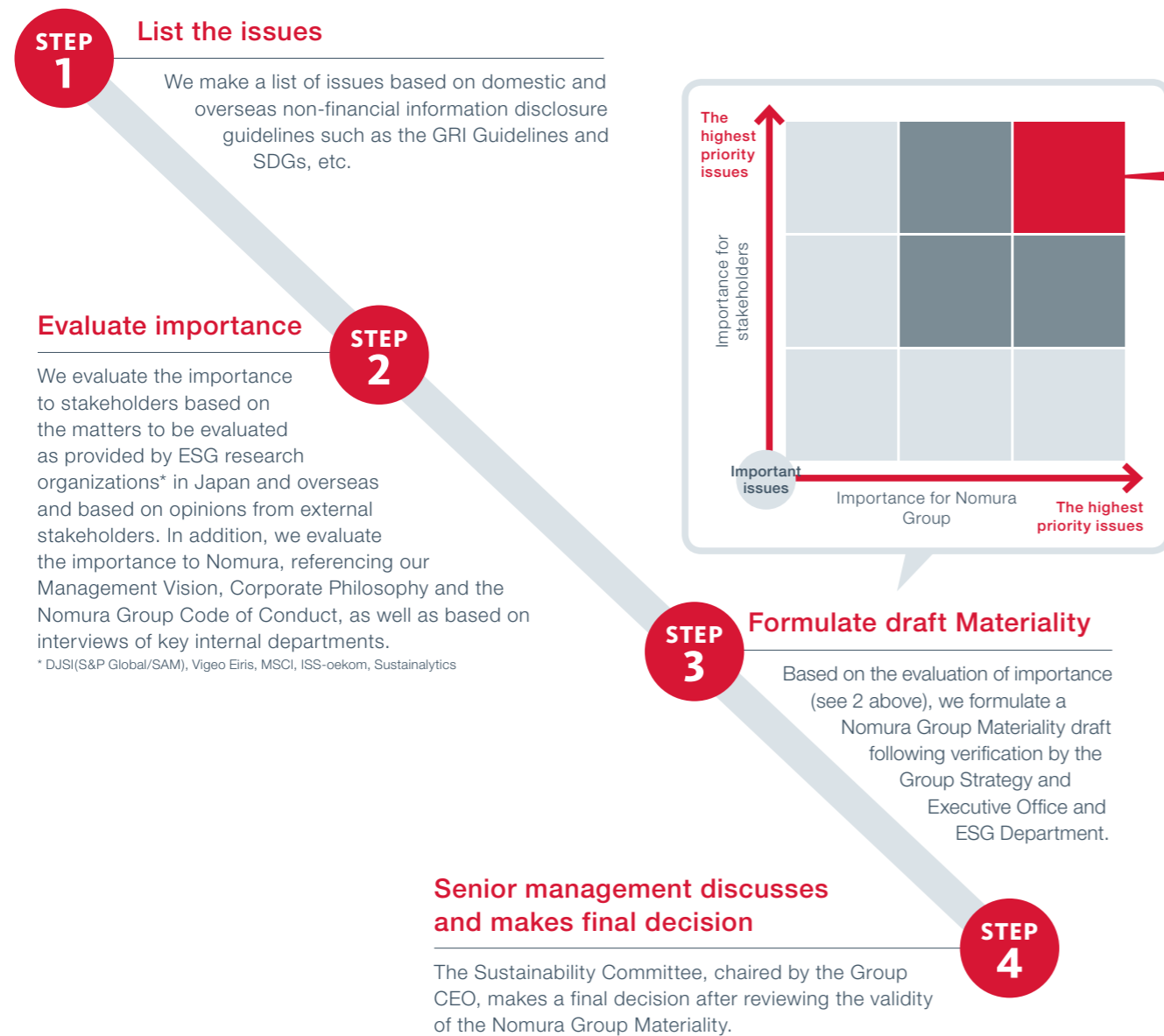


# Materiality

Nomura Group Materiality

Since Nomura Group first identified CSR Materiality in 2008, we have conducted regular reviews based on trends in the international community and the expectations of stakeholders. Last year, we reformulated the Nomura Group Materiality that we should focus on in advancing our management vision for 2025, "Achieve sustainable growth by helping resolve social issues." We have reviewed and adjusted the Materiality based on changes in the business environment over the past year and developments in our business activities. We will continue to make every effort toward our targets by using metrics to monitor our progress.

## Selection process



## The highest priority issues to address

	Material issues	Examples of Major Initiatives	Metrics	Targets	SDGs
Initiatives toward sustainable growth	Capital markets Provide financial services that contribute to solve social issues	<ul style="list-style-type: none"> <li>ESG related initiatives</li> <li>Signatory to UN Principle for Responsible Banking (PRB), UN Principle for Responsible Investment (PRI)</li> <li>Established Wholesale Division ESG sectoral appetite statement</li> <li>Develop and provide ESG investment products and analysis of investee companies utilizing carbon pricing</li> <li>Established Nomura Greentech</li> <li>Established ESG team in the Equity Research department</li> <li>Initiatives to expand services from a client perspective</li> <li>Developing a new client base through collaboration with business partners</li> <li>Initiatives for asset formation and asset life extension in view of the declining birthrate and aging population (financial gerontology research, development of sales partners for elderly clients)</li> </ul>	<ul style="list-style-type: none"> <li>Value of sustainable finance we support</li> <li>Sustainable investment ratio</li> </ul>	Nomura Group's corporate philosophy is to contribute to the creation of a truly affluent society through financial and capital markets. We will contribute to the sound development of capital markets by providing high-value-added solutions and promoting the circulation of risk money, and helping resolve social issues through our core business	
	Business transformation Expand and strengthen businesses from "Public" to "Private"	<ul style="list-style-type: none"> <li>Established Investment Management Division</li> <li>Provide alternatives</li> <li>Response to diverse needs of new investor base and existing clients</li> <li>Provide private delivery tailored to needs and circumstances through bespoke and digital</li> <li>Introduce a fee structure from the clients' perspective and utilize the CIO model</li> </ul>	<ul style="list-style-type: none"> <li>Retail client assets</li> <li>Alternative investments</li> </ul>	We establish a system to provide optimal solutions that meet the diversified needs of our clients. To adapt to the ever-changing business environment, we strive to continuously improve corporate value through continuous business transformation	
	Business transformation Continual review of existing business portfolio	<ul style="list-style-type: none"> <li>Continual review of business platform</li> <li>Optimal allocation of resources and cost control with an ROE target (8-10% for FY 2024/25)</li> </ul>	<ul style="list-style-type: none"> <li>ROE</li> <li>State of cost rationalization</li> </ul>		
Platform toward business sustainability	Digital transformation	<ul style="list-style-type: none"> <li>Expand diverse digital delivery and contents</li> <li>Pursue added value in a new era based on strengthening the development and recruitment of digital human resources</li> <li>Diversify approaches to clients by using e-mail and online conferencing systems in addition to face-to-face meetings</li> <li>Create value chains by providing market infrastructure using blockchain technology</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction level</li> </ul>		
	Governance Customer protection	<ul style="list-style-type: none"> <li>Ensure information security</li> <li>Protect customer's assets and information properly</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction level</li> <li>Number of complaints</li> </ul>	In order to achieve our management vision of "Achieving sustainable growth by helping resolve social issues," we work to thoroughly protect clients, enhance corporate governance, promote the adoption of a code of conduct, and thoroughly comply with laws and regulations. By promoting and establishing a culture that pursues appropriate business conducts, we build trust with society and lead to the protection and improvement of corporate value	
	Governance Permeation of the Code of Conduct	<ul style="list-style-type: none"> <li>Develop and promote "conduct programs" as a system to promote appropriate actions</li> <li>Provide trainings for employees regularly</li> <li>Continuous communication from management</li> </ul>	<ul style="list-style-type: none"> <li>Status of compliance with Code of Conduct (Employee survey)</li> </ul>		
Resilience	Enhance risk management	<ul style="list-style-type: none"> <li>Enhance global risk management system</li> <li>Comprehensive review of risk management framework</li> <li>Instill risk culture</li> </ul>		To improve financial soundness and corporate value, various risks must be managed appropriately. We aim for highly resilient corporate management through establishment of a risk management framework which monitors and reports on globally integrated basis	
	Ensure financial soundness and respond to regulatory requirements ensure financial soundness	<ul style="list-style-type: none"> <li>Monitor and disclose financial indicators</li> </ul>	<ul style="list-style-type: none"> <li>CET1 ratio</li> <li>External TLAC Ratio</li> <li>Liquidity coverage ratio</li> </ul>		
Environment/Society	Efforts to address climate change	<ul style="list-style-type: none"> <li>Support for TCFD and information disclosure based on TCFD recommendations</li> <li>Introduce processes to identify ESG risks including climate change risks, and review mitigation measures</li> <li>Environmental management to reduce environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Value of sustainable finance we support</li> <li>Sustainable investment ratio</li> <li>CO<sub>2</sub> emissions</li> </ul>	We provide optimal solutions that utilize the various functions of the Group to meet the challenges faced by clients and other stakeholders. We also contribute to resolving social and environmental issues through continuous cooperation with stakeholders. The preservation of a sustainable global environment is the foundation of our company's sustainable growth as well as its economy and society.	
Human resources, Diversity & Inclusion	Improve employee engagement	<ul style="list-style-type: none"> <li>Promote Health Management, Appointment of Chief Health Officer</li> <li>Promote diversity and inclusion</li> <li>Proactive communication between management and employees to promote the implementation of strategies</li> <li>Develop systems that enables diverse working styles</li> </ul>	<ul style="list-style-type: none"> <li>Employee survey</li> <li>Response rate to health examination</li> <li>Female managers ratio</li> <li>Use of childcare and family nursing care support plans</li> </ul>	In order for us to achieve sustainable and discontinuous growth, diverse human resources and the environment in which they can play an active role are indispensable. We make sure every employee can be active and successful in utilizing her/his capabilities and strengths, and provide high value-added service	

\* The SDGs logo covers not only the highest priority issues, but also all of Nomura Group's material issues. For all the material issues, please visit our website.