Corporate Philosophy (Dream up the future) and Sustainability Management

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1 Solving social issues through value co-creation

2 Efforts in FY2020

3 Building Sustainable Futures
The corporate philosophy of the NRI Group is “Dream Up the Future” and “Co-creation” with clients

**NRI Group Corporate Philosophy**

<table>
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<tr>
<th>Corporate Statement</th>
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<tr>
<td>未来創発</td>
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<tr>
<td>Dream up the future.</td>
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### Mission
- **To society:** Discerning new social paradigms and assuming the role of implementing such paradigms.
- **To clients:** Building customer trust and prospering together with customers.

### Business domain
- Company creating future society

### Management goals
- Pursuing the maximization of corporate value through "Navigation & Solution"

### Action guidelines
- Continuing never-ending challenges with pride of true professionals
NRI Group Sustainability Management and Future Vision

Sustained Growth of the NRI Group

Building Sustainable Futures

Corporate Philosophy “Dream Up the Future”

NRI Group Sustainability Management (Medium-Term Management Plan 2019 to 2022)

Solving social issues through value co-creation (CSV*2)

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.

Materiality for sustainable growth

Reduction of environmental impact for preserving global environment

Provision of opportunities for all kinds of professionals to take on challenge

Compliance with laws, regulations and risk management to increase trust from society

Management of the information systems that form social infrastructure

[Vision 2022 Numerical Targets]

Consolidated operating profit (JPY billion) 100
Consolidated operating profit margin 14% or more
Overseas sales (JPY billion) 100
ROE 14%*1

*1 Continuously aiming for higher capital efficiency

*2 CSV: Creating Shared Value

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.
An age where the co-creation of 3 social values will be required more and more

<table>
<thead>
<tr>
<th>NRI Group’s 3 Social Values</th>
<th>Key NRI Initiatives for the Post-COVID-19 World</th>
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</table>
| **Co-create a thriving future society by driving new value.** | • Business Model Transformation  
  - DX consulting (analytics and structural reform)  
  - Digital finance, non-face-to-face services, remote support  
  • Policy proposals for society & systems, information & knowledge sharing  
  - NRI’s Proposals regarding COVID-19 Measures |
| **Strive to create a future of continuous new value generation that leads to an abundant and safe society where all benefit.** |
| **Co-create an ideal society by effectively utilizing its resources.** | • Business platform migration  
  - Expand STAR adoption  
  • Business process transformation  
  - Delivery route optimization, AI ordering at stores |
| **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.** |
| **Co-create a safe and secure society by advancing its infrastructure.** | • IT infrastructure transformation  
  - Secure infrastructure supporting telecommuting  
  - Achieve zero trust networks  
  • Social infrastructure  
  - Individual numbers, promotion of cashless payments |
| **Strive to build a society safe and secure from accidents and disasters by strengthening cyber-security for information systems and other core social infrastructure.** |
1. Solving social issues through value co-creation

2. Efforts in FY2020

3. Building Sustainable Futures
## Continuously monitoring the status of efforts for value co-creation

<table>
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<tr>
<th>Social value</th>
<th>Measures</th>
<th>Status (Apr. to Dec. 2020)</th>
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</table>
| Co-creating a thriving future society | Promote DX | Promote various DX projects such as non-face-to-face services, remote support, and EC. Lead the digital transformation of companies.  
**KPI** DX related sales: 241.2 billion yen |
| | Create new business models | Collaborate with external companies to create AI analysis systems and new DX consulting services, etc.  
**KPI** Number of business partnerships (joint ventures, local government agencies supported, etc.): 3 |
**KPI** 99 NRI articles in the 5 major newspapers |
| Co-create an ideal society | Business platform service expansion | Development of shared online services such as the adoption of STAR at major clients  
**KPI** Business platform sales of 76.2 billion yen |
| | Generate environmental benefits for clients through business platforms | Selected for "DJSI World" for three consecutive years and the "CDP A List" for two consecutive years  
**KPI** Client CO₂ emission reductions through shared online services: 61,648 tons |
| | Help build IT infrastructure to create an ideal society | Collaborate with Oracle to support further advancement of IT infrastructure by expanding the use of the public cloud  
**KPI** Scale of cloud and data center services business: +4% year-on-year |
| | Contribute to reforms for the greater good | Promote operational reform projects such as distribution/delivery optimization utilizing data science  
**KPI** Scale of operational reform services (DX1.0ab) business: +3% year-on-year |
| Co-creation of a safe and secure society | Help upgrade the social infrastructure | Digitalization of end-of-year adjustment via the utilization of the individual number portal and the e-NINSHO public personal authentication system  
**KPI** Scale of public services business: +21% year-on-year |
| | Contribute to information security | Enhance our zero-trust business to contribute to security in the age of the cloud  
**KPI** Investment in security and safety: 5.3 billion yen |
| | Maintain the quality of systems in operation | Implement/continue training for large-scale failure response at data centers in remote environments  
**KPI** Number of information system incidents with severe financial/social impact: 0 |
Provided proposals related to measures against COVID-19 and recommendations for the post-COVID-19 society.

- “Proposals regarding COVID-19 Measures” were posted to the top of our website to share 67 proposals for society

NRI website

"Take this opportunity to accelerate the utilization of IT and digital technologies" (CIO survey regarding the impact of COVID-19)

"We are having problems with telecommuting but also seeing how it can be effective" (Survey on the lifestyle impact of the spread of COVID-19 infections)

"Remote work is declining, but don't give up on it because of your experience during the state of emergency" (Survey on work from home due to the spread of COVID-19 infections)

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Contributing to the reduction of client CO₂ emissions with shared online services

- CO₂ emissions can be reduced by 73.9% compared to when clients build and operate optimal systems by themselves
- Further strive for a 100% reduction by 2050 via the use of renewable energy to power our data center

NRI business platform services

Shared online services

<NRI’s data centers>

THE STAR ... BESTWAY

Reduced by 73.9%

When clients operate systems individually

Shared online services

NRI environmental targets (compared to FY2013)

Reducing greenhouse gas emissions (Scope 1 + 2)

(1,000 t-CO₂)

0 20 40 60 80 100 120

2013 2020 2030 2040 2050

(Fiscal year)

Result

Reduced by 44%

Reduced by 72%

Reduced by 100%

Contribute to government pledge for zero greenhouse gas emissions by 2050

Co-create a thriving future society

Co-create an ideal society

Co-create a safe and secure society
Promote the individual number cards essential for a digital society

Share policy advice to promote social infrastructure

Utilize individual number cards as economic infrastructure (Financial information technology focus April 2020)

- In Taiwan, the real names of face mask purchasers are recorded with health insurance cards. Prevent social disorder
- Being able to identify individuals with individual number cards will bring dramatic changes to Japan in the future

Payment infrastructure for post-COVID-19 Japan (Knowledge creation and integration September 2020)

- The main reason for delays in delivering face masks and payments was problems with individual authentication and identification
- Two things are essential for effectively utilizing the individual number system as payment infrastructure: (1) Loosening of regulations and (2) Collaboration with private services such as financial institutions

Promote infrastructure via the culmination of private sector knowledge

Promote cashless payments and the popularization of individual number cards via assistance of outsourcing regarding the government’s individual number point business.

Achieve digitalization of life insurance expense deduction certificates for end of year adjustment/income tax returns by utilizing the individual number portal in collaboration with life insurance companies.

Individual authentication services utilizing individual number cards
Provide “e-NINSHO” as a personal authentication method for the LINE/LINE Pay service.
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Transform society via DX, in addition to clients and industries

**DX3.0**
Paradigm transformation
- Solving social issues through co-creation with various partners
  - Regional revitalization via digitalization and entrepreneurial assistance
  - Low carbon transformation and resource saving via digital solutions

**DX2.0**
Business model transformation
- Establishing unprecedented digital services
  - Creation of new cross-industry platforms
  - Creation of new client business models and ecosystems

**DX1.0**
Process transformation

**Infrastructure transformation**

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**Client/industry transformation**

Digital front office
- Digitalize actions for end users
  - D2C*, CRM, digital marketing

Digital back office
- Digitalize actions within client companies
  - SCM reforms, AI/RPA, business platforms

Enhance infrastructure such as cloud/security infrastructure
- Cloud migration assistance, managed services, cybersecurity business

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*D2C stands for Direct to Consumer, or direct sales through e-commerce, etc.*

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Enhance/speed up Con-Solution to promote DX3.0

*Con-Solution means the continuous co-creation of value via the collaboration between consulting and IT solutions

Approach

<table>
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<th>Internal</th>
<th>External cooperation</th>
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<td>Identify social Issues and conceptualize solutions (enhance up-front investment)</td>
<td>Building business hypotheses via external networking (also utilize capital tie-ups)</td>
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Example of initiative themes

**Carbon neutrality**
- Visualization/central management, etc. of CO₂ emissions in business activities and products/services

**Circular economy**
- Save resources by tracing product usage information and resource utilization after product use, etc.

**Food value chain**
- Digital infrastructure for producers and common platforms for ordering and distribution, etc.

Promote **DX3.0** to create a sustainable future society

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NRI itself will attain sustained growth by helping to create a sustainable future society

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Activities of the Value Co-Creation Committee by Matsumoto/Aizawa

Key issues for sustainable growth

ESG activities at the NRI Group by Yokoyama/Honda

Share the Next Values!

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