

ESG Briefing

Activities of the Social Value Creation Committee at the NRI Group

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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



【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*)



Key issues for sustainable growth



* CSV: Creating Shared Value

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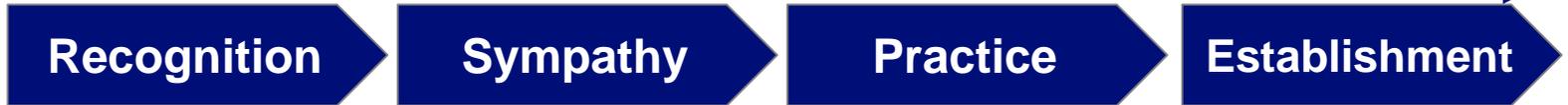
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[Details] Building a network of value co-creation leaders

Framework for establishing value co-creation at the entire NRI Group

Via our business,
create social value
together with our
clients

Awareness building process



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

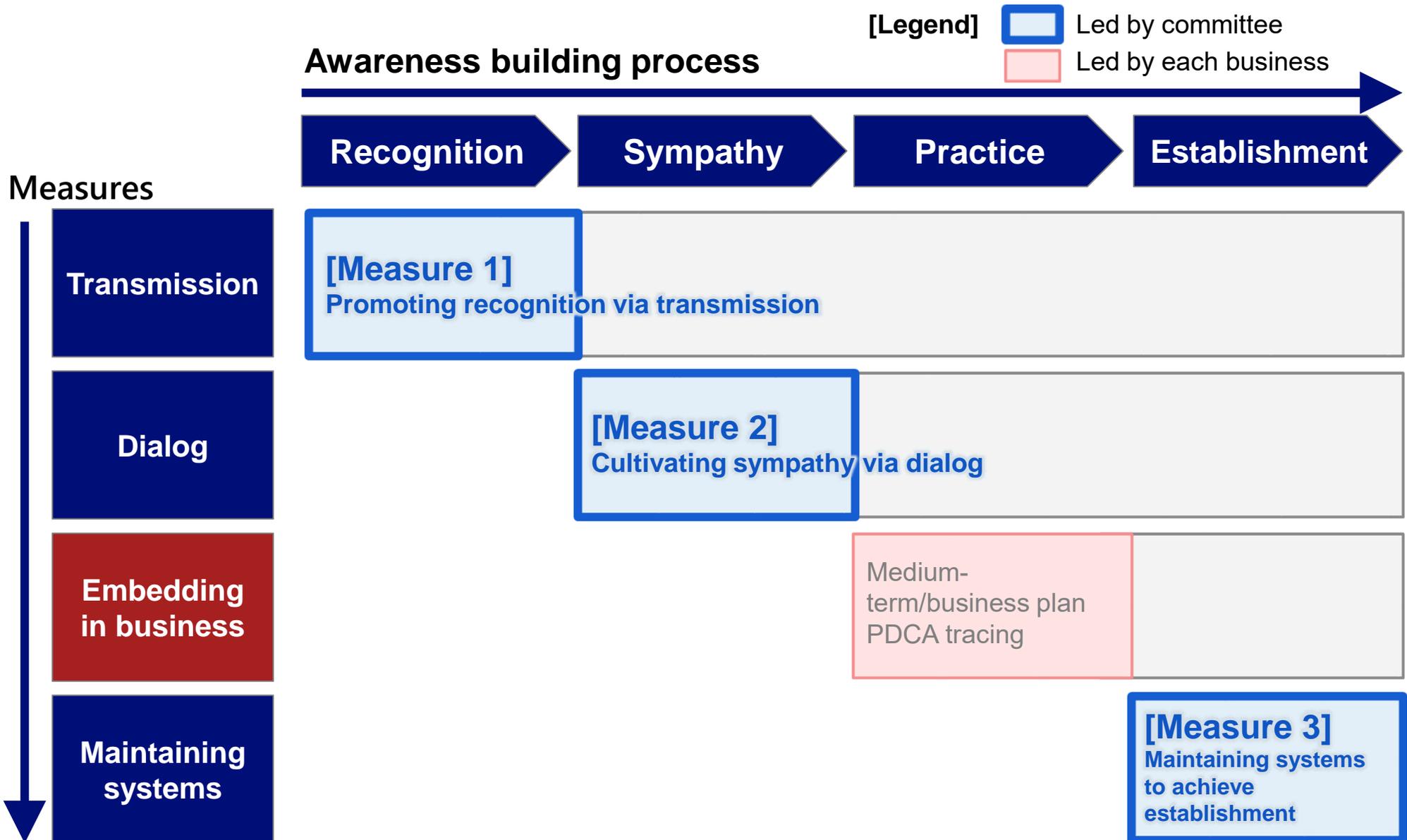
Deploying measures according
to the level of awareness

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

Maintaining
systems

- Award system
- Evaluation system, etc.

Important areas for committee activities in FY2019



Deploying three measures led by the committee

Awareness building at the entire NRI Group

[Measure 1]
Promoting recognition
via transmission

- Opening a value co-creation site and enriching its content
- Incorporating lectures in existing stratified training
- Expert lectures, etc.

[Measure 2]
Cultivating sympathy
via dialog

- Building a network of value co-creation leaders
- Dialog between the president and executives and the president and general managers, etc.

[Measure 3]
Maintaining systems
to achieve establishment

- Investigating internal awareness surveys
- Investigating award system
- Linking with evaluation system, etc.

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

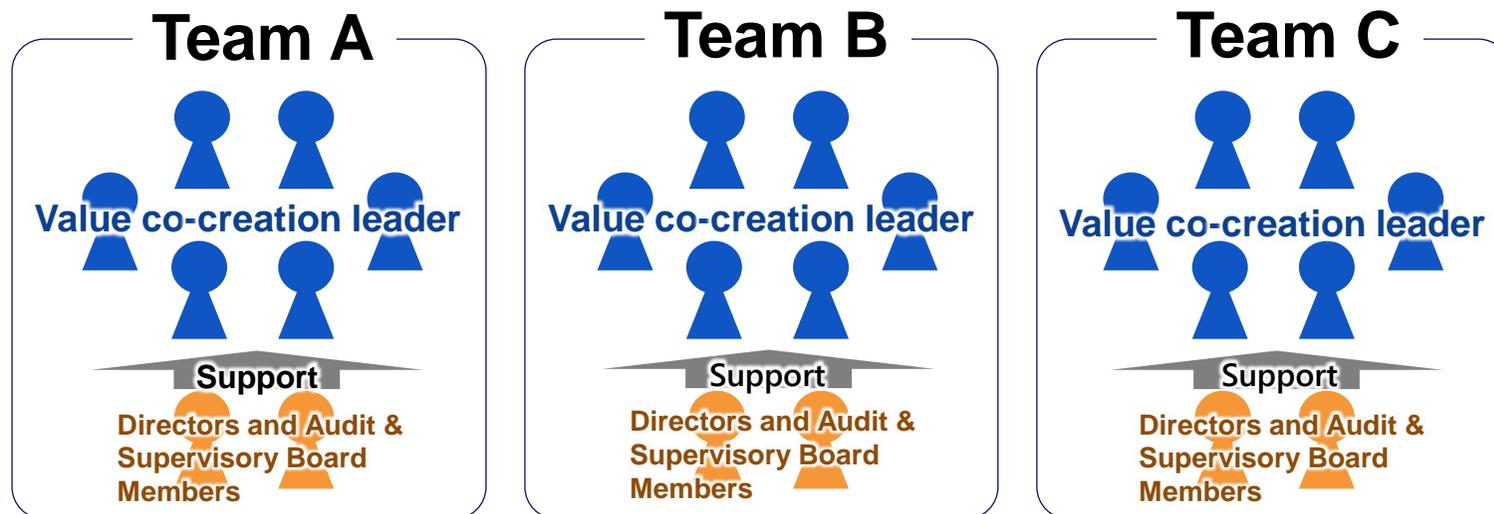


Cultivating leaders that promote and implement value co-creation

- **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



Add questions for understanding the status of awareness to employee awareness surveys

■ Answer the following after viewing the value co-creation site

Recognition

- 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?**

Sympathy

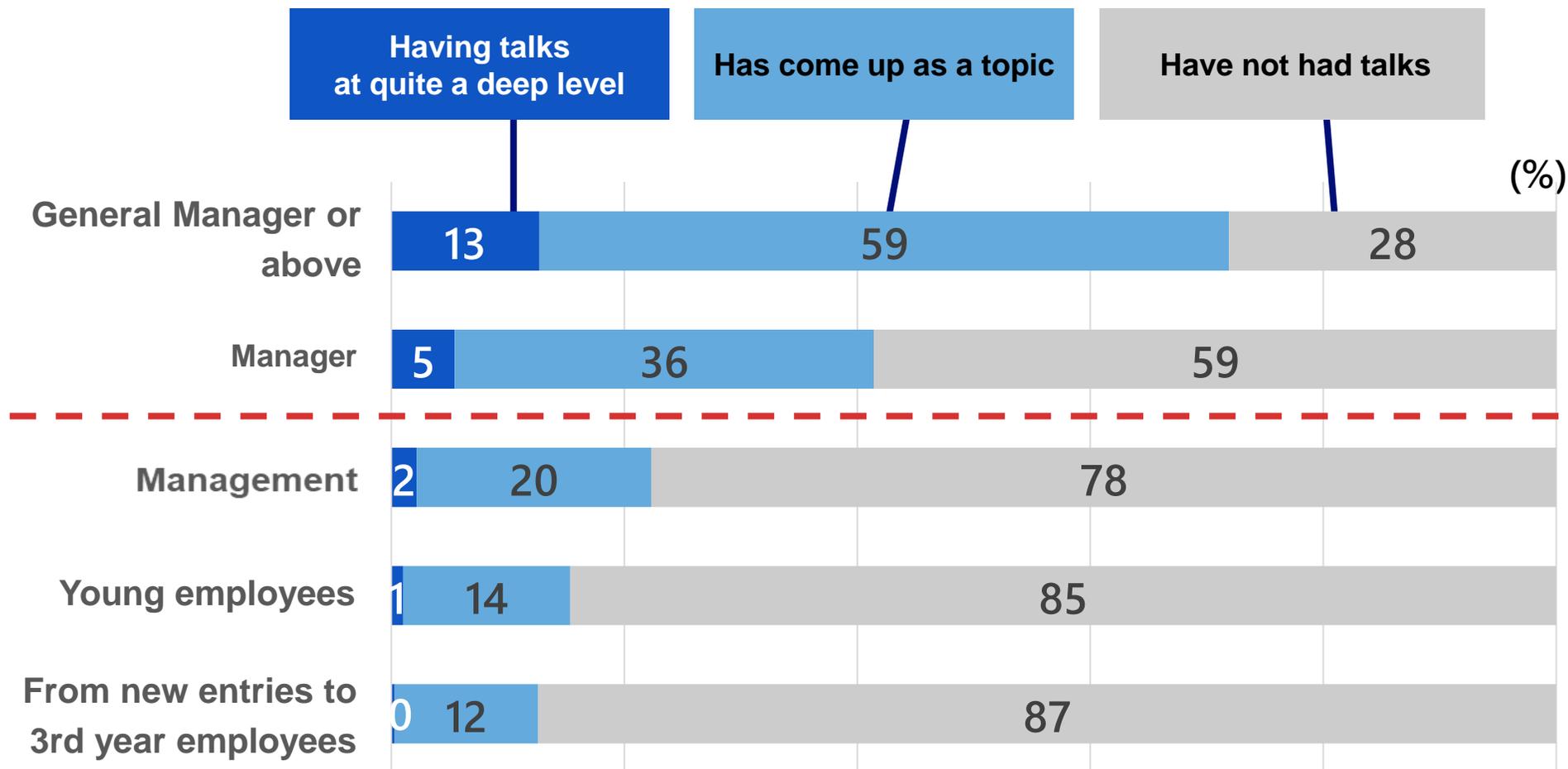
- [Co-creating an energetic future society/co-creating an optimal society/co-creating a safe and secure society]
- Do you think that continuing to co-create social value is the mission of the NRI Group?
 - Do you think that your current work is generating social value or contributing to its creation?

Implementation/establishment

- **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

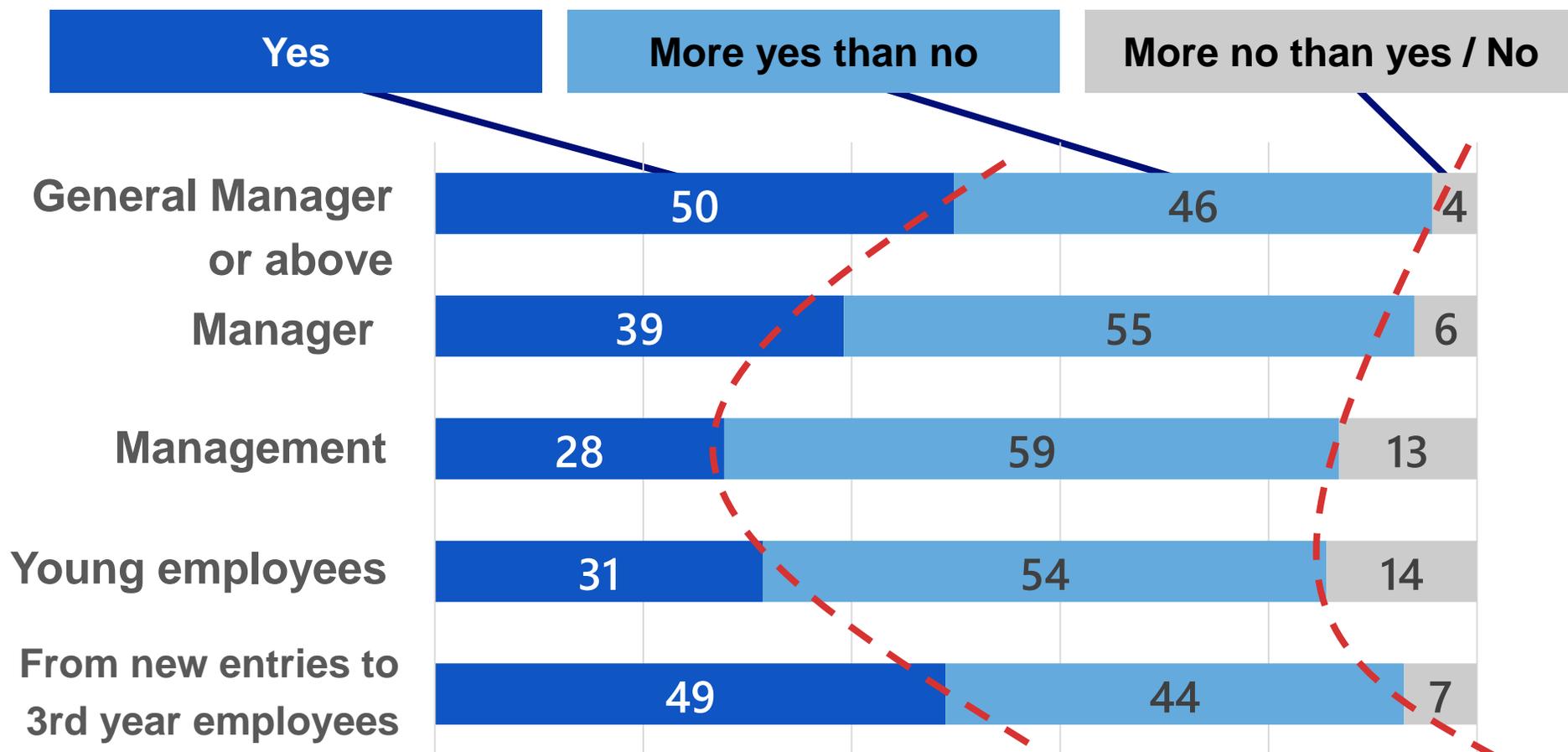
Did you have dialog relating to value co-creation with a superior or colleague?



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?



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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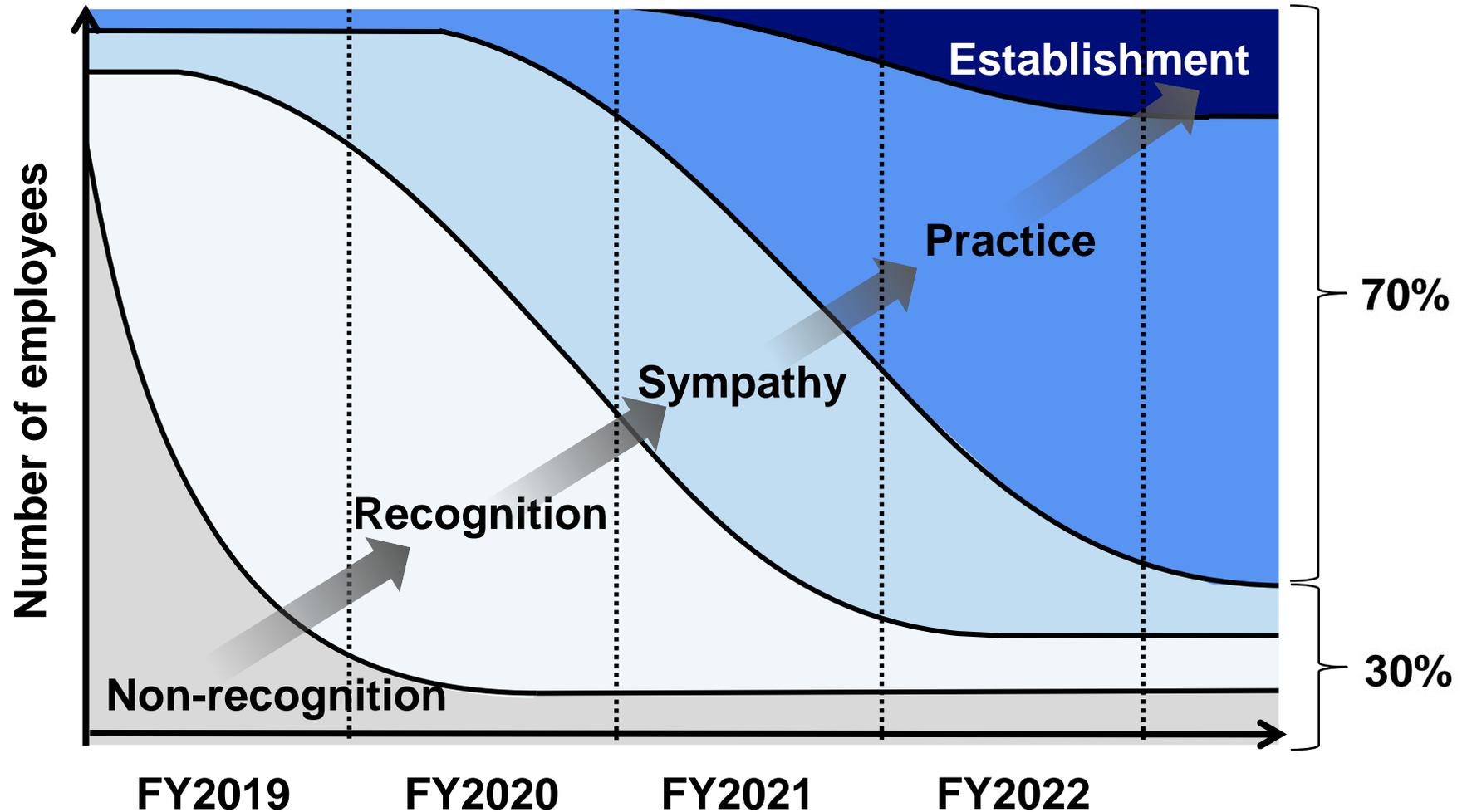
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[Details] Building a network of value co-creation leaders

Expanding activities for further awareness building

Transmission	Continue FY2019 measures (transfer to main department in control)	 <ul style="list-style-type: none">✓ Transmit information regarding awareness building activities outside the company✓ Maintaining an environment for receiving and transmitting information within the group and globally, etc.
Dialog		<ul style="list-style-type: none">✓ Support the continued implementation of infiltration measures by FY2019 value co-creation leaders✓ Further create/cultivate value co-creation leaders, etc.
Embedding in business		<ul style="list-style-type: none">✓ Assist the awareness building activities conducted at each division/department✓ Investigate the measures to implement across the entire organization and advise management, etc.
Maintaining systems	Continue FY2019 measures (transfer to main department in control)	 <ul style="list-style-type: none">✓ Review/enhance measures according to the status of awareness✓ Reflecting advice in evaluation system, etc.

Ensuring 70% of employees are putting into practice/establishing the measures by FY2022



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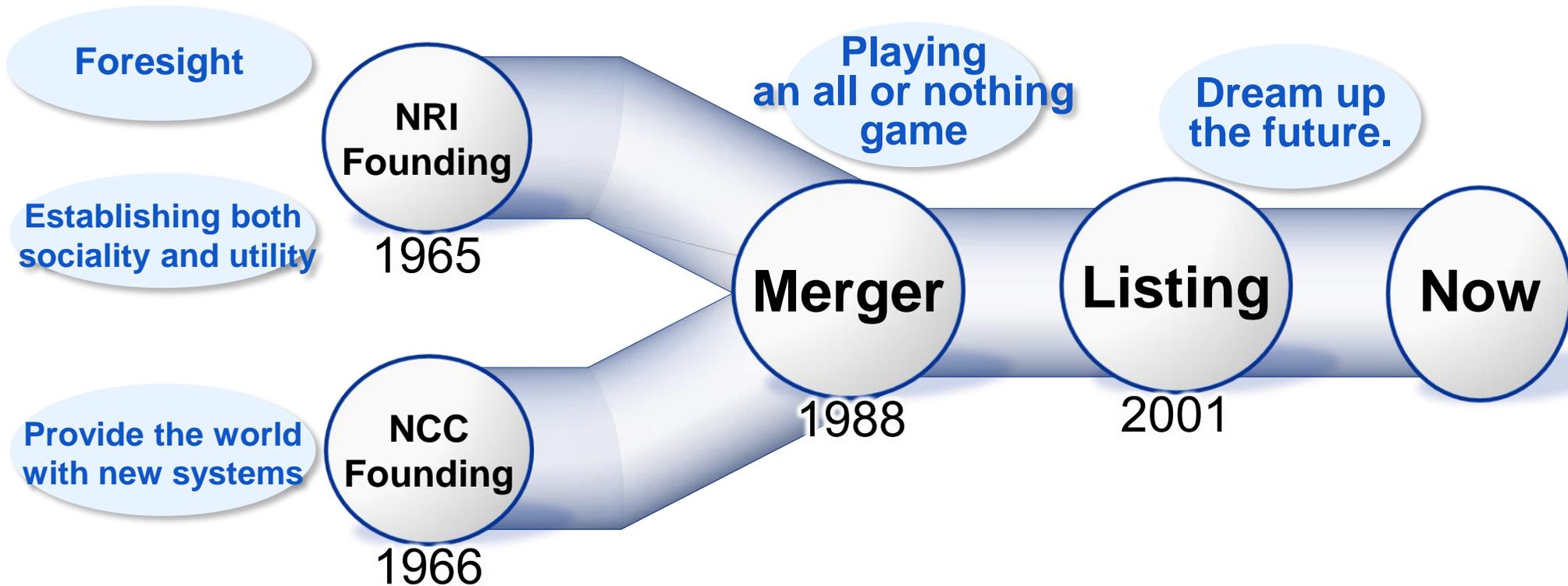
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Future efforts

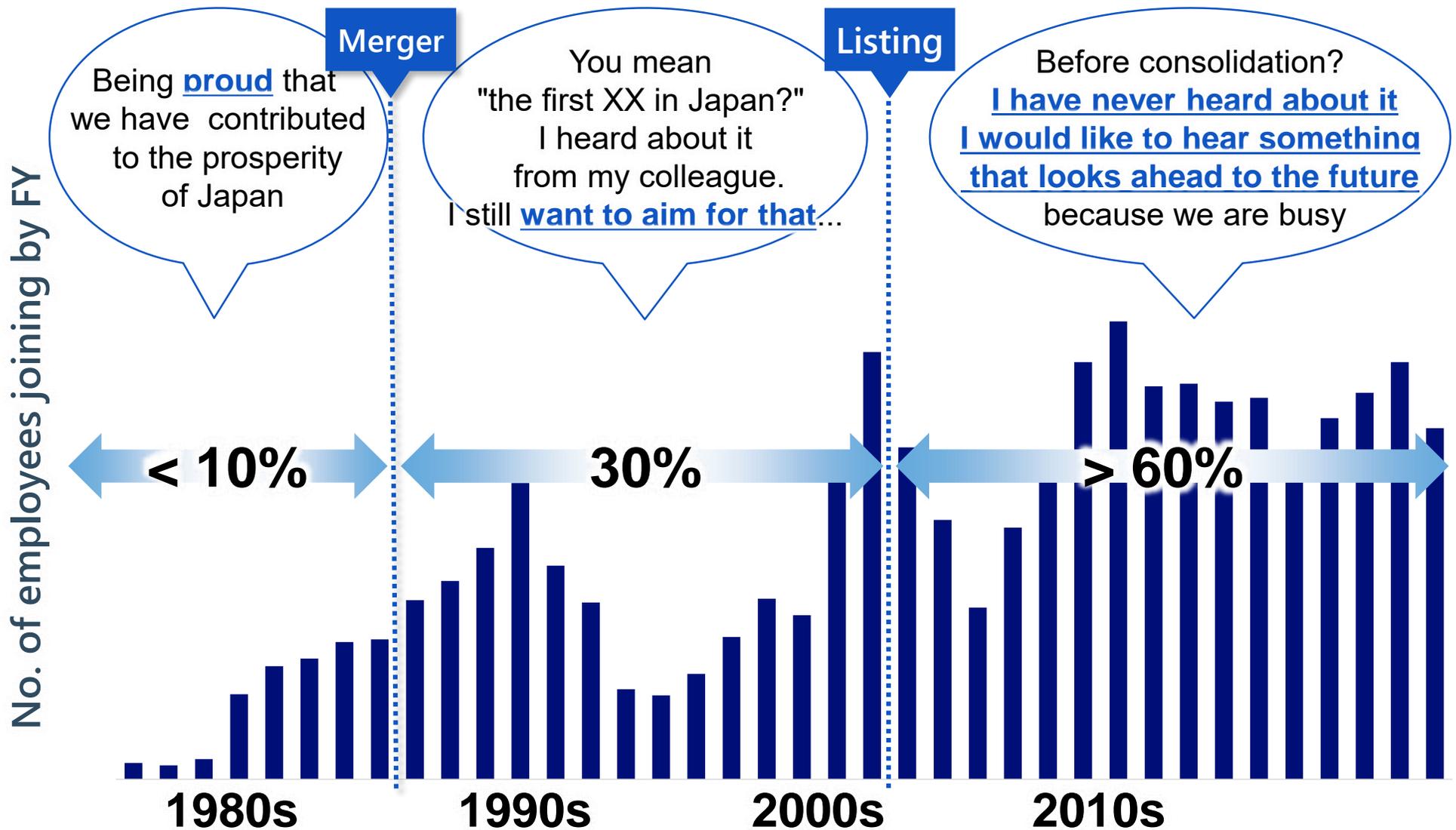
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[Details] Building a network of value co-creation leaders

The spirit of social value co-creation is at the core of NRI



However, opportunities for interacting with this core are decreasing

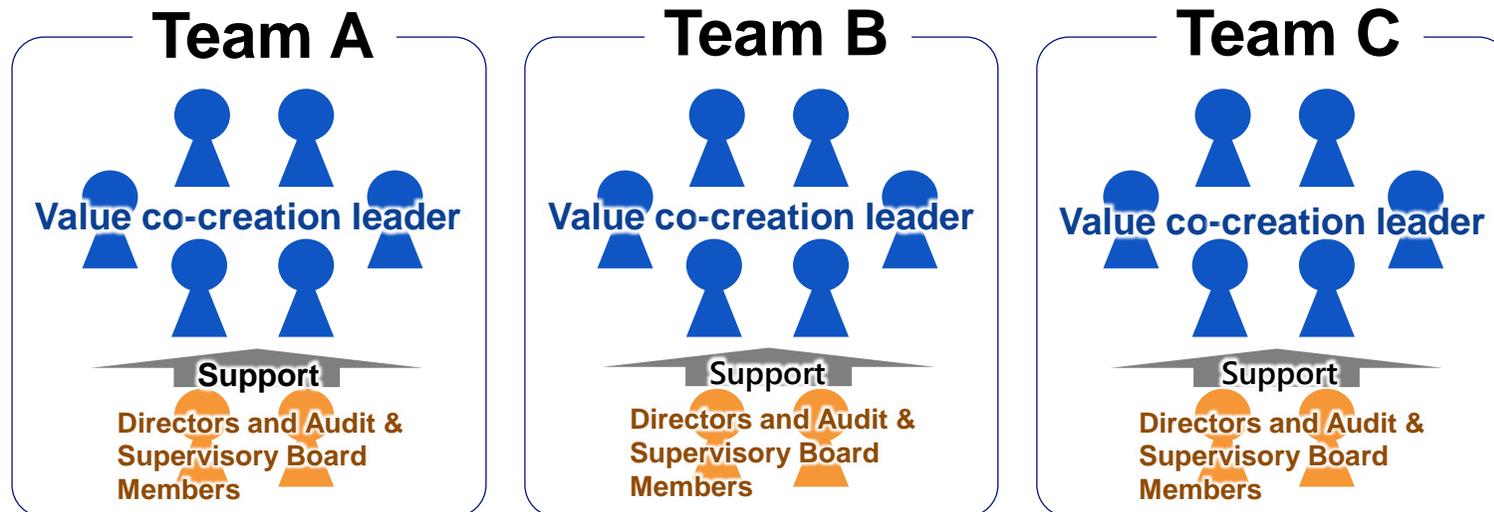


Urgent need to cultivate next-generation leaders with a spirit of value co-creation

- **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

- ✓ 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
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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

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

STEP 0 Realization as a successor

Konomoto, Chairman, President & CEO



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

Matsumoto, Committee Chair



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

Kazuo Tase, President and CEO, SDG Partners, Inc.



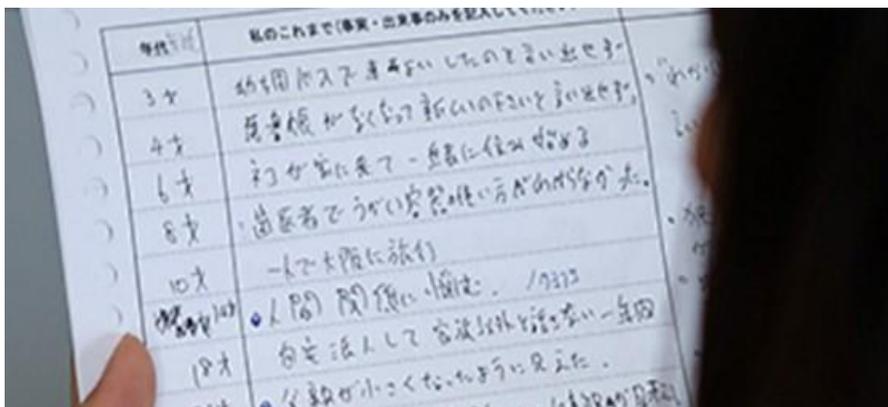
(3) Extremely valuable lectures on the topic of value co-creation for the future

Value co-creation leader

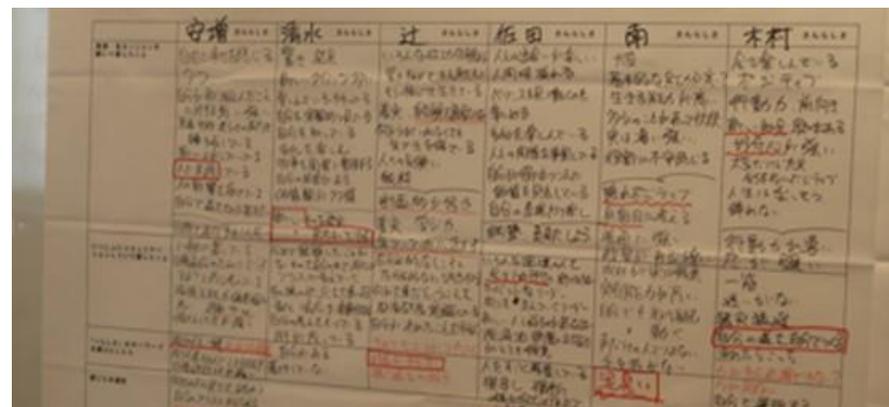


(4) Self-introductions including presentations of "goal (for myself/NRI) in 10 years time" and "my concept of NRI identity"

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

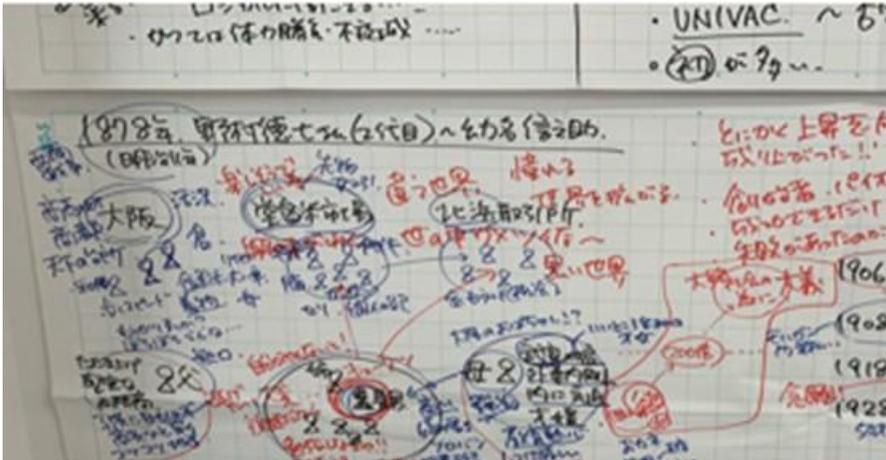


(3) Share experiences with each other to strengthen ties inside teams



(4) Mentor executives support from behind-the-scenes

STEP 2 Rediscovering and recreating the value standards of NRI



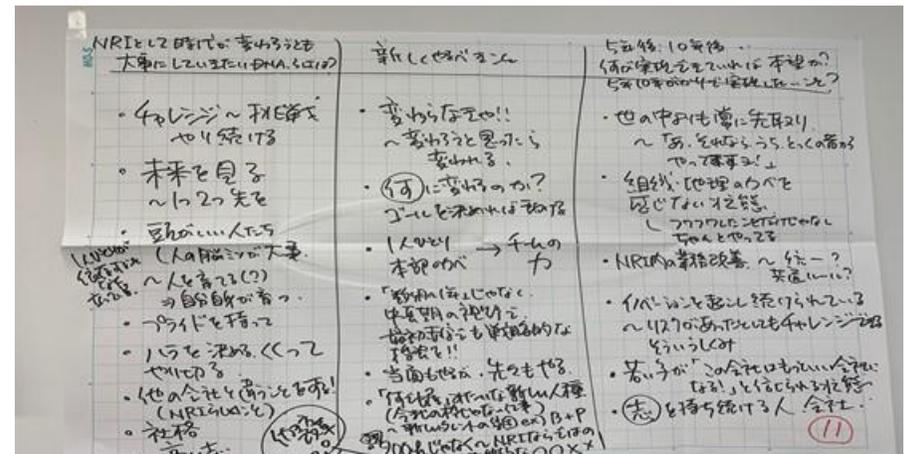
(1) Look back at the history of NRI from the time of its founder, Tokushichi Nomura



(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

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 convey 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



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Share the Next Values!