

# ESG Briefing

## Human capital management at the NRI Group

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**Head of Corporate Planning,**  
**Human Resources, Human Resources Development**

**Nomura Research Institute, Ltd.**

Feb. 22, 2023



**1**

**Positioning of Human Capital in the NRI Group**

**2**

**Strengths and Growth Cycle of the NRI Group's Human Capital**

**3**

**Efforts to Accelerate our Growth Cycle Leading Up to 2030**

## Positioning of Human Capital in the NRI Group

# Positioned as most important; the driving force for value creation and growth

Materiality: Priority for 2030 to "Create a sustainable society" and "Achieve the NRI Group's growth strategy"

### Value Creation



**Co-create a thriving future society**

through expansion of digital social capital



**Co-create an optimal society**

through effective utilization of resources



**Co-create a safe and secure society**

through sophistication of infrastructure

### Value Creation Capital

**Human capital management at the NRI Group**

through bold actions and growth of diverse professionals  
**Yanagisawa**



**Accumulate intellectual capital**

through elevation of individual knowledge into organizational strength

### Management Basis (ESG)



**Contribute to global environment**

through collaboration with business partners



**Fulfill our social responsibilities**

through strengthening of relationships with stakeholders



**Evolve governance**

through realization of strategic risk control

# Dialogues on human capital. Growth strategy and human resources development

Date December 05, 2022

Expert Ms. Chiharu Takakura, Director and Chief Human Resource Officer (CHRO) of Rohto Pharmaceutical

Overview Dialogue between Ms. Takakura and NRI Senior Managing Directors Yanagisawa & Hihara



Ms. Chiharu Takakura,  
Rohto Pharmaceutical



Yanagisawa,  
NRI



Hihara, NRI

## Main discussion topics

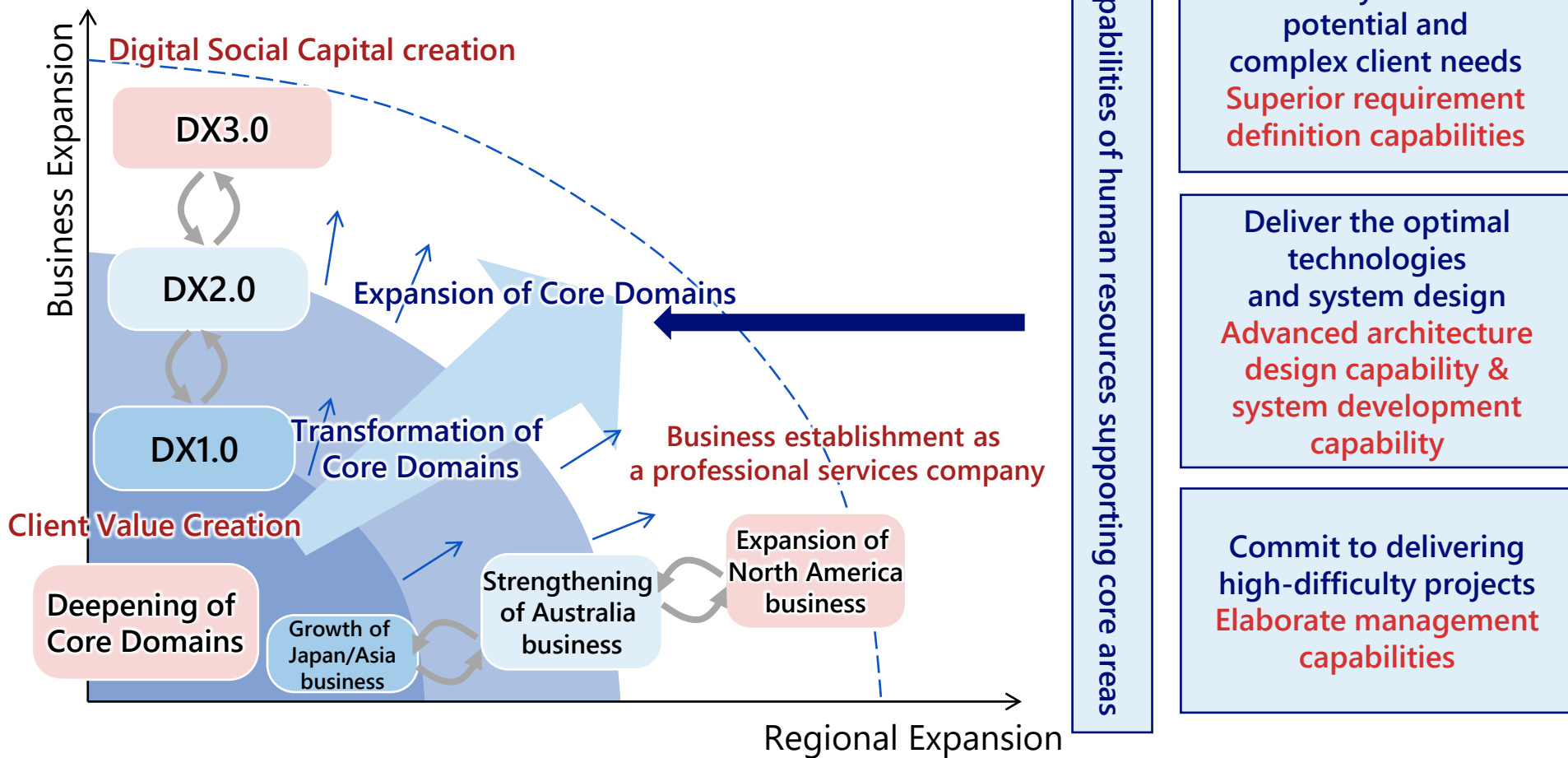
- Positioning of human capital in the materiality of NRI's long-term management vision
- V2030 growth story and human resources development
- How to communicate to investors about human capital management



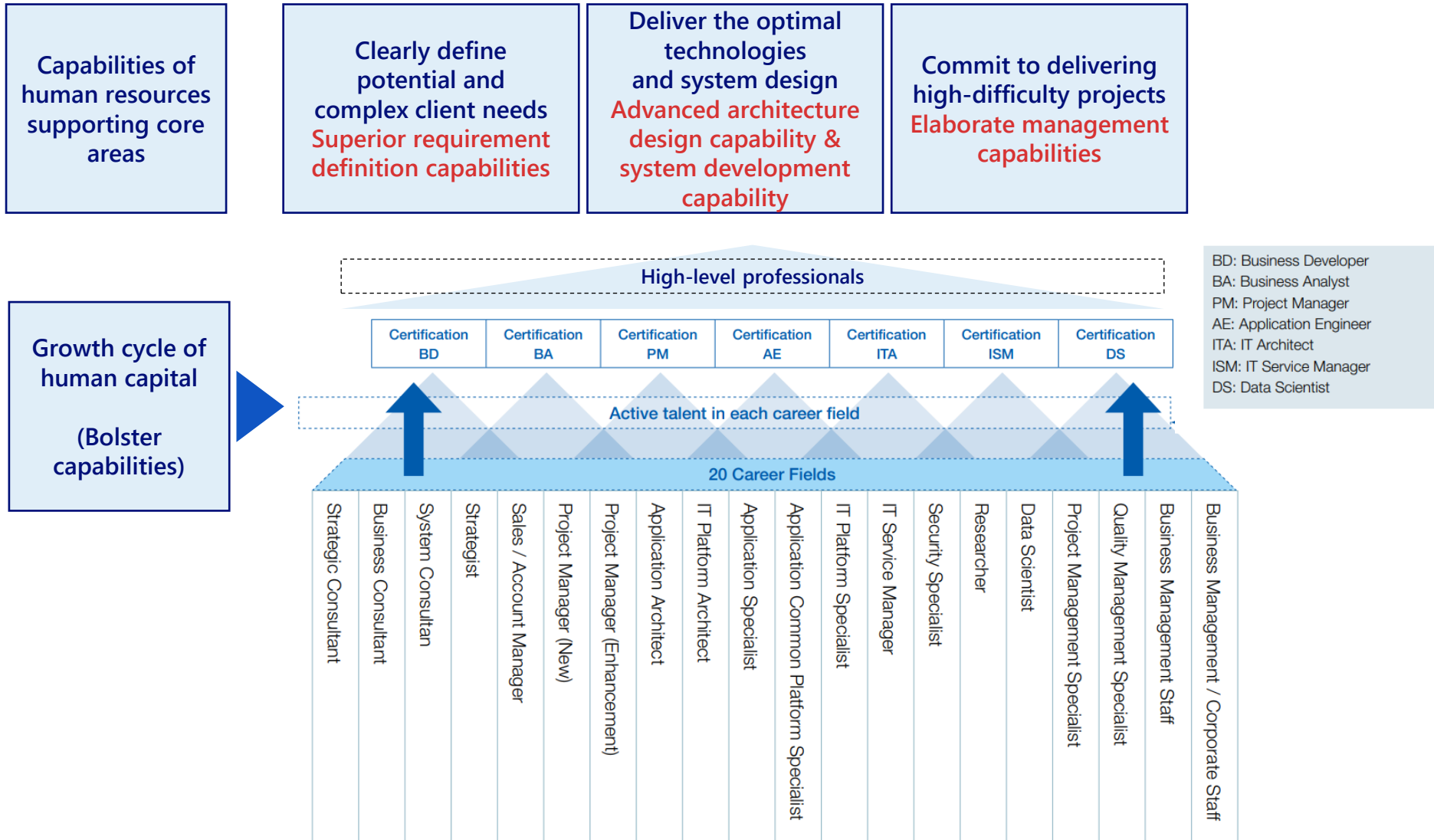
Our core areas : Drive profit growth at the NRI Group for now

Key to increasing NRI's enterprise value : Capabilities to support our core areas

### NRI Group Vision 2030 Growth Story



# The NRI Group's unique growth cycle to maximize these capabilities



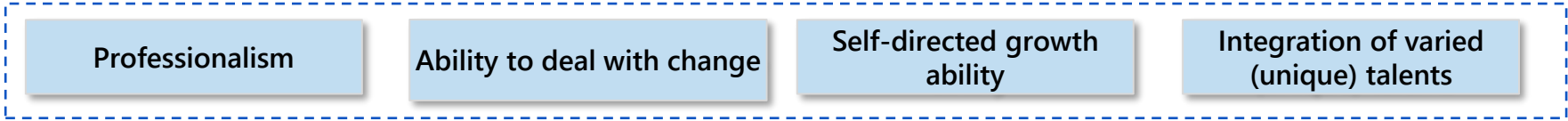
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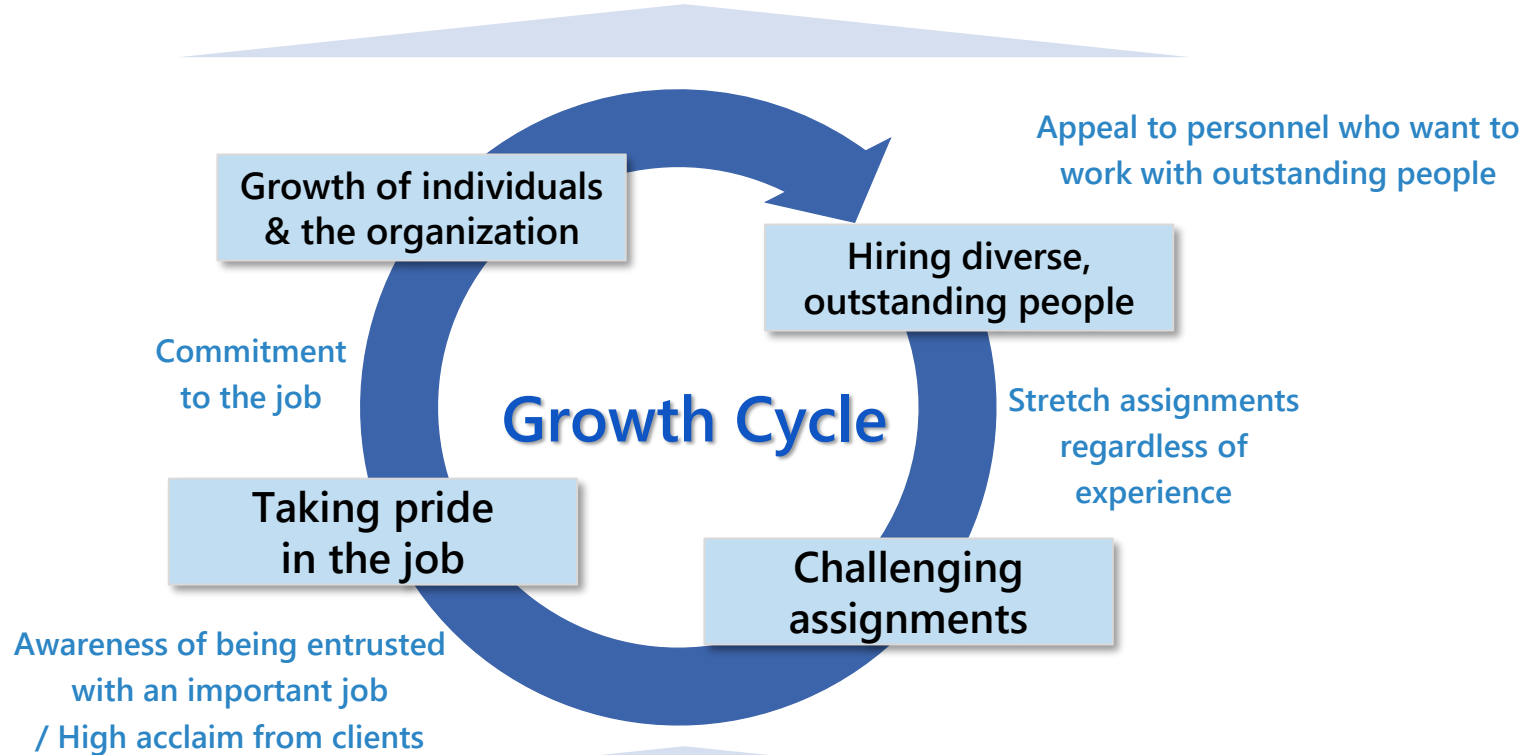
**3** Efforts to Accelerate our Growth Cycle Leading Up to 2030

# Growth cycle of NRI Group's human resources

Characteristics (strengths) of NRI's human capital



Growth cycle of human capital



HR system to facilitate the growth cycle



\*Encouraging independent thought and actions that go beyond the set role and mission

\*\*Experience and growth gained from unexpected assignments



# NRI Group personnel's strengths: Dealing with change and self-directed growth



Strengths of individual personnel

## Professionalism

- Building awareness as a professional from early on
- Continuously refining high-level expertise

## Ability to deal with change

- Extensive knowledge through diverse experiences
- Applying knowledge in the business environment trends and clients' needs

## Self-directed growth ability

- Inquisitive
- New technologies and skills learning on their own and continuous self-improvement

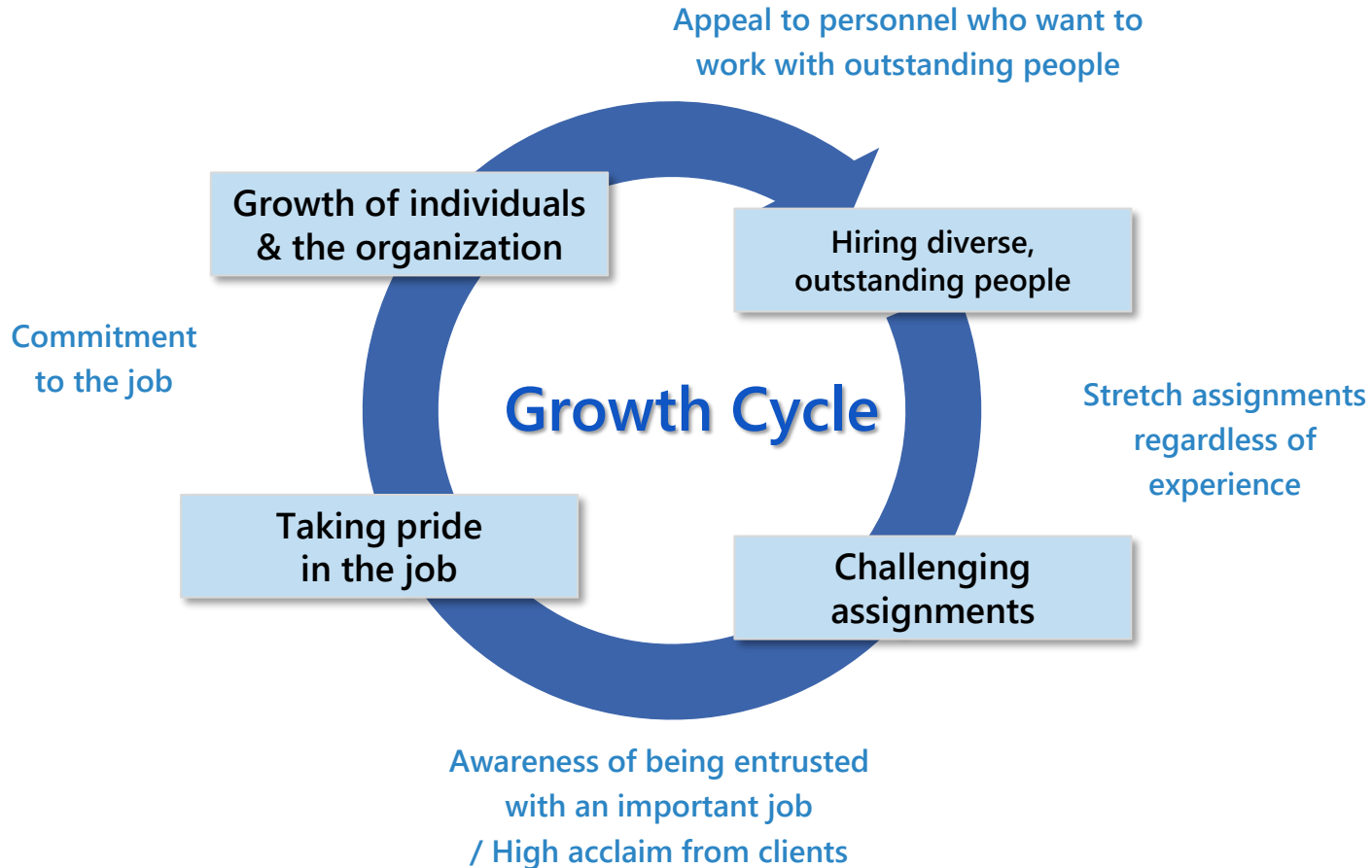
Strengths as a group

## Integration of varied (unique) talents

- Wide-ranging and diverse expertise and capabilities as a group
- Respect each other and work together

# Strengths and Growth Cycle of the NRI Group's Human Capital

## The NRI Group's continuous growth cycle from the past to the present



# Strengths and Growth Cycle of the NRI Group's Human Capital

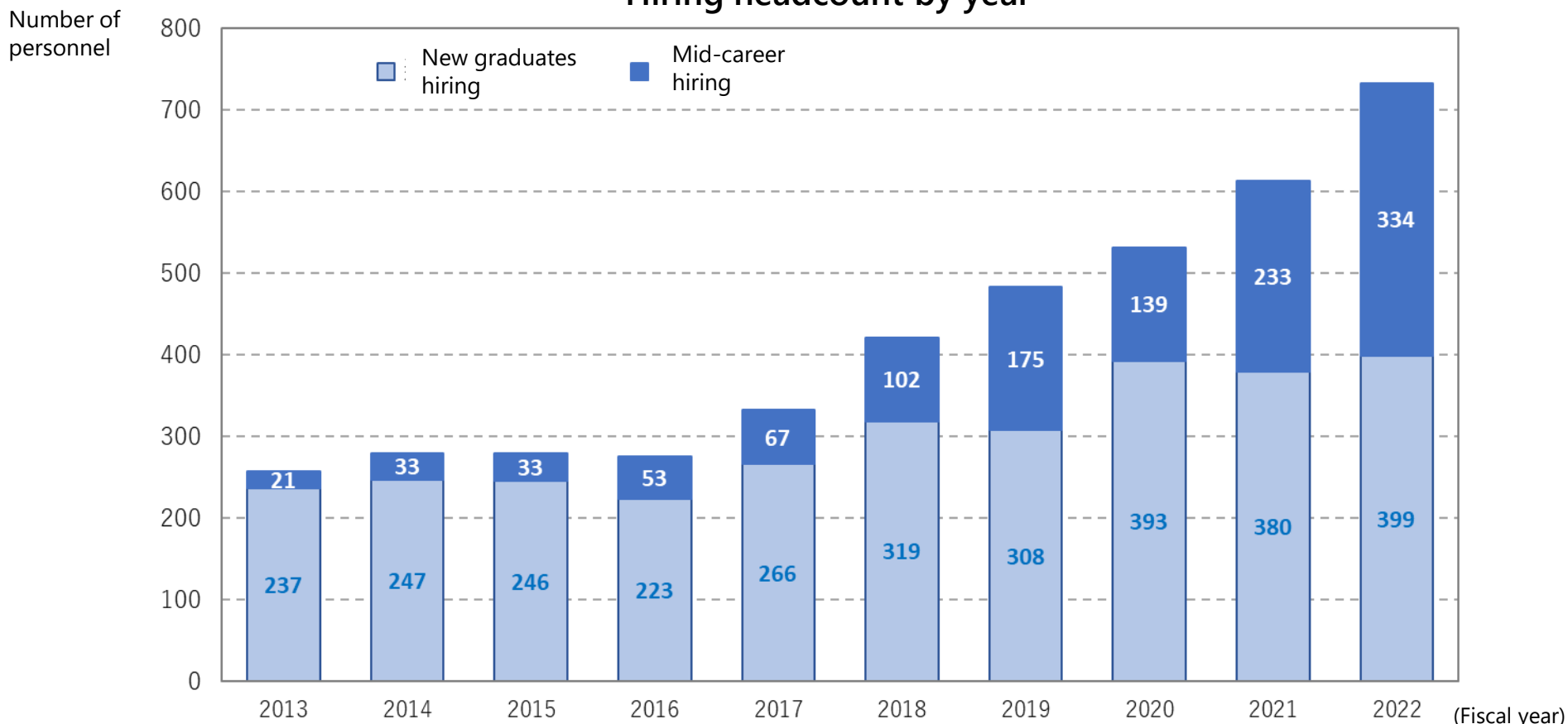
## Strong presence in the job market :

## Outstanding personnel attract other outstanding personnel



### Greater effort to mid-career hiring

Hiring headcount by year



Note) The figures above represent career positions and specialists employed by NRI

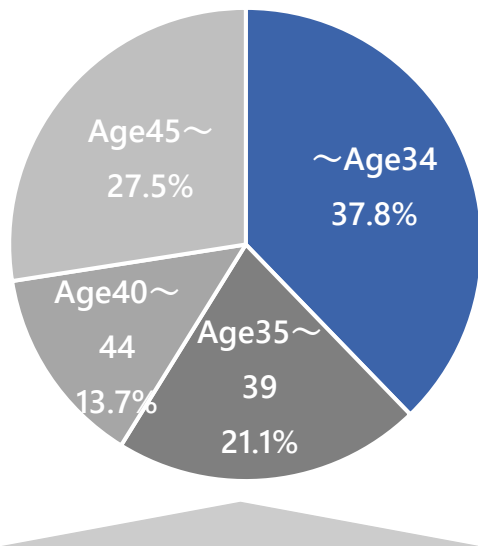
# Strengths and Growth Cycle of the NRI Group's Human Capital

## Achieving growth: Challenges in unfamiliar areas, roles with responsibility and discretion on younger age



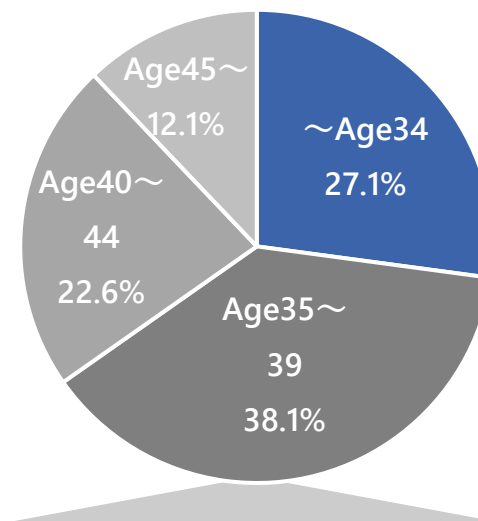
- Characteristic of the NRI Group : Gain experience as project leader (PL) or project manager (PM) from a young age or challenges in unfamiliar fields regardless of age
- Mechanisms and culture to support these stretch assignments is what makes them possible

Age distribution of consulting PLs



- Knowledge shared in organization (project proposals, reports, etc.)
- Culture of teaching each other and sharing knowledge, etc.

Age distribution of development PMs and personnel with business responsibility



- Quality control mechanisms such as the Systems Development Committee
- Encouragement and support by experts for newly appointed PMs

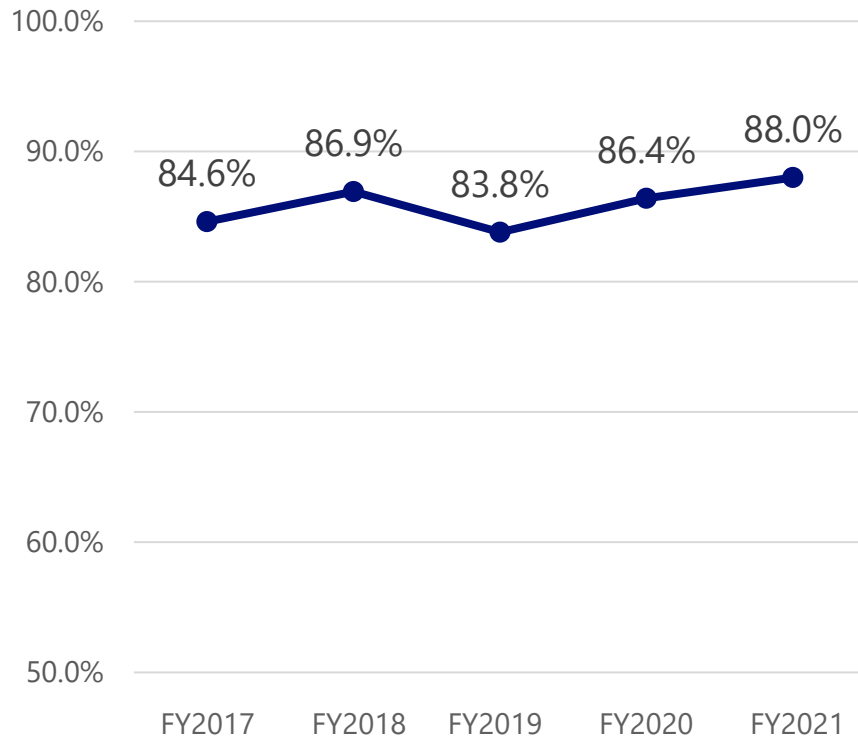
Note) The figures above are all from FY2021

# Strengths and Growth Cycle of the NRI Group's Human Capital

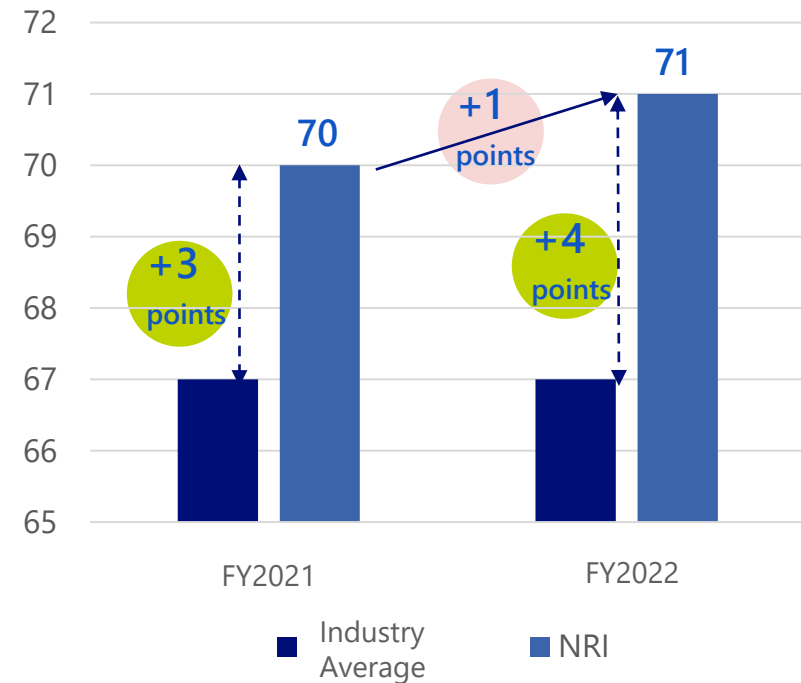
## High acclaim from clients : Pride in the job, and leads to stronger engagement



Results of clients' satisfaction survey  
(Total of "Satisfied" and "Relatively satisfied")



Engagement survey results  
(Wevox)



# "Co-creating Job Satisfaction" initiative since 2021



## Fostering awareness

Importance of engagement and introducing success cases during events held company-wide



Forum participants: approx. 700

## Comprehending status

Visualizing organizational status with a common set of measurements



Survey response rate: approx. 90%

## Resulting in various efforts designed by each organization

- Improve job satisfaction involving clients' senior management
- 1-on-1 discussion between subordinates & superiors within division
- Communication between colleagues to restore daily conversation that decreased due to the pandemic etc.

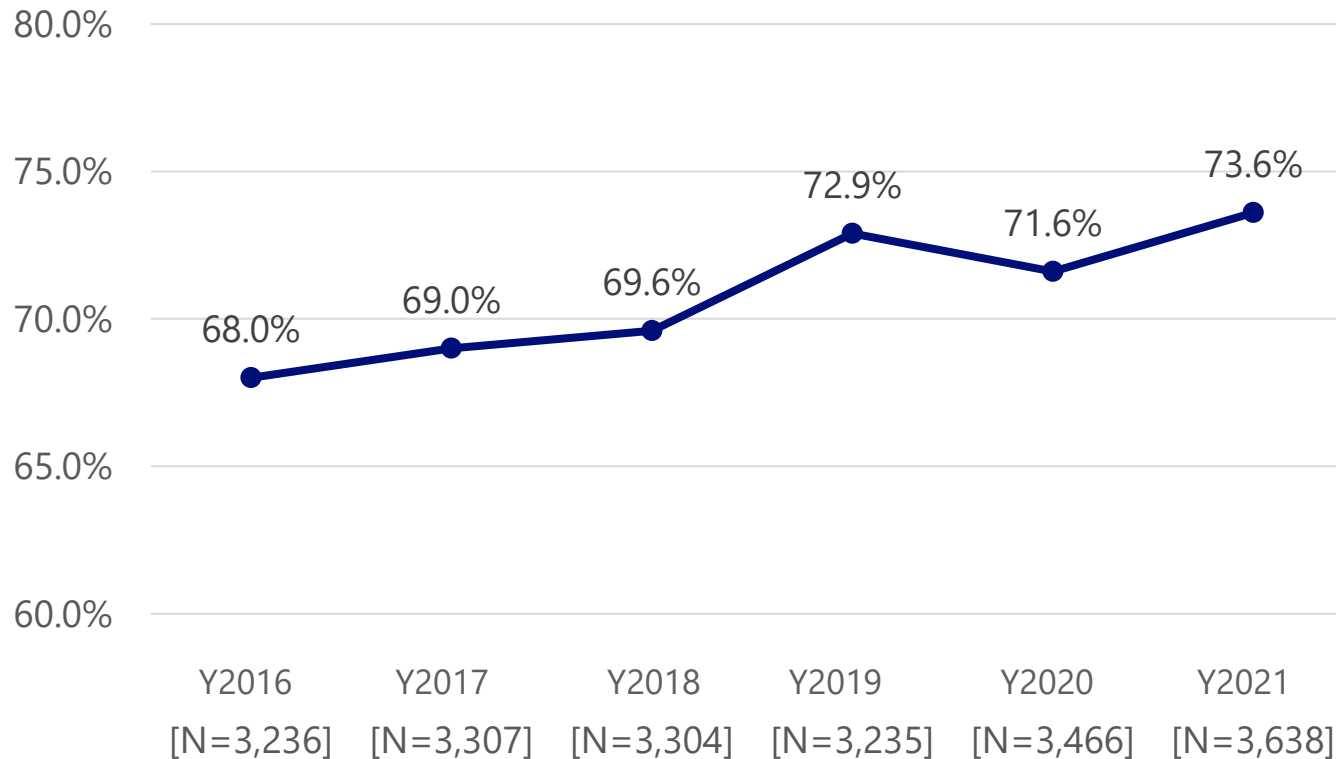


Sharing examples of efforts on the intranet

# Growth for individuals and the organization: Engaging in work with high levels of commitment



Ratio of sense of growth felt by year  
(from Nomura Research Institute Labor Union survey)



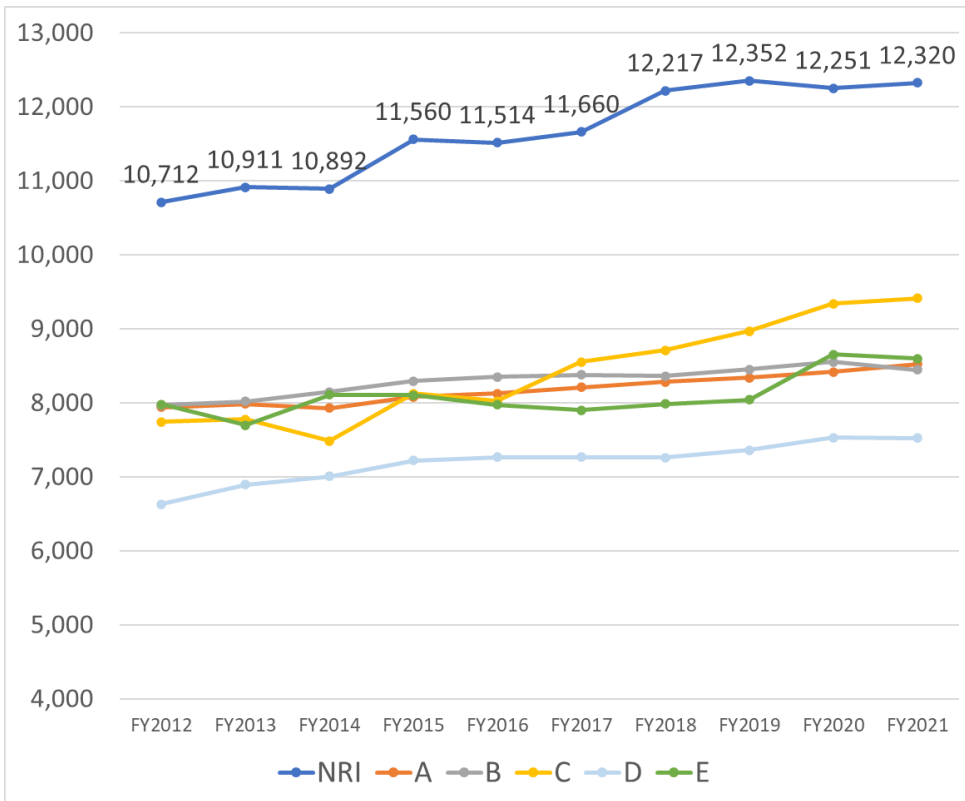
\* Total of "I felt a sense of growth" and "I felt some growth as opposed to none" to the question "Do you feel that you have grown compared to one year ago?"

# Strengths and Growth Cycle of the NRI Group's Human Capital

## Professional-grade employment conditions: High wage increase levels when promoting personnel

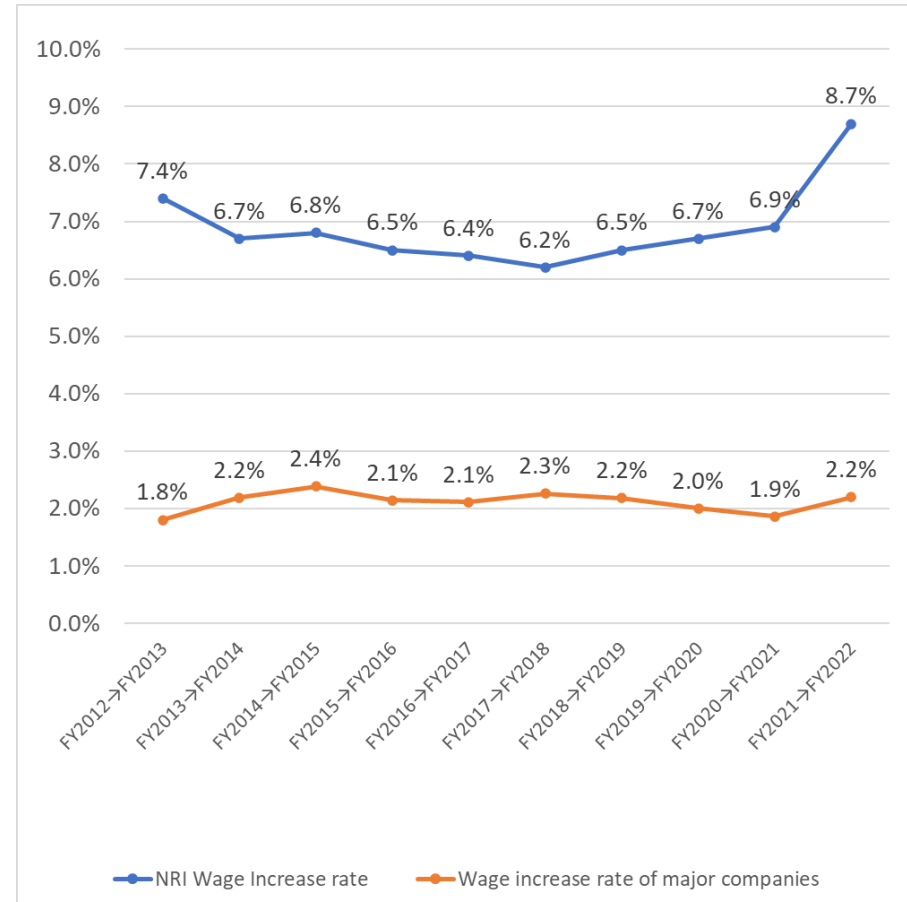


### Average annual salaries in ICT industry (in Japan)



Source) Companies' securities reports

### Wage increase rate of major companies (in Japan)



Source) Ministry of Health, Labour and Welfare "Status of Spring Wage Increase Requests and Settlements at Major Private Companies"

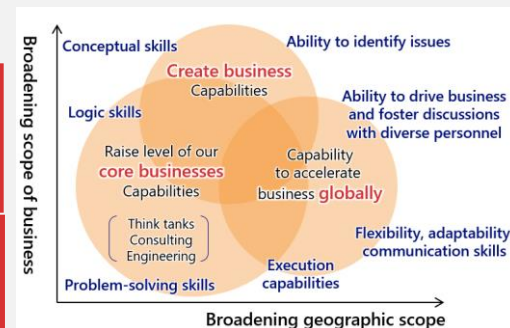


- 1** Positioning of Human Capital in the NRI Group
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# Efforts to further accelerate our growth cycle

## (1) Capabilities to achieve our growth story

- New measures to **further bolster hiring** (Referrals, recent graduates not employed directly after graduation and alumni, etc.)
- 2 ● **Visualize and systematically offer opportunities to personnel** with capabilities in DX, business creation, and global business
- 1 ● Success of **experienced employees**
  - Master System (for re-employment after statutory retirement age)



## (2) Normalize diversity and inclusion

- Maintain & improve **employee engagement** throughout the Group
- 3 ● **Women's participation & advancement** by promotions to management roles
- Onboarding for **mid-career hires** (greater involvement from colleagues, etc.)

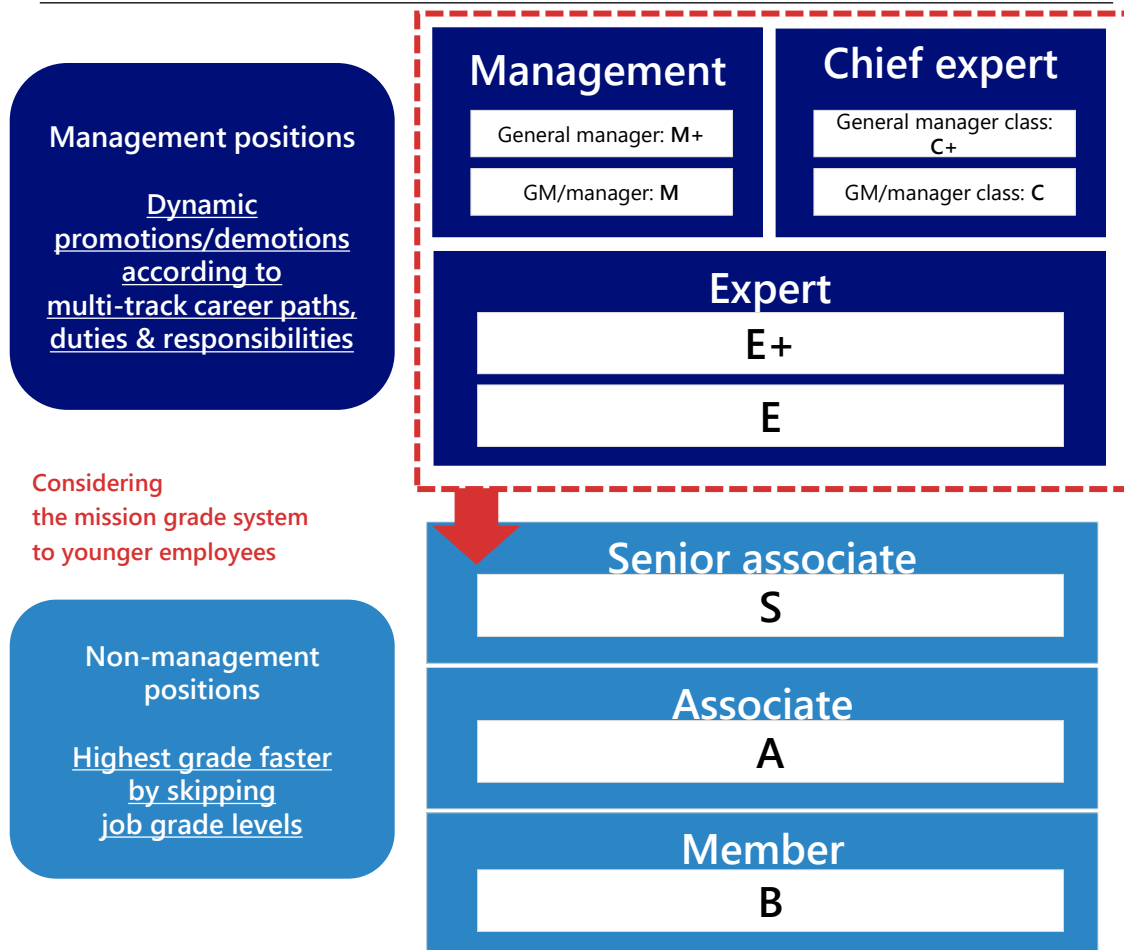
## (3) Growth opportunities for each individual

- **Growth opportunities and greater sense of growth** through more sophisticated talent management
- More effort to developing **the next generation of management** and **bolster the people management skills** of managers through training
- 1 ● **Mission grade system** (role-based job grade system) to young employees

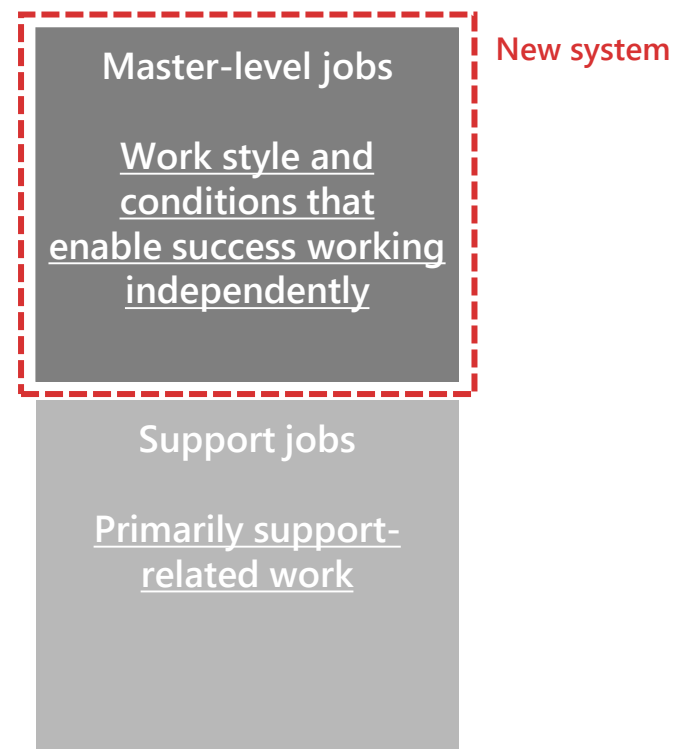
# New HR system since FY2022 and the new re-hiring system launching in FY2023

## Promoting the growth & success of our personnel regardless of age

### New HR system (for the working generation)



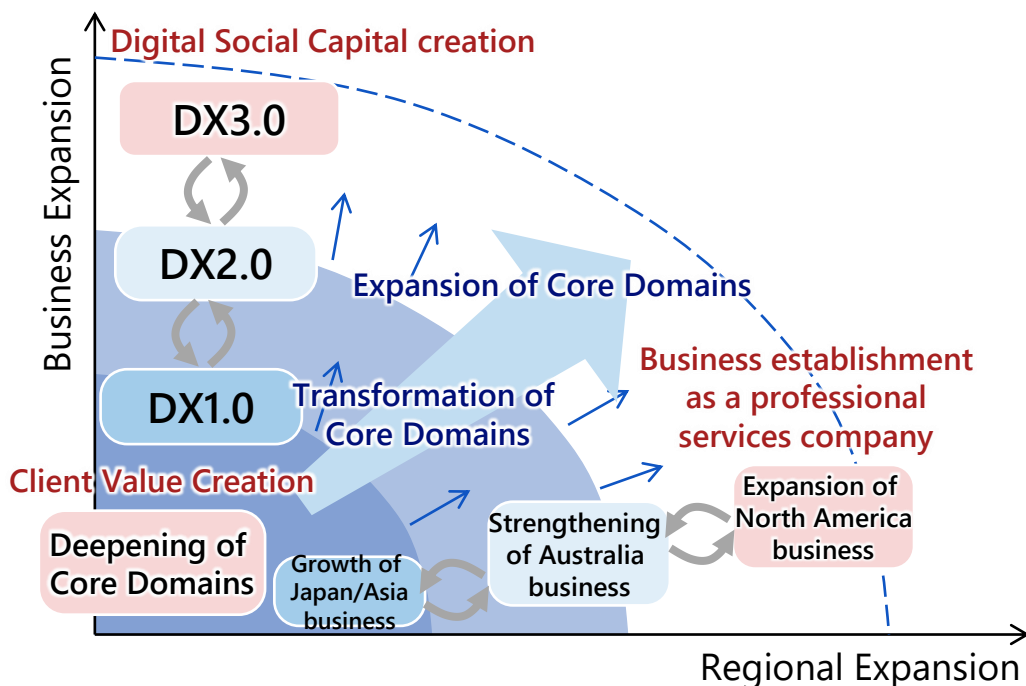
### New re-employment system (ages 60 and up)



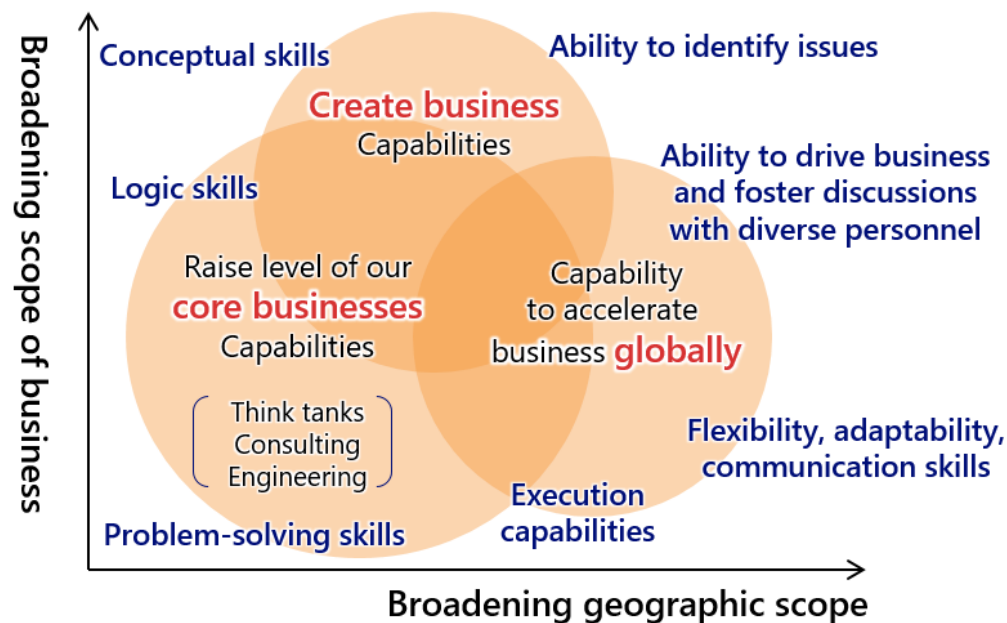
## Visualizing and systematically offering opportunities to personnel: Business creation, Global business, and Core businesses

- Talent management system that can visualize employees' skills, experience, and career outlooks
- Data utilization to systematically offer opportunities (assignments, transfers, temporary assignments, training, etc.)

### NRI Group Vision 2030 Growth Story



### Capabilities to achieve our growth story

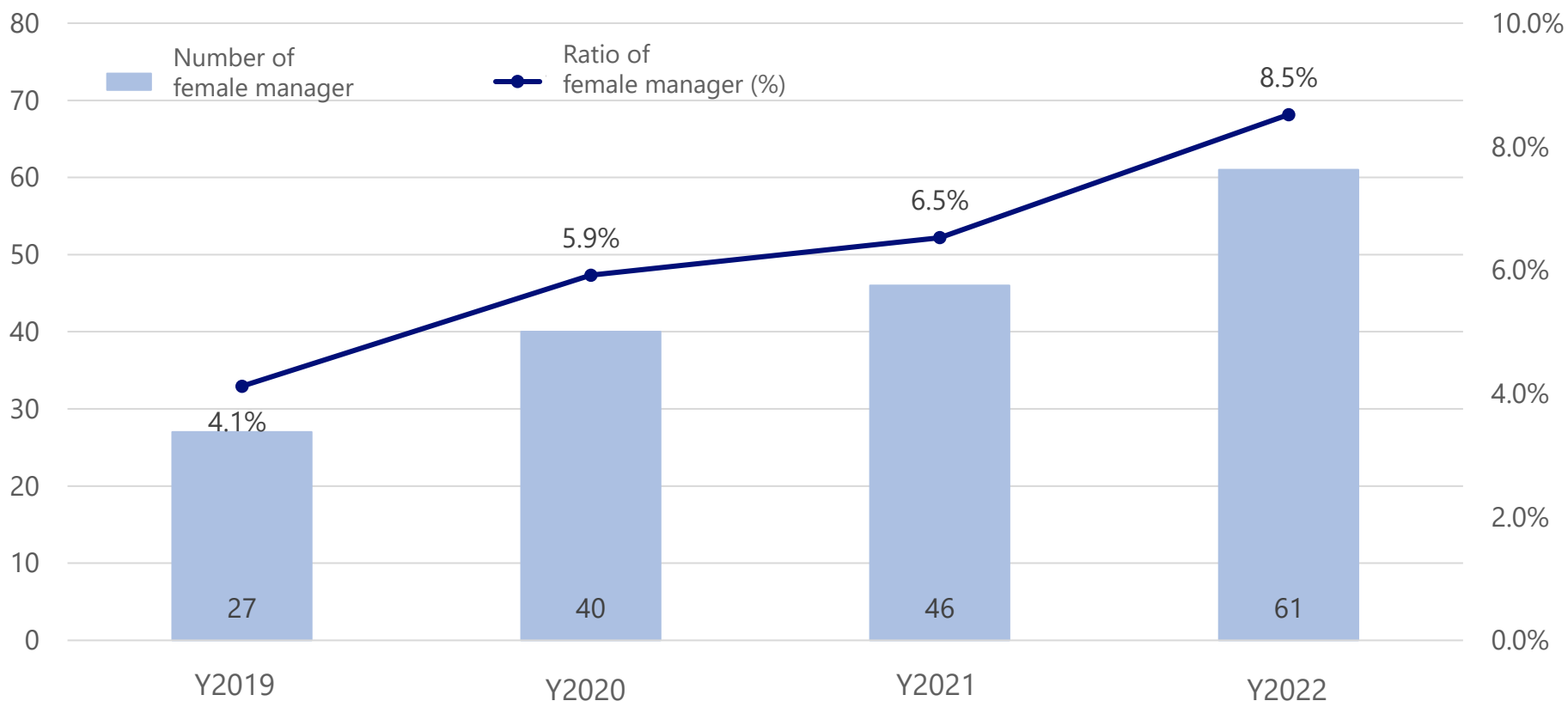


## Promoting more females :

Systematically offer opportunities with visualizing the candidates going forward

### ■ Target values for the next medium-term plan

Percentage of female managers by year (general managers/managers)



Note) Numerical values above are the non-consolidated values for NRI at the start of each fiscal year

## KPIs in the medium-term management plan: PDCA cycles going forward

Focus of measures	KPI (proposed)		Current state (FY2022)
(1) Capabilities to achieve our growth story	Personnel active in DX		2,368 (FY2021)
	Personnel creating business		155
	Global personnel		To be visualized
	Hiring headcount	New graduate hires	399
		Mid-career hires	334
(2) Normalize diversity and inclusion	Employee engagement	Wevox total score	71
	Percentage of female managers		8.5%
	Female opportunity offering rate (Ratio of females among PMs, PLs, etc.)		14% (provisional value)
	Ratio of managers hired mid-career (Fair promotions from among the general population)		Same ratio among experts and among managers (26%)
(3) Growth opportunities for each individual	Ratio of growth sensed*		72.1%
	Improvement in people management skills		93.5%

\*Planning to use metrics other than the aforementioned labor union survey for ratio of growth sensed

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***Share the Next Values!***