



Nomura Research Institute Group

## NEWS RELEASE

### Nomura Research Institute concludes partnership agreement with US headquartered Behavox Ltd.

To jointly provide financial institutions with services for enhancing conduct risk management

**Tokyo, July 15, 2021** – Nomura Research Institute, Ltd. (Headquarters: Chiyoda Ward, Tokyo, Chairman and President & CEO, Representative Director: Shingo Konomoto, hereinafter referred to as "NRI") and Behavox Ltd. (Headquarters: New York, USA, CEO: Erkin Adylov, hereinafter referred to as "Behavox") concluded a partnership agreement on 12th July to provide Japanese financial institutions with solution services aimed at enhancing conduct risk management.

Conduct risk is defined as "a risk that, while not regulated by laws and regulations, could lead to acts against social norms, acts against business and market practices, or acts that lack a user's perspective, thereby significantly damaging corporate value." For example, financial institutions may be subject to administrative disposition for selling financial products that are difficult for customers to understand correctly, or for charging fees that the customer agrees to but for which the calculation basis is unclear. Moreover, various acts of harassment are also considered to be typical examples of conduct risk.

Conventionally, financial institutions have developed a risk management framework from the perspective of compliance with laws and regulations. However, that framework alone is insufficient to identify and grasp conduct risks that require new approaches, calling for more sophisticated risk management frameworks. Additionally, the recent increase in remote work has made accurate identification of conduct risk more difficult.

Behavox is developing solutions to detect such conduct risks, and they have been adopted by financial institutions in the U.S. and Europe. Specifically, Behavox focuses on the fact that employee behavior, etc. is captured by digital devices. They then score the conduct risk by analyzing these enormous amounts of conduct data using artificial intelligence (AI). In the past, conduct risk issues were mainly detected and verified ex post facto, but by utilizing the scoring results, it is possible to detect and verify such issues before or as they occur. Financial institutions in the U.S. and Europe equipped with this solution have achieved significant labor cost savings in conducting risk management in the areas of financial crime prevention and internal information leakage.

Together with Behavox, NRI will work to enhance the Japanese language analysis capabilities of this solution to improve the detection rate of conduct risk in accordance with Japanese norms, business and

market practices. In addition, based on our track records in the U.S. and Europe, including Japanese financial institutions, we plan to develop customers in the Japanese market and provide integrated services for Behavox solutions, from implementation consulting to operation support.

Going forward, NRI will continue to help improve financial institutions' services and realize a safe and secure society through the sophistication of conduct risk management.

Comment from Erkin Adylov, CEO and Founder of Behavox:

“As our mission statement is to organize and make useful all internal data on the planet, we are thrilled to be partnering with NRI to assist in creating safer, and more productive work environments by enabling Japanese organizations to identify conduct risks and make data-driven decisions.”

Comment from Taro Togo, Managing Director, Japan Office, Behavox:

“NRI is the best partner for us and I have been working towards this partnership from the very first day I joined Behavox. Partnering with NRI's research, consulting and managed services will enable Behavox to enter the Japanese market and help Japanese financial institutions become more compliant”

**About Behavox**

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| Company Name          | Behavox Ltd.  |
| Business Description  | Behavox is an insights company that uses behavioral AI and machine learning to protect enterprises from corporate crises and company-ending events. Behavox provides solutions that help global enterprises generate valuable insights from internal communications like email, instant messaging, social media, and voice. |
| Date of Establishment | June, 2014  |
| HQ Location           | Manhattan, New York, United States  |
| Representative        | Founder and CEO Erkin Adylov  |
| Japan Branch Location | Chiyoda-ku Marunouchi 1-6-5, Tokyo  |
| Japan Representative  | Managing Director, Taro Togo  |
| URL                   | <a href="http://www.behavox.com">www.behavox.com</a>  |

## **About NRI**

Founded in 1965, NRI is a leading global provider of system solutions and consulting services, including management consulting, system integration, and IT management and solutions for the financial, manufacturing, retail and service industries. Clients from all layers of these individual industries partner with NRI to tap NRI's research expertise and innovative solutions across the organization to expand businesses, design corporate structures and create new business strategies. NRI has more than 13,000 employees in more than 50 offices globally including New York, London, Tokyo, Hong Kong, Singapore, and Australia. NRI reports annual sales above \$4.8 billion. NRI is rated "A" by S&P Global Ratings Japan. For more information, visit <https://www.nri.com/en>

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