



# 未来創発

Dream up the future.

Nomura Research Institute  
is creating a new future.

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

In our desire for creating a positive future by thoroughly considering the possibilities facing society in this era of rapid change where predictions cannot easily be made, we hope to contribute to society by creating new value.

The NRI Group will continue our endeavors in meeting never-ending challenges as a "company creating future society."

## Message from the President

Based on our corporate philosophy of "discerning new social paradigms and assuming the role of implementing such paradigms" and "building client's trust and prospering together with clients," Nomura Research Institute (NRI) seeks to become a "company creating future society" and contributes to the sustainable growth of society.

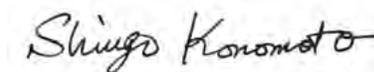
The former Nomura Research Institute was founded in 1965 with the purpose of "service towards the promotion of industry, the economy, and the community through research surveys." Even after merging with Nomura Computer Systems in 1988, this fundamental stance has remained unchanged.

Japan faces various issues including a declining population, an aging population, concern regarding financial collapse, and a decline in industrial competitiveness. When extrapolating from current conditions, it is difficult to image a bright future for Japan. In Japan, it is no longer possible to depend on the government. Today, regions and corporations must survive based on their own ability and responsibility.

Amidst these conditions, corporations must transition from management which prioritizes only profit to management that ascertains social issues and implements solutions during business activities. This is the type of social responsibility-related activities that corporations have to carry out. In addition to taking the initiative to implement this new form of management, NRI seeks to exist as a corporation that supports our client corporations in resolving social issues through their business.

Based on this vision, NRI endorsed the United Nations Global Compact (UNGC) in May 2017 and announced our participation in the UNGC.

In order to earn continued trust from society and to fulfill expectations, NRI will anticipate trends in new technology while working to implement changes within our group. We will fulfill our social responsibility by conducting business that will resolve issues in future society. At the same time, we will sincerely listen to opinions from various stakeholders and work to regulate our own behavior.



Shingo Konomoto  
President & CEO, Member of the Board  
Nomura Research Institute, Ltd.

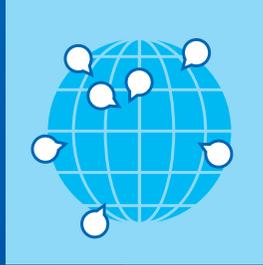


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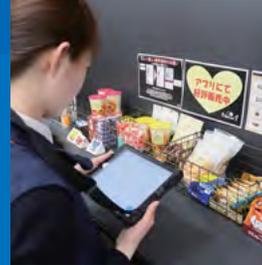
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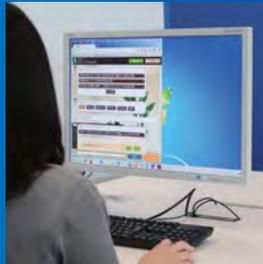
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# Digital, Creating the Near Future



Based on our corporate philosophy of “Dream up the future,” the NRI Group holds the annual NRI Dream Up the Future Forum in order to make recommendations for future society and to provide suggestions for business. The main theme for the three years starting from fiscal 2017 is “Digital, Creating the Near Future.”

In fiscal 2017, based on the sub-theme of “Digital Changing Japan’s Future,” we invited Jeremy Rifkin, a famous American critic of culture and economy. Through a lecture by Rifkin and discussion among various experts from NRI, the Forum provided macro recommendations and suggestions for business, such as the impact of a digital society and possible risks.

Today, there is a technological revolution led by artificial intelligence (AI) and the Internet of Things (IoT). A wave of globalization is also sweeping across the world. In an environment where a digital economy is being established simultaneously throughout the world, many corporations are being forced to recreate their management and business into forms which differ completely from before.

## [Keynote Address]

### Digital Changing Japan’s Future — The Impact of the Sharing Economy

**Shingo Konomoto,**  
NRI President & CEO



#### Risk of a shrinking economy due to a digital shift

A survey conducted by NRI showed that an increasing number of Japanese citizens feel that “the level of my lifestyle has improved” when compared to around 2010. This is despite the long-term stagnation of the global economy caused by the Lehman Shock and a sluggish Japanese GDP. One reason for this feeling of an improved lifestyle is the digitalization of products and services. The internet has increased convenience for consumers and the consumer surplus (the difference between the total amount that consumers are willing and able to pay and the total amount that they actually do pay) is increasing.

General speaking, innovation causes the consumer surplus and the producer surplus to increase together. This occurs because, in addition to heightening the convenience of products and services, the marginal cost (the cost added by producing one additional unit of a product or service) of producers decreases and demand increases. However, digitalization has dramatically decreased the marginal cost. This has caused sudden decreases in the cost of products and services. Consumer surplus increases and producer surplus decreases at a speed that is much faster than increases in demand. If the producer surplus decreases too quickly, there will be a negative impact on employee income and facilities investment. This will cause diminished equilibrium in the economy.

#### An era of sharing for various goods/services

In addition to simply reducing costs, corporations are expected to implement strategies that create new value. The success of this strategy largely depends on methods for utilizing big data. There has been an emergence of

corporations that use enormous amounts of customer information to visualize supply/demand and conduct optimal matching while providing sharing services. The near future will bring a sharing economy in which various goods and services are shared. This industry is predicted to consist of massive platformers that provide sharing services, highly-optimized manufacturing companies, and corporate groups that provide unique services for the sharing economy.

#### Need for “commons” to manage shared assets

A new risk has arisen in which personal information and other data is held exclusively by massive platformers. In response, there is the need for “commons” that serve as an infrastructure for managing shared assets in a sharing economy. Commons which can be used by corporations and public institutions have been constructed in Japan. This has spurred the founding of numerous corporate groups which operate new industries. After a period of coexistence with the old economy, Japan is expected to transition to a new economic structure.

Commons are an infrastructure that are shared by the public and private sectors. Although some people may think that Japan lags behind Western countries in building such infrastructure, our country is actually much closer to the form of an ideal digital society than Western countries. This is because Japan is largely unaffected by the digital divide (disparity in the ability to access information). NRI is committed to contributing to the growth of a healthy and dynamic sharing economy in Japan.

## [Special lecture]

## Toward Smart Japan: “The Third Industrial Revolution” and “The Zero Marginal Cost Society”

**Jeremy Rifkin,**  
Cultural and economic critic

When reflecting upon industrial revolutions in the past, there were major revolutions in three elements of social infrastructure: communication, energy, and transportation. Specifically, the first industrial revolution occurred in the 19th century brought major changes through telegraphs, coal/thermal power, and the steam engine. The second industrial revolution occurred in the 20th century through the telephone, electricity, and the internal combustion engine.

### IoT as the source of a new industrial revolution

Currently, the advancement of the IoT is causing major changes to the aforementioned three elements. Spreading throughout the world as a communication medium, the internet is connected to homes and offices, factories and stores, and goods in public locations where people gather. This has enabled detailed control of energy and transportation systems at an unprecedented level.

By utilizing this infrastructure, society and the economy are undergoing massive changes. This is the third industrial revolution. The third industrial revolution will reduce marginal cost to nearly zero. Individual will be able to produce energy by using solar power generators connected to the internet. Using 3D printers will make it possible for anyone to manufacture a variety of products.

### Capitalism is nearing its demise

When this kind of society is achieved, we will witness the emergence of “collaborative commons”



**[Jeremy Rifkin]** A policy advisor to the EU and main European nations. He provides recommendations on policy and energy security to EU leaders and high-ranking officials. As advisor to German Chancellor Angela Merkel, fulfilled a leading role in Industry 4.0. His written works include “The Third Industrial Revolution: How Lateral Power is Transforming Energy, the Economy, and the World” (St. Martin’s Press, 2011) and “The Zero Marginal Cost Society: The Internet of Things, the Collaborative Commons, and the Eclipse of Capitalism” (St. Martin’s Press, 2014).

in which huge numbers of people cooperate to work towards a shared objective. This type of commons will be jointly constructed and managed by participants, not by the capitalist market or government.

If it is possible to construct diverse collaborative commons throughout the world, capitalism will be forced to shrink. Current capitalism will meet its demise in the near future. We will shift to a sharing economy that is implemented through collaborative commons.



## [Dialogue]

## How will global digitalization progress? And what is the position of Japan?

[Speakers] Jeremy Rifkin, Shingo Konomoto

[Moderator] Maoko Kotani, Newscaster

After the special lecture by Jeremy Rifkin, a dialogue was held between Rifkin and Shingo Konomoto. Maoko Kotani served as moderator for the dialogue.

**Kotani:** Listening to your lectures enabled me to understand the importance of the world moving toward a sharing economy. What are some issues in achieving a sharing economy?

**Rifkin:** We need leadership on a global level.

### Possibility of Japan leading the world

**Under the leadership of Chancellor Merkel, to whom Rifkin serves as an advisor, Germany is implementing policies towards a third industrial revolution.**

**Examples include transition to a system of renewable energy and Industry 4.0.**

**Konomoto:** This is a nationwide endeavor; therefore, a certain amount of government leadership is required. Even so, collaboration with the private sector is also essential. Therefore, through discussions in general economic circles, it is important to formulate a clear orientation and to change the awareness of the general public.

**Leadership across national borders is essential in order to expand the movement toward a sharing economy throughout the world.**

**Rifkin:** Japan possesses advanced technology in fields such as IT, construction, and production. These fields will fulfill an important role in configuring an IoT platform. I believe that Japan has the potential to play a leading role in global leadership.

### Contributing to the growth of a sharing economy

**Another important issue is response to cyberattacks which are increasingly sophisticated and complex.**

**Konomoto:** The architecture of infrastructure which will support the third industrial revolution will be distributed; this is in contrast to the centralized structure which existed in the past. In order to reduce the threat posed by cyberattacks, we must formulate sufficient security measures for all elements of configuring an infrastructure.

**Rifkin:** From a global perspective, the number of initiatives directed towards achieving a sharing economy will increase exponentially.

**Konomoto:** Japan has many conservative corporations. This will cause slow progress in the next few years. However, once a certain threshold has been exceeded, Japanese corporations will move forward with great speed. One mission of NRI is to support such corporations.

First installment of a three-part series by  
NRI exploring the direction of  
“Digital, Creating the Near Future”

### Digital Capitalism

Published by Toyo Keizai (May 2018)

Supervised by Shingo Konomoto,  
President & CEO of Nomura Research Institute

Written by Takeshi Mori and Hiroyuki Nitto



### Now is the time to make choices for creating the future

—Based on our corporate philosophy of “Dream up the future,” NRI has made multifaceted insights on the form of “Digital, Creating the Near Future.” This book is the first installment in a series detailing the results of our research. The book examines the essence of digital capitalism and presents three scenarios for the expected form of future economic society. We hope that this book will stimulate discussion on what kind of future we should create. (Shingo Konomoto, President & CEO, Nomura Research Institute)

# Sustainability Policy

In fiscal 2017, NRI identified materialities (issue for meeting the expectations of stakeholders). While responding to these materialities, NRI is pursuing social value unique to our company and creating a sustainable society by instilling our corporate philosophy of "Dream up the future."



# Status of application for stocks used as ESG stock indexes

The global ESG investment amount in 2016 was approximately US\$ 23 trillion. This is said to be equivalent to about one-fourth of all global investment.

(GPIF) has started operation based on ESG stock indexes from 2017. The GPIF manages 160 trillion yen, the largest amount of any pension fund in the world. Furthermore, NRI is a component of the main ESG stock indexes.

## Dow Jones Sustainability World Index

First selected in 2018

## Dow Jones Sustainability Asia/Pacific Index

Selected continuously for 3 years from 2016



## MSCI ACWI ESG Leaders Index\*

Selected continuously for 3 years from 2016. Name changed from MSCI Global Sustainability Indexes in 2017



## FTSE4Good Developed Index

Selected continuously for 13 years from 2006



NRI is selected for all four ESG stock indexes which are used for Japanese stocks and which are selected by the Government Pension Investment Fund.

## MSCI Japan ESG Select Leaders Index\*



## MSCI Japan Empowering Women Index (WIN)\*



## FTSE Blossom Japan Index



## S&P/JPX Carbon Efficient Index



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# Sustainability topics: By the numbers

— Main numbers and awards for the NRI Group

Corporate Name	Nomura Research Institute, Ltd.
Consolidated Sales	471.4 billion yen (Fiscal year ended March 31, 2018)
Market capitalization	1.265 trillion yen
Number of employees (consolidated)	12,708

## Worldwide Offices of the NRI Group

**42** offices  
**14** countries and regions



## Number of employees at worldwide offices

**3,886**  
Ratio of employees at worldwide offices  
**30.6%**



## Amount of greenhouse gas emissions

**26.9%**  
Reduction

Results for fiscal 2016  
(compared to fiscal 2013)

Targets for fiscal 2030

**55.0%** Reduction



## Coverage ratio for environmental management system

**92%**  
(fiscal 2016)

NRI concurrently implements ISO14001 and our unique NRI-EMS.



## Reconstruction aid donations to disaster-affected areas in fiscal 2017

Kumamoto Earthquakes reconstruction relief donation

**4,214,000 yen**

Great East Japan Earthquake reconstruction relief donation

**9,000,000 yen**



## Number and ratio of female managers

**186** **6.8%**

(as of April 1, 2018)

NRI has formulated a behavior plan based on “the Act on Promotion of Women’s Participation and Advancement in the Workplace.” Our target is to increase the ratio of female employees serving as managers to at least 7% by fiscal 2018.



## Ratio of employees returning to work after taking childcare leave (Total for both men and women)

**98.5%**  
(fiscal 2017)

252 employees took childcare leave. 189 of these employees were men.



## Ratio of annual paid leave taken

**71.4%**  
(fiscal 2017)

Each office continues to implement independent measures for promoting the work-life balance of employees.



## Domestic awards

### Nadeshiko Brand

The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange jointly selected listed corporations which excel in encouraging the empowerment of women in the workplace. This was the second consecutive year that NRI was selected for this award.



### Top-Rank Eruboshi Certification (Stage 3)

In January 2017, NRI was designated by the Ministry of Health, Labour and Welfare as a company that showed excellence in initiatives based on “the Act on Promotion of Women’s Participation and Advancement in the Workplace.”



### Certified Health & Productivity Management Outstanding Organization (White 500)

Starting from February 2017, NRI has been certified for two consecutive years as a large corporation practicing superior health and productivity management. The certification is given by the Ministry of Economy, Trade and Industry.



## Contributing to the development of emerging nations in Africa, etc.



Exchanging opinions with the Investment Bureau of Côte d'Ivoire

As a bridge between emerging nations and Japanese corporations, we support sustainable growth in Africa.



The Japanese government offers support for the development of African countries including technology transfer and infrastructure exporting. The government collaborates with Japanese companies to deploy numerous projects that offer long-term development by creating employment, building a workforce, improving infrastructure, and more. As a bridge between emerging nations and Japanese corporation, NRI is involved in numerous projects.

By utilizing strong relationships that we have built with local governments and expertise obtained by implementing/supporting projects, NRI supports the creation of infrastructure for industry and technological innovation in Africa. We continually hold activities for sustainable growth and expansion in Africa.

#### Icons positioned to the left of the main text

From among the 17 Sustainable Development Goals (SDGs\*), we have listed goals which are considered as relevant to NRI Group initiatives introduced in the text (the same applies on the following pages).

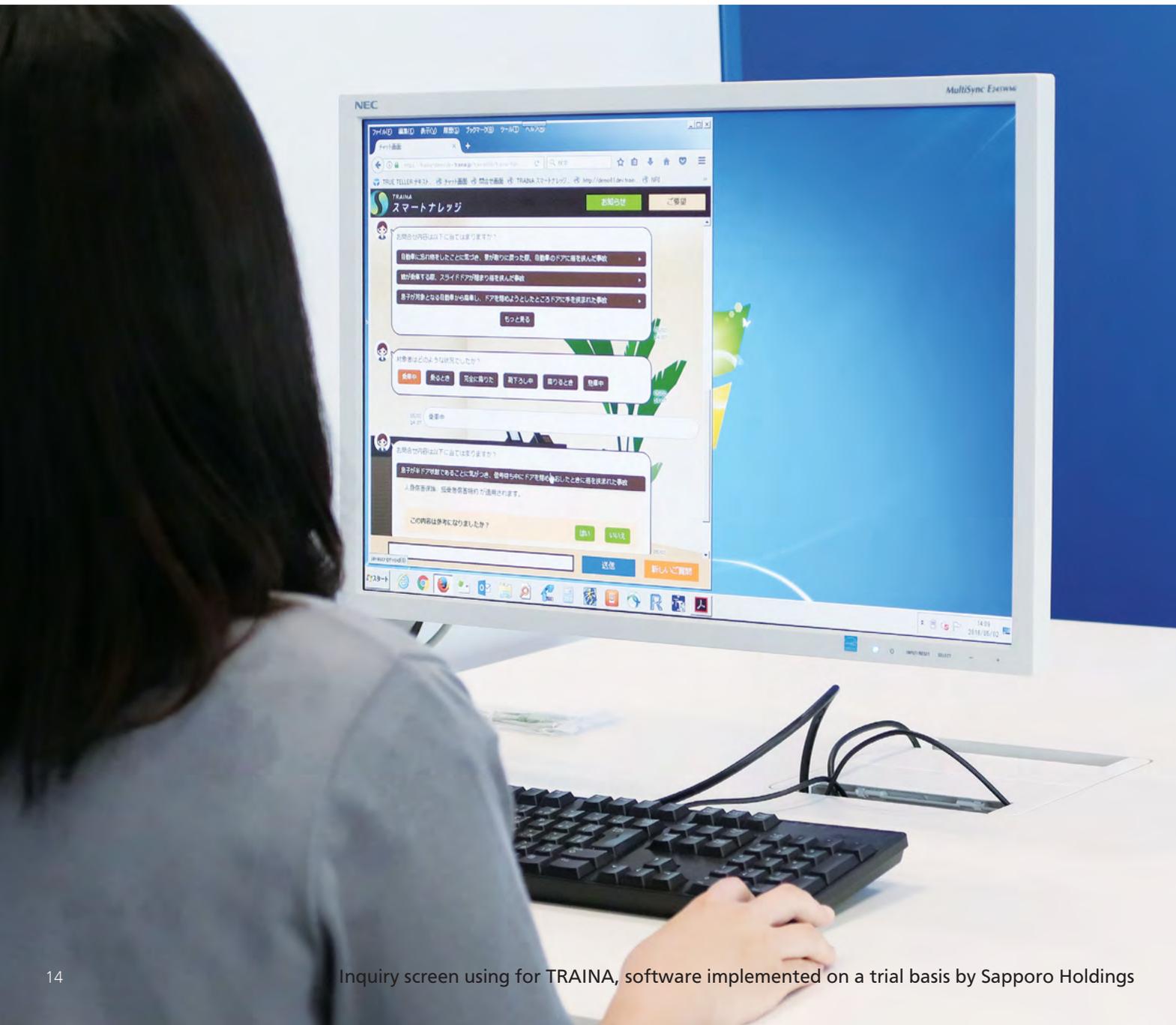
\*SDGs: Shared global goals defined by the United Nations for 2016 to 2030 in order to resolve global issues. Achieving this goal requires participation and cooperation from the national governments of UN member nations, local governments, corporations, NPOs, NGOs, and individual citizens.

### Successful alleviation of traffic in Moscow by using an advanced traffic signal system

New Energy and Industrial Technology Development Organization (NEDO), Kyosan Electric Manufacturing Co., Ltd., NRI, and the Traffic Control Center of Moscow cooperated in a project to demonstrate the use of an advanced traffic signal system. In order to resolve the severe traffic jams in Moscow, the system was positioned at five consecutive intersections and the reduction in the movement time of automobiles was verified. Maximum traffic alleviation of 40% during periods of congestion was confirmed.

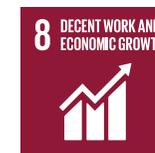


## Using artificial intelligence (AI) to reform working style



Inquiry screen using for TRAINA, software implemented on a trial basis by Sapporo Holdings

We will soon enter an era in which AI is entrusted with appropriate tasks so that human beings can concentrate on work that only humans can perform.



During the past few years, artificial intelligence (AI) has evolved dramatically and is now used in business fields. Sapporo Holdings Limited and NRI conducted a demonstration test to measure the effectiveness of using the AI system TRAINA to respond to internal inquiries to back-office sections. The test showed that TRAINA is capable of responding to 45% of inquiries and that response time is shortened by approximately 80% when compared to conventional searching of FAQ. These results show that AI can be used to fundamentally improve inefficient operations which are dependent on human skill and to contribute to improving productivity. Currently, testing has advanced to the stage of full-scale implementation for improved efficiency using TRAINA.

NRI will actively support operation reform using AI and contribute to work-style reform at corporations.

### Holding public (open-application) programs for using the capability of ICT venture corporations to resolve regional issues

Upon consignment from the Ministry of Internal Affairs and Communications, NRI implemented the StartupXAct project. StartupXAct demonstrates information communication technology (ICT) solutions held by venture corporations in the local community by matching the issues held by local governmental authorities with venture corporations that possess the technology, expertise, etc., to resolve said issues. In fiscal 2017, NRI successfully matched seven venture corporations with four local governmental authorities: Teshio Town, Hokkaido Prefecture; Kyotango City, Kyoto Prefecture; Takamatsu City, Kagawa Prefecture; and Kumamoto City, Kumamoto Prefecture.



## Provision of safe and secure infrastructure in future society



Image of autonomous driving using a connected car

We are developing infrastructure for future society to support safe driving.



There are an increasing number of “connected cars” which are connected with a network to provide various functions. Practical implementation of autonomously-driven vehicles which drive safely under the guidance of even more advanced networks will begin from 2020. Through the evolution of information communication technology (ICT), we seek to make cars into an even more comfortable means of transportation. Conversely, unlike conventional vehicles, autonomously-driven vehicles are exposed to the risk of cyberattacks.

Our group company NRI SecureTechnologies, Ltd., has started an “Automotive Penetration Test” service for automobile manufacturers and is supporting to enhance security for vehicles. The NRI Group will construct infrastructure for supporting future society by utilizing the technology and expertise in achieving information security gained in a variety of business fields.

### Provision of Blockchain Assessment Service

Blockchain has gained attention together with virtual currency. By dispersing and sharing data among numerous servers, blockchain makes it virtually impossible to falsify data. However, the threat of vulnerability still exists. NRI SecureTechnologies, Ltd. provides an assessment service for this technology, which is expected to be one effective technology for supporting an advanced information society in the future.



## Establishing an investment-type crowdfunding company for real estate



Real estate investment opportunities were previously limited to investment professionals. By using IT, NRI provides these opportunities to a wide range of independent investors.



Many corporations are focusing on innovative financial services using information technology and on FinTech, a technology which makes those services possible. NRI provides several shared online services in financial services. For some time now, we have also conducted surveys and research on FinTech, and have implemented trial FinTech technology.

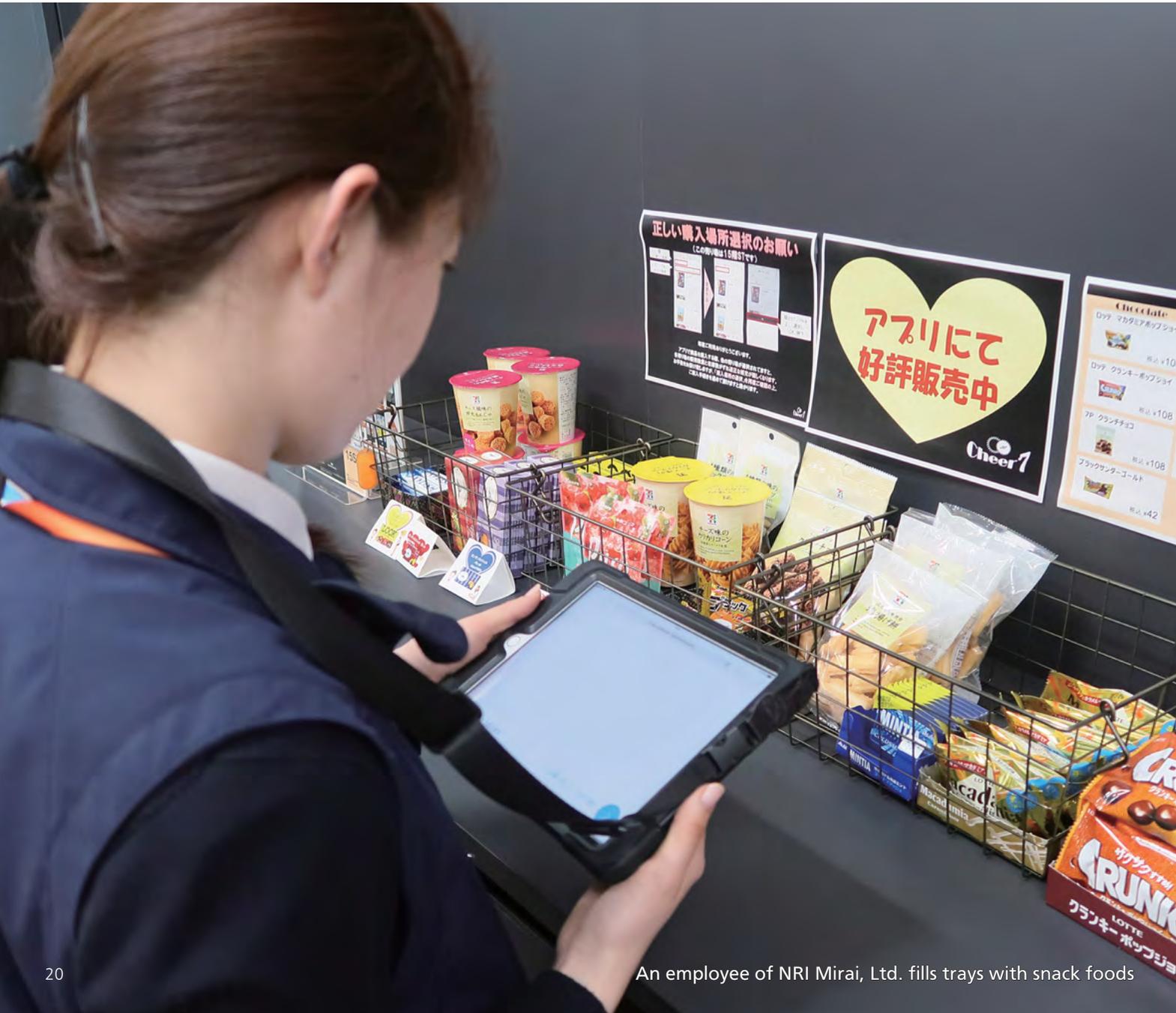
As one such initiative, NRI cooperated with the real estate asset management company Kenedix, Inc. to establish Bit Realty, Inc. in June 2017. Currently, we are preparing a platform operation business for investment-type crowdfunding focusing on real estate. Previously, unlisted real estate investment products were only available to institutional investors and other professional investors. However, NRI provides these opportunities to a wide range of investors through advanced real estate management conducted by experts, as well as a transaction system that is highly transparent, safe, and secure. NRI will continue to focus on implementing FinTech in society and on increasing the sophistication of FinTech.

### NRI Questionnaire Survey of 10,000 Consumers (Financial Edition)

Starting from 2010, NRI has conducted this survey every three years in order to examine changes in the financial awareness and behavior of Japanese people. The 2016 survey showed that, despite attracting attention throughout the world, FinTech-related services are not growing as services familiar to consumers. To spread FinTech related services, it is necessary to simplify operation and to eliminate security concerns.



## People with disabilities solve the social issue of labor shortage in the future



An employee of NRI Mirai, Ltd. fills trays with snack foods

NRI utilizes IT to promote participation of the elderly and people with disabilities.



The Japanese population has been decreasing continually since 2011. It is estimated\* that the population will decrease to approximately 119 million people in 2030. This is a decrease of approximately 7.4 million people when compared to the current population. Furthermore, the population of the “working age generations” from 20 to 64 years old is estimated to decrease to 53.5% of the total population in 2030. This is down from 56.0% in 2015.

Based on the “Act on Employment Promotion etc. of Persons with Disabilities,” NRI established the special subsidiary NRI Mirai, Ltd. in 2015. Through NRI Mirai, we promote the employment of people with disabilities. Furthermore, through cooperation with NRI Retail Next, Ltd., a group company which operates convenience stores, we are holding proof of concept testing for systems in which people with disabilities serve as important labor for convenience stores, an industry facing a severe shortage of workers.

\*Estimated the medium-fertility (medium-mortality) from the “Population Projection for Japan (2017 Estimate)” issued by the National Institute of Population and Social Security Research.

### Participation of the elderly and invigoration of regions

Through a system named “Ageless 80,” our group company NRI Social Information System Services, Ltd. supports the work of Silver Human Resources Centers which match regional needs with labor provided by the elderly. We seek to realize a future society which encourages energetic elderly individuals to participate actively and to deliver services which meet the needs of people requiring support through cooperation of surrounding individuals.



# Our commitment to the 2°C target is our corporate responsibility



Cold water vertical heat storage tank at Tokyo Data Center I

By transitioning to a new energy efficient data center, we achieve significant reductions in the amount of greenhouse gases emissions.

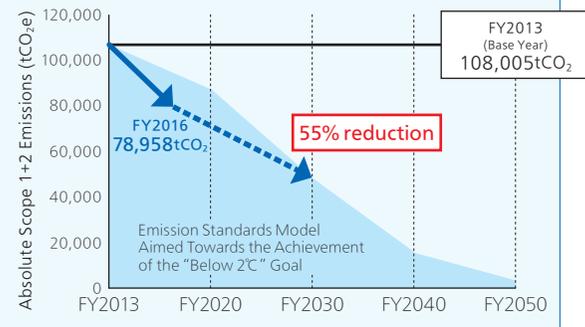
- 7 エネルギーをみんなに  
そしてクリーンに
- 9 産業と技術革新の  
基盤をつくろう
- 13 気候変動に  
具体的な対策を

Two years have passed since international society agreed to the Paris Agreement in 2015. In accordance with Science Based Targets (SBT) based on the 2°C target, an increasing number of corporations (particularly in Europe and America) are recognizing their responsibility to significantly reduce greenhouse gases from a long-term perspective.

The NRI Group agrees with Science Based Targets initiative (SBTi). We set the target of reducing greenhouse gases by 25% in January 2016 when compared to fiscal 2013. Afterwards, we transitioned systems to Tokyo Data Center I and other data centers with outstanding environmental performance. We achieved our goal by achieving a reduction of 26.9% in fiscal 2016. As our corporate social responsibility, NRI will continually strive to reduce greenhouse gases.

## Setting new environmental targets for 2030

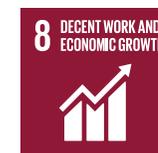
The NRI Group seeks SBT certification by achieving environmental targets. We have set the new target of reducing greenhouse gases by 55% by fiscal 2030 when compared to fiscal 2013. In addition to the quantitative indexes, we have set the additional indexes of "ratio of renewable energy usage at data centers" and "ratio of environmental target settings at main business partners."



## Improving productivity through new working styles



We are improving productivity by increasing opportunities for employee interaction and developing an environment which enables to work flexibly.



From the second half of fiscal 2016 to the first half of fiscal 2017, NRI relocated our Tokyo, Yokohama, and Osaka offices to buildings which are environmentally friendly and have emergency generators that make the building highly resistant to disasters. In conjunction with these initiatives, we have also implemented new working styles with a focus on work-style reform. First, in addition to implementing Activity Based Working which enables employees to select a workplace depending on conditions at that time, we also developed an environment to enable video conferencing using employee computers. These changes have made it possible for employees to work from home. Furthermore, in order to encourage communication among employees, the new office buildings feature large cafe lounges which can be used for meals, meetings, and events. Office areas also have special features to encourage personal interaction. In addition to these facility-based initiatives, we are also implementing human-based initiatives for work-style reform in conjunction with the contents and characteristics of work at each department. We have successfully reduced overtime work and improved productivity.

### Yume-minato nursery school opens as an in-house nursery

An increasing number of NRI employees are being forced to extend their childcare leave due to being unable to enroll their child at a certified nursery school for children. In response, we opened the Yume-minato nursery school on June 1, 2017 in conjunction with relocating our office in Yokohama. It is the first in-house nursery at NRI. This makes it possible for employees to avoid unintended career blanks and to resume working at their desired timing.



## Allowing young people who will become leaders to focus on the future



This contest provides an opportunity for young people to focus on the future, consider actions which must be taken, and express their passionate ideas.



The NRI Group has held the NRI Student Essay Contest every year since fiscal 2006. Based on our corporate philosophy of “Dream up the future,” NRI holds this annual contest as an opportunity for young future generations to focus on the future, to seriously consider actions which they must take, and to express their passionate ideas.

In fiscal 2017, in addition to expressing their passionate ideas in essay format, applicants are now judged in the new format of a presentation. At the final screening, outstanding presentations were given by students who advanced through the essay screening. The presentations left a lasting impression on the judges and many other audience members.

### Contributing to the future by cultivating the next generation

Based on our corporate philosophy of “Dream up the future,” the NRI Group recognizes our important mission to cultivate the next generation which will serve as future leaders. In addition to career education programs for elementary school, junior high school, and high school students, NRI implements programs such as participating in the Riko-Challe project. Operated mainly by the Gender Equality Bureau Cabinet Office, this project encourages female junior high school, high school, and university students to select a career path in the STEM fields.



## Seeking corporate governance to serve as guidelines



Received the Tokyo Governor Prize for the Corporate Governance of the Year Prize 2017.



NRI was selected for the Tokyo Governor Prize at the Corporate Governance of the Year Prize 2017, which was held by the Japan Association of Corporate Directors. This prize is given to support corporations who have used corporate governance to achieve healthy growth in the medium- to long-term.

The Tokyo Governor Prize recognizes corporations that conduct advanced initiatives for ESG (environment, society, governance) which are essential to achieving the “Global Financial City: Tokyo” vision being promoted by the Tokyo Metropolitan Government. NRI was selected for the Tokyo Governor Prize in recognition of how we were the first Japanese business firm to issue green bonds and how we appoint female directors.

### First Japanese business firm to issue green bonds\*

The term “ESG investment” is now widely used. However, there are still very few cases of ESG bonds (bonds issued in order to resolve ESG-related issues) being issued in Japan. Based on our corporate philosophy of “Dream up the future,” NRI seeks to invigorate the green investment market in Japan and to realize a sustainable future society. In order to conduct equity acquisition and facility investment at the Yokohama Nomura Building (a building with outstanding environment performance), we issued the NRI Green Bonds. NRI was the first Japanese business firm to issue green bonds on a yen basis.



\*Green bonds: Bonds issued to procure funds required for business which contribute to the resolution of environmental issues such as global warming.

## Seeking a sustainable society through repeated global discussions



Discussion among experts at the head office of Aviva Investors (London)

In response to global trends, NRI exchanges opinions with prominent foreign ESG investors and works to respond to social needs.



It is said ESG investment of approximately US\$ 23 trillion is invested in corporations that show consideration for the “Environment, Society, and Governance.” This is equivalent to one-fourth of the world’s total investment amount. In response to these global trends, in August 2017, the NRI Group met with Steve Waygood, Chief Responsible Investment Officer at Aviva Investors, an ESG investment institution known throughout the world. At this meeting, we held our first overseas dialogue with experts, exchanging opinions on topics such as “conditions surrounding ESGs” and “response expected from the NRI Group.”

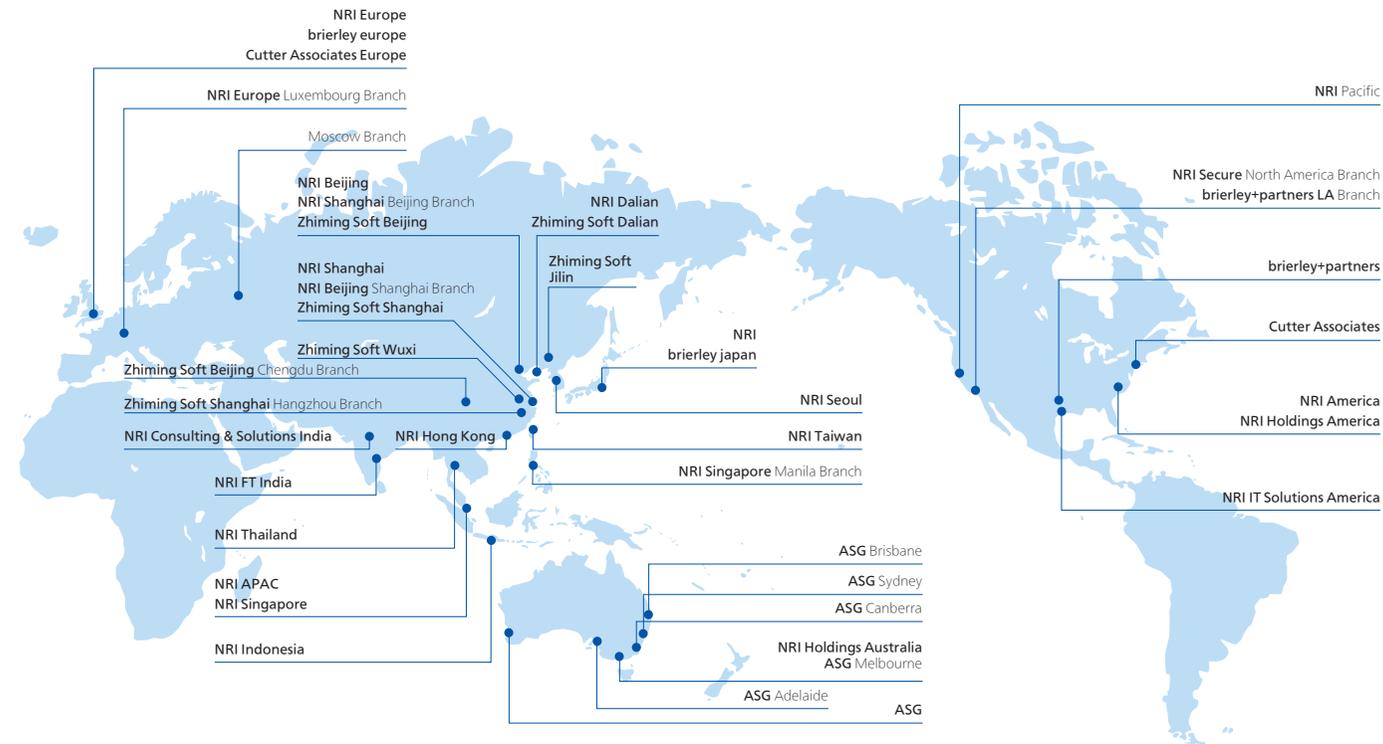
In this way, by continuing to hold discussions with various stakeholders, the NRI Group will ascertain demands from society and issues in the NRI Group. We will then work to reflect the knowledge gained into our management and business activities.

### CSR study session with partner corporations

Every year, the NRI Group holds a study session with officials from business partners who compose our business supply chain. In fiscal 2017, the study session was attended by eighteen officials from nine of our main business partners. At the session, attendees share information on global conditions related to ESG, introduce ESG initiatives implemented by their respective companies, and exchange a variety of opinions.



## Global network



Nomura Research Institute, Ltd.

Moscow Branch

Nomura Research Institute Holdings America, Inc.

Nomura Research Institute America, Inc.

Nomura Research Institute IT Solutions America, Inc.

Pacific Branch

NRI SecureTechnologies, Ltd.

North America Branch

Brierley+Partners, Inc.

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ASG Group Limited

Sydney Office

Canberra Office

Melbourne Office

Brisbane Office

Adelaide Office

## Editorial policy

Nomura Research Institute has published a sustainability report since fiscal 2005 to give our stakeholders an understanding of the NRI Group's initiatives for sustainability (including corporate social responsibility). The report also aims to facilitate internal and external communication and to raise the level of our initiatives.

From fiscal 2017, information on sustainability activities and results is available in this booklet (Sustainability Book 2018), through information disclosed on the internet, and through our Integrated Report 2018.

The Sustainability Book 2018 was established by changing the name of our previous CSR Book. Just as in the previous CSR Book, we have tried to ensure that the Sustainability Book contains articles of interest to our stakeholders along with the information that the NRI Group wants to convey, and to present it in an interesting and easy-to-read format. On the internet, we periodically disclose information throughout the year. In addition to summaries of data, the disclosed information also includes sustainability initiatives conducted by the NRI Group for sustainable growth of society.

### Integrated Report

<https://www.nri.com/en/ir/library>

### About the Cover



These elephant statues are charity art that are displayed at the entrance of our Yokohama Center (Yokohama Nomura Building). These works of art were sold at a charity event held by an organization called Elephant Parade®. The proceeds of the event are used to protect the Asian Elephant, an endangered species. NRI participates in this charity event which is held annually throughout the world. We were the first Japanese corporation to purchase a work of art at the event.

### Organizations covered in this report

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

### Period covered by this report

This report primarily covers fiscal 2017 (April 1, 2017 to March 31, 2018), but also addresses some events from the past, some activities after April 1, 2018, and certain plans for future activities.

### Sustainability Book 2018 publication date

December 2018 (the previous report was published in September 2015, and the next report is scheduled for publication in September 2019)

### Trademarks

All proper names, including names of companies and products, found in the Sustainability Book 2018 are trademarks or registered trademarks of the respective companies.

### Disclaimer

The Sustainability Book 2018 contains not only past and present facts about the NRI Group, but also plans and forecasts based on information acquired as of the date of publication. Depending on changes in various conditions, there is the possibility that the results and events of these future business activities may differ from the plans and schedules listed herein.

The names of organizations, names of executive positions, etc., listed herein are current as of the time of the activities or reporting.

### Inquiries about the Sustainability Book

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