A Corporate Philosophy that Builds on the Founding Spirit

NRI's Corporate Philosophy

Our Founding Spirit Continues to Be Passed Down

Japan's First Full-Fledged Private Sector Think Tank

The origin of NRI's consulting business goes back to 1965 when Nomura Securities Co., Ltd., expanded the functions of its Research Division and established the former Nomura Research Institute, Ltd. The objective was to make a dramatic leap to develop into a high-quality research and investigation institution. The founding prospectus, "Nomura Research Institute—Its Concept and Policies," describes the following as the aims of establishing the institute: "To become a new type of research institute that had never existed in Japan before," and "to promote industry and business of service to society through research studies." This has been passed down to today in NRI's DNA, which makes it an organization with the primary goal of creating new social value and engaging in the resolution of social issues through its main business activities.

Japan's First Commercial Use of Computers

The origin of NRI's IT solutions business is the Electronic Data Processing Division of Nomura Securities Co., Ltd., which was established in 1963. In 1965, the division adopted the use of a commercial computer (UNIVAC-120) that had just been developed in the United States, making headlines as the first instance in Japan of the commercial use of a computer. This is the result of the desire and passion to create new systems previously unseen in the world. In 1966, the Electronic Data Processing Division spun off from Nomura Securities to become the Nomura Computing Center Co., Ltd. The philosophy of its establishment was to take the varied expertise acquired through advanced system development as Nomura Securities and put it to use for management rationalization and other benefits of other companies. The philosophy indicates an attitude to be of service to society as well as create new value.

History and Mission of NRI

In a move that foresaw an ideal information services company, the former Nomura Research Institute, Ltd., and Nomura Computer Systems Co., Ltd., merged to become the new Nomura Research Institute, Ltd. (NRI), in 1988. The new NRI succeeded the spirit of the two companies from the time of their founding. It would do more than simply provide research, consulting, and IT services; the company would create new social value, making its mission the resolution of challenges faced by society and clients.

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

Corporate Statement

Dream up the future.

For Customers:

Future-focused service to drive growth

For Society:

Responsible and sustainable business practices

For Customers:

Customer-centric and innovative solutions

Value Creation Capital

Message from the CEO

MTP2025
NRI’s Value Co-Creation

Materiality

Value Creation

Growth Story for 2030

V2030
Management Basis (ESG)

Value Creation Capital

Corporate Information / Data

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* The company name was changed to Nomura Computer Systems Co., Ltd. in 1972.

The commercial computer (UNIVAC-120) adopted by Nomura Securities

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Research consulting

IT solutions

Electronic Data Processing Division of Nomura Securities established
Jan. 1965

Nomura Research Institute established
Apr. 1965

Launch of new NRI
Dec. 2001

First Section of the Tokyo Stock Exchange listed

"When forecasting the advanced information society to come, there can be no think tank without a systems function, and there can be no systems company without a think-tank function."

Foreseeing the arrival of a digital age in which business and information technology (IT) became one, the merger of the two companies was driven by the passion of the management team to create a company that was needed most for Japan in the future to survive on the world stage.

NRI’s Value Co-Creation

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A Path of Unchanging Value Co-Creation

Services Created in Response to Societal Demand

Consulting
- Forecasted the number of visitors to the 1974 World's Fair in Osaka
- Started recommendation activities of the world's top think tanks, including NRI thereafter annually through 1992
- Organized Pension Management Study Group (affiliated Japan 401k schemes later)
- Conducted the 1st Survey of 10,000 Consumers thereafter conducted every three years
- Advocated the concept of Ubiquitous Networking (a new information technology paradigm)
- Established NRI Chinese Research Center
- Started sending CIO aides to government organizations, including the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, etc.
- Developed the concept of NRI Knowledge Hub
- Conducted the first Survey of 10,000 Consumers thereafter conducted every three years
- Converted the First Section of the Tokyo Stock Exchange Listed on the First Section of the Tokyo Stock Exchange
- Launched I-STAR, a shared online system for asset management firms, launched
- Launched Famicon Trade System at Nomura Securities (a pioneer in system consulting business in Japan)
- Provided comprehensive support, from designing the service to the system architecture, for Shiseido’s integrated online beauty service "beautiful"
- Assisted in the rollout of "NISA" system, from design to system construction
- Provided regulatory support for the integration of financial services
- Developed new NRI insurance system, launched
- Established the 1970s during the bubble period (October 1988–March 1989).
- Japanese GAAP until 2021.3, IFRS afterward are consolidated.
- The figures are non-consolidated; the figures for 1987 onward are consolidated.
- For convenience, the graph shows six-month figures x 2.
- Notes:
  1. The figures prior to 1997 are combined totals for the former Nomura Research Institute and Nomura Computer Systems.
  2. The figures for 1988–1996 are non-consolidated; the figures for 1997 onward are consolidated.
  3. Owing to a change of fiscal year-end, 1989 was a six-month accounting period (October 1988–March 1989).
### NRI at a Glance

The NRI Group business is divided into four business segments: Consulting, Financial IT Solutions, Industrial IT Solutions, and IT Platform Services. Each segment is maintaining an industry-top-level competitive edge in its respective domain. We maximize the value provided to clients by each business segment by flexibly teaming with other segments.

### NRI's Value Co-Creation

**Message from the CEO**

**MTP2025**

**NRI's Value Co-Creation**

**Materiality**

**Value Creation**

**Growth Story for 2030**

**Management Basis (ESG)**

**Value Creation Capital**

### Corporate Information / Data

**Nomura Research Institute**

38.6%

Industrial IT Solutions

7.3%

IT Platform Services

**External Revenue by Segment**

- Consulting: 6.7%
- Financial IT Solutions: 47.5%
- IT Platform Services: 7.3%
- Industrial IT Solutions: 38.6%

**NRI Group's Employees**

(consolidated basis)

- NRI Group: 17,394 persons
- Over 1,000 persons

**Revenue per employee**

¥39.79 million

**Operating profit per employee**

¥6.42 million

### Industry Top Level

**Consolidated revenue**

¥692.1 billion

**Consolidated operating profit**

¥111.8 billion

**ROE**

20.7%

**Cash flows from operating activities**

¥118.8 billion

**Number of employees**

17,394 persons

**Number of consultants**

over 1,000 persons

### NRI's Four Business Segments

#### Consulting

This segment provides management consulting, operational consulting, and system consulting for enterprises and government agencies. This segment is also engaged in research, future projections, and recommendations related to society, economics, business, technology, etc.

**Major affiliated companies**

NRI Process Innovation, DSBI, DSBI Information System, Nippon Securities Technology, Cutter Associates

#### Financial IT Solutions

This segment provides systems consulting, systems development, and system management services, shared online services, and BPO services for financial institutions mainly in the securities, insurance, banking, asset management, and other financial sectors.

**Major affiliated companies**

NRI Process Innovation, DSBI, DSBI Information System, Nippon Securities Technology, Cutter Associates

#### Industrial IT Solutions

This segment provides systems consulting, systems development, and system management services mainly for the distribution, manufacturing, service, and public sectors.

**Major affiliated companies**

NRI NaiCom, NRI System Techno, NRI Digital, NRI Australia Limited, Plant Test Management Solutions Pty Limited, Core BTS, Incorporated

#### IT Platform Services

This segment provides data center operations and construction of IT platforms and networks that are provided to the financial IT and industrial IT solutions segments. This segment also provides IT platform solutions and information security services to external clients. Furthermore, NRI conducts research related to advanced information technology, etc.

**Major affiliated companies**

NRI SecureTechnologies, NRI Data i Tech, NRI Digital

### Financial Statements

**FY March 2023 Consolidated**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated revenue</td>
<td>¥692.1 billion</td>
</tr>
<tr>
<td>Consolidated operating profit</td>
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<tr>
<td>ROE</td>
<td>20.7%</td>
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<tr>
<td>Cash flows from operating activities</td>
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</table>
Stable Profit Structure

NRI has established a stable profit structure with sustainable businesses accounting for approximately 60%, such as shared online services, system management, and operation outsourcing, as well as enhancements (maintenance and operations) in system development.

High Levels of Profitability and Productivity

NRI maintains top-level profitability (consolidated operating margin and EBITDA margin) as well as productivity (consolidated revenue and operating profit per employee) compared with competitors both in Japan and overseas.

Solid Client Base

NRI has accumulated experience and know-how related to various industries and operations, through long-term business relationships with industry leaders. We utilize our intellectual capital to create innovative solutions, such as shared online services. Furthermore, by continuing to provide high-quality services, we are working to strengthen relationships with clients and expand our client base.
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<tr>
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<th>Opportunities</th>
<th>Risks</th>
<th>Related initiatives</th>
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<tr>
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<tr>
<td>Importance of decarbonization and other means of resolving social issues</td>
<td>Contribution to preserving the global environment - Reduction of client greenhouse gas emissions through shared online services</td>
<td>Social responsibility - Insufficient efforts for human rights and labor practices</td>
<td><strong>Internal Controls, Corporate Ethics, and Compliance</strong> [P.1122]</td>
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<td></td>
<td>Business continuity in states of emergency - Need for data centers that possess advanced disaster prevention functions</td>
<td>Business continuity - Insufficient preparedness to handle COVID-19 and large-scale natural disasters</td>
<td><strong>Cooperation with Business Partners</strong> [P.197]</td>
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<td><strong>NRI’s Quality Management</strong> [P.73]</td>
</tr>
<tr>
<td>Increase in cyberattacks that are coupled with the increased complexity of international political trends</td>
<td>Strengthening of information security - Need for information security services that manage data, such as personal information, safety and security - Need for advisory services by experts due to lack of information security specialists</td>
<td>Information security - Information leakage due to unauthorized external access - Group governance of rule violations at the NRI Group and business partners</td>
<td><strong>Cooperation with Business Partners</strong> [P.197]</td>
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<td>Changes in global regulatory trends</td>
<td>New products and new services in finance</td>
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<td><strong>Quality of Information Security</strong> [P.76]</td>
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<td>Relative expansion of the scale of overseas markets</td>
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<td>Group governance - Insufficient synergistic effects of M&amp;A and partnerships - Inadequate system for global strategy promotion</td>
<td><strong>Risk Management FCPA Cycle</strong> [P.1122]</td>
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<tr>
<td>Growing importance of economic security</td>
<td>Reconstruction of supply chains - Need for advisory services for corporations constructing their global supply chains</td>
<td>Business partners - Tightening of regulations toward overseas offshore development, and degraded quality of efficiency</td>
<td><strong>MT2025 Global Strategy</strong> [P.740]</td>
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<tr>
<td>Growing interest in contributing to the global environment</td>
<td>Management of greenhouse gas emissions - Consulting, IT solutions</td>
<td>Handling throughout the entire supply chain - Delay in achieving Scope 3 targets</td>
<td><strong>NRI’s Corporate Governance</strong> [P.108]</td>
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<tr>
<td>Melting of boundaries between business types and industries due to digitalization</td>
<td>Redefinition of industry and business models, and integration of management and technology - Need for simultaneous transformation of both client business and IT through the combination of consulting and IT solutions</td>
<td>Quality - Occurrence of large-scale system failures - Unstable operation of the operating system</td>
<td><strong>NRI’s Quality Management</strong> [P.73]</td>
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<tr>
<td>Increasingly Fluid Industrial Structure</td>
<td>Prevention of legal violations and serious accidents - Need for advisory services for the practice and establishment of rights protection</td>
<td>Compliance - Impingement of third-party intellectual property rights - Violation of domestic and foreign laws and regulations</td>
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<td>Growth limits of existing revenue models</td>
<td>Evolution of advanced technology such as generative AI, cloud computing, and next-generation communications</td>
<td>Projects - Late delivery - Working hours exceeding the initial estimate</td>
<td><strong>Accumulate Intellectual Capital</strong> [P.770]</td>
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<td>Strengthening of the protection of rights</td>
<td>Commodity of no-code, low-code, etc.</td>
<td>Quality</td>
<td><strong>Accumulate Intellectual Capital</strong> [P.770]</td>
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<td>Progress of Latest Technologies and Commoditization</td>
<td>Expansion of the usage of IT services - Heightened needs for increasing business efficiency and improving productivity - Shift to shared online services - Modernization of systems using new technology</td>
<td>Compliance - Impingement of third-party intellectual property rights - Violation of domestic and foreign laws and regulations</td>
<td><strong>Advance Human Capital</strong> [P.756]</td>
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<td>Diversification of Values and Work Styles</td>
<td>Showing respect for individuals and new working styles</td>
<td>Projects - Late delivery - Working hours exceeding the initial estimate</td>
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<td>Expansion of the usage of IT services - Heightened needs for increasing business efficiency and improving productivity - Shift to shared online services - Modernization of systems using new technology</td>
<td>Securing / cultivating human resources - Insufficient securing and cultivation of human resources with expertise - Decline in labor productivity and loss of human resources</td>
<td><strong>NRI’s Quality Management</strong> [P.73]</td>
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<td>Variety of working styles and diverse human resources - Pursuit of optimal working styles for NRI, such as the utilization of telecommuting - Value creation through collaboration with business partners and external human resources</td>
<td>Business partners - Insufficient securing of business partners - Decline of productivity and quality in the NRI Group, including business partners</td>
<td><strong>NRI’s Quality Management</strong> [P.73]</td>
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NRI's “Con-Solution” Business Model

NRI’s original business model combines two strengths: consulting that identifies issues with accuracy to enable effective solutions, and IT solution expertise that resolves issues through system development and operation that employ advanced technology.

Delivering innovative, continuous value through consistent “con-solutions”

We collaborate with clients through consulting and IT solutions, and increase value by repeatedly testing hypotheses.

- **Consulting**
  As a think tank, we provide social recommendations based on in-depth investigation and research. We also promote the transformation of organizations, businesses, and ultimately society based on the experience and know-how of our numerous consultants familiar with various industries and business processes.

- **IT Solutions**
  Our IT engineers deliver transformation through information systems and various services using leading-edge technologies. We anticipate advanced technology trends and strategically incorporate them into our solutions.

NRI’s Corporate Philosophy and NRI Group Vision 2030 System

NRI’s corporate philosophy clearly states the image of society that we will co-create to adhere to our concept of contributing to social value. This concept permeates everything from our corporate philosophy to our business plan. Furthermore, the NRI Group Vision 2030 sets a basic sustainability policy (materiality).

**Toward a Vision Centered on the Integration of Economic Value and Social Value**

We position our corporate philosophy, “Mission” and “Values,” as permanent and our long-term management vision (Vision) as temporary.

In addition to our “Mission” and “Values,” our corporate philosophy clearly defines the image of the society that we will co-create as a “society we innovate.” This is a concrete expression of what NRI is striving to accomplish.

Until our Long-Term Management Vision “Vision2022,” we presented NRI’s sustainability management in the form of both financial and non-financial targets. The NRI Group Vision 2030 does not distinguish between financial and non-financial targets; instead, it sets a basic sustainability policy (materiality) based on the concept of integrating economic value and social value.