Medium-Term Management Plan (2023-2025)

Nomura Research Institute, Ltd.

Shingo Konomoto
President & CEO, Chairman, Member of the Board, Representative Director

April 27, 2023
1. Reflecting on the MTP2022

2. NRI Group Vision 2030 (V2030)

3. Medium-Term Management Plan (2023-2025)
Reflecting on Medium-Term Management Plan (2019-2022)

Achieved the financial targets

<table>
<thead>
<tr>
<th></th>
<th>2018 Results</th>
<th>2022 Results</th>
<th>Target</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>501.2</td>
<td>692.1</td>
<td>670.0</td>
<td>+8.4%</td>
</tr>
<tr>
<td>Overseas revenue</td>
<td>53.0</td>
<td>123.2</td>
<td>100.0</td>
<td>+23.4%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>71.4 (14.3%)</td>
<td>111.8 (16.2%)</td>
<td>100.0</td>
<td>+11.9%</td>
</tr>
<tr>
<td>ROE</td>
<td>12.3%</td>
<td>20.7%</td>
<td>14%</td>
<td>✔</td>
</tr>
</tbody>
</table>

(Non-percentage numbers below are in units of billion yen)
ESG efforts that have earned strong recognition from external evaluation organizations

**MSCI ESG Ratings**
- MSCI ESG Leaders Index
  - Adopted for seven consecutive years from 2016
  - Awarded the highest rating rank, AAA, for two consecutive years from 2021

**Dow Jones Sustainability Indices**
- World Index
  - Adopted for five consecutive years from 2018
- Asia Pacific
  - Adopted for seven consecutive years from 2016

**CDP**
- Certified as a CDP climate change A list company for four consecutive years from 2019
- Highest rating for the CDP Supplier Engagement Leaderboard for four consecutive years from 2019

(Main points that were recognized)
- **Environment**: Scenario analyses of the financial impact of climate change
- **Society**: Enhance human resource data and invest in human resource development
- **Governance**: Initiatives for compliance
- **Efforts to mitigate ESG-related risks**
  - Diversity & Inclusion
  - Strengthen Data Security etc.
- **Initiatives for corporate governance and compliance**
- **Deliver more information disclosures (green gas emissions etc.)**
- **Well engagement with business partner companies**
  - Encouragement to set greenhouse gas reduction targets
  - Urging information disclosures pertaining to greenhouse gas emissions
Reflecting on the MTP2022

NRI Group Vision 2030 (V2030)

Medium-Term Management Plan (2023-2025)
Corporate Philosophy and Structure of Group Vision 2030

- Vision that places the idea of social value at its core

Mission & Values

Corporate Philosophy
- Mission
- Values

Society We Innovate

NRI Group Vision 2030 (V2030)
- NRI Group in 2030
- Growth Story
- Sustainability Strategy (Materiality)

Medium-Term Management Plan (MTP)

Stick to the idea of social values from corporate philosophy to MTP.
Corporate Philosophy

Mission

- **For Society:** Envision and realize new paradigms
- **For Customers:** Be a trusted partner for mutual growth

Society We Innovate

- **Prosperous society** that nourishes potential and brings dreams to life
- **Sustainable society** that connects knowledge to treat the planet wisely
- **Resilient society** that promotes safety and security

Values

- **Foresight and thoroughness** to exceed expectations
- **Mutual respect** to unite diverse individuals
- **Passion and pride** to pursue new challenges

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Corporate Statement

Dream up the future. 未来創発
NRI Group in 2030

Our Goal

To be ahead of the times through the convergence of business and technology, with insight into the prosperity that lies beyond DX, and to dynamically transform the world with “Digital Social Capital”.

Society We Innovate

Prosperous society

Create “Digital Social Capital” for a prosperous and thriving society through the advancement of NRI Group’s human and intellectual capital.

Sustainable society

Promote initiatives such as Business Platforms for the effective use of social resources, and digital twin for the realization of an efficient society.

Resilient society

Establish IT infrastructure that is resilient to disasters and cyber risks so that people can utilize safe and secure digital services.

Digital Social Capital: Infrastructure and services with new value created by digital technology
Growth Story for 2030

- **Core Business:** We will further deepen value creation with clients via Con-solutions. We will also enhance competitiveness and added-value through the expansion of Business Platforms and productivity innovation.
- **DX:** Through DX 3.0, we will take on challenges to go beyond companies and industries, to make an impact to the society as a whole.
- **Global:** In addition to Asia and Oceania, we will also expand into North America, which is an enormous and fast-growing market.

**Numerical image of 2030**

- **Revenue:** Over 1 trillion JPY
- **Overseas Revenue:** Over 250 billion JPY
- **Operating Margin:** More than 20%
(Reference)

Accelerate transformation of enterprises, industry, and society

Society transformation

DX3.0 Paradigm shift

Creating “Digital Social Capital” in collaboration with various partners
• Social DX
• Value chain DX
• Infrastructure DX

Enterprises and industry transformation

DX2.0 Business models

Establishing never before seen digital services
• Developing new cross-industry platforms
• Implementing new business models and ecosystems for clients

DX1.0 Processes

Strengthening existing businesses for new opportunities
• Consulting: Integration of management and digital
• Finance: Restructuring the financial industry with BPF services
• Industry: Upgrading the digital IP to cross-industry services
• IT Platform: Creating new IT infrastructure services

Creating “Digital Social Capital” in collaboration with various partners

Enterprises and industry transformation

DX2.0 Business models

Establishing never before seen digital services
• Developing new cross-industry platforms
• Implementing new business models and ecosystems for clients

DX1.0 Processes

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• Consulting: Integration of management and digital
• Finance: Restructuring the financial industry with BPF services
• Industry: Upgrading the digital IP to cross-industry services
• IT Platform: Creating new IT infrastructure services

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Growth Story (Deepen and Strengthen Core Business)

Deepen/Expand Core Business

Further deepen **value co-creation with clients** via Con-solutions

- Make a significant impact on society
  - Creating a business model for social transformation
  - Promoting new corporate transformation by integrating management and digital
  - Becoming “global one firms”

- Become a main partner for growing DX companies
  - DX partner of leading companies through Con-Solution
  - Increasing productivity with advanced digital IP

Strengthen Core Business

**Enhance competitiveness and added-value** through the expansion of Business Platforms and productivity innovation

- Establish an assertive position as financial BPFers
  - Creating new business platforms (Social DX, XaaS, GRCS, etc) and aiming for highly profitable business models
  - Promoting legacy IT transitions and accelerating clients' DX shifts

- Strengthen services for safety and security
  - Providing new IT infrastructure services such as digital security
  - Contributing to digital society through advanced technologies and IP acquisition
Reference : Sustainability Strategy (Materiality)

Priority for 2030 to “Create a sustainable society” and “Achieve the NRI Group’s growth strategy”

**Value Creation**

- **Co-create a thriving future society** through expansion of digital social capital
- **Co-create an optimal society** through effective utilization of resources
- **Co-create a safe and secure society** through sophistication of infrastructure

**Value Creation Capital**

- **Advance human capital** through bold actions and growth of diverse professionals
- **Accumulate intellectual capital** through elevation of individual knowledge into organizational strength

**Management Basis (ESG)**

- **Contribute to global environment** through collaboration with business partners
- **Fulfill our social responsibilities** through strengthening of relationships with stakeholders
- **Evolve governance** through realization of strategic risk control

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Vision Statement

In an era of uncertainty, we envision a clear path toward unprecedented prosperity.

We lead the way with boldness and precision, realizing our customers’ aspirations for a better society.

Creativity drives us to take on challenges, taking on challenges to growth, and growth to new possibilities. With every step forward, we open a greater tomorrow.

Envision the value, Empower the change
1 Reflecting on the MTP2022
2 NRI Group Vision 2030 (V2030)
3 Medium-Term Management Plan (2023-2025)
### Business Environment Towards 2025

The economic environment is at a turning point, but DX needs are still robust and ever-evolving

<table>
<thead>
<tr>
<th>Volatile social transformations and resulting impact on companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Complexed social issues</strong></td>
</tr>
<tr>
<td>• Solving social issues will be companies’ most important challenge. Shifting away from winner-take-all and toward collaborative frameworks</td>
</tr>
<tr>
<td>• Increasingly chaotic international political trends will drive complexity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fluidization of industrial structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Companies will explore new areas of business spanning multiple industry types</td>
</tr>
<tr>
<td>• Convergence of management and technology will advance, and usage of technology will separate winners from losers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technological progress and commoditization</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Latest technologies keep emerging (cloud, AI, next-gen communication, etc.)</td>
</tr>
<tr>
<td>• Commoditization of technology proceeds at the same time</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diversified values and working styles</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Economic disparities and other polarization &amp; diversification of groups will advance</td>
</tr>
<tr>
<td>• Utilization of diverse human resources &amp; talents will be prerequisite to a company’s survival</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes in business environment between now and 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>Companies’ performance is being squeezed</strong> in 2023 due to inflation and interest rate trends, but will gradually recover from 2024 onward</td>
</tr>
<tr>
<td>• <strong>Issues related to macroeconomic factors</strong> such as geopolitical risk, resource prices, and exchange rate risk must be addressed</td>
</tr>
<tr>
<td>• <em><em>GX</em>-related investments</em>* are expanding as the impact of climate change worsens. Financial investments are also experiencing an ESG Shift</td>
</tr>
</tbody>
</table>

| Industry shakeouts and entries into other sectors will accelerate, and competition will be decided by anticipation of the business climate and maneuverability |
|• Leading companies will accelerate their conversions to digital-first (XaaS, digital twins, etc.) |
|• DX demand is spilling over from industry leaders to the lower levels. IT investment remains strong in the DX space |

<table>
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</thead>
<tbody>
<tr>
<td>• Major global IT companies are shifting to high-functionality cloud. <strong>Utilization of AI from a business perspective</strong> will be increasingly important</td>
</tr>
<tr>
<td>• Modernization of corporate legacy IT assets is long overdue. Renewal is spreading to mission-critical systems</td>
</tr>
<tr>
<td>• Needs for cyber security will grow as digital risk becomes more sophisticated &amp; complex</td>
</tr>
</tbody>
</table>

| Competition for IT personnel is intensifying. The ability to secure personnel directly affects a company’s ability to grow |
|• Diversity and engagement are important for each individual to be creative |

* Green Transformation

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# Medium-Term Management Plan (2023-2025) Pillars of growth strategy

## Core

<table>
<thead>
<tr>
<th>Increase competitiveness and value addition</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Be a long-term strategic partner for our clients, and further <strong>expand our client base</strong></td>
</tr>
<tr>
<td>● Expand <strong>IP based business model</strong></td>
</tr>
<tr>
<td>● Improve productivity through <strong>radical production innovations</strong></td>
</tr>
</tbody>
</table>

## Strengthen DX (DX2.0/3.0)

<table>
<thead>
<tr>
<th>Co-create “Digital Social Capital” and new business</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Strengthen think tank functions to accelerate DX2.0/3.0 businesses</td>
</tr>
<tr>
<td>● Develop pipeline for “Digital Social Capital” creation (My number related services, NRI-CTS* etc.)</td>
</tr>
</tbody>
</table>

* Carbon tracing system

## Global

<table>
<thead>
<tr>
<th>Establish business framework based on 3 regional pillars</th>
</tr>
</thead>
<tbody>
<tr>
<td>● <strong>Grow stably in Australia and</strong> establish business infrastructure in North America</td>
</tr>
<tr>
<td>● Expand our global governance system and bolster our business deployment and administrative functions</td>
</tr>
</tbody>
</table>

## Management

<table>
<thead>
<tr>
<th>Solidify management platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Accelerate growth through increased hiring and <strong>greater investments in human capital</strong> such as normalizing D&amp;I</td>
</tr>
<tr>
<td>● Bolster our <strong>sustainability management. Expand</strong> environmental efforts <strong>to our supply chain</strong></td>
</tr>
</tbody>
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Numerical Targets for MTP2025

- **Revenue 810 billion yen, Operating profit 145 billion yen** as target for FY2025 (excluding M&A)

### Operating Profit (Operating Margin)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (billion yen)</th>
<th>Operating Profit (billion yen)</th>
<th>Operating Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>611.6 (17.4%)</td>
<td>106.2 (17.4%)</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>692.1 (16.2%)</td>
<td>111.8 (16.3%)</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>720.0 (16.3%)</td>
<td>117.0 (17.9%)</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Revenue (Overseas Revenue)

- **Revenue**
  - **2021**: 535.1 billion yen
  - **2022**: 568.9 billion yen
  - **2023**: 590.0 billion yen
  - **2024**: 660.0 billion yen
  - **2025**: 150.0 billion yen

### Revenue (Domestic Revenue)

- **Revenue**
  - **2021**: 76.5 billion yen
  - **2022**: 123.2 billion yen
  - **2023**: 130.0 billion yen

### CAGR Growth Rates

- **Overseas Revenue**
  - **CAGR+5.4%**

- **Domestic Revenue**
  - **CAGR+9.0%**

- **Revenue**
  - **CAGR+5.4%**

- **Operating Profit**
  - **FY2022→FY2025 CAGR+9.0%**

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Operating Profit Growth Outlook

Operating profit growth image of MTP2025

- Increased revenue effects (Core business)
- Raising productivity
- Global
- New Business (DX2.0/3.0)

2022 Results

(1) Increased revenue effects
(2) Raising productivity
(3) Global
(4) New business

2025 Targets

- Expanding finance business platforms and modernizing legacy IT assets
- Capturing DX demand aimed at digital-first
- Increasing efficiency of existing IT assets and overhauling development framework
- Radical production innovations utilizing AI, etc.
- Stable growth in Australia and establishing business infrastructure in North America with Core BTS as the nucleus
- Strengthen think tank functions to accelerate DX3.0 businesses
- Develop pipeline for "Digital Social Capital" creation

Increased revenue effects

$111.8 billion

Raising productivity

Approx. 50%

Global

Approx. 25%

New Business

$145.0 billion
### Growth Strategies: Core Business

#### Deepen Core Business (expanding domestic clientele)

- **[Environment awareness]**
  - Integration of management and technology is advancing. DX is growing more complex, and business-operations-core systems integrated large-scale DX demand is emerging. Harness the strength of NRI Con-Solution which knows clients’ business and IT inside and out.

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<table>
<thead>
<tr>
<th>Consulting (more than ¥5 billion)*</th>
<th>Financial IT Solutions (more than ¥40 billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Total support from setting agendas to execution support for <strong>increasingly complex DX geared toward digital-first</strong>, including business model and organizational reforms, setting KPIs and PDCA through data, etc.</td>
<td>• Unbundle business platforms and deploy <strong>cross-industry services</strong>. Also <strong>expand our services lineup</strong> to address needs</td>
</tr>
<tr>
<td>• Expand social issue-related consulting projects, including for the public sector, while <strong>incorporating new topics such as GX</strong></td>
<td>• Expand <strong>modernization support</strong>, including client needs to break away from legacy systems, cloud migrations, etc.</td>
</tr>
<tr>
<td>• Expand social issue-related consulting projects, including for the public sector, while <strong>incorporating new topics such as GX</strong></td>
<td>• <strong>Address industry reorganizations</strong> such as securities + local banks, <strong>entry into other industries</strong>, etc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industrial IT Solutions (more than ¥40 billion)</th>
<th>IT Platform Services (more than ¥5 billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>Capture demand for shifts to DX business such as e-commerce</strong> which is spreading to second-tier groups of companies</td>
<td>• Digital risk is getting more advanced and sophisticated. Bolster efforts to <strong>address growing cyber security-related needs</strong> amid requirements such as legal system compliance.</td>
</tr>
<tr>
<td>• <strong>Handle business process reforms utilizing AI</strong> through Con-Solution, and establish deeper connections with clients</td>
<td>• Offer more <strong>cloud platform services</strong>, including new services that leverage the advantages of both on-premises and cloud</td>
</tr>
<tr>
<td>• Handle <strong>large-scale overhauls of core systems</strong> including accounting, HR, call centers, and CRM that accompany front-end DX</td>
<td></td>
</tr>
</tbody>
</table>

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*The number in ( ) shows revenue growth from FY2022 to FY2025*
Growth Strategies: Core Business

Strengthen Core Business （radical production innovations）

- Work on radical production innovations such as functional integration and cloud migration of existing IT assets, overhauling development frameworks, and leveraging AI in development processes.
- Planning a total of approx. 20 billion yen in productivity improvement investments during the term of Medium Term Management Plan 2025.

---

Modernize existing IT assets

- Optimize system sizes, including functional integration of financial business platforms.
- Modernize the industrial field, including infrastructure overhauls and cloud migration.

Development framework

- Version upgrades for development frameworks.
  - Build embedded development frameworks such as low-code, no-code, and automation.
  - Expand sharing of in-house expertise and establish mechanisms for sharing common modules.

Establish development processes that utilize AI

- Work on radical production innovations such as functional integration and cloud migration of existing IT assets, overhauling development frameworks, and leveraging AI in development processes.
- Planning a total of approx. 20 billion yen in productivity improvement investments during the term of Medium Term Management Plan 2025.

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**STEP1**

AI testing support

Utilize AI to reduce man-hours in testing processes.

**STEP2**

Generate AI programs Automate AI testing

Reduce man hours in testing processes & development processes.

**STEP3**

Deploy NRI version AI engines

- Expand application of man-hours reductions in testing processes & development processes.
Growth Strategies: Global

Australia:
From the phase of expansion through M&A to stable growth and improving profitability

- During the term of the previous vision, we mainly expanded business areas and regions through M&A, accumulating overseas experience as a “base camp” for our global journey

```
Acquired ASG
In Dec 2016

Established
Sep 2017

SMS

Nov 2019
1ICT

Mar 2020
Group10

Nov 2021
PRAGMA

Mar 2022
velrada

Australia business

Revenue / Operating profit margin
for Australia business
```

- PMI costs for SMS etc.
- COVID-19
- PMI etc.

Revenue (left scale) Operating margin (right scale)

(Million AUD)

1,000
800
600
400
200
0


PMI costs etc.
COVID-19
PMI etc.

NRI Australia Holdings Pty Ltd

NRI Australia (former: ASG)

Planit

AUSIEX

AUSIEX

anNRIcompany

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Core BTS is expanding its business by adding companies with capabilities such as cloud consulting and application development to its original business of network architecture through M&A.

To establish business infrastructure in North America (efforts for the second half of FY 2022)

- Changed the CEO (promoted the CFO) and formulated a “Vision” (deploying DX in hybrid cloud)
- Hired a CRO* to head sales and marketing, and replaced regional sales managers  
  * Chief Revenue Officer
- Conducted sales training for DX consulting and established a new sales support organization for marketing, etc.
- Considered collaborations between NRI & overseas group subsidiaries to supplement capabilities in sales & delivery to Japanese companies

Our Vision: Core BTS is a digital transformation consulting firm with a focus on creating and managing workloads in hybrid cloud environments.
Strengthen think tank to accelerate DX2.0/3.0

Overview of DX2.0/3.0 Businesses

1. Intelligence Function
   Build momentum through social, policy, and industry-related communications

2. Code* Creation Function
   Build relationships with administrators and create markets that respond to social issues
   *Code: Rules, customs and values

3. Enabler Function
   Create an ecosystem of multidimensional players for the social implementation of digital social capital

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Growth Strategies: Management

Advance human capital

- Along with increases in personnel numbers, also accelerate the growth cycle of human capital by taking employees’ aspirations & experience into consideration and making the most of their individual capabilities
- Also continuously promote diversity & inclusion to build high-engagement organizations where diverse professionals can thrive

**Bolster new graduate and mid-career hiring**
- Boost new graduate & mid-career hiring
- Introduce hiring of recent graduates who are unemployed
- Take in more student interns
- Expand hiring channels such as alumni and referrals

**Increasing Growth Opportunities**
- Provide growth opportunities and a sense of growth through talent management
- Visualize capabilities in areas such as DX, business creation, and global, while systematically providing opportunities

**Diversity & Inclusion**
- Expand opportunities for women’s participation & advancement through promotions to management roles, etc.
- Improve the engagement of the group as a whole
  - Bring together diverse individuals around with MVV as the centerpiece through MVV Dialogues* attended by all employees
  - Bolster onboarding of mid-career hire employees

(NRI Payroll) | 2022 Results | 2025 Plan
---|---|---
New graduate hires | 399 | Approx. 500
Mid-career hires | 335 | Approx. 370

*NRI Payroll 2022 Results 2025 Plan

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Growth Strategies: Management

Expand ESG efforts to the group & globally, and to supply chains

- Evolve NRI’s distinctive ESG, maintain high external recognition, and earn further trust from stakeholders

- Collaborate with business partners for Environmental contributions

- Stronger relationships with stakeholders to fulfill social responsibilities

- Strategic risk control through more advanced governance

Decarbonize throughout entire supply chains

- Efforts to achieve net-zero
- Renewable energy usage expansion
- TCFD-based climate change information disclosures and natural capital and biodiversity information disclosures

Improve the well-being of stakeholders

- “Work-in-life” (balance with personal life) & health and productivity management
- Expand the NRI Group Business Partner Code of Conduct
- Implement human rights due diligence, understand & address trends in AI ethics

Accelerate efforts in the group & globally

- More information disclosures befitting of the group global NRI brand
- Governance system for sustainability
- Compensation design for Directors and Audit & Supervisory Board Members that accelerates sustainability management
## Growth Strategies: Management

### Reference: Materiality KPI

<table>
<thead>
<tr>
<th>Materiality</th>
<th>KPI</th>
<th>FY2025 Targets</th>
<th>(Reference) FY2022 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value Creation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-create a thriving future society</td>
<td>Overall investment &amp; spending on measures for DX 2.0/3.0 that transforms industries &amp; society</td>
<td>¥63.0 billion</td>
<td><em>(Reference) FY2022 Results (Measurements starts in FY2023)</em></td>
</tr>
<tr>
<td>Co-create an optimal society</td>
<td>Revenues of business platforms that help to achieve an optimal society</td>
<td>¥141.0 billion</td>
<td>128.5 billion</td>
</tr>
<tr>
<td>Co-create a safe and secure society</td>
<td>Revenues related to safety &amp; security to enable a more resilient society*2</td>
<td>¥216.0 billion</td>
<td>169.8 billion</td>
</tr>
<tr>
<td></td>
<td>Employee's sympathy for social value creation*3</td>
<td>70%</td>
<td>64%</td>
</tr>
<tr>
<td><strong>Value Creation Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Advance human capital | Employee engagement score (NRI Payroll) Female opportunity offering rate*4 (Non-consolidated) | More than 70 continued | 71%
| | | 17% | 14.3% |
| Accumulate intellectual capital | Amount of investment in creating & accumulating intellectual capital | ¥41.0 billion | 13.2 billion |
| **Management Basis (ESG)** | | | |
| Contribute to global environment | Greenhouse gas emissions reduction rate*5 Renewable energy usage rate (Base year: 2019) | 2030 Targets | 2021 Results |
| | | Scope1+2: Net-Zero Scope3: Reduced by 30% Renewable energy usage rate: 100% | Scope1+2: 72% Scope3: 15.8% Renewable energy usage rate: 51% |
| Fulfill our social responsibilities | Rate of consent to the NRI Group Business Partner Code of Conduct*6 or possessing own such codes of conduct*7 | Domestic group 90% (Ref. Global 80%) | Domestic group 63% (Ref. Global 56%) |
| Evolve governance | Number of cases in which severe risk materializes (reports to regulatory authorities or incidents of equivalent severity for which the NRI Group is responsible) | 0 | 1 |

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*1 Cumulative values during the term of MTP2025 *2 Including Inter-segment revenue for each segment *3 Ratio of employees who feel strong buy-in for the concepts of "value co-creation" and NRI’s "three social values" *4 Percentage of women responsible for projects and businesses *5 97% reduction of Scope 1+2 emissions and neutralization of residual emissions *6 Including environment, human rights, etc. *7 Consenters or holders of equivalent standards in NRI Group’s procurement partner companies, such as system development contractors *8 Base year: 2013

*These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.*
## Financial Policies

### Financial Policies (The state of FY2025)

<table>
<thead>
<tr>
<th>Shareholder returns</th>
<th>✓ Dividend payout ratio: <strong>40%</strong> by FY2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>✓ <strong>More than 20%</strong></td>
</tr>
<tr>
<td>Working capital on hand</td>
<td>✓ <strong>Approximately 2 months</strong> of revenue</td>
</tr>
<tr>
<td>Financial discipline</td>
<td>✓ <strong>Cap on net D/E ratio: 0.5 times</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Maintain net interest-bearing debt below <strong>1.3 times of EBITDA</strong></td>
</tr>
</tbody>
</table>

### Business investment (average of approx. 50 billion yen/year)
- In addition to maintaining existing services and expanding services overall, actively invest also in DX 2.0/3.0 business creation and in productivity improvements

### External growth investment
- For external growth, continue considering regional expansion and expanding capabilities primarily in North America
- External growth will not be factored into performance targets in Medium-Term Management Plan 2025; we will make moves when we see opportunities

### Shareholder returns
- Dividend payout ratio will be raised from **35% to 40%** by FY2025
- ROE will be **more than 20%**. We will flexibly implement share buybacks with stock prices and other factors in mind