

CSR Report 2007

Nomura Holdings, Inc.



Nomura Group

■ Group Companies **WEB**

Nomura Holdings, Inc.

Major Subsidiaries

Japan

Nomura Securities Co., Ltd.
 Nomura Asset Management Co., Ltd.
 The Nomura Trust & Banking Co., Ltd.
 Nomura Capital Investment Co., Ltd.
 Nomura Investor Relations Co., Ltd.
 Nomura Principal Finance Co., Ltd.
 Nomura Funds Research and Technologies Co., Ltd.
 Nomura Pension Support & Service Co., Ltd.
 Nomura Babcock & Brown Co., Ltd.
 Nomura Research & Advisory Co., Ltd.
 Nomura Business Services Co., Ltd.
 Nomura Facilities, Inc.
 Nomura Institute of Capital Markets Research
 JOINVEST Securities Co., Ltd.
 Nomura Healthcare Co., Ltd.

Americas

Nomura Holding America Inc.
 Nomura Securities International, Inc.
 Chicago Office/ Los Angeles Office/ San Francisco
 Office/ Sao Paulo Representative Office
 Nomura Corporate Research and Asset
 Management Inc.
 Nomura Asset Capital Corporation
 The Capital Company of America LLC
 Nomura America Mortgage Finance, LLC
 Nomura Derivative Products Inc.

Nomura Global Financial Products Inc.
 Nomura Funds Research and Technologies
 America, Inc.
 Nomura International Trust Company
 Nomura Securities (Bermuda) Ltd.
 Nomura Canada Inc.
 Nomura Realty Advisors, Inc.

Europe & Middle East

Nomura Europe Holdings plc
 Nomura International plc
 Madrid Branch Office/ Vienna Representative Office
 Nomura Code Securities Limited
 Nomura Bank International plc
 Banque Nomura France
 Nomura Nederland N.V.
 Nomura Bank (Luxembourg) S.A.
 Nomura Bank (Deutschland) GmbH
 MAINTRUST Kapitalanlagegesellschaft mbH
 Nomura Bank (Switzerland) Ltd.
 Geneva Office
 Nomura Italia S.I.M. p.A.
 Nomura Corporate Advisory (Central Europe)
 Private Company Limited
 Nomura Corporate Advisory (Central & Eastern
 Europe) Sp.z.o.o.
 Nomura (CIS) Limited
 Moscow Branch

Nomura Investment Banking (Middle East) B.S.C. (c)
 Nomura Funding Facility Corporation Limited
 Nomura Global Funding plc
 Nomura Europe Finance N.V.
 Nomura Structured Holdings plc
 Nomura Principal Investment plc
 Nomura European Investment Limited
 Nomura GP Limited

Asia & Oceania

Nomura Asia Holding N.V.
 Nomura International (Hong Kong) Limited
 Seoul Branch/ Taipei Branch/ Hanoi Representative Office
 Nomura Futures (Hong Kong) Limited
 Nomura Securities (Hong Kong) Limited
 Nomura Asia Ltd.
 Nomura Singapore Limited
 Nomura Securities Singapore Pte. Ltd.
 Nomura Futures (Singapore) Pte. Ltd.
 Nomura Malaysia Sdn. Bhd.
 Nomura Australia Limited
 Nomura Securities Philippines, Inc.
 P.T. Nomura Indonesia
 Capital Nomura Securities Public Company Limited
 Nomura Corporate Advisory (China) Co., Ltd.

Instinet

■ Instinet Incorporated

*All members of Nomura Group are governed by applicable local laws and procedures relevant to their respective jurisdiction. This Report is produced by Nomura Holdings, Inc., the holding company of Nomura Group. A number of sections within the Report relate solely to activities and management systems at Nomura Securities Co., Ltd., which is the largest subsidiary of Nomura Holdings, Inc.

About Nomura Group

Head Office

Nomura Holdings, Inc.
 1-9-1 Nihonbashi, Chuo-ku Tokyo 103-8645
 Tel: 03-5255-1000 (switchboard)

Established:

25 December 1925

Capital:

JPY 182,799,788,854 (as of 31 March, 2007)

Type of business:

Investment and financial services

Period covered:

1 April 2006 to 31 March 2007 (includes
 some additional information outside this period)

Month issued:

July 2007

Next report due:

July 2008

Entities covered

Nomura Holdings, Inc. and Nomura Group

Reference Guidelines

Sustainability Reporting Guidelines (2002)
 Global

Reporting Initiative

Environment Report (FY2003) Ministry of
 Environment
 Inquiries should be directed to:
 Corporate Citizenship Department, Nomura
 Holdings, Inc.
 Otemachi Nomura Building, 2-1-1 Otemachi,
 Chiyoda-ku Tokyo
 Tel: 03-3211-1811 (switchboard)
 Fax: 03-3278-0687
 e-mail:csr@jp.nomura.com

● Membership

Nomura Group is an active member of
 economic and industry associations including:
 Nippon Keidanren
 Japan Securities Dealers Association
 The Investment Trusts Association, Japan
 Japan Securities Investment Advisors Association

About This Report

“Enriching the nation through the securities business” is a corporate social responsibility that Nomura Group strives to fulfill. It is also a conviction that has been passed down through the generations since Nomura’s founding over eighty years ago. In March 2007, a Mission Statement was established which states first and foremost that all Nomura Group people and entities “are committed to enriching society by delivering superior investment services.”

This Report is intended to communicate information to our stakeholders. This communication is important in highlighting the continuing necessary role that we hold in society, and in establishing our place in society through the various activities that we undertake.

In this year’s Report we have placed particular focus on explaining Nomura Group’s activities in an organized and easy to understand fashion. We have tried to show the importance of these activities in light of the spirit of the Group’s founding, in the context of the shared understanding of that spirit within the Group, and the direction that the Group intends to take going forward.

This Report forms a basis for an active dialogue with our stakeholders, and we hope that such dialogue will contribute to the sustainable development of society and our activities as well as Nomura Group’s growth.

The information in this Report is also available on the Nomura Holdings, Inc. website. The **WEB** mark indicates that information that we could not include in the Report for lack of space has been made available online. The **AR** mark indicates that related information can be found in the Annual Report.

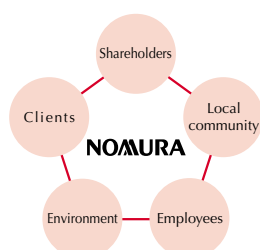
• Nomura Group CSR homepage :
<http://www.nomuraholdings.com/>

• Nomura Holdings, Inc. Annual Report



“Annual Report 2007”

Nomura Group and Our Stakeholders



Nomura Group stakeholders include all parties, both individuals and corporations, with whom we engage in economic activity. This directly includes everyone with whom we have a relationship through the financial markets, in particular our shareholders and clients. Furthermore, everyone’s life today is somehow connected to global market trends. Therefore, we consider all members of society to be stakeholders.

Contents

2	Message from CEO
6	Nomura Group’s Mission <ul style="list-style-type: none"> ● Basic Principles & Code of Conduct ● CSR Processes & Approach
12	Enriching Society <ul style="list-style-type: none"> ● Dialogue with Employees <ul style="list-style-type: none"> - Commitment to Our Clients ● Finance Courses at Universities ● Financial Literacy Programs for Junior High School Students ● Developing Human Resources & Creating a Good Workplace Environment ● Initiatives on Climate Change
22	Corporate Governance and Management System
28	Financial Services that Contribute to Society
32	Relationship with Society
42	CSR in the Workplace
48	Relationship with the Environment
54	GRI Guidelines Index
56	Independent Review
57	Editor’s Postscript

We are committed to enriching society by delivering superior investment services.

Nomura Group's businesses are firmly rooted in investment-related services.

This is not in response to the fact that Japanese financial landscape is beginning to experience the shift "from savings to investment." Nomura Group has been providing investment services since long before society at large began to embrace the idea.

Rather, our goal is to have investing take root in society, and for it to become one of the core elements of society's infrastructure.

I believe that it is important for us to try to benefit society-at-large, and not focus solely on being profitable. For Nomura Group, this involves efforts to develop financial markets, and to enhance financial infrastructure one step at a time. Our unwavering vision is to keep "investment" at the core of our business while remaining true to this spirit.



“Nomura’s mission is to enrich the nation through the securities business.” This was the clearly stated vision of our founder Tokushichi Nomura II at a time when the securities business was not generally accepted by society. He knew then he was to serve his nation in this way. I believe that our founder’s mission is still meaningful and can be interpreted in the context of today’s world to mean being always mindful of working for the public good, so that we will be understood, trusted, and ultimately needed by an ever growing segment of the population.

To be a company trusted by society

When I take an honest look back at our corporate history, the two scandals that we experienced in the 1990’s undermined the trust we had earned from society over the years, and these events made me realize that an organization can easily lose touch with society. For corporate compliance to be effective, it must be firmly rooted in the company’s culture and continuously reviewed. One interesting thing about companies is the constant turnover of personnel. People certainly do tend to forget things as years go by, but any significant event we personally experience remains a part of us. However, this is not true for a company, because its people are completely replaced over a roughly 40-year span. Ten years after those unfortunate incidents, I feel as strongly as ever that the hard-learned lessons of the past must be kept in the corporate memory. Therefore, a strong corporate governance system is critical for any company. A closed system of corporate governance can easily lead to the abuse of power. To prevent this, an organization must be structured so that it functions in a balanced manner regardless of who is

at the top. A corporate governance system cannot simply be built and then left untouched. In order to ensure long-term business viability, the system must be constantly improved to reflect changes in leaders and the business environment.

Our Mission Statement

As the leader of Nomura Group, I have followed the significant social and economic changes that are taking place both in Japan and around the world, and I believe the time has come for the Group to accelerate our pursuit of growth. I believed we needed a mission statement, grounded in Our Founder’s Principles and Code of Ethics as the tenets of management, and reflecting Our Ideals, that would clarify, in specific terms, the direction that Nomura Group is moving towards. The mission statement that we created is intended to serve as a clear vision for all Nomura Group executives and employees to share, in addition to establishing Principles of Conduct for executives and employees. Not just another slogan, this mission statement embodying Nomura Group’s objectives, vision and strategy is meant to be shared by all Nomura Group executives and employees around the world.

1. We are committed to enriching society by delivering superior investment services.

Nomura Group’s core business is providing investment services. There are plenty of banks that are more than willing and capable of providing bank deposits and other savings-related services. Focusing on investment-related services is what we are about, and it underlies all that we do.



2. We are not afraid to continually challenge conventional wisdom and actively encourage change in order to pursue growth.

“Growth” used to be thought of as simply “getting bigger.” Nomura Group was no exception, as until the 1980’s we viewed growth as expansion. Today, however, when I think of “growth”, I take it to mean adding new elements to make the company more beneficial to society. To have society truly understand what we are about, it is important for us to expand our platform to include new services. Services that were valuable ten years ago may have lost relevance today. Therefore, we must be willing to develop new products and services in response to changing circumstances if we are to remain a useful and needed entity. Conversely, I feel that failing to do so will cause us to lose standing. Growth, therefore, means to take a challenge, which is no easy task. There is no set process, nor any map to lead you forward. You have to make the effort to change. To do this, and to move forward, you must be ready to throw away what has been taken for granted up until that point. That is certainly not easy, but that is exactly why it is so important for us to take such a challenge.

3. We are committed to putting our clients at the heart of our business, developing and maintaining long-standing relationships based on trust.

“Investment” can take many different forms. For example, running an investment fund can be viewed as one way of promoting investment. However, because helping clients is at the core of Nomura Group’s foundation, we are not looking to become an investment fund. Rather, what we do is support clients and help them to invest wisely. The company is firmly commit-

ted to serve customers, and to work with them to shape our business.

4. We are one firm, committed to delivering the full range of our capabilities, knowledge and resources to meet the needs of our clients.

In providing investment services, Nomura Group wants to truly understand our customers’ overall needs as they consider investing, not just provide them with securities products. However, regulations permit a financial services company to engage in only certain types of businesses, and as a result our portfolio of Group businesses is organized under a number of different companies, the largest three being a securities company, an asset management company, and a trust bank.

However, rather than thinking of ourselves as belonging to specific group companies, (i.e. “I work for Nomura Asset Management Co., Ltd., or “I work for Nomura Securities Co., Ltd.”), I believe we are in a better position to achieve our vision of “delivering clients superior services and solutions to meet all investment needs” by thinking of ourselves as a single business unit providing a full range of services. While Nomura Group people do technically belong to different Group companies, I want them to approach their work with the sense that they are part of one organization dedicated to providing clients with a wide range of superior services and solutions.

5. We respect diversity and value differences of opinion.

A company must appreciate diversity and accept different kinds of people for who they are. In the past, Nomura tended to be an organization where people joined the company and ended up conforming to cer-

tain “company norms” in terms of their values and approach to work and life in general. Some people even considered this to be one of our strengths. However, this is no longer the case. I want Nomura to be an example of an organization where a diverse group of people with a shared professional objective come together and make great things happen. It is important for us to have people with a diverse range of qualities (values, professional backgrounds, nationalities, etc.) come together with the common goal of “delivering clients superior services and solutions to meet all investment needs.”

Diversity is hardly a new thing for Nomura. It was part of the organization’s original character. Looking way back to the early history of the company, Nomura Securities Co., Ltd. began as a company after splitting off from the former Nomura Bank, where it was the bank’s securities unit. The new company therefore brought together different kinds of people. That changed during the post-war economic growth period, as the company started to take pride in having “company norms.” This may have served the organization well in some ways under the heavily regulated business environment of the time, but the situation is now different. I firmly believe that we must make diversity a value the Group cherishes. By becoming more tolerant and accepting fresh ideas, we will be able to expand our range of services and benefit the public even more.

Nomura Group’s Growth - The Next Step

I believe that a company’s ultimate goal should be to have society view it as a needed entity. As I contemplate the future, I think that the speed of social change will only accelerate. Self-righteous thinking along the

lines of “this should be convenient for the customer” will not work. As I think about Nomura Group’s growth going forward, I see the customer as being a useful mirror for us to gauge our success. If we continually face our clients and use what they are telling us in deciding our future course, we are sure to remain a needed and respected institution.

Nobuyuki Koga

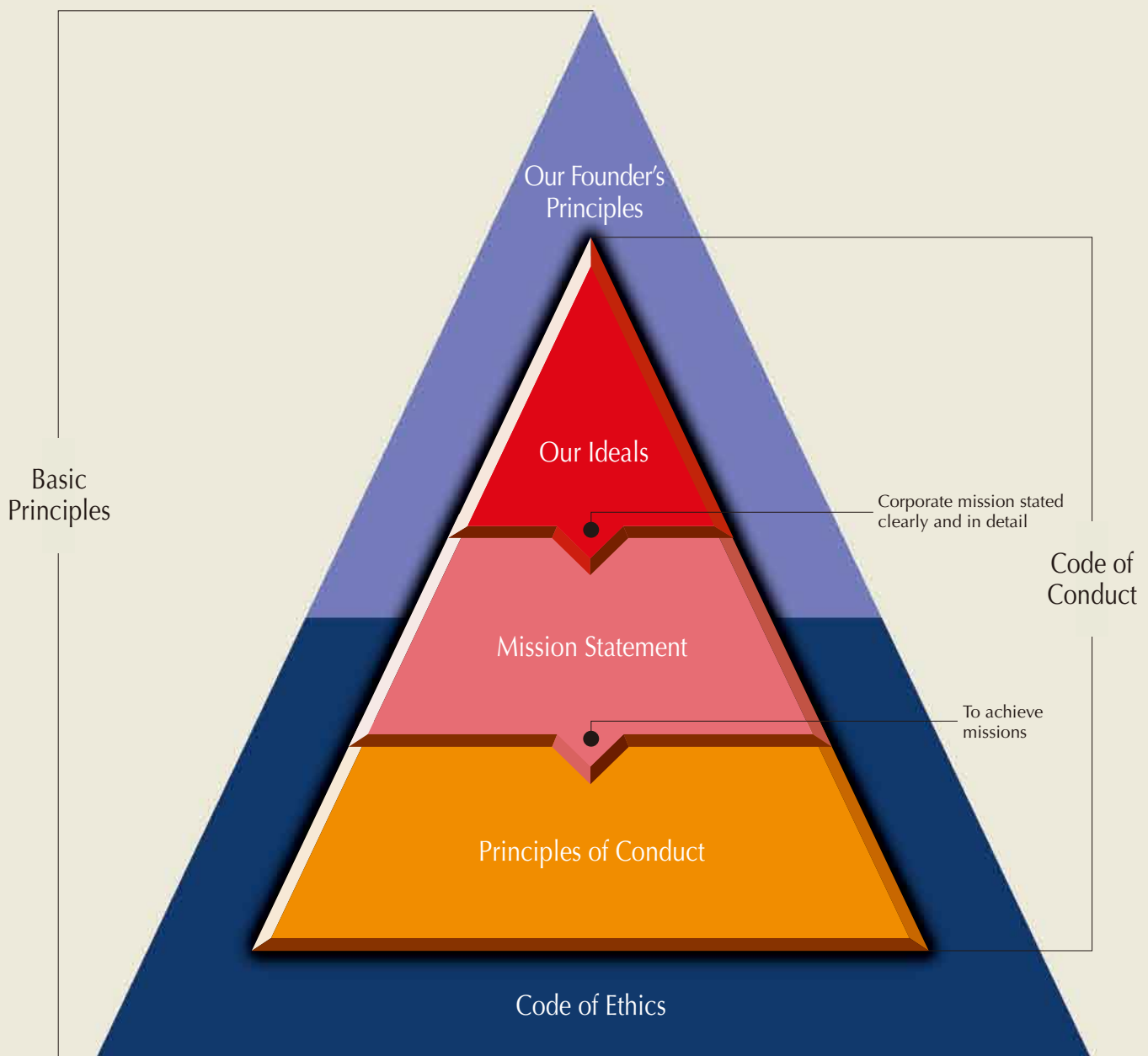
President & CEO
Nomura Holdings, Inc.

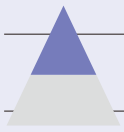
高井 信行

Enriching Society through Investment Services

“Nomura’s mission is to enrich the nation through the securities business. This is something we must absolutely see through.” True to our founder Tokushichi Nomura II’s words, we remain committed to enriching society by delivering clients superior services and solutions to meet all investment needs. This has been our unwavering spirit since our founding. It is our social mission and our *raison d’être*.

Nomura Group’s Basic Principles are rooted in Our Founder’s Principles and our Code of Ethics. To serve as a more practical guide for our business operations, we recently established both a “Mission Statement” and “Principles of Conduct,” which along with “Our Ideals,” combine to serve as our Code of Conduct to make clear our social mission as a Group. By sharing and putting into practice our Basic Principles and Code of Conduct, we will continue to grow and play our part in enriching society.





Our Founder's Principles

1. Nomura's raison d'être

"Nomura's mission is to enrich the nation through the securities business. This is something we must absolutely see through."

2. Principle of putting the customer first

"We must place our customers' interests before our own."

3. Global ambition

"Nomura is destined to become an active player on the international stage."

4. Emphasis on rigorous research and analysis

"We have a duty to research scientifically the intrinsic nature of all securities."

5. Staying one step ahead

"Always strive to stay one step ahead. Stagnation is retrogressive."

6. Entrepreneurial spirit

"If, as an entrepreneur, you can determine something to a 70% certitude, you must have the courage to take up the challenge even though some uncertainty remains."

7. Human resources

"Nomura underscores the fact that the development of human resources, acquisition of talented personnel and ability to match the right talent with the most appropriate position are more formidable assets than sheer capital strength."

8. Emphasis on teamwork

"It is the management's task to see that Nomura employees take responsibility and pride in their work and to form a unified team under the control of branch office managers."

9. Business development frame of mind

"We must have the courage to boldly follow the path of our convictions."

10. Customer service mindset

"If you conduct your work in a mechanical manner, believing simply that your role is over once the deal is done, there is no use in drawing on the strengths of those around you."



Code of Ethics

The Board of Directors of Nomura Holdings, Inc. (the "Company") has adopted this Code of Ethics (the "Code") to guide all directors, officers and employees ("Nomura People") of Nomura Group.

1. Social Responsibilities

Nomura Group aims to enrich society with due regard to the integrity of the securities business for the purpose of promoting efficient money flow in the financial markets.

2. Advancement of Customers' Interests

Nomura People must act in the best interests of their customers.

3. Compliance with Laws

Nomura People must understand how confidence in Nomura Group could be undermined by any misconduct and how hard it could be to restore it. Therefore, Nomura People must promote proper understanding and compliance with the letter and spirit of all applicable laws, rules and regulations, including those concerning insider trading, money laundering and bribery.

4. Corporate Opportunity

Nomura People owe a duty to Nomura Group to advance its legitimate interests whenever the opportunity arises. Nomura People are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position.

5. Conflicts of Interest

Nomura People should not take any actions that could have their private interests interfere in any way (or even appear to interfere) with the interests of Nomura Group. Neither Nomura People nor their family members should receive improper personal benefits as a result of their positions in Nomura Group, including loans, or guarantees of obligations, from Nomura Group.

6. Confidentiality

Nomura People must maintain the confidentiality of information entrusted to them by Nomura Group or its customers in the conduct of its business, except when disclosure is authorized or legally mandated.

7.Fair Dealing

a. Nomura People must respect fair business practices in jurisdictions where they operate and endeavor to deal fairly with Nomura Group's customers, suppliers, competitors and employees. Nomura People should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice.

b. Nomura Group must reject all contacts with criminal or unethical organizations involved in activities in violation of applicable laws.

c. Nomura People may give or accept from non-government employees gifts or entertainment in accordance with specified guidelines of the relevant company of Nomura Group. In addition, Nomura People may not give gifts to or entertain government officials without specified approval (if required) by the relevant company of Nomura Group.

8.Protection and Proper Use of Corporate Assets

All Nomura Group assets should be used for legitimate purposes. Nomura People should protect Nomura Group's assets and ensure their efficient use.

9.Retention of Documents

Nomura People must prepare documents relating to the business or accounting of Nomura Group and retain such documents for specified periods in accordance with applicable laws and internal rules of the Company or the relevant company of Nomura Group. In connection with litigation or examinations by any regulatory body, Nomura People shall not make false statements or intentionally conceal or destroy any relevant documents.

10.Environmental Issues

Nomura Group is committed to acting in an environmentally responsible manner and should therefore approach environmental issues positively.

11.Corporate Citizenship Activities

Nomura Group as a good corporate citizen is committed to the pursuit of activities of social benefit.

12.Respect for Human Rights

a. Prohibition against Discrimination

Nomura Group shall respect human rights. Nomura Group shall prohibit discriminatory practices or harassment because of nationality, race, ethnicity, sex, age, religion, creed, social status or disease.

b. Equal Employment Opportunities and Comfortable Workplace

Nomura Group shall promote equal employment opportunities and maintain safe and comfortable workplaces for Nomura People.

13.International Harmonization

Nomura People must respect the culture and customs of all the countries where they operate and strive to manage their activities in such a way as to consider the societies and economies of such countries.

14.Media Policy

If Nomura People externally publish information relating to Nomura Group business in publications, lectures and interviews, they must follow the guidelines promulgated by the relevant company of Nomura Group.

15.Personal Investments

If Nomura People buy or sell securities (including the stock of the Company) for their personal accounts, they must comply with all applicable securities laws and follow specified procedures in accordance with the guidelines promulgated by the Company or the relevant company of Nomura Group.

16.Reporting of Illegal or Unethical Conduct

a. If Nomura People become aware of any conduct, including accounting, and auditing matters, that they believe is illegal or unethical, they must promptly notify an appropriate contact specified in the guidelines promulgated by each of Nomura Group.

b. The contact above of Nomura People must take appropriate steps to investigate whether and how such misconduct occurred and, when necessary, to correct it and prevent its recurrence.

17.Protection against Retaliation

Nomura People are prohibited from retaliating against any individual who reports in good faith illegal or unethical conduct.

18.Code of Ethics for Financial Professionals

a. All Financial Professionals must, in addition to the foregoing:

(1) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(2) make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company and each of Nomura Group files with, or submits to, any applicable regulatory body and in other public communications;

(3) comply with all applicable generally accepted accounting principles, government laws, rules and regulations;

(4) promptly report violations of this section to an appropriate contact specified in the guidelines promulgated by the Company or the relevant company of Nomura Group, in cases they believe that such violations have occurred; and

(5) be accountable for their adherence to this section.

b. Financial Professionals are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant in the performance of an audit of the financial statements of any of Nomura Group for the purpose of rendering such financial statements materially misleading.

c. "Financial Professional" means any professional employee of Nomura Group in the area of finance, controllers, tax, treasury, risk management or investor relations and also includes the Chief Executive Officer, the Chief Financial Officer and a chairman of the Disclosure Committee of the Company and all Business Line Heads and Regional Managements of Nomura Group.

19. Amendments and Waivers

The Company shall disclose amendments to, and any waivers from, this Code of Ethics in accordance with applicable laws. For this reason, Nomura People shall promptly inform their senior management in the event they become aware of circumstances that may require an amendment or waiver under the Code so that the Company may comply in a timely fashion.

Established: March 5, 2004

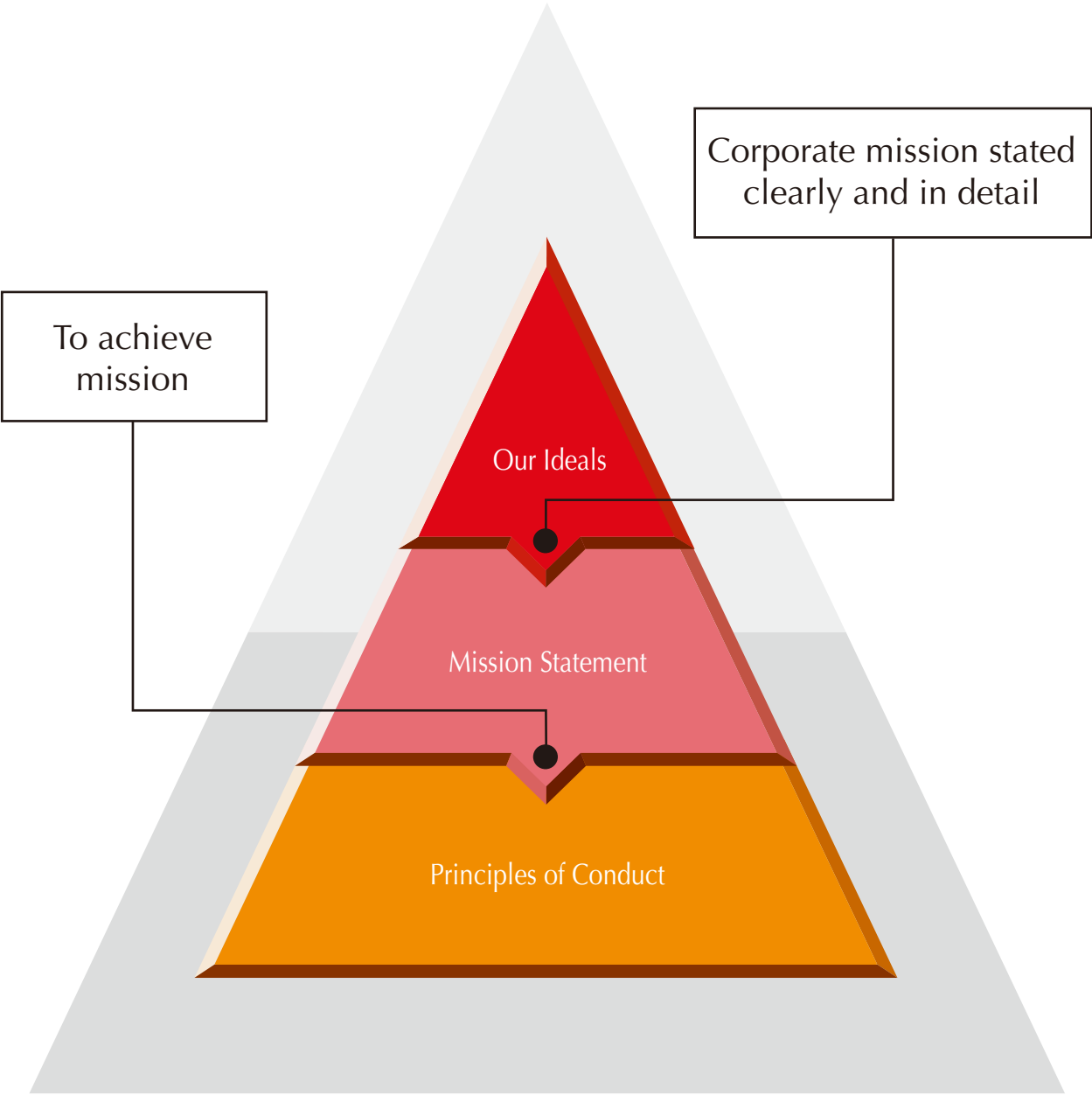
Revised: April 1, 2006

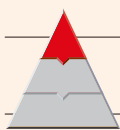
Mission Statement

The enormous changes taking place in the social and financial environment have made it more crucial for us to take concrete actions by aligning our role in contributing to social progress with our own growth.

We have taken this opportunity to establish a Mission Statement, which states in specific terms, the direction that Nomura Group is moving towards. The statement focuses on the five most important missions that Nomura Group executives and employees across the globe should share. This Mission Statement is consistent with the basic stance set forth in “Our Ideals.”

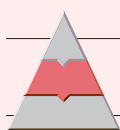
Nomura Group is committed to taking to heart and holding ourselves to this Mission Statement as well as the Principles of Conduct that follow it. This represents a vital part of our mission to enrich society.





Our Ideals WEB

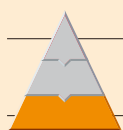
We drew on “Our Founder’s Principles” to formulate “Our Ideals”, the fundamental Nomura tenets inherited from the past that will continue unaltered in the 21st Century



Mission Statement

1. We are committed to enriching society by delivering superior investment services.
2. We are not afraid to continually challenge conventional wisdom and actively encourage change in order to pursue growth.
3. We are committed to putting our clients at the heart of our business, developing and maintaining long-standing relationships based on trust.
4. We are one firm, committed to delivering the full range of our capabilities, knowledge and resources to meet the needs of our clients.
5. We respect diversity and value differences of opinion.

Established: March 29, 2007



Principles of Conduct for Executives

As executives of Nomura Group, we undertake to follow the highest ethical standards of honesty and integrity and will adopt the following principles:

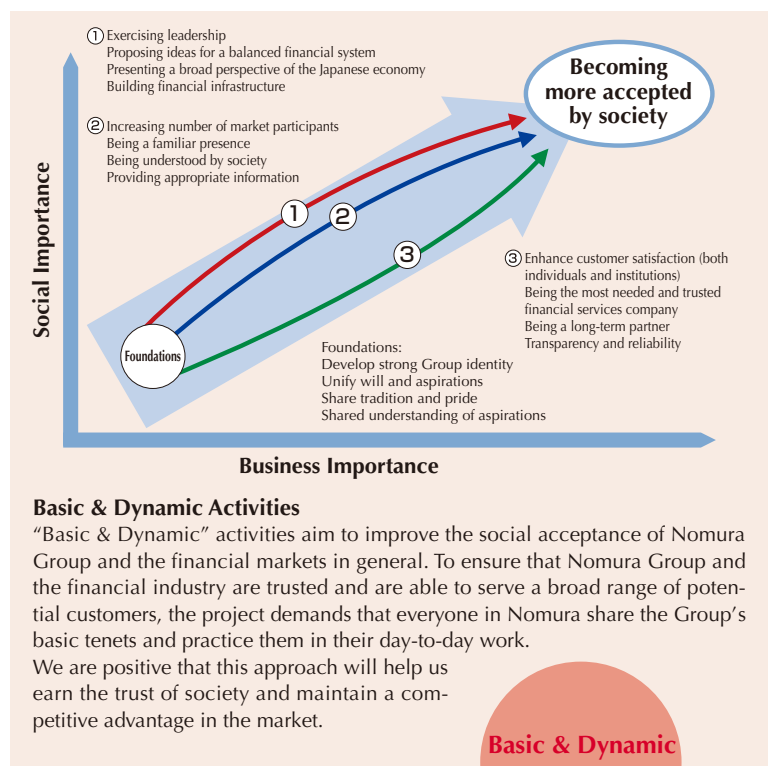
1. Be creative and innovative.
2. Seek out opportunities, communicate, execute.
3. Manage ourselves, our teams, and the Group.
4. Take appropriate risks and actively manage those risks.
5. Demonstrate leadership, inspire our colleagues.

Established: March 29, 2007

Nomura Group's activities to promote CSR accelerate

We believe that Nomura Group's social responsibilities (CSR) involve our people sharing and practicing our Basic Principles and Code of Conduct.

Conscious of our role in society, we have established CSR processes and an approach to ensure that CSR activities are instilled in our management and operational processes.



Basic & Dynamic (B&D) Activities
2000

Following the second scandal in the 1990s, we established a B&D project in order to become more accepted and respected by society. We reacquainted ourselves with “Founder’s Principles” by Tokushichi Nomura II, and “Our Ideals” and “Our Collective Will” were formulated.

Code of Ethics
2004

We established a “Code of Ethics” embodying respect for human rights and Nomura’s social mission, which are both included in the Mission Statement.

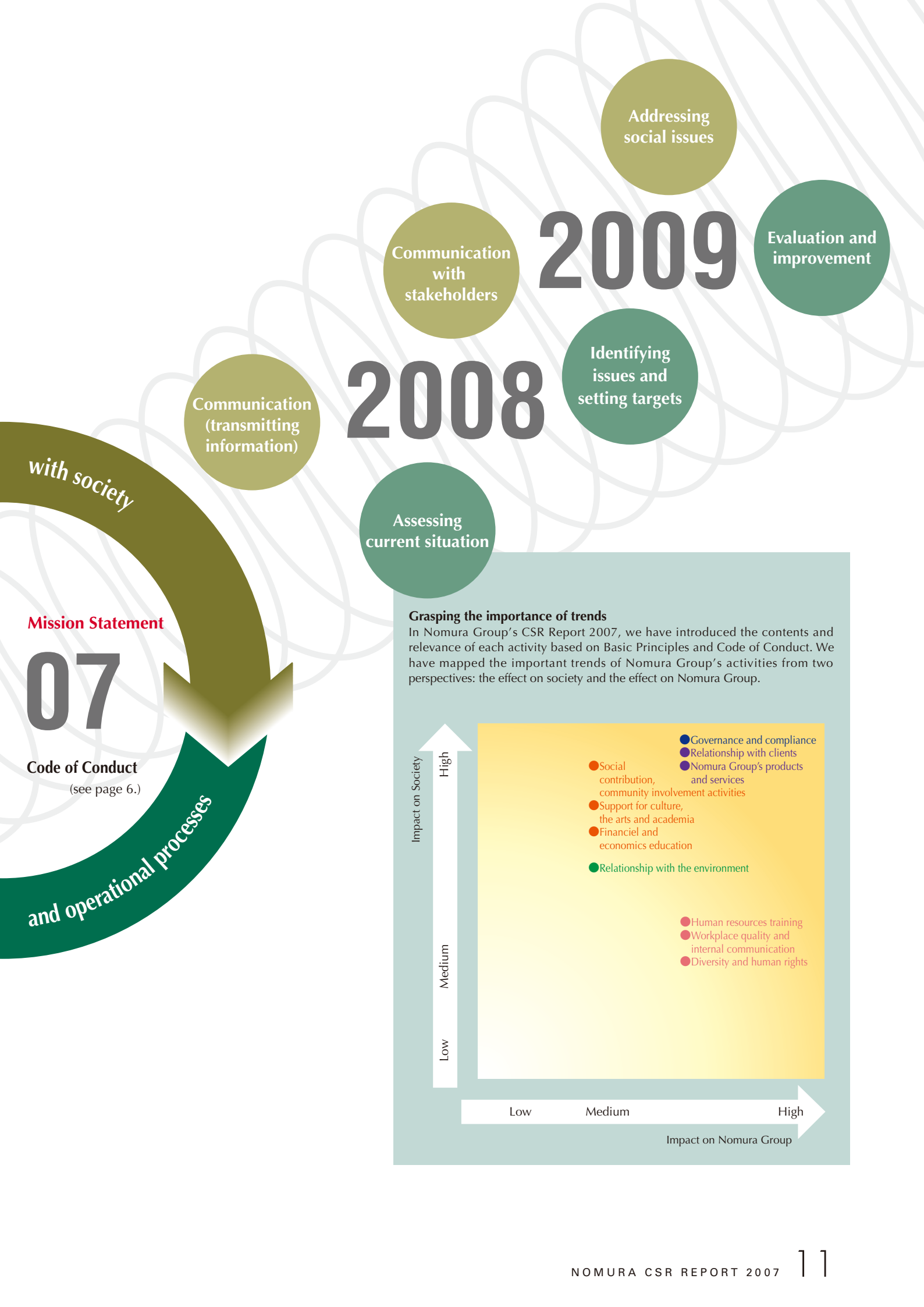
Our relationship

Establishment of

20

Basic Principles plus

Instilling them into our management





Dialogue with Employees - Commitment to Our Clients

Nomura Group's top priority is "to putting our clients at the heart of our business". We discussed this with our people in a dialogue on our key themes of "enriching society by delivering superior investment services" and "what Nomura Group can do to better meet their needs." A dozen of our people from across the Group participated in an active exchange of ideas on topics taken from a CSR survey* conducted in March, followed by a closing round-table discussion.

Nomura Group's mission is to provide solutions of high moral integrity to meet the ever-diversifying needs of our customers

● In the past, people decided to consult with a securities company simply in order to increase their assets. Today, however, their needs are much broader and cover issues such as inheritance, retirement planning, and how best to comprehensively manage their financial assets.

● We have made great strides in terms of our overall product offering, but on the other hand there is a great deal left to do in terms of making administrative procedures simpler for seniors.

● In conjunction with the diversification of clients' needs, we are now seeing an increase in cases where we provide products and services that require collaboration between multiple departments and divisions. There is still room to reform the organization so that it better facilitates serving customers across departmental and other internal borders.

In the Equities division, in order to better respond to clients' needs that spread across department and

regional boundaries, we are working to revise our evaluation system to better recognize the collective efforts of the whole team that is involved.

In addition, while it is just a small initiative, we have changed the layout of our offices to create a more open workplace, so as to improve communication between departments. This has enabled us to discuss customers' needs more naturally together. We believe that applying this approach on a larger scale will help us to serve our customers better.

● There are an increasing number of cases of cross-departmental initiatives at our branches. Efforts have been made to hold product seminars for everyone in the branch, whereas previously each department had its own sessions. New ideas are hard to generate in small meetings where the same people attend each time. By meeting with people from other departments, we are able to see things from new perspectives and hear fresh opinions. This can often

unlock the door to understanding clients' needs.

● An increasing number of our clients have received services from overseas financial institutions, and in the process have become quite knowledgeable about financial products and services. They sometimes ask us if we can provide certain services that they received from other institutions. At these times we make our best efforts to help the client. There is a growing need for us to train our people to handle increasingly diverse needs from a global perspective.

Answering the wide range of needs requires a mixture of diverse people

● There are now more non-Japanese employees working at our Tokyo office than before. However, given the increasingly diverse needs of our customers and our global business growth, the number of non-Japanese employees in the Tokyo office is still insufficient. There are many great things about Nomura's tradition and way of doing things, including values, experience, and management style, but it would be good for more non-Japanese employees and mid-career professionals to join in order to create a new Nomura Group corporate culture.

● In the area of management, some branch managers and head office managing directors lack sufficient

experience in their current work areas, and therefore tend to have their staff keep doing things the way they always have been done. We think it is necessary for leaders to have enough experience to welcome fresh and diverse ideas.

● Nomura Group has always had plenty of unique people and a culture that allows people to express their individuality. This has been one of our strengths over the years. Today, the company is making efforts to employ people from various professional backgrounds, different ages, genders, and nationalities. It is important to combine all of this diversity and maximize its potential, and we fully support this goal of



adding diversity to corporate culture where people are already encouraged to be unique.

Discussion participants

Daiki Hori

Kamata Branch Manager, Nomura Securities Co., Ltd.

"This open discussion was a wonderful opportunity for me to realize how much I think about and truly like Nomura."



Yoshie Kotoku

Product Services Department, Nomura Asset Management Co., Ltd.

"It was a great opportunity to talk about clients' needs with my Nomura colleagues at branch offices who work directly with clients. It made me determined to contribute by providing the best service possible as Nomura Group's asset management company."



Yumi Suzuki

Retail Strategy Department, Nomura Securities Co., Ltd.

"You know, I think it's really worthwhile to be given the opportunity to write down one's thoughts, to share them with others, and then put them into practice step by step. This event gave me a good chance to do this."



Kaoru Higashijima

Investment Banking Strategic Planning Department, Nomura Securities Co., Ltd.

"It was good to take time out from my day-to-day work to read and think about the Mission Statement. It gave me an opportunity to reconfirm what it means to be customer-oriented and what we should be working towards. I left the discussion with a renewed sense of passion for my work."



Emiko Yamashita, Financial Advisor Section, Yokosuka Branch, Nomura Securities Co., Ltd.

Ayaka Tanabe, Legal Department, Nomura Securities Co., Ltd.

Yoko Ikeda, Customer Services Section, Jiyugaoka Branch, Nomura Securities Co., Ltd.

Masanori Kimura, Human Resources Development Department, Nomura Securities Co., Ltd.

Yoshiki Shibuya, General Services Section, Tokorozawa Branch, Nomura Securities Co., Ltd.

Naoyuki Oguri, Global Markets Planning Department, Nomura Securities Co., Ltd.

Yasushi Takayama, Controller's Department, Nomura Securities Co., Ltd.

Mio Tamura, Business Development Department, The Nomura Trust & Banking Co., Ltd.

*CSR Survey

A survey targeting 60 Nomura Group employees from across the Group was conducted with the objective of identifying issues and improving the Group's CSR activities.

The survey, in the form of a questionnaire, was divided into topics covering customers, employees, shareholders/investors, industry competitors, local communities and compliance. Our main strengths and issues to be addressed were grouped under topics including "understanding diversifying customer needs", "energizing our organization and people" and "involvement with local communities and how we are perceived by local communities."



Finance Courses at Universities

We began offering finance courses at universities throughout Japan in 2001, with the goal of providing practical knowledge to students, the future leaders of the Japanese economy. In fiscal 2006, 548 people from Nomura Group lectured at these courses provided at 127 universities. These courses, based on the lecturers' personal business experiences, were attended by over 20,000 students. In addition to Japanese universities, similar seminars are provided at five universities overseas, including Thailand, where seminars have been held three times, and in China, Hong Kong and Macao. We look forward to expanding this program in the future.

Opinions of our people involved in finance courses

Many Nomura Group people are involved in our finance courses and seminars. We interviewed several of them to hear their thoughts on the program:

●Nagasaki Branch, Nomura Securities Co., Ltd.

"I believe it is extremely meaningful to teach finance and economics to students in our community. There are only a limited number of people that are capable of giving such lectures at universities. Students apparently go home and tell their family about what they learned."

●Hakodate Branch, Nomura Securities Co., Ltd.

"I gained the impression lecturing at the university that there are just too many people who think that they have nothing to do with the economy, and that economic activities take place "somewhere else." I feel we have a responsibility to take the initiative and provide financial

knowledge at the community level."

●Kyoto Branch, Nomura Securities Co., Ltd.

"It is significant that our people around the country have been giving finance lectures at universities in their communities for seven consecutive years. I am neither a professor nor an alumnus of the local university, but I want to continue to be a bridge between academics and the business world."

●Investment Research & Investor Services Department, Nomura Securities Co., Ltd.

"At first I did not quite know how to approach the lectures, but now I know I am playing an important role. Going forward, I want to do my best to contribute to expanding the securities markets in this way."

●Nomura Asset Management Co., Ltd.

"This is a very valuable opportunity.

People seem to have preconceived notions about asset management services, perhaps because people are not familiar with it, or they don't know much about products. But when I tell them that investment trusts are on the increase, and that they will be an important part of their lives, the students really begin to show interest."

■Finance and Economics Education

Fiscal Year	No. of Universities
FY 2001	17
FY 2002	112
FY 2003	113
FY 2004	116
FY 2005	116
FY 2006	127
FY 2007(planned)	129

*Seminars were started on a trial basis at a few universities in fiscal 2000.

The Meeting of the Academic and Business World

We invited Professor Takashi Terachi of Kwansei Gakuin University to discuss the origins of Nomura Securities Co., Ltd.'s ("Nomura") finance courses.

"Nomura's finance course at Kwansei Gakuin University was launched in 2000, so seven years have already passed. It has developed into a firmly-established course, one of the leading company-led courses in Japan.

There were two reasons that we



Takashi Terachi, PhD (Business Administration)
Professor, School of Business Administration
Kwansei Gakuin University

decided to offer this course. First, we had very few business professors with practical business world experience, and we really wanted to provide a more practical course by incorporating real world knowledge. Just when I was thinking about this, I had an opportunity to talk with someone from the Retail Strategy Department at Nomura. Students are eager to listen and learn directly from people actually working in the business world.

The second reason was my good luck of meeting someone from Nomura. As we continued to talk, we naturally came up with the idea of having a course with a "rotating lecturer" system. Nomura has many talented people, so I asked if we could have a different lecturer from different business areas teach the class each week, for a total of 15 lectures over the term. I assured them that the university would handle all course-related management and logistical matters. Nomura was extremely excited about the idea so together we developed a 15-week, 2-credit course.

The finance course we designed was

the first such company-led course in Japan to employ a "rotating lecturer" system. We kept information about the structure of the course open, which allowed other universities to replicate the system for other types of courses, first in the Kansai area, and subsequently throughout the country at other universities. The following year, Nomura offered the course at 50 universities and at over 100 universities the next year. Beijing University and a dozen or so other universities in Asia are now offering a similar course, and I have been happily surprised at the speed with which it has spread. In a way we were able to set a standard for a new type of company-led course in Japan.

We have seen a change in our students' approach since we launched this course. They are now eager to study finance, and the students who take the course are highly-motivated from the start."

Student Comments

On April 11, 2007, we asked students to stay after the first lecture of the first semester at Kwansei Gakuin



University in order to get their reaction to the lecture and expectations for the course.

Takashi Komatsu, a second-year student, talked about his motivation for taking the course. "A course is as good as its lecturer. When I learned that Professor Terachi had invited speakers from Nomura, I was reassured and knew I could rely on it to be good. I am glad I attended because I learned so much. The way the presentation was given was great, as we were shown an interesting video just at the point in the lecture when it is easy to get a little sleepy. I even sat in the first row because I was told the lecturer was good at

explaining the state of the Japanese economy today and how finance can change the world."

Aki Yoshida commented, "I took the course because Professor Terachi (who is my advisor) was involved in it and because a friend of mine had good things to say about it. It was really helpful to listen to someone who is involved in business, and it was fun. I had very little interest in securities companies before, but things look very different after this." Satomi Matsuo remarked, "I knew that Nomura was a leading financial services institution in Japan, but that was all I knew. I was glad to get to listen to someone who is actually working for Nomura."

When asked if they felt any different after attending the lecture, the fol-



lowing replies were given: "Knowing now how business is actually done, I am more aware of the importance of my studies here at university"; "I learned a lot because the lecturer from Nomura had a great deal of knowledge and was interesting"; "I no longer have an aversion to finance and securities. This is a real change for me, as I now understand economics in a much more meaningful way."





Financial Literacy Programs for Junior High School Students

Nomura Group has sponsored many initiatives in line with our commitment to truly enrich our society by providing a broad range of finance and securities literacy programs. We have established finance education courses at universities, as well as supported the Nikkei Stock League for students and children who will support the economy going forward and be the leaders of the future. In 2003 we published a comic book titled "The Secret of Money - the Business of a Securities Company" for elementary school students, and in 2005 we supported "Finance for Beginners", a book for junior high school students, and donated copies to elementary schools and libraries. We also sponsor an economic learning website "man@bow" ('let's learn') for elementary and junior high school students to provide them with a proper understanding of how finance and economics work.

Our efforts to spread knowledge about the securities markets and financial services stemmed from the unfortunate

reality that Japanese youth know very little about the world of investing, and are not taught how the economy and society work together. In 2004, Nomura Group conducted a survey of teachers in elementary and junior high schools asking, "What are the obstacles that impede successful education in finance and the economics?" More than half of the respondents pointed to the lack of teaching materials.

We gave this problem a great deal of thought, and wondered if we might be able to create some teaching materials that schools could use. The result was "The T-Shirt Shop," a supplementary textbook for junior high school social studies classes, which was completed in March 2006. To date (as of April 2007) we have donated 110,000 copies to some 1,200 junior high schools nationwide. It has been an exceptionally popular textbook, and we asked junior high school teachers who have used it to share their thoughts on it with us.



Finance and Economics Textbook "The T-Shirt Shop"



Teachers' Manual for "The T-Shirt Shop"



Examples of lessons using "The T-Shirt Shop"



Creative teaching energizes junior high school students

"You won't believe this!" a junior high school teacher, Mr. Takeo Muto remarked on his experience in using "The T-Shirt Shop" when he was teaching at the Ota City Public Kaizuka Junior High School (currently he is a teacher in Machida City Public Kiso Junior High School).

"They were so bright and lively! In a class of forty with each student having different interests and levels of aptitude, they were much more involved than in other lessons and were able to create their own companies." The class began with a brief introductory explanation, followed by the students breaking up into five small groups where they engaged in free discussion. Every student had to present his or her own ideas about starting a shop, then the leader of each group appointed a member with the best ideas to represent them, and these five representatives made presentations to the whole class.

For example, the student who came up with starting a company called "Safe Agro Company" to realize the dual objectives of providing food safety and improving the food self-sufficiency of the country was one of the top students in his grade. Meanwhile, "Sweet Red Bean Shop" was born with the idea of providing a respite for students who are not very academic to drop in on their way home. Mr. Takeo Muto, the teacher, found there was an unexpected bonus for him. He was able to get a better understanding of each child's unique character through this activity. He also realized that his students were all very responsive to the idea of corporate social responsibility. "It was a surprise to me," Mr. Muto told



us, "that some students were able to think from their own perspective about the social responsibilities of companies that are willing to have interns in the workplace." One can see how a lesson on "entrepreneurship" can expand students' interest in basic economic mechanisms.

A popular finance and economics education aid

"The T-Shirt Shop" was designed to teach third-year junior high school students about finance and economics through a realistic story about starting a T-shirt business.

It was completed in March 2006, under the direction of Professor Takamitsu Sawa, then Director of the Institute of Economic Research at Kyoto University (currently Professor, Graduate School of Policy Science, Ritsumeikan University), who has long been involved in economics and finance education, and with the cooperation of Nomura Group. To produce the book, a group of ten Nomura Group staff convened for a total of more than 30 hours, with Professor Sawa providing advice from an economist's perspective. The book embodies Professor Sawa's wish that children of today will become wise players in the market economy when they grow up to be tomorrow's adults.

In March 2006, samples of the book were distributed to junior high schools nationwide and we set up a contact point to request free copies to use in class. Initially, 110,000 copies were printed, but the book proved to be so popular that 50,000 additional copies had to be printed to meet the demand from a larger than expected number of junior high schools (800 schools). In March 2007, we surveyed all of the junior high schools that had used the book in their curriculum. Results indicated that 97.1% of the schools felt that students had been interested in the book. In addition, 85.3% of teachers told us they used the book in class and/or were planning to do so, and 86.4% said that finance and economics education will be necessary in the future.



Why was the book used by so many junior high schools?

Mr. Muto told us that "on receiving the 'The T-Shirt Shop' package by mail I just had the feeling that it would be a good book to use in class. One of its good qualities is that there is just the right amount of content on each page and it includes worksheets for teachers to use. Ideally, teachers want to make their own worksheets but simply do not have the time. What's wonderful about worksheets being provided is that they can always be altered to suit one's purposes. I felt strongly that someone who was familiar with teaching had been involved in creating the set."

Professor Sawa commented, "The book is popular because it contains the ABCs of economics. If the content was focused on teaching about entrepreneurship or investment, it would not be successful in teaching them the basics of economics."

After devoting himself to finance and economics education for most of his life, Professor Sawa now feels his "efforts are at last bearing fruit." He then went on to say that in the United States economic principles are taught in a manner that suits the target age group. "Economics is like social grammar in the U.S.," he stated. In line with this idea, Nomura Group has established a portfolio of educational programs targeting a wide range of students, from elementary school children to adults, with each program designed to match the users' level of knowledge.



Developing Human Resources & Creating a Good Workplace Environment

Nomura Group's Human Resources Development Policy

Nomura Group aims to have a personnel system that is consistent, from hiring through development and training, so as to develop our personnel and achieve a virtuous cycle where both individuals and the entire Group grow together.

In October 2005, Nomura Group companies in Japan adopted a new personnel system. The new system emphasizes our commitment to rewarding outstanding performance. Regardless of age, gender or career background, the Group provides every opportunity to those with ability and eagerness to work hard.

Along with the enormous structural changes that have been taking place in Japanese society, the investor population has grown and we have seen an expansion in the kinds of services people need. In order to deliver clients superior services and solutions to meet all investment needs, teamwork is essential but so are independent-minded individuals who are able to demonstrate their creative abilities. Nomura Group's Human Resources Development Policy is to nurture and train such individuals.

Our people are Nomura Group's greatest asset

This year we interviewed Mr. Hideo Okawa, deputy managing director of the Human Resources Development Department, and responsible for Nomura Group personnel development support programs. We asked him about the current personnel development programs in place.

"The human resources support system basically consists of two elements. The first is on-the-job-training (OJT) using instructors. This also applies to the training of financial advisors (FAs). This has been the core of our personnel development system ever since it was launched in 1974.

The second aspect is providing a wide range of training programs,

such as group training sessions. The Group provides various training programs to benefit a wide segment of our people based on our belief that it is necessary to provide opportunities for them to develop their careers. In addition to introductory training for new recruits and younger employees, we offer a variety of training for people who join as mid-career hires, both when they join the Group and on a continuous basis thereafter.

In particular, following the transition to our new personnel system in October 2005, more training opportunities are now provided to FAs and specific area employees, both of which had fewer chances for training in the past. Since many of our Chiiki-

gata Shain (Specific Area Employees) (see page 42) are females, I want to ensure that training sessions cater to their needs and support them in providing quality services to their clients.



Hideo Okawa
Deputy Managing Director, Human
Resources Development Department

Furthermore, we provide training targeting senior managers who are over 50 years of age. This group of employees typically faces major changes in their work and family life, so we feel it is important to provide opportunities for participants to give



thought to balancing work and other activities to reflect the recent increased interest in engaging in extracurricular activities.

We are also proactive in support-

ing the development of our employees' individual capabilities. Our support program provides a broad selection of knowledge and skill qualification programs from which employees can select according to their individual needs. They can also choose from among various modes of learning, including group training, e-learning, distance education, or even attending courses at schools. Our aim is for each employee to develop his or her own knowledge and skills to be able to provide appropriate services to customers. For Nomura Group, our people are our most important asset. It is part of

our social responsibility to offer our people the best opportunities for developing their abilities."



Nomura Group Global Development Program

The 2nd Nomura Group Global Development Program was held in December 2006 at Takanawa Training Center in Tokyo. The main objectives of this training were: 1) sharing the history and corporate culture of Nomura Group; 2) introduction to Japanese culture and tradition; and 3) building a global network among our people. Participants included middle-rank employees from middle and back office functions including compliance, finance and administration. In all, 25 employees participated, six each from Asia, the U.S. and Japan,

and seven from Europe.

Following the program we received many positive comments from participants. One participant commented, "Now I have a better grasp of what globalization is all about from the management perspective," while another participant said, "The program gave me a chance to realize the importance of two-way communication, instead of one-way instruction from the head office to overseas offices." The members appreciated the opportunity to build a cross-border network, and many enjoyed

the opportunity to learn about other cultures, and left the program with ambitions to study more about other countries and cultures.



Happy Career & Life Project for Women (in Japan)

Each Nomura Group company in Japan changed to the new personnel system in October 2005. In step with this move, a Happy Career & Life Project for Women was launched in August 2006, chaired by Kazutoshi Inano, Deputy President & Co-COO of Nomura Holdings, Inc. The aim of the project is to promote opportunities for women to develop fulfilling careers as well as demonstrate their abilities. This echoes Nomura's commitment to create a workplace where both men and women can demonstrate their abilities to the fullest.

Monthly Project Meetings organized under the program bring together employees from a cross-section of all domestic group companies to brainstorm and identify issues that should be addressed to help women demonstrate their abilities in the workplace. In addition to these monthly Project Meetings, beginning January 2007 small group meetings as well as branch or company specific offsite meetings have been held to better focus on specific issues and encourage deeper discussion.

An overview of these discussions is reported to the Group Management Council and recommendations

are submitted to management. In April 2007, one of the recommendations resulted in the expansion of the child care support system. In addition, an exclusive web-site has been set up on the Group intranet from the start of the project, providing employees with helpful ideas on balancing successful career development with other aspects of life such as having children, child care and family nursing care needs. Information is also provided on various services they can make use of. Advice for managers is also posted on the site.





Initiatives on Climate Change

Climate change represents one of the major challenges of the twenty-first century. We are clearly entering an age without precedent. Global temperatures have risen by 0.2°C, and CO₂ concentrations have also risen significantly since the early 1990s. The impact on the environment and on economies, particularly those of developing countries, could be profound.

Nomura Holdings, Inc. has asked Lord Marshall, who is currently non-executive Chairman of Nomura International plc, to investigate the latest views on climate change published in the United Kingdom and to consider what he judges should be Nomura Group's response to it.

Lord Marshall of Knightsbridge was President of the UK's Confederation of British Industry (CBI) at the time when the UK pledged to reduce its greenhouse gas emissions as part of the 1997 Kyoto Protocol agreed at the global warming conference. His report for the UK Government titled "The Role of Economic Instruments and the Business Use of Energy" was published in November 1998. He is a former Chairman of British Airways plc.



Lord Marshall of Knightsbridge, non-Executive Chairman of Nomura International plc, former Chairman of British Airways plc, was President of the UK's Confederation of British Industry (CBI) at the time when the UK committed to reducing its greenhouse gas emissions as part of the 1997 Kyoto Protocol agreed at the global warming conference.

UK Approach

Here in the United Kingdom, the British Government has taken a number of steps to put itself on track to reduce greenhouse gas emissions as part of its commitment to the Kyoto Protocol, firstly through measures taken as part of the 2000 Climate Change Programme, and latterly through the 2006 Climate Change initiative launched in March

last year. Both these consultation documents declare the aim for a balanced and cost-effective program, involving all sectors of the economy. This was important for the business community. Action across all sectors is essential because industry alone cannot be burdened with the cost of climate change.

Through Climate Change Agree-

ments, UK businesses can receive discounts of up to 80% on the levy in return for meeting tough energy efficiency targets. Thanks to this two-pronged approach, between 2002 and 2005 the UK was able to reduce CO₂ emissions by almost 16 million tons.

However, the government, in launching the 2006 Climate Change

Programme, acknowledged that the challenging targets that it set itself for carbon dioxide emissions reduction have been made more difficult to achieve due to higher than anticipated levels of economic growth combined with rises in global energy prices. Winning the hearts

of minds of the UK public will be critical if the UK is to continue to meet its targets. From a business and industry perspective it is apparent that no future development can take place without due consideration of its environmental effect. At the same time, wider public understanding is

creating higher levels of consumer attraction for products and services which demonstrate care of the environment.



Nomura Group Initiatives in Europe

Here in Europe, Nomura Group entities are doing what they can to minimize their impact on the environment. The London operations being the largest, and having the advantage of being the only occupant of our headquarters in St Martin's-le-Grand, has meant that we have been able to take a number of measures to ensure that our carbon footprint is reduced. In particular we have installed passive detection sensors which turn lights on and off according to whether or not there is movement within an area; we are segmenting our waste; recycling computer equipment, mobile phones; and are currently working to gain ISO 14001 accreditation.

Nomura Group more generally has

an obligation to ensure that the environmental impact of its operations are minimized. Welcome initiatives already include reducing energy consumption and implementing environmentally-friendly "green" purchasing policies. We have a responsibility also to ensure that our suppliers and partners are in their turn taking suitable steps in the matter of the environment.

Also, through our UK base, Nomura Group companies invest our own funds in environmental enterprises. We discover corporations that have technologies in wind and other alternative energies as well as energy saving technologies. We invest in the equities of alternative energy producing venture companies with growth

potential from which we expect to enjoy capital gains over the mid to long term. It is essential for Nomura Group's sustainable development that we engage ourselves through our financial investments in the challenges of climate change. (see page 52)

Living up to our Stakeholders' Expectations

Stakeholders' expectations of a financial services group such as Nomura Group include expecting us to take initiatives in energy efficiency; green electricity and offsetting. This we are doing, but there is always room for further initiatives, whilst at the same time ensuring that we continue to maximize shareholder value in all our endeavours.

It is obvious that climate change can-

not be tackled on a unilateral basis, because it is a global problem and requires the kind of global response that Kyoto envisaged. Nomura Group must do what it can to encourage society to face the challenge of climate change.

Corporate Governance and Management System

Nomura Group fulfils its responsibilities as a member of society by applying its Basic Principles and Code of Conduct in its day-to-day operations. Nomura Group also strives for all its executives and employees to be steeped in an awareness of compliance with legal and regulatory frameworks. As the basis for that goal the Group has instituted a system of corporate governance that aims to raise the strength and transparency of its business oversight functions, and has established a management system for translating compliance into action in an organized and systematic manner.

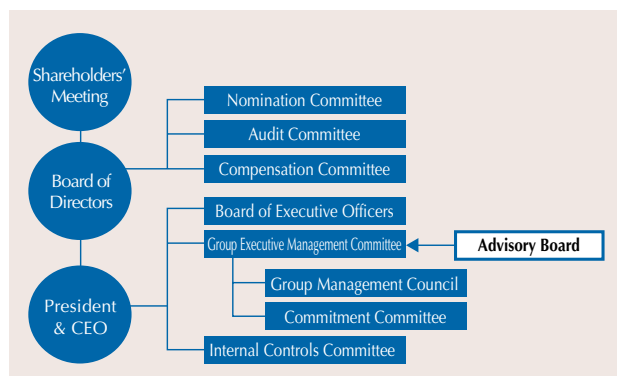
Corporate Governance WEB AR

Nomura Holdings' Corporate Governance System

Since June 2003 Nomura Holdings, Inc. (NHI) has utilized a committee-based system of corporate governance. With the aim of further raising the strength and transparency of its oversight functions, there are three committees (Nomination, Audit and Compensation Committee), each of which is comprised of a majority of outside directors. Furthermore, considerable authority has been delegated to NHI's executive officers to allow for swifter management on a consolidated level.

NHI's Board of Directors has eleven members, of whom four are outside directors, or just over one-third. Eight directors, or just over seventy per cent of the board, do not serve concurrently as executive officers. The Nomination Committee decides the content of proposals to be submitted to the shareholders' meeting concerning the appointment and dismissal of directors. The Audit Committee audits the execution of business by directors and executive officers, and decides the content of proposals to be submitted to the shareholders' meeting concerning the appointment and dismissal of the company's independent auditors. The Compensation Committee makes decisions regarding compensation for directors and executive officers, determining both general policies and specific individual compensation. Each of these three committees is comprised of three directors, two of whom must be outside directors. NHI also has three decision-making bodies, the Group Executive Management Committee, the Commitment Committee and the Internal Controls Committee, which discuss and make decisions regarding particularly important matters delegated to executive officers by the Board of Directors.

Nomura Holdings, Inc. Management Structure

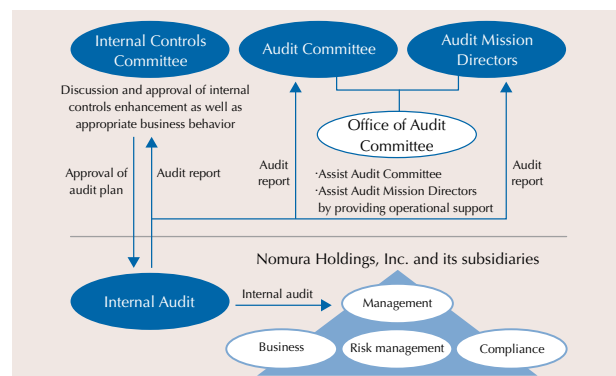


Internal Controls Structure and Processes

Given that NHI utilizes a committee-based system of corporate governance, the central role in business oversight is taken by the Board of Directors and the Audit Committee, the latter of which comprises a majority of outside directors. The chair of the Board of Directors is held by a non-executive director, allowing the Board to better oversee the business conducted by the executive officers. The Audit Committee is chaired by an outside director, making its independence from management even clearer. In addition, we have established an internal controls system based on a decision made by the Board of Directors, so as to ensure the effectiveness of audits. A non-executive but full-time director well-versed in Nomura Group's business and in company affairs is appointed as "Audit Mission Director", and we have established an Office of Audit Committee with the sole duty of providing support to the Audit Committee.

We have established the Group Internal Audit Department, which is independent from business divisions and, along with internal audit departments established in key subsidiaries and working under its direction, conducts internal audits of NHI and its subsidiaries, so as to ensure the effectiveness and suitability of internal controls. The Group Internal Audit Department acts under the direction of the Internal Controls Committee, and results of audits are reported not only to business lines, but to the Audit Committee and the Audit Mission Directors.

Internal Controls System



Information Disclosure

Nomura Group has established the Nomura Group Global Disclosure Policy to 1) protect non-public information about Nomura Group companies, and promote the timely and appropriate disclosure of information, and 2) comply with the purport of the U.S. 'Regulation FD' (Fair Disclosure: U.S. Securities and Exchange Commission (SEC) regulations prohibiting the preferential disclosure of important company information to analysts, institutional investors, and others prior to disclosure to the general public), and thereby provide investors with fair access to Nomura Group information.

We established a Disclosure Committee based upon this Global Disclosure Policy. The Disclosure Committee is responsible for deliberations and decisions regarding the disclosure of material information, such as handling the disclosure of important information concerning Nomura Group, and preparing legally mandated documents such as SEC Form 20-F and Japanese annual securities reports. The Disclosure Committee has led company efforts to comply with documentation and effectiveness evaluation of internal controls over financial reporting as stipulated in Section 404 of the Sarbanes-Oxley Act, which went into effect for the fiscal year ended March 2007. Related departments in Nomura Holdings, Inc., Nomura Securities Co., Ltd. and all major consolidated subsidiaries (including overseas subsidiaries) have completed a documentation project in the certification process for important account items and disclosure items in financial statements.

Internal Audit Department is also responsible for testing and evaluating the effectiveness of internal controls. Progress with these tests and evaluations is reported not only to the Disclosure Committee, but also to the Audit Committee and the Internal Controls Committee.

Compliance WEB

Compliance System

All Nomura Group departments strive to prevent behavior that may violate laws or regulations. Nomura Group has a system that enables any such behavior to be communicated without delay to management, which could then handle the matter appropriately. Based on Nomura Group's Regulations of the Nomura Group Management Structure (the operating guidelines for the Group's companies), each Group company complies with the local legal and regulatory framework that governs that company's industry. Appropriate management of each company's operations is also conducted in accordance with the internal rules stipulated for each company. In addition, improvements have been made to unify Group companies' compliance systems, for example with the appointment of compliance officers and the creation of a Group compliance hotline. To further strengthen the system for internal controls at the Group's companies both in Japan and overseas, on April 1, 2007, the Group created the positions of Group Compliance Head and Group Compliance Deputy Head. Strengthening cooperation within the Group by holding regular Nomura Group compliance meetings and global compliance meetings should ensure an effective system of controls.

Code of Ethics

In March 2004 Nomura Group established the Code of Ethics of Nomura Group, which is applicable to all Nomura Group directors, executive officers and employees. Embodying the spirit of "Our Founders Principles," the Code of Ethics stipulates the corporate governance and corporate social responsibility matters that everyone in the Nomura community is expected to comply with, and training sessions are held to ensure it is understood. All directors and officers sign a pledge stating that they will uphold the Code of Ethics. The Code of Ethics is shown in full on page 7 of this Report, and may also be found on our website.

Compliance Officers

Each domestic Nomura Group company in Japan has a Compliance Officer charged with ensuring that compliance is a strong part of the corporate culture and that business operations adhere to all laws and regulations. Matching each company's system, some Group companies appoint Compliance Officers for each department, while others appoint one or several Compliance Officers for each division or for the entire company. Compliance Officers are responsible not only for monitoring adherence to laws and regulations, but also for ensuring that activities conform to corporate ethical and social standards. Nomura Group Compliance Officers attend annual training seminars. These events reinforce awareness of their responsibilities and raise awareness within Nomura Group of the need to observe a unified compliance policy and set of regulations.

Compliance Hotline

Nomura Group employees in Japan who have become aware of actions that may violate laws and regulations are able to report their concerns directly to NHI management through a Compliance Hotline. This hotline also allows such reports to go directly to an outside director as well as a legal supervisor (an independent legal attorney), in addition to the designated executive officer at NHI, information may be given anonymously, and employees have been informed that measures are in place to ensure that individuals who give their name when reporting violations do not suffer any negative consequences from their actions.

Nomura Securities Co., Ltd.'s Compliance System

Nomura Securities Co., Ltd.'s compliance system is based on a detailed action plan known as the Compliance Program. In addition to initiatives for the overall Group, a Compliance Committee is also in charge of establishing the internal controls system and discussing important matters involving internal controls, in order to enhance the compliance system.

As measures aimed at enhancing compliance awareness, Compliance Officers have been appointed in all branch offices and departments, and training and study sessions are provided for all employees.

Branch offices and departments hold monthly compliance awareness sessions concerning compliance-related topics provided by Head Office. Training is provided using materials prepared for each branch office in a format for easy comprehension by employees, with Q&A sessions also used to clarify topics. Charged with making employees more aware of compliance and communicating compliance-related information, Compliance Officers are also required to participate in annual Compliance Officer training, and strive to respond to the continuously evolving social environment and ever-changing needs.

Compliance Awareness Sessions to Reinforce Awareness Nomura Securities Co., Ltd. Umeda Branch Office

All Nomura Securities Co., Ltd.'s branch offices have a Sales Officer and Internal Controls Officer, who provide guidance and supervision to ensure proper sales activities and client management. To further instill compliance awareness, daily transaction management and customer management is performed at the Umeda Branch Office, under the direction of its Internal Controls Officer, and the branch also holds study sessions on compliance. Compliance awareness sessions are held monthly in each department in Nomura Securities Co., Ltd.'s Head Office and at all branch offices. The teaching materials used at sessions have been prepared by the Compliance Department at Head Office. The topic of discussion changes each time, and Umeda Branch Office prepares its own original teaching materials, based on the materials provided by Head Office, to facilitate easier learning and to make the information "closer to home." The sessions have been designed with a

variety of illustrations and charts, familiar language and wording have been used in the texts, and an overhead projector is also used for lectures. Lectures using an overhead projector are about thirty minutes to an hour, including time for questions. These sessions form the core of compliance education at our branch offices. Attendance by all employees is compulsory, and alternate sessions are organized for those employees who are unable to attend.



A compliance awareness session at the Umeda Branch Office

Information Security

Appropriate management of client data is essential in order for Nomura Group to keep the trust of our clients and shareholders, and systems are in place to manage client information. Going forward, we will work not only on information security measures, but also continually strive to enhance our information asset risk management system.

Nomura Group Information Security Policy

The Nomura Group Information Security Policy stipulates our basic policies on information assets and security and exists to achieve appropriate information security. Each Nomura Group company also has its own information security-related rules in place that are in line with the Policy. Specific rules, well-documented and posted on the Company intranet for all employees to review, dictate the handling of both client data and information provided to customers.

Nomura Group Information Security Committee

The Information Security Committee was established to deliberate on key information security issues confronting Nomura Group, and is chaired by an executive officer appointed by the CEO. The Committee is comprised of Nomura Group directors and employees selected by the Committee Chairperson. The Committee reports to the Group Executive Management Committee regarding the details of deliberations.

Personal Information Protection Law of Japan

Act on the Protection of Personal Information went into full effect in April 2005. Nomura Group handles personal information about its many customers, and efforts regarding personal information are very important. We handle customers' personal information with extreme care, complying with personal information protection-related laws and regulations as well as Nomura Group Privacy Policy and the aforementioned information security-related rules.

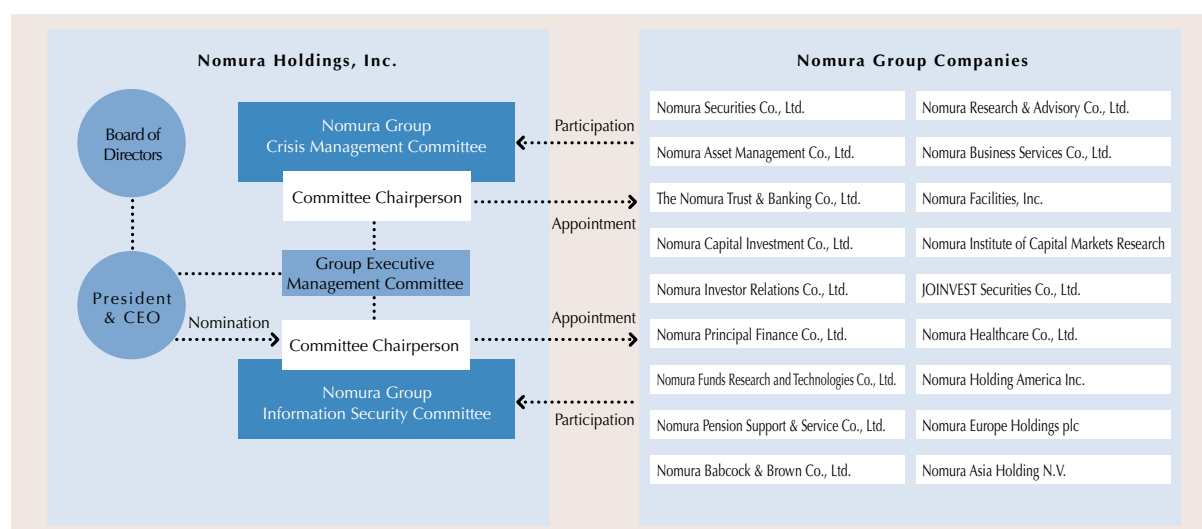
We also have separate provisions covering personal information security on the Internet and in the Web environment.

Nomura Group Privacy Policy

Nomura Group and all of its directors, officers and employees will comply with the following basic policy as well as with all relevant laws and regulations and guidelines from supervising authorities.

1. Information will be collected in a manner consistent with all relevant laws and regulations, and necessary measures will be taken to ensure that such personal information is accurate and up-to-date.
2. Personal information will be used only for the purpose(s) for which notification has been given. Any disclosure or provision of personal information to third parties will comply with all relevant laws and regulations and, unless mandated or other appropriate reason exists, such disclosure shall not occur without the consent of the individual.
3. Thorough training will be provided to directors, officers and employees in order to prevent the leakage or inappropriate use of personal information. In addition, managers responsible for controls and inspections will be appointed and appropriate control systems will be established.
4. In the event that personal information is provided to an external contractor, the applicable group company will take responsibility for ensuring that said contractor has proper systems in place to protect the privacy of such personal information.
5. All requests from individuals for the disclosure, correction, and usage termination of personal information shall be carried out in accordance with all relevant laws and regulations.
6. Each Nomura Group company will establish a contact point for customers and continually review and make improvements as necessary to the personal information privacy management system.

Nomura Group Information Security System and Crisis Management System



Crisis Management

Individual Nomura Group companies have had disaster and system failure response strategies in place for some time. But following the terrorist attacks in the United States on September 11, 2001, the group's response plans for all potential crises have been reworked. In April 2005 Nomura Group created the Nomura Group Crisis Management Committee, which set about addressing issues of crisis management for Nomura Group as a whole. In addition to the Nomura Group Crisis Management Policy, which is the basic policy for responding to likely crisis scenarios that would cause major disruption to our business, we have also set the Nomura Group Crisis Management Committee the task of reviewing plans of action. One specific measure has been the creation of an employee safety confirmation system, which in any emergency situation (following a natural disaster, for example) will enable the Crisis Management Committee to confirm the safety of all Nomura Group employees as well as their family members. In addition, ongoing endeavors are also being made to foster awareness of crisis management through education and practice drills.

Nomura Group Crisis Management Committee

The Crisis Management Committee is chaired by an executive officer nominated by the President & CEO, and is made up of executive officers who serve concurrently as the crisis management officer at each Group company. Outside of emergencies the Committee functions as the governance entity for both crisis management and business continuity management, and during an emergency it will work to resolve the crisis by creating a task force and closely coordinating a response with the department affected and other supporting departments.

Nomura Group's Basic Policies for Crisis Management

From an awareness that crisis management is vital and necessary to Nomura Group's sustainable growth, when not dealing with a specific crisis all Group companies implement strategies to prevent crises before they occur. The basic policy in the face of a crisis is to take appropriate action quickly and establish a clear line of command.

BCP (Business Continuity Plan)

In addition to the Nomura Group Crisis Management Policy, individual Group companies have adopted crisis management policies and a Business Continuity Plan (BCP) has been drawn up for each Group company, which has led to the establishment of backup offices and a task force in each Group company. In order to have a system in place where the Crisis Management Committee can assess the information gathered in each company and accordingly issue appropriate instructions in the event of a crisis, a command center for the Crisis Management Committee that is physically separate from the usual office is being constructed.

Employee Safety Confirmation System

Each Nomura Group company in Japan has instituted an employee safety confirmation system and an emergency contact network. Safety confirmation cards have been distributed to all employees with instructions on how to use the system. Training drills are used to ensure that the system is effective.



Nomura Group business continuity rehearsal using backup office

NOMURA

野村グループ安否確認カード

大災害発生時、登録されているアドレスに【安否確認メール】が配信されますので、裏面の要領に従って安否状況を報告して下さい。

常時携帯

メールアドレス・電話番号・居住地・勤務地等に変更が生じた際には、速やかに登録内容を更新し、常に最新の情報をご登録下さい。

Nomura Group safety confirmation card (in Japan)

CSR Management System

In acknowledgement of stakeholder expectations for Nomura Group, in April 2007 Nomura Holdings, Inc. positioned an executive officer responsible for Communications, thereby allowing the Group Corporate Communications Department and Corporate Citizenship (CC) Department to begin working under a new system.

Nomura Group has adopted the following Mission Statement:

1. We are committed to enriching society by delivering superior investment services.
2. We are not afraid to continually challenge conventional wisdom and actively encourage change in order to pursue growth.
3. We are committed to putting our clients at the heart of our business, developing and maintaining long-standing relationships based on trust.
4. We are one firm, committed to delivering the full range of our capabilities, knowledge and resources to meet the needs of our clients.

5. We respect diversity and value differences of opinion.
To achieve these, nothing will be more important than maintaining close communication with all stakeholders both within and outside the Group. As mentioned above, an executive officer has been placed in charge of all company communications, which will allow Nomura Group to promote more effective communications activities, targeting both internal and external stakeholders.

Corporate Citizenship Department

The Corporate Citizenship (CC) Department was created in July 2006, and reorganized in Nomura Holdings, Inc. in April 2007. A new entity, the CC Department is the successor to the CSR Section, which was established within Nomura Securities Co., Ltd.'s Corporate Communications Department in 2004. Companies are expected to work with many different types of organizations that make up society at-large, and to undertake projects and activities as a member of the community for the benefit of society. The objective of the CC Department is to promote such activities by Nomura Group. Although "citizen" is usually a word that refers to an individual, a company can also be regarded as one of the citizens that make up society. Thus, a company can be regarded like any other citizen in society, and it represents a corporate citizen who, like any individual person, makes a contribution through projects and activities in many areas of society, including the local community, the environment, academia and the arts. We want the CC Department to work towards communication with stakeholders in accordance with that philosophy, from the point of view of a citizen. It should also undertake company activities based on a continuous dialog with stakeholders.

Promoting Corporate Citizenship Activities

Nomura Group will select and implement those corporate citizenship activities that are expected by stakeholders and that we think are important. Some examples that we envisage include activities in support of learning and academia, disaster relief activities, projects to preserve the environment, and activities that support culture and the arts. Promoting internal communication will also play an important role in this process.

CSR Reports

Our CSR information is made available through our CSR reports, which present Nomura Group's current position and actions concerning the three elements that make up CSR, namely economic, social and environmental issues. The purpose of these reports is to let stakeholders gain an understanding of Nomura Group with regard to these issues. In April 2006 the United Nations-related organizations released its Principles for Responsible Investment. These Principles ask institutional investors such as pension funds and asset management companies to place emphasis on companies' ESG (environment, society and governance) as part of their investment process. Although this movement is still in its infancy, we envisage greater importance in the future for disclosure of information concerning these three non-financial aspects that will be required of companies. We therefore want to continue to enhance the disclosure of this ESG-related information in our CSR reports.

Financial Services that Contribute to Society

Nomura Group's corporate vision is to deliver clients superior services and solutions to meet all investment needs. This is also a foundation of our social responsibilities, as Nomura Group always puts the client at the heart of our business. Demonstrating the collective power we obtain by combining the individual expertise of our business lines and companies, we offer financial services that meet the needs of society.

Products and Services

Securitization of Nursing Homes

In the past, nursing care in Japan fell under the domain of the government. However, with Japan's declining birth-rate and aging population, it has become necessary to apply market mechanisms and private sector ingenuity to raise the quality of nursing care services in a manner that the country's economy can sustain.

In light of this situation, Nomura Group has developed a new financial scheme for securitizing nursing homes. This is one more way that we can achieve our goal of creating an affluent society through investment; by providing sustainable financial models for the nursing care sector.

For obvious reasons, a nursing home cannot experience an operation stoppage. Under Nomura Group's securitization method, we partner with a professional nursing home management company, assuring that this professional management company will be on hand to take over as a "back-up operator" should problems arise with running the facility. This feature makes it easier for institutional investors to invest in securitized products backed by nursing home facilities. The new method was developed by Nomura Healthcare Co., Ltd., a Nomura Group company specializing in raising funds and consulting for healthcare and nursing care institutions.

Faced with these social trends and rapid advances in medical technologies, healthcare institutions are confronted with increased capital investment needs. These

include new facilities for hospital wards and nursing care facilities, as well as building disease prevention and treatment facilities.

Meeting such funding demands for this new level of capital investment requires diversification of fundraising methods that go above and beyond indirect financing on which it has depended up until now. It is Nomura Group's aim to fulfill our social responsibilities as a financial services company by providing solutions and advice in response to newly arising needs, in addition to developing profitable businesses.

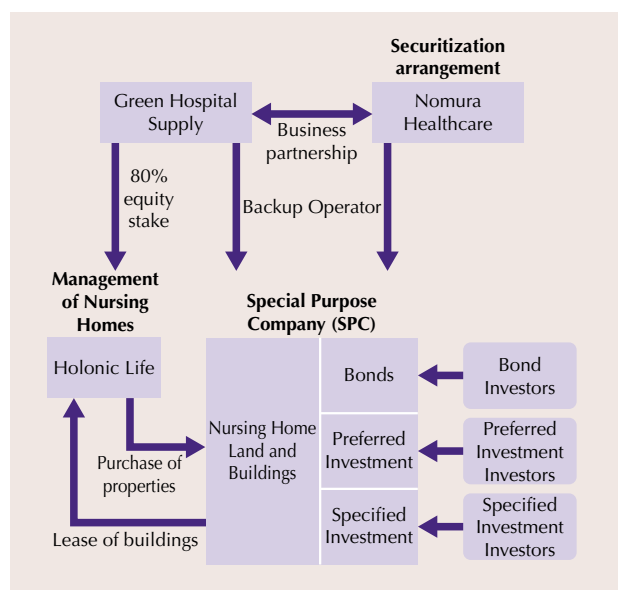
Urban Renewal Private Fund

In December 2006, Nomura Group partnered with the Development Bank of Japan (DBJ) to create the Urban Renewal Private Fund, a real estate equity mezzanine fund. The 50 billion yen fund invests in the equity portion of real estate investment projects.

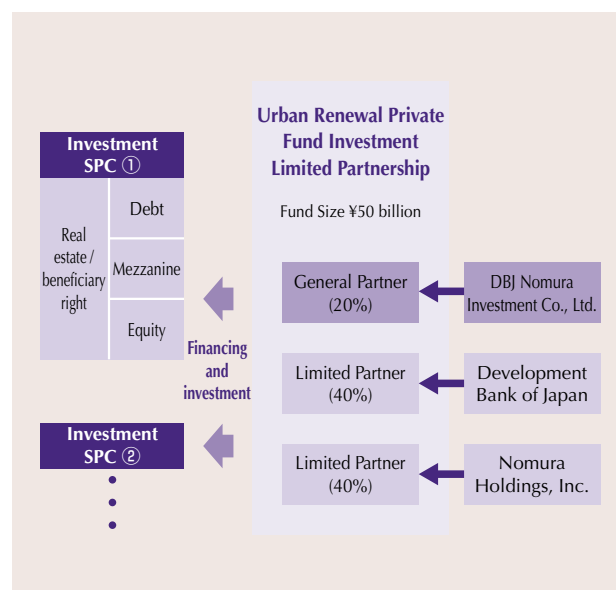
The Fund is operated by DBJ Nomura Investment Co., Ltd., a joint venture between Nomura Group and DBJ established in November 2006. This real estate investment company was established to respond to diverse needs for risk capital in urban renewal and other real estate projects, so as to contribute to the growth and increased sophistication of financing mechanisms in Japan.

This is not the first time the institutions have worked together. In a partnership that combined their respective strengths, Nomura Group and DBJ established the Urban Renewal Private Mezzanine Fund in May 2004, which has been a pioneer in the field of mezzanine financing for

■ Nursing Home Securitization Scheme



■ Structure of Urban Renewal Private Fund



real estate projects. We will apply the knowledge we have gained in mezzanine finance through this Fund's activities to equity projects as well, to assist with the capital needs of property development projects, and to contribute to the revitalization of Japan's cities.

In line with DBJ's guidelines for investment and financing activities, the Urban Renewal Private Fund will invest in development projects and liquidity enhancing projects involving offices, commercial facilities, logistics facilities, and rental housing.

Nomura Group's SRI Funds

●Nomura Global SRI 100 (popularly known as Nomura Global Social Responsibility Investment)

(Managed by: Nomura Asset Management Co., Ltd.)

The fund seeks to achieve investment gains (on a yen-equivalent basis) from movements in the FTSE4Good Global 100 Index, an index comprising companies around the world that meet social responsibility standards.

●Morningstar SRI Index Open (popularly known as Tsunagari)

(Managed by: Nomura Asset Management Co., Ltd.)

This fund seeks to achieve investment gains from movements in the Morningstar Socially Responsible Investment Stock Index, an SRI index targeting companies listed domestically that is the first of its kind in Japan.

●Nomura Global SRI Index Fund DC (for DC pension plans)

(Managed by: Nomura Asset Management Co., Ltd.)

This fund, specifically for defined contribution pension plans, invests in the publicly-offered Nomura Global SRI 100 Fund and its mother fund.

●Nomura Japan SRI Index Fund DC (for DC pension plans)

(Managed by: Nomura Asset Management Co., Ltd.)

This fund, specifically for defined contribution pension plans, invests in the publicly-offered Morningstar SRI Index Open Fund and its mother fund.

Launch of Principal Finance Business in Asia

Nomura Group established a new division, Asia Merchant Banking, which will develop a principal finance business in Asia (ex-Japan). On 1 May 2007, a new specialist group was formed in our Hong Kong subsidiary, Nomura International (Hong Kong) Limited, and the group has recruited several investment professionals to embark on investment projects. As a result, Nomura Group's Global Merchant Banking Division now has offices in Japan, Europe and Asia. Underpinned by economic growth and rising living standards in Asia, we expect increasing demand for capital to fuel business expansion in a variety of industries in the region. The team will invest in promising companies during this period of growth in Asia.

Contributing to Growth in Asia through Investment

Yoshiki Hashimoto,

Head of Asia Merchant Banking

Beginning this fiscal year, Asia Merchant Banking will invest in Asian companies, according to the particular stage of growth of Asian countries. This will not simply involve investing Nomura's money in healthy Asian companies that are expected to achieve strong growth in the future. Rather, we believe that by providing management support, we can both

pursue investment returns and contribute to growth in Asia.

"Nomura in Asia" is a point of emphasis in Nomura Group's business strategy. However, Asia is diverse, and some countries in Asia have not yet developed adequate business-related infrastructure, and others have tight restrictions on foreign investment. Differences not just in language, history and culture, but also in the structure of the economy and business practices mean investing in Asia is no simple task. To make the investing process a little smoother, the members of Asia Merchant Banking themselves represent a variety of nationalities and have a wide range of business experience.

Compared to other financial services, one of the ways in which the business of investing in companies attractive to me is the satisfaction it brings in being able to make a more direct contribution to growth, and therefore to the process of helping the local area become more affluent. When we invest in Asia, we also think it is essential to consider not just the potential for material affluence, but also the negative aspects associated with rapid economic growth.



Relationship with Clients

Eliminating Information Asymmetry

Philosophy on Developing and Providing Products to Clients

Nomura Group operates with the understanding that the Group itself is a member of the community, a corporate citizen.

We analyze the financial products we offer with due care and provide our clients with accurate information and easy-to-understand advice. When offering products, we perform a comprehensive analysis of the client's knowledge of financial products and financial status before providing full and accurate explanations, to ensure that clients will make sound personal investment choices. This approach is taken in full compliance with the Securities Exchange Law and other relevant laws and regulations governing each of our business lines.

These measures demonstrate our commitment to offering services fit for a responsible financial institution in developing products, providing information and soliciting business.

"Balance Workshop" - Introducing Novice Female Investors to Mutual Funds

From October 2006 to February 2007, Nomura Asset Management Co., Ltd. (NAM) joined forces with Town magazine to conduct a series of tutorials called "Balance Workshop". NAM sensed a need for a course that helps investors take their first step into the world of investing, and the tutorials teach first-time female investors how to identify the mutual funds that match their specific needs. In addition to the course's group tutorials, the two-way communication with participants via the website and e-mail provided an effective support environment for learning.

Mutual funds have become a more familiar product in investors' lives, and the number of female mutual fund investors has been on the rise. This is largely the result of

greater market penetration of balanced funds, such as the My Story Profit Distribution-type Fund and the fact that mutual funds are now offered at post offices and banks. On the other hand, because they are structured products, investors have expressed difficulty in understanding how they work, and we have heard comments like "I'm interested in mutual funds, but I don't know the first thing about how they work", "how do I choose a product?", and "when should I buy, and when should I sell?"

In its role as a mutual fund management company, NAM will continue to develop programs that both explain how mutual funds work, provide an understanding of the benefits of long-term investing, and explain the concept of risk. NAM will work with mutual fund distributors to achieve these goals.

Branch Office Improvements

Nomura Securities Co., Ltd. Hiratsuka Branch Establishes a Business Improvement Committee

Seeking to further raise the level of customer satisfaction, and become more integrated in the local community, the Hiratsuka Branch of Nomura Securities Co., Ltd. holds monthly Business Improvement Committee meetings. Approximately ten employees participate in the meetings, representing various departments within the branch, including general administration, customer service and asset management, which allows for a free exchange of opinions from a variety of viewpoints. The Committee also identifies problems and areas for improvement in the day-to-day operations of the branch and works to find solutions to these issues. Discussions last up to an hour and a half, and the Committee's work has yielded great results, not only in raising the level of customer satisfaction, but also in improving communication and raising motivation among employees. Other initiatives that the branch has taken to build stronger ties with customers and the local community include the popular "Basics in Economics" lecture given by the branch manager.



"Balance Workshop" Website



Business Improvement Committee at the Hiratsuka Branch

Ensuring Barrier-Free Access

Making Nomura Branches Universally Accessible

Nomura Securities Co., Ltd. works to make all of our facilities barrier-free so that everyone, including elderly and handicapped persons, can visit our offices and take advantage of the wide variety of services we offer.

As an example of this program, Toyonaka Branch has remodeled its office building to make it barrier-free. It has eliminated steps at entrances, widened passages and doorways to allow for easy wheelchair access, and set up consultation counters for wheelchair users. It has also installed floor guiding tiles and Braille guides along hand railings for sight-impaired customers. In a show of appreciation for these initiatives, the branch won the Encouragement Prize at the 13th Osaka Heartful Town Creation Prize Ceremony in December 2006. The Osaka Heartful Town Creation Prize is given in recognition of urban facilities that serve as a model for "creating a town amenable to all", out of a sense of civic responsibility for the safety and comfort of residents. Although the Toyonaka Branch's efforts were fairly modest given that its remodeling took place before Osaka Prefecture's Beneficial Town Creation Ordinance came into effect, its facilities were nevertheless regarded as recognizing a need for these social amenities in the community.



Eliminated steps at entrances of Toyonaka Branch Office

Number of Branches with Barrier-Free Facilities

Certified Conformance branches:	22 branches
Toilets for the handicapped:	41 branches
Elevators for the handicapped:	29 branches
Steps removed at entrance and exit (ramp or lift installed, or no steps originally):	98 branches
Measures taken for disabled at entrance and exit (railings installed or step height reduced):	12 branches

My Story Profit Distribution-type Fund (6 distributions per year)

My Story Profit Distribution-type Fund (6 distributions per year) is a fund of funds, which is a mutual fund that invests in other mutual funds. Providing consistent distribution income and mid- to long-term capital appreciation, "My Story" has grown to become one of the company's flagship products.

Developing Products from the Customers' Perspective

Yoshio Miki, former Managing Director, Investment Trust Dept., Nomura Securities Co., Ltd. (currently Executive Officer, The Nomura Trust & Banking Co., Ltd.) From as early as August 2001, when we created the first "My Story" fund, Nomura Group has been drawn to the possibilities offered by funds of funds, which invest in a number of mutual funds. We sought to enhance the Fund's performance by limiting distributions to once a year, so as to reduce unnecessary costs. But the fund failed to grow as expected.

At the start of 2005, we surveyed our clients on what products they would like us to develop, particularly regarding products they would use as vehicles for investing the sizeable lump-sum retirement payments they would receive from their employer. Comments we heard included, "I want stable distributions like a pension payment", and "I also expect my funds to show stable performance over the mid- to long term". To meet these two demands with one fund, in May 2005 we launched a fund of funds similar to the first My Story, called "My Story Profit Distribution-type Fund (6 distributions per year)." It was structured with an asset allocation of 75% in bonds and 25% in stocks, and

paid a distribution every other month (six times a year, in odd-numbered months, when no government pension is paid). We then continued to develop sales literature that explained the Fund from the customer's perspective, and we were careful to use easy-to-understand language.

We did not see instant results. Gradually, however, the amount of funds under management started to grow, and in particular the bonus distribution of 500 yen in January 2006 was a catalyst for the Fund's rapid increase in popularity among customers, who wanted a distribution when the Fund performed well. When the Fund's net asset value went down during June to July 2006, we explained to customers about the need to take a long-term approach to investing and to diversify risk, which helped customers to accept the short-term reversal. Net assets in the Fund have increased steadily since, reaching 1.5 trillion yen as of the end of March 2007. By having listened carefully to our clients and providing them with products and services developed to match their needs, we believe we have been able to deepen their understanding of how mutual funds work.



"My Story"



Relationship with Society

In line with our goal of enriching society, Nomura Group strives to be understood, trusted and needed by a wide segment of society. To achieve this, there are three types of interaction with society that are particularly important to us; 1) Contributing to society and the community as a leader in the financial markets; 2) Supporting the economy through educational activities and; 3) Contributing to society through support for the arts, culture and scholarship.

Community Involvement Activities

Nomura Group promotes activities that contribute to the community and society based on the belief that they are important stakeholders. As part of management training for branch managers, Nomura Securities Co., Ltd. (NSC) provides programs on the importance of community involvement by branch offices. The participants think about the role and duties that branch offices are to fulfill

in order to win the trust of the local community.

NSC has a network of branch offices throughout Japan, and they have close ties with the local communities in which they are located. They undertake various initiatives, such as engaging in cleanup activities and providing support to the arts and schools, and initiatives that contribute to local economic growth. In this section we introduce some of the best practices in the area of community involvement undertaken by NSC branch offices throughout Japan.



Student Internship Program Toyama Branch

The high job attrition rate among young workers has become a problem in recent years. Toyama Branch Office held an internship under a program sponsored by the Toyama Internship Promotion Council, a program aiming to eliminate mismatching between students and companies. For five days during 7-11 August 2006, Toyama Branch welcomed four local university students, and the branch staff (approximately 30 staff) took turns giving the students an introduction to the history of the company, the role of securities companies, and the nature of the business. The students were also given a curriculum of practical training which included an online trading tutorial, a chance to see what working on the customer floor is like, and the opportunity to join branch employees on their rounds of meetings with clients. The students' eagerness and desire to learn provided a spark to their mentors, who came away from training with renewed vigor towards their own work. Toyama Branch plans to hold this internship program again in 2007.



Mito Branch at Manabipia Ibaraki 2006

The National Lifelong Learning Festival (Manabipia) is a nationwide event promoting lifelong learning held each year in a different prefecture of Japan. The Mito Branch Office took part in the 18th National Lifelong Learning Festival, "Manabipia Ibaraki 2006", between 5-9 October. The branch had a booth at the festival, where it held quizzes on investment, displayed information, and also organized special lectures in the cities of Mito and Hitachi by renowned university professors, which attracted many people. To provide advance notice of its participation, the branch held finance/investment study sessions at four lifelong learning centers in Ibaraki Prefecture. The branch's work in connection with Manabipia enabled it to both deepen local residents' understanding of lifelong learning, and to build an activity network with many people from Ibaraki Prefecture and other regions.



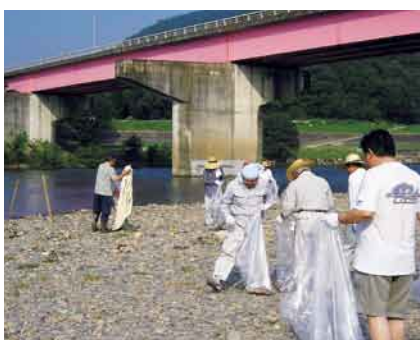
Cleaning up Leaves Seijo Branch

The Seijo area where the Seijo Branch is located is famous for its cherry trees, and is considered one of the most scenic areas in suburban Tokyo. With the arrival of winter each year, the Seijo Branch takes part in the "Clean Up The Leaves" campaign organized by the Seijo Residents' Association. The rows of cherry trees in Seijo are located in private residential areas, and given the large size of the residents' blocks of land as well as the area's aging population, the whole community pitches in with the cleanup. To show their appreciation to the local residents for their business, all of the branch's employees participate, and the branch has been taking part in this event on an annual basis. It was quite chilly at the start of the event, but as the employees continued to work alongside the participants from the community they began to warm up. Some of the residents offered words of thanks, and the employees felt a tremendous sense of satisfaction at the end of the event.



Connecting Universities and Local Business Kishiwada Branch

In a fortunate matching of objectives, the Kishiwada Branch wanted to deepen its ties with the community, and universities in the area wanted to become more “open”. So, since the fall of 2006, the Kishiwada Branch has held a “University Lecture Relay,” with the participation of ten universities mainly from the local area. Each month the branch invites a speaker from one of the universities to give a lecture to its customers. From this, the branch sensed a need for collaboration between academia and industry, so it held an “Industry-University Collaboration Forum” to bring together leading companies and universities from the region. Twelve representatives from four universities and ten representatives from nine companies took part in the two-day event. The discussions were quite lively, and the participants were very happy with the event. The Kishiwada Branch has high hopes that future collaborations between academia and industry will lead to positive results.



Asahi River Cleanup Okayama Branch

The Asahi River flows through the heart of Okayama City, and forms a natural moat around Okayama Castle; and Korakuen, one of the three famous gardens of Japan, is located on one of its midstream islands. The river is therefore a very important part of the community. Led by the Association to Make the Asahi River the Most Beautiful in Japan, a non-profit organization, four times a year mass cleanups involving local governments and residents are conducted as a beautification initiative for the Asahi River, and some occasions more than 2,000 people take part. The Okayama Branch took part in all four mass cleanups of the River in fiscal 2006, and a total of seventy-nine of its employees and their family members got up early on their day off to put in a hard day's work. The branch also plans to take part in the mass cleanups in fiscal 2007. Depending on the season, the type and volume of the garbage pulled from the riverside varies. Given the increase in community awareness towards beautifying the environment as evidenced by the number of people who take part, the quantity of rubbish is thought to have declined. If you visit Okayama, please take a look at how clean the Asahi River is.



Sending a Message for Peace on 2,000 yen Notes Naha Branch

Okinawa was the only territory of Japan that experienced land fighting in World War II, when literally the entire island became a field of fire. Shuri Castle's Shurei Gate, which was restored after the war, is recognized by the residents of Okinawa as a monument to peace, in stark contrast to war and fighting. Given this history, the depiction of Shurei Gate on Japan's 2,000 yen notes as a high-minded message for peace makes the notes more than just a currency.

The Naha Branch endorses this message, and since 2005 it has embarked on a consistent campaign to popularize the notes, from the ground up, including within the company. All 34 Naha Branch employees have become “2,000 yen Note Ambassadors,” promoting the use of the note, and the branch manager uses the notes whenever he can, for example by exchanging almost all his entire salary into 2,000 yen notes, and having a supply in his wallet when he travels on business outside Okinawa. When the branch members use a 2,000 yen note, it becomes a starting point for talking about the message of peace. It's a small gesture, but they regard it as very important. The same message is conveyed when Nomura Group employees come to Okinawa from outside the prefecture, and the idea is spreading to other prefectures and gradually gaining momentum. Although local banks in the prefecture can also be credited with playing their part in popularizing the note, the spread of this initiative from the branch of an organization like Nomura Group conveys the powerful message of “from Okinawa to Japan”, and the branch is proud of the difference and significance of its contribution to the community. Every person who sees the Shurei Gate on a 2,000 yen note will think about peace, and the Naha Branch works every day for that to happen.



Community Involvement Initiatives by other Group Companies

Nomura Group's corporate citizenship activities are not

limited to Japan. As a member of their respective communities, our overseas subsidiaries take part in various activities organized in those communities, and also provide needed support. Nomura Group undertakes various initiatives to meet its responsibilities as a good corporate citizen in each of the communities to which it belongs.

Asia



Donation to Medical Campaigns to Prevent Blindness

Nomura International (Hong Kong) Limited donated 1 million yen to Dr. Tadashi Hattori, a Japanese ophthalmologist, who continues his unpaid medical work to prevent blindness in Asian countries, chiefly in Vietnam. Dr. Hattori visited Vietnam for the first time in April 2002, since which time he has treated more than 3,000 patients, and has also provided technical guidance to Vietnamese doctors. His work has been highly praised both inside and outside the country, and he has been presented with numerous certificates of appreciation and awards from the Vietnamese and Japanese governments. On 20 April 2007, at a ceremony held at Nomura International (Hong Kong) Limited's offices, Yoshinori Go, the COO of Nomura Asia Holdings N.V., presented a check to the Asia Prevention of Blindness Association, which supports Dr. Hattori's activities. This donation will be used to pay for ophthalmic operations and to purchase surgical equipment.

As part of the ceremony Dr. Hattori gave a talk on the work he performs. Many opinions were expressed by the participants, such as "it was a good opportunity to reflect on my own work and life." Some participants even expressed a wish to make a personal donation.



Charity Race in Hong Kong

On 3 December 2006, Nomura International (Hong Kong) Limited took part in the Two International Finance Centre's charity race.

This event is organized by the Hong Kong Community Chest, and all proceeds go to activities to help people with disabilities acquire work skills to help them integrate into the community. Nomura donated HK\$38,000 through this event.

Nomura took part in the race along with other companies that included the MTR Corporation, Sun Hung Kai Properties, the Bank of China, Standard Chartered Bank, Citigroup, Morgan Stanley, UBS, and Bank of Tokyo-Mitsubishi UFJ. Starting from the first floor of Two IFC, Hong Kong's tallest building, teams of four competitors raced to reach the 88th Level (420m above sea level) via three relay points. With encouragement from a cheer squad and help from some fill-in team members, the Nomura team came in 26th place, in a time of 20 minutes 52 seconds.



"Kojafe 2006"

2005 was the 40th anniversary of the normalization of diplomatic relations between Japan and South Korea. The Japanese and South Korean governments established "Japan-Korea Friendship Year 2005", and a number of events were held, including "Kojafe", a Japan-Korea Exchange Festival, to allow people from both countries to deepen their understanding of each other. Kojafe attracted more than 1,500 participants and 50,000 visitors from both countries, and contributed to mutual exchanges between Japan and Korea.

Rather than end it as a one-time event, under the lead of private sector organizations it was decided to hold Kojafe 2006, so as to provide an ongoing forum for further mutual understanding and citizen exchanges. Like its predecessor, Kojafe 2006 attracted over 50,000 people and was a major success. Kojafe is now expected to be held as an annual event in 2007 and beyond.

Nomura International (Hong Kong) Limited's Seoul Branch was the first foreign securities firm to establish business in Korea, and it has promoted investment between the two countries. Nomura Group supports the deepening of mutual understanding between Japan and Korea by promoting cultural exchange in addition to economic cooperation. Since Japan-Korea Friendship Year 2005, Nomura Group has provided support for such activities.

US

**Mentor Program in New York City**

Our U.S. subsidiary, Nomura Holding America Inc. (NHA), participates in a student mentoring program for university students interested in a career in finance. NHA staff participate as mentors in the Baruch College Mentoring Program (career counseling program). During the program, a mentor helps one student throughout a year, with the purpose of improving the student's chances of receiving a desirable job placement. According to Ralph Piscitelli, Director of Corporate Communications, who has been a mentor in the program for two years, "I am enjoying my experience as a mentor, and I appreciate being a part of the program."

Also, he was invited to the "Career Hour" on campus and spoke to a class of 30 business students on "A Career on Wall Street and How Communication and Presentation Skills Impact Your Career." The 45-minute event included a 20-minute Q&A session.

**University of Delaware Visits to Nomura Holding America**

University of Delaware visit to Nomura Holding America Inc. (NHA) is an annual event. In 2007, Professor Jeffery Harris brought 42 undergraduate business students to NHA. The students met with senior company leaders during the morning in the Board Room. NHA employees provided a half-day program including a breakfast meeting and seminars on topics including interviewing skills, equities, investment banking, compliance, and the economy. The staff and students engaged in lively discussions throughout the event.

UK

**Our UK subsidiary, Nomura International plc's Elementary School Reading**

Program was launched just over a year ago to help children improve their reading ability. It was extended to include math from November 2006.

Every Wednesday, a group of approximately 30 employees travels south across the river Thames to Southwark Park Primary School, where they spend their lunch break reading with students.

Volunteers coach individual children, reading books chosen by the class teacher, while math tutoring involves group games to practice counting and simple sums.

According to the school's head teacher, over the past year, the reading program has been "one of the contributing factors" boosting the school's Standard Attainment Tests (SATs) results.

A desire to "give something back" to the local community is driving employees to invest valuable time and energy in a London school.

**Sponsoring Merseyside Community Youth Games 2006**

In Merseyside, England, Nomura Asset Management U.K. Limited. has become a sponsor for the first time for the sports event "Merseyside Community Youth Games". The purpose of the Games is to encourage participation in sports and cultural activities by children who are socially and economically disadvantaged. The Games encourage disadvantaged children to become healthier and acquire physical and social confidence in themselves through sport.

Programs have been developed to extend the children's sporting abilities so as to give them the means to express themselves through sport. The competition sports include football, athletics, basketball, badminton, quick cricket, rounders and tag rugby, for children from the ages of eight to sixteen. A non-profit event that kicked off in 1992, the Games are now the biggest sports event for children in Merseyside, with as many as 60,000 children taking part.

Financial and Economic Education Programs

Education is one key source of economic growth. Nomura Group offers programs for people who have a desire to learn, and will continue to further expand education opportunities for people of all ages.

My Thoughts on Financial and Economics Education

I remember playing the game “Children’s Bank” when I was a child, which used play toy notes and coins. I now regard that game as a type of education in saving. On the other hand, I seldom had any similar childhood experience with investing. I think that it is important for us to give young people an understanding of investing, so that investing can take firm root in society. Some critics say that we ought not to make the effort if there is no business advantage or short-term benefit. However, I think that this sort of education will stand people in good stead right at the moment they need it. For that reason, I think it is important to promote financial and economic education with a long-term view.

Nobuyuki Koga
President & CEO
Nomura Holdings, Inc.

Improving Financial and Economic Literacy

Finance Courses for Universities

With the aim of offering real-world knowledge to students who will support the Japanese economy in the future, Nomura Group offers finance courses at universities all over the country. In fiscal 2006, 548 Nomura Group employees gave lectures in these courses at 127 universities. The courses were taken by approximately 20,000 students, who found them to be interesting because the courses were based on the instructors’ real-life work experiences. (See page 14.)

6th Nikkei Stock League Top Prize

Finance Minister’s Prize Winning Team Member

Kosaku Kajita, Faculty of Policy Management, Keio University I heard of the Nikkei Stock League from my seminar professor. Everyone got together once a week, to float ideas together, decide on a topic and prepare the report. The discussions sometimes lasted until midnight. I think our having to reconcile the differences of opinions and individual approaches was useful for developing communication skills and teamwork. I think this was one of the main things that I learned through my experience with the Nikkei Stock League. In addition to win-

An Introduction to the Economy: “The T-Shirt Shop”

In March 2006 Nomura Group prepared a set of educational materials and distributed them to roughly 800 junior high schools who had requested them, delivering a total of approximately 90,000 copies to the schools. Given the popularity of the learning materials, an additional 1,200 junior high schools asked for sets, and we were happy to respond, delivering another 110,000 sets at the end of April 2007. The set included a text for students in picture book format, which explained the complicated workings of the economy and finance in simple language, and a teacher’s manual that came with worksheets and examples for exercises in class. The storyline in “The T-Shirt Shop” concerns some fictional junior high school students who start up a T-shirt business. In the course of working through the textbook, students learn about topics including company acquisitions, international trade, and companies’ social responsibilities. The program is structured to allow them to progressively gain an understanding of how the economy works as well as the meaning of economic and financial terms and expressions. (See page 16.)

Financial Seminars as part of Lifelong Learning

Although economic and financial systems are deeply connected to our lives, on the whole there have been few opportunities to learn about economics and finance. With the aim of addressing this problem, Nomura Group offers seminars as part of lifelong learning programs at local communities and workplaces, through which the public can acquire knowledge of finance and securities. These courses cover the concepts involved in planning financially for a comfortable retirement. We work to make these courses relatively simple, so that even beginners can benefit from them. We have offered these courses since 2003 and have already had over 120,000 participants.

ning the top prize, an extra bonus was being able to go on the winning team’s study trip to New York, which was a very valuable experience. Visiting the New York Stock Exchange and physically being in the world’s financial center made my future direction in life clearer. I want to work in the finance industry so as to apply what I learned through the Nikkei Stock League.



Special Support for “Nikkei Stock League”

The Nikkei Stock League is a contest for junior high school, high school and university students sponsored by the Nihon Keizai Shimbun, in which students create their own investment portfolios and performance reports. The event was held for the 7th time this past year, and Nomura Group has been a special supporter since the outset.

Some 2,065 teams from schools nationwide were represented in the 7th Annual Nikkei Stock League Contest, with 8,193 students participating. The participating teams establish portfolio objectives and conduct simulated investments in a portfolio of stocks according to their objectives. They also write reports about what they have learned about economics and finance by participating in the program. While the primary goal of this program is for students to learn about economics and about how investing works, the participants also develop their teamwork skills and creativity.

“The Secret of Money - The Business of a Securities Company”

We co-sponsored this educational publication on financial literacy primarily for elementary school students. It describes the roles of money, banks and securities companies in a simple, comic book format. Copies were donated to 24,000 elementary schools and 2,400 public libraries nationwide in April 2003.

“Finance for Beginners”

In February 2005, we published and donated copies of “Finance for Beginners” to 11,000 junior high schools and 2,400 public libraries across the nation. The book features a qualified financial planner as she explains in simple terms to junior high school students in her neighborhood how financial and economic mechanisms work.

Website for Learning about the Economy - man@bow (Let's Learn!)

Nomura Securities Co., Ltd. and the Nihon Keizai Shimbun jointly sponsor the economics educational website

“man@bow” as a means of offering financial seminars to a broad range of people to heighten their interest and understanding of finance and the economy. The site's content is not limited to the economy and investing, but also has easy-to-understand commentary on current topics and market trends. Individual investors can use the site as a tool for learning about asset management.

URL : <http://www.manabow.com>

Co-sponsorship of the Quest Education Program

The Quest Education Program was launched in April 2003 for junior high school and high school students, to help them learn the realities of the economy and society and acquire life skills from the real world. The program is designed to help students develop their own careers and personal goals, helping them to decide for themselves what they want to do and become. The program is used by schools as part of the “integrated learning” curriculum. Nomura Group's contribution has been as a sponsor of the “Corporate Access” element of the program, which aims to deepen students' understanding of the workplace and corporate activities through a variety of experiences in association with companies.

Broadcasts of Doki Doki Waku Waku O-Kane no Hanashi

We have been broadcasting this program on the importance of asset management on over 160 Cable TV stations across the country since April 2001. It is vital for everyone to start early in making solid preparations for their own financial future. The program offers a wealth of information, including basic knowledge about money, asset management, financial advice, and follows students as they learn about investing. The program currently reaches a potential audience of over 13 million Japanese households.

■ Educational Programs Offered by Nomura Group



Economics and finance texts

	Elementary Schools	Junior High Schools	High Schools	Universities	Adults, Company Employees, Local Communities
Publications	The Secret of Money				
		Finance for Beginners			
		Enjoying Economics			
				Securities Investment Basics	
Learning Materials		The T-Shirt Shop			Improving Your Investing Skills - A Guide For Women
Courses				Finance seminars	Finance courses
Educational Programs		Special support for Nikkei Stock League			Manabipia
		Quest Education Program			
			Nikkei Education Challenge		
Internet	Educational contents on the Internet				
Cable TV	Nomura Free School				
				Doki Doki Waku Waku O-Kane no Hanashi	

Support for Culture, the Arts and Academia

Nomura Group believes that truly affluent societies do not simply have strong economies, but also possess a richness in spirit. Our support for a variety of cultural and artistic pursuits is grounded in the belief that people should be well-rounded.

Support for Culture and the Arts

Nomura Cultural Foundation

The Nomura Cultural Foundation was established in May 1990 to support the development of talent and international exchange in the field of music and the fine arts, with a view to achieving true mutual understanding in the international community.

1) Support for the Arts and Cultural Activities - Grants to around 100 projects annually

The Nomura Cultural Foundation provides grants to young artists and musicians, as well as support for performances, exhibitions and symposiums aimed at promoting international exchange of artistic culture. (Support was provided to 59 artistic events and 49 musical events in fiscal 2006)

2) International Student Scholarship Program (approximately 20 scholarships annually)

The Nomura Cultural Foundation grants scholarships to promising foreign exchange students who will bridge the distance between Japan and their home countries in line with the Foundation's aim of achieving genuine mutual understanding in the international community. Scholarships are awarded to foreign postgraduate exchange students at Japanese universities specializing in either the social sciences or humanities. Since 1991, 160 scholarships have been awarded and recipients are active in their respective fields in either Japan or their home countries.

3) The Nomura Prize at the Tokyo National University of Fine Arts and Music

The Nomura Cultural Foundation selects exceptional works by doctoral students for purchase and storage at the University Art Museum, with the aim of supporting promising young artists, enhancing the Museum's collection and further promoting education and research.

● Pacific Music Festival (PMF)

The Pacific Music Festival is an international music education festival that has been held since 1990. The Festival was conceived by the late Leonard Bernstein, one of the most famous musicians of the 20th Century. Nomura Group and The Nomura Cultural Foundation support the Festival's aim of developing global music culture by fostering young musicians, and have been the Festival's special corporate supporters from its inception. Between 7 July and 1 August 2007, 116 music academy students who had been selected through auditions from 21 cities around the world gathered in Sapporo for the 18th Pacific Music Festival. Under the direction of a team of top-class instructors, the group held concerts in cities throughout Hokkaido as well as in Tokyo, Osaka and Nagoya. In 1999, along with other supporting companies, Nomura Securities Co., Ltd. received the Mecenat Award for Outstanding Promotion of the Arts from the Association for Corporate Support of the Arts.



Outdoor stage at PMF 2006

Thai Literary Prize for a Non-Fiction Work about Japan

Kosit Tiptiempong, a Nomura Cultural Foundation scholarship recipient, won a special prize for a non-fiction work as part of the Naiin Prize, a literary award given by a Thai publishing company. The winning essay, "lipun Raak Mumu" ("Japan Seen from Various Angles"), describes an intimate view of Japan that the writer gained on a day-to-day basis while living in Japan for six years. Kosit says that he wanted this book to become a symbol of the kindness that he has received from Japanese and Thai people.



Nomura Cultural Foundation Chairman Junichi Ujiie with Kosit Tiptiempong

Support for Academia

Relationships with Educational Institutions

Industry-University Collaboration

●The University of Tokyo

Nomura Securities Co., Ltd. conducts joint research with the University of Tokyo on bolstering the financial base of Japan's universities. Japan is experiencing a decline in the population of 18-year-olds, which is putting strain on universities' finances, and has forced them to rethink the ways in which they support themselves financially. We plan to study ways that Japanese universities can bolster their finances by researching both public and private universities in Japan and the U.S., utilizing document research, on-site study tours and statistical surveys and analyses. We will use the results of this research to present information and ideas that will assist Japanese universities in their efforts to strengthen their financial base, and we will also be proactive in proposing policies for the government to consider.

●Kyoto University

In 2001, we established the Kyoto University Institute of Economic Research Application of Financial Engineering (Nomura Group) Research Section along with the Research Center of Kyoto University's Institute of Economic Research. The Center applies financial engineering to a variety of research projects, such as enhancing corporate value through business risk management, advancement of asset management techniques, and financial sector structural reform. The Center invites researchers from all fields to its "Economic Theory and Finance Theory Research Forums," where the latest research results are announced and discussed. Since 2003 the Center has also held "Economic Education Symposiums" for university students and teachers.

●Hitotsubashi University

We established the Financial and Capital Markets Research Center with Hitotsubashi University as a forum to encourage the exchange of opinions between universities, government and industry.

The Center carries out joint research and has research groups studying topics including socially responsible investing, corporate governance and Asian bonds. In March 2007 the Asian Bond Conference was held in Bangkok, Thailand, where the Asia Bond research seminar issued a report examining and suggesting measures for fostering growth in the Asian bond market. In April 2007 a symposium was held to mark the publication of reports and books published by the SRI research group. (See page 40.)

●The University of Oxford

We established the Nomura Centre for Mathematical Finance at the University of Oxford to support research in state-of-the-art financial engineering.

●Columbia University

Nomura Holdings, Inc. is the lead corporate sponsor for The Program on Alternative Investments run by the Center on Japanese Economy and Business at the Columbia Business School. The program is chiefly engaged in researching and releasing its findings on alternative Japanese investment assets, an initiative which is the first of its kind. Nomura Funds Research and Technologies Co., Ltd. is liaison to the program.

●Chulalongkorn University

This past year marked the fourth consecutive year that Nomura has held finance lectures at Thailand's Chulalongkorn University, and the program appears to have firmly established itself as an annual event. In 2006, following his lecture the previous year, Sadakazu Osaki, Executive Fellow at the Nomura Institute of Capital Markets Research, gave a special lecture entitled "M&A and Capital Market Reform in Japan."

The lecture, which was conducted completely in English, attracted a very international group of more than 100 postgraduate economics students, filling the lecture room to capacity. The lecture touched upon a number of Japanese M&A cases, an issue which has generated intense debate in Japan, and was presented in an easy-to-understand manner and was well received by the audience. A lively Q&A session followed the lecture, including questions about the potential for mergers and acquisitions in Thailand in the future, indicating how interested the students are in the topic.

On the preceding day, a similar lecture was given at the Stock Exchange of Thailand, to around 100 people who had been invited from industrial and financial circles. Nomura Group looks forward to holding more finance seminars and conducting other activities that will help contribute to the growth of the capital markets in Thailand.

SRI Research Group

Since fiscal 2005, Hitotsubashi University and Nomura Securities Co., Ltd. have managed the SRI Research Group, an industry-academia joint research project on Socially Responsible Investing (SRI) chaired by Professor Kanji Tanimoto of Hitotsubashi University. Welcoming SRI leaders from leading domestic institutions in a range of industries, the Group aims to conduct its affairs from a position of organizational neutrality. The results of the Group's research activities, obtained from surveys overseas on the latest trends in SRI as well as investor questionnaires and interviews, were published in a book called *SRI, Business, and Finance*. At a symposium held on 17 April 2007, attended by more than 250 guests, guest speakers from overseas gave lectures during the first half, followed by a panel discussion, which focused on issues such as the current progress of SRI in Europe and America, the position that SRI occupies in asset management in Japan, and the type of value-added that SRI brings.

With the recent attention placed on the Principles for Responsible Investment developed by the United Nations, we believe the Group has assisted in providing greater understanding of how to fit SRI in the context of asset management.

Assistance Program under the Nomura Foundation for Academic Promotion

The Nomura Foundation for Academic Promotion was established in 1986 to commemorate the 60th anniversary of the founding of Nomura Securities Co., Ltd. The Foundation provides financial support to university researchers primarily in the fields of law, political science and economics. In fiscal 2006 the Foundation supported 23 research projects, sent researchers abroad and invited researchers from overseas (total of 28 researchers), in addition to providing support for seminars.

Nomura Institute of Capital Markets Research

Established on April 1, 2004, Nomura Institute of Capital Markets Research (NICMR) builds on a tradition begun in 1965 of studying financial and capital markets as well as financial institution systems, structures, and trends. NICMR specialists produce objective research and policy proposals based upon actual business experience.

NICMR's chief objective is to produce research that will contribute to continued financial system reforms and securities market reforms that will result in the continued development of market-based finance.

NICMR research encompasses not only issues related to Japan, but also covers timely issues concerning capital markets-related issues faced by other developed countries, namely the U.S. and European countries. NICMR's mission includes generating financial and capital market-related policy recommendations for China and other developing nations based upon fundamental analysis and comparative studies of market experience in Japan and other developed countries. Research is disseminated in two quarterly magazines: *Capital Markets Quarterly* (Japanese language, distributed domestically) and the *Nomura Capital Market Review* (English-language publication, distributed both domestically and internationally).

In addition to supporting the NICMR's activities, Nomura Group quickly incorporates the results of the Institute's research into its own business activities as well as its economic and financial education programs.



SRI, Business, and Finance



Scott J. Budde, Managing Director, TIAA-CREF Asset Management Division (at symposium)

Financial Strategy Advisers to Universities

Nomura Group has recently sent staff to serve as vice-president and deputy-vice-president of Gunma University and Chiba University. The Japanese government has been reducing by 1% each year the payments that it makes to subsidize their operating costs, making national universities (officially “national university corporations”) across the country worried about their financial health going forward. Given the situation, it has become important for national universities to make good use of their assets and to raise outside capital. The universities recognize that they need to develop financial strategies, and in particular to raise capital from outside sources, but they lack experience and expertise in financial management.

From an early stage, Nomura Group has been conducting research in this field to contribute to raising the competitiveness of Japan’s universities, which are critical to the country’s foundation. Having Nomura Group personnel in place at national universities will allow the institutions to take advantage of Nomura Group’s network and financial strategy skills as a private sector company. We hope that this will help Japan’s national universities become even stronger institutions.

Believing that Japanese universities should see first-hand the latest developments at U.S. universities, which have quite advanced fundraising strategies, in October 2006 we took the presidents and financial officers from approximately ten of Japan’s universities to schools in the U.S. noted for having strong financial strategies, such as Wellesley College. Knowledge relating to financial strategies for universities in Japan has grown, as was evidenced by the lively exchanges of ideas between the college presidents and CFOs.

Financial Education in High Schools

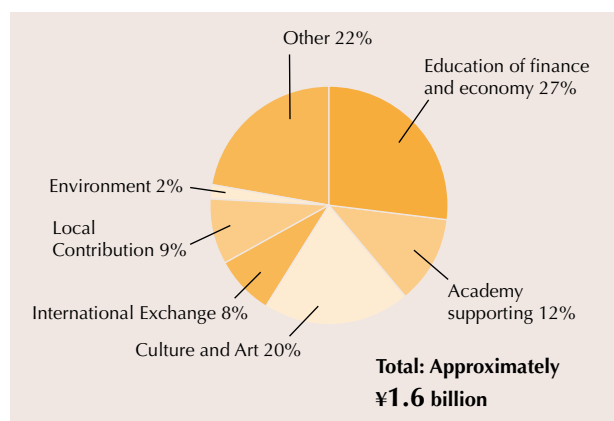
With the long-term aim of fostering the next generation of financial professionals, Nomura Securities Co., Ltd. has partnered with Ritsumeikan University on an initiative to develop financial education at high schools.

The initiative involves surveying and researching the current state of economics education at high schools, building a network with educators, and developing and designing financial education programs. The plan for fiscal 2007 involves developing the learning materials and developing the program, with an aim to have an actual class up and running at Ritsumeikan University’s affiliated high school in fiscal 2008.

Community Involvement Expenditure

“Investing for the Future ~Contributing to a brighter tomorrow~” is Nomura Group’s policy for its community involvement spending. We want to fulfill our duty as a corporate citizen by contributing and giving back to society where we can. All Nomura Group companies, including overseas subsidiaries, undertake a variety of initiatives in the communities to which they belong. The five priority areas for Nomura Group’s initiatives are: finance and economics education, support for academia, arts and culture, international exchange and community involvement, and the environment.

Breakdown of Community Involvement Expenditure



CSR in the Workplace

Nomura Group values its employees, whose ambitions allow the company and its diverse workforce to meet the challenge of growth. So that employees can realize their full creative potential, Nomura Group actively promotes the development of employees' abilities through training. The group also fosters internal communication and comfortable workplace environments, and promotes respect for diversity and human rights.

Training to Realize Full Potential

Allowing our employees to reach their full potential is at the core of for Nomura Group's personnel system. Nomura Group treats its employees as individuals, and provides a variety of opportunities for employees with ability and desire, regardless of their gender or age. Employees who perform to their potential are compensated accordingly.

In October 2005 Nomura Securities Co., Ltd. (NSC) replaced its previous employee categories of general managerial career employees and assistant career employees with two new categories: Zeniki-gata Shain (Whole Area Employees) and Chiiki-gata Shain (Specific Area Employees). The sole point of difference between the two new categories is whether or not the employee is subject to transfers that require a change of residence. In all other respects, such as scope of work duties, employee rank classifications and performance evaluation processes, the categories are identical. Employees may apply to switch between categories.

For financial advisers (FA), who are community-based sales professionals, since October 2005 employment contracts have gradually been changed from fixed-term contracts to ones without a fixed term, and the compensa-

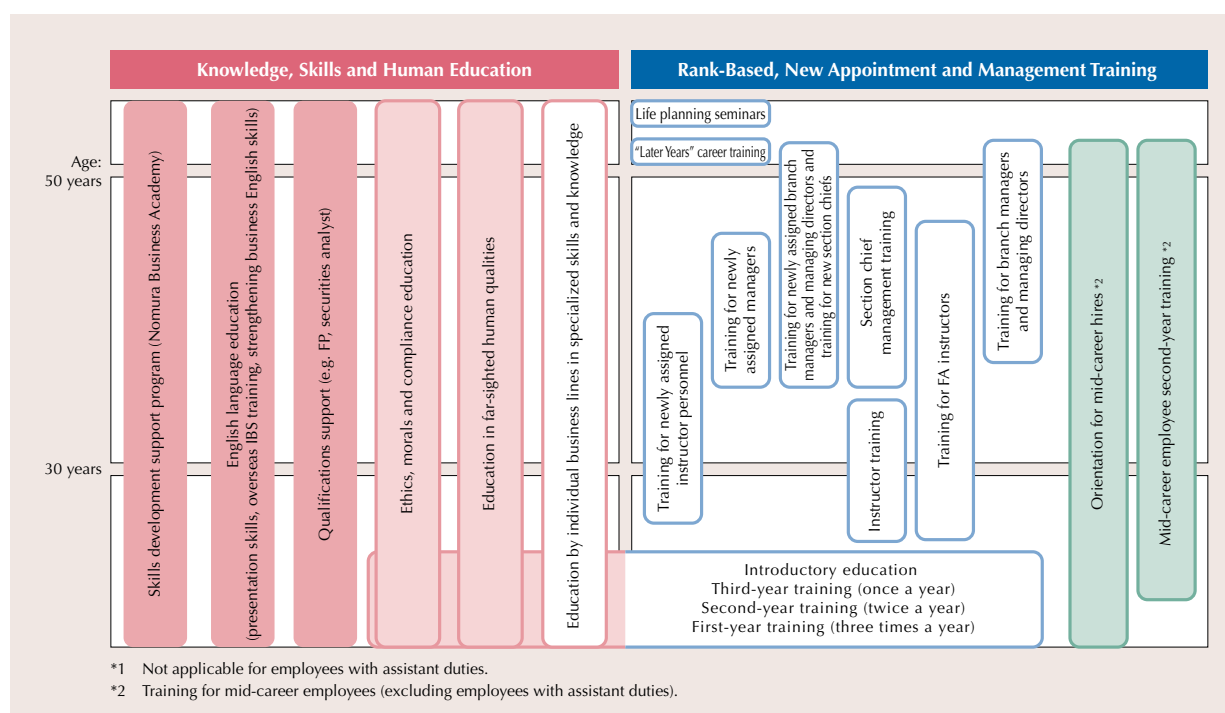
tion system has been revised. We believe these changes will encourage FAs to approach their work with a long-term perspective and demonstrate their abilities as asset management professionals to the fullest.

This new personnel system, which abolished employee categories based on scope of duties, aims to give all employees greater responsibility for their work and allow them to perform to their full potential. We believe this also adds vitality to the company as a whole.

Hiring

The concept used by NSC for hiring new employees is that of shared understanding. Our recruiting and hiring process focuses on giving applicants a good idea of the company's businesses as well as what working for the company will be like. In hiring people we also place importance on applicants' current abilities and potential. New graduates are hired as whole area employees, specific area employees or FAs, while mid-career employees are hired as needed by individual business areas, as whole area employees, specific area employees, FAs or specialist employees.

Whole Area Employees, Specific Area Employees and Specialist Employees^{*1} at Nomura Securities Co., Ltd. Employee Development System



Retiree Rehiring System

Under a program effective since April 2006, Nomura Group companies can rehire employees who are retiring due to having reached the mandatory retirement age of 60, or the age limit of their contract. In principle, employees who wish to continue working are re-hired under one-year contracts, which can be renewed until the employee turns 65.

In addition to helping our employees achieve a work-life balance following the end of their regular working lives, under this program the Group stands to benefit from the contributions these employees can make using their skills and experience. In addition to providing these employees with work and compensation packages that match their individual abilities and experience, this system allows these employees to flexibly select the manner in which they work, enabling them to achieve their desired work-life balance.

Training and Development

In the finance and securities business, employees must be allowed to realize their full potential in order to provide optimal service to customers. The Group has a system in place to support employees who take the initiative to receive education and training.

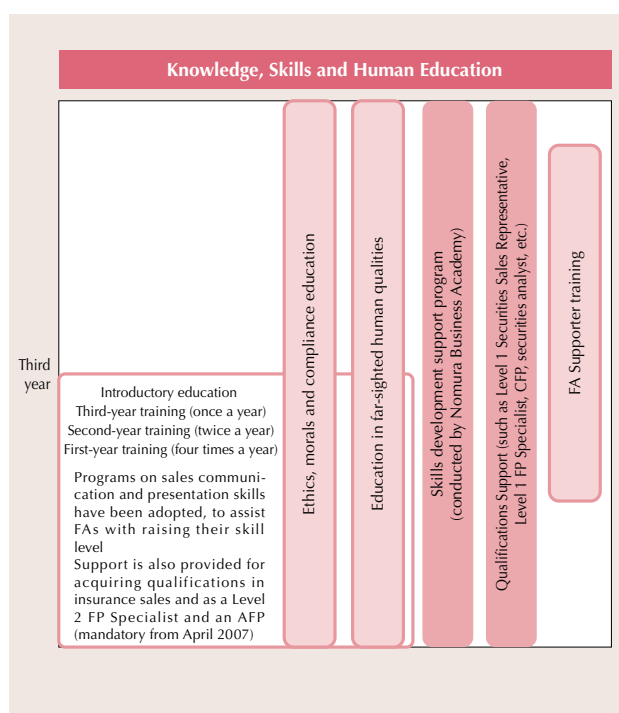
Nomura Group places importance on giving all its employees greater autonomy. To meet the strong desire of individual employees for self-advancement, we offer a range of opportunities and programs for their professional growth. Our aim with these programs is to create a system that drives a virtuous cycle of growth for both our employees and Nomura Group.

As part of our efforts to provide effective education and

training that aid employees' acquisition of knowledge and skills, e-learning and correspondence courses have been added to traditional group training programs. The aim of group-based training is to get employees to improve their ability to analyze on their own initiative. Another objective has been to develop an in-house network that provides opportunities for motivation through presentations by external lecturers and learning about the activities of their fellow employees around the country. After the switch to the new personnel system, many training programs that used to differ for employees depending on their employment category are now common to all employees, and this has created more opportunities for whole area employees, specific area employees and FAs to receive the same training and education.

In addition, support is provided to employees who undertake further study to acquire skills that they need, by paying for examination fees and other expenses associated with acquiring qualifications. In fiscal 2006 NSC spent approximately ¥177,000 per employee on training and education.

Financial Advisers (FAs) Development Program at Nomura Securities Co., Ltd.



Top Prize in Banking Business Proficiency Test

Maki Yamamoto, from The Nomura Trust & Banking Co., Ltd's Legal & Compliance Department, placed first for the second consecutive time in the National Banking Business Proficiency Test held on June 4, and October 22, 2006. In a first for an employee of The Nomura Trust & Banking Co., Ltd., Ms. Yamamoto was awarded the top prize by The Association of Banking Business Proficiency Test for her efforts. The first test covered "Trusts Practice - Level 3" (which was compulsory for all new trust bank employees from fiscal 2006), and the second test, which Ms. Yamamoto took voluntarily, dealt with "Legal Matters - Level 3." A certificate was presented to Ms. Yamamoto by Mr. Makoto Sonobe, the president of The Nomura Trust & Banking Co., Ltd.



Work Amenity and Internal Communication

Nomura Securities Co., Ltd. (NSC)'s personnel system is based on the principle of allowing our employees to realize their full potential. We strive to assign the right people to the right position, regardless of age, gender or length of service with the company. It is a fact that female employees are impacted by life events to a greater degree than their male colleagues. We have launched a project that gives female employees a platform to discuss relevant issues and that provides female employees with useful information.

NSC is proactive in developing challenging career opportunities for female employees. We have established branch offices comprised entirely of female staff, and a section in the head office has been established with the task of supporting female employees' career development. We have also established guidelines for hiring seniors, persons with disabilities, and non-Japanese nationals, and have been proactive in recruiting such employees.

Communication with Employees

We believe that proactive internal communication is essential to the vitality of our organization. We take a positive approach, communicating messages from management and important decisions to the entire staff through our intranet and company magazine.

Of course, while communications from management are very important, so are communications in each workplace. Continual communication between managers and staff is required at a workplace where all employees are to be evaluated as individuals, from the setting of employee targets through to the evaluation of achievements, to ensure that each employee is treated according to their abilities.

We believe that proactive communication on a continual basis makes it possible for the right people to be placed in the right positions, and for employees to reach their potential.

Holidays, Benefits and Employee Unions

The maximum entitlement to paid annual leave is 20 days, with the average leave taken during fiscal 2006 being 9.3 days in NSC.

Female employees are entitled to 6 weeks paid maternity leave prior to delivery (14 weeks for multiple births) and 8 weeks after delivery. A total of 126 employees took paid maternity leave during fiscal 2006.

The maximum available child care leave is 2 years, and 171 employees took this leave during the period. From April 2007, employees who meet certain conditions are able to shorten their working hours by up to 2 hours a day to care for a child not yet old enough to attend elementary school. We have also decided to cover half the cost of our employees' day care expenses for their children (up to ¥20,000 per child a month).

In fiscal 2006, 7 employees took family nursing care leave, which is available for up to 730 days. We also have a separate system for family nursing care that allows employees to shorten their working hours by up to one hour per day for up to a total of 730 days. We also have a range of fringe benefits for employees. To enable more flexible and convenient arrangements for their work and family life, since April 2007 our employees have been able to take their annual paid leave in half-day units.

There are two employee unions, with 71.3% of our workforce covered by collective bargaining agreements.

Creating a Safe Working Environment

We strive to prevent work-related illness and injury while providing an environment that allows our employees to work in comfort and safety. This includes such considerations as desk space, lighting, and office temperature control. Our overseas offices follow local requirements in

■ Nomura Securities Co., Ltd.'s Child Care and Family Nursing Care Support (as of 1 April 2007)

【Child Care Support】

1. Leave before and after delivery

Female employees can take 6 weeks prior to delivery (14 weeks for multiple births) and 8 weeks following delivery.

2. Child Care Leave

Parents can take a maximum of 2 years leave up to the child's 2nd birthday. Employees are reinstated, in principle, either to their original position or a corresponding position.

3. Leave for Care for Sick or Injured Children

Employees can take up to 5 days paid leave per year to care for sick or injured children who have not yet entered elementary school.

4. Time for Child Care

Employees can shorten their working hours by up to 2 hours a day to care for a child not yet enrolled in school.

5. Assistance with Day Care Expenses

We cover half the cost of our employees' day care expenses, up to a limit of ¥20,000 a month per child).

【Family Nursing Care Support】

Family Nursing Care Leave

Family nursing care leave can be taken on each occasion that a parent, spouse or child requires nursing care, up to a maximum of 730 days.

Employees returning to work after taking this leave are, in principle, reinstated to their original position or a corresponding position.



●Child Care and Family Nursing Care Handbook

As part of the expansion of our child care support programs in April 2007, an easy-to-use handbook was prepared about our child care and family nursing care support programs. Intended as an aid to help our employees achieve a balance between work and family obligations, the guide book draws on the opinions of the "Happy Career & Life Project for Women" (see page 19).

their respective locations. We are also engaged in a range of physical and mental health care initiatives, with regard for the health of every employee.

Mental Health Care

Nomura Group places particular emphasis on mental health care as part of providing a healthy working environment to all employees. We started offering consultations with psychiatrists at our health care centers in 1990, and began offering the services of a full-time counselor in 2001. Nomura Health Dial 24, a round-the-clock telephone counseling service linking employees and their families to physicians and counselors, was launched in 1995, and since 2006 employees have had access to face-to-face counseling on a nationwide basis. A dedicated mental health care hotline was established in 2001 to provide additional mental health care with careful consideration to privacy issues. We are raising employee awareness of mental health issues by introducing mental health self-check tools, by distributing education pamphlets and through staff training.

Health Management

We have taken a number of steps beyond the role played by our internal health care centers to facilitate our employees' health management, including establishing a group that specializes in promoting health care issues. We have set guidelines on regular and comprehensive medical examinations, including making comprehensive examinations compulsory for employees over 30 years of age and subsidizing check-ups.

In addition, we have for some time required employees working long hours to undergo mandatory health examinations. Following amendments to the Occupational Health and Safety Law in April 2006, we increased the frequency of these examinations and broadened the range of employees covered.

Family Day at The Nomura Trust & Banking Co., Ltd.

August 25, 2006 was "Family Day" at The Nomura Trust & Banking Co., Ltd., planned by its B&D (Basic & Dynamic) members as a CSR activity to let employees' families see a financial institution at work. A touch of fun was added to the guided tours conducted for the children, and in the course of the day 42 parents, spouses and children from 21 families took part. The children appeared very interested in seeing how their fathers and mothers spend the day working. The special occasion ended up being a great success.



Family Day

"Future Generations Law" Action Plans

The Future Generations Parenting Assistance Law (or "Future Generations Law" as it is commonly called) came into effect in 2005. It is intended to introduce improvements that will assist parents in achieving a balance between work and raising a family. Applicable to companies with over 300 full-time employees, the Law mandates an action plan that will support this balance. The process of certification of companies' action plans by local Labor Bureaus came into operation under the Law in April 2007, and since then some 128 companies throughout Japan have now had their action plans certified. These include Nomura Securities Co., Ltd., which extended its child care leave program to its male employees and enabled its employees to apply for shortened working hours. Nomura Asset Management Co., Ltd. was also certified in May.



Nomura Securities Co., Ltd. Niigata Branch Employee Wins Governor's Commendation

Each year the Niigata Association of Employment Development holds its Older Persons and Persons with Disabilities Employment Support Gathering in support of employment of seniors and persons with disabilities. At this year's event Mr. Ryoichi Motoyama of Nomura Securities Co., Ltd.'s Niigata Branch Office won the "Niigata Governor's Commendation for Outstanding Work Performance by a Person with Disabilities" for 2006. To be eligible for this award, a person must be "a person with a specified minimum level of disability, who is employed and has worked at the same company for three years or longer, who has overcome this disability to achieve an exemplary work record, and who is held in high esteem by

his or her work colleagues."

Mr. Motoyama has worked at the Niigata Branch Office for 11 years, where he has been engaged principally in managing order forms and in filing and other administrative duties including recovering missing documentation.



Ryoichi Motoyama, of Nomura Securities Co., Ltd. Niigata Branch Office

Diversity and Human Rights (in Japan) WEB

People (employees) are Nomura Group's most important asset. Increasing human rights awareness in order to maintain respect for human rights and prevent discrimination and harassment is a top priority.

Human Rights Awareness Training

Our human rights awareness training aims to ensure that all Nomura Group executives and employees are personally aware of Nomura Group's social responsibilities. This requires a commitment to upholding the fundamental principle of "neither discriminating, nor permitting or tolerating discrimination". The training seeks to deepen employee understanding of human rights issues and the awareness that human rights is something that concerns us all.

In-House Training Programs

Our basic principle of never tolerating discrimination led us to establish the Nomura Group Human Rights Education Committee and hold human rights training programs for all executive officers at least once a year. We also work actively to raise human rights awareness among employees by holding training programs, primarily through the Human Rights Education Committee. These programs address a range of issues, from discrimination against Japan's Dowa communities and foreign nationals residing in Japan, to sexual harassment and power harassment.

In fiscal 2006, 35 training programs were held at Nomura Securities Co., Ltd., involving over 10,000 participants.

Preventing Sexual Harassment and Power Harassment

We established our "Sexual Harassment Prevention Guide" in 1999, and created business card size "Prevention Cards" in 2003. Three sexual harassment consulta-

tion contacts were set up both within and outside the company, and employees are able to lodge complaints in person, in writing, by telephone, via e-mail or through a third party.

We are working similarly to prevent power harassment. An external contact point for power harassment complaints was established outside the company in June 2005, and awareness training programs are held to raise employee awareness of this issue.

Policy on HIV Infection

We established an HIV Infection Policy in 1994, and in April 2006 this Policy was revised to become the "Basic Policy Concerning HIV+ Persons". This Basic Policy commits Nomura Group to working toward the elimination of discrimination and prejudice against persons with HIV, and to protecting their rights.

Main In-House Training Programs

Human Rights Training for Nomura Group Executive Officers

1 Primarily lectures on human rights issues conducted by instructors from outside the company

Introductory Training for New Employees & Introductory Orientation for Mid-career Hires

- 1.Explanation of why Nomura Group cares about human rights
- 2.Nomura Group's platform for promoting human rights awareness and human rights issues that surround us
- 3.Proper understanding of HIV infection and Nomura Group's basic policy

Training for Newly-Appointed Managers (for each position)

(Managing Directors, Branch Office Managers, General Section Managers, Managerial Personnel, Instructor Personnel, and others)

- 1.The human rights situation in the world and Nomura Group's human rights initiatives
- 2.Human rights issues within the company
- 3.Matters of which all managers must be aware and actions that they should take

Training at the Head Office and Branch Offices

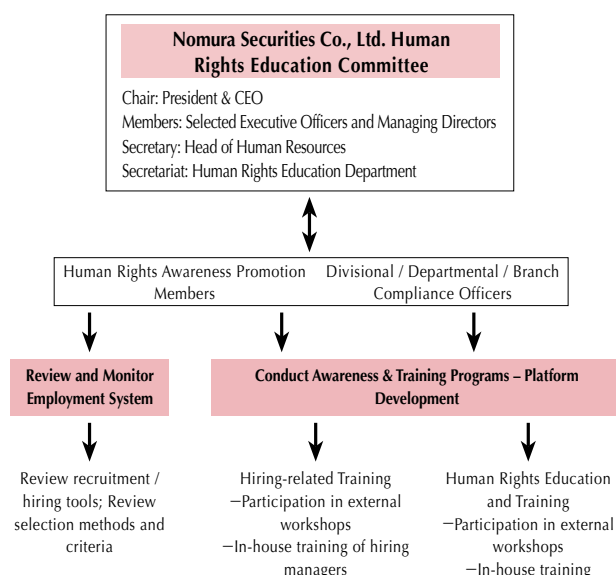
- 1.Issues between male and female employees within the company

Human Rights Education Committee Training

- 1.Award for human rights slogan
- 2.Human rights-related lectures
- 3.Human rights movements in the world and human rights issues within the company
- 4.Explanation of overview of human rights training sessions held at branches

Information Sharing between Nomura Group and Related Companies

- 1.The current situation regarding human rights
- 2.Initiatives by Nomura Securities Co., Ltd.
- 3.Information sharing among companies



Number of Employees at Nomura Securities Co., Ltd.

In general, the data on this page is current as of 31 March 2007.

	Total	Male	Female
Number of employees	11,537	6,282	5,255
Average age	38 years 7 months	41 years 3 months	33 years 7 months
Length of service	15 years	16 years 8 months	12 years

Number of Employees by Age Group at Nomura Securities Co., Ltd.

	Total	Male	Female
Under 30 years	2,670	1,187	1,483
30 ~ 39 years	3,384	1,678	1,706
40 ~ 49 years	3,071	2,148	923
50 ~ 59 years	2,261	1,207	1,054
60 years and over	151	62	89

Number of Female Managers at Nomura Securities Co., Ltd.

	Female	Male	Percentage
At 1 July 2007	71	3,301	2.11%
At 31 March 2007	52	3,203	1.60%
At 31 March 2006	34	3,093	1.08%
At 31 March 2005	27	2,985	0.90%

Seniors, Persons with Disabilities, Foreign Nationals at Nomura Securities Co., Ltd.

	Guidelines (Y/N)	Initiatives (Y/N)	Number
Seniors	Yes	Yes	162
Persons with disabilities	Yes	Yes	253
Foreign nationals	Yes	Yes	63

* All seniors (meaning persons over the age of 60 years) are on short-term contracts. They are not included in the number of employees.

**1.88% of employees are persons with disabilities (as of 1 June 2007)

Nomura Group Education and Training Expenses

	Nomura Securities Co., Ltd.	Other Japanese subsidiaries	Americas	Europe & Middle East	Asia	Total
Education and training expenses (¥1 million)	2,044	169	142	510	37	2,901

*All employee information is subject to local laws, definitions and customs. These vary greatly from jurisdiction to jurisdiction. Under the laws of each jurisdiction, this data would be different. Consequently, this information is for general purposes only.

Layout Project

When Nomura Asset Management Co., Ltd. (NAM) relocated its office, it launched "Project Layout" – a project to gather ideas and suggestions from a wide range of employees, particularly from middle and junior-level employees, concerning the layout and design of its new office.

NAM employees involved in the project formed six working teams, and each team worked as a unit to develop ideas and proposals from a variety of angles, which at the end of the process were presented to senior management.

The approximately 60 project members, coming from a variety of departments, studied ways to create a better workplace environment, based on factors including "functionality", "efficiency", "comfort" and "communication". Many of their ideas were ultimately included in the office layout, which focused on the concept of "concentration and communication," to allow NAM's office to better reflect the company's character as an asset management firm.

Many of the suggestions from employees were reflected in the new office that staff subsequently began working in. These improvements included the following: a break space on each floor; a lounge area for employees to naturally gather and communicate; private cubicles for concentrating on work; having all the employees use ergonomic chairs to make sitting for long periods of time easier on the body; female powder rooms; and a better air-conditioning system.



The Employee Lounge – an idea from the Layout Project

Relationship with the Environment

Our relationship with the environment is important to Nomura Group, as a basis for the sustainable development of society. Nomura Group promotes initiatives for a sustainable future, by raising awareness of the need for environmental conservation, taking countermeasures in response, and by providing additional solutions through investment and product development.

Our Environmental Impact

The majority of our impact on the environment comes from the power consumed at our offices. We have separated employee work areas from areas where customers visit. By doing so, we can reduce unnecessary power usage from lighting fixtures and air conditioning, while at the same time keeping our customer areas comfortable. We work to recycle and reduce our consumption of paper used in stationery and pamphlets, as well as furnishings and supplies, and are also proactive with regards to green procurement, where products with limited environmental impact are purchased.

Environmental Action Plan and Targets

Nomura Holdings, Inc. is headquartered in Tokyo, and has submitted an Anti-Global Warming Action Plan covering fiscal 2005 through fiscal 2009 to the Tokyo Metropolitan Government. We used this opportunity to unify the environmental measures carried out at our offices throughout Japan by establishing a nationwide action plan in fiscal 2005.

Environmental Activities Working Group

Until now Nomura Group has carried out a range of environmental conservation-related activities, primarily led by the headquarters in Tokyo. Having felt a need for coordinated and comprehensive initiatives for the Group as a whole, we have formed an Environmental Activities Working Group, with representatives from Nomura Holdings, Inc.'s Corporate Citizenship Department and from Nomura Securities Co., Ltd.'s General Services, Regional IT Strategy and Administration Support Departments, as well as from Nomura Business Services Co., Ltd. and Nomura Facilities, Inc.

The Working Group's task is to examine and design Group-wide measures and plans which can be implemented by Nomura Group companies working together.

Environmental Activities Working Group

Steering Committee

Nomura Holdings, Inc. Corporate Citizenship Department
Nomura Securities Co., Ltd. General Services Department
Nomura Securities Co., Ltd. Regional IT Strategy Department
Nomura Securities Co., Ltd. Administration Support Department
Nomura Facilities, Inc.
Nomura Business Services Co., Ltd.

Initiatives

Reducing paper usage
Facility management/planning
Identifying Group management issues

Fiscal 2006 Objectives and Results

Programs	Policy	Target	Fiscal 2006 Results	Comments
Global warming prevention	Reduce greenhouse gas emissions at Nihonbashi Headquarters	20% reduction vs. FY2001	28% reduction vs. FY2001	Seek further cuts at Nihonbashi HQ
	Study how to reduce domestic office energy consumption	Track results for all domestic offices	From branches sampled, grasped the predicted value of energy consumption at all branches	Studying measures to cut energy consumption at all branches
Promotion of green purchasing	Increase "green" procurement ratio	75% "green" procurement	55.8%	Continuing to train purchasing officers
	Establish Group guidelines	Policy-making / staff training	-	Not yet achieved, Discussions ongoing.
Waste management / reduction	Promote recycling (Headquarters)	Recycle 90% of waste	93.6%	Goal achieved
	Promote paper recycling	Recycle ratio of 98%	98.5%	Goal achieved
Management systems	Strengthen Group promotion system	Build global network of Group offices and companies	Established Environmental Activities Working Group	Studying initiatives to raise employee awareness
	Group environmental training			

*Initiatives to achieve 2007 targets to focus on the FY2006 goals not achieved.

Efforts Related to Global Warming

Global warming is a common concern for all mankind, and Nomura Group believes it is essential that we step up our efforts at preventing it.

Although power use is unavoidable in the financial services industry, the environmental impact of such power use is great. We therefore must minimize our power and energy consumption by taking various measures in order to prevent further global warming.

Reducing Power Consumption

We have implemented a number of programs to reduce power consumption. We encourage employees to switch off any non-essential equipment when not in use, adjust lighting levels and air conditioner settings. We seek to install low environmental impact equipment when replacing lighting fixtures and air conditioners. We are also reducing environmental impact through purchasing Green Power Certificates, with the result that 50% of the electricity used by our Nihonbashi Headquarters and 100% used by the Takanawa Training Center is now “green” power (see page 53).



Takanawa Training Center's Green Power Certificate mark.

Reducing Fuel Consumption

Employee travel is an unavoidable aspect of our day-to-day business. Nomura Group promotes the use of public transportation for traveling, including for commuting. Currently, around 61% of our leased company vehicles in Japan are low-emission models as designated by the Ministry of Land, Infrastructure and Transport. As our leases on the remaining vehicles are renewed, we will be replacing them with low-emissions and/or hybrid models. We currently have 21 hybrid vehicles in our fleet, and we plan to add more in the future.

Other Measures to Reduce Environmental Impact

There are many issues that cannot be resolved by our efforts alone, as we directly own only 40% of the offices used by our Group companies. We do as much as possible to promote the installation of environmentally friendly appliances at both the offices we own as well as the premises that we rent.

We also promote conferencing through video and other IT technologies so as to reduce vehicle use and employee travel, thereby reducing travel-related environmental impact. Video conferencing was in use at all of our offices as of March 2006.

Kids' ISO

Kids' ISO (Kids' ISO 14000) is a program for educating children about the environment. Organized by ArTech International Art & Technology Cooperation Organization, it teaches children about environmental management based on the ISO14001 international standard. The program operates activities throughout the world including Japan, and in addition to raising children's awareness it also promotes international exchange through the domestic and international networks that it creates. Nomura Group supports the goals of Kids' ISO and is a corporate sponsor.

Going forward, Nomura Group would like to raise the environmental awareness of its employees by getting them to implement initiatives in their own homes.



Kids' ISO Mascot



Environmental Performance

The following are details concerning the main contributing factors to Nomura Group's environmental impact, in particular the trends in our electricity, gas, water, and fuel/oil consumption at our three main offices—the Nihonbashi Headquarters complex*, Osaka Branch, and Nagoya Branch. Also shown are the electricity use at the Otemachi Head Office and estimated electricity, gas and water consumption at branch offices.

* The Nihonbashi Headquarters complex is comprised of the Main Building, Annex, Former Main Building, Edobashi Buildings 1, 2, and 4, and the Nomura Asset Management Head Office building.

Achievements under the Tokyo Metropolitan Government Global Warming Initiative

Metropolitan Government Global Warming Initiative

In December 2005, Nomura Securities Co., Ltd. submitted its Anti-Global Warming Action Plan to the Tokyo Metropolitan Government for our Nihonbashi Headquarters (Main Building, Annex, Former Main Building). The goal of the plan is a 6.5% reduction in CO₂ emissions over a five-year period, to be achieved by upgrading our equipment/appliances and adjusting our air conditioning settings. Progress has been smooth, and the total emissions volume of 3,285 tons last year (the second under the initiative) beat the target.

Air Conditioning & Heating System upgrades

We overhauled our indoor climate control units, switching to high-efficiency systems in order to reduce power consumption. In addition, we switched our heating energy source from oil to natural gas, reducing the volume of greenhouse gas emissions. We have also shortened the hours during which the air conditioning systems operate, and have upgraded temperature setting controls.

Increasing Lighting Efficiency

We improved efficiency while reducing the overall number of light fixtures at our headquarters. We have made facility improvements so that lights are turned off in unused areas, and partially turned off in common areas not used as work space. Our employees' commitment to turning off unnecessary lights has allowed us to reduce power use.

Energy Efficient Office Equipment

Energy efficiency is a major consideration when replacing office equipment. We have reduced office equipment power use by using the "sleep" function on monitors through other similar efforts.

Fiscal 2006 Environmental Performance at Otemachi Head Office and 148 Branch Offices in Japan

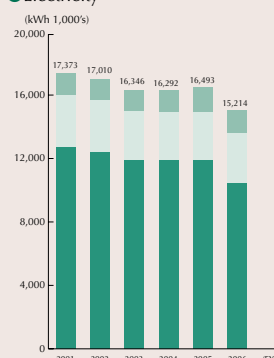
	Electricity (per kWh 1,000's)	Gas (m ³ 1,000's)	Water (m ³ 1,000's)
Otemachi Head Office (Urbanet Head Office building)	13,250	-	-
148 domestic branches (estimate)	41,490	266.3	189.0

Environmental Performance

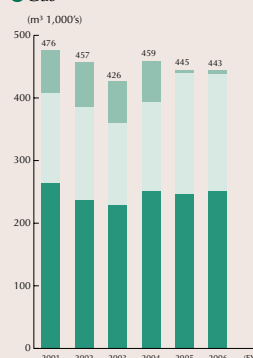
Three Main Offices

■ Nihonbashi Headquarters Complex ■ Osaka Branch ■ Nagoya Branch

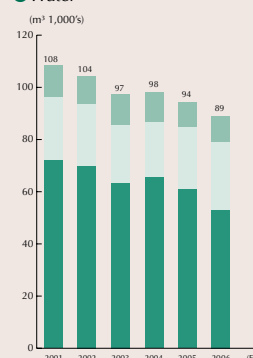
Electricity



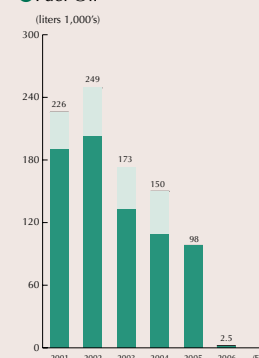
Gas



Water



Fuel Oil



Reducing Paper Consumption

Nomura Group sees the day-to-day consumption of paper as an important area where the Group's companies can play their part for the environment. The following are the main initiatives the Group is taking to reduce its paper use.

1. Office paper reduction

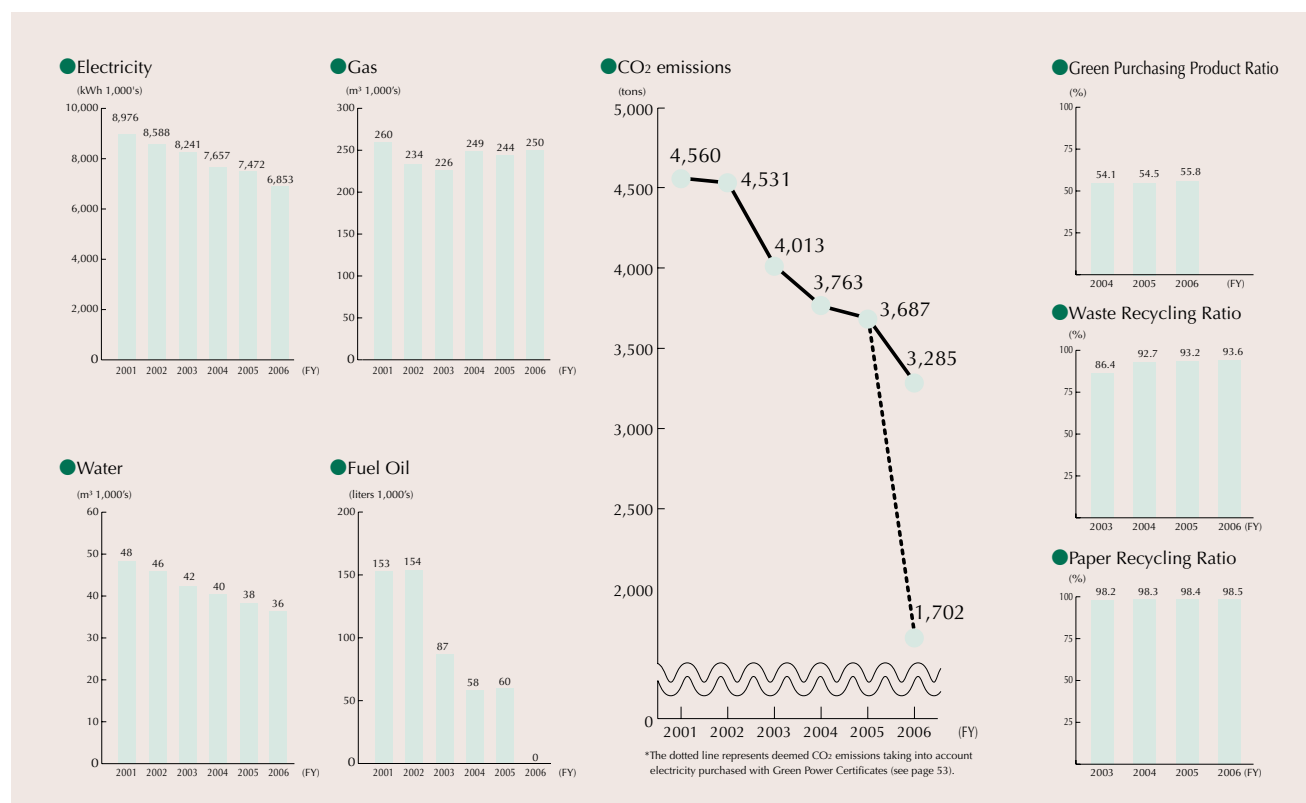
Nomura Securities Co., Ltd. calculated the amount of copy paper ordered and thrown away at all branch offices, and estimated the amount of A4 size copying paper used on a company-wide level, which it found came to around 1,055 tons in fiscal 2006. With this information measures were introduced to reduce paper consumption by Nomura Group as a whole, with targets of 10% and 20% down from fiscal 2006 set for the end of fiscal 2007 and 2009 respectively.

2. Slips and forms

We have revised our work flow to reduce the amount of paper used. The Operations Department of Nomura Securities Co., Ltd. and the Securities Clearing Department

of Nomura Business Services Co., Ltd. have been able to achieve a 1.44 million sheet reduction in annual paper usage by discontinuing paper output of some 70 different kinds of slips and forms used in their everyday operations related to stocks and bonds.

Nihonbashi Headquarters (Main Building, Annex, Former Main Building) Environmental Performance



London Initiatives

Following an increase in its staff numbers, the London Office's energy consumption (23 million kWh) and CO₂ emissions both increased slightly in fiscal 2006, along with its consumption of gas and water. The cause of these increases was of course the increase in the number of its employees. The Office is managing its waste products by separating out toner cartridges, computer equipment and mobile telephones for recycling. In fiscal 2006 it reduced the amount of its waste products by 28% compared to the previous year.

Clean City Awards

The City of London's Clean City Awards scheme operates with the collaboration of companies and businesses. The Awards promote the elimination, re-use and recycling of the waste products and rubbish that make London streets less attractive and less safe.

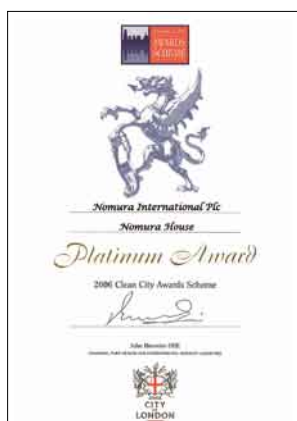
Awards ranging from "Copper" to "Platinum" are given according to the level of a company's initiatives.

Nomura International plc has taken up the challenge of the Clean City Awards, and has won a "Gold" prize four years in a row. It went in the running for a Platinum in 2006, and was successful in obtaining the top award. With some 1,300 firms in the City, Nomura was just one of 20 firms to achieve this honor.

Environment Promotion Projects

Under the slogan "Reduce, Reuse, Recycle - Nomura - For a Sustainable Future", activities are being developed inside Nomura London to promote environmental conservation. In April 2007 around thirty employees formed a group of "Environment Representatives" to take the lead in promotion activities. Members of the group have taken it as their mission to educate their colleagues and friends about environmental initiatives both at work and at home. The members aim to listen to their colleagues' opinions and to get them on board willingly, rather than out of a sense of obligation. They also arrange for training in waste management by public bodies, and employees who complete the course can become accredited.

To promote the program pens and mugs have been made from recycled materials. They are printed with the program logo, and the mugs are used in place of paper cups.



Platinum Prize Certificate



Platinum Prize Trophy



Mugs & Pens made from recycled materials

Green Electricity from Biomass Power Producers

Green Power Certification System

Trading of “environmental value added” from CO₂ emissions reductions creates a virtuous cycle for the environment

Global warming has become a pressing issue. Using power derived from renewable sources of energy provides a double advantage: the benefits of the power itself, and the “environmental added value” derived from reduced CO₂ emissions and energy consumption. Japan’s “Green Power Certification System” takes this “environmental value added” and converts it into a credit that can be traded.

The Japan Natural Energy Company, Limited (“JNEC”) acts as a broker between clean energy producers and companies that purchase Green Power Certificates (“GPC”). Companies that purchase GPCs can use them to meet their emissions reductions targets.

Using a predetermined conversion factor, the amount of electricity noted on the GPC is used to offset a corresponding volume of CO₂ emissions. The GPC that JNEC issues to the company also states a power generation record and power generation period. The company pays an amount based on the power generation record, and that becomes a source funds for the clean power producer to generate “green” power. In short: 1) CO₂ reductions and other “environmental value added” are split off and assigned a monetary value in the form of a GPC; 2) companies purchase GPCs for a certain price; 3) the funds raised from the purchase of GPCs are provided to natural power producers by JNEC; and 4) producers use the funds to produce more natural energy and therefore achieve further reductions in CO₂ emissions, thus giving rise to a virtuous cycle. Another plus is that companies who purchase GPCs are given a “Green Power” mark, which they can display on their business cards, corporate brochures and website.

As of the end of March 2007 a total of 104 companies and organizations have signed GPC contracts, topping 100 for the first time. The contracts cover a total of 70,309,000 kWh of power a year (equivalent to the energy consumed by 19,500 homes), resulting in a reduction of 27,300 tons in CO₂ emissions.

Nomura Holdings, Inc. has the largest GPC contract in the country, for 5,900,000 kWh of energy generated from biomass annually (as of 31 March 2007). All of the power consumed by the Takanawa Training Center and 50% of that consumed by Nihonbashi Headquarters building is therefore “green” electricity.

Expanding the Application of Biomass Energy

Meiken Lamwood Corporation, Ltd.

Representative Director & President Koichiro Nakajima

Our company is located in Maniwa City in Okayama Prefecture, a region that produces Mimasaka hinoki cypress. It’s also a collection and distribution area for wood products containing timber from all over western Japan. From the time our company was founded, we have believed that wood is both a superior material and a renewable resource. We are heirs to the European tradition of using all of the timber from start to finish, from sawing to distribution and woodchip processing. Disposing of waste materials such as plane shavings and tree bark is costly. However, using these materials as biomass to generate electricity not only mitigates our disposal costs but also provides us with electricity and contributes to a sustainable environment by reducing CO₂ emissions. After starting our own power generation project in 1984, in 1998 we completed construction of a full-scale power plant, which supplies 100% of our plants’ power requirements. Since receiving a “Green Power Generation Facility Certification” in 2006, the electricity used in our factories has been certified as “green power”, and our new business model of selling any surplus to electricity companies is doing nicely. Most of the power used in our factories has currently been allocated to a Green Power Certificate purchased by Nomura Holdings, Inc. A system which allows “green” electricity generated in Okayama to supply indirectly the energy consumed by a big company is just one small part of a sustainable model that promises much for the future. I would like to work at expanding the use of biomass energy, which would promotes the wider growth of the Green Power Certification System.



Global Reporting Initiative (GRI) Guidelines Index

1. Vision and Strategy

1.1	Statement of the organization's vision and strategy regarding its contribution to sustainable development.	p2-5
1.2	Statement from the CEO (or equivalent senior manager) describing key elements of the report.	p2-5

2. Profile

● Organizational Profile

2.1	Name of reporting organization.	table2
2.2	Major products and/or services, including brands if appropriate.	table2,p28-29
2.3	Operational structure of the organization.	table2,Web
2.4	Description of major divisions, operating companies, subsidiaries and joint ventures.	table2
2.5	Countries in which the organization's operations are located.	table2
2.6	Nature of ownership; legal form.	table2
2.7	Nature of markets served.	table2,Web
2.8	Scale of the reporting organization.	table2
2.9	List of stakeholders, key attributes of each and relationship to the reporting organization.	p1

● Report Scope

2.10	Contact person(s) for the report, including e-mail and web addresses.	table2
2.11	Reporting period (e.g., fiscal/calendar year) for information provided.	table2
2.12	Date of most recent previous report (if any).	table2
2.13	Boundaries of report and any specific limitations in its scope.	table2
2.14	Significant changes that have occurred since the previous report.	—
2.15	Basis for reporting that can significantly affect comparability from period to period and/or between reporting organizations.	—
2.16	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	—

● Report Profile

2.17	Decisions not to apply GRI principles or protocols in the preparation of the report.	—
2.18	Criteria/definitions used in any accounting for economic, environmental and social costs and benefits.	—
2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental and social information.	p41,47,50-51
2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness and reliability that can be placed on the sustainability report.	table2
2.21	Policy and current practice with regard to providing independent assurance for the full report.	p57
2.22	Means by which report users can obtain additional information and reports about economic, environmental and social aspects of the organization's activities, including facility-specific information (if available).	table2

3. Governance Structure and Management Systems

● Structure and Governance

3.1	Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization.	p22-27
3.2	Percentage of the board of directors that are independent, non-executive directors.	p22-27
3.3	Process for determining the expertise board members need to guide the strategic direction of the organization, including issues related to environmental and social risks and opportunities.	p22-27
3.4	Board-level processes for overseeing the organization's identification and management of economic, environmental and social risks and opportunities.	p22-27
3.5	Linkage between executive compensation and achievement of the organization's financial and non-financial goals (e.g., environmental performance, labor practices).	—
3.6	Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social and related policies.	p22-27
3.7	Mission and values statements, internally developed codes of conduct or principles and policies relevant to economic, environmental and social performance and the status of implementation.	p6-11,22-27
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors.	p22-27

● Stakeholder Engagement

3.9	Basis for identification and selection of major stakeholders.	table2
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group.	table2
3.11	Type of information generated by stakeholder consultations.	p10-11,12-13
3.12	Use of information resulting from stakeholder engagements.	p10-11,12-13

● Overarching Policies and Management Systems

3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	p22-27
3.14	Externally developed, voluntary economic, environmental and social charters, sets of principles or other initiatives to which the organization subscribes or which it endorses.	table2
3.15	Principal memberships in industry and business associations, and/or national/international advocacy organizations.	table2
3.16	Policies and/or systems for managing upstream and downstream impacts.	—
3.17	Reporting organization's approach to managing indirect economic, environmental and social impacts resulting from its activities.	p10-11,22-27
3.18	Major decisions during the reporting period regarding the location of, or changes in, operations.	p2-5,Web
3.19	Programs and procedures pertaining to economic, environmental and social performance.	p10-11
3.20	Status of certification pertaining to economic, environmental and social management systems.	—

Integrated Indicators

Systemic indicators	p41,47,50-51, Web,AR
Cross-cutting indicators	p41,47,50-51, Web,AR

Economic Performance Indicators

EC1.	Net sales.	AR
EC2.	Geographic breakdown of markets.	AR
EC3.	Cost of all goods, materials and services purchased.	AR
EC4.	Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements.	AR
EC5.	Total payroll and benefits (including wages, pension, other benefits and redundancy payments) broken down by country or region.	AR
EC6.	Distributions to providers of capital broken down by interest on debt and borrowings and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed.	AR

EC7.	Increase/decrease in retained earnings at end of period.	AR
EC8.	Total sum of taxes of all types paid broken down by country.	AR
EC9.	Subsidies received broken down by country or region.	p41
EC10.	Donations to community, civil society and other groups broken down in terms of cash and in-kind donations per type of group.	p41

Environmental Performance Indicators

EN1.	Total materials use, other than water, by type.	—
EN2.	Percentage of materials used that is waste (processed or unprocessed) from sources external to the reporting organization.	—
EN3.	Direct energy use segmented by primary source.	p50-51
EN4.	Indirect energy use.	—
EN5.	Total water use.	p50-51
EN6.	Location and size of land owned, leased or managed in biodiversity-rich habitats.	—
EN7.	Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater and marine environments.	—
EN8.	Greenhouse gas emissions (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆).	p50-51
EN9.	Use and emissions of ozone-depleting substances.	—
EN10.	NO _x , SO _x and other significant air emissions by type.	—
EN11.	Total amount of waste by type and destination.	p50-51
EN12.	Significant discharges to water by type.	—
EN13.	Significant spills of chemicals, oils and fuels in terms of total number and total volume.	—
EN14.	Significant environmental impacts of principal products and services.	—
EN15.	Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed.	—
EN16.	Incidents of and fines for non-compliance with all applicable international declarations/conventions/treaties and national, sub-national, regional and local regulations associated with environmental issues.	—
(EN17.)	Initiatives to use renewable energy sources and to increase energy efficiency.	p53

Social Performance Indicators

LA1.	Breakdown of workforce.	p47
LA2.	Net employment creation and average turnover, segmented by region/country.	p47
(LA12.)	Employee benefits beyond those legally mandated.	p42-47
LA3.	Percentage of employees represented by independent trade union organizations.	p42-47
LA4.	Policy and procedures involving information, consultation and negotiation with employees over changes in the reporting organization's operations (e.g., restructuring).	p42-47
(LA13.)	Provision for formal worker representation in decision making or management, including corporate governance.	p22-27
LA5.	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.	p42-47
LA6.	Description of formal joint health and safety committees comprising management and worker representatives and proportion of the workforce covered by any such committees.	—
LA7.	Standard injury, lost day and absentee rates and number of work-related fatalities (including subcontracted workers).	—
LA8.	Description of policies or programs (for the workplace and beyond) on HIV/AIDS.	p42-47
LA9.	Average hours of training per year per employee by category of employee.	p42-47
(LA16.)	Description of programs to support the continued employability of employees and to manage career endings.	p42-47
(LA17.)	Specific policies and programs for skills management or for lifelong learning.	p42-47
LA10.	Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and results of monitoring.	p42-47
LA11.	Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate.	p42-47
HR1.	Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results.	p42-47
HR2.	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors.	p42-47
HR3.	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring.	p42-47
(HR8.)	Employee training on policies and practices concerning all aspects of human rights relevant to operations.	p42-47
HR4.	Description of global policy and procedures/programs preventing all forms of discrimination in operations, including monitoring systems and results of monitoring.	p42-47
HR5.	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programs to address this issue.	p42-47
HR6.	Description of policy excluding child labor as defined by the ILO Convention 138.	—
HR7.	Description of policy to prevent forced and compulsory labor.	p42-47
(HR9.)	Description of appeal practices, including, but not limited to, human rights issues.	p22-27
(HR10.)	Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights).	p22-27
(HR11.)	Human rights training for security personnel.	p46
(HR12.)	Description of policies, guidelines and procedures to address the needs of indigenous people.	p46
(HR13.)	Description of jointly managed community grievance mechanisms/authority.	p22-27
(HR14.)	Share of operating revenues from the area of operations that are redistributed to local communities.	p41
SO1.	Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programs to address this issue.	p42-47
SO2.	Description of the policy, procedures/management systems and compliance mechanisms for organizations and employees addressing bribery and corruption.	p6,23-24
SO3.	Description of policy, procedures/management systems and compliance mechanisms for managing political lobbying and contributions.	—
(SO4.)	Awards received relevant to social, ethical, and environmental performance.	p56
(SO7.)	Description of policy, procedures/management systems and compliance mechanisms for preventing anti-competitive behavior.	p22-27
PR1.	Description of policy for preserving customer health and safety during use of products and services.	p30-31
PR2.	Description of policy, procedures/management systems and compliance mechanisms related to product information and labeling.	p30-31
(PR8.)	Description of policy, procedures/management systems and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction.	p30-31
(PR9.)	Description of policies, procedures/management systems and compliance mechanisms for adherence to standards and voluntary codes related to advertising.	p30-31
(PR10.)	Number and types of breaches of advertising and marketing regulations.	p30-31
PR3.	Description of policy, procedures/management systems and compliance mechanisms for consumer privacy.	p25

* “—” stands for N/A.

“Web” are the items described on the website of Nomura Holdings, Inc.

“AR” are the items described in the Annual Reports, Financial Statements, and documents submitted to the Securities and Exchange Commission (SEC).

Items printed in lighter shades remain unreported.

Independent Review



Kanji Tanimoto
Professor, Hitotsubashi
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The main feature of Nomura Group's CSR-related initiatives over the past year was the formulation of the "Mission Statement" and "Principles of Conduct (for executive officers)" as presented at the beginning of the Report. Ten years after the determination to embark on what was tantamount to a re-founding of the company, following the second scandal, the company has made available to the public a Mission Statement that clearly spells out in common language the Basic Principles and Code of Conduct of the Group. Granted there are shades of differences in the comprehension and degrees of commitment to CSR among business lines, B&D activities are in their second stage, and serious efforts at sharing common values, providing support to female employees and improving environmental performance (e.g. reduction of the use of paper) are in full swing. There is greater recognition of the social contribution the company makes through its core financial business, namely providing education in finance and economics.

In last year's report, I pointed out the need for the company to identify how CSR is positioned in its management vision and business activities. This time, a full-scale review was made of how business is conducted, including what had previously been taken for granted. In other words, no stone was left unturned in compiling the Mission Statement for public release. The pyramid shown on page 6 is a graphic representation of the concept.

As business grows and diversifies, questions are rightly raised as to how compliance and governance systems are built into all areas of the business. Nomura Group understands this as an important factor in ensuring corporate competitiveness. As was made abundantly clear in the CEO's message, it is necessary to constantly verify to what extent these systems penetrate throughout the company.

That said, one does understand the difficulty of effectively implementing this system, as is evident from recent scandals involving financial institutions. Many of these institutions were pioneers in putting in place compliance

systems, establishing CSR departments and publishing CSR reports. How much of this commitment at the top was penetrating down to the operational level is the big question. Systems and rules are easy to establish, but it is easier said than done when it comes to having them put into practice throughout an organization. This is simply because this touches on the delicate issue of effective communication and the decision-making process, both of which have much to do with the organizational culture.

As the Group's companies expand domestically and overseas and becomes increasingly diverse (absorbing transferees, temporary workers and persons of different nationalities), Nomura will be faced with having to find ways of retaining a common purpose, as the tacit understanding that existed in the past ceases to exist.

The Group must continually ask itself why it is here, what its mission is, and even what principles it has to respect. There has to be a clear message for the people to work together toward the common goal. It does not mean that it is enough to write something down on paper. There is a constant need, inspired by the commitment of those at the top, for all people in the Group to return to the Mission Statement and Principles of Conduct, and to hold each other to them. The financial industry in particular requires the trust of the market and this must be taken very seriously. I am looking forward to the Principles of Conduct for employees to be formulated before the year-end and become firmly established in the organizational culture soon after.

It pleases me to hear that during the past year CSR has become an entrenched aspect of the everyday business routine. The next step will be for it to become integral to management in every department. In the last report I referred also to the need for every department to be able to clearly state its annual CSR-related objectives, what strategic initiatives have been taken, and what results had been achieved. Where corporate governance and CSR management are concerned, drawing a system chart of the allocation of responsibilities is not enough; how they are functioning and what challenges they face must be clearly stated. The broad objectives of CSR initiatives for the upcoming fiscal year have been noted (p.11). They must now be incorporated in medium- and long-term management plans, and in the Group's companies and each departments' management systems.

Public Evaluation

Nomura Group's CSR initiatives have been highly commended, and Nomura Holdings, Inc. stock is part of the Dow Jones Sustainability Indexes, FTSE4Good Index, and MS-SRI (MorningStar Socially Responsible Investment Index as of September 2006). It was selected to be included in the Global 100 in January 2007.



Dow Jones Sustainability Indexes
The Indexes is the world's first sustainability equity indexes for which companies are jointly selected by Dow Jones & Company and Sustainable Asset Management (SAM), Switzerland.



FTSE4Good Index
A socially responsible investment index set up by FTSE owned by the Financial Times and the London Stock Exchange.



MS-SRI
The first domestic socially responsible investment stock index developed by Morningstar Japan K.K., indexing stock prices of the 150 most socially responsible companies listed in Japan.



Global 100
The world's most sustainable corporations selected by Innovest Strategic Value Advisors Inc., SRI's research company in the U.S. and Corporate Knights Inc., the publisher of a Canadian CSR magazine.

Editor's Postscript

This is the fourth issue of the CSR Report. Previous reports have focused on assessing Nomura Group from a CSR perspective, and attempted to communicate to our stakeholders activities reflecting our engagement in environmental and social issues and responsible corporate governance. In compiling the fourth report, we wished to communicate to our readers the essence of what CSR means to Nomura Group and to explain how CSR is manifested in the management of the company. We also attempted to share with the reader as much as possible concerning the direction and objectives of our activities during the coming year and beyond. The report opens with the clear and concrete message from the CEO, and is followed by examples of dialogues and surveys of our people to hear what they think about corporate social responsibility. In order for us to give the reader a broader understanding of the Group's initiatives as a whole, we have introduced activities carried out by our people around the world.

The first item of our Mission Statement states: "We are committed to enriching society." We feel that dialogue with our stakeholders, and society in particular, is becoming increasingly important.

We will feel gratified if through this report you have gained a better understanding of the spirit of CSR as declared by Tokushichi Nomura II: "Nomura's mission is to enrich the nation through the securities business", and our philosophy of carrying out CSR activities in line with our Mission Statement.

I believe that dialogue involves the deepening of mutual understanding and nurturing trust among people and business organizations. As the executive officer in charge of communications, I am as committed as ever to improving communication at all levels, within our organization and with our stakeholders, so that Nomura Group may through stronger CSR initiatives be of ever greater service to our society and the world.



Toshio Hirota
Executive Managing Director
Head of Communications
Nomura Holdings, Inc.

■ The cover



The rainbow embodies the vitality of the colorful diverse global family of Nomura Group and its executives and employees sharing the vision and working as one to accelerate growth, as embodied in the Mission Statement, the cornerstone of this year's CSR report.

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