing domestic operating companies and a holding company) • Efforts toward maximizing value through the utilization of advanced technologies • Efforts to create a company where our employees find continued job satisfaction

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

Commitment to Initiatives

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

Organization/Initiative	Outline
 United Nations Global Compact	The United Nations Global Compact (UNGC) is the world's largest sustainability initiative, in which the United Nations and the private sector (corporations and organizations) work together to build a healthy global society. It is a voluntary initiative to create a global framework within which companies can contribute to sustainable growth. NTT DATA joined in July 2022 and has been exchanging opinions in its subcommittee.
In support of  WOMEN'S EMPOWERMENT PRINCIPLES Established by UN Women and the UN Global Compact Office	The Women's Empowerment Principles (WEPs) were established in March 2010 as a collaborative initiative between the United Nations Global Compact and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). These principles are designed to advance women's active participation, offering practical guidance to organizations for evaluating and analyzing their existing practices, standards, and actions to actively support women's empowerment. NTT DATA joined as a signatory of the WEPs in 2019.
Japan Business Federation 	Japan Business Federation (Keidanren) is a comprehensive economic organization that aims to draw upon the vitality of corporations, individuals, and local communities to support corporate activities that contribute to the sustainable development of the Japanese economy and improvement in the quality of life for the Japanese people. NTT DATA adheres to its Charter of Corporate Behavior (9th revised edition).
Council for Better Corporate Citizenship (CBCC)  Council for Better Corporate Citizenship: CBCC	As an affiliated structure of Keidanren, CBCC collaborates closely with other committees and organizations within Keidanren related to CSR, as well as with major organizations promoting CSR overseas, in conducting a wide range of business. NTT DATA joined CBCC in May 2023.
 SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	Science Based Targets (SBT) refer to science-based GHG emission-reduction targets aimed at limiting the increase in global average temperature to 1.5°C above pre-industrial levels. In June 2020, NTT DATA obtained SBT certification for its Scope 1 and Scope 2 targets in alignment with the 1.5°C goal.
Business Ambition for 1.5°C 	Business Ambition for 1.5°C is a campaign that urgently calls on companies to set science-based reduction targets, with the aim of lowering GHG emissions to net zero by 2050. NTT DATA signed the commitment in March 2021, becoming the 12th company in Japan to do so and has obtained the SBT 1.5°C certification.
Task Force on Climate-related Financial Disclosures (TCFD) 	This privately led task force focuses on the disclosure of climate-related financial information and was established under the Financial Stability Board at the request of G20 finance ministers and central bank governors. NTT DATA has positioned climate change measures as important management challenges and is promoting transparency in Company-wide and external activities. We declared our support for the TCFD declaration in March 2021.

Organization/Initiative	Outline
CDP GOLD Accredited Provider 	CDP is an NGO that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. NTT DATA became the 20th global partner of CDP in March 2022 and is actively promoting initiatives in the field of climate change consulting and software.
Green × Digital Consortium 	This consortium was established by Japan Electronics and Information Technology Industries Association (JEITA) and aims to contribute to the realization of carbon neutrality by 2050 through digitalization and the creation of new business models in environmental fields. NTT DATA joined the consortium in October 2021 and has been actively participating in working groups such as the Visualization Working Group for standardizing inter-company distribution of GHG emission data.
Green Software Foundation (GSF) 	GSF was formed under Linux Foundation, an international nonprofit organization, to support the utilization and advancement of open-source software. It aims to establish methods for measuring carbon emissions when running software and working toward reducing these emissions. NTT DATA joined as the sixth consortium member in May 2021.
ESTAINIUM Association 	This nonprofit organization aims to serve as a cross-industry hub for companies, organizations, and academic institutions, providing an open foundation for securely sharing GHG emission data (product carbon footprint data) among all companies in a supply chain and supporting industrial decarbonization. NTT DATA established the association with 14 affiliated companies in June 2022.
TNFD Forum 	The Taskforce on Nature-related Financial Disclosures (TNFD) is an international initiative aimed at establishing a framework for private companies and financial institutions to appropriately assess and disclose risks and opportunities related to natural capital and biodiversity. In February 2023, NTT DATA joined the TNFD Forum, which aims to enhance transparency regarding nature-related risks and opportunities for businesses worldwide.
30by30 Alliance 	This voluntary alliance was established by the Ministry of the Environment with the aim of generating momentum and promoting efforts toward the achievement of the “30by30” goal, which aims to conserve and protect more than 30% of land and sea as healthy ecosystems by 2030. NTT DATA joined the initiative in February 2023.
Keidanren Committee on Nature Conservation 	This committee engages in various activities, including providing recommendations on international goals and domestic policies related to biodiversity, with a focus on participating companies from Japan Business Federation (Keidanren). NTT DATA joined the committee in March 2023.
Other ・Japan Association of Corporate Executives ・Japan Data Communications Association ・The Telecommunications Association ・Japan Electronic Payment Promotion Organization	

Third-Party Evaluations (as of November 2023)

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

External Rating Agency	Outline
Dow Jones Sustainability Indices World Index/Asia Pacific Index Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	These indices by S&P Global evaluate the sustainability of a company from economic, environmental, and social (ESG) perspectives. NTT DATA has been selected for inclusion in both the Dow Jones Sustainability World Index and the Asia Pacific Index.
FTSE4Good Index  FTSE4Good	The FTSE4Good Index Series selects companies with outstanding performance from ESG perspectives. NTT DATA has been included in this index.
FTSE Blossom Japan Index  FTSE Blossom Japan Index	The FTSE Blossom Japan Index Series is designed to measure the performance of Japanese companies with high ESG ratings. NTT DATA has been selected as a constituent of this index.
S&P/JPX Carbon Efficient Index 	The S&P/JPX Carbon Efficient Index selects its constituents based on their performance within the TOPIX, a key stock price index representing the Japanese market. It assesses companies by considering their environmental information disclosure and carbon efficiency (carbon emissions per unit of revenue), determining their weights accordingly. NTT DATA has been included in this index.
ISS ESG Corporate Rating 	NTT DATA has achieved a Prime rating in the ESG Corporate Rating by Institutional Shareholder Services Inc. (ISS).
EcoVadis 	NTT DATA was awarded a Gold rating in a sustainability survey conducted by EcoVadis (Head Office: France), an international sustainability research organization.
Top Employer 2023 	In January 2023, NTT DATA was recognized as a Top Employer 2023 in 15 countries worldwide, including Japan, and across three regions, in acknowledgment of its outstanding human resources policies and practices.
Global Equality Standard 	NTT DATA obtained certification for the Global Equality Standard, which conducts a comprehensive assessment in the field of DE&I, in May 2023.

External Rating Agency	Outline
Eruboshi 	Since September 2017, NTT DATA has received the highest rating (Grade 3) Eruboshi certification based on Japan's Act on the Promotion of Women's Participation and Advancement from the Ministry of Health, Labour and Welfare.
Platinum Kurumin 	In November 2019, NTT DATA received Platinum Kurumin certification as an excellent parenting support company.
100 Prime program 	In March 2018, NTT DATA was selected by the Ministry of the Economy, Trade and Industry and the Tokyo Stock Exchange for inclusion in the Diversity Management Selection 100 Prime program for our ongoing and Company-wide diversity management activities.
PRIDE Index Gold 	In November 2023, NTT DATA was awarded the Gold rating in the PRIDE Index, which was developed by work with Pride. This recognition marks our seventh consecutive year from 2017 of receiving this award for our efforts in creating an inclusive workplace for sexual minorities, including the LGBTQ+ community.

The NTT Group's Basic Policy

The NTT Group Sustainability Charter

In November 2021, the NTT Group established the NTT Group Sustainability Charter with the aim of simultaneously achieving corporate growth and solving social issues. The Sustainability Charter sets out nine challenges and 30 activities for three themes to realize a sustainable society. A variety of initiatives are being undertaken based on these themes.



Promoting a Sense of Unity in the NTT Group

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

Spreading Sustainability Awareness

Since fiscal 2013, the NTT Group has convened its annual NTT Group Sustainability Conference (formerly NTT Group CSR Conference), aimed at instilling employees' awareness of sustainability by sharing sustainability-related best practices across the Group. The NTT DATA Group participates in the conference every year.

In fiscal 2022, a total of 113 entries were submitted by various NTT Group companies from both domestic and international divisions, resulting in more than 270,000 employee votes. Among NTT DATA's submissions, six projects advanced to the final selection, with four receiving the top awards, including two that earned the MVP distinction.

An outline of projects that received the MVP distinction follows.

The establishment of a medical equipment supply chain in Malawi using drones	
Company	NTT DATA Business Solutions AG (Germany)
Overview	NTT DATA Business Solutions AG (Germany) is providing support and an adaptable service platform for a project led by the drone development start-up Wingcopter GmbH in eastern Africa's Malawi. The project aims to establish a medical equipment supply chain for deliveries using drones. The platform encompasses flight planning, order management, and the resource management of drones and pilots, while also accommodating the entire national catalog of medical supplies. Wingcopter is utilizing drones to deliver medical supplies to more than 115,000 individuals residing in remote areas of Malawi. In addition, its drone training program is helping train local residents as drone pilots, contributing to education and employment opportunities in the region.
Improving the user experience of recycling parks through AI	
Company	NTT Ltd. (Belgium)
Overview	This project focused on accurately forecasting the time remaining until recycling station containers reach full capacity using AI, thereby optimizing the timing of container collection and effectively addressing the issue of overflowing containers. This improvement enhances the user experience at recycling parks, reducing the likelihood of littering in public spaces and natural environments. It also streamlines the efficiency of recycling container collection services for providers.

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Initiatives toward Materiality and Achieving KPIs

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

[Reference page] Sustainability Management “Progress in Relation to Nine Material Issues and FY2023 Targets”

 Carbon Neutrality Contribute to solving climate change issues through innovation to decarbonize society  	As the global society transitions toward decarbonization, it is imperative for companies to take the lead in addressing their own climate change issues and decarbonizing society. In addition to reducing greenhouse gas emissions through our own supply chain, NTT DATA will promote innovation to support clients to achieve carbon neutrality and strengthen their resilience to extreme weather events through digital technology and co-creation with clients and contribute to the achievement of society's carbon neutrality.		
	FY2022 Indicator	Achievement Status	Concrete Activity Results
	CO ₂ emissions*	◎	Shared goals with Group companies outside Japan and initiated efforts to introduce and utilize renewable energy; participated in CDP's Renewable Energy Task Force to reduce GHG emissions across the supply chain
	Promotion of electrification in general vehicles	○	Actively promoted the electrification of vehicles that are nearing the end of their lease contracts in all business divisions of the company
 Circular Economy Reduce waste and create a society where the value of products and services continues to circulate 	We are using finite resources and generating waste in our economic activities. We need to decouple economic activities from resource consumption and shift to a circular economy to realize a sustainable society and environment. In addition to our own initiatives, which include reusing and recycling used PCs and donating unneeded emergency rations, we aim to realize a society that produces zero waste and ensures that resources can be used and recycled sustainably through our support to clients using blockchain, AI, IoT, and other technologies.		
	FY2022 Indicator	Achievement Status	Concrete Activity Results
	Waste recycling rate	○	Confirmed the status of locations with low waste recycling rates and promoted outsourcing to recycling service providers with higher recycling rates
 Nature Conservation Generate a sound global environment and contribute to people's well-being by conserving and recovering nature capital  	We are losing our natural capital at a rapid pace due to land-use changes associated with economic and social development, as well as pollution, climate change, and biodiversity loss including the invasion of alien species. To conserve and sustainably use natural capital, we need to understand the relationship among economic, social, and corporate activities, plus natural capital, and take appropriate measures accordingly. We will promote a nature-positive approach throughout society by promoting initiatives that protect the natural capital associated with our company and by providing our clients with business support that utilizes our digital technologies.		
	FY2022 Indicator	Achievement Status	Concrete Activity Results
	Number of participants in environmental conservation initiatives	◎	Integrated activities into our environmental management system
	Paper consumption	○	Set reduction targets for each of our environmental management systems and took steps to achieve them

*Including Group companies outside Japan

Basic Policy and Management System

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

Environmental Policies of the NTT DATA

We believe that, given the increasingly serious nature of global environmental problems, we must address these as management issues and work to resolve the environmental challenges facing the world and society.

The NTT DATA, which applies information technology to create new paradigms, contributes to environmental protection by providing systems and solutions that can replace or alleviate the need for actual movement of people and goods. At the same time, recognizing the major impact of business activities on the environment, we are promoting ongoing and planned approaches to environmental protection to realize a society that is in better harmony with the earth even as it enjoys the abundance of modern life.

1. Environmental considerations in conducting business

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

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

2. Meeting legal obligations

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

3. Raising awareness

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

4. Promoting communications

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

Yo Honma, President and CEO
NTT DATA Group Corporation

Notes:

- The final approval of this policy is made by the Representative Director, President and Chief Executive Officer. This Officer is the Chairperson of the Board.

The Director and Senior Executive Vice President chairs the Eco Activity Promotion Committee. He takes accountability for the effectiveness of the environmental management system and promotes continuous improvement to fulfill the leadership and commitment regarding the environmental management system.

We built a cross-Group environmental management system spearheaded by the "Eco Activity Promotion Committee" and the "Eco Activity Liaison Committee," which consist of environmental officers and advocates from each ISO 14001-certified division and Group company.

Items of particular importance discussed by both committees are reported to the Board of Directors.

The Eco Activity Liaison Committee meets several times a year to communicate with Group organizations and resolve issues through the PDCA cycle. Group companies that have not yet obtained ISO 14001 certification have also appointed environmental supervisors to strengthen our environmental management promotion system.

Please refer to the Environmental Management System for further details.

- We provide environmental education for employees and partners to promote understanding of the importance of working on environmental issues and how we can contribute to solving them through our business activities. The content of education is regularly reviewed based on external trends.
- This policy covers all business activities, investment due diligence, and mergers and acquisitions of the NTT DATA. We will also encourage our suppliers, distributors, logistics providers, waste disposal companies, and business partners to support the policy across our supply chain.
- This policy was established in June 2018. The name of the company has been updated due to the transition to a holding company structure in July 2023.

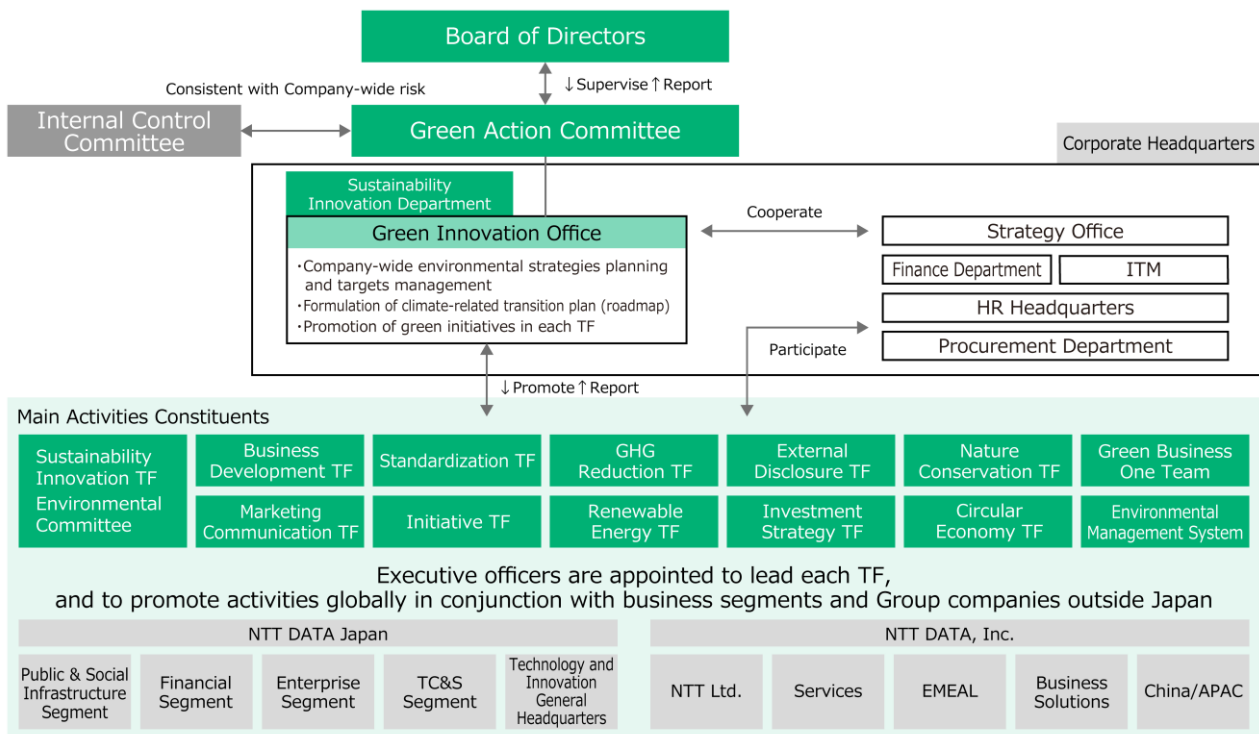
Management System

In November 2020, NTT DATA established the Climate Action Committee (now the Green Action Committee) to lead our climate change initiatives. In addition, in October 2021, we created the Green Innovation Office as a dedicated organization focusing on advancing green innovation. This Office oversees the Green Action Committee and promotes Company-wide initiatives.

The Committee is chaired by the Representative Director and Senior Executive Vice President of NTT DATA Group Corporation, who holds the highest responsibility for climate change initiatives. As of August 2023, within the Committee, 13 key task forces aligned with our strategy and subcommittees for effective execution have been established. Executive officers lead these task forces and the environmental subcommittee supporting the sustainability management task force, driving cross-company initiatives with stakeholders.

The Board of Directors reviews reports on discussions that take place within the Green Action Committee, deliberates on the content as vital components of management and business strategy, and supervises the formulation of policies and implementation plans for addressing climate change. We have appointed outside directors with a high level of expertise in sustainability to provide specialized oversight of our climate change efforts. In fiscal 2022, we established climate change-related Key Performance Indicators (KPIs). These KPIs, linked to executive and employee compensation, are designed to encourage greater engagement in achieving our goals.

➤ Structure of the Green Action Committee



Carbon Neutrality

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

Basic Policy

The recent occurrences of heat waves, floods, forest disasters, and other events related to climate change have had diverse effects, some of which directly impact human lives. Addressing the challenges posed by climate change is therefore an urgent and critical social issue. Dealing with climate change requires a shift away from economic activities reliant on greenhouse gases (GHG). Tackling this issue is imperative not only for individual companies but also for the entire supply chain, and consequently, society as a whole. NTT DATA will pursue the reduction of GHG emissions not only through our own activities but also across the entire supply chain and broader society through "Green Innovation," harnessing the power of digital technology. In addition, we will contribute to the realization of a decarbonized society by promoting the green transformation of the data centers, IT equipment, and software that are integral to the digital society.

◆ NTT DATA NET-ZERO Vision 2040

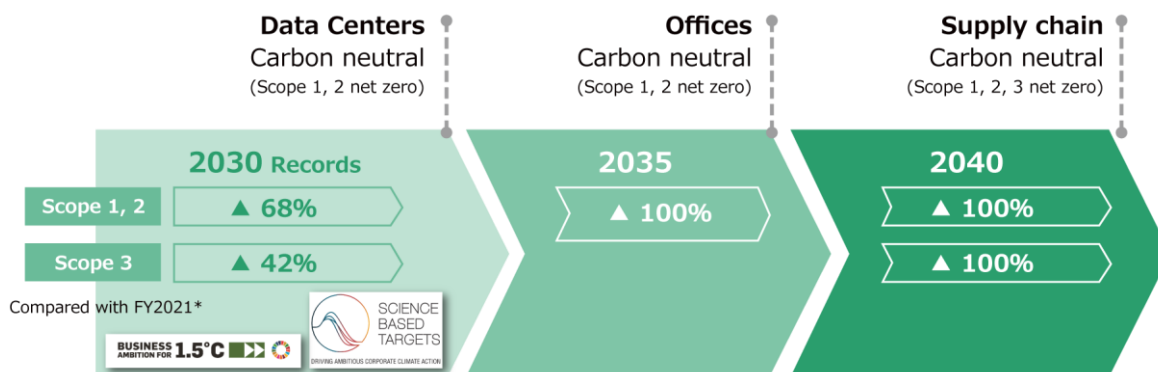
~Formulation of a new vision for net-zero GHG emissions by 2040~

NTT DATA has set an even higher standard for its net-zero GHG emission targets in keeping with global trends for initiatives to achieve net zero, and the expansion of its business through the integration with NTT Ltd., which primarily operates IT infrastructure services such as data centers and networks around the world, in October 2022. Specifically, the timeline for achieving net zero based on the SBTi* standard has been brought forward by 10 years to 2040 from 2050, with these targets incorporated into the newly formulated NTT DATA NET-ZERO Vision 2040.

*SBTi (Science Based Targets initiative) is an organization that encourages companies to set science-based reduction targets for the purpose of limiting the rise in average global temperatures to 1.5°C above pre-industrial levels and that offers approval for such targets.

NTT DATA aims to achieve net zero for direct and indirect emissions from its own operations (Scope 1 and 2) for data centers by 2030, the entire company including offices and other facilities by 2035, and its entire supply chain (Scope 3) by 2040. Through collaboration with various stakeholders, including clients, supplier companies, CDP, and the SBTi, we will contribute to a net-zero society while pursuing reductions of our own Scope 1, 2, and 3 GHG emissions.

➤ NTT DATA NET-ZERO Vision 2040

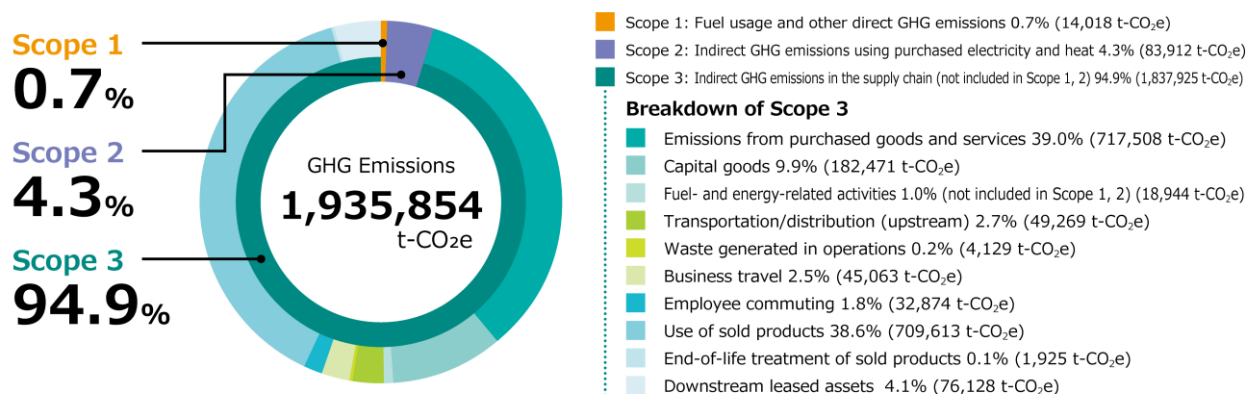


*Regarding short-term goals until FY2030, SBT validation has already been obtained. Due to the revision of our net-zero vision, we are currently in the process of reapplying, jointly with NTT Ltd., for SBT validation for emission-reduction targets compared with FY2021 (as of September 30, 2023).

NTT DATA's Greenhouse Gas Emissions

To reduce the risks of climate change and realize a decarbonized society, it is important to engage in energy-saving measures not only for the Company's facilities but also for the overall society. We integrate environmental considerations into all aspects of our corporate activities. To this end, from fiscal 2013 we broadened the scope of our aggregated calculation of GHG emissions and began management under Scope 3, which calculates the aggregate amount of these emissions by considering product and service life cycles, from procurement to distribution and final disposal. For Scope 1 and 2, we added data from global Group companies assured by a third party. As a result, the total GHG emissions of NTT DATA were 1,935,854 t-CO₂e in fiscal 2022.

➤ GHG Emission Rates by Scope in Fiscal 2022



We obtain third-party certification for data from all sites.

<NTT DATA (All Group companies excluding EMEAL and NTT Ltd.)>

We received third-party verification of our GHG emissions (Scope 1, 2, and 3), energy consumption, renewable energy consumption, and water consumption in fiscal 2022 from LRQA Limited.

Verification of Scope 1, 2, and 3 emissions, energy consumption, and renewable energy consumption in fiscal 2022 applies to 158 NTT DATA companies (all Group companies excluding NTT Ltd.). Verification of water consumption applies to 70 companies of the NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan.

<EMEAL>

We received third-party verification of our GHG emissions (Scope 1 and 2) from AENOR INTERNACIONAL, S.A.U., in fiscal 2022. The scope of the verification covered 66 centers in Europe, Latin America, and Africa.

➤ Summary of Third-Party Certified Data* in Fiscal 2022 ☒

Direct GHG emissions (Scope 1)	12,300 t-CO ₂ e
Indirect GHG emissions from energy sources (Scope 2, market basis)	82,203 t-CO ₂ e
Indirect GHG emissions from energy sources (Scope 2, location basis)	161,221 t-CO ₂ e
Other indirect GHG emissions (Scope 3)	1,837,925 t-CO ₂ e
Energy consumption	391,080 MWh
Renewable energy consumption	177,609 MWh
Water consumption	447,918 m ³
Wastewater	255,787 m ³

*Scope of data collection: All Group companies excluding EMEAL and NTT Ltd.

Transition Plan Toward Achieving NTT DATA NET-ZERO Vision 2040

Based on our transition plan toward achieving net zero by 2040, we are advancing various initiatives, including the following.

Scope 1 and 2 (NTT DATA)	- Optimize energy use via digital technology for everything from data centers and other facilities to applications, with a focus on Green Data Centers^{*1} - Achieve a 100% implementation rate for renewable energy at data centers and offices
Scope 3 Upstream (Suppliers)	- Reduce power consumption through the development of green software^{*2}, efficient power use, and scaling back of hardware use through consolidation - Prioritize procurement from suppliers who are reducing emissions at the same level as NTT DATA (SBT 1.5°C approved level) - Promote the circular economy through reuse and recycling
Scope 3 Downstream (Clients)	- Facilitate fundamental measures such as moving IT services to the cloud to reduce GHG emissions at client sites and shifting business models from equipment sales to service provision - Introduce renewable energy for the services used by clients as a partner to reduce GHG emissions through engagement with the clients - Contribute to reductions in client emissions beyond Scope 3 downstream, such as utilizing Green IT^{*3} for the visualization of GHG emissions and greater energy efficiency
Beyond value chain initiatives	Verify and implement new technologies (e.g., blue carbon, forestry IoT)

^{*1} A Green Data Center is a service that supports the IT management of clients through full outsourcing of IT infrastructure using technologies such as virtualization and operational automation. It offers services such as "Managed Hosting" that combine facility, network, virtualization, OS/middleware, and operation management, as well as rack colocation services that are environmentally friendly.

^{*2} Green software refers to software with low GHG emissions. The main characteristics of green software are 1) power consumption by the software itself is low; 2) the software uses fewer hardware resources; and 3) the way power is used is optimized, with the software running on electricity derived from renewable energy.

^{*3} Green IT refers to contributions to the reduction of the environmental load for clients and society by lessening the environmental impact (including GHG emissions) from IT equipment throughout its life cycle, or utilizing the advanced information processing and communication technologies afforded by IT to enhance the efficiency of production, distribution, management, and other operations.

Toward Achieving Sustainable IT

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

◆ Green Data Centers®

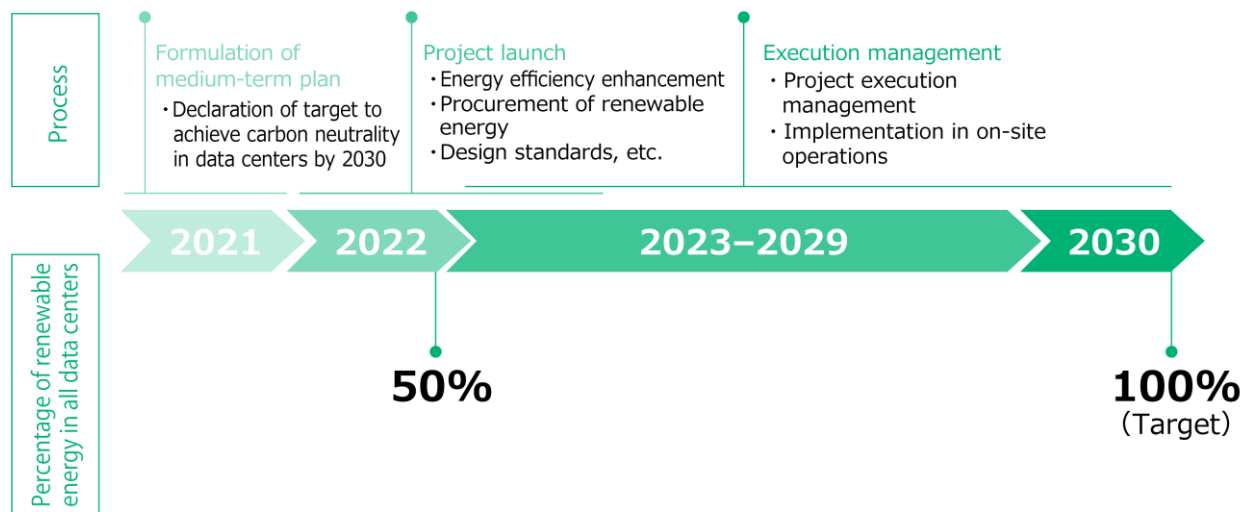
With the advancement of digitalization, the rapid growth in demand for data processing, storage, and communication services provided by data centers has resulted in an increase in GHG emissions, in tandem with energy consumption. In October 2022, we integrated NTT Ltd., which provides data center solutions with a broad presence in Europe, North America, India, and the APAC region. This integration allows us to establish a structure to address the digital demands of our clients and society. In addition, NTT DATA is committed to pursuing sustainability in data centers through energy efficiency, energy conservation, and the adoption of renewable energy, as part of our efforts to reduce environmental impact.

GHG Reduction Targets for Data Centers

As part of our transition plan toward achieving NET-ZERO Vision 2040, we are actively working on reducing GHG emissions from data centers. We are actively promoting efforts to reduce electricity consumption and enhance energy efficiency in our data centers, which account for approximately 70% of our total electricity usage. Our goal is to achieve 100% utilization of renewable energy in all data centers in 2030, and thus we plan to increase our utilization ratio of renewable energy.

By offering data centers powered by renewable energy for our clients, we aim to contribute to the reduction of GHG emissions for our clients and society as a whole.

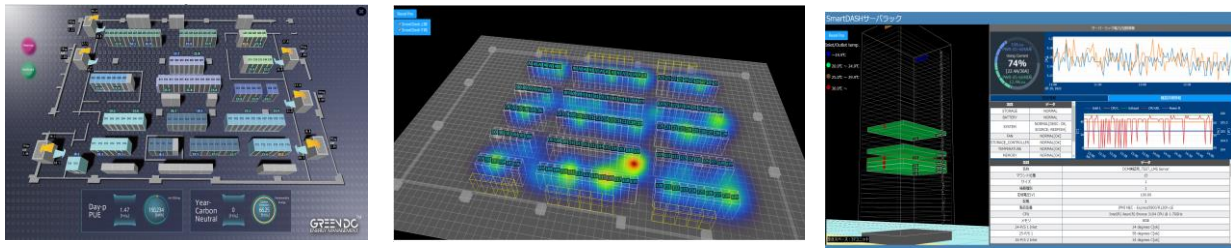
➤ Renewable Energy Implementation Process for Data Centers



Reducing Environmental Impact from Both Facility and IT Perspectives

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

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



Case Studies of Group Companies Outside Japan in Pursuit of Data Center Sustainability

NTT DATA is globally committed to sustainability in data centers. As a leading company in the data center industry, we ensure the safety and reliability of systems that have become essential social infrastructure. In doing so, we also focus on reducing environmental impact, including power-saving measures in data centers, as we continue to pursue sustainability in this domain.

Johannesburg 1 Data Center
Johannesburg, South Africa



The data center in Johannesburg, the heart of Africa's digital economy, has achieved sustainability through the implementation of systems that ensure uninterrupted power supply, the introduction of backup power generation, and efficient utilization of limited water resources. The cooling system, which makes use of valuable water resources, has significantly improved water usage efficiency (WUS) by circulating water without evaporation.

Berlin 2 Data Center
Berlin, Germany



The data center located in the center of Berlin has implemented efficient cooling technologies, power management systems, and energy-saving solutions. There are also plans to supply the substantial heat generated by the data center to neighboring areas, with preparations being made in collaboration with local authorities. NTT DATA aims to contribute to the reduction of environmental impact in the region by providing waste heat with no GHG emissions to the local community.

Bautzen Data Center 4
Bautzen, Germany



At the Bautzen DC4 facility in Germany, operations are powered by 100% renewable energy sources, including on-site solar power installations. It employs an evaporative cooling system that utilizes rainwater, eliminating the need for compressor-based cooling even when outdoor temperatures exceed indoor levels, thereby reducing GHG emissions. Also, waste heat from servers is repurposed for building heating. These efforts resulted in an Excellence Award at the 10th NTT Group Sustainability Conference in 2022.

◆ Green Software

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

Leading the Creation of Development Standards for Software with Reduced Environmental Impact

In the software domain, which significantly influences GHG emissions in facilities such as IT equipment and data centers, we are actively involved as operational members of the Green Software Foundation (GSF), a global nonprofit organization established in May 2021 with the aim of promoting environmentally friendly “green software.”

GSF is actively engaged in establishing standards and developing tools for the creation of green software that broadly reduces GHG emissions. Through our participation in GSF's initiatives, we aim to promote the widespread adoption of software development practices with lower environmental impact.

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



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

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

Case Study with Client—Intesa Sanpaolo Bank (Italy)

NTT DATA Italy is utilizing SCI 1.0 to measure the energy consumption and GHG emissions of its IT systems and designing a framework to reduce emissions. An example of its application is Intesa Sanpaolo Bank, one of Italy's leading banks. The bank required accurate measurement and monitoring of its IT system's GHG emissions to reduce the environmental impact of the systems and enhance operational efficiency. With the solution provided by NTT DATA Italy, Intesa Sanpaolo Bank achieved a reduction in GHG emissions from its IT systems and realized cost savings through the reduction of system energy consumption. It also gained clarity on which parts of the system had room for improvement. These initiatives have earned Intesa Sanpaolo Bank recognition as a financial institution that achieves sustainability through its IT systems and services.

➤ Dashboard Visualizing GHG Emissions



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Challenging Net-Zero across the Supply Chain

◆ Green Purchasing

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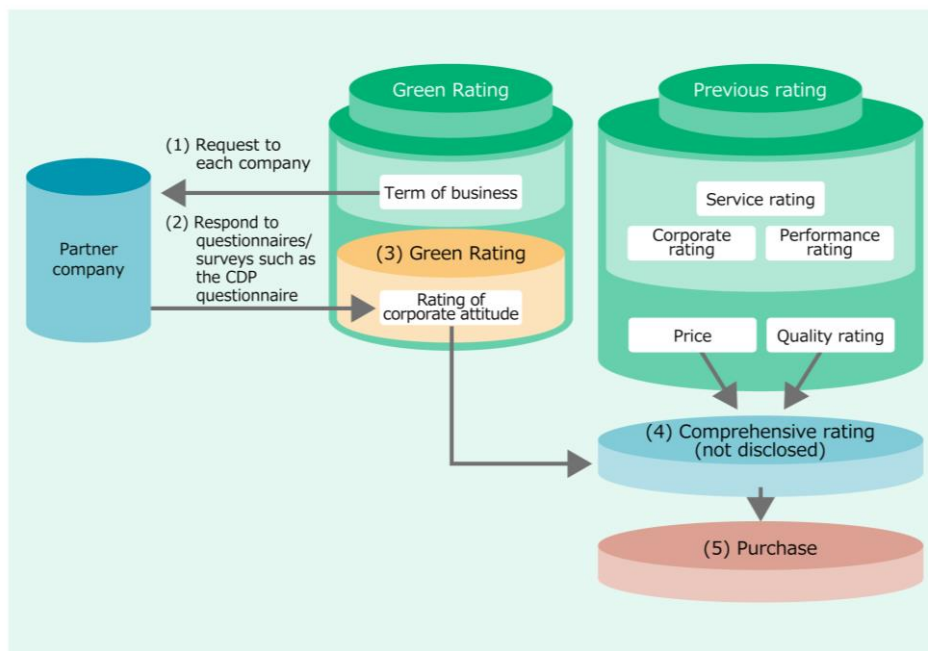
GCJ

Assessments of Corporate Efforts and Products

In addition to price and quality evaluation, NTT DATA has established evaluation criteria that it uses when procuring and selecting products and services. These criteria set out specific standards for selecting important suppliers and include such factors as the corporate efforts on environmental protection and environmental considerations for supplier products and services. We focus mainly on evaluating potential suppliers' approach to tackling environmental issues. Specifically, we assess compliance with environmental regulations and whether GHG emission-reduction initiatives are implemented throughout the supply chain.

In the NTT DATA Group Corporation, starting from fiscal 2021, we have designated around 150 companies, representing the top 70% of our procurement spending, as crucial suppliers. We assess corporate practices by monitoring the progress of GHG emission reduction among these suppliers through initiatives such as the CDP Supply Chain Program and surveys. In the monitoring process, we conduct progress checks using detailed indicators. We intend to collaborate with Group companies outside Japan to promote GHG emission reduction among suppliers across the organization.

➤ Mechanism to Evaluate a Supplier's Corporate Stance



➤ Process of Managing Progress in Reducing Greenhouse Gas Emissions

Classification	Initiative Steps	Status of Initiatives
Formulation of an implementation plan	STEP0 No response plan for climate change	Not started (no plan to be formulated in the future)
	STEP 1 Have an implementation plan within a year	Formulated a plan to implement within a year
Visualization	STEP 2 Visualization of Scope 1 and 2	Tracked Scope 1 and 2
	STEP 3 Visualization of Scope 3	Tracked Scope 3
Target setting	STEP 4 Set reduction targets	Established voluntary reduction targets
	STEP 5 Set reduction targets at SBT-approved levels	Established reduction targets that meet the SBT-approved level

Strengthen Green Procurement Initiatives to Reduce GHG Emissions

At NTT DATA, we have established a policy for green procurement activities in the “NTT Group Green Procurement Standards” as part of our efforts to achieve NET-ZERO Vision 2040. We are requesting our suppliers to reduce GHG emissions throughout the supply chain.

NTT DATA Group Corporation is developing green procurement initiatives tailored to the specific characteristics of our business in Japan. In February 2022, to strengthen efforts to reduce GHG emissions across the entire supply chain in the procurement activities for products and services, we operationalized the “NTT Group Green Procurement Standards,” which set forth evaluation criteria for suppliers and products within our procurement activities, and established the Hardware Procurement Rules*, a set of reference rules for hardware procurement. We have commenced implementation for approximately 70 Group companies in Japan. These rules recommend purchasing from hardware vendors that have received SBT validation (for setting environmental targets for decarbonization) or have announced GHG emission targets and results at a similar level to the SBT validation level, and we follow these rules when making procurement decisions.

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

We are also developing initiatives tailored to the business characteristics of each Group company outside Japan to reduce GHG emissions globally.

*We announced the establishment of the Hardware Procurement Rules in a news release in February 2022.

<https://www.nttdata.com/global/ja/news/release/2022/022802/> (Press release only in Japanese)

◆ Supplier Engagement

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At NTT DATA, Categories 1 (purchased goods and services), 2 (capital goods), and 11 (use of sold products) account for approximately 88%* of the total emissions in Scope 3. It is essential to enhance engagement with suppliers and collaborate with them to reduce GHG emissions across the entire supply chain. To achieve this, we are requesting cooperation from key suppliers in climate change mitigation efforts and providing specialized support for software development companies to reduce emissions in Scope 3.

*Of the total emissions within Scope 3, the breakdown by category is approximately 39% for Category 1 (purchased goods and services), approximately 9.9% for Category 2 (capital goods), and approximately 38.6% for Category 11 (use of sold products).

Main Efforts to Achieve the SBT 1.5°C Target

In fiscal 2022, we continued to hold online supplier briefing sessions for our top suppliers, accounting for approximately 80% of our total purchases, with around 160 companies participating. We requested cooperation from NTT DATA Group Corporation to reduce emissions to the SBT target level and promoted climate change initiatives. This was achieved by presenting social trends related to climate change measures such as internal carbon pricing and sharing industry-specific trends based on the responses to the CDP questionnaire we requested from each company. To further support the efforts of each company, we conducted follow-up by providing necessary information, including Q&A sessions from the briefing meetings, to approximately 230 targeted companies.

In addition, we are strengthening efforts to gather and analyze information on climate change initiatives throughout the supply chain. As a result of our initiatives, in April 2022 we became the first Japanese company to become a CDP Supply Chain Premium Member.

NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan requested suppliers that account for 80% or more of total purchases of hardware and outsourced software development to answer questions in the CDP questionnaire related to the visualization of GHG emissions and reduction target setting. Approximately 120 suppliers complied in fiscal 2022. To drive initiatives in each company, we assessed industry-specific progress based on the responses to the CDP questionnaire and NTT DATA independently produced and distributed explanatory materials regarding the visualization of GHG emissions and the establishment of reduction targets to software development outsourcing suppliers. In fiscal 2023, we plan to increase the number of suppliers we request responses from and expand initiatives using the CDP Supply Chain Program, including global Group companies.

We also regularly exchange opinions with suppliers engaged in proactive initiatives about products and solutions with low environmental impact. NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan are making information necessary for promoting green purchasing available internally. This helps create an environment where purchasing decisions consider not only price but also environmental information, enabling reductions in GHG emissions on a product-by-product basis.

Business Partner (BP)* Engagement

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

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

Information Disclosure Based on the TCFD

In March 2021, NTT DATA expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Since then, we have been promoting climate change initiatives across the entire organization and ensuring transparency in our external activities. We consider addressing climate change as a critical management issue. We conduct analysis and assessments following the TCFD framework regarding climate change risks and opportunities. We also actively explore strategies for addressing long-term climate change risks and opportunities and are working to strengthen information disclosure. In fiscal 2022, NTT DATA's disclosure of sustainability information in the fiscal 2022 Securities Report was selected as a good practice by Japan's Financial Services Agency*.

*Our efforts are showcased as a good practice on the Agency's website: <https://www.fsa.go.jp/news/r4/singi/20230131/00.html> (Japanese only)

◆ TCFD Recommendations, Activity Summary, and Disclosure Section

TCFD Recommendations	Recommended Disclosure Content	Activity Summary	Disclosure Section
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) The board's oversight of climate-related risks and opportunities	- Promoted 13 task forces and subcommittees and implemented cross-company initiatives through the Green Action Committee - Board of Directors received reports from the above Committee and then monitored the formulation of policies and implementation plans	Management System (p.22)
	b) Management's role in assessing and managing climate-related risks and opportunities		Management System (p.22)
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Climate-related risks and opportunities the organization has identified over the short, medium, and long term	- Selected the most critical risks and opportunities based on scenario analysis, and evaluated their impact on business strategy, including financial implications - Calculated the costs for risk mitigation measures and investments in opportunities, ensuring alignment with the current medium-term management plan	Risks and Opportunities (pp.32–40)
	b) Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning		Impact of Climate Change on Business Strategy (p.32)
	c) The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario		Climate Change Scenario Analysis (pp.41–42)
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	a) The organization's processes for identifying and assessing climate-related risks	- Defined climate change risk as a significant risk across the entire company - Evaluated climate change risks and opportunities through the Internal Control Committee and the Green Action Committee	Risks and Opportunities (pp.32–40)
	b) The organization's processes for managing climate-related risks		Risks and Opportunities (pp.32–40)
	c) How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management		Prioritization of Risks (p.32)
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	- In consideration of the increasing demand for global efforts toward accelerating net zero, and changing business environments, revised our vision for addressing climate change by 2050, which was formulated in 2021, and in fiscal 2023, established the NTT DATA NET-ZERO Vision 2040 with the aim of achieving net zero by 2040 - Set Scope 1, 2, and 3 GHG emission-reduction targets based on our vision, took steps to achieve these targets, and measured emissions	Prioritization of Risks (p.32)
	b) Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks		NTT DATA's Greenhouse Gas Emissions (p.24)
	c) The targets used by the organization to manage climate-related risks and opportunities and performance against targets		Metrics and Targets (Management Metrics and Targets for Climate-Related Risks and Opportunities) (p.43)

◆ Impact of Climate Change on Business Strategy

We identified areas affected by climate change–related risks and opportunities and analyzed their impact on our business strategy. Details about each impacted area are also described in the section on climate-related risks and opportunities below.

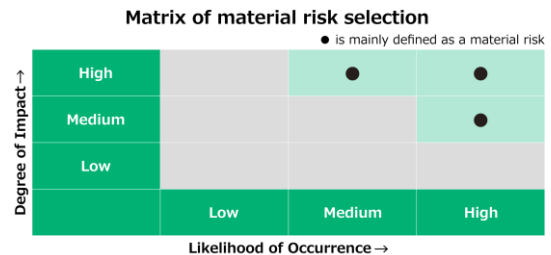
Impacted Area	Overview
Products and services Opportunity	Under increasing social pressure to address climate change on a global scale, governments and companies in various industries are required to embrace innovations to mitigate and adapt to climate change. These include restructuring business operations, applying new technologies, and creating new mechanisms. Due to the nature of our clients, which includes government agencies that promote the TCFD and financial institutions that support the TCFD, we anticipate increased opportunities mainly in the following services. • Offerings for new sustainability-related services and products • Consulting services for a sustainable society • Resilient cloud services
Supply chain Risk	The risk of flooding due to typhoons and torrential rains, as well as power line breaks, lightning strikes, and power shortages due to surges in demand for electricity, could shut down the operations of us and/or our suppliers. In addition to losing revenue, such shutdowns could affect large-scale systems provided by us that support financial and medical services and other social infrastructure, which could pose a risk of serious damage to people's societal lives.
Technology Opportunity	Changing technologies and markets have led to increased opportunities to create and provide climate-related products and services. Accordingly, we are increasing R&D on cutting-edge technology and innovation promotion (in such areas as smart cities and AI technologies) and production technology innovation (including development of resilient, energy-efficient, and renewable energy–enabled cloud infrastructure and new technologies to enable faster and higher-quality systems, promote digital transformation at a societal scale, and expand communication capacity).
Operations Risk	With the global society demanding net-zero emissions by 2050 and the legal and regulatory requirements for companies increasing, we expect carbon pricing to result in higher operational costs in the future. In the IT services industry, the use of digital technology will be essential to respond to client needs, including their pursuit of business efficiency and to create remote working environments. As a result, energy use in our cloud computing and data centers will continue to increase unless we take proper countermeasures. Given the nature of our business, with around 80% of Scope 1 and 2 emissions coming from electricity use related to cloud computing and data centers, the continuous use of fossil fuel–derived electricity could have a significant management impact. In such a case, we might be forced to procure power from renewable energy sources, which would increase power procurement costs and pose the risk of a decline in business profit.

◆ Prioritization of Risks

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

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

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



➤ Standards for Evaluating Climate Change–Related Risks and Opportunities

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

◆ Climate Change Risks and Response

Risk 1: Loss of reputation due to delayed responses

[Transitional risk: Reputational]

Time horizon: Short term

Delays in responding to increasing requests for ESG information disclosure from investors might result in a loss of reputation and a consequent decline in our share price, as well as deterioration in fundraising conditions.

Assumed business and financial impacts

There is increasing demand among investors for companies to disclose information related to climate change. If there is a delay in responding to such demand or our efforts to reduce GHG emissions are deemed insufficient, we face the risk of a falling reputation among investors, which might lead to declines in our stock price and deteriorating conditions for raising funds in the capital market.

Corporations outside Japan account for 12.94% (as of March 31, 2023) of our share ownership, and investors outside Japan tend to be more active in ESG investing than Japanese investors. Therefore, a loss of reputation from investors outside Japan might lead to a decline in our stock price and a fall in our corporate value.

In addition, Japanese financial institutions account for 20.10% (as of March 31, 2023) of our share ownership. Because financial institutions in Japan have started joining the Partnership for Carbon Accounting Financials (PCAF), there is a risk that the Company's corporate value might fall due to a decline in reputation by financial institutions in Japan.

● Financial impact

If our stock price were to decline 1% due to a lower reputation by investors outside Japan and financial institutions in Japan, we estimate that our market capitalization would decline by ¥24 billion* (fiscal year-end).

*Estimated based on 1,402,500,000 shares outstanding (as of September 30, 2022)

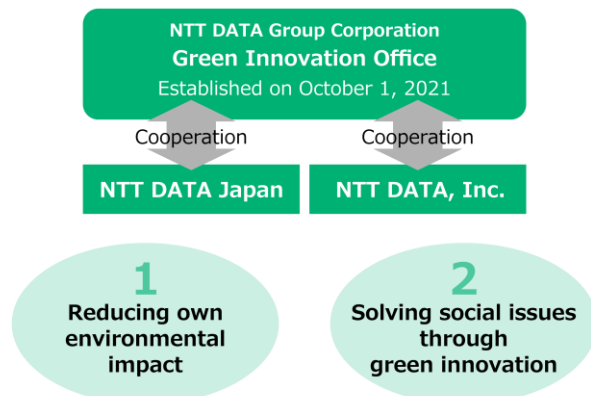
Measures and costs

Establishment of the Green Innovation Office, a dedicated organization for green initiatives, and promotion of internal initiatives

In addition to its existing Green Action Committee (formerly Climate Action Committee), in October 2021 we established the Green Innovation Office, a dedicated organization tasked with quickly responding to investor requests for climate-related information disclosure and accelerating efforts to reduce GHG emissions. In response to disclosure requirements, the organization is streamlining the process of calculating and visualizing our GHG emissions and promoting action on climate change. We aim to contribute to solving climate change issues for our clients and society through supporting business development and technological innovation in green initiatives.

➤ Initiatives of the Green Innovation Office

The Green Innovation Office, an organization dedicated to environmental issues, promotes green innovation for clients and society as a whole while fulfilling its responsibility to reduce its own environmental impact.



● Costs

The Green Innovation Office is engaged in various initiatives that include developing and providing services aimed at accelerating the transition to greener solutions for our clients and society, as well as promoting innovation for GHG emission visualization and reduction actions aimed at achieving our own net-zero goal. We have allocated ¥5 billion in the current medium-term management plan for activity and innovation-based investments by the Green Innovation Office.

Risk 2 : Data center shutdown due to abnormal weather**[Physical risk: Acute]****Time horizon: Short term**

Large typhoons, floods, heat waves, torrential rains, and other abnormal weather events increase the risk of data center operational shutdown due to power outages, flooding, and lightning strikes.

Assumed business and financial impacts

More than 40% of our sales are associated with the data center business, and almost all the main data centers are located on middle latitudes in the northern hemisphere, which are frequently experiencing heavy rainfall due to climate change. In Japan, financial institutions, which are our major clients, are demanding low-latency trade processing with the Tokyo Stock Exchange (TSE), which is located near Tokyo Bay. In addition, as public institutions have requested low-latency communication and efficient interconnection with the data centers and Internet exchanges of other companies, there is a trend toward using data centers near Tokyo Bay. Accordingly, in Japan where we are headquartered, we have many data centers in Tokyo located in relatively coastal areas that are particularly vulnerable to abnormal weather events.

In the United States, the New York Stock Exchange and Internet Exchange are located near New York Harbor. We locate our data centers near New York Harbor to ensure low latency in communication processing and improve the efficiency of interconnection with major clients and other companies' data centers. As a result, our data centers are vulnerable to abnormal weather events and face a Company-wide risk of data center outages caused by interruption of power transmission to data centers in Japan and outside Japan due to extreme weather (such as major typhoons, floods, heat waves, and heavy rains), flooding, and lightning strikes.

● Financial impact

NTT DATA has data center facilities located in regions identified as high-risk areas according to the IPCC's Sixth Assessment Report. While there is a risk of operational disruptions, we have implemented various measures based on hazard maps and other resources to ensure business continuity. If a typhoon were to cause a five-day shutdown of our major data centers located mainly in the Tokyo metropolitan area, we estimate that the negative impact on net sales would be ¥14 billion.

Measures and costs**Infrastructure maintenance and management and disaster preparedness using a drone operation management system**

In March 2020, in Japan, we established Grid Sky Way LLP together with TEPCO Power Grid, Inc., and Hitachi, Ltd. (with Chugoku Electric Power Transmission & Distribution Co., Inc., joining in June 2020). The activities of this business partnership include building and demonstrating a system to enhance the sophistication of infrastructure facility inspections, including using drones to inspect electric power equipment, and strengthen resilience during disasters such as flooding, which is of particular concern, as countermeasures against natural disasters that are becoming more severe due to abnormal weather.

Our role is to create an environment for field testing a drone operational management system. In fiscal 2021, the business partnership conducted test flights of unmanned drones near power transmission facilities in Okayama Prefecture to test unmanned automated flights for inspecting power facilities. In fiscal 2022, over a period of approximately nine months, collaborative demonstrations of drones utilizing the Grid Skyway system were conducted in 44 locations in Japan.

In the future, we will continue to develop a route platform to support beyond visual line of sight (BVLOS) drone flights, focusing on the utilization of drones for infrastructure maintenance and disaster response. This will enable us to assess situations quickly and comprehensively during disasters, such as the condition of evacuation routes, structures, and the flooding status of data centers. This will contribute to the enhancement of disaster response operations for government agencies and infrastructure providers.



A drone in flight during a disaster preparedness drill

Strengthen data center resilience

Since the 2020 COVID-19 pandemic, we have increased internal network bandwidth with the aim of establishing and improving teleworking environments for employees. Indirectly, this has also helped increase the resilience of our data centers to climate change. In fiscal 2022, NTT DATA conducted two disaster preparedness drills with the aim of rapidly responding to disasters, including data center clients, when such events occur. We are planning to invest in updating the disaster preparedness system in the future, and we will work on defining the system requirements, including input from our clients.

● Costs

NTT DATA has been continually enhancing its Business Continuity Plan (BCP) for data centers, offices, and communication facilities. As part of our efforts to ensure business continuity, we will invest a cumulative total of ¥9 billion over the course of the current medium-term management plan for the strengthening and upgrading of data centers, remote access, maintenance environments, and related expenses.

Risk 3: Increase in costs due to carbon pricing (e.g., carbon tax)

[Transition risk: Regulations]

Time horizon: Long term

Stricter regulations in Japan to comply with the Paris Agreement might result in significantly higher CO₂ emission costs.

Assumed business and financial impacts

We generate around 90% of consolidated net sales in regions such as the European Union and Japan, where carbon pricing (carbon tax) has already been introduced or is under consideration for introduction. The confirmation of plans to introduce a carbon pricing system in Japan, where we have many clients, will have a significant impact on at least 50% of net sales.

In the IT services industry, the use of digital technology to improve business efficiency will increase alongside growing demand for remote working arrangements due to COVID-19. In the IT services industry, there is growing demand for digital solutions to meet clients' needs such as pursuing operational efficiency and establishing remote work environments. NTT DATA's energy usage in cloud computing and data centers has the potential to continue increasing without mitigation measures in place.

Given the nature of our business, with around 80% of Scope 1 and 2 emissions coming from electricity use related to cloud computing and data centers, the continued use of fossil fuel-derived electricity could have a significant management impact. Using electricity derived from fossil fuels could have a significant impact on business operations. In such a case, it is necessary to procure electricity from renewable sources. However, in Japan, where renewable energy is currently about ¥2–5/kWh more expensive than electricity derived from fossil fuels, there is a risk of increased electricity procurement costs, which could lead to a decrease in business revenue.

•Financial impact

We expect achieving net zero by 2050 to become widely accepted at a global level, leading to increased regulatory demands on businesses to adhere to these standards. Based on the assumption that the annual GHG emissions for fiscal 2020 (Scope 1 and 2: 162 Kt-CO₂e) will continue until 2025, we have estimated a cumulative carbon price cost of approximately ¥7 billion from fiscal 2022 to 2025, using the carbon price* scenario presented by the International Energy Agency (IEA). As a reference, if the same level of emissions continues until 2040, we have estimated a cumulative carbon price cost of approximately ¥30 billion from fiscal 2025 to 2035.

*Net Zero by 2050 (<https://www.iea.org/reports/net-zero-by-2050>) and World Energy Outlook 2022 (<https://www.iea.org/reports/world-energy-outlook-2022>)

Measures and costs**Introduction of renewable energy**

To minimize the impact of carbon taxes, we have implemented measures such as purchasing renewable energy and installing self-generation facilities for renewable energy in our buildings. Currently, we have three buildings with solar power generation facilities, including the largest in Japan, the Mitaka Data Center EAST.

In fiscal 2022, NTT DATA generated 825 MWh of renewable energy in Japan, including some that was sold back to the grid. We are also increasing our efforts to adopt more renewable energy sources. Furthermore, by promoting the adoption of renewable energy in our global data centers and offices, we are planning to achieve net zero for our own service usage in data centers by fiscal 2030 and for both data centers and offices by fiscal 2035.

In addition, as part of the collaborative efforts with Okinawa Prefecture and Okinawa Electric Power Company to achieve a carbon-free society by 2050, the electricity used at the BPO center located in the municipality has been carbon-neutralized.

NTT DATA is actively working on establishing a decentralized energy infrastructure to accelerate the adoption of renewable energy across society. Our aim is to promote the widespread use of renewable energy based on the premise of stable power supply.

Our efforts toward new technologies in renewable energy

As part of our plans to increase renewable energy in data centers and offices, we are also introducing new technologies. For instance, we are conducting pilot experiments by installing thin-film perovskite solar cells on the exterior walls of buildings, and from 2024, we plan to install them on the exterior walls of data centers to verify their power generation efficiency and GHG reduction effects. In the future, we plan to install them on the exterior walls of existing facilities, enabling the generation and utilization of renewable energy, thereby achieving local production and consumption of renewable energy and expanding its adoption in our data centers and offices.



First in Japan, a carbon neutral Green BPO Center using resources in Okinawa



Image: Installed on walls (provided by NEDO)

Energy-saving measures for data centers

As part of our energy-saving measures for data centers, in 2022, we conducted a verification of the effectiveness of AI-controlled air conditioning using temperature information obtained from sensors, which allowed us to identify high-temperature areas within the facility on a server-by-server basis and enable intensive cooling, achieving a reduction in cooling energy consumption of approximately 35%. We have also invested in energy-saving measures, such as a new method of immersion cooling that eliminates the need for air conditioning and reduces cooling energy consumption by up to 97% by directly cooling ICT equipment in a special liquid. We will also invest in IoT technology for further energy-saving initiatives.

● Costs

To ensure the continuity of NTT DATA's operations, we anticipate the need for procuring electricity from renewable sources. As a result, we are driving decarbonization of our own supply chain through energy efficiency measures and the adoption of renewable energy. NTT DATA has allocated ¥5 billion for investments in energy efficiency, renewable energy adoption, and other initiatives as part of the current medium-term management plan.

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

Opportunity 1: Increasing needs to create sustainability-related offerings

Time horizon: Short term

The acceleration of decarbonization efforts in society and among businesses might bolster demand for innovative offerings.

Business and financial impacts

In today's environment, where there is a growing demand for disclosing sustainability information, including climate change, it has become evident that visualizing GHG emissions across clients' supply chains and implementing new business initiatives and operational transformations are essential for companies to mitigate climate change. The investments in systems and related areas that accompany these changes could lead to business opportunities for NTT DATA as an IT service provider.

We define "sustainability-related offerings" as services and systems for sustainability in general, including climate-related solutions, and have identified the creation of such offerings as a key strategy in the current medium-term management plan. Among sustainability-related offerings, GHG management is the most important in the short term. We already provide AI services to optimize the air-conditioning systems of data centers and office buildings, as well as solutions to visualize GHG emissions.

According to a market research report by Global Information, Inc., the global market for carbon footprint management posted a compound annual growth rate (CAGR) of around 7% from 2022 to 2023. Client companies in a wide range of industries are seeking GHG emission visualization solutions.

● Financial impact

We expect client decarbonization efforts to speed up, increasing opportunities for sustainability-related businesses in various industries and digital technology applications through technological innovation. We estimate that the creation of new sustainability-related offerings will have a positive impact on net sales of more than ¥200 billion in fiscal 2025.

Strategies and costs

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

NTT DATA provides support for visualizing, reducing, and disclosing GHG emissions to clients in various industries. Building on our internal efforts, we have been offering a GHG emission visualization platform since fiscal 2022 that uses logic to manage and reduce emissions across different categories or units.

As an example of our sustainability-related offerings, we entered this market by developing a product-specific carbon footprint platform in a joint effort with a Japanese chemical materials manufacturer. The platform enables calculation of GHG emissions by end product for tens of thousands of chemical products by using a product composition table that reflects differences in materials and processes. Using this platform, chemical materials manufacturers can disclose product-specific carbon footprint information to their suppliers, identify hot spots for emission reduction, and even systematically decarbonize through the introduction of internal carbon pricing mechanisms.

We are developing various carbon footprint visualization platforms, providing pre-sales support, and nurturing technical experts to expand our sustainability-related offerings. We are also investing in the creation of new businesses by applying advanced technologies to social challenges.

Initiatives toward supporting CO₂ emission reduction through digital services

In fiscal 2023, we commenced with digital services that support the reduction of GHG emissions, composed of services from multiple business divisions within the Company. We will continue to support our clients' adoption of renewable energy and energy-saving initiatives through GHG reduction services. Specifically, we offer a range of digital technology-driven services to enhance energy efficiency as part of our menu. These services are designed to support the adoption of renewable energy sources such as solar power generation and other forms of renewable energy and are applicable to various aspects of our operations, including buildings with large-scale energy facilities, transportation, sales, supply chain management, and inter-corporate collaborations.

Furthermore, we are actively pursuing the transformation of our business model to cloud computing for IT services and from equipment sales to service provision. This transformation enables our clients to migrate their operations and systems to NTT DATA's BPO centers and data centers, thereby driving 100% adoption of renewable energy and implementing state-of-the-art energy-efficient solutions. We also have plans to strengthen our investments toward achieving Japan's government target for CO₂ capture and storage cost (below ¥2,000 per ton of CO₂) by 2030. In addition, as we move toward a carbon-neutral society by 2050, we will enhance our investments in the development of CO₂ absorption technologies and the creation of innovative businesses, which can serve as new means of emission reduction.

Emission visualization dashboard for IT systems

In fiscal 2022, we continued to advance our global business expansion efforts. Within our European Group companies, we have developed an emission visualization dashboard for IT systems and are offering it to our clients. The emission visualization dashboard utilizes a methodology developed by the Green Software Foundation, in which our company is an active participant, to assess carbon emissions associated with software usage. We are expanding the application of this approach while continuing to secure new projects.

● Costs

In the current medium-term management plan, we have allocated ¥51 billion for technology development and the creation of sustainability-related offerings that contribute to climate change adaptation and mitigation efforts in corporations and society at large. This includes investments in pre-sales activities and actual business expansion.

Opportunity 2: Increasing demand for sustainability-related consulting services

Time horizon: Short term

Expansion of corporate sustainability-related business increases opportunities in climate change and sustainability consulting.

Business and financial impacts

Addressing climate change can be challenging due to the rapidly changing external environmental demands and levels, as well as the specialized expertise required for tasks such as GHG emission calculations. Consequently, it is often difficult for companies to formulate comprehensive strategies and respond comprehensively solely within their organization. Therefore, we anticipate that these needs will continue to expand over the four-year period of the current medium-term management plan, leading to an increase in business opportunities related to climate change and sustainability consulting.

We are therefore leveraging our extensive development experience and a track record spanning more than 30 years, particularly in information technology and the public and financial sectors. In addition, we have received recognition as a Gold Accredited Solutions Provider by an international NGO, CDP, for our expertise in climate change consulting and software. As a result, we initiated consulting services related to climate change action in fiscal 2021. These new consulting services cover a range of areas related to climate change adaptation, including strategy development for climate change response, visualization of GHG emissions, data center energy efficiency, utilization of renewable energy, and energy efficiency optimization.

These consulting services, categorized as introductory services that serve as an entry point for the growing demand in Opportunity 1 "Sustainability-related offerings (IT systems and services)," are defined as a separate strategy within the current medium-term management plan. In the future, we anticipate that these climate change consulting services will also increase in demand, leading to a corresponding increase in opportunities within our offerings.

●Financial impact

We anticipate an increase in consulting service opportunities as sustainability-related businesses continue to expand across various industries. We have estimated that the revenue from sustainability-related consulting businesses in fiscal 2025 will be approximately ¥40 billion.

Strategies and costs

Development and acquisition of consulting talent

Although the demand from the market for consulting services is sufficiently high, we believe that securing the personnel capability to provide high-quality consulting services could be the upper limit of the financial impact. In response, under the current medium-term management plan, one of our strategies is to strengthen consulting capabilities, with a policy of acquiring and training personnel who will engage in strategic planning and implementation support. With a workforce of around 7,000 consultants worldwide, we are intensifying collaboration across specialized domains and driving the elevation of sustainability-focused consulting. Specifically, during fiscal 2022 to 2025, our efforts will focus on the following aspects of personnel development and acquisition.

1. In-house personnel development:

We will select consulting personnel, as well as sales and development personnel with consulting skills, and assign them to projects related to climate change and train them in sustainability consulting through off-the-job training.

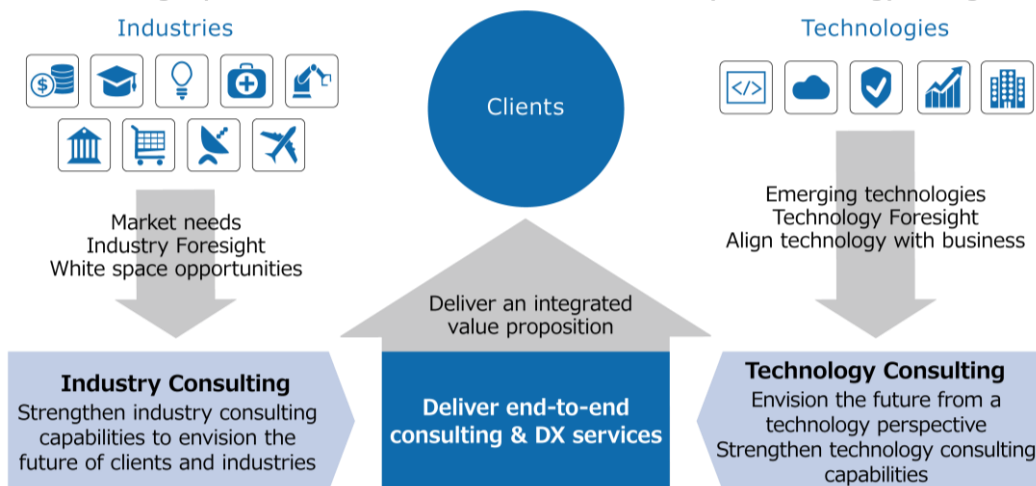
2. Acquisition of consultants with experience in sustainability and climate change:

We will step up global recruiting to acquire human resources with consulting experience in climate change, as well as human resources with governmental and business experience related to climate change.

In addition to incorporating sustainability training into our standard internal training program, we are using our mid-career recruitment and internship programs to train young people as consultants in the field of climate change. Deploying IT technology, meanwhile, we are working to share knowledge within the Group through the “Digital Work Place,” an information-sharing solution encompassing all Group companies, as well as through online seminars and websites.

➤ Current Medium-Term Management Plan Strategy 2 : Strengthen Consulting Capabilities from a Foresight Perspective

Support client growth and business transformation as a co-creation partner through our consulting capabilities that envision the future with industry and technology foresight



● Costs

As part of the current medium-term management plan, we have earmarked ¥4 billion for investments related to the enhancement of our sustainability consulting initiatives. This includes the development and acquisition of consulting personnel in the sustainability domain and the necessary infrastructure improvements.

Opportunity 3: Increasing needs for resilient cloud services

Time horizon: Short term

The increase in abnormal weather and the growing need for decarbonization are encouraging energy conservation through shared use and equipment consolidation and promoting the introduction of renewable energy. At the same time, the increasing need to attain resilience by transferring data to the cloud to avoid data loss and contribute to decarbonization is leading to expanded business opportunities.

Business and financial impacts

In addition to an increase in abnormal weather events, such as typhoons and localized heavy rains, we expect the growing demand for decarbonization to lead to energy conservation through shared use and consolidation of equipment and the introduction of renewable energy, as well as increasing demand for migration to the cloud, which is resilient (by preventing data loss) and contributes to decarbonization. Financial institutions and public institutions, which are our major clients in Japan, are looking for cloud environments that are both resilient and decarbonized. Therefore, demand is increasing for shared-use cloud services, which are resistant to weather disasters because they are built on robust infrastructure as typified by community cloud services, and they contribute to energy conservation. Because they will also be powered by renewable energy, we expect further increases in business opportunities. Currently, we provide joint-use mission-critical systems, such as the “Chigin Kyodo Center,” which is used by nearly 40% of the 60 regional banks in Japan (as of April 3, 2023). In addition, more than 90% of the 241 credit associations across Japan (as of April 3, 2023) are using our comprehensive online “Shinkin Kyodo System,” giving us an advantage in large-scale community cloud services on a nationwide level. Leveraging this advantage of scale, we provide cloud services that are both resilient and decarbonized, leading to even greater business opportunities.

We have also begun phasing in renewable energy sources, having declared that Scope 1 and 2 emissions at all the Group's data centers will be net zero by 2030. As a result, all cloud services provided by our data center assets will be powered by renewable energy.

Financial impact

In addition to an increase in abnormal weather events, such as typhoons and localized heavy rains, we expect the growing demand for decarbonization to lead to energy conservation through shared use and consolidation of equipment and the introduction of renewable energy, as well as increasing demand for migration to the cloud, which is resilient and contributes to decarbonization. We estimate that the increase in overall cloud-related sales will have a positive impact on net sales of more than ¥210 billion in fiscal 2025.

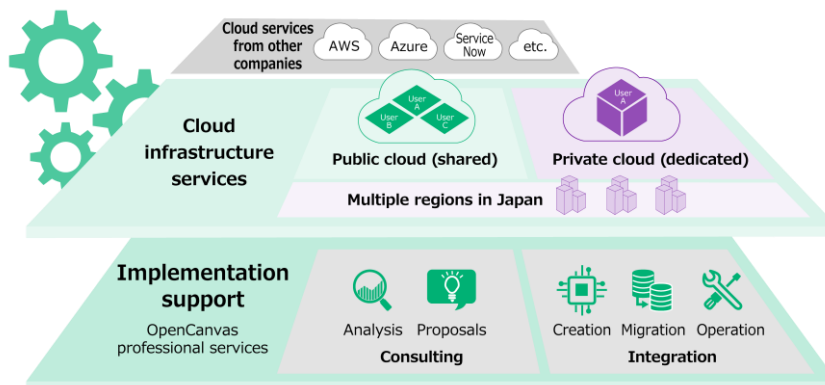
Strategies and costs

Utilization of renewable energy in cloud services

As part of our efforts to improve climate-related resilience and promote renewable energy in the cloud, in April 2022 we introduced 100% renewable energy to provide three services, including OpenCanvas®, a highly reliable and secure cloud service. We also declared that we will realize net zero in all services used at our data centers by 2030 and have begun phasing in renewable energy sources accordingly. Introducing 100% renewable energy to these services is part of that strategy, and we plan to systematically transition the cloud services that use our data centers to renewable energy operations.

OpenCanvas®

OpenCanvas offers cloud infrastructure services tailored to clients' needs and implementation support leveraging NTT DATA's expertise and technical capabilities.



Costs

As part of the current medium-term management plan, we have allocated ¥25 billion for investments in cloud-related initiatives. This includes technology development in the cloud domain, strengthening our global delivery centers, transitioning cloud services to renewable energy operation, and improving service and operational aspects of cloud services, including maintenance and operations.

◆ Climate-Related Risks and Opportunities

Risks and Opportunities		Type	Overview	Time Horizon*1	Likelihood of Occurrence	Degree of Impact	Our Approach to Financial Impact	Financial Impact	Our Approach to Countermeasures and Investment	Countermeasure Costs(FY2022–2025; cumulative)
Risk 1	Loss of reputation due to delayed responses	Transitional risk (Reputation)	Any delay in responding to investor requests for ESG information disclosure could lead to loss of reputation and a decline in share price.	Short term	Virtually certain	High	Delays in responding to climate change will result in lower evaluation by ESG investors outside Japan and financial institutions in Japan. Our calculation is based on a 1% decline in market capitalization due to a lower reputation from investors outside Japan and financial institutions in Japan.	Market capitalization -¥24 billion (as of fiscal year end)	Establish the Green Innovation Office as a dedicated organization to accelerate NTT DATA's response to decarbonization and greening of clients and society through the supply chain; engage in activities spearheaded by the Green Action Committee; invest in activities and innovation by the Green Innovation Office.	¥5 billion
Risk 2	Data center shutdown due to abnormal weather	Physical risk (Acute)	Large typhoons, floods, heat waves, torrential rains, and other abnormal weather events increase the risk of data center operational shutdown due to power outages, flooding, and lightning strikes.	Short term	Virtually certain	Medium-high	We have locations in high-risk areas cited in the IPCC's Sixth Assessment Report and have taken various measures, including the creation of hazard maps, to ensure business continuity. Our calculation of impact on net sales is based on a five-day shutdown of major data centers located mainly in the Tokyo metropolitan area.	Net sales -¥14 billion	Maximize BCP for data centers, offices, telecommunications, etc.; allocate expenses for enhancing and renewing data centers, remote access, and maintenance environments, etc., to ensure business continuity.	¥9 billion
Risk 3	Increase in costs due to carbon pricing (e.g., carbon tax)	Transitional risk (Regulatory)	To comply with the Paris Agreement, regulations in Japan will be significantly tightened and the cost burden for CO ₂ emissions will increase.	Long term	Virtually certain	Medium-high	The consensus across global society is that net-zero emissions must be achieved by 2050, and companies are facing growing calls to comply with corresponding laws and regulations. We calculate the estimated cost impact by multiplying remaining emissions (FY2022–2040) by the carbon price under the IEA's Net Zero Emissions by 2050 Scenario. Note: FY2025–2035: Estimated ¥30 billion (cumulative)	Operating income -¥7 billion*2	Reduce carbon emissions through energy conservation and introduce renewable energy to decarbonize our own supply chain; allocate investment for energy-efficiency measures and renewable energy adoption.	¥5 billion
Opportunity 1	Increasing needs to create sustainability-related offerings	Increasing demand for our products and services	Increasing needs to create new offerings to address accelerating decarbonization efforts across society and business	Short term	Very likely	High	We anticipate accelerated decarbonization efforts by our clients, growth of sustainability-related businesses in various industries, and increasing opportunities for digital technology applications due to technological innovation. Our calculation assumes the impact on net sales of creating new sustainability-related offerings in fiscal 2025.	FY2025 net sales +¥200 billion	Invest to develop technologies and create sustainability-related offerings that contribute to climate change adaptation and mitigation for society as a whole and for individual companies.	¥51 billion
Opportunity 2	Increasing demand of consulting services for a sustainable future	Increasing demand for our products and services	Increasing opportunity to provide consulting services due to growth of sustainability-related businesses in industry	Short term	Very likely	Medium-high	We anticipate an increase in opportunities to provide consulting services due to growth in sustainability-related businesses in various industries. Our calculation is based on our assumption that sustainability-related consulting would account for a certain share of overall consulting sales.	FY2025 net sales +¥40 billion	Invest in measures to strengthen consulting, such as personnel development for sustainability-related consulting, and improving the environment to facilitate this for development.	¥4 billion
Opportunity 3	Increasing needs for resilient cloud services (e.g., carbon tax)	Increasing demand for our products and services	Increasing opportunity to provide resilient cloud services due to a growing number of large-scale disasters caused by extreme weather events	Short term	Very likely	High	In addition to increasing abnormal weather events, such as typhoons and localized torrential rains, there is growing demand for decarbonization efforts, including shared equipment use and consolidation to conserve energy, as well as the introduction of renewable energy. These factors underscore a growing need for resilient and low-carbon cloud computing services. Our calculation is based on our assumption of an increase in cloud-related sales for the entire Group.	FY2025 net sales +¥210 billion	Invest to develop cloud-related technologies, strengthen global delivery centers, and develop other cloud-related areas.	¥25 billion

*1 Time horizons: Short term: ~FY2025; Medium term: ~FY2030; Long term: ~FY2040 *2 Cumulative total for FY2022–2025

◆ Climate Change Scenario Analyses

Reasons for Conducting Scenario Analyses and Setting Boundaries and Time Horizons

Scenario identification

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

We started scenario analyses in fiscal 2018 and have since expanded the boundaries and time horizons in a step-wise manner.

In fiscal 2022, our analyses focused on the 1.5°C scenario, in which a transition to a low-carbon economy is made based on the Paris Agreement, and the 4°C scenario, in which climate change measures are not implemented beyond what is currently planned. We used IPCC reports and the IEA's World Energy Outlook (WEO) as the main inputs for examining the scope of the projected future world and analysis documents issued by the USEPA, EEA, and MOE* as reference. For scenarios, we adopted the SSP5-8.5 Scenario (no climate change action) cited in the IPCC's Sixth Assessment Report, the SSP1-1.9 Scenario (1.5°C), the IEA's Sustainable Development Scenario, and the IEA's Net-Zero Emissions by 2050 Scenario, then assessed the potential impact on our business and value chain.

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

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

MOE (Ministry of the Environment of Japan)

Boundary (target range)

NTT DATA's business focuses on five areas—Public & Social Infrastructure, Financial, and Enterprise (Japan), as well as North America and EMEA/Latin America (global)—and anticipates that all our clients and suppliers in each area will be impacted by climate-related factors. For this reason, we have established a boundary of “all businesses and their associated value chains” to identify risks and opportunities and examine their financial impacts.

Time horizon

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

Results of Fiscal 2022 Scenario Analyses

We used two main scenarios to provide a detailed assessment of climate-related risks and opportunities. The first is the SSP1-1.9 scenario, which keeps the temperature rise below 1.5°C under sustainable development, and the other is the SSP5-8.5 scenario (maximum emissions) scenario that assumes continued dependence on fossil fuels and no climate policy. While setting targets based on the SSP1-1.9 scenario, we also identified climate-related risks under the SSP5-8.5 scenario and are reflecting these in our business strategies. We are including the IEA STEPS scenario within SSP2-4.5 in our analysis, but we prioritize analyzing the SSP1-1.9 and SSP5-8.5 scenarios. This is because the latter scenarios, representing a moderate development path with the introduction of climate change policies, have the potential to significantly impact our risks and opportunities.

SSP1-1.9 scenario analysis

In the SSP1-1.9 scenario, we assessed that promoting renewable energy deployment in our data centers and offices globally would reduce both the financial risk of current and long-term carbon pricing and the risk of reputational damage due to insufficient response to climate-related investor requests in all segments of NTT DATA. The results of this assessment will be reflected in our overall climate strategy. Through energy conservation and the realization of net zero through the introduction of renewable energy, we plan to achieve net zero in service use at our data centers by fiscal 2030 and at our offices and other facilities by fiscal 2035.

Furthermore, based on the results of scenario analysis, in May 2023, we accelerated NTT DATA's long-term goal of achieving net-zero emissions, moving the target year from 2050 to 2040, a decade ahead.

We also deemed the creation of sustainability-related offerings (such as IT services and systems) linked to social systems and regulations in the SSP1-1.9 scenario to be important. To ensure access to advanced technologies, we will invest in joint R&D with external innovators, as well as technical support, pre-sales activities, and training of engineers. In addition, we will invest in sustainability-related market research, new business model studies, and the development of IT technology-based infrastructure so that we can create new businesses that apply advanced technologies to social issues.

We expect demand from clients for climate-related consulting services to increase alongside the growing need to develop climate change strategies and reduce emissions in corporate management and business. With this in mind, we are working to provide consulting services by creating templates of our data collection process, calculation methodologies, and data utilization methods. We are also stepping up recruitment of human resources to support this climate change consulting business by leveraging our strength as the most popular company in Japan's IT industry.

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

SSP5-8.5 scenario analysis

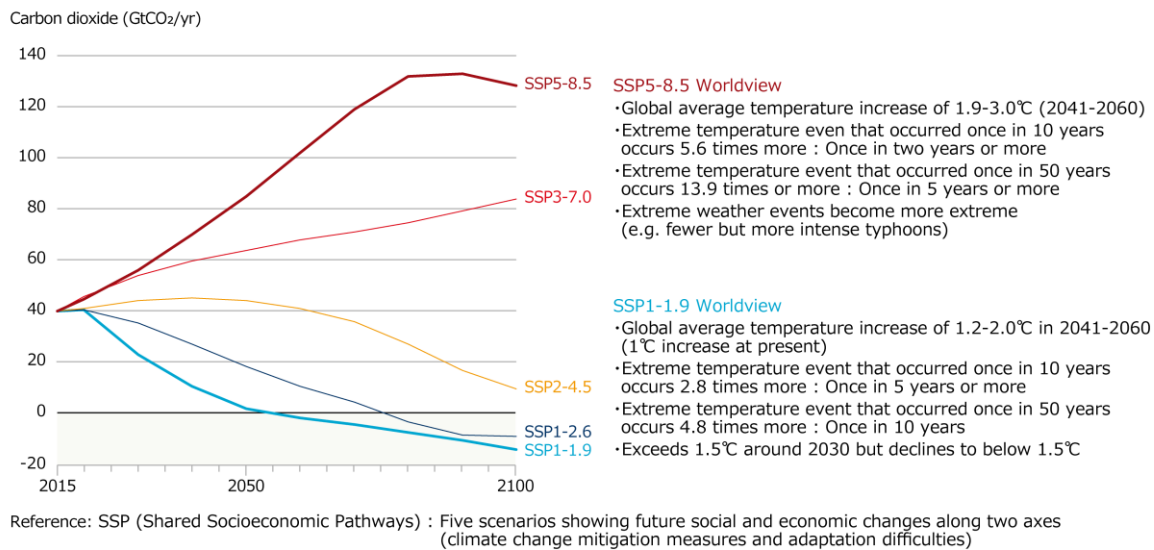
In the SSP5-8.5 scenario, we assessed the impact on net sales at a slightly higher level due to the risk of increasing abnormal weather events and the resulting social and economic damage and decline in business profit of clients. In our three focal areas in Japan—Public & Social Infrastructure, Financial,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

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

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

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

➤ Impact of Climate Change Scenarios on the Group



Fiscal 2022 activities

In fiscal 2022, we conducted a Company-wide cross-functional scenario analysis working group over a six-month period to concretize the boundary and time horizon of climate change scenario analysis and thereby enhance resilience at the Group level. We selected members from various business divisions, corporate departments, and Group companies outside Japan to participate. We set the focal question as follows: "What impact will climate change events have on NTT DATA's business by 2050?" Specifically, we conducted external trend analysis using the STEEP model* as recommended under the TCFD and created scenarios based on a four-quadrant framework, considering uncertainties and potential impact levels. As a result of our deliberations, we identified several aspects. These included content that complements our current risks and opportunities over a medium- to long-term horizon, short-term risks such as a decrease in labor force due to heat waves, and medium- to long-term opportunities stemming from sustainability businesses that leverage regional characteristics and the business characteristics of Group companies outside Japan. Our aim is to incorporate the outcome of deliberations into our future sustainability management and longer-term strategic planning beyond 2025.

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

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

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

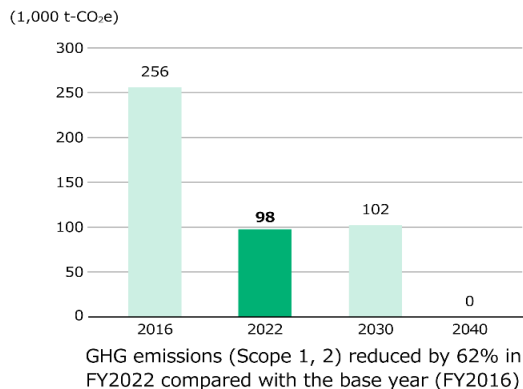
Metrics and targets set for climate-related risk management and opportunity-related strategies are below.

Metrics Category	Metrics, Targets, Results, etc.
GHG emissions	Metrics: Scope 1, 2, and 3 emissions Targets: GHG emissions Short term: Make the following reduction by FY2025 compared with FY2021. Scope 1 and 2: Reduce by 50,000 tons Medium term: Make the following reductions by FY2030 compared with FY2021. Scope 1 and 2: Reduce by 68% (SBT1.5°C level) Scope 3: Reduce by 42% Long term: Achieve net zero by FY2040 (Scope 1, 2, and 3)
Internal carbon price	Internal carbon price (FY2023): ¥6,500/t-CO₂ Note: NTT Group unified price (to be updated annually)
Compensation	Executive compensation and employee bonuses are linked to climate change-related performance. Notes: Non-Audit and Supervisory Committee directors are eligible for compensation linked to the achievement of the GHG emission reduction plan with a 5% evaluation weight. Employees are eligible for compensation linked to the achievement of annual KPI objectives related to climate change adaptation and other sustainability contributions as part of a recognition system.

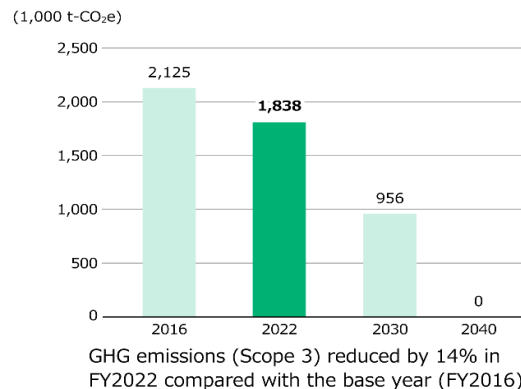
NTT DATA obtained approval under the Science-Based Targets initiative (SBTi) for its GHG emission reduction targets: 60% reduction by fiscal 2030 for Scope 1 and 2 (1.5°C target) and 55% reduction by fiscal 2030 for Scope 3 (both compared with fiscal 2016). Fiscal 2022 results were as follows.

(In accordance with the integration with NTT Ltd., we plan to review our SBT targets with the base year set as fiscal 2021.)

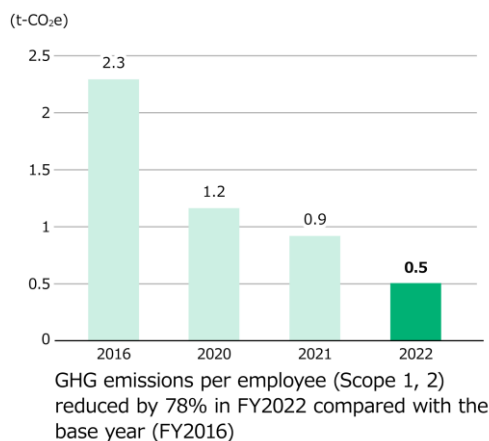
Total GHG Emissions (Scope 1, 2)



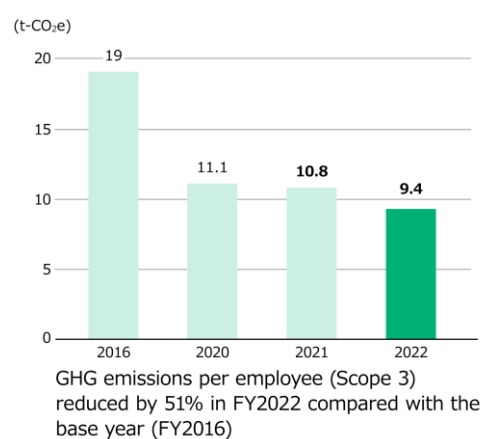
Total GHG Emissions (Scope 3)



Total GHG Emissions per Employee (Scope 1, 2)



Total GHG Emissions per Employee (Scope 3)



Note: Scope 2 figures are market-based (calculated based on the amount of electricity procured by each electric power company and its emission factor, etc.).

Circular Economy

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

Basic Policy

HQ

ND

GCJ

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

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

Recycling Related to Our Business

HQ

ND

GCJ

◆ Waste Reduction

NTT DATA Group Corporation, NTT DATA Japan, and global Group companies are striving to achieve a waste recycling rate of 99% or higher in 2030 in line with the NTT Group's "Eco Strategy 2030."

To meet these targets, we are pursuing various ongoing efforts, such as outsourcing waste disposal to companies with higher recycling rates. We achieved the following results in fiscal 2022.

Non-industrial and office waste: 99%

Construction waste: 95%

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

- ① Recycling and donation of disused PCs after implementing information security measures
FY2022 result:
 - Recycled: Approximately 10,000 units
 - Donation to developing country through nonprofit organizations: 45 units
- ② Donation of emergency rations (that are no longer needed because they have been replaced) to a volunteer organization
Fiscal 2022 result: 738 boxes
 - Donation to Second Harvest Japan, a certified nonprofit organization: 718 boxes
 - Donation to Funabashi's Children's Food Bank Network, Food Share Shin-Funa: 20 boxes

◆ Compliance with the Act on Promotion of Resource Circulation for Plastics

NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan are actively engaged in efforts to reduce the emission of industrial waste from plastic products and promote recycling. In fiscal 2022, the amount of discarded plastic was 757 tons, with a recycling rate of more than 99%.

We will continue our efforts to reduce waste in the future.

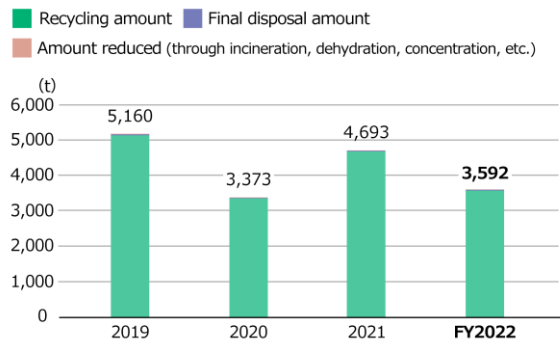
[Reference page] "Environmental Data" (Fiscal 2022 Recycling Amounts)

◆ Proper Management of Hazardous Materials

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

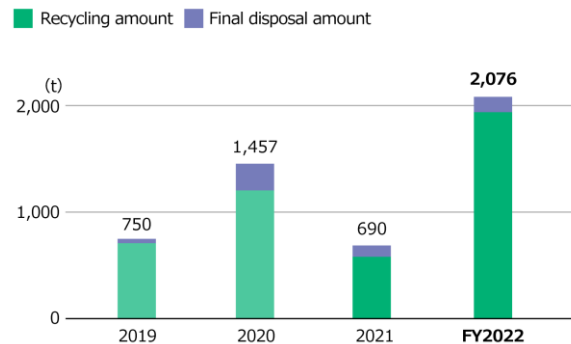
► Office Waste

(Waste generated from offices and data centers)



► Construction Waste

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



Promotion through Co-Creation with Clients

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

*"Gaia-X" is a data sharing initiative announced by the German and French governments in October 2019. It aims to support data exchange while safeguarding security and data sovereignty.

◆ Building a Battery Traceability Platform to Achieve a Circular Economy

In addressing critical societal challenges such as achieving carbon neutrality, fostering a resource-circulating society, and upholding human rights and environmental diligence, the importance of establishing robust mechanisms for precise data flow across the entire organizational supply and value chain cannot be overstated. Notably, the European New Batteries Regulation*¹, which took effect in August 2023 in Europe, mandates comprehensive disclosure of CO₂ emissions and resource recycling rates throughout the battery life cycle to the European Commission. Several of these regulations are set to become mandatory from 2025 onward.

In August 2023, NTT DATA marked a significant milestone by being chosen as the system developer by the Ministry of Economy, Trade and Industry (METI) for a project aimed at demonstrating and supporting CASE-ready unmanned automatic driving and other applications*². This project, designed to promote the construction of a robust product ecosystem and shape future rules, is slated to begin in fiscal 2023.

Leveraging the outcomes achieved in the system requirements definition under a subsidy program facilitated by the Ministry of Economy, Trade and Industry in fiscal 2022, NTT DATA is embarking on the development of a transformative "Battery Traceability Platform." This platform is envisioned as an industry-wide ecosystem for electric vehicle batteries, offering a range of functionalities. It will streamline the aggregation of carbon footprint (CFP) information across the supply chain; assess the consideration of environmental and human rights aspects, particularly concerning rare resources (human rights and environmental due diligence); and provide visualization of recycling and reuse information within the value chain. With an eye on compliance with the European New Batteries Regulation's partial obligations commencing in 2025, NTT DATA plans to roll out services that promote collaboration among companies for sharing CFP information and information concerning human rights and environmental due diligence related to battery manufacturing by the end of fiscal 2024.

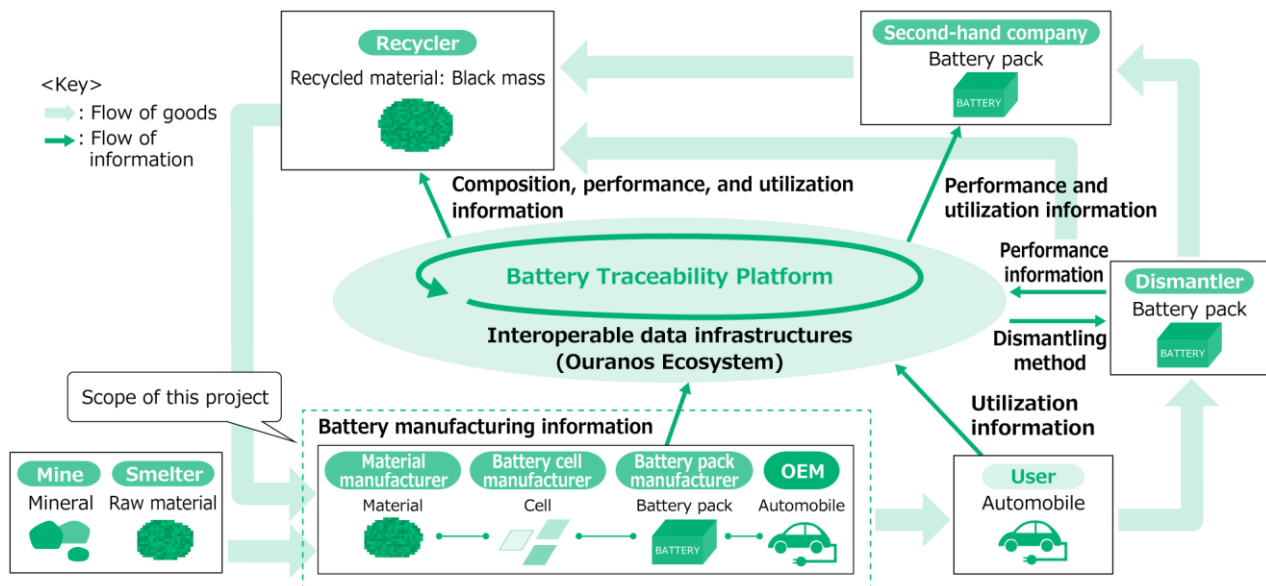
April 2023 witnessed the establishment of the "Ouranos Ecosystem," an initiative led by METI. Its primary objective is to facilitate cross-border and cross-industry data exchange and system integration. NTT DATA has been actively engaged in activities associated with the Ouranos Ecosystem and has been selected for various public projects, advancing the cause of secure data collaboration among companies. Our collaboration extends within the Group, capitalizing on our collective expertise. Notably, NTT DATA plays a pivotal role in providing data exchange capabilities within the cross-industry ecosystem for electric vehicle batteries, ensuring data sovereignty and secure data circulation using connector technology. This ensures seamless data flow between user company systems, applications, and the ecosystem. The Battery Traceability Platform developed in this initiative will serve as a compelling use case within the Ouranos Ecosystem.

In this ambitious undertaking, we cooperate with Denso Corporation ("Denso"), known for its in-house developed QR code technology*³ and expertise in blockchain technology applied in food distribution and logistics industries. Denso is tasked with clarifying industry challenges, considering business requirements, and exploring the future potential of traceability technology across a wide spectrum of industries.

We plan to enable battery-level information management on the platform well before the onset of regulations aimed at promoting recycling in 2027. These regulations, including the Battery Passport and mandatory use of recycled materials under the European New Batteries Regulation (effective in August 2023), will require collaborative data exchange among stakeholders across the value chain. These stakeholders include purchasers, dismantlers, reuse companies, recyclers, and more. Our ultimate objective is to catalyze a circular economy for electric vehicle batteries through cross-industry data collaboration.

Our vision extends to expanding our services into Asian countries where Japanese cars are prevalent, with the goal of creating a platform with international reach. In addition, we are actively exploring opportunities to extend the application of this system beyond electric vehicle batteries, addressing industries where cross-supply and value chain data collaboration are essential.

➤ Image of the Battery Traceability Platform



*1 The New Batteries Regulation, which sets out the entire life cycle of battery products from raw material sourcing to design, production processes, reuse, and recycling, was implemented in the European Union on August 17, 2023.

<https://eur-lex.europa.eu/eli/reg/2023/1542/oj>

*2 NTT DATA and Denso were selected in September 2022 for the following subsidy program administered by the Ministry of Economy, Trade and Industry (with the secretariat of the program being the Green Investment Promotion Organization).

Subsidy project demonstrating and supporting CASE-ready unmanned automatic driving and other applications (designed to promote the construction of a robust product ecosystem and shape future rules) for fiscal 2023 (including carbon footprint, reuse/recycling, and data linkage infrastructure development)

<https://www.meti.go.jp/information/publicoffer/saitaku/2022/s220920001.html>

<https://www.teitanso.or.jp/case/>

<https://www.nttdata.com/global/ja/news/release/2022/101300/>

*3 QR code is a registered trademark of Denso Wave Incorporated.

Nature Conservation

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

Basic Policy

To conserve nature capital and sustainably use ecosystem services, it is essential to understand the relationship between economic activities and nature and to take appropriate measures. We identify regions with high risks related to water and biodiversity and engage in activities such as reducing water withdrawals and discharge and conserving natural capital. We also aim to achieve a nature-positive society by providing support to our clients through blockchain, AI, IoT, and other technologies.

Information Disclosure Based on the TNFD

The Taskforce on Nature-related Financial Disclosures (TNFD) is an initiative that aims to develop and provide a framework for risk management and disclosure to enable companies to report on and take action regarding risks related to nature. Based on the recommendations from the TNFD beta version, we report NTT DATA's relationship to nature in accordance with the following general requirements: "Governance," "Strategy," "Risk & Impact Management," and "Metrics and Targets."

General Requirements	
Approach to materiality	NTT DATA has established nine material issues based on standards such as IFRS ^{*1} and GRI, with one of them being "Nature Conservation." In alignment with the TNFD framework, our analysis utilizing ENCORE ^{*2} focuses on areas in the information technology sector that are associated with dependencies and impacts on "water usage," "water pollution," and "soil pollution."
Scope of disclosures	We have focused on our direct operations and upstream supply chain. However, note that the facilities of NTT Ltd., which was integrated in October 2022, are not included. We have utilized scenario analysis related to climate change in accordance with the TCFD guidelines.
Consideration of nature-related dependencies and impacts, and risks and opportunities	We have derived the risks and opportunities related to our business and nature through an assessment of our dependencies on nature and its impacts. In this context, our primary focus areas for analysis have been the environmental control of data centers, water usage in offices, and wastewater management.
Location	We conducted an analysis using WRI Aqueduct ^{*3} , WWF Water Risk Filter ^{*4} , and IBAT ^{*5} to identify water stress regions and significant interactions with nature for all 45 of our company-owned sites. In regions where risks were deemed high, we considered the relevant stakeholders who could be affected in those areas.
Integration with other sustainability issues	We ensured alignment with the TCFD framework in our information disclosures and considered changes related to dependencies on and impacts to nature based on the results of our climate change scenario analysis.
Stakeholder engagement	We identified a wide range of stakeholders, including clients, employees, investors, local communities, NGOs, water utility companies, and fellow water users in the same river basin as part of our analysis.

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

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

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

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

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

Disclosure Recommendations																					
Governance Disclose the organisation's governance around nature-related dependencies, impacts, risks, and opportunities	A. Describe the board's oversight of nature-related dependencies, impacts, risks, and opportunities.		We discuss and oversee the sustainability-related business strategy and the achievement status of Key Performance Indicators (KPIs) set throughout the entire company in the Board of Directors' meetings.																		
	B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.		The Representative Director and Senior Executive Vice President serves as the Chairman of the Eco Activity Promotion Committee in the environmental management system, taking on a leadership role within the senior management team. The Representative Director and Senior Executive Vice President also acts as the Chairman of the Green Action Committee, overseeing initiatives related to nature and biodiversity through the cross-organisational Nature Conservation Task Force, and is the Task Force leader.																		
Strategy Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.	A. Describe the nature-related dependencies, impacts, risks, and opportunities the organisation has identified over the short, medium, and long term.		Regarding nature-related dependencies, NTT DATA uses water for purposes such as air-conditioning management in data centers and providing sanitation services in offices. In regions facing water stress, there is a risk of being unable to use water for these purposes during periods of severe drought or other abnormal weather events associated with climate change. In terms of nature-related impacts, NTT DATA generates domestic wastewater from office activities, but we do not discharge industrial effluent. We do, however, own fuel storage facilities for the backup generators in our data centers. In the event of a fuel spillage incident, there is a risk of water and soil pollution. Regarding nature-related opportunities, in addition to contributing to nature and biodiversity by appropriately addressing potential risks, there is an opportunity to offer consulting services due to the acceleration of efforts in nature and biodiversity conservation. This could lead to increased demand for consulting services in this field. We will provide some examples of these opportunities beyond the scope of the disclosure recommendations. Of the above, regarding nature-related dependencies, we did not have data centers located in water-stressed regions. However, we have confirmed that one of our office locations in Bangalore, India, is situated in a water-stressed area.																		
	➤ Nature-related dependencies, impacts, potential risks, and opportunities <table border="1"> <thead> <tr> <th colspan="2"></th><th>Risks</th><th>Opportunities</th></tr> </thead> <tbody> <tr> <td rowspan="2">Dependencies</td><td>Utilization of water for data center cooling management</td><td>Disruption of water-cooled air-conditioning systems due to water scarcity</td><td>Water conservation through proper temperature management in data center air-conditioning systems</td></tr> <tr> <td>Utilization of water for hygiene services in the office</td><td>Challenges in providing office hygiene services to employees</td><td>Encouraging water-saving behaviors and establishing business continuity plans (BCPs) for drought conditions</td></tr> <tr> <td>Impacts</td><td>Fuel storage facilities for operating backup generators in data centers</td><td>Water and soil contamination due to oil spills</td><td>Proper management of oil storage facilities</td></tr> <tr> <td>—</td><td>—</td><td>—</td><td>Increased opportunities to offer services and consulting due to the acceleration of efforts in nature and biodiversity conservation</td></tr> </tbody> </table>					Risks	Opportunities	Dependencies	Utilization of water for data center cooling management	Disruption of water-cooled air-conditioning systems due to water scarcity	Water conservation through proper temperature management in data center air-conditioning systems	Utilization of water for hygiene services in the office	Challenges in providing office hygiene services to employees	Encouraging water-saving behaviors and establishing business continuity plans (BCPs) for drought conditions	Impacts	Fuel storage facilities for operating backup generators in data centers	Water and soil contamination due to oil spills	Proper management of oil storage facilities	—	—	—
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Disclosure Recommendations																																																		
Strategy (continued from the previous page)	B. Describe the effect nature-related risks and opportunities have had and might have on the organisation's businesses, strategy, and financial planning.	As potential impacts, if offices located in water-stressed regions experience severe droughts, there is a possibility that they might not be able to provide adequate hygiene services, which could affect employee performance. In the event of an oil spillage incident, there would be associated cleanup costs, and there is concern about potential reputational damage in both scenarios.																																																
	C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	The Bangalore office, located in a water-stressed region currently lacking water supply services, is undergoing water infrastructure development by the water utility using surface water as a source. While awaiting the provision of water supply services, we have established a BCP considering the potential severe water scarcity based on climate change scenarios. In addition, we encourage water conservation measures. Regarding the oil storage facilities, we manage them appropriately in compliance with relevant regulations.																																																
	D. Disclose the locations where there are assets and/or activities in the organisation's direct operations, and upstream and/or downstream and/or financed where relevant, that are in priority areas.	The office in Bangalore, India, is situated in a water-stressed region.																																																
Risk & Impact Management Disclose how the organisation identifies, assesses, and manages nature-related dependencies, impacts, risks, and opportunities.	A. (i) Describe the organisation's processes for identifying and assessing nature-related dependencies, impacts, risks, and opportunities in its direct operations.	We analyze whether our locations are in proximity to regions with water stress and significant biodiversity. We also collect water usage and wastewater data for each site through surveys (see the table below). In cases where our sites are in proximity to significant regions, we gather secondary data to confirm the local context and conduct individual site-specific verifications. Subsequently, we identify and assess risks and opportunities. We also regularly monitor the management status of our fuel storage facilities.																																																
	➤ NTT DATA water withdrawal and discharge data in direct operations^{*1} Unit: 1,000 m³ <table><tr><th>Water withdrawal (total volume)</th><th>476</th><th></th><th>Water discharge (total volume)</th><th>319</th><th></th><th></th></tr><tr><td>Surface water and rainwater</td><td>12</td><td></td><td>Discharge into surface water</td><td>51</td><td></td><td></td></tr><tr><td>Groundwater and spring water</td><td>19</td><td>–</td><td>Discharge to third parties</td><td>268</td><td>=</td><td></td></tr><tr><td>Third-party water sources</td><td>446^{*2}</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>Water consumption (total volume) 157</td></tr></table> ^{*1} Due to rounding, the total volume and the total of breakdown might not match. ^{*2} Of the water withdrawal from third parties, the withdrawal for the Bangalore office in a water-stressed area is 35,000 m³. ➤ Distance from significant biodiversity areas to operational sites <table><tr><th>Distance from site</th><th>Within 5 km</th><th>Within 10 km</th><th>Within 25 km</th><th>Within 50 km</th><th>Within 70–100 km</th><th>Total</th></tr><tr><td>Number of sites</td><td>18</td><td>15</td><td>5</td><td>4</td><td>3</td><td>45</td></tr></table> We conducted an investigation using IBAT to examine the connection with Key Biodiversity Areas (KBAs), World Heritage Sites, and Natura 2000 sites. The results of the survey covering 45 sites in 12 countries indicated that none of our sites are operating within protected areas of KBA/World Heritage/Natura 2000. In addition, for sites located within 70 km of important areas, it was found that these are urban areas, leading to a low level of impact.		Water withdrawal (total volume)	476		Water discharge (total volume)	319			Surface water and rainwater	12		Discharge into surface water	51			Groundwater and spring water	19	–	Discharge to third parties	268	=		Third-party water sources	446 ^{*2}												Water consumption (total volume) 157	Distance from site	Within 5 km	Within 10 km	Within 25 km	Within 50 km	Within 70–100 km	Total	Number of sites	18	15	5	4	3
Water withdrawal (total volume)	476		Water discharge (total volume)	319																																														
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Disclosure Recommendations	
Risk & Impact Management (continued from the previous page)	A. (ii) Describe the organisation's approach to identifying nature-related dependencies, impacts, risks, and opportunities in its upstream and downstream value chain(s) and financed activities and assets.
	We request that our suppliers take environmental initiatives in accordance with the NTT DATA Group Guidelines for Sustainability in the Supply Chain. Approximately 70% of our suppliers have signed the agreement to adhere to these guidelines based on procurement amounts. In addition, we identify nature-related risks through a Self-Assessment Questionnaire (SAQ).
	B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks, and opportunities and actions taken considering these processes.
	Analysis to identify nature-related dependencies, impacts, risks, and opportunities began in fiscal 2022, so we are currently reviewing the processes and actions for managing them. Our Bangalore office has already taken actions such as installing emergency water storage tanks, improving the home working environment, and promoting water conservation. For our fuel storage facilities, we conduct regular training at each location to simulate oil spillage incidents.
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant nature-related dependencies, impacts, risks, and opportunities where such information is material.	C. Describe how processes for identifying, assessing, and managing nature-related risks are integrated into the organisation's overall risk management.
	Nature-related risks and opportunities are managed through the Internal Control Promotion Committee. As with climate-related risks, impact levels are defined in four categories: high, medium-high, medium, and low. The Bangalore office has calculated its financial impact and categorized the risk as "low."
	D. Describe how affected stakeholders are engaged by the organisation in its assessment of, and response to, nature-related dependencies, impacts, risks, and opportunities.
	In Bangalore, a city facing water scarcity due to industrial concentration and rapid population growth, our office's water usage is limited to domestic purposes. Given this limitation to domestic water use in our office, we do not engage individually with water users in the same watershed that might be affected by water scarcity.
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant nature-related dependencies, impacts, risks, and opportunities where such information is material.	A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.
	We track indicators concerning water consumption and wastewater discharge at all our sites, alongside the determination of operations in water-stressed regions and critical biodiversity areas.
	B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant nature-related dependencies, impacts, risks, and opportunities where such information is material.	We are considering focusing on monitoring indicators related to water use and wastewater discharge at locations situated in water-stressed areas or areas of critical biodiversity importance.
	C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks, and opportunities and its performance against these.
	In Japan, we ensure strict compliance with relevant items of the Water Pollution Prevention Act and the Industrial Safety and Health Act. Similarly, outside Japan, we undertake appropriate measures in accordance with the regulations of the respective countries. Targets and objectives for sites located in important regions are currently under consideration. We are monitoring the creation of offerings and consulting opportunities related to nature that contribute to achieving a nature-positive society through the activities of the Green Action Committee's task force.

Case Studies of Co-Creation with Clients and Our Own Initiatives

◆ Consulting Services to Support Nature-Related Financial Disclosure

We have initiated the provision of consulting services that leverage digital technologies to support the disclosure of information related to nature and biodiversity. We provide comprehensive support for our clients' efforts in investigating and assessing information disclosure related to nature and biodiversity. This support includes building measurement and management systems using the "high-resolution satellite data solution AW3D®" and the "agricultural support platform Aisaku®," as well as minimizing environmental impact and promoting nature-positive business operations.

➤ Green Consulting Service

Trends in the disclosure of nature-related information and clients' concerns

1 Unsure about what to measure; there are many specialized indicators, and some are difficult to measure.

Support for measuring dependencies and impacts on nature

Starting with the identification of indicators that should be measured, we use analyses such as high-precision satellite data to assess the dependencies and impacts on nature and biodiversity. This includes real-world measurements related to changes in farmland and land use.

2 Disclosure of information across the supply chain is being demanded.

Ensuring a sustainable supply chain

Using blockchain technology-based traceability solutions, we ensure a sustainable supply chain and help enhance product value.

3 Disclosure is already mandated by TCFD, and strengthening of collaboration with European disclosure directives is under way.

Integration with management infrastructure

Along with financial and CFP data, we collect and manage information on natural capital and biodiversity, not just for disclosure purposes but also to build the foundation necessary for sustainability management.

◆ Waidy® Management System

NTT DATA Italy provides a cloud solution to Acea, a utility company in Italy that deals with water and electricity, to achieve optimal water supply management. Acea's digital platform facilitates intuitive management of water management areas, data processing for water supply operations, central control for stable services, and monitoring of pipeline network maintenance activities. So far, it has achieved the management of a pipeline network spanning 40,000 km, more than 2,000 water management areas, and the prevention of more than 35% of water leakages.



◆ Biophilic-Designed NTT DATA Barcelona Office



In line with our stakeholder engagement initiatives, we are dedicated to constructing facilities that prioritize natural capital. The Barcelona office serves as a notable example, having attained impressive environmental achievements during its design and construction phase, including a 37.3% reduction in energy consumption, a 46% decrease in water usage, and an 82% recycling rate for construction waste. The office has earned the highest rating in Europe under the prestigious Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council (USGBC), recognized as the foremost global standard for sustainable building practices.

Environmental Management System

◆ Management System

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To instill environmentally responsible practices throughout our operations and sustain our commitment to environmental initiatives, we established the Environmental Management System (EMS) framework in 1998. In 1999, we achieved ISO 14001 certification for our EMS, a recognized international standard for environmental management.

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

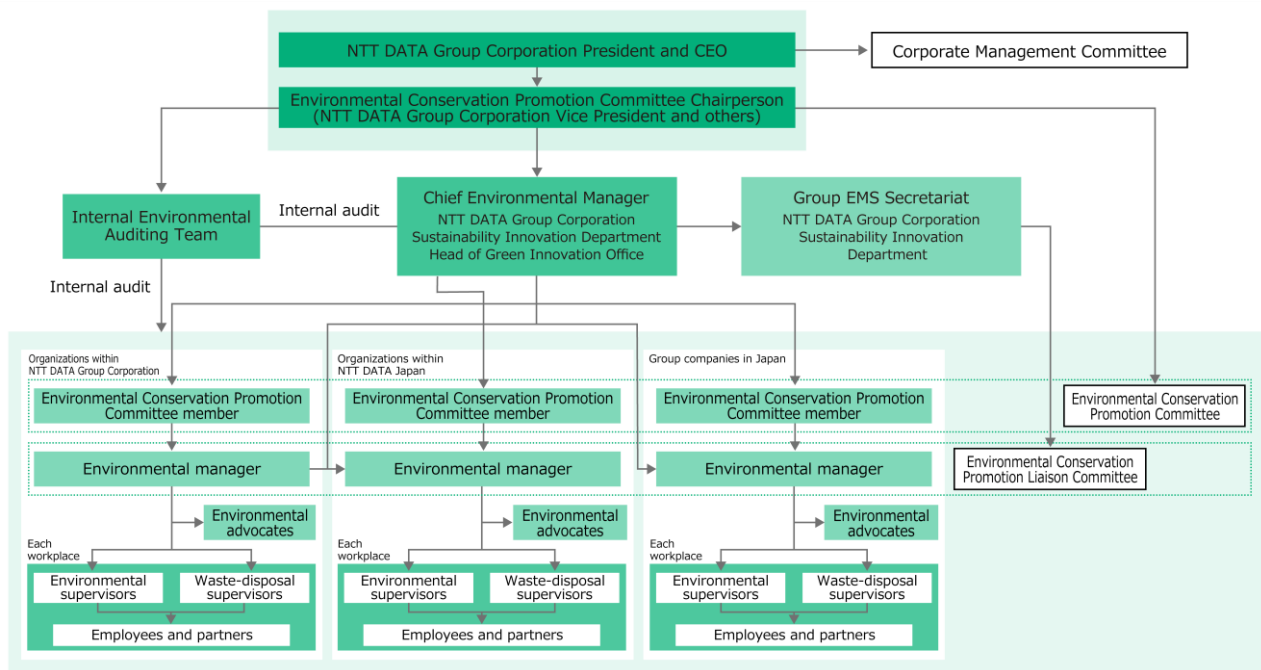
The Group-wide EMS comprises the Environmental Conservation Promotion Committee (formerly Eco Activity Promotion Committee), chaired by an executive officer of NTT DATA Group Corporation and composed of environmental preservation promotion officers from each department under the Group-wide EMS, and the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

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

In addition to the companies within the Group-wide EMS, there are Group companies in Japan and outside Japan that have independently established their own EMS and obtained ISO 14001 certification. Each of these companies conducts environmental activities.

Since 2020, we have also been conducting environmental liaison meetings for Group companies in Japan outside of the Group-wide EMS, strengthening our environmental management across the organization.

➤ Management System for Promoting Environmental Activities in Organizations with ISO 14001 Group Certification



◆ Acquiring ISO 14001 Certification

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As of October 31, 2022, a total of 29 companies had acquired ISO 14001 Group certification, whereas two other companies and seven brands had gained independent certification. As a result, companies with ISO 14001 certification accounted for 49% of Group net sales, and those with independent certification accounted for 6% of net sales, for total coverage of 55%.

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

➤ Status of ISO 14001 Certification (as of October 31, 2022)

NTT DATA Group Entities That Have Acquired Group Certification	
NTT DATA Corporation	NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.
NTT DATA HOKKAIDO Corporation	NTT DATA CCS CORPORATION (Head Office, data center)
NTT DATA TOHOKU Corporation	JSOL Corporation (Tokyo Head Office)
NTT DATA SHINETSU Corporation (Head Office, Niigata Branch)	NTT DATA SYSTEM TECHNOLOGIES INC.
NTT DATA TOKAI Corporation (Head Office)	NTT DATA SEKISUI SYSTEMS Corporation (Osaka Head Office, Tokyo Head Office)
NTT DATA HOKURIKU Corporation	NTT DATA INTELLILINK Corporation
NTT DATA KANSAI Corporation (Head Office)	NTT DATA SOFIA Corporation (Head Office)
NTT DATA CHUGOKU Corporation (Head Office)	NTT DATA DAICHI Corporation (Head Office)
NTT DATA SHIKOKU Corporation (Head Office, Kagawa Office)	DACS Co., Ltd. (Head Office, Tokyo Branch, Osaka Data Center, BPO Center)
NTT DATA KYUSHU Corporation	NTT DATA BUSINESS SYSTEMS Corporation
NTT DATA i Corporation	NTT DATA FRONTIER Corporation
NTT DATA WAVE Corporation	NTT DATA MANAGEMENT SERVICE Corporation (Head Office, Tokai Branch, Kansai Branch)
NTT DATA SMS Corporation	NTT DATA UNIVERSITY Corporation
NTT DATA CUSTOMER SERVICE Corporation (Head Office)	XNET Corporation (Head Office)
NTT DATA NJK Corporation (Head Office)	
NTT DATA Group Entities That Have Acquired Certification Independently	
Japan Information Processing Service Co., Ltd. (JIP)	NTT DATA SPAIN ENGINEERING AND OPERATION
NTT DATA MSE CORPORATION	NTT DATA EUROPE & LATAM GREEN ENGINEERING
NTT DATA Spain, S.L.U and Affiliates	NTT DATA ROMANIA S.A.
aunav	NTT DATA UK Limited
NTT DATA ITALIA S.p.A.	

◆ Internal Environmental Audits

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

For internal audits of Group EMS organizations, in fiscal 2022 one actual audit was performed by external experts and internal environmental auditors from Group EMS organizations, and one self-audit was performed by internal environmental auditors on their own organizations. We also hold meetings before and after audits to confirm audit items and the status of Group-wide environmental management systems, as well as to share examples of recommended organizational activities and areas for subsequent improvement. In these ways, we work continuously to improve the Group's environmental activities.

NTT DATA Group EMS organizations are required to elect at least one internal auditor. Our audit system includes 97 internal environmental auditors (as of August 31, 2023). Selected internal auditors are invited to participate as members of audit teams in the internal audits of other organizations so that they can learn about the successful activities of such organizations and utilize them to improve their own activities.

To implement more appropriate and effective internal environmental audits, our internal environmental auditors share their expertise with each other. We also actively foster internal environmental auditors to improve their medium- to long-term capabilities by, for example, holding study sessions with outside experts.

➤ Results of Internal Environmental Audits in Fiscal 2022

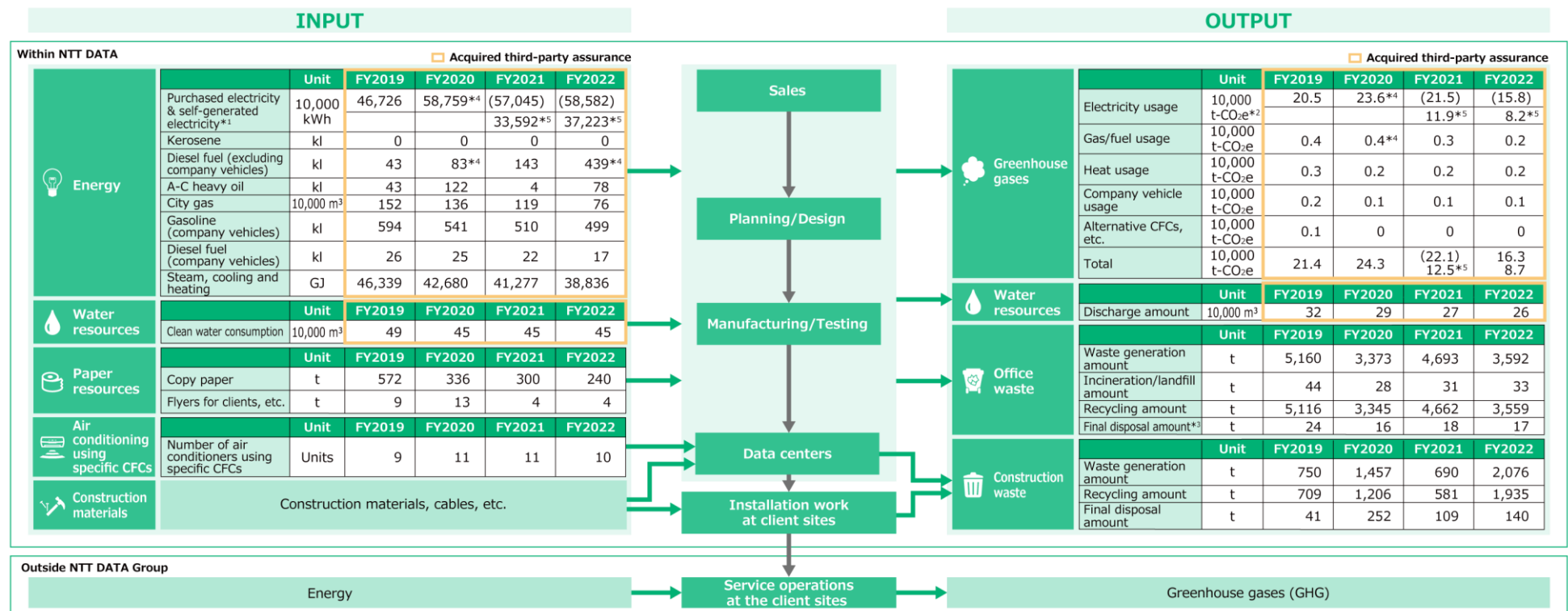
Implementation Period	Actual audits: July 8–29, 2022; Self-audits: Coordinated by each organization
Target organization/company	NTT DATA Group Corporation and NTT DATA Japan: Actual audits: 8 organizations, 4 buildings; Self-audits: 21 organizations, 12 buildings
	Group companies in Japan: Actual audits: 12 companies
Audit results	Actual audits: 2 cases of non-compliance, 15 cases of room for improvement, 36 recommendations
	Self-audits: 3 cases of non-compliance, 20 cases of room for improvement, 13 recommendations

Environmental Data

◆ Overview of Our Environmental Impact (Material Flows)

To minimize the environmental impact of our business activities, NTT DATA monitors and analyzes at what stage and how resources and energy are used and the environmental impact generated.

The environmental impact of our business activities derives primarily from GHG emissions resulting from the consumption of energy, mainly as electric power. Other factors, such as the use of paper and water resources and the construction of data centers, also have environmental impacts of various magnitudes. In addition, we cannot ignore the environmental impact of energy consumption resulting from the operation of systems and services provided by NTT DATA at client companies. For these reasons, we strive to correctly ascertain and analyze the environmental impact of our business activities and utilize the findings to make various improvements.



Data aggregation range

FY2018: NTT DATA and 69 Group companies (Japan only)

FY2019: NTT DATA and 72 Group companies (Japan only)

FY2020: NTT DATA and 79 Group companies

(Japan and some outside Japan)

FY2021: NTT DATA and 91 Group companies (Japan and some outside Japan)

FY2022: NTT DATA 158 Group companies (All Group companies except NTT Ltd.)

*1 Including private power generation from FY2022

*2 Indicates CO₂ equivalent

*3 Thermal recycling has been taken into consideration for the calculation of data.

*4 Increase due to expansion of overseas business scope

*5 In the FY2021 disclosure, scope definitions based on the type of service provided at data centers were revised in line with the NTT Group standards.

◆ Fiscal 2022 Environmental Data (Global, Consolidated)

		Unit	FY2019	FY2020	FY2021	FY2022
Scope 1	Emissions	t-CO ₂ e	9,057	7,241	9,613	14,018 ^{*1}
	Coverage rate of data (sales)	%	100	100	100	100
Scope 2	Location basis	t-CO ₂ e	171,173	170,807	165,748	165,792
	Coverage rate of data (sales)	%	100	100	100	100
	Market basis	t-CO ₂ e	159,672	155,165	130,066	83,912
	Coverage rate of data (sales)	%	100	100	100	100
Scope 3	Emissions	t-CO ₂ e	1,862,634 ^{*2}	1,671,259	2,032,993	1,837,925
	Coverage rate of data (sales)	%	100	100	100	100
Energy ^{*3}	Total usage of nonrenewable energy	MWh	589,694	581,545	(607,547) ^{*3}	—
					314,039 ^{*3}	225,972 ^{*3}
	Total usage of renewable energy	MWh	100,931	59,938	92,077	187,028
	Coverage rate of data (sales)	%	100	100	100	100
Water	Total water withdrawals	million m ³	0.74	0.86	0.93	0.48
	Coverage rate of data (sales)	%	91	87	95	88
Waste ^{*4}	Total amount reused/recycled	t	3,854	2,656	4,220	3,166 ^{*5}
	Total final disposal of waste	t	1,320	1,604	969	1,590
	Amount sent to landfill	t	251	733	40	229
	Amount incinerated with energy recovery	t	1,009	739	912	1,181
	Amount incinerated without energy recovery	t	60	132	17	18
	Amount disposed of using other methods (compost)	t	0	0	0	162
	Amount disposed of using unknown methods	t	0	0	0	0
	Coverage rate of data (sales)	%	75	72	88	94
Data center efficiency	Power usage efficiency ^{*6}		1.62	1.62	1.69	1.72
	Coverage rate of data (no. of data centers)	%	58	60	64	99
Percentage of renewable energy in data centers	Total energy usage in data centers	MWh	458,634	449,135	347,399	312,832
	Percentage of renewable energy of total energy consumption in data centers	%	21	13	39	57
	Percentage of renewable energy of total power consumption in data centers	%		18	29	62

(Scope of data collection: NTT DATA (All Group companies excluding NTT Ltd.))

*1 The main reason for the increase in Scope 1 emissions compared with FY2021 was a temporary equipment malfunction at a Group company.

*2 From FY2020 onward, Scope 3 emissions have been calculated using an approach that reflects supplier reduction efforts. The 2019 figure was calculated using the previous approach.

*3 The energy scope was revised in line with the NTT Group's scope definitions from its FY2021 results, but the previous scope definition is used in this table. Two figures are shown from FY2021 (figure in the upper row based on the previous scope; figure in the lower row based on the revised Scope 2).

*4 The waste data outside Japan includes quantified information from our facilities located in neighboring countries with established records.

Analysis of total waste data from FY2019 to FY2021 was conducted, resulting in modifications to the total amount of waste reused/recycled and the amount of waste incinerated with energy recovery, aligning with the standards for FY2022.

*5 The decrease in the percentage of total waste reused/recycled compared with FY2021 was primarily due to the generation of waste that was difficult to reuse/recycle, such as construction waste, depending on the fiscal year.

*6 This figure refers to partial Power Usage Effectiveness (pPUE).

◆ Fiscal 2022 Environmental Impact Data (Group companies in Japan)

Environmental Data		Unit	Amount
Paper resources	Paper resources: Total volume used (including paper from virgin pulp and recycled paper)	t	245
	Office paper	t	240
	Client services (e.g., leaflets, pamphlets, instruction manuals)	t	4
	Amount of total paper from virgin pulp	t	228
	Office paper	t	223
	Client services (e.g., leaflets, pamphlets, instruction manuals)	t	4
Global warming	Greenhouse gas emission (CO ₂) conversion*1	t-CO ₂ e	52,749
	Carbon dioxide (CO ₂) emissions	t-CO ₂ e	52,297
	Electricity use	t-CO ₂ e	46,792
	Gas/fuel use	t-CO ₂ e	2,089
	Heat use	t-CO ₂ e	2,214
	Company vehicle use	t-CO ₂ e	1,203
	Methane (CH ₄) emissions	t-CO ₂ e	6
	Furnaces	t-CO ₂ e	4
	Shipping (automobiles, ships)	t-CO ₂ e	2
	Dinitrogen monoxide (N ₂ O) emissions	t-CO ₂ e	55
	Furnaces	t-CO ₂ e	1
	Shipping (automobiles, ships)	t-CO ₂ e	53
	Hydrofluorocarbon (HFC) emissions*2	t-CO ₂ e	353
	Perfluorocarbon (PFC) emissions	t-CO ₂ e	27
	Sulfur hexafluoride (SF ₆) emissions	t-CO ₂ e	11
	Low-pollution vehicles owned	Vehicles	764
	Hybrid vehicles	Vehicles	213
	Certified fuel-saving or low-emission vehicles (gasoline-powered vehicles)	Vehicles	522
	Electric vehicles	Vehicles	1
	Others	Vehicles	28
	Low-pollution vehicles introduced during the period	Vehicles	23
	Hybrid vehicles	Vehicles	23
	Certified fuel-saving or low-emission vehicles (gasoline-powered vehicles)	Vehicles	0
	Electric vehicles	Vehicles	0
	Others	Vehicles	0
	Sustainable/new energy systems installed	Units	4
	Solar power systems	Units	4
	Hybrid (solar and wind power) systems	Units	0
	Cogeneration systems (CGS)	Units	0
	Sustainable/new energy systems installed during the period	Units	0
	Solar power systems	Units	0
	Hybrid (solar and wind power) systems	Units	0
	Cogeneration systems (CGS)	Units	0
	Electric power generated by sustainable/new energy systems	kWh	747,141
	Solar power systems	kWh	747,141
	Electric power generated by sustainable/new energy systems introduced during the period	kWh	0
	Solar power systems	kWh	0
Waste countermeasures	Industrial waste requiring special management, etc.		
	Asbestos removed (from buildings) during the period	Cases	10
	Asbestos emissions (from buildings) during the period	t	43
	Waste batteries	t	0
	Other waste (e.g., acidic ash, alkali, oil)	t	0
	Use of products containing PCBs	Units	0
	Transformers	Units	0
	PCB-containing products renewed (removed, stored) during the period	Units	0
	Transformers	Units	0
	Stabilizers	Units	0
	Storage of PCB-containing products	Units	0
	Transformers	Units	0
	Stabilizers	Units	0
	Disposal of PCB-containing products during the period	Units	0
	Transformers	Units	0
	High-voltage condensers	Units	0
	Low-voltage condensers	Units	0
	Stabilizers	Units	0

Environmental Data		Unit	Amount
Ozone layer protection	Removal of air-conditioning system units using chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) during the period	Removal of air-conditioning system units using specified CFCs	Units 0
		Removal of air-conditioning system units using alternative hydrochlorofluorocarbons (HCFCs)	Units 10
		Removal of air-conditioning system units using alternative hydrofluorocarbons (HFCs)	Units 41
		Recovery and destruction of specified CFCs used for air-conditioning systems	kg 0
		Recovery and destruction of alternative HCFCs used for air-conditioning systems	kg 450
		Recovery and destruction of alternative HFCs used for air-conditioning systems	kg 663
		Use of air-conditioning system units using CFCs	
		Air-conditioning system units using specified CFCs	Units 10
		Air-conditioning system units using alternative HCFCs	Units 110
		Air-conditioning system units using alternative HFCs	Units 2,281
		Specified CFCs used for air-conditioning systems	kg 2,628
		Alternative HCFCs used for air-conditioning systems	kg 2,576
		Alternative HFCs used for air-conditioning systems	kg 66,926
	Storage of air-conditioning system units using CFCs	Storage of air-conditioning system units using specified CFCs	Units 0
		Storage of air-conditioning system units using alternative HCFCs	Units 0
		Storage of air-conditioning system units using alternative HFCs	Units 36
		Stored amount of specified CFCs used for air-conditioning systems	kg 0
		Stored amount of alternative HCFCs used for air-conditioning systems	kg 2
		Stored amount of alternative HFCs used for air-conditioning systems	kg 93
		Use of vehicles using CFCs	
		Number of Company vehicles that employ CFCs in air-conditioner refrigerants	Vehicles 0
		Number of Company vehicles that employ HCFCs in air-conditioner refrigerants	Vehicles 0
		Number of Company vehicles that employ HFCs in air-conditioner refrigerants	Vehicles 771
		Use of CFCs in vehicle air conditioners	kg 0
		Use of HCFCs in vehicle air conditioners	kg 0
		Use of HFCs in vehicle air conditioners	kg 14
	Elimination of specified CFC fire prevention equipment	Buildings from which specified CFC fire prevention equipment was removed during the period	Buildings 0
		Amount of specified CFCs removed from fire prevention equipment during the period	kg 0
		Amount of specified CFC gas emitted by fire prevention equipment during the period	kg 0
		Remaining number of buildings employing specified CFC fire prevention equipment	Buildings 14
		Remaining specified CFC gas emissions from fire prevention equipment	kg 31,680
Resource usage	Consumption of water resources		
		Water withdrawal from third-party sources	m ³ 413,834
		Wastewater discharge	m ³ 247,961
		Recycled water consumption	m ³ 26,259
		Rainwater harvesting	m ³ 0
		Other water withdrawal (water withdrawal not categorized)	m ³ 15,651

(Scope of data collection: NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan; 70 companies in total)

Note:

1. The CO₂ conversion factor uses the CO₂ emission factor of electric power companies.
2. Units and emissions from FY2013 include individual freestanding air-conditioning units as well as central air-conditioning units.

➤ Fiscal 2022 Recycling Amounts

Primary Category	Subcategory	Recycled Amount
Company computers	Recycled amount (number of units)	5,786
	Reused amount (number of units)	11,564
Thermal recycling	Recycled non-industrial waste (kg)	346,716
	Recycled industrial waste (kg)	544,373
	Recycling of industrial waste requiring special treatment (kg)	0

(Scope of data collection: NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan; 70 companies in total)

➤ Fiscal 2022 Office Waste

Primary Category		Subcategory	a	b	c	d	e	f	g	h
			Emissions (kg)	Recycled Amount (kg)	Waste Disposal Amount (kg)		Final Disposal (kg)	Recycling Rate (%)	Final Disposal Rate (%)	
					Disposal Method					
					Inciner- ation	Landfill Amount				Unknown
								c×0.1+d+e	b/a	f/a
Recyclable waste, etc.		Subtotal 1	744,419	744,419	0	0	0	0	100	0
		Plain copy paper (e.g., photocopy and OA paper)	51,417	51,547				0	100	0
		Newspapers, magazines, cardboard, miscellaneous recyclable paper	681,947	681,947				0	100	0
		Glass (e.g., bottles)	1,798	1,798				0	100	0
		Scrap metal (e.g., cans)	2,377	2,377				0	100	0
		Plastic (PET) bottles, etc.	6,750	6,750				0	100	0
Non-industrial waste		Subtotal 2	447,357	432,792	13,160	1,404	0	2,720	97	1
		Plastics	5,431	5,357	74	0		7	99	0
		Combustible waste	420,057	416,068	3,986	3		402	99	0
		Incombustible waste	12,217	10,816	0	1,401		1,401	89	11
		Unsorted waste	9,651	551	9,100	0		910	6	9
Industrial waste	from offices	Subtotal 3	909,213	908,851	151	211	0	226	100	0
		Waste plastics	311,969	311,767	125	77		90	100	0
		Scrap metal	347,842	347,841	0	1		1	100	0
		Refuse glass, waste ceramics	229	229	0	0		0	100	0
		Discarded electric machinery and appliances	80,573	80,491	26	56		59	100	0
		Waste batteries	50	50	0	0		0	100	0
		Product waste containing mercury	1,409	1,339	0	70		70	95	0
		Stable mixed waste	145,161	145,154	0	7		7	100	0
		Other	21,980	21,980	0	0		0	100	0
		produced through operations	Subtotal 4	1,485,473	1,472,434	482	12,557	0	12,605	99
	Waste plastic		215,181	213,088	60	2,033		2,039	99	1
	Scrap metal		752,035	752,035	0	0		0	100	0
	Refuse glass, ceramic waste		27,498	18,958	0	8,540		8,540	69	31
	Wastepaper (only includes paper from the printing business)		22,010	22,010	0	0		0	100	0
	Waste wood (only includes wood from the warehouse and distribution businesses)		2,075	2,075	0	0		0	100	0
	Discarded electric machinery and appliances		172,660	172,660	0	0		0	100	0
	Medical measuring equipment		0	0	0	0		0	0	0
	Waste batteries		885	885	0	0		0	100	0
	Product waste containing mercury		9,021	9,021	0	0		0	100	0
	Stable mixed waste		74,775	74,775	0	0		0	100	0
	Controlled mixed waste		175,593	173,287	422	1,884		1,926	99	1
	Waste oil		100	0	0	100		100	0	100
	Waste acid		0	0	0	0		0	0	0
	Waste alkali		0	0	0	0		0	0	0
	Sludge		33,640	33,640	0	0		0	100	0
	Waste containing asbestos		0	0	0	0		0	0	0
	Other	0	0				0	0	0	
Industrial waste requiring special treatment		Subtotal 5	5,199	124	4,280	795	0	1,223	2	24
		Flammable waste oil	0	0	0	0		0	0	0
		Waste acid with a Ph of 2.0 or less	889	124	0	765		765	14	86
		Waste alkali with a Ph of 12.5 or higher	0	0	0	0		0	0	0
		Infectious waste	0	0	0	0		0	0	0
		Specified hazardous industrial waste (discarded mercury)	0	0	0	0		0	0	0
		Specified hazardous industrial waste (other)	4,310	0	4,280	30		458	0	11
Grand total (Subtotals 1–5 combined)			3,591,660	3,558,620	18,073	14,967	0	16,775	99	

(Scope of data collection: NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan; 70 companies in total)

Environmental Accounting

◆ Strengthening Efforts to Address Climate Change

In fiscal 2022, the Group's actual environmental cost was ¥4,582 million, approximately four times the ¥1,158 million amount of fiscal 2021. We are strengthening our efforts to achieve "Carbon neutrality," "Circular economy," and "Nature conservation."

➤ Environmental Accounting: Conservation Costs

(Millions of yen)

Ministry of the Environment's Environmental Accounting Guideline Categories	Major Initiatives	FY2019		FY2020		FY2021		FY2022	
		Investment	Expenses	Investment	Expenses	Investment	Expenses	Investment	Expenses
Business area costs		5	256	1	355	53	311	1	910
	Pollution prevention costs	0	69	0	102	49	16	0	91
	Global environment	0	20	0	37	0	127	0	300
	Resource recycling costs	5	166	1	216	4	168	1	519
Upstream/Downstream costs	Compliance with the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging	0	0	0	0	0	7	0	0
Activity management costs	Labor costs related to environmental protection activities, ISO certification acquisition, building green, environmental PR, etc.	0	204	0	210	0	369	0	638
R&D costs	Environment-related R&D	0	1	0	1	0	470	0	3,030
Citizen activity costs	Environmental contribution to regional communities	0	3	0	7	13	1	0	4
Total		5	464	1	573	66	1,158	1	4,582

(Scope of data collection: NTT DATA Group Corporation, NTT DATA Japan, and Group companies in Japan; 70 companies in total)

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Initiatives Related to Materiality and KPIs

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

[Reference page] Sustainability Management "Progress in Relation to Nine Material Issues and FY2023 Targets"

 Smart X Co-innovation Create new value through co-creation with various companies to achieve a smart and innovative society.  	To realize the SDGs (Sustainable Development Goals), great expectations are placed on connecting diverse people, corporations, companies, technologies, systems, data, services, and industries; solving social issues that could not be solved before; and creating new value in society. NTT DATA will promote co-creation with various companies to realize a smart and innovative society while properly identifying and managing the social impact and value created by digital technology.		
	FY2022 Indicator	Achievement Status	Concrete Activity Results
	B2B2X revenue	○	—
 Trusted Value Chain Uphold data privacy and security to ensure safe, secure, and resilient corporate activities. 	As corporate activities expand globally, it is necessary to correctly understand and manage the impact of corporate activities on society and the environment throughout the entire value chain. We must also build a reliable value chain by properly addressing information security and privacy protection. NTT DATA will protect security and data privacy and realize safe, secure, and resilient corporate activities.		
	FY2022 Indicator	Achievement Status	Concrete Activity Results
	Number of cyberattacks and service outages*1	○	Formulated measures within the Information Security Committee, etc., and took steps to prevent intrusion through daily monitoring
	Number of serious personal data loss cases*1	△	Formulated a policy to address areas where risks are manifested to prevent recurrence, led by the responsible organization
	Number of security incidents*1	○	Formulated measures within the Information Security Committee, etc., and took steps to prevent intrusion through daily monitoring
	Number of long-term failures	○	No incidents
	Rate of Ethics Code Training	△	Identified obstacles and considered measures to address them in achieving the goals
	Number of anti-competitive/bribery violations	○	Promoted adherence to the NTT DATA Code of Conduct and compliance with various laws and regulations among all employees
	Rate of direct communication with key suppliers	○	Conducted in-person reviews with key executives from our important suppliers to assess their initiatives in accordance with the NTT DATA Group Supply Chain CSR Promotion Guidelines
 Future of Work New ways of working that enhance employee experience and performance. Provide and promote work-style reforms for society as a whole.  	Amid the global shortage of highly skilled IT personnel, it is necessary to secure and maintain excellent human resources by promoting flexible working styles that meet the diverse needs of employees, implementing appropriate evaluations, and fostering an attractive corporate culture. To this end, it is essential to support employees' career development and flexible working styles. The Group will provide new ways of working to improve performance and EX (Employee Experience), while at the same time promoting work-style reform for society as a whole.		
	FY2022 Indicator	Achievement Status	Concrete Activity Results
	Remote work rate	◎	Implemented a system to accommodate hybrid work that combines the best of both in-person and remote work
	Employee satisfaction	◎	Promoted improvement activities based on the results of the annual survey for employees hired in Japan and the biennial survey, which includes global employees
	Turnover rate	○	Considered and implemented measures to support autonomous career development from fiscal 2023 as part of efforts to understand the reasons for resigning and implement countermeasures

*1 Including overseas Group companies

Smart X Co-Innovation

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

Basic Policy

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

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

Innovation Management

◆ “Innovation Center” Activities at Six Sites Around the World

In August 2022, Innovation Centers were established in six locations worldwide, namely Japan, North America, Italy, Germany, China, and India. These Centers are dedicated to activities in emerging fields, focusing on identifying advanced technologies that are expected to become mainstream in the next 5–10 years, such as quantum computing and metaverse. Through shared R&D with customers, they aim to drive new business innovations.

A strategy group, which formulates technology strategies, and the six local centers have assembled approximately 180 experts, including researchers, consultants, and engineers, who advance activities in line with the technology themes set based on each Center's strategy. The Centers engage in collaborative R&D with innovative clients and collaborate with universities and start-ups to quickly gather leading local technology information and apply it to the next technology strategy. By the end of fiscal 2025, we aim to increase the number of staff to 300 and drive innovation in our clients' businesses.

Establishment of the Global Generative AI Laboratory

The Innovation Center spearheaded the establishment of the Global Generative AI Laboratory in June 2023, aimed at promoting the use of generative AI on a global scale. We are actively working on applying generative AI in the field of software development with the aim of generating business opportunities through advanced technology. This includes deploying related solutions at various international locations, engaging in lab activities, and developing guidelines for the utilization of generative AI. We are expanding the deployment of generative AI-related solutions globally, including source code auto-generation, chatbots, and text search solutions. We are also offering new services that integrate document comprehension AI and generative AI. Through co-creation with our clients, we will facilitate knowledge sharing among our various locations, conduct research and validation on emerging AI technologies, and leverage generative AI models developed by NTT Laboratories. Furthermore, we are developing guidelines from ethical and security perspectives to ensure that our clients can confidently, safely, and swiftly harness the latest AI technologies for their businesses. These guidelines are being established with the guidance and input from the AI Advisory Board, led by the AI Governance Office.

[Reference page] AI Governance

<https://www.nttdata.com/global/ja/news/release/2023/062901/> (Japanese only)

Demonstration Experiment for the Vatican Library Web3 Support Project

Leveraging the technology from our Innovation Center in Italy, we conducted a demonstration experiment for the Vatican Library Web3 Support Project from February 20 to March 31, 2023, in collaboration with the Vatican Apostolic Library (“Vatican Library”). The project combined digital content with NFTs (Non-Fungible Tokens) to support cultural activities. Supporters applied for assistance through a website and, by sharing project information on social media, obtained NFTs that served as proof of their support for the Vatican Library. With these NFTs, they can gain access to the Vatican Library's special content, which includes high-resolution images and explanatory texts for 15 cultural heritage items, on the website. NTT DATA explored the potential of extending the community of cultural institutions and their supporters online through Web3, which is the next-generation decentralized Internet powered by blockchain technology. This verification process is a step toward leveraging Web3 for future business initiatives.

https://www.nttdata.com/global/ja/news/services_info/2023/022001/ (Japanese only)

Using Digital Twin Technology in Data Centers

The Innovation Center (Italy) utilized digital twin technology to visualize data centers operated by customers as detailed 3D virtual replicas. This allowed for the verification of operational and energy efficiency. By synchronizing temperature, device status, and other factors within the digital twin, it became possible to simulate operational scenarios and responses during abnormal situations. This enables performance management and effective responses to abnormalities. Digital twin technology enables repeated testing before physical implementation and is particularly valuable for energy optimization, such as reducing CO₂ emissions. The Innovation Center is actively promoting the use of digital twins.

Resona Kids' Money Academy

The Resona Group hosts the "Resona Kids Money Academy," Japan's largest financial and economic education program for children where employees serve as instructors. Through the program, children can learn about topics such as "the role of money" and "the importance of work" in an enjoyable way, with more than 44,000 kids participating so far. In March 2023, NTT DATA and Resona Holdings collaborated to host the Academy in the metaverse. This event was designed for the metaverse space, considering its unique characteristics, with a focus on ensuring seamless operation, validating technical constraints, and aiming to enhance the Academy within the metaverse environment. Participants were able to control their avatars and engage in quizzes and team-based games related to money matters within the metaverse space "DOOR" provided by NTT QONQ, INC.

<https://www.nttdata.com/global/ja/news/topics/2023/041400/> (Japanese only)

◆ Activities based on the NTT Group's R&D

~Data Collaboration InfrastructureArchitecture Concept~

A system for the safe distribution of data between companies and organizations is necessary to solve problems such as achieving carbon neutrality and realizing a resource-recycling society. For example, to achieve carbon neutrality, it is necessary to guarantee the reliability of data without falsification in the calculation of the CO₂ emissions of the entire global value chain and to establish a system that can distribute emission data between organizations. However, if a data distribution platform is built that reflects the policies of a specific country or region, it will be limited to use in some countries or regions due to differences in business practices and laws and regulations in each country or region, and it will be difficult to distribute data between organizations. As a solution to this problem, NTT DATA and NTT Communications are working with a variety of companies and organizations to study ways to distribute data among them. Leveraging the technology offered by NTT Group and the knowledge gained from our previous initiatives, we are working on the development of a new data distribution platform that can interconnect with data distribution platforms operated by German automotive manufacturers and others.

In May 2022, we published a white paper that outlines the challenges and our efforts toward realizing a global data sharing infrastructure. It also provides insights into our upcoming validation experiments and technology development plans.

Creation of an Industry-wide Ecosystem for EV Batteries

In September 2022, NTT DATA and Denso Corporation ("Denso") embarked on the establishment of an industry-wide ecosystem for electric vehicle (EV) batteries, with the goal of creating a secure data collaboration platform that allows the exchange of necessary data while safeguarding sensitive information.

The EU New Batteries Regulation, which was approved by the European Commission in June 2023, requires the disclosure of CO₂ emissions and resource recycling rates throughout the entire life cycle of batteries. From 2024 onward, Japanese companies that intend to sell EVs in the European market will need to comply with this regulation. To securely share data with various stakeholders in the value chain, a common platform is essential.

NTT DATA and Denso have signed a basic agreement for joint business consideration and jointly applied for the solicitation of proposals under the subsidy program of the Ministry of Economy, Trade and Industry (METI) to create an industry-wide ecosystem for EV batteries. The two companies were officially approved as business operators in September 2022 and requirements were defined. The aim is for the platform used within this ecosystem to evolve into a next-generation information infrastructure, enabling secure data utilization among companies across various industries in the future, with a scope that extends beyond just EV batteries. To achieve commercialization of the service by the end of fiscal 2024, we will work toward realizing a common platform for the automotive and manufacturing industries.

<https://www.nttdata.com/global/ja/news/release/2022/101300/> (Japanese only)

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

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

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

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

<https://www.nttdata.com/global/ja/news/information/2023/021700/> (Japanese only)

Collaborative Study Aimed at Streamlining Urban Road Traffic

Traffic congestion not only causes significant economic losses but also contributes to increased CO₂ emissions due to inefficient energy usage. NTT DATA, in collaboration with Hanshin Expressway and NTT Group companies (NTT, NTT DOCOMO, NTT West), is jointly conducting a study to implement innovative traffic management solutions by harnessing the digital technologies of each company.

This collaborative study aims to systematically assess the essential technological components, operational approaches, and information required to alleviate traffic congestion caused by large-scale construction projects, major events, and daily urban traffic. Through thorough effectiveness verification, our objective is to contribute to the optimization of urban road traffic management. Furthermore, we are exploring the possibility of conducting pilot trials at events such as the Expo 2025 Osaka, Kansai.

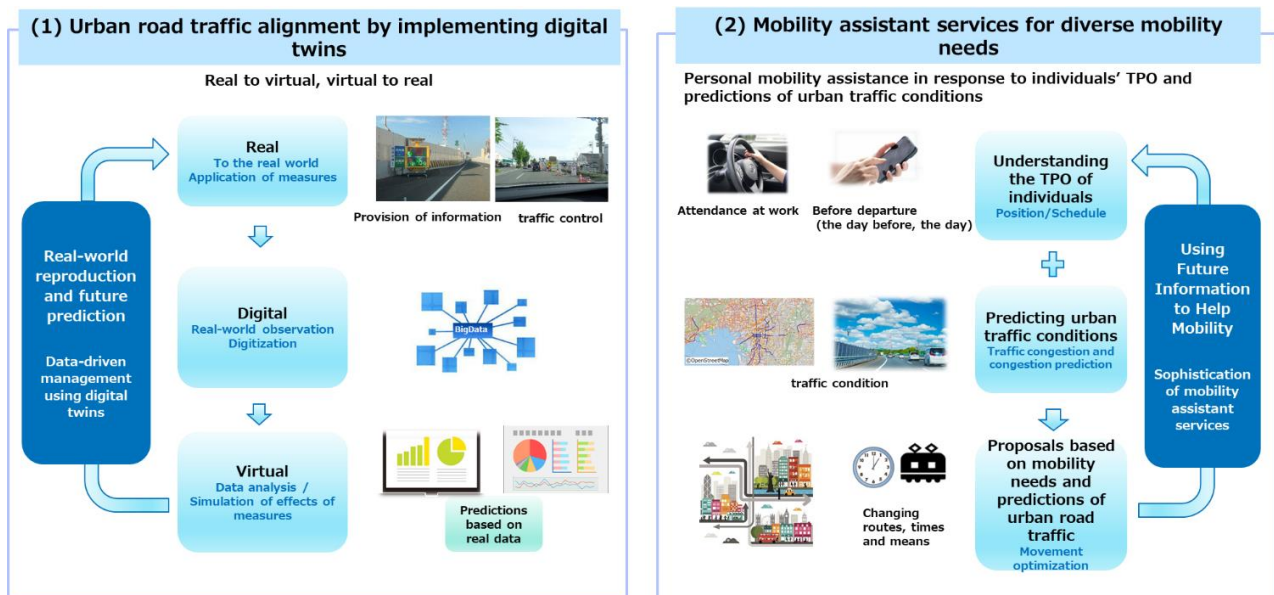
1. Streamlining urban road traffic through the implementation of digital twins for people and transportation

Using digital twin computing, we replicate the actual traffic conditions in a virtual world based on real-world observations and data from a large-scale membership database. This allows us to predict future traffic conditions. Through various simulations in this virtual world, we derive strategies suitable for streamlining urban road traffic, with a focus on city highways.

2. Providing mobility support services to address diverse travel needs

Leveraging a vast membership base and utilizing statistical methods, we comprehensively understand the specific circumstances of individual travel plans (Time, Place, and Objective [TPO]). Accordingly, we offer personalized mobility support tailored to individual characteristics, in response to predictions of urban traffic conditions.

➤ Direction and Aim



<https://www.nttdata.com/global/ja/news/release/2023/042102/> (Japanese only)

◆ NTT DATA Technology Foresight

Every year, NTT DATA publishes NTT DATA Technology Foresight, which forecasts future changes driven by information technology. During the formulation process, we analyze political, economic, social, and technological trends. We also gather and discuss a wide range of information through interviews with NTT DATA, NTT Laboratories, and experts in various fields in Japan and overseas. Based on these efforts, the "Introduction" section, which provides an overview of the future while reviewing the changes that IT brings to the world, and the "Latest Trends" section, which summarizes the latest information technology and foresees the future, describe trends and clarify the ways that companies should move forward in the future.

In the 2022 edition, we published three "Introduction" sections and six "Latest Trends" sections. We reviewed the changes that information technology brings to the world and gave an overview of the future. We then delved into these changes for each technological element and presented them together with future forecasts. The report is used on various occasions as a source of information for formulating corporate strategies and as a starting point for discussions.

Through this initiative, we aim to gain and improve the trust of our company toward the co-creation of innovation by broadly demonstrating our foresight and technological capabilities to our customers and establishing a compass that shows trends where information technology is leading.

<https://www.nttdata.com/jp/ja/foresight/trend-listing/> (Japanese only)

◆ Operation of "INFORIUM Toyosu Innovation Center"

We established the "INFORIUM Toyosu Innovation Center" within our Toyosu Center building Head Office as a place where visitors can experience the cutting-edge technologies that NTT DATA is developing. As a place for creating new businesses with clients, the Center offers space for holding workshops on co-creation activities. This space is available to both domestic and international customers.

<https://www.nttdata.com/global/en/about-us/profile/inforium/>

◆ DATA INSIGHT

We are sharing information about individuals and technologies that are advancing the creation of new value toward the realization of a smart and innovative society.

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

◆ Global Open Innovation "From the port of Toyosu®"

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

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

<https://oi.nttdata.com/> (Japanese only)

<https://www.nttdata.com/global/ja/news/release/2021/083001/> (Japanese only)

Fiscal 2022 Activities

We host Open Innovation Forums (regular event) multiple times a year, where we invite several start-ups aligned with each session's theme, bringing together customers, new business managers, and other members of our community. In fiscal 2021, we held forums with such themes as the metaverse, the near future, green innovation, digital marketing, and the creation of people-friendly cities based on the specific needs of internal divisions. In November, we held a forum in collaboration with the Nordic Innovation House during the Innovation Leaders Summit. In addition, based on the needs of our customers and the challenges of our business divisions, we are pursuing open innovation in collaboration with start-ups throughout the year, while also collaborating with contests in Europe and South America. In fiscal 2022, one notable collaboration was the commercial offering of the well-being measurement app Face.ing™, which utilizes smartphone cameras, in partnership with NuraLogix Corporation from Canada.

<https://oi.nttdata.com/schedule/> (Japanese only)

<https://www.nttdata.com/global/ja/news/release/2022/012702/> (Japanese only)

Human-Centered Design Initiatives

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

➤ HCD Viewpoint



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

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

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

◆ Tangity™ Design Group

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

In 2020, we launched a new brand called Tangity™ for the group of designers belonging to this network. By strengthening collaboration among studios, we aim to develop and attract designers in service design fields, including UX/UI, and maximize the value provided by designers to customers and society. In fiscal 2022, more than 900 designers, both in Japan and overseas, worked on more than 600 design-related projects throughout the year.

➤ Tangity

Who We Are

**Global team with
800+ designers, 17 Studios**

From the NTTDATA Design Network, which owns 17 design studios worldwide, Tangity was formed with studios in Japan, Italy, England, Germany and China.

Tokyo | Milan | Venice | Roma | London | Munich | Shanghai
Cluj | Madrid (2 studios) | Barcelona (2 studios) | Dallas
Lima | Sao Paulo (2 studios) | Santiago de Chile

Tangity

<https://www.nttdata.com/global/ja/news/release/2020/061501/> (Japanese only)

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

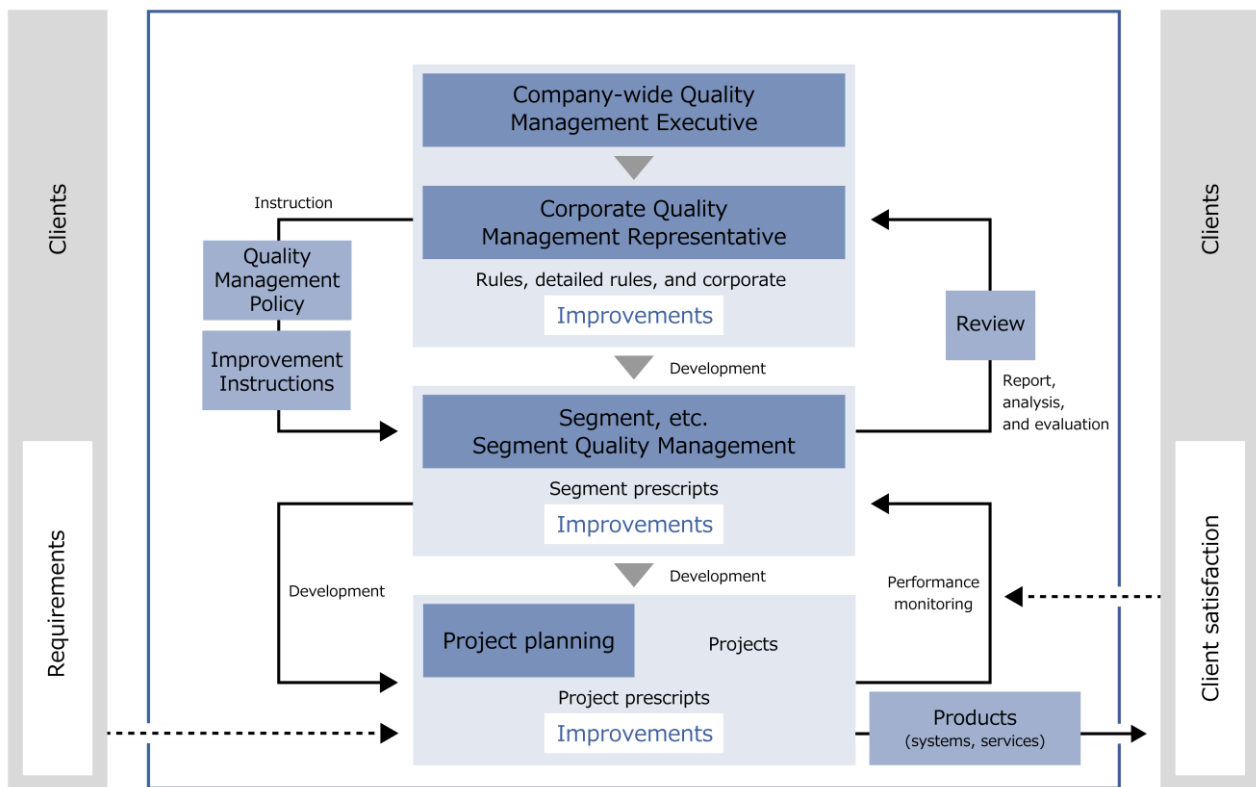
Quality Management

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

◆ Initiatives to Improve Quality—Building a Management System Based on ISO 9001 and Promoting Continuous Improvement Activities

NTT DATA has established and implemented an organizational and systematic quality management system based on ISO 9001 to improve quality, enhance productivity, and prevent unprofitable projects. In addition, we recognize the importance of enhancing quality assurance capabilities, and we are actively working to develop quality assurance mechanisms within each Group company. We are also facilitating information exchange through initiatives such as quality exchange meetings among them to strengthen our quality management system. Moreover, We are also conducting cross-regional efforts through initiatives such as the Global PMO Workshop to develop quality assurance mechanisms tailored to each region and the business situations of Group companies outside Japan.

➤ Quality Management System (QMS)



◆ Enhancing and Standardizing Project Management

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

Establishment of Project Management for Agile Development

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

Establishment of Innovative Project Management Techniques

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

Quality Management Portal Site

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

◆ Human Resource Development Emphasizing System Management Stability

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

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

Furthermore, we support and develop personnel involved in system operation and maintenance by offering various tools. These include a standardized on-site inspection checklist for stable system operations, a portal site to provide expertise on stable system operations and IT service management, a collection of example failure cases for recovery training, a system development guide aimed at improving operational quality during the development phase, and a guide for reducing human errors that contains well-explained strategies and case studies.

◆ Addressing Serious Issues

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

Initiatives to Improve Customer Satisfaction

We undertake activities based on our belief that a client-oriented approach lies at the root of sustainable corporate growth, which has resulted in a high level of customer satisfaction. Specifically, we conduct oral and written surveys of our regular clients every year and results are reflected in our business activities. The aim of this self-monitoring exercise is to enable us to deliver improved services from a client standpoint.

In fiscal 2022, we conducted interviews with people from 52 client companies and organizations, obtaining information regarding their opinions and requests. We also gained feedback through questionnaires received from 473 people in 193 client companies and organizations.

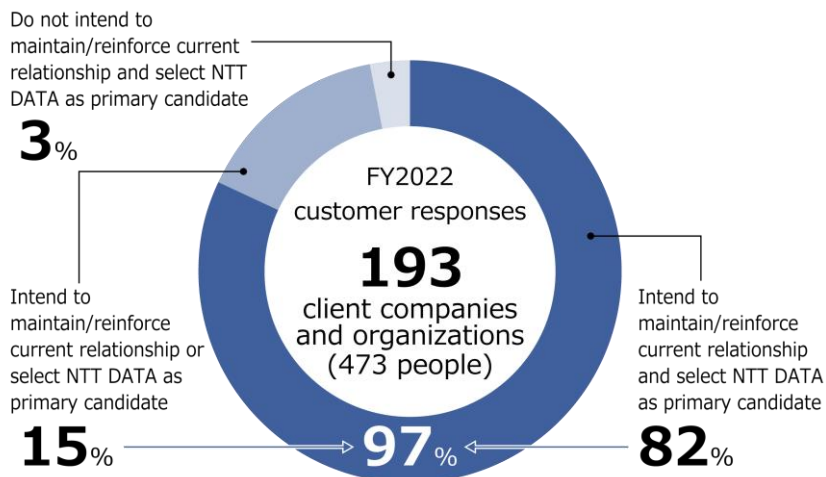
Overall satisfaction, the main item in the questionnaire, was rated at 8.1 out of 10, the highest ever, with 97% of clients positively stating that they would like to continue and strengthen the relationship going forward and that NTT DATA is their first choice for consultation.

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

➤ Changes in Overall Satisfaction

Evaluation Item	FY2020	FY2021	FY2022
Overall Satisfaction (out of 10)	7.7	7.8	8.1

➤ NTT DATA's Position from Customers' Perspective



Trusted Value Chain

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

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

Promotion of Robust Risk Governance

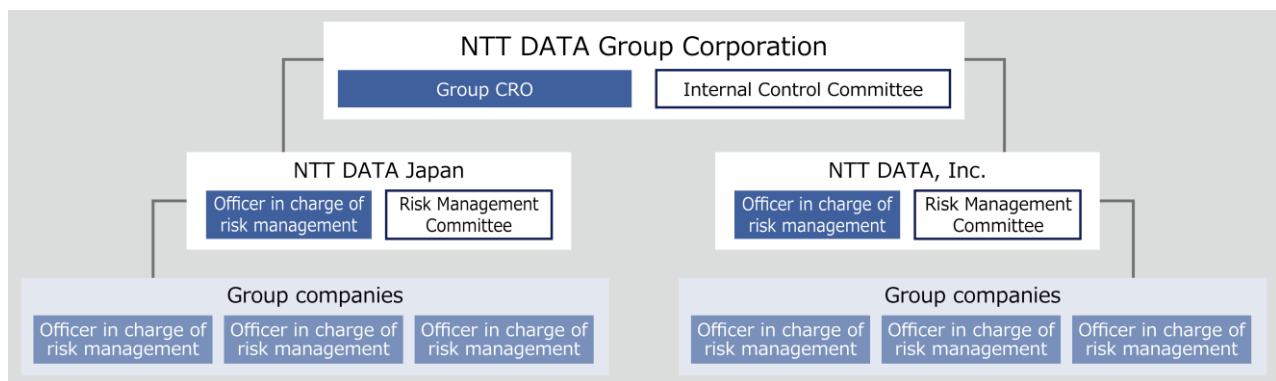
◆ Basic Policy and Promotion System

NTT DATA has established a systematic approach to risk management, focusing on ensuring the healthy growth of the entire Group and minimizing the impact of risks on its operations. To achieve this, we have developed a risk management policy that outlines the standard procedures to be followed at the global level.

In line with this, we have appointed an officer in charge of supervising and promoting risk management from a Group-wide perspective and established a Risk Management Division. We have also appointed officers responsible for overseeing risk management at major Group companies as part of our coordinated risk management framework across the Group.

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

➤ Risk Management Structure



◆ Dealing with Material Risks

Identification and Control of Material Risks

We define key risks as risks that have the potential to significantly impact the achievement of our business plans and the sustainability of our foundation. Among these key risks, we further categorize those that require swift crisis response in addition to regular control measures as material risks.

For each key risk, we prioritize control activities across the Group. In the Internal Control Committee, we regularly monitor the status of control, confirm the effectiveness of measures, and make improvement recommendations. We also discuss and decide on other matters necessary for the dissemination and thorough implementation of risk management.

In addition to the control of key risks at the Group level, each operating company and regional headquarters companies selects key risks based on their respective business characteristics and conducts control and monitoring of those risks. The risk control activities at the Group level and those at each operating company and regional headquarters outside Japan are carried out in coordination under the collaborative structure among the risk management officers of each company. These activities are monitored as a whole by the Internal Control Committee to promote comprehensive Group-wide risk management initiatives.

Fiscal 2023 Key Risks

NTT DATA has identified the following risks (1–16) as key risks for fiscal 2023. Of these, risks 1–8 have been designated as material risks that require swift response in addition to regular controls. We conduct control activities with a particular focus on these risks, including response in crisis situations.

Category		Risk
Key risk Risks that could significantly impact the achievement of our Group's business plans and its overall foundation	Material risk Risks requiring swift crisis response in addition to normal control	(1) System development risk
		(2) Risks related to investments, M&As, and capital investment
		(3) Information security risk
		(4) Compliance risk
		(5) Risk related to system and service operations
		(6) Risk related to large-scale disasters and serious infectious diseases
		(7) Risks related to human rights
		(8) Geopolitical risk
		(9) Climate change risk
		(10) Risk related to talent acquisition
		(11) Technological innovation risk
		(12) Risk related to intellectual property rights
		(13) Risk related to intensifying competition
		(14) Regulatory compliance risk
		(15) Risk related to fluctuations in foreign exchange rates, interest rates, and inflation
		(16) Risk related to the influence of the parent company

For details on the key risks for fiscal 2023, please refer to the securities report.

<https://www.nttdata.com/global/ja/investors/library/asr/> (Japanese only)

◆ Risk Management Training

NTT DATA conducts ongoing training regarding the legal and other roles of newly appointed directors (including those who are also Audit and Supervisory Committee members) and Audit and Supervisory Committee members at NTT DATA and Group companies to ensure rigorous risk management throughout the Group. In fiscal 2022, we conducted training for newly appointed directors and Audit and Supervisory Committee members of domestic Group companies in August.

We will promote increased risk management awareness and enhanced response capabilities by implementing various types of training on an ongoing basis.

Ensure Information Security and Protect Data Privacy

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

To share knowledge and expertise across the entire Group, we work with Group companies in Japan to host information security forums, and with NTT DATA, Inc., and Group companies outside Japan to host the Global CISO Conference and other events. Through this distribution of knowledge within the Group, we are working to establish unified information security governance.

◆ Basic Policy

NTT DATA has established rules and regulations including the NTT DATA Group Security Policy (GSP). The GSP includes a code of conduct to protect information assets from serious security breaches, such as information leakage and unauthorized access, and a code of conduct for the active utilization and sharing of information. To protect personal information (data privacy), the GSP includes guidelines such as a privacy policy (personal information protection policy) for each Group company and requires personal information to be handled appropriately according to these guidelines, so that personal information is protected effectively throughout the Group. These codes of conduct, which also apply to business partners to whom we outsource operations, help us ensure that our information assets are handled appropriately.

For Group companies in Japan, we established the NTT DATA Group Japan Regional Personal Information Protection Regulations (JPP) and the NTT DATA Group Japan Regional Personal Information Management Guidelines (JPG) to comply with the revised Act on the Protection of Personal Information. In these ways, we have established items to be observed and the procedures to be implemented to handle personal information appropriately.

Furthermore, when handling personal data subject to the European Union General Data Protection Regulation (GDPR), we require domestic Group companies to adhere to GDPR compliance, which includes documenting the required notifications in accordance with GDPR provisions.

◆ Promotion System

Global Governance

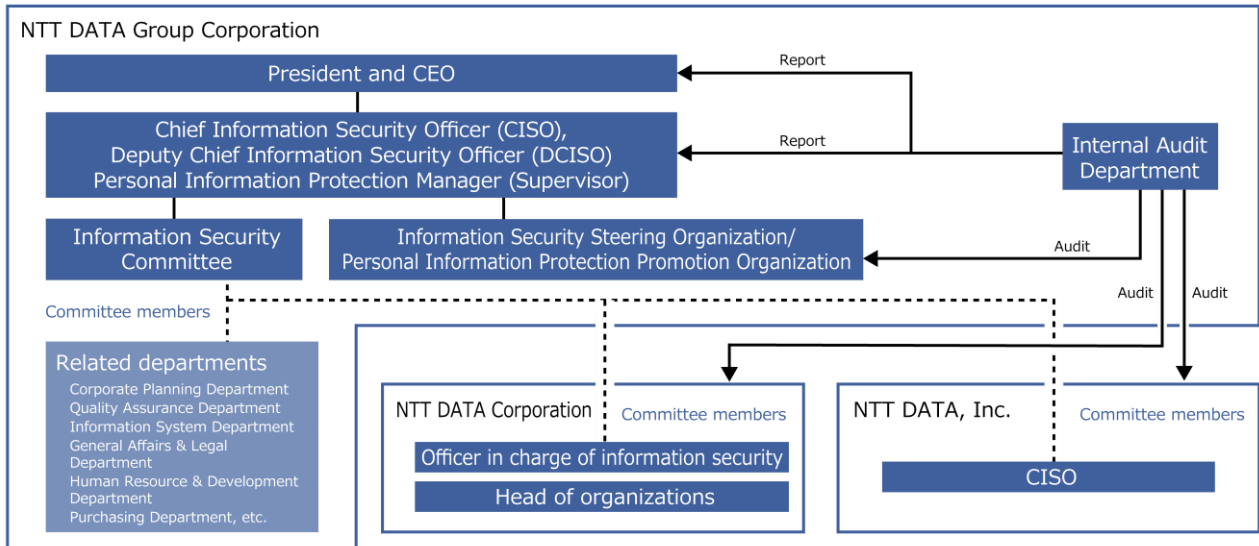
Since fiscal 2006, NTT DATA has been working diligently to ensure information security based on the NTT DATA Group Security Policy (GSP), which also applies to the Group companies outside Japan. Since fiscal 2012, we have been building a global framework for promoting information security, centered on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

Global Security through Collaboration

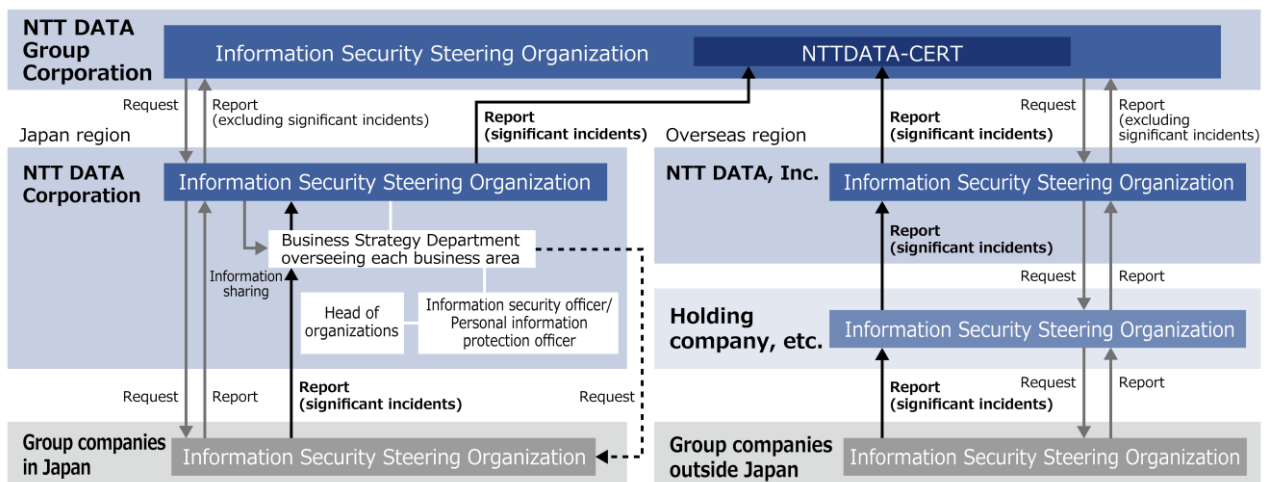
To ensure meticulous information security governance on a global scale, we manage information security through information security steering organizations within various Group companies such as NTT DATA Group Corporation, NTT DATA Japan, NTT DATA, Inc., and the holding company.

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

Information Security Governance Structure of the NTT DATA Group



Security Management Structure of the NTT DATA Group



Roles in NTT DATA Group Corporation's Information Security Governance

Director and deputy director in charge of technology management (responsible persons)	These officers promote information security management to establish information security governance across the Group. Notes: - The director in charge of technology management oversees the division of responsibilities covering technology development and research (CTO), quality assurance, and security (CISO). - The deputy director in charge of technology management oversees the division of responsibilities covering technological R&D (DCTO), quality assurance, and security (DCISO).
Personal information protection managers (responsible persons)	These officers with responsibilities and authority for planning and operating the personal information protection management system oversee efforts related to personal information from a Group-wide perspective.

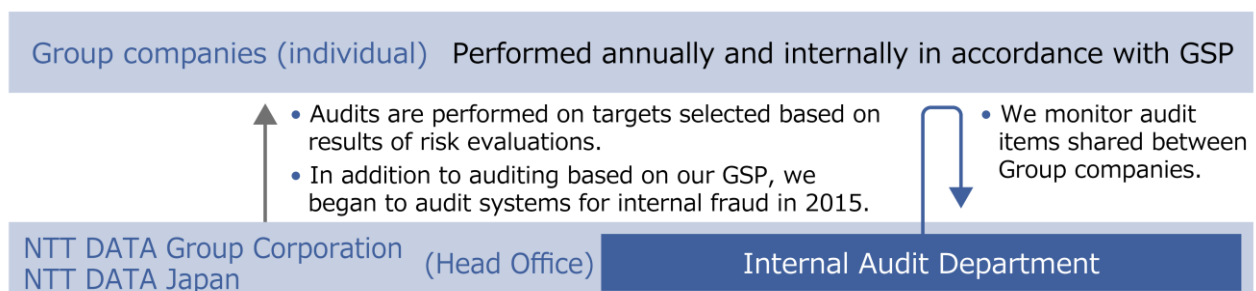
➤ **Information Security Governance and Information Security Management:**
NTT DATA Group's Main Systems and Initiatives

Meetings and organizations related to information security governance	[Meeting body] [Evaluation/orientation] - Information Security Committee (NTT DATA Group Corporation) This is chaired by the deputy director in charge of technology management at NTT DATA Group Corporation and consists of the heads of various departments within NTT Data Group Corporation, the officer responsible for information security at NTT Data Corporation, the Chief Information Security Officer (CISO) of NTT DATA, Inc., and the heads of various business divisions within NTT Data Corporation. They assess and evaluate the overall activities and challenges within NTT DATA to determine the information security strategy for the entire organization. [Organization] [Promotion/monitoring] - Information Security Steering Organization (NTT DATA Group Corporation) This organization runs meetings as the secretariat of NTT DATA Group Corporation's Information Security Committee. It collaborates with NTT DATA Japan, NTT DATA, Inc., and regional headquarters companies to share information about the Group's overall information security policies and action plans. It also regularly monitors the status of control at NTT DATA Corporation, NTT DATA, Inc., and various regional headquarters to ensure control levels are maintained and improved, providing support as needed.
Information security management organizations	The information security management organizations established within NTT DATA Japan, NTT DATA, Inc., each regional headquarters, and each Group company are based on the information security policies and action plans developed by NTT DATA Group Corporation. They consider the characteristics and circumstances of each region and establish a management structure to implement information security measures.
Information sharing between Group companies	- Global CISO Conference This forum is sponsored by NTT DATA with participation by the CISOs of each regional head office and other key persons. Its role is to strengthen information sharing and cooperation between regional offices and the Head Office. - Information security forums These forums are sponsored by NTT DATA with participation by the CISOs and information security promotion managers of domestic Group companies. Their role is to share Group information security strategies and policies.

➤ **NTT DATA's Audit and Monitoring System**

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



◆ Security Incident Prevention, Detection, and Responses

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

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

Activities to Prepare for New Security Risks

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

Wide-Ranging Internal and External Collaborations

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

*Abbreviation of Forum of Incident Response and Security Teams: A global community of 635 CSIRT teams (as of July 29, 2022) from government agencies, educational institutions, corporations, and the like.

CSIRT Operation Utilizing OSINT

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

Conducting Incident Response Workshops

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

◆ Stepping Up Security Governance Efforts

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

In fiscal 2022, we engaged in improving global governance maturity, worked to strengthen and ensure the stable operation of our global security infrastructure, and reliably escalated our responses to serious incidents.

Improving Global Governance Maturity

NTT DATA has established a protocol process for aggregating the security risks faced by each regional headquarters and determining security measures that should be prioritized by all global Group companies. In addition, we regularly hold a Global CISO Conference attended by all key persons, including the CISOs of each regional headquarters, to strengthen information sharing and collaboration between Group companies and the Headquarters.

Global Security Infrastructure

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

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

Early Escalation to Address Serious Incidents

To ensure early detection and report responses in the event of a serious incident, we systematically established incident response organizations at NTT DATA's bases in and outside Japan. This guarantees our ability to respond immediately to problems on site and deal with high-level incidents. In addition, we have rules within the Group that clearly define the various roles, responsibilities, and reporting standards. In the event of a serious incident, this system ensures prompt reporting from NTT DATA's Group companies in and outside Japan to the Head Office via the holding company. Moreover, in fiscal 2022, NTTDATA CUSTOMER SERVICE Corporation received no specific complaints regarding breaches of client privacy or loss of client data.

◆ Specific Initiatives

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Ensuring the Security of Commercial Systems

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

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

Comprehensive Security Management to Ensure Safe and Secure System Environments

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

For example, we offer global security governance frameworks that also cover client sites across the world and superior security technologies required for systems that handle important information. We also provide zero trust security that realizes secure remote working environments to promote new work styles.

Moreover, information security incidents in recent years have highlighted the importance of preparing against contingencies on the assumption that protective security measures might be bypassed altogether by sophisticated targeted attacks or information leaks caused by internal misconduct. To contain and localize any damage, we must provide reliable detection of an attack and swift response and recovery. We help reinforce the security measures of our clients by offering security consulting to identify risks and providing solutions and services for neutralizing and protecting against risks. Furthermore, we provide enhanced support services for detection; response and recovery by constructing systems, including UEBA^{*1}, EDR^{*2}, sandboxes^{*3}, SIEM^{*4}, SOC^{*5}, and CSIRT^{*6}; and monitoring system management.

^{*1} Abbreviation of User and Entity Behavior Analytics: Solution for learning behaviors of people and objects at normal times by machine learning and issuing alerts when abnormal behaviors are detected

^{*2} Abbreviation of Endpoint Detection and Response: Solution for monitoring endpoints, such as PCs and servers, and enabling integrated management of incident detection and subsequent response processes

^{*3} Solution for detecting malware by running programs within a protected virtual environment

^{*4} Abbreviation of Security Information and Event Management: Solution for detecting, analyzing, and visualizing traces or signs of unauthorized access that are difficult to find by security equipment alone

^{*5} Abbreviation of Security Operation Center IDS/IPS: A center or an organization that comprehensively monitors and manages firewalls, DB firewalls, WAFs, and the like

^{*6} Abbreviation of Computer Security Incident Response Team: An incident response team of computer security specialists. The team collects and analyzes information on security incidents, security-related technologies, and vulnerabilities, and conducts activities that include implementing effective countermeasures and training.

Information Security Training and Education

NTT DATA provides information security education for employees, business partners, and temporary workers. We have delivered this education and training via e-learning and classroom instruction to promote understanding of the Group's policy on the protection of personal information, the rules contained in the NTT DATA Group Security Policy, and the need to be constantly aware of the importance of information security. In fiscal 2022, we continued implementing various measures to ensure that every employee rigorously takes basic actions to maintain information security.

In addition, every year, all employees and collaborators of NTT DATA Group Corporation, NTT DATA Japan, and NTT DATA, Inc., undergo training to identify targeted and phishing e-mails and ensure they respond correctly.

➤ **Information Security Training at NTT Data in Fiscal 2022**

(now NTT Data Group Corporation, NTT DATA Japan, and NTT DATA, Inc.)

Target	Content and Format	Participation	
All employees	Information security and personal information protection training (e-learning)	Target	12,788 eligible employees (completion 100%)
		Achieved	12,788 eligible employees (completion 100%)
Position based	Information security lectures (on-site learning)	Incorporated in position-based training conducted by the Human Resource Department	
	Internal security training for qualified personnel (e-learning)	Learning materials were provided online to applicable personnel.	
Business partners and temporary staff	Personal information protection introduction training and information security education (e-learning)	Target	Parties registered on our company system 47,775 people (completion 100%)
		Achieved	Parties registered on our company system 47,775 people (completion 100%)
	Information Security Training Handbook	Booklets available to new business partners and temporary staff via download	
AI employees and collaborators	Targeted e-mail response training	We send training e-mails to all employees and collaborators (approximately 53,000 people) and conduct exercises to test their ability to identify and respond to phishing attempts.	

➤ **Information Security Training at Key Group Companies in Fiscal 2022**

Target	Implementation Format	Participation
Group company employees, business partners, and temporary staff	GSP security training and personal information protection training (e-learning; in three languages)	35,637 persons (66 Group companies in Japan)

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

➤ **Certifications Acquired (as of March 31, 2023)**

Certifications	- Information Security Management Systems (ISMS) certification: 43 companies in Japan, including NTT DATA Japan (out of a total of 71 companies: approx. 60%) - ISO/IEC 27001: Multiple overseas Group companies outside Japan (including in Europe, China, and India) - PrivacyMark of the Japan Institute for Promotion of Digital Economy and Community (JIPDEC): 40 companies in Japan, including NTT DATA Japan (out of a total of 71 companies: approx. 56%)
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➤ **Security Personnel**

We actively invest in the development and skill improvement of security personnel. As of April 2023, we had 990 individuals with certification as security personnel, a program promoted by the NTT Group, who are actively contributing both domestically and internationally.

Level		Certified Persons
Security master	Leading experts with industry-leading accomplishments and influential outreach	2
Security principal	Specialists who provide security strategy recommendations to the management team	7
Security professional	Experts with extensive experience and exceptional judgment	981

Personnel Type
Security management/security consulting
Security operations
Security development

AI Governance

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

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

<https://www.nttdata.com/global/en/news/press-release/2019/may/ntt-data-introduces-ai-guidelines>

Since then, we have expanded and continued our AI governance initiatives, including the formulation of the AI Development Process and its application to AI projects in July 2020 and the trial launch of the AI Quality Assessment Service in October 2020.

<https://www.nttdata.com/global/ja/news/release/2020/063000/> (Japanese only)

In addition, with the aim of strengthening AI-related governance, we established the AI Advisory Board in April 2021, made up of outside experts, and continued its activities in fiscal 2023. Members of the Advisory Board and members at the forefront of our AI projects discuss technology trends, laws, and regulations, and the awareness of civil society regarding AI utilization, and incorporate the results into concrete means of AI governance. In fiscal 2022, considering the feedback received from the Advisory Board, we have been working on concretizing AI risks and establishing a system for risk checks before commencing AI projects, among other measures, to further promote and expand our efforts in this area. To effectively manage the risks arising from the inappropriate use of AI and promote the proper utilization of AI, we established the AI Governance Office on April 1, 2023, as a specialized organization.

<https://www.nttdata.com/global/ja/news/release/2023/032301/> (Japanese only)

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

Meeting frequency	Exchange of opinions with executives on AI: Once a year Study sessions with frontline AI-related workers (manager-level): Twice a year AI-related project consultations (AI Governance Office): Up to four times a year
Members	Chair • Hiroyuki Morikawa Professor, Graduate School of Engineering, The University of Tokyo Members • Fuyuki Ishikawa Associate Professor, Information Systems Architecture Science Research Division, National Institute of Informatics • Mitsuhiro Umezu President and Representative Director, Umezu Research Institute, Inc. • Yumiko Nara Professor, Faculty of Liberal Arts, The Open University of Japan; Assistant Director, SOLVE for SDGs Program • Tomoumi Nishimura Associate Professor, Kyushu University Faculty of Law

Note: As of June 2023

Response to Disaster Risks

◆ Basic Policy and Promotion System

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

Recently, we have been preparing for scenarios such as large-scale disasters or the continued need for infection control measures while adopting teleworking as our predominant way of working.

Management promotion officer	President
Management system	• The President (who is the executive responsible for disaster responses) determines the disaster countermeasure policies and actions. • The operations manager, the head of the Global Governance Division assisting the operations manager, and the head of the Disaster Response Office establish the necessary processes for disaster management and ensure the implementation and maintenance of those processes. They also spearhead planning, implementation, evaluation, and continuous improvement of disaster response processes at the Head Office Disaster Response Headquarters. • At each business division, the head of the organization is responsible for planning, implementation, evaluation, and continuous improvement of disaster response processes at the disaster response headquarters of the division's head office within the scope of his/her authority and duties.
Plans and frameworks	• NTT DATA has developed disaster BCPs and contingency plans. • Implementation of various types of training to minimize disaster risk: In addition to Company-wide training, such as safety confirmation training for all employees and the establishment of a Head Office Disaster Response Headquarters, each organization conducts individual training according to its own requirements.
Certifications (as of March 31, 2021)	• BCMS certification according to the ISO 22301:2019 international standard • Proper facility maintenance such as data center buildings, electric power, air-conditioning systems, and security systems are important foundations for information system operations. Therefore, all NTT DATA's buildings have been certified for business continuity management. We also have systems in place to respond to incidents such as large-scale earthquakes and wide-area power outages.

◆ Specific Initiatives

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

Promoting a Responsible Supply Chain

◆ Basic Policy

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

Basic Policy Regarding Procurement

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

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

Dissemination of Basic Policy Regarding Procurement

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

◆ Specific Initiatives

Establishment and Dissemination of Guidelines

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

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

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

In relation to these guidelines, we are implementing compliance measures that include obtaining consent forms, incorporating conditions into existing trade agreements with suppliers, and obtaining consent as a prerequisite for initiating new transactions with suppliers. As of the end of fiscal 2022, we had obtained consent forms from 41 out of 44 business partner companies*. In addition, we have included compliance requirements based on these guidelines in the common contract template for NTT DATA Group Corporation, NTT DATA Corporation, and Group companies in Japan. Similarly, we have implemented compliance with the guidelines in contract documents for Group companies outside Japan, adapting them to the unique characteristics and business practices of each region.

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

Implementation of Surveys for Suppliers

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We conduct assessments of supplier sustainability risks through various means, including joint surveys conducted by the NTT Group, a Self-Assessment Questionnaire (SAQ), and sustainability assessments conducted by EcoVadis, a French evaluation agency.

We initially started our efforts with top suppliers in terms of procurement amounts within Japan. In fiscal 2022, we received responses from suppliers who accounted for 66.1% of the total procurement amount. Based on the survey results, for areas where sustainability efforts were deemed insufficient, we are working with our suppliers to consider improvement measures through on-site investigations and other means, as described below.

Strengthening Sustainability Initiatives

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In the IT industry, sustainability efforts are not yet fully mature, and some suppliers might not be able to respond immediately to assessments conducted by rating agencies. Therefore, to support such suppliers in assessing sustainability risks, we plan to launch our own Self-Assessment Questionnaire (SAQ). In fiscal 2023, our goal is to receive responses from approximately 200 suppliers, combining the sustainability assessment conducted by EcoVadis with our own SAQ. In addition to expanding the scope of on-site surveys, we plan to strengthen cooperation and resolve issues according to the supplier's situation.

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

Monitoring

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We conduct on-site investigations through direct dialogues, such as via corporate visits, to monitor sustainability risks with our key suppliers. During these investigations, our aim is to engage in dialogues with suppliers to request the establishment of sustainability management systems and to confirm the identified risk items through the SAQ. In fiscal 2022, on-site investigations were conducted jointly with the NTT Group for approximately 40 of the top suppliers in terms of procurement amounts in the NTT Group. As a result, no significant sustainability risks, including human rights issues, were identified.

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

Communication with Suppliers

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In fiscal 2023, we plan to organize networking events focusing on key suppliers, including business partners companies, to promote awareness and initiatives related to sustainability throughout the supply chain, particularly in the areas of the environment and human rights.

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

[Reference page] Whistleblowing Systems

Ensuring Compliance

◆ Basic Policy and Promotion System

To reduce and prevent compliance risks such as legal violations, we have identified compliance risks as key risks to be monitored globally, and we are implementing Company-wide measures and monitoring to address these risks effectively. For compliance risks, we are committed to strengthening compliance through the establishment of a global compliance program aimed at deterring, detecting, and responding to these risks that we continuously evaluate and improve. Specifically, as a mechanism for risk deterrence, we have established the NTT DATA Code of Conduct, which outlines the norms that Group executives and employees should adhere to in their daily activities. In accordance with this Code, we have developed the necessary regulations, conducted training, and implemented educational programs. As a mechanism for risk detection, we have globally implemented a whistleblowing system to encourage employees to report any concerns or issues. When risks become apparent, we take measures to minimize their impact and improve programs aimed at preventing their recurrence.

◆ Specific Initiatives

NTT DATA Code of Conduct

We have established the NTT DATA Code of Conduct with the purpose of fostering corporate ethics and compliance awareness and adapting to the changing business environment. This Code serves as a fundamental set of guidelines for the daily activities of every NTT DATA employee.

[NTT DATA Code of Conduct](#)

Assessments of Compliance Risk

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

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

Promoting Compliance Awareness among Officers and Employees

NTT DATA conducts compliance training (including e-learning) for around 43,000 employees at Group companies in Japan and around 159,000 employees at Group companies outside Japan. We also arrange lectures on corporate ethics at position-based training sessions that are conducted as part of our promotional milestones. Our compliance-related training is tailored to the business characteristics of each organization and Group company to steadily increase compliance awareness among employees.

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

➤ Major Compliance-Related Training in Fiscal 2022

Name of Training Session	Number of Attendees (Ratio)
Compliance training	Approx. 42,000 employees in Japan (99.7%)
Compliance training	Approx. 159,000 employees outside Japan (98.7%)
Position-based group training sessions (e.g., lectures on corporate ethics, risk management)	Approx. 3,300 employees (96.6%)

Whistleblowing Systems

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

Operation of Whistleblowing Systems

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

➤ Number and Breakdown of Reports to the Head Office Reporting Line

In fiscal 2022, a total of 147 cases were reported and two cases led to discipline.

	FY2020			FY2021			FY2022		
	No. of Reports			No. of Reports			No. of Reports		
		No. of disciplinary actions taken	No. of strict cautions given		No. of disciplinary actions taken	No. of strict cautions given		No. of disciplinary actions taken	No. of strict cautions given
Total number of reports	78	2	34	100	1	42	147	2	35
Reports of harassment	54	1	22	78	0	36	109	2	35
Compliance violations	23	1	22	36	0	36	37	2	35
Internal rule violations	23	1	22	36	0	36	37	2	35
Legal violations (e.g., human rights violations)	0	0	0	0	0	0	0	0	0
No violation	31	—	—	42	—	—	72	—	—
Reports on inappropriate business practices	17	1	7	14	1	5	22	0	0
Compliance violations	8	1	7	6	1	5	0	0	0
Internal rule violations	8	1	7	6	1	5	0	0	0
Legal violations (e.g., bribery, accounting irregularities, forged contracts)	0	0	0	0	0	0	0	0	0
No violation	9	—	—	8	—	—	22	—	—
Reports on personal use of company expenses	2	0	1	2	0	0	8	0	0
Compliance violations	1	0	1	0	0	0	0	0	0
Internal rule violations	1	0	1	0	0	0	0	0	0
Legal violations	0	0	0	0	0	0	0	0	0
No violation	1	—	—	2	—	—	8	—	—
Number of other reports	5	0	4	6	0	1	8	0	0
Compliance violations	4	0	4	1	0	1	0	0	0
Internal rule violations	1	0	1	1	0	1	0	0	0
Legal violations	3	0	3	0	0	0	0	0	0
No violation	1	—	—	5	—	—	8	—	—

Promoting Ethical and Responsible Activities

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

◆ Tax Transparency

Basic Tax Policy

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

Raising Awareness among Employees

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

Relationship with Tax Authorities

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

➤ Revenue (FY2021)

Revenue	Approx. ¥3,371.2 billion	
	Japan	¥2,031.0 billion
	United States	¥483.2 billion
	Spain	¥204.2 billion
	Germany	¥122.4 billion
	Italy	¥76.1 billion
	India	¥71.5 billion
	United Kingdom	¥65.5 billion
	Other	¥319.1 billion

➤ Profit before Tax (FY2021)

Profit before Tax	Approx. ¥308.1 billion	
	Japan	¥274.2 billion
	United States	¥5.4 billion
	Other	¥28.5 billion

➤ Taxes Incurred (FY2021)

Taxes Incurred	Approx. ¥128.8 billion	
	Japan	¥113.8 billion
	India	¥3.1 billion
	Other	¥11.9 billion

➤ Tax Amount Paid (FY2021)

Tax Amount Paid	Approx. ¥114.1 billion	
	Japan	¥100.7 billion
	India	¥2.5 billion
	Other	¥10.9 billion

The above amounts are based on National Reporting Items submitted to the Japanese tax authorities and are not directly related to the consolidated financial statements.

◆ Prohibiting Bribery and Corruption

NTT DATA takes measures to prevent corruption based on its NTT DATA Code of Conduct and rigorously complies with the laws and regulations of each country. No cases of corruption and bribery or disputes were identified in fiscal 2022.

◆ Response to Government Policies

We ensure that all political donations made in Japan are conducted in accordance with its NTT DATA Code of Conduct and in strict observance of the Political Funds Control Act. NTT DATA's total political donations in Japan for fiscal 2022 amounted to ¥7.5 million.

◆ Measures to Prevent Unfair Competition

NTT DATA takes measures to prevent antitrust and anticompetitive practices based on its NTT DATA Code of Conduct and rigorously complies with the laws and regulations of each country. In Japan, we have established a set of internal rules called Fair Transaction Rules, which we are disseminating throughout the Company. We are also taking actions overseas according to local laws and regulations. No violations or disputes were identified in Japan or overseas in fiscal 2022.

◆ Appropriate Corporate Branding

NTT DATA, as part of our global business development, is promoting activities aimed at gaining appropriate recognition of our corporate brand in each country and area. We are also promoting advertising activities in compliance with the laws and regulations of each country and area. In fiscal 2022, there were no cases of violations or disputes.

Future of Work

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

NTT DATA is dedicated to fostering professional human resources with advanced expertise and adaptability to change, as well as individuals who can excel on a global scale. We promote the development of training systems and a wide range of content tailored to the diverse expertise and aspirations of our employees. In addition, we encourage the cultivation of a culture of co-creation and mutual learning through community-based learning (Advanced Training).

We also strive to create a culture where diverse talents can thrive regardless of gender, nationality, sexual orientation, disabilities, skills, or professional backgrounds (Promote Diversity, Equity & Inclusion).

By establishing an environment that allows for flexibility in working locations and hours based on business processes and objectives, we are transforming into a company where each individual can thrive more easily (Future Workplace).

We aim to maximize human resources and organizational capabilities that support the execution of our corporate strategy, striving to become the "Best Place to Work." By achieving this, we aim to enhance our corporate value for the long term and grow alongside our customers toward realizing a sustainable society.

[Reference page] Promoting Diversity, Equity & Inclusion

Strengthening the Hiring of Diverse Human Resources

◆ Basic Policy

We are hiring and developing human resources for both quality and quantity to support our medium- to long-term business. We are strengthening the hiring of human resources with a background in digital technology and global business promotion, in particular, as well as those with industry-ready experience. When hiring, we prioritize aptitude, motivation, and ability over gender, nationality, age, and academic record.

◆ Attracting and Retaining Diverse Human Resources Globally

We are actively strengthening our recruitment efforts both domestically and internationally, and in fiscal 2022, we hired approximately 40,000 individuals worldwide. To consistently attract and retain highly skilled professionals necessary for our business growth, we are implementing the following initiatives.

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

We also move quickly to retain employees who have joined the entire Group as part of our efforts to keep people working for us. Especially in highly mobile overseas markets, for newly hired employees, we hold onboarding sessions in various locations. Through initiatives such as the Values Week workshops, where employees worldwide discuss the Values we cherish, as well as recognition programs, we provide opportunities for employees across the globe to interact equally and diversely, transcending the boundaries of a single organization.

◆ Strengthening Recruitment of Both New Graduates and Experienced Personnel

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We have hired new graduates from more than 100 educational institutions. In recent years, we have expanded our business not only in Japan but also in the global market, acquiring highly globally competent human resources through recruitment activities at overseas career forums (e.g., the Tokyo Winter Career Forum), and every year we hire foreign employees from several countries. In addition, on Rakuten Minshu, a word-of-mouth employment site, we ranked second overall in the rankings of popular companies for new graduate employment in 2024 (maintaining a Top 3 position for the fifth consecutive year) and first in the IT industry rankings for the 14th consecutive year.

In hiring experienced personnel, we have various recruitment channels, including our website, direct recruiting, and recruitment agents. In response to the increasing importance of consulting and technology talent, and the intensifying competition for such professionals, we introduced a job-based employment system in 2023. This includes the recruitment of Flexible Grade employees who are eligible for this system and Technical Grade employees who can pursue a career path as specialists. This initiative aims to enhance our ability to attract highly specialized human resources.

To acquire consulting and high-tech talent, we conduct recruitment activities through events, information dissemination, and other means.

When it comes to promoting individuals to managerial positions, we operate on a system that evaluates and treats all employees, regardless of whether they are new graduates or experienced hires, equally and fairly. This approach allows employees with diverse career backgrounds to excel on the front lines of our business.

Development of Human Resources with Diverse Expertise

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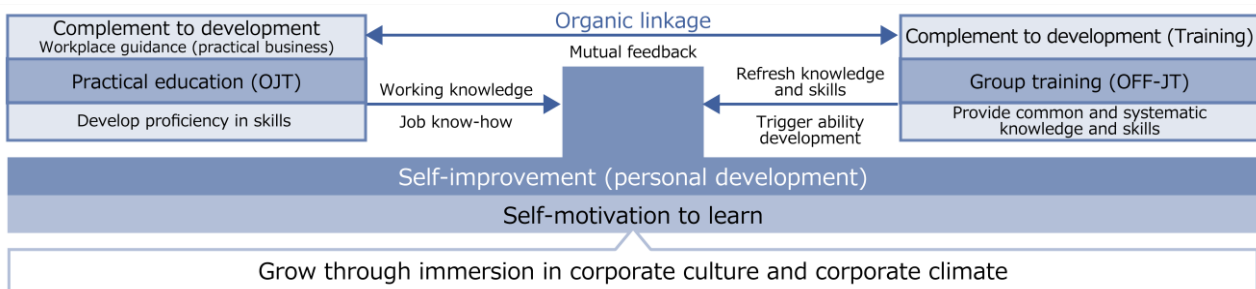
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The starting point of NTT DATA's personnel training and development is the desire of our employees to learn and grow by setting their own goals. Our basic policy for human resource development is to provide on-the-job training (OJT) as the core, which is complemented and enhanced by group and online off-the-job training (OFF-JT).

At each workplace, we clearly define the roles of staff responsible for personnel development and guidance under a system in which employees set their own yearly learning plans. By systematically addressing both workplaces and employees in this way, we aim to raise the motivation to learn.

➤ Approach to Personnel Education and Development



◆ Training System

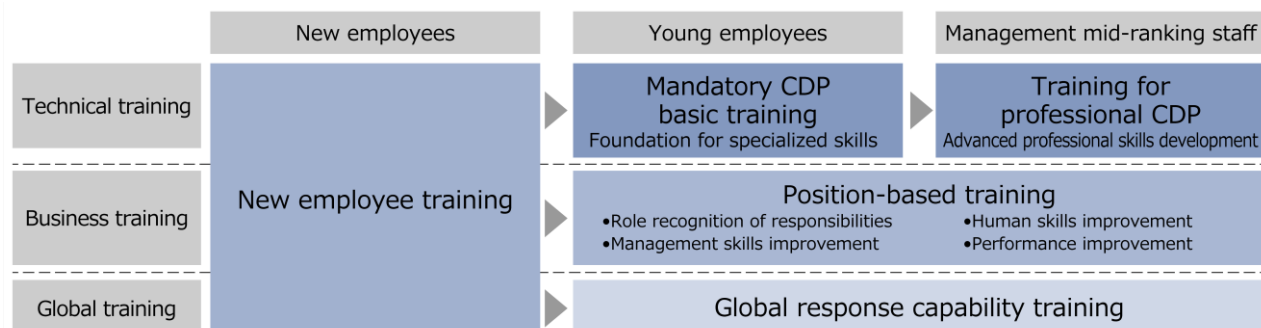
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NTT DATA provides technical training to enhance specialist expertise, business training to improve business-related skills, and global training to hone global responsiveness. Employees are free to select courses attuned to their position and job assignment when needed. Moreover, we have systems in place allowing all employees to acquire certain levels of knowledge and skills on matters outside of their regular duties and roles. Our new employee training program is designed to form the foundation for the mindset and skills necessary to develop into effective and disciplined contributors to the Company's success.

➤ Training System



◆ Human Resources Development Based on Professional CDP

With the aim of developing employees into professionals with advanced expertise and the adaptability to change, we have been operating the Professional CDP (Career Development Program) for nearly 20 years since 2003. This program outlines the desired talent profile and growth trajectory within our organization, as well as certifies expertise and levels.

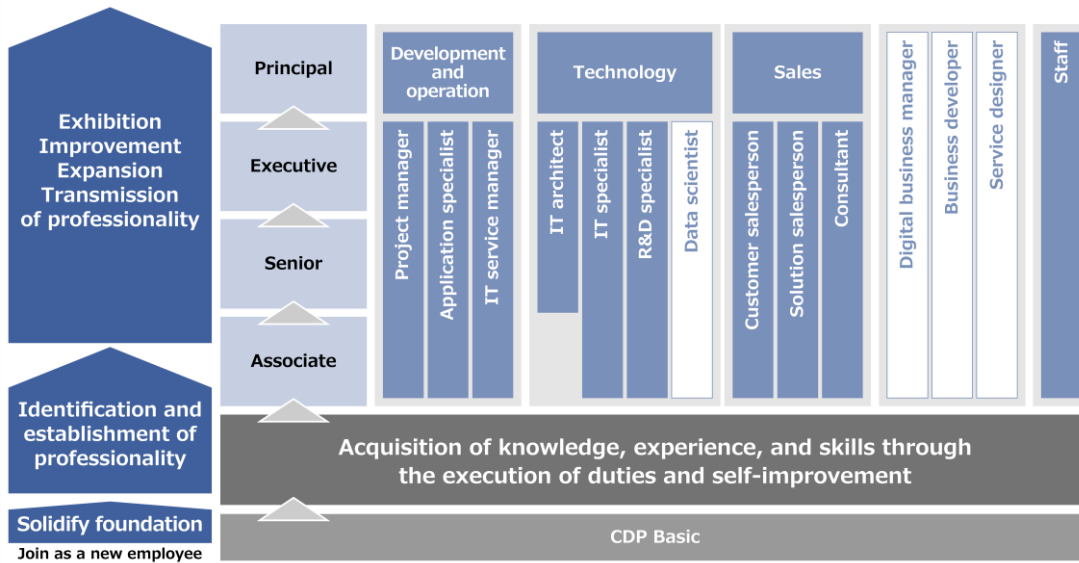
Professional CDP is designed to support the autonomous growth of each individual from young employees to executives and operates based on the philosophy of "professionals nurturing professionals." This system encourages not only vertical relationships within the organizational hierarchy but also serves as a mechanism for lateral and diagonal mentoring among individuals with expertise that transcends organizational boundaries.

In fiscal 2022, 19,400 employees were newly certified under the program, and we now have 106,300 certified employees in the Group companies in and outside Japan*.

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

*Implemented under the name of Professional CDP at domestic companies. At overseas companies, the same content is implemented under the name of NTT DATA Learning Certification Institute (NLCI). The numbers for certified employees are the total of the two.

➤ Professional CDP Human Resource Types



◆ Initiatives to Strengthen Digital Responsiveness

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We are strengthening the development of human resources who can lead in the field of digital business. In fiscal 2019, we initiated training programs such as the "Digital Boot Camp," which focuses on acquiring digital skills through an intensive two-month program, and the "Digital Acceleration Program," aimed at gaining experience in cutting-edge areas of work. These programs are contributing to the development of digital human resources.

In fiscal 2021, we expanded the "Gito Hon Juku" course, which is taught by top engineers, to promote the development of highly skilled engineers across the entire Group. As a new initiative, we are consolidating education programs on a global basis to develop learning paths and provide programs so that we can learn cutting-edge technologies in our core technology areas (Cloud, D&I, Cyber Security, EAS, and ADM).

Moreover, against a backdrop of growing business and technology consulting needs due to digitization, we are promoting organizational changes with the aim of strengthening consulting capabilities with foresight as the starting point. As part of the new Group structure from July 2023 onward, we will continue to strengthen global collaboration, including the establishment of the Consulting & Asset Business Transformation Headquarters within NTT DATA Group Corporation. Currently, approximately 2,400 people are working as consultants for the entire Group in Japan. In addition, we have more than 1,000 consultants specializing in individual solutions such as ERP and business applications. In the future, we will further promote knowledge sharing and human resource development to increase both quality and quantity. Through strategic collaboration with partner companies such as AWS, Microsoft, and Google Cloud, we are strengthening our associations for the development of digital human resources. By utilizing educational content globally, we have developed more than 20,000 cloud engineers.

◆ Developing Human Resources Who Can Excel on the Global Stage

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With the rapid expansion of its overseas business, NTT DATA strives to develop global human resources with the flexibility to excel in the face of changing markets and competitive environments. To this end, we focus mainly on cultivating executive human resources who can perform on the global stage and the globalization of employees hired in Japan.

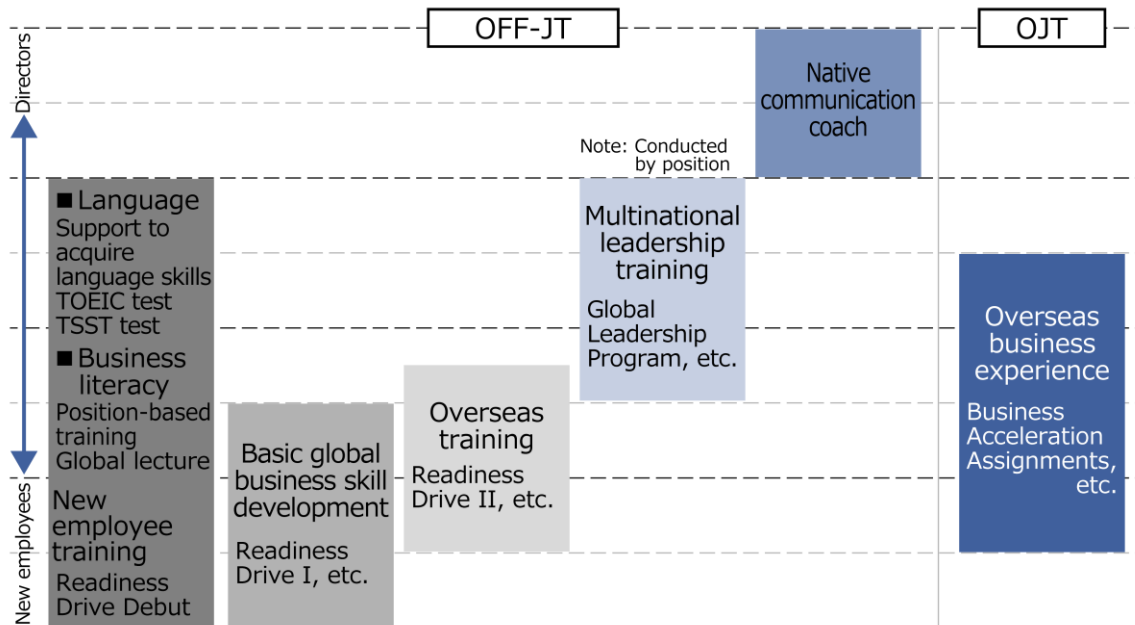
As part of our efforts to develop executive personnel who are active globally, together with Group companies across the world, we have been conducting the Global Leadership Program (GLP) since 2009 for the development of next-generation global leaders. In the GLP, participants discuss issues related to NTT DATA's global and local strategies. The program encourages them to independently consider what is needed and what they should do to realize "One NTT DATA" both globally and locally. More than 900 employees have completed these types of global programs (31 new graduates completed GLP in fiscal 2022).

For employees hired in Japan, we offer position-based programs with the aim of developing human resources/talent who can play an active role in our global business. One example is our Readiness Drive program for young employees. Through exercises and group work, this program helps employees strengthen their cross-cultural competencies, understand the Company's global business, and improve their English communication skills. Participants also receive practical training in developing and creating proposals for overseas companies and working in multinational teams. In addition to training, we offer various other opportunities, such as the Business Acceleration Assignments (BAA) Program, which supports employees slated for overseas assignments by giving them practical global experience. We have also created an online community, NINGEN (NTT DATA's International Network of NextGEN), where young employees around the world can share their learning experiences and strengthen their global capabilities.

Our training platforms teach respect for the diversity and individuality of our employees in 50 countries and regions. They are a symbol of NTT DATA's dynamism and a driving force for elevating our business to new heights.

[Reference page] Employee-related data

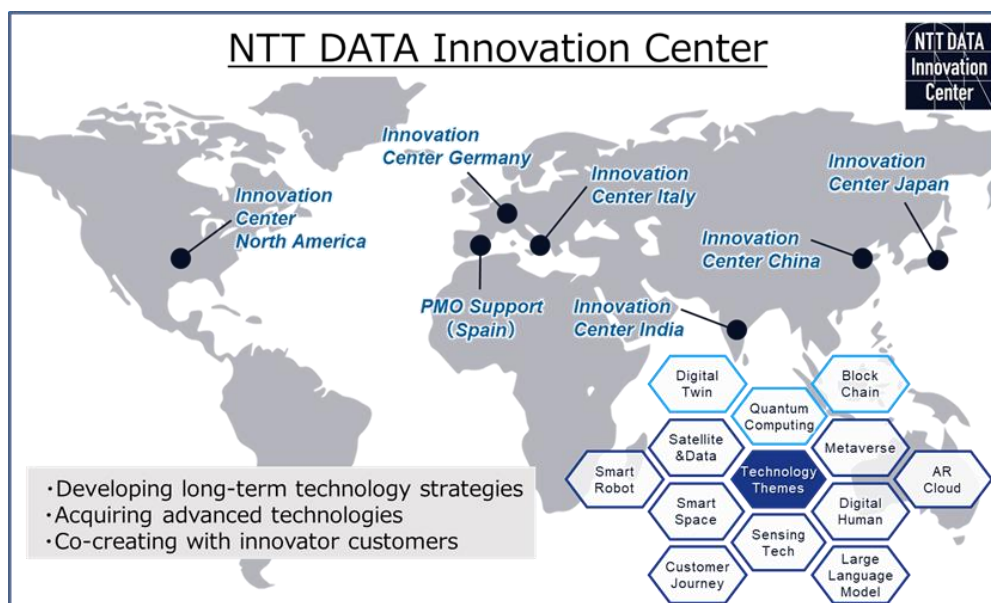
➤ Global Human Resource Development Framework



In addition, with the aim of acquiring world-class advanced technology capabilities, we established Innovation Centers in six countries around the world in August 2022. In these Centers, we collaborate on co-creation R&D with innovative clients who have a high sensitivity to advanced technologies. We have formed global teams with expertise in the utilization of world-class advanced technologies, and our participation in projects and network-building efforts in various regions around the world contributes to the development of the human resources we hire in Japan.

[Reference page] "Innovation Management"

➤ Innovation Centers



◆ Personnel Management System HQ ND Inc.

NTT DATA's employee compensation system emphasizes performance, achievements, and activities irrespective of employment status. We are also instilling a behavioral style that encourages individual employees to improve their results and performance by putting the Group vision into practice and raising their level of professionalism. In April 2022, we introduced a new human resources development platform, OliveOne, to provide a wide range of content tailored to employees' diverse specialties and aspirations, to design learning and visualize acquired skills, and to promote co-creation and foster a culture of learning through community learning.

We strive for transparency in our appraisals of performance by examining diverse aspects, including an evaluation of achievements against the employee's personal goals, through one-on-one meetings/discussions with managers and multidimensional evaluations.

To avoid placing disproportionate weight on short-term performance improvements, we have introduced incentives to enhance medium- and long-term motivation, including an employee stock purchase program, retirement benefits, and a defined contribution pension plan.

Furthermore, we have developed a framework to reflect degrees of task achievement in the remuneration of contract employees, with options for conversion to permanent employment status for workers deemed to have high long-term performance potential.

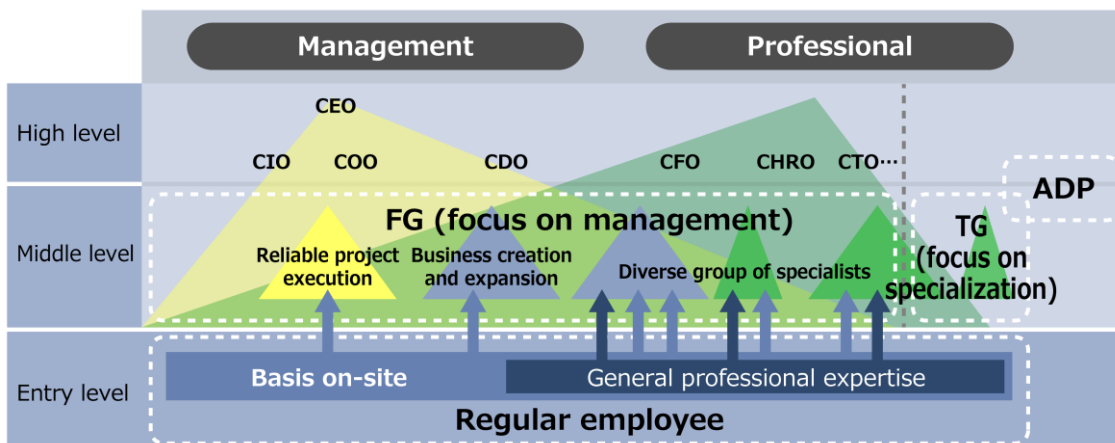
◆ Diverse Career Paths Aligned with Specialization to Promote Autonomous Career Development

HQ ND Inc.

We believe it is necessary to implement a system that matches employees to roles based on their diverse skills to further harness their potential. As a result, we established the Advanced Professional (ADP) system in December 2018 to attract external talents who are proficient in their fields and can immediately contribute to leading cutting-edge businesses with their exceptional expertise. In addition, in October 2019, we established the Technical Grade (TG) system to facilitate the career path for specialists. Furthermore, in July 2020, to maximize value creation through the diverse strengths of our employees, we established the Flexible Grade (FG) system, a job-based employment system based on the value generated by their roles. This system has been applied to all management positions since July 2022.

Regarding employees' career aspirations, traditionally, we have conducted discussions and alignments within the communication with their immediate supervisors. However, starting in fiscal 2023, as part of efforts to further encourage autonomous career development, we will expand on these existing practices. Higher-level superiors will engage in career discussions with employees to understand their long-term career visions and provide support to help them achieve their desired career goals. As an initial year objective, we aim for a 75% implementation rate of career discussions for our general employees. We are committed to promoting and expanding timely systems to enable the coexistence of talents with diverse expertise, supporting and inspiring each other, thereby fostering individual growth and business development. We aim to achieve the best mix of professionalism that caters to diverse skills and performance.

➤ Career Development



Promoting Work-Style Innovation

In innovating work styles, our goal is for each employee to improve the quality of his or her work in the limited time available, while also making effective use of the time created through reduced working hours for self-fulfillment pursuits. We want every employee to continue growing and playing an active role in the Company, which will help us create our strong competitive edge. We also aim to become “the company of choice in the labor market” by improving systems and working environments, enhancing development productivity, and reducing long working hours through cooperation with customers and suppliers.

◆ Main Initiatives to Reform Work Styles

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- Ongoing training for newly appointed general managers and section chiefs on the theme of “optimization of working hours”
- Creating environments that allow for flexible work styles in accordance with the characteristics of each organization, such as Company-wide thin clients, discretionary labor, remote work, and flexible working hours
- Promoting the use of paid leave (refreshment leave*¹, anniversary leave*², and paternity leave*³)
- Increasing the flexibility of system operation to provide ample relaxation time
- Promoting remote work through infrastructure improvements and allowances

*¹ Employees can take more than four consecutive days of vacation together with regular holidays when a work milestone is achieved.

*² Employees decide their own anniversary date and can take planned vacations every year on this anniversary.

*³ Promoting the uptake of childcare leave and life planning leave for parenting purposes.

◆ Reducing Total Working Hours

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Long working hours has been an ongoing problem in the IT industry, and NTT DATA is working Company-wide to reduce total working hours based on proper working hour management.

Up to fiscal 2019, we were able to reduce total working hours, but since fiscal 2020, the spread of COVID-19 has resulted in an increase in average total working hours per employee, with the figure standing at 1,996 hours in fiscal 2022. Total working hours for managerial positions have also increased. Since the COVID-19 pandemic, many employees have been working without going to the office and with the elimination of commuting hours employees have been able to work more hours and communication time has risen. In addition, various factors, including the increased workload due to business expansion and the challenges in resource allocation caused by higher workforce mobility, have compounded this issue.

Because constant long working hours have a significant impact on employee health, we are working to prevent excessive working hours by using our BI platform (Tableau) to visualize the results of analysis of data related to working hours in a secure and timely manner and distribute them throughout the Company. Through position-based training and our internal website, we motivate employees to reduce working hours by raising awareness about the need for rationalizing working hours and embracing a shift in work styles. In fiscal 2023, we have set organization-specific targets for average total working hours and will monitor performance quarterly to work toward reducing working hours.

◆ Encouraging Employees to Take Paid Leave

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NTT DATA promotes a work-life balance for its employees by encouraging them to be proactive in taking paid leave, such as refreshment leave and anniversary leave. As a result, employees took an average of 16.6 days of paid leave per person in fiscal 2022. This figure has been gradually rising since fiscal 2020. While total working hours have increased, the number of paid leave days taken has also risen, allowing for a more balanced work style.

[Reference page] “Employee data” Average Annual Paid Leave Taken; Rate of Paid Leave Taken

◆ Emphasizing Location-Neutral Work Styles

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To foster a secure environment and encourage diverse, forward-thinking work styles, we have established an environment that enables employees to flexibly determine their work location and schedule based on their job processes and goals.

As a concrete measure to realize work-style innovation, in 2018, we revised our teleworking (working from home) system to increase the flexibility of working space and time. By removing limits on the number of teleworking days and allowing employees to telework in places other than their homes, NTT DATA employees are now taking advantage of this system. In October 2020, moreover, we established a remote work allowance to address the growing burden of overhead costs on employees as the number of those teleworking increases.

Starting from November 2022, we have implemented a new system to support diverse work styles, embracing a hybrid work approach that combines both in-person and remote work for the best mix. Our approach to work is not uniform across the entire company. Instead, it allows each organization to discuss and determine the preferred work scenarios for in-person and remote work based on factors such as the status of the organization and the project. This flexibility enables employees to choose the system and work style that align with their business objectives. In fiscal 2022, the remote work rate reached 71%.

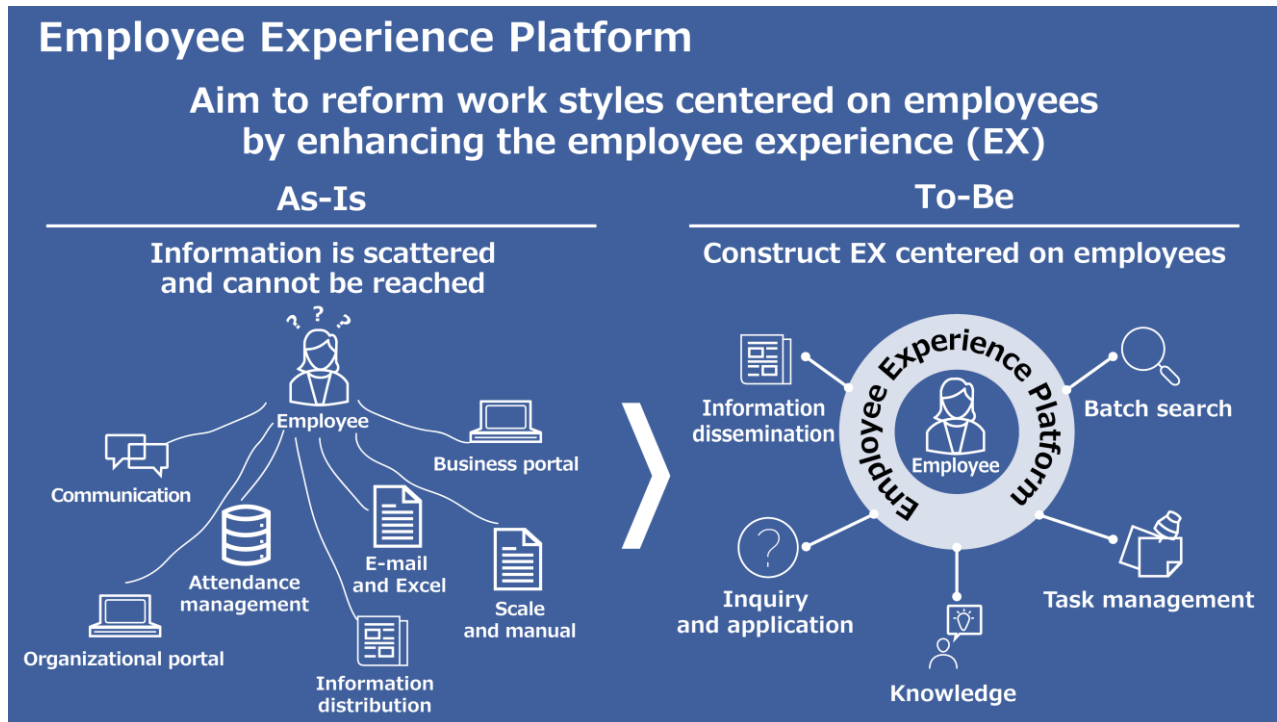
In addition to the flexible working hour and discretionary labor systems, which aim to promote flexible work hours, we introduced the “Super Flex-time” system in October 2020, which eliminates core hours, to enable even greater flexibility in work arrangements and expand the scope of application.

Moreover, our IT environment is designed with the concept of “Employee Centric,” placing the actions of our employees at the core. We aim to improve not only employee productivity and engagement but also to maximize business growth and the

value delivered to customers by offering the Employee Experience Platform to enhance business and decision-making processes, strengthen inter-organizational collaboration, and accelerate knowledge sharing.

[Reference page] "Employee Data" Remote Work Implementation Ratio

➤ Employee Centric Concept



Promoting Health Management

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

◆ Set Health Targets and Initiatives

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We have set medium-term and single-year targets for promoting health management, and we are taking various measures to reach those targets. To ensure effective deployment, we will engage in the PDCA cycle as follows: formulate a health management plan and set health targets (P), formulate and implement specific health measures (D), understand and confirm health results (C), and verify the effectiveness of measures taken (A).

[Reference page] “Employee Data” Health Targets and Results

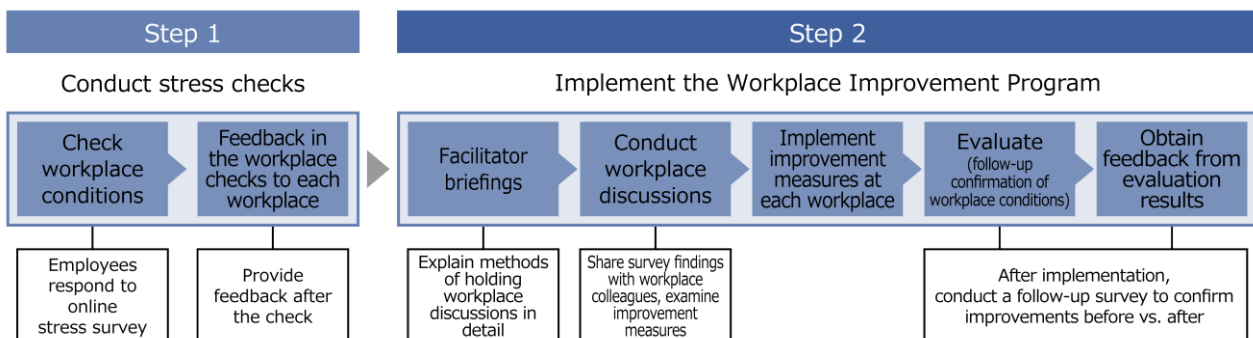
Interviewing Employees Working Long Hours

We conduct “fatigue accumulation checks” for employees who work more than 45 hours of overtime a month. If accumulated fatigue is confirmed, the employee is interviewed by an occupational physician or a public health nurse. Based on interview results, we take measures to reduce burdens and otherwise optimize working hours and prevent overwork.

Stress Checks for All Employees

NTT DATA performs annual stress checks of all employees and conducts group analyses in each workplace. The results are provided as feedback to each workplace and used to make working environment improvements, such as holding workplace vitalization meetings with workplaces requiring improvement and posting examples of good practices on our internal website.

➤ Workplace Improvement Program



Strengthening Implementation of Specific Health Guidance

We provide specific health guidance for employees aged 40 and older who are at risk of lifestyle-related diseases. Our health nurses provide online guidance, aiming to improve completion rates of the sessions and reduce the number of individuals requiring guidance.

Understanding Health Issues and Raising Awareness

We are promoting the following measures for more detailed health management and health promotion of employees.

- Provision of core checkup
 - We offer a more comprehensive medical checkup than statutory medical checkups, separately from the Cafeteria Plan, to individuals aged 30 to 60 in five-year increments. (Medical checkup attendance rate for fiscal 2022: 100%)
- In addition to stress checks, we conduct web-based interviews with employees on lifestyle-related habits.
- We consolidated smoking rooms and encourage employees to quit smoking.
- Conducted “Pulse survey”
 - In promoting telework, we conduct a “pulse survey” as a communications tool between employees and supervisors to support employees’ self-care and supervisors’ monitor care efforts.
- We promote online interviews and health consultations with occupational physicians and public health nurses based on working styles.

Efforts to Prevent Infectious Diseases

To fulfill our social responsibility as a company dedicated to supporting critical societal infrastructure while also prioritizing the safety and health of our employees and their families, we work in coordination with various workplaces through infectious disease prevention offices to continually focus on and implement stringent workplace hygiene management and measures to prevent workplace infections.

◆ Improving Health Education and Health Literacy

HQ

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Inc.

We conduct training to raise awareness among employees about self-care and care for those around them during milestone training for managers and employees, and we engage in educational initiatives to improve the health literacy of our employees.

Self-Care Health Education for Young Employees

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

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

➤ Health Education for Employees in Their 30s (FY2022)

Age 30  E-mail	Self-care is important, especially when there are changes in the environment. When employees enter their 30s, we deliver e-mail newsletters to communicate the current state of health issues in the Company and the importance of protecting their own health.
Age 35  Experience-based training	Participants reflect on their health, which they are often too busy to do in their daily lives, and take part in exercising and relaxation workshops as they learn about metabolic syndrome.
Age 31,33 37,39  Experience-based training	Abnormal blood test results? A program to improve lifestyle habits, including exercise, is offered to employees whose medical checkup results showed the risk of metabolic syndrome.

Monitor-Care Support for Training Instructors and Managers

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

Provision of Healthcare Content for All Employees

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

◆ Efforts to Support the Balance Between Medical Treatment and Work

HQ

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Inc.

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

◆ Group-Wide Expansion of White 500 Certification

HQ

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Inc.

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



[NTT DATA Group Companies with White 500 Certification]

- NTT DATA Group Corporation/NTT DATA Corporation (six consecutive years)*
- NTT DATA SMS CORPORATION (three consecutive years)
- NTT DATA INTELLILINK Corporation (two consecutive years)

*Until June 2023, the certification was obtained under NTT DATA. Following the company split in July 2023, both above-mentioned companies continue to hold the certification.

◆ Preventing Occupational Accidents

HQ

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Inc.

In addition to conducting two annual workplace safety patrols, we work hard to raise in-house awareness about National Safety Week, National Industrial Health Week, and the Accident-Free Holiday Campaign organized by the Ministry of Health, Labour and Welfare and the Japan Industrial Safety and Health Association. There were two cases of occupational accidents in fiscal 2022. We will continue to raise the safety awareness of our employees with the aim of zero occupational accidents under the leadership of the Health and Safety Committee.

[Reference Page] "Employee Data" Number of Occupational Accidents

Employee Relations

◆ Labor-Management Dialogue to Enhance Work Environments

HQ

ND

Inc.

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

◆ Improving Employee Engagement

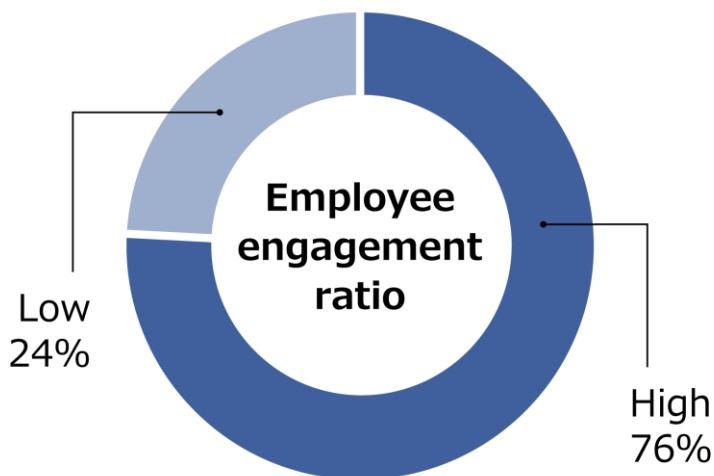
With the aim "To be the No. 1 employer for the best talent worldwide!," we conduct our biennial engagement survey for all employees globally. The current survey revealed that 76% of employees were "highly engaged," which is more than the average of all companies conducting similar surveys (69%).

In addition, we conduct an annual engagement survey for employees hired in Japan. In the fiscal 2022 survey, the proportion of highly engaged employees reached 73%. Through initiatives related to the key issues of development and career growth, strategy/change management, and the utilization of surveys, extracted from the results of the fiscal 2022 survey, we aim to achieve an employee engagement rate of above 73% for our employees in Japan in fiscal 2023. By fiscal 2025, we will strive to achieve an improvement rate of more than 10 percentage points relative to the fiscal 2022 results in the three areas related to growth opportunities, diversity, and culture/environment on the employee engagement survey*.

In addition, based on the survey results, we conduct workshops globally to properly interpret the survey findings. During these workshops, we compare the results with the previous findings to assess how the activities undertaken by each company have contributed to the current results. This helps us formulate action plans. We are working to maintain and improve employee engagement and create a better workplace through this cycle.

*These goals are set for NTT Data Group Corporation, NTT DATA Corporation, and NTT DATA, Inc.

➤ Engagement Survey Results (Fiscal 2021)



Employee Data (NTT DATA)

Note: Unless specified otherwise, employee data is presented as aggregated values for NTT DATA Corporation alone (prior to the three-company structure). In addition, "non-consolidated" refers to the aggregated values for NTT DATA Corporation alone (prior to the three-company structure).

➤ Data on Employees (as of March 31 each year)

	Unit	FY2020			FY2021			FY2022		
		Non-Consolidated	Group Companies (Japan)	Group Companies (Overseas)	Non-Consolidated	Group Companies (Japan)	Group Companies (Overseas)	Non-Consolidated	Group Companies (Japan)	Group Companies (Overseas)
Number of employees	Persons	11,955	28,231	99,491	12,351	28,634	111,006	12,714	29,399	152,993
Male	Persons	9,293	21,121	67,549	9,520	21,153	74,135	9,703	21,491	102,687
Female	Persons	2,662	7,110	31,942	2,831	7,481	36,871	3,011	7,908	50,306
Number of employees in management positions	Persons	2,657	5,030	19,732	2,723	5,033	20,560	2,843	5,253	28,435
Male	Persons (Ratio)	2,465 (92.8%)	4,662 (92.7%)	15,205 (77.1%)	2,519 (92.5%)	4,665 (92.7%)	15,791 (76.8%)	2,588 (91.0%)	4,840 (92.1%)	21,418 (75.3%)
Female	Persons (Ratio)	192 (7.2%)	368 (7.3%)	4,527 (22.9%)	204 (7.5%)	368 (7.3%)	4,769 (23.2%)	255 (9.0%)	413 (7.9%)	7,017 (24.7%)

➤ Employee Data Concerning Average Age, etc. (as of March 31 each year)

	Unit	FY2020	FY2021	FY2022
Average age	Age	38.9	39.0	39.0
Male	Age	40.2	40.3	40.2
Female	Age	34.5	34.7	34.8
Average length of service	Years	14.8	14.7	14.5
Male	Years	15.9	15.8	15.6
Female	Years	11.0	11.1	11.0
Number of job leavers ^{*1}	Persons (% of workforce)	455 (3.8)	547 (4.2)	612 (4.6)
Male	Persons (% of workforce)	381 (4.1)	457 (4.5)	503 (4.9)
Female	Persons (% of workforce)	74 (2.8)	90 (3.2)	109 (3.6)
Number of voluntary retirees	Persons (% of workforce)	265 (2.2)	372 (2.9)	441 (3.3)
Male	Persons (% of workforce)	204 (2.2)	293 (2.9)	339 (3.3)
Female	Persons (% of workforce)	61 (2.3)	79 (2.8)	102 (3.4)
New managerial appointments ^{*2}	Persons	218	262	279
Male	Persons	192	202	202
Female	Persons	26	60	77

*1 The number of job leavers includes those who have reached retirement age.

*2 The number of new managerial appointments refers to those appointed as new managers as of April 1 of the following fiscal year.

➤ Number of Employees by Age Group (as of March 31, 2023)

(Persons)

	Total	Men	Women
Under 30	2,777	1,775	1,002
30–39	4,140	2,900	1,240
40–49	3,526	3,008	518
50–59	2,269	2,018	251
60 or older	2	2	0
Total	12,714	9,703	3,011

➤ Number of Employees in Management by Position (as of March 31, 2023)

(Persons)

	Total	Men	Women
Department manager equivalent or higher	871	826	45
Section manager equivalent	1,972	1,762	210

➤ Diversity Indicators

		FY2021	FY2022
Percentage of female employees	Consolidated	31.0%	31.1%
Percentage of women in management	Consolidated	18.9%	21.0%
Percentage of women in junior management	Non-consolidated	9.4%	10.6%
Percentage of women in top management	Non-consolidated	23.1%	23.1%
Percentage of women in management working in the Profit Center Department	Non-consolidated	6.1%	7.6%
Percentage of women in STEM-related jobs	Non-consolidated	22.9%	23.7%

➤ New Hires and Reemployed Retired Workers^{*1,*2}

(Persons)

	FY2020	FY2021	FY2022	FY2023
Number of newly recruited graduates	477	511	548	674
Male	312	340	355	403
Female	165	171	193	271
Number of mid-career hires	325	314	507	—
Male	250	246	381	—
Female	75	68	126	—
Percentage of mid-career hires (% of workforce)	(40.5%)	(38.1%)	(48.1%)	—
Number of employees with disabilities (% of workforce) ☒	312 (2.41%)	316 (2.37%)	322 (2.34%)	336 (2.32%)
Number of reemployed retired workers (Utilization ratio of the NTT DATA Reemployment System)	106 (56.7%)	156 (81.3%)	204 (88.2%)	204 (80.7%)
New recruitment	17	61	60	92
Continued recruitment	89	95	144	191

*1 The number of new graduate hires includes those hired during the period. The number of employees using the NTT DATA Reemployment System is as of April 1 each year.

*2 Figures for employees with disabilities are as of June 1 each year. (Persons with severe disabilities are counted as two people.)

➤ Monthly Starting Salary

	Doctoral Degree	Master's Degree	Bachelor's Degree	College of Technology Graduate
Starting salary	¥328,260	¥265,040	¥253,040	¥235,040

Note: Data for new graduates hired in April 2023

➤ Average Annual Salary

	FY2020	FY2021	FY2022
All employees (Japan)	¥8,416,000	¥8,521,000	¥8,670,000

➤ **Female-to-Male Ratio: Basic and Total Salary per Employee***

		FY2020	FY2021	FY2022
Managers	Basic salary	1 : 1.04	1 : 1.05	1 : 1.06
	Total salary	1 : 1.04	1 : 1.05	1 : 1.07
Regular employees	Basic salary	1 : 1.16	1 : 1.16	1 : 1.15
	Total salary	1 : 1.17	1 : 1.16	1 : 1.16

* The same salary system is applied to men and women. Any differences are due to age structure, grade structure, etc. (Figures show female-to-male ratios.)

➤ **Annual Study Hours and Training Costs per Participant**

		Unit	FY2021	FY2022
Annual study hours per participant	Consolidated	Hours	49	41
	Non-consolidated		96	91
Training cost per participant	Consolidated	Yen	120,000	103,000
	Non-consolidated		150,000	162,000

➤ **Changes in Total Annual Working Hours per Employee**

(Hours)

	FY2020	FY2021	FY2022
Total annual working hours	1,984	1,982	1,996

➤ **Average Paid Leave Taken; Rate of Paid Leave Taken (Non-consolidated)**

	Unit	FY2020	FY2021	FY2022
Average paid leave taken	Days/Person	16.2	16.5	16.6
Average rate of paid leave taken	%	81.0	84.6	85.2

[Reference page] "Encouraging Employees to Take Paid Leave"

➤ **Remote Work Implementation Ratio**

	FY2021	FY2022
Remote work implementation ratio	75.0%	71.1%

[Reference page] "Emphasizing Location-Neutral Work Styles"

➤ **Employees Using Childcare and Nursing Care Systems**

(Persons)

	FY2020		FY2021		FY2022	
	Female	Male	Female	Male	Female	Male
Childcare leave*	165	278	167	297	180	304
Childcare leave uptake* (%)	100	60.2	101.2	72.6	101.7	75.4
Shorter working hours for childcare leave*	323	10	274	11	271	11
Nursing care leave	2	1	3	1	6	5
Shorter working hours for nursing care	3	0	0	2	1	0

*The number of men who have taken childcare leave, including leave for the purpose of childcare

➤ Retention Rate of Employees Returning from Childcare or Nursing Care Leave

(%)

	FY2020		FY2021		FY2022	
	Return Rate	Retention Rate	Return Rate	Retention Rate	Return Rate	Retention Rate
Childcare leave	97.2	94.6	99.2	95.1	98.4	—
Nursing care leave	66.7	100.0	100.0	100.0	100.0	—

[Reference page] Inclusive Society “Environmental Improvement for Balancing Work, Childcare and Nursing Care Commitments”

➤ Number of Occupational Accidents

(Cases)

	FY2020	FY2021	FY2022
Number of occupational accidents 	2	1	2

[Reference page] “Preventing Occupational Accidents”

➤ Health Targets and Results

	Unit	FY2020	FY2021	FY2022	FY2023 Target
Regular medical checkup uptake rate	%	100	100	100	100
Specific health guidance completion ratio	%	47.5	57.0	54.5	55.0
Specific health guidance target ratio	%	24.5	23.0	22.2	14.5 or below
Ratio of non-smokers	%	83.7	84.5	85.2	88.0
Stress check uptake ratio	%	94.4	91.4	89.5	98.5
Statutory overwork interview ratio	%	100	100	100	100

[Reference page] “Set Health Targets and Initiatives”

Contents

Realization of a Society for
Healthy and Happy Lives

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110	Digital Accessibility/Community Engagement Basic Policy and Promotion System/Specific Initiatives/Activity Results

Initiatives Related to Materiality and KPIs

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

[Reference page] Sustainability Management “Progress in Relation to Nine Material Issues and FY2023 Targets”

 Human Rights&DEI Work to create an equitable society where a diverse range of people thrive and respect each other's human rights 	The United Nations Guiding Principles on Business and Human Rights were published in 2011, making respect for human rights in business an integral part of corporate activities. In the IT industry, in particular, respect for the rights of diverse people and maximizing their capabilities are of paramount importance in creating new innovation. NTT DATA will act in accordance with the NTT Group Human Rights Charter and strive to realize a fair society in which diverse people can respect each other's human rights and play active roles.		
	FY2022 Indicators	Achievement Status	Concrete Activity Results
	Ratio of newly appointed female managers	○	- Dispatched females for external training to acquire skills and boost motivation - Constructed a dashboard to visualize the status of female participation, related indicators, and trends
	Ratio of female managers	*1	Conducted a survey targeting all employees in Japan to understand women's career aspirations, work preferences, and the obstacles to promotion and challenging managerial positions
	Ratio of female directors	*1	Promoted initiatives to increase the number of female managers to create a larger talent pool and dispatched them for external training as part of their development
	Ratio of external hiring	◎	Strengthened recruitment efforts for both new graduates and experienced hires, hiring 548 new graduate employees and 507 experienced hire employees
	Ratio of male employees taking childcare leave	—	Conducted seminars featuring employee testimonials based on their actual experiences approximately three times, and launched a portal specifically for male employees that provides information on systems, procedures, and employee experiences related to childcare leave
	Rate of training on human rights and DEI	○	Promoted understanding of global trends and everyday tasks related to human rights risks through IBT (Internet Based Testing) materials
	Number of confirmed human rights violations	△	Conducted awareness campaigns to prevent harassment leading to human rights violations through IBT and a human rights slogan contest
	Number of communications aimed at improving diversity	◎	Organized and conducted internal workshops to create opportunities for understanding social issues
 Digital Accessibility Deliver services that provide everyone with equal access to basic needs and improve people's quality of life 	To realize a world where “no one is left behind,” not only in developing and emerging countries but also in developed countries, it is becoming increasingly important to respond to people who need special consideration, such as the elderly and foreigners. IT solutions are expected to eliminate the digital divide and provide services necessary for the lives of as many people as possible. Through financial and technical support in the IT field, which is our strength, the Group will realize services that enable everyone to have equal access to basic needs and improve QOL.		
	Local communities face a wide range of challenges, and IT solutions play an increasingly important role in solving them. Through pro bono activities and other activities, the Group aims to understand issues and needs for the development of local communities and create services that help solve social issues and enrich people's lives.		
 Community Engagement Understand the challenges and needs for the development of local communities and provide services that enrich people's lives 	FY2022 Indicators	Achievement Status	Concrete Activity Results
	Ratio of participation in internal workshops or external support activities for contributing to the resolution of social issues	◎	Planned and conducted internal workshops to create opportunities for understanding social issues

*1 The target fiscal year is FY2025 (end).

Human Rights & DEI

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

Respect for Human Rights

◆ Basic Policy

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

As we operate in many countries and regions around the world, we are living in a business environment where diverse cultures and business practices exist. At the same time, we have clearly stated "respect for human rights" in the NTT DATA Group Code of Conduct (established in May 2022), which sets forth NTT DATA's stance on recent social issues, including sustainability and human rights, as well as the important concept of ethics and compliance that employees should refer to in their business activities. These principles are put into practice by every employee in their daily business activities.

➤ NTT Group Human Rights Policy

We endorse international standards and explicitly state our approach to addressing crucial human rights issues, emphasizing four specific aspects.

「Diversity & Inclusion」

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

「Work in Life」 (health management)

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

Promotion of "Technology that is based on high ethical standards"

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

Promotion of "appropriate expression, speech, and display" in consideration of human rights

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

NTT Group Human Rights Policy (full text)

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

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

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

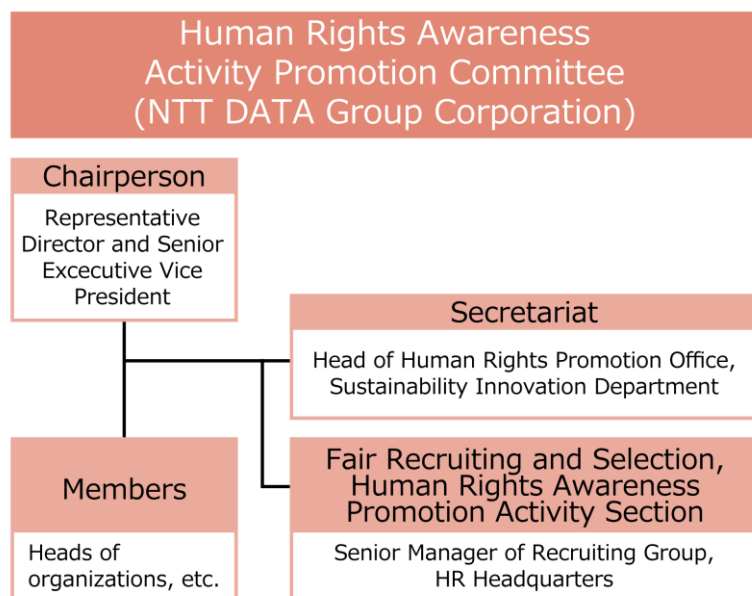
NTT DATA Group endeavors not to cause or exacerbate any negative impact on human rights in the course of our business activities, and will not tolerate any forced labor or child labor. Further, NTT DATA Group endeavors to introduce and implement human rights due diligence procedures to identify and take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

📄 [NTT DATA Group Code of Conduct](#)

◆ Promotion System

To promote respect for human rights throughout NTT DATA, it is important for all employees to deepen their understanding and awareness of human rights. NTT DATA convenes meetings of its Human Rights Awareness Activity Promotion Committee. The committee consists of leaders of each organizational unit and is headed by the NTT DATA Group Corporation Representative Director and Senior Executive Vice President. We have assigned human rights awareness promotion officers to each organization and company within the Group. In cooperation with the Human Rights Promotion Office in our Sustainability Innovation Department, these promotion officers conduct employee training and other measures and have established a human rights helpline as part of efforts to raise human rights awareness and strengthen human rights management.

➤ System to Promote Human Rights Awareness



◆ Specific Initiatives

Due Diligence Structure and Activities

NTT DATA, which provides optimum services and solutions for its customers on a global basis, must not only comply with laws and regulations in each country and region but also act appropriately in compliance with international standards.

In 2021, we updated the NTT Group's Human Rights Charter, which was introduced in 2014, and established the NTT Group Human Rights Policy. In line with this policy, we actively engage in human rights due diligence processes. This entails identifying, preventing, mitigating, and addressing human rights issues on a global scale, with a specific focus on raising awareness of human rights. In fiscal 2022, we conducted a comprehensive human rights due diligence process within our organization, guided by the United Nations "Guiding Principles on Business and Human Rights." This process included an assessment of NTT DATA's internal situation and an examination to confirm whether any human rights violations had occurred using the following steps.

Step	Details of Activities
① Screen targets for investigation	• Select based on companies with operations in high-risk countries and in accordance with company size, etc.
② Implement and evaluate SAQ (Self-Assessment Questionnaire)	• Send out questionnaires or SAQs based on the advice of external experts, collect responses from each company, and analyze together with external experts
③ Determine targets for audit, consider corrective measures, and make plans	• Analyze the results of the SAQ and, after confirming the status of human rights risk, consider corrective measures as necessary • Consider conducting audits at Group companies with best practice examples, etc.
④ Conduct direct dialogue	• Conduct audits on major overseas Group companies that have best practice examples, etc.
⑤ Disclose information	• Disclose the process and results of human rights due diligence in the Sustainability Report

The analysis of the SAQ results has led to the conclusion that there are no immediate human rights issues requiring urgent attention. In addition, there are no evident risks that could lead to new threats or potential future losses, both in Japan and outside Japan. However, due to variations in each company's awareness and efforts, we will work on enhancing understanding and implementing processes. We will continue human rights due diligence, aiming to achieve consensus at the planning and goal levels, and improve the precision of risk identification.

Promoting Human Rights Awareness

NTT DATA has been holding Human Rights Awareness Workplace Seminars at each workplace for Group employees in Japan since fiscal 2010. The aims of the seminars are to raise awareness and promote understanding about human rights issues through discussion. In fiscal 2022, we narrowed down the theme to “Business and Human Rights” and focused on content that enhances understanding of human rights issues in day-to-day business operations. Furthermore, with the aim of providing more targeted awareness, in fiscal 2022, we continued to conduct human rights education as part of position-based training and recruitment-related training. Given the increasing number of employees assigned to overseas posts, we conduct pre-overseas assignment training to help such employees gain a proper understanding of the religions, cultures, and customs of the countries and regions to which they have been assigned. In fiscal 2022, a total of 39 employees assigned to 15 countries participated in this training.

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

➤ Major Initiatives on Human Rights Awareness (Japan)

Initiative	Participation in FY2022	Participation in FY2021
Human rights awareness workplace seminars	29,350 people	28,505 people
Position-based training course (human rights awareness)	3,298 people	2,919 people
Recruiters' training course	438 people	421 people
Training prior to international assignment	39 people (15 countries)	32 people (12 countries)
Human rights slogan contest	579 applications	603 applications

Compliance with Human Rights–Related Laws

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

AI Governance

We formulated the NTT DATA Group AI Guidelines in May 2019 to reduce risks associated with “ethics and social acceptability” and to realize a human-centered society in which humans and AI truly coexist, and are advancing efforts in AI governance. [Reference page] Clients' Growth “AI Governance”

Promoting Diversity, Equity & Inclusion (DEI)

◆ Basic Policy and Promotion System

Promoting and realizing DEI (Diversity, Equity & Inclusion) leads to innovation in the world and sustainable growth and the development of society. For this reason, we believe that DEI is indispensable for the development of our company, and it is clearly stated in the NTT DATA Group Code of Conduct. We will respect all people (e.g., customers, business partners, employees) and their diverse personalities, backgrounds, ideas, and values. We are also working to realize a fair society in which every employee can play an active role in society by utilizing their talents, sharing their wisdom, and cooperating with all people.

We aim to create new corporate value based on the two pillars of “Diverse Human Resources” and “Work-Style Innovation” by promoting activities under the global “Diversity, Equity, and Inclusion Statement—Bloom the Power of Diversity.”



In March 2019, we signed a statement to support the objectives of the WEPs (Women's Empowerment Principles) and to act in accordance with these principles. Information gathering and networking have become easier on a global scale, and we are accelerating diversity by sharing knowledge globally.

◆ Specific Initiatives

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Promoting the Advancement of Women's Careers

Following the enactment of Japan's Act on Promotion of Women's Participation and Advancement in the Workplace, NTT DATA formulated an action plan to develop the workplace environments needed for the advancement of women. Looking back on past efforts and formulating a new plan, we are working as a united company to pursue our various goals consistently and steadily.

➤ Targets for Advancing Women's Careers (NTT DATA Group Corporation and NTT DATA Japan)

Plan period	April 1, 2021, to March 31, 2026
NTT DATA issues	1. While there were no outstanding issues regarding gender discrimination in hiring or the state of continuous employment between men and women, we must continue working to increase job applications by female students and develop the population of female science students applying for jobs. 2. The percentage of women in management and leadership positions is low and needs to be increased. 3. For the further empowerment of women, we need to create an environment and culture that allow both men and women to share childcare and housework tasks equally, and to balance work and family life.
Quantitative targets	Target 1: Continue raising the percentage of female recruits to above 30% by the end of fiscal 2025 ▶ Continuously above 30% since 2016 (35.2% as of the end of fiscal 2022) Target 2: Increase the percentage of women in management positions to 10% by the end of fiscal 2025 ▶ 9.0% as of March 31, 2023 Target 3: Increase the number of women in senior management positions (e.g., directors, heads of organizations) to 15 or more by the end of fiscal 2025 ▶ 12 as of July 1, 2022 Target 4: Aim for 30% of eligible male employees to take childcare leave by the end of fiscal 2025 ▶ 40.9% as of March 31, 2023

Initiatives for Advancing Women in the Workplace

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- Dissemination of messages from top management through our in-house website
- Diversity management training for current managers
- Unconscious bias training for all employees
- Formulation of development plans and monitoring for female employees
- Outside training for female candidates for leadership positions
- Seminars promoting career development for employees on or about to take childcare leave
- Seminars on balancing work and childcare commitments
- Third-party career development consultations for employees who return from leave, such as childcare or nursing care leave
- Women's Initiative @NTT DATA (voluntary activities by women in senior management positions)
- Signed the Women's Empowerment Principles (WEPS)
- Promotion of Women's Initiative (implementation of sessions on women's advancement at the NTT DATA Global Conference)
- Implementation of a mindset transformation training program for management
- Operation of and information exchange within voluntary employee communities such as working mothers, mothers-to-be and women in leadership
- Visualization of indicators concerning female participation in the Company using a dashboard
- Surveys on the status of diverse work styles

Creating an Environment for Balancing Work with Childcare and Nursing Care

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

[Reference page] Clients' Growth "Employee Data" Employees Using Childcare and Nursing Care Systems, Retention Rate of Employees Returning Childcare or Nursing Care Leave

Principal Systems

Principal Childcare Systems	Principal Nursing Care Systems
• Childcare leave Childcare leave can be extended until the child reaches four years of age. The deadline for application to return to work is one month prior to the expected return.	• Nursing care leave Nursing care leave can be extended up to a maximum of 18 months.
• Shorter working hours for childcare Shorter working hours for childcare are available until the child completes his or her third year of elementary school. The application deadline for shorter working hours is two weeks prior to the start.	• Shorter working hours for nursing care Shorter working hours for nursing care are available for a maximum of three years separate from nursing care leave.

<Enabling employees to select a childcare center close to home>

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

Support for Continuing Careers

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To help employees continue their careers while balancing work with childbirth, childcare, and nursing care commitments, NTT DATA is enhancing its systems while increasing employee understanding and improving workplace environments to make those systems more accessible.

<Other Primary Initiatives to Support Career Continuation>

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

- Hold three-way interviews to support career development for employees who have returned to work after childcare or nursing care leave

LGBTQ+ and Sexual Minority Initiatives

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NTT DATA promotes initiatives that support sexual minorities, such as the LGBTQ+ community, from the standpoint of creating environments that encourage active participation from a diverse range of human resources. In addition to messages from top management, we pursue other initiatives, such as workplace seminars to enhance understanding about LGBTQ+ issues, an LGBTQ+ helpline, annual LGBTQ+ seminars, and recruiting and behavior guidelines for “allies” (straight supporters of LGBTQ rights), who now number more than 640 at the Company. Since fiscal 2018, we have expanded systems for employees’ spouses and families in traditional households to include same-sex partners. Since 2019, we have participated in Tokyo Rainbow Pride 2023, Japan’s largest LGBTQ+ parade, as a member of the NTT Group. We hosted a booth in addition to taking part in the parade in 2023.

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



Initiatives Promoting the Active Participation of Individuals with Disabilities

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NTT DATA has sought to create various work opportunities for people with disabilities by establishing the NTT DATA Group Policy for the Advancement of People with Disabilities in June 2022 and through NTT DATA DAICHI Corporation, a special subsidiary established in 2008.

➤ NTT Data Group Policy for the Advancement of People with Disabilities

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

[Employment rate of people with disabilities]

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

NTT DATA DAICHI Primary Activities

In addition to office business (answering and redirecting calls made to main switchboards, long-term storage and management of internal documents, collection and shredding of confidential documents, production of employee IC cards, office cleaning, sanitizing, and wiping) and IT services (maintenance and upgrades of websites for NTT DATA and customers outside the Group, Web accessibility assessment duties, design work, server construction and maintenance, and data entry), NTT DATA DAICHI is engaged in an agricultural cooperative project in Nasu-machi, Tochigi Prefecture.

Promoting Reemployment of Retired Workers

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

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

<Life Plan Training>

NTT DATA Group Corporation, Group companies in Japan, and NTT DATA, Inc., offer comprehensive support for our employees’ life plans. We provide support and motivation for employees to design their life plans through self-education and self-study utilizing a website to the maximum extent so that employees can obtain necessary information according to their life events. We will continue offering training to help employees design life plans that include their professional aspirations.

Digital Accessibility/Community Engagement

Improve people's QOL by providing services that enable everyone to have equal access to basic needs and understand issues and needs for the development of local communities and provide services that enrich people's lives

Basic Policy and Promotion System

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

With a focus on IT education, we will make donations and encourage employees to volunteer in programs that can contribute to the development of local communities. NTT DATA Group Corporation, led by its Sustainability Innovation Department and Public Relations Department, collaborates with Group companies in and outside Japan, as well as NTT Group companies, to pursue social contribution activities. In the process, we work to understand social issues through communication with NGOs/NPOs and local communities for reflection in our implementation plans.

Specific Initiatives

◆ Contribution through Co-Creation with Customers

Support for Establishing a Medical Equipment Supply Chain Utilizing Drones

NTT DATA Business Solutions AG (Germany) is providing support and an adaptable service platform for a project led by the drone development start-up Wingcopter GmbH in eastern Africa's Malawi. The project aims to establish a medical equipment supply chain for deliveries using drones. The platform encompasses flight planning, order management, and the resource management of drones and pilots, while also accommodating the entire national catalog of medical supplies. Wingcopter is utilizing drones to deliver medical supplies to more than 115,000 individuals residing in remote areas of Malawi. In addition, its drone training program is helping train local residents as drone pilots, contributing to education and employment opportunities in the region.

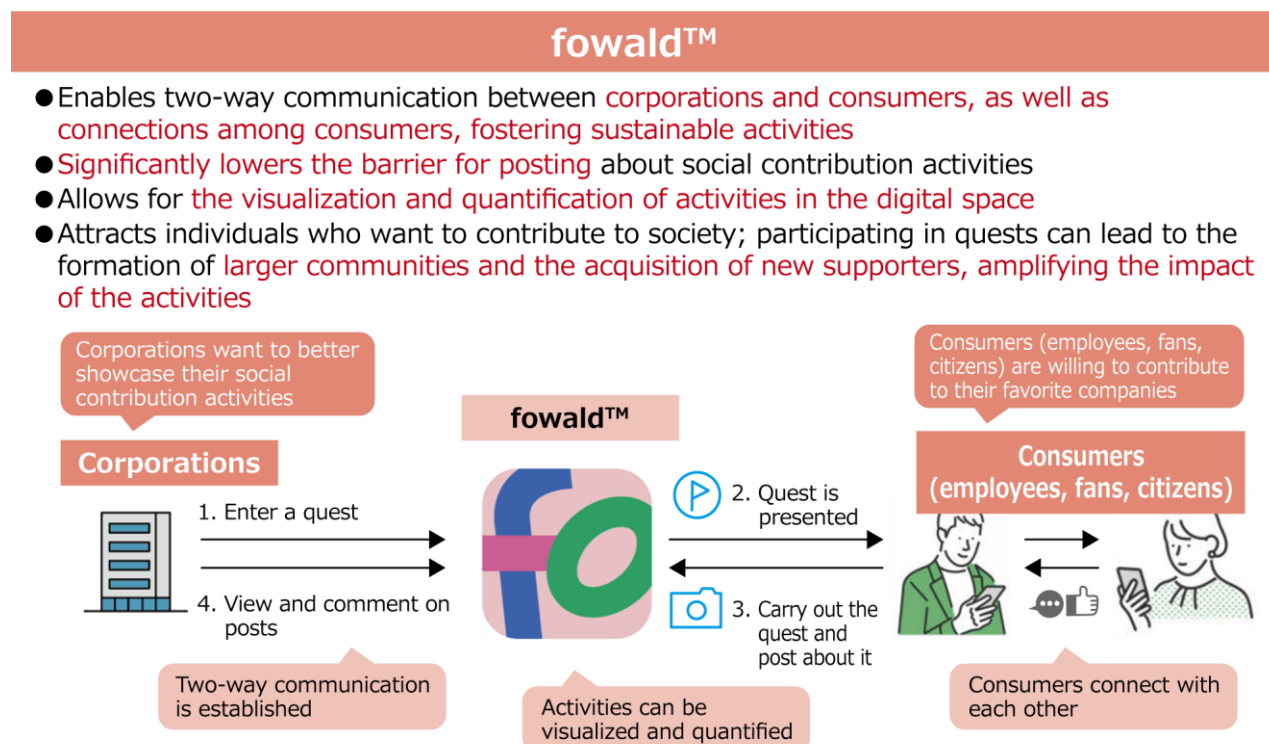


A drone developed by Wingcopter

fowald™

NTT DATA launched a platform called fowald™ on September 25, 2023, which allows companies and local governments to visualize and enhance their social contribution activities to benefit citizens, workers, sports teams, and other community members through digital means. The platform enables companies and local governments to publish themes, or “quests,” that they want to work on together with community members. Users who resonate with these quests can take real-world actions and register them on the platform, thereby contributing to their communities and areas of interest. fowald™ allows companies and local governments to digitally visualize the sustainable actions of community members and promote these actions quantitatively and qualitatively. This helps expand and accelerate the cycle of contributions.

➤ fowald™ Image



◆ NTT DATA's Initiatives

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

Development of Next-Generation IT Personnel

To promote the development of IT personnel for the next generation, NTT DATA is engaged in IT education aimed at elementary and junior high school students.

For junior high school IT education, we have jointly developed educational materials with ARROWS, Inc., under the theme "Creating the Future with Information Technology." These materials are provided to junior high schools free of charge. In addition, some of our employees volunteer to visit schools and work with junior high school students to explore ways to solve school-related challenges using IT. In the inaugural year of this initiative, fiscal 2022, we conducted classes for 7,322 students in 67 schools nationwide. For fiscal 2023, we plan to expand the program to reach 15,000 students.

As IT education for elementary school students, we organize programming experience workshops called "NTT DATA Academia" at our various locations nationwide. Through activities aimed at conveying programming and IT concepts to children, we aspire to achieve the promotion of IT education.



A booklet featuring introductions to NTT DATA employees' roles and messages aimed at junior high school students

Support for NPOs and NGOs

As part of our support for NPOs and NGOs, we have been participating in the “Social Technology Officer (STO) Creation Project” with the Japan NPO Center since 2019. The project was initiated by Code for Japan and ETIC with the aim of creating professionals who can support IT strategies for NPOs. In 2022, Dell Technologies also joined this initiative, and starting from fiscal 2023, NTT DATA, the Japan NPO Center, Dell Technologies, Intel Corporation, and TIS Inc. have launched a successor project called the “NPTEch Initiative,” conducting seminars to promote the use of IT in NPOs.

Through such support and collaboration with NPOs addressing societal issues daily, our employees gain experience and insight into the specific events and stakeholders behind these challenges. This enables them to enhance their design skills for addressing societal issues and develop the ability to identify where IT can be most beneficial.

By systematically enhancing our sensitivity and understanding of societal issues in NTT DATA, we aim to create businesses that focus on solving these issues and contribute to social betterment.

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

Activity Results

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



➤ Cost of Contribution Activities

(Millions of yen)

	FY2020	FY2021	FY2022
North America	227.84	218.69	341.43
EMEAL	164.22	301.51	164.38
Japan, China, APAC	213.03	394.00	220.98
Japan ☒ (Non-consolidated + Domestic Group Companies)	212.89	388.73	220.87
Total donations (including matching-gift funding support)	178.94	370.68	204.74
Cost of other contribution activities	33.95	18.05	16.13

➤ Number of Social Contribution Participants

(Persons)

	FY2020	FY2021	FY2022
North America	813	803	479
EMEAL	16,505	2,008	5,134
Japan, China, APAC	2,725	1,121	7,401

Corporate Governance

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Basic Policies and Promotion System

Basic Policy and Initiatives

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

Under this mission, NTT DATA has set the medium-term management plan from fiscal 2022 to fiscal 2025, aiming to realize a sustainable society together with clients by creating value for the future and connecting various people with technology as a Trusted Global Innovator.

To support the growth of clients' businesses and realize a sustainable society together with them, we will further enhance our ability to create systems based on the client understanding and advanced technological capabilities that we have built up to date, as well as our ability to connect people, companies, and society by supporting various corporate systems and industry infrastructures.

NTT DATA, Inc. was established as an overseas operation company on October 1, 2022, through the combination of the overseas operations of NTT Ltd., a member of the NTT Group, and NTT DATA, Inc., aiming to promote these initiatives on a global scale and evolve into a company that provides total services that integrate IT and connectivity. We will respond to the increasingly complex and diverse needs of our clients on a global level by developing a unified lineup of services required for digital transformation, including not only consulting and application development but also connectivity. From the perspective of the overseas business combination, NTT DATA transitioned to a holding company structure in July 2023 to strengthen its global governance system and ensure the flexibility of its domestic and overseas businesses. NTT DATA Group Corporation will be responsible for operation and control of Group management, while the operating companies NTT DATA JAPAN and NTT DATA, Inc., will be responsible for autonomous business operations. In this way, we will achieve a balance between flexibility and control. At the same time, NTT DATA Group Corporation holds prior consultations on particularly important matters and monitors the management of each company.

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

Please refer to the Annual Securities Report for details on the three policies for strengthening corporate governance.

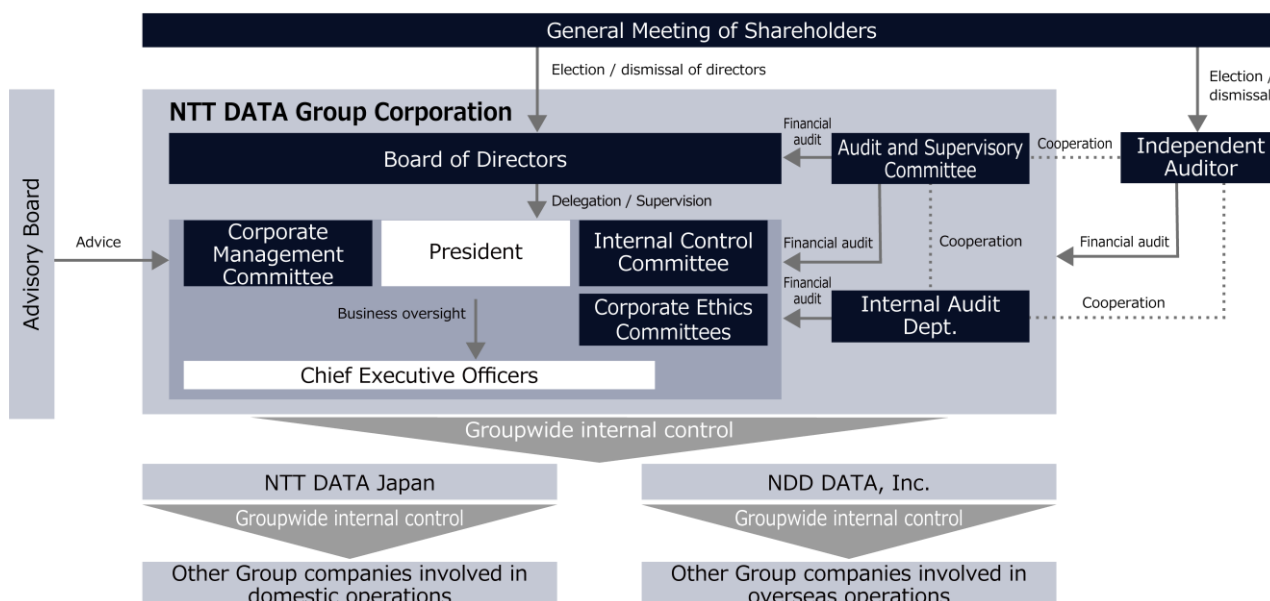
<https://www.nttdata.com/global/ja/investors/library/asr/> (Japanese only)

Corporate Governance System

NTT DATA believes that having Audit and Supervisory Committee Members who have auditing and supervisory duties and hold voting rights on the Board of Directors and an Audit and Supervisory Committee, where a majority of the members must be Outside Directors, further strengthens the Board of Directors' supervisory functions and corporate governance, therefore the "Company with an Audit and Supervisory Committee" structure has been adopted. We have established the Ordinary General Meeting of Shareholders, Board of Directors, and Audit and Supervisory Committee as corporate organizations. We have also established a Corporate Management Committee to speed up decision-making in business execution.

From the perspective of strengthening the supervisory function of business execution, NTT DATA has appointed independent outside directors who are unlikely to have conflicts of interest with general shareholders to constitute the majority of the Board of Directors.

➤ Corporate Governance System



Board of Directors Number of meetings held in fiscal 2022: 19	- Consists of 13 directors, including seven independent outside directors (three of whom are women and one of whom is a foreign national) - Meets once a month in principle and otherwise as necessary to make decisions and supervise important management matters, other matters as required by law, and to discuss strategic management issues
Audit and Supervisory Committee Number of meetings held in fiscal 2022: 29	- Consists of four directors from outside NTT DATA (including two women) - Meets once a month in principle to make decisions on audit policies, plans, methods, and other important audit-related matters - Each member attends meetings of the Board of Directors and other important meetings to communicate with executive directors and outside directors and audit the status of business execution as appropriate. (A dedicated organization called the Audit and Supervisory Committee Office has been established to support these efforts.) - The Committee expresses opinions on such matters as appointment, dismissal, or resignation, as well as compensation and other matters, related to directors who are not Audit and Supervisory Committee Members.
Corporate Management Committee Number of meetings held in fiscal 2022: 38	- Consists of the President, Vice-President, Area Directors, and Managing Executive Officer, and the heads of other relevant key organizations - Meets once a week in principle to make smooth and prompt decisions and supervise business operations - One director who is an Audit and Supervisory Committee member participates in these meetings to increase the transparency of decision-making.
Internal Control Committee	Works to establish the Group internal control system and to promote risk management; consists of the heads of organizations related to internal control and risk management, and is chaired by the executive officer in charge of corporate management; and reports the results to the Board of Directors (meets twice a year in principle)
Corporate Ethics Committee	Consists of the heads of organizations related to corporate ethics and is chaired by the executive officer in charge of corporate control with the aim of fostering a corporate culture of compliance with laws, regulations, corporate ethics, and the like, and reports to the Board of Directors on the status of compliance with corporate ethics and the like.(meets twice a year in principle)

Board of Directors

➤ Composition of the Board of Directors

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Total number of directors	Persons	13	15	15	13	13
Executive directors	Persons	6	6	6	4	4
Non-executive directors	Persons	9	9	9	9	9
Audit and Supervisory Committee Members (Outside)* ¹	Persons	—	4 (4)	4 (4)	4 (4)	4 (4)
Chairman of the Board of Directors	—	President	President	President	President	President
Number of Board meetings held	Times	13	14	16	19	17
Board meeting attendance rate (average)	%	99	100	100	100	-
Term of office for directors* ²	Years	2	1* ²	1* ²	1* ²	1* ²
Average length of service	Years	2.2	1.2	2.0	2.8	2.6

*¹ NTT DATA transitioned to a "Company with an Audit and Supervisory Committee" according to a resolution of the Ordinary General Meeting of Shareholders on June 17, 2020.

*² Refers to the term of office of directors who are not Audit and Supervisory Committee Members

◆ Independence of Board of Directors

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

Independence Standards and Qualification

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

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

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

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

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

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

◆ Board Diversity

To diversify the Board of Directors, NTT DATA has appointed foreign national directors and outside directors. At the 35th Ordinary General Meeting of Shareholders held in June 2023, three female directors and one foreign national were approved, reflecting our emphasis on diversity with respect to nationality and gender. Our aim is to increase the number of women in senior management positions (e.g., directors, heads of organizations) to at least 15 by the end of fiscal 2025. We are also diversifying the management decision-making processes in the Corporate Management Committee and other organizations, with the addition of female heads of organizations and foreign officers.

➤ Board Diversity

(Persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Total number of directors	13	15	15	13	13
Women	1	2	2	3	3
Foreign nationals	1	1	1	1	1
Outside (including independent officers)	2 (3)	7 (5)	7 (5)	8 (7)	8 (7)

Incorporating Diverse Perspectives into Management

NTT DATA continues to strengthen functions that oversee fairness in business execution by inviting directors from outside NTT DATA. As of June 2023, we had eight outside directors (four of whom are also Audit and Supervisory Committee Members). In appointing outside officers, NTT DATA provides selection criteria that anticipate that they will bring to management opinions from broad perspectives that draw on their respective experience. We have seven outside directors registered as independent directors/auditors who meet the requirements of Tokyo Stock Exchange regulations, as well as our own in-house requirements. In 2012, moreover, we established an Advisory Board for the purpose of receiving advice from experts outside NTT DATA. Since then, we have used the board to broaden management's multifaceted perspectives and promote growth and sound business operations.

◆ The Board of Directors (Skill Matrix)

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

Name	Corporate Management	International Perspective	Sales, Marketing Consulting	Development R&D	Business Management	Finance / Accounting	Legal / Government Affairs	(Reference) Business Fields Where Specialization Can Be Leveraged (only business executors)
Yo Honma	●		●	●	●			Financial and enterprise fields
Yutaka Sasaki			●	●	●			Enterprise field
Kazuhiro Nishihata	●	●	●		●			Global field
Kazuhiko Nakayama		●			●	●		Corporate
Patrizio Mapelli	●	●	●		●			—
Eiji Hirano	●	●			●	●		—
Mariko Fujii		●					●	—
Fumihiko Ike	●	●	●		●			—
Shigenao Ishiguro	●	●		●	●			—
Akihiko Okada	●		●		●	●		—
Tomoko Hoshi		●				●		—
Nobuyuki Tainaka					●		●	—
Mitsuko Inamasu							●	—

Notes:

1. The sustainability field is included in Business Management.
2. Up to four major skills possessed by each person are marked with "●."

◆ Initiatives for Active Discussions at the Board of Directors

Board of Directors Agenda Items

The implemented items at the Board of Directors and the details of implementation in fiscal 2022 are as follows.

- Decided on matters stipulated in the Regulations of the Board of Directors, including matters stipulated by laws and regulations, and important matters related to corporate management and Group management, such as management strategies and investments.
- Supervised the execution of duties by directors by receiving periodic reports on the status of the execution of duties from directors.
- Implemented initiatives to hold discussions both in and outside the Board of Directors with the aim of strengthening discussions on strategic management matters. (In fiscal 2022, active discussions were held on various matters, mainly on global governance, as well as matters related to the integration of the NTT DATA Group's overseas operations with NTT Corporation's overseas operations, investment and financial strategies, and medium- to long-term strategies by each business sector.)

➤ Major Agenda Items

Type	Details
Resolutions	• Matters related to overseas business combination between the Group and the NTT Group • Matters related to the transition to a holding company system • Matters related to financing • Matters related to receiving orders and on investments
Reports	• Reports on promoting sustainability management • Results of internal control initiatives and plans for next fiscal year • Results of internal audits and plans for next fiscal year • Monitoring of key projects (e.g., verification of progress of measures to prevent unprofitable projects) • Reports on IR activities/investor opinions, analysis of votes at General Meeting of Shareholders • Cross-shareholdings (verification of meaningfulness of specific holdings)
Deliberations	• Matters related to overseas business combination between the Group and the NTT Group • Matters related to the transition to a holding company system • IT service market trends • Investment and financial strategies pertaining to the IT services market • Medium- to long-term strategies for each business area • Global governance • Evaluation of effectiveness of the Board of Directors

Initiatives for Active Discussion

<Ensuring sufficient time for discussion>

- Develop plans for the annual schedule of the Board of Directors and rough agenda items in advance.
- By classifying Board of Directors proposals into "reports," "resolutions," and "discussions," more discussion time is secured for highly important resolutions and discussions.
- Delegation of authority related to business operations to each Director and Executive Officer.
- By narrowing down the number of proposals, the Board of Directors will discuss mainly matters that will have a significant impact on NTT DATA's management.

<Provision of information and support to outside directors>

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

<Training of directors>

Directors are appointed from those who have broad knowledge about business, financial affairs, and organizations, etc., and they are trained if necessary. After taking office, the training program targeted at directors and auditors continues with a wide range of training sessions on market trends and economic and social issues at home and abroad.

Please refer to the NTT Data Integrated Report 2023 for details.

📄 <https://www.nttdata.com/global/en/investors/library/ar/>

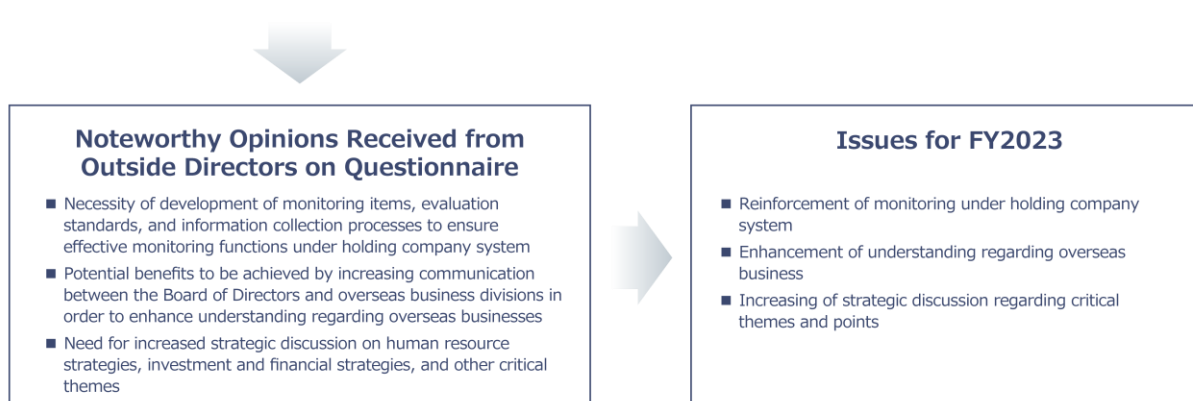
Board of Directors: Effectiveness Evaluation

With the purpose of enhancing the functions of the Board of Directors and to enhance corporate value, the Board of Directors has been implementing self-evaluation and analysis of the effectiveness of the Board of Directors since fiscal 2016. In fiscal 2022, NTT DATA conducted a survey of all directors (including Audit and Supervisory Committee Members). Based on an analysis of the results of the survey conducted by an external organization, NTT DATA also conducted individual interviews with outside directors and foreign directors to further deepen their analysis, discussion, and evaluation based on advice from multiple external organizations. The evaluation results are then reported to the Board of Directors, where the results are verified and discussed to explore policies for further improvement.

➤ Effectiveness Measurement Results and Response

Issues Identified in FY2022 Evaluation and Response Measures

Issues	Response Measures
Strategic discussions based on the annual plan	Steps were taken to energize discussion on management strategies at Board of Directors' meetings, including establishing and implementing annual plans for forums dedicated to discussions of strategies.
Strengthening monitoring of investee companies	Discussions were advanced for looking at the monitoring items and frameworks to be employed under the holding company system.
Increasing of opportunities for communication between the executive team and outside directors	Opportunities for communication between the executive team and outside directors were increased through the arrangement of forums for free discussion between outside directors and the president and exchanges of opinion among outside directors and executive officers.
Provision of opportunities to gain knowledge on IT and digital technologies and to better understand operating sites	Outside directors were provided with opportunities to participate in events explaining the latest technologies and trends to gain a better understanding of our business and operating sites.



Appointment and Dismissal of Directors and Senior Management

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

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

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

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

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

Number of members and term	Directors who are not Audit and Supervisory Committee Members: up to 11 people/1 year Directors who are Audit and Supervisory Committee Members: up to 4 people/2 years
Nomination policy for candidates for positions as Directors that are not Audit and Supervisory Committee Members	To improve the corporate value of the entire NTT DATA Group, candidates for director who are not Audit and Supervisory Committee Members shall be appointed from personnel who have broad perspectives and experience that can contribute to Group-wide development, excel in management ability and leadership, and have a good sense of business management and passion.
Nomination policy for candidates for Director who are Audit and Supervisory Committee Members	The candidates for director who are Audit and Supervisory Committee Members are to be appointed from personnel that NTT DATA can expect to conduct audits from the viewpoints of specialized experience and knowledge. To ensure impartiality in audits and supervision of the business execution of directors who are not Audit and Supervisory Committee Members, NTT DATA appoints outside directors to represent a majority of directors who are Audit and Supervisory Committee Members in accordance with the Companies Act.
Procedure for appointment	The backgrounds of candidates are explained to the independent outside directors and directors who are members of the Audit and Supervisory Committee, and the parent company, who then provide appropriate advice to the Board of Directors. The Board then adopts a resolution that is submitted to the Ordinary General Meeting of Shareholders. In addition, regarding the election of candidates for director who are not Audit and Supervisory Committee members, the right to state opinions regarding the nomination by the Audit and Supervisory Committee shall be appropriately utilized. For directors who are Audit and Supervisory Committee Members, nominations are made by the Board of Directors after discussion and consensus by the Audit and Supervisory Committee, which includes a majority of outside directors who are Audit and Supervisory Committee Members, and this proposal is submitted to the General Meeting of Shareholders.
Procedures for dismissing senior management	If a management executive is found not to be performing his/her role properly, the reasons for dismissal are explained to the independent outside directors, directors who are Audit and Supervisory Committee Members, and the parent company, who then provide appropriate advice to the Board of Directors. The Board then adopts a resolution that is submitted to the Ordinary General Meeting of Shareholders. In addition, as appropriate, the Audit and Supervisory Committee has the right to state its opinions about nominations.
Number of concurrent positions	Directors allocate the time and labor required to appropriately perform their roles and duties, and therefore the number of their concurrent posts shall be within a reasonable range. (The status of directors who concurrently serve as officers of different listed companies are disclosed in business reports and in reference documents for the Ordinary General Meeting of Shareholders.)

Director Remuneration

Policy for Determining Director Remuneration

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

◆ Compensation Structure

In fiscal 2021, NTT DATA introduced a performance-linked stock compensation plan with the aim of further clarifying the link between director compensation and NTT DATA's corporate value and encouraging directors to share with shareholders the benefits and risks arising from stock price fluctuations, thereby raising their awareness of contributing to medium- to long-term improvement in business performance and corporate value. The compensation structure and compensation breakdown ratios for each director are as follows.

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

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

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

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

In the event of serious misconduct or violation by a director, or in the event that a director enters into an employment contract or a power of attorney contract with another company in the same industry without NTT DATA's permission, a clawback provision has been established that allows for the forfeiture or confiscation (malus clause) of the right to receive NTT DATA's shares and for a demand to return money equivalent to the value of the shares granted.

Performance Indicators for Bonuses

Financial targets set out in the medium-term management plan are set as performance indicators and evaluated based on the year-on-year improvement and the achievement level of the plan. Bonuses are calculated by converting each performance indicator into a payment rate using a predetermined method, weighting each indicator based on the evaluation weights in the table below, and then multiplying the monthly remuneration for each position by a certain number.

Category	KPIs	Evaluation Weight	Evaluation Method
Financial indicators	EBITDA	25%	Year-on-year improvement
	Operating income	10%	
Sustainability indicators	Employee engagement rate	2.5%	
Category	KPIs	Evaluation Weight	Evaluation Method
Financial indicators	EBITDA	25%	Target achievement
	Operating income	10%	
	Overseas operating margin	10%	
	ROIC	2.5%	
	Capital investment (data centers)	2.5%	
Sustainability indicators	Greenhouse gas emissions	5%	
	B2B2X revenue amount	2.5%	
	Appointment rate of new female managers	5%	

Total Remuneration for Directors and Remuneration Ratio to Employees

◆ Total Amount of Remuneration, etc., for Directors in FY2022^{*1}

(Millions of yen)

Position	Number of Persons	Total Amount of Remuneration	Fixed	Short Term	Medium to Long Term	
			Monthly Remuneration	Performance-Linked Remuneration (Bonus)	Remuneration for Stock Acquisition	Performance-Linked Compensation (Stock Compensation ^{*4})
Directors That Are Not Audit and Supervisory Committee Members ^{*2}	11 persons	338	220	117	18	33
Directors That Are Audit and Supervisory Committee Members ^{*3}	6 persons	122	122	—	—	—
Total	17 persons	511	342	117	18	33

^{*1} The table above includes three directors who are not Audit and Supervisory Committee Members and two directors who are Audit and Supervisory Committee Members that retired at the conclusion of the 34th Ordinary General Meeting of Shareholders held on June 16, 2022.

^{*2} At the 33rd Ordinary General Meeting of Shareholders held on June 17, 2021, the following limits were set for annual compensation paid to directors who are not Audit and Supervisory Committee Members:

1. Monetary remuneration: ¥460 million (including a ¥50 million limit for compensation paid to outside directors)
2. Amounts paid to directors for contributions to purchase stock via officers' shareholding association: ¥30 million
3. Contributions to performance-linked stock compensation system: ¥90 million

However, it was resolved at the 34th Ordinary General Meeting of Shareholders held on June 16, 2022, that the limit for monetary compensation paid to outside directors would be changed to ¥80 million.

As of the conclusion of the 34th Ordinary General Meeting of Shareholders, the number of directors that are not Audit and Supervisory Committee Members was nine (including four outside directors).

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

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

◆ **Total Remuneration for Persons Whose Total Remuneration Is ¥100 Million or More (Fiscal 2022)**

(Millions of yen)

Classification	Total Remuneration	Fixed	Short Term	Medium to Long Term	
		Paid Monthly	Performance-Linked Compensation (Bonus)	Compensation for Share Acquisition	Performance-Linked Compensation (Stock Compensation)
Yo Honma (Representative Director)	103	45	41	6	11

Director-Employee Remuneration Ratio (Fiscal 2022)

The ratio of remuneration per director to that per employee was 4.5:1. The ratio of remuneration per President and Representative Director to that per employee was 11.9:1.

Global Governance

Basic Policies and Promotion System

For important matters, such as business planning, internal control, and compliance, NTT DATA basic policy is to ensure appropriate business operations throughout NTT DATA by instituting rules for consultation and reporting within each Group company. Based on this policy, NTT DATA has established a cooperative system through the establishment of a liaison department in NTT DATA that connects to each Group company.

◆ Specific Initiatives

Building Governance Based on the Global Governance Policy

While promoting autonomous business operations by each business company, we have developed a framework for integrated business operations by the three companies as a whole and are building a governance system that balances flexibility and control.

1. Appropriate Delegation of Authority

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

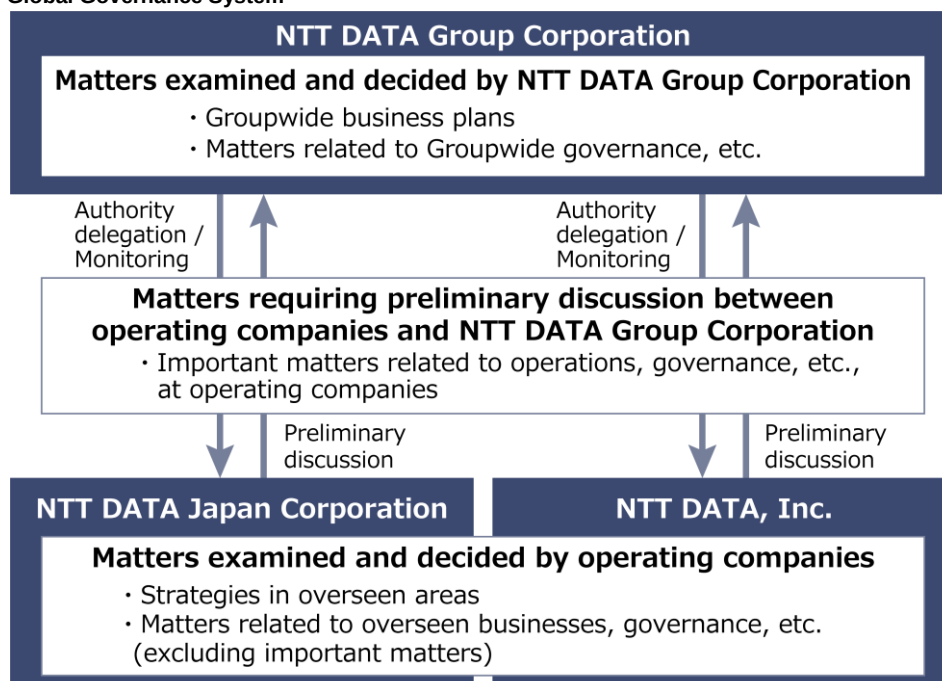
2. Global Process Standardization

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

3. Supervisory Functions That Are Independent from Executive Functions

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

➤ Global Governance System



Corporate Group's Organizational Policy Centered on the Parent Company

The NTT Group, with NTT DATA's parent company at its center, engages mainly in the businesses of regional communications, long-distance/international communications, mobile communications, and data communications. The parent company formulates management strategies for the NTT Group as a whole. Based on those strategies, the parent company takes responsibility for its own management and operates its businesses independently.

Among the aforementioned businesses of the parent company, NTT DATA engages in the data communications business focusing on four areas—public & social infrastructure, financial, enterprise, and overseas—and advances its business in collaboration with other NTT Group companies.

Currently, the parent company owns 57.7% of NTT DATA's voting rights, which makes the parent company the controlling shareholder of NTT DATA. Because we currently have seven independent outside directors making up at least a majority of our 13-member Board of Directors, however, we believe this does not hinder our management decisions.

In addition, NTT DATA consults with and/or reports to the parent company on significant issues related to its business operations. In our day-to-day business operations, however, we maintain close mutual ties while fully respecting each other's independence and self-reliance as we target sustained growth and development and improved business performance.

Even after a restructuring of the NTT Group in November 2018, there has been no material impact on our corporate governance because we maintained our current management structure and public listing.

Our basic policy is to ensure the appropriateness of business operations throughout the NTT DATA Group by establishing rules for consultation and reporting with Group companies on important matters related to business operations. With this in mind, we established an in-house department responsible for cooperation with Group companies.

Measures Concerning Shareholders and Other Interested Parties

Protection of Minority Interests

Regarding the relationship between NTT DATA and the parent company, the basic policy is to cooperate while fully respecting each other's independence and autonomy, and to appropriately conduct transactions, etc., with NTT DATA in accordance with laws and regulations.

When we do business with the parent company and NTT Group companies, we are mindful of protecting the profits of minor shareholders. Specifically, NTT DATA confirms the reasonableness and appropriateness of the contents of transactions and, as necessary, the Legal Department, considering the opinions of third-party experts, examines them in advance, and approves them in accordance with the Rules of Authority. When engaging in business transactions, the terms and conditions of the transactions and the method of determining them are the same as those of other business partners.

Decisions on important contracts concluded with the parent company are made after legal review by the Legal Department. The Board of Directors' approval is required for important contracts to ensure independent decision-making from the parent company. Moreover, the Board of Directors consists of 13 directors, including seven independent outside directors. At present, independent outside directors account for the majority of all directors.

Measures to Vitalize the General Shareholders Meetings

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

Content of Measures	Supplementary Explanations
Early Notification of General Shareholders Meeting	The notices calling for the shareholders' meeting held in June 2023 were dispatched earlier than the date fixed by law by three business days.
Scheduling AGMs Avoiding the Peak Day	NTT DATA has set the shareholders' meeting avoiding the date on which other companies' meetings are concentrated to ensure that as many shareholders as possible can attend its meeting.
Allowing the Electronic Exercise of Voting Rights	NTT DATA has created a website for the execution of voting rights at the website of a manager of a shareholders' list so that it can accept the execution until 6 p.m. on the day before the day of the shareholders' meeting.
Participation in Electronic Voting Platform and Other Measures to Enhance the Environment for the Exercise of Voting Rights by Institutional Investors	Voting rights can be executed through the ICJ platform targeted at institutional investors that is operated by Investor Communications Japan (ICJ). Starting from the ordinary general meeting of shareholders held in June 2018, investors can execute the voting rights by using smartphones or other devices.
Providing the Convocation Notice in English	NTT DATA prepares an English version of the convocation notice and uploads that on NTT DATA's website at the same time as the Japanese version.
Other	The notice calling for a shareholders' meeting is digitized and uploaded on NTT DATA's website eight business days before the dispatch of such notice. The notice of resolution is also uploaded on NTT DATA's website.

Conflicts of Interest by Directors

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

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

Cross-Shareholdings

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

NTT DATA assesses the meaningfulness of cross-shareholding for each share every year, in a comprehensive manner, from the viewpoint of whether benefits and risks from holding the shares are commensurate with capital costs and in line with the purposes of holding: It is our policy to maintain the medium- to long-term relationship, to expand trading volume, to create synergy with clients and business partners, and so forth, and report to the Board of Directors, then decide whether to hold or sell such shares, in such a way to ensure that all of our policy holdings are appropriate for our holdings.

As a result, the total amount of cross-shareholdings on the balance sheet as of the end of March 2023 totaled ¥55.9 billion, and the ratio of cross-shareholdings to consolidated net assets was 2.3%. If it proves to be inadequate to hold the shares due to changes in the situation, NTT DATA will keep taking measures including reducing the number of those shares.

Please refer to the Annual Securities Report for details of the number of cross-held shares, changes in shares, amounts recorded in the balance sheet, etc.

<https://www.nttdata.com/global/ja/investors/library/asr/> (Japanese only)

Principal Shareholders

Name	Number of Shares Held	Ratio of Shareholding (%)
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	809,677,800	57.73
The Master Trust Bank of Japan, Ltd. (Trust Account)	184,700,900	13.17
Custody Bank of Japan, Ltd. (Trust Account)	92,049,238	6.56
NTT DATA Employee Share-Holding Association	14,332,600	1.02
JP MORGAN CHASE BANK 385635	11,700,449	0.83
STATE STREET BANK WEST CLIENT - TREATY 505234	11,366,572	0.81
HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	8,168,512	0.58
JP MORGAN CHASE BANK 380072	7,733,700	0.55
SSBTC CLIENT OMNIBUS ACCOUNT	7,141,172	0.51
JP MORGAN CHASE BANK 385781	6,281,401	0.45

Note: As of March 31, 2023.

Adoption of Anti-Takeover Measures

Not adopted.

Audit System and Ensuring the Effectiveness of Audits

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

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

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

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

Evaluation Process and Disclosure of Results for the Independent Auditor

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

We consider it essential that while maintaining and enhancing audit quality, the audit process is conducted efficiently. The Audit & Supervisory Committee, based on this fundamental principle, evaluates the suitability of reappointing the independent auditor, considering independence, expertise, and the appropriateness and validity of their audit activities.

Internal Control

Basic Policy and Promotion System

NTT DATA works to build and enhance its internal control system under a basic policy of always considering risks arising from business activities and taking various measures to ensure efficient implementation of fair and transparent business activities. Accordingly, we are promoting the establishment and maintenance of an internal control system to manage the entire Group with respect to compliance, information security, risk management, Group company management, and other matters.

Please refer to the Securities Report for the Basic Policy on the Establishment of the Internal Control System and the Operating Status.

<https://www.nttdata.com/global/ja/investors/library/asr/> (Japanese only)

Specific Initiatives

◆ About the Internal Control Committee

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

The Internal Control Committee evaluates the effectiveness of internal controls by verifying that the systems defined in the Basic Policies for the Establishment of the Internal Control System, which were adopted by resolution of the Board of Directors, are properly established and function effectively each fiscal year.

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

◆ Implementation Status of Internal Audits

NTT DATA's Internal Audit Department conducts audits from a standpoint that is independent from operational divisions. The number of personnel involved in the internal audit and assessment of internal control over financial reporting is 35 (as of March 31, 2023). In conducting effective audits from an independent standpoint, the General Manager of the Audit Department reports audit plans and results to the Board of Directors as well as to the Executive Committee, and reports individually to the Audit Committee and exchanges opinions to ensure mutual cooperation.

In fiscal 2022, the department audited in-house organizations and 41 Group companies, primarily focusing on the themes of business process compliance, extended working hours, appropriateness of outsourcing contracts, and information security. The department also monitored the internal auditing activities of nine Group companies. In addition, as part of Group-wide efforts to enhance internal auditing, 98 domestic and overseas Group companies conducted voluntary inspections based on unified audit items.

In addition, we are conducting symptom audits to analyze data extracted from various in-house information systems using computer-assisted audit technique (CAAT)* tools. We are also expanding the scope of application to Group companies while upgrading our fraudulent scenario detection capabilities. In addition to NTT DATA, the program was applied to 54 domestic and overseas Group companies in fiscal 2022.

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

*Abbreviation for Computer Assisted Audit Techniques. Method of audit implementation called computer-aided audit technique.

◆ Internal Control over Financial Reporting

We are committed to ensuring the reliability of our internal control system for financial reporting. To assess the effectiveness of the internal control system, we verify our management philosophy and systems, the development status of various rules and regulations, and the operational status of business processes. The evaluation plan and results are reported to the Steering Committee, which generally meets three times a year.

To promote employees' understanding of the importance, policies, and approach to internal controls, we conduct an e-learning-based internal controls training program once a year, including Group companies.

Independent Practitioner's Assurances

Independent assurances of environmental and social data are provided by Lloyd's Register Quality Assurance Limited. Check marks ☒ are attached to data that received such assurances.

<https://www.nttdata.com/global/en/sustainability/sdgs-management/third-party-evaluation>



LRQA Independent Assurance Statement

Relating to NTT DATA Corporation's Environmental and Social Data for the fiscal year 2022

This Assurance Statement has been prepared for NTT DATA Corporation in accordance with our contract.

Terms of Engagement

LRQA was commissioned by NTT DATA Corporation ("the Company") to provide independent assurance on its environmental and social data disclosed in NTT DATA Sustainability Report 2023, Integrated Report 2023 and Sustainability page of its corporate website ("the report") for the fiscal year 2022 (1/4/2022-31/3/2023), against the assurance criteria below to a limited level of assurance at the materiality of the professional judgement of the verifier and using ISAE 3000 (Revised) and ISO 14064-3:2019 for greenhouse gas (GHG) emissions.

Our assurance engagement covered the Company and its group companies' operations and activities in Japan and overseas countries and specifically the following requirements:¹

- Verifying conformance with the Company reporting methodologies for the selected datasets;
- Evaluating the accuracy and reliability of the data for only the selected indicators listed below:

Environmental^{2,3}

- GHG emissions (Scope 1, Scope 2 [Market-based and Location-based], and Scope 3⁴) (tCO₂e)
- Energy consumption and renewable energy consumption (MWh)
- Water Resources (Clean water consumption and Drainage amount)^{5,6} (m³)

Social⁷

- Number of occupational accidents
- Number of women in management positions [%]
- Expenditures for social contribution activities (in Japanese yen)
- Number of employees with disabilities [Employment ratio]⁸

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote, the Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of the Company.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:

- Met the requirements of the criteria listed above
 - Disclosed accurate and reliable environmental and social data
- The opinion expressed is formed on the basis of a limited level of assurance⁹ and at the materiality of the professional judgement of the verifier.

¹ LRQA undertook a limited assurance engagement of the environmental and social data marked with ✓ within NTT DATA Sustainability Report 2023 and Integrated Report 2023.

² GHG quantification is subject to inherent uncertainty.

³ Energy consumption, renewable energy consumption, energy-oriented CO₂ emissions and non-energy-oriented GHG emissions cover NTT DATA Corporation and its group companies in Japan and overseas. (Exempt for DACAL)

⁴ Scope 3 GHG emissions (Category 1 to 15) cover NTT DATA Corporation and its group companies in Japan and overseas.

⁵ Water resources cover NTT DATA Corporation and its domestic group companies.

⁶ Water consumption includes water supply, grey water, rainwater and half of water and wastewater unclassified. Sewage volume includes half of the water and wastewater unclassified.

⁷ Number of occupational accidents covers NTT DATA Corporation only. The number of employees with disabilities [Employment ratio] covers NTT DATA Corporation and NTT DATA DAICHI Corporation. Number of women in management positions [Ratio] and the expenditures for social contribution activities cover NTT DATA Corporation and its consolidated subsidiaries in Japan.

⁸ Number of employees with disabilities is as of 1 June 2023.

⁹ The extent of evidence gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking some data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the historical environmental and social data and records for the fiscal year 2022; and
- Conducting the remote verification to NTT DATA Omorisano Building, NTT DATA CUSTOMER SERVICE Corporation, NTT DATA Americas Inc. and HQ of the Company for confirming the effectiveness of its data management systems via emails and Microsoft Teams.

Observations

It is expected that the Company will continue to maintain the high-level data management systems to ensure efficient and accurate aggregation and calculation of environmental and social data.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment - Requirements for bodies providing audit and certification of management systems - Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LRQA for the Company and as such does not compromise our independence or impartiality

Signed

Dated: 29 June 2023

Kazuyori Yukinaka
LRQA Lead Verifier
On behalf of LRQA Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN
LRQA reference: YK44005176

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GRI Standard Contents Index

GRI 1: Foundation	
The statement of use	NTT DATA has reported in accordance with the GRI Standards for the period from 1 April 2022 to 31 March 2023.
The title of GRI 1 used;	GRI 1: Foundation 2021
The title of the GRI topic specific standards used;	At present, there is no applicable sector-specific standard for GRI topics that NTT DATA should comply with. However, we plan to adhere to it as soon as it is published.

Disclosure		References		Reason for Omission/Supplemental Explanation
GRI 2: General Disclosures 2021				
2-1	Organizational details	p.002	Organizations Covered Integrated Report 2023 “FY2022 Market Scale and Market Share in Each Country by revenue” p.5 ☐ About Us	
2-2	Entities included in the organization’s sustainability reporting	p.002	Organizations Covered ☐ About Us, NTT DATA GROUP	
2-3	Reporting period, frequency and contact point	p.002 p.131	Organizations Covere Contact ☐ Contact Us	
2-4	Restatements of information		No corrections or revisions	
2-5	External assurance	pp.015-016 p.130	Third-Party Evaluations Independent Practitioner’s Assurances ☐ Third-Party Evaluations & Verification	
2-6	Activities, value chain and other business relationships	p.006 p.007 p.030 pp.080-081	Our Way Sustainability Management in NTT DATA Supplier Engagement Promoting a Responsible Supply Chain Integrated Report 2023 “NTT DATA’s Businesses” pp.4-5 Integrated Report 2023 “Performance Summary/NTT DATA’s Market Share” p.100 ☐ About Us	
2-7	Employees	pp.098-100	Employee Data (NTT DATA) ☐ Securing & develop IT human resources	
2-8	Workers who are not employees		☐ Shareholders’ Meeting Materials p.13 ☐ Securing & develop IT human resources	
2-9	Governance structure and composition	p.008 p.017 p.022 p.052 p.070 pp.114-129	Sustainability Management Promotion System Promoting a Sense of Unity in the NTT Group Structure of the Green Action Committee Management System for Promoting Environmental Activities in Organizations with ISO14001 Group Certification Risk Management Structure Corporate Governance System ☐ Governance	
2-10	Nomination and selection of the highest governance body	p.120	Appointment and Dismissal of Directors and Senior Management ☐ Governance	
2-11	Chair of the highest governance body	pp.114-115	Corporate Governance System ☐ Governance	
2-12	Role of the highest governance body in overseeing the management of impacts	p.008 p.017 p.022 p.052 p.070 pp.113-117	Sustainability Management Promotion System Promoting a Sense of Unity in the NTT Group Structure of the Green Action Committee Management System for Promoting Environmental Activities in Organizations with ISO14001 Group Certification Risk Management Structure Corporate Governance System ☐ Governance	
2-13	Delegation of responsibility for managing impacts	p.008 p.017 p.022 p.052 p.070 pp.113-117	Sustainability Management Promotion System Promoting a Sense of Unity in the NTT Group Structure of the Green Action Committee Management System for Promoting Environmental Activities in Organizations with ISO14001 Group Certification Risk Management Structure Corporate Governance System	
2-14	Role of the highest governance body in sustainability reporting	p.008	Sustainability Management Promotion System ☐ Governance	
2-15	Conflicts of interest	p.011 pp.114-115 p.126	Dialogue with Stakeholders Corporate Governance System Conflicts of Interest by Directors ☐ Corporate Governance Report	
2-16	Communication of critical concerns	p.070 p.070 p.071 pp.082-084 pp.082-083 p.78 pp.114-115	Risk Management Structure Dealing with Material Risks Risk Management Training Ensuring Compliance Major Compliance-Related Training in Fiscal 2022 AI Governance Corporate Governance System	
2-17	Collective knowledge of the highest governance body	p.012 pp.114-119	Advice from Outside Experts Corporate Governance Basic Policies and Promotion System ☐ Corporate Governance Report	
2-18	Evaluation of the performance of the highest governance body	p.119	Board of Directors: Effectiveness Evaluation ☐ Corporate Governance Report	
2-19	Remuneration policies	p.121	Policy for Determining Director Remuneration ☐ Corporate Governance Report	

Disclosure		References		Reason for Omission/Supplemental Explanation
2-20	Process to determine remuneration	p.121	Policy for Determining Director Remuneration ☐ Corporate Governance Report	
2-21	Annual total compensation ratio	pp.122-123	Total Remuneration for Directors and Remuneration Ratio to Employees	
2-22	Statement on sustainable development strategy		☐ Sustainability	
2-23	Policy commitments	pp.006-010 pp.013-014 pp.017-018 p.021 p.023 p.104 pp.105-106	Sustainability in NTT DATA Commitment to Initiatives The NTT Group's Basic Policy Environmental Policies of the NTT DATA “NTT DATA NET-ZERO Vision 2040” NTT Group Human Rights Policy Respect for Human Rights ☐ Sustainability	
2-24	Embedding policy commitments	p.010 pp.031-043 pp.062-069 pp.080-081 pp.094-096 pp.104-109	Progress in Relation to Nine Material Issues and FY2023 Targets Information Disclosure Based on the TCFD Smart X Co-innovation Promoting a Responsible Supply Chain Promoting Health Management Human Rights & DEI ☐ Materiality of Sustainability Management	
2-25	Processes to remediate negative impacts	pp.080-083 pp.083-084 p.105	Promoting a Responsible Supply Chain Whistleblowing Systems Due Diligence Structure and Activities ☐ Contribution to society through business and corporate activities	
2-26	Mechanisms for seeking advice and raising concerns	pp.082-084	Ensuring Compliance ☐ Compliance	
2-27	Compliance with laws and regulations	pp.082-084	Ensuring Compliance ☐ Compliance	
2-28	Membership associations	pp.013-014	Commitment to Initiatives	
2-29	Approach to stakeholder engagement	p.011	Dialogue with Stakeholders	
2-30	Collective bargaining agreements	p.097	Labor-Management Dialogue to Enhance Work Environments ☐ Diversity, Equity and Inclusion	

GRI 3: Material Topics 2021				
3-1	Process to determine material topics	pp.008-010	Nine Material Issues and Identification Process for Achieving a Sustainable Society	
3-2	List of material topics	p.010	Progress in Relation to Nine Material Issues and FY2023 Targets ☐ Materiality of Sustainability Management	
Materiality				
Environment: Regenerating Ecosystems Conserving the Global Environment for the Future				
1. Carbon Neutrality Contribute to solving climate change issues through innovation to decarbonize society				
3-3	Management of material topics	pp.006-012 pp.021-022 pp.033-035 pp.052-053	Sustainability in NTT DATA Basic Policy and Management System Climate Change Risks and Response Environmental Management System ☐ Materiality of Sustainability Management	
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	p.055	Fiscal 2022 Environmental Data (Global, Consolidated)	
302-2	Energy consumption outside of the organization	p.055	Fiscal 2022 Environmental Data (Global, Consolidated)	
302-3	Energy intensity	p.055	Environmental Data (Global, Consolidated), Power usage efficiency	We disclose this data in terms of power usage efficiency at data centers, which are the primary sources of energy use for the services we provide.
302-4	Reduction of energy consumption	p.054 p.055	Overview of Our Environmental Impact (Material Flows) Fiscal 2022 Environmental Data (Global, Consolidated)	
302-5	Reductions in energy requirements of products and services	pp.036-039	Opportunities Related to Products and Services (Opportunity 1, 2, and 3)	
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	p.043 pp.055-056	Metrics and Targets (Management Metrics and Targets for Climate-Related Risks and Opportunities) Fiscal 2022 Environmental Data (Global, Consolidated/ Group companies in Japan)	
305-2	Energy indirect (Scope 2) GHG emissions	p.043 pp.055-056	Metrics and Targets (Management Metrics and Targets for Climate-Related Risks and Opportunities) Fiscal 2022 Environmental Data (Global, Consolidated/ Group companies in Japan)	
305-3	Other indirect (Scope 3) GHG emissions	p.043 pp.055-056 p.054	Metrics and Targets (Management Metrics and Targets for Climate-Related Risks and Opportunities) Fiscal 2022 Environmental Data (Global, Consolidated/ Group companies in Japan) Overview of Our Environmental Impact (Material Flows)	
305-4	GHG emissions intensity	p.042 pp.055-056	Impact of Climate Change Scenarios on the Group Fiscal 2022 Environmental Data (Global, Consolidated/ Group companies in Japan)	
305-5	Reduction of GHG emissions	p.043 pp.055-056	Metrics and Targets (Management Metrics and Targets for Climate-Related Risks and Opportunities) Fiscal 2022 Environmental Data (Global, Consolidated/ Group companies in Japan)	
305-6	Emissions of ozone-depleting substances (ODS)	pp.055-056	Fiscal 2022 Environmental Data (Global, Consolidated/ Group companies in Japan)	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		—	No significant air emissions detected
2. Circular Economy Reduce waste and create a society where the value of products and services continues to circulate				
3-3	Management of material topics	p.008 pp.013-014 pp.021-022 pp.052-053	Nine Material Issues Commitment to Initiatives Basic Policy and Management System Environmental Management System ☐ Materiality of Sustainability Management	

Disclosure		References		Reason for Omission/Supplemental Explanation
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	pp.044-046	Circular Economy	
306-2	Management of significant waste-related impacts	p.044 p.052 pp.080-081	Circular Economy Environmental Management System Promoting a Responsible Supply Chain ☐ NTT DATA Group Guidelines for Sustainability in Supply Chain	
306-3	Waste generated	p.044 pp.055-059 p.054	Circular Economy Recycling Related to Our Business Environmental Data Overview of Our Environmental Impact (Material Flows)	
306-4	Waste diverted from disposal	p.044 pp.055-059 p.054	Recycling Related to Our Business Environmental Data Overview of Our Environmental Impact (Material Flows)	
306-5	Waste directed to disposal	p.044 pp.055-059 p.054	Circular Economy Recycling Related to Our Business Environmental Data Overview of Our Environmental Impact (Material Flows)	
3. Nature Conservation Generate a sound global environment and contribute to people's well-being by conserving and recovering nature capital				
3-3	Management of material topics	p.008 pp.013-014 pp.040-043 pp.021-024 pp.052-053	Nine Material Issues Commitment to Initiatives Climate-Related Risks Management System Environmental Management System ☐ Materiality of Sustainability Management	
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	p.057 pp.048-050 p.054	Consumption of water resources Information Disclosure Based on the TNFD Overview of Our Environmental Impact (Material Flows)	
303-3	Water withdrawal	p.049 p.057	Information Disclosure Based on the TNFD Consumption of water resources	
303-4	Water discharge	p.024 pp.048-050 p.054	Summary of Third-Party Certified Data in Fiscal 2022 Information Disclosure Based on the TNFD Overview of Our Environmental Impact (Material Flows)	
303-5	Water consumption	pp.056-057 p.024 p.054	Fiscal 2022 Environmental Impact Data (Group companies in Japan) Summary of Third-Party Certified Data in Fiscal 2022 Overview of Our Environmental Impact (Material Flows)	
GRI 304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p.049	Information Disclosure Based on the TNFD	
304-2	Significant impacts of activities, products and services on biodiversity	p.048	Information Disclosure Based on the TNFD	
304-3	Habitats protected or restored	pp.047-050	Information Disclosure Based on the TNFD	Not applicable to our operational areas
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	pp.047-050	Information Disclosure Based on the TNFD	Not applicable to our operational areas
Economy: Clients' Growth Corporate Growth to Support a Sustainable Society				
1. Smart X Co-innovation Create new value through co-creation with various companies to achieve a smart and innovative society				
3-3	Management of material topics	p.008 pp.013-014 p.061 p.062 pp.070-071 pp.070-071	Nine Material Issues Commitment to Initiatives Initiatives Related to Materiality and KPIs “Innovation Center” Activities at Six Sites Around the World Promotion of Robust Risk Governance Dealing with Material Risks ☐ Materiality of Sustainability Management	
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	p.067	Quality Management	No instances of non-compliance
417-2	Incidents of non-compliance concerning product and service information and labeling	p.086	Appropriate Corporate Branding	No instances of non-compliance
417-3	Incidents of non-compliance concerning marketing communications	p.086 p.086	Measures to Prevent Unfair Competition Appropriate Corporate Branding	No instances of non-compliance
2. Trusted Value Chain Uphold data privacy and security to ensure safe, secure, and resilient corporate activities				
3-3	Management of material topics	p.008 pp.013-014 p.061 pp.070-071 pp.072-075 p.079	Nine Material Issues Commitment to Initiatives Initiatives Related to Materiality and KPIs Dealing with Material Risks Ensure Information Security and Protect Data Privacy Response to Disaster Risks ☐ Materiality of Sustainability Management	
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	pp.082-084	Ensuring Compliance	
205-2	Communication and training about anti-corruption policies and procedures	pp.082-084	Ensuring Compliance	
205-3	Confirmed incidents of corruption and actions taken	pp.082-084	Ensuring Compliance	
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p.086	Measures to Prevent Unfair Competition	
GRI 207: Tax 2019				
207-1	Approach to tax	pp.085-086	Tax Transparency	
207-2	Tax governance, control, and risk management	pp.085-086	Tax Transparency	
207-3	Stakeholder engagement and management of concerns related to tax	pp.085-086	Tax Transparency	
207-4	Country-by-country reporting	p.086	Taxes Incurred (FY2021)	

Disclosure		References		Reason for Omission/Supplemental Explanation
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	pp.029-030	Challenging Net-Zero across the Supply Chain	
308-2	Negative environmental impacts in the supply chain and actions taken		—	No instances of non-compliance
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	pp.080-081 pp.082-083 p.104	Promoting a Responsible Supply Chain Ensuring Compliance Respect for Human Rights	
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	pp.080-081 pp.082-083 pp.104-106	Promoting a Responsible Supply Chain Ensuring Compliance Respect for Human Rights	
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	pp.080-081	Promoting a Responsible Supply Chain	
414-2	Negative social impacts in the supply chain and actions taken		—	No instances of non-compliance
GRI 415: Public Policy 2016				
415-1	Political contributions	pp.086	Response to Government Policies	
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.010 pp.072-074	Progress in Relation to Nine Material Issues and FY2023 Targets Ensure Information Security and Protect Data Privacy	
3. Future of Work New ways of working that enhance employee experience and performance. Provide and promote work-style reforms for society as a whole				
3-3	Management of material topics	p.008 pp.013-014 pp.061 p.090	Nine Material Issues Commitment to Initiatives Initiatives Related to Materiality and KPIs Global Human Resource Development Framework ☐ Materiality of Sustainability Management	
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	p.087 pp.098-101	Strengthening the Hiring of Diverse Human Resources Employee Data (NTT DATA)	
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	p.091	Personnel Management System	We have developed a system that reflects the performance and other achievements in compensation for contract employees. Additionally, if we determine that individuals can contribute effectively over the long term, we may hire them as permanent employee status.
401-3	Parental leave	p.100 p.108	Employees Using Childcare and Nursing Care Systems Creating an Environment for Balancing Work with Childcare and Nursing Care ☐ Diversity, Equity and Inclusion	
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	pp.092-093 pp.094-096 p.097	Promoting Work-Style Innovation Promoting Health Management Employee Relations	
403-2	Hazard identification, risk assessment, and incident investigation	pp.094-096 p.097 p.101	Promoting Health Management Employee Relations Number of Occupational Accidents	
403-3	Occupational health services	pp.092-093 pp.094-096 p.101	Promoting Work-Style Innovation Promoting Health Management Number of Occupational Accidents	
403-4	Worker participation, consultation, and communication on occupational health and safety	p.097	Employee Relations	
403-5	Worker training on occupational health and safety	p.095	Improving Health Education and Health Literacy	
403-6	Promotion of worker health	pp.092-093 pp.094-096 p.097	Promoting Work-Style Innovation Promoting Health Management Employee Relations	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp.092-093 pp.094-096 p.097	Promoting Work-Style Innovation Promoting Health Management Employee Relations	
403-8	Workers covered by an occupational health and safety management system	pp.092-093 pp.094-096 pp.097	Promoting Work-Style Innovation Promoting Health Management Employee Relations	
403-9	Work-related injuries	p.095 p.101	Efforts to Support the Balance Between Medical Treatment and Work Number of Occupational Accidents	
403-10	Work-related ill health	p.096 p.101	Preventing Occupational Accidents Number of Occupational Accidents	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	p.100	Annual Study Hours and Training Costs per Participant	
404-2	Programs for upgrading employee skills and transition assistance programs	pp.088-091	Development of Human Resources with Diverse Expertise	
404-3	Percentage of employees receiving regular performance and career development reviews	p.091 p.097	Personnel Management System Improving Employee Engagement	
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	pp.080-081 pp.082-083 pp.104-106	Promoting a Responsible Supply Chain Ensuring Compliance Respect for Human Rights	
Society: Inclusive Society Realization of a Society for Healthy and Happy Lives				
1. Human Rights & DEI Work to create an equitable society where a diverse range of people thrive and respect each other's human rights				
3-3	Management of material topics	p.008 pp.013-014 pp.104-106	Nine Material Issues Commitment to Initiatives Respect for Human Rights ☐ Materiality of Sustainability Management	
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	p.097	Labor-Management Dialogue to Enhance Work Environments	We are currently assessing and preparing for the next Sustainability Report (scheduled for release in October 2024) to aim for the information disclosed aligns with GRI Standards.

Disclosure		References		Reason for Omission/Supplemental Explanation
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	p.099 p.099 pp.107-109 pp.116-118	Diversity Indicators New Hires and Reemployed Retired Workers Promoting Diversity, Equity & Inclusion (DEI) Board of Directors ☐ Diversity, Equity and Inclusion ☐ Governance ☐ Corporate Governance Report	We are currently assessing and preparing for the next Sustainability Report (scheduled for release in October 2024) to aim for the information disclosed aligns with GRI Standards.
405-2	Ratio of basic salary and remuneration of women to men	p.100	Female-to-Male Ratio: Basic and Total Salary per Employee	
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken		—	No instances of non-compliance
2. Digital Accessibility / Community Engagement		Deliver services that provide everyone with equal access to basic needs and improve people's quality of life/ Understand the challenges and needs for the development of local communities and provide services that enrich people's lives		
3-3	Management of material topics	p.008 pp.013-014	Nine Material Issues Commitment to Initiatives ☐ Materiality of Sustainability Management	
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	pp.110-112	Digital Accessibility/Community Engagement	
413-2	Operations with significant actual and potential negative impacts on local communities		—	No instances of non-compliance

Disclosure		References		Reason for Omission/Supplemental Explanation
Items not related to Materiality				
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed		☐ Investors (Library)	
201-2	Financial implications and other risks and opportunities due to climate change	pp.031-040	Information Disclosure Based on the TCFD ☐ NTT DATA Carbon-neutral Vision 2050	
201-3	Defined benefit plan obligations and other retirement plans		☐ Shareholders’ Meeting Materials p.13	
201-4	Financial assistance received from government		—	Information unavailable/incomplete: Information is not available at present
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		—	Information unavailable/incomplete: Information is not available at present
202-2	Proportion of senior management hired from the local community		—	Information unavailable/incomplete: Information is not available at present
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	pp.033-040 pp.110-111 p.051 p.051 pp.062-065 pp.110-112	Climate Change Risks and Response Contribution through Co-Creation with Customers Waidy® Management System Consulting Services to Support Nature-Related Financial Disclosure Innovation Management Digital Accessibility/Community Engagement	
203-2	Significant indirect economic impacts	pp.033-036 pp.036-039 pp.070-071	Climate Change Risks and Response Opportunities Related to Products and Services (Opportunity 1, 2, and 3) Dealing with Material Risks	
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers		—	Information unavailable/incomplete: Information is not available at present
GRI 301: Materials 2016				
301-1	Materials used by weight or volume		—	Not applicable
301-2	Recycled input materials used		—	Not applicable
301-3	Reclaimed products and their packaging materials		—	Not applicable
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures		—	
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples		—	No instances of non-compliance
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	pp.067-068	Quality Management	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		—	No instances of non-compliance

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■ Contact

Sustainability Innovation Department, Corporate Headquarters, NTT DATA Group Corporation
Toyosu Center Bldg., 3-3, Toyosu 3-chome, Koto-ku, Tokyo 135-6033, Japan

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