

Nomura to Conduct Research on ESG Bond Market

Tokyo, February 28, 2018 — Nomura Institute of Capital Markets Research (NICMR), a wholly owned subsidiary of Nomura Holdings, Inc., today announced that it has established a dedicated research group to focus on the sustainable development of the ESG (Environmental, Social, and Governance) bond market. The research group represents a cross-sector collaborative effort and comprises experts from industry, government, and academia.

The group is chaired by Dr. Takeshi Mizuguchi, Professor at Takasaki City University of Economics.

In April 2006, the United Nations announced the Principles for Responsible Investment to encourage institutional investors to take ESG factors into consideration when making investment decisions. Since then, the concept of aligning investment objectives with environmental and social values has taken root.

A considerable amount of research has been done on the impact ESG investing has on equity market performance. Given the large number of ESG bonds including green bonds¹ issued in recent years, there is a need for more research on how the ESG bond market will develop in the future.

In order to respond to this need, NICMR's new research group brings together academics, issuers, asset managers, financial institutions and other members with a wide range of expertise in the ESG bond market². The group will look at the various challenges of issuing and investing in ESG bonds, and measures needed to ensure the steady and sustainable growth of the market.

The firm believes this initiative will contribute to achieving the United Nation's Sustainable Development Goals.

The new research group had its first meeting on February 22 this year, and will meet periodically throughout the 2018 fiscal year. NICMR intends to publish the findings of the group's research for the 2018 fiscal year and make recommendations based on these findings.

Nomura is committed to help create an affluent society by leveraging its expertise in the capital markets.

Established on April 1, 2004, NICMR builds on a tradition begun at the Nomura Research Institute in 1965 of studying financial and capital markets, as well as financial institution systems, structures, and trends. NICMR produces original research and policy proposals by specialists

¹ Green bonds are issued to fund projects aimed at resolving environmental issues such as global warming.

² Main members will be: Conservation International Japan, International Finance Corporation (IFC), Ministry of the Environment, Organisation of Economic Co-operation and Development (OECD), Rating and Investment Information, Inc., Response Ability, Inc., Sumitomo Mitsui Financial Group, Sustainalytics, Takasaki City University of Economics, The Dai-ichi Life Insurance Company, Limited, and World Bank. Nomura Group companies including Nomura Securities and Nomura Asset Management will also take part.

based upon actual business experience.

It is widely recognized that Japan must continue to establish a market-driven money flow in order for the country's economy to further develop. NICMR's core mission is to contribute to financial system and securities markets reforms in order to help establish a market-based financial system.

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