



Kan Trakulhoon

Advisory Board Member

Director and Chairman of the Management Advisory Committee of the Siam Cement Group (SCG) Former President and CEO of SCG, one of Thailand's most reputable industrial conglomerates established in 1913. Chairman of the Management Advisory Committee from 2016. He was recently awarded the 2014 Deming Distinguished Service Award for Dissemination and Promotion (Overseas).

What is your philosophy for steering organizations as a member of top management?

Adaptability and responsiveness are among the most important qualities and, as such, they must be ingrained in the organizational culture in order to compete globally. Employees need to be highly flexible and always welcome change. People are the most crucial resource, and management must commit to protecting and providing for the true betterment of its employees in order to inspire loyalty, integrity, and sustainable development.

A number of companies laid off staff during the Asian currency crisis of 1997. The Siam Cement Group (SCG), for example, incurred large losses and reduced its equity holdings. During this challenging time, however, we did not lay off any personnel, and instead continued to hire 200 young recruits each year. We believed that to contribute to society, young people needed employment in order to avert structural problems with the "population pyramid."

A company must also provide suitable engagement programs for its employees, including training and development, a good succession plan process, regular review of employee talent, employee surveys, and CSR activities, among other things. Leaders at every level must be good role models in terms of fairness, ethics, and commitment to sustainable development, demonstrating their abilities through their roles and responsibilities. Furthermore, leaders must also provide their subordinates with challenging jobs and thoughtful mentoring so that they can develop and achieve their fullest potential. For instance, every year I committed several hundred hours to teaching a number of classes to employees of all levels—from new hires

to top management.

Employee surveys are helpful for acquiring insights on trends, such as why young people tend to leave their companies. We found that the largest proportion of young people—40%—does so to further their education. We established networks and programs to support and maintain contact with employees who leave to study abroad and encourage them to return after graduation. We also learned that the younger generation has a strong volunteer spirit, and with this in mind, we introduced many CSR programs, even during orientation training, that bring real benefits to communities and the environment. Taking part in activities that give back to society gives employees a sense of pride, both personal and with regard to their company. Since people are Nomura's most important asset, Nomura should implement such CSR programs for its employees, especially for the younger generation.

Finally, I believe in the power and value of diversity. For example, SCG has more than 17,000 employees working outside Thailand, with diversity in religion, culture, and gender, who now represent about 32% of our total workforce and collaborate together as one. I believe that Nomura can gain immensely from such diversity in the workforce. I have been to Japan more than 170 times and have noticed that Japanese women in the workforce are very intelligent, but they remain underutilized. With Japan's aging population and shrinking workforce, Nomura has an opportunity to leverage the country's talented female workforce by developing policies that promote career advancement for women. I see great potential, especially for companies in the financial sector, like Nomura, to

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benefit from the employment of women in more challenging roles. Nomura could brand itself as "the leading workplace for women."

Nomura aims to contribute to the development of Asian capital markets. How do you view Nomura's potential to support growth in Asia?

I think Nomura has tremendous potential to support growth in Asia and establish a dominant position as Asia's global investment bank. Currently, even within Asia, regions vary in terms of the degree of development and customer needs, and Nomura can leverage its diverse experience in developed markets such as Japan, North America, and Europe to capitalize on trends in various Asian markets.

We have discussed at length our strategies for investment in China. Certainly, investment in China is a must that cannot be avoided. Finding a partner is extremely important, however, and finding a good partner will require a lot of effort. The internationalization strategy for the Chinese yuan also presents Nomura with business opportunities. Hong Kong is already a financial hub. Singapore is becoming very strong and indeed may have already surpassed Hong Kong. Also, Taiwan is striving to become a financial hub, and I see a lot of potential in investing more in Taiwan.

I think the key for Nomura to achieve its goals in Asia will lie in the research capabilities of the aforementioned countries and may thus require selective synergistic collaboration with local banks. Finding a partner for such collaboration, however, remains a crucial part of the process.

To meet the aforementioned expectations as we head toward our 100th anniversary in 2025 and beyond, what do you think will be important in order for Nomura to increase its corporate value and grow sustainably?

Nomura is approaching its 100th anniversary, and I would like to see the Company branded as an innovative and

sustainable organization. I agree with Nomura's vision to be Asia's global investment bank, but I would also like for Nomura to include innovation and sustainability as elements of its overall vision. As such, Nomura's branding must reflect its personality from the perspectives of innovation and sustainability. I believe that Nomura can consistently provide creative and novel product offerings that please customers while being a good global corporate citizen. In addition, I recommend developing the right CSR programs to engage Nomura's employees and local communities, which in turn will strengthen Nomura's brand.

In order to survive future competition, a company must draw on its internal strengths, which derive from its corporate culture. After spending two years on the Nomura Advisory Board, it is evident that Nomura has a well-rounded perspective, a dynamic culture, and a management team with a forward-looking approach, exemplified by a diverse board comprising 50% foreign and outside directors.

Nomura is quite advanced compared to its Japanese competitors, but there is still room for improvement. I believe that with corporate values that reflect innovation and sustainability, Nomura can become not only Asia's global investment bank but also a global leader by its 100th anniversary.

How should the Nomura management team make the best use of the Advisory Board?

After two years of working together with Nomura's management, I feel that we are much more open toward each other and I find that our discussions are very smooth and fluid in every session. It is important as well to have free and open discussion, as I believe this makes the best use of the Advisory Board. Occasionally, the Advisory Board may base its comments on previous experiences that may no longer be applicable in certain situations. Thus, I urge the management team to have frank, open discussion with the Advisory Board without worrying about differences of opinion or anyone losing face over a particular matter.