NRI 未来創発

Dream up the future.

NRI CSR BOOK 2015

Nomura Research Institute

未来創発
Dream up the future.

Nomura Research Institute
is creating a new future.

Dream up the future. That's the Nomura Research Institute Group Corporate Philosophy.

Today, the world is changing so fast that no one can read the future. We have placed ourselves on the leading edge, creating and innovating for the future while keeping an eye focused on society.

By creating new value, we will make a positive contribution to society that will benefit our world.

"Dream up the future" is about creating and innovating the future, which is how the Nomura Research Institute Group continues to enhance our strength and challenge the status quo.

Message from the President

In April 2015, Nomura Research Institute, Ltd. (NRI) marked 50 years in business, a milestone for which we thank all of our stakeholders.

The theme we chose for this anniversary was "Determined to Innovate, Committed to Principles", which we have shared throughout our Group. Conceptually it brings together our will to actively pursue innovative change in order to realize a better society, while maintaining our belief in the need to continue the mission we have followed for the past 50 years – the spirit of keeping one step ahead of the times, the spirit of putting the customer first, and focus on quality.

NRI offers a comprehensive range of services extending from research and consulting services to designing, developing, and operating information systems, and in the conduct of each of our businesses we fulfill our responsibilities as a corporate citizen of society. We check to see if our activities do truly help society, and to avoid succumbing to any hubris, we also listen carefully to the opinions of a variety of relevant parties to help guide our actions.

From the perspective of advancing our contribution to society during the next 50 years, we will be introducing stronger initiatives in the areas of environmental management, and health management.

More than four years have passed since the Great East Japan Earthquake. The complete recovery of the areas affected cannot come too soon, and the NRI Group will continue to offer its concerted efforts in support of both their revival and that of the nation as a whole.

Tadashi Shimamoto

Tadashi Shimamoto
Chairman and President &
CEO, Member of the Board

NRI 50th Anniversary Edition

NRI: Contributing to Society for 50 Years

2015 marked 50 years since Nomura Research Institute, Ltd. (NRI) was first founded. The former NRI started doing business in 1965, followed by Nomura Computer Center Co., Ltd. (NCC; the predecessor of Nomura Computer Systems Co., Ltd.) in 1966. These two companies were merged in 1988 to form today's NRI. This graph charts NRI's half century of CSR and giving back to society.

NRI milestones

1965
The former NRI is founded.
Emerging from Nomura Securities Co., Ltd.'s research departments, it is Japan's first private-sector think tank.

1966
NCC is founded.
Evolving from Nomura Securities Co., Ltd.'s Computer Department.

1970
NRI's projections for Expo Osaka '70 visitor numbers impress.
For Japan's big event in the post-war period, NRI's projections for peak visitor numbers – the most important and difficult to estimate – prove to be almost exact.

1974
Shared online services for securities firms start to be offered.
NRI's shared online service STAR begins operation this year, growing into today's Industry-standard business platforms for the securities industry.

1979
Systems for Seven-Eleven Japan Co., Ltd. are developed and operated.
Seven-Eleven Japan Co., Ltd.'s new ordering system goes into operation, becoming a platform for the company to bring greater convenience to consumers' lives.

1985
Multi-client project to mark NRI's 20th anniversary takes place.
The project provides multiple clients with the results of research on topics they have in common.

1986
Tokyo Forum is held.
Think tanks from the world's top five nations come together to offer recommendations for developing the global economy.

1988
The merger
of the former NRI and Nomura Computer Systems Co., Ltd. forms today's NRI.

1995
Support is provided following the Great Hanshin-Awaji Earthquake.
NRI's support includes building a disaster relief supplies management system for the City of Kobe.

2000
Corporate Philosophy, Dream up the future, is announced.
NRI announces its new Corporate Philosophy, Dream up the future, to the Group and the world.

2000
NRI Secure Technologies Ltd. is founded.
NRI Secure Technologies Ltd. develops from an in-house venture business project into a specialist information security pillar for the nation.

2001
NRI is listed on the first section of the Tokyo Stock Exchange.
One of the largest market capitalizations for a new listing in that year is achieved.

2004
CSR Department launches,
with NRI releasing its first CSR Report in 2005.

2007
Tsinghua-NRI China Research Center opens.
It researches companies and consumers, and analyzes business trends in China, deepening understanding between Japan and China.

2011
Recovery effort support is provided following the Great East Japan Earthquake.
NRI's support includes making recommendation projects for achieving recovery.

2012
Tokyo Data Center I opens.
NRI's data centers go on to win numerous awards for their strong security and environmental performance.

2014
NISA scheme is introduced.
NRI's assistance extends from help with designing the NISA (Nippon Individual Savings Account) scheme to developing relevant systems for financial institutions.

2015
NRI's 50th anniversary
sees the NRI Group's workforce grow to over 9,000. Our next half-century and beyond beckon.

NRI's new employees for 2015 at their official welcoming ceremony

'65 '66 '70 '74 '79 '85 '86 '88 '95 '00 '01 '04 '07 '11 '12 '14 '15

National milestones

1965～
1966
Japan's population passes the 100-million mark.

1970～
1970
The International Expo opens in Osaka.
1973
First oil shock occurs.
1974
Seven-Eleven Japan Co., Ltd. opens its first store.

1975～
1975
Japan issues deficit bonds in earnest.
1979
Second oil shock happens.
Most Japanese people come to identify as middle-class.

1980～
1981
Second Ad Hoc Commission on Administrative Reform launches.
1984
Japan's population achieves the world's greatest longevity.

1985～
1985
Plaza Agreement reached.
1989
Consumption tax is introduced (initially at 3%).
Berlin Wall falls.

1990～
1990
Stock market prices tumble (the "bubble" economy bursts).
Open systems continue to spread in use.

1995～
1995
Great Hanshin-Awaji Earthquake occurs.
The internet becomes available to the wider public.
1997
Yamaichi Securities Co., Ltd. closes down operations.

2000～
2000
The dotcom boom in Japan bursts.
2001
A defined contribution pension scheme is launched.

2005～
2008
"Lehman Shock" and the Global Financial Crisis happen.

2010～
2011
Great East Japan Earthquake occurs.
2014
NISA scheme starts.
Cloud computing continues to spread in use

2015～
2016
My Number system starts.

Beginnings

Contributing to society through valuable proposals for the future

1965

NRI has two major company origines. One began with the former Nomura Research Institute Ltd.(NRI), which started up in 1965, providing research and consulting services. This NRI developed out of the research departments of Nomura Securities Co., Ltd. The scientific analysis of securities, and making future projections of companies'performances based on corporate research, were regarded as important by the founder of Nomura Securities Co., Ltd., so the company set up a research department to that end in 1906. Through the information that it continually provided to the broader community thereafter, based on the solid research it conducted, Nomura Securities Co., Ltd. came to be known as "Nomura the researcher."

As part of projects to mark its 40th anniversary, Nomura Securities Co., Ltd. launched the former NRI in order to take its research department further and develop a research entity with more sophisticated capabilities. This new entity was comprised of three research departments: a securities research department, which conducted research on companies and economic issues; a general research department, which developed solutions for particular issues facing companies, and all levels of government; and a technology research department, which studied trends in science and technology, initially in the field of biological sciences.

(Left) Crowds at Expo Osaka '70
(Right) NRI's report on visitor number projections commissioned by the Expo Association

In Japan at the time, the idea of paying a company to provide research was not commonly held, and barely anyone knew what a think tank was and what role it might play. The former NRI employees therefore made steady efforts to seek out new clients and create projects that would benefit their clients. They took on the challenge of developing one project after another designed to generate new value for the broader community. One of those projects involved estimating the number of visitors to the International Exposition that was held in Osaka in 1970. Visitor numbers at peak times were the most important and difficult to estimate, but it was these that would determine the event's success. The former NRI's projections for these numbers proved to be almost exactly correct – a feat which secured its reputation. NRI's basic principles of making projections with a constant eye to the future, and of making recommendations for better futures for society, began from that point.

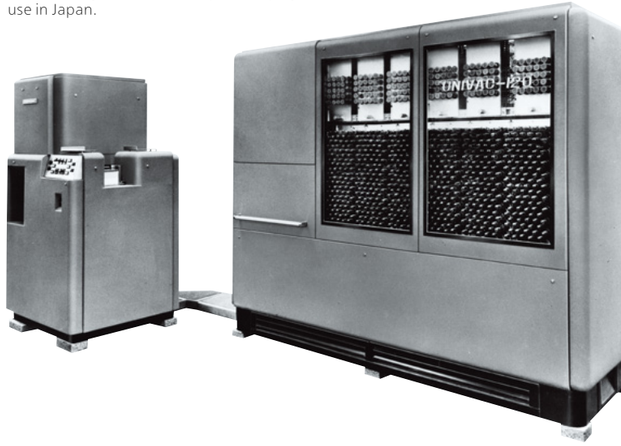
NRI's other corporate origine started with Nomura Computer Center (NCC; the predecessor to Nomura Computer Systems), which was the genesis of NRI's IT solutions business. It was started in 1966 as a spin-off of Nomura Securities Co., Ltd.'s Computer Department. In 1955 Nomura Securities Co., Ltd. became the first company in Japan to deploy a commercial computer (the UNIVAC-120), which it had brought in from the United States. By subsequently upgrading to the next generation of computers in order to expand its lineup and scale, NCC grew into a full-fledged computer services company.

NCC conducted several types of business. One was building new, farsighted systems jointly with Nomura Securities Co., Ltd., its parent company at the time. Another was developing systems which would allow many companies to share the use of one single, large computer. STAR is NRI's shared online service which today has grown to become the standard platform for Japan's securities industry. A prime example of such multi-use common systems, it was first offered to clients in 1974. NCC's third line of business was systems integration. In order to build systems that truly served its clients'purposes, NCC would obtain a strong understanding of its clients'business and operations before developing and operating a system that was optimal for their needs. In 1978 it received its first order from Seven-Eleven Japan Co., Ltd. to develop and operate a system for that company. To this day it continues to support Seven-Eleven Japan Co., Ltd. with its systems strategies, for example through a major contribution to achieving practical POS applications.

NCC itself developed the technology necessary to meet its clients'requirements. It was a pioneer at the time of the open approach, which it used to develop systems not dependent on any one particular manufacturer or type of hardware.

NCC employees regarded it as their company's mission to achieve more rational forms of management for their corporate clients; to develop new ways of doing things that would benefit the broader community; and to make a contribution to society by keeping their gaze on the future of the information services industry. "How can I give something to this world?" This is the spirit that inspires NRI's employees in their work, and it can be traced back to this time at NCC.

NCC evolved from Nomura Securities Co., Ltd.'s Computer Department. In 1972 it changed its name to Nomura Computer Systems. This is the UNIVAC-120 computer that made history as the first computer deployed for commercial use in Japan.



Merger

Using research and information systems to deliver ground-breaking services

1988

The former NRI and NCC merged in January 1988. With the union of these two companies, which had earned their own success in research and consulting and in information systems respectively, NRI embarked on this new step in its history.

At the time, the former NRI had already grown to become a think tank of national standing. As well as acting as a strategic partner for Nomura Securities Co., Ltd., its securities research division had been praised for being "the strongest team of analysts and economists in Japan."

NRI has conducted joint research with think tanks from the world's top five nations including Japan. It held the Tokyo Forum, which presented recommendations for developing the global economy based on the results of that research. This was an era when NRI engaged in research and developed recommendations that transcended national borders.

NRI's commissioned research department has also actively undertaken numerous multi-client projects on the latest topics. Its accumulated total of projects commissioned by outside parties runs to around 4,000. The number of such clients, which include government agencies, local government bodies, and companies, exceeds 2,000, and the projects have produced research results in a wide variety of fields.

At the same time NCC had already achieved success as a systems integrator in possession of both technology and a business track record outstanding for Japan. It was particularly strong in the fields of finance and distribution, providing the broader community with one new solution or service after another. It has developed using the know-how acquired through developing, operating and maintaining the business systems of its corporate clients, such as online

systems for Nomura Securities Co., Ltd., and POS systems for retail companies. Other examples are its System Clinic, which provided companies with a comprehensive diagnosis of their systems; PMS, its asset management system for the life and property insurance industry; and I-STAR, its shared online service for foreign securities companies who have set up business in Japan.

Creating a company that would make a greater contribution to the broader community by deploying the combined strengths to be had from the work of a think tank and a track record in systems development, in order to bring ground-breaking services to an increasingly information-based society – that was our motive for this merger of the two companies. Many people at the time expressed doubt as to whether two such fundamentally different companies could actually mesh together, and while employees of the new NRI did from time to time experience clashes between the different corporate cultures, they worked at understanding each other and building relationships to draw out each other's knowledge. Following the collapse of the "bubble economy" in the early 1990s, Japan fell into a long economic slump. The new NRI however came to reap the benefit of the synergies arising from the merger, and it successfully rode out the economically turbulent post-bubble years.

Listing

Dreaming up the future to form a value-creating company

2001

The next milestone in NRI's history took place in December 2001. That was when it was listed on the first section of the Tokyo Stock Exchange.

What the listing meant for NRI can be expressed in two words used by the new NRI's second President & CEO, Shozo Hashimoto: "independence," and "self-discipline." The first meant not hiding in the shadows cast by the giant tree that is Nomura Securities Co., Ltd., and standing firmly on our own two feet. The second meant exercising control over our own conduct, in line with the norms of society. Listing on a public stock exchange made it abundantly clear to NRI that it was now responsible for this independence and self-discipline. Accordingly it put in place appropriate internal regulations, and set up firm internal control mechanisms. This caused its PDCA cycle to function more properly, and further solidified NRI's foundations.

The moment of NRI's listing in December 2001. Electronic boards at the Tokyo Stock Exchange display our initial share price of ¥14,850.

In anticipation of the listing, work had been done beforehand on organizing our corporate structure and setting up and re-organizing our Group companies. Alongside that work we also developed business strategies to apply for the coming years and beyond. One such example was a BPR project, which we conducted with Nomura Securities Co., Ltd. as our signature project for the 1990s. This involved re-designing our business processes and maximally exploiting new technology from Microsoft Corporation, Oracle Corporation and others including scrutinizing the long-term value of that technology, in order to achieve major reductions in our IT costs. It was around this time that we also developed a suite of solutions such as STAR-IV, T-STAR, BESTWAY, e-JIBAI and BizMart, as shared online services providing support for the financial sector.

In 2000 we adopted "Dream up the future" as our Corporate Philosophy. It embodies a strong message: that it is NRI's mission to play a role in bringing about societies of the future, by gaining insight into their paradigms. It is a declaration of our position and of our goals within society.

50th Anniversary

Determined to Innovate, Committed to Principles.

2015

After its listing, NRI faced something of a baptism of fire. The dotcom boom had crashed, bringing the information services industry back down to earth. Recognizing the importance of securing its foundations, NRI drafted a medium- to long-term management plan, Vision 2008. It reached the goals set out in the plan ahead of schedule in 2006, which also resulted in a major recovery in its business performance.

Around this time the NRI Group began new initiatives and creating new organizational structures designed to bring about the Group's growth in the following years. One of those was making use of Chinese offshore developments. In order to ensure we could complete our development of large-scale systems in short periods of time, we established our own unique process whereby multiple teams worked on different aspects of a development in parallel. This process allowed NRI to dramatically raise its subsequent capacity for developing systems.

It was also around this time that we consolidated our style of conducting business, centered on our Navigation X Solution value creation process. Our Navigation process, which comprises research and consulting, produces solutions based on the discovery of issues, while through our Solution process we endeavor to find solutions through the design, development, and operation of information systems. The synergistic effects of these dual functions let us work together with our clients to produce value unique to NRI. NRI's Navigation X Solution went on to prove its worth in a number of projects, including one involving a major cosmetics company where we helped it to reform its business processes, and another involving setting up the systems of a major telecommunications carrier, whose size meant that any interruption of its service was not an option.

2015 marks NRI's 50th anniversary, and it is also the final year in our long-term management plan Vision 2015, which we drew up in 2008. What will be important for NRI if it is to achieve unique progress over the next 50 years is to "Rising above the present, rising above ourselves." Tadashi Shimamoto, who is currently Chairman and President & CEO of NRI, has said that in order to realize that goal it will be important to "speed up the pace of our globalization, and metamorphose from a Japanese company into a world company," and to "apply ourselves every day without forgetting the spirit that NRI has espoused since the day it was founded of "prospering together with clients" and "contributing to society." That spirit is contained within the slogan for our 50th anniversary, "Determined to Innovate, Committed to Principles."

Growing our global business

—NRI's overseas offices—

We have taken our consulting business to the world, particularly into Asia. This development had its origins in the support we give to Japanese companies as they set up businesses in overseas locations. It has grown to include conducting research on infrastructure projects by local governments, and providing marketing consulting to local companies. Today the areas where NRI provides support have expanded to include the creation of infrastructure and other environmental improvements that will assist industrial development in newly industrializing economies.

NRI 50th Anniversary
Determined to Innovate, Committed to Principles.

CSR Book 2015 Contents

NRI 50th Anniversary Edition
NRI: Contributing to Society for 50 Years (cont.) 8 | 9

Corporate Philosophy

Message from the President 2 | 3

Research and Recommendations 12 | 13

NRI 50th Anniversary Edition
NRI: Contributing to Society for 50 Years 4 | 5

Research and Development 14 | 15

NRI 50th Anniversary Edition
NRI: Contributing to Society for 50 Years (cont.) 6 | 7

Supporting Asia 16 | 17

Business Continuity 18 | 19

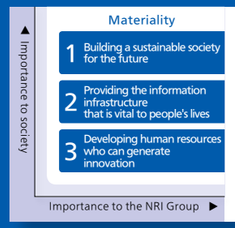
Infrastructure that Society Relies On 20 | 21

Supporting Global Expansion 22 | 23

Protecting the Environment 24 | 25

Supporting the Development of Human Resources 26 | 27

Building Relationships with Stakeholders 28 | 29



Materiality

Editorial Policy

Corporate Overview 30 | 31

Working to build Japan's future for half a century

NRI's Dream up the future Forums open a window onto Japan's future

From the time it was founded, and for the half century that followed, NRI has been helping to draft blueprints for Japan's future.

One of NRI's forerunner companies was a think tank that developed projections for Japan's future, in order to create new value for Japanese society. Since its founding, NRI has been engaged in communicating information to the broader community through its business activities and through forums and publications. Its motivation for taking on that role has been to remain up-to-date with how society is changing at all times, and to make recommendations to governments and businesses on specific policies for the future accordingly.

Japan today is experiencing a low birth rate, an aging population, and the increasing absorption of its population into its larger metropolitan areas. Making its rural and regional areas relevant and attractive again has therefore become a pressing issue if Japan's vitality as a whole is to be restored. Since February 2015, NRI has been making recommendations on a wide range of specific policies for issues facing regional Japan as a whole, under the title of NRI Recommendation Series on urgency in Japanese Regional Revitalizations. NRI has released among other proposals a model for mutualistic relationships that cities and their neighboring rural areas can adopt, as well as a plan that uses the upcoming Tokyo Olympics and Paralympics as a catalyst for revitalizing other regional cities. NRI will continue to undertake high-quality research and recommendation projects with the aim of achieving positive outcomes for Japan's future.

Public Lectures on "Regional Economies and Culture"

In conjunction with the Public Collaboration Center of the Tokyo University of the Arts, in January 2015 NRI held a symposium entitled Revitalizing Regional Japan and Fostering Japanese Culture I. At this symposium, NRI Chief Counselor Shiro Tanikawa gave the keynote address on "Regional Economies and Culture," in which he made recommendations for the revival of a Japanese culture that respects diversity.

Shiro Tanikawa giving his keynote address at the Ueno Campus of the Tokyo University of the Arts

Developing Solutions that Change the Future

JAL employees wearing smartwatches with advanced data functions

Picking the most promising emerging technologies that will help society.

NRI scrutinizes the latest technologies for their potential, which it then combines with a wide range of equipment and systems to produce solutions that help society in the future. The NRI Group has also undertaken its own research and development to that end for many years. One such example is a trial it conducted together with Japan Airlines Co., Ltd. (JAL) in 2014, in which JAL staff members were given a wearable computer in the form of a watch with a built-in camera and other advanced data functions. The aim of the trial was to see if the devices increased efficiency and improved the level of aircraft maintenance and of the information given to passengers at airports.

We also conducted a demonstration project to ascertain the practical feasibility of a number of location information services using positioning technologies. We use the results obtained from projects of this sort in our business activities and in our information communication projects, such as our books and reports. NRI is giving back to society by conducting such research into advanced technologies and by undertaking constant development and repeated experimentation to ascertain the practical feasibility of different services and goods. We also actively engage in the development of solutions that will bring about a better future for society.

NRI's *IT Roadmap 2015*

Each year NRI releases *IT Roadmap*, a collection of its reports on information technology trends along with its predictions of how IT-based services will evolve over the following five years. Wearable computers with advanced data and other functions were the focus of the 2015 edition, which also looked at market trends for positional information services for consumers, and how the technology underpinning those services might evolve.

Providing support with building the environments needed for Asian countries to prosper

Hsinchu Science Park (photo courtesy of the Hsinchu Science Park Bureau)

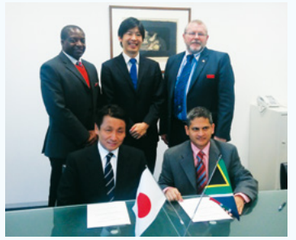
NRI is supporting countries throughout Asia with the construction of infrastructure and attracting businesses, in order to assist their industrial development.

Asia's population is expanding, and its markets are growing ever more vibrant. Structures on the ground to support the growth of business in Asian markets are crucial to these countries' industrial development. 20 years ago NRI was commissioned by Taiwan's Ministry of Economic Affairs (the equivalent of Japan's Ministry of Economy, Trade and Industry) to provide information on Taiwan's policies for the attraction of business from those Japanese companies wanting to enter the Taiwanese market. NRI was also asked to set up a Japan Desk that would provide advice to these companies.

Today NRI provides more than 250 Japanese companies each year with advice and support on investing in Taiwan and developing their businesses there. It is one of the ways in which NRI is making a contribution to Japan and Taiwan's mutual prosperity. ASEAN nations such as Indonesia, Vietnam, Thailand, and Malaysia are also experiencing a growing need for social infrastructure projects in areas including urban transport, aviation, medical facilities, and financial institutions. The NRI Group monitors the demand for social infrastructure projects in ASEAN countries and updates Japanese companies about business opportunities that are particularly suited to their strengths. The NRI Group will continue to contribute to building markets and developing the industrial bases of countries and regions in ways that accord with their needs.

Assisting investment in Africa and the Middle East

NRI is building a business cooperation relationship with the South African government with the aim of encouraging investment and business development by Japanese companies in that country. NRI already has similar relationships with Kenya, Tanzania, Tunisia, and Mauritius, through which it provides active support for Japanese companies setting up in markets in Africa and the Middle East.



Keeping our operations going is our responsibility to society

Training for a major earthquake

The public can be confident of NRI's fail-safe operating structures.

The NRI Group was the first in Japan to offer shared online services allowing multiple companies to use the same operational information system, which it launched over 40 years ago.

Today many of NRI's shared online services play a vital role in supporting the operations of companies and whole industries, such as STAR-IV, its integrated back-office system for the retail securities sector. If these systems were to shut down, the impact on the broader community would be immense. The NRI Group deploys a number of measures to ensure that its information systems always keep working.

In addition, in 2014 we conducted a full-scale drill involving the entire NRI Group to prepare for a major earthquake. We also conducted our first training exercise again involving the entire Group for responding to a cyber-attack. The NRI Group sees it as its responsibility to society to maintain the fail-safe operation of its systems by rigorously ensuring its preparedness in this way.

A pioneer of M&O certification in Japan

In December 2014 NRI's Tokyo Data Center I was the first Japanese data center to obtain a Management and Operations (M&O) Stamp of Approval, a global operating standard for data centers. M&O certification represents an objective thumbs-up for the quality of how a data center is managed, and it includes human factors in its criteria. The NRI Group is constantly striving to improve the quality of its management and operation of its data centers.

Information systems delivering convenience to people's lives

Delivering the products that people need, when they need them

NRI helps a convenience store chain to bring its customers what they need, when they need it.

Seven-Eleven Japan Co., Ltd. operates stores in every corner of the country. No matter the time of day, customers can find something they want on the shelves of a 7-Eleven outlet. 7-Eleven stores can provide their customers with what they need, when they need it, because their operations are supported by an array of information systems. One such system allows a store's point-of-sale register to capture the data for any product when it is swiped through at purchase. All this data is then collected and analyzed at a single central location, which is indispensable for the store to arrange its subsequent orders of products. Each individual 7-Eleven store devises projections about which products it should sell based on information such as the current local climate and other local factors. By constantly analyzing and modifying those scenarios, the store then stocks its shelves with the products that it thinks customers will want. The fact that the bento lunch box meals and rice ball snacks in 7-Eleven stores are always freshly prepared is due to a distribution chain in place that lets individual stores receive small-lot deliveries from the central distribution center. NRI is supporting the operation of this service through its information systems, thereby making a real contribution to bringing greater convenience to people's everyday lives.

NRI's comprehensive support for nanaco

nanaco is the name of Seven & i Holdings Co., Ltd.'s e-money card. All data relating to customers' use of nanaco is stored in a secure NRI data center that operates under strict security. The NRI Group's engagement in nanaco has been comprehensive, involving providing support from the time it was first conceived to developing systems to make it a reality.

Backing companies' global growth

Children in a Kumon learning center overseas

NRI's information systems underpin Kumon's corporate philosophy and help it achieve growth at a global level.

Kumon Institute of Education Co., Ltd. (KIE), renowned for Kumon learning centers, contributes to society through educational activities, which are its main line of business. Aiming to discover the potential of each individual and develop his or her ability to the maximum, the Kumon method has spread to 48 countries and regions with nearly 25,000 centers around the world. Including its home base in Japan, currently there are around 4.3 million students doing Kumon. In 2014, KIE launched a core next-generation information system to manage student data and support its instructors in North America, the United Kingdom and Ireland. Having a goal of operating the system worldwide, it is scheduled to be rolled out in other countries in Europe, the Middle East, Africa, South America, and Asia. The NRI Group has supported this information system from the design stage through to development and operation. NRI helps companies design and realize their business strategies on a worldwide stage.

NRI wins WITSA's Digital Opportunity Award

At the 2014 Global ICT Excellence Awards held by the World Information Technology and Services Alliance (WITSA), NRI was honored with the Digital Opportunity Award, the world's most prestigious prize in the field of information technology, for TRUE TELLER, its text mining application. It is recognition for the rich body of successes that TRUE TELLER has accumulated at more than 500 companies, and for the solid precision of its analyses and the reliability it has demonstrated over many years.

NRI representatives after the awards ceremony in Mexico. WITSA (the World Information Technology and Services Alliance) is an industry association with member organizations in 80 countries and territories around the world.

Managing the environment in harmony with the planet

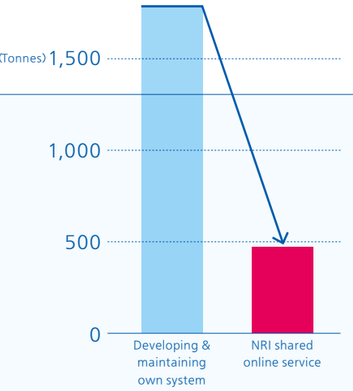
NRI is actively helping the environment in many ways

Protecting the environment is an ongoing factor in NRI's management of its offices and its data centers.

Information systems consume large quantities of electricity. The NRI Group is committed to reducing our impact on the environment on a number of fronts, starting with the shared online information systems that it offers to its clients. NRI's data centers account for around 80 percent of the electricity consumed by its business activities as a whole, so NRI naturally works to reduce how much electricity these centers use, and it has obtained ISO14001 certification for its management of them. NRI also implements energy-saving measures within its offices as well, such as carefully controlling air conditioning and lighting settings, employing power-saving measures for office equipment such as computers and monitors, and making "green purchases" of energy-efficient products. In FY2014 we also created an internal department for environment-related matters (the Environmental Activities Section), strengthened our systems for reducing our environmental impact, and arranged for all our employees to receive education on environmental topics. In 2015 one of our offices (the Yokohama Minato Center) will also receive ISO14001 certification. The NRI Group is united in its efforts to further strengthen protection of the environment.

NRI's shared online services serve to cut CO_2 emissions

NRI provides a number of shared online services for its clients, such as STAR-IV, BESTWAY, and Value Direct. When more than one company shares the use of a single system, this lets all the companies achieve greater reductions in their energy consumption, CO_2 emissions, and overall costs than if they were to develop and operate a system of their own. NRI's preliminary estimates suggest that using these services delivers a benefit in the form of a 73.9% cut in CO_2 emissions.



Fostering the young people who will build the future

NRI Student Essay Contest 2014 prize winners

NRI provides opportunities for the next generation of society's leaders to explore ideas about the future.

In the spirit of its own philosophy of Dream up the future, the NRI Group regards it as important to foster younger generations. It therefore provides opportunities for young people to study, think about, and express their views on particular issues to a wider audience. One such opportunity is the NRI Student Essay Contest, in which senior high school and international students and under- and post-graduate university students can cast their thoughts towards the possible future of Japan and the world. NRI has held this Contest each year since 2006. Another such opportunity is the Marketing Analysis Contest, in which entrants use consumer marketing data collected by NRI to produce novel laws of business and marketing indices. Lastly in 2014, our Group began NRI Hackathon, where participants from a diverse range of backgrounds bring along ideas for putting into practice Japan's traditional culture of craft production.

NRI does not just foster younger people in Japan. The Tsinghua-NRI China Research Center at Tsinghua University in Beijing holds the Tsinghua-Nomura Cup, a presentation contest for young people on Japanese and Chinese economics topics.

It is through such activities that the NRI Group is directing its energies into supporting the development of future generations of leaders.

NRI's workshops get students thinking about work

In 2014 NRI held the Thinking About Work workshop, as an opportunity for under- and post-graduate university students to explore what the business world and being in the workforce actually entails. As well as include an exchange of ideas about the image and work practices of NRI's own industry, which mostly operates behind the scenes, the workshop functions as an occasion for NRI employees to give general employment advice to the students.

Investing our activities with integrity by listening to different voices in the community

Our Expert Dialogues: a forum bringing together different professional views

NRI works at meeting society's expectations for it by seeking out the views of a broad range of stakeholders.

The NRI Group focuses on fulfilling its responsibilities to society through its core business activities. It has aimed to conduct its business with integrity by listening to different voices within the broader community, which on occasion has meant taking on the chin some uncomfortable assessments and opinions. NRI considers its dialogues with stakeholders very important, since they allow us to exchange views with a wide range of individuals. At our Expert Dialogues, to which we invite our customers along with university academics, securities analysts, and representatives from the mass media, participants exchange views on the expectations that society has of NRI and the role that it expects NRI to fulfill. At our Student Dialogues with under- and post-graduate university students, the topics discussed included our corporate philosophy and our future goals, and what "working" means. At Employee Dialogues, our employees talk about how NRI should meet the expectations of people from outside the company from a medium- and long-term perspective. NRI will continue to hold several dialogues with stakeholders in order to meet society's demands and to conduct its business activities with integrity.

Study sessions on CSR activities with our partner companies

In August 2014 NRI called on its partner companies to attend its first study session to think about what CSR means to them as information services companies. Three of these sessions were held in FY2014. The aim of the sessions was to serve as opportunities for the participating companies to learn from each other, so as to extend the breadth of their CSR activities, and to develop their content further.

Materiality

Three key priorities give impetus to the NRI Group's CSR activities.

1 Building a sustainable society for the future

While society has sought to become affluent and has continued along the path of growth to that end, limits to that approach can also be seen. From "macro" problems such as overpopulation, the depletion of natural resources, and global warming, to "micro" problems pertaining to the economies, industries, and living standards in each country and region, issues have piled up which cannot be just passed on to future generations. We will contribute to finding solutions for these issues facing society through the recommendations we make based on our surveys and research and our efforts at building frameworks for a new society.

2 Providing the information infrastructure that is vital to people's lives

Information systems in modern-day society are one of the services essential for the nation's economy and industry, and therefore for people's lives to function. They also enable limited resources to be applied efficiently, and generate new processes and value. The planning, development, and reliable operation of such information systems are at the core of the NRI Group's business. By continuing to build, operate and safeguard trusted information systems, we will be providing a support on which society and people's lives can rest.

3 Developing human resources who can generate innovation

In order to realize our corporate philosophy of dreaming up the future, people skilled in creative innovation and in exploring new value and frameworks will be essential. In order to develop these human resources, we are proceeding with efforts, which include building structures and environments receptive to different modes of work for different people, and establishing processes for training those people and evaluating their work. It is also important to us to foster today's students, on whose shoulders the future of this country and the world rest. We have committed ourselves to a range of different policies that will serve as support for the training of young people.

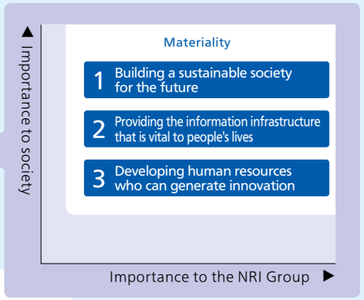
Materiality Assessment Process

Step 1 1
Stakeholder dialogues
We conducted dialogues with a range of stakeholders to hear their views on the NRI Group's activities. Through these dialogues, as well as gaining awareness of how the NRI Group is viewed externally and of the gap between that and how we see ourselves, we were able to gauge the demands and expectations placed on our Group.

Step 2 2
Identifying relevant issues
Based on the views of stakeholders obtained through these dialogues, we assessed the relative importance of various issues involved based on CSR-related global standards and guidelines such as ISO26000, and identify issues highly relevant to the NRI Group.

Step 3 3
Determining Materiality
Based on the "characteristics and strengths of the NRI Group's business" and "relevant issues" identified in the previous steps, we determined three material CSR themes that were judged to be of high importance from two perspective: "impact of the NRI Group's business activities on society" and "impact on our Group's business activities."

Step 4 4
Approval and review
After the material CSR themes were carefully gone over with the relevant departments involved in CSR, they were approved by NRI's executive management. In the months ahead we will now report on our activities based on our materiality in stakeholder dialogues and other forums in order to receive feedback and to review the material CSR themes.



Editorial Policy

Nomura Research Institute has published a CSR Report since 2005 to give our stakeholders an understanding of the NRI Group's corporate social responsibility commitments. The report also aims to facilitate internal and external communication and to achieve a flow-on effect that will raise the level of our CSR initiative.
The CSR Report 2015 is available in this printed form (the CSR Book 2015) and in digital form online.
We have tried to ensure that the CSR Book 2015 contains articles of interest to our stakeholders along with the information that NRI Group wants to convey, and to present it in an interesting and easy-to-read format. The digital version contains CSR activities and relevant information related to three material CSR themes in detail. We also have an online report on our important CSR activities for achieving sustainable development for society, which are presented in the form of specific examples and of views expressed by our executive managers and employees (the CSR Activities File).

CSR Report 2015

CSR Book 2015 in pamphlet form	CSR Report 2015, in pdf format	The online CSR Activity File
The year's CSR activities summarized in plain, clear language	The year's CSR activities and relevant information related to three material CSR themes explained in detail	A detailed and up-to-date explanation of NRI's business activities from a CSR perspective
	https://www.nri.com/global/company/contribution.html (It will be issued in January 2016)	http://www.nri.com/jp/csr/activities/ (available only in Japanese)

Organization covered in this report
This report focuses on NRI's CSR activities, but also covers some activities of the entire NRI Group and Group Companies.

Period covered by this report
This report primarily covers fiscal 2014 (April 1, 2014 through to March 31, 2015), but also addresses some events from the past, some activities after April 1, 2015 and certain plans for future activities.

CSR Book 2015 publication date
September 2015 (the previous report was published in September 2014, and the next report is scheduled for publication in September 2016)

Trademarks
All proper names, including names of companies and products, found in the CSR Book 2015 are trademarks of the respective companies.

Disclaimer
The CSR Book 2015 contains not only past and present facts about the NRI Group but also plans and forecasts based on information acquired as of September 2015, the date of publication.

Inquiries about the CSR Report
Corporate Social Responsibility Department
Nomura Research Institute, Ltd.
Marunouchi Kitaguchi Building, 1-6-5 Marunouchi,
Chiyoda-ku, Tokyo 100-0005, Japan
Tel: +81(3)6270-8200 Fax:+81(3)6270-8800
E-mail:nri-csr@nri.com

Corporate Overview

Corporate Name	Nomura Research Institute, Ltd.
Headquarters	Marunouchi Kitaguchi Building, 1-6-5 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan
Established	April 1, 1965
Capital	18.6 billion yen
Number of Employees	5,972 (NRI Group 9,012) as of March 31, 2015
Consolidated Sales	405.9 billion yen (Fiscal 2014 ending March 31, 2015)
Consolidated Operating Profit	51.4 billion yen (Fiscal 2014 ending March 31, 2015)
Major Services	Consulting, Financial IT Solutions, Industrial IT Solutions, IT Platform Services

NRI Group

Nomura Research Institute Moscow Branch **NRI Netcom** **NRI SecureTechnologies** North America Branch **UB Secure** **NRI Workplace Services**
NRI Data*i*Tech **NRI Cyber Patent** **NRI Social Information System Services** **NRI Process Innovation** NRI Financial Graphics **NRI System Techno**
DSB Japan Business Service DSB Information System **NRI Mirai** **NRI Holdings America** **NRI America** **NRI IT Solutions America** brierley+partners™
NRI Europe Luxembourg Branch **NRI Beijing** **NRI Shanghai** **NRI Dalian** **NRI Asia Pacific** Manila Branch Jakarta Representative Office **NRI Singapore**
NRI Hong Kong **NRI Taiwan** **NRI Seoul** **NRI India** **NRI Financial Technologies India** **NRI Thailand**

Nomura Research Institute, Ltd.
Marunouchi Kitaguchi Building, 1-6-5 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan
Tel.+81(3)-5533-2111 http://www.nri.com

PRINTED WITH SOY INK
UD Font Universal Design
FSC ミックス 責任ある木質資源を使用した紙 FSC® C017715
A "universal design" font has been used in this book for ease of reading.

Unauthorized reproduction prohibited Copyright © 2015 Nomura Research Institute, Ltd. All Rights Reserved.

800-0012-01-1510E