

CSR Report 2004

Corporate Social Responsibility Report 2004

Nomura Holdings, Inc.



NOMURA

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Editorial Policy

This is the first Corporate Social Responsibility — CSR — Report issued by Nomura Holdings, Inc. While Nomura Group has thus far kept stakeholders informed with annual reports, social activities reports, and its website, it believes that enhancing communication with stakeholders is essential to increasing awareness and understanding of Nomura Group's activities. Nomura Group is implementing measures to prevent dishonest acts in all its business activities, both domestic and foreign. Further, Nomura Group adopted the Committee System in 2003 for all its domestic companies to not only boost corporate strength through organizational efficiency, but also to strengthen its own Corporate Governance. Nomura Group believes that in developing a sustainable society, it is essential to ensure that such measures are firmly established within Nomura Group, and ensure its own accountability by widely disclosing its activities for stakeholder scrutiny.

This report was prepared using the “Global Reporting Initiative” (GRI) and the “GRI Sustainability Guideline” (2002 Edition), always keeping in mind transparency and ease of comparison.

Report Outline

- Company Name, Head Office and Telephone
Nomura Holdings, Inc.
1-9-1, Nihonbashi, Chuo-ku, Tokyo, 〒103-8645
Tel: 03-5255-1000 (main switchboard)
 - Date of Incorporation
December 25, 1925
 - Capital
Yen 182,799,788,854 (as of March 31, 2004)
 - Type of Business
Securities and related businesses
 - Period Covered
April 1, 2003 to March 31, 2004
(Some additional information, including more recent information, is also included.)
 - Report Issue Date
July 2004
(to be issued annually in July)
 - Target entities to be reported
Nomura Holdings, Inc., and
Nomura Group companies
 - Reference Guide
“The GRI Sustainability Reporting Guideline 2002 Edition” (GRI), “Environment Report FY2003 Edition” (Environment Agency)
 - Inquiries should be directed to:
Corporate Communications Department
Nomura Group Headquarters
Nomura Securities Co., Ltd.
- URL: <http://www.nomura.com>

Greeting from the CEO

Nomura Securities was founded in 1925 and will mark its 80th anniversary next year. While we continue to strive to meet our customers' expectations, the environment surrounding the market has changed significantly. Economically, market globalization has propelled the free flow of people, goods, and currencies beyond national borders. In addition, technological developments have led to the establishment of highly innovative enterprises, and elaborate value chains have resulted.

One of the biggest shifts of recent years is stakeholders' — including customers, stockholders and investors — growing interest in not only corporate profits, but also in the corporation itself and its conduct. Driven by growing environmental awareness, corporations are also growing more aware of their own responsibilities as global citizens.

To this day, our strength in running businesses for people and society continues to be inspired by our Founder, Tokushichi Nomura. I believe that the financial system is essential to supporting a sustainable social system, and we need to be intensely conscious and disciplined as a market participant to contribute to society.

Nomura Group adopted the Committee System and implemented Corporate Governance and Compliance activities throughout the Company to increase management transparency. As corporate citizens, we realize the importance of caring for the environment by using resources wisely, and we are also aiming to introduce a systematic environmental preservation program.

In addition, we have introduced social activities, primarily related to education and enlightenment and arts and cultural support. I believe that it is particularly essential to improve educational opportunities in economics and finance in order to contribute to the development of the economy and establish a healthy financial system. Nomura Group believes that conducting business with greater openness mutually benefits both our Company as well as the public.

When we reviewed our activities on the occasion of producing this CSR Report, we found that further efforts in some of our activities are clearly needed. We will do our best to continuously try and improve our results. We also welcome your open comments and suggestions. Thank you for your continued support.



Nobuyuki Koga
President & CEO
Nomura Holdings, Inc.

古賀 信行

Interview with the CEO

CSR for Nomura Group

I believe Nomura Group has a social responsibility to ensure that each and every employee implements “Our Founder’s Principles” to make the Group a trustworthy corporate member of society and carries out the original intentions of our Founder with sincerity.

—— Why did you publish the CSR Report?

Nomura Group’s goal is to become a globally competitive Japanese financial institution. Adopting the Committee System in 2003 was integral to our increasing business efficiency, speeding the decision-making process, and ensuring management transparency. I now consider it necessary to disclose information, including our internal activities, as much as possible with stakeholders.

Against this background, there are also external factors driving Western as well as Japanese companies to address CSR. Indeed, these days CSR is a buzz word. More than that, however, I believe that we have a fundamental need to ensure stakeholder understanding of Nomura, and to explain information to stakeholders clearly.

While we already disseminate information in both Japanese and English on our website, the CSR Report serves as our attempt at a fully comprehensive disclosure. It has three themes: economy, society, and environment. We also wish to clarify our intentions and activities in offering SRIs

(Social Responsibility Investments), which are growing in popularity.

—— What does CSR mean for Nomura Group?

The first principle of Nomura Group’s corporate philosophy, “Our Founder’s Principles,” states that Nomura Securities’ *raison d’être* is to contribute to society through the securities business. We believe CSR should focus on how companies can benefit society through their activities.

Every operation should clearly intend to be “meaningful to society.” Determinations are made when conducting business; however, I believe that the underlying CSR is to be conscious of whether the outcome is beneficial to society. Companies will come to comply with laws, reject anti-social acts, care for the environment, and respect human rights by maintaining such CSR criteria.

Interests can be extremely complicated; thus, the result of such actions may be ambiguous or even contrary to a company’s intentions. Thus, it is important for a company to have a clear will, prepare criteria for

decision making, have a system for confirmation and/or review at any time, and implement them all thoroughly. This process will result in CSR. Nomura Group is currently putting these activities into practice by introducing “Basic and Dynamic (B & D) Activities”^{*} and a “Code of Ethics.”

—— What role do Nomura Group and the securities industry have in society?

Capital, often referred to as “the lifeblood of industry,” must be supplied properly to ensure that society is growing healthily. Furthermore, capital must be provided not only as loans from intermediate financial institutions such as banks, but also as securities investments flowing into the market from bank deposits and postal savings. The larger the role of the free capital market, the stronger the industrial structure becomes. This will result in a well-balanced financial system. Viewed as a whole in society, I believe that Nomura Group assumes an important role in developing society and the economy.

—— What is the role of Nomura Group in contributing to the establishment of a well-balanced financial system?

We think there are roughly two roles that Nomura should assume. The first is to contribute to the establishment of a well-balanced financial system through its business activities; the other is to implement measures that give society a comprehensible view of the financial system itself. Without increased understanding of financial activities by society at large, the financial system would fail to perform its function adequately. Nomura Group offers opportunities to raise the public's awareness and understanding of financial and securities markets in its "Lifelong Learning Place." These are programs for young people and local communities.

Society is always changing, and we must respond with flexibility and foresight. I think the securities business is a business that keeps pace with changes. In some cases, since the securities business is strongly influenced by government policies, we need to analyze these policies and



* Basic and Dynamic: Nomura's ongoing activities to be a reliable financial service company, defined by taking pride in the security industry's essential role in supporting the flow of funds (Basic) and creating new value added ahead of its time (Dynamic).

other matters and then take appropriate action. Thus, as the securities industry must respond to change, Nomura Group must improve its responsiveness both organizationally and with its work force.

——— What is your vision for managing Nomura Group?

The world is now changing dramatically. Japan is thought to be in the midst of significant change after enduring several economic recessions. A financial institution's international competitiveness depends greatly on the strength of its home country, and the strength of a country reflects the power of its financial world. I believe it is important to prioritize our corporate management so that it can prolong Nomura's — and the nation's — growth cycle.

——— It is said that trust is the most important factor in CSR. What is your opinion?

I believe that trust can only be achieved through sincerity in day-to-day business

operations. At the same time, it is important for us to respond to changes in society or requests to Nomura appropriately, rather than thinking tomorrow will be the same as today. I think if we perform our duties respectably as citizens of society, we will earn credibility and trust. Although we often speak of contributing to society, I believe it is more important to be responsible citizens and do the right thing.



——— What is the plan for the future of Nomura Group's CSR?

I believe that a company's CSR is to 'act' in its ideals, rather than to simply 'be' its ideals. We still have some weak

points, particularly in regard to the environment, and we must act systemically in trying to address these. I believe our CSR is to always look within ourselves and continue to strive to improve, keeping in mind our fundamental intentions.

I myself must play a role as the person with ultimate responsibility for CSR and communicate both internally and externally. We implemented B & D Activities in 2000, aimed at improving recognition by society and making Nomura Group better understood, trusted and relied upon.

I believe the spirit of the activities is the key to Nomura Group's CSR.

In producing this CSR Report, we sought the advice of Professor Takamitsu Sawa, Director of the Institute of Economic Research at Kyoto University, and focused on accuracy, coverage and reliability.

We look forward to working together with our stakeholders in implementing CSR activities into the future, and welcome all comments and opinions. We appreciate your continued support.



Founder Tokushichi Nomura



Tokushichi Nomura's office, c.1904



Nomura Bank Office at the time of the Securities Department establishment



The Kitahama Nomura Building



The Head Office Building at the time of Nomura Securities' founding

Our Founder's Principles

1. **Nomura's raison d'être**
 "Nomura's mission is to enrich the nation through the securities business.
 This is something we must absolutely see through."
 (Empirical Research on Investment Trusts, compiled by Nomura Securities Research Department)
2. **Principle of putting the customer first**
 "We must place our customers' interests before our own."
 (100th edition of Osaka Nomura Business News)
3. **Global ambition**
 "Nomura is destined to become an active player on the international stage."
 ("Looking Back at My Life," by Tsunao Okumura)
4. **Emphasis on rigorous research and analysis**
 "We have a duty to research scientifically the intrinsic nature of all securities."
 ("Tsutakatsura")
5. **Staying one step ahead**
 "Always strive to stay one step ahead. Stagnation is retrogressive."
 ("Nomura Tokuanden")
6. **Entrepreneurial spirit**
 "If, as an entrepreneur, you can determine something to a 70% certitude, you must have the courage to take up the challenge even though some uncertainty remains."
 (Capital Market Research)
7. **Human resources**
 "Nomura underscores the fact that the development of human resources, acquisition of talented personnel and ability to match the right talent with the most appropriate position are more formidable assets than sheer capital strength."
 ("Tsutakatsura")
8. **Emphasis on team work**
 "It is the management's task to see that Nomura employees take responsibility and pride in their work and to form a unified team under the control of branch office managers."
 ("Tsutakatsura")
9. **Business development frame of mind**
 "We must have the courage to boldly follow the path of our convictions."
 ("Tsutakatsura")
10. **Customer service mindset**
 "If you conduct your work in a mechanical manner, believing simply that your role is over once the deal is done, there is no use in drawing on the strengths of those around you."
 ("Tsutakatsura")

"Tsutakatsura": Tokushichi Nomura's autobiography, serialized in the Group's Newsletter.
 "Nomura Tokuanden": Biography published 1951 following death of Tokushichi Nomura.



The Nihonbashi Head Office Building



The Otemachi Head Office Building



The London Office



The New York Office



The Hong Kong Office

Nomura Group Profile

A Japanese financial services group working to create a balanced financial system in a global market.

Nomura Group is a financial services group comprised of Nomura Holdings, Inc., and subsidiary companies both in Japan and abroad. The Group is implementing consolidated management with a unified strategy, offering high value-added financial services to customers, and striving to realize sustainable shareholder value growth and income source.

Nomura Group

Nomura Group comprises domestic subsidiaries, including Nomura Securities Co., Ltd., and an overseas network in 28 countries. It offers competitive products; high value-added services; and advice on domestic retail services, stock and bond trading, underwriting of stocks and bonds issued by governments and corporations both in Japan and abroad, M&A and financial advisory businesses, merchant banking, and asset management business, for investment trusts and pension funds.

Nomura Group

Nomura Holdings, Inc.	Domestic Subsidiaries	Nomura Securities Co., Ltd. Nomura Asset Management Co., Ltd.
	Other Domestic Subsidiaries	The Nomura Trust & Banking Co., Ltd. Nomura Babcock & Brown Co., Ltd. Nomura Capital Investment Co., Ltd. Nomura Investor Relations Co., Ltd. Nomura Principal Finance Co., Ltd. Nomura Pension Support & Service Co., Ltd. Nomura Funds Research and Technologies Co., Ltd. Nomura Research & Advisory Co., Ltd. Nomura Business Services Co., Ltd. Nomura Satellite Communications Co., Ltd. Nomura Institute of Capital Markets Research
	Key Overseas Subsidiaries	<ul style="list-style-type: none"> ● NOMURA HOLDING AMERICA INC. NOMURA SECURITIES INTERNATIONAL, INC. NOMURA CORPORATE RESEARCH AND ASSET MANAGEMENT INC. NOMURA ASSET CAPITAL CORPORATION THE CAPITAL COMPANY OF AMERICA, LLC NOMURA DERIVATIVE PRODUCTS, INC. NOMURA GLOBAL FINANCIAL PRODUCTS INC. NOMURA SECURITIES (BERMUDA) LTD etc ● NOMURA EUROPE HOLDINGS PLC NOMURA INTERNATIONAL PLC NOMURA BANK INTERNATIONAL PLC BANQUE NOMURA FRANCE NOMURA BANK (LUXEMBOURG) S.A. NOMURA BANK (DEUTSCHLAND) GmbH NOMURA BANK (SWITZERLAND) LTD. NOMURA ITALIA SIM p.A. etc ● NOMURA ASIA HOLDING N.V. NOMURA INVESTMENT BANKING (MIDDLE EAST) E.C. NOMURA INTERNATIONAL (HONG KONG) LIMITED NOMURA SINGAPORE LIMITED NOMURA ADVISORY SERVICES (MALAYSIA) SDN. BHD. NOMURA AUSTRALIA LIMITED etc
	Other Overseas Subsidiaries	NOMURA FUNDING FACILITY CORPORATION LIMITED NOMURA GLOBAL FUNDING PLC NOMURA EUROPE FINANCE N.V. NOMURA PRINCIPAL INVESTMENT PLC P.T. NOMURA INDONESIA etc

Nomura Group Business Line

(1) Domestic Retail

(2) Global Wholesale

Global Markets

Fixed Income

Equity

Investment Banking

Merchant Banking

(3) Asset Management

Global Network of Nomura Group



Regional Management of Nomura Group

Nomura Group operates not only in Japan, but also in the world's main markets through its subsidiaries, Nomura Holding America, Inc., Nomura Europe Holdings, plc, and Nomura Asia Holding, N.V.

Business Portfolio of Nomura Group

Nomura Group's business portfolio is comprised of Domestic Retail, Global Wholesale, and Asset Management.

Domestic Retail:

At 129 head and branch offices in Japan, Domestic Retail provides investment consultation services to customers on asset building over the long term, financial products and investment portfolios tailored to their needs with respect to asset character, risk tolerance and lifestyle, as well as market and economic conditions.

Global Wholesale:

Through Nomura Group's network, which spans 28 countries, Global Wholesale provides financial solutions to customers through the capital markets. The Group is comprised of three business lines: Global Markets (Fixed Income and Equity), Investment Banking, and Merchant Banking (private equity business).

Asset Management:

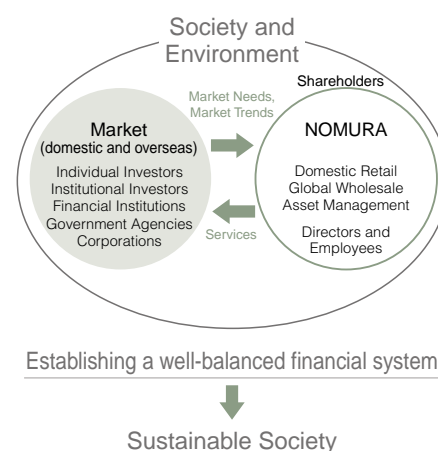
The Asset Management Division offers a wide variety of investment trusts drawing upon its global research strengths and creative investment and product development. It offers investment advisory services to various customers, such as pension funds. In the defined-contribution pension plan business, Asset Management provides comprehensive services, ranging from plan implementation (design) support to product supply.

Stakeholders

Nomura's stakeholders are all individuals and corporations who participate in social activities. Direct stakeholders include shareholders, employees, and customers involved in financial and capital markets, but also any person who participates in social activities. Indeed, current global social activities and global market trends are interdependent. The Group also considers the global environment an important issue.

As a corporate citizen with great responsibility, the Group implements its business activities in the markets and addresses all partners capable of performing sustainable development.

Nomura Group and Stakeholders



Recognition by Society

Nomura Group has always been keenly aware of its contribution to the progress of society since its early days, and feels it has a corporate social responsibility to carry out “Our Founder’s Principles.”

Nomura Securities Co., Ltd., was established in 1925, and, even in those days, Founder Tokushichi Nomura firmly believed that the securities business had a responsibility to contribute to the development of society. He frequently said, “Nomura’s mission is to enrich the nation through the securities business. This is something we must absolutely see through.” The Group has been true to our Founder’s philosophy in its management concepts.

In 2000, Nomura Group introduced “Basic and Dynamic (B & D) Activities.” In doing so, Nomura Group hoped to contribute to the creation of real wealth while society, especially the financial business world, is changing dramatically in the 21st century.

Objectives of B & D Activities

B & D Activities are part of Nomura Group’s efforts to make itself and the securities market as a whole more accepted by society. The objective of B & D is to ensure that all Nomura Group executives and employees share a basic stance and practice that stance positively, with a view toward raising the acceptance and trust of the securities industry, including Nomura Group, throughout society. We believe that B & D activities will serve to increase the understanding and trust of the Group and ensure our competitive position in the market.

Philosophy and Foundation of B & D Activities

In first crafting our B & D Activities, Nomura re-examined the philosophy of our Founder, Tokushichi Nomura, and made his “Principles” the basis of our management. We then put together “Our Ongoing Basic Stance” as “Our Stance.” We also set forth “Our Intention” to supplement “Our Stance.” We finally delineated some Nomura Group activities in detail, as they are essential to employees maintaining Group Spirit.

Basic and Dynamic:
Nomura’s ongoing efforts to be a reliable financial services company, as defined by taking pride in the securities industry’s essential role in supporting the flow of funds (Basic) and creating a new value ahead of its time (Dynamic).



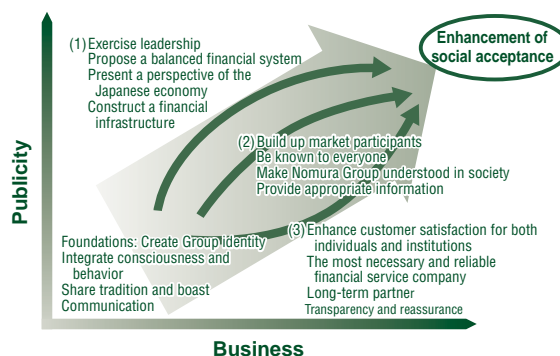
Strategy of B & D Activities

B & D Activities are comprised of a business strategy and publicity strategy, and the two complement each other. Combining them is based on the idea that publicity will enhance competitiveness, and this in turn shall contribute to society. Nomura Group seeks to increase its corporate return through publicity of its contributions to society. It places high priority on its publicity strategy.

Efforts Always Innovative and Ongoing

Four years have passed since we inaugurated our B & D Activities. Through B & D Activities and structural reorganization, we have been able to disseminate our values throughout the company. This has also allowed us to expand our external activities to develop capital and securities markets. Nomura's sponsorship of lecture courses at over 110 colleges and universities nationwide is one of our main efforts and will remain a focus of our publicity strategy. Such publicity will help increase our acceptance by society. Nomura Group strives to be one of the most reliable globally competitive financial institutions and to fulfill its mission as a financial services company supporting development of the Japanese economy. In this way, we will contribute to the creation of real wealth in society.

Foundations for Increasing Social Acceptance and Three Channels (B & D Map)



Our Ideals

The economy—the basis of our daily lives.

The economy—always changing, never stopping.

Change does not come naturally; it is brought about by the will of many.

So we believe. Change is the opportunity for new growth,

It is important to continuously change in order to facilitate new development in society.

We eagerly anticipate such change, as we are the engine that encourages dynamic growth for society and industry.

In order to do so, we must understand the shape of the coming society based upon a wealth of information and acumen and offer constructive suggestions.

Further, it is crucial that we ourselves are proactive in our thinking and strong in our will.

A proactive stance for tackling economic issues, a mindset never reluctant to cooperate for the sake of progress even in the midst of competition, a belief in contributing to the creation of a richer society through finance.

As our Founder Tokushichi Nomura wrote in his memoirs,

'We must bravely follow the path of our own beliefs with conviction' at a young 30 years old.

Building a foundation is necessary for economic development.

Expanding understanding of the securities markets and financial knowledge,

Promoting varied asset management methods and building a balanced financial system.

In these times, it is important to understand the relationship between finance and society,

To always think about the role finance plays.

We are always thinking about how finance affects people and how to achieve a prosperous society and must propose ways of doing so.

Finance supports society. But a rich society cannot be built solely on the basis of strong finance.

In order to build a prosperous society, it is necessary to have a generous spirit bearing not only economics but also society in mind.

Nomura Securities wants to be strong to lead this and the next generation in a wonderful direction.

Nomura Securities wants to be the most needed, most trusted financial services company

Based on promoting appropriate capital circulation [BASIC] and through the motivation to always create new value [DYNAMIC].

In order to become such a financial services company, we believe that raising our value and our shared thinking are most important of all.

Nomura Securities endeavors to faithfully carry out its duties as a financial services company to support Japan's economic development in the 21st Century.

[illegible]

Management Structure

Board of Directors

The Board of Directors consists of 11 directors, four of whom (36%) are Outside Directors*. Seven (64%) Directors are non-Executive Officers.

Nomination Committee

The Nomination Committee determines proposals on the election and dismissal of Directors and consists of three Directors. Of the three Directors, two are Outside Directors.

Audit Committee

The Audit Committee's role includes oversight of business execution made by Directors and Executive Officers. Of the three Directors, two are Outside Directors.

Compensation Committee

The Compensation Committee determines the remuneration of each Director and Executive Officer and consists of three Directors. Of the three Directors, two are Outside Directors.

The Board of Executive Officers and Executive Management Board were established for facilitating business management to make important decisions.

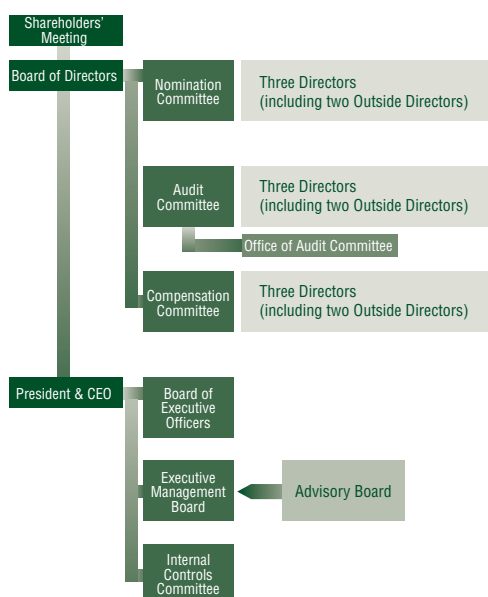
Board of Executive Officers

The Board of Executive Officers is responsible for discussion and determination of the Group's business projects and budget and consists of 31 Executive Officers.

Executive Management Board

The Executive Management Board is responsible for the discussion and determination of management strategies and consists of ten Executive Officers. Nomura Group hopes to increase management transparency and solicit advice and proposals from outside experts with substantial international experience by establishing an Advisory Board made up of outside experts as a consultative body to the Executive Management Board.

Management Structure of Nomura Group



*Outside Director:
An Outside Director is defined as a non-Executive Director (i) who has never assumed the position of Executive Director, manager or employee of the company or its subsidiaries and (ii) who does not currently assume the position of Executive Director, manager or employee of the company or its subsidiaries (Article 188, paragraph 2, item 7-2 of the Commercial Code.)

Internal Control Check System

The Audit Committee plays a core role in management audit functions, and is comprised of a majority of outside directors. The Committee is chaired by an Outside Director. In order to facilitate audit functions, the following measures have been undertaken:

1. Two non-executive, full-time Directors (Audit Mission Directors) who are familiar with Nomura's business and organization are assigned to the Nomura Holdings Board of Directors. They supplement the Audit Committee audit while maintaining the merits of the previous statutory auditor system. It is the Audit Mission Director's duty to conduct operational supervision, including daily inspections and investigations, and attend important committee meetings. In addition, Nomura Securities Co., Ltd., also relies on the Audit Mission Directors system.
2. The Internal Audit Division was established as an independent function from other business support lines, and it conducts internal audit of Nomura Holdings and its subsidiaries. The Internal Audit Division is directed by the Internal Controls Committee, members of which include an Audit Committee Director and an Audit Mission Director. Internal audit results are reported to executive management, the Audit Committee and Audit Mission Directors.
3. Nomura Group established the Office of Audit Committee to support the Audit Committee. It provides operational support for the Audit Committee and assists Audit Committee members and Audit Mission Directors in audit operations.

Information Disclosure

Nomura Group believes in the fundamental importance of sharing information with shareholders in order to establish and improve Corporate Governance. Global guidelines on information disclosure have been set forth and the Disclosure Committee established to implement fair and proactive disclosure.

Nomura Group's Statement of Global Corporate Policy Regarding Public Disclosure of Information (The Policy)

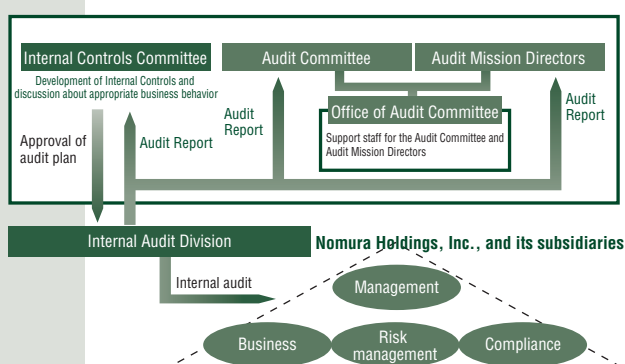
Nomura Holdings has adopted the policy in order to (1) safeguard nonpublic information regarding Nomura Group and promote timely and accurate disclosure; and (2) give investors equal access to information regarding Nomura Group in accordance with the purpose of the Regulation FD (Fair Disclosure).

- Establishment of the Disclosure Committee
- Prohibition against selective disclosure of material information
- Reporting material information to the Disclosure Committee
- Specified authorized spokesperson on behalf of Nomura Group
- Preparation of legal disclosure documents by the Disclosure Committee

Disclosure Committee

Nomura Group has established a Disclosure Committee, chaired by the Executive Officer for Global Corporate Communications from Nomura Holdings, Inc. The main roles of the Disclosure Committee are (1) disclosure control, e.g., preparation of guidelines on disclosure matters and determination of manner of disclosure; and (2) preparation of legal disclosure documents.

Internal Control Check System



Compliance Structure

Nomura Group has developed a uniform compliance structure in its Group companies, including appointing a Compliance Officer, establishing a compliance hotline, and other measures. Each Group company must ensure sound compliance and adherence to the relevant rules and regulations and sufficiently manage operations, based on Nomura Group's *Regulation on Organizational Operations*. Under such conditions, we have established an effective administrative structure by strengthening cooperation among Group companies through, for example, holding regular meetings of operating officers led by the Nomura Securities Compliance Department.

Installation of Compliance Officer

Each Nomura Group company appoints a Compliance Officer tasked with confirming that business operations are compliant with laws and regulations. Each Group company may appoint a Compliance Officer for each department, or one or more Compliance Officers at each head office or company. Compliance Officers must manage operations not only with respect to laws and regulations, but with corporate value and social propriety in mind.

Nomura Group strictly administers its compliance policy with an annual training program covering Compliance Officer duties in all Group companies.

Establishment of Compliance Hotline

The Compliance Hotline was established as a means of relaying information directly to Nomura Holdings, Inc., management on occurrences of questionable acts from a compliance standpoint.

If the matter is of particular severity and cannot be readily concluded at Nomura Holdings management level, it can be reported directly to an Outside Director.

In addition, Nomura people acting in good faith who report violations to the Compliance Hotline will themselves be protected from liability arising with the incident reported. All staff are informed of this protection.

Nomura Securities Compliance Structure

Nomura Securities established a detailed action plan for compliance, the "Compliance Program," and developed its compliance structure based on the Program.

(1) Compliance Committee

The Compliance Committee was established to improve the compliance structure and discuss important issues concerning compliance.

(2) Controls at Departments and Branch Offices

In accordance with Japan Securities Dealers Association regulations, Internal Controls Officers are assigned within each sales department and Compliance Officers at each branch office, for the purpose of controls.

(3) Compliance Hotline

Nomura Securities established its own Compliance Hotline to allow employees to report concerns directly to the management level and external lawyers.

(4) Compliance Training Courses

A framework has been introduced to train all employees in common compliance and more specialized workers in specific duties. Training courses are held monthly at branch offices.

Crisis Management Structure

Nomura Group has revised its information and disaster management measures in light of the possibility of a catastrophic event following the September 11 US terrorist attacks. Countermeasures had previously been determined by section, but are now comprehensive throughout the company.

The Crisis Management Committee was established at Nomura Securities Co., Ltd., in October 2001. It has developed information and employee safety confirmation systems to be implemented following a disaster.

The Information Security Committee is also developing an internal training and education system.

Crisis Management

Crisis Management responds to all events that impact corporate activities and the general public, including loss of property and human life, harm to businesses, compensation for losses, and corporate brand damage. In particular, Nomura Group has planned responses by enacting Crisis Management Regulations for those events most likely to cause serious problems and establishing the Crisis Management Committee. The Group has developed a system and is offering education and training in tandem with local communities for information services, continuation of business activities, and safety confirmation for employees and their families.

Crisis Management Committee

The Crisis Management Committee is chaired by the Internal Control Officer. The committee is responsible for establishing crisis management countermeasures and a Crisis Management System prior to the occurrence of a crisis. It also has the central role as a task force to deal with problems resulting from a crisis.



Four Major Measures

1. Natural Disaster and Fire

Natural disasters cannot be predicted. Therefore, Nomura Group has prepared measures in cooperation with related organizations to confirm employee safety, provide information to customers, and coordinate measures with local communities.

2. Serious Crimes against the Group, Employees and Executives

As a global company, Nomura Group may conceivably fall victim either directly or indirectly to a terrorist act or crime. The Group is establishing measures to collect and distribute information, highlight matters requiring attention, and confirm employee safety, among others.

3. System Failure

IT is integral to Nomura Group's activities. Therefore, it is essential to respond promptly to internally-caused system failures or external infiltration. The Group has taken all possible measures against such system failures by ensuring security and building a subsystem and, backup system, and taking other precautions.

4. Infectious Diseases

Highly infectious diseases such as SARS not only significantly impact operations, but also have societal ramifications. Nomura Group feels it has a social obligation to take preventive measures by offering information, education and enlightenment about preventing infection.

Crisis Management Committee (CMC) Intranet



Information Security

Both internal and external information, including customer data, are extremely important assets for Nomura Group's business activities, and the Group must manage such information with utmost care.

E-mail and Internet servers are equipped with a firewall for security purposes. Furthermore, Nomura Group enacts security structures, including employee training, and adopts the most secure policy on personal information.

Information Security Management Regulation

Our Information Security Management Regulation is a basic principle (policy) on information assets and security to ensure appropriate information security. We stipulate treatment measures (information security standards) for each information asset as sub-regulations, ensuring that all information assets are well managed in terms of confidentiality, integrity, and availability. In addition to personal information, we also have clear provisions on how we handle information presented to customers. These rules are available on our intranet for employees' thorough understanding.

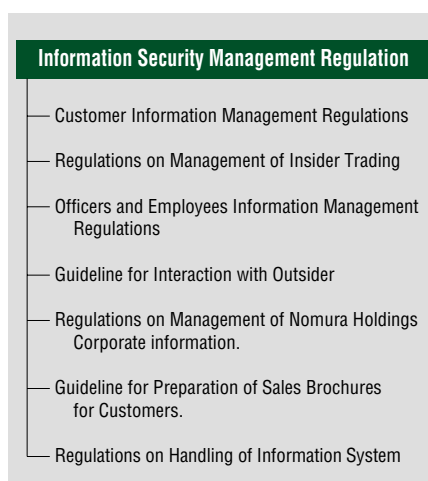
Information Security Committee

In 2000, we established the Information Security Committee, which is responsible for handling important information security issues and carrying out support functions for the Information Security Supervisor, appointed by the Executive Officer. In principle, the committee meets monthly, and subjects of discussion and important issues concerning information security are reported to the Board of Executive Officers on at least a quarterly basis. We also further enhanced the security structure based on advice from an outside auditor who is reviewing our present information security structure and measures.

Information Security Structure



Governing Structure of Information Security



Code of Ethics of Nomura Group

In March 2004, the Board of Directors of Nomura Holdings, Inc., (the “Company”) revised Nomura Group’s “Code of Ethics” (the “Code”), based upon Founder Tokushichi Nomura’s principles, to guide all directors, officers and employees (“Nomura People”) of the Group.

1. Social Responsibilities

The Nomura Group aims to enrich society with due regard to the integrity of the securities business for the purpose of promoting efficient money flow in the financial markets.

2. Advancement of Customers’ Interests

Nomura People must act in the best interests of their customers.

3. Compliance with Laws

Nomura People must understand how confidence in the Nomura Group could be undermined by any misconduct and how hard it could be to restore it. Therefore, Nomura People must promote proper understanding and compliance with the letter and spirit of all applicable laws, rules and regulations, including those concerning insider trading, money laundering and bribery.

4. Corporate Opportunity

Nomura People owe a duty to the Nomura Group to advance its legitimate interests whenever the opportunity arises. Nomura People are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position.

5. Conflicts of Interest

Nomura People should not take any actions that could have their private interests interfere in any way (or even appear to interfere) with the interests of the Nomura Group. Neither Nomura People nor their family members should receive improper personal benefits as a result of their positions in the Nomura Group, including loans, or guarantees of obligations, from the Nomura Group.

6. Confidentiality

Nomura People must maintain the confidentiality of information entrusted to them by the Nomura Group or its customers in the conduct of its business, except when disclosure is authorized or legally mandated.

7. Fair Dealing

- (a) Nomura People must respect fair business practices in jurisdictions where they operate and endeavor to deal fairly with the Nomura Group’s customers, suppliers, competitors and employees. Nomura People should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice.
- (b) The Nomura Group must reject all contacts with criminal or unethical organizations involved in activities in violation of applicable laws.
- (c) Nomura People may give or accept from non-government employees gifts or entertainment in accordance with specified guidelines of the relevant company of the Nomura Group. In addition, Nomura People may not give gifts to or entertain government officials without specified approval (if required) by the relevant company of the Nomura Group.

8. Protection and Proper Use of Corporate Assets

All Nomura Group assets should be used for legitimate purposes. Nomura People should protect Nomura Group’s assets and ensure their efficient use.

9. Retention of Documents

Nomura People must prepare documents relating to the business or accounting of the Nomura Group and retain such documents for specified periods in accordance with applicable laws and internal rules of the Company or the relevant company of the Nomura Group. In connection with litigation or examinations by any regulatory body, Nomura People shall not make false statements or intentionally conceal or destroy any relevant documents.

10. Environmental Issues

The Nomura Group is committed to acting in an environmentally responsible manner and should therefore approach environmental issues positively.

11. Corporate Citizenship Activities

The Nomura Group as a good corporate citizen is committed to the pursuit of activities of social benefit.

12. Respect for Human Rights

(a) Prohibition against Discrimination

The Nomura Group shall respect human rights. The Nomura Group shall prohibit discriminatory practices or harassment because of nationality, race, ethnicity, sex, age, religion, creed, social status or disease.

(b) Equal Employment Opportunities and Comfortable Workplace

The Nomura Group shall promote equal employment opportunities and maintain safe and comfortable workplaces for Nomura People.

13. International Harmonization

Nomura People must respect the culture and customs of all the countries where they operate and strive to manage their activities in such a way as to consider the societies and economies of such countries.

14. Media Policy

If Nomura People externally publish information relating to the Nomura Group business in publications, lectures and interviews, they must follow the guidelines promulgated by the relevant company of the Nomura Group.

15. Personal Investments

If Nomura People buy or sell securities (including the stock of the Company) for their personal accounts, they must comply with all applicable securities laws and follow specified procedures in accordance with the guidelines promulgated by the Company or the relevant company of the Nomura Group.

16. Reporting of Illegal or Unethical Conduct

(a) If Nomura People become aware of any conduct, including accounting, and auditing matters, that they believe is illegal or unethical, they must promptly notify an appropriate contact specified in the guidelines promulgated by each of the Nomura Group.

(b) The contact above of Nomura People must take appropriate steps to investigate whether and how such misconduct occurred and, when necessary, to correct it and prevent its recurrence.

17. Protection against Retaliation

Nomura People are prohibited from retaliating against any individual who reports in good faith illegal or unethical conduct.

18. Code of Ethics for Financial Professionals

(a) All Financial Professionals must, in addition to the foregoing:

- (1) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (2) make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company and each of the Nomura Group files with, or submits to, any applicable regulatory body and in other public communications;
- (3) comply with all applicable generally accepted accounting principles, government laws, rules and regulations;
- (4) promptly report violations of this section to an appropriate contact specified in the guidelines promulgated by the Company or the relevant company of the Nomura Group, in cases they believe that such violations have occurred; and
- (5) be accountable for their adherence to this section.

(b) Financial Professionals are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant in the performance of an audit of the financial statements of any of the Nomura Group for the purpose of rendering such financial statements materially misleading.

(c) "Financial Professional" means any professional employee of the Nomura Group in the area of finance, controllers, tax, treasury, risk management or investor relations and also includes the Chief Executive Officer, the Chief Financial Officer and a chairman of the Disclosure Committee of the Company and all Business Line Heads and Regional Managements of the Nomura Group.

19. Amendments and Waivers

The Company shall disclose amendments to, and any waivers from, this Code of Ethics in accordance with applicable laws. For this reason, Nomura People shall promptly inform their senior management in the event they become aware of circumstances that may require an amendment or waiver under the Code so that the Company may comply in a timely fashion.

Established: March 5, 2004

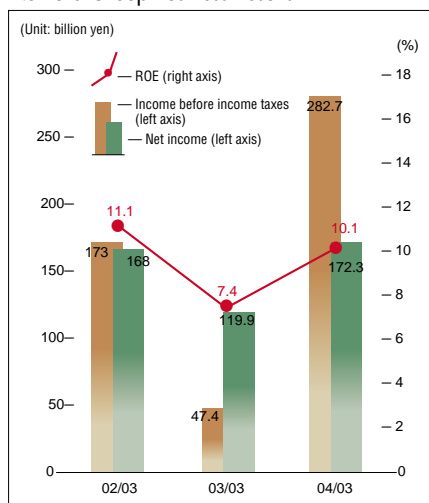
Nomura Group Business Activities and CSR

Securities and related services, Nomura Group's core business, play a significant role in supporting social activity. Providing services to help achieve a sustainable society is Nomura Group's most important social responsibility.

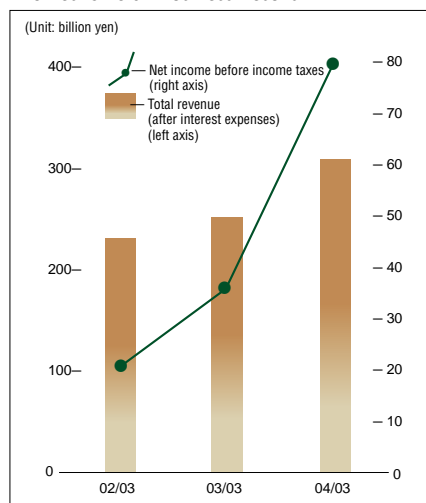
Nomura Group is one of Japan's leading financial services group, with worldwide operations and a wide range of value-added financial services and competitive products.

Our services include brokerage, trading, underwriting, M&A financial advisory, merchant banking, and development and management of investment trusts and investment advisory for diverse clients including individuals, corporations, financial institutions, governments and governmental agencies. Nomura Group is headquartered in Tokyo, along with subsidiaries including Nomura Asset Management Co., Ltd., and has offices in 28 countries overseas. Nomura Securities Co., Ltd., has 129 branch offices, including a head office in Japan. Nomura Group's strategy for sustainable business is divided into three business lines: Domestic Retail, Global Wholesale and Asset Management.

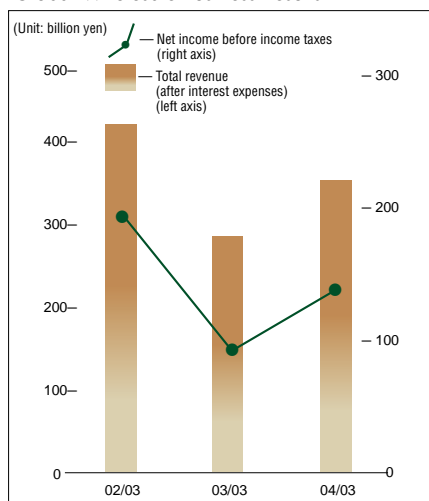
Nomura Group Business Results



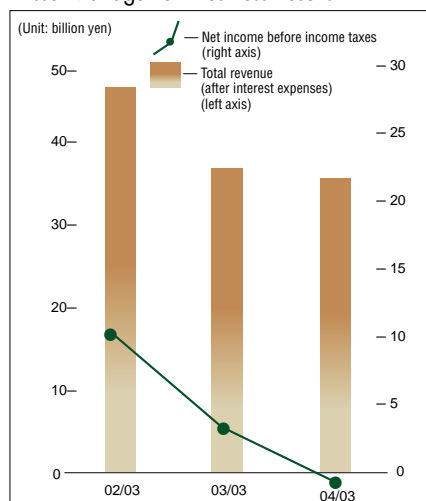
Domestic Retail Business Results



Global Wholesale Business Results



Asset Management Business Results



Domestic Retail

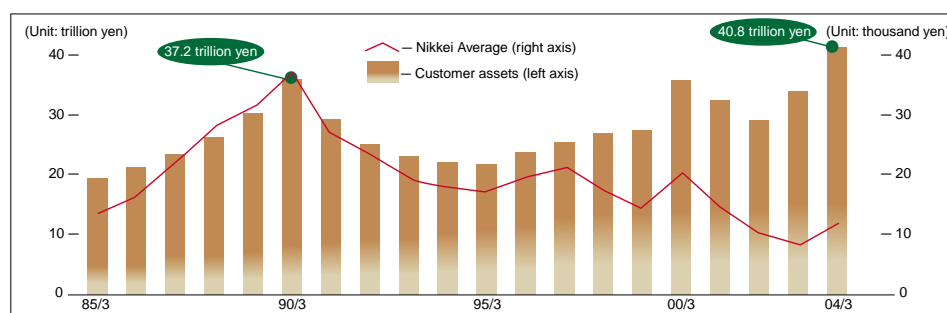
Operating out of 129 main and branch offices, Domestic Retail is expanding its customer base by providing quality financial services that meet the needs of each and every customer. Domestic stocks, bonds, investment trusts and other products sales enabled Nomura Group to post 40.8 trillion yen in assets on deposit at the end of March 2004, a record. The number of shareholding and special accounts also increased, while retail stock assets on deposit also rebounded to the FY2000 level, when the Nikkei average was at the 20,000 level. Striving to improve customer satisfaction further, the Group is enhancing customer convenience with the Nomura iT Support 21 Plan and other projects, expanding call centers to better meet the needs of individual customers, and conducting more employee education and training.

Customer service desks have been collecting customer satisfaction questionnaires

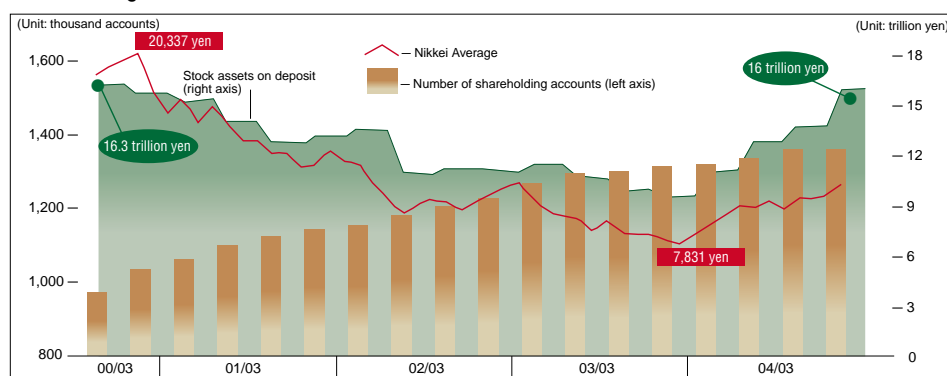


for design improvements; over 20,000 replies were received in 2003. We strive to ensure compliance with regulations on customer privacy, literature and documentation, and advertising. Domestic Retail business expansion will likely encourage a shift of personal financial assets usually held in cash and savings toward investment in securities, and by extension contribute to the establishment of a balanced financial system.

Customer assets (including those of financial institutions) held by Domestic Retail



Shareholding accounts/retail stock assets



Global Wholesale

Global Wholesale has a key role to play in achieving Nomura Group's aim of becoming a globally competitive Japanese financial institution. The Japanese economy is beginning to turn around, corporate need for capital is on the rise, and business restructuring, industry reorganization and similar developments are gaining momentum. The Group intends to employ its total capabilities, linking Domestic Retail's powerful sales network to its global underwriting and institutional investor networks, to contribute to further economic development in Japan.

Global Wholesale is comprised of Global Markets (Fixed Income and Equity), Investment Banking and Merchant Banking. In responding to increasing corporate demand for funds, Global Wholesale has been active in Japan's economic recovery by combining the wealth of experience it has accumulated thus far with the network assets of Nomura Group to secure the top share of the investment banking underwriting business.

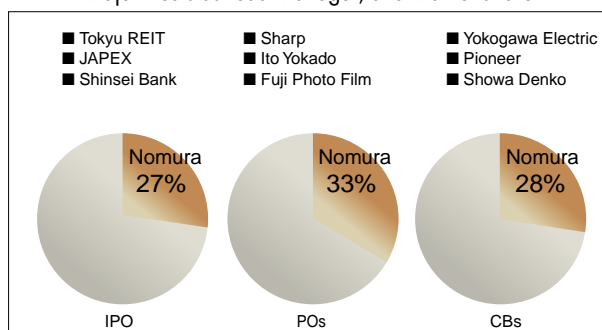
Global Wholesale is also doing its part in Japan's economic revitalization through proactive mergers and acquisitions (M&A) advisory services for business/company rejuvenation. It has produced steady results



in this sector, including cross-border M&A.

Global Wholesale sees these major changes in Japan as business opportunities and opportunities for serving its corporate clients as a total advisor. Marshalling the strengths of Nomura Group—a broad customer base extending beyond traditional corporate affiliations, specialist advisory functions, robust sales capabilities, sound balance sheets, and considerable financial resources—Global Wholesale will provide companies with the means of resolving their problems through the capital markets. This in turn will contribute to Japan's recovery.

Major Deals as Lead Manager, and Market Share



Nomura Group's share; largest in the industry
(Source: Thomson Financial Bookrunner League Tables
<2003. 4. 1 - 2004. 3. 31> value base)

Nomura Group's financial services are intended to contribute to social needs and customers' lives. For example, Nomura Group established new business divisions specializing in pension-related product services and corporate revival business activities, both of which have been growing in Japan.

Global Wholesale

Nomura Principal Finance Co., Ltd. URL <http://www.nomura.com/npf/>

Nomura Principal Finance Co., Ltd. (NPF) was established to operate private equity businesses in Japan. Nomura Group had previously invested solely overseas.

NPF invests in enterprises with stable cash flow, good prospects for future growth or business improvement, and assets for securitization, to secure returns on investments via various means such as public offerings of stocks. All factors are intended to enhance investment value over the long term. In recent years, the re-organization of group operations and concentration on core businesses, has been increasingly recognized by Japanese companies as critical management tasks.

NPF acts as a business partner and offers alternative solutions to diverse management problems, including management succession of family-owned enterprises, restructuring shareholder ownership, as well as spin-offs of non-core businesses and MBOs (management buyouts) while maintaining a basic commitment toward long-term investment returns. In FY2003, NPF was appointed the official sponsor of Reorganizing Company Huis Ten Bosch Co., Ltd., and made large-scale investments such as Toshiba Tungaloy Co., Ltd., and achieved good returns from past years' investments. NPF continues to offer superior service to help Japanese companies restructure their business to improve their value.

Asset Management

Nomura Pension Support & Service Co., Ltd.

Nomura Pension Support & Service Co., Ltd., (NSAS) began operations in January 2004 with the merger of the Nomura Fundnet Securities Co., Ltd., Nomura DC Planning Co., Ltd., and Nomura Human Capital Solutions Co., Ltd. NSAS has three core businesses: retirement benefit scheme consulting, defined contribution pension plan administration services, and support services for calculating Projected Benefit Obligations (PBO). Japan has the world's most rapidly aging society, and both individuals and corporations are facing critical pension issues. While diversified pension services are available, individuals may have great difficulty making optimal selections. NSAS helps rebuild companies' retirement benefit schemes through consulting services, makes defined contribution pension scheme product selections and proposals through administration services, provides customers with administration information through call centers and its Web page, and assists companies in calculating PBO as well as employment costs and interest charges in the support services. As a defined contribution pension plan administrator, NSAS will continuously strive to improve the level of its services to meet and exceed customer expectations while maintaining an objective standpoint. NSAS is committed to performing its activities in compliance with relevant laws and regulations.

NSAS is always evolving and supports its customers by offering a sense of comfort and well-being.

Asset Management

Nomura Group's asset management business is a key business on par with its securities business, and is expanding its asset management business globally, as well as its defined contribution pension business in Japan.

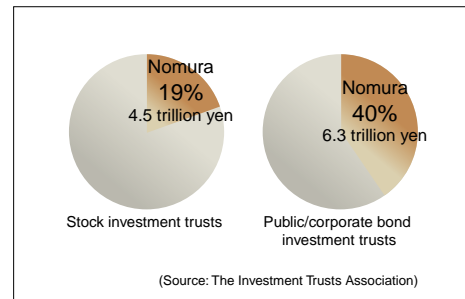
In the asset management business, Nomura Group is implementing a system that will enable it to provide greater added value over the medium- to long-term by consolidating its investment structure and enhancing its company research. It is also providing a range of products and services to satisfy the diverse asset management needs of customers and retain its top share in both stock and public/corporate bond investment trusts. At the same time, Nomura strives to provide full-fledged socially responsible investment (SRI) products, which have drawn attention in recent years as a reflection of social needs.

The defined contribution pension business will play an essential role in Japan, with its rapidly aging population. Defined contribution pension plan holders numbered no more than about 700,000 at the end of March 2004, but systemic reforms should lead to further expansion. Nomura Group will provide a full range of services — from the introduction of systems to the provision of products — and more underwriting products for institutions administering such pension plans. The Group has issued *Yu Yu Yusuke*, an illustrated pamphlet as a public service. The pamphlet, in easy-to-understand comic book format, presents an explanation of defined contribution pension schemes. The Group has also conducted seminars throughout the country for its employees.



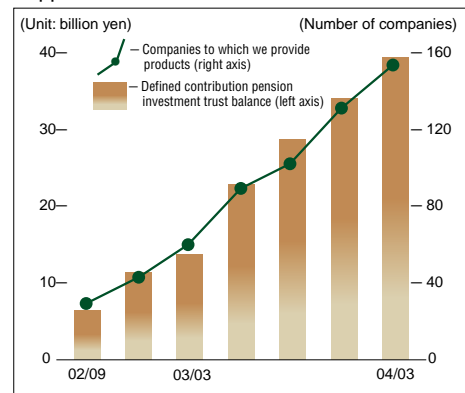
As part of the Group's efforts to establish basic guidelines for asset investment in terms of underwriter responsibility, Nomura Asset Management Co., Ltd., has drafted "Principles of Corporate Governance on Portfolio Companies." The Group is encouraging portfolio companies to voluntarily manage their business operations in accordance with these Principles, placing an emphasis on long-term shareholder interest.

Nomura Asset Management's market share
(March 2004)



Nomura Asset Management's share, largest in the industry

Value of Investment Trust Products Nomura Supplies and Number of Plans to which Nomura Supplies Products



SRI funds set up by Nomura Asset Management

Nomura Global SRI 100	Morningstar SRI Index Open	Nomura World SRI Index Fund (for defined contribution pensions) Nomura Japan SRI Index Fund (for defined contribution pensions)
Nomura Asset Management set up the Nomura Global SRI 100 Fund in May 2004 in response to greater interest in SRI in Japan. The Fund seeks to achieve investment profits (on a yen-equivalent basis) from movements in the FTSE4Good Global 100 Index (an index comprising companies around the world that meet certain standards for social responsibility), and had a net asset balance of about 5.2 billion yen as of the end of June.	After creating the Nomura Global SRI 100 Fund for global companies, Nomura Asset Management established the Morningstar SRI Index Open Fund in July 2004. This Fund seeks to achieve investment profits from movements in the Morningstar Social Responsibility Investment Stock Index, an SRI index targeting companies listed domestically.	In July 2004, Nomura Asset Management also established two SRI funds for defined contribution pension plan holders. These two funds invest respectively in mother funds of the open-end Nomura Global SRI 100 Fund and Morningstar SRI Index Open Fund.

Nomura Asset Management: Principles of Corporate Governance in Portfolio Companies

1. Purpose of the Principles

In order to run a company with the interests of stockholders in mind and to secure long-term stable profitability, the company's corporate governance must be strong. Nomura Asset Management will encourage its portfolio companies to take responsibility in placing greater emphasis on stockholders' value from a long-term perspective, and for this purpose, in terms of fiduciary responsibility, it defines Principles of Corporate Governance in Portfolio Companies as part of a basic investment policy.

2. Desirable Corporate Governance

For the purpose of realizing long-term profits for stockholders, Nomura Asset Management considers desirable corporate governance as follows:

- (1) An effective Board of Directors must consist of eligible members in terms of capability and number to make appropriate business decisions.
- (2) Effective Corporate Auditors must be able to audit Directors' practices on behalf of stockholders.
- (3) When a committee is established, each committee must consist of proper members and be run independently.
- (4) A director's remuneration must be consistent with both the long-term investment income as a result of an increase of shareholders' value and the incentive to each director.
- (5) The Governance System must be established for the purpose of allowing for sufficient internal control, such as Compliance and Internal Audit.

3. Request for Accountability by Information Disclosure

Nomura Asset Management will call on its portfolio companies to disclose timely and accurate information for the purpose of monitoring whether such companies are implementing "Desirable Corporate Governance" or not. In particular, if there is an antisocial act or a violation of the law, it will request sufficient disclosure and explanation and call for immediate improvement.

4. Communicating with Portfolio Companies

In order to realize the above "Desirable Corporate Governance," Nomura Asset Management will aggressively request discussion with the portfolio companies.

5. Exercise of Voting Rights

As part of its policy to request management to defer to the interests of stockholders, Nomura Asset Management will exercise its voting rights appropriately.



UK

Support for the Victoria and Albert Museum

Nomura International plc interacts actively with the local community through support for a wide range of artistic, educational, sports and other events. In sponsoring "Encounters: The Meeting of Asia and Europe 1500–1800," an exhibit opening at the Victoria and Albert Museum in September 2004, the company hopes to promote mutual understanding between Asia and Europe.
(<http://www.vam.ac.uk>)

ASIA

Support for local communities

Support for local communities and educational, cultural, artistic and other activities in Asia is offered primarily through Nomura Asia Holding N.V. We have supported the Community Chest, a public entity in Hong Kong established to assist social welfare facilities; the We Care Educational Fund, a fund to provide economic aid and education to children suffering from SARS and children who have lost a parent due to SARS; the Hong Kong Society for the Aged, an NPO concerned with the welfare of the elderly; and many other organizations in the hope of building prosperous communities.



Social Contributions

USA

Sponsorship of Oribe Ceramics Exhibition at the Metropolitan Museum of Art

The "Turning Point: Oribe and the Arts of Sixteenth-Century Japan" exhibition was held from October 2003 to January 2004 at the New York Metropolitan Museum of Art in collaboration with the Museum of Fine Arts, Gifu Prefecture. Nomura Securities International sponsored this exhibition to promote intercultural understanding and a greater appreciation for Japanese art and culture. At the reception party held for this event, Hideyuki Takahashi, Executive Officer and Representative of Nomura Holdings America, Inc., noted, "Nomura's activities in the US include support for educational, cultural, and artistic activities, a policy that enjoys an unbroken tradition in our company." Nomura realizes these words by contributing to society in numerous ways.
(<http://www.metmuseum.org>)



by Overseas Companies

AUSTRALIA

Nomura Corner at the National Gallery in Canberra

Contributions in 1990 helped make the creation of a Nomura Corner within the National Gallery of Australia in Canberra possible. It has since hosted a variety of events. The Nomura Corner contributes to the local community by serving as a venue offering the public greater exposure to works of art.
(<http://www.nga.gov.au>)



Corporate Activities that Contribute to Society

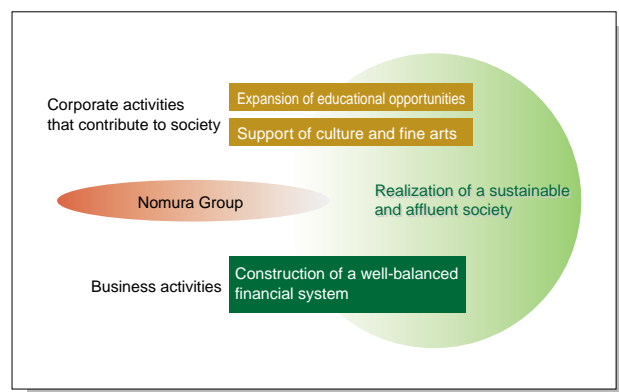
In addition to making business contributions, companies must also respond to the demands of society from citizens' perspective. Nomura Group engages in unique corporate citizenship activities, primarily extended opportunities for economic and securities education, as well as support for cultural and art activities.

Tokushichi Nomura, our Founder, believed that enriching the nation through the securities business was our absolute mission, and he proclaimed this Nomura Securities' *raison d'être*. Indeed, he firmly believed that the securities business must contribute to the development of society.

In order for a society to become affluent, sound economic development is essential. Nomura Group believes that expanding the securities market will contribute to this end, and it has made consistent efforts to expand opportunities to improve the public's understanding of financial and securities markets. Nomura Group is committed to encouraging those willing to learn as well as further expanding educational opportunities for every generation in the firm belief that education is an important source of economic development.

We believe that cultivating a well-rounded spirit that appreciates varied facets of our society is as important as economic development. Nomura Group aims to help build an affluent society through an array of programs, including providing support to cultural and art activities.

Nomura Group wishes to help guide the current generation and those that follow to a bright future through such activities and by listening to the opinions of its stakeholders.



Economic and Securities Education Programs

Creating a sustainable and affluent society requires sound economic development based on a well-balanced financial system. To that end, people need to develop their understanding of society and increase their economic and financial knowledge with a view toward a prosperous future.

Nomura Group is committed to contributing to the creation of a truly affluent society by providing opportunities for broad economic and securities education to young people who will forge the future as well as those who seek financial knowledge. In fiscal 2003, Nomura Group gave grants totaling approximately ¥400 million to educational programs.

Securities Education Programs for Universities

Nomura Group holds lectures about securities at universities nationwide to provide university students who will lead Japan's future economic development with knowledge of the real economy and practical information. In 2003, a total of over 400 speakers from Nomura Group gave lectures at more than 110 universities. Their discussions, based on their own business experiences, attracted more than 20,000 students.

The previous year, Nomura Group held a lecture at Chulalongkorn University in Thailand in an effort to facilitate an understanding of Japan's capital markets and knowledge of finance by expanding its securities education activities elsewhere in Asia.



Securities Education Programs

Lifelong Securities Learning Programs

Economic and financial systems are integral to our lives. Nevertheless, there are few opportunities to learn about such systems comprehensively. Nomura Group offers programs to learn about finance and securities, using places for lifelong learning, including communities and workplaces.

These programs offer important information for achieving a comfortable life in a manner that can be easily understood even by those with little securities knowledge. They address life and money plans necessary to enjoy a more secure retirement. Since the start of the programs in 2003, over 10,000 participants have attended.

Website for Learning about the Economy - man@bow (Let's learn!)

Nomura Securities, and Nihon Keizai Shimbun jointly sponsor man@bow (Let's Learn!), a website for learning about the economy and designed to cultivate interest in the economy and finance. In addition to topics related to the economy and investment, the site offers easy-to-understand information on current topics and market trends, and is being used by individual investors as a tool for learning about asset management (<http://manabow.com>).

Educational Programs Provided by Nomura Group

	Elementary schools	Junior high schools	Senior high schools	Universities	Adults Company employees Communities
Publications	The Secret of Money	The Book for a Happy Economy			Activities to disseminate defined-contribution pension plan scheme
Events				Nomura Money Fair	
Lectures				Seminars at Nomura Securities' branches Securities education programs	Securities learning programs
Education programs		Special sponsor of Nikkei Stock League Nikkei Education Program	Nikkei Education Forum		
Internet	Educational contents on the Internet				
CATV stations	Doki Doki Waku Waku Okane no Hanashi				
				Nomura Free School	

Special Supporter of Nikkei Stock League

Nomura Group is a special supporter of the Nikkei Stock League, a contest sponsored by the Nihon Keizai Shimbun for junior and senior high school and university students. The goal of the contest is to help students learn about portfolio management based on their own analysis.

Students collect information and carefully examine company information firsthand by researching newspaper articles, accessing websites and visiting candidate companies. They then make virtual investments in the companies they have selected and compile their reports.

Based on an assessment of investment performance and reports, the top team is invited on a study tour of the United States. More than 17,000 students have participated in the contest since it began in 2000 and as its objective — encountering the real economy through stocks — has gained recognition.



Awards presented to winners of the 4th Nikkei Stock League

The 4th Nikkei Stock League

Unique ideas were submitted by student teams at the 4th Nikkei Stock League in 2003. Some winners focused on ideas such as the environment and corporate citizenship, indications of increased interest in these issues and the growing base of the contest.

(<http://www.manabow.com/sl/index.html>)

Winner of Outstanding Performance Award

**Second and third-year students,
Fukui Prefectural Kanazu High School**

“New graduates wish to develop their skills — Hop, step and jump to marriage”

Winners of Class Awards

**Third-year students, Higashi Tsukushi
Gakuen Shoyo Kan Junior High School**

“Looking for ‘truly’ good companies satisfying conditions of corporate social responsibilities based on ‘raw’ information”

**First-year students,
Salesio Gakuin Senior High School**

“Full of vitality — Aiming to increase the vitality of employees by adopting a free agent system”

Third-year students, Kobe University

“Our socially responsible investment — the new standard of value for equity investment”

Winners of Fighting Spirit Awards

Third-year students, Doshisha Junior High School

“Prevent a water crisis! — We will save companies and water!”

**First-year students,
Fukuoka Prefectural Shuyukan High School**

“From stocks for only trading to those for utilization and cultivation — Pursuing equity investment from a global viewpoint”

**Third-year students, Kanagawa Prefectural
Sagamihara High School**

“Enjoy live performances — And discuss environmental issues”

**Third-year students, Ehime Prefectural
Uwajima Higashi High School**

“From Shikoku to the World”

Third-year students, Hitotsubashi University

“Fire up! Surprising companies — Blow away the consumption slump!”

Third-year students, Waseda University

“Learn a lesson from the past — Incorporate Japanese traditions and innovations into your portfolio”

**Second and third-year students,
Science University of Tokyo**

“Investment for the future — Corporate reform!”



Winners being selected

Donating Copies of “The Secret of Money — The Business of a Securities Company”

Nomura Group co-sponsored the production of “The Secret of Money — The Business of a Securities Company,” an educational text on finance written primarily for elementary school children. It describes, in comic book style, the roles of money, banks and securities firms. Copies of this book have been distributed to 24,000 elementary schools and 2,400 public libraries nationwide in April 2003.



“The Secret of Money”

Broadcast of “Doki Doki Waku Waku Okane no Hanashi”

Nomura Group produces and presents “Doki Doki Waku Waku Okane no Hanashi” (Exciting Talks on Money), a TV program on money to communicate the importance of asset management. It has been broadcast since April 2001 on over 150 CATV stations across the country. The program stresses early financial preparation for the future. It offers diverse areas of information, including basic knowledge about money, asset management know-how, financial advice, and reports of students learning how to make investments. At present, this program can be viewed in over 10 million households in Japan.



CATV broadcast

Co-sponsoring Nikkei Education Program

The Nikkei Education Program started in April 2003 and is an educational program for junior and senior high school students to learn the realities of the economy and society and acquire life knowledge from the real world. The program is designed to foster students' career views and help them decide for themselves what they want to be and how they want to live their lives. The program is used at schools, for example, in the period of integrated learning. Nomura Group has contributed to this program as one of the co-sponsors of its corporate access course, which aims to deepen students' understanding of the workplaces and corporate activities through various experiences associated with companies.



Website for the Nikkei Education Program

Co-sponsoring Manabipia

The National Lifelong Learning Festival, or Manabipia, is a nationwide festival held since 1989. The festival provides opportunities to further understand lifelong learning and encourages citizens to participate in such activities.

Manabipia Okinawa 2003, the 15th Lifelong Learning Festival, was a venue and opportunity to present the results of lifelong learning activities around Japan and to expand networks used to share information about such activities.

Nomura Money Fair

Nomura Group has sponsored events to provide people with information on securities since 2000.

In December 2003, the 6th Nomura Money Fair was held at the Tokyo International Forum. The event aimed to equip individual investors with essential knowledge and information about asset management and investment through a series of lectures. The seminars were presented by leading figures in economic circles, and covered stocks, bonds, investment trusts and foreign currency-denominated asset. There were exhibition areas set aside for corporate investor relations (IR) and special areas set up for stockholders. As many as 11,000 visitors, most of whom were individual investors, attended the fair.



Nomura Money Fair

University Collaboration and Other Educational Support Programs

Nomura Group supports a variety of research projects together with universities and other educational institutions in order to foster individual leaders for the next generation and promote technologies and industries in the medium- to long-terms.

Collaboration with Universities

●The University of Tokyo

In November 2002, the University of Tokyo established a section within the Industry-University Collaboration Promotion Office to handle matters related to industry-university collaboration models. It also embarked on joint research on the development of industry-university collaboration models based on market principles. Nomura Group supports the University of Tokyo's campus-wide efforts to promote industry-university collaboration in the capital markets.

In April 2004, the University of Tokyo founded the Research Center for Finance as a part of the Industry-University Collaboration in the field of finance. Dr. Junichi Ujiie, Chairman of Nomura Holdings, Inc., was named the first Director of the Center.

●Kyoto University

In 2001, Kyoto University's Institute of Economic Research and Nomura Group jointly established the Research Section for Applied Financial Engineering, funded by Nomura Group, within the institute. This section carries out various research projects by extensively applying financial engineering techniques. Research projects include improvement of corporate values through controlling business risks, increasing asset management sophistication, and financial sector structural reform.

●Hitotsubashi University

Joint research projects, special seminars and other activities are being carried out within the framework of the Financial and Capital Markets Research Center, a forum to encourage the exchange of opinions among the academic, government and industrial sectors.

●The University of Oxford

Nomura Group established the Nomura Centre for Quantitative Finance at the University of Oxford to provide support for research in cutting-edge financial engineering.

●Columbia University

Nomura Holdings, Inc., provides support to the Columbia Business School's Center on Japanese Economy and Business for its alternative investment program as a lead corporate sponsor. The program mainly deals with Japanese alternative investment assets and releases research results, an unprecedented endeavor. Nomura Funds Research and Technologies Co., Ltd., handles matters related to this program.



Industry-University Collaboration Promotion Office, The University of Tokyo



Lecture by Professor Paul Embrechts, Oxford University



Presentation of the Shokumon Award

Nomura Foundation for Academic Promotion

The Nomura Foundation for Academic Promotion was established in 1986, commemorating the 60th anniversary of the founding of Nomura Securities Co., Ltd. The foundation provides support to university researchers, primarily in the fields of law, politics and economics. So far, the foundation has granted subsidies to 700 researchers in international exchange projects covering 365 research topics in the form of research project assistance.

In the previous year, the foundation received the Shokumon Award for its support to the Department of Law and Politics, the Faculty of Law at the University of Tokyo. The foundation has provided such support every year since 1987. The Shokumon Award, inaugurated in 2002, is granted to individuals, corporations and groups that have significantly contributed to the development of activities at the University of Tokyo.

Shokumon Award Presented

The Nomura Foundation for Academic Promotion received the University of Tokyo's Fiscal 2003 Shokumon Award, which was presented in appreciation of the yearly grants that Nomura Group has given the university's Graduate Schools for Law and Politics since 1987. The award, which is presented to individuals, corporations and organizations that have made large contributions toward the development of activities at the University of Tokyo, was established in fiscal 2002.

Arts and Cultural Support

Nomura Group provides support for culture, art and other activities in the belief that economic development alone is insufficient to create a truly affluent society. Rather, a well-rounded spirit that appreciates varied activities in society must be cultivated.

Nomura Cultural Foundation

The Nomura Cultural Foundation was established in May 1990 to support human resource development activities in the areas of music and fine arts, as well as promote international exchange in these areas with a view toward enhancing genuine mutual understanding in the international community.

●Main activities

Supporting arts and cultural activities (granted support to approximately 80 projects annually)

1. Cultivation of young artists in such areas as music and fine arts (eight artists and 14 musicians in fiscal 2003)
2. Performances, exhibitions, symposiums and other events aimed at promoting international exchanges in the arts and culture (24 events in fine arts and 23 events in music in fiscal 2003)

●International Student Scholarship Program (Nomura Cultural Foundation)

To realize genuine mutual understanding in the international community, the Nomura Cultural Foundation grants scholarships to promising international students who are expected to bridge the gap between Japan and their countries. Scholarships are awarded to foreign students specializing in social sciences or the humanities at the post graduate level in Japanese universities. Since 1991, the scholarships have been awarded to 130 students who are currently active in their respective fields either in Japan or their home countries.



The Nomura Cultural Foundation sponsored the following activities in its 14th term (April 1, 2003-March 31, 2004)

- (1) Supporting art and cultural activities
(according to Items 1 and 2, Article 5, Endowment Act)
Financial support of ¥135,109,245 in total (including operational costs) was granted to 70 activities.
- (2) Scholarships to students from abroad
(according to Item 3, Article 5, Endowment Act)
Scholarships of ¥34,728,461 in total (including operational costs) were granted to 18 students.
- (3) Other activities to achieve the foundation's objectives
(according to Item 4, Article 5, Endowment Act)
To honor artists' achievements (the Nomura Prize), ¥3,000,000 was granted.

Scholarship students in 2004

Nationality	Sex	University	Major
Taiwanese	F	The University of Tokyo	Civil and criminal laws
Nepalese	M	The University of Tokyo	Forestry science
Brazilian	F	Hitotsubashi University	Sociology
Korean	F	Hitotsubashi University	Markets/Finance
Chinese	F	Kyoto University	International bankruptcy: Legal systems
Chinese	F	Kyoto University	Analysis of economic dynamics
Bangladeshi	M	Osaka University	International public policy
American	M	Waseda University	Japanese literature
Korean	M	Waseda University	International relations
Chinese	M	Keio University	Business & commerce

Pacific Music Festival

The Pacific Music Festival (PMF) is an international music education festival inaugurated in 1990 at the suggestion of the late Leonard Bernstein. Every summer around 130 young musicians selected from all over the world take part in education programs provided by outstanding musicians, including top artists from the Vienna Philharmonic Orchestra, and perform in a series of concerts.

Nomura Securities Co., Ltd., and Nomura Cultural Foundation have supported this festival from the start as special corporate supporters, in keeping with its objective of promoting music culture around the world by fostering young musicians.

In 1999, the Association for Corporate Support of the Arts granted Nomura Securities the Mecenat Award for Outstanding Cultivation of the Arts.



The late Leonard Bernstein, PMF advocator

The Nomura Prize of the Tokyo National University of Fine Arts and Music

The Nomura Prize was created in 1996 to commemorate the 70th anniversary of Nomura Securities Co., Ltd., and the fifth anniversary of the Nomura Cultural Foundation. The first prize was awarded in 1998. The Nomura Cultural Foundation has made donations to establish the Nomura Prize, a scholarship and citation program, at the Tokyo National University of Fine Arts and Music University Art Museum. The foundation selects and purchases distinguished pieces from figurative arts doctoral students to store and display at the University Art Museum. This develops promising young artists, improve the collection of artistic documents at the museum and promotes related education and research.



The Nomura Prize winners in 2003

Social Welfare Activities

Health and welfare are also essential factors in realizing a prosperous society. Nomura Group is committed to Groupwide social welfare activities.

Nomura America Foundation (U.S.A.)

Since its establishment in the state of New York in March 1994, the Nomura America Foundation, with the help and participation of Nomura Group employees, has contributed to children's welfare groups, community project groups and educational institutions across the country. To support relief activities in the United States in the wake of the September 11, 2001, terrorist attacks, employees of Nomura Group companies worldwide made contributions to the foundation.

Co-sponsorship of the National Health and Welfare Festival for Seniors

The National Health and Welfare Festival for Seniors (also called "The Nenlympics"), co-sponsored by Nomura Securities from the start, commenced in 1988 to commemorate 50 years since the founding of the Ministry of Health and Welfare (the current Ministry of Health, Labor and Welfare). The Tokushima Games in 2003 marked the 16th anniversary of the festival for the elderly, and it has gained nationwide recognition.

The Nenlympics aims to maintain and improve people's health and increase their social participation, mainly among senior citizens, through active and integrated activities associated with health and welfare. Thus, this will help create a society full of human interaction and vitality.



National Health and Welfare Festival for Seniors

UNICEF Foreign Currency Collection Campaign

In response to the UNICEF foreign currency collection campaign, notes and coins have been collected from Nomura Group companies since 2002.

Matching Gift Program (U.K.)

Nomura International plc adopted a Matching Gift program in 1999. In the Matching Gift system, a company commits a certain percentage — often 100% — of employees' donations to a cause. Since then, it has contributed some £130,000 as matching funds. In this manner, companies support the volunteer activities of their directors.



UNICEF Foreign Currency Collection Campaign

Other Activities

EXPO 2005 Aichi Japan

The 2005 World Exposition is scheduled to be held from March 25 to September 25, 2005, in Aichi Prefecture. It will be an international exposition held in Japan based on the Convention Relating to International Exhibitions. It has been 35 years since the World Exposition in Osaka in 1970. The theme of this year's Expo is the relationship between nature and mankind in the 21st century, and relevant proposals will be offered under its official theme, "Nature's Wisdom."

Nomura Securities' Tokai Three Prefecture Project was approved as a partnership project and the following events will be held in Aichi, Gifu and Mie prefectures.



(1) <Project for Assisting Tokai's Three Prefectures in Increasing Technological and Industrial Competitiveness>

This project conducts an analysis of the Tokai area by tracing the historical background and analyzing the regional climate. It focuses on the region's areas of industrial competitiveness and clarifies the interaction of regional industries and how they have attained prosperity. It also aims at proposing the creation of new, dominant industries in the region. Research results were introduced at a seminar entitled "Discover Tokai" in May 2003, and at the Tokai Tri-Prefecture Asset Management Fair held in September of the same year a lecture was given under the theme, "Technological and Industrial Strength of the Tokai Region." In addition, an article entitled "Strengthening the Competitiveness of Local Industries: The Case of an Industrial Cluster Formed by Three Tokai Prefectures" appeared in the February 2004 issue of the Nomura Research Institute Papers.

(2) <Tokai Capital Market Workshop>

At this workshop, representatives from the business, financial, academic and public sectors discuss various topics concerning finance problems associated with business startups in the three prefectures, as well as financial and capital markets overall, to assess the best direction of the capital markets. The outcome will be documented and distributed to all sectors, along with our recommendations. The workshop will be held from a financial and capital markets perspective and in accordance with the concepts of EXPO 2005 in order to further grow in the 21st century.

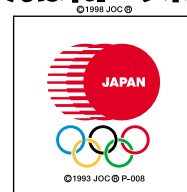
(3) <The Tokai Tri-Prefecture Asset Management Fair>

Populations in the three prefectures express a strong interest in asset management, as evidenced by their considerable personal financial assets. Nomura Group holds the fair to offer a place where individual investors can meet with local corporations and to provide up-to-date investment information. The fair was met with great acclaim from visitors in 2003, and will be held again in 2004 and also in 2005. Nomura Group will thus continue to serve people in the region by offering useful company and investment information.

JOC Official Partnership

In keeping with the Olympic ideals, Nomura Securities Co., Ltd., has supported the Japanese Olympic Committee (JOC) as an official partner since the 2000 Sydney Games. The JOC is responsible for organizing the Japanese delegation to the Olympic Games and it promotes activities to disseminate the Games' ideals across the country. Further, as the Japanese arm of the International Olympic Committee (IOC), the JOC is involved in the protection of sponsor company rights. The JOC's campaign slogan is "Gambare Nippon!" (Let's Go, Japan!).

がんばれ!ニッポン!



JOCオフィシャルパートナー

JCCI Singapore Foundation

The JCCI Singapore Foundation was established by the Japanese Chamber of Commerce and Industry, Singapore (JCCI Singapore) in May 1990. The foundation's mandate is to support the development of arts, culture, sports and education in Singapore. Nomura Singapore Limited (NSL) has continued to support the foundation financially.

Survey on the Costs of Child-Raising ("Angel Coefficient")

The costs of child-raising can have a considerable effect on household budgets. These costs may include school expenses, cram school and other enrichment lesson fees, and savings for a child's future. To measure the costs of child-raising in the family budget, Nomura Securities has conducted a biennial survey since 1989 and released the results using the coined term "Angel Co-efficient." The term has gained wide recognition.

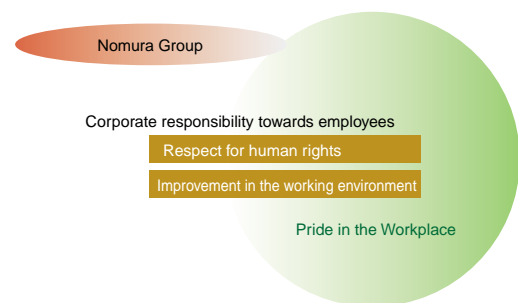
Human Rights and Employment

Nomura Group recognizes the importance of living and working in a comfortable environment and makes every effort to create a better work environment for its employees.

Human resources, that is, our employees, are the foundation of Nomura Group as a corporation. The securities business is built on intellectual creativity. To provide customers with attractive services, every employee must remember that he or she is a member of Nomura Group and must use his or her imagination to understand the customers.

It is a matter of course that the company fosters a positive working environment for such employees. It is also important that Nomura Group continues to be an organization of which each employee is proud.

Such efforts are beneficial to Nomura Group stakeholders. The Group also strives to improve human rights and provide a better working environment for its employees in line with domestic and overseas basic human rights laws and regulations.



A Better Workplace for All Employees

Nomura Group recognizes its responsibility for prioritizing and protecting the human rights of individual employees to the best of its abilities. Nomura Group always responds to the concerns of individual employees.

Communication

Nomura Group believes that active internal communication is essential to motivating employees. We maintain active communication with our intranet and an in-house newsletter that contains information relevant to the entire company, such as messages from the management and important decisions.

Building a Safe Working Environment

We strive to improve the working environment — desk space, lighting, air conditioning, temperature, etc. — so that employees will be able to work comfortably and safely, free from accidents, injuries, or disease. All overseas centers make necessary improvements according to their respective local legal structure.

Maternity, Childcare, and Family Care Leave

Nomura Securities offers its employees more beneficial terms for maternity and childcare leave than as required by Japanese law. Japan's Labor Standard Law provides that a company need not pay a woman before and after childbirth during a given period of maternity leave except as otherwise provided in the internal rules. However, Nomura Securities' rules of employment stipulate that the leave shall be paid. Currently, "The Childcare and Nursing Care Leave Law" defines the term "childcare leave" as leave that a worker takes for the purpose of caring for her or his child younger than one year. But Nomura Securities' internal rules permit such leave for up to two years, more generous terms than legally required. Nomura Securities' internal rules also stipulate that employees may take up to one year of leave to care for his or her family, though the "The Childcare and Nursing Care Leave Law" mandates only up to three months of nursing leave. Nomura Securities' leave standards are higher than the law's.

Preventing Sexual Harassment

Nomura Group set forth its guidelines for preventing sexual harassment in 1999. In addition, three consultation channels have been established within the company. There are now several reporting routes, including verbal, written, telephone, e-mail and third party.

Employment of Impaired Persons

Nomura Group has increased employment of physically impaired persons since the 1970s in accordance with the objective of the relevant law. It recruits throughout the year via its company website, "Hello Work" public employment agencies and various employment-related events. The percentage of physically impaired workers at Nomura Securities as of June 2004 reached 1.94%, compared with the 1.8% required by law.

Nomura Group's Policy on AIDS (HIV infection)

People with Acquired Immune Deficiency Syndrome (AIDS) have suffered from discrimination and prejudice since the discovery of the disease. Nomura Group established its basic policy on AIDS in 1994, a commitment that the Group would strive to eliminate discrimination and prejudice against persons afflicted with AIDS and do its utmost to protect them.

Mental Health Care

Nomura Group is making constant efforts to provide employees a better working environment with particular emphasis on mental health care. Company Health Care Center psychiatrists have offered consultations since 1990, and a mental counseling room opened in 2001 to provide counseling by a full-time counselor. Meanwhile, Nomura Health Dial 24 started in 1995, and offers telephone consultation services by doctors and counselors to employees and their family members around the clock. Moreover, to ensure employees' privacy, a counseling hotline specializing in mental health was established in 2001. Nomura Group has taken various measures to improve the mental health of its employees.

Sexual Harassment Prevention Guide Nomura Group Policy

- Eliminate all forms of sexual harassment from the workplace and create a more positive working environment.
- Sexual harassment disrupts the moral order of the company and is a violation of the rules of employment. In the event that such a violation is judged to have occurred, the relevant Group company shall immediately address, respond to, and take strict action against the incident.
- Subject to local laws, regulations and labor law practices, the complaint's privacy shall be to the extent practically possible, be protected and held in the strictest confidence. Furthermore, the complainant shall not suffer any maltreatment from the Nomura Group in retribution for filing the complaint.
- Nomura Group is conducting awareness training in order to prevent sexual harassment.

Basic Policy on AIDS

1. It is Nomura Securities' policy not to dismiss employees on grounds of HIV infection or any other discriminatory premise.
2. Nomura Securities exercises the utmost care to safeguard the privacy of employees' personal health records, including information related to HIV/AIDS. All information is held in the strictest confidence.
3. Nomura Securities does not carry out HIV antibody tests as part of its regular employee health checks.
4. Nomura Securities works continually to promote correct understanding of AIDS as well as prevent infection and dispel prejudice towards individuals suffering from HIV/AIDS.
5. Nomura Securities is committed to making the company a place where individuals suffering from HIV/AIDS can work with peace of mind.
6. Nomura Securities has set up an AIDS committee and counseling service.

Human Rights Education

Human resources — our employees — are Nomura Group's most important assets. It is important for the Group to work proactively to raise human rights awareness in order to respect individual human rights and prevent discrimination and harassment.

Purpose of Human Rights Awareness Training

All Nomura Group board members and employees are committed to raising awareness of corporate social responsibility. Mandatory human rights training, based on the Group's principle to never allow discrimination, is held regularly. The training also raises staff awareness that human rights concerns all.

In-House Training Programs

Nomura Group established the Human Rights Education Committee and holds training programs at least once a year for all Nomura Group board members to raise their human rights awareness. Additionally, Nomura Group proactively raises staff human rights awareness and provides training programs, mainly through Nomura Securities' Human Rights Education Committee. The programs address a variety of human rights issues, from *Dowa* and foreigners in Japan to the handicapped and sexual harassment.

Fiscal 2003 results

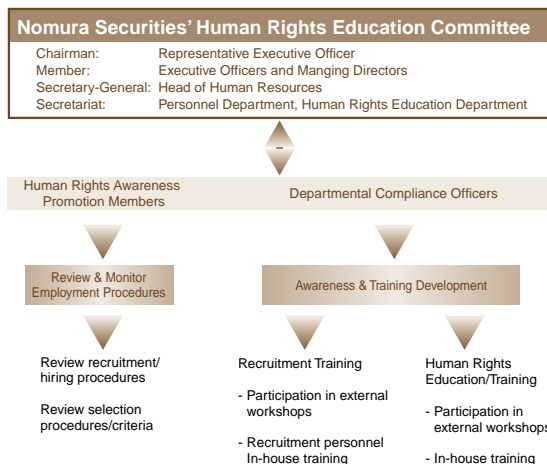
Number of programs held: 27

Number of participants: 10,000 or more

External Training Programs

It is important to solicit a variety of opinions concerning human rights affairs. Staff members, primarily from the Human Rights Education Department and the Human Rights Awareness Promotion Members of each department and branch office, as well as other relevant sections, have participated in government, human rights organization, and other group seminars and other events.

Number of programs participated in fiscal 2003: 52



In-House Training Programs

New General Managerial Career employee Training

1. Why does Nomura address human rights issues? (presentation and discussion on human rights issues)
2. Aids awareness

Compliance Officer Training

1. Work environment
2. Sexual/power harassment

Branch office human rights Training

1. Discussion on personal information protection

New Executive Director Training

1. Developments in human rights
2. Nomura's approach to human rights and specific issues
3. Role of Executive Directors in human rights

New Managing Director Training

1. Developments in human rights
2. Nomura's approach to human rights issues
3. Human rights issues up close
4. Role of Managing Directors in human rights

Training for new Assistant Vice Presidents

1. Developments in human rights
2. Nomura's approach to human rights and specific issues

New Branch Office Manager Training

1. Human rights issues up close
2. Why does Nomura address human rights issues?
3. Societal human rights
4. Nomura's human rights education programs
5. Issues regarding human rights and etiquette in the work place
6. Role of Branch Office Managers in human rights

Human Rights Education Promotion Committee Training

1. Lecture
2. Human rights issues up close
3. Implementing human rights training at branch offices

Nomura Group Companies Information Exchange

1. Developments in human rights
2. Nomura's approach to human rights
3. Information exchange among Group companies

Human rights training for Nomura Group Board Members

1. Lecture on human rights



Training Program for board members

Employment

Nomura Group understands the financial and securities industry employment conditions of each country and region in which it operates, including recruitment and retirement practices. It must also observe employment contract practices. With this in mind, Nomura Group is ensuring a positive working environment by providing equal opportunities in unique and appropriate manners.

Employment Structure

Nomura Securities' employment structure consists of the following three job categories.

Sougou Shoku (General Managerial Career)

Employees in this category engage in the Company's core activities, which includes sales, planning, product development and administration. To engage in this type of work, employees must have passed the Series 1 JSDA Sales Representatives Examination. They are required to perform wide-ranging tasks of varying nature and may be required to relocate in Japan or overseas as the need arises.

Ippan Shoku (Assistant Career)

Employees in this category engage in assistant work under the direction of Sougou Shoku employees. As a rule, Ippan Shoku employees are not asked to relocate. Ippan Shoku employees may apply to be a Sougou Shoku employee, subject to certain qualification tests.

Shomu Shoku (General Affairs Career)

Employees engage in limited external work such as driving, delivery, collection, and transportation as well as maintenance of air-conditioning and boilers, branch office facilities, dormitories, recreational facilities, etc. In principle, Shomu Shoku employees are not required to relocate.

In addition, Nomura Securities divides sales-related specialists hired under a limited employment contract (i.e., employees generally not relocated and with fixed-term contracts) into the following two categories.

Financial Adviser

Employees in this category offer advice on highly specialized asset management, including equities, mainly to wealthy customers.

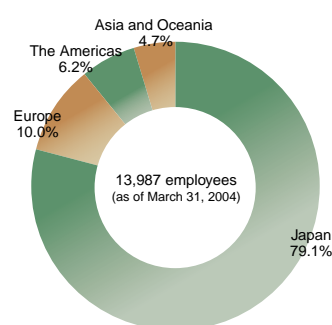
Savings Adviser

Employees in this category offer advice on asset management focusing on savings-type products such as bonds and trusts to a wide range of customers.

Employment Category Transfer System

Employees who enter the Company as Ippan Shoku and wish to later change their employment classification to Sougou Shoku may apply for Employment Category Transfer Candidate Selection. Appropriate candidates are selected to engage in wider-ranging business activities.

Nomura Group employees and percentage by region



Human Resources Development Programs

The securities industry environment changes from day to day. Operations and products diversify, increasing in sophistication and becoming more internationalized. Nomura Securities' Human Resources Development programs have been designed to anticipate such changes. To develop human resources in a systematic manner, Nomura Securities provides three major categories of training — training by job grade, training for new responsibilities and practical business training by purpose. Various programs are offered in each. Further, Nomura Group puts particular emphasis on On-the-Job training (OJT), due partly to its distinction as a securities company. Thus, Nomura Securities cultivates its human resources through comprehensive basic training programs that complement OJT.

Instructor System

One senior employee is appointed to be an OJT instructor assigned for every two newly-hired employees. Nomura Securities has adopted this system to support new employees in order to expand their business knowledge and work capabilities.

Training Application System

Nomura Securities has a system to encourage employees who wish to pursue a more advanced business education. Nomura Securities offers four courses: study abroad, Financial and Economic Research Center analyst training, investment banking division training and fund manager training. Under this system, more than 400 employees have been sent abroad to study since 1961.

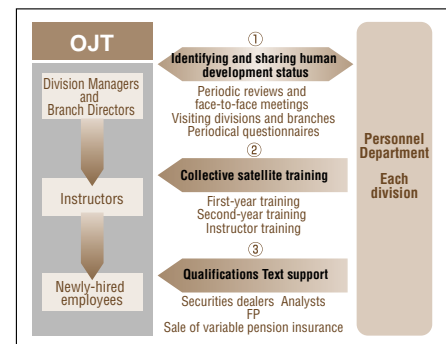
International Business Skill (IBS) Training

(English language training)

An excellent command of English is essential in the securities business with its increasing internationalization. Nomura Securities offers training programs to enhance employees' skills in practical English. Approximately 40 employees participate in these programs every year.

Support for Acquisition of Qualifications

Nomura Securities has actively supported employees in their efforts to obtain qualifications as securities dealers, financial planners and securities analysts by offering specialized training programs.



Study abroad results from 1961 to 2003			
The United States	Approx. 250	MBAs	Approx. 210
		Law schools and others	Approx. 40
Europe	Approx. 140	The United Kingdom (including MBAs)	Approx. 60
		Germany	Approx. 30
		France	Approx. 20
		Other countries	Approx. 30
Asia	Approx. 40	China (including Taiwan and Hong Kong)	Approx. 30
		Singapore	Approx. 10
Others	Approx. 20		

Sougou Shoku Training System					
Directors	Managing director level	Executive director level	Assistant vice president level		
(Nomura Group) training new directors	New managing director training	New executive director training	Training for new assistant vice presidents	Second-year training First-year training	Training by grade
Training new branch office managers					Respond to directions
Training new General Administration Managers					
Training instructors					
Training to qualify employees to be variable pension insurance salespeople					Practical business training by purpose
FP (financial planner) training					
Core-skill training					
IB sector brush up training					Language training for studying abroad
Presentation training (English)					
Training for employees being transferred overseas for the first time					
IBS training					

Offering Products

Nomura Group carefully analyzes the financial products it offers its customers and provides these customers with accurate information and easy-to-understand instructions.

Nomura Group considers customers' knowledge of financial products, their financial status, and other factors before fully explaining appropriate product choices. This ensures that customers are able to make wise investment decisions. Our approach to soliciting business is in full compliance with the Securities Exchange Law and other relevant laws and regulations governing each of the Group's business lines.

Nomura Group is thus committed to providing services worthy of a financial/securities company in developing products, providing information, and soliciting business.

Specific approaches by Nomura Securities

The specific approaches taken toward developing products, providing information, and soliciting business at Nomura Securities, a core subsidiary of Nomura Group, are described below.

Developing products

Nomura Securities has established a range of design guidelines for its product head offices to follow in developing attractive products. Nomura Securities exercises due diligence with regard to the schemes and propriety of private subscription products developed by other companies and sold by Nomura Securities.

Providing information

Nomura Securities provides accurate product information and explains product risk detail to customers, in keeping with the Law on Sales of Financial Products and other relevant laws and regulations.

Nomura Securities has developed "Guidelines on Preparing Sales Brochures for Customers" in accordance with the Japan Securities Dealers Association's Guidelines Concerning Advertisement Brochures. All written materials provided to customers are carefully examined to ensure they are within the Guidelines.

Soliciting business

In accordance with "Nomura Securities Sales Policies," Nomura Securities consults with customers regarding their investment strategies and experience and financial status prior to introducing appropriate product choices. Nomura Securities is also considerate of sales meeting times, places, and methods in order to ensure utmost customer convenience.

Comprehensive understanding of customer circumstances is particularly important in initial public offering sales and offerings, as stated in the "Basic Policies on Sales." Special guidelines have been established regarding timing and volume of distributions in order to avoid excessive sales efforts on particular customers. Candor and fairness are the principles at the heart of all solicitation and sales efforts.



Nomura Securities Sales Policies

Nomura Securities will comply with the Law on the Sales of Financial Products, the Securities Exchange Law, and other relevant laws, ordinances, and regulations, and will engage in appropriate sales of financial products to customers in accordance with the following guidelines:

1. Nomura Securities will endeavor to engage in appropriate sales efforts and offer sound advice, giving due and full consideration to customers' knowledge of financial products, investment experience, financial status, purpose of investments, and other information learned from the customer.
2. Nomura Securities will endeavor to ensure that customers have a correct understanding of the key points in the Law on Sales of Financial Products and, to enable customers to make suitable investment decisions on their own, provide them with adequate and accurate explanations of product content and risks.
3. Nomura Securities will endeavor to supply accurate information to prevent misunderstandings by customers.
4. Nomura Securities will endeavor to respond promptly and properly to customer inquiries, and fully consider customer opinions and requests when engaging in sales efforts or offering advice.
5. Nomura Securities will give due consideration to times, places, and methods for sales efforts and advice to ensure that customers are not inconvenienced.
6. Nomura Securities will endeavor to improve its in-house education and training to ensure its employees engage in fair sales efforts and offer customers sound advice.
7. Nomura Securities will endeavor to ensure that verbal explanations as well as instructions and explanations offered on the Nomura website and in the Nomura Home Trade Service are easily understandable by customers.

Environmental Activities in the Workplace

All employees of Nomura Group make the utmost effort to minimize the environmental impact of each business site's operations.

Nomura Group conducts business through a network of 129 domestic and overseas offices in 28 different countries. Its directors and employees are always aware of the impact their business activities may have on the environment and make every effort to minimize that impact by taking responsible actions. Currently, a Group-wide environmental management system is being designed to add a wider perspective to our varied efforts. The goal is primarily to further reduce energy consumption and waste generation.

Measures to prevent global warming

The greatest environmental impact by our business operations is from electricity consumption. We take every measure feasible to reduce energy consumption in the workplace.

Measures to reduce electricity consumption

We minimize our energy consumption by encouraging behavioral change and careful equipment selection. Lighting fixture and air conditioner time and areas of usage and settings are limited. We select products with less environmental impact as a way to promote "Green Procurement."

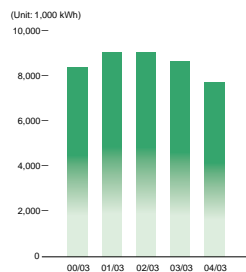
Measures to reduce fuel consumption

Transportation is of course integral to business functions. To reduce fuel consumption and environmental impact, Nomura Group actively promotes public transportation use for daily business activities and staff commuting. Forty-seven percent of Nomura Securities' leased vehicles as of fiscal 2003 were low-emission models as designated by the Land, Infrastructure and Transport Ministry. More low-emission vehicles as well as hybrid models will replace existing vehicles with the expiration of present leases. In fiscal 2004, we plan to add 20 hybrid vehicles.

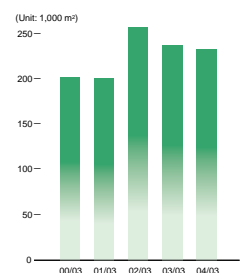
Other measures taken to reduce environmental impact

We are stressing more effective methods of information sharing both for environmental and business purposes. Nomura Securities promotes video conferencing to save long-distance travel time and energy.

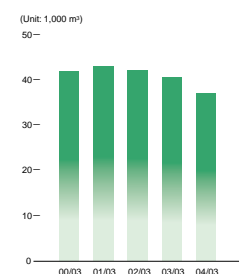
Electricity use



Gas use



Water use



Note: Utility use data are taken from the head office only.

Measures to reduce waste generation

All waste generated at the head office building is thoroughly sorted for maximum recycling in an effort to meet our 'Zero Emissions' goal. The company as a whole is also committed to reducing paper consumption, and as intranet convenience improves, more internal documents are available electronically. In fiscal 2003, we started compiling statistics on industrial, as well as general, waste recycling data.

Environmental considerations for building, interior and furniture materials

We bear recyclability in mind when purchasing office fixtures and furniture. Fixtures and furniture no longer used at their original sites are posted on the intranet so that other departments are aware items are available for reuse. This contributes to the reduction of waste generation. We pay attention to the types of materials and amount of waste renovation construction would generate. This minimizes the impact of the remodeling on the environment.

Promotion of green procurement

Each department has relevant information to guide them in 'Green Procurement,' or selecting more environmentally-friendly goods. We are prioritizing Green Procurement in office automation equipment as well, and prefer environmentally-friendly items such as soy-ink-ready printing equipment. This equipment meets the Top Runner Method, an energy-saving program designed by the Japanese Government.

Policy on hazardous substances

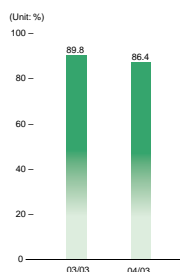
We have processed PCBs and CFCs that had been used on our premise following the applicable laws and regulations.

Sponsorship of the "Metrolink Nihonbashi" free shuttle bus

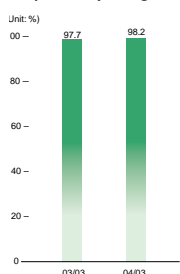
March 2004 saw the start of shuttle bus service in Tokyo's Nihonbashi, where Nomura Securities has its head office. Powered by an electric motor, the bus is an environmentally friendly turbine hybrid electric vehicle. Nomura Securities supports public transportation that shows consideration for the environment, which is why we've joined forces with everyone in the area to support this service.

Nomura Securities' head office has long believed that we should recycle as much of our garbage as we can. We wondered what we could do in addition to recycling paper, and as a first step began recycling unconsumed food from the staff cafeteria in April 2003. In addition, after a careful study of recycling processes all the way to the post-processing stage, we decided to start taking our plastic bottles to a different reprocessing plant. Looking toward the future, we plan to extend our efforts to encompass not just recycling, but also reducing and reusing.

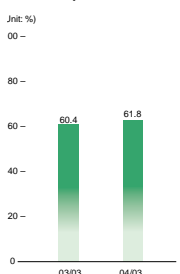
Waste recycling rate



Paper recycling rate



Green procurement rate



Note: Utility use data are taken from the head office only.



Third Party Opinion



Takamitsu Sawa, Director,
Institute of Economic
Research, Kyoto University

I am sometime asked what kind of century the 20th century was. I reply without hesitation that it was “a century of economic development and growth.” Advances, be they scientific, technological, social, or of any other type, were only recognized as “significant” when they had made a contribution to economic development and growth. Yet what we must aim for in the 21st century is a “sustainable affluent society,” a notion that this report repeatedly refers to. “Sustainable development” can be defined as “development that satisfies the needs of the current generation without interfering with the ability of future generations to satisfy theirs.” An important role of the securities industry is to navigate the capital markets so that firms can raise cash to develop their businesses. As Nomura Group navigates these capital markets and develops its own business, I hope it will pay careful attention to whether its actions are likely to contribute to the realization of a “sustainable affluent society.”

Until now, “affluence” has been measured in terms of income or wealth. In the 21st century, however, it will likely be defined in terms of a diverse set of factors such as the environment, education, culture and the arts. Although Japan has achieved international prominence in terms of GDP per head, the adoption of these new 21st-century standards for measuring affluence mean that continued reliance on this yardstick will lead to a sharp decline in its position relative to other developed nations. Nomura Group has kept a close eye on the end of the 21st century for a long time, laying the foundations for Japan as an “affluent society” through steady and continued support for education, culture and the arts. I greatly respect its magnificent accomplishments, and hope that it will continue such endeavors in the future.

At the beginning of this report, President & CEO Koga states, “the securities industry must respond to change.” Whereas the 20th century was characterized by the search for utopia, the 21st century will likely be a “utopia-less society.” Changes will be frequent, and the success or failure of individuals, companies and nations will hinge on the ability to anticipate them accurately and adapt rapidly. As firms and nations adapt to more and more changes, they will acquire

the ability to adapt automatically, and it is this that will drive the transformation towards a utopia-less society in the 21st century. Globalization, a word used throughout this report, is a phenomenon that has been sweeping the planet since the 1990s. Resisting the tides of change is futile, and finding a way to adapt to the changes globalization is bringing is an urgent task for companies these days. The fact that this report is filled with strategies for responding to globalization attests to its foresight, though such foresight is probably only natural when you consider the nature of Nomura Group’s business.

This report is entitled “CSR Report 2004,” which reflects the recent widespread use of the term CSR (Corporate Social Responsibility) in the context of corporate governance. Yet it is not always clear what exactly this term means. The GRI (Global Reporting Initiative) guidelines referred to in this report recommend that organizations evaluate their sustainability performance using the “triple bottom line” of an economic, social and environmental reporting framework. Although several companies have used these guidelines to produce CSR reports, the reports often do no more than report the “good” performance of the companies concerned. Reports that delve into organizational and social sustainability are extremely rare. The reality is that it is difficult to judge whether the data contained in many reports is just a list of virtuous deeds or a true reflection of a built-in organizational approach that spans the entire group, or whether measures are being taken to foster a positive attitude toward environmental protection across the whole group.

One of the strengths of this report is that it demonstrates that Nomura Group has made the admirable decision to disclose all information it possibly can and then listen seriously to the opinions of readers. As a reader, I was particularly impressed with the statement by President & CEO Koga himself that future self-innovation should continue to be shaped by information disclosure and third-party opinions.

In his work *Rational Fools*, Amartya Sen, winner of the 1998 Nobel Prize for economics, contended that companies and households are not “rational fools” whose sole focus is maximizing their own welfare

(utility). Commitment and sympathy are, he argued, equally important factors governing their behavior. The recent resurgence of interest in corporate social responsibility, a field that was important in the 1970s before largely disappearing from view, clearly demonstrates that firms need to attach far greater importance to the principles of commitment and sympathy in the 21st century.

External Evaluation

Corporate Governance Index (ISS data; July 6, 2004)

Nomura Holdings is included in the top 9.3% of all companies adopted for the MSCI EAFE Index, and ranks highest as a Japanese entity. Within the financial sector, Nomura appears in the top 8.7%.

Ranking by index: 90.7

Ranking by country: 100.0

Ranking by industry: 91.3

Corporate Governance Index (Japan Corporate Governance Research Institute, Inc.; 2003)

Nomura Holdings is ranked second, with 72 points (highest, 73 pts; lowest, 12 pts; average, 37.6 pts).

Rating information (as of July 14, 2004)

	Nomura Holdings		Nomura Securities	
	Long-term	Short-term	Long-term	Short-term
S&P	BBB	A · 2	BBB+	A · 2
Moody's	Baa1	P · 2	A · 3	P · 2
R&I	A+	a · 1	A+	a · 1
JCR	AA	—	AA	—

Global Reporting Initiative (GRI) Content Index

1. Vision and Strategy		
1.1	Statement of the organization's vision and strategy regarding its contribution to sustainable development.	p1
1.2	Statement from the CEO (or equivalent senior manager) describing key elements of the report.	p1
2. Profile		
Organizational Profile		
2.1	Name of reporting organization.	table2
2.2	Major products and/or services, including brands if appropriate.	table2
2.3	Operational structure of the organization.	p6
2.4	Description of major divisions, operating companies, subsidiaries and joint ventures.	p6
2.5	Countries in which the organization's operations are located.	table2
2.6	Nature of ownership; legal form.	table2
2.7	Nature of markets served.	p7
2.8	Scale of the reporting organization.	p18
2.9	List of stakeholders, key attributes of each and relationship to the reporting organization.	p7
Report Scope		
2.10	Contact person(s) for the report, including e-mail and web addresses.	p47
2.11	Reporting period (e.g., fiscal/calendar year) for information provided.	table2
2.12	Date of most recent previous report (if any).	—
2.13	Boundaries of report and any specific limitations in its scope.	table2
2.14	Significant changes that have occurred since the previous report.	—
2.15	Basis for reporting that can significantly affect comparability from period to period and/or between reporting organizations.	—
2.16	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	—
Report Profile		
2.17	Decisions not to apply GRI principles or protocols in the preparation of the report.	—
2.18	Criteria/definitions used in any accounting for economic, environmental and social costs and benefits.	—
2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental and social information.	—
2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness and reliability that can be placed on the sustainability report.	p8
2.21	Policy and current practice with regard to providing independent assurance for the full report.	p4
2.22	Means by which report users can obtain additional information and reports about economic, environmental and social aspects of the organization's activities, including facility-specific information (if available).	p47
3. Governance Structure and Management Systems		
Structure and Governance		
3.1	Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization.	p11
3.2	Percentage of the board of directors that are independent, non-executive directors.	p11
3.3	Process for determining the expertise board members need to guide the strategic direction of the organization, including issues related to environmental and social risks and opportunities.	
3.4	Board-level processes for overseeing the organization's identification and management of economic, environmental and social risks and opportunities.	p10-15
3.5	Linkage between executive compensation and achievement of the organization's financial and non-financial goals (e.g., environmental performance, labor practices).	
3.6	Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social and related policies.	p10-15
3.7	Mission and values statements, internally developed codes of conduct or principles and policies relevant to economic, environmental and social performance and the status of implementation.	p10-15
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors.	
Stakeholder Engagement		
3.9	Basis for identification and selection of major stakeholders.	p7, p10-15
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group.	p10-15
3.11	Type of information generated by stakeholder consultations.	
3.12	Use of information resulting from stakeholder engagements.	
Overarching Policies and Management Systems		
3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	p10-15
3.14	Externally developed, voluntary economic, environmental and social charters, sets of principles or other initiatives to which the organization subscribes or which it endorses.	
3.15	Principal memberships in industry and business associations, and/or national/international advocacy organizations.	p47
3.16	Policies and/or systems for managing upstream and downstream impacts.	
3.17	Reporting organization's approach to managing indirect economic, environmental and social impacts resulting from its activities.	p18-41
3.18	Major decisions during the reporting period regarding the location of, or changes in, operations.	—
3.19	Programs and procedures pertaining to economic, environmental and social performance.	p18-41
3.20	Status of certification pertaining to economic, environmental and social management systems.	
Economic Performance Indicators		
EC1.	Net sales.	p18
EC2.	Geographic breakdown of markets.	see annual
EC3.	Cost of all goods, materials and services purchased.	see annual
EC4.	Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements.	see annual
EC5.	Total payroll and benefits (including wages, pension, other benefits and redundancy payments) broken down by country or region.	see annual
EC6.	Distributions to providers of capital broken down by interest on debt and borrowings and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed.	see annual
EC7.	Increase/decrease in retained earnings at end of period.	see annual
EC8.	Total sum of taxes of all types paid broken down by country.	see annual
EC9.	Subsidies received broken down by country or region.	p31
EC10.	Donations to community, civil society and other groups broken down in terms of cash and in-kind donations per type of group.	p31

Environmental Performance Indicators		
EN1.	Total materials use, other than water, by type.	
EN2.	Percentage of materials used that is waste (processed or unprocessed) from sources external to the reporting organization.	
EN3.	Direct energy use segmented by primary source.	p40
EN4.	Indirect energy use.	
EN5.	Total water use.	
EN6.	Location and size of land owned, leased or managed in biodiversity-rich habitats.	p40
EN7.	Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater and marine environments.	
EN8.	Greenhouse gas emissions (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆).	
EN9.	Use and emissions of ozone-depleting substances.	
EN10.	NO _x , SO _x and other significant air emissions by type.	
EN11.	Total amount of waste by type and destination.	p41
EN12.	Significant discharges to water by type.	
EN13.	Significant spills of chemicals, oils and fuels in terms of total number and total volume.	—
EN14.	Significant environmental impacts of principal products and services.	
EN15.	Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed.	
EN16.	Incidents of and fines for non-compliance with all applicable international declarations/conventions/treaties and national, sub-national, regional and local regulations associated with environmental issues.	
Social Performance Indicators		
LA1.	Breakdown of workforce, where possible, by region/country, status (employee/non-employee), employment type (full time/part time) and employment contract (indefinite or permanent/fixed term or temporary). Also identify workforce retained in conjunction with other employers (temporary agency workers or workers in co-employment relationships), segmented by region/country.	p37
LA2.	Net employment creation and average turnover, segmented by region/country.	
(LA12.)	Employee benefits beyond those legally mandated.	p34-35
LA3.	Percentage of employees represented by independent trade union organizations or other bona fide employee representatives broken down geographically OR percentage of employees covered by collective bargaining agreements broken down by region/country.	
LA4.	Policy and procedures involving information, consultation and negotiation with employees over changes in the reporting organization's operations (e.g., restructuring).	p34
(LA13.)	Provision for formal worker representation in decision making or management, including corporate governance.	p10-15
LA5.	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.	p34-35
LA6.	Description of formal joint health and safety committees comprising management and worker representatives and proportion of the workforce covered by any such committees.	
LA7.	Standard injury, lost day and absentee rates and number of work-related fatalities (including subcontracted workers).	
LA8.	Description of policies or programs (for the workplace and beyond) on HIV/AIDS.	p35
LA9.	Average hours of training per year per employee by category of employee.	p38
(LA16.)	Description of programs to support the continued employability of employees and to manage career endings.	p38
(LA17.)	Specific policies and programs for skills management or for lifelong learning.	p38
LA10.	Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and results of monitoring.	p37
LA11.	Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate.	
HR1.	Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results.	p16-17, 34-37
HR2.	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors.	p16-17, 23
HR3.	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring.	p16-17, 23
(HR8.)	Employee training on policies and practices concerning all aspects of human rights relevant to operations.	p36
HR4.	Description of global policy and procedures/programs preventing all forms of discrimination in operations, including monitoring systems and results of monitoring.	p16-17, 36
HR5.	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programs to address this issue.	
HR6.	Description of policy excluding child labor as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring.	
HR7.	Description of policy to prevent forced and compulsory labor and extent to which this policy is visibly stated and applied as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring.	p16-17, 34-35
(HR9.)	Description of appeal practices, including, but not limited to, human rights issues.	p12-13
(HR10.)	Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights).	p12-13
(HR12.)	Description of policies, guidelines and procedures to address the needs of indigenous people.	p16-17
(HR13.)	Description of jointly managed community grievance mechanisms/authority.	p13
SO1.	Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring.	p16-17, 26-33
(SO4.)	Awards received relevant to social, ethical and environmental performance.	p30
SO2.	Description of the policy, procedures/management systems and compliance mechanisms for organizations and employees addressing bribery and corruption.	p16-17
SO3.	Description of policy, procedures/management systems and compliance mechanisms for managing political lobbying and contributions.	
(SO7.)	Description of policy, procedures/management systems and compliance mechanisms for preventing anti-competitive behavior.	p16-17
PR1.	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring.	p16-17
PR2.	Description of policy, procedures/management systems and compliance mechanisms related to product information and labeling.	p39
(PR8.)	Description of policy, procedures/management systems and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction.	p16-17, 19
(PR9.)	Description of policies, procedures/management systems and compliance mechanisms for adherence to standards and voluntary codes related to advertising.	p39
(PR10.)	Number and types of breaches of advertising and marketing regulations.	p39
PR3.	Description of policy, procedures/management systems and compliance mechanisms for consumer privacy.	p15-19
(PR11.)	Number of substantiated complaints regarding breaches of consumer privacy.	—

* "—" stands for N/A.

"see annual" are the items described in the Annual Reports, Financial Statements, and documents submitted to the Securities and Exchange Commission (SEC).

Items printed in lighter shades remain unreported.

Corporate history

1925	Nomura Securities Co., Ltd., established as a spin-off from the Securities Department of Osaka Nomura Bank Co., Ltd.
1926	Begins operations in Osaka as a bond house.
1927	New York office opens.
1938	Obtains approval for stock trading in Japan.
1941	First to obtain approval for offering investment trusts in Japan.
1946	Head office moves to Tokyo.
1948	Registered as a securities firm based on the Securities and Exchange Law.
1949	Becomes a member of the Tokyo Stock Exchange.
1951	Obtains investment trust management firm license under the Securities Investment Trust Law.
1960	Transfers securities operations to The Toyo Trust and Banking Co., Ltd. Nomura Securities Investment Trust Management Co., Ltd. (in October 1997 merged with Nomura Investment Management Co., Ltd., to form Nomura Asset Management Co., Ltd.) established and Nomura Securities transfers securities investment management operations to new company.
1961	Nomura Securities listed on Tokyo, Osaka and Nagoya stock exchanges.
1965	Nomura Research Institute, Ltd., (NRI) (merged with Nomura Computer Systems Co., Ltd. in January 1988) established as a spin-off from the Research Department of Nomura Securities.
1968	Obtains securities firm license under the amended Securities and Exchange Law.
1969	Nomura Securities International Inc. becomes a registered member of the Boston Stock Exchange.
1981	Nomura Securities International Inc. becomes a registered member of the New York Stock Exchange.
1986	Nomura International Limited becomes a registered member of the London Stock Exchange.
1993	The Nomura Trust and Banking Co., Ltd., established.
1997	Financial Research Center established as an in-house research facility spun off from the investment research unit of NRI.
1998	Becomes a securities company registered by the Prime Minister pursuant to an amendment to the Securities and Exchange Law.
2000	Acquires majority shares of Nomura Asset Management Co., Ltd. This company became a subsidiary of Nomura Securities Co., Ltd.
2001	Following reorganization into a holding company, the company is separated into a securities subsidiary, Nomura Securities Co., Ltd., and Nomura Holdings, Inc. as the holding company, and the functions are split accordingly between the two companies.
2001	Nomura lists its American Depositary Shares on the New York Stock Exchange in the form of American Depositary Receipts.
2003	Adopts Committee System.
2004	Nomura Institute of Capital Markets Research established.



Message from the Executive Officer for CSR

Corporate Social Responsibility has come under close public scrutiny of late and many companies in Japan are working to address this issue. Some observers note, however, that there is no clear definition of CSR — and that, under pressure, companies attempt through trial-and-error to address the issue. Against this background, Nomura Group has published this CSR Report 2004 in recognition of the significant responsibilities and greater transparency required of a financial institution. Nomura Group also has a unique standpoint in handling CSR-related investment products as part of its business. Disclosing as much corporate information as possible raises a company's value, benefits stakeholders in a variety of ways, and contributes to a sustainable and prosperous society. We regard this CSR Report 2004 as another tool that will help the public better understand and assess the Nomura Group and its operations.

In the course of preparing this Report and reviewing Group activities vis-à-vis the “triple bottom line” of the economy, the environment, and society, we realized that some issues still need to be addressed. For example, the Group as a whole must address environmental conservation. Achieving a sustainable and prosperous society requires a whole-hearted approach to reducing CO₂ emissions and other environmental

conservation efforts. As the Executive Officer in charge of CSR, I will be taking the initiative in creating and implementing a system to raise awareness among all executives and employees of our Group, including those in our overseas offices. I have also reaffirmed my recognition of the need for proactive policies to address the social aspects of CSR that go beyond mere legal compliance.

In addition to this Report, we are using our website and other forums to inform the public of the measures we are adopting as corporate citizens. The multitude of opinions we have received from stakeholders must be reflected not only in our business activities but also in our approaches to CSR. Professor Takamitsu Sawa, Director of the Institute of Economic Research at Kyoto University, provided us with an invaluable third-party perspective during the preparation of this CSR Report 2004 and we would like to take this opportunity to thank him. Nomura Group intends to incorporate the contents of this Report into its business planning, act honorably as corporate citizens, and fulfill all its social responsibilities.

Hiroshi Tanaka
Senior Managing Director
Nomura Holdings, Inc.

Nomura CSR information can also be found in the following reports as well as on the Nomura Holdings website, www.nomura.com

Nomura Holdings Annual Report (July 2004)
Nomura Group Corporate Citizenship Report (July 2003)
Nomura Group Report (May 2004)

Association memberships

Nomura Group is an enthusiastic participant in the following economic or industry associations:

Nippon Keidanren
Japan Securities Dealers Association
The Investment Trusts Association, Japan
Japan Securities Investment Advisers Association

Corporate Social Responsibility (CSR) Report 2004 Nomura Holdings, Inc.

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<http://www.nomuraholdings.com/jp/company/csr/index.html>

CSR Report 2004

Nomura Holdings, Inc.



(Front Page)

The cover pictorial art is "Futo-zu" ("View of Windstorm and Waves," 22.2cm × 31.4cm) by Shukei Sesson, currently owned by Nomura Art Museum. Shukei Sesson was a painter in the Muromachi Period (1376-1573) and a devotee of Chinese fine art, which was very popular in Japan during this period. "Futo-zu" was handed down through Sesson's patron and lord, the Satake family, and is highly typical of Sesson's work.

It is said that Tokushichi Nomura, Founder of Nomura Securities, had a special fondness for the work, which depicts a small boat propelled by sails proceeding with confidence in the ocean despite a gale force wind and raging waves. This picture represents Nomura's spirit—that we should strive to contribute to society by continuing to embrace the inherent hardships of the securities business as well as its dynamics, and that we should be dedicated to going forward courageously in our true way.

(The Nomura Art Museum)

The Nomura Art Museum was established in 1983 near Nanzen Temple in Kyoto at the foot of Higashiyama Mountain. Many of the museum's collections originally belonged to Nomura Securities Founder Tokushichi Nomura. Also known as "Tokuan," Tokushichi Nomura was a devoted student of Japanese tea ceremony and Noh, or Japanese lyrical drama.

(<http://www.nomura-museum.or.jp/>)