In an era of uncertainty, we envision a clear path toward unprecedented prosperity. We lead the way with boldness and precision, realizing our customers’ aspirations for a better society. Creativity drives us to take on challenges, taking on challenges to growth, and growth to new possibilities. With every step forward, we open a greater tomorrow.
Editorial Policy for the Integrated Report 2023
Since FY March 2014, NRI has published integrated reports that provide explanations while communicating important financial and non-financial information. These reports aim to give an overall picture of NRI in a concise and clear manner.


For information on our disclosure system, see the figure below. 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) below and in the list of links on page 3, as well as within the pages of this Integrated Report.

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
International Integrated Reporting Council (IIRC)  “The International <IR> Framework”
Global Reporting Initiative (GRI)  GRI Standard

Information Disclosure System

Cautionary Note on Forward-Looking Statements
• This Integrated Report is prepared for the purpose of providing information on our performance in FY March 31, 2023, 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 trademarks 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.
• Departments and positions indicated in articles and photos are current at the time of implementation.
The NRI Group has insight into the prosperity that lies beyond DX, and is promoting efforts toward the year 2030 in order to become an entity that dynamically transforms the world through digital social capital.

Looking back on the past

In the seven years since I became president in 2016, NRI has seen two major turning points.

In the 2000s, I helped build a new business model for a certain client. In order to adopt online to offline (O2O) commerce ahead of the competition, our consultants discussed a business model to aim for together with the client, while our engineers attempted to build IT solutions in parallel with those discussions. At a time when it normally took about four or five years from the conceptualization to the development and operation of a system for making back-office work more efficient, this was an extraordinary approach. After this experience, I had a hunch that we had arrived at a turning point that we faced was the COVID-19 pandemic. Although we were unable to escape the impact of the pandemic at first, the rapid spread of non-face-to-face and non-contact business models led to a rapid acceleration in DX, which was previously predicted to take as long as five to 10 years, and NRI jumped on that bandwagon. In V2022, we set a target of 100 billion yen in operating profit for FY March 2023. This was an extremely ambitious target of doubling profit from FY March 2015, but we were able to achieve it one year early. Honestly speaking, we were lucky to achieve it thanks to the exceptional circumstances.

On the other hand, we were able to achieve global business expansion, another pillar of V2022, thanks to our firm conviction, regardless of the external environment. In the long term, the total population of Japan is expected to continue decreasing and drop below 100 million around the year 2050. As domestic demand inevitably shrinks, business that is reliant on the Japanese market will obviously be exposed to risk. Because many new technologies are created overseas, we also cannot assist Japanese companies from a global perspective unless we have business infrastructure overseas. The reason that we included the strengthening of our global business in V2022 is because of the idea that we must retain a constant overseas presence in our business portfolio in order to ensure that we can continue to increase our corporate value. We set the lofty target of expanding overseas revenue to 100 billion yen despite it being less than 20 billion in FY March 2015, and were also able to exceed this goal in the final year.

I would like to add that as a result of focusing on sustainability management and aiming to

create both social and economic value through our Medium-Term Management Plan (2019-2022)

In the latter four years of V2022, we have been highly praised by numerous external evaluation agencies, as exemplified by our inclusion in the Dow Jones Sustainability Indices (World Index), our MSCI rating of AAA for ESG, and our CDP A-list accreditation.

In V2022, we were able to achieve all of our financial targets, in addition to our non-financial efforts. I am proud to say that this was a result of our strategies that foresaw changes in the business environment, our successful securing of outstanding human resources including business partners, and the demonstration of our capability via the steady efforts of each and every one of our on-site employees.

Virtuous cycle of human capital and competitive advantage

One day, I visited the president of a client company after the completion of a project. That person said something very pleasing to me, which was “I could really feel the high quality of your human resources.” The project in question involved migration from a legacy system to shared online services from NRI. Because it was a large-scale system that supports lifestyles, any major trouble would be unacceptable. The president of that company also had concerns, but after we completed the project without incident, the president was surprised at the extreme detail seen in our calculations across the entire project and the fact that our staff members had eliminated risks that could lead to future problems.

For NRI to build long-term relationships with our clients, it goes without saying that it is
A company that leads transformations

During the COVID-19 pandemic, there was a shift in various fields from providing physical objects to providing services on digital platforms, or so-called XaaS (everything as a service). There was also rapid expansion in the D2C (direct to consumer) business, where small business operators directly connect with customers. In recent times, new innovations utilizing generative AI have been launching one after another. Looking ahead to the year 2030, we are expecting to see digital twin technology where virtual spaces synchronize with real spaces, and the emergence of Web 3.0 with evolutions such as blockchain technology. It seems that the spread of diverse platforms that link various services will lead to a new industrial structure where the barriers between different industries are removed.

There is also an irreversible trend for tackling social issues at a global level. We must eliminate the negative legacy of escalated natural disasters, loss of biodiversity, and social inequality caused by climate change, and preserve an affluent society and beautiful planet for future generations. Digital technologies are the key to responding to such a paradigm shift.

Japan is one country where these changes are a pressing issue. Factors contributing to GDP growth include the working population, annual working hours, and labor productivity. I believe that Japan is unable to boost the first two of these three factors. In other words, in order for Japan to maintain a vibrant economy, it must resoundingly increase productivity. NRI can contribute to increasing productivity, and digital technologies are the key to doing so.

In April 2023, NRI released the NRI Group Vision 2030: Long-Term Management Vision (V2030) for the eight years from FY March 2024. The vision statement of V2030 is “Envision the value, Empower the change.” "Envision the value" expresses our existing stance of pursuing the provision of value. "Empower the change" embodies my strong conviction that NRI can be a company that leads transformations.

Image of society and conviction of NRI

NRI has advocated a shift from industrial capitalism, which has continued since the industrial revolution, to digital capitalism. The former focuses on physical objects, while the latter is an economy that focuses on digital services. In terms of corporate management, a world that focuses on physical objects features depreciation, as value deteriorates over time. With digital capitalism, value instead accumulates over time through appreciation. As time goes by, data accumulates and algorithms evolve. In other words, data is the source of value. In order to build a highly productive society that generates high output with less labor, we must generate digital social capital that simultaneously accumulates economic value and social value by treating data as a shared asset that transcends the barriers between private and public and between different industries and fields. NRI will bring together its strengths in human capital and intellectual capital to lead the formation and accumulation of digital social capital and thereby contribute to achieving a society where everyone can lead an affluent life.

In order to make such a society sustainable, we must discover solutions for social issues, which are becoming ever more complicated. With visualization based on technologies such as digital platforms and digital twins, we will reduce external diseconomies such as environmental destruction, while also contributing to maintaining infrastructure resilient to natural disasters and cyber risks and mechanisms to encourage behavior beneficial for society and the environment, such as the optimal utilization of social resources.

Our aim in V2030 is to become an “indispensable presence” for achieving such a society. We plan on steadily preparing to achieve this in our Medium-Term Management Plan 2023–2025 for the three years from FY March 2024. However, this does not mean that we will be veering off into uncharted territory. I believe that by maintaining the course plotted in V2022 and thereby elevating our core business to a higher level, we can naturally accumulate digital social capital.

Elevating our core business to a higher level

As we head toward the year 2030, our core business will be an important source of revenue. This includes DX, which focuses on business model transformation for client companies via Con-Solution, the migration of legacy IT assets, and business platforms such as shared online services. Our policy is to deepen and expand this business. During V2022, Con-Solution took shape as a means of differentiating NRI from the competition and produced solid results. On the other hand, the push for DX has led to the emergence of competitors with similar business models. I am proud of our absolute dominance in terms of the quality of system development, but to maintain this superiority into the year 2030, I believe that we must further raise our competitiveness. In our Medium-Term Management Plan 2023–2025, we aim to cultivate individual consultants with the ability to make breakthroughs and promote enhanced links between consulting and IT solutions to improve the level of Con-Solution, cultivate clients, and expand our client base.
The operating margin of NRI remains the highest in the industry, but compared to before, competitors are catching up, and this has me concerned. This is because overwhelmingly high profitability is required to maintain our virtuous cycle of hiring outstanding human resources and generating high added value. With V2030, we will maintain an environment that continuously enhances profitability and enables each and every employee to feel improvement via drastic production innovation. In the Medium-Term Management Plan 2023-2025, we will strengthen our foundations for doing so. We have already made efforts regarding production innovation in system development, including the sharing of ideas at development sites, the establishment of an award system, and the involvement of numerous business partners. Our business partners have praised our efforts as being more in-depth than our competitors. Improving productivity requires slow and steady efforts, which take time to achieve results, but on the other hand, it is difficult to obtain adequate return on investment without dividing up schedules and setting clear targets. We have shared a vision within the company, in which investment for improving productivity during the Medium-Term Management Plan 2023-2025 will accumulate to one-quarter of our operating profit over three years, and then we will be able to reap the rewards of doing so in our next Medium-Term Management Plan. Relatively early results are expected in our attempts to utilize AI to reduce workloads in testing processes, which we have already achieved. We also foresee a ripple effect from testing processes to other upstream development processes. In the future, we aim to expand the scope of AI utilization to various development processes, while remaining mindful of maintaining quality. We also plan to shorten development periods and reduce maintenance costs by optimizing the scale of development, modernizing our existing IT assets, and sharing digital IP (intellectual property) to contribute to improved productivity.

We will also promote the expansion of IP business models with high added value, such as financial business platforms, which are one of our core businesses. This evolution will ultimately lead to DX 3.0.

Endeavoring to achieve DX 3.0 to impact society

While DX 1.0 transforms the business processes of clients via system development optimized for individual companies and the migration of legacy systems, DX 2.0 aims to transcend companies and business sectors and transform industry itself by utilizing digital technologies. The industry-spanning platform promoted by EARTHRAIN Ltd. uses data to accumulate value via appreciation. DX 3.0 expands the scope of this DX 2.0 to society at large. In V2030, we will enhance our endeavors for DX 2.0 and DX 3.0, which will have a major impact on society. Of approximately 20 candidate themes, we will explore business where NRI can provide added value, and we have a vision for how we can realize this in the latter half of V2030.

We already have business prospects for government services, regional regeneration, and regional digitalization. As exemplified by our My Number services for the securities industry, which we achieved ahead of the competition, we will press forward with creating businesses that contribute to accumulating digital social capital and reducing social costs through the distinctive NRI approach that handles everything from conceptualization to realization. We have already launched several businesses, and I hope that they will be on track soon.

With the cabinet decision on the Basic Policy for Realizing DX in February 2023, companies must visualize their greenhouse gas emissions across the entire supply chain, and emissions trading is scheduled to start in earnest from FY2024. I believe this holds great opportunities for us to demonstrate the strengths of NRI on a platform that contributes to reducing greenhouse gas emissions.

In our Medium-Term Management Plan 2023-2025, we aim to expand DX 2.0 while accumulating digital social capital with Social DX, simultaneously achieving the coexistence of eco-friendliness and economic efficiency with Value Chain DX, and explore the possibilities of Infrastructure DX to achieve sustainable and resilient social infrastructure. DX 3.0 will require complex coordination among various stakeholders. Because DX 3.0 is involved in social infrastructure, the difficulty of such business is extremely high because it needs to be inexpensive in order to reduce the burden on both citizens and national finances. We will further enhance our strengths to endeavor to achieve this. As part of these efforts in the Medium-Term Management Plan 2023-2025, we will enhance our functionality as a think tank.

From the time that NRI was established, we have contributed to society via efforts such as the insight into and analysis of social issues and economic issues, government policy research, government policy recommendation, and system design. We are currently enhancing the functionality of our Center for Strategic Management & Innovation, and plan to transmit information on forming digital social capital and identifying social issues, and make rules for new markets by building relationships with policymakers. With a new organization that promotes DX 3.0, we will increase our functionality as an enabler to form an ecosystem that ties together diverse market participants with business opportunities. By achieving the implementation of this digital social capital designed with next-generation think-tank functionality via Con-Solution, I hope that we can expand the NRI approach of comprehensively providing everything from conceptualization to realization to society at large.

Providing the added value of NRI globally

Since acquiring Core BTS in North America in December 2021, we have often heard concerns from our shareholders and investors about our overseas businesses. I would like to explain our basic concept of overseas expansion. We have always invested in global business while appropriately controlling the risks of doing so. This is exemplified by our choice of Australia as our first region for full-scale expansion. Although Australia has a growing population and high market growth rate, it does not have a highly competitive environment like North America, and valuation is relatively low. We merged with or acquired 10 companies over seven years, and I believe that the reason that we were able to build business infrastructure there without any major failures is because the EV / EBITDA ratio is about...
10x to 20x, we targeted companies small enough for us to manage, and we were able to success-
fully apply a hands-on policy of increasing corpo-
rate value.

Our Australian business now has the founda-
tions required for consulting, ASP services for
financial institutions, application development, and
managed services. In the future, we will transi-
tion to the next step where our business infra-
structure will mature to achieve stable growth without being
influenced by the external environment. With
Australia positioned as our base camp, we can
utilize our experience accumulated over these
seven years as we expand to North America.

In the North American market, global vendors
with enormous resources leverage their presence
to reform the core systems of large companies.
Our policy is to focus on added value instead of
size, so that we can collaborate with regionally
based vendors to comprehensively provide
medium-sized companies with everything from
conceptualization to implementation, and thereby
achieve expansion from a different perspective to
major vendors. Core BTS is our launching pad
for doing so, and that is why we overhauled its
sales structure in 2022. In the Medium-Term
Management Plan 2023–2025, we will first focus
on producing results for that overhaul and placing
the Company on the track to stable growth. Upon
ascertaining these results, we plan to reinforce our
capability via additional M&A, and thereby build a
business model with high profitability like that in
Japan, from a long-term perspective.

M&A will be required to achieve overseas reve-
nue of more than 250 billion yen by the year 2030,
but we have no intention to unreasonably promote
M&A in North America, which has higher valuation
than Australia, simply to meet numeric targets. We
also have no intention of expanding our overseas
business to the extent that it harms the margins of
our entire Company. We will instead carefully pro-
cede with overseas M&A upon conducting proper
valuation assessments and risk management.

Because many new information technologies are
created in North America, I believe that experience and
knowledge gained by actually conducting
business in the North American market is essential
for providing appropriate IT solutions to clients in
Japan. In V2030, we plan to achieve autonomous
growth focused on three main regions, and
advance our DX business while deepening
regional links. In the future, we also plan to global-
ize our management by appointing overseas man-
agers as NRI executives. I hope that everyone can
understand that our global business is necessary
for continuously improving our corporate value
and see things from a long-term perspective.

NRI moving forward on a set course
Our organization is optimized for creating high-
quality services without betraying client expecta-
tions. Although this quality has been a strength for
NRI, I have been concerned that it has also made
us excessively risk-adverse. As a whole, NRI must
achieve the two somewhat contradictory ideas of
quality that maintains social infrastructure and an
endeavoring spirit that attempts to innovate. In the
past, an outside Audit & Supervisory Board
member who had conducted interviews at our vari-
ous divisions once told me how surprised they
were to find that all of our employees have the
same method for building logical arguments. At
the manufacturing company he is originally from,
the various departments, such as R&D, produc-
tion, and sales, all have different ways of thinking.

Our top management and employees have experi-
ence accomplishing successful projects in Japan
in a unique way that works for NRI. Although this
has the benefit of enabling us to efficiently harden
our resolve and translate ideas into action almost
telepathically, it may not be so desirable from the
perspective of diversity. In terms of diversity and
inclusion, I believe that we must adopt more
diverse ways of thinking, in addition to empower-
ing women. That is why we are enhancing our
mid-career hiring. In order to achieve this vision of
the Company, we question the necessity of tack-
ling such issues in the dialogue with our employees.

It was a great honor for NRI to be selected as a
Winner company in the Corporate Governance
of the Year 2022 awards held by the Japan
Association of Corporate Directors. The originality
of our management succession system was par-
ticularly praised. NRI research shows that if a
strong leader holds the position of CEO for a long
time, corporate value tends to be greatly damaged
several generations later. If the person at the top
holds their position for too long, the difference in
experience between the top and those below will
become greater and delay the development of the
next generation of managers. Our business envi-
riment is extremely volatile, and because there is
a limit to the range of things that a single person
can know, relying on one prominent CEO is dan-
gerous for our business continuity. This is why we
have adopted a management succession system
that appoints a successor president from a next-
generation management team systematically
formed by selecting human resources that will
comprise the next generation of core manage-
ment. The previous CEO is replaced by the next-
generation management team while still in office,
and the team cultivates teamwork while working
on things such as strategy design. Because the
new CEO is eventually selected from within this
team, the new management members are able to
discuss things frankly amongst themselves. When
the second half of the CEO’s term begins, another
next-generation management team is formed, and
the cycle repeats.

As we achieve autonomous growth
focused on three main regions,
we will advance our DX business
while deepening regional links.

NRI is set to take on some major challenges
ahead, but I have no hesitation whatsoever. I
believe that a new society is possible if all our offi-
cers and employees work together to achieve
the society outlined in our corporate philosophy, and
we are on track to do the course set in V2030. I
hope for the continued support of our sharehold-
ers and investors as NRI endeavors to transform
society via the creation of digital social capital.

President & CEO
Chaiman, Member of the Board
Representative Director
Shingo Kanemoto

Nomura Research Institute
Integrated Report 2023
 kunisai banno
A Corporate Philosophy that Builds on the Founding Spirit

Our Founding Spirit Continues to Be Passed Down

Japan's First Full-Fledged Private Sector Think Tank

The origin of NRI’s consulting business goes back to 1965 when Nomura Securities Co., Ltd., expanded the functions of its Research Division and established the former Nomura Research Institute, Ltd. The objective was to make a dramatic leap to develop into a high-quality research and investigation institute.

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 study.” This has been passed down to today in NRI’s DNA, which makes it an organization with the primary goal of creating new social value and engaging in the resolution of social issues through its main business activities.

Japan's First Commercial Use of Computers

The origin of NRI’s IT solutions business is the Electronic Data Processing Division of Nomura Securities Co., Ltd., which was established in 1963. In 1965, the division adopted the use of a commercial computer (UNIVAC-120) that had just been developed in the United States, making headlines as the first instance in Japan of the commercial use of a computer. This is the result of the desire and passion to create new systems previously unseen in the world.

In 1966, the Electronic Data Processing Division spun off from Nomura Securities to become the Nomura Computing Center Co., Ltd. The philosophy of its establishment was to take the varied expertise acquired through advanced system development as Nomura Securities and put it to use for management rationalization and other benefits of other companies. The philosophy indicates an attitude to be of service to society as well as create new value.

History and Mission of NRI

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

“Launch of new NRI” and “NRI Group Vision 2030” were announced at the Tokyo Stock Exchange on April 16, 2001 and April 2023. The company's vision for the future includes a commitment to becoming a trusted partner for mutual growth.
A Path of Unchanging Value Co-Creation

1965 (Former) Nomura Research Institute established
1968 Nomura Computer Systems established
1988 Launch of new NRI

Global Financial Crisis

2001 Listed on the First Section of the Tokyo Stock Exchange
2015 50th anniversary

2021 20th anniversary of stock exchange listing

Consulting
- Forecasted the number of visitors to the Tokyo Stock Exchange in 2020.
- Launched a new ordering system for wholesale brokerage firms, launched
- Organized Pension Management Study Group (affiliated Japan 40% scheme)
- Developed the first Survey of 10,000 Consumers (thereafter conducted every three years)
- Launched Famicon Trade System at Nomura Securities
- Established the NRI Center for Cyber Communities Initiative with Keio University
- Conducted the first Survey of 10,000 Consumers (thereafter conducted every three years)

IT Solutions
- Launched the online beauty service "watashi+", for Shiseido’s integrated architecture, for Shiseido’s integrated beauty service "Fashion"
- Started providing e-PO box, the first private-sector cloud linked with MyNumber
- Started provision of the identity verification service "e-NINSHO" using MyNumber
- Provided comprehensive support from designing the service to the system architecture, for Sogo’s integrated online beauty service "Sakurin"
The NRI Group business is divided into four business segments: Consulting, Financial IT Solutions, Industrial IT Solutions, and IT Platform Services. Each segment is maintaining an industry-top-level competitive edge in its respective domain. We maximize the value provided to clients by each business segment by flexibly teaming with other segments.

### External Revenue by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY March 2023 Consolidated (billions of yen)</th>
<th>FY March 2023 Consolidated (billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>36.0</td>
<td>38.1</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>44.4</td>
<td>47.3</td>
</tr>
<tr>
<td>Inter-Segment Revenue</td>
<td>20.3-21.3</td>
<td>22.3-23.3</td>
</tr>
<tr>
<td>Operating Profit / Margin</td>
<td>10.0</td>
<td>11.1</td>
</tr>
</tbody>
</table>

### NRI’s Four Business Segments

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

#### 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 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.

### NRI Group’s Employees

- Consulting: 16,394 persons
- Financial IT Solutions: 17,394 persons
- Industrial IT Solutions: 9,000 persons
- IT Platform Services: 18,000 persons
- Other: 6,794 persons

### Consolidated Operating Profit

- Consulting: ¥692.1 billion
- Financial IT Solutions: ¥111.8 billion
- Industrial IT Solutions: ¥39.79 million
- IT Platform Services: ¥6.42 million

### Industry Top Level

- Cash flows from operating activities: ¥118.8 billion
- Number of employees (consolidated basis): 17,394 persons
- Number of consultants: over 1,000 persons
- ROE: 20.7%
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.

Industry-Wide Comparison of Consolidated Revenue and Operating Profit per Employee

EBITDA Margin Comparison

Number of Clients with Revenues of ¥1.0 Billion or More

Solid Client Base

NRI has accumulated experience and know-how related to various industries and operations, through long-term business relationships with industry leaders. We utilize our intellectual capital to create innovative solutions, such as shared online services. Furthermore, by continuing to provide high-quality services, we are working to strengthen relationships with clients and expand our client base.

Number of companies using the services as of the end of March 2023

Note:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>13 firms</td>
</tr>
<tr>
<td>Other domestic</td>
<td>13 firms</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>23 firms</td>
</tr>
<tr>
<td>Distribution</td>
<td>15 firms</td>
</tr>
<tr>
<td>Insurance</td>
<td>12 firms</td>
</tr>
<tr>
<td>Securities</td>
<td>15 firms</td>
</tr>
</tbody>
</table>

NRI’s Value Co-Creation

Stable Profit Structure

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

Approximately 40% of revenue is linked to business cycles
- Consulting Services
- Product Sales
- System Development & System Application Sales (new)

Approximately 60% is recurring revenue with stable growth
- System Development & System Application Sales (enhancement)
- System Management & Operation Services
- Operation outsourcing
- Shared online services

Industry-Wide Comparison of Consolidated Revenue and Operating Profit per Employee

EBITDA Margin Comparison

Number of Clients with Revenues of ¥1.0 Billion or More

Solid Client Base

NRI has accumulated experience and know-how related to various industries and operations, through long-term business relationships with industry leaders. We utilize our intellectual capital to create innovative solutions, such as shared online services. Furthermore, by continuing to provide high-quality services, we are working to strengthen relationships with clients and expand our client base.
NRI’s Value Co-Creation

Integrated pursuit of building a sustainable future society and realizing NRI growth strategies

**Corporate Philosophy**

**Mission**

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

**Society We Innovate**

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

**Values**

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

**Corporate Statement**

Dream up the future.

**Value Creation Capital**

Advance human capital through bold actions and growth of diverse professionals

Accumulate intellectual capital through elevation of individual knowledge into organizational strength

**Value Creation**

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

**Management Basis (ESG)**

Contribute to global environment through collaboration with business partners

Fulfill our social responsibilities through strengthening of relationships with stakeholders
Evolve governance through realization of strategic risk control

**Financial Capital**

List of Materialities ➔P.50

**List of Materialities**

P.50
Opportunities and Risks Due to Changes in the External Environment Model

<table>
<thead>
<tr>
<th>Main Changes to the External Environment</th>
<th>Opportunities</th>
<th>Risks</th>
<th>Related initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of decarbonization and other means of resolving social issues</td>
<td>Contribution to preserving the global environment - Reduction of client greenhouse gas emissions through shared online services - Business continuity in states of emergency - Need for data centers that possess advanced disaster prevention functions</td>
<td>Social responsibility - Insufficient efforts for human rights and labor practices Business continuity - 8-preparedness for COVID-19 and large-scale natural disasters</td>
<td>Internal Controls, Corporate Ethics, and Compliance  ➔ P.1122</td>
</tr>
<tr>
<td>Increase in cyberattacks that are coupled with the increased complexity of international political trends</td>
<td>Strengthening of information security - Need for information security services that manage data, such as personal information, safety and security - Need for advisory services by experts due to lack of information security specialists</td>
<td>Information security - Information leakage due to unauthorized external access - Group governance of rule violations at the NRI Group and business partners</td>
<td>Cooperate with Business Partners ➔ P.977 NRI’s Quality Management ➔ P.73</td>
</tr>
<tr>
<td>Changes in global regulatory trends</td>
<td>New products and new services in finance</td>
<td>Response to financial regulations and laws Spillover to financial systemic risk</td>
<td>Qualify Information Security ➔ P.76 Risk Management FOCA Cycle ➔ P.1122</td>
</tr>
<tr>
<td>Relative expansion of the scale of overseas markets</td>
<td>Entry into overseas markets - Incorporation of IT investment needs in overseas markets - Overseas acquisition of competitive intellectual properties</td>
<td>Group governance - Insufficient synergistic effects of M&amp;A and partnerships - Inadequate system for global strategy promotion</td>
<td>NRI’s Corporate Governance ➔ P.108</td>
</tr>
<tr>
<td>Growing importance of economic security</td>
<td>Reconstruction of supply chains - Need for advisory services for corporations constructing their global supply chains</td>
<td>Business partners - Tightening of regulations toward overseas offshore development, and degraded quality of efficiency</td>
<td>Cooperate with Business Partners ➔ P.977</td>
</tr>
<tr>
<td>Growing interest in contributing to the global environment</td>
<td>Management of greenhouse gas emissions - Consulting, IT solutions</td>
<td>Handling throughout the entire supply chain Delay in achieving Scope 3 targets</td>
<td>Contribute to Global Environment ➔ P.78</td>
</tr>
<tr>
<td>Melting of boundaries between business types and industries due to digitalization</td>
<td>Redefinition of industry and business models, and integration of management and technology - Need for simultaneous transformation of both client business and IT through the combination of consulting and IT solutions</td>
<td>Quality - Occurrence of large-scale system failures - Unstable operation of the operating system</td>
<td>Accumulate Intellectual Capital ➔ P.70 NRI’s Quality Management ➔ P.73</td>
</tr>
<tr>
<td>Growth limits of existing revenue models</td>
<td>Prevention of legal violations and serious accidents - Need for advisory services for the practice and establishment of rights protection</td>
<td>Compliance - Infringement of third-party intellectual property rights - Violation of domestic and foreign laws and regulations</td>
<td>Internal Controls, Corporate Ethics, and Compliance ➔ P.1122</td>
</tr>
<tr>
<td>Strengthening of the protection of rights</td>
<td>Evolution of advanced technology such as generative AI, cloud computing, and next-generation communications</td>
<td>Projects - Late delivery - Working hours exceeding the initial estimate</td>
<td>Accumulate Intellectual Capital ➔ P.70 NRI’s Quality Management ➔ P.73</td>
</tr>
<tr>
<td>Progress of Latest Technologies and Commoditization</td>
<td>Emergence of DX-related business - R&amp;D for advanced themes with a focus on DX-related business - Emergence of business by accumulating expertise through collaboration with clients</td>
<td>Projects - Late delivery - Working hours exceeding the initial estimate</td>
<td>Advance Human Capital ➔ P.556</td>
</tr>
<tr>
<td>Commodity of no-code, low-code, etc.</td>
<td>Expansion of the usage of IT services - Heightened needs for increasing business efficiency and improving productivity - Shift to shared online services - Modernization of systems using new technology</td>
<td>Securing / cultivating human resources - Insufficient security and cultivation of human resources with expertise - Decline of labor productivity and loss of human resources</td>
<td>Cooperate with Business Partners ➔ P.977 NRI’s Quality Management ➔ P.73</td>
</tr>
</tbody>
</table>
NRI’s “Con-Solution” Business Model

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

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

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

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

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

Concept of “Con-Solution”

Insight and proposals
Business planning and transformation
Consulting
IT solutions
Data analysis and verification
Integration and implementation of technology

NRI’s Corporate Philosophy and NRI Group Vision 2030 System

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

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

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

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

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

Vision

NRI Group Vision 2030 (Y2030)

NRI Group in 2030
Growth story
Sustainability strategy (materiality)

Vision statement

Corporate Philosophy

Mission
Society we innovate
Values
Corporate statement

Medium-Term Management Plan (MTP)

Adhere to the concept of social value from our corporate philosophy to our Medium-Term Management Plan (business plan for each fiscal year)
Transition of Growth Strategy

**Vision2015 NRInnovation!**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td><strong>Results</strong></td>
<td><strong>Targets</strong></td>
</tr>
<tr>
<td>To provide a business platform that laterally spans the industry and market</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**V2015 Growth Targets and Results**

- **Sales Growth Rate (CAGR)**: 5.6% (FY March 2009–FY March 2016) / 7% growth (FY March 2019–FY March 2023)
- **Operating Margin**: 13.2% (FY March 2016) / 13% or more (FY March 2019–FY March 2023)
- **Powerful business portfolio**
  - **Ratio of revenue on two major clients**: 58% / 74%
  - **Ratio of overseas business**: 19% / 24%
  - **Ratio of industry standard business platforms**: 12% / 22%
  - **Ratio of overseas-related business**: 1% / 6%

**Specific Initiatives**

- Introduce THE STAR to Nomura Securities Co., Ltd.
- Established and acquired subsidiaries in the industrial field • 3 firms
- Started provision of new industry standard business platform services
- Expansion of Service Lineup for Financial Institutions
- Expansion of My Number related services
- Established overseas bases • 3 offices mainly in Asia

**Growth Strategy**

- **Improving profitability in specialty areas in Japan**
- Expand industry-standard business platforms and develop large-scale clients
  - THE STAR: 75 firms (+5 firms)*
  - BESTWAY: 114 firms (+5 firms)*
  - T-STAR: 78 firms (+5 firms)*
- **Expand number of clients to whom sales were ¥1 billion or more**: 66 firms (+23 firms)*

**Financial Targets and Results**

- **Revenue**
  - FY March 2023 (Result): ¥692.1 billion
  - MTP2025 Targets: ¥111.8 billion
- **Operating profit**
  - FY March 2023 (Result): ¥123.2 billion
  - MTP2025 Targets: ¥100.0 billion
- **Operating margin**
  - FY March 2023 (Result): 14.3%
  - MTP2025 Targets: 14%
- **Overseas revenue**
  - FY March 2023 (Result): ¥130.0 billion
  - MTP2025 Targets: ¥158.0 billion
- **ROE**
  - FY March 2023 (Result): 12.3%
  - MTP2025 Targets: around 12%

* Aiming for higher capital efficiency in continuing from the previous term

**Vision2022 Share the Next Values!**

**Medium-Term Management Plan (2016–2018)**

<table>
<thead>
<tr>
<th>FY March 2017–FY March 2019</th>
<th>FY March 2020–FY March 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td><strong>Results</strong></td>
</tr>
<tr>
<td>Expand the customer base and take on the challenge of new areas, including global and digital</td>
<td></td>
</tr>
</tbody>
</table>

**DX Strategy**

- **Business Platform Strategy**
- **Cloud Strategy**
- **Global Strategy**
- **Human Resources Strategy**

**Financial Targets and Results**

- **Revenue**
  - FY March 2023 (Result): ¥692.1 billion
  - MTP2025 Targets: ¥111.8 billion
- **Operating profit**
  - FY March 2023 (Result): ¥123.2 billion
  - MTP2025 Targets: ¥100.0 billion
- **Operating margin**
  - FY March 2023 (Result): 14.3%
  - MTP2025 Targets: 14%
- **Overseas revenue**
  - FY March 2023 (Result): ¥130.0 billion
  - MTP2025 Targets: ¥158.0 billion
- **ROE**
  - FY March 2023 (Result): 12.3%
  - MTP2025 Targets: around 12%

**NRI Group Vision 2030**

**Medium-Term Management Plan (2019–2022)**

<table>
<thead>
<tr>
<th>FY March 2020–FY March 2023</th>
<th>FY March 2024–FY March 2031</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td><strong>Results</strong></td>
</tr>
<tr>
<td>To be ahead of the times through the convergence of business and technology, with insight into the prosperity that lies beyond DX, and to dynamically transform the world with “Digital Social Capital.”</td>
<td></td>
</tr>
</tbody>
</table>

**Vision2030 Envision the value, Empower the change**

**Numerical Image of 2030**

- **Revenue**
  - Over ¥1 trillion
- **Overseas Revenue**
  - Over ¥250 billion
- **Operating Margin**
  - More than 20%
Looking Back on V2022

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

Results of V2022

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

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

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

V2022 Financial Targets and Results

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

ESG Initiatives Highly Recognized by External Evaluation Institutions

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

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

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

External Recognition (Examples)

**Dow Jones Sustainability Indices**

- World Index: Adopted for five consecutive years from 2018
- Asia Pacific Index: Adopted for seven consecutive years from 2016
- Environment: Scenario analyses of the financial impact of climate change
- Society: Enhance human resource data and invest in human resource development
- Governance: Initiatives for compliance

**MSCI ESG Ratings**

- MSCI ESG Leaders Index: Adopted for seven consecutive years from 2016
- Awarded the highest rating, AAA, for two consecutive years from 2021
- Efforts to mitigate ESG-related risks
  - Diversity and inclusion
  - Strengthen data security, etc.
  - Initiatives for corporate governance and compliance

**CDP**

- Certified as a CDP climate change A-list company for four consecutive years from 2019
- Awarded the highest rating for the CDP Supplier Engagement Leaderboard for four consecutive years from 2019
- Deliver more information disclosure (green gas emissions, etc.)
- Strong engagement with business partner companies
- Encouragement to set greenhouse gas reduction targets
- Urging of information disclosure pertaining to greenhouse gas emissions

*THE USE BY NRI OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES (“MSCI”) DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF NRI BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED "AS IS" AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.*
NRI Group Vision 2030 (V2030)

The basis of NRI’s concept is to integrate economic value and social value throughout our corporate philosophy and business plans. Under the NRI Group Vision 2030, we are engaging in the integrated pursuit of “creating a sustainable future society” and “achieving the NRI Group’s growth strategy,” based on our basic sustainability policy (materiality).

NRI Group in 2030

Our Goal

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

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

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

NRI Group Vision 2030 Statement

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

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

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

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

Growth Story

Core Business

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

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

DX

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

Global

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

DX Classifications Envisioned by NRI

Society transformation

DX3.0

Paradigm transformation

Solve social issues and realize a paradigm transformation

Enterprises and industry transformation

DX2.0

Business model transformation

Create a new business model through digital technology

DX1.0

Process transformation

Contribute to process transformation and infrastructure transformation of existing businesses

Infrastructure transformation

Establish business platform with unique NRI professional services

Numerical image of 2030

Growth Story for 2030

Relevance

Establish business platform with unique NRI professional services

DX3.0

Enhance competitiveness and value addition

Overseas Revenue

Over ¥1 trillion

Over ¥250 billion

Operating Margin

More than 20%
Sustainability Strategy (Materiality)

In V2030, we have newly incorporated a basic sustainability policy (materiality). In this policy, NRI’s materiality is defined as priority themes to be addressed as we head toward 2030; specifically, “creating a sustainable future society” and “realizing the NRI Group’s growth strategy.” We believe that pursuing these themes in an integrated manner will lead to the implementation of our corporate philosophy. NRI’s materiality has a three-tiered structure. First, “Value Creation” refers to the realization of a sustainable future society through value co-creation with clients. Second, “Value Creation Capital” refers to the use of human capital and intellectual capital to support that value creation. Third, “Management Basis (ESG)” refers to the expansion of ESG initiatives, which is a prerequisite for value co-creation, to the supply chain with the cooperation of our business partners.

NRI’s Sustainability Strategy (Materiality) Table

<table>
<thead>
<tr>
<th>Materiality Indicators and Targets</th>
<th>NRI</th>
<th>FY March 2023 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value Creation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-create a thriving future society</td>
<td>Overall investment and spending on measures for SDG 0.010 that transforms industries and society</td>
<td>¥13.0 billion*</td>
</tr>
<tr>
<td>Co-create an optimal society</td>
<td>Revenues of business platforms that help to achieve an optimal society</td>
<td>¥141.0 billion</td>
</tr>
<tr>
<td>Co-create a safe and secure society</td>
<td>Resources related to safety and security to enable a more resilient society*5</td>
<td>¥216.0 billion</td>
</tr>
<tr>
<td><strong>Value Creation Capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance human capital</td>
<td>Employee engagement score (NRI Payroll: female opportunity offering rate*4) (non-consolidated)</td>
<td>More than 70% continued</td>
</tr>
<tr>
<td>Accumulate intellectual capital</td>
<td>Amount of investment in creating and accumulating intellectual capital</td>
<td>¥11.0 billion*</td>
</tr>
<tr>
<td><strong>Management Basis (ESG)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribute to global environment</td>
<td>Greenhouse gas emissions reduction rate / Renewable energy usage rate (base year: 2019)</td>
<td>FY2030 Targets Scope 1-2: Net Zero** Scope 3: Reduced by 30% Renewable energy usage rate 100%</td>
</tr>
</tbody>
</table>
| Fulfill our social responsibilities | Rate of consent to the NRI Group Business Partner Code of Conduct** or possessing own code of conduct | Domestic group 90% (Ref. Global 80%)
| Evolve governance                 | Number of cases in which severe risk materializes reports to regulatory authorities or incidents of equivalent severity for which NRI is responsible | 0 |

*1 Cumulative value during the term (FY2023). *2 Including one segment revenue for each segment. *3 Ratio of employees who feel strongly buy in for the concepts of “value co-creation” and NRI’s “three social values.” *4 Percentage of women responsible for projects and businesses. *5 97% reduction of Scope 1+2 emissions and neutralization of residual emissions. *6 Including environment, human rights, etc. *7 Conservers or holders of equivalent standards in NRI Group’s procurement partner companies, such as system development contractors.

PDCA Management of Materiality

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

Sustainability Management Process

1. Formulate long-term vision
2. Formulate Medium-Term Management Plan (every 3 or 4 years)
3. Formulate Business Plan (annually)
4. Monitoring by Board of Directors (quarterly)

Sustainability Governance

NRI positions sustainability as an important management issue. Sustainability is considered in the composition and supervision of the Board of Directors. In addition to appointing outside directors with knowledge of sustainability, the Board of Directors passes resolutions on the basic sustainability policy (including materiality). Furthermore, under the supervision of the Board of Directors, the Sustainability Committee (chaired by the director in charge of promoting sustainability management and related subcommittees), the Value Co-Creation Promotion Committee (chaired by a senior corporate managing director), and the Sustainability Activities Committee (chaired by a senior corporate managing director) promote sustainability throughout the entire Group and periodically report to the Board of Directors on the progress of activities. The role of the Sustainability Activities Committee is to advance activities that form a foundation from the perspective of ESG.

Moreover, when determining stock-based compensation for directors and senior managing directors, we have introduced a mechanism that considers the status of efforts to achieve our sustainability indicators, including the reduction of greenhouse gas emissions and the expansion of human capital. Please refer to page 116 for information on the introduction of the mechanism that considers the status of efforts for sustainability indicators for stock-based compensation.
V2030 Consideration Process and Materiality Identification Process

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

V2030 Consideration Process

<table>
<thead>
<tr>
<th>FY March 2022</th>
<th>FY March 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Analysis / V2030 Outline</strong></td>
<td><strong>MVV Dialogue / V2030</strong></td>
</tr>
</tbody>
</table>

Surveys and research for discerning the future (foundation for formulating a vision)

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

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

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

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

Materiality Identification Process

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

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

**STEP 1**

| Understanding and Organizing Society’s Expectations and Requirements |
| Social issues and needs |
| International standards Guidelines |
| NRI Group’s response level |

**STEP 2**

| Identification of Materiality |
| Incorporation of three social values specified through past to ongoing discussion including executives |
| Important elements in NRI’s business characteristics and growth strategy |

**STEP 3**

| Finalization of Materiality |
| Identifying materiality through the following steps: |
| 1. Discussions with outside directors and experts |
| 2. Internal management debates |

**STEP 4**

| Reflection in Business Plan |
| Reflect the finalized materiality in medium plans and business plans of each business segment |

**STEP 5**

| Resolution of the Board of Directors |
| Resolved by the Board of Directors as the sustainability strategy (March 2023) |
| Consideration of the necessity of revision by the Sustainability Committee once a year |
Environmental Recognition Toward FY2025

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

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

Business Environment Recognition

- Volatile social transformations and resulting impact on companies
- Complex social issues
  - Solving social issues will be companies’ most important challenge. Shifting away from “winner-take-all” and toward collaborative frameworks
  - Increasingly chaotic international political trends will drive complexity
- Fluidization of industrial structure
  - Companies will explore new areas of business spanning multiple industry types
  - Convergence of management and technology will advance, and usage of technology will separate winners from losers
- Technological progress and commoditization
  - Latest technologies keep emerging (cloud, AI, next-gen communication, etc.)
  - Commoditization of technology proceeds at the same time
- Diversified values and working styles
  - Economic disparities and other polarization and diversification of groups will advance
  - Utilization of diverse human resources and talents will be prerequisite to a company’s survival

Changes in business environment between now and 2025

- Companies’ performances are being squeezed in 2023 due to inflation and interest rate trends, but will gradually recover from 2024 onward
- Issues related to macroeconomic factors such as geopolitical risk, resource prices, and exchange rate risk must be addressed
- DX-related investments are expanding as the impact of climate change worsens. Financial investments are also experiencing an ESG Shift * Green Transformation
- Industry shakeouts and entries into other sectors will accelerate, and competition will be decided by anticipation of the business climate and maneuverability
- Leading companies will accelerate their conversions to digital-first (IoT, AI, etc.)
- DX demand is spilling over from industry leaders to the lower levels. IT investment remains strong in the DX space
- Major global IT companies are shifting to high-functionality cloud. Utilization of AI from a business perspective will be increasingly important
- Modernization of corporate legacy IT assets is long overdue. Renewal is spreading to mission-critical systems
- Needs for cybersecurity will grow as digital risk becomes more sophisticated and complex
- Competition for IT personnel is intensifying. The ability to secure personnel directly affects a company’s ability to grow
- Diversity and engagement are important for each individual to be creative

Medium-Term Management Plan 2023–2025 (MTP2025)

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

Pillars of Growth Strategy

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

Strengthen DX (DX2.0/3.0)
We will accelerate the co-creation of digital social capital by strengthening further our think-tank function, which we have maintained since the establishment of the former Nomura Research Institute. Additionally, we will take on the challenge of building digital social capital in new areas such as My Number-related services and Green Transformation (GX) initiatives.

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

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

MTP2025: Pillars of Growth Strategy

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

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

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

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

* Carbon tracing system
Deepening of Core Business (Expansion of the Client Base in Japan)

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

MTP2025: Measures by Segment (Examples)

<table>
<thead>
<tr>
<th>Consulting (more than ¥15 billion)</th>
<th>Financial IT Solutions (more than ¥40 billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Total support from setting agendas to execution support for increasingly complex DX geared toward digital-first, including business model and organizational reforms, setting KPIs and PODA through data, etc.</td>
<td>• Unbundle business platforms and deploy cross-industry services. Also expand our services lineup to address needs</td>
</tr>
<tr>
<td>• Expand social issue-related consulting projects, including for the public sector, while incorporating new topics such as DX</td>
<td>• Expand modernization support, including client needs to break away from legacy systems, cloud migrations, etc.</td>
</tr>
<tr>
<td>• Capture demand for shifts to DX business such as e-commerce, which is spreading to second-tier groups of companies</td>
<td>• Digital risk is getting more advanced and sophisticated. Bolster efforts to address growing cybersecurity-related needs amid requirements such as legal system compliance</td>
</tr>
<tr>
<td>• Handle large-scale overhauls of core systems including accounting, HR, call centers, and CRM that accompany front-end DX</td>
<td>• Offer more cloud platform services, including new services that leverage the advantages of both on-premises and cloud</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial IT Solutions (more than ¥40 billion)</td>
<td>IT Platform Services (more than ¥15 billion)</td>
</tr>
<tr>
<td></td>
<td>• Digital risk is getting more advanced and sophisticated. Bolster efforts to address growing cybersecurity-related needs amid requirements such as legal system compliance</td>
</tr>
<tr>
<td></td>
<td>• Offer more cloud platform services, including new services that leverage the advantages of both on-premises and cloud</td>
</tr>
</tbody>
</table>

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

Evolution of Core Business (Comprehensive Production Innovation)

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

MTP2025: Production Innovation Measures (Examples)

<table>
<thead>
<tr>
<th>Modernize existing IT assets</th>
<th>Financial IT Solutions (more than ¥40 billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Optimize system sizes, including functional integration of financial business platforms</td>
<td>• Unbundle business platforms and deploy cross-industry services. Also expand our services lineup to address needs</td>
</tr>
<tr>
<td>• Modernize the industrial field, including infrastructure overhauls and cloud migration</td>
<td>• Expand modernization support, including client needs to break away from legacy systems, cloud migrations, etc.</td>
</tr>
<tr>
<td></td>
<td>• Digital risk is getting more advanced and sophisticated. Bolster efforts to address growing cybersecurity-related needs amid requirements such as legal system compliance</td>
</tr>
<tr>
<td></td>
<td>• Offer more cloud platform services, including new services that leverage the advantages of both on-premises and cloud</td>
</tr>
<tr>
<td>Development framework</td>
<td>IT Platform Services (more than ¥15 billion)</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>• Version upgrades for development frameworks</td>
<td>• Digital risk is getting more advanced and sophisticated. Bolster efforts to address growing cybersecurity-related needs amid requirements such as legal system compliance</td>
</tr>
<tr>
<td></td>
<td>• Offer more cloud platform services, including new services that leverage the advantages of both on-premises and cloud</td>
</tr>
<tr>
<td>Establish development processes that utilize AI</td>
<td></td>
</tr>
<tr>
<td>STEP 1</td>
<td>STEP 2</td>
</tr>
<tr>
<td>AI testing support</td>
<td>Generate AI programs</td>
</tr>
<tr>
<td>• Utilize AI to reduce work-hours in testing processes</td>
<td>• Automate AI testing</td>
</tr>
<tr>
<td></td>
<td>• Reduce work-hours in testing and development processes</td>
</tr>
</tbody>
</table>

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

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

Overview of DX2.0/3.0 Businesses

<table>
<thead>
<tr>
<th>Society / Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front Player Transformation</td>
</tr>
<tr>
<td>IT Platform Provision</td>
</tr>
<tr>
<td>Intelligence Function</td>
</tr>
<tr>
<td>Code* Creation Function</td>
</tr>
<tr>
<td>Enabler Function</td>
</tr>
<tr>
<td>Next-gen Think Tank (enhanced functions)</td>
</tr>
<tr>
<td>Core-Solutions (existing strengths)</td>
</tr>
<tr>
<td>Digital Twin × Real PF</td>
</tr>
<tr>
<td>Customers</td>
</tr>
<tr>
<td>Society / Public Sector</td>
</tr>
</tbody>
</table>

* Code: Rules, customs, and values

Overview of DX2.0/3.0 Businesses
Australia: From the Expansion Phase Driven by M&A to Stable Growth and Increased Profitability

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

► NRI Australia (formerly ASG)

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

► Planit

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

► AUSIEX

AUSIEX underwent cost structure reforms in 2022 to address sluggishness in the financial market and other factors. Additionally, we are moving forward in our efforts to transfer I-STAR / GV, the engine of NRI’s global solution for securities back-office operations, to AUSIEX's system. This initiative is aimed at expanding our service lineup from wealth management to securities back-office operations.

► NRI Australia Holdings

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

M&A in Australia

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

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

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

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

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

M&A in the U.S.
Human Capital Enrichment

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

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

MTP2025: Human Capital Measures (Examples)

<table>
<thead>
<tr>
<th>Measure</th>
<th>2020 Results</th>
<th>2025 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>New graduate hires</td>
<td>399</td>
<td>Approximately 500</td>
</tr>
<tr>
<td>Mid-career hires</td>
<td>335</td>
<td>Approximately 370</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

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

MTP2025: ESG Measures (Examples)

- **Collaborate with business partners for Environmental contributions**
- **Stronger relationships with stakeholders to Fulfill social responsibilities**
- **Strategic risk control through More advanced governance**
- **Decarbonize throughout entire supply chains**
  - Efforts to achieve net-zero greenhouse gas emissions
  - Renewable energy usage expansion
  - TCFD-based climate change information disclosures and natural capital and biodiversity information disclosures

- **More information disclosures bolstering of the Group global NRI brand**
- **Governance system for sustainability**
- **Compensation design for directors and Audit & Supervisory Board members that accelerates sustainability management**

* Details regarding our business foundation (ESG) can be found starting on page 78.

Medium-Term Management Plan 2023-2025 in Figures

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

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

MTP2025 in Figures

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Revenue</th>
<th>Overseas Revenue</th>
<th>Operating Profit</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY March 2023 (Results)</td>
<td>535.1</td>
<td>611.6</td>
<td>106.2</td>
<td>17.4%</td>
</tr>
<tr>
<td>FY March 2024 (Forecasts)</td>
<td>568.0</td>
<td>680.1</td>
<td>111.8</td>
<td>16.3%</td>
</tr>
<tr>
<td>FY March 2025 (Targets)</td>
<td>590.0</td>
<td>700.0</td>
<td>117.0</td>
<td>16.2%</td>
</tr>
<tr>
<td>FY March 2026</td>
<td>660.0</td>
<td>810.0</td>
<td>145.0</td>
<td>17.9%</td>
</tr>
</tbody>
</table>

Shipment per MTP2025 in Figures

Nomura Research Institute
Interview with the CFO

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

Yoshihiko Sunaga
CFO, Senior Corporate Managing Director

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

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

In that environment, we were tasked with navigating through challenging circumstances. Our foreign currency borrowing increased significantly in recent years, due to our active M&A efforts in Australia and North America, leading to a reduction in financial costs, leading to a reduction in financial costs. To mitigate the impact of exchange rate fluctuations resulting from the shift to yen-denominated borrowing, we executed an appropriate hedging strategy while considering balance sheet variations. In addition, regarding yen-denominated borrowing, we anticipated a rise in long-term interest rates, and we decided to issue longer-term bonds before the end of 2022. However, considering the market conditions, where speculation about rising long-term interest rates had already begun and demand for long-term bonds was decreasing, there was an element of uncertainty about the success of these decisions.

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

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

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

This event was not originally part of our financial strategy. It was an event unrelated to the macroeconomic environment and was an issue that required careful and individualized handling. Due to the high total number of target shares, there were concerns about the potential impact on our stock price caused by the sale. Acquisition of treasury stock through debt financing needed to be approached from the perspective of the Company’s credit (financial soundness). After multiple discussions with internal and external stakeholders regarding the approach, we resolved the issue through the method of a “stock offering.” We conducted roadshows for both domestic and international investors, involving the entire Company, including the CEO. Eventually, it culminated in a public offering (PO) of ¥120 billion, the highest ever for the Company. This approach minimized risks impacting stock prices, maintained financial soundness, and improved market liquidity through diversified ownership, making it the optimal scheme for both the Company and our stakeholders.

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

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

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

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

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

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

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

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

We do not intend to achieve the ROE target of 20% or more for MTP2025 by adjusting capital through treasury stock acquisition or accounting methods. As indicated by the disclosed target of 17.9% for the final year’s operating margin, our fundamental policy is to maintain and improve ROE in a healthy manner as the business grows.

Finally, please express your Goals for V2030.

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

Hidenori Anzai  
Senior Executive Managing Director,  
Member of the Board, Representative Director  
Superintending of Corporate Headquarters

V2030: Sustainability Strategy (Materiality)
NRI Group Vision 2030 (“V2030”) established a new basic sustainability policy (materiality), which was resolved by the Board of Directors. The eight materialities are structured into three layers. The second layer is “Value Creation Capital,” which includes human capital and intellectual capital. Clearly stating that human capital and intellectual capital are the sources of NRI’s value creation will serve as a guideline for aggregating strength as an organization and demonstrating individual capabilities.

We are always conscious of “Our Values” as defined in our corporate philosophy. NRI believes that if each and every employee cherishes “our set of values” and continues to work diligently on a daily basis, it will lead to the creation of new value.

Source of Value: Human Capital
One characteristic of NRI’s human capital is that individuals are professionals in their respective fields, and each individual fulfills an active role in their business and operations. We believe that a company’s ability to create value will be continuously enhanced by operating a system that urges employees to exercise their individual strengths and encourages their individual performance. Therefore, NRI is promoting 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 that are assigned to project leaders and project managers at an early stage. 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; for example, we will enable employees to take on challenges in which they are interested, even when outside the framework of their organization.

In order to support employees in taking on challenges, we started operation of a new human resources system in April 2022. This human resources system is characterized by multiple career paths and a role-based rank system. In the past, the main path was to promote employees who had accumulated a certain amount of experience to the head of the organization. There was not necessarily a clear career path for further pursuit of a specialized field. Due to the diversification of career paths, it has become possible to highly evaluate people who have achieved significant results by utilizing their expertise in various fields. The role-based rank system promotes the utilization of diverse human resources by appointing human resources who can demonstrate results in the roles needed now, rather than focusing on past performance. In this way, the system aims to broaden careers by facilitating involvement in challenging new roles.

Furthermore, in the system for rehiring after mandatory retirement, we have created Master position offering a high level of treatment for employment of human resources who possess extensive experience and knowledge, and who can be expected to perform well. By doing so, we are creating an environment where highly motivated and capable human resources can continue to perform.

Source of Value: Intellectual Capital
Another type of Value Creation Capital is intellectual capital. The core of intellectual capital is quality control. NRI is strongly committed to the pursuit of quality management. We will continue to increase the sophistication of the organizations, systems, and activities that have enabled our commitment to quality for many years.

For example, we held the first meeting of the Systems Development Committee in 1987, and the committee has met about 3,000 times since then. Internal experts, including individuals certified by NRI, participate in the committee meetings as reviewers. By examining project risks from multiple perspectives, we are able to realize a high-quality system. It is extremely difficult to develop and operate complex and large-scale systems. Nevertheless, systems used as social infrastructure are required to be safe and secure. The Systems Development Committee is operated as a forum for systematizing and accumulating wisdom and ingenuity for the development of high-quality systems that are important to clients, and then returning that wisdom and ingenuity to the development of new systems. NRI’s culture is to diligently continue efforts that are taken for granted as essential aspects of business. In a broad sense, we also consider this culture to be part of intellectual capital.

In addition to technologies accumulated from the past, we are actively working on new technologies such as generative AI. NRI does not rely solely on AI; rather, we utilize AI as one option for solving issues. In order to find the best solutions to issues, NRI utilizes a myriad of resources, both inside and outside the Company.

For NRI, human capital and intellectual capital are forms of accumulation-type capital whose value can be increased by accumulating experience and knowledge. We will continue to refine our human capital and intellectual capital as a source of value that transforms society.

Strengthening Management Basis (ESG)
A solid management foundation is a prerequisite for continuing to take on new challenges. As part of sustainability management, NRI has been working to contribute to the global environment, fulfill its social responsibilities, and evolve governance. In V2030, we have once again defined themes for medium- to long-term growth.

In terms of contributing to the global environment, we have actively worked to reduce greenhouse gas emissions. As a result, we have received high recognition from external evaluation agencies. In February 2023, we set a total reduction target, including Scope 3. For FY March 2050, we set a net-zero target, including Scope 3. Moving forward, NRI will work with its business partners to contribute to the realization of a sustainable future.

When it comes to fulfilling our social responsibilities, initiatives throughout the supply chain are essential for realizing a sustainable future society. We will continue to expand the NRI Group Business Partner Code of Conduct, which summarizes items for which we request cooperation from business partners working with NRI. As of June 2022, we obtained written consent to the Code of Conduct from 282 companies. By June 2023, we obtained written consent from 501 companies.

In order to evolving our social responsibility, NRI has worked to expand corporate governance at domestic and overseas Group companies, and has established rules and guidelines. In recent years, an increasing number of companies have become part of the NRI Group through M&A. Moving forward, we will develop highly effective governance mechanisms for these companies.

We are also working to enhance our governance system related to sustainability, such as establishing the Sustainability Committee.

MVV for Connecting Management and Worksites
In order to achieve both the growth story set out in V2030 and the growth of individual employees, each and every employee must understand and concretely pursue our vision for 2030. To connect the Company’s vision and employee initiatives, NRI has continued to hold dialogue (MVV dialogue) on the theme of Mission & Values, Vision (MVV). In fact, a total of 3,000 people participated in the MVV dialogue prior to the announcement of V2030, and many discussions were held. One example of the candid exchange of opinions was a young employee stating that “I’m having trouble understanding how the contents of V2030 relate to my work.” I feel that this kind of dialogue made it possible to align the perspectives of management and employees. This dialogue between management and employees will serve as an innovative model for facilitating the process of converting each person’s thoughts into organizational actions for determining how we should shape the NRI Group toward the realization of V2030.

This close connection between management and employees will be a new strength of NRI as we take on the challenge of changing the world and push forward toward the realization of our vision for 2030.
## List of Materialities

We will promote sustainability management based on the concept that the creation of a sustainable future society and NRI’s growth strategy are integrated. We will constantly recognize that achieving the “society we innovate” as set forth in our corporate philosophy is the reason for NRI’s existence, and we will work on the eight materialities.

<table>
<thead>
<tr>
<th>Materiality</th>
<th>2030 Goals</th>
<th>KPI</th>
<th>FY March 2023 Targets</th>
<th>(Reference) FY March 2023 Results</th>
<th>Major Initiatives</th>
<th>Contributions to SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value Creation Capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-create a Thriving Future Society</td>
<td>Derive value from excellent human capital and intellectual capital to expand digital social capital</td>
<td>Overall investment and spending on measures for DI: 0.7/3.0 that transforms industries and society</td>
<td>¥103.0 billion*</td>
<td>(Measurements start in FY2023)</td>
<td>Business model transformation - DX consulting, analytics Social DI (e.g., utilization of My Number, regional revitalization, etc.) - Value chain DI (CO2 visualization, circular economy platforms creation) - Shared operation through business PF-STAR, BESTWAY, etc.</td>
<td></td>
</tr>
<tr>
<td>Co-create an Optimal Society</td>
<td>Effectively utilize resources (such as human resources, public assets, IP) and recycle natural resources through the use of business PF and data analytics</td>
<td>Revenues of business platforms that help to achieve an optimal society</td>
<td>¥11.0 billion</td>
<td>¥128.5 billion</td>
<td>Business process transformation - Strategy / operations/system consulting - Value chain DI (CO2 visualization, circular economy platforms creation) - Shared operation through business PF-STAR, BESTWAY, etc.</td>
<td></td>
</tr>
<tr>
<td>Co-create a Safe and Secure Society</td>
<td>Provide highly advanced IT infrastructure to protect social infrastructure and data from disasters and cyber risks</td>
<td>Revenues related to safety and security to enable a more resilient society**</td>
<td>¥215.0 billion</td>
<td>¥165.8 billion</td>
<td>Sustainable social infrastructure - IT infrastructure transformation - Security, cloud services - Stable service operation - Disaster management, disaster recovery support, etc.</td>
<td></td>
</tr>
<tr>
<td><strong>Value Creation Capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance Human Capital</td>
<td>Create a workplace where highly skilled professionals with diverse values gather to grow</td>
<td>Employee engagement score (NRI payroll); Female opportunity offering rate† (non-consolidated)</td>
<td>More than 70 continued</td>
<td>71</td>
<td>Improve growth opportunities for each individual - Promote diversity and inclusion - Enhance capability to realize the growth story, etc.</td>
<td></td>
</tr>
<tr>
<td>Accumulate Intellectual Capital</td>
<td>Sublimate individual knowledge into organizational strength (such as business model, brand, and capability)</td>
<td>Amount of investment in creating and accumulating intellectual capital</td>
<td>¥41.0 billion*</td>
<td>¥13.2 billion</td>
<td>Evolve business model (e.g., expand software assets) - Create a continuously evolving brand (e.g., enhanced content for information &amp; knowledge sharing) - Strengthen organizational capability to support business development (e.g., quality control, productivity innovation), etc.</td>
<td></td>
</tr>
<tr>
<td><strong>Management Basis (ESG)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribute to Global Environment</td>
<td>In collaboration with business partners with Scope 3 vision, create a sustainable environment globally and conserve natural capital while promoting more sophisticated use of renewable energies</td>
<td>Greenhouse gas emissions reduction rate / Renewable energy usage rate (Baseline: 2019) FY2030 Targets - Scope 1 + 2: Net Zero* - Scope 3: Reduced by 30% Renewable energy usage rate: 100%</td>
<td>FY2030 Targets - Scope 1 + 2: 65% decrease - Scope 3: 5% increase Renewable energy usage rate: 73%</td>
<td>- Reduce greenhouse gas emissions, and promote renewable energy use (Scope 1 +2) - Take measures to reduce greenhouse gas emissions in Scope 3, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fulfill Our Social Responsibilities</td>
<td>Fulfill social responsibilities in the entire supply chain, such as good relationships with stakeholders, creating a healthy workplace, and commitment to human rights</td>
<td>Rate of consent to the NRI Group Business Partner Code of Conduct† or possessing own such codes of conduct</td>
<td>Domestic Group 90% (Pat. global 80%)</td>
<td>Domestic Group 63% (Pat. global 56%)</td>
<td>Employee well-being - Involves concerning human rights and labor practices (including AI ethics, etc.) - Build and strengthen partnerships with business partners, stakeholders and communities, etc.</td>
<td></td>
</tr>
<tr>
<td>Evolve Governance</td>
<td>Strive for balanced governance, including strategic risk-taking, to control risks with long-term perspective</td>
<td>Number of cases in which severe risk materializes (reports to regulatory authorities or incidents of equivalent severity for which the NRI Group is responsible)</td>
<td>0</td>
<td></td>
<td>Maintain / operate Group-wide governance and internal control - Enterprise risk management - Strengthen quality control and information security management - Promote disclosure and improve transparency - Enhance compliance, etc.</td>
<td></td>
</tr>
</tbody>
</table>
Co-create a Thriving Future Society  
Through Expansion of Digital Social Capital

NRI is promoting DX 1.0 to transform its clients’ business processes, DX 2.0 to create new businesses together with clients, and DX 3.0 to solve social issues and realize transformation. In this way, we are actively creating new businesses and co-creating businesses with our clients.

As we move toward 2030, we aim to contribute to the realization of a thriving society in which everyone can lead a prosperous life by enriching outstanding human capital and intellectual capital, as well as the digital social capital for creating value from those two types of capital.

To achieve the goal stated above, NRI is making various efforts in both consulting and IT solutions. In particular, we will focus on building platforms that contribute to social transformation from a medium- to long-term perspective. Specifically, in response to the increased number of residents with a My Number card, we are expanding services related to My Number and individual number services; for example, an ID platform for Japanese residents, an electronic mailbox service, and one-stop administrative services such as tax and social security. By providing such digital social capital, we will support the realization of policies and services optimized for individual users, while at the same time appropriately managing information.

---

### Example Initiative: Creation of Digital Social Capital Through DX 3.0

<table>
<thead>
<tr>
<th><strong>2025</strong></th>
<th><strong>2030</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expand possession and use of My Number cards</strong></td>
<td><strong>Optimal policy and services for individuals</strong></td>
</tr>
<tr>
<td>System into use at financial institutions</td>
<td>Tailored to individuals</td>
</tr>
<tr>
<td>Government cloud</td>
<td>Shift to agents</td>
</tr>
<tr>
<td>Electronic submission and notification of legal records</td>
<td>Self-control over information (complete comprehension of self-related information)</td>
</tr>
</tbody>
</table>

---

### NRI’s My Number-related services

- Re-creating ID in digital spaces (Resident ID platform, electronic post services, etc.)
- Offering convenience Taxation and social security procedures all in one place
- Expand function of agents

---

### Example Initiative: Ascertaining Greenhouse Gas Emissions across the Entire Supply Chain Using NRI-CTS

NRI operates shared online platforms such as THE STAR and BESTWAY in order to assist in the transformation of business processes at financial institutions and the reduction of greenhouse gas emissions through the shared use of information systems.

As we work toward 2030, we aim to contribute to the realization of a smart society—for example, efficient utilization of social resources (including human resources, public property, intellectual property, etc.) and circulation of natural resources. We will achieve these goals through measures such as joint use of business platforms and use of data for visualization / prediction of real space.

---

To achieve the goals stated above, we will work on the development and consulting of IT solutions that contribute to solving global issues such as green transformation (GX) and a circular economy.

For example, we provide platforms that contribute to solving social issues. One example is the solution NRI Carbon Tracing System (NRI-CTS), which enables the timely sharing of accurate information based on actual measurements of greenhouse gases. We will also promote projects for co-creation of a business foundation that can effectively utilize corporation and social resources without waste.
As information infrastructure becomes increasingly complex, NRI is promoting businesses that undertake security-protected infrastructure as a managed service. The integration of business and technology is accelerating, and digital twins are expected to create new business models.

As we work toward 2030, we aim for a state that contributes to the realization of a strong and flexible society. In this society, social infrastructure and data will be protected by an advanced IT infrastructure that operates stably and is resistant to disasters and cyber risks, and everyone will be able to enjoy various digital services with peace of mind.

To achieve the goals stated above, we will work to acquire advanced technologies and to create safe, secure, and high-quality services.

For example, we will develop a foundation that enables numerous companies to promote their businesses safely and securely on digital twins through digital trust that ensures the reliability of virtual spaces by protecting clients and businesses and responding to the demands of society.

NRI believes that dialogue on various matters related to our work (including contributions to society) will accumulate as a depth of thought and manifest in the strength of individuals and organizations.

Writing a personal story that explains how one’s work can help solve social issues will give employees new insights into their work and foster a sense of pride in their work. Since the Medium-Term Management Plan (2019–2022), we have been systematically promoting activities for instilling value co-creation that assists in revitalize both the organization and individuals.

Initiatives to Instill Value Co-Creation Activities

Development of value co-creation leaders
From FY March 2020, we have been developing value co-creation leaders as successors who will continue to manually implement transformation through the practice of value co-creation. Through a two-year training program, value co-creation leaders who have gathered from each organization deliberate on value co-creation for themselves and NRI, and build a network that transcends organizational boundaries. We will also work on the practice of value co-creation through dialogue with the president and management.

After completing the program, leaders not only practice value co-creation, but also promote activities for instilling value co-creation in their own organizations.

Instillation of value co-creation
With the aim of taking personal responsibility for the meaning and significance of value co-creation and further cultivating recognition and empathy for linking it to each practice, we periodically hold creative and unique initiatives such as “Value Co-Creation DAYS” and “Value Day.” These initiatives provide an opportunity for each employee to step back from their daily work and consider the connection between their own work and social issues.

Implementation of value co-creation involving clients
We held value co-creation workshops with participation from clients. The aim of these workshops was to experience different ideas, broaden perspectives, promote mutual understanding, and form personal connections, as well as to examine the value to be provided to society from a different and wider perspective than normal.
NRI positions the expansion of human capital as the core of its materiality as corporate Value Creation Capital. The strength of NRI exists precisely in this human capital. We also have strengths in various initiatives and mechanisms that attract outstanding human resources and encourage their growth. NRI’s human resources are a group of professionals who possess a high level of expertise and who take the initiative to continually take on challenges and pursue growth based on independently set goals. We constantly emphasize the creation of systems and environments in which such highly motivated human resources can improve their abilities and demonstrate their full potential.

NRI’s Unique Growth Cycle

NRI has always operated its own growth cycle. This has enabled us to maximize the capabilities of human resources who support growth and to build human capital, which is our greatest strength.

NRI’s Investment in Human Capital

NRI maintains a strong presence in the hiring market by having its outstanding human resources attract other outstanding human resources. Another characteristic of NRI is that we encourage employees to take on challenges in areas in which they have no experience—for example, taking on roles with responsibility and discretion from a young age. This leads to personal growth. These kinds of stretch assignments are made possible by the supporting systems and workplace climate.

Concept of the Personnel System to Support Growth

| Flexible Assignment of Roles | 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 | 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 | Salaries, bonuses, benefit packages, and other comprehensive financial 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. |

NRI is working to quantitatively ascertain the amount of investment needed in order to effectively realize and further enhance investment in human capital. We believe that in order for human capital to demonstrate its value, it is important to increase engagement in the organization through strengthening professionalism and diversity and inclusion, and to work to maximize the power of individual employees as the strength of the organization. Based on this concept, NRI seeks to enhance well-balanced human capital through appropriately investing in human capital initiatives such as bolstering hiring, human resource development initiatives that enhance the capabilities of each employee, and initiatives to improve engagement in order to fully demonstrate the value of human capital. As part of these initiatives, NRI calculated the amount of investment in human capital investment in FY March 2023.

Employees will feel pride in their work upon receiving high recognition from clients, which then leads to increased employee engagement. Each and every employee works with a high level of commitment, thereby creating individual and organizational strengths, which in turn leads to individual growth.

<table>
<thead>
<tr>
<th>FY March 2023: NRI non-consolidated basis</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment to bolster hiring, etc.</td>
<td>¥3.29 billion</td>
</tr>
<tr>
<td>Investment to develop human resources</td>
<td>¥9.75 billion</td>
</tr>
<tr>
<td>Initiatives to improve engagement</td>
<td>¥4.35 billion</td>
</tr>
</tbody>
</table>

Note: The “Total human resources investment cost” disclosed in the NRI ESG Dashboard 2023 is on a consolidated basis.
In order to promote the strategies of “core business,” “DX,” and “global” as listed in the growth story of V2030, NRI will implement initiatives for strengthening capabilities (including revision of the human resources system), expanding growth opportunities, and creating an environment where everyone can work with enthusiasm.

**Initiatives for Realizing V2030**

**Measures for Realizing V2030**

**Strengthen capabilities to achieve our growth story**
- Further bolster hiring through new measures (recent university graduates, strengthen referral hiring, alumni, etc.)
- Visualize human resources with capabilities in DX, business creation, and global business, and systematically provide opportunities to those human resources
- Promote the performance of veteran employees
- Establish operation of the Minister System (system for retaining after mandatory retirement, etc.)

**Expand growth opportunities for each employee**
- Provide growth opportunities and increase realization of growth by advancing the level of talent management
- Strengthen the development of next-generation managers and hold training to improve the human management skills of managers
- Consider expanding the mission grade system (role-based) to younger employees

**Instill a culture of diversity and inclusion**
- Maintain and improve employee engagement throughout the entire Group
- Ensure women’s advancement by promoting hiring as managers
- Strengthen on-boarding of mid-career hires (create horizontal connections, etc.)

In the Medium-Term Management Plan 2023–2025, we will set appropriate KPIs and implement the PDCA cycle for these measures.

<table>
<thead>
<tr>
<th>Measures to achieve the growth story</th>
<th>FY March 2023 Targets</th>
<th>FY March 2023 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhance capabilities to realize the growth story</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resources for utilizing DX</td>
<td>3,200 people</td>
<td>2,997 people</td>
</tr>
<tr>
<td>Human resources for business creation</td>
<td>200 people</td>
<td>155 people</td>
</tr>
<tr>
<td>Human resources for global business</td>
<td>Measured in the internal survey</td>
<td>359 people</td>
</tr>
<tr>
<td>Hiring headcount*1</td>
<td>New graduate hires</td>
<td>365 people</td>
</tr>
<tr>
<td></td>
<td>Mid-career hires</td>
<td></td>
</tr>
<tr>
<td>Improve growth opportunities for each individual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth realization rate</td>
<td>75%</td>
<td>72.1%</td>
</tr>
<tr>
<td>Percentage of managers with high human resources skills (high scores on human resources-related measures in the internal survey)</td>
<td>97%</td>
<td>90.5%</td>
</tr>
<tr>
<td>Promote diversity and inclusion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees’ engagement score (NRI Payroll)</td>
<td>More than 70 continued</td>
<td>71</td>
</tr>
<tr>
<td>Percentage of female managers*2</td>
<td>13%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Female opportunity offering rate</td>
<td>17%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Percentage of managers who were mid-career hires (equivalent promotion from employee population)</td>
<td>Equivalent percentage maintained for expert and management</td>
<td>Equal ratio of expert and management (20%)</td>
</tr>
</tbody>
</table>

*1 Number of professional employees. Includes employees seconded to subsidiaries, etc., in the scope of the calculation.

*2 Percentage of women responsible for projects and businesses

In addition to actively hiring human resources who support the growth cycle of human capital, NRI supports the challenges of each and every employee by enhancing its personnel system and treatment.

**Hiring at NRI**

- NRI actively hires employees that will grow into professionals who possess a high level of expertise, who take the initiative to work on independently set goals, and who embrace challenges without fearing failure.

**New Graduate Hires**

- NRI has been focusing on hiring activities that focus on a realistic job preview (RJP). In other words, we communicate honestly with employees without embellishing NRI. In order to communicate the appeal of NRI’s wide range of business areas, it is essential to involve not only recruiters in the human resources department, but also on-site employees. Therefore, we focus on integrated management combining human resources staff and on-site employees.

- In order to communicate the realities of NRI, our on-site employees are in charge of various events such as “on-site internships (five or 10 days),” “hands-on one-day work for studying IT,” and “roundtable discussions for female students.” In particular, approximately 800 students participate in on-site internships every year. In addition to conveying work at NRI, these internships enable students to deepen their understanding of the consulting and IT industry. As a result, these internships have been extremely well-received by students who are engaged in job-hunting activities.

- In recent years, we have introduced a platform service that enables online visits by alumni who now work at NRI. Through this service, more than 300 on-site employees are conveying the appeal of NRI.

- Furthermore, many on-site employees participate in recruitment activities. Taking a step back from work and reflecting on duties through an objective perspective is an opportunity for employees to consider the significance, appeal, and meaning of work. The result is a positive cycle that strengthens organizational engagement.

**Mid-career Hiring**

NRI is strengthening mid-career hiring in order to promote and support the DX strategies and global strategies that are accelerating at various companies in recent years. Mid-career hires come from not only the IT industry, but also from a variety of other industries. These mid-career hires leverage their expertise in order to contribute to the transformation of a digital society.

In addition to activities aimed at increasing recognition for mid-career hiring through web media, event exhibitions, posting on transit advertisements, etc., NRI holds a “one-day internship for working professionals.” This internship is conscious of RJP in the same way as initiatives are aimed at new graduates. In this way, we provide opportunities for learning about NRI to professionals who are considering a career change.

Recently, we are also working on initiatives such as referral hiring and alumni hiring, acquiring outstanding human resources with a high degree of matching, and promoting the rehiring of former employees who have been active in other industries.
Hiring of Employees After Mandatory Retirement and Support for Active Participation

NRI has established a system for rehiring after mandatory retirement with the aim of maintaining advanced expertise and enabling employees to continue to demonstrate their capabilities even after mandatory retirement. In the past, the system for rehiring after mandatory retirement was designed to accommodate diverse lifestyles; for example, the system allowed for shorter working days. From FY March 2024, we have established Master position as part of the system for rehiring after mandatory retirement. Master position allows for employment with a high level of treatment for employees who possess particularly advanced expertise and wish to take on roles with greater responsibility. This supports increased performance and job satisfaction for employees after mandatory retirement.

Personnel System That Supports Challenges and Appealing Conditions (Salaries and Bonuses)

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.

This means that the current 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, who possess particularly advanced expertise and wish to take on roles with greater responsibility. This supports increased performance and job satisfaction for employees after mandatory retirement.

Evaluation System

Under 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 under 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 in 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).

Average Annual Salary (Non-consolidated Basis)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10,911</td>
<td>10,892</td>
<td>11,560</td>
<td>11,514</td>
<td>11,660</td>
<td>12,217</td>
<td>12,352</td>
<td>12,251</td>
<td>12,320</td>
<td>12,421</td>
</tr>
</tbody>
</table>

NRI is working to expand growth opportunities by reviewing and enhancing various systems and training programs so that each employee can grow and perform while pursuing their own areas of expertise.

Initiatives for Systematic Development

C&A System

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. In the C&A System, employees have a goal-setting interview with their supervisors at the beginning of the term. After activities for half of the term, employees meet again with their supervisors to confirm the results. The cycle is then repeated.

In conjunction with the introduction of the new personnel system, NRI revised the Mission-C&A System for employees in managerial positions. Mission-C&A translates the organizational mission into expected roles for individual managers.

Framework of the Human Resource System

<table>
<thead>
<tr>
<th>Non-managerial position</th>
<th>Early promotion to the top level by skipping levels</th>
<th>Management (Manager / Manager Plus)</th>
<th>Chief-Expert</th>
<th>Group Manager / Manager Plus</th>
<th>Group Manager / Manager Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-managerial position</td>
<td>Early promotion to the top level by skipping levels</td>
<td>Management (Manager / Manager Plus)</td>
<td>Chief-Expert</td>
<td>Group Manager / Manager Plus</td>
<td>Group Manager / Manager Plus</td>
</tr>
</tbody>
</table>

Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI).

Utilization Rate of System for Rehiring After Mandatory Retirement (Non-Consolidated basis)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-3</td>
<td>82.4%</td>
</tr>
<tr>
<td>2020-3</td>
<td>79.0%</td>
</tr>
<tr>
<td>2021-3</td>
<td>76.0%</td>
</tr>
<tr>
<td>2022-3</td>
<td>72.0%</td>
</tr>
</tbody>
</table>

Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI).

Expand Growth Opportunities for Each Employee

NRI is working to expand growth opportunities by reviewing and enhancing various systems and training programs so that each employee can grow and perform while pursuing their own areas of expertise.

C&A System

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. In the C&A System, employees have a goal-setting interview with their supervisors at the beginning of the term. After activities for half of the term, employees meet again with their supervisors to confirm the results. The cycle is then repeated.

In conjunction with the introduction of the new personnel system, NRI revised the Mission-C&A System for employees in managerial positions. Mission-C&A translates the organizational mission into expected roles for individual managers.

C&A System

<table>
<thead>
<tr>
<th>Non-manager level</th>
<th>Evaluation of performance</th>
<th>Evaluation of skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-manager level</td>
<td>Evaluation of performance</td>
<td>Evaluation of skills</td>
</tr>
</tbody>
</table>

Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI).

Utilization Rate of System for Rehiring After Mandatory Retirement (Non-Consolidated basis)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-3</td>
<td>82.4%</td>
</tr>
<tr>
<td>2020-3</td>
<td>79.0%</td>
</tr>
<tr>
<td>2021-3</td>
<td>76.0%</td>
</tr>
<tr>
<td>2022-3</td>
<td>72.0%</td>
</tr>
</tbody>
</table>

Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI).

Expanding Growth Opportunities for Each Employee

NRI is working to expand growth opportunities by reviewing and enhancing various systems and training programs so that each employee can grow and perform while pursuing their own areas of expertise.

Initiatives for Systematic Development

C&A System

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. In the C&A System, employees have a goal-setting interview with their supervisors at the beginning of the term. After activities for half of the term, employees meet again with their supervisors to confirm the results. The cycle is then repeated.

In conjunction with the introduction of the new personnel system, NRI revised the Mission-C&A System for employees in managerial positions. Mission-C&A translates the organizational mission into expected roles for individual managers.

<table>
<thead>
<tr>
<th>Non-manager level</th>
<th>Evaluation of performance</th>
<th>Evaluation of skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-manager level</td>
<td>Evaluation of performance</td>
<td>Evaluation of skills</td>
</tr>
</tbody>
</table>

Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI).

Utilization Rate of System for Rehiring After Mandatory Retirement (Non-Consolidated basis)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-3</td>
<td>82.4%</td>
</tr>
<tr>
<td>2020-3</td>
<td>79.0%</td>
</tr>
<tr>
<td>2021-3</td>
<td>76.0%</td>
</tr>
<tr>
<td>2022-3</td>
<td>72.0%</td>
</tr>
</tbody>
</table>

Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI).

Expanding Growth Opportunities for Each Employee

NRI is working to expand growth opportunities by reviewing and enhancing various systems and training programs so that each employee can grow and perform while pursuing their own areas of expertise.

Initiatives for Systematic Development

C&A System

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. In the C&A System, employees have a goal-setting interview with their supervisors at the beginning of the term. After activities for half of the term, employees meet again with their supervisors to confirm the results. The cycle is then repeated.

In conjunction with the introduction of the new personnel system, NRI revised the Mission-C&A System for employees in managerial positions. Mission-C&A translates the organizational mission into expected roles for individual managers.

<table>
<thead>
<tr>
<th>Non-manager level</th>
<th>Evaluation of performance</th>
<th>Evaluation of skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-manager level</td>
<td>Evaluation of performance</td>
<td>Evaluation of skills</td>
</tr>
</tbody>
</table>

Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI).

Utilization Rate of System for Rehiring After Mandatory Retirement (Non-Consolidated basis)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-3</td>
<td>82.4%</td>
</tr>
<tr>
<td>2020-3</td>
<td>79.0%</td>
</tr>
<tr>
<td>2021-3</td>
<td>76.0%</td>
</tr>
<tr>
<td>2022-3</td>
<td>72.0%</td>
</tr>
</tbody>
</table>

Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI).
DX Human Resources

In addition to furthering 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

In the C&A System, employees take inventory of their own DX skills (area / level) and then use this assessment to set goals for their next skill improvement. The number of employees with a DX skill level of “basic level” or higher is set as a KPI that shows “the number of active DX personnel.” NRI is working to increase this KPI.

In order to develop human resources who will drive the creation and expansion of the DX business, which is a pillar of our growth strategy, the training program has a curriculum for strengthening the capabilities necessary for the DX era (figure 1). For example, the program enables employees to learn not only IT skills but also cutting-edge business insight from the latest business use cases. The establishment of this curriculum was completed during the three-year period until FY March 2022. From FY March 2023, we are continually revising and removing portions of the curriculum, with the main goal of refining the content (graph 1).

Together with the systematic provision of opportunities based on KPIs, each individual continues to receive the training necessary for achieving their skill development goals (graph 2). As a result, the number of active DX personnel is steadily increasing (graph 3).

Business Creation Human Resources

As an indicator for expanding human resources to create new businesses, we have set the goal of increasing the number of Certified Business Analyst (CBA) and Certified Business Developer (CBD) certifications, which are internal certifications at NRI. (The KPI is a total of 250 certified employees for FY March 2031.) To achieve these goals, we provide mid-career and above employees with a large number of courses for efficiently learning practical skills, as well as courses for preparing to obtain external qualifications such as CBAP. For young employees, we have prepared a training program for early identification of human resources who possess the elements for business creation and assistance in bringing those human resources closer to certification while increasing their motivation and skills. In both cases, the strength of NRI’s human resource development lies in our well-established scheme in which internal professionals serve as instructors and serve as leaders in developing the next generation.

Global Human Resources

NRI implements numerous overseas programs that aim to expand the capabilities of global human resources. NRI is especially focusing on an overseas trainee system that dispatches young employees to our worldwide offices or the worldwide offices of client corporations that are active in the global market. Until now, more than 200 trainees have been deployed to 32 cities in 18 countries overseas (graph 4). We also send several employees every year to study abroad. We have sent a total of 58 students to study abroad during the 10-year period up to FY March 2023. In addition to MBAs from overseas universities and business schools, students are actively acquiring degrees in other fields, such as computer sciences (MSE/MCS) and law (LLM).

From FY March 2023, we are implementing measures to visualize the global skills of our employees, with the aim of systematically developing global human resources. Based on these measures, we will formulate KPIs for the human resources required for future global business. We will also formulate a development plan for global human resources by, for example, systematically granting opportunities for global business expansion.
**Expanded Training Programs**

With more than 1,000 total sessions held for over 400 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 courses on their own.

Diversity and inclusion programs offer programs geared toward supporting the advancement of women, diversity, and work-life balance.

**Training Program System**

**Classification**
- Junior employee
- Mid-career employee
- Senior

**Career development by career stage**
- New employees
- Mid-career employees
- Experts

**Career seminar**
- Hands-on career training
- IT solution skill training
- Hands-on career training
- Hand-on career R&D
- Consulting training
- Staff HLL Development Program
- Human skills and soft skills development program
- Self human resources development program
- Global human resources development program
- CIU
- E-learning related to diversity promotion, including unconscious bias and nursing care

**Human and organizational development**
- Human capability improvement program
- Organizational development support program
- Self development support program

**Pursuit of Advanced Expertise**

**Career Fields**
To advance our development of specialists and multiskilled personnel who work in 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 to refine their expertise, then continues with the aim of becoming a leader in multiple career fields.

**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 18 categories, which serve as goals when employees envision their future careers and design their career paths. In the Skills Development Program, we offer an extensive lineup of highly specialized programs for boosting skills for internal certifications.

---

**Independent Career Development and Empowerment of Veteran Human Resources**

In order to achieve independent career development for our employees and empower veteran human resources, we dramatically overhauled our existing career development training and started “Personal Career Design” training from FY 2023. In this program, we arrange a total of five workshop-style training sessions aiming to achieve career autonomy by looking back at one’s career, from the time employees are in their 20s until their late 50s. In the training sessions for ages 40 and up, we also support independent learning by providing career coaching, one-on-one interviews, and a rich variety of optional programs such as e-learning for reskilling after workshops to make career development efforts more effective. In FY 2023, we enhanced our optional programs such as cross-boundary learning and overhauled our program for employees in their late 50s as we look ahead to the introduction of Master position in FY 2024. Aside from the workshops, we also organize annual career seminars open to all employees, where we strive to foster career consciousness. The seminars were attended by approximately 800 employees in FY 2023.

**My Career Design (MCD)**

- **Purpose**
  - Have each employee work independently to choose and develop their own career, undergo ceaseless transformation, and continuously take on challenges, regardless of age.
  - Raise motivation (or prevent motivation from declining) at regular intervals and career turning points, and enable employees to flexibly adapt to environmental changes.

---

**Growth of Core Talent and Internal Certification Program**

**Conditions for certification**

1. **Results**
   - Assignment: Project Experience

2. **Training Programs covering various specialties**

3. **Self-improvement Qualifications and knowledge accumulation, etc.**
Employee Growth via Challenging Assignments

At NRI, employees are given roles requiring great responsibility and discretion even if the employees are of a younger generation. In consulting projects, employees experience working as a leader in their 20s. Approximately 30% of the systems development project managers (PMS) are in their 20s or early 30s.

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. This experience not only encourages employee growth, but also creates a virtuous cycle that fosters pride in work as employees perceive their own growth.

Cultivating Human Resources to Support Management

Enhancing the Development of the Next Generation of Management

We conduct two types of training for selected individuals to develop 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 Forum, a learning and development program for the next generation of management personnel. Participants learn about how managers think via dialogue with outside managers, deepen their understanding of management under the guidance of outside experts, and tackle management issues presented to each participant. This series of activities provides opportunities for thinking about the meaning of management. Of the 30 total participants in the program during the five years leading up to and including FY March 2023, 11 have been promoted to executive roles (as of the end of March 2023). We conducted Selected GM & Department Head Training for about 20 candidates for promotion to department head every year. By thinking about business strategy from a Company-wide perspective, participants cultivate a viewpoint broader than their current position. Of the 89 total participants in the program during the five years leading up to and including FY March 2023, 52 have been promoted to department head roles (as of the end of March 2023).

Improving the Personnel Management Ability of Managers

In order to further accelerate the growth cycle as we head toward 2030, it is important to improve the personnel management ability of our general managers, group managers, and other managers. That is why we reviewed the curriculum of the training for new general managers, group managers, and other managers with a focus on improving personnel management ability. All training programs incorporate vision management for consolidating the total capability of the organization, potential management for maximizing the potential of people and the organization, and performance management for achieving goals while supporting subordinate development and independent career development. Training for improving the personnel management ability of existing group managers and other managers is scheduled to start in the second half of FY March 2024. We are also providing AHEAD Program 360-degree feedback with the aim of improving the abilities of managers to develop subordinates and boost co-creation leadership skills. We plan to start e-learning for effectively utilizing the AHEAD Program from FY March 2024.

At NRI, we promote co-creation of job satisfaction so that employees and the Company can raise job satisfaction together, diversity and inclusion to bring together the strengths of diverse human resources, and the creation of an environment where everybody can demonstrate their value as they work. Furthermore, we are engaged in the respect of the human rights of all people who are impacted by NRI business activities.

Co-creating Job Satisfaction with Employee Engagement

Fostering a Culture Conducive to Job Satisfaction

(Providing Organizational Development Training and Communicating Information via Events, Etc.)

To enable all our employees to independently strive to co-create job satisfaction, we focus on providing virtual video content and training regarding organizational development and human resource development (via one-on-one interviews, etc.), as well as fostering a culture conducive to job satisfaction by transmitting information in various forms.

We have also started incorporating a training program on organizational development into training for new managers, and together with the Company-wide employee engagement survey, we share information on engagement inside and outside NRI each year at the Job Satisfaction Co-Creation Forum (with nearly 700 employees in attendance each year). We also have 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, in order to encourage activities for job satisfaction co-creation across the entire Company.

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 the Company as a whole. Utilizing the engagement measurement tool Wevox*, the survey has been conducted for employees of NRI and some NRI Group companies** once per year (in June) since 2021. 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.

*1 Tool provided by Atlean, Inc.
*2 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., and Nomura School of Advanced Management
Promoting Diversity and Inclusion

NRI believes that consolidating the strengths of each of its employees, with 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.

Of the seven areas on the right, we have identified gender and career/expertise as two priority areas for promoting activities. We are also enhancing the sharing of information on systems and case examples related to each area and responding to employee queries regarding work styles.

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 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. These efforts have enabled us to achieve the ratio of female managers target in our action plan formulated in April 2019 (achieving a ratio of at least 8.5%) by FY March 2023. In April 2023, we formulated a new action plan. In accordance with our goal of raising the ratio of female employees responsible for projects and businesses to at least 17%, based on the idea that empowerment in diversity will lead to promotion.

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

<table>
<thead>
<tr>
<th>Tasks</th>
<th>From April 2023 to March 2026</th>
</tr>
</thead>
</table>
| • Establish ratios of female managers (general managers/managers) to at least 15%.
| • Raising female employees responsible for projects and businesses to at least 17%. Increase female employees holding positions of at least 35% of total hires.
| • Raising ratio of annual paid leave taken by all employees to at least 75%.
| • Proportion of childcare leaves including parental leave taken by male employees of at least 50%.

| Initiatives | Systematically provide opportunities and promotions to female managers and managerial candidates.
|---|---|
| Issues | Develop female employees involved in business decision-making.
| Solutions | Increase the number of female students recruited or employees.
| Environment | Support work culture regarding working styles based on diversity.

Promoting Workplace Participation by Persons with Disabilities

At NRI Mira, Ltd., a special subsidiary* of NRI, employees with various disabilities perform a wide range of work such as setting up meeting rooms, supporting training, collecting/delivering in-house mail, managing miscellaneous goods, and providing massage services for employees. We are expanding the work of these employees to managing a café at Kiba Center and performing some data entry work for our financial information database service (IDB). 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 2023, 206 disabled persons are employed at NRI and its Group companies (an employment ratio of 2.42%).

* NRI Mira employees operating “Sora café Mirai”

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 FY March 2023, we adopted a spouse pregnancy notification system for male employees, which explains the various systems regarding childcare that male employees can apply for, recommends paternity leave, and enables general managers to check the paternity leave schedules of their subordinates. Male employees now also participate in Training for Balancing Work with Parenting, which was previously only available to female employees and their managers.

We are also enhancing the sharing of childcare-related information within the Company, and continuing to hold briefings on the systems regarding childcare that are available and discussions with role model senior employees who worked as project managers with limited work hours due to childcare duties. In “Examples of Working Parents,” we provide examples of both mothers and fathers who have successfully balanced work with childcare, and introduce flexible work styles that utilize methods such as telecommuting.

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.

Promoting Workplace Participation by Persons with Disabilities

As part of our efforts for LGBT+ and other sexual minorities, we provide e-learning for promoting understanding to all of our employees and promote the operation of various systems. Systems that apply to the spouses of our employees also apply to those with a partnership certificate issued by a local municipality that is deemed equivalent to marriage.
**Accumulate Intellectual Capital**

Through Elevation of Individual Knowledge into Organizational Strength

Intellectual capital is the source of our competitiveness and an important element that clearly differentiates us from other companies. NRI has grown by sustaining long-term relationships with its clients and providing services with high added-value through the management of intellectual capital. We will create and accumulate intellectual capital that channels individual knowledge into unrivaled organizational strength that is inherited across generations.

---

**Major 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 its 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 its profit structure.

**Development of Competitive Intellectual Properties**

In recent years, we have been focusing our efforts on the development of digital IPs that can be used for multiple clients and industries in the DX business area. “DiPcore” is NRI’s componentized key technology for achieving client DX. We will respond flexibly to business requirements that cannot be easily met through packaged solutions and achieve the speedy provision of services.

---

**Outstanding Business Model**

NRI has a unique business model “Con-Solution” that continuously and concurrently utilizes both consulting and IT solutions to support reform in its clients’ businesses. Our businesses with a high level of continuity, such as operation, enhancement, and shared online services, are generating stable revenue. We are also achieving a competitive advantage by continuously raising the added value of our software assets (such as shared online services and digital IP) that support those continuous businesses.
Continuously Evolving Brand

Considering Japan’s first private think tank as one of its origins, NRI has strength in social recommendations and communication of information based on consumer trend investigations and forecasts of the future. As a group of experts gaining insights into future society, the Center for Strategic Management & Innovation offers proposals that contribute to improving the competitiveness of Japan and solving social issues, and implements measures toward doing so. We observe society and industry from a unique and excellent perspective, and release the results broadly to society through publications, forums, and the media. We have garnered high praise and trust and enhanced the NRI brand through these activities.

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. We carry 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.

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

The core of NRI’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 and 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 enhanced 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.

Capabilities That Support Business Development

The capability of NRI, which channels individual knowledge into organizational strength, stems from knowledge and the processes that generate knowledge. Knowledge is comprised of various consulting frameworks and various types of IT expertise and rules. Processes that generate and circulate this knowledge include quality control processes such as system development meetings, production innovation methodology such as that for making software development more efficient, and business development activities such as research and development for forming future intellectual capital. These capabilities support outstanding business models and a continuously evolving brand.

NRI’s Quality Management

We continually work to improve the quality of services and are fully aware of our responsibility to deliver and operate information systems that serve as a key component of social infrastructure.
**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, initiatives for improving and facilitating improvement processes to ensure that they remain highly regulated with good security.

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

- ISO9001 (Quality management system)
- ISO14001 (Environmental management system)
- ISO22300 (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.
Quality of Information Security

NRI operates important infrastructure that supports society including finance and distribution. We have established an advanced information security framework to continue service and protect important information at all times, and through that framework, we work to remain a trusted partner to our clients and society.

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.

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

Planning and Implementation

Chief Information Security Officer

Review of Information Security activities

Security Management Department

Practice

Person responsible for division

Person responsible for division

Employees

Information Security Promotion Committee

(Composed of directors and department managers, etc., of divisions that implement measures)

In-Department Information Security Person-In-Charge

NRI SecureTechnologies

Security Person-in-Charge

Person-in-Charge

In-Department Information Security Person-In-Charge

NRI Workplace Services

Headquarters structure

General Affairs Department, Legal and Intellectual Property Department, Corporate Planning Department (Integrated Risk Control Department, etc.)

Support

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 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 Chinese. We also actively incorporate group training and e-learning methods into our training programs.

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 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 companies. In addition, the NRI Group has set certain information security protection standards and engages in improvement drives to meet those standards.

Value Creation Capital

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 the Personal Information Protection Commission.

Response to Cyberattacks

NRI uses system-based defenses against cyberattacks, such as installing antivirus software and EDR, hard drive encryption, and installing different security measures (such as firewalls, WebFilter; network behavior analysis technology”). 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). A CSIRT acts like a fire extinguisher, dousing any further attack to 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.

R&D Themes and Initiative Policies

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 Long-Term Management Vision.

In FY 2023, 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.
Net-Zero Journey Subcommittee

The Net-Zero Journey Subcommittee of the Sustainability Activities Committee, led by a senior corporate managing director who also serves as the chairperson of the Sustainability Committee, includes members with expertise in climate-related issues. This subcommittee is responsible for advancing discussions and strategies related to climate initiatives within the NRI Group, such as achieving carbon neutrality, reducing Scope 3 emissions, and sourcing renewable energy.

Further, in the determination of stock-based compensation provided to directors (excluding outside directors) and senior managing directors, as well as other employees (with executive titles), a mechanism has been introduced that takes into account the progress of the NRI Group’s sustainability indicators, which include efforts to reduce greenhouse gas emissions.

Key Deliberations and Reporting Items Related to Climate Change in Board of Directors Meetings (Fiscal Year Ended March 2023)

- Status of generation of environmental benefits for clients through business platforms (quarterly)
- Status of support for setting the environmental targets of business partners
- Setting of 2050 net-zero targets (SBTi level), including Scope 3

Key Deliberations and Reporting Items Related to Climate Change in Sustainability Activities Committee Meetings

<table>
<thead>
<tr>
<th>Fiscal year ended March 2021</th>
<th>Key Deliberations and Reporting Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revision of environmental targets for acquisition of SBTi 1.5°C certification</td>
<td></td>
</tr>
<tr>
<td>Status of progress in renewable energy procurement</td>
<td></td>
</tr>
<tr>
<td>TCFD scenario analysis results (asset management solutions business, consulting business)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal year ended March 2022</th>
<th>Key Deliberations and Reporting Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transition to renewable energy for main data centers’ electricity consumption</td>
<td></td>
</tr>
<tr>
<td>TCFD scenario analysis results (securities solutions business)</td>
<td></td>
</tr>
<tr>
<td>Agreement with the GX League Basic Concept</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal year ended March 2023</th>
<th>Key Deliberations and Reporting Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status of support for setting the environmental targets of business partners</td>
<td></td>
</tr>
<tr>
<td>Status of consideration of setting 2050 net-zero targets (SBTi level), including Scope 3</td>
<td></td>
</tr>
<tr>
<td>Implementation of top-management dialogue with CDP</td>
<td></td>
</tr>
</tbody>
</table>

Key Deliberations and Reporting Items Related to Climate Change in Sustainability Committee (Established April 2023) Meetings (Held in May 2023)

- Mechanism for considering sustainability efforts (including climate change) in the stock-based compensation of executives
- Policy concerning external disclosure of information related to sustainability (including climate change)
- Subcommittees (Value Co-Creation Promotion Committee, Sustainability Activities Committee)

**Governance**

The NRI Group positions sustainability as an important management issue. In addition to considering sustainability in the structure and supervision of our Board of Directors and the appointment of outside directors with knowledge about sustainability, the Board of Directors has decided on a Basic Sustainability Policy (including materiality). We have also established the Sustainability Committee, which is headed by the director in charge of promoting sustainability management, and supervised by the Board of Directors. The Sustainability Committee also has two subcommittees; the Sustainability Activities Committee and the Value Co-Creation Committee, which are led by the senior corporate managing director. The Sustainability Committee and the two subcommittees promote sustainability across the entire Group and periodically report to the Board of Directors on the progress of their activities. Related matters are reported to the Board of Directors at least twice each year.

**Sustainability Governance System**

- Board of Directors
  - Supervision
  - Presentation and report
- Sustainability Committee
  - Discussion of important sustainability issues, monitoring of materiality progress, etc.
  - Chairperson
  - Head of Sustainability Management
  - Members
  - Elected directors
- Value Co-Creation Committee
  - Promotion of MVV and value co-creation: penetration, grooming of value co-creation leaders, implementation of monitoring and evaluation, etc.
  - Chairperson
  - Senior Corporate Managing Director
  - Members
  - Elected Directors and General Managers, etc.
- Sustainability Activities Committee
  - Sustainability management framework, decarbonization, Sustainability disclosure, stakeholder dialogue, global response, etc.
  - Chairperson
  - Senior Corporate Managing Director
  - Members
  - Elected Directors and General Managers, etc.
- Sustainability Strategy
- ESG Disclosure
- Supply Chain / Human Rights
- Group Global Coordination
- Net-Zero Journey

**Strategy**

Since the fiscal year ended March 2019, NRI has continuously conducted scenario analyses to identify climate change-related risks and opportunities, as well as assessing the financial impact on the Group.

**Scenario Analysis Implemented in the Past**

- Fiscal year ended March 2019
  - Identification of risks / opportunities in the Group’s overall business
  - Identifying the risks and opportunities for the 2°C and 4°C scenarios (Currently, the 2°C scenario is being read as 1.5°C scenario and applied)

- Fiscal year ended March 2020
  - Scenario analysis for highly important business
  - Implemented for data center business

- Fiscal year ended March 2021
  - Scenario analysis for profit center
  - Implemented for asset management solutions business and consulting business

- Fiscal year ended March 2022
  - Expansion of businesses targeted for scenario analysis
  - Implemented for securities solutions business

- Fiscal year ended March 2023
  - Continuation of scenario analysis, consideration of a disclosure system
  - Continue scenario analysis
  - Consider a more evolved information disclosure framework

Note: For details on each scenario, please refer to our efforts in response to the TCFD’s final recommendations. (https://www.nri.com/en/sustainability/environment/tcfd)
Identification of Risks and Opportunities Across NRI Business as a Whole (Fiscal Year Ended March 2019)

During the fiscal year ended March 2019, we identified risks and opportunities across NRI’s overall business. Two scenarios were set: the “2 °C scenario” to limit temperature rise to 2 °C and the “4 °C scenario” assuming no measures beyond current assumptions are taken. These scenarios were applied to four business domains: Consulting, Financial IT solutions, Industrial IT solutions, and Data Center businesses (IT infrastructure solutions). Currently, “2 °C scenario” is being read as “1.5 °C scenario” and applied.

Scenario Analysis of Individual Businesses (Since March 2020)

For the aforementioned target businesses, namely Consulting, Financial IT solutions (categorized into Asset Management Solutions and Securities Solutions), and Data Center businesses, we conducted more detailed analyses of climate-related events, assessing NRI’s specific risks and opportunities, as well as the financial impact on NRI.

Status of Implementation of Scenario Analysis by Business

<table>
<thead>
<tr>
<th>Business Field</th>
<th>World View in 1.5 °C Scenario</th>
<th>World View in 4 °C Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>+ Opportunity – Risk</td>
<td></td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>Compared to independent system development by individual corporations, NRI’s shared online services will enable significant reductions in power consumption, CO2 emissions, and cost. Furthermore, demand can be increased by raising the renewable energy usage rate aimed at achieving RE100.</td>
<td>+ 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.</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>Support for increasing the efficiency of the supply chain and distribution processes will contribute to lower carbonization. The advancement of related initiatives in the future will create opportunities for increasing demand.</td>
<td>+ Providing cloud systems will make it possible to minimize damage in the event of a natural disaster, thus reducing the risk to clients.</td>
</tr>
<tr>
<td>Data centers (IT Platform Services)</td>
<td>We seek to establish carbon-free data centers that 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 customers.</td>
<td>+ 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.</td>
</tr>
</tbody>
</table>

Notes: 1. +: Positive impact on the entire business segment –: Negative impact on the entire business segment
2. “As of the time of the analysis. As of the end of the fiscal year ended March 2022, all data centers owned or operated by NRI are powered by renewable energy sources.

<table>
<thead>
<tr>
<th>Business Field</th>
<th>Implementation level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>+ Opportunity – Risk</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>Compared to independent system development by individual corporations, NRI’s shared online services will enable significant reductions in power consumption, CO2 emissions, and cost. Furthermore, demand can be increased by raising the renewable energy usage rate aimed at achieving RE100.</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>Support for increasing the efficiency of the supply chain and distribution processes will contribute to lower carbonization. The advancement of related initiatives in the future will create opportunities for increasing demand.</td>
</tr>
<tr>
<td>Data centers (IT Platform Services)</td>
<td>We seek to establish carbon-free data centers that 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 customers.</td>
</tr>
</tbody>
</table>

Notes: 1. +: Positive impact on the entire business segment –: Negative impact on the entire business segment
2. “As of the time of the analysis. As of the end of the fiscal year ended March 2023, all data centers owned or operated by NRI are powered by renewable energy sources.
Scenario Analysis for the Data Center Business (FY March 2020)

Among the risks and opportunities, we conducted a scenario analysis for the Data Center Business—upon which climate change has the greatest impacts—in FY March 2020. To define and identify scenarios, we established two scenarios for the medium-to-long term (2030 on): the 2 ˚C or lower scenario and the 4 ˚C scenario.

The risks and opportunities in the Data Center Business are as follows. Within the climate-related events, light blue represents “transition risk,” which indicates the economic and social transition due to climate change, while dark blue is for “physical risk,” indicating the physical change caused by climate change.

### Risk and Opportunities for the Data Center Business

<table>
<thead>
<tr>
<th>Climate-related events</th>
<th>Anticipated changes</th>
<th>Risk / Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Introduction of carbon pricing (carbon tax, etc.)</td>
<td>In the below 2 ˚C scenario, the anticipated introduction of carbon tax has led to an increase in electricity costs.</td>
<td>X</td>
</tr>
<tr>
<td>(2) Expansion of the use of renewable energy</td>
<td>Cost burden incurred to achieve renewable energy adoption targets. However, if the goals are achieved, it could mitigate the impact of carbon tax.</td>
<td>Δ</td>
</tr>
<tr>
<td>(3) Escalating natural disasters</td>
<td>Data center facilities being affected by natural disasters (Water supply restrictions, water outages, flooding due to heavy rainfall, wind damage, power supply disruptions, etc. However, analysis of the hazard map, etc., led to the assessment that the impact was minor.)</td>
<td>X</td>
</tr>
</tbody>
</table>

In the 2 ˚C or lower scenario, to study the financial effects of adopting a carbon tax and renewable energy, we anticipated Baseline, Case 1, and Case 2 situations, and evaluated the impacts for each. In Baseline, we anticipated that the adoption of a carbon tax caused electric utility expenses to rise 21% to 28% compared to FY March 2019, and that NRI did not procure renewable energy. In response to this, Case 1 considered achievement of the target set at the end of the fiscal year ended March 2020 of reaching a “36% renewable energy procurement ratio by the end of the fiscal year ended March 2031.” Case 2 assumed the same conditions as Case 1 but also took into account a world in which the cost of renewable energy procurement had decreased. As a result, in the context of the below 2 ˚C scenario, it was determined that achieving the renewable energy procurement target could mitigate the impact of implementation of carbon tax.

### Assessment of Financial Impact in 2 ˚C or Lower Scenario

#### Impact of Carbon Tax and Achieving Renewable Energy Implementation Target (hundred million yen / year)

<table>
<thead>
<tr>
<th>Climate-related events</th>
<th>Anticipated changes</th>
<th>Risk / Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity costs increase</td>
<td>5% to 17% due to implementation of carbon tax</td>
<td>X</td>
</tr>
</tbody>
</table>

**Scenario Analysis for the Asset Management Solution Business (FY March 2021)**

In FY March 2021, we conducted a scenario analysis for the asset management solution business, which is part of the Financial IT Solutions business. To define and identify scenarios, we established two scenarios: the 2 ˚C or lower scenario and the 4 ˚C scenario. We surveyed impacts on our services and changes anticipated at client companies regarding six climate-related events, and analyzed whether these posed risks or opportunities for NRI. The results are shown in the following table.

We assumed that there would be various opportunities as ESG disclosure and other information advances. We have also conducted interviews with the management of client companies to corroborate the expected changes.

### Risks and Opportunities for the Asset Management Solution Business

<table>
<thead>
<tr>
<th>Climate-related events</th>
<th>Anticipated changes</th>
<th>Risk / Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of carbon pricing (carbon tax, etc.) and subsidies for new technology</td>
<td>Changes to corporate competitiveness and corporate value impacts the asset balance.</td>
<td>Δ</td>
</tr>
<tr>
<td>Promoting standardization and requesting improved disclosure of ESG/ climate-related information to companies</td>
<td>Asset management companies will have increased need for organizing corporate information due to increasing amounts of information disclosed from companies and standardization of the information to disclose.</td>
<td>X</td>
</tr>
<tr>
<td>Improve disclosure of information to asset management companies</td>
<td>Increased need for assistance due to improved disclosure of ESG investment and sustainable finance in operation at regulatory authorities and asset owners.</td>
<td>Δ</td>
</tr>
<tr>
<td>Improve disclosure of ESG information for financial products</td>
<td>There is demand for explanation of ESG-related items, etc., in financial products for individuals developed by asset management firms.</td>
<td>Δ</td>
</tr>
<tr>
<td>Increased interest in personal ESG and climate change</td>
<td>With increasing demand for ESG investment and impact investment among millennials and generation Z, who have a particularly high interest in environmental and social issues, there is increasing need for visualizing the environmental / social impact of asset management.</td>
<td>Δ</td>
</tr>
<tr>
<td>Interfering natural disasters</td>
<td>Loss due to natural disasters will cause a slowdown in economic activity and a temporary drop in the asset balance.</td>
<td>X</td>
</tr>
</tbody>
</table>
Next, we predicted changes in revenue fluctuation factors based on anticipated changes in client companies and consolidated the impact of four identified events on financial performance. The analysis showed that in the context of the below 2°C scenario, the influence of increased revenue would be relatively significant, while in the 4°C scenario, the impact of decreased revenue would be considerable.

**Evaluation of Financial Impact for the Asset Management Solution Business**

![Graph showing evaluation of financial impact for the asset management solution business.](image)

### Scenario Analysis for the Consulting Business (FY March 2021)

Similarly, in the fiscal year ended March 2021, scenario analysis was conducted for the consulting business. Two scenarios were defined: a below 2°C scenario and a 4°C scenario.

The results of analysis of risks and opportunities for the consulting business are as shown in the figure below. The analysis revealed that while there would be an increased demand for sustainability-related consulting services due to climate change, there would also be significant risks to the business, such as the potential failure in transitioning to decarbonization or economic stagnation due to exacerbated natural disasters.

### Risks and Opportunities for the Consulting Business

<table>
<thead>
<tr>
<th>Climate-related events</th>
<th>Anticipated changes</th>
<th>Opportunity / Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of carbon tax (carbon tax, etc.) and subsidies for new technology</td>
<td>Increased need for consulting due to higher necessity for strategy building and business structure reform for shifting to decarbonization</td>
<td>✗</td>
</tr>
<tr>
<td>Setting terms and conditions that include climate change in the market</td>
<td>On the other hand, if many companies fail to shift to decarbonization in the long term, this may impact sales for our consulting business.</td>
<td>✗</td>
</tr>
<tr>
<td>Changes for market structure due to new environmental technologies</td>
<td>A slowdown in economic activity due to loss caused by natural disasters may impact sales for our consulting business.</td>
<td>✗</td>
</tr>
<tr>
<td>Intensifying natural disasters</td>
<td>On the other hand, there may be greater need for our consulting business in order to build countermeasures.</td>
<td>✗</td>
</tr>
<tr>
<td>Changes in weather patterns</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Regarding opportunities, future revenue growth was forecast based on the current track record of sustainability-related business. Consequently, the analysis indicated that the below 2°C scenario would result in a higher increase in demand for consulting services and greater revenue growth than the 4°C scenario.

**Sustainability-Related Sales for the Consulting Business (Forecast at Time of Analysis)**

![Graph showing sustainability-related sales for the consulting business.](image)

Note: The above was based on the Annual Securities Report at the time, therefore the values are to be used as reference values for scenario analysis only, as there have been changes to the segments and business structure.

**Expected business loss due to the economy worsening because of increased severity of natural disasters if the shift to decarbonization fails**

### Scenario Analysis for the Capital Markets & Wealth Management Solution Business (FY March 2022)

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. To define and identify scenarios, we established two scenarios: the 2°C or lower scenario and the 4°C scenario.

We investigated the impact on our services and potential changes in NRI’s external environment in response to climate-related events, and analyzed whether there were risks or opportunities. The results are shown in the following figure.

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 that market reforms, such as setting sustainability bond market classifications, sustainability ranking of companies, and increased demand to be environmentally conscious, will create opportunities for NRI’s securities solutions business 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.
At NRI, based on the results of analysis of financial impact, we recognize that initiatives aimed at reducing greenhouse gas emissions, such as the adoption of renewable energy, can mitigate risks arising from the introduction of carbon pricing (carbon tax, etc.) and the expansion of the demand for environmental considerations. In light of this recognition, we are taking steps to address these issues. Specifically, considering that a significant portion of NRI’s greenhouse gas emissions is attributed to consumption of electricity, we believe that transitioning the sourcing of electricity used in our operations to renewable energy is a crucial step toward decarbonization. With this in mind, all of NRI’s data centers have transitioned to using 100% renewable energy sources by the end of the fiscal year ended March 2023. In addition, even in our office spaces, we began transitioning some of the main office locations to renewable energy in the fiscal year ended March 2022.

NRI revised its greenhouse gas emissions reduction targets in February 2023, and has set forth the targets given later in the “Indicators and Targets” section. Further, NRI is currently considering methods for procuring long-term and stable renewable energy with an eye toward 2030 and 2050.

Risk Management
In risk management in NRI overall, including climate-related risks, the Company has appointed a director in charge of risk management and established an Integrated Risk Management Department as a centralized unit for risk management. The Integrated Risk Management Department is responsible for establishing and maintaining the framework of risk management, as well as identifying, assessing, monitoring, and managing risks in general. Integrated Risk Management Committee meetings chaired by the director in charge of risk management are held twice a year. During these meetings, participants evaluate the risk management PDCA cycle and deliberate on risk response strategies. The outcomes of these discussions are then reported to the Board of Directors.

NRI separates potential risks into 13 categories that might arise in its business execution. Specific risk items are defined for each risk category. These risk items are regularly evaluated by the responsible departments, and the risk items, their importance, and their impact are reviewed. Among the 13 risk categories, those perceived as being particularly significant each year are selected as “priority themes for risk management” during meetings of the Integrated Risk Management Committee. One of these risk categories is “strategic management risk,” which encompasses “risk related to sustainability management (including climate change response).”

Additionally, since the fiscal year ended March 2019, the Sustainability Activities Committee has been responsible for identifying, evaluating, and responding to climate-related risks and opportunities in particular. The committee considers external environmental factors, status of initiatives, and information from service-providing departments to consider and make decisions about measures for each climate-related risk, including risks related to escalating natural disasters and their impact on business continuity.

Indicators and Targets
In an aim to achieve decarbonization across the entire Group’s value chain, NRI revised its environmental targets in February 2023 in accordance with the SBT initiative’s “Corporate Net-Zero Criteria.” (The application for certification of reduction targets by the SBT initiative is currently pending.) In addition, to achieve this target, NRI joined RE100 in February 2019.

Indicators and Targets for Decarbonization

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Targets</th>
<th>FY March 2023 results</th>
<th>(Reference) FY March 2023 emissions results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction rate of greenhouse gas emissions (base year: FY 2019)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1+2: Net-zero*2</td>
<td></td>
<td>-66%</td>
<td>20,000 t-CO2*1</td>
</tr>
<tr>
<td>Scope 1+2: Net-zero*2</td>
<td></td>
<td>5%</td>
<td>10,000 t-CO2*1</td>
</tr>
<tr>
<td>Scope 1+2+3: Net-zero*2</td>
<td></td>
<td>-12%</td>
<td>211,000 t-CO2</td>
</tr>
<tr>
<td>Renewable energy utilization rate: 100%</td>
<td></td>
<td>73%*4</td>
<td>—</td>
</tr>
</tbody>
</table>

*1 NRI aims to reduce Scope 1+2 emissions by 66% and to neutralize the remaining emissions. “Neutralization” refers to emissions that cannot be reduced within NRI’s value chain by the mid-term target year, and “neutralization” involves offsetting those residual emissions using carbon removal technologies outside the value chain.
*2 The reference Scope 1+2 emissions are calculated for 2022, with residual emissions neutralized.
*3 Performance values are verified by third parties.
Greenhouse Gas Emissions Reduction Targets and Transition Plan

<table>
<thead>
<tr>
<th>Scope</th>
<th>FY2019 (Base year)</th>
<th>FY2030</th>
<th>FY2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 + 2</td>
<td>240,000 t-CO₂*</td>
<td>Net-Zero</td>
<td>Net-Zero</td>
</tr>
<tr>
<td>Scope 3</td>
<td>120,000 t-CO₂*</td>
<td>Reduce by 30%</td>
<td>Neutralize</td>
</tr>
</tbody>
</table>

Key measures until 2030
- Collaboration and support for reducing business partners’ emissions
- Switch to renewable energy contracts for power used in offices
- Neutralize through CO2-removal technologies and forest absorption measures

Key measures until 2050
- Consider internal carbon pricing (ICP)
- Promote green procurement of equipment used by NRI
- Promote green procurement of network equipment and other devices used by clients

Efforts Toward Achieving Net-Zero by FY2050

Implementation of Environmental Management System (EMS)
NRI has acquired ISO14001 certification, an international standard on environmental management systems, for its data centers, which are the main source of CO₂ emissions. Furthermore, NRI-EMS, an environmental management system unique to NRI, has been introduced at key NRI offices.

EMS Implementation Status
- Domestic offices (not yet implementing NRI-EMS): 12.4%
- Overseas offices (not yet implementing NRI-EMS): 9.7%
- Domestic offices (with NRI-EMS): 20.4%
- Overseas offices (with NRI-EMS): 9.3%
- Data centers (with ISO14001): 51.3%

Progress in Renewable Energy Procurement
In light of the results of the aforementioned TCFD scenario analysis, NRI joined the RE100 initiative in February 2019. By the fiscal year ended March 2022, the Company switched to using renewable energy for the power consumption of three main data centers with high electricity usage. In the same year, NRI also introduced renewable energy sources in key offices such as the Tokyo Headquarters and the Yokohama Center. Originally, the goal was to cover all electricity needs with renewable energy by the fiscal year ended March 2031. However, considering the potential for future tightening of regulations, the target year was advanced to the fiscal year ending March 2031. As of the end of the fiscal year ended March 2023, all electricity used by NRI’s data centers is derived from renewable sources.

Concept of NRI Net-Zero Journey
We believe that collaboration with various stakeholders is crucial not only for the Company but also for achieving “2050 Net-Zero” across the entire value chain. We are actively advancing the initiative called “NRI Net-Zero Journey,” which involves collaborating with our business partners to jointly navigate the path toward achieving net zero. As shown in the figure below, NRI believes that fostering partnerships with business partners is essential for achieving the goal of contributing to the creation of a sustainable future society. We are committed to growing together while placing great importance on these partnerships.

Efforts to Reduce Scope 3
(1) Visualization
Scope 3 emissions are currently calculated by multiplying activity amount by emissions intensity. With this method, emissions also increase proportionally if activities increase, regardless of reduction efforts. We believe that building sustainable futures is inseparable from the growth of NRI, and consider it important that we revise the calculation method so that reduction efforts are appropriately affected and thereby continue to grow. That is why we have been participating in the CDP supply chain program since FY March 2022 and are gathering primary data from our business partners.

We believe that encouraging business partners to disclose climate-related information via the CDP supply chain program is a meaningful action for achieving net zero throughout our entire value chain and society at large. We are considering changes to the method for calculating Category 1 of Scope 3 emissions in FY March 2023, based on data gathered via the CDP supply chain program. This involves making estimates with various calculation options, based on the opinions of CDP experts. By switching from the base units given by the Ministry of the Environment to unique base units for each business partner, we can appropriately reflect the efforts in the figures even when activities increase.

(2) Engagement
Starting in FY March 2023, we enhanced engagement with each of our business partners based on the NRI Net-Zero Journey concept in order to reduce emissions from Category 2 software development partners, which account for most of our Scope 3 emissions. As part of this effort, we held a workshop on corporate trends, methods for calculating greenhouse gas emissions, and how to set SBT targets. NRI specialists from our consulting business division joined the workshops as speakers, and we established a contact desk to enable our partners to ask questions at any time about calculating emissions and setting targets.
Engagement with our business partners

<table>
<thead>
<tr>
<th>A. Briefings</th>
<th>Top 80% of suppliers by procurement amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Oct. 2022)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Briefings for key suppliers</th>
<th>Key suppliers in Japan and overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Nov. 2022)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Workshops</th>
<th>For high-ranked companies by procurement amount without environmental targets</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>D. Dialogues with partners</th>
<th>Management of suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Jan. 2023)</td>
<td></td>
</tr>
</tbody>
</table>

Overview of workshops held 4 times overall, 30 participant companies

| 1st (12/2) | Emissions calculation (1) |
| 2nd (12/15) | Emissions calculation (2)  |
| 3rd (1/15) | Consider targets to formulate targets |
| 4th (1/20) | Internal talks to formulate targets |

Sustainable Procurement

In FY March 2022, we formulated the NRI Group Business Partner Code of Conduct that defines rules on legal compliance, the environment, and human rights. This code of conduct was created according to our concept of achieving sustainability management and the RBA Code of Conduct 6.0 formulated and published by the RBA (Responsible Business Alliance), and details efforts that we would like our business partners to make together with NRI. NRI has been promoting the acquisition of written agreements to this Code of Conduct from business partners, and the rate of acquisition has been increasing year by year. In addition, some business partners are asked to conduct self-assessments* to confirm their compliance with the Code of Conduct, and individual discussions are held based on the results of these assessments.

* We use the CSR Procurement Self-Assessment Tool of Global Compact Network Japan (GCNJ).

These efforts for encouraging our business partners in order to reduce Scope 3 emissions were recognized as we were selected for the top “Leader Board” in the CDP supply chain engagement evaluation. (We have been selected since 2020).

Initiatives for Conservating / Restorating of Natural Capital (TNFD)

Current Initiatives

In 2012, NRI established the Biodiversity Action Guidelines (now the NRI Group’s Biodiversity Policy) and has been actively promoting initiatives for biodiversity conservation and the sustainable use of biological resources. As part of the NRI Green Style activities, the Company contributes to reducing environmental impact through its own efforts as well as through the services and policy recommendations it provides to society. In 2021, NRI formulated the NRI Group Business Partner Code of Conduct, aiming to minimize harmful events related to the local environment, natural resources, and to ensure a safe environment among its business partners, thus contributing to reducing environmental impact throughout its value chain.

In this context, NRI joined the TNFD Forum in July 2022 to further enhance its commitment to natural capital. To identify nature-related risks and opportunities, NRI is considering the Locate, Evaluate, Assess, Prepare (LEAP) approach outlined in the TNFD disclosure framework.

During implementation of LEAP analysis, NRI first gained an understanding of the broad points of interaction between its business and nature. Specifically, NRI organized its value chain and referred to tools like ENCORE to comprehend the dependencies and impact relationships between each element and nature in various sectors. As a result, NRI identified three main types of interaction: (i) with data centers and office usage (including upstream value chain activities such as energy and equipment procurement), (ii) with recipients of IT solutions services and consulting (downstream activities in the value chain), and (iii) indirect interactions through societal recommendations and consulting services contributing to social transformation.

Points of Contact between NRI’s Business and Nature

<table>
<thead>
<tr>
<th>NRI’s business activities</th>
<th>Points of contact between implemented economic activities and nature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>Provide services to government agencies and other social entities through policy recommendations</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>Provide services to a broader range of companies in sectors like finance and distribution</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>Provide services for a broader range of companies in sectors like finance and distribution</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>Provide various business activities using data centers, offices, etc.</td>
</tr>
<tr>
<td></td>
<td>Emissions of greenhouse gases, water, and other waste</td>
</tr>
</tbody>
</table>

Future policy

1. Address and Prepare phases of the LEAP approach, risks and opportunities, as well as the response, are considered.

Analysis based on LEAP framework, carried out at main locations, etc.

Building on the results of these analyses, NRI aims to gain a more detailed understanding of its interactions with nature and proceed with scenario analysis for risk and opportunity assessment. For (i), the most direct interactions with nature, attention is directed toward main locations such as data centers and Company offices, as well as procurement categories used there. Analysis rooted in LEAP is under consideration in addition for (ii) interactions with nature through clients, which span various sectors and regions, deeper investigation is being considered for elements judged to be significant across multiple sectors, such as water resources. For (iii), scenario analysis in the Assess phase of LEAP is being considered, and in the Prepare phase, measures that NRI should undertake will be examined.

Looking ahead, NRI plans to align its efforts with the final version of the TNFD framework scheduled for release in September 2023. NRI will also consider various developments related to natural capital, data availability, and other factors to progress toward conducting the aforementioned examinations and disclosure of their results. Further, considering the close relationship between climate change and natural capital, NRI envisions integration of its efforts with the TCFD initiative that it has been implementing since the fiscal year ended March 2019, for comprehensive analysis and disclosure in the future.

Consideration of Each Phase in LEAP

In the Locate phase, NRI organizes geographical information about its value chain, including business locations (data centers and offices). In addition, various tools are used to compile information about the natural conditions in different regions, aiding in the identification of priority sites for focused action.

In the Evaluate phase, based on the results from the Locate phase and the nature of business processes and activities at each site, NRI identifies more specific dependencies and impact relationships with the environment. Further, concerning downstream aspects, NRI will attempt to conduct in-depth analysis, particularly focusing on items believed to have significant impact. Currently, the plan is to focus on dependencies and impact relationships related to water resources.

Moving to the Assess phase, NRI considers not only the dependencies and impact relationships identified in the Evaluate phase but also the points of interaction with nature that contribute to societal transformation through policy recommendations and consulting services. This phase assesses potential risks and opportunities for NRI through scenario analysis, etc.

In the Prepare phase, taking the above outcomes into account, NRI examines the actions it should undertake and the specific methods of disclosure.
Fulfill Our Social Responsibilities
Through Strengthening of Relationships with Stakeholders

Recognizing the importance of collaboration with various stakeholders beyond its own operations, NRI forms positive relationships with stakeholders (society, clients, employees, business partners, shareholders, and investors). These relationships are essential to fulfilling social responsibilities throughout the supply chain, including sound labor-management relations, consideration for human rights, and creating a sustainable future society.

Building Positive Relationships with Employees - Promoting Diverse Work Styles and Health and Productivity Management -

By enacting work-style reform, NRI aims 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.

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 unhindered by location. Currently, we are engaged in enhancing productivity through a new work style that combines telecommuting with in-office work.

At NRI, the CEO also serves as the chief health officer (CHO) in charge of Health Management* and is promoting various institutional arrangements and initiatives based on the four activity goals set forth in the NRI Health Declaration.

NRI Health Declaration
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. Reduce lifestyle-related diseases
   - Manage employees’ reservations and receipts for medical check-ups and health examinations, and encourage them to take these examinations
   - Put in place health management rooms at our principal offices and build a framework for industrial doctors to handle cases

2. Lower stress
   - Stress prevention for individual employees and teams
   - Develop a system to enable employees to return to work earlier

3. Lower smoking rates
   - Introduce support to help stop smoking
   - Remove smoking spaces inside offices

4. Promote work-life balance
   - Reduce overtime and holiday work hours
   - Encourage employees to take paid leave
   - Implement frontline-driven initiatives including streamlining operations and meetings, as well as promoting early morning work

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.

In the fiscal year ended March 2023, NRI continued to conduct regular human rights due diligence for both NRI and its Group companies, in accordance with the "UN Guiding Principles on Business and Human Rights." In addition to continuing ESG training that includes human rights (e-learning), starting in 2023, human rights-related training including “Unconscious Bias Basics” and the “Harassment Prevention Course” (e-learning) has been made mandatory for all staff members, in an aim to promote human rights awareness at NRI. Moreover, NRI engaged in dialogue on human rights with WBCSD*, understanding the necessity for stronger commitment to human rights and acknowledging international trends, which hold expectations for companies.

Furthermore, as a company involved in the development and utilization of AI, NRI 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. Further, efforts have been made to promote AI ethics within practical operations, such as developing checklists for reference during AI development and utilization.

To further promote sustainable procurement, we established the NRI Group Business Partners’ Code of Conduct in April 2021 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, NRI is disseminating this information to external contractors, vendors, and others, obtaining consent to its code of conduct. NRI has also requested self-assessments and conducted interviews with business partners, enhancing their interest in sustainability and working together for improvement.

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

* World Business Council for Sustainable Development: A coalition of CEOs of approximately 200 companies committed to sustainable development.

Materiality

| NRI Group Policy on Human Rights |
| https://www.nri.com/en/sustainability/social/policies#jinken |
| NRI Group AI Ethics Guidelines |
| Human Rights Report |
| NRI Group Business Partner Code of Conduct |
| https://www.nri.com/en/company/partner_code |

ESG Training for Employees

In order to promote understanding of our sustainability philosophy and initiatives, and to enhance the acquisition and awareness of ESG fundamentals, NRI conducts annual e-learning programs for all employees in the domestic Group. In the fiscal year ended March 2023, 98.0% of officers and employees participated in the program.

In addition, we collaborated with simpleshow Japan to create educational videos on ESG basics, their significance, the global state of ESG investments, environmental issues, and human rights concerns. The information is always available on the Company’s intranet site.

ESG educational video produced jointly with simpleshow Japan

Cooperation with Stakeholders

NRI understands the expectations of its various stakeholders, namely, society (including the global environment), clients, employees, business partners, shareholders, and investors. Through initiatives that leverage NRI’s strengths, we collaborate with stakeholders to co-create a sustainable future society.

Dialogue with Experts

Each year since the fiscal year ended 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. In dialogue during the fiscal year ended March 2023, we exchanged opinions with experts in the fields of human capital and the environment.

Environment: Effort for Climate Change Mitigation – Top Management Dialogue with CDP (November 2022)

NRI has set forth “Contribution to the Global Environment through Collaboration with Business Partners” in its materiality announced in April 2023, and contributes to natural capital and a sustainable future society. This article describes the dialogue held on November 2022 with Paul Dickinson, founder of CDP. In this dialogue, opinions were exchanged between Paul Dickinson, Shingo Konomoto (Chairman, President & CEO, Representative Director, Member of the Board at Nomura Research Institute), and Takeshi Hihara (Senior Managing Director).

About CDP

CDP is a global non-profit that runs the world’s environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 740 financial institutions with over $130 trillion in assets, CDP pioneers using capital markets and corporate procurement to motivate companies to disclose their environmental impact, and to reduce greenhouse gas emissions, safeguard water resources and protect forests.

Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth half of global market capitalization, and over 1,100 cities, states and regions. Fully aligned with the TCFD, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy.

CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, the Investor Agenda and the Net Zero Asset Managers initiative.

Regarding the Importance of Information Disclosure in the Global Fight Against Climate Change, and the Role of Decarbonization in Japan

NRI Konomoto: How does decarbonization in Japan fit into the global fight against climate change?

Mr. Dickinson: Considering that carbon tax system will be installed, I believe Japanese corporations and industries will have an enormous opportunity to sell decarbonization technologies overseas in the future.

In the 19 years that I have been interacting with Japan, it has seemed to me that despite the technical and strategic preparations of both government and industry, they lack the confidence to contribute to decarbonization and need to realize that they have the capability to do so.

On a global level, various stakeholders are faced with extreme climate change and abnormal weather, and are urging national governments to do something. Looking ahead, I believe that the question of what government policies can be implemented toward decarbonization will mean everything.

Role and Expectations for the IT Industry Toward a Sustainable Future

NRI Konomoto: Now we would like to take a look at the relationship between IT and sustainability. NRI holds the NRI Dream Up the Future Forum every year. One of the important themes is how IT can achieve sustainability, or a sustainable society.

IT functions as a think tank. This involves, for example, estimating how much IT can contribute to society via digitalization, and communicating that information to society. At the same time, I hope we can utilize our IT service business to implement sustainability measures in society. With DX3.0, we aim to create hypotheses for using IT services to increase the sustainability of society at large, and test those hypotheses via social implementation.

Mr. Dickinson: In order to limit the overall CO2 emissions of society as much as possible in the future, we believe that it is necessary to radically redesign and rebuild the foundations of global industry. Digitization will play an extremely important role in achieving such revolutionary changes. I believe that the two biggest trends in the world will be decarbonization and digitalization.

I hope that the IT industry will establish and promote much more ambitious targets toward a fundamental restructuring of industry to achieve decarbonization. I think that people around the world are looking forward to having the NRI Group confront the challenges of society, in particular by leading industry in Japan via DX3.0 efforts.

Growth Story of the NRI Group and DX3.0

Mr. Dickinson: Climate change problems are intensifying and we need to enhance global action. It is truly wonderful that the NRI Group has cutting-edge strategies and technologies such as DX3.0 for achieving social transformation.

Our future response to climate change will surely require effective government policies that involve industry as well as finance. The point of DX3.0 as advocated by NRI, is to create a market for decarbonization via, for example, government policy recommendations for decarbonization, and to further expand that market.

I expect that the NRI Group will be able to make a pioneering contribution to society at large by providing suggestions on government policies and regulations for decarbonization, creating markets to realize those policies and regulations, and continuing to provide clients with assistance.

NRI Konomoto: In regard to government policy formation for decarbonization, the GX League will identify the diverse needs that Japanese corporations have toward green transformation, and reflect those needs in government policy. NRI acts as secretariat of GX League administration and is in charge of overall coordination. This means that we are deeply involved in promoting policy debate on GX for the whole of society.

NRI works in the consulting business, functions as a think tank that provides policy suggestions, and also provides IT services. Therefore, we can contribute to government policy formation via our think tank and consulting functions, and in the field of IT services, we are promoting actual efforts to contribute to GX execution, such as providing services like NRI-CTS.

Regarding the Importance of Information Disclosure in the Global Fight Against Climate Change, and the Role of Decarbonization in Japan

NRI Konomoto: How does decarbonization in Japan fit into the global fight against climate change?

Mr. Dickinson: Considering that carbon tax system will be installed, I believe Japanese corporations and industries will have an enormous opportunity to sell decarbonization technologies overseas in the future.

In the 19 years that I have been interacting with Japan, it has seemed to me that despite the technical and strategic preparations of both government and industry, they lack the confidence to contribute to decarbonization and need to realize that they have the capability to do so.

On a global level, various stakeholders are faced with extreme climate change and abnormal weather, and are urging national governments to do something. Looking ahead, I believe that the question of what government policies can be implemented toward decarbonization will mean everything.

Role and Expectations for the IT Industry Toward a Sustainable Future

NRI Konomoto: Now we would like to take a look at the relationship between IT and sustainability. NRI holds the NRI Dream Up the Future Forum every year. One of the important themes is how IT can achieve sustainability, or a sustainable society.

IT functions as a think tank. This involves, for example, estimating how much IT can contribute to society via digitalization, and communicating that information to society. At the same time, I hope we can utilize our IT service business to implement sustainability measures in society. With DX3.0, we aim to create hypotheses for using IT services to increase the sustainability of society at large, and test those hypotheses via social implementation.

Mr. Dickinson: In order to limit the overall CO2 emissions of society as much as possible in the future, we believe that it is necessary to radically redesign and rebuild the foundations of global industry. Digitization will play an extremely important role in achieving such revolutionary changes. I believe that the two biggest trends in the world will be decarbonization and digitalization.

I hope that the IT industry will establish and promote much more ambitious targets toward a fundamental restructuring of industry to achieve decarbonization. I think that people around the world are looking forward to having the NRI Group confront the challenges of society, in particular by leading industry in Japan via DX3.0 efforts.

Growth Story of the NRI Group and DX3.0

Mr. Dickinson: Climate change problems are intensifying and we need to enhance global action. It is truly wonderful that the NRI Group has cutting-edge strategies and technologies such as DX3.0 for achieving social transformation.

Our future response to climate change will surely require effective government policies that involve industry as well as finance. The point of DX3.0 as advocated by NRI, is to create a market for decarbonization via, for example, government policy recommendations for decarbonization, and to further expand that market.

I expect that the NRI Group will be able to make a pioneering contribution to society at large by providing suggestions on government policies and regulations for decarbonization, creating markets to realize those policies and regulations, and continuing to provide clients with assistance.

NRI Konomoto: In regard to government policy formation for decarbonization, the GX League will identify the diverse needs that Japanese corporations have toward green transformation, and reflect those needs in government policy. NRI acts as secretariat of GX League administration and is in charge of overall coordination. This means that we are deeply involved in promoting policy debate on GX for the whole of society.

NRI works in the consulting business, functions as a think tank that provides policy suggestions, and also provides IT services. Therefore, we can contribute to government policy formation via our think tank and consulting functions, and in the field of IT services, we are promoting actual efforts to contribute to GX execution, such as providing services like NRI-CTS.

Regarding the Importance of Information Disclosure in the Global Fight Against Climate Change, and the Role of Decarbonization in Japan

NRI Konomoto: How does decarbonization in Japan fit into the global fight against climate change?

Mr. Dickinson: Considering that carbon tax system will be installed, I believe Japanese corporations and industries will have an enormous opportunity to sell decarbonization technologies overseas in the future.

In the 19 years that I have been interacting with Japan, it has seemed to me that despite the technical and strategic preparations of both government and industry, they lack the confidence to contribute to decarbonization and need to realize that they have the capability to do so.

On a global level, various stakeholders are faced with extreme climate change and abnormal weather, and are urging national governments to do something. Looking ahead, I believe that the question of what government policies can be implemented toward decarbonization will mean everything.

Role and Expectations for the IT Industry Toward a Sustainable Future

NRI Konomoto: Now we would like to take a look at the relationship between IT and sustainability. NRI holds the NRI Dream Up the Future Forum every year. One of the important themes is how IT can achieve sustainability, or a sustainable society.

IT functions as a think tank. This involves, for example, estimating how much IT can contribute to society via digitalization, and communicating that information to society. At the same time, I hope we can utilize our IT service business to implement sustainability measures in society. With DX3.0, we aim to create hypotheses for using IT services to increase the sustainability of society at large, and test those hypotheses via social implementation.

Mr. Dickinson: In order to limit the overall CO2 emissions of society as much as possible in the future, we believe that it is necessary to radically redesign and rebuild the foundations of global industry. Digitization will play an extremely important role in achieving such revolutionary changes. I believe that the two biggest trends in the world will be decarbonization and digitalization.

I hope that the IT industry will establish and promote much more ambitious targets toward a fundamental restructuring of industry to achieve decarbonization. I think that people around the world are looking forward to having the NRI Group confront the challenges of society, in particular by leading industry in Japan via DX3.0 efforts.
Management Basis (ESG)

NRI regards human capital as the “driving force for value creation and growth” and positions it as the most crucial element in the materiality disclosed in April 2023. In December 2022, we conducted an expert dialogue focused on human capital. For this dialogue, we invited Ms. Chiharu Takakura, director and CHRO of Rohto Pharmaceutical Co., Ltd., who has had an extensive career in the human resources and human capital fields both domestically and internationally, and serves on various committees, including with the Ministry of Economy, Trade and Industry. In this dialogue, Ms. Takakura had a discussion and exchanged opinions with Takeshi Hihara and Kaga Yanagisawa, senior managing directors of NRI, regarding the themes, “Positioning of the Growth Story of NRI and Human Capital,” “Relationship between the Growth Story of NRI and Human Resource Development,” and “Communicating Human Capital Management to Investors.”

Embracing the role of NRI as a consumer in daily life while approaching business is likely to showcase NRI’s human capital management to society. This approach can lead to the creation of value for society and provide ideas.

Ways to Communicate Human Capital Management to Investors
Takakura: Investors are requesting, first and foremost, comparable indicators to be presented. In the case of NRI, it would be beneficial to showcase the state in which a diverse range of talent, including women and mid-career hires, come together with various expertise to form teams through innovative collaboration. In addition, it’s important to demonstrate the cycle of learning (input) and experience in the development of human resources.

Further, having the CHRO play a significant role in management and sharing a story that outlines NRI’s direction, including its rationale and its link to sustainability, are also crucial.

Hihara / Yanagisawa (NRI): Thank you very much for your valuable input. Essentially, diverse perspectives and imagination are crucial, and creating an environment where human resources in the Company can freely express these aspects is of significant importance. The growth story of human capital is reflected in the Company’s vision and Medium-Term Management Plan, but I believe that it is equally important to convey this story effectively to external stakeholders as well.

Delivering Value to 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 from the results of 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.

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.

Hosting Business Partner Sustainability Dialogues
NRI holds annual sustainability workshops with its business partners to share information and exchange opinions about sustainability activities. In the January 2023 dialogue, the purpose was to share NRI’s thinking regarding sustainability and to facilitate mutual learning. Business partners were invited to present their initiatives related to climate change. A record number of 89 business partners participated in the dialogue.

Sustainability Dialogue with Business Partners (In Japanese)
dialogue_2

Results of the Client Satisfaction Survey (Non-Consolidated)

| Percentage That Responded “Satisfied” or “Moderately Satisfied” (%) |
|------------------------|-------------------|----------------|-------------------|
| 15.0 | 20.3 | 21.5 | 22.0 | 19.3 |
| 95.9 | 85.9 | 86.4 | 87.2 | 86.9 |

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 past clients.

NRI’s Value Co-Creation
NRI promotes efforts to create a sustainable society through collaboration with external contractors and suppliers. 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 15,000, about half of whom are permanently stationed in NRI offices or currently working from home.

NRI promotes efforts to create a sustainable society through collaboration with its business partners. When signing contracts with each company, we require them to submit a written agreement to the NRI Group Business Partner Code of Conduct, and as of June 2023 we had received written agreements from 501 business partners.

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.
Management Basis (ESG)

Information Disclosure and Communication

NRI is committed to gaining the trust of shareholders and investors through constructive dialogue, and to receiving 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 that 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 58th Ordinary General Meeting of Shareholders: Notice released on May 27, Meeting held on June 23 (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

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 financial 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

Active Dialogues with Shareholders and Investors

With the aim of expanding our shareholder and investor base, we are promoting a better understanding of our business activities and strategies for growth through direct and indirect communication.

Dialogue with Shareholders and Investors

NRI’s representative directors (president, senior executives), CFO, executives in charge of IR, IR Department, executive in charge of sustainability, and Sustainability Promotion Department engage in dialogue with shareholders, investment analysts, fund managers, and individuals in charge of ESG, etc.

Through approximately 700 dialogues annually, NRI responds to investor inquiries and actively initiates conversations to create dialogue opportunities.

The opinions gathered from these conversations are incorporated into meetings of the Senior Management Committee and the Board of Directors and applied to management. For instance, when formulating the V2030 strategy, feedback received from these dialogues was considered in the decision-making process.

Main Activities in the Fiscal Year Ended March 2023

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Institutional investors and analysts</th>
<th>Individual investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of respondents: 5,814 shareholders out of 23,391 sent (collection rate: 24.9%)</td>
<td>Number of investors met: 1,056 persons</td>
<td>Individual investor information meetings: two were held (online); Total number of participants: 2,824</td>
</tr>
<tr>
<td>Domestic: In addition to results briefing sessions for each quarter and individual interviews, the Company held small meetings, business information sessions, and sustainability briefings, etc., with executives. Participated in conferences held in Japan.</td>
<td>Overseas: In addition to holding face-to-face and online overseas roadshows, the Company participated in conferences held overseas.</td>
<td></td>
</tr>
</tbody>
</table>

External Evaluation of NRI

2022 Award for Excellence in Corporate Disclosure
- IT Service / Software Industries
- Disclosure to Individual Investors
(The Securities Analysts Association of Japan)

Sustainability Briefing

To enhance understanding of NRI’s sustainability management efforts among investors, the media, and business partners, we have been holding annual sustainability briefings since the fiscal year ended March 2018.

Starting from the fiscal year ended March 2023, we have changed the name of the event from “ESG Briefing” to “Sustainability Briefing” to share NRI’s initiatives on a broader range of topics.

In the February 2023 briefing, institutional investors, as well as ESG ratings agencies / experts, media representatives, and others, were among the 95 participants.

Sustainability Briefing
Stakeholder Map

Based on the NRI Group’s Code of Business Principles, we strengthen our relationships with diverse stakeholders in Japan and overseas by sincerely listening to their opinions, while governing our own actions and striving to cooperate with everyone to build sustainable futures. This stakeholder map indicates how we shall meet everyone’s expectations via our relationships with various stakeholders and the actions of the NRI Group.

### Expectations of Stakeholders

<table>
<thead>
<tr>
<th>Major Stakeholders</th>
<th>Society (Including the Global Environment)</th>
<th>Clients</th>
<th>Employees</th>
<th>Business Partners</th>
<th>Shareholders / Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Provision of valuable services and solutions</td>
<td>• Building relationships where we grow together and respect each other via business</td>
<td>• Provision of stable employment and fair treatment</td>
<td>• Building mutual understanding and relationships of trust</td>
<td>• Improved corporate value</td>
</tr>
<tr>
<td></td>
<td>• Cutting-edge proposals that exceed expectations</td>
<td>• Business model transformation</td>
<td>• Job satisfaction</td>
<td>• Honest treatment from an equal position</td>
<td>• Substantial disclosure of information</td>
</tr>
<tr>
<td></td>
<td>• Provision of appropriate quality and services</td>
<td>• Business process transformation</td>
<td>• Creation of environment where employees can take on challenges</td>
<td>• Non-arbitrary appointment</td>
<td>• Enhancement of sustainability management</td>
</tr>
<tr>
<td></td>
<td>• Co-creation of a thriving future society / ideal society / safe and secure society</td>
<td>• Promotion of shared online services via business platforms</td>
<td>• Creation of comfortable workplace environment</td>
<td>• Sustainability actions</td>
<td>• Engagement with investors via IR activities, etc.</td>
</tr>
<tr>
<td></td>
<td>• Reducing risks and creating opportunities regarding climate change</td>
<td>• IT infrastructure transformation</td>
<td>• Cultivation of good human relations</td>
<td>• - Transactions according to the law and social norms, collaboration on the environment and society (including human rights), etc.</td>
<td>• Disclosure of information (financial / non-financial)</td>
</tr>
<tr>
<td></td>
<td>• Conserving and recovering natural capital</td>
<td>• Stable service operation</td>
<td>• Respect for human rights and compliance with labor laws</td>
<td>• - Partnerships regarding procurement</td>
<td>• Responding to requests from external assessment agencies</td>
</tr>
</tbody>
</table>

### Relationships with Stakeholders

<table>
<thead>
<tr>
<th>Example Initiatives of NRI Group</th>
<th>FY March 2023 Results</th>
<th>FY March 2023 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRI’s Value Co-Creation</td>
<td>Overall investment and spending on measures for net zero in the year 2050</td>
<td>Revenues related to safety and security to enable a more resilient society: ¥165.8 billion</td>
</tr>
<tr>
<td></td>
<td>FY March 2023 Results</td>
<td>FY March 2023 Results</td>
</tr>
<tr>
<td></td>
<td>Revenues of business platforms that help to achieve an optimal society: ¥128.5 billion</td>
<td>Degree of empathy with value co-creation (domestic Group): 64%</td>
</tr>
<tr>
<td></td>
<td>Revenues related to safety and security to enable a more resilient society: ¥165.8 billion</td>
<td>Employee engagement score (NRI Payroll): 71</td>
</tr>
<tr>
<td></td>
<td>FY March 2023 Results</td>
<td>Female opportunity rating: 14.0%</td>
</tr>
<tr>
<td></td>
<td>Revenues of business platforms that help to achieve an optimal society: ¥128.5 billion</td>
<td>Amount of investment in creating and accumulating intellectual capital: ¥153.2 billion</td>
</tr>
</tbody>
</table>

### Relationship with Materiality

- **FY March 2023 Results**
  - Degree of empathy with value co-creation (domestic Group): 64%
  - Employee engagement score (NRI Payroll): 71
  - Female opportunity rating: 14.0%
  - Amount of investment in creating and accumulating intellectual capital: ¥153.2 billion

*1 PACT (Partnership for Carbon Transparency) is a project for visualizing CO₂ emissions.
*2 CS&A (Challenge & Act) is a system for goal management and guidance assistance at NRI.
*3 partners are partner companies with a particularly high level of expertise and information technology capability, and partners are other outstanding partner companies essential for our solution business.
*4 Net-Zero Journey is an initiative for reducing Scope 3 emissions and achieving economic growth and a sustainable future together with our business partners, as we head toward net zero in the year 2050.
Evolve Governance
Through Realization of Strategic Risk Control

Talking about Governance
Formulating V2030 through Discussions Involving Outside Directors

Atmosphere and State of Operations in the Board of Directors

Fukami: For our discussion today, I would like to focus primarily on the NRI Group Vision 2030 (V2030) and our Medium-Term Management Plan 2023-2025 (Medium-Term Plan 2025), which were announced in April 2023. Our Board of Directors was heavily involved in the considerations for both V2030 and Medium-Term Plan 2025.

Ohashi: Aside from discussions in the Board of Directors, I still remember how we went through repeated considerations for V2030, such as setting up more forums for independent outside officers and the executive side to exchange views. The outline of V2030 was announced in April 2022 one year before the official announcement, but before the announcement of the outline, we engaged in more in-depth discussions about our environment analysis and the key issues. After the announcement of the V2030 outline, we had open, candid discussions about Medium-Term Plan 2025 which had been scrutinized and formulated by the executive side.

It is ideal that both the Board of Directors and the executive side discuss the growth strategies of Medium-Term Plan 2025 in greater depth. In my opinion, open-minded discussions such as those are one defining trait of NRI.

Fukami: Having the appropriate information provided from the executive side is key to devising deeper involvement by the Board of Directors. I pay particular attention to the president’s report at the beginning of Board of Directors meetings*1 and the advance explanations by the Board’s administrative office*2.

Ohashi: Aside from discussions in the Board of Directors meetings, I still remember how we went through repeated considerations for V2030, such as setting up more forums for independent outside officers and the executive side to exchange views. The outline of V2030 was announced in April 2022 one year before the official announcement, but before the announcement of the outline, we engaged in more in-depth discussions about our environment analysis and the key issues. After the announcement of the V2030 outline, we had open, candid discussions about Medium-Term Plan 2025 which had been scrutinized and formulated by the executive side.

It is ideal that both the Board of Directors and the executive side discuss the growth strategies of Medium-Term Plan 2025 in greater depth. In my opinion, open-minded discussions such as those are one defining trait of NRI.

Fukami: Having the appropriate information provided from the executive side is key to devising deeper involvement by the Board of Directors. I pay particular attention to the president’s report at the beginning of Board of Directors meetings*1 and the advance explanations by the Board’s administrative office*2.

1) The president’s report at the beginning of Board of Directors meetings is when the president explains issues recognized by the executive side and matters of recent particular concern.

2) Advance explanations by the Board’s administrative office are when officers in charge of the Board of Directors administrative office condense the overview of matters and key discussion points into single-page explanations to fill information gaps between the executive side and the Board of Directors.

Ohashi: Information provided from the executive side is key to having meaningful discussions within the time limits of Board of Directors meetings. As you mentioned, the president’s report at the beginning of Board of Directors meetings and the advance explanations from the Board’s administrative office are extremely helpful. For major issues such as global strategy, for example, the president’s report at the beginning of Board of Directors meetings is meaningful because it helps us to understand information that is the background behind major issues being discussed. The preparation work for advance explanations by the administrative office encompasses everything up to producing materials that are easy to understand. This must be quite painstaking, but it is also very helpful to us.

Fukami: Do you have any issues with how the Board of Directors operates, or is there anything you would like to see improved?

Ohashi: We had candid discussions for V2030 and Medium-Term Plan 2025, but for individual matters being deliberated, it felt like there was no leeway to add any to-the-point questions or discussions. This is likely a product of all the meticulous preparations by the proposer of the matter for deliberation and the Board of Directors administrative office, but there might be cases among these matters that should be considered in greater depth.

Fukami: Standards for bringing up matters for deliberation in the Board of Directors are specified in the approval rules in order to narrow the focus to the more important matters. Taking time constraints into consideration, we would need to narrow down the number of matters brought up in the Board of Directors in order to take discussions into greater depth.

Ohashi: Rather than having outside directors verify matters that the executive side is well aware of and has thoroughly considered, it might make better use of the Board...
Fukami: The knowledge of our outside directors serves as input for matters considered by the executive side. Particularly for issues that the executive side should be made aware of, pointing things out that they do not notice can improve both the quality and efficiency of their considerations. The standards for narrowing down matters to bring up to the Board might not be purely financial.

Ohashi: For the Board of Directors, I think it is important to engage in discussions and exchange views from a broader perspective, not only for the function of supervising the executive side, but also for medium- to long-term growth. It would be a good idea to seek even more improvement by engineering ways to live up discussions and bring out more diverse perspectives and opinions. We have been made sufficiently aware that the executive side is engaging in close considerations, so the Board could operate in a more meaningful way by discussing the policy and direction of the Company for agenda items with out-operate in a more meaningful way by discussing the policy.

Ohashi: We are emphasizing initiatives that bring about deeper mutual understanding in our global business efforts such as assigning human resources from Japan to overseas subsidiaries. One such experience was when business at an overseas subsidiary was not proceeding according to our scenario. We sent over a team of expert problem-solvers from Japan who not only resolved the issue, but also built deeper trust with the overseas subsidiary. We were able to strengthen our bonds with that subsidiary by getting them to believe in this headquarters function and these people. From the standpoint of governance toward overseas subsidiaries, it is also insufficient to only send members of the Board over from Japan. Direct practical experience overseas is essential as a process to develop human resources who can be responsible for overseas business in its entirety.

Fukami: I understand your point that exchanging human resources between Japan and other countries and clarifying career paths are key points that drive sustained growth when doing business internationally through acquisitions of technologies and markets.

Ohashi: It is important to have everyone aligned in the same direction by including overseas employees in the sharing of values and setting clear priorities on the path toward successfully achieving Medium-Term Plan 2025. If we can do that, we will likely be stronger as an organization and gain far greater capabilities to do business.

Strengths of NRI

Fukami: In addition to increasing our capabilities, I think we will need to further hone our strengths to successfully achieve Medium-Term Plan 2025. What do you see as NRI’s strengths from your standpoint as an outside director?

Ohashi: NRI has grown continuously, and I think the strength supporting that is Con-Solution. Having a high added-value consulting function gives us an advantage over system integrators with weak consulting functions. NRI’s strengths is in sorting out the issues through discussion with clients, being able to make proposals that leverage insight into the future, and turning those proposals into reality with high-level systems architecture capabilities. In other words, Con-Solution.

For sustainability-related topics in particular, I admire how NRI is going beyond the desires of individual companies for greenhouse gas reductions or items of that nature, and is working toward topics that help to increase the productivity of society as a whole. I also believe that NRI can continuously create new value and make proposals that accelerate solutions for social issues.

Fukami: In recent years, we have been working on creating digital social capital that contributes to solutions for social issues. Under the theme of helping to preserve the global environment, we are developing a carbon tracing system (NRI-GTS) that tracks emissions of greenhouse gases.

Ohashi: Validity of data and traceability of supply chains are important for carbon footprints (total greenhouse gas emissions from production to disposal). Eliminating the risk of tampering with greenhouse gas emissions data is also crucial. NRI is able to track greenhouse gas emissions data in transactions between various companies, and using the latest technologies such as blockchain—these are all topics that are tough for companies to handle on their own. We should be able to combine consulting with IT solutions and get various industry players involved while harnessing our strengths in projects to build platforms that benefit society.

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

Ohashi: I hope that NRI will continue to drive digital transformation (DX) in Japan. To do that, it will be important to hone our own strengths. We are not aware of some of these strengths on our own. Therefore, I hope you can also use outside perspectives as a reference. For employ- ees, I would like them to work dedicatingly toward achieving business plans and have a tough-minded, no-excuses mentality.

This might be somewhat off-topic, but a researcher from the old Nomura Research Institute once visited the university I attended to introduce the Company’s initiatives. The researcher reported research results with a case example of a tourist area where littering was a problem, along with the reasons why littering occurs, characteristics of places where it is prone to occurring, and other details. What I found really impressive was how far they went in exploring the actual root causes, such as how they built an observation shed in a place that would not stand out and spent a half-year observing, and how they analyzed the psychology of the tourists down to the fine details. It might be that the characteristics of handling work in a meticulous fashion has simply been passed down through the generations.

I hope that we can all continue to grow as a company and as individuals, and contribute even more to the development of communities and society, by passing down the NRI DNA into the future and honing our strengths.
Interview with an Outside Audit & Supervisory Board Member

We will take on new challenges while controlling risk, and contribute to business development.

Kenichi Kosakai
Outside Audit & Supervisory Board Member

Role and Focal Topics of the Audit & Supervisory Board

NRI’s Audit & Supervisory Board is comprised of two full-time Audit & Supervisory Board members and three outside Audit & Supervisory Board members who engage in spirited discussions from diverse perspectives, based on each of their own respective experiences. Comprised of members with experience as an accountant, attorney, and in corporate management, the NRI Audit & Supervisory Board boasts a wealth of diverse experience.

Based on three audits—the Audit & Supervisory Board Member Audit, Accounting Auditor Audit, and Internal Audit—joint meetings are held with Audit & Supervisory Board members, accounting auditors, and the Internal Audit Department in attendance. The aim of these meetings is to strengthen the quality of audits and make them more efficient. Audit & Supervisory Board members, accounting auditors, and the Internal Audit Department conduct audits according to their own respective goals, but in some cases they are auditing the same departments. In other words, there is concern from the perspective of the departments being audited that they are being subjected to similar investigations and verifications being conducted separately. We are working to make the audits more efficient and have them audit what is appropriate by getting these three entities to work together beforehand.

Since risks become more diverse and complex as the environment surrounding a company changes, we set the key topics after considering a variety of issues. Some examples of topics are information security, strengthening governance and controlling risks for Group subsidiaries including those overseas, bolstering human capital, production innovation, and Medium-Term Management Plan progress. NRI is growing with the goal of ¥1 trillion in sales. When a company grows larger, sometimes new aspects of issues to be resolved will appear. In manufacturing, we are examining capital expenditures for new businesses and rationalizations, but I think the source of NRI’s value is its human capital. We should take an in-depth look at what kind of investments will lead to future increases in business value and turn those into actions.

Expectations for Outside Audit & Supervisory Board Members

As an outside Audit & Supervisory Board member, I think it is important to have an objective, neutral perspective without being bound to traditional practices in the IT industry. Audit & Supervisory Board members are typically required to play a defensive role to protect a company’s business value from damage by auditing the legality and validity of its business activities. In addition to this defensive role, we are expected to play an offensive role of increasing NRI’s business value. In other words, it feels like we need to express a broad range of candid opinions about management overall. My intention is to point things out and give advice openly and candidly based on my own knowledge as a manager who gained experience in the world outside of NRI.

Aside from the Board of Directors and Audit & Supervisory Board, we sit down for exchanges of views with the representative director twice per year. I consider it a very meaningful arrangement since the opinions expressed freely there help to open up deeper communication with us. The ability to express opinions candidly, supported by arrangements such as these, seems to be a distinctive trait of NRI.

For the defensive role of controlling risk, we have established committees for various topics, and they operate in combination with the normal reporting lines. As a result, I believe that we have a solid handle on risk control. However, the risks that we must handle are evolving as society changes. Additionally, we must scrutinize the risks involved in key business management matters such as acquisitions (M&As). Utilizing my outside perspective, I will make contributions to controlling risks such as these.

V2030 and Global Strategy

One pillar of our strategy in the Medium-Term Management Plan completed in the fiscal year ended March 2023 was to expand NRI’s global business. Advance explanations about key strategies such as global strategy were provided to outside directors multiple times before Board of Directors meetings. These advance explanations achieved their purpose. We were able to engage in discussions from multi-faceted perspectives in Board of Directors meetings. Initially there was also some cautiousness about expanding global business, but we then proceeded with a series of attentive deliberations about the multiple opinions that were presented. I think that not tapping the most cutting-edge IT services market in the world in North America is a major risk. Having understood that it is a tough market where we would be expected to intensify competition, I consider it highly meaningful that we take that challenge. The fact that we ultimately reached a unanimous resolution on the acquisition of Core BTS, which we ended up acquiring in December 2021, was proof to me that the Board of Directors is functioning correctly.

I believe that through NRI’s growth thus far, the foundation of business rules, financial standing, and governance systems has been established. There have been quite a few conservative initiatives to this point, but I think it’s time to take on new future-oriented challenges and take new risks.

I am aware that we have shareholders and investors who believe that we have even more room to grow domestically and thus should focus on our domestic business where we excel. We must certainly restore our business performance that had been slipping in the short term, but NRI has a good balance of shareholder returns and growth investment. Therefore, it would be better to go all in on strategies that show confidence in our ability to add value to our company over the medium to long term. For a business to be successful, all of the people involved in the business must be passionate, not just the managers. Be passionate, lead your business to success, and engage in work that excites you.

Expectations and Aspirations for NRI

Unfettered, open-minded discussions are taking place in the Board of Directors and desires learned through effectiveness evaluations are being addressed. If I had to request something in particular, it would be that more diverse opinions could be presented by the internal members of the Board. Each individual member of the Board likely has their own individual opinion, and even when matters that have been sufficiently considered on the executive side are brought up in the Board of Directors, they should be able to discuss those even further from the perspective of a Board member.

Next, I would like NRI to play a central role in leveraging DX to overcome social issues. Although some of NRI’s business activities are through the activities of clients, what NRI does directly links to solutions to social issues. Keep increasing the value of NRI’s existence. Tackle DX with enough fortitude to think of it as your own responsibility that Japan’s DX is lagging behind that of other countries, and make things happen.

Last, you should hone your ability to do new things and your ability to control risk while developing business. In my opinion, NRI’s strength is that we are loaded with first-class personnel who earn clients’ unwavering trust by being rock-solid and meticulous in their work. We should continue to hone this strength, but we will also need to take some risks in order to further grow and develop our business. The direction that NRI should take is expressed concisely by our vision statement, “Envision the value, Empower the change.” Make it your goal to further increase the value of NRI by continuously taking on new challenges.

Integrated Report 2023
NRI works to enhance its corporate governance 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, clients, employees, business partners, and shareholders.

NRI Corporate Governance Guidelines

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
- Introduced an executive officer system to assist in separating management and execution functions
- Reduced the number of members of the Board of Directors to within 20 and also appointed Independent Outside Directors
- Increased the number of Independent Outside Audit & Supervisory Board members from one to two

2003
- 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

2005
- Established the Compensation Committee comprising outside experts to enhance transparency in regard to executive compensation

2006
- Reduced the number of members of the Board to 15 or less

2008
- Initial release of the Long-Term Management Vision: Value2015
- Took part in an electronic voting platform for institutional investors as part of efforts to maximize opportunities for shareholders to exercise their voting rights

2010
- Appointed non-executive director to chair the Board of Directors to separate supervisory and execution functions

2012
- Newly established the Integrated Risk Management Supervisory Department to properly manage any risk that may arise in the course of business execution

2015
- Increased the number of Independent Outside Directors from two to three
- Established the Independent Executive Meeting consisting of Independent Outside Directors and Independent Outside Audit & Supervisory Board members
- Formulated the NRI Corporate Governance Guidelines
- Revised the NRI Group’s Code of Business Principles completely

2016
- Initial release of the Medium-term Management Plan from FY March 2017 to FY March 2019
- Implemented the evaluations of the Board of Directors’ effectiveness

2017
- Newly established the Nomination Committee, comprising mainly independent directors
- Changed the main members of the Compensation Committee from outside experts to independent directors

2018
- Announced stock option plan
- Introduction of Restricted Stock Compensation Plan as a medium- to long-term incentive for members of the Board

2022
- 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

Roles and Activities of Committees

Nomination Committee
- Appoints / Removes Board Members
- Appoints / Removes Audit & Supervisory Board Members
- Appoints / Removes Outside Directors and Outside Audit & Supervisory Board Members
- Appoints / Removes Independent Directors and Independent Audit & Supervisory Board Members

Audit & Supervisory Board
- Appoints / Removes Audit & Supervisory Board Members
- Appoints / Removes Outside Directors and Outside Audit & Supervisory Board Members
- Appoints / Removes Independent Directors and Independent Audit & Supervisory Board Members

Corporate Governance Structure

Value Creation Capital
Value Creation
Growth Story for 2030
MTP2025
Materiality
Management Basis (ESG)
Message from the CEO
Integrated Report 2023
For the Board of Directors, and the Audit & Supervisory Board, see P112-113
For Internal Controls, Corporate Ethics, and Compliance, see P122-123
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 Directors (April 2022–March 2023)

<table>
<thead>
<tr>
<th>Main Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management / business strategy</td>
</tr>
<tr>
<td>Executive appointment matters (including remuneration) and personnel matters for employees</td>
</tr>
<tr>
<td>Sustainability</td>
</tr>
<tr>
<td>Policy on finance, reporting and IR</td>
</tr>
<tr>
<td>Corporate governance, risk management and internal controls</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board members, internal auditing report</td>
</tr>
<tr>
<td>Business execution report</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

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.

Succession Plan for President

The next management team is formed at NRI by selecting talent from among the younger management ranks to be the nucleus of the next generation of management. The process for selecting the successor to the president is based on selection from among these individuals. NRI’s Nomination Committee considers and deliberates on the specific succession plan for president and checks on the progress of this plan whenever necessary while also evaluating the next generation of core management personnel to identify successors to the president. Those found to be most suitable to drive the healthy, sustained growth of NRI and increase its value over the medium to long term are then reported as president succession candidates to the Board of Directors.

The practice of having the next generation management team including the successor president take over management as a group is helpful for facilitating a smooth management transition without losing any continuity in the change of presidents.
### Structure of the Board of 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 general business, professional experience, and accumulated knowledge in light of the medium- to long-term management strategies.

#### Name & Position

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Executive / Outside</th>
<th>Term of Office</th>
<th>Specialized Fields</th>
<th>Appointment Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shingo Konomo</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>8 years</td>
<td>Corporate Management</td>
<td>CEO</td>
</tr>
<tr>
<td>Yasuo Fukami</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>4 years</td>
<td>Business / Corporate Affairs / Quality</td>
<td>IT Solutions / Corporate Affairs</td>
</tr>
<tr>
<td>Yo Akutuska</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>1 year</td>
<td>Finance / MBA</td>
<td>Director of securities company</td>
</tr>
<tr>
<td>Kan Ebato</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>2 years</td>
<td>Business</td>
<td>IT Solutions</td>
</tr>
<tr>
<td>Hidori Anzai</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>2 years</td>
<td>Business / Corporate Affairs / Quality</td>
<td>IT Solutions / Corporate Affairs</td>
</tr>
<tr>
<td>Shoji Tatoe</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>1 year</td>
<td>Business</td>
<td>IT Solutions</td>
</tr>
<tr>
<td>Shinob Sakata</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>3 years</td>
<td>ESG / SDGs / Human Resources Diversity</td>
<td>Listed company CEO</td>
</tr>
<tr>
<td>Totsji Ohashi</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>2 years</td>
<td>Corporate Management</td>
<td>Listed company CEO</td>
</tr>
<tr>
<td>Hideki Koyobi</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>New election</td>
<td>Corporate Management</td>
<td>Listed company CEO</td>
</tr>
<tr>
<td>Takahito Sato</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>3 years</td>
<td>Governance and internal Control / Business</td>
<td>Listed company CEO</td>
</tr>
<tr>
<td>Yoichi Inada</td>
<td>Male</td>
<td>Executive / Outside</td>
<td>New election</td>
<td>Governance and internal Control / Business</td>
<td>Listed company CEO</td>
</tr>
<tr>
<td>Kenkichi Kosaki</td>
<td>Male</td>
<td>Outside</td>
<td>2 years</td>
<td>Corporate Management</td>
<td>Listed company president / CEO</td>
</tr>
<tr>
<td>Nanrii Minami</td>
<td>Male</td>
<td>Outside</td>
<td>1 year</td>
<td>Governance and internal Control / Corporate Accounting</td>
<td>Listed company president / CEO</td>
</tr>
<tr>
<td>Yasko Takazawa</td>
<td>Male</td>
<td>Outside</td>
<td>1 year</td>
<td>Governance and internal Control</td>
<td>Listed company executive</td>
</tr>
</tbody>
</table>

#### 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 Audit Department has established to support the work of the Audit & Supervisory Board members.

*After assuming the post on June 17, 2022*
Management Basis (ESG)

Concept of Skill Categories

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

Content of Each Skill Category

<table>
<thead>
<tr>
<th>Expectations for Leveraging Knowledge Related to Strategy</th>
<th>Specialized Fields</th>
<th>Experience and Qualifications in Specialized Fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Innovation] DI Strategy</td>
<td>[Corporate Management]</td>
<td>Experience as CEO or vice-president of a related company</td>
</tr>
<tr>
<td>[Human Resources] Management</td>
<td>[Quality]</td>
<td>Experience as a general manager of a business division, supervisor of a corporate division, or as an officer of another company</td>
</tr>
<tr>
<td></td>
<td>[Financial]</td>
<td>Knowledge of the financial and securities industries to which our major clients belong</td>
</tr>
<tr>
<td></td>
<td>[Corporate Affairs]</td>
<td>Knowledge of individual fields</td>
</tr>
</tbody>
</table>

Concept of “Expectations for Leveraging Strategic Knowledge Related to Strategy”

- Professionals with experience in corporate management are expected to demonstrate knowledge of all strategies.
- For innovation and globalization, a 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 Executives

Outside Directors demonstrate their skills in various aspects of NRI.

In FY March 2023, Outside Director Shinoi Sakata participated in the Female Leader Training Program, an annual training program for specially selected female employees as an initiative to promote women’s participation and advancement in the workplace as part of diversity and inclusion. Through the program, Ms. Sakata used her personal knowledge to conduct dialogues with trainees.

Outside Audit & Supervisory Board Member Yasuko Takazawa also participated in a Female Leaders Networking Event aimed at providing helpful hints about careers and mindsets. There, she gave a speech about her leadership journey and engaged in dialogues with other participants.

Outside Executives 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

- In the interest of enhancing business results, the compensation system emphasizes connections to business performance.
- Emphasis is placed on bonuses and stock-based compensation 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.
Emphasis is placed on bonuses and stock-based compensation so as to create a compensation system that is highly linked to performance. The approximate ratio of constituent elements of the compensation of directors, etc., in FY March 2023 is as follows. If basic compensation is equalized to “1,” the bonus is “1” and stock-based compensation is “1.7.” If fixed compensation is “1,” performance-based compensation is “2.7.”

Compensation Ratio for Director Compensation (FY March 2023)

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Compensation (millions of yen)</th>
<th>Percentage of Total Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed compensation</td>
<td>836</td>
<td>299</td>
</tr>
<tr>
<td>Performance-based compensation</td>
<td>225</td>
<td>781</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>308</td>
<td>1051</td>
</tr>
<tr>
<td>Bonuses</td>
<td>534</td>
<td>1830</td>
</tr>
<tr>
<td>Restricted stock-based compensation</td>
<td>3</td>
<td>10</td>
</tr>
</tbody>
</table>

Notes: 1. Calculations are based on the Board of Directors’ average for FY March 2023 (excluding outside directors and directors who retired or assumed their post during the period).
2. Stock-based compensation includes the total amount of monetary compensation receivables that would be contributed in kind in exchange for the shares with transfer restrictions.

Mechanism for Considering Status of Sustainability Indicators for Stock-Based Compensation

We have introduced a framework for deciding the number of shares allocated for stock-based compensation, which takes into consideration the status of applicable sustainability-related initiatives. This mechanism applies if the status of targeted actions defined for achieving the deliverables for sustainability evaluation metrics defined by NRI the previous business year is evaluated as insufficient. The mechanism makes it possible to reduce the number of shares allotted according to position via evaluation and resolution by the Board of Directors.

It is applicable to members of the Board excluding outside directors, senior managing directors, managing directors, and executive fellows.

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 previous 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 acted as insufficient. The mechanism makes it possible to reduce the number of shares allotted according to position via evaluation and resolution by the Board of Directors.

Executive Compensation for Members of the Audit & Supervisory Board

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.

Maximum total compensation for Audit & Supervisory Board Members: ¥250 million per annum

<table>
<thead>
<tr>
<th>Category</th>
<th>Base Compensation</th>
<th>Performance-based Compensation</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic compensation</td>
<td>¥10 million</td>
<td>¥20 million</td>
<td>¥30 million</td>
</tr>
<tr>
<td>Bonuses</td>
<td>¥30 million</td>
<td>¥60 million</td>
<td>¥90 million</td>
</tr>
</tbody>
</table>

Executive Compensation Amounts

Executive compensation for FY March 2023 is as follows.

<table>
<thead>
<tr>
<th>Category</th>
<th>Basic Compensation</th>
<th>Performance-based Compensation</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of the Board</td>
<td>¥10 million</td>
<td>¥20 million</td>
<td>¥30 million</td>
</tr>
<tr>
<td>Of whom are Outside Members of the Board</td>
<td>¥6 million</td>
<td>¥12 million</td>
<td>¥18 million</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Members</td>
<td>¥12 million</td>
<td>¥24 million</td>
<td>¥36 million</td>
</tr>
<tr>
<td>Of whom are Outside Audit &amp; Supervisory Board Members</td>
<td>¥8 million</td>
<td>¥16 million</td>
<td>¥24 million</td>
</tr>
</tbody>
</table>

Notes: 1. The above includes two members of the Board and two Audit & Supervisory Board members, including two outside Audit & Supervisory Board members, who retired at the conclusion of the 57th Ordinary General Meeting of Shareholders held on June 17, 2022.
2. The amount posted as expenses in FY March 2023 is shown.
3. “Restrictive stock-based compensation” refers to contributions to the defined contribution pension plan and insurance premiums for casualty insurance.
4. Compensation for members of the Board excludes directors, senior managing directors, managing directors, and executive fellows.
Overview of Board of Directors’ Effectiveness Evaluation for FY March 2023

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. Structure / Status of Board of Directors
- An overall good balance of inside executive / non-executive directors and independent directors with diverse experience and specialized knowledge is maintained, and a system for ensuring appropriate decision making and supervision is provided.
- We recognized the necessity of continuing to debate the composition and diversity of the Board of Directors and ratio of external members of the Board based on the future business situation and management strategy.
- Constructive discussions and exchanges of views are carried out by the entire Board of Directors, including active opinions and recommendations from outside directors. We expect the quality of debate to further improve in the future as we promote focus on important topics and the clarification of the points to debate in the meeting materials.

b. Assistance for Directors
- Outside directors are provided with opportunities for obtaining information by receiving explanations from the executive side as needed, such as participating in the management strategy meetings of NRI.
- In order to further stimulate discussion at the Board of Directors meetings, it is desirable to provide opportunities for the free and open exchange of ideas between outside directors themselves and between outside directors and executive directors and the president.

c. Management strategy
- Careful discussions were carried out to formulate our new vision and new Medium-Term Management Plan. In order to promote understanding of and establish our new vision, we expect to conduct awareness-building measures for the entire Group and continuous progress reviews.
- It is desirable to have further debate on how we can expand our human resources in a manner consistent with our strategies and formulate a research and development strategy suitable for NRI.

d. Internal control, risk management, and Group governance
- We have lively debate and exchange of ideas regarding Group global governance and are steadily moving forward overall. It is important to continue debate on how to further enhance governance, while also evaluating the operation of procedures that include basic rules and the status of maintenance measures and actions for enhancing governance at overseas Group companies.
- Our internal control and risk management are functioning effectively overall and we are reporting in an appropriate manner. It is desirable to continuously maintain, inspect, and report on the roles of the first and second lines for ensuring the internal control functions.
- Due to increasing geopolitical risks, it is desirable to accelerate debate focused on offshore policy.

e. Advisory committees
- In regard to the Nomination Committee and Compensation Committee, discussions and the exchange of opinions on the succession plan for the president, director candidate selection and cultivation process, and method for determining director compensations are carried out appropriately, and the committees are functioning effectively, despite being voluntary.

Based on the above analysis and evaluation, we will continuously aim to improve the effectiveness of the Board of Directors.

Initiatives for Issues Recognized in Effectiveness Evaluations

- We implemented the following initiatives in response to various issues identified in the effectiveness evaluation for FY March 2022.

(1) Promoting continuous debate on the composition and diversity of the Board of Directors: We debated the selection of suitable candidates for members of the Board while considering diversity.
(2) Improving the quality of debate by further clarifying the points of debate in Board of Directors meeting materials. We indicated the points of debate for clarifying the agenda and shared the contents of the debate for business execution.
(3) Providing opportunities for the free and open exchange of ideas between outside directors themselves and between executive directors and outside directors: We provided opportunities for the informal exchange of opinions, such as off-site meetings between outside directors and executive directors and independent director meetings for formulating our new vision and new Medium-Term Management Plan.
(4) Further enriching debate on human resource management, which is the foundation of growth. We identified human resource management as a key theme of our new Medium-Term Management Plan and debated the topic at independent director meetings.
(5) Continuous debate on enhancing governance and detailed inspection of internal control and risk management at Group companies: We revised our regulations, established governance procedures, and reviewed how we monitor and assist Group companies. We also had Group companies conduct self-assessments on procedures and inspections on the status of internal control and risk management.
Members of the Board

- Shingo Konimoto
- Yasuo Fukami
- Yo Akatsuka
- Ken Ebato
- Hidenori Anzai
- Shuj Tateno
- Shinoi Sakata
- Tetsuji Ohashi
- Hideki Kobori

Audit & Supervisory Board Members

- Takahito Sakata
- Yoichi Inada
- Kenkichi Kosakai
- Nanhitoh Minami
- Yasuko Takazawa
- Nobuyuki Amari

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
- Hiroshi Mawatari
- Fumihiko Sagano

Senior Corporate Managing Directors
- Minoru Yokota
- Yutaka Kubo
- Yuichi Higo
- Tomohiko Nakagawa
- Susumu Ishikawa
- Yoshiki Sunaga
- Shosho Ohno

Senior Managing Directors
- Katayoshi Murakami
- Yasunori Kobayashi
- Hiroshi Kawanami
- Sonoko Kitaoka
- Jun Odashima
- Toshimi Yamaoka
- Masashi Yasuoka
- Hiroshi Kikita
- Kazuya Kobayashi
- Nariyasu Kogure

Managing Directors
- Masakazu Amamiya
- Junji Hayashi
- Aki Nakamura
- Noriyuki Matsumoto
- Hiroshi Kihara

Research Directors
- Katsuya Kato
- Fumihiko Kamio

Counselor
- Hiroyuki Sato

Fellows
- Minoru Asahi
- Shinsuke Umezawa

Notes:
1. Shinsuke Sakata, Tetsuji Ohashi, and Hideki Kobori are outside directors. Kenkichi Kosakai, Nanhitoh Minami, and Yasu 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.
2. Members of the Board were elected at the Ordinary Annual Meeting of Shareholders held on June 23, 2023.
3. For the Audit & Supervisory Board Members, Takahito Sakata was re-elected at the Ordinary General Meeting of Shareholders held on June 11, 2022. Kenkichi Kosakai and Nanhitoh Minami were re-elected at the Ordinary General Meeting of Shareholders held on June 17, 2023, and Inada was re-elected at the Ordinary General Meeting of Shareholders held on June 23, 2023.
4. Figures in parentheses indicate number of the Company’s shares held as of March 31, 2023, including holdings in the executive share ownership plan.
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 Companywide 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.

Risk Management PDCA Cycle

- The department responsible for risk management holds discussions at the Integrated Risk Management Committee and sets the risks that should be managed. It also selects prioritized themes that have a particularly high level of importance or impact.
- After an assessment is completed, the department responsible for risk management holds discussions at the Integrated Risk Management Committee and sets the risks that should be managed. It also selects prioritized themes that have a particularly high level of importance or impact.
- Risk items that may arise in the course of business execution by the NRI Group are classified into 13 items including management strategy, business activities, and compliance, and the department responsible for each risk conducts a risk assessment and review of the risk items that take into consideration the level of importance and impact every fiscal year on risk items that have been subclassified even further.

Priority themes for FY March 2024

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 (22 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 exchanges of opinions regarding plans for conducting internal audits and their results.

Strengthening Group 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 formulates and executes global strategies centered on its Global Headquarters, established in April 2019, while at the same time reinforcing the management ranks supporting CEOs of overseas subsidiaries, improving communication through personnel on assignment from NRI Headquarters, and strengthening governance.

Corporate Ethics and Compliance System

To ensure effective ethics and compliance systems, NRI has appointed a chief ethics officer and chief compliance officer and established the Compliance Committee. Moreover, we have established the 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.

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 anti-trust laws.

NRI has prescribed Whistleblower Protection Regulations based on the Whistleblower Protection Act and established internal and external hotlines as contact points that domestic 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 junior 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.
## 10-Year Summary of 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 the Consolidated Financial Results.

### Consolidated Statement of Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Cost of sales</th>
<th>Gross profit</th>
<th>Selling, general and administrative expenses</th>
<th>Directors’ compensations</th>
<th>Salaries and allowances</th>
<th>Provision for bonuses</th>
<th>Retirement benefit expenses</th>
<th>Welfare expenses</th>
<th>Education and training expenses</th>
<th>Operations consolidation expenses</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014.3</td>
<td>386,932</td>
<td>205,267</td>
<td>181,665</td>
<td>23,185</td>
<td>996</td>
<td>20,874</td>
<td>4,751</td>
<td>2,458</td>
<td>3,796</td>
<td>1,853</td>
<td>9,640</td>
<td>49,816</td>
</tr>
<tr>
<td>2015.3</td>
<td>406,984</td>
<td>227,270</td>
<td>179,714</td>
<td>23,226</td>
<td>996</td>
<td>22,450</td>
<td>4,136</td>
<td>2,215</td>
<td>3,836</td>
<td>1,879</td>
<td>11,700</td>
<td>51,496</td>
</tr>
<tr>
<td>2016.3</td>
<td>421,439</td>
<td>250,761</td>
<td>170,678</td>
<td>26,441</td>
<td>1,277</td>
<td>25,395</td>
<td>5,276</td>
<td>2,385</td>
<td>4,020</td>
<td>1,721</td>
<td>14,246</td>
<td>58,514</td>
</tr>
<tr>
<td>2017.3</td>
<td>424,344</td>
<td>273,762</td>
<td>150,582</td>
<td>24,865</td>
<td>1,213</td>
<td>27,961</td>
<td>5,882</td>
<td>2,373</td>
<td>4,082</td>
<td>1,701</td>
<td>16,722</td>
<td>55,138</td>
</tr>
<tr>
<td>2018.3</td>
<td>471,488</td>
<td>322,314</td>
<td>149,174</td>
<td>25,144</td>
<td>1,211</td>
<td>31,981</td>
<td>6,751</td>
<td>2,678</td>
<td>4,189</td>
<td>1,610</td>
<td>17,640</td>
<td>61,138</td>
</tr>
<tr>
<td>2019.3</td>
<td>501,243</td>
<td>370,246</td>
<td>130,997</td>
<td>26,628</td>
<td>1,101</td>
<td>36,281</td>
<td>7,631</td>
<td>3,097</td>
<td>4,339</td>
<td>1,542</td>
<td>19,073</td>
<td>69,276</td>
</tr>
<tr>
<td>2020.3</td>
<td>528,873</td>
<td>410,620</td>
<td>118,253</td>
<td>28,198</td>
<td>1,069</td>
<td>41,682</td>
<td>8,751</td>
<td>3,545</td>
<td>4,697</td>
<td>1,487</td>
<td>22,216</td>
<td>77,007</td>
</tr>
</tbody>
</table>

### Consolidated Statement of Cash Flows

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flows from operating activities</th>
<th>Cash flows from investing activities</th>
<th>Cash flows from financing activities</th>
<th>Net increase (decrease) in cash and cash equivalents</th>
<th>Cash and cash equivalents at end of period</th>
<th>Cash and cash equivalents + cash management purpose investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014.3</td>
<td>38,892</td>
<td>116,291</td>
<td>69,824</td>
<td>133,350</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2015.3</td>
<td>39,880</td>
<td>116,291</td>
<td>69,824</td>
<td>133,350</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2016.3</td>
<td>41,053</td>
<td>116,291</td>
<td>69,824</td>
<td>133,350</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2017.3</td>
<td>42,114</td>
<td>116,291</td>
<td>69,824</td>
<td>133,350</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2018.3</td>
<td>42,114</td>
<td>116,291</td>
<td>69,824</td>
<td>133,350</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2019.3</td>
<td>42,114</td>
<td>116,291</td>
<td>69,824</td>
<td>133,350</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2020.3</td>
<td>42,114</td>
<td>116,291</td>
<td>69,824</td>
<td>133,350</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

### Consolidated Balance Sheet (Year-End):

<table>
<thead>
<tr>
<th>Year</th>
<th>Total assets</th>
<th>Total liabilities</th>
<th>Shareholders’ equity</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014.3</td>
<td>469,010</td>
<td>137,601</td>
<td>331,408</td>
<td>264,727</td>
</tr>
<tr>
<td>2015.3</td>
<td>593,213</td>
<td>189,745</td>
<td>403,467</td>
<td>333,206</td>
</tr>
<tr>
<td>2016.3</td>
<td>621,695</td>
<td>196,286</td>
<td>425,409</td>
<td>342,486</td>
</tr>
<tr>
<td>2017.3</td>
<td>628,944</td>
<td>181,646</td>
<td>447,297</td>
<td>447,297</td>
</tr>
<tr>
<td>2018.3</td>
<td>643,117</td>
<td>210,442</td>
<td>432,674</td>
<td>432,674</td>
</tr>
<tr>
<td>2019.3</td>
<td>533,151</td>
<td>245,997</td>
<td>287,153</td>
<td>287,153</td>
</tr>
<tr>
<td>2020.3</td>
<td>565,229</td>
<td>300,502</td>
<td>264,727</td>
<td>264,727</td>
</tr>
</tbody>
</table>

### Corporate Information / Data

- **MTP2025**
- **Value Creation**
- **Growth Story for 2030**

**Nomura Research Institute**

Consolidated Financial Data

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

2. Revenues 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 the change in categorization.

4. The classification of revenue was changed from the method based on the location of sales destinations to the method based on the location of the headquarters of each company.

<table>
<thead>
<tr>
<th>Segment Information</th>
<th>JAIP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>External revenue Consulting</td>
<td>48,074</td>
<td>46,100</td>
</tr>
<tr>
<td>Financial IT Solutions</td>
<td>42,952</td>
<td>42,952</td>
</tr>
<tr>
<td>Insurance</td>
<td>32,720</td>
<td>32,720</td>
</tr>
<tr>
<td>Banking</td>
<td>31,164</td>
<td>31,164</td>
</tr>
<tr>
<td>Other financial</td>
<td>26,070</td>
<td>26,070</td>
</tr>
<tr>
<td>Industrial IT Solutions</td>
<td>24,454</td>
<td>24,454</td>
</tr>
<tr>
<td>Consulting</td>
<td>22,110</td>
<td>22,110</td>
</tr>
<tr>
<td>Manufacturing, sales and other</td>
<td>18,370</td>
<td>18,370</td>
</tr>
<tr>
<td>IT Platform Services</td>
<td>9,180</td>
<td>9,180</td>
</tr>
<tr>
<td>Total</td>
<td>128,130</td>
<td>128,130</td>
</tr>
</tbody>
</table>

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 intercompany transfer 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.

<table>
<thead>
<tr>
<th>Production and Orders</th>
<th>JAIP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual production</td>
<td>359,035</td>
<td>358,270</td>
</tr>
<tr>
<td>Subcontracting costs</td>
<td>195,932</td>
<td>195,932</td>
</tr>
<tr>
<td>Of which are subcontracting costs to Chinese companies</td>
<td>44.6</td>
<td>44.6</td>
</tr>
<tr>
<td>Subcontracting ratio to Chinese companies (%)</td>
<td>48.1</td>
<td>48.1</td>
</tr>
</tbody>
</table>

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 intercompany transfer 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.
Non-Financial Highlights

E: Environment-Related Data

Greenhouse Gas Emissions (Scope 1+Scope 2) (NRI Group data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased goods and services</td>
<td>611.6</td>
<td>528.0</td>
<td>503.3</td>
<td>622.1</td>
</tr>
<tr>
<td>Fuel-and-energy-related activities</td>
<td>487.4</td>
<td>425.2</td>
<td>402.5</td>
<td>452.0</td>
</tr>
<tr>
<td>Capital goods</td>
<td>529.3</td>
<td>503.6</td>
<td>503.6</td>
<td>563.6</td>
</tr>
<tr>
<td>Others</td>
<td>62.1</td>
<td>60.5</td>
<td>60.5</td>
<td>60.5</td>
</tr>
</tbody>
</table>

Note: Scope 2 is calculated based on market standards.

Green Revenues (Revenues of Business Platforms) (NRI Group data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased goods and services</td>
<td>616.8</td>
<td>538.0</td>
<td>514.3</td>
<td>614.4</td>
</tr>
<tr>
<td>Fuel-and-energy-related activities</td>
<td>487.4</td>
<td>425.2</td>
<td>402.5</td>
<td>452.0</td>
</tr>
<tr>
<td>Capital goods</td>
<td>529.3</td>
<td>503.6</td>
<td>503.6</td>
<td>563.6</td>
</tr>
<tr>
<td>Others</td>
<td>62.1</td>
<td>60.5</td>
<td>60.5</td>
<td>60.5</td>
</tr>
</tbody>
</table>

Note: Scope 2 is calculated based on market standards.

S: Social-Related Data

Number of Employees (NRI Group data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>12,000</td>
<td>11,787</td>
<td>12,000</td>
<td>13,450</td>
</tr>
<tr>
<td>Europe</td>
<td>6,555</td>
<td>6,555</td>
<td>6,555</td>
<td>6,555</td>
</tr>
<tr>
<td>U.S.</td>
<td>2,012</td>
<td>2,012</td>
<td>2,012</td>
<td>2,012</td>
</tr>
<tr>
<td>Asia</td>
<td>1,652</td>
<td>1,652</td>
<td>1,652</td>
<td>1,652</td>
</tr>
<tr>
<td>Others</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

Number of Hires / Turnover Rate (NRI Group data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>New hires (left scale)</td>
<td>622.1</td>
<td>543.0</td>
<td>622.1</td>
<td>748.0</td>
</tr>
<tr>
<td>Turnover rate (right scale)*</td>
<td>7.0</td>
<td>7.1</td>
<td>7.6</td>
<td>9.2</td>
</tr>
</tbody>
</table>

Note: The total turnover rate is the ratio of exiting employees to the number of employees at the end of the fiscal year.

Client Satisfaction (NRI Group data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>66.9</td>
<td>65.8</td>
<td>66.4</td>
<td>68.7</td>
</tr>
<tr>
<td>Europe</td>
<td>68.1</td>
<td>68.1</td>
<td>68.1</td>
<td>68.1</td>
</tr>
</tbody>
</table>

Note: Number of questionnaires 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).

Male Childcare Leave Participation Rate (NRI Group data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>62.6</td>
<td>60.2</td>
<td>63.8</td>
<td>61.8</td>
</tr>
<tr>
<td>Europe</td>
<td>54.2</td>
<td>54.2</td>
<td>54.2</td>
<td>54.2</td>
</tr>
</tbody>
</table>

Note: Childcare leave acquiring rate (including partner childbirth leave).

Male Childcare Leave Participation Rate (Non-consolidated data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>62.6</td>
<td>63.1</td>
<td>63.8</td>
<td>63.8</td>
</tr>
<tr>
<td>Europe</td>
<td>61.8</td>
<td>62.2</td>
<td>62.2</td>
<td>62.2</td>
</tr>
</tbody>
</table>

Note: Childcare leave acquiring rate. The basis for the data has been changed from FY March 31, 2022. Accordingly, data for the period prior to FY March 31, 2021, has been recalculated based on the same standards.

Information Communication / Recommendation Projects (NRI Group data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>622.1</td>
<td>543.0</td>
<td>622.1</td>
<td>748.0</td>
</tr>
<tr>
<td>Europe</td>
<td>487.4</td>
<td>425.2</td>
<td>402.5</td>
<td>452.0</td>
</tr>
</tbody>
</table>

Note: Calculated as hours that exceed the statutory working hours (40 hours per week) during the fiscal year.

*−* indicates that the calculated value does not exceed the statutory working hours.

Client Satisfaction (Non-consolidated data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>66.9</td>
<td>65.8</td>
<td>66.4</td>
<td>68.7</td>
</tr>
<tr>
<td>Europe</td>
<td>68.1</td>
<td>68.1</td>
<td>68.1</td>
<td>68.1</td>
</tr>
</tbody>
</table>

Note: Number of questionnaires 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).

Engagement Score

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>66.9</td>
<td>65.8</td>
<td>66.4</td>
<td>68.7</td>
</tr>
<tr>
<td>Europe</td>
<td>68.1</td>
<td>68.1</td>
<td>68.1</td>
<td>68.1</td>
</tr>
</tbody>
</table>

Note: 1. Using the engagement analysis tool Wevox provided by Atea, Inc., we surveyed employees of NRI alone and at five Group companies (NRI SecureTechnologies, NRI Workplace Services, NRI Social Information System Services, NRI Digital, and 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.

Note: The female managers ratio is the value at the beginning of the term.

Male Childcare Leave Participation Rate (Non-consolidated data)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY March 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRI: 71</td>
<td>66.9</td>
<td>65.8</td>
<td>66.4</td>
<td>68.7</td>
</tr>
</tbody>
</table>

Note: Percentage that responded “Satisfied” or “Moderately satisfied” (total for top two items on five-grade scale).
### E: Environment-Related Data

<table>
<thead>
<tr>
<th>Year</th>
<th>2019.3</th>
<th>2020.3</th>
<th>2021.3</th>
<th>2022.3</th>
<th>2023.3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct greenhouse gas emissions (Scope 1)</strong></td>
<td>(1,000 t-CO2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>16</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Overseas</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Indirect greenhouse gas emissions (Scope 2)</strong></td>
<td>(1,000 t-CO2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>64</td>
<td>58</td>
<td>53</td>
<td>28</td>
<td>19</td>
</tr>
<tr>
<td>Overseas</td>
<td>18</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total emissions (Scope 1 + 2)</strong></td>
<td>(1,000 t-CO2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>65</td>
<td>65</td>
<td>55</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Overseas</td>
<td>18</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Notes:**
1. Scope: Target scope of calculation/reporting for greenhouse gas emissions by corporations
2. Scope 1: Direct emissions (combustion of fuel, etc.)
3. Scope 2: Indirect emissions through use of electricity, heat, steam, etc.
4. Scope 3: Indirect greenhouse gas emissions other than Scope 1 and 2.
5. Manufacturing in the supply chain, commuting by employees, business travel, etc.
6. Scope 2 includes results based on market standards.

### S: Social

#### Number of employees (NRI Group data)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019.3</th>
<th>2020.3</th>
<th>2021.3</th>
<th>2022.3</th>
<th>2023.3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Person</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>12,678</td>
<td>100</td>
<td>12,421</td>
<td>100</td>
<td>13,278</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>12,256</td>
<td>100</td>
<td>11,813</td>
<td>100</td>
<td>12,626</td>
</tr>
</tbody>
</table>

#### Employment-related (Non-consolidated data)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019.3</th>
<th>2020.3</th>
<th>2021.3</th>
<th>2022.3</th>
<th>2023.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New hires for the years (persons)</td>
<td>402</td>
<td>456</td>
<td>543</td>
<td>622</td>
<td>748</td>
</tr>
<tr>
<td>Turnover rate (%)</td>
<td>3.9</td>
<td>4.3</td>
<td>5.1</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>Vacation leave rate (%)</td>
<td>2.7</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>Average length of service (years)</td>
<td>14.6</td>
<td>14.7</td>
<td>14.7</td>
<td>14.8</td>
<td></td>
</tr>
<tr>
<td>New graduate hires retention rate after 3 years (%)</td>
<td>95.9</td>
<td>92.9</td>
<td>92.4</td>
<td>94.1</td>
<td></td>
</tr>
<tr>
<td>Average compensation: all employees (thousands of yen)</td>
<td>12,217</td>
<td>12,352</td>
<td>12,251</td>
<td>12,320</td>
<td>12,421</td>
</tr>
</tbody>
</table>

#### Promotion of women’s participation and advancement in the work- place (Non-consolidated data)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019.3</th>
<th>2020.3</th>
<th>2021.3</th>
<th>2022.3</th>
<th>2023.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of female employees (%)</td>
<td>19.8</td>
<td>20.4</td>
<td>20.8</td>
<td>21.7</td>
<td>22.1</td>
</tr>
<tr>
<td>Ratio of female managers (%)</td>
<td>6.8</td>
<td>7.1</td>
<td>7.6</td>
<td>8.3</td>
<td>9.2</td>
</tr>
<tr>
<td>Female managers/employees (%)</td>
<td>4.2</td>
<td>4.1</td>
<td>4.9</td>
<td>6.5</td>
<td>8.5</td>
</tr>
<tr>
<td>Ratio of female hires (%)</td>
<td>27.6</td>
<td>28.2</td>
<td>27.2</td>
<td>33.2</td>
<td>34.1</td>
</tr>
</tbody>
</table>

#### Rights of employees (Non-consolidated data)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019.3</th>
<th>2020.3</th>
<th>2021.3</th>
<th>2022.3</th>
<th>2023.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Childcare leave / Nursing leave (Non-consolidated data)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid and non-paid leave (persons)</td>
<td>72</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Childcare leave (persons)**</td>
<td>261</td>
<td>260</td>
<td>273</td>
<td>243</td>
<td>284</td>
</tr>
<tr>
<td>Male (including partner childbirth leave) (persons)</td>
<td>158</td>
<td>179</td>
<td>204</td>
<td>175</td>
<td>225</td>
</tr>
<tr>
<td>Female (persons)</td>
<td>38</td>
<td>31</td>
<td>33</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>Female (persons)</td>
<td>67</td>
<td>65</td>
<td>68</td>
<td>68</td>
<td>59</td>
</tr>
<tr>
<td>Employee returning to work after childcare leave (female employees) (%)**</td>
<td>96.7</td>
<td>98.1</td>
<td>100.0</td>
<td>97.0</td>
<td>97.5</td>
</tr>
<tr>
<td>Employee returning to work after childcare leave (female employees) (%)**</td>
<td>92.8</td>
<td>98.8</td>
<td>96.5</td>
<td>94.9</td>
<td>97.6</td>
</tr>
<tr>
<td>Nursing care leave (persons)</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

#### Notes:
1. Scope: Target scope of calculation/reporting for greenhouse gas emissions by corporations
2. Scope 1: Direct emissions (combustion of fuel, etc.)
3. Scope 2: Indirect emissions through use of electricity, heat, steam, etc.
4. Scope 3: Indirect greenhouse gas emissions other than Scope 1 and 2.
5. Manufacturing in the supply chain, commuting by employees, business travel, etc.
6. Scope 2 includes results based on market standards.
Corporate Data / Share Information (As of March 31, 2023)

Major Shareholders

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Number of shares held (1,000 shares)</th>
<th>Percentage of shares held (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td>
<td>74,682</td>
<td>12.62</td>
</tr>
<tr>
<td>Nomura Properties, Inc.</td>
<td>67,518</td>
<td>11.41</td>
</tr>
<tr>
<td>Nomura Holdings, Inc.</td>
<td>64,630</td>
<td>10.87</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account)</td>
<td>30,346</td>
<td>5.13</td>
</tr>
<tr>
<td>NRI Group Employee Stock Ownership Group</td>
<td>24,970</td>
<td>4.22</td>
</tr>
<tr>
<td>Nippon Life Insurance Company (Standing Agent: The Master Trust Bank of Japan, Ltd.)</td>
<td>24,727</td>
<td>4.18</td>
</tr>
<tr>
<td>State Street Bank and Trust Company 025223 (Standing Agent: Mito Bank, Ltd., settlement division)</td>
<td>16,799</td>
<td>2.84</td>
</tr>
<tr>
<td>National Mutual Insurance Federation of Agricultural Cooperatives (Standing Agent: The Master Trust Bank of Japan, Ltd.)</td>
<td>13,434</td>
<td>2.27</td>
</tr>
<tr>
<td>SEVEN-ELEVEN JAPAN CO., LTD.</td>
<td>7,804</td>
<td>1.33</td>
</tr>
<tr>
<td>State Street Bank West Client-Treaty 025204 (Standing Agent: Mito Bank, Ltd., settlement division)</td>
<td>7,636</td>
<td>1.20</td>
</tr>
</tbody>
</table>

Notes:
1. NRI has 1,959,169 treasury shares as of March 31, 2023, 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.

Component Ratio of Shareholders

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of shareholders (people)</th>
<th>Number of shares held (trading units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National &amp; local government</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>105</td>
<td>1,835,802</td>
</tr>
<tr>
<td>Securities firms</td>
<td>48</td>
<td>90,745</td>
</tr>
<tr>
<td>Companies incorporated in Japan</td>
<td>516</td>
<td>1,420,846</td>
</tr>
<tr>
<td>Companies incorporated in other countries</td>
<td>783</td>
<td>2,072,123</td>
</tr>
<tr>
<td>Individuals and other shareholders:</td>
<td>33,223</td>
<td>734,415</td>
</tr>
<tr>
<td>Securities firms:</td>
<td>1,66%</td>
<td></td>
</tr>
<tr>
<td>Other than individuals:</td>
<td>55</td>
<td>8,431</td>
</tr>
<tr>
<td>Companies incorporated in Japan:</td>
<td>23.95%</td>
<td></td>
</tr>
<tr>
<td>Companies incorporated in other countries:</td>
<td>34.92%</td>
<td></td>
</tr>
<tr>
<td>Individuals and other shareholders:</td>
<td>12.38%</td>
<td></td>
</tr>
</tbody>
</table>

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

Share Price and Market Capitalization Over the Past Five Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Share price ($)</th>
<th>Market capitalization (billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023/3</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>2022/3</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>2021/3</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>2020/3</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>2019/3</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Note: 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.

Total Shareholder Return (TSR) Over the Past Five Years

<table>
<thead>
<tr>
<th>Holding period</th>
<th>1 year</th>
<th>2 years</th>
<th>3 years</th>
<th>4 years</th>
<th>5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRI</td>
<td>101.6%</td>
<td>130.9%</td>
<td>208.7%</td>
<td>247.5%</td>
<td>193.3%</td>
</tr>
<tr>
<td>TOPIX</td>
<td>95.0%</td>
<td>85.9%</td>
<td>122.1%</td>
<td>124.6%</td>
<td>131.8%</td>
</tr>
</tbody>
</table>

Note: Total shareholder return (TSR) is a ratio calculated by dividing the sum of dividends received and change in market value of stock investment by the amount of investment (stock price) as of each date shown above. Source: Compiled by NRI.

Corporate Information / Data

Message from the CEO

NRI’s Value Co-Creation

Corporation Information / Data

MTP2025

Materiality

Value Creation

Growth Story for 2030

V2030

Management Basis (ESG)

Value Creation Capital
Participation in Initiatives

Since June 2018
Japan Climate Initiative
This network bolsters communication and exchanges of opinions between various companies, local governments, groups, NGOs, and other non-national government entities that are actively working to counteract climate change.

Since July 2018
Task Force on Climate-Related Financial Disclosures
NRI endorses the TCFD Final Report, established by the Financial Stability Board, an international organization for the stabilization of the global economy.

Since February 2019
Renewable Electricity 100%
This environmental initiative was established to reduce the environmental impact arising from business activities. Its goal is to meet 100% of power needs for business activities with renewable energy.

Since May 2020
Business Ambition for 1.5°C
A joint letter by the United Nations Global Compact (UNGC), Science Based Targets Initiative (SBTI), and We Mean Business that requests corporations to set a target of limiting the future rise in temperature to 1.5°C Celsius.

Since June 2020
Race to Zero
An international campaign to mobilize non-state actors such as companies, government agencies, investors, and universities all over the world to immediately take action toward achieving a 50% reduction in net greenhouse gas emissions by 2030.

Science Based Targets Initiative
This initiative seeks to have companies set reduction targets that are consistent with scientific knowledge in order to keep the average global temperature increase below 2°C.

Since January 2019
World Business Council for Sustainable Development (WBCSD)
The WBCSD was founded in 1995 to promote international interest and action pertaining to environmental conservation and economic development. Its purpose is to make sustainable development recommendations that come from the business world.

Since February 2022
GX League Basic Concept (became GX League in May 2023)
A forum for companies attempting GX and seeking sustainable growth both now and in the future to join forces with groups of companies engaged in similar efforts and collaborate with government and academia toward achieving carbon neutrality and transforming society by 2050.

External Recognition Regarding ESG

NRI is rated highly on sustainability by outside institutions.

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

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

MSCI ESG Indexes*
Index renamed from MSCI Global Sustainability Indexes
Adopted for eight consecutive years from 2016

FTSE4Good Index Series
Adopted for 17 consecutive years from 2006

Sampo Sustainability Index
Adopted for 12 consecutive years from 2012

Euronext Vigeo World 120 Index
Continued selection from 2021

NRI receives sustainability-related awards.

NRI has been included in all six ESG stock indexes selected by the GPIF for domestic stocks from the very beginning.

MSCI JAPAN ESG SELECT LEADERS INDEX®
2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI EMPOWERING WOMAN INDEX (WIN)®
2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

FTSE Blossom Japan Index

S&P/JPX Carbon Efficient Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index