

Dream up the future.
未来創発

Integrated Report 2023

Year ended March 31, 2023

Nomura Research Institute

Envision the value, Empower the change

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.

Envision the value, Empower the change

CONTENTS

04	Message from the CEO	26	Growth Story for 2030	48	Materiality
12	NRI's Value Co-Creation	26	Transition of Growth Strategy	48	Message from the Head of Corporate Headquarters
12	NRI's Corporate Philosophy	28	Looking Back on V2022	50	List of Materialities
14	A Path of Unchanging Value Co-Creation	30	NRI Group Vision 2030 (V2030)	52	Value Creation
16	NRI at a Glance	34	V2030 Consideration Process and Materiality Identification Process	52	Co-Create a Thriving Future Society
20	Process of Value Co-Creation	36	Environmental Recognition Toward FY2025	53	Co-Create an Optimal Society
22	Opportunities and Risks Due to Changes in the External Environment	37	Medium-Term Management Plan 2023–2025 (MTP 2025)	54	Co-Create a Safe and Secure Society
24	NRI's "Con-Solution" Business Model	44	Interview with the CFO	55	Initiatives to Instill Value Co-Creation Activities
25	NRI's Corporate Philosophy and NRI Group Vision 2030 System			56	Value Creation Capital
				56	Advance Human Capital
				70	Accumulate Intellectual Capital



78 Management Basis (ESG)

- 78 Contribute to Global Environment
 - 78 Initiatives for Creating Opportunities and Reducing the Risks of Climate Change (TCFD)
 - 90 Initiatives for Conserving / Restoring Natural Capital (TNFD)
- 92 Fulfill Our Social Responsibilities
 - 94 Cooperation with Stakeholders
 - 98 Information Disclosure and Communication
 - 100 Stakeholder Map

102 Evolve Governance

- 102 Talking about Governance
- 106 Interview with an Outside Audit & Supervisory Board Member
- 108 NRI's Corporate Governance
- 110 Board of Directors and Advisory Committees
- 112 System of the Board of Directors and the Audit & Supervisory Board
- 115 Compensation for Members of the Board and Audit & Supervisory Board Members
- 118 Review of Effectiveness Evaluation Process and Evaluation Method
- 120 NRI Executives
- 122 Internal Controls, Corporate Ethics, and Compliance

124 Corporate Information / Data

- 124 Financial Highlights
- 126 10-Year Summary of Consolidated Financial Statements
- 128 Consolidated Financial Data
- 130 Non-Financial Highlights
- 132 Non-Financial Data
- 134 Corporate Data / Share Information
- 136 Participation in Initiatives
- 137 External Recognition Regarding ESG

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.

The Integrated Report 2023 introduces the medium- to long-term growth story and materiality found in the NRI Group Vision 2030 long-term management Vision and our Medium-Term Management Plan 2023–2025.

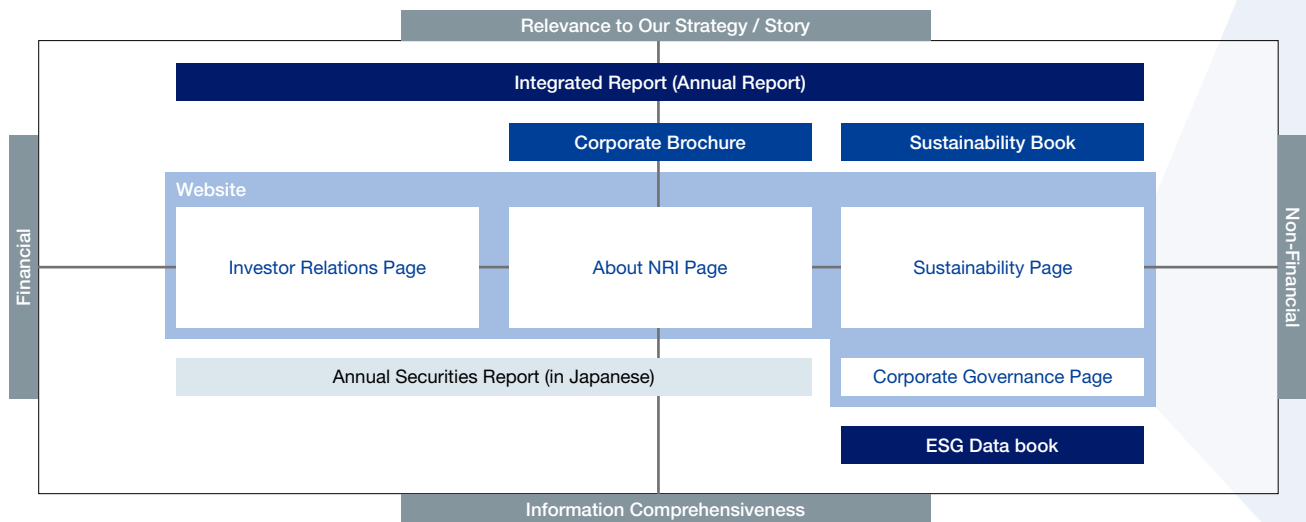
For information on our disclosure system, see the figure below. As for details and other related information that cannot be included due to space, we have included the source of the relevant information (e.g., websites and the Annual Securities Report) below and in the list of links on page 3, as well 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

<p>International Integrated Reporting Council (IIRC) “The International <IR> Framework”</p>	<p>The Ministry of Economy, Trade and Industry’s “Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation”</p> 	<p>Global Reporting Initiative (GRI) GRI Standard</p>
---	--	---

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.



► **NRI Website**
<https://www.nri.com/en>



► **About NRI**
<https://www.nri.com/en/company>



○ **Corporate Philosophy**
https://www.nri.com/en/company/c_philosophy



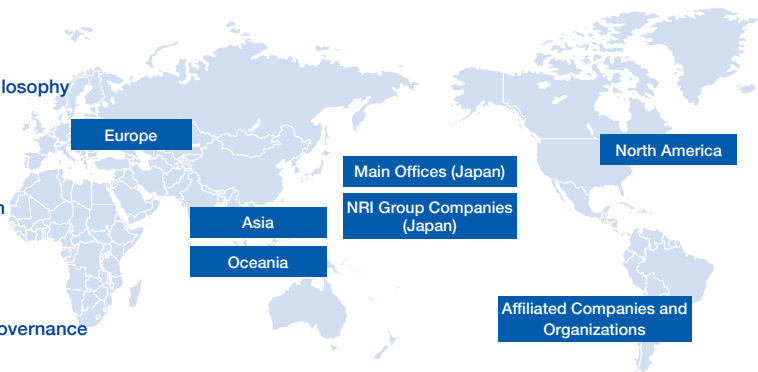
○ **Management Vision**
<https://www.nri.com/en/company/vision>



○ **Corporate Governance**
https://www.nri.com/en/company/co_governance



○ **NRI Group Companies and Offices**
<https://www.nri.com/en/company/map>



► **Investor Relations (IR)**
<https://ir.nri.com/en/ir.html>



- **IR Library**
<https://ir.nri.com/en/ir/library.html>
- Financial Results & Presentation
 - Small Meeting Materials
 - NRI Business Outline & Business Briefing Presentation
 - Integrated Report (Annual Report)



○ **Stock & Bond Information**
<https://ir.nri.com/en/ir/stock.html>



○ **NRI's Strengths**
<https://ir.nri.com/en/ir/strength/strength01.html>



► **Sustainability**
<https://www.nri.com/en/sustainability>



○ **Sustainability Book 2023**
https://www.nri.com/en/-/media/Corporate/en/Files/PDF/sustainability/library/Sustainability_Book2023_e.pdf



○ **ESG Databook 2023**
https://www.nri.com/en/-/media/Corporate/en/Files/PDF/sustainability/library/ESG_Databook_2023_e.pdf



- Knowledge Insight
- Solutions & Services
- News
- Careers

- NRI DNA
- NRI People
- NRI JOURNAL
- NRI Voice

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 an era where the use of IT would transform business models, and that there will be a growing market where NRI could leverage its ability to facilitate collaboration between consultants and systems engineers. This hunch gradually turned into certainty and ultimately became part of our “Vision 2022” Long-Term Management Vision (V2022). This new direction gained steam from around 2017, two years after V2022 was announced, when we were able to demonstrate the true value of our “Con-Solution” business model, where our consulting and IT solutions work together to assist DX via repeated hypothesis testing in tandem with clients, from the stage of planning and conceptualization that we had a head start on. I call this turning point in 2017 the first year of DX.

The second 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



Shingo Konomoto

July 2023
 President & CEO
 Chairman, Member of the Board
 Representative Director

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

important to foster mutual relationships of trust among our companies. Such relationships are reliant on inter-site trust. The basis of this trust is the high quality of our projects, which we maintain in all of our solutions, services, and work, as mentioned with the previous project. Put another way, it is our meticulous ability to conduct business. NRI has honed such strengths via consistent corporate activities based on our corporate philosophy.

Since our merger in 1988, we have provided proposals that accurately identify changes in society and endeavor to achieve related projects with a high level of quality if they offer a high level of social usefulness, even if they are difficult, based on our two missions of “Discern new social paradigms and implement them” and “Build client trust and establish relationships for mutual growth” indicated in our corporate philosophy. This corporate culture of pursuing added value leads to high profitability, and this in turn enables us to continue hiring outstanding human resources with economic benefits that exceed the market average, then once again create high added value. As long as this virtuous cycle continues, I believe that we will maintain a competitive advantage and not be caught up in excessive competition.

In order to fulfill our missions at a higher level than ever before, we will continue to pass along this corporate philosophy and hone our strengths.

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.

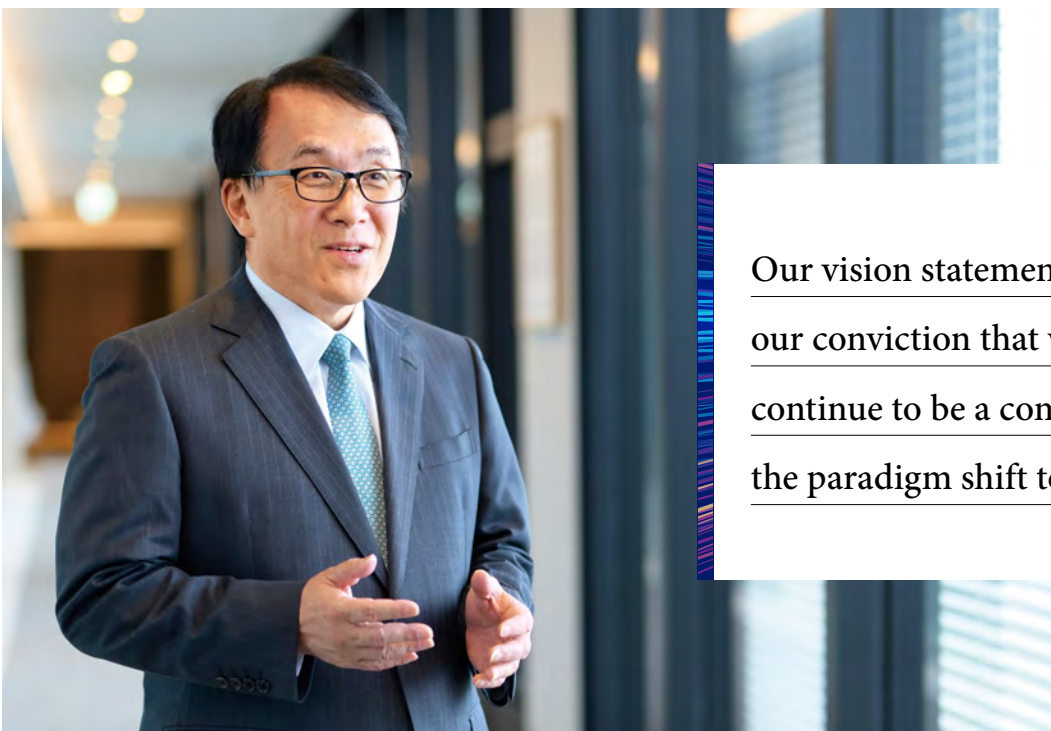
There is also an irreversible trend for tackling social issues at a global level. We must eliminate the negative legacy of escalated natural disasters, loss of biodiversity, and social inequality caused by climate change, and preserve an affluent society and beautiful planet for future generations. Digital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



Our vision statement encapsulates
our conviction that we need to
continue to be a company that leads
the paradigm shift to a new society.

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, modernize 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.

We will maintain an environment
that continuously enhances
profitability and enables each and
every employee to feel improvement
via drastic production innovation.



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 EARTHBRAIN 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 GX 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 FY2026. 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 achieve 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 binds 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 business. 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 successfully apply a hands-on policy of increasing corporate value.

Our Australian business now has the foundations required for consulting, ASP services for financial institutions, application development, and managed services. In the future, we will transition to the next step where our business infrastructure 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 revenue 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 proceed 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 globalize our management by appointing overseas managers 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 expectations. Although this quality has been a strength for NRI, I have been concerned that it has also made us excessively risk-averse. 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 various 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, production, and sales, all have different ways of thinking. Our top management and employees have experience 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 empowering 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 tackling 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 particularly 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



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

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 environment 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 dangerous 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 management. 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.

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 officers 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 shareholders and investors as NRI endeavors to transform society via the creation of digital social capital.

President & CEO
Chairman, Member of the Board
Representative Director

A Corporate Philosophy that Builds on the Founding Spirit

NRI offers integrated services ranging from consulting through to IT solutions. We were established through the merger of the former Nomura Research Institute, Ltd., Japan's first private-sector think tank, and Nomura Computer Systems Co., Ltd., Japan's first commercial user of computers.

We summarize our commitment to creating a new society, business, and the future in our corporate philosophy. While succeeding NRI's founding spirit in these times of rapid change, we are working to develop new social values and resolve various social issues.

Our Founding Spirit Continues to Be Passed Down

Japan's First Full-Fledged Private Sector Think Tank

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

The founding prospectus, "Nomura Research Institute—Its Concept and Policies," describes the following as the aims of establishing the institute: "To be a new type of research institute that had never existed in Japan before," and "To promote industry and be of service to society through research studies." This has been passed down to today in NRI's DNA, which makes it an organization with the primary goal of creating new social value and engaging in the resolution of social issues through its main business activities.



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

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 1953. In 1955, the division adopted the use of a commercial computer (UNIVAC-120) that had just been developed in the United States, making headlines as the first instance in Japan of the commercial use of a computer. This is the result of the desire and passion to create new systems previously unseen in the world.

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



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

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

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.
未来創発

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.

Research consulting

Research
Division of
Nomura
Securities

Corporate split

Apr. 1965
(Former) Nomura
Research Institute
established

IT solutions

Electronic Data
Processing
Division of
Nomura
Securities

Corporate split

Jan. 1966
Nomura Computer
Systems established

Merger

Jan. 1988

**Launch of
new NRI**

Dec. 2001

Listed on the
First Section of
the Tokyo Stock
Exchange

Apr. 2023

Long-Term Management Vision,
"NRI Group Vision 2030" and
vision statement released

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

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

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

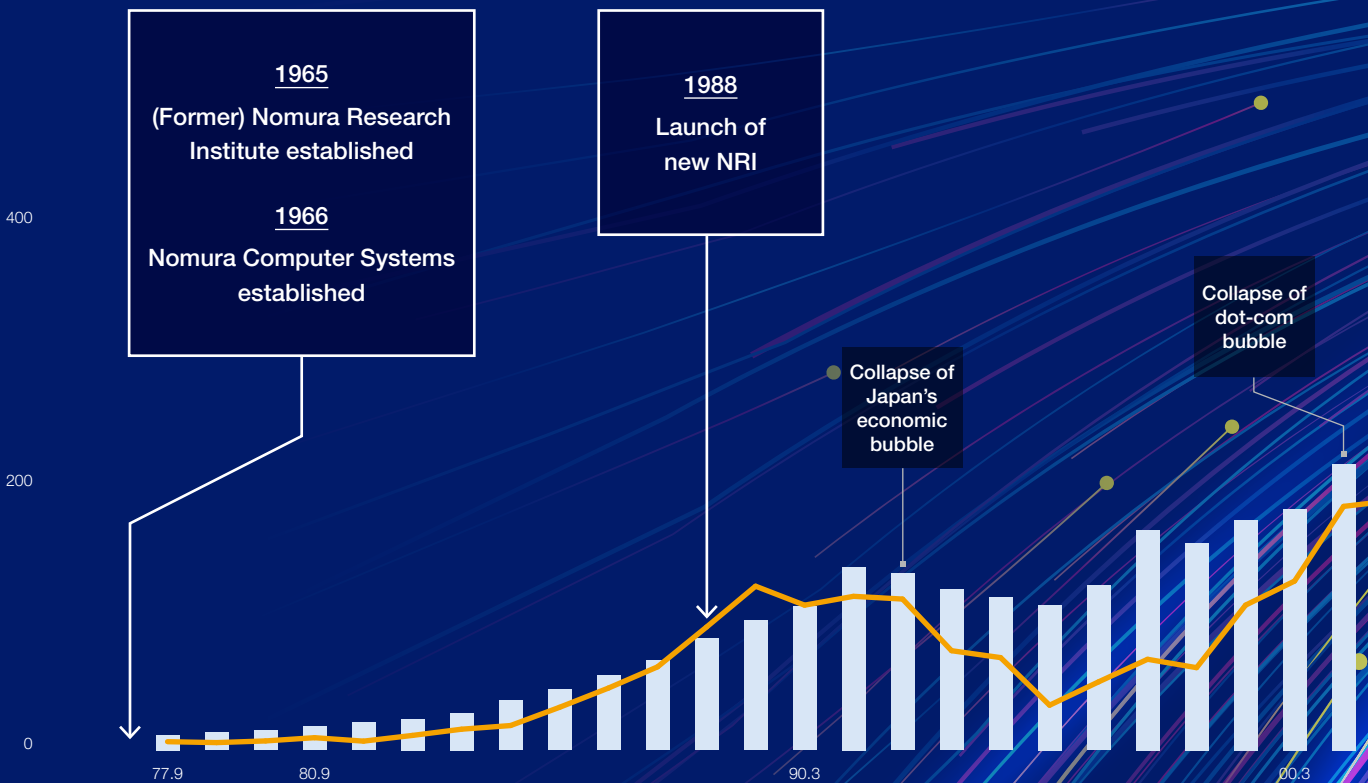
A Path of Unchanging Value Co-Creation

(billions of yen)
800

■ Revenue (left scale)
— Operating profit (right scale)

- Notes: 1. The figures prior to 1987 are combined totals for the former Nomura Research Institute and Nomura Computer Systems.
2. The figures for 1988–1996 are non-consolidated; the figures for 1997 onward are consolidated.
3. Owing to a change of fiscal year-end, 1989 was a six-month accounting period (October 1988–March 1989). For convenience, the graph shows six-month figures x 2.
4. Japanese GAAP until 2021.3, IFRS from 2022.3

600



Services Created in Response to Societal Demand

Consulting

1970

Forecasted the number of visitors to the Japan World Exposition held in Osaka (a pioneer in research and consulting business in Japan)

1984

System Clinic Service launched (a pioneer in system consulting business in Japan)

1988

Started recommendation activities of the world's five big think tanks, including NRI (thereafter annually through 1995)

1989

Organized Pension Management Study Group (affected Japan 401k scheme later)

1994

Became the sixth company in Japan to launch a corporate website

1995

Center for Cyber Communities Initiative established with Keio University
Cyber Life Club cybermall launched (a pioneer in online shopping business in Japan)

IT Solutions

1970

Launched Nomura Securities' "Integrated Online System"

1974

THE STAR, a shared online service for retail brokerage firms, launched

1979

Launched a new ordering system for SEVEN-ELEVEN JAPAN CO., LTD.

1987

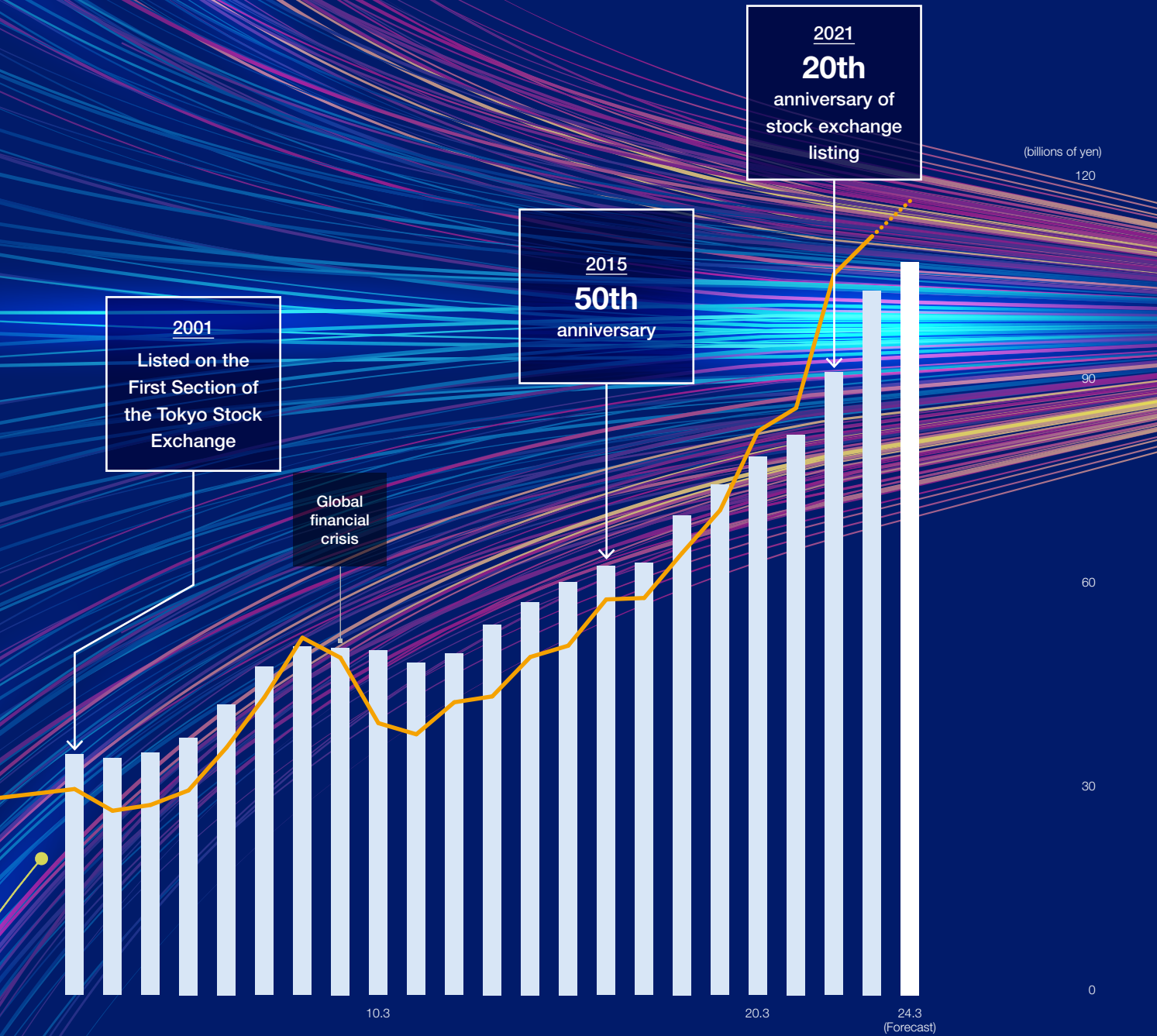
I-STAR, a shared online system for wholesale brokerage firms, launched

1987

Launched Famicon Trade System at Nomura Securities (a pioneer in contemporary home trading services)

1988

International VAN service between Japan and United States launched



(billions of yen)
120
90
60
30
0

2001
Listed on the First Section of the Tokyo Stock Exchange

2015
50th anniversary

2021
20th anniversary of stock exchange listing

Global financial crisis

1997
Conducted the first Survey of 10,000 Consumers (thereafter conducted every three years)

2000
Advocated the concept of Ubiquitous Networking (a new information technology paradigm)

2003
Started sending CIO aides to government organizations, including the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, etc.

2007
Established Tsinghua-NRI Chinese Research Center Insight Signal, and advertising effectiveness measurement service, launched

2011
Recommendation activities and others for Great East Japan Earthquake recovery efforts

2012
Provided comprehensive support, from designing the service to the system architecture, for Shiseido's integrated online beauty service "watashi+"

2014
Assisted in the rollout of "NISA" system, from design to system construction

2020
Proposals regarding coronavirus infection (COVID-19) measures

1993
T-STAR, a shared online system for asset management firms, launched

1997
BESTWAY, an over-the-counter sales system for mutual funds, launched e-Cash experiment with Japanese commercial banks (Japan's first electronic money trial)

1999
Online trading system for an online brokerage firm launched

2004
e-JIBAL, a compulsory automobile liability insurance system, launched

2012
Value Direct (for online banking) launched

2016
TRAINA, AI solution, launched

2017
Started provision of the identity verification service "e-NINSHO" using My Number

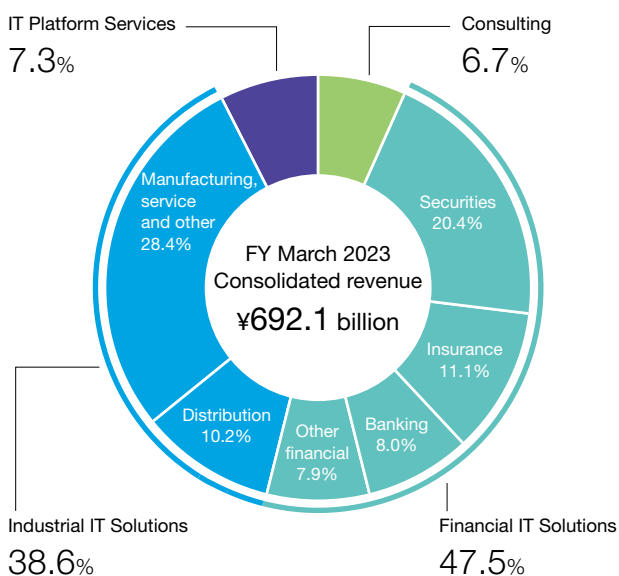
2018
Started provision of e-PO box, the first private-sector cloud linked with Mynportal

NRI at a Glance

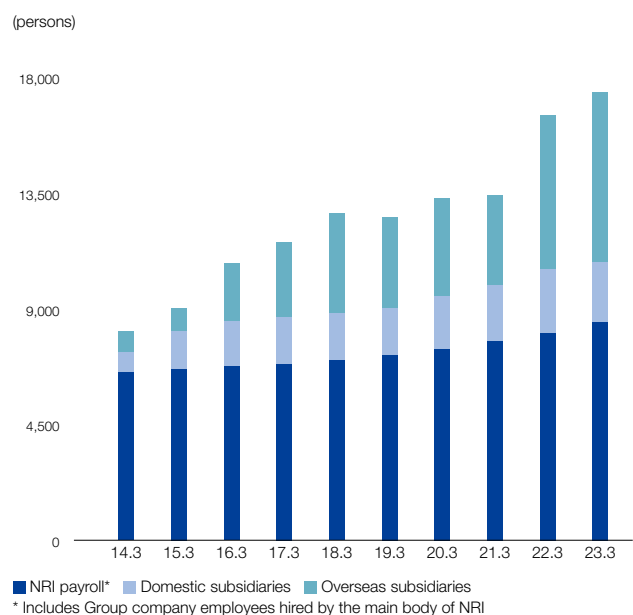
The NRI Group business is divided into four business segments: Consulting, Financial IT Solutions, Industrial IT Solutions, and IT Platform Services. Each segment is maintaining an industry-top-level competitive edge in its respective domain. We maximize the value provided to clients by each business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

FY March 2023 Consolidated		
Consolidated revenue	Consolidated operating profit	ROE
¥692.1 billion	¥111.8 billion	20.7%
Cash flows from operating activities	Number of employees (consolidated basis)	Number of consultants
¥118.8 billion	17,394 persons	over 1,000 persons
Consolidated operating margin	Revenue per employee	Operating profit per employee
16.2%	¥39.79 million	¥6.42 million
Industry Top Level		

External Revenue by Segment



NRI Group's Employees

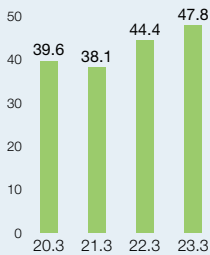


NRI's Four Business Segments

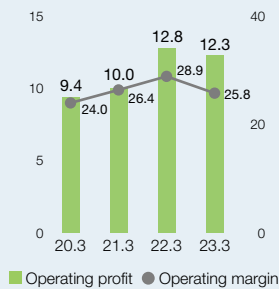
Consulting

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.

Revenue Including Inter-Segment Revenue (billions of yen)



Operating Profit / Margin (billions of yen / %)



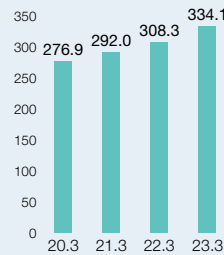
Financial IT Solutions

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.

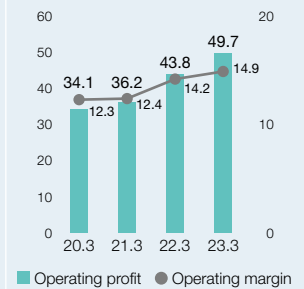
Major affiliated companies

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

Revenue Including Inter-Segment Revenue (billions of yen)



Operating Profit / Margin (billions of yen / %)



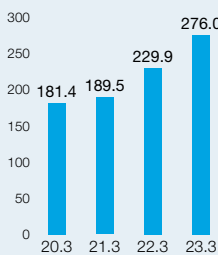
Industrial IT Solutions

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

Major affiliated companies

NRI Netcom, NRI System Techno, NRI Digital, NRI Australia Limited, Planit Test Management Solutions Pty Limited, Core BTS, Incorporated.

Revenue Including Inter-Segment Revenue (billions of yen)



Operating Profit / Margin (billions of yen / %)



IT Platform Services

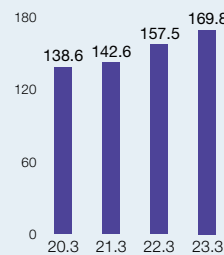
This segment provides data center operations and construction of IT platforms and networks that are provided to the Financial IT and Industrial IT Solutions segments.

This segment also provides IT platform solutions and information security services to external clients. Furthermore, NRI conducts research related to advanced information technology, etc.

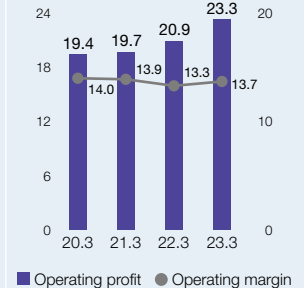
Major affiliated companies

NRI SecureTechnologies, NRI Data i Tech, NRI Digital

Revenue Including Inter-Segment Revenue (billions of yen)

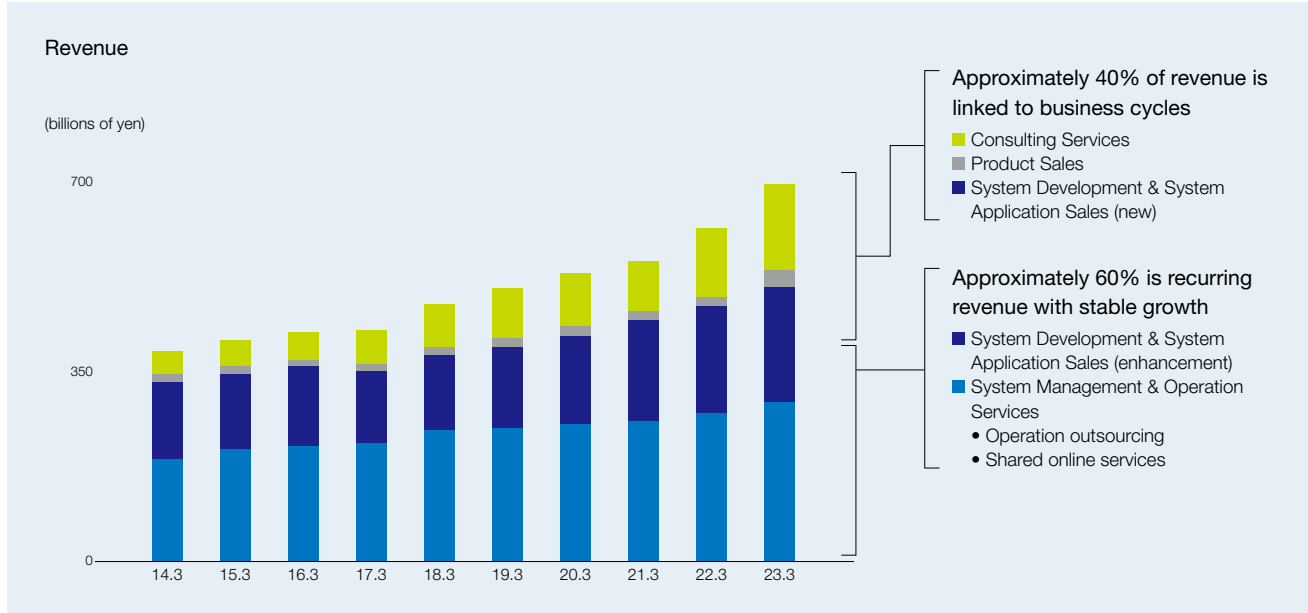


Operating Profit / Margin (billions of yen / %)



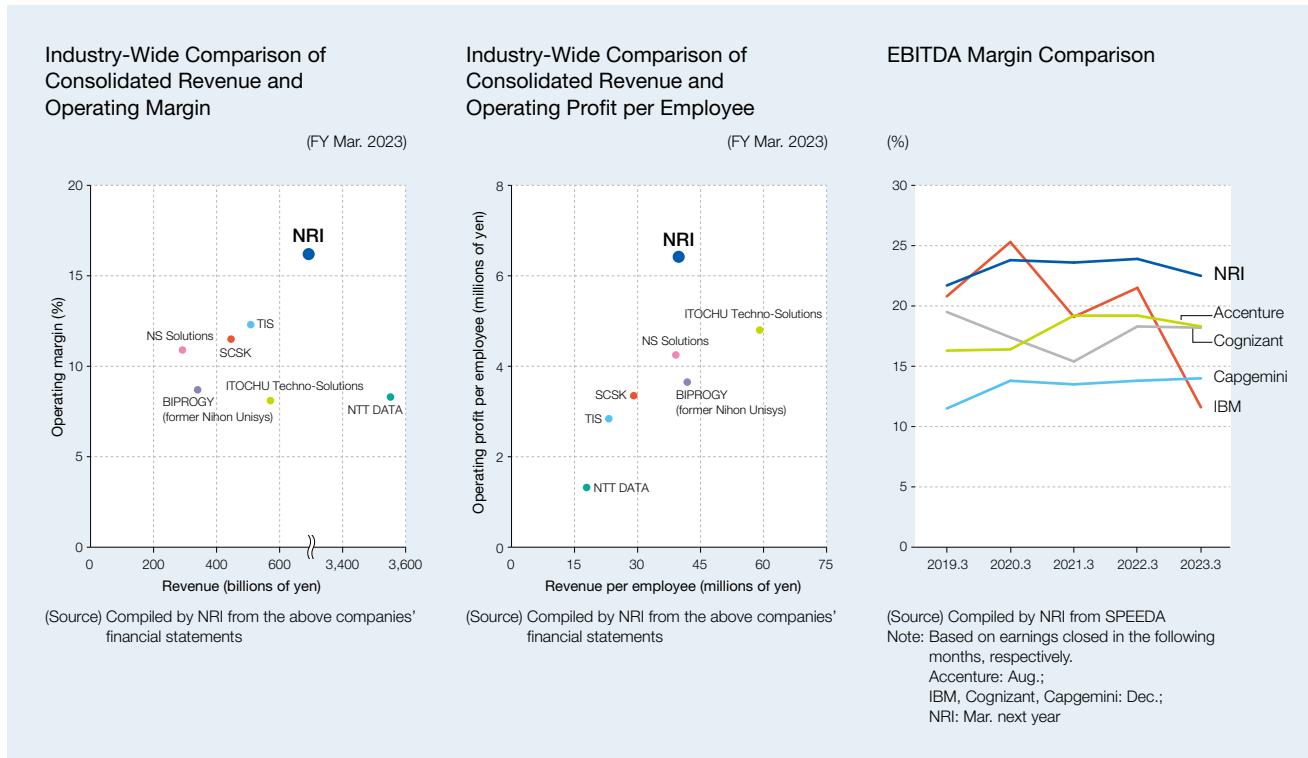
Stable Profit Structure

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



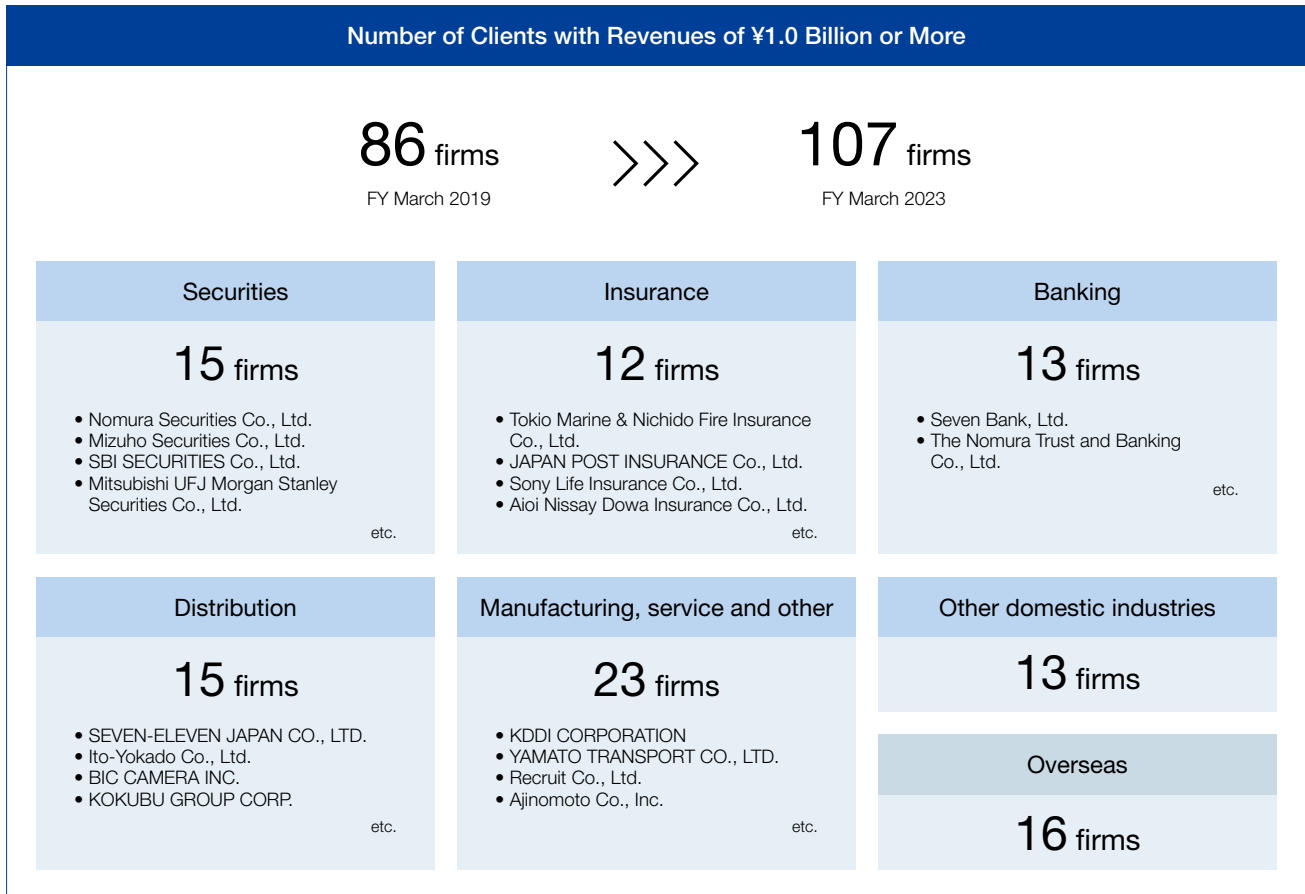
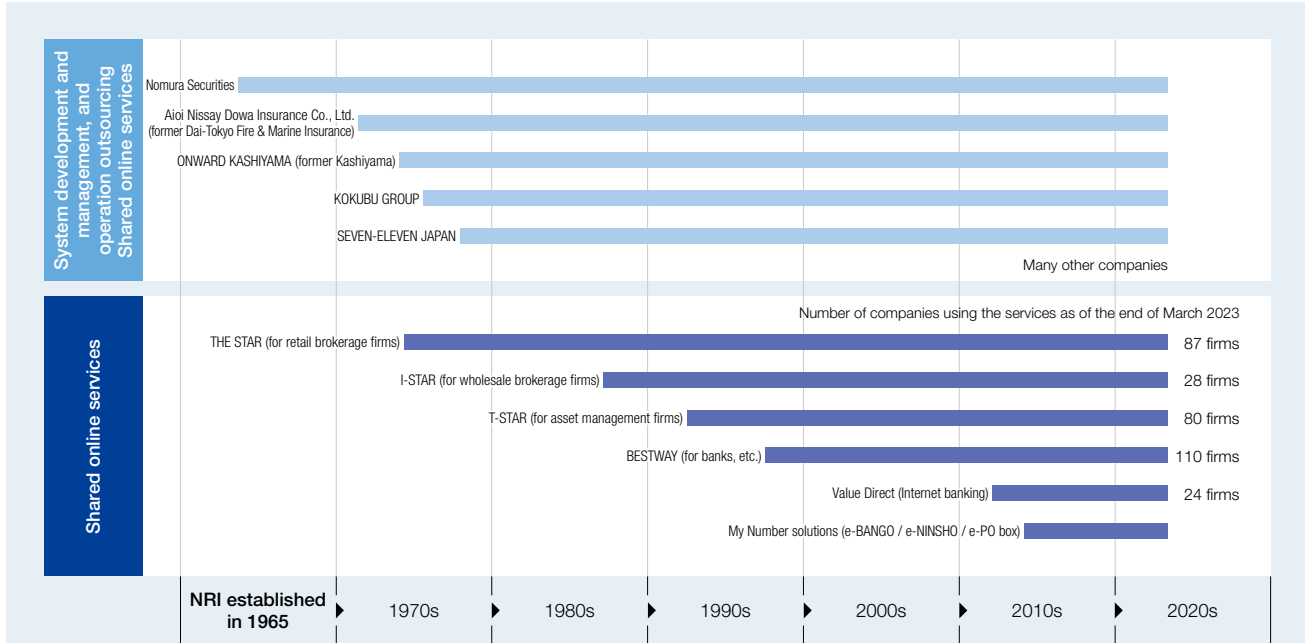
High Levels of Profitability and Productivity

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



Solid Client Base

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



Process of Value Co-Creation

Integrated pursuit of building a sustainable future

Corporate

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

Opportunities and Risks Due to Changes in the External Environment

⇒P.22

Value Creation Capital

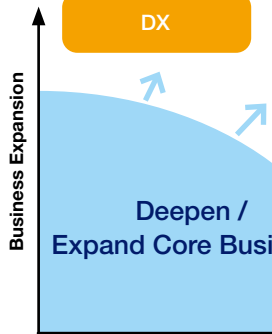
Advance human capital
through bold actions
and growth of diverse
professionals

Accumulate intellectual capital
through elevation of
individual knowledge into
organizational strength

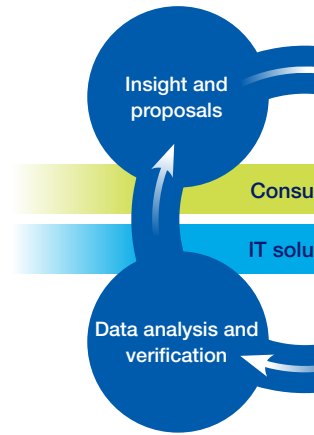
List of Materialities
⇒P.50

- Natural Capital
- Social and Relationship Capital

Growth Story



Business Model



Management Basis (ESG)

Contribute to global environment
through collaboration
with business partners

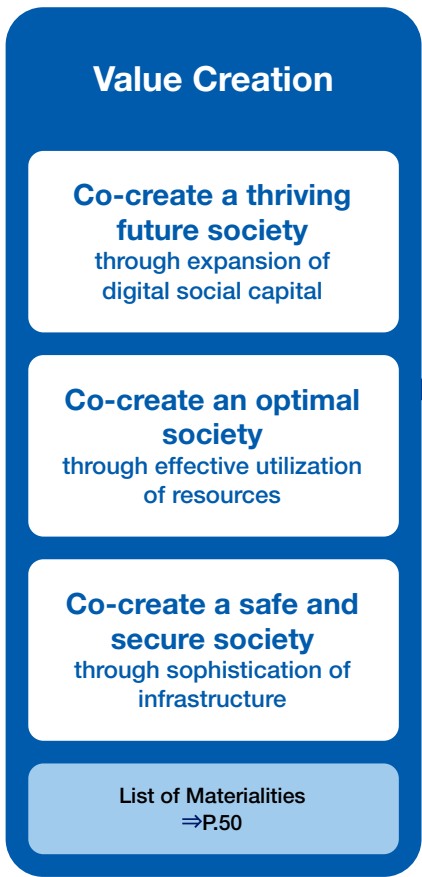
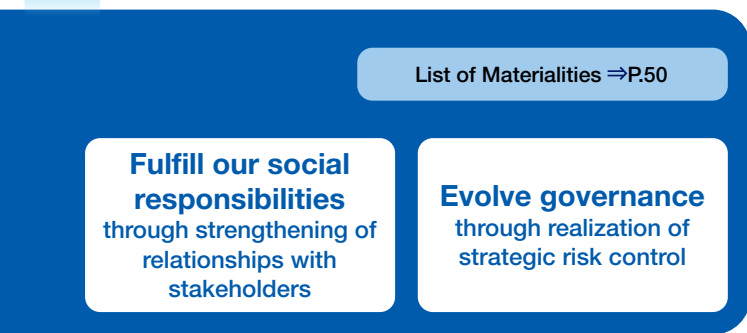
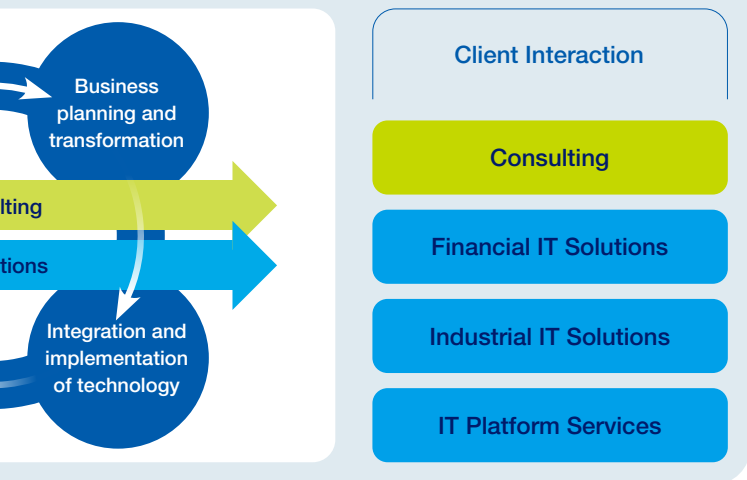
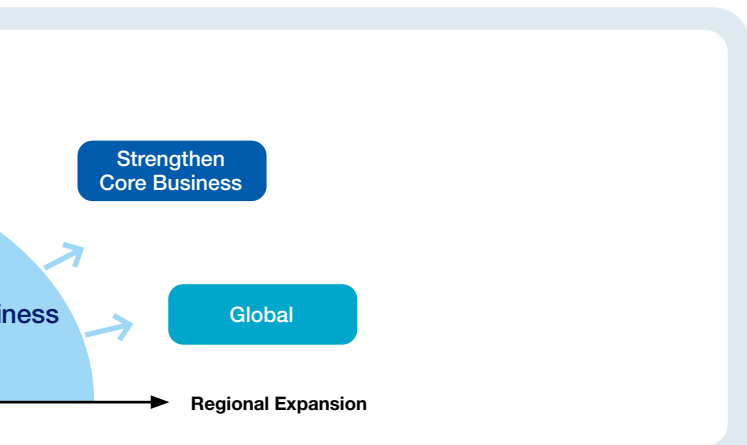
Philosophy

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.
未来創発



Opportunities and Risks Due to Changes in the External Environment Model

Main Changes to the External Environment		Opportunities
Complex Social Issues	<ul style="list-style-type: none"> • Importance of decarbonization and other means of resolving social issues 	<ul style="list-style-type: none"> • Contribution to preserving the global environment <ul style="list-style-type: none"> - Reduction of client greenhouse gas emissions through shared online services • Business continuity in states of emergency <ul style="list-style-type: none"> - Need for data centers that possess advanced disaster prevention functions
	<ul style="list-style-type: none"> • Increase in cyberattacks that are coupled with the increased complexity of international political trends • Changes in global regulatory trends 	<ul style="list-style-type: none"> • Strengthening of information security <ul style="list-style-type: none"> - Need for information security services that manage data, such as personal information, safely and securely - Need for advisory services by experts due to lack of information security specialists
	<ul style="list-style-type: none"> • Relative expansion of the scale of overseas markets 	<ul style="list-style-type: none"> • New products and new services in finance
	<ul style="list-style-type: none"> • Growing importance of economic security 	<ul style="list-style-type: none"> • Entry into overseas markets <ul style="list-style-type: none"> - Incorporation of IT investment needs in overseas markets - Overseas acquisition of competitive intellectual properties
	<ul style="list-style-type: none"> • Growing interest in contributing to the global environment 	<ul style="list-style-type: none"> • Reconstruction of supply chains <ul style="list-style-type: none"> - Need for advisory services for corporations constructing their global supply chains
	<ul style="list-style-type: none"> • Melting of boundaries between business types and industries due to digitalization • Growth limits of existing revenue models 	<ul style="list-style-type: none"> • Management of greenhouse gas emissions <ul style="list-style-type: none"> - Consulting, IT solutions
Increasingly Fluid Industrial Structure	<ul style="list-style-type: none"> • Redefinition of industry and business models, and integration of management and technology <ul style="list-style-type: none"> - Need for simultaneous transformation of both client business and IT through the combination of consulting and IT solutions 	
	<ul style="list-style-type: none"> • Strengthening of the protection of rights 	<ul style="list-style-type: none"> • Prevention of legal violations and serious accidents <ul style="list-style-type: none"> - Need for advisory services for the practice and establishment of rights protection
Progress of Latest Technologies and Commoditization	<ul style="list-style-type: none"> • Evolution of advanced technology such as generative AI, cloud computing, and next-generation communications • Commoditization of no-code, low-code, etc. 	<ul style="list-style-type: none"> • Emergence of DX-related business <ul style="list-style-type: none"> - R&D for advanced themes with a focus on DX-related business - Emergence of business by accumulating expertise through collaboration with clients
Diversification of Values and Work Styles	<ul style="list-style-type: none"> • Showing respect for individuals and new working styles 	<ul style="list-style-type: none"> • Expansion of the usage of IT services <ul style="list-style-type: none"> - Heightened needs for increasing business efficiency and improving productivity - Shift to shared online services - Modernization of systems using new technology • Variety of working styles and diverse human resources <ul style="list-style-type: none"> - Pursuit of optimal working styles for NRI, such as the utilization of telecommuting - Value creation through collaboration with business partners and external human resources

	Risks
	<ul style="list-style-type: none"> • Social responsibility - Insufficient efforts for human rights and labor practices
	<ul style="list-style-type: none"> • Business continuity - Ill-preparedness for COVID-19 and large-scale natural disasters
	<ul style="list-style-type: none"> • Information security - Information leakage due to unauthorized external access - Group governance of rule violations at the NRI Group and business partners
	<ul style="list-style-type: none"> • Response to financial regulations and laws • Spillover to financial systemic risk
	<ul style="list-style-type: none"> • Group governance - Insufficient synergistic effects of M&A and partnerships - Inadequate system for global strategy promotion
	<ul style="list-style-type: none"> • Business partners - Tightening of regulations toward overseas offshore development, and degraded quality of efficiency
	<ul style="list-style-type: none"> • Handling throughout the entire supply chain - Delay in achieving Scope 3 targets
	<ul style="list-style-type: none"> • Quality - Occurrence of large-scale system failures - Unstable operation of the operating system
	<ul style="list-style-type: none"> • Compliance - Infringement of third-party intellectual property rights - Violation of domestic and foreign laws and regulations
	<ul style="list-style-type: none"> • Projects - Late delivery - Working hours exceeding the initial estimate
	<ul style="list-style-type: none"> • Securing / cultivating human resources - Insufficient securement and cultivation of human resources with expertise - Decline of labor productivity and loss of human resources
	<ul style="list-style-type: none"> • Business partners - Insufficient securement of business partners - Decline of productivity and quality in the NRI Group, including business partners



Related initiatives
Internal Controls, Corporate Ethics, and Compliance 📖 → P.122
Cooperation with Business Partners 📖 → P.97 NRI's Quality Management 📖 → P.73
Cooperation with Business Partners 📖 → P.97 Quality of Information Security 📖 → P.76 Risk Management PDCA Cycle 📖 → P.122
MTP2025 Global Strategy 📖 → P.40 NRI's Corporate Governance 📖 → P.108
Cooperation with Business Partners 📖 → P.97
Contribute to Global Environment 📖 → P.78
Accumulate Intellectual Capital 📖 → P.70 NRI's Quality Management 📖 → P.73
Internal Controls, Corporate Ethics, and Compliance 📖 → P.122
Accumulate Intellectual Capital 📖 → P.70 NRI's Quality Management 📖 → P.73
Advance Human Capital 📖 → P.56
Cooperation with Business Partners 📖 → P.97 NRI's Quality Management 📖 → P.73

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.

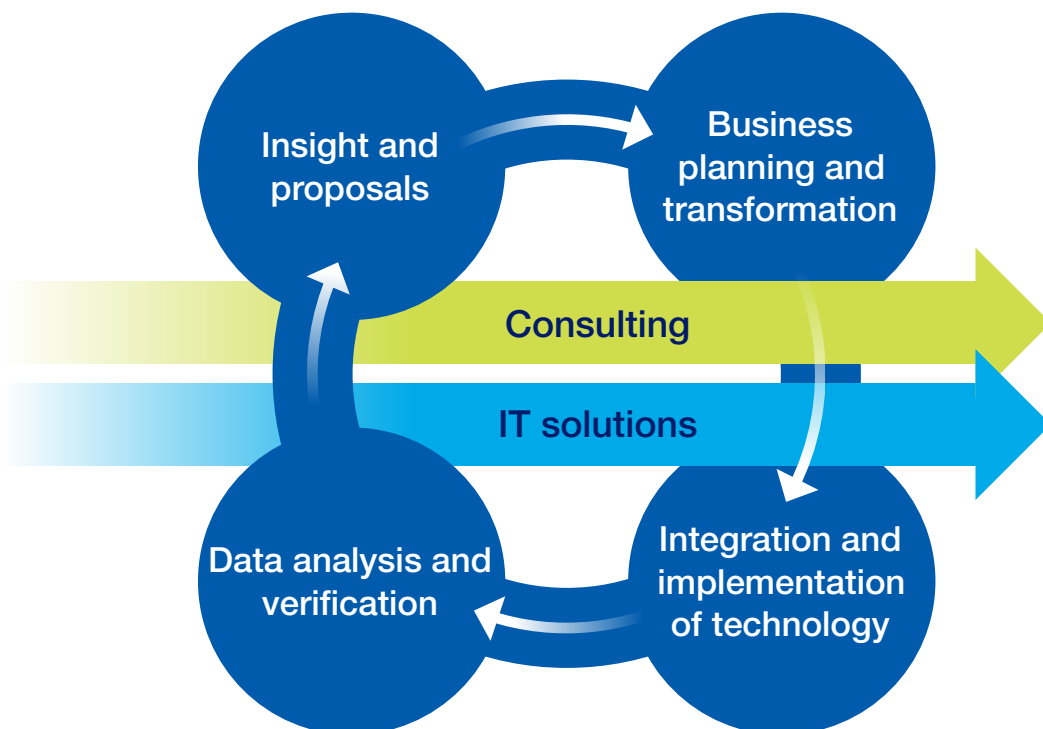
► Consulting

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"



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).

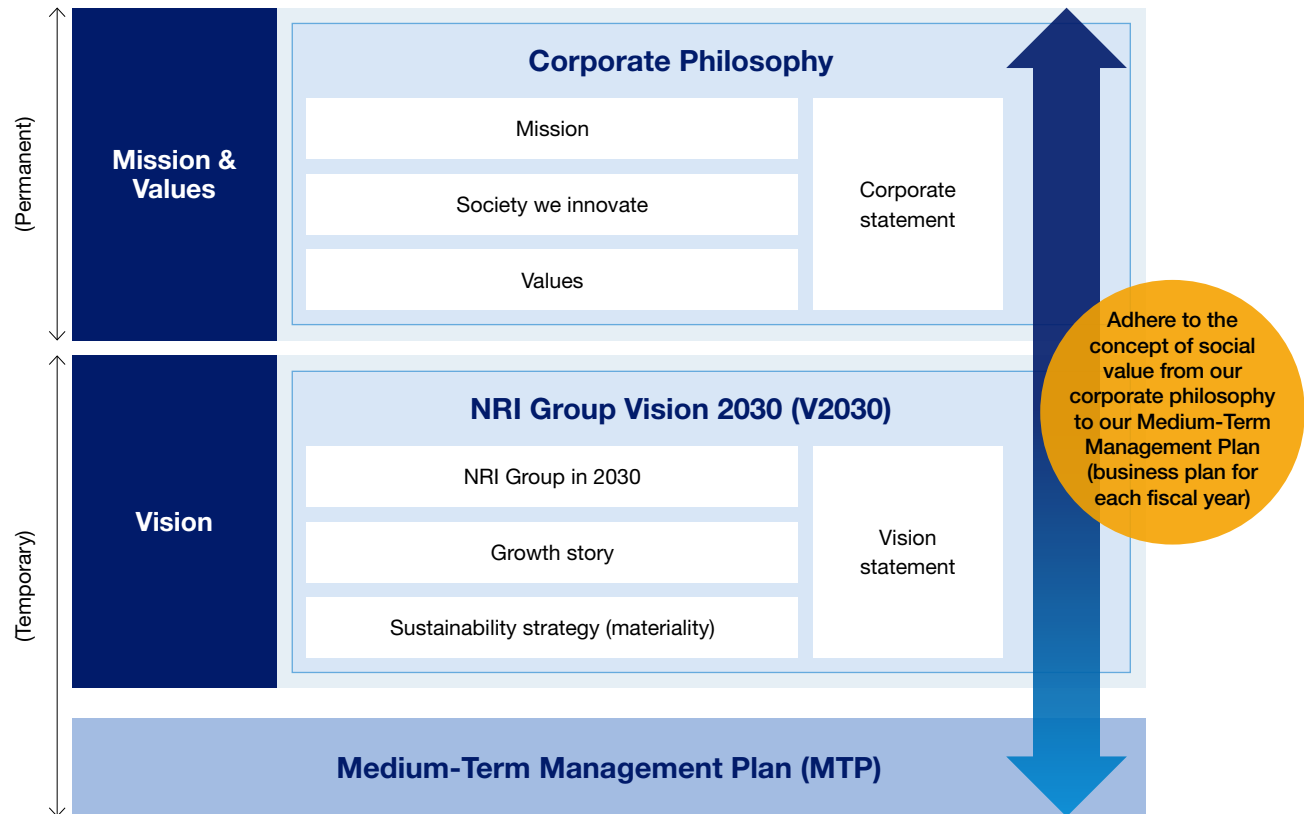
Toward a Vision Centered on the Integration of Economic Value and Social Value

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.

NRI's Corporate Philosophy and NRI Group Vision 2030 System



Transition of Growth Strategy

		Vision2015 NRInnovation !	Medium-Term Management Plan (2016–2018)	
		FY March 2009–FY March 2016	FY March 2017–FY March 2019	
Objectives	To provide a business platform that laterally spans the industry and market			
Strategy and Main Results	V2015 Growth Targets and Results			
	Growth higher than industry average and profitability set NRI apart in the industry			
	Results		Targets	
	Sales Growth Rate (CAGR) <small>(from FY March 2008 to FY March 2016)</small>	2.6%	7% growth	
	Operating Margin <small>(FY March 2016)</small>	13.8%	13% or more	
Powerful business portfolio				
		FY March 2008 (Results)		FY March 2016 (Results)
Break dependence on two major clients	58%	→		74%
Expand business in industrial sector	19%	→		24%
Expand industry standard business platforms	12%	→		22%
Expand overseas-related business	1%	→		6%
<small>Note: All percentages (%) are the sales ratio.</small>				
Specific Initiatives				
<ul style="list-style-type: none"> ● Introduce THE STAR to Nomura Securities Co., Ltd. ● Established and acquired subsidiaries in the industrial field <ul style="list-style-type: none"> • 3 firms ● Started provision of new industry standard business platform services <ul style="list-style-type: none"> • Expansion of Service Lineup for Financial Institutions • Expansion of My Number related services ● Established overseas bases <ul style="list-style-type: none"> • 5 offices mainly in Asia 				
		Growth Strategy		
		Improve productivity in specialty areas in Japan		
		Expand industry-standard business platforms and develop large-scale clients		
		<ul style="list-style-type: none"> ● THE STAR: 73 firms (+5 firms)* ● BESTWAY: 114 firms (+5 firms)* ● T-STAR: 78 firms (+5 firms)* ● Expand number of clients to whom sales were ¥1 billion or more: 86 firms (+22 firms)* 		
		Build foundations for global business		
		<ul style="list-style-type: none"> ● Global acquisition: Australia, 2 firms; North America, 1 firm 		
		Create business IT		
		<ul style="list-style-type: none"> ● Established joint ventures: 4 firms <p style="text-align: right;"><small>* Number of firms for FY March 2019 (compared to FY March 2016)</small></p>		
		Financial Targets and Results		
		FY March 2019 (Results)		MTP2018 Targets
Revenue	¥501.2 billion			¥500.0 billion
Operating profit	¥71.4 billion			¥70.0 billion
Operating margin	14.3%			14%
Overseas revenue	¥53.0 billion			¥58.0 billion
ROE	12.3%			around 12%

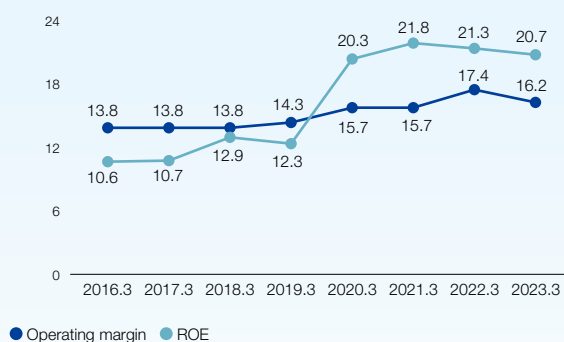
Revenue / Operating Profit

(billions of yen)



Operating Margin / ROE

(%)



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

Vision2022
Share the Next Values !

Medium-Term Management Plan (2019–2022)

FY March 2020–FY March 2023

Expand the customer base and take on the challenge of new areas, including global and digital

Growth Strategy



Financial Targets and Results

	FY March 2023 (Results)	MTP2022 Targets
Revenue	¥692.1 billion	¥670.0 billion or more
Operating profit	¥111.8 billion	¥100.0 billion
Operating margin	16.2%	14% or more
Overseas revenue	¥123.2 billion	¥100.0 billion
EBITDA margin	22.5%	20% or more
ROE	20.7%	14%*

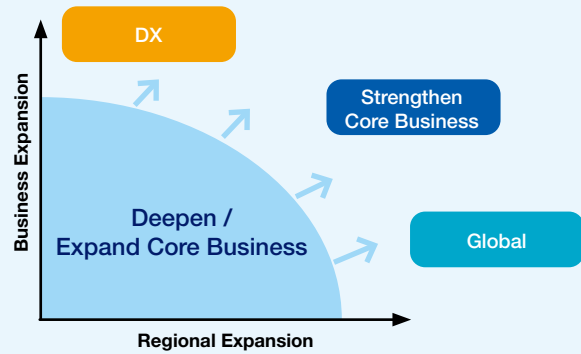
* Aiming for higher capital efficiency in continuing from the previous term

NRI Group Vision 2030
Envision the value, Empower the change

FY March 2024–FY March 2031

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.”

Growth Story



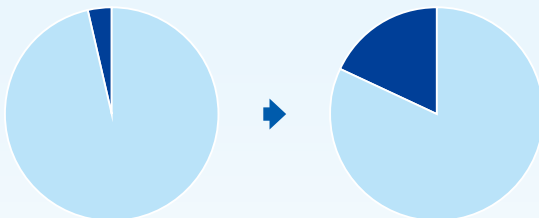
Numerical Image of 2030

Revenue	Over ¥1 trillion
Overseas Revenue	Over ¥250 billion
Operating Margin	More than 20%

Ratio of Revenue in Japan and Overseas

FY March 2016

FY March 2023



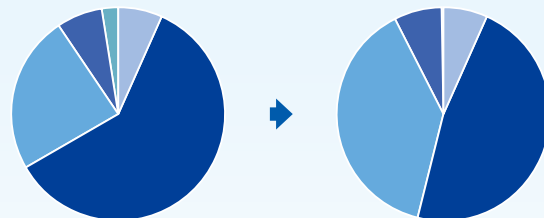
■ Overseas **3.5%**
■ Japan **96.5%**

■ Overseas **17.8%**
■ Japan **82.2%**

Ratio of External Revenue by Segment

FY March 2016

FY March 2023



■ Consulting **6.7%**
■ Financial IT Solutions **60.0%**
■ Industrial IT Solutions **24.1%**
■ IT Platform Services **6.8%**
■ Others **2.4%**

■ Consulting **6.7%**
■ Financial IT Solutions **47.5%**
■ Industrial IT Solutions **38.6%**
■ IT Platform Services **7.3%**

Looking Back on V2022

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

Results of V2022

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

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

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

V2022 Financial Targets and Results

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

ESG Initiatives Highly Recognized by External Evaluation Institutions




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

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

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

External Recognition (Examples)

(Main points that were recognized)

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

* 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.

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

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

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

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

NRI Group Vision 2030 Statement

**Envision the value,
Empower the change**

Growth Story

► Core Business

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

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

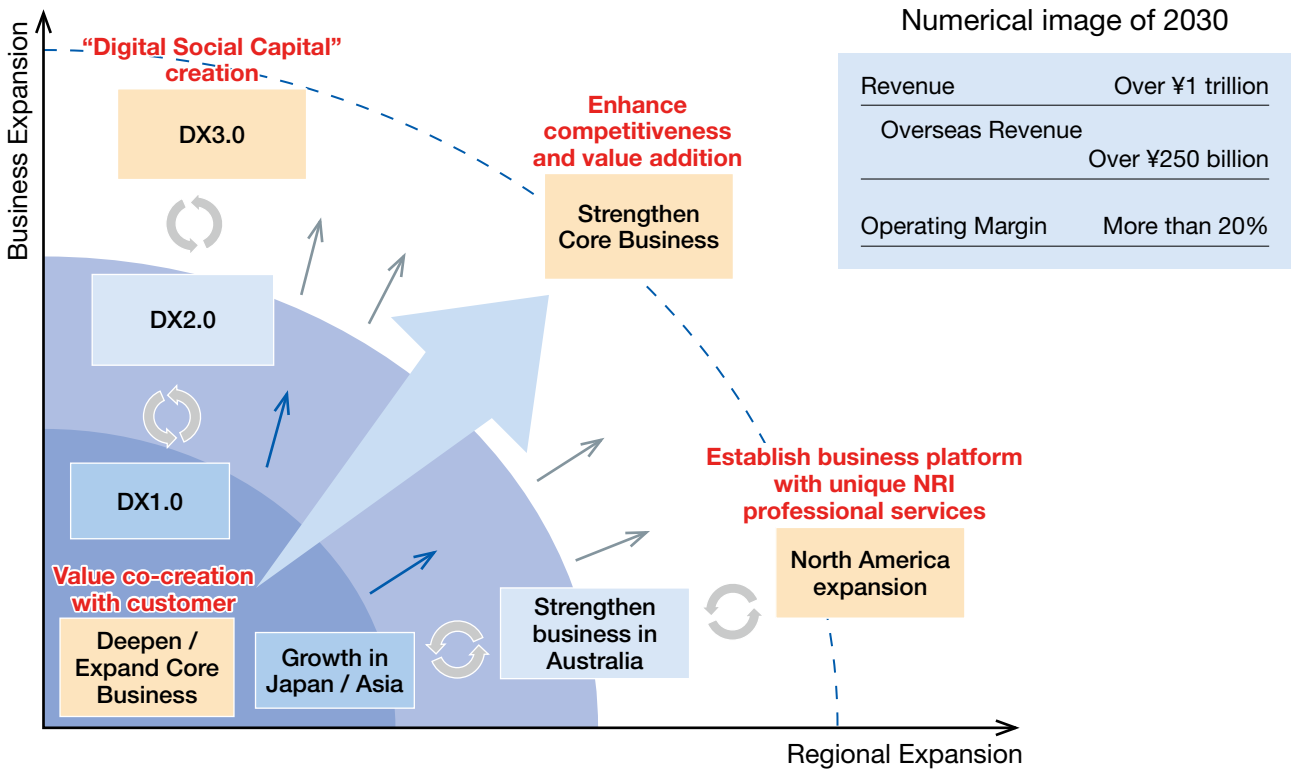
► DX

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

► Global

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

Growth Story for 2030



DX Classifications Envisioned by NRI

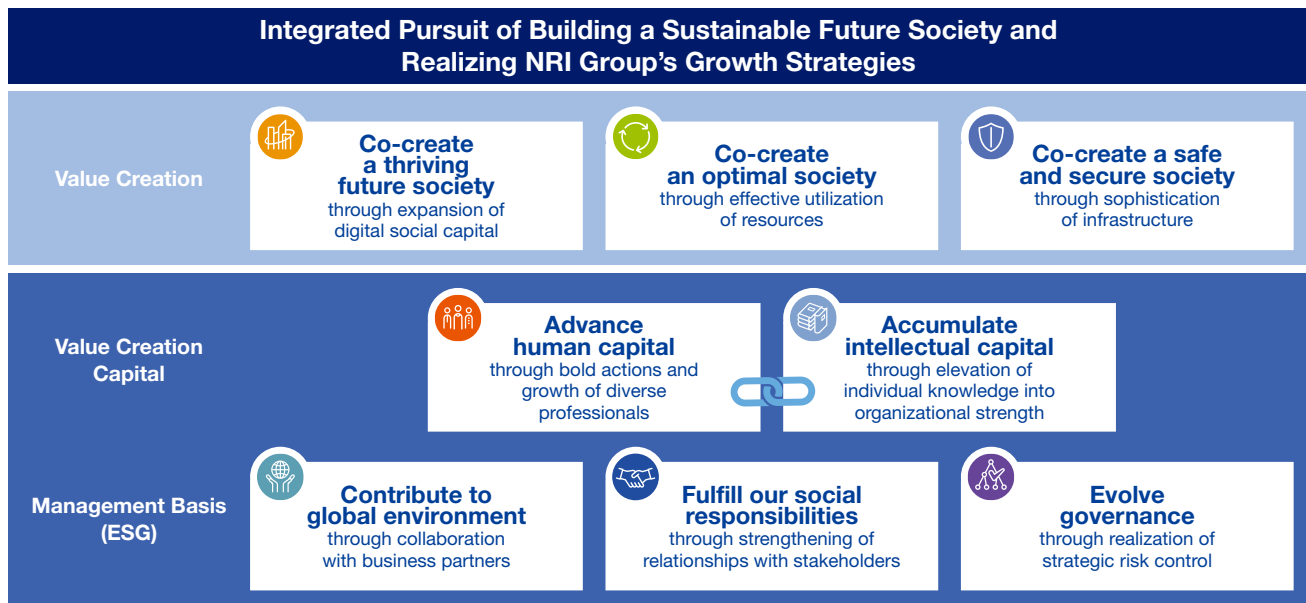
Society transformation	DX3.0	Paradigm transformation	Solve social issues and realize a paradigm transformation
	DX2.0	Business model transformation	Create a new business model through digital technology
Enterprises and industry transformation	DX1.0	Process transformation	Contribute to process transformation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

Sustainability Strategy (Materiality)

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

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

NRI's Sustainability Strategy (Materiality)



Materiality Indicators and Targets

	Materiality	KPI	FY March 2026 Targets
Value Creation	Co-create a thriving future society	Overall investment and spending on measures for DX2.0/3.0 that transforms industries and society	¥63.0 billion*1
	Co-create an optimal society	Revenues of business platforms that help to achieve an optimal society	¥141.0 billion
	Co-create a safe and secure society	Revenues related to safety and security to enable a more resilient society*2	¥216.0 billion
Value Creation Capital	Advance human capital	Employees' sympathy for social value creation*3 (domestic group companies)	70%
	Accumulate intellectual capital	Employee engagement score (NRI Payroll) Female opportunity offering rate*4 (Non-consolidated)	More than 70 continued 17%
Management Basis (ESG)	Contribute to global environment	Amount of investment in creating and accumulating intellectual capital	¥41.0 billion*1
	Fulfill our social responsibilities	Greenhouse gas emissions reduction rate / Renewable energy usage rate (Base year: 2019)	FY2030 Targets Scope 1+2: Net-Zero *5 Scope 3: Reduced by 30% Renewable energy usage rate: 100%
	Evolve governance	Rate of consent to the NRI Group Business Partner Code of Conduct*6 or possessing own such codes of conduct*7	Domestic group 90% (Ref. Global 80%)
		Number of cases in which severe risk materializes (reports to regulatory authorities or incidents of equivalent severity for which the NRI Group is responsible)	0
	DJSI World		Selection Continued

*1 Cumulative values during the term of MTP2025 *2 Including inter-segment revenue for each segment *3 Ratio of employees who feel strong buy-in for the concepts of “value co-creation” and NRI’s “three social values” *4 Percentage of women responsible for projects and businesses *5 97% reduction of Scope 1+2 emissions and neutralization of residual emissions *6 Including environment, human rights, etc. *7 Consenters or holders of equivalent standards in NRI Group's procurement partner companies, such as system development contractors

PDCA Management of Materiality

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



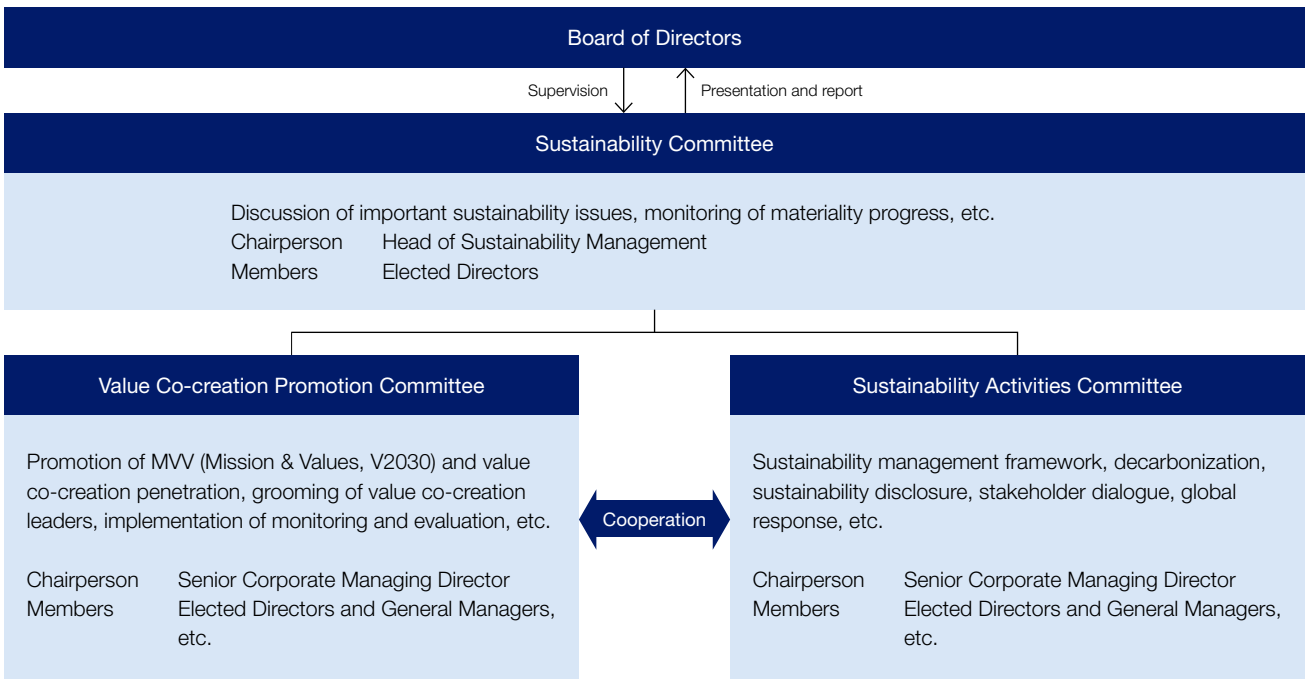
Sustainability Governance

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

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

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

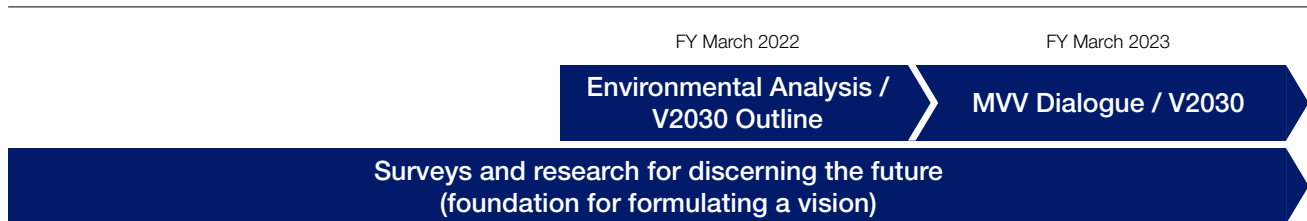
Sustainability Governance System



V2030 Consideration Process and Materiality Identification Process

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

V2030 Consideration Process



▶ Surveys and Research for Discerning the Future

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

▶ Environmental Analysis Aggregating Knowledge from Inside and Outside NRI

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

▶ MVV Dialogue and Value Co-Creation Activities

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

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



Dialogue for value co-creation activities



Shingo Konomoto greeting

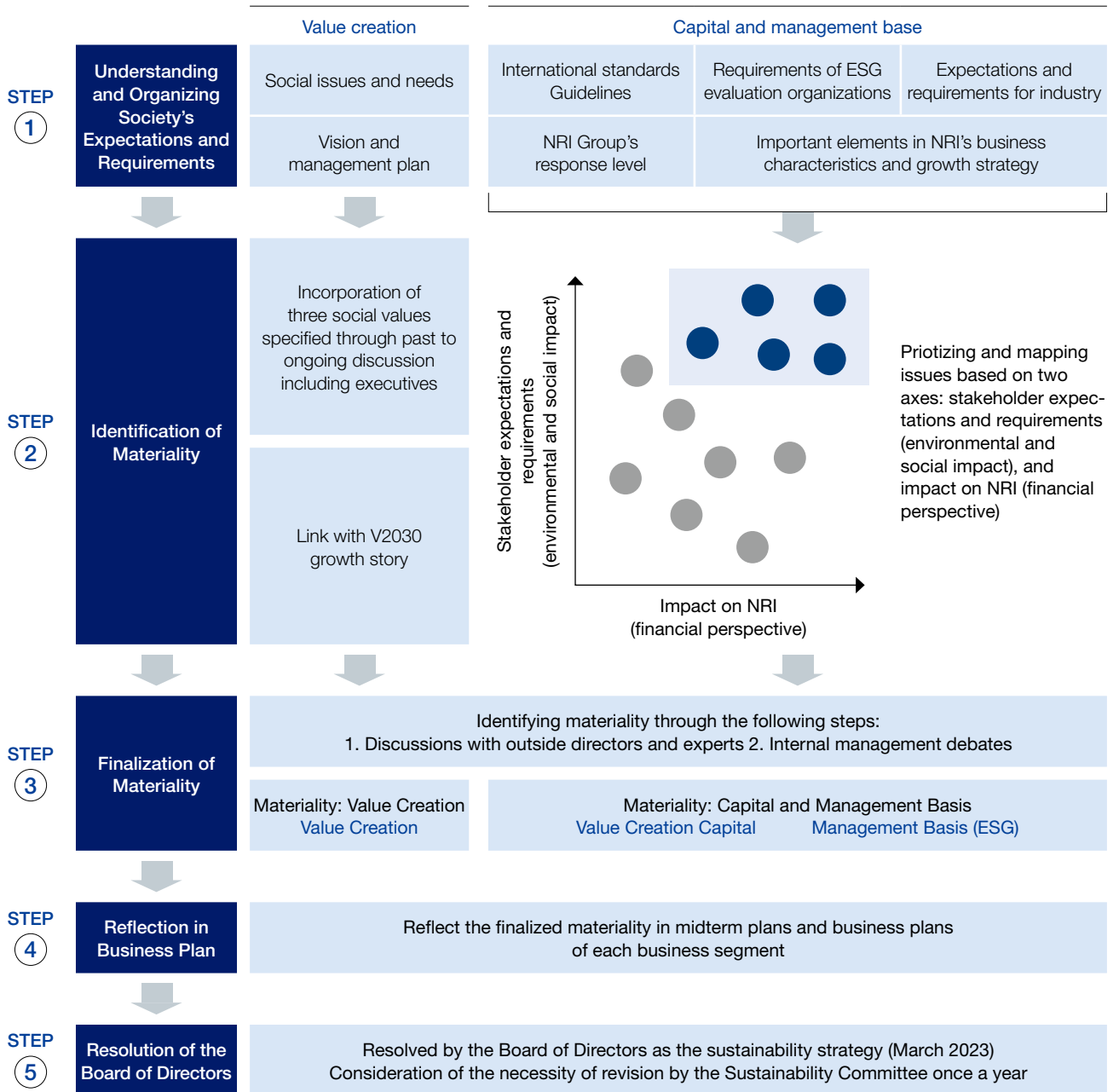


Sonoko Kitagawa as a mentor

Materiality Identification Process

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

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

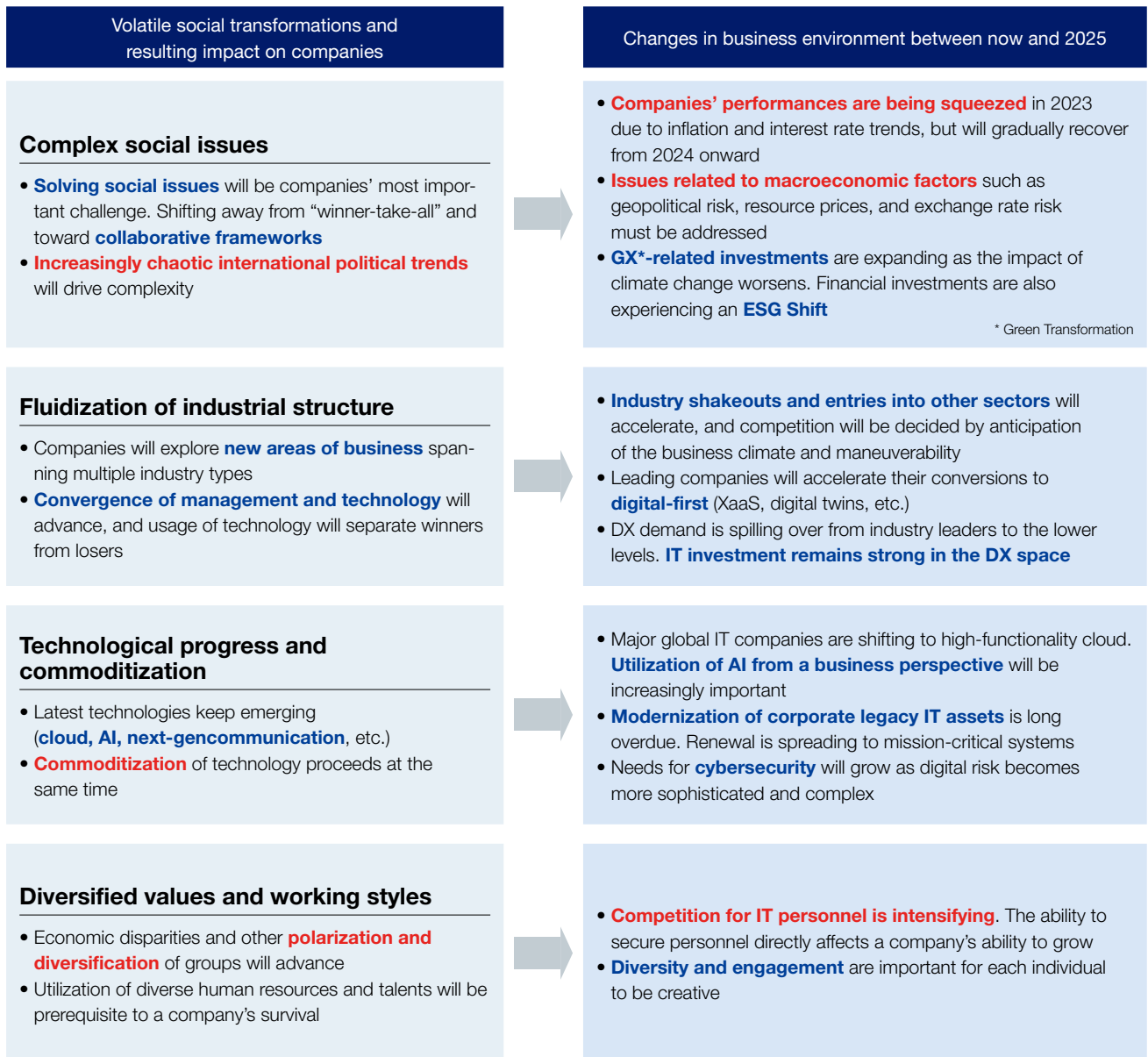


Environmental Recognition Toward FY2025

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

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

Business Environment Recognition



Medium-Term Management Plan 2023–2025 (MTP2025)

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

Pillars of Growth Strategy

► Core Business

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

► Strengthen DX (DX2.0/3.0)

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

► Global

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

► Management

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

MTP2025: Pillars of Growth Strategy

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

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

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

MTP2025: Measures by Segment (Examples)

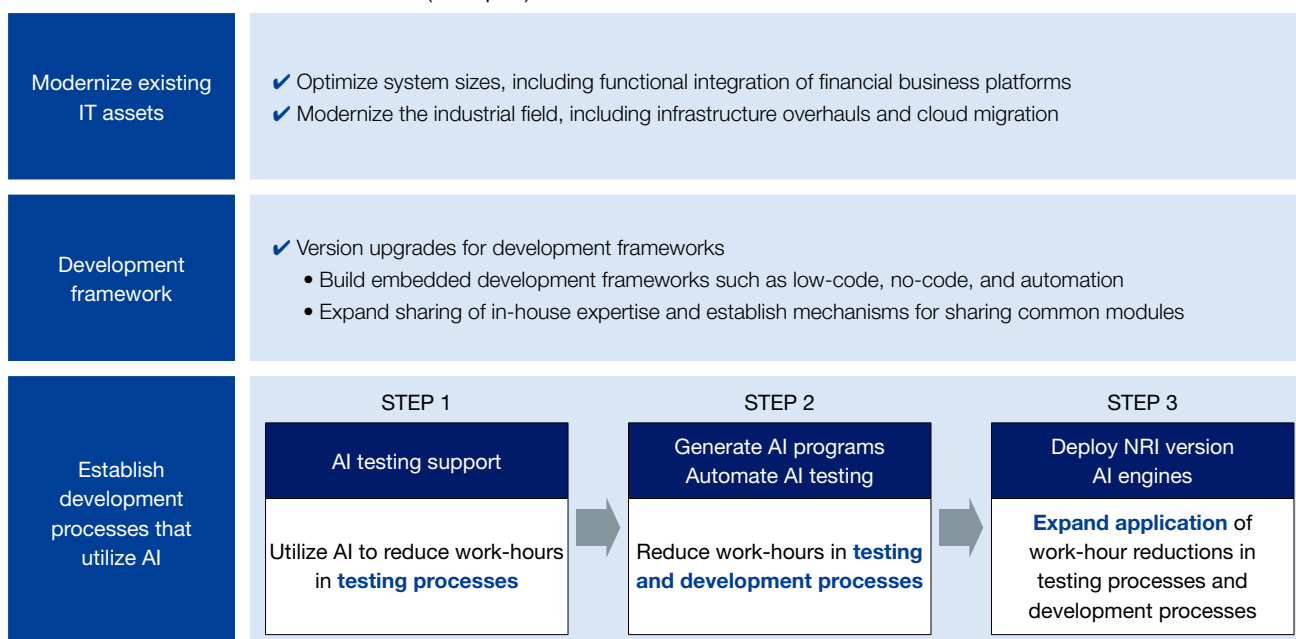
Consulting (more than ¥5 billion)	Financial IT Solutions (more than ¥40 billion)
<ul style="list-style-type: none"> Total support from setting agendas to execution support for increasingly complex DX geared toward digital-first, including business model and organizational reforms, setting KPIs and PDCA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

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

Evolution of Core Business (Comprehensive Production Innovation)

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

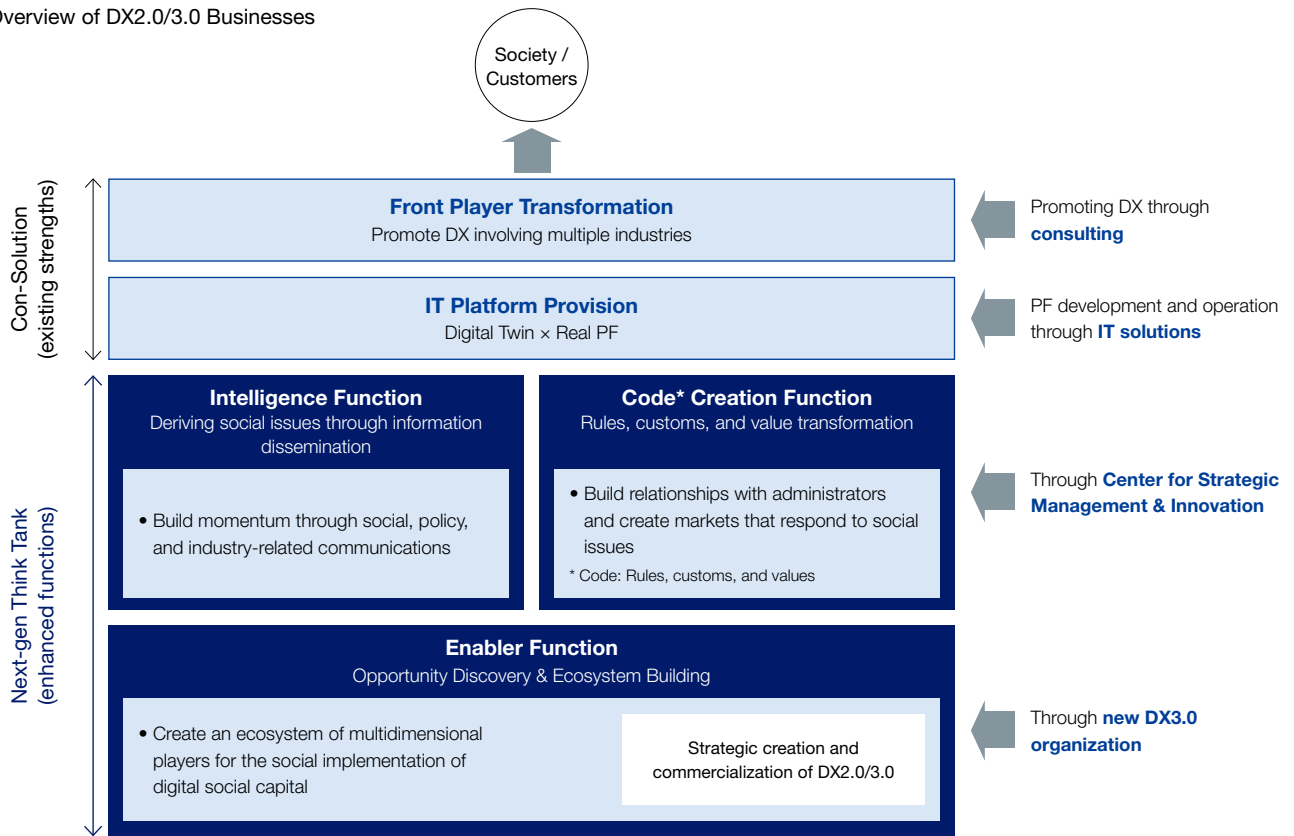
MTP2025: Production Innovation Measures (Examples)



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

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

Overview of DX2.0/3.0 Businesses



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

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

► NRI Australia (formerly ASG)

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

► Planit

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

► AUSIEX

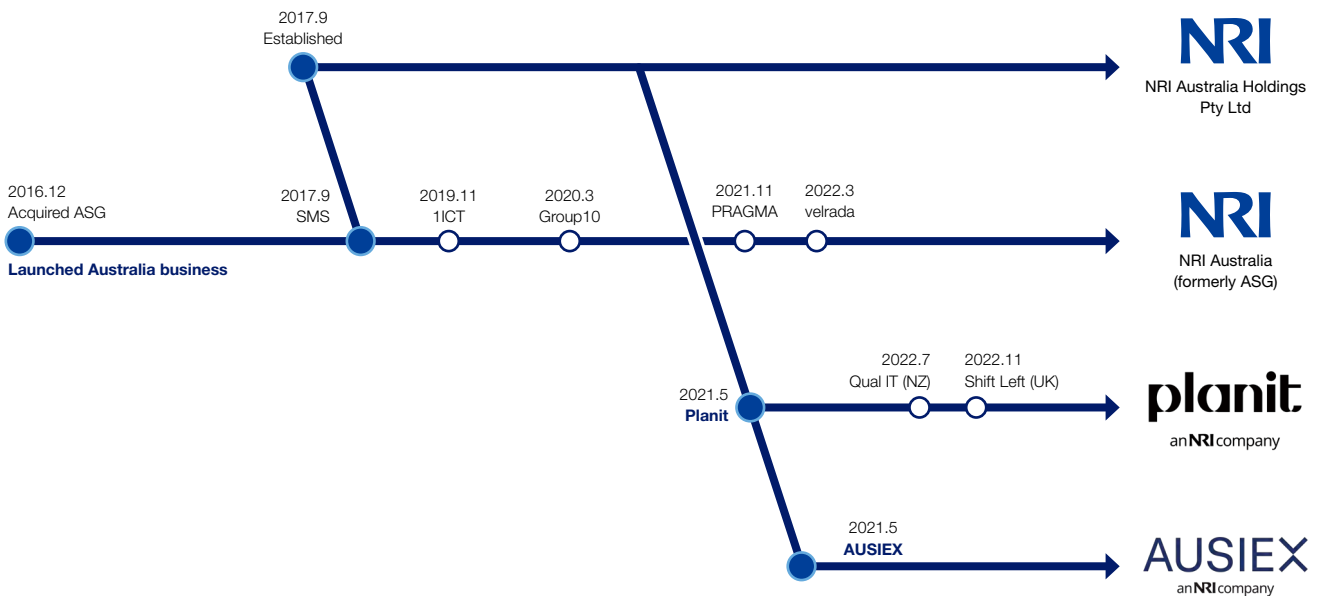
AUSIEX underwent cost structure reforms in 2022 to address sluggishness in the financial market and other factors. Additionally, we are moving forward in our efforts to transfer I-STAR / GV, the engine of NRI's global solution for securities back-office operations, to AUSIEX's system.

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

► NRI Australia Holdings

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

M&A in Australia



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

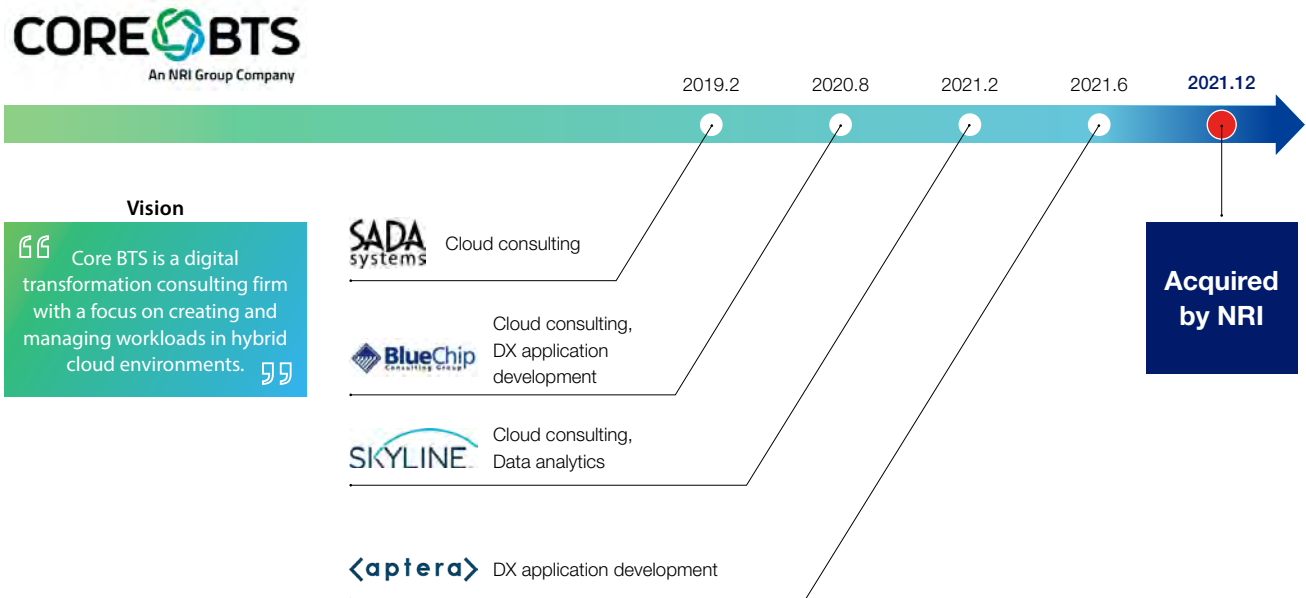
Core BTS, which was made a subsidiary in December 2021, is a company with an inherited network structure. Between 2019 and 2021, we expanded our business areas through mergers and acquisitions, incorporating companies with capabilities in cloud consulting, DX application development, and more.

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

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

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

M&A in the U.S.



Human Capital Enrichment

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

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

MTP2025: Human Capital Measures (Examples)

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

* MVV: Mission & Values, V2030

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

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

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

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

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

MTP2025: ESG Measures (Examples)

 <p>Collaborate with business partners for</p> <p>Environmental contributions</p>	 <p>Stronger relationships with stakeholders to</p> <p>Fulfill social responsibilities</p>	 <p>Strategic risk control through</p> <p>More advanced governance</p>
Decarbonize throughout entire supply chains	Improve the well-being of stakeholders	Accelerate efforts in the Group and globally
<ul style="list-style-type: none"> Efforts to achieve net-zero greenhouse gas emissions Renewable energy usage expansion TCFD-based climate change information disclosures and natural capital and biodiversity information disclosures 	<ul style="list-style-type: none"> "Work-in-life" (balance with personal life) and health and productivity management Expand the NRI Group Business Partner Code of Conduct Implement human rights due diligence; understand and address trends in AI ethics 	<ul style="list-style-type: none"> More information disclosures befitting of the Group global NRI brand Governance system for sustainability Compensation design for directors and Audit & Supervisory Board members that accelerates sustainability management

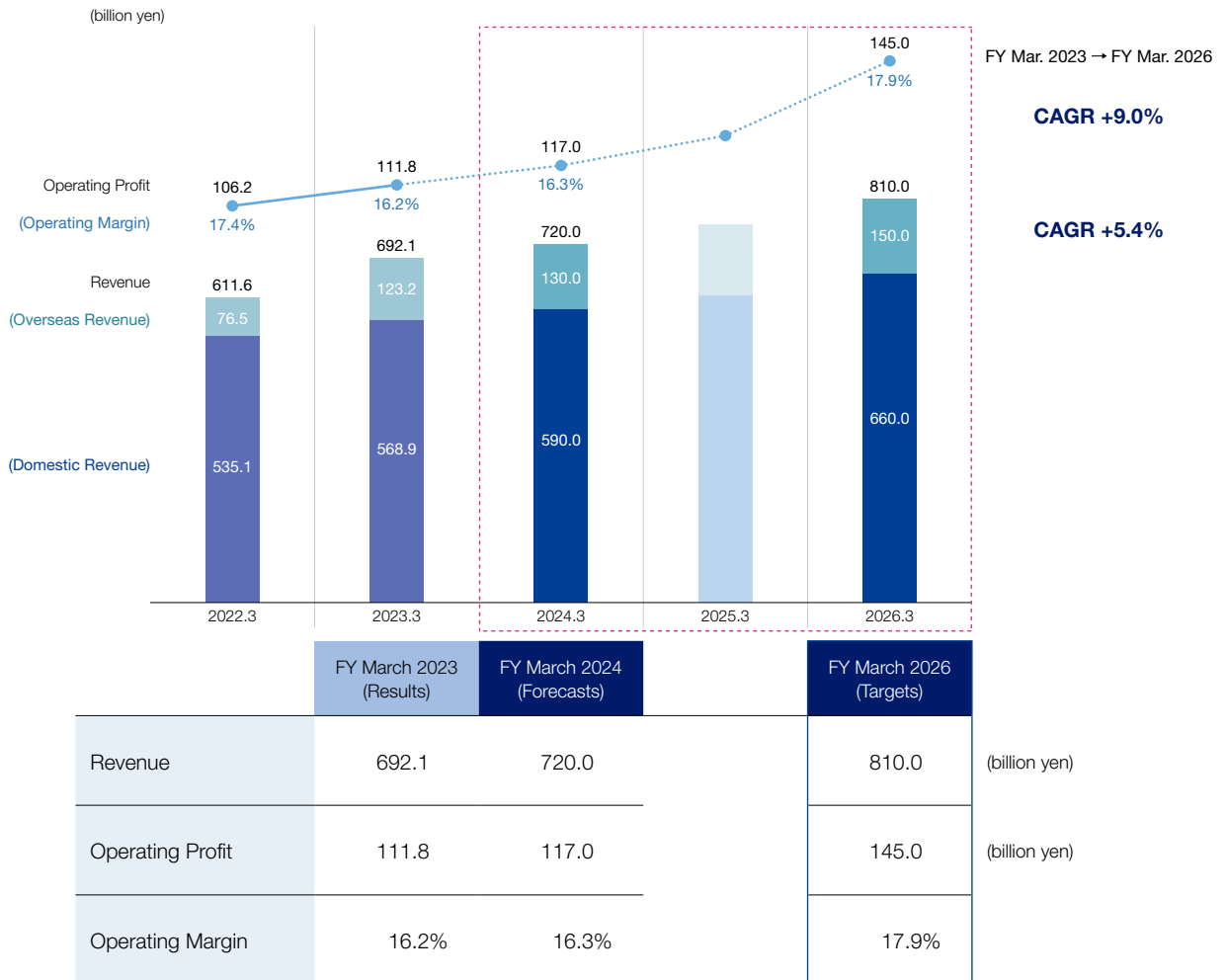
* Details regarding our business foundation (ESG) can be found starting on page 78.

Medium-Term Management Plan 2023-2025 in Figures

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

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

MTP2025 in Figures



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

Interview with the CFO

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

Yoshihiko Sunaga

CFO
Senior Corporate Managing Director



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

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

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

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

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

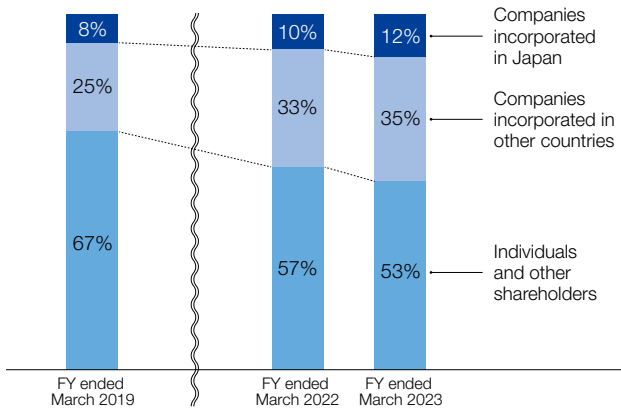
I think it went well. In December 2022, we conducted fund-raising for a 3-year total of ¥65 billion for 5-year, 7-year, and 10-year bonds. Ultimately, we achieved significantly higher demand than anticipated. This marked the largest bond issuance amount ever for the Company. In particular, for the long-term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

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

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

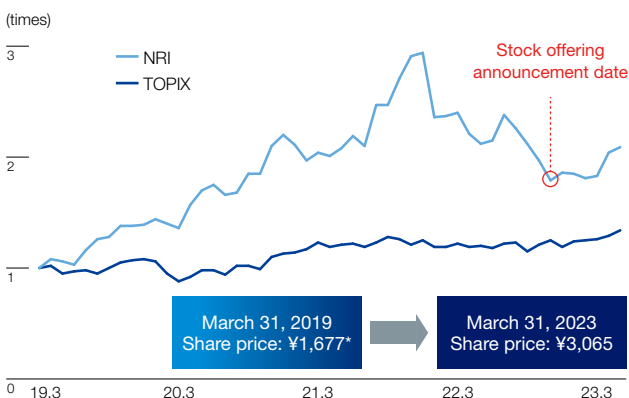
Due to the high total number of target shares, there were concerns about the potential impact on our stock price caused by the sale. Acquisition of treasury stock through debt financing needed to be approached from the perspective of the Company’s credit (financial soundness). After multiple discussions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

Changes in Shareholder Composition Ratio



Note: Excludes treasury stock

Stock Price Trends



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

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

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

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

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

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

Ratings Information

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

* Long-term rating (forecast)

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

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

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

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

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

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

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

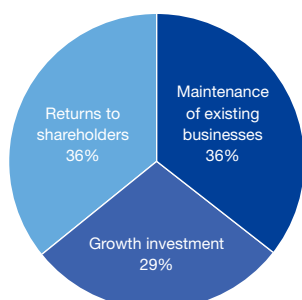
What are your thoughts on the future cash allocation policy?

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

MTP2025 Financial Policy

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

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



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

Cash Allocation Policy for MTP2025

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

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

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

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

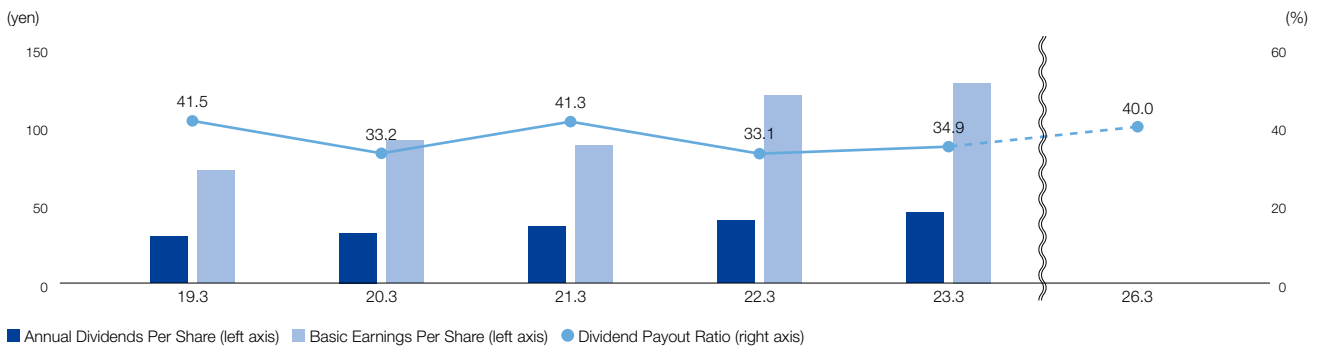
We do not intend to achieve the ROE target of 20% or more for MTP2025 by adjusting capital through treasury

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

Finally, please express your Goals for V2030.

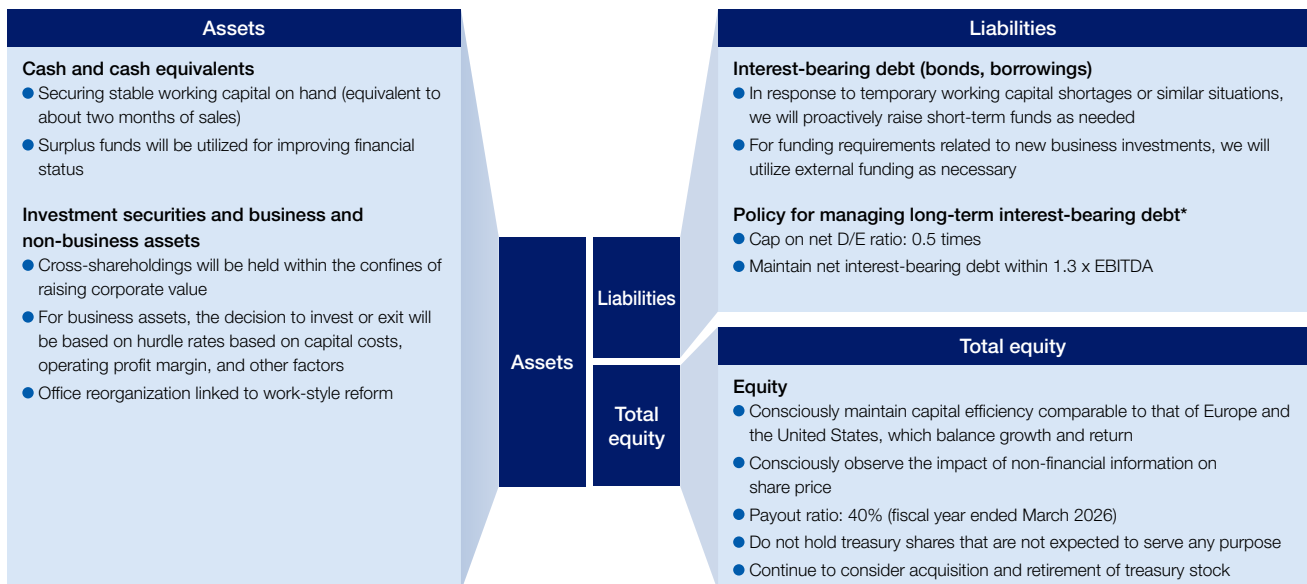
We will lead the achievement of NRI’s management strategy and growth story aimed at NRI’s dramatic growth and transformation from the perspective of finance. Looking globally, there are expected to be rapid changes in future prospects due to geopolitical risks and shifts in various countries’ financial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

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



■ Annual Dividends Per Share (left axis) ■ Basic Earnings Per Share (left axis) ● Dividend Payout Ratio (right axis)
 Notes: 1. The fiscal year ended March 2019 is based on Japanese standards.
 2. NRI implemented a 1:3 common stock split on July 1, 2019. Basic earnings per share, diluted earnings per share, and net assets per share are calculated by deeming stock splits to have occurred respectively at the beginning of FY March 2019. Dividends per share for FY March 2019 are based on the number of shares prior to the stock split.

Balance Sheet Management Policy



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

Message from the Head of Corporate Headquarters

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
Supervising 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 embodied 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 regard to evolving governance, 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 empathize with our corporate philosophy and take personal responsibility for working toward 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 more than an initiative for formulating a vision; it will continue as a 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.

	Materiality	2030 Goals	KPI
Value Creation	 Co-create a Thriving Future Society	Derive value from excellent human capital and intellectual capital to expand digital social capital	Overall investment and spending on measures for DX 2.0/3.0 that transforms industries and society
	 Co-create an Optimal Society	Effectively utilize resources (such as human resources, public assets, IP) and recycle natural resources through the use of business PF and data analytics	Revenues of business platforms that help to achieve an optimal society
	 Co-create a Safe and Secure Society	Provide highly advanced IT infrastructure to protect social infrastructure and data from disasters and cyber risks	Revenues related to safety and security to enable a more resilient society*3
			Employee's sympathy for social value creation (domestic group companies)*4
Value Creation Capital	 Advance Human Capital	Create a workplace where highly skilled professionals with diverse values gather to grow	Employee engagement score (NRI payroll) Female opportunity offering rate*5 (non-consolidated)
	 Accumulate Intellectual Capital	Sublimate individual knowledge into organizational strength (such as business model, brand, and capability)	Amount of investment in creating and accumulating intellectual capital
Management Basis (ESG)	 Contribute to Global Environment	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	Greenhouse gas emissions reduction rate / Renewable energy usage rate (Base year: 2019)
	 Fulfill Our Social Responsibilities	Fulfill social responsibilities in the entire supply chain, such as good relationships with stakeholders, creating a healthy workplace, and commitment to human rights	Rate of consent to the NRI Group Business Partner Code of Conduct*7 or possessing own such codes of conduct*8
	 Evolve Governance	Strive for balanced governance, including strategic risk-taking, to control risks with long-term perspective	Number of cases in which severe risk materializes (reports to regulatory authorities or incidents of equivalent severity for which the NRI Group is responsible)
			DJSI World

*1 Cumulative values during the term of MTP2025
 *2 Direct to consumer
 *3 Including inter-segment revenue for each segment
 *4 Ratio of employees who feel strong buy-in for the concepts of "value co-creation" and NRI's "three social values"
 *5 Percentage of women responsible for projects and businesses

*6 97% reduction of Scope 1+2 emissions and neutralization of residual emissions
 *7 Including environment, human rights, etc.
 *8 Consenters or holders of equivalent standards in NRI Group's procurement partner companies, such as system development contractors

	FY March 2026 Targets	(Reference) FY March 2023 Results	Major Initiatives	Contributions to SDGs
	¥63.0 billion*1	(Measurements start in FY2023)	<ul style="list-style-type: none"> Business model transformation <ul style="list-style-type: none"> - DX consulting, analytics - Social DX (e.g., utilization of My Number, regional revitalization, etc.) - D2C*2, financial DX Policy proposals, advocacy, information and knowledge sharing, etc. 	
	¥141.0 billion	¥128.5 billion	<ul style="list-style-type: none"> Business process transformation <ul style="list-style-type: none"> - Strategy / operations/system consulting - Value chain DX (CO₂ visualization, circular economy platforms creation) Shared operation through business PF-STAR, BESTWAY, etc. 	
	¥216.0 billion	¥169.8 billion	<ul style="list-style-type: none"> Sustainable social infrastructure IT infrastructure transformation <ul style="list-style-type: none"> - Security, cloud services Stable service operation Disaster management, disaster recovery support, etc. 	
	70%	64%		
	More than 70 continued 17%	71 14.3%	<ul style="list-style-type: none"> Improve growth opportunities for each individual Promote diversity and inclusion Enhance capability to realize the growth story, etc. 	
	¥41.0 billion*1	¥13.2 billion	<ul style="list-style-type: none"> Evolve business model (e.g., expand software assets) Create a continuously evolving brand (e.g., enhanced content for information & knowledge sharing) Strengthen organizational capability to support business development (e.g., quality control, productivity innovation), etc. 	
	FY2030 Targets Scope 1 + 2: Net Zero*6 Scope 3: Reduced by 30% Renewable energy usage rate: 100%	Scope 1 + 2: 66% decrease Scope 3: 5% increase Renewable energy usage rate: 73%	<ul style="list-style-type: none"> Reduce greenhouse gas emissions, and promote renewable energy use (Scope 1+2) Take measures to reduce greenhouse gas emissions in Scope 3, etc. 	
	Domestic Group 90% (Ref. global 80%)	Domestic Group 63% (Ref. global 56%)	<ul style="list-style-type: none"> Employee well-being Initiatives concerning human rights and labor practices (including AI ethics, etc.) Build and strengthen partnerships with business partners, stakeholders and communities, etc. 	
	0	1	<ul style="list-style-type: none"> 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. 	
	Selection Continued	Selection		



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.

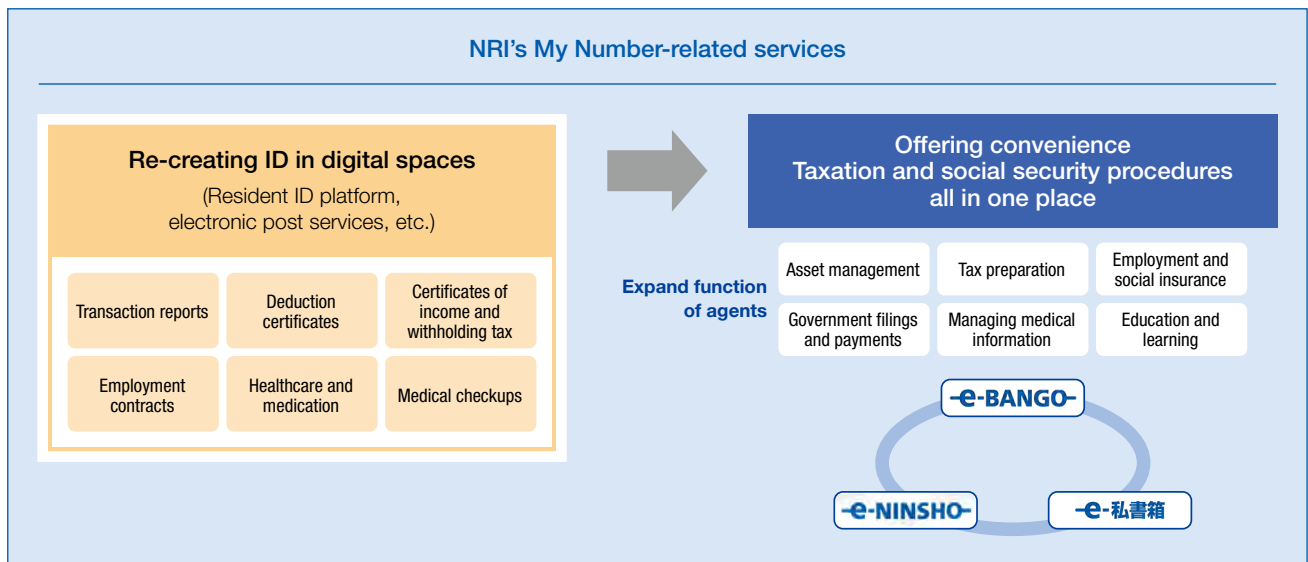
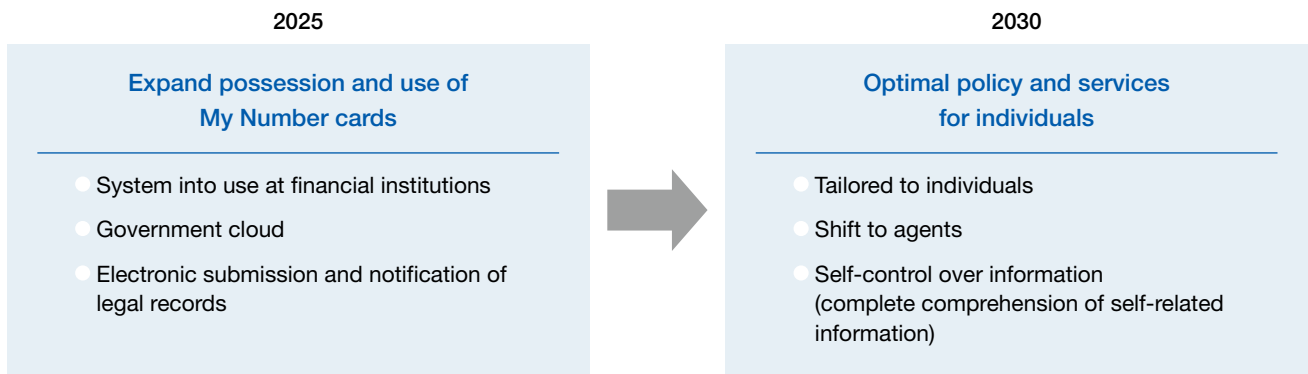
As we move toward 2030, we aim to contribute to the realization of a thriving society in which everyone can lead a prosperous life by enriching outstanding human capital and intellectual capital, as well as the digital social capital for creating value from those two types of capital.

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





Co-create an Optimal Society Through Effective Utilization of Resources

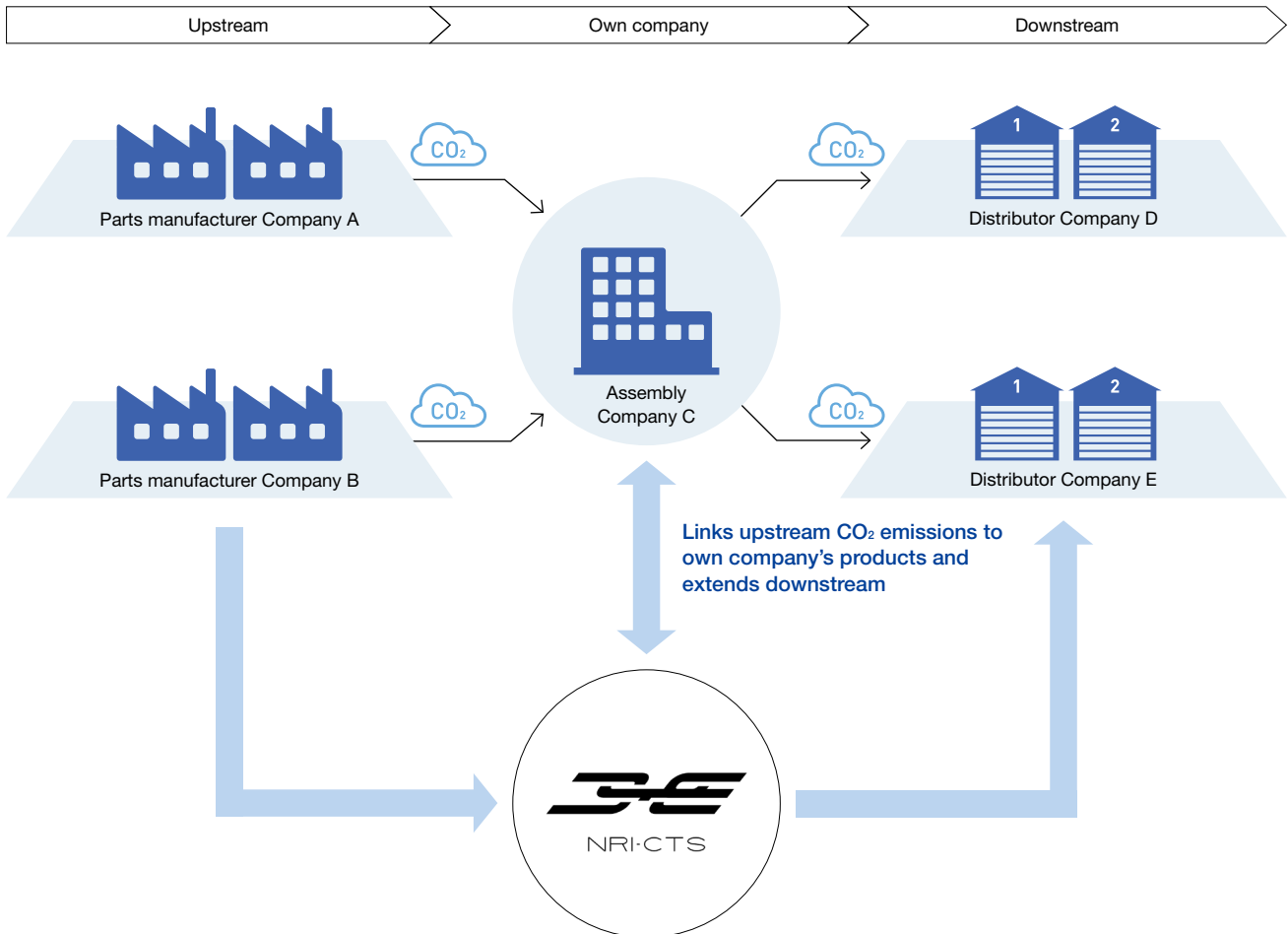
NRI operates shared online platforms such as THE STAR and BESTWAY in order to assist in the transformation of business processes at financial institutions and the reduction of greenhouse gas emissions through the shared use of information systems.

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 a 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.

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





Co-create a Safe and Secure Society Through Sophistication of Infrastructure

As information infrastructure becomes increasingly complex, NRI is promoting businesses that undertake security-guaranteed infrastructure as a managed service. The integration of business and technology is accelerating, and digital twins are expected to create new business models.

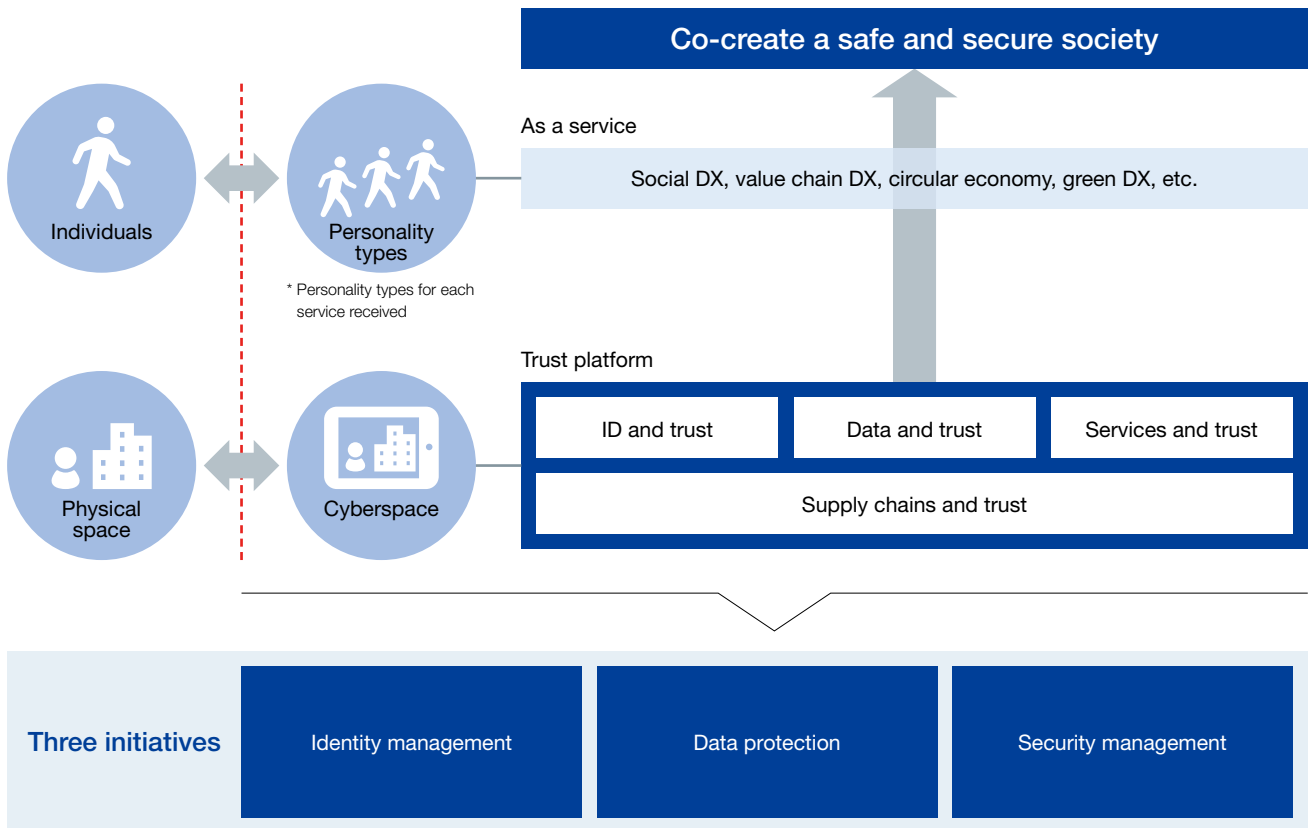
As we work toward 2030, we aim for a state that contributes to the realization of a strong and flexible society. In this society, social infrastructure and data will be protected by an advanced IT infrastructure that operates stably and is resistant to disasters and cyber risks, and

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.

Example Initiative: Digital Trust for Ensuring the Reliability of the Digital Twin



Initiatives to Instill Value Co-Creation Activities

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 revitalizing both the organization and individuals.

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.

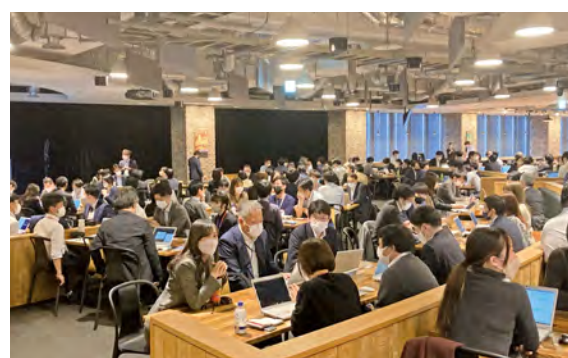


Discussions with value co-creation leaders and mentor executives

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.



Dialogue during Value Co-Creation DAYS

Instillation of value co-creation in the NRI Group

In order to ensure that the entire NRI Group works on co-creation of value, we are promoting activities for instillation among Group companies.

Value co-creation leaders and other human resources selected from each Group company fulfill a central role in sharing the significance of value co-creation and working to gain recognition and empathy for value co-creation.

DSB Co., Ltd. (DSB), and the DSB Group companies have been involved in the idea of value co-creation since 2020, when those companies became wholly owned subsidiaries of the NRI Group. DSB held value co-creation workshops within its group in October 2022.



Value co-creation workshop at DSB

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.



Workshop with clients



Advance Human Capital

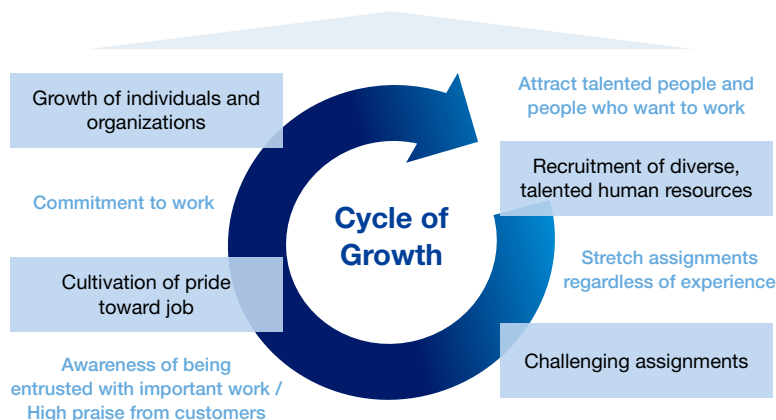
Through Bold Actions and Growth of Diverse Professionals

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.

Strengths of Individual Human Resources			Strength as an Organization
Professionalism	Responsiveness to Change	Potential for Autonomic Growth	Integration of Excellent Skills
<ul style="list-style-type: none"> ✓ Builds awareness as professionals from an early stage ✓ Continues to hone high level of expertise 	<ul style="list-style-type: none"> ✓ Accumulates much knowledge through various experiences ✓ Applies the knowledge to new challenges 	<ul style="list-style-type: none"> ✓ Full of curiosity ✓ Acquires new skills on their own and continues to better themselves 	<ul style="list-style-type: none"> ✓ Possesses extremely wide-ranging and diverse expertise as an organization ✓ Mobilizes strengths while respecting each other



Personnel system to support growth

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.

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.

NRI's Investment in Human Capital

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.

(FY March 2023: NRI non-consolidated basis)

Investment to bolster hiring, etc.	¥3.29 billion
Investment to develop human resources	¥9.75 billion
Initiatives to improve engagement	¥4.35 billion

Note: The "Total human resources investment cost" disclosed in the NRI ESG Databook 2023 is on a consolidated basis.

Initiatives for Realizing V2030

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.

Measures for Realizing V2030

Strengthen capabilities to achieve our growth story	<ul style="list-style-type: none"> ● 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 <ul style="list-style-type: none"> - Establish operation of the Meister System (system for rehiring after mandatory retirement), etc.
Expand growth opportunities for each employee	<ul style="list-style-type: none"> ● 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 job grade system) to younger employees
Instill a culture of diversity and inclusion	<ul style="list-style-type: none"> ● 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.

Focus of Measures	KPI	FY March 2026 Targets	FY March 2023 Results
Enhance capabilities to realize the growth story	Human resources for utilizing DX	3,200 people	2,997 people
	Human resources for business creation	200 people	155 people
	Human resources for global business	—	Measurements start in FY March 2024
	Hiring headcount**	New graduate hires Mid-career hires	500 people 365 people
Improve growth opportunities for each individual	Growth realization ratio	75%	72.1%
	Percentage of managers with high human management skills (high scores on human resource-related measures in the internal survey)	97%	93.5%
Promote diversity and inclusion	Employee engagement score (NRI Payroll)	More than 70 continued	71
	Percentage of female managers*2	13%	8.5%
	Female opportunity offering rate	17%	14.3%
	Percentage of managers who were mid-career hires (equitable promotion from employee population)	Equivalent percentage maintained for expert and management	Equal ratio of expert and management (26%)

*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

See NRI ESG Databook 2023 for details.

Dialogue with External Experts on Human Capital

NRI periodically engages in dialogue with outside experts in order to ascertain global trends and reflect that knowledge in management strategy.

In December 2022, Chiharu Takakura (director and chief human resource officer (CHRO) of Rohto Pharmaceutical Co., Ltd.) and NRI senior managing directors Kaga Yanagisawa and Takeshi Hihara held a dialogue on human capital, including the relationship between growth strategies and human resource development. They also discussed the positioning of human capital in the NRI Long-Term Management Vision V2030 materiality and human resource development as the V2030 growth story, as well as how to communicate human capital management to investors.



Dialogue Related to NRI's Management of Human Capital → P.96

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 change.

In particular, we are strengthening mid-career hires in recent years.

► 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.

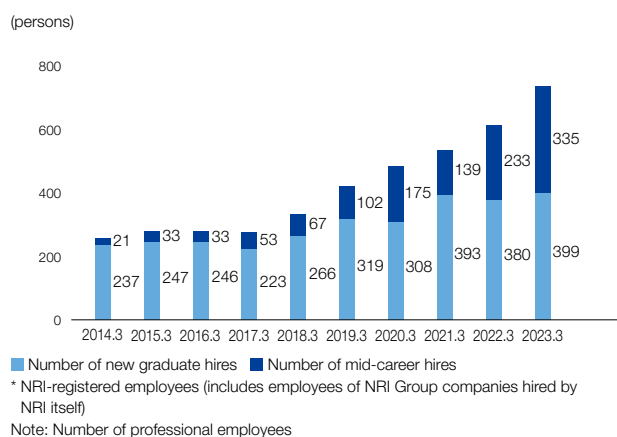
► Mid-career Hiring

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.

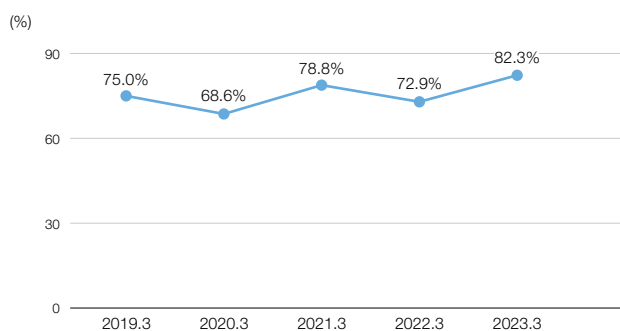
Hiring by NRI Payroll* by Year



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.

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

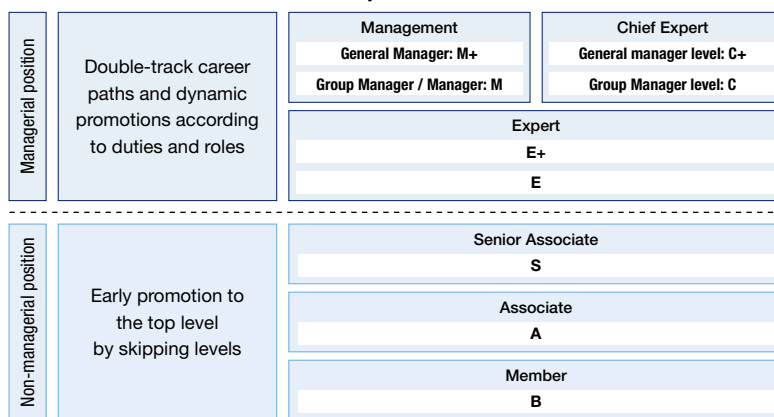


Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI)

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.

Framework of the Human Resource System



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, as a professional not involved with management. Through multiple career tracks, we can offer the appropriate conditions to people who continue to grow as professionals and produce results.

▶ Rank System

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

▶ Promotions and Demotions

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

► **Evaluation System**

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 into business value include retirement payments, a defined contribution pension plan, an employee stock ownership plan, and an E-Ship (trust-type employee shareholding incentive plan).

Average Annual Salary (Non-consolidated Basis)

(1,000 yen)

FY March 2014	FY March 2015	FY March 2016	FY March 2017	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023
10,911	10,892	11,560	11,514	11,660	12,217	12,352	12,251	12,320	12,421

Expand Growth Opportunities for Each Employee

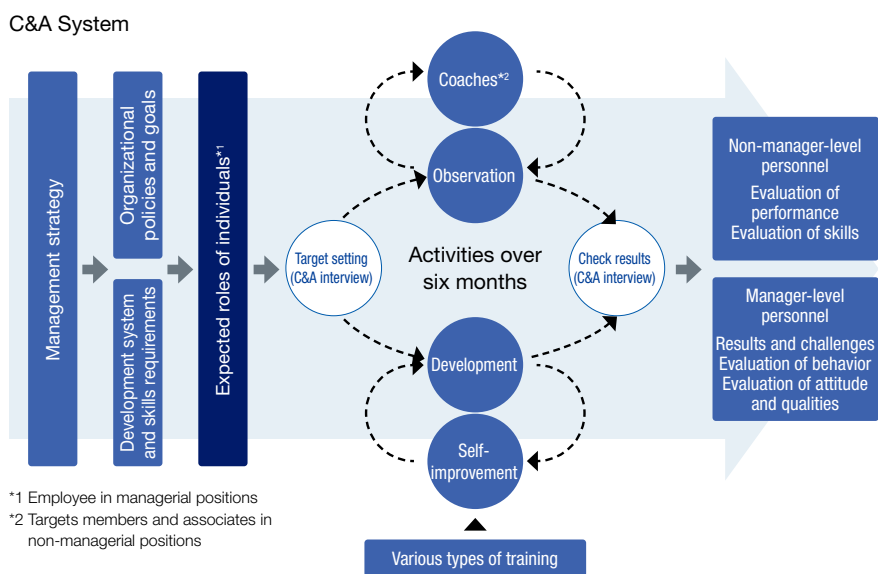
NRI is working to expand growth opportunities by reviewing and enhancing various systems and training programs so that each employee can grow and perform while pursuing their own areas of expertise.

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.



*1 Employee in managerial positions
 *2 Targets members and associates in non-managerial positions

► **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.



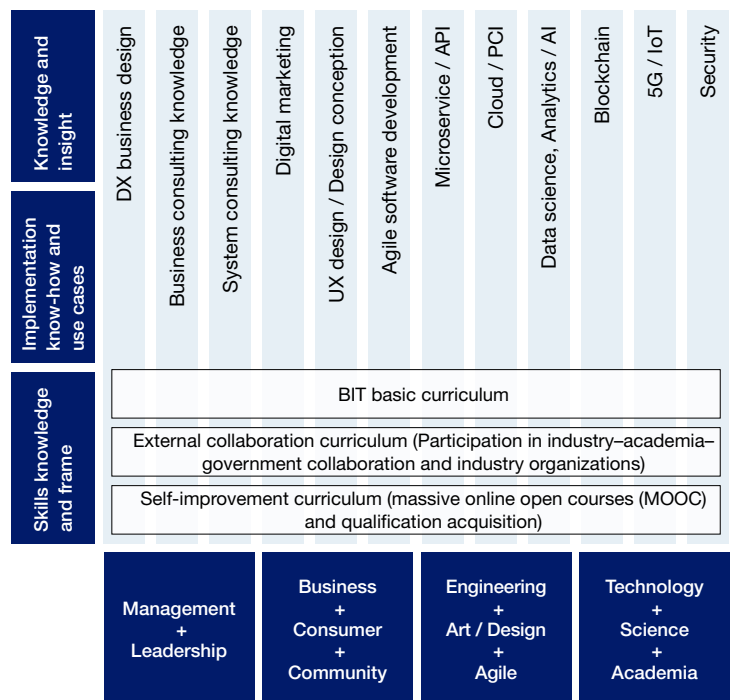
DX Human Resources Development Program

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.

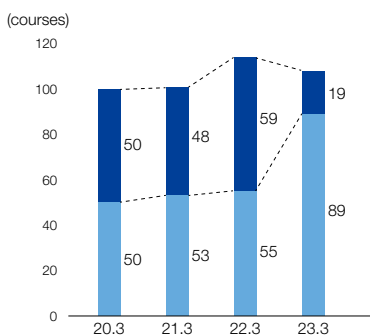
In order to develop human resources who will drive the creation and expansion of the DX business, which is a pillar of our growth strategy, the training program has a curriculum for strengthening the capabilities necessary for the DX era (figure 1). For example, the program enables employees to learn 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).

DX Human Resources Development Program (Figure 1)

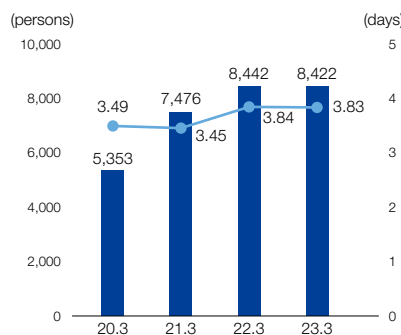


Number of DX Skills Development Courses by Year (Graph 1)



■ New courses ■ Ongoing courses

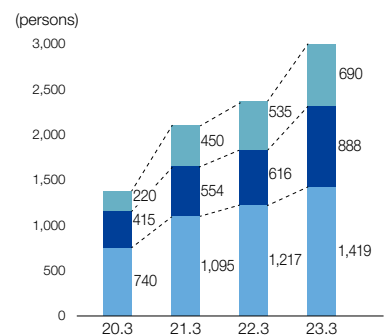
Number of DX Skills Development Course Attendees and the Number of Days They Attended, by Year (Graph 2)



■ Course attendees (left)
● Days attended per person (right)

Notes: 1. The number of course attendees was calculated simply as the number of attendees at each course.
2. NRI Group data

Human Resources Active in DX by Year (Graph 3)



■ Basic level ■ Intermediate level ■ Advanced level
Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI)

► Business Creation Human Resources

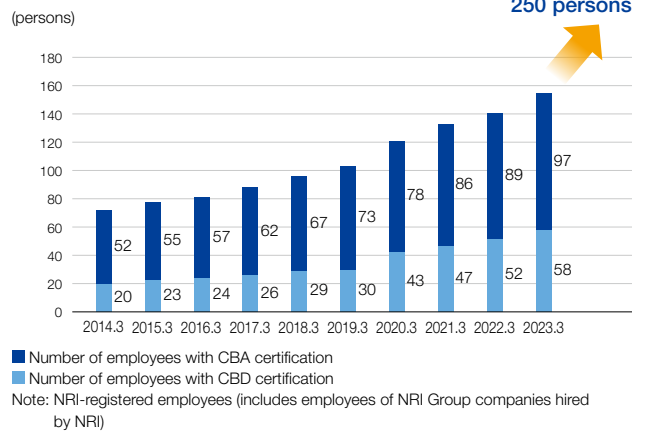
As an indicator for expanding human resources to create new businesses, we have set the goal of increasing the number of Certified Business Analyst (CBA) and Certified Business Developer (CBD) certifications, which are internal certifications at NRI. (The KPI is a total of 250 certified employees for 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

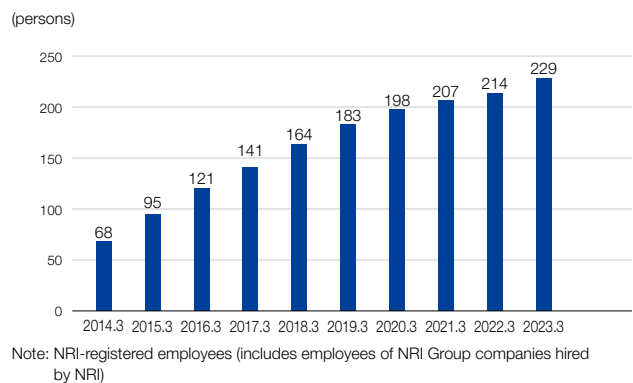
NRI implements numerous overseas programs that aim to expand the capabilities of global human resources. NRI is especially focusing on an overseas trainee system that dispatches young employees to our worldwide offices or the worldwide offices of client corporations that are active in the global market. 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.

KPI for Business Creation Human Resources (Graph 4)



Cumulative Number of Dispatched Overseas Trainees (Graph 5)



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

* MCD: My Career Design

Pursuit of Advanced Expertise

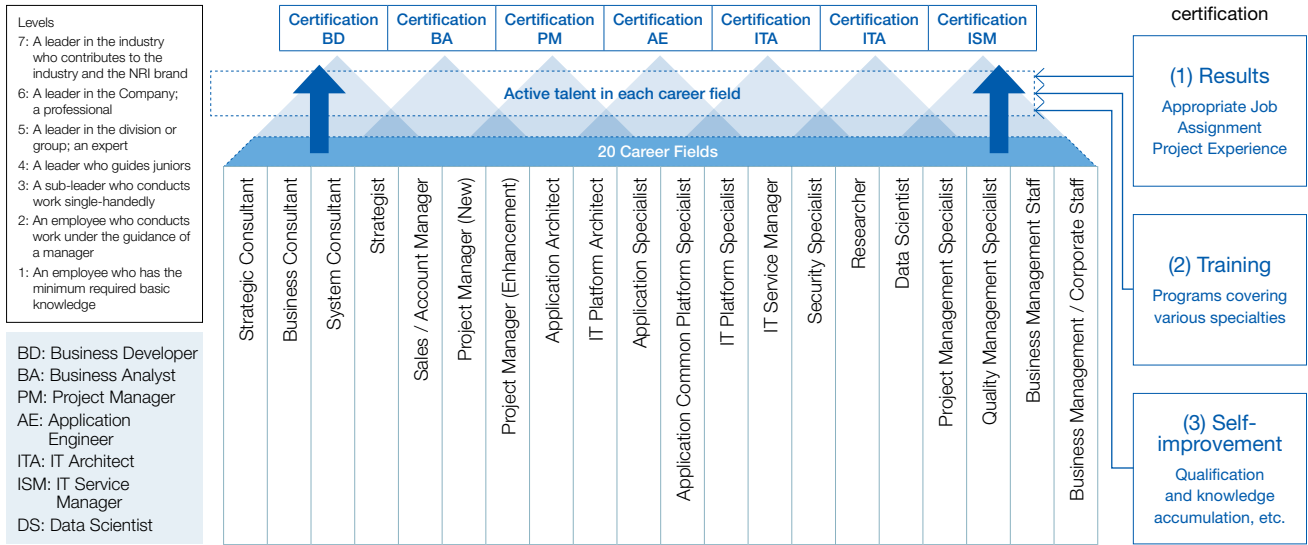
► Career Fields

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.

Growth of Core Talent and Internal Certification Program



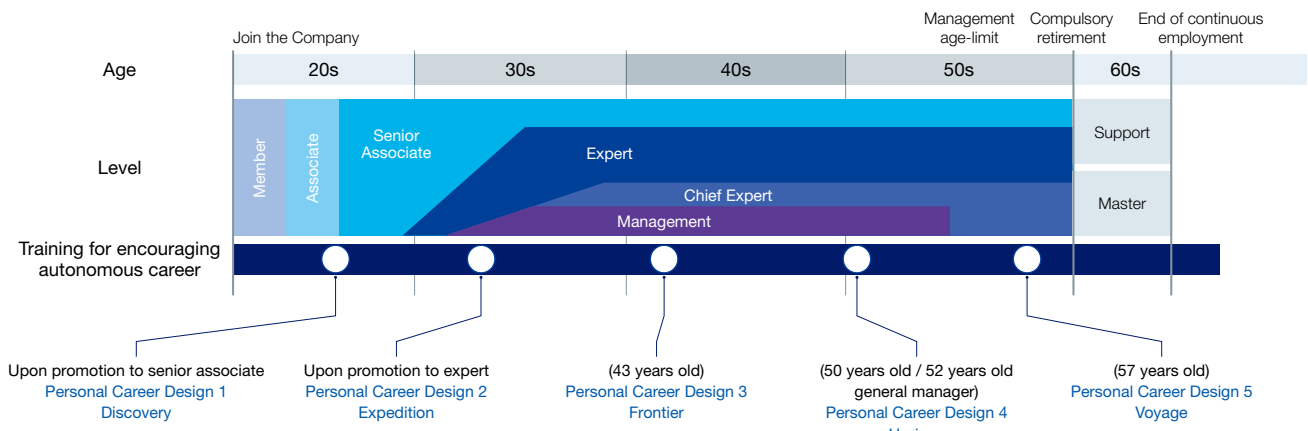
Independent Career Development and Empowerment of Veteran Human Resources

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 March 2022. 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 March 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 March 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 March 2023.

My Career Design (MCD)

Purpose

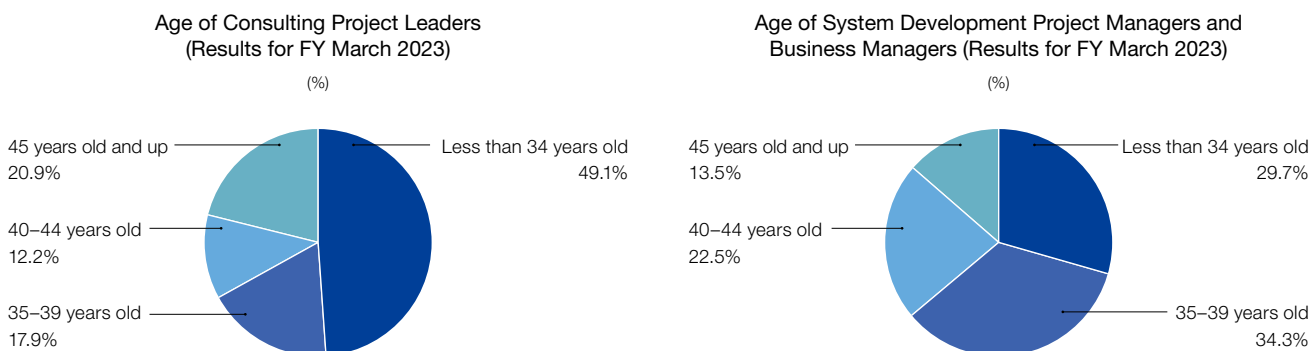
- Have each employee work independently to choose and develop their own career, undergo ceaseless transformation, and continuously take on challenges, regardless of age.
- Raise motivation (or prevent motivation from declining) at regular intervals and career turning points, and enable employees to flexibly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



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

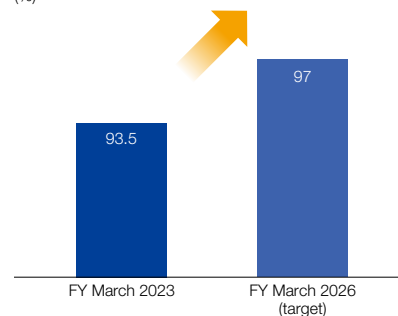
We conduct two types of training for selected individuals to develop our next generation of management and executive personnel.

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 conduct 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.

Ratio of Managers with High AHEAD Program Scores for Human Resources* (%)



* Results for subordinate evaluations of managers in AHEAD Program
Ratio of managers with an average score of 3.5 or above in the six categories of observation, understanding, assigning targets, assigning opportunities, feedback, and growth support (on a scale of 1 to 5)

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.

Promoting Diverse Work Styles and Health and Productivity Management Efforts for Respecting Human Rights → P.92

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 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.



Website page introducing examples of co-creating job satisfaction

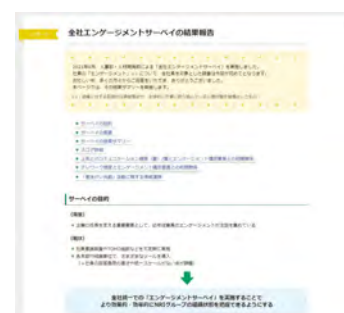
Speakers giving presentations at Job Satisfaction Co-Creation Forum 2022

▶ 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*1, the survey has been conducted for employees of NRI and some NRI Group companies*2 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.

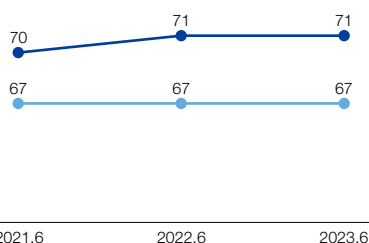
*1 Tool provided by Atrave, Inc.

*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



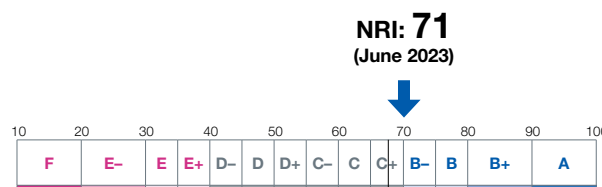
Report on results of employee survey

Engagement Score



- Employee engagement score (NRI Payroll)
- Average scores in the systems integrators & contracted developers industry among Wevox user companies

Notes: 1. Using the engagement analysis tool Wevox provided by Atrave, Inc., we surveyed employees at 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



Reference:
Average scores in the systems integrators & contracted developers industry among Wevox user companies: **67**

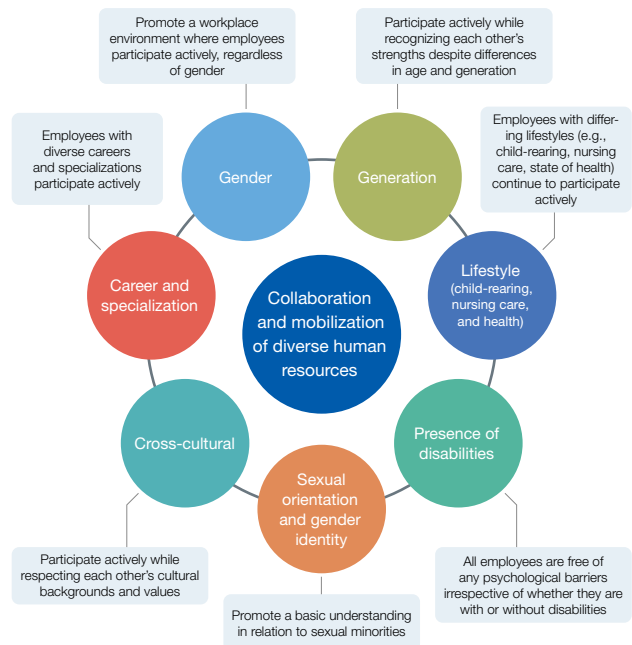


Promoting Diversity and Inclusion

NRI believes that consolidating the strengths of each of its employees, with their various strengths and individual characteristics, leads to the strength of the organization. The Group aims to foster a workplace environment where diverse employees can all keep working positively and continue embracing challenges.

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.

NRI Action Policy for Promoting Diversity and Inclusion



► 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.

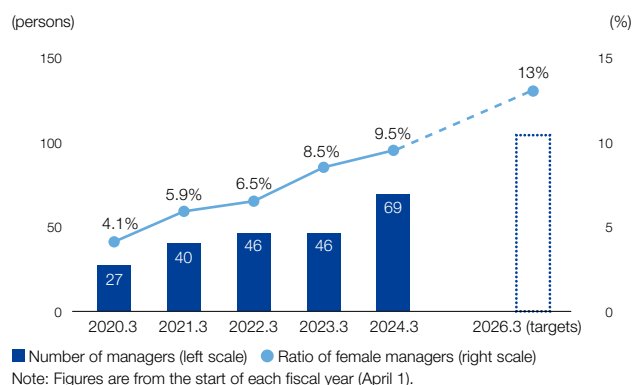
Furthermore, we implemented measures to encourage women to advance their careers, including the Leader Development Program launched in FY March 2016, and the Leader Development Academy, in which female directors serve as instructors and was launched in FY March 2019. These efforts have enabled us to 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 managers (general managers/managers) to at least 13% during FY March 2026, we have defined a unique goal of raising the ratio of female employees responsible for projects and businesses to at least 17%, based on the idea that empowerment in work 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

Term	From April 2023 to March 2026
Goals	<ul style="list-style-type: none"> • Raise ratio of female managers (general managers/managers) to at least 13% • Raise ratio of female employees responsible for projects and businesses to at least 17% • Maintain a female employee hiring rate of at least 30% of total hires • Raise ratio of annual paid leave taken by all employees to at least 75% • Raise ratio of childcare leave including paternity leave taken by male employees to at least 80%
Initiatives	<ul style="list-style-type: none"> • Systematically provide opportunities and promotions to female managers and managerial candidates • Conduct training programs to develop female employees involved in business decision-making • Continue measures to increase the number of female students recruited as employees • Maintain environment and foster culture regarding work styles based on diversity

Ratio of Female Managers (General Managers / Managers) (NRI Non-Consolidated Basis)



▶ Enhanced On-Boarding for Mid-Career Hires

We promote mid-career hiring to expand our DX business and global business, which are the pillars of our growth strategy. We are also enhancing on-boarding measures when mid-career hires join NRI to enable these employees to become used to their new work environment as soon as possible and exhibit their expertise and capabilities to the fullest extent.

As part of our Company-wide efforts, we hold monthly Getting Started training for those that have just joined the Company, where we explain our systems and rules, welfare, human resource development, sustainability activities, and the distinctive NRI value co-creation. In FY March 2023, we launched the “Portal for mid-career hires” in-house portal that gathers

useful information for those who have just joined the Company, based on the opinions of mid-career hires. Of these various efforts, our semi-annual socializing event for mid-career hires and the president is particularly well-received, as it provides those who have been at the Company for less than one year with an opportunity to directly ask questions to the president.

The division that a mid-career hire joins also implements various on-boarding measures (an explanation of the business of the division, follow-up interviews, social networking within the division, and socializing events for interacting with the executives of that division) immediately after the employee enters the Company, according to the characteristics of that division.



“Portal for mid-career hires” in-house portal

▶ 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.



A discussion with employees who worked as project managers while raising a child

▶ Promoting Workplace Participation by Persons with Disabilities

At NRI Mirai, 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 (IDS).

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, 208 disabled persons are employed at NRI and its Group companies (an employment ratio of 2.42%).



NRI Mirai employees operating “Sora café Mirai”

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

▶ Efforts for LGBTQ and Other Sexual Minorities

As part of our efforts for LGBTQ 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.

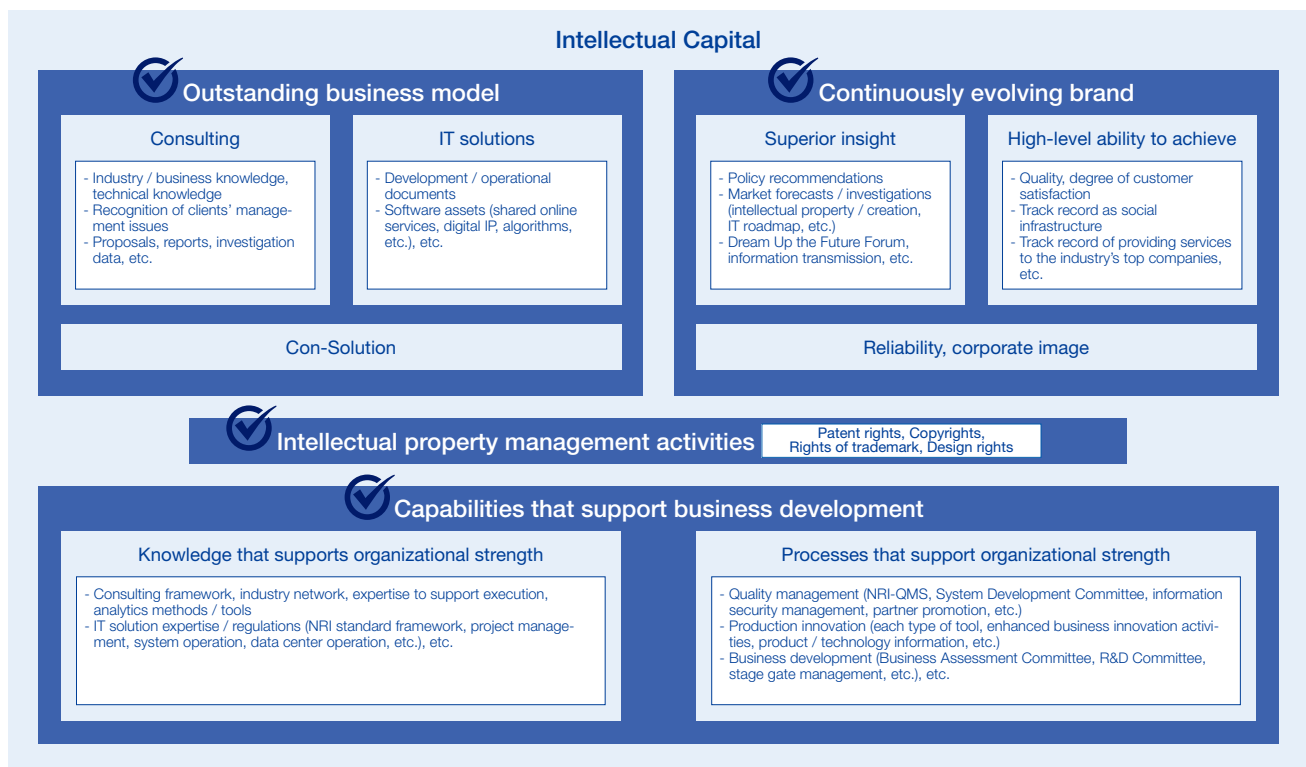


Accumulate Intellectual Capital

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.

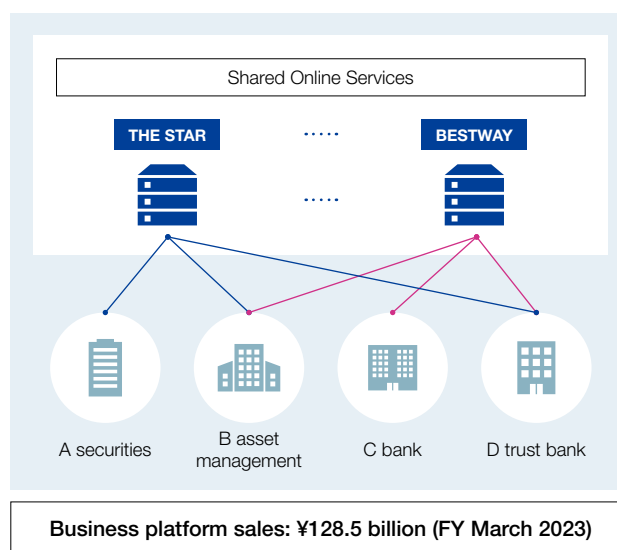


Outstanding Business Model





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 continuing to raise the added value of our software assets (such as shared online services and digital IP) that support those continuous businesses.

► 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.



Major Shared Online Services

	Launched in 1974 THE STAR Back-office solution for retail brokerage firms	87 firms
	Launched in 1987 I-STAR Back-office solution for wholesale brokerage firms	28 firms
	Launched in 1993 T-STAR Back-office solution for asset management firms	80 firms
	Launched in 1997 BESTWAY Back-office solution for mutual fund sales at banks <small>* Including life insurance firms, non-life insurance firms, and investment trust firms, etc.</small>	110 firms*

* The number of firms and cases are as of the end of March 2023.

	Launched in 2012 Value Direct Online banking system	24 firms
	Launched in 2015 e-BANGO My Number management services	No. of My Number stored Approximately 38 million cases
	Launched in 2017 e-NINSHO Identity verification solution <small>* Source: Ministry of Internal Affairs and Communications; Private Companies Utilizing Japanese Public Key Infrastructure Services</small>	375 firms*
	Launched in 2018 e-PO box First private-sector cloud linked with Mynaportal <small>* Source: National Tax Agency; Issuer Companies Utilizing Deduction Certificates, Etc., Linkable to Mynaportal</small>	83 firms*

► 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 systems. This will be done through the utilization of digital intellectual properties, such as by combining advanced AI algorithms – a major technology for realizing DX – with cloud technology and incorporating them into e-commerce sites and core business systems. NRI will strengthen competitive advantages through the development of digital intellectual properties and contribute to clients' achievement of DX.



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.



NRI Dream Up the Future Forum 2022
Special talk with Kevin Kelly, founding executive editor of *Wired* magazine

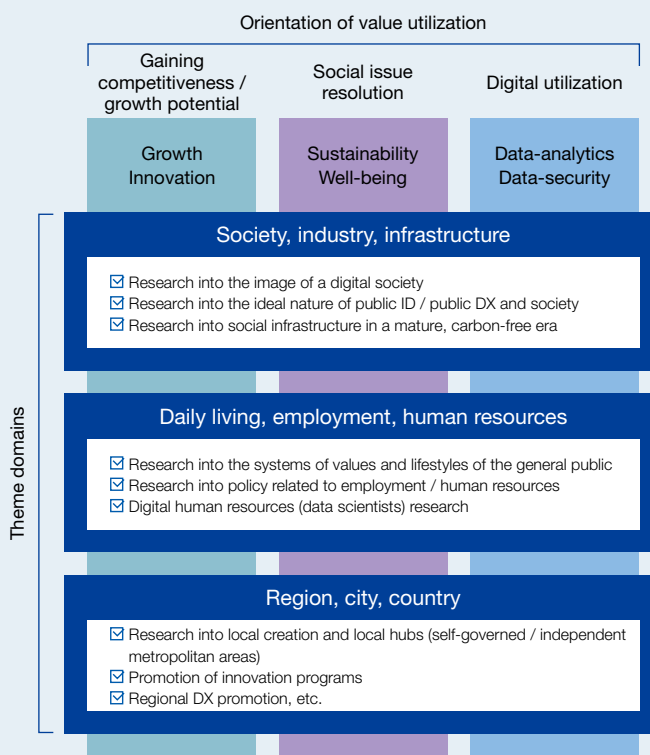
A Group of Experts Taking on the Challenge of Making Future Society a Reality

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 / 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.



Intellectual Property Management Activities

In order to maintain and expand intellectual capital and increase the competitive advantage of the NRI Group, our Intellectual Property Department promotes strategic and ongoing activities. Using IP landscaping* and other techniques, we partner closely with related divisions and strive to protect and utilize intellectual property rights that contribute to the business model and formation of the brand.

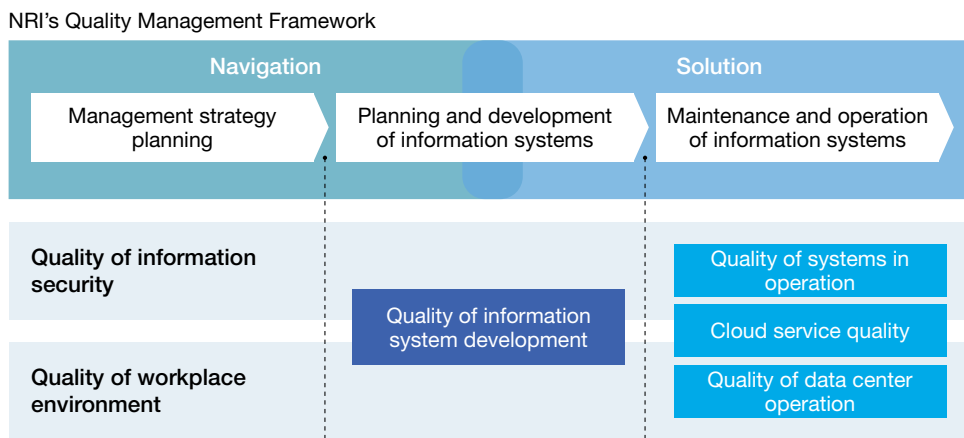
* A technique used to understand the business environment using intellectual property trends as the pivot point and utilize that knowledge in the formulation of strategy

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

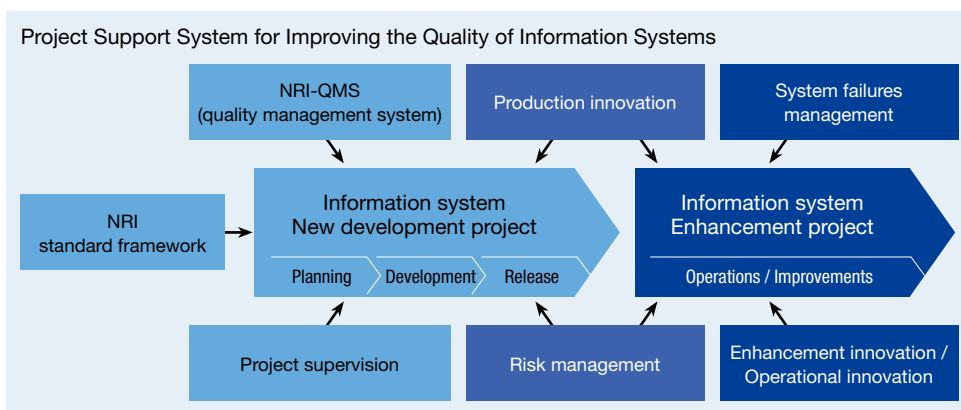
We continually work to improve the quality of services and are fully aware of our responsibility to deliver and operate information systems that serve as a key component of social infrastructure.



Quality of Information System Development

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

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

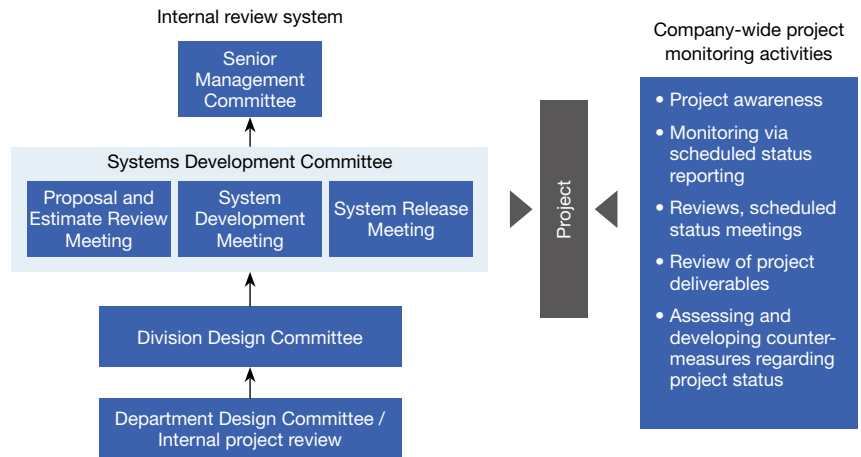


Project Supervision Activities to Support the Quality of Information System Development

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

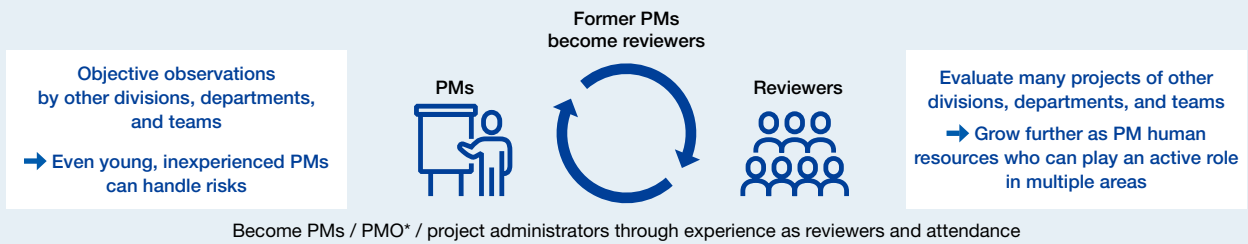
To ensure that internal reviews are not merely process checks, committee members gathered from each division enact a strict check through the system details, thus achieving a high level of quality.

Project Supervision Activities



Project Management Activities as an Opportunity to Develop Human Resources

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



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

Emphasis on Quality of Systems in Operation

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

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

Production Innovation Initiatives

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

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



The Production Innovation Forum award ceremony

Cloud Service Quality that Supports Social Infrastructure

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

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

Quality of Data Center Management That Supports Stable Operations

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

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

Main Data Centers

[Tokyo]



Tokyo Data Center I

Completion: 2012
Total floor area: 38,820m²
Reception capacity: 40,000KVA



Yokohama Data Center II

Completion: 2007
Total floor area: 15,888m²
Reception capacity: 15,000KVA

[Osaka]



Osaka Data Center II

Completion: 2016
Total floor area: 18,360m²
Reception capacity: 7,500KVA

Safety and Security Forum

The stable operation of data centers is NRI's social mission. As part of this mission, we hold a forum on the themes of safety and security every year. In FY March 2023, we conducted work for clarifying the cause of and preventing the factors behind failure that causes loss to society, corporations, and individuals, and invited Kenji Iino, deputy chairperson of the Association for the Study of Failure, which promotes social education, to give a talk on creating systems for eliminating failures.

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



Kenji Iino
 Project researcher at the University of Tokyo Environmental Science Center
 Deputy chairperson of the Association for the Study of Failure

Examples of Certifications and Assurances Acquired by NRI

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



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

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.

 **Declaration of Information Security Measures**
https://www.nri.com/en/site/security_declare

Related Rules Concerning Information Security

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

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

Information Security Management Structure

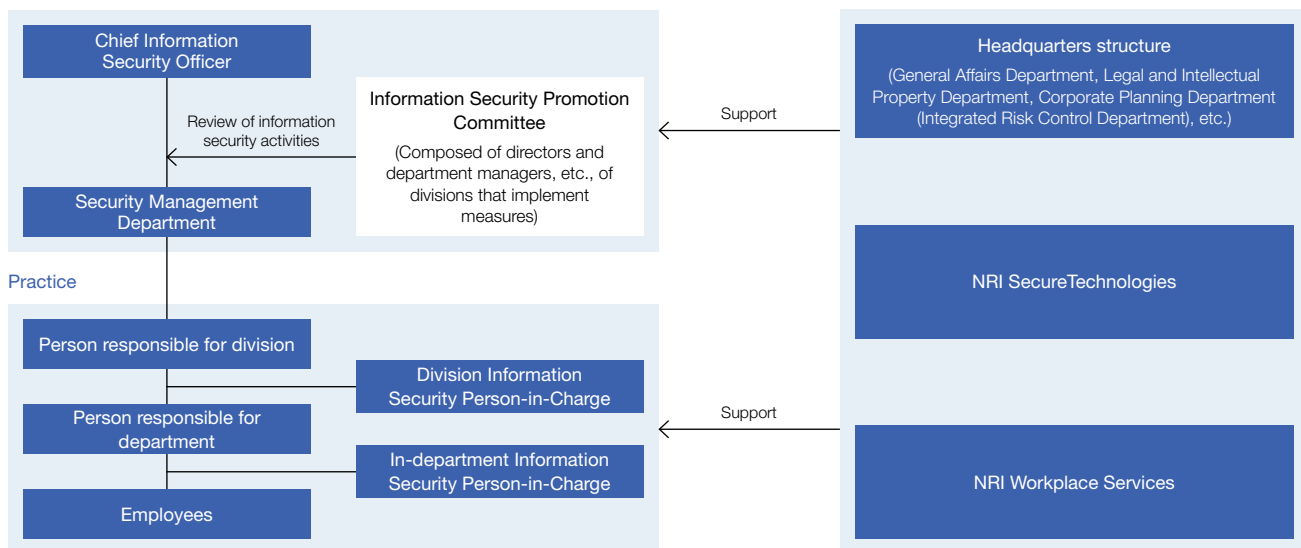
NRI has appointed a chief information security officer, who has developed a system of information security management for our organization as a whole. All business divisions and Group companies have appointed an information security manager and information security person-in-charge (PIC), who have developed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

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

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

Information Security Management Structure

Planning and Implementation



Education on Information Security


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

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

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



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

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

Response to Cyberattacks

NRI uses system-based defenses against cyberattacks, such as installing antivirus software and EDR*1, hard drive encryption, and installing different security measures (such as firewalls, WAF*2, and network behavior analysis technology*3). 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)*4.

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

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

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

NRI SecureTechnologies, Ltd., was awarded Company of the Year in the Japanese market for the Cybersecurity Services category and Privileged Access Management category at the Best Practices Awards held by Frost & Sullivan Inc., a major research and consulting firm based in the United States. Furthermore, NRI was introduced as one vendor active in the global market related to managed security services providers and fraud management solutions for companies in reports published by Forrester Research, Inc., an IT research company based in the United States.



Frost & Sullivan Inc.
2022 Best Practices Award

Quality of Workplace Environment

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

departments, to grasp the overtime hours of project members. NRI is also continuously working on advancements in the work environments themselves. This includes digital solutions implemented during the COVID-19 pandemic that use in-house technologies to protect the health of visiting clients as well as employees of NRI and its partners by detecting body temperatures of visitors and avoiding the "three C's"—closed spaces, crowded places, and close contact with people—in the office.

Advanced R&D

NRI promotes two categories of R&D. The first is DX business development, via cutting-edge technological research, fundamental technologies, and production/development technologies regarding information technology, and recommendations for society, via surveys and research. The second is investigative research, via research and feasibility investigations, prototype development, and proof of concepts for new business and new product development according to our Medium-Term Management Plan and Long-Term Management Vision.

In FY March 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.

R&D Themes and Initiative Policies

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



Contribute to Global Environment Through Collaboration with Business Partners

NRI recognizes that the preservation and restoration of the global environment, including addressing climate change, is a shared global issue. As a company that provides consulting and IT solution services, we are committed to tackling this issue by leveraging our insights and ability to achieve. We will collaborate with all stakeholders and contribute to the creation of a sustainable future society.

Initiatives for Creating Opportunities and Reducing the Risks of Climate Change (TCFD)

► 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



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

Fiscal year ended March 2021	Revision of environmental targets for acquisition of SBT 1.5 °C certification
	Status of progress in renewable energy procurement
	TCFD scenario analysis results (asset management solutions business, consulting business)
Fiscal year ended March 2022	Transition to renewable energy for main data centers' electricity consumption
	TCFD scenario analysis results (securities solutions business)
	Agreement with the GX League Basic Concept
Fiscal year ended March 2023	Status of support for setting the environmental targets of business partners
	Status of consideration of setting 2050 net-zero targets (SBTi level), including Scope 3
	Implementation of top-management dialogue with CDP

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)

► 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Implemented for data center business
Fiscal year ended March 2021	Scenario analysis for profit center <ul style="list-style-type: none"> • Implemented for asset management solutions business and consulting business
Fiscal year ended March 2022	Expansion of businesses targeted for scenario analysis <ul style="list-style-type: none"> • Implemented for securities solutions business
Fiscal year ended March 2023	Continuation of scenario analysis, consideration of a disclosure system <ul style="list-style-type: none"> • 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>)

Anticipated Scenario

In the scenario analysis, two types of scenarios were considered: the regulation and measures enhancement scenario (referred to as the “below 2 °C scenario” or “1.5 °C scenario” as described later) and the current scenario (referred to as the “4 °C scenario” as described later).

Reference Scenarios and Anticipated Contents

	Below 2 °C / 1.5 °C scenario (Regulation / measures enhancement scenario)	4 °C scenario (Current scenario)										
Reference scenarios	IEA Sustainable Development Scenario (SDS) IEA Net-Zero Emission Scenario by 2050 case (NZE) IPCC RCP 2.6 IPCC RCP 1.9	IEA Stated Policies Scenario (STEPS) IPCC RCP8.5										
Anticipated contents	<p>● Policy aspect (i) + Technical aspect</p> <table border="0"> <tr> <td style="background-color: #d9e1f2; padding: 5px;">Implementation of a carbon tax</td> <td style="padding: 5px;">\$75–\$140 / t-CO₂</td> <td rowspan="2" style="padding: 5px; vertical-align: middle;">} Significant impact on corporate profit structure and corporate value, etc.</td> </tr> <tr> <td style="background-color: #d9e1f2; padding: 5px;">New technology subsidies, etc.</td> <td style="padding: 5px;">Abundant subsidies for environmental technologies</td> </tr> </table>	Implementation of a carbon tax	\$75–\$140 / t-CO ₂	} Significant impact on corporate profit structure and corporate value, etc.	New technology subsidies, etc.	Abundant subsidies for environmental technologies	<p>● Policy aspect (i) + Technical aspect</p> <table border="0"> <tr> <td style="background-color: #d9e1f2; padding: 5px;">Implementation of a carbon tax</td> <td style="padding: 5px;">\$30–\$50 / t-CO₂</td> <td rowspan="2" style="padding: 5px; vertical-align: middle;">} Minor impact on corporate profit structure and corporate value, etc.</td> </tr> <tr> <td style="background-color: #d9e1f2; padding: 5px;">New technology subsidies, etc.</td> <td style="padding: 5px;">A certain degree of subsidies for environmental technologies</td> </tr> </table>	Implementation of a carbon tax	\$30–\$50 / t-CO ₂	} Minor impact on corporate profit structure and corporate value, etc.	New technology subsidies, etc.	A certain degree of subsidies for environmental technologies
	Implementation of a carbon tax	\$75–\$140 / t-CO ₂	} Significant impact on corporate profit structure and corporate value, etc.									
	New technology subsidies, etc.	Abundant subsidies for environmental technologies										
	Implementation of a carbon tax	\$30–\$50 / t-CO ₂	} Minor impact on corporate profit structure and corporate value, etc.									
New technology subsidies, etc.	A certain degree of subsidies for environmental technologies											
<p>● Policy aspect (ii)</p> <table border="0"> <tr> <td style="background-color: #d9e1f2; padding: 5px;">Strengthening of disclosure related to ESG and the climate</td> <td style="padding: 5px;">Enhanced ESG disclosure required / mandatory, leading to increased corporate information disclosure Additionally, disclosure frameworks, etc., become standardized.</td> </tr> </table>	Strengthening of disclosure related to ESG and the climate	Enhanced ESG disclosure required / mandatory, leading to increased corporate information disclosure Additionally, disclosure frameworks, etc., become standardized.	<p>● Policy aspect (ii)</p> <table border="0"> <tr> <td style="background-color: #d9e1f2; padding: 5px;">Strengthening of disclosure related to ESG and the climate</td> <td style="padding: 5px;">Enhanced disclosure of ESG-related information is being requested, leading to an increase in corporate information disclosure. However, disclosure frameworks, etc., have not been standardized.</td> </tr> </table>	Strengthening of disclosure related to ESG and the climate	Enhanced disclosure of ESG-related information is being requested, leading to an increase in corporate information disclosure. However, disclosure frameworks, etc., have not been standardized.							
Strengthening of disclosure related to ESG and the climate	Enhanced ESG disclosure required / mandatory, leading to increased corporate information disclosure Additionally, disclosure frameworks, etc., become standardized.											
Strengthening of disclosure related to ESG and the climate	Enhanced disclosure of ESG-related information is being requested, leading to an increase in corporate information disclosure. However, disclosure frameworks, etc., have not been standardized.											
<p>● Economic / social aspect</p> <table border="0"> <tr> <td style="background-color: #d9e1f2; padding: 5px;">Increased interest in the environment / society</td> <td style="padding: 5px;">Asset owners and individuals are becoming more interested in the environmental and social impact of their asset management.</td> </tr> </table>	Increased interest in the environment / society	Asset owners and individuals are becoming more interested in the environmental and social impact of their asset management.	<p>● Economic / social aspect</p> <table border="0"> <tr> <td style="background-color: #d9e1f2; padding: 5px;">Increased interest in the environment / society</td> <td style="padding: 5px;">Asset owners and individuals do not show significant interest in the environmental and social impact of their asset management.</td> </tr> </table>	Increased interest in the environment / society	Asset owners and individuals do not show significant interest in the environmental and social impact of their asset management.							
Increased interest in the environment / society	Asset owners and individuals are becoming more interested in the environmental and social impact of their asset management.											
Increased interest in the environment / society	Asset owners and individuals do not show significant interest in the environmental and social impact of their asset management.											
<p>● Natural environment aspect</p> <table border="0"> <tr> <td style="background-color: #d9e1f2; padding: 5px;">Escalating natural disasters</td> <td style="padding: 5px;">No significant changes from the current state.</td> </tr> </table>	Escalating natural disasters	No significant changes from the current state.	<p>● Natural environment aspect</p> <table border="0"> <tr> <td style="background-color: #d9e1f2; padding: 5px;">Escalating natural disasters</td> <td style="padding: 5px;">As the severity of natural disasters intensifies, changes in climate patterns also become evident.</td> </tr> </table>	Escalating natural disasters	As the severity of natural disasters intensifies, changes in climate patterns also become evident.							
Escalating natural disasters	No significant changes from the current state.											
Escalating natural disasters	As the severity of natural disasters intensifies, changes in climate patterns also become evident.											

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.

Risks and Opportunities in NRI's Business Overall

+ Opportunity - Risk

Business Field	World View in 1.5 °C Scenario		World View in 4 °C Scenario	
Consulting	+	The demand for client corporations to make changes leading to decarbonization will increase demand for NRI's knowledge and solutions related to sustainability.	-	There is the risk that intensified natural disasters envisioned in the 4°C Scenario will cause stagnation of the macro economy, hurt the profitability of clients, and impact business sales.
Financial IT Solutions	+	Compared to independent system development by individual corporations, NRI's shared online services will enable significant reductions in power consumption, CO ₂ emissions, and cost. Furthermore, demand can be increased by raising the renewable energy usage rate aimed at achieving RE100.	-	If the profitability of financial institutions decreases due to climate change becoming a factor in asset damage and long-term stagnation of the macro economy, there is the risk of impact on demand for provided services.
Industrial IT Solutions	+	Support for increasing the efficiency of the supply chain and distribution processes will contribute to low carbonization. The advancement of related initiatives in the future will create opportunities for increasing demand.	+	Providing cloud systems will make it possible to minimize damage in the event of a natural disaster, thus reducing the risk to clients.
Data centers (IT Platform Services)	+	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.	+	The risk of business stoppage is reduced by considering natural disasters when selecting locations, as well as by implementing a mutual backup system using multiple data centers. This creates opportunities for increasing demand.
			-	There is the risk of increased expenses such as equipment maintenance / renewal expenses and cooling expenses due to power malfunctions caused by natural disasters and due to an increase in days on which the temperature exceeds 30°C.

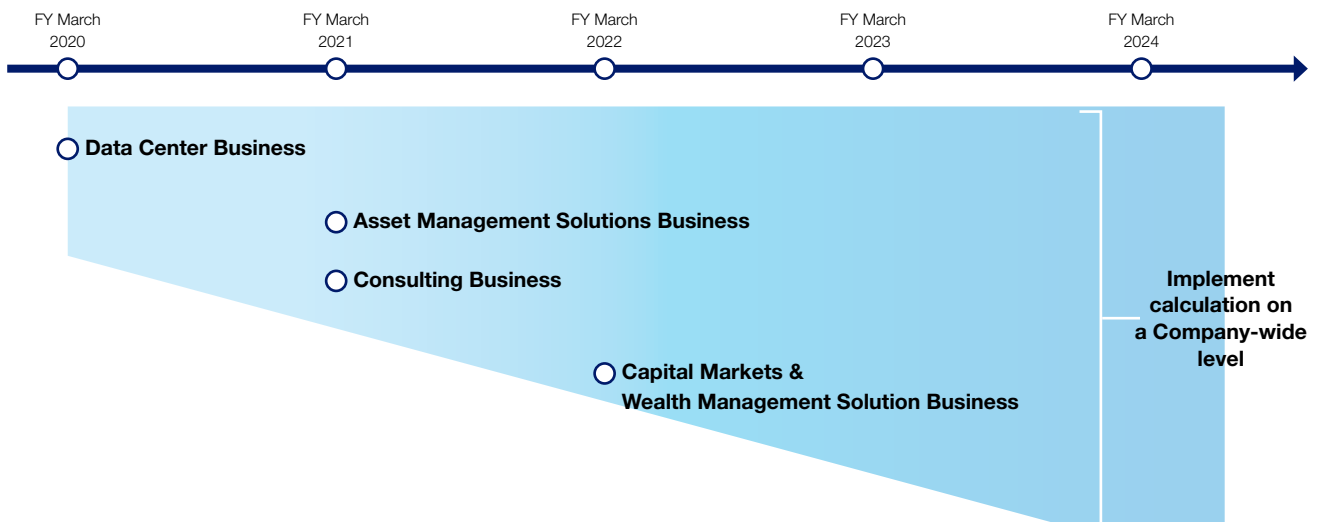
Notes: 1. +: Positive impact on the entire business segment -: Negative impact on the entire business segment
 2. *As of the time of the analysis. As of the end of the fiscal year ended March 2023, all data centers owned by NRI are powered by renewable energy sources.

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.

In the analysis for the fiscal years ended March 2020 and March 2021, we applied the "Below 2 °C scenario" and the "4 °C scenario." For analysis in the fiscal year ended March 2022, we applied the "1.5 °C scenario" and the "4 °C scenario."

Status of Implementation of Scenario Analysis by Business



Message from the CEO

NRI's Value Co-Creation

V2030

Growth Story for 2030

MTT2025

Value Creation

Value Creation Capital

Management Basis (ESG)

Corporate Information / Data

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.

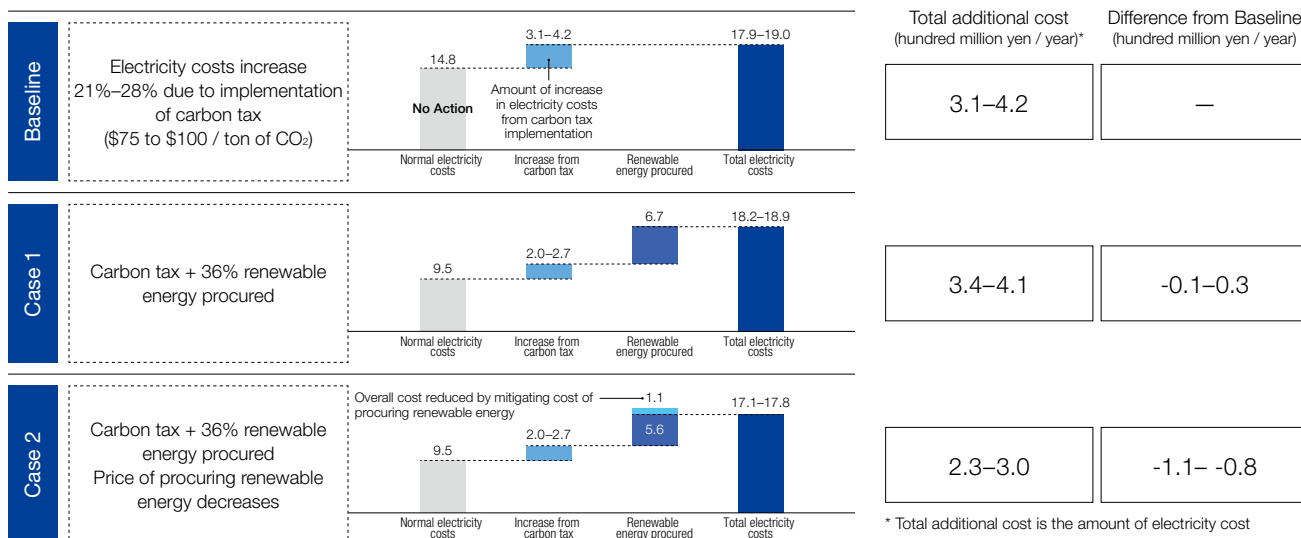
Risk and Opportunities for the Data Center Business

Climate-related events		Anticipated changes	Risk / Opportunity
(1)	Introduction of carbon pricing (carbon tax, etc.)	In the below 2 °C scenario, the anticipated introduction of carbon tax has led to an increase in electricity costs.	✗
(2)	Expansion of the use of renewable energy	Cost burden incurred to achieve renewable energy adoption targets. However, if the goals are achieved, it could mitigate the impact of carbon tax.	△
(3)	Escalating natural disasters	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.)	✗

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)



In the 4 °C scenario, to research the impacts of natural disasters on data center facilities, we used hazard maps and other methods to analyze flood and landslide disaster risks near data centers. We evaluated these impacts as being small. However, data centers are taking measures against anticipated risks.

Assessment of Impact in 4 °C Scenario

Anticipated risks	Overview of response measures
Water intake restrictions / water stoppage	<ul style="list-style-type: none"> • Stockpile water for water-cooled type air-conditioning in case of water intake restrictions / water stoppage • Prioritize use of air-cooled type air-conditioning to minimize water usage
Water damage (heavy rains, etc.)	<ul style="list-style-type: none"> • Design sufficiently capable drainage, taking rainfall amounts into account • Designate sites least vulnerable to natural disasters as construction sites
Wind damage	<ul style="list-style-type: none"> • Consider the height and local characteristics of the building based on the Building Standards Act • Set the wind load according to the position of the applicable part of the building, and design the firmness of outer materials
Power failures	<ul style="list-style-type: none"> • Maintain power by automatically switching to power transmitted from batteries when failures occur • Switch from batteries to power supply from in-house generators

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

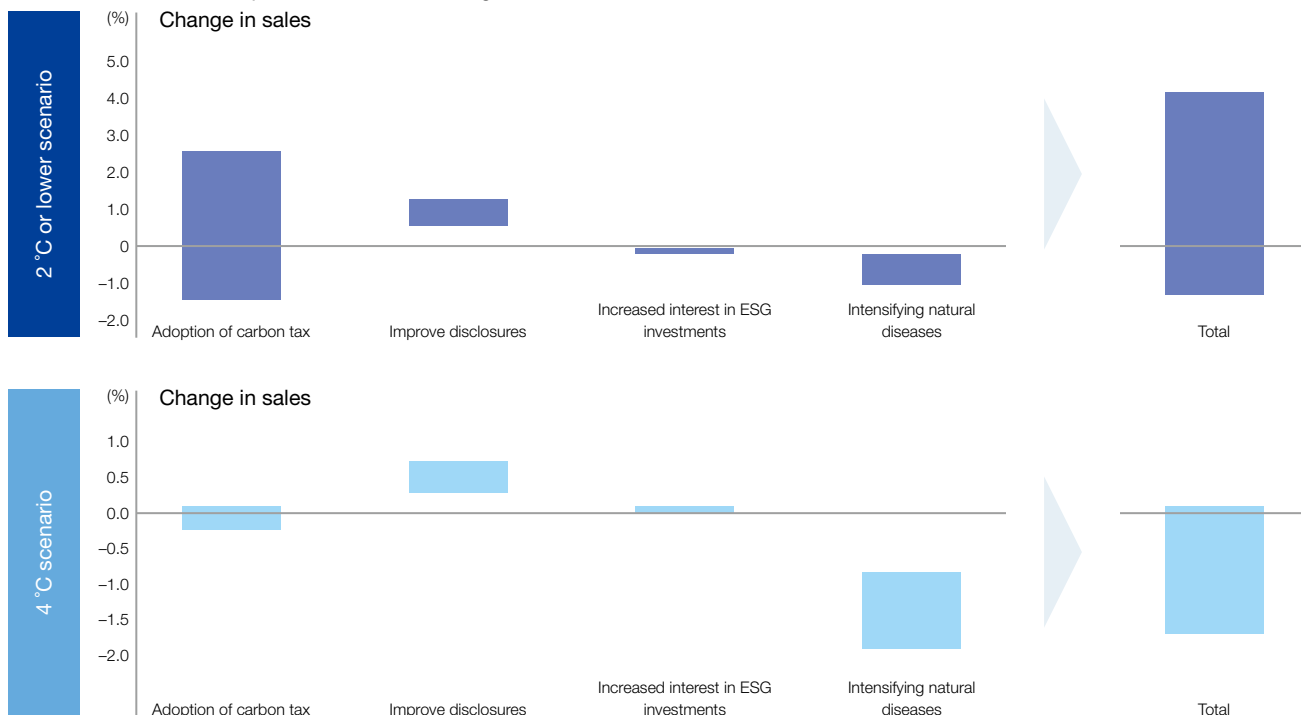
○ Opportunity × Risk △ Can be an opportunity / risk

	Climate-related events	Anticipated changes	Risk / Opportunity
(1)	Adoption of carbon pricing (carbon tax, etc.) and subsidies for new technology	Changes to corporate competitiveness and corporate value impacts the asset balance.	△
(2)	Promoting standardization and requesting improved disclosure of ESG/climate-related information to companies	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.	○
(3)	Improve disclosure of information to asset management companies	Increased need for assistance due to improved disclosure of ESG investment and sustainable finance in operation at regulatory authorities and asset owners.	○
(4)	Improve disclosure of ESG information for financial products	There is demand for explanation of ESG-related items, etc., in financial products for individuals developed by asset management firms.	○
(5)	Increased interest in personal ESG and climate change	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.	○
(6)	Intensifying natural disasters	Loss due to natural disasters will cause a slowdown in economic activity and a temporary drop in the asset balance.	×

Management Basis (ESG)

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



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.

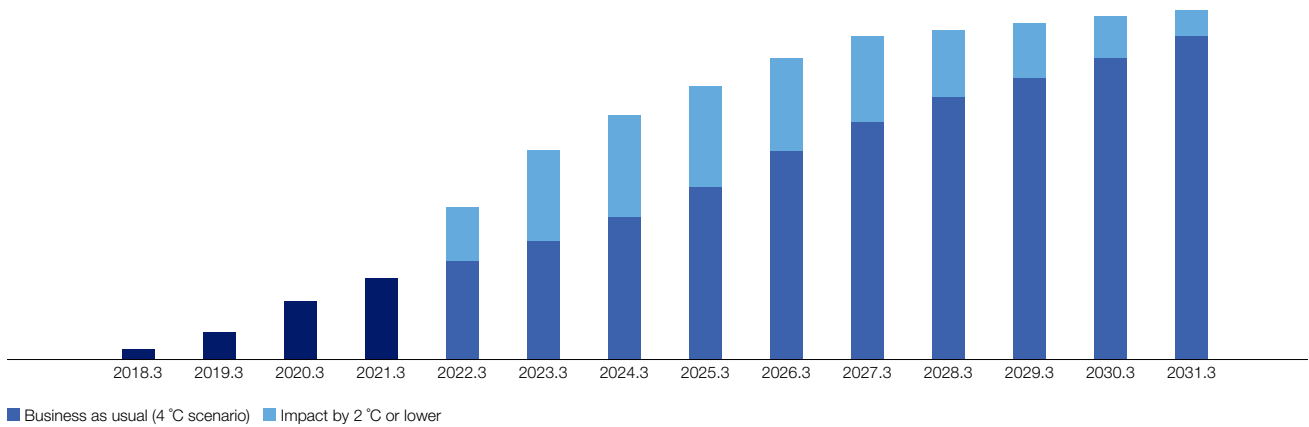
The results of analysis of risks and opportunities for the consulting business are as shown in the figure below. The analysis revealed that while there would be an increased demand for sustainability-related consulting services due to climate change, there would also be significant risks to the business,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

Risks and Opportunities for the Consulting Business

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

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)



Regarding consulting risks, the economy will worsen if the global shift to decarbonization fails, causing natural disasters to intensify. Assuming that the impacts of a worsened economy would be similar to the financial crisis, we calculated that sales would decrease by 12.1%.

Past Impacts of Major Crises in the Consulting Business

	FY March 2008	FY March 2009	Rate of change
Actual production	¥18.12 billion	¥17.27 billion	-4.7%
Status of orders	¥32.25 billion	¥28.23 billion	-12.5%
Sales results	¥32.87 billion	¥28.88 billion	-12.1%

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

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.

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.

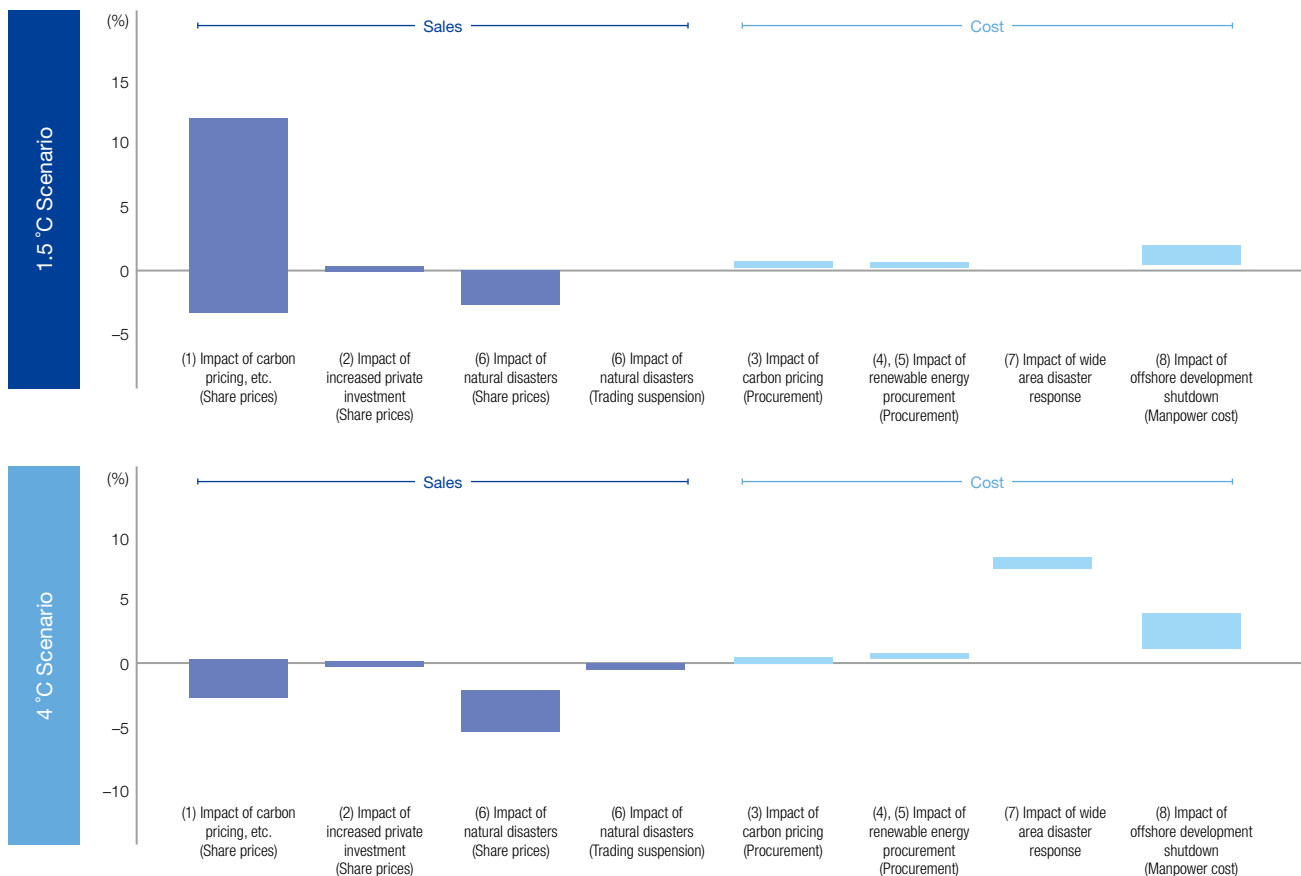
Risks and Opportunities for the Capital Markets & Wealth Management Solution Business

○ Opportunity ✕ Risk △ Can be an opportunity / risk

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

Next, we predicted how variation factors of profit would change based on the anticipated changes and calculated financial impacts for each climate-related event. The following figure shows the impact of anticipated changes on revenue and expenses by range of effect in the 1.5 °C and 4 °C scenarios, respectively. The purple graph represents the impact on revenue, while the light blue graph indicates the impact on costs.

Evaluation of Financial Impact for the Capital Markets & Wealth Management Solution Business



► Utilization of the Results of Scenario Analysis

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

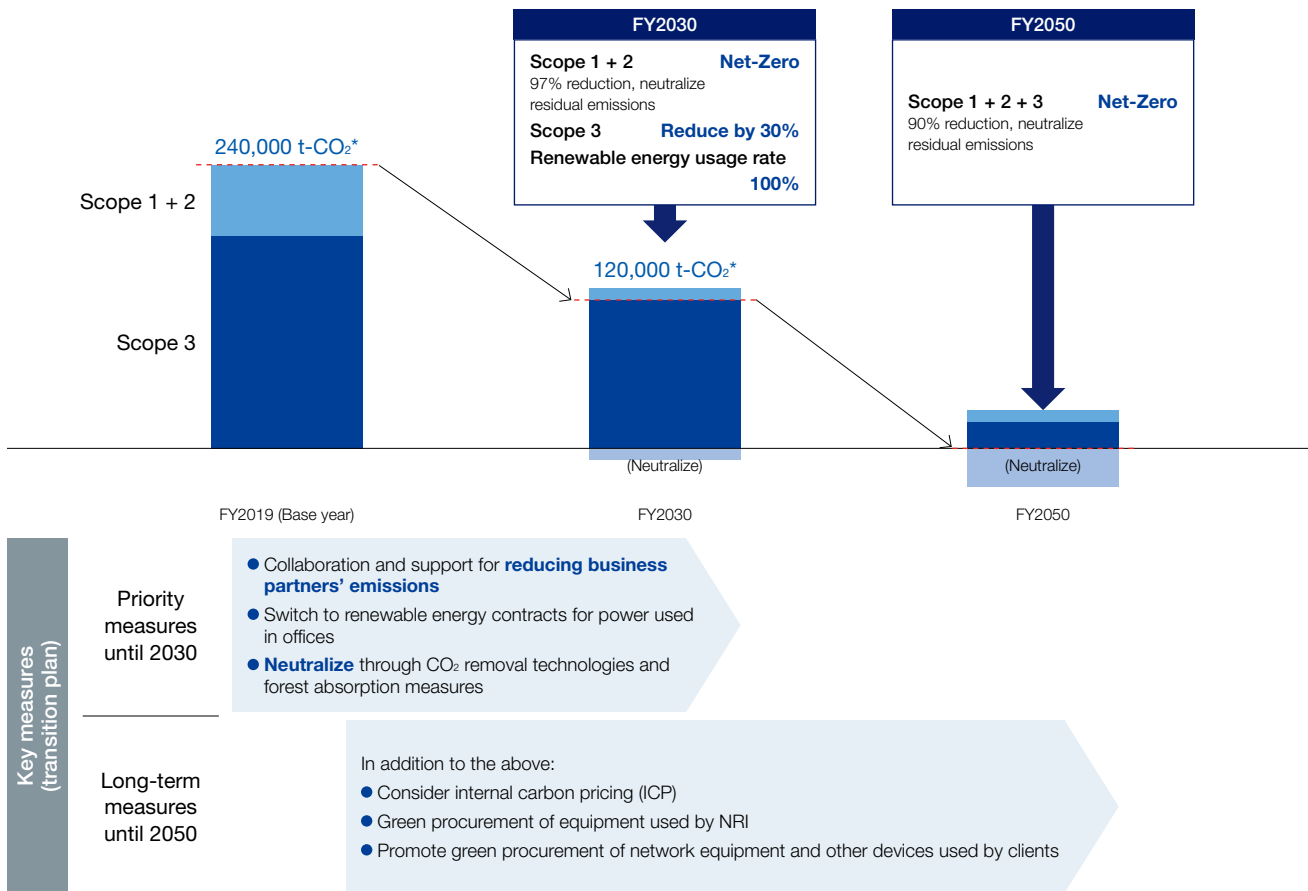
Indicators	Targets	FY March 2023 results	(Reference) FY March 2023 emissions results
Reduction rate of greenhouse gas emissions (base year: FY 2019)	[FY2030] Scope 1 + 2: Net-zero*1	-66%	20 (1,000 t-CO ₂)*3
	[FY2030] Scope 3: -30%	+5%	190 (1,000 t-CO ₂)*3
	[FY2050] Scope 1 + 2 + 3: Net-zero*2	-12%	211 (1,000 t-CO ₂)
Renewable energy utilization rate	[FY2030] Renewable energy utilization rate: 100%	73%*3	—

*1 NRI aims to reduce Scope 1 + 2 emissions by 97% and to neutralize the remaining emissions. "Residual emissions" refers to emissions that cannot be reduced within NRI's value chain by the net-zero target year, and "neutralization" involves offsetting these residual emissions using carbon removal technologies outside the value chain.

*2 Aim to reduce Scope 1 + 2 + 3 emissions by 90%, with residual emissions neutralized.

*3 Performance values are verified by third-parties.

Greenhouse Gas Emissions Reduction Targets and Transition Plan

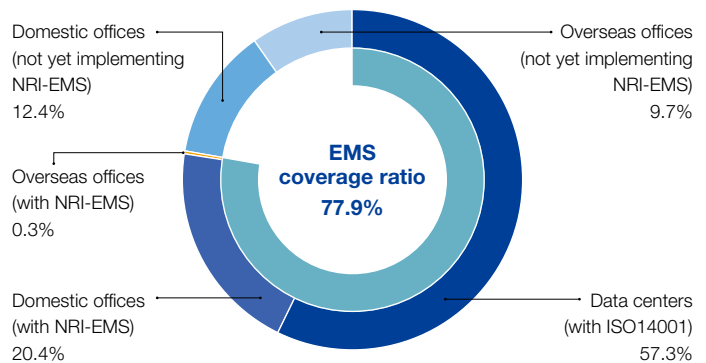


Efforts Toward Achieving Net-Zero by FY2050

► 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



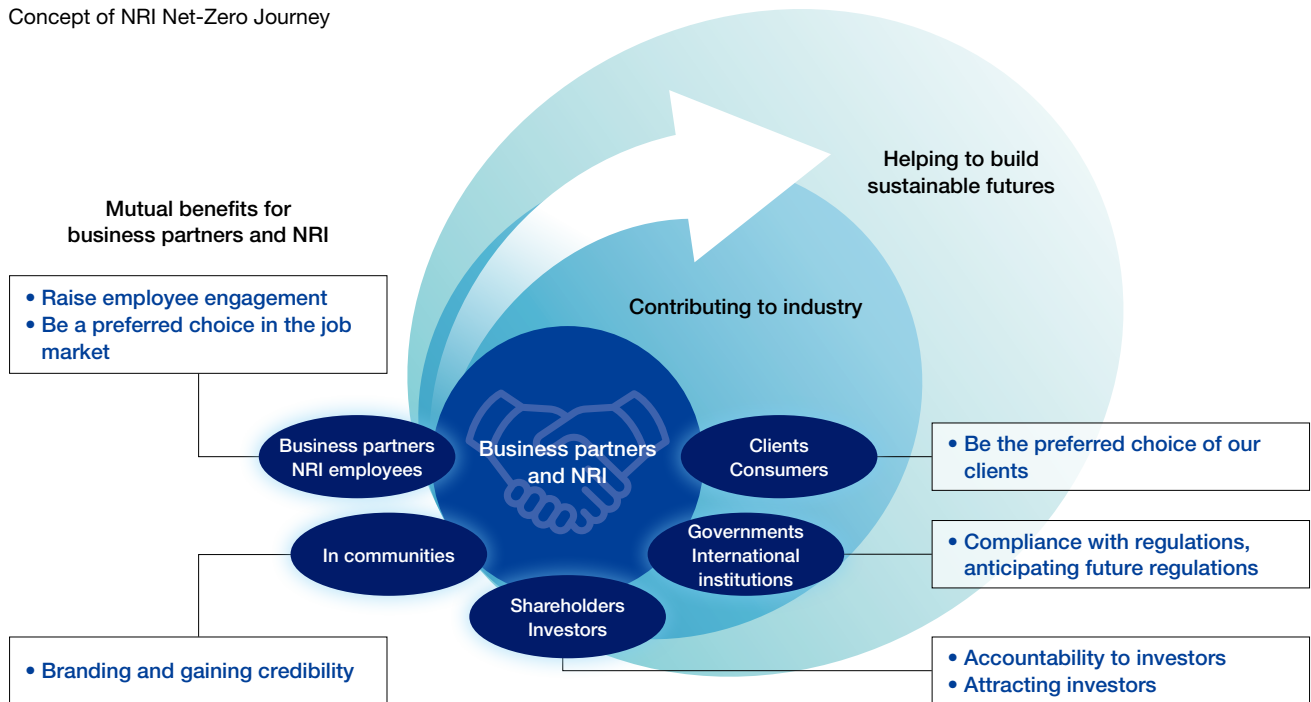
► Progress in Renewable Energy Procurement

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 2051. 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.

► **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.

Concept of NRI Net-Zero Journey



► **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 have generated estimates where reduction efforts are reflected in the figures even when activities increase.

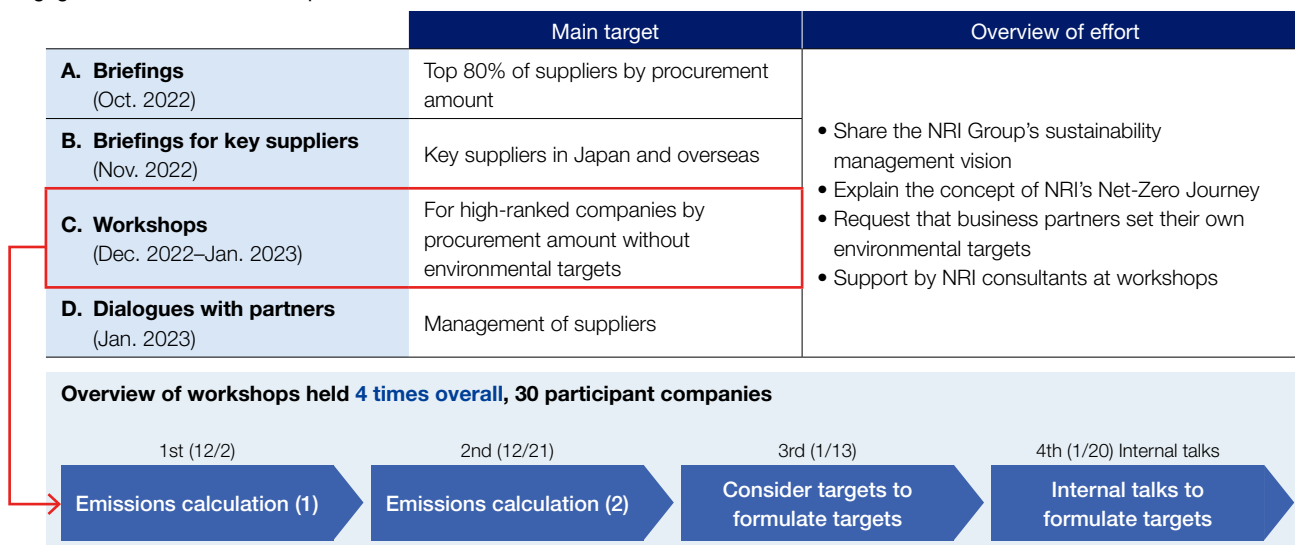


* One environmental information disclosure program run by an international environmental NGO called CDP. A mechanism where the CDP acts in lieu of member companies of the supply chain program to request the suppliers of member companies to submit environment-related information, then analyze and return the gathered data.

(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 1 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 workshop 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



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 (GNCJ).

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 Conserving / Restoring 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.

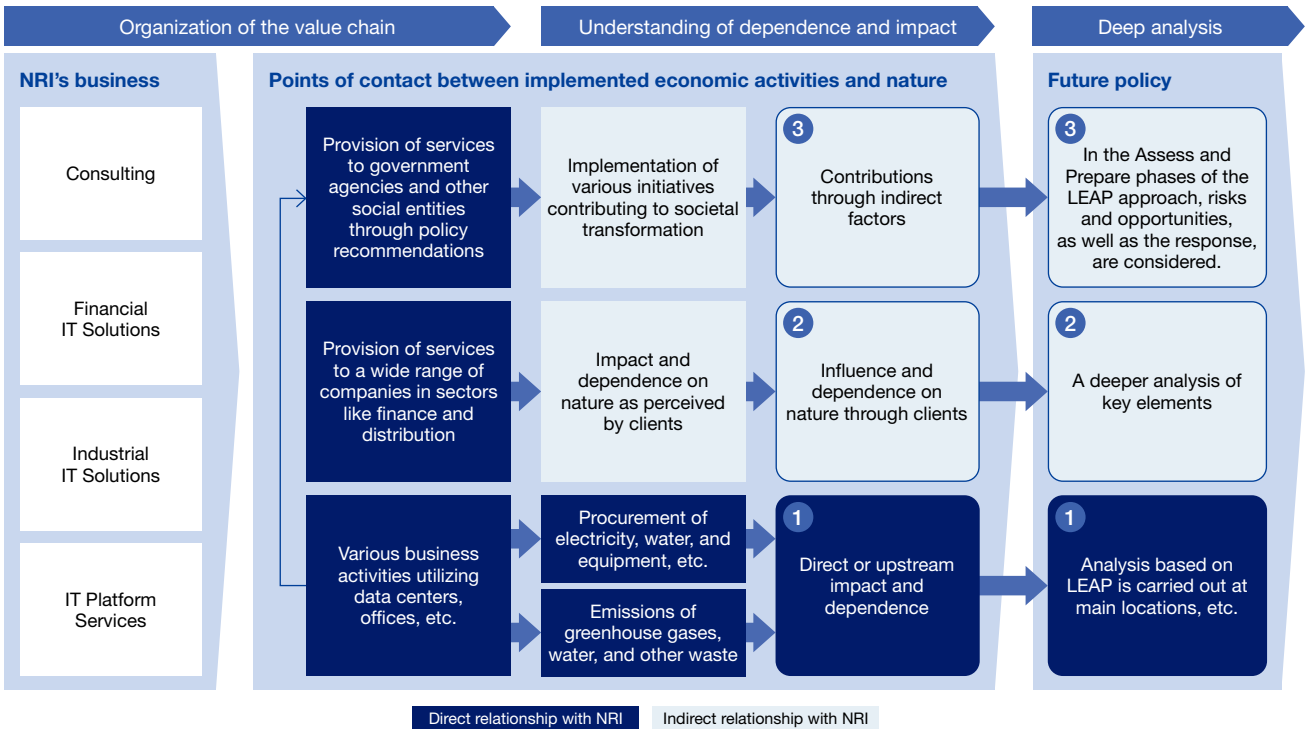
In this context, NRI joined the TNFD Forum in July 2022 to further enhance its commitment to natural capital. To identify nature-related risks and opportunities, NRI is considering the Locate, Evaluate, Assess, Prepare (LEAP) approach outlined in the TNFD disclosure framework.

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.

* ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure) is a web-based tool offered by Natural Capital Finance, etc. It makes it possible to understand the potential dependencies and impact on nature for 157 industries based on the GICS. TNFD also references ENCORE as a tool that is useful for activities such as scoping and the Locate phase of the LEAP approach.

Points of Contact between NRI's Business and Nature



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. It 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 uninhibited 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.

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

NRI Health Declaration

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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Stress prevention for individual employees and teams • Develop a system to enable employees to return to work earlier
3	Lower smoking rates <ul style="list-style-type: none"> • Introduce support to help stop smoking • Remove smoking spaces inside offices
4	Promote work-life balance <ul style="list-style-type: none"> • 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.

 **NRI Group Policy on Human Rights**
<https://www.nri.com/en/sustainability/social/policies#jinken>

NRI Group AI Ethics Guidelines
https://www.nri.com/en/sustainability/social/policies#AI_Ethics_Guidelines

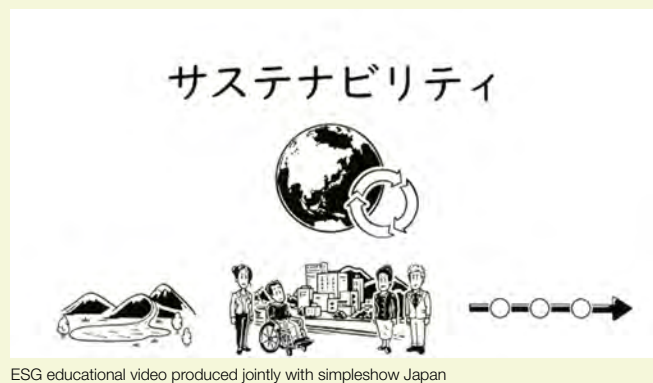
Human Rights Report
https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/back_number/human_rights_report_e.pdf

NRI Group Business Partner Code of Conduct
https://www.nri.com/en/company/partner_code

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 website.



Cooperation with Stakeholders

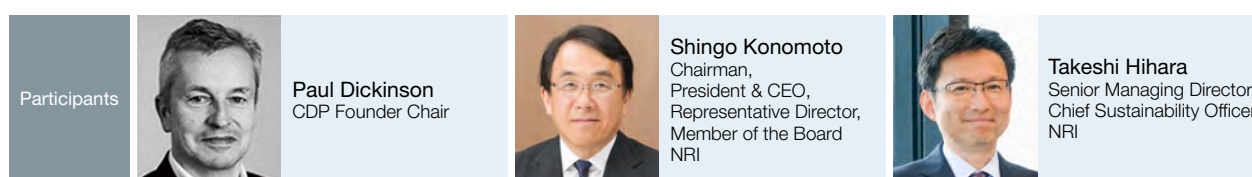
NRI understands the expectations of its various stakeholders, namely, society (including the global environment), clients, employees, business partners, shareholders, and investors. Through initiatives that leverage NRI's strengths, we collaborate with stakeholders to co-create a sustainable future society.

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)



Participants

Paul Dickinson
CDP Founder Chair

Shingo Konomoto
Chairman,
President & CEO,
Representative Director,
Member of the Board
NRI

Takeshi Hihara
Senior Managing Director,
Chief Sustainability Officer
NRI

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 dialog, 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).

* Affiliation and position as of November 2022

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 pioneered 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 TCFD aligned, 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.

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.

NRI functions as a think tank. This involves, for example, estimating how much IT can contribute to society via digitization, 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 digitization.

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.

2022 Sustainability Dialogue with Experts (Environment)
<https://www.nri.com/en/sustainability/management/dialogue/2022/dialogue>

Environment: Initiatives Concerning Climate Change - Top-Level Discussion with CDP (November 2022)



Participants

Chiharu Takakura
Director and Chief Human Resource Officer (CHRO) ROHTO Pharmaceutical Co., Ltd.

Takeshi Hihara
Senior Managing Director, NRI

Kaga Yanagisawa
Senior Managing Director, NRI

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.”

Growth Story of NRI and Role of Human Capital

Takakura: In recent years, the business landscape has shifted to a point where companies cannot achieve sustainable financial growth without addressing social issues and creating value for society. Initiatives focused on solving social issues are linked with NRI's concept of value co-creation. Especially for knowledge-based companies like NRI, there is a high societal expectation to lead efforts to guide various client businesses toward new value creation.

In an unpredictable future society where changes are difficult to predict, NRI's “arena,” where diverse experts come together, exchange ideas, and conduct research, is anticipated to gain significant value. NRI's forum holds the potential to greatly contribute to addressing these challenges by incorporating cutting-edge global insights from various perspectives.

Link between the Growth Story of NRI and Human Resource Development

Takakura: I believe that the communication of “NRI's Unique Human Capital Management” is of utmost importance to achievement of our growth story. A distinctive aspect of NRI is its ability to gain insights into future society from a macro perspective. Each individual, while striving for excellence, contemplates and derives macro-level insights and recommendations, which I consider to be a unique strength of NRI.

On the other hand, it is also important to maintain a perspective that sees day-to-day activity in people's lives and work so that the results of gaining insight into the future do not stray from the actual work and the actual state of society. This apparent contradiction requires both the macro insight to envision the future and the micro perspective to understand people's lives. The ability to switch between these two perspectives while analyzing is essential.

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.



 **2022 Sustainability Dialogue with Experts (Human Capital)**
https://www.nri.com/en/sustainability/management/dialogue/2022/dialogue_2

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

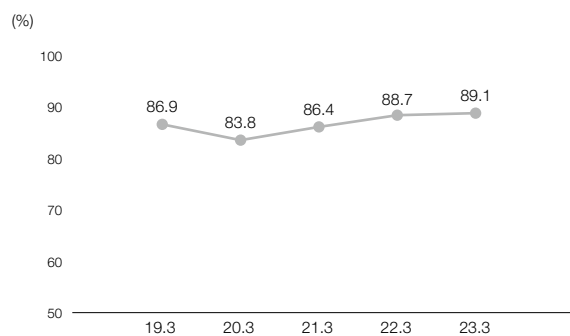
NRI conducts client satisfaction surveys for each project and has clients evaluate the entire project. We also obtain specific feedback from clients on our proposal-making skills and incident management procedures.

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

Main Items for Deliberation on New Contracts

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

Results of the Client Satisfaction Survey (Non-Consolidated) Percentage That responded “Satisfied” or “Moderately Satisfied” (Total for top two items on five-grade scale)



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

Cooperation with Business Partners

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

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

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

The number of employees involved in business at NRI's business partners stands at approximately 15,000, about half of whom are permanently stationed in NRI offices or currently working from home.

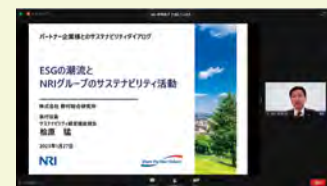
NRI promotes efforts to create a sustainable society through collaboration with its business partners. When signing contracts with each company, we require them to submit a written agreement to the NRI Group Business Partner Code of Conduct, and as of June 2023 we had received written agreements from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

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)**
https://www.nri.com/en/sustainability/management/sustainability_dialog_with_business_partners

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

 **Investor Relations**
<https://ir.nri.com/en/ir.html>

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)



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 themes of dialogue in the fiscal year ended March 2023

- ✓ Progress and outlook of domestic operations
- ✓ Status and future plans of overseas operations
- ✓ V2030 framework
- ✓ Human capital
- ✓ Financial strategy

Main Activities in the Fiscal Year Ended March 2023

Shareholders	<ul style="list-style-type: none"> ● Shareholder questionnaire: Number of respondents—5,814 shareholders out of 23,391 sent (collection rate: 24.9%)
Institutional investors and analysts	<ul style="list-style-type: none"> ● Number of investors met: 1,056 persons ● 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. ● Overseas: In addition to holding face-to-face and online overseas roadshows, the Company participated in conferences held overseas.
Individual investors	<ul style="list-style-type: none"> ● Individual investor information meetings: two were held (online); Total number of participants: 2,824


Holding of Sustainability Briefings

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

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.

Major Stakeholders	Society (Including the Global Environment)	Clients	
Expectations of Stakeholders	<p>Society</p> <ul style="list-style-type: none"> • Creation of social value via business • Transformation of society via recommendations • Cultivation of the next generation for future society • Transparent and equitable corporate administration <p>Global environment</p> <ul style="list-style-type: none"> • Reducing risks and creating opportunities regarding climate change • Conserving and recovering natural capital 	<ul style="list-style-type: none"> • Provision of valuable services and solutions • Cutting-edge proposals that exceed expectations • Provision of appropriate quality and services • Co-creation of a thriving future society / ideal society / safe and secure society 	
Relationships with Stakeholders	<ul style="list-style-type: none"> • Creation of social value via business (value co-creation with clients) <ul style="list-style-type: none"> - Policy proposals for society and systems, information and knowledge sharing - Sustainable social infrastructure - Policy suggestions on disaster prevention / reduction and support for disaster recovery • Participation in initiatives • Other social activities • Reduction of CO₂ emissions and promotion of renewable energy usage (Scope 1 + 2) • Reduction of Scope 3 CO₂ emissions 	<ul style="list-style-type: none"> • Building relationships where we grow together and respect each other via business <ul style="list-style-type: none"> - Business model transformation - Business process transformation - Promotion of shared online services via business platforms - IT infrastructure transformation - Stable service operation - Equitable quality control 	
Example Initiatives of NRI Group	<ul style="list-style-type: none"> • DX3.0 initiatives (social DX, digital social capital): e-PO box / e-NINSHO, GX League secretariat, NRI-CTS, etc. • Engagement with society: Agreement with / action on the Paris Agreement, participation in global lobbying (joining the WBCSD PACT*), top dialogue with external experts (CDP founder chair), holding the Dream Up the Future Forum and other forums • Environmental contribution: efforts for achieving the target of net zero in FY2050 <p>FY March 2023 Results</p> <ul style="list-style-type: none"> • Overall investment and spending on measures for DX2.0/3.0 that transforms industries and society (measurements starts in FY March 2024) • Greenhouse gas emissions reduction rate (base year FY March 2020): Scope 1 + 2 66% decrease, Scope 3 5% increase • Renewable energy utilization rate: 73% 	<ul style="list-style-type: none"> • Business model transformation: DX consulting (Dokakani Byun!, Dokakani Mairu, EARTHBRAIN, etc.), analytics, social DX (individual number card utilization, regional regeneration), D2C, digital finance business • Business process transformation: strategy / work / system consulting / value chain DX (CO₂ visualization, circular economy platform creation) • CO₂ reduction via expansion of shared online services: THE STAR, BESTWAY • IT infrastructure transformation, stable service operation: promote the provision of security, cloud services, and digital trust • Efforts for quality control • Efforts for AI ethics <p>FY March 2023 Results</p> <ul style="list-style-type: none"> • Revenues of business platforms that help to achieve an optimal society: ¥128.5 billion • Revenues related to safety and security to enable a more resilient society: ¥169.8 billion 	
Relationship with Materiality			

*1 PACT (Partnership for Carbon Transparency) is a project for visualizing CO₂ emissions.

*2 C&A (Challenge & Act) is a system for goal management and growth assistance at NRI.

*3 e-partners are partner companies with a particularly high level of expertise and information technology capability, and f-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.

	Employees	Business Partners	Shareholders / Investors
	<p>Decent work</p> <ul style="list-style-type: none"> Fair and equitable evaluations and treatment Contribution to society via work Opportunities for learning and growth Comfortable workplace environment Mental and physical health 	<ul style="list-style-type: none"> Building and maintaining constructive relationships that allow mutual development Fair opportunities and transparent / equitable appointment Sustainability <ul style="list-style-type: none"> Compliance with the law and social norms, consideration of the environment and society (including human rights), etc. 	<ul style="list-style-type: none"> Improved corporate value Substantial disclosure of information Enhancement of sustainability management
	<ul style="list-style-type: none"> Provision of stable employment and fair treatment Job satisfaction Creation of environment where employees can take on challenges Creation of comfortable workplace environment Cultivation of good human relations Respect for human rights and compliance with labor laws 	<ul style="list-style-type: none"> Building mutual understanding and relationships of trust Honest treatment from an equal position Non-arbitrary appointment Sustainability actions <ul style="list-style-type: none"> Transactions according to the law and social norms, collaboration on the environment and society (including human rights), etc. 	<ul style="list-style-type: none"> Engagement with investors via IR activities, etc. Disclosure of information (financial / non-financial) Responding to requests from external assessment agencies
	<ul style="list-style-type: none"> C&A system*²: fair and equitable assessment system Opportunities for growth: substantial training and goal management system D&I: proceed with women's participation / promotion Work-style reform: improving work from home, health and productivity management, welfare / support program for employees and their families Improved engagement: engagement survey, 1-on-1 meetings, MVV dialog Dialogue with employees: employee (union) gatherings <p>FY March 2023 Results</p> <ul style="list-style-type: none"> Degree of empathy with value co-creation (domestic Group): 64% Employee engagement score (NRI Payroll): 71 Female opportunity offering rate: 14.3% Amount of investment in creating and accumulating intellectual capital: ¥13.2 billion 	<ul style="list-style-type: none"> Partnership activities: e-partners, f-partner activities*³, management seminars, partner dialogue Procurement management: promotion of procurement according to the NRI Group Procurement Policy, procurement reviews, order management, payment management, promotion of compliance Promotion of sustainability regarding procurement <ul style="list-style-type: none"> Receiving agreements on the NRI Group Business Partner Code of Conduct, self-assessments (SAQ), collaboration for Net-Zero Journey*⁴ <p>FY March 2023 Results</p> <ul style="list-style-type: none"> Rate of consent to the NRI Group Business Partner Code of Conduct or possessing own such codes of conduct: domestic Group 63% 	<ul style="list-style-type: none"> Efforts based on shareholder / investor expectations: Enhanced Group governance, operation of Sustainability Committee, incorporation of sustainability elements in director compensation Enhanced engagement: Investor interviews, information for institutional investors and individual investors, sustainability information sessions Evaluations from external assessment agencies: DJSI World, CDP Climate Change A List, MSCI AAA, etc. <p>FY March 2023 Results</p> <ul style="list-style-type: none"> Number of cases in which severe risk materializes (reports to regulatory authorities or incidents of equivalent severity for which the NRI Group is responsible): 1 DJSI World (Dow Jones Sustainability Indices): Selection
			



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

Discussions in Board of Directors meetings are energized by the president's report at the outset

Tetsuji Ohashi
Outside Director



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 overviews 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



I understand that exchanging human resources between Japan and other countries drives global business growth.

Yasuo Fukami
Chairperson of the Board of Directors

of Directors' time to leverage outside directors' knowledge to gain multiple standpoints on matters they have little internal experience with. I would say that delegating authority to the executive side, including changes to the standards for bringing matters up in the Board of Directors, is an action we should consider. Behind this recommendation to delegate authority to the executive side is the trust that we outside directors have in them.

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 liven 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 outside directors in the stage before these are incorporated into separate individual matters, as was done in the considerations for global strategy.

Fukami: You make a valid argument. I do intend to continue working toward improving the operation of our Board of Directors.

Medium-Term Management Plan 2023-2025

Fukami: The four pillars of our growth strategy in Medium-Term Plan 2025 are core areas, DX evolution, global, and



management. Among these four, which are you particularly focusing on?

Ohashi: My focus is on global. Digital transformation (DX) is still flourishing in Japan, but business opportunities will diminish going forward as the population shrinks. Taking business globally is a proper approach from a long-term perspective. The key to beating out the global competition lies in how a company shows its strengths. You also need to be clear about how you intend to compete. One example would be by acquiring overseas companies possessing technologies and expertise not available in Japan.

Fukami: Globalization is advancing the manufacturing industry. What sort of initiatives are you deploying there?

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 strength 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-CTS) 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, being 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.

Laying the groundwork for medium- to long-term growth is also important, which is something that My Number-related business applies to. In manufacturing, future-oriented moves are made on purpose for some topics even without the assurance that any products will result from them in the next five to 10 years.

Fukami: We excel at research and development in areas where findings can be utilized over the short term, but what should we keep in mind for our ongoing efforts toward long-term topics?

Ohashi: This might be different for each company, but I consider it important to accurately evaluate attempts at new things even if they end in failure. At Komatsu, employees involved in the launch of their Smart Construction*³ worked on it with feelings of excitement that major change was afoot. They believed that something of interest might be about to happen. This feeling of excitement turns into motivation that drives the person to hone their skills.



It advances the professional growth of human resources. If you do not give up, that itself is success. Once you overcome failure, future success lies ahead.

*3 Solution that visualizes entire job sites from measurements to inspections by organically linking all the various types of data in construction and production processes through ICT to create safe, highly productive, and smart job sites of the future.

Expectations for NRI

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 employees, I would like them to work dedicatedly 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.

Kenkichi 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&A). Utilizing my outside perspective, I will make contributions to controlling risks such as these.

* These are positioned under the meeting bodies stipulated in NRI's organizational rules. For example, committees such as the Investment Advisory Committee and Business Evaluation Committee are under the Business Development Committee.

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 multifaceted 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 exposed to intense 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 for 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 slumping 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.

NRI's Corporate Governance

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
<https://www.nri.com/en/company/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

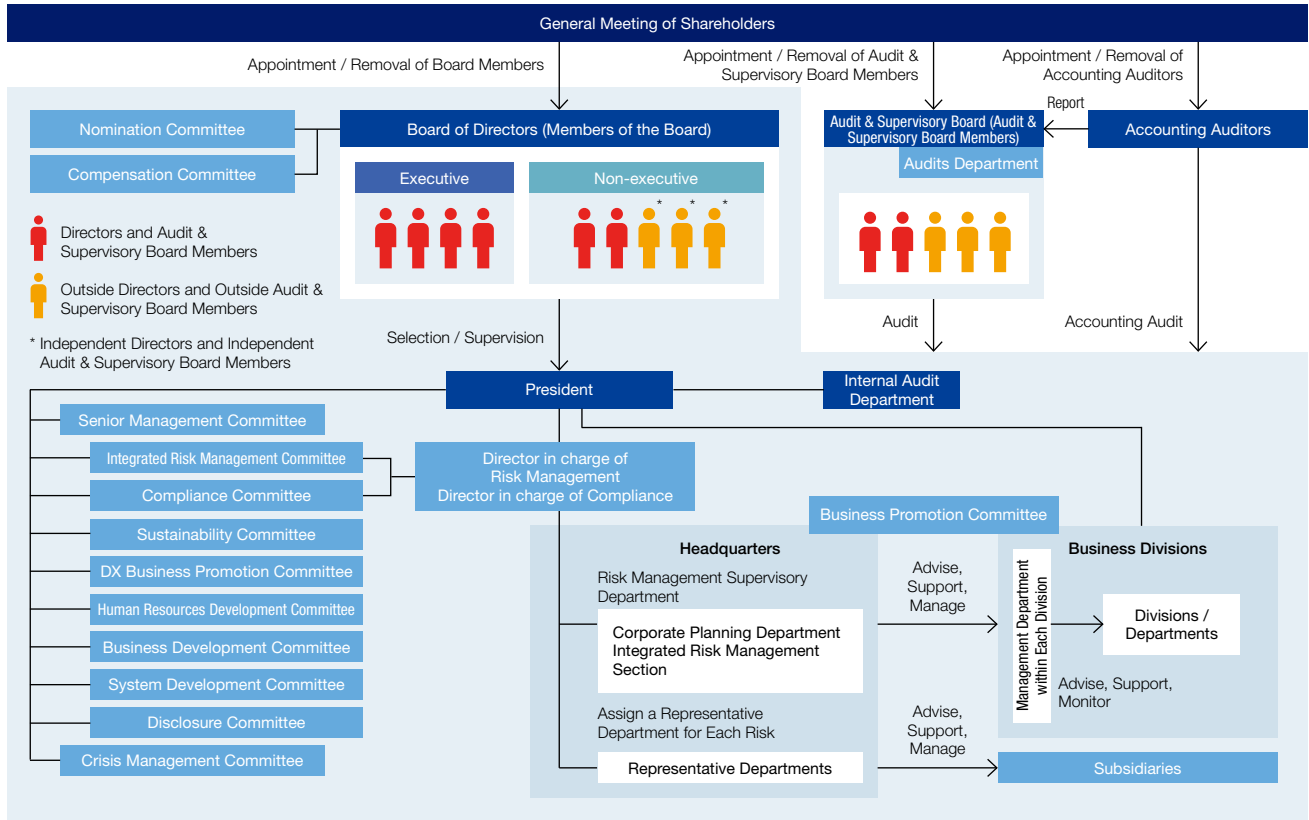
NRI is strengthening its management monitoring functions based on the Audit & Supervisory Board System through the appointment of independent directors and Independent Audit & Supervisory Board members, as well as the establishment of bodies that are mainly composed of independent directors appointed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

Main Corporate Governance Efforts Since Listing

2002	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Established the Compensation Committee comprising outside experts to enhance transparency in regard to executive compensation
2006	<ul style="list-style-type: none"> Reduced the number of members of the Board to 15 or less
2008	<ul style="list-style-type: none"> Initial release of the Long-Term Management Vision: Vision2015 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	<ul style="list-style-type: none"> Appointed non-executive director to chair the Board of Directors to separate supervisory and execution functions
2012	<ul style="list-style-type: none"> Newly established the Integrated Risk Management Supervisory Department to appropriately manage any risk that may arise in the course of business execution
2015	<ul style="list-style-type: none"> Increased the number of Independent Outside Directors from two to three Established the Independent Executives 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Newly established the Nomination Committee, comprising mainly independent directors Changed the main members of the Compensation Committee from outside experts to independent directors
2018	<ul style="list-style-type: none"> Abolished stock option plan Introduction of Restricted Stock Compensation Plan as a medium- to long-term incentive for members of the Board
2022	<ul style="list-style-type: none"> 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

Corporate Governance Structure
(As of July 1, 2023)

For the Board of Directors and the Audit & Supervisory Board, see P.112–113
For Internal Controls, Corporate Ethics, and Compliance, see P.122–123



Roles and Activities of Committees

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

Board of Directors and Advisory Committees

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

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

Main Contents Deliberated on by the Board of Directors (April 2022–March 2023)

	Main Contents
Management / business strategy	<ul style="list-style-type: none"> ● Long-Term Management Vision ● Business plan (budget formulation) ● Domestic and foreign acquisitions and investment ● Medium-Term Management Plan ● Client proposal projects ● Software investment / development ● Business Partner Policy
Executive appointment matters (including remuneration) and personnel matters for employees	<ul style="list-style-type: none"> ● Officer appointment matters ● Reports from each committee ● Matters related to directors' compensation ● Human resources strategy (systems / employee engagement)
Sustainability	<ul style="list-style-type: none"> ● Initiatives by Sustainability Activities Committee ● Initiatives by Value Co-Creation Committee
Policy on finance, reporting and IR	<ul style="list-style-type: none"> ● Financial strategy ● Status of annual and quarterly reporting ● Status of monthly results ● Policy on surplus and dividends ● Capital policy ● Annual Securities Report ● Status of funds and finances ● IR status
Corporate governance, risk management and internal controls	<ul style="list-style-type: none"> ● Evaluation of efficacy of Board of Directors ● Risk management status ● Board of Directors operation policy ● Group governance (Japan and overseas)
Audit & Supervisory Board members, internal auditing report	<ul style="list-style-type: none"> ● Audit plan by Audit & Supervisory Board members ● Report by Internal Audit Department (organization under direct supervision of the president)
Business execution report	<ul style="list-style-type: none"> ● Quarterly report on business execution status ● Main agenda items of Senior Management Committee meetings (business execution)
Other	<ul style="list-style-type: none"> ● Client satisfaction survey

Annual Schedule of the Board of Directors

	2022						
	April–June		July–September				
Board of Directors	▼	▼	▼▼	▼	▼	▼	
Management / business strategy (including sustainability)	▼	▼				▼	
Executive appointment matters (including remuneration) and personnel matters for employees	▼		▼▼				
Policy on finance, reporting and IR	▼	▼	▼▼	▼	▼	▼	
Corporate governance, risk management and internal controls	▼		▼	▼			
Audit & Supervisory Board members, internal auditing report					▼		
Business execution report	▼	▼	▼	▼	▼	▼	
Other						▼	
(Independent executive committee)	▼		▼		▼		

Status of Advisory Committees

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

	Nomination Committee	Compensation Committee
Positioning	<ul style="list-style-type: none"> The Nomination Committee is composed of a majority of independent directors. It was established to ensure the independence, objectivity, and explanatory power of the functions of the Board of Directors regarding the appointment of officers such as members of the Board, Audit & Supervisory Board members, the president and other senior managing directors, and managing directors. 	<ul style="list-style-type: none"> The Compensation Committee consists of a majority of independent directors and was established to ensure the independence, objectivity, and explanatory power of the functions of the Board of Directors regarding directors' compensation.
Meetings	<ul style="list-style-type: none"> 3 meetings 	<ul style="list-style-type: none"> 3 meetings
Main contents	<ul style="list-style-type: none"> Appointment of candidates for members of the Board and Audit & Supervisory Board members, and appointment of the president and other senior managing directors, and managing directors and other executives Progress and whether revisions are needed in the selection process in the succession plan for president, evaluations of president successor candidates, and whether or not candidates should be reconsidered Deliberation on the composition of the Board of Directors based on how the Board should function and its role 	<ul style="list-style-type: none"> Deliberation on the compensation system for members of the Board, Audit & Supervisory Board members, senior managing directors, and managing directors and other executives and on levels of compensation, geared toward achieving the aims of V2030 and Medium-Term Plan 2025 Deliberation on decision-making policy and revisions of rules for compensation for directors Verifying the suitability of basic compensation, bonuses, and stock-based compensation for directors Deliberation on payment of director compensation

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 then 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 successor 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.

	2023					
	October–December			January–March		
	▼	▼	▼	▼ ▼	▼	▼
	▼		▼	▼ ▼	▼	▼
	▼				▼	▼
	▼	▼	▼	▼	▼	▼
		▼			▼	
	▼	▼	▼	▼	▼	▼
	▼	▼	▼	▼		

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

Structure of the Board of Directors

The Board of Directors has a well-balanced composition of executive directors, non-executive directors, and outside directors.

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

Structure of the Board of Directors and the Audit & Supervisory Board (As of June 23, 2023)

Name & Position	Gender ♂ = Male ♀ = Female	Executive / Outside / Independent	Terms of Office	Expectations for Leveraging Knowledge Related to Strategy			Specialized Fields		
				Innovation	Global	HR Management			
Shingo Konomoto President & CEO Chairman, Member of the Board Representative Director	♂	Executive	8 years	●	●	●	Corporate Management		
Yasuo Fukami Vice Chairman, Member of the Board	♂	Non-executive	4 years		●	●	Business / Corporate Affairs / Quality		
Yo Akatsuka Vice Chairman, Member of the Board	♂	Non-executive	1 year	●	●	●	Finance / M&A		
Ken Ebato Senior Executive Vice President, Member of the Board, Representative Director	♂	Executive	2 years	●		●	Business		
Hidenori Anzai Senior Executive Managing Director Member of the Board Representative Director	♂	Executive	2 years		●	●	Business / Corporate Affairs / Quality		
Shuji Tateno Senior Executive Managing Director Member of the Board	♂	Executive	1 year		●	●	Business		
Shinoi Sakata Member of the Board	♀	Non-executive Outside Independent	3 years	●	●	●	ESG / SDGs / Human Resources Diversity		
Tetsuji Ohashi Member of the Board	♂	Non-executive Outside Independent	2 years	●	●	●	Corporate Management		
Hideki Kobori Member of the Board	♂	Non-executive Outside Independent	New election	●	●	●	Corporate Management		
Takuhito Sakata Audit & Supervisory Board Member (full-time)	♂	—	3 years	●		●	Governance and Internal Control / Business		
Yoichi Inada Audit & Supervisory Board Member (full-time)	♂	—	New election	●		●	Governance and Internal Control / Business / Quality		
Kenkichi Kosakai Audit & Supervisory Board Member	♂	Outside Independent	2 years	●	●	●	Corporate Management		
Naruhito Minami Audit & Supervisory Board Member	♂	Outside Independent	1 year		●	●	Governance and Internal Control / Corporate Accounting		
Yasuko Takazawa Audit & Supervisory Board Member	♀	Outside Independent	1 year		●	●	Governance and Internal Control		

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 been established to support the work of the Audit & Supervisory Board members.

* After assuming the post on June 17, 2022

	Experience and Qualifications in Specialized Fields			Attendance	Reason for Appointment
	Corporate Management	Business / Corporate Operations	Qualifications		
	CEO			Board of Directors Attended 14 of 14 Meetings	He has been responsible for the NRI Group's management as president & CEO since 2016 and possesses abundant experience and achievements concerning the management of the Company. In addition, he has been remarkably contributing to the maintenance and improvement of the corporate value of the Company, especially by achieving the profit targets of the Medium-Term Management Plan (fiscal 2019 to fiscal 2022) one year ahead of the expected timeline. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
		IT Solutions / Corporate Affairs		Board of Directors Attended 14 of 14 Meetings	He possesses a wide range of experience in business execution and achievements in the areas of financial IT solutions and industrial IT solutions, as well as corporate headquarters, in addition to his global business experience in the regions of Asia and Europe. In addition, currently from the standpoint of non-executive member of the Board, he is putting his efforts into the appropriate operation and vitalization of the Board of Directors meetings as chairperson. As chairperson of the Nomination Committee and the Compensation Committee, he has also been working to establish and implement a succession plan and to ensure objectivity and fairness with respect to the appointment of members of the Board, the determination of remuneration, etc. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
		Director of securities company		Board of Directors Attended 11 of 11 Meetings	He served as senior managing director of Nomura Holdings, Inc., executive vice president of Nomura Securities Co., Ltd., etc. He possesses long-standing experience in the securities industry, which is one of the Company's major business areas. In addition, he possesses abundant experience and achievements in global business gained through being responsible for managing Nomura Holding America Inc., an overseas subsidiary of Nomura Holdings Inc., etc. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
		IT Solutions		Board of Directors Attended 14 of 14 Meetings	He possesses a wide range of experience in business execution and achievements in the areas of consulting, financial IT solutions, industrial IT solutions and IT platform services. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
		IT Solutions / Corporate Affairs		Board of Directors Attended 14 of 14 Meetings	He possesses a wide range of experience in business execution and achievements in the areas of financial IT solutions, industrial IT solutions and IT platform services, as well as corporate headquarters. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
		IT Solutions		Board of Directors Attended 11 of 11 Meetings	He possesses a wide range of experience in business execution and achievements in the areas of consulting, industrial IT solutions, and IT platform services. In addition, he has been contributing to promoting global strategies mainly in the area of industrial IT solutions such as overseas M&A. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the management of NRI.
		Listed company executive		Board of Directors Attended 14 of 14 Meetings	She, as a researcher and a person with responsibilities in the area of safety in the chemical industry, has been involved in the activities of evaluating technology strategies of corporations from the perspective of sustainability for many years. In addition, she has served to strengthen the management supervision function for the Company by deepening the discussion about ensuring sustainability, diversity, and human resources development at the meetings of the Company's Board of Directors, the Nomination Committee, and the Compensation Committee of NRI. NRI expects her as outside director to apply her abundant experience and excellent understanding in the supervision of the management of the Company from an objective standpoint, as a member of the Company's Board of Directors, the Nomination Committee, and the Compensation Committee.
	Listed company CEO			Board of Directors Attended 14 of 14 Meetings	He has led the management of Komatsu Ltd. for many years, advancing the growth of the company through innovation including digitalization at construction sites. In addition, he has served to strengthen the management supervision function for the Company, with his broad and accurate perspective on corporate management provided at the meetings of the Company's Board of Directors, the Nomination Committee, and the Compensation Committee of NRI. NRI expects him as outside director to apply his abundant experience and excellent understanding in the supervision of the management of the Company from an objective standpoint, as a member of the Company's Board of Directors, the Nomination Committee, and the Compensation Committee.
	Listed company CEO			—	He has led the management of ASAH KASEI CORPORATION for many years, advancing strategies by means of business portfolio management, human resources development, and research and development to drive the growth of the ASAH KASEI Group. NRI expects him as outside director to apply his abundant experience and excellent understanding in the supervision of the Company from an objective standpoint, as a member of the Company's Board of Directors, the Nomination Committee, and the Compensation Committee.
		IT Solutions		Audit and Supervisory Committee Attended 18 of 18 meetings Board of Directors Attended 14 of 14 Meetings	He possesses a broad range of experience and achievements in the execution of business in the areas of industrial IT solutions and IT platform services, as well as the human resources development function of the NRI Group. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the audit of the execution of duties by NRI directors.
		IT Solutions / Corporate Affairs		—	He possesses long-standing experience in business execution and achievements in the area of industrial IT solutions and corporate headquarters. NRI has appointed him with the expectation that the experience and knowledge nurtured through his career can be utilized in the audit of the execution of duties by NRI directors.
	Listed company vice president / CFO			Audit and Supervisory Committee Attended 18 of 18 meetings Board of Directors Attended 14 of 14 Meetings	He has been involved in the management of Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation) and other Mitsubishi Chemical Holdings Corporation group companies for many years. He possesses work experience in the accounting and finance department, and experience as CEO. NRI has appointed him with the expectation that he will utilize his abundant experience and excellent understanding concerning corporate management gained throughout his career, in the auditing of the execution of NRI's Members of the Board from an objective standpoint.
			CPA	Audit and Supervisory Committee Attended 13 of 13 meetings Board of Directors Attended 11 of 11 Meetings	He serves as director and managing partner of an audit firm, and possesses experience in the management of an audit firm and long-standing experience as a certified public accountant. NRI requests his election as Outside Audit & Supervisory Board member to utilize his abundant experience and excellent understanding concerning finance and accounting, which he has gained through his career, in the auditing of the execution of business by NRI's directors from an objective standpoint.
		Listed company executive	Lawyer	Audit and Supervisory Committee Attended 13 of 13 meetings Board of Directors Attended 11 of 11 Meetings	She has many years of experience working in corporate legal departments and as a lawyer. NRI requests her election as Outside Audit & Supervisory Board member to utilize her abundant experience and excellent understanding concerning corporate governance and risk management, which she has gained through her career, in the auditing of the execution of business by NRI's directors from an objective standpoint.

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

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

Concept 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.

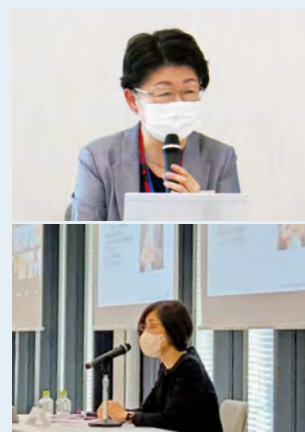
Demonstrating Skills of Outside Executives

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.



(Above) Outside Director Shinoi Sakata
 (Below) Outside Audit & Supervisory Board Member Yasuko Takazawa

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

Compensation System for Members of the Board

- In the interest of enhancing business results, the compensation system emphasizes connections to business performance.
- Emphasis is placed on bonuses and stock-based 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.

Maximum total compensation

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

* Monetary compensation claims are provided for granting restricted stock to eligible members.

Management Basis (ESG)

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)

Fixed compensation Basic compensation 1	Performance-based compensation 2.7	
	Short-term performance-based compensation Bonuses 1	Medium- to long-term performance-based compensation Stock-based compensation 1.7

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 herein is 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 engaged in nonconforming behavior that constitutes a violation thereof, the agreement on the allocation of restricted stock includes a clause (malus clause) that enables us to freely acquire all granted shares.

The target of the clawback system is members of the Board (excluding outside directors), senior managing directors, managing directors, and executive fellows.

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

Basic compensation	Basic compensation consists of fixed pay based on each Audit & Supervisory Board member's career, knowledge, and responsibilities.
Bonuses	Bonuses are only paid to full-time Audit & Supervisory Board members, and they are based on our business performance during the current fiscal year.

Note: In regard to Audit & Supervisory Board members, stock-based compensation is not issued.

Executive Compensation Amounts

Executive compensation for FY March 2023 is as follows.

Category	Total compensation (millions of yen)	Compensation by type (millions of yen)					Number of eligible individuals (persons)
		Fixed compensation	Performance-based compensation			Other	
		Basic compensation	Bonuses	Non-monetary compensation	Total		
			Restricted stock-based compensation				
Members of the Board	836	299	225	308	534	3	11
(Of whom are Outside Members of the Board)	64	64	—	—	—	—	3
Audit & Supervisory Board Members	158	115	35	6	42	0	7
(Of whom are Outside Audit & Supervisory Board Members)	56	56	—	—	—	0	5

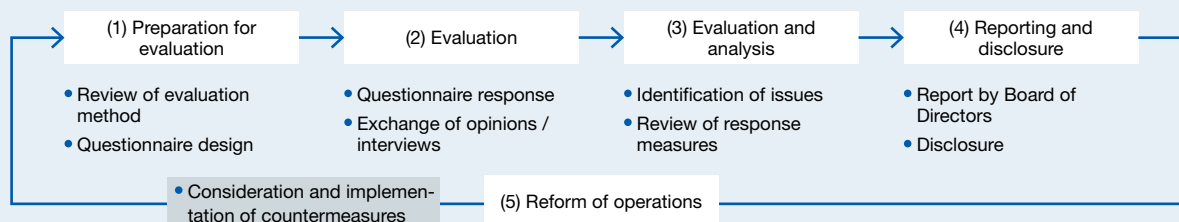
- Notes: 1. The above includes two members of the Board and two Audit & Supervisory Board members, including two outside Audit & Supervisory Board members, who retired at the conclusion of the 57th Ordinary General Meeting of Shareholders held on June 17, 2022.
2. For restricted stock-based compensation, the total amount of monetary compensation receivables that would be contributed in kind in exchange for the shares with transfer restrictions has been converted equally in accordance with the term of service from the day of the allotment of shares with transfer restrictions to the day of the lifting of transfer restrictions. The amount posted as expenses in FY March 2023 is shown.
Because the amounts of the "restricted stock-based compensation" is equalized in accordance with respective terms of service, each ratio of the constituent elements of the above compensation differs from the ratio of constituent elements of director compensations, etc., shown on Compensation Ratio for Director Compensation.
3. "Other" refers to contributions to the defined contribution pension plan and insurance premiums for casualty insurance.

Review of Effectiveness Evaluation Process and Evaluation Method

Effectiveness Evaluation of the Board of Directors

Evaluation Process

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



Review of Evaluation Method for FY March 2023

● In the evaluation preparations for (1), we conducted hearings with external members of the Board and independent Audit & Supervisory Board members in February 2023 and reached a consensus confirming that the expanded section for written answers in the questionnaire, which was added in FY March 2022, is effective for identifying a wider range of issues and honest opinions. We conducted the questionnaire in March using the same structure as FY March 2022 with some changes made, then debated the effectiveness of the questionnaire in independent executive meetings based on the resulting responses and exchanged various opinions. Based on those results, we performed an analysis and evaluation at Board of Directors meetings and debated issues from various evaluation perspectives.

Initiatives for Issues Recognized in Effectiveness Evaluations

Initiatives for Issues Recognized in FY March 2022

● 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.

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 compensation 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.

NRI Executives

Members of the Board

New election Executive Non-executive Outside Independent



Shingo Konomoto Executive
 Date of birth: February 11, 1960
President & CEO
Chairman, Member of the Board
Representative Director (338,021 shares)

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



Yasuo Fukami Non-executive
 Date of birth: August 12, 1960
Vice Chairman, Member of the Board
Chairperson of the Board of Directors (113,118 shares)

Apr. 1983 Joined the Company
 Apr. 2011 Senior Managing Director
 Apr. 2016 Deputy Division Manager of Distribution & Communication Solution Division
 Apr. 2017 Head of Distribution, Communication & Industrial Solutions
 Apr. 2019 Senior Executive Managing Director
 Jun. 2019 Representative Director, Member of the Board, Senior Executive Managing Director
 Apr. 2021 Vice Chairman, Member of the Board (present)
 Apr. 2022 Chairperson of the Board of Directors (present)



Yo Akatsuka Non-executive
 Date of birth: July 14, 1965
Vice Chairman, Member of the Board (10,900 shares)

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



Ken Ebato Executive
 Date of birth: October 28, 1963
Senior Executive Vice President
Member of the Board
Representative Director
Supervising of Consulting
Supervising of Financial IT Solutions
Supervising of IT Platform Services (162,609 shares)

Apr. 1987 Joined the Company
 Apr. 2015 Senior Managing Director
 Apr. 2018 Senior Executive Managing Director
 Apr. 2019 Senior Corporate Managing Director
 Apr. 2021 Senior Executive Managing Director
 Jun. 2021 Member of the Board, Senior Executive Managing Director
 Apr. 2022 Representative Director, Member of the Board, Senior Executive Managing Director
 Apr. 2023 Representative Director, Member of the Board, Senior Executive Vice President
 Apr. 2023 Supervising of Consulting
 Apr. 2023 Supervising of Financial IT Solutions
 Apr. 2023 Supervising of IT Platform Services (present)



Hidenori Anzai Executive
 Date of birth: November 9, 1964
Senior Executive Managing Director
Member of the Board
Representative Director
Supervising of Corporate Headquarters (119,424 shares)

Apr. 1989 Joined the Company
 Apr. 2014 Senior Managing Director
 Apr. 2017 Deputy Division Manager of Distribution & Communication Solution Division
 Apr. 2019 Senior Corporate Managing Director
 Apr. 2021 Senior Executive Managing Director
 Jun. 2021 Representative Director, Member of the Board, Senior Executive Managing Director
 Jun. 2021 Head of Corporate Headquarters (present)



Shuji Tateno Executive
 Date of birth: May 2, 1964
Senior Executive Managing Director
Member of the Board
Supervising of Industrial IT Solutions /
Supervising of Global Headquarters (177,333 shares)

Apr. 1987 Joined the Company
 Apr. 2014 Senior Managing Director
 Apr. 2016 Deputy Division Manager of IT Platform Services Division
 Apr. 2019 Senior Executive Managing Director
 Apr. 2021 Senior Executive Managing Director
 Apr. 2022 Senior Executive Managing Director
 Jun. 2022 Member of the Board, Executive Managing Director
 Jun. 2022 Supervising of Industrial IT Solutions
 Jun. 2022 Supervising of Global Headquarters (present)



Shinoi Sakata Non-executive Outside Independent
 Date of birth: March 31, 1957
Member of the Board^(non-Exec) (732 shares)

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

<Important concurrent positions>
 Outside Director of Hitachi Zosen Corporation



Tetsuji Ohashi Non-executive Outside Independent
 Date of birth: March 23, 1954
Member of the Board^(non-Exec) (—)

Apr. 1977 Joined Komatsu Ltd.
 Jan. 2004 President and Chief Operating Officer (COO) of Komatsu America Corp.
 Apr. 2007 Executive Officer of Komatsu Ltd.
 Jun. 2009 Director and Senior Executive Officer of Komatsu Ltd.
 Apr. 2012 Director and Senior Executive Officer of Komatsu Ltd.
 Apr. 2013 President and Representative Director, and CEO of Komatsu Ltd.
 Apr. 2019 Chairperson of the Board and Representative Director of Komatsu Ltd.
 Jun. 2021 Member of the Board of the Company (present)
 Apr. 2022 Chairperson of the Board and Director of Komatsu Ltd. (present)

<Important concurrent positions>
 Chairperson of the Board of Komatsu Ltd.
 Outside Director of Yamaha Motor Co., Ltd.
 Outside Director of Asahi Group Holdings, Ltd.



Hideki Kobori New election Non-executive Outside Independent
 Date of birth: February 2, 1955
Member of the Board^(non-Exec) (—)

Apr. 1978 Joined Asahi Chemical Industry Co., Ltd. (currently, ASAH KASEI CORPORATION)
 Apr. 2008 Director of Asahi Kasei Microdevices Corporation
 Apr. 2010 President & Representative Director of Asahi Kasei Microdevices Corporation
 Apr. 2012 Presidential Executive Officer of Asahi Kasei Microdevices Corporation
 Apr. 2012 Senior Executive Officer of ASAH KASEI CORPORATION
 Jun. 2012 Director of ASAH KASEI CORPORATION
 Apr. 2014 Senior Executive Officer of ASAH KASEI CORPORATION
 Apr. 2016 President and Representative Director of ASAH KASEI CORPORATION
 Apr. 2022 Chairman and Representative Director of ASAH KASEI CORPORATION
 Apr. 2023 Chairman and Director of ASAH KASEI CORPORATION (present)

<Important concurrent positions>
 Chairman and Director of ASAH KASEI CORPORATION
 Outside Director of SEIKO GROUP CORPORATION

Audit & Supervisory Board Members



Takuhiro Sakata

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

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



Yoichi Inada

Date of birth: December 13, 1964
Audit & Supervisory Board Member (full-time) (112,825 shares)

Apr. 1988 Joined the Company
Apr. 2012 Senior Managing Director
Deputy Division Manager of Services & Industrial Solution Division II
Apr. 2015 Senior Managing Director
Division Manager of Quality Management Division
Head of Integrated Risk Management
Head of Information System Planning & Control
Head of Security Management
Apr. 2017 Senior Corporate Managing Director
Division Manager of Distribution & Communication Solution Division
Apr. 2023 Counselor of the Company
Jun. 2023 Audit & Supervisory Board Member (present)

New election



Kenkichi Kosakai

Date of birth: August 9, 1953
Audit & Supervisory Board Member ^(Note 1) (1,500 shares)

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

<Important concurrent positions>
Outside Director of Dai-Dan Co., Ltd.

Outside Independent



Naruhito Minami

Date of birth: January 15, 1963
Audit & Supervisory Board Member ^(Note 1) (—)

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

<Important concurrent positions>
Managing Partner of GYOSEI & CO.
Outside Auditor of FunPep Company Limited

Outside Independent



Yasuko Takazawa

Date of birth: November 20, 1964
Audit & Supervisory Board Member ^(Note 1) (100 shares)

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

<Important concurrent positions>
Corporate Officer of MITSUBISHI MOTORS CORPORATION

Outside Independent

Notes:

- Shinoi Sakata, Tetsuji Ohashi, and Hideki Kobori are outside directors. Kenkichi Kosakai, Naruhito Minami, and Yasuko Takazawa are outside Audit & Supervisory Board members. NRI specifies those members as independent directors pursuant to the regulations of the Tokyo Stock Exchange and has notified about them to the said stock exchange.
- Members of the Board were selected at the Ordinary General Meeting of Shareholders held on June 23, 2023.
- For the Audit & Supervisory Board members, Takuhiro Sakata was selected at the Ordinary General Meeting of Shareholders held on June 18, 2020, Kenkichi Kosakai was selected at the Ordinary General Meeting of Shareholders held on June 18, 2021, Naruhito Minami and Yasuko Takazawa were selected at the Ordinary General Meeting of Shareholders held on June 17, 2022, and Yoichi Inada was selected at the Ordinary General Meeting of Shareholders held on June 23, 2023.
- Figures in parentheses indicate number of the Company's shares held as of March 31, 2023, including holdings in the executive share ownership plan.

Managing Directors and Fellows

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

Senior Executive Managing Directors

Hiroshi Masutani Fumihiko Sagano

Senior Corporate Managing Directors

Minoru Yokote Akira Matsumoto
Namiki Kubo Tetsuro Watanabe
Yuichi Higo Shigekazu Ohmoto
Tohru Yasumaru Yasuki Nakamaru
Tomohiko Noguchi Takeshi Hihara
Susumu Nishimoto Ichiro Morisawa
Yoshihiko Sunaga Kaga Yanagisawa
Shoichi Ohno Hiroyuki Nakayama

Senior Managing Directors

Katsutoshi Murakami Kotaro Gunji
Yasushi Kobara Hideki Saito
Hiroyuki Kawanami Katsuya Mori
Sonoko Kitagawa Takefumi Ikeya
Jun Odashima Noriyuki Takeda
Masaaki Yamazaki Toshifumi Hara
Koji Shimizu Masashi Shimizu
Hiroshi Koike Noriyuki Kobayashi
Kazuya Kobayashi Akihiro Kamei
Noriyasu Kogure Takao Yamaguchi

Managing Directors

Masakazu Amamiya Junji Hatoya
Akiko Tabaru Tomonori Utsumi
Hirofumi Miyatake Youji Minamigawa
Takashi Yagi

Research Directors

Kotaro Kuwazu Fumihiko Kamio

Counselor

Hisao Nakajima

Fellows


Minoru Aoshima Shinichiro Umeya

Internal Controls, Corporate Ethics, and Compliance

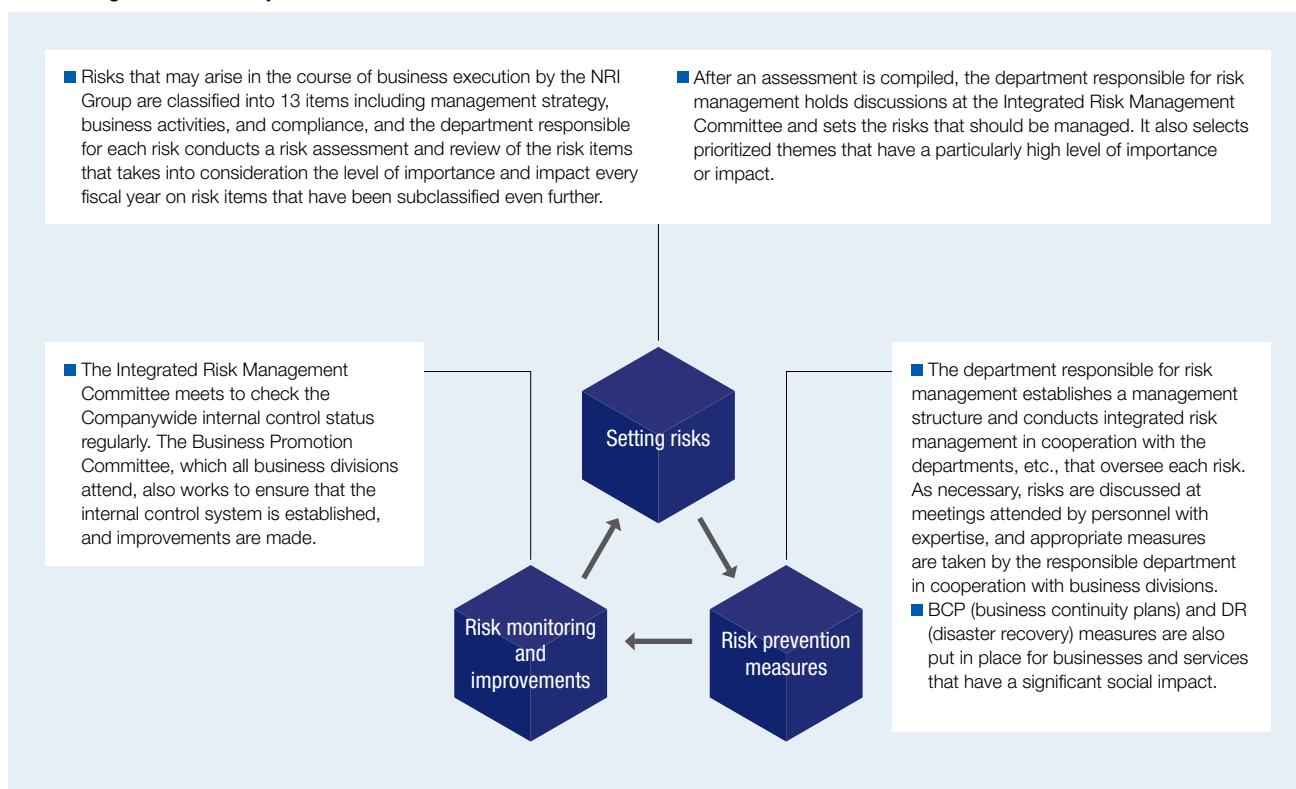
Internal Control System

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.

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

Risk Management PDCA Cycle



Priority themes for FY March 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.


Business Management through Local Holding Companies, Etc.

	Local holding company, etc.	Territory regions
Nomura Research Institute	▶ NRI Australia Holdings (Sydney)	▶ Australia
	▶ NRI Holdings America (New York)	▶ United States
	▶ NRI Asia Pacific (Singapore)	▶ Asia
	▶ NRI Beijing (Beijing)	▶ Mainland China
		▶ Japan and Europe

Corporate Ethics and Compliance System

To ensure effective ethics and compliance systems, NRI has appointed 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.

 **NRI Group's Code of Business Principles**
https://www.nri.com/en/company/company_code

 **NRI Group Employees' Code of Business Conduct**
https://www.nri.com/en/company/business_code

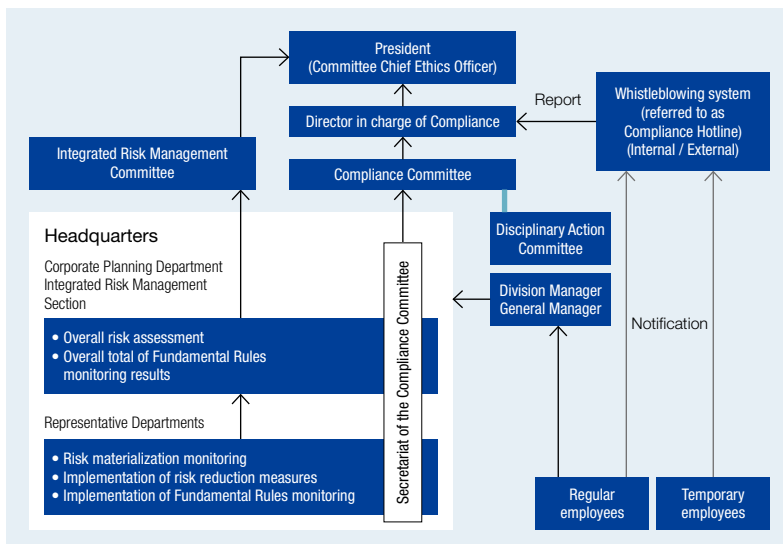
The Fundamental Rules are composed of 12 items prepared and monitored to confirm that these principles and policies are complied with and that the Company's management is reliably going in the right direction.

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

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

NRI has prescribed Whistleblower Protection Regulations based on the Whistleblower Protection Act and established internal and external hotlines as contact 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 General Staff) as a pamphlet that explains the action guidelines, etc., of the Company to ensure that executives and employees comply with laws, regulations, etc., with a high sense of ethics. By raising and instilling awareness of compliance using this, we work to put in place the foundations for our compliance structure.

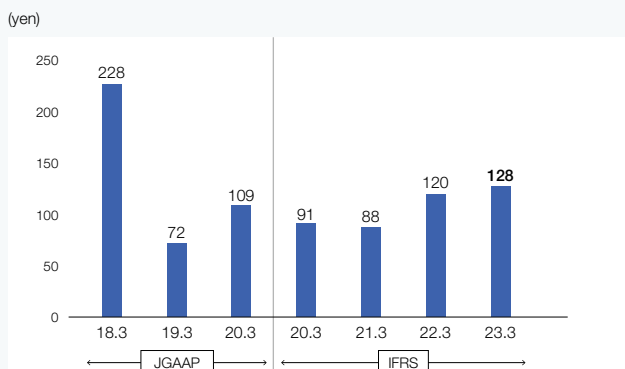


Financial Highlights

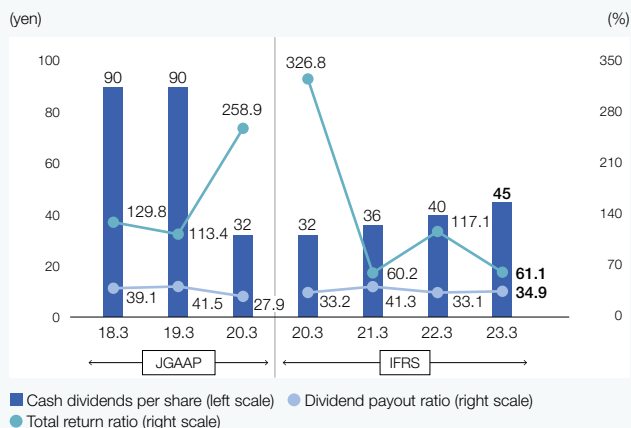
Readers are recommended to refer to Consolidated Financial Results.

Shareholder Value / Returns to Shareholders

Earnings per Share (EPS)*2



Cash Dividends per Share (DPS)*2 / Dividend Payout Ratio*3 / Total Return Ratio

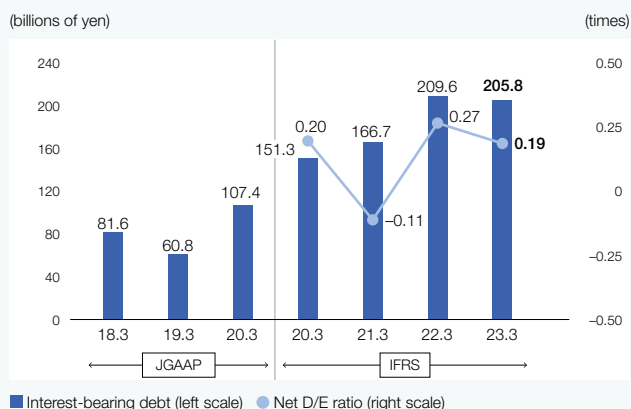


Financial Condition

Total Assets / Net Assets / Equity Ratio

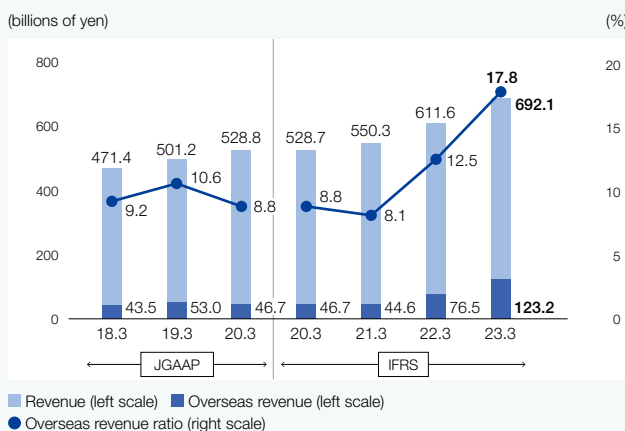


Interest-Bearing Debt / Net D/E Ratio

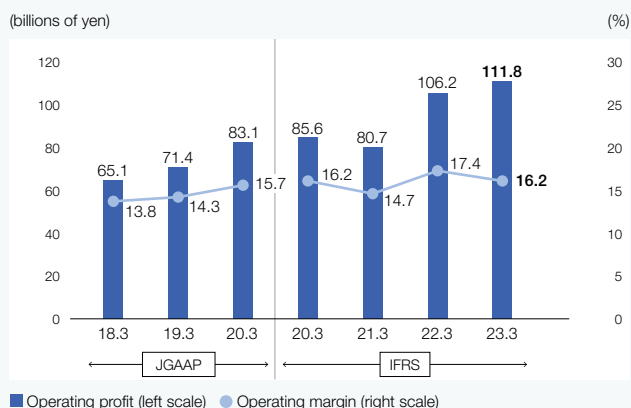


Financial Results and Cash Flow Situation

Revenue / Overseas Revenue*4 / Overseas Revenue Ratio



Operating Profit / Operating Margin



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

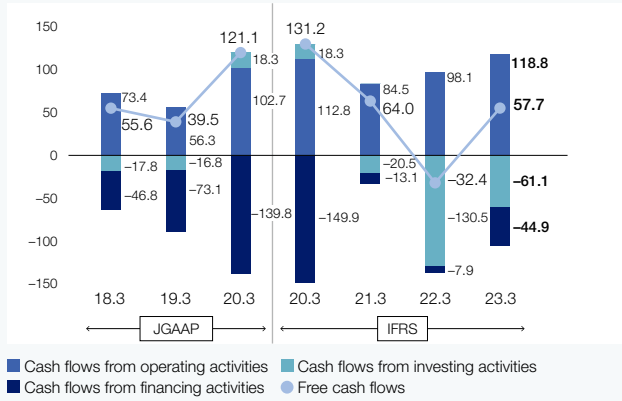
*2 NRI implemented 1:3 common stock splits on July 1, 2019. EPS is calculated by deeming stock splits to have occurred respectively at the beginning of FY March 2019. Dividend per share for FY March 2019 is based on the number of shares prior to the stock split.

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

*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.

Cash Flows (CF)

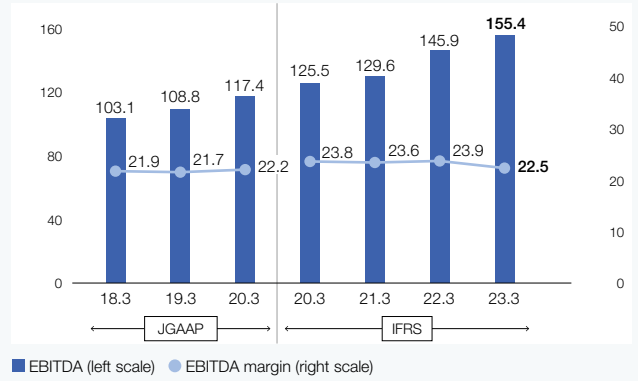
(billions of yen)



EBITDA*5 / EBITDA Margin

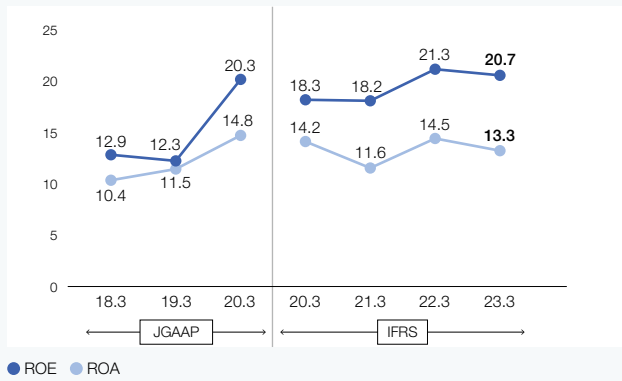
(billions of yen)

(%)



ROE / ROA

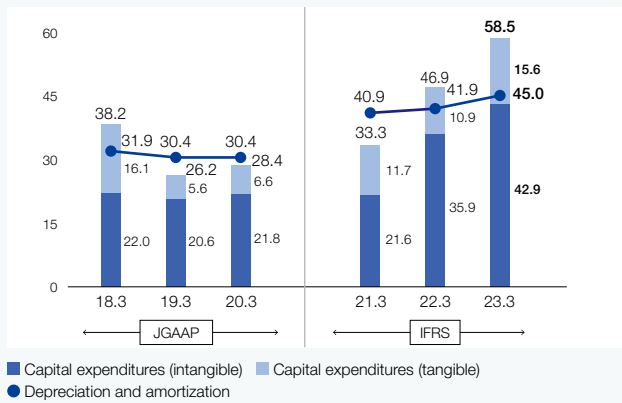
(%)



Investment Situation

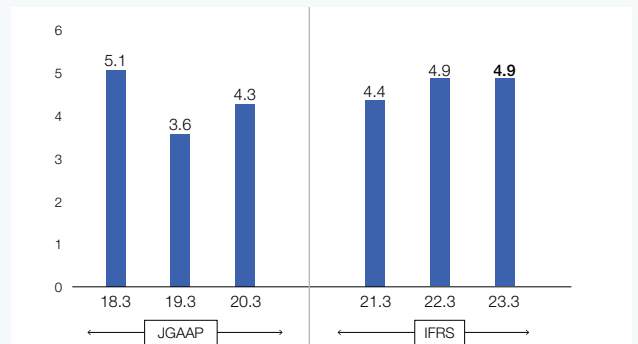
Capital Expenditures / Depreciation and Amortization

(billions of yen)



Research and Development Expenses

(billions of yen)



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

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

	JGAAP					
	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3
Consolidated Statement of Income:						
Sales	385,932	405,984	421,439	424,548	471,488	501,243
Cost of sales	276,664	289,210	287,270	280,761	311,868	336,508
Gross profit	109,267	116,774	134,168	143,787	159,619	164,735
Selling, general and administrative expenses	59,450	65,287	75,873	85,272	94,481	93,293
Directors' compensations	986	1,316	1,227	1,213	1,101	1,069
Salaries and allowances	20,087	22,450	25,395	27,576	29,681	30,506
Provision for bonuses	4,715	5,136	5,802	5,993	6,751	6,783
Retirement benefit expenses	2,458	2,105	2,155	3,038	2,678	2,533
Welfare expenses	3,786	4,362	4,935	5,842	6,348	6,532
Education and training expenses	1,853	1,789	1,712	1,768	1,705	1,851
Operations consignment expenses	9,640	11,170	14,246	16,722	16,740	17,073
Operating profit	49,816	51,486	58,295	58,514	65,138	71,442
Non-operating income and profit	2,544	1,455	2,705	1,839	1,023	967
Ordinary profit	52,360	52,942	61,001	60,354	66,161	72,409
Extraordinary income and loss	349	6,132	1,304	4,638	16,366	4,340
Income taxes	21,175	19,209	19,513	21,042	26,356	25,213
Profit attributable to owners of parent	31,527	38,880	42,648	45,064	55,145	50,931
Consolidated Balance Sheet (Year-End):						
Total assets	469,010	593,213	621,695	628,944	643,117	612,192
Current assets	208,121	298,565	306,943	295,915	298,275	285,788
Cash and bank deposits	9,885	26,469	62,138	152,610	159,541	124,773
Fixed assets	260,888	294,647	314,751	333,029	344,842	326,404
Tangible fixed assets	62,767	53,915	65,384	63,790	68,528	65,376
Intangible fixed assets	42,712	55,582	65,085	99,485	103,747	91,505
Goodwill	—	—	7,864	35,404	36,624	27,572
Investments and other assets	155,408	185,148	184,280	169,754	172,566	169,522
Investment securities	94,766	116,480	120,397	103,841	88,999	80,203
Total liabilities	137,601	189,745	196,286	181,646	210,442	187,160
Current liabilities	79,841	113,208	134,304	111,552	162,133	124,264
Short-term loans payable	—	10,645	2,270	2,870	6,074	6,345
Provision for loss on orders received	3,083	3,911	1,345	1,591	50	933
Non-current liabilities	57,759	75,988	61,327	69,500	47,714	62,419
Bonds	30,000	30,000	15,000	25,000	34,082	33,931
Long-term loans payable	22,054	21,333	27,969	24,396	408	13,213
Net assets	331,408	403,467	425,409	447,297	432,674	425,032
Consolidated Statement of Cash Flows:						
Cash flows from operating activities	33,839	58,710	81,470	61,147	73,493	56,349
Cash flows from investing activities	(32,234)	(1,093)	(75,344)	(30,341)	(17,882)	(16,826)
(Investing activities except cash management purpose investment)	(38,086)	(13,800)	(52,725)	(41,348)	(30,162)	(15,025)
Free cash flows	1,605	57,617	6,126	30,805	55,610	39,523
(Free cash flows except cash management purpose investment)	(4,246)	44,910	28,744	19,799	43,330	41,324
Cash flows from financing activities	(8,773)	(10,536)	9,326	(34,327)	(46,829)	(73,106)
Effect of exchange rate change on cash and cash equivalents	337	694	(1,071)	624	(2,529)	(1,519)
Net increase (decrease) in cash and cash equivalents	(6,830)	47,775	14,381	(2,897)	6,251	(35,102)
Cash and cash equivalents at end of period	92,792	140,567	154,949	152,051	158,303	123,200
Cash and cash equivalents + cash management purpose investment	133,350	169,023	206,031	192,028	185,882	152,743

Notes:

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

(millions of yen)

2020.3		IFRS			
		2020.3	2021.3	2022.3	2023.3
528,873	Revenue	528,721	550,337	611,634	692,165
348,006	Cost of sales	346,101	364,539	395,562	452,336
180,866	Gross profit	182,620	185,798	216,071	239,829
97,688	Selling, general and administrative expenses	97,491	98,366	113,536	131,580
1,220	(Breakdown of cost of sales and selling, general and administrative expenses)				
32,522	Employee benefit expenses	164,707	171,521	196,600	237,155
7,032	Operations consignment expenses	179,721	190,008	217,175	236,305
2,907	Depreciation and amortization	39,383	40,911	41,941	45,092
6,697	Equipment and machinery expenses	42,954	46,819	47,597	53,277
1,840					
18,366					
83,178	Operating profit	85,625	80,748	106,218	111,832
1,349	Finance income & finance costs	(140)	(9,672)	(1,547)	(3,333)
84,528	Profit before tax	85,484	71,075	104,671	108,499
17,968					
32,288	Income tax expense	26,388	18,497	32,878	32,002
69,276	Profit attributable to owners of parent	58,195	52,867	71,445	76,307
533,151	Total assets	565,229	656,536	789,655	838,224
259,855	Current assets	259,187	323,366	333,645	349,102
102,540	Cash and cash equivalents	100,778	153,187	115,610	129,257
273,295	Non-current assets	306,042	333,170	456,010	489,122
63,422	Property, plant and equipment	48,611	46,714	37,482	42,114
85,118	Goodwill and intangible assets	83,167	89,067	210,744	237,283
20,409	Goodwill	16,053	20,351	95,497	101,850
124,755	Other financial assets	55,189	59,254	69,219	70,838
28,512	Investment securities	31,190	34,780	44,220	46,090
245,997	Total liabilities	300,502	323,329	447,168	435,817
140,456	Current liabilities	156,179	174,348	298,342	198,247
6,659	Bonds and borrowings	11,822	23,844	116,941	20,235
300	Provisions	390	1,497	2,646	1,027
105,076	Non-current liabilities	144,322	148,981	148,826	237,570
73,310	Bonds and borrowings	91,186	93,651	91,275	182,725
17,876	Lease liabilities	36,261	35,748	29,952	25,420
287,153	Total equity	264,727	333,206	342,486	402,406
102,787	Cash flows from operating activities	112,838	84,594	98,137	118,899
18,382	Cash flows from investing activities	18,382	(20,522)	(130,547)	(61,190)
(6,985)	(Investing activities except cash management purpose investment)	—	(22,811)	(130,472)	(60,683)
121,169	Free cash flows	131,221	64,071	(32,410)	57,709
95,801	(Free cash flows except cash management purpose investment)	—	61,782	(32,335)	58,215
(139,857)	Cash flows from financing activities	(149,908)	(13,183)	(7,995)	(44,921)
(3,734)	Effect of exchange rate change on cash and cash equivalents	(3,734)	1,520	2,829	859
(22,421)	Net increase (decrease) in cash and cash equivalents	(22,421)	52,408	(37,576)	13,646
100,778	Cash and cash equivalents at end of period	100,778	153,187	115,610	129,257
104,842	Cash and cash equivalents + cash management purpose investment	—	154,847	117,368	131,235

Consolidated Financial Data

(millions of yen)

		JGAAP			IFRS			
		2018.3	2019.3	2020.3	2020.3	2021.3	2022.3	2023.3
Segment Information:								
External revenue	Consulting	34,577	34,839	38,572	38,572	37,246	42,807	46,100
(Revenue to	Financial IT Solutions	252,122	252,367	273,571	273,571	288,196	303,635	328,576
external clients)	Securities	118,397	100,309	112,762	112,762	130,427	133,316	141,541
	Insurance	51,836	64,874	66,374	66,374	61,441	68,894	77,039
	Banking	42,225	43,404	51,022	51,022	50,181	47,073	55,069
	Other financial	39,662	43,780	43,411	43,411	46,146	54,351	54,926
	Industrial IT Solutions	154,917	180,882	178,490	178,490	186,051	222,583	267,190
	Distribution	61,057	66,814	66,789	66,789	62,192	68,269	70,628
	Manufacturing, service and other	93,860	114,068	111,700	111,700	123,858	154,313	196,562
	IT Platform Services	29,870	33,153	38,239	38,087	38,843	42,607	50,298
External revenue +	Consulting							
Revenue for	Revenue	35,332	35,481	39,612	39,612	38,155	44,414	47,821
each segment	Operating profit	6,561	7,786	9,515	9,494	10,059	12,820	12,329
	Operating margin (%)	18.6	21.9	24.0	24.0	26.4	28.9	25.8
	Financial IT Solutions							
	Revenue	254,567	255,162	276,937	276,937	292,038	308,376	334,141
	Operating profit	27,673	27,095	35,034	34,170	36,275	43,877	49,710
	Operating margin (%)	10.9	10.6	12.7	12.3	12.4	14.2	14.9
	Industrial IT Solutions							
	Revenue	157,585	183,580	181,438	181,438	189,551	229,921	276,031
	Operating profit	15,119	18,449	19,719	22,055	19,482	25,449	24,429
	Operating margin (%)	9.6	10.0	10.9	12.2	10.3	11.1	8.9
	IT Platform Services							
	Revenue	122,342	127,777	138,833	138,680	142,686	157,598	169,840
	Operating profit	14,764	17,130	18,454	19,450	19,785	20,955	23,346
	Operating margin (%)	12.1	13.4	13.3	14.0	13.9	13.3	13.7
External revenue by service	Consulting services	78,987	90,816	96,862	96,862	90,056	125,460	156,582
	System development & System applications sales	138,111	150,467	161,703	161,703	183,847	196,000	211,512
	System management & Operation services	241,198	244,273	251,908	251,757	258,656	272,903	292,874
	Product sales	13,191	15,686	18,399	18,399	17,777	17,269	31,195
Revenue to main clients	Nomura Holdings, Inc.	77,937	60,579	65,049	65,049	66,309	63,025	72,921
	Seven & i Holdings Co., Ltd.	47,001	49,109	52,434	—	—	—	—
Overseas revenue	Overseas revenue	43,559	53,081	46,752	46,752	43,625	76,519	123,207
	Overseas revenue ratio (%)	9.2	10.6	8.8	8.8	7.9	12.5	17.8%

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

2. Revenue to main clients includes revenue to the client's subsidiary and revenue made through leasing companies, etc.

3. There was a partial revision to segment categorization for FY March 2020. Figures for FY March 2019 reflect this change in categorization.

4. The classification of revenue 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.

(millions of yen)

		JGAAP			IFRS			
		2018.3	2019.3	2020.3	2020.3	2021.3	2022.3	2023.3
Order volume	Consulting	36,285	34,315	39,352	—	39,957	44,546	49,189
	Financial IT Solutions	244,794	265,724	284,089	—	307,715	317,059	342,201
	Industrial IT Solutions	174,260	184,653	176,867	—	189,587	243,501	266,947
	IT Platform Services	30,154	33,467	40,671	—	37,083	45,126	53,781
	Total	485,494	518,161	540,980	—	574,343	650,233	712,120
Order backlog	Consulting	6,764	3,559	4,339	4,339	7,050	8,789	11,929
	Financial IT Solutions	141,574	154,930	165,449	165,449	184,968	198,391	212,716
	Industrial IT Solutions	94,120	100,572	98,949	98,949	102,484	123,402	130,186
	IT Platform Services	14,295	14,609	17,041	17,041	15,281	17,800	21,283
	Total	256,754	273,672	285,779	285,779	309,785	348,384	376,116

Notes: 1. Figures less than the unit indicated have been rounded down for amounts.

2. The amounts are based on sales prices.

3. In regard to continuous services and those services for which fees are received according to the number of times used, etc., expected revenue for the following year is booked as the order amount at the end of each fiscal year.

4. Order volume had previously included exchange rate impact arising due to order backlog at the start of the fiscal year, but we have switched to a method that does not include this impact starting in FY March 2023.

(millions of yen)

	JGAAP			IFRS			
	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3	2023.3
Production and Orders:							
Actual production	304,044	327,324	337,197	—	354,035	399,558	451,620
Subcontracting costs	135,522	150,635	161,305	161,353	171,560	194,766	214,166
Of which are subcontracting costs to Chinese companies	19,532	23,213	28,514	28,514	30,460	36,730	37,436
Subcontracting ratio (%)	44.6	46.0	47.8	48.1	48.5	48.7	47.4
Subcontracting ratio to Chinese companies (%)	14.4	15.4	17.7	17.7	17.8	18.9	17.5

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

(millions of yen)

	JGAAP			IFRS			
	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3	2023.3
Capital Expenditures / Depreciation and Amortization / Research and Development Expenses:							
Capital expenditures	38,201	26,276	28,496	—	33,372	46,980	58,565
Capital expenditures (tangible)	16,188	5,615	6,684	—	11,712	10,990	15,633
Capital expenditures (intangible)	22,012	20,661	21,811	—	21,660	35,990	42,932
Depreciation and amortization	31,941	30,427	30,414	39,383	40,911	41,941	45,092
Research and development expenses	5,170	3,665	4,310	4,310	4,468	4,992	4,908

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

(%)

	JGAAP			IFRS			
	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3	2023.3
Ratios:							
Gross profit margin	33.9	32.9	34.2	34.5	33.8	35.3	34.6
Operating margin	13.8	14.3	15.7	16.2	14.7	17.4	16.2
EBITDA margin	21.9	21.7	22.2	23.8	23.6	23.9	22.5
ROE	12.9	12.3	20.3	18.3	18.2	21.3	20.7
ROA	10.4	11.5	14.8	14.2	11.6	14.5	13.3
Gross D/E ratio (times)	0.19	0.15	0.40	0.61	0.36	0.62	0.52
Net D/E ratio (times)	—	—	—	0.20	(0.11)	0.27	0.19
Ratio of equity attributable to owners of parent to total assets	65.2	67.1	50.9	44.1	50.3	43.0	47.6
Price earnings ratio (PER) (times)	22.1	23.3	20.9	24.9	38.8	33.3	23.8
Dividend payout ratio	39.1	41.5	27.9	33.2	41.3	33.1	34.9
Total return ratio	129.8	113.4	258.9	326.8	60.2	117.1	61.1

(yen)

	JGAAP			IFRS			
	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3	2023.3
Per Share Information:							
Basic earnings per share	228	72	109	91	88	120	128
Diluted earnings per share	227	71	109	91	88	120	128
Equity attributable to owners of parent per share	1,760	587	455	418	547	575	674
Annual dividends per share	90	90	32	32	36	40	45

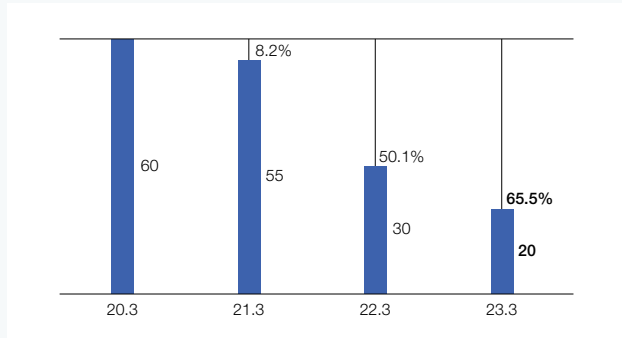
- Notes: 1. Amounts have been rounded down to the nearest unit specified. However, percentages have been rounded off to the nearest digit specified.
2. EBITDA is calculated as Operating profit + Depreciation and amortization + Goodwill amortization up to FY March 2017, as Operating profit + Depreciation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

Non-Financial Highlights

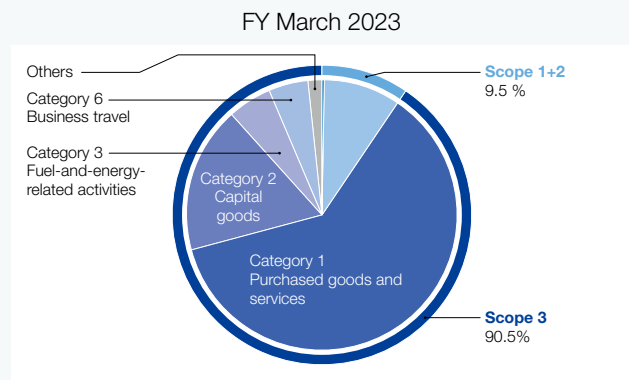
E: Environment-Related Data

Greenhouse Gas Emissions (Scope 1+Scope 2) (NRI Group data)
(1,000 t-CO₂)

- FY March 2023: Reduced greenhouse gas emissions by 65.5% compared with FY March 2020.



Greenhouse Gas Emissions (NRI Group data)



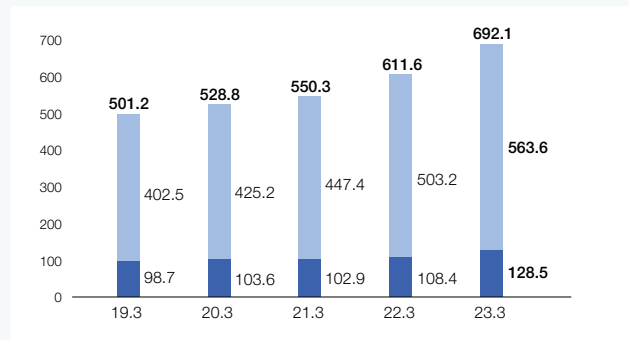
Note: Scope 2 is calculated based on market standards.

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

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

Data indicates that using NRI's shared online service can allow our clients to cut their CO₂ emissions by around 70%, compared with if they build and operate their own systems independently.

(billions of yen)

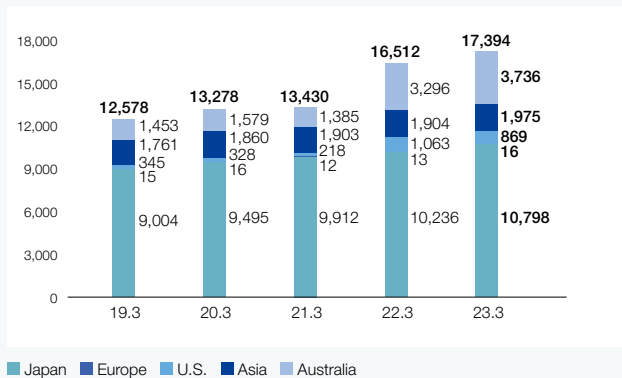


■ Green revenues (Revenues of business platforms) ■ Other revenue

S: Social-Related Data

Number of Employees (NRI Group data)

(persons)

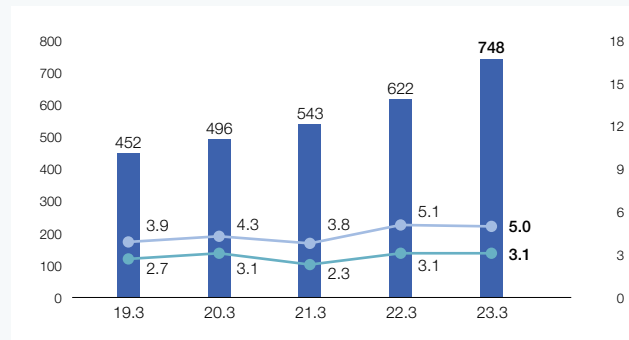


■ Japan ■ Europe ■ U.S. ■ Asia ■ Australia

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

(persons)

(%)



■ New hires (left scale) ● Turnover rate (right scale)*1

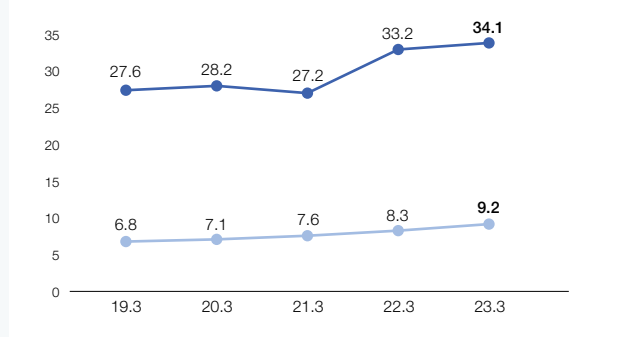
● Voluntary employee turnover rate (right scale)*2

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

*1 Including mandatory retirees

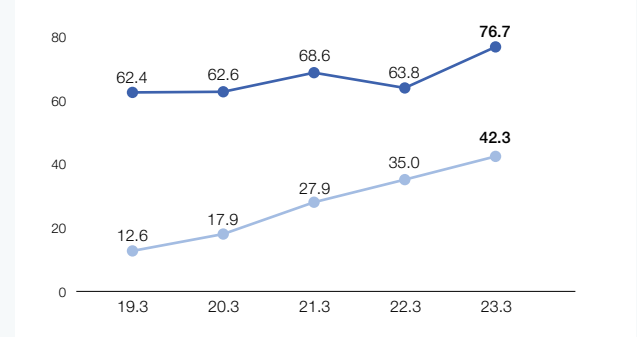
*2 Not including mandatory retirees

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



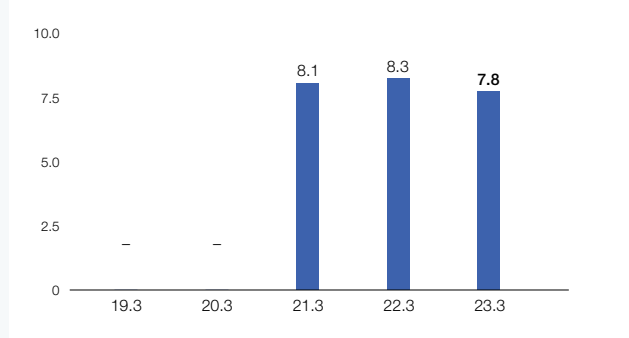
● Female hires ratio ● Female managers ratio
Note: The female managers ratio is the value at the beginning of the term.

Male Childcare Leave Participation Rate (Non-consolidated data)
(%)



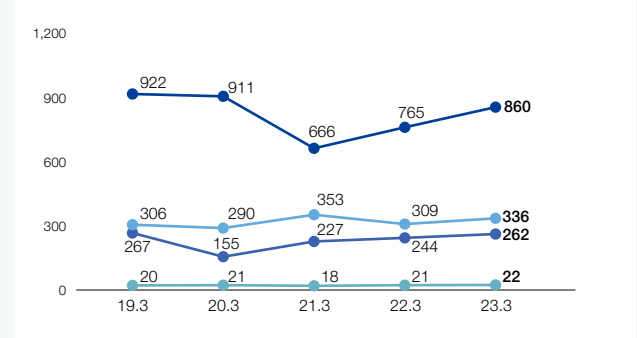
● Childcare leave acquiring rate (including partner childbirth leave)
● Childcare leave acquiring rate
Note: The basis for the data has been changed from FY March 31, 2022. Accordingly, data for the period prior to FY March 31, 2021, has been recalculated based on the same standards.

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



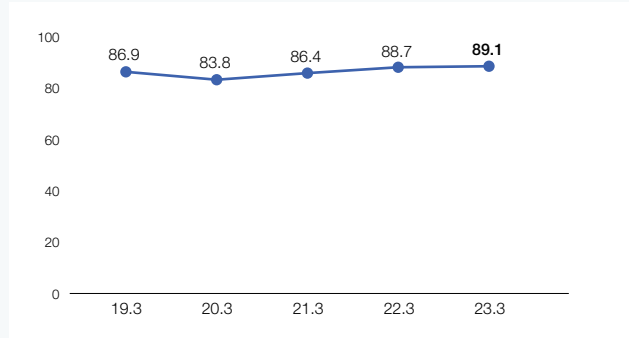
Note: Calculated as hours that exceed the statutory working hours (40 hours per week)
“-” indicates that the calculated value does not exceed the statutory working hours

Information Communication / Recommendation Projects (Non-consolidated data)
(Copies / times)



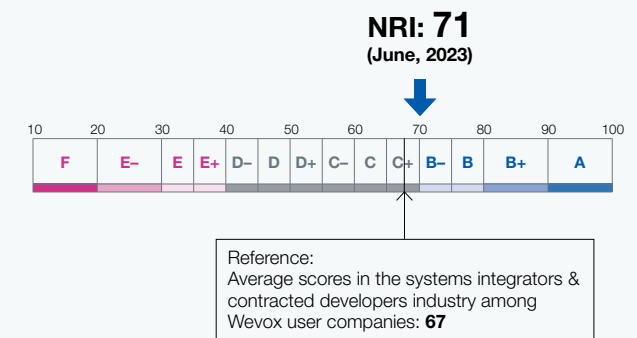
● Public lectures given ● Contributions to newspapers and magazines
● TV / radio appearances ● Books published

Client Satisfaction (Non-consolidated data)
(%)



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

Engagement Score



Notes: 1. Using the engagement analysis tool Wevox provided by Atrac, Inc., we surveyed employees at 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.

Non-Financial Data



ESG Databook2023

https://www.nri.com/en/-/media/Corporate/en/Files/PDF/sustainability/library/ESG_Databook_2023_e.pdf

E: Environment-Related Data

Environmental KPI (NRI Group data):	2019.3	2020.3	2021.3	2022.3	2023.3
CO ₂ emissions (Scope 1 + 2) reduction rate (compared to FY March 2020) (%)	—	(Base year)	8.2	50.1	65.5
Renewable energy usage rate	—	0.7	3.3	50.6	72.6
CO ₂ emissions (Scope 1 + 2 + 3) reduction rate (compared to FY March 2020)(%)	—	(Base year)	21.6	24.4	12.4

Greenhouse gas emissions (NRI Group data):	2019.3	2020.3	2021.3	2022.3	2023.3
Direct greenhouse gas emissions (Scope 1)	(1,000 t-CO ₂)	1	1	1	1
Japan	(1,000 t-CO ₂)	1	1	1	1
Overseas	(1,000 t-CO ₂)	0	0	0	0
Indirect greenhouse gas emissions (Scope 2)	(1,000 t-CO ₂)	64	58	53	19
Japan	(1,000 t-CO ₂)	61	56	53	12
Overseas	(1,000 t-CO ₂)	2	2	0	6
Total emissions (Scope 1 + 2)	(1,000 t-CO ₂)	66	60	55	30
Japan	(1,000 t-CO ₂)	63	58	55	14
Overseas	(1,000 t-CO ₂)	2	2	0	6

Notes: 1. Scope: Target scope of calculation/reporting for greenhouse gas emissions by corporations

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

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

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

2. Scope 2 includes results of calculations based on market standards.

S: Social

Number of employees (NRI Group data):	2019.3		2020.3		2021.3		2022.3		2023.3	
	Persons	Percentage (%)	Persons	Percentage (%)	Persons	Percentage (%)	Persons	Percentage (%)	Persons	Percentage (%)
Number of employees	12,578	100	13,278	100	13,430	100	16,512	100	17,394	100
By region										
Japan	9,004	71.6	9,495	71.5	9,912	73.8	10,236	62.0	10,798	62.1
Europe	15	0.1	16	0.1	12	0.1	13	0.1	16	0.1
U.S.	345	2.7	328	2.5	218	1.6	1,063	6.4	869	5.0
Asia	1,761	14.0	1,860	14.0	1,903	14.2	1,904	11.5	1,975	11.4
Of which are from China	1,168	9.3	1,244	9.4	1,289	9.6	1,323	8.0	1,318	7.6
Australia	1,453	11.6	1,579	11.9	1,385	10.3	3,296	20.0	3,736	21.5

Employment related (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3
New hires for the year (persons)	452	496	543	622	748
Turnover rate (%) ^{*1}	3.9	4.3	3.8	5.1	5.0
Voluntary employee turnover rate (%) ^{*2}	2.7	3.1	2.3	3.1	3.1
Average length of service (years)	14.6	14.7	14.7	14.8	14.6
New graduate hires retention rate after 3 years (%)	95.9	92.8	92.4	94.1	91.2
Average compensation: all employees (thousands of yen)	12,217	12,352	12,251	12,320	12,421

*1 Including mandatory retirees

*2 Not including mandatory retirees

Promotion of women's participation and advancement in the workplace (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3
Ratio of female employees (%)	19.8	20.4	20.8	21.7	22.1
Ratio of female experts (%) [*]	6.8	7.1	7.6	8.3	9.2
Ratio of female managers (%) [*]	4.2	4.1	5.9	6.5	8.5
Ratio of female hires (%)	27.6	28.2	27.2	33.2	34.1

* As of the beginning of each fiscal year (April 1)

Experts: Employees in expert positions

Managers: Department managers and section managers among experts

Childcare leave / Nursing leave (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3
Pre- and post-childbirth leave (persons)	72	78	61	68	67
Childcare leave (persons) ^{*1}	261	260	273	243	284
Male (including partner childbirth leave) (persons)	188	178	204	175	225
Male (persons)	38	51	83	96	124
Female (persons)	67	70	65	68	59
Number of employees utilizing shorter work-hour system for childcare (persons)	112	103	108	94	95
Employees returning to work after childcare leave (female employees) (%) ^{*2}	96.7	98.1	100.0	97.0	97.9
Employees remaining in work after childcare leave (female employees) (%) ^{*3}	92.8	96.8	96.5	94.9	97.0
Nursing care leave (persons)	3	0	1	2	3

Note: These are the number of employees who started a period of leave by the end of the fiscal year in question.

*1 The basis for the data has been changed from FY March 2022. Accordingly, data for the period prior to FY March 2021 has been recalculated based on the same standards.

*2 Number of employees returning to work in the current fiscal year after taking childcare leave / number of employees expected to return to work after taking childcare leave in the fiscal year × 100%.

*3 Number of employees who returned to work in the previous fiscal year after taking childcare leave and who were employed by NRI as of the end of March of the current fiscal year / number of employees who returned to work after taking childcare leave in the previous fiscal year × 100%.

Employment of people with disabilities (NRI Group data):	2019.3	2020.3	2021.3	2022.3	2023.3
Employees with disabilities (persons)	142	166	170	181	191
Percentage of employees with disabilities (%)	2.26	2.45	2.35	2.37	2.42

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

Health and productivity management (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3
Average overtime hours per employee per year*1	—	—	8.1	8.3	7.8
Employees taking annual paid leave (%)	71.3	71.1	64.1	67.1	70.5
Employee work-related deaths (persons)	0	0	0	0	0
Work accidents (cases)*2	2	1	0	1	0

*1 Calculated as hours that exceeded the statutory working hours (40 hours per week)

"—" indicates that the calculated value does not exceed the statutory working hours.

*2 Figure represents the number of either fatal accidents or incidents necessitating four or more days' leave due to a casualty accident.

Client satisfaction survey and employee satisfaction (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3
Client satisfaction (%)*1	86.9	83.8	86.4	88.7	89.1
Employee satisfaction (%)*2	—	81.8	—	—	—
Engagement Score*3	—	—	—	70	71

*1 Percentage that responded "Satisfied" or "Moderately satisfied" (total for top two items on five-grade scale)

*2 A response to a question on overall satisfaction is used for employee satisfaction. This is the percentage that responded "Satisfied" or "Moderately satisfied" on four-grade scale.

*3 Using the engagement analysis tool Wevox provided by Atræ, Inc., we surveyed employees at 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.

Information communication / Recommendation projects (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3
Books published	20	21	18	21	22
Contributions to newspapers and magazines (times)	306	290	353	309	336
Public lectures given (times)	922	911	666	765	860
TV / radio appearances (times)	267	155	227	244	262

Development of human resources / Development of society (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3	
Entries to the NRI Student Essay Contest	1,444	2,300	1,925	3,043	2,215	
Supporting career education programs	No. of schools	31	29	2	4	20
	No. of students	850	704	41	131	647

G: Governance

Member of Directors (Non-consolidated data) (As of July 1):	2019.7	2020.7	2021.7	2022.7	2023.7
Total number of Directors	9	9	9	9	9
Outside Directors	3	3	3	3	3
Female Directors	1	1	1	1	1

Status of the Board of Directors (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3
Number of Board of Directors meetings held (times)	14	14	14	14	14
Attendance average of all Directors (%)	98	99	100	99	100
Attendance average of Outside Directors (%)	95	98	100	97	100
Attendance average of all Audit & Supervisory Board Members (%)	99	100	100	100	100
Attendance average of Outside Audit & Supervisory Board Members (%)	98	100	100	100	100

Number of Audit & Supervisory Board meetings held (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3
Number of Audit & Supervisory Board meetings held (times)	17	17	18	17	18
Attendance average of all Audit & Supervisory Board Members (%)	99	100	100	100	100
Attendance average of Outside Audit & Supervisory Board Members (%)	98	100	100	100	100

Number of notifications & consultations (Non-consolidated data):	2019.3	2020.3	2021.3	2022.3	2023.3
Number of notifications & consultations (cases):	4	3	4	3	7

Corporate Data / Share Information (As of March 31, 2023)

Corporate Data

Name	Nomura Research Institute, Ltd.
Headquarters address	Otemachi Financial City Grand Cube, 1-9-2 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
Capital	¥23,644 million
President & CEO	Chairman, Member of the Board Representative Director Shingo Konomoto
Number of employees (Consolidated basis)	17,394 persons

Share Information

Listed stock exchange	Tokyo Stock Exchange Prime Section
Code	4307
Fiscal year	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	June
Share unit	100 shares
Authorized shares	2,722,500,000 shares
Issued shares	593,652,242 shares
Number of shareholders	35,350 persons
Transfer agent (address for inquiries)	Mitsubishi UFJ Trust and Banking Corporation Shin-Tokyo Post Office Po Box No. 29 137-8081, Japan Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division Tel: 0120-232-711 (toll-free in Japan)
Shareholder fixed day for dividend payment	September 30, March 31

Composition of Shareholders

Category		Number of shareholders (people)	Number of shares held (trading units)
National & local government		—	—
● Financial institutions		105	1,605,822
● Securities firms		48	99,745
● Companies incorporated in Japan		516	1,420,846
Companies incorporated in other countries	● Other than individuals	783	2,072,123
	● Individuals	75	431
● Individuals and other shareholders		33,823	734,415
Total		35,350	5,933,382
Status of less than one trading unit (shares)		—	314,042

Notes: 1. The 1,959,169 treasury shares include 19,591 trading units in "Individuals and other shareholders" and 69 shares in "Status of less than one trading unit."
2. Shares under the name of Japan Securities Depository Center, Inc., account for 65 trading units in "Companies incorporated in Japan" and 34 shares in "Status of less than one trading unit."

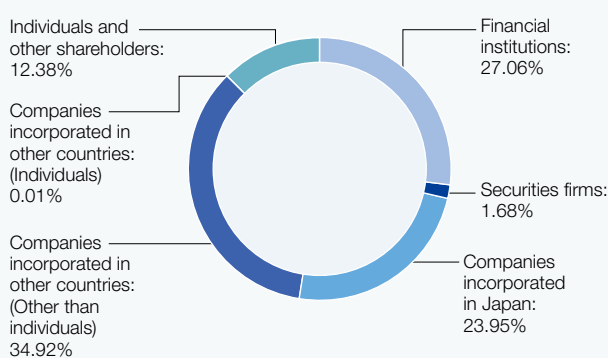
Major Shareholders

Shareholders	Number of shares held (1,000 shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	74,682	12.62
Nomura Properties, Inc.	67,518	11.41
Nomura Holdings, Inc.	64,320	10.87
Japan Trustee Services Bank, Ltd. (Trust Account)	30,346	5.13
NRI Group Employee Stock Ownership Group	24,970	4.22
Nippon Life Insurance Company (Standing Agent: The Master Trust Bank of Japan, Ltd.)	24,727	4.18
State Street Bank and Trust Company 505234 (Standing Agent: Mizuho Bank, Ltd., settlement division)	16,799	2.84
National Mutual Insurance Federation of Agricultural Cooperatives (Standing Agent: The Master Trust Bank of Japan, Ltd.)	13,434	2.27
SEVEN-ELEVEN JAPAN CO.,LTD.	7,804	1.32
State Street Bank West Client-Treaty 505234 (Standing Agent: Mizuho Bank, Ltd., settlement division)	7,638	1.29

Notes:

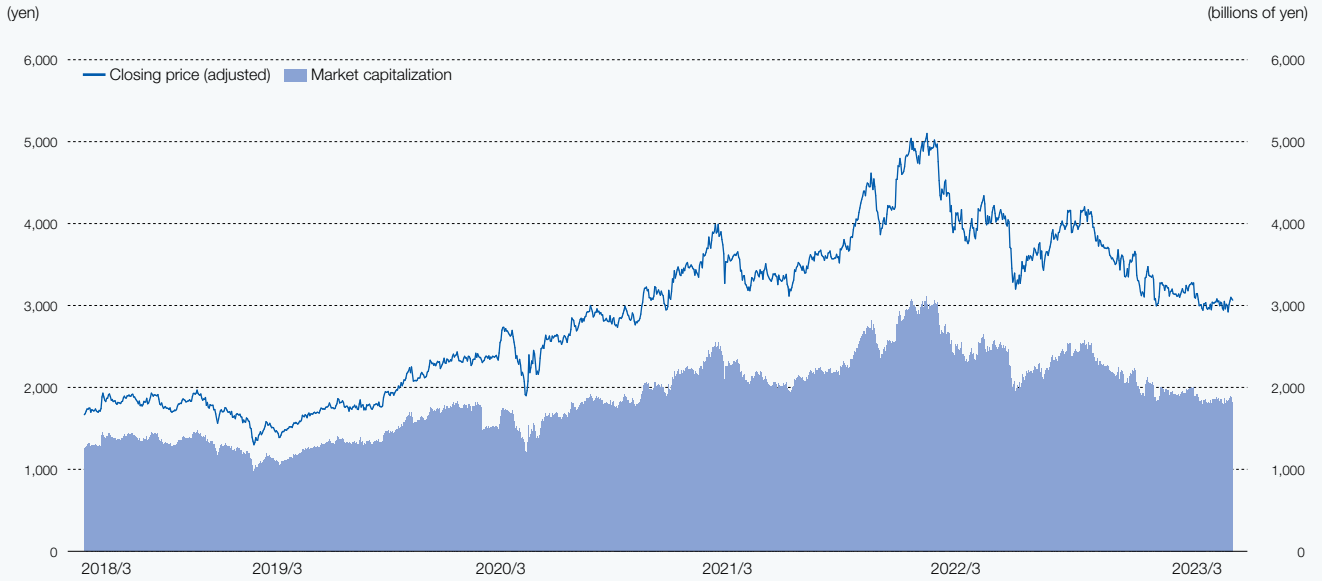
- NRI has 1,959 thousand shares of treasury stock as of March 31, 2023, which is not included in the major shareholders list above.
- Figures for number of shares held are rounded down to the nearest thousand and figures for percentage of shares held are calculated excluding treasury stock.

Component Ratio of Shareholders

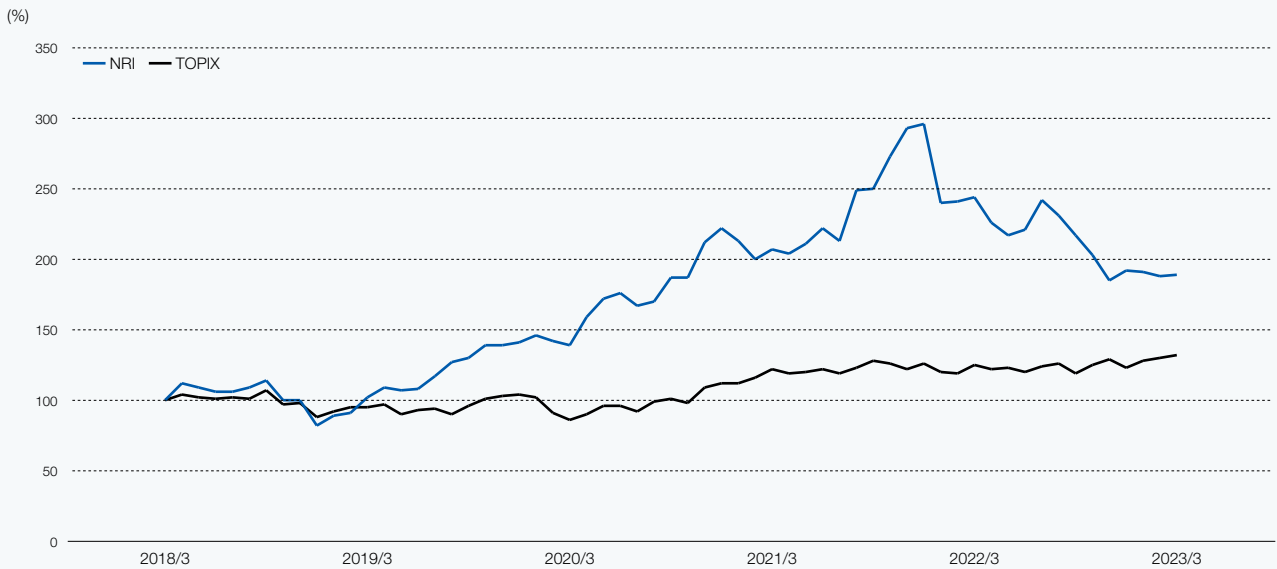


Note: The treasury stock is included in "Individual and other shareholders."

Share Price and Market Capitalization Over the Past Five Years



Total Shareholder Return (TSR) Over the Past Five Years



Holding period	1 year	2 years	3 years	4 years	5 years
NRI	101.6%	139.9%	209.7%	247.5%	193.3%
TOPIX	95.0%	85.9%	122.1%	124.6%	131.8%

Note: Total shareholder return (TSR) is a ratio calculated by dividing revenues earned through stock investment (dividends and capital gains) by the amount of investment (stock price).

The graph and table shown above display the TSR when investment was made on March 31, 2017. Based 100% on the closing price on March 31, 2017.

Source: Compiled by NRI

Participation in Initiatives



Since May 2017

United Nations Global Compact (UNGC)

The UN Global Compact is a voluntary initiative in which businesses and organizations operate as upstanding members of society and help create global frameworks for achieving sustainable growth by exercising creative, responsible leadership.

NRI is active both in Japan and on a global scale. To continue to gain trust from society and meet expectations, NRI endorsed the United Nations Global Compact (UNGC) and announced its participation in May 2017.

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° Celsius.



Since September 2018

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 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.



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 sustained 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.

CDP
Continued from 2020



MSCI AAA
Continued from 2021



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

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

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

NRI has been included in all six ESG stock indices 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)

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

MSCI ESG Leaders 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




FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Index



Sompo Sustainability Index
Adopted for 12 consecutive years from 2012



S&P/JPX Carbon Efficient Index




Euronext Vigeo World 120 Index
Continued selection from 2021


Morningstar Japan ex-REIT Gender Diversity Tilt Index

NRI receives sustainability-related awards.

the japan times
Sustainable Japan Award 2022
Grand Prize



Japan Association of Corporate Directors
Corporate Governance
of the Year 2022
Selected as Winner Company



Nomura Research Institute, Ltd.

Otemachi Financial City Grand Cube,
1-9-2 Otemachi, Chiyoda-ku,
Tokyo 100-0004, Japan
Tel. +81(3)5533-2111
<https://www.nri.com/en>

NRI