



Nomura Research Institute Group

Identifying a New Materiality for the NRI Group

—A unified approach to creating a sustainable society and achieving the NRI Group’s growth strategy —

May 08, 2023

Nomura Research Institute, Ltd.

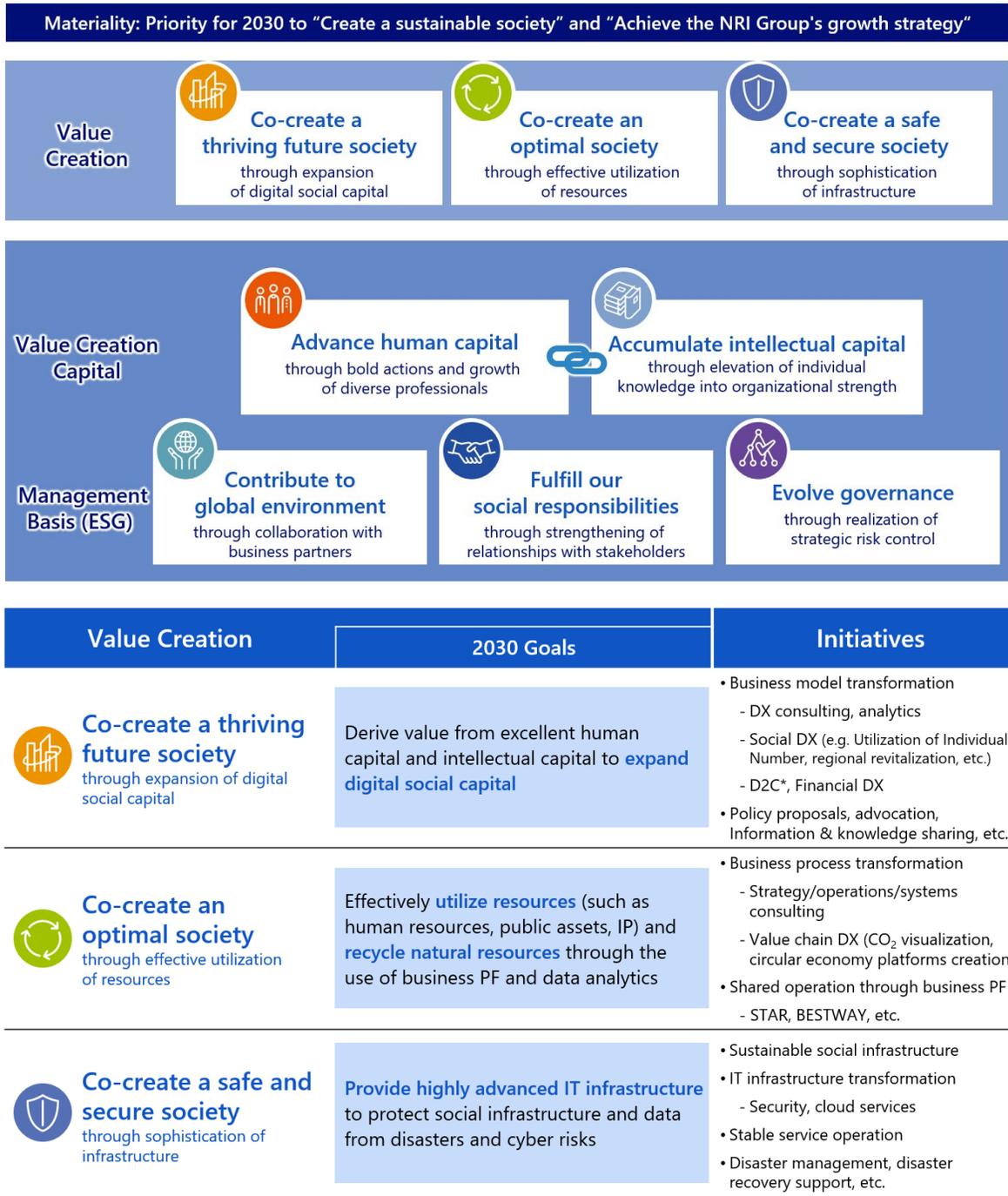
Tokyo, May 08, 2023 – Nomura Research Institute, Ltd. (Headquarters: Tokyo, Japan; Chairman, President & CEO Shingo Konomoto, “NRI”) announced today that in conjunction with the formulation of “NRI Group Vision 2030” (the NRI Group’s management vision for 2030, “V2030”), it has revised its existing materiality to identify a total of eight materiality issues across three tiers, namely “Value Creation”, “Value Creation Capital”, and “Management Basis (ESG)”.

Under our corporate statement “Dream up the future”, the NRI Group has made its mission to envision and realize new paradigms and to be a trusted partner for mutual growth. Furthermore, the NRI Group is dedicated to achieving a “Society We Innovate” in the form of a “prosperous society that nourishes potential and brings dreams to life”, a “sustainable society that connects knowledge to treat the planet wisely”, and a “resilient society that promotes safety and security”, with this goal being at the heart of our corporate philosophy.

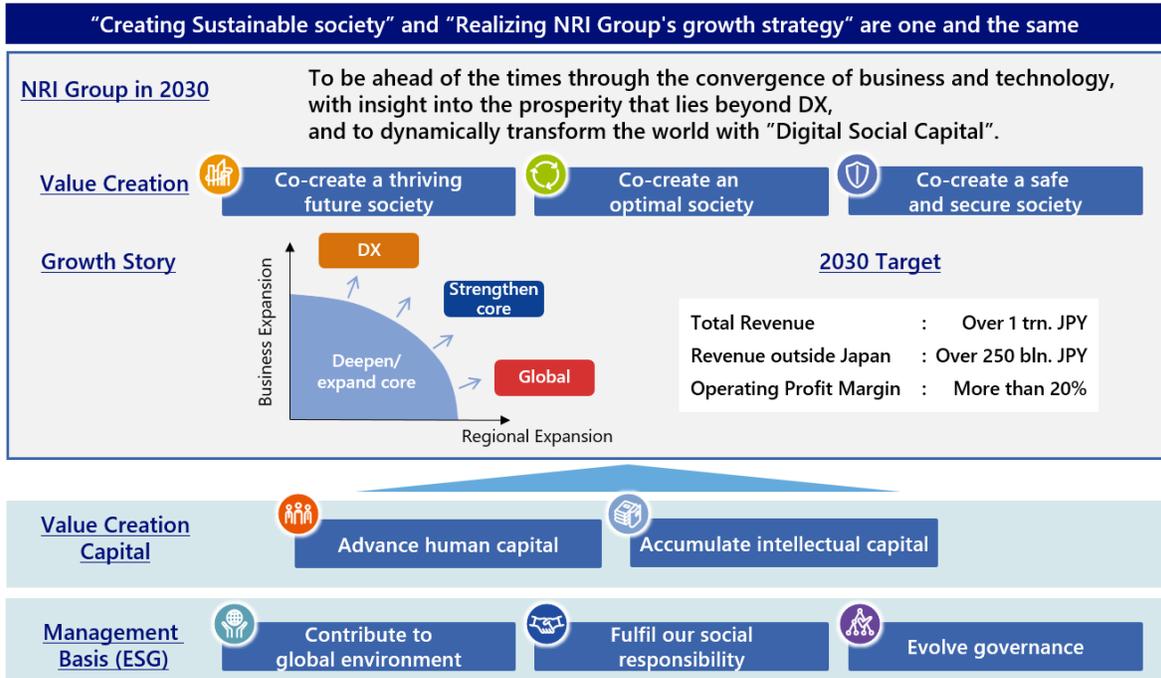
As stated in V2030 which was announced in April 2023, we are taking a unified approach to creating a sustainable society and to achieving the NRI Group’s growth strategy. Based on this, we have identified a total of eight materiality issues across three tiers as priority themes to be addressed as we head towards 2030, specifically “Value Creation”, “Value Creation Capital”, and “Management Basis (ESG: Environment, Society, and Corporate Governance)”, and these issues occupy a central place in the NRI Group’s Sustainability Strategy (Fig. 1).

In identifying these issues, we referred to the relevant international standards and guidelines and requests from ESG ratings agencies, and sought consistency with our corporate philosophy and growth strategy, and the opinions of outside directors and experts, as we considered these issues from the perspective of both their impact on our company financially, and the expectations and needs of our stakeholders regarding environment and society. To promote these themes as the pillars of our materiality, we have set forth our goal for 2030, as well as established key metrics (materiality KPI) and target values under our Medium-term Management Plan (2023-2025), which we will work steadily to achieve (Fig. 2).

(Fig. 1) NRI Group's Sustainability Strategy



Value Creation Capital	2030 Goals	Initiatives
 <p>Advance human capital through bold actions and growth of diverse professionals</p>	<p>Create a workplace where highly skilled professionals with diverse values gather to grow</p>	<ul style="list-style-type: none"> • Improve growth opportunities for each individual • Promote diversity and inclusion • Enhance capability to realize the growth story, etc.
 <p>Accumulate intellectual capital through elevation of individual knowledge into organizational strength</p>	<p>Sublimate individual knowledge into organizational strength (such as business model, brand, and capability)</p>	<ul style="list-style-type: none"> • Evolve business model (e.g., expand software assets) • Create a continuously evolving brand (e.g., enhanced content for Information & knowledge sharing) • Strengthen organizational capability to support business development (e.g., quality control, productivity innovation)
Management Basis (ESG)	2030 Goals	Initiatives
 <p>Contribute to global environment through collaboration with business partners</p>	<p>In collaboration with business partners with Scope 3 vision, create a sustainable environment globally and conserve natural capital while promoting more sophisticated use of renewable energies</p>	<ul style="list-style-type: none"> • Reduce greenhouse gas emissions, and promote renewable energy use (Scope 1+2) • Take measures to reduce greenhouse gas emissions in Scope 3, etc.
 <p>Fulfill our social responsibilities through strengthening of relationships with stakeholders</p>	<p>Fulfill social responsibilities in the entire supply chain, such as good relationships with stakeholders, creating a healthy workplace, and commitment to human rights</p>	<ul style="list-style-type: none"> • Employee well-being • Initiatives concerning human rights and labor practices (including AI ethics, etc.) • Build and strengthen partnerships with business partners, stakeholders and communities, etc.
 <p>Evolve governance through realization of strategic risk control</p>	<p>Strive for balanced governance, including strategic risk-taking, to control risks with long-term perspective</p>	<ul style="list-style-type: none"> • Maintain/operate group-wide governance and internal control • Enterprise risk management • Strengthen quality control and information security management • Promote disclosure and improve transparency • Enhance compliance, etc.



(Fig. 2) Materiality KPI

Materiality		KPI	FY2025 Targets
Value Creation	Co-create a thriving future society	Overall investment & spending on measures for DX 2.0/3.0 that transforms industries & society	¥63.0 billion ^{*1}
	Co-create an optimal society	Revenues of business platforms that help to achieve an optimal society	¥141.0 billion
	Co-create a safe and secure society	Revenues related to safety & security to enable a more resilient society ^{*2}	¥216.0 billion
		Employee’s sympathy for social value creation ^{*3} (Domestic Group Companies)	70%
Value Creation Capital	Advance human capital	Employee engagement score (NRI Payroll) Female opportunity offering rate ^{*4} (Non-consolidated)	More than 70 continued 17%
	Accumulate intellectual capital	Amount of investment in creating & accumulating intellectual capital	¥41.0 billion ^{*1}
Management Basis (ESG)	Contribute to global environment	Greenhouse gas emissions reduction rate· Renewable energy usage rate (Base year : 2019)	2030 Targets ^{*5} Scope1+2 : Net-Zero Scope3 : Reduced by 30% Renewable energy usage rate : 100%
	Fulfill our social responsibilities	Rate of consent to the NRI Group Business Partner Code of Conduct ^{*6} or possessing own such codes of conduct ^{*7}	Domestic group 90% (Ref. Global 80%)
	Evolve governance	Number of cases in which severe risk materializes (reports to regulatory authorities or incidents of equivalent severity for which the NRI Group is responsible)	0
		DJSI World	Selection Continued

*1 Cumulative values during the term of Medium-term Management Plan (2023-2025)

*2 Including Inter-segment revenue for each segment

*3 Ratio of employees who feel strong buy-in for the concepts of “value co-creation” and NRI’s “three social values”

*4 Percentage of women responsible for projects and businesses

*5 97% reduction of Scope 1+2 emissions and neutralization of residual emissions

*6 Including environment, human rights, etc.

*7 Consenters or holders of equivalent standards in NRI Group's procurement partner companies, such as system development contractors

Going forward, the NRI Group will continue to undertake these eight materiality issues and to create new value together with our various stakeholders, to contribute to the creation of a sustainable society.

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