



Transaction to Make NTT DATA Group a Wholly Owned Subsidiary

May 8, 2025

Strategic Direction of NTT Group



◆ NTT Group Medium-Term Management Strategy (announced May 2023)

Fundamental Principles

**Innovating a Sustainable Future
for People and Planet**

Pillars of Our Initiatives

1. NTT as a Creator of New Value and Accelerator of a Global Sustainable Society

- Strengthening the use of DX/data in society and industry
- Expansion and upgrade of data center infrastructure, etc.

2. Upgrading the Customer Experience (CX)

3. Improving the Employee Experience (EX)

Position NTT DATA Group's businesses as a key driver for the growth of NTT Group and pursue more agile growth investments to strengthen the business portfolio

Objectives of Transaction to Make NTT DATA Group a Wholly Owned Subsidiary



◆ Challenges arising from the current capital relationship between NTT and NTT DATA Group

- (1) Conflicts of interest associated with the dual listing
- (2) Complex decision-making processes
- (3) Accountability to shareholders of both companies regarding the investment of resources



**Overcome challenges by making
NTT DATA Group a wholly owned subsidiary**

Objectives of Transaction to Make NTT DATA Group a Wholly Owned Subsidiary



◆ Objectives of Transaction to Make NTT DATA Group a Wholly Owned Subsidiary

- ✓ **By unifying decision-making processes, a structure will be established where NTT DATA Group plays a central role in NTT Group's global solutions business**
- ✓ **By making agile growth investments in response to rapid environmental changes, the growth of NTT DATA Group will accelerate the growth of NTT Group as a whole**

(1) Enhancement of the global solutions business portfolio

- ✓ **Enhance growth investments by leveraging NTT Group's cash flow and financing capabilities**
 - **Strengthen presence in markets like North American**, which has the highest demand worldwide and continues to produce the cutting-edge technologies
 - **Expand AI-enabled services**, which are expected to experience rapid market expansion
 - **Advance digital engineering**, which is anticipated to see significant growth and global expansion
 - **Expand and upgrade data center infrastructure** in response to the increasing demand for AI

(2) Enhancement of coordination of resources/capabilities of both groups

✓ **Corporate Sales:**


Strengthen cooperation between NTT DATA Group and NTT Group companies

- **Strengthen and expand sales of integrated solutions for large corporations** by combining customer bases and offerings
- **Strengthen sales to municipalities and small and medium-sized companies** by leveraging the software assets developed by NTT DATA Group

✓ **R&D:**

Upgrade data center infrastructure by leveraging IOWN, etc. and **implement AI in real-world** by utilizing tsuzumi

(3) Facilitation of rapid decision-making and improving cost-competitiveness and customer/employee experience

- ✓ Facilitate rapid decision-making and optimize resources and assets by simplifying governance and consolidating overlapping functions
 - ✓ Promote cross-group DX of shared internal operations in the areas of software development and corporate sales by maximizing the use of AI
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- ✓ Enhance the customer experience (CX) through continuous service improvement, etc.
 - ✓ Improve cost efficiency and the employee experience (EX) by streamlining operations

Overview of Transaction to Make NTT DATA Group a Wholly Owned Subsidiary



➤ Implement the Tender Offer for Shares of NTT DATA Group

Tender Offer Period	May 9 (Friday) – June 19 (Thursday)
Tender Offer Price	JPY 4,000 per share
Shares to be Purchased	592,810,968 shares

- If NTT is not able to acquire all of NTT DATA Group's shares (excluding shares owned by NTT and NTT DATA Group) through the Tender Offer, NTT will conduct procedures to make NTT DATA Group a wholly owned subsidiary.

◆ Financing

- ✓ The Tender Offer will be financed through bridge loans from five Japanese financial institutions
- ✓ The bridge loans are planned to eventually be replaced with long-term financing

◆ Financial Policy

- ✓ Continue to make growth investments and return profits to shareholders while maintaining financial soundness
- ✓ Aim to return to the pre-Tender Offer financial position in the medium term (effect of investments in growth areas, improved profitability in existing areas, and realization of synergies through the Transaction)

Initiatives for Synergy Creation



- **NTT DATA Group and NTT Group companies will engage in discussions to strengthen collaboration and optimize overlapping functions**

◆ **Topics and Relevant Group Companies (Examples)**

✓ **Corporate Sales**

- **Optimization of sales to large corporations: NTT Communications**
- **AI technology: NTT TechnoCross**
- **Upgrading BPO business with IT services:
NTT Marketing Act ProCX, NTT Nexia**

✓ **R&D**

- **Enhancing added value in data centers and accelerating the real-world implementation of AI using R&D results: NTT R&D**

- **The relevant companies will establish up a framework to consider specific initiatives, the target structure, and the schedule, etc.**

***Innovating a Sustainable Future
for People and Planet***

The tender offer referred to herein (the “Tender Offer”) will be conducted in compliance with the procedures and information disclosure standards set out in the Financial Instruments and Exchange Act of Japan, but those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the Tender Offer is not subject to Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the “U.S. Securities Exchange Act of 1934”) or the rules set out thereunder, and the Tender Offer will not be conducted in line with those procedures or standards. Further, the Company, which is the tender offeror (the “Tender Offeror”), and NTT DATA Group Corporation (the “Target Company”) are companies that have been established outside of the United States and some or all of the directors of the Tender Offeror and the Target Company reside outside of the United States, so it may be difficult to exercise any rights or make any claims under the federal securities laws of the United States. It also may be impossible to bring an action against a company that is based outside of the United States or its directors in a court outside of the United States on the grounds of a violation of the federal securities laws of the United States. There is also no guarantee that a company that is based outside of the United States or its subsidiaries or affiliates may be compelled to submit themselves to the jurisdiction of a United States court.

Unless otherwise provided, all of the procedures concerning the Tender Offer will be conducted in the Japanese language. All or some of the documents related to the Tender Offer are prepared in the English language, and if there is a discrepancy between that English language document and the corresponding Japanese language document, the Japanese language document will prevail.

This material and the explanations given at the relevant briefing contain “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. There may be a significant difference between actual results and the express or implied predictions, etc. made as “forward-looking statements” due to known or unknown risks, uncertainties, and other factors. None of the Tender Offeror, the Target Company, and their affiliates guarantees that any express or implied prediction, etc. made as a “forward-looking statement” will ultimately be correct. Such “forward-looking statements” in this material and the explanations given at the relevant briefing have been prepared based on information that is available to the Tender Offeror and the Target Company as of today, and unless required by applicable laws or regulations or the rules of a financial instruments exchange, none of the Tender Offeror, the Target Company, and any of their affiliates has an obligation to update or correct those statements in order to reflect future events or circumstances.

The Tender Offeror, financial advisors of the Tender Offeror and the Target Company, and the tender offer agent (including their affiliates) might purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of shares of the Target Company on their own account or the account of their client before the commencement of the Tender Offer or during the purchase period of the Tender Offer to the extent permitted by Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations in the scope of their ordinary business and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. Such purchases may be made at market prices through market transactions or at prices determined through negotiations outside the market. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on a website of the person that conducted that purchase (or by another disclosure method).