Activities of the Social Value Creation Committee at the NRI Group

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Feb. 20, 2020
1. Positioning of the Social Value Creation Promotion Committee

2. Awareness building at all NRI Group companies

3. Future efforts

4. [Details] Building a network of value co-creation leaders
Establishing a committee aiming to solve social issues via value co-creation

**Sustained growth of the NRI Group**

**Realize a Sustainable Future**

Corporate philosophy “Dream Up the Future”

### NRI Group Sustainability Management

**Share the Next Values!**

**Social Value Creation Committee**

Solving social issues through value co-creation (CSV*)

**Key issues for sustainable growth**

* CSV: Creating Shared Value

**Vision 2022 Numerical Targets**

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

### Corporate philosophy “Dream Up the Future”

- Compliance with laws, regulations and risk management to increase trust from society
- Provision of NRI quality to support safe and secure information society

- Creation of a future low environmental impact society
- Provision of opportunities for all kinds of professionals to take on challenge

**Sustainability Activities Committee**

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4. [Details] Building a network of value co-creation leaders
Framework for establishing value co-creation at the entire NRI Group

Awareness building process

Recognition → Sympathy → Practice → Establishment

Measures

Transmission
- Transmitting management messages via the president and executives
- Transmitting information inside the company via expert lectures and internal newsletters
- Transmitting information outside the company via news releases, the press, and IR, etc.

Dialog
- Awareness building measures for managers via dialog, etc.
- Cultivating core on-site human resources (value co-creation leaders) and building networks
- Awareness building measures for all employees via company-wide events, etc.

Embedding in business
- Medium-Term Management Plan
- Visualization of social value
- Embedding in internal review perspectives

Maintaining systems
- Award system
- Evaluation system, etc.

Deploying measures according to the level of awareness

Via our business, create social value together with our clients

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Important areas for committee activities in FY2019

Awareness building process

Measures

- Transmission
  - [Measure 1] Promoting recognition via transmission
- Dialog
- Embedding in business
- Maintaining systems

[Legend]  

- Led by committee
- Led by each business

[Measure 2] Cultivating sympathy via dialog

- Medium-term/business plan
- PDCA tracing

[Measure 3] Maintaining systems
to achieve establishment
Deploying three measures led by the committee

### Awareness building at the entire NRI Group

<table>
<thead>
<tr>
<th>Measure 1</th>
<th>Promoting recognition via transmission</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Opening a value co-creation site and enriching its content</td>
<td></td>
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<tr>
<td>- Incorporating lectures in existing stratified training</td>
<td></td>
</tr>
<tr>
<td>- Expert lectures, etc.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measure 2</th>
<th>Cultivating sympathy via dialog</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Building a network of value co-creation leaders</td>
<td></td>
</tr>
<tr>
<td>- Dialog between the president and executives and the president and general managers, etc.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measure 3</th>
<th>Maintaining systems to achieve establishment</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Investigating internal awareness surveys</td>
<td></td>
</tr>
<tr>
<td>- Investigating award system</td>
<td></td>
</tr>
<tr>
<td>- Linking with evaluation system, etc.</td>
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</tbody>
</table>

### Commitment and support of management
Gather all activities in value co-creation site and transmit information inside the company

- Open **value co-creation site** in internal magazine (NRI WAVE)
- Gather together all activities regarding value co-creation
- **Successive updates** such as customer interviews and examples of on-site efforts
Approach things by questioning the fundamentals

Why is value co-creation a hot topic?

- Companies no longer require economic value alone
- The time has come for the ideas behind the philosophy and vision of NRI

### Business environment
- Arrival of the age of digital capitalism
- Increased interest in social issues
- Rising customer expectations for NRI

### Ideas behind our philosophy and vision

**Value co-creation**
- Solving social issues has been at the core of NRI since our establishment
- Value co-creation is literally the implementation of our corporate philosophy
- Gathering power inside and outside the group to “co-create three types of social value”

### Results and expectations

- **For our clients**
  - Solving social issues via out clients’ business
- **For our employees and partners**
  - Improving job satisfaction and self-realization
- **For our shareholders and investors**
  - Achieving financial targets and improving corporate value
- **For society**
  - Solving social issues and achieving SDGs

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Cultivating leaders that promote and implement value co-creation

- Create next-generation leaders that promote and implement value co-creation and start initiatives to continuously support their efforts

Ideal human resources for value co-creation leaders

- Strongly sympathize with the three types of social value inherent to NRI and the mission of NRI
- Have a sense of duty for continuing to reform the NRI Group
- Have a high sense of leadership

Team A
- Value co-creation leader
- Support: Directors and Audit & Supervisory Board Members

Team B
- Value co-creation leader
- Support: Directors and Audit & Supervisory Board Members

Team C
- Value co-creation leader
- Support: Directors and Audit & Supervisory Board Members
Add questions for understanding the status of awareness to employee awareness surveys

Answer the following after viewing the value co-creation site

<table>
<thead>
<tr>
<th>Recognition</th>
<th>Sympathy</th>
<th>Implementation/establishment</th>
</tr>
</thead>
</table>
| - Did you know about the value co-creation and three types of social value of the NRI Group?  
- In the past year, did you read a newspaper/magazine article or paper regarding value co-creation (CSV and SDGs, etc.)?  
- In the past year, did you participate in training or a lecture regarding value co-creation (CSV and SDGs, etc.)?  
- Did you have dialog relating to value co-creation with a superior or colleague?  |
| - [Co-creating an energetic future society/co-creating an optimal society/co-creating a safe and secure society]  
- Do you think that continuing to co-create social value is the mission of the NRI Group?  
- Do you think that your current work is generating social value or contributing to its creation?  |
| - Do you think that you would like to try taking the lead to reform your work in order to further increase its social value?  |
Awareness building activities have just begun

Did you have dialog relating to value co-creation with a superior or colleague?

<table>
<thead>
<tr>
<th>Category</th>
<th>Having talks at quite a deep level</th>
<th>Has come up as a topic</th>
<th>Have not had talks</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager or above</td>
<td>13</td>
<td>59</td>
<td>28</td>
</tr>
<tr>
<td>Manager</td>
<td>5</td>
<td>36</td>
<td>59</td>
</tr>
<tr>
<td>Management</td>
<td>2</td>
<td>20</td>
<td>78</td>
</tr>
<tr>
<td>Young employees</td>
<td>1</td>
<td>14</td>
<td>85</td>
</tr>
<tr>
<td>From new entries to 3rd year employees</td>
<td>0</td>
<td>12</td>
<td>87</td>
</tr>
</tbody>
</table>

Source: FY2019 employee awareness survey
Raising the level of awareness of main/core employees is key

Do you think that you would like to try taking the lead to reform your work in order to further increase its social value?

Yes
More yes than no
More no than yes / No

- General Manager or above
  - Yes: 50
  - More yes than no: 46
  - More no than yes / No: 4

- Manager
  - Yes: 39
  - More yes than no: 55
  - More no than yes / No: 6

- Management
  - Yes: 28
  - More yes than no: 59
  - More no than yes / No: 13

- Young employees
  - Yes: 31
  - More yes than no: 54
  - More no than yes / No: 14

- From new entries to 3rd year employees
  - Yes: 49
  - More yes than no: 44
  - More no than yes / No: 7

Source: FY2019 employee awareness survey
Awareness building activities are starting to be launched at business divisions too

CSV working at business divisions

- Slide back from the ideal form of the securities and financial world in 2030 to investigate what should be done now
- Review the social mission of the organization to discover the direction for self-reform
- HQ management takes the initiative to engage a wide range of ages

(Main activities)

- Hold weekly workshops to transmit information at division sites
- Conduct division surveys to collect social issues from the perspective of consumers
- Hold external exchange meetings based on the theme of solving issues in the securities industry, etc.

(Future activities)

- Activities are scheduled to continue into the next year and beyond, rather than being temporary measures
- Conceptualizing new services from specific social issues to aim to achieve value co-creation
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4. [Details] Building a network of value co-creation leaders
### Expanding activities for further awareness building

<table>
<thead>
<tr>
<th>Transmission</th>
<th>Continue FY2019 measures (transfer to main department in control)</th>
<th>✓Transmit information regarding awareness building activities outside the company ✓Maintaining an environment for receiving and transmitting information within the group and globally, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dialog</td>
<td>✓Support the continued implementation of infiltration measures by FY2019 value co-creation leaders ✓Further create/cultivate value co-creation leaders, etc.</td>
<td></td>
</tr>
<tr>
<td>Embedding in business</td>
<td>✓Assist the awareness building activities conducted at each division/department ✓Investigate the measures to implement across the entire organization and advise management, etc.</td>
<td></td>
</tr>
<tr>
<td>Maintaining systems</td>
<td>Continue FY2019 measures (transfer to main department in control)</td>
<td>✓Review/enhance measures according to the status of awareness ✓Reflecting advice in evaluation system, etc.</td>
</tr>
</tbody>
</table>
Ensuring 70% of employees are putting into practice/establishing the measures by FY2022
1. Positioning of the Social Value Creation Promotion Committee

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4. [Details] Building a network of value co-creation leaders
The spirit of social value co-creation is at the core of NRI.
However, opportunities for interacting with this core are decreasing

Being **proud** that we have contributed to the prosperity of Japan

You mean "the first XX in Japan?" I heard about it from my colleague. I still **want to aim for that**...

Before consolidation? I have never heard about it. I would like to hear something that looks ahead to the future because we are busy

No. of employees joining by FY

- **< 10%**
- **30%**
- **> 60%**

1980s 1990s 2000s 2010s
Urgent need to cultivate next-generation leaders with a spirit of value co-creation

- Create next-generation leaders that promote and implement value co-creation and start initiatives to continuously support their efforts

Ideal human resources for value co-creation leaders

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<td>Value co-creation leader</td>
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<tr>
<td>Support</td>
<td>Support</td>
<td>Support</td>
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<tr>
<td>Directors and Audit &amp; Supervisory Board Members</td>
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Building a network of value co-creation leaders

- Select 18 **ace-level employees** from each division (including group companies)
- Establish three teams across the organization with executives belonging to the committee acting as mentor
- Seeking the role of a "successor" to promote the spirit of value co-creation
## Becoming the "successor" of value co-creation

<table>
<thead>
<tr>
<th>STEP 0</th>
<th>Realization as a successor</th>
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<tbody>
<tr>
<td><strong>STEP 1</strong></td>
<td>Rediscovering and recreating your own value standards</td>
</tr>
<tr>
<td><strong>STEP 2</strong></td>
<td>Rediscovering and recognizing the value standards of NRI</td>
</tr>
<tr>
<td><strong>STEP 3</strong></td>
<td>Designing value co-creation activities</td>
</tr>
<tr>
<td>Taking action</td>
<td>Presenting value co-creation activities/dialog with the president</td>
</tr>
<tr>
<td><strong>Practical succession</strong></td>
<td>Implementing value co-creation (1) Dialog with young employees/management</td>
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<td></td>
<td>Implementing value co-creation (2) Value co-creation day (scheduled for March 27)</td>
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STEP 0 Realization as a successor

(1) NRI must become an indispensable company for continuous growth in a mature society

(2) The time has come for the ideas behind the philosophy and vision of NRI

(3) Extremely valuable lectures on the topic of value co-creation for the future

(4) Self-introductions including presentations of "goal (for myself/NRI) in 10 years time" and "my concept of NRI identity"
STEP 1  Rediscovering and recreating own value standards

(1) Divide into teams and share personal histories, successful experiences at work, and difficult experiences, etc.

(2) Gather together individual identities to mutually understand what people hold dear and their motivation

(3) Share experiences with each other to strengthen ties inside teams

(4) Mentor executives support from behind-the-scenes
STEP 2  Rediscovering and recreating the value standards of NRI

(1) Look back at the history of NRI from the time of its founder, Tokushichi Nomura

(2) Become a historical NRI figure and re-experience those times

(3) Read the founding prospectus of Nomura Research Institute

(4) Gather together the aspects of NRI to retain

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STEP 3  Designing and presenting value co-creation activities

- Formulate a "successor action plan" that includes awareness building measures for value co-creation
- Value co-creation leaders give presentations in front of the president, division executives, and superiors
STEP 3  President dialog

- After the action plan presentations, have dialog with the president and value co-creation leaders
- Hold dialog to enable the president to directly conveys his ideas about value co-creation and allow the value co-creation leaders to question the president about things they have felt during these activities
Taking value co-creation leader activities into the implementation/succession phase

- Implementing value co-creation (1) Dialog with young employees/management
  - Dialog in February 2020 for young employees, mentor executives, and value co-creation leaders
  - on the themes of "the ideal form of NRI" and "thinking about value co-creation"

- Implementing value co-creation (2) Value co-creation day (scheduled for March 27)
  - Enabling everyone to gather together, think, and discuss value co-creation as parties concerned
The network of value co-creation leaders will continue to expand

- First term students conduct succession activities that transcend the borders of the organization
- Continue the training of second and third term students and beyond as value co-creation leaders
Share the Next Values!