

Transition of Growth Strategy

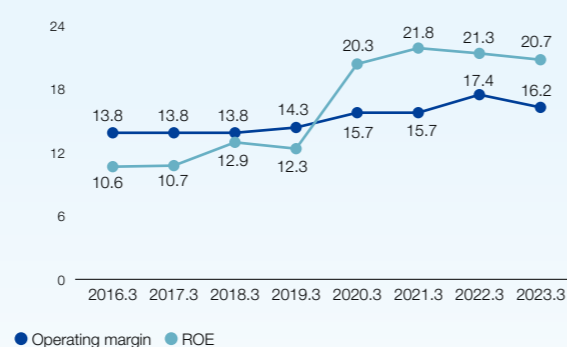
	Vision2015 NRInnovation !		Vision2022 Share the Next Values !		NRI Group Vision 2030 Envision the value, Empower the change																																																																							
	FY March 2009–FY March 2016		Medium-Term Management Plan (2016–2018)	Medium-Term Management Plan (2019–2022)	FY March 2024–FY March 2031																																																																							
			FY March 2017–FY March 2019	FY March 2020–FY March 2023																																																																								
Objectives	To provide a business platform that laterally spans the industry and market		Expand the customer base and take on the challenge of new areas, including global and digital		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.”																																																																							
Strategy and Main Results	V2015 Growth Targets and Results Growth higher than industry average and profitability set NRI apart in the industry <table border="1"> <thead> <tr> <th></th> <th>Results</th> <th>Targets</th> </tr> </thead> <tbody> <tr> <td>Sales Growth Rate (CAGR) (from FY March 2008 to FY March 2016)</td> <td>2.6%</td> <td>7% growth</td> </tr> <tr> <td>Operating Margin (FY March 2016)</td> <td>13.8%</td> <td>13% or more</td> </tr> </tbody> </table> Powerful business portfolio <table border="1"> <thead> <tr> <th></th> <th>FY March 2008 (Results)</th> <th>FY March 2016 (Results)</th> </tr> </thead> <tbody> <tr> <td>Break dependence on two major clients</td> <td>58%</td> <td>74%</td> </tr> <tr> <td>Expand business in industrial sector</td> <td>19%</td> <td>24%</td> </tr> <tr> <td>Expand industry standard business platforms</td> <td>12%</td> <td>22%</td> </tr> <tr> <td>Expand overseas-related business</td> <td>1%</td> <td>6%</td> </tr> </tbody> </table> <p>Note: All percentages (%) are the sales ratio.</p> Specific Initiatives <ul style="list-style-type: none"> ● Introduce THE STAR to Nomura Securities Co., Ltd. ● Established and acquired subsidiaries in the industrial field <ul style="list-style-type: none"> • 3 firms ● Started provision of new industry standard business platform services <ul style="list-style-type: none"> • Expansion of Service Lineup for Financial Institutions • Expansion of My Number related services ● Established overseas bases <ul style="list-style-type: none"> • 5 offices mainly in Asia 			Results	Targets	Sales Growth Rate (CAGR) (from FY March 2008 to FY March 2016)	2.6%	7% growth	Operating Margin (FY March 2016)	13.8%	13% or more		FY March 2008 (Results)	FY March 2016 (Results)	Break dependence on two major clients	58%	74%	Expand business in industrial sector	19%	24%	Expand industry standard business platforms	12%	22%	Expand overseas-related business	1%	6%	Growth Strategy Improve productivity in specialty areas in Japan Expand industry-standard business platforms and develop large-scale clients <ul style="list-style-type: none"> ● THE STAR: 73 firms (+5 firms)* ● BESTWAY: 114 firms (+5 firms)* ● T-STAR: 78 firms (+5 firms)* ● Expand number of clients to whom sales were ¥1 billion or more: 86 firms (+22 firms)* Build foundations for global business <ul style="list-style-type: none"> ● Global acquisition: Australia, 2 firms; North America, 1 firm Create business IT <ul style="list-style-type: none"> ● Established joint ventures: 4 firms <p>* Number of firms for FY March 2019 (compared to FY March 2016)</p> Financial Targets and Results <table border="1"> <thead> <tr> <th></th> <th>FY March 2019 (Results)</th> <th>MTP2018 Targets</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>¥501.2 billion</td> <td>¥500.0 billion</td> </tr> <tr> <td>Operating profit</td> <td>¥71.4 billion</td> <td>¥70.0 billion</td> </tr> <tr> <td>Operating margin</td> <td>14.3%</td> <td>14%</td> </tr> <tr> <td>Overseas revenue</td> <td>¥53.0 billion</td> <td>¥58.0 billion</td> </tr> <tr> <td>ROE</td> <td>12.3%</td> <td>around 12%</td> </tr> </tbody> </table>			FY March 2019 (Results)	MTP2018 Targets	Revenue	¥501.2 billion	¥500.0 billion	Operating profit	¥71.4 billion	¥70.0 billion	Operating margin	14.3%	14%	Overseas revenue	¥53.0 billion	¥58.0 billion	ROE	12.3%	around 12%	Growth Strategy DX Strategy Business Platform Strategy Cloud Strategy Global Strategy Human Resources Strategy Financial Targets and Results <table border="1"> <thead> <tr> <th></th> <th>FY March 2023 (Results)</th> <th>MTP2022 Targets</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>¥692.1 billion</td> <td>¥670.0 billion or more</td> </tr> <tr> <td>Operating profit</td> <td>¥111.8 billion</td> <td>¥100.0 billion</td> </tr> <tr> <td>Operating margin</td> <td>16.2%</td> <td>14% or more</td> </tr> <tr> <td>Overseas revenue</td> <td>¥123.2 billion</td> <td>¥100.0 billion</td> </tr> <tr> <td>EBITDA margin</td> <td>22.5%</td> <td>20% or more</td> </tr> <tr> <td>ROE</td> <td>20.7%</td> <td>14%*</td> </tr> </tbody> </table> <p>* Aiming for higher capital efficiency in continuing from the previous term</p>			FY March 2023 (Results)	MTP2022 Targets	Revenue	¥692.1 billion	¥670.0 billion or more	Operating profit	¥111.8 billion	¥100.0 billion	Operating margin	16.2%	14% or more	Overseas revenue	¥123.2 billion	¥100.0 billion	EBITDA margin	22.5%	20% or more	ROE	20.7%	14%*	Growth Story Numerical Image of 2030 <table border="1"> <tbody> <tr> <td>Revenue</td> <td>Over ¥1 trillion</td> </tr> <tr> <td>Overseas Revenue</td> <td>Over ¥250 billion</td> </tr> <tr> <td>Operating Margin</td> <td>More than 20%</td> </tr> </tbody> </table>	Revenue	Over ¥1 trillion	Overseas Revenue	Over ¥250 billion	Operating Margin	More than 20%
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Revenue / Operating Profit (billions of yen)

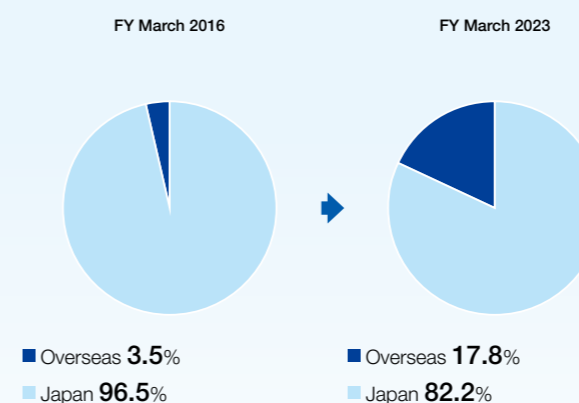


* Figures from FY March 2022 onward are based on IFRS, and others are based on JGAAP.

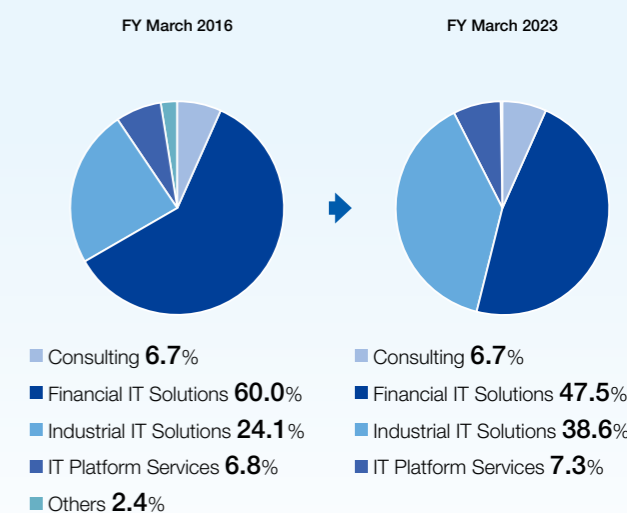
Operating Margin / ROE (%)



Ratio of Revenue in Japan and Overseas



Ratio of External Revenue by Segment



Looking Back on V2022

NRI achieved the planned values for all financial targets in its Long-Term Management Vision “Vision 2022.” We also received high recognition from external evaluation organizations for our efforts to solve social issues through value co-creation (CSV: Creating Shared Value) and our ESG initiatives.

Results of V2022

Through efforts in the Medium-Term Management Plan (2016–2018) and the Medium-Term Management Plan (2019–2022), we achieved the planned values for all of the indicators of financial targets set in V2022.

As the five pillars of NRI’s growth strategy, V2022 promoted 1) dramatic expansion of globalization, 2) enhancement of the IP lineup, 3) promotion of business value creation, 4) further pursuit of production innovation, and 5) collaboration and mobilization of diverse human resources. We worked to achieve our financial targets of operating profit of ¥100 billion, an operating margin of 14% or higher, overseas revenue of ¥100 billion, and ROE of 14%.

NRI overcame the new issues that became apparent as our initiatives progressed, and we grew at a high compound annual growth rate (CAGR) of +9.8% for operating profit and a CAGR of +35.6% for overseas revenue.

V2022 Financial Targets and Results

	FY March 2016 (Results)		FY March 2023 (Results)	V2022 Targets	Compound Annual Growth Rate (CAGR)
Revenue	¥421.4 billion	→	¥692.1 billion	—	+7.3%
Overseas revenue	¥14.6 billion	→	¥123.2 billion	¥100.0 billion	+35.6%
Operating profit	¥58.2 billion	→	¥111.8 billion	¥100.0 billion	+9.8%
Operating margin	13.8%	→	16.2%	14% or more	—
ROE	10.6%	→	20.7%	14%	—

ESG Initiatives Highly Recognized by External Evaluation Institutions




Under V2022, we worked not only to achieve our financial targets, but also actively pursued initiatives in non-financial areas, including ESG.

These efforts have been recognized by various external evaluation agencies and have received the highest ratings from Dow Jones, MSCI, and CDP.

NRI was also selected as a Winner Company for Corporate Governance of the Year 2022, which was held by the Japan Association of Corporate Directors.

External Recognition (Examples)

(Main points that were recognized)

Dow Jones Sustainability Indices  Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	<ul style="list-style-type: none"> World Index Adopted for five consecutive years from 2018 Asia Pacific Index Adopted for seven consecutive years from 2016 	<ul style="list-style-type: none"> 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
MSCI ESG Ratings*  MSCI ESG RATINGS CCC B BB BBB A AA AAA As of 2022, Nomura Research Institute, Ltd. received an MSCI ESG Rating of AAA	<ul style="list-style-type: none"> MSCI ESG Leaders Index® Adopted for seven consecutive years from 2016 Awarded the highest rating, AAA, for two consecutive years from 2021 	<ul style="list-style-type: none"> Efforts to mitigate ESG-related risks <ul style="list-style-type: none"> Diversity and inclusion Strengthen data security, etc. Initiatives for corporate governance and compliance
CDP 	<ul style="list-style-type: none"> Certified as a CDP climate change A-list company for four consecutive years from 2019 Awarded the highest rating for the CDP Supplier Engagement Leaderboard for four consecutive years from 2019 	<ul style="list-style-type: none"> Deliver more information disclosure (green gas emissions, etc.) Strong engagement with business partner companies <ul style="list-style-type: none"> Encouragement to set greenhouse gas reduction targets Urging of information disclosure pertaining to greenhouse gas emissions

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NRI Group Vision 2030 (V2030)

The basis of NRI's concept is to integrate economic value and social value throughout our corporate philosophy and business plans.

Under the NRI Group Vision 2030, we are engaging in the integrated pursuit of "creating a sustainable future society" and "achieving the NRI Group's growth strategy," based on our basic sustainability policy (materiality).

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".

In order to create a prosperous and active society, it is necessary to realize a society with extremely high productivity. Japan is facing a declining population. Therefore, all stakeholders, including the government, industry, and consumers, must realize and utilize "digital social capital"* that differs from future industrial capital.

The former Nomura Research Institute, Ltd., was established based on the concept of integrating economic value and social value. The concept of integrating economic value and social value was described in our founding prospectus, "Nomura Research Institute: Its Concept and Policies," and is now clearly stated in our corporate philosophy. NRI's ideal form for V2030 is consistent with the business activities that we have practiced over many years. We continue to refine this ideal form. In other words, building digital social capital for various stakeholders is the true business of NRI.

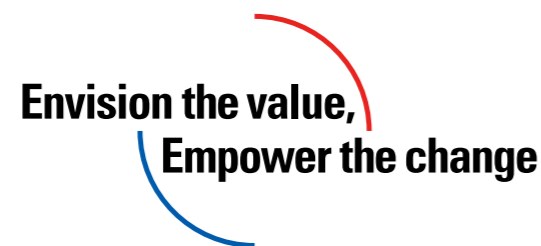
In V2030, we examined how to realize a "society we innovate" by 2030, which is a goal that we newly set in our corporate philosophy.

- Create "Digital Social Capital" for a prosperous and thriving society through the advancement of the NRI Group's human and intellectual capital
- Promote initiatives such as business platforms for the effective use of social resources, and digital twin for the realization of an efficient society
- Establish IT infrastructure that is resilient to disasters and cyber risks so that people can utilize safe and secure digital services

By concentrating management resources on areas and themes that meet these policies, we will pursue business expansion and regional expansion in NRI's growth story, while further deepening value creation with clients.

* Digital social capital: Common infrastructure and services that support society and industry by creating new value through digital technology

NRI Group Vision 2030 Statement



Growth Story

► Core Business

In addition to "deepening and expanding" for further deepening value creation with clients through Con-Solution, we will pursue growth through the two aspects of "evolution" to achieve overwhelming competitiveness and high added value by implementing business platform expansion and comprehensive innovation of production.

NRI believes that further refinement of our core areas, which are the cornerstone of our growth story, will lead to the integrated realization of NRI's growth and the creation of social value that we aim for in V2030.

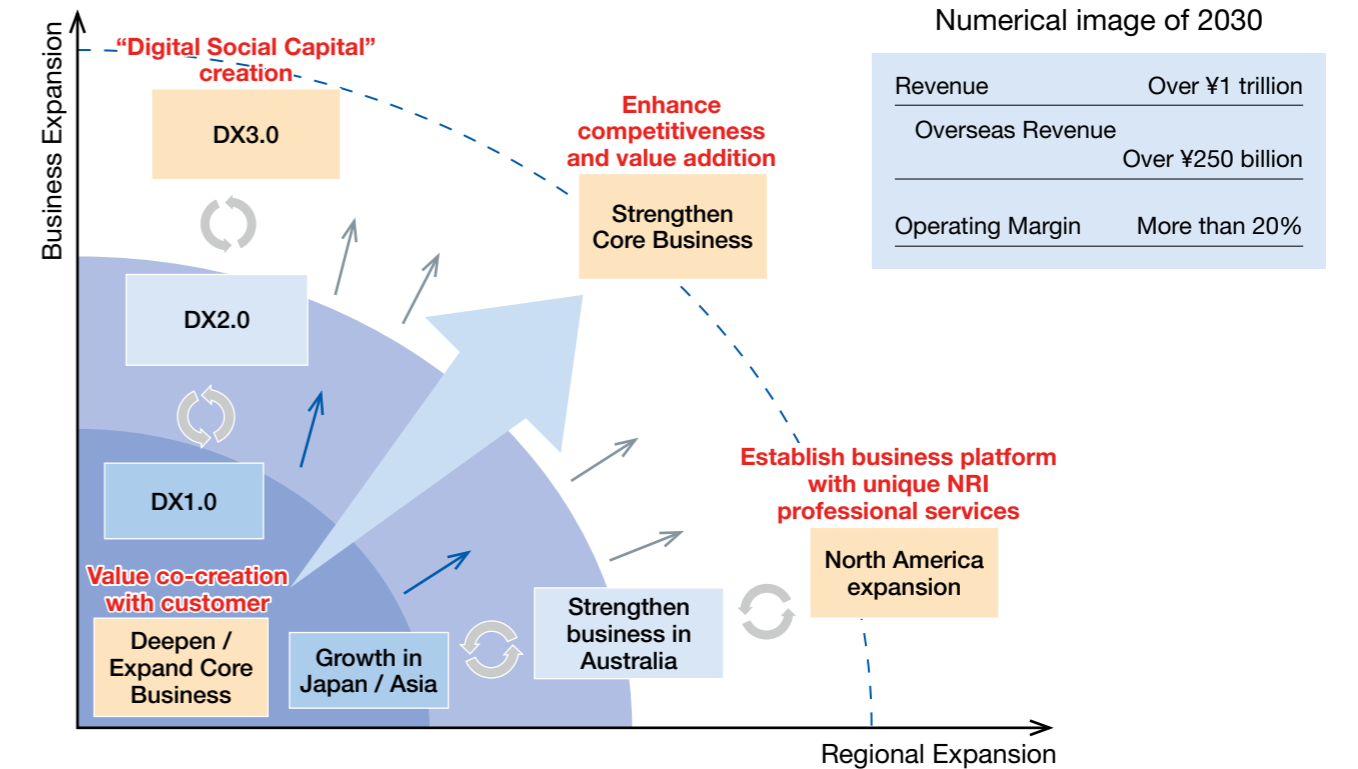
► DX

In addition to DX1.0 and DX2.0, NRI will take on the challenge of DX3.0, which will have an impact on society beyond companies and industries. We will work to create digital social capital through DX2.0 and DX3.0.

► Global

From a long-term perspective, relying solely on the Japanese market is risky and limits our growth potential. Moving forward, we will expand into markets of developed countries where continued growth is expected due to population growth and where the intellectual capital of IT services is well protected and managed.

Growth Story for 2030



DX Classifications Envisioned by NRI

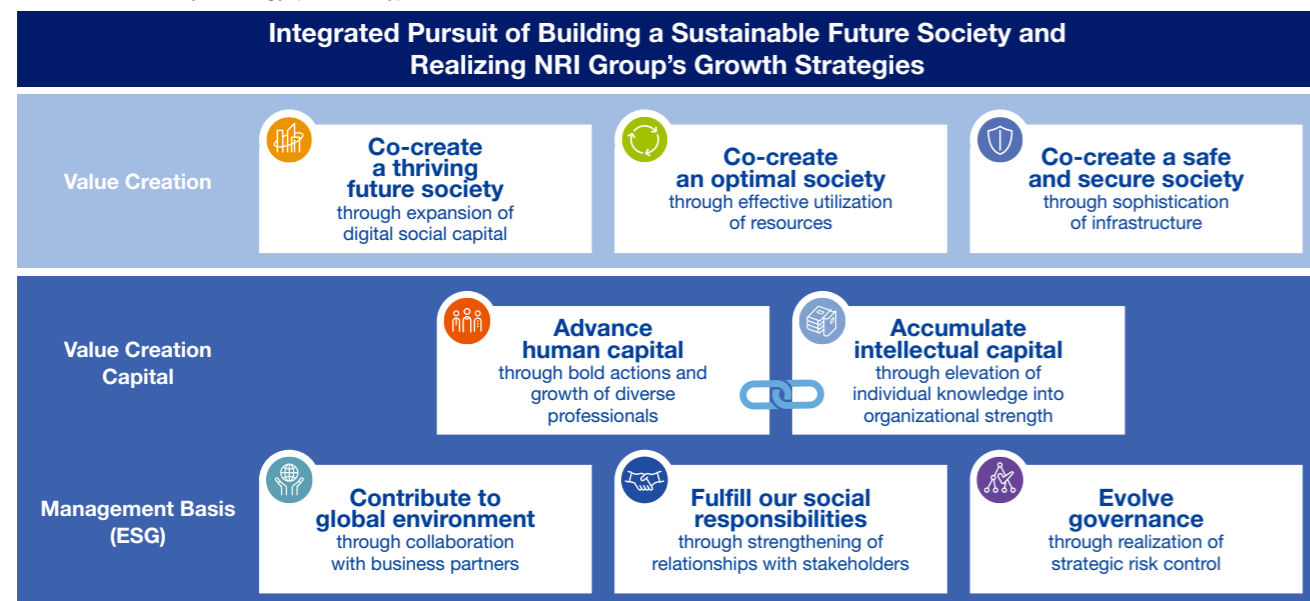
Society transformation	DX3.0	Paradigm transformation	Solve social issues and realize a paradigm transformation
	DX2.0	Business model transformation	Create a new business model through digital technology
Enterprises and industry transformation	DX1.0	Process transformation	Contribute to process transformation and infrastructure transformation of existing businesses
		Infrastructure transformation	

Sustainability Strategy (Materiality)

In V2030, we have newly incorporated a basic sustainability policy (materiality). In this policy, NRI's materiality is defined as priority themes to be addressed as we head toward 2030: specifically, "creating a sustainable future society" and "realizing the NRI Group's growth strategy." We believe that pursuing these themes in an integrated manner we will lead to the implementation of our corporate philosophy.

NRI's materiality has a three-tiered structure. First, "Value Creation" refers to the realization of a sustainable future society through value co-creation with clients. Second, "Value Creation Capital" refers to the use of human capital and intellectual capital to support that value creation. Third, "Management Basis (ESG)" refers to the expansion of ESG initiatives, which is a prerequisite for value co-creation, to the supply chain with the cooperation of our business partners.

NRI's Sustainability Strategy (Materiality)



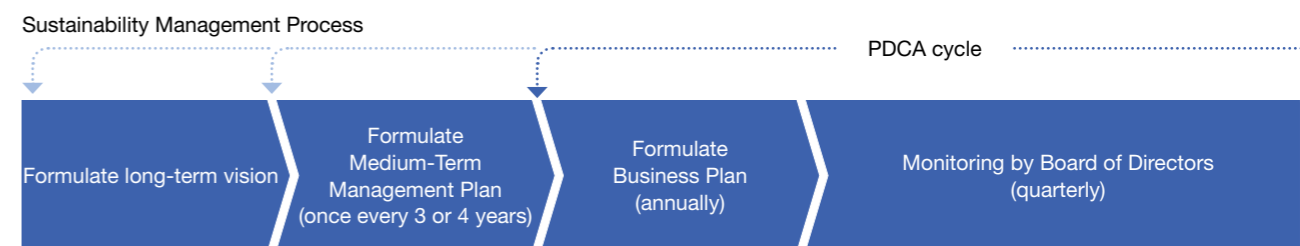
Materiality Indicators and Targets

	Materiality	KPI	FY March 2026 Targets
Value Creation	Co-create a thriving future society	Overall investment and spending on measures for DX2.0/3.0 that transforms industries and society	¥63.0 billion*1
	Co-create an optimal society	Revenues of business platforms that help to achieve an optimal society	¥141.0 billion
	Co-create a safe and secure society	Revenues related to safety and security to enable a more resilient society*2	¥216.0 billion
Value Creation Capital	Advance human capital	Employees' sympathy for social value creation*3 (domestic group companies)	70%
	Accumulate intellectual capital	Employee engagement score (NRI Payroll) Female opportunity offering rate*4 (Non-consolidated)	More than 70 continued 17%
Management Basis (ESG)		Amount of investment in creating and accumulating intellectual capital	¥41.0 billion*1
	Contribute to global environment	Greenhouse gas emissions reduction rate / Renewable energy usage rate (Base year: 2019)	FY2030 Targets Scope 1+2: Net-Zero *5 Scope 3: Reduced by 30% Renewable energy usage rate: 100%
	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%)
	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
		DJSI World	Selection Continued

*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

PDCA Management of Materiality

In order to evaluate/manage risks and opportunities related to sustainability and to promote materiality, NRI has set key indicators (materiality indicators) and target values in our Medium-Term Management Plan 2023–2025. We manage important indicators through the PDCA cycle of the business plan and report to the Board of Directors on a quarterly basis.



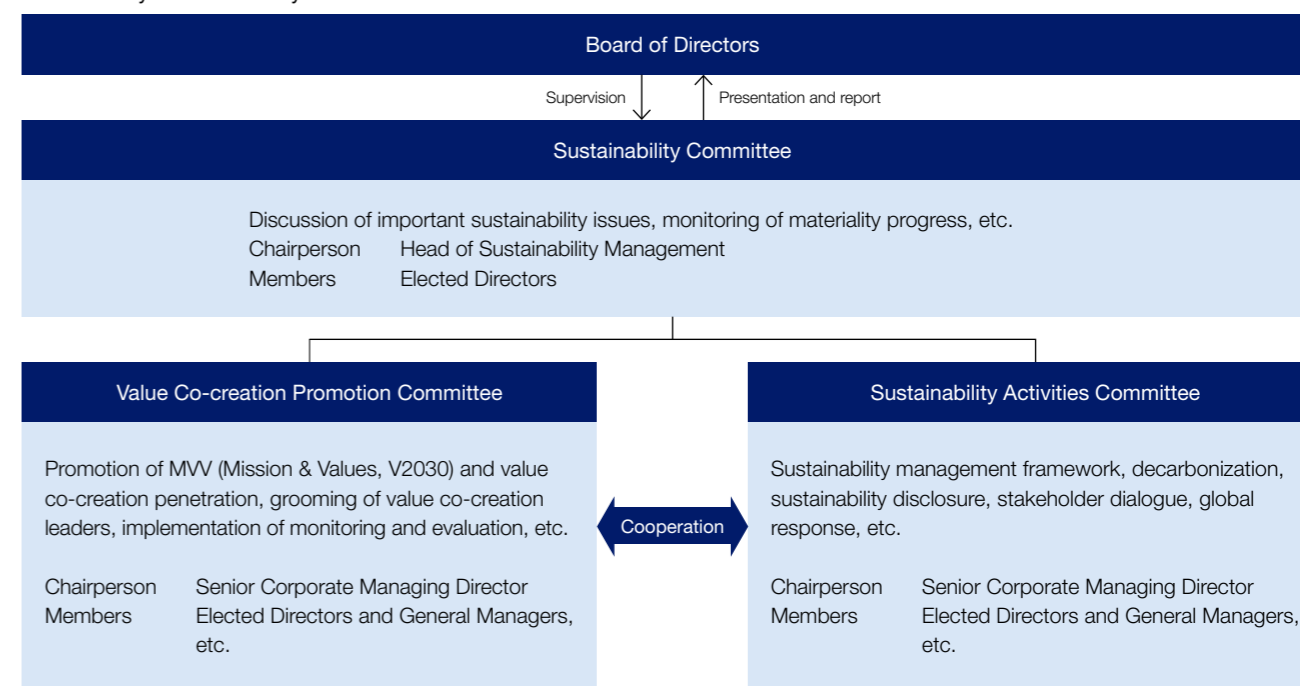
Sustainability Governance

NRI positions sustainability as an important management issue. Sustainability is considered in the composition and supervision of the Board of Directors. In addition to appointing outside directors with knowledge of sustainability, the Board of Directors passes resolutions on the basic sustainability policy (including materiality).

Furthermore, under the supervision of the Board of Directors, the Sustainability Committee (chaired by the director in charge of promoting sustainability management and related subcommittees), the Value Co-Creation Promotion Committee (chaired by a senior corporate managing director), and the Sustainability Activities Committee (chaired by a senior corporate managing director) promote sustainability throughout the entire Group and periodically report to the Board of Directors on the progress of activities. The role of the Sustainability Activities Committee is to advance activities that form a foundation from the perspective of ESG.

Moreover, when determining stock-based compensation for directors and senior managing directors, we have introduced a mechanism that considers the status of efforts to achieve our sustainability indicators, including the reduction of greenhouse gas emissions and the expansion of human capital. Please refer to page 116 for information on the introduction of the mechanism that considers the status of efforts for sustainability indicators for stock-based compensation.

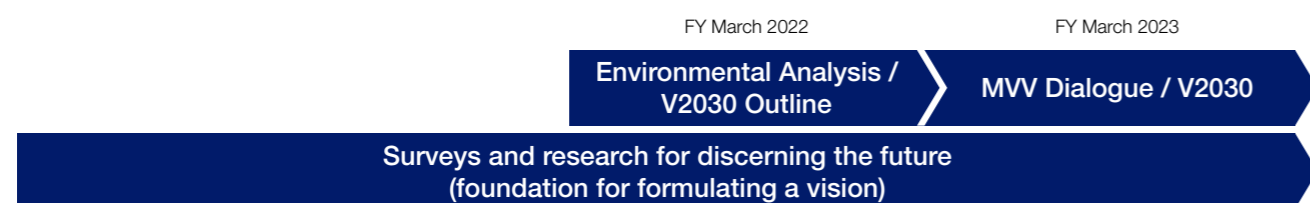
Sustainability Governance System



V2030 Consideration Process and Materiality Identification Process

In order to crystallize V2030 and the materiality into content unique to NRI, we conducted a detailed consideration and identification process with involvement from many executives and employees.

V2030 Consideration Process



Surveys and Research for Discerning the Future

As activities for discerning the future, our president takes the initiative in disseminating information (NRI Dream Up the Future Forum, book publishing, etc.), while consultants and system engineers also utilize their expertise to disseminate information. NRI is also deepening its consideration of integrating social value and economic value. For example, at internally held study sessions for young executives, we invite outside lecturers in order to input diverse ways of thinking.

Environmental Analysis Aggregating Knowledge from Inside and Outside NRI

We utilize the knowledge of the consulting segment to identify issues that should be addressed over the medium to long-term. In the process of building a long-term vision, we report the details of consideration to directors (three reports submitted in FY March 2022). We then receive advice mainly on the important themes of solving social issues, human resources and organizations, and globalization. In addition, we held debriefing sessions for independent officers in order to focus on listening to the opinions of independent officers.

MVV Dialogue and Value Co-Creation Activities

In the process of considering V2030, NRI's diverse human resources shared their thoughts based on MVV (Mission & Values, V2030) through MVV dialogue and value co-creation activities. This initiative is a bottom-up reconsideration of MVV, which had been considered top-down by management. It is an extremely important activity for fostering a sense of unity and improving organizational strength.

Furthermore, as part of value co-creation activities, in June 2022, we started activities with the theme of "Creating a scenario which would disrupt NRI in realizing V2030, and determining how to prevent such a scenario." In these activities, a team consisting of value co-creation leaders selected from various departments engaged in repeated dialogue to delve deeper into actions that are essential for the co-creation of social value with various stakeholders.



Dialogue for value co-creation activities



Shingo Konomoto greeting

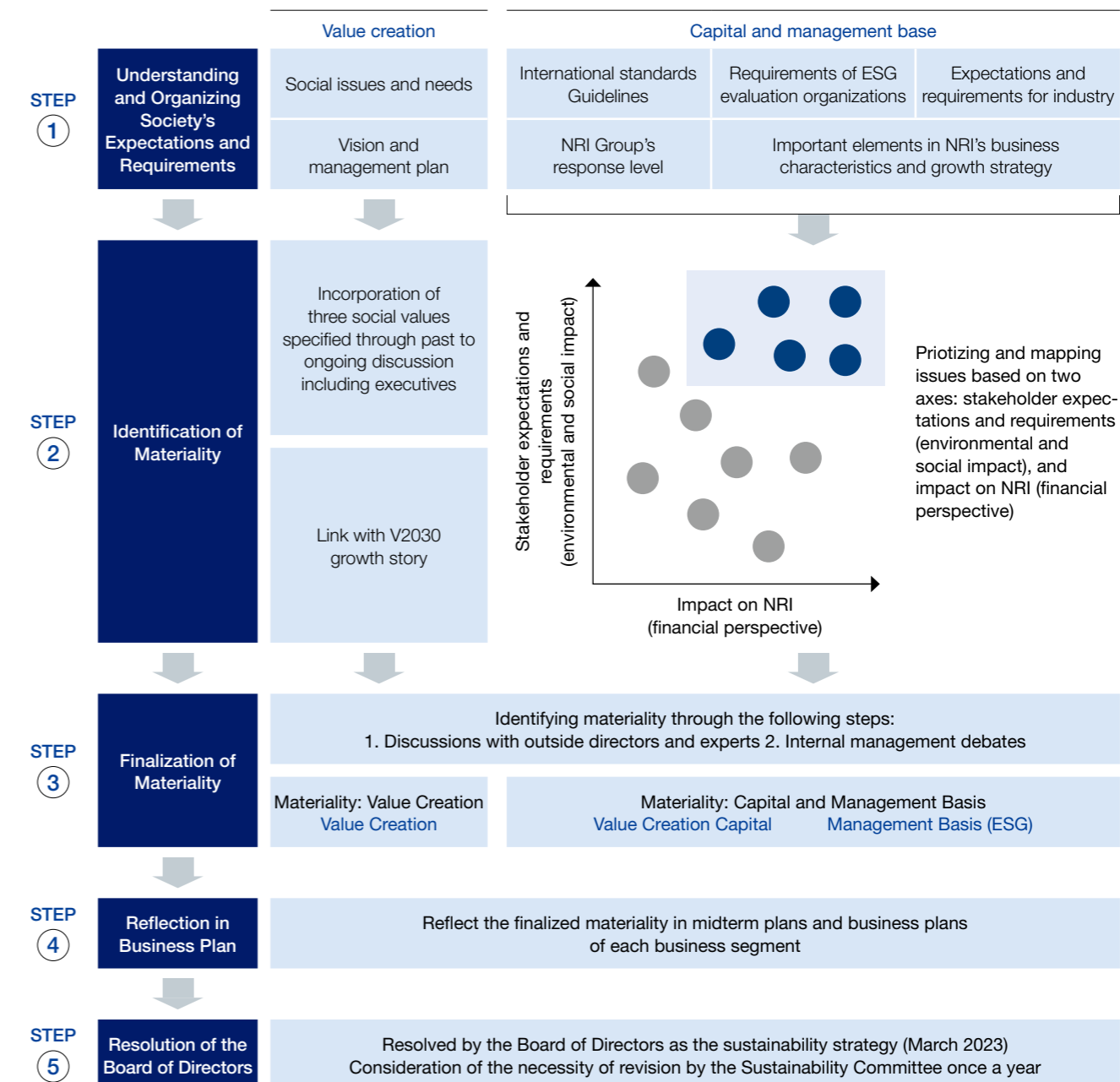


Sonoko Kitagawa as a mentor

Materiality Identification Process

Based on international standards and guidelines, requests from ESG evaluation agencies, consistency with our corporate philosophy and growth strategies, opinions of outside directors and experts, etc., NRI's materiality (important issue) was identified in 2010 from the perspectives of management and outside stakeholders, and then revised in 2017.

Afterwards, in consideration of changes in NRI's business environment and the social environment, as well as the concept of double materiality, we re-identified in 2023 a materiality accounting for not only the impact on the Company (financial aspects), but also the expectations and requirements of stakeholders (environmental and social impacts). We then incorporated that materiality into V2030.

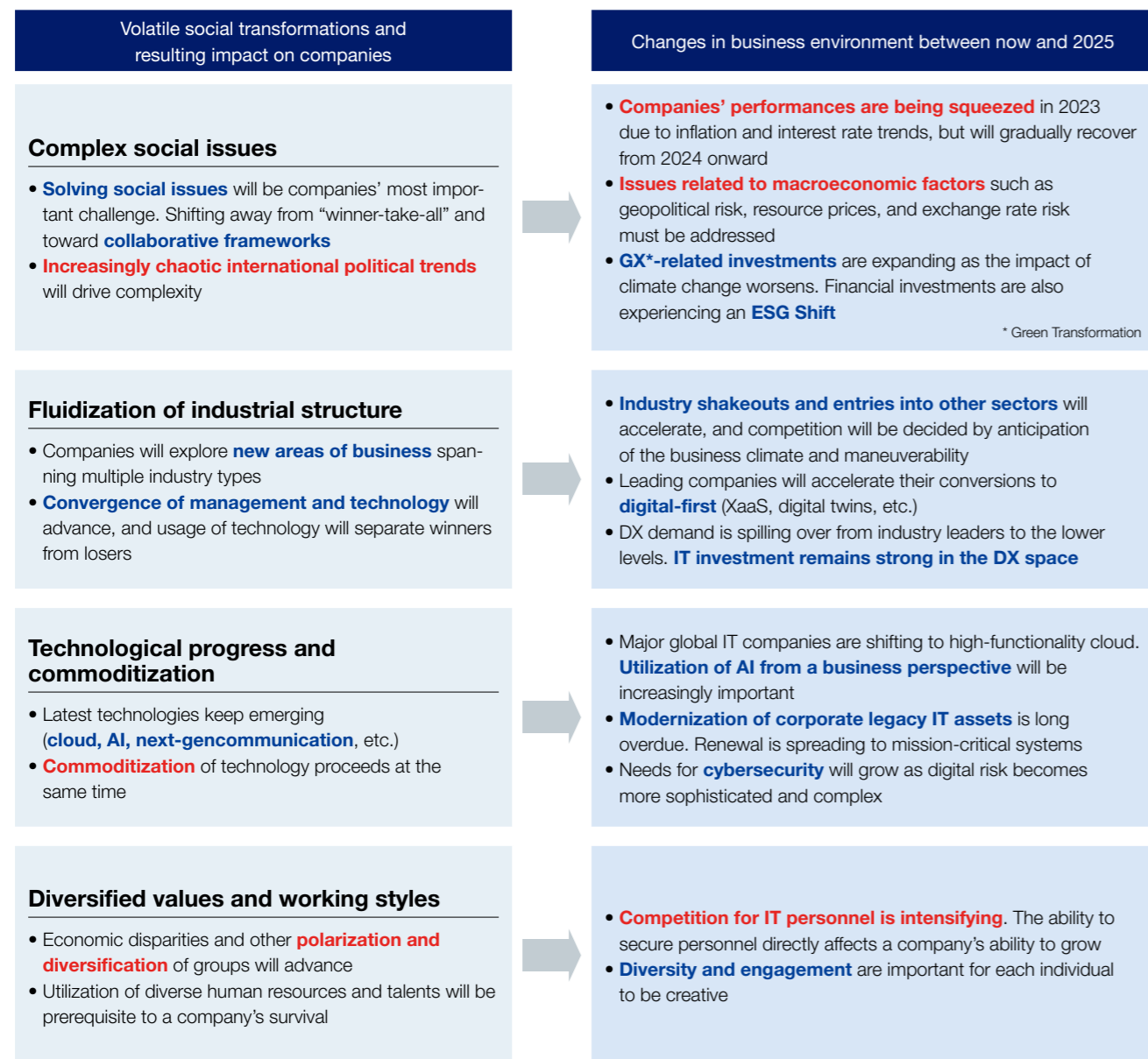


Environmental Recognition Toward FY2025

We view the outlook of the business environment during the three years of the Medium-Term Management Plan 2023–2025 as follows.

We recognize the potential for risks to materialize, such as geopolitical risks and uncertainty in financial policies. On the other hand, demand for digital transformation (DX) remains robust in the pursuit of improved productivity, given the backdrop of labor shortages and other factors. The significance of DX for business model transformation aimed at improving capital efficiency will continue to increase. Moreover, we anticipate that DX will evolve further, including the utilization of AI in core systems and the modernization of legacy systems, among other aspects.

Business Environment Recognition



Medium-Term Management Plan 2023–2025 (MTP2025)

In the Medium-Term Management Plan 2023–2025 (hereinafter, MTP2025), four pillars are outlined as part of the growth strategy: "Core Business," "DX Evolution (DX2.0/3.0)," "Global," and "Management." As a target for the fiscal year ending March 2026, the plan sets goals of ¥810 billion in revenue (with an average annual growth rate of 5.4% from the fiscal year ended March 2023 to the fiscal year ended March 2026), ¥145 billion in operating profit (9.0% growth rate), and an operating margin of 17.9%.

Pillars of Growth Strategy

► Core Business

We aim to expand our client base further by becoming a long-term strategic partner to our clients. Simultaneously, we strive for the expansion of IP-based business models, such as the business platforms in finance (BPF) and digital IP (DiPcore), the evolution of IT infrastructure services including cybersecurity, and comprehensive production innovation to enhance competitiveness and add value.

► Strengthen DX (DX2.0/3.0)

We will accelerate the co-creation of digital social capital by strengthening further our think-tank function, which we have maintained since the establishment of the former Nomura Research Institute. Additionally, we will take on the challenge of building digital social capital in new areas such as My Number-related services and Green Transformation (GX) initiatives.

► Global

We aim for stable growth in Australia and the establishment of a business foundation in North America in order to operate businesses in the three key regions of Japan, Australia, and North America.

► Management

To solidify the business foundation for creating new value, we will accelerate growth through the expansion of human capital and extend sustainability efforts, including environmental initiatives, to our supply chain.

MTP2025: Pillars of Growth Strategy

Core Business	<p>Increase competitiveness and value addition</p> <ul style="list-style-type: none"> • Be a long-term strategic partner for our clients, and further expand our client base • Expand IP based business model • Improve productivity through radical production innovations
Strengthen DX (DX2.0/3.0)	<p>Co-create "Digital Social Capital" and new business</p> <ul style="list-style-type: none"> • Strengthen think-tank functions to accelerate DX2.0/3.0 businesses • Develop pipeline for "Digital Social Capital" creation (My Number-related services, NRI-CTS*, etc.) <p><small>* Carbon tracing system</small></p>
Global	<p>Establish business framework based on three regional pillars</p> <ul style="list-style-type: none"> • Grow stably in Australia and establish business infrastructure in North America • Expand our global governance system and bolster our business deployment and administrative functions
Management	<p>Solidify management platform</p> <ul style="list-style-type: none"> • Accelerate growth through increased hiring and greater investments in human capital such as normalizing D&I • Bolster our sustainability management. Expand environmental efforts to our supply chain

Deepening of Core Business (Expansion of the Client Base in Japan)

We anticipate progress in the fusion of management and technology within the business environment surrounding our Core Business. DX is expected to become more complex, and there will be a noticeable emergence of large-scale DX demand integrating business processes, operations, and core systems. Our profound understanding of our clients' business and IT will define our competitiveness. For NRI, this presents an opportunity to further leverage our strengths in Con-Solutions.

MTP2025: Measures by Segment (Examples)

Consulting (more than ¥5 billion)	Financial IT Solutions (more than ¥40 billion)
<ul style="list-style-type: none"> Total support from setting agendas to execution support for increasingly complex DX geared toward digital-first, including business model and organizational reforms, setting KPIs and PDCA through data, etc. Expand social issue-related consulting projects, including for the public sector, while incorporating new topics such as GX 	<ul style="list-style-type: none"> Unbundle business platforms and deploy cross-industry services. Also expand our services lineup to address needs Expand modernization support, including client needs to break away from legacy systems, cloud migrations, etc. Address industry reorganizations such as securities + local banks, entry into other industries, etc.
Industrial IT Solutions (more than ¥40 billion)	IT Platform Services (more than ¥5 billion)
<ul style="list-style-type: none"> Capture demand for shifts to DX business such as e-commerce, which is spreading to second-tier groups of companies Handle business process reforms utilizing AI through Con-Solution, and establish deeper connections with clients Handle large-scale overhauls of core systems including accounting, HR, call centers, and CRM that accompany front-end DX 	<ul style="list-style-type: none"> Digital risk is getting more advanced and sophisticated. Bolster efforts to address growing cybersecurity-related needs amid requirements such as legal system compliance Offer more cloud platform services, including new services that leverage the advantages of both on-premises and cloud

The number in parentheses shows revenue growth from FY Mar. 2023 to FY Mar. 2026.

Evolution of Core Business (Comprehensive Production Innovation)

We will embark on comprehensive innovation of production through the modernization of existing IT assets, including financial business platforms such as THE STAR, the revitalization of development frameworks contributing to standardization and efficiency in system development, and the integration of AI into the development process. Additionally, we are planning a total investment of approximately ¥20 billion over the three years of MTP2025 to improve productivity.

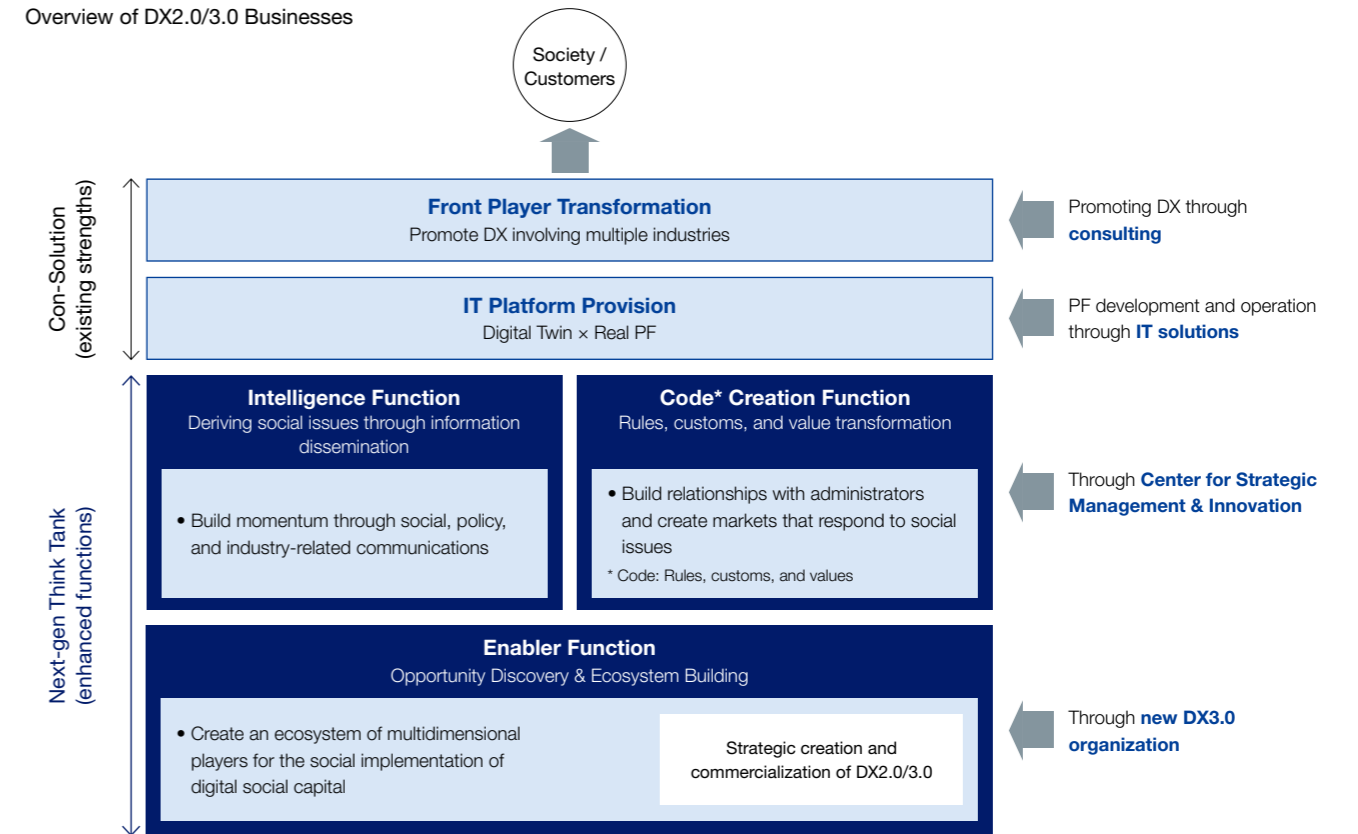
MTP2025: Production Innovation Measures (Examples)

Modernize existing IT assets	<ul style="list-style-type: none"> Optimize system sizes, including functional integration of financial business platforms Modernize the industrial field, including infrastructure overhauls and cloud migration
Development framework	<ul style="list-style-type: none"> Version upgrades for development frameworks <ul style="list-style-type: none"> 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	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>STEP 1</p> <div style="border: 1px solid black; padding: 5px;">AI testing support</div> <p>Utilize AI to reduce work-hours in testing processes</p> </div> <div style="text-align: center;"> <p>STEP 2</p> <div style="border: 1px solid black; padding: 5px;">Generate AI programs Automate AI testing</div> <p>Reduce work-hours in testing and development processes</p> </div> <div style="text-align: center;"> <p>STEP 3</p> <div style="border: 1px solid black; padding: 5px;">Deploy NRI version AI engines</div> <p>Expand application of work-hour reductions in testing processes and development processes</p> </div> </div>

Creation of DX2.0/3.0 Businesses through a Next-Generation Think-Tank Function

In the areas of DX2.0, which supports business model transformation, and DX3.0, which addresses social issues and supports paradigm shifts, we will work toward creating new businesses. In the context of DX2.0/3.0, it becomes increasingly important to actively engage in creation of mechanisms that shape the market, taking into consideration not only the needs of individual clients but also the challenges of entire industries and society. To promote such "enabler functions," NRI will establish new organizations and improve the next-generation think-tank function over the past by combining them with the Center for Strategic Management & Innovation, focused on social recommendations and information dissemination. This will enable us to create new markets for platform-based businesses that utilize IT solutions.

Overview of DX2.0/3.0 Businesses



Australia: From the Expansion Phase Driven by M&A to Stable Growth and Increased Profitability

Over a period of seven years from the fiscal year ended March 2017 to the fiscal year ended March 2023, we expanded our business areas and regions mainly through M&A, and established a solid business foundation. In MTP2025, we aim for stable growth and enhanced profitability while pursuing qualitative growth, such as creating synergies among Japan, the United States, and Australia (the three key regions).

► **NRI Australia (formerly ASG)**

ASG, which was acquired in December 2016, underwent a name change to NRI Australia in February 2023. Through a series of mergers and acquisitions from 2017 to 2022, ASG expanded its capabilities from downstream processes (managed services) to upstream processes (advisory & solutions), strengthened functions such as DX consulting and application development, and achieved geographic expansion. It now offers a comprehensive lineup of services characteristic of NRI, covering everything from consulting to development and operations. This name change aims to enhance the permeation of the NRI brand in the Australian IT market, and unify various operating companies in Australia under the NRI brand. This will facilitate stronger business collaboration and integration, fostering steady growth as a cornerstone of NRI's global business. NRI Australia has also signed a sponsorship agreement as the principal partner of the New South Wales Waratahs, a popular rugby team in Australia (contract period: September 2022 to August 2025). Through this sponsorship agreement, NRI aims to enhance its visibility not only in Australia but also in the wider Oceania region.

► **Planit**

The testing specialist Planit provides services ranging from consulting related to maintaining and improving the quality of IT systems to support for executing test processes and the provision of automated tools for testing. We work closely with the subsidiary acquired in 2022 to achieve stable growth.

► **AUSIEX**

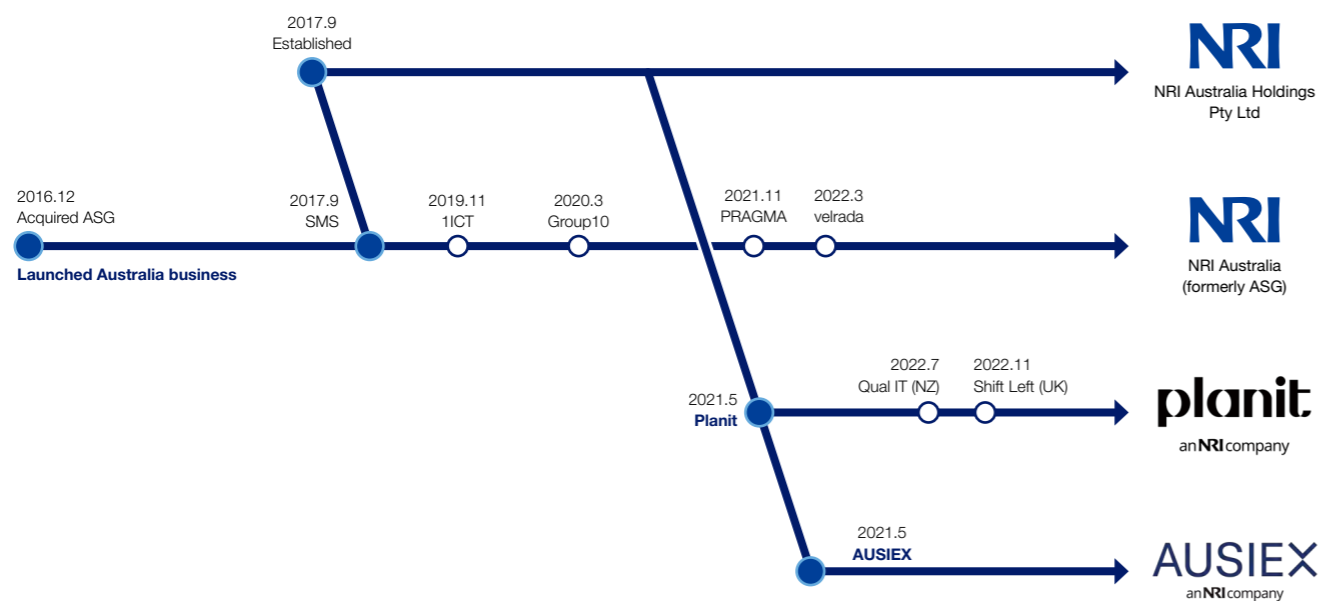
AUSIEX underwent cost structure reforms in 2022 to address sluggishness in the financial market and other factors. Additionally, we are moving forward in our efforts to transfer I-STAR / GV, the engine of NRI's global solution for securities back-office operations, to AUSIEX's system.

This initiative is aimed at expanding our service lineup from wealth management to securities back-office operations.

► **NRI Australia Holdings**

NRI Australia Holdings, which oversees operations in Australia, is dedicated to increasing profitability. This includes efforts toward ERP integration and shared services for indirect operations within the Group, aimed at enhancing productivity.

M&A in Australia



North America: Establishing the Business Infrastructure with Core BTS at the Center

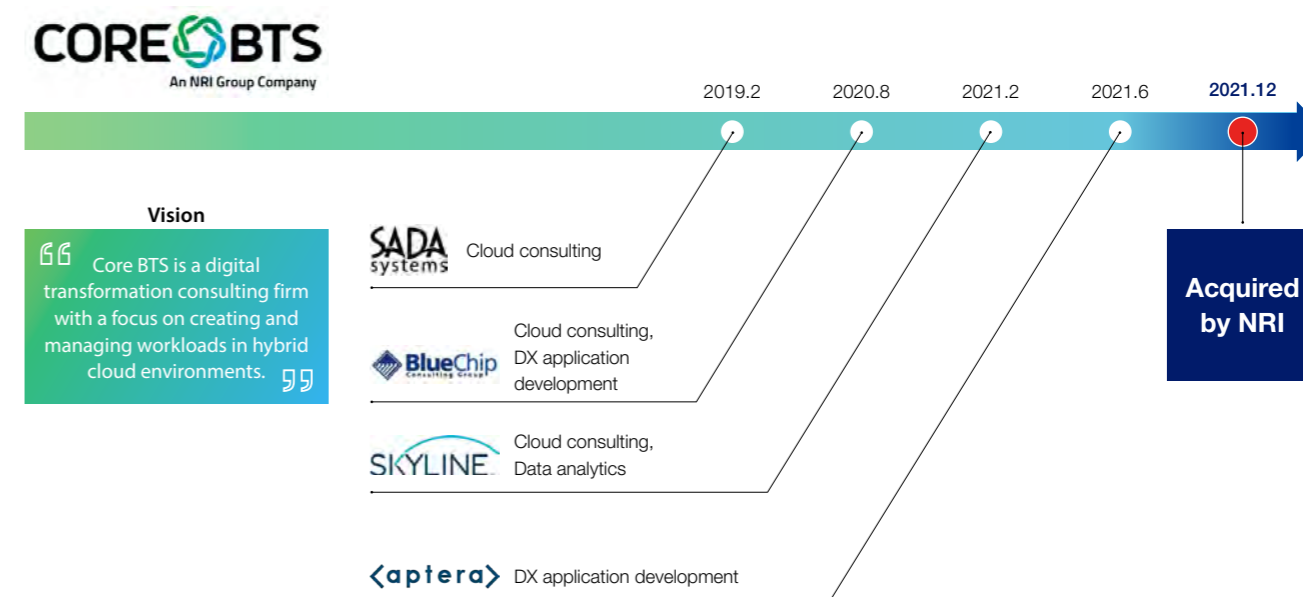
Core BTS, which was made a subsidiary in December 2021, is a company with an inherited network structure. Between 2019 and 2021, we expanded our business areas through mergers and acquisitions, incorporating companies with capabilities in cloud consulting, DX application development, and more.

In the medium to long term, we aim to offer a full lineup of solutions for digital transformation in cloud and network businesses, centered around Core BTS. Specifically, we aspire to provide digital engineering business in the North American IT services market, covering consulting, system development, implementation, and operation, especially in specialized areas like cloud infrastructure, application development, and security that require expertise beyond in-house capabilities.

In the fiscal year ended March 2023, we undertook initiatives to accelerate the integration of our developing sales structure, including the appointment of a chief revenue officer (CRO), changes in district sales managers, DX consulting sales training, and a revamping of sales support organizations such as marketing. We are also exploring collaboration among NRI and overseas Group subsidiaries to enhance sales and delivery capabilities to Japanese companies, as part of our measures for medium to long-term growth.

With the formulation of Core BTS's "Vision" (implementation of DX on a hybrid cloud), our direction has become clearer. We are striving for growth toward achieving this vision.

M&A in the U.S.



Human Capital Enrichment

To achieve NRI's growth story, we are actively expanding our workforce through both new graduate hires and mid-career hires. Additionally, we aim to accelerate the growth cycle of human capital by considering employees' aspirations and experiences and maximizing individual capabilities.

We will continue our efforts in diversity and inclusion, building an engaged organization where diverse professionals can thrive.

MTP2025: Human Capital Measures (Examples)

Bolster new graduate and mid-career hiring	<ul style="list-style-type: none"> Strengthen hiring of recent graduates who are unemployed Take in more student interns Expand hiring channels such as alumni and referrals 	(NRI Payroll)	2022 Results	2025 Plan
		New graduate hires	399	Approximately 500
Increase growth opportunities	<ul style="list-style-type: none"> 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 	Mid-career hires	335	Approximately 370
		<ul style="list-style-type: none"> Expand opportunities for women's participation and advancement through promotions to management roles, etc. Improve the engagement of the Group as a whole <ul style="list-style-type: none"> Bring together diverse individuals with MVV as the centerpiece through MVV Dialogues*, attended by all employees Bolster onboarding of mid-career hire employees 		
Diversity and inclusion				

* MVV: Mission & Values, V2030

* Details regarding the expansion of human capital can be found starting on page 56.

Expanding ESG Initiatives Globally in the Group and into the Supply Chain

To extend decarbonization efforts throughout the entire supply chain, we have set a new goal to achieve net-zero greenhouse gas emissions (Scope 1 + Scope 2 + Scope 3) for NRI by the fiscal year ending March 2051. Additionally, we are targeting net-zero greenhouse gas emissions for Scope 1 + Scope 2 by the fiscal year ending March 2031.

Regarding the fulfillment of social responsibilities, we are working toward initiatives across the entire supply chain, including the expansion of the NRI Group Business Partner Code of Conduct's application scope.

In terms of governance, we are enhancing the structure and initiatives in response to the growing number of Group companies and global geographic expansion. We are also strengthening sustainability governance by expanding committees that promote foundational activities from an ESG perspective.

MTP2025: ESG Measures (Examples)

<p>Collaborate with business partners for Environmental contributions</p> <p>Decarbonize throughout entire supply chains</p> <ul style="list-style-type: none"> Efforts to achieve net-zero greenhouse gas emissions Renewable energy usage expansion TCFD-based climate change information disclosures and natural capital and biodiversity information disclosures 	<p>Stronger relationships with stakeholders to Fulfill social responsibilities</p> <p>Improve the well-being of stakeholders</p> <ul style="list-style-type: none"> "Work-in-life" (balance with personal life) and health and productivity management Expand the NRI Group Business Partner Code of Conduct Implement human rights due diligence; understand and address trends in AI ethics 	<p>Strategic risk control through More advanced governance</p> <p>Accelerate efforts in the Group and globally</p> <ul style="list-style-type: none"> 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
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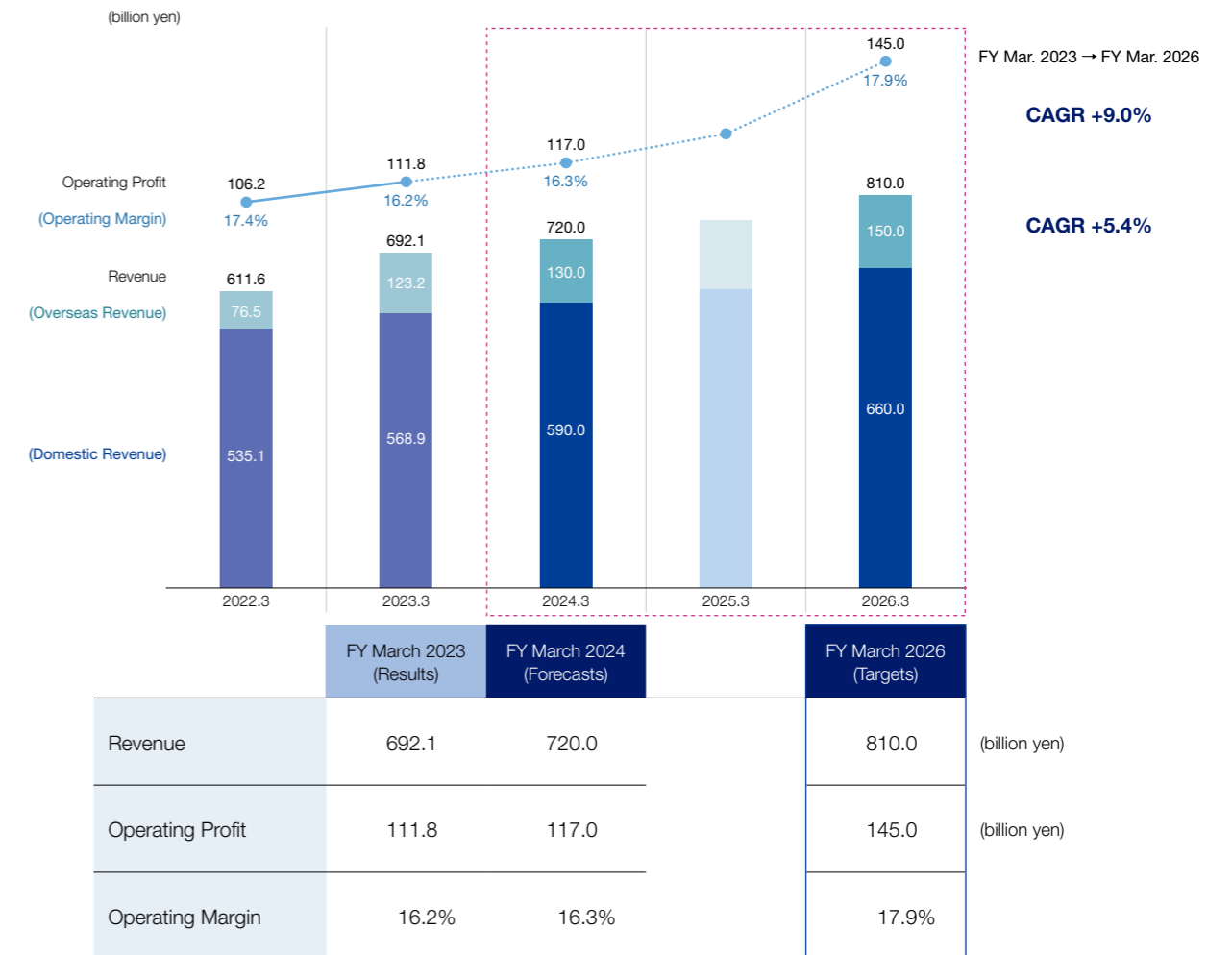
* Details regarding our business foundation (ESG) can be found starting on page 78.

Medium-Term Management Plan 2023-2025 in Figures

From the fiscal year ended in March 2023 to the fiscal year ending March 2026, we are targeting ¥810 billion in revenue, with a compound annual growth rate (CAGR) of 5.4%, an operating profit of ¥145 billion with a CAGR of 9.0%, and an operating margin of 17.9%. Additionally, we aim for overseas revenue of ¥150 billion for the fiscal year ending March 2026. All of these numerical targets are based on assumptions of organic growth that does not include M&A.

Of the three-year increase in operating profit aimed at reaching the target of ¥145 billion, approximately one-half is expected to come from increased revenue in domestic operations, about one-fourth from improved profit margins due to enhanced productivity in domestic operations, and the remaining one-fourth from improvements in growth and profitability in global operations.

MTP2025 in Figures



Note: The planned figures for FY March 2024 are as of July 27, 2023.

Interview with the CFO

Leading the way with flexible and proactive financial activities aimed at achieving the V2030 growth story

Yoshihiko Sunaga
CFO
Senior Corporate Managing Director



Please give us your overall assessment of the financial activities of the previous fiscal year.

The fiscal year ended in March 2023 saw the COVID-19 pandemic hit its peak, and social and economic activities gradually returned to normal. Turning our attention to the global economy, the excessive liquidity resulting from prolonged monetary easing policies by central banks worldwide, coupled with supply chain disruptions due to the COVID-19 outbreak, led to noticeable inflationary tendencies. This was further compounded by rising commodity prices due to the conflict in Ukraine, prompting central banks in various countries to collectively tighten their monetary policies. As interest rates in each country surged abruptly, the gap in interest rates against the Japanese yen widened, leading to significant depreciation of the yen. I vividly remember the anticipation of a revision in the yield curve control (YCC) policy in the middle of the fiscal year due to the upcoming change in leadership at the Bank of Japan, and that this speculation caused government bond yields and foreign exchange volatility to rise.

In that environment, we were tasked with navigating through challenging circumstances. Our foreign currency borrowing increased significantly in recent years, due to our active M&A efforts in Australia and North America, leading to a sudden surge in financial costs that became a management issue. To address this challenge, our initial choice was to transition from foreign currency borrowing to yen-denominated borrowing. In addition, regarding

yen-denominated borrowing, we anticipated a rise in long-term interest rates, and we decided to issue longer-term bonds before the end of 2022. However, considering the market conditions, where speculation about rising long-term interest rates had already begun and demand for long-term bonds was decreasing, there was an element of uncertainty about the success of these decisions.

It was a difficult environment. What do you think about the results of each type of measure?

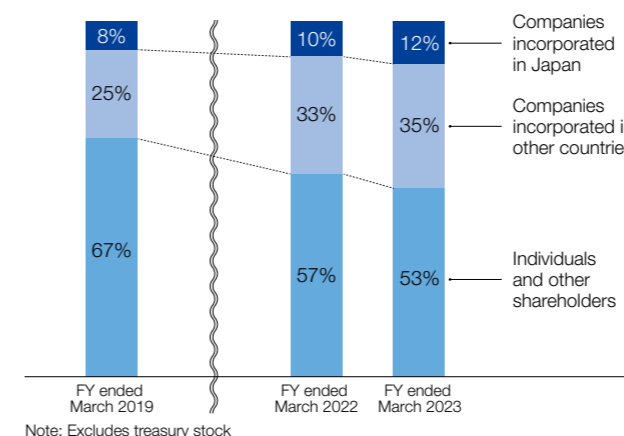
I think it went well. In December 2022, we conducted fund-raising for a 3-year total of ¥65 billion for 5-year, 7-year, and 10-year bonds. Ultimately, we achieved significantly higher demand than anticipated. This marked the largest bond issuance amount ever for the Company. In particular, for the long-term 7-year and 10-year bonds, we were able to reach favorable terms through meticulous dialogue with investors. Coincidentally, the revision of the yield curve control (YCC) policy was announced at a meeting of the Bank of Japan Policy Board shortly after the determination of conditions. This turned out to be optimal timing for the bond issuance. The funds raised were allocated toward the repayment of existing foreign currency borrowings, leading to a reduction in financial costs. To mitigate the impact of exchange rate fluctuations resulting from the shift to yen-denominated borrowing, we executed an appropriate hedging strategy while considering balance sheet variations.

At the same time, there was an event called a “stock offering” that originated from a request for the sale of NRI shares by a major shareholder.

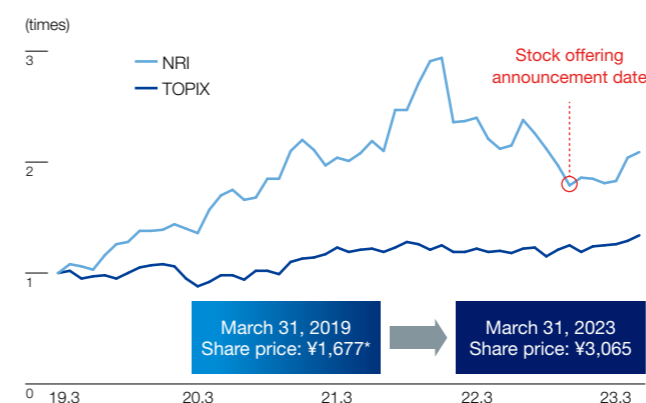
This event was not originally part of our financial strategy. It was an event unrelated to the macroeconomic environment and was an issue that required careful and individualized handling.

Due to the high total number of target shares, there were concerns about the potential impact on our stock price caused by the sale. Acquisition of treasury stock through debt financing needed to be approached from the perspective of the Company’s credit (financial soundness). After multiple discussions with internal and external stakeholders regarding the approach, we resolved the issue through the method of a “stock offering.” We conducted roadshows for both domestic and international investors, involving the entire Company, including the CEO. Eventually, it culminated in a public offering (PO) of ¥120 billion, the highest ever for the Company. This approach minimized risks impacting stock prices, maintained financial soundness, and improved market liquidity through diversified ownership, making it the optimal scheme for both the Company and our stakeholders.

Changes in Shareholder Composition Ratio



Stock Price Trends



* The stock price at the end of March 2019 is the adjusted stock price. In the graph above, the closing price at the end of March 2019 has been set to 1.
Source: Compiled by NRI

Our financial activities, driven by our financial strategy involving significant bond issuance and stock offering, were well-regarded, leading to several awards, including the top prize “Issuer of the Year” in the comprehensive category at the DealWatch Awards 2022.

The Company’s shareholder composition and financial structure have changed significantly since the fiscal year ended in March 2019, when the previous Medium-Term Management Plan was formulated. This was also the case with the recent PO. Looking ahead, I believe it is necessary to continue implementing financial strategies that consider the interests of all stakeholders.

Please explain the concept of the financial policy for the Medium-Term Management Plan 2023–2025.

The Medium-Term Management Plan 2023-2025 (MTP2025) that was announced in April 2023 is positioned as the first half of the NRI Group Vision 2030 (V2030), which was announced at the same time. NRI envisions the V2030 growth story as having three pillars: Core Business, DX, and global. In the Core Business, alongside “deepening and expansion” that enhances value creation with clients through Con-Solutions, NRI will achieve “evolution” by expanding its business platform and achieving overwhelming competitiveness and high added value through comprehensive innovation in production. In the DX area, NRI will take on the challenge of DX3.0, which impacts society beyond corporations and industries, creating digital social capital. In addition, on the global front, NRI will expand into the vast and highly growth-oriented North American market in addition to Asia and Australia, establishing a business foundation for NRI’s distinctive professional services.

The financial strategy must also align with this roadmap. By 2030, NRI aims for sales exceeding ¥1 trillion (including overseas sales of over ¥250 billion) and an operating margin

Ratings Information

Name of rating organization	March 31, 2019	March 31, 2023
Rating and Investment Information, Inc. (R&I)	AA- (Stable)	AA- (Stable)
S&P Global Ratings Japan Inc.	A (Stable)	A (Stable)

* Long-term rating (forecast)

of 20% or more. Accordingly, the Finance Division is considering a well-balanced approach to investment, procurement, and returns to support this goal.

If we divide the period until 2030 into basic categories, the first half of MTP2025 is considered to be a “sowing period for growth,” while the subsequent period until 2030 is seen as a “period to reap the fruits of growth.” Distinctive strategies are employed for each half to achieve a balanced approach.

Please explain in detail where the focus was placed in MTP2025.

The period until MTP2025 is literally a “sowing period” for achieving significant growth and transformation. During this period, the emphasis is on securing a foundation for growth. It is essential to invest in maintaining and expanding existing services, creating new businesses through DX 2.0/3.0, and improving productivity. In addition, external growth will require the acquisition of overseas operating companies. The latter depends on market conditions and timing, so it won't be executed forcefully. However, we are already considering financial options that will enable us to easily take on challenges when suitable growth opportunities arise.

Regarding this “sowing period,” we anticipate a temporary expansion of the balance sheet through external sourcing. Therefore, our financial discipline will be slightly relaxed to align with our management strategy. We have set the upper

limit of the net D/E ratio at 0.5 times and the upper limit of the net interest-bearing debt to EBITDA ratio at 1.3 times.

In terms of shareholder returns, the policy is not to chase rapid business expansion in the short term, but to maintain the current level of the ROE target, which is 20% or higher. On the other hand, even during the “sowing period,” we consider it important to appropriately return value to shareholders at a reasonable level. Therefore, in MTP2025, we have decided to gradually increase the target dividend payout ratio from the current level to 40%.

What are your thoughts on the future cash allocation policy?

First, we will maintain a level of cash for operating working capital equivalent to about two months of sales. As for the cash allocation policy, as demonstrated by the results of the Medium-Term Management Plan (2019-2022) period, the allocation was made considering the balance of “maintaining existing business,” “investing in growth,” and “returning value to shareholders.” As mentioned earlier, MTP2025 will be a “sowing period” for growth toward V2030. Therefore, while occasionally utilizing external sourcing, the policy is to actively allocate funds for responding to the platformization of DX demands, creating DX 3.0 businesses, and making new investments to strengthen the North American business foundation.

As a result, the cash allocation policy for the period until MTP2025 is expected to prioritize “investing in growth.” However, considering the longer span until V2030, we believe that cash allocation for “maintaining existing business,” “investing in growth,” and “returning value to shareholders” will come into balance.

Please explain the reason for emphasizing ROE as a performance indicator in the financial policy of MTP2025.

ROE has been an important performance indicator that the Company has emphasized in the past. It is the most widely accepted measure of capital efficiency globally. Its ease of comparison with other performance indicators and other companies is one of the reasons for its adoption. While ROE is an important performance indicator, it is not the sole absolute measure.

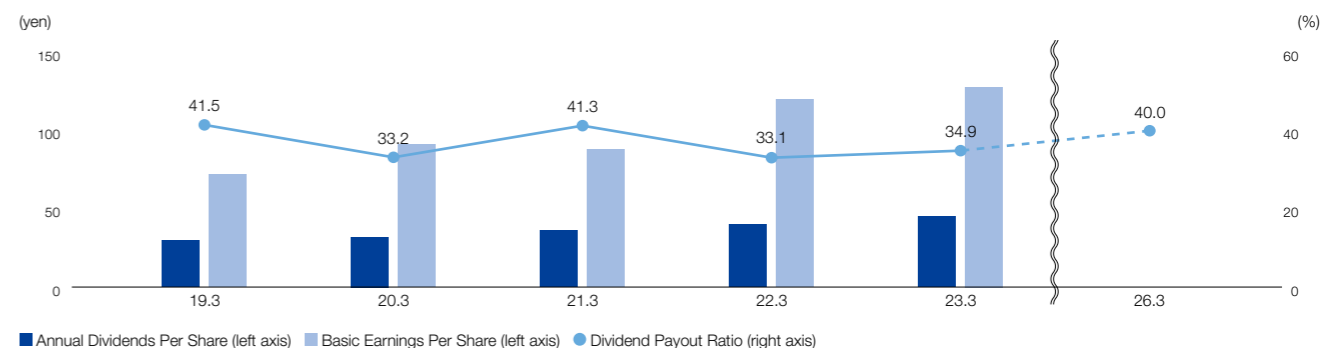
We do not intend to achieve the ROE target of 20% or more for MTP2025 by adjusting capital through treasury

stock acquisition or accounting methods. As indicated by the disclosed target of 17.9% for the final year's operating margin, our fundamental policy is to maintain and improve ROE in a healthy manner as the business grows.

Finally, please express your Goals for V2030.

We will lead the achievement of NRI's management strategy and growth story aimed at NRI's dramatic growth and transformation from the perspective of finance. Looking globally, there are expected to be rapid changes in future prospects due to geopolitical risks and shifts in various countries' financial policies. Specifically for that reason, we will implement flexible and agile financial management while maintaining the financial policy we have established this time as a significant pillar. We are committed to continuing to work toward gaining the understanding and support of all stakeholders.

Trends in Annual Dividends Per Share, Basic Earnings Per Share, and Dividend Payout Ratio

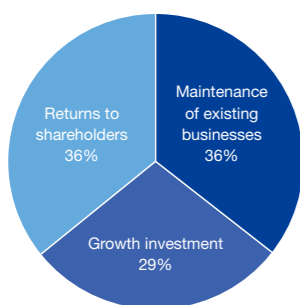


Notes: 1. The fiscal year ended March 2019 is based on Japanese standards. 2. NRI implemented a 1:3 common stock split on July 1, 2019. Basic earnings per share, diluted earnings per share, and net assets per share are calculated by deeming stock splits to have occurred respectively at the beginning of FY March 2019. Dividends per share for FY March 2019 are based on the number of shares prior to the stock split.

MTP2025 Financial Policy

Financial Policy (A View of 2025)	Returns to shareholders	Dividend payout ratio will increase to 40% by the end of the fiscal year ending March 2026
	ROE	20% or more
	Working capital on hand	Equivalent to about two months of sales
	Financial discipline	Cap on net D/E ratio: 0.5 times Net interest-bearing debt within 1.3 times EBITDA

Cash Allocation Results Medium-Term Management Plan (2019-2022) Period

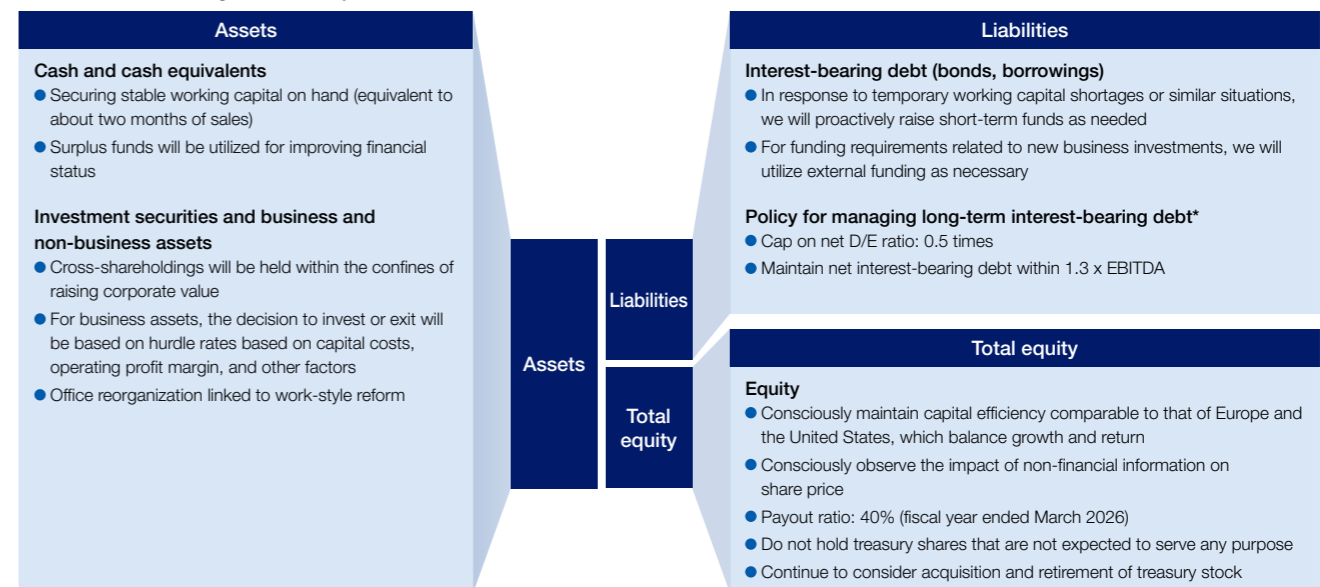


* Excludes treasury stock TOB in the fiscal year ended March 2020

Cash Allocation Policy for MTP2025

- Business investments (average of approximately ¥50 billion per year)**
 - Aggressive investment in maintaining and expanding existing services, creating DX 2.0/3.0 businesses and productivity improvement.
- Outside growth investment**
 - External growth will continue to be considered primarily as a means of expanding in the North American region and expanding capabilities.
 - The performance targets for MTP2025 do not incorporate external growth and will be implemented opportunistically.
- Returns to shareholders**
 - Increase the dividend payout ratio from **35% to 40%** by the end of the fiscal year ending March 2026.
 - ROE is **20% or higher**. Treasury stock acquisition will be carried out flexibly, taking into account factors such as stock price levels.

Balance Sheet Management Policy



* Interest-bearing debt is the portion of debt recorded in the consolidated financial statements that corresponds to corporate bonds and borrowings.