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**NRI**

**未来創発**  
Dream up the future.

**Nomura Research Institute**

**Integrated Report 2022**

Year ended March 31, 2022



# Opening an Unknown World

Social issues have become complex in recent years, and their resolution has been required even more strongly. We believe that digital technologies will be playing a large role in the resolution of social issues.

We were made to create social value. As such, we have the capability to discern the future as well as the capability to actualize and provide solutions derived from those insights. We will take on the challenge of resolving social issues using digital technology, and pursue the prosperity of people through digital technology.



Consulting  
×  
IT Solutions

Creating Digital Social Capital  
and Transforming the World  
Dynamically



## 1965 RESEARCH CONSULTING

### (Former) Nomura Research Institute Established

#### 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 be a new type of research institute that had never existed in Japan before," and "To promote industry and be 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.



The founding prospectus of former Nomura Research Institute (Produced by Nomura Securities in 1962)

# Consulting and IT Solutions Ushered in the Era

"To promote industry and be of service to society through research studies" and "to take the varied expertise acquired through advanced system development and put it to use for management rationalization and other benefits of more companies" are, respectively, the founding spirit of the former Nomura Research Institute, Ltd., and of Nomura Computer Systems Co., Ltd. We have carried on the founding spirit of both companies even until today as we have created new social value and resolved the challenges faced by society and by our clients, by providing consulting and IT solutions.

## 1966 IT SOLUTIONS

### Nomura Computer Systems Established

#### 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., that was established in 1953. In 1955, 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 more companies. The philosophy indicates an attitude to be of service to society as well as create new value.

\* Company name changed to Nomura Computer Systems Co., Ltd., in 1972.



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

## 1988

### Merger Launch of New NRI



"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"

(From the press conference following the signing ceremony for the new NRI)

**The 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.





# Diverse Professionals Committed to Executing Their Mission



Diverse human resources, who have inherited the founding spirit, are the drivers of NRI's value co-creation. NRI's professionals, possessing knowledge and skills in every area, stand in unity under the "Dream up the future" corporate philosophy as an unrivaled team. They will continue launching the challenge of building a future society through proposals that have looked into the far future and their sound execution.

Corporate Statement

## 未来創発 Dream up the future.

The NRI Group's corporate philosophy consists of four pillars: mission, business domain, management goals, and action guidelines.

Mission	Business engagements	Management goals	Action guidelines
Discern new social paradigms and implement them  Build customer trust and establish relationships for mutual growth	Create an innovative society for the future "Knowledge Creation and Integration"- Apply knowledge to create and integrate business solutions for customers	Maximize corporate value through "Navigation X Solution"	Challenge tirelessly with true professionalism



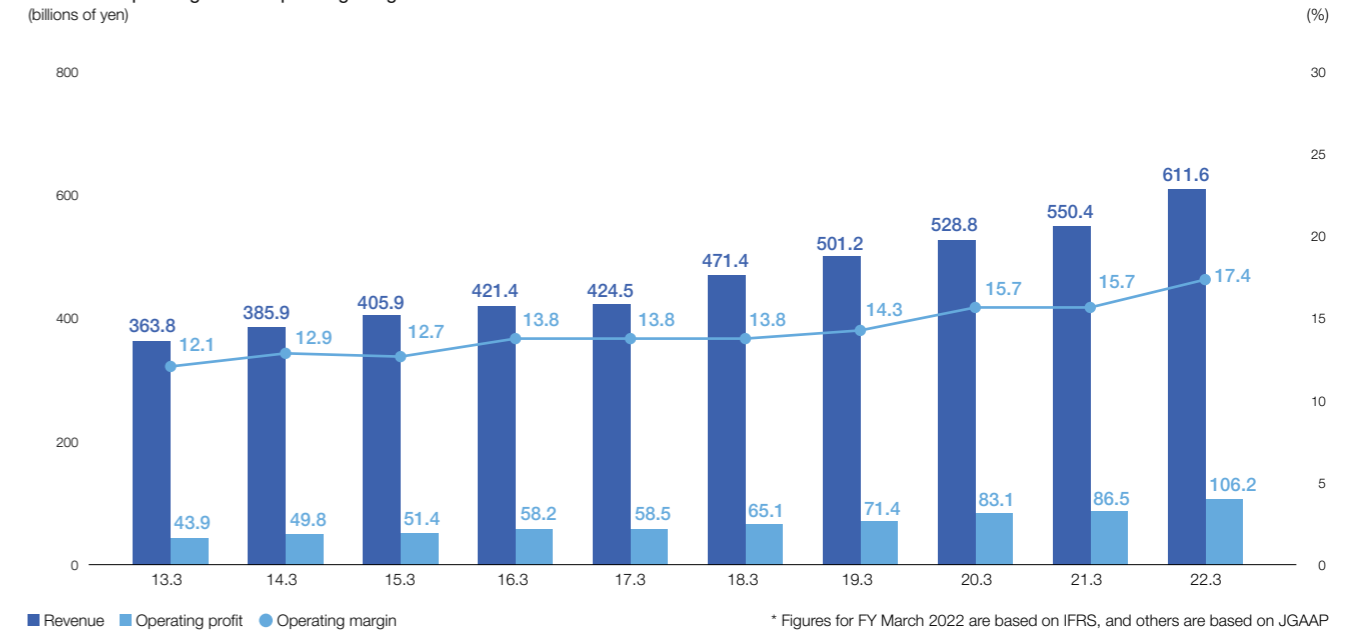


## The NRI Group Business

The NRI Group business is divided into four business segments: Consulting, Financial IT Solutions, Industrial IT Solutions, and IT Platform Services. While maintaining an industry-top-level competitive edge in its respective domain, each business segment flexibly forms teams with other segments as needed. The NRI Group's strength is its possession of both consulting and IT solutions functions. This makes it possible to swiftly and consistently provide on-target solutions that solve the priority issues faced by clients and society.



Revenue / Operating Profit / Operating Margin (billions of yen)



### NRI's Four Business Segments [P.120-125](#)

#### 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, and technology, etc.

#### Financial IT Solutions

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

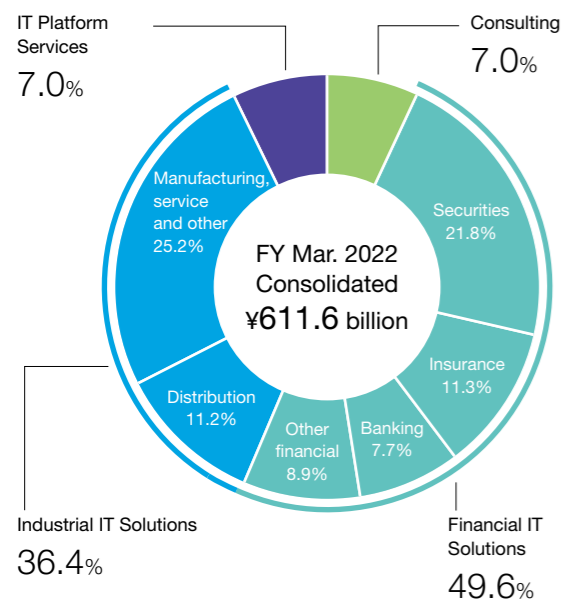
#### Industrial IT Solutions

- This segment provides system consulting, system development and system management solutions, and shared online services mainly for the distribution, manufacturing, service, and public sectors.

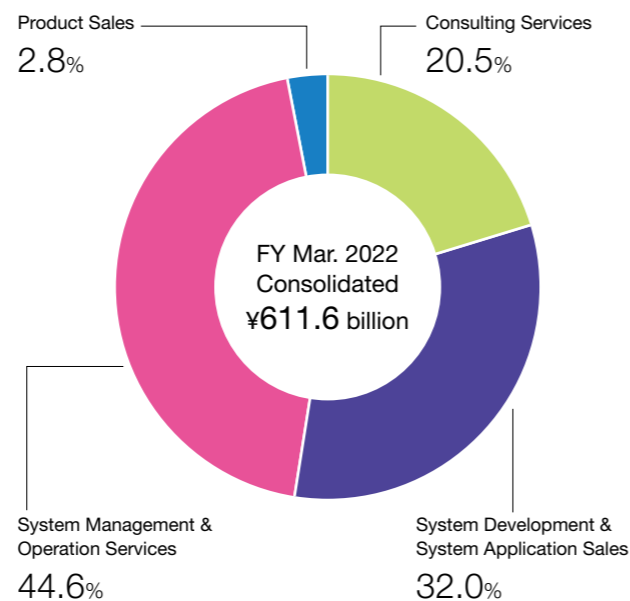
#### IT Platform Services

- This segment provides data center operations and constructs IT platforms and networks for 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.

External Revenue by Segment



External Revenue by Service



Note: Ratios are for consolidated sales in FY March 2022.



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**Editorial Policy for the Integrated Report 2022**

Since FY March 2014, NRI has published integrated reports that provide explanations while associating important financial and non-financial information. These reports aim to give an overall picture of NRI in a concise and clear manner.

The Integrated Report 2022 has improved its content using feedback from stakeholders as reference. In particular, we enriched the content related to our human capital, which is one of NRI's competitive advantages. Furthermore, we have included an outline of Group Vision 2030, which is the next long-term management vision that we are currently formulating.

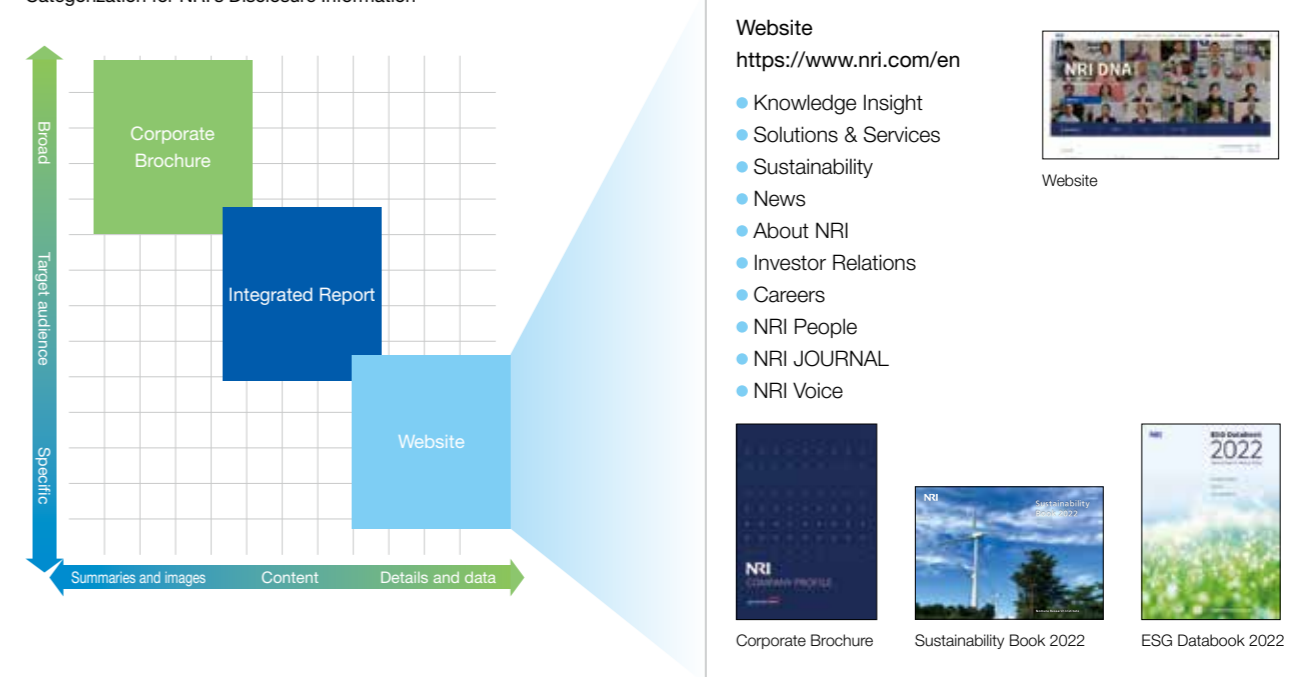
As for details and other related information that cannot be included due to space, we have included the source of the relevant information (e.g., websites and the Annual Securities Report) within the pages of this Integrated Report for your use.

NRI works toward the medium- to long-term enhancement of its corporate value. We strive for even deeper communication with stakeholders to enable the determination of its value.

**Guidelines Referenced for the Disclosure of Information**



**Categorization for NRI's Disclosure Information**



**Cautionary Note on Forward-Looking Statements**

- This Integrated Report is prepared for the purpose of providing information on our performance in FY March 31, 2022 and our strategy for the coming years, not for the purpose of attracting investment in stocks issued by Nomura Research Institute, Ltd. (NRI). In addition, this report contains absolutely no guarantees or pledges.
- The opinions and outlook contained herein reflect the views of management at the time of preparation. We do not offer any guarantees or pledges as to the accuracy or completeness of such information, which, moreover, is subject to alteration without advance notice.
- NRI holds all rights to each and every part of the integrated report, which may not be reproduced, transmitted, or otherwise duplicated by any means, whether electronic or mechanical, whatever the purpose, without our express permission.
- The trademarks that appear in this report are the trademark of NRI or the respective company.
- For the purpose of convenience within this report "NRI" is used to refer to the Company and in certain places the entire NRI Group.



# Toward 2030, the NRI Group will have insight into the prosperity that lies beyond digital transformation (DX) and provide value to society by creating digital social capital.

July 2022



Chairman and President & CEO  
Representative Director  
Member of the Board

## The speed of the changes taking place in the world will accelerate in the next 10 years.

The world economy is becoming increasingly uncertain due to global issues, such as the escalation in the price of energy or supply-chain related problems associated with increased geopolitical risks. Social issues are becoming more complex.

Meanwhile, new services are being created, one after another, through XaaS (Anything as a Service) in which anything becomes a service over a network. The fluidity of industrial structure, such as the rise of new industries, will likely progress as the walls that existed between business types and industries crumble through the development of platforms on which diverse services collaborate.

What is more, the evolution and commoditization of state-of-the-art technology will also probably progress. When cloud computing and artificial intelligence (AI) are utilized, and next-generation communication technologies become commonplace, those technologies that were considered advanced up to then are expected to be put to general use.

While corporate management environments are being exposed to unprecedented changes, from a medium- to long-term perspective, initiatives and investment toward decarbonization and other social issues of high importance are expected to

expand. The role to be fulfilled by mechanisms that utilize digital technology will continue to increase going forward, and the integration of business and IT will create sweeping trends of a new age. Transformation that utilizes digital technologies (DX) is expected to continue to be sought going forward for wide-ranging needs, from the transformation of individual enterprises to the resolution of global social issues.

Looking at the relationship between the Digital Economy and Society Index (DESI), which was announced by the European Commission, and life satisfaction, we can see that in countries that have achieved a certain level of economic growth, there is a strong correlation between digitalization and life satisfaction levels. In Denmark, energy consumption is tracked through the installation of smart meters in all households. The accumulation of shared infrastructure and services that digitally support society and industries (i.e., digital social capital) has progressed in Denmark and other such countries that are ahead of others in terms of digitalization.

Japan is facing the serious social issue of population decline. According to one forecast, negative GDP growth in the 2030s is unavoidable for the country if the trends of the past decade in labor productivity, employment rate, and working hours continue. To realize a society in which people can live in prosperity, Japan, too, must create digital

social capital by transcending the barriers between the government and private sector, business types, and industries. It is essential that productivity and added value that surpass the effects of population and working-hour decline will be created.

It goes without saying that such societies should be sustainable. In particular, the issue of climate change cannot be ignored as a global issue. To realize decarbonization, DX will become indispensable alongside moving away from fossil fuels in the combination of power sources. The achievement of effective resource utilization and advancement toward the building of a sustainable society will probably be required. One possible means for finding optimal solutions for this would be the use of digital data to visualize various real-world phenomena and to carry out simulations in the digital world (digital twin technology). What is more, the ensured safety and security of social

infrastructures, personal information, and others through advanced security services will continue to be of importance in the future.

Capitalism, which has continued for roughly 500 years, is now being pressed to undergo modifications. If capitalism continues as it is today, it could result in forcing a negative legacy – including escalated natural disasters, the loss of biodiversity, and social inequality – on our planet and offspring of future decades. We believe that to enable the sustainable development of society, it is important that NRI places further emphasis on the value it can provide to society as a company, and synchronizes its growth strategy to the resolution of social issues.





**With our sights set on the future, NRI will continue to be an indispensable existence for society.**

NRI's predecessor, the former Nomura Research Institute, Ltd., was established in 1965 as Japan's first private-sector think tank. In its founding prospectus, NRI clearly stated its intention to "Engage in comprehensive research in terms of both technology and economics," "Carry out investigative research activities (with a certain amount of economic purpose) in applied science fields," and "Make the specific issues faced respectively by industry, government, local public authorities, and the general public the target of its investigative research." Furthermore, it stated that the aim of establishing NRI was "To promote industry and be of service to society" while exhibiting its originality.

The founding spirit is continued in the corporate mission announced by NRI in 2000: "Discern new social paradigms and implement them," and "Build client trust and establish relationships for mutual growth." NRI's corporate mission is a clear statement of the Company's conviction that the enhancement of its corporate value lies no where other than beyond the resolution of social issues.

In a move that foresaw an ideal information services company, the former Nomura Research Institute, Ltd., and Nomura Computer Systems Co., Ltd., merged in 1988 to become the new Nomura Research Institute, Ltd., a globally unique information services company that possesses both research and digital systems functions. NRI's original business model, "Navigation x Solution" and "Con-Solution" originated in this merger.

NRI has been engaged in proposing business strategies that are ahead of the times, making policy recommendations, and the development and operation of digital systems.

To continue contributing to the sustainable development of society while exhibiting even more of our true value, each of our employees must reaffirm the corporate DNA that has been passed down since NRI's founding. The three social values created by NRI – "Co-create a thriving future society," "Co-create an ideal society," and "Co-create a safe and secure society" – that were stated in the Medium-Term Management Plan (2019–2022) incorporate NRI's founding spirit.

While working to instill the corporate philosophy, NRI has also been engaged since 2019 in "value co-creation activities." They are activities for

thinking, from the bottom up, about providing value to society. With the aim of having each selected value co-creation leader place themselves in the shoes of NRI management to gain insight into the social issues of the future, we made the theme of value co-creation activities for FY March 2022 "Message from the President in the 2030 NRI Group Integrated Report." In the dialogue with value co-creation leaders, a straightforward exchange of opinions was carried out regarding creating a future society with an eye to 2030, and growth opportunities for the NRI Group. At the NRI Dream Up the Future Forum, I, too, have been introducing the shape of future economic systems and industries, and NRI initiatives based on those assumptions. As such, we have been implementing initiatives that are a combination of top-down and bottom-up approaches.

**We will continue to keep our focus on staying ahead of the times and providing high added value.**

In the Long-Term Management Vision "Vision2022" (V2022) for the period between FY March 2016 and FY March 2023, we made "digital" one of NRI's axes for growth. We originally called it "business IT." However, the transformation of business models through the utilization of digital technologies eventually began, and we held the conviction that it would create a significant opportunity for NRI, which possesses capabilities in both consulting and IT solutions. This was at a time when the term or concept of DX was still not commonly known.

The move toward digitalization, which we had originally assumed, began in earnest from around 2017, and the term "DX" became commonplace in around 2018. Our move to shift the focus of our business ahead of others worked in our favor. We securely captured the tide of DX by implementing NRI's original Con-Solutions business model in which our consulting and IT solutions arms worked as a team from the planning and conceptualization stages. They ran in tandem with clients, repeatedly carried out hypothesis testing, and provided value on an ongoing basis. Combining our capabilities in consulting and IT solutions has become the source of our added value. NRI has a large number of consultants and researchers who spent many years accumulating deep knowledge of the industry in wide-ranging fields. They help show our clients the way, while discerning the

future of ten or fifteen years' time and making recommendations related to society. This is a capability that is distinctive of NRI, where the DNA of a general think tank has been passed down. Meanwhile, in the field of IT solutions, NRI has a wealth of systems engineers and DX human resources who can build from scratch information systems that require extremely complex operational logic, and implement them to businesses. The high quality required for mission critical systems and social infrastructures is assumed by NRI, and as such, the Company hires talented human resources and nurtures true professionals. Our pursuit is not of "size" that enables the mobilization of large numbers of human resources. Rather, we hire and develop human resources while emphasizing high added value.

We are now in the final year of the Medium-Term Management Plan (2019–2022), which defined the direction of management in the latter four years of V2022. In FY March 2022, which was the third year of the medium-term management plan, we took great strides in all of our strategies: the DX Strategy, Global Strategy, and Human Resources Strategy. As a result, we marked an operating profit of ¥106.2 billion and an operating margin of 17.4%, and achieved medium-term management plan targets one year ahead of schedule.

In regard to our global business, when V2022 was launched in FY March 2016, we took on the challenge that began with overseas sales of ¥14.6 billion against consolidated sales of ¥421.4 billion. Here, too, we were able to advance developments through schemes that are distinctive of NRI, which places its focus on high value added fields. Candidate overseas markets where NRI will aim to provide IT services in high added value fields for domestic-demand oriented industries are industrialized countries that have reached a certain level of maturity, have a high population growth rate, and what is more, are orderly on the basis of laws and rules. Of North America and Australia, which meet these conditions, we began by focusing on Australia, building a business foundation through such methods as M&A and other means of external growth. Beginning with the acquisition in 2016 of ASG, which would become the base, we complemented necessary functions by moving ahead with the acquisition of a total of eight companies in six years. Today, we have built a business model similar to that in Japan in which full-line services, from IT consulting to development, operation, BPO, IT infrastructures, and quality engineering



**"To promote industry and be of service to society," which was stated in the founding prospectus, is at the root of NRI's sustainability management.**



that handles the enhancement of the quality of information systems, are provided. Overseas revenue in FY March 2022 increased about 72% year on year to ¥76.5 billion. The results forecast for FY March 2023 has been set at ¥105 billion, which exceeds the target of the medium-term management plan.

Furthermore, helped by the implementation of the purchase of treasury stocks during the fiscal year, the ROE for FY March 2022 was 21.3%. We are undertaking efforts for the achievement of growth in profits and the maintenance of an ROE at the 20% level.

### **We have begun moving forward toward achievement of the Group Vision 2030.**

With achievement of the goals set in V2022 now in sight, in April 2022, NRI announced the outline of its growth scenario for its new long-term management vision, “Group Vision 2030” (V2030), for FY March 2024 through FY March 2031.

NRI’s corporate philosophy will remain the same in V2030. The two missions – “Discern new social paradigms and implement them” and “Build client trust and establish relationships for mutual growth” – which are the foundations of the corporate philosophy, and the corporate statement, “Dream up the future,” will be upheld as a universal set of values. “To promote industry and be of service to society,” which was stated in the founding prospectus, is at the root of NRI’s sustainability management. We are currently promoting discussion within the Company on “our set of values” so that each of us can share these values and together achieve our vision. Each of us in the NRI Group will become the main players of having insight into the prosperity that lies beyond DX,” and launching the challenge of dynamically transforming the world through digital social capital.

Three prioritized themes have been established in the growth scenario announced in April 2022. They are, the “Expansion and deepening of core areas,” “Evolution of the DX business,” and “Expansion of the global business.” The closely scrutinized content of each of these prioritized themes is scheduled to be announced in April 2023. Here, we will provide the outline.

### **We will evolve the DX that will support transformation at our client companies and industries and continue our growth.**

In addition to DX consulting in which we take on the task of enabling the achievement of client transformation, the support of DX growth companies that leverage Con-Solution and digital development capabilities, and the evolution, such as the migration of legacy IT assets, in “core areas,” we will achieve the further growth of the business platform business, as represented by shared online services, and the certain profit growth through various production innovation. NRI’s DX 1.0, which supports such conventional systems integration (SI), process transformation, and infrastructure transformation, continues to be a source of our profits.

As in the case of smartphones, digital services on a platform, rather than the hardware, become the product in digital capitalism, with data as the source of value. As for the business model, we believe that a transformation from the conventional depreciation model to the appreciation model is required. That is, rather than the value of a product decreasing with the passage of time, value is lowest when the product is brand new, and increases as services are updated. EARTHBRAIN Ltd. was launched as a collaboration between Komatsu Ltd., NTT DOCOMO, INC., Sony Semiconductor Solutions Corporation, and Nomura Research Institute, Ltd. It is a new, cross-industry platform and a prime example of NRI’s DX 2.0 concept.

The Next-generation Smart Construction being promoted by EARTHBRAIN Ltd. consolidates all the data from a construction site to enable the visualization of the overall construction site through digital twin technology. All processes are linked on a platform to enable optimal control as well as to create a construction site of the future, which is superior in terms of safety, productivity, and environment. It can be said to be nothing other than an appreciation-type business model itself in which accumulated data is leveraged to continually evolve an algorithm.

The strong will of top management to change to a digital-first mindset and transform the overall

company using digital solutions is necessary to develop this kind of a business model. This is where the true value of the deep business insights that NRI has accumulated over the year and the Con-Solution concept can be powerfully exhibited.

### **We will create digital social capital toward a rich, thriving society.**

To achieve the rich, thriving society of 2030 envisaged by NRI and presented in the outline of V2030, the scope of our business must be expanded from individual enterprises to client industries and society as a whole. This will make business extremely difficult, such as the diversity of the stakeholders who become involved. Furthermore, our assumption is that rather than system integration in which we develop systems that are optimized for individual companies, this will be focused around platform services that are utilized by various entities. We are discussing, amid such circumstances, the approach that will be taken to identify a business that is distinctive of NRI.

At the present time, we are exploring and studying around 30 themes in the realm of DX 3.0. Social DX is an area that we see as being a hopeful seed from which a business will sprout at an early stage. In regard to Social DX, we are reviewing themes such as the digitalization of government services, regional revitalization, creation of smart communities, and new financial services, such as that represented by digital assets. We believe that a platform for the Japanese Social Security and Tax Number (“My Number”) System is a digital social capital that will become the foundation for Japan to play catch-up in the digitalization of government services. There, NRI will focus on the provision of a platform that will link the Japanese government’s digital foundation with the private sector.

NRI has a track record of having actualized ahead of others a service utilizing the My Number system for the securities industry. We also provide the e-PO Box service, which fulfills a role as a gateway that links Mynaportal, a public service, with private enterprises. We are proud to say that from its conceptualization to actualization, it is a business that is distinctive of NRI.



**The two missions, which are the foundations of the corporate philosophy, and the corporate statement, will be upheld as a universal set of values.**

We will leverage such accomplishments and expertise to expand the My Number-related business, which will contribute to digitalization of national and local governments, into a new business pillar for NRI.

In Value Chain DX, which is another pillar for DX 3.0, we will work toward the achievement of a circular economy, such as by food-loss reduction through value chain optimization and the effective utilization of resources. Furthermore, in Infrastructure DX, we will work toward the realization of a platform business that is distinctive of NRI. It includes the provision of data analysis that streamlines the operation and maintenance of

social infrastructures, and a shared online service for financial institutions that will also contribute to the reduction of CO<sub>2</sub> emissions by clients.

**We will establish a foundation that will realize full-line Global DX.**

Under V2030, the Australian business has entered the stage of making the organization even stronger and achieving mostly organic growth. Furthermore, we will build the business foundation in North America while using the successful experience and lessons learned in Australia.

Because North America is a highly competitive market, the choice of the market segment on which we will focus the business will be important. American and Indian vendors that are rolling out large-scale resources are making their presence felt in North America. On the other hand, there are also many community-based vendors that specialize in the provision of clients' complex DX solutions. NRI's strength in Japan is in solutions which, through consulting, realize advanced DX that meet client needs. For this reason, we will orient ourselves toward a similar kind of business in the North American market as well. We would like to expand the business by joining hands with community-based vendors that compete not in terms of scale but rather in terms of the value proposition.

To build the North American business foundation, NRI acquired in December 2021, Core BTS, which has strengths in advanced DX. This was NRI's largest-scale M&A at about ¥53.1 billion (inclusive of the cash loan of ¥10.6 billion to Core BTS). In addition to the integration of infrastructure

**To venture into new businesses, in addition to meticulousness, there is a need for us to have the grit that will enable us to take risks and embark on challenges.**



networks, which was the business inherited by Core BTS, in recent years Core BTS has possessed functions from cloud migration support, security diagnosis, and what is more, to DX application development. Using Core BTS, which possesses an abundant client base, as the foundation, and through further M&A, we plan to build a business model in North America that is similar to that in Japan and Australia.

Our policy is also to attempt regional expansion within North America. After establishing a base for the DX business in Japan and Asia, Oceania, and North America in the next eight years in this way, our vision is to create synergy between the three regions through the sharing of functions and knowledge.

**NRI will achieve the improvement of its sustainable corporate value by having every member work together and do their best toward this.**

The desire to have every member work together and do their best was a message that I communicated internally when I assumed my position as president and CEO. The meaning behind this is that I want to create a company that can sustainably improve its corporate value without having to depend on top management or specific superstars within the Company. In regard to the management team, I have been emphasizing teamwork that enables unbreakable solidarity once a direction is decided on through healthy debate. I believe that such teamwork is something that we should continue to uphold going forward so that NRI can achieve sustainable development.

Each and every employee is a member of the team. I would like NRI to continue being an organization where people of extremely high capabilities and great professionalism come together. NRI will continue to hone its organizational power – its strength wherein each member digests the big picture indicated by top management and moves forward on their own initiative to give it tangible form. To keep on achieving growth for the long term, each member of our group of highly specialized personnel must firmly continue working together and doing their best.

Meanwhile, there are challenges to enabling organizations and employees to further exhibit their potential strengths. As a company that is aiming to develop social infrastructure, NRI's corporate culture of meticulously building on logic is something that should be protected at any cost. With that said, trial and error is an unavoidable part of engaging in DX 2.0, DX 3.0., and other such new initiatives. That is why there is a need to nurture grit that enables challenges to be launched as well in untried areas. Furthermore, comprehensive strength that is optimized by combining the set of values and methodologies of various partners is required to undertake value co-creation after expanding the area to the whole of society. The development of capabilities for identifying the new, which differ from what we are used to, while honing our traditional strengths, will start to become one of the themes that will have to be tackled under V2030.

The path toward 2030 has been determined. Please look forward to an NRI Group that will continue making challenges toward the creation of new social value that will contribute to the resolution of social issues that are related to the achievement of the SDGs as well as toward the achievement of the sustainable improvement of corporate value.

Chairman and President & CEO  
Representative Director  
Member of the Board





# 01

## NRI's Value Co-Creation

We want to continue to be an “indispensable presence in the world” by standing firm on the spirit of value co-creation, which we have upheld since our founding.

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NRI Sustainability Management

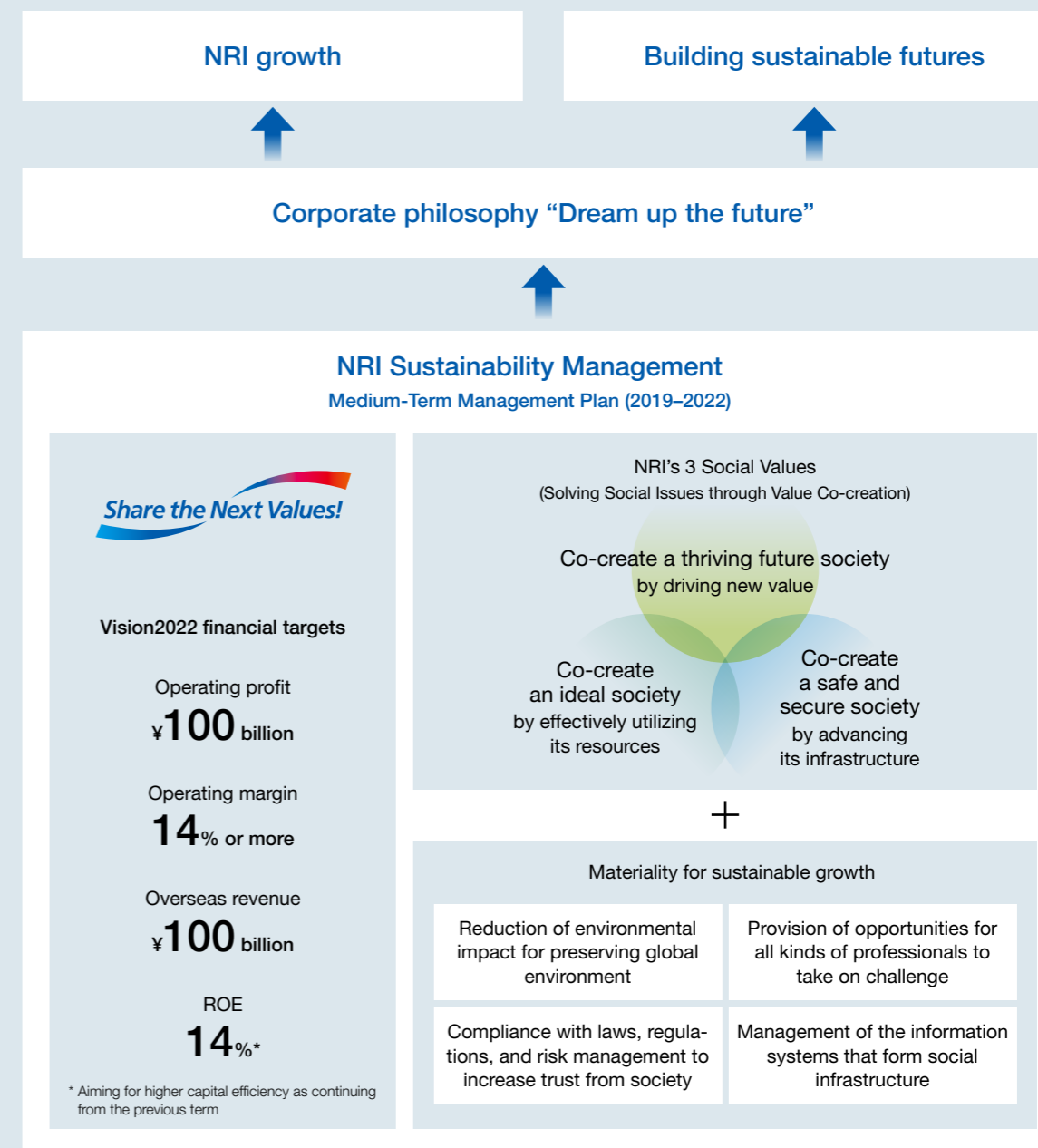
未来創発  
Dream up the future.

The "Dream Up the Future"  
Corporate Philosophy and  
Sustainability Management Policy

The "Dream up the future" corporate philosophy – advocated by NRI since around the time of founding – encapsulates the Company's commitment to contributing to the resolution of social issues and creating a better tomorrow through the power of innovation. To achieve sustainable growth, it is indispensable that a company creates both social and economic value, and carries out management from a long-term perspective.

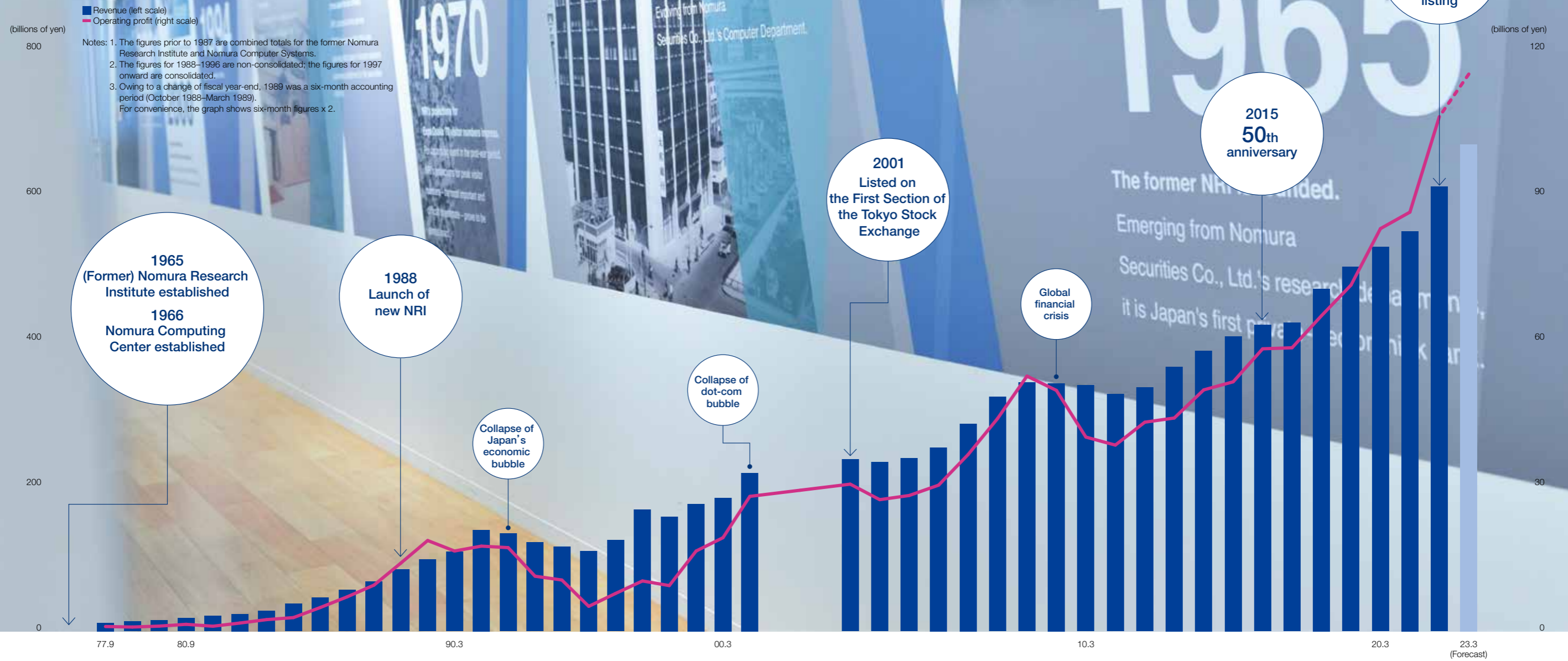
NRI has identified material issues (materiality) for sustainable growth and defines solutions to social issues through co-creation of value in business as "NRI's 3 Social Values." NRI aims for sustained growth and to create a sustainable future society by implementing sustainability management that increases corporate value from the perspective of economic value as well as the perspective of social value.

NRI Sustainability Management Policy





### A Path of Unchanging Value Co-Creation

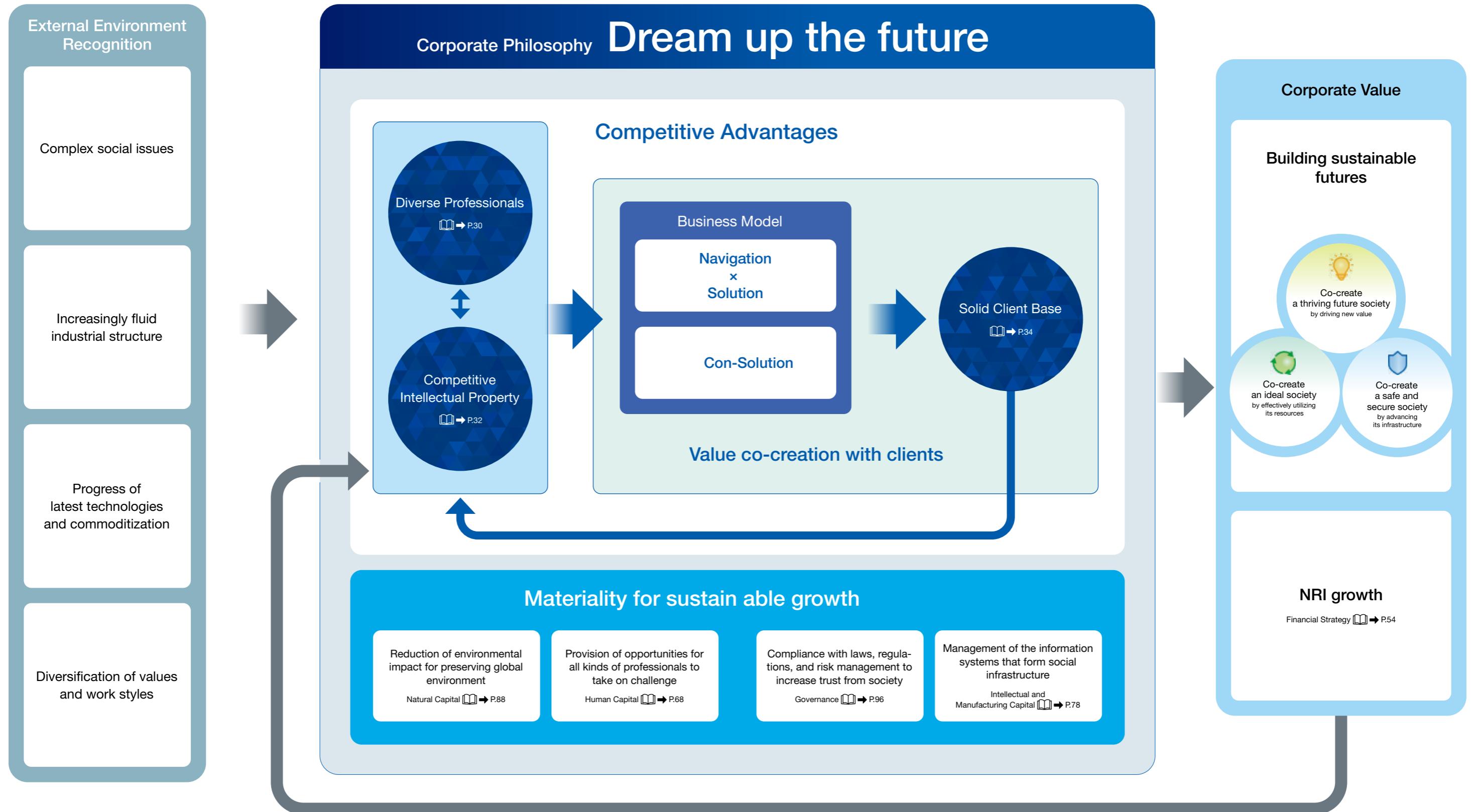


### Services Created in Response to Societal Demand

Service Category	Year	Description
Consulting	1970	Forecasted the number of visitors to the Japan World Exposition held in Osaka (a pioneer in research and consulting business in Japan)
	1984	System Clinic Service launched (a pioneer in system consulting business in Japan)
	1988	Started recommendation activities of the world's five big think tanks, including NRI (thereafter annually through 1995)
	1989	Organized Pension Management Study Group (affected Japan 401k scheme later)
	1994	Became the sixth company in Japan to launch a corporate website
	1995	Center for Cyber Communities Initiative established with Keio University
	1997	Conducted the first Survey of 10,000 Consumers (thereafter conducted every three years)
	2000	Advocated the concept of Ubiquitous Networking (a new information technology paradigm)
	2003	Started sending CIO aides to government organizations, including the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries etc.
	2007	Established Tsinghua-NRI Chinese Research Center
IT Solutions	1970	Launched Nomura Securities' "Integrated Online System"
	1974	THE STAR, a shared online service for retail brokerage firms, launched
	1979	Launched a new ordering system for SEVEN-ELEVEN JAPAN CO., LTD.
	1987	I-STAR, a shared online system for wholesale brokerage firms, launched
	1987	Famicom Trade System in Nomura Securities launched (a pioneer in contemporary home trading services)
	1988	International VAN service between Japan and United States launched
	1993	T-STAR, a shared online system for asset management firms, launched
	1997	BESTWAY, an over-the-counter sales system for mutual funds launched
	1999	Online trading system for an online brokerage firm launched
	2004	e-JIBAI, a compulsory automobile liability insurance system, launched
2011	Recommendation activities and others for Great East Japan Earthquake recovery efforts	
2012	Provided comprehensive support, from designing the service to the system architecture, for Shiseido's integrated online beauty service "watashi+"	
2014	Assisted the rollout of "NISA" system, from design to system construction	
2020	Proposals regarding Coronavirus Infection (COVID-19) measures	
2017	Started the provision of the identity verification service "e-NINSHO" using My Number	

### Process of Value Co-Creation

NRI will provide the optimal services to resolve clients' issues through its consulting services and solutions services. The social value created through value co-creation with clients not only contributes to the creation of a prosperous future society but also further enhances NRI's competitive advantage and achieves sustainable growth.





## Initiatives for Sustainability Management

In regard to NRI's sustainability management, we will introduce our main initiatives and results for FY March 2022 for each of the NRI Group's 3 Social Values and materialities for sustainable growth.

Topics for FY March 2022			KPI	FY March 2022
<b>NRI's 3 social values</b> <b>Co-create a thriving future society</b> by driving new value The continuous generation of new values for the future and the creation of an affluent and comfortable society in which all consumers can enjoy those values	Promote DX	Lead social transformation through numerous DX projects Core BTS becomes a subsidiary; DX expansion into North America	DX-related sales	390.0 billion JPY
	Create new business models	Established Earthbrain in collaboration with Komatsu, to significantly improve productivity in the construction industry	Number of business partnerships (joint ventures, local government agencies supported, etc.)	3
	Provide social recommendations and system proposals	Disseminated information on the economic impact of vaccination, trends in revenue consumption, etc., to solve social issues	Number of NRI articles featured in the big five national newspapers	114
<b>Co-create an ideal society</b> by effectively utilizing its resources Nurture strong industries that effectively utilize valuable social resources (manpower, goods, capital, and intellectual property) and aim to create a comfortable society for everyone	Expand services in business platforms	Development of shared online services through the adoption and expansion of STAR clientele with major clients, etc.	Business platform sales	109.7 billion JPY
	Generate environmental benefits for clients through business platforms	Completed energy conversion of three data centers CDP A-list accreditation; MSCI rating of AAA awarded	Clients' reduced CO <sub>2</sub> emissions due to shared use	105,087 tons
	Facilitate transformation for societal optimization	Development of a prototype carbon tracing system to help companies identify their CO <sub>2</sub> emissions	Size of business regarding operational reform-related services	+32%, compared to FY March 2021
	Help build IT infrastructure to create an ideal society	Progress in optimizing IT infrastructure, with financial ASP services gradually moving to a public cloud environment	Size of cloud and data center services business	+8%, compared to FY March 2021
<b>Co-create a safe and secure society</b> by advancing its infrastructure Protect social infrastructures such as information systems and aim to create a safe and secure society that can easily withstand accidents and disasters	Help upgrade the social infrastructure	Further expansion of the use of e-PO box and e-NINSHO public personal authentication system linked to individual number portal	Size of business involving public sector	+6% year-on-year
	Contribute to information security	Expansion of zero trust business Contributing to improved security of society and infrastructure	Amount of investment in safety and security	7.5 billion JPY
	Maintain the quality of systems in operation	Ongoing comprehensive interlocking inspections and major fault operation drills to ensure stable system operation	Number of information systems failures causing significant financial and social impact	No occurrences
<b>Materiality for sustainable growth</b> <b>Reduction of environmental impact for preserving global environment</b>	<ul style="list-style-type: none"> <li>Response on climate change</li> <li>Responsibility and conservation to the environment</li> <li>Sustainable energy consumption</li> <li>Environment-conscious supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Disclosing TCFD scenario analysis results (From February 2019)</li> <li>Conducting scenario analysis for capital markets &amp; wealth management solutions business (From June 2021 to February 2022)</li> <li>Reducing overseas CO<sub>2</sub> emissions by 90% through certificate procurement from China, the U.S., Australia, and India (February 2022)</li> <li>Switching the power of major data centers to renewable electricity (From August 2021)</li> <li>Authorizing construction of Osaka Data Center 2 which is certified as "Adaptive Business Plan" under the Act on Strengthening Industrial Competitiveness (December 2021)</li> </ul>	Reduction of greenhouse gas emissions	72.1% (compared with FY March 2014)
	<ul style="list-style-type: none"> <li>Human resource diversity</li> <li>Customers interaction</li> <li>Respect on human rights</li> <li>Dialogue with civil society</li> <li>Healthy employment and labor-management relationship</li> </ul>	<ul style="list-style-type: none"> <li>Promoting diversity and inclusion (From FY March 2011)</li> <li>Promoting the disclosure of social information / External assurance of social data (From FY March 2011)</li> <li>Formulating "NRI Group business partner code of conduct" (April 2021)</li> </ul>	Ratio of female managers	8.30%
			Ratio of female hires	33.20%
	<b>Compliance with laws, regulations, and risk management to increase trust from society</b>	<ul style="list-style-type: none"> <li>Enhancement of corporate governance</li> <li>Action against corrupt practices abroad</li> <li>Risk management</li> <li>Appropriate information disclosure to the customers</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate efforts of executives and employees for value co-creation at the division level, and add it to their bonuses (FY March 2021)</li> <li>Introducing Clawback and Malus Clauses (FY March 2021)</li> <li>Engaging with ESG-minded investors (From FY March 2011)</li> <li>Revising NRI Corporate Governance Guidelines (December 2021)</li> </ul>	
<b>Management of the information systems that form social infrastructure</b>	<ul style="list-style-type: none"> <li>Management of information security and system</li> <li>Access to information society</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced project monitoring functions and held other activities to improve the quality of information systems</li> <li>Held the DX Production Innovation Forum and took other activities to improve company-wide quality and productivity</li> <li>Held the Safety and Security Forum and acquired certification / guarantees from third-party organizations</li> <li>Increased the level of information security measures both inside and outside Japan</li> <li>Increased the sophistication of our Computer Security Incident Response Team (CSIRT) in order to respond to cyberattacks</li> </ul>	Information systems failures that have serious financial or societal impact	No occurrences

## Business Model

NRI has a consulting function that guides solutions from the stage of problem finding and an IT solutions function that realizes problem solving through system development and operation, and has accumulated related experience and knowledge over a long period of time. NRI combines these two functions to develop two types of unique business models that cannot be easily realized by other companies.

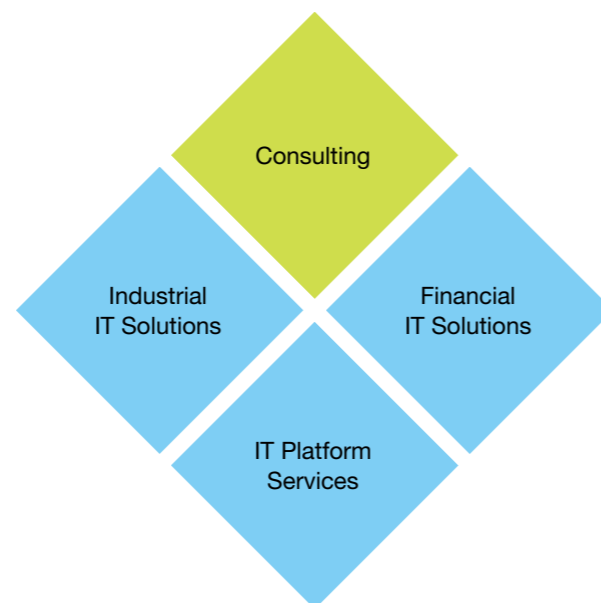
### NRI's Two Functions

#### Consulting

With one of Japan's largest consulting divisions, NRI possesses expert consulting capabilities for various industries and operating processes. As a pioneer in Japan, we have contributed to the development of society, industry, and corporations for many years. Our diverse and highly specialized consultants support the transformation of our clients based on the experience and know-how accumulated through long-term business relationships.

#### IT Solutions

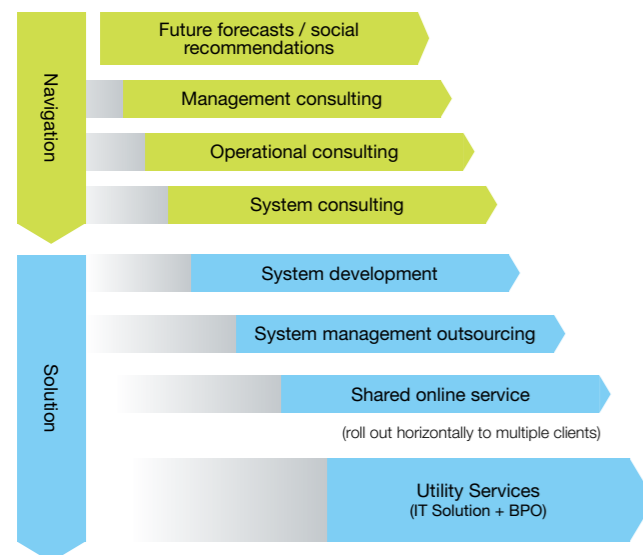
System engineers capable of fully utilizing the latest technology will achieve transformation of clients through systems. In particular, NRI's greatest area of expertise is the financial industry, where we provide solutions to many clients. NRI's IT solutions anticipate cutting-edge technology, and strategically incorporate that technology into solutions for provision.



### NRI's Business Model

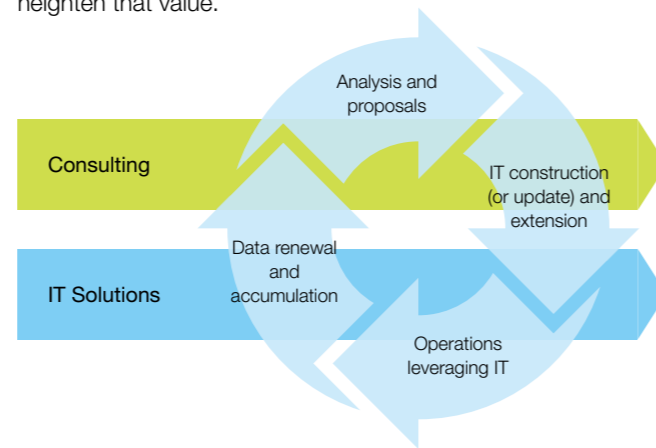
#### Navigation × Solution

**Providing Value by Combining Navigation and Solutions**  
This model provides consulting that guides clients from problem discovery to solutions, and integrates all phases to the solution of problems through IT solutions. In this way, the model responds accurately to client needs.



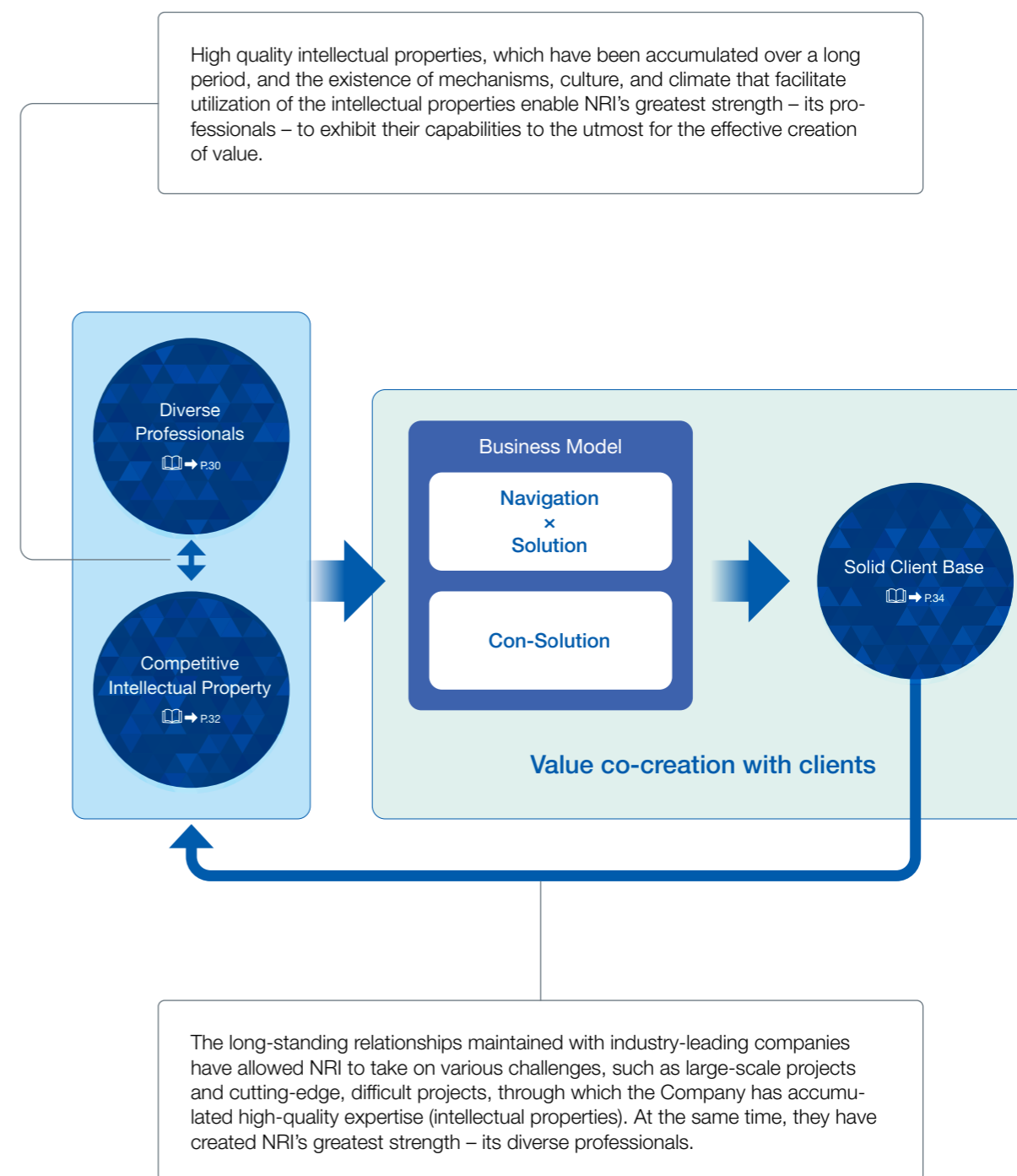
#### Con-Solution

**Consulting and IT Solutions Run Side-by-Side With Clients to Provide Continuous Value**  
This business model is run side-by-side from the planning and concept stages. The model creates and promotes business while repeating the process of hypothesis testing. In this way, we co-create business value with clients and heighten that value.



## In Relation to Competitive Advantages

NRI has three competitive advantages. They consist of “diverse professionals,” “competitive intellectual properties,” and a “solid customer base.” These competitive advantages boost the capital on an ongoing basis and further enhance the competitive advantage while interacting with one another. The combination of such strengths with an excellent business model hone our respective strengths as well as sustainably create social and economic value.





## Competitive Advantages

### Diverse Professionals

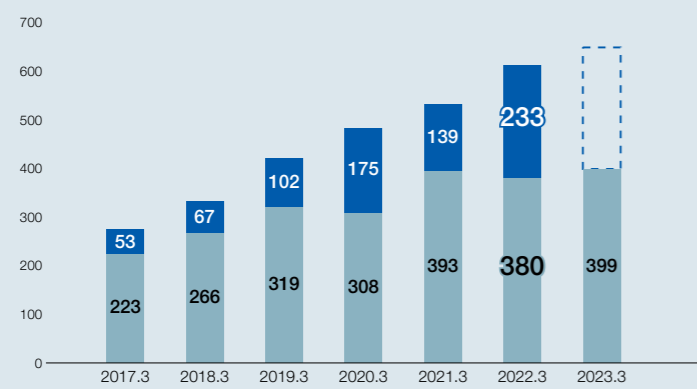
Talented professionals are NRI's greatest strength. An excellent human resources management system, which attracts such human resources and enables them to grow, is also one of NRI's strengths. We are a group of professionals united by one mission, to "Dream up the future." We aim to continually exhibit our own capabilities and skills to achieve our mission and obtain results of an even higher caliber.

Human Capital P. 68

#### Recruitment of Diverse, Talented Human Resources

Each year, NRI is strategically increasing the number of its hires. As a result of receiving a great number of applications from students and individuals from outside NRI desiring to work with NRI's talented human resources, we hired a total of more than 600 recent college graduates and mid-career recruits during FY March 2022. Many employees with diverse experiences are currently playing an active role at NRI.

Hiring to NRI Payroll\* by Year (persons)

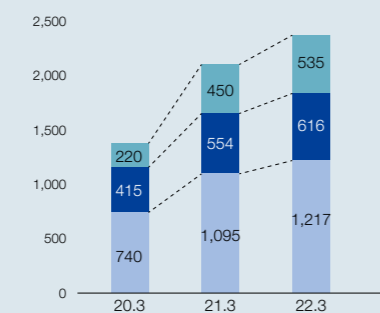


\* NRI-registered employees (includes employees of NRI Group companies hired by NRI itself)

#### Growth of Individuals and Organizations

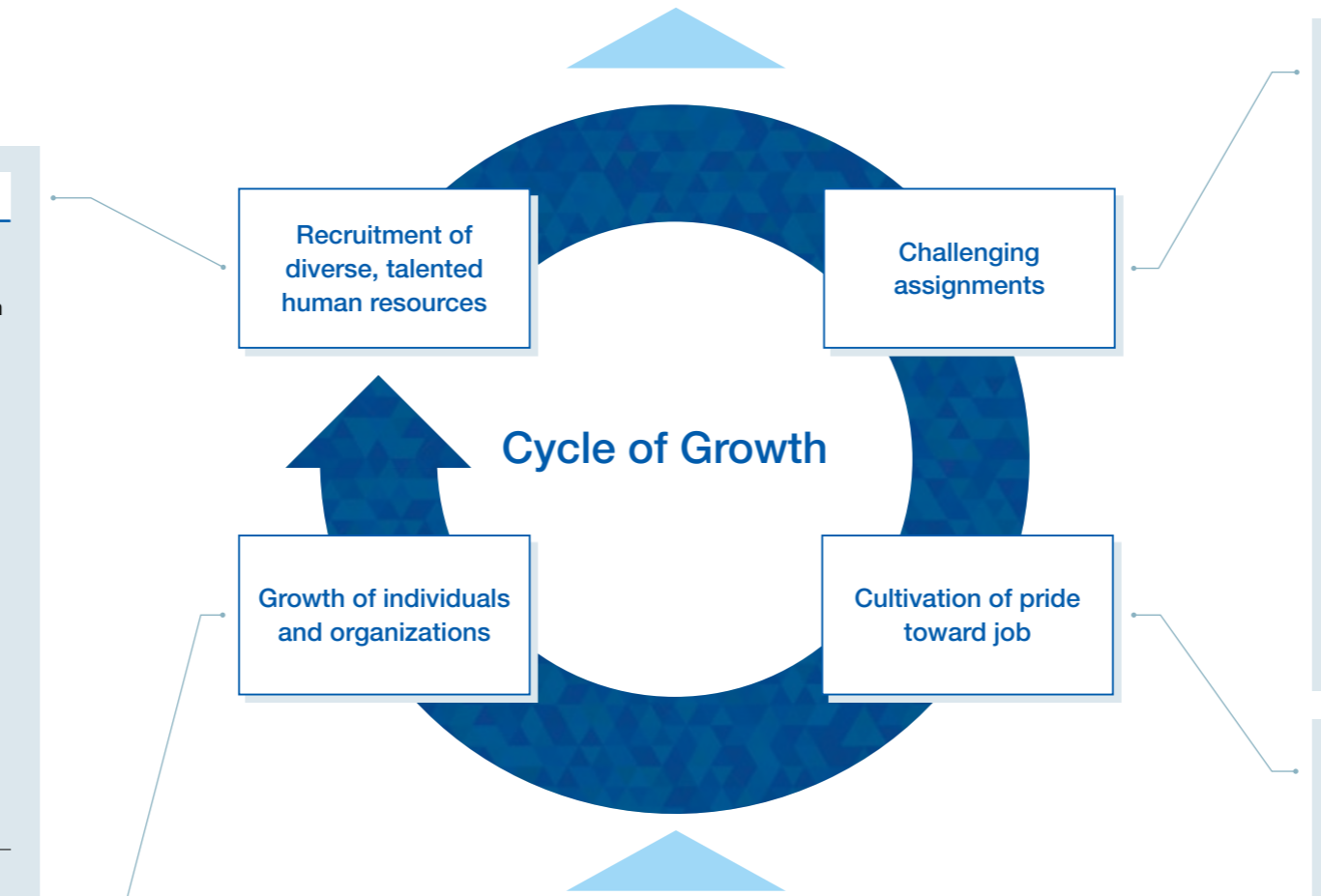
NRI employees achieve growth through their work (on-the-job training / OJT) or by participating in training sessions that they have individually chosen from a rich training menu. For example, the development of DX human resources, which is one of the goals of the medium-term management plan, is steadily progressing.

Progress of Human Resources Active in DX (persons)



\* NRI-registered employees (includes employees of NRI Group companies hired by NRI itself)

The Strengths of Individual Human Resources			The Strength as an Organization
Professionalism	Responsiveness to Change	Potential for Autonomic Growth	Integration of Excellent Skills
Talented human resources build awareness as professionals from an early stage, and develop high expertise	Can accumulate much knowledge through various experiences and apply the knowledge to new challenges	Is full of curiosity, acquires new skills on their own, and continues to better themselves	Possesses extremely wide-ranging and diverse expertise as an organization, and mobilizes strengths while respecting each other

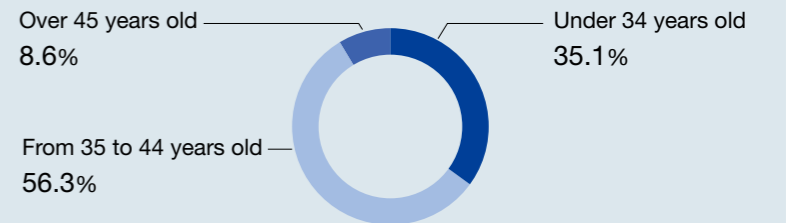


#### Challenging Assignments

At NRI, employees are given roles requiring great responsibility and discretion even if the employees are of a younger generation. Thirty-five percent of the systems development project managers (PMs) are in their 20s or early 30s. What is more, even in consulting projects, in many cases, employees experience working as a leader for the first time in their 20s.

NRI-style project management methods and knowledge-sharing mechanisms, which were developed through long-standing accomplishments, make human resources development and the giving of challenging assignments possible.

Age Distribution of Development Project PMs (results for FY March 2022)



#### Cultivation of Pride Toward Job

NRI believes that the cultivation of pride toward one's job and the enhancement of engagement are of importance. Pride toward one's job is often cultivated naturally when an individual is assigned an important job. However, employees' feeling of pride toward their job is also cultivated through activities for instilling value co-creation, in which employees reconfirm the DNA that NRI has had from the time of its founding, activities for the co-creation of job satisfaction, in which both employees and the Company together create job satisfaction, and other such activities.

Co-create Job Satisfaction P. 74

### Thinking behind the supporting personnel system

- The flexible assignment of roles
- Serendipity and independent career development
- Treatment and development investment appropriate for professionals

#### Thinking Behind the Supporting Personnel System

Three ways of thinking that are at the root of the personnel system support the "cycle of growth." They are:

#### The Flexible Assignment of Roles

Human Resources System P. 68

NRI intentionally does not set up rigid missions or roles. We encourage our employees to think on their own and take action that goes beyond their missions and roles, rather than carry out their work exactly as instructed.

#### Serendipity and Independent Career Development

Autonomous Career Development P. 69

At NRI, employees are asked to independently develop their own careers. At the same time, NRI also believes that even if not in line with an employee's intentions, relocations, and assignments made by the Company can contribute to serendipitous happiness that can lead to the growth of the individual.

#### Treatment and Development Investment Appropriate for Professionals

Human Resource Investment P. 72

Salaries, bonuses, benefit packages, and other comprehensive economic treatment of employees by NRI are kept at a level that befits professionals. What is more, NRI encourages employees to take the initiative to study and enhance their expertise early on by participating in various training programs or acquiring qualifications.

Competitive Advantages

Competitive Intellectual Property

NRI widely communicates the fruits of R&D to society as future forecasts and recommendations related to society. At the same time, we are using expertise that was obtained through business activities as practical competitive intellectual properties, thereby enhancing our competitive advantages.

Future Forecasts and Social Recommendations

Ever since its founding, NRI has continued activities as a think tank, such as the provision of future forecasts and social recommendations. The Company carries out investigative research in industry fields such as finance, distribution and IT, surveys of consumer trends, and future forecasts. The results are widely communicated to society through the publication of books, symposiums, magazines, newspapers, television, and other mass media.

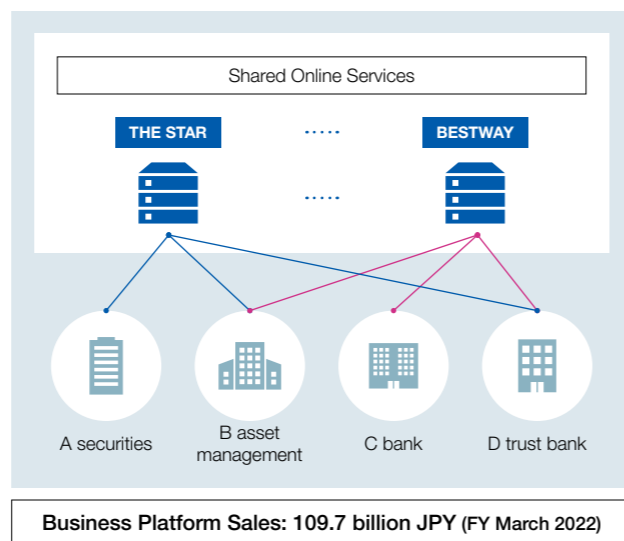
A great number of such results have been picked up by various media and book reviews, and have been highly recognized by various quarters. We believe that such activities are contributing greatly to the enhancement of NRI's corporate brand image.



The NRI Dream Up the Future Forum 2021

Shared Online Services

For many years, NRI has continued to respond to the needs of clients in the financial industry and provide innovative solutions. Shared online services are the fruit of our long-term accumulation of know-how. Shared online services consist of the creation of software incorporating the technology and expertise cultivated through building systems for individual clients, with the client's required work standardized, and providing it as SaaS. NRI's strength is using our deep understanding of regulations and systems to provide integrated services, from consulting to IT services and BPO. The increase in the number of clients using shared online services contributes not only to the expansion of NRI's business but also to the stabilization of our profit structure.



Major Shared Online Services

	<b>Launched in 1974</b> <b>THE STAR</b> Back-office solution for retail brokerage firms	75 firms
	<b>Launched in 1987</b> <b>I-STAR</b> Back-office solution for wholesale brokerage firms	29 firms
	<b>Launched in 1993</b> <b>T-STAR</b> Back-office solution for asset management firms	79 firms
	<b>Launched in 1997</b> <b>BESTWAY</b> Back-office solution for mutual fund sales at banks <small>* Including life insurance firms, non-life insurance firms, and investment trust firms, etc.</small>	110 firms*
	<b>Launched in 2012</b> <b>Value Direct</b> Online banking system	21 firms
	<b>Launched in 2015</b> <b>e-BANGO</b> My Number management services	No. of My Number stored Approx. 3,400 million cases
	<b>Launched in 2017</b> <b>e-NINSHO</b> Identity Verification Solution <small>* Source: Ministry of Internal Affairs and Communications; Private Companies Utilizing Japanese Public Key Infrastructure Services</small>	106 firms*
	<b>Launched in 2018</b> <b>e-PO box</b> First private-sector cloud linked with Mynaportal <small>* Source: National Tax Agency; Issuer Companies Utilizing Deduction Certificates, Etc., Linkable to Mynaportal</small>	61 firms*

Note: No. of firms and cases are as of the end of March 2022.

Utility Services (IT solutions + BPO services)

Utility services are provided in combination with NRI's IT solutions such as shared online services and BPO services. NRI provides the entire business process with the personnel who handle related work, not just the system.

Major Utility Services

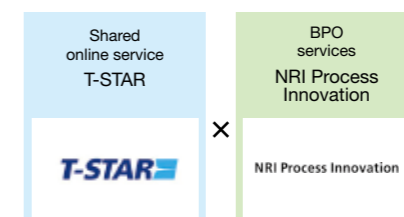
For retail brokerage firms

NRI provides the shared online service "THE STAR," and DSB Co., Ltd., provides comprehensive support services. They range from trade execution, clearing, settlement, account management, account transfer, and other financial services carried out on behalf of securities companies, to securities back-office works, printing, envelope insertion, and mailing services.



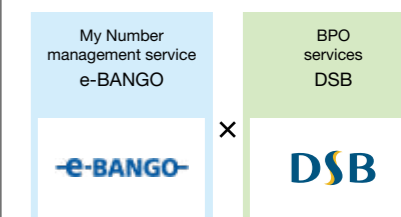
For asset management firms (investment trust and investment advisory firms)

NRI provides the shared online service "T-STAR," and NRI Process Innovation, Ltd., provides the overall middle/back-office work, such as net asset value calculation for asset management firms (investment trusts and investment advisory firms, etc.) and other investment trust accounting work and investment report creation work.



For financial institutions / operating companies

NRI provides "e-BANGO" as a My Number storage/management system with high management standards, based on our experience operating backbone systems for financial institutions. DSB Co., Ltd., provides services for the collection, registration, management, and use of individual numbers.



Development of Competitive Intellectual Properties

In recent years, we have been focusing our efforts on the development of digital IPs which can be used for multiple clients and industries in the DX business area. We will respond flexibly to business requirements that cannot be easily met through packaged solutions, and achieve the speedy provision of systems. This will be done through the utilization of digital intellectual properties, such as by combining advanced AI algorithms – a major technology for realizing DX – with cloud technology, and incorporating them into e-commerce sites and core business systems. NRI will strengthen competitive advantages through the development of digital intellectual properties, and contribute to clients' achievement of DX.

Industrial IT Solutions segment P.124



Advanced R&D

NRI promotes two categories of R&D. The first is DX business development, via cutting-edge technological research, fundamental technologies, and production/development technologies regarding information technology, and recommendations for society, via surveys and research. The second is investigative research, via research and feasibility investigations, prototype development, and proof of concepts for new business and new product development according to our Medium-Term Management Plan and "Vision 2022" Long-Term Management Vision. In FY March 2022, we invested ¥4.9 billion in R&D and placed particular emphasis on business development themes and accumulated commercialization expertise for businesses that will lead to new value creation.

R&D Themes and Initiative Policies

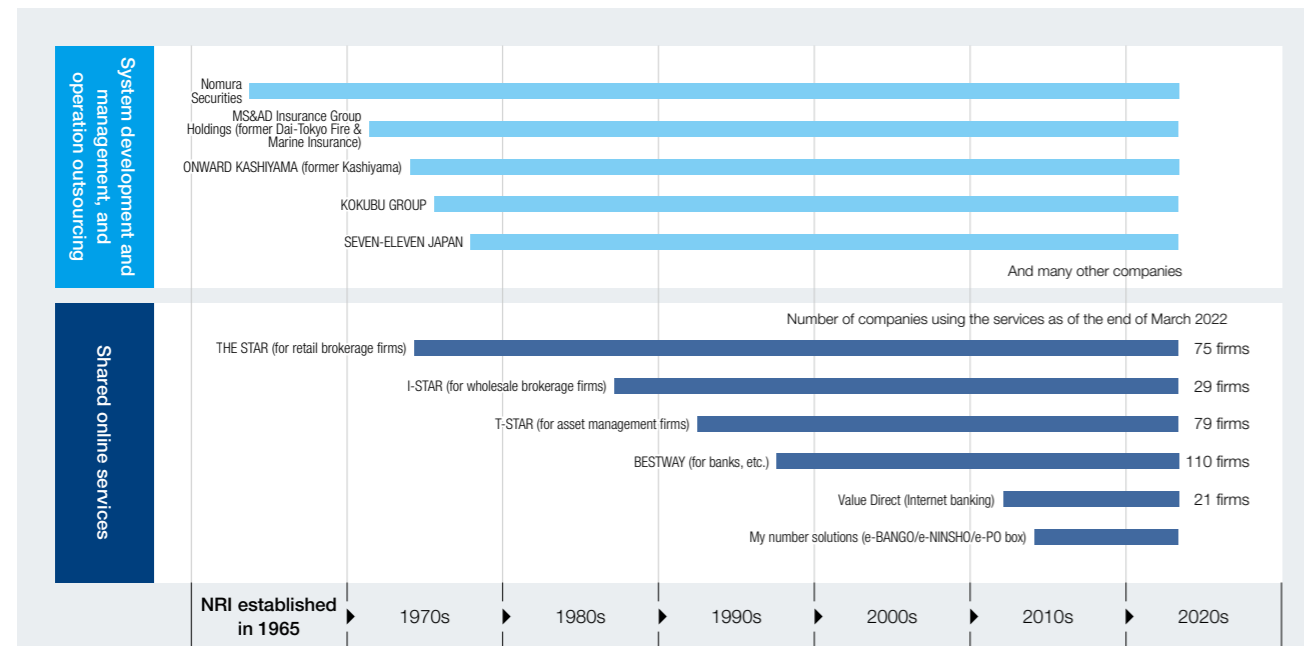
Theme	Initiative policy
<b>Investigative research</b>	• Research and theoretical research from a medium- to long-term perspective
	• Investigation research contributing to NRI business development
	• Technology trend surveys to contribute to the vitalization of business development and strengthen the technical competitiveness of NRI
	• Systematic policy research, consumer surveys, etc
<b>DX business development</b>	• Recommendations that contribute to government institutions and corporate management
	• Business development for priority themes such as 5G, next-generation stores, and smart cities
	• Technological research focusing on DX-related technology



Competitive Advantages

Solid Client Base

Through long-term business relationships with industry leaders, we have accumulated experience and know-how related to various industries and operations. NRI utilizes these assets to create innovative solutions such as shared online services and digital IP. Furthermore, by continuing to provide high-quality services, we are working to strengthen relationships with clients and expand our client base.

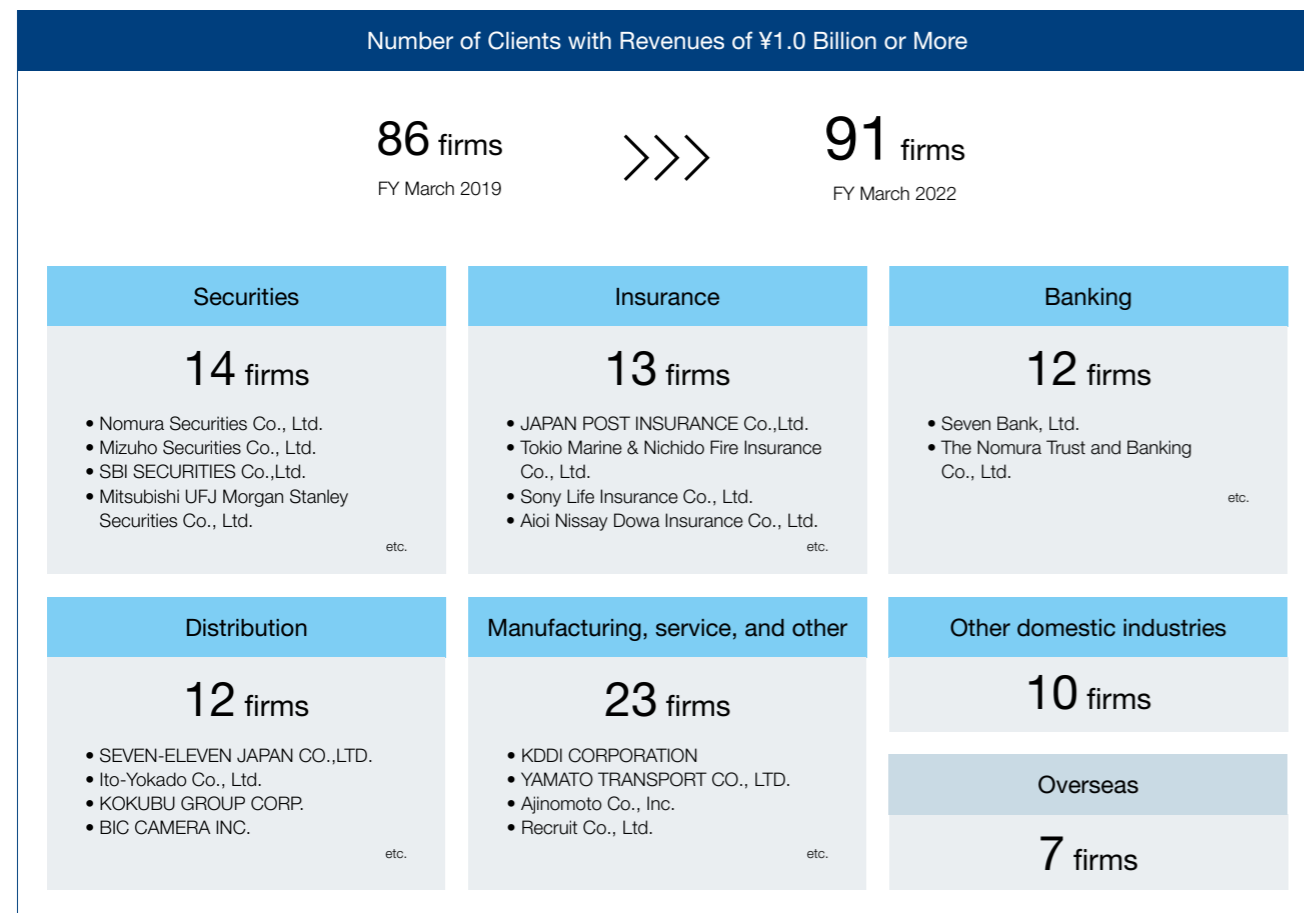
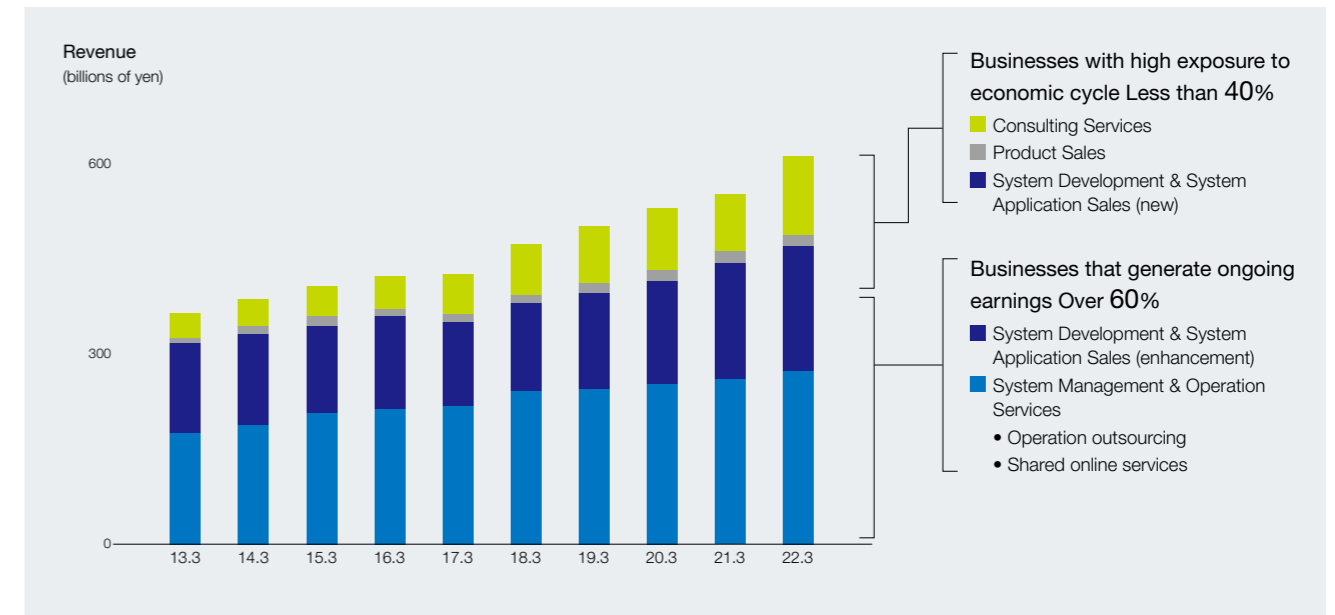


Outcome of Business Model and Competitive Advantages

Our competitive advantages and outstanding business model will achieve a stable profit structure and high levels of profitability and productivity that support NRI's sustainable growth.

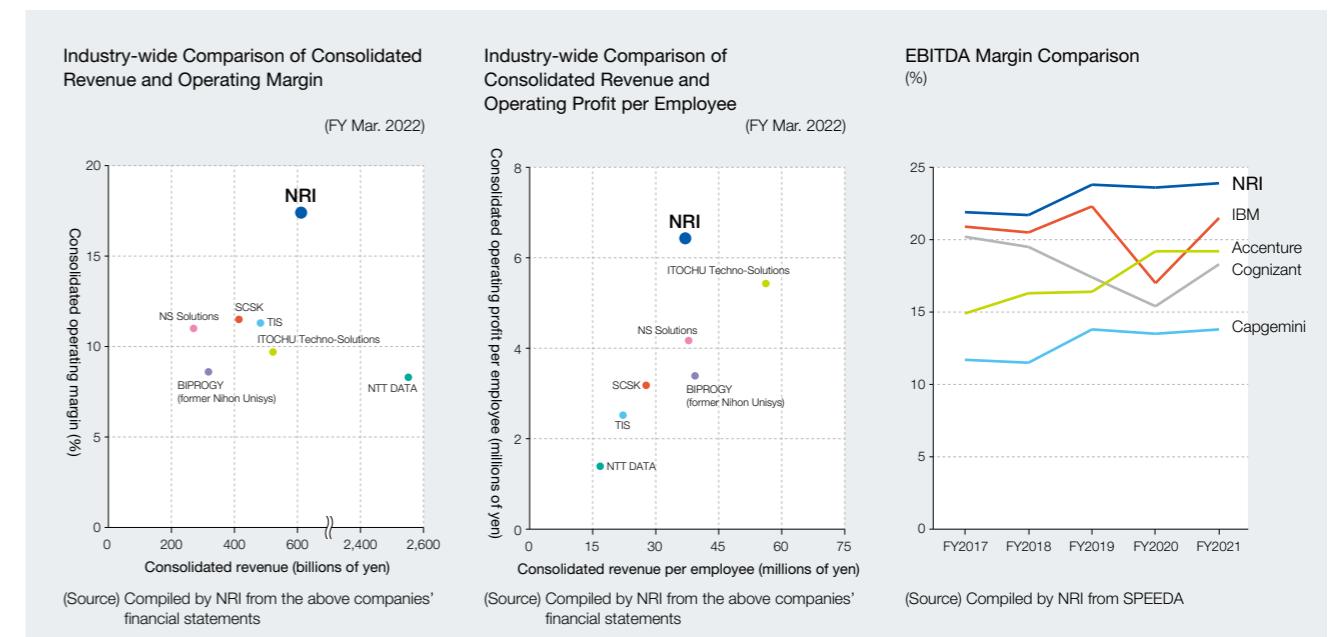
Stable Profit Structure

NRI has established a stable profit structure with sustainable businesses accounting for over 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.



## Opportunities and Risks due to Changes in the External Environment

Based on an understanding of changes in the external environment and opportunities/risks for NRI, we formulate policies for continuing sustainable growth and implement related initiatives.

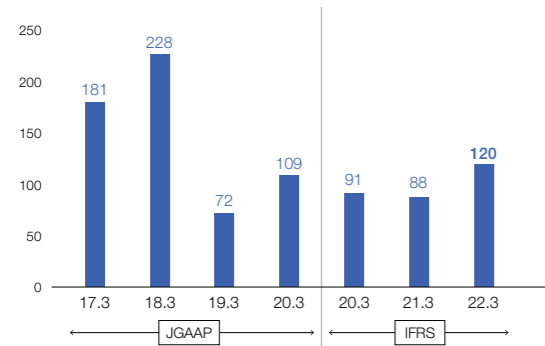
Main Changes to the External Environment		Opportunities	Risks	Related Initiatives
Complex social issues	<ul style="list-style-type: none"> <li>Importance of decarbonization and other means of resolving social issues</li> <li>Heightened expectations of society and investors toward companies for the resolution of social issues</li> </ul>	<ul style="list-style-type: none"> <li><b>Contribution to preserving the global environment</b> <ul style="list-style-type: none"> <li>Reduction of client greenhouse gas emissions through shared online services</li> </ul> </li> <li><b>Business continuity in states of emergency</b> <ul style="list-style-type: none"> <li>Needs for data centers that possess advanced disaster prevention functions</li> </ul> </li> <li><b>Expansion of areas for cooperation in regard to the resolution of social issues</b> <ul style="list-style-type: none"> <li>Cooperative frameworks, including decarbonization, and carbon neutrality</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Social responsibility</b> <ul style="list-style-type: none"> <li>Inadequate climate change measures</li> <li>Inappropriate behavior in business activities</li> </ul> </li> <li><b>Business continuity</b> <ul style="list-style-type: none"> <li>Ill-preparedness for COVID-19 and large-scale natural disasters</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Reduction of Environmental Impact for Preserving Global Environment (P.88)</li> <li>Initiatives Regarding the TCFD Final Report (P.91)</li> <li>Internal Controls, Corporate Ethics, and Compliance (P.116)</li> <li>Cooperation with Business Partners (P.86)</li> <li>NRI's Quality Management (P.80)</li> </ul>
	<ul style="list-style-type: none"> <li>Increase in cyberattacks that are coupled with the increased complexity of international political trends</li> </ul>	<ul style="list-style-type: none"> <li><b>Strengthening of information security</b> <ul style="list-style-type: none"> <li>Needs for information security services that manage data, such as personal information, safely, and securely</li> <li>Needs for advisory services by experts due to lack of information security specialists</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Information security</b> <ul style="list-style-type: none"> <li>Information leakage due to unauthorized external access</li> <li>Group governance of rule violations at the NRI Group and business partners</li> <li>Insufficient synergistic effects of M&amp;A and partnerships</li> <li>Inadequate system for global strategy promotion</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Cooperation with Business Partners (P.86)</li> <li>Quality of Information Security (P.83)</li> </ul>
	<ul style="list-style-type: none"> <li>Relative expansion of the scale of overseas markets</li> </ul>	<ul style="list-style-type: none"> <li><b>Entry into overseas markets</b> <ul style="list-style-type: none"> <li>Incorporation of IT investment needs in overseas markets</li> <li>Overseas acquisition of competitive intellectual properties</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Group governance</b> <ul style="list-style-type: none"> <li>Insufficient synergy through M&amp;A and alliances</li> <li>Insufficient system to promote global strategy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Global Strategy (P.50)</li> <li>NRI's Corporate Governance (P.102)</li> </ul>
	<ul style="list-style-type: none"> <li>Division of economic zones and formation of economic blocs</li> </ul>	<ul style="list-style-type: none"> <li><b>Reconstruction of supply chains</b> <ul style="list-style-type: none"> <li>Needs for advisory services for corporations constructing their global supply chain</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Business partners</b> <ul style="list-style-type: none"> <li>Tightening of regulations toward overseas offshore development, and degraded quality of efficiency</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Cooperation with Business Partners (P.86)</li> </ul>
Increasingly fluid industrial structure	<ul style="list-style-type: none"> <li>Melting of boundaries between business types and industries due to digitalization</li> <li>Growth limits of existing revenue models</li> <li>Digitalization as a source of competitiveness</li> </ul>	<ul style="list-style-type: none"> <li><b>Redefinition of industry and business models, and integration of management and technology</b> <ul style="list-style-type: none"> <li>Needs for simultaneous transformation of both client business and IT through the combination of consulting and IT solutions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Quality</b> <ul style="list-style-type: none"> <li>Occurrence of large-scale system failures</li> <li>Unstable operation of the operating system</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Competitive Intellectual Property (P.32)</li> <li>NRI's Quality Management (P.80)</li> </ul>
	<ul style="list-style-type: none"> <li>Strengthening of the protection of rights</li> </ul>	<ul style="list-style-type: none"> <li><b>Prevention of legal violations and serious accidents</b> <ul style="list-style-type: none"> <li>Needs for advisory services for the practice and establishment of rights protection</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Compliance</b> <ul style="list-style-type: none"> <li>Infringement of third-party intellectual property rights</li> <li>Violation of domestic and foreign laws and regulations</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Internal Controls, Corporate Ethics, and Compliance (P.116)</li> </ul>
Progress of latest technologies and commoditization	<ul style="list-style-type: none"> <li>Evolution of advanced technology, such as cloud computing, artificial intelligence, and next-generation communications</li> <li>Commoditization of no-code, low-code, etc.</li> </ul>	<ul style="list-style-type: none"> <li><b>Emergence of DX-related business</b> <ul style="list-style-type: none"> <li>R&amp;D for advanced themes with a focus on DX-related business</li> <li>Emergence of business by accumulating expertise through collaboration with clients</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Projects</b> <ul style="list-style-type: none"> <li>Late delivery</li> <li>Work man-hours exceeding the initial estimate</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Competitive Intellectual Property (P.32)</li> <li>NRI's Quality Management (P.80)</li> </ul>
Diversification of values and work styles	<ul style="list-style-type: none"> <li>Taking root of respect for individuals and new working styles</li> </ul>	<ul style="list-style-type: none"> <li><b>Expansion of the usage of IT services</b> <ul style="list-style-type: none"> <li>Heightened needs for increasing business efficiency and improving productivity</li> <li>Shift to shared online services</li> <li>Modernization of systems using new technology</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Securing/cultivating human resources</b> <ul style="list-style-type: none"> <li>Insufficient securement and cultivation of human resources with expertise</li> <li>Decline of labor productivity and loss of human resources</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Diverse Professionals (P.30)</li> <li>NRI's Human Resource Strategy (P.68)</li> <li>DX Human Resources (P.72)</li> </ul>
		<ul style="list-style-type: none"> <li><b>Variety of working styles and diverse human resources</b> <ul style="list-style-type: none"> <li>Pursuit of optimal working styles for NRI, such as the utilization of telecommuting</li> <li>Value creation through collaboration with business partners and external human resources</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Business partners</b> <ul style="list-style-type: none"> <li>Insufficient securement of business partners possessing highly specialized operational expertise</li> <li>Decline of productivity and quality in the NRI Group, including business partners</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Cooperation with Business Partners (P.86)</li> <li>NRI's Quality Management (P.80)</li> </ul>



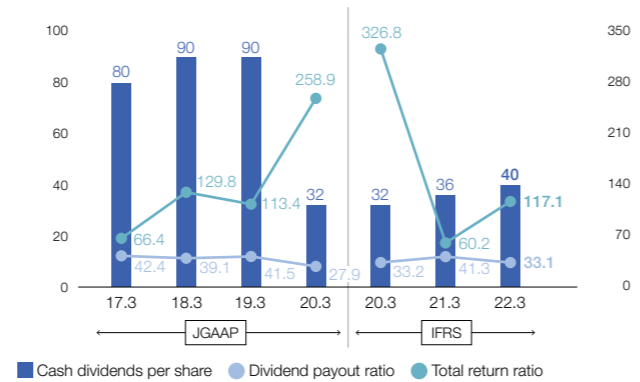
## Financial Highlights

### Shareholder Value / Returns to Shareholders

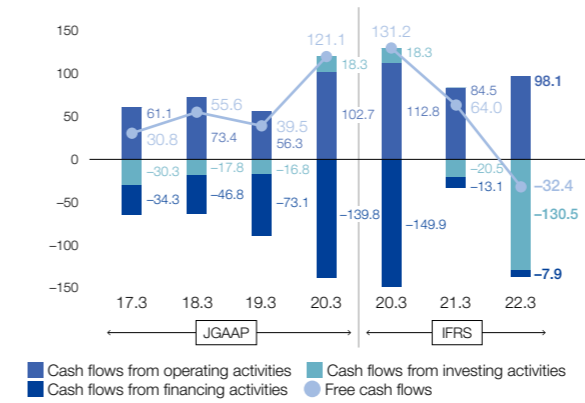
Earnings per Share (EPS)\*\*<sup>2,3</sup>  
(yen)



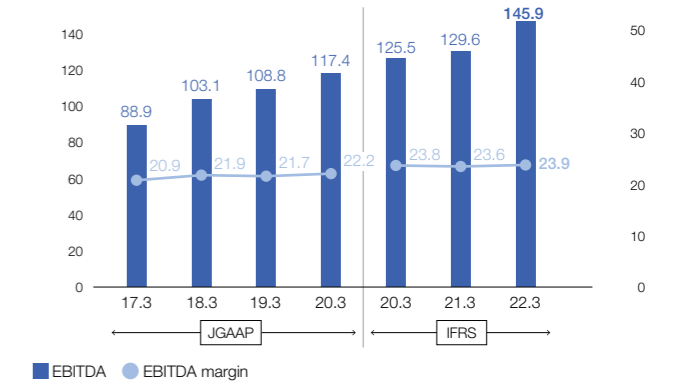
Cash Dividends per Share (DPS)<sup>4,5</sup> / Dividend Payout Ratio<sup>4,5</sup> / Total Return Ratio (%)



Cash Flows (CF)  
(billions of yen)

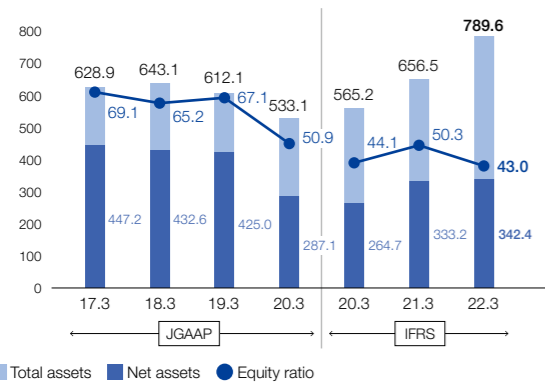


EBITDA<sup>6</sup> / EBITDA Margin  
(billions of yen)

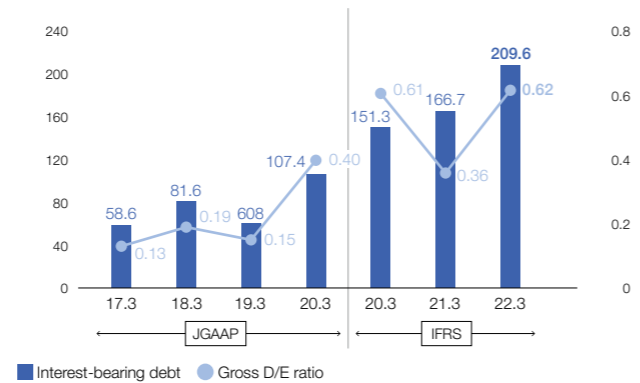


### Financial Condition

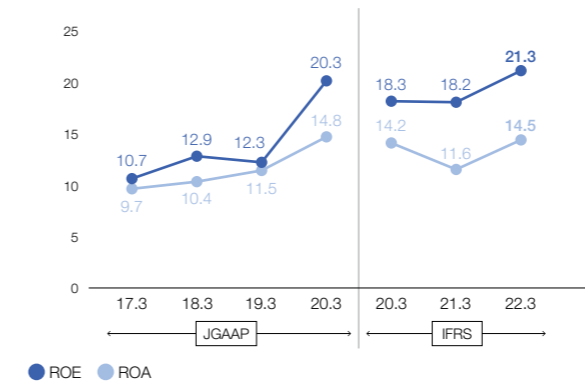
Total Assets / Net Assets / Equity Ratio  
(billions of yen)



Interest-bearing Debt / Gross D/E Ratio  
(billions of yen)

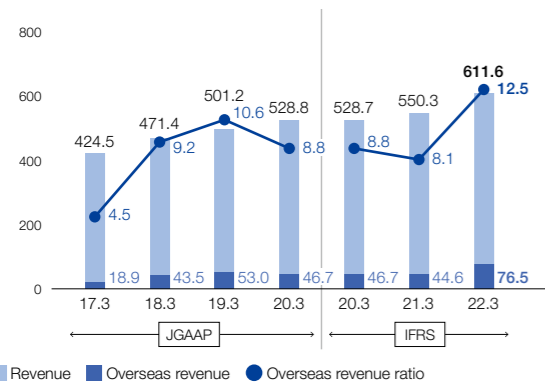


ROE / ROA (%)

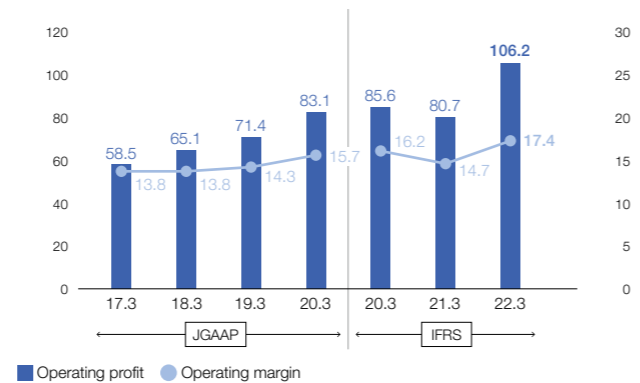


### Financial Results and Cash Flow Situation

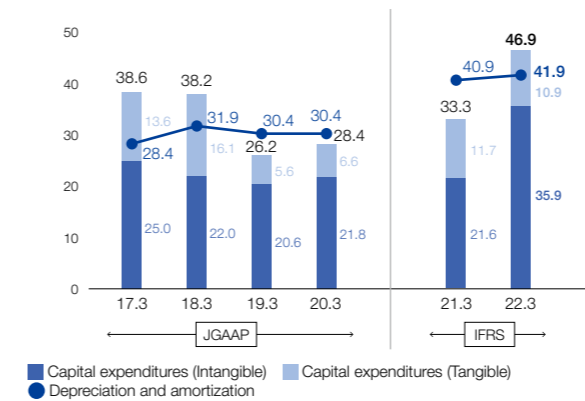
Revenue / Overseas Revenue<sup>5</sup> / Overseas Revenue Ratio  
(billions of yen)



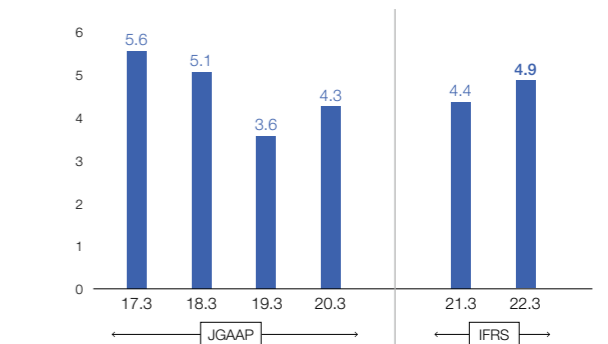
Operating Profit / Operating Margin  
(billions of yen)



Capital Expenditures / Depreciation and Amortization  
(billions of yen)



Research and Development Expenses  
(billions of yen)



\*1 Amounts have been rounded down to the nearest unit specified. However, percentages have been rounded off to the nearest digit specified

\*2 NRI implemented 1:1.1 common stock splits on January 1, 2017. EPS is calculated by deeming stock splits to have occurred respectively at the beginning of FY March 2015, and FY March 2016.

\*3 NRI implemented 1:3 common stock splits on July 1, 2019. EPS is calculated by deeming stock splits to have occurred respectively at the beginning of FY March 2019. Dividend per share for FY March 2019 is based on the number of shares prior to the stock split.

\*4 The dividend payout ratio is calculated by dividing the total sum of dividends (including dividends to the NRI Group Employee Stock Ownership Group) by net income.

\*5 The classification of revenue is changed from the method based on the location of sales destinations to the method based on the location of the headquarters of each company.

\*6 EBITDA is calculated as operating profit + depreciation and amortization + goodwill amortization up to FY March 2017, as operating profit + depreciation and amortization + goodwill amortization + loss on retirement of fixed assets from FY March 2018 and as operating profit + depreciation and amortization + loss on retirement of fixed assets ± temporary factors from FY March 2020 (IFRS).

## Non-Financial Highlights

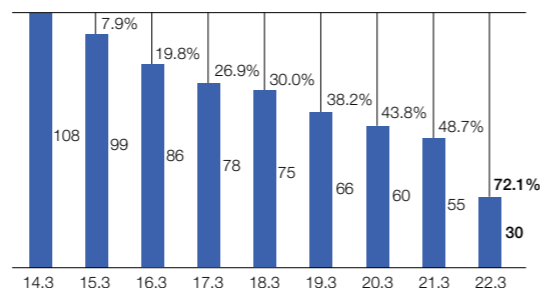
See P.130-131 for more details

### E: Environment-related Data

Greenhouse Gas Emissions (NRI Group data)  
(1,000t-CO<sub>2</sub>)

The NRI Group reduced its greenhouse gas emissions significantly by migrating to new, environmentally friendly data centers, and other means.

· FY March 2022: Reduced greenhouse gas emissions by 72.1% compared with FY March 2014.

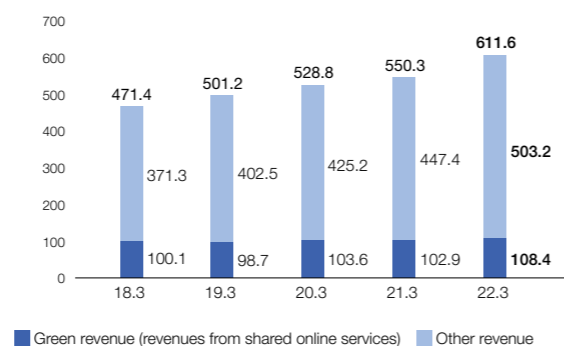


Green Revenues (Revenue from Shared Online Services) (NRI Group data)

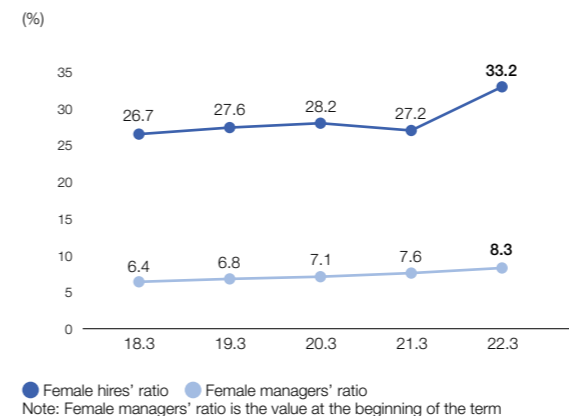
Amid concerns over rising power usage by the IT services industry as a whole, NRI has formulated a business plan intended to reduce power usage by the IT activities of the entire value chain, including client companies. Specifically, growing NRI's shared online service revenues will likely serve to curb the carbon dioxide emissions of society as a whole.

Data indicates that using NRI's shared online service can allow our clients to cut their CO<sub>2</sub> emissions by around 70%, compared with if they build and operate their own systems independently.

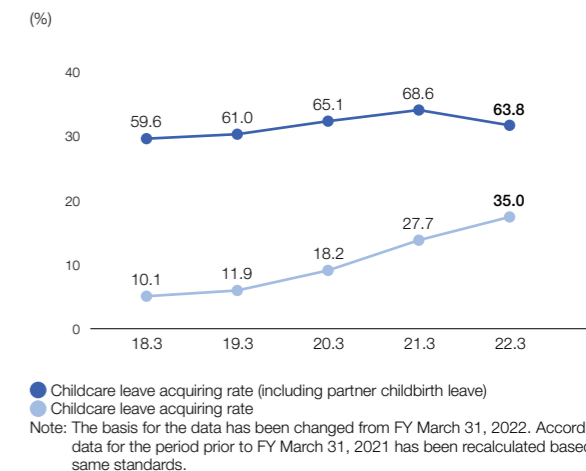
(billions of yen)



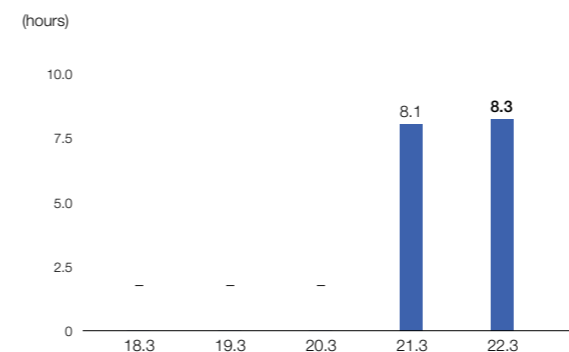
Female Hires' Ratio and Female Managers' Ratio (Non-consolidated data)



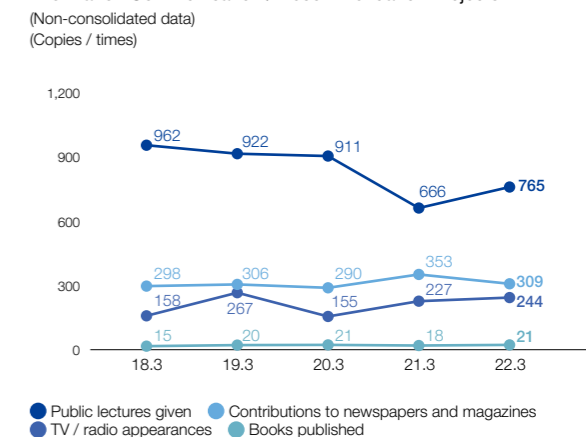
Male Childcare Leave Acquiring Rate (Non-consolidated data)



Average Overtime Hours Per Employee Per Year (Non-consolidated data)

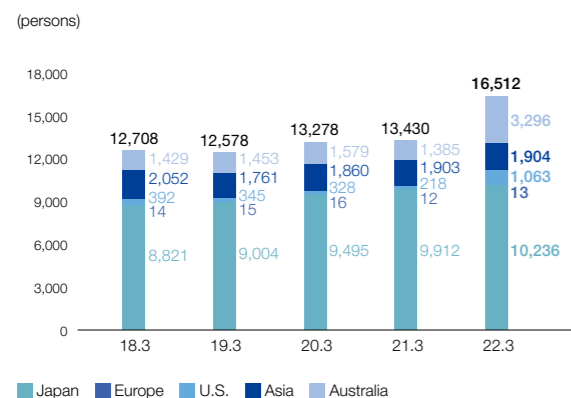


Information Communication / Recommendation Projects (Non-consolidated data)

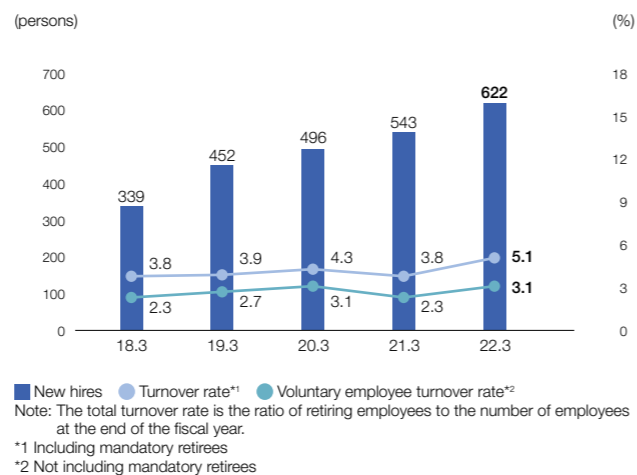


### S: Social-related Data

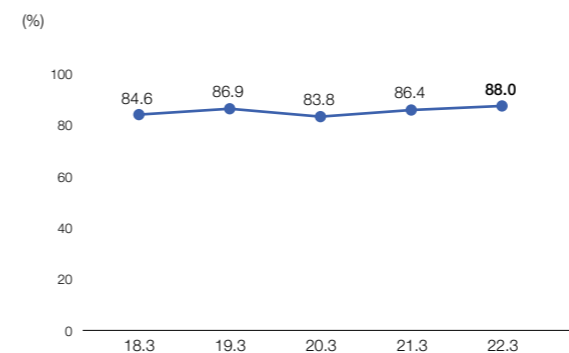
Number of Employees (NRI Group data)



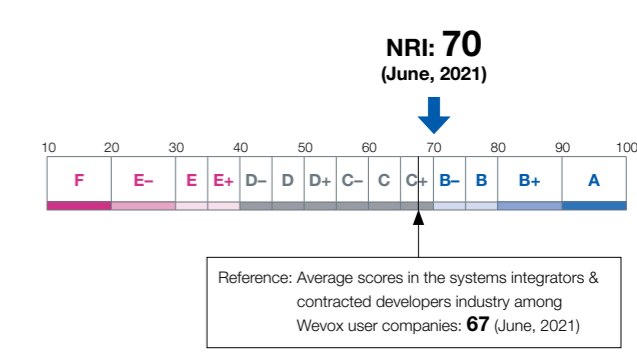
Number of Hires / Turnover Rate (Non-consolidated data)



Client Satisfaction (Non-consolidated data)



Engagement Score



Note: Number of questionnaire responses by project unit that NRI received an order for. Percentage that responded "Satisfied" or "Moderately satisfied" (total for top two items on five-grade scale).

Notes: 1. Using the engagement analysis tool WevoX provided by Atrax, Inc., we surveyed employees at NRI alone and at five group companies (NRI SecureTechnologies, NRI Social Information System Services, NRI Digital, Nomura School of Advanced Management) with a high percentage of employees seconded from NRI.  
2. Engagement scores are assigned ranks A through F as indicators





# 02

## Growth Strategy

Boldly challenges even high obstacles, and finds light in a future mocked by all as an impossibility

### CONTENTS

- 44 Transition of Growth Strategy
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## Transition of Growth Strategy

	Vision2015 NRIInnovation!		Vision2022 Share the Next Values!		Group Vision 2030																											
	FY March 2009 – FY March 2016		Medium-Term Management Plan (2016–2018)	Medium-Term Management Plan (2019–2022)																												
	FY March 2009 – FY March 2016		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		<p>We are currently formulating Group Vision 2030 (V2030), our new long-term management vision. On the basis of NRI's corporate philosophy and set of values, which are universal to us, we are imagining a society that NRI wants to see emerge in 2030, and a vision of how we will then be. The whole of NRI is developing a growth scenario toward that time.</p> <p>We will announce the V2030 new long-term management vision and new medium-term management plan in April 2023.</p> <p><b>Arrangement of Corporate Philosophy &amp; Vision</b></p>																											
Strategy and main results	<ul style="list-style-type: none"> <li>● <b>Growth higher than industry average and profitability set NRI apart in the industry</b> <ul style="list-style-type: none"> <li>• Growth potential: <b>7%</b> growth</li> <li>• Profitability: <b>13%</b> OPM or more</li> </ul> </li> <li>● <b>Powerful business portfolio</b> <ul style="list-style-type: none"> <li>• Break dependence on two major clients <b>58% → 74%*</b></li> <li>• Expand business in industrial sector <b>19% → 24%*</b></li> <li>• Expand industry standard business platforms <b>12% → 22%*</b></li> <li>• Expand overseas-related business <b>1% → 6%*</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Improve productivity in specialty areas in Japan</b> <ul style="list-style-type: none"> <li>• Hardly any unexpected large-scale unprofitable projects</li> <li>• Improved productivity by integrating business platform development systems and implementing development management integration tool</li> </ul> </li> <li>● <b>Expand industry-standard business platforms and develop large-scale clients</b> <ul style="list-style-type: none"> <li>• In Industrial IT, major progress has been achieved in the context of DX, and great progress has been made in development of largescale clients</li> <li>• In Financial IT, worsening business conditions of clients had an impact but business platforms grew, and large-scale projects were also acquired</li> <li>• Expand number of clients to whom sales was ¥1 billion or more: <b>86 firms (+22 firms)*</b></li> </ul> </li> <li>● <b>Build foundations for global business</b> <ul style="list-style-type: none"> <li>• Business in Australia is progressing smoothly, mainly with ASG</li> <li>• Initiated more governance improvements in conjunction with global business expansion</li> </ul> </li> <li>● <b>Create business IT</b> <ul style="list-style-type: none"> <li>• More projects involving D2C, digital marketing, and analytics</li> <li>• Greater proficiency in agile development for BIT, and productivity has improved</li> <li>• Collaborative models have been achieved by establishing joint ventures</li> </ul> </li> </ul>	<p><b>Growth Strategy</b></p> <ul style="list-style-type: none"> <li>DX Strategy  → P.47</li> <li>Business Platform Strategy</li> <li>Cloud Strategy</li> <li>Global Strategy  → P.50</li> <li>Human Resources Strategy  → P.53</li> </ul>																													
Specific initiatives	<ul style="list-style-type: none"> <li>● <b>Introduce THE STAR to Nomura Securities Co., Ltd.</b></li> <li>● <b>Established and acquired subsidiaries in the industrial field</b> <ul style="list-style-type: none"> <li>• Acquired NRI System Techno, Ltd. (2012)</li> <li>• Established Marubeni IT Solutions Inc. (2014)</li> <li>• Acquired Brierley+Partners, Inc. (2015)</li> </ul> </li> <li>● <b>Started provision of new industry standard business platform services</b> <ul style="list-style-type: none"> <li>• STP platform solution for asset managers "SmartBridge Advance" (2011)</li> <li>• Online banking system "Value Direct" (2012)</li> <li>• Solution supporting financial institutions' retail sales representatives "Advisor Platform" (2013)</li> <li>• My Number management services "e-BANGO" (2015)</li> </ul> </li> <li>● <b>Established overseas bases</b> Moscow (2008), Dalian (2010), India (2011), Thailand (2013), Indonesia (2015)</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Expanding the number of companies using industry standard business Platforms</b> <ul style="list-style-type: none"> <li>• THE STAR: 73 firms (+5 firms)*</li> <li>• BESTWAY: 114 firms (+5 firms)*</li> <li>• T-STAR: 78 firms (+5 firms)*</li> </ul> </li> <li>● <b>Global acquisition</b> <ul style="list-style-type: none"> <li>• North America: Cutter Associates (2016)</li> <li>• Australia: ASG Group Limited (2016), SMS (2017)</li> </ul> </li> <li>● <b>Established joint ventures</b> <ul style="list-style-type: none"> <li>• KDDI Digital Design Inc. (2017)</li> <li>• Technium CO., LTD. (2018)</li> <li>• NDIAS, Ltd. (2018)</li> <li>• JAL Digital Experience Co., Ltd. (2019)</li> </ul> </li> </ul>	<p><b>Financial Target and Progress</b></p> <table border="1"> <thead> <tr> <th></th> <th>FY March 2023 (Actual)</th> <th>FY March 2023 (Forecast)</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>¥611.6 billion</td> <td>¥670.0 billion</td> <td>¥670 billion or more</td> </tr> <tr> <td>Operating profit</td> <td>¥106.2 billion</td> <td>¥115.0 billion</td> <td>¥100 billion</td> </tr> <tr> <td>Operating margin</td> <td>17.4%</td> <td>17.2%</td> <td>14% or more</td> </tr> <tr> <td>Overseas revenue</td> <td>¥76.5 billion</td> <td>¥105.0 billion</td> <td>¥100 billion</td> </tr> <tr> <td>EBITDA margin</td> <td>23.9%</td> <td>—</td> <td>20% or more</td> </tr> <tr> <td>ROE</td> <td>21.3%</td> <td>—</td> <td>14%*</td> </tr> </tbody> </table> <p>* Aiming for higher capital efficiency as continuing from the previous term</p>				FY March 2023 (Actual)	FY March 2023 (Forecast)	Target	Revenue	¥611.6 billion	¥670.0 billion	¥670 billion or more	Operating profit	¥106.2 billion	¥115.0 billion	¥100 billion	Operating margin	17.4%	17.2%	14% or more	Overseas revenue	¥76.5 billion	¥105.0 billion	¥100 billion	EBITDA margin	23.9%	—	20% or more	ROE	21.3%	—
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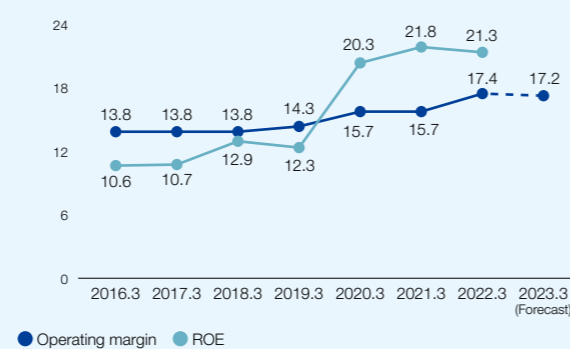
\* All percentages (%) are the sales ratio form FY March 2008 to FY March 2016 \* Number of firms for FY March 2019 (compared to FY March 2016)

Revenue / Operating Profit (billions of yen)

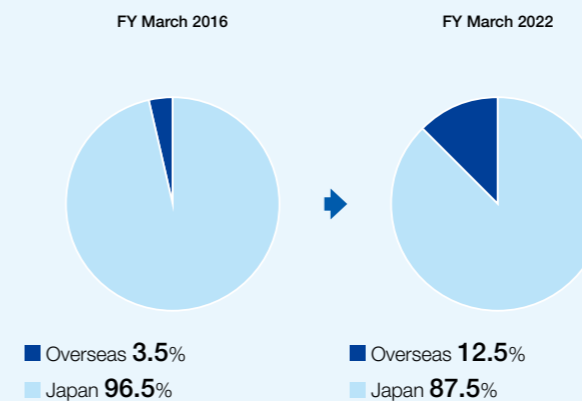


\* Figures for FY March 2022 are based on IFRS, and others are based on JGAAP

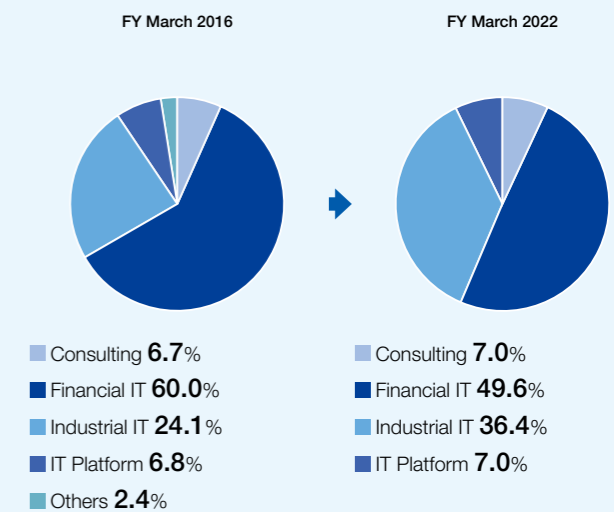
Operating Margin / ROE (%)



Ratio of Revenue by Japan and Overseas



Ratio of External Revenue by Segment





## Vision2022 and Medium-Term Management Plan

As we aim for the final goal of V2022, NRI is moving forward with the Medium-Term Management Plan (2019–2022), the four-year second half of V2022. In FY March 2021, the third year of the Plan, the growth strategy of the Medium-Term Management Plan progressed steadily, and we achieved targeted operating profit, ¥100 billion, ahead of schedule.

### Long-Term Management Vision “Vision2022”

In April 2015, NRI launched its long-term management vision “Vision2022” (V2022), the final year of which is FY March 2023. It was created to realize NRI’s corporate philosophy of “Dream up the future.” NRI is positioning itself as a corporation that boldly tackles truly meaningful innovation based on its commitment and strengths. NRI will create future society with clients by further refining the strengths that we have cultivated thus far; namely, insight, the ability to achieve, and the ability to co-create. We have imbued our thoughts for achieving V2022 into our vision statement “Share the Next Values!” With this in mind, each NRI employee is embracing the challenge of achieving new value.



### NRI Sustainability Management

NRI itself wants to achieve growth by contributing to the creation of a sustainable society through the resolution of social issues. This is the basic concept behind the sustainability management of the NRI Group, initiatives for which we newly commenced from the Medium-Term Management Plan (2019–2022).

NRI’s sustainability management consists of three items. They are the financial targets set in the Medium-Term Management Plan (2019–2022), and the growth-strategy-coupled non-financial targets – “Solving social issues through value co-creation,” and “Materiality for sustainable growth.” The sustainability management aims for “NRI’s sustainable growth” and “Building a sustainable future society.”

NRI Sustainability Management Policy → P.21

### Growth Strategy

NRI launched the Medium-Term Management Plan (2019–2022), the four-year second half of V2022 that aims for the final goal of V2022, in April 2019. As the digital transformation of society speeds even faster ahead, NRI is moving forward with the three growth strategies of (1) DX Strategy, (2) Global Strategy, and (3) Human Resources Strategy, in order to achieve both resolution of the issues of our clients and society and the growth of NRI’s businesses.

#### Growth Strategy of Medium-Term Management Plan (2019–2022)

<b>DX Strategy</b>	▶ Use technology to transform customer business models and processes
<b>Business Platform Strategy</b>	▶ Evolve business platforms (BPFs) in finance
<b>Cloud Strategy</b>	▶ Modernize legacy systems by using cloud infrastructure
<b>Global Strategy</b>	▶ Achieve more global business growth, seeking revenue of ¥100 billion
<b>Human Resources Strategy</b>	▶ Strategic recruiting, talent development

## DX Strategy

In recent years, movement toward DX has heightened due to an increase in IT investment for business models and work process transformation utilizing digital technologies. Furthermore, corporations are accelerating the speed of change, triggered by rapid changes in the business environment caused by the spread of COVID-19. NRI realizes client transformation by leveraging its strength of combining consulting and IT solutions, and by utilizing technology to provide comprehensive support from strategy formulation to solution implementation.

NRI defines DX that contributes to business process transformation of existing businesses as “DX 1.0,” DX that uses digital technology to create a new business model itself as “DX 2.0,” and DX that solves social issues and realizes a paradigm change as “DX 3.0.” We are implementing initiatives for each type of DX. In the field of “DX 1.0,” NRI is moving forward with many initiatives related to the streamlining of business and further sophistication of infrastructure, utilizing digital technology. The demand is high for infrastructure transformation of the launch of EC business and the accompanying distribution/inventory systems for clients in the distribution, manufacturing, and service industries, etc., in particular, and NRI is providing support for it. In the field of “DX 2.0,” we establish joint ventures with clients and companies that have advanced technologies and promote the creation of new businesses utilizing digital technologies via collaboration.

#### Framework of NRI’s DX Strategy

Social transformation	<b>DX 3.0</b>	<b>Paradigm transformation</b>	<b>Resolve social issues through co-creation with various partners</b> <ul style="list-style-type: none"> <li>• DX in local regions: Improving quality of life and expanding regional competitiveness</li> <li>• Low carbon transformation and resource saving via digital solutions</li> </ul>
	<b>DX 2.0</b>	<b>Business model transformation</b>	<b>Establish innovative digital services</b> <ul style="list-style-type: none"> <li>• Build new multi-industry platforms</li> <li>• Create new business models and ecosystems for clients</li> </ul>
Transformation of clients and industries	<b>DX 1.0</b>	<b>Process transformation</b>	<b>Digital front office</b> <ul style="list-style-type: none"> <li>• Digitalize actions for end users</li> <li>• D2C*, CRM, digital marketing</li> </ul> <b>Digital back office</b> <ul style="list-style-type: none"> <li>• Digitalize actions within client companies</li> <li>• SCM reforms, AI &amp; RPA, business platforms</li> </ul>
		<b>Infrastructure transformation</b>	<b>Enhance infrastructure such as cloud, security</b> <ul style="list-style-type: none"> <li>• Support migration to cloud, managed services, security business</li> </ul>

\* D2C (Direct to Consumer): Selling directly to consumers through e-commerce, etc.

#### DX 2.0 (Business Model Transformation) Expanding via Co-Creation with Customers

<b>KDDI Digital Design Inc.</b> Established with KDDI CORPORATION in 2017. Provides total support from drafting of corporate DX strategy to commercial verification and system development/operation.	<b>Technium CO., LTD.</b> Established with DMG MORI CO., LTD., in 2018. Leverages digital technologies to support high-level utilization of production equipment at plants, etc.	<b>NDIAS, Ltd.</b> Established by DENSO CORPORATION and NRI Secure in 2018. Provides security assessment and consulting services for onboard electronic devices for the automobile industry.
<b>BOOSTRY Co., Ltd.</b> Established with Nomura Holdings, Inc., in 2019. Develops and provides transaction platforms that use blockchain technology for issuing and distributing securities and other rights.	<b>Financial Digital Solutions, Ltd.</b> Established with QUICK Corp. in 2019. Uses the experience and know-how of both companies to develop efficient services for responding to changes in the environment surrounding financial institutions.	<b>EARTHRAIN Ltd.</b> Established jointly in 2021 with Komatsu Ltd., NTT Communications Corporation, and Sony Semiconductor Solutions Corporation. Provides digital solutions for the construction industry, which optimize construction processes through DX and achieve significant productivity improvement.

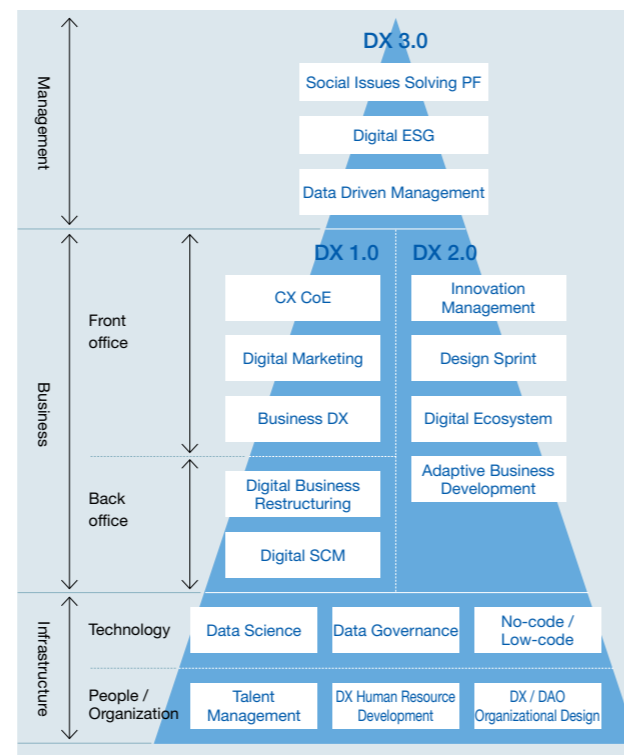
**DX Strategy**

Initiatives for DX Strategy

**Supporting the Transformation of Clients and Society through DX Consulting**

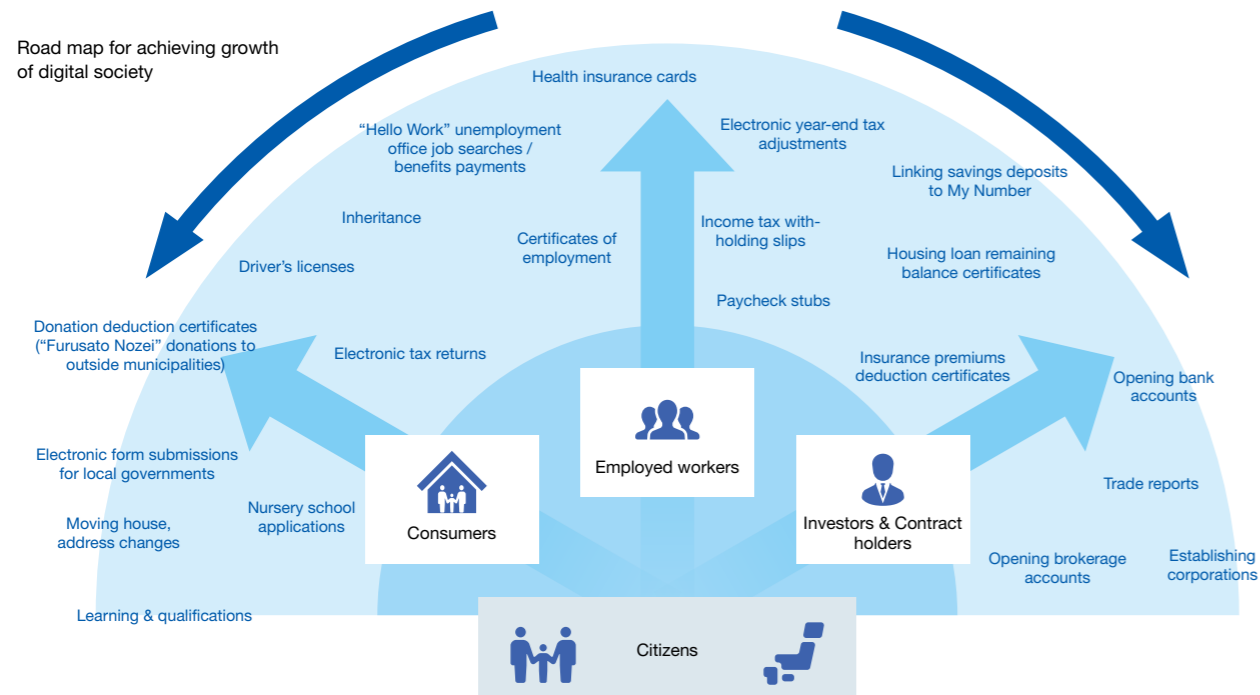
NRI's DX consulting area covers every multifaceted hierarchy, including issues faced by management, reform of business operations, generation of innovation, and infrastructure that supports businesses, human resources, and organizations. It deepens insight into issues, and goes beyond providing proposals. In order to provide practical results, DX consulting puts together teams that combine internal and external human resources who possess various capabilities. It aims to flexibly and promptly provide value by combining appropriate technologies and SaaS. Therefore, we are promoting strategic alliances with external partners. With the passage of time, the requirements of DX consulting are becoming more sophisticated. Rather than stay in a position that simply provides support to clients and society, we are strengthening our ability to take action together as a partner that proposes and promotes innovation. We are continuing to engage in creating a new society and businesses with our clients.

NRI-DX Consultation plans



**Improvement of Consumer Convenience with the My Number Individual Number as the Foundation**

NRI is engaged in the development of services that cross the boundaries between the public and private sectors and the creation of usage scenarios to spread and entrench the My Number Card, which is increasingly taking hold, as a "digital society ID." To promote the My Number Individual Number system from the private sector standpoint, NRI, as one of the largest providers of related services in Japan, has rolled out the "e-BANGO," a My Number storage/management system, "e-NINSHO," an identity verification service, and the "e-POBox," service, a private-public initiative that provides a digital infrastructure. More recently, e-NINSHO has been used by financial institutions for identity verification and in administrative procedures for making an application for the electronic issuance of deduction certifications, etc. In such ways, we carried out the incorporation of use of the My Number Card for private services and administrative procedures that are enabling consumers to feel the convenience of My Number Card utilization. Going forward, we will continue to support the social implementation of the My Number Individual Number system. Creating usage scenarios in the realm of daily life will allow consumers to experience use of the My Number Card. By doing so, we will expand our business opportunities in wide-ranging fields as well as undertake the transformation of society by providing services that will efficiently link the government with the private sector.

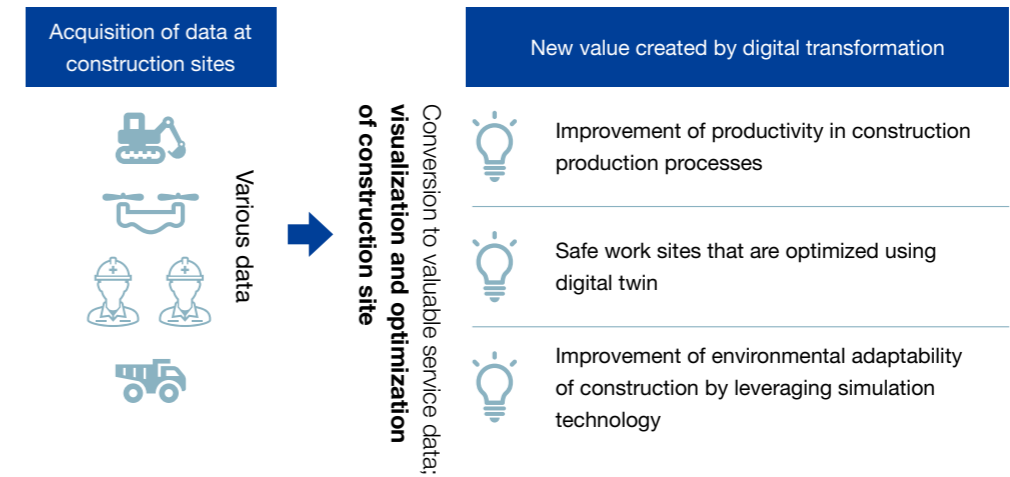


**DX Will Bring about Transformation of Production Processes in the Construction Industry**

The construction industry is currently facing issues such as aging workers and a declining working population, and combined with the impact of the spread of COVID-19, it needs to undergo reforms utilizing the power of digital technology on construction sites in Japan and overseas.

NRI, Komatsu, NTT Docomo, and Sony Semiconductor Solutions jointly launched the new company, EARTHBRAIN Ltd., in September 2021. It utilizes digital technology to remotely monitor all kinds of information including the topography of construction sites, machinery, people, materials and also safety and environmental aspects, and control the optimization of the entire construction process with diverse solutions such as visualization and optimization of construction sites, and remote control to resolve customers' issues. This will result in the generation of new standards for production processes and the creation of safe and highly productive sites for the future.

**New Value Created by DX of Construction Processes**

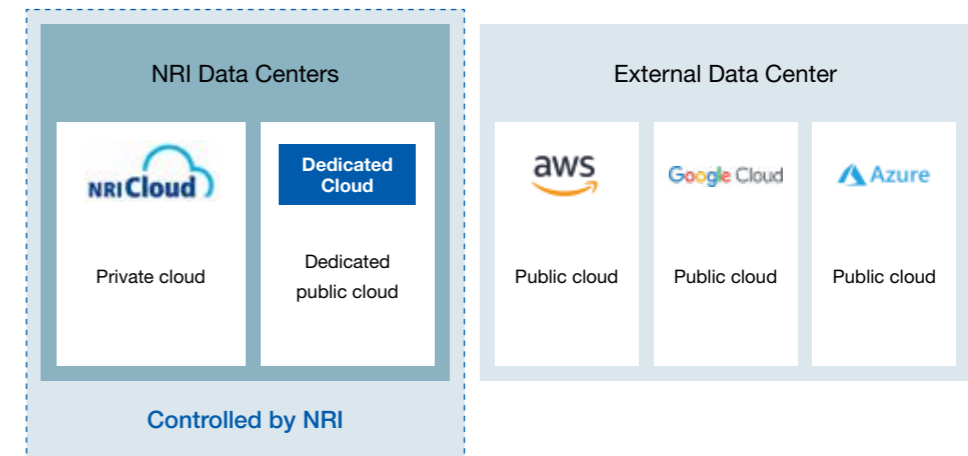


**Enhance Multi-Cloud Services (Dedicated Cloud)**

In response to the growing demand for overall system optimization in response to the diversification and complexity of customer system infrastructures, such as the use of on-premise and multiple clouds, NRI offers multi-cloud services that centrally manage multiple cloud infrastructures and managed services that provide comprehensive support by optimizing entire systems on behalf of customers' IT departments.

Utilizing useful services in the public cloud is an important factor for successfully realizing DX. NRI has established a dedicated public cloud in our own data center in order to maximize the usefulness and competitiveness of the public cloud, while at the same time responding to the need for safe and secure governance and security under our own control.

Using the World's First Oracle Dedicated Region Cloud In March 2020, NRI announced that, as part of strengthening this service, it would be the first company in the world to adopt Oracle Corporation's "Oracle Dedicated Region Cloud" and use it as NRI's exclusive public cloud.





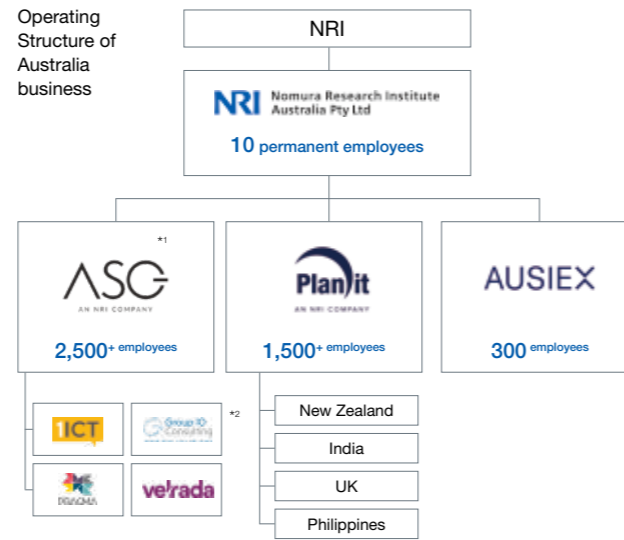
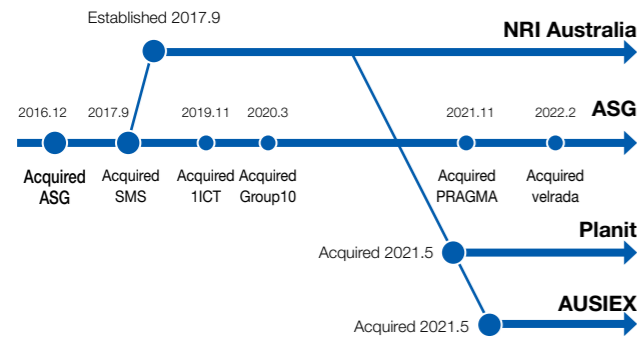
## Global Strategy

In order to achieve our target of ¥100 billion in overseas revenue as indicated in V2022 and our Medium-Term Management Plan (2019–2022), we are executing growth strategies for the three regions.

### Australia

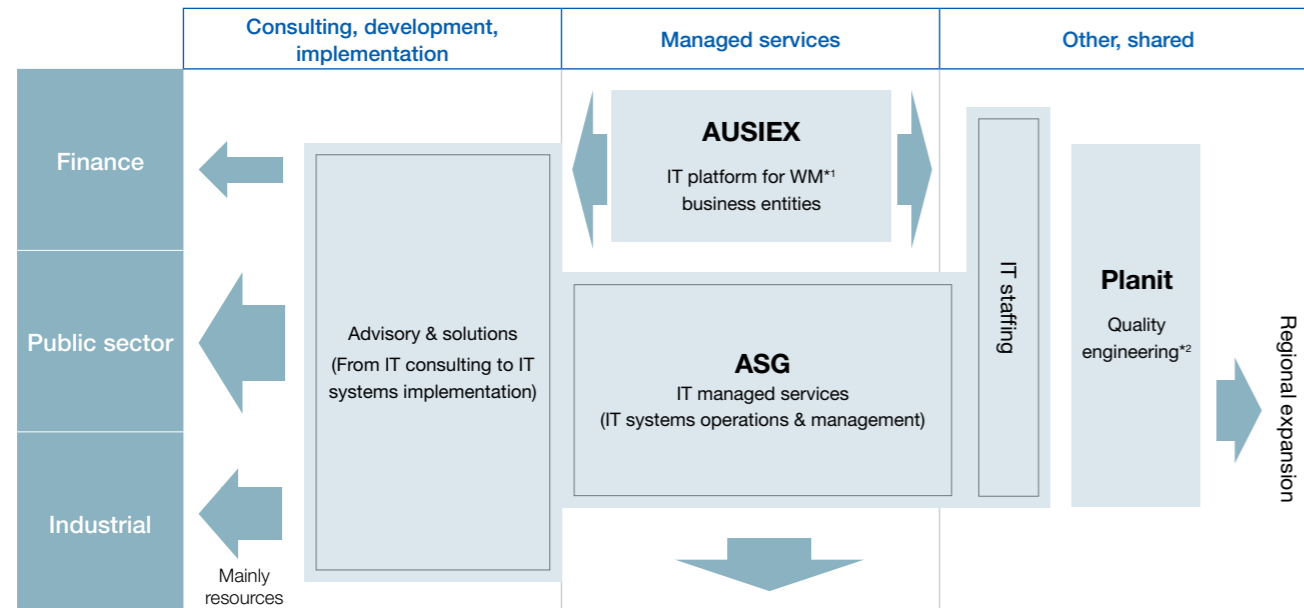
In FY March 2022, NRI Australia, which is NRI's holding company in Australia, acquired Australia's largest testing specialist, Planit, and AUSIEX, a group company of the Commonwealth Bank of Australia—one of Australia's four largest banks. Furthermore, in a move to strengthen its DX capabilities, ASG acquired two companies: PRAGMA and Velrada. With this, NRI's business in Australia has been evolving into a corporate entity similar to that in Japan, with services for heightening system quality in addition to having strengths in consulting, operational services, and BPO. Six years have passed since NRI entered the Australian market in 2016. During that time, the business in Australia has expanded approximately fivefold and is now recognized as a major IT servicer in Australia as well. Going forward, the focus of the strategy in the country will shift from an emphasis on the expansion in size through M&A to the pursuit of added value, and we will aim for further growth in the Australian market.

History of Australia Business



\*1 After acquisition, SMS merged fully with ASG.  
\*2 Other acquired corporations continue to exist as subsidiaries of ASG.

Services × Client Base



\*1 Wealth Management. Financial institutions, IFA etc.  
\*2 Consulting, execution support, and other services related to improving the quality of IT systems

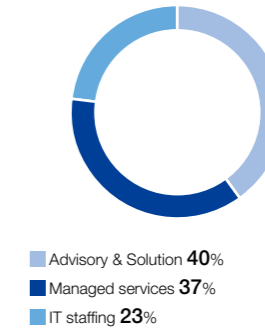
### ASG

ASG has been expanding its business and region while carrying out M&As with key players that lead the Australian IT market. Similarly to NRI, ASG supports the overall life cycle of IT systems, from the planning of strategies to system adoption and operational management. The company is providing four services, with a focus on government and public institutions. Its advisory service offers the formulation of digital strategies, etc., project management, and other services. The solutions service engages in system design and adoption, while the managed service carries out systems operation and management. IT human resource dispatching is a service that NRI does not offer in Japan. The service dispatches human resources and provides recruitment support.

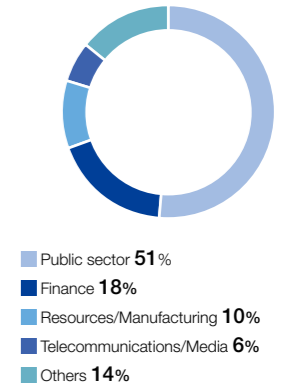
ASG possesses a full range of capabilities related to DX. By consistently supporting digital transformation as a trusted partner of its clients, the company is aiming to grow together with clients.

ASG will aim for further growth by expanding its capabilities through M&A and providing total support to clients.

Revenue by Services (FY2022)



Revenue by Client Industry (FY2022)

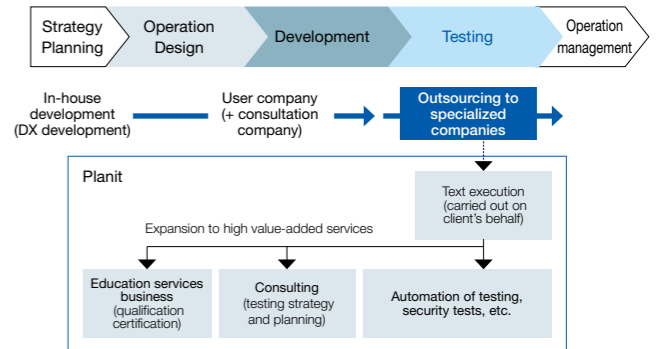


### Planit

Unlike Japan, where a systems integrator takes on all systems development processes, in Europe and the United States where in-house development is common, the testing process is typically outsourced to companies specializing in testing. With 1,500 experts in testing, the testing specialist Planit provides a wide range of services, 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. Leveraging its original expertise and services, accumulated through many years of experience, Planit is providing high value-added services to a wide range of clients. Clients include not only leading financial institutions of the Oceania region, and government and public institutions but also leading retail companies of the U.K. With the progress of recent years in DX, the testing process requires advanced consulting and streamlining. High growth is expected to continue going forward in the testing market. As a quality partner of its clients, Planit has succeeded in acquiring a position that differs from that of

systems integrators. It aims to expand its business not only in the Oceania region but also in the northern hemisphere through its differentiated capabilities.

Business Overview



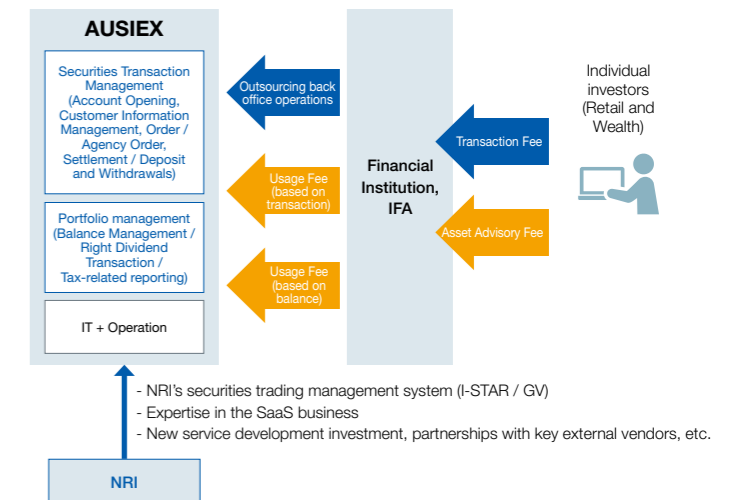
### AUSIEX

AUSIEX is an SaaS provider that combines IT systems and operation services in the back office area and provides high value-added services to leading Australian securities companies, wealth management companies, over 10,000 IFA\* individuals, and others. AUSIEX aims to build a business platform that covers areas other than wealth management by incorporating technologies related to the shared online services offered in Japan and strengthening new services.

Going forward, it aims to further strengthen its services and become a market infrastructure utilized by many financial institutions and IFAs.

\* IFA: independent financial advisors who are not affiliated with major financial institutions, etc.

Business Overview



Global Strategy

North America

Growth about 1.5 times greater than in Japan is hoped for in the North American IT services business (digital systems area). To expand its global business while maintaining its competitive edge in Japan, NRI needs to establish a business foundation in the North American market. In 2021, NRI carried out M&A of a North American DX company.

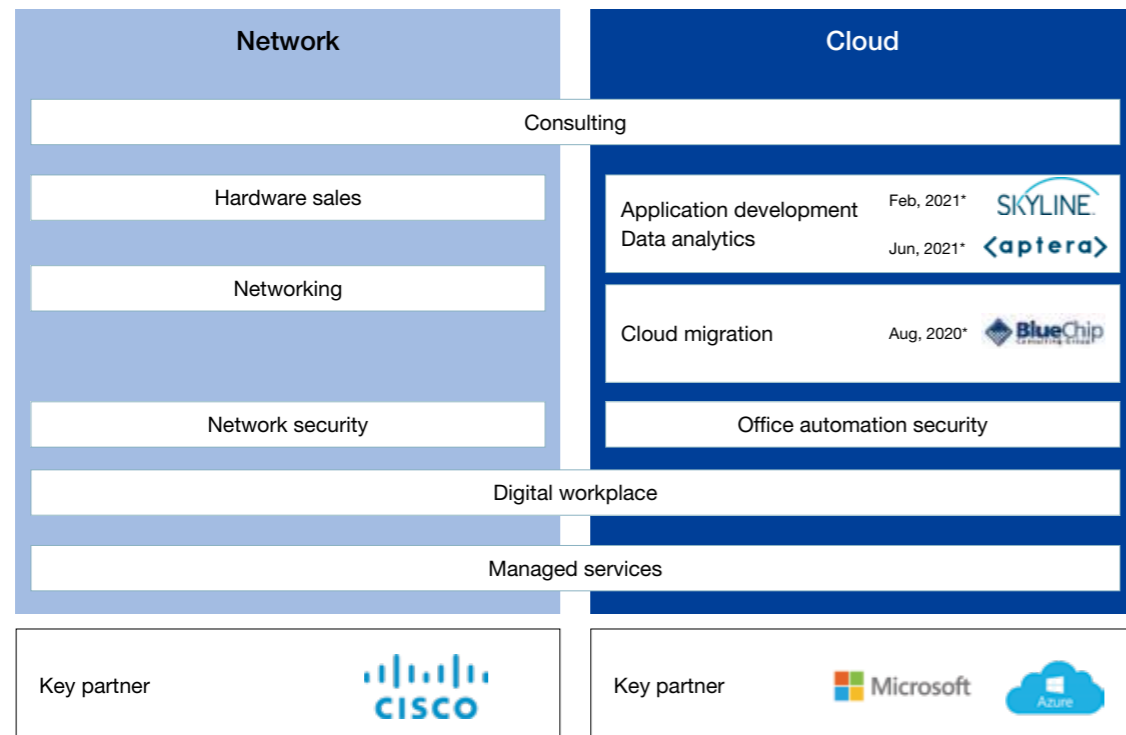
Core BTS

Nomura Research Institute Holdings America, Inc. is NRI's regional holding company in the United States. In December 2021, it made Core BTS, headquartered in Indianapolis, U.S., a subsidiary. Core BTS provides digital transformation-related solutions to U.S. clients in a wide-range of industries. Through a strategic partnership with Microsoft Corporation and Cisco Systems, Inc., Core BTS provides a full lineup of services, from consulting to systems development, introduction, and operation in the business areas of cloud computing, digital development, networks, and security. With the network business as its inherited business, Core BTS acquired DX application development and cloud consulting capabilities from 2018 through M&A. In 2021, it built a two-pillared business structure of network and cloud consulting (Microsoft Azure). Today, it provides one-stop services, from infrastructure to DX application development. Furthermore, by gathering engineers with advanced skills, Core BTS has been upgraded to a top-level solutions

partner in the U.S. and is significantly strengthening its competitive edge. Going forward, the company will utilize external growth opportunities, etc., to give high added value to the solutions that it provides as well as upgrade and expand its client base.



Overview of Core BTS



\* Acquisition date

Human Resources Strategy

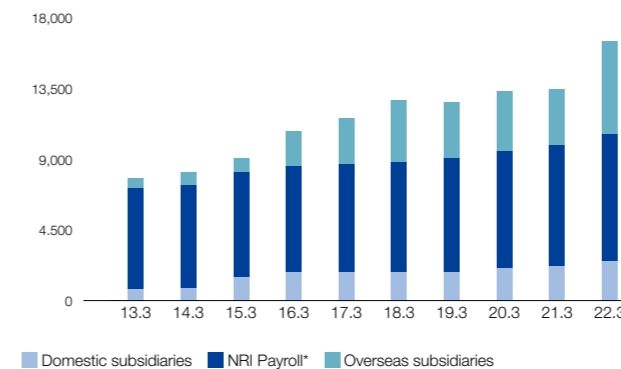
In order to execute the DX strategy and global strategy of the Medium-Term Management Plan (2019–2022), we must secure human resources that can solidly advance these strategies. Therefore, NRI is strengthening new graduate and mid-career hiring, and developing employees. In terms of development, we are enhancing training programs for human resources who want to acquire skills needed for advancing DX projects or for converting their skills.

Bolster hiring	FY March 2019		FY March 2023 (Plan)	
	New graduate hires	319 persons	Stable expansion	
Mid-career hires	133 persons	Double		

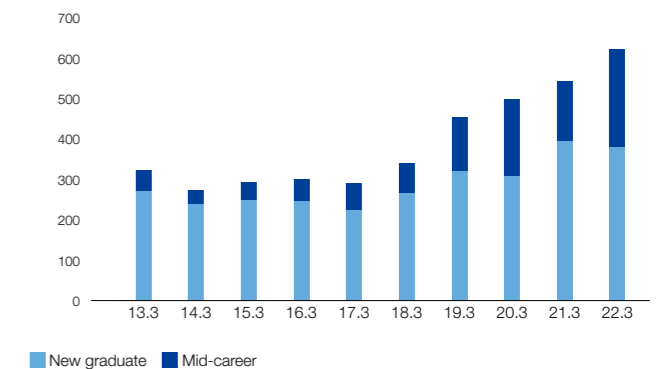
  

<b>Bolster hiring</b>	<ul style="list-style-type: none"> <li>● Increase of 1,000 staff or more (at NRI alone) over four years</li> <li>● Bolster new graduate hiring: Bolster promotions, etc.</li> <li>● Bolster mid-career hiring: Further improve systems of working conditions for the hiring of more specialists, etc.</li> </ul>
<b>Promote employee skill acquisition and development</b>	<ul style="list-style-type: none"> <li>● Strategically develop business designers, data scientists, and other such personnel</li> <li>● Skill acquisition and development for application / platform personnel to support DX strategy</li> </ul>
<b>Promote employee success</b>	<ul style="list-style-type: none"> <li>● Promote diverse work styles (diversity, participation, and advancement of women and senior personnel, etc.)</li> </ul>
<b>More development partners</b>	<ul style="list-style-type: none"> <li>● Get more development partners that have technologies and expertise in areas such as DX</li> </ul>

NRI Group's Employees (persons)



Hiring to NRI Payroll\* by Year (persons)



The Voice of a Mid-Career Recruit



**Kanako Fujita**  
Insurance Solution Division  
(Joined the company in May 2020)

I joined NRI because it is an environment that enables doing work for a wide range of industries. I thought that I would be able to leverage my past experience to undertake new work as well as expand my horizon through work. Before I joined NRI, I had the impression that the content of its work was cutting edge, such as DX, and was glamorous. However, there are many people who are diligently executing low-profile work, such as enhancement. It surprised me a bit. There are many talented individuals, even among the younger generation. I think that they have a strong sense of responsibility and are highly motivated. This makes working easier, and I find a feeling of reward in nurturing people. What is more, information is regularly communicated by officers. This makes it easy to understand the direction in which the Company is heading. This is also one of the things that makes me feel that I made the right decision in joining NRI.



Financial Strategy  
Message from CFO

# We will practice flexible and proactive financial management based on the growth of V2022.

Yoshihiko Sunaga  
CFO  
Senior Corporate Managing Director



In FY March 2022, despite the intermittent spread of COVID-19 continuing from the previous fiscal year, we were able to expand our DX business and global business, which has been a continual theme for NRI, and we were able to steadily improve our performance. We have already achieved the targets set for operating profit margin and ROE in the Long-Term Management Vision “Vision2022” (V2022) by FY March 2022. Recently, we were also able to achieve the target for operating profit ahead of schedule. In response to these achievements, in the announcement of financial results in April 2022, NRI announced the outline of our next vision, “Group Vision V2030” (V2030). The entire form of V2030 is scheduled to be announced in April 2023. In this way, we are moving forward to even greater future growth.

we have focused on efficient management of working capital on hand, with a guideline of approximately two to three months of revenue. In preparation for unforeseen circumstances during the COVID-19 pandemic, NRI temporarily increased working capital on hand, with a guideline of approximately three to four months of revenue. However, we have now returned to the previous level and are operating flexibly while paying close attention to social conditions.

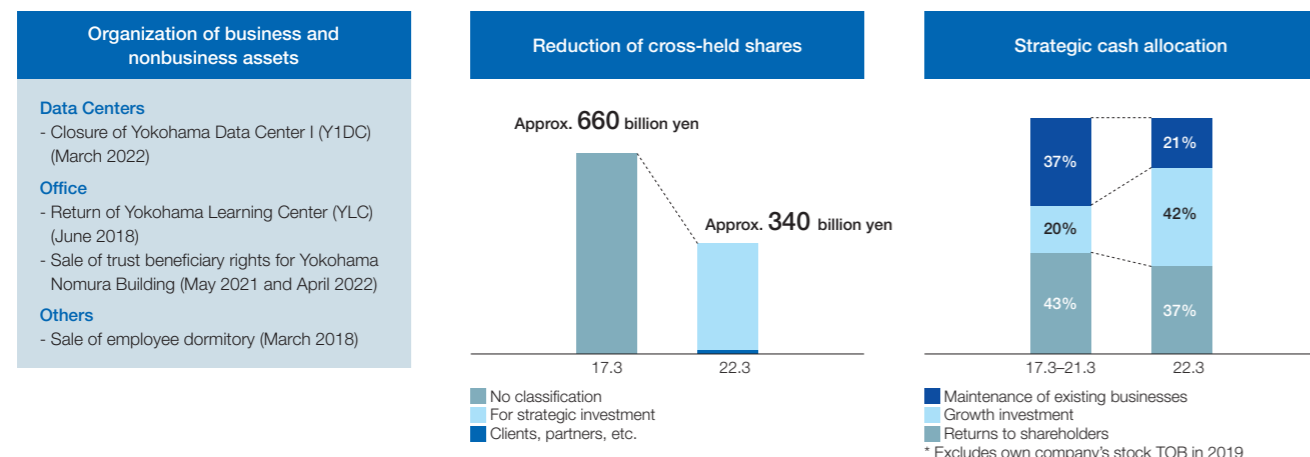
In terms of business and non-business assets, in order to consolidate management resources and streamline business operations, we have organized offices and data centers and switched to leasing in order to increase fluidity. The spread of COVID-19 has accelerated the diversification of workstyles. In response, NRI is continuing to work on office consolidation.

We have reduced our cross-shareholdings while periodically verifying their consistency with our holding policy. Currently, we have been able to reduce cross-shareholdings to about half the level of FY March 2017. From the most recent financial results, we have ensured transparency by newly organizing and announcing the classification of holding purposes.

## Looking Back on V2022

FY March 2023 is a milestone year in which we will complete V2022 and move on to V2030. Looking back on financial management during the past six years of V2022,

Results So Far for V2022 (FY March 2017 to FY March 2022)



Furthermore, in March 2021, we revised our retirement benefit system in order to respond to changes in diverse workstyles and lifestyles, and to realize a more sustainable retirement benefit system. In response to these revisions, we have optimized the level of contributions, and have significantly reduced financial risk by increasing the affinity between retirement benefit obligations and pension assets while considering inflation risk in our management policy for pension assets.

For cash allocation, we have made flexible and proactive decisions whenever good opportunities have been available, while keeping in mind the balance among maintaining existing businesses, growth investments such as M&A, and shareholder returns. In particular, in FY March 2022, we conducted M&A for three companies: AUSIEX and Planit in Australia, and Core BTS in the United States. In this way, we focused on growth investments more than in usual years. On the other hand, even amidst steady growth, Japanese society is entering an era of turmoil both socially and economically due to the Russian invasion of Ukraine, rapid inflation, interest rate hikes, and a weakening yen. Accordingly, we recognize the need to carry out financial management with an even greater awareness of global changes and sustainable management.

## Global Promotion through Finance

NRI is developing its global business with Japan / Asia, Australia, and North America as its three main regions. We are also running our financial operations to support this global business. We have been conducting operations with a global awareness; for example, obtaining a new S&P rating in 2018.

In February 2022, NRI became the first Japanese operating company to raise funds using the Australian Medium Term Note (AMTN) program. This is an effort to enable flexible procurement of Australian dollars against the backdrop

of business expansion in Australia. Through these new initiatives, we aim to further increase recognition of NRI among overseas investors and to expand our investor base both in Japan and overseas.

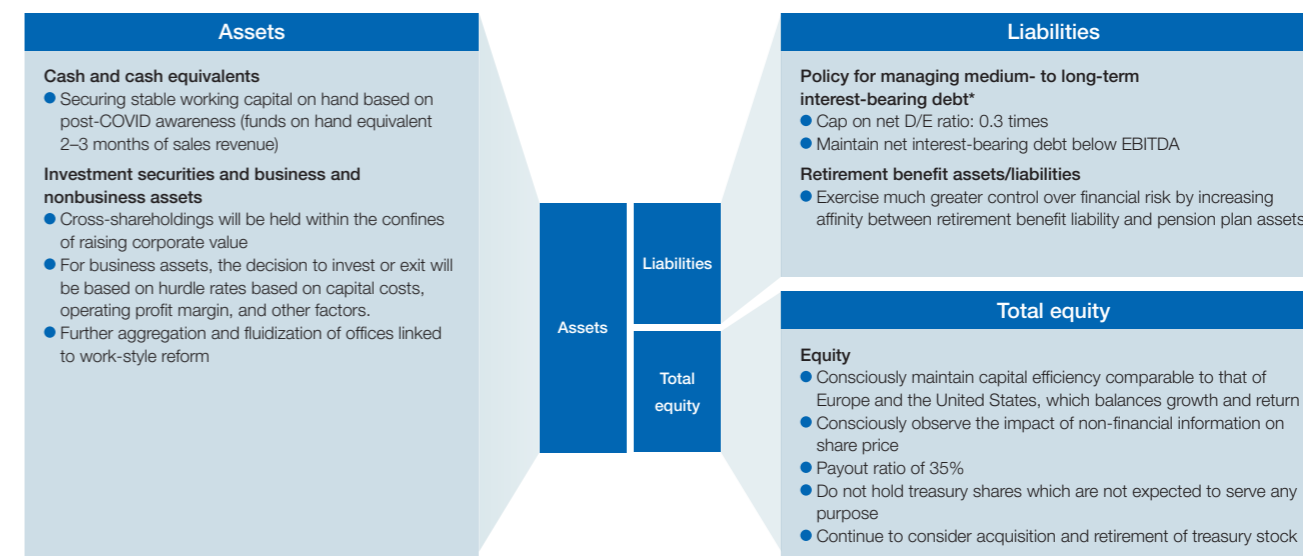
## Financial Activities to Promote Sustainability Management

NRI's corporate philosophy of “Dream up the future” has laid a solid foundation for sustainability management. Moreover, we have been managing our finances with an awareness of global sustainability. For example, we were the first Japanese operating company to issue green bonds, and we also issued sustainability-linked bonds. Also, in FY March 2022, we sold our trust beneficiary rights in the Yokohama Nomura Building, which we had purchased using green bonds. We then selected Osaka Data Center II as a target project for green bonds. As the first Japanese company to implement such a replacement of target assets, NRI presented the world with a new way of managing green bonds.

In addition to enabling NRI to contribute to the realization of a sustainable society, sustainability management also increases the corporate value of NRI itself. By always being conscious of sustainability management when procuring funds and selecting investment targets, we will strive to make sustainability management one of the two main pillars of our business activities, together with financial activities.

NRI's sight is already fixed on 2030. However, the road to achieving our 2030 goals will never be smooth. Looking ahead to society in 2030, in order to realize the ideal NRI and co-create value with society, we are likely to face situations where we must make decisions that are even more strategic and bold. We will strongly support NRI's future growth by practicing flexible and proactive financial management.

## Balance Sheet Management Policy

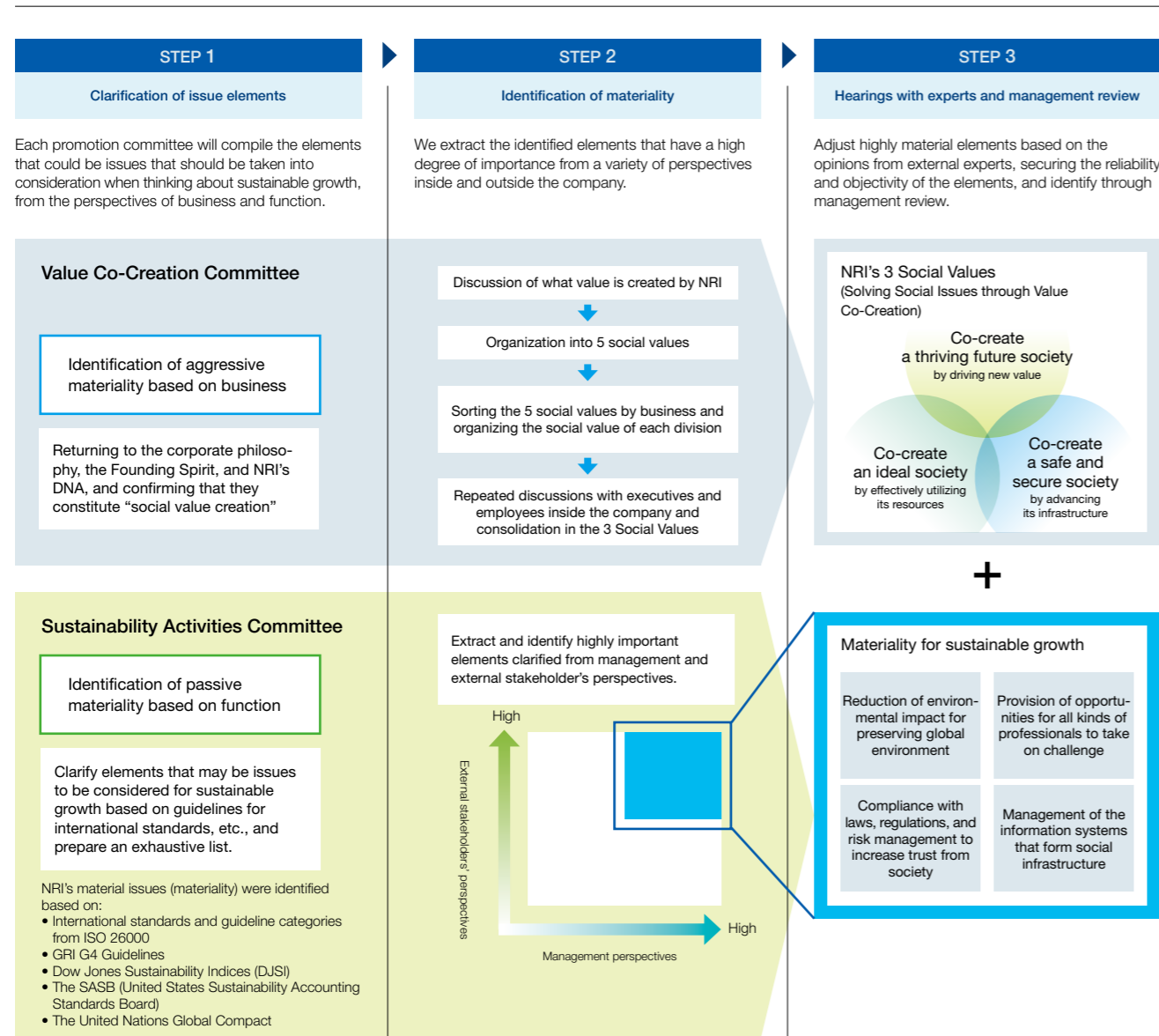


\* Interest-bearing debt is the portion of debt recorded in the consolidated financial statements which corresponds to corporate bonds and borrowings

## Value Co-Creation

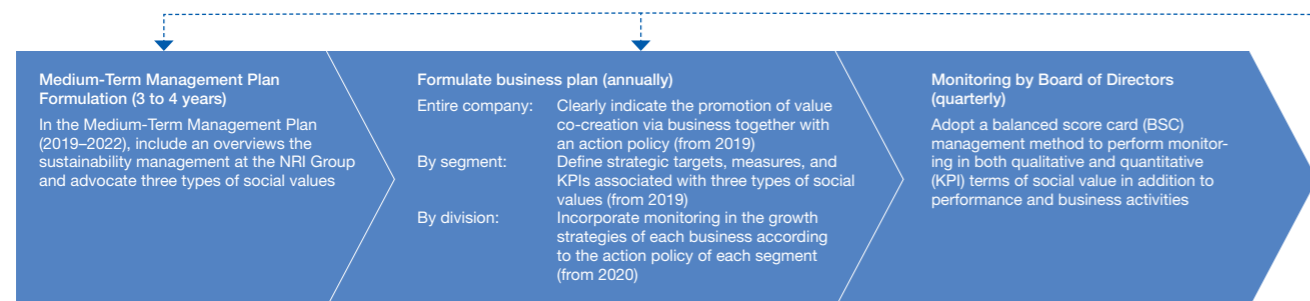
For NRI to continue growing in the future as well and being “an indispensable presence in the world”, we create values with clients and society through our business and contributes to the resolution of social issues.

### NRI's 3 Social Values and the Process for Identifying Material Issues



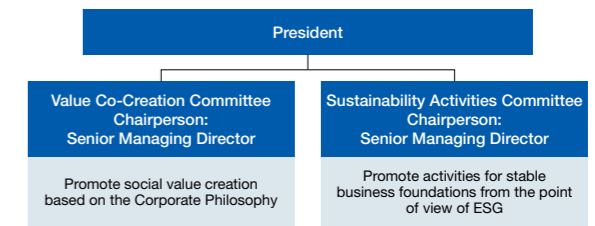
### Monitoring the Status of Efforts for Co-Creation

NRI's 3 Social Values that were formulated in the Medium-Term Management Plan are incorporated into the business plan each year and implemented in each business. The status of efforts is reported to, and monitored by, the Board of Directors each quarter and the results are reflected again in the plan.



### Sustainability Management Structure

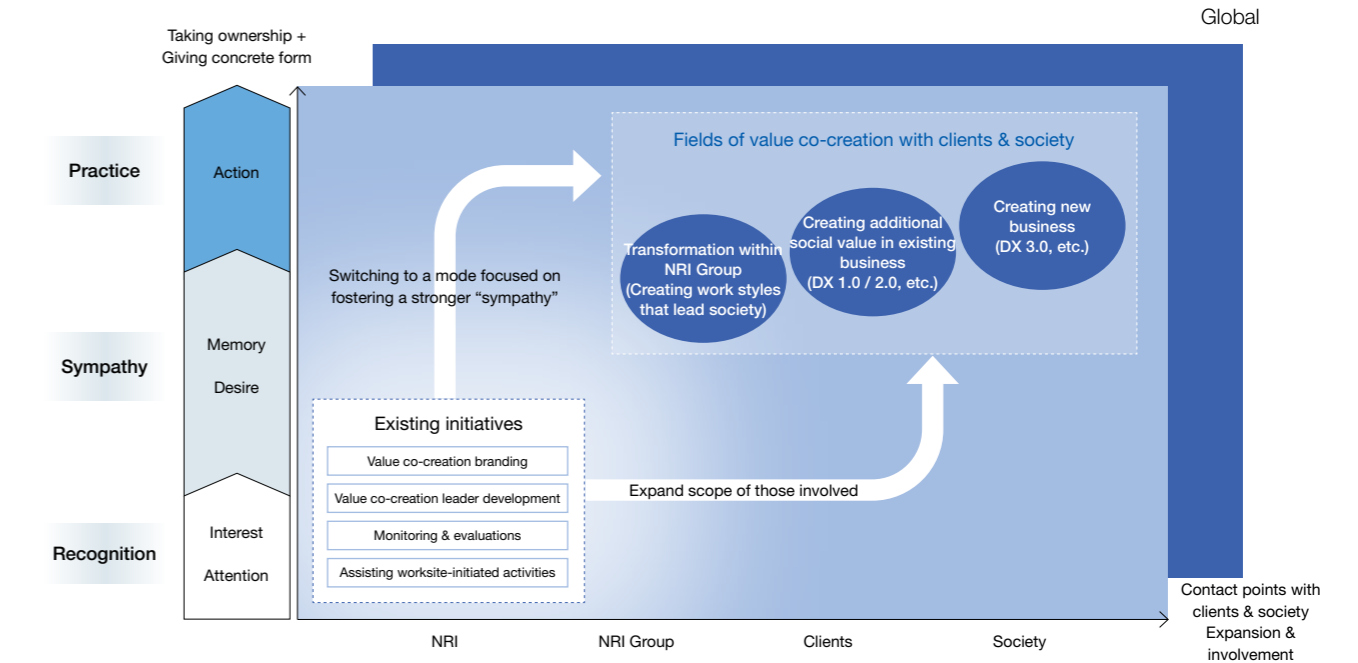
NRI established the Social Value Creation Committee and the Sustainability Activities Committee as a special appointment at the direction of the President & CEO to promote overall sustainability management. Both committees make proposals to the Senior Management Committee and others.



### Value Co-Creation Committee

The role of the Value Co-Creation Committee is to get each individual employee to recognize and sympathize with the “NRI Group's value co-creation” and encourage its worksite-initiated practice through bottom-up activities, while at the same time spreading information throughout the NRI Group about worksite-initiated efforts to practice this value co-creation and establish it as company culture.

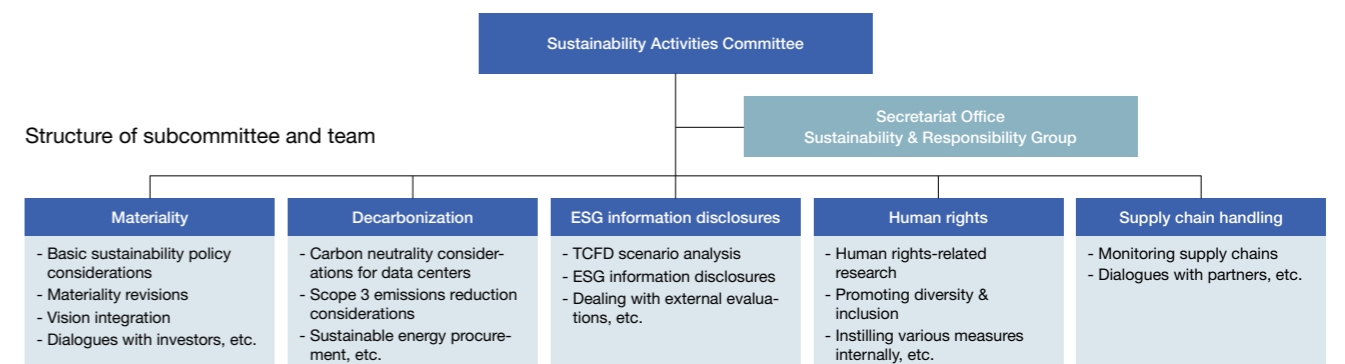
To recognize value co-creation and generate sympathy for its aims, we have been grooming value co-creation leaders as the successors who will carry the torch of discussion and value co-creation across multiple generations and organizations. We are engaged in practical application activities spearheaded by our value co-creation leaders and organizations. Taking ownership of value co-creation as our own concern, we will generate new social value that gains involvement from our clients and society at large.



### Sustainability Activities Committee

The role of the Sustainability Activities Committee is to advance activities that form the foundation for our business from an ESG standpoint.

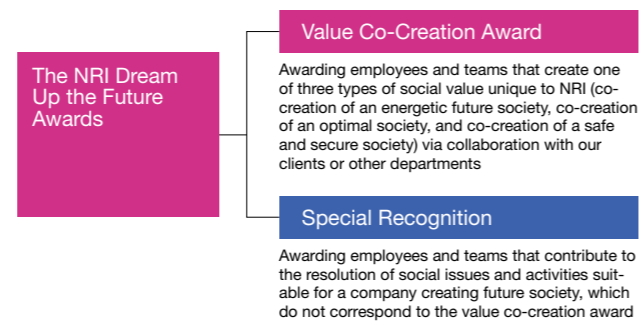
Divided into five subcommittees, the committee implements various sustainability measures such as ESG information disclosures including scenario analyses, considerations for decarbonization in data centers, and human rights-related research, pursuing activities that advance our sustainability management.





## Practice for Value Co-Creation—The NRI Dream Up the Future Awards

NRI presents the Dream up the Future Awards to employees and teams who have made efforts to contribute to the sustainable growth of the NRI via the resolution of social issues and co-creation with our clients. For FY March 2022, there teams received Value Co-Creation Award and four teams received Special Recognition.



### The NRI Dream Up the Future Awards 2021 Value Co-Creation Award

#### Launch of the New Company EARTH BRAIN

##### “EARTH BRAIN” Team

Launch of EARTH BRAIN is a Con-Solutions initiative merging the NRI Group’s consulting and IT solutions, and the challenge of bringing together the expert knowledge of companies in different industries for accelerated

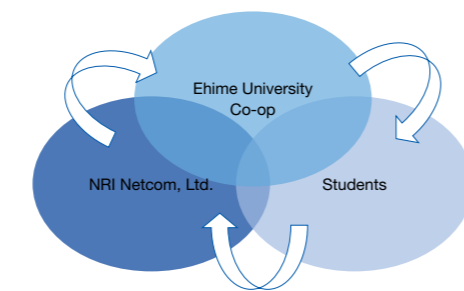
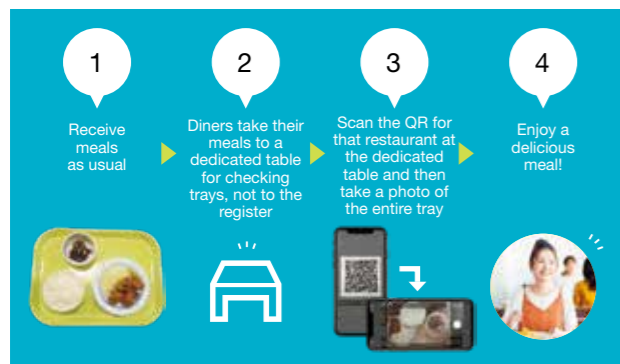
implementation of DX smart construction business presents a new future as an good example of “DX2.0” transforming business models.

#### Development and Provision of University Co-Op Tray Check Payment System

##### University Co-Op Tray Check Payment Team

In response to the pressing issue of reducing fixed costs of a university co-op that arose during the COVID-19 pandemic, the Tray Check Service was proposed and developed as a method of non-contact payment in which students take photos of the meals on their trays. The speedy implementation in three months was praised by Ehime University Co-op, and optimized labor and equipment expenses, in addition to contributing to the realization of optimized society and future society as a measure leading to a new store experience for students.

This project was created through the practical efforts of value co-creation leaders. It was achieved by value co-creation leaders continuously aiming to establish new business while keeping co-creation with clients in mind.



#### Development and Demonstration of Remote Measurement System Installed in Products with High Environmental Performance

##### Telemetry System Development Team

In response to issues related to the telemetry system (data collection and remote tracking system) of Manufacturing Company A developing products with high environmental performance, a telemetry system for products with high environmental performance was newly developed in a short

period based on a scrum framework formed by Company A and NRI. It produced results in testing even with the stringent condition of being a one-off, and also met Company A’s expectations by producing results in live implementation. This contributes to the realization of carbon neutrality.

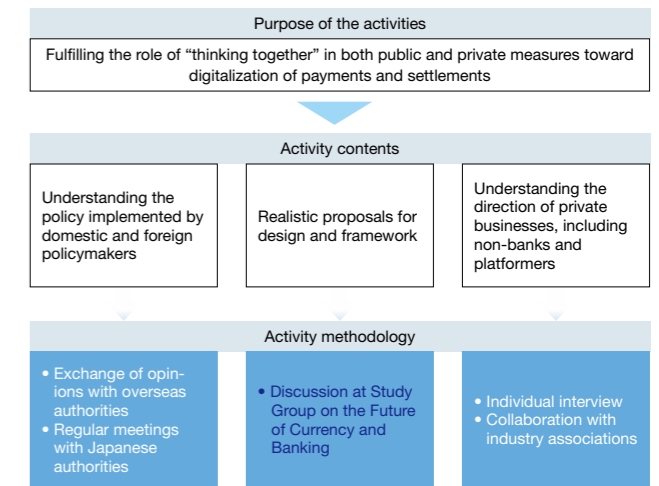
### The NRI Dream Up the Future Awards 2021 Special Recognition

#### Research Reports and Proposal Activities on Digital Currency

##### Study Group on the Future of Currency and Banking Team

The Study Group on the Future of Currency and Banking was launched and operated under NRI’s initiative for the purpose of presenting the issues and outlook for central bank digital currencies. The study group held meetings with experts in industry and academia, and considered real solutions for the promotion of central bank digital currency throughout society. By aggregating and communicating different views and new discussions on the purpose of implementation and strategies for promotion throughout society as a progress report, it contributed to building the process for exchanging opinions between private-sector business operators and central banks.

#### Initiatives for Central Bank Digital Currencies



#### Proposals Related to Social Problems During the COVID-19 Pandemic

##### Proposals Related to Social Problems During the COVID-19 Pandemic Team

We assessed changes in society during the COVID-19 pandemic, provided an outlook for the vaccination rate in Japan and proposed a strategy for preventing the spread of infection centered on vaccines based on data on vaccinations and infections in other countries. It was important input for establishing the direction of Japan’s vaccine policy.

#### Creation of COVID-19 Workplace Vaccination Reservation Site, and Establishment and Operation of Vaccination System

##### Workplace Vaccination Team

We secured COVID-19 vaccines, prepared the vaccination system and created a workplace vaccination reservation site in the short period of just over two weeks. By smoothly implementing workplace vaccinations for approximately 26,000 people inside and outside the NRI Group.



Vaccination site

#### Support for COVID-19 Vaccination Operations

##### National Vaccination Operations Support Team

In response to the vaccination projects being implemented by the national government and local governments, we were involved from the system design phase, and provided comprehensive support including design and process management of systems for ensuring the smooth implementation of vaccination, establishment of the vaccination system, and education of people working at vaccination sites.

#### Evaluate Executive Efforts for Value Co-Creation at the Division Level

From FY March 31, 2020, value co-creation was added to the evaluation criteria for each division.

To evaluate efforts of executives and employees for value co-creation at the division level, consider to their bonuses from the fiscal year ending March 31, 2021.



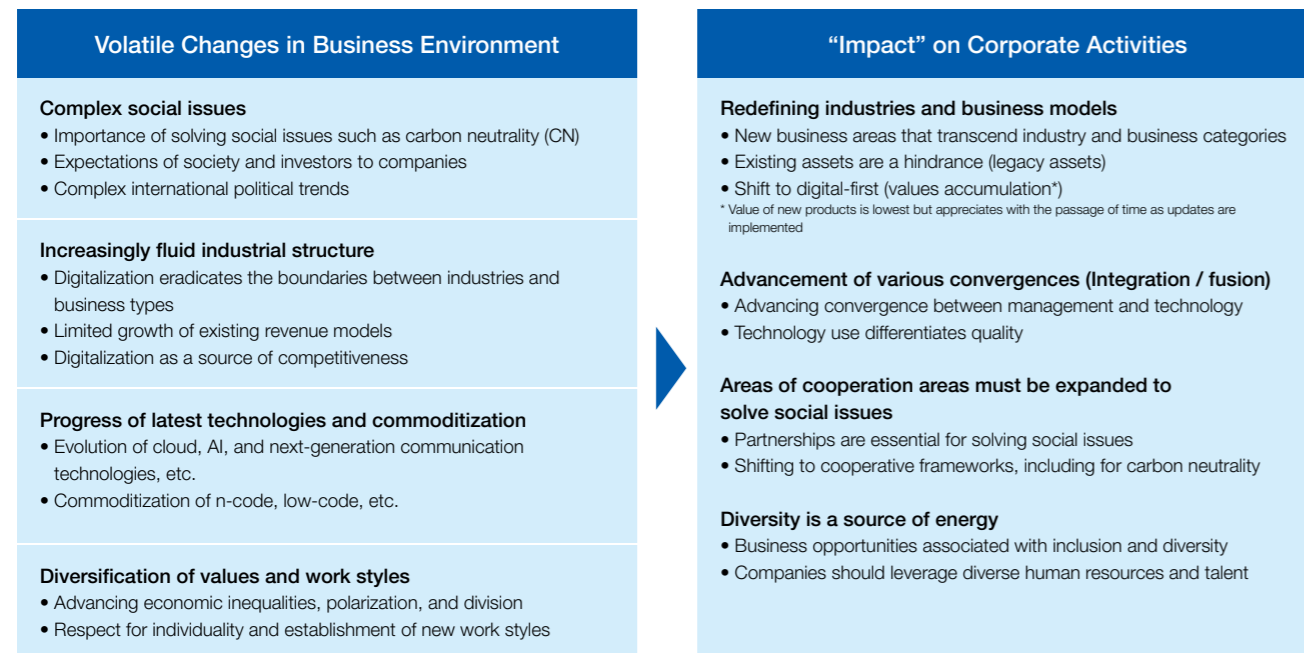
# Growth Story for 2030

NRI is completing the final fiscal year of long-term management vision V2022 in FY March 2023. With our sights set on growth beyond this vision, we are now formulating Group Vision 2030 (V2030). Here we will share the framework of the growth story we are outlining leading up to the year 2030.

\* Announcement of V2030 planned for April 2023

## Changes in the Environment from Now until 2030

We expect significant turbulence in our surrounding environment over the next decade. Under these circumstances, companies will need to exercise strong resolve in shifting toward doing business digital-first. Management and technology will also become more closely intertwined, and proper application of technologies on the management side will likely be essential for companies to be more competitive.



Based on these changes in the business environment and the impact they have on business activities, we believe that it will not be physical assets but rather intangible ones that generate prosperity in the future. For that reason, it will be essential to have better digital social capital. The three elements of sustainability, safety, and security must be forged in unison if a prosperous and thriving society is to be achieved through digital technology. That is precisely our mission.

DX is just a means to an end. For what we should we create beyond DX, we will leverage our strength in insight to create a prosperous and thriving society, a sustainable and ideal society, and a safe and secure society.

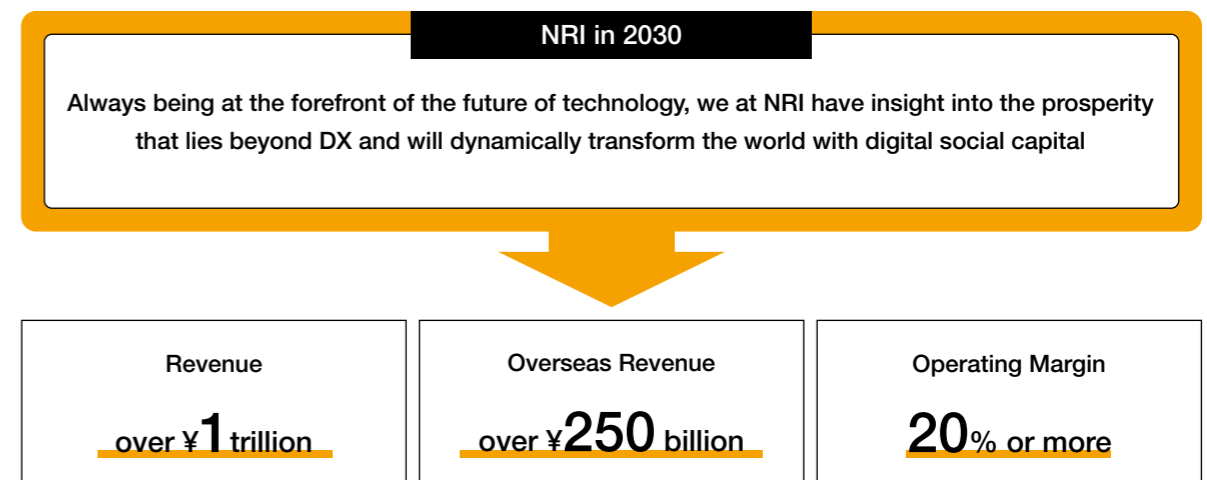
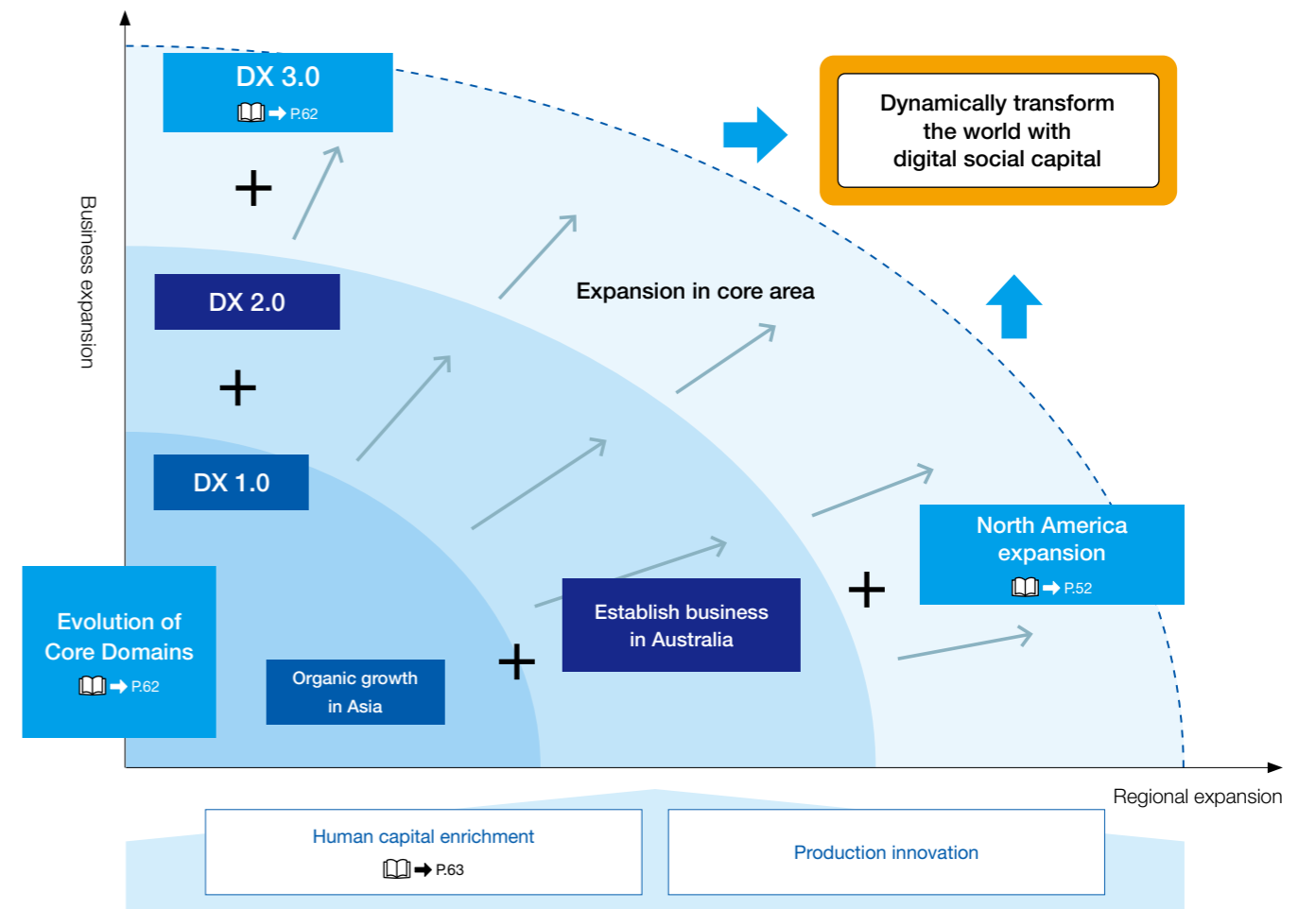
## Society in 2030 Created by NRI



## Growth Story for 2030

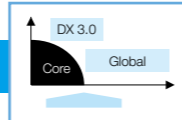
We are plotting our growth story from now until 2030, which focuses on our core areas, DX, and global.

DX will likely go into even greater depth and broader scope. The core areas (DX 1.0 / DX 2.0) which we have worked on through V2022 will still be the growth driver that forms the foundation of our business. Our next theme will be to further expand our core areas. Additionally, between now and 2030 DX will evolve into DX 3.0 which transforms society beyond the boundaries separating companies and industries. The regions in which we operate our services will also expand from Australia to "global" including North America. We aim to grow into a presence that uses digital social capital to dynamically transform the world.





### Evolution of Core domains

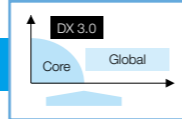


NRI is continuing growth by advancing and improving DX 1.0 / 2.0

Core areas will not remain at the current level, but will continue to expand further.

<p><b>Consulting:</b> Expanding DX execution-based consulting</p> <ul style="list-style-type: none"> <li>DX execution-based consulting, such as analytics and DX consulting to realize client transformation</li> <li>Prior investment in planned businesses such as client collaboration and new DX services, through social issues-based approach</li> </ul>	<p><b>Financial IT Solutions:</b> BPF* evolution and legacy migration</p> <ul style="list-style-type: none"> <li>Evolve BPF from business-specific to function specific, creating PF for new markets such as alternative investments and digital assets.</li> <li>Expand migration of clients' legacy IT assets, including cloud shifts and IT outsourcing</li> </ul> <p>* BPF: Business Platform</p>
<p><b>Industrial IT Solutions:</b> Develop and acquire large first-mover DX clients</p> <ul style="list-style-type: none"> <li>Leverage Con-Solution and digital development capabilities to do business with DX growth companies in major industries</li> <li>Strengthen competitiveness by adding digital IP that contributes to development efficiency, and the optimization and automation of client businesses</li> </ul>	<p><b>IT Platform:</b> Expansion of the cybersecurity business</p> <ul style="list-style-type: none"> <li>Offer multi-lateral cyber defense services for digital crime, including regulatory compliance</li> <li>Accelerate co-creation with vendors, startups, etc. in addition to strengthening R&amp;D in order to acquire the latest technology IP</li> </ul>

### DX 3.0



Creating the future society we envision with digital social capital

We have designated our three areas of DX 3.0 as social DX, value chain DX, and infrastructure DX corresponding to the 2030 society that NRI innovates. Among these, social DX which utilized the "My Number" individual number system for digitalization of government services is a major topic.

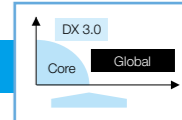
Compared to DX 1.0 and 2.0, which transform companies and industries, for DX 3.0 to transform society as a whole has a higher level of difficulty. That is precisely why NRI should tackle it.

A 2030 society that NRI innovates

Digital Social Capital created with DX 3.0

<p>A prosperous and thriving society</p>	<p><b>Social DX</b></p> <ul style="list-style-type: none"> <li><b>Digitalization of government services</b> <ul style="list-style-type: none"> <li>Improving convenience for citizens with the individual Number Card platform</li> </ul> </li> <li><b>Regional revitalization and smartification</b> <ul style="list-style-type: none"> <li>Promoting local DX to improve quality of life and increase competitiveness</li> <li>Realizing an ideal society through the smartification of streets and buildings</li> </ul> </li> <li><b>New expansion of financial services</b> <ul style="list-style-type: none"> <li>Expanding new use of financial assets such as digital assets</li> </ul> </li> </ul>
<p>A sustainable and ideal society</p>	<p><b>Value Chain DX</b></p> <ul style="list-style-type: none"> <li><b>Value Chain optimization/tracing</b> <ul style="list-style-type: none"> <li>Coexistence of eco-friendliness and economic efficiency, visualization of CO<sub>2</sub></li> </ul> </li> <li><b>Creation of circular economy Platform</b> <ul style="list-style-type: none"> <li>Eco-friendliness through effective use of resources</li> </ul> </li> </ul>
<p>A safe and secure society</p>	<p><b>Infrastructure DX</b></p> <ul style="list-style-type: none"> <li><b>Transformation of infrastructure lifecycle</b> <ul style="list-style-type: none"> <li>Achieving sustainable and resilient social infrastructure</li> </ul> </li> <li><b>Creation of financial infrastructure for carbon neutrality</b> <ul style="list-style-type: none"> <li>Creating and enhancing markets through policies such as decarbonization</li> </ul> </li> </ul>

### Global

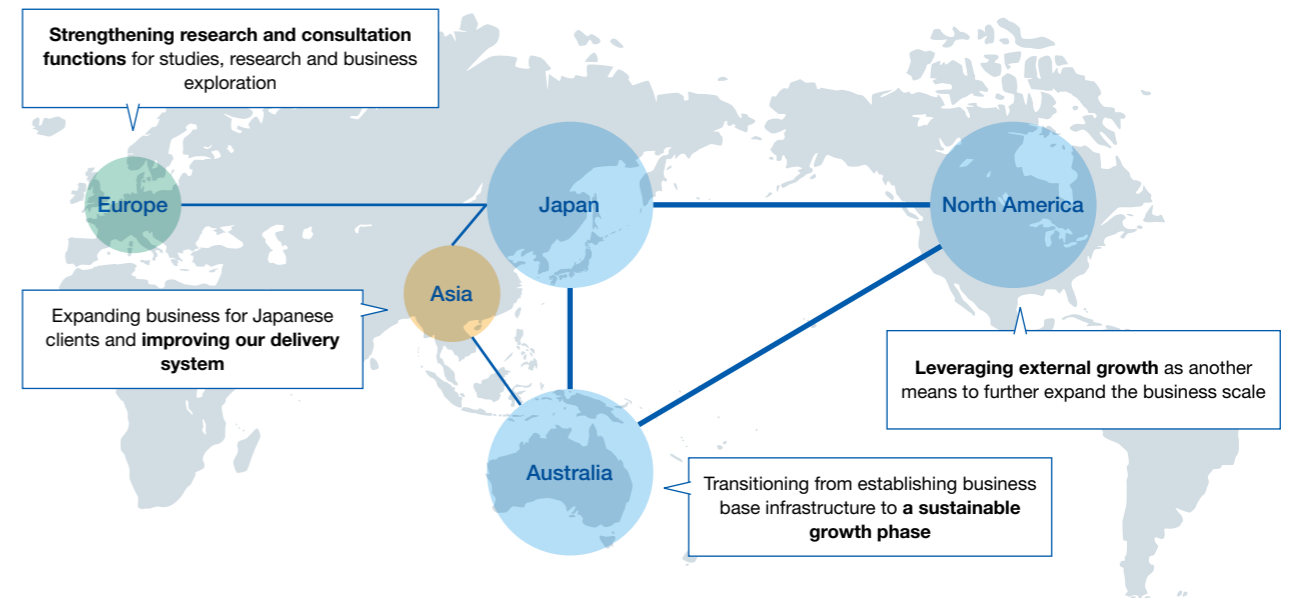


Business Expansion Focusing on Three Main Regions

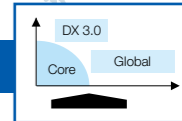
Establishing business infrastructure focused on the three major hubs of Japan / Asia, Australia, and North America is a major mission in V2030.

We will particularly aim to establish the North American business infrastructure of Core BTS, which was made into a subsidiary during FY March 2022. In Australia, we will aim to build strong, highly profitable organizations through organic growth. We also aim to establish sustainable business infrastructure through local management, accelerate collaboration-building and synergy creation between regions, and operate full-line global DX business long-term.

### Evolving and synergistically enhancing DX in each region



### Human Capital Enrichment

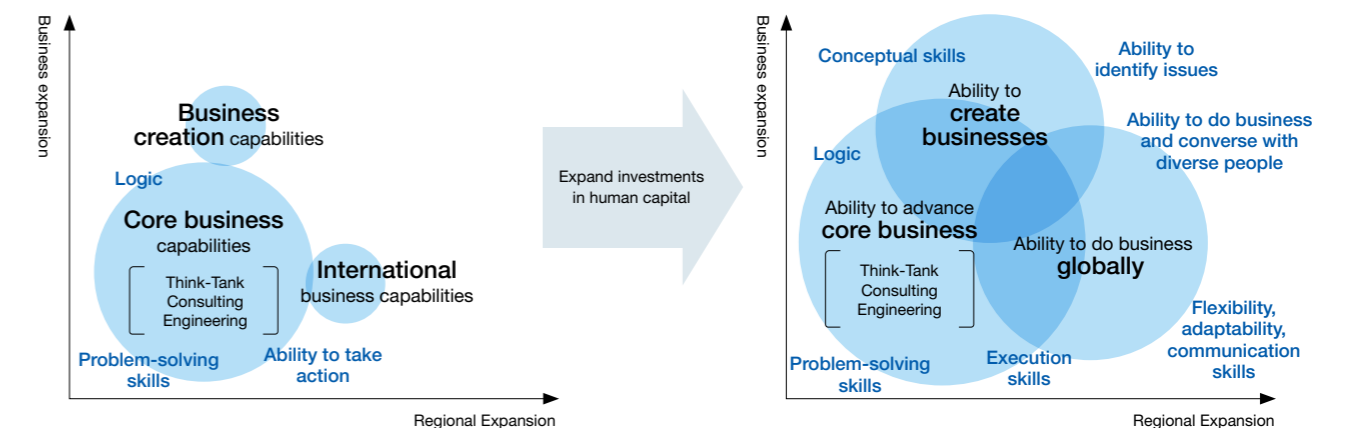


Adding and Strengthening Capabilities to Achieve Our "Growth Story"

In order to turn our growth story from now until 2030 into a reality, we must expand investment in human capital, which is our greatest strength. We must also give our human resources additional capabilities and strengthen those they already have. Currently, the capabilities that many employees have in our core businesses are also absolutely essential in developing and expanding new domains, and this will continue to be a strength for NRI going forward. We will also concentrate on learning and development, as well as recruitment, to increase our capabilities in business creation and international business in order to achieve V2030.

The capabilities of NRI's human resources (currently)

Human resources capabilities that NRI seeks (2030)







# 03

## Mechanisms for Supporting Value Creation

Achieving a balance between building a sustainable future society and sustainable growth for NRI

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## Message from the Head of Corporate Headquarters



### As a corporation, we will continue to contribute to the achievement of a sustainable future society.

#### Hidenori Anzai

Representative Director  
Member of the Board  
Senior Executive Managing Director  
Supervising of Corporate Headquarters

#### Maximizing the Potential of Human Resources

Our human resources possess a high degree of expertise and are passionate about solving social issues, making forward-looking consulting proposals, and meticulously implementing IT solutions. Human resources are the source of NRI's competitiveness. Under "Vision2022," we have focused on human resource management. Some strengths and characteristics of NRI's human resources include the following: 1) from an early stage, they possess self-awareness as professionals and refine a high level of expertise, 2) they absorb a large amount of knowledge from various work experiences and apply it to new challenges, and 3) they possess the ability to learn autonomously by recognizing the skills which they personally require.

NRI promotes a human resources management cycle that maximizes the strengths of individual human resources. This cycle begins with the recruitment of diverse and talented human resources, and then provides growth opportunities through challenging assignments. In addition, when human resources accomplish their work with responsibility and awareness toward society, they will feel pride in their own work that leads to personal and organizational growth. NRI will further enhance the strengths of its human resources by continuing to be an attractive workplace.

In April 2022, NRI revised our personnel system as a mechanism to reward the efforts and achievements of each employee, and to support new challenges and growth. Our new personnel system aims to accelerate NRI's growth toward 2030 by maximizing the potential of NRI's human resources while considering the career plans and workstyles of each individual. We believe that enabling individual potential will provide a large return on investment. NRI maximizes the return on investment in human capital through mutual trust based on the following: 1) we believe in the diverse potential and future talent of our employees, and create an environment in which employees can exercise their abilities, and 2) employees' trust in NRI enables them to demonstrate their abilities and achieve continual growth by leveraging their experiences.

#### Commitment to Quality

NRI's mission is to "Discern new social paradigms and implement them" and "Build client trust and establish relationships for mutual growth." In order to fulfill this mission, NRI has given high importance to quality management. Organizations, systems, and activities that embody our commitment to quality are deeply rooted in NRI's culture and have continued to evolve. We systemize and accumulate the efforts and wisdom necessary to execute projects that are important to our clients with high quality. We then apply what we have learned to new projects. Our commitment to quality is a capability that supports NRI's business development. We will continue to refine this commitment.

Another capability that supports NRI's business development is production innovation (productivity improvement). We are strengthening our efforts to achieve the operating margin which we aim for by 2030. For example, in an effort to enhance our intellectual capital, we are working on componentization (digital IP) of functions that improve the value provided to clients; for example, automatic ordering and route optimization, as well as the use of tools in testing processes. NRI will continue our efforts for achieving a high level of both quality and productivity.

#### Sustainability Management Initiatives

NRI's corporate philosophy of "Dream up the future" contains our thinking that the continued enhancement of NRI's corporate value can be found only by creating a new future through innovation and resolving social issues. Furthermore, as social issues such as climate change and human rights violations become more serious, NRI needs to synchronize our growth strategies with the resolution of social issues. These are NRI's basic views on sustainability management. In our Medium-Term Management Plan (2019–2022), we have positioned sustainability management as a pillar of our growth strategy. Our sustainability management consists of NRI Group's 3 Values and 4 Key Issues unique to NRI. Additionally, in consideration of the revisions to our Corporate Governance Code in June 2021, we have decided to have the Board of Directors reassess our sustainability management policy. Moving forward, NRI will continue to grow by contributing to a sustainable society.

In FY March 2022, in order to reduce the burden on the global environment, among the data centers that were the major sources of greenhouse gas emissions for the NRI Group, we switched the power used at our particularly large data centers to renewable energy. As a result, we were nine years ahead of schedule in achieving our FY2030 target for reducing greenhouse gas emissions (Scopes 1 + 2), for which we have obtained SBT 1.5°C target certification. Furthermore, by FY March 2024, we expect all of our data

centers to use 100% renewable energy. Regarding environmental targets related to the reduction of greenhouse gas emissions, we raised our target level from SBT 2°C to SBT 1.5°C in February 2021. Moreover, in February 2022, we moved up our target year for net zero emissions to fiscal 2030 from fiscal 2050.

We believe that initiatives throughout the supply chain are important for realizing a sustainable future society. The NRI Group promotes initiatives toward a sustainable society through collaboration with our business partners. For example, on April 1, 2021, we released the NRI Group Business Partner Code of Conduct on our website. The Code stipulates the principles of conduct for which we request cooperation from our business partners. We also ask each business partner to submit written consent to our the Code when concluding a contract. We have obtained written consent from 282 companies as of June 2022.

NRI believes that consolidating the total capability of each of its employees, with their various strengths and individual characteristics, leads to the strength of the organization. In FY March 2022, we promoted three priority areas (gender, career/expertise, and age) from among the seven areas set out in the NRI Action Policy for Promoting Diversity and Inclusion. Some specific examples include creating lists of female candidates for manager and group manager in each division, confirming aspects such as promotion dates, holding events for mid-career hires to talk directly with our president, and holding information sessions for managers on themes such as age inclusion.

#### Strengthening of Group Governance

Through management built on the independence and the autonomy of Group companies themselves, NRI promotes Group governance based on the concept of creating an environment in which it is easier for Group companies to demonstrate their strengths. On the other hand, about 60% of the 16,512 NRI Group employees (FY March 2022) are employees of Group companies. This number has been increasing over the years. Additionally, the number of our consolidated subsidiaries has reached 90, and governance becomes increasingly important as this number grows. Considering these circumstances, as part of enhancing the foundation of our business management, NRI is working to visualize the monitoring and support of Group companies and internal control in a form that is easier to understand. Specifically, we formulated Group Governance Operating Procedures common to all Group companies. We plan to start operation of these Guidelines from the second half of FY March 2023. We will work to ensure the spread and practice of these Guidelines. For example, each Group company will establish manuals based on the Guidelines.

The NRI Group aims to change the world and create social value. Together with colleagues who share these goals, we will embrace the challenge of reaching our maximum potential.

## Human Capital

### NRI's Human Resources Strategy

The strength of NRI is our human resources; in other words, professional employees who possess a high level of expertise, who take the initiative to work on independently set goals, and who are fearless innovators. To develop these human assets, NRI has been strengthening a system and an environment to develop the hidden talents of highly motivated people and to allow them to produce results on the job.

#### New Human Resources System

NRI had previously been operating a human resources system of assessments based on performance, outcomes, and ability, but we believed it was time for a new system that could spur ceaseless transformation of our existing businesses and taking on challenges in new business. Based on this belief, we introduced a new human resources system in April 2022. The new system was structured to clarify expectations according to the role and mission and reward the results accordingly, with the aim of continuously being professionals who always have a crisis mentality toward the current situation and are undaunted by change or challenges. We also emphasize the spirit of treating all people with mutual respect regardless of their position.

Job class was determined according to ability level in the previous system, but the new system determines job class according to the role that the person is to fulfill. This means that the new system determines job class according to the duties and level of achieving the roles expected by each division for the year rather than past successes and achievements. It therefore requires employees to always take on challenges and keep up with changes taking place in the world. We have also established the new career path of Chief Expert, as a professional not involved with management. Through multiple career tracks, this has enabled us to offer the appropriate conditions to people who continue to grow as professionals and produce results.

#### Key Points about the New Human Resources System

- 1) Job class for manager-level personnel determined by duties and role
- 2) Clarified career paths among manager-level personnel as professionals who are not managers
- 3) Introduced accelerated promotion system for non-manager-level personnel

#### - Rank System

Job class for manager-level personnel is now determined according to the duties handled and expected role for the year rather than past successes and achievements. Career paths as specialists who are not managers have also been clarified, and the job class of Chief Expert at the same level as a manager was newly established. These multi-track careers have made it possible for management to assist the career development and boost the engagement level of more subordinates and offer the appropriate conditions to people who take on their respective challenges, continue to grow as professionals, and produce results, by consistently refining their own expertise while contributing to the organization.

#### - Promotions and Demotions

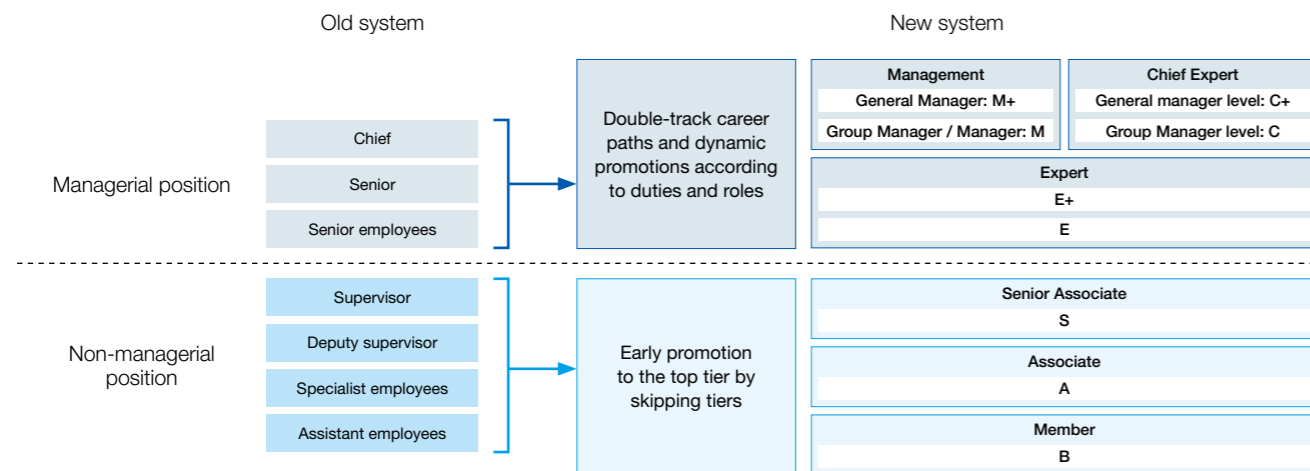
This new system has made flexible promotions and demotions possible according to the duties and roles of manager-level personnel. At the same time, an accelerated promotion system was introduced for non-manager-level personnel, who can now be promoted as far as the highest ranks regardless of age.

#### - Evaluation System

In the new system, results are still evaluated appropriately against the goals set at the start of the year and reflected in bonuses, as was done in the old system. Also, particularly in evaluations for promotions of manager-level personnel, we are working to strengthen mechanisms for multifaceted evaluations to determine whether they have the attitude and qualities suitable for top-level NRI employees.

#### - System for Employment Conditions

The overall financial conditions offered at NRI such as salary, bonuses, and benefits, are at level suitable for professionals. Incentives offered for medium- to long-term contributions to sustained improvements into business value include retirement payments, a defined contribution pension plan, an employee stock ownership plan, and an E-Ship (trust-type employee shareholding incentive plan).



### Autonomous Career Development along Diverse Career Paths

At NRI, we develop human resources who are capable of flexibly responding to changes in the business environment with a broad perspective and refining their skills in multiple specialized fields, while also collaborating across multiple departments.

#### Three Methods of Human Resources Development

Human resources development at NRI is an organic fusion of three methods: training programs, self-improvement, and on-the-job training (OJT). Employees accumulate work experience in OJT. In training they consolidate knowledge they gained in OJT and acquire skills that cannot be learned in OJT. NRI also offers its own unique type of system to support self-improvement. Beyond simply covering the expenses for employees to acquire qualifications and

improve their language skills, the system also lets employees freely join in-house seminars aimed at sharing knowledge that NRI has accumulated internally, and more. Internal job posting and self-reporting systems have also been implemented to increase opportunities for employees to choose their own careers and to have the right people in the right place.

#### In-House Training

With more than 900 total sessions held for over 300 courses offered throughout the year, our in-house training comprehensively covers all the fields that employees need. Aside from required rank- and position-specific training, employees are free to select these on their own.

Diversity & Inclusion (D&I) Programs offer programs geared toward supporting the advancement of women, diversity, and work-life balance.

Training Program System

		Compulsory		Recommended		Open recruitment	
Classification	Program according to seniority	Junior employees		Mid-career employees		Expert-	
		Member	Associate	Senior associate			
Program according to seniority	Career development program	MCD0		MCD1		MCD2	MCD3, MCD4, MCD5
	Time of promotion / By position	New employee training	Training for promotion to associate	Training for promotion to senior associate		Training for promotion to expert	Training for new Group Manager, Training for new department head
Core talent		Training at the of joining the Company					
				Selected leader development program	Selected Group Manager training program	Cross-industry exchange human resources development program	New Dream Up the Future Program
Skill development		New employee training	IT solution skill training	Basic career training	Hands-on career training	Hands-on career PRO	Training for selected certifiers
		Consulting training				Staff HR Development Program	
D&I		Human skills and other skill development program				Lectures for General Managers	
		DX human resources development program				Global human resources development program	
Others						D&I seminar for department head and GM	
						E-learning related to diversity promotion, including unconscious bias and nursing care	
						Support for balancing work with childbirth, parenting, and nursing care program	
						Self-improvement support program	
						Programs by department	



Human Capital

Career Fields

To advance our development of specialists and multi-skilled personnel who have multiple specialized fields, and to bolster our development for mid-level ranks and higher, NRI has defined 20 career fields for specialist employees. Each

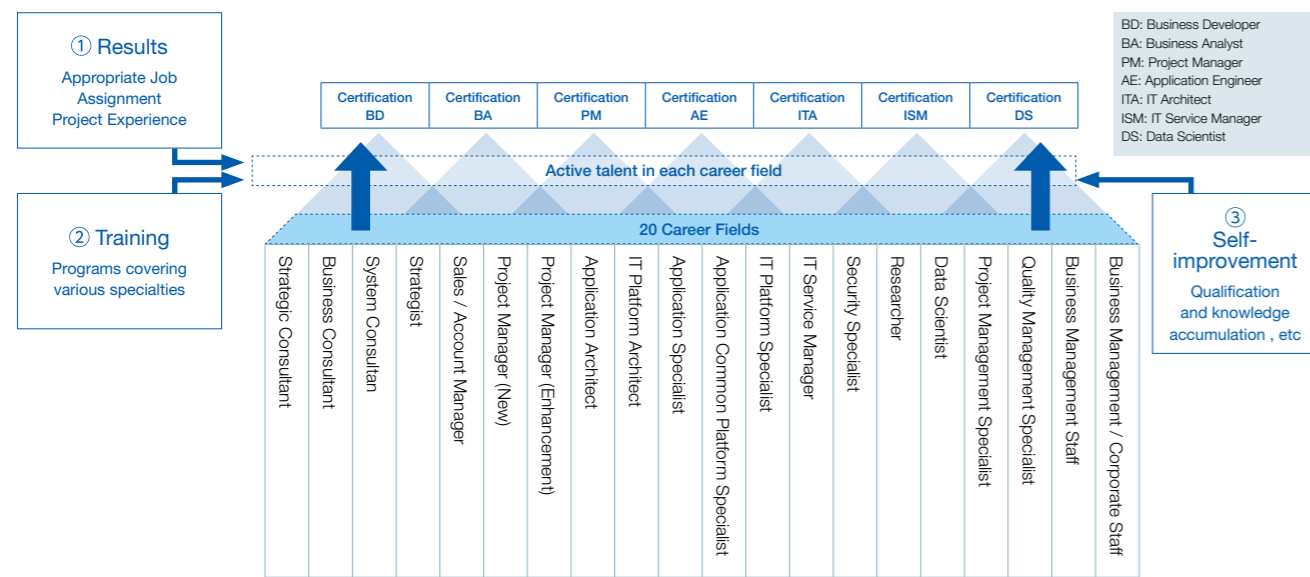
employee selects their own specialized field from among the 20 career fields, then goes on to refine their expertise with the aim of becoming a leading expert.

Certification Program

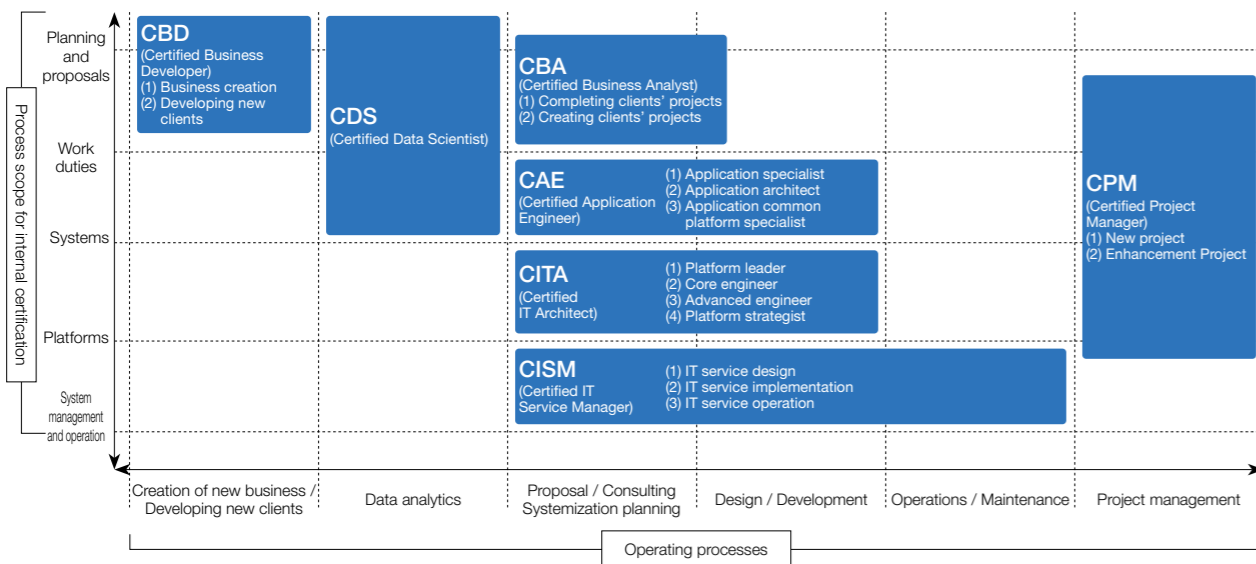
NRI confers internal certifications to professionals with high-level expertise as role models in each career field. The internal certification program has seven qualifications in 17 categories, which serve as goals when employees envision

their future careers and plot their career paths. In the Skills Development Program, we offer an extensive lineup of highly specialized programs for boosting skills for internal certifications.

Growth of Core Talent



Internal Certification Program

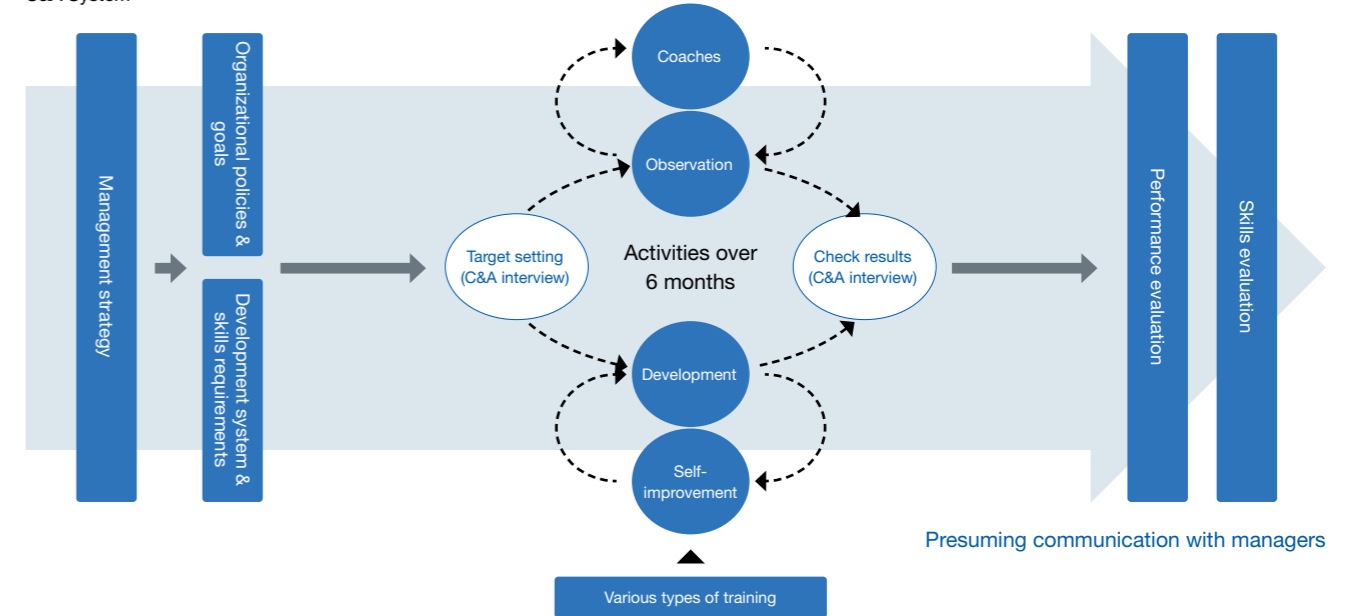


C&A

We offer the Challenge & Act (C&A) System to broadly support autonomous and systematic skills development by employees and for each of them to share their intended career paths with their managers, with whom they also have interviews to check their level of achievement of targets they

set themselves. C&A starts with target setting interviews between the employees and their managers at the beginning of the fiscal year. Then, after six months of activity, they have interviews with their managers again to check the results of those activities.

C&A System



Personal Career Design

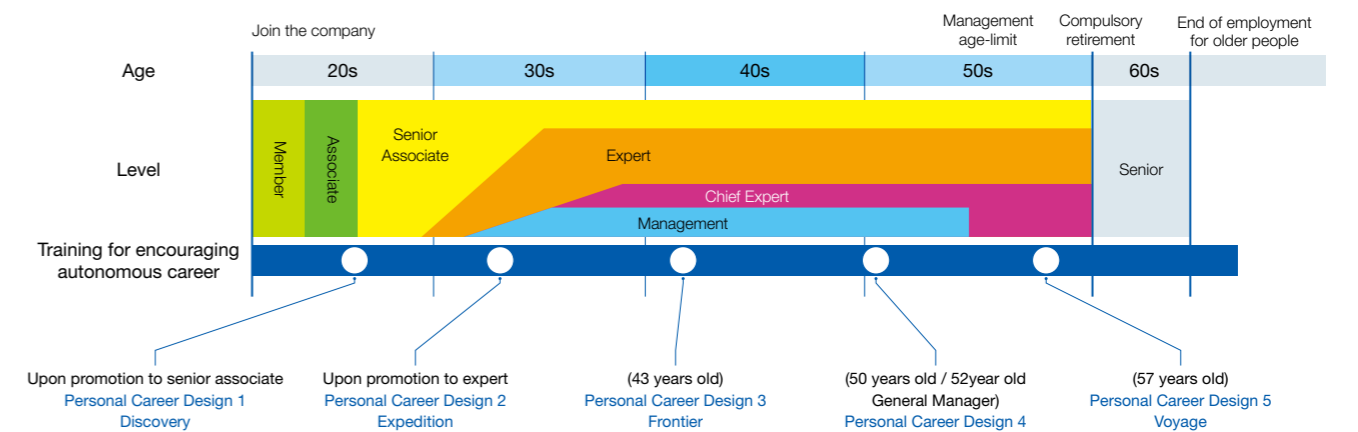
Leading up to the implementation of our new human resources system for specialist employees that began in FY March 2023, we comprehensively overhauled and expanded our career design program. In the new career design program called Personal Career Design, we arrange a total of five workshop-style training sessions at the time of reaching career milestones, or at regular intervals, from the time employees are in their 20s until their late 50s. In the training sessions for ages 40 and up, we also support their own

independent learning by providing career coaching, one-on-one interviews, and various types of optional programs after the workshops that make their career development efforts more effective. Aside from the workshops, every year we also organize career seminars that are open to all employees where we strive to foster career consciousness. The seminars were attended by approximately 1,000 employees in FY March 2022.

Personal Career Design

**Purpose of Personal Career Design**

- Have each employee work independently to choose and develop their own career, undergo ceaseless transformation, and continuously take on challenges, regardless of age.
- Maintain and increase employees' motivation while giving them the ability to flexibly adapt to changes in the business environment



Human Capital

### Human Resource Investment that Is Top-Class among Japanese Companies

NRI is investing in the cultivation of top-class human resources from a variety of perspectives. For example, we are conducting a program to cultivate human resources who will accelerate the DX Strategy, which is the pillar of the growth strategy of our Long-Term Management Vision “Vision2022” and our Medium-Term Management Plan (2019-2022). We are also cultivating global human resources, improving the leadership skills of managers, and developing the next generation of management and executive personnel.

#### DX Human Resources

In addition to further skill transfer under the concept of +DX, NRI is creating learning opportunities such as holding a variety of training for consultants and systems engineers, who already possess conventional abilities, to utilize their existing skills while expanding their area of activity to include the field of digital transformation (DX). By doing so, we are promoting a strategic shift of NRI’s human resources portfolio to one that we are aiming for in the DX age.



#### DX Human Resources Development Program

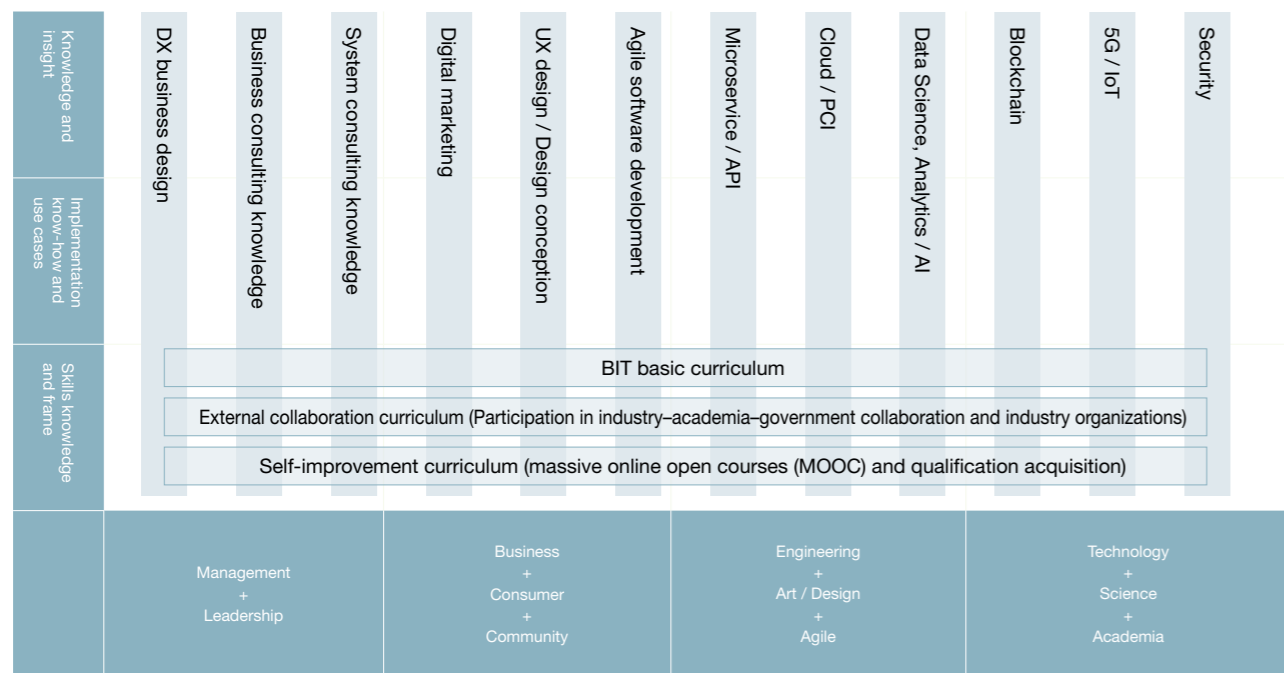
With the aim of strengthening capabilities—such as those in artificial intelligence (AI), analytics, blockchain, UX design, agile software development, and microservice architecture—that are required in the DX age, NRI offers training for the acquisition of DX skills. The training is available across different lengths of service in addition to the traditional skills cultivation that takes place according to how long a person has been with the Company (Figure 1).

These curricula are actively being newly established and continuously revised/abolished based on internal needs and

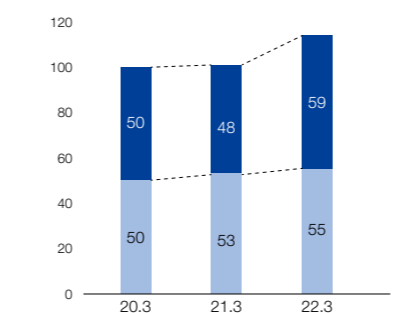
social trends (Graph 1). The number of trainees per year and the number of training days per trainee are steadily increasing. This has firmly established the concept of +DX, in which each employee engages in autonomous learning to acquire the necessary DX skills (Graph 2).

Also, in the Challenge & Act System, employees take an inventory of their own DX skills (area/level) and then use this assessment to set goals for their next skill improvement. The number of DX active personnel with a DX skill level of “basic level” or higher is steadily increasing (Graph 3).

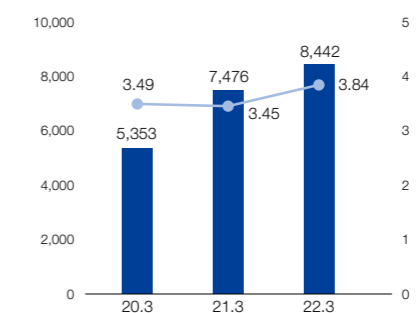
DX Human Resources Development Program (Figure 1)



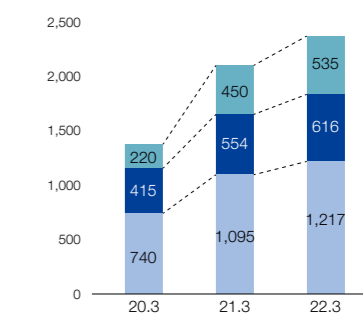
Number of DX Skills Development Courses by Year (Graph 1) (Courses)



Number of DX Skills Development Course Attendees and the Number of Days They Attended, by Year (Graph 2) (persons) (Days)



Human Resources Active in DX by Year (Graph 3) (persons)



Legend for Graph 1: ■ New courses □ Ongoing courses  
 Legend for Graph 2: ■ Course attendees (persons) ● Days attended per person (days)  
 Legend for Graph 3: ■ Basic level ■ Intermediate level ■ Advance level  
 \* NRI-registered employees (includes employees of NRI Group companies hired by NRI itself)

#### Global Human Resources

NRI implements many overseas programs to develop global business leader. We are especially focusing on an overseas training system where employees can experience global business for about one year through an internship at the overseas office of a globally active client company. Over the past nine years, 190 trainees have so far been sent to 16 countries overseas. The overseas studies program is a

system through which employees obtain wide-ranging knowledge and expertise as well as advanced technical capabilities. In addition to MBAs from overseas business schools, the acquisition of degrees in other fields, such as computer sciences (MSE/MCS) and law (LLM), is also actively

#### Leadership Skills

Every year, we organize AHEAD Program 360-degree feedback from managers and subordinates, with the aim of improving the abilities of manager-level personnel at developing subordinates and boosting their co-creation

leadership skills. In addition to department head and group manager personnel who had previously been involved, the feedback was expanded to include all 3,139 manager-level personnel in FY March 2022.

#### Successor Training

We conduct two types of training for selected individuals to secure our next generation of management and executive personnel. Every year, five to eight officer promotion candidates take part in the New Dream Up the Future Program, a learning and development program for the next generation of management personnel.

Of the 31 total participants in the program during the five years leading up to and including FY March 2022, 12 have

been promoted to executive roles (as of the end of March, 2022). Additionally, we conduct Selected GM & Department Head Training for 15 to 20 candidates for promotion to department head every year.

Of the 86 total participants in the program during the five years leading up to and including FY March 2022, 51 have been promoted department head roles (as of the end of March, 2022).



Human Capital

Initiatives to Improve Engagement

Maximizing our human capital is one of the NRI Group's key topics in the new long-term vision V2030. Job Satisfaction Co-Creation activities have been organized throughout the NRI Group as a whole starting in FY March 2022 as an initiative to maximize our human capital by improving employee engagement.

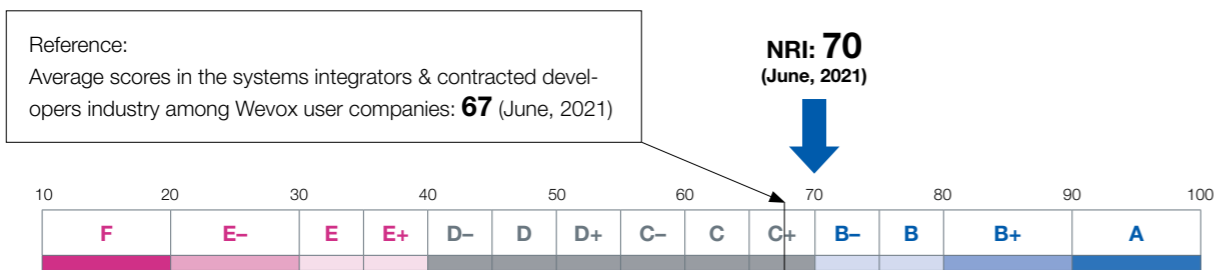
Visualizing the Status of Organizations (Engagement Surveys)

We measure employee engagement at NRI in order to understand the job satisfaction levels of our employees and co-create job satisfaction throughout our Company as a whole. Utilizing engagement measurement tool Wevox<sup>\*1</sup>, the survey is conducted for employees of NRI and some NRI Group companies<sup>\*2</sup> once per year (in June). The results of the survey are used as reference data to formulate measures

in human resources, and are also disclosed to employees on the Company intranet for use in activities to improve engagement in the workplace.

<sup>\*1</sup> Tool provided by Atrac, Inc.  
<sup>\*2</sup> Five Group companies with large number of staff on assignment from NRI: NRI SecureTechnologies, Ltd., NRI Workplace Services, Ltd., NRI Social Information System Services, Ltd., NRI Digital, Ltd., Nomura School of Advanced Management.

Engagement score (NRI's score vs. industry average)  
 Engagement scores are assigned ranks A through F as indicators



Organizational Development Program

In FY March 2022, we began offering an organizational development program for employees with the aim of developing organizations with even higher job satisfaction once the status of the organizations has been visualized. Video-based programs from which employees can learn whenever they have time, as well as training-style programs in which

participants can learn about organizational development from each other while engaging in practical application. We have also started incorporating this into training for new managers starting in FY March 2023 among our efforts to promote better organizational development capabilities for NRI as a whole.

Fostering a Culture Conducive to Job Satisfaction (Communicating Information via Events, etc.)

We are also concentrating on communicating information in various ways to foster a culture in which all employees take the initiative to co-create job satisfaction.

Starting in FY March 2022, we have been hosting Job Satisfaction Co-Creation Forum, coordinated in conjunction with the Company-wide employee engagement survey. With nearly 700 employees in attendance each year, we share job satisfaction-related information from inside and outside NRI each year. At the same time, we have launched a Job Satisfaction Co-Creation Website on the Company intranet, where we regularly display case examples of activities to co-create job satisfaction at various organizations within NRI.



Job Satisfaction Co-Creation Forum



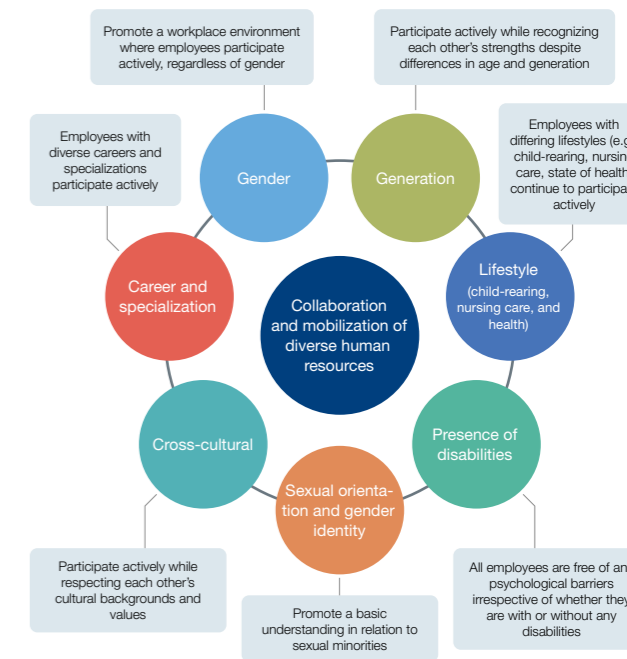
Promoting Diversity and Inclusion, and Respect for Human Rights

NRI is promoting diversity and inclusion to promote employee success, which is in the Human Resources Strategy. Furthermore, we are engaged in the respect of the human rights of all people who are impacted by NRI's business activities.

Diversity and Inclusion at NRI

NRI believes that consolidating the strengths of each of its employees, with their various strengths and individual characteristics, leads to the strength of the organization. The Group aims to foster a workplace environment where diverse employees can all keep working positively and continue embracing challenges. To all employees, we offer e-learning content (e.g., understanding of unconscious biases and sexual minorities) that promotes understanding of diversity and inclusion. Additionally, in the past few years, related activities have prioritized three areas (gender, career / specialization, and generation) out of the seven areas shown in the figure on the right.

NRI Action Policy for Promoting Diversity and Inclusion



Initiatives for the Promotion of Women's Participation and Advancement in the Workplace

We are continuing our engagement in activities for the NRI Women's Network (NWN) project, which began in 2008 under the direct supervision of our president. We created systems that supported the balance of work and parenting, prepared training, and fostered an environment that facilitated greater participation by women, making it only natural for women to continue working. Furthermore, we implemented measures to encourage women to advance their careers, including the Female Leader Development Program launched in FY March 2016, and the Leader Development Academy, in which female directors serve as instructors and was launched in FY March 2019. We thereby succeeded in boosting the female managers' ratio.

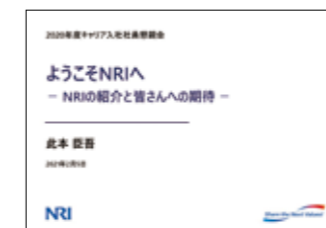
Discussions related to diversity promotion, including hiring women for management positions, are also taking place in Senior Management Committee and Board of Directors meetings. Starting in FY March 2022, diversity promotion initiatives are evaluated on a per-division basis and calculated into bonuses. To facilitate the further hiring and promotion of women to director and management positions, we are engaging in the promotion of women's participation and advancement while keeping the job assignment and development plan in mind.

Action plans under the Act on Promotion of Women's Participation and Advancement in the Workplace

Term	From April 2019 to March 2023
Goals	1. Raise the ratio of female managers to at least 8.5% by FY March 2023 (Newly promote more than 100 women to management level positions) 2. Raise NRI's female employee hiring rate to at least 30% of its total hires 3. Carry out, toward management-level employees, further awareness raising activities related to diversity management
Initiatives	1. Continue the Female Leader Development Program with the goal of developing female employees into managers 2. Continue measures to increase the number of female students recruited as employees 3. Implement awareness-raising measures related to management and development responsibilities of managers toward employees with diverse individualities and values 4. Carry out system reforms aimed at allowing employees to select diverse work-style choices

Initiatives for Promoting the Success of Mid-career Hires

NRI is strengthening mid-career hiring in order to promote the DX and Global Strategies. We are enhancing on-boarding measures when mid-career hires join NRI to enable them to become used to their new work environment as soon as possible and exhibit their expertise and capabilities to the fullest extent. In addition to the semi-annual socializing event for mid-career recruits and the president which we have been holding since FY March 2021, we also arrange follow-up interviews and support internal social networking.



Get-together of mid-career hires

Initiatives for Strengthening Intergenerational Integration and Synergy

Employees of a broad range of ages work at NRI, from those in their teens to their sixties. In regard to differences in thinking and values arising from generational differences, there is a need to create an environment that enables people to recognize each other's strengths while respecting differences. We worked to enhance the awareness of managers and department heads by holding a D&I seminar for them with generational inclusion as the theme.

Human Capital

Support for Balancing Work with Childbirth, Parenting, and Nursing Care

NRI is working to create a workplace that facilitates a balance between work and parenting for both men and women. In addition to systems such as maternity / paternity leave, we established the “partner childbirth leave” system in January 2017 as part of measures aimed at encouraging male employees to take paternity leaves and vacations. Starting in FY March 2021, male employees who take childcare leave have also been participating in Training for Balancing Work with Parenting for employees who have returned to work from childcare leave. In June 2017, we opened the Yokohama Center and established the Yumeminato Hoikuen as an in-office nursery. These facilities support employees in resuming their career at the desired time and building a career plan.

Furthermore, to promote balance between work and nursing care, we have systems such as nursing care leave and shorter working hours for nursing care. We also hold nursing care seminars on a periodic basis.



Talking about his experiences taking childcare leave at the training

Promoting Workplace Participation by Persons with Disabilities

NRI Mirai, Ltd., a special subsidiary\* of NRI, contributes to work-style reform by providing employees with various disabilities work opportunities such as setting up meeting rooms and libraries, supporting training, collecting/delivering internet mail, and managing miscellaneous goods, and even providing massage services for employees and managing a café at Kiba Center.

Moreover, NRI is working to expand hiring opportunities for people with disabilities by holding fixed-point surveys and presentations related to management issues and trends in the hiring of people with disabilities and operations at special subsidiaries. As of June 2022, 191 disabled persons are employed at NRI and its Group companies (an employment ratio of 2.42%).

\* It refers to a subsidiary that gives special consideration to promote the employment of persons with disabilities, and in doing so meets certain requirements. Obtaining certification from the central government allows persons with disabilities employed by this type of subsidiary to be deemed as being employed by the parent company.



NRI Mirai employees operating “Sora café Mirai”

Efforts for Respecting Human Rights

NRI considers respect for human rights an important social responsibility. On February 2019, NRI formulated its NRI Group Human Rights Policy based on international conventions such as the International Bill of Human Rights and the Guiding Principles on Business and Human Rights. Based on this policy, NRI is engaged in efforts toward respect for human rights. As a company involved in the development and utilization of AI, NRI also formulated the NRI Group AI Ethics Guidelines in October 2019 with the belief that it is essential to mitigate the negative effects of AI while developing and utilizing AI in a proper manner. Furthermore, as an initiative to entrench respect for human rights, we exercise human rights due diligence toward NRI and its Group companies based on the UN Guiding Principles on Business and Human Rights. In addition, we also carry out in-house training (e-learning) related to ESG, including human rights.

To further promote sustainable procurement, we are reviewing the terms and expressions used in the existing NRI Group Procurement Policy and the NRI Group Employees’ Code of Business Conduct. Additionally, in April 2021, we established the NRI Group Business Partners’ Code of Conduct that outlines those matters that we would

like our business partners to observe, including respect for human rights, compliance with laws and regulations, and preserving the global environment. Currently, we have made the Code known to our business partners, such as external contractors and procurement sources, and are seeking their understanding and cooperation.

NRI will continue to bolster its efforts toward respect for human rights while communicating with our stakeholders and facilitating their understanding of the relevant policies and efforts.

- NRI Group Policy on Human Rights**  
<https://www.nri.com/en/sustainability/social/policies#jinken>
- NRI Group AI Ethics Guidelines**  
[https://www.nri.com/en/sustainability/social/policies#AI\\_Ethics\\_Guidelines](https://www.nri.com/en/sustainability/social/policies#AI_Ethics_Guidelines)
- Human Rights Report**  
[https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/back\\_number/human\\_rights\\_report\\_e.pdf](https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/back_number/human_rights_report_e.pdf)
- NRI Group Business Partner Code of Conduct**  
[https://www.nri.com/en/company/partner\\_code](https://www.nri.com/en/company/partner_code)

Work-Style Reform Issues and Health and Productivity Management

By enacting work-style reform, NRI works to promote work-life balance by reducing long working hours. We seek to achieve an environment where employees can fully exhibit their abilities while valuing their personal health and family life.

Initiatives for Work-Style Reform

In 1994, NRI implemented a discretionary labor scheme that was a pioneering initiative in Japan at that time. Through this scheme, we have promoted a work style that is free from time constraints.

From 2016 to 2017, we relocated our Tokyo, Yokohama, and Osaka offices to new buildings. Based on the concept of “creating new value by connecting people, goods, events, information, and objectives,” we developed office spaces that achieve a working style that is uninhibited by location. The use of telecommuting and satellite offices is also increasing. Led by the Work-Style Reform Committee, which we started in FY March 2018, we supported the achievement of flexible working styles with even higher productivity. Currently, we are engaged in enhancing productivity through a new work style that combines telecommuting with in-office work.

In addition to this work infrastructure, NRI is also fostering a corporate culture that facilitates co-creation among diverse human resources. For example, one specific initiative is work-style reform that matches the content and characteristics of work at each division.



New office that achieves an innovative working style

Health and Productivity Management

NRI aims to achieve health and productivity management\* that helps improve employees’ quality of life (QOL). The CEO of NRI also serves as Chief Health Officer (CHO) and currently is developing various systems and engaging in the relevant initiatives toward invigorating NRI and achieving increased productivity under the four goals. Furthermore, we have expanded the scope of vaccination to include employees, their families, and business partners, and have implemented the COVID-19 vaccinations.

\* This refers to a business policy that generates benefits for a company by providing its employees with health-related assistance. This term is a registered trademark of the Workshop for the Management of Health on Company and Employee.

NRI Health Declaration 2022

Basic policy: Based on correct knowledge and recognition for their own health by each employee, the NRI Group supports active initiatives for improving long-term QOL.

1	<p><b>Reduce lifestyle-related diseases</b></p> <ul style="list-style-type: none"> <li>• Manage employees’ reservations and receipts for medical check-ups and health examinations, and encourage them to take these examinations</li> <li>• Put in place health management rooms at our principal offices and build a framework for industrial doctors to handle cases</li> </ul>
2	<p><b>Lower stress</b></p> <ul style="list-style-type: none"> <li>• Stress prevention for individual employees and teams</li> <li>• Develop a system to enable employees to return to work earlier</li> </ul>
3	<p><b>Lower smoking rates</b></p> <ul style="list-style-type: none"> <li>• Introduce support to help stop smoking</li> <li>• Remove smoking spaces inside the office</li> </ul>
4	<p><b>Promote work-life balance</b></p> <ul style="list-style-type: none"> <li>• Reduce overtime and holiday work hours</li> <li>• Encourage employees to take paid leave</li> <li>• Implement the frontline-driven Smart Work-Style Campaign (SWC) including: streamlining operations and meetings, as well as promoting early morning work</li> </ul>

External Evaluation of NRI

- In 2017, NRI received the highest level (Level 3) of Eruboshi Certification (certification by the Minister of Health, Labour and Welfare based on the Act on Promotion of Women’s Participation and Advancement in the Workplace)
- Selected as a Nadeshiko Brand for six consecutive years in a row (corporations selected by the Tokyo Stock Exchange and the Ministry of Economy, Trade and Industry for outstanding promotion of female performance and advancement)
- Certified as “Kurumin” for five consecutive terms from 2007 and as “Platinum Kurumin” in 2018 (certification of corporations that support child-rearing based on the Act on Advancement of Measures to Support Raising Next-Generation Children)
- Certified as a Health and Productivity Management 500 Organization (White 500; Large Enterprise Category) for six consecutive years in a row

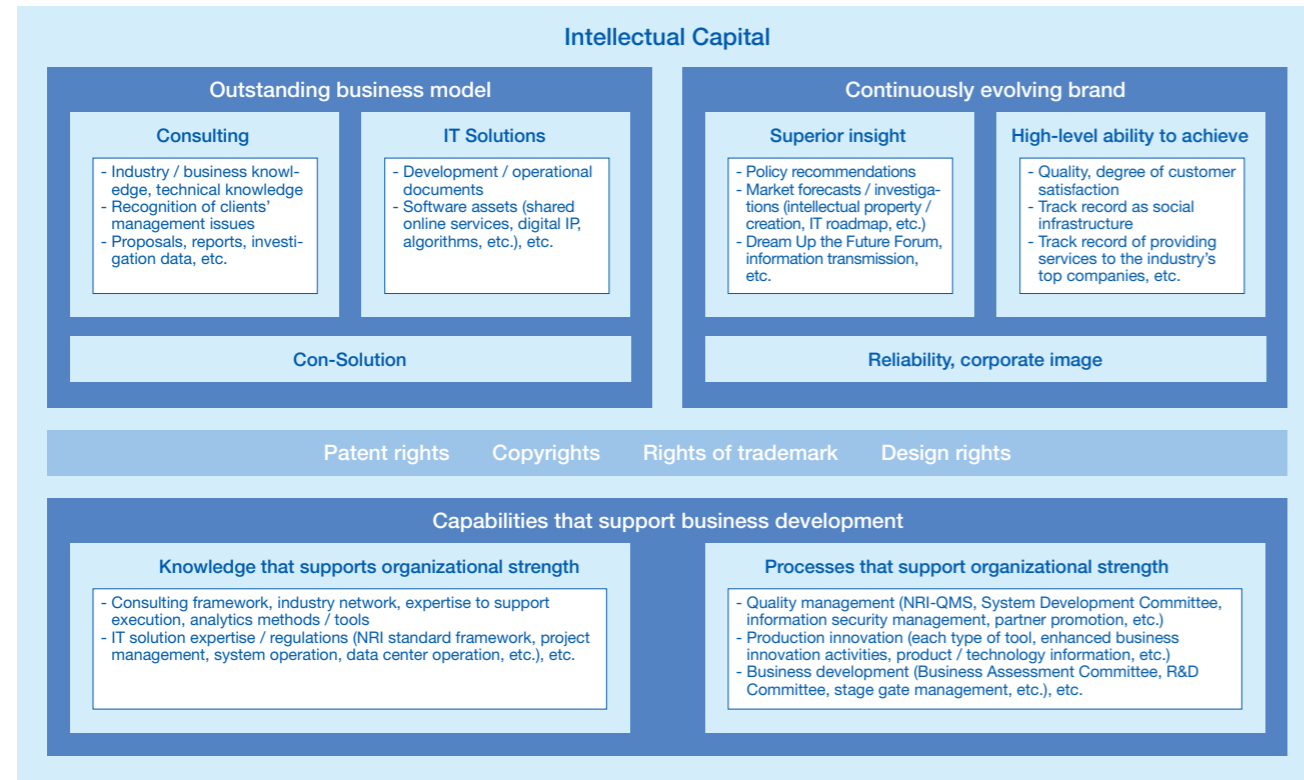




## Intellectual and Manufacturing Capital

### The Source of NRI's Competitiveness

The NRI Group has continued to provide high added-value services utilizing the insight and precise ability to implement that have been refined since our founding. Intellectual capital is the vital source of the NRI Group's powerful competitiveness, and an important element that clearly differentiates us from other companies. In addition to boosting individual strength to incomparable organizational strength that extends beyond organizational boundaries through the accumulation and utilization of intellectual capital, we continue to inherit and pass down knowledge and expertise that stretches through the eras. The NRI Group continues its long-term relationships with our clients and grows its business through management of such intellectual capital.



#### Outstanding Business Model

The NRI Group has a unique business model that continuously and concurrently utilizes both consulting and IT solutions to support reform in our clients' business. Industry and business knowledge in consulting work, deep understanding of our clients' management strategy and issues, and development / operational documents and software assets (algorithms, etc.) in IT solutions business are the NRI

##### Con-Solution Promoting DX Strategy with Clients

Corporate DX strategy is changing the era of "converting business to IT" to an era of "creating business through IT." In order to accelerate this movement, NRI operates its business in collaboration with a variety of companies, and by bringing together knowledge / expertise and technology that will be mutually beneficial, we continue to generate new value.

Group's valuable assets. By building up such intellectual capital, we have the ability to make recommendations and propose business strategy related to management of our clients' businesses, as well as to create DX platforms, etc., that utilize shared online services and AI, thereby creating a high level of added value.

The NRI Group has implemented "Con-Solution," a unique business model in which consultants that are well versed in industry knowledge and business processes and system engineers with significant experience in project management work alongside our clients to implement technology, repeatedly verify effectiveness, and share the results with our clients.

This Con-Solution is also being utilized in next-generation smart construction by EARTH BRAIN Ltd., which was founded by NRI jointly with Komatsu Ltd., NTT Communications Corporation, and Sony Semiconductor Solutions Corporation.

**Komatsu Ltd**  
**NTT Communications Corporation**  
**Sony Semiconductor Solutions Corporation**  
**NRI**

**EARTH BRAIN** **EARTH BRAIN**

<https://www.earthbrain.com/en/>

EARTH BRAIN was launched to bring DX to the construction industry and dramatically improve safety, productivity, and environmental friendliness. NRI supports DX in the construction industry through development of solutions and providing services and expertise that utilize its insight in business model transformation through digitalization.

#### Continuously Evolving Brand

Considering Japan's first private think tank as one of its origins, the NRI Group has strength in social recommendations and communication of information based on consumer trend investigations and forecasts of the future. We observe society and industry from a unique and excellent perspective, and release the results broadly to society through publications, forums, and the media, etc. We have

garnered high praise and trust through these activities. In addition, the IT solutions provided by the NRI Group support the financial market and everyday living through a high-level ability to achieve, and boast a high level of quality and reliability as part of society's infrastructure, so to speak. These activities contribute significantly to improvement of the NRI Group's sense of reliability and corporate image.

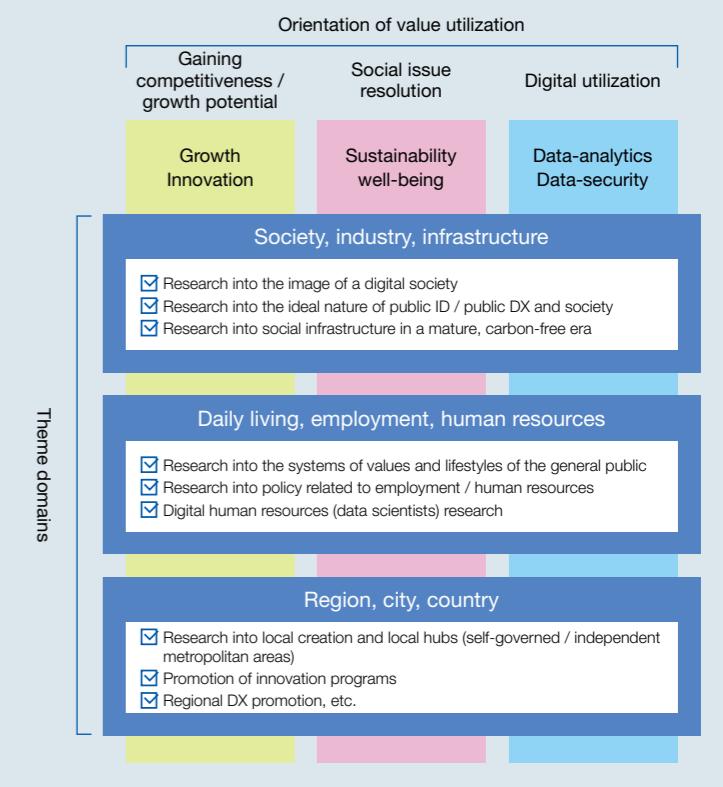
#### A Group of Experts Taking on the Challenge of Making Future Society a Reality

The core of the NRI Group's think tank function, the Center for Strategic Management & Innovation, aims to be a "future-oriented think tank" that observes the increasingly unclear social and economic issues faced by Japan and the world from a perspective that looks into the future, and recommends / communicates a "prescription" for those issues based on scientific judgment.

Members who possess a high level of expertise in each area propose a variety of measures to improve Japan's competitiveness and resolve social issues while painting a picture of society's future. In addition, we are implementing innovative initiatives that contribute to resolution of issues, while collaborating with global entities.

#### Increased Presence through Communication of Information on Accumulated Intellectual Property

We have increased the reliability of our ability to analyze and make recommendations and display our presence as a creator of future society by broadly communicating information on the results of our unique investigations and research activities in fields that include society, industry, daily living, and communities, through forums, etc. In the future as well, we will sensitively grasp changes in society and energetically pioneer new areas, while strategically utilizing as intellectual property the results of our activities.



#### A Variety of Intellectual Property Rights that Support these Activities

In order to maintain and expand intellectual capital and increase the competitive advantage of the NRI Group, our Intellectual Property Department promotes strategic and ongoing activities. Using IP landscaping\* and other techniques, we partner closely with related divisions and strive

to protect and utilize intellectual property rights that contribute to the business model and formation of the brand.

\* A technique used to understand the business environment using intellectual property trends as the pivot point and utilize that knowledge in the formulation of strategy

Intellectual / Manufacturing Capital

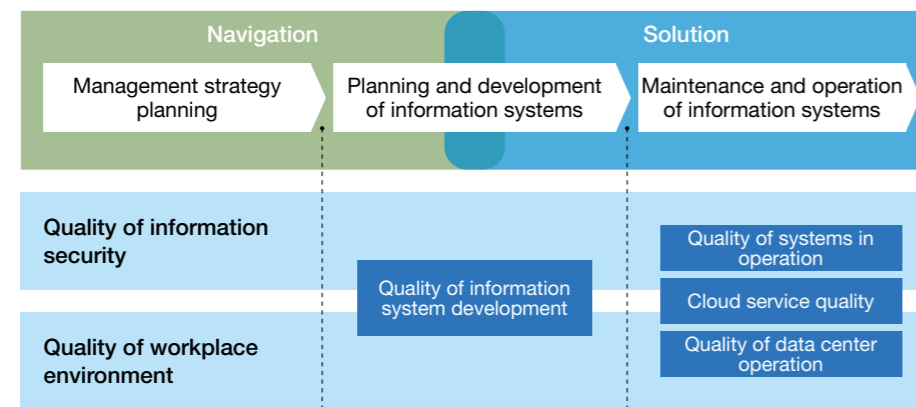
Capabilities that Support Business Development

The NRI Group's outstanding business model and constantly evolving brands are supported by knowledge and processes that accumulate the wisdom, experience, and know-how of individual human resources and transform them into "organizational knowledge." Production innovation methods are important processes for supporting organizational strength. These methods are born from activities such as quality supervision (including periodic meetings of the Systems Development Committee) and continual innovation to enhance work. Through these important processes, NRI has accumulated knowledge that enhances organizational strength, such as many different consulting frameworks and various IT know-how and rules. These processes and knowledge are key elements of intellectual capital as the capabilities that support the development of business models and brands.

NRI's Quality Management

We continually work to improve the quality of services, fully aware of our responsibility to deliver and operate information systems that serve as a key component of social infrastructure.

NRI's Quality Management Framework

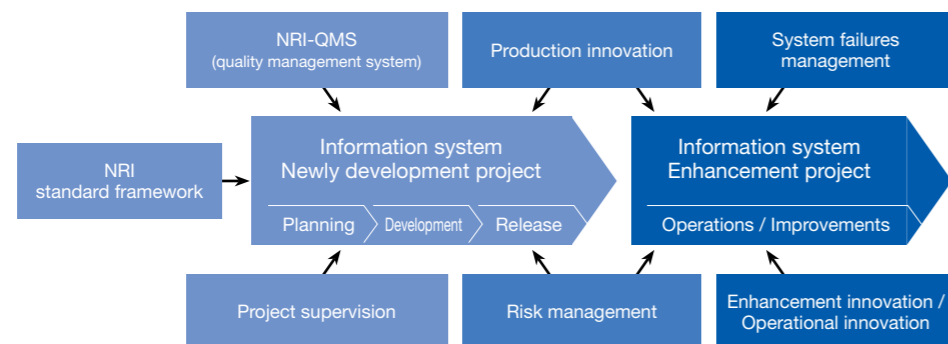


Initiatives for Improving the Quality of Information Systems

Each division is responsible for quality management over system development, maintenance and operations, and consulting services projects. In addition, NRI has an organization that proposes and supports quality management activities for each division.

In addition, work is under way to post all of the knowledge gathered at NRI on its internal website in order to share expertise and examples across the entire Company.

Project Support System for Improving the Quality of Information Systems

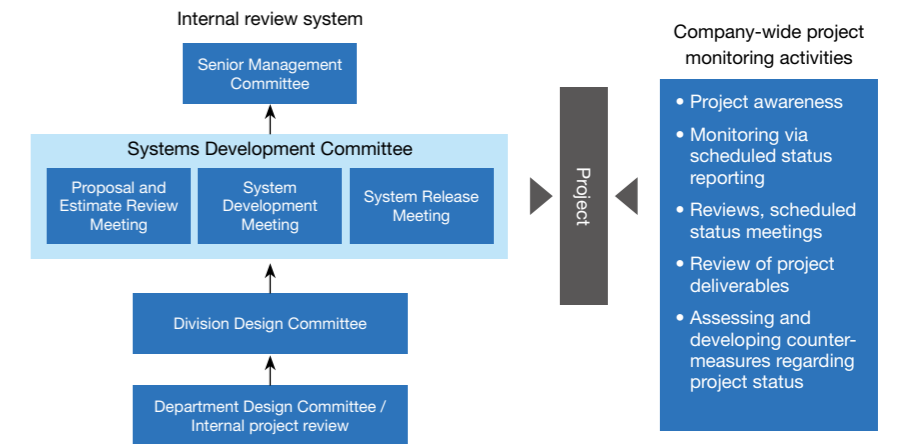


Project Supervision Activities to Support the Quality of Information System Development

The Quality Management Division provides both supervisory and project management office functions for each individual division, when they develop a new information system. In addition to "project management" for project implementation and success, NRI has a "project supervision" function to propose quality improvements, and to identify and resolve issues early on.

To ensure that internal reviews are not merely process checks, committee members gathered from each division enact a strict check through the system details, thus achieving a high level of quality.

Project Supervision Activities



Project Management Activities as an Opportunity to Develop Human Resources

Project review meetings function as forums for the learning and growth not only of managers of projects that are being reviewed, but also of employees who participate as reviewers and employees who attend as project manager candidates.



Become Project Managers/PMO\*/project administrators through experience as reviewers and attendance

\* Project management office. At NRI, there are many cases in which former Project Managers enter the PMO and provide indirect support for new Project Managers.

Emphasis on Quality of Systems in Operation

Operating and maintaining completed information systems of a high quality not only builds solid relationships with clients but also provides opportunities to improve and propose new solutions for the streamlining and further growth of clients' businesses.

For this reason, NRI refers to operations and maintenance projects as "enhancement projects," which are assigned the same level of importance as projects to develop new information systems.

Production Innovation Initiatives

Since FY March 2011, NRI has held the Production Innovation Forum for each business division to share its initiatives related to productivity and quality improvements in a Company-wide manner, and to recognize innovative initiatives.

We will continue to make endless improvements as a leader of the IT services industry and foster a corporate culture of taking on new challenges.



The Production Innovation Forum award ceremony

Cloud Service Quality that Supports Social Infrastructure

Cloud services communally used by large numbers of users serve the function of supporting social infrastructure. These services must be operated safely and securely.

NRI sets standards internally based on guidelines issued by relevant agencies, performs risk assessments on a regular basis, and takes the appropriate measures. We also have independent organizations perform regular audits and evaluations of the operations of these services, and facilitate improvement processes to ensure that they remain highly regulated with good security.



Intellectual / Manufacturing Capital

**Quality of Data Center Management that Supports Stable Operations**

The stable operation of information systems requires not only the quality of the information system itself but also the quality of the data center that operates and manages the information system. In order to ensure stable operation of information systems, and to provide safe and secure quality of services, NRI visualizes the risks related to data center services, conducting training for each type of issue that could be anticipated.

It also conducts inspections that are interconnected with data center facilities. In respect to these efforts, NRI has obtained certification from third-party review agencies.

Main Data centers

[Kanto]



**Tokyo Data Center I**

**Completion:** 2012  
**Total floor area:** 338,820m<sup>2</sup>  
**Reception capacity:** 40,000KVA



**Yokohama Data Center II**

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

[Osaka]



**Osaka Data Center II**

**Completion:** 2016  
**Total floor area:** 15,000m<sup>2</sup>  
**Reception capacity:** 7,500KVA

**Safety and Security Forum**

The stable operation of data centers is NRI's social mission. As part of this mission, we hold a forum on the themes of safety and security every year. In FY March 2022, we invited Professor Masayuki Nakao of the University of Tokyo Graduate School of Engineering for a lecture on "The Science of Preventing Failure." Professor Nakao conducts research on the science of failure analysis aimed at clarifying the causes of accidents and failure in companies.

The forum served as an opportunity for employees to pledge to the stable operation of information systems, with lectures on safety by external experts centered around the concepts of thinking, learning, and not forgetting, and awards for excellent slogans on safety and security thought up by individual employees.



Masayuki Nakao  
 Professor  
 Tokyo University Graduate School of Engineering

**Examples of Certifications and Assurances Acquired by NRI**

- ISO9001 (Quality management system)
- ISO14001 (Environmental management system)
- ISO20000 (IT service management)
- ISO27001 (Information Security Management System)
- ISO27017 (Cloud services security)
- SOC 1/SOC 2 Report (Internal control assurance report)
- Uptime Institute M&O (Global certification standard for data center management prescribed by Uptime Institute)\*



\* Certification acquired for Tokyo Data Center I, Yokohama Data Center II, and Osaka Data Center II

**Policies Relating to Information Security**

NRI and its Group companies declare that the NRI Group shall observe all applicable laws and ordinances and shall fully recognize the roles that companies offering information services should play. The NRI Group has established a framework of advanced information security management that can serve as a social model to enable its companies to continue to be worthy of client and public trust.

**Declaration of Information Security Measures**  
[https://www.nri.com/en/site/security\\_declare](https://www.nri.com/en/site/security_declare)

**Related Rules Concerning Information Security**

In response to laws and regulations related to information security and the advance of information technologies, we establish or revise management rules as appropriate, including the Information Security Management Rules, Confidential Information Management Rules, Personal Information Management Rules, Specific Personal Information Management Rules, and Information Asset Management Rules.

In addition, we have prepared operating procedures, guidelines, manuals, etc., for each of these management rules to ensure that consistent and effective information security management is conducted.

**Information Security Management Structure**

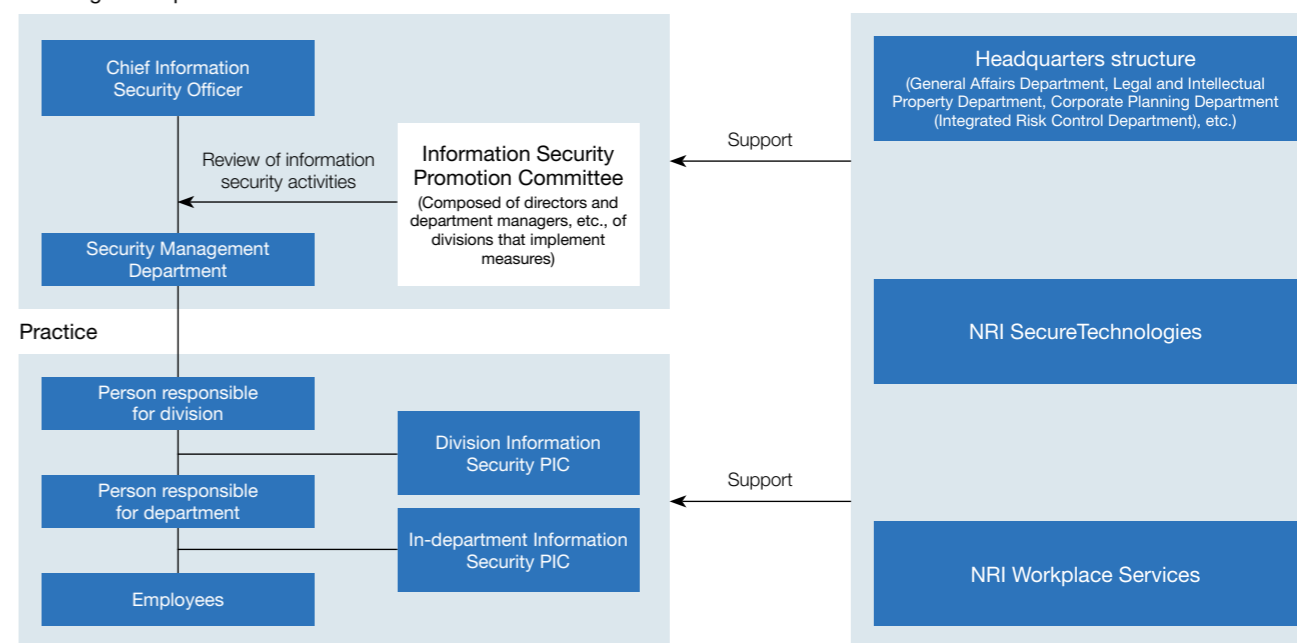
NRI has appointed a Chief Information Security Officer, who has developed a system of information security management for our organization as a whole. All business divisions and Group companies have appointed an information security manager and information security person-in-charge (PIC), who have developed a mesh structure that allows security measures to be undertaken on a cross-organizational basis. As well as furthering the implementation of our information security policies, this structure will enable us to respond swiftly, accurately, and reliably in the event of cyberattacks and other security emergencies.

The NRI Group contains specialist organizations that conduct surveys and research of the latest information technologies, as well as NRI SecureTechnologies, Ltd., (hereinafter, "NRI Secure") that engages exclusively in information security business. We will draw on their technology, know-how, and knowledge when preparing and implementing our information security policies.

We have appointed an information security manager and an information security PIC at each of our overseas and domestic Group companies, who are directing the development of an effective information security system and the drafting of an information security enhancement plan at their company. In addition, the NRI Group has set certain information security protection standards and engages in improvement drives designed to meet those standards.

Information Security Management Structure

Planning and Implementation



Intellectual / Manufacturing Capital

Education on Information Security

NRI conducts ongoing information security education to raise the awareness of information security, instill regulations, and improve the quality of security during design and development. In addition to conducting specific training tailored to the particular characteristics of our divisions and Group companies, we arrange training for our overseas offices that can be undertaken in English and/or Chinese. We also actively incorporate Group training and e-learning methods into our training programs.

NRI's Handling of Personal Data (Including Individual Numbers)

NRI has a Personal Data Protection Statement, and it has made its Privacy Policy available to the public. In accordance with the Statement and Policy, our employees comply with the Act on the Protection of Personal Information Held by Administrative Organs; the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (the "My Number Act"); and other relevant laws and regulations.

NRI demonstrates flexibility in its responses to changes demanded by the public, such as keeping abreast of rules and guidelines on the protection of personal information issued by regulatory authorities by the Personal Information Protection Commission.

Response to Cyberattacks

NRI uses system-based defenses against cyberattacks, such as installing antivirus software and EDR<sup>\*1</sup>, hard drive encryption, and installing different security measures (such as firewalls, WAF<sup>\*2</sup>, and network behavior analysis technology<sup>\*3</sup>). However, NRI is well aware that system responses alone are not enough for defense, and has therefore put in place a Computer Security Incident Response Team (CSIRT)<sup>\*4</sup>.

A CSIRT acts like a fire extinguisher, denying further success to any attack that does in fact strike a system. It collects, evaluates, and shares vulnerability and attack information, and functions as an organized, swift, and appropriate measure. We also conduct employee education and training related to targeted e-mail attacks.

<sup>\*1</sup> A solution that detects suspicious behavior on computers and servers (endpoints) and supports prompt response.  
<sup>\*2</sup> Web Application Firewall: System for detecting or providing protection against attacks that take advantage of the vulnerabilities of web applications.  
<sup>\*3</sup> Malware used in a phishing attack is often produced to target a specific company alone, which means general antivirus software may not be able to detect and eliminate the attack. NBA technology works by running software suspected of being malware in a highly restricted environment called a "sandbox." Checks are then made to see whether the software is engaging in behavior such as information exploitation or preparatory activity to that end, and if it is, it is eliminated.  
<sup>\*4</sup> Computer Security Incident Response Team: This is the entity (a team) that takes the appropriate response when it receives notice of a computer security incident. Alternatively, CSIRT refers to the functions of that entity.

Personal Data Protection Statement  
<https://www.nri.com/en/site/security>  
 Privacy Policy  
<https://www.nri.com/en/site/privacy>



NRI Secure Recognized as an Information Security Market Leader by Research Firms in Japan and Overseas

As part of the "Best Practice Award" released by the major U.S. research and consulting firm Frost & Sullivan Inc., NRI Secure was named the "Japan Managed Security Service Provider of the Year," the top award in the Managed Security Services category, for the fifth year in a row. Furthermore, NRI was introduced as one of the representative global vendors in reports published by U.S.-based Forrester Research related to managed security services providers and fraud management solutions.



Received the 2021 Japan Managed Security Service Provider of the Year award from Frost & Sullivan

Quality of Workplace Environment

NRI promotes a multitude of initiatives to foster a workplace environment where employees can keep on working positively in good mental and physical health. The buildings for Headquarters, the Yokohama Center, and the Osaka Center have open layouts with no assigned seating, and common spaces such as meeting rooms. NRI is working to create better places to work through innovation in work styles and by reconceptualizing the organizational atmosphere. Such efforts include the introduction of a framework for allowing project managers,

and those in project supervisor departments, to grasp the overtime hours of project members. NRI is also continuously working on advancements in our work environments themselves. This includes digital solutions implemented starting in June 2020 that use in-house technologies to protect the health of visiting clients as well as employees of NRI and its partners by detecting body temperatures of visitors and avoiding the "Three C's"—closed spaces, crowded places, and close contact with people, in the office.

Social and Relationship Capital

Cooperation with Stakeholders

NRI values connections with clients, employees and their family members, shareholders, investors, and business partners, which include a wide range of entities composed of general consumers, media, local communities, industry associations and competitors, government agencies, education/research institutions, students, and NGOs / NPOs.

Dialogue with Experts

Each year since FY March 2011, NRI has engaged in dialogue with outside experts in order to understand trends in global sustainability and reflect that knowledge in management strategy and risk management. The 10th Dialogue with Experts was held on November 19, 2021. We exchanged opinions with three experts, mainly regarding "positioning of sustainability in the Medium-Term Management Plan," "promotion of diversity," and "ESG trends."



**Tsuyoshi Mizuguchi**  
 Vice Chairman of Takasaki City University of Economics



**Emi Onozuka**  
 Chief Operations Officer, Japan Catalyst, Inc (Monex Group)



**Yasushi Hibi**  
 Vice President, Asia Policy and Managing Director, CONSERVATION INTERNATIONAL-JAPAN

(Affiliation and position as of November 2021)

Positioning of Sustainability in the Medium-Term Management Plan

**Mizuguchi:** In order to position sustainability in management strategy, it is important to reduce negative impact and increase positive impact. In regard to negative impact, it is believed that efforts to make data centers carbon-free are necessary. It appears that the transition to renewable energy is proceeding, but setting and promoting a more aggressive target is likely a good idea.

As for positive impact, it would probably be best to disclose detailed information on which departments are to work toward "achievement of social paradigm reform" and which approach is to be used. Pushing the Company's perspective as a think tank to the forefront and making recommendations about the orientation of society will likely become one positioning of sustainability in NRI.

**Onozuka:** As an investor, I expect the Company to have a sustainability narrative that is suited to the financial growth strategy through increasing ROE or further global deployment. I believe that this requires the Company to talk to each stakeholder about what issues exist, what the timeline for providing value will be, and so on.

Link between Sustainability Performance and Director Compensation

**Onozuka:** IT companies in Europe use the results of employee engagement when determining the amount of compensation for Members of the Board. Investors believe that it is better to link Member of the Board compensation to indicators that lead to substantial corporate value rather than simply having specific indicators be elements of determining compensation.

**Mizuguchi:** We're not talking about simply connecting sustainability indicators to compensation, but we're saying that having a narrative in which the Board of Directors makes a commitment and integrates it into strategy is really what gives meaning ultimately to linking it to compensation. The important point is not just compensation, but what the Board of Directors commits to.

Method of Procuring Renewable Energy

**Hibi:** From the perspective of NRI being able to co-create social value as well, I believe that it is necessary to procure renewable energy that has additionality.\* Even if NRI procures renewable energy that has additionality, the social impact may not be that significant in terms of the amount of consumption. However, I believe that it is very significant as the ability to communicate information. Japan is behind in the context of the world, but NRI should take the lead in Japan.

\* Having the effect of encouraging investment that generates new renewable energy

**NRI:** In light of what you have said, we would like to work toward expanding themes aimed at social issues in our research and development. Further, in addition to continuing discussion of the ideal nature of sustainability policy in the future, we will continue to consider the possibility of procuring renewable energy in a better form, while monitoring market trends and revisions of systems.



Social and Relationship Capital

Cooperation with Clients

NRI engages in sincere business activities for its clients and strives to deliver services that are satisfactory and in conformity with client agreements.

Comprehensive deliberation on new contracts

In response to business contract requests from clients, we decide to accept them by conducting examinations. We make our final decision after thoroughly considering the fiduciary duty on quality and delivered date, as well as legal, ethical, and operational risks for the contract.

Client satisfaction surveys

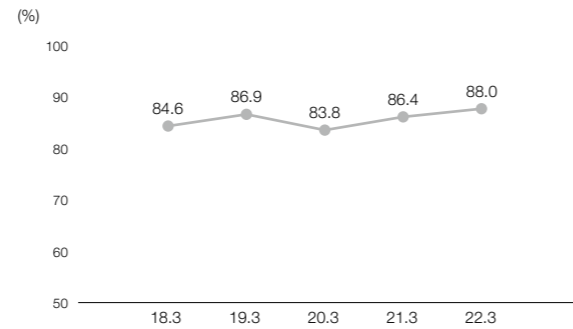
NRI conducts client satisfaction surveys for each project and has clients evaluate the entire project. We also obtain specific feedback from clients on our proposal-making skills and incident management procedures.

The Quality Management Department compiles and analyzes overall trends through the results from the survey. It also provides the departments in charge of the project with feedback from the surveys and implements measures to follow up on the feedback and enhance service quality, leveraging the data to improve the service quality.

**The Main Items for Deliberation on New Contracts**

- Credit screening tapping into information from research firms
- Project-by-project deliberation at the Senior Management Committee and each division meeting
- Comprehensive assessment on the future potential, growth potential, and social effects of the business

Results of the Client Satisfaction Survey (non-consolidated)  
Percentage that responded "Satisfied" or "Moderately satisfied"  
(Total for top two items on five-grade scale)



The investigation targets all business units. Clients and project services that will be the target of the investigation are selected for each business unit based on set criteria.

Cooperation with Business Partners

NRI's operations are based on cooperation with its business partners, such as external contractors and suppliers. Accordingly, NRI has a fundamental policy of building business relationships that are mutually beneficial, as well as obey sound business practices and laws.

**NRI Group Procurement Policy**  
<https://www.nri.com/jp/company/partner>

When an NRI system development project is contracted out to a business partner, it should be assessed comprehensively with respect to its technological capability, quality, delivery date, cost of products and services, staffing and platform, financial condition, compliance, and efforts on information security management. Overseas business partners should also be screened under laws such as the Foreign Exchange and Foreign Trade Act.

The number of employees involved in business at NRI's business partners stands at approximately 13,000, about half of which are permanently stationed in NRI offices or currently working from home.

To continue the appropriate contract services, we formulated the Guidelines Relating to Contract Work. Moreover, we separate the work sites of business partner employees under a contract service agreement from the work site of NRI employees, preventing a practice of falsified contract service in which an NRI employee directly issues instructions and orders to a business partner employee. We annually conduct the required self-inspections.

Hosting of Partner Sustainability Dialogues

NRI holds annual sustainability workshops with its business partners to share information and exchange opinions about sustainability activities. The dialogue was held online for the first time in January 2021. There was participation by a record 67 business partners, a testimony of their strong interest in sustainability activities.



Dialogue with business partners regarding the ideal nature of cooperation in sustainability activities

Information Disclosure and Communication

NRI is committed to gain the trust of shareholders and investors through constructive dialogue, and to receive an appropriate evaluation from capital markets. For these reasons, taking fair disclosure as our fundamental policy, we are working to promote understanding of both our business and our medium- to long-term strategies for growth, and to expand our shareholder and investor base.

Measures Aimed at Ensuring a Meaningful General Meeting of Shareholders

To energize the General Meeting of Shareholders and ensure that voting rights are exercised, we perform the following procedures:

- Set the date of the General Meeting of Shareholders on a day where such meetings are not concentrated.
- In addition to sending out individual notices of convocation of a General Meeting of Shareholders earlier, post the notice on the NRI and Tokyo Stock Exchange websites prior to sending the individual notices. This effort allows shareholders to have sufficient time to consider the proposed resolutions for the meeting  
The 57th Ordinary General Meeting of Shareholders: Notice released on May 21 Meeting held on June 17 (Notice about one month before)
- Send out a notice of convocation of a General Meeting of Shareholders electronically to shareholders consenting to such procedure
- Deliver a notice of convocation of a General Meeting of Shareholders in English (summary)
- Provide an opportunity to exercise voting rights by using the Internet system run by a trust bank (a shareholder register administrator)
- Provide an opportunity to exercise voting rights by using the Voting Rights Electronic Exercise Platform, run by ICJ, Inc.
- Hold a Management Reporting Session for shareholders after the conclusion of the General Meeting of Shareholders

Active Dialogues with Shareholders and Investors

With the aim of expanding our shareholder and investor base, we are promoting better understanding of our business activities and strategies for growth through direct and indirect communication. The following principal activities were implemented during FY March 2022:

<b>For shareholders</b>	<ul style="list-style-type: none"> <li>• Shareholder questionnaire: Number of respondents: 5,217 (Number sent: 21,149 shareholders / Collection rate: 24.7%)</li> </ul>
<b>For institutional investors and analysts</b>	<ul style="list-style-type: none"> <li>• Number of investors met: 785 persons</li> <li>• Domestic: In addition to results briefing sessions for each quarter and individual interviews, held small meetings with management, ESG briefings, Business Information Sessions, etc.</li> <li>• Overseas: Online roadshows and online conferences</li> </ul>
<b>For individual investors</b>	<ul style="list-style-type: none"> <li>• Individual investor information meeting: two were held (Online)</li> <li>• Number of attendees: 2,307 persons</li> </ul>

Providing Appropriate Information Disclosure

In order to achieve accountability to shareholders, investors, and other stakeholders, NRI is striving to enhance the level of information disclosure and the timely disclosure of information through activities including those below:

- Disclosed the Long-Term Management Vision and the Medium-Term Management Plan (mid-and long-term management strategy and numerical targets, etc.)
- Established the Disclosure Committee, which checks the preparing process for, and appropriateness of, disclosed materials
- Published our financial results and latest information promptly under the Investor Relations section on our website
- Provided a dedicated website for individual investors to enhance information disclosure and understandability and clarity

Hosting of ESG Briefings

We host "ESG briefings" to help investors, analysts, and the media gain an understanding of NRI's sustainability management and specific efforts regarding ESG. The February 2022 briefing welcomed 96 participants.



ESG briefings  
<https://www.nri.com/en/sustainability/management/esg/2018>

External Evaluation of NRI

2021 Award for Excellence in Corporate Disclosure  
· IT Service / Software Industries  
· Disclosure to Individual Investors  
(The Securities Analysts Association of Japan)



## Natural Capital

### Reduction of Environmental Impact for Preserving Global Environment

One of the key issues (materiality) for sustainable growth raised by the NRI Group is environmental impact reduction for preserving the global environment. NRI recognizes that planet-wide environmental issues, including climate change and environmental pollution, are global issues. As a company that provides consulting and IT solution services, we will leverage our creativity and technological capabilities to work with all stakeholders and contribute to the realization of a sustainable future. Furthermore, during business activities by the NRI Group, all officers and employees of the Group strive to reduce the environmental impact.

#### Environmental Targets

In May 2020, NRI committed to Business Ambition for 1.5°C, in response to the mounting sense of crisis related to global climate change. In February 2021, NRI set a greenhouse gas emissions reduction target that aimed to limit global temperature rise to 1.5°C from preindustrial revolution levels.

The target has been certified by SBTi\* as a 1.5°C target. To achieve this target, NRI joined RE100 in February 2019. Afterwards, in FY March 2022, we switched the electricity used at our main data centers to renewable energy sources. As a result of these efforts, we expect to achieve the SBT 1.5°C target for FY March 2031 that we set in February 2021 by

FY March 2022, which is nine years ahead of schedule. Therefore, we set new targets in February 2022 for reducing greenhouse gas emissions.

\* SBTi: An initiative to promote the setting of science-based targets for reducing greenhouse gas emissions by companies in order to control the increase in global temperature below 2°C from preindustrial revolution levels. The initiative was established by four organizations: CDP, which is a federation of institutional investors promoting disclosure on climate-change countermeasures, the UN Global Compact (UNGC), the World Resources Institute (WRI), and the World Wildlife Fund (WWF).

Science Based Targets website  
<https://sciencebasedtargets.org/>

#### NRI Group's Environmental Targets

Category*2	SBT1.5°C Target (Set in February 2021) Target for FY Mar. 2031	New Target*1 (Set in February 2022) Target for FY Mar. 2031
Scope 1+2	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions at the NRI Group by 72% (compared with FY March 2014)</li> <li>Achieve a renewable energy usage rate of 70% at data centers</li> </ul>	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions at the NRI Group to zero**</li> <li>Achieve a renewable energy usage rate of 100% at the NRI Group</li> </ul>
	<p>Target for FY Mar. 2051</p> <ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions at the NRI Group to zero</li> <li>Achieve a renewable energy usage rate of 100% at the NRI Group</li> </ul>	
Scope 3	<p>Target for FY Mar. 2024</p> <ul style="list-style-type: none"> <li>70% or more of NRI Group suppliers and vendors will set science-based target for reducing greenhouse gas emissions (Categories 1, 2 and 11)</li> </ul>	<p>Target for FY Mar. 2031</p> <ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions related to employee travel and commuting (Categories 6 and 7) by 25%</li> </ul>
	<p>Target for FY Mar. 2031</p>	

\*1 The new target is scheduled to acquire SBT certification in accordance with the future standards of the SBT initiative.

\*2 Regarding Scope 1 emissions, we will consider measures based on future SBTi guidelines and technology trends.

Scope: Target scope of calculation/reporting for greenhouse gas emissions by corporations

Scope 1: Direct emissions through combustion of fuel, etc.

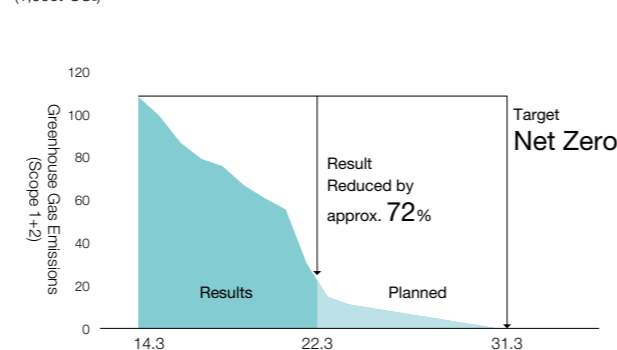
Scope 2: Indirect emissions through use of electricity, heat, steam, etc.

Scope 3: Indirect greenhouse gas emissions other than Scopes 1 and 2. Manufacturing in the supply chain, commuting by employees, business travel, etc.

#### Actual Greenhouse Gas Emissions

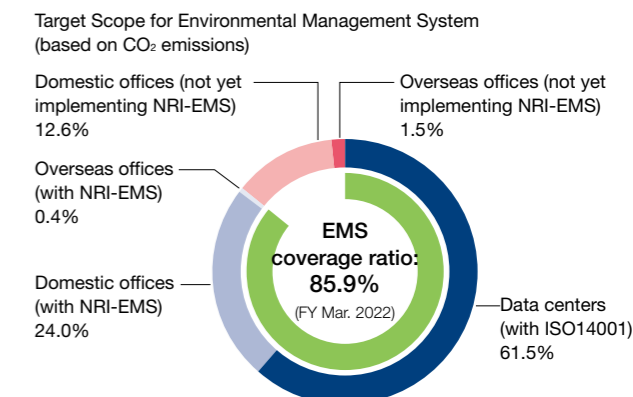
From FY March 2016, NRI has been relocating and consolidating operations into data centers and offices with high environmental performance. As a result, the NRI Group's greenhouse gas emissions (Scope 1+2) in FY March 2022 were 30,000 tons, which was a reduction of about 72% from FY March 2014. Going forward, we will engage in the reduction of greenhouse gas emissions by promoting renewable energy procurement in addition to our conventional energy conservation measures.

Results and Annual Targets of Greenhouse Gas Emissions (Scope 1+2)  
 (1,000t-CO<sub>2</sub>)



### Implementation of Environmental Management System

NRI has acquired ISO14001 certification, an international standard on environmental management systems (EMS), for its data centers, which are the main source of CO<sub>2</sub> emissions. Furthermore, NRI-EMS, an environmental management system unique to NRI, has been introduced at key NRI offices. Starting with implementations of NRI-EMS at offices in China in FY March 2019, we will be implementing the system at more worldwide offices going forward.



### Progress in Renewable Energy Procurement

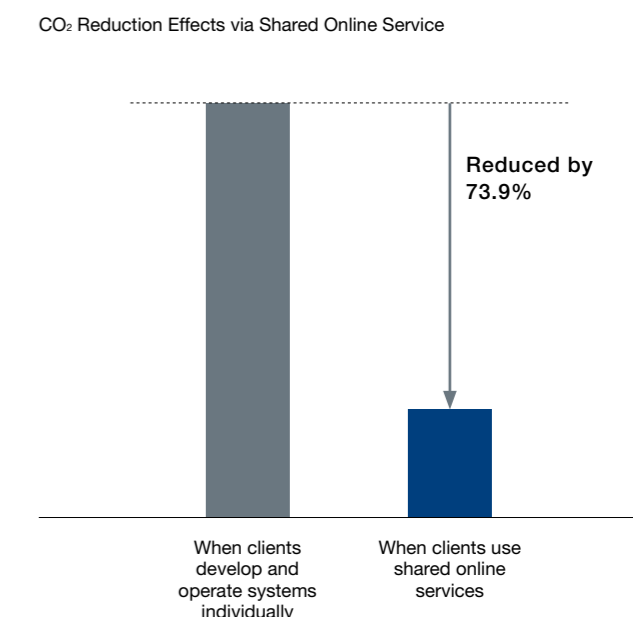
Because 90% of the NRI Group's greenhouse gas emissions arise from the use of electricity, we are sequentially promoting a switchover to the use in business of electrical power derived from renewable energy. As for our offices, thanks to efforts such as the lobbying of building owners, a switchover from FY March 2022 to the use of electricity derived from renewable energy has been decided at some offices. Meanwhile, at our

overseas bases, we achieved net-zero greenhouse gas emissions in three regions—China, the U.S., and Australia—by purchasing renewable energy certificates. To achieve our target of making the renewable energy utilization rate by our data centers 70% by FY March 2031, we launched a Company-wide decarbonization project in February 2021.

### Reduction of Client(s) Greenhouse Gases Through Shared Online Services

Through the services we provide, the NRI Group contributes to the decarbonization of our client companies.

The NRI Group provides a large number of shared online services in which many client companies jointly use information systems running at NRI's data centers. Using shared online services makes it possible to significantly reduce greenhouse gas emissions compared to when each client company develops and operates an equivalent information system in-house. NRI estimates that it is possible to reduce clients' greenhouse gas emissions by 73.9% through the use of shared online services.





Natural Capital

Promotion of Reduction of Greenhouse Gas Emissions in the Supply Chain (Scope 3)

The NRI Group is moving forward with efforts toward Scope 3 emission reduction, mainly through dialogue with major business partners and disclosure of information.

Each January, we host sustainability dialogue sessions to provide a forum for learning about and discussing sustainability with our partner companies. At that time, we introduce the NRI Group Environmental Policy and efforts to reduce greenhouse gas emissions. During this dialogue, we also ask our business partners to set targets for reduction of greenhouse gas emissions. In FY March 2022, the international climate NGO CDP\* provided us with an explanation of how to set environmental targets. In addition, starting in FY March 2022, we have participated in the “CDP Supply Chain Program,” with the aim of understanding greenhouse gas emissions in the supply chain

and considering ways to reduce them. Along with encouraging our business partners to disclose information related to climate change, we are working to understand and identify the emissions generated by the products and services that NRI uses.

\* CDP: A non-profit organization mainly involved in asking companies and local governments, at the request of highly environmentally aware institutional investors around the world and major purchasing companies, to disclose information about their measures to address environmental problems such as climate change, safeguarding water resources, and protecting forests, and through that, encouraging them to put such measures into place. CDP is an information disclosure platform that currently provides the world's most beneficial information pertaining to environmental problems.

CDP website  
https://www.cdp.net/en



ESG Training for Employees

We believe that spreading the NRI Group's sustainability policy to each officer and employee, and having them engage in their daily duties with an awareness of the key issues for sustainable growth is of importance in the implementation of sustainability efforts. To enable this, we opened our intranet ESG Site as a means to build awareness and familiarize employees with the necessary knowledge and wisdom, including those matters that need to be observed. Through the ESG Site, employees can learn about the global tides related to ESG from each of the themes—Environmental, Social, and Governance. What is more, employees can also learn about and deepen their understanding of the sustainability activities that the NRI Group is engaged in.



External Recognition

For the third year in a row following FY March 2020, NRI was selected, through the climate change survey carried out by the international non-profit organization CDP, as a Climate Change ‘A List’ company, which is the CDP's highest level of recognition. We believe that NRI was recognized for its strategy, initiatives, and information disclosure pertaining to climate change.

NRI's initiatives to address climate change in its supply chain were also recognized for the third year in a row in February 2020 by selection to the Supplier Engagement Leaderboard—the highest rating assigned to companies in the Supplier Engagement Ratings by the CDP.



Initiatives Regarding the TCFD Final Report

NRI's Initiatives Regarding the TCFD Final Report

The NRI Group established our Sustainability Activities Committee to carry out initiatives a foundation upholding value co-creation in sustainability management by implementing initiatives related to sustainability management.

Because we consume a large amount of electric power—mainly at our data centers—the NRI Group acknowledges the importance of the effect electricity usage has on the climate. We announced that the NRI Group endorses the TCFD\*1 Final Report in July 2018, and we are appropriately disclosing information based on the TCFD framework. Repeated discussions are being held in the Sustainability Activities Committee

together with experts from the consulting business division, and in FY 2018 we began publicly releasing information about our progress at the annual ESG Briefing\*2.

In FY 2018, we identified risks and opportunities throughout the NRI Group's overall business. In FY 2019, we conducted a scenario analysis for the data center business (which is vulnerable to the impacts of climate change) and calculated the financial impacts. Since FY 2020, targeting a different business every year, we have been conducting a scenario analysis to calculate the financial impact on each profit center.

TCFD Scenario Analysis Implementation Status

	FY March 2019	FY March 2020	FY March 2021 & FY March 2022
Implementation details	Study the scenarios and identify risks / opportunities • Identifying the risks and opportunities for the 2°C and 4°C scenarios	Scenario analysis for businesses vulnerable to climate change • Calculating financial impact	Scenario analysis for profit center • Calculating financial Impact
Target business	Consulting		Consulting
	Financial IT Solutions		Asset Management Solutions
	Industrial IT Solutions		Securities Solutions
	Data Centers	Data Centers	Report target for FY March 2022

Anticipated Impacts on Our Businesses (Opportunities and Risks)

After declaring our support for the TCFD Final Report, we established the scope of our investigations in FY 2018, the first fiscal year. We defined and identified scenarios\*3: a “2°C or lower scenario,” in which the temperature increase is kept below 2°C according to the Paris Agreement, and a “4°C scenario,” in which no measures are implemented besides those

expected at present. We identified the impacts in these scenarios on the Consulting, Financial IT Solutions, Industrial IT Solutions, and Data Center businesses. Subsequently, in light of trends in society, we revised the scenario of less than 2°C to a scenario of 1.5°C.

+ Opportunity – Risk

Business Field	1.5°C or lower scenario		4°C scenario	
Consulting	+	The demand for client corporations to make changes leading to decarbonization will increase demand for NRI's knowledge and solutions related to sustainability.	–	There is the risk that intensified natural disasters envisioned in the 4°C scenario will cause stagnation of the macro economy, hurt the profitability of clients, and impact business sales.
Financial IT Solutions	+	Compared to independent system development by individual corporations, NRI's shared online services will enable significant reduction in power consumption, CO <sub>2</sub> emissions, and cost. Furthermore, demand can be increased by raising the renewable energy usage rate aimed at achieving RE100.	–	If the profitability of financial institutions decreases due to climate change becoming a factor in asset damage and long-term stagnation of the macro economy, there is the risk of impact on demand for provided services.
Industrial IT Solutions	+	Support for increasing the efficiency of the supply chain and distribution processes will contribute to low carbonization. The advancement of related initiatives in the future will create opportunities for increasing demand.	+	NRI believes that providing a cloud-based system will minimize damage in the event of a natural disaster, thereby limiting the risk to our customers.
Data Centers	+	By FY March 2050, we seek to establish carbon-free data centers which use renewable energy for all electric power. We believe that these data centers will create increased demand in conjunction with increased environmental awareness among our clients.	+	The risk of business stoppage is reduced by considering natural disasters when selecting locations, as well as by implementing a mutual backup system using multiple data centers. This creates opportunities for increasing demand.
			–	There is the risk of increased expenses such as equipment maintenance / renewal expenses and cooling expenses due to power malfunctions caused by natural disasters, and due to an increase in days on which the temperature exceeds 30°C.

Natural Capital

Scenario Analysis for the Capital Markets & Wealth Management Solution Business

In FY March 2022, we conducted a scenario analysis for the Capital Markets & Wealth Management Solution business, which is part of the Financial IT Solutions business.

[Business model analysis]

To identify risks and opportunities in the Capital Markets & Wealth Management Solution business, we first conducted a business model analysis for the same. The services provided by the Capital Markets & Wealth Management Solution business are broadly classified into ASP (Shared Online Services) and SI (System Integration). We surveyed the relationships between

these services and the variation factors of sales, likely to be affected by climate change events. The below illustration demonstrates these relationships.

Within ASP services, we identified that sales variation factors differ between wholesale and retail. We learned, that “number of transactions” and “number of functions used per client” hugely impact wholesale. While for retail, in addition to these, “share price, asset balance, and revenue from securities firms” are the most important factors. On the other hand, for SI services, “number of contracts” is the variable affecting sales.

Variation Factors of Sales and Business for Capital Markets & Wealth Management Business (Figure 1)

		Variation factors of sales expected to be affected by climate-related events			
		Number of transactions	Share price, asset balance & brokerage firm revenue	Number of contracts	Number of functions utilized per customer
Shared online services (STAR, I-STAR)	Wholesale	• Combination of fixed and usage-based pricing • Fixed:Usage-based=4:6	⊙		⊙
	Retail	• Combination of fixed and usage-based pricing (Fixed:Usage-based=6:4) • Transaction oriented standard system	⊙	⊙	⊙
SI		• NRI develops as per client's needs with specifications determined by the client		⊙	

Risk and Opportunity Analysis

We then conducted a risk / opportunity analysis. We surveyed impacts on our services and potential changes in the external environment in response to climate-related events, and analyzed whether these posed risks or opportunities for NRI. The results are shown in the Figure 2.

Risk and Opportunities for Capital Markets & Wealth Management Solution Business (Figure 2)

⊙ Opportunity ✕ Risk ▲ Can be an opportunity / risk

Climate-related events	Anticipated changes	Risk / Opportunity	Related business (sales & expenses)
(1) Introduction and strengthening of transition policies, such as carbon pricing (carbon tax), etc.	Changes in the corporate competitiveness and corporate value affect the asset balances	▲	Shared online services for retail
(2) Introduction of carbon pricing (carbon tax, etc.)	Increased costs of servers and other equipment as a result of higher utility costs due to carbon pricing	✕	Shared online services (NRI internal costs)
(3) Market reform (related to sustainable finance), more pressure/demand for an environmentally conscious behavior	Sustainability linked market reforms (e.g. classification, tax incentives, etc.) and increasing environmental consciousness will lead to more sustainable investments by individual investors	⊙	Shared online services (number of transactions, brokerage firm revenue), SI
(4) Changes in trading terms and conditions and increased pressure and demand for environmentally conscious behavior	The ratio of renewable energy utilization will be introduced under the terms and conditions of a transaction	— (No impact)	Shared online services, SI
(5) Changes in trading terms and conditions and increased pressure and demand for environmentally conscious behavior	In response to the introduction of renewable energy percentage to be utilized in a transaction, procuring renewable energy can partially increase costs. However, it can be controlled if the renewable energy cost is reduced	✕	Shared online services, SI (NRI internal costs)
(6) Escalating natural disasters	Market trading suspension due to severe natural disasters (On the other hand, creating a competitive advantage by developing countermeasures better than others)	✕	Shared online services
(7) Escalating natural disasters	As a countermeasure to the severe natural disasters, a response to wide-area damage is necessary	✕	Shared online services (NRI internal costs)
(8) Escalating natural disasters and changing weather patterns	Increased costs as a result of offshore development being replaced with domestic alternatives due to the severity of natural disasters. Increase in manpower costs due to higher resource prices, etc.	✕	Shared online services, SI (NRI internal costs)

Within the climate-related events, blue represents “transition risk” which indicates the economic and social transition due to climate change, while orange is for “physical risk” indicating the physical change caused by climate change.

With regard to “transition risk,” we determined that a likely increase in utility and equipment (such as servers) costs to sustain and manage the service due to the adoption of carbon pricing (including a carbon tax) would pose a significant risk to NRI's ASP services.

On the other hand, we believe market reforms, such as sustainability bond market classification, sustainability ranking of companies, and increased pressure/demand to be environmentally-conscious, will create opportunities for NRI's securities services with more individual investors focusing on sustainable investments.

With regard to “physical risk,” we determined that the risk is high for society as a whole, including NRI, because the entire macro economy will come to a halt or stagnate.

[Calculating Financial Impact]

Next, we predicted how variation factors of profit would change based on the anticipated changes and calculated financial impacts for each climate-related event. The below illustration shows the calculation methods used. We predicted the anticipated changes from climate change events and derived a method for calculating the financial impact.

Method for Calculating Financial Impact for Capital Markets & Wealth Management Solution Business (Figure 3)

Climate-related events	Summary of anticipated changes	Analysis methods (impact and incidence)
(1) Introduction and strengthening of transition policies, such as carbon pricing (carbon tax), etc.	Impact of carbon pricing, etc. (Share prices)	Impact on share prices is estimated on the basis of the GPIF report, by utilizing the rate of fluctuations and estimating the impact on NRI after estimating the brokerage firm's revenue
(2) Introduction of carbon pricing (carbon tax, etc.)	Impact of carbon pricing (Procurement)	As estimated impact of the expected increase in electricity prices in Data Centers in case of a carbon tax introduction
(3) Market reform (related to sustainable finance), more pressure/demand for an environmentally conscious behavior	Impact of increased private investment (Share prices)	The impact on NRI is estimated based on the expected increase in the share price as a percentage of the market value of sustainable investments by individuals
(4) Changes in trading terms and conditions and increased pressure and demand for environmentally conscious behavior	Impact of renewable energy procurement (Procurement)	Assuming that we can retain our clients by introducing renewable energy in line with the existing targets (i.e., License to operate). The impact is estimated on the anticipated increase in electricity prices
(5) Changes in trading terms and conditions and increased pressure and demand for environmentally conscious behavior		
(6) Escalating natural disasters	Impact of natural disasters (Share prices)	Estimated based on the GPIF report taking into account the rate of fluctuation in physical impacts
	Impact of natural disaster (Trading suspension)	Estimated based on the impact of a 1-2 day trading suspension
(7) Escalating natural disasters	Impact of wide-area disaster response	Considering the degree of fluctuation in cost based on existing cost data
(8) Escalating natural disasters and changing weather patterns	Impact of offshore development shutdown (Manpower cost)	Estimated based on a 10% to 20% of offshore production shutdown, and the cost to substitute that domestically

(1) The adoption and strengthening of policies for transitioning to carbon price (carbon tax, etc.) were estimated to have an impact on NRI through the profits of securities firms due to fluctuations in share prices.

(2) Since it is expected that electricity price will rise if a carbon tax is adopted, we are looking at the impact in terms of cost increase for NRI due to the increase in electricity prices.

(3) For market reform (sustainable finance-related) and increasing pressure and demand for environmentally-conscious behavior, we believe that expanding sustainable investment to individual investors will become an opportunity for NRI. We used the Fermi estimation to predict the increase in sustainable investment and estimated the impact on NRI.

(4) Changes in trading terms and conditions and (5) increased pressure and demand for environmentally-conscious behavior anticipate that renewable energy will become more prevalent and that use of renewable energy will be introduced into the trading terms and conditions with clients. Based on the assumption that NRI can maintain business with clients by adopting renewable energy as targeted, we estimate the cost impact of switching to renewable energy compared to existing electricity.

(6) Assuming that the market would be suspended due to a natural disaster, we estimated the decrease in sales, etc. that would occur if trading were to be suspended for one or two days.

(7) The cost of responding to widespread damage caused by intensifying natural disasters is estimated with reference to existing data.

(8) It is assumed that overseas development will be suspended due to intensifying natural disasters and that development will be domestically substituted. We are looking at the cost impact of substituting in Japan if overseas development were to cease operations by 10%–20%.



Natural Capital

Financial Impact for Capital Markets & Wealth Management Solution Business (Figure 4)

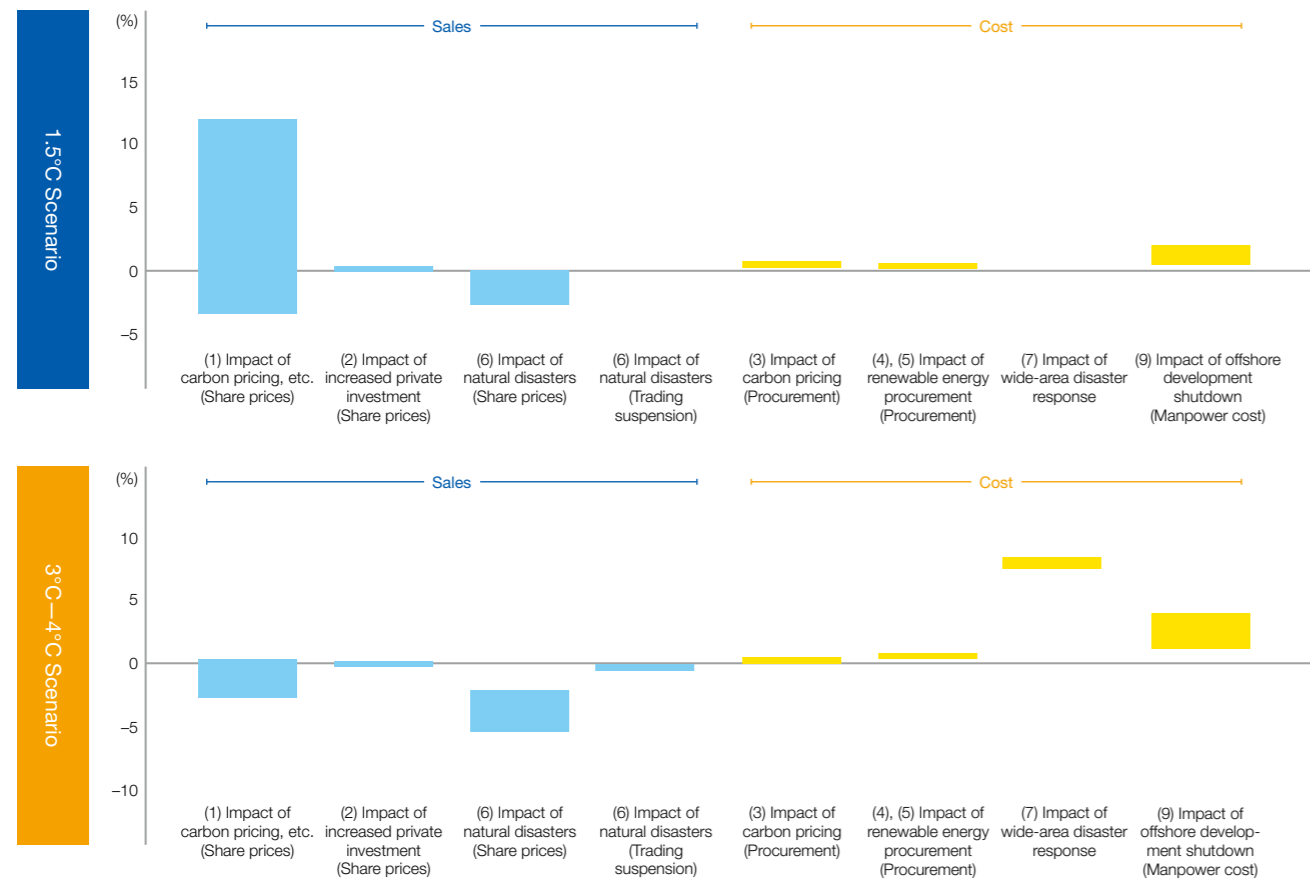


Figure 4 shows the impact on sales and expenses due to anticipated changes (1) through (8) in the Figure 3 by range of effects in the 1.5°C and 3°C to 4°C scenarios, respectively.

The blue graph on the left depicts the impact on sales. The impact of carbon price on share prices is calculated by the GPIF in the form of value-at-risk, which is the impact of climate change on share prices. According to this, in the 1.5°C value-at-risk case, opportunity is high and the share price is expected to rise by about 25%, and NRI's sales increase rate is estimated to be high, through securities firms' profits. The physical impact from natural disasters is limited. It is estimated that the 1.5°C scenario and even the 3°C-4°C scenario could result in negative sales of about 3% and 5%, respectively.

The yellow graph on the right depicts the cost-related impact, and the positive portion represents a cost increase for NRI. The impact of carbon price and renewable energy procurement is not expected to lead to significant cost increases. The impact of natural disasters is expected to be greater than other expenses such as the cost of repairing facilities, etc., in response to wide-area disasters, and higher labor costs due to the suspension of overseas development (offshore development) and the substitution of such development in Japan.

\*1 TCFD: The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board, whose members include ministries of finance, financial regulatory agencies, and central bank governors from 25 major nations around the world. TCFD recommends that corporations disclose climate-related financial information, in formats such as major annual reports, so investors can make suitable investment decisions. TCFD asks that these reports disclose information on four themes about the risks that climate change poses to corporations, including governance, strategy, and risk management.

\*2 ESG Briefing: The NRI Group holds its ESG Briefing so investors, analysts, and members of the media can understand our sustainability management and specific ESG-related initiatives. Refer to the website (<https://www.nri.com/en/sustainability/management/esg/2018>)

\*3 Scenario: We are striving to conduct scenario analyses (analyses on how climate change could affect our business in the future) as recommend by TCFD. Regarding the 2°C or lower scenario and 1.5°C scenarios, the NRI Group utilizes the Sustainable Development Scenario in the World Energy Outlook 2018 released by the International Energy Agency (IEA) and Representative Concentration Pathway (RCP) 2.6 (low, stable scenario) from the Intergovernmental Panel on Climate Change (IPCC). In addition, as necessary, we utilize RCP 1.9 and use IPCC Special Report on the impacts of global warming of 1.5°C (SR1.5) as a supplement. For the 4°C scenario, we use the IPCC's RCP8.5 (high reference scenario) and IEA Stated Policies Scenario (STEPS).

External Recognition

Participation in Initiatives

- May 2017: **United Nations Global Compact** (UNGC)
- June 2018: **Japan Climate Initiative**
- July 2018: **Task Force on Climate-related Financial Disclosures** (TCFD)
- September 2018: **Science Based Targets initiative**
- January 2019: **World Business Council for Sustainable Development (WBCSD)**
- February 2019: **Renewable Electricity 100** (RE100)
- May 2020: **Business Ambition for 1.5°C**
- June 2020: **Race to Zero**
- March 2022: **GX League Basic Concept**

Status of Inclusion at Equities in ESG Stock Indices

NRI is included in the equities used for the main ESG stock indexes.

- Dow Jones Sustainability World Index**: Included for four consecutive years from 2018
- Dow Jones Sustainability Asia Pacific Index**: Included for six consecutive years from 2016
- MSCI ESG Leaders Indexes\***: Name of indexes changed from MSCI Global Sustainability Indexes. Included for six consecutive years from 2006
- FTSE4Good Developed Index**: Included for sixteen consecutive years from 2006
- MSCI Japan ESG Select Leaders Index\***: 2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX
- MSCI Japan Empowering Women Index\***: 2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)
- FTSE Blossom Japan Sector Relative Index**
- S&P/JPX Carbon Efficient Index**

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# 04

## Governance

Supporting Healthy, Sustainable Growth, and  
Higher Medium- to Long-Term Business Value

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Talking about Governance

# To Further Boost NRI's Business Value



Hideaki Omiya  
Outside Director



Yasuo Fukami  
Chairperson of the Board of Directors

## Initiatives for Improving the Atmosphere and Effectiveness of the Board of Directors

**Fukami:** At NRI, we are working to improve how the Board of Directors operates based on effectiveness evaluations. In 2022, we began holding Roundtable Discussions for Members of the Board and Audit & Supervisory Board Members for directors and auditors to exchange opinions outside the Board of Directors. Today I would like to focus our discussion on efforts to improve the atmosphere and effectiveness of the Board of Directors itself.

**Omiya:** It seems to me that time is managed very smoothly in NRI Board of Directors meetings. While there are some things that still need to be ironed out, the materials and presentation methods are concise, which also speeds up our understanding. Authority is also being delegated, and the Board meetings seem to be running very well.

I also serve as an outside director at another company, but they seem to have a more outspoken atmosphere there. People there often say unpredictable things. Sometimes it happens where a conversation starts between outside directors, and someone from inside that company then cuts

into their conversation. Compared to that, it seems like NRI's Board of Directors is a little more serious. At the other company, there are also opportunities to exchange opinions in places outside the Board of Directors. That helps to better understand each person's character, the points that matter most to them, and their level of understanding. Although it also somewhat depends on the character of each company, I think we could express our opinions more candidly in our Board if NRI also offered such opportunities. In that sense, I think this new Roundtable Discussion initiative is very meaningful since it allows us to hold discussions in a different atmosphere than in the Board of Directors. It has brought out different opinions than before. I would even advise that we could be a bit bolder in the way we go about this.

**Fukami:** Presenters are trained beforehand in the Senior Management Committee to speak concisely at Board of Directors meetings. I also do this myself, with an understanding of the difference in purposes between the Board of Directors and the Senior Management Committee. For the materials and documents as well, we are diligently making improvements such as presenting more of the background, to facilitate decision-making in the Board of Directors.

The Roundtable Discussion is an initiative that began only recently, but I think it has become an excellent forum for discussions. I hope to see it continue into the future.

**Omiya:** At the same time, to someone from a manufacturing background, the workings of business in the IT industry seem complicated. For example, in our business with finance, the way we work at financial institutions is structured and the parts THE STAR handles are complicated, as are the relationships with the numerous and many different types of competitor companies. When we get the order for such a project, if we can get disclosures of information such as how broadly it will extend organization-wise and that it will enable us to expand our scope both upstream and downstream, I think we can realize certain things from that. Members of the Board are interested from the vantage point of what lies beyond the project. NRI's business is B2B, so although we understand that the circumstances and requirements differ from one client to the next, it would be good to discuss how much we want to invest after receiving disclosures about our past, present, and future relations with the clients in relation to the project, and about their situations. As a Member of the Board, I want to suggest strategies and tactics with the potential upstream, downstream, and organization-wide breadth of the project in mind. Since I cannot give advice beyond the scope of my own knowledge and experience, if the strategic role of the project is presented I will probably be able to give advice that can increase effectiveness.

NRI's business gives the impression of being highly refined. Personally, I am also handling this role with a sense of vigilance as I try to gain deeper insight into NRI's business.

**Fukami:** There are hardly ever any explanations about individual clients in Board of Directors meetings, but we have account plans for each client which we continuously pass down. I also think it would be great if there could be a little more explanation about that point as well.

**Omiya:** I occasionally give requests and comments for making the Board of Directors more effective, which are handled very quickly. This makes me feel like we are steadily heading in the right direction. NRI has the mechanisms and passion for self-directed improvement, and that mentality is also ingrained, so I am not particularly worried about the future.

## Considerations for the Next Long-term Management Vision: Group Vision 2030

**Fukami:** Since around the summer of 2021, we have been advancing our considerations for the next long-term management vision, Group Vision 2030 ("V2030"). In order to proceed with these considerations more openly and freely, we established an opportunity for everyone to express their opinions in the Roundtable Discussion even as the vision is still in the considerations phase.

**Omiya:** For strategies, particularly for something like a long-term management vision, more opinions come out in discussions when the incubation stage is still not fully complete. As a result, I think everyone gains a deeper understanding about which direction everything should proceed, which makes the plan itself more convincing. It really does seem to have been very effective that we were able to hold discussions about the next long-term management vision this time in the stages before its completion. In addition to long-term management visions, I think it will also increase effectiveness if we can discuss various other business challenges early-on in this manner.

It also seems beneficial for long-term management vision considerations such as these to be done as a team. Those who participated in the considerations are the people who will take over in the future, so establishing camaraderie between them early on will increase team unity and help to shape an even stronger management team.

## Global Business

**Omiya:** For our global strategy, there are some Members of the Board who say that we should lower the ambitious targets set out in the Medium-Term Management Plan. However, executives including President Konomoto felt that these are necessary for NRI and had strong determination to pursue them no matter what. As a result, that determination is now blossoming. We are finding companies that are growing, acquiring them, and producing solid results, aren't we? The cases that are currently progressing smoothly are highly commendable.

In 2021, we acquired Core BTS as a springboard for entering North America. Competition in North America is fierce, but just like in Australia we are expecting growth there as well.

**Fukami:** Until two years ago, our performance had also been sluggish in Australia, and we dealt with various struggles. The circumstances there eventually changed and business got off the ground, which is comforting in this case. It seems like we made the right moves at the right time. If things had gone poorly in Australia, we probably would not be talking about North America.

## NRI's Strengths and Challenges

**Fukami:** From your perspective as an outside director, what are NRI's strengths and challenges?



**We will continue evolving, to make the Board of Directors more effective.**

**Omiya:** In my opinion, NRI's strengths are its outstanding human resources, organizational environment, and culture. I had heard that NRI has a culture of going beyond organizational boundaries to learn from others, such as to share case studies of projects throughout the Company. It really surprised me to see the attitudes here of proactively sharing lessons each person has learned without compensation or reward, and at the same time learning and absorbing from others. The fact that working as a systems integrator involves sharing many things beyond segment boundaries is probably also a factor, but I think these activities are highly conducive to accumulating knowledge as an organization.

**Fukami:** NRI has an organization that pushes productivity improvements and provides development methodologies and expertise, but on the other hand, the practice of taking the initiative does seem to be functioning effectively. When projects are bustling, people can be seen asking for help from others all over the Company. The culture and atmosphere of the organization can also drastically change when people from different backgrounds in the Company get involved in projects. It could naturally energize the organization, and even create opportunities to acquire new knowledge or foster a culture of doing so. You could even say that the culture of helping each other is functioning brilliantly.

**Omiya:** Another characteristic of NRI seems to be that the projects last for around one to two years rather than long-term, resulting in frequent opportunities for learning. There is also an adaptive attitude in which people are open to incorporating new ideas that they deem effective from among those that they hear via the various interactions and socializing inside the Company. As a result, proficiency levels seem to increase both as individuals and as an organization as projects proceed.

With projects bustling the way they are now, that is all the more reason to be concerned about issues like personnel shortages and employee work conditions. That would likely be one of the challenges NRI is facing now. To secure human resources, we are actively hiring both new graduates and mid-career, but we probably need to think of other methods as well.

**Fukami:** As measures to bolster our development resources, I feel that we need to diversify and raise ability levels from various standpoints. People would seem to be both a strength and a challenge.

## Sustainability Management

**Fukami:** NRI advocates sustainability management with the perception that a company is sustainable when it practices both ESG and Creating Shared Value (CSV) in its activities. As we work toward our identified materiality, we particularly focus on the CSV aspects of how much we can increase social value and business value.

**Omiya:** NRI came about through the merger of a systems integrator and consulting firm in 1988. After that, we were listed on the stock exchange in 2001, and now it seems we have existed for three generations until now. Our first generation who remember the merger are now reaching retirement age, and I have heard there is a generation gap between our second generation who joined after the merger, and the third generation who joined after our public listing. If we only manage our organizations with the same approach as the first generation, our Company might head in the wrong direction. In order to understand where the problem is heading, I make it a point to take a firsthand perspective and get an intuitive feel for it myself. From the perspective of ESG as well, I think we also need to keep a watchful eye on the worksites and actively listen to what employees have to say.

Managers need to respect the mentality of each generation and handle their business appropriately with work-life balance in mind.

**Fukami:** We have just recently deployed V2030 at the worksites in its framework stage and asked younger employees for their opinions about it. Our younger employees who comprise the third generation do not stop at critique alone. They also present suggestions about what they would do, which I find to be quite encouraging.

**Omiya:** NRI was one of the first to advocate policies for sustainability management and value co-creation, including DX 3.0. I think value co-creation is in the process of being ingrained into each individual employee, but it seems many are still not connecting it to their own work. However, we need to advocate sustainability management as a management policy. It is unmistakably important. If we show ourselves taking that position in society, it will also help us acquire more talented human resources.

## Expectations and Aspirations for NRI

**Fukami:** Please share your expectations and aspirations for NRI from your perspective as an outside director.

**Omiya:** NRI builds and operates a large number of core systems in a variety of industries and oversees people's community infrastructure just as it does hardware. Domestically, NRI can also be considered the leading player in the field of finance. Therefore, now may be the time for everyone who works at NRI to begin feeling responsibility toward Japan's government and economy.

For example, I think social DX which we work on in DX 3.0 is one methodology for satisfying the needs of Japan's government and people, as well as people throughout the world. Considering that NRI is an industry leader, we probably already have the capability and practical skills to manage the stakeholders and lead entire industries in a positive direction through projects such as the nationwide "My Number" individual number system.

Working on projects that impact society is an opportunity to gain a higher perspective than we have now. However, achieving high profitability at the same time might also feel like somewhat of a dilemma. Ultimately, I think it boils down to the concept of what a company actually is.

I am very much looking forward to seeing NRI operate its business with enthusiasm for playing a leadership role in Japan's economy, in good balance with profitability.




**I look forward to seeing NRI operate its business with enthusiasm for playing a leadership role in Japan's economy.**



## NRI's Corporate Governance

NRI works to enhance corporate governance in accordance with the basic approach outlined below, based on the recognition that corporate governance consists of mechanisms for transparent, fair, timely, and accurate decision-making based on the perspective of stakeholders, including society, customers, employees, business partners, and shareholders.

NRI have made the NRI Corporate Governance Guidelines public to outline our basic approach and action policy regarding corporate governance.

 [NRI Corporate Governance Guidelines](https://www.nri.com/en/company/governance#guidelines)  
<https://www.nri.com/en/company/governance#guidelines>

### The Basic Approach to Corporate Governance

#### (1) Cooperation with stakeholders

NRI respects the interests of stakeholders and cooperates with them in an appropriate manner. In particular, with regard to shareholders, NRI takes the proper measures so that rights are substantially secured, in addition to ensuring substantial equality.

#### (2) Information disclosure and communication

NRI discloses information as stipulated by laws and by the regulations of the Tokyo Stock Exchange, and information that assists its stakeholders in understanding NRI and its operations properly, in a timely, accurate, and fair manner, to secure transparency as well as to engage in constructive dialogue with its shareholders.

#### (3) Corporate governance system

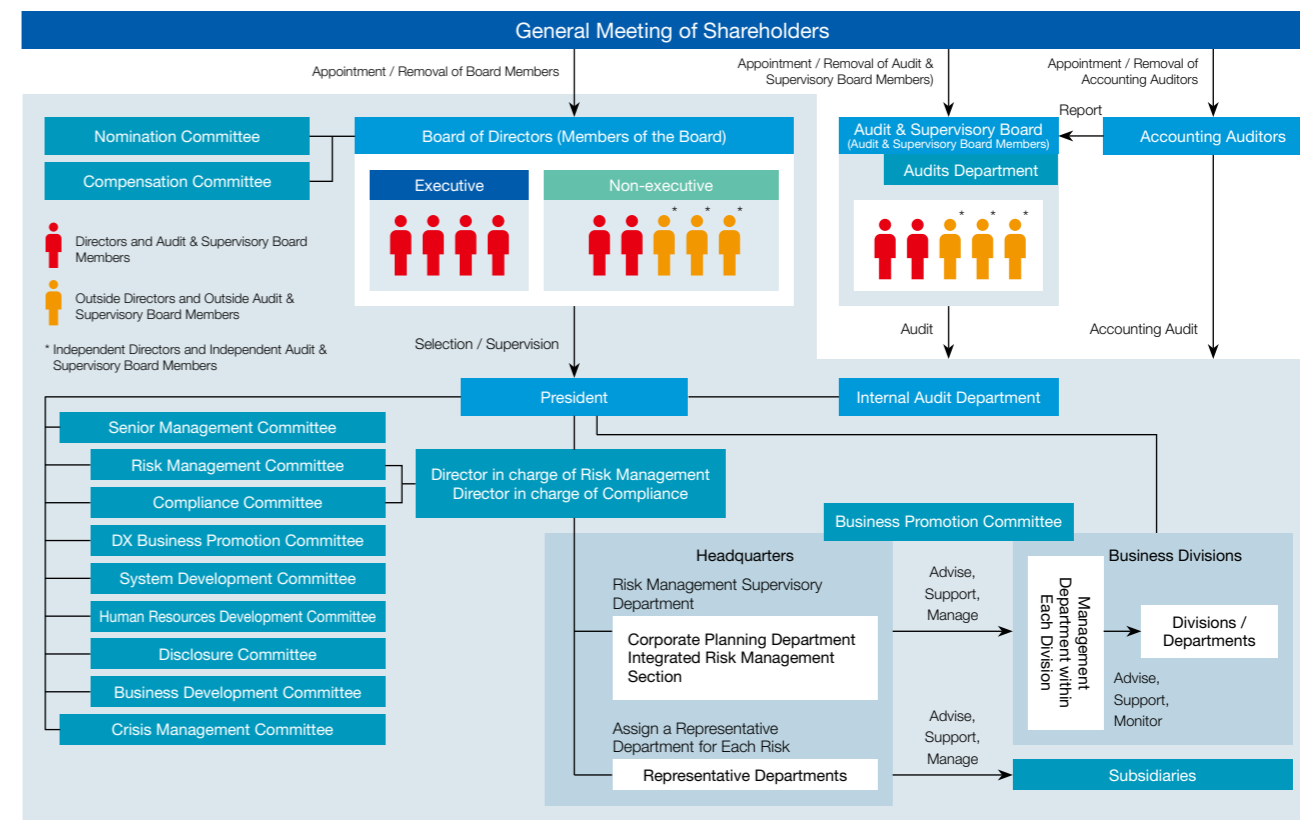
NRI is strengthening its management monitoring functions based on the Audit & Supervisory Board System through the appointment of Independent Directors and Independent Audit & Supervisory Board Members, as well as the establishment of bodies that are mainly composed of Independent Directors appointed to advise the Board of Directors.

#### Main corporate governance efforts since listing

2002	<ul style="list-style-type: none"> <li>Introduced an executive officer system to assist in separating management and execution functions</li> <li>Reduced the number of members of the Board of Directors to within 20 and also appointed Independent Outside Directors</li> <li>Increased the number of Independent Outside Audit &amp; Supervisory Board Members from one to two</li> </ul>
2003	<ul style="list-style-type: none"> <li>Formulated the NRI Group's Ethical Code (revised to the NRI Group's Code of Business Principles on 2010) and the NRI Group Employees' Code of Business Conduct</li> </ul>
2005	<ul style="list-style-type: none"> <li>Established the Compensation Committee comprising outside experts to enhance transparency in regard to executive compensation</li> </ul>
2006	<ul style="list-style-type: none"> <li>Reduced the number of members of the Board to 15 or less</li> </ul>
2008	<ul style="list-style-type: none"> <li>Initial release of the Long-term Management Vision: Vision2015</li> <li>Took part in an electronic voting platform for institutional investors as part of efforts to maximize opportunities for shareholders to exercise their voting rights</li> </ul>
2010	<ul style="list-style-type: none"> <li>Appointed non-executive director to chair the Board of Directors to separate supervisory and execution functions</li> </ul>
2012	<ul style="list-style-type: none"> <li>Newly established the Integrated Risk Management Supervisory Department to appropriately manage any risk that may arise in the course of business execution</li> </ul>
2015	<ul style="list-style-type: none"> <li>Increased the number of Independent Outside Directors from two to three</li> <li>Established the Independent Executives Meeting consisting of Independent Outside Directors and Independent Outside Audit &amp; Supervisory Board Members</li> <li>Formulated the NRI Corporate Governance Guidelines</li> <li>Revised the NRI Group's Code of Business Principles completely</li> </ul>
2016	<ul style="list-style-type: none"> <li>Initial release of the Medium-Term Management Plan (From FY March 2017 to FY March 2019)</li> <li>Implemented the evaluations of the Board of Directors' effectiveness</li> </ul>
2017	<ul style="list-style-type: none"> <li>Newly established the Nomination Committee, comprising mainly Independent Directors</li> <li>Changed the main members of the Compensation Committee from outside experts to Independent Directors</li> </ul>
2018	<ul style="list-style-type: none"> <li>Abolished stock option plan</li> <li>Introduction of Restricted Stock Compensation Plan as a medium- to long-term incentive for Members of the Board</li> </ul>
2022	<ul style="list-style-type: none"> <li>In order to clarify the roles of Members of the Board and Senior Managing Directors, the President and other positions with the titles of Members of the Board and Senior Managing Directors have been consolidated into Senior Managing Directors</li> </ul>

Corporate Governance Structure  
(As of July 1, 2022)

For the Board of Directors and the Audit & Supervisory Board, see P.108–109  
 For the Internal Controls, Corporate Ethics, and Compliance, see P.116–117



#### Roles and Activities of Committees

Name of the organization	Objective and authority	Head of the organization
Board of Directors	Conduct the fundamental decision-making that is the basis for the Company's business execution and oversee the execution of duties by Members of the Board.	Vice Chairman, Member of the Board Yasuo Fukami
Audit & Supervisory Board	Discuss and decide auditing policies and other important matters related to auditing and formulate and express audit opinions.	Audit & Supervisory Board Member Takuhiro Sakata
Nomination Committee	The majority of the members shall be Independent Outside Directors. The Committee deliberates on executive appointment matters related to Directors, Audit & Supervisory Board Members, the CEO, and other Board Members, from the standpoint of fairness and transparency.	Vice Chairman, Member of the Board Yasuo Fukami
Compensation Committee	The majority of the members shall be Independent Outside Directors. The Committee deliberates on the system and standards of executive compensation from the standpoint of fairness and transparency.	Vice Chairman, Member of the Board Yasuo Fukami
Senior Management Committee	The Committee meets in principle to deliberate on important issues involving corporate management in order to achieve consistent business execution and decision-making.	Chairman and President & CEO Representative Director Member of the Board Shingo Konomoto
Integrated Risk Management Committee	Based on instructions given by the President, the Committee deliberates on important issues concerning risk management, including system failure, information security, and business continuity.	Senior Executive Managing Director Representative Director Member of the Board Hidenori Anzai
Compliance Committee	The Committee deliberates on the issues concerning the promotion of ethical and compliance management covering the improvement of structures to comply with corporate ethics and laws and the prevention of violation reoccurrences, based on instructions given by the President.	Senior Executive Managing Director Representative Director Member of the Board Hidenori Anzai
DX Business Promotion Committee	Based on the instructions given by the President, the Committee deliberates on important issues concerning promotion of the DX business.	Senior Executive Managing Director Hiroshi Masutani
Human Resources Development Committee	The Committee deliberates on important issues concerning ability development and training of employees, based on instructions given by the President.	Senior Executive Managing Director Representative Director Member of the Board Hidenori Anzai
Business Development Committee	The Committee deliberates on important issues concerning investments in research and development, planned businesses, and investments, such as the acquisition of securities, based on instructions given by the President.	Senior Corporate Managing Director Yoshihiko Sunaga
Systems Development Committee	The Committee deliberates on important issues concerning proposals and quotations to clients, as well as on their development and release of IT solution-related systems, based on instructions given by the President.	Senior Corporate Managing Director Susumu Nishimoto
Disclosure Committee	The Committee deliberates on important issues concerning the disclosure of Annual Securities Report and other documents, based on instructions given by the President.	Senior Corporate Managing Director Yoshihiko Sunaga
Crisis Management Committee	Based on instructions given by the President, the Committee will promptly develop and support systems at the time of a crisis, including natural disasters, infectious diseases, system failure, and information security emergencies.	Senior Executive Managing Director Representative Director Member of the Board Hidenori Anzai
Business Promotion Committee	The Committee involves administrative departments from the headquarters and management departments within business divisions and seeks to establish highly effective and efficient internal controls.	Senior Corporate Managing Director Yoshihiko Sunaga

## Board of Directors and Advisory Committees

NRI has delegated considerable authority and responsibility for business execution to Senior Managing Directors and other Directors. The Board of Directors is exclusively responsible for fundamental decision-making that is the basis for the Company's business execution and for overseeing the execution of duties by Members of the Board. The Audit & Supervisory Board Members and Audit & Supervisory Board oversee the execution of duties by Members of the Board.

Senior Managing Directors and Managing Directors appointed through a resolution by the Board of Directors are responsible for the execution of business based on policies adopted by the Board. NRI holds a Senior Management Committee attended by the President, Representative Directors, and Senior Managing Directors once a week and deliberates on the important issues involving corporate management in order to coordinate our business activities and build consensus in executing business operations.

Main Contents Deliberated on by the Board of Director (July 2021–June 2022)

	Main Contents
Management / business strategy	<ul style="list-style-type: none"> <li>Next Long-term Management Vision</li> <li>Status of software investment/development</li> <li>Domestic and foreign acquisitions and investment</li> <li>Client proposal projects</li> <li>Business plan (budget formulation)</li> </ul>
Executive appointment matters (including remuneration)	<ul style="list-style-type: none"> <li>Officer appointment matters</li> <li>Reports from each Committee</li> <li>Matters related to directors' compensations</li> <li>Human resources strategy (systems / human resources diversity)</li> </ul>
Governance and sustainability	<ul style="list-style-type: none"> <li>Policy for revising the Corporate Governance Code</li> <li>Report on initiatives by Sustainability Activities Committee</li> <li>Report on initiatives by Value Co-Creation Committee</li> <li>Evaluation of efficacy of Board of Directors</li> </ul>
Policy on reporting and finance	<ul style="list-style-type: none"> <li>Status of annual, quarterly, and monthly reporting</li> <li>Status of funds and finances (financing, capital policy)</li> <li>Policy on surplus and dividends</li> <li>Annual Securities Report</li> </ul>
Risk management and internal controls	<ul style="list-style-type: none"> <li>Risk management status</li> <li>Group governance policy (Japan and overseas)</li> </ul>
Audit & Supervisory Board Members, internal auditing report	<ul style="list-style-type: none"> <li>Audit plan by Audit &amp; Supervisory Board Members</li> <li>Report by Internal Audit Department (organization under direct supervision of the president)</li> </ul>
Business execution report	<ul style="list-style-type: none"> <li>Quarterly report on business execution status</li> <li>Main agenda items of Senior Management Committee meetings (business execution)</li> </ul>
Other	<ul style="list-style-type: none"> <li>IR status</li> <li>Selection of market category</li> </ul>

### Status of Advisory Committees

NRI has established a Nomination Committee and a Compensation Committee in order to ensure the independence and objectivity of the functions of the Board of Directors, as well as the ability of the Board to explain to shareholders. The majority of each committee are independent directors.

	Nomination Committee	Compensation Committee
Positioning	<ul style="list-style-type: none"> <li>The Nomination Committee is composed of a majority of Independent Directors. It was established to ensure the independence, objectivity, and explanatory power of the functions of the Board of Directors regarding the appointment of officers such as Members of the Board, Audit &amp; Supervisory Board Members, the President and other Senior Managing Directors, and Managing Directors.</li> </ul>	<ul style="list-style-type: none"> <li>The Compensation Committee consists of a majority of Independent Directors, and was established to ensure the independence, objectivity, and explanatory power of the functions of the Board of Directors regarding Directors' compensation.</li> </ul>
Meetings	<ul style="list-style-type: none"> <li>3 meetings</li> </ul>	<ul style="list-style-type: none"> <li>3 meetings</li> </ul>
Main contents	<ul style="list-style-type: none"> <li>Deliberation on the appointment of Members of the Board, candidates for Audit &amp; Supervisory Board Members, the President and other Senior Managing Directors, and Managing Directors and other executives</li> <li>Deliberation on succession plan for CEO</li> <li>Deliberation on the composition of the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Deliberations on basic compensation, bonuses, and stock-based compensation for Members of the Board, Audit &amp; Supervisory Board Members, Senior Managing Directors, and Managing Directors and other executives</li> <li>Deliberation on the compensation system for Members of the Board, Audit &amp; Supervisory Board Members, Senior Managing Directors, and Managing Directors and other executives (the Directors' Compensation System), and on levels of compensation</li> <li>Deliberation on revision of policy for determining compensation, etc., and submission of proposals to the General Meeting of Shareholders in conjunction with review of the Directors' Compensation System</li> </ul>

Annual Schedule of the Board of Directors

	2021			2022		
	July–September	October–December		January–March	April–June	
The Board of Directors	▼ ▼ ▼	▼ ▼ ▼		▼ ▼ ▼ ▼	▼ ▼ ▼ ▼	
Management / business strategy	▼ ▼ ▼	▼ ▼ ▼		▼ ▼ ▼ ▼	▼ ▼ ▼ ▼	
Executive appointment matters (including remuneration)		▼			▼	▼ ▼
Governance and sustainability	▼	▼ ▼ ▼			▼	▼
Policy on reporting and finance	▼	▼ ▼ ▼		▼	▼ ▼ ▼	▼ ▼
Risk management and internal controls		▼		▼ ▼	▼ ▼	▼
Audit & Supervisory Board Members, internal auditing report	▼ ▼					
Other	▼ ▼			▼	▼ ▼	
(Independent executive committee)	2 meetings	1 meeting		2 meetings	1 meeting	



## System of the Board of Directors and the Audit & Supervisory Board

NRI has established a structure to further enhance corporate governance while effectively using the functions of Audit & Supervisory Board Members and the Audit & Supervisory Board as a company with an Audit & Supervisory Board.

### Structure of the Board of Directors

Has a well-balanced composition of executive directors, non-executive directors, and Outside Directors.

The Board of Directors includes no more than 15 Members of the Board, taking into consideration the balance of experience in and the Company's businesses, corporate management, risk management, corporate finance, and overseas businesses, as well as gender, internationality, professional experience, and accumulated knowledge in light of the medium- to long-term management strategies.

### Structure of the Audit & Supervisory Board

To ensure independence, more than half are Outside Audit & Supervisory Board Members.

Currently, there are five Audit & Supervisory Board Members, including three Outside Audit & Supervisory Board Members.

Two or more Independent, Outside Audit & Supervisory Board Members are appointed.

One or more persons with substantial knowledge regarding finance and accounting are appointed as Audit & Supervisory Board Members. To ensure that audits are effectively conducted by the Audit & Supervisory Board Members, the Audits Department has been established to support the work of the Audit & Supervisory Board Members.

Structure of the Board of Directors and the Audit & Supervisory Board

\* After assuming the post on June 18, 2021

Name & Position	Gender ♂ = Male ♀ = Female	Executive / Outside / Independent	Terms of office	Expectations for Leveraging Knowledge Related to Strategy			Specialized Fields	Experience and Qualifications in Specialized Fields			Attendance	Reason for Appointment
				Innovation	Global	HR Management		Corporate Management	Business / Corporate Operations	Qualifications		
<b>Shingo Konomoto</b> Chairman and President & CEO Representative Director Member of the Board	♂	Executive	7 years	●	●	●	Corporate Management		CEO		Board of Directors Attended 14 of 14 Meetings	He has been responsible for the management of the NRI Group since 2016 as President & CEO, and possesses abundant experience and achievements related to NRI's management. Furthermore, he formulated and is promoting the Long-term Management Vision "Vision2022" and the Medium-Term Management Plan for achievement of the Vision. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
<b>Yasuo Fukami</b> Vice Chairman, Member of the Board	♂	Non-executive	3 years		●	●	Business / Corporate Affairs / Quality			IT Solutions / Corporate Affairs	Board of Directors Attended 14 of 14 Meetings	In addition to experience in global business in Asia and Europe, he possesses a broad range of experience and achievements in the execution of business in the financial IT solutions and industrial IT solutions business areas as well as in corporate administration. Currently, from the position of a non-executive director and as chair of the Board of Directors, he works to properly operate and revitalize the Board of Directors. Furthermore, as chair of the Nomination Committee and Compensation Committee, he works to formulate and operate a plan for successors, and to ensure objectivity and fairness in nomination of directors and determination of compensation. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the supervision of the management of NRI.
<b>Yo Akatsuka</b> Vice Chairman, Member of the Board	♂	Non-executive	New election	●	●	●	Finance / M&A			Director of securities company	—	He has held various positions such as Senior Managing Director of Nomura Holdings, Inc. and Senior Executive Managing Director of Nomura Securities Co., Ltd. He possesses many years of experience in the securities business, one of NRI's major business areas. He also possesses abundant experience and achievements in global business. For example, he oversaw the management of Nomura Holdings America, Inc., an overseas subsidiary of the NRI Group. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the supervision of the management of NRI.
<b>Hidenori Anzai</b> Representative Director Member of the Board Senior Executive Managing Director	♂	Executive	1 year		●	●	Business / Corporate Affairs / Quality			IT Solutions / Corporate Affairs	Board of Directors Attended 11 of 11 Meetings*	He possesses a broad range of experience and achievements in the execution of business in the financial IT solutions, industrial IT solutions, and IT infrastructure solutions business areas as well as in corporate administration. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
<b>Ken Ebato</b> Representative Director Member of the Board Senior Executive Managing Director	♂	Executive	1 year	●		●	Business			IT Solutions	Board of Directors Attended 11 of 11 Meetings*	NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
<b>Shuji Tateno</b> Member of the Board Senior Executive Managing Director	♂	Executive	New election		●	●	Business			IT Solutions	—	He possesses a broad range of experience and achievements in execution of business in the consulting, industrial IT solutions, and IT infrastructure solutions business areas. He also contributes to the promotion of global strategies centered on the industrial IT solutions business area, such as overseas M&A. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
<b>Hideaki Omiya</b> Member of the Board	♂	Non-executive Outside Independent	4 years	●	●	●	Corporate Management		Listed company CEO		Board of Directors Attended 13 of 14 Meetings	For many years, he has been involved in the management of Mitsubishi Heavy Industries, Ltd., and has worked for the growth of the NRI Group and related industries. Utilizing the abundant experience and high level of insight cultivated through his career, he has contributed to enhancing the Company's management supervision function; for example, he has expressed a wide range of opinions regarding overall management at the Company's Board of Directors, Nomination Committee, and Compensation Committee. NRI requests his election so that he can continue to utilize his abundant experience and outstanding insight to supervise management of NRI from an objective standpoint in the Board of Directors, Nomination Committee, and Compensation Committee.
<b>Shinoi Sakata</b> Member of the Board	♀	Non-executive Outside Independent	2 years	●	●	●	ESG / SDGs / Human Resources Diversity			Listed company executive	Board of Directors Attended 14 of 14 Meetings	She, as a researcher and a person with responsibilities in the area of safety in the chemical industry, has been involved in the activities of evaluating technology strategies of corporations from the perspective of sustainability for many years. Utilizing her abundant experience and excellent understanding gained throughout her career, she has contributed to enhancing the Company's management monitoring function, such as deepening deliberation on securing sustainability, ensuring diversity, and developing human resources at the Board of Directors, Nomination Committee, and Compensation Committee of the Company. NRI requests her election so that she can continue to utilize the abundant experience and excellent understanding gained throughout her career to supervise management of the Company from an objective standpoint in the Board of Directors, Nomination Committee, and Compensation Committee.
<b>Tetsuji Ohashi</b> Member of the Board	♂	Non-executive Outside Independent	1 year	●	●	●	Corporate Management		Listed company CEO		Board of Directors Attended 11 of 11 Meetings*	For many years, he has been involved in the management of Komatsu Ltd. and has promoted growth through innovation at Komatsu Ltd.; for example, such as promoting the digitization of construction sites. Utilizing his abundant experience and excellent understanding gained throughout his career, he has contributed to enhancing the Company's management monitoring function, such as expressing a wide range of opinions on overall management at the Company's Board of Directors, Nomination Committee, and Compensation Committee. NRI requests his election so that he can continue to utilize his abundant experience and outstanding insight to supervise management of NRI from an objective standpoint.
<b>Takuhiro Sakata</b> Audit & Supervisory Board Member (full-time)	♂	—	2 years	●		●	Governance and Internal Control / Business			IT Solutions	Audit and Supervisory Committee Attended 17 of 17 Meetings Board of Directors Attended 14 of 14 Meetings	He possesses a broad range of experience and achievements in the execution of business in the areas of industrial IT solutions and IT platform services, as well as the human resources development function of NRI group. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the audit of the execution of duties by NRI directors.
<b>Motoya Nishimura</b> Audit & Supervisory Board Member (full-time)	♂	—	3 years	●		●	Governance and Internal Control / Business			Consulting / IT Solutions	Audit and Supervisory Committee Attended 17 of 17 Meetings Board of Directors Attended 14 of 14 Meetings	He possesses a wide range of experience in the business execution and achievements in the areas of consulting and financial IT solutions, and in corporate departments. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the audit of the execution of duties by NRI directors.
<b>Kenkichi Kosakai</b> Audit & Supervisory Board Member	♂	Outside Independent	1 year	●	●	●	Corporate Management		Listed company vice president / CFO		Audit and Supervisory Committee Attended 13 of 13 Meetings* Board of Directors Attended 11 of 11 Meetings*	For many years, he has been involved in the management of Mitsubishi Chemical Holdings Corporation and other Mitsubishi Chemical Holdings Corporation group companies. He possesses work experience in the accounting and finance department, and experience as CEO. NRI has appointed him with the expectation that he will utilize his abundant experience and excellent understanding concerning corporate management gained throughout his career, in the auditing of the execution of NRI's Members of the Board from an objective standpoint.
<b>Naruhito Minami</b> Audit & Supervisory Board Member	♂	Outside Independent	New election		●	●	Governance and Internal Control / Corporate Accounting			CPA	—	He serves as Director and Managing Partner of an audit firm, and possesses experience in the management of an audit firm and long-standing experience as a certified public accountant. NRI requests his election as Outside Audit & Supervisory Board Member to utilize his abundant experience and excellent understanding concerning finance and accounting, which he has gained through his career, in the auditing of the execution of business by NRI's Directors from an objective standpoint.
<b>Yasuko Takazawa</b> Audit & Supervisory Board Member	♀	Outside Independent	New election		●	●	Governance and Internal Control			Listed company executive Lawyer	—	She has many years of experience working in corporate legal departments and as a lawyer. NRI requests her election as Outside Audit & Supervisory Board Member to utilize his abundant experience and excellent understanding concerning corporate governance and risk management, which he has gained through his career, in the auditing of the execution of business by NRI's Directors from an objective standpoint.

Concept of Skill Categories → P.108

### Concept of Skill Categories

- Based on our management strategy, expected items related to the specified strategy are described as “expectations of demonstrating knowledge on a strategy.”
- We have categorized and described the “specialized field” and “experience and qualifications related to specialized fields” that are necessary to promote the strategy.

### Content of Each Skill Category

Expectations for Leveraging Knowledge Related to Strategy	Specialized Fields	Experience and Qualifications in Specialized Fields
[Innovation] (DX Strategy) [Global] (Global Strategy) [Human Resource Management] (Human Resource / Resource Strategy)  <small>* Set items based on Medium-Term Management Plan                      * Expectations for leveraging multi-faceted knowledge on business promotion, risk policy, etc., from the perspective of specialized fields</small>	[Corporate Management] Expertise in business, corporate affairs, quality, governance, and internal control that goes beyond specific fields [Business] Leadership of business divisions [Corporate Affairs] Business management, governance, and internal control [Quality] Project management / Risk management [Finance] Knowledge of the finance and securities industries to which our major clients belong [M&A] [ESG] [SDGs] [Human Resources Diversity] [Governance / Internal Control] [Corporate Accounting] Knowledge of individual fields	[Corporate Management] Experience as CEO or vice president of a listed company [Business / Corporate Operations] Experience as a general manager of a business division, supervisor of a corporate division, or as an officer of another company [Qualifications] Possession of advanced public qualifications

### Concept on “Expectation of Demonstrating Strategic Knowledge”

- Professionals with experience in corporate management are expected to demonstrate knowledge of all strategies
- For innovation and globalization, a black circle (●) is entered for the strategy that is mainly expected based on the length, content, etc., of experience
- Human resources management is the cornerstone of NRI, and we have high expectations for all Directors and Audit & Supervisory Board Members

### Knowledge of General Business Management

- In addition to the above, all Directors and Audit & Supervisory Board Members are expected to demonstrate multifaceted knowledge that leverages their respective areas of expertise

### Demonstrating Skills of Outside Directors



Outside Directors demonstrate their skills in various aspects of NRI. In FY March 2022, Outside Director Shinoi Sakata will participate in the Female Leader Training Program, an annual training for specially-selected female employees as an initiative to promote women’s participation and advancement in the workplace as part of diversity and inclusion. At the program, Sakata used her personal knowledge to conduct a dialogue with trainees. Outside Directors demonstrate their skills not only in business, but also in strengthening the framework that supports value co-creation by NRI.

## Compensation for Members of the Board and Audit & Supervisory Board Members

### Compensation System for Members of the Board

- In the interest of enhancing business results, the compensation system emphasizes connections to business performance.
- Emphasis is placed on bonuses and stock-based compensations so as to create a compensation system that is highly linked to performance.

The standards employed by the compensation system have been set with reference to market standards and trends and other factors, with the goal of establishing standards appropriate for a leading company in the information services industry. To improve transparency of directors’ compensation and others, NRI has established the Compensation Committee, comprising mainly Independent Directors, as an advisory body to the Board of Directors. The committee deliberates on the system and standards of executive compensation from the standpoint of fairness and transparency. Using the results of the committee’s inquiries, the Board of Directors sets policies for the determination of compensation for Members of the Board and other matters.

Compensation for the Members of the Board of NRI comprises three categories (basic compensation, bonuses, and stock-based compensation).

Outside Members of the Board do not receive a bonus or stock-based compensation.

The maximum compensation total

Total Compensation ¥2,000 million						
[Fixed compensation] Basic compensation	[Performance-based compensation]					
	[Short-term performance-based compensation] Bonuses	[Medium- to long-term performance-based compensation] Stock-based compensation (restricted stock-based compensation) ¥800 million*				
Basic compensation consists of fixed pay (basic pay and position pay), which is compensation based on each Member of the Board’s post.	Bonuses are positioned as a short-term incentive. They reflect performance in the relevant fiscal year and their determination takes into account differences in posts and positions.	Restricted stock compensation (financial compensation used as investment assets for the acquisition of shares with restriction on transfer compensation) as stock-based compensation is provided in order to give incentives aimed at sustainable improvements in the Company’s corporate value and to promote the sharing of value with shareholders through share ownership. The number of shares allocated is determined in accordance with executive positions. Note that, based on the Stock Ownership Guidelines for Executive Officers, Members of the Board are expected to hold more than a certain number of shares of NRI’s stock, in accordance with their respective positions.				
		<table border="1"> <tr> <td>Stock-based compensation as long-term incentives ¥240 million*</td> <td>Stock-based compensation as medium-term incentives ¥560 million*</td> </tr> <tr> <td>It is positioned as a long-term incentive aimed at promotion of the sharing of value with shareholders through share ownership and sustainable improvements in the Company’s corporate value. The transfer restriction term is from the day of allotment to the day of retirement as an officer, etc., of NRI or its subsidiary.</td> <td>It is positioned as a medium-term incentive aimed at improvements in the Company’s medium-term results and share price as represented in the Medium-Term Management Plan. The transfer restriction term is from the day of allotment and lasts between three and five years thereafter.</td> </tr> </table>	Stock-based compensation as long-term incentives ¥240 million*	Stock-based compensation as medium-term incentives ¥560 million*	It is positioned as a long-term incentive aimed at promotion of the sharing of value with shareholders through share ownership and sustainable improvements in the Company’s corporate value. The transfer restriction term is from the day of allotment to the day of retirement as an officer, etc., of NRI or its subsidiary.	It is positioned as a medium-term incentive aimed at improvements in the Company’s medium-term results and share price as represented in the Medium-Term Management Plan. The transfer restriction term is from the day of allotment and lasts between three and five years thereafter.
Stock-based compensation as long-term incentives ¥240 million*	Stock-based compensation as medium-term incentives ¥560 million*					
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\* Monetary compensation claims provided for granting restricted stock to Eligible Members.



Emphasis is placed on bonuses and stock-based compensations so as to create a compensation system that is highly linked to performance. The approximate ratio of constituent elements of the compensations of directors, etc., in FY March 2022 is as follows. If basic compensation is equalized to “1,” the bonus is “0.9” and stock-based compensation is “1.6.” If fixed compensation is “1,” performance-based compensation is “2.5.”

Compensation Ratio for Director Compensation (FY March 2022)

[Fixed compensation] Basic compensation <b>1</b>	[Performance-based compensation] <b>2.5</b>	
	[Short-term performance-based compensation] Bonuses <b>0.9</b>	[Medium- to long-term performance-based compensation] Stock-based compensation <b>1.6</b>

(Note) 1. Calculations are based on the Board of Directors average for FY March 2022 (excluding Outside Directors and Directors who retired or assumed their post during the period).  
2. Stock-based compensations herein are the total amount of monetary compensation receivables that would be contributed in kind in exchange for the shares with transfer restrictions.

### Clawback System, etc.

If it becomes necessary to make corrections, etc., to figures in the financial statements that served as the basis for calculating bonuses paid within the past three years, we have implemented a system that makes it possible to request the return of all or a portion of the bonus (clawback system). Furthermore, if persons granted restricted stock under the Restricted Stock Compensation Plan are deemed by the Board of Directors to be in violation of laws, regulations, or internal rules, or to have engaged in nonconforming behavior that constitutes a violation thereof, the agreement on the allocation of restricted stock includes a clause (malus clause) that enables us to freely acquire all granted shares.

The target of the clawback system is Members of the Board (excluding Outside Directors), Senior Managing Directors, Managing Directors, and Executive Fellows.

### Resolution at General Meeting of Shareholders Concerning Compensation for Members of the Board, Etc.

At the 57th Ordinary General Meeting of Shareholders held on June 17, 2022, we received approval to revise the amount of compensation, etc. for Members of the Board, and set the amount of compensation, etc., for NRI's Members of the Board to ¥2 billion or less per year (of which ¥300 million per year is for Outside Directors). For the amount of compensation, etc., for Members of the Board related to the stock-based compensation, within the annual amount of ¥2 billion for that year, we received approval for within ¥800 million for the total annual amount of monetary compensation claims provided for granting restricted stock to eligible Members of the Board (within ¥240 million for stock-based compensation as long-term incentives and within an annual amount of ¥560 million for stock-based compensation as medium-term incentives).

### Compensation for Members of the Audit & Supervisory Board Members

Policies for the determination of compensation for Audit & Supervisory Board Members and other matters are set through discussions among the Audit & Supervisory Board Members.

The role of the Audit & Supervisory Board Members is to audit the Members of the Board in the performance of their duties and to do so from an independent standpoint. However, given that the full-time Audit & Supervisory Board Members share with the Members of the Board the objective of realizing sound, sustainable growth for NRI, their compensation, in addition to a fixed amount, includes a variable portion that changes in accordance with our business performance.

Levels of compensation have been set based on the need to secure human resources capable of playing important roles in the establishment and operation of effective corporate governance.

The Maximum Compensation Total for Audit & Supervisory Board Members: ¥250 Million per Annum

<b>Basic compensation</b>	Basic compensation consists of fixed pay based on each Audit & Supervisory Board Member's career, knowledge, responsibilities.
<b>Bonuses</b>	Bonuses are only paid to the full-time Audit & Supervisory Board Members, and it is based on our business performance during the current fiscal year.

(Note) In regard to Audit & Supervisory Board Members, stock-based compensation is not issued.

### Executive Compensation Amounts

Executive compensation for FY March 2022 is as follows.

Category	Total compensation (millions of yen)	Compensation by type (millions of yen)					No. of eligible individuals (persons)
		Fixed compensation	Performance-based compensation			Other	
		Basic compensation	Bonuses	Restricted stock-based compensation	Total		
Members of the Board	738	264	205	265	471	2	12
(Of which Outside Member of the Board)	43	43	—	—	—	—	4
Audit & Supervisory Board Member	181	111	51	16	68	1	6
(Of which Outside Audit & Supervisory Board Member)	70	53	17	—	17	0	4

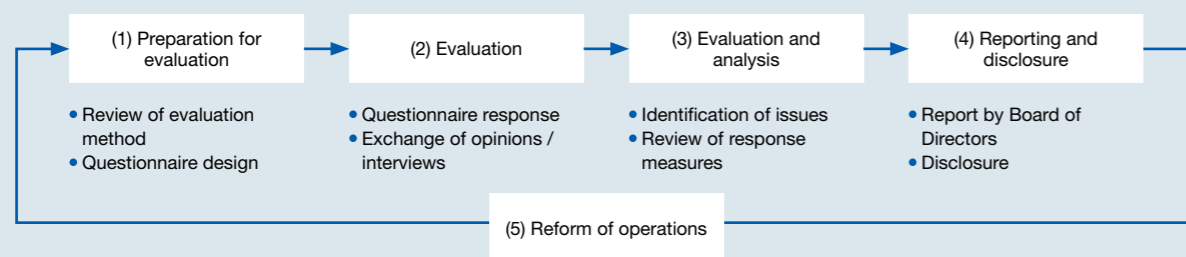
(Note) 1. The above includes three Members of the Board, including one Outside Members of the Board, and one Audit & Supervisory Board Member, including one Outside Audit & Supervisory Board Member, who retired at the conclusion of the 56th Ordinary General Meeting of Shareholders held on June 18, 2021.  
2. For restricted stock-based compensations, the total amount of monetary compensation receivables that would be contributed in kind in exchange for the shares with transfer restrictions has been converted equally in accordance with the term of service from the day of the allotment of shares with transfer restrictions to the day of the lifting of transfer restrictions. The amount posted as expenses in FY March 2022 is shown. Because the amounts of the "restricted stock-based compensations" is equalized in accordance with respective terms of service, each ratio of the constituent elements of the above compensations differ from the ratio of constituent elements of Director compensations, etc., shown on Compensation Ratio for Director Compensation.  
3. "Other" refers to contributions to the defined contribution pension plan and insurance premiums for casualty insurance

## Initiatives for Issues Recognized in Effectiveness Evaluations

### Effectiveness Evaluation of the Board of Directors

#### Evaluation Process

• NRI evaluates the Board of Directors' effectiveness through the following series of processes: (1) Preparation for evaluation, (2) Evaluation, (3) Evaluation and analysis, (4) Reporting and disclosure, and (5) Reform of operations. In step "(2) Evaluation," we conducted a self-evaluation questionnaire for all Directors and Audit & Supervisory Board Members, and exchanged opinions with Independent Directors in the form of discussions and individual interviews in order to understand more specific issues.



#### Review of Evaluation Method for FY March 2022

• Prior to evaluation, in step "(1) Preparation for evaluation," we conducted interviews with Outside Directors and Outside Audit & Supervisory Board Members in March 2022. As a result of considering the survey items and structure based on opinions received during those interviews and responses to the self-evaluation survey conducted in FY March 2021, we decided to expand the free entry field of the questionnaire in order to grasp a wider range of issues. Based on the results of questionnaire responses, we held discussions on effectiveness at the Independent Executives Meeting and exchanged in-depth opinions on the opinions expressed in the questionnaire with each Independent Executive. Based on these results, we held evaluation and analysis at the Board of Directors, and discussed issues from each evaluation perspective.

### Initiatives for Issues Recognized in Effectiveness Evaluations

#### Initiatives for Issues Recognized in the FY March 2021

• We implemented the following initiatives in response to various issues identified in the effectiveness evaluation for FY March 2021.

- (1) Further improve the quality of deliberation by ensuring opportunities and devising methods to provide information to Outside Executives  
We started sharing materials and minutes from Senior Management Committee meetings in order to provide information related to deliberation by the executives.
- (2) Promote ongoing discussion on the composition and diversity of the Board of Directors  
One woman was appointed to replace one of the Audit & Supervisory Board Members whose term of office will expire in June 2022.
- (3) Hold further discussions on DX and global business strategies based on the Medium-Term Management plan  
We repeatedly deliberated on regional strategies and specific projects in North America and Australia as relates to projects and status of progress for globalization aimed at accelerating the expansion of business domains.
- (4) Enhance discussions on the ideal form of Group governance  
We devised a policy to strategically position Group companies, to classify those companies into types based on business characteristics and risks, and to pursue a balance among business promotion, governance, and internal control. We also began creating guidelines for implementing governance.
- (5) Enhance discussions on future risks associated with business environment changes and strategy promotion  
During deliberations on the next Long-Term Management Vision, we discussed the risks surrounding NRI.

### Overview of Board of Directors Effectiveness Evaluation for FY March 2022

#### Overview of Effectiveness Evaluation

• The Board of Directors has determined that the effectiveness of the Company's Board of Directors is generally ensured, and that the Board's operations are steadily improving. The following is an overview of the evaluation.

##### a. Composition and Status of Operation of the Board of Directors

- A well-balanced composition ratio of executive directors, non-executive directors, Independent Directors and the diversity of their experience and areas of expertise are being maintained, and a structure to ensure appropriate decision-making and oversight is in place. Based on future business conditions and management strategies, we recognized the need to continue discussing the composition and diversity of the Board of Directors.
- Active explanation of opinions and presentation of recommendations from Outside Executives and other constructive discussions and exchanges of views are carried out by the Board of Directors as a whole. We expect that the quality of discussions will be further improved by additionally clarifying the points of discussion in the materials and devising methods of providing information to Outside Executives.

##### b. Support for Directors

- Opportunities are provided for Outside Executives to obtain necessary information by receiving explanations from executives as appropriate, such as by participating in the Group's management strategy meetings.
- In order to further revitalize discussions at meetings of the Board of Directors, it is desirable to provide a forum for free and open exchange of opinions among Outside Executives and between Outside Executives and Senior Management Directors.

##### c. Management Strategy

- Discussions on DX strategy and global strategy, which are the priority themes of the Medium-Term Management Plan, and exchanges of views toward the formulation of the next Vision and Medium-Term Management Plan are being implemented continuously and appropriately.
- Strengthening of human resource management and resource allocation are foundations for growth, and it is desirable to hold further discussions on these themes.

##### d. Internal Control / Risk Management / Group governance

- Active discussions and exchanges of views are being held on Group governance, and information on the current status and issues of Company-wide initiatives were shared appropriately. In conjunction with the increase in the number of Group companies, in addition to clarifying the basic rules of governance, we recognized the importance of continuing discussions toward enhancing governance while confirming the operation status of implementation guidelines listing basic rules and the promotion status of initiatives at overseas Group companies.
- In regard to internal control and risk management, appropriate reports are being made and overall they are functioning effectively. It is desirable to implement further enhancements such as meticulous inspections for the maintenance status of Group companies.
- As geopolitical risks heighten, it is desirable to have more extensive discussions on countermeasures.

##### e. Committees

- In the Nomination Committee and the Compensation Committee, discussions and exchanges of views related to the President & CEO succession plan, the director candidate selection and development process, and the method of determining directors' compensation, etc., are being conducted appropriately, and while being arbitrarily appointed committees, they are functioning effectively.

Based on this analysis and evaluation, NRI will continue to work to improve the effectiveness of the Board of Directors.



## NRI Executives

### Members of the Board

New election Executive Non-executive Outside Independent



#### Shingo Konomoto

Date of birth: February 11, 1960  
 Chairman and President & CEO  
 Representative Director  
 Member of the Board (240,306 shares)

Apr. 1985 Joined the Company  
 Apr. 2004 Senior Managing Director  
 Apr. 2010 Division Manager of Consulting Division II  
 Apr. 2010 Senior Corporate Managing Director  
 Apr. 2010 Division Manager of Consulting Division  
 Apr. 2015 Senior Executive Managing Director  
 Jun. 2015 Head of Business, Head of Consulting  
 Apr. 2016 President & CEO, Representative Director, Member of the Board  
 Jun. 2019 Chairman and President & CEO, Representative Director, Member of the Board  
 Jun. 2022 President & CEO, Chairman, Member of the Board, Representative Director (present)

Executive



#### Yasuo Fukami

Date of birth: August 12, 1960  
 Vice Chairman, Member of the Board  
 Chairperson of the Board of Directors (112,218 shares)

Apr. 1983 Joined the Company  
 Apr. 2011 Senior Managing Director  
 Apr. 2016 Senior Corporate Managing Director  
 Apr. 2017 Head of Distribution, Communication & Industrial Solutions  
 Apr. 2017 Division Manager of Distribution & Communication Solution Division  
 Apr. 2019 Senior Corporate Managing Director  
 Apr. 2019 Head of Corporate Administration  
 Apr. 2019 Senior Executive Managing Director  
 Jun. 2019 Representative Director, Member of the Board, Senior Executive Managing Director  
 Apr. 2021 Head of Corporate Headquarters  
 Apr. 2021 Vice Chairman, Member of the Board (present)  
 Apr. 2021 Chairperson of the Board of Directors (present)

Non-executive



#### Yo Akatsuka

Date of birth: July 14, 1965  
 Vice Chairman, Member of the Board (—)

Apr. 1990 Joined The Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)  
 Apr. 2014 Senior Managing Director of Nomura Securities, Inc.  
 Apr. 2016 Senior Managing Director of Nomura Securities Co., Ltd.  
 Apr. 2016 Senior Corporate Managing Director of Nomura Securities Co., Ltd.  
 Apr. 2020 Senior Managing Director of Nomura Securities Co., Ltd.  
 Mar. 2022 CEO of Nomura Holding America Inc.  
 Mar. 2022 Executive Vice President of Nomura Securities Co., Ltd.  
 Apr. 2022 Advisor of Nomura Securities Co., Ltd.  
 Jun. 2022 Vice Chairman, Member of the Board of the Company (present)

New election Non-executive



#### Hidenori Anzai

Date of birth: November 9, 1964  
 Representative Director  
 Member of the Board  
 Senior Executive Managing Director  
 Supervising of Corporate Headquarters (102,924 shares)

Apr. 1989 Joined the Company  
 Apr. 2014 Senior Managing Director  
 Apr. 2017 Deputy Division Manager of Distribution & Communication Solution Division  
 Apr. 2017 Senior Managing Director  
 Apr. 2017 Division Manager of IT Platform Services Division  
 Apr. 2019 Deputy Division Manager of Systems Development Innovation Division  
 Apr. 2019 Senior Corporate Managing Director  
 Apr. 2021 Supervising of Corporate Administration  
 Apr. 2021 Senior Executive Managing Director  
 Jun. 2021 Supervising of Corporate Headquarters  
 Jun. 2021 Representative Director, Member of the Board, Senior Executive Managing Director  
 Jun. 2021 Supervising of Corporate Headquarters (present)

Executive



#### Ken Ebato

Date of birth: October 28, 1963  
 Representative Director  
 Member of the Board  
 Senior Executive Managing Director  
 Supervising of Consulting, Supervising of Financial IT Solutions, Supervising of IT Platform Services, Head of Capital Markets & Wealth Management Solutions, Head of Asset Management Solutions (145,189 shares)

Apr. 1987 Joined the Company  
 Apr. 2015 Senior Managing Director  
 Apr. 2015 Deputy Division Manager of Capital Markets & Wealth Management Solutions Division  
 Apr. 2018 Senior Managing Director  
 Apr. 2018 Division Manager of Capital Markets & Wealth Management Solutions Division  
 Apr. 2019 Senior Corporate Managing Director  
 Apr. 2021 Division Manager of Capital Markets & Wealth Management Solutions Division  
 Apr. 2021 Senior Executive Managing Director  
 Jun. 2021 Head of Financial IT Solutions  
 Jun. 2021 Division Manager of Capital Markets & Wealth Management Solutions Division  
 Jun. 2021 Member of the Board, Senior Executive Managing Director  
 Apr. 2022 Head of Financial IT Solutions  
 Apr. 2022 Division Manager of Capital Markets & Wealth Management Solutions Division  
 Apr. 2022 Representative Director, Member of the Board, Senior Executive Managing Director  
 Apr. 2022 Supervising of Consulting  
 Apr. 2022 Supervising of Financial IT Solutions  
 Apr. 2022 Supervising of IT Platform Services  
 Apr. 2022 Head of Capital Markets & wealth Management Solutions  
 Apr. 2022 Head of Asset Management Solutions (present)

Executive



#### Shuji Tateno

Date of birth: May 2, 1964  
 Member of the Board  
 Senior Executive Managing Director  
 Supervising of Industrial IT Solutions / Supervising of Global Headquarters (129,543 shares)

Apr. 1987 Joined the Company  
 Apr. 2014 Senior Managing Director  
 Apr. 2016 Deputy Division Manager of IT Platform Services Division  
 Apr. 2016 Senior Managing Director  
 Apr. 2019 Division Manager of Systems Consulting Division  
 Apr. 2019 Deputy Division Manager of Services & Industrial Solution Division  
 Apr. 2019 Senior Corporate Managing Director  
 Apr. 2021 Division Manager of Services & Industrial Solution Division  
 Apr. 2021 Senior Executive Managing Director  
 Apr. 2022 Head of Industrial IT Solutions  
 Apr. 2022 Senior Executive Managing Director  
 Jun. 2022 Supervising of Industrial IT Solutions  
 Jun. 2022 Supervising of Global Headquarters  
 Jun. 2022 Supervising of Industrial IT Solutions  
 Jun. 2022 Supervising of Global Headquarters (present)

New election Executive



#### Hideaki Omiya

Date of birth: July 25, 1946  
 Member of the Board (3,889 shares)

Jun. 1989 Joined Mitsubishi Heavy Industries, Ltd.  
 Jun. 2002 Member of the Board of Mitsubishi Heavy Industries, Ltd.  
 Jun. 2005 Member of the Board (Representative Director), Executive Vice President of Mitsubishi Heavy Industries, Ltd.  
 Apr. 2008 Member of the Board (Representative Director), President and CEO of Mitsubishi Heavy Industries, Ltd.  
 Apr. 2013 Chairman of the Board (Representative Director) of Mitsubishi Heavy Industries, Ltd.  
 Jun. 2014 Chairman of the Board of Mitsubishi Heavy Industries, Ltd.  
 Jun. 2018 Member of the Board of the Company (present)  
 Apr. 2019 Member of the Board, Senior Executive Advisor of Mitsubishi Heavy Industries, Ltd. (present)  
 Jun. 2019 Senior Executive Advisor of Mitsubishi Heavy Industries, Ltd. (present)  
 <Important concurrent positions>  
 Apr. 2019 Senior Executive Advisor of Mitsubishi Heavy Industries, Ltd.  
 Apr. 2019 Outside Director of SEIKO EPSON CORPORATION

Non-executive Outside Independent



#### Shinoi Sakata

Date of birth: March 31, 1957  
 Member of the Board (432 shares)

Apr. 1979 Joined Sumitomo Chemical Co., Ltd. (currently, SUMITOMO CHEMICAL COMPANY LIMITED)  
 Apr. 2011 Associate Officer of SUMITOMO CHEMICAL COMPANY LIMITED  
 Apr. 2013 Executive Officer of SUMITOMO CHEMICAL COMPANY LIMITED  
 Apr. 2016 Advisor of SUMITOMO CHEMICAL COMPANY LIMITED  
 Director & Vice President of Sumika Technical Information Service, Inc.  
 Jun. 2017 President of Sumika Technical Information Service, Inc.  
 May. 2018 Executive Director of Japan Chemical Industry Association  
 Jun. 2020 Member of the Board of the Company (present)

Non-executive Outside Independent



#### Tetsuji Ohashi

Date of birth: March 23, 1954  
 Member of the Board (—)

Apr. 1977 Joined Komatsu Ltd.  
 Jun. 2004 President and Chief Operating Officer (COO) of Komatsu America Corp.  
 Apr. 2007 Executive Officer of Komatsu Ltd.  
 Jun. 2009 Director and Senior Executive Officer of Komatsu Ltd.  
 Apr. 2012 Director and Senior Executive Officer of Komatsu Ltd.  
 Apr. 2013 President and Representative Director, and CEO of Komatsu Ltd.  
 Apr. 2019 Chairperson of the Board and Representative Director of Komatsu Ltd. (present)  
 Jun. 2021 Member of the Board of the Company (present)  
 Chairperson of the Board of Komatsu Ltd.  
 <Important concurrent positions>  
 Apr. 2021 Chairperson of the Board of Komatsu Ltd.  
 Apr. 2021 Outside Director of Yamaha Motor Co., Ltd.  
 Apr. 2021 Outside Director of Asahi Group Holdings, Ltd.

Non-executive Outside Independent

### Audit & Supervisory Board Member



#### Takuhito Sakata

Date of birth: November 20, 1961  
 Audit & Supervisory Board Member (full-time) (150,791 shares)

Apr. 1984 Joined the Company  
 Apr. 2010 Senior Managing Director  
 Apr. 2011 Deputy Division Manager of Distribution & Communication Systems Division  
 Apr. 2011 Senior Managing Director  
 Apr. 2011 Deputy Division Manager of Services & Industrial Solution Division I  
 Apr. 2011 General Manager of Kansai Regional Headquarters  
 Apr. 2011 General Manager of Chubu Regional Headquarters  
 Apr. 2017 Senior Corporate Managing Director  
 Apr. 2017 Division Manager of Data Center Service Division  
 Apr. 2020 Deputy Division Manager of Cloud Computing Service Division  
 Apr. 2020 Counselor of the Company  
 Jun. 2020 Audit & Supervisory Board Member (present)



#### Motoya Nishimura

Date of birth: July 23, 1962  
 Audit & Supervisory Board Member (full-time) (70,546 shares)

Apr. 1987 Joined the Company  
 Apr. 2015 Managing Director, Deputy Division Manager of Systems Consulting Division  
 Aug. 2015 Managing Director, Deputy Division Manager of the Systems Consulting Division  
 Apr. 2018 Deputy Division Manager of Insurance Solution Division  
 Apr. 2018 Senior Managing Director, Deputy Division Manager of the Systems Consulting Division  
 Apr. 2019 Counselor of the Company  
 Jun. 2019 Audit & Supervisory Board Member of the Company (present)



#### Kenkichi Kosakai

Date of birth: August 9, 1963  
 Audit & Supervisory Board Member (1,000 shares)

Apr. 1976 Joined Mitsubishi Chemical Industries Limited (currently, Mitsubishi Chemical Corporation)  
 Jun. 2010 Director of the Board, Managing Executive Officer of Mitsubishi Tanabe Pharma Corporation  
 Apr. 2014 Managing Executive Officer of Mitsubishi Chemical Holdings Corporation  
 Apr. 2015 Senior Managing Executive Officer of Mitsubishi Chemical Holdings Corporation  
 Jun. 2015 Representative Corporate Executive Officer, Senior Managing Corporate Executive Officer, Chief Financial Officer of Mitsubishi Chemical Holdings Corporation  
 Apr. 2017 Representative Corporate Executive Officer, Deputy CEO, Chief Financial Officer of Mitsubishi Chemical Holdings Corporation  
 Jun. 2017 Director of the Board, Representative Corporate Executive Officer, Deputy CEO, Chief Financial Officer of Mitsubishi Chemical Holdings Corporation  
 Jun. 2019 Advisor of Mitsubishi Chemical Holdings Corporation  
 Jun. 2021 Audit & Supervisory Board Member of the Company (present)  
 <Important concurrent positions>  
 Outside Director of Dai-Ichi Co., Ltd.

Outside Independent



#### Naruhito Minami

Date of birth: January 15, 1963  
 Audit & Supervisory Board Member (—)

Aug. 1986 Joined Asahi Shinwa & Co. (currently, KPMG AZSA LLP)  
 Mar. 1990 Registered as a certified public accountant  
 Sep. 1993 Partner of Tokyo Akasaka & Co. (currently, GYOSEI & CO.)  
 Jan. 1999 Senior Partner of Tokyo Akasaka & Co. (currently, GYOSEI & CO.)  
 Oct. 1999 Managing Partner of Tokyo Hokuto & Co. (currently, GYOSEI & CO.)  
 Jul. 2010 Vice Executive Director, Partner of GYOSEI & CO.  
 Jul. 2017 Executive Director, Managing Partner of GYOSEI & CO.  
 Jun. 2022 Audit & Supervisory Board Member of the Company (present)  
 <Important concurrent positions>  
 Managing Partner of GYOSEI & CO.  
 Outside Auditor of FunPep Company Limited

New election Outside Independent



#### Yasuko Takazawa

Date of birth: November 20, 1964  
 Audit & Supervisory Board Member (—)

Apr. 1987 Joined Nippon Steel Corporation (currently, NIPPON STEEL CORPORATION)  
 Dec. 2009 Registered as an attorney at law  
 Joined SOGA, URSU & TOGA Law Offices  
 Oct. 2010 Joined Kojima Law Offices  
 Sep. 2014 General Manager of Legal Department of MITSUBISHI MOTORS CORPORATION  
 Apr. 2017 Vice President of MITSUBISHI MOTORS CORPORATION  
 Apr. 2019 Corporate Officer of MITSUBISHI MOTORS CORPORATION (present)  
 Jun. 2022 Audit & Supervisory Board Member of the Company (present)  
 <Important concurrent positions>  
 Corporate Officer of MITSUBISHI MOTORS CORPORATION

New election Outside Independent

- Hideaki Omiya, Shinoi Sakata, and Tetsuji Ohashi are Outside Directors. Kenkichi Kosakai, Naruhito Minami, and Yasuko Takazawa are Outside Audit & Supervisory Board Members.
- NRI specifies those members as Independent Directors pursuant to the regulations of the Tokyo Stock Exchange and has notified them to the said stock exchange.
- Members of the Board were selected at the Ordinary General Meeting of Shareholders held on June 17, 2022.
- For the Audit & Supervisory Board Members, Motoya Nishimura was selected at the Ordinary General Meeting of Shareholders held on June 20, 2019, Takuhito Sakata was selected at the Ordinary General Meeting of Shareholders held on June 18, 2020, Kenkichi Kosakai was selected at the Ordinary General Meeting of Shareholders held on June 18, 2021, Naruhito Minami, and Yasuko Takazawa were selected at the Ordinary General Meeting of Shareholders held on June 17, 2022.
- Figures in parentheses indicate number of the Company's shares held. These list the number of shares held as of April 30, 2022, including holdings in the executive share ownership plan.

### Managing Directors and Fellows

NRI makes a distinction between the Board of Directors' decision-making on management strategy and business execution function, and the authority and responsibilities for business execution are largely delegated to Senior Managing Directors, etc.

#### Senior Executive Managing Directors

Hajime Ueda  
 Shigeki Hayashi  
 Hiroshi Masutani

Tomoshiro Takemoto  
 Hirofumi Tatematsu  
 Fumihiko Sagano

#### Senior Corporate Managing Directors

Yoichi Inada  
 Minoru Yokote  
 Namiki Kubo  
 Yuichi Higo  
 Tohru Yasumaru  
 Tomohiko Noguchi  
 Susumu Nishimoto

Yoshihiko Sunaga  
 Shoichi Ohno  
 Akira Matsumoto  
 Tetsuro Watanabe  
 Shigekazu Ohmoto  
 Yasuki Nakamaru

#### Senior Managing Directors

Katsutoshi Murakami  
 Yasushi Kobara  
 Hiroyuki Kawanami  
 Sonoko Kitagawa  
 Jun Odashima  
 Takeshi Hihara  
 Masaaki Yamazaki  
 Koji Shimizu  
 Hiroshi Koike  
 Ichiro Morisawa

Kazuya Kobayashi  
 Noriyasu Kogure  
 Kaga Yanagisawa  
 Kotaro Gunji  
 Hideki Saito  
 Katsuya Mori  
 Takefumi Ikeya  
 Noriyuki Takeda  
 Toshifumi Hara  
 Hiroyuki Nakayama

#### Managing Directors

Masashi Shimizu  
 Noriyuki Kobayashi  
 Akihiro Kamei  
 Takao Yamaguchi

#### Research Directors

Yasuki Okai  
 Kotaro Kuwazu

#### Counselors

Naohiro Sako  
 Hisao Nakajima

#### Fellow


Minoru Aoshima

## Internal Controls, Corporate Ethics, and Compliance

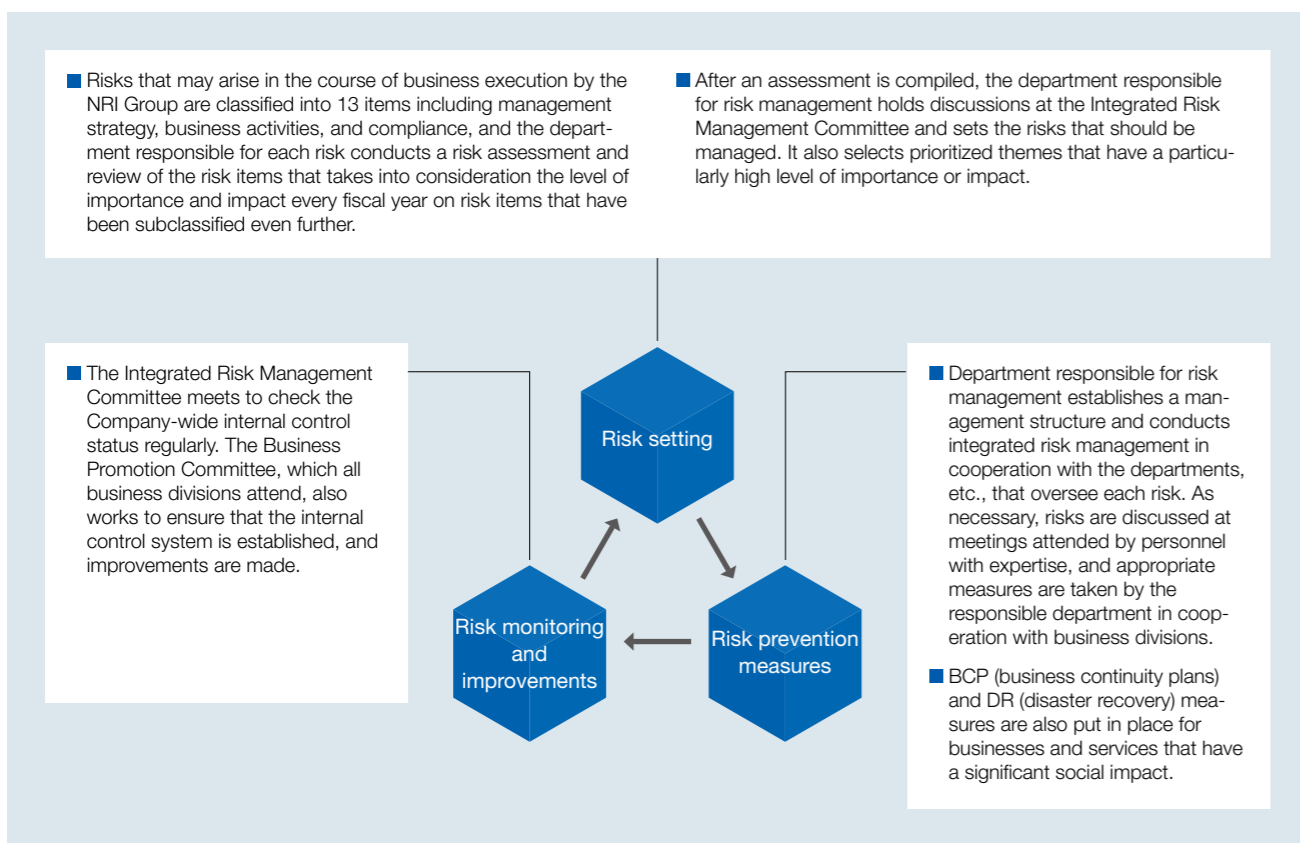
### Internal Control System

NRI has established a basic policy for building an internal control system, while appointing a director in charge of risk management and setting up a department for supervising risk management.

In addition, the Integrated Risk Management Committee meets to check the Company-wide internal control status as appropriate. The Business Promotion Committee, which all business divisions and Group companies attend, also works to ensure that the internal control system is established.

 **Basic policy for building an internal control system (Japanese)**  
<https://www.nri.com/jp/company/internal>

### Risk Management PDCA Cycle



### Priority themes for FY March 2023

- I Continue proper management of quality risks for our systems in operation
- II Improve the management preparedness of information security
- III Further strengthen the management of project risks
- IV Develop internal control systems suitable for NRI
- V Implement appropriate preparation for fulfilling our business continuity responsibilities
- VI Improve the quality of working environments to adapt to a variety of working styles

### Internal Audits Conducted by the Internal Audit Department

The Internal Audit Department (20 employees), which functions directly under the President, audits the Company to ensure the effectiveness of risk management and compliance systems and to maintain the efficiency of the execution of the Members of the Board. The results of such audits are reported to the President & CEO and other directors, and when corrections or improvements are required, the Risk Management Supervisory Department, the representative departments, and the business divisions, collaborate to introduce improvements. In addition, the Internal Audit Department works to cooperate with the accounting auditor through regular exchange of opinions regarding plans for conducting internal audits and their results.


### The Strengthening Global Governance

As a system for promoting its global strategies, NRI has established regional headquarters or holding companies in North America, Asia, and Australia. We are strengthening our governance system mainly for acquired subsidiaries. At Headquarters, NRI supports the formulation and execution of global strategies centered on its Global Headquarters established in April 2019. Through this initiative, we are working to strengthen governance at all overseas subsidiaries, including acquired subsidiaries.

Business Management through Local Holding Companies, etc	
Local holding company, etc.	Territory regions
NRI Australia (Sydney)	Australia
NRI Holdings America (New York)	United States
NRI Asia Pacific (Singapore)	Asia
NRI Beijing (Beijing)	Mainland China
	Japan and Europe

### Corporate Ethics and Compliance System

To ensure effective ethics and compliance systems, NRI has appointed the Chief Ethics Officer and Chief Compliance Officer and established the Compliance Committee. Moreover, we have established NRI Group's Code of Business Principles expressing the code of business principles and NRI Group Employees' Code of Business Conduct indicating our employees' code of business conduct.

 **NRI Group's Code of Business Principles**  
[https://www.nri.com/en/company/company\\_code](https://www.nri.com/en/company/company_code)

 **NRI Group Employees' Code of Business Conduct**  
[https://www.nri.com/en/company/business\\_code](https://www.nri.com/en/company/business_code)

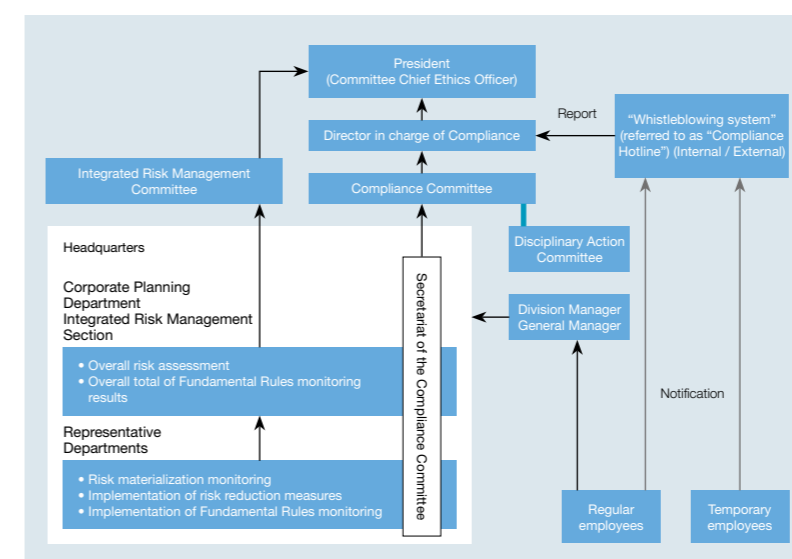
The Fundamental Rules are composed of 12 items prepared and monitored to confirm that these principles and policies are complied with and that the Company's management is reliably going in the right direction.

Regular training to raise the awareness of executives and employees toward compliance is conducted, as well as training on the legal knowledge, etc., required for individual operations. Through this training, efforts are made to thoroughly instill awareness on matters such as prohibitions on bribes and facilitation payments to public officials and the importance of compliance with antitrust laws.

 **NRI Group Policy on Human Rights / NRI Group AI Ethics Guidelines / NRI Group Anti-Bribery Policy / NRI Group Competition Law Compliance Policy / NRI Group Global Tax Policy**  
<https://www.nri.com/en/sustainability/social/policies>

NRI has prescribed Whistleblower Protection Regulations based on the Whistleblower Protection Act and established internal and external hotlines as contact point that Japanese Group employees can use to consult with regarding compliance related issues.

### Compliance Information Communication Process



### Raising and Instilling the Awareness of Executives and Employees through the Rule Book

We have created a Rule Book (Fundamental Rules for Executive Officers and General Staff) as a pamphlet that explains the action guidelines, etc., of the Company to ensure that executives and employees comply with laws, regulations, etc., with a high sense of ethics. By raising and instilling awareness of compliance using this, we work to put in place the foundations for our compliance structure.







# 05

## Business Segments

Responding to a wide range of social needs through four businesses

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- 125 IT Platform Services



## NRI's Four Business Segments

NRI's business consists of mainly the four following business segments.

- Consulting:** Consulting services
- Financial IT Solutions:** IT solutions for the securities, insurance, banking, asset management, and other financial sectors
- Industrial IT Solutions:** IT solutions for industrial clients in distribution, manufacturing, and service sectors
- IT Platform Services:** Construction of IT platforms and networks that support NRI's IT solutions business and data center operations, in addition to system management solutions and security services for external clients

### Consulting P.122

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.

### Financial IT Solutions P.123

This segment provides system consulting, system development, and system management solutions, 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, DSB, DSB Information System, Nippon Securities Technology, Cutter Associates

### Industrial IT Solutions P.124

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 Netcom, NRI System Techno, NRI digital, Brierley+Partners, ASG Group, SMS Management & Technology Limited

### IT Platform Services P.125

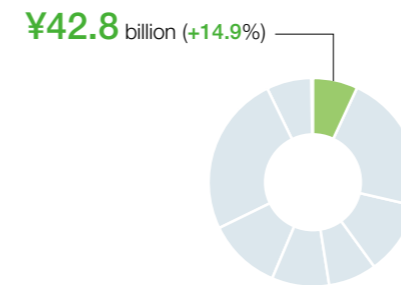
This segment provides data center operations and construction of IT platforms and networks that are provided to the Financial IT and Industrial IT Solutions segments. This segment also provides IT platform solutions and information security services to external clients. Furthermore, NRI conducts research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

**Major affiliated companies**

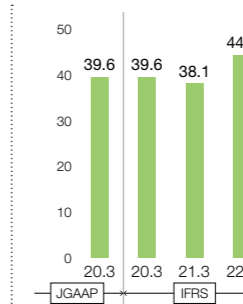
NRI SecureTechnologies, NRI Data i Tech, NRI digital

Clients

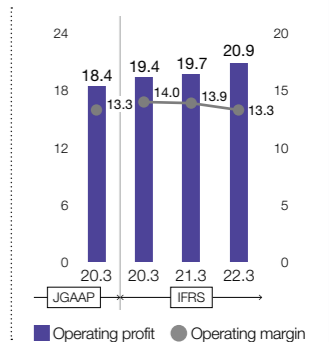
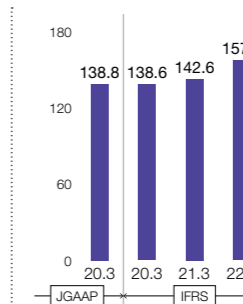
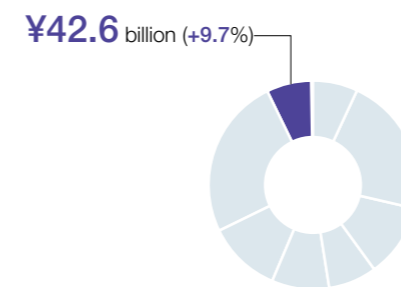
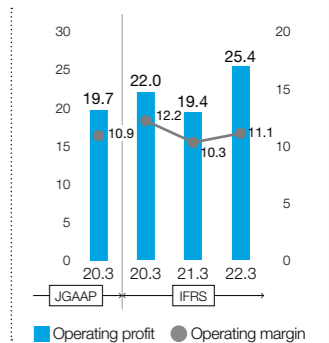
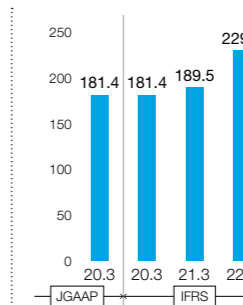
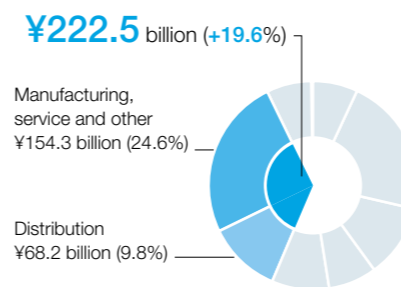
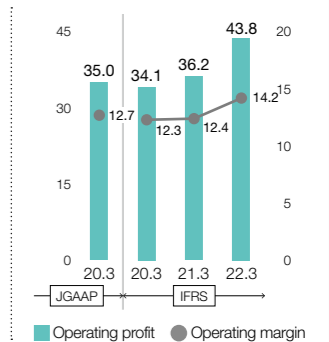
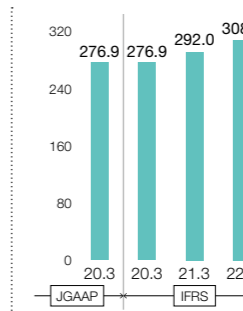
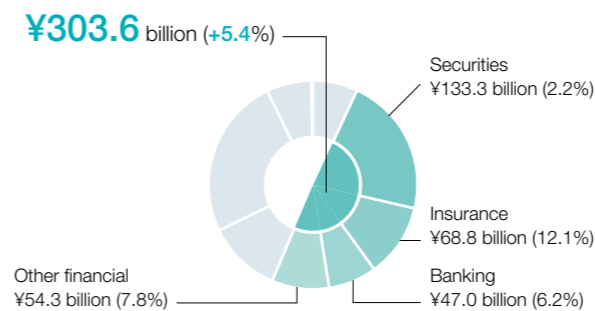
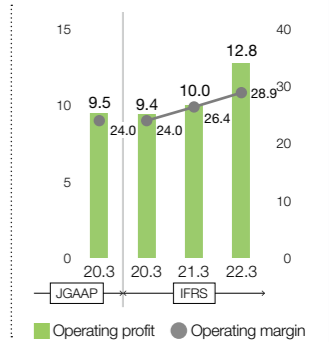
Revenue by Segments for FY March 2020  
(year-on-year changes)



Revenue Including Inter-Segment Revenue  
(billions of yen)



Operating Profit / Margin  
(billions of yen / %)



Note: Amounts have been rounded down to the nearest unit specified. However, percentages have been rounded off to the nearest digit specified.



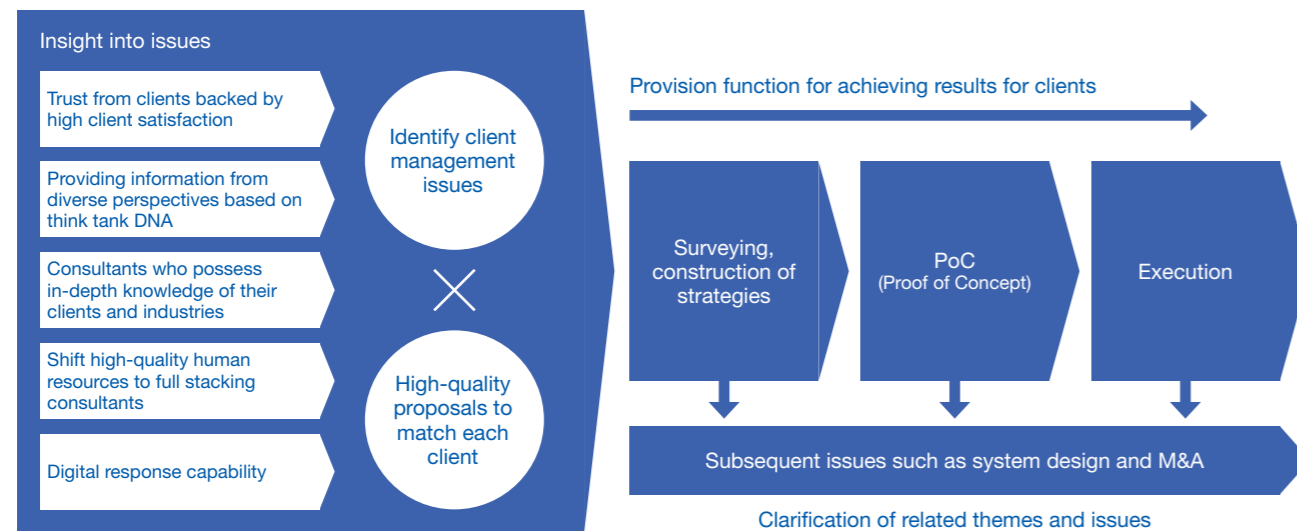
## Consulting

The Consulting segment provides management consulting services for policy planning for government agencies, strategy planning and business operation reforms of companies, and system consulting services for all phases of IT management. As one of the largest consulting firms in Asia with more than 1,000 consultants in Japan and overseas, we have a strong track record in overseas markets such as the Asia-Pacific, Europe, and the United States, where we have been tapped for numerous consulting projects by Japanese companies as well as local companies and governments.

### Management Consulting

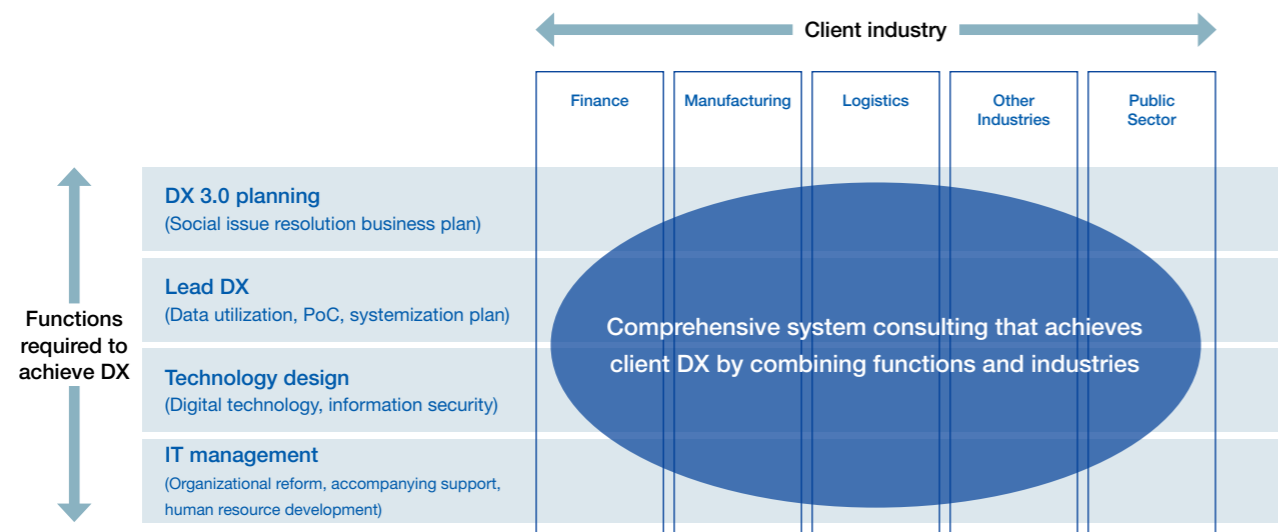
Since its establishment in 1965, NRI has worked in a wide range of industrial fields to formulate strategies, reform business operations, and support the formulation and achievement of policy by governments and government agencies. We actively support our clients' globalization, which is at various stages in each industry and company.

#### Visualization and Structuring of Management Issues



### System Consulting

Through many years of experience, NRI has accumulated extensive knowledge on the business, operations, IT, and digital technology of Japanese corporations. We sincerely strive to resolve our clients' issues and work together with clients to help them achieve DX.



## Financial IT Solutions

NRI has been leading the trend of "from owner to user" in information systems of financial institutions for over 40 years. Through the collaboration between researchers or consultants who are sensitively aware of the environmental changes surrounding financial business and business analysts or digital human resource providing IT solution services, NRI has kept producing the next generation solutions and supporting the business continuity of financial institution in various aspects.

IT Solutions for financial business  
<https://www.nri.com/en/service/solution/fis/all>

### Solutions for Securities Business

NRI provides the full range of IT services needed for securities companies such as a joint-use service in back-office operations of retail or wholesale (THE STAR/I-STAR), and a support system to advise retail investors. These services are used by a wide variety of financial institutions including Japanese securities companies, foreign securities companies, and more recently, players entering from different industries.

We are also proactively engaging in Japan's "My Number" national ID system related platform business (e-BANGO, e-NINSHO, e-PO box etc.) including e-BANGO, capable of connecting to the STAR series in accordance with the government's digital government policy. In addition to the IT services mentioned above, we provide BPO services to support our clients' businesses through our group company, DSB Co., Ltd.



e-BANGO

e-NINSHO



e-私書箱

### Solutions for Asset Management Business

We provide joint-use services (T-STAR Family, Fundweb Transfer, Smart Bridge Advance, etc.) and investment information services (IDS) so as to provide total support for asset management business, including management of trust property and investment advisory, management of pension funds, etc. In addition, we provide BPO service in order to support business continuity, improvement of the quality of operations, and productivity, which is utilized by many asset management companies, insurance companies, etc.

Moreover, in response to the recent expansion in the number of funds and working assets as well as the diversification of investment destinations, we are also providing support for digitalizing business operations, including paperless systems and expanding new contents such as ESG data which are becoming increasingly important.

By providing solutions to support problem-solving for business operation, we continue to work on the further sophistication and expansion of asset management business.



SmartBridge Advance



### Solutions for Insurance Business

Based on a wealth of knowledge gained from many years of working with insurance systems, we offer total support from the design of basic operations system to construction/operation for non-life insurance companies and public/mutual aid enterprises. The joint-use service (e-JIBAI), which follows the rules of compulsory automobile liability insurance system, has become a substantial industry standard as a solution for insurance administration, management, and settlement operations. Recently, we have started providing services for small-amount and short-term Insurance (mini-insurance) (insDirect/MP), which is diversifying due to digitalization, and services for non-life insurance using telematics\* technology. NRI is working daily to build systems corresponding to changes in the insurance industry's business environment, insurance products and services, and business processes.



\* Telematics: The term created by integrating "telecommunications" and "informatics", it is a system of providing all sorts of information and services by using on-board devices such as car navigation system or GPS, and a mobile communication system.

### Solutions for Banking Business

We provide solutions for back-office operations in major banks, trust banks and regional banks as well as for internet banking (Value Direct). In particular, BESTWAY/JJ, the joint-use service that was launched in light of lifting the ban on over-the-counter sales of investment trusts by banks, gives a comprehensive support for the management of defined contribution pension accounts, from the sales support for investment trusts at sales offices (front) to the management of account (back), and contributes to the sales expansion of investment trust in many banks / trust banks. In recent years, we are working towards the transformation of the financial services function as a social infrastructure by constantly challenging a new field with a goal of achieving the sophistication of services in the banking business, including solutions for new types of banks such as convenience stores and internet-only banks, and measures toward participation of different industries in financial services.

## Industrial IT Solutions

NRI's Industrial IT Solutions business provides integrated services spanning consulting to development and operations as a business partner of top companies in the distribution, manufacturing, telecommunications, and industrial services industries, based on our many years of experience and track record of building and operating mission-critical systems. In recent years, we have been researching and developing key technology components to achieve DX, and are responding to our clients' DX construction needs.

### DiPcore



DiPcore is a componentized key technology for achieving client DX. NRI combines advanced AI algorithms and cloud technology to research and develop components that can be incorporated into e-commerce sites and core business systems.

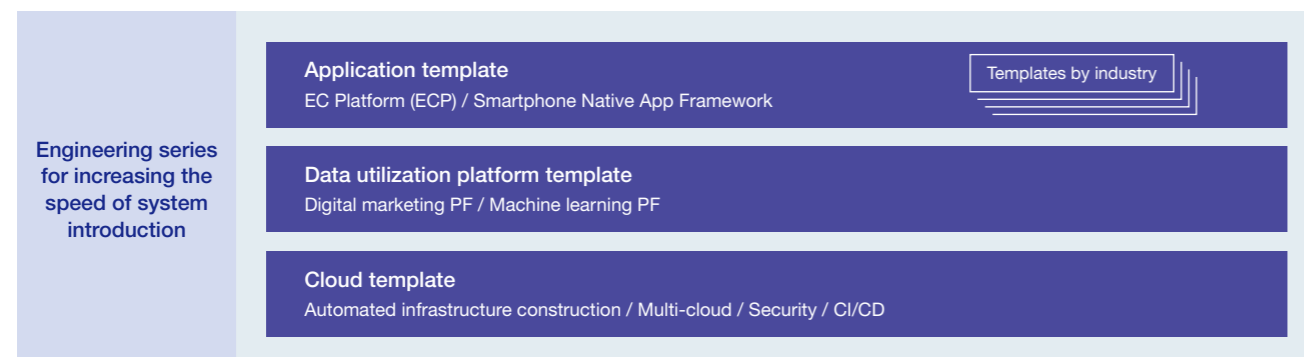
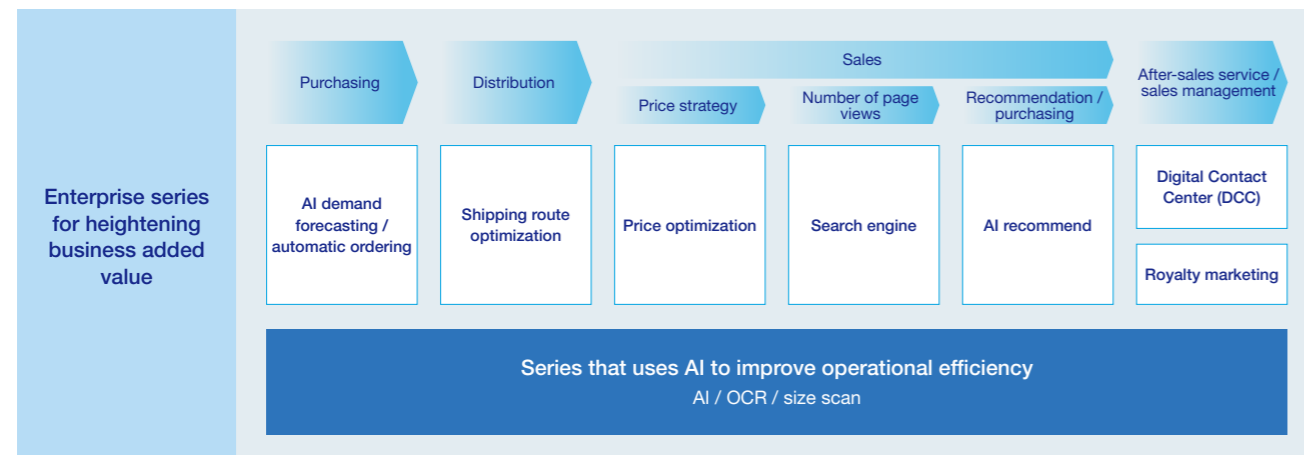
Using DiPcore makes it possible to flexibly respond to business requests that are difficult to respond to with AI package solutions, and to provide speedy DX construction requirements.

### Enterprise IP Series

Enterprise IP is a group of algorithms that combine technologies such as machine learning and optimized calculations to achieve business automation and optimization. Using Enterprise IP makes it possible to generate an analysis model optimized for the client's business and incorporate that model into the core system. NRI's data scientists and business analysts collaborated to create Enterprise IP in response to our clients' business strategies.

### Engineering IP Series

Engineering IP is a set of software components such as templates, frameworks, and e-commerce containers that dramatically heighten the productivity and quality of DX system development. Engineering IP has accumulated the know-how for flexible and speedy construction of systems. It improves development QCD through automation technology and componentization.



\* We plan to sequentially expand the lineup in the future

## IT Platform Services

As systems grow in scale and complexity along with changes in business activities and the evolution of information technology, the IT infrastructures which serve as the foundation for these systems are becoming increasingly important. NRI's IT Platform Services segment anticipates and strategically incorporates advanced technologies into each of its services and solutions in order to achieve and support the transformation of clients.

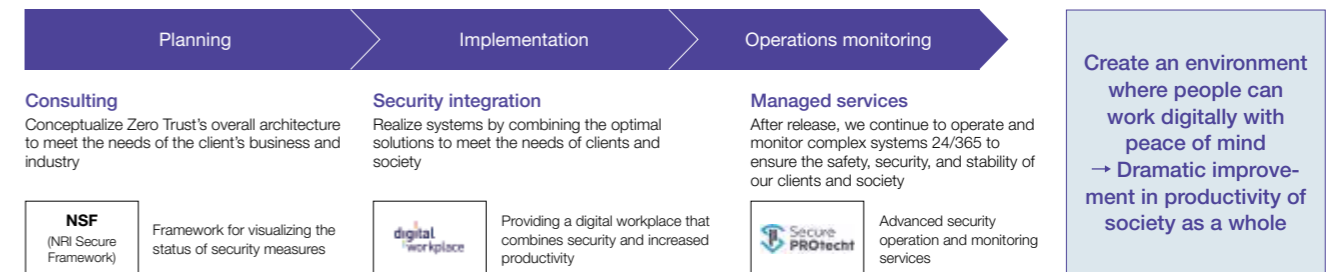
<b>Managed Services</b>	Experts in each area provides total support for DX transformation
<b>Advanced Technology Acquisition / Co-creation with Clients</b>	Creating digital business from a technology driven and client-driven perspective
<b>Security Service</b>	Information security specialists provide comprehensive support to solve a wide range of security issues.

### 'Zero Trust' Provides Safety and Security in an Advanced IT Society

An increasing number of companies are using remote work in response to the COVID-19 pandemic. In order to enable and spread remote work, it is important to have a security environment in which work can be done safely and comfortably regardless of location. The key technology for solving problems is "Zero Trust". NRI and NRI Secure Technologies, Ltd. provide a one-stop service from planning to operation of a Zero Trust

workplace, thereby creating an environment where employees can engage in digital work with peace of mind.

\* Zero Trust: A policy that disregards the concept of 'boundaries' between internal and external networks. Instead, it constantly monitors and verifies all access to information assets that must be protected without trusting anyone.



On March 14, 2022, NRI and LAC Co., Ltd. established Nuligen Security Co., Ltd. to provide managed security services for cloud platforms. The new company will bring together the wealth of security-related technology, knowledge, and experience accumulated by LAC Co., Ltd., NRI, and NRI SecureTechnologies, Ltd. By actively engaging in cutting-edge technology fields such as the use of artificial intelligence (AI), Nuligen Security Co., Ltd. will provide

managed security services that support the realization of advanced cloud security required by enterprises.



### NRI SecureTechnologies, Ltd.

**NRI SecureTechnologies** <https://www.nri-secure.com/>

NRI SecureTechnologies was established in 2000 as an NRI Group company specializing in information security. As social transformation through DX accelerates, it is becoming increasingly important for companies to control security risks. NRI

SecureTechnologies continuously provides high-quality services and products by accumulating not only technology, but also knowledge, and know-how, and by training world-class security personnel.



## 10-year Summary Consolidated Financial Statements

For the fiscal years beginning April 1 and ending March 31 of the following year.  
This financial summary is prepared solely for convenience.  
Readers are recommended to refer to Consolidated Financial Results.

Consolidated Financial Results  
<https://ir.nri.com/en/ir/library/financial.html>

	JGAAP								IFRS			
	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3	
(millions of yen)												
<b>Consolidated Statement of Income:</b>												
Sales	363,891	385,932	405,984	421,439	424,548	471,488	501,243	528,873	Revenue	528,721	550,337	611,634
Cost of sales	262,315	276,664	289,210	287,270	280,761	311,868	336,508	348,006	Cost of sales	346,101	364,539	395,562
Gross profit	101,575	109,267	116,774	134,168	143,787	159,619	164,735	180,866	Gross profit	182,620	185,798	216,071
Selling, general and administrative expenses	57,608	59,450	65,287	75,873	85,272	94,481	93,293	97,688	Selling, general and administrative expenses	97,491	98,366	113,536
Directors' compensations	878	986	1,316	1,227	1,213	1,101	1,069	1,220	(The breakdown of cost of sales and selling, general and administrative expenses)			
Salaries and allowances	20,080	20,087	22,450	25,395	27,576	29,681	30,506	32,522	Employee benefit expenses	164,707	171,521	196,600
Provision for bonuses	4,582	4,715	5,136	5,802	5,993	6,751	6,783	7,032	Operations consignment expenses	179,721	190,008	217,175
Retirement benefit expenses	2,492	2,458	2,105	2,155	3,038	2,678	2,533	2,907	Depreciation and amortization	39,383	40,911	41,941
Welfare expenses	3,641	3,786	4,362	4,935	5,842	6,348	6,532	6,697	Equipment and machinery expenses	42,954	46,819	47,597
Education and training expenses	1,843	1,853	1,789	1,712	1,768	1,705	1,851	1,840				
Operations consignment expenses	8,823	9,640	11,170	14,246	16,722	16,740	17,073	18,366				
Operating profit	43,967	49,816	51,486	58,295	58,514	65,138	71,442	83,178	Operating profit	85,625	80,748	106,218
Non-operating income and profit	1,891	2,544	1,455	2,705	1,839	1,023	967	1,349	Finance income & finance costs	(140)	(9,672)	(1,547)
Ordinary profit	45,858	52,360	52,942	61,001	60,354	66,161	72,409	84,528	Profit before tax	85,484	71,075	104,671
Extraordinary income and loss	(2,988)	349	6,132	1,304	4,638	16,366	4,340	17,968				
Income taxes	14,261	21,175	19,209	19,513	21,042	26,356	25,213	32,288	Income tax expense	26,388	18,497	32,878
Profit attributable to owners of parent	28,612	31,527	38,880	42,648	45,064	55,145	50,931	69,276	Profit attributable to owners of parent	58,195	52,867	71,445
<b>Consolidated Balance Sheet (year-end):</b>												
Total assets	432,222	469,010	593,213	621,695	628,944	643,117	612,192	533,151	Total assets	565,229	656,536	789,655
Current assets	189,206	208,121	298,565	306,943	295,915	298,275	285,788	259,855	Current assets	259,187	323,366	333,645
Cash and bank deposits	10,273	9,885	26,469	62,138	152,610	159,541	124,773	102,540	Cash and cash equivalents	100,778	153,187	115,610
Fixed assets	243,016	260,888	294,647	314,751	333,029	344,842	326,404	273,295	Non-current assets	306,042	333,170	456,010
Tangible fixed assets	63,456	62,767	53,915	65,384	63,790	68,528	65,376	63,422	Property, plant and equipment	48,611	46,714	37,482
Intangible fixed assets	42,854	42,712	55,582	65,085	99,485	103,747	91,505	85,118	Goodwill and intangible assets	83,167	89,067	210,744
Goodwill	—	—	—	7,864	35,404	36,624	27,572	20,409	Goodwill	16,053	20,351	95,497
Investments and other assets	136,705	155,408	185,148	184,280	169,754	172,566	169,522	124,755	Other financial assets	55,189	59,254	69,219
Investment securities	88,378	94,766	116,480	120,397	103,841	88,999	80,203	28,512	Investment securities	31,190	34,780	44,220
Total liabilities	141,404	137,601	189,745	196,286	181,646	210,442	187,160	245,997	Total liabilities	300,502	323,329	447,168
Current liabilities	118,207	79,841	113,208	134,304	111,552	162,133	124,264	140,456	Current liabilities	156,179	174,348	298,342
Short-term loans payable	—	—	10,645	2,270	2,870	6,074	6,345	6,659	Bonds and borrowings	11,822	23,844	116,941
Provision for loss on orders received	579	3,083	3,911	1,345	1,591	50	933	300	Provisions	390	1,497	2,646
Non-current liabilities	23,196	57,759	75,988	61,327	69,500	47,714	62,419	105,076	Non-current liabilities	144,322	148,981	148,826
Bonds	—	30,000	30,000	15,000	25,000	34,082	33,931	73,310	Bonds and borrowings	91,186	93,651	91,275
Long-term loans payable	4,250	22,054	21,333	27,969	24,396	408	13,213	17,876	Lease liabilities	36,261	35,748	29,952
Net assets	290,818	331,408	403,467	425,409	447,297	432,674	425,032	287,153	Total equity	264,727	333,206	342,486
<b>Consolidated Statement of Cash Flows:</b>												
Cash flows from operating activities	68,600	33,839	58,710	81,470	61,147	73,493	56,349	102,787	Cash flows from operating activities	112,838	84,594	98,137
Cash flows from investing activities	(36,019)	(32,234)	(1,093)	(75,344)	(30,341)	(17,882)	(16,826)	18,382	Cash flows from investing activities	18,382	(20,522)	(130,547)
(Investing activities except cash management purpose investment)	(34,055)	(38,086)	(13,800)	(52,725)	(41,348)	(30,162)	(15,025)	(6,985)	(Investing activities except cash management purpose investment)	—	(22,811)	(130,472)
Free cash flows	32,580	1,605	57,617	6,126	30,805	55,610	39,523	121,169	Free cash flows	131,221	64,071	(32,410)
(Free cash flows except cash management purpose investment)	34,544	(4,246)	44,910	28,744	19,799	43,330	41,324	95,801	(Free cash flows except cash management purpose investment)	—	61,782	(32,335)
Cash flows from financing activities	(10,723)	(8,773)	(10,536)	9,326	(34,327)	(46,829)	(73,106)	(139,857)	Cash flows from financing activities	(149,908)	(13,183)	(7,995)
Effect of exchange rate change on cash and cash equivalents	721	337	694	(1,071)	624	(2,529)	(1,519)	(3,734)	Effect of exchange rate change on cash and cash equivalents	(3,734)	1,520	2,829
Net increase (decrease) in cash and cash equivalents	22,579	(6,830)	47,775	14,381	(2,897)	6,251	(35,102)	(22,421)	Net increase (decrease) in cash and cash equivalents	(22,421)	52,408	(37,576)
Cash and cash equivalents at end of period	99,623	92,792	140,567	154,949	152,051	158,303	123,200	100,778	Cash and cash equivalents at end of period	100,778	153,187	115,610
Cash and cash equivalents + cash management purpose investment	145,974	133,350	169,023	206,031	192,028	185,882	152,743	104,842	Cash and cash equivalents + cash management purpose investment	—	154,847	117,368

Note: 1. Figures less than unit indicated have been rounded down for amounts.  
2. Consumption tax and local consumption tax are accounted for by the tax-exclusion method.

## Consolidated Financial Data

		JGAAP				IFRS		
		2017.3	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3
(millions of yen)								
<b>Segment Information:</b>								
External revenue	Consulting	30,574	34,577	34,839	38,572	37,246	42,807	
(Revenue to	Financial IT Solutions	246,979	252,122	252,367	273,571	288,196	303,635	
external clients)	Securities	119,128	118,397	100,309	112,762	130,427	133,316	
	Insurance	51,982	51,836	64,874	66,374	61,441	68,894	
	Banking	40,286	42,225	43,404	51,022	50,181	47,073	
	Other financial	35,580	39,662	43,780	43,411	46,146	54,351	
	Industrial IT Solutions	107,208	154,917	180,882	178,490	186,051	222,583	
	Distribution	54,256	61,057	66,814	66,789	62,192	68,269	
	Manufacturing, service and other	52,952	93,860	114,068	111,700	123,858	154,313	
	IT Platform Services	29,241	29,870	33,153	38,087	38,843	42,607	
	Others	10,544	—	—	—	—	—	
External revenue	Consulting							
+ Revenue for	Revenue	31,161	35,332	35,481	39,612	38,155	44,414	
each segment	Operating profit	5,853	6,561	7,786	9,494	10,059	12,820	
	Operating margin (%)	18.8	18.6	21.9	24.0	26.4	28.9	
	Financial IT Solutions							
	Revenue	248,188	254,567	255,162	276,937	292,038	308,376	
	Operating profit	26,461	27,673	27,095	34,170	36,275	43,877	
	Operating margin (%)	10.7	10.9	10.6	12.3	12.4	14.2	
	Industrial IT Solutions							
	Revenue	107,672	157,585	183,580	181,438	189,551	229,921	
	Operating profit	9,076	15,119	18,449	22,055	19,482	25,449	
	Operating margin (%)	8.4	9.6	10.0	12.2	10.3	11.1	
	IT Platform Services							
	Revenue	122,107	122,342	127,777	138,680	142,686	157,598	
	Operating profit	14,015	14,764	17,130	19,450	19,785	20,955	
	Operating margin (%)	11.5	12.1	13.4	14.0	13.9	13.3	
External revenue	Consulting services	62,734	78,987	90,816	96,862	90,056	125,460	
by service	System development & System applications sales	131,908	138,111	150,467	161,703	183,847	196,000	
	System management & Operation services	217,271	241,198	244,273	251,757	258,656	272,903	
	Product sales	12,634	13,191	15,686	18,399	17,777	17,269	
Revenue to main	Nomura Holdings, Inc.	71,600	77,937	60,579	65,049	66,309	63,025	
clients	Seven & i Holdings Co., Ltd.	45,285	47,001	49,109	—	—	—	
Overseas	Overseas revenue	18,925	43,559	53,081	46,752	43,625	76,519	
revenue	Overseas revenue ratio (%)	4.5	9.2	10.6	8.8	7.9	12.5%	

Note: 1. Amounts have been rounded down to the nearest unit specified. However, percentages have been rounded off to the nearest digit specified.  
2. Revenue to main clients include revenue to the client's subsidiary and revenue made through leasing companies, etc.  
3. There was a partial revision to segment categorization for FY March 2020. Figures for FY March 2019 reflect this change in categorization.  
4. The classification of revenue is changed from the method based on the location of sales destinations to the method based on the location of the headquarters of each company.

		JGAAP				IFRS		
		2017.3	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3
(millions of yen)								
Order volume	Consulting	34,609	36,285	34,315	39,352	—	39,957	44,546
	Financial IT Solutions	246,153	244,794	265,724	284,089	—	307,715	317,059
	Industrial IT Solutions	116,335	174,260	184,653	176,867	—	189,587	243,501
	IT Platform Services	31,423	30,154	33,467	40,671	—	37,083	45,126
	Others	10,463	—	—	—	—	—	—
	Total	438,986	485,494	518,161	540,980	—	574,343	650,233
Order backlog	Consulting	8,711	6,764	3,559	4,339	4,339	7,050	8,789
	Financial IT Solutions	148,893	141,574	154,930	165,449	165,449	184,968	198,391
	Industrial IT Solutions	67,650	94,120	100,572	98,949	98,949	102,484	123,402
	IT Platform Services	14,019	14,295	14,609	17,041	17,041	15,281	17,800
	Others	3,472	—	—	—	—	—	—
	Total	242,748	256,754	273,672	285,779	285,779	309,785	348,384

Note: 1. Figures less than the unit indicated have been rounded down for amounts.  
2. The amounts are based on sales price.  
3. In regard to continuous services and those services for which fees are received according to the number of times used, etc., expected revenue for the following year is booked as the order amount at the end of each fiscal year.

		JGAAP				IFRS		
		2017.3	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3
(millions of yen)								
<b>Production and Orders:</b>								
Actual production		277,736	304,044	327,324	337,197	—	354,035	399,558
Subcontracting costs		126,361	135,522	150,635	161,305	161,353	171,560	194,766
Of which are subcontracting costs to Chinese companies		18,815	19,532	23,213	28,514	28,514	30,460	36,730
Subcontracting ratio (%)		45.5	44.6	46.0	47.8	48.1	48.5	48.7
Subcontracting ratio to Chinese companies (%)		14.9	14.4	15.4	17.7	17.7	17.8	18.9

Note: 1. Amounts have been rounded down to the nearest unit specified. However, percentages have been rounded off to the nearest digit specified.  
2. The amounts are based on production costs. The amount for each segment is the figure before intra-company transfers between segments. The intra-company transfer amount has been eliminated in the adjusted amount.  
3. The subcontracting ratio is the ratio against actual production; the subcontracting ratio to Chinese companies is the ratio against total subcontracting costs.

		JGAAP				IFRS		
		2017.3	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3
(millions of yen)								
<b>Capital Expenditures / Depreciation and Amortization / Research and Development Expenses:</b>								
Capital expenditures		38,668	38,201	26,276	28,496	—	33,372	46,980
Capital expenditures (tangible)		13,640	16,188	5,615	6,684	—	11,712	10,990
Capital expenditures (intangible)		25,027	22,012	20,661	21,811	—	21,660	35,990
Depreciation and amortization		28,476	31,941	30,427	30,414	39,383	40,911	41,941
Research and development expenses		5,674	5,170	3,665	4,310	4,310	4,468	4,992

		JGAAP				IFRS		
		2017.3	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3
(%)								
<b>Ratios:</b>								
Gross profit margin		33.9	33.9	32.9	34.2	34.5	33.8	35.3
Operating margin		13.8	13.8	14.3	15.7	16.2	14.7	17.4
EBITDA margin		20.9	21.9	21.7	22.2	23.8	23.6	23.9
ROE		10.7	12.9	12.3	20.3	18.3	18.2	21.3
ROA		9.7	10.4	11.5	14.8	14.2	11.6	14.5
Gross D/E ratio (times)		0.13	0.19	0.15	0.40	0.61	0.36	0.62
Net D/E ratio (times)		—	—	—	—	0.20	(0.11)	0.27
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
Price earnings ratio (PER) (times)		22.6	22.1	23.3	20.9	24.9	38.8	33.3
Dividend payout ratio		42.4	39.1	41.5	27.9	33.2	41.3	33.1
Total return ratio		66.4	129.8	113.4	258.9	326.8	60.2	117.1

		JGAAP				IFRS		
		2017.3	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3
(millions of yen)								
<b>Per Share Information:</b>								
Basic earnings per share		181	228	72	109	91	88	120
Diluted earnings per share		181	227	71	109	91	88	120
Equity attributable to owners of parent per share		1,750	1,760	587	455	418	547	575
Annual dividends per share		80	90	90	32	32	36	40

Note: 1. Amounts have been rounded down to the nearest unit specified. However, percentages have been rounded off to the nearest digit specified.  
2. EBITDA is calculated as Operating profit + Depreciation and amortization + Goodwill amortization up to FY March 2017, as Operating profit + Depreciation and amortization + Goodwill amortization + Loss on retirement of non-current assets from FY March 2018 and as Operating profit + Depreciation and amortization + Loss on retirement of non-current assets ± Temporary factors from FY March 2020 (IFRS).  
3. NRI implemented 1:1.1 common stock splits on January 1, 2017. Basic earnings per share, diluted earnings per share and equity attributable to owners of parent per share are calculated by deeming stock splits to have occurred respectively at the beginning of FY March 2016.  
4. 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. Dividend per share for FY March 2019 is based on the number of shares prior to the stock split.  
5. The dividend payout ratio is calculated by dividing the total sum of dividends (including dividends to the NRI Group Employee Stock Ownership Group) by Profit attributable to owners of parent.



## ESG Data

ESG Databook 2022  
<https://www.nri.com/en/sustainability/library/report>

### E: Environment

Environmental KPI (NRI Group data):	2018.3	2019.3	2020.3	2021.3	2022.3
Greenhouse gas emissions (compared with FY March 2014) (%)	30.0	38.2	43.8	48.7	72.1
Share of renewable energy in data centers (%)	0.1	0.1	0.1	1.6	56.9
Supplier's environmental target setting ratio (%) (Categories 1, 2 and 11 of Scope 3)	4.6	18.1	21.6	30.5	33.6

Greenhouse gas emissions (NRI Group data):	2018.3	2019.3	2020.3	2021.3	2022.3
Direct greenhouse gas emissions (Scope 1)	1	1	1	1	1
Japan	1	1	1	1	1
Overseas	0	0	0	0	0
Direct greenhouse gas emissions (Scope 2)	73	64	58	53	28
Japan	70	61	56	53	28
Overseas	3	2	2	0	0
Total emissions (Scopes 1 + 2)	75	66	60	55	30
Japan	71	63	58	55	29
Overseas	3	2	2	0	0

Note: Scope: Target scope of calculation/reporting for greenhouse gas emissions by corporations.  
 Scope 1: Direct emissions through combustion of fuel, etc.  
 Scope 2: Indirect emissions through use of electricity, heat, steam, etc.  
 Scope 3: Indirect greenhouse gas emissions other than Scopes 1 and 2. Manufacturing in the supply chain, commuting by employees, business travel, etc.

### S: Social

Number of employees (NRI Group data):	2018.3		2019.3		2020.3		2021.3		2022.3	
	Persons	Percentage (%)	Persons	Percentage (%)	Persons	Percentage (%)	Persons	Percentage (%)	Persons	Percentage (%)
Number of employees	12,708	100	12,578	100	13,278	100	13,430	100	16,512	100
By region										
Japan	8,821	69.4	9,004	71.6	9,495	71.5	9,912	73.8	10,236	62.0
Europe	14	0.1	15	0.1	16	0.1	12	0.1	13	0.1
U.S.	392	3.1	345	2.7	328	2.5	218	1.6	1,063	6.4
Asia	2,052	16.1	1,761	14.0	1,860	14.0	1,903	14.2	1,904	11.5
Of which China	1,465	11.5	1,168	9.3	1,244	9.4	1,289	9.6	1,323	8.0
Australia	1,429	11.2	1,453	11.6	1,579	11.9	1,385	10.3	3,296	20.0

Employment related (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
New hires for the year (persons)	339	452	496	543	622
Turnover rate (%) <sup>*1</sup>	3.8	3.9	4.3	3.8	5.1
Voluntary employee turnover rate (%) <sup>*2</sup>	2.3	2.7	3.1	2.3	3.1
Average length of service (years)	14.6	14.6	14.7	14.7	14.8
New graduates hires retention rate after 3 years (%)	93.3	95.9	92.8	92.4	94.1
Average compensation: all employees (thousands of yen)	11,660	12,217	12,352	12,251	12,320

<sup>\*1</sup> Including mandatory retirees  
<sup>\*2</sup> Not including mandatory retirees

Promotion of women's participation and advancement in the workplace (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
Ratio of female employees (%)	19.3	19.8	20.4	20.8	21.7
Ratio of female managers (%) <sup>*</sup>	6.4	6.8	7.1	7.6	8.3
Ratio of female hires (%)	26.7	27.6	28.2	27.2	33.2

<sup>\*</sup> The ratio of female managers is the value at the beginning of the term.

Childcare leave / Nursing leave (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
Pre- and post-childbirth leave (persons)	56	72	78	61	68
Childcare leave (persons)	85	105	123	149	164
Male (persons)	22	38	53	84	96
Female (persons)	63	67	70	65	68
Number of employees acquiring childcare leave and partner childbirth leave (persons)	252	261	260	273	243
of which acquired partner childbirth leave only (persons)	167	156	137	124	79
Number of employees utilizing shorter work hour system for childcare (persons)	107	112	103	108	94
Employees returning to work after childcare leave (female employees) (%) <sup>*1</sup>	97.0	96.7	98.1	100.0	97.0
Employees remaining in work after childcare leave (female employees) (%) <sup>*2</sup>	93.3	92.8	96.8	96.5	94.9
Nursing care leave (persons)	3	3	0	1	2

Note: These are the number of employees who started a period of leave by the end of the fiscal year in question.  
<sup>\*1</sup> Number of employees returning to work in the current fiscal year after taking childcare leave/number of employees expected to return to work after taking childcare leave in the fiscal year × 100%.  
<sup>\*2</sup> Number of employees who returned to work in the previous fiscal year after taking childcare leave and who were employed by NRI as of the end of March of the current fiscal year/number of employees who returned to work after taking childcare leave in the previous fiscal year × 100%.

Employment of people with disabilities (NRI Group data):	2018.3	2019.3	2020.3	2021.3	2022.3
Employees with disabilities (persons)	134	142	166	170	181
Percentage of employees with disabilities (%)	2.19	2.26	2.45	2.35	2.37

Note: Number of employees with disabilities at NRI and its Group companies.

Health and productivity management (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
Average overtime hours per employee per year <sup>*1</sup>	—	—	—	8.1	8.3
Employees taking annual paid leave (%)	71.4	71.3	71.1	64.1	67.1
Employee work-related deaths (persons)	0	0	0	0	0
Work accidents (cases) <sup>*2</sup>	0	2	1	0	1

<sup>\*1</sup> Calculated as hours that exceed the statutory working hours (40 hours a week)  
<sup>\*</sup> — indicates that the calculated value does not exceed the statutory working hours  
<sup>\*2</sup> Figure represents the number of either fatal accidents or incidents necessitating four or more days' leave due to a casualty accident.

Client satisfaction survey and employee satisfaction (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
Client satisfaction (%) <sup>*1</sup>	84.6	86.9	83.8	86.4	88.0
Employee satisfaction (%) <sup>*2</sup>	80.5	—	81.8	—	—
Engagement Score <sup>*3</sup>	—	—	—	—	70

<sup>\*1</sup> Percentage that responded "Satisfied" or "Moderately satisfied" (total for top two items on five-grade scale)  
<sup>\*2</sup> A response to a question on overall satisfaction is used for employee satisfaction. This is the percentage that responded "Satisfied" or "Moderately satisfied" on four-grade scale.  
<sup>\*3</sup> An engagement analysis tool provided by Atrac, Inc.  
<sup>\*</sup> Using the engagement analysis tool Wevox provided by Atrac, Inc., we surveyed employees at NIR alone and at five Group companies (NRI SecureTechnologies, NRI Social Information System Services, NRI Digital, Nomura School of Advanced Management) with a high percentage of employees seconded from NRI.

Information communication / Recommendation projects (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
Books published	15	20	21	18	21
Contributions to newspapers and magazines (times)	298	306	290	353	309
Public lectures given (times)	962	922	911	666	765
TV / radio appearances (times)	158	267	155	227	244

Development of human resources / Development of society (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
Entries to the NRI Student Essay Contest	1,767	1,444	2,300	1,925	3,043
Supporting career education programs					
No. of schools	24	31	29	2	4
No. of students	733	850	704	41	131

### G: Governance

Member of Directors (Non-consolidated data) (As of July 1):	2018.3	2019.3	2020.3	2021.3	2022.3
Total number of Directors	7	9	9	9	9
Outside Directors	3	3	3	3	3
Female Directors	1	1	1	1	1

Status of the Board of Directors (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
Number of the Board of Directors held (times)	15	14	14	14	14
Attendance average of all Directors (%)	98	98	99	100	99
Attendance average of Outside Directors (%)	93	95	98	100	97
Attendance average of all Audit & Supervisory Board Members (%)	99	99	100	100	100
Attendance average of Outside Audit & Supervisory Board Members (%)	98	98	100	100	100

Number of the Audit & Supervisory Board held (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
Number of the Audit & Supervisory Board held (times)	18	17	17	18	17
Attendance average of all Audit & Supervisory Board Members (%)	100	99	100	100	100
Attendance average of Outside Audit & Supervisory Board Members (%)	100	98	100	100	100

Number of Notification & Consultation (Non-consolidated data):	2018.3	2019.3	2020.3	2021.3	2022.3
Number of notification & consultation (cases)	2	4	3	4	3

## NRI Group Network (As of March 31, 2022)

### Headquarters

**Nomura Research Institute, Ltd.**  
Otemachi Financial City Grand Cube,  
1-9-2 Otemachi, Chiyoda-ku,  
Tokyo, 100-0004, Japan  
Tel. +81(3)5533-2111

### Domestic Bases

NRI Netcom, Ltd.  
NRI SecureTechnologies, Ltd.  
NRI Workplace Services, Ltd.  
NRI Data i Tech, Ltd.  
NRI Social Information System Services, Ltd.  
NRI Process Innovation, Ltd.  
NRI System Techno, Ltd.  
UBsecure, Inc.  
DSB Co., Ltd.  
DSB Information System Co., Ltd.  
NRI Mirai, Ltd.  
Zhiming Software Japan, Ltd.  
NRI Retail Next, Ltd.  
Brierley+Partners Japan, Inc.  
NRI digital, Ltd.  
NDIAS, Ltd.  
Financial Digital Solutions, Ltd.  
Nippon Securities Technology Co. Ltd.

### Global Network

**Global Bases**  
**17 countries & area, 44 bases**

#### Europe

Denmark  
Ireland  
Luxembourg  
Russia  
United Kingdom

#### North America

United States

#### Asia & Pacific Ocean

Australia  
China  
Hong Kong  
India  
Indonesia  
New Zealand  
Philippines  
Singapore  
South Korea  
Taiwan  
Thailand

Nomura Research Institute Holdings America, Inc.  
Nomura Research Institute America, Inc.  
Nomura Research Institute IT Solutions America, Inc.  
Core BTS, Inc.  
Brierley Partners, Inc.  
Brierley Europe Limited  
Cutter Associates, LLC  
Cutter Associates Europe, Ltd  
Nomura Research Institute Europe Limited  
Nomura Research Institute (Beijing), Ltd.  
Nomura Research Institute Shanghai Limited  
Nomura Research Institute (Dalian), Ltd.  
Zhiming Software Beijing, Ltd.  
Zhiming Software Dalian, Ltd.  
Zhiming Software Jilin, Ltd.  
Nomura Research Institute Asia Pacific Private Limited  
Nomura Research Institute Hong Kong Limited  
Nomura Research Institute Singapore Pte. Ltd.  
Nomura Research Institute Taiwan Co., Ltd.  
Nomura Research Institute Seoul Co., Ltd.  
Nomura Research Institute Consulting and Solutions India Private Limited  
Nomura Research Institute Financial Technologies India Pvt. Ltd.  
PT. Nomura Research Institute Indonesia  
Nomura Research Institute Thailand  
ASG Group Limited  
Nomura Research Institute Australia Pty Ltd  
Australian Investment Exchange Limited  
Planit Test Management Solutions Pty Ltd  
Planit Software Testing Limited (NZ)  
Planit Software Testing Limited (UK)  
Planit Testing India Private Limited  
Planit Philippines Corporation

For more about NRI Group offices around the world:  
<https://www.nri.com/en/company/map>

### Global Network



## Corporate Data / Share Information (As of March 31, 2022)

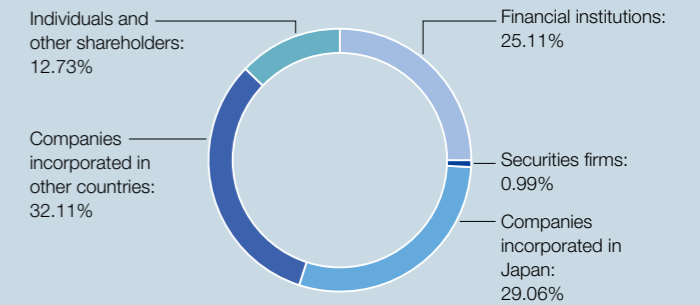
### Corporate Data

Name	Nomura Research Institute, Ltd.
Headquarters address	Otemachi Financial City Grand Cube, 1-9-2 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
Capital	22,414 million
President & CEO	Chairman and President & CEO Representative Director Member of the Board Shingo Konomoto
Number of employees (Consolidated base)	16,512 persons

### Share Information

Listed stock exchange	Tokyo Stock Exchange Prime Section
Code	4307
Fiscal year	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	June
A share unit	100 shares
Authorized shares	2,722,500,000 shares
Issued shares	610,696,500 shares
Number of shareholders	17,923 persons
Transfer agent (address for inquiries posts)	Mitsubishi UFJ Trust and Banking Corporation Shin-TOKYO Post Office post office box No.29 137-8081, JAPAN Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division Tel: 0120-232-711 (toll-free)
Shareholder fixed day for dividend payment	September 30, March 31

### Component Ratio of Shareholders



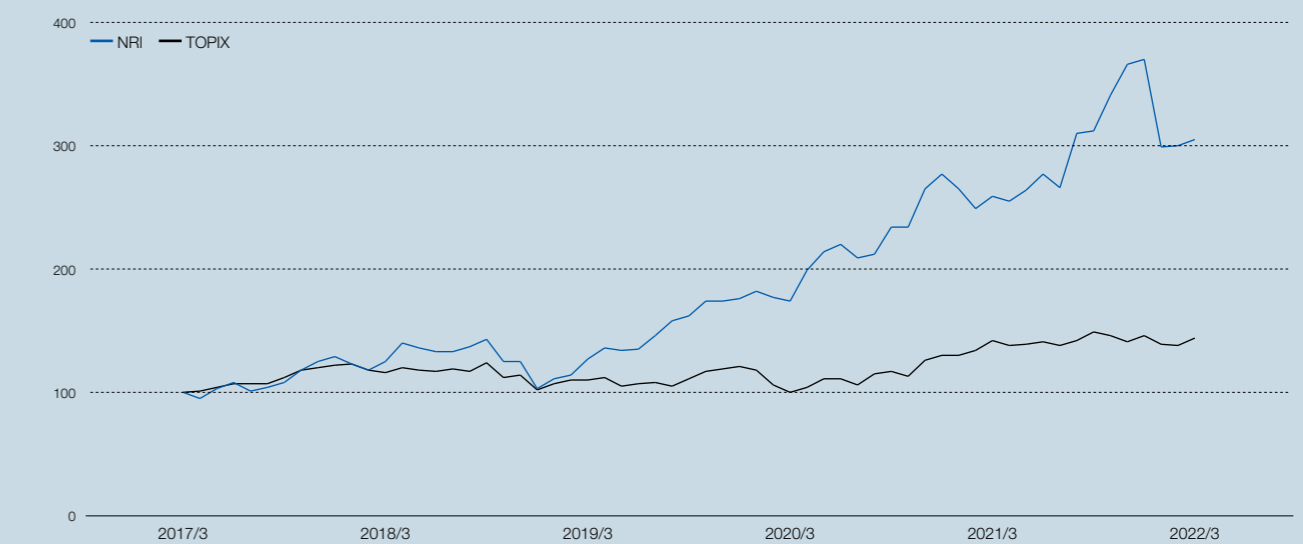
Note: The treasury stock is included in "individual and other shareholders."

### Major Shareholders

Shareholders	Number of shares held (1,000 shares)	Percentage of shares held (%)
Nomura Holdings, Inc.	77,320	13.08
The Master Trust Bank of Japan, Ltd. (Trust Account)	71,865	12.16
Nomura Properties, Inc.	67,518	11.42
JP Morgan Chase Bank 385632 (Standing Agent: Mizuho Bank, Ltd., settlement division)	28,685	4.85
NRI Group Employee Stock Ownership Group	28,323	4.79
Nippon Life Insurance Company (Standing Agent: The Master Trust Bank of Japan, Ltd.)	24,727	4.18
JAFSCO Co., Ltd.	23,968	4.05
Japan Trustee Services Bank, Ltd. (Trust Account)	23,500	3.98
State Street Bank and Trust Company 505223 (Standing Agent: Mizuho Bank, Ltd., settlement division)	14,925	2.52
National Mutual Insurance Federation of Agricultural Cooperatives (Standing Agent: The Master Trust Bank of Japan, Ltd.)	13,434	2.27

Note: 1. NRI has 19,489 thousand shares of treasury stock as of March 31, 2022 which is not included in the major shareholders list above.  
2. Figures for number of shares held are rounded down to the nearest thousand and figures for percentage of shares held are calculated excluding treasury stock.

### Total Shareholder Return (TSR) Over the Past Five Years (%)



Holding Period	1 year	2 years	3 years	4 years	5 years
NRI	125.1%	127.1%	174.1%	260.0%	306.4%
TOPIX	115.9%	110.0%	99.6%	141.5%	144.3%

Note: Total shareholder return (TSR) is a ratio calculated by dividing revenues earned through stock investment (dividends and capital gains) by the amount of investment (stock price). The graph and table shown above display the TSR when investment was made on March 31, 2017. Based 100% on the closing price on March 31, 2017.  
Source: Compiled by NRI.