NRI
未来創発
Dream up the future.

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NRI

Corporate

Social

Responsibility

2012

Nomura Research Institute

未来創発
Dream up the future.

Dream up the future
The NRI Group is committed to gaining insight
into the social paradigms of the future
and creating new business models.

Amid today's rapid changes that are making
the future difficult to foresee, we aspire to open the
path toward a bright future with a close and
firm grasp of the developments in society.
To achieve this goal, we hope to make its
contribution to the world by creating new values.
The NRI Group moves forward as a company,
taking on challenges unrelentingly and
"dream up the future" for our society.

Report Formats; Editorial Policy

* Stakeholders:
  Clients, employees, consumers, local citizens and other persons who are directly and indirectly engaged in NRI activities.

Using both online and printed formats, Nomura Research Institute, Ltd. (NRI) promotes its CSR activities widely to engage with its stakeholders* and to raise the level of its CSR efforts through a two-way communication process.

NRI's main CSR reports are available in three forms: printed and digital versions of the CSR Report (the CSR Book), and the CSR Activity File.

The CSR Book presents information that would most interest our stakeholders, as well as information on activities that the NRI Group wishes to spotlight in particular, in plain, clear language.

For the web version of the CSR Report, we report in accordance with the Global Reporting Initiative (GRI) G3.0, and self-declared the report to GRI Application Level C. For the CSR Report attention is paid to third-party opinions given by external experts, in order to ensure an objective assessment of its content.

The CSR Book and the web version of the CSR Report are published yearly.

The CSR Activity File presents in plain, clear language some of the more important CSR activities undertaken by the NRI Group's core businesses for the sustainable development of both the Group and society alike.

NRI conducted its "CSR Materialities Survey" in 2009, in which it identified key CSR priorities that the NRI Group must address. The conduct and reporting of the Group's CSR activities are undertaken in line with its Key CSR Priorities.

Report Formats
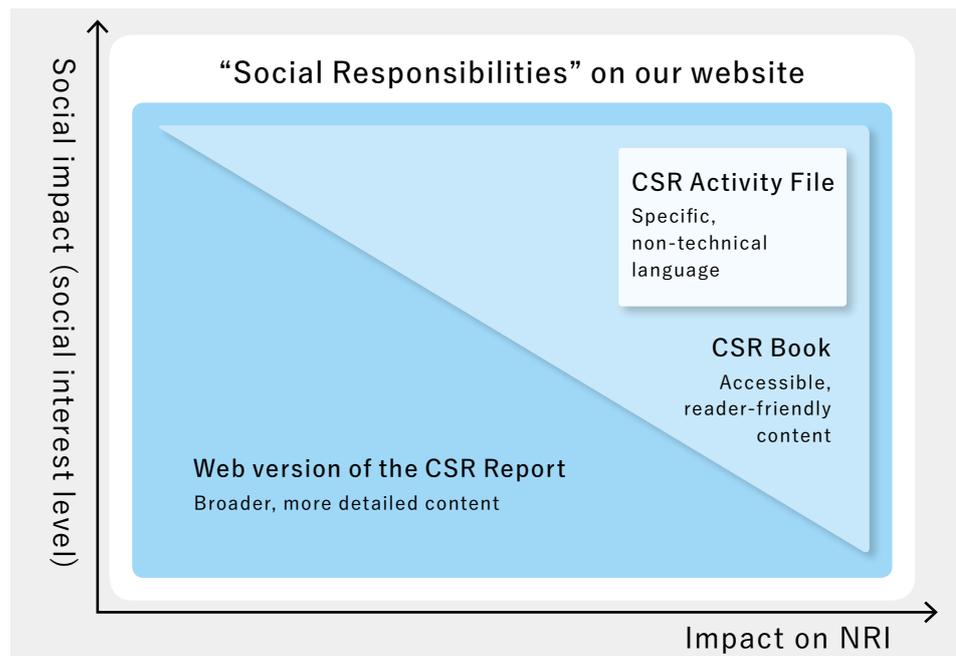
Organization

This report focuses on NRI's CSR activities, but also covers some activities of the entire NRI Group and Group companies.

The year's CSR activities summarized in plain, clear language	The year's CSR activities explained in detail	A detailed and up-to-date explanation of NRI's business activities from a CSR perspective
CSR Book 2012, in pamphlet form	CSR Report 2012, in pdf format http://www.nri.co.jp/english/company/contribution.html	The online CSR Activity File http://www.nri.co.jp/csr/activities/ (in Japanese only)

Period covered by this report

This report primarily covers fiscal 2011 (April 1, 2011 through to March 31, 2012), but also addresses some events from the past, some activities after April 1, 2012 and certain plans for future activities.

Web version publication date

September 2012 (the previous report was published in September 2011, and the next report is scheduled for publication in September 2013)

Trademarks

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Disclaimer

The web version of the Report contains not only past and present facts about the NRI Group but also plans and forecasts based on information acquired as of September 2012, the date of publication of CSR Report 2012. Business results and events may accordingly differ from plans or projections.

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Contents

Proactive CSR   18
Fulfilling our responsibilities to society through our business activities

Fundamental CSR   29
Building relationships of trust with society

NRI's Unique Contributions to Society   68
Striving for social contributions that reach the hearts of people

Engagement with Stakeholders   84

Message from the President

"Challenge the Status Quo,
Innovate Ourselves,"
with help from all quarters

Ongoing Reconstruction Efforts
following the Great East Japan Earthquake

I extend my sincerest sympathies to all those suffering as a result of the Great East Japan Earthquake. The full recovery of the regions affected cannot come soon enough, and to that end the NRI Group will continue to offer its undivided support.

The nature of that support has shifted from our initial emergency assistance and recommendations, to recovery and response planning for future disasters. This includes providing support for development plans in areas located near airfields in the affected regions; conducting studies into disaster prevention measures that include the use of renewable forms of energy; and developing disaster simulation tools that can assist with formulating BCPs* in the event of natural disasters.

The regions hit by the earthquake have received much support to get them back on their feet from the whole nation. People have joined forces to work together, allowing the strength of the nation's support to grow, firstly from individual points of support to from one supportive line, and then to create a unified circle of support. Japan's rebuilding process since this earthquake has served as the stage for many examples of this power of the unified support circle.

∗ BCP:
   Business continuity plans

The power of the NRI circle:
Harnessing Navigation X Solution to respond to change

The NRI Group's corporate philosophy is "Dream up the future," and our particular concepts for realizing that philosophy are Navigation x Solution. "Navigation" is the process of exploring the changes taking place in today's world to discover the issues facing society and our clients, and to offer solutions. "Solution" means making those solutions a reality by reforming businesses and by designing, developing and operating systems.

The synergetic functioning of this Navigation and Solution is the power of the NRI circle, NRI's uniqueness. Given the tremendous changes taking place in the world today, ways of thinking along existing lines are no longer capable of dealing with the challenges we face. Companies will themselves have to generate innovation and proceed on the basis of new ideas. My sense is that to date many units within NRI have largely focused on their own patch when conducting business, but I have come to believe that if NRI does not engage in more horizontal collaboration, all this turbulent change will deny it the chance to grow any further. Since becoming President, I have constructed mechanisms for strengthening such horizontal collaboration to transmit NRI's philosophy. Horizontal cooperation will represent the power of the NRI circle. We will need to harness this strength properly in order to take on the challenges thrown up by change.

One policy in that regard is our Prime Account Strategy. This is instrumental for consulting service work involving large systems that form part of any long involvement with clients. Some concrete outcomes of this Strategy to date include a capital alliance with Ajinomoto's information systems subsidiary, and developing Shiseido's "watashi+" website. NRI has a diverse range of consultants and system engineers with high levels of expertise. We want to create a corporate culture where such a skilled body of staff is capable of taking on the challenge of new business and difficult projects with cross-organizational flexibility.

Advancing Vision 2015 further, as its Results start to Show

Fiscal 2011 saw signs of outcomes from Vision 2015, our vision for our long-term management.

In the financial sector, which is where NRI's strength lies, Nomura Securities approved the rollout of STAR-IV, NRI's industry-standard back-office system for the securities business, and preparations are proceeding for a system switch-on in 2013. In addition, making good use of the know-how we acquired when setting up online trading platforms for shares and investment trusts, we put the finishing touches to Value Direct, our internet banking system based on shared use. It

began operating in January 2012, and is now used by seven companies, giving it a certain measure of success as an industry-standard business platform.

In the industrial sector, I believe that a strategy that draws on our strengths is essential. Since NRI has a formidable track record and extensive know-how in systems for the retail industry, with respect to the food, apparel and other everyday consumer goods that the retail sector handles, NRI can prove its strength in the manufacture, distribution and retail of these goods across the board. Centered on this sector, we are aiming for growth while increasing the number of our clients. In addition to the specific examples given under the section on our Prime Account Strategy, work with our well-known clients will increase.

We are also taking action on a global front. As well as establishing a local subsidiary in India as a consulting base there, an Indian systems company has also become one of our subsidiaries. We have designated our Singapore base as our core base in Asia, changing its name to NRI Asia Pacific (NRI APAC). Keeping in step with many global companies including our clients in Japan who have Singapore as their base for the Asia-Pacific region, we want to actively support the globalization of our clients' businesses.

With Vision 2015, we are pushing ahead with changes and reforms under the corporate slogan of "Challenge the Status Quo, Innovate Ourselves" In order to strengthen our cross-functional activities, however, since last year we have been promoting the values of "'Challenge the Status Quo, Innovate Ourselves' with help from all quarters." We actively engage in our activities under the themes of globalization, diversity, human resources development, and business creation. For example, with respect to globalization, employees from a variety of divisions have voluntarily formed teams to study a globalized vision and business strategies, and put in place infrastructure for our overseas bases. These activities have also brought about a considerable change in our employees' thinking.

Time to Revisit NRI's Origins

It is precisely in a challenging environment when it is important to think back on where NRI started out from. What are NRI's essential values? Why does the public and why do clients choose NRI? The answers to these questions are "progress" and "trust." Our corporate philosophy of gaining insight into new social paradigms and making them reality corresponds to progress, and our corporate philosophy of prospering with our clients corresponds to trust. These two principles serve as NRI's essential values. NRI maintains an awareness of the principles "progress" and "trust" at all times every day as it goes about its business.

What supports these principles of progress and trust for NRI is "quality."

Because NRI's information systems act as assured lifelines for society, it must not allow these to stop working or cause any problems. Furthermore since NRI handles clients' important information, a situation in which this information be leaked is unthinkable. We will be thorough in our pursuit of "quality" – providing IT services as a lifeline and protecting confidential information – as the most fundamental of our principles.

Re-identifying the scope of the NRI Group's influence, and taking our responsibilities seriously

The influence of the industry-standard information systems that NRI provides is considerable. For example, once the rollout of STAR-IV at Nomura Securities is completed, around half of all customer accounts at securities companies in Japan will come to be handled by STAR-IV. In another example, if a fifth or more of transactions on the Tokyo Stock Exchange come to be halted, that may trigger all transactions on the Exchange to be halted. Therefore if STAR-IV causes a problem, not only will STAR-IV clients not be able to conduct trades – it is certainly also possible that the Tokyo Stock Exchange itself will cease to function. When you consider that a problem caused by NRI could have a major impact on the Japanese economy, the responsibility that NRI has to the broader community is great indeed. Protecting the stable operation of NRI's systems is imperative. To say "that's not something we could have predicted" will be no excuse. With that responsibility to society deeply ingrained in our minds, we are re-strengthening our response strategies, including re-examining the scope of hypothetical scenarios, formulating contingency plans, and developing BCP/DR*.

*DR:
Measures to prepare for disaster recovery.

Using NRI's industry-standard shared-use systems helps to greatly reduce companies' IT load and their environmental load. Since a company that uses NRI's systems based on shared use will have no need to invest in costly resources such as the skilled staff needed to run that system, the company can instead focus its energies on raising the level of the services that form its core business and distinguishing itself from its competitors. Furthermore if clients use NRI's data centers, this will curb electricity consumption and CO_2 emissions for the community as a whole, reducing society's environmental impact.

NRI is currently conducting training for its personnel to be able to meet such expectations from and responsibilities to society. As a setting for its employees to discuss, devise, and promote CSR activities, a CSR Promoters Network is being organized, and CSR Study Meetings are being held that will allow learning about world CSR trends and provide help with business projects. Furthermore, because we believe that acquiring experience in challenging real-world environments is also important, we have started an overseas trainee scheme, and we intend to expand such opportunities in the future.

Towards a better future

Since the Great East Japan Earthquake, we have come to really feel the "power of the unified support circle" formed by people joining forces to work together. Because NRI's business has extended its influence over a broader scope of society, we believe that fulfilling these responsibilities to society has become more and more important. As one of the corporate citizens that make up society, NRI will dream up a better future by joining its forces with everyone in the community.

We sincerely look forward to your continued and solid support for our endeavors.

President, CEO and COO
Nomura Research Institute, Ltd.

Tadashi Shimamoto

The NRI Group's CSR Policy

The NRI Group's CSR Policy

The first objective of the NRI Group's CSR is to fulfill our social responsibilities through our business activities. At the same time, we strive to avoid business errors and impropriety and endeavor to deepen social trust. Above all, we aim to contribute to society through the cumulative effect of our daily activities. We reach out to people through social contributions to create solid bonds with stakeholders.

CSR stance

Our efforts encompass proactive and fundamental CSR and unique contributions to society. We also value ties with stakeholders.

Our prime priorities are to fulfill our social responsibilities through our business activities and to engage in proactive CSR. These activities entail making proposals for a better society and creating information systems that underpin society.

We engage in fundamental CSR efforts in the course of business to build social trust by doing our utmost to avoid errors and impropriety.

Unique contributions to society are our endeavors reaching out to people to deepen bonds with society. We foster those ties by disseminating information that offers new social insights while helping to cultivate young people and managers. We will work with stakeholders to formulate better social frameworks.

We engage closely with each of our stakeholders to meet our specific responsibilities to them.

CSR implementation structure

All of the NRI Group's business divisions and departments, and its employees, pursue CSR in their daily operations with the understanding that social responsibility should be an integral facet of everything the Group does.

In 2004, we established the Corporate Social Responsibility Department to devise CSR policy, promote companywide CSR activities, collaborate with relevant divisions, compile information about CSR, and educate employees about CSR. We integrated that department with the Corporate Communications Department in April 2009 to reinforce internal and external engagement and pursue CSR more systematically.

Guidelines for fundamental CSR come from several administrative units that support operational and employee endeavors. They include such Head Office units as Corporate Planning, Legal & Intellectual Property, Administration, Integrated Risk Management, Security Management, and Accounting & Finance, as well as the Quality Management Division.

In 2007, we organized the CSR Promoters Network. The network, in which

employees voluntarily participate, has served for reflecting employee's opinion to our CSR activities.

Three CSR Approaches — Forming close ties with society through core businesses

The first objective of NRI's CSR activities is to fulfill the Company's responsibilities through its business activities. This incorporates advocating a new order for future society and building information systems that support society. Navigation X Solution is the essence of the Company's CSR activity. We have only to continue conducting this business to fulfill our social responsibilities. By helping clients hone their competitiveness and improve their performance, and by working toward the sustainable growth of the Japanese economy, we are helping to create a better society.

[Priorities] Business activities and Research and development

Proactive CSR

Fulfilling our responsibilities to society through our business activities

NRI's Unique Contributions to Society

Striving for social contributions that reach the hearts of people

Fundamental CSR

Building relationships of trust with society

We strive to strengthen bonds with society through social contributions that reach the hearts of people. To forge bonds that epitomize NRI, the Company is disseminating information to provide insights into a new society and supporting the cultivation of the younger generation and managers who will bear the responsibilities of the next generation. Along with our stakeholders, we are striving aggressively to build the framework for a better society. We take every opportunity to foster communications with stakeholders and to pass on easily comprehensive information on the CSR activities that we conduct in the pursuit of our business to parties inside and outside the Company.

[Priorities] Propagation of intellectual assets, Development of human resources, Development of society

In the execution of our business activities, we take the utmost care to avoid errors and impropriety. To build relationships of trust with society and protect the NRI Group's corporate value, we comply with all pertinent laws and regulations and avoid violating social and cultural morals. To achieve these goals, we are building and thoroughly maintaining the following systems and frameworks.

[Priorities] Corporate governance/internal controls, Risk management, Compliance, Quality management, Information security management, Intellectual property management and Environmental protection

Engagement with Stakeholders

Our core stakeholders are our clients, employees and their families, shareholders and investors, and business partners, but in a broader sense, our stakeholders encompass consumers, the media, regional communities, industry organizations, competitors, governments, educational and research institutes and students as well as NGOs and NPOs. While maintaining close communication with our various stakeholders in ways suited to their particular qualities, we intend to build a better future society and stronger bonds of trust with society.

Stakeholders
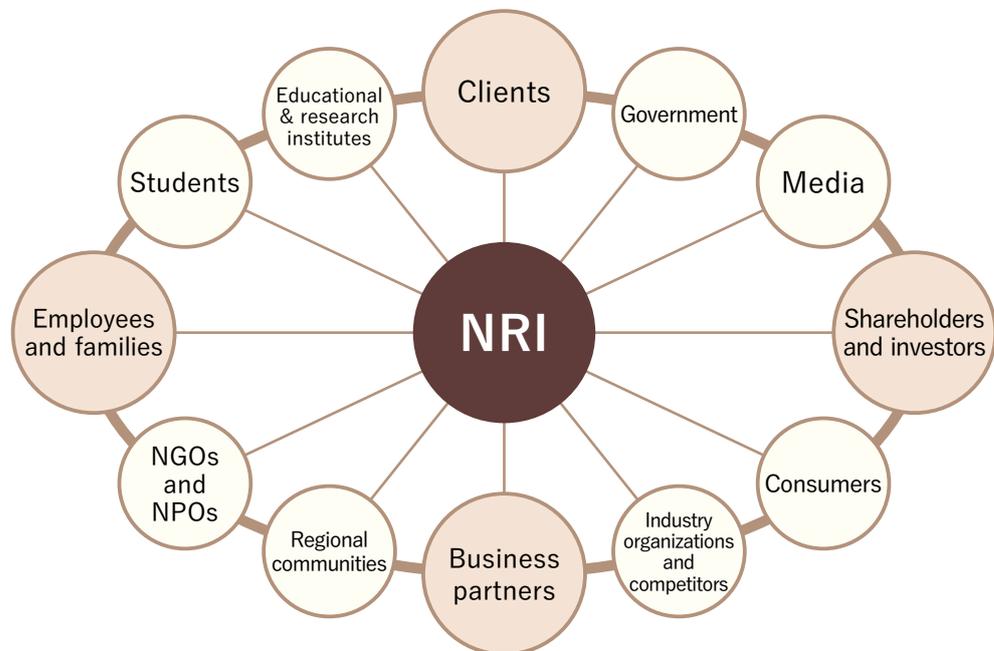
Key CSR Priorities

There are five key priorities for the NRI Group in promoting CSR activities.

Key CSR Priorities

- Our mission to build a society that is sustainable and dynamic

- Responsibility to provide the information infrastructure that supports society

- Training employees who are future-oriented and capable of achieving their goals

- Support for developing human resources that will serve as the driving force for the next generation

- Development of partnerships that contribute to mutual growth

Assessment of CSR issues

Management conducted the CSR Materiality Survey in fiscal 2009 based on ISO and other CSR awareness and assessment standards, in order to identify key CSR priorities for the NRI Group from two perspectives: sustainable social development (social impact), and improvements in the Group's corporate value (impact on NRI).

*1 Materiality:
Areas for priority action

*2 Communication:
Areas for greater recognition from society

*3 Management:
Areas requiring action with greater sensitivity to community demands and expectations

*4 Needing attention:
Not high priority areas, but warranting attention in the future
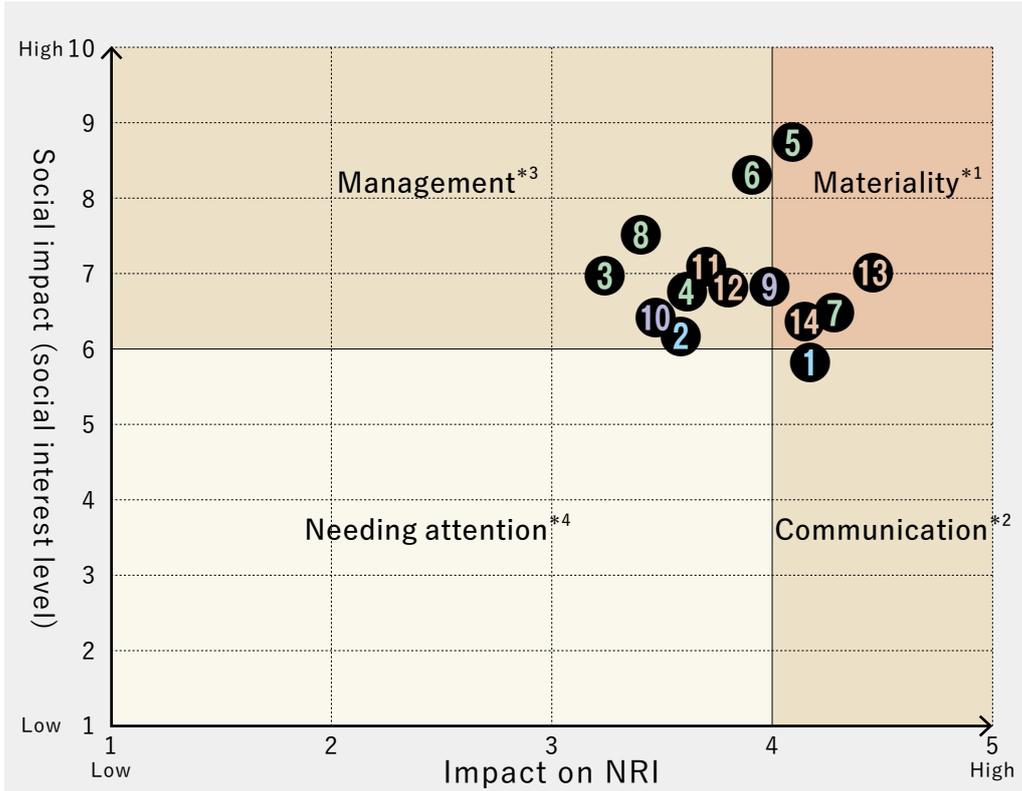
NRI Group's basic stance by CSR management item

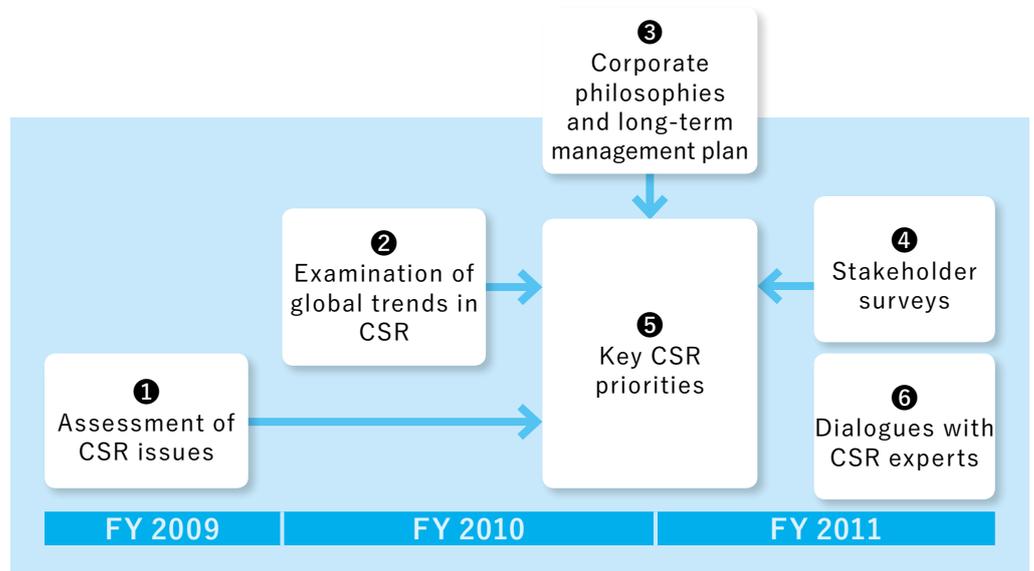| CSR management items	Basic stance of the NRI Group
Proactive CSR	
❶ Navigation	Making various proposals to clients and society to contribute broadly to creating a better society
❷ Solution	Building vital foundations for clients and our industry and contributing to society and lifestyles
Fundamental CSR	
❸ Corporate governance /internal controls	Making swift and accurate decisions and achieving highly transparent, fair and efficient management
❹ Risk management	Projecting and properly managing risks
❺ Compliance	Adhering to ethical and legal requirements and increasing social trust
❻ Quality management	Ongoing commitment to maintaining and improving high quality standards
❼ Information security management	Using advanced information security management that becomes the benchmark for society to build corporate clients and social trust
❽ Environmental protection	Recognizing corporate citizenship obligations and undertaking ongoing efforts to conserve energy and resources to prevent global warming
NRI's Unique Contributions to Society	
❾ Propagation of intellectual assets	Disseminating our findings and expertise from our operations and research to contribute broadly to social progress
❿ Development of human resources and society	Cultivating young employees and managers to contribute to a better social framework
Engagement with Stakeholders	
⓫ Engagement with clients	Adopting client perspectives in doing our utmost to build trust and maintain long-term business ties
⓬ Engagement with employees	Respecting individuality and human rights in a human resources structure that reflects results and talent and fosters an attractive working environment
⓭ Engagement with shareholders and investors	Engaging with and striving to satisfy shareholders and investors to improve corporate value
⓮ Engagement with business partners	Cultivating mutually beneficial relationships based on healthy business practices and compliance

Key priorities selection process

The NRI Group determines its key CSR priorities using the following process.

❶ CSR issues vis-à-vis stakeholder demands toward our businesses were identified from the two perspectives: social impact and impact on NRI.

❷ An examination was conducted of the CSR actions required of NRI and the scope of such actions, based on changes in ISO and international CSR rating agencies' CSR awareness and assessment standards.

❸ The direction of the CSR that the NRI Group ought to take was mapped out in line with the Group's corporate philosophies, its long-term management plan (NRI Vision 2015), and its code of business conduct, etc.

❹ Stakeholder awareness, demands and expectations of the NRI Group's CSR were arranged in a certain order after surveying stakeholders on those priorities CSR issues narrowed down through steps ❶ through ❸.

❺ Based on the results of the foregoing processes, the NRI Group determined the five key CSR priorities.

❻ Reports on our CSR activities in fiscal 2011 based on the key priorities were submitted to the experts who helped with the surveys in step ❹, for their opinions on those results.

❸ Corporate philosophies and long-term management plan

❷ Examination of global trends in CSR

❶ Assessment of CSR issues

❺ Key CSR priorities

❹ Stakeholder surveys

❻ Dialogues with CSR experts

| FY 2009 | FY 2010 | FY 2011 |

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[Priorities] Business activities and Research and development

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The NRI Group's Businesses

"Navigation & Solution" is a seven-step approach that NRI follows to identify and resolve issues

Today, the approach of Navigation & Solution is the foundation to create and innovate upon the future. Navigation is the phase in which we identify problems and resolve issues, through forecasting, analysis, and strategic policy creation. Solution is the phase in which we help clients implement specific business process reengineering, systems designs, development, and operations to resolve the issues. The combination of Navigation and Solution functions as the means with which NRI creates a new future for clients andsociety.

Navigation X Solution: Seven steps from identifying through solving problems
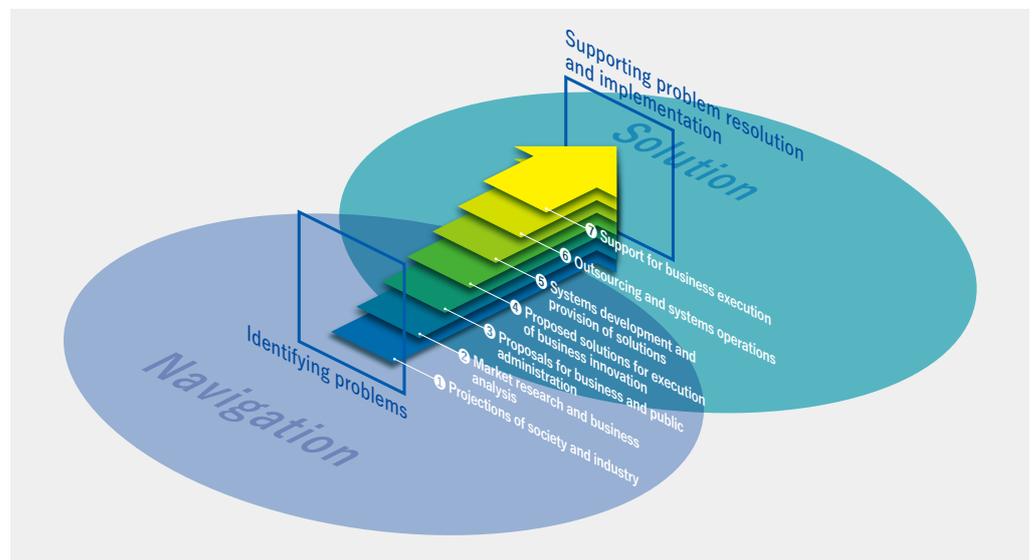
NRI supports people's lives, business, and society in all areas

Four NRI businesses
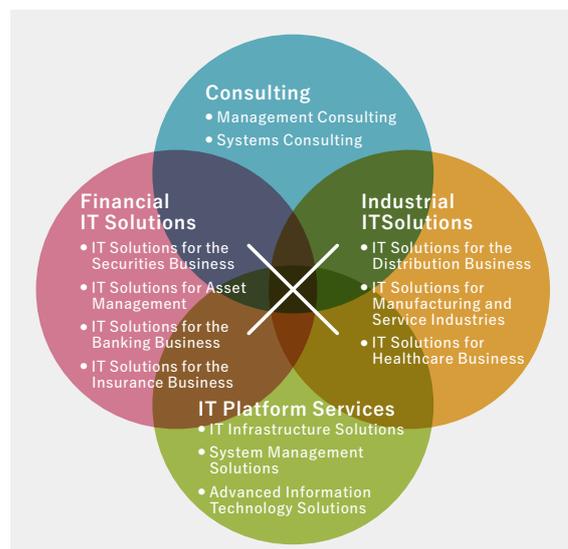
NRI helps society, business, and individuals find success through four businesses: Consulting, Financial IT Solutions, Industrial IT Solutions, and IT Platform Services. Navigation & Solution is how we provide the best service in each of these areas, and across functional segments. We provide a better value of services using Navigation & Solution in each of these four businesses, or cross-functionally across the four businesses.

Vision 2015—Our Long-Term Management Plan

Four business strategies with goals for 2015

* 1 STAR-VI:

Comprehensive back-office system for securities companies

* 2 Prime account strategy:

Offer large-scale IT solutions that encompass the full range of client issues from strategy to business operations and IT, in a package combining management and innovative business operations.

NRI has adopted Vision 2015, a long-term management vision that seeks to realize the Group's corporate philosophies and improve its corporate value.

Our strength to date has been in providing top-quality commission-based services for corporate clients, focusing on the securities and distribution sectors. We have grown by focusing on the domestic market. While these capabilities remain valuable, we must diversify into offering proposals across sectors and markets and join hands with other companies to cultivate global opportunities. We formulated several strategies for transforming and expanding our businesses under Vision 2015. These include offering more advanced services for the financial sector, expanding the range of industrial sectors served, reinforcing and expanding our businesses in China and Asia, and improving productivity and human resource development.

The NRI Group is striving to create new value and transform itself in keeping with the Vision 2015 statement of, "Challenge the Status Quo, Innovate Ourselves."

Long-Term Management Plan: NRI Vision 2015

Our vision for 2015

From: A focus on individual companies, commission-based services, self-sufficiency, and the domestic market

▼

To: Systems shared across entire industries, making proposals, sharing resources and knowledge by collaborating with others, and expanding globally

Four business growth strategies

Increased advancement of services in financial sector

Providing industry-standard business platforms to meet wide-ranging needs for more clients in financial sector

Expansion into industrial sector

Expanding the range of companies we serve and the services we offer, principally in consumer industries directly reaching people

Reinforcement and expansion of business in China and Asia

Building another NRI in China/Asia and contributing to enterprises and society through "Navigation X Solution"

Productivity improvement and human resource development

Under the slogan, "Challenge the Status Quo, Innovate Ourselves" instituting a human resources training program that looks beyond the bounds of established frameworks

Priority measures

Complete rollout of STAR-IV[1] at Nomura Securities, and subsequently expand it

Expand range of solutions for the banking sector

Add resources to business consulting

Strengthen Prime Account Strategy[2] (Consulting X Systems)

Expand client base focusing on consumer industries

Expand consulting base particularly in Asia, and establish a system business base

Amplify NRI's distinct "Base Business"

Respond to growing demand for data centers

Step up human resource development

Action on priority measures

The NRI Group has classified priorities into four business strategies aimed at medium- and long-term growth and the actions needed to achieve these goals.

Action on priority measures for each strategy (partial list)

Increased advancement of services in financial sector

Completion of rollout of STAR-IV at Nomura Securities, and subsequent expansion
- Nomura Securities Star-IV rollout going to plan
  Project implementation proceeding steadily, with a release set for 2013

Expansion of banking sector solutions
- Expand range of clients for internet banking service Value Direct [1]
- Promote adoption of next-G BESTWAY [2]

Expansion into industrial sector

Advances in Prime Account Strategy (Consulting X Systems)
- Receive Ajinomoto Group information systems subsidiary into the NRI Group, and promote "Raise Productivity and Levels of Service"
  Capital investment (51%) in NRI System Techno (formerly Ajinomoto System Techno Corporation (AJITEC))
- Support for overhaul of Shiseido's online business
  Provide support for realizing new business from planning of business model to systems design and development and project oversight

Expand customer base with focus on consumer industries
- Select among and concentrate on consumer industries
- Collaborate with the Consulting Division to best utilize the Prime Account Strategy

Reinforcement and expansion of business in China and Asia

Expand and develop a consulting base centered on Asia, and establish a systems business base
- Expand and develop Asia base
  E.g. NRI India, NRI Financial Technologies India
- Designate Singapore local subsidiary as core base for development of Asia business
  Broaden and deepen its functions and capital as a holding company for NRI India and NRI Hong Kong
- Create new systems business
  Exploit alliances [3] with local firms

Productivity improvement and human resource development

Respond to increasing demand for data centers
- A new data center that ensures security, environmental friendliness and reliability   scheduled to start operations in November 2012
  Introduction of cutting-edge seismic isolation & vibration control technologies
  Achievement of high energy efficiency, as well as reduced environmental impact

Global Human Resources Development
- Strengthen development of global human resources through overseas trainee scheme.

*1 Value Direct:
An online banking service with full banking functions including account transfers, direct debit transactions, term transactions, foreign currency deposits, investment trusts, and government bonds.

*2 BESTWAY:
System based on shared use providing integrated support for over-the-counter sales of investment trusts.

*3 Alliances:
Collaboration and joint action between companies

CSR Activity File

The CSR Activity File – presenting our CSR activities through our core businesses

Using plain, clear language, the CSR Activity File presents some specific examples of the NRI Group's CSR activities through its core businesses that are important for the Group's and society's sustainable development. The File is made available on NRI's website.

The following are some of the examples that appeared in the CSR Activity File in fiscal 2011.

Click here for the CSR Activity File.

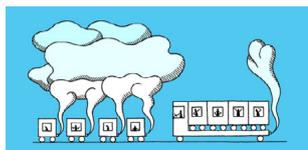### CSR Activity File: Example 001

〈IT doing its bit for the environment〉

Shared use systems helping to curb CO_2 emissions by 90%

——STAR-IV: comprehensive back-office systems for securities businesses

Less energy is consumed and CO_2 emissions are reduced if individuals take the train or bus instead of using their own cars. Something similar applies to companies' information systems. NRI provides a range of shared-use information systems to support the operations of financial, distribution and other companies. Companies can curb their CO_2 emissions greatly by using these systems instead of developing and using their own systems.

One of the systems based on shared use that NRI offers is STAR-IV, the comprehensive back-office system for securities companies. Compared to developing and operating its own system, a stockbroking company can curb its CO_2 emissions by around 90% a year. This is an example of how IT can lend a helping hand to the environment.

Click here for more details.

CSR Activity File: Example 002

〈Helping solve the problems facing developing country communities〉

Stepping up to the task of expanding BoP (Base of the Pyramid) business

——The BoP Business Team

BoP business has been attracting attention as a new means for raising living standards in developing countries and helping to solve issues which their communities face. NRI was quick to notice BoP business, and its efforts have included supporting the panel set up by the Ministry of Economy, Trade and Industry to adopt BoP as government policy. NRI is also providing support for the creation of programs that will enable companies venturing overseas to engage in BoP business sustainably, contributing to local communities while running profit-making businesses. If these business mechanisms permeate Japanese companies,

not only will it advance improvements to the lives of people in developing nations, it is also expected to energize Japanese companies and communities, and play a part in promoting growth in Japan.

Click here for more details.

CSR Activity File: Example 003

〈For a safe and secure network society〉

Fostering a culture of information security in Japan

──NRI Secure Technologies

In 1995, developing out of a venture business launched inside NRI, NRI Secure Technologies, Ltd. came into being as a specialist information security company. Since the time it was founded, when the phrase "information security" didn't even exist, NRI Secure Technologies has been setting the signposts for safety and security and providing the structures and solutions to achieve those markers, contributing to fostering a culture of information security in Japan. It has also been involved in the drafting of various standards and guidelines put in place by the Japanese government on information security. NRI Secure Technologies doesn't engage so much in individual-oriented business such as selling action tools or conducting audits. Instead it provides a series of solutions related to information security.In the future NRI Secure Technologies will play its part in fostering a culture of security not just in Japan but throughout Asia also.

Click here for more details.

CSR Activity File: Example 004

〈Promoting the business of the Nomura School of Advanced Management (NSAM) in educating the next generation of managers〉

Achieving growth for the Japanese economy by the training of business leaders

──Nomura School of Advanced Management

In order for a company to maintain and strengthen its competitiveness in a turbulent business environment, it will be increasingly important to have personnel who can understand changes and respond quickly. NSAM marked the 30th anniversary of its founding in 2011, and its mission since it began has been to educate and support the next generation of business managers. Through its development of industry leaders, its efforts have continued to make a contribution not just to the growth of companies but also of the Japanese economy as a whole. NRI provides support for these activities by NSAM.

Click here for more details.

CSR Activity File: Example 005

〈Putting big data to work for the benefit of the community 〉

NRI's command of IT allows it to analyze large volumes of data to forecast society in the future and help to solve the issues it will face

——Text Mining Solution TRUE TELLER

With the advances made by the role of information in society, and with the spread of diverse digital platforms such as smartphones, the sheer scale of information around us has increased exponentially. Such large, complex, and diverse flows of information is called "big data."

In the course of its business for more than 40 years NRI has handled a diverse range of data, accumulating experience and know-how in the process. Harnessing that experience, in 2001 it developed TRUE TELLER, a tool for analyzing large volumes of text data. TRUE TELLER enables NRI to analyze the large volumes of what its clients have been telling it for use in business in the future. NRI also used TRUE TELLER to analyze the massive amounts of tweets on Twitter sent out in the immediate aftermath of the Great East Japan Earthquake, allowing it to help communities for example by issuing information on which materials the affected areas needed. Much is expected by society and business in the future from the collection, analysis, and application of big data through the use of this sort of advanced technology.

Click here for more details.

Research and Development

Pursuing R&D that ushers in the future

Plan

The NRI Group believes that research and development is a crucial area for investment to sustain and transform its business and raise its corporate value. Accordingly, the Company takes an interdisciplinary approach to R&D, always guided by its vision for the future.

[Basic policy]
NRI actively pursues R&D that:
- Continuing generates new competitive business and business field
- Greater sophistication and added value in existing businesses and services
- Offers sophisticated solutions to both Japan and the world at large

[Major plans for fiscal 2011]
- Enhance R&D planning
- Step up R&D
- Foster a creative organizational climate that is open to challenges for new businesses in ABCi*
- Guidance with new business assumptions in a higher dimension

＊ABCi (Advanced Business Creation initiative):
The internal business venture program

Do

R&D emphasizing medium- to long-term perspectives

R&D system organization and focused areas
The NRI Group undertakes R&D in the areas of business, technology, and pure research. NRI drafts R&D strategies every year, setting priority fields and research themes, before making an allocation of budgets. The Research and Development Committee (consisting principally of Corporate Vice Presidents) was established to select and support R&D projects from a Company-wide perspective, and it actively implements the Group's R&D strategies.

Active investment in R&D
The NRI Group actively invests in R&D each year to develop new businesses and thus ensure continued growth.

R&D costs

(billions of yen)

Fiscal year	2005	2006	2007	2008	2009	2010	2011
R&D costs	2.50	2.86	4.91	4.10	3.56	3.56	3.64
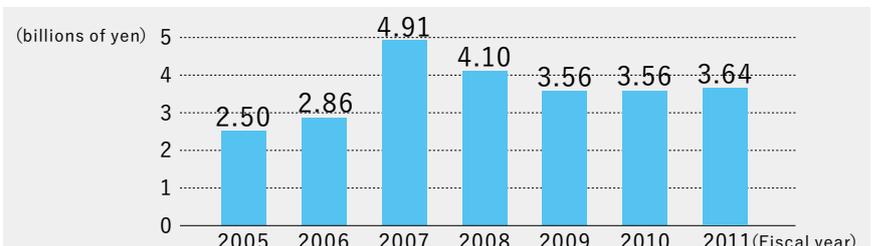
Do

R&D strategy and main activities in fiscal 2011

The Group has selected four priority R&D fields for medium- to long-term research: finance, industry, China and other Asian countries, and information technology.

In fiscal 2011, with the goal of the greater promotion of "developing new businesses from R&D," we ensured the soundness of our PDCA cycle, improved our planning and execution capabilities for specific themes, and set a flexible budget portfolio.

We also aimed to achieve more effective R&D and improve the chances of developing new businesses from it by bringing several related projects together to form a joint project. We also selected R&D projects on the basis of a company-wide perspective, and we emphasized R&D projects that involved a cross-divisional management structure. We also began looking into an NRI future garage, as a mechanism for pursuing R&D projects jointly with our clients, with a greater awareness of our clients' business.

Primary R&D projects in fiscal 2011

Approximately 140 projects were implemented in 2011. The leading projects are as follows.

*1 CRM
"Customer relationship management:"
Management technique for building long-term relationships between companies that sell goods and services and their customers.

*2 IT Roadmap:
Published semi-annually by the NRI Innovation and Development Division that projects IT trends for the next five years.

Finance	· R&D with the aim of developing a CRM[*1] solutions business for the securities sector · Survey of 10,000 consumers in the financial sector
Industry	· R&D with the aim of building mainstay solutions for distribution and retail · Creating shared services for retail systems
China & Asia	· Research of Chinese industry and distribution · Survey of 10,000 Chinese consumers
Information technology	· Research into technology trends and spotting beneficial technologies (IT Roadmap[*2], etc.) · Evaluation & verification of technologies and products from the perspective of business applications (cloud computing, front-end, databases, etc.)

ABCi, the internal business venture system for developing new businesses

R&D and ABCi

NRI has developed an internal venture program called the Advanced Business Creation initiative (ABCi) to develop its employees' business plans using a bottom-up approach. ABCi encourages employees to commercialize new ideas regardless of their division and field of work.
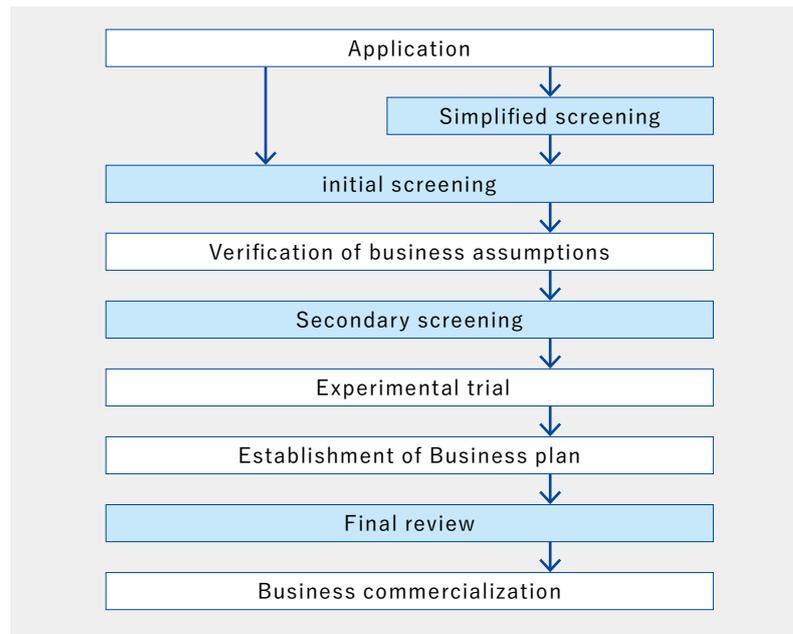
ABCi objectives

● Foster a creative organizational climate that is open to challenges

Do

- Improving employees' ability to develop new businesses
- Build up expertise in turning ideas into business and information on individual markets
- Improve medium- and long-term earnings by creating new businesses

ABCi's business commercialization process

```
        Application
            ↓
      Simplified screening
            ↓
       initial screening
            ↓
  Verification of business assumptions
            ↓
      Secondary screening
            ↓
       Experimental trial
            ↓
   Establishment of Business plan
            ↓
         Final review
            ↓
    Business commercialization
```

Active support for business development

ABCi conducts ABCi Sessions and ABCi Dream Labs to help turn business ideas into going concerns. ABCi Sessions consist of a series of lectures and social gatherings with invited entrepreneurs. All employees are welcome to attend. At ABCi Dream Labs, ABCi applicants meet supporters for their budding enterprise, receive marketing training, and get support in preparing a plan for a rudimentary screening. Business development support activities, starting in fiscal 2012, will be promoted as part of the NRInnovation! Forum's activities, an initiative designed to foster a culture of human resources development.

See Engagement with employees (1)

Check & Act

[Fiscal 2011 evaluation]

- In order to demonstrate the NRI Group's integrated strengths, promote activity collaboration from a company-wide perspective right from the planning stage
- Through the flexible application of resources, respond appropriately to business development strategies at the execution stage, and strengthen marketing capabilities (ability to gauge customer needs)
- Promote development of a network of applicants through ABCi Dream Labs, and create opportunities for employees to exchange ideas

Check & Act

- As applications from young employees increase, increase proposals with room for improving the way that business hypotheses are described
- A business idea that passed the ABCi primary screening in fiscal 2008 has taken off as a new service (FundWeb Library, an integrated management service for documents needed for investment trusts; launched November 29, 2011)

[**Major plans for fiscal 2012**]

- Improvements in R&D planning capabilities (ongoing)
- Improvements in R&D mobilizing capabilities (ongoing)
- Implementation of policies designed to improve the chances of converting developing businesses out of R&D (ongoing)
- Creation of information exchange opportunities for employees by incorporation into ABCi's NRInnovation! Forum's activities; encouragement of sharing of know-how and experience in cross-company business creation; further fostering of a culture of revisiting challenges

Proactive CSR

Fulfilling our responsibilities to society through our business activities

NRI's Unique Contributions to Society

Striving for social contributions that reach the hearts of people

Fundamental CSR

Building relationships of trust with society

In the execution of our business activities, we take the utmost care to avoid errors and impropriety. To build relationships of trust with society and protect the NRI Group's corporate value, we comply with all pertinent laws and regulations and avoid violating social and cultural morals. To achieve these goals, we are building and thoroughly maintaining the following systems and frameworks.

[Priorities] Corporate governance/internal controls, Risk management, Compliance, Quality management, Information security management, Intellectual property management and Environmental protection

Corporate Governance/Internal Controls

Achieving highly transparent, fair and efficient management

Plan

With the Company Law that came into force in 2006, businesses are being increasingly demanded to boost corporate governance and promote internal controls. NRI believes that prompt and accurate dicision-making in business operations is essential to enhancing corporaete value. At the same time, we also believe that it is equally important to deliver highly transparent, fair and efficient management to all of its stakeholders. With this in mind, the NRI group is striving to strengthen its corporate governance.

[Major plans for fiscal 2011]
- Upgrade internal controls at a company-wide level
- Reinforce control capability in management departments within business divisions

Do

Corporate governance structure

NRI has a board of corporate auditors. It has an organization to further improve corporate governance while making effective use of the functions of the auditors and the Board of Corporate Auditors. As part of this effort, its activities are directed toward making the General Meeting of Shareholders more productive, faster decision-making by the Board of Directors together with greater surveillance capabilities, reinforcement of the functions of the auditors, improved information disclosure, etc.

Overview of internal controls systems

With a view to raising its corporate value, NRI attaches great importance to swift and accurate decision-making in the execution of its business, as well as to achieving management with greater transparency, fairness, and efficiency.

In line with this philosophy, in order to enhance and reinforce its corporate governance and internal controls, NRI adopted (in May 2006) a Basic Policy on Building Internal Control Systems (revised in April 2012). In compliance with this Policy, NRI is engaged in measures including developing a system for executing job functions in compliance with laws and company bylaws, a risk management system, and a system for enhancing the integrity of financial reports.

Click here for details of the Basic Policy on Building Internal Control Systems.

Do

System of Corporate Governance
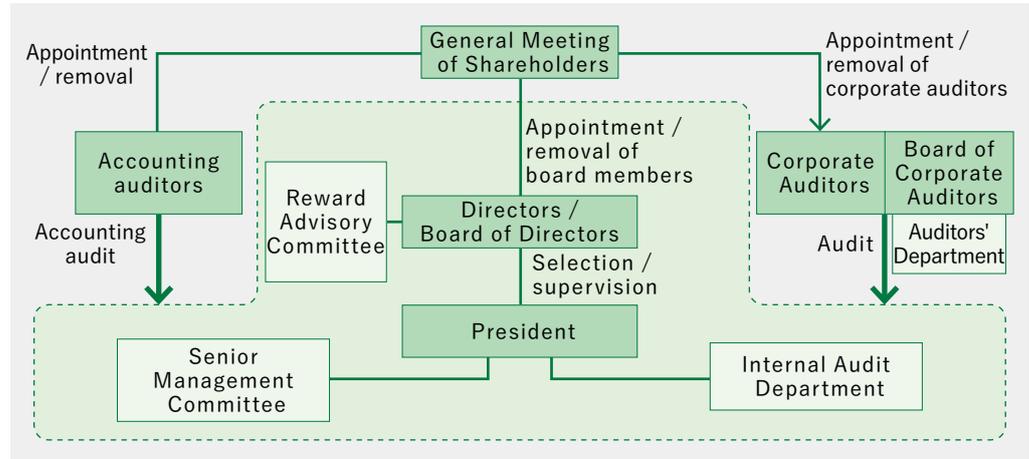
[Role & mission]

General Meeting of Shareholders

The company's decision-making body for critical issues, NRI has been working to increase the activity of the General Meeting of Shareholders and to facilitate the execution of voting rights by setting Meeting dates that allow more shareholders to attend, notifying shareholders of Meetings well in advance, introducing online arrangements for exercising voting rights, and participating in online voting platforms for institutional investors.

Directors and Board of Directors

Because executing NRI's day-to-day business falls largely under the remit of its executive officers, the decision-making and supervising functions that the Board of Directors exercise go solely to NRI's broader direction. The Board of Directors convene once a month, and additionally as the need arises. As of July 2012 the Company Chairman without executive duties serves as Chairman of the Board.

The Board consists of 8 directors, of whom two are external directors. In order to achieve a management structure that can respond swiftly to changes in our operating environment, as well as to allow management responsibilities to be clearly defined for each year, directors serve a term of office of one year. External directors have been invited to bring more energy into the Board's activities and to achieve greater transparency and fairness in management. For the selection of external directors emphasis is placed on the possession of strong principles and a stance of independence, attributes which are appropriate for governing NRI from an objective perspective.

Auditors and Board of Corporate Auditors

The Board deliberates and makes decisions on auditing policy and other important issues pertaining to audits. It also formulates and expresses audit

Do

opinions. The Board consists of five auditors, of whom three are external auditors. In addition to attending Board of Directors meetings and other important meetings, auditors ask executive officers and general staff for reports as the need arises, and they audit the directors' execution of business. In order to ensure the neutrality and independence of NRI's systems of audits, external auditors are selected from persons capable of auditing the directors' work from an objective perspective and of formulating opinions with fairness.

When conducting audits auditors work in partnership with auditing firms and the Internal Audit Department, receiving audit plans and audit status reports from auditing firms, and reports on internal audit findings from the Internal Audit Department. In addition auditors receive reports from the Risk Management Supervisory Department on the state of internal controls, including the results of monitoring of the state of compliance with regulations.

Auditors' Department

The Department provides support so that auditors can engage in audits efficiently. Appointments in this office are made by the representative director or director in charge of personnel management in cooperation with the auditors to ensure independence of the Auditors Office. As of July 2012, the office is manned by six employees.

Reward Advisory Committee

Consisting of external experts, the Committee deliberates on the system and standards for executive compensation, etc., from the standpoint of fairness and objectivity.

Internal Audit Department

The Department reports directly to the company president and is responsible for audits of the NRI Group on the effectiveness of its risk management, compliance system, etc., as well as the systems that ensure job execution by the directors. As of July 2012, the Department is manned by 21 employees.

The audit findings are reported to the President. When modifications or improvements are found to be necessary, the Risk Management Supervisory Department, supervisory department and business division cooperate to implement revisions and improvements. The Department also coordinates with the auditing firm by holding regular exchanges on internal audit plans and results.

Senior Management Committee

As of July 2012 the Committee consists of executive officers including four representative directors. It deliberates on important issues involving management in general, and meets once a week to achieve the integrated coordination of business activities and a unity of views on how business is to be executed.

Check & Act

[**Fiscal 2011 evaluation**]

- Review and upgrade of monitoring items for internal controls at a company-wide level
- Review and build appropriate corporate governance and internal controls systems
  (See the section on Risk Management)

[**Major plans for fiscal 2012**]

- Upgrade internal controls at a company-wide level (ongoing)
- Reinforce control capability in management departments within business divisions (ongoing)

Risk Management

Forecasting a range of risks and managing for them appropriately

Plan

The NRI Group has developed three broad management structures for each of its major risks: company-wide risks, risks arising from business activities, and disaster, accident and other crisis risks. Each of the management systems built within these structures work to reinforce the Group's risk management.

[Major plans for fiscal 2011]

- Recheck company-wide risks and enhance PDCA cycle management of priority areas
- Promoting energy-saving measures & power failure countermeasures
- Recheck disaster preparation systems, include restocking emergency supplies
- Continual BCP[*1]/DR[*2] development and management assessment

∗ 1 BCP:
Business continuity plan.

∗ 2 DR:
Measures to prepare for disaster recovery.

Do

Risk management

Risk management systems and activities

On April 1, 2012 NRI established Integrated Risk Management Department, a new internal department with overall control for risk management for the entire company. It also nominated a Risk Management Director responsible for a regime of risk management systems and activities, such as conducting awareness, assessment, and monitoring of risk for the NRI Group independently from its business divisions, and devising such response plans as are required.

NRI divides its risks into three broad categories: company-wide risks, risks arising from business activities, and disaster, accident and other crisis risks. NRI has built a system of management for each of these, which work together when carrying out risk management and which review NRI's risk management systems as appropriate in order to improve their performance.

Integrated Risk Management Department monitors the status of Company-wide risk management and then works with the representative departments to optimize overall risk management in accordance with management's intentions.

NRI assigns a representative department for managing each risk arising from business activities, and also stipulates the relevant regulations to be followed. Specialist meetings are held as needed to deliberate management of this risk. The representative departments work with the business divisions to develop an appropriate response plan and to improve the effectiveness of risk management.

For its management of disaster, accident and other crisis risks, under the categories of major business disruptions or defects, serious information leaks, and

Do

disasters and other emergency situations, the Crisis Management Committee's secretariat headed by the Crisis Management Section within Integrated Risk Management Department has stipulated a fundamental response system and processes for when an emergency incident occurs, and is advancing with response measures.

Integrated Risk Management Department is at the center of NRI's continuous improvement of its risk management, providing training and education to anchor risk management in employees' minds.

Risk Management Structure as of April 2012
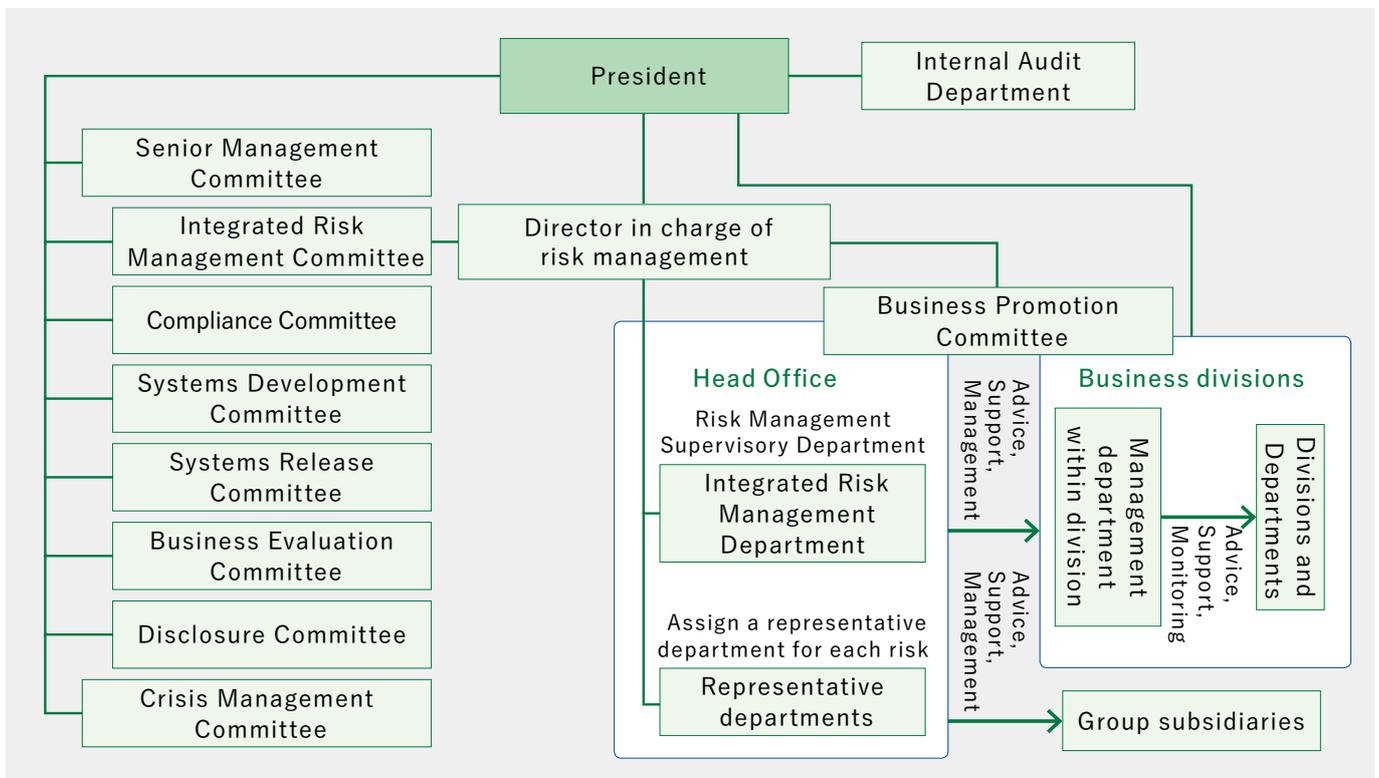
Strengthening risk management

NRI inspects and evaluates Company-wide risks each year through company-wide monitoring of the state of compliance and internal audit results. Top management defines the priorities to be addressed in the following year based on these results.

The items identified as priorities for 2011 included "preparing appropriate responses to critical conditions following a major earthquake," and "implementing thorough project management in systems with high risk."

NRI is working on improving its PDCA management relating to these priorities. Progress statuses and results are reported to the Integrated Risk Management Committee and/or the Business Promotion Committee, along with company-wide monitoring results, for use in risk management.

Fiscal 2011 began with a review of company-wide monitoring items based on an assessment, etc. of risks conducted by representative departments, with a focus on

Do

the priorities to be addressed for that fiscal year.

Risk prevention measures that are necessary to maintain operations for key businesses and services are monitored on a regular basis, as part of efforts to reinforce our BCPs and DR programs.

In fiscal 2012, "appropriate readiness to fulfill our business continuity responsibilities" and "having a proper system of governance for the NRI Group in place" were among the priorities selected, based on the findings of inspections and assessments conducted in fiscal 2011, as initiatives taken to strengthen our risk management.

Response plans for large-scale disasters, accidents and incidents, and epidemics

In the event of a disaster or accident, NRI will confirm that Group employees are alive and safe, protect our customers' important information systems and information assets, and endeavor to keep our operations functioning.

Integrated Risk Management and the representative departments for each particular risk work together to examine preventive action plans and respond as necessary in order to prepare for a major natural disaster or incident or epidemic affecting the NRI Group.

In fiscal 2011 in the wake of the Great East Japan Earthquake, we curbed our energy consumption and implemented action plans for example concerning supplies for use in emergencies. By shutting down and placing restrictions on our use of some facilities, and through efforts by individual employees to curb their own power use, our corporate centers and training facilities in the Tokyo and Yokohama regions were able to cut their electricity consumption by far more than the 15% which the Japanese Government asked for. Furthermore, we have a supply of rudimentary beds as part of an action plan for our employees should they be left stranded by any shutdown in public transport, and we have formulated processes for dealing with the sick and injured and for achieving emergency communication, in readiness for a major natural disaster such as an earthquake in the greater Tokyo area.

Promoting awareness and expanding the scope of activities

Awareness of risk management is encouraged in employees of the NRI Group. In order to reduce priority risks, the Fundamental Rules for Executive Officers and General Staff have been revised based on the priorities for 2011. Greater understanding and consolidation in NRI Group employees is being promoted through the distribution of pamphlets, e-learning, etc. (see "Compliance").

A Contingency Plan in a Handbook has been distributed to all employees of the NRI Group, for a detailed understanding of the action guidelines in case of a disaster or any other emergency.

The NRI Group has developed an "employee safety confirm system" that confirms the safety and ability to come in to work in the event of a disaster by e-mail and phone. Trainings are conducted each year to ensure that this

Do

confirmation process is carried out rapidly. From the perspective of safety management, this system was expanded to cover temporary employees and they are also registered for our safety check system with their approval.

Crisis Management

NRI Group crisis management systems and activities

To ensure a rapid response to a variety of emergency situations, the NRI Group has in place a crisis management system and processes, which include a framework of regulations, and ensuring that the Crisis Management Committee is summoned. NRI has also prepared a Contingency Plan that lays out its advance preparations in anticipation of and its master systems and processes for responding to an emergency event.

In the event of an emergency, the relevant employees will move quickly to make information available, and an emergency command center will be set up to consult and execute response plans. In the case of a large-scale system failure or information security breakdown, for example, an emergency command center will be set up swiftly to coordinate with the relevant divisions and clients and to take action including failure recovery, cause investigation, informing relevant parties, and examining how to prevent a recurrence, based on the circumstances of the particular failure.

Reporting structure for emergency
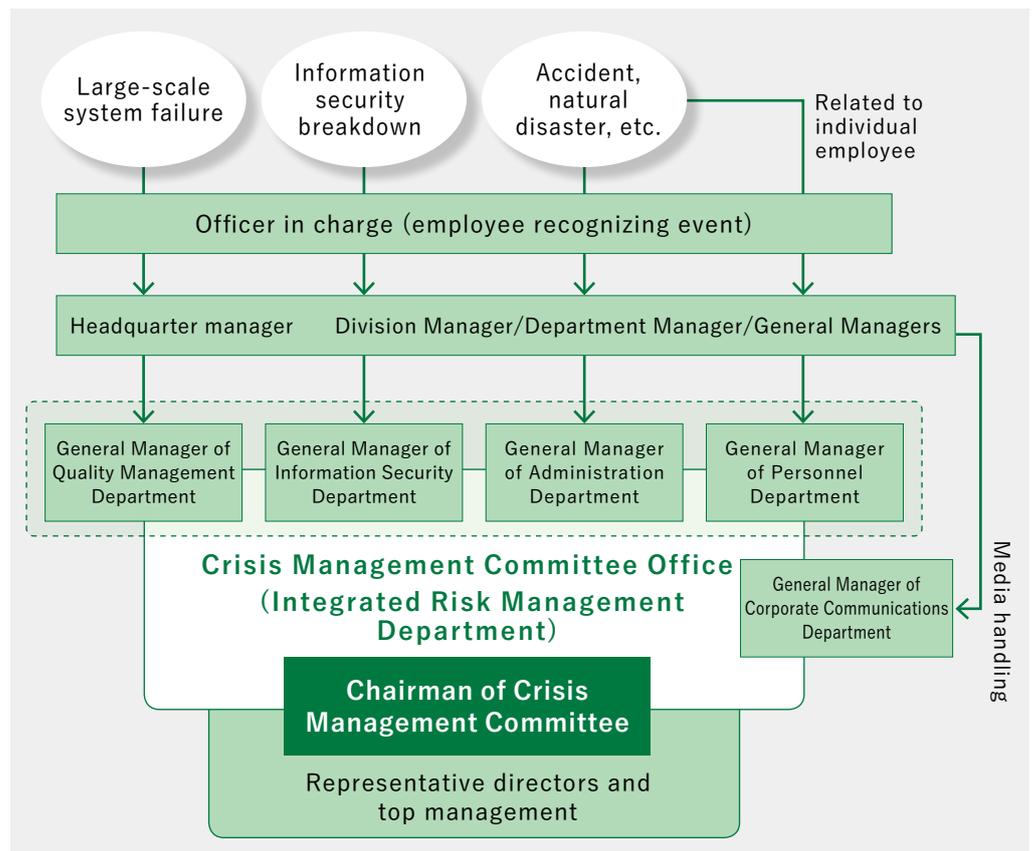
Check & Act

[**Fiscal 2011 evaluation**]

- Point inspection of company-wide risks and strengthening PDCA cycle management for priority areas
- Get in stocks of emergency supplies on the assumption of an earthquake, and recheck disaster preparation systems
- Continual BCP/DR development and management assessment for key business operations
- Promoting energy-saving measures & power failure countermeasures

[**Major plans for fiscal 2012**]

- Recheck company-wide business continuity and risks (ongoing)
- Enhance PDCA cycle management for priority areas (ongoing)
- Continual BCP/DR development and management assessment for key business operations (ongoing)
- Promoting energy-saving measures & power failure countermeasures (ongoing)

Compliance

Observing laws and conducting business in accordance with high ethical standards

Plan

NRI establishes compliance regulations to ensure total compliance with ethical codes and laws and to help maintain society's confidence in the Company. As a corporate member of Nippon Keidanren (Japan Business Federation), NRI respects the spirit of the Federation's Charter for Corporate Behavior and puts it into practice.

[**Major plans for fiscal 2011**]
- Develop and promote awareness of fiscal 2011 Fundamental Rules for Executive Officers and General Staff
- More thorough reinforcement of compliance awareness
- Evaluate existing activities and implement individual improvement programs for business divisions in Group companies

Do

Implementation structure for promoting compliance and the compliance hotlines
The NRI Group has appointed a chief ethics officer and a chief compliance officer to ensure thorough compliance. As shown in the diagram below, various reporting hotlines have also been set up so that misconduct can be quickly discovered and redressed. These hotlines will receive reports and provide advice on an anonymous basis. The reporting party is protected so that they cannot be dismissed or have their contract cancelled or other unfair punitive actions as a result of reporting misconduct.

In fiscal 2011, the hotlines were used five times. All reports were investigated and corrective measures and measures preventing recurrence were taken.

NRI's structure for promoting compliance and the compliance hotline
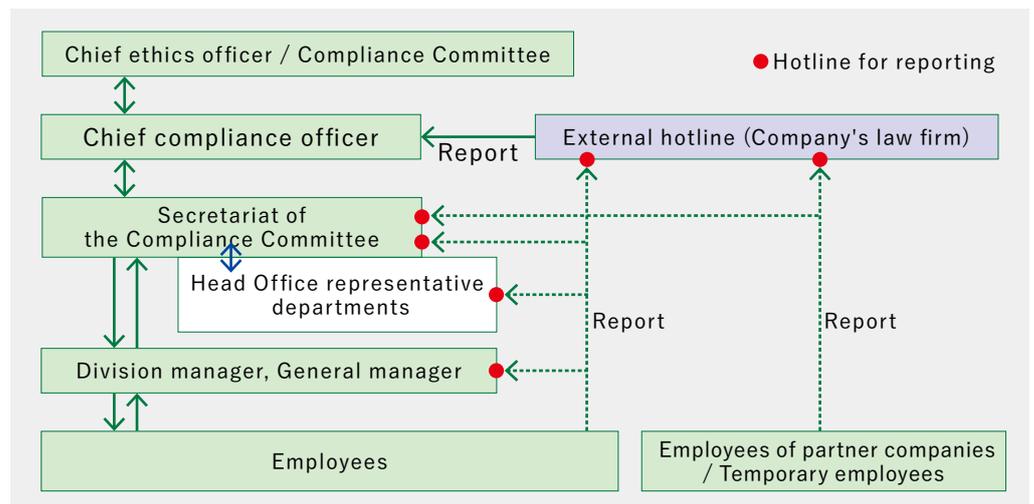
Do

Fundamental Rules for Executive Officers and General Staff
—pamphlet distribution & monitoring check test

Each year, the NRI Group defines key risks that are to be addressed in the following year, based on the results of monitoring the state of compliance companywide and the results of internal audits. Defined as "priorities" by top management, energy is focused on comprehensive implementation of compliance.

In an effort to ensure full compliance, details on the key rules that take priority, as well as their legal background, case studies, etc., were compiled as Fundamental Rules for Executive Officers and General Staff in leaflet form for portability. Copies were distributed to all employees of the NRI Group. English, Chinese and Korean versions of this handbook were also distributed to employees at overseas operations for use in training programs, etc.

The Fundamental Rules for Executive Officers and General Staff is used to monitor the state of compliance. If a problem is found, headquarters coordinate with relevant business divisions to make improvements.

In fiscal 2011, a compliance check test in the e-learning scheme was organized in order to upgrade the level to which all employees understand the code of business conduct.

Upgrading compliance training

In order to boost employee compliance awareness, the NRI Group conducts a range of training programs.

In 2011, we worked to drill the importance of compliance into our employees through lectures and exercises under our reorganized and more comprehensive compliance training scheme.

Principal training programs aimed at compliance reinforcement

Target	Training Content
All NRI Group employees	Compliance check on Fundamental Rules for Executive Officers and General Staff (e-learning)
	Fundamental Rules for Executive Officers and General Staff (Accounting Edition)
Job-specific training New employees (new graduates & midcareer recruits), general staff employees, employees promoted to specialists, employees promoted to managers or assistant managers and employees promoted to senior specialists	Corporate ethics, human rights awareness, regulatory compliance, information security, job-specific functions, job-specific cautions, etc.
Executive function-specific training General manager & section manager training, division manager training & staff training	
Sales personnel	Contract & confidential information control
Employees granted financial processing approval in various departments	Compliance related to accounting & financial affairs

Check & Act

[**Fiscal 2011 evaluation**]

- Conducted mandatory compliance check tests for all employees (through e-learning)
- Ongoing conduct of lectures and exercises on compliance as part of job-specific and executive function-specific training
- Monitoring the state of compliance with Fundamental Rules for Executive Officers and General Staff. If a problem was found, headquarters coordinated with relevant business divisions to make improvements

[**Major plans for fiscal 2012**]

- Develop and promote awareness of fiscal 2012 Fundamental Rules for Executive Officers and General Staff
- Conduct compliance awareness surveys and further reinforcement of the compliance message for all NRI Group employees (ongoing)
- Study and implement individual improvement programs at business divisions in Group companies (ongoing)

Quality Management

Commitment to quality leads to continual quality enhancement

Plan

Since its founding, the NRI Group has made a commitment to quality as a key component of its management style. The Group employees recognize the gravity of its responsibility as a company providing the information systems that society relies on, as well as offering consulting services that are intimately connected to each customer's management and general business activities. This sense of responsibility drives NRI's efforts to continually enhance the quality of its system and services.

[**Major plans for fiscal 2011**]
- Maintenance and continuous improvement of the quality management system
- Maintenance and continuous improvement of the IT service management system

Do

Quality management system and framework

Quality enhancement structure

In the development and management of information systems in the execution of our consulting service projects, quality management is being implemented by the relevant business divisions with a clear awareness of their responsibilities. The Quality Management Division has been set up to monitor and promote these activities on a company-wide scale, as well as to provide assistance with each project.
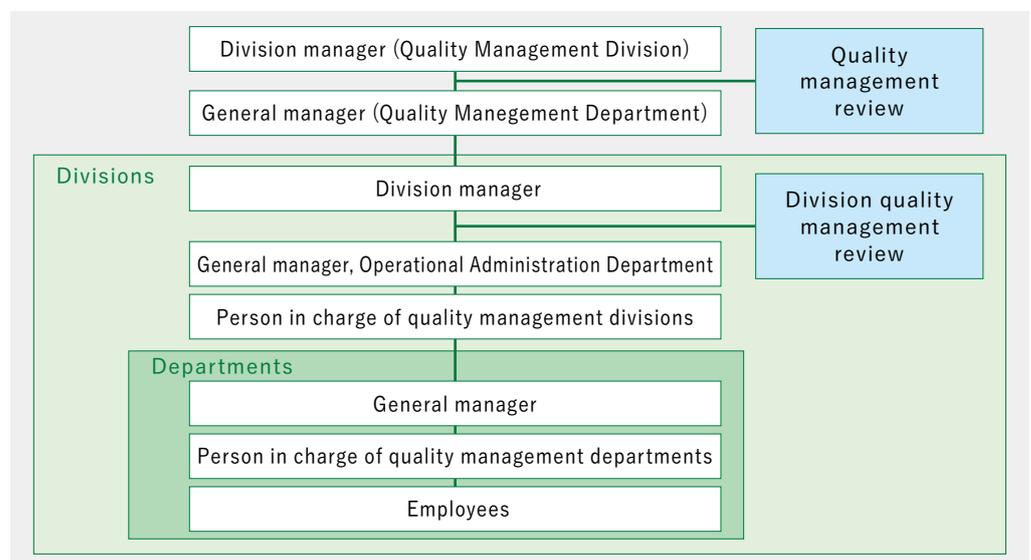
Quality management framework to raise quality levels

As shown in the Quality Management Framework diagram, NRI conducts Quality

Do

Improvement Programs for new information system development projects and "enhancement" (maintenance and management) projects. Maintenance and management projects are regarded not only as conventional maintenance and management operations, but as a service business that provides continual support to client businesses, including offering improvements and proposals. For this reason, they are called enhancement projects. The NRI Group places great emphasis on this business, in view of the need for high-level expertise and depth of operational knowledge and to increase the opportunities to identify seeds for business proposals that may lead to greater efficiency and advancement in client business operations.

The Quality Management Division supports the various business divisions with surveillance functions involving maintenance and with continual improvements to quality management systems, providing a standard framework (definition of processes and guidelines on how to achieve goals) and project monitoring, assessment and review and promotion and support functions, including enhancement, business innovation and coordination with business partners. These activities are interlinked and complement each other.

Quality management framework: Management and enhancement for quality
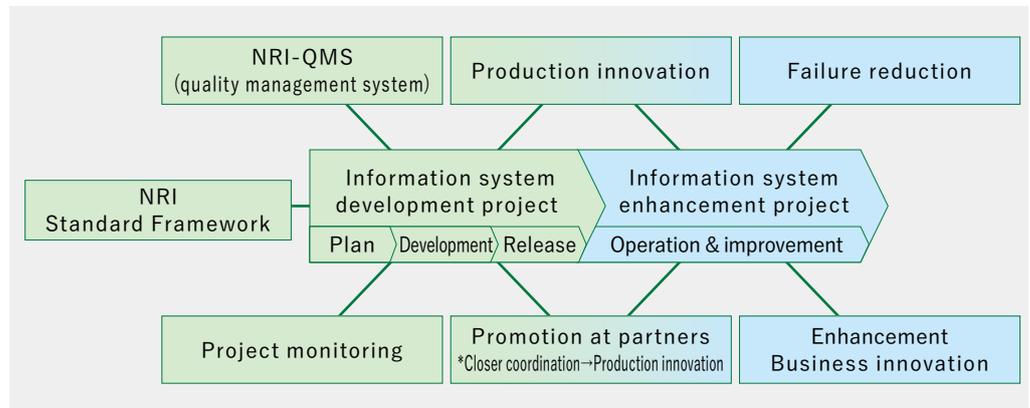
Quality management in development and operation of an information system

NRI-QMS quality enhancement system

* NRI-QMS：
  NRI Quality Management
  System.

NRI has developed NRI-QMS*, a quality management system consolidating the rules and procedures for operational process devised to ensure project quality. This system is based on the knowledge that has been accumulated over the years through NRI's quality enhancement work. This system monitors project quality, and NRI continually improve quality by using the results of customer satisfaction (CS) surveys and the results of internal quality audits.

In addition, NRI has acquired ISO 9001 certification for system development projects over a certain scale.

Do

Risk management & project support through project management activities

NRI has developed a scheme to provide systematic support for projects aimed at developing large-scale, complex information systems so that they will be successful.

The Project Management Division conducts uninterrupted surveillance of each ongoing project. In addition to providing support for their job functions and in order to alleviate risks, guidance is provided to project managers in upgrading the quality of the development processes and achievements.

NRI holds review committees when projects reach major milestones in NRI-QMS in order to identify and assess risks related to quality, revenue and expenditures as well as deadlines.

Review committees are set up at three levels: Company-wide, business divisions, and departments. The scale and characteristics of the information system project determines which review committee will review a particular project under construction. Under the auspices of the review committees, internal experts well-versed in project management, quality management, and information technology screen the project rigorously. The committees also provide appropriate support and take necessary steps as advising project managers and offering expertise. The results of the Company-wide review committees are reported in full to the Senior Management Committee, which carries out the necessary measures.

Improvements in quality and productivity with NRI Standard Framework

NRI shares the NRI Standard Framework, its guidelines on standard project processes and activities and the work to be executed in each process over its intranet. The framework aims to ensure that design, development and project management in conformity with NRI-QMS and the review committee's screening are effective and efficient, and to enhance project quality and productivity. These guidelines incorporate templates and guides useful in preparing the deliverables at each step, case studies and other tools and checklists helpful in raising quality and productivity. This framework plays a key role in sharing practical know-how within the Coompany.

Promoting enhancements that drive innovation

Since fiscal 2005, the NRI Group has actively promoted enhancement work for innovation and made ongoing efforts to improve quality and productivity across the entire Group. Since fiscal 2010 marks the fifth anniversary of the start of enhancements that drive innovation, the results of these activities have been compiled into a book titled "Nomura Research Institute's Team Reform that Stimulates Motivation." These activities are being expanded to involve both NRI Group employees and partner company employees in Japan and other countries. The results of these activities are announced at Enhancement Solutions Meeting and Quality Improvements & Production Innovation Forums, before being shared with the NRI Group and business partners.

Do

ASCII Shinsho
Nomura Research Institute's Team Reform that Stimulates Motivation
Written by Quality Management Division, Nomura Research Institute
Published December 10, 2010

Compile enhancement business reform programs into a book for publication

Quality Improvements &
Production Innovation Forum

Strengthening quality management using international standards

Stable system operations are indispensable to effective use of the information systems that NRI develops. The NRI Group has provided its customers with consistently high-quality system operation services 24 hours a day, 365 days a year, for many years. Through this, NRI has developed a quality management system, Operational QMS, to maintain the quality of its system operation services. In 1998 NRI obtained ISO 9001 certification for system operation services at its data centers (Certification renewal completed in May 2011)

However, Operational QMS under ISO 9001 alone is not sufficient in managing services that must fulfill the provisions of the service level agreement (SLA) and operating level agreement (OLA) concluded with its clients. For this reason, in fiscal 2008 NRI developed "Operation ITSMS," an IT service management system based on ITIL*, as part of its efforts to earn the ISO 20000 International standard for the operation, maintenance and management of IT service. In August 2010, the scope of ISO 20000 certification expanded to add information systems serviced by NRI's Osaka Data Center, following the earlier certification of Yokohama Data Center 1 and Yokohama Data Center 2.

In accordance with these management systems, NRI will use the results of its CS surveys and records of system failures to raise quality and enhance IT services.

In addition, NRI Data iTech has acquired ISO 20000 certification for IT infrastructure total support services in December 2007 and for its comprehensive desktop service provided to Nomura Securities Co., Ltd., in October 2008.

Actions to improve management quality and reduce system failures

In any information systems management service, equipment failures, processing delays caused by a rapid rise in data volumes or other problems related to inappropriate operation cannot be eliminated. The Systems Management Section

* ITIL:
Information Technology Infrastructure Library
Systematized and standardized compilation of business processes and methods employed in operating and managing information systems. Trademark or registered trademark of the United Kingdom Office of Government Commerce (OGC) in the UK and other EU nations.

Do

is engaged in various activities aimed at reducing these incidents and improving productivity, including reinforcing collaboration with information systems construction department, promoting standardized, automated labor-saving operations and improving operator skills.

Quality management in system development

NRI is working to strengthen its framework for system development with an emphasis on operational quality to raise the quality of its system operations.

This begins with closer coordination with the information systems development divisions to standardize management operations to give greater stability and efficiency in systems management. As part of this effort, items in the NRI Standard Framework have been reorganized. Training on understanding the impact of the development stage on the quality of system operations has also started for employees in the systems development division.

In addition, activities aimed at investigating the root cause and developing corrective measures are being organized in the event of failures and in coordination with the systems development divisions. For other operations and systems that are likely to experience similar failures, measures are being implemented in cooperation with the relevant systems development divisions, in order to prevent such failures.

These activities have been effective in all system failures, including those that could possibly affect our clients' business operations.

Progress standardized, automated labor-saving operations

NRI is working to automate system operations to eliminate failures caused by human error, such as work errors and omissions as well as errors in procedures. A proprietary NRI product named Senju, an operations management tool that automates system operations, both saves labor and minimizes errors. NRI uses other tools and case studies to prevent failures and react speedily and appropriately in the event of failures. Standardization of operations using other tools, looking at failure case studies, and other methods are being conducted to prevent failures and to ensure swift and appropriate action in the event of a failure.

Proposing improvement recommendations

NRI solicits the views of NRI Group employees and partner company employees to enhance the quality of its system operations. NRI rewards particularly impressive suggestions. The recommendations made by employees well-versed in system operations are incorporated and formulated as measures to improve quality.

Improving skills for automated labor-saving operations

In stable information systems management, improving operator skills is a vital factor in controlling computers and network devices. Especially with advances in automated labor-saving operations, the operator must acquire specialized skills

Do

so that a small group of people can deal with a wide range of failure cases. For this reason, NRI organizes group training and e-learning training programs for operators to upgrade their awareness and improve their skills.

In addition, a technical skills assessment test program was introduced in fiscal 2005 to determine the level of mastery for operator skills, in order to assure clients that their operators possess more than the required skills and at the same time to stimulate operator incentives to acquire more skills. At present, operators belonging to business partners are also able to participate in the scheme. The system grants silver and gold certificates depending on the skill level and helps to boost operator skills and motivation.

Quality management in consulting services

Tailoring quality enhancement to specific project characteristics

NRI's Consulting Division and System Consulting Division provide consulting services on business management, policy making and system development to companies and government agencies in a wide range of industries and business sectors. NRI's customers work in a broad array of business domains, and the challenges they face grow more complex every year. Therefore, quality management must be tailored to the particular project's attributes and executed with appropriate timing.

For this purpose, the Consulting Division holds planning and development meetings during the project planning and proposal stage, project review meetings at project completion and customer satisfaction surveys (CS surveys) as follow-up. The knowledge acquired from these projects is compiled into a Knowledge Management System database which is utilized for new research and proposals and also for continual improvements to NRI's consulting services through the project quality enhancement cycle.

Quality enhancement cycle for the Consulting Division

Plan & proposal

- Confirm customer's needs
- Examine implementation structure

Hold meetings of the Planning Development Committee

The division manager, deputy division manager, general manager and project leader participate and examine customer needs and project implementation structures as well as approaches for resolving each customer's problem.

Implement project

- Quality management for deliverables
- Monitoring of project progress

Project leader manages project

The project leader checks the quality of deliverables as well as the project's progress and income and expenditures.

Follow-up activities

- CS surveys
- Self-evaluation and gap analysis
- Customer visits

Utilize CS surveys

In addition to CS surveys, the project leader conducts self-evaluations. The results of an analysis of gaps in the evaluation are shared with the project leader and the manager in that department.

Evaluate project

- Confirm and evaluate value of deliverables
- Bring deliverables into a knowledge base

Convene meetings of the Project Review Committee

All employees involved under the rank of division manger participate in this meeting, in which the project is evaluated from multiple perspectives by verifying the value of the deliverables presented to the customer and identifying the knowledge obtained from the project.

Knowledge Management System

- Build up and share knowledge and know-how on project management
- Compile and share knowledge and know-how related to new consulting services through documents and frameworks

Advance research and independent study

Study a conduct research on future subjects and concepts for new businesses in advance to compensate for knowledge and know-how that is hard to come by via projects and offer new services.

Training and human resource development

Based on the recognition that human resources are key to supporting service quality, utilize the system to provide issues for leadership training and strategic communication training or materials for knowledge sharing meetings.

Do

Based on past experiences, the division believes that value must be created and presented to customers based on four valuation standards in order to win client acclaim. These are studied in both meetings of the Planning Development Committee and meetings of the Project Review Committee.

The four valuation standards for consulting projects

· Identify clearly the client's true issues in problem-solving

· Present a problem-solving hypothesis and verification method that is unique to NRI

· Propose appropriate project management and operational methods to the client and, with the client's approval, implement them in coordination with the client

· Real achievements can actually resolve client problems and bring innovation to the organization or business

The System Consulting Division organizes division review meetings and conducts customer satisfaction surveys for the same purpose. As well as share the findings at these meetings, it has created a division knowledge site where project knowledge and knowhow is added, for continuous quality improvement.

Check & Act

[**Fiscal 2011 evaluation**]
- Stepped up visualization of failures, and implemented failure reduction programs for that level of failures not directly impacting on clients
- Renewed ISO20000 certification in February 2012
- The NRI Standard Framework review was expanded in scope to examine system development areas such as new infrastructure development and operating design. This did result in increased costs however

[**Major plans for fiscal 2012**]
- Maintenance and improvement of the quality management system (ongoing)
- Maintenance and improvement of the IT service management system (ongoing)

Information Security Management

Sophisticated information security management serving as a model for society

Plan

The NRI Group fully understands the role that it should play as a company providing information services. As such, the NRI Group is working to live up its reputation as a corporate group with a sophisticated security management framework that earns the trust of customers and society and serves as a model for the corporate sector.
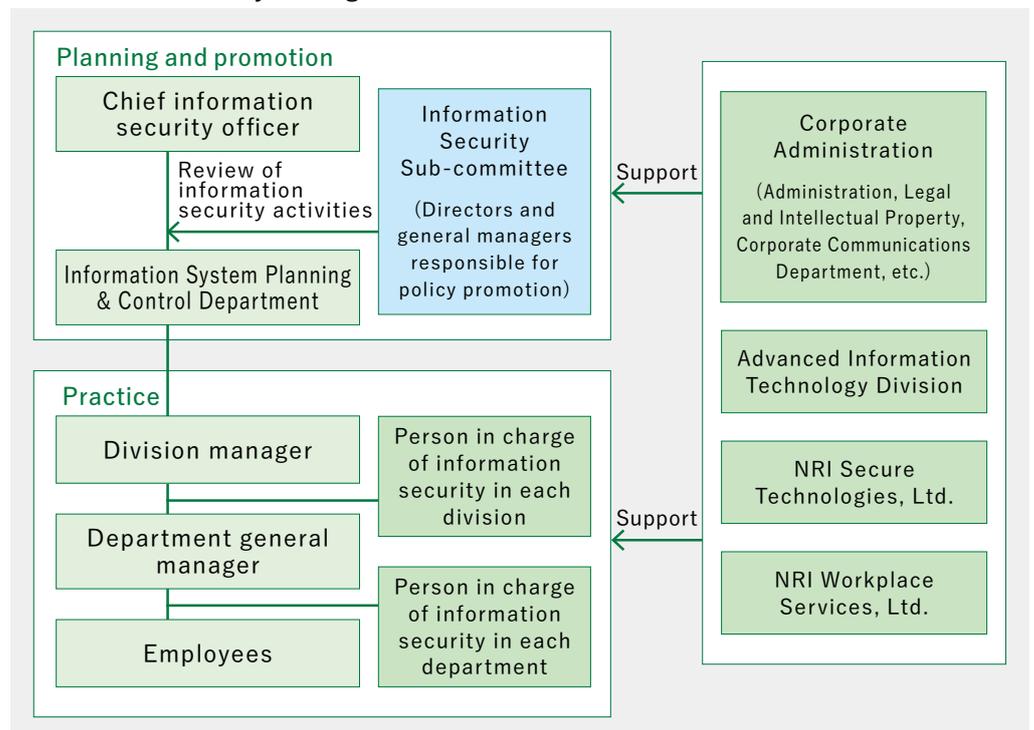
[**Major plans for fiscal 2011**]
- Reinforced management of client data
- Strengthened measures to prevent information leaks
- Strengthened information security measures at group companies in Japan and overseas offices

Do

Comprehensive information security in the office environment

At NRI, under the chief information security officer (Corporate Senior Vice President), the information System Planning & Control Department takes the leading role in drafting, planning and promoting information security, and works to systematically improve the level of security.

Information security management structure

Planning and promotion

| Chief information security officer |
| Information Security Sub-committee (Directors and general managers responsible for policy promotion) |

Review of information security activities

Information System Planning & Control Department

Support

Corporate Administration (Administration, Legal and Intellectual Property, Corporate Communications Department, etc.)

Advanced Information Technology Division

NRI Secure Technologies, Ltd.

NRI Workplace Services, Ltd.

Practice

Division manager — Person in charge of information security in each division

Department general manager — Person in charge of information security in each department

Employees

Support

Do

Establishing guidelines and rules, and educating employees

The NRI Group has established management regulations governing information security, confidential information and personal information in compliance with laws on information security, and advances in information technology. These regulations are revised when necessary. NRI refers to the guidelines devised and issued by government offices when setting these regulations and rules.

Poster for the Ten Commandments of Information Security

Moreover, NRI makes its guidelines and rules available on the intranet to ensure that its employees are familiar with them, and includes temporary employees in its briefings and group training. Information security management regulations were drawn up for our overseas subsidiaries to enforce our global security management systems.

In fiscal 2011 we stepped up the changeover of our training content to e-learning formats. We also endeavored to develop in our employees an ingrained awareness of how they are to handle information security in the context of cloud computing, social media, targeted phishing emails, and smartphones.

Careful information security management in system development and operation services for customers

The NRI Group provides very careful security management when handling customer information as a part of its system development and operation services. In particular, NRI regards managing the security of the information NRI receive from its customers as one of our most important risk management issues. In addition to preventing data leaks, efforts are being directed to improving rules and management procedures for more skilled management. Due to the wide range of customer industries and systems and the data involved, management cannot be done appropriately with just a single set of rules. For this reason, the rules on system and data access are defined and managed separately for every project.

In fiscal 2011, as in the previous year inspections were conducted of the state of NRI's operation and management, for all projects where client information was handled. For those projects identified as a result as requiring improvements to their management, on-site inspections were conducted and detailed improvement measures were drawn up. Checks were also made to ensure that all those improvements were implemented. The number of projects classed as "in need of improvements" was drastically down from the previous year to just 1.6% of the total.

In the future, the rules that are developed for separate projects will be communicated to all relevant parties as in the past so that NRI can make planned and continual improvements.

Do

Managing Information Security at Our Data Centers

NRI strives to raise the level of information security at its data centers, where it stores important client data. Specifically each NRI data center implements measures to prevent the unauthorized access or use of information, including mandatory authorization to access networks, encrypting portable media, designating security areas within the data centers, and screening employees for any storage media on their person as they enter and leave the facility. 3D holographic scanners and X-ray devices have been installed to strengthen that screening of employees and the screening of deliveries.

The Yokohama Data Center 2 was designed and built in accordance with an operational policy that by default forbids anyone from entering and exiting. If someone must enter, they are subject to more rigorous screening procedures than at other data centers.

The sites where we construct our data centers are selected for their relative lack of exposure to earthquakes and flooding. Their construction also incorporates measures to help them stay standing during such natural catastrophes, such as seismic isolation and vibration control technology. November 2012 will see the completion of Tokyo Date Center 1, which is equipped with the latest technologies to withstand disasters and thus inspire confidence.

Rigorous information security management in offices

NRI prevents fraudulent incursions at its main offices with two sets of security gates between the building entrance and the workspace and security cameras recording all persons entering the workspace.

Employees' computers are automatically run through a security check when they are turned on. A program has also been adopted in which employees' computer security settings are automatically reported every week to the staff in charge of security.

NRI Group appropriately disposes of discarded media and information equipment to prevent the leak of important information as follows.

Appropriate disposal of media and information equipments, including important information

Equipment & media	Disposal method
Information devices such as PCs	・A reliable waste disposal company with which NRI has a confidentiality agreement destroys the computers so that past information cannot be retrieved from internal storage devices such as hard disks
Floppy disks, CDs, DVDs and other electronic media	・Electronic media is disposed of after breaking it down using a shredder specifically for electronic media
Paper	・Broken down using shredder ・Collected in a locked iron disposal box for important documents and then melted down by a reliable waste disposal company with which NRI has a confidentiality agreement

Do

NRI in principle prohibits employees from taking important information such as confidential data relating to clients out of corporate facilities. The hard drives of every laptop PC used outside the Company are encrypted for those situations that require taking such information outside. PC software prohibiting data transfer from employees' PCs to electronic media reinforces control to ensure that data is not taken out of corporate facilities.

In fiscal 2011, surveys were conducted of the state of information security at NRI's overseas offices and overseas Group subsidiaries. Detailed support was provided for information security action plans for each particular location.

Stringent information security management by partner companies

The NRI Group subcontracts system development and operations to many partner companies. As such, NRI requires that they provide a high level of information security management. (See "Engagement with Business Partners")

Each year, presentations to business partners are organized to explain our quality improvement activities and rules that must be observed. Furthermore, on-site visits are paid when necessary to business partners in Japan and other countries that are engaged in development at their respective company venues. Business partners are accepted for some of the NRI Group's employee training programs.

In fiscal 2011 we began offering e-learning sessions in addition to traditional presentations. We also introduced a system where our corporate business partners can check the state of their own security for reporting to NRI, and we launched a program for examining the state of our partners' compliance with essential rules.

Certification on information security

The NRI Group has acquired ISMS certification based on JIS Q 27001, the standard for information security management. It has also been granted the Privacy Mark awarded to businesses with schemes for implementing measures to protect personal data.

NRI was honored "The 2011 PrivacyMark Testimonial" from JIPDEC (the Japan Information Processing Development Corporation). in November 2011.

Certification on information security

Certification	NRI business division and organization
ISMS certification (Information Security Management System)	Yokohama Data Center 1, Osaka Data Center, Securities IT Service Division, and System Consulting Division (partial businesses) All businesses at NRI Secure Technologies
Privacy Mark	NRI Ltd. NRI Net Com, Ltd. NRI Data iTech, Ltd.

Check & Act

[**Fiscal 2011 evaluation**]

- Major improvements made to the operation and management of projects where data received from clients is handled
- Introduced a system where our corporate business partners can check the state of their own security for reporting to NRI, and launched a program for examining the state of our partners' compliance with essential rules
- Developed in our employees an ingrained awareness of how they are to handle information security in the context of cloud computing, social media, targeted phishing emails, and smartphones
- Certain regrettable incidents relating to personal information were caused in the course of performing some contracted projects. We immediately attended to the concerns of the individuals affected, implemented company-wide measures to prevent a recurrence, and provided our clients with regular status reports

[**Major plans for fiscal 2012**]

- Continue to strengthen to prevent information leaks
- Step up and reinforce assessment of information security plans for domestic Group companies and overseas offices (ongoing)
- Expedite action plans against new forms of security threats such as cyber-attacks

Intellectual Property Management

Working actively to acquire patents and prevent violation of others' property rights

Plan

Intellectual property is becoming increasingly important in corporate management. The Group is aggressively acquiring intellectual property rights.

[Major plans for fiscal 2011]
- Contributed to business by analyzing IP-related information
- Promoted intellectual property awareness through industry associations
- Managed software licenses more appropriately and efficiently

Do

System for promoting intellectual property management

The Legal and Intellectual Property Department manages the intellectual property that emerges in the course of the NRI Group's R&D and system development processes. The Department is ready to act when it comes to applying for and acquiring patents and registering trademarks. Currently five of the Department's employees are qualified patent attorneys expert in industrial property rights. These employees engage closely with our business divisions, and run programs to get employees thinking about their work in terms of intellectual property rights in order to drive an increase in the acquisition of patents.

If another inventor or company raises an IP-related complaint against NRI, NRI conducts a fair investigation of the facts before taking the appropriate response with that party.

Raising employees' IP awareness

The NRI Group runs programs for its employees on patents, copyrights and intellectual property rights in general. These programs include regular patent meetings to fix in employees' minds an attitude of always seeking legal protection for their ideas. Other programs provide employees with training in respecting the IP rights of others and in the prevention of IP infringements.

In fiscal 2011, raising employees' thinking on IP was pursued through activities such as intellectual property awareness seminars held by the Systems Development and Management Section.

Strengthening software license management

In April 2008, NRI established software license management regulations as one of its measures to prevent infringements of intellectual property rights. We also adopted a license management system for operations and developed a program to efficiently confirm the consistency of licenses and software installed on company

Do

computers, with administrators in each department and office.

In fiscal 2011 we held in-house presentations for the software administrators in each department and office to instill in them knowledge of the Company rules on managing software licenses. We also underwent a software usage assessment conducted by a different vendor to the previous year, to have a third party check that we are managing our software licenses appropriately.

Contribute to business by analyzing IP-related information

Patenting new technology and business ideas in our IT solutions business and exploiting those patents effectively are vital factors for increasing our corporate value.

In order to keep our own patents secure and to avoid infringing other companies' patents, in fiscal 2011 NRI created an environment where all employees can access the NRI Cyber Patent Desk, a patent data search engine. This service will be another pillar in the infrastructure that supports our day-to-day intellectual creation activities and regular management of business. Another approach we have adopted to make better use of patent information in the drafting and selection of our R&D themes is our trial of the document analysis tool "TrueTeller Patent Portfolio." [1]

*1 TrueTeller Patent Portfolio:
NRI's patents analysis tool that uses text mining technology. Its unique processes can macro- and micro-analyze the strengths and weaknesses of batches of patents owned by companies.

Global Intellectual Property Rights

The NRI Group is accelerating its expansion globally, represented by expanding our businesses in China and other parts of Asia as described in Vision 2015. In this business vision, solid support is being provided for intellectual property related to services and products scheduled to be launched in China and other countries.

In fiscal 2011, in a joint exercise between our business and legal divisions, clearance research[2] was conducted to avert patent infringements mainly in China. New patent applications were also made in other countries to protect our business, which resulted in our successfully obtaining fifteen foreign patents during the year. In addition, in order to secure NRI trademarks overseas, we continued to file trademark applications in a range of countries and to negotiate with affected parties. Other preparations are underway to build a global IP capability to support our business expansion, which will include strengthening collaboration with our overseas offices and boosting coordination with intellectual property experts in the global arena.

*2 Clearance research:
Research into potential infringements of NRI technology or products on patents held by other companies.

Promoting intellectual property awareness through industry associations

Japan's information services industry is still young compared to its manufacturing industries. For this reason, realities in the industrial sector are not necessarily reflected in intellectual property rights. The NRI Group is engaged in promoting awareness through support for industry associations in encouraging the industrial sector to address the intellectual property issue, and in increasing awareness of these rights among relevant parties.

Two NRI intellectual property staff members are in the Intellectual Property

Do

Working Group of the Planning Committee of the Japan Information Technology Services Industry Association (JISA). In fiscal 2011 these NRI staff members played a leading role in the planning and running of intellectual property seminars for JISA member companies, compiling policy-making proposals, and revising booklets on copyright education.

There is also an NRI employee on the Japan Intellectual Property Association's Software Committee and its Human Resources Development Committee, where they are respectively making a contribution to studies and research into intellectual property in the area of IT, and to training and development activities for IP-related human resources.

In fiscal 2011 NRI also participated in the work of the Design System Subcommittee of the Intellectual Property Policy Committee of the Industrial Structure Council. In the Subcommittee's discussions on revisions to Japan's legislative framework for designs, our representative pointed out issues and made suggestions concerning the direction which revisions could take from the perspective of an information services industry member.

Check & Act

[**Fiscal 2011 evaluation**]

- Contributed to business by putting in place a search environment for patent information and through an information analysis trial
- Vigorously promoted intellectual property awareness and research through industry association activities, and also made policy proposals
- Held in-house presentations for the software administrators in each department and office to instill in them knowledge of the Company rules on managing software licenses
- Underwent a software usage assessment by a vendor, to have a third party check that we are managing our software licenses more appropriately and efficiently

[**Major plans for fiscal 2012**]

- Develop IP activity for more active support of global expansion of business (ongoing)
- Strengthen preventive legal management to avert breaches of others' IP rights
- More vigorous exploitation of existing intellectual property
- Continue to manage software licenses more appropriately and efficiently

Environmental Protection

Reducing environmental impact for NRI and for society as whole through our business activities

Plan

* 1 Green purchasing:
Purchase of items that are truly necessary and that have the lowest possible impact on the environment, as indicated by the Eco Mark, for example.

* 2 Energy consumption efficiency:
Indicator defined by dividing the total energy consumption for all NRI data centers by the energy consumption of the IT equipment installed in these centers.

The NRI Group is actively engaged in environmentally conscious business activities under the NRI Group's Environmental Policy, with all of our executive officers working on reducing environmental impacts. In addition to making environment-related recommendations to society and impact-mitigating solutions to clients, we are also reducing consumption of resources and energy, practicing green purchasing[1], recycling and cutting waste in our business activities. Reduction of environmental impact at our data centers, which consume roughly 80% of our total power consumption, is a particularly important issue, addressed with greater energy efficiency through the updating of facilities, etc.

[**Major plans for fiscal 2011**]
- Ongoing promotion of NRI Green Style activities
- Continued to implement proper responses to Law Concerning the Rational Use of Energy and the global warming action plans of local governments. Intensified implementation of our own Global Warming Action Plan drafted in 2010
- Improved energy consumption efficiency[2] by 1% from fiscal 2010 levels at the Yokohama Data Center 1, Yokohama Data Center 2, Hiyoshi Data Center, and Osaka Data Center

The NRI Group's Environmental Policy

Tadashi Shimamoto
President, CEO and COO, Nomura Research Institute, Ltd.

The NRI Group is actively engaged in environmentally conscious business activities, and all of our executives and employees are working to mitigate environmental impact.

The activities are known as "NRI Green Style," and are being promoted systematically and continuously.

1. Contributing to global environment issues through business activities
As a company that is building the society of the future, we address global environment issues by offering our clients and society recommendations on the environment and solutions for reducing environmental impact.

2. Environmental activities involving full participation
All of the executives and employees recognize the importance of environmental protection

to prevent global warming. As members of their respective local communities, they are using creative thinking and ideas to become actively involved in social contribution activities.

3. Greater environmental awareness
In order to boost awareness of global environment problems, we put on environment education and awareness activities for executives and employees and business partners.

4. Compliance related to the environment
Compliance with laws and regulations on environmental protection both in Japan and other countries is strictly observed. Actions to reduce environmental impact are implemented in a way that meets the demands of society.

5. Reducing environmental impact
Activities aimed at conserving resources and energy are being introduced at NRI offices and data centers to reduce environmental impact.

Do

Environmental improvement activities involving all employees

NRI Green Style activities

The NRI Group began its drive to mitigate environmental impact and protect the global environment with its NRI Green Style activities in June 2010. An organization has been set up to promote environmental activities as described below. Promotional measures have been introduced under the NRI Group's Environmental Policy and they are being implemented and firmly established in the organization.

The symbol for
NRI Green Style activities

Structure to promote environmental activities

President

Officer in charge of planning & management
(Corporate Executive Vice President)

Officer in charge of planning
Technical manager

Offices, etc.
Officer responsible to promoting activities — Technical manager
Employee

Data centers, etc.
Officer responsible to promoting activities — Technical manager
Employee
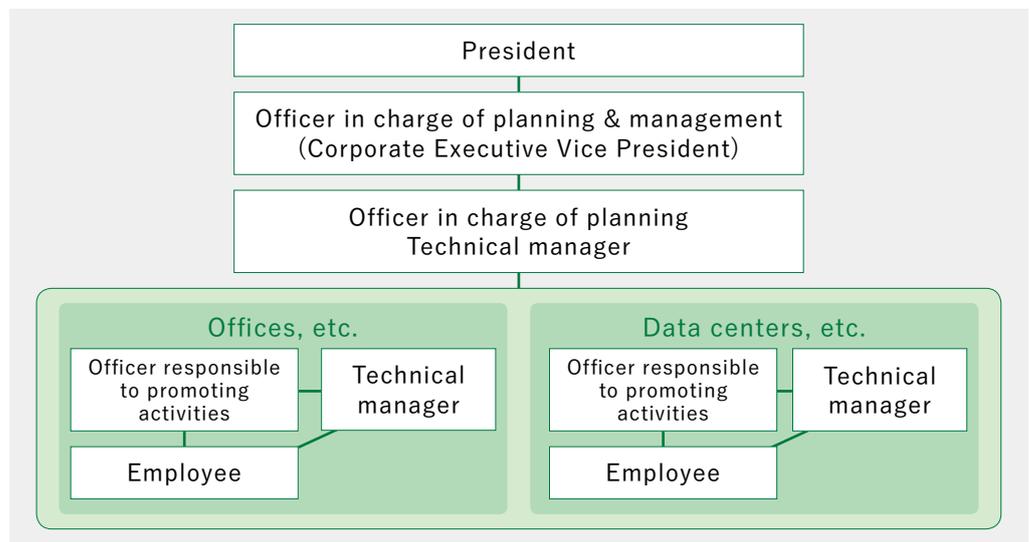
Do

Contributing to building a low-carbon society through systems solutions and recommendations on the environment

We develop various information systems at our client companies to introduce greater business efficiency, paperless administration, and efficient distribution and manage the data at our data centers. This dramatically reduces CO_2 emission compared with independent systems development and management by the client. NRI data centers also use advanced technologies to conserve energy in power supply and air conditioning systems, etc., which makes a significant contribution to reducing CO_2 emissions for the whole of society.

As the use of IT makes rapid advances in society there has been a dramatic increase in the amount of energy consumed by the data centers where all this information is being processed. This has prompted calls for data centers to reduce both their energy consumption and their carbon footprint, which has increased the need for an indicator that allows international comparisons of energy conservation.

Together with Japan's Ministry of Economy, Trade and Industry and the Green IT Promotion Council, and other bodies including the European Commission and the U.S. Department of Energy and Environmental Protection Agency, NRI has been pursuing studies into energy conservation and the reduction of carbon footprints. NRI is an advocate of DPPE (Datacenter Performance per Energy), an indicator from Japan for assessing energy conservation by data centers. In fiscal 2011, in a world-first trial we observed DPPE in action at several dozen data centers in Japan and overseas, which verified that DPPE was effective in diagnosing energy conservation levels. The results of this trial were announced in NRI's periodical publication Knowledge Creation and Integration under the heading "Developing a Standard Indicator of Energy Conservation Performance at Data Centers Equipped for International Competition," and this trial will have a role to play in the development of proposals for realizing a low-carbon society.

Knowledge Creation and Integration
Nomura Research Institute

Director Takao Shiino advancing DPPE at an international conference

Company-wide drive to conserve resources and energy in business activities in the office

The NRI Group implements its NRI Green Style activities, which aim to encourage all employees to reduce their environmental impact on an ongoing basis, as part of efforts to cut our CO_2 emissions. The program extends to optimizing temperature and lighting levels in offices, putting PC monitors and multi-function devices on power saving settings, and employing green procurement. In fiscal 2011, our efforts

Do

to curb our electricity consumption during the summer period achieved a cut in our consumption by far more than the 15% which the Japanese Government had asked for.

In addition to the environmentally conscious use of resources, our Group is also serious about re-using and recycling efforts. As well as pursue further efficiencies in the procurement of our office supplies, we have been steadily increasing the number of stationery items purchased under the Green Purchasing program, and the paper used in nearly all the offices of the NRI Group is either recycled paper or FSC-certified paper [1]. Our office paper is also re-used or sent off for resource recovery, after appropriate shredding or melting (See "Information Security Management") to maintain confidentiality. A work style of not using paper is also taking hold at meetings and less formal gatherings.

Old PC display monitors are not disposed of but are instead donated to new users unless they are beyond saving. This is a very effective way of reducing CO_2 emissions, which helps protect the global environment. In fiscal 2011 around four thousand NRI monitors found new owners, which represented a CO_2 emissions reduction effectiveness [2] of around 351 tonnes, which is the amount of CO_2 which some 25,000 trees would absorb in the course of a year.

*1 FSC-certified paper:
Paper made of timber harvested from forests that are managed in a way that preserves the environment and helps local communities.

*2 CO_2 emissions reduction effectiveness:
From the Ministry of the Environment's Forestry Agency's Action Plan on Green Sinks for the Prevention of Global Warming.

*3 Act on the Rational Use of Energy:
Law related to the rational use of energy

Act on the Rational Use of Energy and local government measures to address global warming

In response to revisions to the Act on the Rational Use of Energy[3] in Japan and local government measures on global warming, since 2008 we have been building a scheme to assess energy consumption in the office and greenhouse gas emissions. Data on CO_2 emissions is shown below.

In fiscal 2011, we submitted a plan to address global warming issues to the Ministry of Economy, Trade and Industry, the Tokyo Metropolitan Government and the City of Yokohama. Measures to reduce energy consumption and CO_2 emissions are scheduled to be implemented based on this plan. Our efforts to curb our electricity consumption in the wake of Japan's natural disasters in 2011 also cut greatly into our energy use and CO_2 emissions.

CO_2 emission data for offices

Offices, etc.	2010 (Units: t - CO_2)	2011 (Units: t - CO_2)	Change
Tokyo area	6,714	4,867	−27.5%
Yokohama area	11,999	9,374	−21.9%
Other office buildings	1,090	1,002	−8.1%
Total	19,803	15,243	−23.0%

Do

Environmental impact of NRI's business activities

NRI works actively to minimize the impact of its business activities on the environment. It promotes its NRI Green Style activities across the entire company; it makes energy efficiency improvements to the facilities and equipment used in its data centers; and it promotes recycling and re-using.

In fiscal 2011, as part of our measures to curb electricity consumption over the summer period, we obtained supplies of kerosene to operate our own private generators at our data centers, as well as cooling water to keep our centers' servers cool. While this represented an increase in the amount of our energy resources, we switched to using energy-saving appliances such as energy-efficient refrigeration units and air conditioners. As a result of this and other acts to curb our electricity consumption as much as possible throughout the year, we were able to cut our overall greenhouse gas emissions.

*1 Limited to water resources consumed and water discharged as part of operations at data centers.

*2 Limited to paper resources consumed and paper waste produced in the course of office work.

*3 A 5.9% reduction (on FY2010) in overall greenhouse gas emissions.

*4 Mega joule: international unit of measurement for fuel.

Environmental impact of NRI's business activities

			FY2010	FY2011	Change (+/-)
INPUT (resources used)	Energy resources	Electricity (10,000 kwh)	19,759	18,641	−5.7%
		Kerosene (kl)	13	16	23.1%
		Fuel oil A-C (kl)	123	87	−29.3%
		Mains gas (10,000 ㎥)	75	55	−26.7%
		Cooling water, steam ($\times 10^6$MJ) *4	84.3	109.5	29.9%
	Water resources *1	Mains water (10,000 ㎥)	18.5	15.7	−15.1%
	Paper resources *2	Officer paper supplies (t)	325	291	−10.5%

Business activities

			FY2010	FY2011	Change (+/-)
OUTPUT (impact on environment)	Greenhouse gases *3	Electricity consumed (10,000t CO_2)	7.5	7.0	−6.7%
		Gas / fuel, etc. consumed (10,000t CO_2)	0.7	0.8	14.3%
	Water discharged in operations *1	Water discharged (10,000 ㎥)	8.6	7.3	−15.1%
	Paper waste *2	Total waste (t)	324	297	−8.3%
		Sent to landfill, etc. (t)	0	0	0.0%
		Percentage recycled (%)	100	100	—
	Industrial waste	Total waste (t)	1,113	979	−12.0%
		Sent to landfill, etc. (t)	112	63	−43.8%
		Percentage recycled (%)	89.9	93.6	—

Summer Curbing of Electricity Use and Survey of Employee Attitudes

1. Summer curbing of electricity use

In the wake of the Great East Japan Earthquake, electricity supplies in Tokyo areas were expected to fall short over the summer of 2011. The NRI Group acted to curb its own electricity usage in order to serve its own broader social responsibility and to play its part in reducing the risk of power outages.

The main actions that the NRI Group took in this regard were (1) 'thinning out' the number of lights we used, and using lower-wattage bulbs for those we did; (2) setting a target room temperature of 28°; (3) scrupulously applying power saving settings for PCs; (4) restricting the use of common meeting rooms; (5) promoting "Cool Biz" (and the more relaxed "Setsuden Biz") dress code; and (6) putting in air circulator fans.

2. Survey of Employee Attitudes to Curbing Electricity Use

Acting on possible scenarios involving the curbing of our electricity use over the mid- to long-term, in order to take our measures in that regard up to the next level, we took a survey of our employees' attitudes, receiving responses from more than 2,000 individuals.
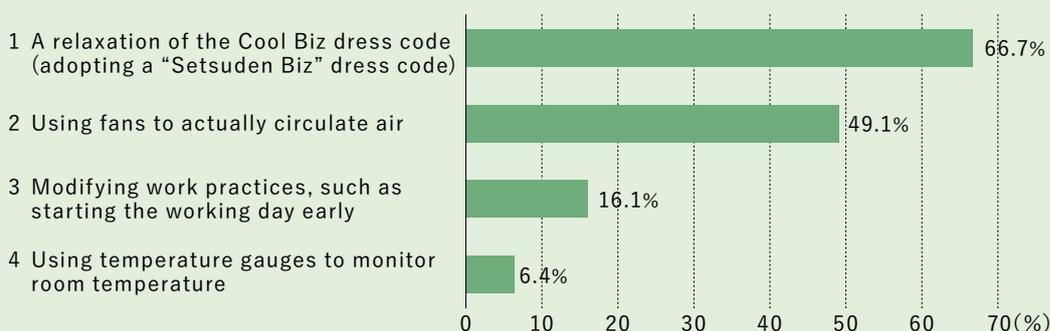
> Q: Even if the Government were not to regulate electricity use (such as placing different caps on electricity consumption for each region of Japan), do you think NRI's offices should continue to take part in measures to curb their electricity use?

With more than 90% of employees saying they should, this question received an enthusiastic response.

Other responses 9.4%

"I think they should" 45.8%

"To some extent I think they should" 44.8%
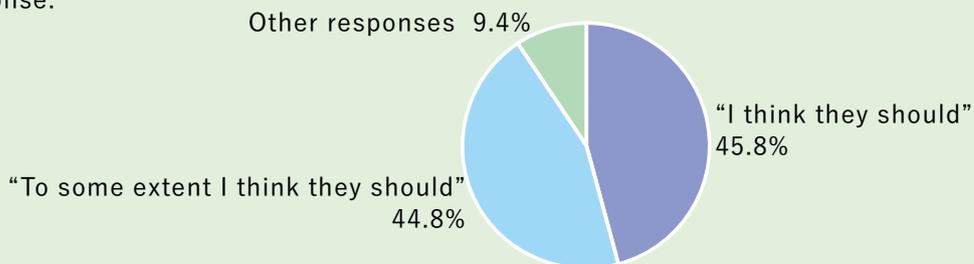
> Q: What did you feel was helpful in easing the inconvenience to you from the measures NRI took this summer to curb its electricity use during the designated restraint period? (Employees could provide multiple answers to this question.)

The leading measure that NRI introduced was the "Setsuden Biz" dress code, which represented a relaxing of even the Cool Biz standards, the normal summer dress code for employees. The main survey responses were as follows:

1 A relaxation of the Cool Biz dress code (adopting a "Setsuden Biz" dress code) 66.7%

2 Using fans to actually circulate air 49.1%

3 Modifying work practices, such as starting the working day early 16.1%

4 Using temperature gauges to monitor room temperature 6.4%

0 10 20 30 40 50 60 70(%)

Do Environmental preservation initiatives at data centers

Environmental Policy for System Operation Services

Reducing the environmental impact at our data centers, which account for roughly 80% of our total power consumption, is a particularly important issue that is being addressed by updating facilities to achieve greater energy efficiency.

Environmental Policy for System Operation Services

Takuji Nakamura, Corporate Vice President
Environmental Management Systems, Nomura Research Institute, Ltd.

NRI helps to preserve the environment by ensuring that every employee working in system operations at data centers provides environment-friendly system operation services and by promoting ongoing activities to improve the environment.

1. NRI considers the environment in its system operations and facility management operations at its data centers.
2. NRI builds and runs an environmental management system and makes improvements on a continuous basis to prevent environmental pollution.
3. NRI complies with relevant environmental laws and regulations and adheres to other external requirements.
4. NRI sets environmental objectives and environmental targets and revises them on an annual basis.
5. NRI's environmental policy is posted on its website and all employees involved in system operations at data centers are familiar with these policies. The general public can also access these policies at the company's external website.

Established on August 30, 2004
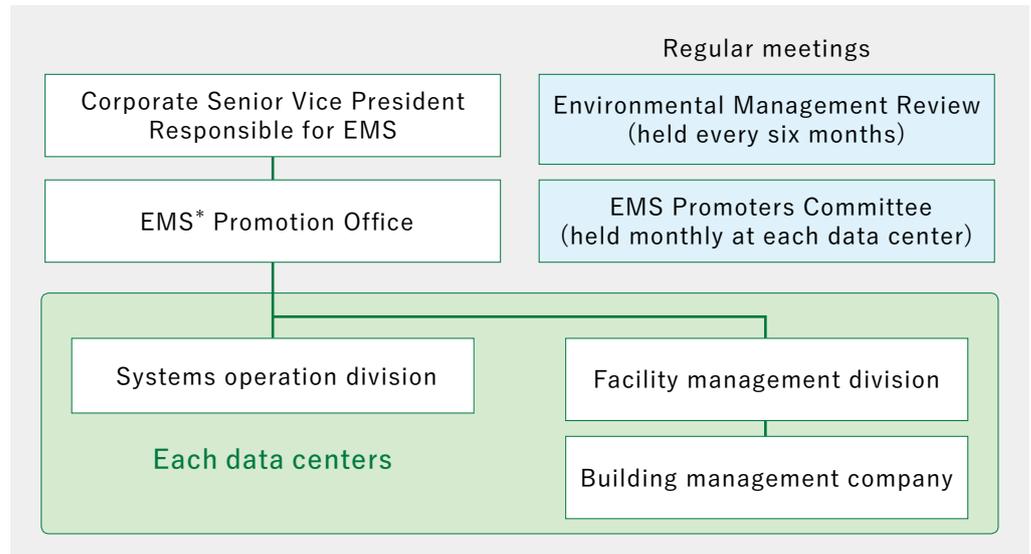Latest revision on April 1, 2009

Audit of environmental improvement activities

NRI has developed an environmental management system based on its environmental policy for system operation services and has obtained ISO 14001 certification, the international standard for environmental management systems.

Do

Structure for environmental improvement activities

Corporate Senior Vice President
Responsible for EMS

Regular meetings

Environmental Management Review
(held every six months)

EMS* Promotion Office

EMS Promoters Committee
(held monthly at each data center)

Systems operation division

Facility management division

Each data centers

Building management company

*EMS:
Environmental Management System.

NRI analyzes data on the environmental impact of business activities at its data centers to identify factors that could harm the environment.

This allows NRI to systematically reduce its environmental impact. NRI also carries out a bi-annual internal audit by an ISO 14001 certifying body so that it can verify that its environmental management system is being operated properly and to make improvements as necessary. In order to ensure effective audits, job training is underway to train internal auditors.

Improvements in energy efficiency

NRI's data centers worked to improve efficiency and reduce pre-unit energy consumption by 1% over the previous fiscal year.

In fiscal 2011, 20 air conditioning units at Yokohama Data Center 1 and 25 air conditioning units at the Hiyoshi Data Center needed to be updated and were replaced by more energy-efficient facilities.

To ensure efficient energy consumption, facilities at each data center will be similarly updated with more efficient equipment.

Efficiency of electricity consumption at data centers

(Index)

Yokohama Data Center 1

Yokohama Data Center 2

Hiyoshi Data Center

Osaka Data Center

*The benchmark year is 2005. However, the benchmark year is 2008 for Yokohama Data Center 2, which was completed in October 2007.
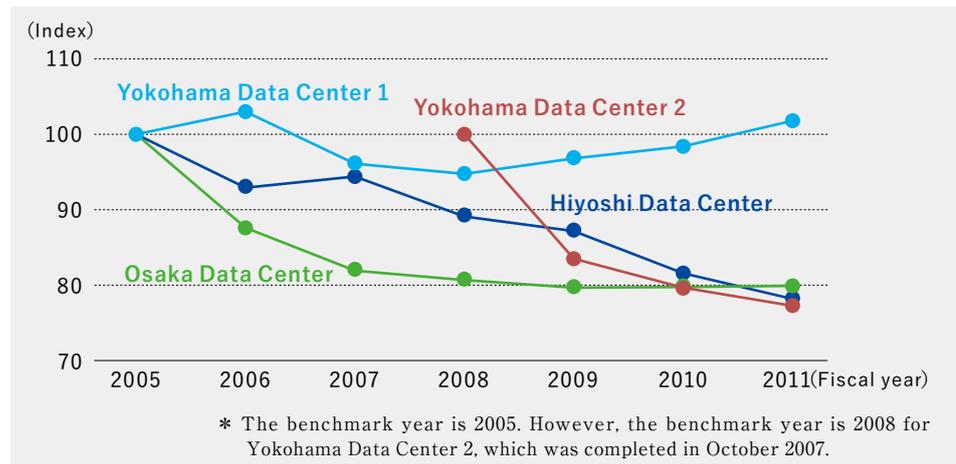
Do

Reusing office supplies and green purchasing

NRI data centers have also started reusing stationery and other office supplies and green purchasing. Quantitative targets are set for each data center, pushing up the green purchasing ratio steadily.

Introduction of e-manifest

The e-manifest is a scheme to replace the industrial waste management form (paper manifest), in which a communications network is used by data processing centers, waste-discharging businesses, waste collection & transport businesses and waste disposal businesses that control the flow of industrial waste commissioned for processing by the waste-discharging party.

NRI's data centers introduced e-manifest in fiscal 2010 in order to strengthen compliance with laws and regulations on industrial waste processing and to cut down on the use of paper. The scheme then went into operation at our three data centers (Yokohama 1, Yokohama 2 and Hiyoshi).

Environmental targets and data centers (fiscal 2011)

Activity item	Target	Performance		Rate change*	Change in CO_2 emissions*
More efficient energy consumption	1% improvement in energy consumption efficiency (over 2010)	Yokohama Data Center 1		3.5% increase	Equivalent to approx. 235 tons in CO_2
		Yokohama Data Center 2		2. 8% decrease	Equivalent to approx. 1,892 tons in CO_2
		Hiyoshi Data Center		4. 1% decrease	Equivalent to approx. 1,114 tons in CO_2
		Osaka Data Center		0. 1% decrease	Equivalent to approx. 195 tons in CO_2
		Total for four data centers		0.2% decrease	Equivalent to approx. 349 tons in CO_2
Comprehensive sorting of waste	Sorting based on laws and local government ordinances	・ Implemented in compliance with laws and local government ordinances			
Development of human resources	Environmental education	・ To promote greater environmental awareness, primarily using e-learning we held four environmental education sessions for employees in data center-related facilities, which were attended by more than 1,100 employees in all.			
	ISO 14001 internal auditor training	・ Four internal auditors trained			
Other activities	Periodic audit by ISO certification body	Implemented in February 2012			
	Periodic audit by internal auditor	Implemented in July and December 2011			
	Local community cleanup activities conducted	Conducted at all data centers monthly			
	Promotion of office supplies green purchasing	Continual quantitative assessment of the state of green purchasing			
	Reuse of office supplies	Continued reuse of office supplies			

＊ Although the CO2-equivalent emission volume increased at certain data centers with the increase in data center use, the drive to upgrade the energy consumption efficiency has led to achieving the energy consumption efficiency improvement target for all four data centers.

Check & Act

[Fiscal 2011 evaluation]

- While promoting NRI Green Style activities, we took measures to curb our electricity use over the summer, managing to achieve a cut in our offices' consumption by far more than the 15% which the Japanese Government asked for

- Continued to take due action regarding the Act on the Rational Use of Energy and revisions to the global warming action plans of local governments. Filed periodic reports, mid- to long-term plans and global warming action plan implementation reports to the relevant local governments

- Developed mechanisms for monitoring energy consumption including by small offices

- Owing to the impact of the Great East Japan Earthquake and rolling power outages in Tokyo, and to construction to update our own large facilities, we did not succeed in achieving the 1% improvement in energy consumption efficiency at the four data centers of Yokohama 1, Yokohama 2, Hiyoshi, and Osaka (from fiscal 2010 levels)

- Having switched to energy-saving equipment and voluntarily curbed our electricity consumption at the three data centers of Yokohama 1, Yokohama 2, and Hiyoshi, we achieved a 3.4% reduction in the amount of electricity consumed compared to the previous year

- Yokohama 2 Data Center earned a high evaluation from a Ministry of Economy, Trade and Industry Designated Energy Management Factory site inspection

[Major plans for fiscal 2012]

- Continue NRI Green Style activities

- Implement measures curbing our electricity use throughout the year (in particular have an action plan for when demand puts strain on power supplies in summer)

- Continue to respond to global warming action plans at the national and local government level

- Improve energy consumption efficiency by 1% from fiscal 2011 levels at Yokohama Data Center 1, Yokohama Data Center 2, Hiyoshi Data Center and Osaka Data Center

- Introduce the latest energy conservation technology, and complete construction of Tokyo Data Center 1, which has pursued its environmental performance through the use of natural energy sources

Proactive CSR

Fulfilling our responsibilities to society through our business activities

Fundamental CSR

Building relationships of trust with society

NRI's Unique Contributions to Society

Striving for social contributions that reach the hearts of people

We strive to strengthen bonds with society through social contributions that reach the hearts of people. To forge bonds that epitomize NRI, the Company is disseminating information to provide insights into a new society and supporting the cultivation of the younger generation and managers who will bear the responsibilities of the next generation. Along with our stakeholders, we are striving aggressively to build the framework for a better society. We take every opportunity to foster communications with stakeholders and to pass on easily comprehensive information on the CSR activities that we conduct in the pursuit of our business to parties inside and outside the Company.

[Priorities] Propagation of intellectual assets, Development of human resources, Development of society

Propagation of Intellectual Assets

Propagating information useful in creating future society

The NRI Group publishes the results of its research activities on various themes such as society, industry, management and IT in the form of books, periodicals, reports, and website.

Release of survey results and information useful to society

The NRI Group conducts studies on themes and issues that attract social attention and publishes its findings.

Results of research published in fiscal 2011

- Questionnaire-based survey concerning revisions to PFI methods and concessions (June 2011)

- Questionnaire on post-disaster BCP (business continuity plans) (June 2011)

- Survey of smart television usage intentions (July 2011)

- Questionnaire-based survey on succession (2011) (July 2011)

- Survey of overseas expansion by consumer goods manufacturers and service industries (January 2012)

- Fact-finding survey on IDs for consumers and business operators (February 2012)

In fiscal 2011, NRI Group published 15 books bringing together the knowledge it has gained in its operations. In fiscal 2011 books on "big data" were particularly popular, in view of the general interest in businesses making use of data and cloud computing to help solve social and economic problems and raise value-adding for their operations, and the systems that support those businesses.

Main books published in fiscal 2011

- Currents in Next-Generation Financial Business 2011—Convergence on Global Standards and Expanding Business Sectors
  Nomura Research Institute, April 2011

- Business Leaders Discuss How to Train the Next Generation of Business Managers
  Nikkei Publishing Inc., July 2011

- National Infrastructure The Next Shift—What the New Re-Designing Will Be that Creates Markets and Jobs
  Toyo Keizai, Inc., August 2011

- Smart Money Economy (New Edition)
  Nikkei Business Publications, September 2011

- IT Operation and Management   Making Good Use of Proactive Tools: The "Senju Family" Born Out of Operating NRI's Data Centers
  Nikkei Business Publications, September 2011

- Commentary on Revised PFI Methods—Changes Under the Revisions
  Toyo Keizai, Inc., September 2011

- Business Innovation in the "Half Economy" Era—Root-And-Branch Business Innovation for an Era of Low-Growth
  Nomura Research Institute, September 2011

- Illustrations: A Map of Chinese Companies Set for Growth
  Chukei Publishing Company, October 2011

- The Era of Big Data Business: Post Cloud Computing Strategies to Steadily Produce Innovation
  Shoeisha, November 2011

- IT Navigator 2012
  Toyo Keizai, Inc., November 2011

- "Technological Development" —Will It Really Continue As Is? If We "Visualize" Technology, Will We See the Future?
  Business Line, December 2011

- IT Roadmap 2012—Information & Communications Technology 5 Years From Now!
  Toyo Keizai, Inc., January 2012

- Betting on Tomorrow—The Glory and Anguish of Central Banks
  Kinzai Institute for Financial Affairs, February 2012

- The Big Data Revolution—New Currents in the Japanese Model of Innovation Born Out of a Thousand Grumblings and Position Information
  ASCII Media Works, March 2012

- Knowledge Service Management—Etiquette and the Basics—
  Toyo Keizai, Inc., March 2012

- Click *here* for more on books.

In addition, the NRI Group published the monthly periodicals Knowledge Creation and Integration, which introduces issues of great interest in social and industrial fields, and IT Solutions Frontier, which provides a window into cutting-edge IT information as well as NRI's system solutions.

Nearly all of these monthly publications and reports are available to download from our website free of charge.

- Click *here* for periodicals.
- Click *here* for recommendations and research reports.

NRI publications

In addition to the above, we are communicating information, including recommendations, as well as research and survey findings on building the future society, to society at large through a wide variety of media.

Main Informational activities

	Fiscal 2009	Fiscal 2010	Fiscal 2011
Number of columns provided to newspapers and magazines	326	331	377
Speeches & Lectures	875	939	967
Appearances on TV and radio	77	68	92
Number of news releases	132	96	115

Seminars and forums on management and social issues

NRI holds seminars and forums for shareholders, customers and the general public to propose its roadmap for the future.

Its Dream up the future Forum is the largest of these events and has been held annually since 2003.

In October 2011 NRI held the Dream up the future Forum under the theme "linking dreams, building the future" in Tokyo and Nagoya, attracting altogether some 4,500 people.

With the current post-disaster state of Japan fixed firmly on everyone's minds,

the external experts and NRI employees serving as speakers and panelists at the Forum discussed what we can do in order to build a future for coming generations, as well as the outlook for Japan from this point. This forum also saw the first attempt by panelists to answer questions posted on Facebook.

Dream up the future Forum 2011 in Tokyo

Exhibitors' booths at the Forum in Nagoya

Main seminars and forums held in fiscal 2011

IT Roadmap Seminar 2011 (Tokyo, May & November 2011)
　　May— Making Use of Big Data Raises Companies' Competitiveness
　　　　and Contributes to Solving Issues Facing Society
　　November—Creating New Customer Value Through the Integration of
　　　　Smart Devices and Social Media

IT and New Society Design Forum (Chiba & Miyagi, August 2011)
　　Organized jointly with NTT Data Corp.:
　　—"Nihon wo TsukuriTsugu" Project

Dream up the future Forum 2011 (Tokyo & Nagoya, October 2011))
　　—Linking Dreams, Building the Future

NRI Human Resources Development Support Forum
　　(Tokyo, October 2011)

NRI New Year's Forum 2012 (Tokyo & Osaka, January 2012)

Development of Human Resources

Supporting the training of young people and managers who will lead the future

To train the torch-bearers for the next generation, NRI promotes the development of human resources both in Japan and overseas. Among a host of initiatives, NRI provides support for lectures for corporate managers at the Nomura School of Advanced Management, whose students also participate in formal visits to NRI. NRI also sends its employees to give lectures at universities, and it sponsors a student essay contest.

Helping to develop human resources for the future

Nomura School of Advanced Management helps train managers

The Nomura School of Advanced Management (NSAM) is a business school established in 1981 to train managers and executives. Its community benefit nature was recognized in November 2009, when it was accredited as a public interest incorporated foundation. Since NSAM's inception NRI has been involved in the operation of the school, where it has put its own research and management consulting experience and know-how to good effect.

With the aim of fostering outstanding corporate management professionals, NSAM runs four courses, including its "Advances Management Program." Over these past 31 years in all more than 5,600 future managers have completed just NSAM's main courses alone. In 2010 NRI and specialists from NSAM launched a research project into the issues that company managers currently face in the context of the tough environment that Japanese companies find themselves in today. This research included interviewing and conducting questionnaires of leading business managers and fact-finding missions overseas, and following extensive discussion, the results were put together in July 2011 in a book entitled Business Leaders Discuss How to Cultivate the Next Generation of Business Managers.

In August NSAM held a symposium to mark the 30th anniversary of its founding. The symposium was attended by over 500 participants, who included graduates of its courses. The results of the project were announced at the symposium, where suggestions were also made on how to train the next generation of managers, including a panel discussion on the topic. NRI will continue to help NSAM with its work in training the next generation of individuals who will be leaders in the field of managing companies.

A scene from the NSAM 30th Anniversary Commemorative Symposium

Business Leaders Discuss How to Cultivate
the Next Generation of Business Managers
Nomura School of Advanced Management &
 Nomura Research Institute
Nikkei Publishing Inc.
July 2011

Click *here* for the courses offered by the Nomura School of Advanced Management.

Sixth NRI Student Essay Contest

NRI has sponsored the NRI Student Essay Contest since 2006 to give university and high school students opportunities to consider Japan's future. For the Contest in 2011, the topic for university and exchange students was "Proposals for a New Japan Model of Society for 2025," and "My Dreams for Japan – My Country in 2025" for senior high school students. More than 1,000 students submitted an entry, and the ten winning essays were published both online and in book form.

Every year, NRI Group employees volunteer to solicit and screen entries. As part of this effort, the volunteers visit their old schools or seek essays from students at universities where they lecture. Guest judges were journalist Akira Ikegami and nonfiction writer Hazuki Saisho. We awarded 10 prizes.

From 2009, we gave winning university and exchange students opportunities to read their essays before the awards ceremony and exchanged views with our employees.

The contest winners reading out their essays at the essay presentation

Commemorative photo of the contest winners and judges at the awards ceremony

Inaugurating Tsinghua University Scholarship

In September 2009, NRI launched a scholarship at Beijing's Tsinghua University to foster China's aspiring IT experts.

Through this program, we will provide the equivalent of ¥12 million in funding over five years for exceptional students of the university's School of Information Science and Technology. We provided scholarships to 14 students from September 2009 to November 2011, and they use them to attend the academic workshops in Japan or China, for example. We aim to continue cultivating talent in Japan as well as in China and elsewhere in Asia.

Supporting career education

In fiscal 2011 the NRI Group hosted visits from students and sent out its employees to speak at schools in response to requests from 33 schools in Japan and other countries. This year the NRI Group also began offering the "NRI Systems Engineer Personal Experience Program," whereby students can learn about information systems and the work of systems engineers. Along with the NRI Consultant for a Day Program, Training in Team Building, and Lectures on Demand, NRI offered an extensive range of career education programs that can help students with a view of careers and a "zest for life." In fiscal 2011 in total over 1,300 students took part in these programs, ranging from junior high school students to postgraduate students.

NRI Consultant for a Day Program

NRI Systems Engineer Personal Experience Program

Supporting the network for Economic Education for middle and high schools

NRI supports the activities of the private organization Network for Economic Education, which was established in June 2006 to improve the education of economics in middle and high schools. This network provides educational information on economics for instructors and holds workshops with the aim of improving the education of economics.

Offering courses at universities and appointing lectures

The NRI Group dispatches consultants and system engineers to universities in Japan and overseas to give lectures on management and IT. In fiscal 2011, 54 NRI employees gave talks at 26 universities.

Lectures given at universities in fiscal 2011

University	Department/Faculty	Name of lecturer
Hokkaido University Graduate School	Research Faculty of Media and Communication	Michio Kitamura / Takeshi Nomura / Yoshiaki Saito
Tokyo Institute of Technology Graduate School	Graduate School of Decision Science and Technology	Noboru Shiomi
Nagoya University Graduate School	School of Informatics and Sciences	Hideaki Nakamoto / Mitsuyoshi Sugaya / Noriya Kobayashi
Japan Advanced Institute of Science and Technology	School of Knowledge Science	Naoki Ikezawa / Hiroyuki Nitto / Akira Terasaki
Shiga University Graduate School	Graduate School of Economics	Manabu Fukuchi / Naoji Kumagai / Hideyuki Yamada / Takeshi Murakami / Masato Hasegawa
Kyoto University Graduate School	Graduate School of Informatics	Makoto Yokozawa / Takafumi Kinoshita
Kobe University Graduate School	Graduate School of Business Administration	Chikashi Shimura / Takeshi Murakami / Kenji Yamada

Courses given at universities in fiscal 2011

University	Department/Faculty	Name of lecturer
Miyagi University	School of Project Design	Tokutaro Hiramoto
University of Tsukuba	Graduate School of System & Information Engineering Graduate School of Business Sciences	Osamu Nimura / Katsuya Masuda Sadakazu Osaki
Aoyama Gakuin University	Graduate School of International Management	Yoshio Murata
J. F. Oberlin University	College of Business Management Department of Aviation Management Airline Business Program	Shinichi Ishii
Komazawa University	Faculty of Business Administration	Hiromichi Yasuoka
Sophia University	Faculty of Law Faculty of Science & Technology	Hiroyuki Inami / Tsuyoshi Sakaguchi/ Kazuhiko Komamura Junichi Sakamoto
University of Tokyo	Graduate Schools for Law and Politics Master's Program in Sustainable Urban Regeneration Graduate School of Public Policy	Sadakazu Osaki Hiroya Masuda Katsuhito Hasuike / Hiroya Masuda
Tama University	School of Management and Information Sciences	Satoshi Nakagawa
Chuo University	Faculty of Science and Engineering Graduate School of Accounting Graduate School of Science and Engineering Graduate School of Strategic Management	Takao Shiino Tomohiko Taniyama Masaaki Uto Hiromichi Yasuoka

University	Department/Faculty	Name of lecturer
Nihon University	College of Humanities and Sciences	Junichi Sakamoto
Hosei University	Business School of Innovation Management	Masaru Tsunoda / Kouichi Nishikata
Waseda University	Graduate School of Creative Science and Engineering Graduate School of Commerce, Waseda Business School	Yasushi Konno / Takayuki Nakagawa Sadakazu Osaki
Shiga University	the Awaumi Regional Policy Forum Center for Community Partnership	Koichiro Mizukami Masatoshi Senoo
Osaka University of Economics	Graduate School School of Business Information Systems	Sadayuki Horie
Kyoto University	Graduate School of Management	Touichi Kimura
Kochi University of Technology	School of Management	Munehiro Kurosaki
Kyushu University	Graduate School of Information Science and Electrical Engineering	Osamu Nimura
National Taiwan University	College of Management Executive MBA	Yoshikuni Tazaki
Dalian University of Technology	Department of Electrical and Electronics Engineering	Masaki Yokoi
Dalian Jiaotong University	Information Engineering Institute	Masaki Yokoi

Development of Society

Helping to build a better social framework

The NRI Group is a member of a number of business organizations, including Nippon Keidanren (Japan Business Federation) and the Japan Information Technology Services Industry Association (JISA). The Group actively participates in committees related to central government, local government and independent administrative entities, and collaborates on demonstration projects with them.

Through this involvement and by making recommendations at international conferences, NRI discerns new social paradigms, and proposes a social framework as well as the policies and schemes needed to realize it.

Holding IT and New Society Design Forum

Together with NTT Data Corporation, since 2009 NRI has embarked on a variety of initiatives to bring greater vitality to the IT services industry. One such initiative has been the IT and New Society Design Forum, and in fiscal 2010 NRI and NTT Data Corporation declared that they would launch this Forum as a "platform" where ideas for helping to solve social issues could be shared and the means for achieving those solutions could be designed.

In fiscal 2011, based on last year's declaration, two main projects were promoted, with the themes of "Nihon wo TsukuriTsugu" and "A Tenfold Increase in "design-type" human resource." One of those projects, conducted over the summer, was the "Nihon wo TsukuriTsugu," Project which invited young people with opinions and assertions about what Japan should be from now on, to submit sustainable ideas for the nation to achieve a happy future. 62 students and young adults in the community between the ages of 16 and 25 from all over the country were divided into teams to develop ideas about rebuilding following the Great East Japan Earthquake. Employees from both NRI and NTT Data Corporation interacted with the participants and injected some "design thinking" while providing support with giving shape to the participants' ideas. Lastly four teams of 21 participants put together their own policy plans after surveying the affected areas themselves and exchanging ideas with university professors and people living in temporary housing in Miyagi Prefecture. Some of the policies were actually kick-started as part of rebuilding.

A workshop in the "Nihon wo TsukuriTsugu," Project

A team of participants reading out the policy they designed

Working together to realize a beneficial ICT society

With the spread of information and communications technologies (ICT) such as the internet, broadband communication and social networking sites, along with the services based on these technologies, society has evolved to the point where it will be possible to link to networks "anytime, anywhere, about anything, with anyone." Describing this phenomenon as a ubiquitous network society, since 2000 NRI has published numerous papers and books on the outlook for this society, helping to shape policy for realizing this goal. In recent years there have been new developments in areas such as cloud computing, the big data revolution and smart devices, and we have reached a stage where ICT will be utilized even further in the realms of business and people's daily lives. The NRI Group is promoting initiatives for governments to make better use of ICT to raise their citizens' living standards, and for other entities to increase their international competitiveness.

The Japanese government has been studying for many years the issue of a single ID number system under which a number would be assigned to each Japanese citizen and used to identify that individual in the administration of government services. In May 2010, as part of drafting "A New Strategy for Information and Communications Technology," in an effort to tie in with its investigations into a single ID number for social security and taxation purposes, the Japanese government announced a national ID system as a key common device that will protect personal data and enable national and local government bodies to align their data. The "My Number" bill was presented to the Japanese Diet in February 2012, and the legislation is targeted to come into operation in 2015. Deliberations on the bill are continuing.

Drawing on its experience in supporting a demonstration project of the Ministry of Economy, Trade and Industry and the Ministry of Internal Affairs and Communications for the rollout of a national ID system, as well as on its experience in conducting studies and verification of the potential for coordination with private sector ID schemes, NRI employees at all levels have been participating in the deliberations of the Strategy Headquarters, and have been assisting in the drafting of its strategies. In addition we have been providing support for the international application of OpenID technology, a user authentication technology used on the Web, taking part in the founding of OpenID Foundation Japan, a juridical entity

organized to disseminate and educate people about the technology in Japan. NRI is also involved in the running of this foundation, with an NRI employee having been appointed as its representative director since its inception. An NRI employee has also been appointed as chairman of the OpenID Foundation in the US since fiscal 2011, and is working with American businesses on the international standardization of OpenID.

In fiscal 2011, based on its knowledge and experience to date, NRI compiled the results of its search for what a single ID number system should look like into the form of the issues and solutions faced in realizing the system. NRI has been putting these issues and solutions forward in many forms of media including newspapers and magazines, and has been providing forums to share information and discuss these issues with members of the public. In April 2012, to educate people about the My Number legislation, NRI released a book entitled A Complete Commentary: The Single ID Number System.

By educating the Japanese public about the single ID number system which will link directly to their lives, and by putting forward global plans for new OpenID technologies, NRI is taking a leadership role in the building of a piece of national infrastructure that will enable the safe and secure sharing of data online.
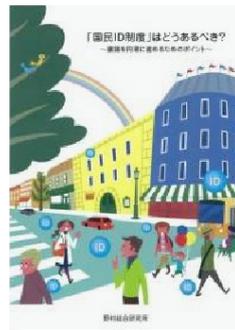
What Should the National ID System Be?
  Points to Facilitate the Discussion
Nomura Research Institute
April 2011

A Complete Commentary: The Single ID Number System. Facts About the My Number Act: Will Privacy Be Protected?
Nomura Research Institute, Koji Yagi
ASCII Media Works
April 2012

We are also involved in developing guidelines related to international policy, and in assisting policy coordination planning. In fiscal 2011 NRI executives and general staff members, in the capacity of experts sent by the Japanese government and of industry representatives in a member country, participated in information communications policy and the Green Manufacturing Summit for the Organization for Economic Co-operation and Development (OECD) and Asia-Pacific Economic Cooperation (APEC). As well as present arguments on new information communications trends, our representatives put forward recommendations on policy coordination, the roles to be played by national governments, and Public Private Partnership (PPP).

Through these activities we will make a contribution to building a framework for a better society.

Supporting BoP business to address social issues in developing countries

Low-income households, namely with an income of $3,000 or less a year, make up around 70% of the world's population. This group of people is also called the Base of the Pyramid, or BoP. There is a proposal under the UN Millennium Development Goals to cut the BoP population by 2015 to half its size in 1990 in order to eradicate extreme poverty. To achieve this goal, under the lead of governments around the world international organizations, private sector businesses and NGOs are working together on initiatives to provide solutions. In recent years, companies particularly in Europe and America have been helping to provide solutions to social issues through their business operations, starting with the public health and disease issues that poorer populations face. Examples have also started to emerge of the creation of employment opportunities in local regions.

Making use of the know-how it has built up through the broad range of investigation, research and consulting services it has conducted with regard to BoP business, NRI has been contributing to a wider acceptance and awareness of BoP business by enthusiastically signing on for the public lecture campaigns organized by economic and industry associations, classes and lectures at Miyagi University and other academic institutions, as well as media stories sought by newspapers and magazines.

In fiscal 2011, in the January 2012 edition of NRI's monthly research journal Intellectual Asset Creation, we published an article entitled "Putting BoP Business into Practice as the Obvious Strategy of Choice in Emerging Economies and Developing Countries." In February 2012, jointly with the International Finance Corporation (IFC), we held a seminar entitled "BoP Business as the Obvious Strategy of Choice in Emerging Economies and Developing Countries: The Reality of Promising Areas and 'Inclusive Business' in World Markets." This seminar raised proposals concerning the issues involved in promoting BoP business around the world by 2030, including strategies for overcoming those issues. It also looked at the conditions required to get BoP business and related projects and initiatives operational in practice in those emerging economies and developing country markets where Japanese firms are expanding their business.

An NRI employee giving a lecture at the seminar held jointly with the IFC on "Markets in Emerging Economies and Developing Countries"

By striving to develop solutions for the issues that societies in emerging economies and developing countries face, and to bring energy to BoP business tied to activities by companies that will create markets, NRI will continue to support the social development of the community in those countries.

Other Contributions

NRI executives and general staff volunteer for social contribution activities as good corporate citizens

Local area cleanup activities

Since September 2007 NRI has been conducting monthly cleanups in areas near its offices in Kiba, Koto-ku, Tokyo, and Hodogaya-ku, Yokohama City, to care for the appearance of its local area. In 2011 some 500 volunteers in total took part. Local cleanup activities are also being organized by NRI data centers as part of their environmental improvement activities. (See "Environmental Protection.") In October NRI employees participated in the "Osaka Marathon Operation 'Clean Up'," a mass public cleanup held in Osaka City, and they also organized cleanups for the Osaka Data Center's neighborhood.

Cleanups in progress
Top left: Near the Yokohama Center
Top right: Near the Kiba Center
Bottom left: Near the Osaka Data Center

NRI donates money for school meals for African children through the Table for Two program

NRI has participated in the Table for Two (TFT) program since May 2008. In this program, companies in developed countries provide healthy menu options at their employee cafeterias and other venues, and donate 20 yen for every meal bought by the employees. This money pays for school lunches in developing countries. Donations by employees who eat there are matched by an equivalent donation by NRI.

In fiscal 2011, NRI and its employees were able to donate enough to supply

16,658 meals for African children through the nonprofit organization Table for Two International..

TFT lunch at the Yokohama Center staff cafeteria

Donating used computers to further IT education and promote earthquake reconstruction

In order to support IT education and vocational training, we have been donating used PCs from our offices in cooperation with T's Future Co., Ltd. sice 2007.

In all we donated 65 old PCs: five in November 2011 to Miyako City in Iwate Prefecture, which was hit by the March 11 Tsunami, and fifty to the Fukushima Prefectural Iwaki Kaisei High School, and ten in December 2011 to the Sendai Chamber of Commerce and Industry in Miyagi Prefecture.

NRI will continue to donate PCs as our contribution to IT education, which supports human resources development.

Students of the Fukushima Prefectural Iwaki Kaisei High School setting up the computers in their temporary computer classroom.

Donation of emergency relief money

On March 14, 2011, immediately following the disaster, we made a corporate contribution of ¥30 million to the Central Community Chest to support disaster victims. We held three donation drives in March and June 2011 and February 2012 seeking emergency relief and assistance funds from NRI Group employees, including those at its overseas subsidiaries, and including the amount donated by NRI itself to match the amount raised from employees, in all ¥119 million was handed over via Keidanren to the Central Community Chest (with some going to the Japanese Red Cross Society). Emergency relief and assistance funds from the NRI Group for damage arising from the Tohoku Earthquake have now totaled ¥149 million.

● Click *here* for NRI Group activities to aid in recovery from the earthquake disaster.

Engagement with Stakeholders

Our core stakeholders are our clients, employees and their families, shareholders and investors, and business partners, but in a broader sense, our stakeholders encompass consumers, the media, regional communities, industry organizations, competitors, governments, educational and research institutes and students as well as NGOs and NPOs. While maintaining close communication with our various stakeholders in ways suited to their particular qualities, we intend to build a better future society and stronger bonds of trust with society.
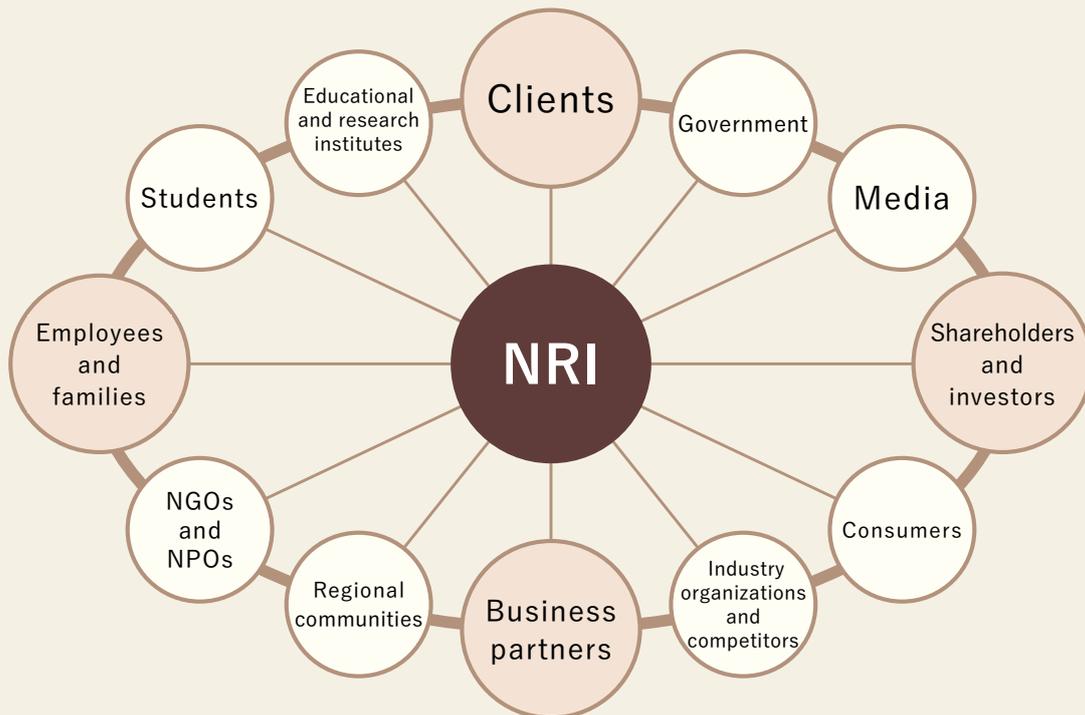
Engagement with Clients

Earning clients' trust and making steady progress together

Plan

As well as display integrity in its business activities with its clients, the NRI Group strives to fulfill its contracts and provide clients with exactly the services they wanted.

[Major plans for fiscal 2011]
- Carry out client satisfaction surveys
- Hold forums for clients

Do

Comprehensive assessment of client assignments

NRI decides to accept an assignment from a client only after due consideration of its responsibilities as a contractor. These responsibilities include meeting quality standards and deadlines, as well as accepting the legal, ethical and business risks of the project. This process includes credit screening using information provided by credit rating agencies and other analysts in Japan and abroad, as well as deliberations for each project by the Senior Management Committee as well as meetings held in each division. Using such materials as proposals and estimates at each of the committee and meeting levels, a decision is made on whether to take on a project after conducting a comprehensive assessment that considers the project's possibilities, growth potential and social impact.

Client satisfaction surveys

NRI conducts client satisfaction (CS) surveys for its projects to ensure that valuable insights from clients lead to better service.

These surveys give clients an opportunity to evaluate the overall project and also to express their opinion on NRI's ability to propose individual solutions and address problems.

The Quality Management Department compiles the survey results and analyzes Company-wide trends to provide the division in charge with feedback on survey responses. Follow-up and measures to improve each situation are taken to help raise service quality.

Do

Flow of NRI's CS survey

Distribution of survey sheets → Responses →

Analysis
- Evaluate satisfaction scores
- Evaluate priority items
- Evaluate items based on client expectations
:

Follow-up with clients, who expressed dissatisfaction (client visits, etc.)

→ Plan measures to improve client satisfaction → Implement improvement activities and monitor progress
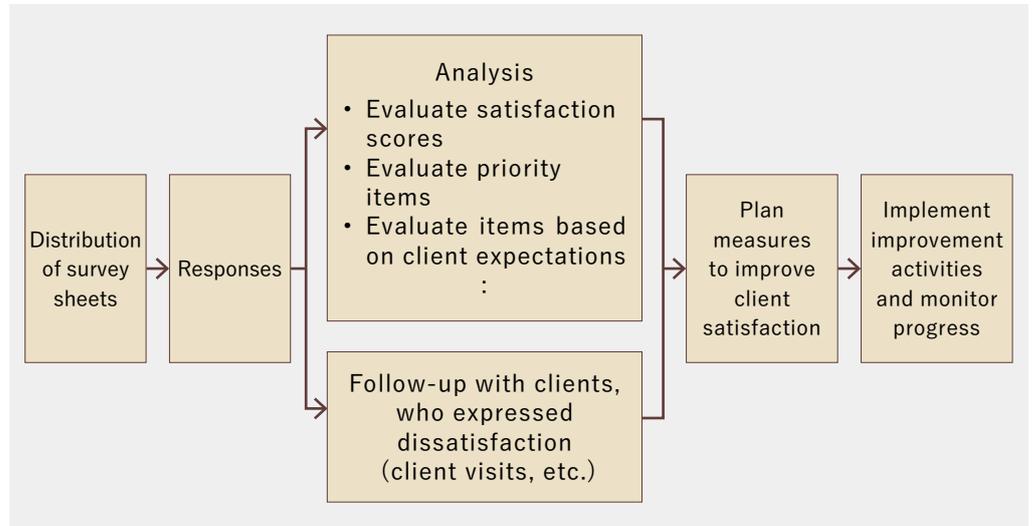
Analytical results of fiscal 2011 CS survey

Areas receiving a high assessment

- Specialized knowledge and technical skills related to systems
- Adherence to schedules and deadlines
- Consideration of information security

Areas expected to improve

- Intelligibility of manuals
- Clarity of rationale for estimates and prices

NRI holds forums for clients

The NRI Group holds forums addressing management and social issues to assist clients in meeting their business objectives. (See "Propagation of Intellectual Assets")

Check & Act

[Fiscal 2011 evaluation]
- Carried out client satisfaction surveys and took follow-up measures
- Held forums for clients in Tokyo, Nagoya, etc
- Promoted field-specific activities such as seminars organized by each division

[Major plans for fiscal 2012]
- Continue to carry out client satisfaction survey and assess the effectiveness
- Continue to hold forums for clients

Engagement with Employees (1)

Equitable human resource development to train highly specialized employees

Plan

The NRI Group 's basic policy advocates equitable human resource management based on performance and ability as well as the utmost respect for individual personalities and rights.

The NRI Group's human resource management structure has three main components: assessments based on performance, results and ability; discretionary work styles; and the assessment and human resource development system. This system ensures that employees can demonstrate a high level of skills and are treated in a manner that befits professionals.

[**Major plans for fiscal 2011**]
- Promote diversity management
- Strengthen support for career and skills development
- Undertake Initiatives for establishment of a corporate culture of cultivating human resources

Do

Equitable employment and human resource practices

Appropriate assessment of ability, expertise and skills

The NRI Group has made a commitment to employ and compensate employees on the basis of an appropriate evaluation of an individual employee's various abilities, expertise and skills, without discriminating on the basis of gender or age.

In addition to recruiting new graduates, NRI hires mid-career candidates and people with disabilities throughout the year. In its briefings on the Company when hiring new personnel, NRI presents factual information based on the concept of a realistic job preview (RJP)*.

In order to foster a greater understanding of the industry and the company, NRI organized opportunities for work experience through internships and held briefings on the Internet as part of is new graduated hiring program, making it easier for students outside of the Tokyo metropolitan area to participate. In addition, NRI actively hired people with job experience overseas and other candidates with a global mindset to ensure a diverse group of employees.

* RJP:
Realistic Job Preview. RJP refers to attempts to present both the positive and the negative aspects of job responsibilities, work environment and corporate culture to prospective employees to as comprehensive an extent as possible.

NRI Group workforce

	FY2007	FY2008	FY2009	FY2010	FY2011
Total number of employees	5,711	6,118	6,263	6,594	6,881
Total number hired annually	598	594	529	540	535

Do

Employment trends by type

	FY2007	FY2008	FY2009	FY2010	FY2011
Total number of employees	4,714	5,030	5,314	5,560	5,739
Women	720	787	854	925	971
Specialists and trainees	4,135	4,448	4,714	4,961	5,124
Women	405	469	529	593	628
Senior specialists	1,566	1,658	1,748	1,870	1,976
Women	35	47	56	69	82
Employees with disabilities	77	79	84	83	86
Employees with disabilities (% of total)	1.8	1.7	1.8	1.7	1.7
New hires for the year	449	474	427	416	380
Women	88	104	97	96	100
Turnover (% of total)	2.9	2.4	2.3	2.5	3.1
Average employment period (years)	11.1	11.2	11.4	11.7	12.0
Average salary (thousand yen)	11,734	11,107	11,402	10,506	10,518

Job categories
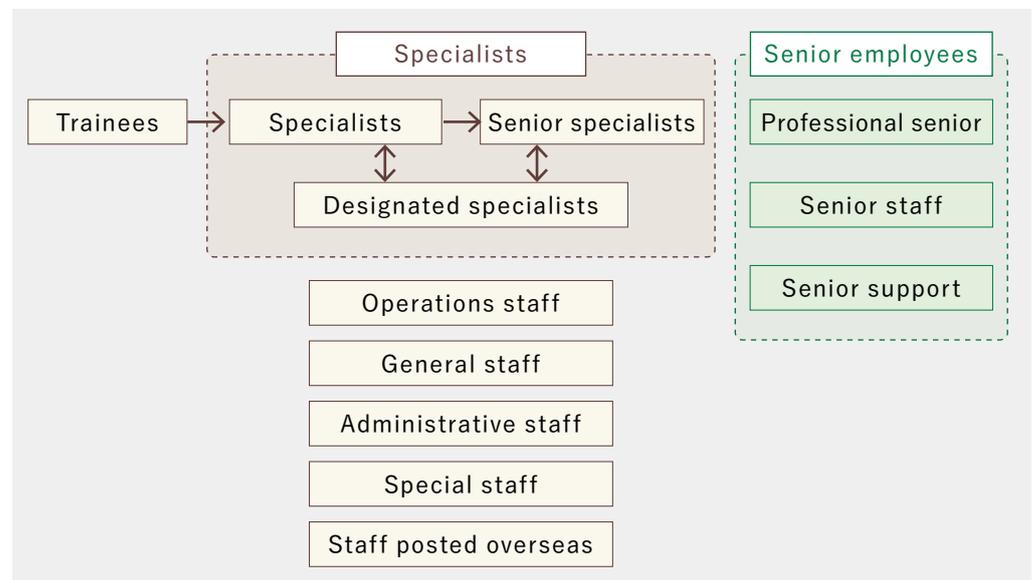
Creating a work environment conducive to disable people

The NRI Group promotes the hiring of people with disabilities. In fiscal 2011, NRI hired an additional nine people with disabilities, with the proportion of such employees making up 1.7% of the workforce. NRI remains committed to the employment of people with disabilities, as demonstrated by its participation in job interviews for disabled people sponsored by corporate associations. NRI has also appointed an internal counselor for people with disabilities in each business

Do

division to help create an environment that is conducive to supporting their job performance.

Hiring and promoting female employee

The NRI Group actively works to hire female employees to develop their abilities and to promote them to management positions. As of March 31, 2012, female employees accounted for 16.9% of NRI's employees. NRI also endeavors to create a workplace that is conducive to the performance of its female employees. The Company did not begin to hire new female graduates for trainee positions in substantial numbers until 1990, and now more female employees are joining the ranks of managers.

In addition, with the aim of achieving equality for women in the workplace, since fiscal 2008 the NRI Women's Network (NWN) has been developing activities with the three objectives of supporting career development for female employees, supporting a balance between work and raising a family, and cultivating a corporate culture in which women can play an active part. The NWN annual conference, the main aim of which is for female employees to build up their own network, is held for the first of those objectives. Career consultants were invited to the fiscal 2011 NWN Annual Conference as guest speakers, and there were formal presentations and discussions among the participants about the importance of taking a stance of carving out one's own career. An internal information website on NWN activities was set up, and training programs were conducted for female employees raising a family and their managers. Finally, through working groups guided by female specialists, managers and female employees exchanged ideas and opinions, and issues and actions for the future are being explored.

Dialogue with the Labor Union

NRI has a union shop contract with the Nomura Research Institute Labor Union (3,606 members as of March 31, 2012). Through collective bargaining and informal meetings, NRI frequently discusses various issues with the union, including financial benefits and aspects involving human resources management and the work environment.

In fiscal 2011, taking "let's be the world's top company for providing fulfillment at work for each of us and our colleagues around us" as the theme for its activities, the Union undertook initiatives to raise its members' incentive for work and to achieve a balance between work and home life. Findings from the survey of employees' attitudes conducted annually by the Union, as well as issues that come to light in deliberations at Union branch meetings and seminars, are reported to NRI's executive management to inform its drafting of HR policies.

The Union has also taken it on itself to hold a range of seminars to raise the level of employees' awareness of the mechanics of the personnel evaluation process, as well as of the maternity and child care support programs available to make sure that everyone knows how to access these programs. The Union also organizes activities to help employees get more out of their leisure time, such as

Do

special excursions to Disneyland.

NRI and the labor union engage in dialogue and share the common goal of building a company in which employees are able to find self-fulfillment through their respective work activities.

Framework for dialogue with labor union
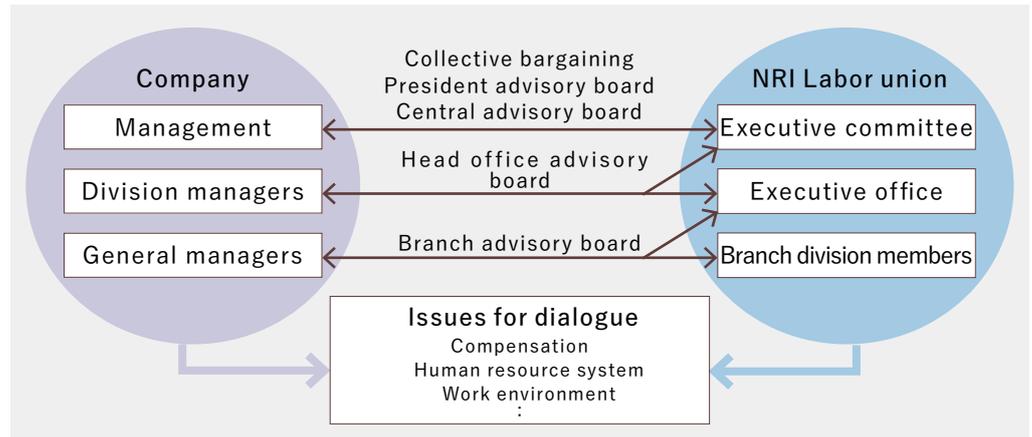
Support for career and skills development

Program supporting career development

The NRI Group takes an active role in training its employees for professional positions. The Group provides its employees with a human resource development program centered On-the-Job Training (OJT), which improves knowledge and ability through a variety of jobs, combined with training programs and self development.

In fiscal 2011, as a program to strengthen the training of more professional staff equipped to handle global business, we initiated an overseas trainee scheme to provide practice-based training that incorporates on-the-job experience overseas.

Under this scheme, an employee is sent to an overseas office of NRI or one of its clients for one year. During this period, in addition to practical business training, the employee also undertakes external training, for example in the relevant foreign language. In fiscal 2012 seventeen employees will be sent to North America, Europe and Asia, and each year around 20 employees will be sent in the future on an ongoing basis.

In addition to this scheme, for some years now NRI has also been conducting an overseas study program, where an employee gains a degree from an overseas university, and an overseas training program, where an employee enrolls in a short course at an overseas business school to study business management, or spends a few months in China or India learning the basics of systems development in Chinese or English. We will be bolstering these programs also, and together with the overseas trainee scheme, our plan is to send between 100 and 150 employees overseas for training each year.

Do

Our Global Personnel Development System

Overseas postings (for business leaders and managers)		
First overseas posting	Overseas study	Overseas trainee scheme
Global SE basics training		
Language training / short-term overseas training		
Global personnel		
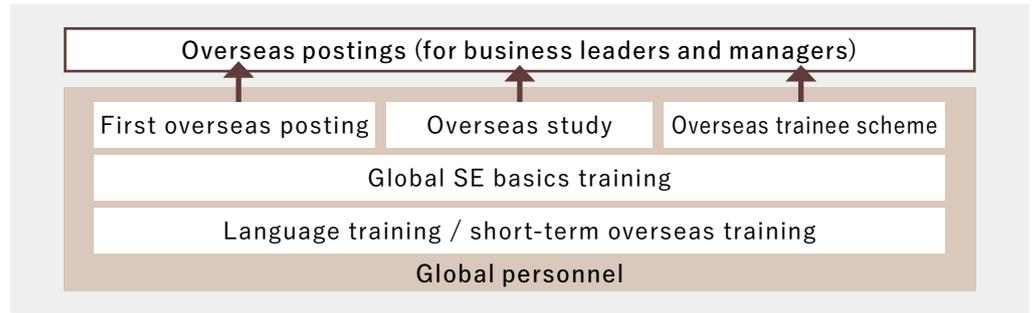
C&A System to support skills development

The NRI Group has established the Challenge & Act (C&A) program to support employees' voluntary and systematic skill development.

In the C&A program, managers meet regularly with specialists and trainees to set individual goals and review and assess achievements. Performance goals are set at the beginning of the fiscal year and again six months later, while skill development goals are set only at the beginning of the fiscal year.

Progress on these goals is regularly reviewed during each six-month period, with supervisors guiding employees in achieving their goals. This system supports the development of employees according to their own aspirations and character.

C&A Program Outline

Management strategy

Human resource development structure and capability requirements

Organization policy and goals

Various training

Targets setting (C&A interview)

Individual learning

Development

Half-year activity

Observation

Coaching

Review of accomplishments (C&A interview)

Performance

Evaluation of capabilities
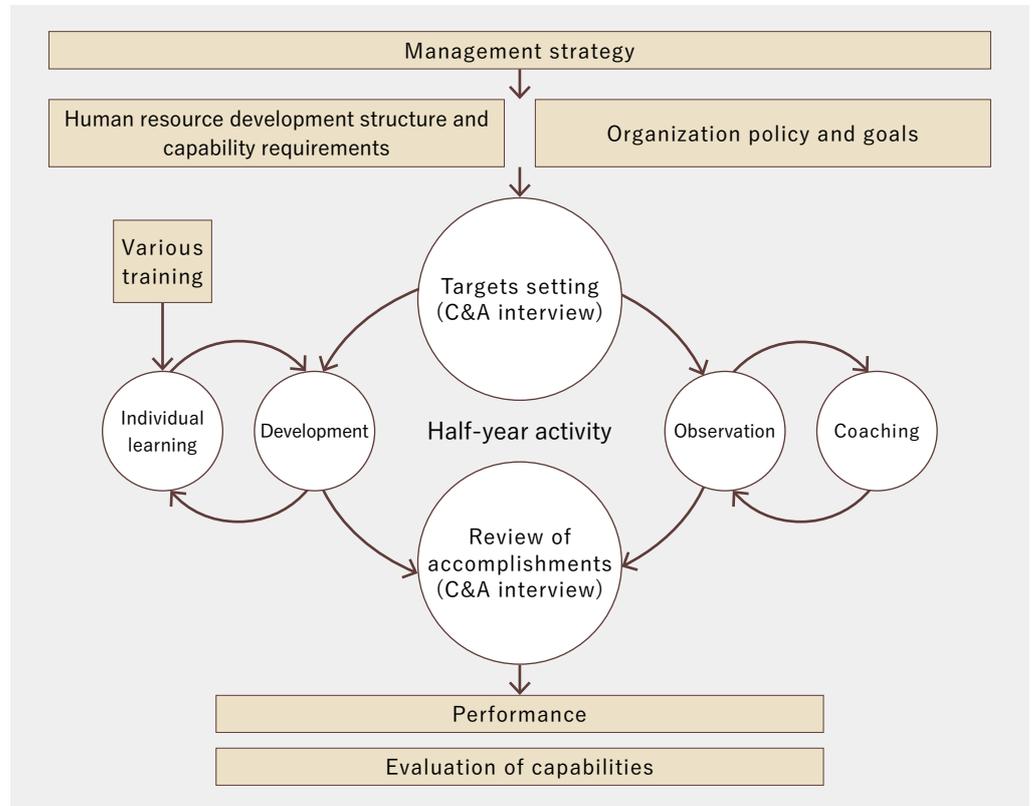
* AHEAD stands for:
  Assist
  Human Expertise
  Ability
  Development

AHEAD program *

NRI supports its career development with its Assist, Human Expertise, Ability and Development (AHEAD) program, an internal diagnostics survey of human resource

Do

training by questionnaires to its employees. These results are analyzed, and the supervisor's guidance and training of his/her subordinates is ascertained in each organization. This has proved helpful in raising awareness about employees skill development.

Aspirations program

The NRI Group has established an "aspirations program" enabling all employees to meet directly with the Personnel Department manager every six months to discuss issues related to current work responsibilities, workplace environment and future career path. This program is used to support employees' self-development and ensure that the right employee is assigned to the right position.

Improving group training

The Human Resources Development Center works together with an employee from each division, who has responsibility for human resource development to plan and conduct various training programs and courses tailored to the needs of each division, and to introduce external training programs.

In fiscal 2011, in additional to our existing forms of training, we added to and expanded our development programs based on Growth Story, our guidelines for growth for young systems engineers. We also built on and expanded our overseas training program, and implemented policies with the development of global employees in mind.

NRI has had arrangements in place for the on-the-job training of its employees, such as the instructor system whereby new employees are each assigned a more senior employee who will act as their guide over a period of one year. In fiscal 2011 NRI launched new forms of training, including training for female specialists raising a family and their managers, and workshops for thinking about career plans. The cost of training for the entire NRI Group in fiscal 2011 was ¥1,567 million. NRI continues to invest in human development, providing training for acquiring public certification.

Number of NRI Group employees obtaining certification

Type of Certification	Number of Certification Holders
Information Processing Engineer's Certification (advanced)*	2,256
IT coordinators	163
Project Management Professional	165
ITIL Manager	38
Securities analyst certification members	213
US-certified securities analysts (CFA)	3
Certified public accountants	6
US-certified public accountants (CPA)	6

* Information processing engineers (advanced):

The NRI Group classifies information processing engineers, excluding IT passport, basic IT and applications engineers, as "advanced."

Do

Type of Certification	Number of Certification Holders
Certified tax accountants	4
Patent attorneys	8
Small-business management consultants	32
Actuaries (full & assistant)	3
First-class registered architects	11
Chief Telecommunications Engineers	103

NRI certification scheme for professionals

The NRI Group has established the NRI certification scheme to certify professionals with a high level of expertise. This program helps employees working in system analysis to map out their future careers.

As of March 31, 2012, 242 employees had been certified through this program.

Outline of the NRI certification system
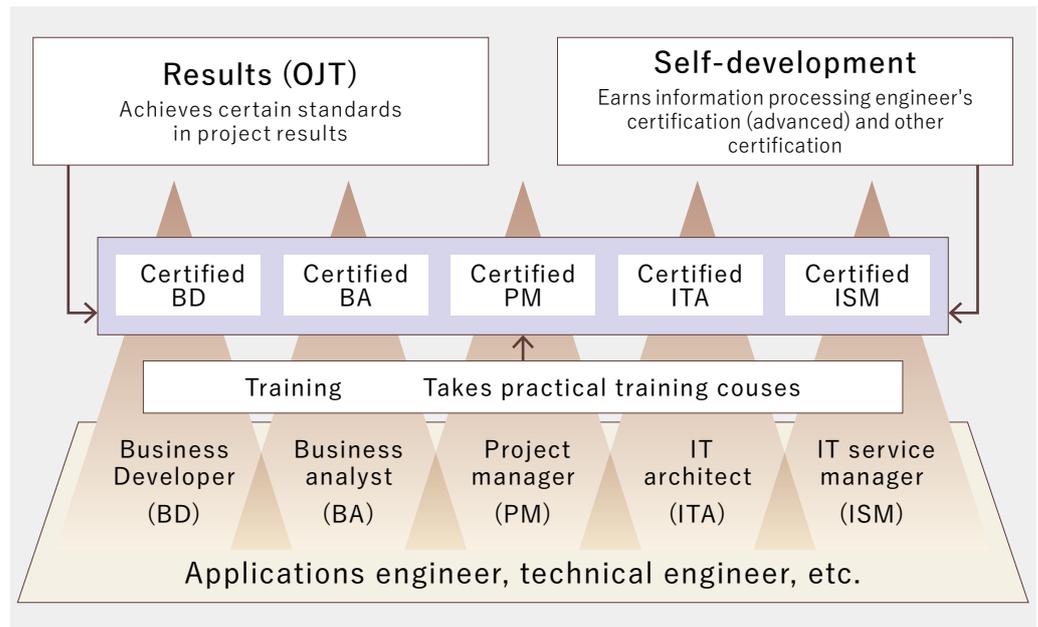
Initiatives for cultivating a corporate culture of human resource development

In fiscal 2011 NRI started NRInnovation! Forum (NIF), a new initiative designed to uplift our employees' mindset and culture.

NIF is a forum for our employees to build networks with each other to discuss, explore and raise proposals regarding internal company issues, guided by "Challenge the Status Quo, Innovate Ourselves," the vision slogan of Vision 2015, and with a view to enhancing our employees' mutual respect for each other. Our aims for NIF are to organically integrate similar activities that previously have been conducted separately, to build networks of personal connections and the spirit of mutual respect through discussion outside formal structures, and to play a part in the creation of new business.

Do

NIF is broadly made up of four categories, as show in the table below. Each has its own forum and bottom-up activities organized by volunteering employees.

Outline of NRInnovation! Forum

NRInnovation! Forum

	Human resource development	NWN	Global business	Creation of new business
Forum	Increase employees' awareness of the importance of human resource development	Learn about different work styles and career bath options that enable women to work more positively, and share the knowledge and expertise to realise their happiness at work	Understand changes that have been taking place in global business, both within and outside a company, recognize the necessity of dealing with the changes, and take the initiative	Stimulate innovative behavior by promoting recognition of the importance of new business creation within the company
Bottom-up activities	Discuss on-the-job issues brought up by employees, and examine measures that would be needed	Study, recommend and enforce measures and management system to foster a better working environment for women	Based on independent research into overseas cases, discuss global business plans as well as ideas for improving global knowledge management	Ceate information exchange opportunities for employees aspining to internal startup ventures, encourage information sharing about know-how and experience in business creation, and foster a creative organizational climate that is open to challenges for new businesses

NRInnovation! Forum General Conference

Overall activities of the NIF are reported at
the annual NRI Innovation! Forum General Conference

As well as hear lectures by guest outside experts, messages from President Tadashi Shimamoto and case studies from within and outside the organization are discussed in common, deepening awareness toward each category. Employees form new networks through these discussions with their colleagues.

The bottom-up activities bring together principally younger employees from different divisions, driving debate forward on issues and ideas on an ongoing basis.

Do

Left: Discussion at an NWN forum
Right: NRI President Shimamoto and participants in a discussion at an NIF General Conference

Dream up the future Award

NRI initiated the Dream up the future Award in 2004 to encourage NRI Group employees to engage in future-building initiatives consistent with the NRI Group's corporate philosophy, "Dream up the future." The award is given at the beginning of the calender year. In 2011, the eighth year of the award, NRI recognized a total of four teams.

Check & Act

[Fiscal 2011 evaluation]
- NRI Women's Network (NWN) supported career development for female employees
- As a program to strengthen the development of global human resources, launched the overseas trainee scheme
- Oversaw the evolution of NRInnovation! Forum, a new initiative designed to uplift our employees' mindset (and culture)

[Major plans for fiscal 2012]
- Promote gender equality in management (ongoing)
- Build on and expand human resource development programs

Engagement with Employees (2)

Creating a healthy, comfortable work environment

Plan

The NRI Groups basic policy is to provide its employees with a safe, healthy workplace, and this commitment includes promoting work-life balance.

[**Major plans for fiscal 2011**]
- Promote use of childcare support programs
- Improve work environment

Do

Build a better workplace environment and system for employee

System supporting maternity, childcare and care-giving

To comply with the Next Generation Nurturing Support Measures Promotion Law (hereinafter, "Next-Generation Law"), we have achieved the goals defined in the Phase Ⅲ action plan for general business owners that were set out to support employees in balancing work and childcare and we satisfy the certification standards under the Next-Generation Law. Because of this, NRI has been granted continued use of the "Kurumin" certification logo in May 2010. From April 2010, efforts are being made to support employees in balancing both work and childcare based on the Phase III Action Program (April 1, 2010 – March 31, 2013).

In addition to these plans, we are designing improvements to our processes that will be easier to use and understand. One example of that is the change we made in April 2011 to the application of our Childcare Voucher scheme, whereby we relaxed both the conditions of use and the maximum number of discount vouchers available for any one application.

When employees apply for leave under this scheme, they are offered individual counseling the Personnel Department. Other activities are being organized to encourage greater awareness and use of the scheme, with improvements to way that the leave program is presented on our intranet and the way that the scheme is presented in management-level training programs.
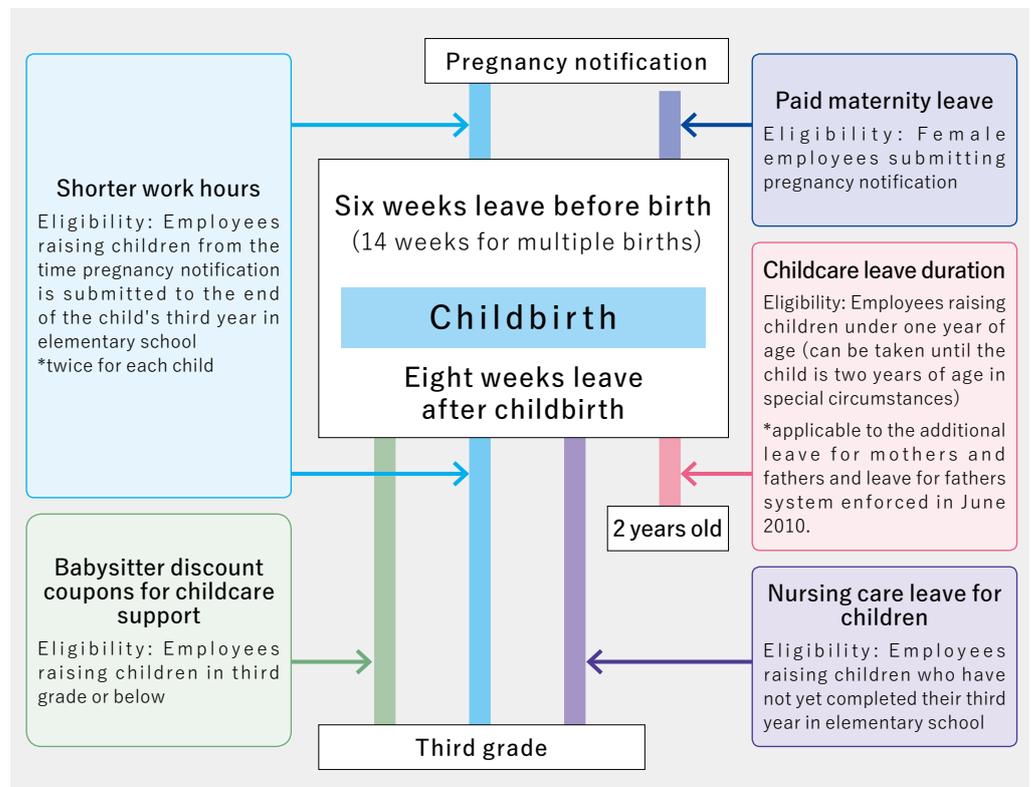
Certification logo ("Kurumin")

Do

Numbers of employees who took childcare or family care leave*

(No.)

	FY2007	FY2008	FY2009	FY2010	FY2011
Paid maternity leave	6	8	9	9	7
Childbirth leave	36	37	40	30	55
Childcare leave	23	40	45	36	60
Of whom male employees	0	5	3	7	10
Family care leave	1	0	1	4	3

* Number of employees who started leave or applied for leave during the year.

NRI's programs supporting maternity entitlements and childcare

Pregnancy notification

Paid maternity leave
Eligibility: Female employees submitting pregnancy notification

Shorter work hours
Eligibility: Employees raising children from the time pregnancy notification is submitted to the end of the child's third year in elementary school
*twice for each child

Six weeks leave before birth
(14 weeks for multiple births)

Childbirth

Eight weeks leave after childbirth

Childcare leave duration
Eligibility: Employees raising children under one year of age (can be taken until the child is two years of age in special circumstances)
*applicable to the additional leave for mothers and fathers and leave for fathers system enforced in June 2010.

2 years old

Babysitter discount coupons for childcare support
Eligibility: Employees raising children in third grade or below

Nursing care leave for children
Eligibility: Employees raising children who have not yet completed their third year in elementary school

Third grade

Improvements are also being made in the family care leave scheme to build an environment in which more employees are able to take advantage of the scheme.

Preserving employees' mental and physical health

Improving workplace environment and promoting employee health

In order to build a better work environment, we have set up a "Health and Safety Committee" and created a hygiene management system in each business division. Through these organizations, action is being taken to build an appropriate work environment, reflecting the business operations and job functions in each division.

A scheme has also been created to assess accurately the working conditions of our employees and to enable managers to issue appropriate guidance based on that information.

Do

Scheme to appropriately manage work hours

In compliance with labor laws, we have established internal management standards for working hours, late-night overtime and holiday overtime work, in order to ensure fair work management.

Schemes are in place to enable supervisors to grasp the situation regarding working hours. When necessary, we have distributed a list of employees who worked late into the night or on holidays to the managers on the following day to enable accurate assessment of employee working conditions.

Health management support

All employees are requested to take annual health examinations and are asked to undergo two exams a year if they work later than 10 p.m. more frequently than specified in internal standards.

Major offices have health Management Offices so that employees can regularly consult physicians. These doctors conduct medical checkups and review the results of medical examinations of employees as well as offer health counseling to employees. In cases where overtime work exceeds the NRI company standards, an interview with the doctor is compulsory in view of the impact on the mental and physical health of the employee.

In addition to prevent outbreaks of influenza and limit the inconvenience caused, NRI provides influenza vaccination in the office to interested employees since fiscal 2009.

Mental health exam

NRI provided all employees with mental health exams every two years to maintain the health of employees and the organization and ensure the happiness of employees and vitality of the organization. The most recent was in November 2010. The employees undergoing the exams as well as their families can consult with psychiatrists and clinical psychotherapist.

Consultation service PraNet for peace of mind

The NRI Group has introduced PraNet (Professional Assist Network), a consultation service covering a wide range of issues including job-related ethical and compliance issues, work environment and health.

Do

PraNet structure

Internal helpdesk	Employees	External helpdesk
Offices — department managers in charge of human resource development, internal counselor for employees with disabilities, etc.	Consultation on work and the workplace	
	Consultation on career development and skills development based on CDP* at the offices	
Human-Resources Development Division	Consultation on career development and skills development	Nomura Health Available 24 hours a day (family members may also use this service)
Health Management Offices	Consultation on workplace stress	
	Consultation on health issues	Mental health consultation
	Consultation on family issues	
Compliance Council Secretariat	Consultation on ethics and compliance	Compliance hotline
Personnel Department's sexual harassment hotline (in charge of human rights education)	Consultation on sexual harassment	Sexual harassment hotline
Personnel Department	Consultation on general human resource issues including aspiration program	

* CDP:

  Career Development Program: Supports the development of employees according to their own aspirations and character.
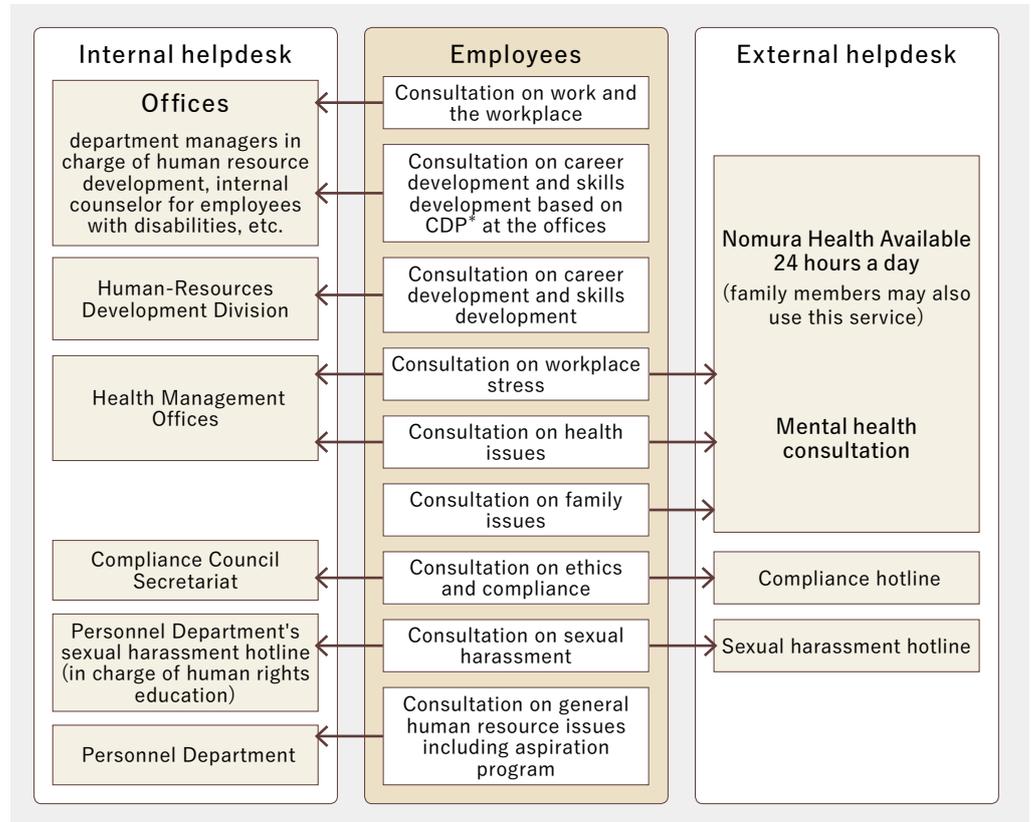
Smart Work Style Campaign

NRI launched its Smart Work Style Campaign on a company-wide basis in fiscal 2006 to encourage greater work efficiency and at the same time give people time away from work and enrich thier life through a review of their work styles. The campaign is based on the idea that a work environment in health and safety is essential for its sustainable growth.

The campaign established guidelines that include ensuring that employees leave the office no later than 10 pm and that business meetings and discussions are held during working hours (8:40 am to 5:10 pm). It also organizes campaigns to encourage people to take all the leave that is due to them. In fiscal 2011, a summer season leave campaign was organized in the first half of the year and a "refresher" leave campaign in the second half, both on a company-wide scale. ("Refresher" leave is a scheme to encourage employees to take paid leave for five continuous days, in addition to their summer holiday.) The percentage of employees taking all of their paid annual leave improved from 63.7% in 2010 to 67.0% currently, showing the effect of this campaign.

Percentage of employees taking annual paid leave

(%)

	FY2007	FY2008	FY2009	FY2010	FY2011
Annual paid leave usage (% of the maximum number of days that could be taken)	54.9	55.7	62.0	63.7	67.0

Do

Magazine connects the NRI Group with employees and their families

Since 2008 the NRI Group has published NRI Wave Families, a magazine for our employees and their families to promote greater understanding of NRI and to provide useful information.

In fiscal 2011 a special edition of NRI Wave Families reported on how NRI Group employees have responded to the Great East Japan Earthquake, along with some of their proposals. The value of the ideas that people came up with to get employees' families to deepen their understanding of the company and its work, as well as of the rebuilding initiatives suggested for our core businesses that were featured in this special edition, was recognized when they received a Special Award in the 2011 Keidanren Recommendation Newsletter.

Family magazine
NRI Wave Families
September 2011 edition

Check & Act

[**Fiscal 2011 evaluation**]
- Enhancement of childcare support program
- Improvements made to the work environment by establishing targets based on management standards

[**Major plans for fiscal 2012**]
- Continue encouraging employees to use childcare support programs
- Continue improving the work environment

Engagement with Shareholders and Investors

Meeting shareholder and investor expectations by enhancing corporate value

Plan

The NRI Group adheres to a basic policy of pursuing sound, stable and medium- to long-term sustainable growth and achieving profit targets in order to meet the expectations of its shareholders and investors. In accordance with the policy, NRI actively communicates with its shareholders and investors.

[**Major plans for fiscal 2011**]
- Further expanded individual and institutional investor bases
- Amplified communication with overseas institutional investors based on a conscious regard for effectiveness
- Improved information disclosure
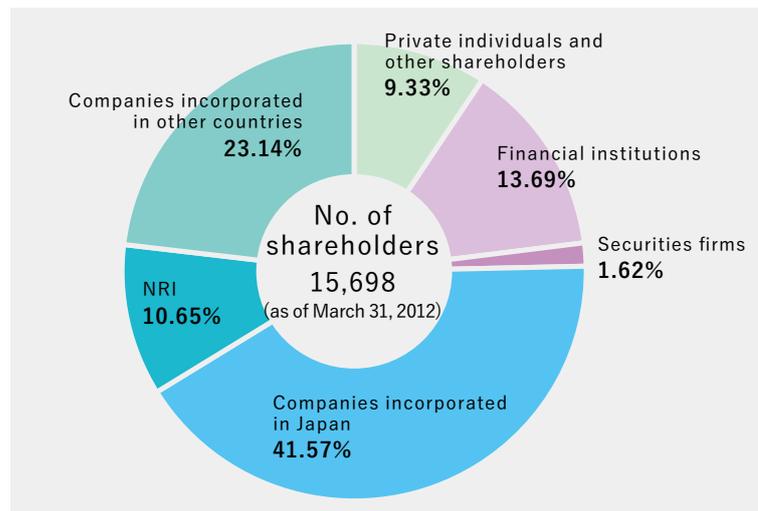- Further disclosed information on our medium- and long-term growth strategies

Do

Capital policy for medium- to long-term growth

Consistent and appropriate dividends

NRI's general policy on dividends is to make consistent and appropriate dividend payments, while at the same time building up internal reserves for long-term business development. Accordingly, NRI aims for a consolidated payout ratio of 30% based on its operating revenue and cash flow.

In fiscal 2011, NRI increased its annual dividends to ¥52 per share, the same as in fiscal 2010.

Breakdown of NRI shareholders

Private individuals and other shareholders
9.33%

Companies incorporated in other countries
23.14%

Financial institutions
13.69%

No. of shareholders
15,698
(as of March 31, 2012)

Securities firms
1.62%

NRI
10.65%

Companies incorporated in Japan
41.57%

Do

Enhancing communication and information disclosure

Enriching general shareholders' meetings

NRI endeavors to make general shareholders' meetings more convenient for participants. Accordingly, meeting notifications are sent by e-mail to those shareholders who have agreed to this method. Shareholders are also able to exercise their voting rights via the Internet. Since 2009, notice of the General Meeting of Shareholders is also given in English. NRI joined the electronic proxy voting platform administered by Investor Communications Japan (ICJ) to give its overseas shareholders and institutional investors additional opportunities to exercise their voting rights. Voting results are published on the day after the General Meeting of Shareholders.

Moreover, to assist shareholders in understanding the business operations of the NRI Group, management debriefings sessions by the appropriate people in charge are held as soon as general shareholders' meetings are concluded. These meetings provide an opportunity for NRI to directly report to shareholders on the current business environment surrounding the NRI Group and on its future actions.

At the fiscal 2011 management briefings, we reported on the NRI Group's efforts relating to reconstruction following the Great East Japan Earthquake. Receiving general approval and backing for these efforts, we were also asked about how our data centers are securing their power supplies, and the suggestion was also put that we should be more active in submitting proposals to communities.

Augmenting direct communication with shareholders and investors

NRI holds briefings and meetings both in and outside of Japan for institutional investors and analysts. In fiscal 2011, NRI convened meetings with 534 institutional investors and analysts. NRI expanded its briefings for private individuals in Tokyo and Fukuoka, to familiarize more investors with information about NRI. In addition, NRI announced its business activities and growth strategies at three forums held in Tokyo for both Japanese and non-resident institutional investors.

With these efforts, we won the 2011 Award for Excellence in Corporate Disclosure in the computer software category from the Securities Analysts Association of Japan (SAAJ), which is an awards scheme with the objective of raising the level of companies' disclosure of information. This was the eighth time that NRI has been chosen for this prize. NRI was highly commended for how it is its top executives who explain the company's management strategies at results briefings; for having a relatively large number of opportunities for direct dialog with its managers and executives, which allows rewarding discussions to take place; for its management's active stance on IR; for its fair disclosure practice s; and for the ample amount of information maintained by its IR division.

Do

Presentation for individual
investors (in Fukuoka)

Receiving Eighth Award for Excellence in
Corporate Disclosure
NRI Representative Directors, Corporate
Executive Vice Presidents Muroi with SAAJ
Chairman Inano

Shareholder survey

NRI biannual shareholder survey provides one opportunity for NRI to receive feedback from its shareholders. In 2011, NRI provided the survey twice and the results are as shown below.

NRI strives to ascertain the wishes and views of its shareholders while at the same time endeavoring to meet their various expectations.

Results of shareholder questionnaire

1st survey: Questionnaires sent to 17,083 shareholders, with 1,605 respondents (valid response rate of 9.4%).

2nd survey: Questionnaires sent to 16,687 shareholders, with 2,088 respondents (valid response rate of 12.5%).

Reason for purchasing NRI Shares: What did you find appealing about NRI?
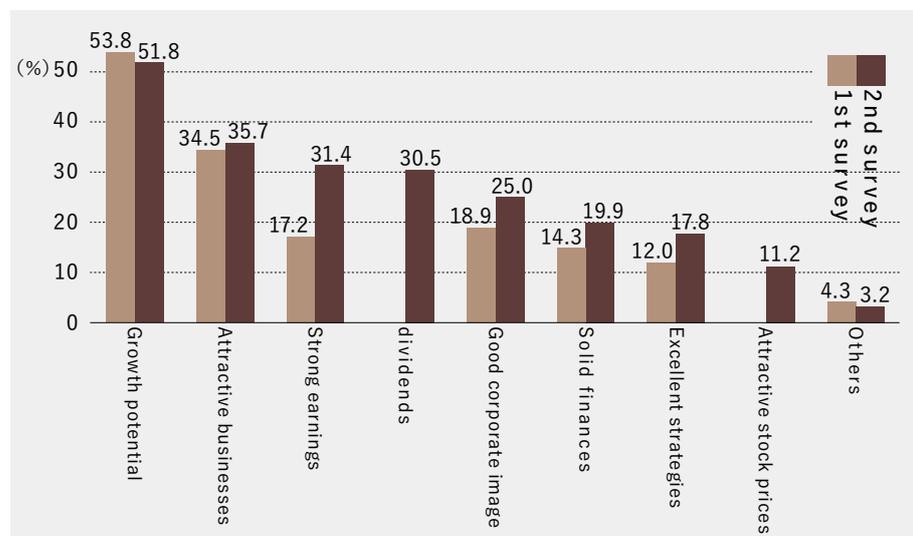
* The two responses of "dividends" and "share price" were new options introduced in the second questionnaire

Building trust through appropriate information disclosure

NRI strives to carry out timely information disclosure and raise the level of trust

Do

in order to make itself accountable to shareholders, investors, and markets.

In fiscal 2011, we have disclosed information that allowed them to broaden their understandings of NRI's medium- and long-term growth strategies.

NRI has also set up a Disclosure Committee to improve the credibility of the information. The Committee reviews the company's procedures for preparing its financial statements, annexed detailed statements and securities reports, and checks to ensure that the information they contain is accurate.

In addition, NRI has worked to provide more complete information. Its final results data was promply publishes in the "Investor Relations" section of its website, where its shareholder newsletter Letter from NRI, annual reports, and materials from results briefings can also be seen. The videos of its briefing sessions for the full year and second quarter final accounts were also posted.

Check & Act

[Fiscal 2011 evaluation]

- Enhanced communication with individual and institutional investors by holding investor briefings
- Improved communication with overseas institutional investors by making use of investor forums which make very effective vehicles for IR meetings, and through overseas IR activities and the prompt preparation of English-language reference materials
- Through IR briefings and annual reports advanced understanding of NRI's growth strategies, the central pillar of which is our long-term management vision, Vision 2015

[Major plans for fiscal 2012]

- Raise the level of IR for individual investors (expand the amount of IR information for individual investors on our official website; hold briefing sessions for individual investors)
- Grow our investor base by amplifying our communication with overseas institutional investors (ongoing)
- Provide fuller disclosure of information (ongoing)
- Promote understanding of NRI's medium- and long-term growth strategies and of how they are progressing, through briefings interspersed with specific examples

Engagement with Business Partners

Building partnerships that lead to mutual growth

Plan

The NRI Group believes that its businesses are built on the cooperation of its business partners such as external suppliers and vendors and accordingly upholds a basic policy of building relationships with its business partners that are beneficial for both parties, while conforming to sound business customs and to the law. True to this commitment, the NRI Group has continued to engage in activities with its business partners with the aim of increasing the added value of its services and improving productivity.

[**Major plans for fiscal 2011**]
- Strengthen collaboration with our e-partners and other business partners
- Stimulate activities with our e-partners and other business partners for mutual growth and development
- Promote activities for the further expansion of offshore development*
- Provide our business partners with support for information security management

∗Offshore development:
Delegating software development, system configuration, etc., to overseas business enterprises and subsidiaries.

Do

Building strong and equitable business connections

Relation between the NRI Group and its business partners

The NRI Group strives to augment and reinforce its ability to provide high-quality services by building smooth business relationships with its business partners and developing business models that lead to mutual benefits.

When starting business with a potential partner (external service provider), we evaluate the company in every aspects, including technological capabilities, quality, delivery and cost of goods and services, human resources structure, financial status, actions for compliance and information security, etc. For overseas partners, additional screening is conducted under the regulatory requirements, including the provisions of the Foreign Exchange and Foreign Trade Act.

In particular, it forms accredited e-partnerships with companies that possess specialized operational expertise and impressive IT skills. NRI works closely with these companies on project management to ensure thorough information security management and improve quality management as well as human resource development. As of March 31, 2012, NRI had accredited seven e-Partners in Japan and two in China.

Preventing any abuse of superior bargaining power over business partners

To ensure fair and sound business relationships with business partners, NRI

Do

forbids employees from abusing their positions of power as contractors, in compliance with Japan's Antimonopoly law. Moreover, every month the NRI Group confirms that the Company is in compliance with the Act against Delay in Payment of Subcontract Proceeds with the project manager. In addition, NRI notifies business partners in writing that it will never accept gifts or any other improper incentives, and ensures that NRI Group employees are familiar with the policy.

Promoting inspection of subcontracting operations

The business partners with which the NRI Group has formed subcontracting contracts have approximately 12,000 employees, and approximately half of this total is working at NRI Group facilities. The NRI Group has established the Guidelines for Work Undertaken by Subcontractors and uses a checklist to inspect operations every year.

Activities for mutual growth with our business partners

Affiliations to improve quality of system development

Affiliations with business partners are essential in improving NRI's IT Solutions Business. When the NRI Group outsources part of its operations for a project to a partner company in or outside of Japan, the status of the overall process, issues and risks are verified in regular joint meetings with project managers and meetings of those responsible.

For our principal business partners, quality assurance and monitoring executives on both sides hold regular meetings to ensure a high level of quality and to make improvements.

Working together to promote enhancement work for innovation

The NRI Group is engaged in enhancement work for innovation to further improve quality and productivity. We are undertaking these activities on an ongoing basis in each project in collaboration with our e-partners and other business partners (See "Quality Management")

In fiscal 2008, the NRI Group setsup an e-e-Partners to promote enhancement work for innovation as a Company-wide program, rather than simply in specific program. As of March 2012, three companies were signed e-e-Partners agreements, promoting closer coordination in enhancement activities.

Supporting human resource development

The NRI Group offers training courses to its business partners that feature the Group's own original content. This training, which extends to project management, quality control, and systems engineer education, is tailored for engaging in collaborative work on developing systems. We also work together with our business partners in their human resource development.

Do

Sharing the NRI Group's management policies

The NRI Group holds an annual NRI Group Management Seminar for senior managers of its business partners in order to convey its management policies and priority measures. In fiscal 2011, the seminar drew 200 senior managers from approximately 100 of NRI's business partners in Japan and overseas.

Promoting offshore development

The NRI Group is continually engaged in activities to improve the quality and productivity of offshore development. The scope of the business processes and business operations commissioned to offshore partners has expanded and has exceeded 30% of our operations. The number of Chinese partners in the IT solutions business stands at 21 companies in ten regions as of March 31, 2012.

The NRI Group is investigating diversifying its offshore development partners, in order to reduce its financial and other risks. Action is underway to explore the offshore development potential of regional cities in China, as well as outside China in Southeast Asia. For some projects subcontracting of IT businesses in Vietnam and the Philippines has already begun.

Changes in subcontractor spending on Chinese business partners

(in ¥ billion)

(fiscal year)	2005	2006	2007	2008	2009	2010	2011
	10.0	12.4	16.7	15.8	13.5	12.2	16.8
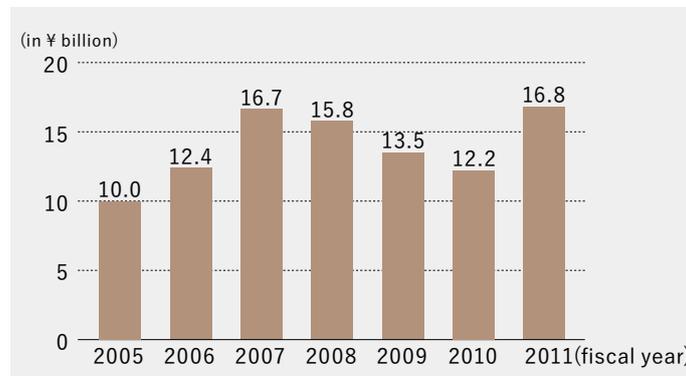
Activities to ensure information security control at business partners

To ensure that its business partners provide the same level of security, the NRI Group has them sign its confidentiality agreements and memorandum on the handling of personal information. Moreover, NRI requests that they comply with its Information Security Guidelines and regularly checks on the policy's implementation. (See "Information Security Management")

In fiscal 2011, presentations were held for domestic and foreign partners as in fiscal 2009. In the presentation, the NRI Group requests its partners to ensure that the Plan, Do, Check and Act cycle (PDCA cycle) is implemented to improve security.

Do

We also held presentations for our Chinese business partners in various cities (Beijing, Shanghai and Dalian), where we explained the importance of information security.

Check & Act

[Fiscal 2011 evaluation]
- Continued to collaborate with business partners to improve IT solutions business quality
- Continued working with e-Partners on enhancements to drive innovation
- Activities to expand offshore development
- Offshore developments in Southeast Asia
- Support for reinforcing information security management at business partners

[Major plans for fiscal 2012]
- Continued closer coordination with our e-Partners and other business partners
- Continued mutual growth with our e-Partners and other business partners
- Offshore developments in Southeast Asia
- Continue to support for information security management at business partners

NRI Group's Code of Business Principles

NRI Group Employees' Code of Business Conduct

NRI Group's Code of Business Principle

The NRI Group will act in accordance with the following principles in order to realize its corporate philosophy.

1 Relationship with Society

- The NRI Group will proactively disseminate information on the results of its business activities and studies and research. We will also utilize the knowledge and expertise that we have built up over our history to support the development of human resources including the young people and senior executive who will take on the challenges of the next generation. At the same time, we will contribute to the development of society by advocating a new order for the future.
- NRI Group will take into consideration environmental issues in its business activities and fulfill its social responsibility in collaboration with local communities.
- The NRI Group will observe both the letter and the spirit of the law and regulations and will respect social equality as well as fair and equitable principles in its business activities. We will never have any kind of relationship with antisocial forces.

2 Relationship wish Customers

- The NRI Group will place every emphasis on customers' points of view and strive to build trusting relationships that will nurture the support of customers over the long term.
- The NRI Group prioritizes high quality and high added value and observes its promises to customers to provide highly satisfactory services that contribute to the development of customers.

3 Relationship with Employees

- Training human resources with a high level of expertise, a strong sense of responsibility, and a broad social outlook is the most important management issue for the NRI Group.
- The NRI Group emphasizes and pursues a project system that goes beyond the organization to generate added value through individual expertise, creativity, and knowledge. all of which complement each other.

- The NRI Group provides a safe and healthy working environment in which employees can exercise their skills and where their personal attributes and human rights will be respected.

4 Relationship with Shareholders and Investors

- The NRI Group efficiently utilizes its management resources in its pursuit of sound and stable growth as well as expanded corporate value in an effort to reward its shareholders.
- The NRI Group strives to present corporate information fairy with the goat of being an open company.

5 Relationship with Business Partners

- The NRI Group builds mutually beneficial business relationships with its external contractors and suppliers in accordance with laws, regulations and sound business customs.

NRI Group Employees' Code of Business Conduct

NRI Group employees (hereafter "Employees") should comply with laws, regulations and social mores as well as the standards of behavior outlined below in order to realize the Group's corporate philosophy and the NRI Group's Code of Business Principles.

1 Relationship with Society

1-1) Role as a good corporate citizen
a. Employees shall engage in studies and research looking ahead to the future and contribute to the development of society as well as the development of human resources, in accordance with the NRI Group's corporate philosophy "Dream up the future."
b. Employees shall participate in volunteer activities as well as local community activities, and proactively contribute to society.

1-2) Consideration for the environment
Employees view efforts to address environmental issues as their responsibility as good corporate citizens, and will continue their activities to conserve energy and resources to prevent global warming.

1-3) Legal compliance
Employees will comply with all laws and regulations related to corporate activities and compete fairly in accordance with business practices.

1-4) Stance toward antisocial forces
Employees shall not have any relationship whatsoever with antisocial forces, such as violent organizations, nor with any individual or groups engaging in criminal activity. Employees shall report quickly to or consult with supervising departments in the event of any doubts regarding a transaction or illegitimate requests from antisocial or other forces.

1-5) Respect for the intellectual property rights of third parties
Employees shall not infringe upon intellectual property rights held by a third party. Employees shall not use software without obtaining the officially sanctioned license.

2 Relationship with Customers

2-1) Fulfilling specialist responsibilities
Employees shall provide the best, most optimum services from the perspective of the customer. In the event that an issue exceeds individual levels of expertise, Employees shall harness its collective strengths to resolve the issue.

2-2) Client proposals, contract negotiations, and contract fulfillment
Employees shall strive to ensure that their transactions are advantageous for both the client and the NRI Group. The supervising department shall screen contracts before they are signed, and the terms of the client shall be faithfully fulfilled after the contract is signed.

2-3) Commitment to quality
Employees shall have a good understanding of Company-wide initiatives to improve quality, and shall strive to enhance customer satisfaction through ongoing activities to improve quality.

3 Role of NRI Group Employees

3-1) Responsible behavior
Employees must act with an awareness of the expectations placed on them and their responsibilities as members of society and as professionals.

3-2) Rejection of inappropriate business
a. Transactions must be carried out on equitable terms based on appropriate competition.
b. Employees must avoid business partners and transactions that are inappropriate.
c. Employees must avoid business that would be irresponsible in the context of its clients' needs.

3-3) Information security
a. Employees must be fully aware that information security is the NRI Group's lifeline, and must accurately understand and comply with laws, regulations and Company rules.
b. In principle, Employees must not acquire personal information and other companies' confidential information. In the event that such information must be obtained for business purposes, this information must be managed appropriately in accordance with the relevant laws, regulations and Company rules, and cannot be disclosed to third parties without prior consent.
c. The internal information systems and telecommunications equipment used must be that stipulated by the Company. In principle, employees shall strive to use the equipment appropriately in accordance with Company rules, and shall not use it for personal purposes.

3-4) Creating a workplace conductive to job performance
a. Employees shall respect each other's personal attributes and individuality, and must not infringe on each other's human rights, for example through irrational discrimination, sexual harassment or bullying from the boss.
b. Employees shall comply with labor-related laws and shall maintain a healthy workplace environment conductive to job performance.

3-5) Compliance with final decisions and accounting rules
Employees must comply with the Company's accounting rules, and must complete accounting procedures accurately and promptly.

3-6) Appropriate management of Company assets
Employees must strive to appropriately mange Company assets and intellectual property.

3-7) External announcements

a. External announcements must conform to Company rules, all applications and submissions must be made, and the stipulated approval must be obtained.
b. Employees must select the appropriate forum and media for external announcements.

3-8) Marketable securities and other transactions
a. Employees shall not trade marketable securities and other instruments using insider information.
b. Employees must apply to the supervising department in advance and obtain authorization when trading marketable securities and other instruments.

4 Relationships with shareholders and investors

4-1) Raising corporate value and the quality of information disclosure
a. Employees prevent any damage to the NRI Group's corporate value, pursue sound and stable growth and strive to raise shareholder returns.
b. Employees comply with those business accounting principles, laws and regulations as well as the Company's rules that form the basis for appropriate disclosure of corporate information, among others, and strive to accurately and quickly disclose information warranting disclosure.

4-2) Management of insider information
The NRI Group and other companies' insider information is not conveyed to people who do not need to know such information for business purposes and is not presented externally until this information is disclosed.

5 Relationship with Business Partners

5-1) Relationship with external contractors and others
a. The optimum business partner is selected fairy. Moreover, the status of contracted work must be independently ascertained.
b. Subcontracting Law, the Employment Security Act, the Worker Dispatch Act and other statutory requirements must be understood and compiled with in subcontracting operations.

5-2) Temperate interaction
a. Employees shall not be involved in business entertainment that deviates from socially accepted standards or that could be mistakenly construed as bribery.
b. In principle, Employees shall not give or receive any gifts, with the exception of inexpensive items or gifts that are given to a large group.

Plans and Achievements

Plans and Achievements

We report on fiscal 2011 results for proactive CSR, research and development, fundamental CSR, and engagement with stakeholders, and present key plans for fiscal 2012.

Progress: ◎Exceeded plan/○Achieved as planned/△Targets partially achieved/×No progress

Items	Major plans for fiscal 2011	Main projects implemented in fiscal 2011	Progress	Major plans for fiscal 2012
Proactive CSR				
Research and Development	Improvements in R&D planning and promotion capabilities	• In order to demonstrate the NRI Group's integrated strengths, promote activity collaboration from a company-wide perspective right from the planning stage • Through the flexible application of resources, respond appropriately to business development strategies at the execution stage, and strengthen marketing capabilities (ability to gauge customer needs)	○	• Improvements in R&D planning capabilities (ongoing) • Improvements in R&D mobilizing capabilities (ongoing) • Implementation of policies designed to improve the chances of converting developing businesses out of R&D (ongoing) • Creation of information exchange opportunities for employees by incorporation into ABCi's NRInnovation! Forum's activities; encouragement of sharing of know-how and experience in cross-company business creation; further fostering of a culture of revisiting challenges
	Foster a creative organizational climate that is open to challenges for new businesses in ABCi	• As applications from young employees increase, increase proposals with room for improving the way that business hypotheses are described • A business idea that passed the ABCi primary screening in fiscal 2008 has taken off as a new service (FundWeb Library, an integrated management service for documents needed for investment trusts; launched November 29, 2011)	○	
	Guidance with new business assumptions in a higher dimension	• Promote development of a network of applicants through ABCi Dream Labs, and create opportunities for employees to exchange ideas	○	
Fundamental CSR				
Corporate Governance and Internal Controls	Upgrade internal controls at a company-wide level	• Review and upgrade of monitoring items for internal controls at a company-wide level	○	• Upgrade internal controls at a company-wide level (ongoing) • Reinforce control capability in management departments within business divisions (ongoing)
	Reinforce control capability in management departments of business divisions	• Review and build appropriate corporate governance and internal controls systems	○	

Items	Major plans for fiscal 2011	Main projects implemented in fiscal 2011	Progress	Major plans for fiscal 2012
Risk Management	Recheck company-wide risks and enhance PDCA cycle management of priority areas	· Point inspection of company-wide risks and strengthening PDCA cycle management for priority areas	◯	· Recheck company-wide business continuity and risks (ongoing) · Enhance PDCA cycle management for priority areas (ongoing) · Continual BCP/DR development, and management assessment for key business operations (ongoing) · Promoting energy-saving measures & power failure countermeasures (ongoing)
	Promoting energy-saving measures & power failure countermeasures	· Promoting energy-saving measures & power failure countermeasures	◎	
	Recheck disaster preparation systems, include restocking emergency supplies	· Get in stocks of emergency supplies on the assumption of an earthquake, and recheck disaster preparation systems	◯	
	Continual BCP/DR development and management assessment	· Continual BCP/DR development and management assessment for key business operations	◯	
Compliance	Develop and promote awareness of fiscal 2011 Fundamental Rules for Executive Officers and General Staff	· Monitoring the state of compliance with Fundamental Rules for Executive Officers and General Staff. If a problem is found, headquarters coordinate with relevant business divisions to make improvements	◯	· Develop and promote awareness of fiscal 2012 Fundamental Rules for Executive Officers and General Staff · Conduct compliance awareness surveys and further reinforcement of the compliance message for all NRI Group employees (ongoing) · Study and implement individual improvement programs at business divisions in Group companies (ongoing)
	More thorough reinforcement of compliance awareness	· Conducted mandatory compliance check tests for all employees (through e-learning)	◯	
	Evaluate existing activities and implement individual improvement programs for business divisions in Group companies	· Ongoing conduct of lectures and exercises on compliance as part of job-specific and executive function-specific training	◯	
Quality Management	Maintenance and continuous improvement of the quality management system	· Stepped up visualization of failures, and implemented failure reduction programs for that level of failures not directly impacting on clients · Renewed ISO 20000 certification in February 2012	◯	· Maintenance and improvement of the quality management system (ongoing) · Maintenance and improvement of the IT service management system (ongoing)
	Maintenance and continuous improvement of the IT service management system	· The NRI Standard Framework review was expanded in scope to examine system development areas such as new infrastructure development and operating design. This did result in increased costs however	◯	

Items	Major plans for fiscal 2011	Main projects implemented in fiscal 2011	Progress	Major plans for fiscal 2012
Information Security Management	Reinforced management of client data	• Major improvements made to the operation and management of projects where data received from clients is handled	◎	• Continue to strengthen to prevent information leaks • Step up and reinforce assessment of information security plans for domestic Group companies and overseas offices (ongoing) • Expedite action plans against new forms of security threats such as cyber-attacks
	Strengthened measures to prevent information leaks	• Developed in our employees an ingrained awareness of how they are to handle information security in the context of cloud computing, social media, targeted phishing emails, and smartphones • Certain regrettable incidents relating to personal information, of sending an e-mail newsletter by "CC" instead of "BCC", were caused in the course of performing some contracted projects. We immediately attended to the concerns of the individuals affected, implemented company-wide measures to prevent a recurrence, and provided our clients with regular status reports	△	
	Strengthened information security measures at group companies in Japan and overseas offices	• Introduced a system where our corporate business partners can check the state of their own security for reporting to NRI, and launched a program for examining the state of our partners' compliance with essential rules	○	
Intellectual Property Management	Contributed to business by analyzing IP-related information	• Contributed to business by putting in place a search environment for patent information and through an information analysis trial	○	• Develop IP activity for more active support of global expansion of business (ongoing) • Strengthen preventive legal management to avert breaches of others' IP rights • More vigorous exploitation of existing intellectual property • Continue to manage software licenses more appropriately and efficiently
	Promoted intellectual property awareness through industry associations	• Vigorously promoted intellectual property awareness and research through industry association activities, and also made policy proposals	○	
	Managed software licenses more appropriately and efficiently	• Held in-house presentations for the software administrators in each department and office to instill in them knowledge of the Company rules on managing software licenses • Underwent a software usage assessment by a vendor, to have a third party check that we are managing our software licenses more appropriately and efficiently	○	

Items	Major plans for fiscal 2011	Main projects implemented in fiscal 2011	Progress	Major plans for fiscal 2012
Environmental Protection	Ongoing promotion of NRI Green Style activities	· While promoting NRI Green Style activities, we took measures to curb our electricity use over the summer, managing to achieve a cut in our offices' consumption by far more than the 15% which the Japanese Government asked for	◎	· Continue NRI Green Style activities · Implement measures curbing our electricity use throughout the year (in particular have an action plan for when demand puts strain on power supplies in summer) · Continue to respond to global warming action plans at the national and local government level · Improve energy consumption efficiency by 1% from fiscal 2011 levels at Yokohama Data Center 1, Yokohama Data Center 2, Hiyoshi Data Center and Osaka Data Center · Introduce the latest energy conservation technology, and complete construction of Tokyo Data Center 1, which has pursued its environmental performance through the use of natural energy sources
	Continued to implement proper responses to Law Concerning the Rational Use of Energy and the global warming action plans of local governments. Intensified implementation of our own Global Warming Action Plan drafted in 2010	· Continued to take due action regarding the Act on the Rational Use of Energy and revisions to the global warming action plans of local governments. Filed periodic reports, mid- to long-term plans and global warming action plan implementation reports to the relevant local governments	○	
	Improved energy consumption efficiency by 1% from fiscal 2010 levels at the Yokohama Data Center 1, Yokohama Data Center 2, Hiyoshi Data Center, and Osaka Data Center	· Owing to the impact of the Great East Japan Earthquake and rolling power outages in Tokyo, and to construction to update our own large facilities, we did not succeed in achieving the 1% improvement in energy consumption efficiency at the four data centers of Yokohama 1, Yokohama 2, Hiyoshi, and Osaka (from fiscal 2010 levels) · Having switched to energy-saving equipment and voluntarily curbed our electricity consumption at the three data centers of Yokohama 1, Yokohama 2, and Hiyoshi, we achieved a 3.4% reduction in the amount of electricity consumed compared to the previous year · Yokohama 2 Data Center earned a high evaluation from a Ministry of Economy, Trade and Industry Designated Energy Management Factory site inspection	△	

Engagement with Stakeholders

Items	Major plans for fiscal 2011	Main projects implemented in fiscal 2011	Progress	Major plans for fiscal 2012
Engagement with Clients	Carry out client satisfaction surveys	· Carried out client satisfaction surveys and took follow-up measures	○	· Continue to carry out client satisfaction survey and assess the effectiveness · Continue to hold forums for clients
	Hold forums for clients	· Held forums for clients in Tokyo, Nagoya, etc · Promoted field-specific activities such as seminars organized by each division	○	
Engagement with Employees	Promote diversity management	· NRI Women's Network (NWN) supported career development for female employees	○	· Promote gender equality in management (ongoing) · Build on and expand human resource development programs · Continue encouraging employees to use childcare support programs · Continue improving the work environment
	Strengthen support for career and skills development	· As a program to strengthen the development of global human resources, launched the overseas trainee scheme	○	
	Undertake initiatives for establishment of a corporate culture of cultivating human resources	· Oversaw the evolution of NRInnovation! Forum, a new initiative designed to uplift our employees' mindset (and culture)	◎	
	Promote use of childcare support programs	· Enhancement of childcare support program	○	
	Improve work environment	· Improvements made to the work environment by establishing targets based on management standards	○	

Items	Major plans for fiscal 2011	Main projects implemented in fiscal 2011	Progress	Major plans for fiscal 2012
Engagement with Shareholders and Investors	Further expanded individual and institutional investor bases	· Enhanced communication with individual and institutional investors by holding investor briefings	○	· Raise the level of IR for individual investors (expand the amount of IR information for individual investors on our official website; hold briefing sessions for individual investors) · Grow our investor base by amplifying our communication with overseas institutional investors (ongoing) · Provide fuller disclosure of information (ongoing) · Promote understanding of NRI's medium- and long-term growth strategies and of how they are progressing, through briefings interspersed with specific examples
	Amplified communication with overseas institutional investors based on a conscious regard for effectiveness	· Improved communication with overseas institutional investors by making use of investor forums which make very effective vehicles for IR meetings, and through overseas IR activities and the prompt preparation of English-language reference materials	○	
	Further disclosed information on our medium- and long-term growth strategies	· Through IR briefings and annual reports advanced understanding of NRI's growth strategies, the central pillar of which is our long-term management vision, Vision 2015	○	
Engagement with Business Partners	Strengthen collaboration and stimulate activities with our e-partners and other business partners for mutual growth and development	· Continued to collaborate with business partners to improve IT solutions business quality · Continued working with e-Partners on enhancements to drive innovation	○	· Continued closer coordination with our e-Partners and other business partners · Continued mutual growth with our e-Partners and other business partners
	Promote activities for the further expansion of offshore development	· Activities to expand offshore development · Offshore developments in Southeast Asia	○	· Continued offshore developments in Southeast Asia
	Provide our business partners with support for information security management	· Support for reinforcing information security management at business partners	○	· Continue to support for information security management at business partners

Third-Party Opinions

Junichi Mizuo, Ph.D.

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Surugadai University

Senior Researcher,
Institute for Business Ethics

Visiting Lecturer,
Graduate School of Science and
Engineering, Tokyo Institute of
Technology

I would like to give my own third-party opinion on NRI's CSR Report 2012 based on my own experience in business and my academic background in the field of CSR.

Praise:

The effective use of the respective features of the three different formats in which NRI presents its CSR report enhances the visualization of its Fundamental CSR and Proactive CSR activities.

One of the aims of a company in reporting its CSR activities is to inform its many stakeholders so as to better their understanding of the company. By setting out the current state of its CSR activities along with the future it is aiming for and the path it should take to reach that, the company fulfills its obligation of business disclosure and more clearly defines the relationship between itself and society. Also pertinent to this point is that businesses and companies are seen as "instruments of society."

For the first time, with this 2012 report, in addition to its existing digital and printed versions (the CSR Book), NRI has introduced the CSR Activity File, which provides outlines of some of its specific CSR activities involving issues of interest and concern to the broader community, such as the activities of the Nomura School of Management and its use of IT to contribute to protecting the environment.

The organic linking of the importance and comprehensiveness evident in the Report's digital version, the sense of affinity to be gained from its printed version, and the sense of unity derived from the CSR Activity File of NRI's CSR activities with its core businesses, heightens the company's transparency and integrity.

The special features in this year's Report, such as the discussion of *NRI Wave Families* and the support for BOP business, the organization of the CSR Promoters Network, and the holding of CSR Study Meetings, demonstrate that an emphasis on the value "with help from all quarters" is on

display at every turn, and that a whole-company model of CSR activities is being put into practice.

The ability to "analyze – decide – act," of being able to take action after careful deliberation, is important for an organization's development and that of its members. This ability of NRI to "analyze – decide – act" is demonstrated when its employees voluntarily put into practice the variety of activities that are described in this Report. It is also an indication that under the framework of Vision 2015, NRI is proceeding with initiatives on a cross-border basis from all angles and directions for the purpose of activities to "Challenge the Status Quo, Innovate Ourselves."

Suggestion:

Use "NRI Management Indicators" to step up innovation management

In Japan, in the wake of the Great East Japan Earthquake, and around the world due to global competition, major changes are affecting the environment in which companies operate. Adapting to change will be an important issue for innovation. Producing not qualitative information but quantitative indicators for how Vision 2015 is put into practice, and measuring adaptation to change empirically, will be sources of innovation with the aim of a next-generation vision.

In addition, based on NRI's Fundamental CSR, Proactive CSR and Unique CSR activities, it would also be effective to produce indicators for particular detailed items from the following four areas.

– The "NRI Management Indicators" –

● "Business Design," for management strategies and business strategies.
● "Social Design," for building a relationship with society.
● "Ecology Design," for thinking about the global environment and sustainability.
● "Work Design," for supporting how NRI employees work.

A number of measures would advance the development of the next generation of NRI management indicators. These include systematically reviewing the client satisfaction and employee satisfaction surveys, shareholder and investor questionnaires, and stakeholder questionnaires that NRI already undertakes, and considering making more effective use of comparisons with the ISO 26000 standard, industry benchmarks, and a range of external evaluations.

It will be possible to advance innovation at NRI if it utilizes these indicators on changes over the course of years and evaluations of other companies to expand on its strengths and rectify its weaknesses.

For a consulting firm, these indicators will also play a role in further enhancing NRI's progressiveness and trust. It is my fervent wish that NRI can draw on "help from all quarters" to demonstrate to society the very purpose of its being.

One Akiyama

President
Integrex, Inc.

Praise:

Aiming to "Dream up the future." with the dedicated commitment of senior management

The Message from the President is an eloquent narrative about the NRI Group's corporate philosophy of "Dream up the future.", about the outcomes and direction of Vision 2015, the Group's plan for realizing that philosophy, and about the very purpose of the Group's being. It is not difficult to sense the commitment on the part of NRI's top management. In particular the appeal for "help from all quarters" in the process of living up to its corporate slogan of "Challenge the Status Quo, Innovate Ourselves" conveys a strong desire to dream up a better future through the efforts of the company as a whole.

With respect to specific initiatives, in line with its five Key CSR Priorities developed from its assessment of CSR issues, NRI carries out activities and prepares PDCA reports in support of each of its three CSR approaches, namely Proactive CSR, Fundamental CSR, and NRI's Unique Contributions to Society. The progress it achieves through its initiatives is detailed in a Plans and Achievements chart, which plays a part in its activities for the next fiscal year. NRI also puts great emphasis on communicating with external stakeholders in the course of its projects, such as when formulating its Key CSR Priorities and conducting assessments of its activities.

In the *CSR Activity File* for Proactive CSR, specific examples of some activities undertaken through its core businesses have been presented in an easy-to-understand manner, making for some very interesting reading. The examples of putting big data to work can be seen as initiatives that especially draw on NRI's strengths in the form of its experience and know-how in using IT to analyze different kinds of data, such as the example of how it was able to gauge the needs of the areas hit by the March 2011 natural disasters from an analysis of the tweets made in the immediate aftermath. There are great expectations for further developments in this area which can be similarly used to help resolve issues in the broader community.

With respect to the environmental activities described in the Fundamental CSR section, I was impressed by the sorts of initiatives that only NRI could have thought of, such as its evaluation testing and development of proposals for an indicator which will allow comparisons to be made of energy conservation at data centers in different countries.

The sense of how NRI's thinking is directed toward the "future" and "global" business is palpable in the sections on NRI's Unique Contributions to Society and Engagement with Stakeholders. Evidence of this can be seen from the topics chosen for the student essays focusing on life in Japan in 2025; NRI's support for the development of BoP business and its proposal for BoP business by 2030; its programs strengthening its global human resource development; and its launching of the NRInnovation! Forum.

Suggestion:

Integrity, innovation, and the "circle of unity"

In order to be a company that contributes to and is respected by society, the three 'I's' are required: integrity, innovation, and "ichien yugo" (the "circle of unity" philosophy of Ninomiya Sontoku).

Fundamental CSR, which involves comprehensive information management and the stable operation of systems belonging to a company that provides certain lifelines to society, can be described as activities demonstrating NRI's "integrity." In addition, with Navigation x Solution, "innovation" will be crucial for Proactive CSR, which will help NRI dream up a better future society.

But what is above all most important is "ichien yugo," the idea of businesses and people, businesses and businesses, and businesses and society, forming a single entity in which the potential of each of them is exhibited in full. It can also be described as a way of thinking that could serve as a starting point for how companies should act.

In order for Japan to overcome its current crisis situation where as a society it faces a multitude of problems, it will need to gain insight into the paradigms of a society for the future and create a new set of values – to "dream up the future.", in fact.

I look forward to seeing NRI take on the challenge of setting as its objective the "ichien yugo" of Japanese society by fully harnessing the "power of the circle" of people joining forces to work together.

Response to third-party opinions in CSR Report 2011

 In his third-party opinion last year, Professor Mizuo noted that NRI's "working to resolve social issues through its core businesses will lead to the creation of a win-win relationship between business and society", and he expects its "continued commitment to creating shared value."

In our CSR Report 2012, the *CSR Activity File* is introduced in the section on Proactive CSR, giving specific examples of NRI's CSR activities through its core businesses. The *CSR Activity File* highlights those initiatives for resolving social issues that draw on NRI's strengths, such as its BoP, and big data applications. The Report also provides a picture of those CSR activities which involves the whole company, such as our publication of a magazine for employees' families and the organization of a CSR Promoters Network.

Integrex President Akiyama wrote "I expect NRI, through its Navigation x Solution processes, to take on the challenges involved in breaking through the current critical conditions."

In fiscal 2011 we held "CSR Dialogs" in order to receive candid opinions from our stakeholders on the NRI Group's business activities, communication activities, and social contribution activities. The views that we heard at these Dialogs will inform our future management practices and CSR activities. In fiscal 2011 we also began exploring the idea of an NRI Future Garage, as a mechanism for pursuing joint R&D projects with our clients, under NRI's corporate philosophy of "Dream up the future."

GRI Content Index

GRI Content Index

The table below lists the indicators from the Global Reporting Initiatives (GRI) Sustainability Guidelines Version 3.0, and the page numbers in this report relevant to each one.

G3 Disclosure	Description	Reference page
1. Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	Message from the President Annual Report 2012 (p.10-15)
1.2	Description of key impacts, risks, and opportunities.	Message from the President The NRI Group's CSR Policy Key CSR Priorities Risk Management Plans and Achievements Financial Report(Fiscal 2011 ending March 31, 2012) (p.15-18) (only available in Japanese) Annual Report 2012 (p.10-33, p.46-50)

G3 Disclosure	Description	Reference page
2. Organizational Profile		
2.1	Name of the organization.	Corporate Profile
2.2	Primary brands, products, and/or services.	Proactive CSR Propagation of Intellectual Assets *CSR Activities File* (only available in Japanese) The NRI Group's Businesses Business and Services Annual Report 2012 (p.02-07, p.16-27)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Organization Chart NRI Group Financial Report(Fiscal 2011 ending March 31, 2012) (p.04-07) (only available in Japanese)
2.4	Location of organization's headquarters.	Corporate Profile
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Corporate Profile Global Business Financial Report(Fiscal 2011 ending March 31, 2012) (p.04-07) (only available in Japanese) Annual Report 2012 (p.96)
2.6	Nature of ownership and legal form.	Corporate Profile
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	The NRI Group's Businesses Business and Services Global Business Financial Report(Fiscal 2011 ending March 31, 2012) (p.04-10) (only available in Japanese) Annual Report 2012 (p.02-07, p.16-27)
2.8	Scale of the reporting organization, including: •Number of employees; •Net sales (for private sector organizations) or net revenues (for public sector organizations); •Total capitalization broken down in terms of debt and equity (for private sector organizations); and •Quantity of products or services provided.	Engagement with Employees (1) Corporate Profile Financial Report (Fiscal 2011 ending March 31, 2012) (p.01-02, p.69-74) (only available in Japanese) Annual Report 2012 (p.02-07, p.16-17, p.36-37, p.56-61)
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: •The location of, or changes in operations, including facility openings, closings, and expansions; and •Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	Message from the President NRI History Financial Report (Fiscal 2011 ending March 31, 2012) (p.03-05) (only available in Japanese)
2.10	Awards received in the reporting period.	In fiscal 2011, the Securities Analysts Association of Japan gave us its Award for Excellence in Corporate Disclosure in the computer software category. The Association selected us from among companies in 13 sectors listed on the First Section of the Tokyo Stock Exchange.

G3 Disclosure	Description	Reference page
3. Report Parameters		
Report Profile		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Report Formats; Editorial Policy
3.2	Date of most recent previous report (if any).	Report Formats; Editorial Policy
3.3	Reporting cycle (annual, biennial, etc.)	Report Formats; Editorial Policy
3.4	Contact point for questions regarding the report or its contents.	Inquiry
Report Scope and Boundary		
3.5	Process for defining report content, including: •Determining materiality; •Prioritizing topics within the report; and •Identifying stakeholders the organization expects to use the report.	The NRI Group's CSR Policy Key CSR Priorities Engagement with Stakeholders Report Formats; Editorial Policy
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Report Formats; Editorial Policy
3.7	State any specific limitations on the scope or boundary of the report8.	The NRI Group's CSR Policy Engagement with Stakeholders Report Formats; Editorial Policy
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Not applicable
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	Not applicable
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report.	This Table
Assurance		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	Third-Party Opinions Editorial Policy

G3 Disclosure	Description	Reference page
4. Governance, Commitments, and Engagement		
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Corporate Governance/Internal Controls Basic Policy on Building Internal Control Systems Financial Report(Fiscal 2011 ending March 31, 2012) (p.57-64) (only available in Japanese) Annual Report 2012 (p.30-33)
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Corporate Governance/Internal Controls
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Corporate Governance/Internal Controls Financial Report(Fiscal 2011 ending March 31, 2012) (p.57-64) Annual Report 2012(p.30-33)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Corporate Governance/Internal Controls Engagement with Employees(1) Engagement with Shareholders and Investors Financial Report(Fiscal 2011 ending March 31, 2012) (p.57-64) (only available in Japanese) Annual Report 2012 (p.30-33)

G3 Disclosure	Description	Reference page
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Financial Report(Fiscal 2011 ending March 31, 2012) (p.63-64) (only available in Japanese) Annual Report 2012 (p.31-32)
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	- (Nondisclosure)
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	- (Nondisclosure)
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	The NRI Group's CSR Policy Key CSR Priorities NRI Vision 2015—Our Long-Term Management Plan Compliance NRI Group's Code of Business Principle NRI Group Employees' Code of Business Conduct Environmental Protection Corporate Philosophy Declaration of Information Security Measures NRI's Personal Data Protection Statement NRI Group's Privacy Policy The NRI Group's Environmental Policy (only available in Japanese)
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Corporate Governance/Internal Controls Risk Management Compliance Quality Management Information Security Management Environmental Protection Engagement with Clients Basic Policy on Building Internal Control Systems (only available in Japanese) Financial Report(Fiscal 2011 ending March 31, 2012) (p.53-54)(only available in Japanese) Annual Report 2012(p.34-35)
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Corporate Governance/Internal Controls Risk Management
Commitments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Corporate Governance/Internal Controls Risk Management Compliance Quality Management Information Security Management Intellectual Property Management Environmental Protection Engagement with Clients Engagement with Employees (1) Engagement with Employees (2) Engagement with Business Partners Declaration of Information Security Measures NRI's Personal Data Protection Statement NRI Group's Privacy Policy
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Compliance
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: •Has positions in governance bodies •Participates in projects or committees; •Provides substantive funding beyond routine membership dues; or •Views membership as strategic.	Intellectual Property Management Development of Society
Stakeholder Engagement		
4.14	List of stakeholder groups engaged by the organization.	The NRI Group's CSR Policy
4.15	Basis for identification and selection of stakeholders with whom to engage.	The NRI Group's CSR Policy Engagement with Stakeholders Engagement with Business Partners

G3 Disclosure	Description	Reference page
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	The NRI Group's CSR Policy Corporate Governance/Internal Controls Compliance Quality Management Engagement with Clients Engagement with Employees (1) Engagement with Employees (2) Engagement with Shareholders and Investors Engagement with Business Partners External experts discussing NRI (only available in Japanese)
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Compliance Quality Management Engagement with Employees (1) Engagement with Employees (2) Engagement with Shareholders and Investors Engagement with Business Partners

G3 Disclosure		Description	Reference page
5. Management Approach and Performance Indicators			
Economic			
		Disclosure on Management Approach	NRI Vision 2015—Our Long-Term Management Plan Risk Management Development of Human Resources Development of Society Other Contributions Engagement with Employees (1) Engagement with Shareholders and Investors Engagement with Business Partners Business and Service Introduction Financial Report (Fiscal 2011 ending March 31, 2012)(all) (only available in Japanese) Annual Report 2012(all)
Aspect: Economic Performance			
EC1	Core	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Development of Human Resources Other Contributions Engagement with Employees (1) Engagement with Employees (2) Engagement with Shareholders and Investors Engagement with Business Partners Financial Report(Fiscal 2011 ending March 31, 2012) (p. 01-02, p.09-13, p.54-56, p.63-131) (only available in Japanese) Annual Report 2012 (p.02-09 p. 16-17, p.36-37, p.54-95)
EC2	Core	Financial implications and other risks and opportunities for the organization's activities due to climate change.	- (Nondisclosure)
EC3	Core	Coverage of the organization's defined benefit plan obligations.	Financial Report (Fiscal 2011 ending March 31, 2012) (p.18, p.20-21, p.78, p.91-97) (only available in Japanese) Annual Report 2012 (p.50-51, p.74-75)
EC4	Core	Significant financial assistance received from government.	- (Nondisclosure)
Aspect: Market Presence			
EC5	Add	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	- (Nondisclosure)
EC6	Core	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Engagement with Business Partners
EC7	Core	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	- (Nondisclosure)
G3 Disclosure		Description	Reference page
Aspect: Indirect Economic Impacts			
EC8	Core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in- kind, or pro bono engagement.	Propagation of Intellectual Assets Development of Human Resources Development of Society Other Contributions *CSR Activity File* (only available in Japanese) Business and Service(Management Consulting) NRI Social Information System Services, Ltd.
EC9	Add	Understanding and describing significant indirect economic impacts, including the extent of impacts.	- (Nondisclosure)

G3 Disclosure		Description	Reference page
Environmental			
		Disclosure on Management Approach	Environmental Protection NRI Group's Code of Business Principle NRI Group Employees' Code of Business Conduct The NRI Group's Environmental Policy (only available in Japanese)
Aspect: Materials			
EN1	Core	Materials used by weight or volume.	- (Nondisclosure)
EN2	Core	Percentage of materials used that are recycled input materials.	- (Nondisclosure)
Aspect: Energy			
EN3	Core	Direct energy consumption by primary energy source.	Environmental Protection
EN4	Core	Indirect energy consumption by primary source.	- (Nondisclosure)
EN5	Add	Energy saved due to conservation and efficiency improvements.	- (Nondisclosure)
EN6	Add	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Environmental Protection
EN7	Add	Initiatives to reduce indirect energy consumption and reductions achieved.	Environmental Protection
Aspect: Water			
EN8	Core	Total water withdrawal by source.	- (Nondisclosure)
EN9	Add	Water sources significantly affected by withdrawal of water.	Not applicable
EN10	Add	Percentage and total volume of water recycled and reused.	- (Nondisclosure)
Aspect: Biodiversity			
EN11	Core	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not applicable
EN12	Core	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not applicable
EN13	Add	Habitats protected or restored.	Not applicable
EN14	Add	Strategies, current actions, and future plans for managing impacts on biodiversity.	- (Nondisclosure)
EN15	Add	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not applicable
Aspect: Emissions, Effluents, And Waste			
EN16	Core	Total direct and indirect greenhouse gas emissions by weight.	Environmental Protection
EN17	Core	Other relevant indirect greenhouse gas emissions by weight.	- (Nondisclosure)
EN18	Add	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Environmental Protection
EN19	Core	Emissions of ozone-depleting substances by weight.	- (Nondisclosure)
EN20	Core	NO, SO, and other significant air emissions by type and weight.	- (Nondisclosure)
EN21	Core	Total water discharge by quality and destination.	- (Nondisclosure)
EN22	Core	Total weight of waste by type and disposal method.	- (Nondisclosure)
EN23	Core	Total number and volume of significant spills.	Not applicable
EN24	Add	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	- (Nondisclosure)
EN25	Add	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not applicable
Aspect: Products And Services			
EN26	Core	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Environmental Protection
EN27	Core	Percentage of products sold and their packaging materials that are reclaimed by category.	- (Nondisclosure)

G3 Disclosure		Description	Reference page
Aspect: Compliance			
EN28	Core	Monetary value of significant fines and total number of non-monetary sanctions for non- compliance with environmental laws and regulations.	Not applicable
Aspect: Transport			
EN29	Add	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	- (Nondisclosure)
Aspect: Overall			
EN30	Add	Total environmental protection expenditures and investments by type.	- (Nondisclosure)
Labor Practices and Decent Work			
		Disclosure on Management Approach	Engagement with Employees (1) Engagement with Employees (2) NRI Group's Code of Business Principle NRI Group Employees' Code of Business Conduct
Aspect: Employment			
LA1	Core	Total workforce by employment type, employment contract, and region, broken down by gender.	Engagement with Employees (1)
LA2	Core	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Engagement with Employees (1)
LA3	Add	Benefits provided to full-time employees that are not provided to temporary or part- time employees, by significant locations of operation.	Engagement with Employees (2)
Aspect: Labor/Management Relations			
LA4	Core	Percentage of employees covered by collective bargaining agreements.	Engagement with Employees (1) Financial Report(Fiscal 2011 ending March 31, 2012) (p. 8) (only available in Japanese)
LA5	Core	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	- (Nondisclosure)
Aspect: Occupational Health and Safety			
LA6	Add	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.	Engagement with Employees (2)
LA7	Core	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	- (Nondisclosure)
LA8	Core	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Risk Management Engagement with Employees (2)
LA9	Add	Health and safety topics covered in formal agreements with trade unions.	Engagement with Employees (1)
Aspect: Training And Education			
LA10	Core	Average hours of training per year per employee by gender, and by employee category.	- (Nondisclosure)
LA11	Add	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Engagement with Employees (1)
LA12	Add	Percentage of employees receiving regular performance and career development reviews, by gender.	Engagement with Employees (1)
Aspect: Diversity And Equal Opportunity			
LA13	Core	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Engagement with Employees (1)
LA14	Core	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Engagement with Employees (1)
Human Rights			
		Disclosure on Management Approach	Compliance Engagement with Employees (1) Engagement with Employees (2) NRI Group's Code of Business Principle NRI Group Employees' Code of Business Conduct

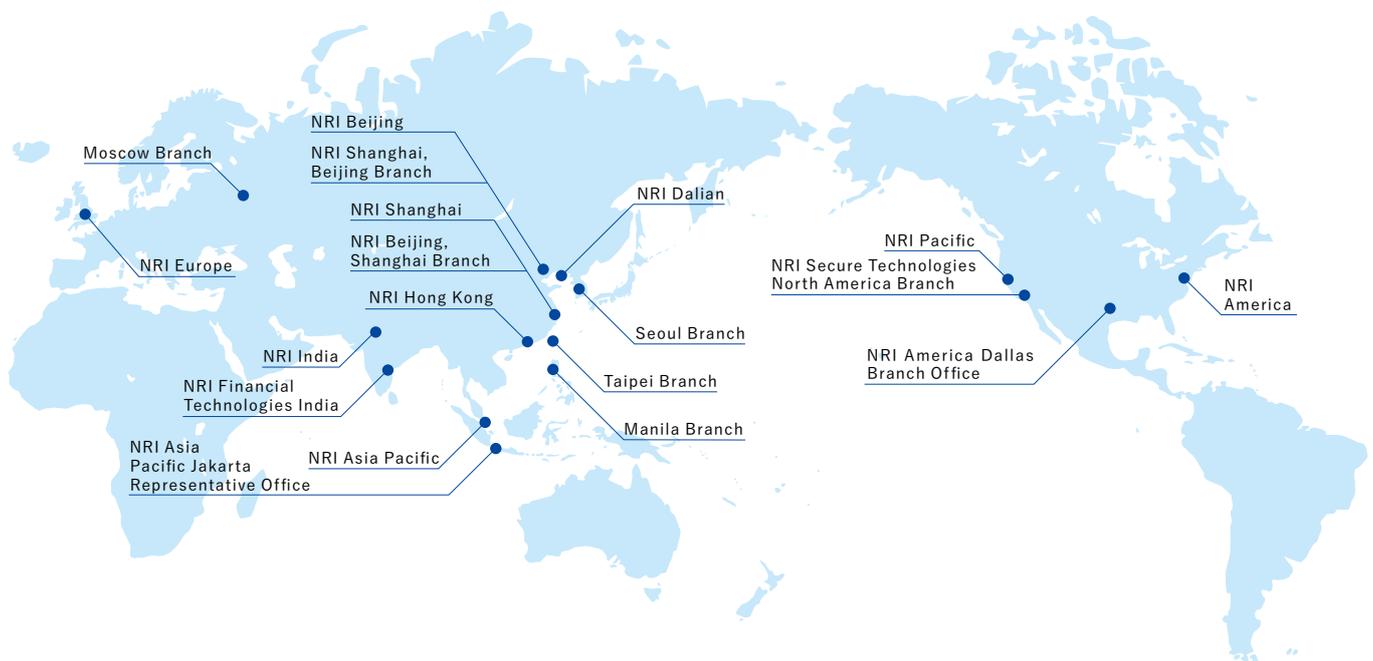| G3 Disclosure		Description	Reference page
Aspect: Investment and Procurement Practices			
HR1	Core	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	- (Nondisclosure)
HR2	Core	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	- (Nondisclosure)
HR3	Add	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Compliance
Aspect: Non- Discrimination			
HR4	Core	Total number of incidents of discrimination and corrective actions taken.	- (Nondisclosure)
Aspect: Freedom Of Association And Collective Bargaining			
HR5	Core	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not applicable
Aspect: Child Labor			
HR6	Core	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not applicable
Aspect: Forced And Compulsory Labor			
HR7	Core	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not applicable
Aspect: Security Practices			
HR8	Add	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not applicable
Aspect: Indigenous Rights			
HR9	Add	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable
Society			
		Disclosure on Management Approach	The NRI Group's CSR Policy Risk Management Compliance Information Security Management Intellectual Property Management Development of Society Engagement with Clients Engagement with Business Partners NRI Group's Code of Business Principle NRI Group Employees' Code of Business Conduct Basic Policy on Building Internal Control Systems (only available in Japanese) Declaration of Information Security Measures Business and Service
Aspect: Local community			
SO1	Core	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Engagement with Clients
Aspect: Corruption			
SO2	Core	Percentage and total number of business units analyzed for risks related to corruption.	Risk Management Compliance Information Security Management Engagement with Business Partners
SO3	Core	Percentage of employees trained in organization's anti-corruption policies and procedures.	Compliance Information Security Management Intellectual Property Management
SO4	Core	Actions taken in response to incidents of corruption.	Compliance
Aspect: Public Policy			
SO5	Core	Public policy positions and participation in public policy development and lobbying.	Development of Society Business and Service
SO6	Add	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not applicable

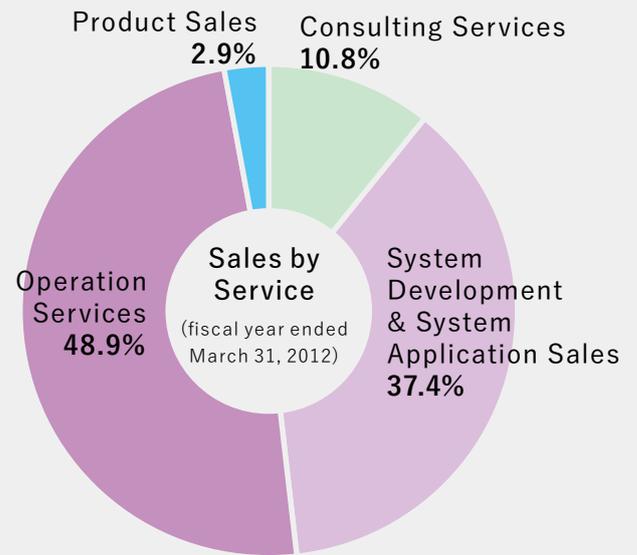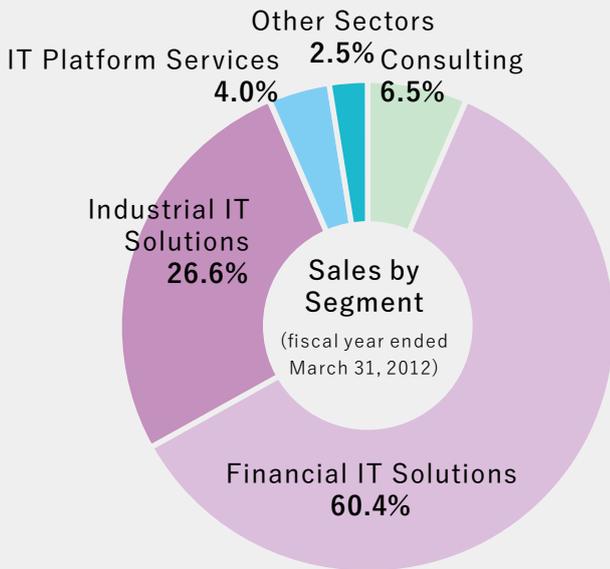| G3 Disclosure		Description	Reference page
Aspect: Anti Competitive Behavior			
SO7	Add	Total number of legal actions for anti- competitive behavior, anti-trust, and monopoly practices and their outcomes.	– (Nondisclosure)
Aspect: Compliance			
SO8	Core	Monetary value of significant fines and total number of non-monetary sanctions for non- compliance with laws and regulations.	– (Nondisclosure)
Product Responsibility			
		Disclosure on Management Approach	Risk Management Quality Management Information Security Management Engagement with Clients Engagement with Business Partners Declaration of Information Security Measures NRI's Personal Data Protection Statement NRI Group's Privacy Policy NRI Group's Code of Business Principle NRI Group Employees' Code of Business Conduct
Aspect: Customer Health and Safety			
PR1	Core	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Risk Management Quality Management Information Security Management Engagement with Clients
PR2	Add	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	– (Nondisclosure)
Aspect: Product and Service Labeling			
PR3	Core	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	– (Nondisclosure)
PR4	Add	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	– (Nondisclosure)
PR5	Add	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Engagement with Clients
Aspect: Marketing Communications			
PR6	Core	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	– (Nondisclosure)
PR7	Add	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	– (Nondisclosure)
Aspect: Customer Privacy			
PR8	Add	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Information Security Management
Aspect: Compliance			
PR9	Core	Monetary value of significant fines for non- compliance with laws and regulations concerning the provision and use of products and services.	– (Nondisclosure)

Corporate Profile

Corporate Profile

Corporate Name	Nomura Research Institute, Ltd.
Established	April 1, 1965
Capital	¥18.6 billion
Number of Employees	5,739/NRI Group 6,881 (as of March 31, 2012)
Headquarters	Marunouchi Kitaguchi Building, 1-6-5 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan
Consolidated Net Sales	¥335.5 billion (fiscal year ended March 31, 2012)

NRI Group and Worldwide Office (as of July 1, 2012)

Moscow Branch
NRI Europe
NRI Beijing
NRI Shanghai, Beijing Branch
NRI Shanghai
NRI Beijing, Shanghai Branch
NRI Hong Kong
NRI Dalian
NRI India
NRI Financial Technologies India
NRI Asia Pacific Jakarta Representative Office
NRI Asia Pacific
Seoul Branch
Taipei Branch
Manila Branch
NRI Pacific
NRI Secure Technologies North America Branch
NRI America Dallas Branch Office
NRI America

[Japan]

Nomura Research Institute, Ltd.
NRI Netcom, Ltd.
NRI SecureTechnologies, Ltd.
NRI Cyber Patent, Ltd.
NRI Workplace Services, Ltd.
NRI Data i Tech, Ltd.
NRI Social Information System Services, Ltd.
NRI Process Innovation, Ltd.
NRI System Techno, Ltd.

[Sales]
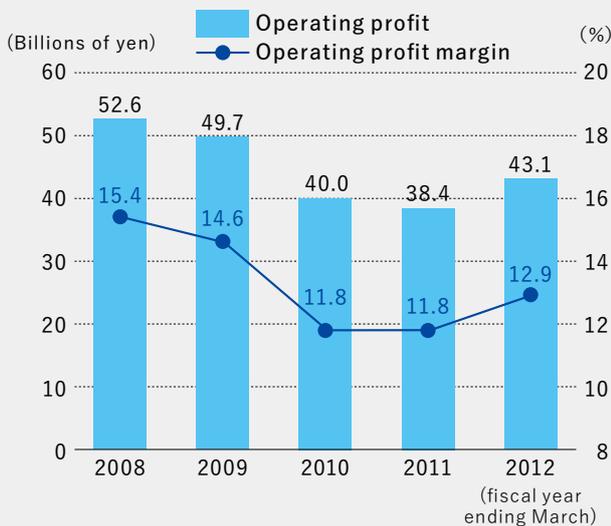
(Billions of yen)

Year	Value
2008	342.2
2009	341.2
2010	338.6
2011	326.3
2012	335.5

(fiscal year ending March)

Sales by Segment
(fiscal year ended March 31, 2012)

- Other Sectors 2.5%
- Consulting 6.5%
- IT Platform Services 4.0%
- Industrial IT Solutions 26.6%
- Financial IT Solutions 60.4%

Sales by Service
(fiscal year ended March 31, 2012)

- Product Sales 2.9%
- Consulting Services 10.8%
- Operation Services 48.9%
- System Development & System Application Sales 37.4%

[Operating Profit and Operating Profit Margin]

(Billions of yen)   (%)

- Operating profit
- Operating profit margin

Year	Operating profit	Operating profit margin
2008	52.6	15.4
2009	49.7	14.6
2010	40.0	11.8
2011	38.4	11.8
2012	43.1	12.9

(fiscal year ending March)

[Ordinary Profit]

(Billions of yen)

Year	Value
2008	55.5
2009	51.7
2010	40.9
2011	40.0
2012	44.6

(fiscal year ending March)