Business Continuity Management

Nomura Group regards natural disasters such as earthquakes and typhoons, manmade disasters such as fires and terrorism, infectious diseases like coronavirus, system failures, and information asset leaks as the key types of crises that must be prepared for. In the event of such a crisis, we have established a global business continuity framework and work on a wide range of measures, including educating our people about our disaster response measures.

Business continuity framework

The Group Crisis Management Committee is tasked with preparing for crises, and under the committee’s leadership, the Group has been continually strengthening the crisis management program and the business continuity framework both in Japan and overseas. The Group Crisis Management Committee is chaired by a senior officer appointed by the Group CEO, and comprises senior officers from Group companies. Resolutions passed by the committee are reported to the Executive Management Board. In the event of a major disaster, the committee establishes a command center and takes appropriate measures to confirm the safety of employees and their families, ensure safety, prevent the spread of damage, and maintain business continuity arrangements. As a specific example of this business continuity framework, in the event that key offices are rendered unusable due to an earthquake, a typhoon, or any other natural disaster caused by climate change, we are prepared to respond remotely in addition to continuing operations at the backup office. We also have a remote backup data center that protects critical data and applications in the event of a data center failure. Furthermore, we have bolstered our infrastructure, which includes power generators, so that in the event of a power down affecting a wide area, such as a powerful earthquake directly beneath the Tokyo metropolitan area, we can continue our critical functions to avoid systemic risk and to protect our clients from being impacted. Similar infrastructure have also been put in place at our key overseas offices.

In response to the coronavirus pandemic, and in accordance with our Group guidelines and requests from the national and local governments, we have implemented measures to prevent the spread of infections and to secure a system for business continuity by keeping employees from entering the office through telecommuting and rotating, restricting travel on business trips, and reinforcing activities that may contribute to infection, such as holding seminars and meetings. At our key overseas offices, we have ensured business continuity through remote work. In Japan, the Crisis Management Committee Office regularly conducts employee safety confirmation drills, disaster prevention drills, and business continuity drills to ensure that we are able to respond quickly should a crisis occur. At overseas offices, these exercises are carried out by the Business Continuity Management Team in each location. Through these and other efforts, we aim to become more proficient at handling crises and strengthen our systems for managing them.

Business continuity initiatives

1. Strengthen the business continuity framework
   - Maintain/Enhance backup offices / Secure emergency response personnel / Maintain/Enhance emergency communication equipment / Enhance telework environment

2. Periodic drills and training
   - Employees safety confirmation drills / Drills based on business continuity plan (BCP) / Initial response training and drills simulating earthquake with epicenter directly under Tokyo or other massive earthquake / Naruhi Mobile earthquake response training at branch offices

3. Strengthen collaboration between Group companies in Japan and overseas
   - Enhance information sharing with Group companies in Japan / Enhance information sharing framework with overseas Group companies

4. Business Continuity Plan
   - Revise and revise the Business Continuity Plan for the scenario of a massive natural disaster or a massive system failure

Cyber Security

In order to ensure that clients’ information and assets are securely protected from increasingly challenging cyber security threats, and to enable clients to conduct transactions with peace of mind, Nomura Group is working to strengthen its cyber security platform under the leadership of the Crisis Management Committee and Group Information Security Officer, using the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. of the Financial Services Agency, the Cybersecurity Framework of the National Institute of Standards and Technology (NIST) and other overseas frameworks, as references. Recently, we have been promoting a review of the governance system in light of the progress in the use of cloud services as one of the key points to strengthen. We will continue to respond promptly to changes in the situation in close cooperation with other financial institutions, security specialists, and government agencies.

Organizational structure

- The Manager of the Group IT Head Office, Nomura Holdings, is in charge.
- The organization comprises the CSIRT representatives of each Group company, and its secretariat is in Nomura Holdings’ Group IT Head Office (Crisis Management Division).
- The Group Crisis Management Committee is tasked with preparing for crises, and under the committee’s leadership, the Group has been continually strengthening the crisis management program and the business continuity framework both in Japan and overseas.
- In response to the coronavirus pandemic, and in accordance with our Group guidelines and requests from the national and local governments, we have implemented measures to prevent the spread of infections and to secure a system for business continuity by keeping employees from entering the office through telecommuting and rotating, restricting travel on business trips, and reinforcing activities that may contribute to infection, such as holding seminars and meetings. At our key overseas offices, we have ensured business continuity through remote work.
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