

# NRI Business Outline

Nomura Research Institute, Ltd.

(Update: Feb. 2024)



01

**About NRI**

02

**Dividends and Shareholder Information**

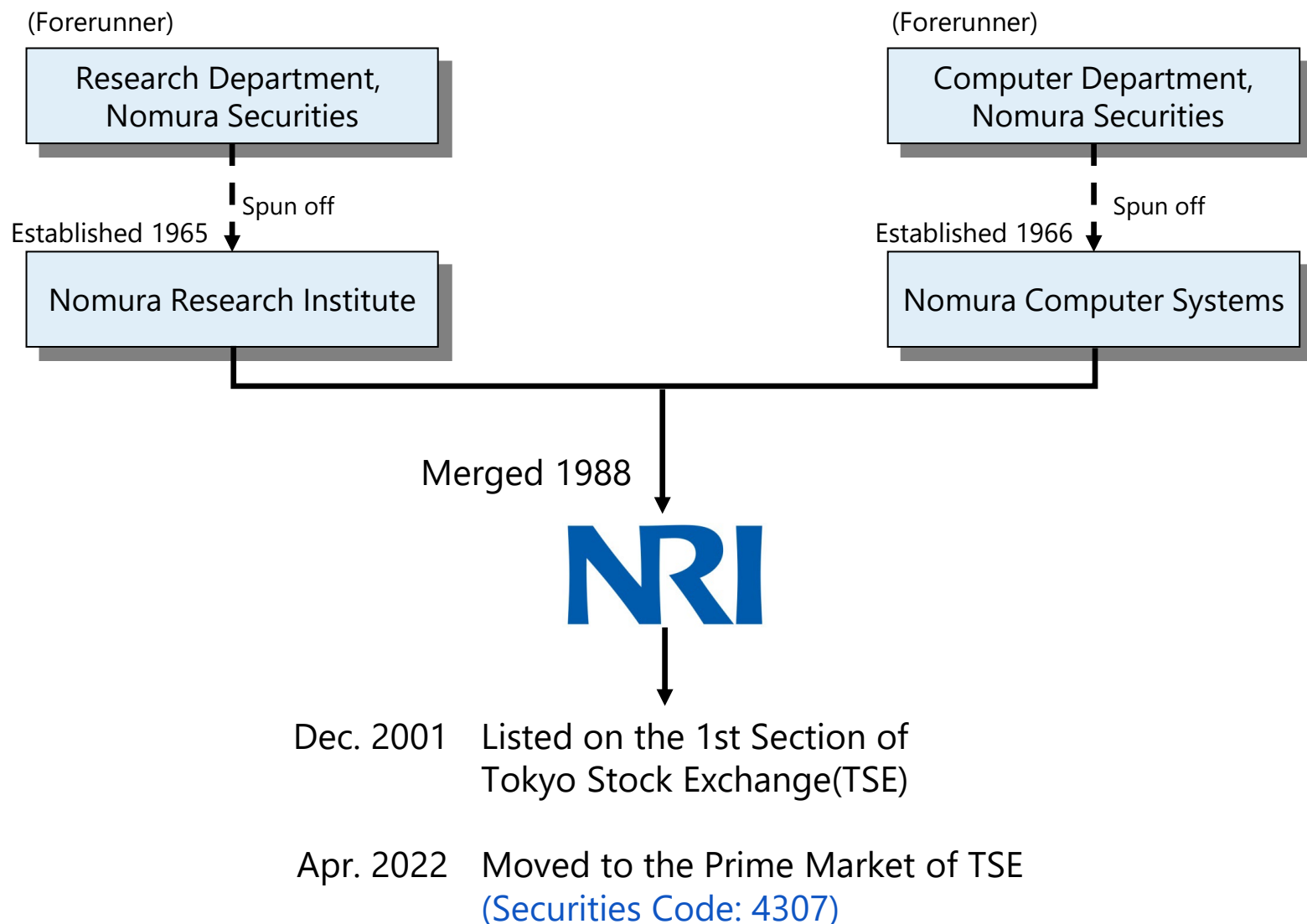
03

**Sustainability Management Initiatives**

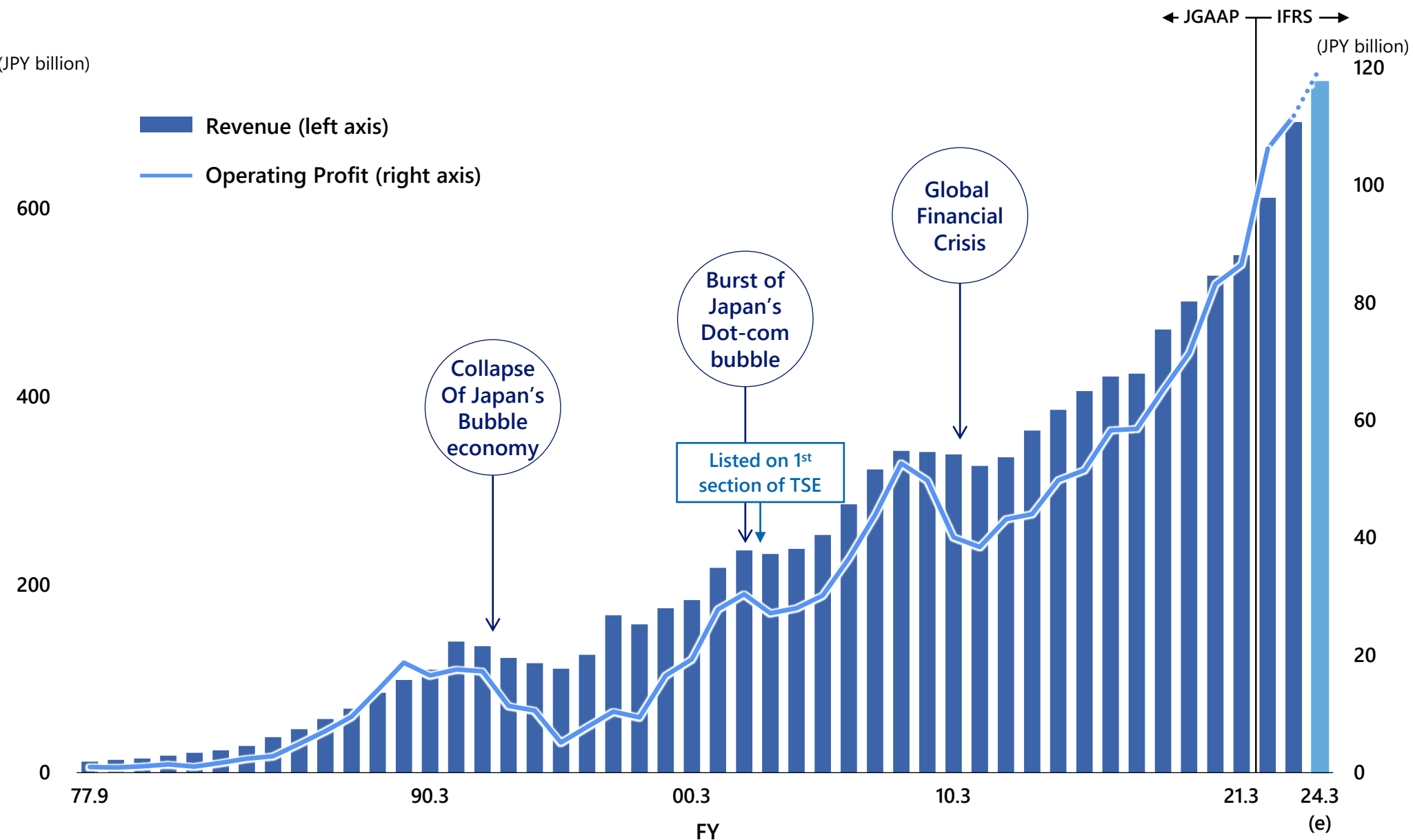
04

**Reference**

# Corporate Information



# Business Performance



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

# Financial Highlights

						← JGAAP	IFRS →				(JPY million)	
	FY	11.3	12.3	...	18.3	19.3	20.3	20.3	21.3	22.3	23.3	24.3(e) <sup>*3</sup>
Revenue		326,328	335,554		471,488	501,243	528,873	528,721	550,337	611,634	692,165	735,000
Operating Profit		38,426	43,152		65,138	71,442	83,178	85,625	80,748	106,218	111,832	120,000
Profit attributable to owners of parent		23,188	32,920		55,145	50,931	69,276	58,195	52,867	71,445	76,307	82,000
EPS(JPY) <sup>*1</sup>		119	168		228	216	109.35	91.86	88.34	120.57	128.92	-
DPS(JPY) <sup>*1</sup>		52	52		90	90	32	32	36	40	45	53
Total Assets		380,032	402,784		643,117	612,192	533,151	565,229	656,536	789,655	838,224	-
Total Equity		231,074	258,276		432,674	425,032	287,153	264,727	333,206	342,486	402,406	-
(%)												
Operating Margin		11.8	12.9		13.8	14.3	15.7	16.2	14.7	17.4	16.2	16.3
ROE		10.3	13.5		12.9	12.3	20.3	18.3	18.2	21.3	20.7	-
ROA		10.8	11.4		10.4	11.5	14.8	14.2	11.6	14.5	13.3	-
EBITDA Margin <sup>*2</sup>		21.2	22.1		21.9	21.7	22.2	23.8	23.6	23.9	22.5	-
Equity Ratio		60.5	63.8		65.2	67.1	50.9	44.1	50.3	43.0	47.6	-

<sup>\*1</sup> NRI conducted 1-for-1.1 stock splits of common shares effective of October 1, 2015, and January 1, 2017. Also, NRI conducted a 1-for-3 stock split of common shares effective July 1, 2019. For the figures in the second row under the FY19.3 column, Earnings per share (EPS) and Dividends per share (DPS) has been retroactively restated for the stock splits.

<sup>\*2</sup> EBITDA(FY10.3 – FY17.3) = operating profit + Depreciation and amortization + goodwill amortization  
 EBITDA(FY18.3 – FY20.3) = operating profit + Depreciation and amortization + goodwill amortization + loss on retirement of fixed assets  
 EBITDA(FY20.3(IFRS) – ) = operating profit + Depreciation and amortization + loss on retirement of fixed assets ± Temporary factors

<sup>\*3</sup> NRI announced on 31 Jan. 2024

# IT Services Competitive Landscape (Japan)

## Financial Results for FY March 2023

(JPY million)

Code	Company name	Revenue	Operating Profit	Operating Margin	Revenue per employee	OP per employee
4307	NRI	692,165	111,832	16.2	39.79	6.42
9613	NTT DATA Group Corporation	3,490,182	259,110	7.4	17.88	1.32
4739	CTC (ITOCHU Techno-Solutions Corporation)	570,934	46,473	8.1	59.07	4.80
3626	TIS Inc.	508,400	62,328	12.3	23.16	2.84
9719	SCSK Corporation	445,912	51,361	11.5	29.09	3.35
8056	BIPROGY	339,898	29,673	8.7	41.83	3.65
2327	NSSOL (NS Solutions Corporation)	291,688	31,738	10.9	39.11	4.25
6702	FUJITSU LIMITED <sup>*1</sup>	3,056,378	135,001	4.4	26.51	1.17
6501	Hitachi, Ltd. <sup>*2</sup>	2,389,095	293,729	12.3	23.71	2.91
6701	NEC Corporation <sup>*3</sup>	1,675,955	152,629	9.1	52.46	4.77

■ System Integrator ■ Hardware vendor

\*1 Technology Solutions segment

\*2 Digital Systems & Services segment

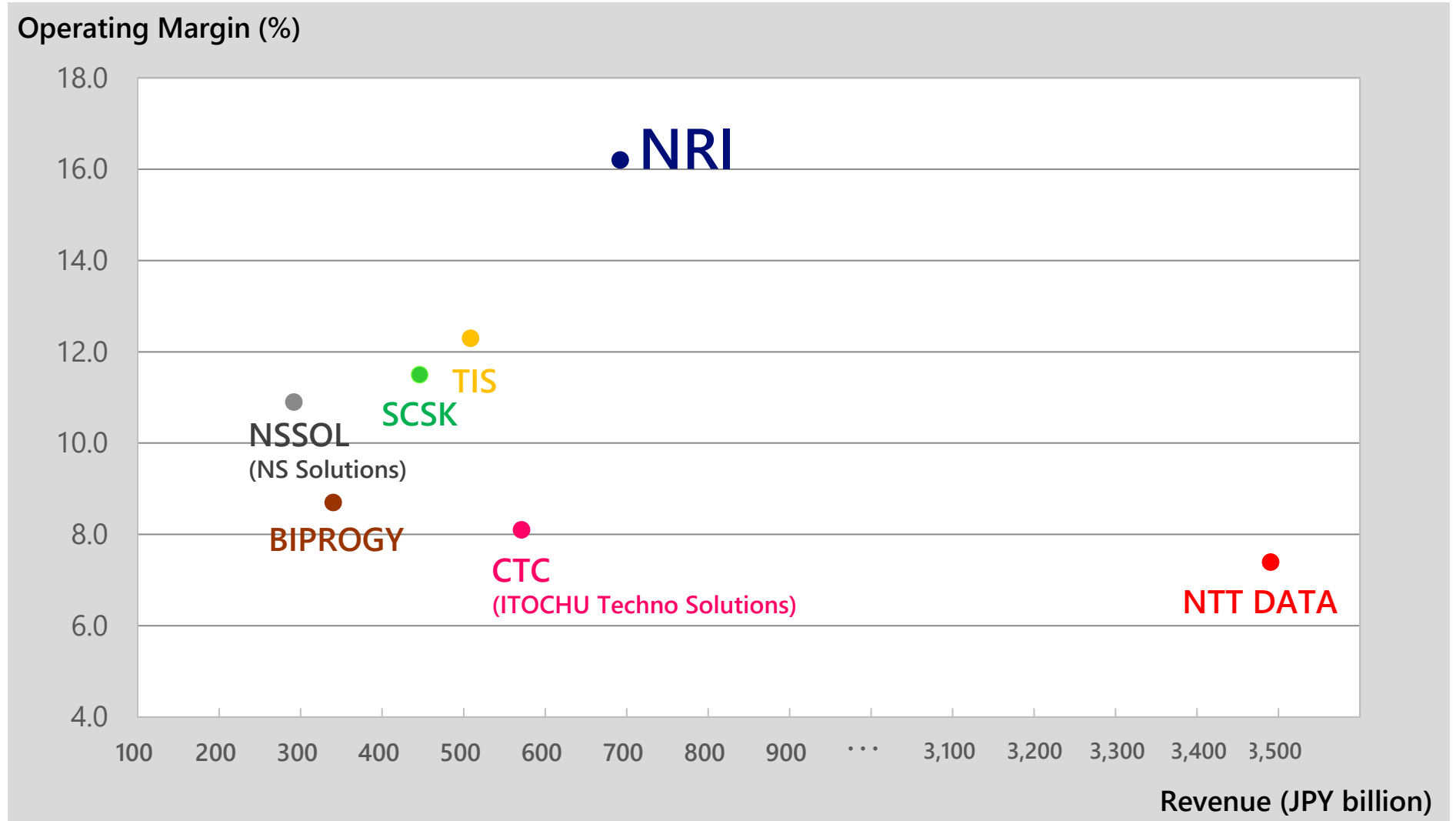
\*3 Public Solutions + Public Infrastructure + Enterprise

(Source) NRI, based on each company's financial results

# IT Services Competitive Landscape (Japan)

## ■ Comparisons of Revenue and Operating Margin

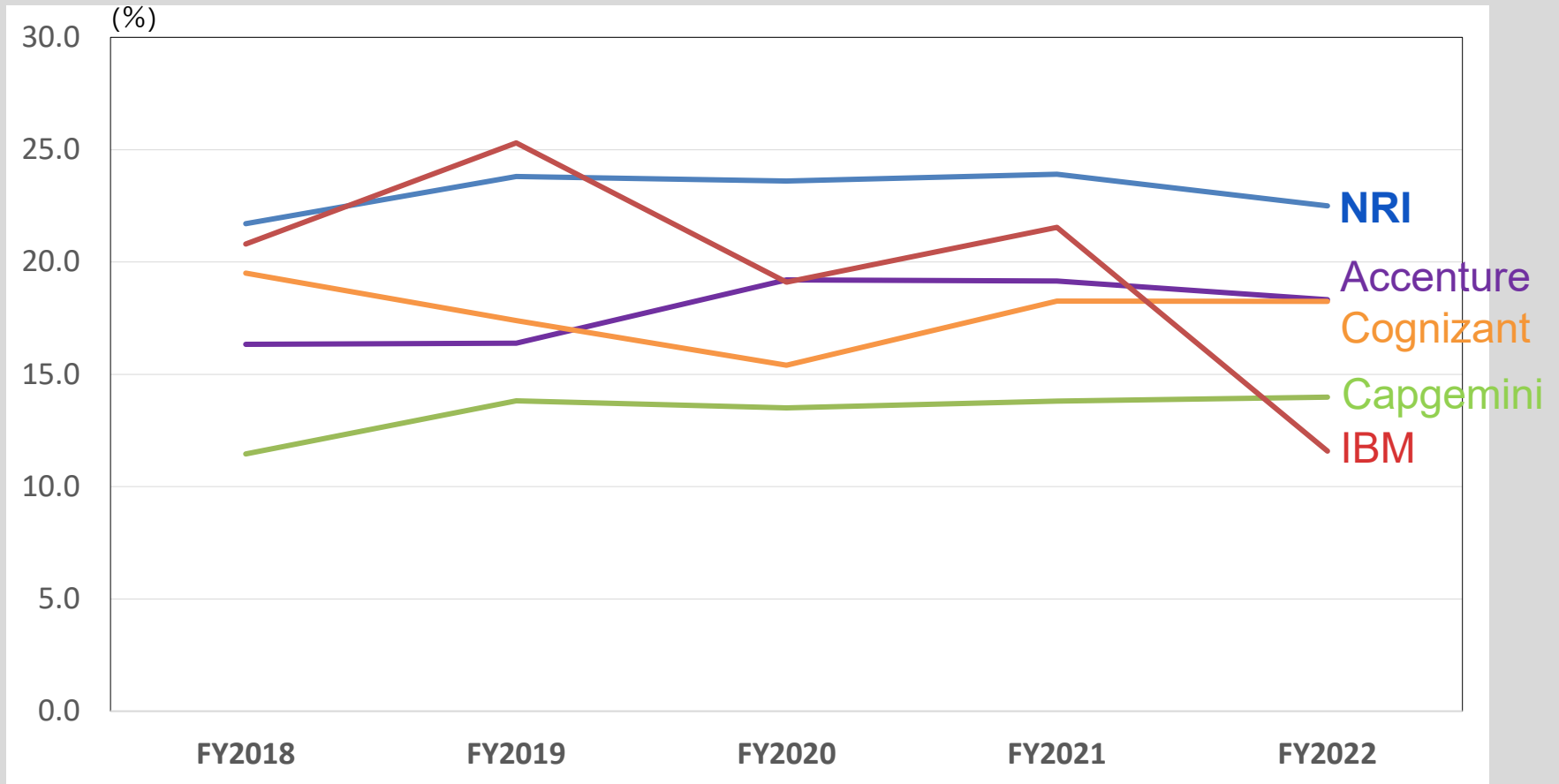
● FY March 2023 (Result)



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# IT Services Competitive Landscape (Global)

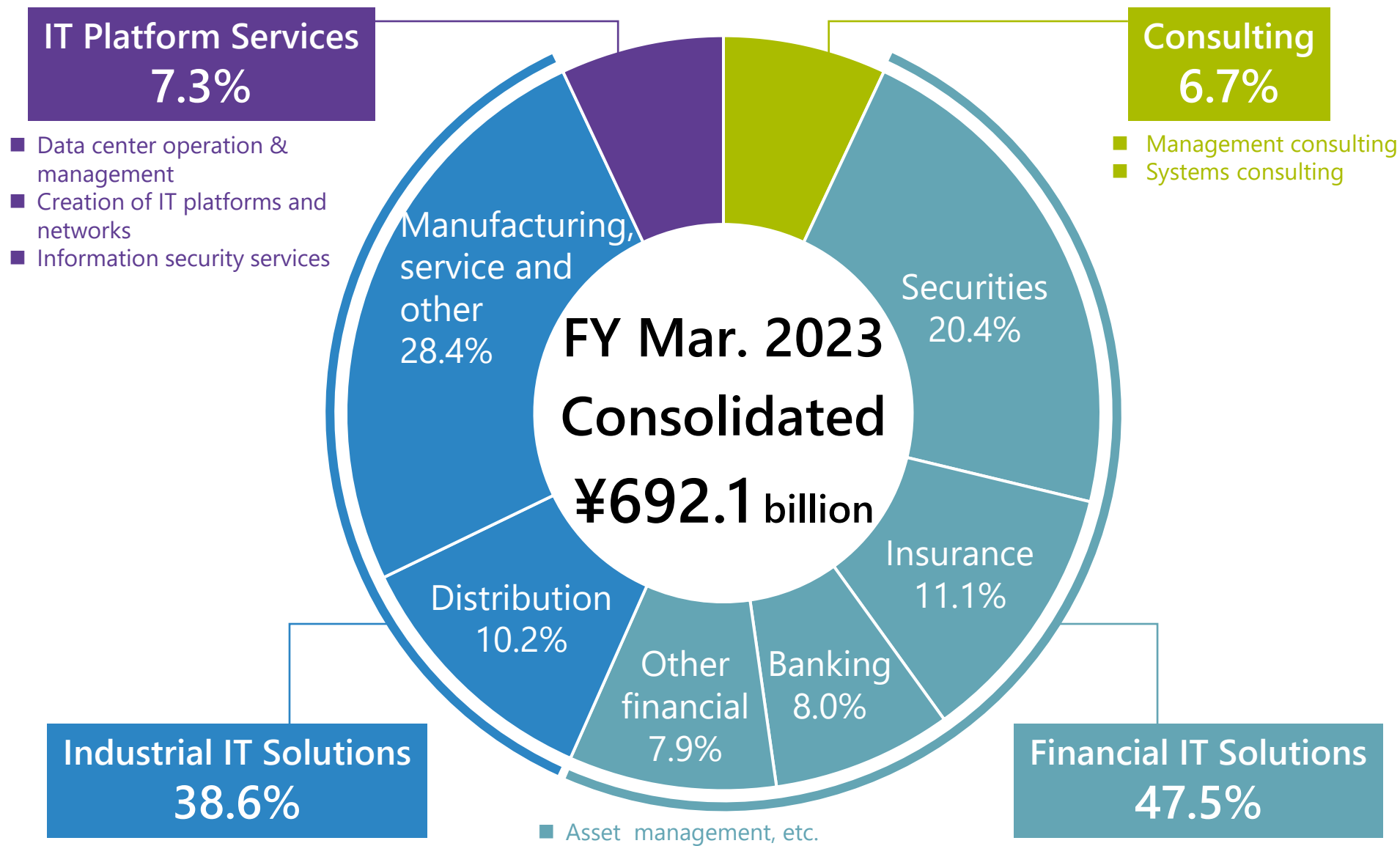
## EBITDA Margin Comparison



(Note) Based on earnings closed in the following months, respectively.  
Accenture: Aug.; IBM, Cognizant, Capgemini: Dec.; NRI: Mar. next year  
(Source) Competitors' data were obtained from Speeda



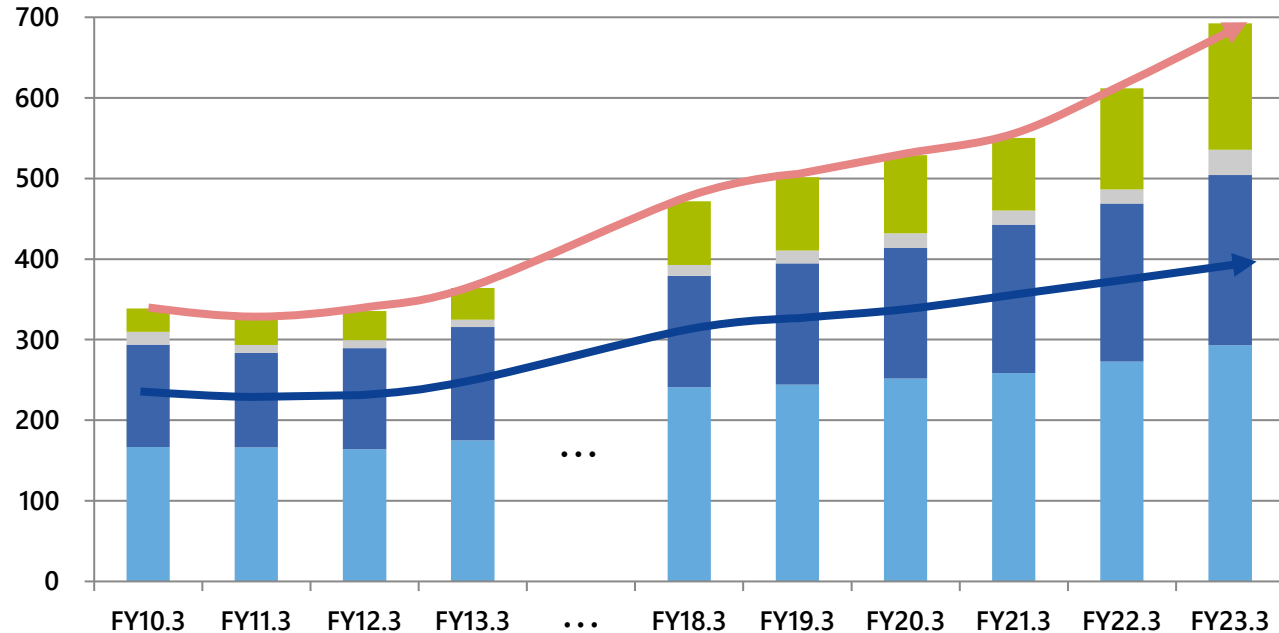
# Revenue by Segment



# Revenue by Service

## ■ Approx. 60% of revenue derived from recurring revenue streams

Revenue (JPY billion)



Approx. 40% of revenue is linked to business cycles

- Consulting
- Product sales
- System development (new)

Approx. 60% is recurring revenue with stable growth

- System development (enhancement)
- System management
  - Outsourcing Services
  - Shared-online Services

### ■ Consulting Services 22.6%

- Management consulting
- Systems consulting
- Consulting on upstream system development

### ■ Product Sales 4.5%

- Third party hardware and software

### ■ System Development & System Application Sales 30.6%

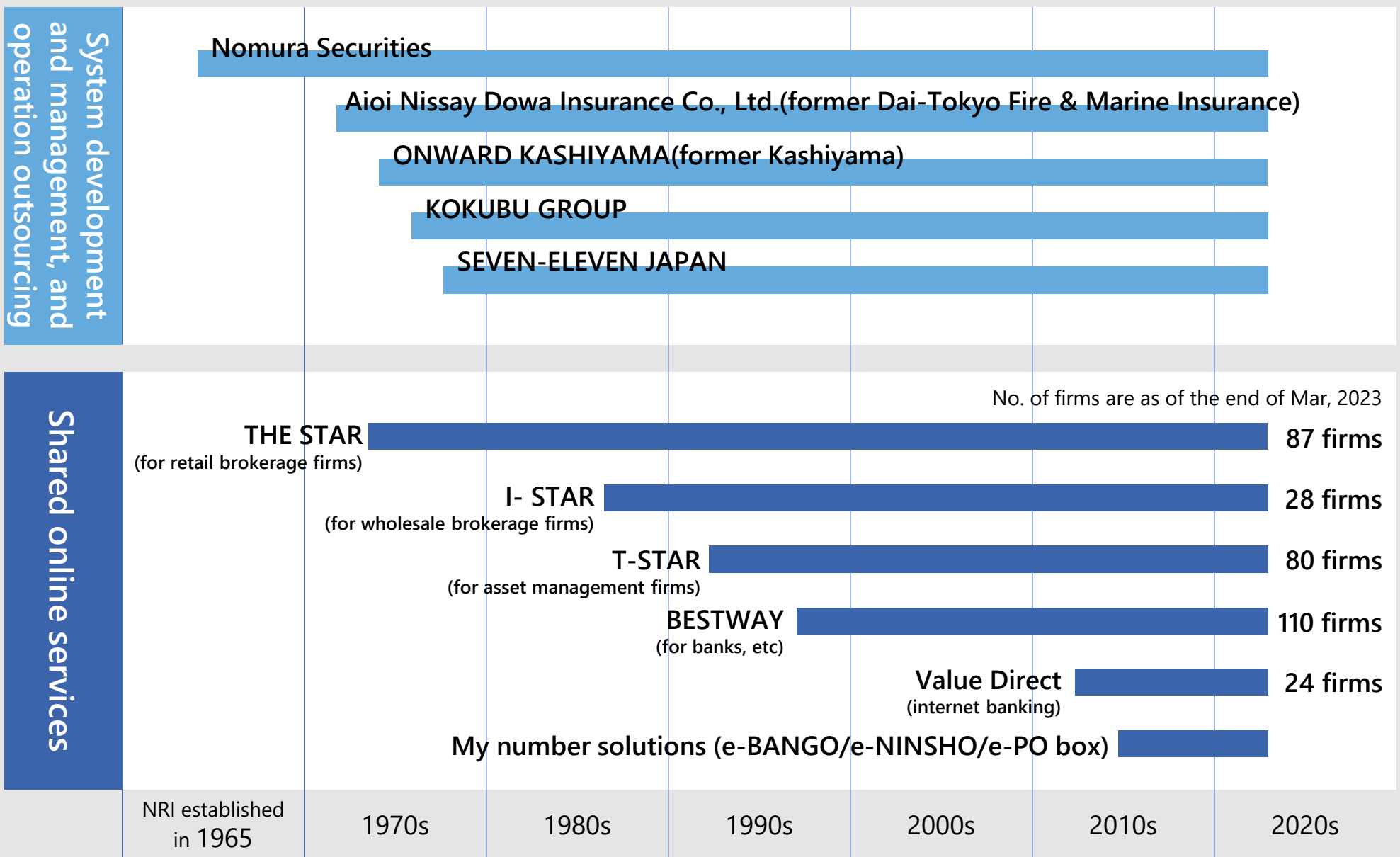
- Systems integration
- Software packages developed by NRI
- Customized add-ons to off-the-shelf packages

### ■ System Management & Operation Services 42.3%

- BPO and other outsourcing services
- Shared-online services (19%)

Note: Ratios are for total revenue on FY March 2023.

# Solid Customer Base



NRI established in 1965

1970s

1980s

1990s

2000s

2010s

2020s

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# Solid Customer Base

■ Number of Clients with Revenues of ¥1 Billion or More  
(as of FY March 2023)

86 firms  107 firms  
FY March 2019 FY March 2023

**Securities**

**15 firms**

Nomura Securities Co., Ltd.  
Mizuho Securities Co., Ltd.  
SBI SECURITIES CO., Ltd.  
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. etc.

**Insurance**

**12 firms**

Tokio Marine & Nichido Fire Insurance Co., Ltd.  
JAPAN POST INSURANCE CO., Ltd.  
Sony Life Insurance Co., Ltd.  
Aioi Nissay Dowa Insurance Co., Ltd. etc.

**Banking**

**13 firms**

Seven Bank, Ltd.  
The Nomura Trust and Banking Co., Ltd. etc.

**Distribution**

**15 firms**

SEVEN-ELEVEN JAPAN Co., LTD.  
Ito-Yokado Co., Ltd.  
KOKUBU GROUP CORP.  
BIC CAMERA INC. etc.

**Manufacturing, service, and other**

**23 firms**

KDDI CORPORATION  
YAMATO TRANSPORT CO., LTD.  
Recruit Co., Ltd.  
Ajinomoto CO., Inc. etc.

**Other domestic industries**

**13 firms**

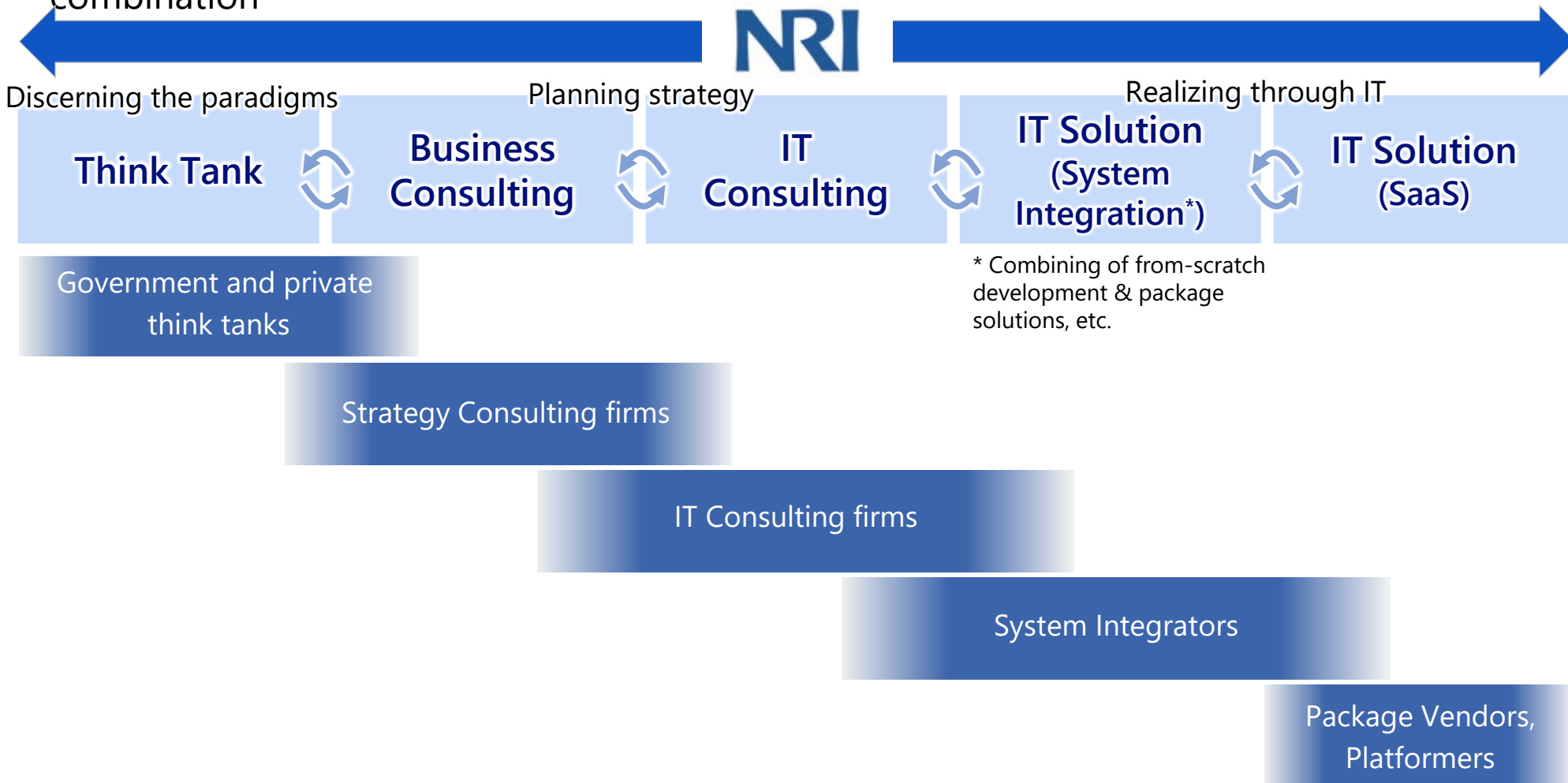
**Overseas**

**16 firms**

## NRI's Business Model & Advantages

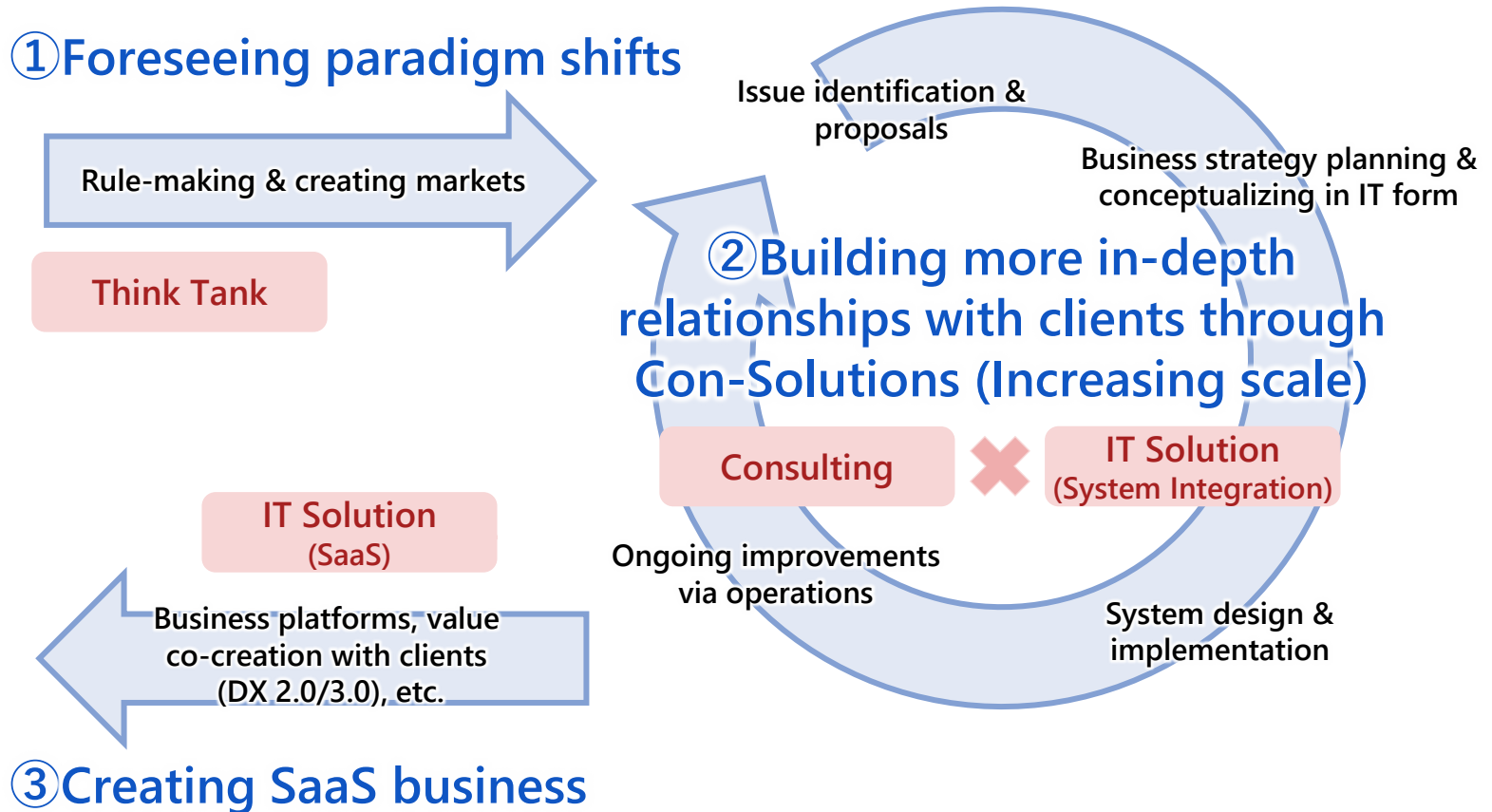
Seamlessly handling everything from discerning the paradigms to drafting clients' strategies and IT implementations

- **No company other than NRI** can offer think tank, consulting, and IT solutions services in combination



## Growing business by organically linking various functions

- Approach clients **with our think tank as a starting point**, and **increase scale through Con-Solutions**. Leverage our trusting relationships with clients and accumulated expertise to **create services-based business**, including business platforms and co-creation with clients



# NRI's unique strengths support business growth

1

### Foreseeing paradigm shifts

- **Wide-ranging expertise**, including on systems and policies, social issues, macroeconomics, industry knowledge, and cutting-edge technologies
- Lengthy track record of **highly reliable research and information dissemination**
- **Support for system design and rule-making** through committees and other branches of government agencies, public offices, and public institutions

2

### Building more in-depth relationships with clients through Con-Solutions (Increasing scale)

- Developing topics **starting with management strategy & business strategy** (appeal to top management)
- **Project structuring that starts upstream and precise system architecture** through extensive operational and technological understanding
- **Discovering new issues & making proposals** via systems management & operations

3

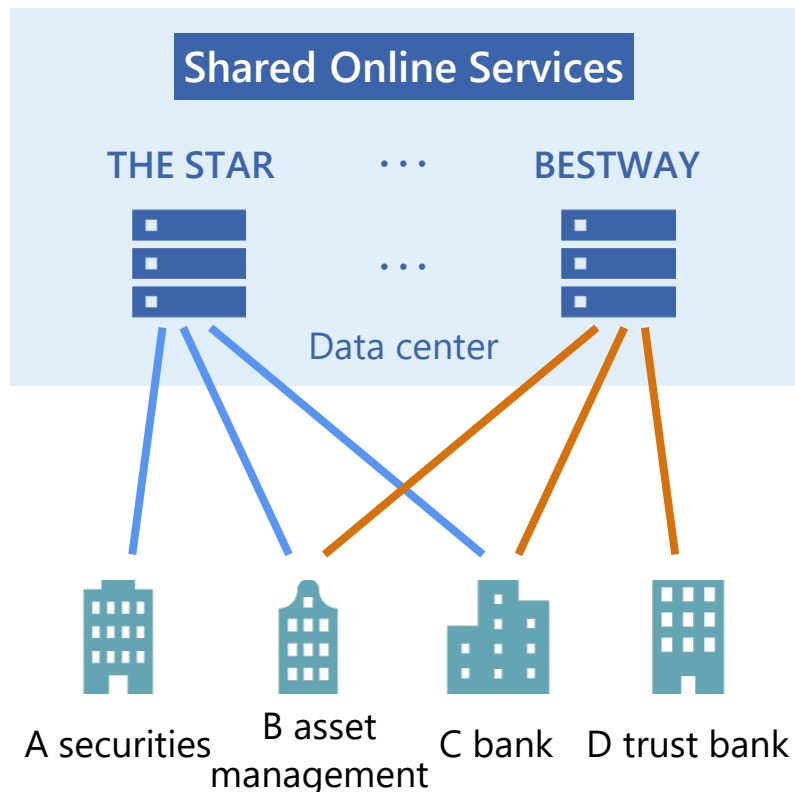
### Creating SaaS business

- **In-depth industry knowledge and understanding of client operations** developed by providing services to Tier 1 companies in industries
- Identifying **non-competitive and cooperative fields with complex requirements**, and creating shared online services
- **Designing and composing ecosystems (enabler)** while figuring out the interests of diverse players involved

# Shared-Online Services

- Providing services of the systems developed and operated by NRI to many financial institutions

## Structure of Shared online services(SaaS)



- Hosted on NRI's data centers as a SaaS
- Complex regulatory reforms reflected speedily through system updates
- Clients select the functions they need from a menu of service offerings

## Major Shared Online Services

Note: No. of firms and cases are as of the end of Mar, 2023

<b>THE STAR</b> Back-office solution for retail brokerage firms	<b>87</b> firms	<b>Value Direct</b> Online banking system	<b>24</b> firms
<b>I-STAR</b> Back-office solution for wholesale brokerage firms	<b>28</b> firms	<b>e-BANGO</b> My Number management services	No. of My Number stored Approx. <b>38</b> million cases
<b>T-STAR</b> Back-office solution for asset management firms	<b>80</b> firms	<b>e-NINSHO</b> Identity Verification Solution	<b>375</b> firms
<b>BESTWAY</b> Back-office solution for mutual fund sales at banks	<b>110</b> firms	<b>e-PO box</b> Private-sector cloud linked with Mynaportal	<b>83</b> firms



# NRI Data Centers

- Supporting operation outsourcing, shared online services, etc.

【Tokyo】



## Tokyo Data Center I

Completion: 2012  
Total floor area: 38,820 m<sup>2</sup>  
Reception capacity: 40,000 KVA

【Osaka】



## Osaka Data Center II

Completion: 2016  
Total floor area: 18,360 m<sup>2</sup>  
Reception capacity: 7,500KVA



## Yokohama Data Center II

Completion: 2007  
Total floor area: 15,888 m<sup>2</sup>  
Reception capacity: 15,000 KVA

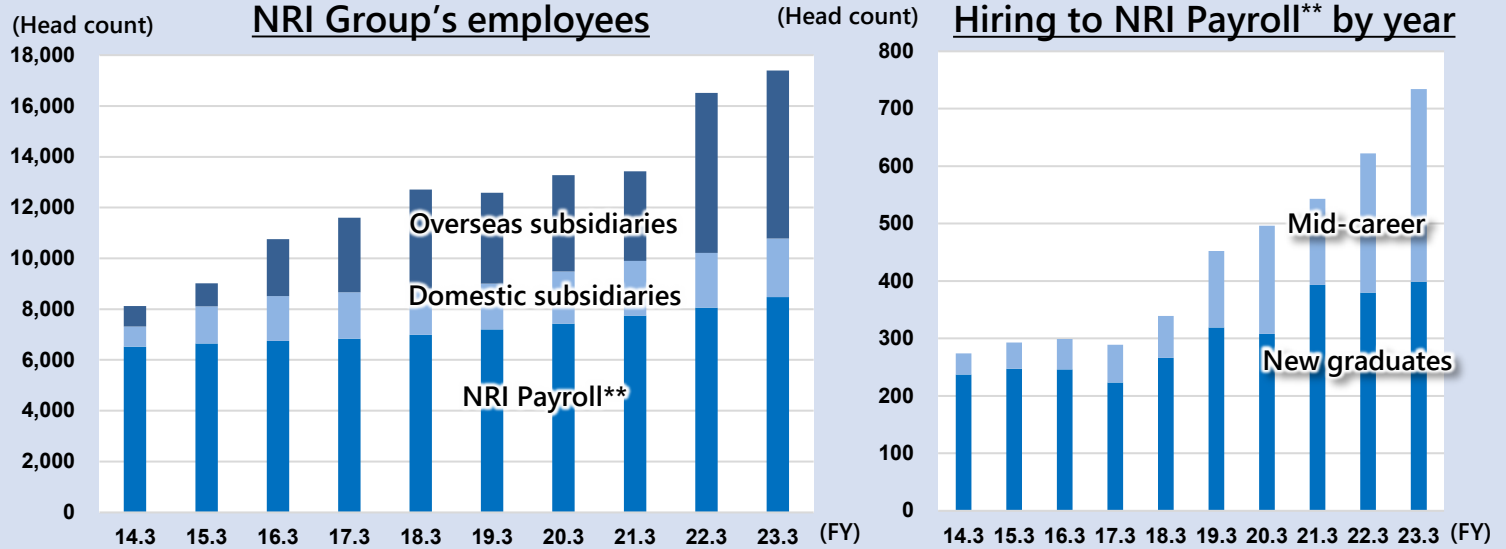
# Depth in Human Resources: NRI + Subcontractors (in Japan & China)

NRI Group employees

- Management Consultants
- Systems Consultants
- Application Engineers
- Technical Engineers, etc.

**Head count:**  
**17,394\***

\* As of end-Mar. 2023



\*\* Includes group company employees hired by the main body of NRI

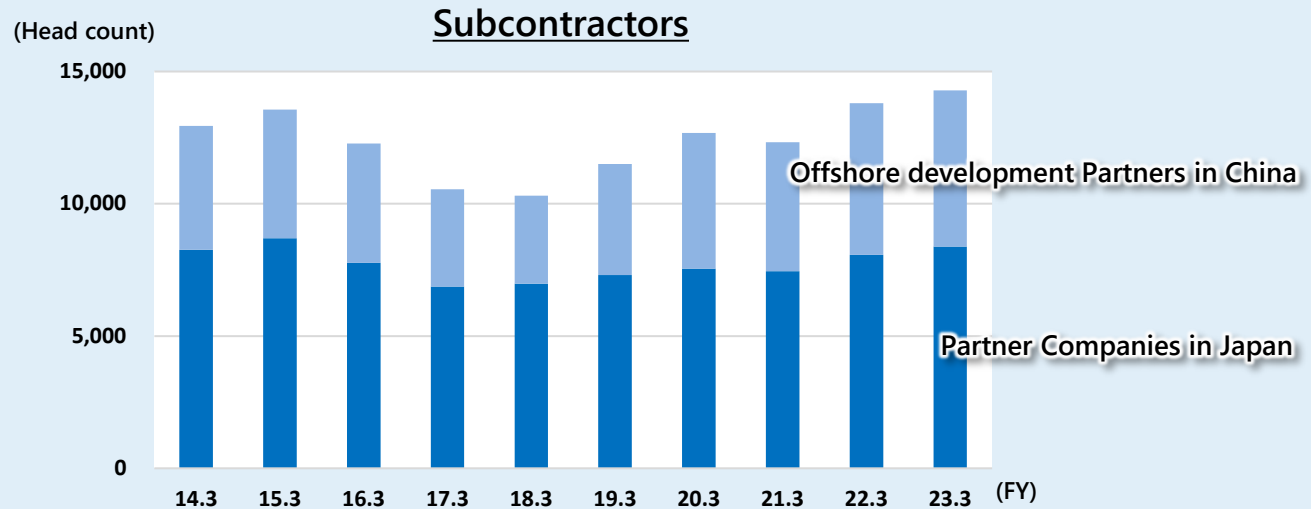
Subcontractors

## Offshore Development Partners in China

20 partners in 20 regions  
**Head count: approx. 6,000**

## Partners in Japan

**Head count: approx. 8,500**



01

About NRI

02

Dividends and Shareholder Information

03

Sustainability Management Initiatives

04

Reference

# Raise payout ratio to 40% by FY March 2026

## Dividends

FY	← JGAAP				IFRS →				
	17.3	18.3	19.3	20.3	20.3	21.3	22.3	23.3	24.3(e) *2
<b>DPS*1</b>	¥80	¥90	¥90	¥96 After Stock Split ¥32	¥96 After Stock Split ¥32	¥36	¥40	¥45	¥53
<b>Payout ratio</b>	42.4%	39.1%	41.5%	27.9%	33.2%	41.3%	33.1%	34.9%	37.6%

\*1 NRI conducted 1-for-1.1 stock splits of common shares effective January 1, 2017, and a 1-for-3 stock split of common shares effective July 1, 2019. But dividends per share (DPS) have not been retroactively restated for these stock splits.

\*2 NRI announced on 31 Jan. 2024

## Share buyback

Period of acquisition	Number of shares acquired	Cost of shares acquired
Apr. to Jun. 2016	2.47 million (1.0% of shares issued)	Approx. JPY10.0 billion
Jul. to Dec. 2017	11.45 million (4.6% of shares issued)	Approx. JPY50.0 billion
May to Nov. 2018	5.54 million (2.2% of shares issued)	Approx. JPY30.0 billion
Aug. 2019	101.91 million (13.5% of shares issued)	Approx. JPY160.0 billion
Jun. to Sep. 2021	16.60 million (2.7% of shares issued)	Approx. JPY60.0 billion
Dec. 2022 to Mar. 2023	6.50 million (1.1% of shares issued)	Approx. JPY20.0 billion
May. 2023 to Nov. 2023	12.83 million (2.2% of shares issued)	Approx. JPY50.0 billion

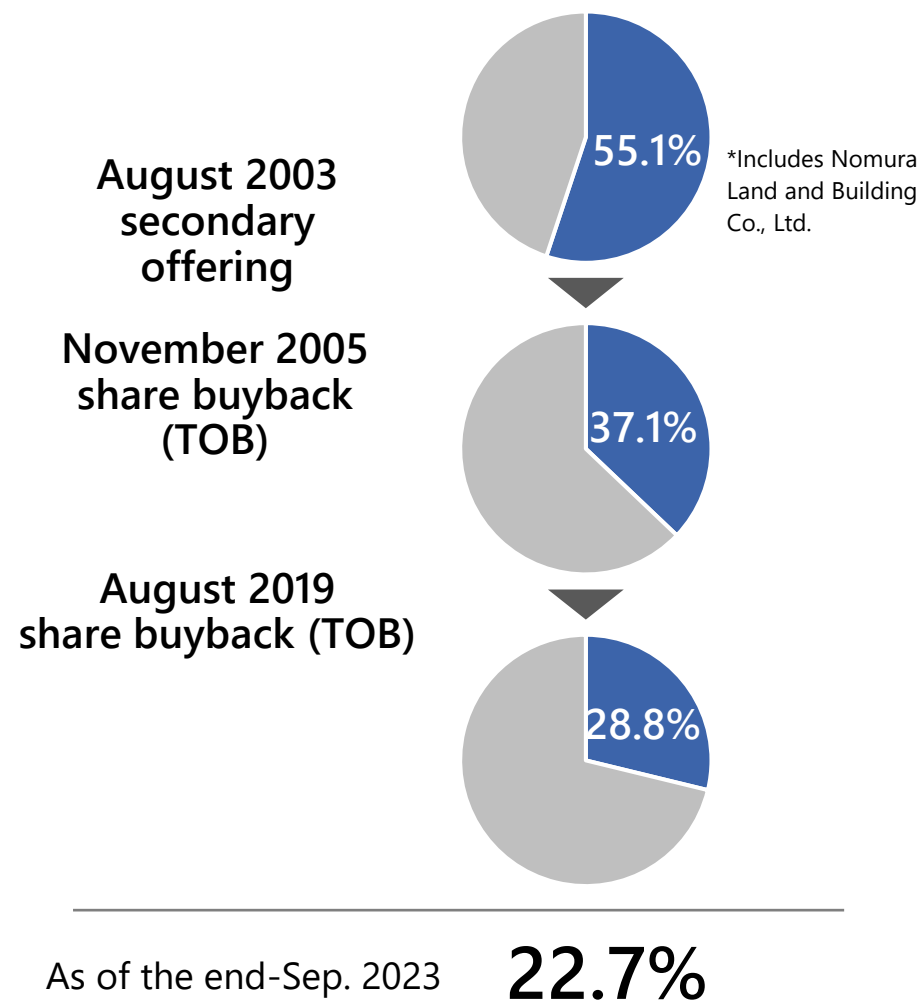
# Shareholder Composition

## Major Shareholders (As of the end-Sep. 2023)

Shareholders	Ratio of Shareholding
Nomura Holdings, Inc.	18.95%
The Master Trust Bank of Japan, Ltd. (Trust Account)	12.05%
Custody Bank of Japan, Ltd. (Trust Account)	4.75%
Nippon Life Insurance Company	4.22%
NRI Group Employee Stock Ownership Association	4.17%
Nomura Properties, Inc.	3.58%
State Street Bank and Trust Company 505223	3.50%
National Mutual Insurance Federation of Agricultural Cooperatives	2.29%
SSBTC Client Omnibus Account	1.35%
State Street Bank West Client-Treaty 505234	1.34%
<b>Top 10 Total</b>	<b>56.21%</b>
<b>Overseas Shareholders</b>	<b>36.46%</b>

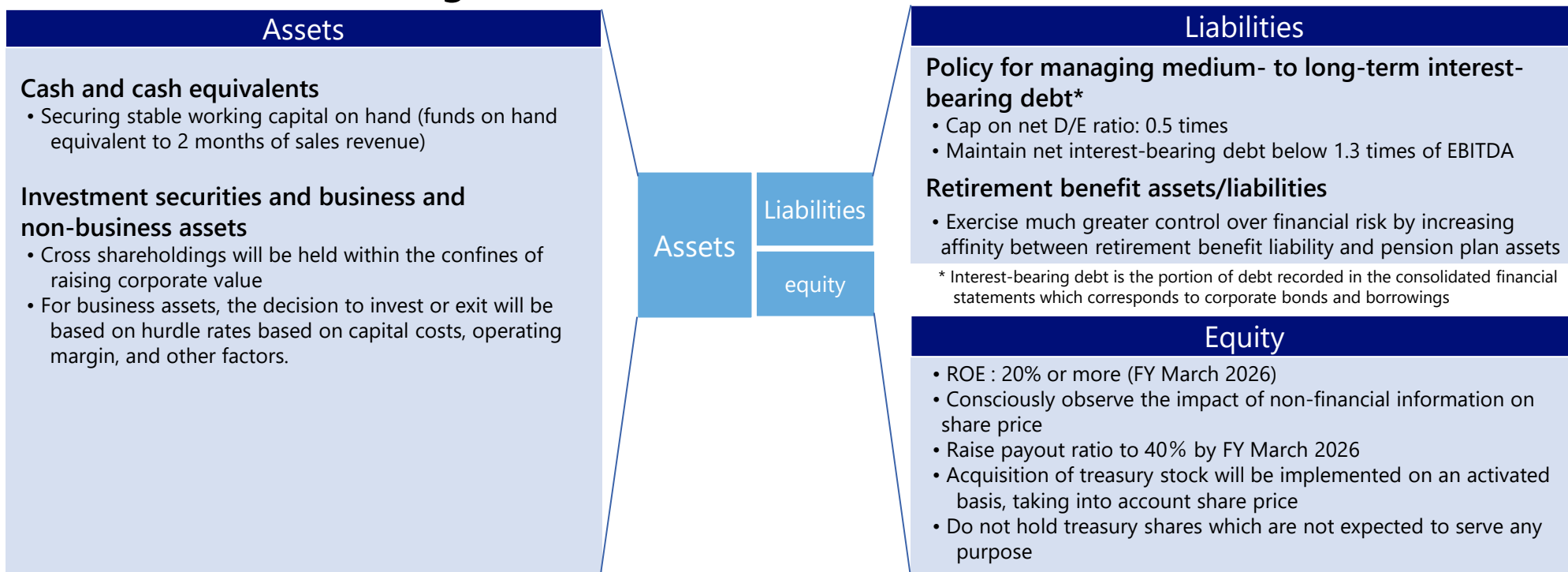
Note: NRI treasury stock holdings excluded from the list above.  
NRI treasury stock excluded in calculations of ownership percentages

## Voting rights ratio by Nomura Holdings Group



# Strong Financial Structure

## Balance Sheet Management



## Financial Indicators

		← JGAAP				IFRS →				(JPY million)
	FY	17.3	18.3	19.3	20.3	20.3	21.3	22.3	23.3	
Cash and cash equivalents		152,051	158,303	123,200	100,778	100,778	153,187	115,610	129,257	
Interest-bearing liabilities		58,619	81,680	60,883	107,410	151,395	118,605	209,627	205,823	
Gross D/E ratio (times)		-	-	-	-	-	0.36	0.62	0.52	
Net D/E ratio (times)		-	-	-	-	-	△0.11	0.27	0.19	
Ratio of equity attributable to owners of parent to total assets (%)		69.1	65.2	67.1	50.9	44.1	50.3	43.0	47.6	

# Strong Financial Structure

## ■ Acquisition of New Rating

- ✓ Acquired the rating from S&P Global Ratings in Sep 2018, strengthening NRI's presence and creditworthiness overseas

### Rating

**S&P Global**  
Ratings

**A**

(Forecast : Stable)

Date of Rating Announcement  
September 18, 2018

### 【Comparisons with JGB and Peers】

As of Mar. 2023

Rating		JGB	NRI	Peer companies		
				Hitachi	Fujitsu	NEC
Investment Grade	AAA					
	AA+					
	AA					
	AA-					
	A+	○				
	A		○	○		
	A-				○	
	BBB+					
Speculative Grade	BBB					○
	BBB-					
	BB+					
	BB					
	BB-					

01

About NRI

02

Dividends and Shareholder Information

03

Sustainability Management Initiatives

04

Reference



# Challenge to create digital social capital through DX 3.0

**Social DX**



## Create a society where people can live with high aspirations

Digital government	Improving convenience based on individual number platform
Regional revitalization	Promoting rural area DX, smart cities, and other social infrastructures
New financial services	Expanding the use of new financial assets such as digital assets

**Value chain DX**



## Create people and planet friendly industry

Value chain optimization / Tracing	Coexistence of environmental symbiosis and economic efficiency, visualization of CO <sub>2</sub>
Circular economy platforms	Environmental symbiosis through effective use of natural resources

**Infrastructure DX**



## Provide a safe and secure social infrastructure

Infrastructure lifecycle transformation	Realizing a sustainable and resilient social infrastructure
Financial infrastructure for Carbon Neutrality	Creating and sophisticating markets for decarbonization

# Financial services roadmap with social DX

- **“My Number” individual number-related services:** citizen ID platform and electronic passport services as the number of My Number cardholders approaches 100 million

2025

2030

100 million My Number cardholders

- System into use at financial institutions
- Government cloud
- Electronic submission & notification of legal records

Optimal policy & services for individuals

- Tailored to individuals
- Shift to agents
- Self control over information (complete comprehension of self-related information)

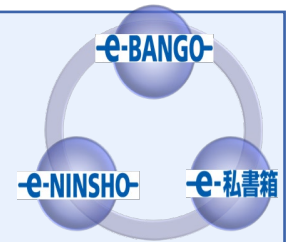
## NRI’s My Number-related services

**Recreating ID in digital space**  
 (Citizen ID platform, electronic post services, etc.)

- Transaction reports
- Employment contracts
- Deduction certificates
- Healthcare & medication
- Certificates of income and withholding tax
- Health checkups

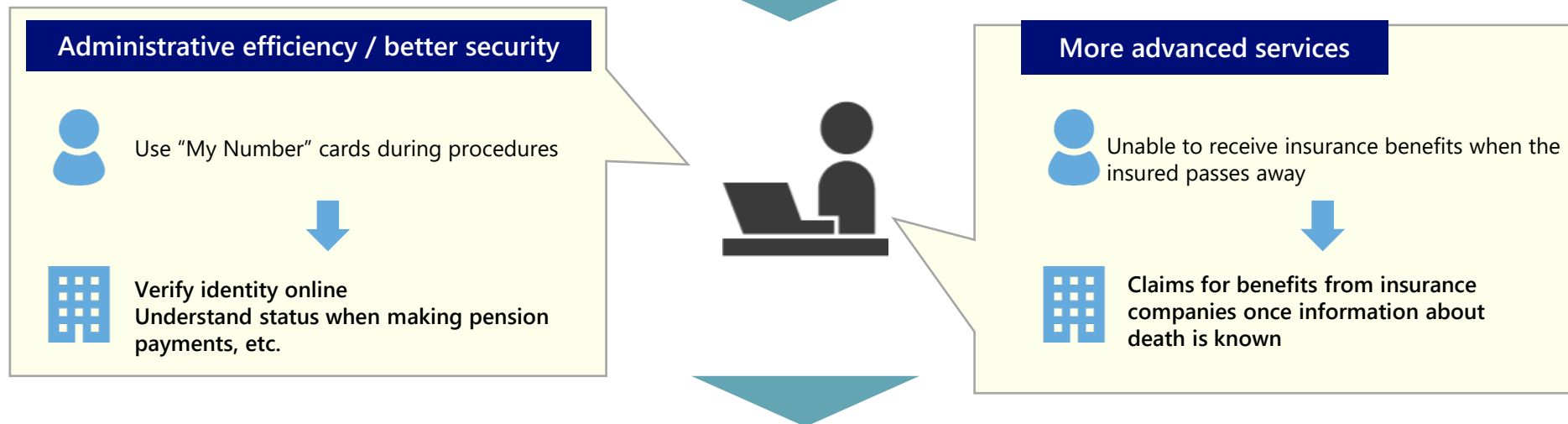
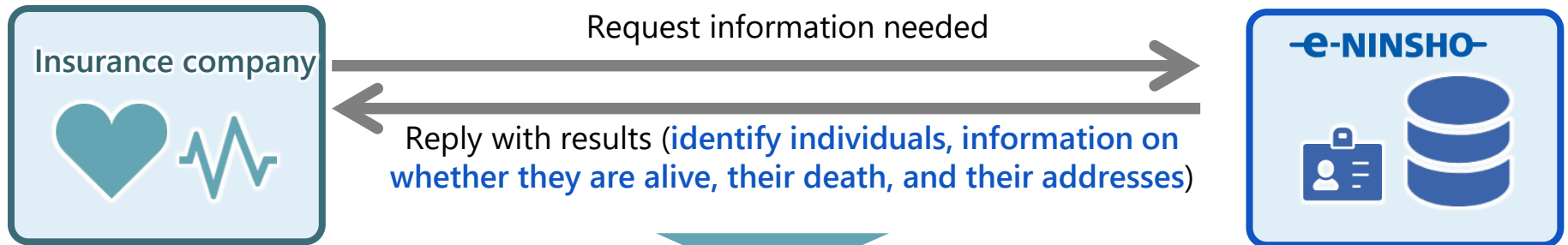
**Offering convenience**  
 Taxation & social security procedures all in one place

- Expand function of agents
- Asset management
  - Government filings & payments
  - Tax preparation
  - Managing medical information
  - Employment & social insurance
  - Education & learning



# Advanced operations of insurance companies through public personal authentication services

- Many insurance companies use NRI's **e-NINSHO** (public personal authentication service for a broad range of applications)
- **Gathering My Number info on applicable persons before they pass away**  
⇒ evolves operations and services of insurance companies

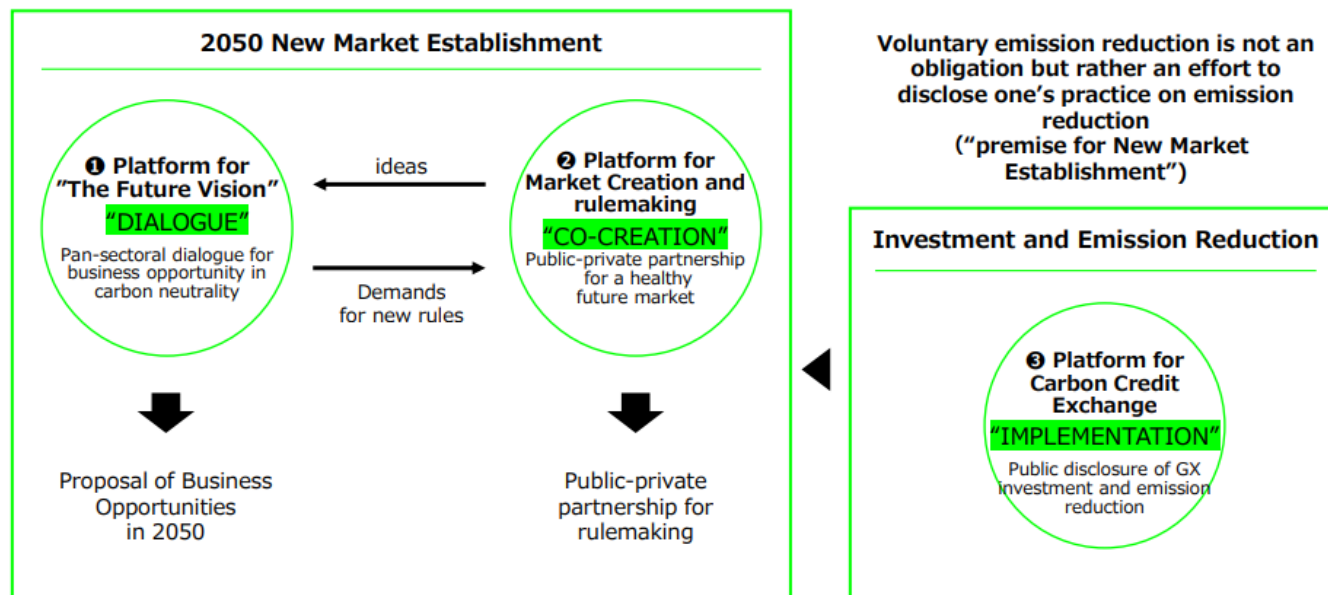


Administrative efficiency and advanced services of insurance companies  
More convenient for consumers

# Supporting GX League efforts for a decarbonized society

- The GX League : **Framework** for companies **challenging** sustainable growth **through green transformation (GX)** with carbon neutrality and social transformation in 2050 to **join forces** with groups of companies and with government and academia
- Independent efforts to **put emissions reductions into practice** through immediate activities while collaborating toward the **creation of new markets**

## Three settings provided by the GX League

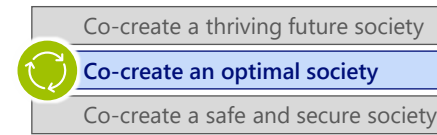


## Phased rollout of GX League

2022	<u>Recruit sympathetic companies</u> Test projects
From 2023	<u>Phase 1</u> GX League enters full-scale operation
From 2026	<u>Phase 2</u> Full-scale operation as a market for emissions trading
From 2031	<u>Further advancement</u>

Source) GX League office "Activities During the GX League Preparation Period (FY2022)," May 11, 2022

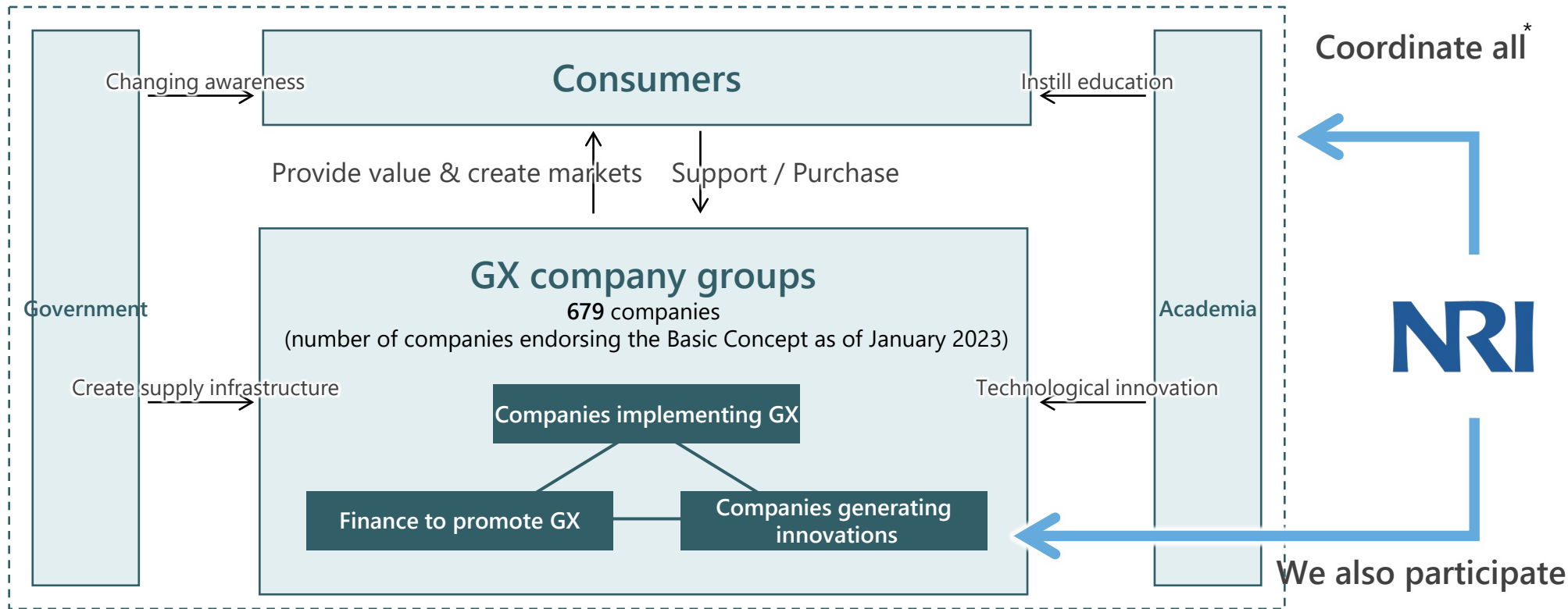
# NRI plays a central role in policy formation for the GX League



## NRI's roles in GX League

- Administrative office and **overall coordinator**
- Take in diverse GX-oriented needs of Japanese companies and have them reflected in government policy
- **Policy formation** : NRI's think tank function and consulting
- Efforts to contribute toward GX implementation in the field of **IT services**

## NRI's role in operating the GX League

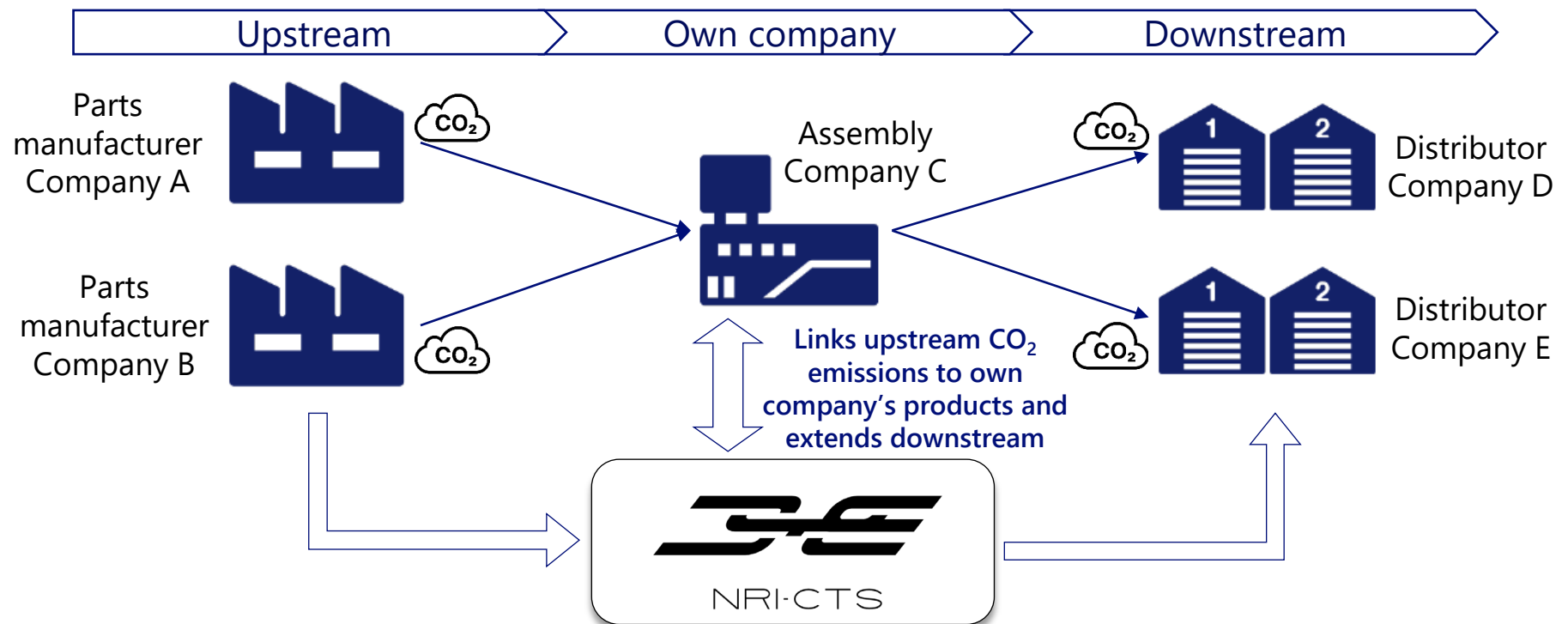


\* : As of FY2022 (to be determined for FY2023)

# Developing businesses to facilitate the management of corporate CO2 emissions

- NRI-CTS (carbon tracing system) is a solution that enables sharing of highly accurate information in a timely manner, based on actual observed values of each company's greenhouse gases
- In addition to a company's own emissions, trace greenhouse gas emissions throughout the entire supply chain including suppliers

## Trace greenhouse gas emissions throughout the entire supply chain (illustration)



# Ensuring the reliability of digital twins with Digital Trust

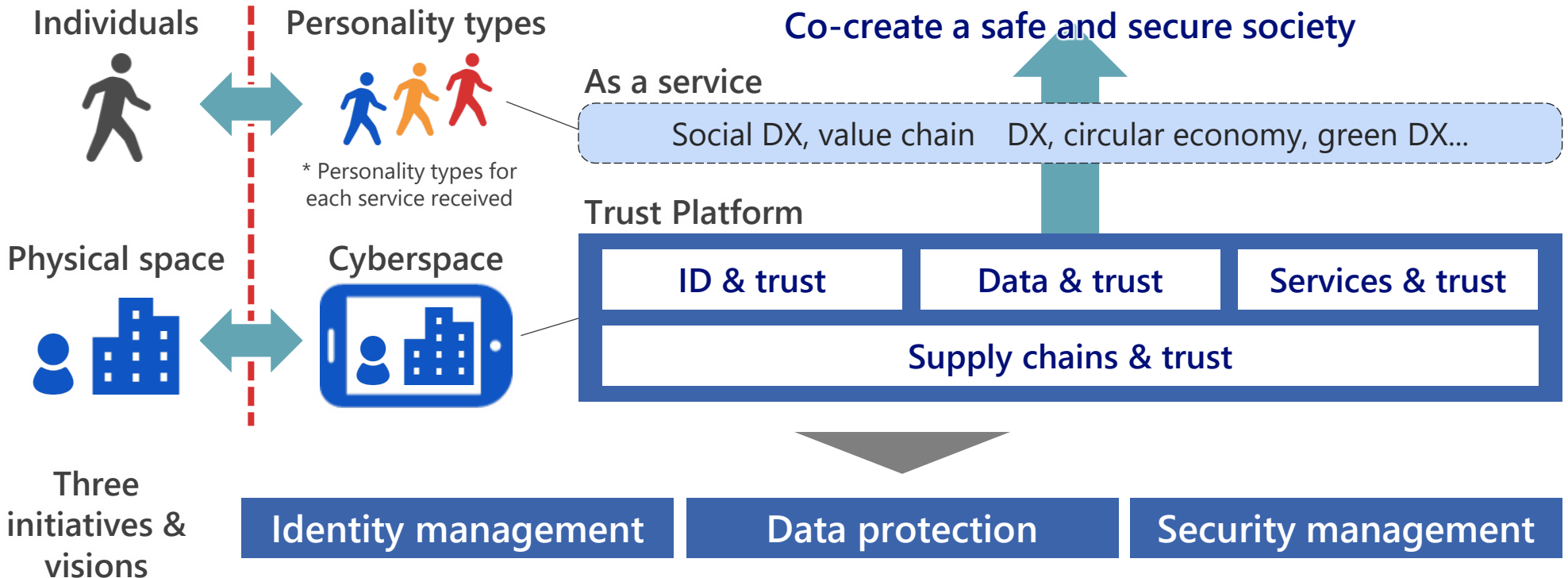
## Business and technology :

Increasingly **integrated** going forward, and new business models with **digital twins**

## Trust Platform to enable companies to co-create across industry boundaries via digital twins

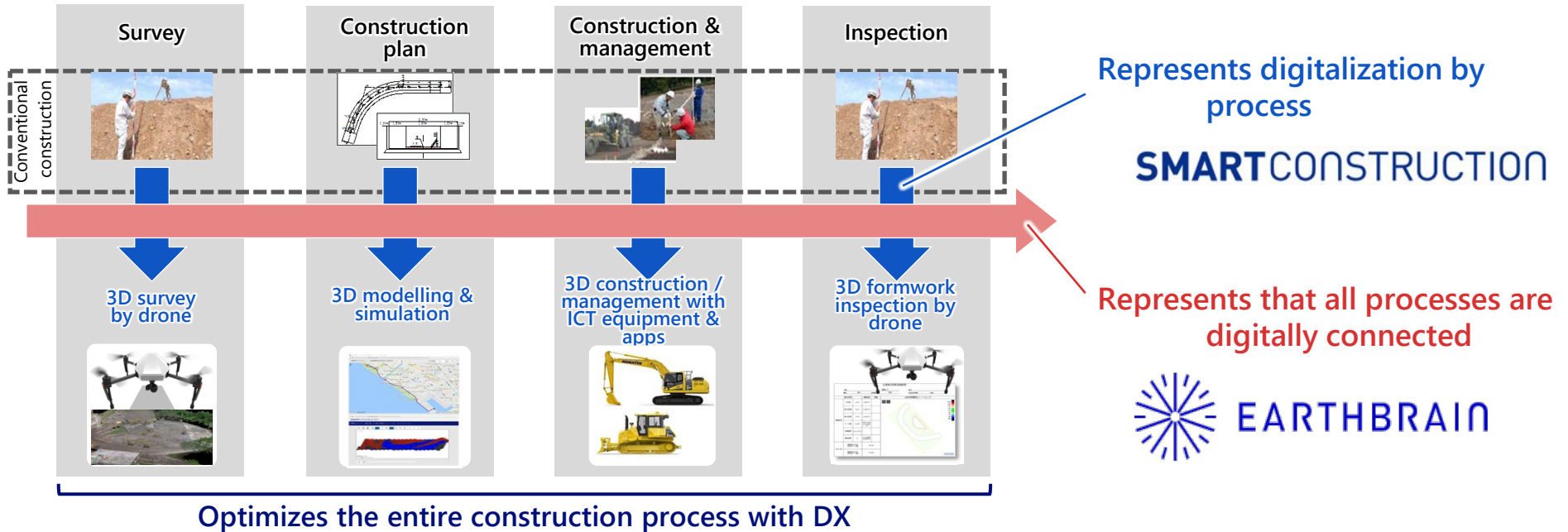
NRI's definition of "Digital Trust" is...

Ensuring the reliability of virtual space by **protecting companies (clients), business, and meeting social requirements**



# Launched EARTHBRAIN in collaboration with Komatsu to promote DX in the construction industry

- Consolidating all on-site data to optimize the entire construction process



- The potential for value creation through productivity improvement in the civil engineering market is enormous.

Civil engineering market size	Efficiency improvement costs	Productivity targets	Scale of value creation
Japan 24 trillion JPY/year  World 200 trillion JPY/year	65% of construction order value (material, machinery & labor costs, etc.)	20%~30% ✓ Government target: 20% ✓ i-Construction performance: 30%	Japan 3.1-4.7 trillion JPY/year  World 26-39 trillion JPY/year

Source: Compiled by NRI from Komatsu's publicly available data



# Aiming to achieve our new environmental target: Net zero Scope 1+2+3 in 2050

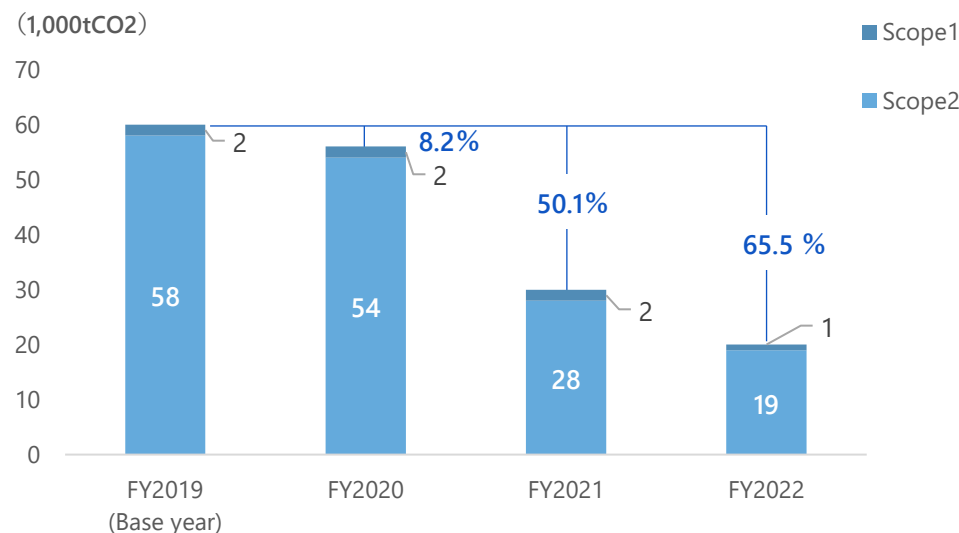
- Revised our environmental targets **in accordance with the SBTi's Net-Zero Standard**
- Set overall reduction targets and net-zero targets that both include Scope 3 by 2050

(Currently submitted for SBTi validation)

Category	FY2030 targets	FY2050 targets
<b>Scope1 + Scope2</b>	<b>Net zero greenhouse gas emissions*</b> in the NRI Group (vs. FY2019) * Reduce Scope 1+2 emissions by <b>97%</b> , neutralizing residual emissions*	<b>Net zero greenhouse gas emissions</b> in the NRI Group ( <b>Scope 1+2+3</b> )  <b>Net Zero*</b> (vs. FY2019) * Reduce Scope 1+2+3 emissions by <b>90%</b> , neutralizing residual emissions*
	<b>100% renewable energy usage</b> in the NRI Group	
<b>Scope3*</b>	<b>Greenhouse gas emissions</b> in the NRI Group ( <b>Scope 3</b> )  <b>Reduce by 30%</b> (vs. FY2019)	

\* Emissions of Category 1 (purchased products/services) and Category 2 (capital goods) business partners only currently extend to tier-one

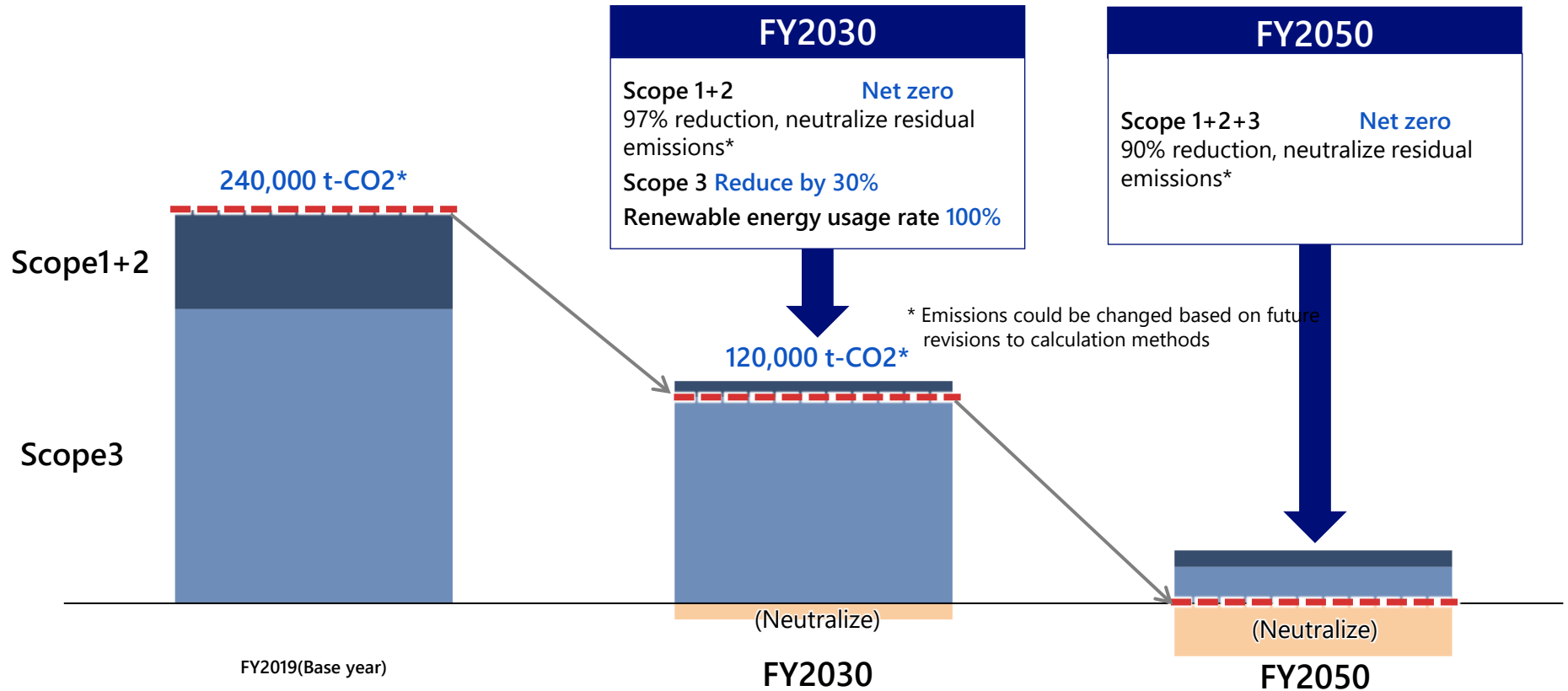
### Progress for Greenhouse Gas (Scope1 + 2) Reducton Rate



NRI group reduced its greenhouse gas emissions significantly by migrating to new, environmentally friendly data centers, utilizing to renewable energy sources and other means.  
 FY 2022: Reduced greenhouse gas emissions by approximately 66% compared to FY 2019.

\* Residual emissions: Emissions that cannot be reduced in the NRI Group's value chain at the time of the net-zero targets  
 Neutralize: Using CO2 removal technologies and other means to cancel out residual emissions outside the value chain

# NRI Group's new environmental targets (Applied starting in FY2023)



## Priority measures until 2030

- Collaboration & support for **reducing business partners' emissions**
- Switch to Renewable Energy Contracts for power used in offices
- **Neutralize** through CO2 removal technologies and forest absorption measures

## Key measures (transition plan)

### Long-term measures until 2050

- In addition to the above,
  - Consider internal carbon pricing (ICP)
  - Green procurement of equipment used by NRI
- Promote green procurement of network equipment & other devices used by clients

\* Residual emissions: Emissions that cannot be reduced in the NRI Group's value chain at the time of the net-zero targets  
 Neutralization: Canceling out residual emissions through the use of carbon dioxide removal technologies and other means

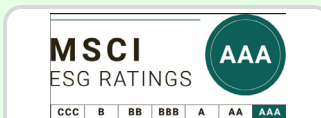
# Reference Materials

## Dow Jones Sustainability Indices

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

"Dow Jones Sustainability World Index" for 5 consecutive years (Asia Pacific Index: for 7 consecutive years)

## MSCI ESG Ratings



As of 2022, Nomura Research Institute, Ltd. received an MSCI ESG Rating of AAA

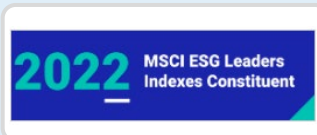
NRI has been awarded the highest rated AAA since 2021.

## CDP



NRI was recognized for the 4 consecutive year in the highest A List. Also selected to the Supplier Engagement Leaderboard for the 3 consecutive year.

## MSCI ESG Leaders Indexes



Selected for 7 consecutive years since September 2016

## FTSE 4 Good Developed Index



Selected for 17 consecutive years since September 2006

## Sustainalytics



NRI has been selected as a "Top Rated Company" for sustainable companies in the IT industry.

## Euronext Vigeo World 120 Index



NRI was selected in 2021 as one of the top 120 companies with outstanding ESG initiatives.

## GPIF-related ESG indexes



NRI is included in all four ESG indexes selected by the GPIF since 2017.

\*THE INCLUSION OF NRI IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NRI BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

## Eruboshi (Minister of Health, Labour and Welfare)



NRI received Eruboshi certification (Level 3, the highest level) in 2017.

## Platinum Kurumin (Minister of Health, Labour and Welfare)



NRI received Platinum Kurumin Certification in 2018.

## Award for Excellence in Corporate Disclosure



NRI was selected an Award for Excellence in Corporate Disclosure in 2023, its 7 consecutive year by The Securities Analysts Association of Japan.

01

About NRI

02

Dividends and Shareholder Information

03

Sustainability Management Initiatives

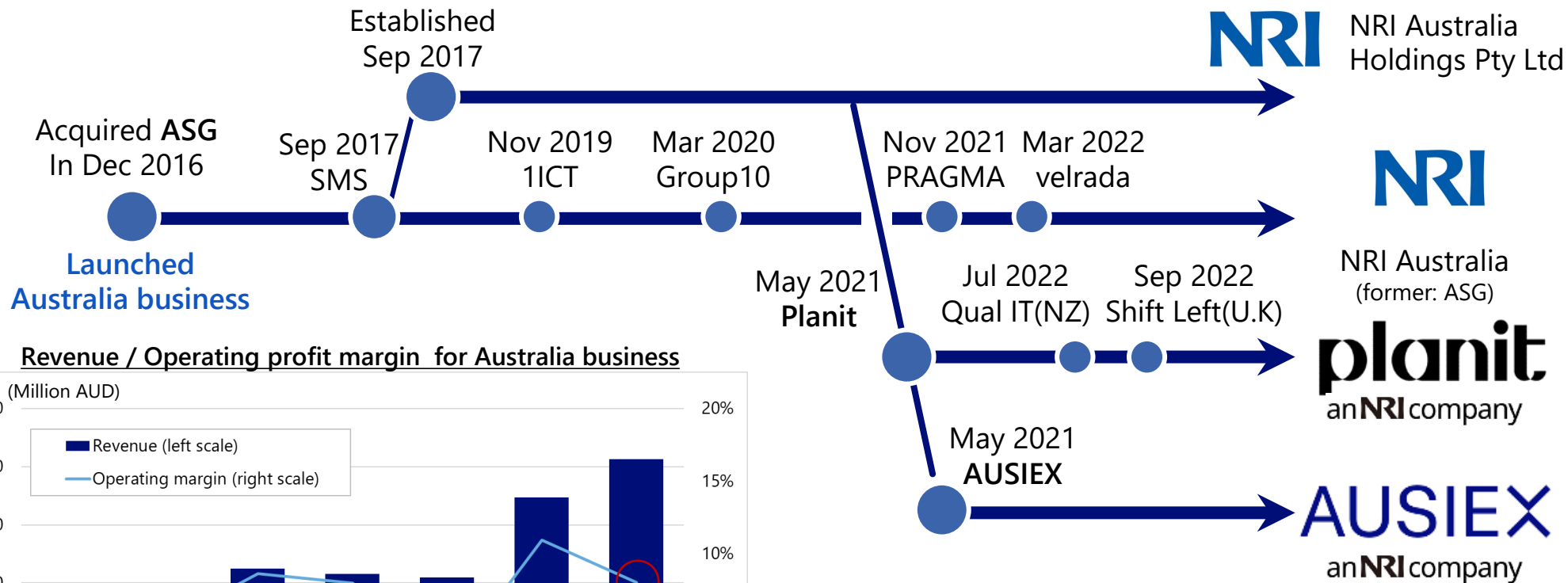
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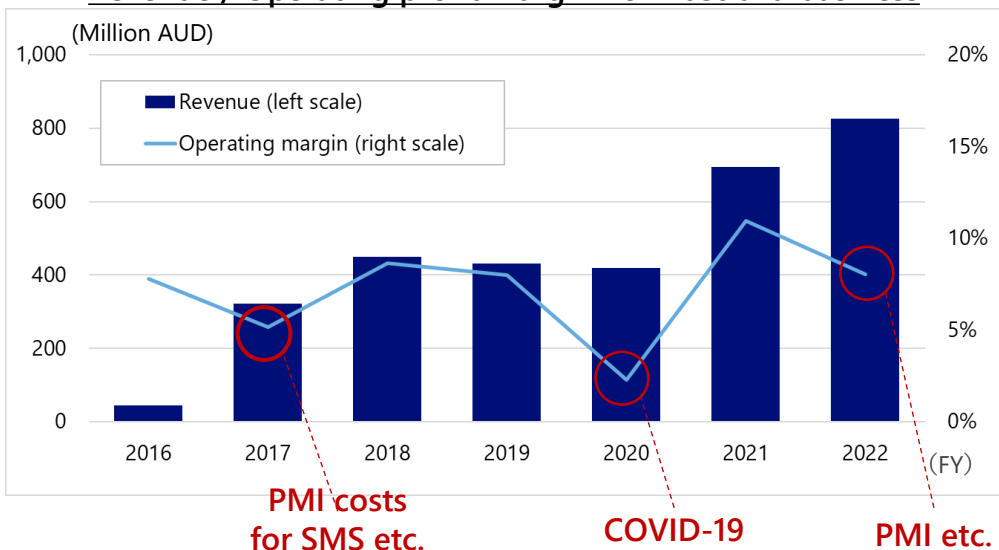
## Growth Strategies : Global : Australia

### Expanding full services through M&A and delivering higher added value to increase competitiveness

- From 2016 to 2022, we mainly expanded business areas and regions through M&A, accumulating overseas experience as a "base camp" for our global journey



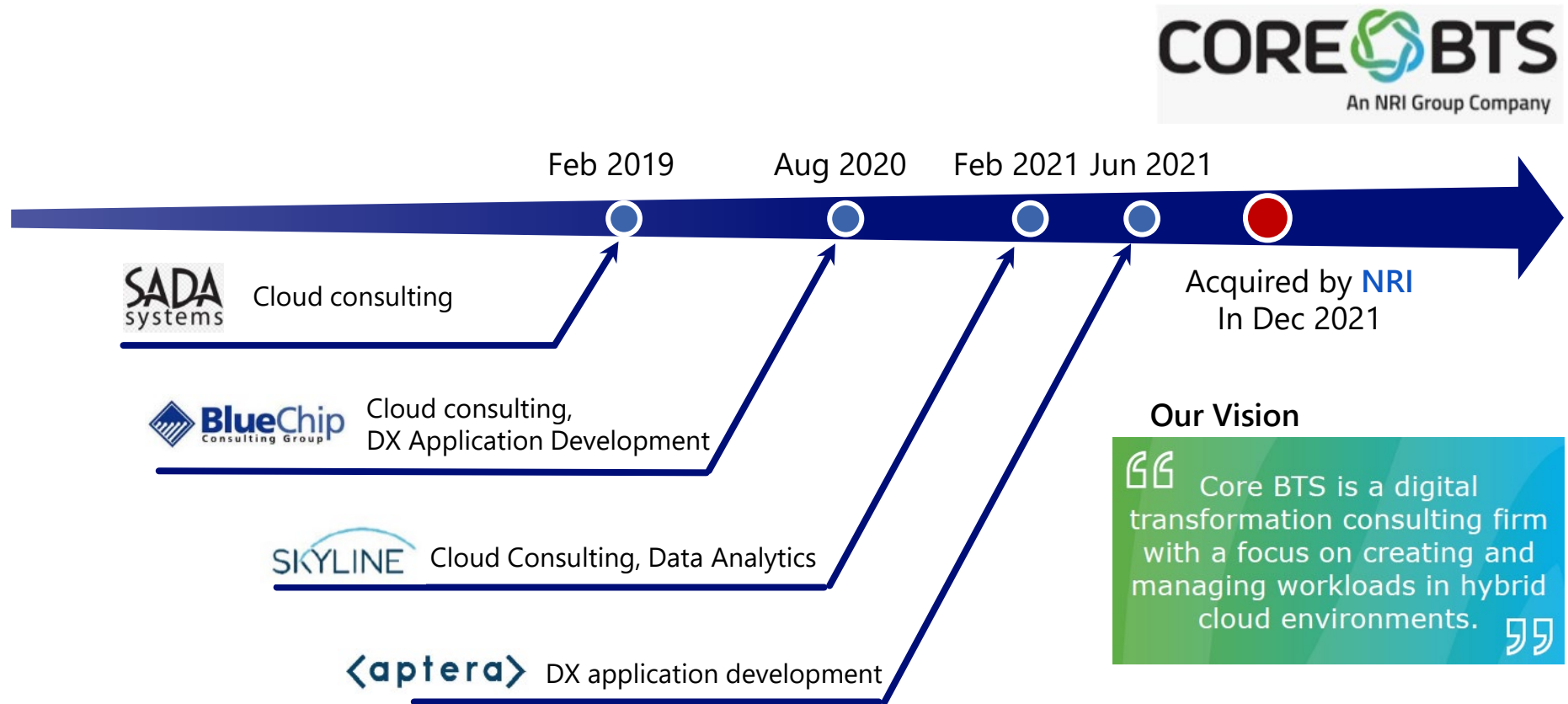
Revenue / Operating profit margin for Australia business



## Growth Strategies : Global : North America

### Establish business infrastructure with Core BTS as the nucleus

- 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

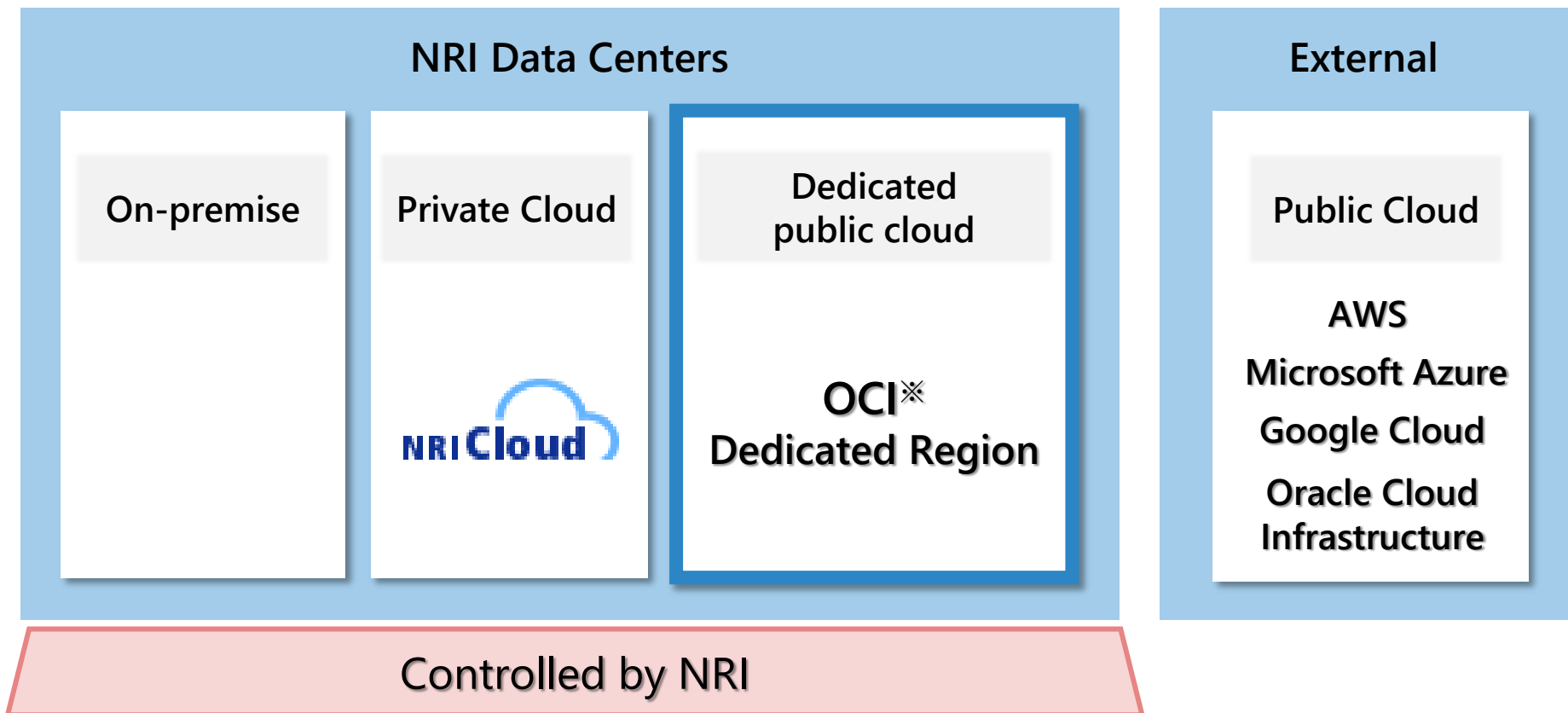


**Our Vision**

Core BTS is a digital transformation consulting firm with a focus on creating and managing workloads in hybrid cloud environments.

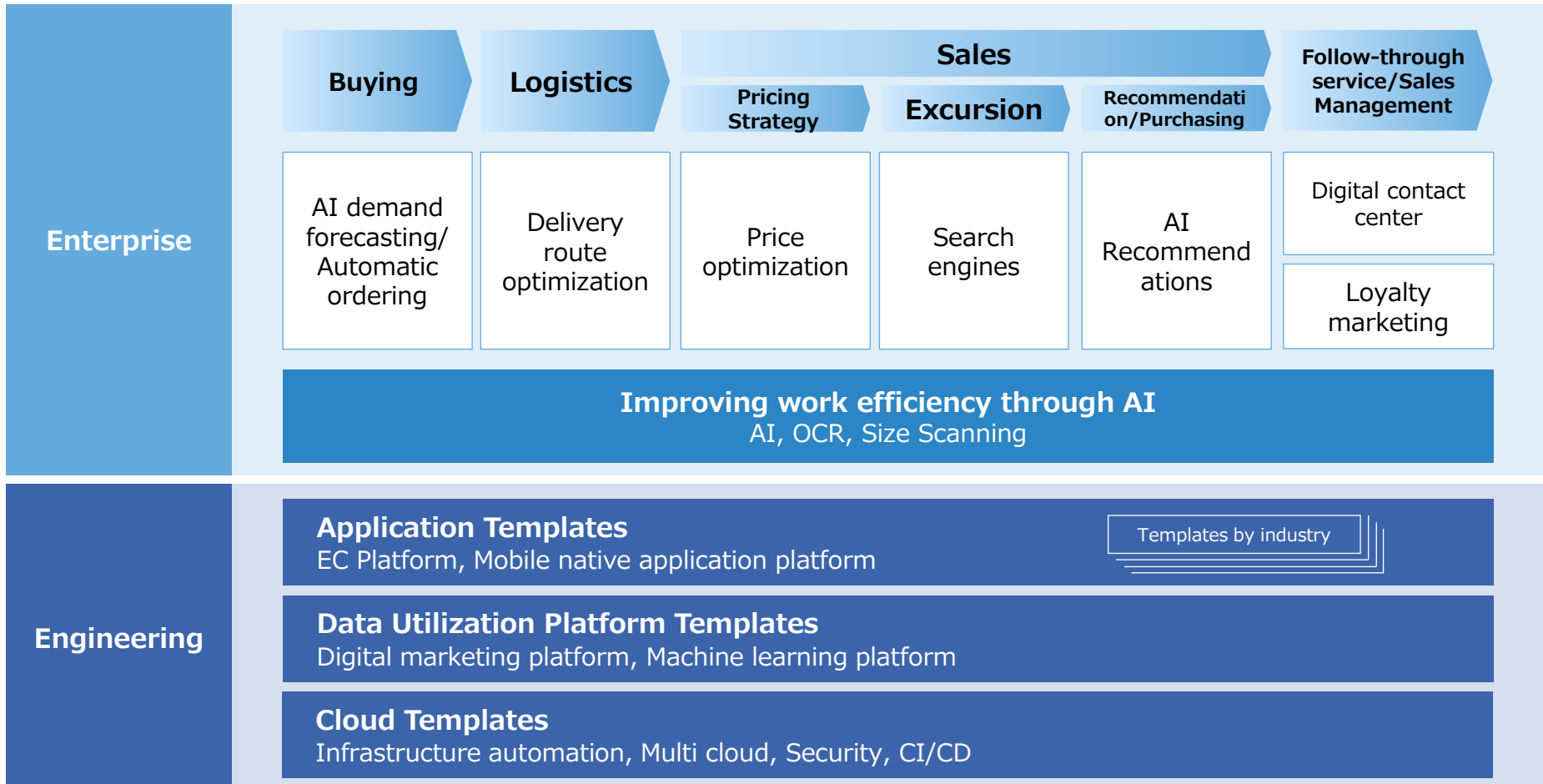
## Cloud Utilization

- In addition to the conventional public cloud, leverage the dedicated public cloud within the NRI data centers.
- Balance the utilization of useful functions and maintain advanced control in the dedicated public cloud



OCI : Oracle Cloud Infrastructure

- Componentize key technologies to realize client DX
- Achieve both flexible response to challenging business requirements and speedy implementation of DX





## NRI SecureTechnologies, Ltd.

- Started as NRI's first internal venture
- Established in 2000
- 721 employees (as of April 2023)
- Revenue has grown to about 30 billion yen

### Four Business Domains

#### Consulting

- ✓ Support for customized issue resolution through a high level of expertise

#### DX security

- ✓ Security for supporting digital transformation

#### Managed Security Services

- ✓ Offensive and defensive cyber-attacks countermeasures

#### Software

- ✓ Independently developed solutions that are high-quality and convenient



### Emerging technologies for new threats

#### IoT / ICS (Industrial Control System)

- ✓ Vehicle systems security assessment
- ✓ Acquisition support of Achilles certification

#### AI/ ML (machine learning)

- ✓ Unique log analysis using machine learning for the detection accuracy for unknown malware

#### FinTech/Blockchain

- ✓ First company to provide "Blockchain Assessment" in Japan

#### Multi-Cloud Security

- ✓ Cloud Access Security Broker (CASB), a solution which supports security measures in multi-cloud environments

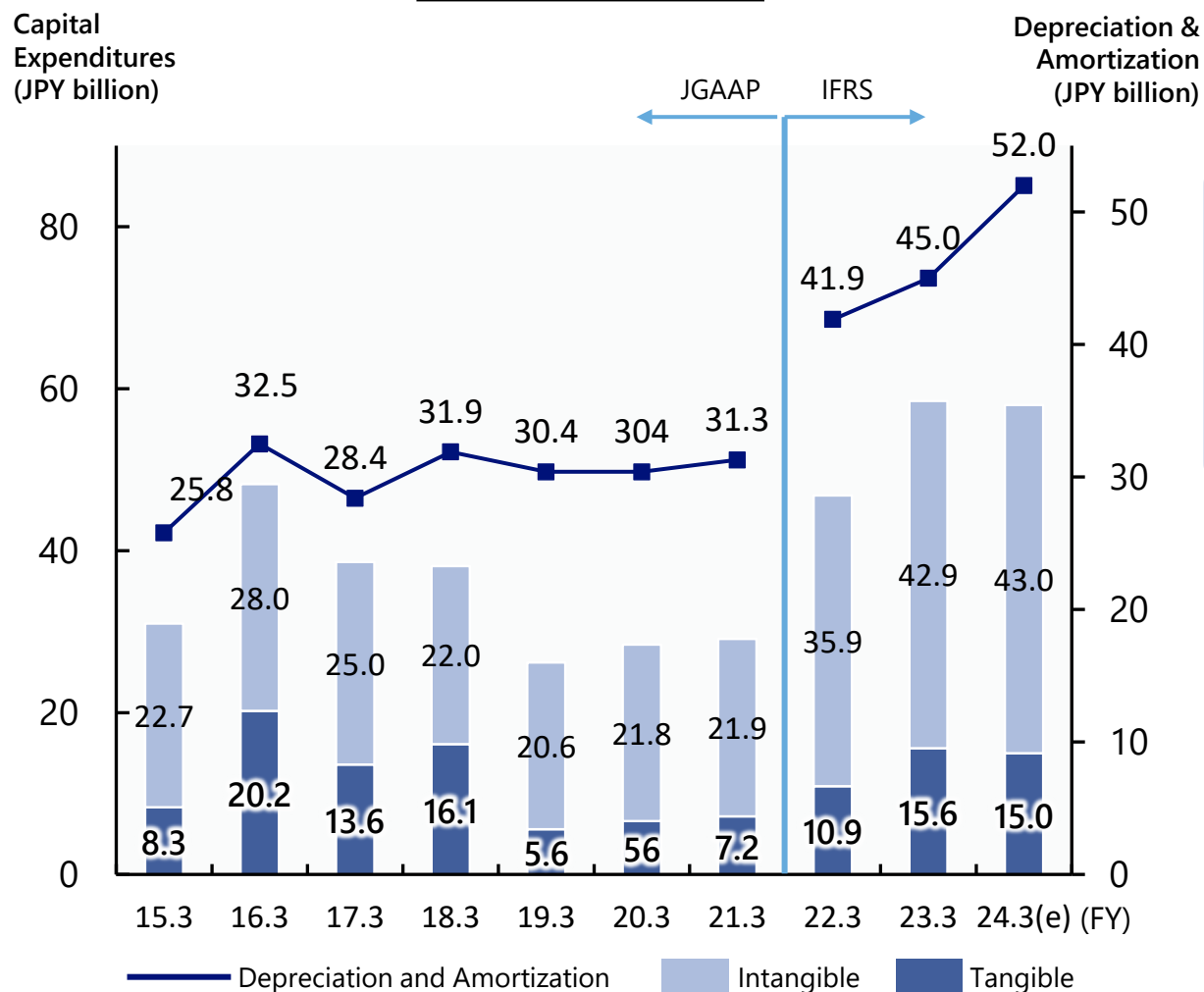
#### GRC (Governance, Risk and Compliance)

- ✓ Secure SketCH as a GRC management platform

# CAPEX and D&A

## ■ CAPEX forecast to be JPY58 billion

### CAPEX and D&A



#### Investments in intangible assets

- Enhance functionality of shared online services
- Create new platform services for financial institutions
- Invest in developing digital IP, etc.

#### Investments in tangible fixed assets

- Enhancing cloud service infrastructure capabilities, etc.

# R&D Expenses

- Strengthen digital capabilities in anticipation of changes in society and industry

## Current R&D Themes

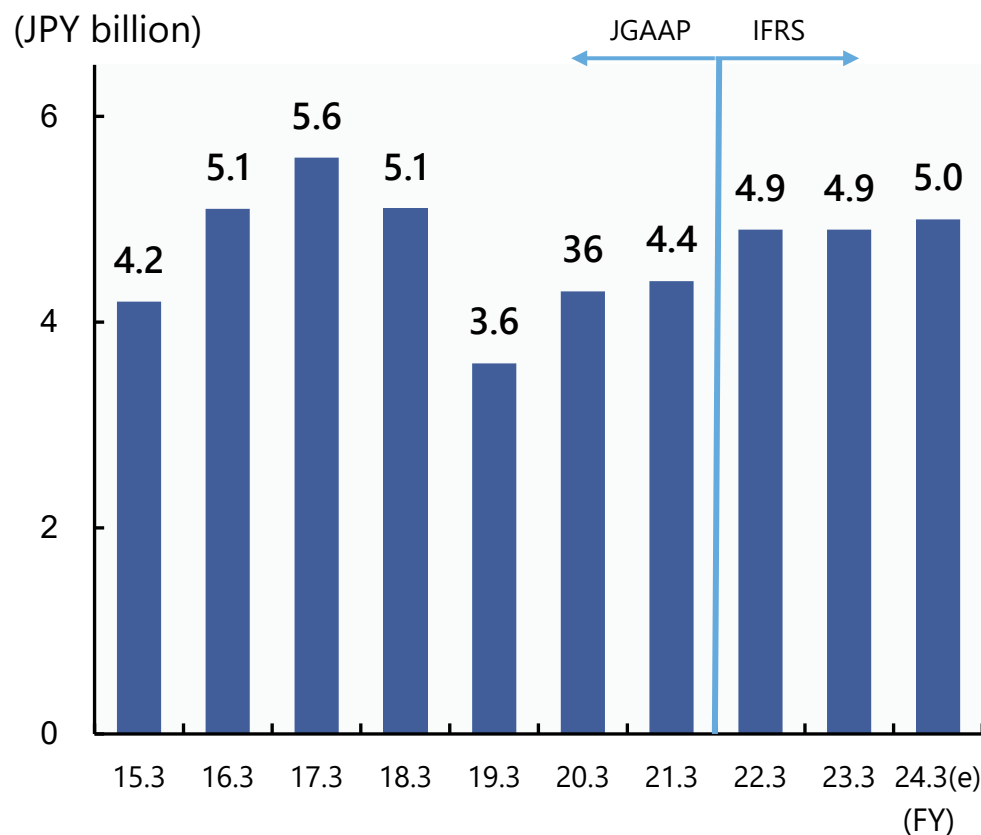
### ■ Investigate research

- Research on social issues
- Investigative research on advanced technologies
- Consumer surveys, etc.

### ■ DX Business development

- New business discovery
- Technology acquisition
- Social recommendations, etc.

## R&D costs by year





**Envision the value,  
Empower the change**