

Advancing Sustainable Finance

Fundamental Approach

Nomura Group believes that the social mission of the financial services sector is to contribute to economic growth and sustainable social development by promoting the appropriate flow of funds in the capital markets through providing products and services that meet customers' needs. In addition, through dialogue with stakeholders, we offer financial services that help address various social and environmental issues around the world.

Contributing to Sound and Sustainable Capital Markets

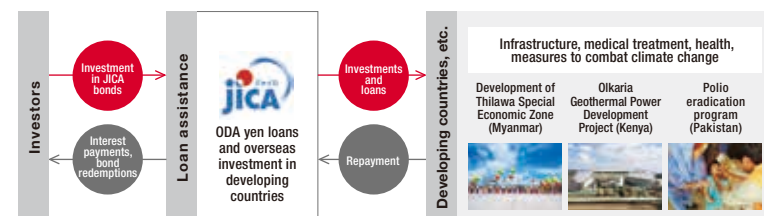
Working to address social issues through financial services

In FY2016/17, Nomura Securities provided support for the first "Social Bond" issued by a domestic issuer, the Japan International Cooperation Agency (JICA), and the first "Green Bond" issued by a non-financial company in Japan, Nomura Research Institute (NRI), in the Japanese bond market as lead manager. We will continue to serve as a bridge between the needs of investors who want to contribute to society and the funding demands of projects aimed at solving social issues. In doing so, we aim to contribute towards the development of Japan's Green Bond and Social Bond markets.

Social Bonds: JICA Bonds

In September 2016, Nomura Securities was lead manager for a ¥35 billion bond issuance by the Japan International Cooperation Agency (JICA). The proceeds are being used for such purposes as infrastructure projects in emerging and developing countries and measures to tackle climate change. JICA received a second opinion from the Japan Research Institute, Limited ("JRI") that the framework of JICA bonds is aligned with the features of Social Bonds as defined in the updated Green Bond Principles, 2016, where the proceeds will be exclusively used for social projects to address social issues.

In 2015, the United Nations set out its Sustainable Development Goals (SDGs). Within the Japanese government's SDGs Implementation Guiding Principles, "issuance of JICA bonds" is given as a specific example for the 17th of the SDG goals, "partnerships for the goals."



Green Bond Issue: NRI Green Bond

Against the backdrop of expanding ESG (Environment, Social, Governance) investment, Green Bonds have been attracting international attention as one way of addressing environmental issues. In September 2016, Nomura Securities structured, underwrote, and sold the first yen-denominated Green Bond issue in Japan, by Nomura Research Institute (NRI). The bond proceeds were used to finance the acquisition of trust beneficiary rights for part of the Yokohama Nomura Building, which

has been certified as an environmentally friendly property, and occupancy work related to the building.

A Second Party Opinion certifying conformity with the Green Bond Principles has been obtained from Vigeo Eiris which provides ESG evaluation. In addition, the NRI Green Bond has received an R&I Green Bond Assessment of the highest grade, "GA1", from Rating and Investment Information, Inc.

Social Finance Products
<http://www.nomuraholdings.com/csr/sustainable/products.html>

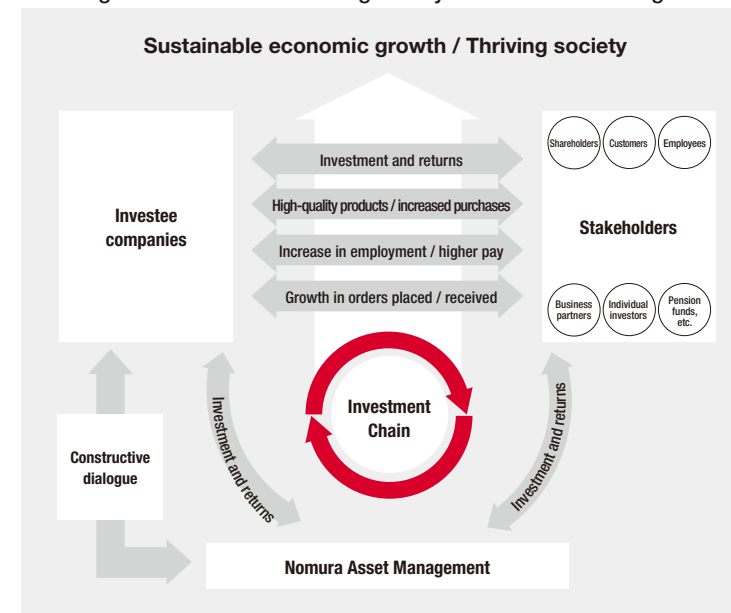
Realizing a virtuous cycle through investment as a Responsible Institutional Investor

Financial Services Agency of Japan published the "Principles for Responsible Institutional Investors" ("Japan's Stewardship Code") in 2014. By actively undertaking stewardship activities through constructive dialogue with investee companies and proxy voting, Nomura Asset Management encourages sound corporate

management and seeks to maximize returns on investment.

Nomura Asset Management agrees with the purport of the Code and also undertakes investments taking ESG into consideration. We are supporting future growth cycles by boosting companies' ability to grow sustainability and by helping people build their assets.

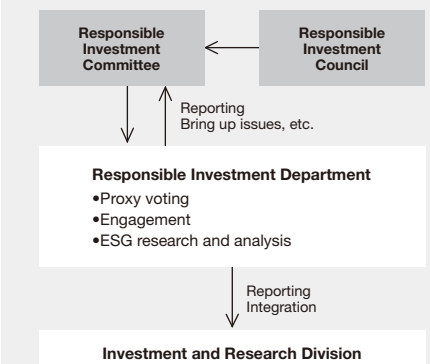
Realizing the Investment Chain targeted by Nomura Asset Management



Responsible Investment
<http://global.nomura-am.co.jp/responsibility-investment/>

Responsible Investment System

Nomura Asset Management established the Responsible Investment Department in April 2016. Through it, we aim to strengthen dialogue with investee companies relating to ESG, make investment decision-making more precise, and support sustainable corporate growth.



Holding ESG seminars

In response to growing interest in ESG investment based on an evaluation of a company's efforts with respect to the environment, society, and governance at the time of investment, Nomura Securities has been holding a series

of ESG seminars for institutional investor clients on such themes as the environment, ESG developments in Europe, and the evaluation of Boards of Directors. More than 300 people attended these seminars in FY2016/17.