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# NTT DATA

## NTT DATA Germany GmbH

Munich

### Annual financial statements for the business year from April 1, 2018 to March 31, 2019

#### Balance sheet as of March 31, 2019

#### assets

	March 31, 2019	March 31, 2018
	€	€
A. Fixed assets		
I. Intangible Assets		
1. Self-developed software	3,902,523.57	2,413,089.26
2. Purchased software and licenses	325,305.88	334,469.31
3. Goodwill	2,329,982.30	2,621,230.09
	6,557,811.75	5,368,788.66
II. Tangible assets		
1. Land, land rights and buildings including buildings on third-party land	1,675,013.59	1,864,502.99
2. Technical systems and machines	174,061.07	209,147.65
3. Other equipment, factory and office equipment	3,472,857.22	3,969,118.77
4. Advance payments and assets under construction	49,764.80	0.00
	5,371,696.68	6,042,769.41
III. Financial assets		
1. Shares in affiliated companies	500.00	3,710,500.00
	500.00	3,710,500.00
	11,930,008.43	15,122,058.07
B. Current Assets		
I. Inventories		
1. Work in progress	21,316,112.94	31,219,879.98
2. Advance payments made	0.00	252,497.55
	21,316,112.94	31,472,377.53
II. Receivables and other assets		
1. Trade accounts receivable	48,889,879.02	41,939,466.05
2. Receivables from affiliated companies	3,892,271.52	6,564,347.19
(thereof from shareholders € 816,906.19; previous year € 1,838,574.57)		
3. Other assets	5,189,537.18	6,066,426.13
(thereof remaining term over one year € 4,992,179.55; previous year € 4,700,931.51)		
	57,971,687.72	54,570,239.37
III. Cash in hand, bank balances	30,515,528.41	21,809,199.48
	109,803,329.07	107,851,816.38
C. Prepaid expenses	4,680,027.41	2,478,561.13
D. Active difference from asset offsetting	316,972.31	27,647.74
	126,730,337.22	125,480,083.32

#### liabilities

	March 31, 2019	March 31, 2018
	€	€
A. Equity		

	March 31, 2019	March 31, 2018
	€	€
I. Drawn capital	11,504,067.33	11,504,067.33
Nominal amount own shares	-230,081.35	-230,081.35
	11,273,985.98	11,273,985.98
II. Capital reserve	7,294,495.99	7,294,495.99
III. Retained earnings		
Other retained earnings	306,775.13	306,775.13
IV. Balance sheet profit	11,605,327.33	7,115,918.61
	30,480,584.43	25,991,175.71
B. Provisions		
1. Provisions for pensions and similar obligations	9,861,542.40	8,473,756.38
2. Tax provisions	741,823.34	831,928.94
3. Other provisions	39,787,525.38	41,691,429.93
	50,390,891.12	50,997,115.25
C. Liabilities		
1. Advance payments received on orders (thereof with a remaining term of up to one year € 6,786,587.92; previous year € 12,788,959.02)	6,786,587.92	12,788,959.02
2. Trade payables (thereof with a remaining term of up to one year € 11,649,205.13; previous year € 7,178,763.54)	11,649,205.13	7,431,261.09
3. Liabilities to affiliated companies (thereof with a remaining term of up to one year € 12,836,337.41; previous year € 14,267,550.53) (of which to shareholders € 15,220,925.27; previous year € 17,248,089.29) (thereof from deliveries and services € 3,312,796.91; previous year € 3,246,970.78)	17,836,337.41	19,267,550.53
4. Other Liabilities (of which from taxes € 5,635,733.82; previous year € 4,607,015.96) (thereof with a remaining term of up to one year € 9,355,914.45; previous year € 6,608,471.87)	9,355,914.45	6,608,471.87
	45,628,044.91	46,096,242.51
D. Prepaid expenses	230,816.76	2,395,549.85
	126,730,337.22	125,480,083.32

#### Income statement for the period from April 1, 2018 to March 31, 2019

	2019	2018
	€	€
1. Sales	351,417,600.48	321,085,757.27
2. Increase (+) or decrease (-) in the inventory of services that have not yet been billed	-9,903,767.04	3,776,076.27
3. Other own work capitalized	2,483,369.26	738,080.64
4. Other operating income of which from currency translation € 200,871.30 (previous year € 20,563.10)	916,419.24	1,745,974.17
5. Cost of materials	-134,528,302.08	-134,539,424.87
a). Expenses for purchased goods	-23,062,463.32	-23,874,030.74
b). Expenses for purchased services	-111,465,838.76	-110,665,394.13
6. Personnel expenses	-169,986,637.70	-156,056,587.28
a). Wages and salaries	-146,635,666.66	-134,732,803.43
b). Social security and pension and support expenses of which for pensions € 2,209,572.01 (previous year € 1,911,336.57)	-23,350,971.04	-21,323,783.85
7. Depreciation on intangible assets and property, plant and equipment	-3,871,971.52	-3,842,048.42
8. Other operating expenses of which from currency translation € 130,329.11 (previous year € 107,611.02)	-26,806,875.36	-29,849,395.01
9. Other Interest and Similar Income of which from affiliated companies € 0.00 (previous year € 0.00) of which from discounting € 0.00 (previous year € 0.00)	12,667.06	11,978.38
10. Depreciation on financial assets	-3,710,000.00	-1,000,000.00
11. Interest and Similar Expenses of which to affiliated companies € 128,429.50 (previous year € 144,590.17) of which from compounding € 407,372.91 (previous year € 331,779.20)	-537,884.42	-479,876.65
12. Taxes on income and earnings	-979,728.36	-461,290.48
13. Profit after tax	4,504,889.56	1,129,244.02

	2019		2018	
	€	€	€	€
14. Other taxes		-15,480.84		-42,888.07
15. Annual net income		4,489,408.72		1,086,355.95
16. Balance sheet profit from the previous year		7,115,918.61		6,029,562.66
17. Balance sheet profit		11,605,327.33		7,115,918.61

### Appendix for the financial year from April 1, 2018 to March 31, 2019

#### of NTT DATA Deutschland GmbH, Munich

#### Accounting and valuation principles

##### 1. General information

The annual financial statements of NTT DATA Deutschland GmbH (NTT DATA Deutschland), registered at the Munich Register Court (HRB 51846), have been prepared in accordance with the provisions of the Commercial Code and the supplementary provisions of the GmbH Act. The company is based in Munich.

The total cost method in accordance with Section 275 (2) of the German Commercial Code (HGB) is selected for the income statement.

The annual financial statements are prepared in German and in euros in accordance with Section 244 of the German Commercial Code (HGB).

NTT DATA Deutschland GmbH is a large corporation within the meaning of Section 267 (3) HGB.

The business year of NTT DATA Germany extends from April 1st to March 31st. This corresponds to that of the ultimate parent company Nippon Telegraph and Telephone Corporation, Tokyo / Japan.

The accounting and valuation methods are unchanged from the previous year.

##### 2. Assets

Internally generated intangible fixed assets are capitalized at production cost. The straight-line depreciation takes place over a useful life of 3-5 years.

Purchased intangible assets are valued at cost less straight-line depreciation over 3-5 years.

The goodwill results from the merger of Nefos Deutschland GmbH in April 2017 and is amortized on a straight-line basis over a useful life of 10 years.

In the case of items of property, plant and equipment with temporary use, depreciation is made in accordance with the expected economic useful life.

Property, plant and equipment are depreciated using the straight-line method. The underlying useful lives are 3-13 years for fixtures, technical equipment and machines, and operating and office equipment. Low-value assets with acquisition costs of € 250 to € 800 are written off in full in the year of acquisition.

The shares in affiliated companies included under financial assets are shown at acquisition cost or the lower fair value in the case of permanent impairment. If the reasons for the value adjustment no longer exist, the financial assets will be added to the extent of the increase in value, but no more than the acquisition cost.

The work in progress shown under inventories is capitalized taking into account the lower of cost or market principle, with direct costs plus an appropriate proportion of overhead costs. For projects that, when viewed as a whole, are likely to end with a loss, a devaluation is carried out for loss-free valuation to the lower fair value.

In the balance sheet, the down payments received on orders are posted as a liability.

Receivables and other assets are shown at their nominal value. For the receivables, recognizable individual risks are taken into account through appropriate valuation discounts. The general credit risk is adequately taken into account by means of a general bad debt allowance for receivables.

The valuations of the remaining current assets correspond to the lower of cost or market principle (nominal value taking into account any necessary discounts)

Liquid funds are reported at their nominal values.

The temporary concept with the company's individual tax rates is used to calculate deferred taxes. The option to account for the surplus of deferred taxes on temporary differences between commercial and tax law approaches as well as on loss carryforwards is not used.

Expenditures before the reporting date are shown as prepaid expenses on the assets side, insofar as they represent an expense for a certain period of time after this day.

Under the active difference from the offsetting of assets, the assets formed in accordance with § 8a ATZG for insolvency protection, which are not accessible to all other creditors, are netted with the obligation for partial retirement.

##### 3. Liabilities

The subscribed capital is stated at the nominal amount.

The nominal amount of the own shares is openly deducted from the subscribed capital.

The pension provisions are calculated using the projected unit credit method based on a probability of death according to the mortality tables 2018G (previous year: 2005G) by Prof. Dr. Klaus Heubeck rated. The interest rate results from the application of the simplification rule of Section 253 (2) HGB new version and amounts to 3.08% (previous year: 3.57%). The salary trend is assumed to be 2.5% (previous year: 2.0%) and the pension trend is assumed to be 2.0%, as in the previous year. The fluctuation is 13.0% (previous year: 10.0%).

The settlement amount of the defined contribution pension commitments is based on the fair value of the existing reinsurance policies. The reinsurance policies, which are inaccessible to all other creditors and serve exclusively to meet debts from pension obligations, are offset against the associated pension obligations.

The tax provisions take sufficient account of all tax transactions up to the preparation of the balance sheet and are recognized at the settlement amount.

The provision for partial retirement is valued according to the following principles:

The top-up payments are valued using the actuarial present value, taking into account a possible loss of the obligation due to disability or death of the beneficiary.

Fulfillment arrears due to advance payments during the work phase, which only lead to payments in the release phase, are valued with the payment amounts discounted on the balance sheet date. Due to the average remaining term of less than one year, there was no discounting in the financial year. The biometric assessment assumptions are based on the 2018G mortality tables by Prof. Dr. Taken from Klaus Heubeck.

The other provisions take sufficient account of all risks and uncertain liabilities that were identifiable up until the balance sheet was drawn up. They cover obligations that are basically recognizable, but have not yet been determined in their final amount. The valuation is based on the settlement amount, taking into account future objectifiable price and cost increases. Provisions with a remaining term of more than one year are discounted using the average market interest rate for the past seven financial years that corresponds to their remaining term.

The liabilities are generally stated at their settlement amount.

Deferred income is created for income before the reporting date that can be allocated to later periods in terms of income. The dissolution takes place in accordance with the contractual agreements.

#### 4. Profit and Loss Account

When realizing sales, a distinction must be made between contracts for work and services. Orders based on service contracts are billed after the service has been rendered, thus realizing sales. In the case of contracts for work and services, sales are recognized upon final or agreed partial acceptance of the work by the customer.

#### 5. Principles of foreign currency conversion

Assets and liabilities denominated in foreign currencies are converted at the mean spot exchange rate on the reporting date. In the case of assets or liabilities with a remaining term of one year or less, Section 253 (1) sentence 1 HGB and Section 252 (1) no. 4 half-sentence 2 HGB are not applied.

### Notes to the balance sheet

#### 1. Fixed assets

The intangible assets include internally generated software € 3,903 thousand; (Previous year: € 2,413 thousand), goodwill of € 2,330 thousand (previous year: € 2,621 thousand) and purchased software / licenses of € 325 thousand (previous year: € 334 thousand).

Property, plant and equipment mainly includes operating and office equipment € 3,473 thousand; (Previous year: € 3,969 thousand), including notebooks and smartphones. Furthermore, leasehold improvements in connection with our office buildings € 1,675 thousand; (Previous year: € 1,865 thousand), as well as technical equipment and machines € 174 thousand; (Previous year: € 209 thousand), which mainly include access and door locking systems.

The financial assets amounted to € 1 thousand in the financial year (previous year: € 3,711 thousand) and include the shares in NTT DATA Romania Ltd, Romania. In March 2019, the shares in NTT DATA Österreich GmbH, Vienna / Austria were written down in the amount of € 3,710 thousand.

#### 2. Inventories

Work in progress includes services from project management that have not yet been billed for € 21,316 thousand (previous year: € 31,220 thousand).

#### 3. Receivables and other assets

All receivables and other assets in the amount of € 57,972 thousand (previous year: € 54,570 thousand) have a remaining term of up to one year, with the exception of other assets of € 4,992 thousand (previous year: € 4,700 thousand).

The trade receivables in the amount of € 48,890 thousand (previous year: € 41,939 thousand) include receivables from project execution.

The receivables from affiliated companies in the amount of € 3,892 thousand (previous year: € 6,564 thousand) essentially consist of trade receivables of € 3,183 thousand (previous year: € 6,172 thousand).

The other assets essentially include the asset values from reinsurance claims amounting to € 4,881 thousand (previous year: € 4,700 thousand).

#### 4. Cash in hand, bank balances

The liquid funds consist entirely of cash in hand and bank balances.

#### 5. Deferred tax assets

Deferred tax assets are not reported. For the existing surplus of assets, the balance sheet is not carried using the capitalization option of Section 274, Paragraph 1, Clause 2 of the German Commercial Code. The asset surplus results mainly from temporary differences in the area of pension provisions and other provisions as well as from tax loss carryforwards. The company-specific tax rate is used for the valuation. This amounts to 15.8% for corporation tax including the solidarity surcharge and 16.6% for trade tax.

#### 6. Active difference from asset allocation

The assets formed in accordance with § 8a ATZG for insolvency protection have been withdrawn from access to all other creditors and offset against the obligation for partial retirement.

The fair value of the assets, which results from the market value on the balance sheet date, is € 396 thousand (previous year: € 398 thousand), the settlement amount of the offset liabilities is € 79 thousand (previous year: € 370 thousand). In the financial year, there is therefore an active difference from the offsetting of assets of € 317 thousand (previous year: € 28 thousand).

#### 7. Provisions

The pension obligations as of March 31, 2019 amounted to € 9,862 thousand (previous year: € 8,474 thousand). These include the pension obligations of NTT DATA Deutschland.

Reinsurance policies that are not accessible to all other creditors and serve exclusively to meet debts from pension obligations are offset against these obligations. The fair value of the offset assets as of the balance sheet date was € 909 thousand (previous year: € 860 thousand). The settlement amount of the offset debts is € 2,183 thousand (previous year: € 4,517 thousand).

The interest expense from the pension obligation amounts to € 317 thousand (previous year: € 315 thousand). The interest income from the pension assets amounts to € 0 thousand (previous year: € 0 thousand). This results in a net interest expense of € 317 thousand in the income statement (previous year: € 315 thousand). The service cost is shown under personnel expenses.

The tax provision mainly relates to back payments for trade tax, corporation tax and solidarity surcharge in the amount of € 742 thousand (previous year: € 832 thousand).

The other provisions basically cover recognizable obligations, the final amount of which has not yet been determined. They include amounts for personnel costs € 17,276 thousand (previous year: € 17,377 thousand), outstanding invoices € 15,336 thousand (previous year: € 13,967 thousand), warranty claims € 4,411 thousand (previous year: € 4,819 thousand) and other other provisions € 2,765 thousand (previous year: € 5,528 thousand).

The provision for partial retirement as of March 31, 2019 amounts to € 79 thousand (previous year: € 370 thousand) and was offset against the assets for insolvency insurance in accordance with Section 8a ATZG and is shown as an active difference from the asset offset.

#### 8. Liabilities

##### Schedule of liabilities as of March 31, 2019

liabilities	March 31, 2019			March 31, 2018 (previous year)		
	total	thereof remaining term of up to 1 year	thereof remaining term of 1 to 5 years	total	thereof remaining term of up to 1 year	thereof remaining term of 1 to 5 years
	T €	T €	T €	T €	T €	T €
1. Advance payments received on orders	6,787	6,787	0	12,789	12,789	0
2. Trade payables	11,649	11,649	0	7,431	7,179	252
3. Liabilities to affiliated companies	17,836	12,836	5,000	19,268	14,268	5,000
- of which to shareholders	(15,221)	(10,221)	(5,000)	(17,248)	(12,248)	(5,000)
4. Other Liabilities	9,356	9,356	0	6,608	6,608	0

liabilities	March 31, 2019			March 31, 2018 (previous year)		
	total	thereof remaining term of up to 1 year	thereof remaining term of 1 to 5 years	total	thereof remaining term of up to 1 year	thereof remaining term of 1 to 5 years
	T €	T €	T €	T €	T €	T €
- of which from taxes	(5,636)	(5,636)	0	(4,607)	(4,607)	0
	45,628	40,628	5,000	46,096	40,844	5,252

The liabilities to affiliated companies in the amount of € 17,836 thousand (previous year: € 19,268 thousand) essentially include trade payables of € 3,313 thousand (previous year: € 3,247 thousand) and loan liabilities of € 14,500 thousand (Previous year: € 16,000 thousand) from NTT DATA EMEA Ltd., London / UK.

### 9. Other Financial Obligations

As of the balance sheet date, there were other financial obligations with a remaining term of more than 5 years in the nominal amount of € 5,103 thousand (previous year: € 8,410 thousand).

The other financial obligations with a remaining term of up to 5 years amounted to a nominal amount of € 31,673,000 as of the reporting date (previous year: € 31,132,000), of which € 675,000 (previous year: € 925,000) were to affiliated companies.

The financial obligations mainly relate to rental and leasing contracts.

As of the balance sheet date, there were no guarantee obligations (previous year: € 1,586 thousand).

### Notes on the income statement

#### 1. Sales

The sales revenue of € 351,418 thousand (previous year: € 321,086 thousand) is broken down according to geographic markets as follows:

	04/01/2018 - 03/31/2019	04/01/2017 - 03/31/2018
	T €	T €
inland	327,972	296,201
foreign countries	24,060	25,764
Sales deductions	-614	-879
total	351,418	321,086

The breakdown of sales by type of service can be shown as follows:

	04/01/2018 - 03/31/2019	04/01/2017 - 03/31/2018
	T €	T €
Customer-specific developments, advice, service and maintenance	347,130	309,669
miscellaneous	4,902	12,296
Sales deductions	-614	-879
total	351,418	321,086

#### 2. Increase (+) or decrease (-) in the inventory of services that have not yet been billed

The services that have not yet been billed decreased by € 9,904 thousand as of March 31, 2019 (previous year: increase of € 3,776 thousand), caused by an optimization of the invoicing process.

#### 3. Other own work capitalized

The expenses capitalized in the course of developing software for later marketing to customers as well as software for personal use were reported under other own work capitalized in the amount of € 2,483 thousand (previous year: € 738 thousand).

#### 4. Other operating income

The other operating income of € 916 thousand (previous year: € 1,746 thousand) includes income from other accounting periods of € 257 thousand (previous year: € 685 thousand). The income unrelated to the accounting period essentially results from the reversal of provisions.

#### 5. Cost of materials

	04/01/2018 - 03/31/2019	04/01/2017 - 03/31/2018
	T €	T €
Expenses for purchased services	111,466	110,665
Expenses for purchased goods	23,062	23,874
total	134,528	134,539

#### 6. Personnel expenses

	04/01/2018 - 03/31/2019	04/01/2017 - 03/31/2018
	T €	T €
Wages and salaries	146,636	134,733
Social contributions and expenses for benefits	21,141	19,413
Pension expenses	2,210	1,911
total	169,987	156,057

#### 7. Depreciation

	04/01/2018 - 03/31/2019	04/01/2017 - 03/31/2018
	T €	T €
Depreciation on property, plant and equipment	2,291	2,185
Depreciation of intangible assets	1,581	1,657
total	3,872	3,842

An intangible asset in the amount of € 693 thousand was written off in the financial year.

### 8. Other operating expenses

The other operating expenses of € 26,807 thousand (previous year: € 29,849 thousand) mainly include rent, travel and transport costs, vehicle costs, advertising costs, voluntary social expenses and recruitment costs, as well as costs for telephone, fax and postage. The other operating expenses include expenses unrelated to the accounting period in the amount of € 986 thousand (previous year: € 41 thousand), which essentially result from the derecognition of receivables.

### 9. Depreciation on financial assets

The shares in the subsidiary NTT DATA Österreich GmbH, Vienna, included under financial assets, were written off in full by € 3,710 thousand as of March 31, 2019. The assessment of the value of the financial assets is based on the medium-term planning of NTT DATA Österreich GmbH, Vienna. The earnings value (€ 0 thousand) of NTT DATA Österreich GmbH, Vienna, determined from the planning, was below the book value.

### 10. Interest

The interest income of € 13 thousand (previous year: € 12 thousand) consists of interest income from banks.

The interest expenses of € 538 thousand (previous year: € 480 thousand) result mainly from the valuation of provisions of € 407 thousand (previous year: € 332 thousand) and loan interest to affiliated companies of € 128 thousand (previous year: € 145 thousand).

### 11. Taxes

Income taxes of € 980 thousand (previous year: € 461 thousand) result mainly from current taxation.

## Other Information

### 1. Amount blocked from distribution in accordance with Section 268 (8) HGB

The amount blocked from distribution is determined as follows:

	04/01/2018 - 03/31/2019	04/01/2017 - 03/31/2018
	T €	T €
Internally generated intangible fixed assets	3,903	2,413
Change in pension provision due to application of Section 253 (2) HGB new version	2,934	2,024
Amount blocked for distribution	6,837	4,437

The difference between the recognition of the provisions based on the corresponding average market interest rate from the past ten financial years and the recognition of the provisions based on the corresponding average market interest rate from the past seven financial years is blocked from distribution in accordance with Section 253 (6) of the new version of the German Commercial Code (HGB).

The internally generated intangible assets shown in the balance sheet as of March 31, 2019, as well as the change in pension provisions due to the application of Section 253 (2) of the new version of the German Commercial Code (HGB) are not barred from distribution, as there are sufficient freely available revenue and capital reserves.

### 2. Exempting consolidated financial statements

NTT DATA Deutschland GmbH is the parent company within the meaning of Section 290 of the German Commercial Code (HGB) and is therefore obliged to prepare consolidated financial statements and a group management report. The company intends to make use of the exemption provision of Section 292 of the German Commercial Code (HGB) and to forego the preparation of the consolidated financial statements and the group management report. The annual financial statements of NTT DATA Deutschland GmbH will be included in the consolidated financial statements as of March 31, 2019 of Nippon Telegraph and Telephone Corporation, Tokyo / Japan.

The exempting consolidated financial statements as of March 31, 2019 of Nippon Telegraph and Telephone Corporation, based in Tokyo / Japan, are prepared and audited in accordance with the international accounting standards IFRS (International Financial Reporting Standards). The examination is carried out by KPMG AZSA LLC, based in Tokyo / Japan, which is registered in the professional register of the Chamber of Public Accountants under the registration number 205001600 in accordance with Section 134 (2a) WPO. The disclosure of the exempting consolidated financial statements as of March 31, 2019 will be made at the Securities and Exchange Commission (SEC) in Washington (DC) / USA using the FORM 20-F and will be available there. The German translation of the consolidated financial statements will be published in the electronic Federal Gazette.

Since these consolidated financial statements are prepared in accordance with the IFRS accounting standards, there are deviations from the accounting, valuation and consolidation methods in accordance with the German Commercial Code (HGB). These deviations result in particular from

- the valuation of goodwill,
- the application of the profit realization method according to the degree of completion,
- the recognition of deferred tax assets,
- the valuation of pension provisions.

### 3. Information on shareholdings

Name of the registered office of the company	Participation rate	Equity in T € according to IFRS	Completion as of	Annual result after taxes in T € according to IFRS
NTT DATA Austria GmbH, Vienna (AT)	100%	3,329	March 31, 2019	-159
NTT DATA Romania, Cluj (ROU)	0.003%	19,624	March 31, 2019	4,946

### 4. Information on the number of employees

	Status: March 31, 2019	Status: March 31, 2018	Annual average 2018/19	Annual average 2017/18
Employees	1,792	1,694	1,659	1,642

### 5. Auditor's fee

The fee for the auditing services performed by KPMG AG Wirtschaftsprüfungsgesellschaft (no other services provided) is € 183 thousand (previous year: € 178 thousand).

### 6. Information on organs of the company

#### Managing directors:

The management is composed as follows:

Swen Rehders, Elmshorn  
Chairman of the Management Board, CEO

Ilka Friese, Munich  
Managing Director / Chief Financial Officer

Dieter Loewe, Kelkheim  
Managing Director Clients & Markets

Jens-Uwe Holz, Munich  
Managing Director Automotive & Manufacturing

Ralf Malter, Holzkirchen  
Managing Director Digital Business Solutions

The members of the management received total remuneration of € 2,522 thousand for the period from April 1, 2018 to March 31, 2019 (previous year: € 2,339 thousand).

No payments were made to former members of the management team or their surviving dependents in the period from April 1, 2018 to March 31, 2019.

#### Supervisory Board:

The Supervisory Board is composed as follows:

- Shareholder representative:

Herbert Vogel, Bad Salzflen  
Chairman of the Supervisory Board

Ken Tsuchihashi, London (UK) / Director and Chairman NTT DATA EMEA Ltd.  
Deputy Chairman of the Supervisory Board

Benito Vazquez, Madrid (ESP) / CEO NTT DATA EMEA Ltd.  
(from April 20th, 2018)

Patrizio Mapelli, Bareggio / Milan (ITA) / CEO NTT DATA EMEA Ltd.  
(until April 19, 2018)

Britta Döring, Forchheim / Head of HR NTT DATA EMEA Ltd.

- Employee representatives:

Karin Ginzky, Karlsruhe  
Data processing clerk / graduate industrial engineer

José Alcalá-Toca, Germering  
Senior Managing Consultant

The employee representatives on the Supervisory Board receive total annual remuneration of € 7 thousand.

#### 7. Proposal for the use of earnings

The management proposes to carry forward the net income for the year of € 4,489,408.72 as of March 31, 2019 (previous year net income: € 1,086,355.95) to the new account.

#### 8. Supplementary report

No events occurred after the balance sheet date that could be of material importance for assessing the earnings, financial and asset position of the company.

Munich, June 12, 2019

***The Board***

***Swen Rehders***

***Ilka Friese***

***Dieter Loewe***

***Jens-Uwe Holz***

***Ralf Malter***

#### Fixed assets as of March 31, 2019

	PURCHASE / MANUFACTURING COSTS				As of March 31, 2019 Euro
	As of April 1st, 2018 Euro	Accesses Euro	Departures Euro	Transfers / re- structuring Euro	
I. Intangible Assets					
1. Self-developed software	5,515,033.57	2,483,369.26	-2,794,486.26	0.00	5,203,916.57
2. Purchased software and licenses	3,950,460.70	286,205.24	-3,154,322.43	0.00	1,082,343.51
3. Goodwill	3,323,021.55	0.00	0.00	0.00	3,323,021.55
	12,788,515.82	2,769,574.50	-5,948,808.69	0.00	9,609,281.63
II. Tangible assets					
1. Land, land rights and buildings including buildings on third-party land	2,512,465.03	101,800.75	-40,000.00	0.00	2,574,265.78
2. Technical systems and machines	299,716.46	4,520.70	-2,511.50	0.00	301,725.66
3. Other equipment, factory and office equipment	10,050,205.05	1,474,793.84	-3,614,237.53	0.00	7,910,761.36
4. Advance payments and assets under construction	0.00	49,764.80	0.00	0.00	49,764.80
	12,862,386.54	1,630,880.09	-3,656,749.03	0.00	10,836,517.60
III. Financial assets					
Shares in affiliated companies	7,631,946.17	0.00	0.00	0.00	7,631,946.17
	7,631,946.17	0.00	0.00	0.00	7,631,946.17

	PURCHASE / MANUFACTURING COSTS				As of March 31, 2019 Euro
	As of April 1st, 2018 Euro	Accesses Euro	Departures Euro	Transfers / re- structuring Euro	
total	33,282,848.53	4,400,454.59	-9,605,557.72	0.00	28,077,745.40
	DEPRECIATION				As of March 31, 2019 Euro
	As of April 1st, 2018 Euro	Annual depreciation Euro	Departures Euro		
I. Intangible Assets					
1. Self-developed software	-3,101,944.31	-993,934.95	2,794,486.26		-1,301,393.00
2. Purchased software and licenses	-3,615,991.39	-295,368.67	3,154,322.43		-757,037.63
3. Goodwill	-701,791.46	-291,247.79	0.00		-993,039.25
	-7,419,727.16	-1,580,551.41	5,948,808.69		-3,051,469.88
II. Tangible assets					
1. Land, land rights and buildings including buildings on third-party land	-647,962.04	-291,290.15	40,000.00		-899,252.19
2. Technical systems and machines	-90,568.81	-39,607.28	2,511.50		-127,664.59
3. Other equipment, factory and office equipment	-6,081,086.28	-1,960,522.68	3,603,704.82		-4,437,904.14
4. Advance payments and assets under construction	0.00	0.00	0.00		0.00
	-6,819,617.13	-2,291,420.11	3,646,216.32		-5,464,820.92
III. Financial assets					
Shares in affiliated companies	-3,921,446.17	-3,710,000.00	0.00		-7,631,446.17
	-3,921,446.17	-3,710,000.00	0.00		-7,631,446.17
total	-18,160,790.46	-7,581,971.52	9,595,025.01		-16,147,736.97
	RESIDUAL CARRYING AMOUNTS				March 31, 2018 Euro
				March 31, 2019 Euro	
I. Intangible Assets					
1. Self-developed software			3,902,523.57		2,413,089.26
2. Purchased software and licenses			325,305.88		334,469.31
3. Goodwill			2,329,982.30		2,621,230.09
			6,557,811.75		5,368,788.66
II. Tangible assets					
1. Land, land rights and buildings including buildings on third-party land			1,675,013.59		1,864,502.99
2. Technical systems and machines			174,061.07		209,147.65
3. Other equipment, factory and office equipment			3,472,857.22		3,969,118.77
4. Advance payments and assets under construction			49,764.80		0.00
			5,371,696.68		6,042,769.41
III. Financial assets					
Shares in affiliated companies			500.00		3,710,500.00
			500.00		3,710,500.00
total			11,930,008.43		15,122,058.07

## Management report for the financial year from April 1, 2018 to March 31, 2019

### of NTT DATA Deutschland GmbH, Munich

#### 1) Company basics

##### The business model

NTT DATA Deutschland GmbH (hereinafter NTT DATA Deutschland) belongs to the globally operating group NTT DATA CORPORATION Ltd., Tokyo / Japan (hereinafter NTT DATA Group), whose parent company is Nippon Telegraph and Telephone Corporation, Tokyo / Japan (hereinafter NTT Group), one of the world's leading information and communication technology groups. NTT Group and NTT DATA Group are listed on the Tokyo Stock Exchange. The NTT Group has over 282,000 employees worldwide and generates sales of over USD 106 billion.

After the Japanese, the European market is the largest market for the NTT DATA Group. In Germany, too, NTT DATA Deutschland<sup>1</sup> is one of the leading companies in the industry and is number 5 in the Lünendonk list of IT consulting companies.

NTT DATA Germany is a leading provider of business and IT consulting and offers end-to-end consulting across the entire value and process chain of a company: from the overall strategic concept to the sustainable design of new, efficient processes, their implementation in the IT to the secure operation of IT systems. This includes services from process consulting, IT strategy and IT architecture consulting, system integration, application development and application management. NTT DATA Germany bundles industry expertise, advice and implementation under one roof.

A special focus is on accompanying digital transformation projects and accompanying the challenges of customers as a business innovation & transformation partner via co-innovation. The basis for the co-innovation and value creation based on partnership is the high level of industry expertise, including in the German focus industries of automotive & manufacturing, banking, insurance & public and telecommunications & transportation & services. These industry lines, which are geared towards market segments, are supplemented by the Digital Business Solutions business unit. It bundles cross-industry technological, professional and methodological competencies and is an incubator for new technologies and innovation processes.

The high level of innovation competence is guaranteed by extensive research and development work within the NTT Group. With an annual research budget of over USD 2 billion and over 6,000 employees in seven innovation centers, research is carried out on topics such as artificial intelligence, mobility of the future and smart cities in specific applications. This also includes cooperation with renowned universities such as the Massachusetts Institute of Technology (MIT).

<sup>1</sup> Includes sales from itelligence AG and NTT Data Deutschland GmbH; Sales of itelligence AG including Gisa AG

The NTT Group holds over 16,000 patents, develops products such as the "Altemista" cloud platform and is regularly positioned by analysts, for example as a "Leader" in Avasant's "Blockchain Services RadarView". In Germany, the "Connected Car", which has global portfolio and business responsibility. In addition to the internal qualifications of its employees, NTT DATA Germany continues to work with external partners.

NTT DATA Germany uses the near- and offshore competence centers of the global group, in which more than 35,000 employees worldwide provide high-quality and attractively priced services.

In Munich, at the headquarters of NTT DATA Germany, there is also the European innovation center of the NTT Group, "Ensō - The Space for Creators". From there, NTT DATA Germany promotes internal and external networks and forms of cooperation such as co-creation, hackathons and open Innovation as well as numerous competitions and start-up platforms.

In order to be close to the customer, we are represented at other locations in Ettlingen, Frankfurt am Main, Hamburg, Ingolstadt, Cologne, Stuttgart and Wolfsburg. In 2019, NTT DATA Germany opened another location in Erfurt due to its growth.

### Chances and risks

As part of the NTT DATA Group, NTT DATA Germany is integrated into the group risk management system of the NTT Group. The risk and quality management of NTT DATA Germany is continuously developed, also in close coordination with the European sister companies within the NTT Group.

NTT DATA Germany is certified according to ISO 27001 (information security) and ISO 9001: 2015 (quality management). Their standards confirm the safeguarding of the confidentiality of the information collected and processed, compliance with legal, regulatory and contractual requirements, compliance with the agreements concluded with customers on the security and availability of high-quality services and the availability of the infrastructure and technology used.

In principle, the opportunities and risks of the past few years continue to determine the challenges for NTT DATA Germany. As an international IT consulting and service company, the company is exposed to the usual risks in these markets.

In particular, negative economic and political framework conditions pose an economic risk.

According to expert forecasts, the German economy will lose some of its momentum in 2019. A growth rate of 1.5% is forecast in the euro area in 2019. The main reasons for this development are the trade disputes emanating from the USA, Italy's budget planning and the UK's impending exit from the European Union (Brexit). In addition, the growth prospects in some of NTT DATA Germany's core markets are subdued compared to the previous year due to industry-specific challenges (e.g. in the automotive industry). According to the industry association for information technology and media (Bitkom), the German telecommunications industry (information technology,

Like the entire industry, NTT DATA Germany is subject to changing customer requirements. The advancing digitization and the associated transformation tasks for our customers, but also for ourselves, require a further flexibilization of the business models and organizational structures. Approaches that were previously hierarchically oriented will increasingly give way to agile methods. In the future, it will be important to be able to offer flexible, business-oriented and secure platforms and services worldwide from a single source.

To do this, NTT DATA Germany relies on the global group structure and meets these requirements with comprehensive solutions and technologies. As part of the NTT Group, NTT DATA Germany can offer its customers worldwide the mix of onshore, nearshore and offshore from a single source. The key reasons why our customers choose NTT DATA Germany will continue to determine the focus of development in the future: motivated employees, customer orientation, a high level of quality awareness and excellent expertise.

NTT DATA Germany's claim as a global partner for innovation requires a high level of competence and a reliable creative drive on the part of our employees, supported by a wide variety of personalities. On the other hand, there is increasing competition for workers on the market, which one would like to defeat by increasing brand awareness.

NTT DATA Germany therefore invests in a variety of initiatives for internal qualification and employee loyalty and in attracting applicants as a top employer. This includes comprehensive measures for executive qualification, for example the management program "Inspiring Leadership", the junior leadership program "Leaders for Tomorrow" and the continuous development of a comprehensive executive curriculum. NTT DATA Germany maintains an in-house academy with extensive training opportunities for technological, methodological and personal skills. In cooperation with renowned universities and technical colleges, NTT DATA Germany promotes student training.

In 2018, the Employer Value Proposition was revised and is currently being implemented in all corporate areas and processes. In 2018, NTT DATA Germany received the German Brand Award for its employer branding activities for the first time. In addition, the company was awarded the prestigious Top Employer certification for the third year in a row.

The management initiative "Women inspire NTT DATA" (WiN) stands for diversity and the design of future work models. In the first step, this included measures to increase the proportion of women in all areas of the company. Increase in diversity and design of new work models implemented.

In March 2019, NTT DATA Germany was awarded an excellent 6th place in the overall ranking by the Women's Career Index (FKi) for its continuous commitment in the field of women's advancement.

In 2015, the Supervisory Board committed itself to achieving 33% women on the Supervisory Board and 20% in management by June 30, 2017. This goal has been achieved. The quota of women in the financial year was 33% for the Supervisory Board and 20% for the management. For top management (management and top management levels) the quota in the financial year is 11%. In order to sustainably increase this rate, measures for more women in management positions have been implemented since the end of 2018.

On the basis of the information currently available and the statements made above, we do not believe that there are currently any significant individual risks that could jeopardize the continued existence of NTT DATA Germany. Even the total sum of the individual risks does not jeopardize the continuation of the company. Effective monitoring and mitigation mechanisms have been established for identified risks.

The order acceptance, as an example, is subject to an approval process, which is an efficient instrument for the early detection and avoidance of project risks. In addition, projects critical to success are discussed in internal steering groups and risk management measures are initiated.

The low risk of default in the area of accounts receivable is counteracted with targeted accounts receivable management. Credit checks are carried out for new customers in order to minimize the risk of default.

Sufficient provisions are set up to secure claims from warranties. The risk here is low.

NTT DATA Germany is financed by the direct parent company NTT DATA EMEA Ltd., London / Great Britain (NTT DATA EMEA). This provides additional security for the short-term provision of liquid funds. NTT DATA Deutschland is only exposed to a limited extent to currency and interest rate risks.

## 2) Economic report

### Business development

Based on the development of sales, NTT DATA Germany can look back on a successful financial year for the period from April 1, 2018 to March 31, 2019 and was able to increase sales again considerably.

In the financial year, sales in accordance with the German Commercial Code (HGB) increased by € 30.3 million to € 351.4 million compared to the same period in the previous year.

The total output according to HGB also improved to € 344.0 million (previous year: April 2017 to March 2018: € 325.6 million).

The number of employees increases by 98 to 1,792 (previous year: 1,694).

In accordance with IFRS, NTT DATA Deutschland was able to increase its sales revenues by € 18.1 million to € 334.6 million in comparison to the previous year.

Due to the integration of NTT DATA Germany into the group-wide financial reporting of the NTT Group, the planning and control activities are based on the International Financial Reporting Standards (IFRS).

For this reason, for the purposes of management reporting under commercial law, the following presentation of the course of business at the level of the individual industry lines is based on these values determined in accordance with IFRS. The differences essentially result from the revenue recognition required under IFRS according to the degree of completion.

#### **a) Automotive & Manufacturing**

The positive development of the Automotive & Manufacturing division over the past three years has continued in the current financial year despite the challenging market situation in the automotive industry. The division closed with sales of € 178.6 million and exceeded its sales for the same period of the previous year by 1.7%. The operating result improved significantly compared to the previous year by 11.7% to € 24.8 million.

The Automotive & Manufacturing division focuses on sales in the automotive original equipment manufacturer (OEM), tier 1 supplier and manufacturing company.

An essential lever for realizing the growth described is the increase in orders and sales, especially at the German automobile manufacturers and tier 1 suppliers in several promising areas. These include the trend topics intensively promoted by NTT DATA Germany, such as digitization, connected cars, networked mobility and autonomous driving.

These topics are an expression of the challenges for the automotive industry and its suppliers. It is important to develop an overall digital strategy for the mobility of tomorrow, in which the change from product to service provider is successful in the sense of value creation networks. In addition to the even greater individualization of products and services for customers, integrated solutions for the future of autonomous driving, networked mobility offers, faster product developments and a secure infrastructure are required.

Our customers in the automotive industry reflect that the projects with NTT DATA Germany are expanding their position as a quality and innovation leader. You rely on NTT DATA Germany as a strong partner for the implementation of new strategies and business models, the renewal of your IT systems and IT security.

#### **b) banking**

Industry Line Banking recorded a sales decline of 7.6% in the current financial year and generated sales revenue of € 55.5 million. Nonetheless, the operating result increased significantly by 62.6% to € 7.1 million compared to the same period in the previous year. This improvement in the operating result can be attributed in particular to the successful completion of a customer project in the current financial year, which was still burdening the previous year with losses.

Regulatory dynamics, cyberspace threats and instant payments are some of the factors influencing the digital strategies of banks. New services have to be developed, cross-industry collaborations have to be formed and new market participants have to be integrated. Customer proximity remains one of the most important challenges for the successful future of German banks.

In 2018, NTT DATA Group was recognized as a leader in two IDC MarketScape reports for banking and financial services, in the area of implementation of payment systems and for the system integration of a banking transformation. These ratings underscore the excellent positioning of the NTT DATA Group in the banking sector.

#### **c) Insurance & Public**

In the period from April 1, 2018 to March 31, 2019, Industry Line Insurance & Public generated sales of € 45.3 million, a year-on-year increase in sales of 9.1%. The operating result is 13.4% lower than in the same period of the previous year at € 6.2 million, as it is burdened by losses from a customer project.

Overall, the business year of the Insurance & Public Industry Line was characterized by increases in orders and sales from existing customers and a good utilization of consultants.

Insurance companies are still faced with the task of making previously static insurance models more flexible and digitizing and thus above all realizing profits from greater customer proximity and new business models. At the same time, the necessary IT infrastructures from older generations must be integrated and automation potential increased.

NTT DATA Deutschland successfully accompanies the German insurance industry. The portfolio ranges from the development of new solutions such as smart insurance, digital insurance platforms and process automation through Robotic Process Automation (RPA), the modernization of core systems to IT security.

In the public sector, too, customers rely on NTT DATA Deutschland as an experienced IT partner for the creation and implementation of new solutions, particularly in the areas of customer excellence, data-driven enterprise and IT security.

#### **d) Telecommunications & Transportation & Services**

In the current fiscal year, the Telecommunications & Transportation & Services industry line achieved a significant increase in market presence and sales revenue by 34.1% to € 52.6 million. The operating result is 5.0% lower than in the previous year and amounts to € 4.2 million. In the current financial year, losses from two customer projects and negative influences from the product business have been offset by a very good operational performance.

For telecommunications companies it is important to complement the triad of efficiency, higher customer orientation and new sales channels in order to continue to position themselves as a central service provider in the communication ecosystem of customers, partners and suppliers. In this strategic context, NTT DATA Germany - also based on the Group's own telecommunications DNA - has placed new topics such as 5G and expanded its perception as a premium technology partner.

Transportation & Services is also one of the growth sectors in this area. In addition to the stabilization of existing commitments, a successful strategic positioning with new topics is also taking place in this segment, so that NTT DATA Germany is increasingly perceived as an innovation partner in this environment.

In the Services area, thanks to the focus on central growth markets, new customers were won and a position as an important partner for topics of digital transformation was achieved. For the first time, it was possible to achieve significant sales with well-known customers in the retail sector and to initiate long-term customer relationships. Business with existing customers in the service segment also developed very positively.

### **Earnings, financial and asset position**

#### **a) Earnings position**

In the current financial year, NTT DATA Germany achieved sales revenues according to HGB in the amount of € 351.4 million (previous year: € 321.1 million). Incoming orders in the financial year amounted to € 309.3 million (previous year: € 335.2 million).

The total output, consisting of sales, changes in the inventory of services not yet invoiced and other own work capitalized, amounted to € 344.0 million in the financial year (previous year: € 325.6 million).

The other operating income amounted to € 0.9 million in the financial year (previous year: € 1.7 million).

The cost of materials reached € 134.5 million in the financial year (previous year: € 134.5 million) and is thus unchanged from the previous year despite an increased business volume due to cost savings.

Personnel expenses amount to € 170.0 million (previous year: € 156.1 million) and are increasing due to an increase in the number of employees and increases in salaries.

The operating result without interest, taxes, depreciation and amortization (EBITDA), adjusted for expenses unrelated to the accounting period of € 0.7 million (previous year: income unrelated to the accounting period: € 0.7 million), amounted to € 14.3 million in the financial year (Previous year: € 6.2 million).

The depreciation on intangible assets and property, plant and equipment in the financial year amounted to € 3.9 million (previous year: € 3.8 million), the depreciation on financial assets and marketable securities amounted to € 3.7 million (previous year: 1.0 Million €) and are due to the depreciation of the shares in NTT DATA Austria,

Vienna / Austria.

The net interest result of € -0.5 million (previous year: € -0.5 million) mainly results from expenses from the valuation of provisions.

Income taxes of € 1.0 million (previous year: € 0.5 million) essentially result from corporate income tax plus the solidarity surcharge.

NTT DATA Deutschland closed the financial year with an annual surplus of € 4.5 million, which is significantly higher than the previous year's figure (previous year: annual surplus of € 1.1 million). This is mainly due to the increase in sales and the capitalization of own work in the context of internal development projects.

#### **b) Financial position**

NTT DATA Deutschland currently holds interest-bearing loan liabilities of € 14.5 million from NTT DATA EMEA at customary market conditions, so that sufficient access to liquid funds is available at all times. There are no loan liabilities to banks.

Financial resources as of March 31, 2019 increased by € 8.7 million to € 30.5 million (previous year: € 21.8 million).

The cash flow from operating activities, adjusted according to Group specifications, amounts to € 19.0 million (previous year: € 19.6 million).

The cash flow from non-operating activities of € -4.3 million (previous year: € -3.6 million) is mainly influenced by group allocations.

The cash flow from financing activities in the amount of € -1.6 million (previous year: € -6.1 million) includes the loan repayment to NTT DATA EMEA in the amount of € -1.5 million.

The cash flow from investing activities amounts to € -4.4 million (previous year: € -6.8 million) and includes investments in fixed assets.

The total cash flow in the financial year was € 8.7 million (previous year: € 3.1 million).

#### **c) Financial position**

The balance sheet total of NTT DATA Deutschland amounts to € 126.7 million (previous year: € 125.5 million).

The assets side of the balance sheet includes fixed assets amounting to € 11.9 million (previous year: € 15.1 million) and current assets (including prepaid expenses and deferred income and the positive difference from the offsetting of assets) amounting to € 114.8 million (previous year: : € 110.4 million).

The decline in fixed assets in the financial year is mainly due to the change in the shares in NTT DATA Österreich GmbH, Vienna / Austria, amounting to € 3.7 million. In contrast, current assets increased by € 4.4 million, mainly due to higher cash levels and bank balances.

The average outstanding period of trade receivables of € 48.9 million (previous year: € 41.9 million) was 35.6 days (previous year: 33.6 days). Receivables from affiliated companies amount to € 3.9 million (previous year: € 6.6 million).

The liabilities side of the balance sheet consists of equity of € 30.5 million (previous year: € 26.0 million) and debt (including deferred income) of € 96.2 million (previous year: € 99. € 5 million) together. The equity ratio in the financial year is 24.1% (previous year: 20.7%).

The liabilities side rose by € 1.3 million to € 126.7 million. This increase is mainly due to the net income for the current financial year, partly offset by the decrease in deferred income by € 2.2 million to € 0.2 million.

### **3) Forecast report**

For the financial year from April 1, 2019 to March 31, 2020, the management expects a moderate increase in sales compared to the current financial year. The aim is to expand the business in the selected focus industries with existing customers and to acquire new selected customers. NTT DATA Deutschland is focusing on improving the annual result and increasing the proportion of major projects. This is supported by the expansion of the shoring capacities available in the network (combination of near- and offshoring) as well as the methodical optimization of the global project management.

**Munich, June 12, 2019**

*The Board*

*Sven Rehders*

*Ilka Friese*

*Dieter Loewe*

*Jens-Uwe Holz*

*Ralf Malter*

### **Independent auditor's report**

To NTT DATA Deutschland GmbH, Munich

#### **Examination Opinions**

We have the annual financial statements of NTT DATA Deutschland GmbH, Munich - consisting of the balance sheet as of March 31, 2019 and the income statement for the financial year from April 1, 2018 to March 31, 2019 as well as the notes, including the presentation of the accounting - and evaluation methods - checked. In addition, we have audited the management report of NTT DATA Deutschland GmbH for the financial year from April 1, 2018 to March 31, 2019. In accordance with German statutory provisions, we have not checked the content of the declaration on corporate governance pursuant to Section 289f (4) of the German Commercial Code (information on the quota of women), which is contained in Section 1 of the management report.

In our opinion, based on the knowledge gained during the audit

- The attached annual financial statements comply in all material respects with the German commercial law regulations applicable to corporations and, in compliance with the German principles of proper accounting, give a true and fair view of the company's assets and financial position as of March 31, 2019 and its earnings position for the financial year from April 1, 2018 to March 31, 2019 and
- the attached management report gives an overall accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development. Our audit opinion on the management report does not extend to the content of the above-mentioned corporate governance statement.

In accordance with Section 322, Paragraph 3, Clause 1 of the German Commercial Code (HGB), we declare that our audit has not led to any objections to the correctness of the annual financial statements and the management report.

#### **Basis for the examination results**

We carried out our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing principles established by the Institute of Auditors (IDW). Our responsibility in accordance with these regulations and principles is described in more detail in the section "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" of our auditor's report Compliance with these requirements. We believe

**Other Information**

The legal representatives are responsible for the other information. The other information includes the declaration on corporate governance in accordance with Section 289f (4) HGB (information on the quota of women). Our audit opinions on the annual financial statements and the management report do not cover the other information, and accordingly we do not issue an audit opinion or any other form of audit conclusion thereon.

In connection with our audit, it is our responsibility to read the other information and, in doing so, to assess whether the other information

- have material inconsistencies with the annual financial statements, the management report or our knowledge obtained during the audit, or
- otherwise appear materially misrepresented.

**Responsibility of the legal representatives and the supervisory board for the annual financial statements and the management report**

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all essential respects with the German commercial law regulations applicable to corporations, and for ensuring that the annual financial statements, in compliance with the German principles of proper bookkeeping, give a true and fair view of the assets and finance - and the company's earnings position. Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with the German principles of proper accounting to enable the preparation of the annual financial statements,

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters relating to the going concern of the company, if relevant. In addition, they are responsible for accounting for the going concern basis of accounting, unless actual or legal circumstances conflict with this.

In addition, the legal representatives are responsible for the preparation of the management report, which as a whole provides an accurate picture of the company's position, is consistent with the annual financial statements in all material respects, complies with German legal requirements and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have considered necessary to enable the preparation of a management report in accordance with the applicable German legal regulations and to provide sufficient suitable evidence for the statements in the management report can.

The Supervisory Board is responsible for monitoring the company's accounting process for the preparation of the annual financial statements and the management report.

**Auditor's responsibility for the audit of the annual financial statements and the management report**

Our objective is to obtain sufficient certainty as to whether the annual financial statements as a whole are free from material - intended or unintentional - misrepresentation and whether the management report as a whole gives an accurate picture of the company's position and, in all material matters, with the annual financial statements as well is in line with the knowledge gained during the audit, complies with German legal regulations and correctly presents the opportunities and risks of future development, as well as issuing an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Adequate security is a high level of security, but no guarantee that an audit carried out in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with the German principles of proper auditing established by the Institute of Auditors (IDW) will always reveal a material misrepresentation.

Misrepresentations can result from violations or inaccuracies and are regarded as material if it could reasonably be expected that they individually or collectively influence the economic decisions of the addressees made on the basis of these annual financial statements and management report.

During the examination, we exercise due discretion and maintain a critical attitude. Furthermore

- We identify and assess the risks of material - intentional or unintentional - misrepresentations in the annual financial statements and the management report, plan and carry out audit procedures in response to these risks, and obtain audit evidence that is sufficient and suitable to serve as a basis for our audit opinions. The risk that material misrepresentations are not detected is higher in the case of violations than inaccuracies, since violations can involve fraudulent cooperation, forgeries, intentional incompleteness, misleading representations or the overriding of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate under the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these Systems of society.
- we assess the appropriateness of the accounting methods used by the legal representatives as well as the acceptability of the estimated values presented by the legal representatives and the related information.
- we draw conclusions about the appropriateness of the going concern accounting principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is any material uncertainty in connection with events or circumstances, the significant doubts about the company's ability to continue as a going concern can raise. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information in the annual financial statements and in the management report in the auditor's report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. Future events or circumstances can, however, mean that the company can no longer continue its business activities.
- We assess the overall presentation, structure and content of the annual financial statements, including the information, as well as whether the annual financial statements present the underlying business transactions and events in such a way that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the asset, financial and the company's earnings.
- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the picture it provides of the company's position.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient suitable audit evidence, we particularly review the significant assumptions on which the future-oriented information is based by the legal representatives and assess the appropriate derivation of the future-oriented information from these assumptions. We do not issue an independent audit opinion on the future-oriented information or the underlying assumptions. There is a considerable unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we discover during our audit.

**Munich, June 14, 2019**

**KPMG AG**  
auditing company

*Rupprecht, auditor*

*Overbeck, auditor*

**Report of the Supervisory Board**  
of NTT DATA Deutschland GmbH

**Report of the Supervisory Board**  
of NTT DATA Germany GmbH

for the business year April 01, 2018 to March 31, 2019

In the financial year April 1, 2018 to March 31, 2019, the Supervisory Board performed the tasks incumbent on it according to the law, the Articles of Association and the rules of procedure. In particular, the Supervisory Board advised the management on the management of NTT DATA Deutschland GmbH and monitored their activities. He was involved in decisions of fundamental importance. The budget planning and medium-term planning were only checked after the end of the fiscal year. The management informed the supervisory board about corporate planning, the course of business and the situation of the company. The management coordinated the strategic direction of the company with the supervisory board. The business processes that are important for the company were presented and discussed in detail by the management. The main subjects of these presentations were the company's sales, earnings and employment development, its financial position and the main investment and divestment projects.

KPMG AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements and the management report of NTT DATA Deutschland GmbH from April 01, 2018 to March 31, 2019 in accordance with the provisions of the German Commercial Code (HGB) and the supplementary provisions of the GmbH Act and issued an unqualified audit opinion. The auditor carried out the audit in compliance with the German principles of proper auditing established by the Institut der Wirtschaftsprüfer (IDW).

The annual financial statements, the management report, the auditor's report and the management's proposal for the appropriation of profits were distributed by the management to all members of the Supervisory Board and were the subject of deliberations at the Supervisory Board meeting on July 3, 2019. In particular, the audit report was dealt with comprehensively in the presence of the auditor, who reported on the main results of his audit. In addition, at this meeting the management explained the annual financial statements and the risk management system and presented the scope, focus and costs of the audit.

The Supervisory Board examined the annual financial statements and the management report and approved the results of the audit. After the examination of the supervisory board, no objections were raised.

The Supervisory Board approves the management's proposal to carry forward the net income of NTT DATA Deutschland GmbH in the amount of EUR 4,489,408.72 to a new account.

**Munich, July 3rd, 2019 / Munich, July 3rd, 2019**

*For the Supervisory Board*

*Herbert Vogel, Chairman of the Supervisory Board*

#### **Remuneration report for fiscal year 2018/19**

##### **Annex to the management report**

On July 6, 2017, the law to promote the transparency of pay structures (Entgelttransparenzgesetz, EntgTranspG) came into force. This is intended to achieve equal pay for women and men for the same work or work of equal value. NTT Data Deutschland GmbH is an employer with more than 500 employees and is therefore obliged to prepare a management report in accordance with Sections 264 and 289 of the German Commercial Code. According to §§ 21 f. EntgTranspG, this must be accompanied by a report on equality and equal pay (so-called pay report).

The report contains the following representations:

- Measures to promote equality between women and men and their effects
- Measures to create equal pay for women and men
- information broken down by gender
  1. to the total number of employees as well
  2. on the number of full-time and part-time employees

The company's employees are summarized below under the plural "employees".

##### **1. Measures to promote equality between women and men and their effects**

It is important for our economic success that our employees are satisfied and comfortable with us and that we are constantly finding and retaining new employees.

Against this background, it is only important for us to have highly qualified and motivated employees. Our HR work is therefore geared exclusively to the qualifications and personality of our employees, regardless of gender.

So that men and women can work equally for us, we offer flexible working hours, time accounts for time off (sabbaticals), part-time jobs and home office options.

In addition, initiatives are currently being set up around the world to secure and further improve gender equality and equal treatment at NTT Data Deutschland GmbH ("Grassroot Initiatives"). Of these initiatives, the "Women Inspire NTT Data" (WIN) stands out in particular through which, among other things, our women- and family-friendly corporate culture is further strengthened and we consciously promote mixed teams because we are firmly convinced that mixed teams increase the effectiveness of work.

In order to be able to address the specific needs of women and men in a targeted manner and, if necessary, to identify new need for action, we regularly conduct employee surveys.

##### **2. Measures to create equal pay for women and men**

for the short fiscal year April 1<sup>st</sup>, 2018 to March 31<sup>st</sup>, 2019

During the fiscal year April 1<sup>st</sup>, 2018 to March 31<sup>st</sup>, 2019 the Supervisory Board of NTT DATA Deutschland GmbH performed the duties assigned to it by law, the articles of association of NTT DATA Deutschland GmbH and the bylaws of the Supervisory Board. In particular, the Supervisory Board advised the management on the management of NTT DATA Deutschland GmbH and monitored the management's activities. The Supervisory Board was directly involved in the major decisions of the management. The budget planning and medium term planning were only reviewed after the fiscal year end. The Management provided the Supervisory Board with information on company planning and business operations as well as the current state of the company. Together with the management, the Supervisory Board determined the company's strategic orientation. The business transactions of major significance to the company were presented by Management and discussed in detail. The topics of such presentations were, in particular, profit and employment developments at the company as well as the company's major investment and divestment projects.

The independent auditors KPMG AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements and the annual report of NTT DATA Deutschland GmbH from April 1<sup>st</sup>, 2018 to March 31<sup>st</sup>, 2019 in accordance with the requirements of the German Commercial Code (HGB) and the additional requirements of the Limited Liability Company Law and approved them without qualification. The audit was conducted in accordance with generally accepted German standards for the audit of financial statements promulgated by the Institute of German Auditors (Institut der Wirtschaftsprüfer, IDW).

The annual financial statements, the management report, the auditor's report and the management's proposal for the appropriation of the annual profits were submitted to all members of the Supervisory Board by the Management and were examined during the meeting of the Supervisory Board on July 3rd, 2019. In particular, the auditor's report was reviewed comprehensively in the presence of the independent auditors who reported on the main findings of their audit. In addition, at this meeting the management explained the annual financial statements as well as the company's risk management and provided a report on the scope, focal points and costs of the audit.

The Supervisory Board has examined the annual financial statements and the management report and concurs with the results of the audit. Following the examination of the Supervisory Board no objections were raised.

The Supervisory Board endorses the management's proposal that the annual profit of NTT DATA Deutschland GmbH in the amount of EUR 4,489,408.72 shall be carried forward.

Against the background of retaining and retaining qualified and satisfied staff, remuneration is based solely on activities and qualifications. The additional variable salary that applies to us is based exclusively on performance or on fixed company-related goals, so that the remuneration is generally gender-independent.

### 3. Key figures

The key figures relate to March 31 of the respective year.

March 31, 2017	male	male	Female	Female	total
Part time	54	32.5%	112	67.5%	166
Full time	1107	78.6%	302	21.4%	1409
	1161	73.7%	414	26.3%	1575
March 31, 2018	male	male	Female	Female	total
Part time	51	27.4%	135	72.6%	186
Full time	1186	78.6%	322	21.4%	1508
total	1237	73.0%	457	27.0%	1694
March 31, 2019	male	male	Female	Female	total
Part time	57	28.4%	144	71.6%	201
Full time	1228	77.2%	363	22.8%	1591
total	1285	71.7%	507	28.3%	1792

#### Change in the average salary of women compared to men

0.30% March 31, 2018 compared to March 31, 2017

0.11% March 31, 2019 compared to March 31, 2018