Nomura Research Institute is creating a new future.

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

In our desire to create 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.”

Icons on pages that introduce NRI Group efforts

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

* 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.
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Message from the President

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

May 1, 2019 marked the beginning of a new era in Japan as the Heisei Era ended, and the Reiwa Era began.

As expectations for new technology rise even higher in the Reiwa Era, I believe it will also be an era in which the sustainability (sustainable society) perspective that comprises our management strategy is important.

The world today is fraught with a litany of social issues that are only getting worse, from climate change to the gap between the poor and the rich, human rights, food problems, refugees, and the list goes on. Developed countries including Japan also have aging populations and declining birth rates. New technologies are expected to be able to solve social issues such as these.
In this new era, corporations must transition from management which prioritizes only profit to management that ascertains social issues and implements solutions as part of business. In other words, this means being expected to generate social value in addition to economic value.

NRI wants to be a company that co-creates social value together with clients as we support them in resolving social issues through business.

With this ideal in mind, NRI has pledged its support for initiatives such as the UN Global Compact (UNGC) and the Task Force on Climate-related Financial Disclosures (TCFD).

In the NRI Group Medium-Term Management Plan (2019-2022), we declared our determination to “solve social issues through value co-creation” and defined how we will do business with “co-create a thriving future society by driving new value,” “co-create an ideal society by effectively utilizing its resources,” and “co-create a safe and secure society by advancing its infrastructure” as our three core co-creation ideals.

Going forward, we will strive to help create a sustainable future society and fulfill our social responsibility by being at the forefront of new technology trends while we ourselves also change. Doing so, we will engage in business that resolves future social issues, so that we may continue to be trusted by society and meet the resulting expectations.

We will also listen with sincerity to the opinions of our stakeholders in Japan and around the world, while ensuring that we act in a disciplined manner.
Based on our vision statement “Share the Next Values!,” the NRI Group launched Long-Term Management Vision, Vision2022 (From FISCAL 2015-2022) in April 2015, with the aim of continuously improving our corporate value.

Fiscal 2019 marks the midpoint of Vision2022, with the Reiwa era beginning concurrently with the start of second four-year half of the vision. The NRI Group Medium-Term Management Plan (2019-2022) (Medium-Term Management Plan 2022) was formulated with the aim of achieving Vision2022, so we will share the details of the plan.
What Medium-Term Management Plan 2022 aims to achieve

For Medium-Term Management Plan 2022 we set financial targets including 100 billion yen in operating profit and 100 billion yen in overseas sales. We also set the non-financial goals “Materiality for sustainable growth” in line with our growth strategy, and newly defined our efforts toward CSV (Creating Shared Value) as “Solving social issues through value co-creation.”

The corporate philosophy of the NRI Group “Dream up the future” expresses our vision of pioneering the future through innovation and helping to solve social issues. This approach has been unchanged throughout the 54 years since NRI was established in 1965. The Vision2022 vision statement “Share the Next Values!” based on the “Dream up the future” philosophy is a concept that the CSV approach also shares.

We believe that helping to create a sustainable future society by solving social issues is how we can also achieve sustainable growth for the NRI Group itself.

Solving social issues through value co-creation

The “NRI Group’s 3 Social Values” were defined for solving social issues through value co-creation. With the three social values of “Co-create a thriving future society”, “Co-create an ideal society”, and “Co-create a safe and secure society” we consolidate relationships with the business of the NRI Group, and incorporate the values into management PDCA (the cycle of plan, do, check, action).

Co-create a thriving future society by driving new value

— Strive to create a future of continuous new value generation that leads to an abundant and safe society where all benefit.

There are greater needs to digitalize business processes than there have ever been before. Engaging in digital transformation (DX) for business models, we vigorously support not only DX 1.0 (DX that contributes to process transformations such as making existing business more efficient and advanced) and DX 2.0 (DX that generates new business models themselves with digital technology). Becoming our clients’ DX partner, we expand business continuously.
We also make social and policy proposals through our consulting business and other areas.

**Co-create an ideal society by effectively utilizing its resources**

Strive to build a more livable society for all people by efficiently utilizing society’s main resources of manpower, goods, capital and intellectual property to develop dynamic, strong industry.

NRI is optimizing business processes, supporting financial services in Japan, and leading the trend away from ownership and toward usage. With shared online services, NRI is contributing to the current period of transition toward industry structures that extract maximum output from minimal resources through ASP (Application Service Provider: Business operators, services, and a business model for providing business-use applications and software to multiple clients through the Internet). Doing so, we are co-creating business infrastructure that economically and effectively utilizes the social resources of companies across different industry types.

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**NRI Group Sustainability Management and Future Vision**

**Sustained growth of the NRI Group**

**Realize a Sustainable Future**

**Corporate philosophy “Dream Up the Future”**

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**NRI Group Sustainability Management**

**Share the Next Values!**

[Vision 2022 Numerical Targets]

- Consolidated operating profit (JPY billion) 100
- Consolidated operating profit margin 14% or higher
- Overseas sales (JPY billion) 100
- ROE 14%

Solving social issues through value co-creation (CSV)

- Co-create a thriving future society by driving new value
- Co-create an ideal society by effectively utilizing its resources
- Co-create a safe and secure society by advancing its infrastructure

**Key issues for sustainable growth**

- Creation of a future low environmental impact society
- Provision of opportunities for all kinds of professionals to take on challenge
- Compliance with laws, regulations and risk management to increase trust from society
- Provision of NRI quality to support safe and secure information society

*CSV: Creating Shared Value*
Co-creating a safe and secure society by advancing its infrastructure
— We strive to build a society safe and secure from accidents and disasters by strengthening cyber-security for information systems and other core social infrastructure.

Centralizing and optimizing IT infrastructure and cloud environments, we provide advanced information security services and stable service operations in data centers. Together with the national government and local government agencies we also co-create safe, secure social infrastructure through our consulting business, in fields such as disaster prevention and mitigation, and disaster recovery support.

Growth Strategy in Medium-Term Management Plan 2022

Many companies in Japan currently appear to be either unable to get started on DX despite knowing about its necessity, or unable to get results from their DX efforts. This is thought to result from conflicts of interest with existing business and lack of IT personnel.

Co-create Social Value with our Customers to Realize a Sustainable Future

<table>
<thead>
<tr>
<th>NRI Group’s 3 Social Values</th>
<th>Key NRI Group Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-create a thriving future society by driving new value.</td>
<td>• Business Model Transformation</td>
</tr>
<tr>
<td></td>
<td>• DX consulting &amp; analytics</td>
</tr>
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<td></td>
<td>• D2C, DX for financial services</td>
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<td></td>
<td>• Cross-sector cooperation, new market entry support</td>
</tr>
<tr>
<td></td>
<td>• Policy proposals for society &amp; systems, information &amp; knowledge sharing to promote global discussion &amp; action in all sectors</td>
</tr>
<tr>
<td>Co-create an ideal society by effectively utilizing its resources.</td>
<td>• Business Process Transformation</td>
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<td></td>
<td>• Strategy/Operations/System Consulting</td>
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<td></td>
<td>• Resource Optimization with ASP</td>
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<td></td>
<td>• “STAR”, “BESTWAY” and other proprietary business platform solutions</td>
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<tr>
<td>Co-create a safe and secure society by advancing its infrastructure.</td>
<td>• IT Infrastructure Transformation</td>
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<td></td>
<td>• Cybersecurity business</td>
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<td></td>
<td>• Cloud &amp; Data Center managed services</td>
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<tr>
<td></td>
<td>• Stable Service Operation</td>
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<td></td>
<td>• Disaster Prevention &amp; Reduction Policy &amp; Disaster Recovery Support</td>
</tr>
</tbody>
</table>
There is fear that industry overall is approaching a so-called “2025 Digital Cliff,” in which IT systems become more dilapidated, future competitiveness stagnates, human resources are depleted, and business opportunities are lost. Medium-Term Management Plan 2022 sets out the following three themes as growth strategies and aims to co-create even more value together with clients.

## 1. DX strategy

**Use technology to transform customer business models and processes**

We comprehensively support the transformation of customer business processes and models, from formulating strategies to implementing solutions. With Con-Solution® (an NRI Group original service format in which consulting and IT solutions run side-by-side with clients from the planning and concept stages, creating business while repeating the process of hypothesis testing) to contribute to our clients as a value co-creation partner.

To be more specific, we leverage the strengths of the NRI Group to provide solutions that integrate the real experiences of clients with data analysis, build high-quality business platforms, and support new business development such as the “As a Service” business model.

With our business platform strategy to provide high-quality shared online
services, services for digital assets, and more, we will also expand the core business of the NRI Group while offering new business platforms catered to the changing structures of industries and supporting new business creation and new market entry. Additionally, our cloud strategy offers comprehensive support from diversified system platforms to application development, based on the modernization of legacy systems (overhauling IT systems that had been in long-term use).

2. Global strategy
Expanding our business base, centered on external growth in Australia and North America

We will expand our business base, centered on external growth through M&A and other such methods, with Australia and North America as our focus regions. In Australia we aim to establish position as an IT solutions vendor by bolstering synergy effects with ASG which we acquired in 2016. In North America we will expand our business by acquiring high added value intellectual property (IP) in digital. We expect to spend at least 50 billion yen in M&A investments over the four years from fiscal 2019 until fiscal 2022.

3. Human resources strategy
Increase and enhance human resources to support growth strategy

We will bolster the hiring and training of human resources who are capable of supporting the digital era including DX and being successful in this era. We will bolster the hiring of business designers, data scientists, and other such specialists in particular, and train them strategically. NRI alone (non-consolidated) is planning to increase staff size by at least 1,000 over the four years from fiscal 2019 to fiscal 2022. We also aim to further promote the success of our employees through diversity and by implementing greater variety of work-styles.

Through the strategies outlined above we will be engaging in Sustainability Management to balance the sustainable growth of the NRI Group with the creation of a sustainable future society.
デジタル資本主義は今後どう発展していくのか？

シナリオ1 市民デジタル資本主義
- テクノロジーが人間の労働を代替し、それを巨大なプラットフォーマーがデータ管理する
- テクノロジーで資本主義が強化され、経済格差はさらに拡大する
- テクノロジーは表象や実行の監視等、個別の選択に用いられ、民主主義が脅かされる

シナリオ2 市民（デジタル）資本主義
- 市民の高い価値のプラットフォーム（デジタルコモンズ）からなるシェアリング経済が形成される
- プラットフォーム上で市民一人一人のスキルや資産価値が価値を生み出すマイクロ資本となる
- 資産とアクセスの提供が平等化を進展させる。経済格差は広がらず、民主主義も強化される
- プラットフォームを通じた市民の意思（本質）が尊重される

シナリオ3 ポスト資本主義
- 市民の管理者が不適切、自由で平等なプラットフォーマー上のシェアリング経済が形成される
- 企業組織がモノ極化され大企業は衰退し、規制なく小規模なグループや個人が経済の中心に位置する
- 再生エネルギーにより多様なソーシャルギアは有限資源ゼロに適応し、公共財化していく
- 財やサービスの価値が無形に表され、生産者余剰はなくなり、資本主義が崩壊していく

Keynote address by Singo Konomoto, Chairman and President & CEO, NRI, “Digital Changing Industry’s Future”
Co-create a thriving future society

Co-creating opportunities in the great DX transition period

To co-create opportunities in the great DX transition period we want to share awareness of the same issues and co-create a thriving future society together with many more of our clients and stakeholders.

Based on our corporate philosophy of “Dream up the future,” NRI holds the Dream Up the Future Forum business forum in the fall of each year. Featuring specialists and experts from NRI and the outside world, the forum brainstorms what the future will look like both in Japan and the rest of the world. The main theme for the three years starting from 2017 is “Digital, Creating the Near Future,” in which we will discuss business management and what the future should look like in Japan and the world.

In 2017 we invited Jeremy Rifkin, a famous American critic of culture and economy, and brainstormed on how regional revitalization, finance, and manufacturing might change. In 2018 we invited Michael Wade, Professor of Innovation and Strategy at IMD Business School in Switzerland to brainstorm on the impact of DX* on the fields of telecommunications and media, manufacturing, transport, and real estate.

For 2019, the final year of the three-year series, we plan to make recommendations for the digitalization of society and industry. With these recommendations, the NRI Group wants to co-create a thriving future society together with many more of our clients and stakeholders.

* DX (Digital Transformation): Leveraging digital technologies to transform the business models, management, and business processes of companies, while also transforming the very shape of industry and society.
どこかにマイル

どこかにマイルとは？
往復6,000マイルでどこかに行ける
新しい旅のかたち

12 Japan Airlines "Dokokani Mile" website

Photos and images provided by Japan Airlines
Generating services that have true value for the service providers and users alike

The Japan Airlines Co., Ltd. “Dokokani Mile” (“Go Somewhere”) mileage service allowing members to redeem as few as 6,000 accumulated miles for free round-trip flights to “somewhere” in Japan has been highly popular since its launch in December 2016. In addition to the benefits of traveling for less than half the miles normally required, members enjoy the excitement and anticipation of travel by allowing their destination to be chosen for them. Applicable arrival and departure routes are also being added on an ongoing basis to this outstanding service.

From the conceptualization stage to systems development, this service was generated through co-creation between JAL and NRI. The service is producing a diverse range of value. For the airline company, it represents the utilization of empty seats, while for communities it brings in tourist traffic and livens up communities during low seasons, while also helping facilitate regional revitalization. Recognized for bringing about benefits for both the provider and the users of the service, this system received a Good Design Award in fiscal 2018.

In February 2019, JAL and NRI also established the new joint venture JAL Digital Experience. Employing cutting-edge digital marketing technologies we are creating new services that offer fulfilling experiences alongside new life experiences and lifestyles.
University students get energized with a balanced diet
Providing mechanisms that make students, parents, and university co-ops happy

University co-ops operate convenience stores, bookstores, cafeterias, and other facilities that support the lives of students and faculty staff members. Since its establishment in 1991 NRI Netcom Ltd. has been involved in business to construct and operate accounting and core systems for these university co-ops.

Meal cards are a service that can be prepaid for one year, enabling purchases at co-op operated cafeterias up to a maximum daily spending limit without being concerned about carrying around cash. Nutritional intake information is also stored within the purchase history, which can be checked not only by the students themselves but also by their parents if desired. This allows for dietary assistance and helps keep students healthy.

The time it takes to provide customer service at cafeterias and convenience stores is increasing, so in response we are working to improve operational efficiency by reducing labor through self-serve registers and the use of small tablet POS devices. We also plan to automate POS registers that use image recognition, with the aim of facilitating the re-allocation of human resources and further accelerating the register checkout process.

NRI Netcom will continue working with university co-ops to support the lives of the members.
Sydney, Australia’s largest city
NRI Group company ASG built a new core operations system for the Australian Bureau of Statistics

Since its establishment in 1996, Australian IT enterprise ASG Group Limited (ASG) has been providing IT solutions and consulting, including enterprise resource planning systems (ERP) and management data analysis, to Australian governments and private companies. In 2016, ASG became a member of the Nomura Research Institute Group.

ASG worked to overhaul the ERP of the Australian Bureau of Statistics (ABS), a government body that collects and publishes a variety of data related to population, industries, and other areas. ABS was seeking to create a programme that amongst other things, transformed the way data was being digitally managed with a view to streamlining data acquisition, processing, analysis and delivery. They also wanted to find ways of increasing the value and re-usability of the data they already had. ASG responded by delivering an innovative Enterprise Data Management Environment using Oracle technologies. The engagement was delivered by ASG through their Agile Delivery Methodology, which not only contributed to the successful completion of the program, but more broadly helped the organisation transition to a more Agile-focused approach.
Making it possible to perform all kinds of procedures from home
Co-creating an ideal society
Creating a more livable society through IT

We help boost operational efficiency with social platforms that support finance and business firms as well as the public sector.

Japan’s “My Number” social security number system is a key part of the social infrastructure, and NRI provides related services to companies, organizations, and groups, such as e-Bango, a service e-BANGO is a service to safely store and manage “My Number” social security numbers. The service is designed and developed to be solid and impenetrable for financial institutions, but in addition to just finance it is also used in distribution and manufacturing, real estate, hospitals, schools, and local government organizations, with implementations at over 170 companies and organizations in total. For local government organizations in particular e-BANGO has been provided at low cost via the Local Government WAN (LGWAN) since April 2018, and it is being utilized as infrastructure to manage important information such as “My Number” social security numbers.

Another example is e-NINSHO, a service that makes it widely possible to verify identity in the Internet society, centered on a public personal authentication service that is recognized by the Minister of Internal Affairs and Communications.

NRI will not only be devising ways to reduce user risk but will also actively be serving a promotional role to the private sector for the conceptualization of digital government within digital society.
The Customer Center (this photo is not of the Sony Life Insurance customer center)
Reducing operational workload and ensuring security when building system infrastructure in cloud environments

Even in finance, more companies are currently implementing the public cloud in their IT infrastructure. In May 2018, Sony Life Insurance Co., Ltd. used Microsoft Azure to replace the systems in its customer center which operators use to handle calls from clients.

NRI has been supporting Sony Life Insurance to construct core systems architecture such as contract management systems, and systems regarding its product. For the Azure platform implementation, we were involved throughout, from the systems design and development phase to setting up the operational environment.

Implementing the customer center system on the cloud reduced operational workload and cost. NRI cloud risk management support services for financial institutions are also in use for ongoing cloud risk assessment. NRI served as audit agent for the security guidelines defined by FISC* and became able to securely, continuously manage client information.

Providing both navigation and solutions, the NRI Group supports the further expansion of client business while at the same time helping to co-create a safe and secure society.

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* The Center for Financial Industry Information Systems
Work can be done safely and comfortably in places that have poor signal.
We create business IT environments that “prevent data ex-filtration from the endpoints” rather than “preventing data retaintion data in the endpoints”

Advancements in work-style reform and diversified work-life balance have given rise to the need for efficiency that enables the necessary human resources to do the necessary work anytime, and anywhere. With these changes taking place, the challenge is to construct IT environments that allow work to proceed just like in an office, and to balance the convenience of using cloud and other services to do work with security.

NRI SecureTechnologies, Ltd. provides a security solution for working remotely called “BizRemo!” designed with the concept "prevent data ex-filtration from the endpoints.” This solution makes it possible to retain data in terminals and do work while also providing a secure IT environment, even in situations outside the office where network connections are temporarily unavailable. Of course, it also comes with sophisticated security functions such as deterrence of information leakage from terminals and control over uploads of important information.

The NRI Group will be working even harder to create convenient, secure IT environments that cater to diverse work-styles.
At a comprehensive integrated data center inspection (Singo Konomoto, Chairman and President & CEO, NRI, is at far left)
Co-creating a safe and secure society

Supporting convenient, prosperous lifestyles and society

To ensure the safety and security of the IT services we provide, we conduct thorough inspections of our data centers while honing our management capability through ongoing training.

In the age of advanced information sharing, many information systems are operating 24 hours a day, 365 days a year in order to give people more convenient, prosperous lives. As the home to the information systems that create this social infrastructure, NRI data centers are housed within solidly-built earthquake-proof structures, while also being sophisticated, specialized facilities equipped with double and triple backup functionalities such as drawing power from alternate substations, and also generating power in-house.

In order to keep our data centers safe and secure, we carry out thorough inspections to ensure that each and every piece of equipment and the functions that control them will operate properly in case of emergency. Additionally, through daily operations it is also important to maintain and improve the skills of all employees involved with data center operations so that they will be able to respond quickly and appropriately in the event of an emergency, based in an awareness that disasters and unforeseen circumstances can arise at any time.

In addition to comprehensive integrated inspections to ensure proper operations during power outages, operation training takes place at NRI data centers multiple times each day and approximately 4,500 times or more each year. This includes large-scale failure operational training which anticipates the occurrence of a large-scale failure to ensure that internal organizations and the people in charge of the corresponding operations can take proper action in response.
Telepresence robots and two students who participated in the demo
Global
Good educational opportunities for children everywhere

We create new educational settings with “Virtual Classrooms” that utilize robots

The NRI Group is active in Australia, where the vast lands of the country see different social issues than those arising in Japan. “Distance” is one of these problems, where people are unable to commute to schools, get to hospitals, or manage their expansive agricultural land.

Distance learning schools have been created for children with limited opportunities to receive an education due to geographical isolation and other such challenges, and these schools currently have between 20,000 and 25,000 users. However, through distance learning it is difficult for instructors to really understand the students’ circumstances, their level of understanding, and their learning environment. Students also have a hard time talking and playing with other students.

In the distance learning field, NRI conducted demo tests to create “Virtual Classrooms” where instructors and students use moving robots called “Telepresence Robots” that allow them to communicate fact-to-face, linking several schools with households where students live in remote locations. We found that the use of robots helped improve the quality of education and got students living in remote locations to be more active participants in school life, thus achieving positive progress in the use of digital technologies to solve social issues.
Winners of the NRI Student Essay Contest 2018 and special members of the judging committee Akira Ikegami (Professor at Meijo University, Institute Professor at Tokyo Institute of Technology, farthest right in front row) and Hazuki Saisho (nonfiction writer, farthest left in front row)
Support for human resources development

Boosting younger generations of future leaders in Japan and the world

This contest provides an opportunity for young people to look to the future, think about what should be done, and express their passionate ideas.

The NRI Group has held the NRI Student Essay Contest every year since 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, think about actions that they themselves should take, and present their ideas to a broad audience. Presentations were added to the final screening starting in fiscal 2017, allowing participants to express their passionate ideas directly.

Essay entries were accepted for the 13th rendition of the contest held in fiscal 2018 with the theme of “What Innovations will Create the Future Society of 2030—Showcasing Japan’s True Strength to the World.” Large numbers of thoroughly original entries came pouring in, showing that as a developed country facing a variety of new challenges, Japan is uniquely capable of blazing new trails at home and for the world.

The NRI Group will continue supporting the development of human resources who can lead the next generation of society.
The first ever NRI Group ESG Briefing
We listen to the requests of diverse stakeholders in Japan and around the world and reflect them in NRI Group Sustainability Management.

NRI has been conducting annual discussions with experts on the topic of sustainability since 2012. Discussions with experts from overseas also began in 2017.

In August 2018, we had discussions with international ESG rating agency RobecoSAM and SDGs promotion organization WBCSD (World Business Council for Sustainable Development).

In January 2019 we held a sustainability discussion with 17 partner companies that comprise our business supply chain.

In February 2019 we gathered members of the media, institutional investors, experts, and others for the first ever ESG Briefing to explain the sustainability management of the NRI Group. At the briefing we were able to hear many of the expectations and desires that people have for the NRI Group.

Through dialogue with various stakeholders the NRI Group will continue striving to ascertain the wishes of society and issues for the Group to address and reflect these in our management.
Initiatives in which NRI participates

NRI actively participates in sustainability-related initiatives. We declare our commitment to the principles and goals advocated by the initiatives, and strive toward transformation in our management and business activities. In fiscal 2018 we joined WBCSD and JCI, and also declared support for the TCFD and RE100.

**UNGC (United Nations Global Compact)**

The UN Global Compact is a voluntary initiative in which businesses and organizations operate as upstanding members of society and help create global frameworks for achieving sustainable growth by exercising creative, responsible leadership.

**JCI (Japan Climate Initiative)**

This network bolsters communication and exchange of opinions between various companies, local governments, groups, NGOs, and other non-national government entities that are actively working to counteract climate change.

**WBCSD (World Business Council for Sustainable Development)**

The WBCSD was founded in 1995 to promote international interest and action pertaining to environmental conservation and economic development. Its purpose is to make sustainable development recommendations that come from the business world.

**TCFD (Task Force on Climate-related Financial Disclosures)**

NRI declared support for the final recommendations of the TCFD, which was established by the Financial Stability Board (FSB)—an international organization that works toward the stability of the global economy.
Setting environmental targets

The NRI Group set targets of reducing greenhouse gases 55% by fiscal 2030 compared to fiscal 2013, as well as 36% usage of renewable energy at data centers, and at least 70% of suppliers having set environmental targets according to SBT standards. Subsequently, our target was recognized by SBTi in September 2018. We have also set the additional goal of all the energy consumed in the NRI Group coming from renewable sources in fiscal 2050.

Science Based Targets initiative (SBTi)

This initiative seeks to have companies set reduction targets that are consistent with scientific knowledge in order to keep the average global temperature increase below 2°C.

RE100 (Renewable Electricity 100%)

This environmental initiative was established to reduce the environmental impact arising from business activities. Its goal is to meet 100% of power needs for business activities with renewable energy.
Sustainability topics: By the numbers

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Nomura Research Institute, Ltd.</th>
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</thead>
<tbody>
<tr>
<td>Consolidated sales</td>
<td>501.2 billion yen (Fiscal March 2019)</td>
</tr>
<tr>
<td>Market capitalization</td>
<td>1.263 trillion yen</td>
</tr>
<tr>
<td>Number of employees (consolidated)</td>
<td>12,578</td>
</tr>
</tbody>
</table>

Greenhouse gas emissions

- **38% Reduction**
  - Results from fiscal 2018 (compared to fiscal 2013)
  - Targets for fiscal 2030
    - **55% Reduction**

Coverage ratio of environmental management system

- **92.9%** (Fiscal 2018)
  - NRI concurrently implements ISO 14001 and our unique NRI-EMS

Number of employees at overseas offices

- **3,574**
  - Ratio of employees at overseas offices
    - **28.4%**

*Unless otherwise noted, the numerical values listed here are all current as of March 31, 2019.*
**Ratio of employees returning to work after taking childcare leave**
(Total for both men and women)

97.2%  
(Fiscal 2018)

261 employees took childcare leave, 194 of these employees were men.

**Number and ratio of female managers**

202  7.1%  
(as of April 1, 2019)

NRI has formulated an action 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 8.5% by the end of fiscal 2022.

**Ratio of annual paid leave taken**

71.3%  
(Fiscal 2018)

Each office continues to implement independent measures for promoting the work-life balance of each and every employee.

**Reconstruction aid donations to disaster-affected areas in fiscal 2018**

- July 2018 heavy rain disaster relief donation 5,617 thousand yen
- Kumamoto earthquake disaster relief donation 2,960 thousand yen
- Great East Japan Earthquake reconstruction relief donation 8,000 thousand yen
ESG investments around the world totaled approximately US$ 30,683 billion in 2018. NRI is a component of the major ESG stock indexes.

**Dow Jones Sustainability World Index**
Dow Jones Sustainability Asia Pacific Index
2018 was the first year that NRI was selected for the World Index. For the Asia Pacific Index, we have been selected for three consecutive years since 2016.

**MSCI ESG Leaders Indexes***
The name of these indexes was changed from “Global Sustainability Indexes.” NRI has been selected for the index for 3 consecutive years since 2016.

**FTSE 4 Good Developed Index**
NRI has been selected for 13 consecutive years since 2006.

**Nadeshiko Brand**
The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange select listed companies with outstanding performance promoting women’s success in the workplace. NRI has been selected for 3 consecutive years since 2016.
NRI has been a constituent of all four domestic stock indexes that the Government Pension Investment Fund (GPIF) selects since the fund originally began selecting them.

**MCSI Japan ESG Select Leaders Index**
Selected for 2 consecutive years since July 2017.

**MSCI Japan Empowering Women Index (WIN)**
Selected for 2 consecutive years since July 2017.

**FTSE Blossom Japan Index**
Selected for 2 consecutive years since July 2017.

**S&P/JPX Carbon Efficient Index**
Selected in September 2018.
Assessments by the outside world
— Accreditations by the central government

**Highest level (Level 3) Eruboshi Certification**
In January 2017, NRI was designated by the Minister 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.

**Kurumin Mark**
Since 2007, NRI has been continually recognized by the Minister of Health, Labour and Welfare as a childcare supporting company that has met certain criteria by achieving planned goals based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

**Health and Productivity Management Organization (White 500)**
Public-private collaborative organization Nippon Kenko Kaigi recognized NRI for the third consecutive year since February 2017 as an outstanding enterprise engaging in efforts for health and productivity management.

**Platinum Kurumin Certification**
In 2018 NRI received this certification as a company among those recognized with the Kurumin Mark which has implemented and is using systems for balancing childcare with work to a considerable degree and is engaged in high-level efforts.
— Awards from private organizations

**Special Award at the 21st Nikkei Annual Report Awards**
NRI’s Integrated Report 2018 received a Special Award at the 21st Nikkei Annual Report Awards organized by the Nikkei Inc. Cross-Media Office and sponsored by the Japanese Institute of Certified Public Accountants. This award was recognition for the conciseness of how NRI efforts were described in the report, and the financial and ESG data disclosures that made it easy to evaluate the progress of the company.

**9th in the World in the FinTech Rankings**
These global rankings of finance IT service companies are announced annually by IDC Financial Insights. NRI was ranked 9th in 2018, making the top ten for the ninth consecutive year. IDC Financial Insights is a global financial services company with highly experienced analysts that provide research and consulting services to financial institutions and leading companies in the IT industry for business and IT strategy in banking, insurance, securities, and investing.

**The FTF News Technology Innovation Awards 2018 Best Artificial Intelligence (A.I.) Initiative Award**
Special finance-related media outlet Financial Technologies Forum selects and recognizes the winners of these award. The purpose of the awards is to praise the achievements of finance technology companies, service providers, and auditing organizations over the course of a year. The demo tests utilizing AI and solution implementations that NRI performed during 2017 received high praise.

**2018 Frost & Sullivan Best Practices Awards 2018 Japan Managed Security Service Provider of the Year Award**
NRI SecureTechnologies, Ltd. was recognized with the Japan Managed Security Service Provider of the Year Award for the second consecutive year.
Nomura Research Institute has published a sustainability report since FY 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.

Starting in fiscal 2017, information on sustainability activities and results is available in this Sustainability Book, through information disclosed on the Internet, and through our Integrated Report.

We worked to include articles of interest to our stakeholders along with the information that the NRI Group wants to convey in Sustainability Book 2019, and to present it in an interesting and easy-to-read format. Throughout the year we disclose efforts such as sustainability-related initiatives conducted by the NRI Group for the sustainable growth of society on the Internet, including ESG Databook.

**Integrated Report**
https://www.nri.com/jp/ir/report

**ESG Databook**
https://www.nri.com/jp/sustainability/library/back_number

**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 2018 (April 1, 2018 to March 31, 2019), but also addresses some events from the past, some activities after April 1, 2019, and certain plans for future activities.

**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 2019 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.

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These elephant statues are charity art that are displayed at the entrance of our Yokohama Center (Yokohama Nomura Building). These works of art are sold at charity events held in various locations 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 event and was the first Japanese corporation to purchase one of the works of art.

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This booklet is made of LIMEX, a new material mainly made from limestone, a sustainable natural resource. LIMEX uses almost no water in the manufacturing process and can reduce water consumption by 99% (1.567 m³ per 1 ton) in comparison to normal printing paper. LIMEX can reduce CO₂ emissions by 27% in comparison to normal printing paper (568 kg per 1 ton) and by 37% in comparison to polypropylene plastic (707 kg per 1 ton).

A portion (4,000kWh) of the power consumed during printing and bookbinding is covered by renewable energy.

A “universal design” font has been used in this book for ease of reading.