Contributing to Society

Nomura Group’s Value Creation Process

In order to help enrich our society, Nomura is assuming the challenge of creating new value by leveraging the strengths we have cultivated over the years. This section provides a bird’s-eye view of our environment, our strengths, our risks and growth opportunities, and the challenges we need to address, as well as our processes for creating economic and social value.
Nomura Group’s Value Creation Process

**Mission**: Contributing to Society

**Business activities**

- **Connect**: NOMURA connects the optimal choices, best transaction options and growth opportunities with our clients
- **Contribute**: NOMURA contributes to maintaining and developing fair and healthy financial and capital markets
- **Create**: NOMURA creates new systems, products and services

**Value Creation through Global Financial and Capital Markets**

Management Strategy for Improving Corporate Value

**Strengths**

- Strong business franchise in Japan and around the world
- Capability to provide a wide range of financial services
- Spirit to take on challenges
- Diverse human capital with deep expertise
- Solid financial capital

**Environment surrounding us**

- Rapidly changing global dynamics
- Environmental issues
- Digital shift
- Japan’s declining birthrate and aging population
- DEI & Human rights
- Enhancement of corporate governance

**Outcomes**

- Creation of economic value
- Creation of social value

**Nomura Group’s Value Creation Process**

- **Code of Conduct**
- **Corporate Governance**
- **Compliance**
- **Risk Management**

- **Materiality**

*Among the strengths, please refer to the following pages for "Strong business franchise in Japan and around the world," "Capability to provide a wide range of financial services," and "Spirit to take on challenges," and to later sections regarding "Diverse human capital with deep expertise," and "Solid financial capital."
In addition to our strong business franchise in Japan, we aim to be a trusted partner for our clients based on our global network and track record.
Since its founding, Nomura Group has been engaged in the development of the financial and capital markets and the provision of optimal solutions to our clients by facilitating the circulation of risk money through the provision of a wide range of financial services. We will continue to promote these efforts going forward.

**OUR STRENGTH 02**

**Capability to provide a wide range of financial services**

Since its founding, Nomura Group has been engaged in the development of the financial and capital markets and the provision of optimal solutions to our clients by facilitating the circulation of risk money through the provision of a wide range of financial services. We will continue to promote these efforts going forward.

**Value provided by Nomura Group**

1. **Support client financing, provide advisory services (M&A, etc.)**
   - Support issuers and business entities by leveraging our strong client base in Japan and selective global reach.

2. **Deliver expert services to issuers and business entities**
   - Provide documentation, regulatory expertise, and pricing capabilities.

3. **Provide liquidity in global financial markets and market-making**
   - Based on our knowledge of the financial and capital markets and our robust risk management system, support our clients in their investments and loans and facilitate smooth transactions in the markets.

4. **Structure tailor-made products**
   - Offer choices tailored to each client’s needs.

5. **Provide solutions addressing diverse financial needs**
   - Offer a wide-ranging product lineup, from traditional assets to alternative assets.

6. **Provide expert consulting for all client assets**
   - Make proposals for investment products and services.
   - Provide solutions for inheritance and succession, real estate, etc.
   - Support core businesses and provide advisory services.
   - Offer various types of loans (securities-backed loans, etc.).

7. **Support for medium- to long-term asset building**
   - Provide unique and convenient non-face-to-face services.
   - Offer workplace solutions such as ESOP.

8. **Offer differentiated content**
   - Approximately 200 researchers cover politics, economics, foreign currency, interest rates, equities, credit and quants strategies in 10 regions around the world.

**The driving force behind value creation**

**Enhance corporate value**

**Returns**

**Investment**

**Engagement**

**Investors**

**Asset management**

**Funding**

**Investments**

**Dividends and Interest Capital gain**

**Financial and capital markets**
Since its founding in 1925, the Nomura Group has taken on a variety of challenges and made changes. This is Nomura’s strength in continuing to change with a passion for growth.

**International Expansion**
- **1920**
  - Opening of the New York Office
- **1930**
- **1940**
- **1950**
- **1960**
  - Expansion of overseas bases
- **1970**
- **1980**
  - Implementation of the "Buy Japan" Campaign (Invitation of Overseas Investment Funds)
  - To top the Eurobond underwriting list for 5 consecutive years (Support for Issuance of Foreign Bonds by Japanese Companies)
- **1990**
- **2000**
- **2010**
- **2020**
  - Acquisition of Greentech Capital Advisors
  - Investment in New Forests
- **2023**

**Evolution of Investment Advisory etc**
- **1920**
- **1930**
- **1940**
  - Full-scale start of brokerage operations
  - Commencement of Investment Trust Business
- **1950**
  - Distribution of "1 million yen piggy bank" (Start of "Automatic Keizoku Investment")
  - Nomura Securities Investment Trust Management (Currently, Nomura Asset Management Co., Ltd.)
- **1960**
  - Development of the Employee Stock Ownership Plan
- **1970**
  - Development of the Medium-Term Government Bond Fund
- **1980**
  - The Nomura Trust and Banking Co., Ltd.
  - Commencement of comprehensive securities services
  - Start of financial education
- **1990**
  - Start of operation and management of defined contribution pension plan
  - The Nomura Trust and Banking’s start of Nomura Web Loans*
- **2000**
  - Start of comprehensive business alliances with regional banks
- **2010**
  - Service launch of restricted stock incentive program for employee stock ownership plan (Japan First)
- **2020**
  - Sustainable FITs issued (world first)
  - Real Estate STO issued (Japan First)

**NOMURA’s new product & service innovation**
- **1920**
- **1930**
- **1940**
  - Sales of investment trusts (Japan first)
  - Issuance of convertible bonds (Japan first)
- **1950**
- **1960**
- **1970**
  - Issuance of new shares at market value (Japan first)
- **1980**
  - ETF listing (Japan first)
  - REIT listing (Japan first)
  - Service launch of trust-type employee shareholding incentive plan (E-Ship) (Japan first)
- **1990**
  - Service launch of discretionary treasury stock transactions VWAP alpha
  - AA Type Class Shares Issued (Japan First)
- **2000**
  - Service launch of restricted stock incentive program for employee stock ownership plan (Japan First)
- **2010**
- **2020**
  - Service launch of restricted stock incentive program for employee stock ownership plan (Japan First)
  - Sustainable FITs issued (world first)
- **2021**
  - Real Estate STO issued (Japan First)

* Spirit to take on challenges

New Challenges in the Digital Asset Field

Nomura aims to provide clients with new value in the area of digital assets by leveraging Nomura’s track record in the institutional investor business and client base.

- In September 2022, Nomura launched a new subsidiary called Laser Digital, established in Dubai, London and Zurich, Switzerland.
- Laser Digital has three business lines dedicated to digital asset investment; Ventures, Trading and Asset Management. The Ventures team launched last year and the Trading and Asset Management teams are launching investment products and services over the coming months.

* (Web Loan) Borrowing service provided by The Nomura Trust and Banking Co., Ltd. The company can borrow from shares, investment trusts and government bonds held in Nomura Securities Account.
Focusing on the development of financial and capital markets by connecting the world to Japan

For more than half a century, Nomura Group has been promoting the strengths and benefits of Japanese and Asian stocks and bonds, and working to develop and internationalize Japan’s financial and capital markets.

“Japan to the World”

Central Bankers Seminar
- 1980 – present
- Events held: 39 times (1980 – 2023)

This event was first held in 1980 with the goal of increasing awareness of the Japanese economy, industries and bond markets in the context of the internationalizing the yen, and efforts in enhancing the role of the yen in Asia. Currently, government officials, central bankers and investors attend from all over the world.

Nomura Investment Forum
- 1999 – present
- Events held: 25 times (1999 – 2022)

This event is currently Japan’s longest-running institutional equity conference, and is one of the 100+ largest attended events in the industry. This event is also known as “CEOForum” as it provides an opportunity for top management of Japanese companies and leading global institutional investors to connect directly and discuss emerging themes.

Nomura Investment Forum Asia
- 2004 – present
- Events held: 20 times (2004 – 2023)

This event is the largest equity conference in APAC, connecting leading companies in Asia, including Japan, with leading global institutional investors.

Japanese Stock Caravan
- From 1979
- Events held: 39 times (1979)

Buy Japan campaign
- Launched sales of Japanese stocks and government bonds in the Middle East and Europe, targeting oil money in the wake of the oil crisis.

Japanese Stock Caravan (Abenomics)
- From 2010s –
- Revisited the Japanese stock caravan against the backdrop of the “Abenomics Market” in an expectation of the end of deflation and interdimensional monetary easing.

Japanese Stock Caravan (Revisit Japan)
- From 2022
- Revisited a face-to-face approach with foreign investors in an effort to convey the attractiveness of Japanese stocks after the COVID-19 pandemic.

Revisit Japan campaign
- From 2022

Proactively disseminating Japan-related content
- From 2022 – March 2023

Investor interactions undertaken by Nomura’s Japan Research team
- 14,000

English translated reports produced by Japan Research team
- 6,200
Focusing on the development of financial and capital markets by connecting the world to Japan

By taking advantage of its global network, Nomura is able to provide investment solutions that support growth opportunities and work towards global economic growth in Japan.

“Global Growth to Japan”

Providing a variety of services to support globally diversified investment

- Discretionary investment services
- Wide range of investment trusts: about 870 issues
- ETF lineup: Total of 67

Nomura Group offers a variety of globally diversified investment opportunities to help our clients benefit from a growing global economy. With a lineup of approximately 870 investment trusts, discretionary investment services such as SMA, Wrap Trust, and ETF products that boast the largest balance share in the industry, Nomura is able to support its clients to expand their assets to the highest capacity.

Connecting Global Green Projects with Japanese Institutional Investors

Nomura has arranged financing for Japanese institutional investors in a number of global green projects, mainly in North America.

In addition, Nomura contributes to the supply of Japanese risk money for the green projects that require large amounts of capital, and encourages Japanese investors and financial institutions to invest in growth areas globally.

Providing investment opportunities in real assets

- In addition to traditional assets such as stocks and bonds, Nomura offers investment opportunities in real assets such as real estate and forest assets. In March 2022, Japan began offering its first public investment trust, with the opportunity to invest in unlisted US REITs. In January 2023, Nomura acquired shares of New Forests, the world’s second largest forest asset management company, expanding their offerings to include new asset class products.

Supporting clients’ global growth strategy through M&A

Nomura supports cross-border M&A, an important part of Japanese companies’ global growth strategies, at the forefront by working as a team and utilizing Nomura Group’s global network.
Materiality
Changes in the environment surrounding us that will have a material impact on our value creation process, and themes that Nomura should focus on in each of these areas

STEP1
Organize the issues
Organize environmental and social issues based on non-financial information disclosure guidelines both in Japan and overseas, including the GRI Guidelines, SDGs, and stakeholder opinions, etc.

STEP2
Organize and integrate awareness
Based on the issues identified in Step 1, we analyzed the impact on our value creation process, and then listed themes and specific content that should be addressed in the sustainable growth and development of Nomura itself and that of our stakeholders, including clients, shareholders and investors, society and the environment, employees, and business partners.

STEP3
Discussion among executive officers
Based on the results of STEP2, the draft materiality was formulated based on the discussion among executive officers.

STEP4
Final decision
Based on the results of STEP3, the final decision was made after discussion and validity verification by the Sustainability Committee chaired by the Group CEO, referencing to the opinions of outside directors.

Understanding the environment surrounding us and risks/opportunities

<table>
<thead>
<tr>
<th>Awareness</th>
<th>Risk</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapidly changing global dynamics</td>
<td>The global situation continues to change rapidly and is difficult to predict due to trends in monetary policies and markets in various countries and heightened geopolitical risks</td>
<td>If our risk management is inadequate or if we are unable to meet the needs of our clients, we may incur losses or lose revenue opportunities</td>
</tr>
</tbody>
</table>

Environmental issues

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<tbody>
<tr>
<td>Climate change and decarbonization are global trends</td>
<td>Credit risk of business partners, risk of market fluctuations, risk of physical damage due to disasters, etc., reputational risk, etc.</td>
<td>Business opportunities (financial and capital markets, project finance, M&amp;A, etc.) to supply the risk money needed for a decarbonized society</td>
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Digital shift

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<tr>
<td>Increased importance of digital transactions and online content</td>
<td>Risk of lost trading opportunities and reduced revenue resulting from lower transaction fee levels due to online transactions throughout industry</td>
<td>Business opportunities (financial and capital markets, project finance, M&amp;A, etc.) to supply the risk money needed for a decarbonized society</td>
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Japan’s declining birthrate and aging population

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<td>Provide solutions aligned with changes in clients’ business activities and needs due to structural changes in society</td>
<td>Potential for a long-term contraction in demand for asset management from traditional retail investors</td>
<td>Create new profit opportunities by providing solutions that meet clients’ business activities and needs</td>
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DEI & Human rights

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<td>Building a healthy work environment, promoting diversity, equity and inclusion, requesting consideration of human rights in business</td>
<td>Human resource attrition risk, reputation risk when human rights are not sufficiently considered in our business activities, etc.</td>
<td>Realization of competitiveness, innovation, and advanced risk management through diverse human resources</td>
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Enhancement of corporate governance

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<td>Needs for sophistication of corporate governance and enhancement of functions of the Board of Director</td>
<td>Governance dysfunction, reputation risk, etc. due to failure to demonstrate governance functions</td>
<td>Improving corporate value by demonstrating advanced governance functions</td>
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Issues and details to work on

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<td>P.40 - P.43</td>
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<td>Strategic and innovative service development using new technologies</td>
<td>P.26, P.76</td>
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<td>Further demonstration of corporate governance functions</td>
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