

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.

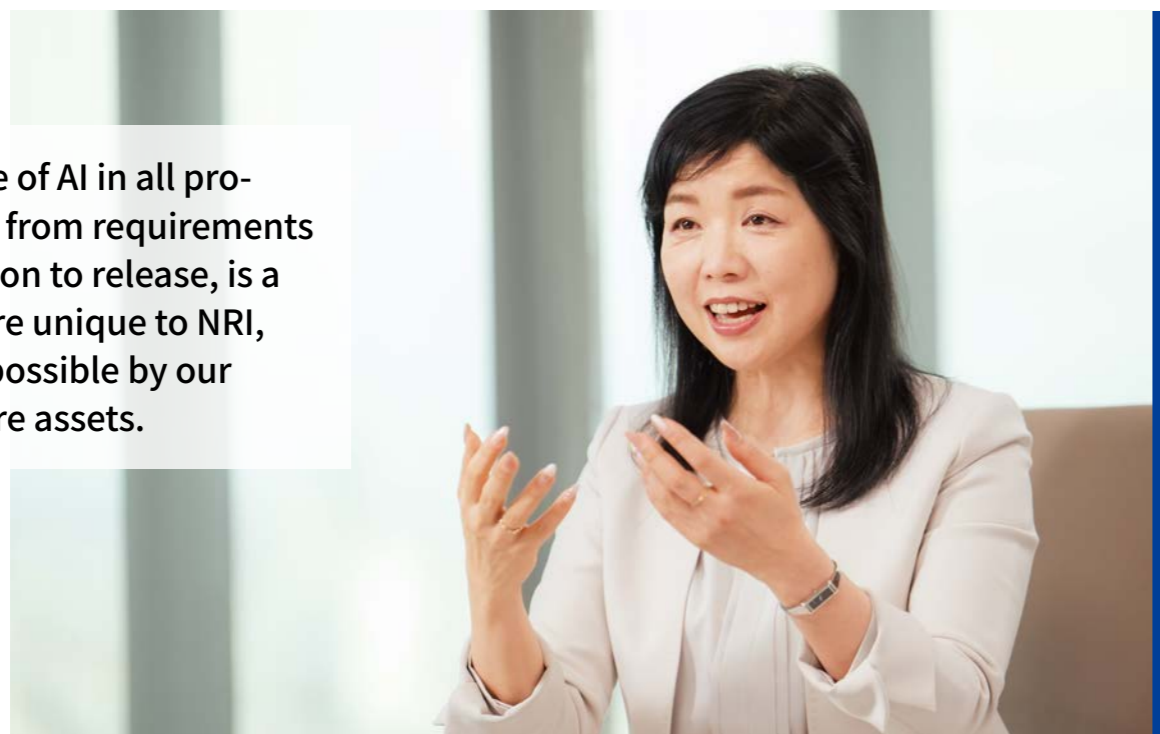
### Client co-creation means commitment to the business growth of our clients

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.

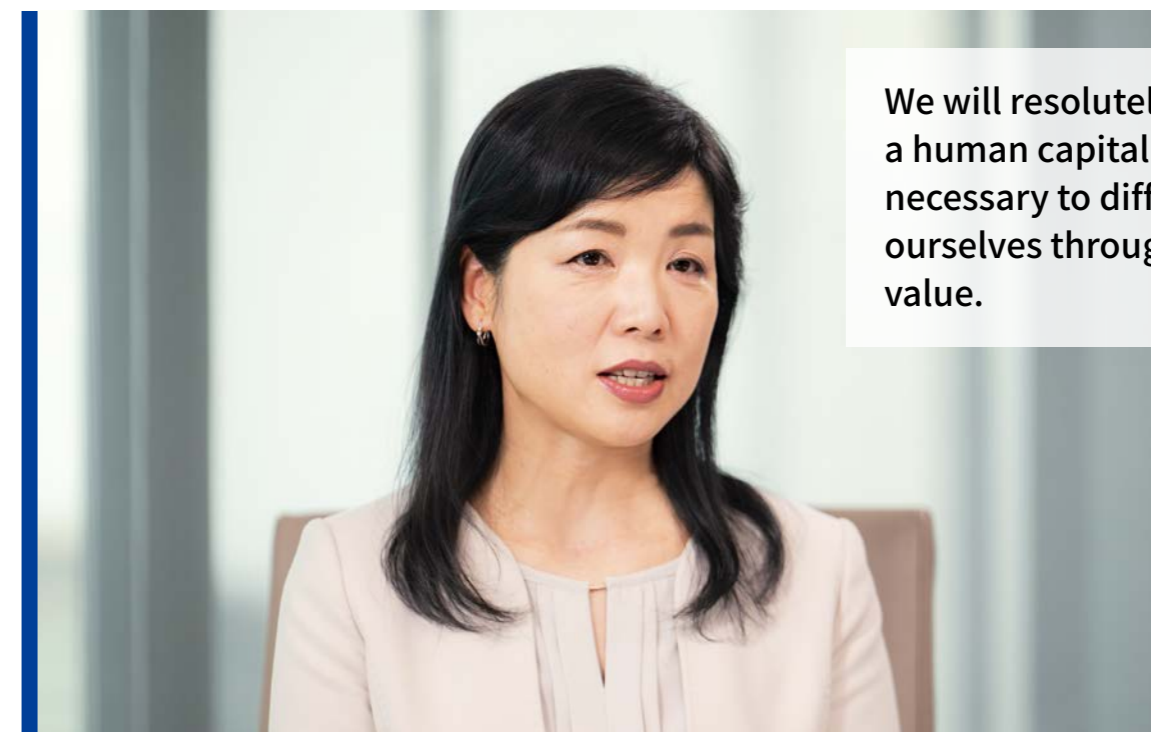
Nevertheless, the extent to which employees can carve out their own careers is limited.

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



We will resolutely pursue a human capital strategy necessary to differentiate ourselves through added value.

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