

Nomura Research Institute, Ltd.: FY 2025 Sustainability Dialogue (Overview)

(Held at the head office on Friday, February 13, 2026)

Remarks by Investor Participants (Investor + Number): Blue Text

Remarks by NRI Management (NRI): Black Text

The discussion focused mainly on page 76~77 of the Integrated Report 2025. For convenience, the figure at the top of page 77 is referred to as the "Human Capital Logic Model," and the figure at the bottom of page 77 is referred to as the "Intellectual Capital Logic Model."

[Dialog]

◇About the Intellectual Capital Logic Model

Investor 1: How have intellectual capital initiatives evolved through the PDCA cycle in accordance with this logic model? Also, how are they utilized in management and internal dissemination?

NRI: We abstracted various internal activities through discussions among related departments and executives, and organized them into a flow that spreads effects from left to right. Each of these activities is carried out individually, and this is the first time we have expressed them in this integrated way. As business structures change due to the introduction of AI, etc., logic models can be used as a basis for identifying such changes and formulating strategies. In addition, we would like to use them as a basis for recognizing and strengthening elements that are weak on a daily basis.

Investor 1: I think all of the activities are covered, but it is difficult to understand the key points.

NRI: We would like to make it simple, but that would raise the level of abstraction. We will continue to examine the balance between ease of understanding and ease of use.

Investor 2: I feel that the business model is clearly expressed, but there are some parts that are difficult to understand. What is NRI's unique strength in terms of "Accumulation of insight" shown in the lower left?

NRI: One example is the System Development Committee. At each development milestone, experts from other departments volunteer as committee members, read development documents in advance, and then make beneficial suggestions based on their expertise. A system in which people from other departments provide their own knowledge is functioning effectively, and this has contributed greatly to improving operating profit by preventing large-scale unprofitable projects over the past 10 years. Behind this is a shared sense of pride in contributing to the company as a whole.

Investor 3: This arrangement makes it easier to understand and discuss. By the way, the upper left column says, "Accumulation of insight." Is there any concern that "insight," which is NRI's strength, will be replaced by AI amid the rapid advancement of AI reasoning?

NRI: This is exactly what we are discussing. First of all, we are making progress in using AI in-house and incorporating the technology. AI can provide some answers, but it cannot understand human-like aspects such as industry constraints and psychological factors. Since NRI's knowledge can be used in areas where decisions cannot be made based on the probabilistic theory of inference models alone, we believe that areas where we can provide higher insight will remain for the time being.

Investor 4: Is this logic model common globally or is it different in Japan and overseas? Was there any discussion about this during the process of sorting out?

NRI: There was some discussion about this, but considering the weight and maturity of the business, we have focused on the domestic market for the time being. Overseas business models are different from those in Japan, such as dispatching consultants on a per-unit basis, so it is difficult to apply them directly. The same applies to the human capital logic model, and overseas business models are not included in this figure due to differences in business models.

Investor 5: Are there any KPIs that can be applied to this logic model? For example, "building a system that continues to operate stably with high quality" could be a KPI such as "zero unprofitable projects."

NRI: The company has detailed KPIs that are managed by headquarters, such as zero unprofitable projects, an increase in service-oriented businesses, and the number of policy proposals.

Investor 6: The content of "Impact on corporate value" on the right is abstract. It would be easier to understand if it were said to lead to "zero unprofitability," as in the previous discussion. For example, it might be possible to demonstrate the value of NRI's services in addressing the social issue of labor shortages at small and medium-sized companies in rural areas.

NRI: In fact, many regional banks have adopted the shared online system THE STAR, and DSB Co., Ltd. has developed a BPO service that contributes to reducing the labor and efficiency of customer operations. In reality, this has a significant impact, so I would like to think of ways to promote it.

Investor 7: I think NRI's unique corporate culture, such as the voluntary provision of knowledge by people from other departments, makes this logic model work well. I think it would be a good idea to promote this.

NRI: It is true that NRI has a corporate culture that is willing to teach others things and provide knowledge when given an opportunity. This leads to organizational knowledge. In addition, many employees are intellectually curious and voluntarily obtain qualifications in new technologies or study their clients' industries without being instructed to do so.

◇ Human Capital Logic Model

Investor 3: If there are any human capital initiatives unique to NRI that other companies do not have, or initiatives that seem simple but are actually difficult to implement, please tell us about them.

NRI: The initiative of implementing 'stretch assignments' (providing opportunities) for tasks that are a step higher than one's current capabilities is characteristic, but its operation is highly difficult. I believe that our company's strength lies in having an established education system, as well as a system of cooperation and review by those around them, which fosters motivation to overcome difficulties and leads to early growth.

Investor 4: What is NRI's definition of "talented personnel"?

NRI: It is not simply about having knowledge and skills. For example, if a human resource is able to balance two seemingly contradictory things, such as "Design with precision while focusing on productivity," he or she can be considered excellent. This is an ability that cannot be easily verbalized.

Investor 2: The best way to express what NRI can do is to "Dream up the future.". The logic model also mentions a sense of mission. It is difficult to instill a sense of mission among employees, but if the mission inherited from the company's founding is incorporated into the logic model, the sense of what NRI can do will be greatly enhanced.

NRI: We have been engaging in value co-creation activities for many years. Through dialogue, we encourage employees to think about how the performance numbers they follow are impacting customers and society beyond them. This has permeated the workplace and has led to a sense of mission and pride among individuals. This may be unique to our company.

Investor 8: I think the situation and superiority of human capital differ from company to company, but it is difficult to see from the outside. It would be easier to understand if the company showed some form of superiority that differentiates it from other companies.

NRI: I feel that it is difficult to quantify and compare apples to apples. However, when I exchange opinions with the HR departments of other companies, they are sometimes surprised that what NRI does as a matter of course is not done at other companies. It is difficult to notice this when you are inside the company, but I would like to show more of this. For example, the number of external communications may be a characteristic of NRI.

Investor 9: What is the "outstanding recruitment strategies" mentioned in the upper left? Please tell us if there are any particular aspects of hiring that you are more particular about than other companies.

NRI: Ahead of other companies, NRI began offering internships at a very early stage. Participation and acceptance as an NRI intern has become a status among students. The proportion of hires from our internship program is extremely high, and NRI attracts talented people by letting them experience actual work and fall in love with its employees and culture.

Investor 1: From a global perspective, it is said that Japanese companies are slow to promote women. NRI has 30% female employees, but only about 10% of management positions are female. What are you doing to increase gender diversity?

NRI: We have set KPIs in detail, and we are working to meet all of them. For example, we require that the ratio of female employees be 30%, that women's average length of service is equal to or longer than men's, and that opportunities given to women before they are promoted to management positions (such as project and business managers) must be equal to or greater than the proportion of women in the target year. First of all, we want to increase the proportion of women, but since the proportion of women among information science students is less than 30%, we are proceeding by also increasing hires from non-STEM fields.

Investor 1: Which part of the logic model does this correspond to?

NRI: It corresponds to "creating an attractive workplace where diverse employees can play an active role." We are conscious of diversity, not limited to gender.

Investor 10: Some other companies have appointed female managers in their 20s. NRI's system of stepping up employees to management positions makes it difficult for women to be promoted early.

NRI: The system allows men and women to be promoted to Managers at the earliest age of 29. After the second year of Managers, employees can be promoted to positions commensurate with their abilities. At present, women who have a career gap due to maternity or childcare leave can be promoted as long as their abilities are high, and the ratio of women to management positions is on the rise.

Investor 11: I think the more intellectual capital is accumulated through the use of AI and other technologies, the more business models become independent of the number of employees, and the less investment in human capital will be made. How will management balance this?

NRI: We will aim for growth independent of the number of employees, but investment in human capital will not decrease visibly. AI will back up business operations, and more sophisticated and high-priced professionals will be needed. We believe that the importance of intellectual capital and human capital will not change, as they are the two wheels of a business model even in a declining population.

Investor 8: Even as AI advances rapidly, the IT industry must continue to hire people. The market will question whether it is safe to hire so many people. This may affect stock prices. How do we disseminate information and promote accurate understanding of the market?

NRI: We will firmly control this by looking at the balance between the number of hires and future productivity improvements. In our business model, there is basically no situation where we hire a large number of people now only to have a large surplus later. As a Japanese company, we do not replace employees as easily as in some other countries, but NRI's human assets learn new technologies on their own and take on bold challenges, so we are not worried. Rather, we want to firmly secure such excellent human assets while we can.

Investor 11: When we use AI, we sometimes think that our jobs will become unnecessary. When NRI engineers are assigned to stretch assignments and are exposed to cutting-edge AI, do they worry about the same thing?

NRI: I think there are times when we worry. However, we have always introduced new technologies whenever there have been various changes, from on-premise to cloud, from waterfall to agile. Putting what humans want to do into systems is still a high-value-added area that cannot be replaced by AI. Also, many of the systems that NRI handles are mission-critical, and as with AI, they cannot afford to pause or stall while an AI calculates.. I believe that if we learn new technologies in such high-value-added fields, we will never lose jobs.

Investor 3: I am interested in what will happen to human resource development based on the premise of using AI. I think that all the training that we experienced when we were young is being replaced by AI, and opportunities for growth are being lost.

NRI: I share the same sense of crisis. In the past, everyone experienced coding and made many errors, making trial and error. If you don't have such experience, when everything becomes automated, you won't be able to investigate the cause of failures and be accountable. There is knowledge and know-how that should be kept within the company, even if it looks useless at first glance. We are currently considering a system that allows people to gain experience in a simulation format, similar to disaster drills.

Investor 4: How is NRI's talent management system (Talent Marketplace) being used in the development and placement of human resources?

NRI: Internal use is limited. Currently, it is used by employees to apply for about 300 internal job openings in line with their own skills and preferences. In the future, NRI plans to use it not only for applicants but also for organizations to search for human resources, and to use AI to improve job matching.

End.