

January 21, 2022

<Press Release>

LAC CO., Ltd.
KDDI Corporation
Nomura Research Institute, Ltd.

LAC, KDDI and Nomura Research Institute to Promote Cloud Security and Zero-Trust

In February 2022, LAC Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President: Itsuro Nishimoto; hereinafter, "LAC"), KDDI Corporation (Head Office: Chiyoda-ku, Tokyo; President: Makoto Takahashi; hereinafter, "KDDI") and Nomura Research Institute, Ltd. (Head Office: Chiyoda-ku, Tokyo; Chairman and President: Shingo Konomoto; hereinafter, "NRI") plan to launch an undertaking to promote cloud-native security (Note 1) and zero-trust security (Note 2) in order to support diversifying corporate activities using cloud and telework.

As Cyber-attacks continue to diversify and evolve, cyber-security measures are essential to ensure the safe and secure introduction and use of cloud services – which are vital to corporate digital transformation.

Also, as the COVID-19 continues, companies promote various IT-based work styles, such as balancing office work with work from home and remote work with workcations. Zero-trust security, through authentication of multiple communication devices, provides the key to further achieving this diversity of work styles. Three companies will start the tie-up to help solve these issues.

Toward this tie-up, LAC and NRI have concluded a capital and business alliance agreement on January 21, 2022 and LAC will conduct a third-party allotment to NRI through the issuance of new shares.

In March 2022, NRI and LAC will establish a joint venture company, that combines the knowledge of both companies, to provide managed security services for new cloud platforms.

In addition, in order to continue to strengthen its cooperative relationship with KDDI, with which it already has a capital and business alliance, LAC will also conduct a third-party allotment to KDDI through the issuance of new shares. The third-party allotment to KDDI and NRI is scheduled to be conducted on February 14, 2022.

As a result of this tie-up, these three companies plan to develop and explore security solutions for new technology fields; and contribute to the development of Japan's digital society by supporting the rapidly evolving digital transformation of enterprises through cyber security.

(Reference) Shareholding Ratio of KDDI and NRI after Third Party Allotment of LAC

	Before third-party allocation (As of September 30,2021)	After third party allocation
Cosmos, Ltd. (wholly owned subsidiary of KDDI)	26.46%	22.48%
KDDI Corporation	5.43%	9.44%
Nomura Research Institute, Ltd.	-	10.21%

*The shareholding ratio is the ratio of the number of shares held compared to the total number of issued shares (excluding treasury stock of 647,579 shares).

(Note 1) The idea is to enhance the security of applications created on a cloud platform by utilizing the functions of the cloud.

(Note 2) The idea is to enhance security by not trusting any internal and external traffic, but by inspecting and logging each device when they access services.

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