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

NRI

Dream up the future.
未来創発

Integrated Report 2024

Year ended March 31, 2024

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



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Featured Articles

Message from the CEO

Our new CEO, Kaga Yanagisawa, discusses management policy and growth strategy, including AI strategy and human capital strategy.



P. 06–13

Key Measures for Achieving V2030

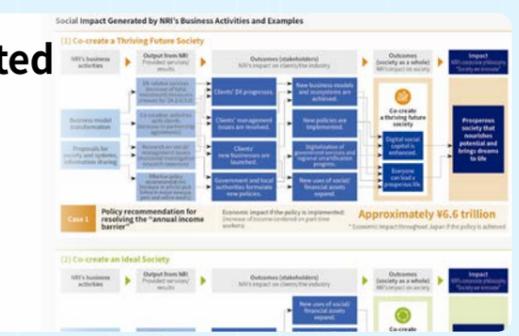
Our long-term management vision V2030, which began in April 2023, is now in its second year. This article explains our priority measures for accelerating growth: client co-creation and AI usage.



P. 42–45 AI Human Resources P. 65 AI Governance P. 128–129

Calculation of Social Impact Generated by NRI's Business Activities

We are working to visualize the process of creating social impact through our business and to quantitatively calculate our social impact.



P. 57

Value Co-Creation Activities

Since the launch of V2030, many employees have deepened their understanding of V2030 through dialogues. This article introduces dialogue with overseas Group companies and initiatives with clients.



P. 70–71

Evolve Governance

The appointment of our new CEO and global strategies are discussed during dialogue between the chairperson of the Board of Directors and outside directors. We expanded the description of the areas of expertise held by members of the Board and Audit & Supervisory Board members.



Talking about Governance P. 106–109
Classification of Knowledge and Experience (Skills) P. 116

Editing Policy / Information Disclosure System

Editorial Policy for the Integrated Report

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 2024 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.

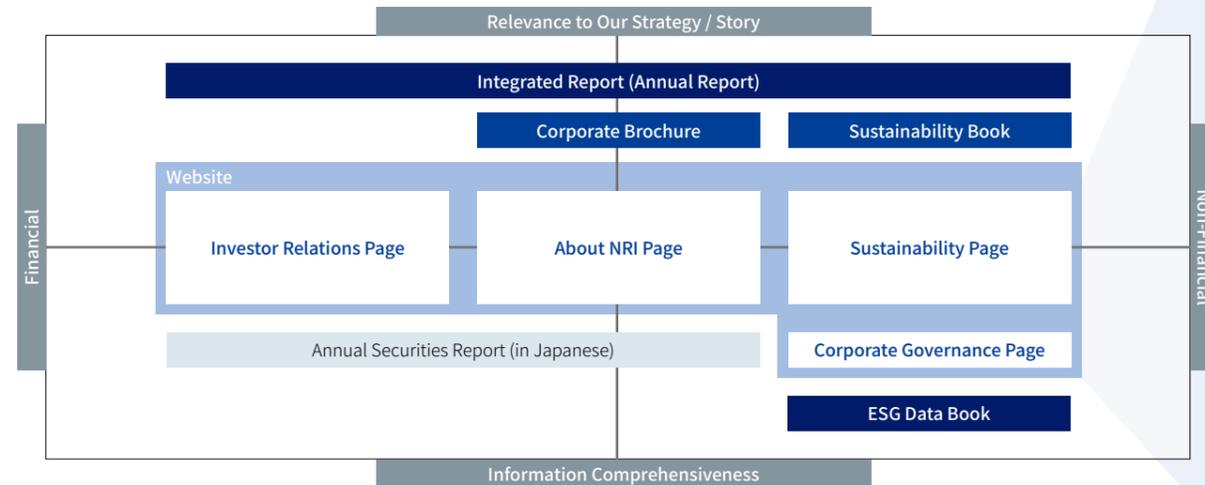
For information on our disclosure system, see the figure below. As for details and other related information that cannot be included due to space, we have included the source of the relevant information (e.g., websites and the Annual Securities Report) below and in the list of links on page 5, as well 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>
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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, 2024, 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.

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

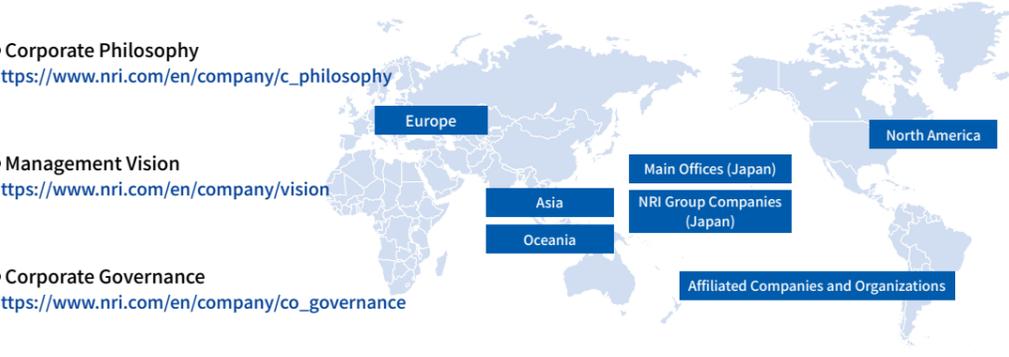
 **► About NRI**
<https://www.nri.com/en/company>

 ○ 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 2024
https://www.nri.com/en/-/media/Corporate/en/Files/PDF/sustainability/library/Sustainability_Book2024_e.pdf



 ○ ESG Databook 2024
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○ Knowledge Insight
○ Solutions & Services
○ News
○ Careers

○ NRI DNA
○ NRI People
○ NRI JOURNAL
○ NRI Voice

The entire NRI Group will work together to tackle challenges leading up to 2030 and move forward resolutely toward the realization of a prosperous future society.



Kaga Yanagisawa

Kaga Yanagisawa

President & CEO
Member of the Board
Representative Director

Profile

- April 1991 Joined the Company
- April 2015 General Manager of Management Consulting Department
- April 2017 General Manager of Financial Business Consulting Department
- April 2018 General Manager of ICT Media & Service Industry Consulting Department
- April 2019 Managing Director
Deputy Head of Human Resources and Human Resources Development
General Manager of Human Resources Department
- April 2021 Senior Managing Director
Head of Human Resources and Human Resources Development
Deputy Head of Corporate Planning
- April 2023 Senior Corporate Managing Director
Head of Corporate Strategy, Corporate Communications and Investor Relations
Division Manager of Center for Corporate Planning
- April 2024 President & CEO
- June 2024 President & CEO
Member of the Board
Representative Director (present)

Values that I have cherished

My name is Kaga Yanagisawa and I was appointed CEO on April 1, 2024. It is tremendously humbling for me to receive the baton of management from Mr. Konomoto after his eight years leading the NRI Group. I will give my utmost effort to fulfill my responsibilities. I look forward to the continued encouragement from everyone involved in the NRI Group.

First, I would like to briefly introduce myself and talk about values that I have cherished throughout my experiences.

I joined the NRI Group in 1991 and began my career as a systems engineer in the IT Solutions Department. In 1996, I moved to the Consulting Department, where I had the opportunity to work as a management consultant on a wide range of topics such as business strategy planning, business revitalization, M&A support, organizational development, and promotion of sustainability management in a large number of industries, including information and communications, manufacturing, consumer goods, and finance. Since becoming an executive in 2019, I have been in charge of personnel and human resources development, as well as corporate planning, business strategy, corporate communications, and investor relations, and have gained a wide range of management experience.

In a word, the most important thing I have valued in my work is being client-oriented. We aim to work very closely with our clients to solve their management issues and business issues. However, this does not mean that I take a passive stance and fulfill every demand from clients. My philosophy is to delve deep into fundamental issues that our clients have not recognized. For example, even if it means increased costs and burdens on our clients in the short term, I will make suggestions that may be hard to hear if I am convinced that those suggestions will lead to increased business value for clients after considering the long-term scenarios of society and technology. This approach can be described as the mission that is defined in our company's corporate philosophy.

Mission

- For Society: Envision and realize new social paradigms
- For Clients: Be a trusted partner for mutual growth

I feel that the values I have cherished based on my experiences thus far are essentially connected to the founding spirit and corporate philosophy of our company. I have received guidance from my predecessors on many occasions. By inheriting and practicing this client-oriented spirit that has been the basis for my actions, NRI has been able to co-create value with clients and win their trust.

NRI's competitive advantage

Our company was founded in 1988 as Nomura Securities Co., Ltd., through the merger of the former Nomura Research Institute, founded in 1965, and Nomura Computer Systems, founded in 1966. Drawing on deep knowledge of a wide range of industries that it has accumulated over more than half a century since its founding, the Consulting Department provides insight into the future of business and makes proposals backed by facts and data. The IT Solutions Department also contributes to clients' businesses by utilizing the engineering capabilities it has honed over its long history to build mission-critical systems and operate them safely and securely. Both departments have always embraced the challenge of improving our clients' competitiveness and providing high social utility, no matter how difficult the challenge, and have always completed their work with a high level of quality. As a result of continuing to focus on high added value, regardless of the scale of the project, we have earned the trust of clients and established our strengths.

Over the past decade or so, we have been promoting a "Con-Solution" business model in which our two highly competitive functions, consulting and IT solutions, involve collaborating and supporting work alongside our clients from the strategic planning and concept stages, and supporting

IT implementation through repeated testing of hypotheses. In recent years, as management, business, and IT have become increasingly integrated and the need for DX (digital transformation: the transformation of business models using digital technology) has expanded, our competitors are also pursuing similar business models. However, generally speaking, consultants and engineers in the IT Solutions Department have different inherent characteristics and cultures, and it is not easy to integrate them at a high level. In this regard, for over 30 years since our merger in 1988, NRI has accumulated know-how and methodologies through repeated challenges and failures in integrating the two departments. We are proud of the superiority that we have established in implementing our Con-Solution business model.

Our human resources have fundamentally supported our strengths such as a commitment to high added value and the linking of consulting and IT solutions. I believe that our human resources are the greatest source of the competitive advantage built by NRI. At NRI, our extremely curious and highly growth-motivated human resources complete highly challenging tasks, working hard together while respecting each other and aggregating their strengths. Furthermore, spontaneous study sessions are often held within our company. I believe that one of NRI's distinctive features is the continued culture of refining expertise through mutual teaching. Our company is supported by human resources who share this culture and values, enabling NRI to form strengths such as our high added-value business model and inter-departmental collaboration.

Growth story for 2030

In its long-term vision "Vision 2022" (V2022), which was in place from the year ended March 31, 2016, to the year ended March 31, 2023, NRI grasped the trend of DX through Con-Solution and promoted the construction of a global business foundation. We achieved our target operating profit one year ahead of schedule and doubled the planned amount by reaching ¥100 billion. Overseas sales exceeded the target of expanding from approximately ¥20 billion to ¥100 billion. This included business scale expansion through M&A, mainly in Australia.

In the subsequent NRI Group Vision 2030 (V2030), NRI has set out its vision of becoming an

indispensable presence in society by further refining our core business and forming digital social capital that simultaneously increases and accumulates economic value and social value. To realize this vision, NRI has created a growth story consisting of three vectors positioned as an extension of the path on which we advanced while strengthening our footing in V2022.

The first vector is to deepen our core business (expand our domestic client base) and evolve (radical production innovation). By leveraging our competitive advantage through Con-Solution, we will further expand our client base by becoming a long-term strategic partner to clients. We will also expand our lineup of high added-value services, such as our financial business platforms. Moreover, through fundamental production innovation, we will improve the competitiveness and added value of our core business, which is the foundation of our profits.

The second vector is DX (digital transformation). In recent years, we have expanded beyond DX 1.0, which transforms the business processes of our clients, to DX 2.0, which transforms the business models of individual clients and promotes structural reform in the industry. As we move toward 2030, we plan to advance to DX 3.0, which contributes to the DX of social infrastructure itself by creating digital social capital in order to contribute to the resolution of social issues. In this area, we are utilizing NRI's think tank function to explore business opportunities. This is being done in parallel with already-commercialized services such as services related to My Number. We expect a certain level of profit contribution in the second half of V2030.

The third vector is global. I believe that IT demand in the Japanese market will remain active for the time being, and that growth can be expected even when focusing on domestic business. However, there are risks in terms of sustainable improvement of business value when relying solely on the Japanese market, where a long-term population decline is expected. In order to understand the latest technologies and new business models from overseas and incorporate them as necessary, it is essential to build a business structure in which a certain percentage of our portfolio is made up of overseas businesses. With this in mind, NRI will continue to expand our global business.

Progressing in our Medium-Term Plan 2025 and working toward achieving the NRI Group Vision 2030

Our Medium-Term Management Plan (2023–2025) (Medium-Term Plan 2025), which constitutes the first three years of V2030, is positioned as a period for preparation. In the first year of the plan, which is the fiscal year ended March 31, 2024, our domestic business grew significantly due to financial business platform implementation projects and large-scale DX projects in the industrial IT field. This growth made up for struggles in our overseas business. As a result, we were able to achieve overall results that exceeded our initial forecast.

In our domestic business, we expect continued business growth through the evolution of our existing business model, thanks to the expansion of our clients' digital investment—in particular, investment that contributes to business growth. Other factors in the expected growth are market trends and technological tailwinds such as advances in AI technology and growing demand for cybersecurity.

Our overseas business faced a tough environment—specifically, a backlash from IT investment that expanded last year as a result of COVID-19 countermeasures and a waning appetite for investment due to rising interest rates. However,

NRI is improving profitability by reducing fixed costs through workforce optimization, strengthening collaboration between bases, and integrating use of management resources.

We are also facing various changes in the environment at hand. Consequently, I believe that the efforts I discussed above will not be enough alone to achieve V2030. I believe that we need new strategies to respond to the external environmental changes mentioned above, such as AI, information security, and client needs, and to optimize our business opportunities. I also recognize that we must further strengthen the human capital that supports these strategies.

Moving on, I would like to discuss three key measures we have positioned for achieving V2030: client co-creation, responding to new technologies such as generative AI, and strengthening our human resources.

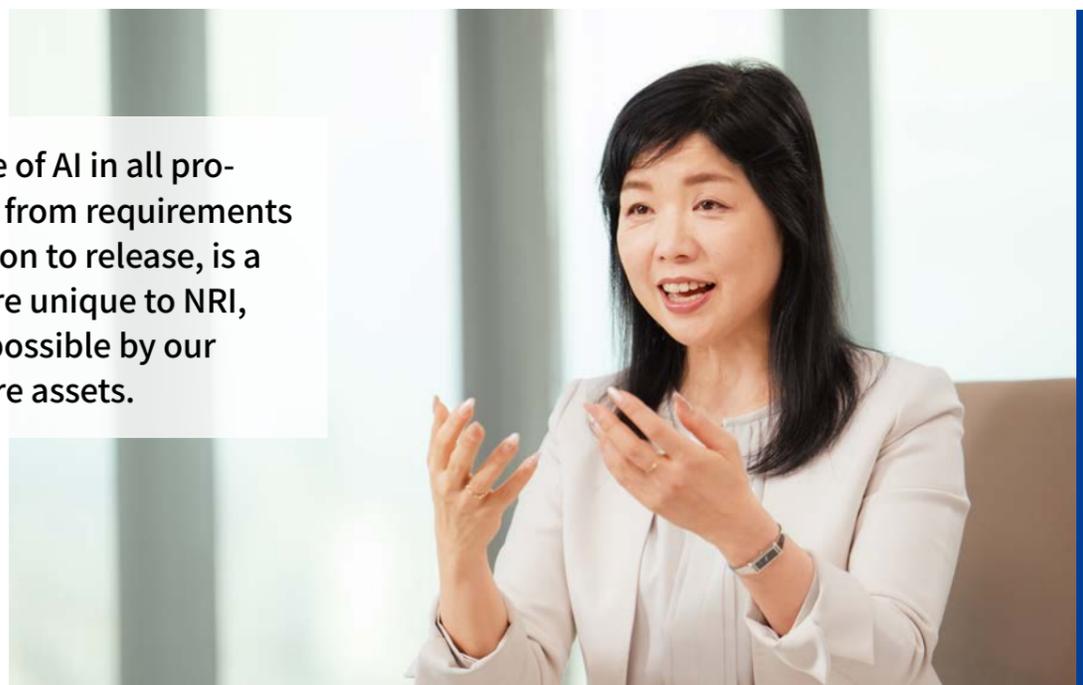
Client co-creation means commitment to the business growth of our clients

Client co-creation is an initiative aimed at customers who are pursuing further business growth. In Japan, the life cycle of existing businesses is reaching maturity. An increasing number of companies are working to build new business models



I am confident that we have an advantage thanks to the strengths we have accumulated through repeated challenges.

The use of AI in all processes, from requirements definition to release, is a measure unique to NRI, made possible by our software assets.



and to form ecosystems that transcend industry boundaries to address social issues. It seems that these companies are significantly shifting their investment stance from traditional IT, which is used for business support such as cost optimization and operational efficiency, to a form of IT for business growth and new business creation. Our clients are companies who are embracing the challenge of reaching such a new stage of growth. NRI works seamlessly alongside these clients in all phases from business model development to the implementation and operation of IT solutions. Here, I would like to introduce the approach that enables NRI to implement these efforts.

NRI has a Consulting Department of over 1,500 employees. We interact with many large leading companies in Japan. Consultants in the department actively make dynamic proposals to solve the issues of clients who are working every day to transform their management and business. In particular, our top consultants deepen relationships of trust through activities such as directly presenting business transformation proposals to our clients' top management. At the same time, we compose teams of strategic consultants and IT consultants to aid in reconciling interests within the client and designing business models and operational processes. Our IT solutions team then

implements digital technology for realizing business transformation. This approach is a business model that can only function through organic collaboration between professionals from each department, such as consulting, systems consulting, and IT solutions. I believe that such a model can only be realized by NRI, which has engaged in this type of collaboration for more than 30 years.

Recently, as customer needs have become increasingly diverse, there has been more collaboration among IT solutions departments. For example, there is a growing trend to enter different industries across industry boundaries, such as non-financial companies entering the financial industry. Inevitably, this also requires collaboration across business segments within NRI. To meet these diversifying expectations, NRI must further heighten the level of collaboration among our departments. NRI has a corporate culture of devoted effort for the client being served. Going forward, we must use that culture as a base to promote Con-Solution, lateral and diagonal collaboration, and collaboration among Group companies, all of which is aimed at expanding and enhancing the value we provide to clients. Furthermore, as we work to achieve V2030, we must further enrich our client base by providing this value to new clients both in Japan and

overseas, thereby leading to sustainable business growth for NRI.

AI as a growth driver for NRI

NRI has positioned generative AI and other AI as key technologies for realizing V2030. We are working to utilize AI in two major areas: 1) for clients and 2) for production innovation within NRI.

(1) AI solutions for clients

Over the past year, there has been a dramatic increase in the number of consulting and system development projects involving AI. NRI received orders for approximately 100 consulting projects just in the second half of the fiscal year ended March 31, 2024. Our clients are still in the trial-and-error phase, so consultants will work with clients to identify which business operations are appropriate for implementing AI, propose approaches to implementation, and hold partial trials in order to forecast effects. Through such efforts, our consultants guide clients to full-scale implementation.

We have started to utilize AI not only in the Consulting Department, but also in the IT Solutions Department. To begin, we launched projects to utilize AI in the front-end area. However, we intend to eventually implement AI in areas other than the front-end. For example, when working to make more effective use of front-end systems equipped with AI, it will be necessary to connect to existing core systems and import various data. We expect increased demand for innovating core systems to make them more suitable for front-end AI.

These trends are similar to the lineage of NRI's business expansion during the period of spreading digital transformation. I believe that the trends will also serve as a growth driver for our business with AI in the current business climate.

(2) Using AI for production innovation within NRI

In regard to the use of AI in internal NRI processes such as system development, we formed a task force in the fiscal year ended March 31, 2024, to advance the use of AI across our entire company. We have launched over 160 internal projects as of the end of the fiscal year ended March 31, 2024. We are already using AI in testing and coding processes, and have confirmed that AI testing support can improve productivity by up to 85%. Although

this is only part of the process, we plan to expand the scope of processes to which AI is applied. Specifically, we will apply all available AI tools to all processes from requirements definition to release, and will maximize the benefits of using AI by switching to a development framework optimized for AI. In fact, we are utilizing AI in the system renewal for our financial business platform, which is scheduled for the fiscal year ending March 31, 2026. Specifically, we are conducting a trial using AI one year ahead of schedule to verify the extent of benefits. This type of measure is only possible because NRI possesses software assets. We aim to apply the knowledge gained through these measures to upcoming large-scale system upgrades at our clients.

In the IT world, AI initiatives are a hot topic, and not just for NRI. Although the use of generative AI is expanding in society, there is also concern for risks such as various vulnerabilities including prompt injection* and the leakage of sensitive information. As a final word on this topic, I would like to briefly discuss some of NRI's characteristics in the age of AI.

The first is that we are vendor-free, which means we are not limited to developing LLMs (large language models) in-house from scratch. While we actively collaborate with major vendors and start-ups that develop LLMs, we hope to leverage our strengths as a vendor-free company to introduce the AI that is most suitable for our clients. This will enable us to create value unique to NRI, such as transforming business models and improving the environment for private LLMs.

* An attack consisting of commands that intentionally cause malfunctions and generate information that the provider prohibits from being output (information on development, information that can be used in crimes, etc.)

The second characteristic is how NRI deals with risks posed by AI. When using generative AI, it is essential to guarantee safety and security in terms of information security. At NRI, we are working to create security services that will promote the spread of AI in society, in parallel with maximizing the benefits brought by AI. For example, these include services in which experts who are well-versed in the vulnerabilities specific to generative AI diagnose problems in the entire system, and services for monitoring and detecting threats in systems that use generative AI.

In the fiscal year ending March 31, 2025, we are accelerating our efforts by investing approximately 10 billion yen in AI-related research and development. For example, we are strengthening NRI

Pacific's system on the west coast of the United States to utilize the latest information in our research and development activities. We are also creating a secure environment for utilizing AI by equipping NRI data centers with Graphics Processing Units. In this way, NRI will continue to work hard to create a prosperous society where clients and individual users can utilize AI safely and conveniently. Going forward, please expect great things from NRI's activities in AI.

Toward the expansion of human capital

It is no exaggeration to say that human resources development is the key for NRI to make a leap toward V2030. When I was the executive in charge of personnel and human resources development, I focused on creating a system for human resources development.

Earlier in my career, as I gained experience in a variety of businesses, there was a period when I was transferred every year. At that time, I often wondered whether changing jobs every year was meaningful for my career. However, when reflecting on my career, I believe that all of these experiences were meaningful. Looking back, I can see that the branches and leaves that seemed like separate experiences and knowledge have now connected together to form a large trunk. All of these are linked to my perspective and criteria for judgment as a manager.

I know that some people will disagree, but I'll say it anyway—the majority of work-style reforms that have long been a societal trend generally seem to have been designed based on the assumption that people would rather not work if they could avoid doing so. In that respect, reforms are aimed at minimizing disadvantages for employees. However, rather than positioning work in opposition to private life, I believe it would be good to consider the concept of work-in-life—in other words, to view work as an enjoyable and important part of life. In particular, NRI has many employees who are highly motivated to achieve personal growth and find great fulfillment in their work. In recent years, an increasing number of employees have been thinking deeply about their

own careers and submitting transfer requests to their supervisors, or using the internal job posting system to transfer to the department of their choice. NRI will continue to promote this type of autonomous career formation.

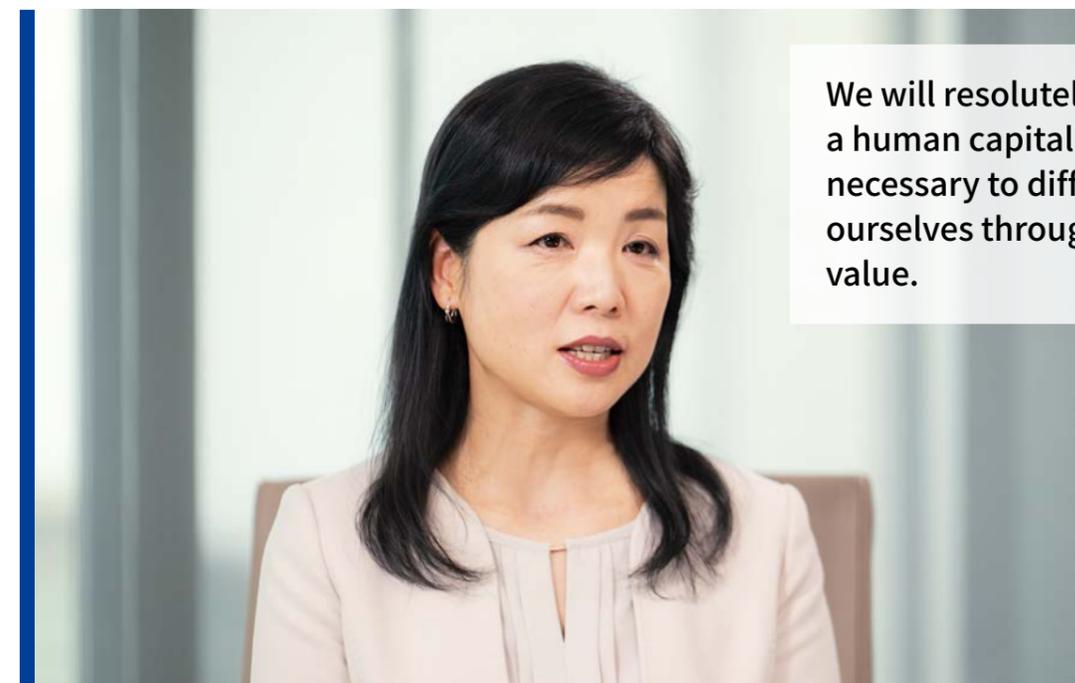
Nevertheless, the extent to which employees can carve out their own careers is limited.

Some employees are unable to step into a new environment on their own. Furthermore, quite a few employees fail to recognize their own potential. Therefore, as in my own experience, I feel that giving employees the opportunity to take on new work through a certain degree of coercion—that is, unexpected transfers or promotions—is necessary for individual growth. This will enable employees to continue working with a sense of fulfillment. In the long term, this will lead to more rewarding lives and ultimately improve the sustainable competitiveness of NRI.

The new human resources system introduced at NRI in April 2022 incorporates this philosophy and has set “Serendipity and Independent Career Development” as a basic principle. This is based on the idea that transfers and assignments from the company, despite not being in line with an individual's wishes, can also contribute to serendipity that leads to that individual's growth. The aim of the system is to balance individual and organizational growth while increasing engagement in work by assigning motivated human resources with challenging, complex, and difficult projects with high added value. These human capital strategies are necessary for NRI to continue to differentiate itself through added value in the future. Consequently, we intend to steadily advance these policies.

Conclusion

The founding prospectus of the former Nomura Research Institute, which was established in 1965, stated its aspiration to “promote industrial economy and serve society.” During our company's history, there have been several instances of corporate transformation, such as the merger with Nomura Computer Systems Co., Ltd. in 1988 and the stock listing in 2001. In this way, managers in each era have advanced NRI forward step by step



while staying true to the aspirations of our predecessors. As a result of these repeated efforts, NRI now has more than 16,000 employees across our Group, and next year we will mark our 60th anniversary. Finally, I would like to mention one point I will keep in mind when overseeing such a large, venerable company.

That point is dialogue with employees. Thus far, I have discussed NRI's positive characteristics, such as our commitment to high added value, client orientation, and a culture of mutual teaching. I believe that directly conveying the important culture, values, and the aspirations of our predecessors to employees is the foundation that will support NRI's sustainable growth over the long term. I also held many town hall meetings both in Japan and overseas in the fiscal year ended March 31, 2024. I had the opportunity to speak directly with employees. Going forward, I will continue speaking directly with employees and listening to their opinions more than ever before in order to further strengthen NRI's management foundation.

I believe that refining this management foundation every day will lead to improved business competitiveness, which will ultimately connect to the next step toward realizing the society envisioned by NRI.

I ask our shareholders and investors for their continued support as NRI continues to embrace new challenges.

I am confident that we have an advantage thanks to the strengths we have accumulated through repeated challenges.

President & CEO
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 company name was changed to Nomura Computer Systems Co., Ltd., in 1972.



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

Corporate Philosophy



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



IT solutions



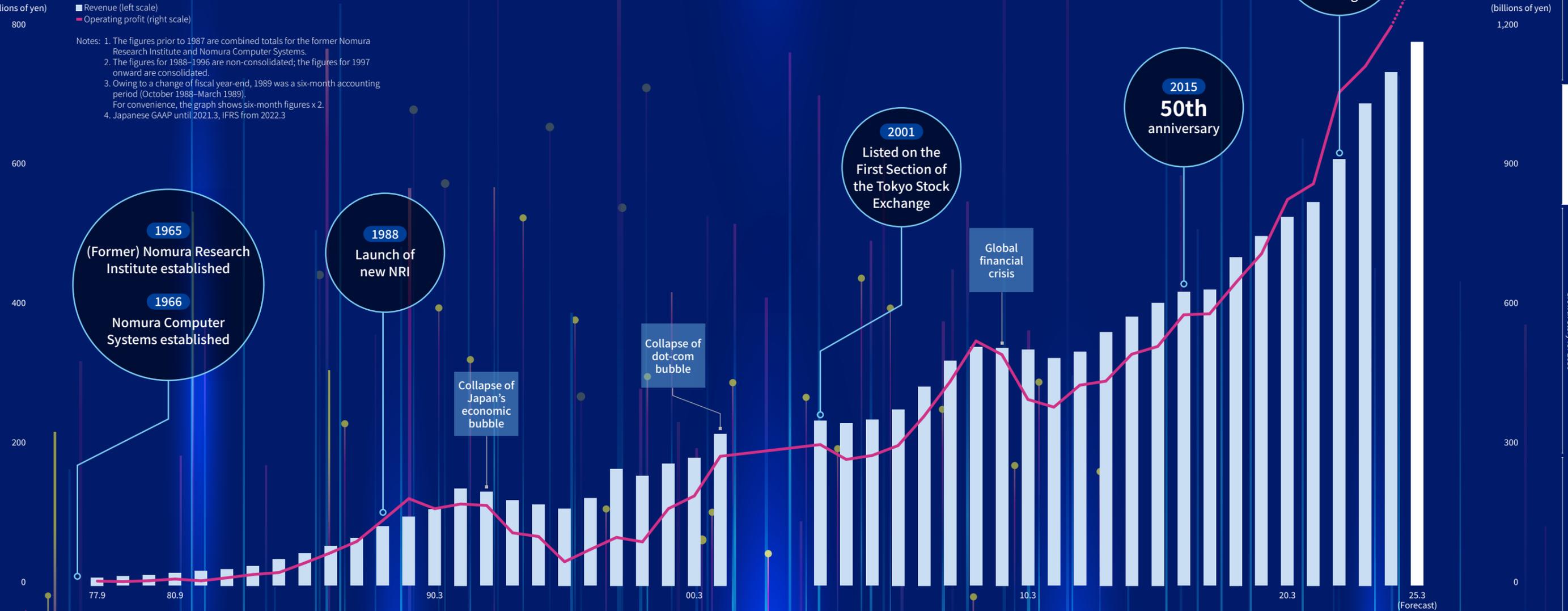
"When forecasting the advanced information society to come, there can be no think tank without a systems function, and there can be no systems company without a think tank function."
(From the press conference following the signing ceremony for the new NRI)

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) ■ 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



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
- 1997** Cyber Life Club cybermall launched (a pioneer in online shopping business in Japan)
- 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
- 2011** Launched Insight Signal, an advertising effectiveness measurement service
- 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
- 2023** Launched AI consulting service

IT Solutions

- 1970** Launched Nomura Securities' "Integrated Online System"
- 1974** Launched THE STAR, a shared online service for retail brokerage firms
- 1979** Launched a new ordering system for SEVEN-ELEVEN JAPAN CO., LTD.
- 1987** Launched I-STAR, a shared online system for wholesale brokerage firms
- 1987** Launched Famicom Trade System at Nomura Securities (a pioneer in contemporary home trading services)
- 1988** Launched international VAN service between Japan and United States
- 1993** Launched T-STAR, a shared online system for asset management firms
- 1997** Launched BESTWAY, an over-the-counter sales system for mutual funds
- 1999** Launched e-Cash experiment with Japanese commercial banks (Japan's first electronic money trial)
- 1999** Launched online trading system for an online brokerage firm
- 2004** Launched e-JIBAI, a compulsory automobile liability insurance system
- 2012** Launched Value Direct (for online banking)
- 2016** Launched TRAINA, an AI solution
- 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 Mynaportal
- 2024** Launched NRI BaaS/CORE (banking account solution)

Message from the CEO

NRIの価値共創

V2030

Growth Story for 2030

MTPI2025

Value Creation

Value Creation Capital

Management Basis (ESG)

Corporate Information / Data

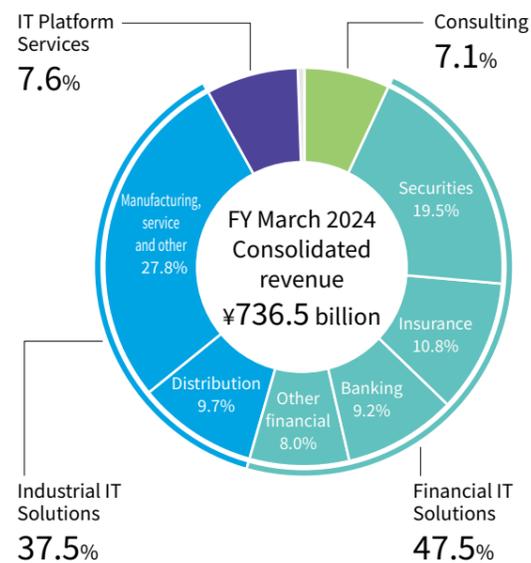
NRI at a Glance

FY March 2024 Consolidated

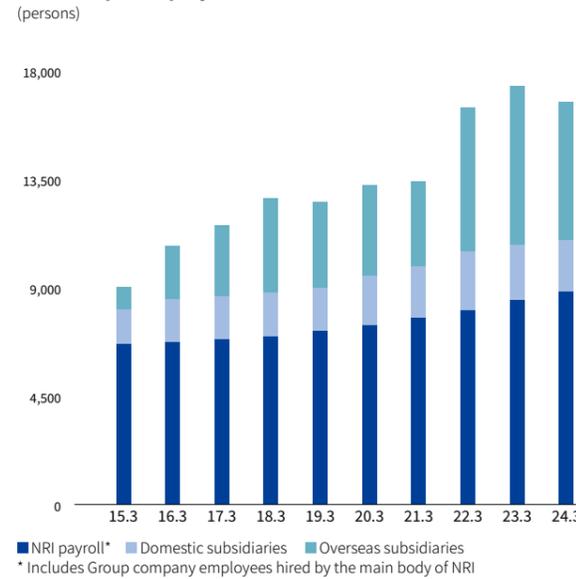
Consolidated revenue ¥736.5 billion	Consolidated operating profit ¥120.4 billion	ROE 19.9%
Cash flows from operating activities ¥142.2 billion	Number of employees (consolidated basis) 16,708 persons	Number of consultants Over 1,000 persons
Consolidated operating margin 16.3%	Revenue per employee ¥44.08 million	Operating profit per employee ¥7.20 million

Industry Top Level

External Revenue by Segment



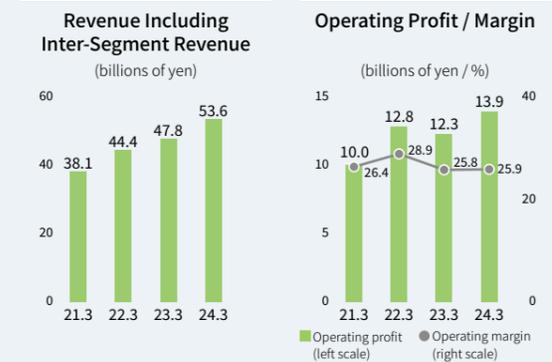
NRI Group's Employees (persons)



NRI's Four Business Segments

Consulting

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

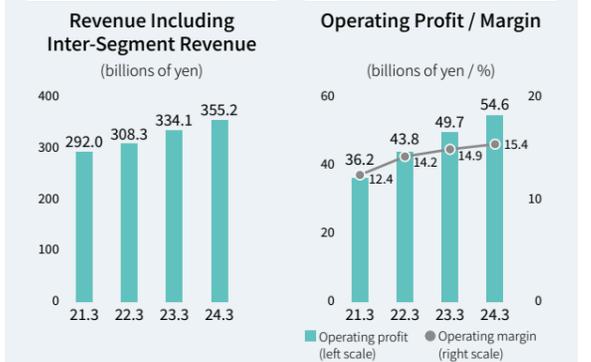


Financial IT Solutions

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, Australian Investment Exchange Limited (AUSIEX)

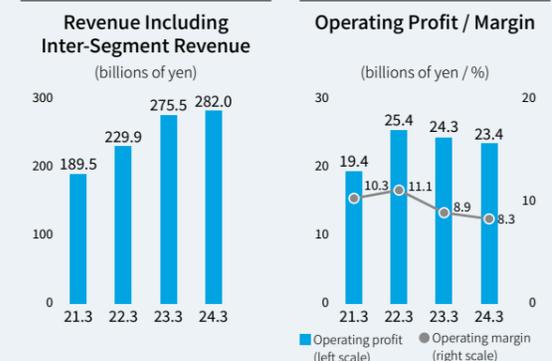


Industrial IT Solutions

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

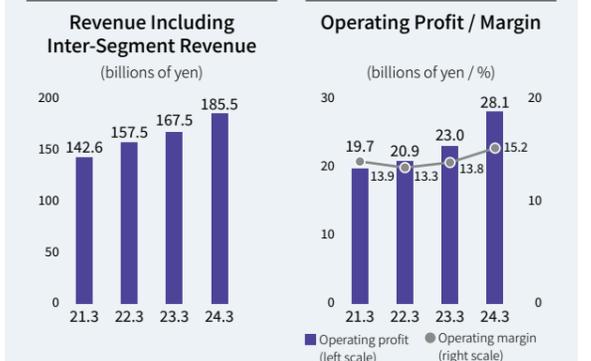


IT Platform Services

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



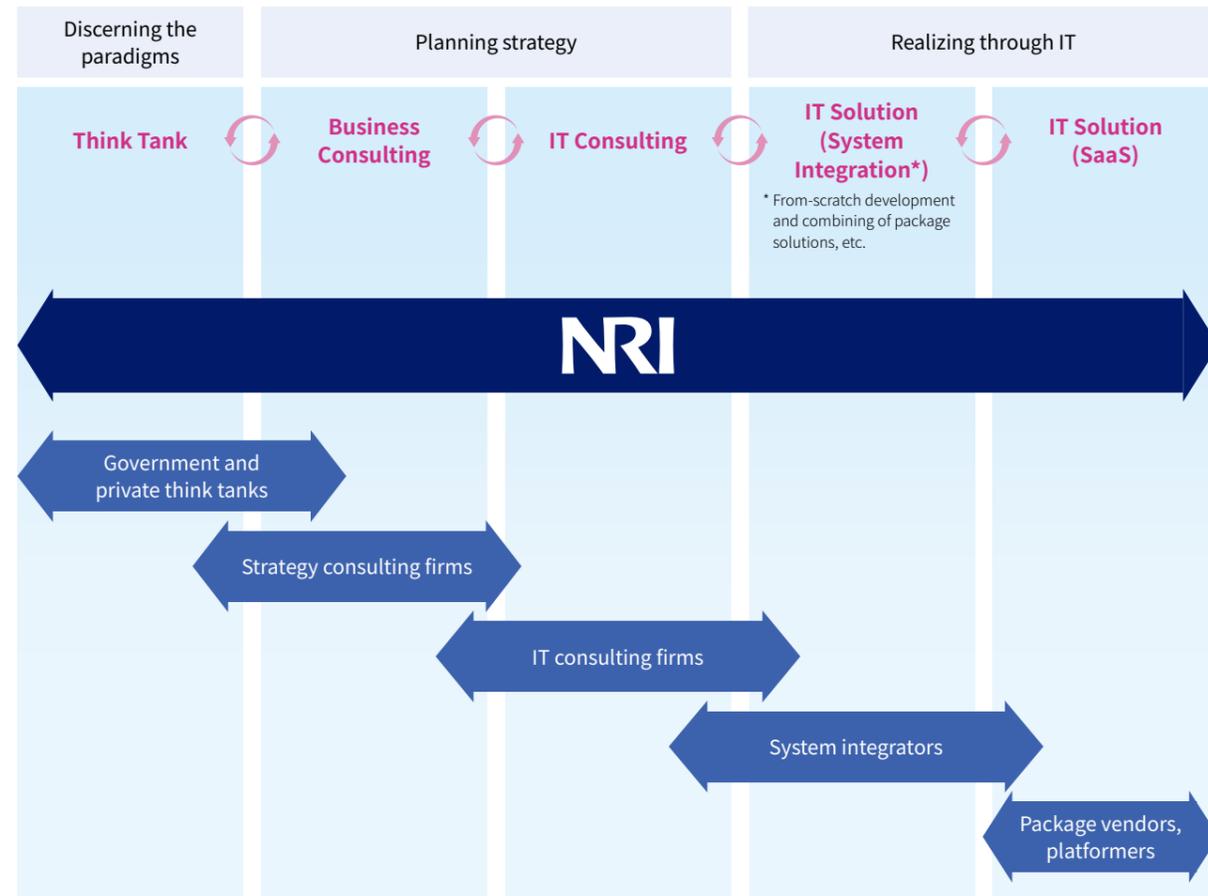
(Note) There was a partial revision to segment categorization for FY March 2024. Figures for FY March 2023 reflect this change in categorization.

NRI's Business Model

Characteristics and Advantages of NRI's Business

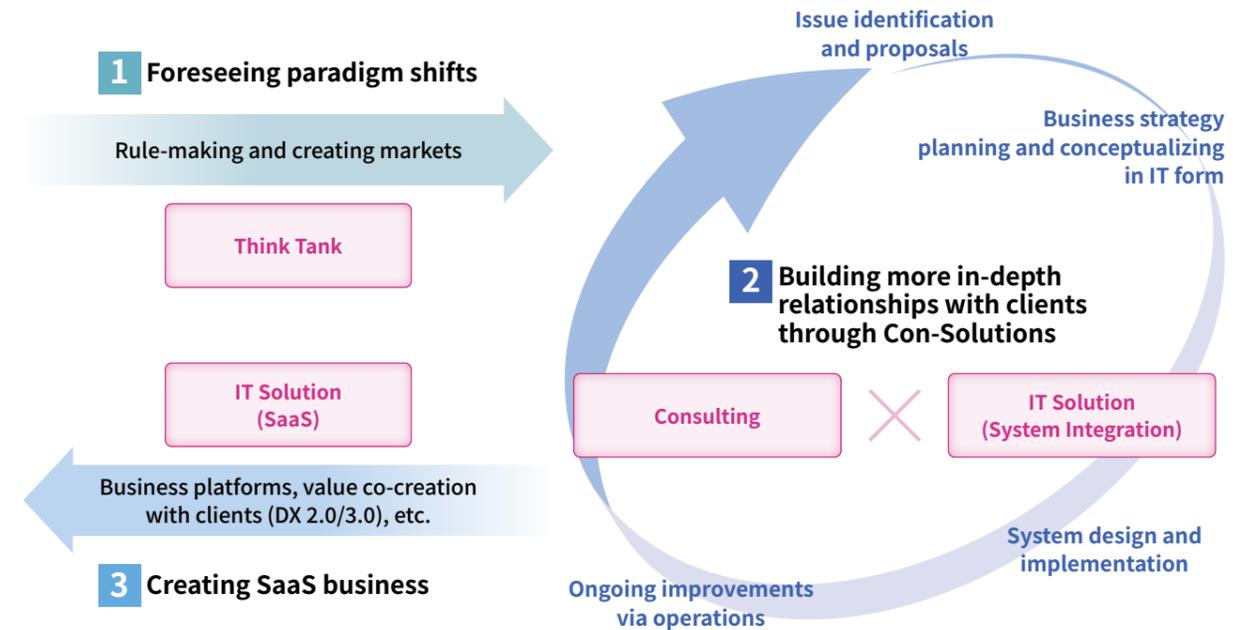
Over the years, NRI has accumulated a wide range of knowledge in areas ranging from think tanks to consulting and IT solutions. Armed with this know-how, our business is characterized by the seamless deployment of services from paradigm insight to client strategy planning and IT implementation.

NRI's consulting business originated at the former Nomura Research Institute, Ltd., which was established in 1965. The origin of our IT solutions business can be traced back to Nomura Computer System Co., Ltd., which originated from the Electronic Data Processing Division of Nomura Securities Co., Ltd., which was established in 1953. Founded in 1988 through the merger of these two companies, the current Nomura Research Institute, Ltd. has a history of nearly 60 years in both consulting and IT solutions. Our extensive experience and know-how cultivated through many years of business is one of NRI's advantages. NRI is the only company that possesses all the functions of think tank, consulting, and IT solutions services, and is able to provide those functions in combination.



NRI's Business Model

NRI's business model consists of using our think tank functions as a starting point for approaching clients. We then deepen relationships with clients through Con-Solution, in which we run consulting and IT solutions side-by-side with clients and repeatedly test hypotheses to increase value. Furthermore, by leveraging the trust we have built with clients and our accumulated know-how, NRI has achieved a highly sustainable business structure by creating service-based businesses such as business platforms and client co-creation.



1 Foreseeing paradigm shifts

NRI has an extensive track record of conducting highly reliable research and disseminating information. Our consultants have a wide range of expertise in areas including systems, policy, social issues, macro-economics, industry knowledge, and advanced technology. Consultants support the design of systems and the formation of rules by cooperating with committee members at government organizations, public offices and agencies, and public institutions.

2 Building more in-depth relationships with clients through Con-Solutions

At NRI, our Consulting Department appeals to clients' top management and develops themes based on management and business strategies. Our IT Solutions Department uses its extensive business knowledge and understanding of technology to form projects and build precise systems from upstream. Our company will deepen relationships with clients through Con-Solution, where consulting and IT solutions operate concurrently.

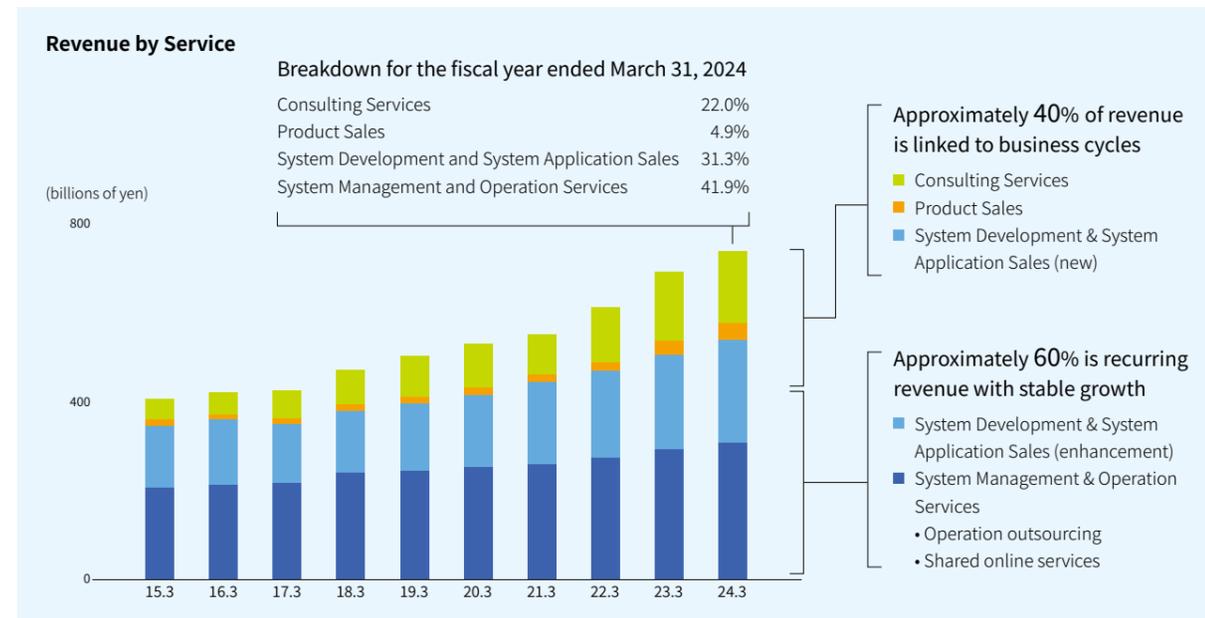
3 Creating SaaS business

By providing services to Tier 1 companies in the industry, NRI has cultivated deep industry knowledge and an understanding of client operations. We identify non-competitive and collaborative areas with complex requirements and create a variety of shared services. We fulfill the role of an enabler who designs and composes ecosystems while determining the interests of diverse players involved.

NRI's Strengths

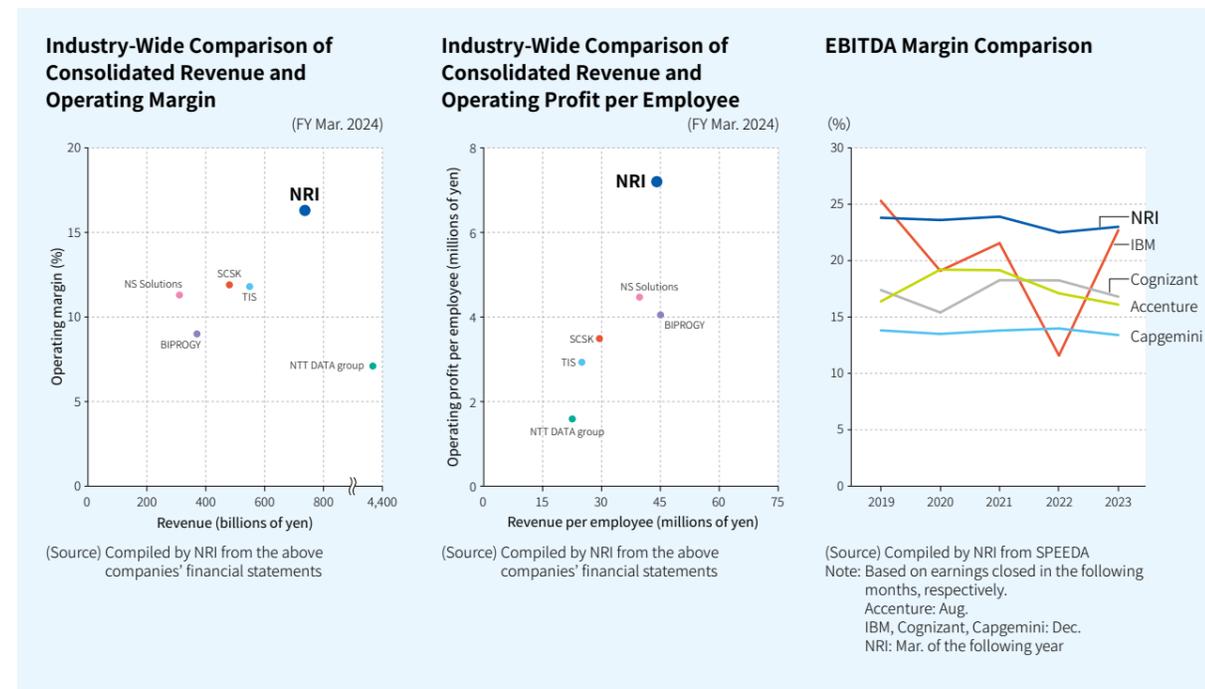
Stable Profit Structure

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 in system development.



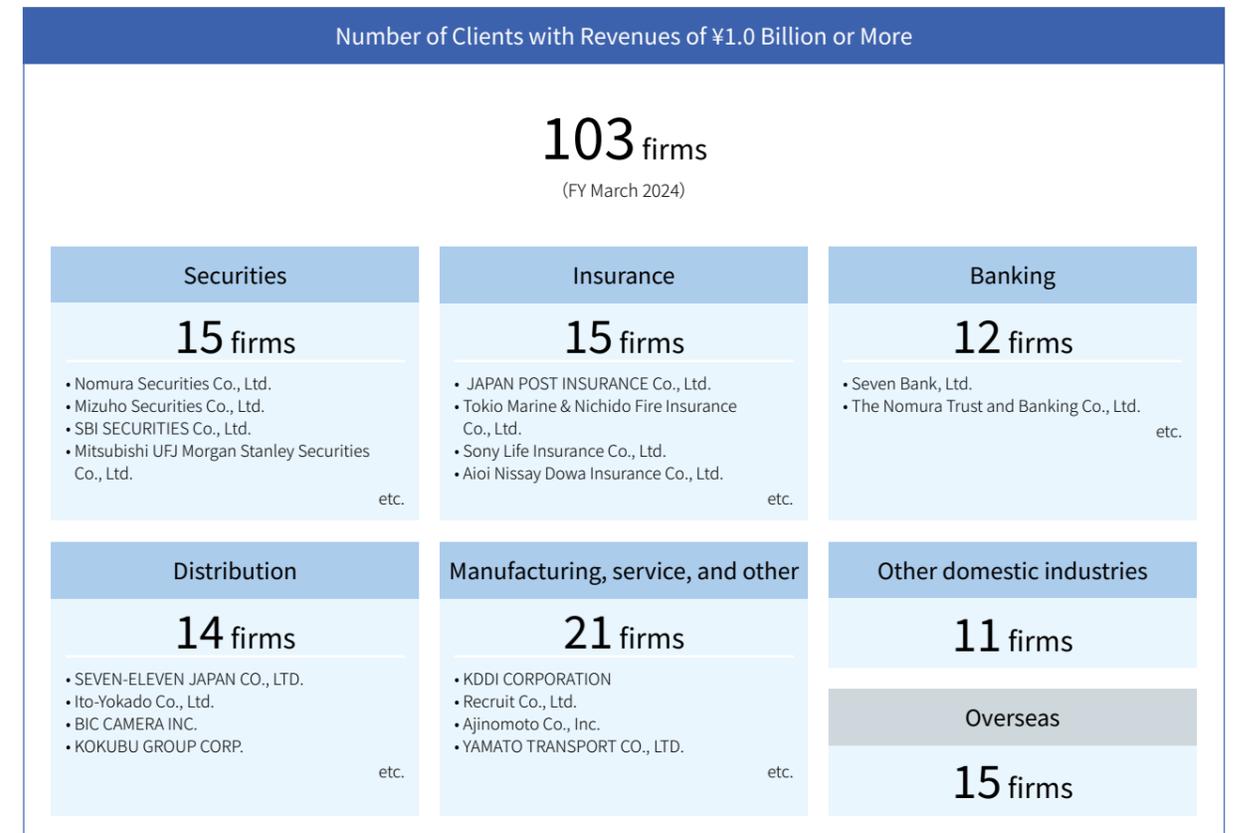
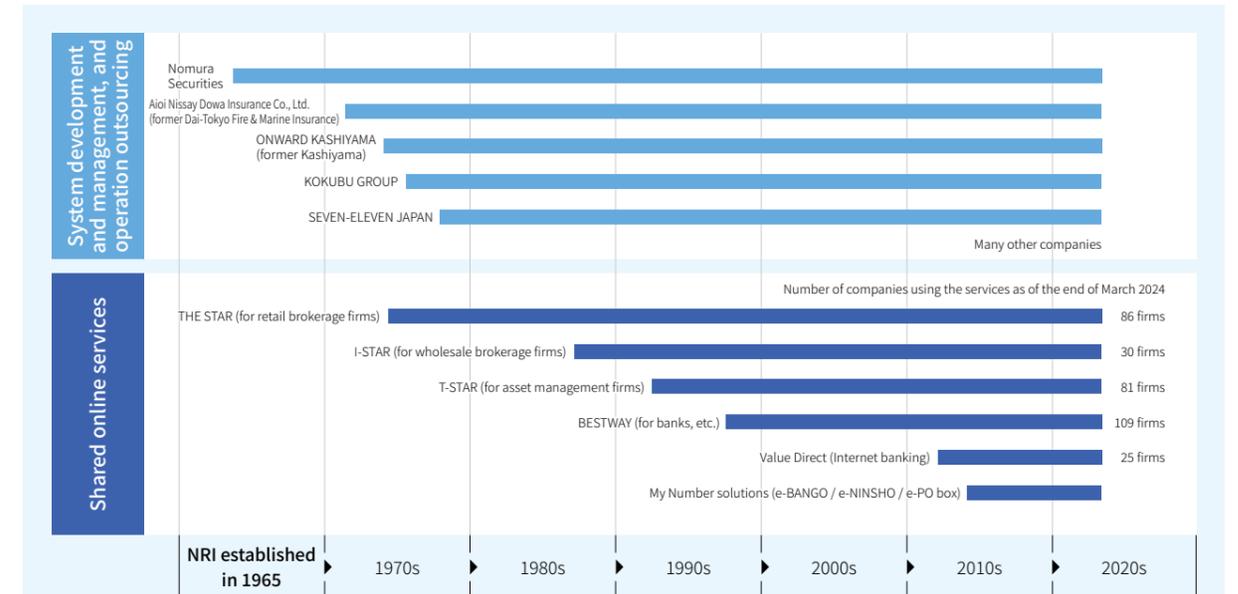
High Levels of Profitability and Productivity

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.



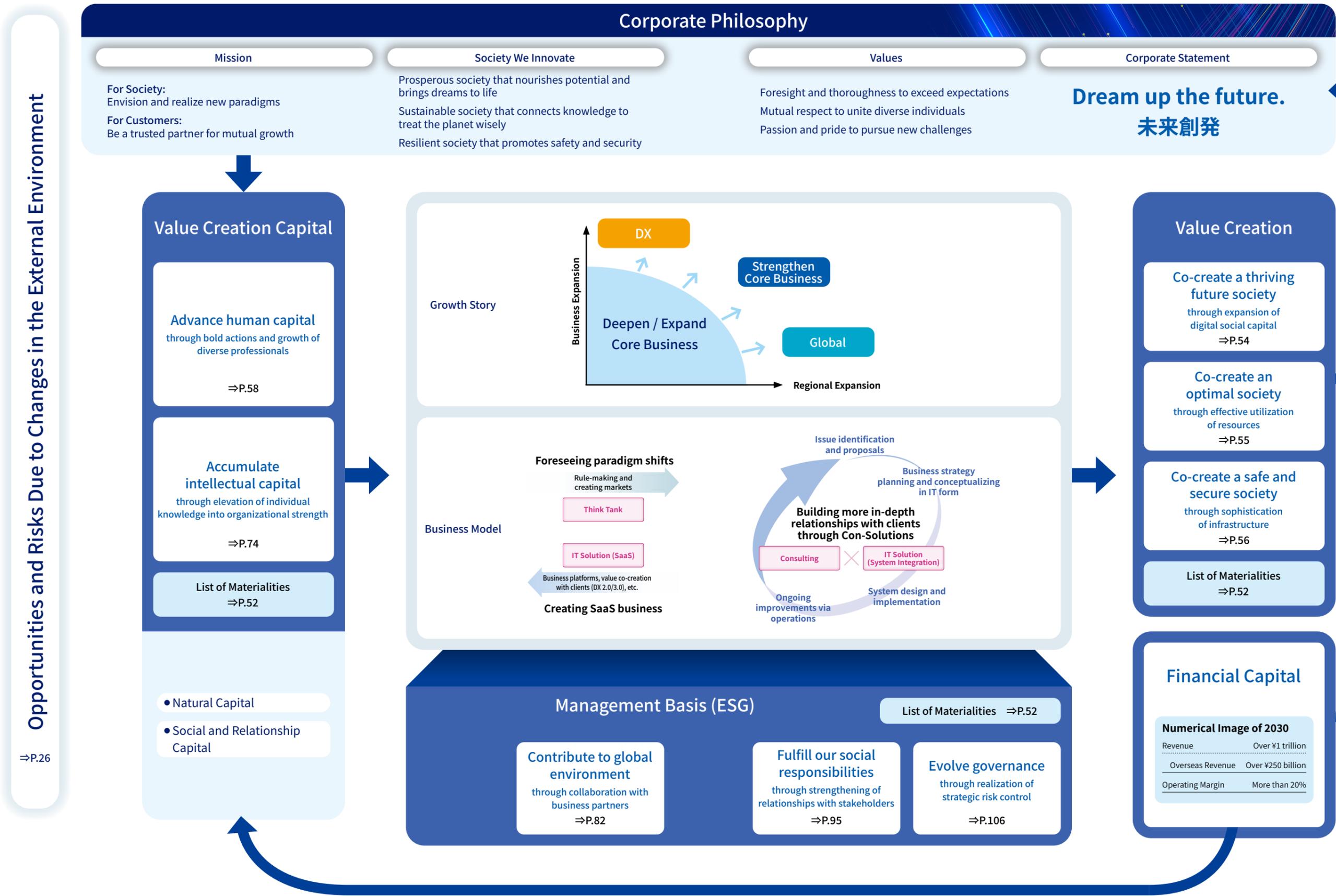
Solid Client Base

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 society and realizing NRI growth strategies



Messages from the CEO
NRI's Value Co-Creation
V2030 Growth Story for 2030
MTTP2025
Value Creation
Value Creation Capital
Materiality
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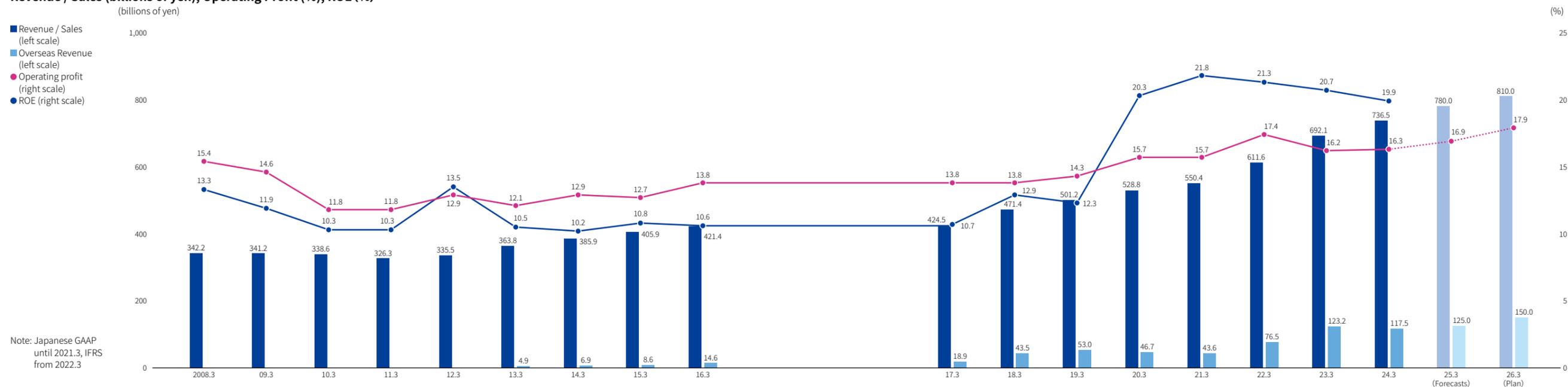
Opportunities and Risks Due to Changes in the External Environment

Main Changes to the External Environment	Opportunities	Risks	Related Initiatives	
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"> • Social responsibility <ul style="list-style-type: none"> • Insufficient efforts for human rights and labor practices • Business continuity <ul style="list-style-type: none"> • Ill-preparedness for COVID-19 and large-scale natural disasters 	<ul style="list-style-type: none"> Efforts to Respect Human Rights → P.96-98 Internal Controls, Corporate Ethics, and Compliance → P.126-129
	<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 • New products and new services in finance 	<ul style="list-style-type: none"> • Information security <ul style="list-style-type: none"> • Information leakage due to unauthorized external access • Group governance of rule violations at the NRI Group and business partners • Response to financial regulations and laws • Spillover to financial systemic risk 	<ul style="list-style-type: none"> Cooperation with Stakeholders → P.99-101 NRI's Quality Management → P.77-81
	<ul style="list-style-type: none"> • Relative expansion of the scale of overseas markets 	<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"> • Group governance <ul style="list-style-type: none"> • Insufficient synergistic effects of M&A and partnerships • Inadequate system for global strategy promotion 	<ul style="list-style-type: none"> MTP2025 Global Strategy → P.37-38 NRI's Corporate Governance → P.112-113
	<ul style="list-style-type: none"> • Growing importance of economic security 	<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"> • Business partners <ul style="list-style-type: none"> • Tightening of regulations toward overseas offshore development, and degraded quality of efficiency 	<ul style="list-style-type: none"> Response to the Economic Security Promotion Act → P.127
	<ul style="list-style-type: none"> • Growing interest in contributing to the global environment 	<ul style="list-style-type: none"> • Management of greenhouse gas emissions <ul style="list-style-type: none"> • Consulting, IT solutions 	<ul style="list-style-type: none"> • Handling throughout the entire supply chain <ul style="list-style-type: none"> • Delay in achieving Scope 3 targets 	<ul style="list-style-type: none"> Contribute to Global Environment → P.82-94
	Increasingly Fluid Industrial Structure	<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"> • 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"> • Quality <ul style="list-style-type: none"> • Occurrence of large-scale system failures • Unstable operation of the operating system
<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 	<ul style="list-style-type: none"> • Compliance <ul style="list-style-type: none"> • Infringement of third-party intellectual property rights • Violation of domestic and foreign laws and regulations 	<ul style="list-style-type: none"> Internal Controls, Corporate Ethics, and Compliance → P.126-129
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 business through the use of AI • Productivity improvement through the use of AI • 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 	<ul style="list-style-type: none"> • Adverse impact on social activities <ul style="list-style-type: none"> • Violation of human rights and intellectual property rights • Information leaks • Projects <ul style="list-style-type: none"> • Late delivery • Working hours exceeding the initial estimate 	<ul style="list-style-type: none"> AI Usage → P.44-45 AI Ethics → P.128-129 Accumulate Intellectual Capital → P.74-81 NRI's Quality Management → P.77-81
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 	<ul style="list-style-type: none"> • Securing / cultivating human resources <ul style="list-style-type: none"> • Insufficient securement and cultivation of human resources with expertise • Decline of labor productivity and loss of human resources 	<ul style="list-style-type: none"> Advance Human Capital → P.58-73
		<ul style="list-style-type: none"> • Business partners <ul style="list-style-type: none"> • Insufficient securement of business partners • Decline of productivity and quality in the NRI Group, including business partners 	<ul style="list-style-type: none"> Cooperation with Stakeholders → P.99-101 NRI's Quality Management → P.77-81 	

Transition of Growth Strategy

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



Note: Japanese GAAP until 2021.3, IFRS from 2022.3

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).

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."

Growth Story

Core Business

In addition to deepening and expanding for further developing 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.

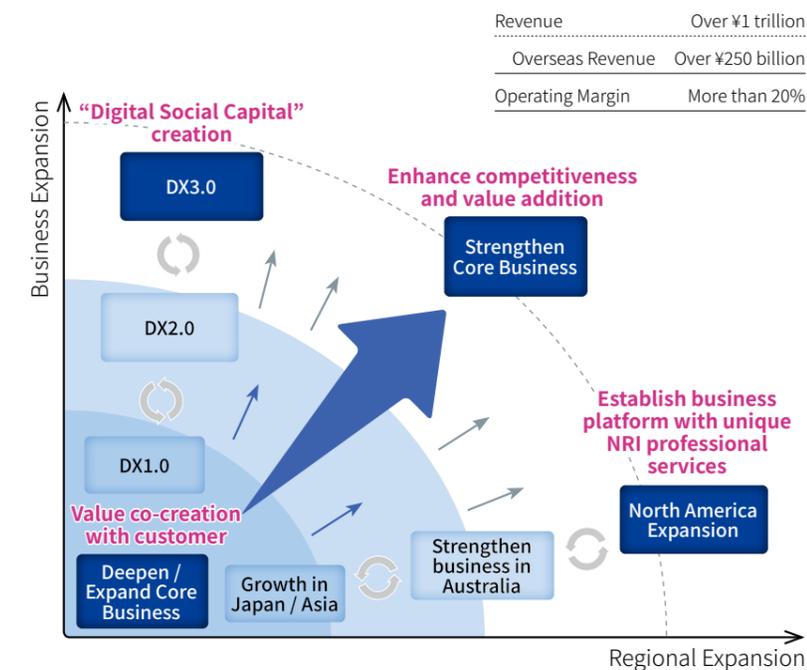
DX

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



Numerical image of 2030

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

DX Classifications Envisioned by NRI

Society transformation	DX3.0	Paradigm transformation	Creating "Digital Social Capital" in collaboration with various partners
Enterprises and industry transformation	DX2.0	Business model transformation	Establishing never-before-seen digital services
	DX1.0	Process transformation Infrastructure transformation	Strengthening existing businesses for new opportunities

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 by 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)



Please refer here for more information on materiality.

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	Major Initiatives	Target FY
Value Creation	Co-create a Thriving Future Society	Develop value from our core business and expand our digital social capital.	2030
Value Creation Capital	Co-create an Optimal Society	Effectively utilize resources based on our corporate philosophy to create value for our stakeholders through the use of digital social capital.	2030
Value Creation Capital	Co-create a Safe and Secure Society	Prohibit highly advanced IT advances from being used for illegal activities and other activities that threaten human rights and privacy.	2030
Value Creation Capital	Advance Human Capital	Develop and nurture human capital with a focus on digital skills.	2030
Value Creation Capital	Accumulate Intellectual Capital	Build and accumulate intellectual capital through the use of digital social capital.	2030
Management Basis (ESG)	Contribute to Global Environment	Reduce CO2 emissions and promote environmental activities.	2030
Management Basis (ESG)	Fulfill Our Social Responsibilities	Strengthen relationships with stakeholders and contribute to society.	2030
Management Basis (ESG)	Evolve Governance	Strengthen corporate governance and promote transparency.	2030

Materiality Identification Process

- STEP 1: Understanding and Organizing Society's Requirements**
Social issues and needs, Vision and management plan, International standards/Guidelines, NRI Group's response level, Requirements of ESG evaluation organizations, Expectations and requirements for industry.
- STEP 2: Identification of Materiality**
Incorporation of three social values specified through past to ongoing discussion including executives, Link with V2030 growth story, Stakeholder perspectives, Prioritizing and mapping issues based on two axes: stakeholder expectations and requirements (environmental and social impact), and impact on NRI (financial perspective).
- STEP 3: Finalization of Materiality**
Identifying materiality through the following steps: 1. Discussions with outside directors and experts, 2. Internal management debates. Materiality: Value Creation, Value Creation Capital, Management Basis (ESG).
- STEP 4: Reflection in Business Plan**
Reflect the finalized materiality in midterm plans and business plans of each business segment.
- STEP 5: Resolution of the Board of Directors**
Resolved by the Board of Directors as the sustainability strategy (March 2023). Consideration of the necessity of revision by the Sustainability Committee once a year.

List of Materialities P.52

Please refer here for key indicators of each materiality (target, actual values).

Materiality Identification Process ESG DATA BOOK P.09

PDCA Management of Materiality

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

Sustainability Management Process



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, and the Sustainability Activities Committee 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 120 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



▶ 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 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 longterm. 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.

▶ Forecasting and Backcasting

When composing the vision for the NRI Group Vision 2030, we considered what NRI must do to remain an indispensable presence over the long term and to grow sustainably. While considering input from experts inside and outside our company, we have clarified in writing the future that NRI wants to realize as our corporate philosophy of "society we innovate."

We formulated the Medium-Term Management Plan (2023–2025) (Medium-Term Plan 2025) based on the growth story of V2030. If we were to limit our attention to the three-year period, focusing on core business in Japan might improve our financial performance. However, in order to achieve long-term continuous growth, we are working on DX-related investments and global strategies that contribute to the realization of industry and social transformation.

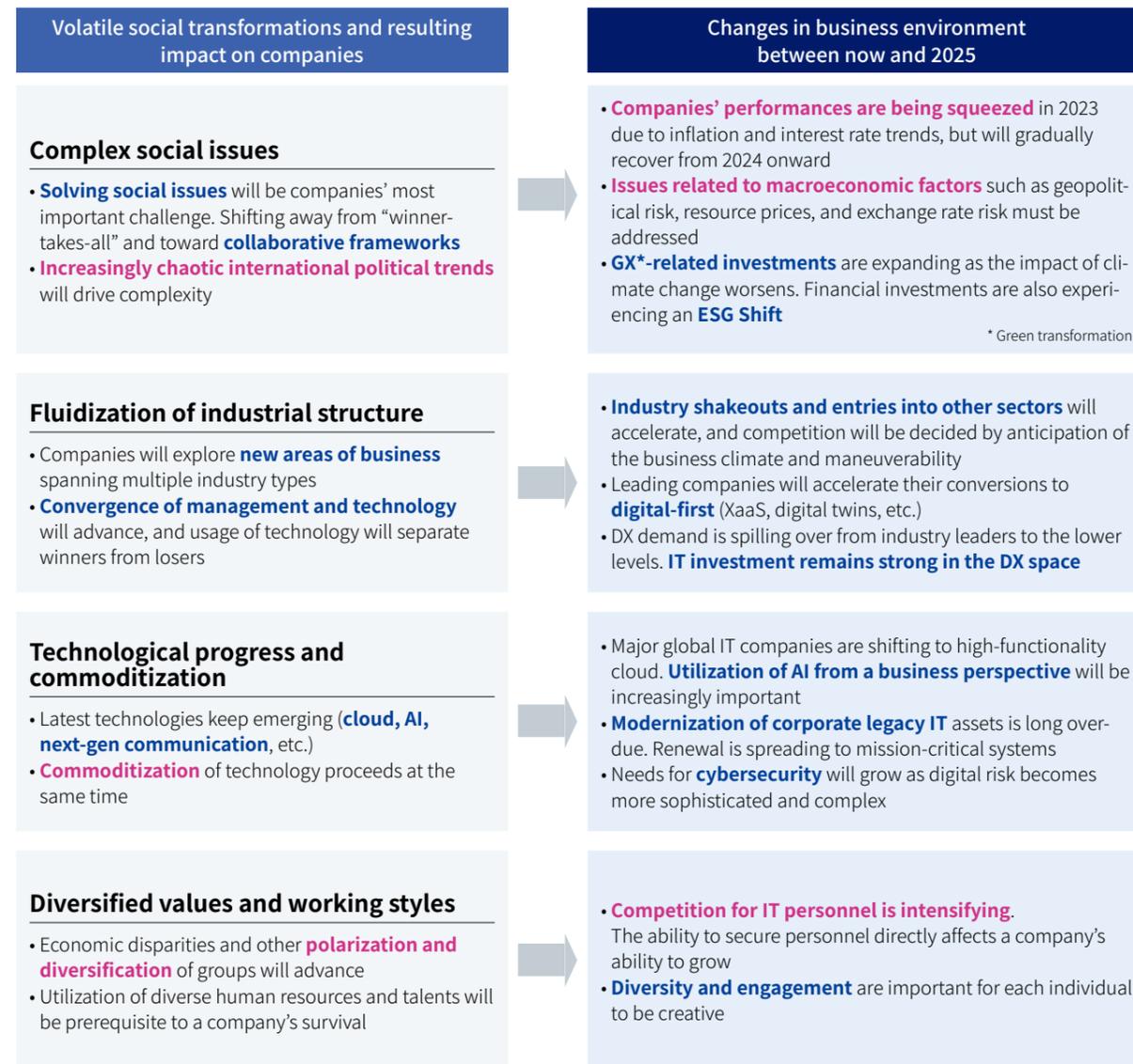
After conducting a multifaceted environmental analysis, Medium-Term Plan 2025 set goals that each business segment will take on the challenge of achieving. We formulated the plan by approaching it from both forecasting, which considers the feasibility of achieving goals, and backcasting, which is based on the vision of the future that we want to realize.

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



Note: The above business environment recognition is current as of the time of formulating MTP2025.

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 further strengthening 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.

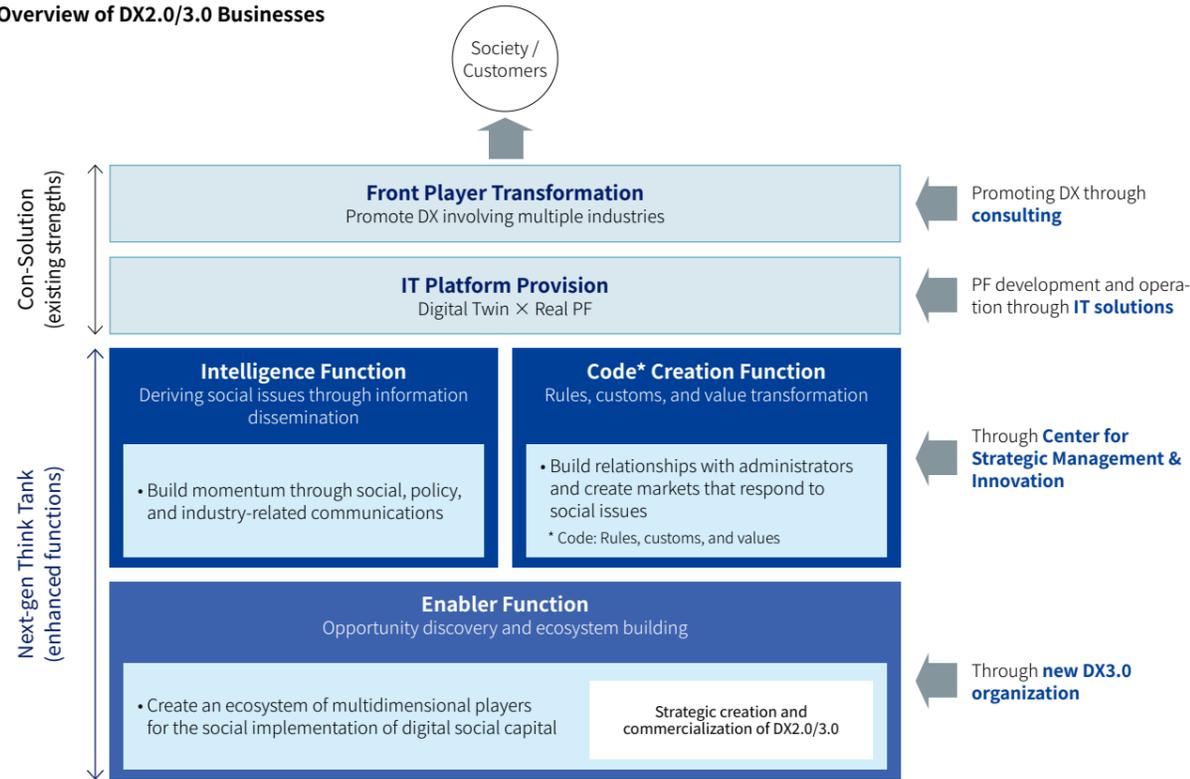
MTP2025: Pillars of Growth Strategy

	Increase competitiveness and value addition
Core Business	<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)	<ul style="list-style-type: none"> • Strengthen think tank functions to accelerate DX2.0/3.0 businesses • Develop pipeline for "Digital Social Capital" creation
Global	<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	<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

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 the 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 an “enabler function,” 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 and 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.

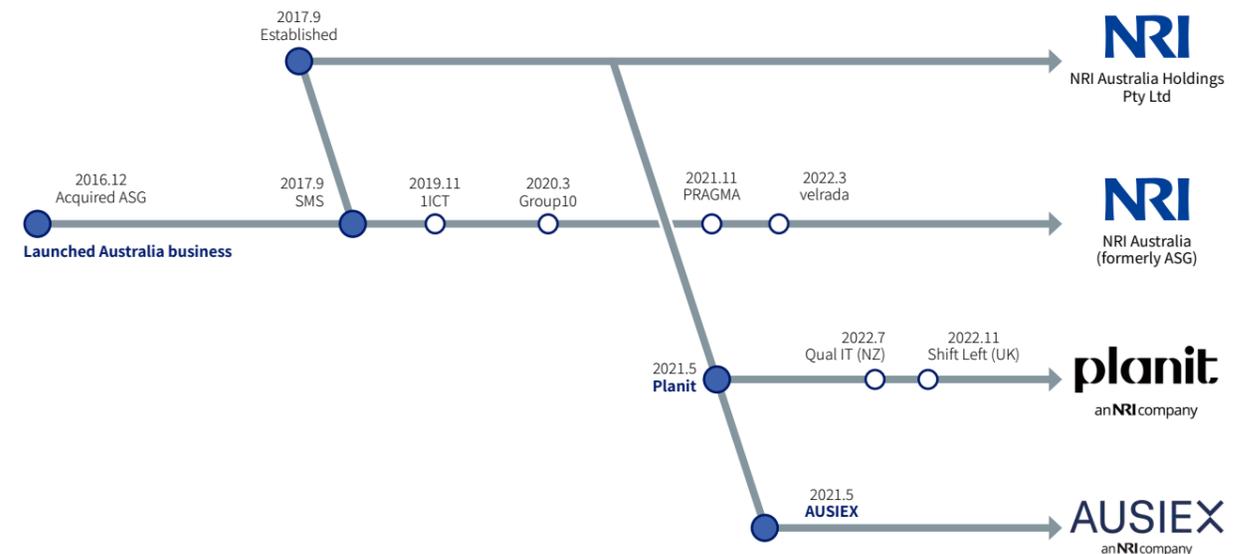
► AUSIEX

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: Strengthening Our Business Infrastructure through Group Integrated Management

NRI has positioned North America as a key market and has been expanding our business there. In December 2021, we acquired Core BTS, which has strengths in network and cloud businesses.

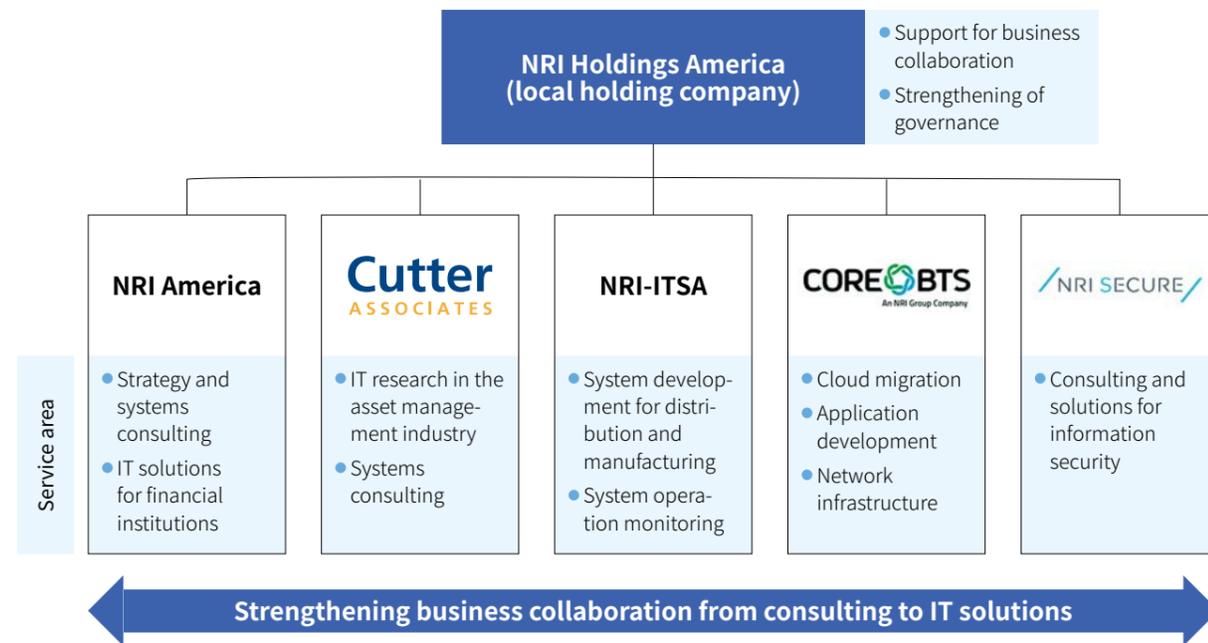
In the year ended March 31, 2024, we worked to further strengthen the competitiveness of Core BTS by improving its menu of offered services, and hosting AI-related seminars and workshops with clients. We also rebuilt our website and focused on disseminating our service menu for each industry. As a result of these measures to strengthen marketing and sales, there has been an increasing trend for new orders, including consulting and application development from new clients.

We also worked to promote joint sales with NRI's existing bases in North America and to integrate our development structure. We focused on solidifying the infrastructure of our North American business by promoting collaboration between Core BTS and NRI IT Solutions America (NRI-ITSA), which provides IT services mainly to the manufacturing and retail industries, NRI America, which provides strategic and systems consulting, and the North American branch of NRI SecureTechnologies (NRI Secure), which operates an information security business. We are also strengthening our management structure in North America by increasing the number of employees at our local holding company NRI Holdings America. Our aim is to accelerate business collaboration and strengthen governance.



A joint seminar by NRI Secure and Core BTS

North American Organization



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)

	(NRI Payroll)	FY2023 Results	FY2025 Plan
Bolster new graduate and mid-career hiring			
	• Strengthen hiring of recent graduates who are unemployed	New graduate hires: 466	500
	• Take in more student interns	Mid-career hires: 256	365
	• Expand hiring channels such as alumni and referrals	* Number of professional employees hired includes employees seconded to subsidiaries, etc., in the scope of the calculation	
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 • 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 on pages 58-73.

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

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

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

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

MTP2025: ESG Measures (Examples)

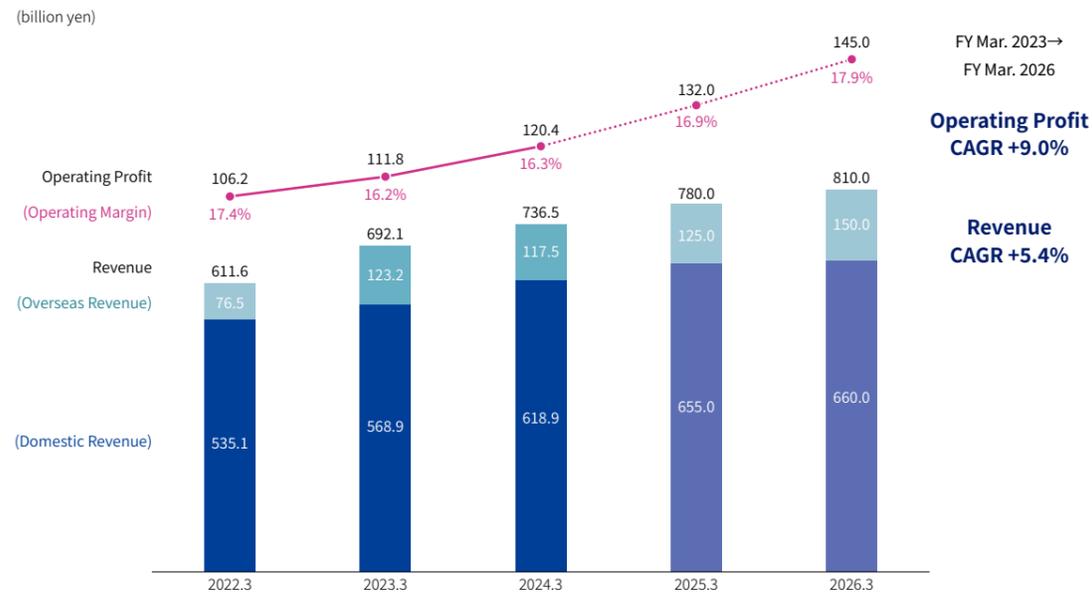
<p>Collaborate with business partners for Environmental contributions</p>	<p>Stronger relationships with stakeholders to Fulfill social responsibilities</p>	<p>Strategic risk control through More advanced governance</p>
<p>Decarbonize throughout entire supply chains</p>	<p>Improve the well-being of stakeholders</p>	<p>Accelerate efforts in the Group and globally</p>
<ul style="list-style-type: none"> • Efforts to achieve net-zero greenhouse gas emissions • Renewable energy usage expansion • TCFD-based climate change information disclosures and natural capital and biodiversity information disclosures 	<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 on pages 82-129.

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%, operating profit of ¥145 billion, with a CAGR of 9.0%, and an operating margin of 17.9%. Additionally, we are aiming 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.

MTP2025 in Figures



	MTP2025					
	FY March 2022 (Results)	FY March 2023 (Results)	FY March 2024 (Results)	FY March 2025 (Forecasts)	FY March 2026 (Targets)	
Revenue	611.6	692.1	736.5	780.0	810.0	(billion yen)
Operating Profit	106.2	111.8	120.4	132.0	145.0	(billion yen)
Operating Margin	17.4%	16.2%	16.3%	16.9%	17.9%	

Note: The planned figures for FY March 2025 are as of April 25, 2024.

Review of FY March 2024

Revenue increased in all segments, to ¥736.5 billion (up 6.4% year on year).

Although profitability declined in overseas businesses, operating profit was ¥120.4 billion (up 7.7% year on year) due to continued strength in core business areas and digital transformation projects, particularly in domestic businesses. This resulted in an operating margin of 16.3%.

The following chart shows the main initiatives for the year ended March 31, 2024, which is the first year of the Medium-Term Plan 2025.

Chart: Main Initiatives for the First Year of the Medium-Term Plan 2025

Pillars of growth strategy	Major initiatives for the year ended March 31, 2024
Core businesses	<ul style="list-style-type: none"> Started AI consulting services Created multiple new clients by combining consulting and IT solutions Expanded finance business platforms including BaaS/CORE Promoted production innovation by introducing a shared platform
DX evolution (DX 2.0/3.0)	<ul style="list-style-type: none"> Created unique business ideas such as forest carbon credits Started providing the identity verification service “e-NINSHO” to regional banks
Global	<ul style="list-style-type: none"> Started integrated management within North America Strengthened collaboration between North America, Australia, and Japan/Asia Expanded NRI Pacific’s structure to acquire cutting-edge technology, such as generative AI
Management	<ul style="list-style-type: none"> Each employee reaffirmed their job satisfaction through “MVV Dialogue.” Formed task forces to address issues such as economic security and the establishment of rules for AI

Key Measures for Achieving V2030

We expect that the domestic IT solutions market will be driven by new themes such as addressing social issues and the use of AI, in addition to traditional themes such as demand for cloud migration of large-scale systems, modernization of core systems, and support for digital transformation. Specifically, we believe that demand from companies in the IT industry will increase as they explore new growth strategies and respond to social issues. We also expect that AI utilization will reach practical application, and AI will go into use in all areas.

In order to leverage NRI's strengths to accelerate our growth strategy, we are focusing on client co-creation, which aims to acquire new large clients, and AI usage, which realizes the expansion of client value through generative AI and improved profitability through production innovation.

Client Co-creation

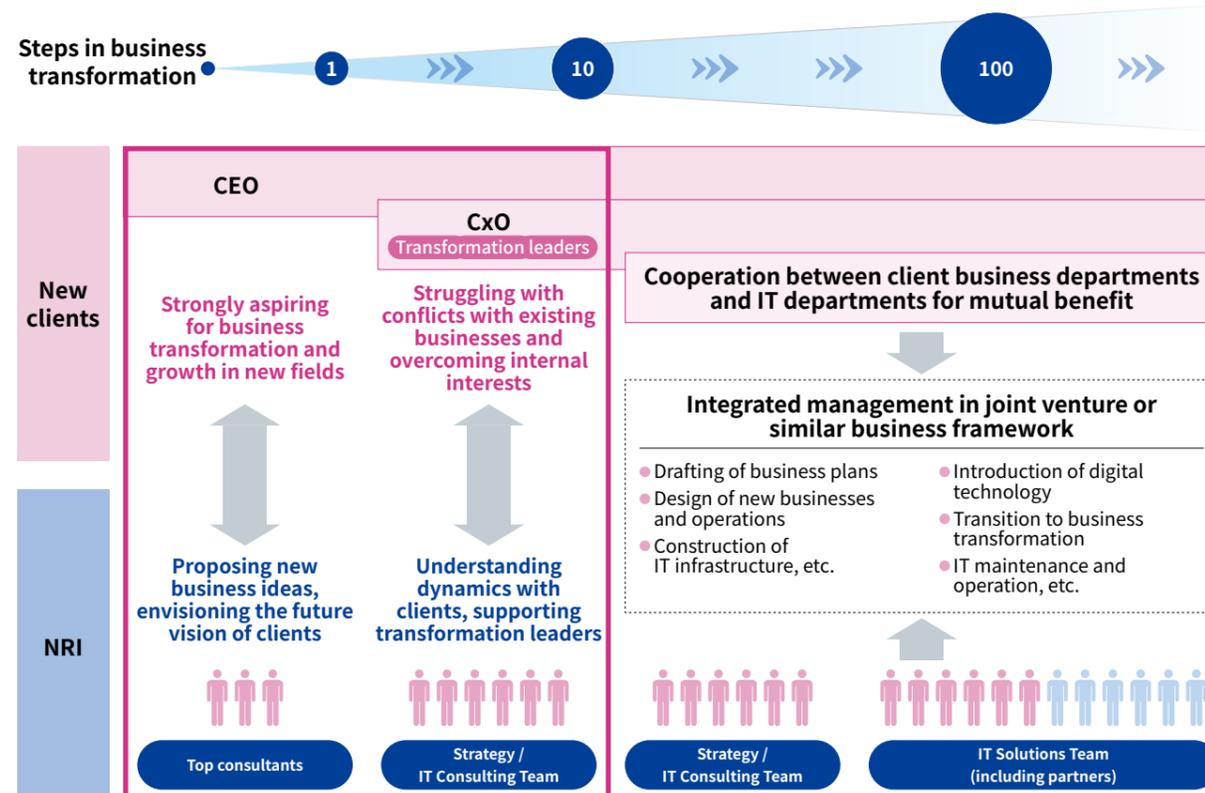
In client co-creation, we aim to approximately double revenue over the V2030 period. In particular, we expect large increases in revenue in the domestic industrial IT solutions segment.

The Con-Solution that we have been working on so far has begun to show patterns in conjunction with establishing a track record. By refining these patterns—that is, by further improving our ability to make proposals to the top management of clients—we will become a long-term strategic partner to clients and seamlessly accompany them from business model development to IT implementation.

Previously, clients for our industrial IT solutions had focused on projects in competitive fields. However, going forward, we expect to see an increase in initiatives addressing social issues such as labor shortages. We would also like to work on creating mechanisms for solving social issues such as planning solutions in collaboration with multiple companies, industry associations, and government agencies that share the same awareness of the issues.

Up until now, the Industrial IT Solutions Department has focused on initiatives to support the growth of existing clients. The Consulting Department has built various relationships with many major Japanese companies. We will use these relationships as leverage to strengthen and expand initiatives with new clients for the Industrial IT Solutions Department.

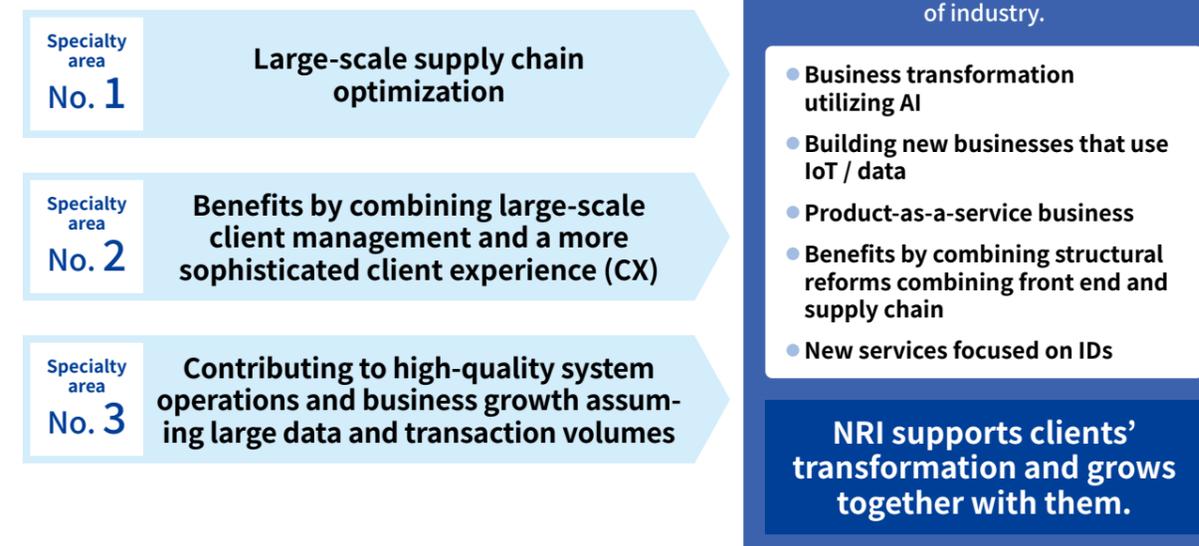
Process of Client Co-creation



The process of client co-creation starts with the client's top management, which has a strong commitment to transformation. NRI's top consultants support the client's top management by visualizing the client's future vision and new business ideas. Next, for the complex and advanced issues faced by the CXO, who will be the transformation leader at the client, our team of strategic consultants and IT consultants demonstrates business insight based on knowledge accumulated over many years, and supports the path to problem-solving and concrete transformation. For example, we will work together with clients to achieve growth, such as by creating a new business model. We will also build and operate IT solutions that are optimal for the client's business departments and IT departments according to the growth and expansion of the client. The consulting and IT solution team is strongly committed to the success of projects so that client growth will lead to the growth of NRI.

To support the sustainable growth of our clients, NRI has continued to work together with our clients' transformation using a medium- to long-term perspective and high-quality service. Based on this track record, our specialty areas for industrial IT solutions include the optimization of large-scale supply chains, large-scale client information management and enhanced client experience, and high-quality system operation assuming a large volume of data and transactions. Going forward, we expect large-scale transformation themes (the use of generative AI, etc.) to expand across all industries and sectors. NRI's strengths are our ability to propose solutions that support competitive domains essential to the business growth of our clients, large-scale system operations, and long-term, continuous system transformation (enhancement). Leveraging these strengths, we will support large-scale transformation themes and continue to grow together with our clients.

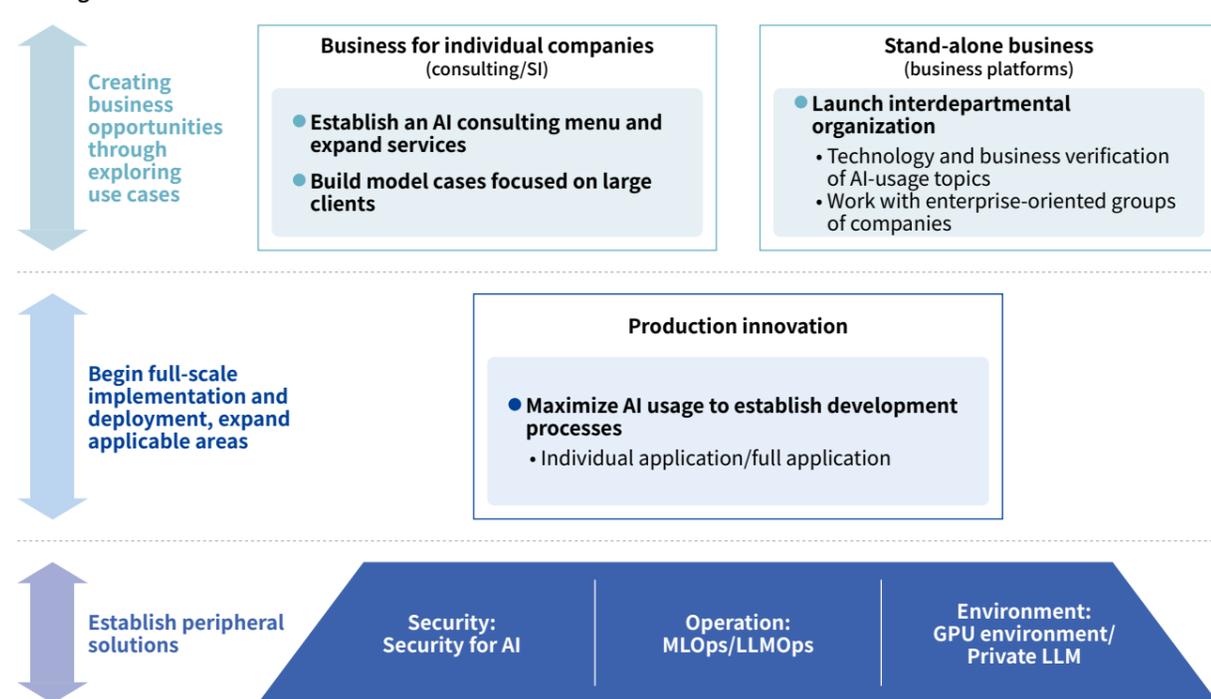
NRI's Strengths and Specialty Areas in Industrial IT Solutions



AI Usage

In AI usage, with AI as a new growth driver, we focus on both top-line growth and more efficient system development. Specifically, we will strengthen the use of AI in three areas: business for individual companies (consulting / SI), stand-alone business (business platform), and production innovation. We are planning approximately ¥10 billion in investments and R&D in the fiscal year ending March 31, 2025, for development of AI-related services, production innovation, and advanced technology research.

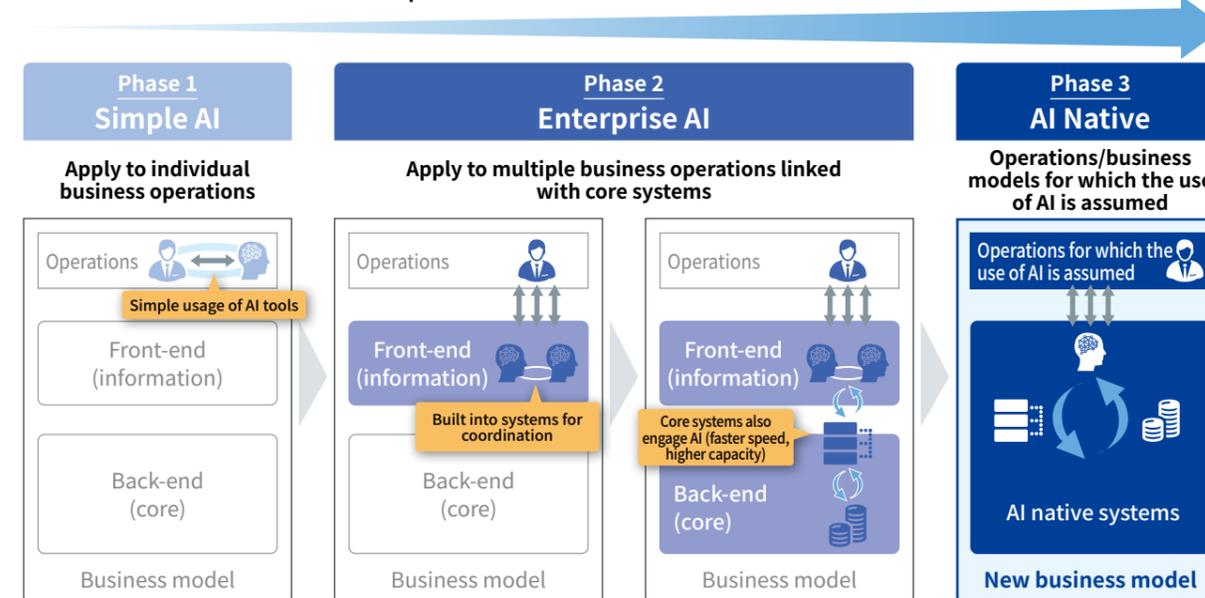
AI Usage Areas



Since the release of interactive generative AI in November 2022, the use of AI has continued to evolve. Initially, there were many simple applications applied to individual business operations. Afterwards, AI began to be incorporated into front-end systems. For example, concierge-type AI in the retail industry possesses functions like a veteran store clerk; specifically, it discovers client needs through dialogue and proposes products in response to vague consultation. Furthermore, assistant AI handles overall operation consisting of various tasks while store staff engage in dialogue with the AI. The use of AI in such front-end systems is expected to achieve great results in the future. One example is improving the efficiency of the entire supply chain by strengthening collaboration with core systems. NRI excels in the construction and operation of large-scale, complex systems such as core systems. We believe that NRI's strengths can be further demonstrated as the scope of application for generative AI expands.

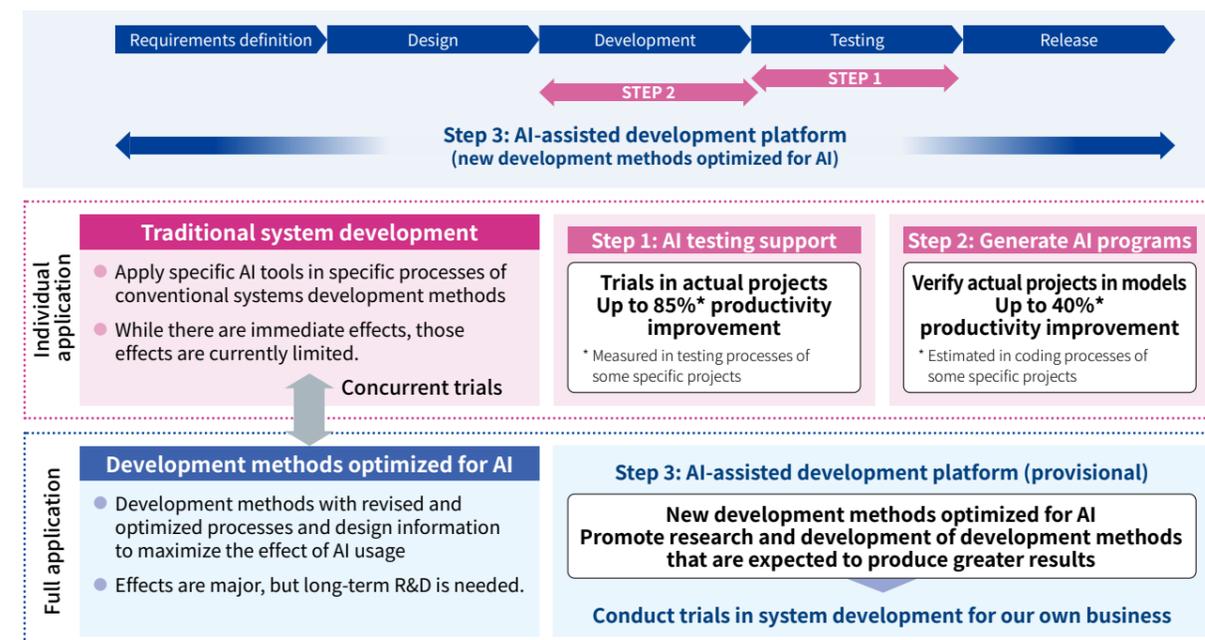
Going forward, we envision transformation to a new business model that considers AI usage when designing operations and utilizes AI native systems. We will gain insight into megatrends that will determine the future direction of business and aim for sustainable growth.

Use of AI in Business for Individual Companies



In our Medium-Term Management Plan (2023–2025) announced in April 2023, we explained our production innovation initiatives, including plans to use AI to reduce labor hours in testing processes and to reduce work hours for program generation in the development process. Under certain conditions, we have achieved productivity improvements of up to 85% in testing processes and up to 40% in development processes. In the year ended March 31, 2024, we promoted the application of tools using AI in each organization. In the year ending March 31, 2025, we are not only applying AI to individual businesses but also preparing for full-scale application of AI, including conducting research and development of development methods optimized for AI. This initiative is possible because NRI owns its own software assets. In fact, for one business platform, we have moved forward some of the system upgrades scheduled for the year ending March 31, 2026, to the year ending March 31, 2025, and are working on trials to improve productivity by using AI. Our main goal is to have the results of improved productivity reflected as financial performance, but we also believe that the knowledge and experience gained through research and development will be a source of growth for the medium to long term.

AI Usage in Production Innovation



Interview with the CFO

Under new leadership, we will implement a flexible and creative financial strategy to drive our growth strategy.



Yoshihiko Sunaga

CFO, Senior Corporate Managing Director

The appointment of the new CEO has attracted attention from both inside and outside NRI. Are there any changes to the financial strategy of the Finance Department?

In April 2024, our company welcomed a new CEO and started a new structure. This is the first time that we changed our CEO in eight years. I believe that the change has attracted significant attention from both inside and outside our company. We will promote financial activities so that we can become a vibrant organization that incorporates the policies of our new management team while developing the foundation built by our previous CEO.

In our Medium-Term Management Plan (2023–2025) (hereinafter, “Medium-Term Plan 2025”) announced in April 2023, we set a policy of maintaining a return on equity (ROE) of at least 20%. In the year ended March 31, 2024, which was the first year of the plan, we essentially achieved our target of 20%. There is a sense of growth at NRI. Nevertheless, this target is not a finish line; rather, it is a starting point for aiming for even greater heights. With our new structure in place, we are determined to continue working on our business while being conscious of even more efficient management.

The importance of capital efficiency has been widely reconfirmed since the Tokyo Stock Exchange issued a request in March 2023 in regard to management that considers capital costs and stock prices. This request was issued in response to a situation in which half of Japan’s listed companies are facing a slump in price-to-book ratios (PBR) and have challenges in efficient corporate management. On the other hand, NRI has long

practiced management that considers capital return and capital costs based on the balance sheet. Our PBR is significantly higher than one, which is higher than our domestic competitors. The biggest factor is our high level of ROE, which is backed by our industry-leading profitability and productivity. Looking at past trends, our ROE exceeds the cost of shareholders’ equity calculated using CAPM. Although we currently have a sufficient equity spread, we will continue to implement appropriate financial measures to achieve the ROE target set out in Medium-Term Plan 2025. This will contribute to improving our stock price.

What specific initiatives will you take?

Just as ROE can be broken down into profit margins, total asset turnover, and financial leverage, in order to achieve ROE targets, we must consider not only profitability but also balance sheet efficiency and procurement structure. We verify profitability and capital efficiency by analyzing how much borrowed capital and equity capital are allocated to each asset item such as operating assets, investment assets, and M&A-related assets. For example, short-term projects such as consulting do not require a large amount of investment, so the balance sheet is considered to be mainly composed of working capital, accounts receivable, and accounts payable. When accepting orders for such projects, we continuously review our standard profit margin to maintain and improve our profitability, which is one of our strengths, while also controlling our assets and liabilities. Moreover, when making decisions on investments in software for

our own use, where capital is allocated over the long term, as well as investments in capital and M&A, we determine whether or not to make an investment by calculating the current value of future cash flows based on the weighted average cost of capital (WACC). We conduct an annual review of the discount rate as necessary, and manage investments based on return on capital.

We strive to improve capital efficiency by setting appropriate hurdle rates for both short-term and long-term business. By allocating surplus funds generated in this process to repay loans and provide shareholder returns, we are able to efficiently manage our efficient balance sheet and control financial leverage. One of the CFO’s responsibilities is to provide a stable investment environment for business by maintaining an appropriate WACC through adjustment of our procurement structure. A stable business environment leads to new investments that create further profit opportunities. By

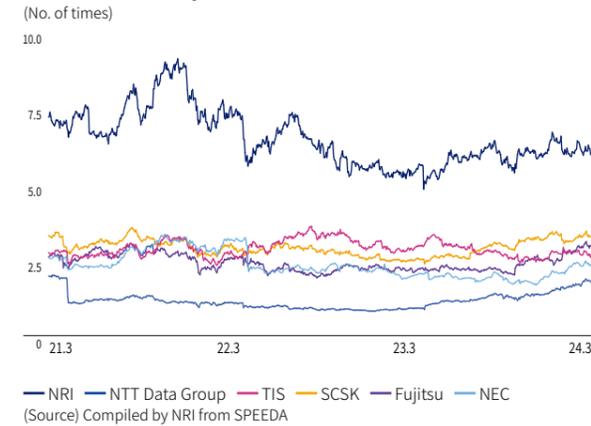
viewing a series of financial activities as a cyclical structure and appropriately implementing improvement measures identified at each stage of that structure, we aim to achieve our ROE target from a multi-faceted perspective.

From the year ending March 31, 2025, we have begun an initiative to link a portion of compensation for members of the Board, senior managing directors, etc., to ROE. By having our management team commit to achieving the target ROE of 20% or higher, we will strive to further improve our business value.

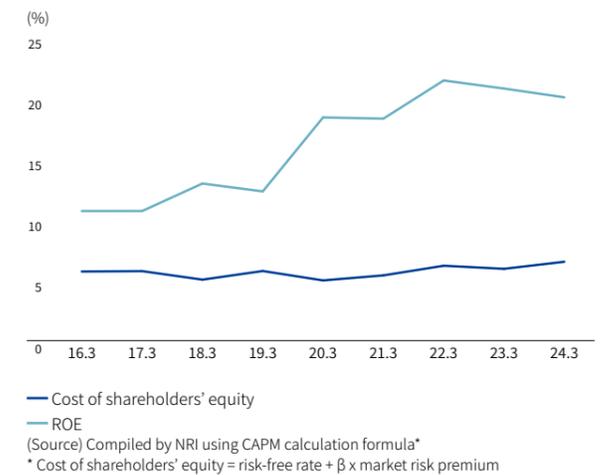
How do you think the current financial conditions will affect NRI’s financial strategy?

The negative interest rate policy that Japan had followed since 2016 was ended in March 2024. Japan will once again have a financial world with positive interest

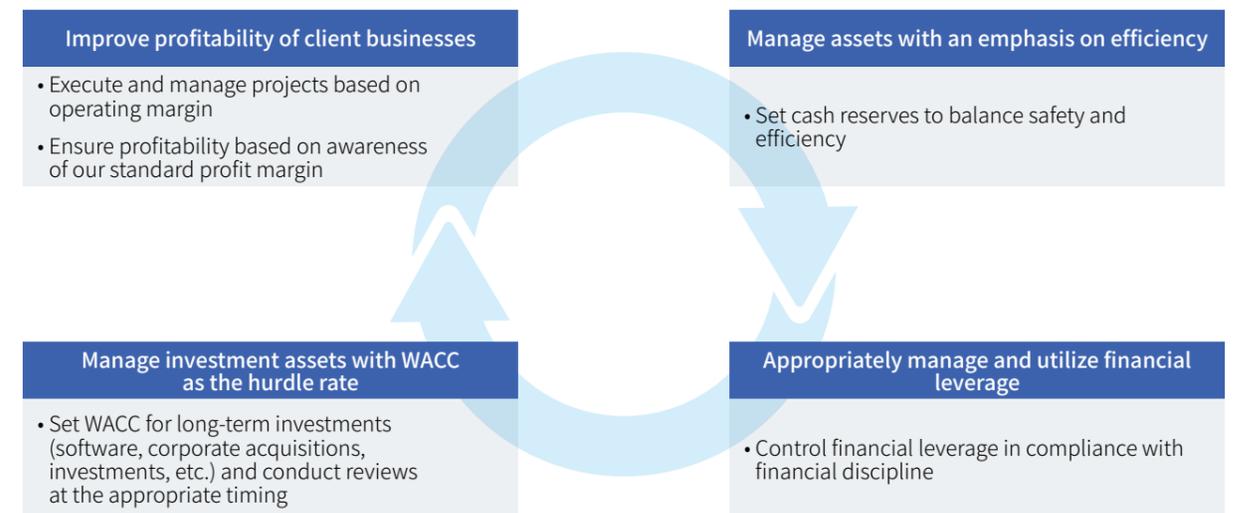
Comparison of PBR with Other Japanese Companies in the Same Industry



Trends in ROE and Shareholders’ Equity



Circular Structure of Measures to Improve ROE



rates. When considering the recent interest rate levels, our ability to procure corporate bonds in December of last year was good timing. In a tough environment where other companies were also moving to procure funds due to concern for rising interest rates in the future, we made efforts to engage with investors through debt IR. As a result, we received excess demand for each of the three bond lengths of 5-year, 7-year, and 10-year bonds. Since we were able to determine terms at a time when interest rates were low, we were able to extend the average redemption period and lower the weighted average interest rate, thereby establishing a more stable financial base.

In terms of our future financial strategy, we believe that we must promote efficient cash management while being conscious of Japan's new financial environment of positive interest rates. Currently, we aim to maintain working capital on hand equivalent to about two months of sales. However, we recognize that there is room to reexamine the appropriateness of this level. We will determine our appropriate level as a company that is responsible for social infrastructure, and work to optimize our cash management.

In regard to cash allocation, we will continue to focus on investment in existing businesses, growth investment, and returns to shareholders. In order to achieve the ideal state of our company in 2030 as defined in the NRI Group Vision 2030 (hereinafter, "V2030"), we will appropriately allocate funds to uncover growth opportunities such as investing in generative AI businesses.

As until now, we will continue to work proactively to ensure returns to shareholders. Following our acquisition of ¥50 billion of treasury stock in the year ended March 31, 2024, we have decided to acquire ¥30 billion of treasury stock in the year ending March 31, 2025. In regard to dividends, our target dividend payout ratio is

40% in our Medium-Term Plan 2025. We have increased the dividend per share for the year ended March 31, 2024 to ¥53, which is an increase of ¥8 yen from the year ended March 31, 2023. Going forward, we will continue to return the fruits of our growth to our shareholders who support us by steadily increasing our acquisition of treasury stock and dividends, while at the same time considering the level of surplus funds.

The importance of sustainability is also increasing in our Finance Department.

The realization of a sustainable society is a shared value permeating through all of our business activities. The Finance Department has also recognized the importance of sustainability in financial strategies from an early stage and has carried out financial activities with awareness toward sustainability. In conjunction with increased discussion in regard to sustainability in Japan in recent years, we are working hard to strengthen networks among Japanese companies. From the year ended March 31, 2024, we have participated in the CFO Network of the WBCSD (The World Business Council for Sustainable Development), an organization involved in rule-making and policy recommendations, and have held repeated discussions on the status of sustainability disclosure in Japan. In July 2024, we co-hosted a roundtable that featured attendees including the International Sustainability Standards Board (ISSB), the Financial Services Agency (FSA), and CFOs and CSOs from Japanese companies. The roundtable was a meaningful opportunity to discuss challenges that each company faces in terms of sustainability disclosure. We will continue to enhance our network with other companies through participation in various initiatives and contribute to improving the quality of sustainability disclosure throughout Japanese companies.

Furthermore, as CFO, I will manage financial and non-financial capital in a consistent manner and promote innovative financial strategies.

Would you please give a message to NRI's stakeholders?

In our role as the Finance Department of a company with the corporate statement of "Dream up the future," we have been conducting financial activities to create new value based on insight into the future and to contribute to society. For example, in terms of bond issuance, we are actively challenging ourselves to use novel products to raise funds; in other words, we aim to "Dream up the future" in the capital market. The WBCSD has also implemented advanced fundraising methods. We are the first Japanese company to issue green bonds, kabuki bonds, and digital bonds. NRI also issued sustainability-linked bonds using a new scheme that is first in the world. We will continue to seek out new possibilities and contribute to the capital market, while

also continuing to question the capital market about innovation that will lead to the future.

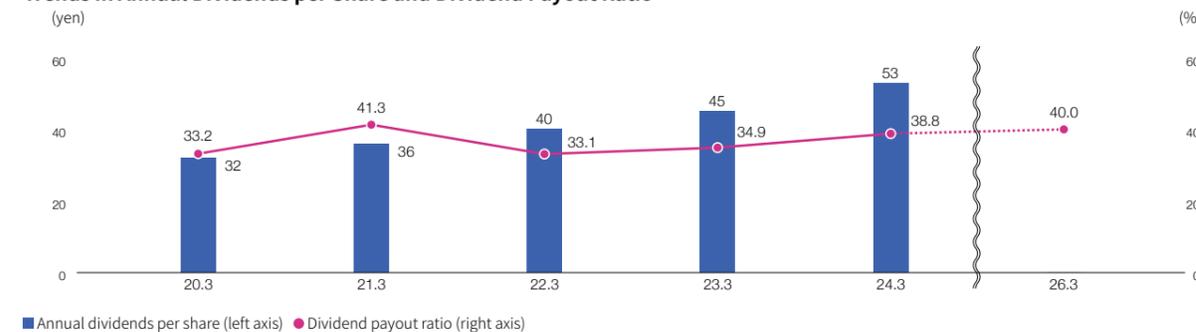
Under our new leadership, we will continue to promote our growth strategy towards the realization of V2030. We at the Finance Department will respond to the constantly changing external environment, and will quickly and flexibly execute optimal financial strategies. We are committed to giving our utmost effort in order to fulfill our responsibility to society and to create a better future. I sincerely ask for understanding and support from all of our stakeholders.

Ratings Information

Name of rating organization	Year ended March 31, 2024
Rating and Investment Information, Inc. (R&I)	AA- (Stable)
S&P Global Ratings Japan Inc.	A (Stable)

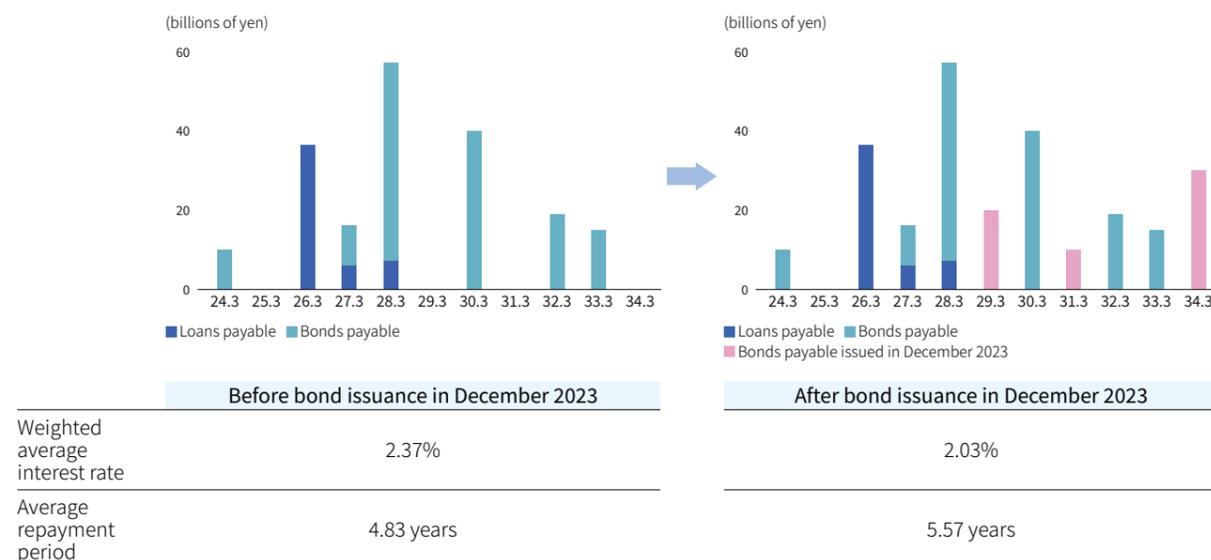
Note: Long-term rating (forecast)

Trends in Annual Dividends per Share and Dividend Payout Ratio

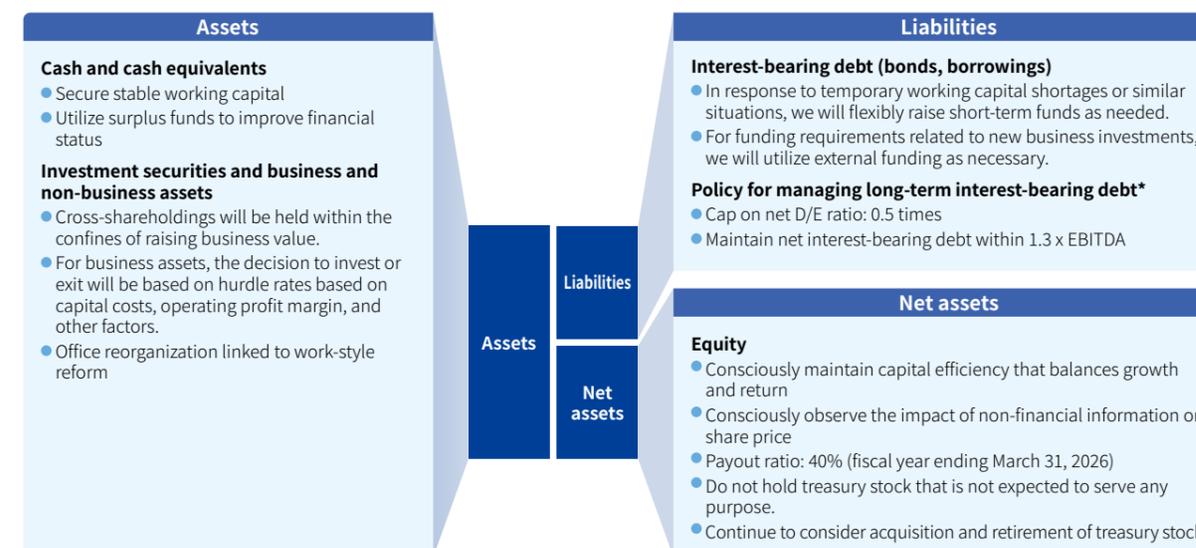


Changes in Interest-Bearing Debt Interest Rates and Redemption Period for NRI (Non-Consolidated)

(including foreign currencies; as of December 2023)



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 take on challenges for medium- to long-term growth, fueled by the values passed down since our founding.

Hidenori Anzai

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



Co-creation with diverse stakeholders

NRI Group Vision 2030 (V2030), which started in April 2023, has entered its second year. We are engaging in various initiatives with diverse stakeholders to achieve long-term growth.

For example, the comprehensive securities back-office solution THE STAR marks its 50th anniversary since its operation began in 1974, contributing to the efficiency of back-office operations.

A securities back-office system requires high levels of stability, reliability, and robustness because it demands immediacy and accuracy in all processes, such as stock orders, and any system failures can have wide-ranging impact. The current form, which can be called “social infrastructure,” has been achieved thanks to the various opinions, encouragement, and critiques we received from many clients over the years. Moreover, it requires the cooperation of many business partners, the capabilities of NRI employees, the knowledge we have built up in our development framework, and the management expertise from large-scale projects such as the Systems Development Committee. All of these elements have emerged from co-creation with a wide range of stakeholders.

Co-creation with clients

At NRI, we host events to deepen our interaction with clients. At NRI Executive Forum 2023, held in October 2023, many clients expressed expectations for “outsourcing operations” and “support for streamlining business processes,” and we shared insights on the future potential of utilizing generative AI.

We hypothesize that AI usage will develop in a structure similar to DX. In practice, AI usage, like DX, is starting from the front end. When AI is applied to front-end systems, the importance of properly integrating with databases in core systems increases, leading us to anticipate that back-end reforms will also become necessary. Currently, our clients’ expectations for AI usage are mainly focused on consulting and proof of concept (PoC) in the front end. However, we are preparing to respond at any time to the anticipated future need for reforms in core systems to accommodate AI.

NRI owns business platforms as part of its software assets. In the case of one such business platform, we are planning a cloud migration by the fiscal year ending March 2026. In this project, we are conducting trials to thoroughly implement AI usage. We measure how much productivity can be improved with AI compared with previous methods, and if significant positive results are expected, we believe we can reconsider the approach to migration. This kind of initiative is something unique to NRI, due to our ownership of software assets.

Toward creation of social value

The use of generative AI has rapidly advanced in recent years. At NRI, we always maintain a keen awareness of cutting-edge technologies like generative AI, continuously considering how these technologies can benefit our clients and society. In addition, in new areas where existing rules and regulations are difficult to apply, we must consider the impact on society as a whole, including our clients. Recognizing the inherent risks of generative AI, we have established the NRI Group Basic AI Policy, which includes considerations to ensure human rights, quality assurance, and information security. Based on this policy, we have established a framework to promote the appropriate use of generative AI and to ensure thorough understanding among our employees.

NRI aims to “dynamically transform the world with ‘Digital Social Capital,’” and toward this goal, we are continuously refining and improving the use of new technologies like generative AI to ensure they are applied in beneficial ways.

Employees with a high level of expertise and diverse systems of value

At NRI, there is a culture of self-motivated learning among employees. In other words, many employees are highly curious about new technologies, and since the emergence of generative AI, various departments have independently started bottom-up research on how to utilize it in their work, how it can benefit clients, and how to address the risks associated with its use. This has led to the continuous accumulation of valuable information and insights.

When it comes to new technologies like generative AI, the issues faced by many departments, and the solutions to those issues, often share commonalities. To provide high-value-added services to multiple industries and a broad range of clients, we have formed a companywide task force dedicated to promoting the use of AI. For example, this includes systematic information sharing through our internal portal, weekly study sessions, and discussions via chat tools. As of June 2024, approximately 2,800 employees were registered on this chat tool, and information is frequently updated.

As the company grows, so does the size of the organization. However, we believe it is important for each employee to be aware of the significant responsibilities entrusted to them, to continuously acquire new technologies and skills on their own, and to continue collectively demonstrating a wide range of expertise and abilities as an organization.

Engagement with our business partners

The system projects we handle are made possible through the cooperation of our domestic and international business partners. For example, regarding agreement with the NRI Group Business Partner Code of Conduct, which aims to align activities across the entire supply chain with NRI’s policies, we have received support from many business partners. We also ask for their cooperation in self-assessments related to sustainability and obtaining outside certifications. In addition, we hold Sustainability Dialogue with Business Partners annually to share information and exchange opinions on sustainability activities. We will continue to work together with our business partners to strive for continuous improvement.

Dialogue with shareholders and investors

Another important aspect in pursuing ongoing growth is our connection with capital markets. NRI places great importance on dialogue with investors and analysts, and we share the insights from these discussions with the Board of Directors and actively incorporate them into our planning processes. This approach has been lauded, and our IR activities and information disclosure have received high praise* from outside the company. We will continue to engage with capital markets to identify areas for improvement and strive for continuous enhancement.

We ask for your continued guidance and encouragement in our efforts toward NRI’s ongoing growth.

* Awards received: Grand Prize at the 3rd Nikkei Integrated Report Awards, the Japan Investor Relations Association’s “Best IR Award 2023,” and the Securities Analysts Association of Japan’s “2023 Excellence in Corporate Disclosure Award”

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.

*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 Calculated based on a simplified calculation method in accordance with the Ministry of the Environment's guidelines. Actual reduction effects are not reflected in the calculation figures (a review of the calculation method is currently under consideration).
 *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

➡ Continuation of efforts ➡ Further progress of efforts

Materiality	2030 Goals	Major Initiatives	KPI	FY March 2026 Targets (Part of the target is for FY March 2031)	FY March 2024 Results		Contributions to SDGs
				KPI	Status of Efforts		
Value Creation	<p>Co-create a Thriving Future Society</p> <p>Derive value from excellent human capital and intellectual capital to expand digital social capital</p>	<ul style="list-style-type: none"> Business model transformation <ul style="list-style-type: none"> - DX consulting, analytics - Business expansion through AI usage - Social DX (e.g. utilization of My Number, regional revitalization, etc.) Policy proposals, advocacy, information and knowledge sharing, etc. 	Overall investment and spending on measures for DX 2.0/3.0 that transforms industries and society	¥63.0 billion ^{*1}	¥15.1 billion	➡	
	<p>Co-create an Optimal Society</p> <p>Effectively utilize resources (such as human resources, public assets, IP) and recycle natural resources through the use of business platform and data analytics</p>	<ul style="list-style-type: none"> Business process transformation <ul style="list-style-type: none"> - Strategy / operations / system consulting - Value chain DX (CO: visualization, circular economy platforms creation) Shared operation through business PF <ul style="list-style-type: none"> - THE STAR, BESTWAY, etc. 	Revenues of business platforms that help to achieve an optimal society	¥141.0 billion	¥137.4 billion	➡	
	<p>Co-create a Safe and Secure Society</p> <p>Provide a highly advanced IT infrastructure to protect social infrastructure and data from disasters and cyber risks</p>	<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. 	Revenues related to safety and security to enable a more resilient society ^{*2}	¥216.0 billion	¥185.5 billion	➡	
				Employee's sympathy for social value creation (domestic Group companies) ^{*3}	70%	67%	➡
Value Creation Capital	<p>Advance Human Capital</p> <p>Create a workplace where highly skilled professionals with diverse values gather to grow</p>	<ul style="list-style-type: none"> Improve growth opportunities for each individual Promote diversity and inclusion Enhance capability to realize the growth story, etc. 	Employee engagement score (NRI payroll) Female opportunity offering rate ^{*4} (non-consolidated)	More than 70 continued 17%	71 15%	➡	
	<p>Accumulate Intellectual Capital</p> <p>Sublimate individual knowledge into organizational strength (such as business model, brand, and capability)</p>	<ul style="list-style-type: none"> Evolve business model (e.g., AI-enabled production innovations, expand software assets) Create a continuously evolving brand (e.g., enhanced content for information and knowledge sharing) Strengthen organizational capability to support business development (e.g., quality control, productivity innovation), etc. 	Amount of investment in creating and accumulating intellectual capital	¥41.0 billion ^{*1}	¥14.1 billion	➡	
Management Basis (ESG)	<p>Contribute to Global Environment</p> <p>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</p>	<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. 	Greenhouse gas emissions reduction rate / Renewable energy usage rate (base year: 2019)	FY March 2031 Targets Scope 1 + 2: Reduce by 97% , Neutralize residual emissions Scope 3: Reduce by 30% Renewable energy usage rate: 100%	Scope1 + 2: 86% decrease Scope 3: 21% increase ^{*5} Renewable energy usage rate: 95%	➡	
	<p>Fulfill Our Social Responsibilities</p> <p>Fulfill social responsibilities in the entire supply chain, such as good relationships with stakeholders, creating a healthy workplace, and commitment to human rights</p>	<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. 	Rate of consent to the NRI Group Business Partner Code of Conduct ^{*6} or possessing own such codes of conduct ^{*7}	Domestic Group 90% Global 80%	Domestic Group 80% Global 70%	➡	
	<p>Evolve Governance</p> <p>Strive for balanced governance, including strategic risk-taking, to control risks with a long term perspective</p>	<ul style="list-style-type: none"> Maintain / operate Groupwide governance and internal control Enterprise risk management Strengthen quality control and information security management Promote disclosure and improve transparency Enhance compliance, etc. 	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	5	➡	
				DJSI World	Selection Continued	Selection	➡

Message from the CEO
 NRI's Value Co-Creation
 V2030
 Growth Story for 2030
 MTP2025
 Value Creation
 Value Creation Capital
 Materiality
 Management Basis (ESG)
 Corporate Information / Data

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.

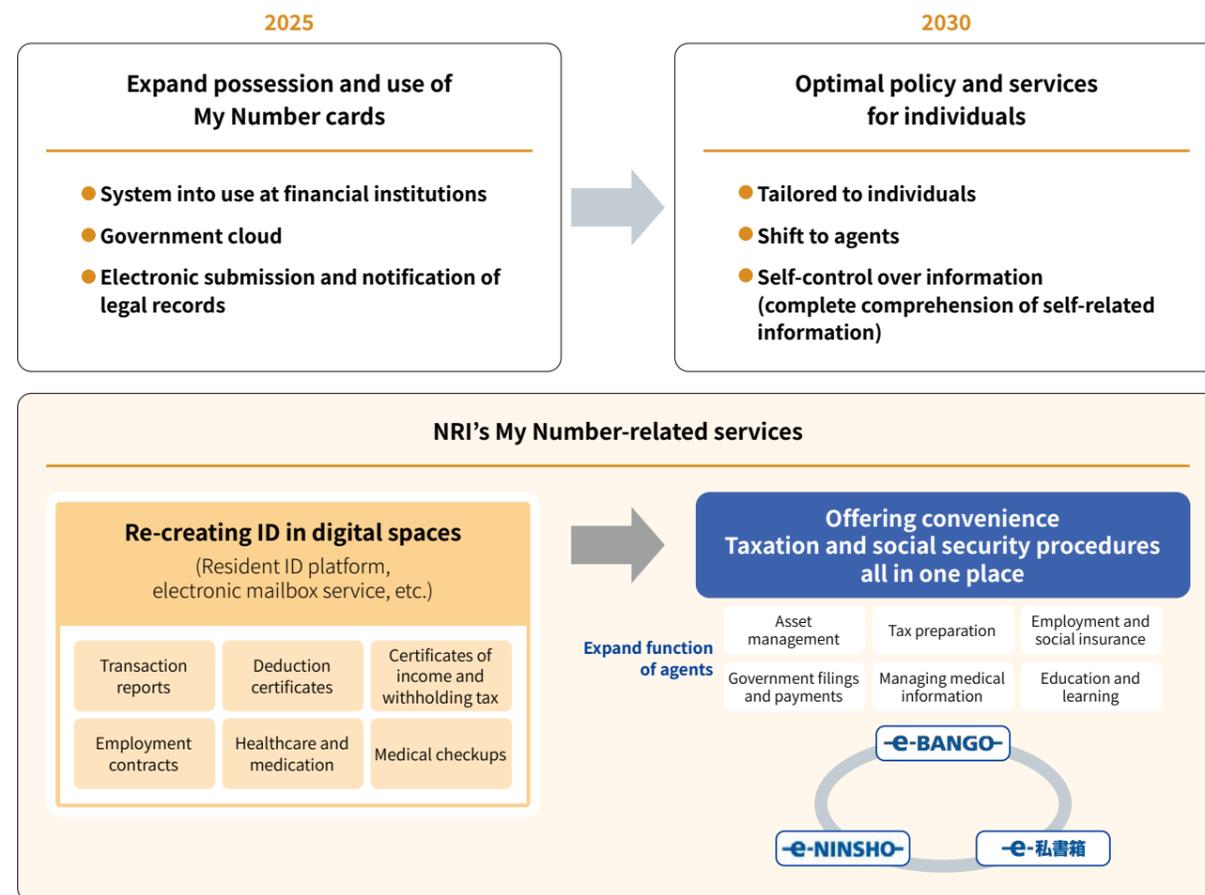
As we move toward 2030, we aim to contribute to the realization of a thriving society in which everyone can lead a prosperous life by enriching outstanding human capital and intellectual capital, as well as the digital social capital for creating value from those two types of capital.

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. These services include an ID platform for residents in Japan, 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

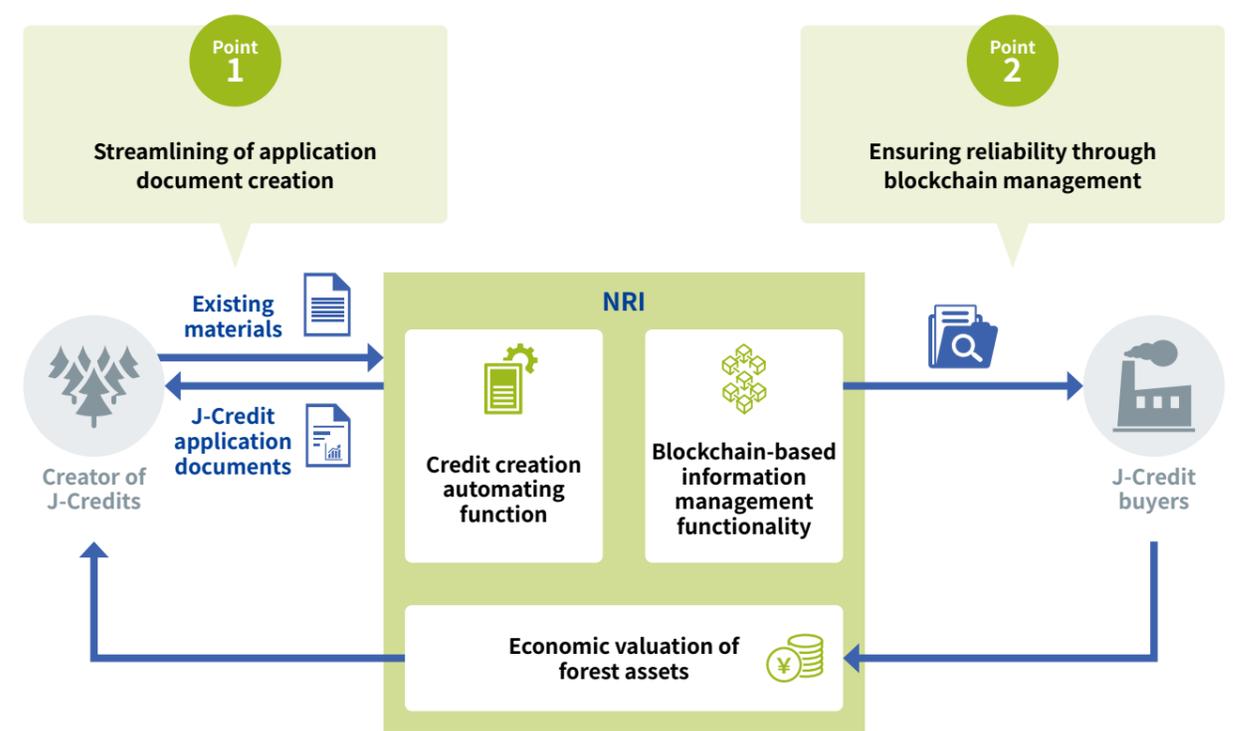
NRI operates shared online platforms such as THE STAR and BESTWAY in order to assist in the transformation of business processes at financial institutions and the reduction of greenhouse gas emissions through the shared use of information systems.

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

For example, as an initiative contributing to the increase in carbon absorption, we are advancing the creation and promotion of the distribution of Forest-Derived J-Credits. By addressing issues such as the high burden of preparing application documents and the need for a long-term, reliable information management system, we aim to promote proper forest management and timber utilization. This will help reduce CO₂ emissions and resolve regional issues involving forests.

Example Initiative: Promotion of Forest-Derived J-Credit Creation and Distribution



(Reference) "Initiatives in Forest Credits" introduction video <https://youtu.be/pkbrVKzrYpY>

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

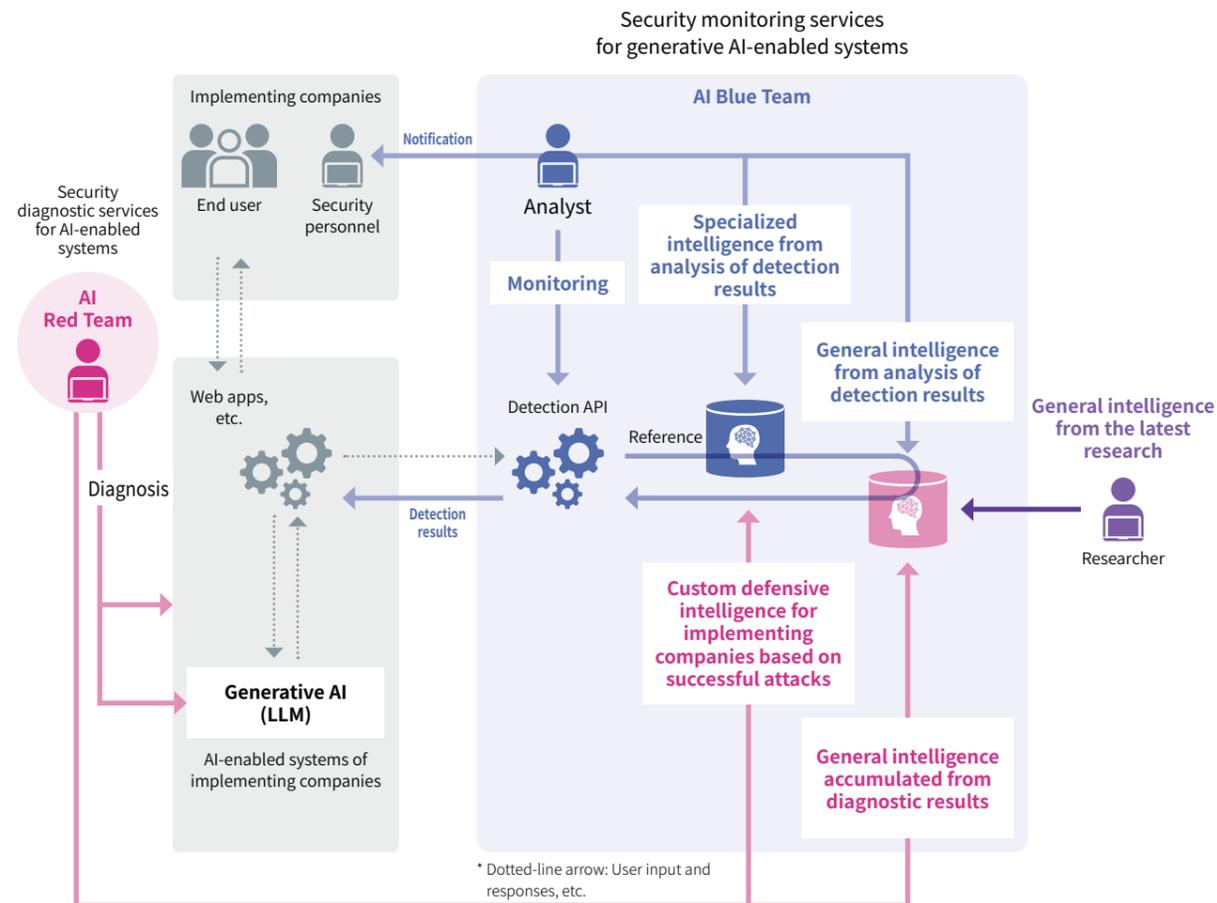
As information infrastructure becomes increasingly complex, NRI is promoting businesses that undertake security guaranteed infrastructure. The integration of business and technology is accelerating, and digital twins are expected to create new business models.

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 these goals, we will work to acquire advanced technologies and to create safe, secure, and high-quality services.

For example, we support the overall safety and security of systems by combining NRI SecureTechnologies' AI Red Team service, which evaluates security issues related to AI-specific vulnerabilities and the overall information security of systems including AI-integrated functions, with the AI Blue Team service, which provides continuous monitoring of AI applications.

Example Initiative: Information Security Diagnostic Services and AI Application Monitoring to Support the Safety and Security of AI Usage

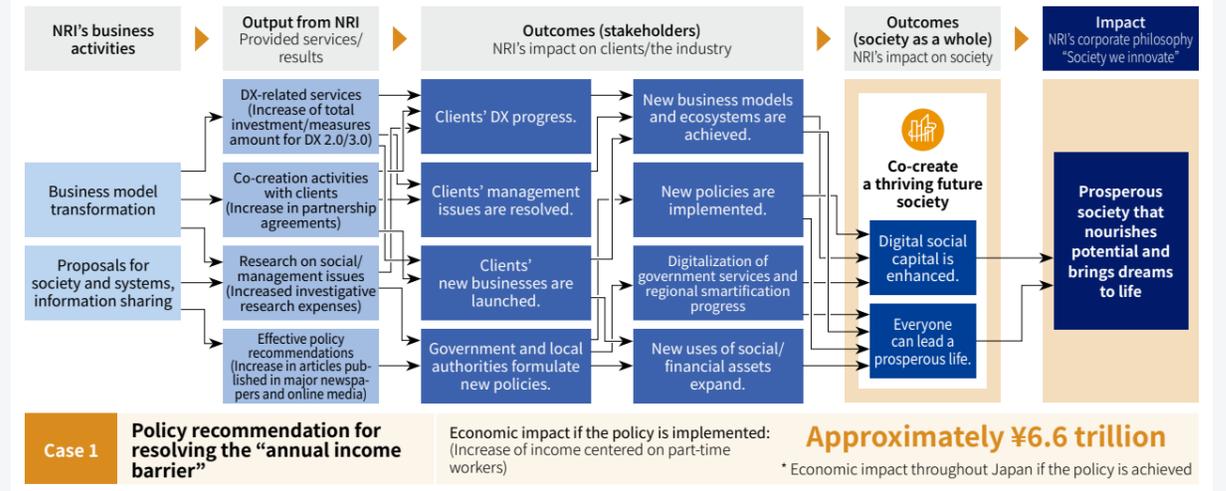


Calculation of Social Impact Generated by NRI's Business Activities

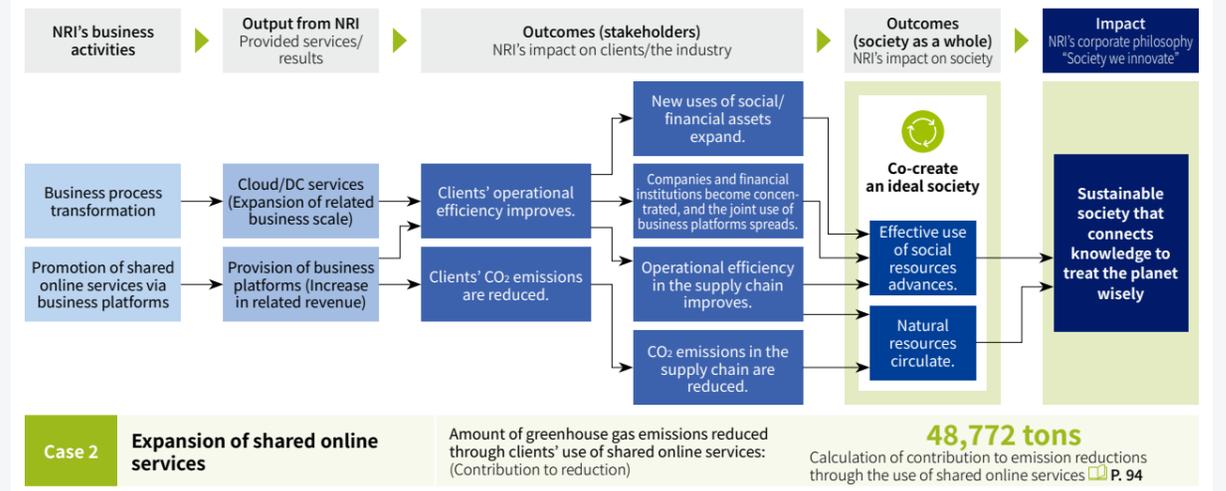
We visualize the process of creating social impact through our business activities and are also working on quantitative calculation of social impact.

Social Impact Generated by NRI's Business Activities and Examples

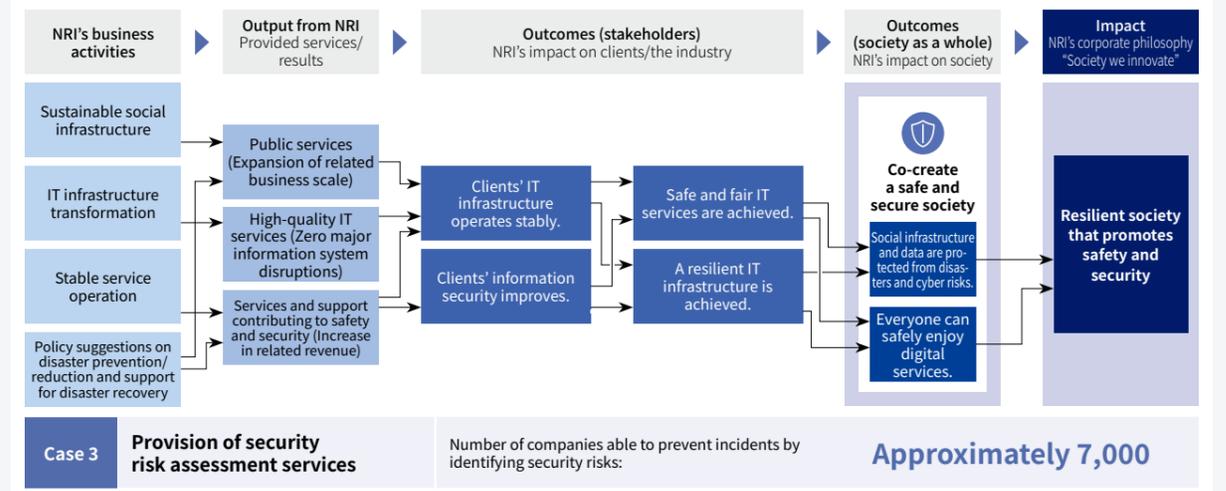
(1) Co-create a Thriving Future Society



(2) Co-create an Ideal Society



(3) Co-create a Safe and Secure Society





Advance Human Capital

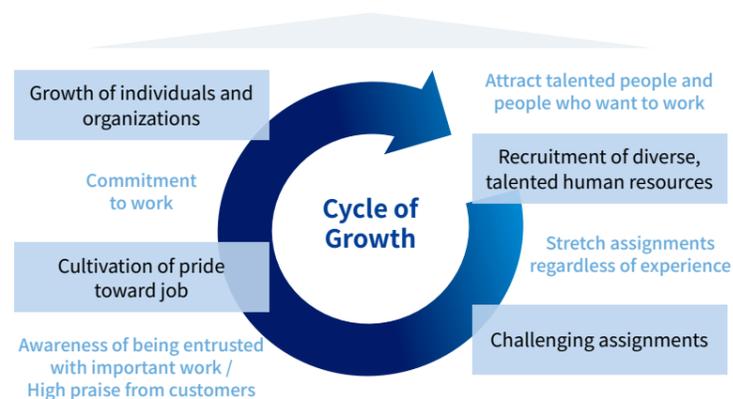
Through Bold Actions and Growth of Diverse Professionals

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 talented personnel and encourage their growth. We are evolving NRI's unique growth cycle daily to adapt to changes in the times and the environment. 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 produce the maximum results, and we invest in the necessary human capital.

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 and initiatives 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.

In addition, we continuously monitor the issues that arise within the growth cycle due to these changes and implement improvements and measures in our human resource systems and mechanisms.

Human Resource Systems and Mechanisms to Support the Growth Cycle

Onboarding support to strengthen hiring of recent graduates and enable mid-career hires to play an active role at an early stage	To address the increase in recruitment and the intensifying competition for IT talent due to the company's expansion, we are strengthening our recruitment activities and ensuring appropriate compensation based on performance, continuing to focus on attracting top talent. We are also enhancing onboarding support, such as expanding training programs and development systems, and working to create an environment that facilitates the early success of mid-career hires.
Flexible assignment of roles	NRI intentionally refrains from establishing 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. The new human resources system allows for promotions and advancements based on performance, regardless of age, and has a structure that better recognizes challenges beyond one's mission or role.
Balance between independent career development and strategic rotation that offers diverse experiences	At NRI, employees are asked to independently develop their own careers. At the same time, we believe that transfers, assignments, and strategic rotations that allow individuals to broaden their perspectives and gain diverse experiences contribute to their growth, and we prioritize this balance.
Treatment and development investment appropriate for professionals	NRI's comprehensive economic compensation packages, including salaries, bonuses, and benefits, are maintained at a level appropriate for professionals, with the proper operation of the human resources system and necessary reviews of compensation when needed. 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

To effectively drive NRI's unique growth cycle and expand human capital, securing talented personnel is essential, and we continue to make proactive investments in this area. For the human resources we recruit, we focus on each individual, providing opportunities for growth and development of abilities, and promoting efforts to enhance their capabilities. Moreover, we continuously invest in improving organizational quality, such as enhancing employee engagement and promoting diversity and inclusion, to ensure that these talented individuals can maximize their contributions within the organization, thereby enhancing the overall value of the organization.

Further, we believe it is important to quantitatively understand the investments and outcomes related to these activities, and we are continuously researching methods to do so. The estimated amount of investment in the expansion of human capital for the fiscal year ended March 2024 is given below.

Human Capital Investment Amount (Fiscal year ended March 2024: NRI only)

Investment in hiring	¥3.1 billion
Investment in improving the capabilities of human resources	¥10.12 billion
Investments to enhance organizational quality, such as improving employee engagement and promoting D&I	¥1.8 billion

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 a 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 - 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 set appropriate KPIs and implement the PDCA cycle for these measures. Progress was generally on schedule in the fiscal year ended March 2024. The indicator with a high progress rate, “Human resources for utilizing DX,” exceeded the initial target level, thanks to self-study efforts and companywide cross-functional activities to deal with generative AI. In addition, “Human resources for global business” started being measured in the fiscal year ended March 2024, and new target values were set.

Focus of Measures	KPI	FY March 2024 Results	FY March 2026 Targets	
Enhance capabilities to realize the growth story	Human resources for utilizing DX	3,464 people	3,200 people	
	Human resources for business creation	174 people	200 people	
	Human resources for global business	284 people	320 people	
	Hiring headcount*1			
		New graduate hires	466 people	500 people
		Mid-career hires	256 people	365 people
Improve growth opportunities for each individual	Growth realization ratio	74%	75%	
	Percentage of managers with high human management skills (high scores on human resource-related measures in the internal survey)	93%	97%	
Promote diversity and inclusion	Employee engagement score (NRI Payroll)	71	More than 70 continued	
	Percentage of female managers	9.5%	13%	
	Female opportunity offering rate*2	15%	17%	
	Percentage of managers who were mid-career hires (equitable promotion from employee population)	Equal ratio of expert and management (25%)	Equivalent percentage maintained for expert and management	

*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 2024 for details.

Strengthening Capabilities to Achieve Our Growth Story

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, take the initiative to work on independently set goals, and embrace challenges without fearing change.

► 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. To strengthen recruitment activities, NRI held a new recruitment event called the NRI IT Fair. 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. Recently, we have also been working on internships focused on themes like DX and information security.

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.

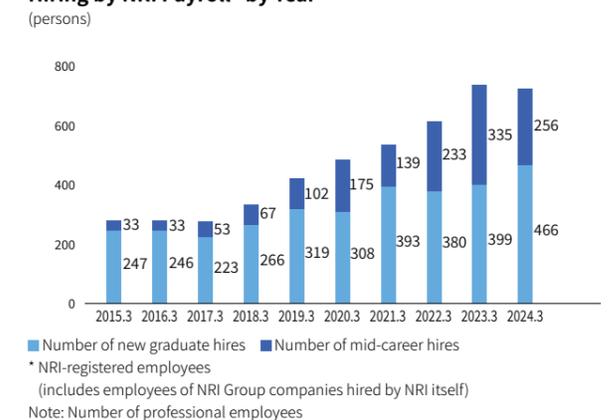
► Mid-career Hiring

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 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 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. In addition, to provide a deeper understanding of NRI, we reviewed the content of our information sessions and worked on overhauling the recruitment website.

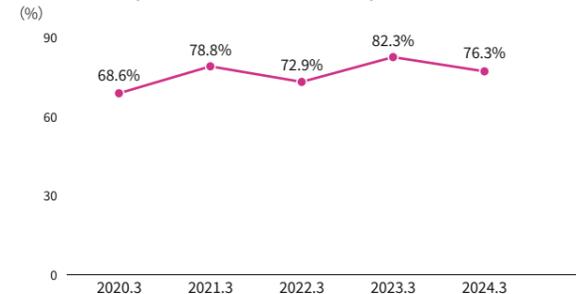
Hiring by NRI Payroll* by Year



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 Meister position as part of the system for rehiring after mandatory retirement. Meister 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)



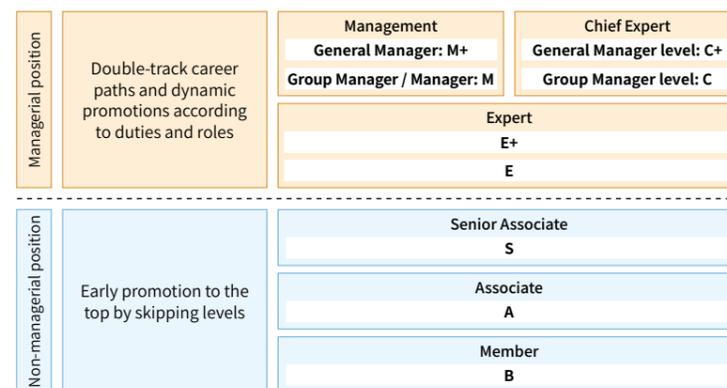
Note: NRI-registered employees (includes employees of NRI Group companies hired by NRI)

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.

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.

Framework of the Human Resources System



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 in 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 candidates 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 a 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 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	FY March 2024
10,892	11,560	11,514	11,660	12,217	12,352	12,251	12,320	12,421	12,716

Expand Growth Opportunities for Each Employee

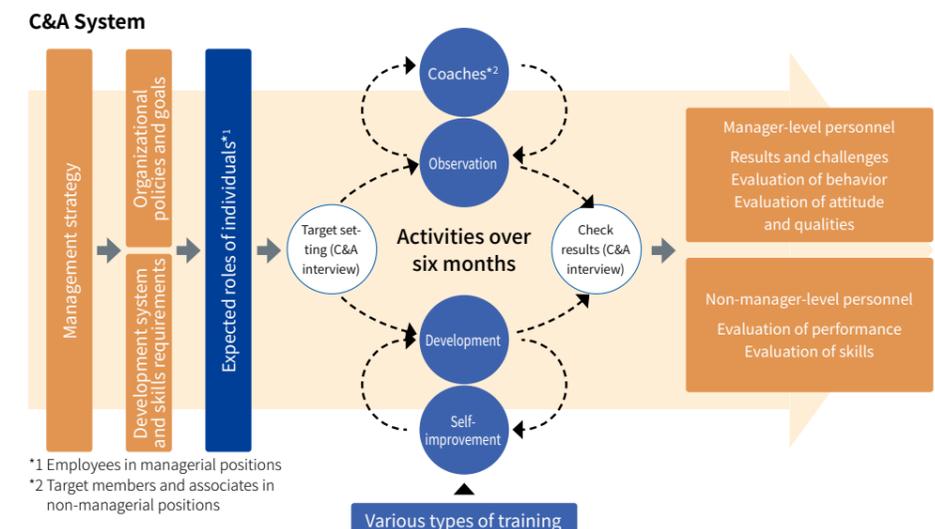
NRI is working to expand growth opportunities by reviewing and enhancing various systems and training programs so that each employee can grow and perform while pursuing their own areas of expertise.

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 goalsetting 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 has implemented the Mission-C&A System for employees in managerial positions. Mission-C&A translates the organizational mission into expected roles for individual managers.



*1 Employees in managerial positions

*2 Target 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.



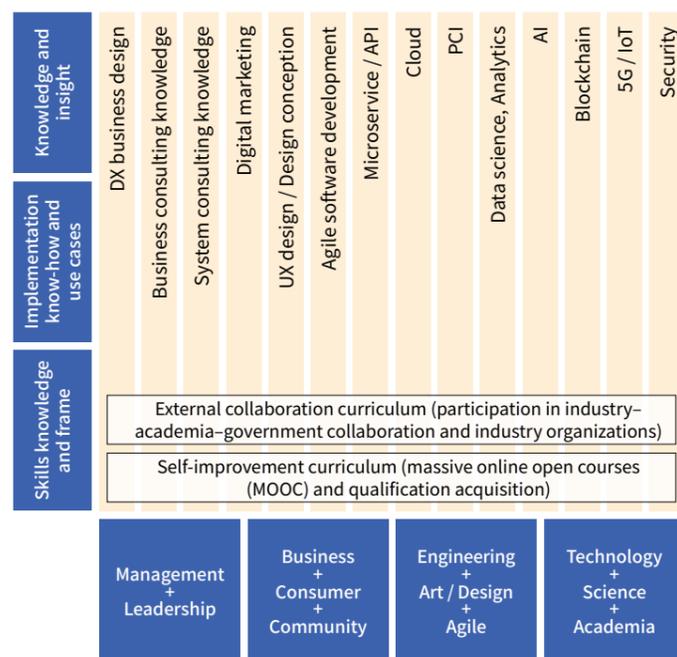
DX Human Resources Development Program

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 for the number of active DX personnel. NRI is working to increase this KPI.

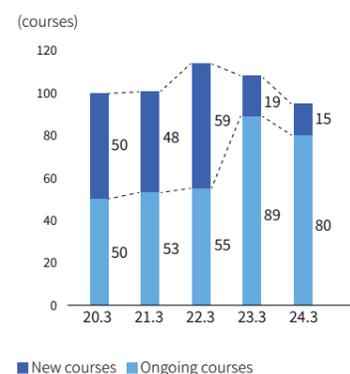
In order to develop human resources who will drive the creation and expansion of the DX business, which is a pillar of our growth strategy, the training program has a curriculum for strengthening the capabilities necessary for the DX era (figure 1). For example, the program enables employees to learn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

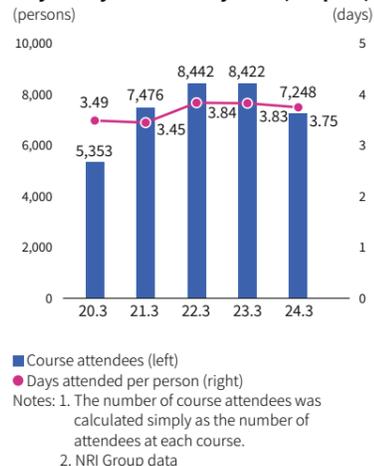
DX Human Resources Development Program (Figure 1)



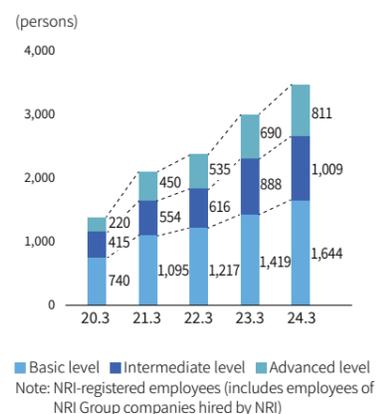
Number of DX Skills Development Courses by Year (Graph 1)



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



Human Resources Active in DX by Year (Graph 3)

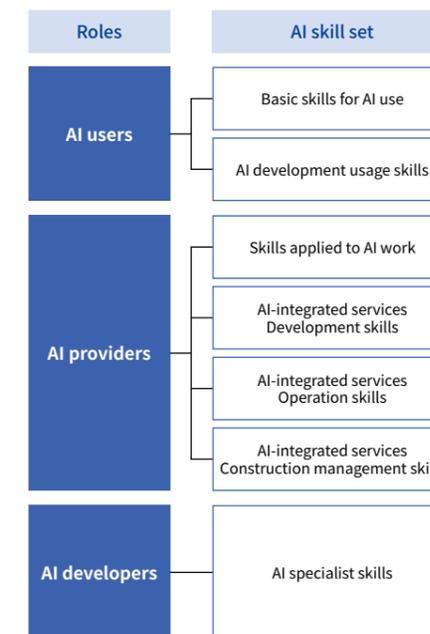


► AI Human Resources

Based on the Medium-Term Management Plan announced in April 2023, efforts to develop AI human resources have been accelerated since the fiscal year ended March 2024. We have established AI human resources categories—AI users, AI providers, and AI developers—and defined development goals for each category. Further, leveraging expertise from internal AI implementation projects and R&D, we have organized the skills required for AI human resources and created a development roadmap. In FY2024, we began full-scale implementation of a training curriculum based on these AI human resources development goals. While four new training programs were established in the fiscal year ended March 2024, we plan to expand the lineup to more than 10 in the fiscal year ending March 2025. We will continue to implement initiatives for AI human resources development.

In addition, NRI employees, whether as AI users, providers, or developers, need to have a deep understanding of AI-related risks to make the most of AI. Therefore, since May 2024, we have been conducting AI Risk Training for all officers and employees of the NRI Group. This training, which disseminates the NRI Group's Basic AI Policy and clarifies AI risk response measures for each employee's position, was completed by over 10,000 employees by August 2024.

Development of AI Human Resources



► 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 as leaders in developing the next generation.

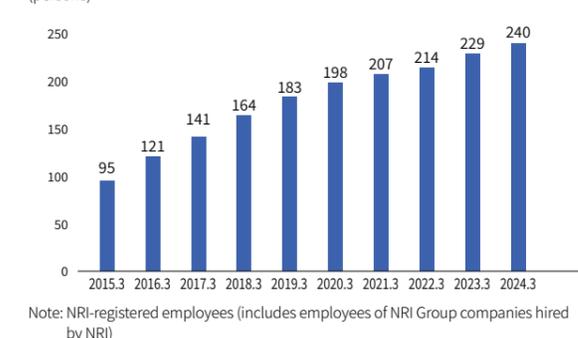
KPI for Business Creation Human Resources (persons)



► 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 35 cities in 19 countries overseas. We also send several employees every year to study abroad. We have sent a total of 64 employees to study abroad during the 11-year period up to FY March 2023. In addition to MBAs from overseas universities and business schools, employees are actively acquiring degrees in other fields, such as computer sciences (MSE/MCS) and law (LLM).

Cumulative Number of Dispatched Overseas Trainees (persons)



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	MCD2	MCD3, MCD4, MCD5
Time of promotion / By position	New employee training				
		Training for promotion to associate	Training for promotion to senior associate	Training for promotion to expert	New and existing Group Managers, New and existing General Managers
Core talent	Training at the joining of the Company / Mid-career follow-up training				
			Value co-creation leader training	New-generation business leader program	New Dream Up the Future Forum
Skill development	Division manager recommendation courses (External dispatch leader development program, etc.)				
			Female leader development program	Female leader training program	Female manager selection program (External dispatch)
D&I	New employee training, IT solution skills training, Basic career training, Hands-on career training, Hands-on career PRO, Training for selected certifiers				
	Consulting training				
	Staff HR development program				
	DX/AI human resources development program, Global human resources development program				
Human and organizational development	Lectures for general managers				
	D&I seminar for department head and GM				
Others	E-learning related to diversity promotion, including unconscious bias and nursing care				
	Support for balancing work with childbirth, parenting, and nursing care program				
Others	Human capability improvement program				
	Organizational development support program				
Others	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, 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



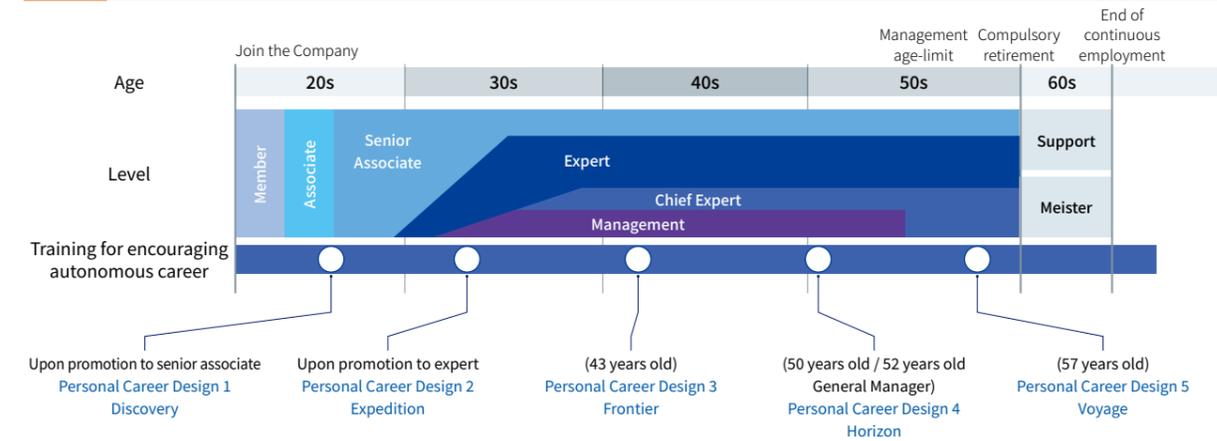
Independent Career Development and Empowerment of Veteran Human Resources

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 employees aged 40 and up, we 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 the fiscal year ended March 2024, approximately 1,000 employees of ages ranging from their 20s to late 50s participated in the My Career Design training, which provided an opportunity to reflect on their careers through workshops. In addition, apart from the workshops, we held career seminars open to all employees to foster career awareness.

My Career Design (MCD)

Purpose

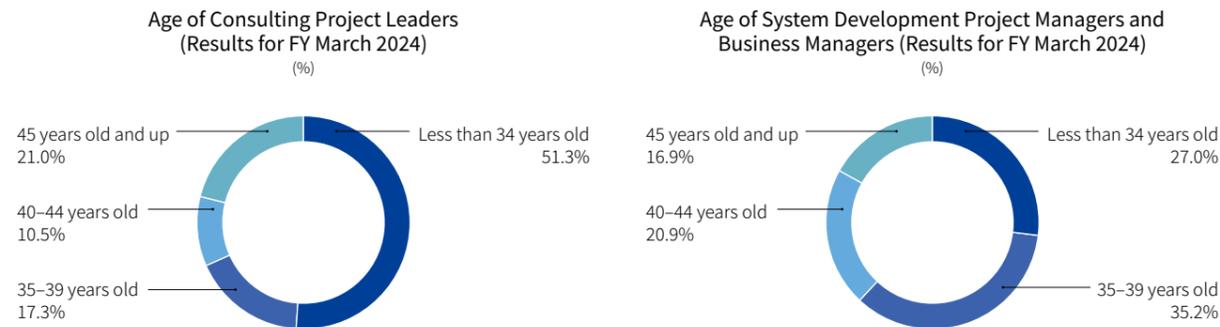
- Have each employee work independently to choose and develop their own career, undergo ceaseless transformation, and continuously take on challenges, regardless of age
- Raise motivation (or prevent motivation from declining) at regular intervals and career turning points, and enable employees to flexibly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

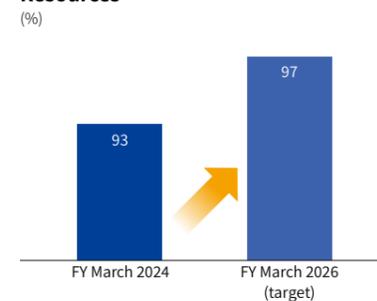
We conduct two types of training for selected individuals to develop our next generation of management and executive personnel.

Every year, five to eight officer promotion candidates for the future 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. We also held the New-Generation Business Leader Program to cultivate in employees a perspective higher than their current roles and to enable them to think about business strategies from a companywide perspective.

▶ 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. We have been conducting training for improving the personnel management ability of existing group managers and other managers from 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 have been providing 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's business activities.

Promoting Diverse Work Styles and Health and Productivity Management P.95
Efforts to Respect Human Rights P.96-98

Co-creating Job Satisfaction with Employee Engagement

At NRI, we are engaged in various activities to enhance engagement and have implemented the Job Satisfaction Co-Creation initiative to promote a culture in which every employee feels job satisfaction and can take on challenges while embracing diversity.

▶ 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 program on organizational development into training for new managers, and together with the companywide 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

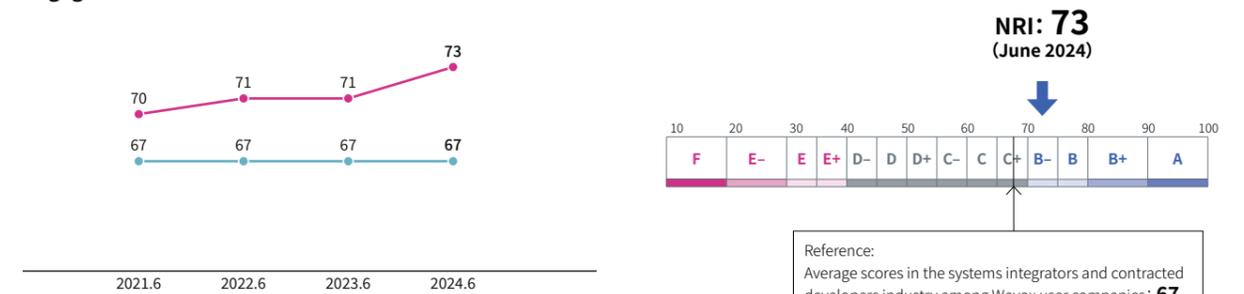
Examples of co-creating job satisfaction

▶ 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. The engagement score for FY2024 was 73, up from 71 last year. We believe this increase is a result of the proactive efforts of employees, particularly through ongoing activities such as Job Satisfaction Co-Creation and MWV Dialogue, and we will continue working to enhance engagement.

*1 Tool provided by Atrae, Inc.
*2 Six Group companies with large number of staff on assignment from NRI

Engagement Score



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

Notes: 1. Using the engagement analysis tool Wevox provided by Atrae, Inc., we surveyed employees at NRI alone and at six Group companies with a high percentage of employees seconded from NRI.
2. Engagement scores are assigned ranks A through F as indicators.

Value Co-creation Activities

The three social value concepts we have been focusing on through our value co-creation activities—“co-creation of a thriving future society,” “co-creation of an ideal society,” and “co-creation of a safe and secure society”—are also connected to our corporate philosophy (Mission & Values). In the fiscal year ended March 2024, prompted by the launch of the long-term management vision NRI Group Vision 2030, many employees deepened their understanding of the Mission & Values, Vision (MVV), through groupwide dialogue activities (MVV Dialogue). We will continue to accelerate the implementation of MVV and work toward creating value that is unique to NRI.



Former chair of the Value Co-Creation Committee, Kaga Yanagisawa, who participated in the value co-creation activities (far right)

“Challenges” Learned from NRI’s Predecessors

Under the theme of “Challenges,” more than 500 people participated in the Financial Solution Division’s Division Value Co-Creation Day which included lectures by outside speakers, messages from the division manager and the deputy division manager, panel discussions, and presentations on challenge activities by junior employees.

The messages from the division manager and deputy division manager emphasized taking on new clients and areas by leveraging talent, expertise, and IP across the organization and that as long as we keep challenging ourselves, there is no such thing as failure. The panel discussion covered lessons from past challenges and the driving forces behind current challenges.

Division Value Co-Creation Day served as a good opportunity to reaffirm NRI’s DNA and identify what challenges we will take on ourselves, and we will continue to hold this event in the future.



Scene from a panel discussion

Launch of the Division Unification Task Force, Fostering a Collaborative Organizational Culture

The Distribution Solution Division, which was restructured from two divisions into one, established the Division Unification Task Force (TF) to break down barriers between departments and create a culture of collaboration and mutual support.

This TF is promoting activities focused on deepening mutual understanding to further activate collaboration and support between departments. For example, initiatives have included Get to Know Each Other Events and Career Talks. In addition, to strengthen the sense of unity within the division, we held the Distribution New Year General Meeting 2024 event, fostering relationships across all levels.

We will continue our efforts towards “Distribution Division Unification” to generate new synergies by pooling the skills (human capital) and accumulated experience (intellectual capital) within the division.



Scene from the Distribution New Year General Meeting 2024

Strengthening Global Talent Acquisition and Development through Shared Values

We held an event on global strategy in which senior management from Tokyo and overseas Group companies exchanged opinions on various management topics, such as the synergy effects between NRI Group companies in the United States and Australia.

We explained to overseas Group companies the vision at the time of NRI’s establishment, the growth story to the present, and one of our business models, Con-Solution.

Through Q&A and discussions, there was a deeper understanding of how value co-creation, which is deeply embedded in our DNA, supports diverse human resources in engaging in fulfilling work, leading to growth for both individuals and the organization, and building relationships with clients.



Scene from the get-together after the event

NRI Participates in the Securities Investment Day Event

The Japan Securities Dealers Association conducts activities to promote securities investment every year on October 4th, designated as Securities Investment Day. In 2023, ahead of the new NISA launch in January 2024, the association carried out promotional activities aimed at beginner-level investors.

Chairs and presidents of various securities companies, who are leading efforts to broaden the base of investors, participated in PR activities, including distributing promotional items. The mascot character Toshi-kun also helped liven up the event. NRI officers and staff responded to the questions and concerns of novice investors who attended.

Through such events, NRI will continue to advance value co-creation with clients, contributing to society and the industry.



Scene from Securities Investment Day

NRI’s creation of Japan’s Human Capital Management Platform

Human resources management in Japan is being called to transform from a centralized human resources department model to a system that allows a certain level of autonomy in the workplace, especially given the increasing diversity in work styles. In the face of a rapidly aging society with a declining birthrate, maximizing human capital is a major challenge for companies, all types of organizations, and Japan as a whole. NRI has developed the Talent Market Place (TMP), a system that uses generative AI to achieve optimal matching, based on the concept of a virtual in-house talent market that links business strategy with the desires and capabilities of human resources. Through the Con-Solution of consultants who understand management issues and engineers who ensure high security in generative AI usage, NRI contributes to solving social issues by providing a platform that manages highly confidential information in a user-friendly manner.



Scene from an interview with a TMP developer

Leading the times with the DNA passed down since our founding, NRI continues to transform itself



Masashi Shimizu

Chairperson of the Value Co-Creation Committee
Senior Managing Director

Since 2019, NRI has continued its value co-creation activities as a bottom-up initiative in which each employee reaffirms the DNA that has been passed down since the company’s founding and considers how to provide value to society. The value co-creation that NRI aims for is a core concept that runs through the corporate philosophy (Mission & Values), NRI Group Vision 2030, and the Medium-Term Management Plan. To remain an indispensable presence in the world, it is essential to put this into practice. Our clients are leaders in their industries, which is why we must take the lead in deepening our understanding of social issues and have a clear idea of what we should do. The Value Co-Creation Promotion Committee aims to elevate the perspectives of each NRI employee, including globally, enabling them to articulate their own story of achieving social value and to take action accordingly.

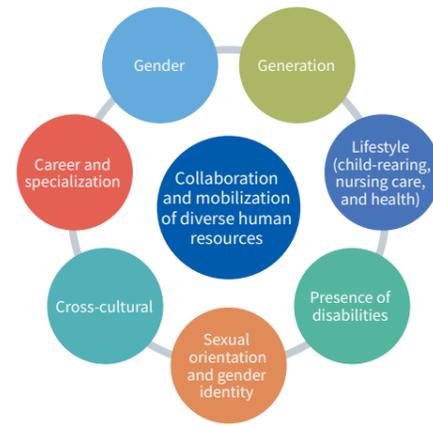


Promoting Diversity and Inclusion

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 have created systems that support the balance of work and parenting, prepared training, and 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. 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.

► Enhanced On-Boarding for Mid-Career Hires

We are 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 fully exhibit their expertise and capabilities.

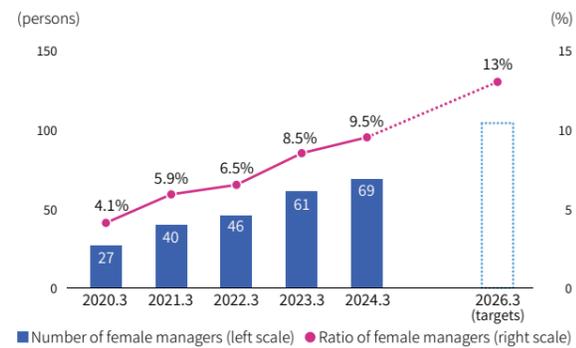
As part of our companywide efforts, we hold monthly Getting Started training for those that have just joined the company, where we explain our systems and rules, welfare, human resource development, and the distinctive NRI value co-creation. In addition, starting in the fiscal year ended March 2024, we have implemented post-entry follow-up training aimed at fostering interaction between senior employees who joined mid-career and colleagues who joined at the same time, supporting the



Post-entry follow-up training

Ratio of Female Managers (General Managers / Managers)

(NRI non-consolidated basis)



formation of communities and networking among mid-career employees. Of these various efforts, our semi-annual socializing event for mid-career hires and the president is particularly well-received, as it provides 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.

► 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, and recommendation for paternity leave. Further, since 1994, NRI has implemented a discretionary labor system focused on results rather than working hours, which has been utilized effectively by many employees who are raising children or caring for family members. To enable employees with time constraints to work more vibrantly and focus on outcomes, we introduced the Scheduled Discretionary Labor System in April 2024. The Scheduled Discretionary Labor System limits de facto working hours to 7.5 hours, allowing for more flexible working conditions compared with the previous restricted work arrangement. As a result, 21 out of 36 employees have transitioned to this system, successfully working in a way that emphasizes outcomes despite time constraints.



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

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

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

► Promoting Workplace Participation by Persons with Disabilities

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, providing massage services for employees, and operating cafes in each office. Since the fiscal year ended March 2023, we have expanded our scope to include the business areas of the NRI Group. This includes taking on tasks specific to the division, such as data entry and some help desk operations for the financial information database service (IDS) provided by NRI, thereby broadening our range of responsibilities.

NRI Mirai is also working to create an environment in which everyone can work comfortably and in which diverse employees can thrive. It has been holding NRI Mirai Tours and Five Senses Workshops for the NRI Group. It leads the promotion of D&I throughout the entire Group by sharing expertise on achieving diversity and creating an inclusive environment.

Moreover, NRI is providing information aimed at expanding 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 2024, 226 disabled persons were employed at NRI and its Group companies (an employment ratio of 2.54%).



Five Senses Workshop simulating visual impairment

* 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

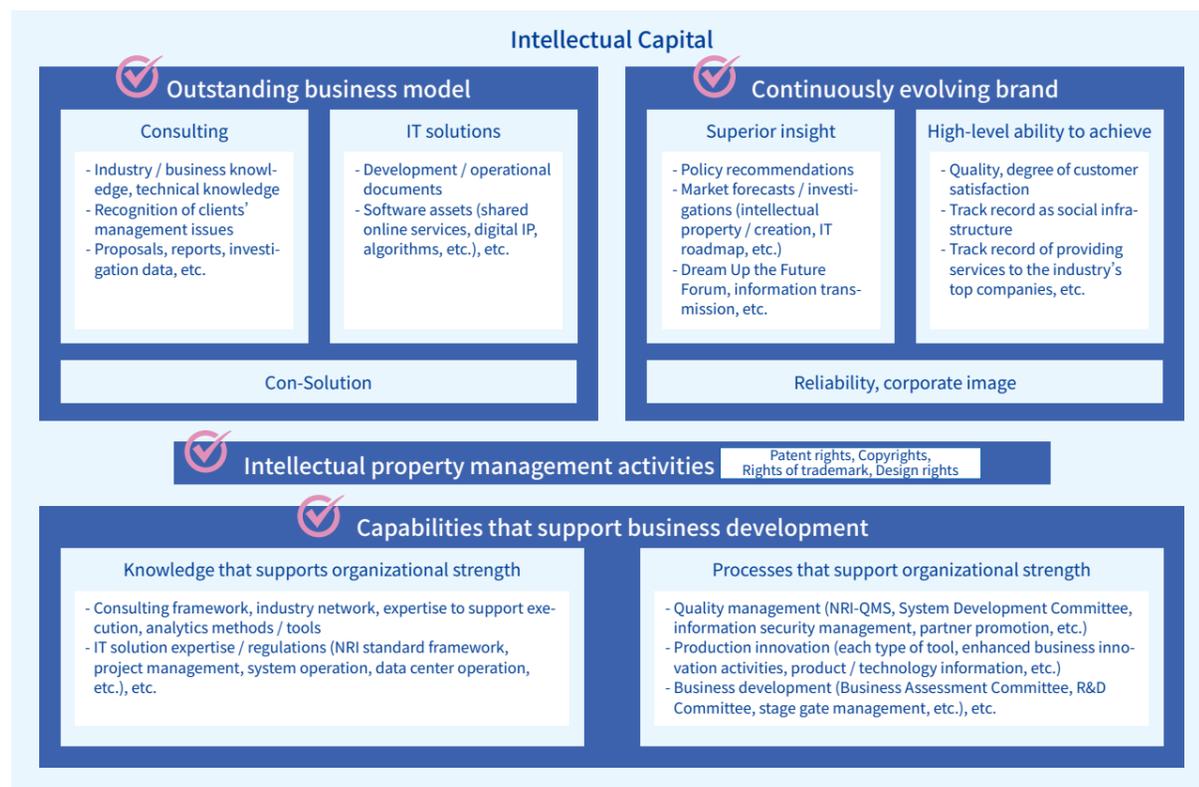
As part of our efforts to support LGBTQ and other sexual minorities, we provide e-learning for promoting understanding to all of our employees and promote the operation of various systems. That apply to the spouses of our employees also apply to those with a partnership certificate issued by a local 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

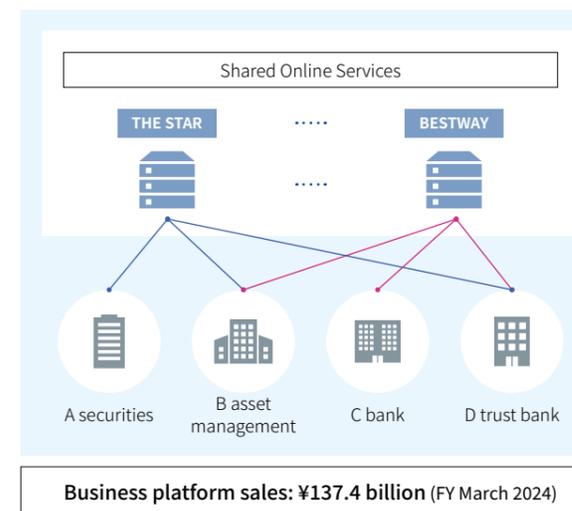
NRI's unique business model Con-Solution continuously and concurrently utilizes both consulting and IT solutions to support reform in its clients' businesses. Our businesses with a high level of continuity, such as operation, enhancement, and shared online services, are generating stable revenue. We 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	86 firms		Launched in 2012 Value Direct Online banking system	25 firms
	Launched in 1987 I-STAR Back-office solution for wholesale brokerage firms	30 firms		Launched in 2015 e-BANGO My Number management services	No. of My Number stored Approximately 43 million cases
	Launched in 1993 T-STAR Back-office solution for asset management firms	81 firms		Launched in 2017 e-NINSHO Identity verification solution	429 firms* <small>* Source: Ministry of Internal Affairs and Communications' Private Companies Utilizing Japanese Public Key Infrastructure Services</small>
	Launched in 1997 BESTWAY Back-office solution for mutual fund sales at banks	109 firms*		Launched in 2018 e-PO box First private-sector cloud linked with Mynportal	95 firms* <small>* Source: National Tax Agency' Issuer Companies Utilizing Deduction Certificates, Etc., Linkable to Mynportal</small>

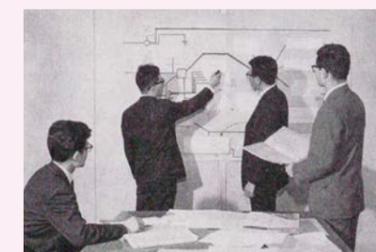
* The number of firms and cases are as of the end of March 2024.

50th Anniversary of THE STAR

The comprehensive back-office solution for securities companies, THE STAR, celebrates its 50th anniversary in 2024, supported by many clients.

The roots of THE STAR, known as STAR-I, began operation in May 1974 as the industry's first shared-use system that significantly streamlined back-office operations for securities companies. Since then, it has not only expanded its functions to quickly adapt to environmental changes but also taken on challenges in applying advanced technologies, evolving into THE STAR service, which includes STAR-II, STAR-III, and the current STAR-IV.

The outstanding intellectual capital created 50 years ago has, through long-term accumulation, succession, and evolution, become NRI's competitive edge and supports our growth today. NRI will continue to create and accumulate exceptional intellectual capital, contributing to the development of the securities industry and the creation of value.



Office flow analysis conducted for system development

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 TECH & SOCIETY Discussion between Michiaki Matsushima (right), editor-in-chief of "WIRED" Japan edition, and Ken Mori (left), general manager of the Digital Society Research Office, NRI Center for Future Innovation

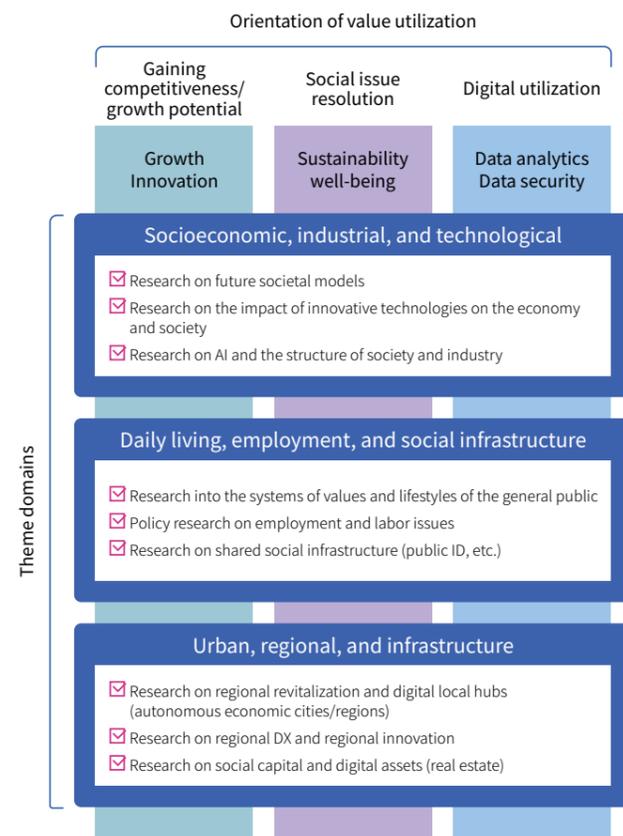
Challenges of a Group of Experts Who Envision Future Society and Propose Solutions to Social Issues

Leading NRI's think tank functions, the Center for Strategic Management & Innovation aims to be a future-oriented think tank by envisioning the future society shaped by AI and technology while presenting and disseminating evidence-based and scientifically grounded prescriptions for the social and economic issues faced by an increasingly uncertain world and Japan.

Members who possess a high level of expertise in different areas, including society, the economy, daily living, and cities, 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 collaborate with various entities both domestically and internationally to actively engage in practical problem-solving.

Increased Presence Through Communication of Accumulated Intellectual Property

We widely disseminate the outcomes of our independent research and studies in various fields related to society and the economy through books, reports, and various media, thereby enhancing the credibility of our analytical and advisory capabilities and further increasing our presence as a think tank. Moving forward, we will continue to comprehensively understand social trends, flexibly adjust our research areas, and advance research and analysis by effectively utilizing the intellectual assets we have already cultivated.



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

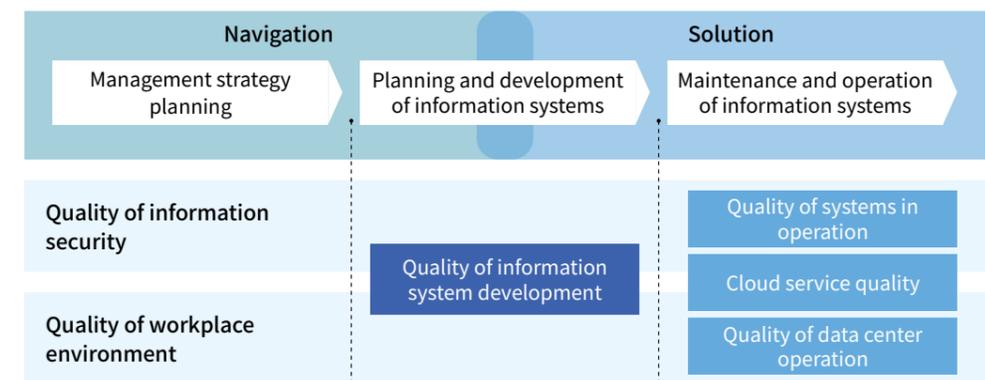
Capabilities That Support Business Development

The capability of NRI, which channels individual insights into organizational strength, originates from both intelligence and the processes that generate it. Knowledge comprises 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.

NRI's Quality Management Framework

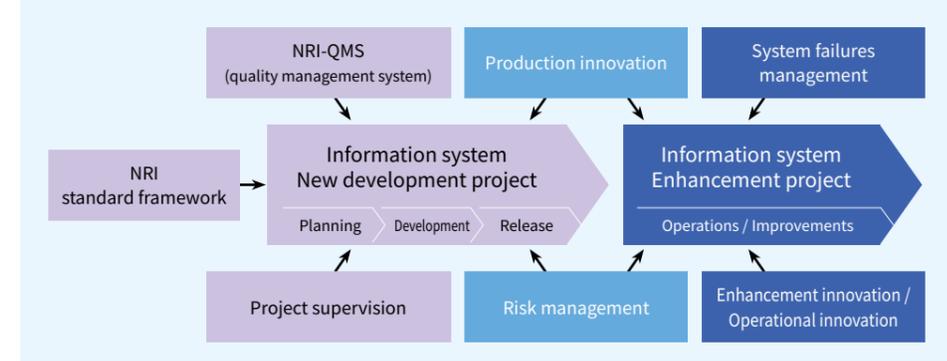


Quality of Information System Development

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.

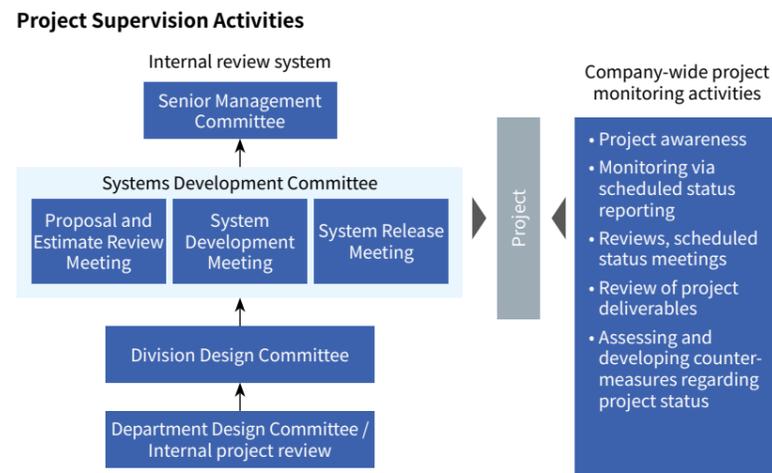
Project Support System for Improving the Quality of Information Systems



Project Supervision Activities to Support the Quality of Information System Development

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

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



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.



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 companywide manner, and to recognize innovative initiatives.

We will continue to make endless improvements as a leader in 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 the fiscal year ended March 2024, the event was held for the 10th time, with Teruo Yabe, president of the Omotenashi Creation Company, as the guest speaker. He delivered a lecture titled "Safety and Hospitality Created by Everyone." The lecture included specific examples addressing avoidance of and defense from danger and organizational reform—resilience engineering.

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.



Teruo Yabe, president of the Omotenashi Creation Company

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

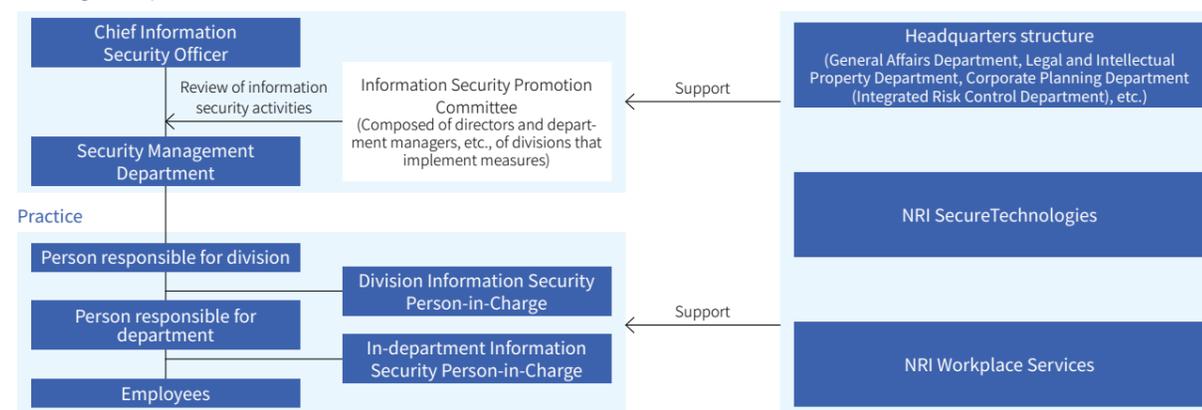
Related Rules Concerning Information Security

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

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

Information Security Management Structure

Planning and Implementation



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.

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.

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 of 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 (e.g., malware^{*1}) software and EDR^{*2}, hard drive encryption, and installing different security measures (such as firewalls, WAF^{*3}, and network behavior analysis technology^{*4}). 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)^{*5}.

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 provide continuous education and training, including drills for responding to cyber incidents that assume a cyberattack on a system and practical training for handling targeted attack e-mail.

^{*1} Malware: A general term for malicious software that infects computers, automatically executing remote operations such as spam distribution and information theft
^{*2} A solution that detects suspicious behavior on computers and servers (end points) and supports prompt response
^{*3} Web Application Firewall: System for detecting or providing protection against attacks that take advantage of the vulnerabilities of web applications
^{*4} 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.
^{*5} 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

NRI SecureTechnologies, Ltd., began as an internal venture of Nomura Research Institute in 1995, just as the Internet was starting to become more prevalent in Japan, and it started with a business focused on monitoring corporate networks. After providing managed security consulting services and security diagnostic services, etc., it became an entity independent from NRI in 2000, specializing in information security.



As the Internet became more widespread as part of the social infrastructure and increasingly intertwined with business and daily life, the scale and severity of cyberattacks and crimes grew. Cyberattacks targeting companies have continued to increase, and the risks have escalated along with the evolution and expansion of IT and Internet use. To protect our clients' businesses from these attacks and risks, NRI SecureTechnologies provides support for solving all issues related to information security.

Providing Services and Products in Four Core Businesses Aligned with Changes in Society and Needs, and Technological Trends

Four Core Businesses		Focus Areas in Security	
Consulting business	DX security business	Digital trusts	IoT security
Client-centric problem-solving support	Security to support digital transformation	We create a "Digital Trust Platform" that ensures the trustworthiness (trust) of identity (ID), data, services, supply chains, AI, and more, supporting companies in co-creating digital services across industries.	We provide support from both management and technology perspectives, including assistance with compliance with IoT security-related laws, regulations, and guidelines, vehicle and device diagnostics, visualization of control system networks, and creation and operation of PSIRT.
Managed security services business	Software business	Support for legal and regulatory compliance	Global security
24-hours-a-day, 365-days-a-year security monitoring service	Solutions tailored to the Japanese market and developed in-house	To improve security throughout society, we proactively stay ahead of the trends in domestic and international laws and regulations, which are revised frequently, and support companies in quickly responding to legal requirements.	We offer comprehensive security support for Japanese headquarters and overseas branches of companies operating globally.

NRI SecureTechnologies Recognized as a Cybersecurity Market Leader by IT Research Firms

NRI SecureTechnologies, Ltd. received the highest honor (Company of the Year) as a Japanese company providing cybersecurity services at the Best Practices Awards organized by Frost & Sullivan, a leading North American research and consulting firm. Additionally, the company was awarded the highest recognition in the domestic market in the field of privileged access management.





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.

Efforts to Address Climate Change and Conserve/Restore Natural Resources (TCFD/TNFD)

► 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 has two subcommittees: the Sustainability Activities Committee and the Value Co-Creation Promotion Committee, which are led by the senior 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



Promotion of NRI Net-Zero Journey

The Sustainability Activities Committee, chaired and vice-chaired by senior managing directors, and composed of employees with climate-related expertise, has designated “Net-Zero Journey” as one of its key themes. The committee advances the consideration and implementation of climate-related measures, such as decarbonizing data centers and offices, reducing Scope 3 emissions, and procuring renewable energy. It also considers issues related to the conservation and restoration of natural resources within this theme.

In addition, a system has been introduced that takes into account the NRI Group’s efforts toward achieving sustainability indicators, including greenhouse gas emissions reductions, when determining stock-related compensation for directors (excluding outside directors), senior managing directors, and other employees with officer status.

Key Deliberations and Reporting Items Related to Both Climate Change and Natural Capital in Board of Directors (Fiscal Year Ended March 2024)

- Status of generation of environmental benefits for clients through business platforms (quarterly)
- Progress in formulating transition and investment plans toward achieving environmental goals
- Progress in promoting information disclosure based on TCFD and TNFD

Key Deliberations and Reporting Items Related to Both Climate Change and Natural Capital in Sustainability Committee (Fiscal Year Ended March 2024)

- 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)

Key Deliberations and Reporting Items Related to Both Climate Change and Natural Capital in Sustainability Activities Committee

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
Fiscal year ended March 2024	Concept aimed at a higher level of renewable energy procurement
	Status of support for setting the environmental targets of business partners
	Status of consideration of TCFD/TNFD scenario analysis throughout the company

► Strategy

NRI conducts scenario analyses to identify risks and opportunities related to climate change and natural resources, as well as their financial impact on NRI (TCFD scenario analysis, TNFD scenario analysis).

Identification of Risks and Opportunities from Climate Change (TCFD Scenario Analysis)

Anticipated Scenario

In the scenario analysis, two types of scenarios were considered: the regulation and measures enhancement scenario (referred to as the “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

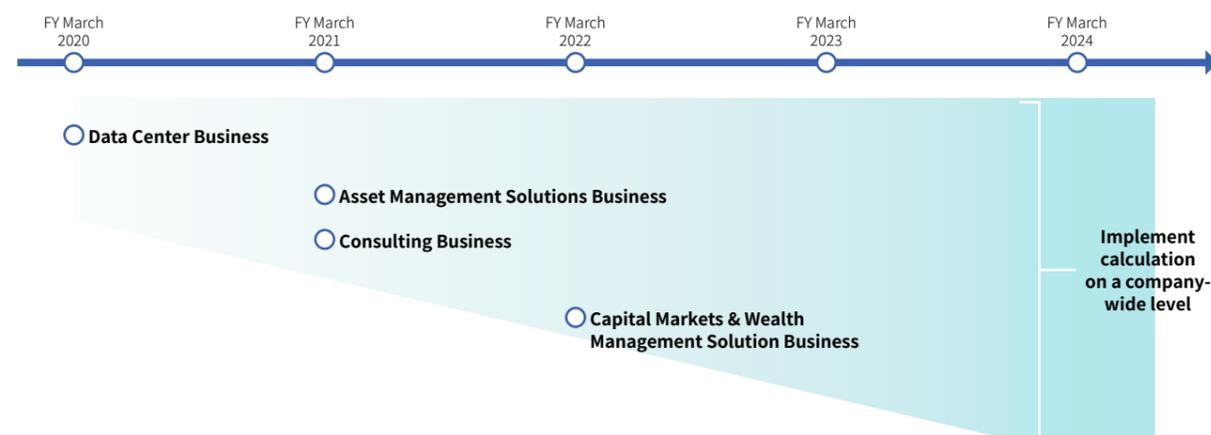
	1.5°C scenario (Regulation / measures enhancement scenario)	4°C scenario (Current scenario)
Reference scenarios	IEA Sustainable Development Scenario (SDS) IEA Net Zero Emission Scenario by 2050 case (NZE) IPCC RCP 2.6 IPCC RCP 1.9	IEA Stated Policies Scenario (STEPS) IPCC RCP8.5
Anticipated contents	<p>● Policy aspect (i) + Technical aspect</p> <p>Implementation of a carbon tax \$75–\$140 / t-CO₂</p> <p>New technology subsidies, etc. Abundant subsidies for environmental technologies</p> <p>Significant impact on corporate profit structure and corporate value, etc.</p>	<p>● Policy aspect (i) + Technical aspect</p> <p>Implementation of a carbon tax \$30–\$50 / t-CO₂</p> <p>New technology subsidies, etc. A certain degree of subsidies for environmental technologies</p> <p>Minor impact on corporate profit structure and corporate value, etc.</p>
	<p>● Policy aspect (ii)</p> <p>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>	<p>● Policy aspect (ii)</p> <p>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>
	<p>● Economic / social aspect</p> <p>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>	<p>● Economic / social aspect</p> <p>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>
	<p>● Natural environment aspect</p> <p>Escalating natural disasters No significant changes from the current state</p>	<p>● Natural environment aspect</p> <p>Escalating natural disasters As the severity of natural disasters intensifies, changes in climate patterns also become evident.</p>

Identification of Risks and Opportunities in NRI

From the fiscal year ended March 2020 to the fiscal year ended March 2022, we conducted scenario analysis for individual businesses, and those results are disclosed on the website and in other places.

Addressing Climate Change and Preservation/Restoration of Natural Resources (TCFD/TNFD)
<https://www.nri.com/en/sustainability/environment/tcfd>

Status of Implementation of Scenario Analysis by Business



In the fiscal year ended March 2024, the risks, opportunities, and financial impact on NRI’s business overall were re-assessed, based on the results of these analyses. In the table’s Category column, “transition” primarily refers to risks and opportunities under the 1.5°C scenario, while “physical” refers to those under the 4°C scenario.

Risks, Opportunities, and Financial Impact of Climate Change on the NRI Group P.86–87

In addition, for some representative risks and opportunities, we have estimated the financial impact on NRI’s business overall as follows.

Estimated Financial Impact of Individual Risks and Opportunities (Assuming FY2030)

Classification	Impact	Estimated value	Assumptions of estimate, possibility of risk mitigation, etc.
Transition Risks	Increased cost burden from implementation of a carbon tax	Approx. ¥1 billion to ¥2 billion	The tax amount is calculated from the net greenhouse gas emissions assuming business expansion without changing the current renewable energy usage (carbon tax price is based on the IEA scenario). However, if the renewable energy usage rate reaches 100% by FY2030 according to the low-carbon transition plan, the tax amount is almost zero.
Transition Opportunities	Increased revenue from consulting and IT solutions due to customers transitioning to decarbonization	Approx. ¥6 billion to ¥7 billion	Assumes expansion of consulting themed on decarbonization in line with the growth of consolidated sales from current orders, recording the entire increase. Similarly, for the business platform business, it assumes expansion in line with the growth of consolidated sales, recording 10% of the increase as resulting from customer transition to decarbonization.
Physical Risks	Interruption of business activities due to the company experiencing a disaster	Approx. ¥1 billion to ¥2 billion	The decrease in sales was calculated on the assumption that the business platform operation revenue of the NRI Group is not obtained for two days due to impact on the infrastructure (electricity, water, communication, etc.) around the Data Center from large-scale flooding, etc. However, the possibility of this risk materializing is considered extremely low due to various measures and training to prevent system stoppage, such as using Osaka Data Center II as a DR site if the Tokyo Data Center is not operational.
Physical Risks	Disruption of the supply chain due to a business partner experiencing a disaster	Approx. ¥2 billion to ¥3 billion	Assumes a decrease in sales due to project delays based, on the assumption that 10% (based on procurement amount) of business partners commissioned for system development by the NRI Group cannot operate for one month due to large-scale flooding.

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 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.

Risks, Opportunities, and Financial Impact of Climate Change on the NRI Group

Category	General Circumstances Related to Climate	NRI Group's Risks, Opportunities, and Financial Impacts							Scenario Analysis by Business (FY2019 to FY2021)			
		Classification	Impact	Rate of Occurrence ¹	Degree of Impact ²			Measures (In the Case of Risk)	Analysis Year	Target Business	Impact	Financial impact (Estimate)
Transition	Policy / Laws and regulations	Risk	Increased cost burden from implementation of a carbon tax	Large	1	2	2	Expanded implementation of renewable energy	FY2019	Data center business	Increased electricity costs from implementation of a carbon tax	Approx. ¥310 million to ¥420 million
									FY2020	Asset management solution business	Fluctuation in the customer's asset balance due to implementation of a carbon tax, etc.	Sales -1% to +3%
									FY2021	Capital markets & wealth management solution business	Increased electric bill costs due to implementation of a carbon tax, increased machinery manufacturing costs, including servers	Sales -3% to +12%
Transition	Technology	Opportunity	Increased revenue from consulting and IT solutions due to the commercialization of emissions trading	Medium	1	1	2	—				
		Risk	Increased cost burden for data centers due to strengthened regulations	Medium	1	1	2	Stable procurement of renewable energy, promotion of energy conservation				
		Opportunity	Reduced cost burden through energy efficiency	Large	1	1	1	—				
Transition	Market	Risk	Increased cost burden from further implementation and advancement of renewable energy	Large	1	1	2	Promotion of energy conservation	FY2019	Data center business	Increased costs due to procurement of renewable energy	Approx. ¥560 million to ¥670 million
		Opportunity	Increased revenue from consulting related to climate change	Medium	1	1	1	—	FY2020	Consulting business	Increased revenue from consulting related to climate change	(Figures are undisclosed)
		Opportunity	Increased revenue from consulting and IT solutions due to customers transitioning to decarbonization	Medium	2	2	3	—	FY2020	Consulting business	Increase in consulting revenue for building strategies and transforming business structures, etc., for the transition to decarbonization	(Figures are undisclosed)
Transition	Reputation	Opportunity	Improved competitiveness of shared online services due to the expansion of customer needs for Scope 3 reduction	Medium	1	1	1	—				
		Risk	Decreased revenue from consulting and IT solutions due to the customer's failure to decarbonize, leading to deterioration of business performance	Small	1	2	2	Expanded support for decarbonization of customers	FY2020	Consulting business	Worsening of performance and decrease in projects due to customers' failure to transition to decarbonization	(Figures are undisclosed)
		Opportunity	Increased revenue from pay-per-use solutions due to increased customer demand for sustainable financial products	Large	1	1	1	—	FY2020	Asset management solution business	Increase in the need for organizing corporate information at asset management companies, increase in the need for support following requests to improve disclosure related to ESG investments and sustainable finance	Sales +1% to +2%
Physical	Acute	Risk	Increased cost burden from electricity and other costs	Medium	1	2	2	Promotion of energy conservation	(Each period)	(Each business)		(Added to "Increased cost burden from implementation of a carbon tax")
		Risk	Increased cost of response due to the company experiencing a disaster, recovery of assets, interruption of business activities	Small	2	2	2	BCP training/execution	FY2019	Data center business	Accidents occurring with data center equipment	(Little impact from the perspective of the hazard map)
		Risk	Disruption of the supply chain due to a business partner experiencing a disaster	Small	2	2	2	BCP training/execution including business partners	FY2021	Capital markets & wealth management solution business	Increased costs due to responding to widespread disasters	Expenses +7% to +8%
Physical	Chronic	Opportunity	Increased revenue from consulting related to weather pattern changes	Medium	1	1	1	—				
		Risk	Decreased revenue from consulting and IT solutions due to the customer experiencing a disaster (stagnation of economic activities in society)	Small	2	2	2	Recommendations for society/transmission of information related to disaster prevention and disaster reduction, etc.	FY2020	Consulting business	Decrease in consulting needs due to stagnation of economic activities	Sales -12%
		Risk	Increased cooling costs for data centers	Medium	1	1	1	Promotion of energy conservation	FY2020	Asset management solution business	Decrease in customers' asset balances due to stagnation of economic activities	Sales -2% to -0%

¹ May occur by FY2030. Large: Anticipated to be high (roughly 50% or more); Medium: Anticipated to be low (less than roughly 50%); Small: Anticipated to be extremely small (less than roughly 5%).
² The year's maximum impact on finances if things remain the same and risks are not addressed. 3: ¥10 billion or more; 2: ¥1 billion to ¥10 billion; 1: less than ¥1 billion. Further, it is assumed that the degree of impact will fluctuate over time depending on policy trends and business scale. Short-term: Until FY2025, Medium-term: Until FY2030, Long-term: Beyond that.

Identification of Risks and Opportunities from Natural Capital (TNFD Scenario Analysis)

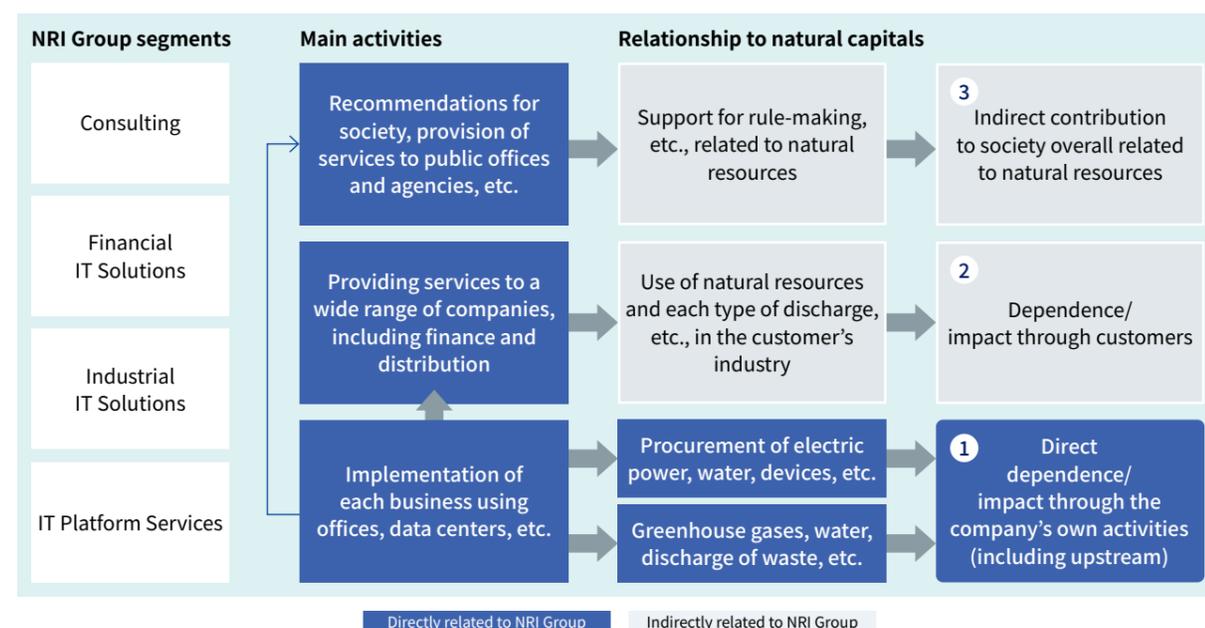
Recognition of Points of Contact with Nature

Since July 2022, the NRI Group has participated in the TNFD Forum and advancing scenario analysis, with the Locate, Evaluate, Assess, Prepare (LEAP) approach outlined in the TNFD disclosure framework as a reference.

In conducting the analysis, the NRI Group first grasped the general points of interaction between its business and nature. Specifically, the NRI Group's value chain was laid out to provide an understanding of the relationship of dependency and impact each element has on nature, with tools such as ENCORE* as a reference. As a result, three main points of interaction were identified. These are (1) interaction related to Data Center and office use (including upstream in the value chain such as energy and equipment procurement), (2) interaction with recipients of services such as IT solutions and consulting (downstream in the value chain), and (3) indirect interaction through societal change initiatives such as recommendations for society and consulting services.

* ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): A web-based tool provided by Natural Capital Finance, among others, which allows understanding of the potential dependencies and impact on nature of 157 industries based on GICS. It is also used by TNFD as a useful tool for referencing in Scoping and the Locate step of LEAP, etc.

Points of Contact between the NRI Group's Business and Nature



Identification of Risks and Opportunities for the NRI Group Based on LEAP Analysis

Based on these results, further examination was conducted in FY2023 to identify nature-related risks and opportunities.

During the Locate and Evaluate stages, the NRI Group's relationship of dependence and impact on nature, including geographical information, was investigated in more detail. Using tools such as ENCORE, it was found that the NRI Group primarily impacts nature through waste disposal, and greenhouse gas emissions in Data Centers and offices. In particular, it was confirmed that the Data Centers are highly dependent on water resources. The detailed impact of greenhouse gas emissions is as described in the previously mentioned TCFD scenario analysis. Regarding water usage and waste disposal, the amounts are minimal compared with overall regional usage and disposal, and it is currently believed that the NRI Group's operations alone do not significantly alter the state of nature. In addition, some of the NRI Group's sites are adjacent to wildlife conservation areas, but there has been no immediate impact on these areas due to the Group's operations. The impact on nature at these sites will continue to be monitored closely.

In the Assess stage, considering the interactions and dependencies/impact on nature mentioned above, a scenario analysis was conducted to understand the potential future risks and opportunities for the NRI Group. The following risks and opportunities were identified as a result of the analysis.

Risks, Opportunities, and Financial Impact Related to Natural Capital for the NRI Group P.90-91

In the Prepare stage, based on the above analysis results, the goals outlined in the "Indicators and Targets" section were set. As TNFD recommends setting science-based targets for nature (SBTs for Nature), we will continue to monitor these trends and conduct further analysis, periodically revising the targets as needed.

Risk Management

In managing the overall risks of the NRI Group, including climate-related and nature-related risks, an officer responsible for risk management is appointed, and the Integrated Risk Management Office has been established as the risk management department. The Integrated Risk Management Office is responsible for building and maintaining the risk management framework, and for identifying, evaluating, and monitoring risks, and for organizing the overall risk management structure. The Integrated Risk Management Committee, chaired by the officer responsible for risk management, meets twice a year to evaluate the PDCA cycle of risk management and deliberate on risk response measures, reporting the results to the Board of Directors.

Specifically, the risks that may arise in the execution of the NRI Group's business are classified into 13 categories, and risk items are set for each risk classification. The risk items are periodically evaluated by the department in charge of risk management, and the risk items, importance, and impact are reviewed. Of the 13 risk classifications, those recognized as particularly important each fiscal year are selected as key themes for risk management by the Integrated Risk Management Committee. One of the 13 risk classifications is management strategy risk, which includes sustainability management risks (including responses to climate change).

In addition, particularly regarding the identification, evaluation, and response to climate-related risks and opportunities, since FY2018, the Sustainability Promotion Committee has considered and decided on measures for each climate-related risk, including business continuity risks due to the intensification of natural disasters, by taking into account the external environment, initiative status, and information from service provision departments.

Indicators and Targets

The NRI Group has established the following environmental goals. For climate-related goals, the Group has publicly committed to achieving net-zero greenhouse gas emissions for Scopes 1, 2, and 3 by FY2050, which aligns with the Net-Zero Standard of the Science Based Targets initiative (SBTi). This net-zero target received SBTi certification in February 2024. In addition, the Group raised its existing greenhouse gas emission reduction targets (Scope1+2) for FY2030 to meet the latest SBTi standards and received updated certification.

Environmental Targets of the NRI Group

Indicators	Targets	(Reference) FY2023 results		
		Rate of reduction	Results	
Greenhouse gases	Rate of reduction of greenhouse gas emissions (Base year: FY2019)	[FY2030] Scope 1 + 2: 97% reduction, remaining emissions neutralized*1	86% reduction	8,000 tons*2
		[FY2030] Scope 3: 30% reduction	21% increase*3	218,000 tons*3*4
		[FY2050] Scope 1 + 2 + 3: Net zero (92% reduction, remaining emissions neutralized*1)	6% reduction*3	226,000 tons*3
	Rate of use of renewable energy	[FY2030] 100%	—	95%*2
Water resources	Clean water usage (Base year: FY2013, target: Data Center)	[FY2030] 10% reduction	26% reduction	174,000 m ³ *2
Waste	Final waste disposal volume (Base year: FY2020, target: domestic)	[FY2027] 10% reduction	71% reduction	23 tons
Energy conservation	Reduction of electricity usage through energy conservation measures*5 (Base year: FY2023, target: Data Center)	[FY2030] + 1,000,000 kWh	—	+ 0,000 kWh (For the base year)

*1 "Remaining emissions" refers to emissions that cannot be reduced within the value chain by the target fiscal year. "Neutralization" refers to offsetting these remaining emissions using carbon removal technologies outside the value chain.

*2 Results values have been verified by a third party.

*3 Scope 3 calculations are based on simplified methods outlined in the Ministry of the Environment's guidelines, and actual reductions are not reflected in the numbers. The calculation method is currently under review.

*4 The values listed have been verified by a third party, based on the assumption that the simplified calculation method indicated in *3 was used.

*5 Energy conservation measures include free cooling and machine learning optimization of air conditioning.

Risks, Opportunities, and Financial Impact Related to Natural Capital for the NRI Group

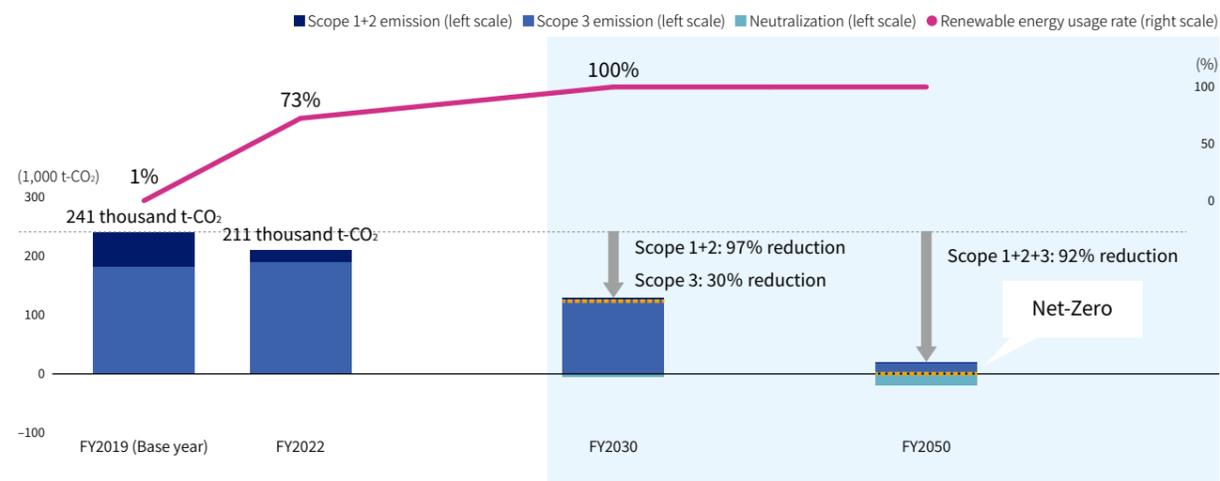
Related natural capital	Category	Scope of dependence/impact	NRI Group's Risks / Opportunities							Main Risks / Opportunities by Segment		
			Classification	Impact	Rate of Occurrence ^{*1}	Degree of Impact ^{*2}			Measures (In the Case of Risk)	Segment	Impact	
						Short term	Medium term	Long term				
Water	Transition	Legal restrictions (1) Dependence/impact through the company's activities (*1) includes upstream; same hereinafter)	Risk	Increase in NRI's costs due to measures to comply with regulations related to water resources	Medium	1	1	1	Use of rainwater, cyclical use of wastewater, use of recycled water from outside the company	Financial IT Solutions	Increase of Data Center usage fees due to increases in the cost of measures related to water resources	
										Industrial IT Solutions	Increase of the cost of measures related to water resources in the operation of the Data Center	
	Transition	Technology	(1) Dependence/impact through the company's activities	Risk	Increase in NRI's costs due to the introduction of new technologies to reduce the burden on water resources	Medium	1	1	1	Careful review at the time new technology is introduced	Financial IT Solutions	Increase of Data Center usage fees due to increases in the cost of implementation of new technology related to water resources
											Industrial IT Solutions	Increase of costs due to implementation of new technology related to water resources at the Data Center
	Physical	Acute	(1) Dependence/impact through the company's activities (2) Dependence/impact through customers	Risk	Impact of floods (damage to NRI, business partners, and customers) * This risk has been recognized in the previously indicated TCFD scenario analysis.							
Physical	Chronic	(1) Dependence/impact through the company's activities (2) Dependence/impact through customers	Risk	Increase in NRI's procurement costs and interruption of business due to water resource usage restrictions and depletion	Small	1	1	1	Periodic confirmation and preparation regarding water risks	Financial IT Solutions	Increase of Data Center usage fees due to increases in water procurement costs	
										Industrial IT Solutions	Increase of water procurement costs in operation of the Data Center	
			Risk	Increase in customer costs and decrease in NRI orders due to water resource usage restrictions and depletion	Small	1	1	1	Increased consulting related to water resources	Industrial IT Solutions	Decrease in orders received by NRI due to increases in water procurement costs of customer companies, such as distribution and manufacturing	
Waste	Transition	Legal restrictions (1) Dependence/impact through the company's activities	Risk	Increase in NRI's costs due to measures to comply with regulations related to waste	Medium	1	1	1	Selection of recyclable materials, increase in the recycling rate	Financial IT Solutions	Increase of Data Center usage fees due to increases in the cost of measures related to waste materials	
										Industrial IT Solutions	Increase of the cost of measures in operation of the Data Center	
			Risk	Increase in NRI's costs due to the introduction of new technologies to reduce waste	Medium	1	1	1	Careful review at the time new technology is introduced	Financial IT Solutions	Increase of Data Center usage fees due to increases in the cost of implementation of new technology related to reducing waste materials	
										IT Platform Services	Increase of costs due to implementation of new technology related to reducing waste materials at the Data Center	
Natural Resources (Overall)	Transition	(1) Dependence/impact through the company's activities	Risk	Decline in NRI's reputation and loss of talented personnel due to insufficient consideration and approach to nature	Medium	1	2	2	Setting goals, conducting more sophisticated analysis, and strengthening transmission of information regarding natural resources	All segments	Loss of customers, lowered reputation, and loss of excellent personnel in the event that measures related to natural resources are not being implemented proactively	
	Market	(2) Dependence/impact through customers	Risk	Changes in the terms and conditions for transactions from customers related to measures to address natural resources (increase in NRI's response costs, decrease in orders if not addressed)	Large	1	1	1	Dialogue with customers aimed at early and appropriate measures	Consulting	Increase in the cost of response for NRI due to a decrease in orders caused by changes to the terms and conditions of transactions from the customer, if not addressed	
										Financial IT Solutions	Increase of costs for efforts related to the Data Center that consider nature	
										Industrial IT Solutions	Increase of consulting needs aimed at nature positivity (DX3.0 themes such as circular economy)	
			Opportunity	Increase in NRI's consulting and IT solution sales aimed at achieving nature positivity	Medium	2	2	3	—	Financial IT Solutions	Increase of revenue due to expansion of sustainable finance	
										Industrial IT Solutions	Increase of needs related to the reduction of food loss and the streamlining of distribution	
										IT Platform Services	Increase of needs related to the Data Center that consider nature	
		(3) Indirect contribution to society overall	Opportunity	Contribution to societal transformation through dissemination of information and recommendations for society related to nature positivity	Medium	2	2	3	—	Consulting	Contribution to societal transformation through dissemination of information and recommendations for society (mainly a think tank function) related to nature positivity	

*1 May occur by FY2030. Large: Anticipated to be high (roughly 50% or more); Medium: Anticipated to be low (less than roughly 50%); Small: Anticipated to be extremely small (less than roughly 5%).
 *2 The year's maximum impact on finances if things remain the same and risks are not addressed. 3: ¥10 billion or more; 2: ¥1 billion to ¥10 billion; 1: less than ¥1 billion. Further, it is assumed that the degree of impact will fluctuate over time depending on policy trends and business scale. Short-term: Until FY2025, Medium-term: Until FY2030, Long-term: Beyond that.

Efforts Toward Achieving Net-Zero by FY2050

NRI will work with stakeholders to reduce greenhouse gas emissions toward achieving Net-Zero by FY2050.

NRI's Greenhouse Gas Emissions Reduction Targets and Transition Plan



► Promotion of Renewable Energy Procurement (Scope 2)

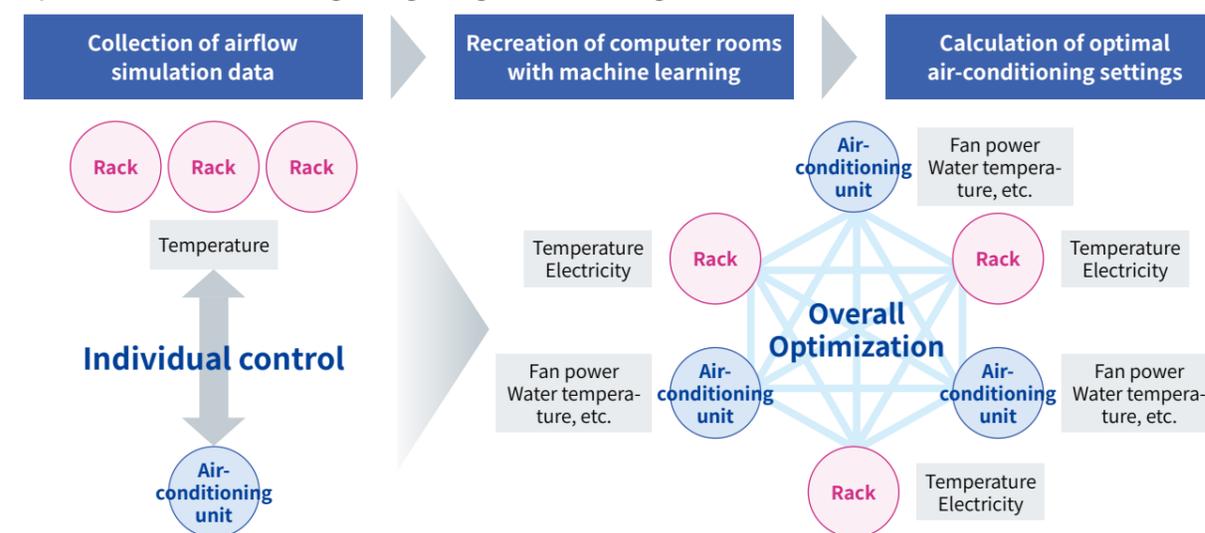
NRI joined RE100 in February 2019 and set a goal to use 100% renewable energy for the electricity used by NRI by the fiscal year ending March 2031. For electricity used in data centers and major offices with high power consumption, the switch to renewable energy has been implemented, resulting in a 100% renewable energy usage rate at all data centers and 95% overall, including offices, in the fiscal year ended March 2024.

► Efforts toward Decarbonization in Data Centers (Scope 2)

NRI-owned and operated data centers are advancing toward Net-Zero by switching to renewable energy for electricity used as well as by reducing power consumption.

As an example of policy consideration, efforts are being made to optimize air-conditioning settings using machine learning. For air-conditioning units that were previously controlled individually, overall optimization of air-conditioning settings is being pursued using airflow simulation data.

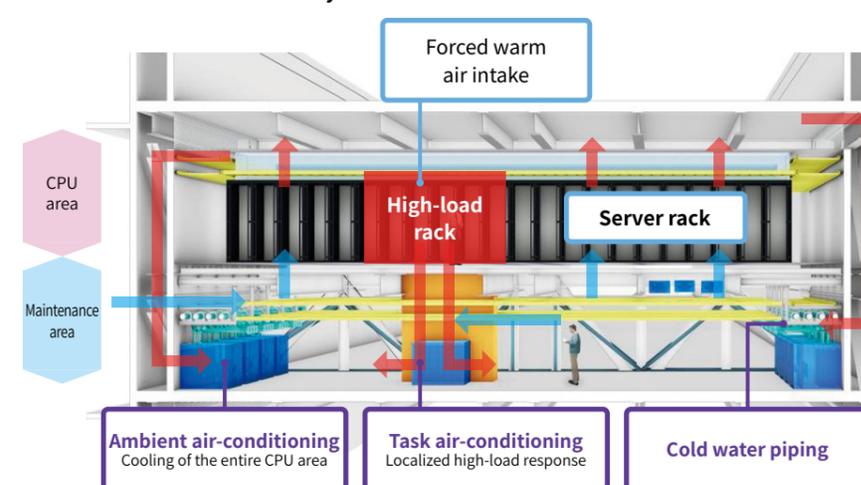
Optimization of Air-Conditioning Settings Using Machine Learning



In terms of facilities, at the Tokyo Data Center I, energy-saving equipment such as the double-deck system, which separates the floor housing server equipment from the floor housing air-conditioning and other facility-related equipment to achieve efficient and highly flexible air-conditioning, and the cold water vertical heat storage tank, which stores cold water to achieve efficient air-conditioning, has been introduced. (The double-deck system at Tokyo Data Center I is patented. Patent No. 537719)

These efforts have led to an annual reduction of approximately 260,000 kWh of power consumption.

Overview of the Double-Deck System



Cold Water Vertical Heat Storage Tank



► NRI Net-Zero Journey —Toward Achieving Net-Zero across the Entire Value Chain— (Scope 3)

It is crucial that the company does not work alone, but instead collaborates with various stakeholders to achieve FY2050 Net-Zero across the entire value chain. In order to reduce Scope 3 emissions, which account for the majority of NRI's emissions, we particularly emphasize collaboration with business partners. Currently, we are deepening our partnerships with business partners through three activities: practicing sustainable procurement, engagement, and revision of calculation methods.

(1) Practicing Sustainable Procurement

NRI has established the NRI Group Procurement Policy, which ensures compliance with laws and social norms while carrying out environmentally conscious procurement activities. To put this into practice, we have formulated the NRI Group Business Partner Code of Conduct. It includes items related to the environment and requests each of our business partners to make efforts that consider the environment.

(2) Engagement

In order to aim for business growth and the building of sustainable futures with our business partners, we have been assisting efforts at our business partners from the fiscal year ended March 2023. In the fiscal year ended March 2024, we held sustainability-oriented lectures for deepening understanding on the meaning of these efforts, workshops for assisting in the calculation of greenhouse gas emissions and setting reduction targets at business partners, and events for dialogue between people in charge of promoting sustainability efforts at their respective companies. Fifty-eight people from 37 companies participated in the NRI Net-Zero Journey Camp dialogue event held in fall 2023, and all participants gave a positive response of “very useful” or “useful” when asked the question, “How useful was this event to promoting sustainability/environmental efforts at your company?” in a questionnaire after the event.



Scene from an interactive event

(3) Revision of Calculation Methods

Since the fiscal year ended March 2022, we have participated in the CDP supply chain program and received greenhouse gas emissions data from various companies including business partners participating in the program. Going forward, we will utilize the data and adopt a more accurate calculation method (revising the simple calculation method used up until now) to identify Scope 3 emissions.

Members of the CDP supply chain (companies participating in the program)



These efforts have been praised, and NRI was selected for the highest rank, the Leader Board, in the CDP Supply Chain Engagement Evaluation.



CDP Supply Chain Engagement Leader Board (companies with the highest ratings in engagement efforts)

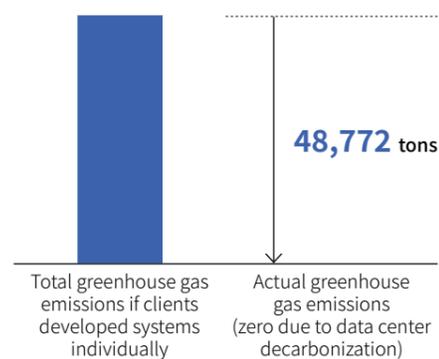
Calculation of Contribution to Emission Reductions through the Use of Shared Online Services

NRI’s shared online services operate in data centers that use 100% renewable energy, contributing to the reduction of clients’ greenhouse gas emissions. At NRI, we calculate the amount of greenhouse gas emissions reduced by this contribution as “reduction contribution” in accordance with the guidelines of the World Business Council for Sustainable Development (WBCSD). Specifically, we calculate the difference between the total greenhouse gas emissions if clients developed their systems individually and the actual emissions.

As a result of the calculation, the reduction contribution for the fiscal year ended March 2024 was found to be 48,772 tons.

NRI’s Reduction Contribution (Fiscal Year Ended March 2024)

Note: Calculation based on electricity usage during operation



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.

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	<p>Reduce lifestyle-related diseases</p> <ul style="list-style-type: none"> • Manage employees’ reservations and receipts for medical checkups 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	<p>Lower stress</p> <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	<p>Lower smoking rates</p> <ul style="list-style-type: none"> • Introduce support to help stop smoking • Remove smoking spaces inside offices
4	<p>Promote work–life balance</p> <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

* 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 Employees.

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 2024, 97.9% of officers and employees participated in the program.

In addition, we collaborated with simplishow 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.



ESG educational video produced jointly with simplishow Japan

Efforts to Respect Human Rights

The NRI Group is promoting efforts to respect human rights based on international norms such as the International Code of Human Rights, the ILO Core Labor Standards, and the Guiding Principles on Business and Human Rights.

We will proceed with our efforts to respect human rights through the process of policy/commitment, human rights impact assessment/theme identification, approach for respecting human rights, and monitoring/information disclosure.

Governance

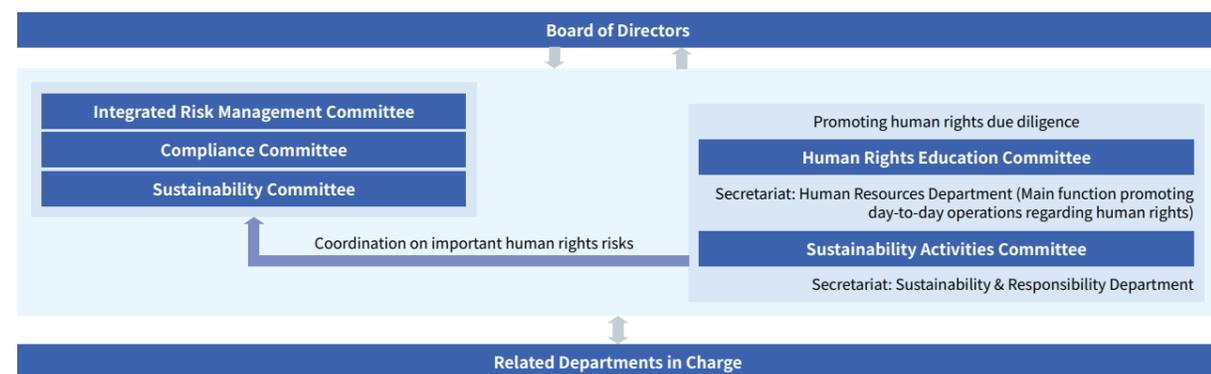
NRI's efforts regarding human rights are debated by the following committees based on instruction from the President & CEO, and related committees and departments in charge coordinate and promote these efforts.

- For important items regarding the risk management of the NRI Group: Integrated Risk Management Committee
- For important items regarding the promotion of ethics and compliance: Compliance Committee
- For important items regarding sustainability: Sustainability Committee

Important items regarding human rights are reported to the Board of Directors at least once a year via bodies such as the Sustainability Activities Committee and Sustainability Committee. The important human rights risks identified in human rights due diligence and results of reports to our complaint handling mechanisms are reported to the Board of Directors twice a year via bodies such as the Compliance Committee and the Integrated Risk Management Committee.

We promote the human rights due diligence process via the cooperation of the Sustainability Activities Committee (a subcommittee below the Sustainability Committee) and the Human Rights Education Committee, which formulate/promote our human rights policy, evaluate impacts on human rights, investigate/execute corrective measures, conduct monitoring, and disclose information.

NRI Group Governance Structure for Human Rights



Human Rights Policy

The NRI Group has established the NRI Group Policy on Human Rights and supports international human rights norms such as the International Bill of Human Rights, The Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, and 10 Principles of the United Nations Global Compact, and has expressed its support for the Modern Slavery Act in Australia.

In addition, as a company involved in the development and utilization of AI, we have established the NRI Group AI Policy intended to promote the development and utilization of AI while reducing the negative impact of AI.

To promote sustainable procurement, we have formulated the NRI Group Business Partner Code of Conduct, which includes compliance with not only laws and social codes by our business partners including suppliers, but also environmental, labor, and human rights issues. We have obtained signed agreements to the Code of Conduct from our major business partners including suppliers.

- NRI Group Policy on Human Rights**
<https://www.nri.com/en/sustainability/social/policies#jinken>
- NRI Group AI Policy**
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
- "Modern Slavery Statement" Financial Year ending 31 March 2023 (NRI Australia Holdings, Australia)**
<https://modernslaveryregister.gov.au/statements/14848/>

Sustainable Procurement P. 101

Human Rights Due Diligence

Human Rights Risk Assessment

The NRI Group has established a framework for conducting human rights due diligence, in accordance with the procedures outlined in the UN Guiding Principles on Business and Human Rights.

In the fiscal year ended March 2024, NRI conducted a human rights risk assessment in collaboration with external experts and Verisk Maplecroft*¹, which provides globally recognized human rights risk assessment methods, and identified the potential risks that the business activities of the NRI Group may have on human rights.

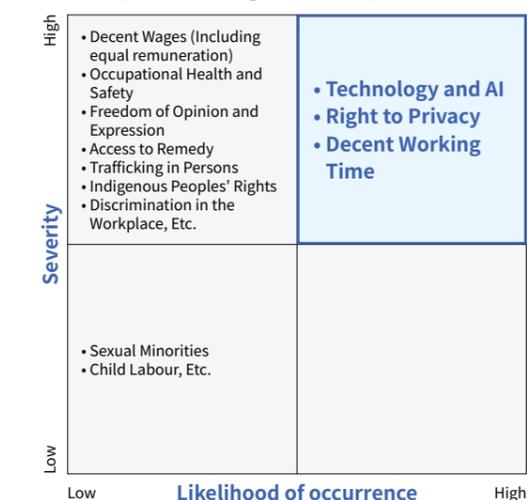
In addition, to conduct industry-based risk analysis, we utilize the database of RepRisk*², the largest ESG technology company in the world.

Using these risk analysis methods, NRI identified technology and AI, right to privacy, and appropriate working hours as significant human rights risks.

*¹ Verisk Maplecroft: A leading company in risk analysis, research, and strategic forecasting. It provides data-driven solutions and advice on the impact of political, human rights, economic, and environmental risks on organizational resilience and sustainable procurement.

*² RepRisk is the pioneering company in ESG data science, which utilizes AI and machine learning in combination with human intelligence to systematically analyze disclosed information and identify important ESG risks. The RepRisk ESG risk platform is the largest ESG risk database in the world.

NRI Group's Human Rights Risk Map



Severity: Total evaluation of scope, range, and potential help
Likelihood of occurrence: Evaluation based on status of negative impacts and their possibility

Human Rights Impact Assessment

In response to the potential risk assessment results, NRI has begun understanding the actual situation of NRI, its Group companies, and business partners (including contractors, staffing agencies, and suppliers) since the fiscal year ended March 2020. In understanding the actual situation, we formulate survey items and methodology based on expert advice, and review these based on laws in various countries and regions and an understanding of the internal and external environment.

From the fiscal year ended March 2024 to the first half of the fiscal year ending March 2025, Self-Assessment Questionnaires (SAQ) were distributed to NRI and its Group companies to assess the risk situations within NRI and its Group companies. In addition, on-site interviews were conducted at multiple locations. We have reviewed the human rights themes based on the results of these surveys and the human rights risk assessment.

Based on the results of human rights due diligence from the fiscal year ended March 2024 to the first half of the fiscal year ending March 2025, we set three new human rights themes for the NRI Group to focus on, which are technology and AI, right to privacy, and appropriate working environment.

Mitigation Measures for Human Rights Risks Efforts to Address Risks in Utilizing AI

Of the themes identified in the human rights risk assessment and impact assessment, we are promoting efforts to address the risk of using AI, as part of mitigation measures regarding technology and AI.

Because AI-related technologies have the potential to provide various benefits to people's lives and society but also have negative impacts, NRI recognizes the obligations regarding promotion of the research, development, and use of AI and believes it important that AI is appropriately adopted and utilized in its business activities. That is why NRI has formulated the NRI Group AI Policy for promoting the research, development, and use of AI while countering new risks, as indicated below. In order to further increase the effectiveness of this policy, we also build and operate AI governance processes and strive to use fair and wholesome AI.

AI Ethics P. 128

Efforts Related to an Appropriate Work Environment

Of the themes identified based on our human rights risk assessment and impact assessment, we are implementing corrective measures for ensuring an appropriate work environment, and will continue to address employee work hours and health and harassment issues via efforts across the entire company.

Domestically, in regard to employee work hours and health, NRI has been aiming to realize health and productivity management to contribute to employee quality of life (QOL) since FY2015 by reducing lifestyle diseases and promoting work-life balance. In regard to harassment, unconscious bias training is mandatory for all employees, and we also provide department heads and general managers (section managers) with information on how to report and respond to bullying and harassment cases.

Overseas, Planit, which is based in Australia, debates themes regarding human rights and mental and physical health at quarterly work health and safety committee meetings. In addition to its employee assistance program, the company operates other health-related services for employees at its subsidiaries. In regard to harassment, compliance training is conducted once a year in order to improve knowledge and understanding regarding the prevention of workplace bullying and harassment, privacy violations, the Modern Slavery Act, codes of conduct, and mental health.

In addition, at NRI India and NRI FT India, based on the local Sexual Harassment (Prevention, Prohibition, and Redressal) Act (PoSH Act), the Internal Complaint Committee (ICC) established at each company, under the guidance of outside experts, oversees corrective actions and reporting processes for harassment cases. In addition, we conduct e-learning on harassment for all employees and hold workshops with external instructors.

► **Response to Consultation and Report on Human Rights**

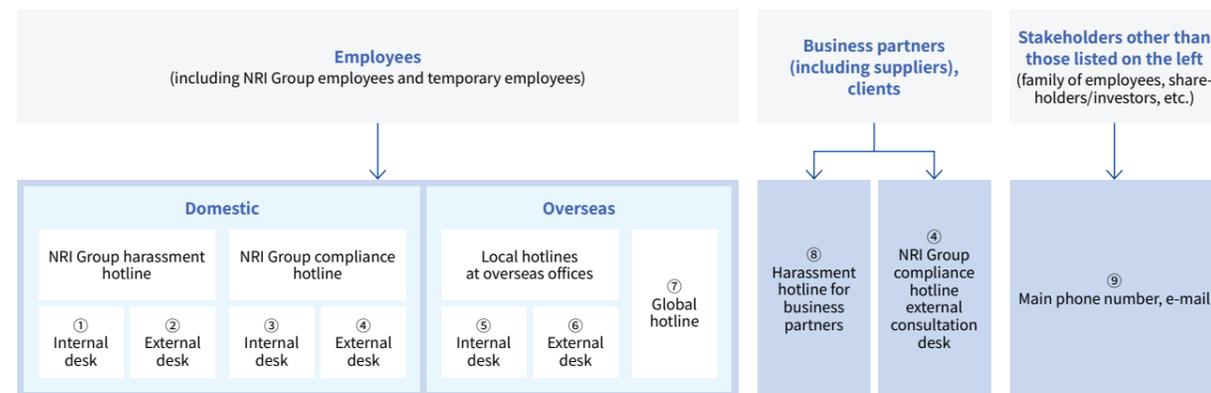
The NRI Group has established human rights hotlines for consultation/reporting to offer swift and direct help to those negatively impacted in terms of human rights.

Each of these hotlines strictly upholds the privacy of the reporters and enables the relevant departments to coordinate in order to respond appropriately. If compliance violations or other violations are suspected via routes other than the hotlines below, we will investigate and respond accordingly.

The status and results of consultations are handled by the Compliance Committee and departments in charge and reported to the president & CEO.

In the future, we will validate the effectiveness of our systems and improve our efforts from the perspective of grievance mechanisms as required by the UN Guiding Principles for Business and Human Rights.

Overview of Human Rights Hotlines at the NRI Group



Description of each hotline	
System for handling consultations/reports from employees, dispatched employees, and partner company employees	
①②	NRI Group harassment hotline
③④	NRI Group compliance hotline
⑧	Harassment hotline for business partners
System for responding to consultations and reports for employees at overseas offices	
⑤⑥	Local hotlines at overseas offices
⑦	Global hotline
System for responding to consultations and reports from outside parties (such as business partners or the local community)	
⑨	Main phone number/e-mail

Cooperation with Stakeholders

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 2024, we exchanged opinions with Peter Bakker, president and CEO of the World Business Council for Sustainable Development (WBCSD), a CEO association of approximately 200 companies aiming for sustainable development. The discussion was about the process for solving social issues via DX3.0 and cooperation between companies and the WBCSD.

Dialogue with WBCSD

Experts

Peter Bakker
WBCSD
President & CEO

Tomohiko Noguchi
Senior Corporate
Managing Director, NRI
In charge of DX

Takeshi Hihara
Senior Corporate
Managing Director, NRI
In charge of
Sustainability
Promotion

The NRI Group is promoting DX3.0, focusing on solving social issues and supporting the paradigm shift in society. In October 2023, a dialogue was held with Peter Bakker, who has been leading the WBCSD since 2012. In this dialogue, Mr. Bakker (WBCSD) and NRI Senior Corporate Managing Directors Noguchi and Hihara exchanged views on the role of digital solutions in addressing important social issues, such as climate change.

The World Business Council for Sustainable Development (WBCSD)

WBCSD, headquartered in Geneva, Switzerland, is a CEO-led global community with over 200 of the world's leading sustainable companies participating. It works to promote the necessary systemic changes toward a Net-Zero, nature-positive, and equitable future.

NRI Group's Growth Story and DX3.0 Business Approach

NRI: DX3.0 emphasizes social transformation by creating digital social capital* with the help of various fields such as Social DX, Value Chain DX, and Infrastructure DX. DX3.0 serves as a crucial element of NRI's strategy as it represents a business-oriented approach to addressing societal challenges.

* Digital social capital: Infrastructure and services with new value created by digital technology

Mr. Bakker (WBCSD): Identifying social challenges that align with a company's expertise can be a daunting task, especially when there are several issues demanding attention. I find DX3.0 fascinating, and I commend NRI for its remarkable capability to identify global challenges such as climate change, food security, water resource management, preservation of natural ecosystems, human rights, aging population, etc., that can be addressed through its own businesses. NRI's commitment to incorporating these issues into a business model is a valuable and admirable endeavor.

NRI: In my opinion, social issues can be broadly categorized into domestic and global issues, and various approaches can be optimized to address these social

challenges. Our approach involves two key steps to making this into a business.

First, we work on establishing new social codes, which means creating the potential for value. These codes encompass rules, regulations, commercial practices, and consumer values.

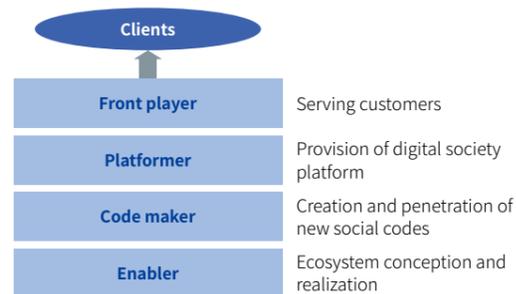
The next step involves the development of a digital society platform that is designed to convert the identified value into sustainable business opportunities, for example, rules for greenhouse gas emissions and trading and a platform to manage and visualize these on an ongoing basis.

NRI's Four-Tier Ecosystem Approach to Addressing Social and Environmental Challenges

NRI: I would like to talk about the four-tier model.

Front players provide services to the end customer. Platformers provide a platform for the front players (e.g., carbon footprint tracing systems). Code makers can be defined as organizations such as governments, local authorities, trade associations, or agencies such as advertising agencies. The most important one is the enabler. The enabler's role is to design the entire ecosystem, which enables sustainable commercialization.

Four-Tier Ecosystem



NRI would like to act as an enabler and a platformer in this model and wants to create an ecosystem. The reason why NRI can succeed in this role is because of its core business areas. The first one is being a think tank that works on identifying problems and designing policies, etc. Another one is Con-Sol (Consulting and IT solutions), which enables the implementation of DX. Here, I can proudly say that we are currently working on a lot of DX3.0 projects, some of which are already in a state of PoC (Proof of Concept).



Mr. Bakker (WBCSD): NRI is taking a proactive and innovative approach to addressing various critical issues. I'd like to discuss our climate-related solutions, which encompass a range of initiatives. We are actively working on climate change solutions,

including the implementation of the greenhouse gas protocol, the development of Scope 3 accounting through PACT,* and a comprehensive system for accounting and reducing avoided emissions. Furthermore, we are in the process of constructing an accounting system to track emissions within supply chains. Simultaneously, the ISSB (International Sustainability Standards Board) is developing an accounting and disclosure framework closely aligned with Scope 3 standards under the greenhouse gas protocol. On September 18, the Final TNFD (Task Force on Nature-Related Financial Disclosures) recommendations were released in New York, sparking discussions about defining the matrices companies should measure and manage. Notably, the ISSB has set a 2025 deadline for the publication of the biodiversity disclosure framework. This timeline is significantly shorter than what we saw for climate change. A similar challenge arises in measuring biodiversity impact and dependencies, particularly in the context of Scope 3. It is an area that demands collaborative effort and innovative solutions like yours to avoid overwhelming businesses.

* PACT (Partnership for Carbon Transparency): A project under WBCSD aimed at enhancing transparency of emissions in the supply chain

I would say that NRI's business model stands out globally as a company that explores new concepts and delivers them as consulting and software solutions.

Key Issues for the Future

NRI: Currently, among the projects related to WBCSD, our main focus is on the PACT. The PACT team has helped us collaborate with suppliers and provide opportunities for connecting greenhouse gas emission data.

Mr. Bakker (WBCSD): Addressing one of the primary challenges in PACT, we need to go beyond developing PoC and implementing our technology solution. The key question here is how we can adapt this system to cater to the needs of small and mid-sized companies. The next challenge is connecting avoided emissions accounting to financial markets, as substantial capital seeks sustainable investment opportunities. We believe that a robust avoided emissions accounting system could become the preferred standard for investors.

NRI: Our distinctive feature is our collaboration with leading companies in a variety of industries. For example, our collaboration with major automobile manufacturers and retailers leads to the decarbonization of the entire supply chain. In DX3.0, our primary aim is to collaborate with companies to have a meaningful influence on society.

At the End

Mr. Bakker (WBCSD): Even though we have different roles and mainly deal with big companies, we are alike in some ways. It is true that nearly all small and medium-sized businesses are linked to the supply chains of larger companies. If we can make digital solutions that are easy for smaller companies to use and fit into the supply chain, we can create solutions that work for everyone, including those smaller companies. Projects like the PACT benefit both the company and WBCSD, and they can lead to expansion into other important areas that align with their plans.

I look forward to deepening our collaboration, and I would appreciate your guidance on our next steps and how we can best assist your organization.



2023 Sustainability Dialogue with Experts
<https://www.nri.com/en/sustainability/management/dialogue/2023/dialogue>

Sustainable Procurement (Sustainability Efforts in the Supply Chain)

In the NRI Group Procurement Policy, we declare our intent to contribute to building sustainable futures together with our business partners. In this policy, we aim to select partners via a comprehensive evaluation of their environmental, social, and governance efforts, in addition to factors such as business conditions, product and service quality, delivery, and cost.

In regard to sustainable procurement, we require procurement that considers the environment and society in addition to compliance with laws and social norms. We have implemented the following as concrete efforts.

► **Efforts toward Sustainability Overall (ESG Shared)**

(i) Formulation, dissemination, and agreement to the NRI Group Business Partner Code of Conduct

- The NRI Group has formulated the NRI Group Business Partner Code of Conduct, which includes not only compliance with laws and social norms but also issues related to the environment, labor, and human rights.
- This code of conduct was created according to our concept of achieving sustainability management and the RBA Code of Conduct formulated and published by the RBA (Responsible Business Alliance), and details efforts that we would like our business partners to make together with NRI.
- From major business partners, NRI has obtained agreements to comply with this code of conduct. As of the end of March 2024, NRI has received agreements from business partners representing 80% of the procurement amount from domestic Group companies.

(ii) Understanding the situation

- As part of understanding the status of business partners, major business partners have been asked to conduct a self-assessment (SAQ) related to sustainability.
- We also ask business partners to conduct external evaluations on sustainability and check the situation regarding the external certification that they have obtained, etc.

(iii) Improvement assistance

- **Opinion exchange with individual companies/improvement assistance:** Because the promotion of sustainability efforts at business partners sometimes requires NRI to provide assistance for making improvements, the NRI Group assists improvements based on the results in "Understanding the situation" indicated above.
- **Sustainability dialogue:** Refer to the section "Hosting business partner sustainability dialogue" below.



Detailed information on environmental initiatives for business partners is provided on pages 93-94.

Hosting Business Partner Sustainability Dialogue

We hold a Sustainability Dialogue with Business Partners session annually as a forum to share information and exchange opinions on sustainability activities.

In January 2024, a record 96 business partners participated in the dialogue. NRI shared social trends related to sustainability and the efforts of the NRI Group. In addition, there were panel sessions with two business partners, who shared their concerns and efforts made regarding the promotion of initiatives.



NRI Group Procurement Policy
<https://www.nri.com/en/company/partner>
 NRI Group Business Partner Code of Conduct
https://www.nri.com/en/company/partner_code

Sustainability Dialogue with Business Partners
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, we 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 59th Ordinary General Meeting of Shareholders: Notice released on May 24—Meeting held on June 21 (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
- Same day disclosure in English and Japanese (Consolidated Financial Results, Financial Results Outline, News Release)

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

Participating in an International Forum Aiming to Build a High-Quality Carbon Market to Achieve a Sustainable Society

NRI is advancing its efforts toward building sustainable futures through collaboration with domestic and international stakeholders and transmitting information externally.

At the International Forum for Sustainable Asia and the Pacific (ISAP2024) held on July 23, 2024, NRI participated in a panel discussion titled “Building and Implementing a High-Quality Carbon Market to Achieve Net-Zero by 2050,” alongside government agencies from three countries, including Azerbaijan, the host of COP29, and representatives from two international initiatives focused on carbon market integrity. NRI Senior Corporate Managing Director Masaaki Yamazaki shared insights into Japanese companies’ interests and challenges regarding the use of carbon credits and emphasized the importance of practical efforts by companies and further discussions both domestically and internationally.



NRI Senior Corporate Managing Director Masaaki Yamazaki, participating in ISAP2024

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), executives in charge of IR, the IR Department, executive in charge of sustainability, and the Sustainability Promotion Department engage in dialogue with shareholders, investment analysts, fund managers, and individuals in charge of ESG, etc.

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 2024

- ✓ New president’s policy
- ✓ New president selection process
- ✓ AI strategy
- ✓ V2030, MTP2025
- ✓ Status and future plans of each operation
- ✓ Human capital
- ✓ Financial strategy

Main Activities in the Fiscal Year Ended March 2024

Institutional investors and analysts	<ul style="list-style-type: none"> • Number of investors met: 1,238 persons, 467 dialogues • 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: Total number of participants: 3,231 (live viewing plus on-demand viewing)

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.

In the February 2024 briefing, we introduced NRI’s broad sustainability initiatives through our business, focusing on initiatives related to generative AI and the introduction of DX3.0 business.

On the day of the event, institutional investors, as well as ESG ratings agencies/experts, media representatives, and others, were among the 75 participants.



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

External Evaluation of NRI

Japan Investor Relations Association
 Best IR Award 2023



Nikkei, Inc.’s 3rd Nikkei Integrated Report Award
 “Grand Prix”



The Securities Analysts Association of Japan
 2023 (29th) Award for Excellence in Corporate Disclosure
 • IT service/software industries
 • Individual investors Information provision



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.

*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 business 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.

Major Stakeholders	Society (Including the Global Environment)	Clients		Employees	Business Partners	Shareholders / Investors
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 		<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 initiatives <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 (financial and non-financial) Substantial disclosure of information Enhancement and advancement of sustainability management
Relationships with Stakeholders	<ul style="list-style-type: none"> Social value creation via business (value co-creation with clients) <ul style="list-style-type: none"> Policy proposals for society / systems, information & knowledge sharing Sustainable social infrastructure Policy proposals on disaster prevention and support for disaster recovery Participation in initiatives Other social activities CO₂ reduction and renewable energy usage (Scope 1 + 2) Scope 3 CO₂ reduction 	<ul style="list-style-type: none"> Building relationships via business by growing together and respecting each other <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 		<ul style="list-style-type: none"> Provision of stable employment and good treatment Job satisfaction Creation of environment where employees can take on challenges Creating a comfortable work environment Cultivation of good human relations Respecting human rights and complying with labor regulations 	<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 of external assessment agencies
Example Initiatives of NRI Group	<ul style="list-style-type: none"> DX3.0 initiatives (social DX, digital social capital): Forest credits, GX League, NRI-CTS, etc. Engagement with society: Agreement with action on the Paris Agreement, global lobbying (WBCSD CFO network & PACT*), top dialogue with WBCSD CEO, various forums Environmental contribution: Efforts for achieving net-zero target in FY2050, CO₂ emission reductions via shared online services <p>FY2023 Results</p> <ul style="list-style-type: none"> Overall investment and spending on measures for DX2.0/3.0: ¥15.1 billion Reduction rate of GHG emissions (base year: FY2019): Scope 1+2 △86%, Scope 3 +21% Renewable energy utilization rate: 95% 	<ul style="list-style-type: none"> Co-create a thriving future society: DX consulting, analytics, business expansion with AI, social DX (utilization of My Number, regional revitalization), digital finance business Co-create an optimal society: Strategy/work/system consulting, value chain DX CO₂ reduction via shared online services: THE STAR, BESTWAY Co-create a safe and secure society: Secure services for economic security and AI, remote medical systems, cloud services Efforts for quality control Efforts for AI ethics <p>FY2023 Results</p> <ul style="list-style-type: none"> Revenues of business platforms: ¥137.4 billion Revenues of safety & security: ¥185.5 billion Investment in intellectual capital: ¥14.1 billion Number of cases in which severe risk materialized: 5 		<ul style="list-style-type: none"> C&A system**: Fair and equitable evaluation system Opportunities for growth: Talent management, training, target management system D&I: Women's participation/promotion, on-boarding of mid-career hires Work-style reform: Flexible workstyles combining working at home and office work, health and productivity management, welfare/support program for employees and their families Improved engagement: Engagement survey, 1-on-1 meetings, MVV dialogue Dialogue with employees: Employee (union) meetings <p>FY2023 Results</p> <ul style="list-style-type: none"> Degree of empathy with value co-creation (domestic group companies): 67% Employee engagement score: 71 Female opportunity offering rate: 15% 	<ul style="list-style-type: none"> Partnership activities: e-partners, f-partner activities³, management seminars, partner dialogue Procurement management: Procurement based on the NRI Group Procurement Policy, procurement reviews, order management, payment management, promotion of compliance Promotion of sustainable procurement: Agreements on the NRI Group Business Partner Code of Conduct, identifying business partners' situations (SAQ, etc.), and assisting improvements (individual support and dialogue) <p>FY2023 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 80% 	<ul style="list-style-type: none"> Efforts based on shareholder/investor expectations: Group governance, Sustainability Committee, incorporation of sustainability elements in director compensation, external assurance of non-financial data Enhanced engagement: Financial results meeting, analysts / investors small meeting, business outlook briefing, investor interviews, information for individual investors, information release on website, sustainability briefing Evaluations from external assessment agencies: DJSI World, CDP Climate Change A List, MSCI AAA, etc. <p>FY2023 Results</p> <ul style="list-style-type: none"> DJSI World: Selection
Relationship with Materiality						



Evolve Governance

Through Realization of Strategic Risk Control

Talking about Governance

Aiming for further business value enhancement with a new system



As chairperson of the Board of Directors, I will strive to invigorate discussions in Board of Directors.

Shingo Konomoto
Chairperson of the Board of Directors

I anticipate that we will proactively engage with advanced technologies, contributing to strengthening Japan's industrial power.

Hideki Kobori
Outside Director

Selection of a new president

Konomoto In the Board of Directors' meeting held in November 2023, we resolved to appoint a new president, and Kaga Yanagisawa assumed the presidency in April 2024. First, I would like to ask about the selection of the new president.

Kobori Considering the scale of NRI as a company and the IT services industry, I believe this was a groundbreaking and excellent appointment that aligns with the era where women's active participation is expected.

Konomoto In my experience, managing a company and operating a business require different perspectives and qualifications. While other candidates have all achieved results in their respective businesses, the role of president is not just an extension of that. This becomes clear when discussing with members of the Nomination Committee who have experience as president.

Kobori As a president, above all, an ethical perspective is required. Based on that, it is important to delineate the qualifications required of a president and determine if the candidate possesses the abilities and qualities that match them. Since the president has a view of the entire company, it is also crucial to have the potential to think in a way that optimizes the whole organization.

Konomoto Our company adopts a succession method in which we systematically nurture the next management team that will be the core of future management, replace the current management with this next team, and select the next president from among them. Regarding this appointment, we have been discussing the requirements for a suitable president in the Nomination Committee and have been considering the matter for about three years. As you mentioned, it is important that the criteria are clear, and I believe that if we follow them, there will be no mistakes.

Kobori I strongly feel from Ms. Yanagisawa a desire to utilize the latest technology, AI, for the future of NRI. By leveraging her excellent communication skills to effectively engage those around her, I believe she can achieve the future vision NRI aims for. Communication is about conveying your opinions accurately and carefully and also listening well to others' opinions. A company cannot function unless the employees follow the president. Considering that we are in an era in which human resource diversity is increasingly demanded, I believe that an excellent individual has become the president.

Effectiveness of the Board of Directors

Konomoto What do you consider important about the role of the Board of Directors?

Kobori I understand that the Board of Directors' role in oversight of the executive side is important. On the other hand, providing objective advice on medium- to long-term strategies is also important. In NRI's business, in which people are the capital, human capital management is crucial. It will become increasingly important to recruit and develop talent capable of handling advanced technologies like AI and expanding global business. In addition, as we enter an unpredictable era, the importance of risk management will increase.

Considering these circumstances, I feel that it is necessary to continue discussing two points: medium term business strategy and strengthening the management infrastructure to achieve sustainable value enhancement.

Konomoto Although seeking future growth with a certain degree of risk is necessary for the company's management, there are cases in which predicting the future is difficult. In such cases, it is necessary to clearly define the matters to be addressed first, regularly check their progress in meetings of the Board of Directors, and set the direction through discussions.

Kobori It might be worth addressing challenging themes in meetings of the Board of Directors as newly established deliberation items that are, separate from decision-making and reporting items. Rather than having only the assigned officers bear the burden, it is important for all members of the Board of Directors to participate in discussions about the company's future development as if it were their own responsibility. This also fulfills their role as inside directors. Alternatively, from the perspective of developing the management team, discussing the company's future in training sessions for future executive candidates would also be meaningful.

The Board of Directors may also discuss human capital, including talent development. I believe that having discussions in the presence of independent outside directors can lead to various meaningful discussions.

Konomoto Is there anything about the effectiveness of the Board of Directors that concerns you?

Kobori This is not limited to NRI, but I feel that discussions often become one-on-one exchanges between the executive side explaining and the outside directors asking questions. It would be better if there were a flow of discussion where various opinions are expressed on a single topic. The management of the Board of Directors, such as setting agendas and time management, is extremely rational and functional, reflecting NRI's characteristic efficiency. The content of the advance explanations is also accurate, and the Q&A during Board of Directors is smooth. Because they are conducted so efficiently and effectively, I believe that it would be good if we could delve even deeper into certain themes.

Konomoto I recognize the importance of the chairman's role in the Board of Directors. Under the new system, I intend to focus on revitalizing the Board of Directors by facilitating deeper discussions, especially on growth strategies, so I ask for everyone's cooperation.

AI initiatives

Konomoto Recently, there has been a sharp increase in the attention given to generative AI. How do you view the company's AI initiatives?

Kobori The new approach of appointing an AI officer and working across businesses not only lowers organizational barriers but also establishes our position as a crucial partner to our clients. This is a highly effective initiative that can help us expand our business into new client bases and industry domains. For new initiatives, the ethical perspective and philosophy behind them are also crucial, but pioneering efforts like this are a significant step toward NRI's further growth. The willingness to take on challenges is extremely important. It is precisely because of this spirit of taking on challenges that NRI can maintain its position as an industry leader. I am eagerly looking forward to seeing how it develops.

Konomoto I believe AI is a critical technology that will define our company's future. It offers various benefits, such as adding a high degree of value to the solutions we provide and reducing the labor involved in IT system development. I would like to deepen discussions with the Board of Directors on what AI means for NRI.



Kobori In the future, the creation of new business models centered on AI and the expansion to global markets may also be considered. At NRI, rather than becoming an AI platform provider ourselves, there may be an approach in which we thoroughly utilize AI by selecting platform providers domestically and applying that expertise overseas. In any case, I feel that AI will provide various perspectives and lead us to turning points. NRI is already in a very advantageous position because it is taking the lead, and I hope that AI will bring that to the ultimate state. That's where I see NRI's strengths and the expectations for its future.

Konomoto Although this is a technology that has only just begun, I believe it is necessary to anticipate and prepare for what lies ahead.

Kobori One of NRI's strengths is its ability to build strong relationships with its clients. I think this strength will be invaluable when taking on new challenges. As a trusted partner of our clients, NRI is in a crucial position to contribute to increasing Japan's industrial strength.

Global business

Konomoto We have positioned global expansion as one of our pillars for growth and are actively pursuing it. How do you view the company's global business?

Kobori In Japan, where the population is declining, the general consensus is that while quality can be improved, it will become difficult to increase volume. NRI may be able to enhance its standing as a key partner to clients by improving quality domestically, but when considering further business expansion, global expansion becomes a potential option. The important question is how we position our overseas business and what value we can derive from it.

The idea of leveraging existing strengths to conduct business overseas will have aspects that work and aspects that do not. The deep relationships with clients, which are a strength in Japan, are based on the accumulation of trust built over time with high-quality human capital and past work. This is not something that can be achieved in the short term. In addition, strengths vary depending on the market. Therefore, analyzing the target market and clients is crucial. If there are differences in customs and systems related to IT services and consulting, it is important to analyze them thoroughly and then determine the position of NRI's overseas business and the value it can bring. There are various approaches in global markets, so it will likely involve trial and error as we move forward. However, an important point to note is that it is difficult for a Japanese person to take on a top leadership role in these markets. Instead, it is essential to find local businesspeople who share the same concepts and values.

There is ample value in taking on the challenge of global expansion, and NRI has the potential to succeed, so there is no need to rush to find answers. I believe it

would be beneficial to deepen discussions in meetings of the Board of Directors regarding the long-term positioning of overseas business at NRI, in addition to turning around our current circumstances. Approaching it with the determination to resolve issues unique to global markets could be the right attitude.

Sustainability management

Konomoto In regard to materiality, the company has listed "expansion of human capital" as "capital that generates value." I believe that a company has both human resources and human capital. While human resources refers to the number of people, human capital is about individuals leaping into a world where they can independently create value. I think the moment when human resources transform into human capital is when each employee becomes passionately engaged in his or her work. The number of employees who are fully absorbed in their work could be a parameter to define the company's human capital.

Kobori Being absorbed in work can also be seen in a sense of fulfillment or motivation. We are now in an era of lifelong growth rather than lifelong employment. In Japan, there is a tendency to think that the company will prepare a position for you due to lifelong employment, but the company only provides the environment. It is essential for each individual to have the mindset of lifelong growth. In other words, the combination of lifelong growth to enhance individual expertise and the sense of fulfillment is the source of a company's growth. Determining how to increase these factors is a major task for management. NRI already has a strong awareness of developing individual expertise, so the challenge now is determining how to create a sense of fulfillment. Strengthening management capabilities will become increasingly important.

Konomoto We have been discussing this in meetings of the Board of Directors, and NRI is also working to resolve social issues through its business. While business growth is important, I believe that contributing to society at large is the very essence of NRI's purpose.

Kobori NRI is engaged in various efforts to address social issues, such as carbon neutrality. I think it is important to communicate these efforts to the world, especially as a leader in Japanese society. Contributing to resolving social issues also holds significant meaning in terms of securing talent and boosting employee motivation.

Interview with an Outside Audit & Supervisory Board Member



NRI will contribute to sustainable value enhancement through defensive and offensive audits.

Naruhito Minami
Outside Audit & Supervisory Board Member

The role of Audit & Supervisory Board members

Generally, the role of the Audit & Supervisory Board is heavily focused on defensive measures, such as preventing legal violations and fraud that could harm business value. It is not typically believed that audits contribute to enhancing business value. However, starting in the fiscal year ended March 2024, we have added the words “contributing to sustainable value enhancement” to the basic audit policy in our annual audit plan. This addition reflects the intention of Audit & Supervisory Board members to conduct audits from the same perspective as management, who are working toward building a sustainable future society, thus indicating an offensive approach where audits contribute to value enhancement. When drafting the audit plan, we have not merely followed precedents but have engaged in thorough discussions on what kinds of audit could contribute to NRI’s value enhancement, and we have carefully identified audit items. This offensive audit approach is made possible by the company’s solid foundation aimed at creating a sustainable future society. A sustainable company must not only generate profits but also contribute to society. It is commendable that management operates with this mindset.

The effectiveness of governance

I find it very meaningful that in addition to meetings of the Board of Directors, there are other forums for discussion, such as exchanging opinions with the representative director and meetings of the Independent Executive Committee.* The provision of information and explanations by the secretariat prior to meetings of the Board of Directors and the Audit & Supervisory Board are also very thorough. Thanks to the candid discussions in these informal settings and the robust support from the secretariat, I feel that the discussions in meetings of the Board of Directors and the Audit & Supervisory Board are very deep. Some people are of the opinion that the effectiveness of the Board of Directors could be enhanced by appointing female and foreign directors to increase diversity. Looking at the composition of NRI’s Board of Directors could invite such opinions. However, I believe that, given the current situation, the outside directors are all highly experienced, and the discussions are rich, making the Board of Directors effective. If I were to suggest one improvement, it would be that the discussions between the executive side and outside directors at meetings of the Board of Directors could be more robust.

* Independent Executive Committee: An informal forum in which outside directors and outside Audit & Supervisory Board members participate in discussions

Global strategy

The surrounding environment overseas is currently challenging, but the issue lies in how NRI can leverage its strengths abroad. The business foundation in Australia has been established over several years. However, I see issues with how the North American business is progressing. I am concerned whether the model of “Con-Solution”—which combines consulting and IT solutions and is a strength of NRI—will be effective in gaining the trust of clients in North America.

Considering the shrinking market in Japan due to the declining birthrate and aging population, it is necessary, from a long-term perspective, to seek growth opportunities overseas. Therefore, expanding into overseas markets is essential. In addition, since advanced technology always originates in North America, one strategy could be to conduct business overseas while absorbing expertise and bringing it back to Japan. For the sake of domestic business as well, it is crucial to stay updated on the latest trends, so I believe we should not halt the expansion in North America. However, as the assumptions we had when we first entered the North American market are changing, I feel that it’s time to review our growth strategy. While recovering current performance is important, it would be beneficial for the Board of Directors to engage in even deeper discussions on long-term global strategy. Depending on the outcome of these discussions, the nature of global governance might also need to change.

Sustainability management

Given that NRI is always in a top position in a highly competitive industry, before I became a member of the Audit & Supervisory Board, I had the impression that NRI was a company hungry for growth. However, in reality, I found that the people at NRI are earnest and sincere, steadily building things up as they work. In addition, I feel that they value each client greatly. This was also apparent in the lively discussions concerning clients during the formulation of NRI Group’s Long-Term Management Vision V2030 (hereinafter, “V2030”) and the Medium-Term Management Plan (2023–2025) (hereinafter, “Medium-Term Plan 2025”). I believe that clients engage NRI’s services because they see value in the way NRI works closely with them, contributing together. For NRI’s sustainable growth, I hope the company continues to be an indispensable presence as a business partner to its clients.

A company that grows sustainably is one that fulfills its social responsibilities while growing. I have the impression that NRI is proactive in disclosing information related to corporate social responsibility, such as setting and disclosing greenhouse gas emission

reduction targets and achievements, including Scope 3, ahead of other companies. There is a trend in the world toward mandating various forms of disclosure. By disclosing its own status, NRI can receive various feedback from outside sources, which will provide opportunities for growth through the PDCA cycle. The world is watching whether a company is growing while being mindful of environmental and other considerations, not just whether it is profitable. While I believe that NRI is always preparing for this, it will be necessary to stay ahead of the curve and respond to trends in disclosure related to climate change, human capital, and human rights.

Expectations for NRI

It would be accurate to say that Medium-Term Plan 2025 has been progressing steadily so far. However, I feel that there are some issues regarding V2030. As a member of the Audit & Supervisory Board, I am focused on whether discussions, including those with senior managing directors, are being conducted from the perspective of sustainable value enhancement, and whether the Board of Directors is functioning effectively. Even now, I get the impression that solid discussions are taking place. However, since outside parties are also highly interested in global strategy and the new theme of AI, I would like the Board of Directors to engage in even deeper discussions.

NRI has always been a leading company in promoting DX in Japan. As it advocates for DX3.0, I hope that NRI will become a top runner leading Japanese society, especially in terms of contributing to resolving social issues through the use of IT. For example, I expect discussions on how to utilize generative AI to solve social issues. Since generative AI is a new technology, there will be various risks and opportunities. I would like to see discussions and implementations not only from the perspective of innovation of production within the company but also on how AI can contribute to client growth and expand NRI’s topline.

I hope that NRI will continue to engage in offensive management that not only protects what needs to be protected but also boldly takes on the challenge of new areas.

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.

PDF 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.

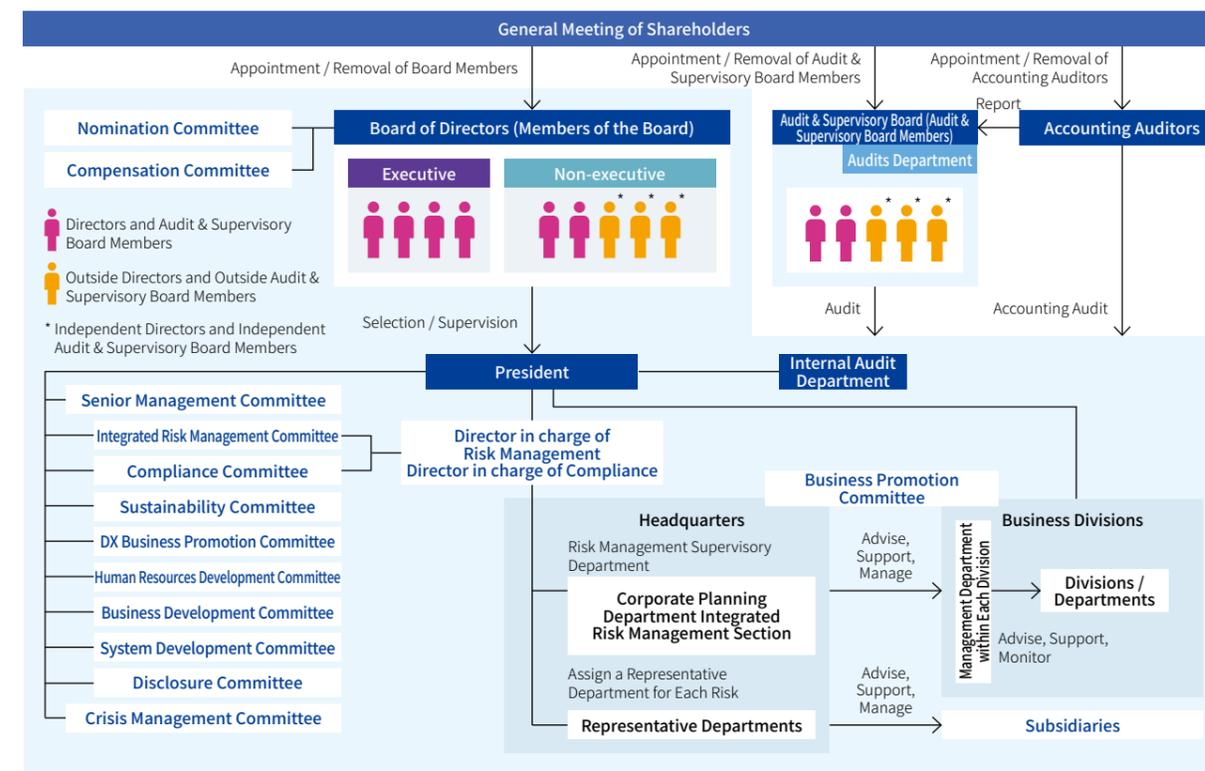
Main Corporate Governance Efforts Since Listing

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 in 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 a 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 the stock option plan Introduced the 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, 2024)

For the Board of Directors and the Audit & Supervisory Board, see P.116-117
 For Internal Controls, Corporate Ethics, and Compliance, see P.126-129



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.	Chairman, Member of the Board Shingo Konomoto
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 Yoichi Inada
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.	Chairman, Member of the Board Shingo Konomoto
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.	Senior Executive Managing Director, Member of the Board, Representative Director Hidenori Anzai
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, Member of the Board, Representative Director Kaga Yanagisawa
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 Masaaki Yamazaki
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 Masaaki Yamazaki
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 Corporate Managing Director Tomohiko Noguchi
Human Resources Development Committee	The committee deliberates on important issues concerning development and training of employees, based on instructions given by the president.	Senior Corporate Managing Director Masaaki Yamazaki
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 Tetsuro Watanabe
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 2023–March 2024)

	Main Contents	
Management / business strategy	<ul style="list-style-type: none"> Business plan (budget formulation) AI strategy Business investments 	<ul style="list-style-type: none"> Global strategy (North America/Australia business) Client proposal projects 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 	<ul style="list-style-type: none"> Matters related to directors' compensation Human resources strategy
Sustainability	<ul style="list-style-type: none"> Initiatives by Sustainability Committee 	
Policy on finance, reporting and IR	<ul style="list-style-type: none"> Financial strategy Annual Securities Report Policy on surplus and dividends 	<ul style="list-style-type: none"> Capital policy Status of monthly results, 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 	<ul style="list-style-type: none"> Board of Directors' operation policy Group governance
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) 	

Annual Schedule of the Board of Directors

	2023			2024		
	April–June	July–September	October–December	January–March	April–June	July–September
Board of Directors	▼▼	▼	▼▼	▼	▼	▼
Management / business strategy (including sustainability)	▼▼	▼	▼	▼	▼	▼
Executive appointment matters (including remuneration) and personnel matters for employees			▼▼	▼	▼	▼
Corporate governance, risk management and internal controls	▼	▼	▼▼	▼	▼	▼
Audit & Supervisory Board members, internal auditing report	▼	▼	▼	▼	▼	▼
Business execution report			▼			
Other	▼		▼	▼		▼
(Independent executive committee)	▼	▼	▼	▼	▼	▼

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.

Advisory Committees

	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"> 4 meetings 	<ul style="list-style-type: none"> 3 meetings
Main contents	<ul style="list-style-type: none"> Deliberation on the composition of the Board of Directors based on how the Board should function and its role Deliberation on candidates for directors and Audit & Supervisory Board members from the perspectives of ability, expertise, achievements, etc. Final evaluation of successor candidates based on the CEO succession plan Deliberation on the selection and placement of senior managing directors, managing directors, and other officers, etc., based on the proposed business execution structure for the next fiscal year 	<ul style="list-style-type: none"> Deliberation on the payment of basic compensation, bonuses, and stock-based compensation Verification and deliberation on the level and appropriateness of directors' compensation Deliberation on the revision of business indicators applied in the calculation of directors' bonuses Deliberation on revision of the decision policy for directors' compensation (basic policy for directors' compensation)

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 of 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 Audit & Supervisory Board

To ensure independence, more than half of members of the Audit & Supervisory Board 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 23, 2023

Structure of the Board of Directors and the Audit & Supervisory Board (As of June 21, 2024)

Members of the Board Audit and Supervisory Board Members	Name (★Female)	Expected strategy-related knowledge			Area of expertise					Main experience and license in the area of expertise		Attendance	Reason for Appointment	
		Innovation	Global	Human Resources	Corporate management	Business	Governance, Risk management	Finance, Accounting, M&A	Environment, Society	Experience	License			
Members of the Board	In-house	Shingo Konomoto	○	○	○	●					CEO		Board of Directors Attended 15 of 15 Meetings	He possesses abundant experience and achievements concerning the management of the NRI Group, having served for 8 years as President & CEO of the Company. NRI has appointed him with the experience and understanding gained throughout his career, in the supervision of the management of the Company.
		Yo Akatsuka	○	○	○			●	●		Director of securities company		Board of Directors Attended 15 of 15 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.
		Kaga Yanagisawa*	○	○	○	●					Corporate (Head)		—	She possesses a wide range of experience in business execution and achievements in the areas of consulting and corporate headquarters. She is currently responsible for the NRI Group's management as President & CEO. NRI has appointed her with the experience and understanding gained throughout her career, in the management of the Company.
		Ken Ebato	○		○		●	●	●		Senior Executive Vice President of the Company		Board of Directors Attended 15 of 15 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.
		Hidenori Anzai		○	○		●	●	●	●	IT Solutions (Division Manager), Corporate (Supervising)		Board of Directors Attended 15 of 15 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.
		Fumihiko Sagano		○	○		●	●			Consulting (Division Manager), IT Solutions (Head)		—	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. NRI has appointed him with the experience and understanding gained throughout his career, in the management of the Company.
	Outside / Independent	Shinoi Sakata*	○	○	○			●	●	Listed company executive		Board of Directors Attended 15 of 15 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 an 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.	
		Tetsuji Ohashi	○	○	○	●				Listed company CEO		Board of Directors Attended 15 of 15 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 an 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.	
		Hideki Kobori	○	○	○	●				Listed company CEO		Board of Directors* Attended 11 of 11 Meetings	He has led the management of ASahi 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 ASahi KASEI Group. NRI expects him as an 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.	
Audit & Supervisory Board Members	In-house	Yoichi Inada	○		○		●	●		IT Solutions (Division Manager), Corporate (Division Manager)		Audit and Supervisory Committee* Attended 13 of 13 Meetings Board of Directors* Attended 11 of 11 Meetings	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.	
		Takeshi Hihara		○	○			●	●	Corporate (Head)		—	He possesses a wide range of experience in business execution and achievements in the areas of consulting, financial IT solutions, and corporate headquarters. NRI has appointed him with the experience and understanding gained throughout his career, in the auditing of the business execution of the Company's Members of the Board.	
	Outside / Independent	Kenkichi Kosakai	○	○	○	●				Listed company vice president / CFO		Audit and Supervisory Committee Attended 17 of 17 Meetings Board of Directors Attended 14 of 15 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.	
		Naruhito Minami		○	○			●	●	Executive Director of an audit corporation	CPA	Audit and Supervisory Committee Attended 17 of 17 Meetings Board of Directors Attended 15 of 15 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 an 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.	
		Yasuko Takazawa*		○	○			●	●	Listed company executive	Lawyer	Audit and Supervisory Committee Attended 17 of 17 Meetings Board of Directors Attended 15 of 15 Meetings	She has many years of experience working in corporate legal departments and as a lawyer. NRI requests her election as an 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.	

Message from the CEO
 NRI's Value Co-Creation
 V2030
 Growth Story for 2030
 MTP2025
 Value Creation
 Value Creation Capital
 Materiality
 Management Basis (ESG)
 Corporate Information / Data

Content of Skill Categories

1. Approach and Structure for the Classification of Knowledge, Etc.

Expected strategy-related knowledge		Area of expertise	Main experience and license in the area of expertise
Items in which the demonstration of knowledge for the attainment of business strategy is expected. The items are set based on the growth strategy stated in the Medium-Term Management Plan.		Areas of expertise needed to drive business strategy. The demonstration of multifaceted knowledge about promotion of business and risk policies, etc. from the perspective of the area of expertise are expected.	The type and depth of knowledge that each member of the Board or Audit & Supervisory Board member possesses with respect to his/her area of expertise is expressed in terms of experience and licenses.
Item	Pillar of growth strategy	Area of expertise	Details
Innovation	Strengthen DX Co-creation of digital social capital and challenges in new fields	Corporate management	Broad expertise that is not confined to a specific area
		Business	Business unit leadership combined with knowledge of customer industries, technologies, etc.
Global	Global Development of structures for global business operations	Governance, Risk management	Expertise in overseeing management issues from a business management perspective, including internal control and quality supervision
		Finance, Accounting, M&A	Expertise in overseeing management issues based on performance and financial status
Human Resources	Management Accelerate growth by expanding human capital	Environment, Society	Expertise in orienting management based on knowledge of ESG and SDGs

2. Approach for “Expected Strategy-Related Knowledge”

- As for Innovation and Global, “◎” indicates that there is high expectation based on considering the length of experience, details of experience, etc.
- Management of human resources, which are the source of the company’s strength, is the key to its growth, and the company expect all members of the Board and Audit & Supervisory Board members, who also have experience in managing large organizations and corporations, to demonstrate multifaceted knowledge based on their individual experiences.
- The company expects members of the Board and Audit & Supervisory Board members to be able to demonstrate their knowledge for all strategies leveraging experience in corporate management through global companies and in companies that have achieved growth through innovation.

3. Knowledge about Overall Business Administration

- In addition to the above, the company expects all members of the Board and Audit & Supervisory Board Members to demonstrate multifaceted knowledge, taking advantage of their respective areas of expertise.

Outside Director and Audit & Supervisory Board Member Activities

NRI undertakes various initiatives to ensure that outside directors and Audit & Supervisory Board members can effectively carry out their activities.

Outside Director Hideki Kobori, who was appointed director in June 2023, visited Tokyo Data Center I operated by the company to deepen his understanding of data center operations that support the provision of safe and secure services.

In addition, Outside Director Shinoi Sakata participated in the female leader training program, a selective training held as part of initiatives to promote female participation, where she engaged in dialogue with participants based on her own insights, thereby demonstrating her skills in strengthening the systems that support NRI’s value co-creation.



Outside Director Shinoi Sakata

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)				
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.	¥800 million*				
		<table border="1"> <tr> <td>Stock-based compensation as long-term incentives</td> <td>Stock-based compensation as medium-term incentives</td> </tr> <tr> <td>¥240 million*</td> <td>¥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	Stock-based compensation as medium-term incentives	¥240 million*	¥560 million*
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* Monetary compensation claims are provided for granting restricted stock to eligible members.

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 “1.4” and stock-based compensation is “1.4.” If fixed compensation is “1,” performance-based compensation is “2.8.”

Compensation Ratio for Director Compensation (FY March 2024)

Fixed compensation Basic compensation 1	Performance-based compensation 2.8	
	Short-term performance-based compensation Bonuses 1.4	Medium- to long-term performance-based compensation Stock-based compensation 1.4

Notes: 1. Calculations are based on the Board of Directors’ average for FY March 2024 (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.

In addition, at the Board of Directors held on March 8, 2024, a decision was made to partially revise the policy for determining the director compensation (Basic Policy for Director Compensation) from the fiscal year ending March 2025, in order to make the system more highly correlate the management responsibilities of directors (management targets) with management results (director compensation).
(Revision)

Performance indicators applied to the calculation of bonuses have been revised as follows.

Before revision (Prior to the fiscal year ended March 2024)			After revision (Fiscal year ended March 2025)		
Performance indicators	Baseline	Evaluation weight	Performance indicators	Baseline	Evaluation weight
Operating profit	Previous fiscal year results	75%	Operating profit	Previous fiscal year results	75%
Profit attributable to owners of parent	Previous fiscal year results	25%	Profit attributable to owners of parent	Previous fiscal year results	15%
			Return on equity attributable to owners of the parent company (ROE)	Targets	10%

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.

In addition, at the Audit & Supervisory Board meeting held on March 8, 2024, we resolved to partially revise the policy for determining the compensation of Audit & Supervisory Board members for the fiscal year ending March 2025 and beyond, with the aim of further enhancing the independence of Audit & Supervisory Board members in supervising the execution of duties by directors.

(Revision)

We will abolish the bonuses previously paid to full-time Audit & Supervisory Board members and instead provide basic compensation based on their rank and duties.

Executive Compensation Amounts

Executive compensation for FY March 2024 is as follows.

Category	Total compensation (millions of yen)	Compensation by type (millions of yen)				Other	Number of eligible individuals (persons)
		Fixed compensation	Performance-based compensation		Total		
			Basic compensation	Bonuses			
Members of the Board	1,005	318	337	347	685	2	10
(Of whom are outside members of the Board)	64	64	—	—	—	—	4
Audit & Supervisory Board members	189	115	40	32	72	0	6
(Of whom are outside Audit & Supervisory Board members)	54	54	—	—	—	—	3

Notes: 1. The above includes one member of the Board, one outside member of the Board, and one Audit & Supervisory Board member, who retired at the conclusion of the 58th Ordinary General Meeting of Shareholders held on June 23, 2023.
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 2024 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.

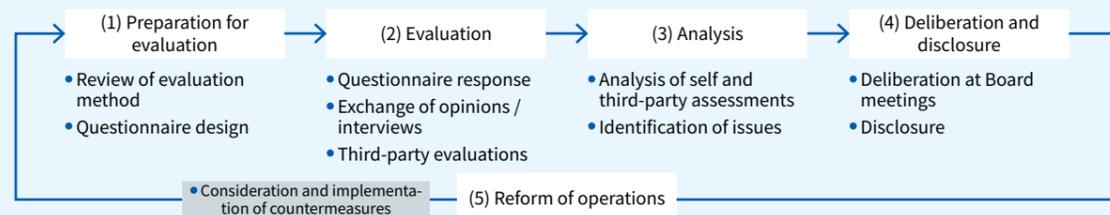
Review of Effectiveness Evaluation Process and Evaluation Method

Effectiveness Evaluation Process

Evaluation Process

NRI evaluates the Board of Directors' effectiveness through the following series of processes: (1) Preparation for evaluation, (2) Evaluation, (3) Analysis, (4) Deliberation 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. In FY March 2024, we also adopted interviews by third-party organizations to check relative evaluations including other companies.



Review of Evaluation Method for FY March 2024

In the evaluation preparations for (1), we checked the content of the Board of Directors' questionnaire for March 2024 and debated the adoption of third-party evaluations to identify issues for raising the effectiveness of the Board of Directors.

Opinions were exchanged at independent director meetings to discuss the effectiveness of the Board of Directors based on the results of the questionnaire in March. The Board of Directors also conducted an analysis and evaluation that included objective third-party opinions and debated issues from various evaluation perspectives.

Initiatives for Issues Recognized in FY March 2023

Issues identified in FY March 2023	Initiatives in FY March 2024
Continuing debate on the composition and diversity of the Board of Directors	We debated the selection of suitable candidates for president and members of the Board while considering diversity.
Improving the quality of debate by clarifying the points of debate in Board of Directors' materials and focusing on key topics	We checked the points of debate at Board of Directors in advance and confirmed that the meeting materials were of a suitable structure and size for explanations on the business execution side.
Providing opportunities for the free and open exchange of ideas at Board of Directors	We provided opportunities for the informal exchange of opinions, such as off-site meetings between outside directors and the president and independent director meetings regarding economic security.
Further enriching debate on strategic topics	We increased the time spent on key themes by revising debate standards. Ongoing issues include how we can stimulate debate on our overseas business and achieve debate on human capital.
Continuous debate on enhancing governance at overseas Group companies	We debated the status of implementing enhanced governance at our overseas Group companies and related issues at Board of Directors.

Overview of Board of Directors' Effectiveness Evaluation for FY March 2024

Overview of Effectiveness Evaluation

According to the self-evaluations conducted as usual and the objective third-party evaluations, we have deemed that the effectiveness of the Board of Directors is generally assured and its operation has been steadily improving. An overview of the evaluation results is indicated below.

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.
- Reviews of debate standards and further delegation of authority to the execution side have enabled more time to spend on key themes at Board of Directors and fostered an environment where careful debate can be had regarding management strategies.
- Although there will be a new system in FY2024, including a female president, there is a need to continue debating the structure and diversity of the Board of Directors going ahead, including the ratio of outside directors, based on the future business situation and management strategies.
- 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

- In regard to global strategies, we hope for reports on the status of investigating and executing strategies based on continuous debate.
- In regard to human capital strategies, we hope to see opportunities for fundamental debate, as this theme is at the core of NRI's management strategy.

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 confirmed lively debate and the exchange of ideas regarding Group global governance, and see steady improvements overall. We hope to see efforts that are substantial rather than mere formalities, while monitoring the status of maintenance measures and actions for enhancing governance at overseas Group companies and evaluating the status of implementation requirements.
- 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. We will continue to evaluate the effectiveness of the Board of Directors each year and plan to periodically conduct further interviews with third-party organizations about once every three years.

NRI Executives

Members of the Board

New election Executive Non-executive Outside Independent



Shingo Konomoto
Date of birth: February 11, 1960
Chairman, Member of the Board
Chairperson of the Board of Directors (275,321 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
Apr. 2024 Chairman, Member of the Board, Representative Director
Jun. 2024 Chairman, Member of the Board, Chairperson of the Board of Directors (present)

<Important concurrent position>
Outside Director of SONY GROUP CORPORATION



Yo Akatsuka
Date of birth: July 14, 1965
Vice Chairman, Member of the Board (21,100 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. 2020 Senior Managing Director of Nomura Securities Co., Ltd.
CEO of Nomura Holding America Inc.
Mar. 2022 Executive Vice President of Nomura Securities Co., Ltd.
Apr. 2022 Advisor of Nomura Securities Co., Ltd.
Jun. 2022 Vice Chairman, Member of the Board of the Company (present)



Kaga Yanagisawa
Date of birth: May 3, 1967
President & CEO
Member of the Board
Representative Director (38,466 shares)
Apr. 1991 Joined the Company
Apr. 2019 Managing Director
Apr. 2021 Deputy Head of Human Resources and Human Resources Development
Apr. 2021 Senior Managing Director
Apr. 2023 Head of Human Resources and Human Resources Development
Apr. 2023 Deputy Head of Corporate Planning
Apr. 2023 Senior Corporate Managing Director
Apr. 2023 Head of Corporate Strategy
Apr. 2024 Corporate Communications and Investor Relations
Apr. 2024 Division Manager of Center for Corporate Planning
Jun. 2024 President & CEO
Jun. 2024 Member of the Board
Representative Director (present)



Ken Ebato
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 (169,609 shares)
Apr. 1987 Joined the Company
Apr. 2015 Senior Managing Director, Deputy Division Manager of Capital Markets & Wealth Management Solutions Division
Apr. 2018 Senior Managing Director
Apr. 2019 Division Manager of Capital Markets & Wealth Management Solutions Division
Apr. 2019 Senior Corporate Managing Director
Apr. 2021 Division Manager of Capital Markets & Wealth Management Solutions Division
Apr. 2021 Senior Executive Managing Director, Head of Financial IT Solutions
Jun. 2021 Division Manager of Capital Markets & Wealth Management Solutions Division
Apr. 2022 Head of Financial IT Solutions
Apr. 2022 Representative Director, Member of the Board, Senior Executive Managing Director
Apr. 2023 Representative Director, Member of the Board, Senior Executive Vice President, Supervising of Consulting, Supervising of Financial IT Solutions, Supervising of IT Platform Services (present)
Apr. 2024 Senior Executive Vice President, Member of the Board, Representative Director, Supervising of Financial IT Solutions, Supervising of IT Platform Services (present)



Hidenori Anzai
Date of birth: November 9, 1964
Senior Executive Managing Director
Member of the Board
Representative Director
Supervising of Corporate Headquarters (135,324 shares)
Apr. 1989 Joined the Company
Apr. 2014 Senior Managing Director
Apr. 2017 Deputy Division Manager of Distribution & Communication Solution Division
Apr. 2017 Senior Managing Director
Apr. 2019 Division Manager of IT Platform Services Division
Apr. 2019 Deputy Division Manager of Systems Development Innovation Division
Apr. 2019 Senior Corporate Managing Director
Apr. 2021 Head of Corporate Administration
Apr. 2021 Senior Executive Managing Director
Jun. 2021 Head of Corporate Headquarters
Jun. 2021 Representative Director, Member of the Board,
Senior Executive Managing Director
Apr. 2023 Senior Executive Managing Director, Member of the Board,
Representative Director
Apr. 2023 Supervising of Corporate Headquarters (present)



Fumihiko Sagano
Date of birth: July 5, 1965
Senior Executive Managing Director, Member of the Board, Supervising of DX, Supervising of Consulting, Supervising of Industrial IT Solutions, Supervising of Global Headquarters (107,900 shares)
Apr. 1990 Joined the Company
Apr. 2010 Senior Managing Director
Apr. 2017 Deputy Division Manager of Systems Consulting Division
Apr. 2017 Senior Corporate Managing Director
Apr. 2022 Division Manager of Systems Consulting Division
Apr. 2022 Senior Executive Managing Director
Apr. 2024 Head of Industrial IT Solutions
Apr. 2024 Division Manager of Industrial Solution Business Development Division
Apr. 2024 Division Manager of Distribution Solution Division I
Jun. 2024 Senior Executive Managing Director, Supervising of Digital Transformation, Supervising of Consulting, Supervising of Industrial IT Solutions, Supervising of Global Headquarters
Jun. 2024 Senior Executive Managing Director, Member of the Board, Supervising of DX, Supervising of Consulting, Supervising of Industrial IT Solutions, Supervising of Global Headquarters (present)



Shinoi Sakata
Date of birth: March 31, 1957
Member of the Board (1,132 shares)
Apr. 1979 Joined Sumitomo Chemical Co., Ltd. (currently, SUMITOMO CHEMICAL COMPANY, LIMITED)
Apr. 2011 Associate Officer of SUMITOMO CHEMICAL COMPANY, LIMITED
Apr. 2013 Executive Officer of SUMITOMO CHEMICAL COMPANY, LIMITED
Apr. 2016 Advisor of SUMITOMO CHEMICAL COMPANY, LIMITED
Apr. 2016 Director & Vice President of Sumika Technical Information Service, Inc.
Jun. 2017 President of Sumika Technical Information Service, Inc.
May 2018 Executive Director of Japan Chemical Industry Association
Jun. 2020 Member of the Board of the Company (present)

<Important concurrent position>
Outside Director of Hitachi Zosen Corporation



Tetsuji Ohashi
Date of birth: March 23, 1954
Member of the Board (—)
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
Date of birth: February 2, 1955
Member of the Board (1,100 shares)
Apr. 1978 Joined Asahi Chemical Industry Co., Ltd. (currently, ASAHI KASEI CORPORATION)
Apr. 2008 Director of Asahi Kasei Microdevices Corporation
Apr. 2010 Senior Executive Officer of Asahi Kasei Microdevices Corporation
Apr. 2010 President & Representative Director of Asahi Kasei Microdevices Corporation
Apr. 2012 Senior Executive Officer of Asahi Kasei Corporation
Apr. 2012 Director of ASAHI KASEI CORPORATION
Apr. 2014 Senior Executive Officer of ASAHI KASEI CORPORATION
Apr. 2014 Representative Director of ASAHI KASEI CORPORATION
Apr. 2016 Primary Executive Officer of ASAHI KASEI CORPORATION
Apr. 2016 President and Representative Director of ASAHI KASEI CORPORATION
Apr. 2022 Chairman and Representative Director of ASAHI KASEI CORPORATION
Apr. 2022 Chairman and Director of ASAHI KASEI CORPORATION (present)
Jun. 2023 Member of the Board of the Company (present)

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

Audit & Supervisory Board Members



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



Takeshi Hihara
Date of birth: October 19, 1965
Audit & Supervisory Board Member (full-time) (60,013 shares)
Apr. 1991 Joined the Company
Apr. 2017 Managing Director
Apr. 2017 Deputy Head of Corporate Strategy
Apr. 2019 Senior Managing Director
Apr. 2019 Deputy Head of Corporate Planning, Corporate Strategy, Corporate Communications and Legal & Intellectual Property
Apr. 2023 Senior Corporate Managing Director
Apr. 2023 Head of Corporate Administration
Apr. 2024 Counselor (present)
Jun. 2024 Audit & Supervisory Board Member (present)



Kenkichi Kosakai
Date of birth: August 9, 1953
Audit & Supervisory Board Member (2,000 shares)
Apr. 1976 Joined Mitsubishi Chemical Industries Limited (currently, Mitsubishi Chemical Corporation)
Jun. 2010 Director of the Board, Managing Executive Officer of Mitsubishi Tanabe Pharma Corporation
Apr. 2014 Managing Executive Officer of Mitsubishi Chemical Holdings Corporation
Apr. 2015 Senior Managing Executive Officer of Mitsubishi Chemical Holdings Corporation
Jun. 2015 Representative Corporate Executive Officer, Senior Managing Corporate Executive Officer, Chief Financial Officer of Mitsubishi Chemical Holdings Corporation
Apr. 2017 Representative Corporate Executive Officer, Deputy CEO, Chief Financial Officer of Mitsubishi Chemical Holdings Corporation
Jun. 2017 Director of the Board, Representative Corporate Executive Officer, Deputy CEO, Chief Financial Officer of Mitsubishi Chemical Holdings Corporation
Apr. 2019 Adviser of Mitsubishi Chemical Holdings Corporation
Jun. 2021 Audit & Supervisory Board Member of the Company (present)

<Important concurrent position>
Outside Director of Dai-Ichi Kangyo Bank, Ltd.



Naruhito Minami
Date of birth: January 15, 1963
Audit & Supervisory Board Member (—)
Aug. 1986 Joined Asahi Shinwa & Co. (currently, RPMG AZSA LLC)
Mar. 1990 Registered as a certified public accountant
Sep. 1993 Partner of Tokyo Asakasa & Co. (currently, GYOSEI & CO.)
Jan. 1999 Senior Partner of Tokyo Asakasa & 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)
Jul. 2022 Senior Partner of GYOSEI & CO. (present)

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



Yasuko Takazawa
Date of birth: November 20, 1964
Audit & Supervisory Board Member (200 shares)
Apr. 1987 Joined Nippon Steel Corporation (currently, NIPPON STEEL CORPORATION)
Dec. 2009 Registered as an attorney at law
Joined SOGA, URYU & 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
Jun. 2022 Audit & Supervisory Board Member of the Company (present)
Jun. 2024 Executive Officer of MITSUBISHI MOTORS CORPORATION (present)

<Important concurrent position>
Executive Officer of MITSUBISHI MOTORS CORPORATION

Notes:
1. 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.
2. Members of the Board were selected at the Ordinary General Meeting of Shareholders held on June 21, 2024.
3. For the Audit & Supervisory Board members, 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, Takeshi Hihara was selected at the Ordinary General Meeting of Shareholders held on June 21, 2024.
4. Figures in parentheses indicate the number of the Company's shares held as of March 31, 2024, 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 Corporate Managing Directors		Senior Managing Directors		Managing Directors	
Minoru Yokote	Ichiro Morisawa	Katsutoshi Murakami	Takefumi Ikeya	Takashi Yagi	Shinichi Kuriyama
Tomohiko Noguchi	Hiroyuki Nakayama	Yasushi Kobara	Noriyuki Takeda	Junji Hatoya	Masaaki Komiya
Yoshihiko Sunaga	Masaaki Yamazaki	Hiroyuki Kawanami	Toshifumi Hara	Tomonori Utsumi	Takahiko Inaba
Akira Matsumoto	Hiroshi Koike	Sonoko Kitagawa	Masashi Shimizu	Yoji Minamigawa	Kouji Kobayashi
Tetsuro Watanabe	Kazuya Kobayashi	Jun Odashima	Noriyuki Kobayashi	Masaki Katayama	Tomoaki Takagi
Shigekazu Ohmoto	Akihiro Kamei	Koji Shimizu	Takao Yamaguchi	Research Director	
Yasuki Nakamaru		Noriyasu Kogure	Masakazu Amamiya	Fumihiko Kamio	
		Kotaro Gunji	Akiko Tabaru	Fellows	
		Hideki Saito	Hirofumi Miyatake	Minoru Aoshima	Shinichiro Umeya
		Katsuya Mori			

Internal Controls, Corporate Ethics, and Compliance

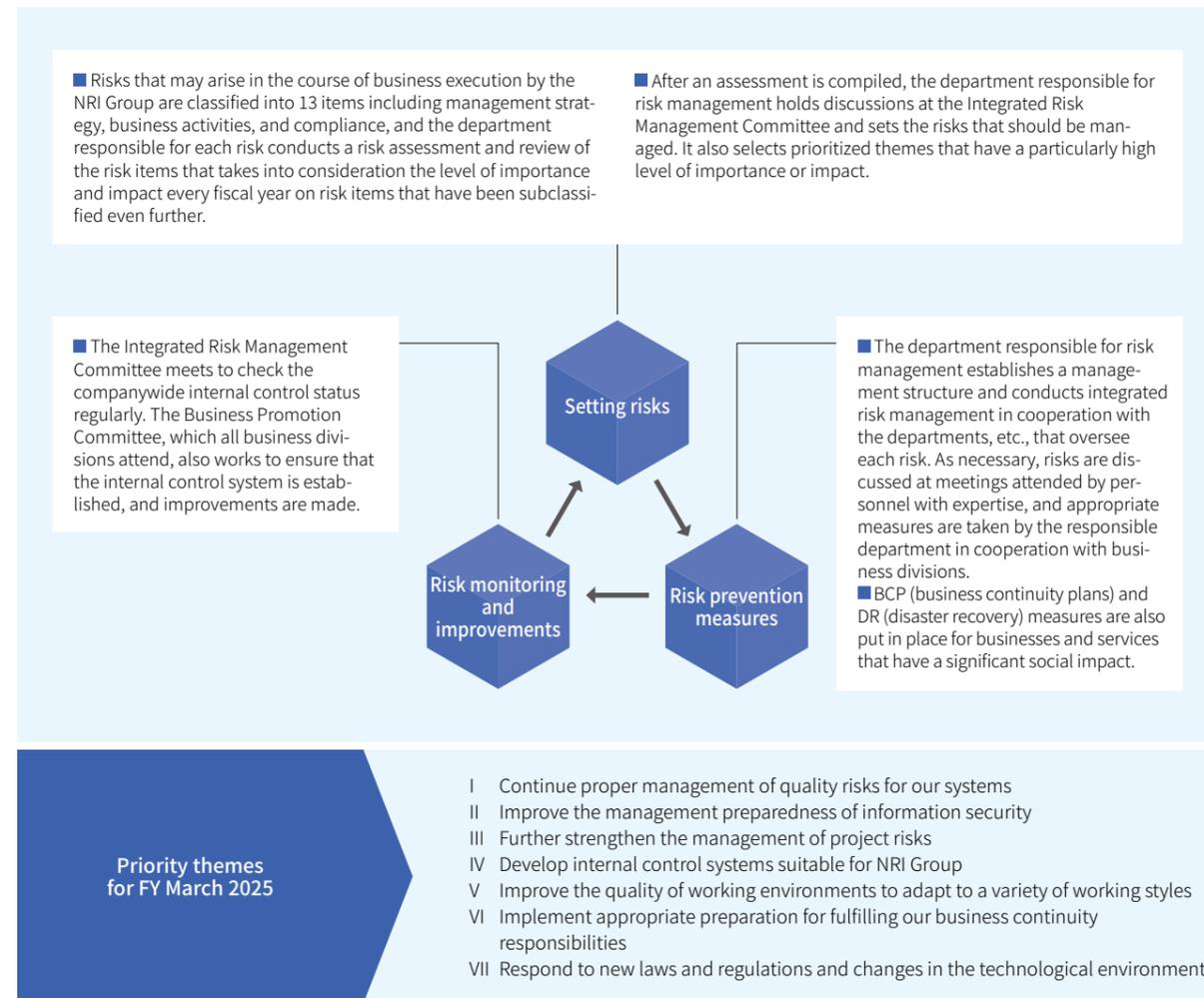
Internal Control System

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)
<https://www.nri.com/jp/company/internal>

Risk Management PDCA Cycle



Strengthening Group Governance

NRI is focused on enhancing the governance system of the Group both domestically and internationally. A dedicated organization for Group company management has been established, and principles and guidelines concerning governance and internal control systems within the NRI Group have been defined and are being implemented. Starting in April 2024, this has been extended to include overseas Group companies, including acquired subsidiaries. NRI will strive for balanced governance, including strategic risk-taking, to control risks globally, with a long-term perspective.

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)
https://www.nri.com/en/company/company_code

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

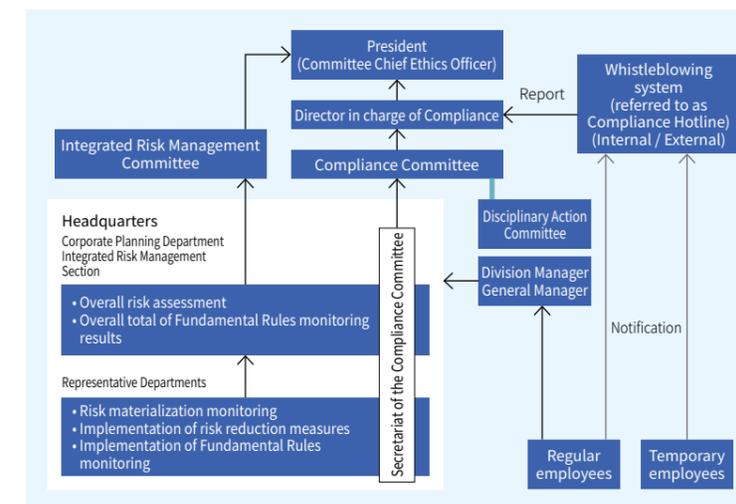
The Fundamental Rules are composed of 15 items prepared and monitored to confirm that these principles and policies are complied with and that the company's management is reliably going in the right direction.

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 promotion of appropriate interaction with public officials and prevention of bribery and corruption and the importance of compliance with antitrust laws.

 [NRI Group Policy on Human Rights / NRI Group AI Policy / NRI Group Anti-Bribery Policy / NRI Group Competition Law Compliance Policy / NRI Group Global Tax Policy](https://www.nri.com/en/sustainability/social/policies)
<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. In addition, a Global Hotline has been launched for overseas Group companies, establishing a system in which whistleblowing from overseas can be received directly at headquarters.

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 using this, we work to put in place the foundations for our compliance structure.



Response to the Economic Security Promotion Act

Regarding the Economic Security Promotion Act, which was enacted in May 2024, we have established a companywide Economic Security Response Task Force and are responding while maintaining communication as needed with relevant ministries, agencies, and our clients and partner companies who are designated as critical social infrastructure operators.

AI Ethics

▶ AI Policy

We formulated the NRI Group AI Ethics Guidelines in 2019 upon investigating and categorizing various issues regarding the utilization of AI and referring to the debate by various national governments and international institutions. The development of AI technologies has been accelerating since then, such as with the emergence of generative AI.

Because AI-related technologies have the potential to provide various benefits to people's lives and society but also have negative impacts, NRI recognizes the obligations regarding promotion of the research, development, and use of AI and believes it important that AI is appropriately adopted and utilized in its business activities.

That is why, in February 2024, NRI revised the contents of the NRI Group AI Ethics Guidelines and newly formulated the NRI Group Basic AI Policy for promoting the research, development, and use of AI while countering new risks, based on trends in Japan and abroad, including the Hiroshima AI Process and the AI Guidelines for Business of the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry.

NRI Group Basic AI Policy

The NRI Group (hereinafter, "NRI") aims to achieve a prosperous society that nourishes potential and brings dreams to life under the corporate statement of "Dream up the future." While the evolution of AI-related technologies brings various benefits to people's lives and social activities, there are also concerns about negative impact. NRI recognizes the possibility of such and its responsibility as an entity advancing the research, development, and utilization of AI, and has established the NRI Group Basic AI Policy. All officers and employees of NRI will use AI based on this policy to contribute to building sustainable futures.

1. Dialogue and co-creation with stakeholders

NRI aims to solve social issues and realize a sustainable society while considering the impact of AI on society and utilizing AI within an appropriate scope for appropriate purposes. To this end, NRI will promote dialogue and co-creation not only internally but also with various external stakeholders.

2. Fairness and respect for human rights

NRI recognizes that the accuracy and representative bias of the data used for AI training, etc., as well as social biases inherent in the data, may cause errors or biases in the results of AI judgments. To this end, NRI respects human rights in accordance with the NRI Group Human Rights Policy, and strives to ensure that no individual or group is unfairly discriminated against in the use of AI. NRI also strives to prevent the misuse of AI that threatens human dignity and privacy.

3. Transparency and accountability

NRI aims to design and develop AI so that the results of judgments can be explained, considering the nature and purpose of the development and services that utilize AI. In case of unexpected errors or biases in judgment results, NRI will work to ensure transparency and quality by remaining accountable.

4. Information security and safety assurance

NRI aims to realize AI that people can always use safely. To this end, NRI will implement and strengthen information security measures throughout the entire lifecycle of AI research, development, and utilization, and strive to ensure safety by building a system to appropriately acquire, protect, use, and provide data and prevent unauthorized access. In the unlikely event that an unforeseen situation should arise, we will endeavor to take appropriate measures to rectify the situation.

5. Compliance and regulations and protection of rights

In accordance with laws, regulations, and relevant internal rules, NRI shall endeavor to prevent infringement of third-party rights, including copyrights, throughout the entire lifecycle of AI research, development, and utilization.

6. AI governance and human resource development

NRI will establish and operate an AI governance process to further enhance the effectiveness of the efforts of this policy and strive for fair and sound utilization of AI. In addition, NRI will proactively work to develop professionals who appropriately utilize AI.

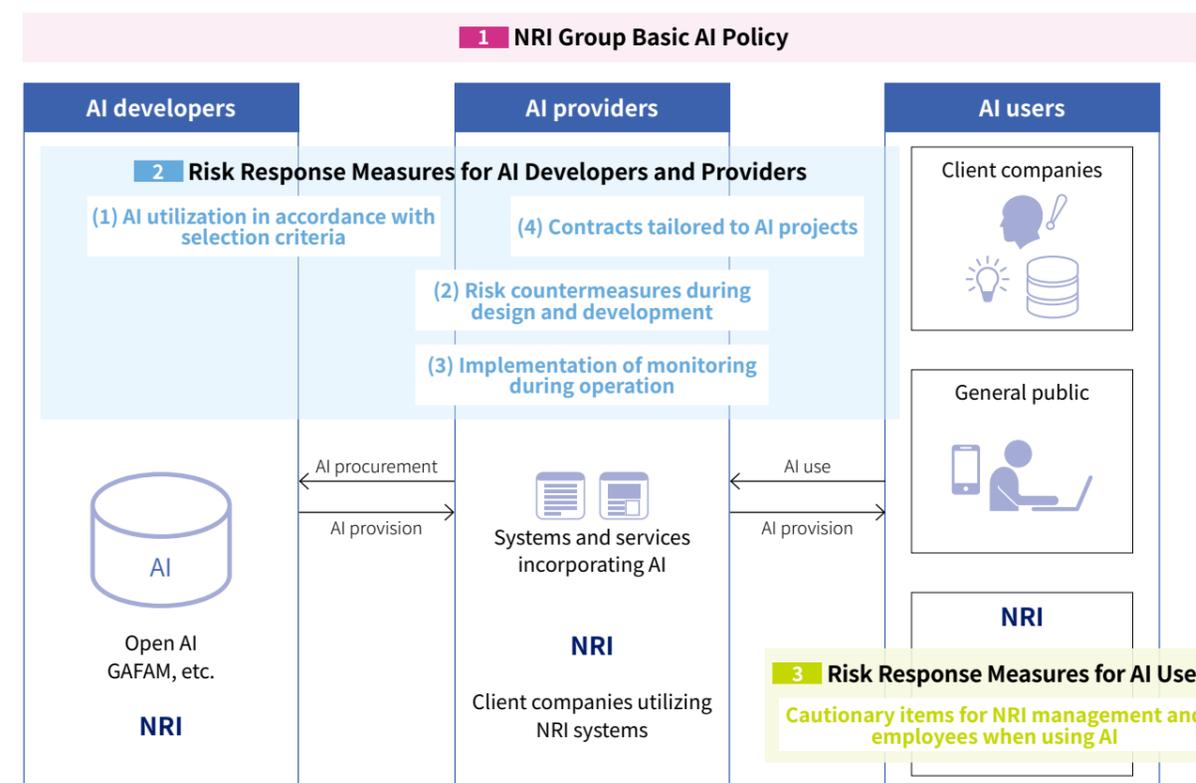
 **NRI Group AI Policy**
https://www.nri.com/en/sustainability/social/policies#AI_Ethics_Guidelines

We will deploy systems for ensuring that the ideas indicated in this policy are appropriately reflected in our corporate actions, and will review the policy as required via dialogue with our various stakeholders.

▶ Efforts Related to Risk Countermeasures for Utilizing AI

[1] We have established basic policies related to AI and, in order to further enhance the effectiveness of these policies, have developed and implemented AI governance processes. As part of our efforts to promote the fair and sound utilization of AI, we have put in place measures outlined in [2] through [3].

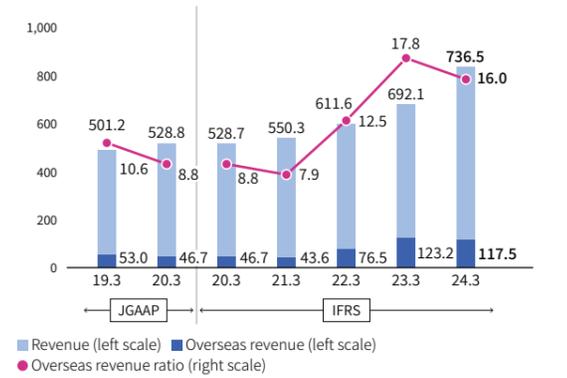
<p>1 NRI Group Basic AI Policy</p> <p>In response to the risks traditionally associated with AI, as well as the newly emerging risks brought by generative AI, NRI has formulated and made public a basic policy composed of six items.</p>	<p>2 Risk Response Measures for AI Developers and Providers</p> <p>NRI has newly established the AI Risk Management Regulations/Implementation Guidelines to clarify the rules for risk response measures, assuming the development and provision of AI itself, as well as systems and services incorporating AI. In accordance with these rules, we implement risk response measures during development, monitor operations, and introduce contract processes tailored to AI projects.</p>	<p>3 Risk Response Measures for AI Users</p> <p>To alert NRI officers and employees as AI users, we have created Important rules for use and are raising awareness through training and the Rule Book (Important Rules That Officers and Employees Must Follow).</p>
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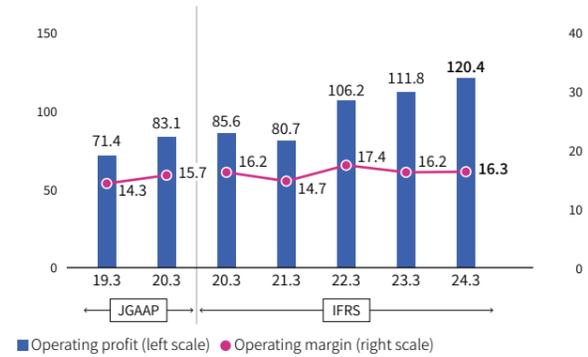
Financial Highlights

Readers are recommended to refer to Consolidated Financial Results.

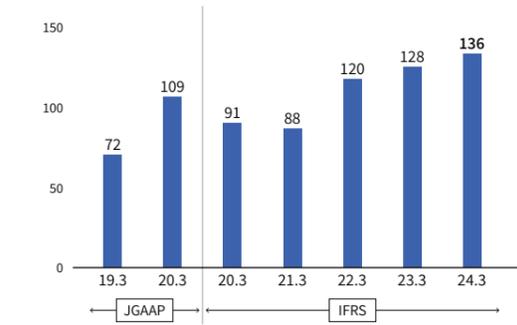
Revenue / Overseas Revenue*1 / Overseas Revenue Ratio
(billions of yen) (%)



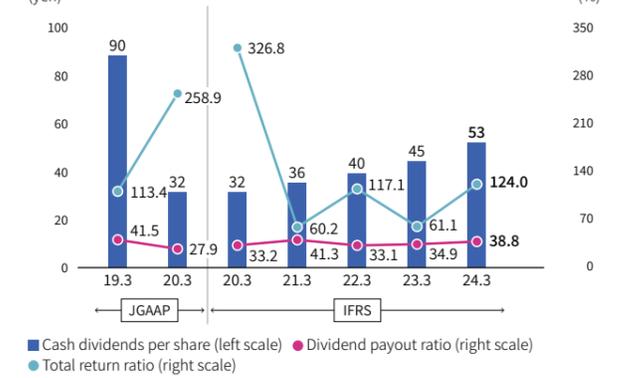
Operating Profit / Operating Margin
(billions of yen) (%)



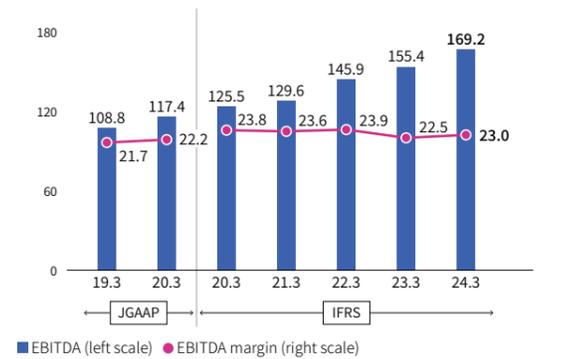
Earnings per Share (EPS)*3
(yen)



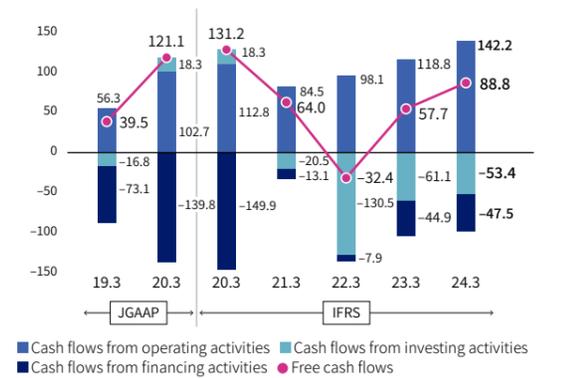
Cash Dividends per Share (DPS)*3 / Dividend Payout Ratio*4 / Total Return Ratio
(yen) (%)



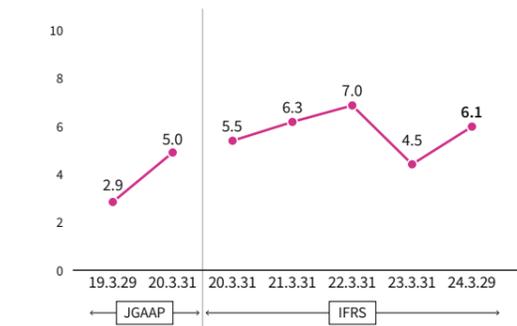
EBITDA*2 / EBITDA Margin
(billions of yen) (%)



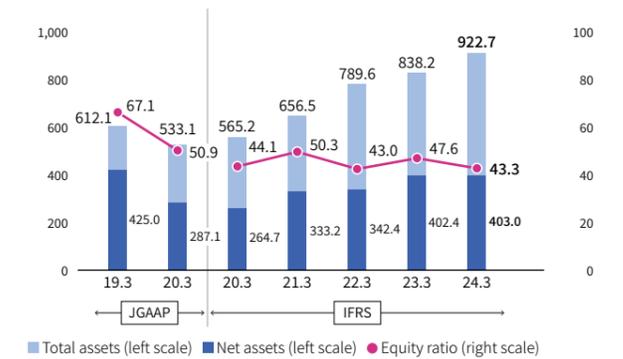
Cash Flows (CF)
(billions of yen)



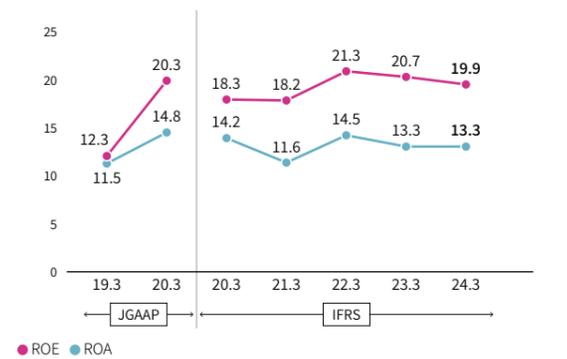
Price Book-Value Ratio (PBR)
(times)



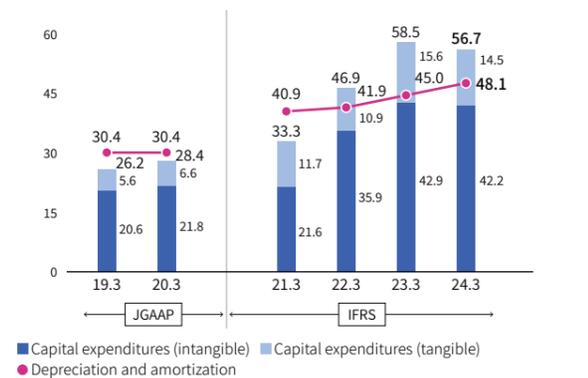
Total Assets / Net Assets / Equity Ratio
(billions of yen) (%)



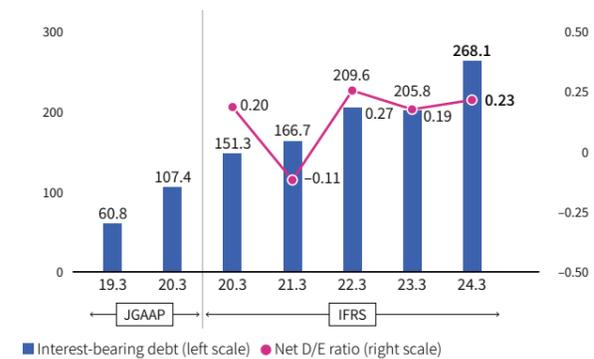
ROE / ROA
(%)



Capital Expenditures / Depreciation and Amortization
(billions of yen)



Interest-Bearing Debt / Net D/E Ratio
(billions of yen) (times)



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

*3 NRI implemented 1:3 common stock splits on July 1, 2019. EPS is calculated by deeming stock splits to have occurred respectively at the beginning of FY March 2019. Dividend per share for FY March 2019 is based on the number of shares prior to the stock split.
 *4 The dividend payout ratio is calculated by dividing the total sum of dividends (including dividends to the NRI Group Employee Stock Ownership Group) by net income.

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>

(millions of yen)

	JGAAP						IFRS					
	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2020.3	2021.3	2022.3	2023.3	2024.3	
Consolidated Statement of Income:												
Sales	405,984	421,439	424,548	471,488	501,243	528,873	Revenue	528,721	550,337	611,634	692,165	736,556
Cost of sales	289,210	287,270	280,761	311,868	336,508	348,006	Cost of sales	346,101	364,539	395,562	452,336	475,549
Gross profit	116,774	134,168	143,787	159,619	164,735	180,866	Gross profit	182,620	185,798	216,071	239,829	261,006
Selling, general and administrative expenses	65,287	75,873	85,272	94,481	93,293	97,688	Selling, general and administrative expenses	97,491	98,366	113,536	131,580	142,353
Directors' compensations							(Breakdown of cost of sales and selling, general and administrative expenses)					
Salaries and allowances	1,316	1,227	1,213	1,101	1,069	1,220	Employee benefit expenses	164,707	171,521	196,600	237,155	245,861
Provision for bonuses	22,450	25,395	27,576	29,681	30,506	32,522	Operations consignment expenses	179,721	190,008	217,175	236,305	246,755
Retirement benefit expenses	5,136	5,802	5,993	6,751	6,783	7,032	Depreciation and amortization	39,383	40,911	41,941	45,092	48,157
Welfare expenses	2,105	2,155	3,038	2,678	2,533	2,907	Equipment and machinery expenses	42,954	46,819	47,597	53,277	60,668
Education and training expenses	4,362	4,935	5,842	6,348	6,532	6,697						
Operations consignment expenses	1,789	1,712	1,768	1,705	1,851	1,840						
Operating profit	11,170	14,246	16,722	16,740	17,073	18,366	Operating profit	85,625	80,748	106,218	111,832	120,411
Non-operating income and profit	51,486	58,295	58,514	65,138	71,442	83,178	Finance income & finance costs	(140)	(9,672)	(1,547)	(3,333)	(3,186)
Ordinary profit	1,455	2,705	1,839	1,023	967	1,349	Profit before tax	85,484	71,075	104,671	108,499	117,224
Extraordinary income and loss	52,942	61,001	60,354	66,161	72,409	84,528	Income tax expense	26,388	18,497	32,878	32,002	37,062
Income taxes	6,132	1,304	4,638	16,366	4,340	17,968	Profit attributable to owners of parent	58,195	52,867	71,445	76,307	79,643
Profit attributable to owners of parent	19,209	19,513	21,042	26,356	25,213	32,288						
Consolidated Balance Sheet (Year-End):												
Total assets	38,880	42,648	45,064	55,145	50,931	69,276	Total assets	565,229	656,536	789,655	838,224	922,773
Current assets	593,213	621,695	628,944	643,117	612,192	533,151	Current assets	259,187	323,366	333,645	349,102	405,178
Cash and bank deposits	298,565	306,943	295,915	298,275	285,788	259,855	Cash and cash equivalents	100,778	153,187	115,610	129,257	173,935
Fixed assets	26,469	62,138	152,610	159,541	124,773	102,540	Non-current assets	306,042	333,170	456,010	489,122	517,595
Tangible fixed assets	294,647	314,751	333,029	344,842	326,404	273,295	Property, plant and equipment	48,611	46,714	37,482	42,114	40,245
Intangible fixed assets	53,915	65,384	63,790	68,528	65,376	63,422	Goodwill and intangible assets	83,167	89,067	210,744	237,283	265,334
Goodwill	55,582	65,085	99,485	103,747	91,505	85,118	Goodwill	16,053	20,351	95,497	101,850	113,293
Investments and other assets	—	7,864	35,404	36,624	27,572	20,409	Other financial assets	55,189	59,254	69,219	70,838	80,792
Investment securities	185,148	184,280	169,754	172,566	169,522	124,755	Investment securities	31,190	34,780	44,220	46,090	55,836
Total liabilities	116,480	120,397	103,841	88,999	80,203	28,512	Total liabilities	300,502	323,329	447,168	435,817	519,752
Current liabilities	189,745	196,286	181,646	210,442	187,160	245,997	Current liabilities	156,179	174,348	298,342	198,247	214,642
Short-term loans payable	113,208	134,304	111,552	162,133	124,264	140,456	Bonds and borrowings	11,822	23,844	116,941	20,235	13,215
Provision for loss on orders received	10,645	2,270	2,870	6,074	6,345	6,659	Provisions	390	1,497	2,646	1,027	526
Non-current liabilities	75,988	61,327	69,500	47,714	62,419	105,076	Non-current liabilities	144,322	148,981	148,826	237,570	305,109
Bonds	30,000	15,000	25,000	34,082	33,931	73,310	Bonds and borrowings	91,186	93,651	91,275	182,725	253,864
Long-term loans payable	21,333	27,969	24,396	408	13,213	17,876	Lease liabilities	36,261	35,748	29,952	25,420	20,436
Net assets	403,467	425,409	447,297	432,674	425,032	287,153	Total equity	264,727	333,206	342,486	402,406	403,021
Consolidated Statement of Cash Flows:												
Cash flows from operating activities	58,710	81,470	61,147	73,493	56,349	102,787	Cash flows from operating activities	112,838	84,594	98,137	118,899	142,277
Cash flows from investing activities	(1,093)	(75,344)	(30,341)	(17,882)	(16,826)	18,382	Cash flows from investing activities	18,382	(20,522)	(130,547)	(61,190)	(53,422)
(Investing activities except cash management purpose investment)	(13,800)	(52,725)	(41,348)	(30,162)	(15,025)	(6,985)	(Investing activities except cash management purpose investment)	—	(22,811)	(130,472)	(60,683)	(53,594)
Free cash flows	57,617	6,126	30,805	55,610	39,523	121,169	Free cash flows	131,221	64,071	(32,410)	57,709	88,854
(Free cash flows except cash management purpose investment)	44,910	28,744	19,799	43,330	41,324	95,801	(Free cash flows except cash management purpose investment)	—	61,782	(32,335)	58,215	88,682
Cash flows from financing activities	(10,536)	9,326	(34,327)	(46,829)	(73,106)	(139,857)	Cash flows from financing activities	(149,908)	(13,183)	(7,995)	(44,921)	(47,575)
Effect of exchange rate change on cash and cash equivalents	694	(1,071)	624	(2,529)	(1,519)	(3,734)	Effect of exchange rate change on cash and cash equivalents	(3,734)	1,520	2,829	859	3,399
Net increase (decrease) in cash and cash equivalents	47,775	14,381	(2,897)	6,251	(35,102)	(22,421)	Net increase (decrease) in cash and cash equivalents	(22,421)	52,408	(37,576)	13,646	44,678
Cash and cash equivalents at end of period	140,567	154,949	152,051	158,303	123,200	100,778	Cash and cash equivalents at end of period	100,778	153,187	115,610	129,257	173,935
Cash and cash equivalents + cash management purpose investment	169,023	206,031	192,028	185,882	152,743	104,842	Cash and cash equivalents + cash management purpose investment	—	154,847	117,368	131,235	175,874

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.

Consolidated Financial Data

(millions of yen)

		JGAAP		IFRS				
		2019.3	2020.3	2020.3	2021.3	2022.3	2023.3	2024.3
Segment Information:								
External revenue	Consulting	34,839	38,572	38,572	37,246	42,807	46,100	51,959
	Financial IT Solutions	252,367	273,571	273,571	288,196	303,635	328,576	349,872
(Revenue to external clients)	Securities	100,309	112,762	112,762	130,427	133,316	141,541	143,707
	Insurance	64,874	66,374	66,374	61,441	68,894	77,039	79,527
	Banking	43,404	51,022	51,022	50,181	47,073	55,069	67,726
	Other financial	43,780	43,411	43,411	46,146	54,351	54,926	58,910
	Industrial IT Solutions	180,882	178,490	178,490	186,051	222,583	266,723	275,923
	Distribution	66,814	66,789	66,789	62,192	68,269	70,628	71,528
	Manufacturing, service and other	114,068	111,700	111,700	123,858	154,313	196,095	204,395
	IT Platform Services	33,153	38,239	38,087	38,843	42,607	48,153	55,628
	Others	—	—	—	—	—	2,612	3,172
External revenue + Revenue for each segment	Consulting	35,481	39,612	39,612	38,155	44,414	47,821	53,690
	Revenue	7,786	9,515	9,494	10,059	12,820	12,329	13,929
	Operating profit	21.9	24.0	24.0	26.4	28.9	25.8	25.9
	Operating margin (%)							
	Financial IT Solutions	255,162	276,937	276,937	292,038	308,376	334,141	355,206
	Revenue	27,095	35,034	34,170	36,275	43,877	49,710	54,651
	Operating profit	10.6	12.7	12.3	12.4	14.2	14.9	15.4
	Operating margin (%)							
	Industrial IT Solutions	183,580	181,438	181,438	189,551	229,921	275,533	282,062
	Revenue	18,449	19,719	22,055	19,482	25,449	24,393	23,405
	Operating profit	10.0	10.9	12.2	10.3	11.1	8.9	8.3
	Operating margin (%)							
	IT Platform Services	127,777	138,833	138,680	142,686	157,598	167,518	185,549
	Revenue	17,130	18,454	19,450	19,785	20,955	23,046	28,167
	Operating profit	13.4	13.3	14.0	13.9	13.3	13.8	15.2
	Operating margin (%)							
External revenue by service	Consulting services	90,816	96,862	96,862	90,056	125,460	156,582	161,803
	System development & System applications sales	150,467	161,703	161,703	183,847	196,000	211,512	230,582
	System management & Operation services	244,273	251,908	251,757	258,656	272,903	292,874	308,422
	Product sales	15,686	18,399	18,399	17,777	17,269	31,195	35,748
Revenue to main clients	Nomura Holdings, Inc.	60,579	65,049	65,049	66,309	63,025	72,921	69,929
	Seven & i Holdings Co., Ltd.	49,109	52,434	—	—	—	—	—
Overseas revenue	Overseas revenue	53,081	46,752	46,752	43,625	76,519	123,207	117,574
Overseas revenue ratio (%)	Overseas revenue ratio (%)	10.6	8.8	8.8	7.9	12.5	17.8	16.0

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 2024. Figures for FY March 2023 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				
		2019.3	2020.3	2020.3	2021.3	2022.3	2023.3	2024.3
Order volume	Consulting	34,315	39,352	—	39,957	44,546	49,189	51,440
	Financial IT Solutions	265,724	284,089	—	307,715	317,059	342,201	366,979
	Industrial IT Solutions	184,653	176,867	—	189,587	243,501	266,507	272,482
	IT Platform Services	33,467	40,671	—	37,083	45,126	51,321	61,367
	Others	—	—	—	—	—	2,899	3,370
	Total	518,161	540,980	—	574,343	650,233	712,120	755,641
Order backlog	Consulting	3,559	4,339	4,339	7,050	8,789	11,929	11,457
	Financial IT Solutions	154,930	165,449	165,449	184,968	198,391	212,716	229,988
	Industrial IT Solutions	100,572	98,949	98,949	102,484	123,402	129,985	128,275
	IT Platform Services	14,609	17,041	17,041	15,281	17,800	20,688	26,427
	Others	—	—	—	—	—	796	995
	Total	273,672	285,779	285,779	309,785	348,384	376,116	397,145

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. There was a partial revision to segment categorization for FY March 2024. Figures for FY March 2023 reflect this change in categorization.
5. 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				
		2019.3	2020.3	2020.3	2021.3	2022.3	2023.3	2024.3
Capital Expenditures / Depreciation and Amortization / Research and Development Expenses:								
	Capital expenditures	26,276	28,496	—	33,372	46,980	58,565	56,777
	Capital expenditures (tangible)	5,615	6,684	—	11,712	10,990	15,633	14,543
	Capital expenditures (intangible)	20,661	21,811	—	21,660	35,990	42,932	42,234
	Depreciation and amortization	30,427	30,414	39,383	40,911	41,941	45,092	48,157

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

(%)

		JGAAP		IFRS				
		2019.3	2020.3	2020.3	2021.3	2022.3	2023.3	2024.3
Ratios:								
	Gross profit margin	32.9	34.2	34.5	33.8	35.3	34.6	35.4
	Operating margin	14.3	15.7	16.2	14.7	17.4	16.2	16.3
	EBITDA margin	21.7	22.2	23.8	23.6	23.9	22.5	23.0
	ROE	12.3	20.3	18.3	18.2	21.3	20.7	19.9
	ROA	11.5	14.8	14.2	11.6	14.5	13.3	13.3
	Gross D/E ratio (times)	0.15	0.40	0.61	0.36	0.62	0.52	0.67
	Net D/E ratio (times)	—	—	0.20	△0.11	0.27	0.19	0.23
	Ratio of equity attributable to owners of parent to total assets	67.1	50.9	44.1	50.3	43.0	47.6	43.3
	Price book-value ratio (PBR) (times)	2.9	5.0	5.5	6.3	7.0	4.5	6.1
	Price earnings ratio (PER) (times)	23.3	20.9	24.9	38.8	33.3	23.8	31.0
	Dividend payout ratio	41.5	27.9	33.2	41.3	33.1	34.9	38.8
	Total return ratio	113.4	258.9	326.8	60.2	117.1	61.1	124.0

(yen)

		JGAAP		IFRS				
		2019.3	2020.3	2020.3	2021.3	2022.3	2023.3	2024.3
Per Share Information:								
	Basic earnings per share	72	109	91	88	120	128	136
	Diluted earnings per share	71	109	91	88	120	128	136
	Equity attributable to owners of parent per share	587	455	418	547	575	674	693
	Annual dividends per share	90	32	32	36	40	45	53

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.

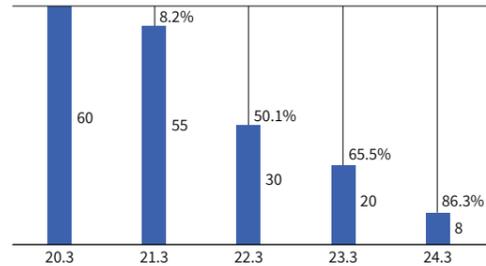
Non-Financial Highlights

E: Environment-Related Data

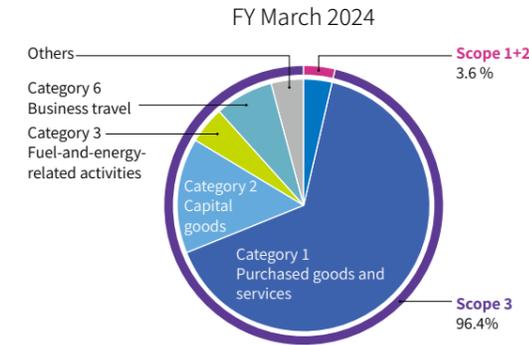
Greenhouse Gas Emissions (Scope 1+Scope 2) (NRI Group data)

(1,000 t-CO₂)

• FY March 2024: Reduced greenhouse gas emissions by 86.3% compared with FY March 2020



Greenhouse Gas Emissions (NRI Group data)



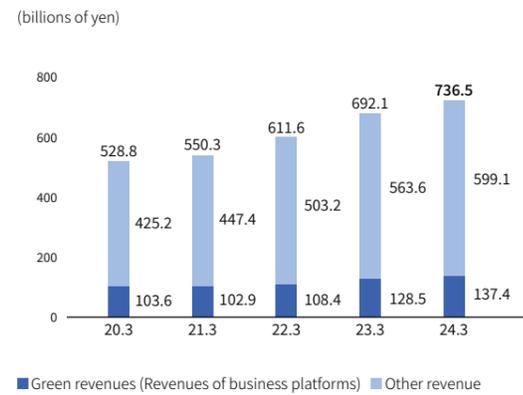
Note: Scope 2 is calculated based on market standards.

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

(billions of yen)

Amid concerns over rising power usage by the IT services industry as a whole, it is important for NRI and our client companies to reduce power usage in the IT activities of the entire value chain.

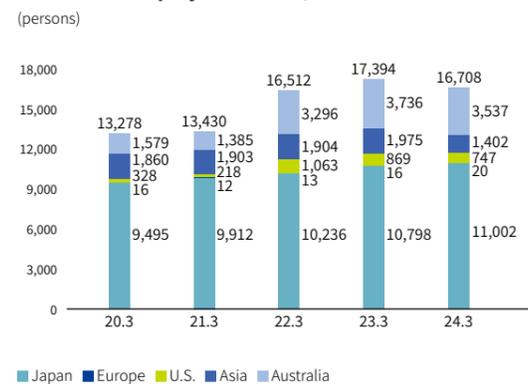
Increasing revenue related to shared online services provided by NRI is expected to curb CO₂ emissions across society as a whole. This is forecasted to result in a significant reduction in CO₂ emissions compared with when clients individually build and operate their own systems.



S: Social-Related Data

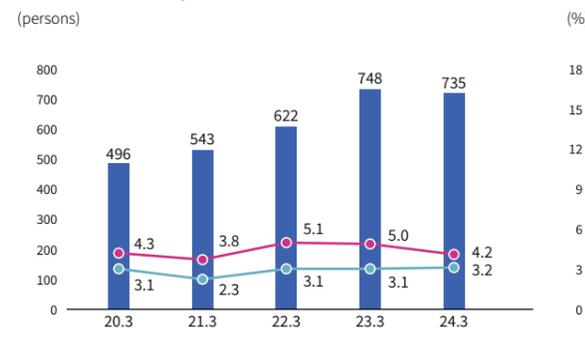
Number of Employees (NRI Group data)

(persons)



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

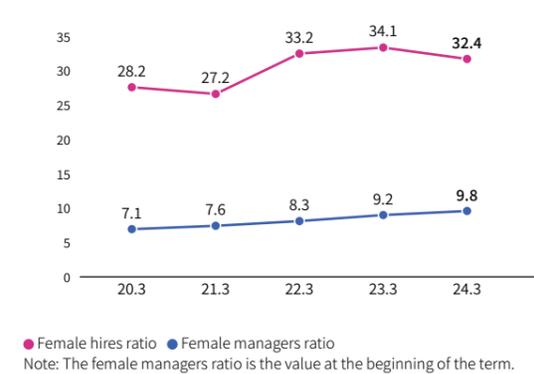
(persons) (%)



■ New hires (left scale) ● Turnover rate (right scale)*
 ● Voluntary employee turnover rate (right scale)*
 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)

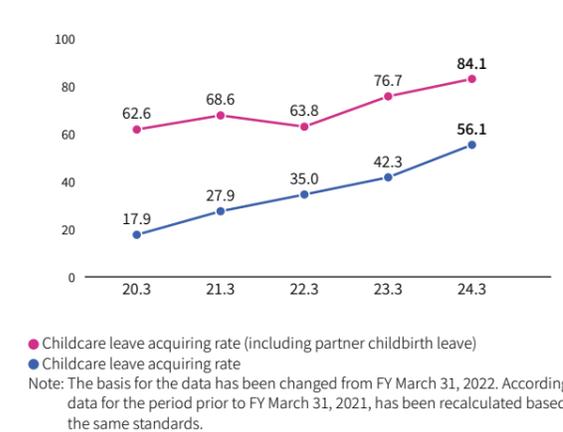
(%)



● 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)

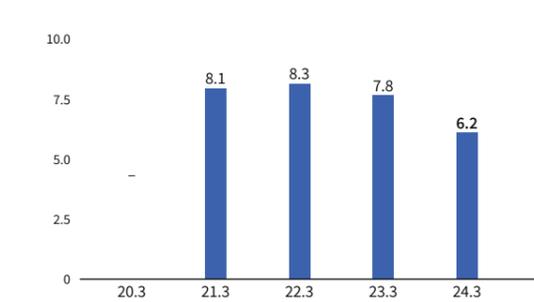
(%)



● 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)

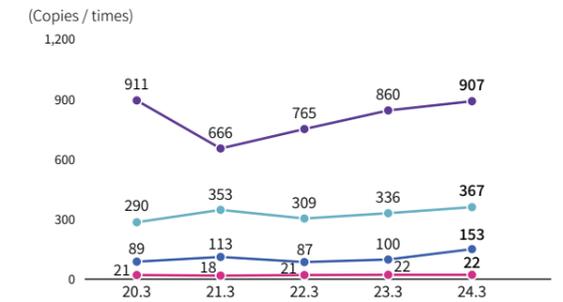
(hours)



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)

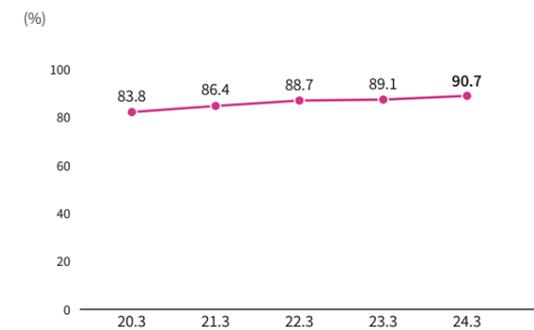
(Copies / times)



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

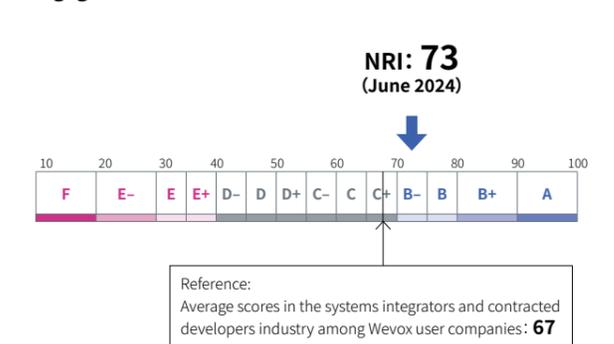
Client Satisfaction (Non-consolidated data)

(%)



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 six Group companies with a high percentage of employees seconded from NRI.
 2. Engagement scores are assigned ranks A through F as indicators.

Non-Financial Data

ESG Databook 2024
https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/ESG_Databook_2024_e.pdf

E: Environment-Related Data

Environmental KPI (NRI Group data):	2020.3	2021.3	2022.3	2023.3	2024.3
GHG emissions (Scope 1 + 2) reduction rate (compared to FY March 2020) (%) (Base year)		8.2	50.1	65.5	86.3
Renewable energy usage rate	0.7	3.3	50.6	72.6	94.9
GHG emissions (Scope 1 + 2 + 3) reduction rate (compared to FY March 2020) (%) (Base year)		21.6	24.4	12.4	6.0

Greenhouse gas emissions (NRI Group data):	2020.3	2021.3	2022.3	2023.3	2024.3
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)	58	53	28	6
Japan	(1,000 t-CO ₂)	56	53	28	5
Overseas	(1,000 t-CO ₂)	2	0	0	0
Total emissions (Scope 1 + 2)	(1,000 t-CO ₂)	60	55	30	8
Japan	(1,000 t-CO ₂)	58	55	29	7
Overseas	(1,000 t-CO ₂)	2	0	0	0

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):	2020.3	2021.3	2022.3	2023.3	2024.3	
	Persons	Percentage (%)	Persons	Percentage (%)	Persons	Percentage (%)
Number of employees	13,278	100	13,430	100	16,708	100
By region						
Japan	9,495	71.5	9,912	73.8	10,798	62.1
Europe	16	0.1	12	0.1	16	0.1
U.S.	328	2.5	218	1.6	869	5.0
Asia	1,860	14.0	1,903	14.2	1,975	11.4
Of which are from China	1,244	9.4	1,289	9.6	1,318	7.6
Australia	1,579	11.9	1,385	10.3	3,736	21.5

Employment related (Non-consolidated data):	2020.3	2021.3	2022.3	2023.3	2024.3
New hires for the year (persons)	496	543	622	748	735
Turnover rate (%) ^{*1}	4.3	3.8	5.1	5.0	4.2
Voluntary employee turnover rate (%) ^{*2}	3.1	2.3	3.1	3.1	3.2
Average length of service (years)	14.7	14.7	14.8	14.6	14.3
New graduate hires retention rate after 3 years (%)	92.8	92.4	94.1	91.2	92.3
Average compensation: all employees (thousands of yen)	12,352	12,251	12,320	12,421	12,716

^{*1} Including mandatory retirees
^{*2} Not including mandatory retirees

Promotion of women's participation and advancement in the workplace (Non-consolidated data):	2020.3	2021.3	2022.3	2023.3	2024.3
Ratio of female employees (%)	20.4	20.8	21.7	22.1	23.0
Ratio of female experts (%) [*]	7.1	7.6	8.3	9.2	9.8
Ratio of female managers (%) [*]	4.1	5.9	6.5	8.5	9.5
Ratio of female hires (%)	28.2	27.2	33.2	34.1	32.4

^{*} 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):	2020.3	2021.3	2022.3	2023.3	2024.3
Pre- and post-childbirth leave (persons)	78	61	68	67	86
Childcare leave (persons) ^{*1}	260	273	243	284	349
Male (including partner childbirth leave) (persons)	178	204	175	225	265
Male (persons)	51	83	96	124	177
Female (persons)	70	65	68	59	84
Number of employees utilizing shorter work-hour system for childcare (persons)	103	108	94	95	88
Employees returning to work after childcare leave (female employees) (%) ^{*2}	98.1	100.0	97.0	97.9	92.5
Employees remaining in work after childcare leave (female employees) (%) ^{*3}	96.8	96.5	94.9	97.0	95.7
Nursing care leave (persons)	0	1	2	3	3

Note: These are the number of employees who started a period of leave by the end of the fiscal year under review.
^{*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):	2020.3	2021.3	2022.3	2023.3	2024.3
Employees with disabilities (persons)	166	170	181	191	208
Percentage of employees with disabilities (%)	2.45	2.35	2.37	2.42	2.42

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

Health and productivity management (Non-consolidated data):	2020.3	2021.3	2022.3	2023.3	2024.3
Average overtime hours per employee per year ^{*1}	—	8.1	8.3	7.8	6.2
Employees taking annual paid leave (%)	71.1	64.1	67.1	70.5	70.6
Employee work-related deaths (persons)	0	0	0	0	0
Work accidents (cases) ^{*2}	1	0	1	0	0

^{*1} 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.
^{*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):	2020.3	2021.3	2022.3	2023.3	2024.3
Client satisfaction (%) ^{*1}	83.8	86.4	88.7	89.1	90.7
Employee satisfaction (%) ^{*2}	81.8	—	—	—	—
Engagement score ^{*3}	—	—	70	71	71

^{*1} Percentage that responded “Satisfied” or “Moderately satisfied” (total for top two items on a 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 a four-grade scale.
^{*3} 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.

Information communication / Recommendation projects (Non-consolidated data):	2020.3	2021.3	2022.3	2023.3	2024.3
Books published	21	18	21	22	22
Contributions to newspapers and magazines (times)	290	353	309	336	367
Public lectures given (times)	911	666	765	860	907
TV / radio appearances (times)	89	113	87	100	153

Development of human resources / Development of society (Non-consolidated data):	2020.3	2021.3	2022.3	2023.3	2024.3	
Supporting career education programs	No. of schools	29	2	4	20	14
	No. of students	704	41	131	647	382

G: Governance

Number of Directors (Non-consolidated data) (As of July 1):	2020.7	2021.7	2022.7	2023.7	2024.7
Total number of Directors	9	9	9	9	9
Outside Directors	3	3	3	3	3
Female Directors	1	1	1	1	2

Status of the Board of Directors (Non-consolidated data):	2020.3	2021.3	2022.3	2023.3	2024.3
Number of Board of Directors, meetings held (times)	14	14	14	14	15
Attendance average of all Directors (%)	99	100	99	100	100
Attendance average of Outside Directors (%)	98	100	97	100	100
Attendance average of all Audit & Supervisory Board Members (%)	100	100	100	100	99
Attendance average of Outside Audit & Supervisory Board Members (%)	100	100	100	100	98

Number of Audit & Supervisory Board meetings held (Non-consolidated data):	2020.3	2021.3	2022.3	2023.3	2024.3
Number of Audit & Supervisory Board meetings held (times)	17	18	17	18	17
Attendance average of all Audit & Supervisory Board Members (%)	100	100	100	100	100
Attendance average of Outside Audit & Supervisory Board Members (%)	100	100	100	100	100

Corporate Data / Share Information (As of March 31, 2024)

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	¥24.7 billion
President & CEO	Member of the Board Representative Director Kaga Yanagisawa
Number of employees (Consolidated basis)	16,708 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	580,796,911 shares
Number of shareholders	23,072 persons
Transfer agent (Address for inquiries)	Mitsubishi UFJ Trust and Banking Corporation Shin-Tokyo Post Office P.O. Box No. 29, Tokyo 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 governments		—	—
Financial institutions		84	1,548,686
Securities firms		34	83,046
Companies incorporated in Japan		237	1,409,624
Companies incorporated in other countries	● Other than individuals	800	2,134,499
	● Individuals	40	251
Individuals and other shareholders		21,877	628,908
Total		23,072	5,805,014
Status of less than one trading unit (shares)		—	295,511

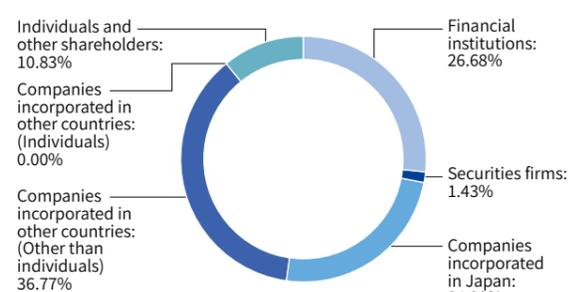
Notes: 1. The 917,500 treasury shares include 9,175 trading units in "Individuals and other shareholders."
2. Shares under the name of Japan Securities Depository Center, Inc., account for 65 trading units in "Companies incorporated in Japan" and 34 shares in "Status of less than one trading unit."

Major Shareholders

Shareholders	Number of shares held (1,000 shares)	Percentage of shares held (%)
Nomura Holdings, Inc.	110,903	19.13
The Master Trust Bank of Japan, Ltd. Trust Account	70,334	12.13
Japan Trustee Services Bank, Ltd. Trust Account	27,631	4.76
Nippon Life Insurance Company (Standing Agent: The Master Trust Bank of Japan, Ltd.)	24,727	4.26
NRI Group Employee Stock Ownership Group	24,238	4.18
Nomura Properties, Inc.	20,935	3.61
State Street Bank and Trust Company 505223 (Standing Agent: Mizuho Bank, Ltd., settlement division)	17,465	3.01
National Mutual Insurance Federation of Agricultural Cooperatives (Standing Agent: The Master Trust Bank of Japan, Ltd.)	13,434	2.32
SSBTC Client Omnibus Account (Standing Agent: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	9,395	1.62
State Street Bank West Client-Treaty 505234 (Standing Agent: Mizuho Bank, Ltd., settlement division)	8,188	1.41

Notes: 1. NRI has 917,000 shares of treasury stock as of March 31, 2024, which is not included in the major shareholders list above.
2. Figures for number of shares held are rounded down to the nearest thousand and figures for percentage of shares held are calculated excluding treasury stock.

Component Ratio of Shareholders

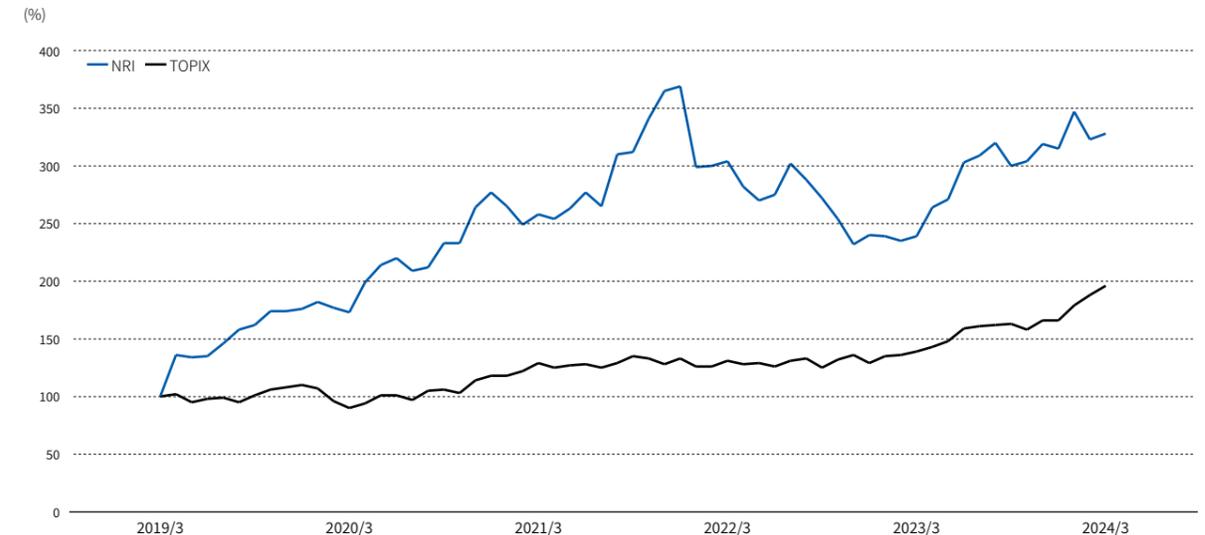


Note: The treasury stock is included in "Individual and other shareholders."

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	173.4%	258.4%	304.4%	238.5%	327.7%
TOPIX	90.5%	128.6%	131.2%	138.8%	115.6%

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, 2019. Based 100% on the closing price on March 31, 2019.
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 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 January 2023

Task Force on Nature-related Financial Disclosures (TNFD) Forum

The TNFD Forum is an international organization that brings together companies and organizations that support consideration of the TNFD, which examines a framework for appropriately assessing and disclosing risks and opportunities related to natural resources and biodiversity.



Since February 2019

Renewable Electricity 100%

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



Since May 2020

Business Ambition for 1.5°C

A joint letter by the United Nations Global Compact (UNGC), Science Based Targets initiative (SBTi), and We Mean Business that requests corporations to set a target of limiting the future rise in temperature to 1.5°C.



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 net-zero greenhouse gas emissions by 2050 at the latest.



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 February 2022

GX League (transitioning from the GX League Basic Plan 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 CDP2019



MSCI AAA

Continued from 2021



As of 2023, 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 six consecutive years from 2018

Dow Jones Sustainability Asia Pacific Index

Adopted for eight consecutive years from 2016



MSCI ESG Leaders Indexes*

Adopted for nine consecutive years from 2016



MSCI Japan ESG Select Leaders Index*

Adopted for eight consecutive years from 2017



FTSE4Good Index Series

Adopted for 18 consecutive years from 2006



Sompo Sustainability Index

Adopted for 13 consecutive years from 2012



NRI has been included as a constituent in six of the ESG stock indices selected by the GPIF for domestic stocks.

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index



<https://www.nri.com/en/sustainability/evaluations>



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Major Awards for Information Disclosure

Japan Investor Relations Association (JIRA)

Prime Business Award 2023



Nikkei Inc.

Grand Prize at the 3rd NIKKEI Integrated Report Awards

